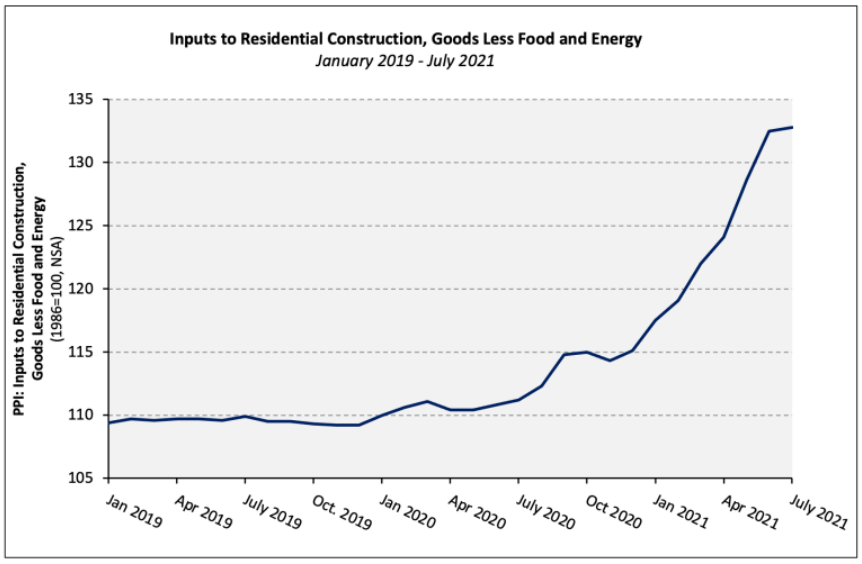
Mid Valley Financial
Mortgage Banker, Since 1985
Broker CA DRE#01206057 | NMLS ID#219418
7644 N. Palm Avenue Fresno, CA 93711

Office: (559) 432-8221
Mobile: (559) 432-8221
info@mvloans.com
View My Website

Construction Material Costs are Setting New Records

Even though lumber prices have recently declined, the National Association of Home Builders (NAHB) says **builders are facing some of the fastest increases of other building material costs in history**. The latest Producer Price Index (PPI) from the Bureau of Labor Statistics (BLS) shows an 0.2 percent increase in the prices of goods used in residential construction (with the exception of food and energy costs) in July. Those costs had increased 3.0 percent in June.

David Logan posted in NAHB's Eye on Housing blog that the BLS index shows those building costs have declined only twice since December 2019 and have climbed by 19.4 percent over the past 12 months. As an aside, when food and energy are included, the index is up 22.3 percent year-over-year.



For the year-to-date (YTD), the index shows a 13 percent increase as compared with only 1.1 percent for the same period last year. The 2020 YTD figures **was apparently not a COVID-19 induced aberration**; Logan says the average change in the index for the same seven month period from 2015 through 2019 was 1.2 percent.

National Average Mortgage Rates



Mortgage News Daily	Rate	Change	Points
30YR Fixed	7.33%	-0.12	0.00
15YR Fixed	6.89%	-0.10	0.00
30YR FHA	6.95%	-0.10	0.00
30YR Jumbo	7.44%	-0.06	0.00
7/6 SOFR	6.81%	-0.19	0.00
30YR VA	6.97%	-0.10	0.00

Rates as of: 11/20

MBS and Treasury

	Price / Yield	Change
MBS UMBS 6.0	99.51	+0.41
10 YR Treasury	4.9403	-0.1033
30 YR Treasury	5.3324	-0.0738

