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# United States Housing Brief, July 2019

Delton Alderman



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## Abstract

July 2019 U.S. housing data indicated slight improvement; yet most categories remain well less than historical averages. Single-family starts, permits, and completions were all positive month-over-month. New single-family sales, total housing starts, and total plus single-family housing under construction were negative month-over-month. Notably, single-family construction spending continued a year-over-year decline. Total housing permits and starts also were positive on a yearly 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, July 2019

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## Summary

New single-family 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 construction markets were somewhat improved in July, on monthly and year-over-year bases.

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 month-over-month (M/M) and year-over-year (Y/Y) bases. 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”.

July 2019 Housing Scorecard		
Category <sup>a</sup>	Month-over-month change	Year-over-year change
Housing starts (total)	▼ 4.0%	▲ 0.6%
Single-family	▲ 1.3%	▲ 1.9%
Multi-family	▼ 16.2%	▼ 2.8%
Housing permits (total)	▲ 8.4%	▲ 1.5%
Single-family	▲ 1.8%	▼ 3.8%
Multi-family	▲ 21.8%	▲ 11.9%
Housing under construction (total)	▼ 0.5%	▲ 1.2%
Single-family	▼ 0.6%	▼ 1.3%
Multi-family	▼ 0.5%	▲ 3.4%
Housing completions (total)	▲ 7.2%	▲ 6.3%
Single-family	▲ 4.3%	▲ 12.2%
Multi-family	▲ 16.1%	▼ 7.3%
New single-family house sales	▼ 12.8%	▲ 4.3%
Private residential construction spending	▲ 0.6%	▼ 6.6%
Single-family construction spending	▲ 1.4%	▼ 8.5%
Existing house sales <sup>b</sup>	▲ 2.5%	▲ 0.6%

<sup>a</sup> Data from U.S. Census Bureau–Construction.

<sup>b</sup> Data from Federal Reserve Bank of St. Louis. (FRED).

## Starts

Total starts in July 2019 were at a seasonally adjusted annual rate (SAAR) of 1,191,000. This was 4.0% less than June 2019 and 0.6% greater than July 2018. Single-family (SF) starts were 876,000, which was 1.3% greater than June 2019. Multifamily (MF) starts of two to four units were 12,000 and five units or more were 303,000 (Census Bureau 2019a). July 2019 total starts were less than the 58-year average of 1,439,000 (Fig. 1).

Regionally, the South remained the strongest market, where total starts were 600,000, of which 463,000 were SF and 137,000 were MF. The West followed with total starts of 316,000, of which 228,000 were SF and 88,000 were MF. Total Midwest starts were 181,000, of which 126,000 were SF and 55,000 were MF. The Northeast recorded total starts of 94,000, of which 59,000 were SF and 35,000 were MF (Census Bureau 2019a). Table 1 provides housing start data for each start category for July 2019.

**Table 1—National and regional U.S. housing starts for July 2019 in comparison to June 2019 and July 2018**

	Total starts <sup>a</sup>	Single-family	Multi-family (2–4 units) <sup>b</sup>	Multi-family (≥5 units)
July-19	1,191,000	876,000	12,000	303,000
Jun-19	1,241,000	865,000	10,000	366,000
July-18	1,184,000	860,000	6,000	318,000
Month-over-month change	–4.0%	1.3%	20.0%	–17.2%
Year-over-year change	0.6%	1.9%	100.0%	–4.7%
	Northeast	Midwest	South	West
July-19	94,000	181,000	600,000	316,000
Jun-19	109,000	193,000	627,000	312,000
July-18	103,000	178,000	625,000	278,000
Month-over-month change	–13.8%	–6.2%	–4.3%	1.3%
Year-over-year change	–8.7%	1.7%	–4.0%	13.7%

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

<sup>b</sup> Multifamily 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 July 2019 were at a SAAR of 1,336,000. This was 8.4% greater than June 2019 and 1.5% greater than July 2018. SF permits were 838,000, which was 1.8% greater than June 2019. MF permits of two to four units were 45,000 and five units or more were 453,000 (Census Bureau 2019a). Historically, MF permits can be extremely variable, M/M and Y/Y.

