

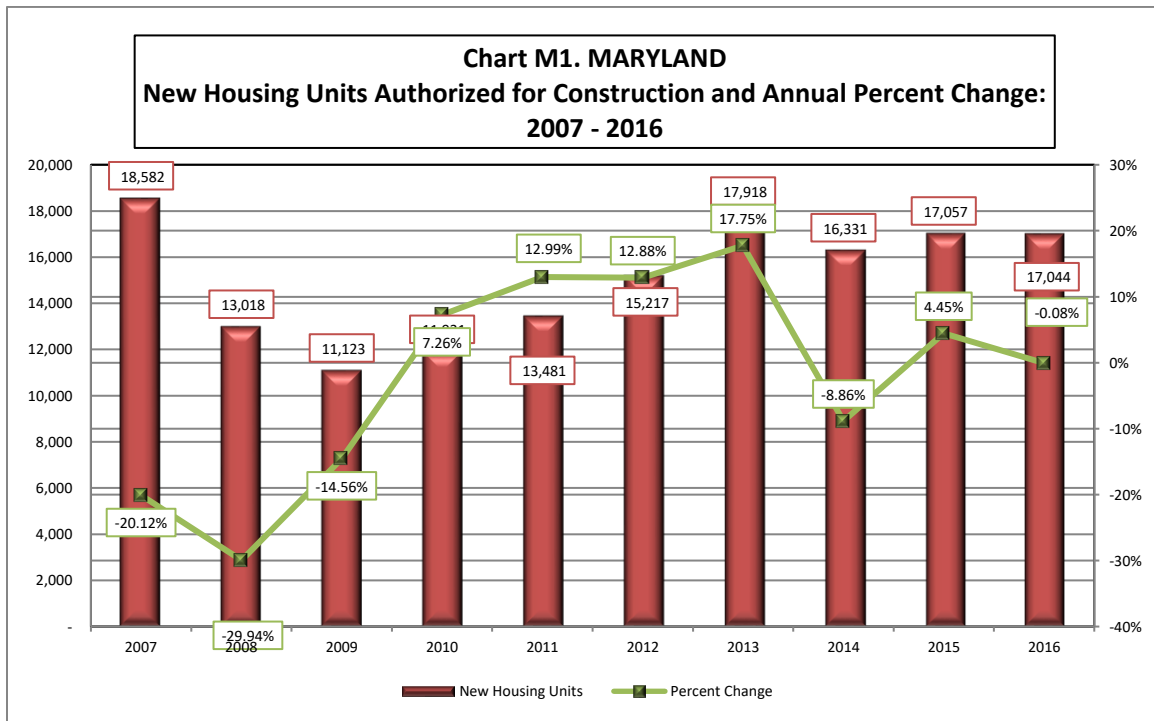
NEW HOUSING UNITS AUTHORIZED FOR CONSTRUCTION BY BUILDING PERMITS: 2016

SUMMARY OF FINDINGS

Building permit activity continued to improve nationally in 2016, reaching 1.2 million new housing units. New residential construction has risen annually for seven consecutive years since the 2009 low of 583,000 new housing units authorized for construction.

For Maryland, annual new housing construction in 2016 is practically equal to that of 2015, with 17,044 new units authorized in 2016, compared to 17,057 new units authorized the previous year. The 2016 report of new housing is the third highest this decade. Since the Great Recession of 2009, the State has added 108,979 new housing units to its residential inventory.

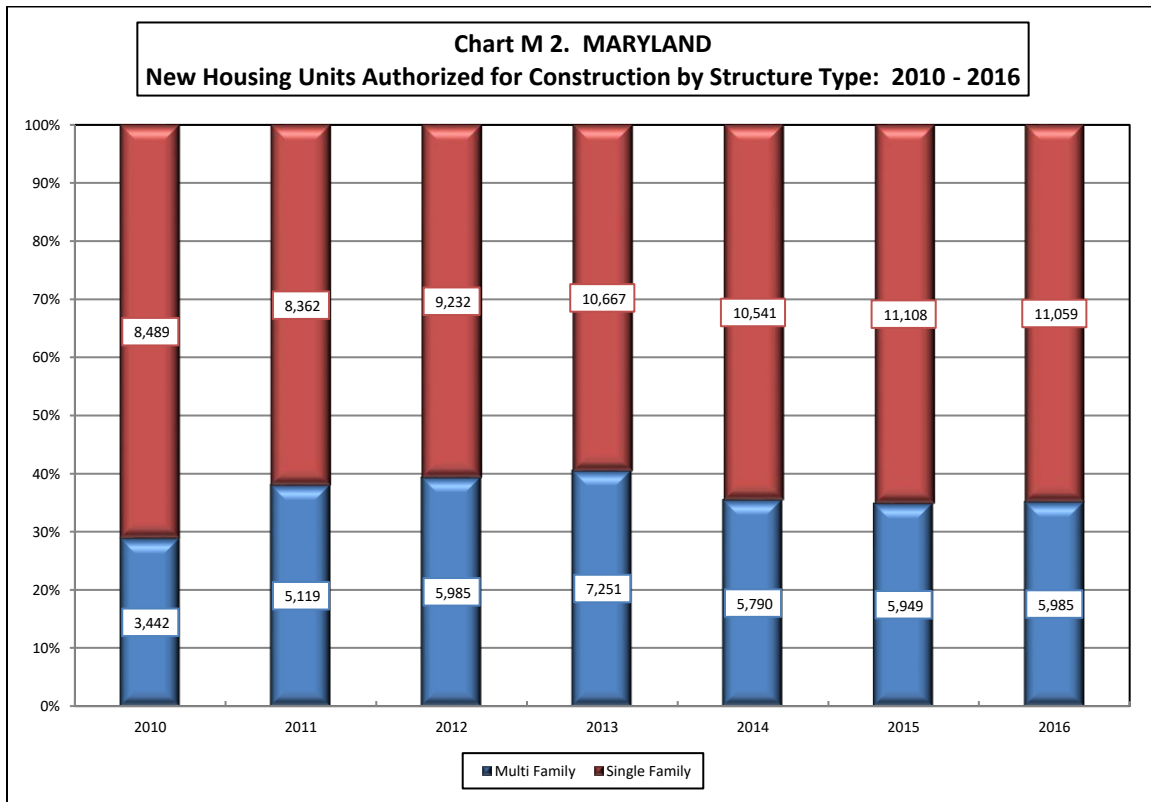
(See also Chart M1. **MARYLAND New Housing Units Authorized for Construction and Percent Change: 2007 - 2016.**)



Prior to 2014, State permit issuing places reported four consecutive years of increasing new housing unit construction. Current year activity should continue to be viewed as an indication that the State's home building industry is stable and recovering and maybe poised to build on its recovery.

The 2016 value of this construction is placed at nearly \$3.2 billion. This is a gain of three percent, or \$86 million higher than the value of new housing construction activity reported in 2015.

Single family home construction is the largest component of new residential development. It is also a leading economic indicator. Increasing new private home building generally foreshadows improving economic conditions



Single family home construction is the largest component of Maryland's new residential development. State permit issuing places authorized the construction of 11,059 new single - family units during 2016, a slight dip of 49 from the 11,108 single family homes authorized for construction in 2015. These new homes also signify the State's second highest annual number of new single - family homes built since 2007, when 13,232 new homes were built.

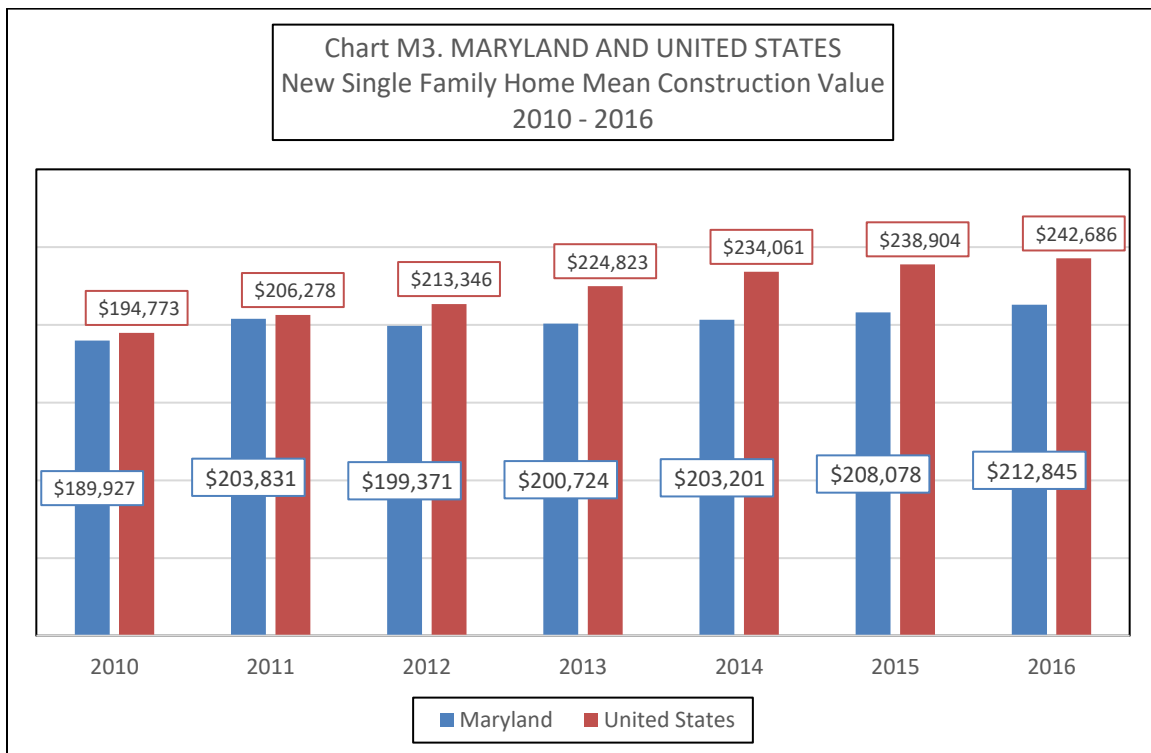
The single - family home sector currently accounts for 65 percent of the State's new housing construction. Nationally, new single - family home construction accounts for 62 percent of all new housing construction during 2016.

From 2000 through 2006, Maryland single family homes accounted for almost eight of ten new homes built. Once the national recession of 2007 - 2009 hit, the State's annual average proportion of single family homes fell rapidly. In 2009, single family homes accounted for 73 percent of all new units. This percentage declined to a low of 59.5 percent by 2013.

During 2015, the number of single family homes authorized for construction increased over five percent to 11,108. (See also Chart M2. **MARYLAND New Housing Units Authorized for Construction by Structure Type: 2010 - 2016.**

New single - family housing units have a construction value placed at \$2.35 billion during 2016. This is an increase of \$42.52 million from \$2.31 billion in 2015. It accounts for 74 - percent of the value of all new housing unit construction in the State.

The average construction cost of a new single - family home in the United States is \$242,686. Since 2010, Maryland homebuilding costs have been considerably lower than the national average. Currently, the 2016 average cost of building a new single - family housing unit in the Maryland is \$212,845. This is 12 percent less than the construction cost Nationwide. (See also Chart M3. **MARYLAND AND UNITED STATES New Single - Family Home Mean Construction Value 2010 - 2016.**)



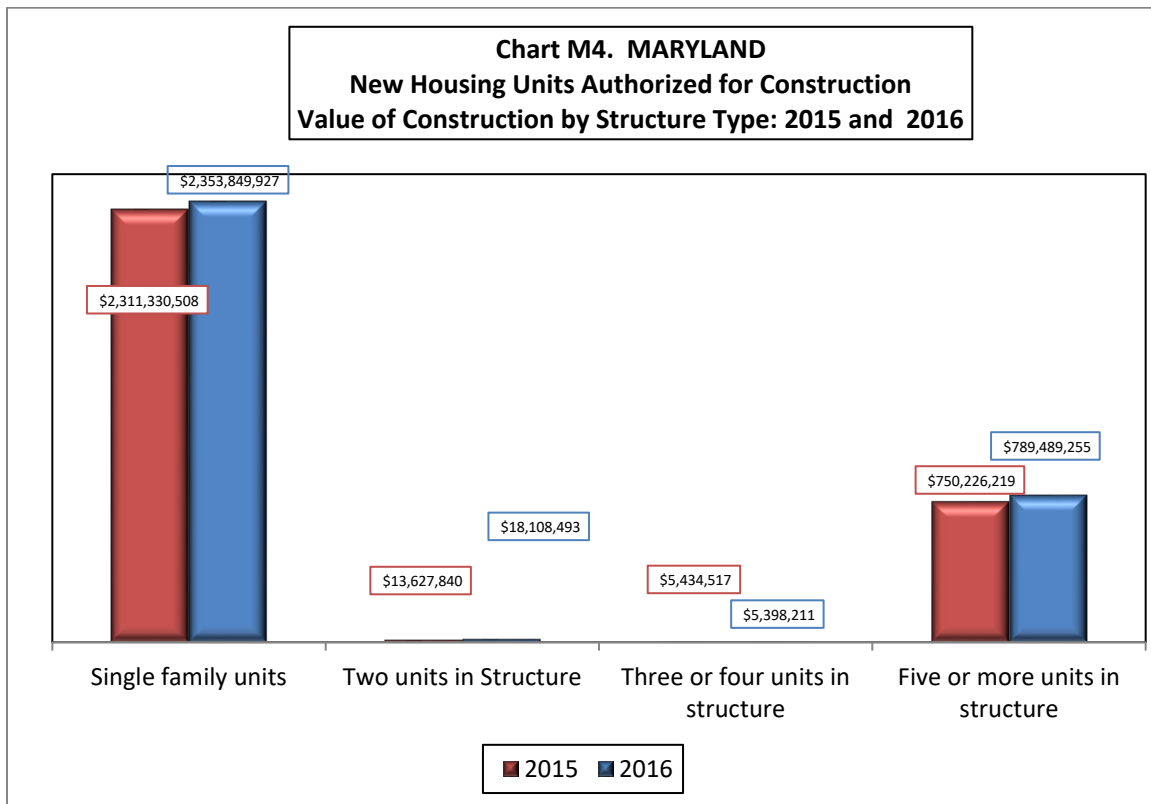
Potentially, Maryland's single - family housing production is entering a mature period of growth. Should employment growth within the State continue, and long - term interest rates remain relatively low, it is not unreasonable to expect older millennials to increasingly enter the new home buyer market.

