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United States Housing, Fourth Quarter 2013

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Abstract

In the beginning of 2013, the U.S. housing construction market indicated increases in all sectors; yet, by the fourth quarter's end, only housing under construction improved. Moderation and declines are to be expected in the fourth quarter, as winter is setting in. Permits, starts, housing under construction, completions, and new and existing house sales all exceeded the record lows recorded in the 2008 to 2011 time period. With that stated, there are still several hindrances for a return to a robust housing industry, including a sluggish economy, declining real incomes, and stricter lending standards. If these hindrances can be overcome, we should expect additional improvement in the U.S. housing construction market.

Keywords: Housing permits, starts, under construction, completions, construction spending; quarterly and annual construction averages, nominal and inflation adjusted construction spending, housing and gross domestic product

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United States Housing, Fourth Quarter 2013

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Overview

In the beginning of the fourth quarter of 2013, most of the U.S. housing construction market data indicated improvement in all sectors. Yet, by the quarter's end, only housing under construction increased. Historically, moderation and declines are to be expected in the fourth quarter, due to the winter season setting in. Even with declines in permits, starts, housing under construction, completions, and new and existing house sales, all construction and sales sectors exceeded the record lows recorded in the 2008 to 2011 time period. With that stated, there are still several hindrances for a return to a robust housing industry, including a sluggish economy, declining real incomes, and stricter lending standards. If these hindrances can be overcome, we should expect additional improvement in the U.S. housing construction market.

Housing Permits

Housing permits (see glossary for definitions of terms) are a leading indicator for gauging the current status and future of the housing construction market. Throughout the fourth quarter, seasonally adjusted annual rate (SAAR) issued permits were mixed; however, October recorded the greatest number of issued permits for 2013 (Table 1, Fig. 1). In addition to assessing monthly data, analysts also contrast quarterly data to gauge the housing market. Issued permits increased moderately in the quarter-over-quarter (Q/Q) and year-over-year (Y/Y) (Table 2). For additional comparison, the average annual number of permits issued in the fourth quarter was 76.1% of the long-term quarter four average (Table 11). Historical quarterly averages for the construction sectors reviewed in this note are presented in Table 12. According to the U.S. Bureau of Census, a "seasonal adjustment" estimates and subtracts seasonal effects from a particular time series to reveal discrete nonseasonal features, such as underlying trends and business cycles.

Housing Starts

Housing starts are also a leading indicator of the housing construction market because starts are generally regarded as integral in the production of economic activity. In the fourth quarter, total starts data were mixed, with November having the greatest number of starts in 2013 (Table 1, Fig. 1). A quarterly contrast resulted in substantial Y/Y and Q/Q increases in the fourth quarter (Table 2). For further reference, quarter four's start average was 70.7% of the fourth quarter's long-term average (Table 11).

Housing under Construction

Housing under construction is generally considered as a lagging indicator for assessing the housing market. These data also can be used to assess current construction employment and building material demand. As in quarter three, housing under construction increased steadily through the fourth quarter (Table 1, Fig. 1). This yielded a substantial Y/Y increase and moderate Q/Q increase (Table 2). For further comparison, quarter four's housing under construction average was 72.8% of the fourth quarter's long-term average (Table 11).

Housing Completions

Housing completions indicate the quantity of homes finished and available for sale or rent. Analysts may develop estimates for consumer-based products such as furniture and home appliances using these data. Generally, completions lag starts by 5 to 6 months. Housing completions were mixed in the quarter, with November recording the greatest number (SAAR) of completions for the year (Table 1, Fig. 1). On a Y/Y and Q/Q basis, completions increased (Table 2). For an additional comparison, quarter four's start average was 56.7% of its fourth quarter average (Table 11).

Table 1. Housing permits, starts, under construction, and completions, by year (annual rate) and by month (seasonally adjusted annual rate) (2013)[a,b]

	Permits	Starts	Under construction	Completions
2000	1,592.3	1,568.7	933.8	1,573.7
2001	1,636.7	1,602.7	959.4	1,570.8
2002	1,747.7	1,704.9	1001.2	1,648.4
2003	1,889.2	1,847.7	1141.4	1,678.7
2004	2,070.1	1,955.8	1237.1	1,841.9
2005	2,155.3	2,068.3	1355.9	1,931.4
2006	1,838.9	1,800.9	1204.9	1,979.4
2007	1,398.4	1,355.0	1025.0	1,502.8
2008	905.4	905.5	780.9	1,119.7
2009	583.0	554.0	495.4	794.4
2010	604.6	586.9	411.0	651.7
2011	624.1	608.8	417.7	584.9
2012	829.7	780.6	532.5	649.2
		2013[c]		
Jan	928	888	561	732
Feb	971	970	582	730
Mar	932	999	595	839
Apr	1,015	826	607	690
May	1,016	920	620	714
Jun	951	852	629	759
Jul	986	891	636	786
Aug	947	898	651	761
Sep	1,015	860	661	752
Oct	1,031	921	669	811
Nov	1,042	1,104	689	833
Dec	1,013	1,010	711	768

[a]In thousands, annual and monthly data.
[b]Data are for conventional housing and do not include mobile home shipments.
[c]Seasonally adjusted annual rate.
Data source: Census Bureau (2015a).