Regionally, the South remained the strongest market, where total permits issued were 685,000, of which 463,000 were SF and 222,000 were MF. The West followed with total permits of 365,000, of which 213,000 were SF and 152,000 were MF. Midwest total permits were 169,000, of which 109,000 were SF and 60,000 were MF. In the Northeast, total permits were 117,000, of which 53,000 were SF and 64,000 were MF (Census Bureau 2019a). Table 2 provides permit data for each permit category for July 2019.

**Table 2—National and regional U.S. housing permits for July 2019 in comparison to June 2019 and July 2018**

	Total permits <sup>a</sup>	Single-family	Multi-family (2–4 units) <sup>b</sup>	Multi-family (≥5 units)
July-19	1,336,000	838,000	45,000	453,000
Jun-19	1,232,000	823,000	46,000	363,000
July-18	1,316,000	871,000	30,000	415,000
Month-over-month change	8.4%	1.8%	–2.2%	24.8%
Year-over-year change	1.5%	–3.8%	50.0%	9.2%
	Northeast	Midwest	South	West
July-19	117,000	169,000	685,000	365,000
Jun-19	121,000	171,000	619,000	321,000
July-18	130,000	181,000	681,000	324,000
Month-over-month change	–3.3%	–1.2%	10.7%	13.7%
Year-over-year change	–10.0%	–6.6%	0.6%	12.7%

<sup>a</sup> Source: U.S. Census Bureau–Construction (SAAR).

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

## Housing under Construction

Total housing under construction (HUC) issued in July 2019 was at a SAAR of 1,134,000. This was a 0.5% decrease from June 2019 and 1.2% greater than July 2018. SF HUC was 517,000, which was 0.6% less than June 2019. MF HUC of two to four units was 10,000 and five units or more was 607,000 (Census Bureau 2019a).

Regionally, the South remained the strongest market, where total HUC was 489,000, of which 248,000 were SF and 241,000 were MF. The West followed with a total HUC of 324,000 units, of which 135,000 were SF and 189,000 were MF. The Northeast total HUC was 181,000, of which 60,000 were SF and 121,000 were MF. Midwest total HUC was 140,000, of which 74,000 were SF and 66,000 were MF (Census Bureau 2019a). Table 3 provides HUC data for July 2019.

**Table 3—National and regional U.S. housing under construction for July 2019 in comparison to June 2019 and July 2018**

	Total HUC <sup>a</sup>	Single-family	Multi-family (2–4 units) <sup>b</sup>	Multi-family (≥5 units)
July-19	1,134,000	517,000	10,000	607,000
Jun-19	1,140,000	520,000	11,000	609,000
July-18	1,121,000	524,000	12,000	585,000
Month-over-month change	–0.5%	–0.6%	–9.1%	–0.3%
Year-over-year change	1.2%	–1.3%	–16.7%	3.8%
	Northeast	Midwest	South	West
July-19	181,000	140,000	489,000	324,000
Jun-19	183,000	144,000	491,000	322,000
July-18	188,000	154,000	451,000	328,000
Month-over-month change	–1.1%	–2.8%	–0.4%	0.6%
Year-over-year change	–3.7%	–9.1%	8.4%	–1.2%

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

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

## Housing Completions

Total completions in July 2019 were at a SAAR of 1,250,000. This was 7.2% greater than June 2019 and 6.3% greater than July 2018. SF completions were 918,000, which is 4.3% greater than June 2019. MF completions of two to four units were 11,000 and five units or more were 321,000 (Census Bureau 2019a).

The South remained the strongest market, where total completions were 658,000, of which 517,000 were SF and 141,000 were MF. The West followed with total completions of 299,000 units, of which 200,000 were SF and 99,000 were MF. Midwest total completions were 190,000, of which 130,000 were SF and 60,000 were MF. Total Northeast completions were 103,000, of which 71,000 were SF and 32,000 were MF (Census Bureau 2019a). Table 4 provides housing completion data for July 2019.