There are 5,985 new multi - family housing units authorized for construction during 2016. This is less than one percent increase from the previous year, when 5,949 new multi - family housing units were authorized for construction.

As a share of total new housing construction, the multi - family sector retained its proportion of the State's new housing inventory. During 2016, new multi - family housing development accounts for 35.1 percent of all new residential construction. This is comparable to its share in 2015 of 34.9 percent.

The value of new multi-family housing unit construction is placed at \$813 million. This is an increase of nearly six percent or \$43.7 million from 2015. The most common type of multi - family housing unit being constructed, are those in buildings containing five or more housing units. Typically, these buildings are garden style or hi-rise apartment or condominium buildings.

During 2016, State jurisdictions authorized 5,779 new housing units for construction in 177 buildings containing five or more units. These apartments and condominium developments account for 97 percent of Maryland's new multi - family housing authorized for construction during the year. (See also Chart M4. **MARYLAND New Housing Units Authorized for Construction Value of Construction by Structure Type: 2015 - 2016.**)



State Planning Regions: 2016

The State of Maryland's 23 counties and Baltimore City comprise six State Planning Regions. They are the Baltimore Region, the Lower Eastern Shore Region, the Southern Maryland Region, the Suburban Washington Region, the Upper Eastern Shore Region and the Western Maryland Region. The component jurisdictions of each region are displayed on Map 1. ***MARYLAND STATE PLANNING REGIONS.***

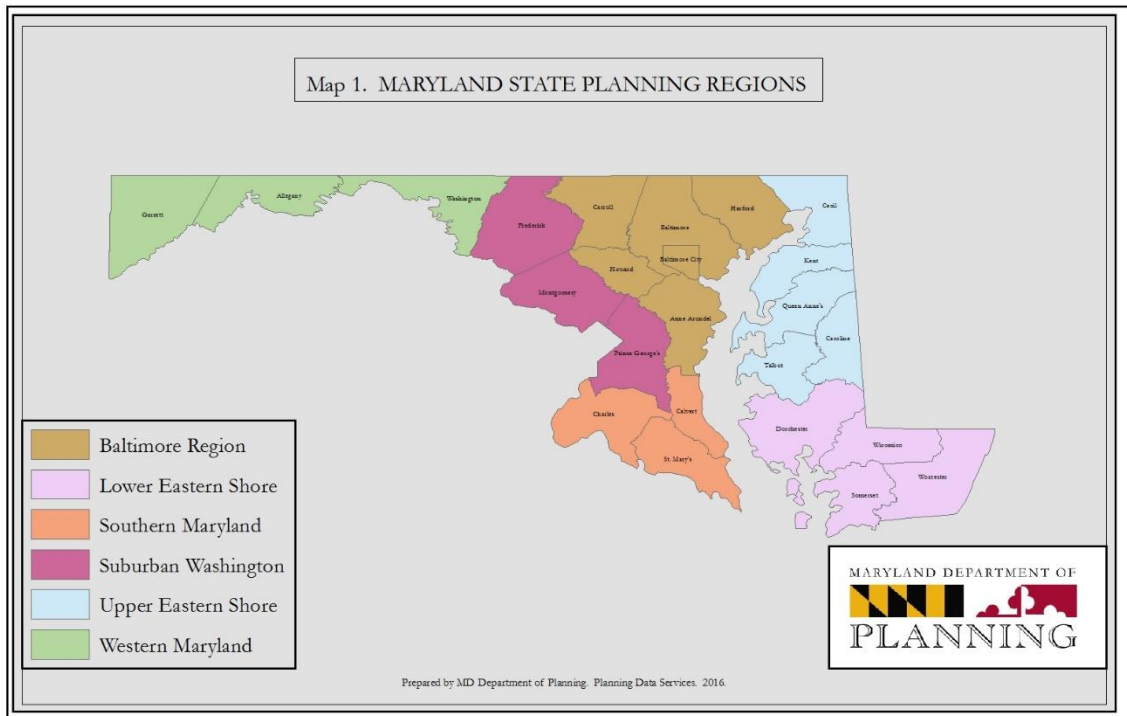
Baltimore State Planning Region

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' 2016 Population Estimates. These jurisdictions account for nearly 46 percent of the State's total population of six million persons.

During 2016, Baltimore State Planning Region permit issuing places authorized 7,925 new housing units for construction. This is 47 percent of the State's new residential construction activity. (See Figure 1 ***MARYLAND STATE PLANNING REGIONS New Housing Units Authorized for Construction: 2016***).

New residential construction activity in the Region during 2016 is a two percent decrease from the 8,096 new housing units authorized during 2015. (See also Chart MR.1 ***MARYLAND STATE PLANNING REGIONS New Housing Units Authorized for Construction: 2010 – 2016***, and Chart MR.2 ***MARYLAND STATE PLANNING REGIONS New Housing Units Authorized for Construction Annual Percent Change: 2010 – 2016***.)

Anne Arundel County, together with Howard County authorized most of the Region's new housing. Anne Arundel County authorized more new housing units for construction than any other political subdivision delivering 2,394 units. Howard County authorized 2,154 new housing units for construction, ranking third in Statewide new housing construction activity.

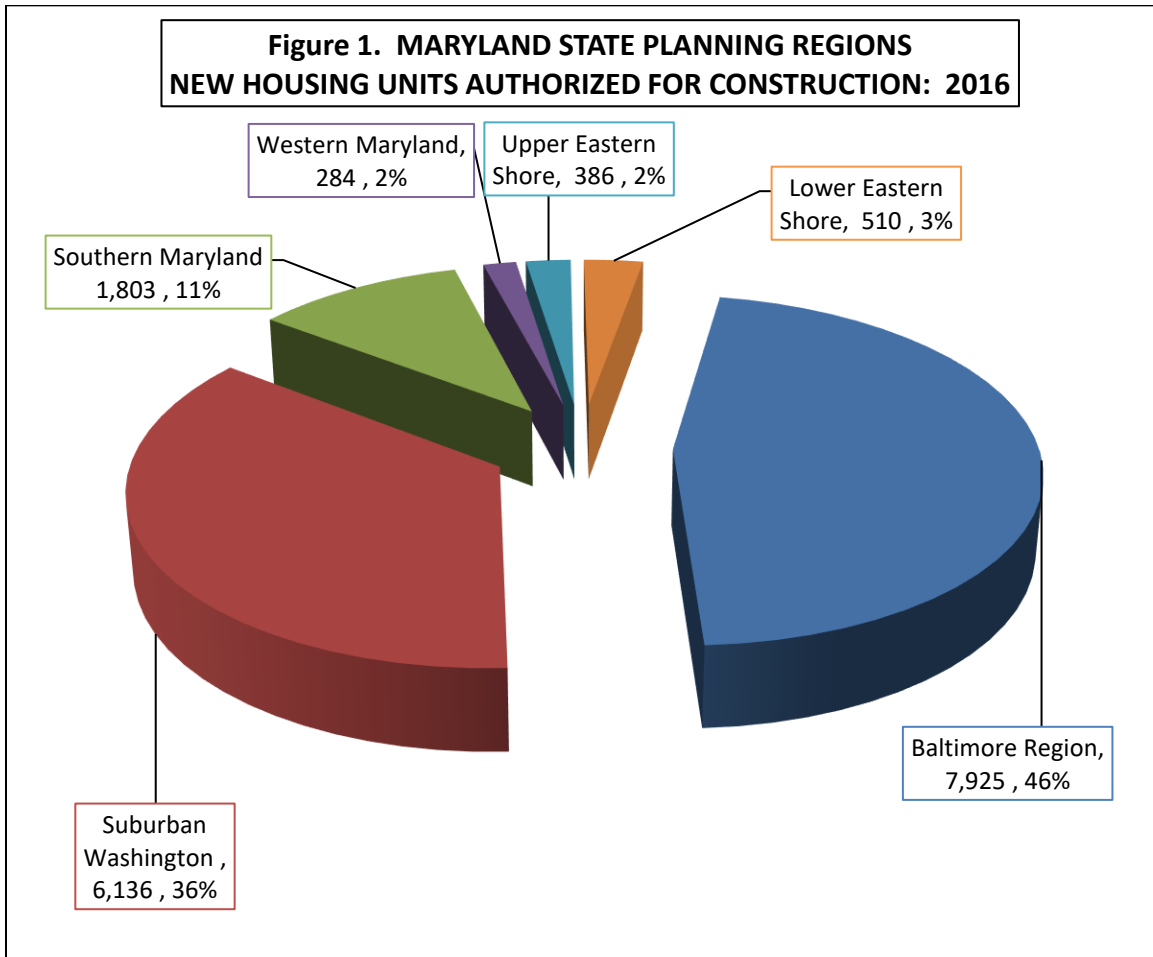


The value of the Region's new home building is placed at \$1.4 billion. This is the highest total value for new residential construction of any State Planning Region. It represents just under 44 percent of State's total cost of new residential construction of \$3.2 billion

There are 4,612 new single-family housing units authorized for construction during 2016 in the Baltimore State Planning Region. This accounts for 58 percent of the Region's new housing built during the year.

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 down four percent from the 4,421 single family homes built in 2015. (See also Chart MR.3 **MARYLAND STATE PLANNING REGIONS New Housing Units Authorized for Construction by Structure Type: 2016.**)

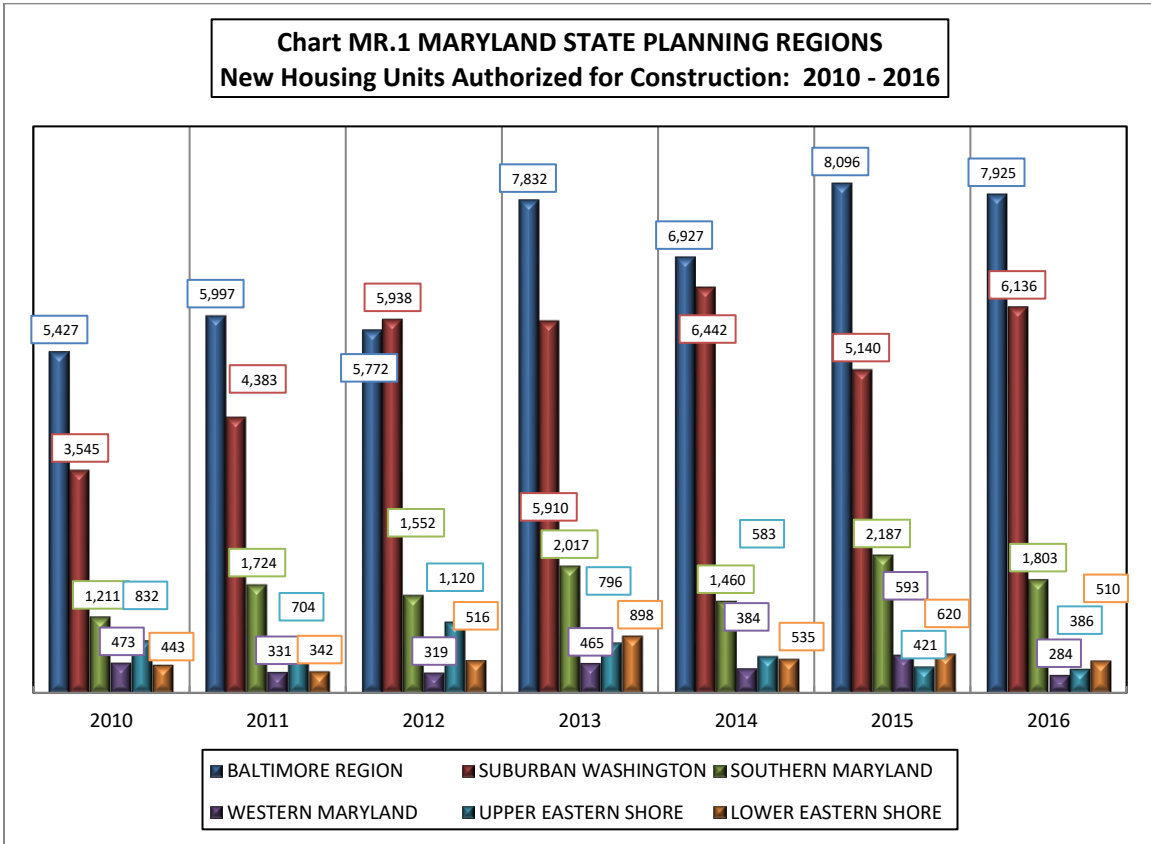
The value of new single-family home construction in the Baltimore Region is \$904.1 million. The highest number of new single-family homes are built the Region are in Anne Arundel (1,679 new houses) and Howard (1,0398 new houses). (See also Chart MR.4 **MARYLAND STATE PLANNING REGIONS Change in New Single-Family Home Construction: 2010 - 2016.**)