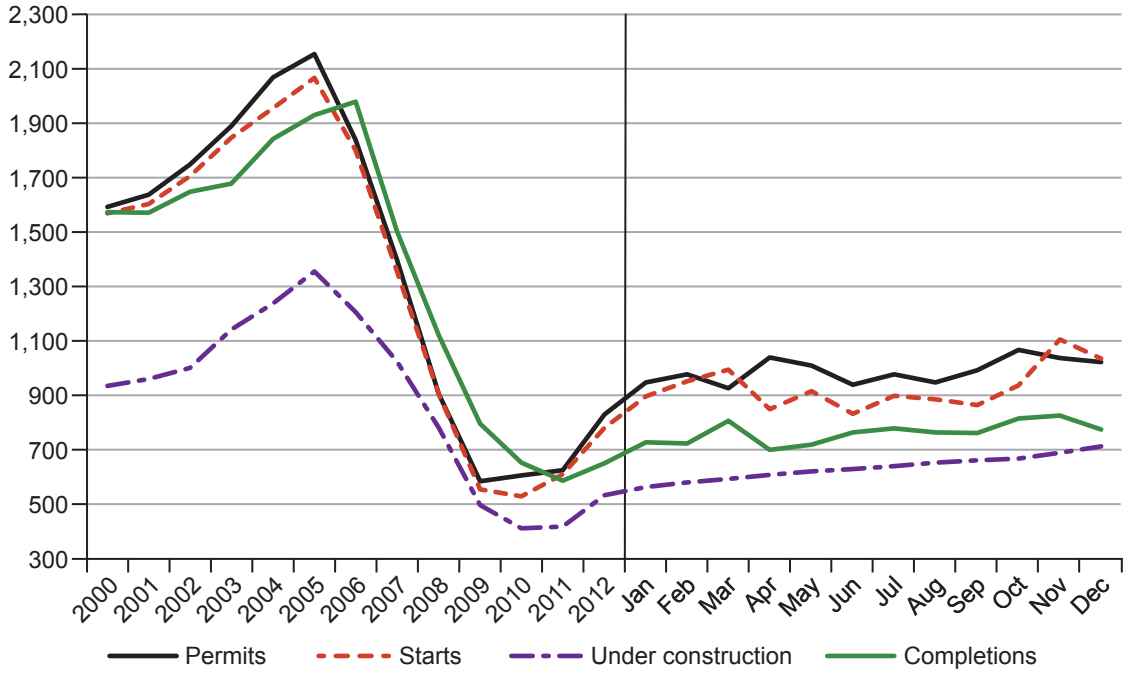

Figure 1. Total housing permits, starts, under construction, and completions, 2000–2013, in thousands. Seasonally adjusted annual rates for quarter four (Q4), 2013 data. Data source: Census Bureau (2015a).

Table 2. Total quarterly and yearly comparisons, fourth quarter of 2012 and 2013[a,b,c]

	2013 3-month running average	Change quarter-over-quarter (%)	2012 3-month running average	Change year-over-year (%)
Permits	1,028.7	4.7	921.0	11.7
Starts	1,012.0	14.6	908.0	11.4
Under construction	689.7	6.2	535.0	28.9
Completions	804.0	4.9	691.7	16.2

[a]In thousands, annual and monthly data.
[b]Data are for conventional housing and do not include mobile home shipments.
[c]Seasonally adjusted annual rate.
Data source: Census Bureau (2015a).

Single-Family Housing

Single-family (SF) housing construction generally consumes more softwood, hardwood, and wood composite products than any other type of building construction (Wood Products Council 2006). Historically, SF construction has contributed about 2.25% to the U.S. gross domestic product (GDP); however, since 2009, the SF portion has been about 1%. Subsequently, SF housing starts remain a valuable data subset for assessing the current status of the housing market and are used by the forest products industry and many other industries to predict future housing activity. SF completions normally lag starts by 6 months to 1 year.

SF permits and starts were mixed in the fourth quarter of 2013; SF houses under construction increased steadily, and SF completions declined throughout the quarter (Table 3, Fig. 2). The fourth quarter contrasts resulted in SF permits increasing slightly from the third quarter and a moderate Y/Y increase. Starts yielded moderate Q/Q and Y/Y increases, and housing under construction and completions yielded a slight Q/Q and substantial Y/Y increases (Table 4). For additional long-term comparisons, the average of SF permits issued was 67.3%; SF starts, 64.2%; SF houses under construction, 58.8%; and SF completions, 57.4% of average historical quarter four data (Table 11).

Table 3. Single-family (SF) housing permits, starts, under construction, and completions, by year (annual rate) and by month (seasonally adjusted annual rate) (2013)[a,b]

	SF permits	SF starts	SF under construction	SF completions
2000	1,198.1	1,230.9	623.4	1,241.8
2001	1,235.6	1,273.3	638.3	1,255.9
2002	1,332.6	1,358.6	668.8	1,325.1
2003	1,460.9	1,499.0	772.9	1,386.3
2004	1,613.4	1,610.5	850.3	1,531.5
2005	1,682.0	1,715.8	929.1	1,635.9
2006	1,378.2	1,465.4	764.7	1,654.5
2007	979.9	1,046.0	579.1	1,218.4
2008	575.6	622.0	377.3	818.8
2009	441.1	445.1	283.1	520.1
2010	447.3	471.2	247.3	496.3
2011	418.5	430.6	221.6	446.3
2012	518.7	535.3	267.7	483.0
		2013[c]		
Jan	590	612	287	563
Feb	612	663	293	577
Mar	609	621	294	613
Apr	623	578	302	520
May	624	602	305	555
Jun	628	605	314	535
Jul	615	598	316	579
Aug	631	624	320	571
Sep	618	582	323	563
Oct	623	593	321	602
Nov	647	712	329	595
Dec	613	653	338	564

[a]In thousands, annual and monthly data.
[b]Data are for conventional housing and do not include mobile home shipments.
[c]Seasonally adjusted annual rate (SAAR).
Data source: Census Bureau (2015a).

