

August 2020 Housing Commentary



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August 2020

Housing Scorecard

	M/M	Y/Y
Housing Starts	▽ 5.1%	△ 2.8%
Single-Family Starts	△ 4.1%	△ 12.1%
Building Permits	▽ 0.9%	▽ 0.1%
Housing Completions	▽ 7.5%	▽ 2.4%
New Single-Family House Sales	△ 4.8%	△ 43.2%
Existing House Sales ¹	△ 2.4%	△ 10.5%
Private Residential Construction Spending	△ 3.7%	△ 6.7%
Single-Family Construction Spending	△ 5.5%	△ 2.9%

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

Housing Data

	August	July	Aug. 2019
Total permits*	1,470,000	1,483,000	1,471,000
Single-family permits	1,036,000	977,000	896,000
Multi-family 2-4 unit permits	53,000	45,000	42,000
Multi-family ≥ 5 unit permits	381,000	461,000	533,000
Total starts	1,416,000	1,492,000	1,377,000
Single-family starts	1,021,000	981,000	911,000
Multi-family 2-4 unit starts**	17,000	8,000	15,000
Multi-family ≥ 5 unit starts	375,000	503,000	451,000
Total completions	1,233,000	1,333,000	1,263,000
Single-family completions	912,000	954,000	938,000
Multi-family 2-4 unit completions**	9,000	10,000	10,000
Multi-family ≥ 5 unit completions	312,000	369,000	315,000

* 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; 09/17/20

Housing Data

	August	July	Aug. 2019
New single-family sales	1,011,000	965,000	706,000
Median price (\$)	312,800	327,800	327,000
Existing sales ^a	6,000,000	5,860,000	5,430,00
Median price (\$)	310,600	295,300	278,800
Private Residential Construction (\$ billion)	589.437	568.285	552.508
SF construction	287.884	272.870	279.716
MF construction	85.407	85.489	78.412
Improvement construction ^b	216.146	209.926	194.380

^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; 09/22/20

U.S. Department of Commerce-Construction: www.census.gov/construction/nrs/pdf/newressales.pdf; 09/24/20

U.S. Department of Commerce-C30 Construction: www.census.gov/construction/c30/pdf/privsa.pdf; 10/01/20

Conclusions

On a yearly basis, the August 2020 housing data was mostly positive, except for building permits (-0.1%) and housing completions (-2.4%). All other categories tracked in our scorecard (housing starts +2.8%, single family starts +12.1%, new single-family house sales +43.2%, existing house sales +10.5%, private residential construction spending +6.7%, and single family construction spending +2.9%) were positive year over year.

Residential construction represents a bright spot for the aggregate U.S. economy and for the forest products industry. New single-family house sales reached 1,011,000 units (+43.2% year over year) while existing home sales stood at 6,000,000 (+10.5% year over year). One important reason for this positive performance are the historically low interest rates (30 year fixed mortgage below 3.00% APR) as well as others. Furthermore, inventories in both categories, new single-family houses for sale (3.3 months, -40% year over year) and existing homes for sale (3 months, -25% year over year) are low and should stipulate additional activities on the supply side.

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