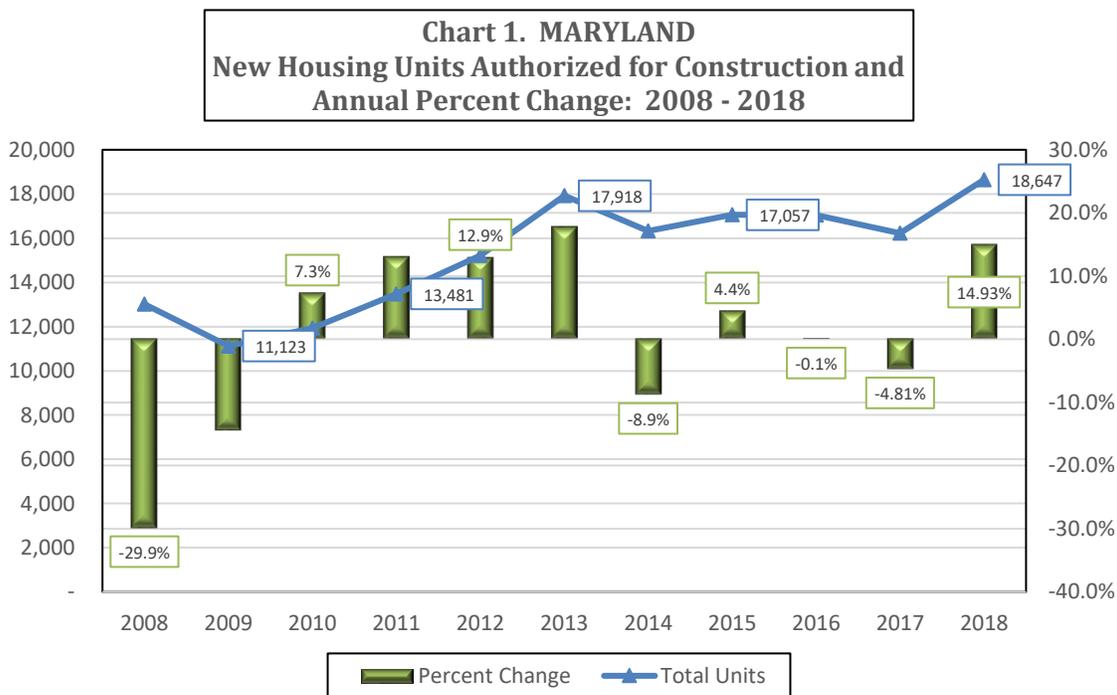


## NEW HOUSING UNITS AUTHORIZED FOR CONSTRUCTION BY BUILDING PERMITS: 2018

### State of Maryland: 2018<sup>1</sup>

The housing industry is considered a leading economic indicator as it accounts for about 25 - percent of investment spending and five -percent of the overall economy. Prolonged declines in new residential development puts the brakes on the economy and can drive it into recession.

By the same token, surges in new residential construction ignites economic growth. This may be occurring in Maryland according to recent data. During 2018, building permit offices in the State authorized the construction of 18,647 new housing units. This is up 2,423 units (14.9 percent) from the 16,224 new housing units authorized for construction during 2017. (See Chart 1. **MARYLAND New Housing Units Authorized for Construction and Percent Change: 2008 – 2018.**)



This is the highest count of new housing units authorized for construction this decade, and while also a significant increase in housing production compared to the level reported in 2017, it is still a fraction of the annual number of new housing units delivered before the

<sup>1</sup> See Maryland State Data Center Web Table Series. Table 1. MARYLAND, JURISDICTION AND PERMIT ISSUING PLACES New Housing Units Authorized for Construction by Building Permits: 2018 Building, Units, Structure Type and Value; and See Table 2A.1 MARYLAND, COUNTY GROUP AND REGION New Housing Units Authorized for Construction by Building Permits: 2018 – 2000 Historic Units by Type. <https://planning.maryland.gov/msdc/Pages/newhh/2018/annual2018.aspx>

recession. From 2000 through 2007, Maryland permit issuing places authorized, on average 27,254 new housing units annually.

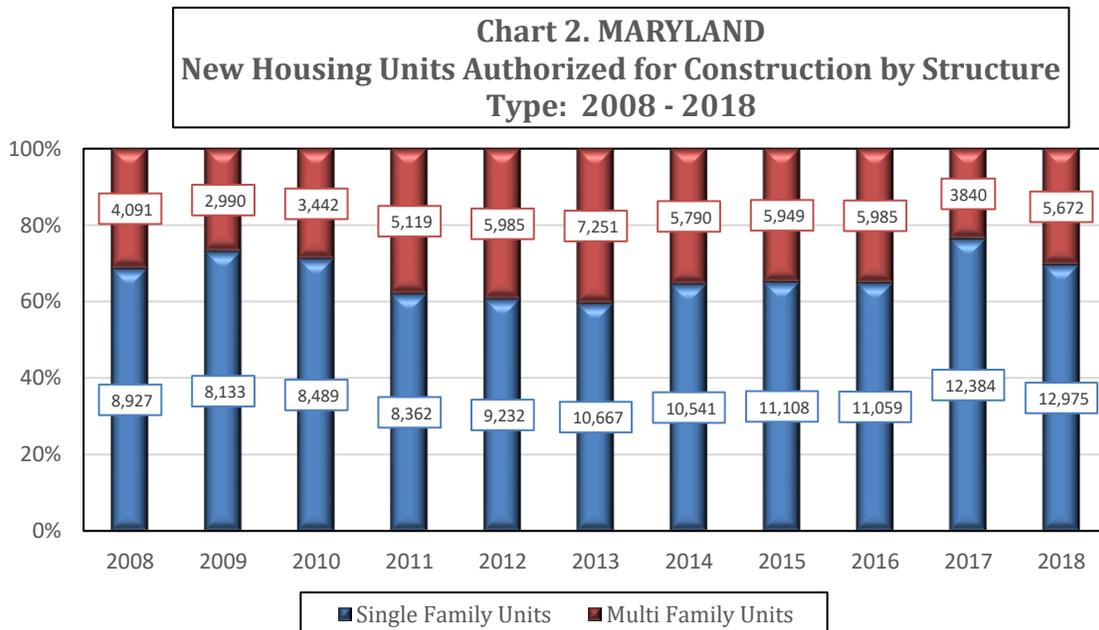
The 2018 value of this construction is placed at \$3.7 billion. This is \$444.5 million higher than the value of new housing construction activity reported in 2017, a gain of just under 14 – percent.

Before 2014, State permit issuing places reported four consecutive years of increasing new housing unit construction, peaking during 2013. However, this period is followed by inconsistent levels of production of about 16,664 units per year (from 2014 through 2017).

It is undecided that the current year’s increase in new housing unit production will extend far into the future. Part of the 2018 annual increase is undoubtedly due to the release of pent up demand. Millennials having delayed home purchases due to the housing catastrophe, and high costs are two of the main elements for the solid numbers reported for residential construction activity over the past three years.

However, it is also easy to believe that State housing production should remain at, or near this new mark in the near term since persons in this age cohort (persons 25 through 34 years), are projected to increase from the 2015 population estimate of 827,555 persons to 852,906 persons by 2020 (an increase of three percent).

## *New Housing Units by Structure Type*

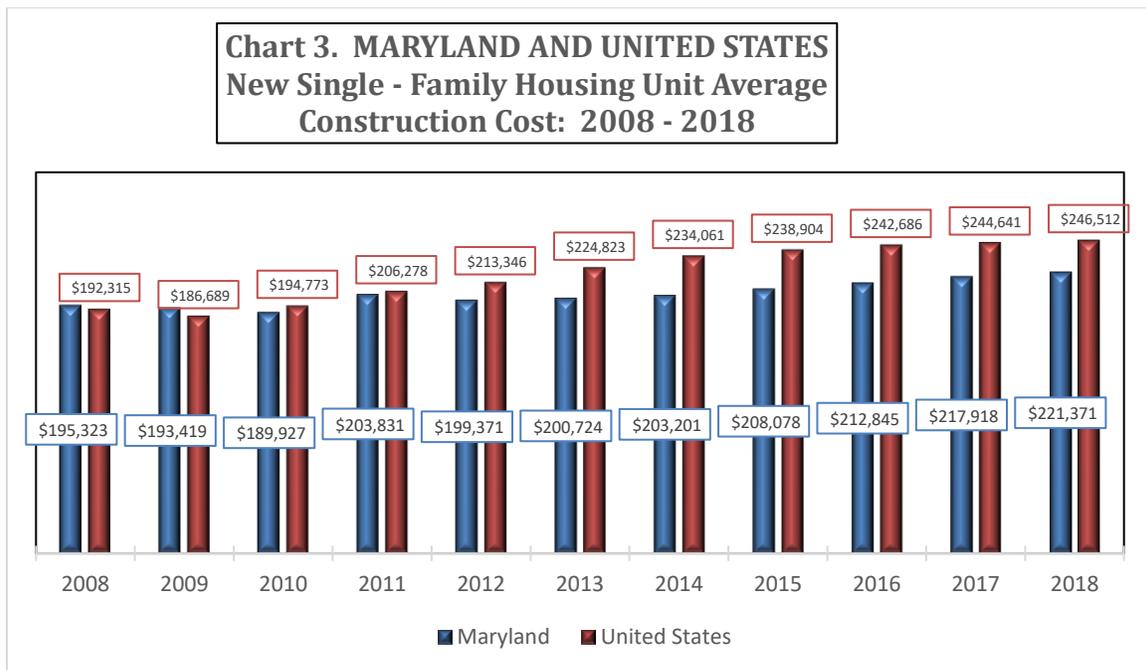


Single - family home construction is one of the largest elements of new residential development. Single family housing units are relatively freestanding dwelling units but may include units that share a common wall. As reported, single - family housing units are either attached (i.e., row houses and townhomes), or detached (e.g., ranch or split - level houses).

During 2018, the number of single - family homes authorized for construction increased nearly five percent from the previous year to 12,975. That year, Maryland permit issuing places authorized 12,384 new single-family units for construction, the first year for a net increase in single - family home construction since 2015. (See Chart 2. **MARYLAND New Housing Units Authorized for Construction by Structure Type: 2008 - 2018.**)

New single-family housing units have a construction value placed at \$2.87 billion during 2018. This is an increase of \$173.6 million from \$2.7 billion in 2017. It accounts for 77.59 percent of the value of all new housing unit construction in the State.

The 2018 average construction cost of a new single - family home in the United States is \$246,512. Since 2010, Maryland homebuilding costs have been considerably lower than the national average. Currently, the 2018 average cost of building a new single - family housing unit in Maryland is \$221,371. This is 10.2 percent less than the construction cost Nationwide. (See also Chart 3. **MARYLAND AND UNITED STATES New Single - Family Housing Unit Average Construction Cost: 2008 - 2018.**)



Multi - family housing units are units built in structures containing two or more housing units. The overwhelming majority of new multi - family housing is in garden style or high - rise apartment and condominium buildings containing five or more units.

The construction of new multi - family housing developments has become a larger component of new residential construction in Maryland. During 2018 there were 5,672 new multi - family housing units authorized for construction. This is a 48 - percent increase from the previous year, when 3,840 new multi - family housing units were authorized for construction.

Ordinarily, multi-family housing production tends to fluctuate. Many units (generally units for rent), may be authorized for construction at once, followed by a lull in construction activity once demand is met. So, in general, a large increase in the number of new multi-family housing units authorized for construction is not predictive of a sustainable economic trajectory.

For example, after 2012 Maryland's multi-family unit construction jumped 21 percent from 5,985 units to 7,251 units in 2013. This bumped the total number of units authorized for construction to 17,918 units, the highest count of new units, post-recession.

The following year, 2014, Maryland's multi-family housing construction fell 20 percent to 5,790 new units. Quite a drop, but contrary to past trends, the level to which it fell was still very high. In fact, it was the highest level of authorizations for multi-unit construction since 2005 when 7,271 multi-family housing units were authorized. On top of that, new construction activity in the single-family home remained relatively consistent.

More recently, the multi-family sector has increased its share of the State's new housing inventory. During the decade of the 2000's, the average share of new multi-family housing units averaged 23 percent. The highest proportion of new multi-family housing units to total units in that time-period is 31.4 percent during 2008. The lowest percentage of new multi-family housing units authorized for construction occurred during 2002 when it reached 18.1 percent.

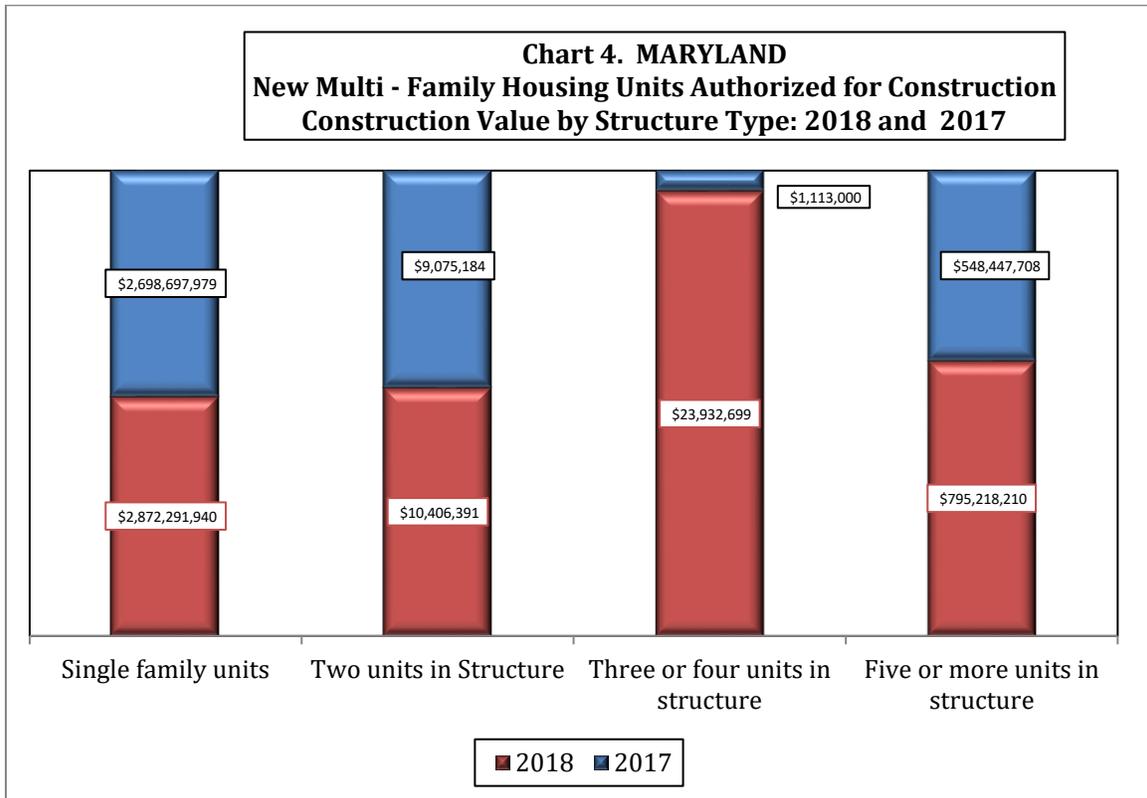
In comparison, since 2010, the average annual share of new multi-family units constructed is 38.3 percent. So far this decade, the highest proportion of new multi-family units is 40.5 percent reached in 2013. The lowest percentage thus far, was reached last year when 23.7 percent of new housing units authorized for construction by building permits were multi-family units.

The value of new multi-family housing unit construction is placed at \$829.6 million. This is an increase of 48.5 percent or \$270.9 million) from 2017. (See also Chart 4. **MARYLAND New Housing Units Authorized for Construction Value of Construction by Structure Type: 2018 - 2017.**)

The most common type of multi-family housing unit are in buildings containing five or more housing units. Typically, these buildings are garden style or hi-rise apartment and condominium buildings.

During the year, State jurisdictions authorized 5,573 new housing units for construction in 103 buildings containing five or more units. These apartment and condominium developments account for 98 percent of Maryland's new multi-family housing authorized for construction during 2018.

From the start of 2010 through the end of 2017, the count of renter-occupied households in Maryland increased by 34,207, more than 7,500 a year, according to the 2017 American Community Survey. This suggests the Maryland market for multi-family construction should be solid but more subdued over the near term. So, despite rapid growth over recent years, additional, if slower, growth will be sustainable for multi-family home builders.



**State Planning Regions: 2018**

The State of Maryland has six State Planning Regions. They are titled; Baltimore Region, Lower Eastern Shore Region, Southern Maryland Region, Suburban Washington Region, Upper Eastern Shore Region and Western Maryland Region. The component jurisdictions of each region are displayed on Map 1. **MARYLAND STATE PLANNING REGIONS.**

**Baltimore State Planning Region**

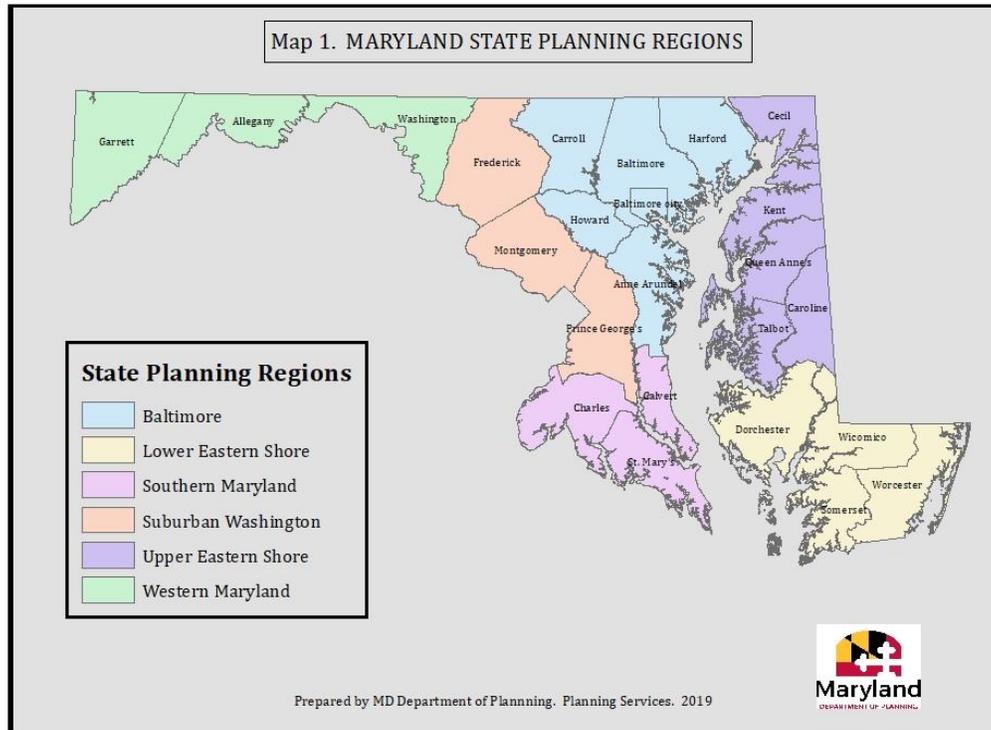
Of all Maryland State Planning Regions, the Baltimore Region has the largest population. Comprised of Anne Arundel, Baltimore, Carroll, Harford and Howard Counties and Baltimore City, the Baltimore State Planning Region hosts 2.75 million residents according to the U. S. Bureau of the Census’ 2018 Population Estimates. These jurisdictions account for 46 percent of the State’s total population of six million persons.

During 2018, Baltimore State Planning Region permit issuing places authorized 9,008 new housing units for construction. This is 48.3 percent of the State’s new residential construction activity. (See Figure 1 **MARYLAND STATE PLANNING REGIONS New Housing Units Authorized for Construction: 2018**).

New residential construction activity in the Region during 2018 is a 35.7 percent increase (2,371 units), from the 6,637 new housing units authorized during 2017. (See also Chart 5.

**MARYLAND AND STATE PLANNING REGIONS New Housing Units Authorized for Construction Annual Percent Change: 2018 – 2017.)**

Baltimore County, and Anne Arundel, together with Howard authorized most of the Region’s new housing. Baltimore County authorized the second highest number of new housing units Statewide, delivering 2,107 units. Anne Arundel and Howard Counties, each authorized 2,046 new housing units for construction.