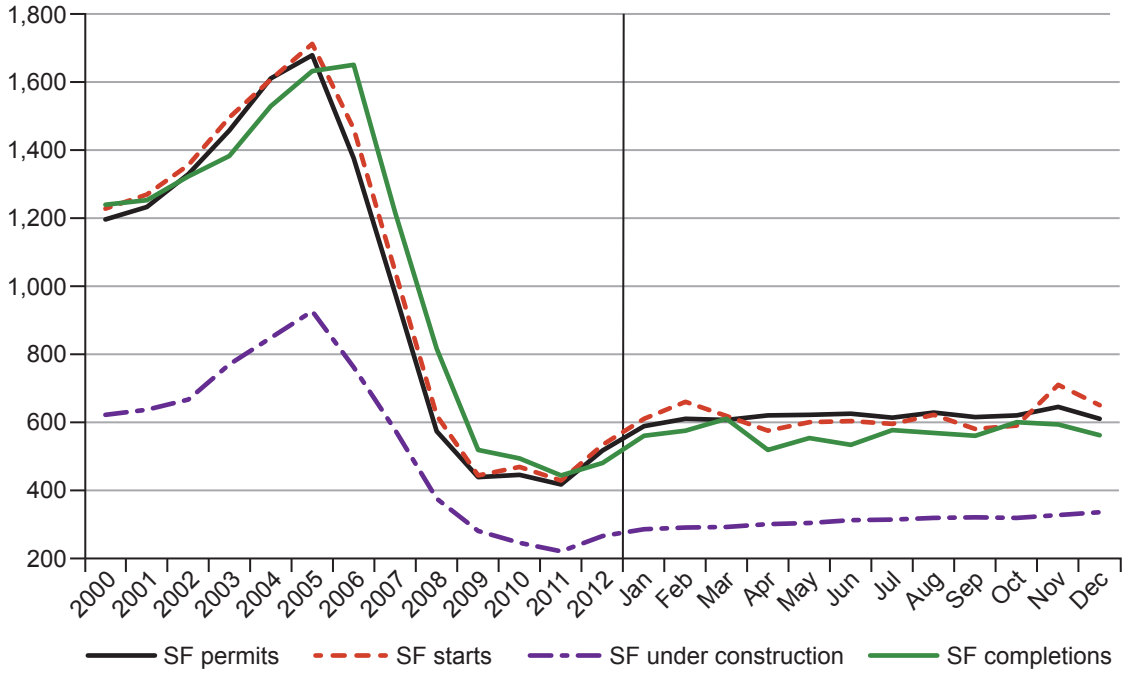

Figure 2. Total single-family housing permits, starts, under construction, and completions, 2000–2012, in thousands. Seasonally adjusted annual rate for Q4, 2013 data.
Data source: Census Bureau (2015a).

Table 4. Single-family (SF) quarterly and yearly comparisons, fourth quarter of 2012 and 2013[a,b,c]

	2013 3-month running average	Change quarter-over-quarter (%)	2012 3-month running average	Change year-over-year (%)
SF permits	627.7	1.0	576.7	8.8
SF starts	652.7	8.5	598.3	9.1
SF under construction	329.3	3.0	279.3	17.9
SF completions	587.0	2.8	521.0	12.7

[a]In thousands, annual and monthly data.
[b]Data are for conventional housing and do not include mobile home shipments.
[c]Seasonally adjusted annual rate.
Data source: Census Bureau (2015a).

Multifamily Housing

In the fourth quarter of 2013, multifamily (MF) housing continued to be an essential component of the 2013 housing market, though the overall numbers of units built in this quarter were considerably less than reported in the early and mid-1970s. In the 1970s, MF construction was the greatest recorded in U.S. history. In historical and typical MF fashion, October through December MF housing permits, starts, and completions were varied on a SAAR basis. MF units under construction increased steadily throughout the quarter (Tables 5 and 6; Fig. 3).

For a long-term comparison, average MF permits issued were 83.9%; MF starts, 92.4%; MF houses under construction, 1.0%; and MF completions, 60.9% of the fourth quarter average (Table 11). Note that MF data are considered to be volatile, on a monthly and quarterly basis.