The average construction value of a new single-family home is \$196,041. This is about eight percent lower than the mean cost Statewide (\$212,845). It is also the lowest single-family home average construction cost among the six State Planning Regions. (See also Chart MR.5 ***MARYLAND AND STATE PLANNING REGIONS New Single-Family Home Average Construction Value: 2015 and 2016.***)

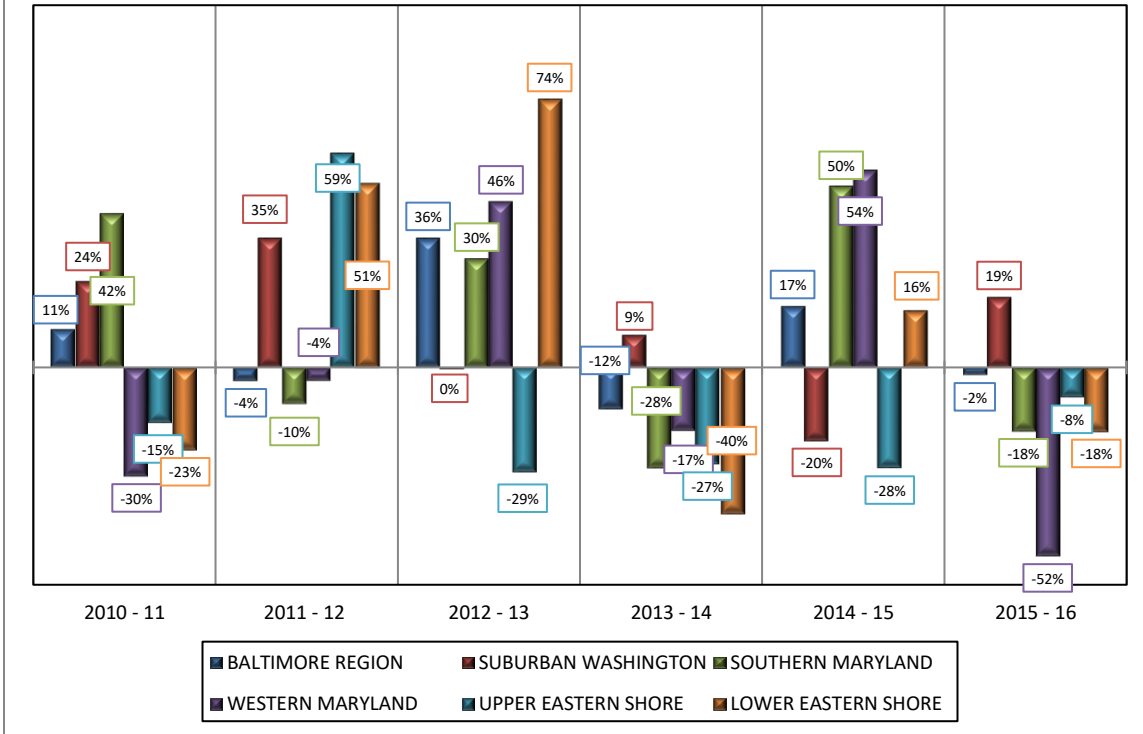
New multi – family housing construction accounts for 42 percent of all new housing in the Baltimore State Planning region. Permit issuing places in the Region authorized 3,313 new multi-family housing units for construction in 132 buildings during 2016. This is a substantial decrease (- 9.9 percent) from the 3,675 new multi - family housing units authorized for construction during 2015. Nearly all units (96 percent or 3,171 dwellings) are in buildings containing five or more units.

The value of multi-family housing construction built in the Baltimore region is placed at \$471.3 million. The Region accounts for 60 percent of the value of the State's new multi–family housing unit construction.



Howard (1,091 units) and Baltimore City (672 units) authorized the highest number of new multi-family housing units for construction in the Region. (See also Chart MR.6A ***MARYLAND AND SPECIFIED PLANNING REGIONS New Multi - Family Housing Units Authorized for Construction: 2010 - 2016.***)

**Chart MR.2 MARYLAND STATE PLANNING REGIONS
New Housing Units Authorized for Construction
Annual Percent Change: 2010 - 2016**



Suburban Washington State Planning Region

The Suburban Washington State Planning Region has the second highest population among State planning regions with 2.2 million according to 2016 population estimates from the U. S. Bureau of the Census. Consisting of Frederick, Montgomery and Prince George’s Counties, the region contains nearly 37 percent of the State’s total population of six million persons.

The Suburban Washington Region is the only State Planning Region reporting an increase in the number of new housing units authorized for construction compared to the previous year. The 2016 value of the Region’s new residential construction is placed at \$1.16 billion or 37 percent of the State’s \$3.2 billion aggregate value of new residential construction. This is an increase of \$122.3 million (12 percent) from the Region’s 2015 construction value of \$1.04 billion,

Permit issuing places in Suburban Washington authorized 6,136 new housing units for construction during 2016. This accounts for 36 percent of the State’s new residential construction activity. Most of these new dwellings (2,170 housing units) will be built in Montgomery County.

New residential construction activity in 2016 is up 996 housing units (19 percent) from the 5,140 new housing units authorized for construction during 2015. The increase in total new housing construction activity is attributable to increases in both single family and multi family home construction.

Just over 62 percent of the new housing units authorized for construction in Suburban Washington (3,830 new homes) are single family housing units. This accounts for 32 percent of the State's new single - family housing units during 2016.

New single - family home construction in the Suburban Washington State Planning Region is up eight – percent from 2015 (an increase of 285 new houses). During the previous year, when 3,545 new home were built, single family home construction accounted for nearly 70 percent of the region's new residential construction.

Most of the Region's new single - family homes will be built in Prince George's County. Permit issuing places in Prince George's authorized 1,560 new single-family homes for construction, the second highest report among the State's 24 jurisdictions.

The average construction cost for a new single-family home in Suburban Washington is \$226,213. This is the third highest average construction cost for a new house among the State's six state Planning regions. It is six percent higher than the State average of \$212,845.

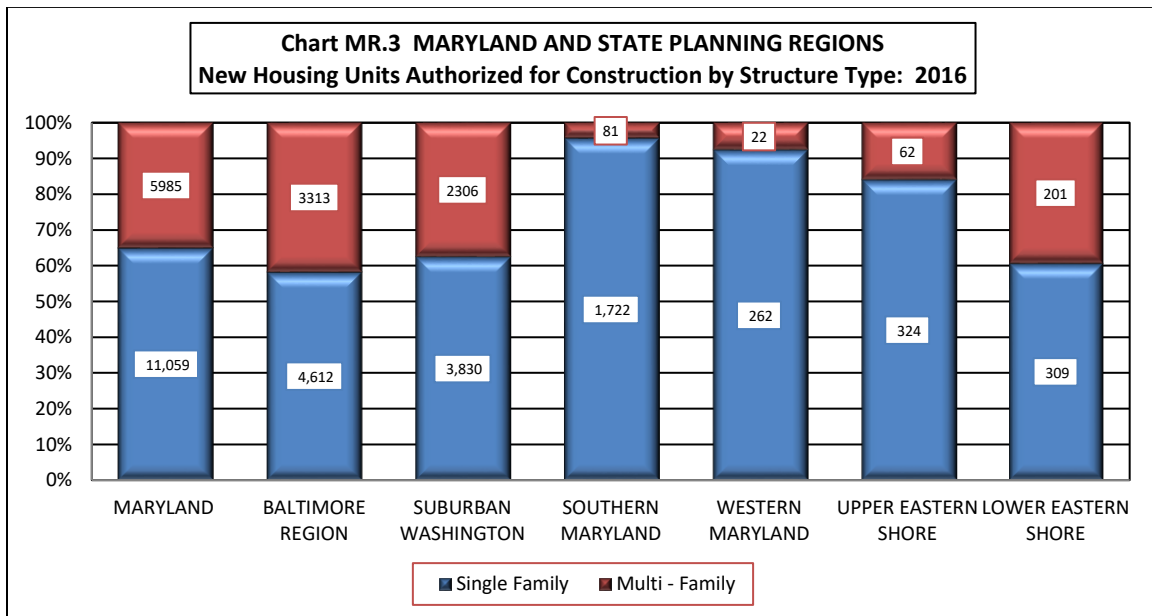
The Suburban Washington State Planning Region authorized 2,306 new multi-family housing units for construction in 2016. This is a substantial increase (45 percent) in construction activity when compared to 2015 when 1,595 new multi - family housing units were authorized for construction. Nearly all (99 percent or 2,159 units) of the Region's new multi - family housing units authorized in 2016, are in buildings containing five or more dwellings.

The share of new multi - family housing construction in the Washington Suburbs accounts for 39 percent of the State's new multi - family housing. During 2015, the Region's share was 27 percent of the State's new multi - family residential construction (1,595 of 5,949 new multi - family housing units).

Most of Suburban Washington's new multi-family construction activity during 2016 takes place in Frederick County. Permit issuing places there authorized 1,050 new multi - family housing units (46 percent of the Region's total). This is an increase of 87 percent from the 563 new multi – family housing units authorized during 2015.

The value of new multi-family housing unit construction in the Suburban Washington State Planning Region is placed at \$294.4 million. This is 36 percent of

the State's total value of \$813 million reported for building new multi-family developments



Southern Maryland State Planning Region

The Southern Maryland State Planning Region comprises Calvert, Charles and St. Mary's Counties. According to 2016 population estimates from the U. S. Bureau of the Census, the Region is home to 362,000 persons. This represents six percent of the State's total population of six million persons.

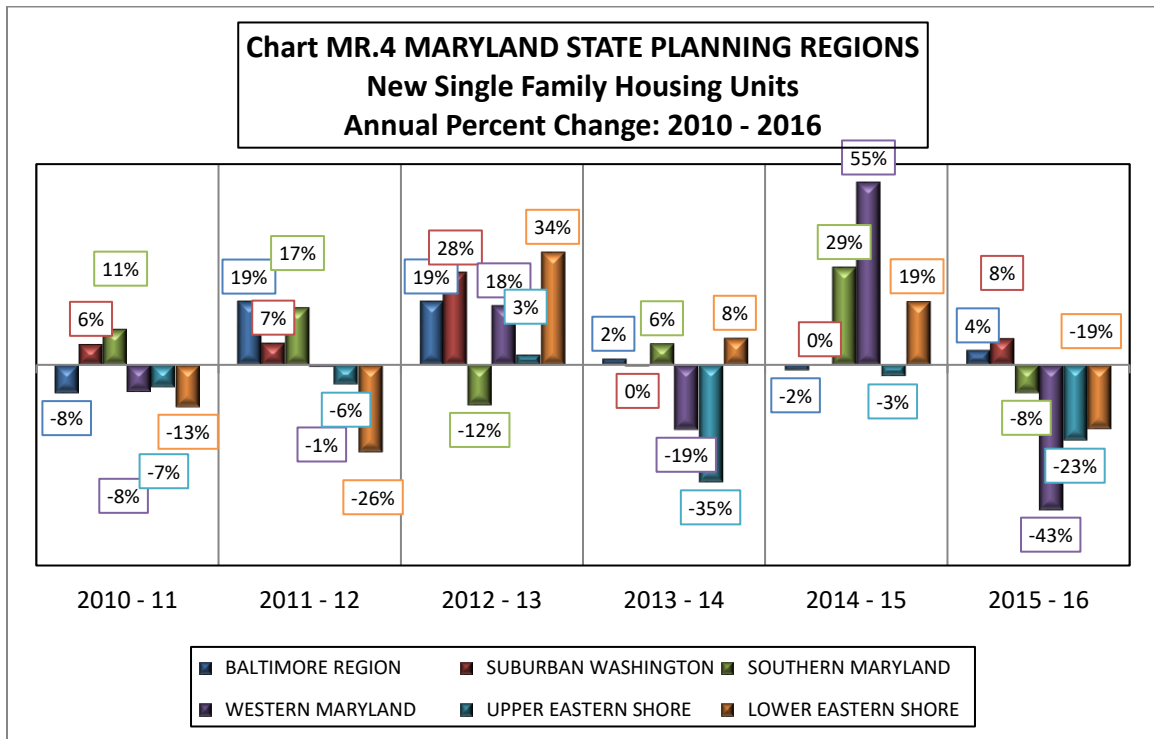
During 2016, Southern Maryland permit issuing places authorized 1,803 new housing units for construction. The value of new housing construction in the Region is placed at \$367.7 million. The Region accounts for nearly 11 percent of the State's total new housing construction activity, and 12 percent of the State's \$3.2 billion total value of new residential construction for the year.

Construction activity in the region decreased by 384 units from 2,187 units authorized during 2015. This is a drop of nearly 18 percent. Most of the Region's new housing (48 percent) will be built in Charles County, where permit issuing places authorized 869 new housing units for construction. The sharpest drop in activity occurred in Calvert County, where annual new construction fell from 332 new units to 236 new units (a 29 percent decrease).