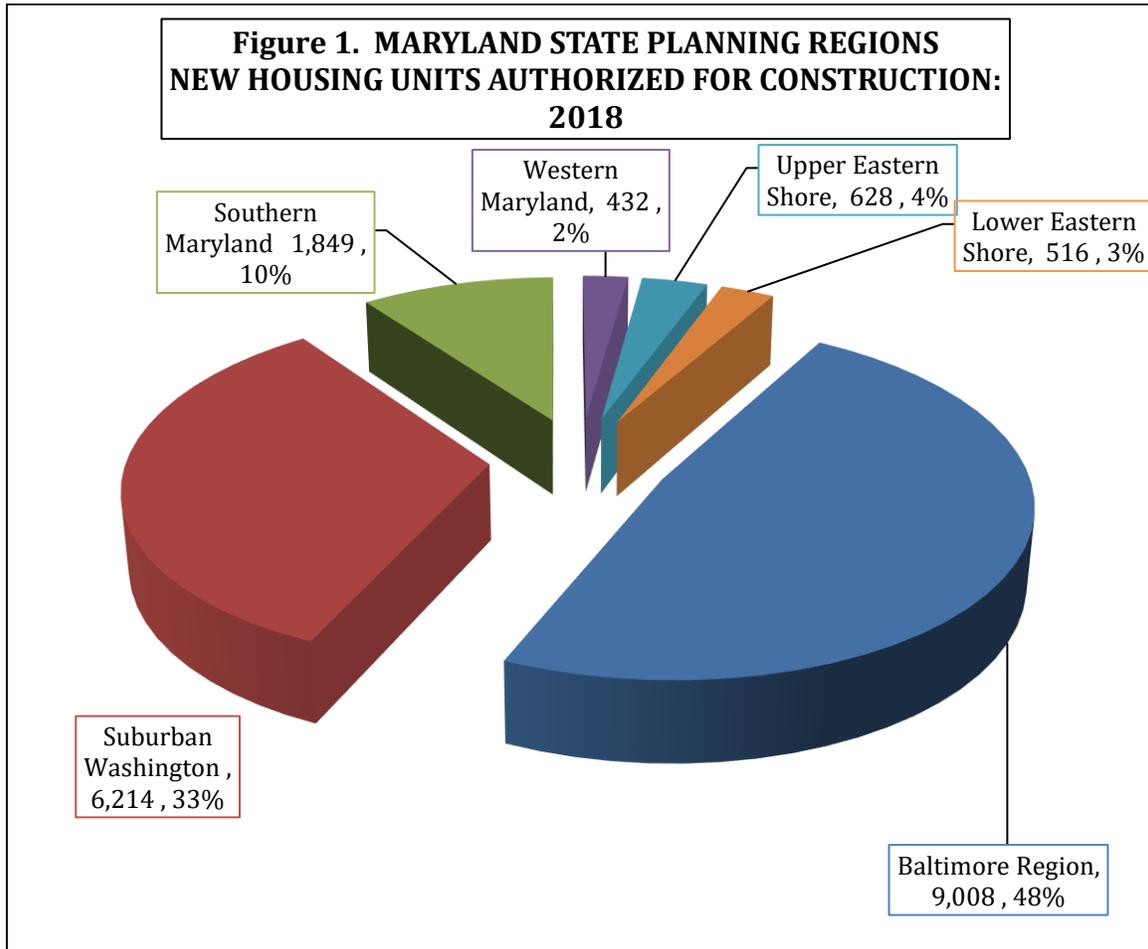
The value of the Region’s new home building is placed at \$1.59 billion. This is the highest total value for new residential construction of any State Planning Region. It represents just under 43 percent of State’s total cost of new residential construction of \$3.7 billion

There are 5,152 new single - family housing units authorized for construction during 2018 in the Baltimore State Planning Region. This accounts for 57.2 percent of the Region’s new housing during the year. Due to the relatively low number of single - family housing units authorized for construction in Baltimore city, it also represents the lowest share reported for single - family housing among the State Planning Regions.

New single - family home construction in the Region is up over seven percent from the 4,797 single - family homes built in 2017, when single - family home construction comprised 72.3 percent of the Region’s new residential construction activity. (See Chart 6. **MARYLAND STATE PLANNING REGIONS New Housing Units Authorized for Construction**

***by Structure Type: 2018***, and Chart 7. ***MARYLAND STATE PLANNING REGIONS Change in New Single - Family Home Construction: 2018 - 2017.***)

The value of new single - family home construction in the Baltimore Region is \$1.04 billion. The highest number of new single - family homes are built in Anne Arundel (2,040 new houses) and Baltimore County (1,079 new houses).

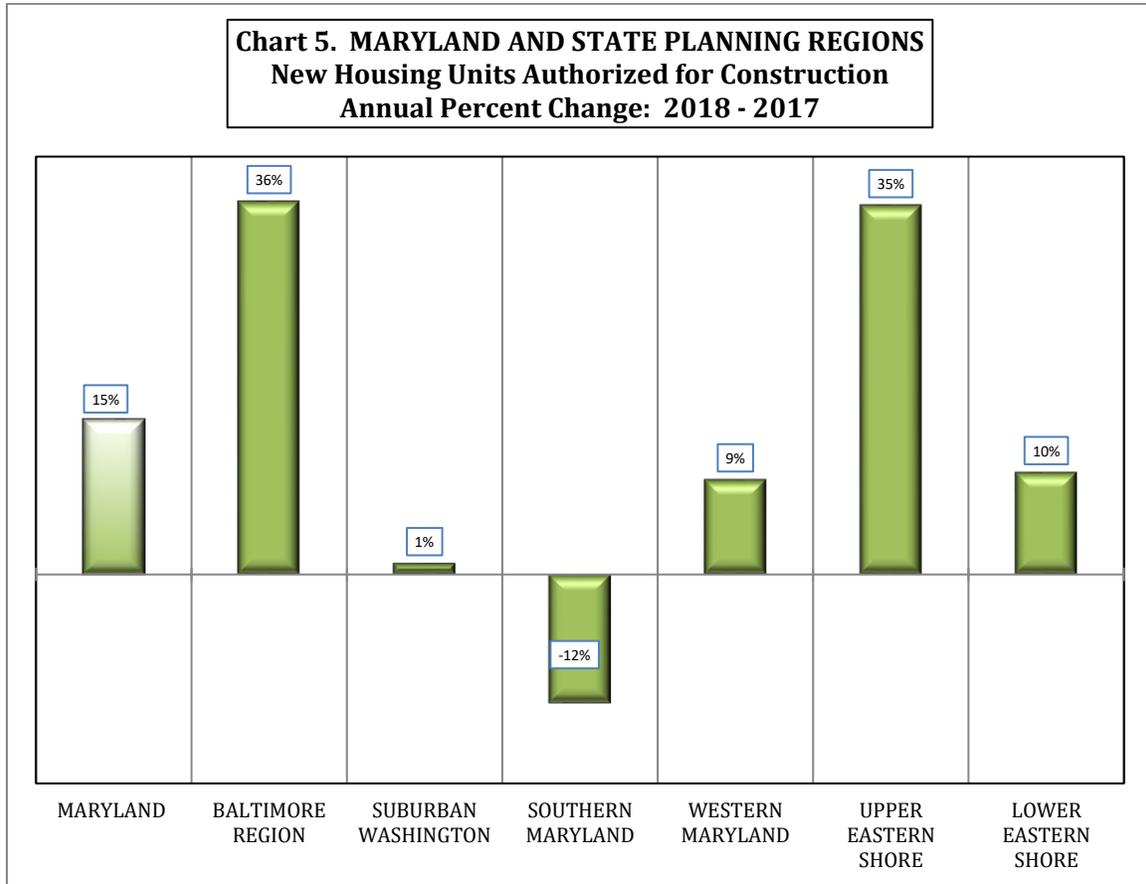


The average construction value of a new single-family home is \$202,374. This is over eight seven percent lower than the mean cost Statewide (\$221,371). It is the second lowest single - family home average construction cost among the six State Planning Regions. (See also Chart 8. ***MARYLAND AND STATE PLANNING REGIONS New Single - Family Home Average Construction Cost: 2018 and 2017.***)

New multi - family housing construction accounts for 42.8 percent of all new housing in the Baltimore State Planning Region. Permit issuing places in the Region authorized 3,856 new multi-family housing units for construction in 51 buildings during 2018. This is a substantial increase (110 - percent) from the 1,840 new multi - family housing units authorized for construction during 2017. Nearly all (99.8 percent or 3,850 dwellings) are in buildings containing five or more units.

The value of multi-family housing construction built in the Baltimore region is placed at \$548.1 million. The Region accounts for two - thirds of the value of the State’s new multi-family housing unit construction.

Baltimore City (1,448 units) and Howard (1,238 units) authorized the highest number of new multi-family housing units for construction. (See also Chart 9 **MARYLAND AND STATE PLANNING REGIONS Change in New Multi - Family Housing Units Authorized for Construction: 2018 - 2017.**)



### ***Suburban Washington State Planning Region***

The population living in the Suburban Washington State Planning Region is the second highest among State regions with 2.2 million according to 2018 population estimates from the U. S. Bureau of the Census. Consisting of Frederick, Montgomery and Prince George’s Counties, the region contains 37 percent of the State’s total population of six million persons.

Permit issuing places in Suburban Washington authorized 6,214 new housing units for construction during 2018. This accounts for one - third of the State’s new residential construction activity. The 2018 value of the Region’s new residential construction is placed at \$1.38 billion or 37 percent of the State’s \$3.7 billion aggregate value of new residential

construction. Most of these new dwellings (2,267 housing units) will be built in Prince George's County.

New housing construction activity in the Suburban Washington Region is relatively unchanged from the previous year. New residential construction activity during 2018 is an increase of just 66 units (just over one percent) from the 6,148 new housing units authorized for construction during 2017.

Three quarters of the new housing units authorized for construction in Suburban Washington (4,666 new homes) are single - family housing units. It represents an increase of 332 homes from 2017 (or nearly eight percent), and accounts for 36 percent of the State's new single - family housing units during 2018.

The average construction cost for a new single-family home in Suburban Washington is \$241,625. This is the third highest average construction cost for a new single - family house among the State's six state Planning regions, and over nine percent higher than the State average of \$221,371.

There are 1,548 new multi-family housing units authorized for construction in the Region during 2018. Nearly 96 percent or 1,478 of the Region's new multi - family housing units are in buildings containing five or more dwellings.

The share of new multi - family housing construction in the Washington Suburbs accounts for 27 percent of the State's new multi - family housing in 2018. This is substantial drop in construction activity when compared to 2017 (-15 percent).

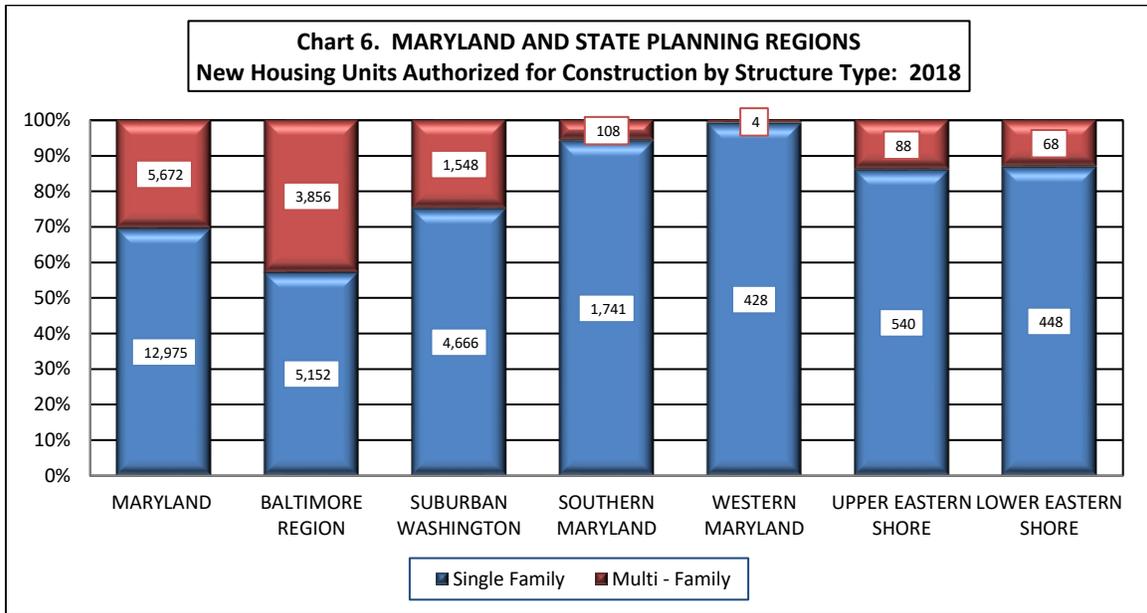
During 2017, Suburban Washington's share of new multi - family housing construction accounted for just over 42 percent State's new multi - family residential construction (1,814 of 5,790 new multi - family housing units).

The value of new multi-family housing unit construction in the Suburban Washington State Planning Region is placed at \$255 million. This is 31 percent of the State's total value of \$829.6 million reported for building new multi-family developments.

Most of Suburban Washington's new multi-family construction activity during 2018 takes place in Montgomery County. Permit issuing places there authorized 958 new multi - family housing units (62 percent of the Region's total). Frederick authorized 416 new multi - family housing units, up slightly from 327 new units authorized the year before. Prince George's County authorized 174 new multi - family units for construction in 2018, a drop of 81 percent from the 904 units authorized for construction in 2017.

### ***Southern Maryland State Planning Region***

The Southern Maryland State Planning Region comprises Calvert, Charles and St. Mary's Counties. According to 2018 population estimates from the U. S. Bureau of the Census, the Region is home to 366,170 persons. This represents six percent of the State's total population of six million persons.



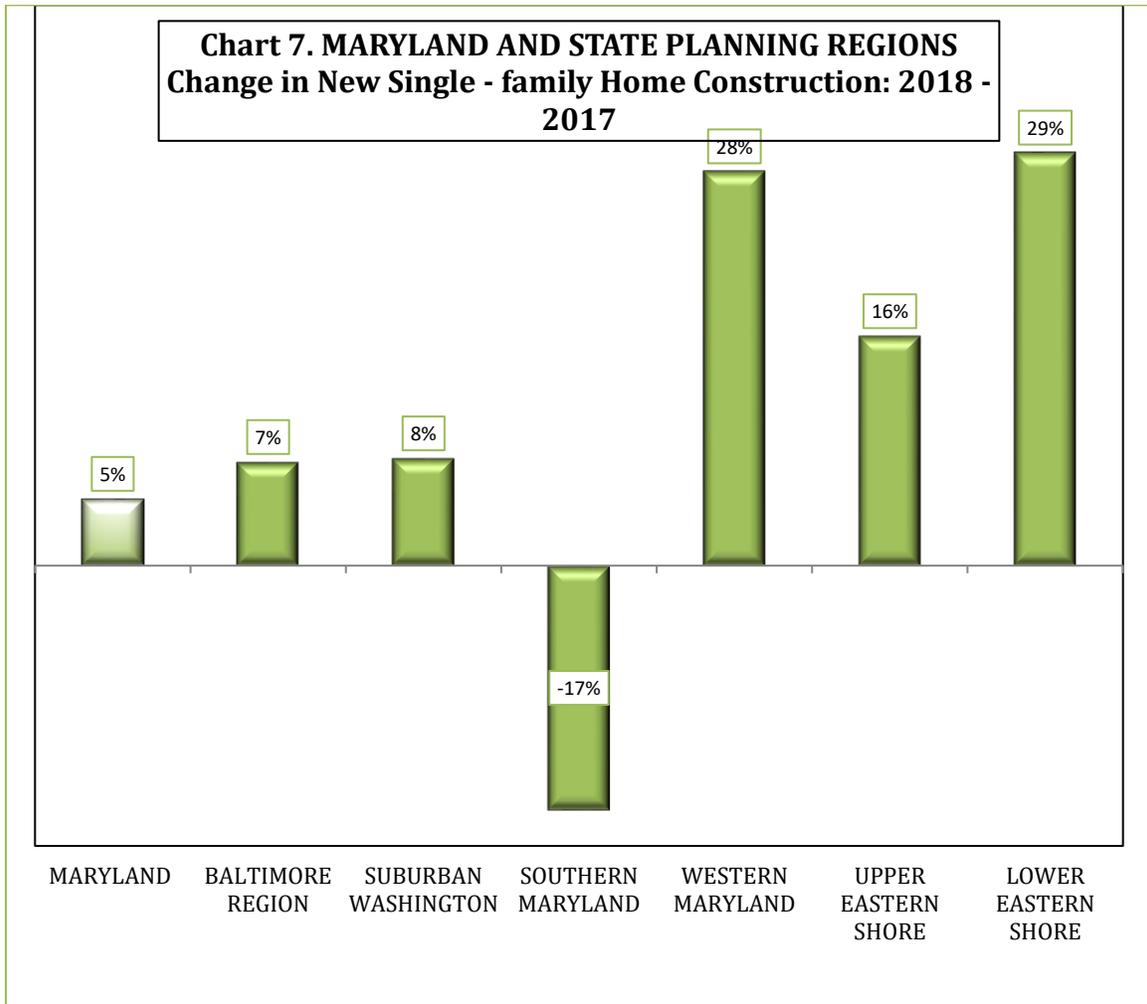
During 2018, Southern Maryland permit issuing places authorized 1,849 new housing units for construction. The value of new housing construction in the Region is placed at \$370.5 million. The Region accounts for nearly 10 percent of the State’s total new housing construction activity, and 10 percent of the State’s \$3.7 billion total value of new residential construction for the year.

Construction activity in the region decreased by 260 units over the 2,109 units authorized during 2017. This is a drop of over 12 percent. Most of the Region’s new housing (54 percent) will be built in St. Mary’s County, where permit issuing places authorized 931 new housing units for construction.

New single - family housing construction in the Southern Maryland State Planning Region also dropped substantially from 2017 through 2018. The 1,741 new units reported in 2018 is down 17 percent from the 2,109 new homes reported the previous year. As a share of new housing stock, new single - family homes in the Region fell from just one hundred percent to 94 percent from 2017 through 2018.

The average construction cost for a new single - family home in the Southern Maryland State Planning region is placed at \$209,718. This ranks fourth among the State’s six planning regions, and five percent lower than the State’s average construction cost of \$221,371.

Southern Maryland accounts for less than two percent of the State’s 2018 new multi - family housing unit production. During the year, Southern Maryland permit issuing places authorized building eight new multi - family residential developments containing 108 new housing units. Most of these new units will be delivered in St. Mary’s County where six residential buildings containing 60 new housing units are authorized for construction.



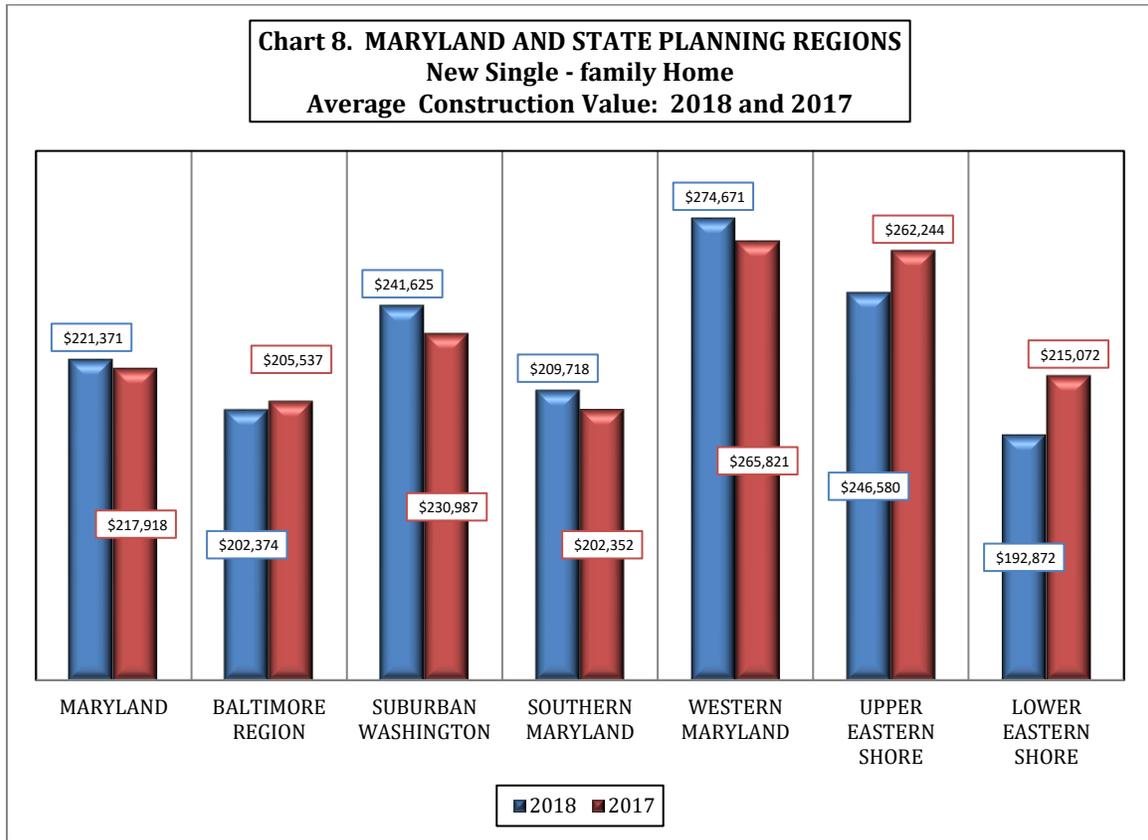
The construction value of new multi - family housing in Southern Maryland is reported at \$5.4 million. This represents less than one percent of the State’s new multi - family housing construction value of \$829.6 million. (See also Chart 10. **MARYLAND AND STATE PLANNING REGIONS Change in New Multi - Family Housing Unit Construction Value: 2018 - 2017.**)

***Western Maryland State Planning Region***

The Western Maryland State Planning Region is composed of Allegany, Garrett and Washington Counties. These counties contain 251,100 persons, or four percent of the State’s population of six million residents, according to 2018 population estimates from the U. S. Bureau of the Census.

