

National Update Chartbook

SAMPLE



Economic Leadership Sponsor



eyeonhousing.org
housingeconomics.com

National Update Commentary

Macroeconomy

- Growth in Q3 was strong, exceeds its estimated potential
 - Personal consumption expenditures accounted for largest contribution to growth.
 - Residential fixed investment declined.
 - Prospects for modestly higher growth over 2018.
- Strong employment growth continued in November, unemployment rate remains low
 - Non-farm payroll employment rose by 228,000 as residential construction rose by 14,800.
 - Unemployment rate was unchanged at a low of 4.1%.
 - Moderately stronger employment growth and continued decline in the unemployment rate expected in 2018.
- Headline inflation accelerates, core inflation remains stable
 - Energy prices accounted for three-fourths of monthly increase in the CPI.
 - Core inflation steady below 2.0 percent.
 - Inflation is expected to accelerate in 2018.
- Mortgage rates rise slightly in November, but remain low
 - Slight dip in inflation expectations offset by small increase in risk premium.
 - Mortgage rates expected to rise in 2018, but remain historically low.

National Update Commentary

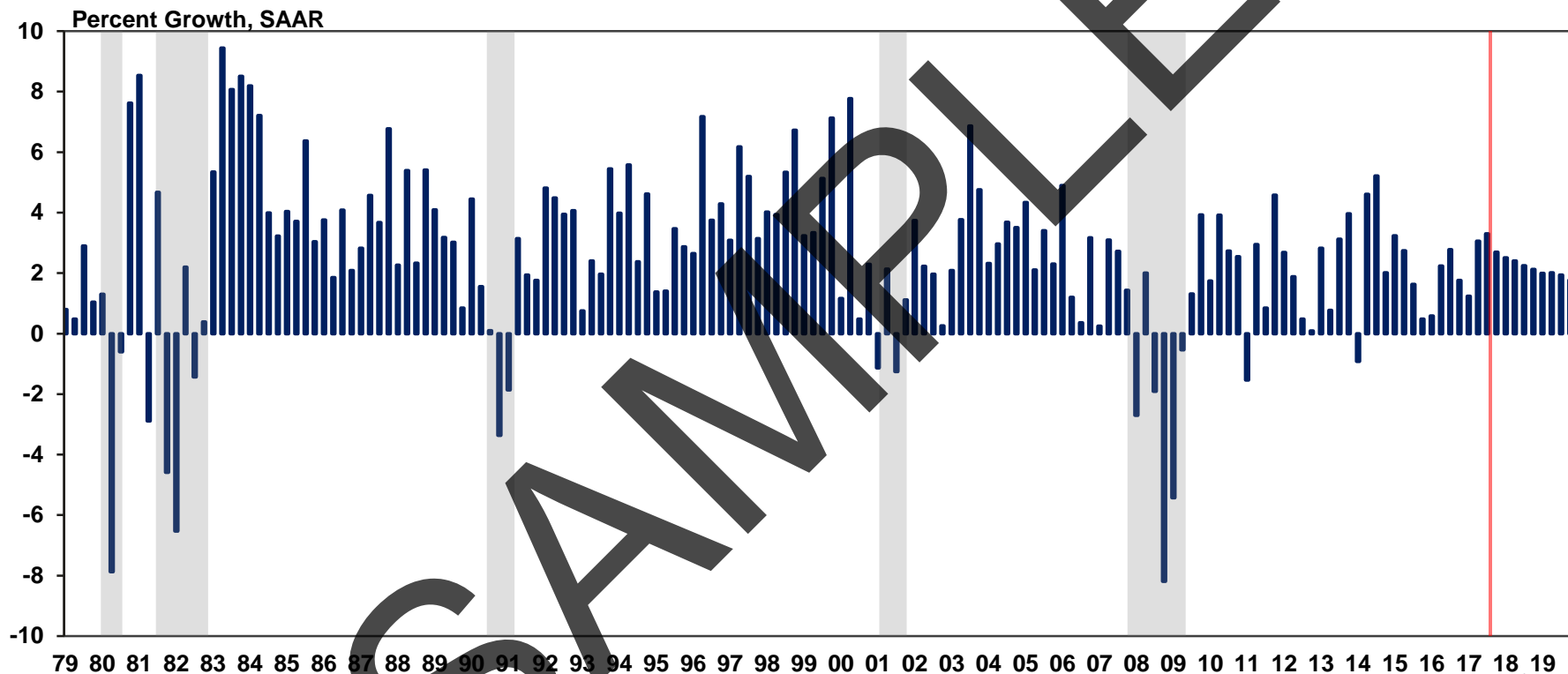
Housing Market

- Single-family starts rose in November
 - Single-family starts climbed 5 percent to reach a post-recession high of 930,000.
 - Builder confidence rose to an 18 year high.
 - Single-family starts expected to grow more moderately in 2018.
- Home price appreciation continues
 - Tight inventory supports house price growth.
 - Price appreciation is supporting home equity expansion, but affordability could be a challenge
 - In 2018, price growth expected to decelerate on weaker housing demand.
- Multifamily starts impacted by monthly revisions
 - Large October increase revised down.
 - November level, 367,000 (SAAR), about unchanged from October revision, 373,000.
 - Industry will continue to move toward normal levels over 2018.
- Remodeling spending at cycle highs
 - Growth is expected to continue, but at a slower pace in 2018.

