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# United States Housing Brief, November 2017

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## Abstract

November's new single-family (SF) sales and SF housing starts were remarkable. Other housing data appear to have stalled on a monthly basis. Regionally, data were mixed across all sectors. New SF construction and remodeling spending remain relatively strong. Existing house sales improved on a month-over-month and year-over-year basis.

Keywords: housing permits, starts, under construction, completions, construction spending, new sales, existing sales, regional housing data, economic indicators

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# United States Housing Brief, November 2017

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## Summary

Historically and currently, new single-family (SF) construction is the largest value-added wood products consuming sector and is a leading coincident economic indicator of the U.S. economy. The aggregate U.S. housing market was mixed in November. Single-family starts were a positive on a monthly and year-over-year basis.

New SF sales exhibited moderate improvement, and SF starts also improved on a monthly basis. On a year-over-year basis, the majority of construction and sales data were positive. New SF construction spending improved minimally on a monthly basis.

This housing brief includes housing starts, permits, houses under construction, completions, sales, and construction spending data available from the U.S. Department of Commerce and the National Association of Realtors. The data are compared on a month-over-month (M/M) and year-over-year (Y/Y) basis. For more detailed information and commentary, the monthly “Virginia Tech–U.S. Forest Service Housing Commentary” is available at <http://woodproducts.sbio.vt.edu/housing-report>. Additionally, in-depth semi-annual and annual housing construction research is available via Treesearch (<https://www.fs.usda.gov/treesearch/>) and inputting “Alderman”.

## November 2017 Housing Scorecard

Category <sup>a</sup>	Month-over-month change	Year-over-year change
Housing starts (total)	▲ 3.3%	▲ 12.9%
Single-family	▲ 5.3%	▲ 13.0%
Multi-family	▼ 1.6%	▲ 12.6%
Housing permits (total)	▼ 1.4%	▲ 3.4%
Single-family	▲ 1.4%	▲ 9.7%
Multi-family	▼ 6.4%	▼ 7.0%
Housing under construction (total)	▲ 1.0%	▲ 6.1%
Single-family	▲ 2.5%	▲ 11.6%
Multi-family	▼ 0.2%	▲ 2.0%
Housing completions (total)	▼ 6.1%	▼ 7.2%
Single-family	▼ 4.6%	▼ 1.8%
Multi-family	▼ 9.2%	▼ 16.7%
New single-family house sales	▲ 17.5%	▲ 26.6%
Private residential construction spending	▲ 1.0%	▲ 7.9%
Single-family construction spending	▲ 1.9%	▲ 8.9%
Existing house sales <sup>b</sup>	▲ 5.6%	▲ 3.8%

<sup>a</sup> Data from U.S. Department of Commerce–Construction.

<sup>b</sup> Data from National Association of Realtors.

## Starts

Total starts in November 2017 were at a seasonally adjusted annual rate (SAAR) of 1,297,000. This was 3.3% greater than October 2017 and 12.9% greater than November 2016. SF starts were 930,000, which was 5.3% greater than October 2017. SF starts were 71.7% of total starts. Multi-family (MF) starts of two to four units were 8,000 and five units or more were 359,000 (Census Bureau 2017a). November 2017 total starts were less than the 58-year average of 1,439,000.

Regionally, the South remains the strongest market, where total starts were 691,000, of which 515,000 were SF and 176,000 were MF. The West followed with total starts of 344,000, of which 224,000 were SF and 120,000 were MF. Total Midwest starts were 175,000, of which 128,000 were SF and 47,000 were MF. The Northeast recorded total starts of 87,000, of which 63,000 were SF and 24,000 were MF (Census Bureau 2017a). By region, the South was 53.3% of total starts; West, 26.5%; Midwest, 13.5%; and Northeast, 6.7%. Table 1 provides specific information on each housing start category for November 2017.

**Table 1—National and regional U.S. housing starts for November 2017 in comparison to October 2017 and November 2016**

	Total starts <sup>a</sup>	Single-family	Multi-family (2–4 units) <sup>b</sup>	Multi-family (≥5 units)
Nov-17	1,297,000	930,000	8,000	359,000
Oct-17	1,256,000	883,000	17,000	356,000
Nov-16	1,149,000	823,000	3,000	323,000
Month-over-month change	3.3%	5.3%	–52.9%	0.8%
Year-over-year change	12.9%	13.0%	166.7%	11.1%
	Northeast	Midwest	South	West
Nov-17	87,000	175,000	691,000	344,000
Oct-17	144,000	201,000	622,000	289,000
Nov-16	83,000	216,000	581,000	269,000
Month-over-month change	–39.6%	–12.9%	11.1%	19.0%
Year-over-year change	4.8%	–19.0%	18.9%	27.9%

<sup>a</sup> Source: U.S. Department of Commerce–Construction (SAAR).