Permit issuing places in these jurisdictions authorized 432 new housing units during 2018. This is just over two percent of the State’s new housing construction. Nearly three quarters of the new units (72 percent) will be built in Washington County (310 dwellings).

Housing production here is up nine percent (36 units), compared to the number authorized for construction during 2017.



The value of this construction is placed at \$117.9 million. This is three percent of the State’s new housing unit construction value, and 20 percent higher than the Region’s \$98.1 million value of construction reported during 2017.

There are 428 new single - family housing units valued at \$117.6 million authorized for construction during 2018. Single - family home construction accounts for 99 percent of the new residential development in the Western Maryland State Planning Region.

New single - family housing construction in the Western Maryland State Planning Region increased substantially from 2017 through 2018. The number reported in 2017 is a boost of 28 percent from 334 new homes reported the previous year.

The average cost for building a new single - family home in the Western Maryland Region is \$274,671. This is the highest average construction value among State Planning Regions. It is 24 percent higher than the State’s average construction cost of \$221,371.

Garrett County has the highest average value of construction for new single - family homes built in the State. New homes in Garrett, on average, cost \$398,267 to build. The high value

of Garrett's single - family construction is most likely tied to the construction of vacation homes near Deep Creek Lake.

Little multi - family housing construction takes place in the Region. During 2018, two buildings containing four housing units are authorized for construction in Washington County. Allegany and Garrett did not authorize any new multi - family housing units for construction during the year.

The 2018 value of multi-family housing construction in Western Maryland is placed at \$350 thousand. The current cost of multi - family housing construction is a severe drop (minus 96 percent) from \$9.3 million reported in 2017, when six multi - family buildings containing 62 housing units were authorized for construction in the region's permit issuing places.

### ***Upper Eastern Shore State Planning Region***

Caroline, Cecil, Kent, Queen Anne's and Talbot Counties comprise the Upper Eastern Shore State Planning Region. According to 2018 population estimates from the U. S. Bureau of the Census, the total population is 242,700 persons, accounting for four percent of the State's total population of six million persons.

During 2018, Upper Shore Region permit issuing places authorized 628 new housing units for construction, an increase of 164 units (35 percent) from 2017, and the highest number of newly authorized housing units for the region since 2013 when 796 units were permitted. The Regions new housing accounts for over three percent of the State's total new housing construction.

The value of the Region's new residential construction is placed at \$144.4 million. This is a 19 percent increase in construction value compared to 2017, when the value of new housing construction was placed at \$121.7 million. Most of the Regions new houses are built in Queen Anne's County. The 279 new housing units authorized for construction in Queen Anne's permit issuing places represents 44 percent of the Region's total.

There are 540 new single - family housing units authorized for construction within Upper Eastern Shore permit issuing places. This accounts for 88 percent of the new housing units permitted in the five counties during 2018. Single - family home construction activity is up substantially (16 percent) from 2017 when 464 single - family housing units were authorized for construction.

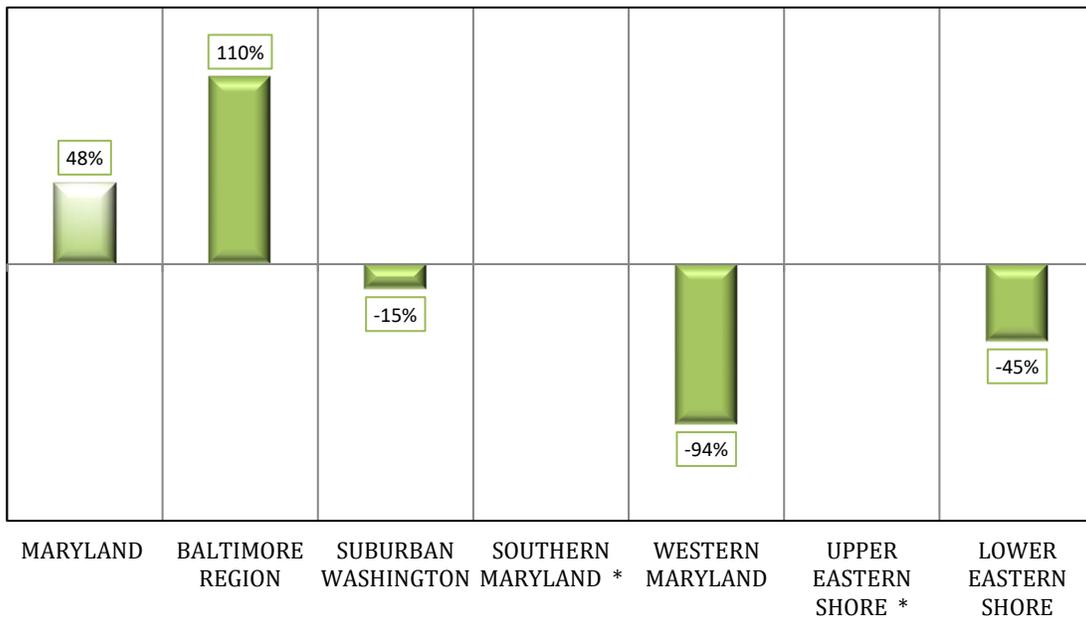
The value of new single - family home construction is placed at \$133.2 million. The region's average construction value for a new single-family home is \$246,580 ranking second among State Planning Regions. This is 11 percent above the average State's cost of \$221,371 for building a new single - family homes.

### ***Lower Eastern Shore State Planning Region***

Dorchester, Somerset, Wicomico and Worcester Counties comprise the Lower Eastern Shore State Planning Region. The 2018 U. S. Census Bureau population estimate for these

jurisdictions is 213,000 persons. The region’s population accounts for almost four percent of the State’s total population of six million persons.

**Chart 9. MARYLAND AND STATE PLANNING REGIONS  
Change in New Multi - Family Housing Units  
Authorized for Construction: 2018 - 2017**

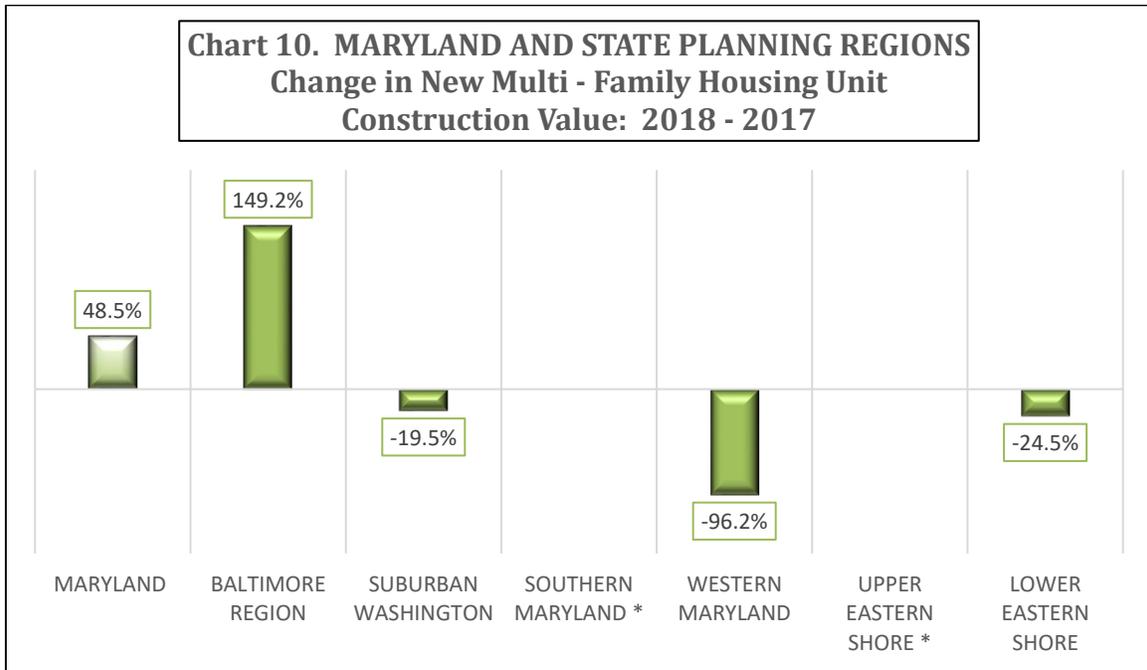


**\* No permit issuing place on the Lower Eastern Shore or Southern Maryland Regions authorized new multi - family housing unit construction during 2017.**

There are 88 new multi - family housing units authorized for construction during 2018. These units are scheduled to be built in 12 buildings.

This is the Upper Shore Region’s highest level of multi – family construction since 2014 when 149 units were authorized in 16 buildings.

The value of this construction is placed at \$11.2 million, with all units located in two counties; Queen Anne’s jurisdictions authorized 10 building containing 70 units, and Talbot jurisdictions authorized two buildings containing 18 units.



**\* No permit issuing place on the Lower Eastern Shore or Southern Maryland Regions authorized new multi - family housing unit construction during 2017.**

During 2018, permit issuing places on the Lower Eastern Shore Region authorized 516 new housing units for construction. This is an increase of 46 units (10 percent), from 2017 when 470 new housing units were authorized for construction.

New residential development on the Lower Eastern Shore accounts for nearly three percent of the new residential construction activity in the State. Most new construction takes place in Worcester County. Permit issuing places in the County authorized 239 new units for construction. This is 46 percent of the Region's total.

The value of new home building in the four counties is placed at \$95.9 million. This is an increase of \$8.9 million (10 percent) from the Region's value of new residential construction in 2017 (\$87 million).

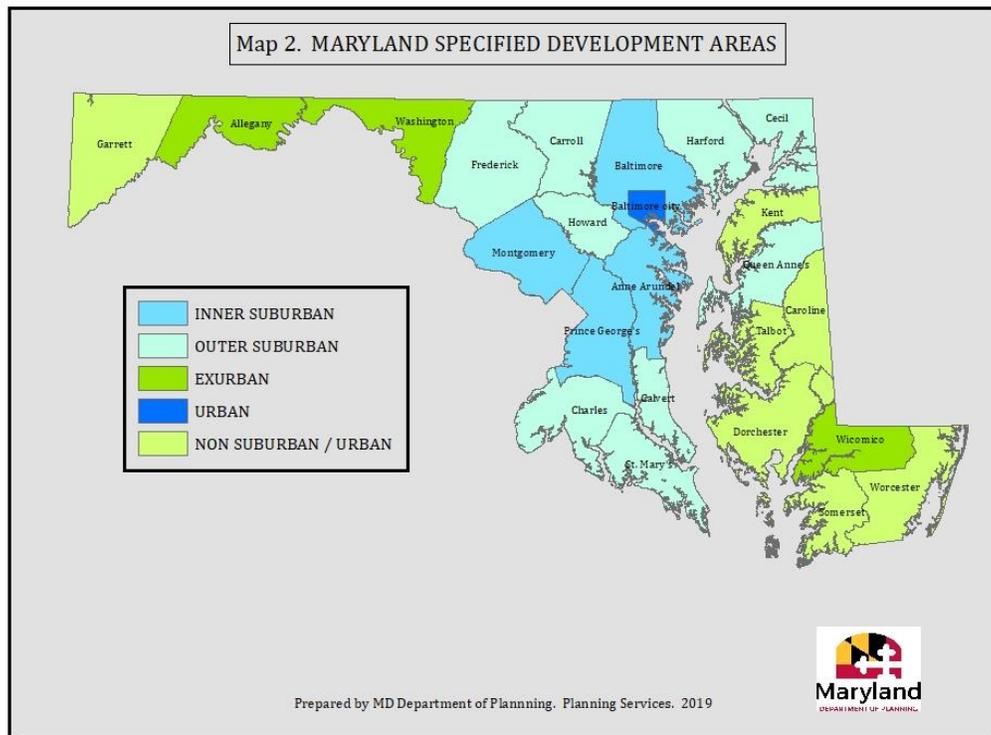
Single - family homes account for 86.8 percent of Lower Eastern Shore new housing (448 dwellings) during 2018. This is 19 percent higher than in 2017 when 346 new houses were built. The average construction value of the Region's a new single - family homes is \$192,872. This is 13 percent below the Statewide average construction cost of \$221,371.

The Lower Eastern Shore Region authorized the construction of 68 new multi-family housing units during 2018. This is a decrease of 45 percent from 2017 when 124 new multi - family housing units were authorized for construction.

The 2018 value of construction for new multi-family dwellings in the Eastern Shore is \$9.5 million. This is \$3.1 million (minus 25 percent) less than the value reported for building new multi - family housing units on the Lower Eastern Shore in 2017.

## *Residential Development Areas: 2018*

Most of the State’s new residential development is single-family housing built on small plots of land. These new housing units are built in counties within commuting distance of major employment centers. (See Map 2. **MARYLAND SPECIFIED DEVELOPMENT AREAS**)



The physical geography of this development is categorized by four features related to urbanization. These features are:

- The jurisdiction’s geographic proximity to the population centers of Baltimore City or the District of Columbia;
- The jurisdiction’s population size;
- The jurisdiction’s weighted population density; and
- The jurisdiction’s current population trends.

Listed below are five specified categories and their component jurisdictions:

1. **Inner Suburban** (generally these are densely populated central metropolitan jurisdictions - Anne Arundel, Baltimore, Montgomery and Prince Georges Counties);

2. **Outer Suburban** (typically these are outlying metropolitan jurisdictions with moderate population density - Calvert, Carroll, Cecil, Charles, Frederick, Harford, Howard, Queen Anne's and St. Mary's Counties);
3. **Exurban** (generally these are metropolitan jurisdictions outside the more densely populated outlying jurisdictions incorporating a mix of rural development - Allegany, Washington and Wicomico Counties);
4. **Non - Suburban / Urban** (very low population density typically incorporating farms and tracts of homes on large lots - Caroline, Dorchester, Garrett, Kent, Somerset, Talbot and Worcester Counties); and
5. **Urban** (very high population density and built environment infrastructure - Baltimore City).

According to 2018 population estimates from the U. S. Bureau of the Census, 90 percent of the State's population (5,211,909 of 6,042,718 persons), lives in the 16 jurisdictions classified Suburban (58 percent live in Inner Suburban jurisdictions, 26 percent live in Outer Suburban jurisdictions, and six percent live in Exurban jurisdictions).

Ten percent of the State's population lives in Baltimore City, the only primary jurisdiction classified Urban. Just under four percent of the population live in jurisdictions not classified as suburban or urban.

During 2018, Suburban jurisdictions authorized the construction of 16,485 new housing units, accounting for 88 percent of the State's total new residential construction. The value of this construction is placed at \$3.3 billion. (See Figure 2. **MARYLAND RESIDENTIAL DEVELOPMENT AREAS New Housing Units Authorized for Construction: 2018**).

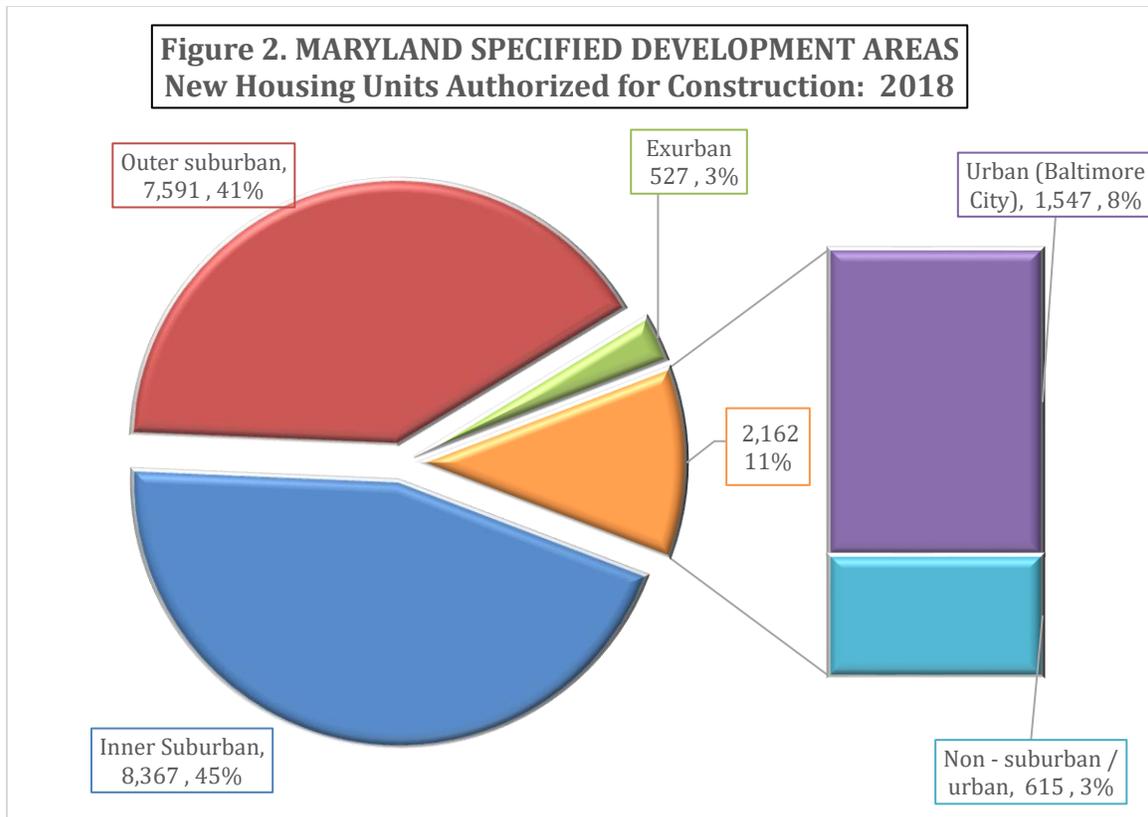
Suburban residential construction activity during 2018 represents an eight percent increase over the previous year. It is also the highest level of suburban development since 2007, when 16,495 new housing units were authorized for construction by building permits.

The value of new residential construction Maryland suburban areas is placed at \$3.31 billion during the year. This is 90 percent of the State's \$3.7 billion value of new residential construction during 2018. (See also Chart 11. **MARYLAND RESIDENTIAL DEVELOPMENT AREAS Value of New Housing Unit Construction: 2018**.)

During 2018 suburban areas authorized 12,331 new single - family homes for construction. This is 95 percent of the State's new single - family homes. These dwellings have an aggregate construction value placed at \$2.7 billion with an average cost to build of \$220,028 or slightly less than the statewide average cost of \$221,371. (See also Chart 12. **MARYLAND SPECIFIED DEVELOPMENT AREAS New Housing Units Authorized for Construction by Structure Type: 2018**, and Chart 12A. **MARYLAND SPECIFIED DEVELOPMENT AREAS New Housing Unit Structure Type: Change 2018 - 2017**.)

Maryland's suburban builders produced 4,154 new multi-family housing units during 2018. This is 73 percent of the State's new multi-family housing unit inventory. The current figure represents a 20 percent increase from the 3,451 units authorized during 2017.

The 2018 construction value of multi-family housing construction in Suburban jurisdictions is placed at \$600.4 million, an increase of nearly 19 percent (\$94.3 million) over the value of multi - family housing unit construction reported in 2017.



Most new multi - family units are garden style or high - rise apartments or condominiums (98 percent or 4,070 units). The value of which is placed at \$569.1 million or 95 percent of the total value of new suburban multi - family housing.

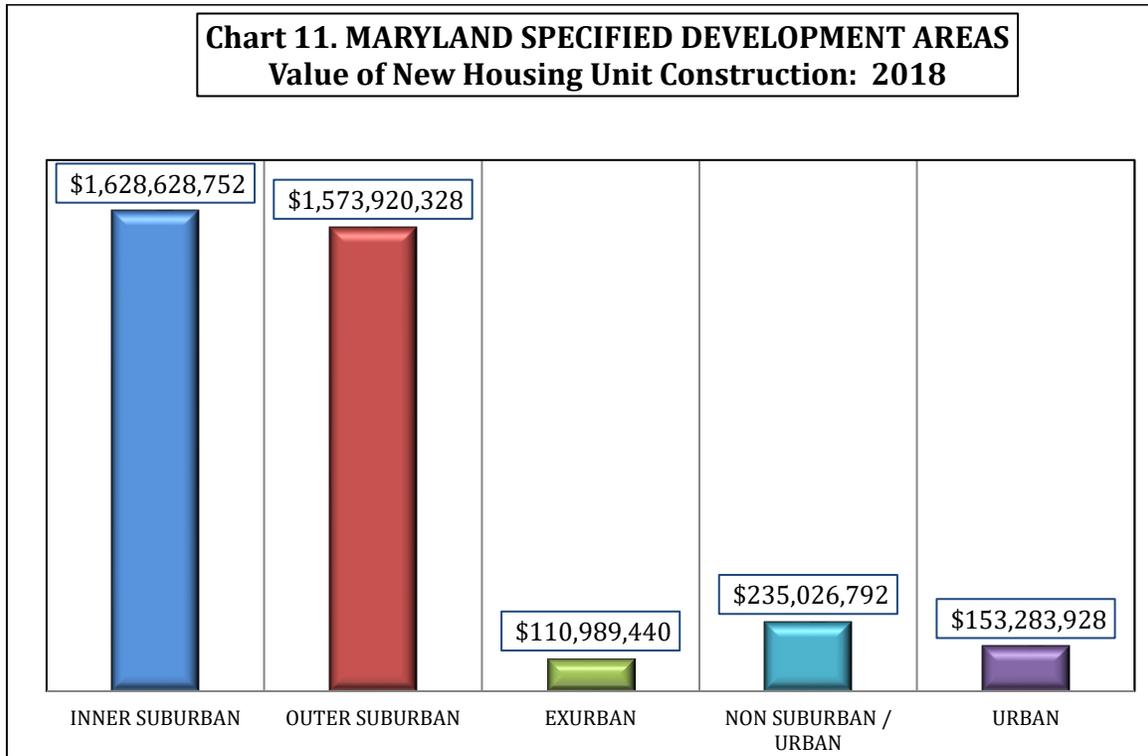
***Inner Suburban Counties***

Anne Arundel, Baltimore, Montgomery and Prince George’s Counties are Inner Suburban jurisdictions. They share political boundaries with either Baltimore City or Washington, DC, and have longstanding employment and transportation ties to the population cores of one or both cities.

