

July 2018 Housing Commentary



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July 2018

Housing Scorecard

| | M/M | | Y/Y | |
|---|--|--|--|--|
| Housing Starts |  0.9% | |  1.4% | |
| Single-Family Starts |  0.9% | |  2.7% | |
| Building Permits |  1.5% | |  4.2% | |
| Housing Completions |  1.7% | |  0.8% | |
| New Single-Family House Sales |  1.7% | |  12.8% | |
| Existing House Sales ¹ |  0.7% | |  1.5% | |
| Private Residential Construction Spending |  0.6% | |  6.7% | |
| Single-Family Construction Spending |  0.3% | |  6.0% | |

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

Housing Data

| | July | June | July 2017 |
|--|-----------|-----------|-----------|
| Total permits* | 1,311,000 | 1,242,000 | 1,258,000 |
| Single-family permits | 869,000 | 853,000 | 817,000 |
| Multi-family 2-4 unit permits | 32,000 | 36,000 | 42,000 |
| Multi-family ≥ 5 unit permits | 410,000 | 403,000 | 399,000 |
| | | | |
| Total starts | 1,168,000 | 1,158,000 | 1,185,000 |
| Single-family starts | 826,000 | 854,000 | 839,000 |
| Multi-family 2-4 unit starts** | 3,000 | 10,000 | 11,000 |
| Multi-family ≥ 5 unit starts | 303,000 | 294,000 | 335,000 |
| | | | |
| Total completions | 1,188,000 | 1,209,000 | 1,197,000 |
| Single-family completions | 814,000 | 859,000 | 847,000 |
| Multi-family 2-4 unit completions** | 3,000 | 7,000 | 7,000 |
| Multi-family ≥ 5 unit completions | 371,000 | 343,000 | 343,000 |

* 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; 08/16/18

Housing Data

| | July | June | July 2017 |
|---------------------------------------|-----------------|-----------------|-----------------|
| New single-family sales | 627,000 | 638,000 | 556,000 |
| Median price | \$328,700 | \$310,000 | \$322,900 |
| Existing sales ^a | 5,340,000 | 5,380,000 | 5,420,000 |
| Median price | \$269,600 | \$273,800 | \$258,100 |
| Private Residential Construction | \$560.1 billion | \$556.7 billion | \$524.9 billion |
| SF construction | \$287.1 billion | \$287.9 billion | \$270.8 billion |
| MF construction | \$58.9 billion | \$59.2 billion | \$58.3 billion |
| Improvement construction ^b | \$214.1 billion | \$209.6 billion | \$195.8 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; 08/22/18

U.S. Department of Commerce-Construction: www.census.gov/construction/nrs/pdf/newressales.pdf; 08/23/18

U.S. Department of Commerce-C30 Construction: www.census.gov/construction/c30/pdf/privsa.pdf; 09/04/18

Conclusions

May's housing data is mixed – total starts are up by 0.9% (m/m), single family homes starts are up by 0.9% (m/m), permits up by 1.5% (m/m), completions down by 1.7% (m/m), and existing home sales were down by 0.7% from the month before.

Numerous negative macro-factors endangering a robust housing markets exist, in particular:

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

June 2018

EU Housing Scorecard

| | | M/M | Y/Y |
|--|---------|--------------------------|--------------------------|
| Production in Construction ^A | EU 28 | △ 0.8% ^s | △ 2.7% ^s |
| | EU 19 | △ 0.2% ^s | △ 2.6% ^s |
| | Germany | ▽ 1.9% | △ 1.2% |
| | France | △ 5.0% | △ 0.4% |
| | UK | △ 1.4% ^p | △ 1.0% ^p |
| | Spain | ▽ 0.7% ^{ps} | ▽ 4.1% ^p |
| Building permits (m ² floor) ^A | EU 28 | -- | -- |
| | EU 19 | ▽ 2.7% ⁽⁰⁵⁾ | ▽ 0.1% ^{s(05)} |
| | Germany | ▽ 2.4% | ▽ 3.0% |
| | France | ▽ 1.9% ^s | ▽ 6.3% ^e |
| | UK | -- | -- |
| | Spain | ▽ 10.7% ^{s(05)} | △ 18.3% ^{e(05)} |

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

Source: Eurostat (<http://ec.europa.eu/eurostat/web/short-term-business-statistics/data/main-tables>; 09/17/18)

^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 ⁽⁰⁵⁾ May data

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