## Casey Sullivan

Loan Officer and Branch Manager, The Sullivan Group at CrossCountry Mortgage

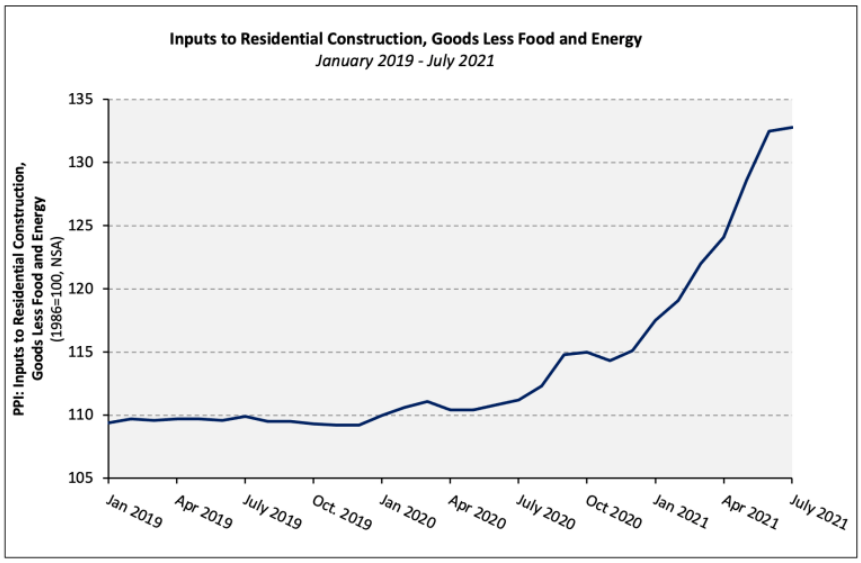
NMLS237837, CrossCounty Mortgage NMLS3029, Branch 2125 Oak Grove Rd. Ste. 328 Walnut Creek, CA 94598

Office: 925-395-4212
Mobile: 925-789-0065
casey@thesullivangrp.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 | 7.29% | -0.06 | 0.00 |
| 15YR Fixed | 6.95% | -0.05 | 0.00 |
| 30YR FHA | 6.91% | -0.08 | 0.00 |
| 30YR Jumbo | 7.55% | -0.05 | 0.00 |
| 7/6 SOFR | 6.88% | +0.02 | 0.00 |
| 30YR VA | 6.92% | -0.08 | 0.00 |

Rates as of: 10/29

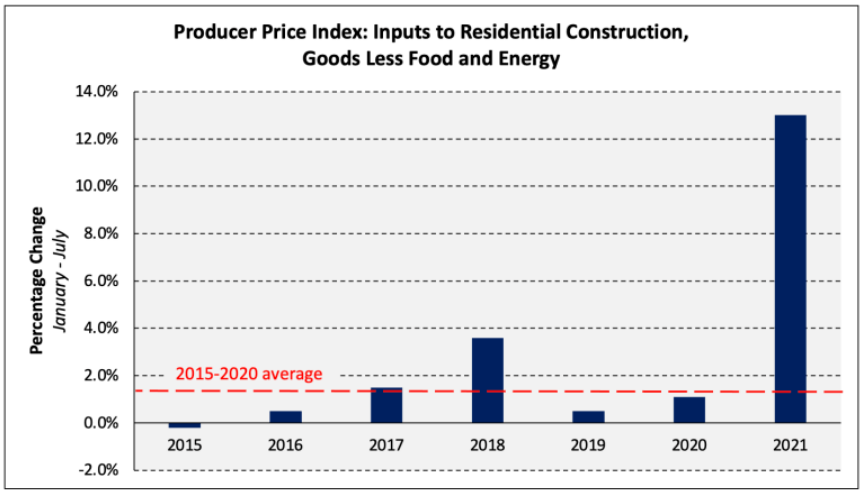
## Recent Housing Data

| | | Value | Change |
|---|---|---|---|
| Mortgage Apps | Oct 14 | 188.6 | -5.32% |
| Building Permits | Sep | 1.4M | +0.43% |
| Housing Starts | Sep | 1.22M | -4.24% |
| New Home Sales | Aug | 684K | +12.69% |
| Pending Home Sales | Aug | 71.2 | 0% |
| Existing Home Sales | Oct | 3.99M | +0.25% |
| Builder Confidence | Oct | 29 | -9.38% |

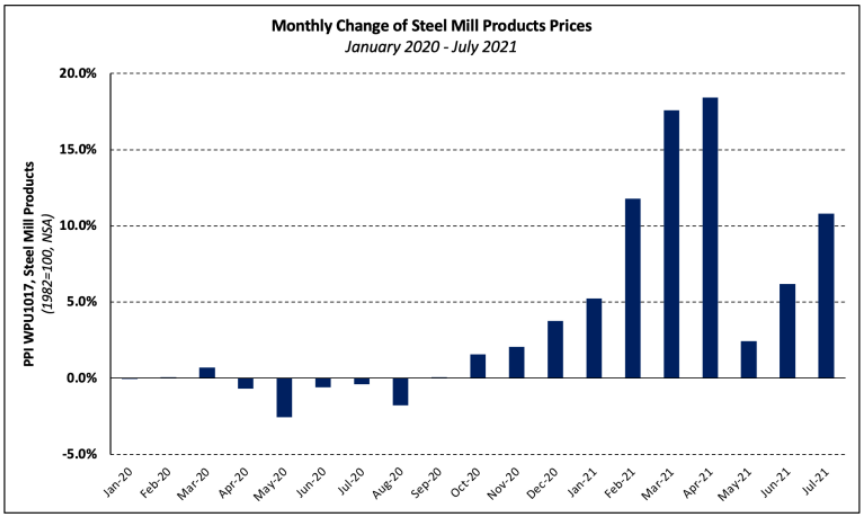
© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

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://mortgageratesupdate.com/caseysullivan




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.

