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United States Housing Brief, April 2019

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Abstract

April 2019 U.S. housing data were mostly negative, with total housing and single-family starts and total housing permits reported as positive on a month-over-month basis. The year-over-year data were also mostly negative, with only single-family under construction, total housing and single-family completions, and new single-family house sales being positive. Existing sales continued their stagnant trend.

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

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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 decidedly mixed in April, on both 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".

April 2019 Housing Scorecard

Category[a]	Month-over-month change	Year-over-year change
Housing starts (total)	▲ 5.7%	▼ 2.5%
Single-family	▲ 6.2%	▼ 4.3%
Multifamily	▲ 4.7%	▲ 1.6%
Housing permits (total)	▲ 0.6%	▼ 5.0%
Single-family	▼ 4.2%	▼ 9.4%
Multifamily	▲ 8.9%	▲ 2.6%
Housing under construction (total)	▼ 0.9%	▼ 0.2%
Single-family	▼ 0.8%	▲ 3.3%
Multifamily	▼ 1.0%	▼ 2.4%
Housing completions (total)	▼ 1.4%	▲ 5.5%
Single-family	▼ 4.1%	▲ 16.6%
Multifamily	▲ 5.3%	▼ 13.8%
New single-family house sales	▼ 6.9%	▲ 7.0%
Private residential construction spending	▼ 0.6%	▼ 11.4%
Single-family construction spending	NC[b]	▼ 7.6%
Existing house sales[c]	▼ 0.4%	▼ 4.4%

[a] Data from U.S. Census Bureau–Construction.
[b] No change.
[c] Data from Federal Reserve Bank of St. Louis. (FRED).

Starts

Total starts in April 2019 were at a seasonally adjusted annual rate (SAAR) of 1,235,000. This was 5.7% greater than March 2019 and 2.5% less than April 2018. Single-family (SF) starts were 854,000, which was 6.2% greater than March 2019. Multifamily (MF) starts of two to four units were 22,000 and five units or more were 359,000 (Census Bureau 2019a). April 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 581,000, of which 440,000 were SF and 141,000 were MF. The West followed with total starts of 324,000, of which 224,000 were SF and 100,000 were MF. The Northeast recorded total starts of 144,000, of which 70,000 were SF and 74,000 were MF. Total Midwest starts were 186,000, of which 120,000 were SF and 66,000 were MF (Census Bureau 2019a). Table 1 provides housing start data for each start category for April 2019.

Table 1—National and regional U.S. housing starts for April 2019 in comparison to March 2019 and April 2018

	Total starts[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Apr-19	1,235,000	854,000	22,000	359,000
Mar-19	1,168,000	804,000	13,000	351,000
Apr-18	1,267,000	892,000	21,000	354,000
Month-over-month change	5.7%	6.2%	69.2%	2.3%
Year-over-year change	–2.5%	–4.3%	4.8%	1.4%

	Northeast	Midwest	South	West
Apr-19	144,000	186,000	581,000	324,000
Mar-19	78,000	131,000	616,000	343,000
Apr-18	97,000	159,000	662,000	349,000
Month-over - month change	84.6%	42.0%	–5.7%	–5.5%
Year-over-year change	48.5%	17.0%	–12.2%	–7.2%

[a] Source: U.S. Department of Commerce–Construction (SAAR).
[b] 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 April 2019 were at a SAAR of 1,296,000. This is 0.6% greater than March 2019 and 5.0% less than April 2018. SF permits were 782,000, which was 4.2% less than March 2019. MF permits of two to four units were 47,000 and five units or more were 467,000 (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 649,000, of which 426,000 were SF and 223,000 were MF. The West followed with total permits of 339,000, of which 193,000 were SF and 146,000 were MF. Midwest total permits were 188,000, of which 114,000 were SF and 74,000 were MF. In the Northeast, total permits were 120,000, of which 49,000 were SF and 71,000 were MF (Census Bureau 2019a). Table 2 provides permit data for each permit category for April 2019.

