

SENT TO LSU AGCENTER/LOUISIANA FOREST PRODUCTS DEVELOPMENT CENTER - FOREST SECTOR / FORESTY PRODUCTS INTEREST GROUP



Eye on the
Economy

NAHB
NATIONAL ASSOCIATION OF HOUSING BUILDERS

August 29, 2018

Flat Conditions for Some Housing Sectors, but Not All

Despite growing housing affordability concerns, builder confidence in the single-family market remains solid. The NAHB/Wells Fargo Housing Market Index came in at a level of 67 in August, a one-point drop from last month. This matched the relatively flat pace of construction in July, with total housing starts up less than 1% from the previous month. However, market demand remains healthy, with starts up more than 6% thus far in 2018 on a year-to-date basis. And this positive trend should continue, with residential construction loan growth up 8% year-over-year as of the second quarter, according to NAHB analysis.

Affordability issues were reflected in recent sales data. Existing single-family home sales dipped in July from the previous month, and were down 1.5% compared to a year ago — marking the fourth-straight month of year-over-year declines. Sales volume is soft due to lack of inventory and recent price gains. Sales of newly built single-family homes were down almost 2% in July, though sales totals are up 7% thus far in 2018 on a year-to-date basis.

However, not all submarkets are experiencing flat growth conditions. For example, townhouse construction (single-family attached housing) surged in the second quarter to a total of 36,000 starts — 44% above first quarter totals. Over the last year, construction has begun on more than 116,000 townhouses, a 23% increase compared to the prior year. This activity, including gains for single-family built-for-rent construction, suggests individual submarkets continue to grow as more builders offer housing that helps buyers and renters contend with rising affordability issues.

—NAHB Chief Economist Robert Dietz

Midyear Economic Forecast

NAHB Economists Illustrate Challenges, Opportunities Ahead

In-depth presentations depict what's in store for housing.

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Business Matters

Additional Growth for Residential Construction Loans

Year-over-year numbers indicate continued growth ahead.

Builder Confidence Remains Firm in August

Steady job and income growth is fueling strong demand for housing.

Credit Conditions for AD&C Loans Close to Stable

Builder survey shows a mixed bag of opinions.

Multifamily Builder Confidence Edged Down Slightly

Concerns linger about the impact of tariffs.

Economic Indicators

West Continues to Lead Job Gains in July

Only two states saw year-over-year drops in employment.

Minority Homeownership Rates Increase

Growth is uneven among individual minority groups.

Which States Have the Oldest Homes?

Median age of homes reflects population changes and employment growth.

Starts & Sales

New Home Sales Decline in July

It was the slowest annual pace in 11 months.

Flat Conditions for Custom Home Building

Ups and downs are expected in the quarters ahead.

Small Increase for Housing Starts

A steady pace in July despite ongoing building constraints.

Existing Sales Fall to Slowest Pace in 2 Years

Still, most homes are selling within a month.

Trending Markets

Townhouse Construction Surges

Buyer demographics and preferences are driving up demand.



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Single-Family Built-for-Rent Housing Expands

The rise is further evidence of declining affordability.

Multifamily Built-for-Rent Share Remains Elevated

Construction of for-sale units is down 22% for the past year.

New Single-Family Home Size Continues Downward Trend

Figures show entry-level home construction is expanding.

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