



The Arizona Loan Baron

Timothy Baron, VP & Senior Loan Officer at Loan Baron, V.I.P. Mortgage, Inc.
Timothy Baron NMLS #184671 V.I.P. Mortgage, Inc. does 6390 E Tanque Verde Rd. Suite #200 Tucson, AZ 85715

Office: 520-275-5956
Mobile: 520-275-5956
timothybaron@vipmtginc.com
View My Website

Housing Starts Dragged Down by Multi-Family

Residential construction data from October were mixed, but declines were largely due to the multi-family sector. Permitting was up modestly while the other two measures, especially housing starts, took substantial hits.

The joint Census Bureau/Housing and Urban Development report showed starts down 11.0 percent to a seasonally adjusted annual rate of 1,060,000 units compared to 1,191,000 in September. The October rate even fell below the rate a year earlier, down by 1.8 percent from 1,079,000 units. The September rate was revised down as well from the original 1,206,000 estimate released last month.

The October starts missed analysts' expectations by a wide mark. Bloomberg reported a consensus of 1,162,000 with a range of 1,125,000 to 1,200,000 units.

The decline was primarily due to a drop of 25.5 percent in the rate of starts for units in buildings with five or more. Those starts were at a rate of 327,000 units compared to 439,000 units in September. Multi-family starts had been originally reported at 454,000 units in September, thought at that time to be a 17 percent gain compared to August.

Construction was begun on single-family units at a rate of 722,000 units, also a decrease but of only 2.4 percent from the September estimate of 740,000 units. Single-family starts in October were running 2.4 percent ahead of the previous September.

On a non-seasonally adjusted basis construction was started on 90,200 residential units in October. There were 60,100 single family starts and 29,100 multi-family starts compared to 65,000 and 43,800 respectively in September.

The rate of permitting rose by 4.1 percent from September to a seasonally adjusted annual rate of 1,150,000 units, 2.7 percent above the October 2014 estimate and exactly on target with analysts' consensus prediction. September's rate was upgraded slightly from 1,103,000 units to 1,105,000.

Authorizations for construction of single-family units were up 2.4 percent to a rate of 711,000 units from 694,000 (a revision from 697,000 units) and multi-family permitting rose 8.3 percent to 405,000 units.

National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	7.09%	+0.07	0.00
15 Yr. Fixed	6.56%	+0.03	0.00
30 Yr. FHA	6.62%	+0.07	0.00
30 Yr. Jumbo	7.35%	+0.04	0.00
5/1 ARM	7.30%	+0.06	0.00

Freddie Mac			
30 Yr. Fixed	7.02%	-0.42	0.00
15 Yr. Fixed	6.28%	-0.48	0.00

Mortgage Bankers Assoc.			
30 Yr. Fixed	7.08%	-0.10	0.63
15 Yr. Fixed	6.61%	+0.01	0.65
30 Yr. FHA	6.89%	-0.03	0.94
30 Yr. Jumbo	7.22%	-0.09	0.58
5/1 ARM	6.56%	-0.04	0.66

Rates as of: 5/17

Recent Housing Data

		Value	Change
Mortgage Apps	May 15	198.1	+0.51%
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
On a non-adjusted basis there were 97,100 permits issued for residential construction in October, 59,100 of which were for single-family units. The numbers were essentially unchanged from those in September.	51	+6.25%

Housing **completions** were down 6.0 percent from September to a seasonally adjusted annual rate of 965,000, 5.2 percent higher than a year earlier. The September rate of 1,027,000 was a slight downward revision from the 1,028,000 reported last month.

Single-family completions were down 0.5 percent from September's 643,000 estimate to 640,000 and 318,000 multifamily units were completed.

On a non-adjusted basis there were 87,700 units completed in October. Approximately 60,600 were single-family units.

At the end of October there were an estimated 947,300 residential units (non-seasonally adjusted) under construction, the **lion's share** of which, 517,800 units, were in multi-family buildings. Single-family units underway totaled 418,000. There were 141,800 permits outstanding under which construction had not started, 64,200 single family and 78,500 multi-family units.

In the **Northeast** housing starts were up 10.2 percent from September and 40.0 percent from a year earlier. Permits rose 5.9 percent for the month and 6.8 percent on an annual basis. Units were completed at a rate 1.6 percent below that in September but 24.5 percent higher than in 2014.

The **Midwest** posted a 15.0 percent increase in starts on a monthly basis but an 0.6 percent year-over-year decline. Permits rose 2.4 percent and 8.9 percent for the two periods. Units were completed at a rate 30.8 percent below September but unchanged from a year earlier.

Starts in the **South** dropped 18.6 percent from the previous month and 15.1 percent on an annual basis. Permits rose 7.5 percent from September and 5.0 percent from October 2014 while completions were 1.1 percent higher than the previous month and 8.9 percent higher than a year earlier.

In the **West** the rate of construction starts was down 16.2 percent for the month but remained 14.5 percent higher than a year earlier. Permitting fell for the two periods by 2.6 and 7.0 percent. Completions in the West rose 0.4 percent but were down 5.1 percent from the previous year.

The Arizona Loan Baron

The Arizona Loan Baron is at your service!

I would appreciate the opportunity to share with you my extensive mortgage lending experience. My client focused approach has allowed me to build long lasting relationships and partnerships throughout Arizona. I know this market. I live here and work here. Please allow me the opportunity to be your mortgage lending partner.

The Arizona Loan Baron 