



July 2020

## Housing Health Report

# Housing activity advances in the face of the ongoing pandemic

- Single-family housing authorizations rise substantially month over month.
- Existing housing activity increases, suggesting a potential bounce back from April lows.
- Growth in housing activity, despite COVID-19 persistence, indicates underlying consumer demand.

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# New Housing Supply

In July, single-family housing authorizations increased 6.83% month over month but decreased 5.28% year over year. The month-over-month increase may be a result of builders reacting to a future rise in prospective homebuyers. In recent months, historically low mortgage rates and steadily declining unemployment have started to positively shift the home buying outlook.<sup>1</sup> While construction spending is still falling, it's doing so at lower rates each month.<sup>2</sup>

## Single-Family Housing Authorizations

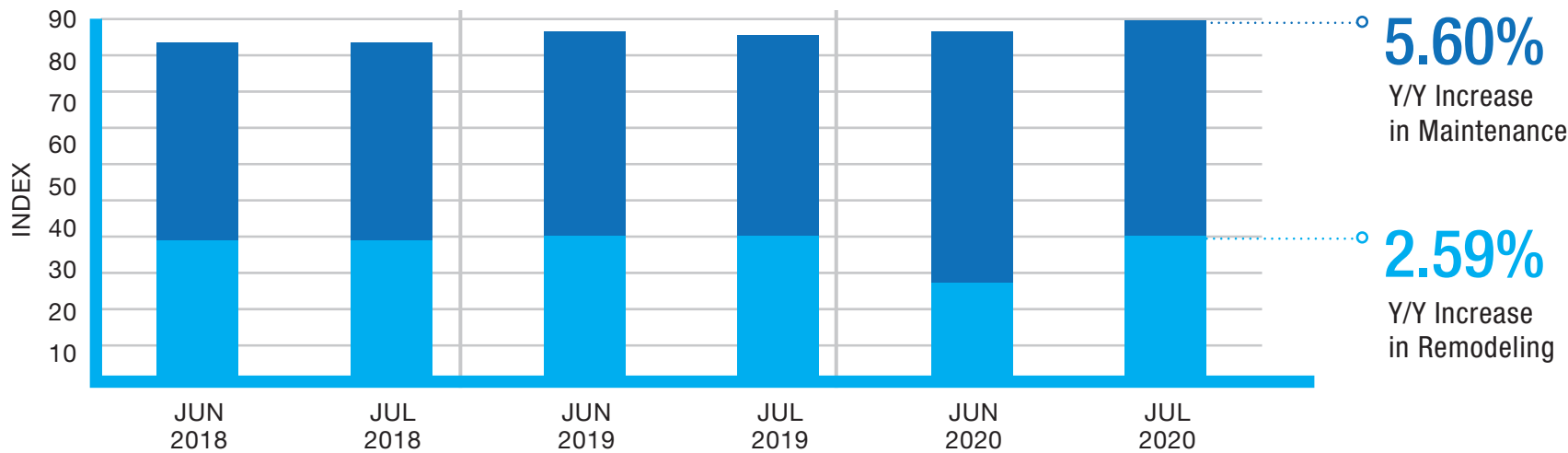


5.28%  
Y/Y Decrease

# Existing Housing Supply

Following steep declines in April, the strain in existing housing activity has been easing steadily, and July was no exception. Maintenance volume increased 5.60%, and spend declined 0.75% year over year. Additionally, remodel volume—a subset of maintenance that includes renovations, additions, and alterations—increased 2.59% while spend decreased 1.59% year over year.

Existing Maintenance and Remodel Volume





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Housing activity has the potential to return to its early 2020 growth trajectory. Existing housing supply has shown a dramatic bounce back. Maintenance activity, for instance, grew from double-digit declines in April to a healthy increase this month. We're still seeing some hesitance in the market, including the conflicting signals within new construction and decreases in construction spend. However, growth in new and existing housing activity signify consumers' underlying need for a larger and healthier housing stock.

*Jonathan Kanarek, Managing Director, BuildFax*

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## About BuildFax

BuildFax, a Verisk business, is a leading provider of property condition and history data for insurance and financial institutions. With the only database of its kind encompassing more than 84 billion data points on commercial and residential structures, BuildFax delivers detailed data on remodeling, solar installations, new construction, roof age, major systems, maintenance history, and more. To learn more about BuildFax, visit [www.buildfax.com](http://www.buildfax.com).

## Methodology

BuildFax conducted this study by examining properties in the U.S. between the years 2013 and 2020. Except as otherwise noted, the statistics in this report are calculated using sampled data from across the U.S. All data is seasonally adjusted and imputed to reflect numbers representative of the entire country. Due to historical revisions made by permitting authorities, the data is subject to change. Estimates are as of August 8, 2020.

## Endnotes

1. Mortgage rates hit another all-time low, CNN, August 7, 2020, <<https://www.cnn.com/2020/08/06/success/mortgage-rates-record-low-august/index.html>>, accessed on August 9, 2020.
2. US construction spending declines 0.7% in June, ABC News, August 3, 2020, <<https://abcnews.go.com/Business/wireStory/us-construction-spending-declines-07-june-72145996>>, accessed on August 9, 2020.