Table 5. Multifamily (MF) housing permits, starts, under construction, and completions, by year (annual rate) and by month (seasonally adjusted annual rate) (2013)[a,b]

	MF permits	MF starts	MF under construction	MF completions
2000	394.2	338	310.4	332.0
2001	401.1	329	321.0	314.9
2002	415.1	346	332.3	323.2
2003	428.3	349	368.6	292.3
2004	456.6	345	386.8	310.0
2005	473.3	353	426.8	295.5
2006	460.7	336	440.2	325.0
2007	418.5	309	445.9	284.4
2008	329.8	284	403.7	300.9
2009	141.8	109	212.3	274.3
2010	157.3	116	163.8	155.4
2011	205.6	178	196.2	138.3
2012	311.0	245	264.9	166.3
		2013[c]		
Jan	338	276	274	169
Feb	359	307	289	153
Mar	323	378	301	226
Apr	392	248	305	170
May	392	318	315	159
Jun	323	247	315	224
Jul	371	293	320	207
Aug	316	274	331	190
Sep	397	278	338	189
Oct	408	328	348	209
Nov	395	392	360	238
Dec	400	357	373	204

[a]In thousands, annual and monthly data.
[b]Data are for conventional housing and do not include mobile home shipments.
[c]Seasonally adjusted annual rate.
Data source: Census Bureau (2015a).

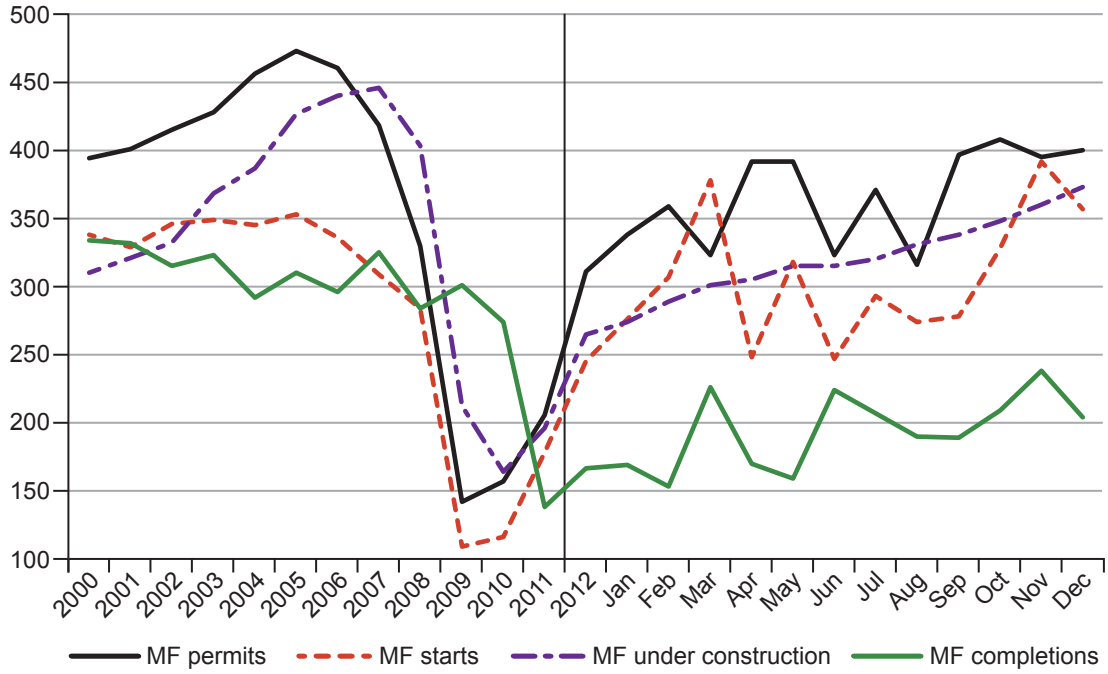

Figure 3. Multifamily housing permits, starts, under construction, and completions, 2000–2012, in thousands. Seasonally adjusted annual rate for Q4, 2013 data. Data source: Census Bureau (2015a).

Table 6. Multifamily (MF) quarterly and yearly comparisons, fourth quarter of 2012 and 2013[a,b,c]

	2013 3-month running average	Change quarter-over-quarter (%)	2012 3-month running average	Change year-over-year (%)
MF permits	401.0	11.0	344.3	16.5
MF starts	359.0	27.5	309.7	15.9
MF under construction	360.3	9.3	255.7	40.9
MF completions	217.0	11.1	170.7	27.1

[a]In thousands, annual and monthly data.
[b]Data are for conventional housing and do not include mobile home shipments.
[c]Seasonally adjusted annual rate.
Data source: Census Bureau (2015a).

House Sales

New and existing house sales, in addition to other housing indicators, are important for the entirety of the forest products industry and U.S. economy, and they provide an indirect metric for assessing the overall U.S. economy.

Typically, new housing is a critical market for the forest products industry, as new houses utilize substantially more softwoods and wood composites (in the framing structure and subfloor) and hardwoods (in flooring, cabinets, and mouldings) than the residential renovation and multifamily subsectors.

New house sales were mixed in the fourth quarter of 2013 and less than reported at the beginning of 2013. On a historical basis, new house sales were substantially less than average (Table 7, Fig. 4). The quarterly comparisons resulted in robust Y/Y and Q/Q increases (Table 8). Fourth quarter average new house sales were 63.9% of the long-term average (Table 11).

Existing house sales also provide insight for the home improvement industry and, by extension the forest products industry. For additional comparison, the average annual number of existing house sales from 1963 to 2007 was 3,804,000 units, and from 1977 to 2007, 4,307,800 units were sold on average. From October to December 2013, existing home sales were mixed and ended the year in decline (Table 7, Fig. 4). On a Q/Q basis, existing sales experienced a moderate decline, and on a Y/Y basis, existing sales increased minimally (Table 8). For additional comparison, quarterly existing house sales were 93.1% of quarter four's long-term average (Table 11).

