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Price Concerns Constrain Builder Confidence

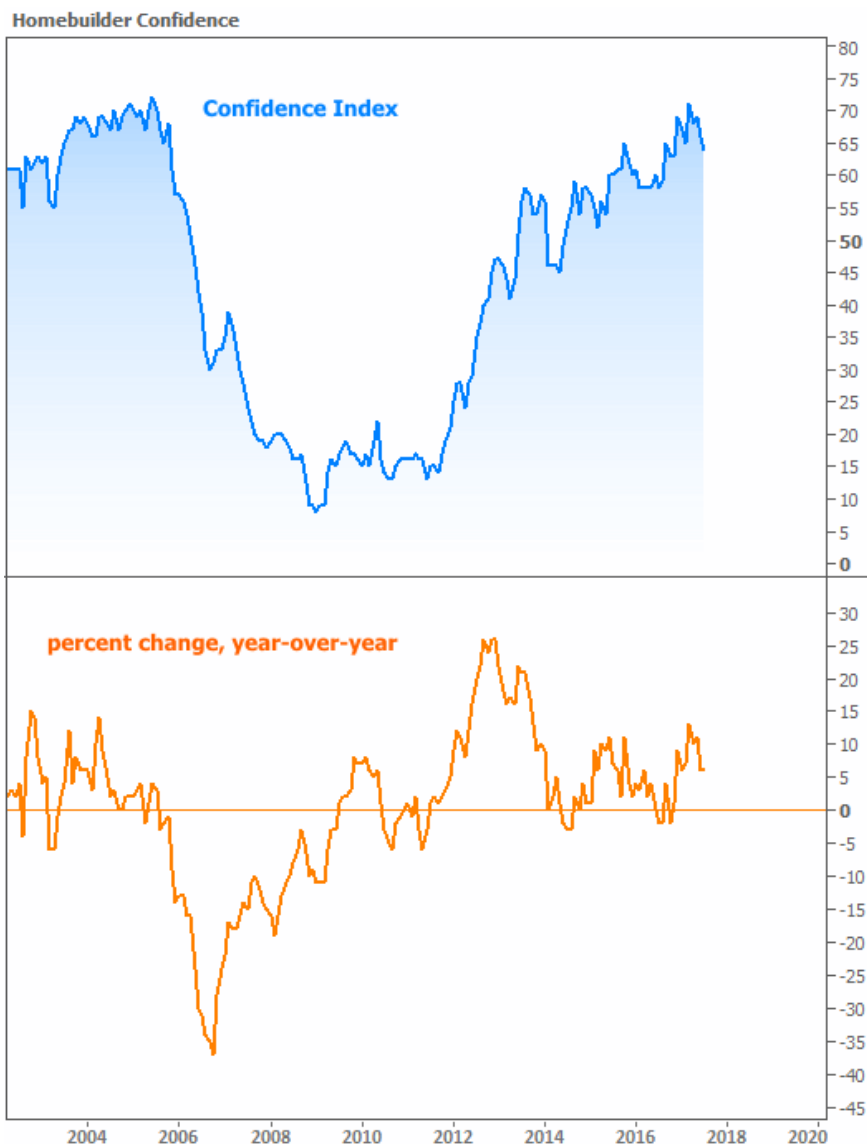
Home builder confidence continues backing down from its post-crisis peak earlier this year, although the National Association of Realtors (NAHB) calls results of its July survey "solid." The NAHB/Wells Fargo Housing Market Index (HMI) dropped 2 points to 64, its **lowest reading since last November**. The June composite index was also revised down, from an original reading of 67. NAHB attributes the slippage to concerns over the costs of construction.

"Our members are telling us they are growing **increasingly concerned** over rising material prices, particularly lumber," said NAHB Chairman Granger MacDonald. "This is hurting housing affordability even as consumer interest in the new-home market remains strong."

"The HMI measure of current sales conditions has been at 70 or higher for eight straight months, indicating strong demand for new homes," said NAHB Chief Economist Robert Dietz. "However, builders will need to manage some increasing supply-side costs to keep home prices competitive."

Recent Housing Data

		Value	Change
Mortgage Apps	Apr 24	196.7	-2.67%
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%
Builder Confidence	Mar	51	+6.25%



Analysts had expected the index to increase to 68. The actual results were at the bottom end of the 64 to 69 range of estimates.

The HMI is constructed from responses to a survey NAHB has conducted for more than 30 years among its new-home builder members. They are asked to provide their perceptions of current single-family home sales and sales expectations for the next six months as "good," "fair" or "poor." The survey also asks builders to rate traffic of prospective buyers as "high to very high," "average" or "low to very low." Scores for each component are then used to calculate a seasonally adjusted index where any number over 50 indicates that more builders view conditions as good than poor.

All three HMI components registered losses in July. The current sales condition component and the index charting sales expectations for the next six months each fell 2 points to 70 and 73 respectively. Meanwhile, the component measuring buyer traffic slipped one point to 48.

Indices for three of the four regions also lost ground. The three-month moving average in the **Northeast** rose 1 point to 47 while the **West** and **Midwest** each edged 1 point lower to 75 and 66, respectively. The **South** dropped 3 points to 67.

Experience and Service

I absolutely love seeing the faces of new homeowners when they have their keys handed to them for the first time! Helping people achieve their dream of homeownership drives me to be my best every day. Honesty and transparency from day one through closing provide the foundation for client trust. I pride myself on providing my clients with the knowledge, experience, and creativity to make informed decisions when buying a home or an investment property.

My clients continually reward me with referrals citing customer service and comfort with the process. By ensuring my clients understand their decisions rather than simply 'do as I say,' they feel empowered and confident each step of the way. I believe in clients-for-life and that begins with the first phone call, reinforced by a successful transaction, and solidified with service after sale.

Currently licensed in Nevada and Arizona, I have been successfully financing residential real estate throughout the USA for the past 15 years using FHA, VA, Conventional, as well as Portfolio funds. Call now to get started!

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