The Region experienced decreases in new single - family home construction, as well as new multi - family housing unit construction activity. The decline in new single -

family housing construction is eight percent to 1,722 new homes, down from 1,879 in 2015.

During 2016, more than nine of 10 new housing units authorized for construction in the Southern Maryland State Planning Region are single family homes (1,722 units). As a share of new housing stock, new single - family homes in the Region rose to 96 percent from 86 percent during 2015.

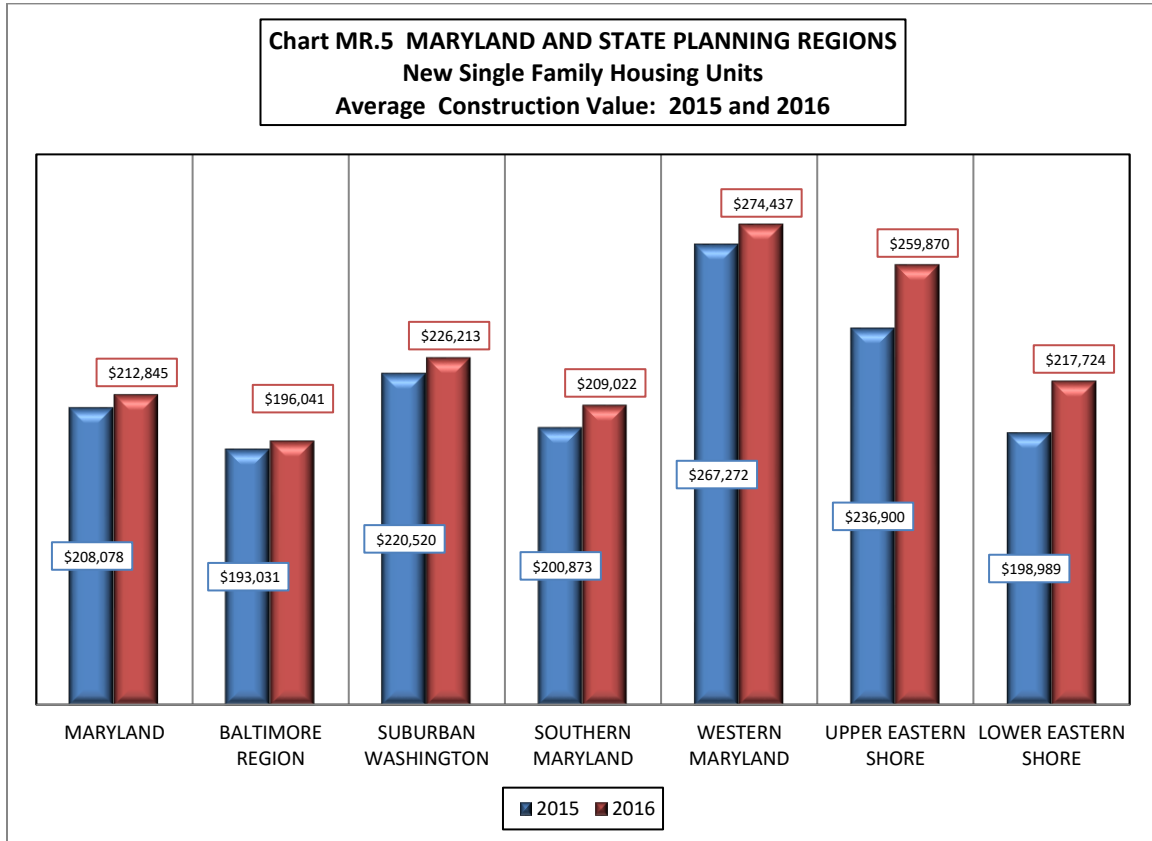


The average value of construction for a new single - family home in the Southern Maryland State Planning region is placed at \$209,022. This ranks fifth among the State's six planning regions, and two percent lower than the State's average construction cost of \$212,845.

Southern Maryland accounts for just over one percent of the State's 2016 new multi - family housing unit production. Permit issuing places throughout the Region authorized building five new multi - family residential developments containing 81 new housing units, 72 of which will be built in Charles County.

The construction value of new multi - family housing in Southern Maryland is reported at \$7.8 million. This represents less than one percent of the State's new multi - family housing construction value of \$813 million. (See also Chart MR. 6B

MARYLAND AND SPECIFIED PLANNING REGIONS New Multi - Family Housing Units Authorized for Construction: 2010 - 2016.)



Western Maryland State Planning Region

The Western Maryland State Planning Region is composed of Allegany, Garrett and Washington Counties. These counties contain 252,000 persons, or four percent of the State’s population of six million residents, according to 2016 population estimates from the U. S. Bureau of the Census.

Permit issuing places in these jurisdictions authorized 284 new housing units during 2016. This is just under two percent of the State’s new housing construction, and the lowest annual report for new housing units during the 2000 through 2009 period. Over seventy percent of the new units will be built in Washington County (200 dwellings).

From 2015 through 2016, the Western Maryland State Planning Region experienced the highest percent decrease in new housing units among State Planning Regions.

Housing production here is down 52 percent (309 units), compared to the 593 new units authorized for construction during 2015.

The value of this construction is placed at \$73.3 million. This is just over two percent of the State's new housing unit construction value. It is \$58 million (- 44 percent) lower than the Region's \$130.8 million value of construction reported during 2015.

Single family home construction accounts for 92 percent of the new residential development in the Western Maryland State Planning Region during 2016. Of the new housing units authorized for construction, 262 will be single family homes. The value of this construction is placed at \$71.9 million.

New single family - housing construction in the Western Maryland State Planning Region decreased substantially from 2015 through 2016. The number reported in 2016 is a drop of 43 percent from 462 new homes reported the previous year. Most of this decline may be attributed to a decrease of 181 fewer single family homes authorized for construction in Garrett County.

The average cost for building a new single - family home in the Western Maryland Region is \$274,437. This is the highest average construction value among State Planning Regions. It is 29 percent higher than the State's average construction cost of \$212,845.

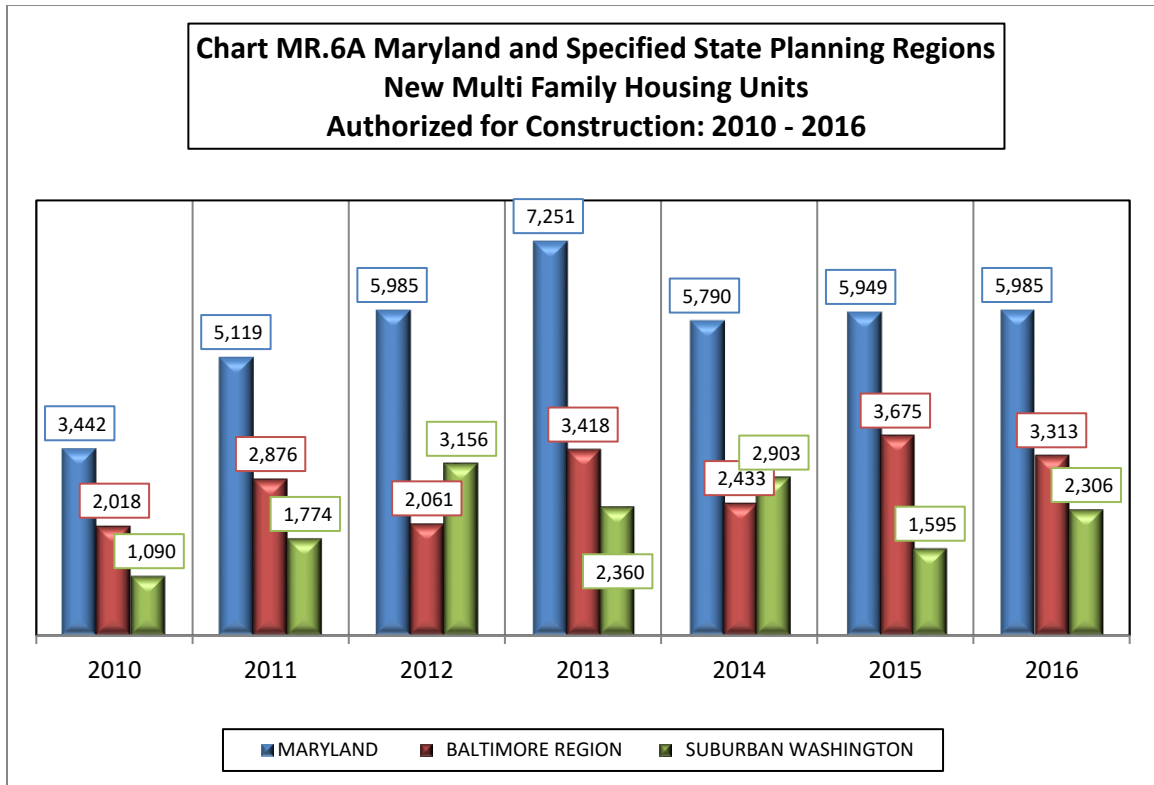
Garrett County has the highest average value of construction for new single - family home in the State. New homes in Garrett, on average, cost \$391,132 to build. The high value of Garrett's single - family construction is most likely tied to the construction of retirement and vacation homes near Deep Creek Lake.

Relatively little multi - family housing construction takes place in the Region. During 2016, two buildings containing 16 housing units are authorized for construction in Allegany County, and three buildings containing 6 housing units are authorized in Washington County. Garrett County did not authorize any new multi - family housing units for construction during the year.

The 2016 value of multi-family housing construction in Western Maryland is placed at \$1.4 million. The current cost of multi - family housing construction is a sharp decrease from \$7.4 million reported in 2015, when eight multi - family buildings containing 131 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 2016 population estimates from the U. S. Bureau of the Census, the total population is 241,200 persons, accounting for four percent of the State's total population of six million persons.



During 2016, Upper Shore Region permit issuing places authorized 386 new housing units for construction, a decrease of 35 units (minus eight percent) from 2015. New housing in the Region accounts for just over two percent of the State's total new housing construction.

The value of the Region's new residential construction is placed at \$87.7 million. This is a 12 percent drop in construction value compared to 2015, when the value of new housing construction was placed at \$99.4 million. Most of the Regions new houses are built in Queen Anne's County. The 145 new housing units authorized for construction in Queen Anne's permit issuing places represents 38 percent of the Region's total.

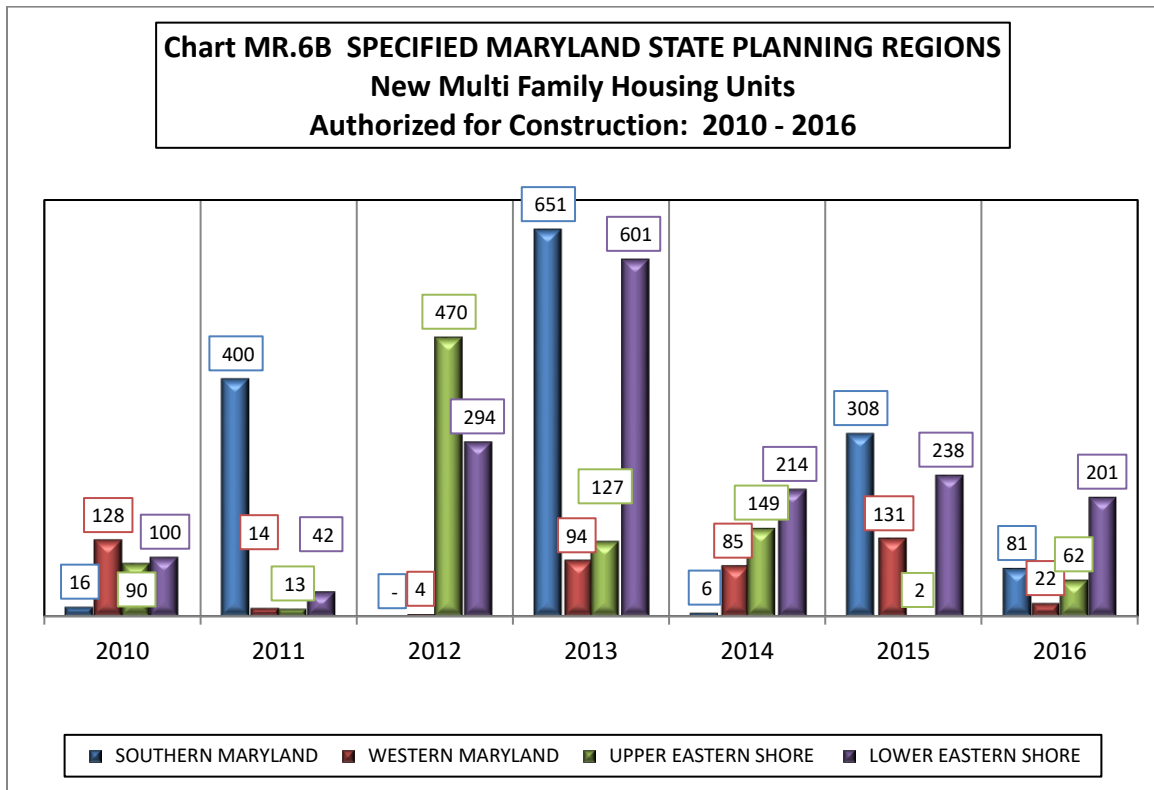
There are 324 new single-family housing units authorized for construction within Upper Eastern Shore permit issuing places. Single family home construction accounts for 84 percent of the new housing units permitted in the five counties

during 2016. Single family home construction activity is down nearly 23 percent when compared with the 4219 units authorized for construction during 2015.