<sup>b</sup> Multi-family two- to four-unit starts are not reported directly but are an estimation: 2 to 4 starts = (Total starts – (SF starts + MF ≥5 starts)).

## Permits

Total building permits issued in November 2017 were at a SAAR of 1,298,000. This is 1.4% less than October 2017 and 3.4% greater than November 2016. SF permits were 862,000, which was 1.4% greater than October 2017. SF permits were 66.4% of aggregate permits. MF permits of two to four units were 41,000, and five units or more were 395,000 (Census Bureau 2017a). Historically, MF permits can be extremely variable, M/M and Y/Y.

Regionally, the South remains the strongest market, where total permits issued were 642,000, of which 467,000 were SF and 175,000 were MF. The West followed with total permits of 357,000, of which 209,000 were SF and 148,000 were MF. Midwest total permits were 184,000, of which 131,000 were SF and 53,000 were MF. In the Northeast, total permits were 115,000, of which 55,000 were SF and 60,000 were MF (Census Bureau 2017a). By region, the South was 49.5% of total permits; West, 27.5%; Midwest, 14.2%; and Northeast, 8.9%. Table 2 provides specific information on each permit category for November 2017.

**Table 2—National and regional U.S. housing permits for November 2017 in comparison to October 2017 and November 2016**

	Total permits <sup>a</sup>	Single-family	Multi-family (2–4 units) <sup>b</sup>	Multi-family (≥5 units)
Nov-17	1,298,000	862,000	41,000	395,000
Oct-17	1,316,000	850,000	33,000	433,000
Nov-16	1,255,000	786,000	41,000	428,000
Month-over-month change	–1.4%	1.4%	24.2%	–8.8%
Year-over-year change	3.4%	9.7%	0.0%	–7.7%
	Northeast	Midwest	South	West
Nov-17	115,000	184,000	642,000	357,000
Oct-17	122,000	193,000	633,000	368,000
Nov-16	119,000	187,000	608,000	341,000
Month-over-month change	–5.7%	–4.7%	1.4%	–3.0%
Year-over-year change	–3.4%	–1.6%	5.6%	4.7%

<sup>a</sup> Source: U.S. Department of Commerce–Construction (SAAR).

## Housing under Construction

Total housing under construction (HUC) issued in November 2017 were at a SAAR of 1,110,000. This is 1.0% greater than October 2017 and 6.1% greater than November 2016. SF HUC was 499,000, which is 2.5% greater than October 2017. SF HUC was 45.0% of total HUC. MF HUC of two to four units was 11,000, and five units or more was 600,000 (Census Bureau 2017a).

Regionally, the South remains the strongest market, where total HUC was 450,000, of which 234,000 were SF and 216,000 were MF. The West followed with a total HUC of 318,000 units, of which 130,000 were SF and 188,000 were MF. The Northeast total HUC was 186,000, of which 54,000 were SF and 132,000 were MF. Midwest total HUC was 156,000, of which 81,000 were SF and 75,000 were MF (Census Bureau 2017a). By region, the South was 40.5% of HUC; West, 28.6%; Northeast, 16.8%; and Midwest, 14.1%. Table 3 provides data for each category of housing under construction for November 2017.

**Table 3—National and regional U.S. housing under construction for November 2017 in comparison to October 2017 and November 2016**

	Total under construction <sup>a</sup>	Single-family	Multi-family (2–4 units) <sup>b</sup>	Multi-family (≥5 units)
Nov-17	1,110,000	499,000	11,000	600,000
Oct-17	1,099,000	487,000	11,000	601,000
Nov-16	1,046,000	447,000	11,000	588,000
Month-over-month change	1.0%	2.5%	0.0%	–0.2%
Year-over-year change	6.1%	11.6%	0.0%	2.0%
	Northeast	Midwest	South	West
Nov-17	186,000	156,000	450,000	318,000
Oct-17	191,000	156,000	445,000	307,000
Nov-16	192,000	144,000	442,000	268,000
Month-over-month change	–2.6%	0.0%	1.1%	3.6%
Year-over-year change	–3.1%	8.3%	1.8%	18.7%

<sup>a</sup> Source: U.S. Department of Commerce–Construction (SAAR).

