

Winter Arrived Early, Construction Slowed as Well

By: Jann Swanson | Tue, Dec 16 2014, 12:32 PM

All three of the U.S. Census Bureau/Department of Housing and Urban Development construction indicators dropped in November from their October levels and both residential building permits and housing starts were also lower than one year earlier. The number of housing completions did manage to surpass the November 2013 level.

Privately-owned housing units were permitted at a **seasonally adjusted** annual rate of 1,035,000 in November, a 5.2 percent decline from October. The estimate of October permits was revised upward in this morning's report from 1,080,000 to 1,092,000. The November number was down 0.2 percent from 1,037,000 units reported in November 2013.

Single family permits were at a rate of 639,000 units, a decrease of 1.2 percent from the October's 647,000 units, revised from 640,000 units. Permits for construction of units in buildings with five or more were at an estimated rate of 367,000, off 11.1 percent from the previous month.

On an unadjusted basis there were permits issued for 69,800 units during the month compared to 96,400 in October. Of that total 41,200 were for single family construction and 26,700 for units in multi-unit structures.

Construction was begun on residential properties at a seasonally adjusted annual rate of 1,028,000 in November. This was 1.6 percent below the October estimate of 1,045,000 (revised from 1,009,000 units) and 7.0 percent lower than the 1,105,000 units for which starts were reported in November 2013.

Single-family housing units were started at a rate of 677,000, down 5.4 percent from October's estimate of 716,000 which was revised from 696,000 units. Construction was begun on multi-family housing at a rate of 340,000 units, a month-over-month increase of 7.6 percent.

On an **unadjusted** basis construction was started on 77,500 residential units compared to 87,600 units a month earlier. Single family units numbered 47,700 and multifamily 28,800.

There was a decrease of 6.4 percent in the annual rate of housing **completions** during the month to 863,000 units from a revised (from 881,000 units) 922,000 units. The November completion rate was up 4.5 percent from the November 2013 level of 826,000 units.

Single family housing was completed in November at a rate of 596,000 units, down 2.9 percent from 614,000 in October (revised from 585,000 units) and 0.5 percent higher than a year earlier. Multifamily units were completed at a rate of 256,000 units, a 15.0 percent decrease from October but virtually the same amount higher than a year earlier.

On an unadjusted basis there were 71,500 residential units completed during the month compared to 84,500 in October. Just over 52,000 units were single family, 18,500 were multifamily.

Permits rose in the Northeast by 27.4 percent month-over-month while falling in every other region. Permitting was also higher in the **Northeast** than it was a year earlier by 8.0 percent. Residential housing starts were at an annual rate 8.7 percent higher than in October and 17.7 percent above the level a year earlier. Completions however plummeted in November, down 51.0 percent from the previous month and 37.2 percent from a year earlier.

In the **Midwest** permits were down 7.3 percent from October and 3.8 percent from one year earlier. Housing starts rose 14.4 percent on a monthly basis but were down 15.3 percent compared to November 2013. Completions were down 12.1 percent and 3.7 percent from the two earlier periods.

The **South** had a decrease of 10.0 percent in permits issued compared to October and 4.1 percent relative to the same month in 2013. Housing starts dropped by 19.5 percent and 20.2 percent respectively. Completions rose by 10.8 percent from October and 12.2 percent year-over-year.

In the **West** permitting was down 5.6 percent from the previous month but the number rose 6.3 percent year-over-year. Starts were 28.1 percent higher than in October and were 24.1 percent higher than one year earlier. Extrapolating from the numbers provided, the November increase appears to have been entirely in multi-unit construction. Completions fell 13.6 percent from October but were up 10.4 percent from November 2013

At the end of the reporting period there were 108,100 permits nationwide for which construction had not been started. These were close to equally divided between single-family and multi-family permits and more than half of them were typically in the South. Construction was

underway on 817,200 units (not seasonally adjusted) at the end of November; 364,000 single and 442,200 multifamily units.

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