Table 7. New and existing house sales, by year (annual rate) and by month (seasonally adjusted annual rate) (2013)[a,b]

	New house sales	Existing house sales
2000	877	5,173
2001	908	5,333
2002	973	5,631
2003	1,086	6,176
2004	1,203	6,778
2005	1,283	7,076
2006	1,051	6,478
2007	776	5,040
2008	485	4,110
2009	375	4,340
2010	323	4,190
2011	306	4,260
2012	368	4,660
	2013[c]	
Jan	442	4,870
Feb	439	4,950
Mar	449	4,960
Apr	451	4,990
May	430	5,150
Jun	463	5,160
Jul	376	5,380
Aug	380	5,330
Sep	399	5,260
Oct	444	5,130
Nov	446	4,830
Dec	441	4,870

[a]In thousands, annual and monthly data.
[b]Data are for conventional housing and do not include mobile home shipments.
[c]Seasonally adjusted annual rate.
Data sources: Census Bureau (2015b), National Association of Realtors (2014).

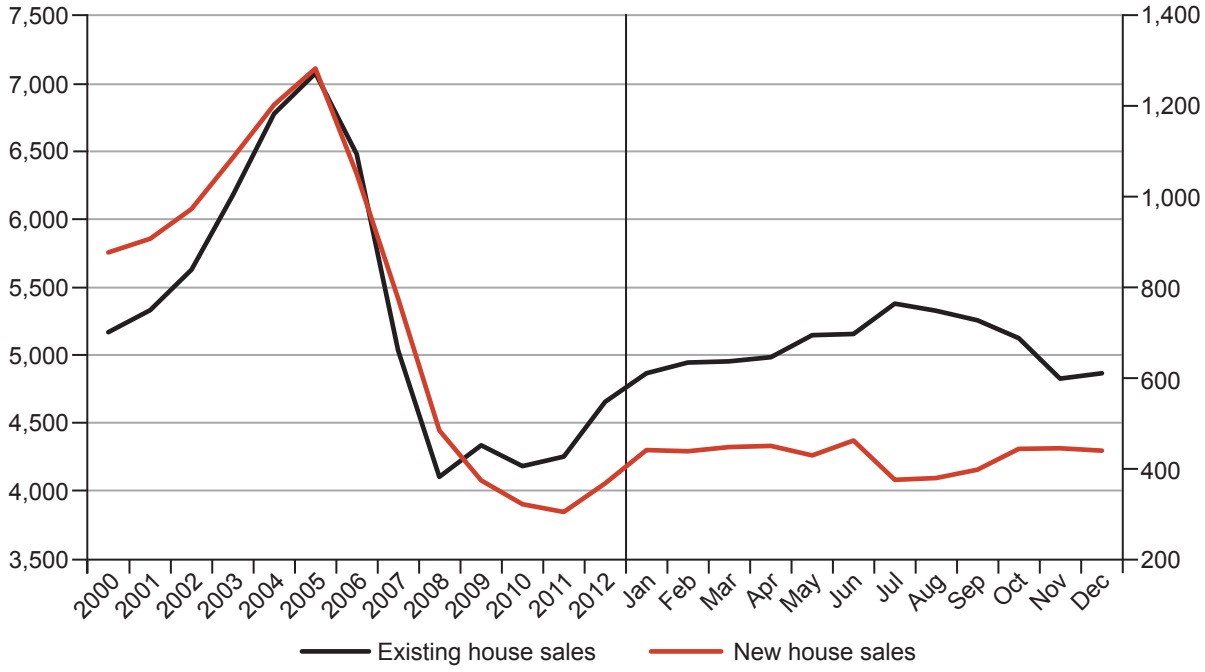

Figure 4. New and existing house sales, 2000–2012, in thousands. Seasonally adjusted annual rate for Q4, 2013 data. Existing house sales (left-hand scale) and new house sales (right-hand scale). Data sources: Census Bureau (2015b), National Association of Realtors (2014).

Table 8. New and existing house sales, quarterly and yearly comparisons, fourth quarter of 2012 and 2013[a,b,c]

	2013 3-month running average	Change quarter-over-quarter (%)	2012 3-month running average	Change year-over-year (%)
New sales	443.7	15.2	383.0	15.8
Existing sales	4,943.3	–7.1	4,890.0	1.1

[a]In thousands, annual and monthly data.
[b]Data are for conventional housing and do not include mobile home shipments.
[c]Seasonally adjusted annual rate.
Data sources: Census Bureau (2015ab), National Association of Realtors (2014).

Residential Construction Spending

Private residential construction (PRC) spending also is an important statistic for the overall condition of the housing market and is used in the computation of the U.S. GDP. In the fourth quarter of 2013, PRC, SF, MF, and improvement or remodeling expenditures increased, and most recorded yearly highs (Table 9, Fig. 5). The quarterly expenditure comparisons resulted in PRC, SF, MF, and improvement expenditures having substantial Y/Y and moderate Q/Q increases (Table 10).