Table 2—National and regional U.S. housing permits for April 2019 in comparison to March 2019 and April 2018

	Total permits[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Apr-19	1,296,000	782,000	47,000	467,000
Mar-19	1,288,000	816,000	36,000	436,000
Apr-18	1,364,000	863,000	41,000	460,000
Month-over - month change	0.6%	–4.2%	30.6%	7.1%
Year-over-year change	–5.0%	–9.4%	14.6%	1.5%

	Northeast	Midwest	South	West
Apr-19	120,000	188,000	649,000	339,000
Mar-19	125,000	184,000	657,000	322,000
Apr-18	95,000	195,000	727,000	347,000
Month-over-month change	–4.0%	2.2%	–1.2%	5.3%
Year-over - year change	26.3%	–3.6%	–10.7%	–2.3%

[a] Source: U.S. Census Bureau–Construction (SAAR).

Housing under Construction

Total housing under construction (HUC) issued in April 2019 was at a SAAR of 1,121,000. This was 0.9% less than March 2019 and 0.2% greater than April 2018. SF HUC was 525,000, which was 0.8% less than March 2018. MF HUC of two to four units was 13,000 and five units or more was 583,000 (Census Bureau 2019a).

Regionally, the South remained the strongest market, where total HUC was 471,000, of which 247,000 were SF and 224,000 were MF. The West followed with a total HUC of 320,000 units, of which 136,000 were SF and 184,000 were MF. The Northeast total HUC was 186,000, of which 67,000 were SF and 119,000 were MF. Midwest total HUC was 144,000, of which 75,000 were SF and 69,000 were MF (Census Bureau 2019a). Table 3 provides HUC data for April 2019.

Table 3—National and regional U.S. housing under construction for April 2019 in comparison to March 2019 and April 2018

	Total HUC[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Apr-19	1,121,000	525,000	13,000	583,000
Mar-19	1,131,000	529,000	12,000	590,000
Apr-18	1,119,200	508,300	12,100	598,800
Month-over-month change	–0.9%	–0.8%	8.3%	–1.2%
Year-over-year change	0.2%	3.3%	7.4%	–2.6%

	Northeast	Midwest	South	West
Apr-19	186,000	144,000	471,000	320,000
Mar-19	184,000	147,000	478,000	322,000
Apr-18	182,000	153,000	455,000	335,000
Month-over - month change	1.1%	–2.0%	–1.5%	–0.6%
Year-over-year change	2.2%	–5.9%	3.5%	–4.5%

[a] Source: U.S. Department of Commerce–Construction (SAAR).
[b] 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 April 2019 were at a SAAR of 1,312,000. This was 1.4% less than March 2019 and 5.5% greater than April 2018. SF completions were 918,000, which is 4.1% less than March 2018. MF completions of two to four units were 13,000 and five units or more were 381,000 (Census Bureau 2019a).

The South remained the strongest market, where total completions were 655,000, of which 520,000 were SF and 135,000 were MF. The West followed with total completions of 339,000 units, of which 219,000 were SF and 120,000 were MF. Total Northeast completions were 129,000, of which 45,000 were SF and 84,000 were MF. Midwest total completions were 189,000, of which 134,000 were SF and 55,000 were MF (Census Bureau 2019a). Table 4 provides housing completion data for April 2019.

