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Multifamily a Bright Spot in Otherwise Lukewarm Construction Spending

Construction spending continued to be lukewarm in September, lagging behind both September 2015 and August 2016. Multi-family construction was among the few bright spots along with a **substantial revision** of August's totals.

Total construction spending during the month was estimated at a seasonally adjusted annual rate of **1.15 trillion**, down 0.4 percent from August and 0.2 percent lower than the September 2015 estimate. August's rate however was revised from a loss of 0.7 percent to a 0.5 percent gain. For the year through the end of September total spending is estimated at \$863.2 billion, an increase of 4.4 percent over the same period in 2015.

Analysts polled by *Econoday* were looking for a positive number. The range was an increase of 0.2 percent to 0.8 percent with a consensus of 0.6 percent.

Private construction spending was also down, a rate of \$879.7 billion, 0.2 percent below the August estimate but that August number was revised up from \$871.6 billion to \$881.6 billion. The September figure is 2.4 percent higher than September 2015.

Residential spending was at a seasonally adjusted rate of \$453.7 billion, an increase of 0.5 percent for the month and 0.9 percent on an annual basis. Single-family spending was up 0.1 percent to \$236.6 billion, 2.9 percent below the rate last year. Spending on multi-family construction was 62.1 billion, a 2.0 percent and 9.1 percent improvement over the two earlier periods.

On a **non-seasonally adjusted** basis there was \$42.0 billion spent on residential construction in September; \$22.1 billion of it on single-family housing. On a year-to-date basis residential spending is up 5.5 percent from the same period in 2015, single family spending is 6.0 percent higher and multi-family rose 18.8 percent.

Total **public sector spending** on construction was at an annual rate of \$270.3 billion, down 0.9 percent from the rate in August and down 7.8 percent year-over-year. Public spending on residential construction was \$5.8 billion, a decline of 9.9 percent from August and 14.8 percent from a year earlier.

National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	7.03%	-0.05	0.00
15 Yr. Fixed	6.44%	-0.01	0.00
30 Yr. FHA	6.50%	-0.05	0.00
30 Yr. Jumbo	7.24%	-0.01	0.00
5/1 ARM	7.05%	-0.02	0.00

Freddie Mac

30 Yr. Fixed	6.95%	+0.09	0.00
15 Yr. Fixed	6.25%	+0.09	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: 7/5

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%

Expert Advice | Exceptional Service | Flawless Execution

	Value	Change
30 Year Fixed Rate	Mar 51	+6.25%

With 27+ years of expertise in mortgage banking you can be confident in my knowledge and abilities to deliver a seamless loan transaction while providing personalized service.

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