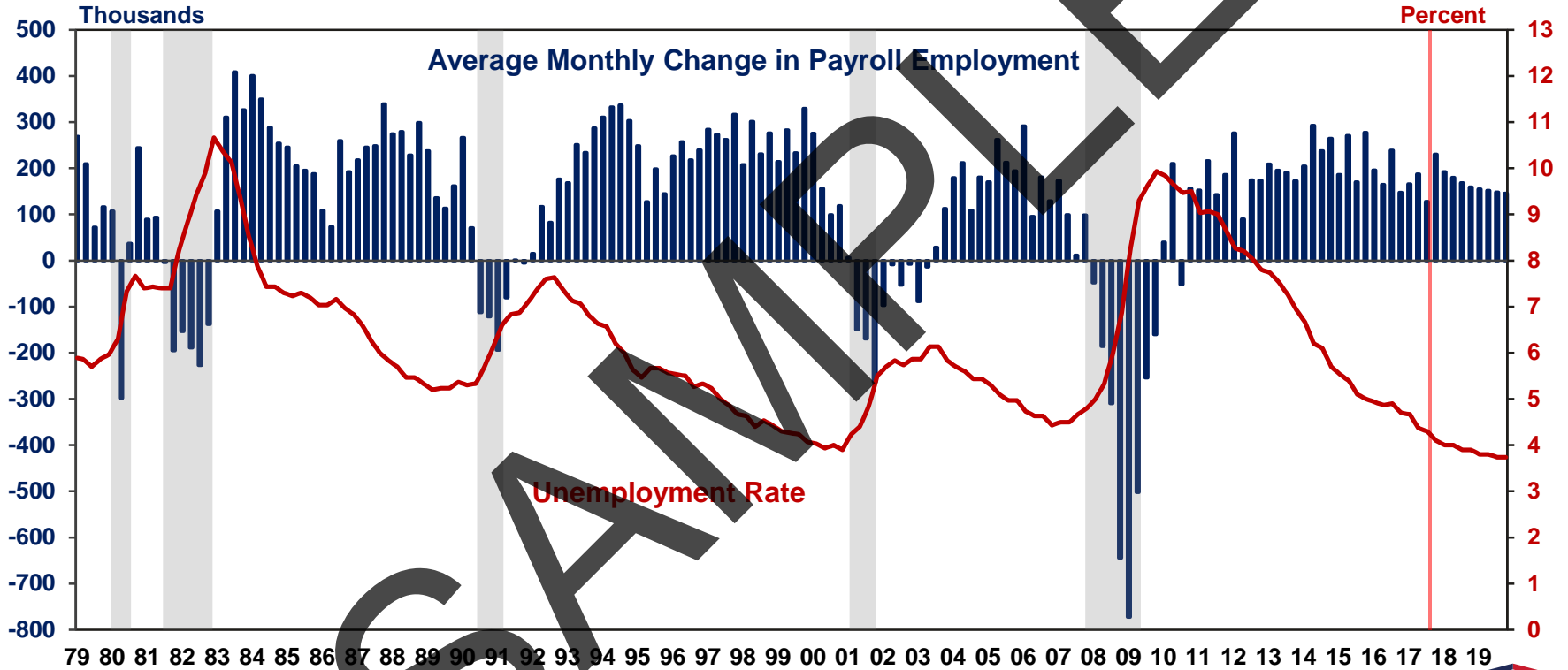
Details in the following charts

Additional information can be found at eyeonhousing.org