<sup>b</sup> Multifamily two to four-units under construction are not reported directly but are an estimation: 2 to 4 units under construction = (Total units under construction – (SF under construction + MF ≥5 units under construction)).

## Housing Completions

Total completions in November 2017 were at a SAAR of 1,116,000. This is 6.1% less than October 2017 and 7.2% less than November 2016. SF completions were 752,000, which is 4.6% less than October 2017. SF completions were 67.4% of aggregate completions. MF completions of two to four units were 11,000, and five units or more were 353,000 (Census Bureau 2017a).

The South remains the strongest market, where total completions were 587,000, of which 453,000 were SF and 134,000 were MF. The West followed with total completions of 202,000 units, of which 137,000 were SF and 65,000 were MF. Midwest total completions were 174,000, of which 114,000 were SF and 60,000 were MF. Total Northeast completions were 153,000, of which 48,000 were SF and 105,000 were MF (Census Bureau 2017a). By region, the South was 52.6% of completions; West, 18.1%; Midwest, 15.6%; and Northeast, 13.7%. Table 4 provides discrete data for each completion category for November 2017.

**Table 4—National and regional U.S. housing completions for November 2017 in comparison to October 2017 and November 2016**

	Total completions <sup>a</sup>	Single-family	Multi-family (2–4 units) <sup>b</sup>	Multi-family (≥5 units)
Nov-17	1,116,000	752,000	11,000	353,000
Oct-17	1,189,000	788,000	7,000	394,000
Nov-16	1,203,000	766,000	11,000	426,000
Month-to-month change	–6.1%	–4.6%	57.1%	–10.4%
Year-to-year change	–7.2%	–1.8%	0.0%	–17.1%
	Northeast	Midwest	South	West
Nov-17	153,000	174,000	587,000	202,000
Oct-17	141,000	148,000	628,000	272,000
Nov-16	110,000	180,000	693,000	220,000
Month-to-month change	8.5%	17.6%	–6.5%	–25.7%
Year-to-year change	39.1%	–3.3%	–15.3%	–8.2%

<sup>a</sup> Source: U.S. Department of Commerce–Construction (SAAR).

<sup>b</sup> Multifamily two to four-units completions are not reported directly but are an estimation: 2 to 4 unit completions = (Total completions – (SF completions + MF ≥5 completions)).

## New Single-Family House Sales

Total new house sales in November 2017 were estimated at a SAAR of 733,000 units. This was a robust increase of 17.5% from October 2017 and 26.6% greater than November 2016. Regionally, the South remains the strongest market, with total new SF house sales of 416,000, followed by the West with 194,000. The Midwest had 77,000 sales and the Northeast had 46,000. By region, the South was 56.8% of new SF sales; West, 26.5%; Midwest, 10.5%; and Northeast, 6.3% (Census Bureau 2017b).

The median sales price of new houses sold in November 2017 was \$318,700, and the mean sales price was \$377,100 (Census Bureau 2017b). Table 5 provides specific information on each house sales category for November 2017.

**Table 5—National U.S. housing sales data for November 2017 in comparison to October 2017 and November 2016**

	New single-family sales <sup>a</sup>	Median price	Mean price	Month's supply
Nov-17	733,000	\$318,700	\$377,100	4.6
Oct-17	624,000	\$319,600	\$394,700	5.4
Nov-16	548,000	\$315,000	\$363,400	5.1
Month-over-month change	17.5%	-0.3%	-4.5%	-14.8%
Year-over-year change	26.6%	1.2%	3.8%	-9.8%
	Northeast	Midwest	South	West
Nov-17	46,000	77,000	416,000	194,000
Oct-17	42,000	72,000	362,000	148,000
Nov-16	30,000	77,000	314,000	158,000
Month-over-month change	9.5%	6.9%	14.9%	31.1%
Year-over-year change	53.3%	0.0%	32.5%	22.8%

<sup>a</sup> Source: U.S. Department of Commerce—new sales (SAAR).