For additional comparison, PRC was 0.8%; MF, 23.1%; and improvement spending, 38.9% greater than their respective long-term averages. SF spending was 78.2% less than its historical average (Table 11). The U.S. Census Bureau does not report remodeling spending directly, and these expenditures are interpolated.

Table 9. Construction spending for total private residential spending, single-family (SF), multifamily (MF), and improvements by year (annual rate) and by month (seasonally adjusted annual rate) (2013)[a,b]

	Private residential spending[c]		SF spending		MF spending		Improvement spending	
	Reported[d]	Adjusted[e]	Reported	Adjusted	Reported	Adjusted	Reported	Adjusted
2000	346.1	506.8	236.8	338.9	28.3	41.4	81.1	118.7
2001	364.4	509.4	249.1	340.3	30.3	42.4	85.0	118.9
2002	396.7	541.2	265.9	354.5	33.0	45.0	97.9	133.5
2003	446.0	580.9	310.6	395.3	35.1	45.7	100.3	130.7
2004	532.9	648.6	377.6	449.1	39.9	48.6	115.4	140.5
2005	611.9	695.0	433.5	481.2	47.3	53.7	131.1	148.9
2006	613.7	658.7	416.0	436.3	52.8	56.7	144.9	155.5
2007	493.2	522.5	305.2	315.9	49.0	51.9	139.1	147.4
2008	350.3	376.5	185.8	195.2	44.3	47.7	120.1	129.2
2009	245.9	264.4	105.3	110.7	28.5	30.7	112.0	120.4
2010	238.8	266.1	112.6	122.6	14.7	16.4	111.6	124.3
2011	244.1	273.0	108.2	118.2	15.0	16.8	120.9	135.2
2012	280.6	311.4	132.0	143.2	22.5	25.0	126.1	139.9
				2013[f]				
Jan	314.5		153.0		28.6		132.8	
Feb	321.9		161.8		28.3		131.8	
Mar	324.6		166.4		28.9		129.3	
Apr	327.3		168.1		29.8		129.3	
May	328.5		170.4		29.9		128.2	
Jun	331.2		171.3		30.6		129.2	
Jul	336.5		172.5		30.3		133.6	
Aug	342.2		175.1		31.9		135.3	
Sep	346.1		174.7		33.3		138.1	
Oct	345.5		173.3		34.5		137.7	
Nov	350.8		175.9		36.3		138.6	
Dec	353.1		180.7		35.4		137.0	

[a]In millions of dollars, annual and monthly data.
[b]Data are for conventional housing and do not include mobile home shipments.
[c]Private residential spending = Single-family + Multifamily + Improvement.
[d]As provided by the Census Bureau's Survey of Construction.
[e]Annual spending estimates, adjusted for the third quarter of 2013. Bureau of Economic Analysis (BEA), table 1.1.9. Implicit price deflators for gross private domestic investment, residential fixed investment [index numbers, 2009 = 100, seasonally adjusted]; revised June 24, 2015.
[f]Seasonally adjusted annual rate.
Data sources: Census Bureau (2015a,c); Bureau of Economic Analysis (2015a).

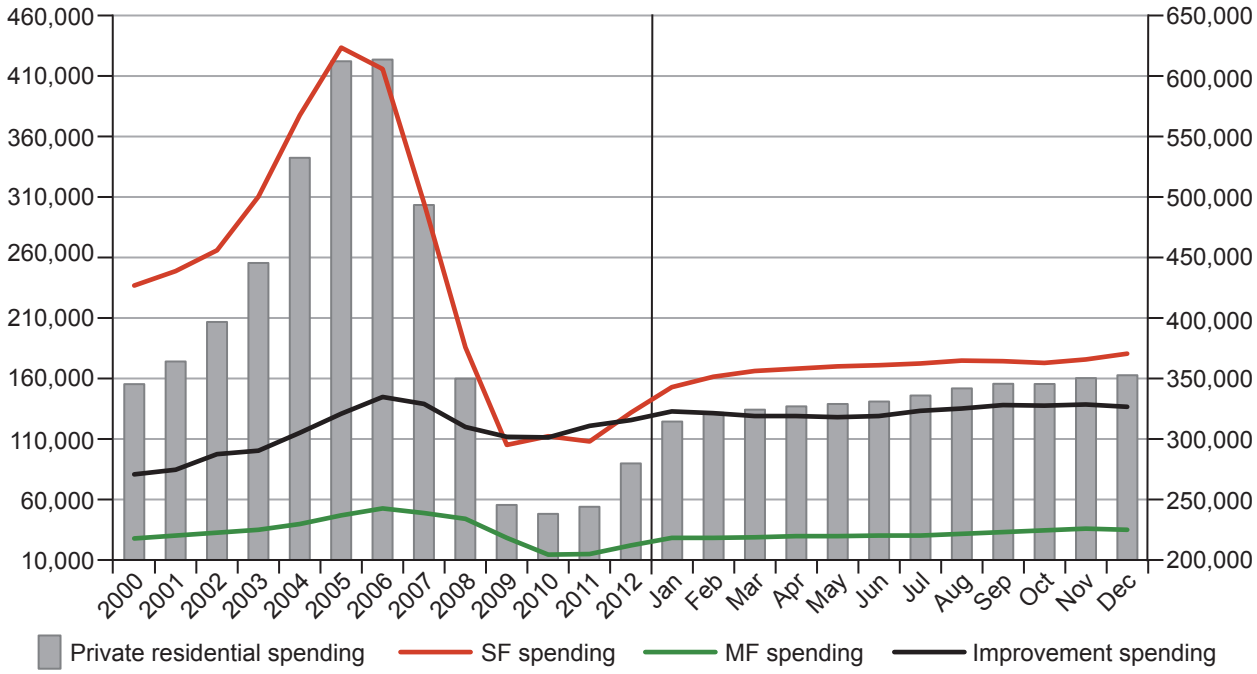

Figure 5. Construction spending, in thousands of dollars, for total private residential, single-family, multifamily, and improvement spending, 2000–2012. Seasonally adjusted annual rate for Q4, 2013 data. Private residential spending (right-hand scale) and SF, MF, and IS (left-hand scale). Data sources: Census Bureau (2015c,d).