Most Maryland residents live in Inner Suburban places. Containing 3.4 million persons, Anne Arundel, Baltimore, Montgomery and Prince George’s contain more than half of the State’s population, and nearly two - thirds of the State’s suburban population (56 percent and 65 percent, respectively).

Permit issuing places within these counties authorized 8,367 new housing units during 2018, accounting for 45 percent of the State’s new residential construction. This is an

increase of 330 housing units (four percent) from the 8,037 new housing units authorized for construction the previous year.



The value of new residential construction in the four counties is placed at \$1.6 billion during the year. This is 44 percent of the State’s \$3.7 billion value of new residential construction during 2018. (See also Chart 12. ***MARYLAND SPECIFIED DEVELOPMENT AREAS New Housing Units Authorized for Construction by Structure Type: 2018.***)

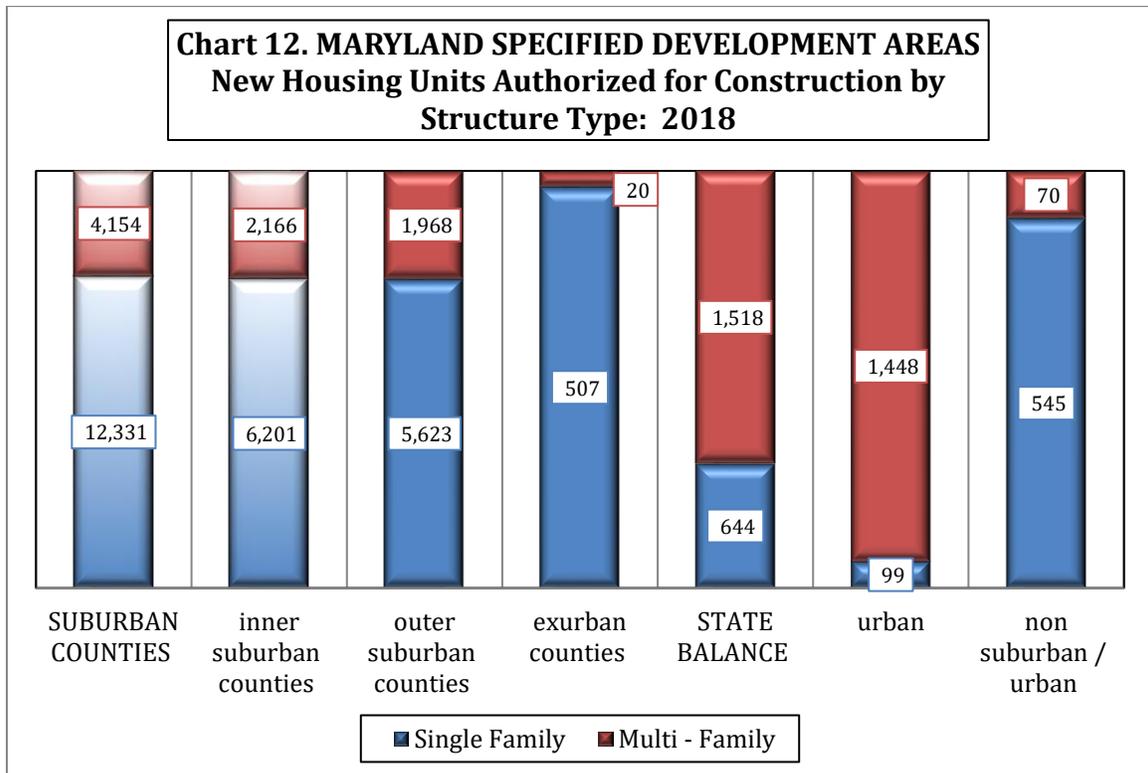
Single – family homes account for 74 percent of all housing units built in the inner suburban jurisdictions. For the year, 6,201 homes or 48 percent of the State’s new single – family houses were built there. This is an increase of 638 units (nearly 12 percent) from 2017 when 5,563 single - family homes were permitted. (See also Chart 12.A ***MARYLAND SUBURBAN AREAS New Housing Units Authorized for Construction by Structure Type Change: 2018 – 2017.***)

The value of new single - family home construction is placed at \$1.31 billion. The average construction value of an Inner Suburban new single - family home is placed at \$211,538, a two percent increase from 2017. Statewide the average construction cost of a single - family home is \$221,371.

Building a new home in the inner suburbs is significantly less expensive, on average, than building one in other suburban areas of the State where the average construction cost is \$228,616. (See also Chart 13. ***MARYLAND AND SPECIFIED DEVELOPMENT AREAS New Single - Family Home Average Construction Cost: 2018 and 2017.***)

Inner Suburban counties authorized the construction of 2,166 new multi-family housing units in 55 buildings during 2018. This represents a substantial decrease (-12 percent) from the 2,474 new multi-family housing units authorized for construction the previous year. It is also the lowest level of multi-family development since 2009, when just 1,384 units were built.

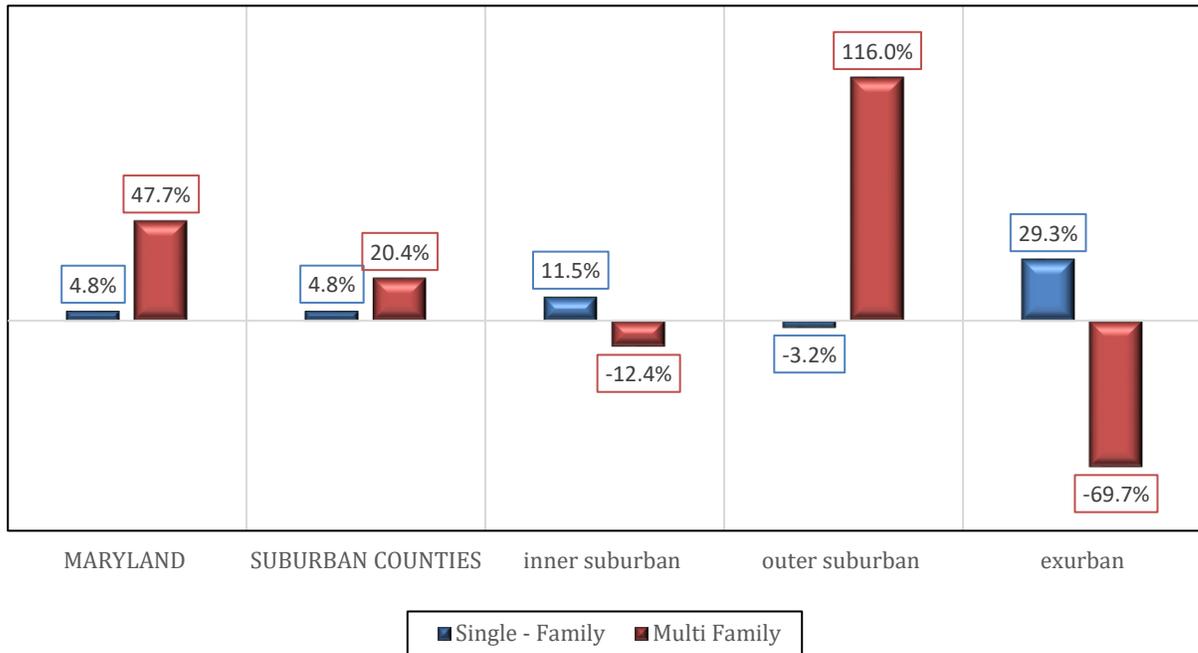
The value of building multi-family housing units in Inner Suburban counties is placed at \$316.9 million. Nearly 99 percent of the area’s new multi-family construction value is for producing new apartment or condominium buildings. The Inner Suburban permit issuing places authorized the building of 2,146 units in 45 new buildings containing five or more units with a construction cost placed at \$315 million. (See also Chart 14. **MARYLAND SPECIFIED DEVELOPMENT AREAS New Multi - Family Housing Unit Value of Construction: 2018.**)



**Outer Suburban Counties**

Calvert, Carroll, Cecil, Charles, Frederick, Harford, Howard, Queen Anne’s and St. Mary’s Counties comprise the Outer Suburban Counties. These are counties that neighbor Inner Suburban Counties. They are jurisdictions in the immediate vicinity of the Baltimore City and Washington, DC population cores, and the fastest growing jurisdictions in the State.

**Chart 12.A MARYLAND AND SPECIFIED DEVELOPMENT AREAS  
New Housing Unit Structure Type:  
Change 2018 - 2017**



These counties have 1,520,476 residents, representing 26 percent of the State’s total population of 6,042,718 persons. The Outer Suburbs account for 29 percent of the State’s suburban area population of 5,211,909 persons, and since the 2010 Census experienced a population increase of nearly seven percent (98,701 additional residents).

During 2018, permit issuing places in the nine counties authorized 7,591 new housing units for construction, or nearly 41 percent of the State’s new residential construction activity. It is an increase of 870 housing units (13 percent) when compared to the 6,721 new units authorized during 2017. It is also the area’s highest level of residential construction activity since 2006 when 7,949 housing units were built.

The 2018 value of Outer Suburban housing construction is placed at \$1.57 billion. This is 43 percent of the State’s total new housing construction value.

Like the housing mix in the Inner Suburban Counties, new residential construction activity in the Outer Suburban Counties is mostly single - family dwellings (4,767 units or 74 percent). Although the 2018 count is a decrease of 187 units ( -3,2 percent) from the 5,810 units authorized during 2017, it is the second highest report for single - family home construction since 2007, when 5,658 units were authorized.

The value of new single - family housing construction in Outer Suburban jurisdictions is placed at \$1.29 billion. The average new home construction cost in the Outer suburbs is \$229,863. This is four percent higher than the average cost of building a new home Statewide (\$221,371), and two percent higher than the value reported for 2017 (\$224,887).

Permit issuing places in Outer Suburban jurisdictions authorized 1,968 new housing units in multi-family developments during 2018. This is 35 percent of the State's new multi-family housing unit development activity. It represents a substantial increase (1,057 units or 116 percent) from the 911 new multi-family housing units authorized during 2017.

The 2018 construction value of new Outer Suburban multi-family housing units is placed at \$281.4 million. Nearly all (97 percent) the new multi - family development is devoted to apartments and condominiums, as 1,912 of the new units are in 43 buildings containing five or more units.

### ***Exurban Counties***

Allegany, Washington and Wicomico Counties are Exurban Counties. These jurisdictions are distinct Metropolitan Statistical Area central counties, with large expanses of territory that are lightly populated. Workers from these jurisdictions are generally not a significant part of the Baltimore-Washington, DC employment interchange.

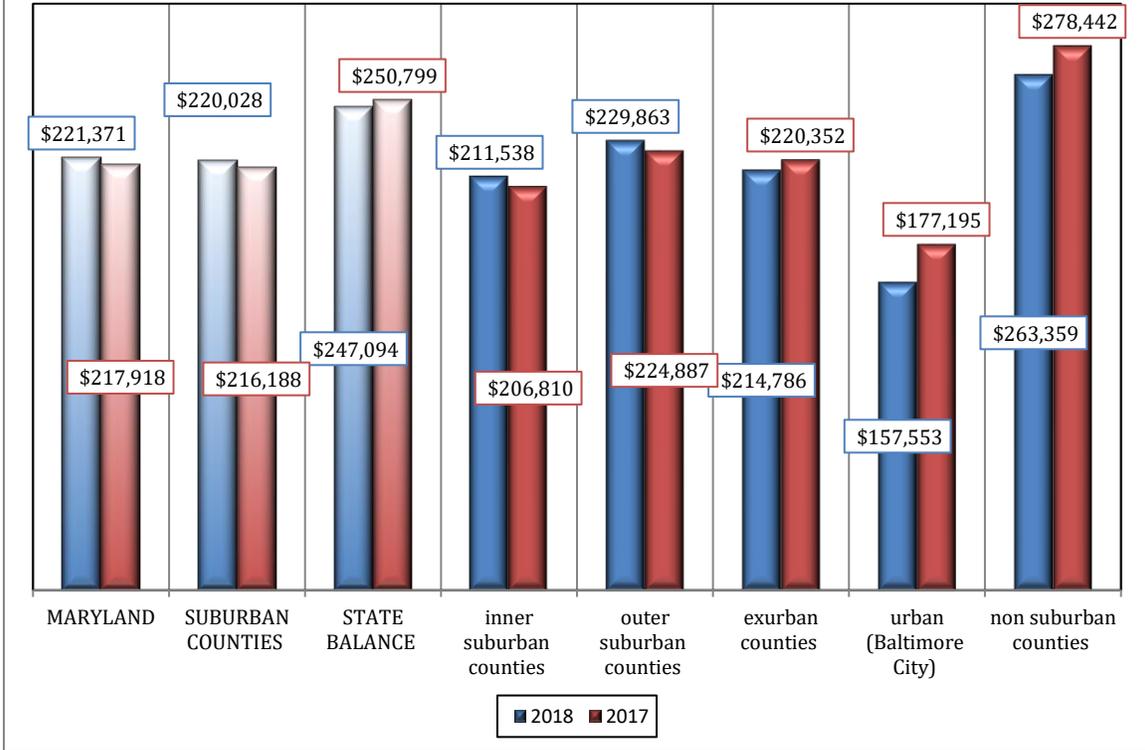
The total population in the three jurisdictions is 325,096 persons according to the 2018 population estimates from the U. S. Census Bureau. This is almost six percent of the State's total population of 6,042,718 persons. and just over six percent of the State's suburban population of 5,211,909 persons.

During 2018, these jurisdictions authorized 527 new housing units. This is an increase of 69 new homes (15 percent) from the 458 new housing units authorized for construction during 2018. New housing construction in Exurban jurisdictions accounts for almost three percent of the State's new residential inventory.

The value of new residential construction in Exurban counties is placed at \$111 million. This is three percent of the State's total value of residential new construction for 2018. This is a substantial increase (16 percent) in expenditures from 2017, when the value of new housing production in Exurban counties was placed at \$96 million.

Permit issuing places in the three jurisdictions combined to authorize 507 new single - family homes during the year, an increase of 115 units from the 392 single - family homes authorized for construction during 2017. These units account for 96 percent of all new housing units authorized for construction in Exurban areas.

**Chart 13. MARYLAND AND SPECIFIED DEVELOPMENT AREAS  
New Housing Units Authorized for Construction  
Average Construction Cost: 2018 - 2017**



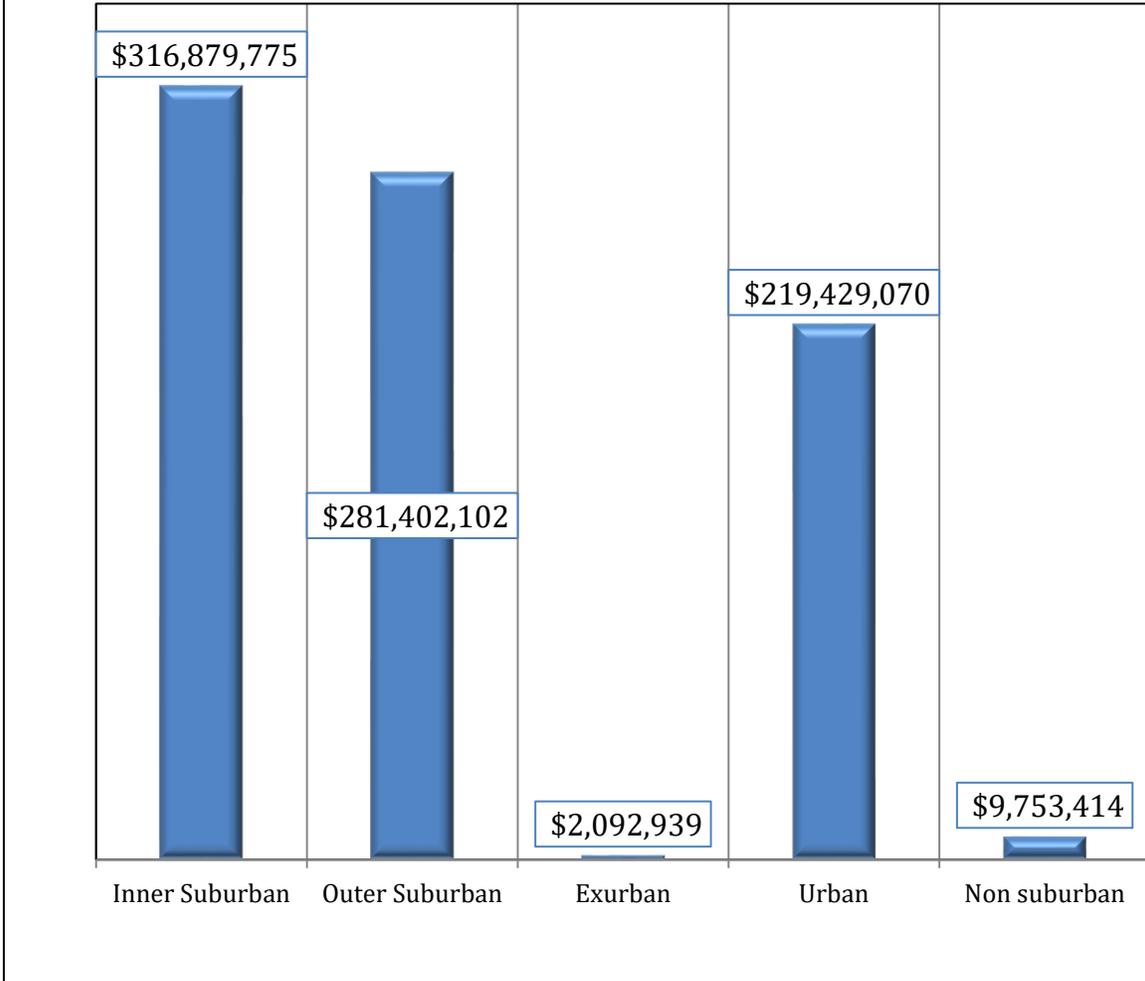
The 2018 value of Exurban jurisdiction’s new single - family housing construction is \$108.9 million. This is an increase of nearly \$22.6 million (26 percent) over the value of single – family home construction in 2017.

The 2018 average construction cost of a new single - family house is \$214,786. This is slightly lower than three percent of the average cost of a new single - family home in other Maryland suburban areas (\$220,253) or Statewide, where the average construction cost is (\$221,371). The 2018 average construction value is three percent lower than the \$220,352 average new home construction value the previous year.

New multi - family housing unit construction activity in Exurban counties accounts for less than one percent of the State’s new suburban multi-family developments. Permit issuing places in these jurisdictions authorized six buildings containing 20 new multi-family housing units during 2018. This is a decrease of 70 units from the 66 units in eight buildings authorized in these places during 2017.

The 2018 total value of multi-family building construction in the Exurbs is placed at \$2.1 million. This represents a 78 percent drop in spending compared to new multi–family housing construction in 2017, when the value of new multi - family housing unit was placed at \$9.6 million.

**Chart 14. MARYLAND SPECIFIED DEVELOPMENT AREAS  
New Multi Family Housing Unit Construction Value: 2018**



***Non - Suburban / Urban Counties***

During 2017 the State’s seven jurisdictions not classified as suburban or urban (Caroline, Dorchester, Garrett, Kent, Somerset, Talbot and Worcester Counties), authorized 615 new housing units for construction. This is three percent of the State’s new residential construction activity. New residential construction in these jurisdictions during 2018 is eight percent higher than the 570 new housing units authorized for construction in 2017.