**Table 4—National and regional U.S. housing completions for July 2019 in comparison to June 2019 and July 2018**

	Total completions <sup>a</sup>	Single-family	Multi-family (2–4 units) <sup>b</sup>	Multi-family (≥5 units)
July-19	1,250,000	918,000	11,000	321,000
Jun-19	1,166,000	880,000	11,000	275,000
July-18	1,176,000	818,000	5,000	353,000
Month-over-month change	7.2%	4.3%	0.0%	16.7%
Year-over-year change	6.3%	12.2%	120.0%	–9.1%
	Northeast	Midwest	South	West
July-19	103,000	190,000	658,000	299,000
Jun-19	115,000	146,000	598,000	307,000
July-18	105,000	180,000	584,000	307,000
Month-over-month change	–10.4%	30.1%	10.0%	–2.6%
Year-over-year change	–1.9%	5.6%	12.7%	–2.6%

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

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

## New Single-Family House Sales

Total new house sales in July 2019 were estimated at a SAAR of 635,000 units. This was a decrease of 12.8% from June 2019 and 4.3% greater than July 2018.

Regionally, the South remained the strongest market with total new SF house sales of 359,000, followed by the West with 181,000. The Midwest recorded 56,000 sales and the Northeast had 39,000.

The median sales price of new houses sold in July 2019 was \$312,800, and the mean sales price was \$388,000 (Census Bureau 2019b). Table 5 provides new SF sales data for July 2019.

**Table 5—National and regional new U.S. housing sales for July 2019 in comparison to June 2019 and July 2018**

	New SF sales <sup>a</sup>	Median price	Mean price	Month's supply
July-19	635,000	\$312,800	\$388,000	6.4
Jun-19	728,000	\$306,000	\$354,500	5.5
July-18	609,000	\$327,500	\$392,300	6.2
Month-over-month change	-12.8%	2.2%	9.4%	16.4%
Year-over-year change	4.3%	-4.5%	-1.1%	3.2%
	Northeast	Midwest	South	West
July-19	39,000	56,000	359,000	181,000
Jun-19	26,000	63,000	428,000	211,000
July-18	25,000	69,000	348,000	167,000
Month-over-month change	50.0%	-11.1%	-16.1%	-14.2%
Year-over-year change	56.0%	-18.8%	3.2%	8.4%

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

## Private Residential Construction Spending

New SF starts and sales are vital to the wood products industry because 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 July's expenditure data bear this out. Total private residential construction spending for July 2019 was \$506,743 million, a 0.6% increase from June 2019 and a 6.6% decline from July 2018. SF construction spending was \$268,138 million and MF construction spending was \$62,458 million. Improvement, or remodeling, spending was \$176,147 million (Census Bureau 2019c). Table 6 provides data for each construction spending category for July 2019.

**Table 6—National U.S. housing construction spending for July 2019 in comparison to June 2019 and July 2018**

	Total private residential construction spending <sup>a, b</sup>	Single-family	Multi-family	Improvement <sup>c</sup>
July-19	\$506,743	\$268,138	\$62,458	\$176,147
Jun-19	\$503,515	\$264,537	\$63,151	\$175,827
July-18	\$542,307	\$293,051	\$59,067	\$190,189
Month-over-month change	0.6%	1.4%	-1.1%	0.2%
Year-over-year change	-6.6%	-8.5%	5.7%	-7.4%

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

<sup>b</sup> Source: U.S. Census Bureau—Construction.

<sup>c</sup> The U.S. DOC Census Bureau 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 July 2019 were at a SAAR of 5,420,000 units. This is a 2.5% increase from June 2019 and a 0.6% increase from July 2018. Regionally, the South remained the strongest market, with total existing house sales of 2,310,000 units, followed by the Midwest at 1,270,000 units. The West had total existing sales of 1,180,000 units, and the Northeast had 660,000 units (FRED 2019). Table 7 provides existing house sales data for July 2019.

**Table 7—National and regional U.S. existing housing sales for July 2019 in comparison to June 2019 and July 2018**

	Existing sales <sup>a</sup>	Median price	Mean price	Month's supply
July-19	5,420,000	\$280,800	\$317,100	4.2
Jun-19	5,290,000	\$285,300	\$321,400	4.4
July-18	5,390,000	\$269,300	\$307,600	4.3
Month-over-month change	2.5%	-1.6%	-1.3%	-4.5%
Year-over-year change	0.6%	4.3%	3.1%	-2.3%
	Northeast	Midwest	South	West
July-19	660,000	1,270,000	2,310,000	1,180,000
Jun-19	680,000	1,250,000	2,270,000	1,090,000
July-18	690,000	1,260,000	2,250,000	1,190,000
Month-over-month change	-2.9%	1.6%	1.8%	8.3%
Year-over-year change	-4.3%	0.8%	2.7%	-0.8%

<sup>a</sup> Source: Federal Reserve Bank of St. Louis (FRED).

