

October 2018 Housing Commentary



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This report is a free monthly service of Virginia Tech. Past issues can be found at: <http://woodproducts.sbio.vt.edu/housing-report/>

October 2018

Housing Scorecard

	M/M		Y/Y	
Housing Starts		1.5%		2.9%
Single-Family Starts		1.8%		2.6%
Building Permits		0.6%		6.0%
Housing Completions		3.3%		6.5%
New Single-Family House Sales		8.9%		12.0%
Existing House Sales ¹		1.4%		5.1%
Private Residential Construction Spending		0.5%		1.8%
Single-Family Construction Spending		0.5%		2.4%

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

Housing Data

	October	September	Oct. 2017
Total permits*	1,263,000	1,270,000	1,343,000
Single-family permits	849,000	854,000	854,000
Multi-family 2-4 unit permits	38,000	40,000	35,000
Multi-family ≥ 5 unit permits	376,000	376,000	454,000
Total starts	1,228,000	1,210,000	1,265,000
Single-family starts	865,000	881,000	888,000
Multi-family 2-4 unit starts**	20,000	6,000	18,000
Multi-family ≥ 5 unit starts	343,000	323,000	359,000
Total completions	1,111,000	1,149,000	1,188,000
Single-family completions	832,000	842,000	798,000
Multi-family 2-4 unit completions**	10,000	8,000	7,000
Multi-family ≥ 5 unit completions	269,000	299,000	383,000

* 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; 11/20/18

Housing Data

	October	September	Oct. 2017
New single-family sales	544,000	597,000	618,000
Median price (\$)	309,700	321,300	319,500
Existing sales ^a	5,220,000	5,150,000	5,500,000
Median price (\$)	255,400	258,100	246,000
Private Residential Construction (\$ billion)	534.0	541.7	530.0
SF construction	282.6	284.2	275.9
MF construction	62.0	61.4	60.1
Improvement construction ^b	189.4	196.1	194.0

^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; 11/21/18

U.S. Department of Commerce-Construction: www.census.gov/construction/nrs/pdf/newressales.pdf; 11/28/18

U.S. Department of Commerce-C30 Construction: www.census.gov/construction/c30/pdf/privsa.pdf; 12/03/18

Conclusions

October's housing data is mostly negative – total starts are up by 1.5% (m/m), single family homes starts are down by 1.8% (m/m), permits down by 0.6% (m/m), completions down by 3.3% (m/m), and existing home sales were up by 1.4% 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

September 2018

EU Housing Scorecard

		M/M	Y/Y
Production in Construction ^A	EU 28	△ 1.7% ^s	△ 4.2% ^s
	EU 19	△ 2.0% ^s	△ 4.6% ^s
	Germany	△ 2.2%	△ 3.8%
	France	△ 3.7%	△ 4.2%
	UK	△ 1.8% ^p	△ 1.4% ^p
	Spain	△ 1.8% ^{ps}	△ 5.9% ^p
Building permits (m ² floor) ^A	EU 28	--	--
	EU 19	△ 2.4% ^(o8)	△ 2.7% ^{s(o8)}
	Germany	▽ 0.2%	△ 5.8%
	France	△ 10.98% ^s	▽ 2.7% ^e
	UK	--	--
	Spain	△ 18.5% ^{s(o8)}	△ 42.8% ^{e(o8)}

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>;
12/07/18)

^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 ^(o8) August data

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