Like other geographic areas of the State, Non - suburban / urban area development activity does not approach the housing boom years before the Great Recession. In an average year during the early 2000s (e. g., from 2000 through 2007), builders could expect to receive

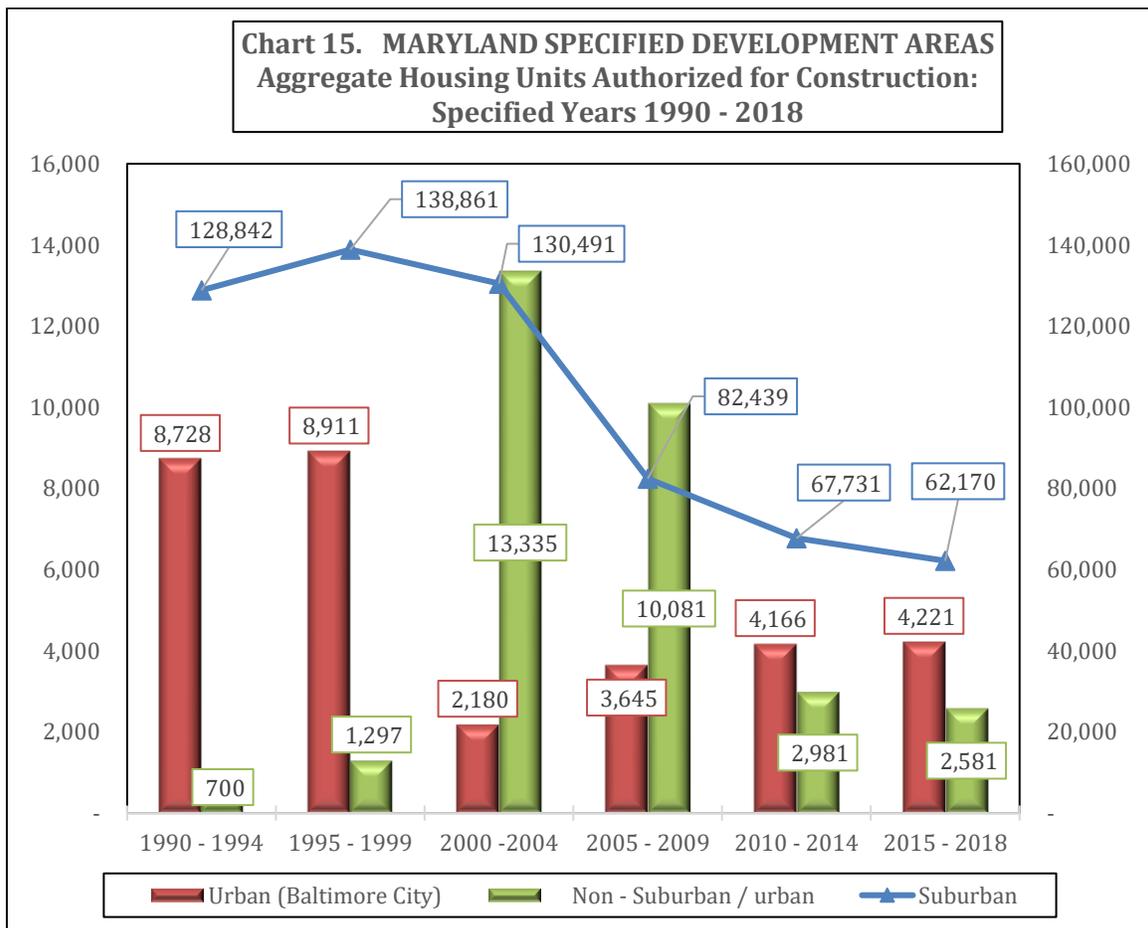
# MARYLAND HOUSING PRODUCTION | 2018

authorization to construct over 2,600 new housing units annually. Since 2010 the annual average count of authorizations is down to 618 units per year. (See also Chart 15.

***MARYLAND SPECIFIED DEVELOPMENT AREAS Aggregate Housing Units Authorized for Construction: Specified Periods 1990 - 2018*** and see Maryland State Data Center Web Table Series 2 Time Series – specifically -

- [Table 2A.1](#) Maryland, County Groups and State Planning Regions Total Housing Units: 2018-2000; and
- [Table 2B.1](#) Maryland, County Groups and State Planning Regions Total Housing Units: 1999-1990

The 2018 value of new housing construction in these counties is placed at \$153.3 million, or just over four percent of the State’s total value of \$3.7 billion. This signifies an increase of 15.8 million or more than 11 percent over the value of \$137.5 million reported in 2017.



There are 545 new single - family homes authorized for construction in non - suburban counties. This is 89 percent of total new residential construction within the seven jurisdictions. It is the second highest share (below the Exurban area share of single - family home construction of 96 percent) for new single - family housing construction among all

specified development areas. The value of new single - family home construction is placed at \$143.5 million.

The average cost to build a new single - family home in a non-suburban jurisdiction during 2018 is \$263,359. Although this is higher than any other area of the State, and more than 19 percent above the average construction cost of new single - family housing units Statewide (\$221,371), it represents a substantial decrease (five percent) from the \$278,442 average cost of building a new single - family home in 2017.

Much like the Exurban areas, relatively little new multi - family housing construction takes place in non - suburban areas. During 2018, twelve new buildings containing 70 dwelling units were authorized for construction. Only three of the seven specified jurisdictions authorized new multi - family housing. Permit issuing places in Dorchester, Talbot and Worcester authorized two, 18 and 50 new units for construction, respectively.

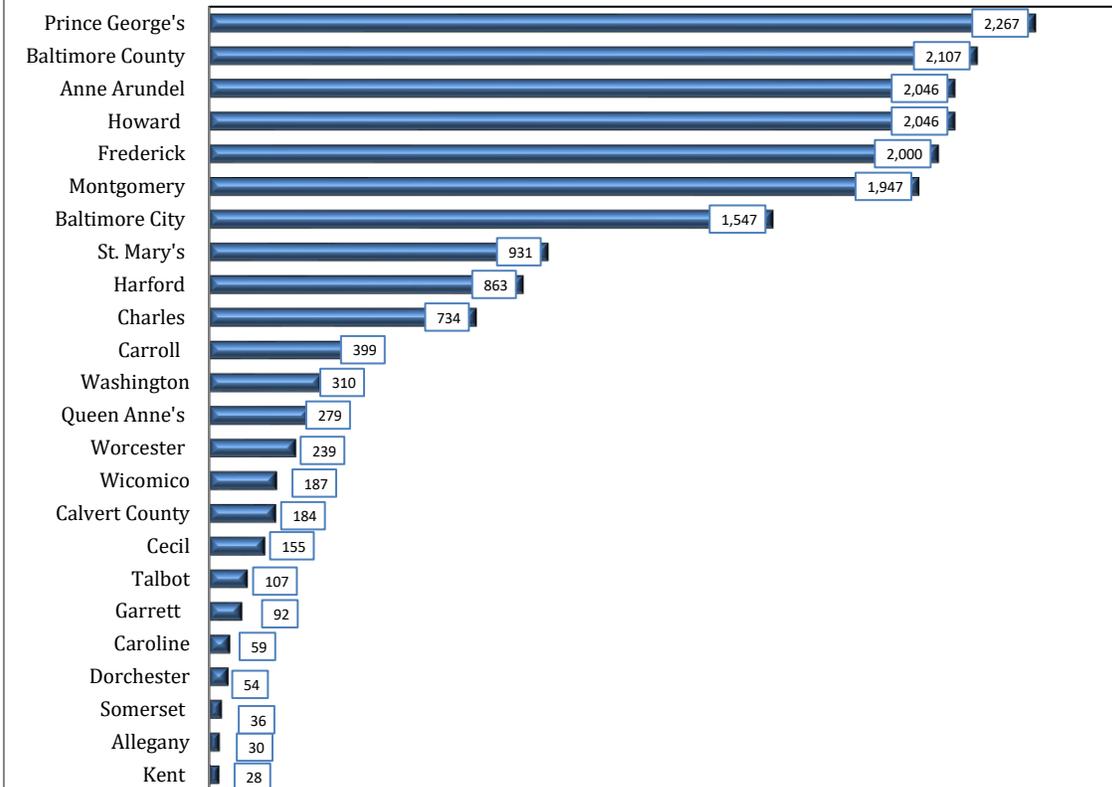
### **Maryland Jurisdictions**

Five of the State's 24 jurisdictions authorized at least 2,000 new housing units during 2018, accounting for more than half the residential construction activity in the State. Prince George's permit issuing places reported the most, authorizing 2,267 new dwellings. When combined with reports from Baltimore (2,107 units), Anne Arundel and Howard (2,046 units, each), and Frederick (2,000 units) permit issuing places, the five jurisdictions account for 56 percent of the State's new housing production. (See also Chart 16. **MARYLAND JURISDICTIONS New Housing Units Authorized for Construction: 2018.**)

Jurisdictions with the highest annual net increase in new housing units are Baltimore City, and Howard and Baltimore Counties. Baltimore City's inventory increased 1,109 units from the 438 new housing units reported the previous year. Howard County reported an annual increase of 827 new housing units from 1,129 new housing units in 2017, while Baltimore County housing production increased by 731 from 1,376 new housing units reported in 2017.

Baltimore City also experienced the highest annual percent increase in new housing during 2018. Housing production in the City was a jump of 253 percent over the period. Other jurisdictions reporting very high annual percentage increases in new housing units include; Somerset County (125 percent, an increase of 20 to 36 new housing units), Howard (68 percent), Baltimore County (53 percent), and Wicomico County (45 percent, increasing from 129 to 187 new units).

**Chart 16. MARYLAND JURISDICTIONS  
New Housing Units Authorized for Construction: 2018**

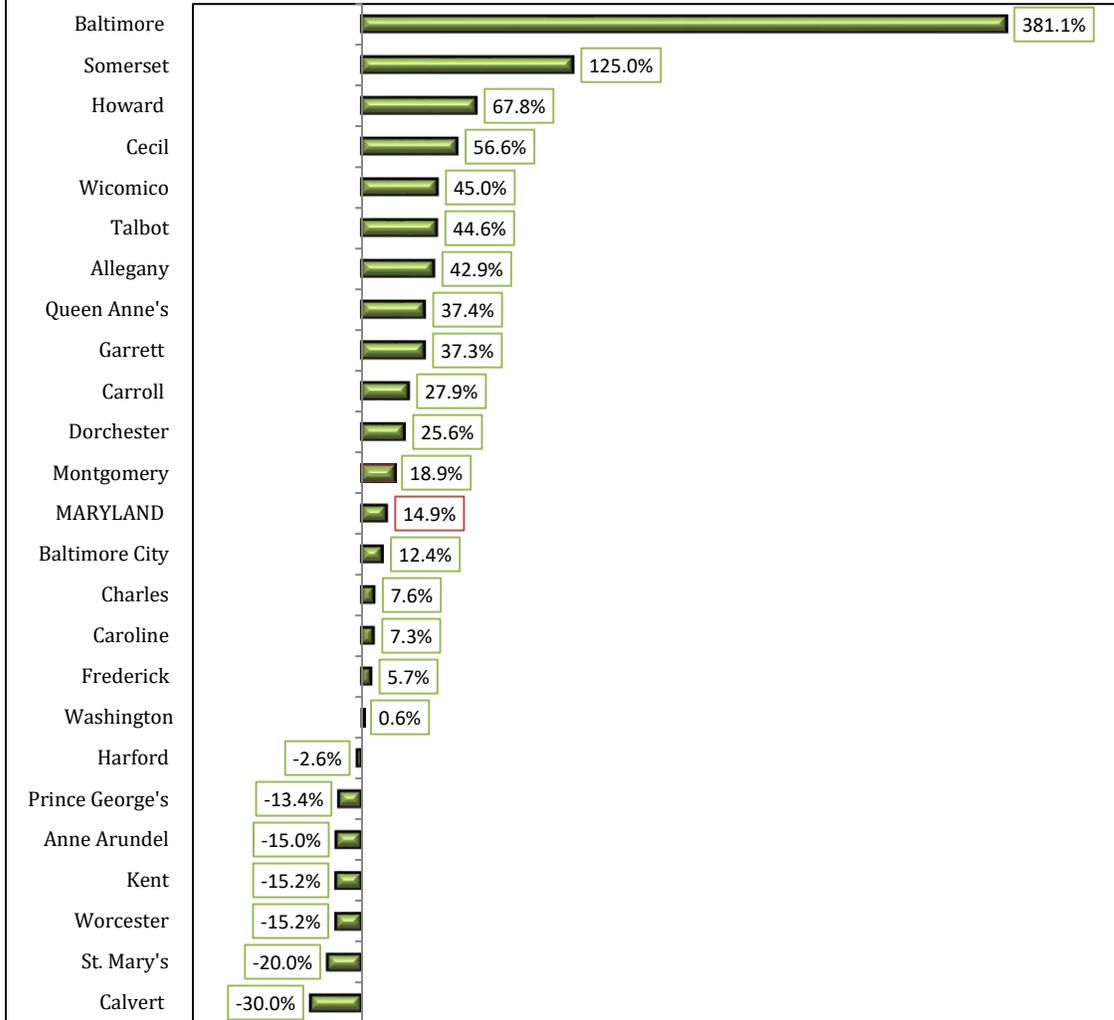


During 2018, seven of the State's 24 jurisdictions reported a decrease in new housing construction compared to the previous year. The largest annual decline took place in Anne Arundel, where the decrease was 360 units. Prince George's and St. Mary's follow with 351 and 233 fewer housing units, respectively.

The largest percentage reductions in new housing construction activity from 2017 to 2018 occurred in Calvert, St. Mary's, Worcester, Kent and Anne Arundel Counties. Calvert County housing production dropped 30 percent from 2017. In St. Mary's the falloff is 20 percent with the other three counties experiencing losses around 15 percent. (See also Chart 17. ***MARYLAND AND JURISDICTIONS New Housing Units Authorized for Construction Annual Percent Change: 2018 - 2017.***)

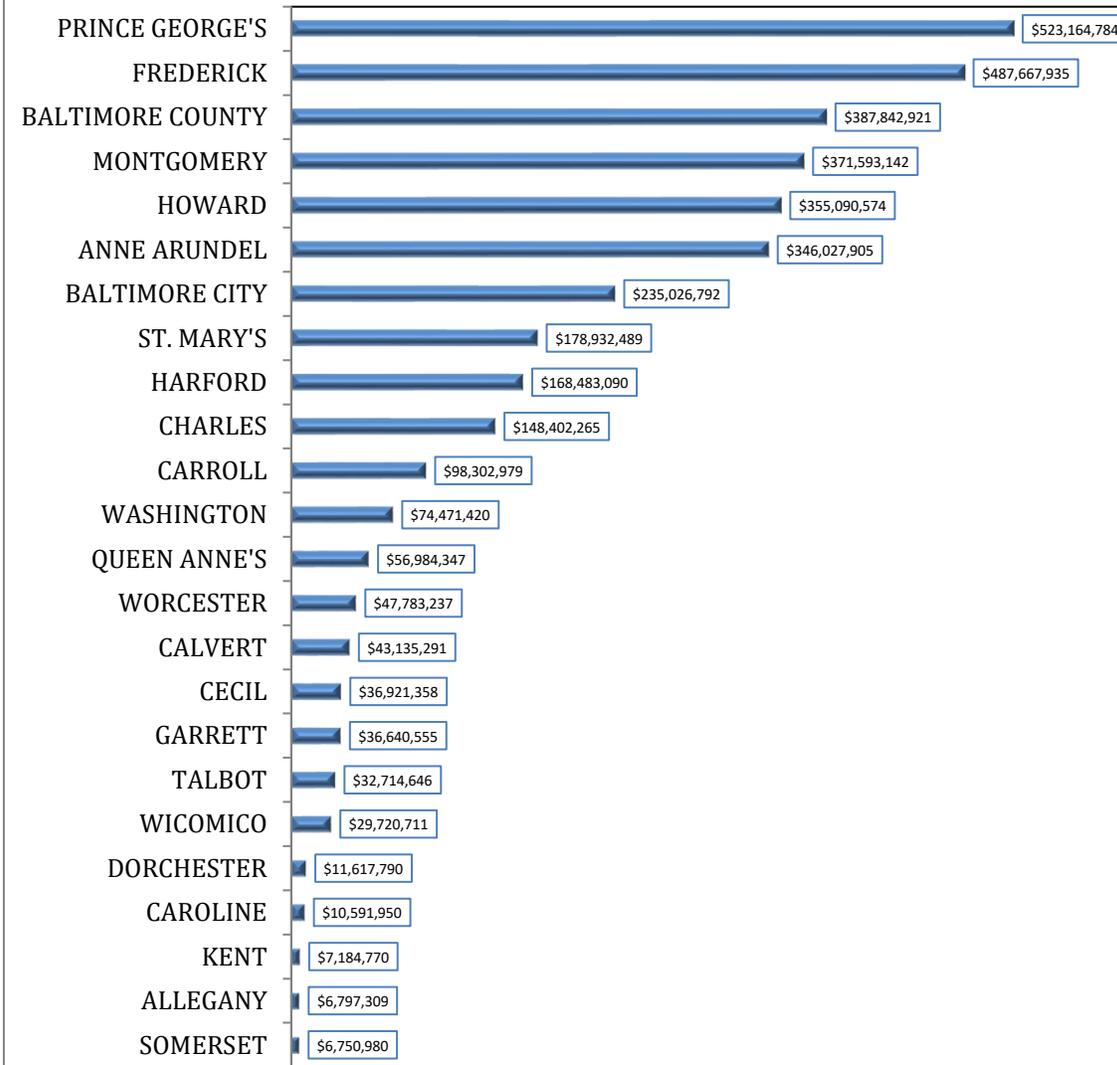
The Statewide 2018 value of new residential construction is placed at \$3.7 billion. This is over a \$444.52 million increase in value compared to 2017 when the annual value of new residential construction was placed at \$3.26 billion.

**Chart 17. MARYLAND AND JURISDICTIONS  
New Housing Units Authorized for Construction  
Annual Percent Change: 2018 - 2017**



The jurisdiction with the highest reported construction value is Prince George's County (\$523.16 million), followed by Frederick (\$487.67 million), Baltimore County (\$387.84 million), and Montgomery Counties (\$371.59 million). (See also Chart 18. **MARYLAND JURISDICTIONS Value of New Housing Unit Construction: 2018.**)

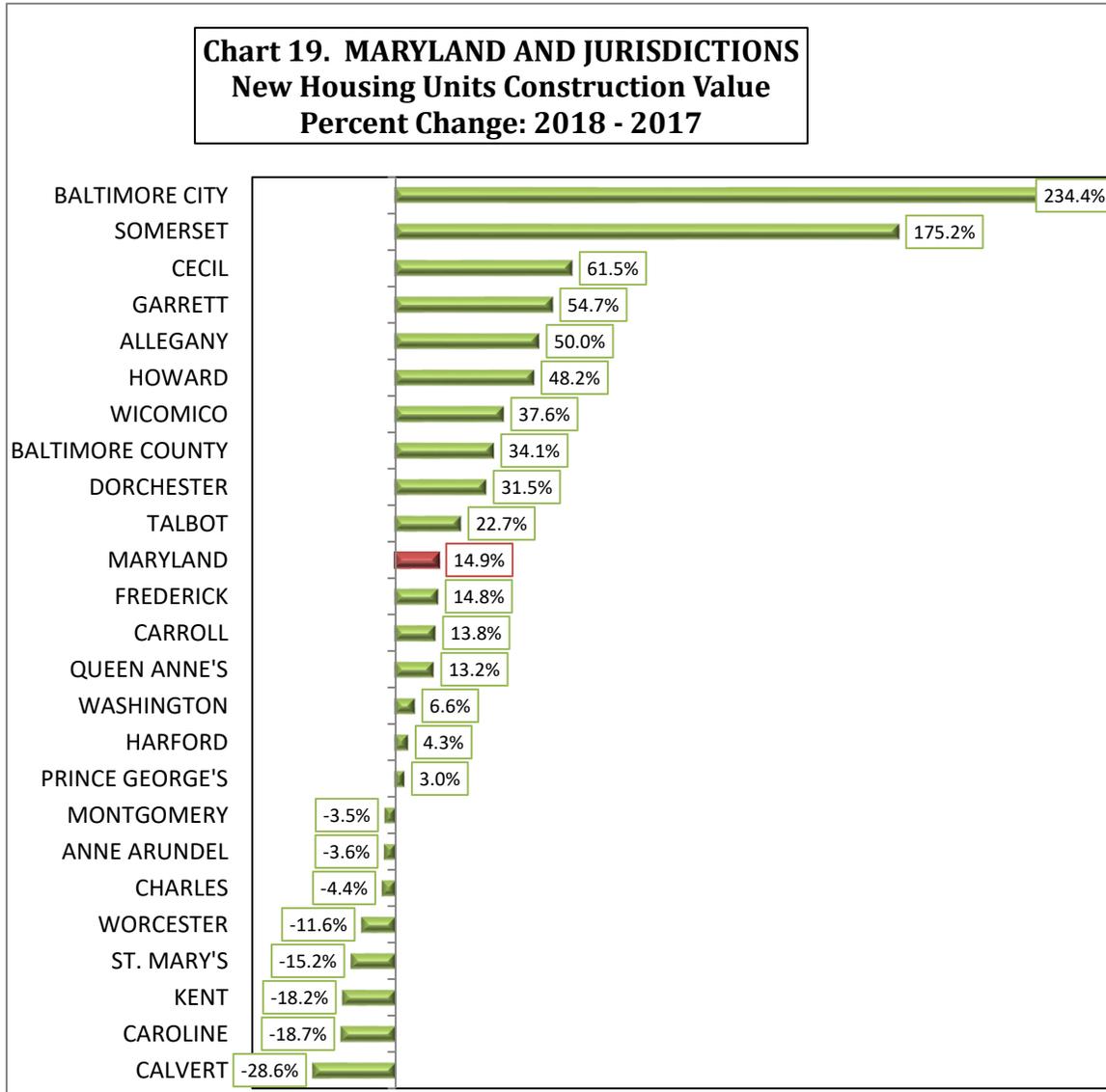
**Chart 18. MARYLAND JURISDICTIONS  
Value of New Housing Unit Construction: 2018**



The lowest 2017 value for new housing construction is reported for Somerset County permit issuing places. The value of new housing construction in Somerset is placed at \$6.75 million. This is followed by Allegany County with housing production valued at \$6.8 million, Kent County with new home construction activity valued at \$7.18 million, and Caroline County with permit issuing places reporting the value of their new residential construction costs at \$10.59 million.