The aggregate construction value of new single-family home in the region is placed at \$84.2 million, while the average construction value for a new single-family home is \$259,870. This ranks second among State Planning Regions, and is 22 percent higher than the State's average cost of \$212,845 for building a new home.

Compared to other State Planning Regions very little multi - family housing construction is authorized for construction during 2016. Six buildings containing 36 housing units was authorized for construction in Caroline County, and four buildings containing 26 housing units was authorized for construction in Queen Anne's County during the year. The value of these structures is placed at \$3.5 million.

Cecil, Kent and Talbot Counties did not authorize new multi - family residential construction during the year.



Lower Eastern Shore State Planning Region

Dorchester, Somerset, Wicomico and Worcester Counties comprise the Lower Eastern Shore State Planning Region. The 2015 U. S. Census Bureau population

estimate for these jurisdictions is 212,200 persons. The region's population accounts for almost four percent of the State's total population of six million persons.

During 2016, permit issuing places on the Lower Eastern Shore Region authorized 510 new housing units for construction. This is a decrease of 110 units (18 percent), from 2015 when 620 new housing units were authorized for construction.

New residential development on the Lower Eastern Shore accounts for three percent of the new residential construction activity in the State. Most of the new construction takes place in Worcester County. Permit issuing places in the County authorized 233 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 \$87.6 million. This is a decline of \$17.2 million (16 percent) from the Region's value of new residential construction in 2015 (\$104.8 million).

Single family homes account for 61 percent of Lower Eastern Shore new housing (309 dwellings) during 2016. This is 19 percent lower than in 2015 when 382 new houses were built. The average construction value of the Region's a new single - family homes is \$217,724. This is three percent higher than the Statewide average construction cost of \$212,845.

The Lower Eastern Shore Region authorized the construction of 201 new multi-family housing units during 2016, doubling the number of new multi - family housing units authorized in 2015 (100 new units). Just over 82 percent of the new multi-family housing is in buildings containing five or more units (165 units or 95 percent).

The 2015 value of construction for new multi-family dwellings in the Eastern Shore is \$20.3 million. This is \$8.5 million (29 percent) lower than the value reported for building new multi - family housing units on the Lower Eastern Shore in 2015 (\$28.8 million).

Residential Development Areas: 2016

Most new residential development in the State is moderate density, single-family housing built on small plots of land. These new housing units are built in counties within commuting distance of major employment centers. The physical geography of this development is categorized by four features related to urbanization (see Map 2). These features are:

- The jurisdiction's geographic proximity to the population cores of Baltimore City or the District of Columbia;
- The jurisdiction's population size;

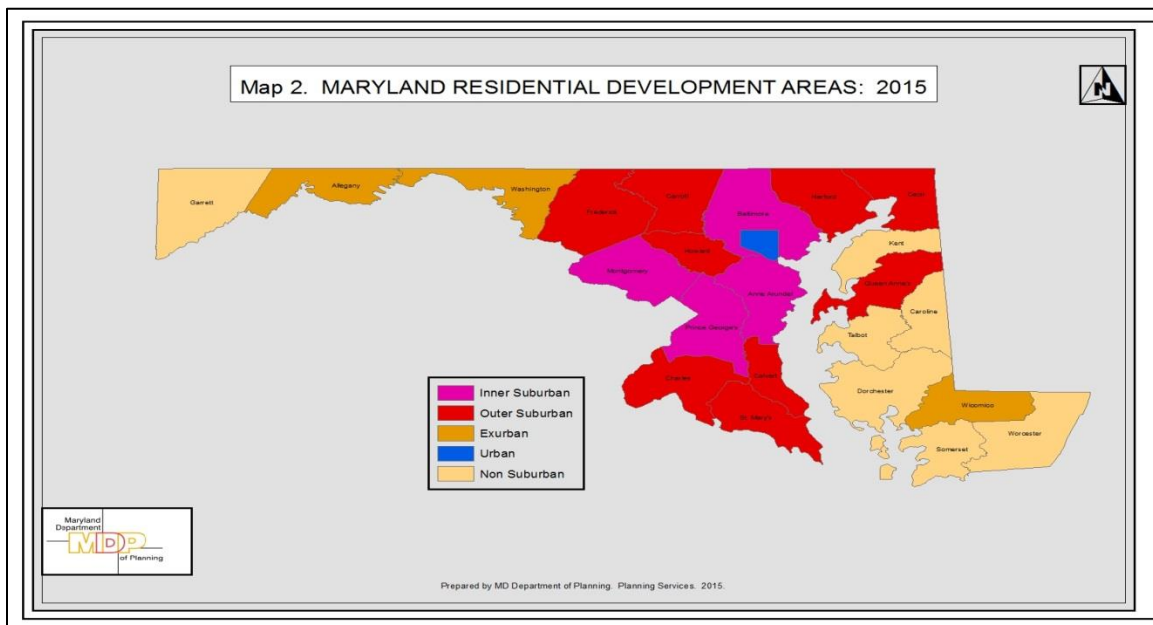
- The jurisdiction's weighted population density; and
- The jurisdiction's current population trends.

Listed below are the five categories and their component jurisdictions:

1. **Inner Suburban** (Anne Arundel, Baltimore, Montgomery and Prince Georges Counties);
2. **Outer Suburban** (Calvert, Carroll, Cecil, Charles, Frederick, Harford, Howard, Queen Anne's and St. Mary's Counties);
3. **Exurban** (Allegany, Washington and Wicomico Counties);
4. **Non - suburban** (Caroline, Dorchester, Garrett, Kent, Somerset, Talbot and Worcester Counties); and
5. **Urban** (Baltimore City).

Using 2016 population estimates from the U. S. Bureau of the Census, 86 percent of the State's population (5,172,870 of 6,016,447 persons), lives in the 16 jurisdictions classified Suburban (56 percent live in Inner Suburban jurisdictions, 25 percent live in Outer Suburban jurisdictions, and five 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 lives in primary jurisdictions not classified as suburban or urban.

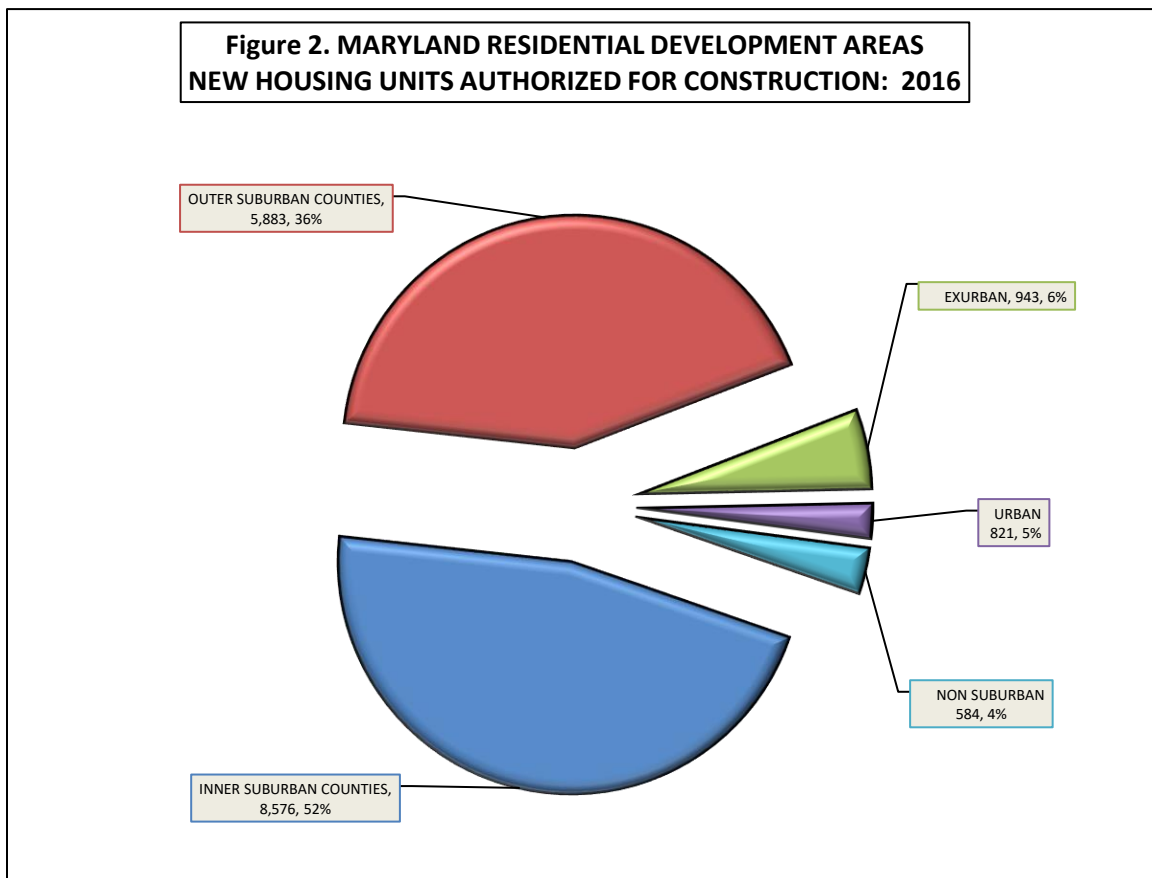


During 2016, Suburban jurisdictions authorized the construction of 15,556 new housing units. This accounts for 91 percent of the State's total new residential construction. The value of this construction is placed at \$2.9 billion. (See Figure 2. MARYLAND RESIDENTIAL DEVELOPMENT AREAS New Housing Units Authorized

for Construction: 2016). During 2015, new Suburban development amounted to 14,913 housing units (87 percent of the 17,057 new units authorized that year), valued at \$2.7 billion.

Two – thirds of the 2016 annual new residential development in the Suburbs consists of single family homes (10,393 housing units). This is higher than for any year since 2007 when 11,438 new homes were authorized.

The suburban dwellings authorized for construction have an aggregate 2016 value placed at \$2.2 billion. The average cost to build a house in the Maryland suburbs is \$212,345. This is slightly less than the statewide average of \$212,845 (minus \$500). (See also Chart MS. 1 **MARYLAND SUBURBAN DEVELOPMENT AREAS New Housing Units Authorized for Construction by Structure Type: 2010 – 2016.**)

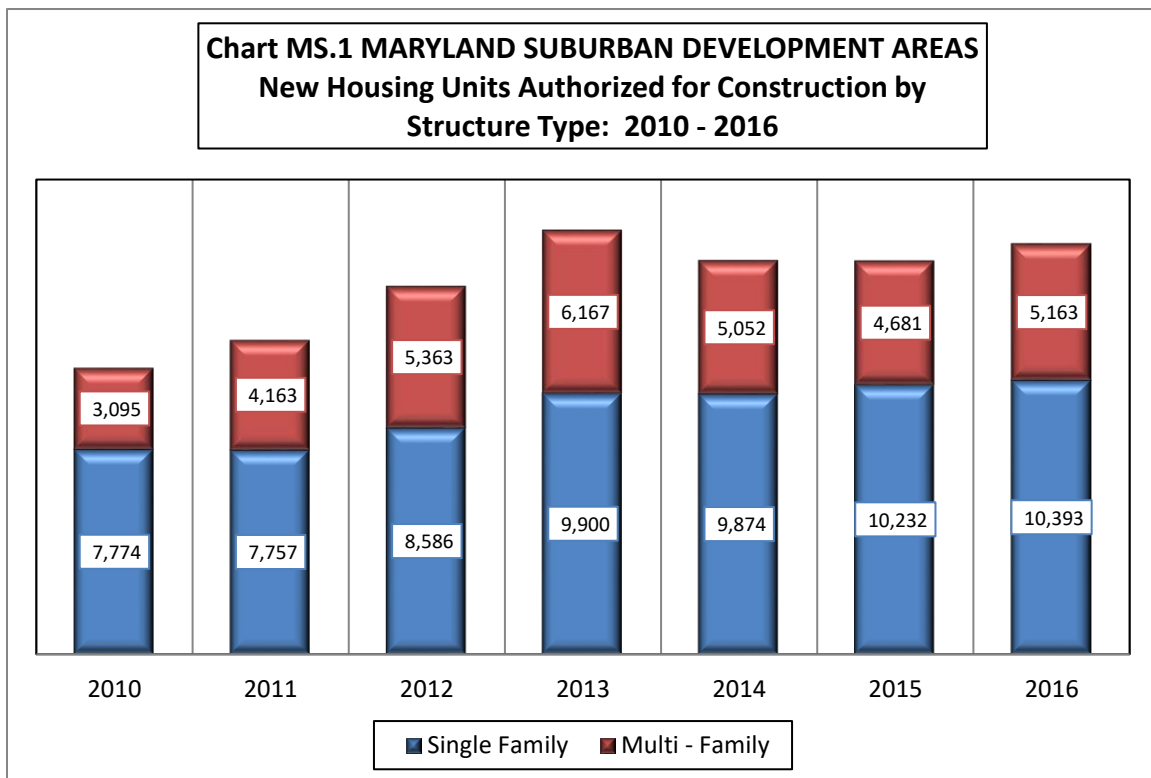


Maryland’s suburban builders produced 5,163 new multi-family housing units during 2016. This is 86 percent of the State’s new multi-family housing unit inventory. It is an increase of 482 units from the 4,681 authorized during 2015. It is also the highest number reported for multi-family residential development since

2013, when Suburban permit issuing places authorized 6,167 new units in multi-family unit buildings.