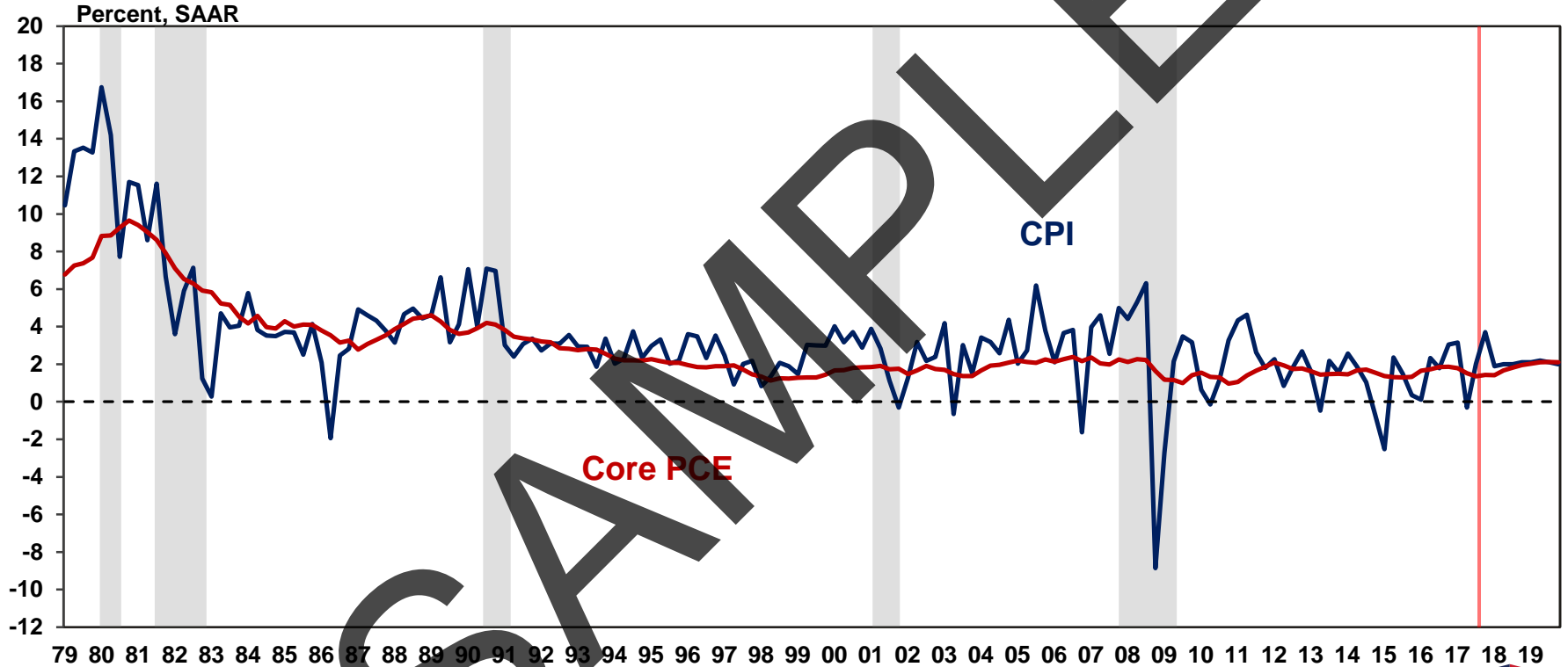
Real GDP Growth



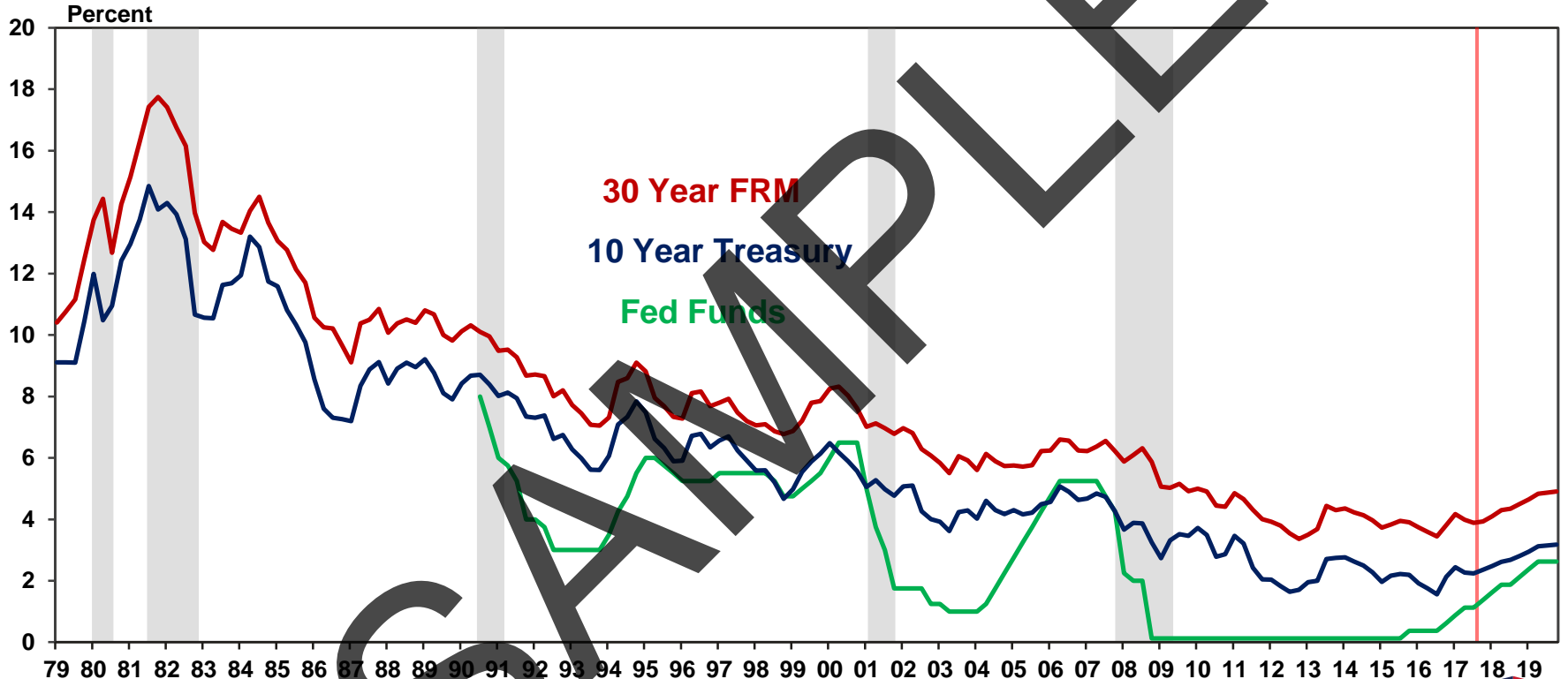
Payroll Employment Growth and Unemployment Rate



