

January 2013 Housing Commentary



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January 2013 Housing Scorecard

	M/M	Y/Y
Housing Starts ^A	▽8.5%	△23.6%
Single-Family Starts ^A	△0.8%	△20.0%
Housing Permits ^A	△1.8%	△35.2%
Housing Completions ^A	△6.0%	△33.6%
Single-Family Completions ^A	△7.0%	△43.4%
New Single-Family House Sales ^A	△7.3%	△28.9%
Existing House Sales ^B	△0.4%	△9.1%
Private Construction Spending ^A	△0.02%	△22.0%

M/M = month-over-month; Y/Y = year-over-year

New Housing Starts

	Total Starts*	Single-Family Starts	Multi-Family 2-4 unit Starts	Multi-Family 5 or more unit Starts
January	890,000	613,000	17,000	260,000
December	973,000	608,000	13,000	352,000
2012	720,000	511,000	16,000	193,000
M/M change	-8.5%	+0.8%	+30.7%	-26.1%
Y/Y change	+23.6%	+20.0%	+6.2%	+34.7%

* All start data are presented at a seasonally adjusted annual rate (SAAR)

New Housing Permits and Completions

	Total Permits*	Single-Family Permits	Multi-Family 2-4 unit Permits	Multi-Family 5 or more unit Permits
January	925,000	584,000	30,000	311,000
December	909,000	573,000	28,000	308,000
2012	684,000	452,000	20,000	212,000
M/M change	+1.8%	+1.9%	+7.1%	+1.0%
Y/Y change	+35.2%	+29.2%	+50.0%	+46.7%

	Total Completions*	Single-Family Completions	Multi-Family 2-4 unit Completions	Multi-Family 5 or more unit Completions
January	724,000	565,000	7,000	152,000
December	683,000	528,000	8,000	147,000
2012	542,000	394,000	8,000	140,000
M/M change	+6.0%	+7.0%	-1.25%	+3.4%
Y/Y change	+33.6%	+43.4%	-1.25%	+8.6%

New and Existing House Sales

	New Single-Family Sales*	Median Price	Month's Supply	Existing House Sales^{1*}	Median Price¹	Month's Supply¹
January	437,000	\$226,400	4.1	4,920,000	\$173,600	4.2
December	378,000	\$249,800	4.8	4,900,000	\$180,200	4.5
2012	339,000	\$221,700	5.3	4,510,000	\$154,600	6.2
M/M change	+15.6%	-9.4%	-14.6%	+0.4%	-3.7%	-4.9%
Y/Y change	+28.9%	+2.1%	-22.6%	+9.1%	+12.3%	-25.3%

* All sales data are SAAR

Existing House Sales

National Association of Realtors (NAR)¹

January 2013 sales data:

Distressed houses: 23% of all sales –
(14% foreclosures and 9% short-sales)

Distressed house sales: 24% in December
and 35% in January 2012

All-cash sales: decreased to 28% – 29% in December 2012

Investors are still purchasing a substantial portion of
“all cash” sale houses – 29%;

19% in January 2013 and 21% in December 2012

First-time buyers: remained at 30% (30% in December 2012)
and first-time buyers were 33% in January 2012¹

January 2013 Construction Spending

Private Construction: \$304.65 billion (SAAR)

0.02% above the revised December estimate of \$304.54 billion (SAAR)

22.0% above the January 2012 estimate of \$248.18 billion (SAAR)

January SF construction: \$150.52 billion (SAAR)

3.6% above December: \$145.26 billion (SAAR)

30.2% above January 2012: \$115.59 billion (SAAR)

January MF construction: \$26.49 billion (SAAR)

1.7% above December: \$26.06 billion (SAAR)

54.9% above January 2012: \$17.11 billion (SAAR)

January Improvement^A construction: \$127.56 billion (SAAR)

4.3% below December: \$133.33 billion (SAAR)

10.8% above January 2012: \$120.13 billion (SAAR)

Conclusions

January's housing data continues to indicate a healing housing sector; however, there were some minor setbacks. Again, the biggest concern is the sustainability of the healing process.

Overall housing starts decreased – primarily multi-family starts as single-family starts inched upward. Permits also increased. Total completions and single-family completions indicated a respectable increase.

New and existing house sales increased, with new sales indicating substantial gains – though statistically insignificant. When viewing the new single-family sales data it is advisable to “check under the hood,” as the seasonally adjusted number may not be as robust as it appears. The numbers of available new and existing houses for sale currently continues to decline and are at historically low-levels. Again, this is a positive for the construction market.

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