The 2016 construction value of multi-family housing construction in Suburban jurisdictions is placed at \$662.7 million a decrease of 16 percent (\$93.8 million) over the value of construction reported in 2015.

Most of the new multi-family units are garden style or high-rise apartments or condominiums (96 percent or 4,980 units). The value of which is placed at \$642 million or 97 percent of the total value of multi-family housing in the suburbs.



Inner Suburban Counties

Anne Arundel, Baltimore, Montgomery and Prince George’s Counties are the State’s 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 both cities.

The Inner Suburban Counties comprise 65 percent of the State’s Suburban population, and contain more than half of the State’s population, according to the 2016 U. S. Bureau of the Census population estimate. These jurisdictions contain 3,351,284 persons. This is 56 percent of the State’s total population.

During 2016, Inner Suburban permit issuing places authorized 7,917 new housing units. This accounts for 46 percent of the State's new residential construction. (See Also Chart MS 2. **MARYLAND RESIDENTIAL DEVELOPMENT AREAS New Housing Units Authorized for Construction: 2010 - 2016.**)

The Inner Suburbs show a slight increase in new housing production from 2015 to 2016. The number of new housing units authorized for construction rose 112 housing units (over one percent) from the 7,805 new housing units authorized for construction the previous year. (See Also Chart MS 3. **MARYLAND RESIDENTIAL DEVELOPMENT AREAS Change in New Housing Units Authorized for Construction: 2010 - 2016.**)

The value of new residential construction in the Inner Suburban jurisdictions is placed at \$1.43 billion during 2016. This is over 46 percent of the State's \$3.1 billion value of new residential construction during the year, and an increase of \$46 million (three percent) from the value of new residential construction authorized in these jurisdictions the previous year. (See also Chart MS 4. **MARYLAND RESIDENTIAL DEVELOPMENT AREAS Value of New Housing Unit Construction: 2015 - 2016.**)

About 49 percent (5,395) of the State's 11,059 new single - family homes are built in these four counties. Single family home construction during 2016 is an increase of 261 single family housing units from 2015, or just over a five percent increase.

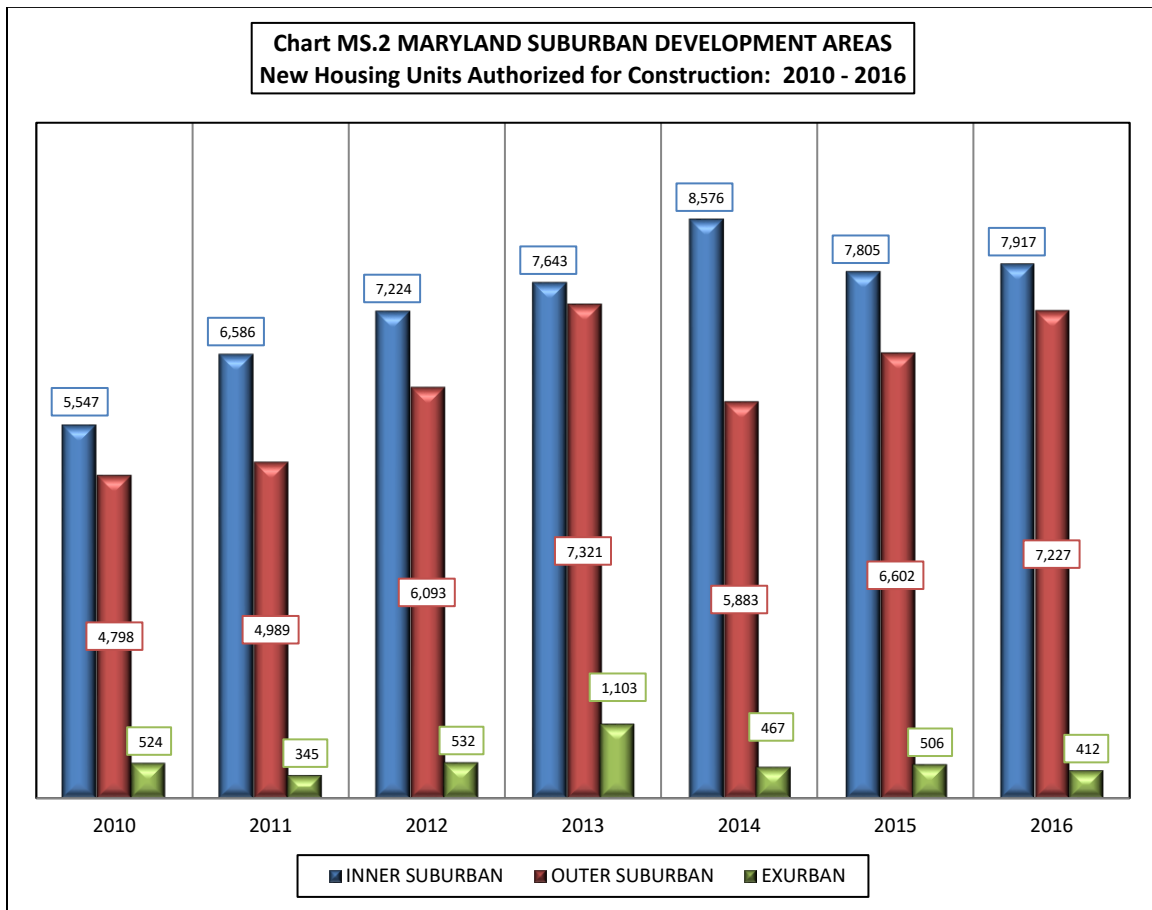
The value of new single - family home construction in the Inner Suburbs of Maryland is placed at \$1.1 billion. The average construction value of a new single - family home is \$205,064, or nearly four percent below the Maryland average construction value of \$212,845 for a newly built home. Still the average cost of building a single - family dwelling in the Inner Suburbs increased nearly one percent relative to cost reported in 2015 (\$203,064). (See also Chart MS 5. **MARYLAND AND RESIDENTIAL DEVELOPMENT AREAS New Single-Family Home Average Construction Value: 2015 - 2016.**)

The Inner Suburban counties authorized the construction of 2,522 new multi-family housing units during 2016. This represents nearly a six percent decrease from the 2,671 new multi-family housing units authorized for construction the previous year. (See also Chart MS 6. **MARYLAND AND RESIDENTIAL DEVELOPMENT AREAS New Housing Units Authorized for Construction by Structure Type: 2016.**)

The 2016 value of constructing multi-family buildings in the Inner Suburban counties is placed at \$323.9 million. This is five percent less than the \$341.7 million spent building multi - family housing in 2015.

Nearly 97 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 2,418 units in 38 new buildings containing five or more units with a construction cost placed at \$313.3 million.



Outer Suburban Counties

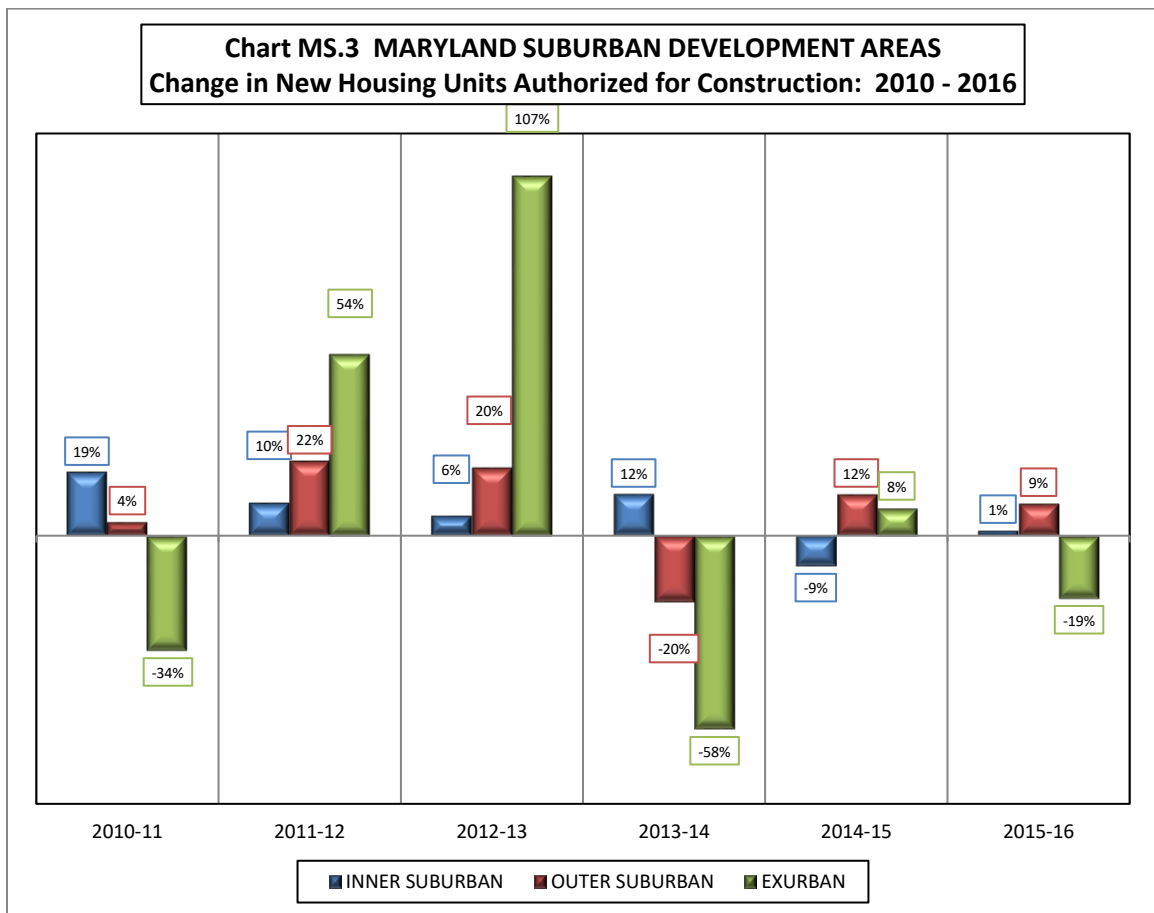
Calvert, Carroll, Cecil, Charles, Frederick, Harford, Howard, Queen Anne’s and St. Mary’s Counties comprise the Outer Suburban Counties. These are fast growing jurisdictions within commuter shed of the Baltimore City and Washington, DC population cores, and generally neighbor Inner Suburban Counties.

These counties contain 1,496,587 persons according to the 2016 population estimates from the U. S. Bureau of the Census. This is 29 percent of the State’s suburban area population of 5,172,870 persons, and 25 percent of the State’s total population of 6,016,447.

During 2016, Outer Suburban Counties authorized 7,227 new housing units for construction. This accounts for 42 percent of the State’s new residential construction during the year.

Only once in the last six years has new housing production in the Outer Suburban Counties been less than the previous year. The 2016 total is an increase of 625 housing units compared to the 6,602 new units authorized during 2015. The 2016 value of Outer Suburban housing construction is placed at \$1.36 billion. This is 43 percent of the State's total new housing construction value of \$3.17 billion.

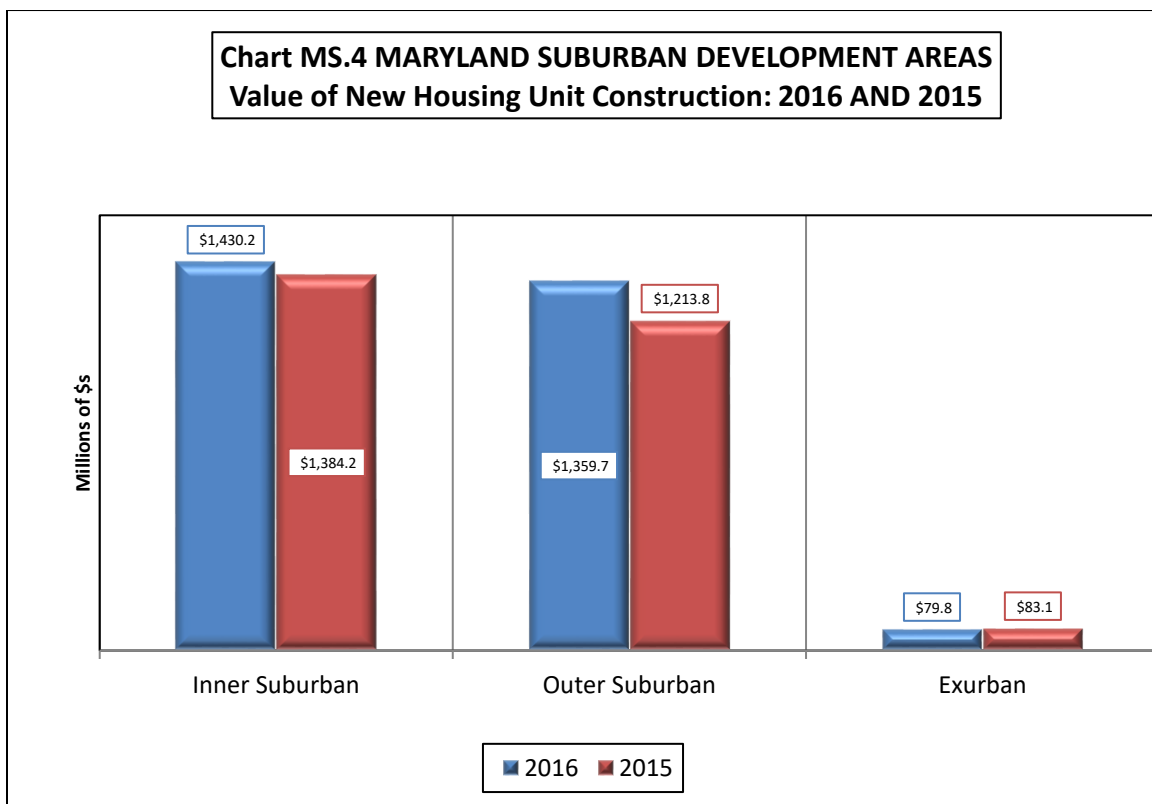
The new housing inventory in the Outer Suburban Counties is mostly single - family dwellings (65 percent or 4,699 units). The number of new single - family housing units authorized for construction during 2016 is 68 units lower than the number of new single - family housing units built in 2015 (4,767).