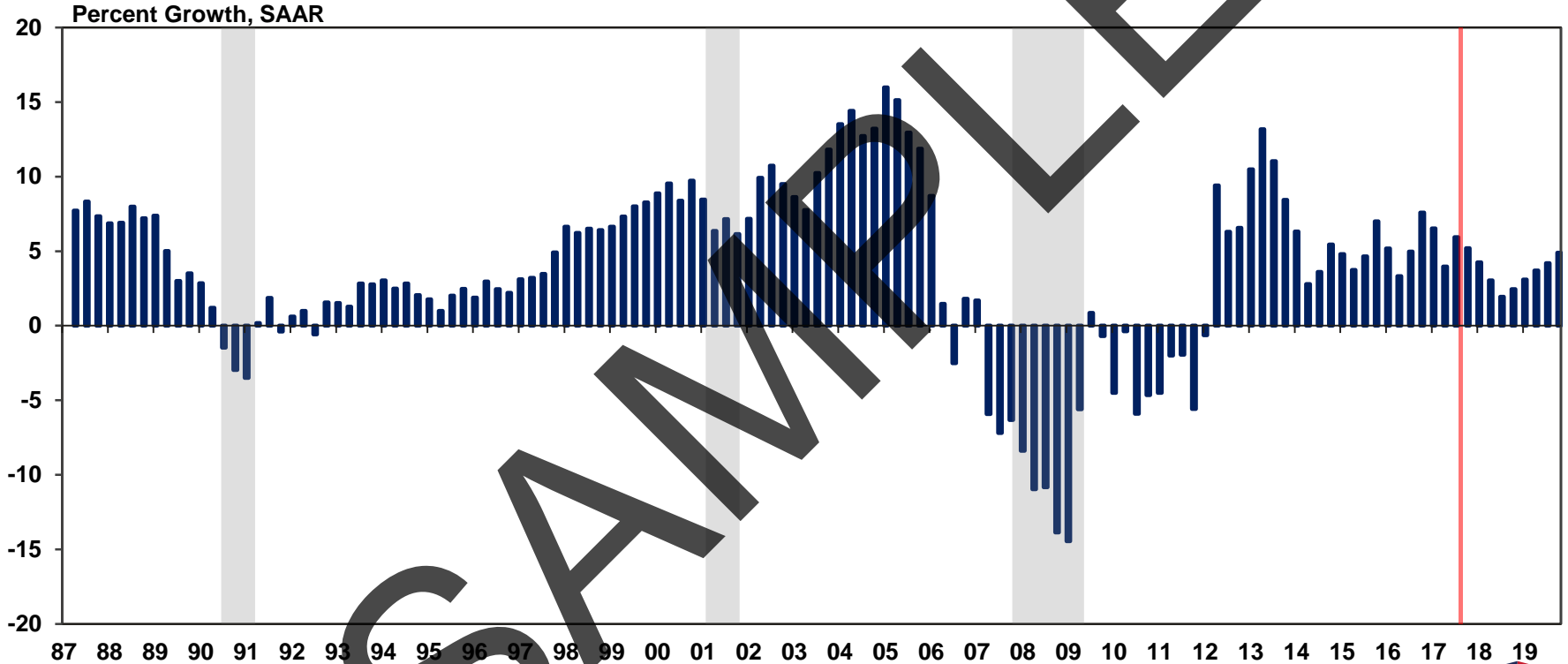
Consumer and Core Inflation



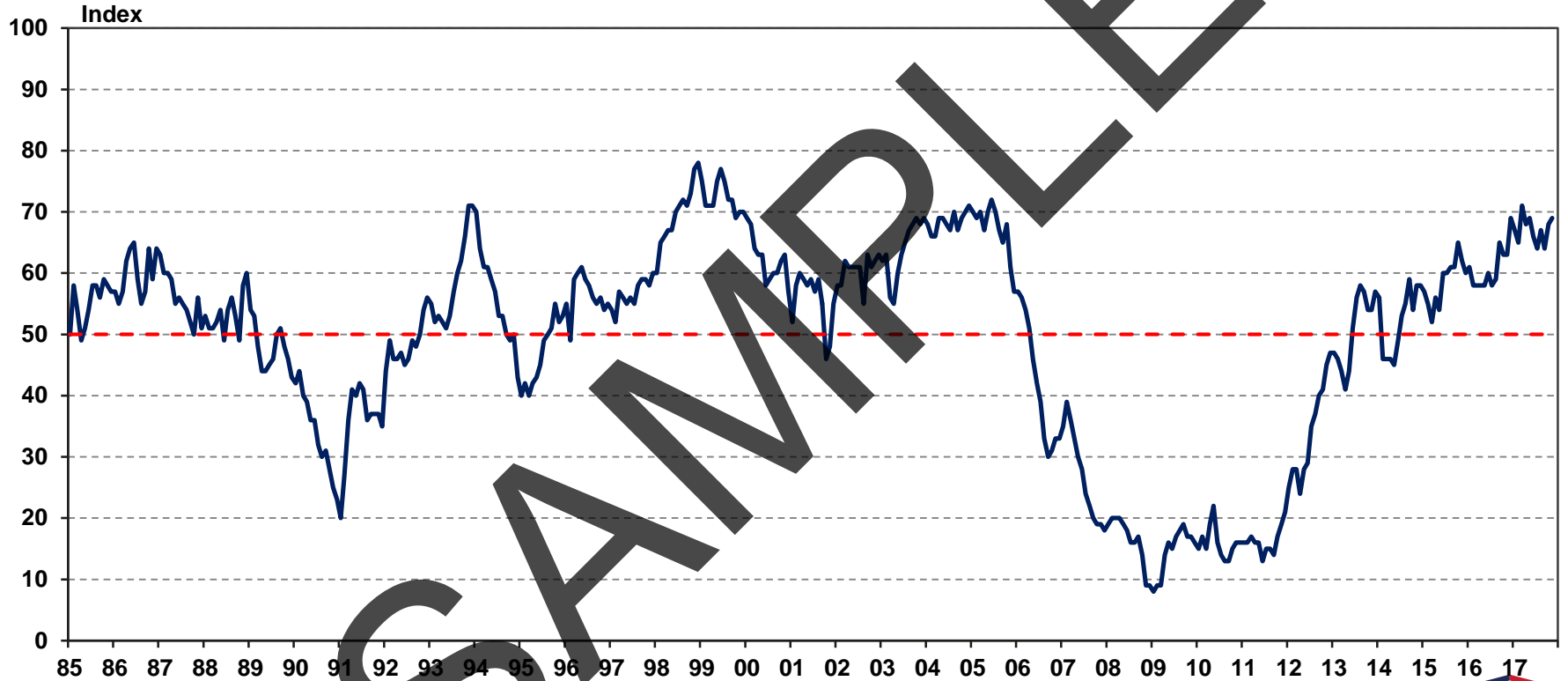
