



Mid Valley Financial

Mortgage Banker, Since 1985

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Construction Indicators Slide, Housing Starts Suffer

After posting unexpectedly high numbers in June, all three **residential construction indicators lost ground in July**, and one, housing starts, is now running below its year-ago rate. While the softening is primarily in the multi-family sector, starts have declined in four of the last five months and permits in three of the last four.

The U.S. Census Bureau and the Department of Housing and Urban Development said privately owned housing starts were at a seasonally adjusted annual rate of 1,155,000 units, a 4.8 percent decline from June's estimate of 1,213,000, which was revised down from 1,215,000. July starts were down 5.6 percent from the 1,223,000-unit annual rate in July 2016.

Starts **failed to meet even the lowest predictions** of analysts polled by *Econoday*. Their estimates ranged from 1.174 million to 1.250 million with a consensus of 1.225 million.

Single family starts were at a rate of 856,000, down 0.5 percent from a month earlier but 10.9 percent higher than the same month in 2016. **Multifamily starts** plunged 17.1 percent to 287,000 units and are down 35.2 percent year-over-year.

On a non-seasonally adjusted basis there were 109,000 residential starts in July compared to 116,300 in June. **Single family starts** dropped from 84,100 to 81,100.

The performance of **permits** was like that of housing starts, down 4.1 percent to a seasonally adjusted annual rate of 1,223,000 units. Permits however held on to an annual increase of 4.1 percent. The June permitting rate was revised higher, from 1,254,000 to 1,275,000.

Analysts had expected permits to decline, with a consensus estimate of 1.246 units. Here again the drop was outside the low end of the range of 1.230 to 1.270 million units.

Authorizations for single-family homes were at a seasonally adjusted rate of 811,000, unchanged from June and 13.0 percent higher on an annual basis. Multi-family permits were 12.1 percent lower than the previous month at 377,000. This was down 11.7 percent year-over-year.

On a non-adjusted basis, there were 100,400 permits issued compared to 127,900 in June. Single-family permits fell from 81,800 to 69,100.

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 News Update

Housing units were completed in July at a seasonally adjusted annual rate of 1,175,000, a decline of 6.2 percent from the June estimate of 1,252,000. June completions were originally estimated at 1,203,000. July completions were 8.2 percent higher than a year earlier.

Single family homes were completed at a rate of 814,000, down 1.6 percent from June but 8.8 percent ahead of the previous July. Multifamily completions fell by 14.9 percent for the month but were 6.9 percent higher for the year.

On a non-adjusted basis, there were 100,500 housing units completed in July compared to 111,200 in June. Single family completions fell from 71,700 to 66,800.

At the end of the reporting period there were 1,089,200 estimated units **under construction** nationwide. The number of single family units in process is estimated at 485,000. There were 143,700 permits issued under which no construction had started; 75,700 of those were for single-family homes.

Housing starts in the **Northeast** fell 15.7 percent from June and were 3.7 percent lower than a year earlier. Permits were higher by 19.2 percent month-over-month and 17.0 percent on an annual basis. Completions dropped by 24.3 percent from June's rate, but remained 13.5 percent higher than the previous July.

In the **Midwest**, there was a decline of 15.2 percent in housing starts, but the rate remained 14.0 percent higher on an annual basis. Permits were also lower, down 17.4 percent and 9.0 percent for the two respective periods. There were 18.1 percent fewer units completed than in June, but the rate was 1.1 percent higher July-to-July.

Starts in the **South** eked out a 0.6 percent increase from June and were down 16.5 percent year-over-year. Permits dipped 1.4 percent for the month but were up 1.3 percent on an annual basis. Completions were up 15.3 percent for the month and 18.5 percent higher than a year earlier.

The **West** saw starts down 1.6 percent month-over-month but 6.8 percent above the previous year. The permitting rate fell by 7.9 percent from June but rose by 14.1 percent year-over-year. Completions were 25.4 percent and 8.9 percent lower than their respective earlier numbers.

Who is Mid Valley Financial?

Mid Valley Financial, located in Fresno, CA, is the Central Valley's premier destination for a wide range of residential and commercial real estate loans. Our commitment to excellence has made us a trusted partner for property buyers and investors seeking tailored financial solutions.

****Why Choose Us:****

With a track record spanning back to our inception in 1985, we have established ourselves as a reliable and innovative lender. We proudly serve properties exclusively within California, having funded loans in all 58 counties of the state. Our deep-rooted experience enables us to navigate complex loan scenarios with expertise and efficiency.

****Our Approach:****

At Mid Valley Financial, we prioritize your financial goals. Whether you're a first-time homebuyer, envisioning your dream property, refinancing an existing mortgage, or looking to tap into your property's equity, our seasoned loan officers offer a wealth of knowledge and over 300 years of collective experience. We ensure that your funds are prepared when you need them, providing a smooth and swift loan process.

****Unlocking Possibilities:****

As one of California's leading direct lenders, we've streamlined the loan process, minimizing obstacles that often deter borrowers. Many of our clients receive approvals within an hour, showcasing our dedication to quick and hassle-free solutions.

****Your Journey with Us:****

Contact the MVF team today and let us put your journey to property ownership on cruise control. Our mission is to empower borrowers while fostering enduring and meaningful relationships. With highly competitive rates, a commitment to transparency, and a dedication to your financial success, Mid Valley Financial is your partner in realizing your real estate aspirations.

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