Sixteen jurisdictions experienced an increase in the current dollar value of new housing construction from 2017 through 2018. The increase is highest in Baltimore City where the value of construction increased by \$164.73 million.

In Howard County the increase in the value of new home construction for the period is \$115.4 million. Baltimore and Frederick Counties are two other jurisdictions posting very high net increases in the value of new home construction, reporting increases of \$98.72 million and \$62.72 million, respectively.



Jurisdictions reporting the highest percent gain in the value of new home building from 2017 are Baltimore City (with an increase in construction value of 234 percent), Somerset County (an increase of 175 percent), Cecil County (reporting an increase of 61 percent), and Garrett County (an increase of 55 percent). (See also Chart 19. ***MARYLAND AND JURISDICTIONS New Housing Units Construction Value Percent Change: 2018 - 2017.***)

Of the eight jurisdictions experiencing a net reduction in the value of new housing construction between 2018 and 2017, the falloff was most severe within four counties. Permit issuing places in St. Mary's, Calvert, Montgomery, and Anne Arundel Counties

reported over a \$10 million drop in the value of new housing unit construction (-\$32.17 million, -\$17.24 million, and -\$13.43 million, respectively).

The largest percentage loss in the value of new home building activity from 2017 through 2018 is reported by permit issuing places in Calvert County (- 28.6 percent), Caroline County (-18.7 percent), Kent County (- 18.2 percent), St. Mary's County (-15.2 percent) and Worcester County (- 11.6 percent).

Single - family home construction remained the dominant component of Maryland's new housing, comprising almost seven of 10 new housing units authorized for construction. However, the percentage share of single - family housing was 69.6 percent in 2018, down substantially from over 76 percent the previous year. (See also Chart 20. **MARYLAND AND JURISDICTIONS New Housing Units Authorized for Construction by Structure Type: 2018.**)

All new housing units authorized for construction in seven of the 24 jurisdictions are single - family homes. These Jurisdictions are; Allegany, Calvert, Caroline, Cecil, Garrett, Kent and Somerset Counties.

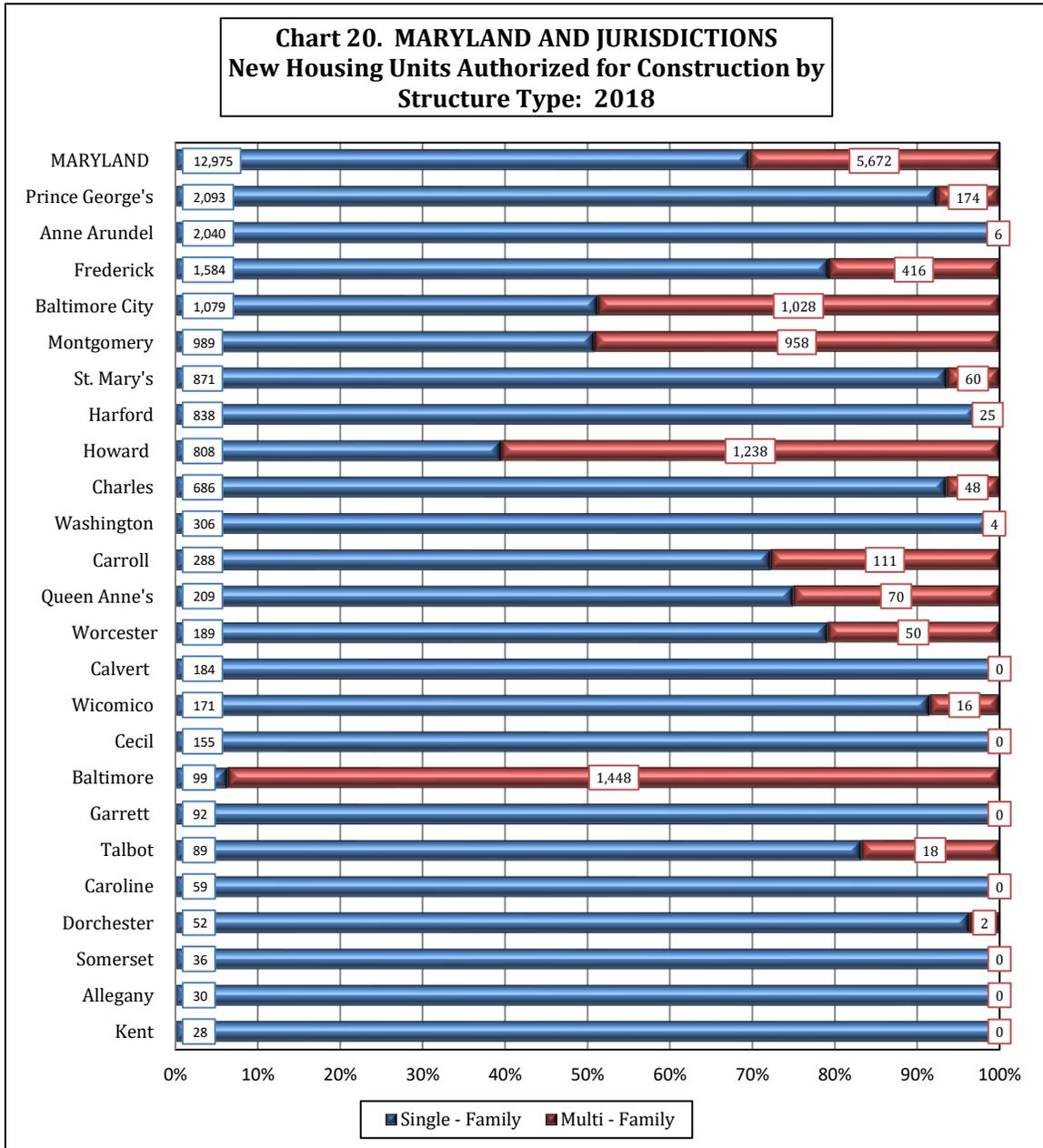
Jurisdictions building the highest number of new single - family housing units during 2018 are Prince George's (2,093 new units), Anne Arundel (2,040 new units), Frederick (1,584 new units), and Baltimore Counties (1,079 new units). The lowest number of new single - family housing units authorized for construction is reported by Kent (28 new homes), followed by Allegany (30 new homes), Somerset (36 new homes), and Dorchester Counties (52 new homes).

At year's end, 17 jurisdictions reported a net increase in the number of new single - family housing units authorized for construction compared with the number reported in 2017. The highest net increase in new single - family home construction occurred in Prince George's County (379 more single - family homes), Anne Arundel County (215 additional single - family homes), Harford County (130 more single - family homes) and Baltimore County with 109 more new single - family homes authorized for construction than the previous year.

Seven jurisdictions faced decreases in the production of new single - family houses compared with what was reported for 2017. Counties experiencing the largest net decreases in 2018 new single - family home construction are St. Mary's (293 fewer single - family homes), Calvert County (79 fewer single - family homes), and Baltimore City (70 fewer single - family homes).

The 2018 average cost of building a new single - family home in the State is \$221,371. The average cost is highest in Garrett County, where the average value of construction for a new single - family home is \$398,267. This is 80 percent higher than the State's average cost.

Other Jurisdictions with high average construction costs for a new single - family home in 2018 are Talbot County (\$344,770), Carroll County (\$275,333) and Kent County (\$256,599). (See also Chart 21. **MARYLAND AND JURISDICTIONS Average Construction Value of a New Single - family Home: 2018.**)



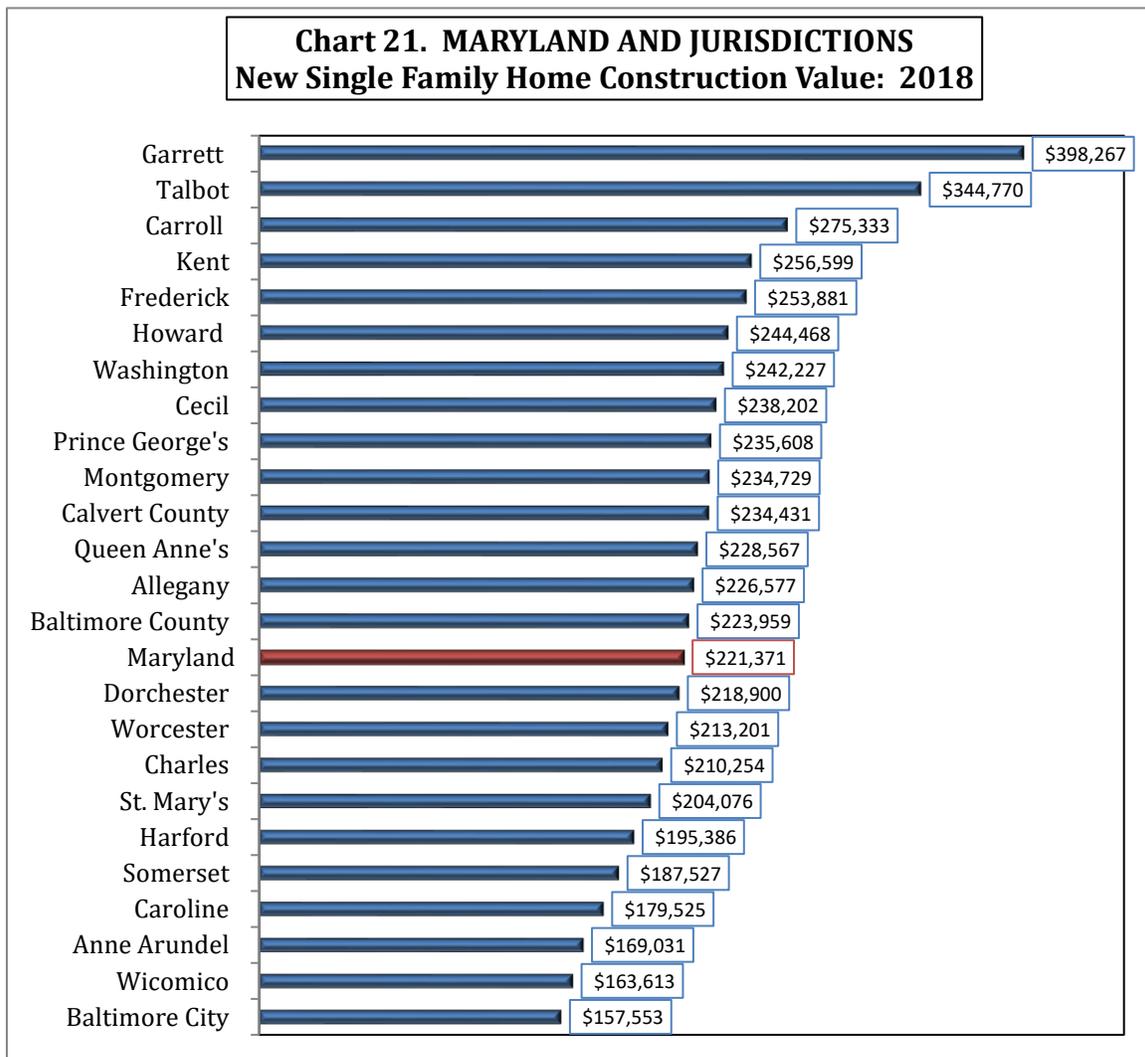
Somerset, Garrett and St. Mary's Counties report the highest annual percent increase in the average cost of building a new single - family home. Somerset County's 2018 average new home construction cost of \$187,527 is up more than 23 percent from the 2017 average cost of \$153,298. Garrett and St. Mary's County's percent increase is not nearly as high, with just under 13 percent increase each. The average value of building a house in Garrett County rose 12.7 percent from \$353,354 in 2017, while the increase in average home building cost in St. Mary's County increased 12.5 percent from \$181,363 in 2017 to \$204,076 during 2018.

# MARYLAND HOUSING PRODUCTION | 2018

Baltimore City has the lowest average value of construction for building a new single - family home in 2018 (\$157,533). This is 29 percent lower than the State's average cost of \$221,371. The next lowest average construction costs for new single - family housing units are reported for Wicomico County (\$163,613), Anne Arundel County (\$169,031) and Caroline County (\$179,525).

Caroline County experienced the largest percent decrease in the average price of building a new single - family house in 2018. The building costs there dropped 22 percent or an average of \$57,376 from \$236,900 in 2017.

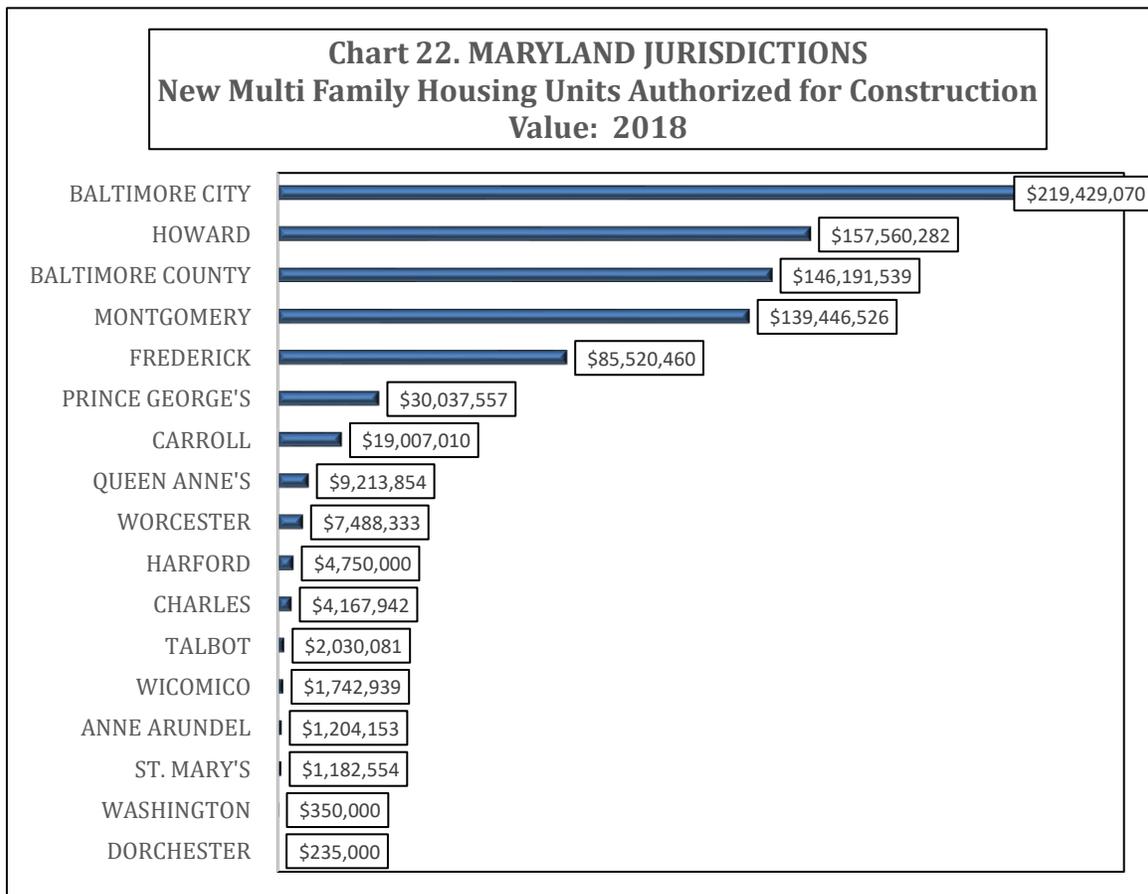
Other jurisdictions experiencing substantial drops in the average annual single - family home construction value include; Worcester (a decrease of 17 percent to \$213,201), Baltimore City (a decrease of 11 percent from \$177,195), and Queen Anne's (a decrease of nearly eight - percent from \$247,973). (See also Chart 21. **MARYLAND AND JURISDICTIONS New Single - Family Home Average Construction Value: 2018.**)



Multi - family housing units are units in structures containing two or more housing units. They are generally built in the more densely settled areas of the State. During 2018, permit issuing places in Maryland authorized 5,672 new multi - family housing units for construction. This is an increase of 1,832 new housing units from 2017 or 48 percent. The overwhelming majority of new multi - family housing is in apartment and condominium buildings containing five or more units. In Maryland, 98 percent of all new multi - family housing units are in buildings containing five or more units.

Over 82 percent (4,672 units) of the State's new multi - family units are built in four jurisdictions; Baltimore City (1,448 units), Howard County (1,238 units), Baltimore County (1,028 units) and Montgomery County (958 units). In these jurisdictions the share of multi - family units in apartments and condominiums is close to 100 percent (4,658 out of 4,672 units).

When compared with single family home construction, only in Baltimore City and Howard County does multi - family housing construction constitute the largest component of new residential construction (93.6 percent, and 60.5 percent respectively). However, the multi - family component constitutes a high share in Montgomery County (50.8 percent) and Baltimore County (51.2 percent). No other jurisdictions have a higher share of new multi - family housing units to new single - family units relative to the State share of 30.4 percent.

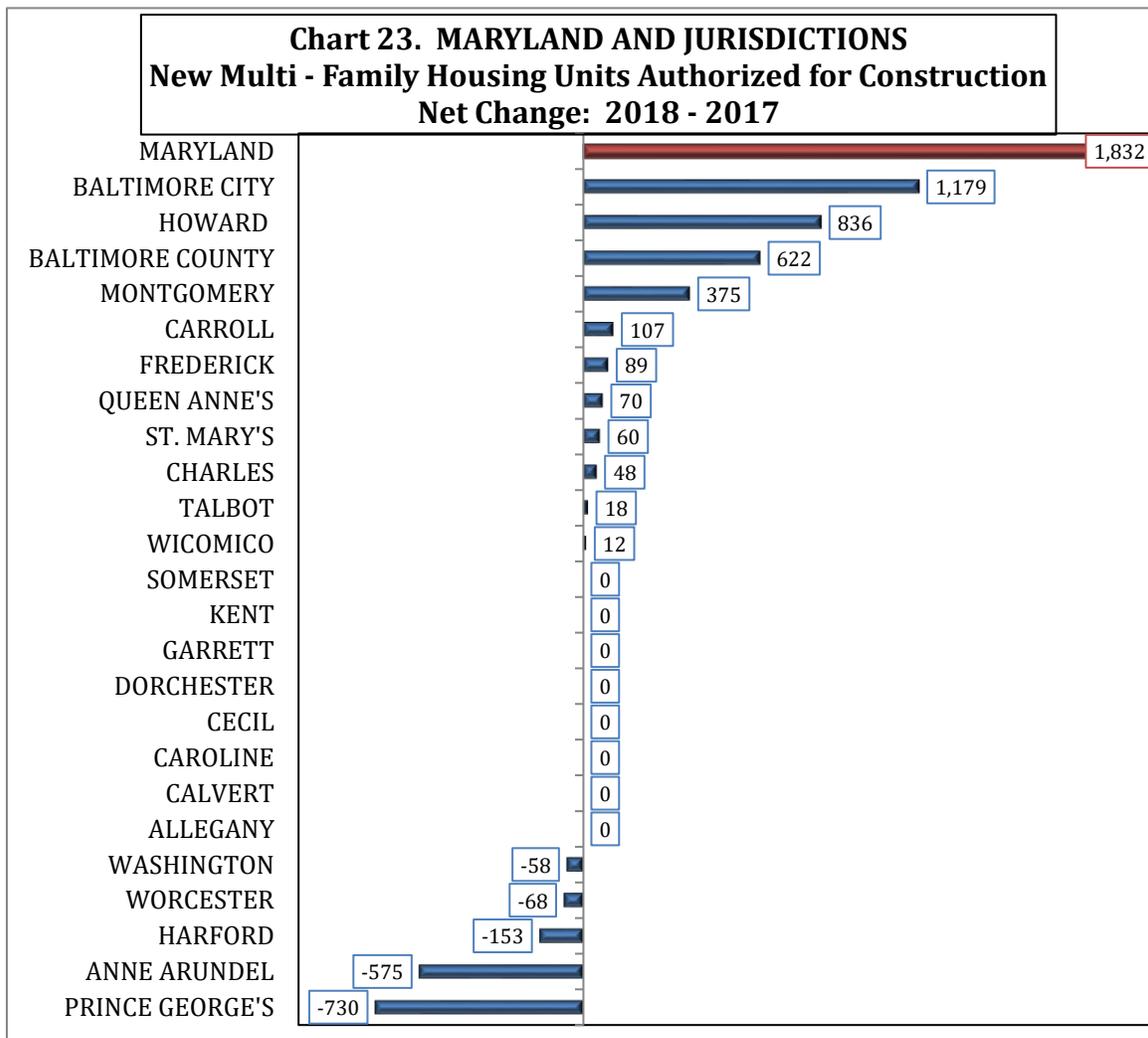


# MARYLAND HOUSING PRODUCTION | 2018

Statewide, the 2018 value of construction for new multi - family housing units is placed at \$829.56 million. This is an increase of \$270.9 million or 48 percent from 2017, when the reported value was \$558.64 million. (See also Chart 22. **MARYLAND JURISDICTIONS New Multi - Family Housing Units Authorized for Construction Value: 2018.**)

Jurisdictions with the highest value reported for new multi - family building construction are Baltimore City (\$219.4 million), and Howard, Baltimore and Montgomery Counties (\$157.6 million, \$146.2 million and \$139.4 million, respectively). These jurisdictions account for 63 percent of the annual value reported for the State.

