



Tom Payne

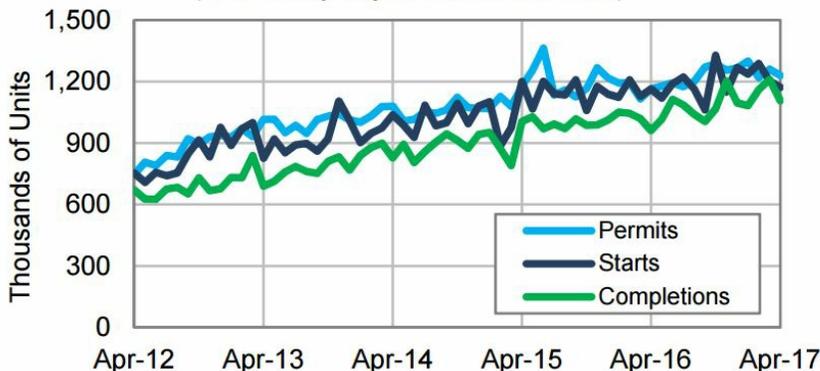
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April Permits, Starts, Slip from March Levels

All three residential construction measures for April were **lower** than those in March. The Census Bureau and the Department of Housing and Urban Development said housing permits, starts, and completions all declined on a month-over-month basis but all remained higher than their April 2016 levels.

New Residential Construction (Seasonally Adjusted Annual Rates)



Source: U.S. Census Bureau, HUD, May 16, 2017

Permits for privately owned housing units were at a seasonally adjusted annual rate of 1,229,000 units, a **decline of 2.5 percent** from the estimated 1,260,000 permits issued in March. Analysts polled by Econoday had expected permits to be much higher, a range of 1,255,000 to 1,290,000, with a consensus of 1,271,000. Permitting for the month did remain above the annual rate of 1,163,000 in April 2016, an increase of 5.7 percent.

Single-family permits were issued at a seasonally adjusted annual rate of 789,000, 4.5 percent lower than the rate in March of 826,000 (revised from 823,000) but up 6.2 percent from a year earlier. Permits for units in buildings of five or more rose 1.5 percent to a rate of 403,000 compared to 397,000 in March and were 4.1 percent higher than the previous April.

On a non-seasonally adjusted basis there were 102,900 permits issued in April, 69,000 for single-family construction. In March the respective numbers were 112,500 and 77,100.

National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	6.89%	0.00	0.00
15 Yr. Fixed	6.33%	+0.01	0.00
30 Yr. FHA	6.33%	+0.01	0.00
30 Yr. Jumbo	7.05%	0.00	0.00
5/1 ARM	6.58%	0.00	0.00

Freddie Mac

30 Yr. Fixed	6.77%	-0.09	0.00
15 Yr. Fixed	6.05%	-0.11	0.00

Mortgage Bankers Assoc.

30 Yr. Fixed	7.00%	-0.03	0.60
15 Yr. Fixed	6.63%	+0.07	0.61
30 Yr. FHA	6.87%	-0.03	0.92
30 Yr. Jumbo	7.13%	+0.02	0.38
5/1 ARM	6.22%	-0.16	0.60

Rates as of: 7/22

Recent Housing Data

		Value	Change
Mortgage Apps	Jul 10	206.1	-0.19%
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%

Housing starts in April were at a seasonally adjusted annual rate of 1,172,000 units, a 2.6 percent decline from March. The original March estimate of 1,215,000 starts was revised down to an annual rate of 1,203,000. The April estimate was 0.7 percent higher than the estimate a year earlier of 1,164,000.

Analysts were way wide of the mark. They expected starts to be in the range of 1,215,000 to 1,290,000. Their consensus was 1,256,000

Single family starts did eke out a gain, up 0.4 percent in March to a seasonally adjusted rate of 835,000, remaining 8.9 percent ahead of the previous April. The March estimate of 832,000 was an upward revision from an original estimate of 821,000. Multifamily starts were at the rate of 328,000, falling 9.6 percent from March and were 14.6 percent below the April 2016 start rate.

On a non-adjusted basis, construction was initiated on 106,600 residential units, up from 97,600 a month earlier. Single family starts increased from 69,900 to 78,000.

Completions were at a seasonally adjusted rate of 1,106,000, 8.6 percent below the estimated 1,210,000 rate in March but 15.1 percent higher than in April 2016. Single family completions, at 784,000, represented a loss of 4.5 percent for the month but were up 10.1 percent year-over-year. While multi-family completions were up by 24.6 percent from a year earlier, to an annual rate of 299,000 units, they lost 19.8 percent compared to March.

On a non-adjusted basis, there were 84,200 housing units completed in April compared to 93,700 in March. Single-family completions decreased from 63,500 to 60,700.

At the end of the reporting period there were 1,072,400 housing units under construction, an estimated 450,900 of which were single family units. There were 138,800 permits that had been issued but under which construction had not yet begun, 75,500 of them for single family units. All numbers are given on an unadjusted basis.

Permits in the **Northeast** were down by 10.3 percent from March but were still up 13.0 percent year-over-year. Housing starts plunged by 37.3 percent and 34.2 percent for the two periods. Units were completed at a rate 27.0 percent lower than in March and 1.2 percent short of the year-earlier estimate.

In the **Midwest** permits exceeded the previous month and prior year by 1.0 percent and 1.6 percent respectively and housing starts surged by 41.1 percent compared to March. Year-over-year starts were up by 1.0 percent. Completions were down by 0.5 percent for the month but were 24.8 percent higher than the previous April.

The **South** saw a 7.4 percent decline in permitting compared to March and permits were 0.5 percent lower than in April 2016. Housing starts also fell, down 9.1 percent for the month and 1.5 percent on an annual basis. Completions fell by 7.9 percent from March to April but ran 8.3 percent ahead of a year earlier.

Permitting in the **West** increased by 8.7 percent from March and by 18.3 percent on an annual basis. Housing starts were up 5.4 percent and 23.4 percent respectively. Completions were down by 11.8 percent for the month but remained 9.6 percent higher on an annual basis.

Update: Buyer Broker Agreement

After requests from real estate companies, a nonprofit consumer watchdog group the Consumer Federation of America has developed a list of factors to consider when creating a buyer contract in preparation for upcoming practice changes in the industry.

CFA released its "Proposed Criteria for Evaluating Home Buyer Contract Forms" on Tuesday. The 15 criteria focus on the contracts' form – whether the documents are readable and understandable – and content – whether they are fair to homebuyers.

- the document's expiration date (CFA recommends buyers asks for a three-month contract and never sign one longer than six months)
- the right to terminate the contract
- the disclosure that compensation is negotiable
- the broker's compensation clearly stated and that the buyer broker can't receive additional compensation for facilitating a sale
- that any additional fees, such as for showing a home, will be deducted from the broker's commission if there is a successful sale
- that the commission is due only if there is a successful closing
- that buyers have an obligation – for no longer than 60 days, CFA recommends – to pay a broker who earlier showed them a home they purchased after the contract ended
- seller concessions paid directly to buyers
- dual agency not pre-approved by the contract
- an explanation of how a broker treats different buyer clients interested in the same property
- that buyers should not be required to first go through mediation or arbitration if they have a complaint

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