Table 4—National and regional U.S. housing completions for April 2019 in comparison to March 2019 and April 2018

	Total completions[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Apr-19	1,312,000	918,000	13,000	381,000
Mar-19	1,331,000	957,000	14,000	360,000
Apr-18	1,244,000	787,000	13,000	444,000
Month-over-month change	–1.4%	–4.1%	–7.1%	5.8%
Year-over-year change	5.5%	16.6%	0.0%	–14.2%

	Northeast	Midwest	South	West
Apr-19	129,000	189,000	655,000	339,000
Mar-19	133,000	200,000	667,000	331,000
Apr-18	142,000	194,000	606,000	302,000
Month-over - month change	–3.0%	–5.5%	–1.8%	2.4%
Year-over-year change	–9.2%	–2.6%	8.1%	12.3%

[a] Source: U.S. Department of Commerce–Construction (SAAR).
[b] 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 April 2019 were estimated at a SAAR of 673,000 units. This was a decrease of 6.9% from March 2019 and a 7.0% increase from April 2018. Regionally, the South remained the strongest market with total new SF house sales of 369,000, followed by the West with 188,000. The Midwest recorded 87,000 sales, and the Northeast had 29,000.

The median sales price of new houses sold in April 2019 was $342,200, and the mean sales price was $393,700 (Census Bureau 2019b). Table 5 provides new SF sales data for April 2019.

Table 5—National and regional new U.S. housing sales for April 2019 in comparison to March 2019 and April 2018

	New SF sales[a]	Median price	Mean price	Month's supply
Apr-19	673,000	$342,200	$393,700	5.9
Mar-19	723,000	$305,800	$372,300	5.6
Apr-18	629,000	$314,400	$385,100	5.7
Month-over-month change	–6.9%	11.9%	5.7%	5.4%
Year-over-year change	7.0%	8.8%	2.2%	3.5%

	Northeast	Midwest	South	West
Apr-19	29,000	87,000	369,000	188,000
Mar-19	26,000	94,000	398,000	205,000
Apr-18	33,000	84,000	351,000	161,000
Month-over -month change	11.5%	–7.4%	–7.3%	–8.3%
Year-over-year change	–12.1%	3.6%	5.1%	16.8%

[a] 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 April's expenditure data bear this out. Total private residential construction spending for April 2019 was $499,320 million, a 0.6% decrease from March 2019 and an 11.4% decline from April 2018. SF construction spending was $264,747 million, and MF construction spending was $64,830 million. Improvement, or remodeling, spending was $169,743 million (Census Bureau 2019c). Table 6 provides data for each construction spending category for April 2019.

Table 6—National U.S. housing construction spending for April 2019 in comparison to March 2019 and April 2018

	Total private residential construction spending[a, b]	Single-family	Multi-family	Improvement[c]
Apr-19	$499,320	$264,747	$64,830	$169,743
Mar-19	$502,373	$264,849	$63,357	$174,167
Apr-18	$563,367	$286,564	$60,071	$216,732
Month-over-month change	–0.6%	0.0%	2.3%	–2.5%
Year-over-year change	–11.4%	–7.6%	7.9%	–21.7%

[a] Reported in nominal U.S. dollars, millions of dollars, and SAAR.
[b] Source: U.S. Census Bureau–Construction.
[c] 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 April 2019 were at a SAAR of 5,190,000 units. This is a 0.4% decrease from March 2019 and a 4.4% decrease from April 2018. Regionally, the South remained the strongest market, with total existing house sales of 2,270,000 units, followed by the West at 1,110,000 units. The Midwest had total existing sales of 1,170,000 units, and the Northeast had 640,000 units (FRED 2019). Table 7 provides existing house sales data for April 2019.

Table 7—National and regional U.S. existing housing sales for April 2019 in comparison to March 2019 and April 2018

	Existing sales[a]	Median price	Mean price	Month's supply
Apr-19	5,190,000	$267,300	$305,200	4.2
Mar-19	5,210,000	$259,700	$297,500	3.8
Apr-18	5,430,000	$257,900	$297,800	4.0
Month-over-month change	–0.4%	2.9%	2.6%	10.5%
Year-over-year change	–4.4%	3.6%	2.5%	5.0%

	Northeast	Midwest	South	West
Apr-19	640,000	1,170,000	2,270,000	1,110,000
Mar-19	670,000	1,170,000	2,280,000	1,090,000
Apr-18	670,000	1,270,000	2,310,000	1,180,000
Month-over - month change	–4.5%	0.0%	–0.4%	1.8%
Year-over-year change	–4.5%	–7.9%	–1.7%	–5.9%

[a] 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 April 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.

