

Philip Bennett
President, Bennett Capital Partners Mortgage Brokers
Business NMLS # 2046862
1101 Brickell Ave STE 800 Miami, FL 33131

Office: 800-457-9057
Mobile: 305-407-0747
philip@bcpmortgage.com
View My Website

Freddie Mac: Why We are Building So Few Houses?

Freddie Mac's *Outlook* this month looks at what it calls "the spoiler," the **lean inventory** of newly constructed homes for sale. While the situation isn't quite as dire as with existing homes, where there is a 4.3-month supply, the new home inventory is just over a 5 month supply and, Freddie Mac's economists point out, it is much tighter in hot local markets.

So far residential construction is **not doing much** to fill the gap. Building permits dropped by around 70 percent during the Great Recession and have not yet recovered. In fact, when measured in relation to the population, they are only at about half the level of 2006.



Note: Supply Ratio is calculated as the 4-quarter moving sum of total residential permits (# of units) to Total Population
Source: U.S. Census Bureau

Freddie Mac says that with prices rising and housing demand high, one would expect builders to pick up the pace, but clearly, they are not. The main

National Average Mortgage Rates



Mortgage News Daily	Rate	Change	Points
30YR Fixed	7.51%	+0.01	0.00
15YR Fixed	7.04%	+0.01	0.00
30YR FHA	7.08%	+0.03	0.00
30YR Jumbo	7.52%	+0.02	0.00
7/6 SOFR	7.12%	-0.01	0.00
30YR VA	7.10%	+0.03	0.00

Rates as of: 11/16

MBS and Treasury

	Price / Yield	Change
MBS UMBS 6.0	98.70	+0.01
10 YR Treasury	5.1474	+0.0061
30 YR Treasury	5.4731	+0.0049

Pricing as of: 11/15 7:41PM EST

Recent Housing Data

		Value	Change
Mortgage Apps	Nov 4	204.6	+6.23%
Building Permits	Sep	1.4M	+0.43%
Housing Starts	Sep	1.22M	-4.24%
New Home Sales	Sep	676K	-1.17%
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/bennett-capital-partners-mortgage-brokers

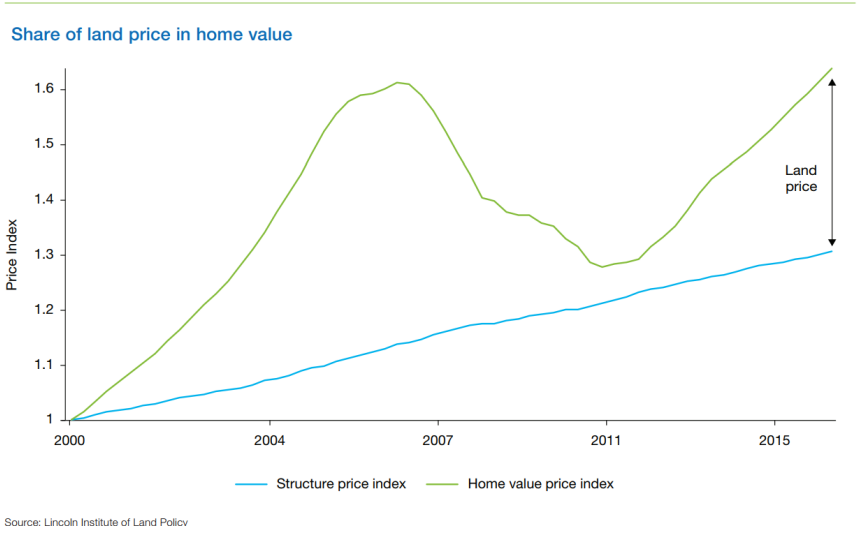
reasons appear to be a lack of skilled labor and the increased cost of development.

As of May, the number of open construction sector jobs, as reported by the Labor Department's Job Openings and Labor Turnover (JOLT) report stood at 154,000, an elevated rate of 2.2 percent, even though, as the National Association of Home Builder economist Robert Dietz reported employment in the sector had increased by 713,000 persons since the recession low.

The *Outlook* article cites four factors that contribute to the current labor shortage in housing:

1. After housing collapsed and 1.5 million jobs disappeared, many of the workers who were laid off left the industry, perhaps permanently. This left the housing sector with a **skills gap** that will take some time to refill.
2. The construction industry has traditionally offered attractive jobs to young people but builders today report that they are able to **attract fewer of these workers** than in the past.
3. **Opioid use** appears to be impacting production, although to what degree is unclear. Freddie Mac cites one source that claims 15 percent of construction workers are engaged in illicit drug use and subcontractors report that a significant share of job applicants fail their drug test.
4. Foreign-born workers have made up a significant portion of the construction work force in recent years, more than a quarter nationally and as high as 35 to 40 percent in some states. Increased enforcement of immigration laws, a less-welcoming environment for immigrants, and recent policy changes may have made non-native workers **hesitant to seek this employment**.