Table 10. Construction expenditure comparisons, fourth quarter of 2012 and 2013[a,b,c]

	2013 3-month running average	Change quarter-over-quarter (%)	2012 3-month running average	Change year-over-year (%)
Private residential[d]	349.8	2.4	307.3	13.8
Single-family	176.6	1.5	147.8	19.4
Multifamily	35.4	11.3	26.4	34.1
Improvement	137.8	1.6	133.0	3.6

[a]In millions of dollars, annual and monthly data.
[b]Data are for conventional housing and do not include mobile home shipments.
[c]Seasonally adjusted annual rate.
[d]Private residential spending = Single-family + Multifamily + Improvement.
Data source: Census Bureau (2015a).

Housing as a Component of GDP

Housing is a critical component of the U.S. GDP. The National Association of Homebuilders states that "Historically, residential investment has averaged approximately 5% of GDP, and housing services have averaged between 12% and 13%, for a combined 17% to 19% of the GDP—at times slightly more. These proportions have a tendency to fluctuate during business cycles. Housing contributions to GDP are valued in two discrete ways: (1) private residential investment and (2) consumption spending of housing services. Residential investment includes construction of new single-family and multifamily structures, residential remodeling, manufactured home production, and brokers' fees. Consumption spending on housing services includes gross rents (which include utilities) paid by renters and owners' imputed rent" (National Association of Homebuilders 2014).

Housing construction's aggregate share of U.S. GDP remains less than the historical average, and quarter four data indicate a slight share decrease. In quarter four of 2013, housing was estimated to be 15.4% of the U.S. GDP (residential fixed investment was 3.1% and housing services was 12.3%) (Fig. 6) (National Association of Homebuilders 2014).

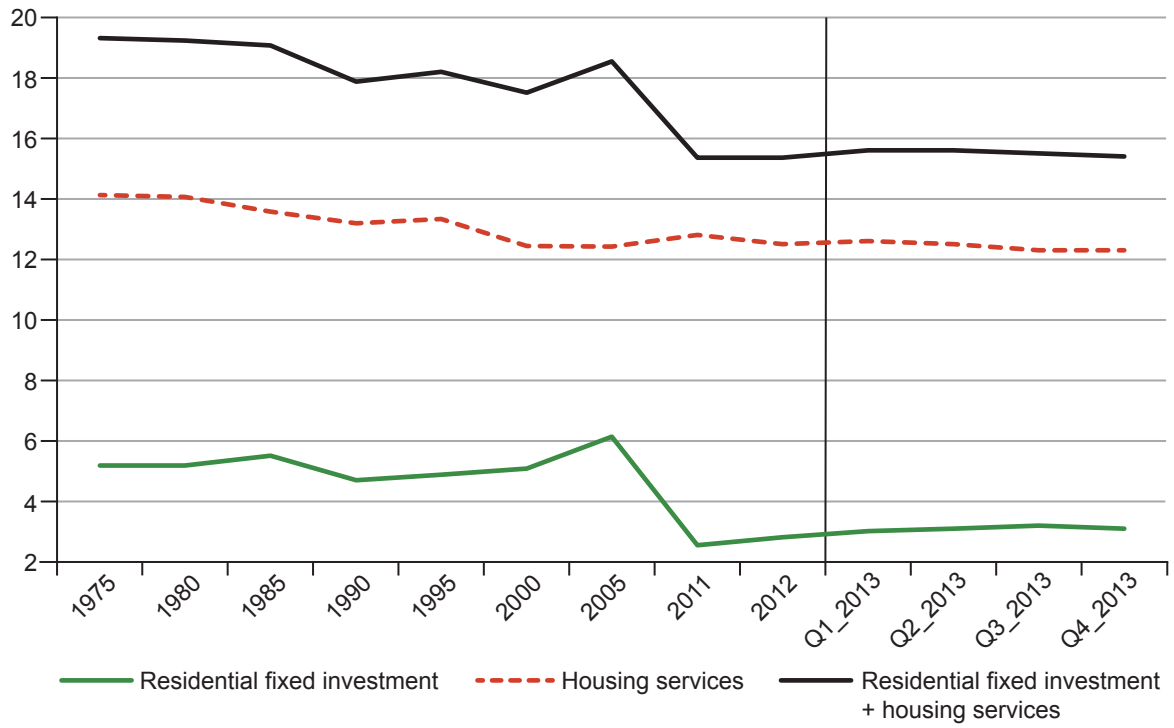

Figure 6. Contribution of housing to GDP, in percentage of total GDP, 1976–2012, seasonally adjusted annual rate for Q4, 2013 data. Data sources: Bureau of Economic Analysis (2015b), National Association of Homebuilders (2015).

