



WEEKLY ECONOMIC DIGEST

JOINT ECONOMIC COMMITTEE

UNITED STATES CONGRESS

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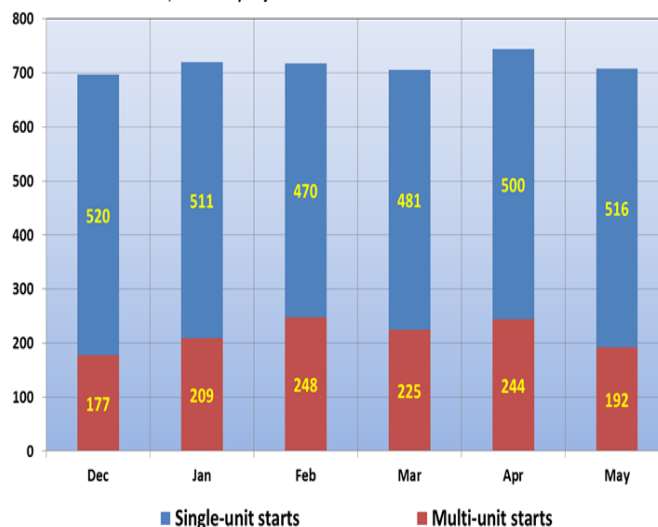
June 26, 2012

New Single-Family Home Building and Sales Rose in May

- New single-family home building rose in May.

The number of privately-owned housing units started last month decreased by 36,000 units (down 4.8 percent) to 708,000 units at an annual rate. Multi-unit housing starts accounted for all of the May decline, decreasing by 52,000 units (down 21.3 percent) to 192,000 units last month (see top chart). Single-unit starts increased by 16,000 units (up 3.2 percent) to 516,000 units in May. The number of permits issued for new single-unit construction increased by 19,000 (up 4.0 percent) to 494,000 authorizations last month. Moreover, homebuilder confidence rose in June to its highest level since May 2007, according to survey results compiled by the National Association of Homebuilders.

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



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

- New home sales rose in May. Sales of new single-family homes increased 7.6 percent last month to a seasonally adjusted annual rate of 369,000 units (see bottom chart). That May gain followed (revised) declines of 1.2 percent in April and 5.2 percent in March. The stock of unsold new homes amounted to 4.7 months of current sales in May.

- Sales of existing homes declined in May. Completed sales of existing single-family homes, townhomes, condominiums and co-ops decreased by 1.5 percent last month to 4.550 million units at an annual rate, following a (revised) 3.4 percent increase in April. Sales of existing single-family homes amounted to 4.050 million units in May, down 1.0 percent from April. The stock of existing single-family homes available for sale amounted to 6.5 months of current sales in May.

Sales of New Single-Family Homes
Monthly data through May 2012, thousands of units, annual rate



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

NOTE: Shaded regions denote periods of recession as determined by the National Bureau of Economic Research.

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THE WEEK AHEAD

DAY	SELECTED UPCOMING DATA RELEASES
Tuesday, Jun. 26	S&P/Case-Shiller Home Price Indices (April)
Wednesday, Jun. 27	Advance Report on Durable Goods Manufacturers' Shipments, Inventories and Orders (May)
Thursday, Jun. 28	Gross Domestic Product (First quarter, third estimate) Corporate Profits (First quarter, revised estimate)
Friday, Jun. 29	Personal Income and Outlays (May)

THE ECONOMY AT A GLANCE

KEY INDICATORS	MONTH			QUARTER			YEAR	
	May	Apr.	Mar.	2012Q1	2011Q4	2011Q3	2011	2010
Economic Activity								
Real gross domestic product	—	—	—	1.9	3.0	1.8	1.7	3.0
Manufacturing production	-0.4	0.7	-0.6	9.8	5.6	5.1	4.3	5.7
Factory utilization rate (percent of capacity)	77.6	78.0	77.5	77.7	76.1	75.2	75.0	71.2
Civilian unemployment rate (percent of labor force)	8.2	8.1	8.2	8.2	8.7	9.1	8.9	9.6
Housing starts (thousands of units, annual rates)	708	744	706	715	678	614	612	586
Light vehicle sales, domestic (millions of units, annual rates)	10.738	11.113	11.088	11.223	10.433	9.719	9.824	8.808
Retail & food service sales	-0.2	-0.2	0.4	6.7	8.8	4.9	8.0	5.5
Real disposable personal income	n.a.	0.2	0.2	0.4	0.2	0.7	1.2	1.8
Personal saving rate (percent of disposable income)	n.a.	3.4	3.5	3.6	4.2	4.6	4.6	5.3
Inflation & Productivity								
CPI-U inflation	-0.3	0	0.3	2.5	1.3	3.1	3.1	1.6
Core CPI-U inflation	0.2	0.2	0.2	2.1	1.9	2.5	1.7	1.0
Output per hour, nonfarm bus.	—	—	—	-0.9	1.2	1.8	0.4	4.0
Unit labor costs, nonfarm bus.	—	—	—	1.3	-1.5	3.9	1.8	-2.0
Employment Cost Index	—	—	—	1.7	2.1	1.4	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.