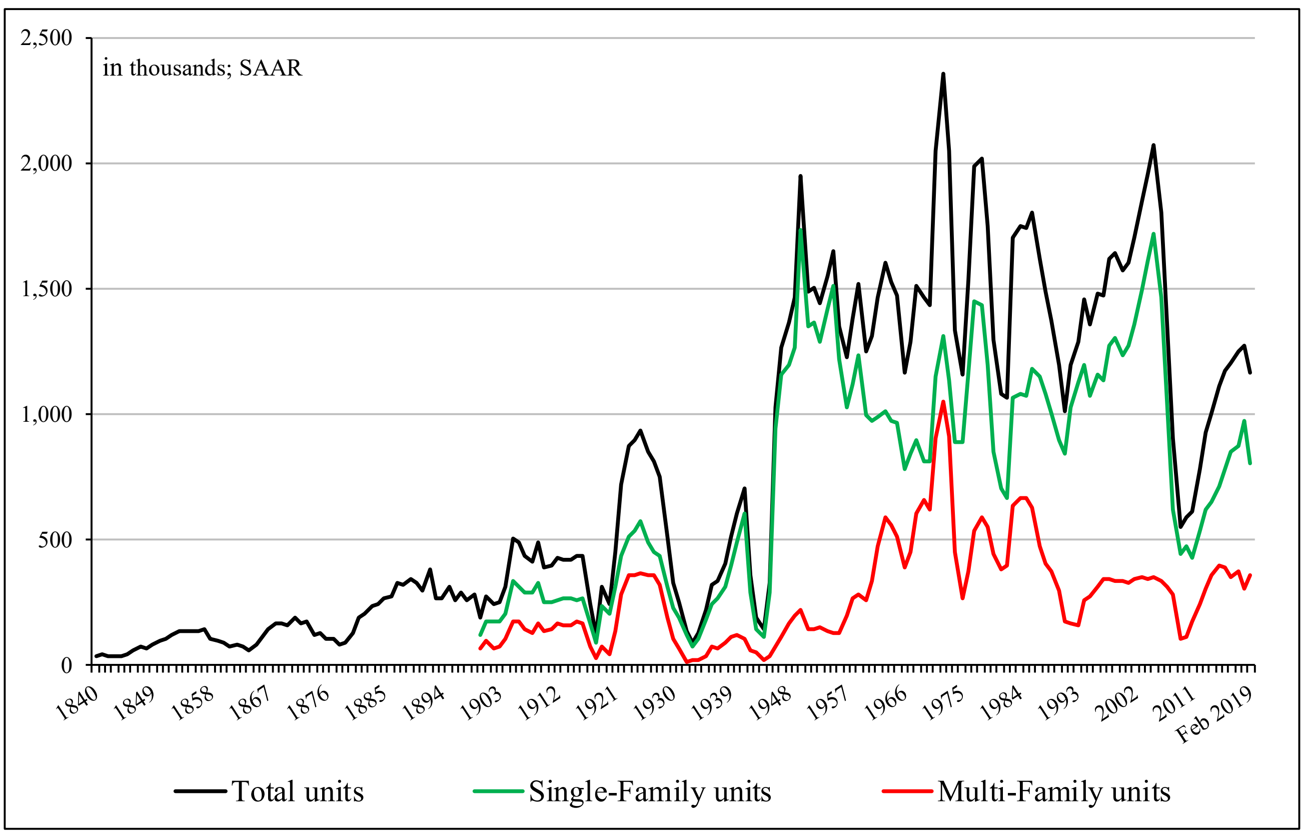

Figure 1. U.S. housing units and starts: 1840 to April 2019. Sources: Carliner (2010), Gottlieb (1964), and U.S. Department of Commerce–Construction (2019a).