Table 11. Fourth quarter construction averages[a,b,c,d]

	Time period	Quarter 4	Quarter 4 2013	Time period	Quarter 4
Total permits	1960–2007	1,447.3	1,028.7	1960–2012	1,376.0
Total starts	1959–2007	1,548.3	1,011.7	1959–2012	1,467.0
Total under construction	1970–2008	1,007.7	689.7	1970–2012	958.9
Total completions	1968–2008	1,520.1	804.0	1968–2012	1,443.5
SF permits	1960–2007	948.0	627.7	1960–2012	903.0
SF starts	1959–2007	1,101.3	652.7	1959–2012	1,045.0
SF under construction	1970–2008	601.8	329.3	1970–2012	571.0
SF completions	1968–2008	1,096.6	587.0	1968–2012	1,042.7
MF permits	1960–2007	499.3	401.0	1960–2012	473.0
MF starts	1959–2007	447.0	359.0	1959–2012	422.1
MF under construction	1970–2008	405.9	360.3	1970–2012	387.9
MF completions	1968–2010	423.5	217.0	1968–2012	400.8
New house sales	1963–2007	692.7	443.7	1963–2012	688.7
Existing house sales[e]	1999–2007	5,834.8	4,943.3	1999–2012	5,338.1

	Time period	Reported	Adjusted[g]	Time period	Reported	Adjusted[g]
Private residential spending[f]	1993–2008	370.8	486.0	2008–2012	276.8	298.4
SF spending		252.1	330.0		135.3	145.7
MF spending		29.5	38.3		26.3	28.3
Improvement spending		89.3	117.7		115.3	124.4

	Time period	Reported	Adjusted[g]	Quarter 4 2013
Private residential spending[f]	1993–2012	347.3	439.1	349.8
SF spending		222.9	283.9	176.6
MF spending		28.9	35.8	35.4
Improvement spending		97.8	119.4	137.8

[a]The time periods selected begin with initiation of modern data collection and end with the year generally recognized as the start of the housing crash.
[b]Annualized monthly data.
[c]Data are for conventional housing and do not include mobile home shipments.
[d]Average of quarter 4 monthly data.
[e]National Association of Realtors (2014).
[f]Private residential spending = Single-family + Multifamily + Improvement; in millions.
[g]Annual spending estimates, adjusted for the third quarter of 2013. BEA, table 1.1.9. Implicit price deflators for gross private domestic investment, residential fixed investment [index numbers, 2009 = 100, seasonally adjusted]; revised June 24, 2015.
Data source: Census Bureau (2015a); Bureau of Economic Analysis (2015a).

Table 12. Historic annual construction averages[a,b,c]

	Average by time period				
	1959–2008	1969–2008	1968–2008		
Total permits	1,430.0				
Total starts	1,534.1				
Total under construction		975.7			
Total completions			1,532.0		
	1959–2012	1969–2012	1968–2012		
Total permits	1,373.0				
Total starts	1,467.3				
Total under construction		929.2			
Total completions			1,455.3		
	1959–2008	1969–2008	1968–2008		
SF permits	939.4				
SF starts	1,092.2				
SF under construction		569.1			
SF completions			1,101.8		
	1959–2012	1969–2012	1968–2012		
SF permits	903.6				
SF starts	1,046.1				
SF under construction		540.6			
SF completions			1,047.1		
	1959–2008	1964–2008	1969–2008	1968–2008	
MF permits	490.6				
MF starts		447.8			
MF under construction			406.6		
MF completions				430.1	
	1959–2012	1963–2012	1969–2012	1968–2012	
MF permits	469.4				
MF starts		481.6			
MF under construction			388.6		
MF completions				408.2	
	1963–2007	1963–2012	1999–2007	1999–2012	
New house sales	697.1	664.5			
Existing house sales[d]			5,873.6	5,315.9	
	1993–2007	Adjusted[f]	1993–2012	Adjusted[f]	Quarter 4 2013
Private residential spending[e]	375.1	512.5	349.3	458.9	329.0
SF spending	254.7	304.5	223.2	263.6	170.0
Improvement spending	90.3	103.5	97.2	110.1	128.9
	1993–2008	Adjusted	1993–2012	Adjusted	Quarter 4 2013
MF spending	30.5	36.1	20.2	36.6	35.4

[a]The time periods selected begin with initiation of modern data collection and end with the year generally recognized as the start of the housing crash.
[b]In thousands and in millions of dollars, annual data.
[c]Data are for conventional housing and do not include mobile home shipments.
[d]National Association of Realtors (2014), not seasonally adjusted.
[e]Private residential spending = Single-family + Multifamily + Improvement.
[f]Annual spending estimates, adjusted for the fourth quarter of 2013. BEA, table 1.1.9. Implicit price deflators for gross private domestic investment, residential fixed investment [index numbers, 2009 = 100, seasonally adjusted]; revised June 24, 2015.
Data sources: Census Bureau (2015b,c); Bureau of Economic Analysis (2015a).

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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. 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 September 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.

Seasonally adjusted annual rate—Seasonal adjustment is the process of estimating and removing seasonal effects from a time series to better reveal certain nonseasonal 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.