The value of new single - family housing construction in Outer Suburban jurisdictions is placed at \$1.03 billion. The average new home construction cost in the Outer Suburbs is \$219,451. This is three percent higher than the average cost of building a new home Statewide (\$212,845), and nearly five percent higher than the construction value of new single - family homes in the same areas reported for 2015 (\$209,218).

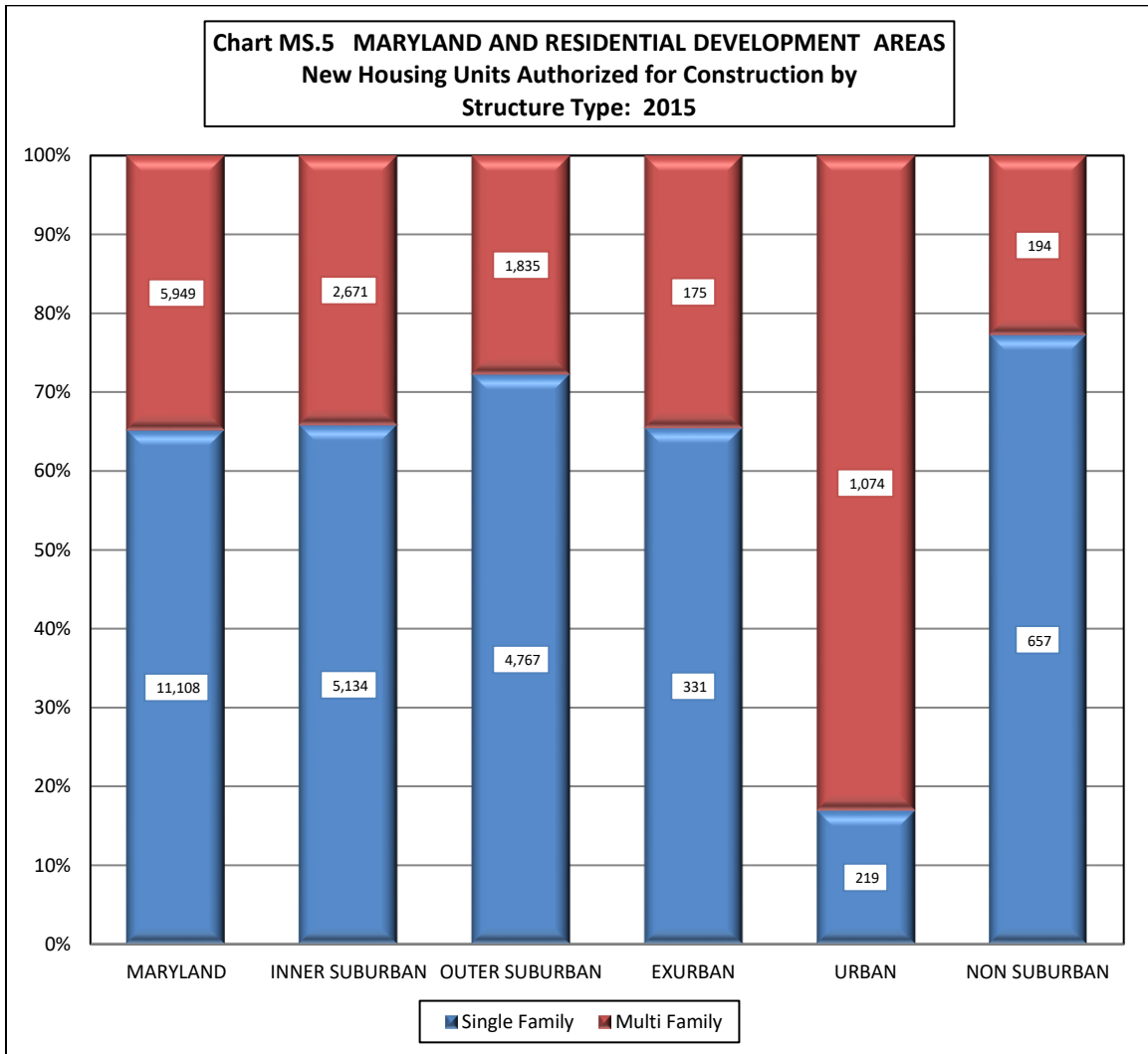
The Outer Suburban jurisdictions account for 42 percent of the State's new multi-family housing unit development activity, and the Statewide increase in new multi-family housing from the previous year. Permit issuing places in Outer Suburban jurisdictions authorized 2,528 new housing units in multi-family developments during 2016. This represents a substantial increase (693 units or 38 percent) from the 1,835 new multi-family housing units authorized during 2015.

The 2016 construction value of new Outer Suburban multi-family housing units is placed at \$328.5 million. Nearly all (98 percent) the new multi-family development is devoted to apartments and condominiums, as 2,472 of the new units are in 100 buildings containing five or more units.



Exurban Counties

Allegany, Washington and Wicomico Counties are classified Exurban Counties. Exurban 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 324,999 persons according to the 2016 population estimates from the U. S. Census Bureau. This is over five percent of the State's total population of 6,016,447 persons, and over six percent of the State's suburban population of 5,172,870 persons.

During 2016, these jurisdictions authorized 412 new housing units. This is a decrease of 94 new homes (over 18 percent) from the 506 new housing units authorized for construction during 2015. New housing construction in Exurban jurisdictions accounts for over two percent of the State's new residential construction in 2016.

The value of new residential construction in Exurban counties is placed at \$79.8 million, or almost three percent of the State's total value of residential new

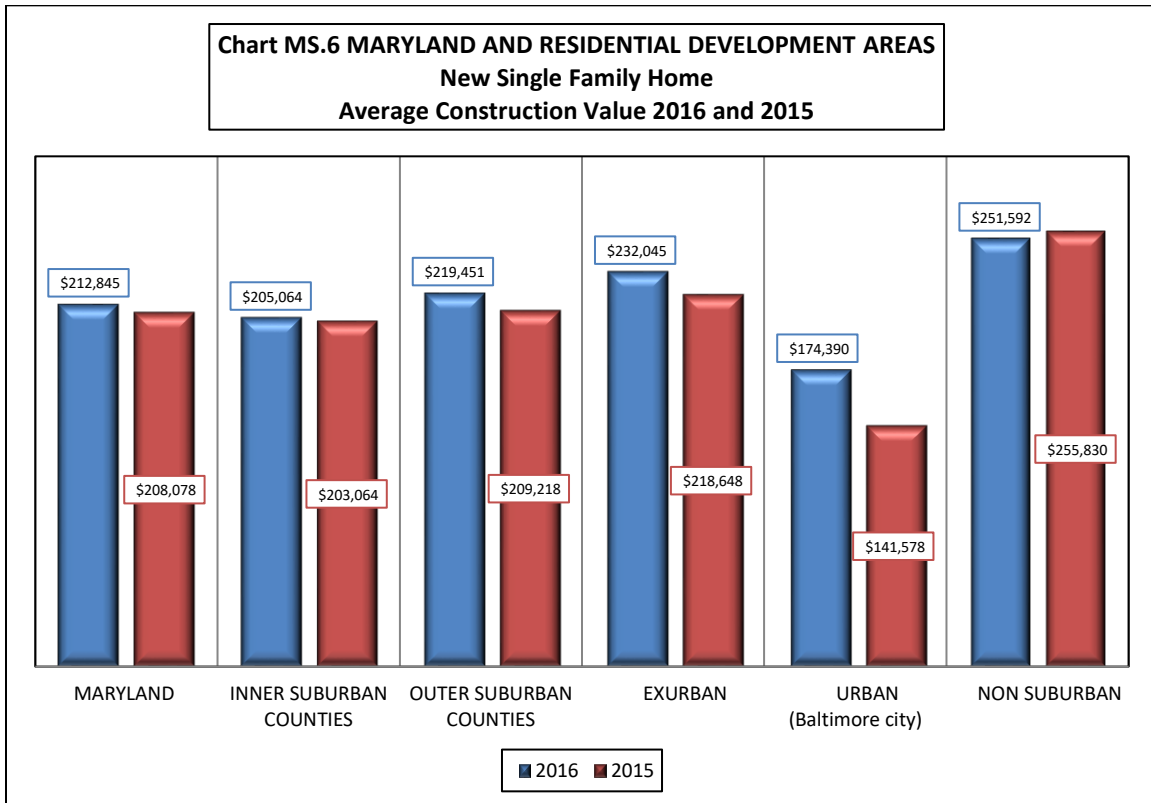
construction. This is a significant decrease in expenditures from 2015, when the value of new housing production in Exurban counties was placed at \$83.1 million.

Allegany, Washington and Wicomico Counties combined to authorize 299 new single-family houses in 2016, a decrease of 32 units from the 331 single family homes authorized for construction during 2015. Single family housing accounts for 65 percent of all new housing units authorized for construction by Exurban permit issuing places.

The 2016 value of new single - family housing construction is \$69.4 million in Exurban counties. The average construction value of new single - family homes is \$232,045 in these areas. This is nine percent higher than the average cost of a new single - family home in Maryland (\$212,845). The 2016 average construction value is six percent higher than the \$218,648 average new home construction value the previous year.

New multi - family housing unit construction activity in Exurban counties account for two percent of the State's new suburban multi-family developments. Permit issuing places in these jurisdictions authorized 113 new multi-family housing units for construction during 2016. This is a decrease of 62 units from the 175 new multi-family housing units authorized in these counties during 2015.

The 2016 total value of multi-family building construction in the Exurbs is placed at \$10.4 million. This represents a three percent drop in spending compared to new multi-family housing construction in 2015, when the value of new multi - family housing unit was placed at \$10.75 million.



Non-suburban Non - urban Counties

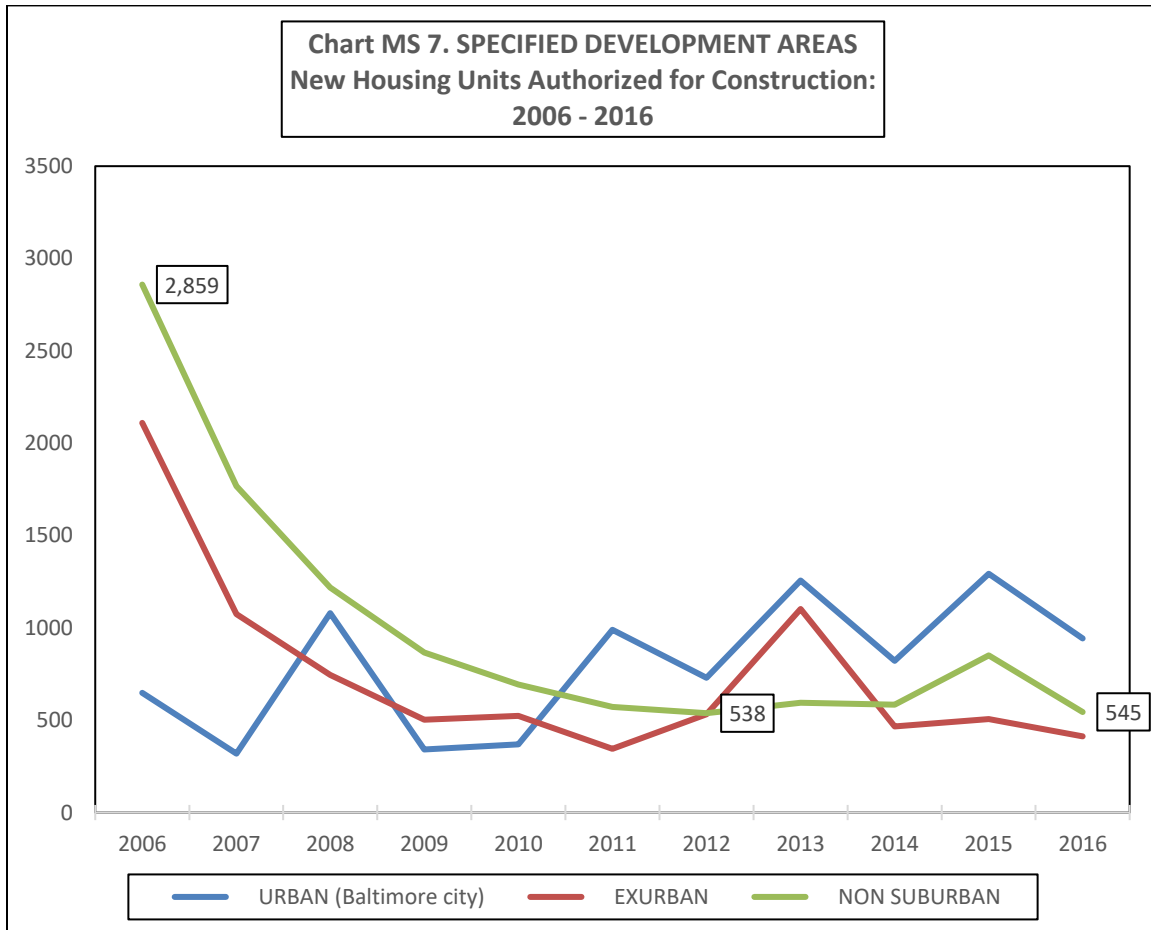
There are seven jurisdictions not classified as suburban or urban (Caroline, Dorchester, Garrett, Kent, Somerset, Talbot and Worcester Counties) in the State. Annual new residential construction fell considerably during 2016 in these areas; from five percent of the State’s new housing stock during 2015, to just over three percent during 2016. New residential construction in these areas has fallen for eight of the last 10 years. (See also Chart MS 7. ***SPECIFIED DEVELOPMENT AREAS New Housing Units Authorized for Construction: 2006 - 2016.***)

During the year, permit issuing places in these jurisdictions authorized 545 new housing units for construction. This is 36 percent lower than the 851 new housing units authorized for construction during 2015.