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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 the units in the buildings are counted as completed when 50% 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. 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 July 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, whether or not 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, semi-detached (semi-attached, side-by-side), row houses, and townhouses.

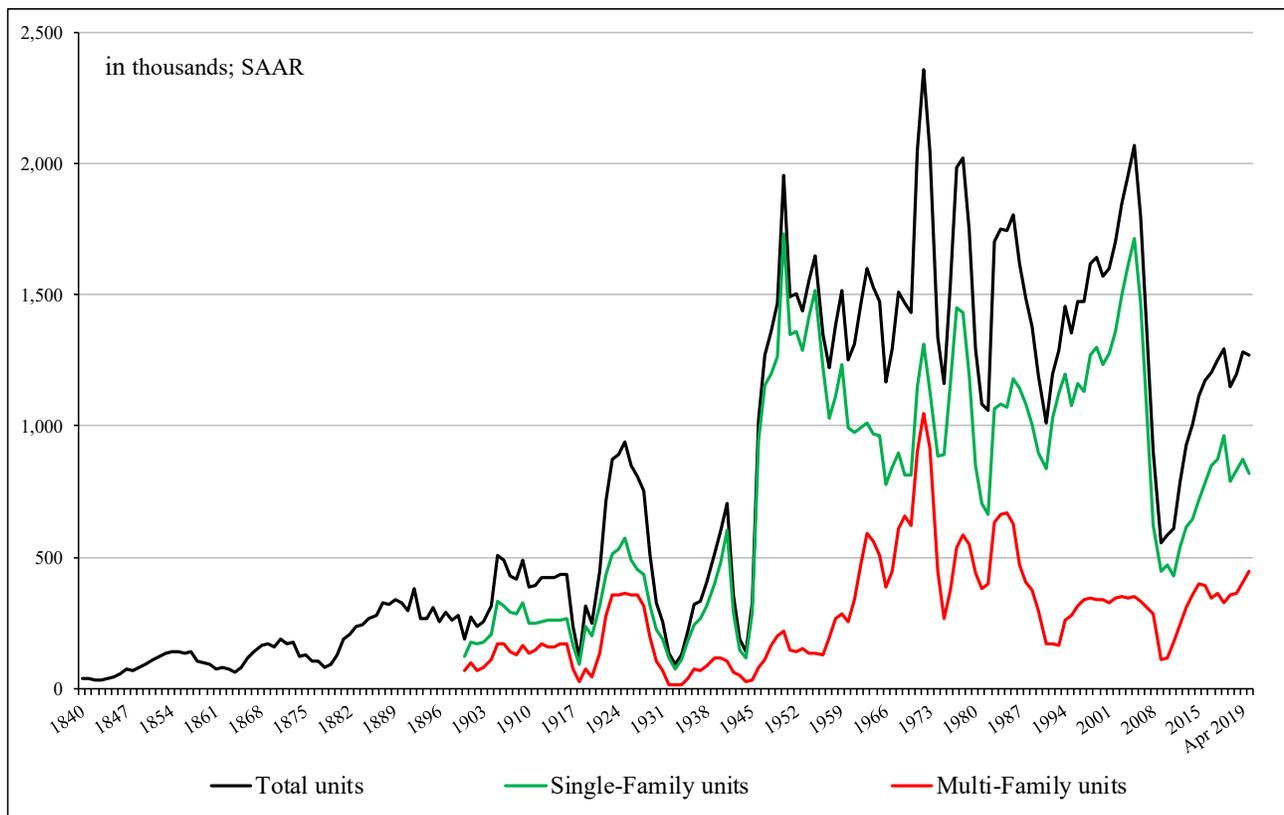


Figure 1. U.S. housing units and starts: 1840 to July 2019. Sources: Carliner (2010), Gottlieb (1964), and Census Bureau (2019a).