



WEEKLY ECONOMIC DIGEST

JOINT ECONOMIC COMMITTEE

UNITED STATES CONGRESS

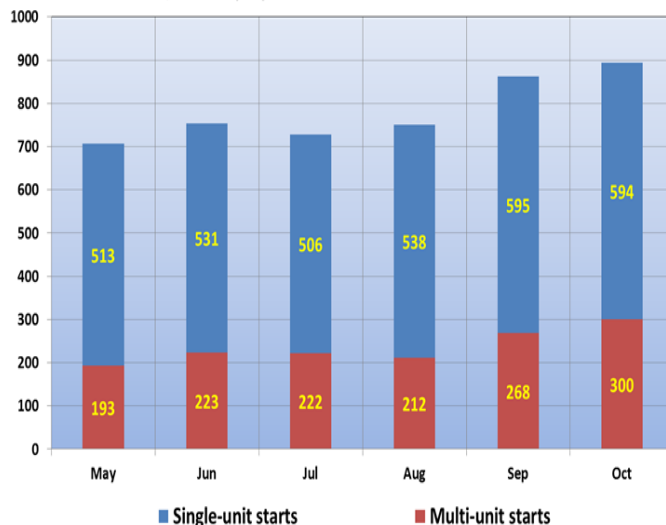
SENATOR ROBERT P. CASEY, JR., CHAIRMAN

November 27, 2012

The Housing Recovery Continues

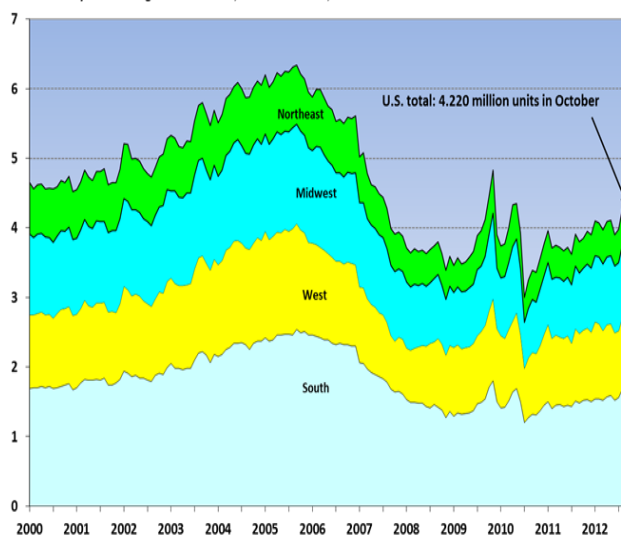
- New residential building expanded in October. The number of privately-owned housing units started last month increased by 31,000 units (up 3.6 percent) to 894,000 units at an annual rate. The October increase follows a surge in new residential construction in September and is well above what forecasters had expected. Multi-unit housing starts accounted for all of the increase in overall starts, increasing by 32,000 units (up 11.9 percent) to 300,000 units in October (see top chart). Single-unit starts edged down by 1,000 units (down 0.2 percent) to 594,000 units last month. The number of permits issued for new single-unit construction increased by 12,000 (up 2.2 percent) to 562,000 authorizations in October.
- Home builder confidence rose again in November. Confidence among home builders in the market for newly built, single-family homes posted a solid gain in November, according to a survey by the National Association of Home Builders (NAHB). The NAHB confidence measure has now increased for seven consecutive months and is at its highest level since May 2006.
- Sales of existing homes increased in October. Completed sales of existing single-family homes, townhomes, condominiums and co-ops increased by 2.1 percent last month to 4.790 million units at an annual rate, following a 2.9 percent decline in September. Sales of existing single-family homes amounted to 4.220 million units in October, up 1.9 percent on the month. The stock of existing single-family homes available for sale amounted to 5.4 months of sales in October. Sales of single-family homes rose in most major regions except the Northeast (see bottom chart).

Privately-Owned Housing Units Started, Recent Months
Thousands of units, seasonally adjusted at annual rates



SOURCE: Census Bureau, U.S. Department of Commerce.

Sales of Existing Single-Family Homes by Region
Monthly data through October 2012, millions of units, annual rate



SOURCE: National Association of Realtors.

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THE WEEK AHEAD

DAY	SELECTED UPCOMING DATA RELEASES
Tuesday, Nov. 27	Advance Report on Durable Goods Manufacturers' Shipments, Inventories and Orders (October)
Wednesday, Nov. 28	New residential sales (October) Federal Reserve Board, Current Economic Conditions by Federal Reserve District ("Beige Book")
Thursday, Nov. 29	Gross Domestic Product (Q3, second estimate) Corporate Profits (Q3, preliminary estimate)
Friday, Nov. 30	Personal Income and Outlays (October)

THE ECONOMY AT A GLANCE

KEY INDICATORS	MONTH			QUARTER			YEAR	
	Oct.	Sep.	Aug.	2012Q3	2012Q2	2012Q1	2011	2010
<u>Economic Activity</u>								
Real gross domestic product	—	—	—	2.0	1.3	2.0	1.8	2.4
Manufacturing production	-0.9	0.1	-0.9	-1.1	0.7	9.8	4.3	5.7
Factory utilization rate (percent of capacity)	75.9	76.7	76.7	77.0	77.5	77.6	75.0	71.2
Civilian unemployment rate (percent of labor force)	7.9	7.8	8.1	8.1	8.2	8.2	8.9	9.6
Housing starts (thousands of units, annual rates)	894	863	750	780	736	715	612	586
Light vehicle sales, domestic (millions of units, annual rates)	11.116	11.495	11.544	11.336	10.999	10.906	9.805	8.812
Retail & food service sales	-0.3	1.3	1.0	5.3	-1.0	6.6	8.0	5.5
Real disposable personal income	n.a.	0	-0.3	0.8	3.1	3.7	1.3	1.8
Personal saving rate (percent of disposable income)	n.a.	3.3	3.7	3.7	4.0	3.6	4.2	5.1
<u>Inflation & Productivity</u>								
CPI-U inflation	0.1	0.6	0.6	2.3	0.8	2.5	3.1	1.6
Core CPI-U inflation	0.2	0.1	0.1	1.5	2.6	2.1	1.7	1.0
Output per hour, nonfarm bus.	—	—	—	1.9	1.9	-0.5	0.7	3.1
Unit labor costs, nonfarm bus.	—	—	—	-0.1	1.7	6.4	2.0	-1.0
Employment Cost Index	—	—	—	1.7	2.1	1.7	2.0	1.9

Sources: Bureau of Economic Analysis, U.S. Department of Commerce; Bureau of the Census, U.S. Department of Commerce; and Bureau of Labor Statistics, U.S. Department of Labor.

Notes: Except where otherwise noted, values in the table represent simple percent changes for monthly data and percent changes at annual rates for quarterly data. Core CPI-U inflation is the percentage change in the CPI-U excluding food and energy prices as reported by the Bureau of Labor Statistics. The Employment Cost Index covers all civilian workers and the quarterly change is measured from the last month of the previous quarter to the last month of the indicated quarter. 'n.a.' denotes that data are not yet available. '—' denotes that data are not available monthly.