Interest Rates



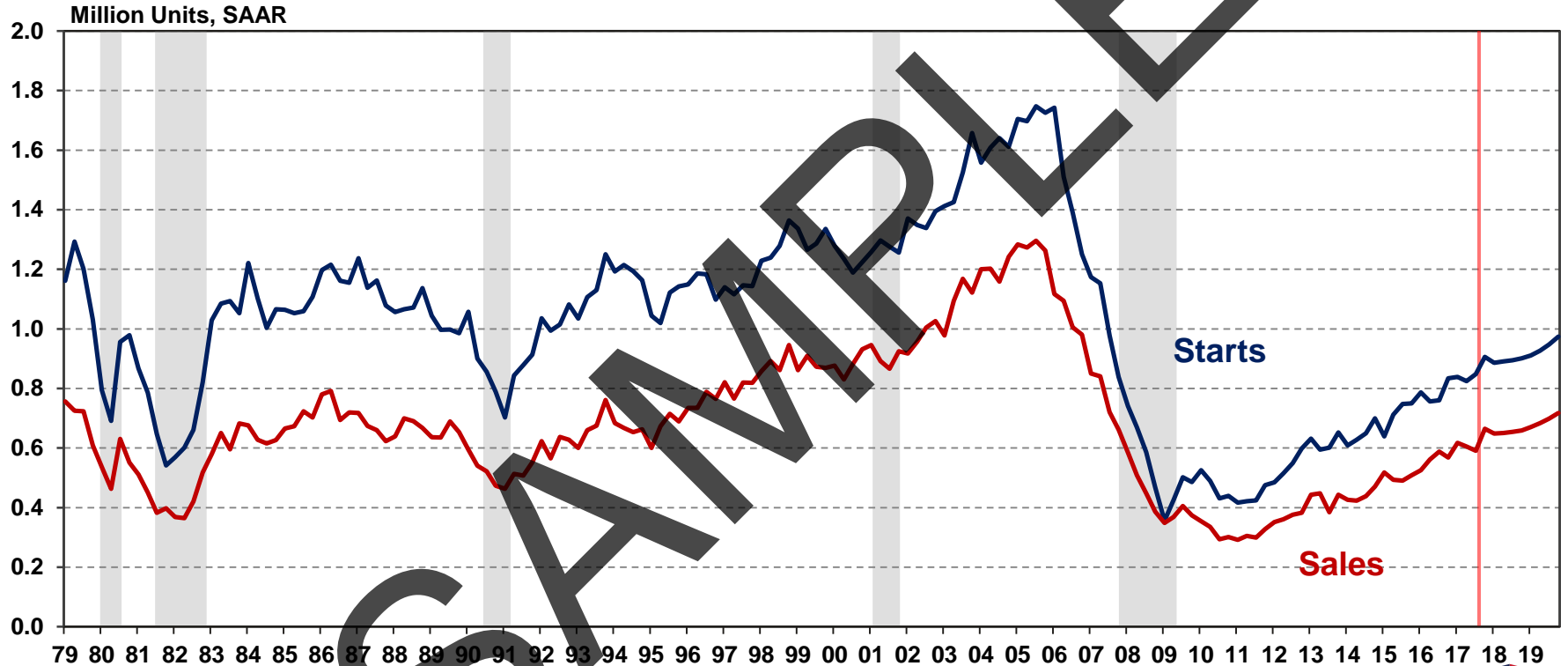
S&P/Case-Shiller National US Home Price Index



