February 2018 Housing Commentary

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Table of Contents

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February 2018
Housing Scorecard

	M/M		Y/Y	
Housing Starts	▽	7.0%	▽	4.0%
Single-Family Starts	△	2.9%	△	2.9%
Building Permits	▽	5.3%	△	6.5%
Housing Completions	△	7.8%	△	13.6%
New Single-Family House Sales	▽	0.6%	△	0.5%
Existing House Sales[1]	△	3.0%	△	1.1%
Private Residential Construction Spending	△	0.1%	△	5.5%
Single-Family Construction Spending	△	0.9%	△	9.5%

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

Source: U.S. Department of Commerce-Construction; [1]National Association of Realtors® (NAR®)

Housing Data

	February	January	Feb. 2017
Total permits*	1,298,000	1,377,000	1,219,000
Single-family permits	872,000	877,000	834,000
Multi-family 2-4 unit permits	41,000	48,000	45,000
Multi-family ≥ 5 unit permits	385,000	452,000	340,000
Total starts	1,236,000	1,329,000	1,288,000
Single-family starts	902,000	877,000	877,000
Multi-family 2-4 unit starts**	17,000	12,000	19,000
Multi-family ≥ 5 unit starts	317,000	440,000	392,000
Total completions	1,319,000	1,224,000	1,161,000
Single-family completions	895,000	896,000	763,000
Multi-family 2-4 unit completions**	6,000	11,000	16,000
Multi-family ≥ 5 unit completions	418,000	344,000	382,000

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

** US DOC does not report 2-4 multi-family starts and completions directly, this is an estimation.

Source: U.S. Department of Commerce-Construction: www.census.gov/construction/nrc/pdf/newresconst.pdf; 03/16/18

Housing Data

	February	January	Feb. 2017
New single-family sales	618,000	622,000	615,000
Median price	$326,800	$324,900	$298,000
Existing sales [a]	5,540,000	5,380,000	5,480,00
Median price	$241,700	$240,800	$228,200
Private Residential Construction	$433.4 billion	$532.9 billion	$505.7 billion
SF construction	$281.8 billion	$279.2 billion	$257.4 billion
MF construction	$63.8 billion	$63.1 billion	$63.2 billion
Improvement construction [b]	$187.8 billion	$190.6 billion	$185.1 billion

[a] NAR®

[b] The US DOC does not report improvements directly, this is an estimation. All data is SAAR and is reported in nominal US$.

Sources:
NAR® www.realtor.org/topics/existing-home-sales; 03/21/18
U.S. Department of Commerce-Construction: www.census.gov/construction/nrs/pdf/newressales.pdf; 03/23/18
U.S. Department of Commerce-C30 Construction: www.census.gov/construction/c30/pdf/privsa.pdf; 04/02/18

Conclusions

Housing was mixed in February 2018. Housing starts, permits, and new single family house sales declined month over month and over the year. However, most other data was positive for both, month over month as well as over the year.

February's housing data is mostly positive – total starts are down by 7.0% (m/m), single family homes starts are up by 2.9% (m/m), permits down by 0.3% (m/m), completions up by 7.8% (m/m), and existing home sales were down by 0.6% from the month before.

Numerous negative macro-factors endangering a robust housing recovery persist, in particular:

1) A constrained quantity of well-paying jobs being created;
2) a tepid economy;
3) flat real median annual household incomes;
4) strict home loan lending standards – though loosening with new programs and
5) global uncertainty

January 2018
EU Housing Scorecard

		M/M	Y/Y
Production in Construction[A]	EU 28	▽ 2.1%[s]	Δ 2.5%[s]
	EU 19	▽ 2.2%[s]	Δ 3.7%[s]
	Germany	▽ 2.2%	Δ 5.3%
	France	▽ 7.8%	0.0%
	UK	▽ 3.4%[p]	▽ 3.2%[p]
	Spain	Δ 2.5%[ps]	▽ 3.0%[p]
Building permits (m^2 floor)[A]	EU 28	-.-	-.-
	EU 19	▽ 1.7%[(12)]	Δ 2.9%[s(12)]
	Germany	▽ 4.2%	Δ 12.7%
	France	Δ 4.4%[s]	Δ 12.%[e]
	UK	-.-	-.-
	Spain	▽ 13.3%[s(12)]	Δ 2.5%[e(12)]

Source: Eurostat (http://ec.europa.eu/eurostat/web/short-term-business-statistics/data/main-tables; (11/14/18)

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

[A] see http://ec.europa.eu/eurostat/web/short-term-business-statistics/overview/sts-in-brief

[e] estimate, [s] Eurostat estimate, [p] provisional, [-.-] no data available, [(12)] December 2018 data

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