

U.S. Economic Forecast: Update – U.S. Housing

March 2017

Housing continues to perform well in February, the most recent data available. Housing starts are 12.8% above last year reaching 592,000 annually. February was better than January this year by 6.1%. Median sales prices were down slightly by 4.9% year-over-year to \$296,200.

Inventory was down slightly to 5.4 months from a previous 5.6 months. Inventory remains below normal, 6.0 months. New home sales is only one part of the Housing market. Existing homes sales, and permits for new construction work in combination with new housing starts and median prices.

The existing activity in housing remains on the low side of our forecast, but well within planned levels.

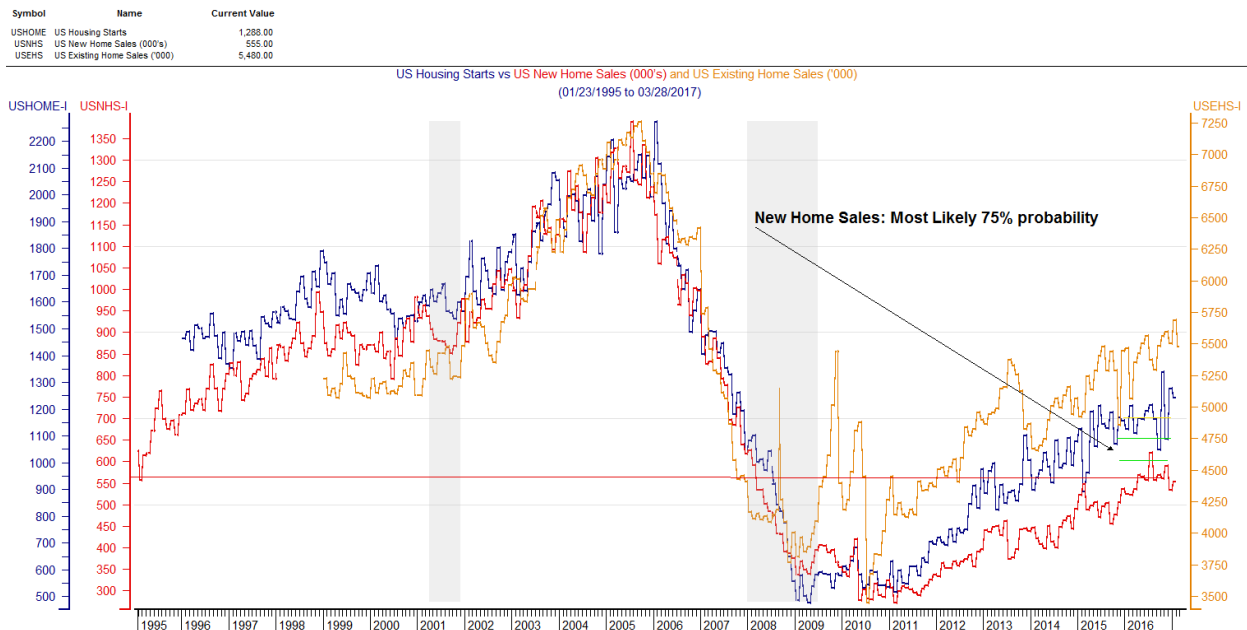


Figure 1: USA Housing Starts, Existing Home Sales, New Home Sales

Housing prices continue to move upward for the year-over-year change. At the close of January prices moved up 5.7% YOY and MOM. This represents a 2 year high. Seattle, Portland, and Denver increased the most. Inventory remains under the 6 month normal mark and most housing experts do not believe a gradual increase in mortgage rates will dampen the housing market.

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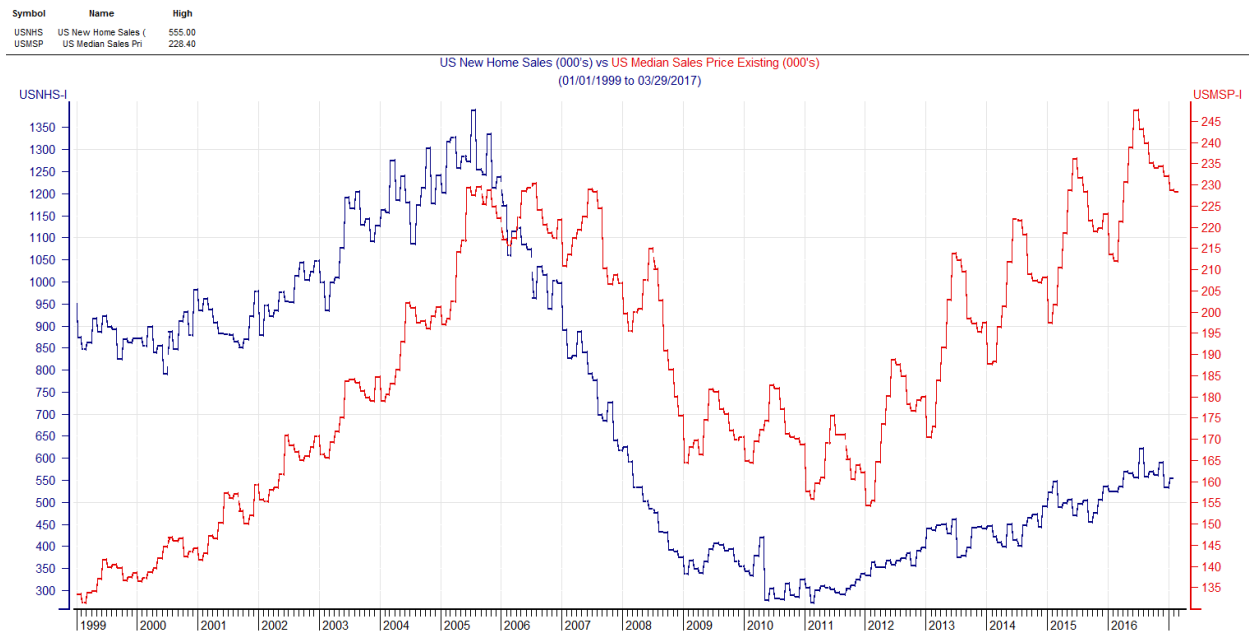


Figure 2: USA Housing Prices for Both New and Existing