



Rich E. Blanchard

Managing Director, RICH Home Loans LLC
 NMLS: 492461
 1550 Wewatta St., 2nd Floor Denver, CO 80202

Office: 720.619.9900
 Mobile: 303.328.7047
 Fax: 214.975.2874
richblanchard@richhomeloans.com
[View My Website](#)

Healthcare and Public Safety Expenditures Boost Construction in April

Construction spending posted a gain in April, rising 0.9 percent to a seasonally adjusted annual rate of \$1.36 trillion from a revised estimate of \$1.35 trillion in February. **This was a 4.7 percent rate of growth compared to March 2019 when the rate was \$1.30 trillion.**

On an unadjusted basis, total spending increased from \$95.91 billion in February to \$105.19 billion in March and was about \$6 billion higher year-over-year. On a year-to-date (YTD) basis spending increased 6.7 percent, rising from \$278.46 billion in the first three months of 2019 to \$297.02 billion this year.

Total private sector spending rose 0.7 percent for the month, to \$1.02 trillion and was 3.7 percent higher on an annual basis. Spending on an unadjusted basis rose from \$73.94 billion to \$81.29 billion and the YTD total of \$229.57 billion is up 5.7 percent from the same period last year.

Spending on residential construction remained strong, rising from an annual rate of \$537.7 billion in February to \$550.27 billion in March, a gain of 2.3 percent from February and 8.8 percent compared to the previous March. **Single-family construction accounted for \$301.07 billion, 2.0 percent less than in February, but 12.1 percent higher year-over-year.** Multifamily spending was up 2.0 percent to \$60.20 billion, a decline of 4.4 percent compared to the previous March.

For the month, total residential spending increased from \$37.76 billion to \$44.32 billion and was up 10.2 percent on a YTD basis to \$120.04 billion. Single-family spending on an unadjusted basis was about \$3 billion higher than in February at \$23.73 billion and multifamily spending rose slightly more than \$2 billion to \$4.96 billion. For the first three months of the year single-family expenditures gained 12.9 percent to \$64.92 billion while multifamily dipped from \$14.84 billion to \$14.14 billion.

While public construction spending consumes only about one-third of the dollars of its private counterpart, it posted the largest gains in spending, up 1.6 percent for the month and 7.9 percent on an annual basis to \$348.0 billion. Among the **strongest components for the month were expenditures for healthcare (up 8.1 percent), and public safety (5.5 percent).** Public safety was even stronger on a year-over-year basis, gaining 47 percent.

National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	7.08%	-0.05	0.00
15 Yr. Fixed	6.45%	-0.02	0.00
30 Yr. FHA	6.55%	-0.05	0.00
30 Yr. Jumbo	7.25%	-0.04	0.00
5/1 ARM	7.07%	-0.03	0.00

Freddie Mac

30 Yr. Fixed	6.86%	-0.01	0.00
15 Yr. Fixed	6.16%	+0.03	0.00

Mortgage Bankers Assoc.

30 Yr. Fixed	7.03%	+0.09	0.62
15 Yr. Fixed	6.56%	+0.09	0.54
30 Yr. FHA	6.90%	+0.11	0.95
30 Yr. Jumbo	7.11%	-0.01	0.50
5/1 ARM	6.38%	+0.11	0.54

Rates as of: 7/3

Recent Housing Data

		Value	Change
Mortgage Apps	Jun 12	208.5	+15.58%
Building Permits	Mar	1.46M	-3.95%
Housing Starts	Mar	1.32M	-13.15%
New Home Sales	Mar	693K	+4.68%
Pending Home Sales	Feb	75.6	+1.75%
Existing Home Sales	Feb	3.97M	-0.75%

	Value	Change
Residential spending, while only up 0.7 percent from February to \$7.63 billion, jumped 24.6 percent from its March 2019 level. Public sector spending on residential construction YTD is \$1.65 billion, a 29 percent increase from a year earlier.	51	+6.25%

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