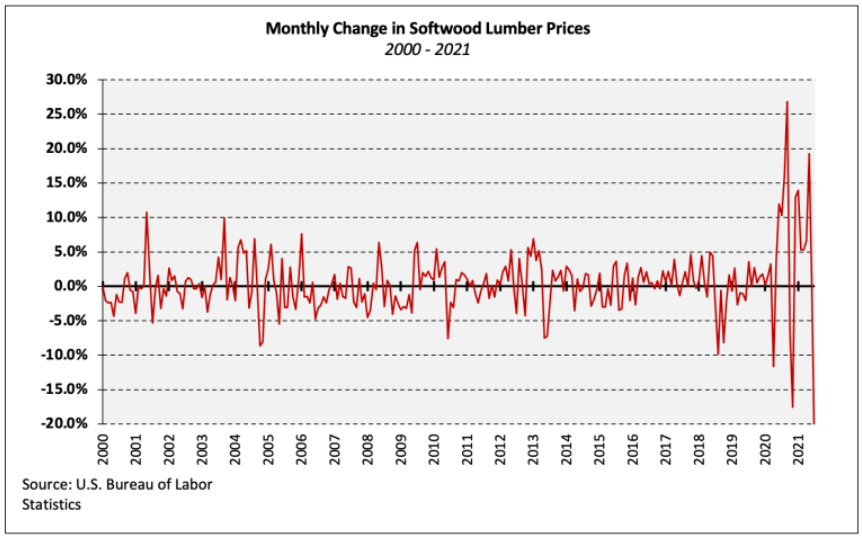



The increase in the price of lumber products has gotten most of the press, however the BLS says softwood prices fell 29.0 percent in July (seasonally adjusted), the largest monthly decline in records dating back to 1947 and nearly three times the previous record (-10.7 percent) in April 1980. Prices 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.

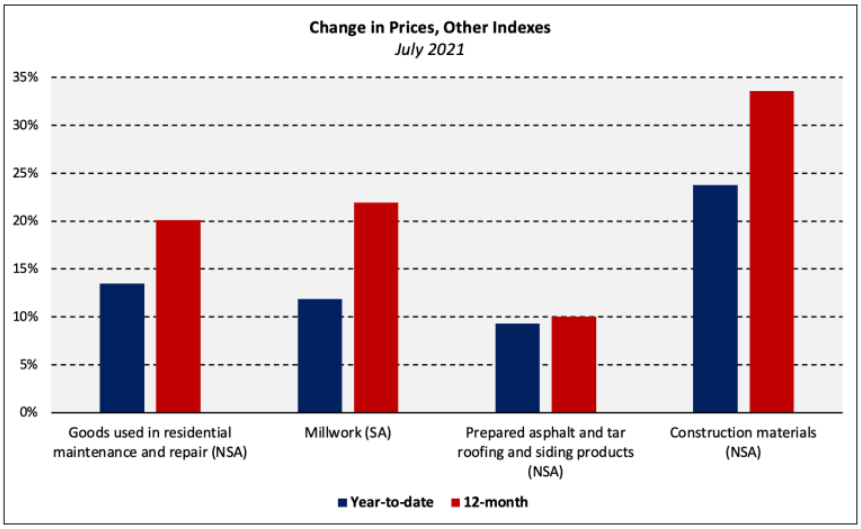
**Read or subscribe** to my newsletter online at: http://mortgageratesupdate.com/caseysullivan




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://mortgageratesupdate.com/caseysullivan

## About Casey Sullivan

Casey is a dedicated and dependable mortgage loan officer. His clients count on him to be their skilled, experienced, and focused consultant, listening to their needs.

He skillfully assists his clients with both refinancing and home purchases in California and more specifically the San Francisco Bay Area.

His vision is to build lifetime relationships with each client as their mortgage consultant...for life! He stays connected with each client well after closing which includes loan reviews and dependable market updates.

Casey believes that everyone deserves to completely understand their mortgage financing options and that one size does not fit all when it comes to mortgages. Nor does it apply when it comes to mortgage lenders. All lenders are not made the same and they are not all equal.

For a free consultation, contact Casey Sullivan today at 925-395-4212 or Casey@TheSullivanGrp.com

NMLS237837. CrossCounty Mortgage NMLS3029, Branch NMLS1553210Branch NMLS ID# 313318
An Approved Equal Housing Lender

**Casey Sullivan**

© 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://mortgageratesupdate.com/caseysullivan