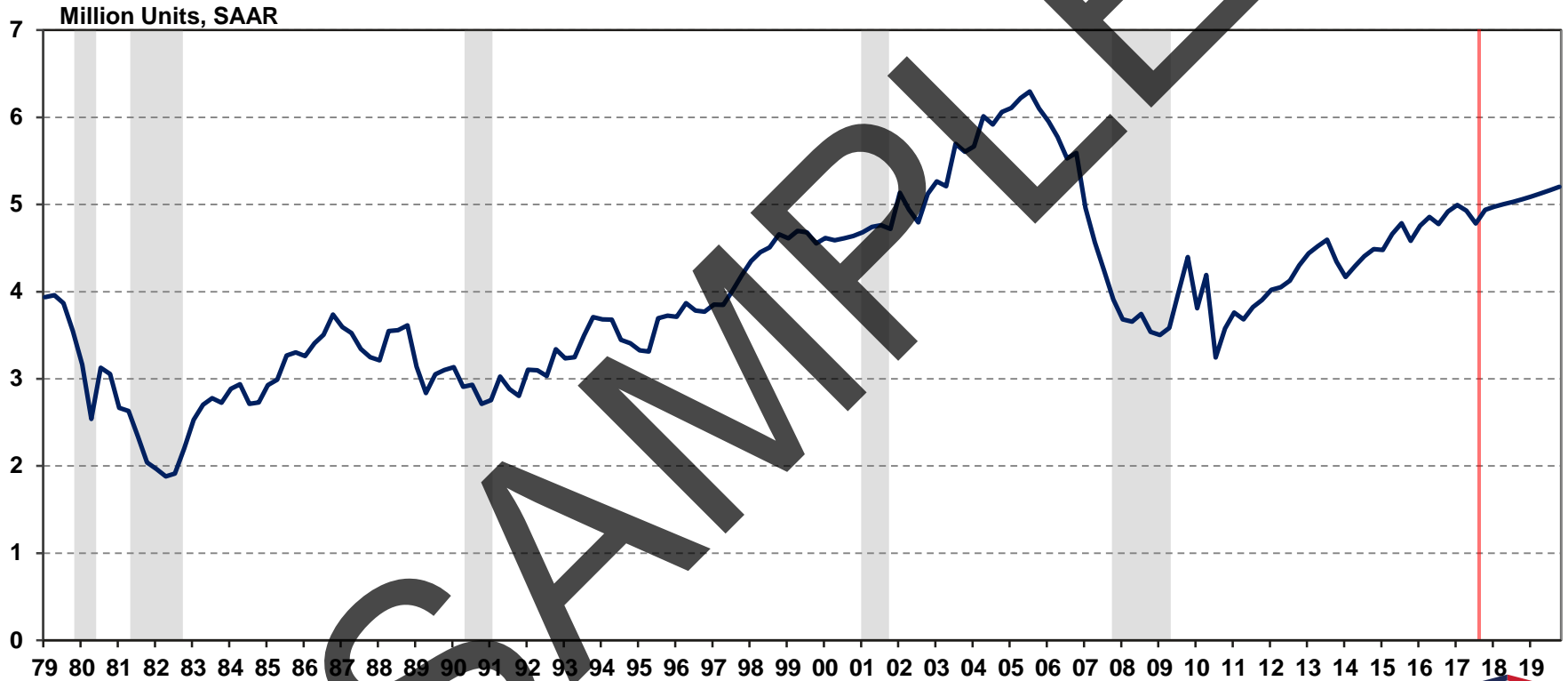
NAHB/Wells Fargo Housing Market Index



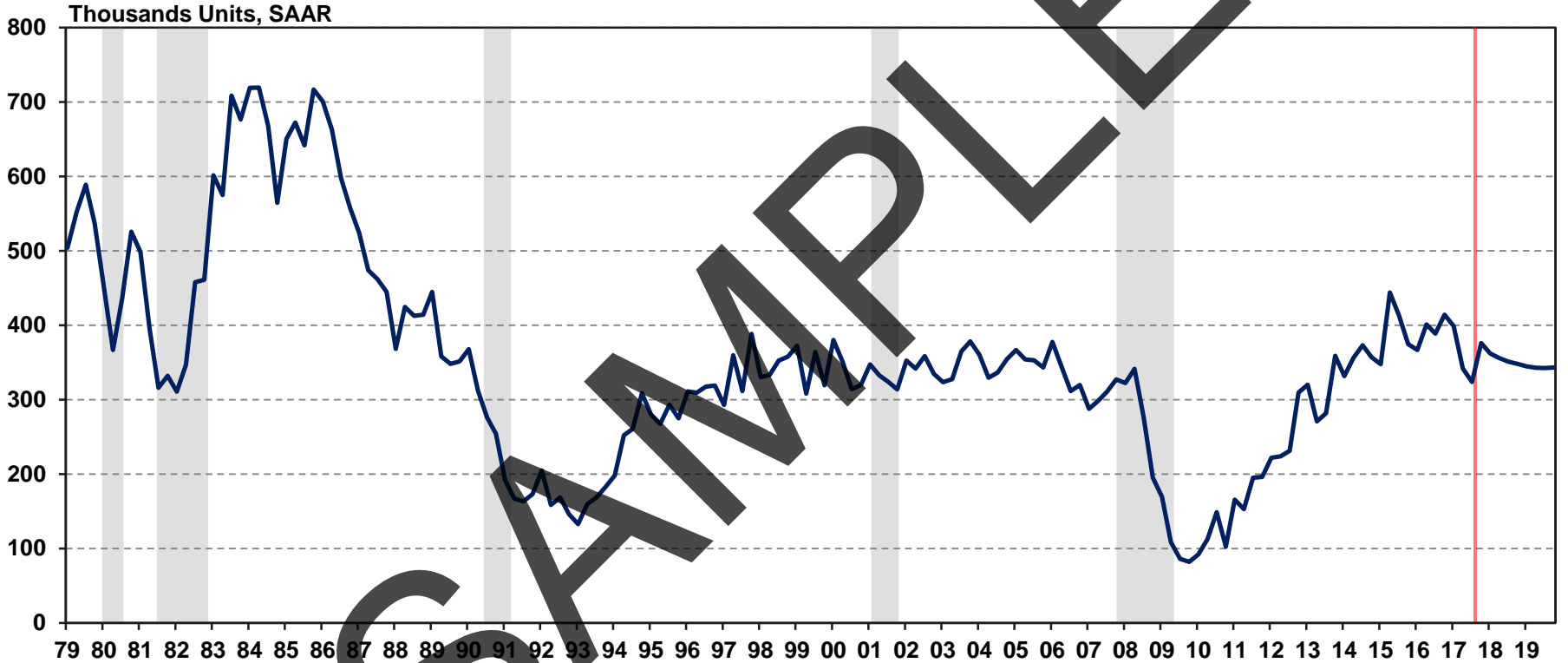