## Private Residential Construction Spending

New SF starts and sales are vital to the wood products industry, as new units consume more value-added products than any other wood consuming sector. Aggregate new housing construction spending has generally lagged the overall economy since 2010. New construction and spending are two of the factors often mentioned for the subdued economic recovery, and November's expenditure data bear this out. Total private residential construction spending for November 2017 was at a SAAR of \$530,844 million, a 1.0% increase from October 2017 and a 7.9% increase from November 2016. SF construction spending was \$274,065 million and MF construction spending was \$60,459 million. Improvement or remodeling spending was \$196,320 million (Census Bureau 2017c). Table 6 provides data for each construction spending category for November 2017.

**Table 6—National U.S. housing construction spending for November 2017 in comparison to October 2017 and November 2016<sup>a</sup>**

	Total private residential construction spending <sup>b</sup>	Single-family	Multi-family	Improvement <sup>c</sup>
Nov-17	\$530,844	\$274,065	\$60,459	\$196,320
Oct-17	\$525,346	\$269,059	\$61,275	\$195,012
Nov-16	\$492,028	\$251,675	\$61,479	\$178,874
Month-to-month change	1.0%	1.9%	-1.3%	0.7%
Year-to-year change	7.9%	8.9%	-1.7%	9.8%

<sup>a</sup> Reported in nominal U.S. dollars, millions of dollars, and SAAR.

<sup>b</sup> Source: U.S. Department of Commerce.

<sup>c</sup> The U.S. DOC does not report improvement spending directly.

This is a monthly estimation: Improvement spending = (Total private spending - (SF spending + MF spending)).

## Existing House Sales

Existing house sales in November 2017 were at a SAAR of 5,810,000 units. This is a 5.6% increase from October 2017 and a 3.8% improvement from November 2016. Regionally, the South remains the strongest market, with total existing house sales of 2,340,000 units, followed by the Midwest at 1,420,000 units. The West had total existing sales of 1,250,000 units, and the Northeast had total existing sales of 800,000 units. By region, the South was 40.3% of existing sales; Midwest, 24.4%; West, 21.5%; and Northeast, 13.8%. Table 7 provides specific information on each existing house sales category for November 2017.

**Table 7—National U.S. existing house sales for November 2017 in comparison to October 2017 and November 2016**

	Existing house sales <sup>a</sup>	Median price	Mean price	Month's supply
Nov-17	5,810,000	\$248,000	\$289,900	3.4
Oct-17	5,500,000	\$246,000	\$287,600	3.9
Nov-16	5,600,000	\$234,400	\$276,600	4.0
Month-over-month change	5.6%	0.8%	0.8%	-12.8%
Year-over-year change	3.8%	5.8%	4.8%	-15.0%
	Northeast	Midwest	South	West
Nov-17	800,000	1,420,000	2,340,000	1,250,000
Oct-17	750,000	1,310,000	2,160,000	1,280,000
Nov-16	800,000	1,330,000	2,250,000	1,220,000
Month-over-month change	6.7%	8.4%	8.3%	-2.3%
Year-over-year change	0.0%	6.8%	4.0%	2.5%

<sup>a</sup> Source: National Association of Realtors (SAAR).

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## Glossary

**Housing completions**—A house is defined as completed when all finished flooring has been installed (or carpeting if used in place of finished flooring). If the building is occupied before all construction is finished, it is classified as completed at the time of occupancy. In privately-owned buildings with two or more housing units, all of the units in the buildings are counted as completed when 50 percent or more of the units are occupied or available for occupancy. Housing completions are estimated for all areas of the United States, regardless of whether permits are required.

**Housing permits**—The approval given by a local jurisdiction to proceed on a construction project. Note that not all areas of the country require a permit for construction.

**Housing starts**—Start of construction occurs when excavation begins for the footings or foundation of a building. All housing units in a multifamily building are defined as being started when this excavation begins. Beginning with data for November 1992, estimates of housing starts include units in structures being totally rebuilt on an existing foundation.

**Housing under construction**—Estimates of housing units started, but not yet completed, are estimated for all areas of the United States, regardless of whether permits are required.

**Regions**—Northeast: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont. Midwest: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin. South: Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia. West: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

**Seasonally adjusted annual rate**—Seasonal adjustment is the process of estimating and removing seasonal effects from a time series to better reveal certain non-seasonal features such as underlying trends and business cycles. Seasonal adjustment procedures estimate effects that occur in the same calendar month with similar magnitude and direction from year to year. In series whose seasonal effects come primarily from weather, the seasonal factors are estimates of average weather effects for each month.

**Single-family housing**—Dwellings that include fully detached, semidetached (semi-attached, side-by-side), row houses, and townhouses.