Among jurisdictions reporting new multi - family construction value for the last two years, the highest net value change is in Baltimore City, where spending increased by 328.2 million. The highest percent change in value took place in Carroll County where the increase from \$778,667 to over \$19 million represented an increase of more than 2300 percent.



The highest net change in new multi - family home construction from 2017 through 2018 is reported in Baltimore City (1,179 additional units), Howard County (836 additional units), Baltimore County (622 additional units) and Montgomery County (375 additional units). (See also Chart 23. ***MARYLAND AND JURISDICTIONS New Multi - Family Housing Units Authorized for Construction Net Change: 2018 - 2017.***)

The highest annual percent increase in new multi – family housing unit construction took place in Carroll County. The jump from four units during 2017, to 111 units during 2018, reported by Allegany County permit issuing places represents a 2675 percent increase.

There are other jurisdictions that report considerable surges in 2018 new multi - family development activity compared to activity in 2017. These jurisdictions are; Baltimore City (438 percent), Wicomico County (300 percent), Howard County (208 percent) and Baltimore County (153 percent).

Jurisdictions experiencing the highest net decrease in new multi – family housing development activity include; Prince George’s (- 730 units), Anne Arundel (-575 units) and Harford county (- 153 units).

Permit issuing places in Allegany, Calvert, Caroline, Cecil, Garrett, Kent and Somerset Counties did not authorize any new multi-family housing units for construction during 2018.

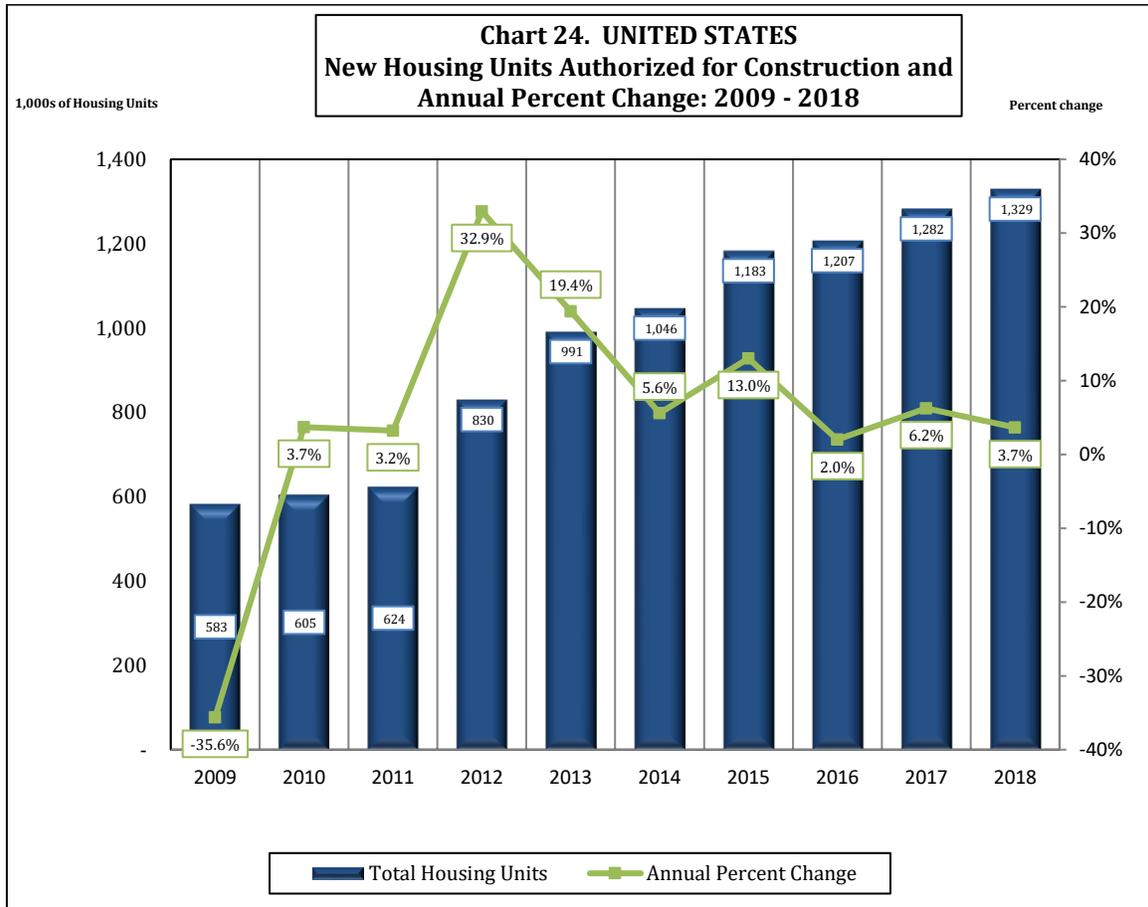
Among jurisdictions that authorized new multi - family housing unit construction for both 2018 and 2017, the highest percent decrease in development activity occurred in Anne Arundel County, falling 99 percent from 581 units in 2017 to just five units in 2018. Washington County new multi - family construction activity decreased 94 percent to four new units from 62 units in 2017. Harford County (-86 percent to 25 new units), Prince George’s County (-81 percent from 904 new units) and Worcester Counties (-57.6 percent from 118 to 50 new multi – family housing units), also report large percentage reductions in annual multi - family housing construction.

## ***United States: 2018<sup>2</sup>***

During 2018 United States permit issuing places authorized 1,328,827 new housing units for construction. This is an increase of 46,850 units (3.7 percent), over the 1206,642 new housing units authorized during 2017. This is the lowest annual percentage increase in new housing construction since 2016, when the increase was two percent. Nationally new housing production has increased eight consecutive years since falling to a low of 583,000 new housing units authorized for construction during 2009. (See Chart 24. ***UNITED***

<sup>2</sup> SOURCE: Residential Construction Branch, Economic Indicators Division, U.S. Census Bureau. Annual Reports. See also Table 1D. **UNITED STATES, REGIONS AND STATES NEW HOUSING UNITS AUTHORIZED FOR CONSTRUCTION BY BUILDING PERMITS: 2018 Buildings, Structure Type and Value** <https://planning.maryland.gov/msdc/Pages/newhh/2018/annual2018.aspx>; and Table 1D. **UNITED STATES, REGIONS AND STATES NEW HOUSING UNITS AUTHORIZED FOR CONSTRUCTION BY BUILDING PERMITS: 2017 Buildings, Structure Type and Value** <https://planning.maryland.gov/msdc/Pages/newhh/2017/annual2017.aspx>.

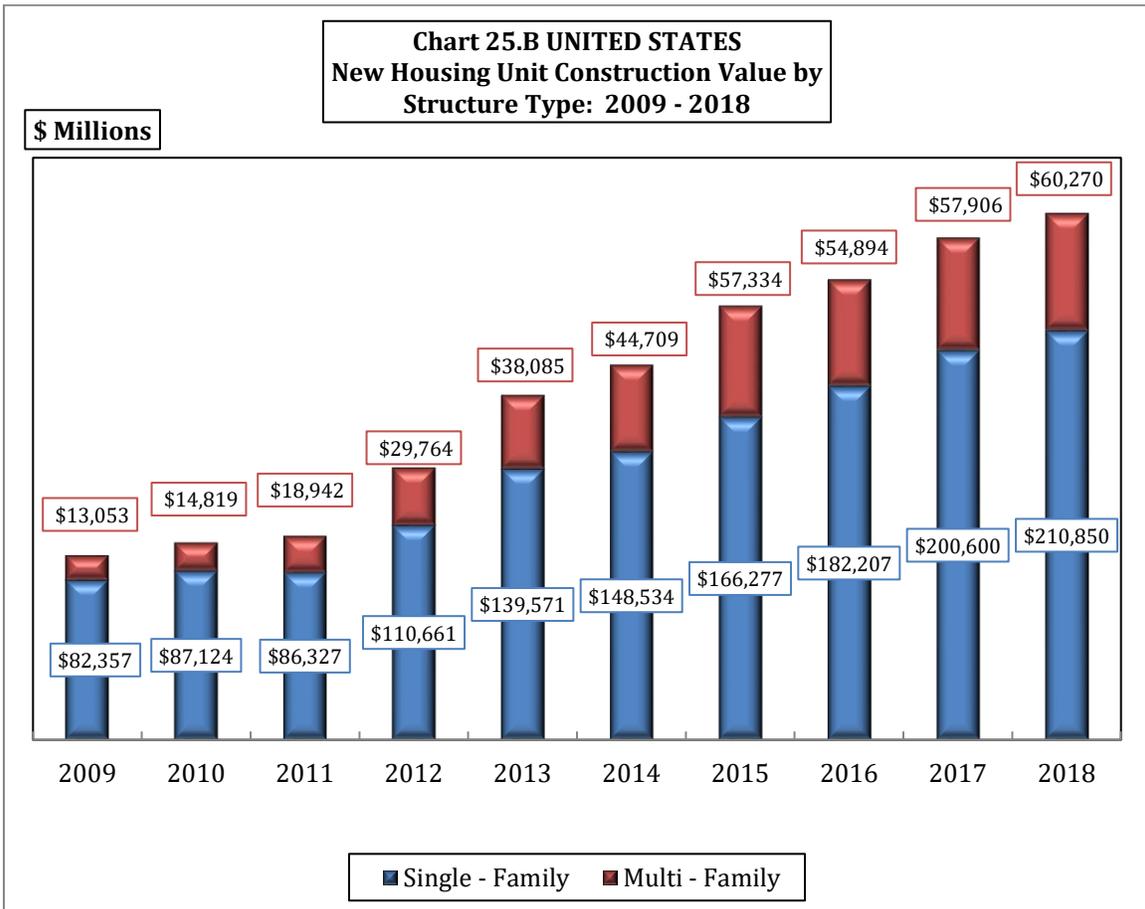
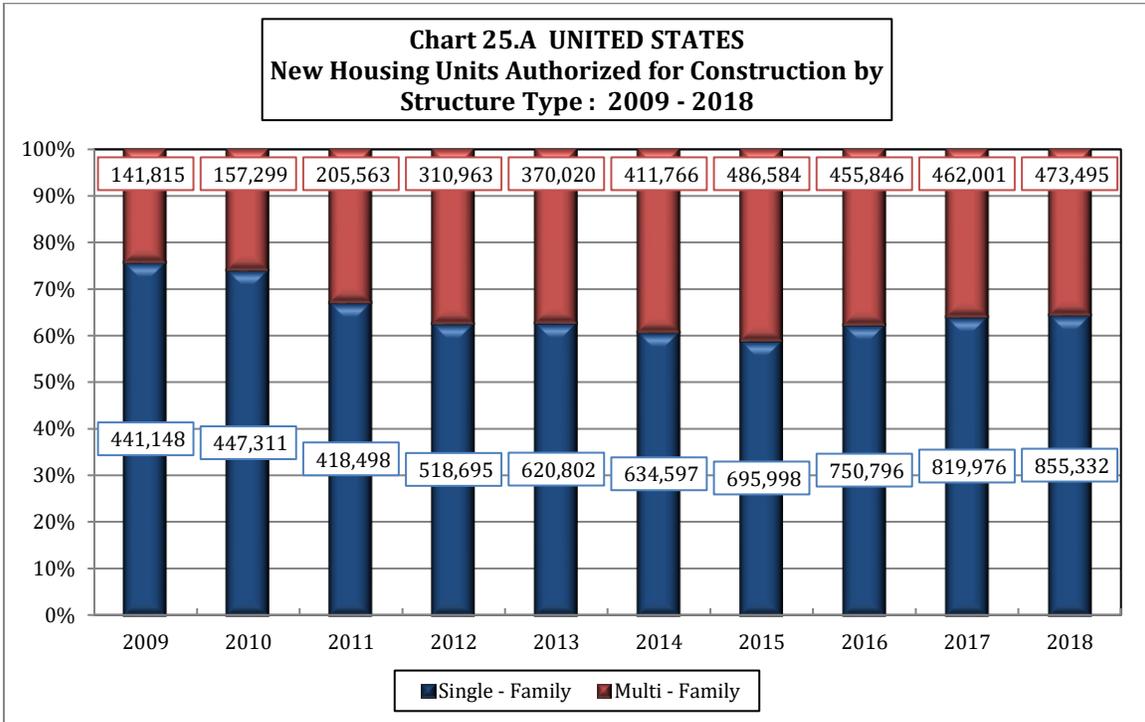
**STATES New Housing Units Authorized for Construction and Annual Percent Change: 2009 - 2018.**

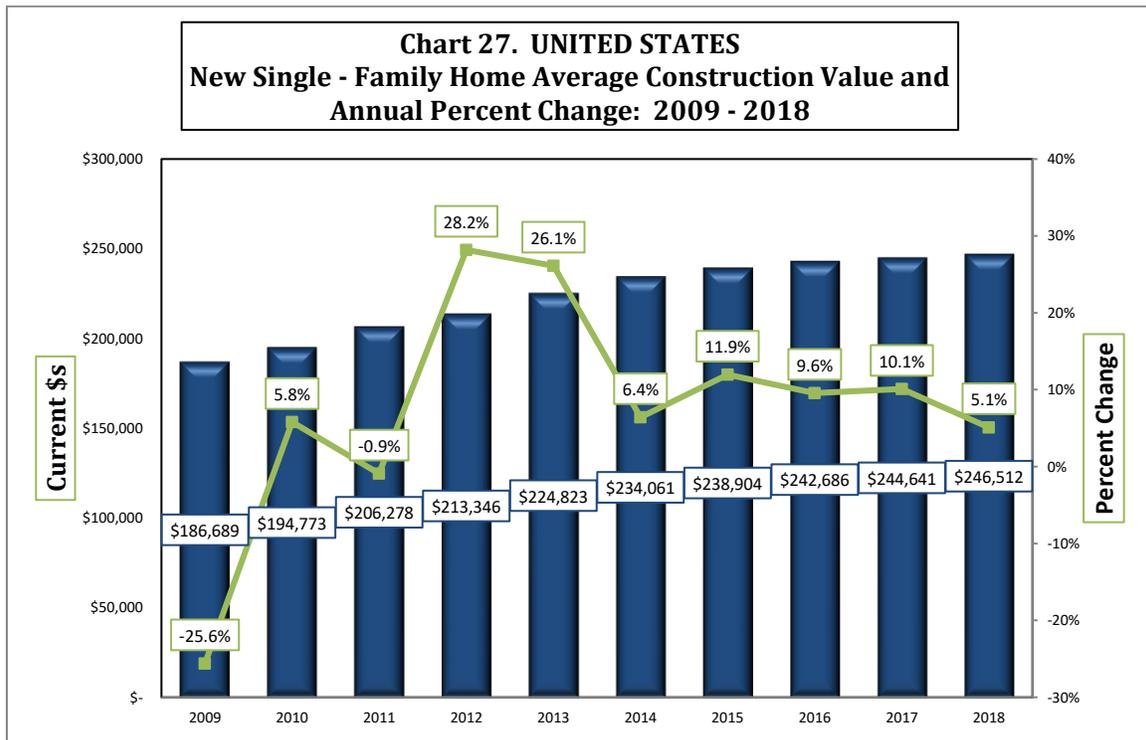


The value of the Nation’s new housing construction is placed at \$271.12 billion. This is 4.8 percent higher than 2017, when the value of construction was reported at \$258.51 billion.

Of these new dwellings, 64 percent (855,332 units), of the new housing units authorized for construction during 2018 are single - family units. This is an increase of just over four percent from the previous year level of 819,976 houses. (See Chart 25.A **UNITED STATES New Housing Units Authorized for Construction by Structure Type: 2009 - 2018**, and Chart 25.B **UNITED STATES New Housing Unit Construction Value by Structure Type: 2009 - 2018.**)

The total value of new single - family home construction is placed at \$210.85 billion, this is an increase of just over five percent from 2017 when the value of new single - family home construction was placed at \$200.6 billion. The 2018 average construction cost for a new American single - family home is \$246,512, or just \$1,871 more than the cost in 2017 when it was reported at \$244,641. (See Chart 26. **UNITED STATES New Single - family Home Average Construction Value and Annual Percent Change: 2009 - 2018.**)





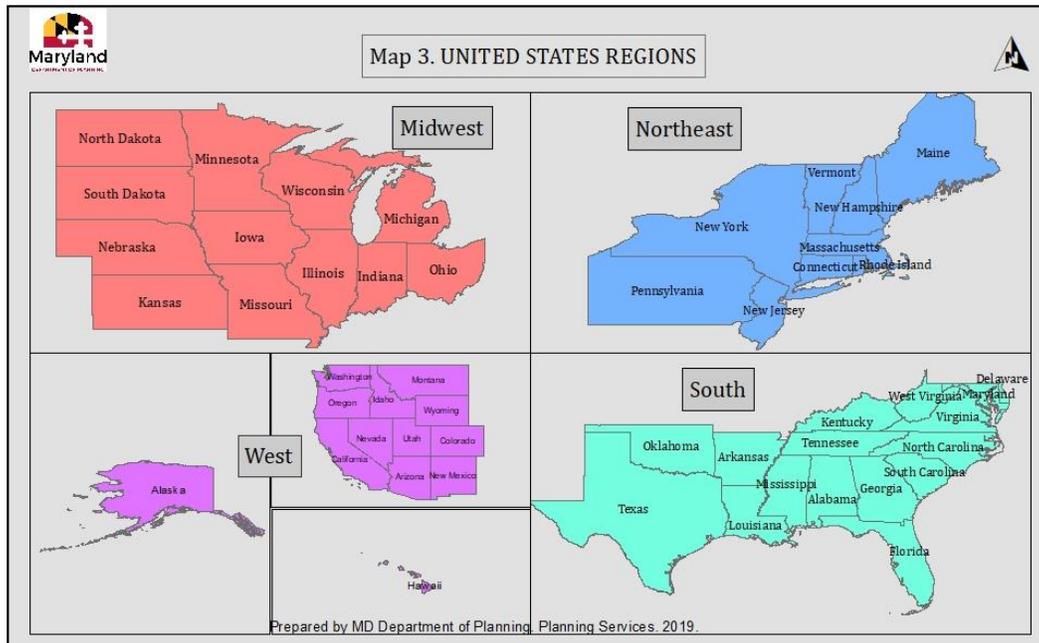
During 2018 there were 473,495 new multi - family housing units authorized for construction. This is a 2.5 percent increase from the previous year, when 462,001 new multi - family housing units were authorized for construction. Currently 92 percent (433,799 units), of all multi - family units are in buildings containing five or more units.

The current value of new multi-family housing construction in the United States is placed at \$60.27 billion. This is an increase of nearly \$2.4 billion (or an increase of four percent), over the \$57.9 billion construction value reported for new multi - family housing construction during 2017.

Nearly all the increase can be attributed to new garden style or hi - rise apartment and condominium building construction. New construction of residential buildings containing five or more housing units increased to \$54.7 billion from \$52.8 billion in 2017, a net change of \$1.86 billion (a 3.5 percent increase).

***U. S. Regions: 2018***

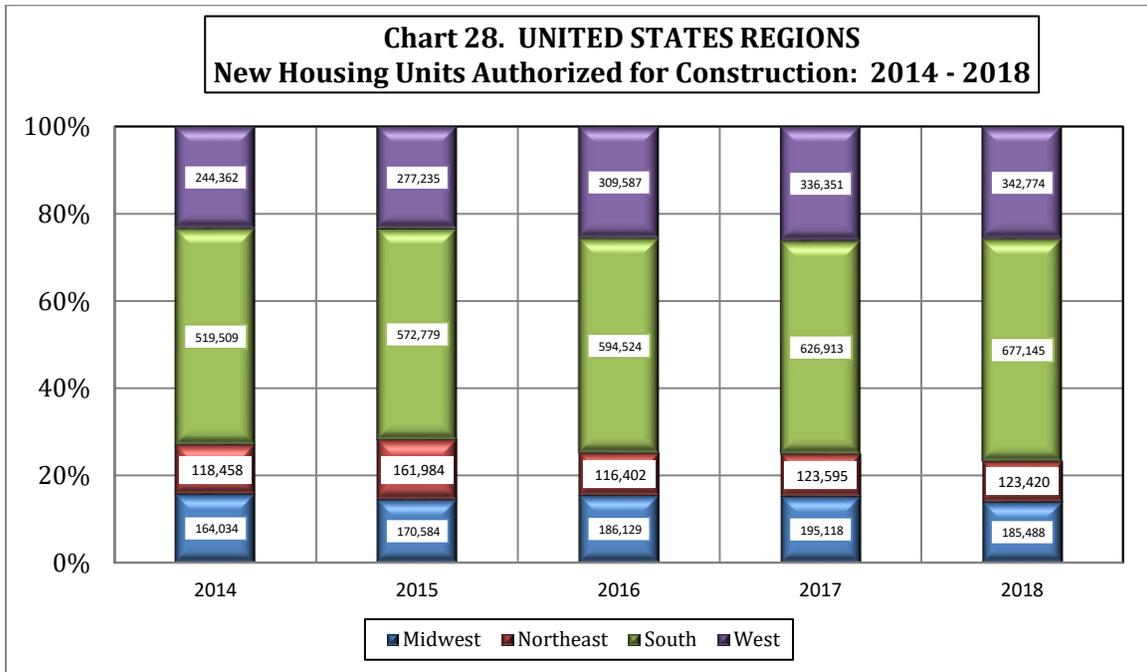
For analytical purposes the United States is divided into four primary statistical geographic regions – the Midwest, Northeast, South and West Regions. (See Map 3. **UNITED STATES REGIONS**.) Two regions, the South and West Regions, report an increase in new housing units authorized for construction when compared with the previous year. The number of new housing units authorized for construction during 2018 increased in the South by eight percent, and in the West by two percent. Housing production in the Northeast Region declined by one percent, and housing production in the Midwest Region dropped nearly five percent.