Pricing as of: 11/20 5:59PM EST

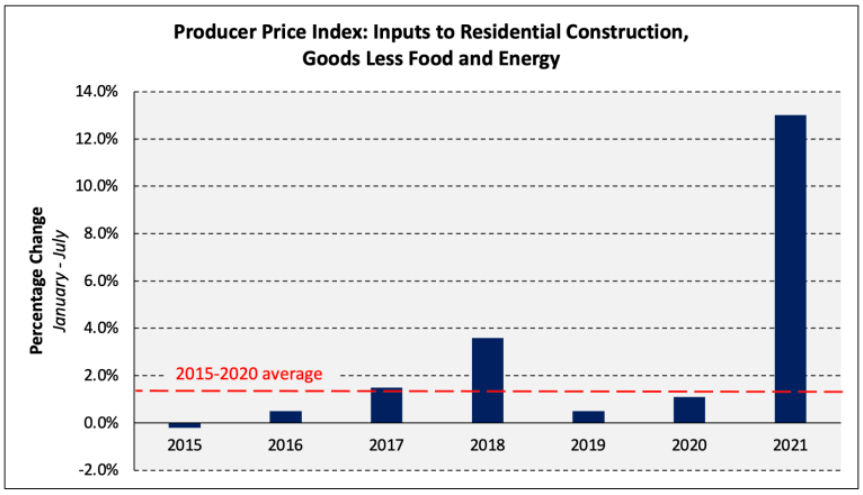
Recent Housing Data

		Value	Change
Mortgage Apps	Nov 11	199.8	-2.35%
Building Permits	Oct	1.3M	-7.5%
Housing Starts	Oct	1.31M	+7.21%
New Home Sales	Sep	676K	-1.17%
Pending Home Sales	Oct	63	-4.69%
Existing Home Sales	Oct	3.99M	+0.25%
Builder Confidence	Nov	25	-13.79%

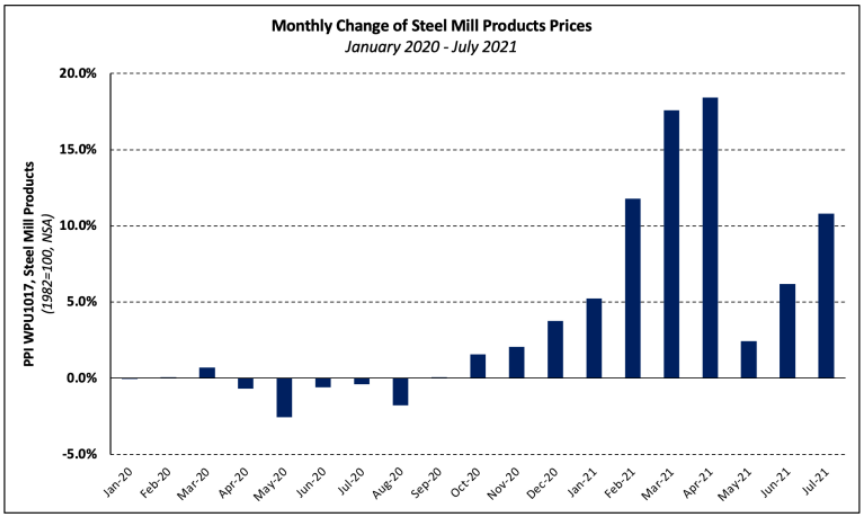
© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: http://housingne.ws/mvloans



Prior to May, the PPI for steel products had accelerated each month for eight months. In fact, Logan says there were only three times in the 80 years ended in 2020 that steel mill prices increased by more than 10 percent in a single month. That has happened four times thus far in 2021. After the respite in May (with only a 2.4 percent increase) the climb resumed in June and July with gains of 6.2 percent and 10.8 percent, respectively.

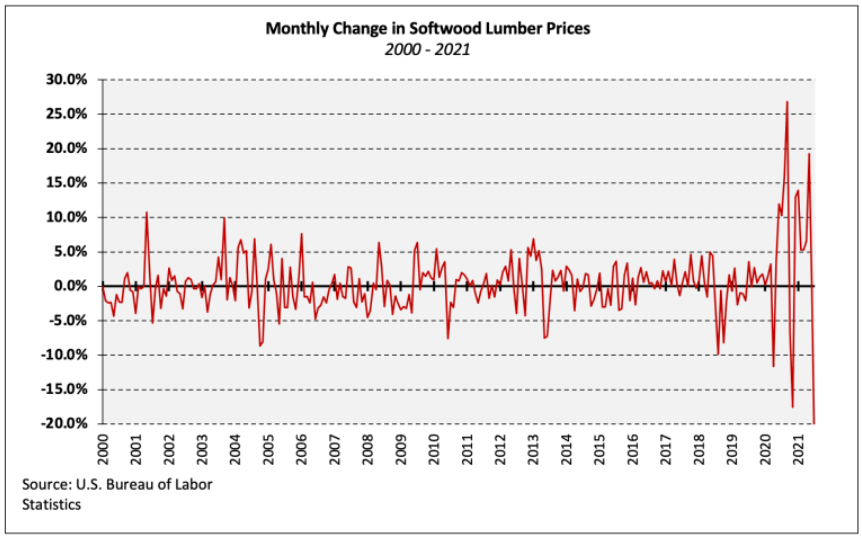


The increase in the price of lumber products has gotten most of the press, however the BLS says softwood prices fell 29.0 percent in July (seasonally adjusted), the largest monthly decline in records dating back to 1947 and nearly three times the previous record (-10.7 percent) in April 1980. Prices are still 71.9 percent higher than in January of last year and Logan says that the volatility of lumber prices is still a concern. **It remains at an all-time high for a 12-month period.**

© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

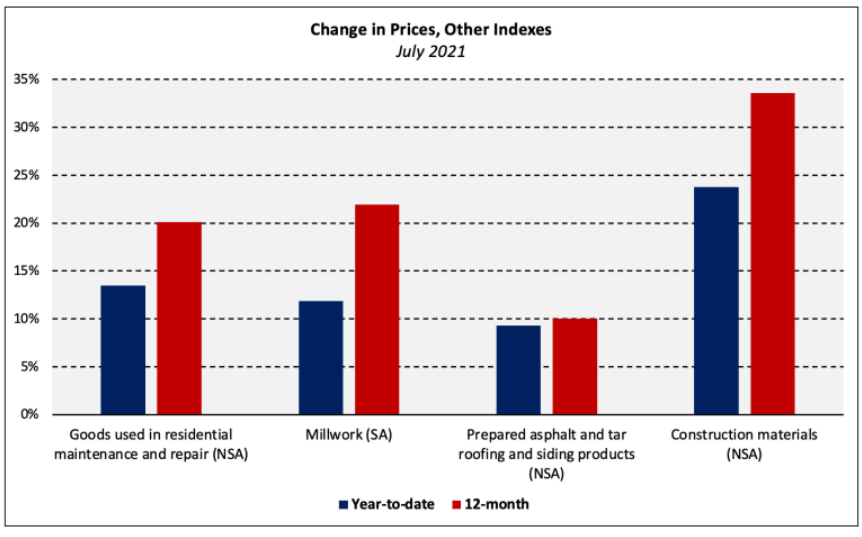
Read or subscribe to my newsletter online at: http://housingne.ws/mvloans



Prices for other products have also increased. Gypsum products were up 2.5 percent in July, 15.8 percent YTD and 21.7 percent (non-seasonally adjusted) over the previous 12 months, the largest such growth since July 2006.

Prices paid for ready-mix concrete were unchanged in July (seasonally adjusted) after increasing 1.1 percent in June. Some of those increases, however, have been problematic on a regional basis. Regional changes have tended to balance out month-to-month but price gains in the Northeast and West have far outpaced those in the Midwest and South over the past four years. **Since July 2017, prices paid for ready-mix concrete have increased by roughly 20 percent** in those two regions but only 9 percent in the Midwest and South.

Logan recaps changes in other building products in the chart below. He notes that the Construction Materials index is particularly salient as Congress nears agreement on an infrastructure package. It is more heavily weighted with products used in large amounts in building "traditional" infrastructure like roads, rail, and bridges and that could drive prices higher for all construction projects.



© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: http://housingne.ws/mvloans

Who is Mid Valley Financial?

Since 1985, Mid Valley Financial has been a trusted partner for complex real estate financing solutions. We specialize in handling unique and challenging loan scenarios, including those with non-traditional income or asset documentation. Our expertise in hard money and private money lending offers quick funding and flexible terms for real estate investors, business owners, and agricultural operators. Whether you need funds for purchasing, renovating, or refinancing properties, our experienced team is here to help.

Beyond hard money lending, we offer a comprehensive suite of competitively priced home loan options, including conventional, FHA, VA, and jumbo loans. So whether you are a first-time homebuyer, looking to secure the family estate or vacation property, or have unique financial circumstances, our experienced team can help you find the best solution.

Our commitment to exceptional customer service and innovative financing solutions has made us one of the leading direct lenders and mortgage brokers in the California real estate market. With a proven track record of success and a focus on building long-term relationships, we're here to help you achieve your financial goals.

Mid Valley Financial MVF

EQUAL HOUSING LENDER

EQUAL HOUSING OPPORTUNITY

© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: http://housingne.ws/mvloans