Another factor affecting construction are high development costs. The price of acquiring buildable land and preparing it for construction has risen more rapidly than the price builders can charge for the completed home. The land cost share of construction expenses has risen, and since the cost of land is a fixed cost, this tends to make building entry-level houses less profitable, tilting development toward higher-end projects.



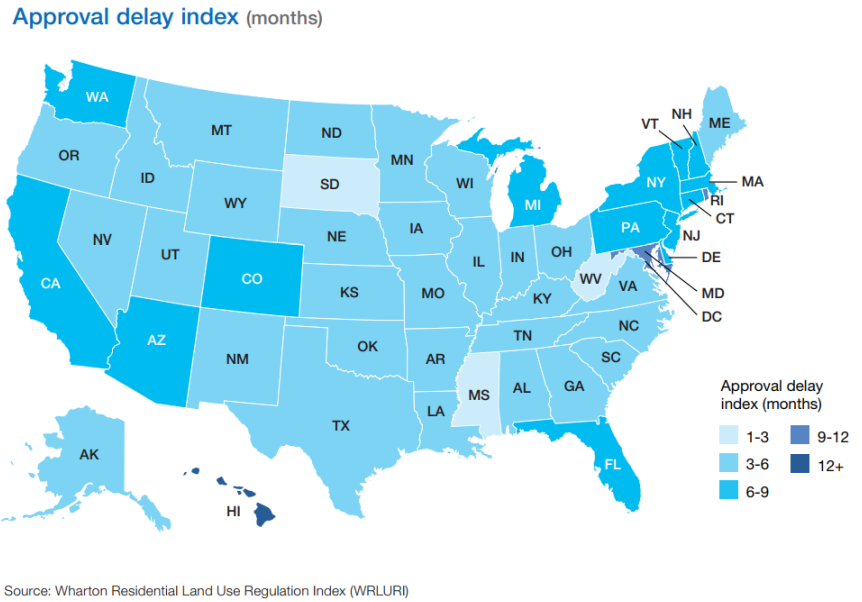
Source: Lincoln Institute of Land Policy

Land use regulations have increased over the last three decades and in areas with strict regulations, it takes longer to obtain a permits. Freddie Mac's economists compare New Orleans, with fairly lenient permitting to Honolulu with especially strict rules. Obtaining a permit in the former takes an average of 3.5 months, in the latter, 17 months. A 2016 White House report on land use regulation says the lengthy approval processes "have reduced the ability to respond to growing housing demand in many markets."

© 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/bennett-capital-partners-mortgage-brokers



Source: Wharton Residential Land Use Regulation Index (WRLURI)

In some areas, like **San Francisco** the scarcity of buildable land compounds the impact of regulations. Those with a lot of already unbuildable areas, i.e. bodies of water, wetlands, or steep grades, are those that tend to have the strictest regulations.

The *Outlook's* July economic round-up reports that, at the midpoint of the year, the macroeconomic conditions are about where they have been for several years. Real growth is moderate with the GDP up only 1.4 percent in the first quarter, in what has recently become a typically slow start to the year. Inflation remains sluggish, and that stubborness has led the Federal Reserve to "dampen expectations for another rate hike this Fall."

There were 222,000 jobs added in June after a weak report in May. Year-to-date job creation have averaged 146,000 per year, only 2,000 jobs per month higher than in 2016.

© 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/bennett-capital-partners-mortgage-brokers

From Bennett Capital Partners Mortgage Brokers

At Bennett Capital Partners Mortgage Brokers, located on Brickell Avenue in Miami, we are your trusted Florida mortgage broker, specializing in residential and commercial loans.

Our services are tailored to your needs, offering competitive rates and fast turnarounds. Whether you're seeking a conventional, VA, or FHA loan, we've got you covered. We also offer financing for warrantable and non-warrantable condos, condo-tels, first-time homebuyers, foreign nationals, and more.

Our specialties include:

- DSCR loans
- No Doc Loans
- Hard money loans
- Bridge Loans
- Private lending
- Jumbo loans
- Investment property loans
- 100 percent financing

We proudly serve all of Florida, including areas like Edgewater, South Beach, Brickell, Coral Gables, Tampa, Orlando, Fort Lauderdale, Naples, and more. Contact us today for expert mortgage advice and personalized loan solutions across the state!

Philip Bennett 

REALTOR®

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://mortgageratesupdate.com/bennett-capital-partners-mortgage-brokers