Single-Family Housing Starts and Sales



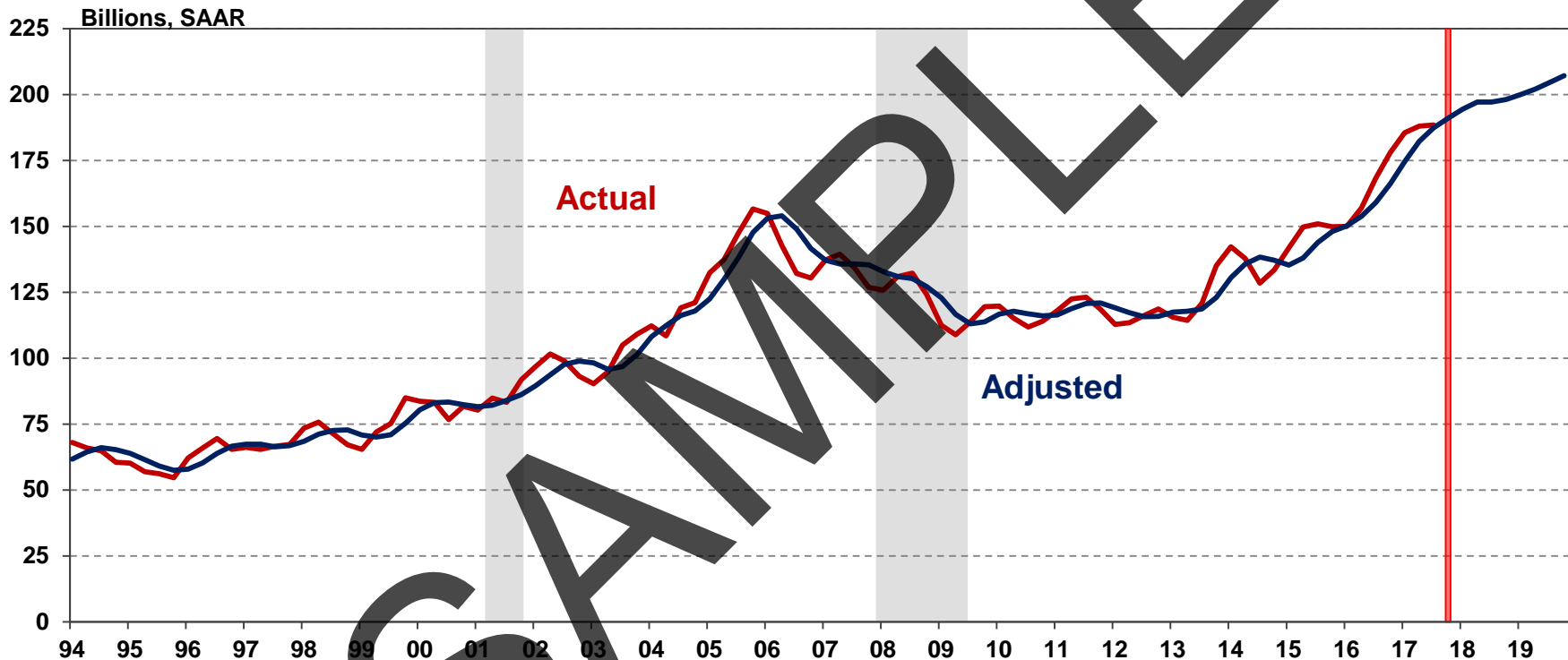
Existing Single-Family Home Sales



Multifamily Housing Starts



Private Residential Improvements Spending



RFI's Contribution to GDP Growth

