

March 2018 Housing Commentary



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Table of Contents

- Slide 3: [Housing Scorecard](#)
- Slide 4: [New Housing Permits, Starts, & Completions](#)
- Slide 5: [New and Existing House Sales](#)
- Slide 5: [New Construction Data](#)
- Slide 6: [Conclusions](#)
- Slide 7: [European Construction Markets](#)
- Slide 8: [Disclaimer](#)

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

March 2018

Housing Scorecard

	M/M		Y/Y	
Housing Starts	△	1.9%	△	10.9%
Single-Family Starts	▽	3.7%	△	5.2%
Building Permits	△	2.5%	△	7.5%
Housing Completions	▽	5.1%	△	1.9%
New Single-Family House Sales	△	1.9%	△	8.8%
Existing House Sales ¹	△	4.0%	▽	1.2%
Private Residential Construction Spending	▽	3.5%	△	5.3%
Single-Family Construction Spending	▽	0.4%	△	9.7%

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

Housing Data

	March	February	March 2017
Total permits*	1,354,000	1,321,000	1,260,000
Single-family permits	840,000	889,000	826,000
Multi-family 2-4 unit permits	41,000	47,000	37,000
Multi-family ≥ 5 unit permits	472,000	385,000	397,000
Total starts	1,319,000	1,295,000	1,189,000
Single-family starts	867,000	900,000	824,000
Multi-family 2-4 unit starts**	13,000	17,000	10,000
Multi-family ≥ 5 unit starts	439,000	378,000	355,000
Total completions	1,217,000	1,282,000	1,194,000
Single-family completions	840,000	881,000	810,000
Multi-family 2-4 unit completions**	6,000	7,000	16,000
Multi-family ≥ 5 unit completions	371,000	394,000	368,000

* 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; 04/17/18

Housing Data

	March	February	March 2017
New single-family sales	694,000	667,000	638,000
Median price	\$337,200	\$325,800	\$321,700
Existing sales ^a	5,600,000	5,540,000	5,670,000
Median price	\$250,400	\$240,900	\$236,600
Private Residential Construction	\$536.8 billion	\$556.3 billion	\$509.3 billion
SF construction	\$283.5 billion	\$284.8 billion	\$258.4 billion
MF construction	\$58.7 billion	\$60.6 billion	\$64.2 billion
Improvement construction ^b	\$194.3 billion	\$211.2 billion	\$187.3 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; 04/23/18

U.S. Department of Commerce-Construction: www.census.gov/construction/nrs/pdf/newressales.pdf; 04/24/18

U.S. Department of Commerce-C30 Construction: www.census.gov/construction/c30/pdf/privsa.pdf; 05/01/18

Conclusions

Housing was mixed in March 2018, however, a plurality of data were positive with the exception of the volatile multi family sector. The latest numbers show gains in total starts, but with negative readings for single family homes. Interest rates are heading up as the labor market tightens.

October's housing data is mixed— total starts are up by 1.9% (m/m), single family homes starts are down by 3.7% (m/m), permits up by 2.5% (m/m), completions down by 5.1% (m/m), and existing home sales were up by 1.1% from the month before.

Numerous negative macro-factors endangering a robust housing recovery 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) slow world economy; and
- 6) global uncertainty

February 2018

EU Housing Scorecard

		M/M	Y/Y
Production in Construction ^A	EU 28	▼ 0.5% ^s	▼ 0.1% ^s
	EU 19	▼ 0.8% ^s	▲ 0.4% ^s
	Germany	▼ 2.2%	▲ 2.6%
	France	▲ 2.7%	▼ 3.0%
	UK	▼ 1.7% ^p	▼ 3.9% ^p
	Spain	▲ 0.9% ^{ps}	▲ 2.2% ^p
Building permits (m ² floor) ^A	EU 28	-.-	-.-
	EU 19	▲ 0.6% ^(o1)	▲ 9.0% ^{s(o1)}
	Germany	▼ 2.7%	▲ 1.3%
	France	▼ 3.9% ^s	▲ 9.8% ^e
	UK	-.-	-.-
	Spain	▲ 1.1% ^{s(o1)}	▼ 2.2% ^{e(o1)}

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>;
05/10/18)

^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 ^(o1) January data

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