## ***The Midwest Region***

During 2018, permit issuing places in the 12 states comprising the Midwest Region (Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin), authorized the construction of 185,488 new housing units. This accounts for 14 percent of the Nation’s new housing inventory and represents a decrease of 9,630 new units over 195,118 housing units authorized for construction during 2017. (See also Chart 28. *UNITED STATES REGIONS New Housing Units Authorized for Construction: 2014 – 2018.*)

Midwest region States reporting the highest number of new housing units include; Minnesota (25,673 units), Ohio (24,221), Illinois (21,510 units), Indiana (21,480 units), Michigan (19,580 units) and Wisconsin (19,113 units). Nationally, these areas rank 14<sup>th</sup>, 16<sup>th</sup>, 18<sup>th</sup>, 19<sup>th</sup>, 21<sup>st</sup>, and 22<sup>nd</sup> respectively, in national in new housing production. For perspective, our State would rank among this region’s top seven in housing production. Maryland’s new housing production ranks 23<sup>rd</sup> among the 50 states and the District of Columbia in 2018.

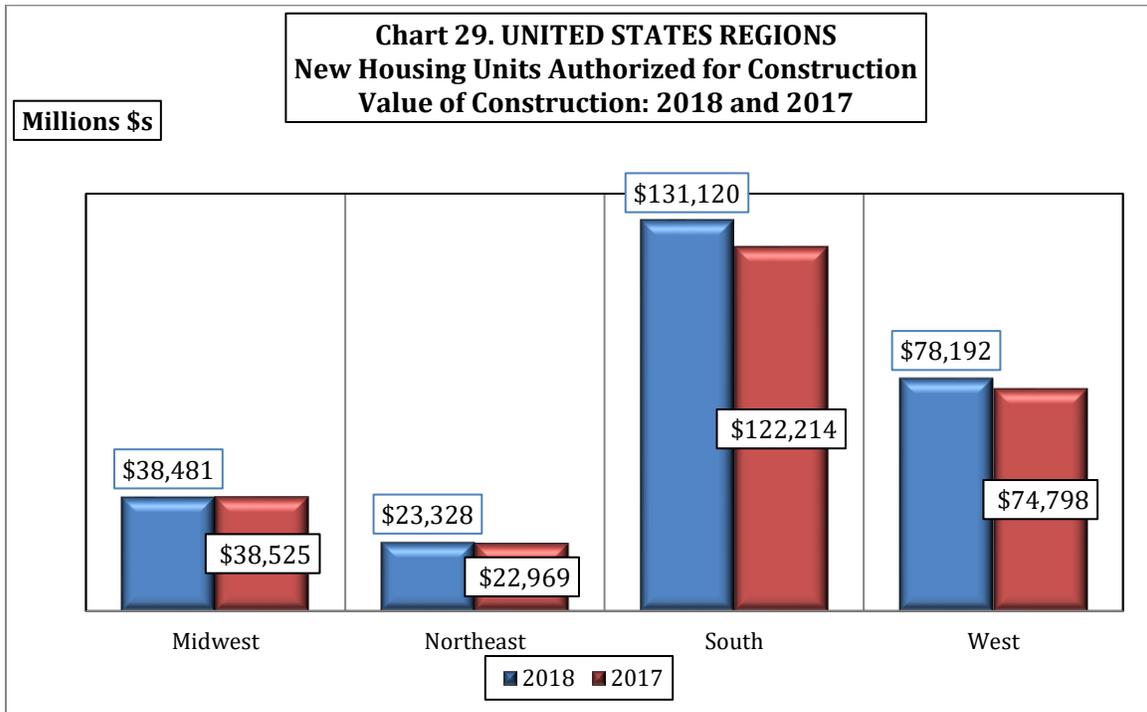


Jurisdictions in the Midwest Region reporting relatively low numbers of new housing units include; North Dakota ranked 46th nationally with 3,211 units, South Dakota ranked 39th with 4,963 units, Nebraska ranked 35th with 7,866 units, Kansas ranked 34th with 9,478 units, and Iowa ranked 31st with 11,518 new housing units authorized for construction.

The 2018 annual value of new housing unit construction in the Midwest Region is placed at \$38.48 billion. This is 14.2 percent of the construction value for new housing units in the United States. It is just under (-0.11 percent) the \$38.52 billion value of new construction in 2017. (See also **Chart 29. UNITED STATES REGIONS New Housing Units Authorized for Construction Value of Construction: 2014 - 2018.**)

Of all the new housing units authorized for construction in the Midwest Region, 117,892 are new single - family housing units. Single - family housing accounts for 63.6 percent of the Region's new housing, comparable to the Nation as a whole, where the share of new single - family units accounts for 64.4 percent of all new housing. The Midwest produces 14 percent of all new single - family houses built in the country. (See also **Chart 30. UNITED STATES REGIONS New Housing Units Authorized for Construction by Structure Type: 2018.**)

The Midwest Region's new single - family home construction during 2018 is a three percent decrease (-3,601 units) from 2017. The value of new Midwest Region single - family housing increased to \$30.31 billion, a slight increase from \$30.1 billion reported for 2017.



The average construction value of a new single - family home in the Midwest Region is \$257,122. This is over four percent higher than the national average cost of building a house (\$246,512). (See also **Chart 31. UNITED STATES AND U. S. REGIONS New Single - Family Home Average Construction Value: 2018.**)

Midwest Region permit issuing places authorized the construction of 67,596 new multi - family housing units during 2018. This accounts for 14 percent of the Nation’s new multi - family housing units. It is also a substantial decrease from the 73,625 multi - family units built in 2017 (- 6,029 units or over eight percent). The value of new Midwest Region multi - family housing also decreased to \$8.17 billion, a drop of three percent from \$8.42 billion reported for 2017.

Units in buildings containing five or more housing units amounted to 88 percent (59,698 units) of the Region’s multi - family developments compared to 92 percent for the Nation as a whole. These buildings have a construction value placed at \$7.1 billion. This is 87 percent of the value of all new multi - family housing unit construction, and a decrease of over five percent from the \$7.46 billion value of apartment and condominium construction during 2017.

***The Northeast Region***

The Northeast Region is composed of seven states (Connecticut, Maine, New Hampshire, New Jersey, New York, Rhode Island and Vermont), and the Commonwealths of Massachusetts and Pennsylvania.

Permit issuing places in these jurisdictions authorized the construction of 123,420 new housing units. This is an increase of 175 units over the 123,595 new housing units authorized in the Northeast during 2017. The share of new housing produced in the region fell slightly from 9.6 percent to 9.3 percent over the period, while the value of housing construction increased slightly from \$22.97 billion in 2017 to \$23.33 billion during 2018.

Most of the new housing units built in the Northeast are built in New York and New Jersey. New York permit issuing places account for 30.6 percent (37,778 units), of the Region's new housing and New Jersey (27,942 units) accounts for 22.6 percent. The Commonwealths of Pennsylvania and Massachusetts (23,325 units and 17,044 units, respectively) also authorize a large amount of the Region's new housing.

Nationally these four jurisdictions rank 9<sup>th</sup>, 13<sup>th</sup>, 17<sup>th</sup>, and 25<sup>th</sup>, respectively in new housing production. Maryland would rank among this region's top three in housing production, as we place 23<sup>rd</sup> among the 50 states and the District of Columbia in 2018.

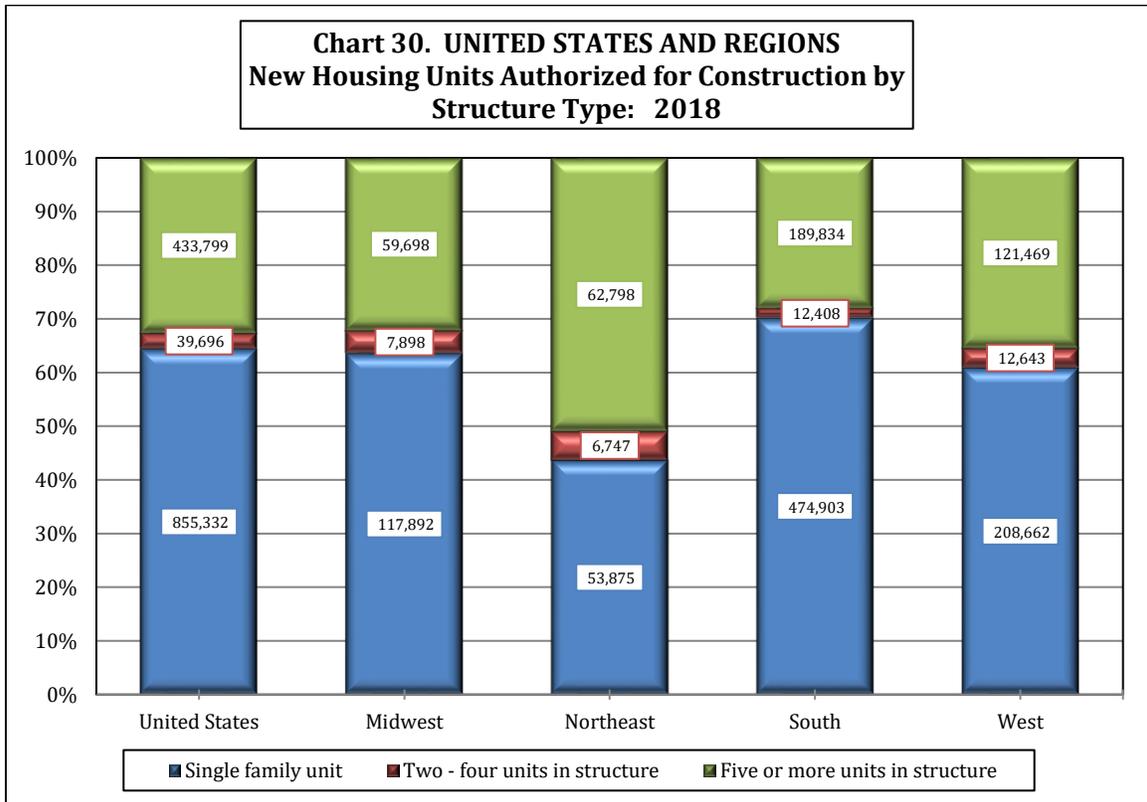
Jurisdictions in the Northeast Region reporting relatively low levels of new housing unit construction include Rhode Island (1,294 units), Vermont (2,080 units) and New Hampshire (4,445 units). Nationally these areas are ranked 51<sup>st</sup>, 48<sup>th</sup> and 45<sup>th</sup>, respectively.

The Northeast Region is the Nation's only region where multi - family home construction accounts for most of new residential construction activity. Forty - four percent of the new housing units built in the Northeast (53,875 dwellings) during 2018 are single - family dwellings. New single - family home construction in 2018 is just under one - percent lower than it was in 2017, when 54,228 new single - family housing units were authorized for construction.

The 2018 value of new single - family home construction in the Region is placed at \$13.92 billion, or \$38 million lower than the 2017 value of \$13.95 billion. The average construction cost of a new single - family housing unit in the Northeast Region increased to \$258,305 from \$257,324 last year. This is approximately five percent higher than the national average construction cost (\$246,512).

Fifty - six percent of all new housing in the Northeast Region is in multi - family buildings. This is the only United States Region that authorizes more multi - family housing units for construction than single - family housing units.

There are 69,545 new multi - family housing units authorized for construction in the Northeast during 2018. This is an increase of 178 units (less than one percent) from the 69,367 multi - family housing units authorized for construction during 2017.

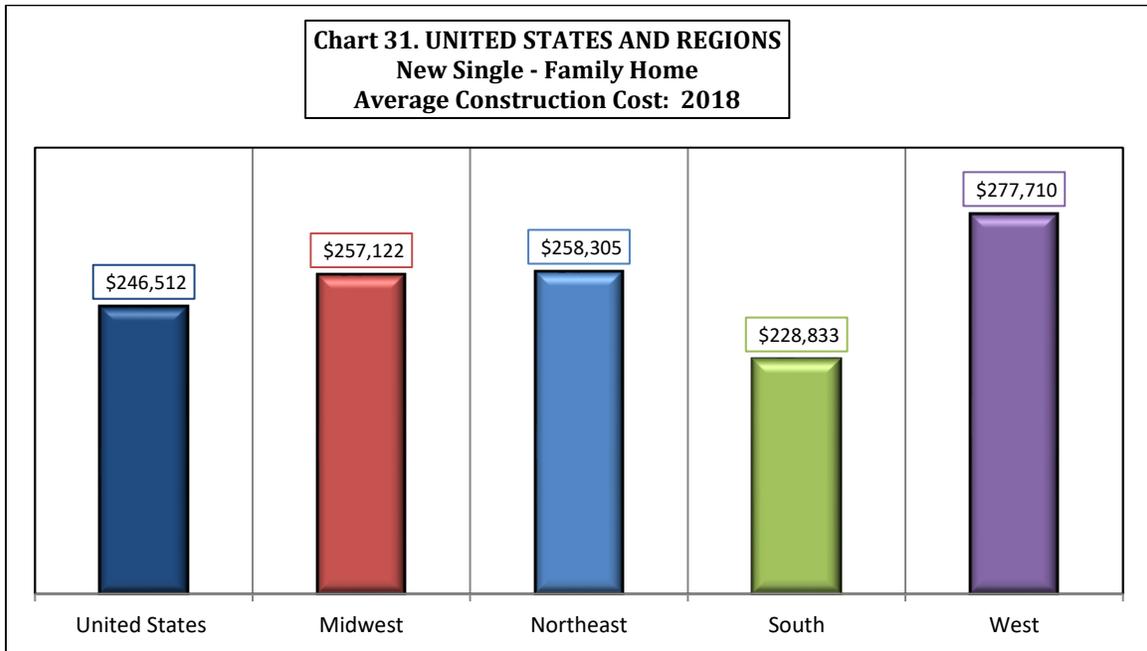


The value of these new multi - family residential developments is \$9.01 billion, an increase of \$396 million from the previous year. Most of the units in these developments (62,798 units or 90 percent), will be built in 2,384 buildings containing five or more housing units with construction valued at \$8.44 billion.

***The South Region***

Comprised of 14 states (Maryland, Alabama, Arkansas, Delaware, Florida, Georgia, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, and West Virginia), two Commonwealths (Kentucky and Virginia), and the District of Columbia, the South Region authorized the construction of 677,145 new housing units during 2018.

The South Region contains more state areas than any other U. S. Region and it is the location of most United State’ new residential construction. It accounts for just over one – half (51 percent), of all new housing units built in the United States during the year. This is an eight percent increase from the 629,913 new housing units authorized for construction during 2017.



Four of the country’s top five State home builders are in the South Region. Texas and Florida permit issuing places authorized more new housing units for construction than any other jurisdiction (192,878 units and 144,427 units, respectively). Other South Region jurisdictions reporting high numbers of new housing units include; North Carolina (with 71,691 units, and ranked 4th), Georgia (with 59,315 units, and ranked 5th) and Tennessee (with 37,169 units and ranked 10th). Maryland, with 18,647 new housing units ranks 23rd among the 50 States and the District of Columbia. Within the region, Maryland ranks 8<sup>th</sup> among the 17 political jurisdictions.

South Region jurisdictions reporting relatively low numbers of new housing units authorized for construction include; West Virginia (2,887 units, and ranked 47th), the District of Columbia (4,615 units, and ranked 44th), Delaware (6,003 units, and ranked 37th), Mississippi (6,883 units, and ranked 36th) and Arkansas (10,179 units, and ranked 33rd).

The 2018 value of new housing construction in the South Region is placed at \$131.12 billion. This is 48 percent of the total value of new residential construction across the United States, and over seven percent higher than the \$122.21 billion construction value for new housing reported in 2017.

Seven of every 10 new housing units (474,903 dwellings) authorized for construction are single family homes. The South Region not only has the highest share of single - family home construction among U. S. Regions, it also accounts for over one - half (56 percent) of all new single - family homes built in the United States.

The value or construction cost placed on new single - family home construction is placed at \$108.67 billion. This is nearly a six percent increase from the 2017 value of new single - family home construction in the South (\$102.9 billion).

It is less expensive, on average, to build a new single - family home in southern jurisdictions than in any other region. The average construction value of a new single - family housing unit built in the South is \$228,833. This is the lowest average building cost for a new home among the four United States Regions and seven percent less than the national average of (\$246,512).

Permit issuing places in the South Region authorized the construction of 202,242 new multi - family housing units during the year. Multi - family housing construction in the South accounts for 43 percent of all new multi - family housing construction in the country. Correspondingly, it represents an increase of 22,891 new units (13 percent) over the previous year report.

While most of the Nation's multi - family housing units are built in the South, multi - family housing construction is a much smaller component of total new housing production compared with other regions. As a percent of total new residential construction, South Region multi - family units account for 29.9 percent of new housing. In the Midwest, Northeast and West Regions, those shares are; 36.4 percent, 56.3 percent and 39.1 percent, respectively.

The value of multi - family housing construction in the South Region during 2018 is placed at \$22.45 billion, accounting for 37 percent of the nation's 2018 total value of multi - family housing construction. This is 16 percent higher than the \$19.32 billion value of new multi - family construction during 2017.

As expected, most of the new multi - family units delivered will be built in buildings containing five or more housing units. During the year, 189,834 units are authorized for construction in 5,816 buildings. At 94 percent, this is the highest share reported for this structure type among regions. This is an increase of 485 buildings (22,084 units) from 2017.

These buildings have a construction value placed at \$21 billion or 94 percent of the total value of new multi - family housing construction in the South Region.

## ***The West Region***

The West Region is composed of the states of Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington and Wyoming. Permit issuing places in these states authorized the construction of 342,774 new housing units during 2018. This amounts to 26 percent of all new housing units built in the United States, and an increase of 6,423 units, or just under two percent from the 336,351 new housing units authorized for construction during 2017.

The highest number of new housing units are built in California (113,502 units), followed by Washington (47,746 units), Colorado (42,627 units) and Arizona (41,664 units). Nationally these jurisdictions rank third, sixth, seventh, and eighth, respectively, in new housing production. Maryland's new housing production (18,647 new units, and ranked 24th nationally), would position sixth in residential development among this region's 13 states in 2018.

Western jurisdictions reporting the lowest number of new housing units include Alaska (1,677 units), Wyoming (1,587 units), Hawaii (4,659 units), New Mexico (4,813 units) and Montana (5,099 units). These States rank 50<sup>th</sup>, 49<sup>th</sup>, 43<sup>rd</sup>, 41<sup>st</sup>, and 38<sup>th</sup>, respectively.

New housing units produced in these States have a 2018 construction value \$78.19 billion. This is 29 percent of the value of new housing construction across the United States, and 4.5 percent higher than the \$74.8 billion value of new housing construction reported in 2017.

Single - family dwellings (208,662 units) account for 61 percent of all new housing units built in the West Region. This represents 24 percent of all new single - family homes authorized for construction Nationwide, and an increase in new single - family home construction from the previous year of 11,969 units or six percent.

The 2018 value of single - family home construction is placed at \$57.95 billion. This is 27.5 percent of the construction value for all new single - family homes in the United States, and eight percent higher than the \$53.64 billion value of new single - family home construction reported in 2017.

The annual average construction value for a new single - family housing unit in western states is \$277,710. This is 13 percent higher than the national average (\$246,512), and the highest among the four United States Regions. The average value rose two percent from the \$270, 621 average value reported in 2017.

Multi - family units account for 39.1 percent of all new housing. For the year, western states accounted for just over 28 percent of all multi - family housing units authorized for construction in the United States. These jurisdictions authorized 134,112 new housing units in 9,546 multi - family buildings during 2018. This is a significant drop from the 139,658 multi - family housing units authorized for construction during 2017, when the Region accounted for nearly 42 percent of the country's new multi - family development activity.

The construction value of the new multi - family developments is placed at \$20.24 billion, more than a third of the value of all multi - family housing construction in the United States. However, this is nearly a billion dollar drop (\$907 million or -4.3 percent) from the \$21.2 billion spent building multi - family developments in 2017.

The decline is due mostly to a lower level of garden style and hi - rise apartment and condominium construction activity. From 2017 through 2018, reports for these units sank from 127,995 units in 4,683 buildings containing five or more units valued at 19.29 billion to 121,469 units in 4,597 buildings valued at \$18.14 billion (or a two percent decline in buildings, a five percent drop in units and a \$1.45 billion plunge in value).

## **Data Sources**

**U. S. Department of Commerce, Bureau of the Census, Manufacturing and Construction Statistics Division. Residential Construction Branch. Annual Building Permit Reports.**

**Prepared by MD Department of Planning. Planning Services Division. 2019.**

