New Residential Building Permits: Up in September
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of Advisor Perspectives

The U.S. Census Bureau and the Department of Housing and Urban Development have now published their findings for September new residential building permits. The latest reading of 1.215M was a decrease from 1.272M in August and above the Investing.com forecast of 1.245M.

Here is the opening of this morning's monthly report:

**Building Permits**

Privately-owned housing units authorized by building permits in September were at a seasonally adjusted annual rate of 1,215,000. This is 4.5 percent (±1.6 percent) below the revised August rate of 1,272,000 and is 4.3 percent (±1.7 percent) below the September 2016 rate of 1,270,000. Single-family authorizations in September were at a rate of 819,000; this is 2.4 percent (±1.7 percent) above the revised August figure of 800,000. Authorizations of units in buildings with five units or more were at a rate of 360,000 in September.

**Housing Starts**

Privately-owned housing starts in September were at a seasonally adjusted annual rate of 1,127,000. This is 4.7 percent (±8.1 percent)* below the revised August estimate of 1,183,000, but is 6.1 percent (±8.8 percent)* above the September 2016 rate of 1,062,000. Single-family housing starts in September were at a rate of 829,000; this is 4.6 percent (±8.5 percent)* below the revised August figure of 869,000. The September rate for units in buildings with five units or more was 286,000. [link to report]

Here is the complete historical series, which dates from 1960. Because of the extreme volatility of the monthly data points, a 6-month moving average has been included.
Here is the data with a simple population adjustment. The Census Bureau's mid-month population estimates show substantial growth in the US population since 1960. Here is a chart of housing starts as a percent of the population. We've added a linear regression through the monthly data to highlight the trend.
A Footnote on Volatility

The extreme volatility of this monthly indicator is the rationale for paying more attention to its 6-month moving average than to its noisy monthly change. Over the complete data series, the absolute MoM average percent change is 4.4%. The MoM range minimum is -24.0% and the maximum is 33.9%.

For visual confirmation of the volatility, here is a snapshot of the monthly percent change since 1990.
For additional perspectives on residential real estate, here is the complete list of our monthly updates:

- S&P/Case-Shiller Home Price Index
- FHFA House Price Index
- NAHB Housing Market Index
- New Home Sales
- Existing Home Sales
- New Residential Housing Starts
- New Residential Building Permits
- Secular Trends in Permits and Starts
- Pending Home Sales