The 2016 value of new housing construction in these counties is placed at \$112 million. While this is nearly four percent of the State’s \$3.2 billion annual value of residential construction activity, it also reflects a substantial decrease from the area’s \$193.5 million construction value reported in 2015 (a drop of 42 percent).

There are 399 new single-family homes authorized for construction in non – suburban counties during 2016. This is 73 percent of all new residential unit

construction, and remains the highest percent share for new single - family housing construction among all specified development areas. The value of new single - family home construction is placed at \$100.4 million.



The average cost to build a new single - family home in a non-suburban jurisdiction during 2016 is \$251,592. On average, this is higher than any suburban or urban area of the State. It is more than 18 percent higher than the average construction cost of new single - family housing unit Statewide (\$212,845). Compared to the average cost to build a new house in 2015, however, the current average value represents almost a two percent decrease from the \$255,830 average cost of in 2015.

Much like the Exurban areas, relatively little new multi - family housing construction takes place in non - suburban areas. Just three of the State's seven non - suburban jurisdictions authorized new multi - family housing construction during the year. Caroline, Dorchester and Worcester authorized 36, 41 and 69 new multi - family housing units for construction, respectively.

Combined, permit issuing places in these jurisdictions account for 146 new multi-family housing units. This is a net decrease of 48 new units for the area's multi-family housing since 2015.

The 2016 value of constructing new housing units in multi-family buildings is placed at \$12.1 million. This is a substantial decline when contrasted with the \$25.4 million value of multi-family housing construction put in place during 2015.

Maryland Jurisdictions¹

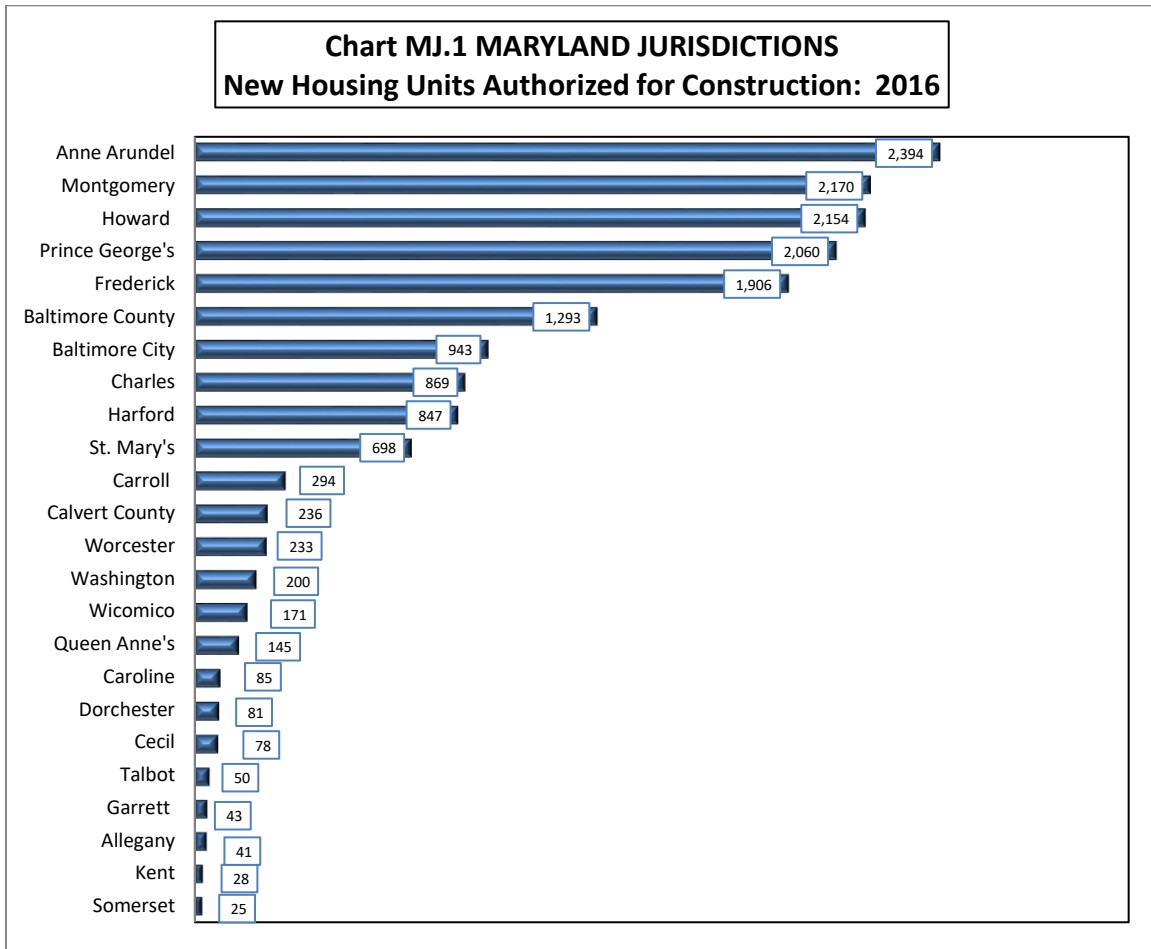
Four jurisdictions account for over one-half of Maryland's 17,044 new housing units during 2016. Anne Arundel County permit issuing places authorized 2,394 new dwellings, more than any other jurisdiction. When combined with what is reported for Montgomery (2,170 units), Howard (2,154 units) and Prince George's (2,060 units) Counties, the four jurisdictions account for 52 percent of the State's new housing production. (See also Chart MJ.1 **MARYLAND JURISDICTIONS New Housing Units Authorized for Construction: 2016.**)

Just nine of the State's 24 jurisdictions experienced an increase in new residential construction activity compared to the previous year. Jurisdictions with the highest net increase are Frederick County (603 additional units), Howard County (561 additional units) and Prince George's County, with an increase of 303 more units.

Dorchester County experienced the highest annual percent increase in new housing during 2016. Housing production in the County jumped 125 percent (from 36 to 81 new housing units) over the period.

Other jurisdictions reporting very high annual percentage increases in new housing units include; Caroline County (85 percent, an increase of 39 to 85 new housing units), Frederick County (46 percent, increasing from 1,303 to 1,906 new units), and Howard County, displaying a 35 percent increase from 1,593 new units to 2,154 new units during 2016.

¹ See Table 1. MARYLAND, REGION AND COUNTY GROUP New Housing Units Authorized for Construction by Building Permits: 2016 Building, Units, Structure Type and Value; and See Table 2. MARYLAND, REGION AND COUNTY GROUP New Housing Units Authorized for Construction by Building Permits: 2015 Building, Units, Structure Type and Value.



During 2016, only nine of the State's 24 jurisdictions reported an increase in new housing construction compared to 2015. The largest of which occurred in Frederick County where 603 more housing units were authorized for construction than the previous year. Howard County (561 more housing units) and Prince George's County (303 additional housing units) also registered significant net increases in new residential stock.

Dorchester, Caroline and Frederick Counties experienced the highest percentage increase in new housing unit construction compared to the previous year. New housing units authorized for construction by permit issuing places in Dorchester County increased 125 percent from 36 to 81 new units. The increase in new residential construction activity in Caroline County is an increase of 85 percent (from 46 to 85 new units), while Frederick County's new housing production increased over 46 percent.

Jurisdictions experiencing the largest decrease in new housing production from 2015 through 2016 include Baltimore City, and Charles and Anne Arundel Counties. Baltimore City's new housing unit production fell from 1,293 to 943 new units (a

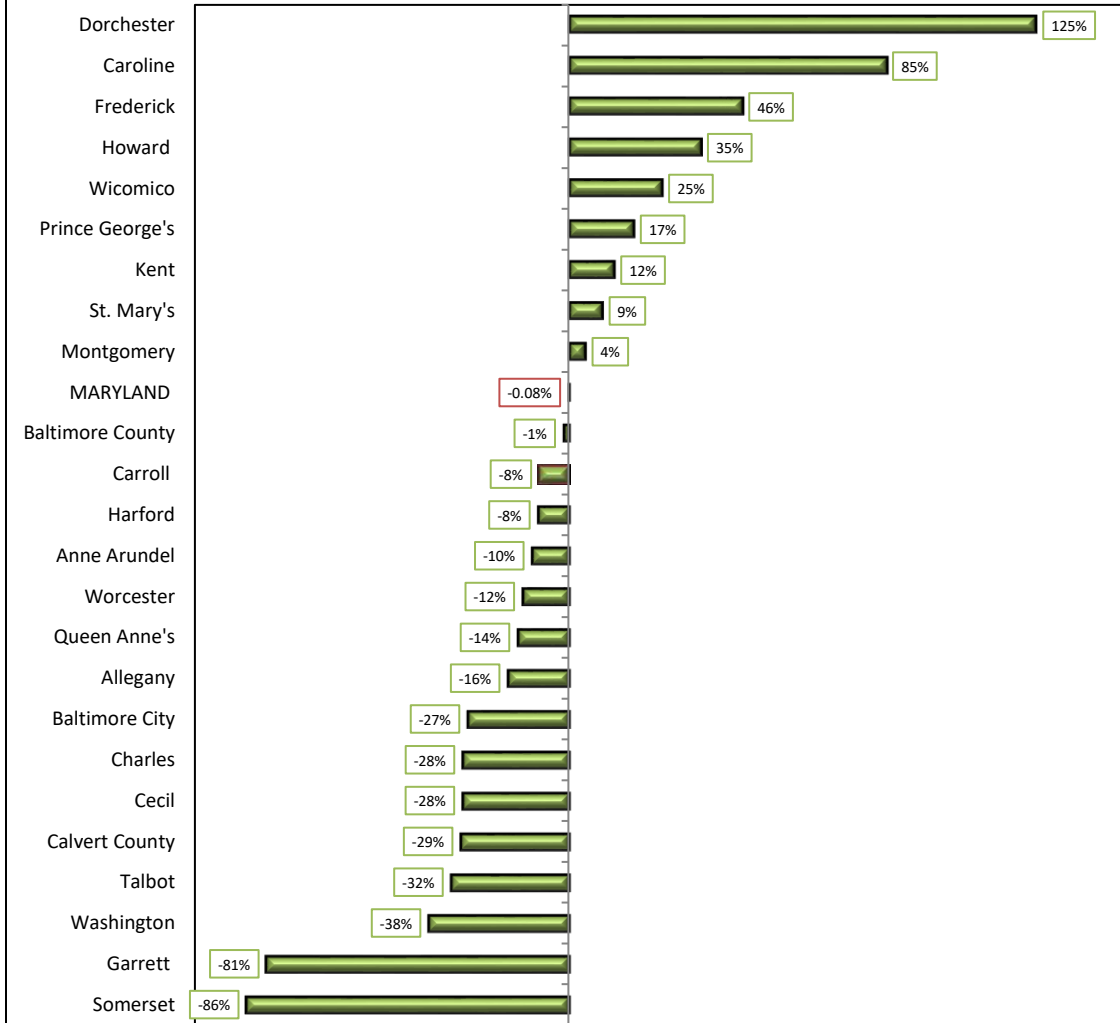
decrease of 350 units), while activity in Charles decreased by 345 units, and in Anne Arundel by 262 units).

This is attributable to a decrease in authorizations for new multi-family housing units. In Baltimore City, multi-family housing construction fell 398 units from 1,074 in 2015 to 676 units during 2016; in Anne Arundel, new multi-family housing fell by 376 units to 715 units over the period, while Charles County multi-family housing construction dropped from 288 to 72 new units over the period.

Other jurisdictions experiencing substantial net decreases in new residential construction activity compared to the previous year include, Garrett (minus 181 units) and Somerset (minus 156 units) Counties.

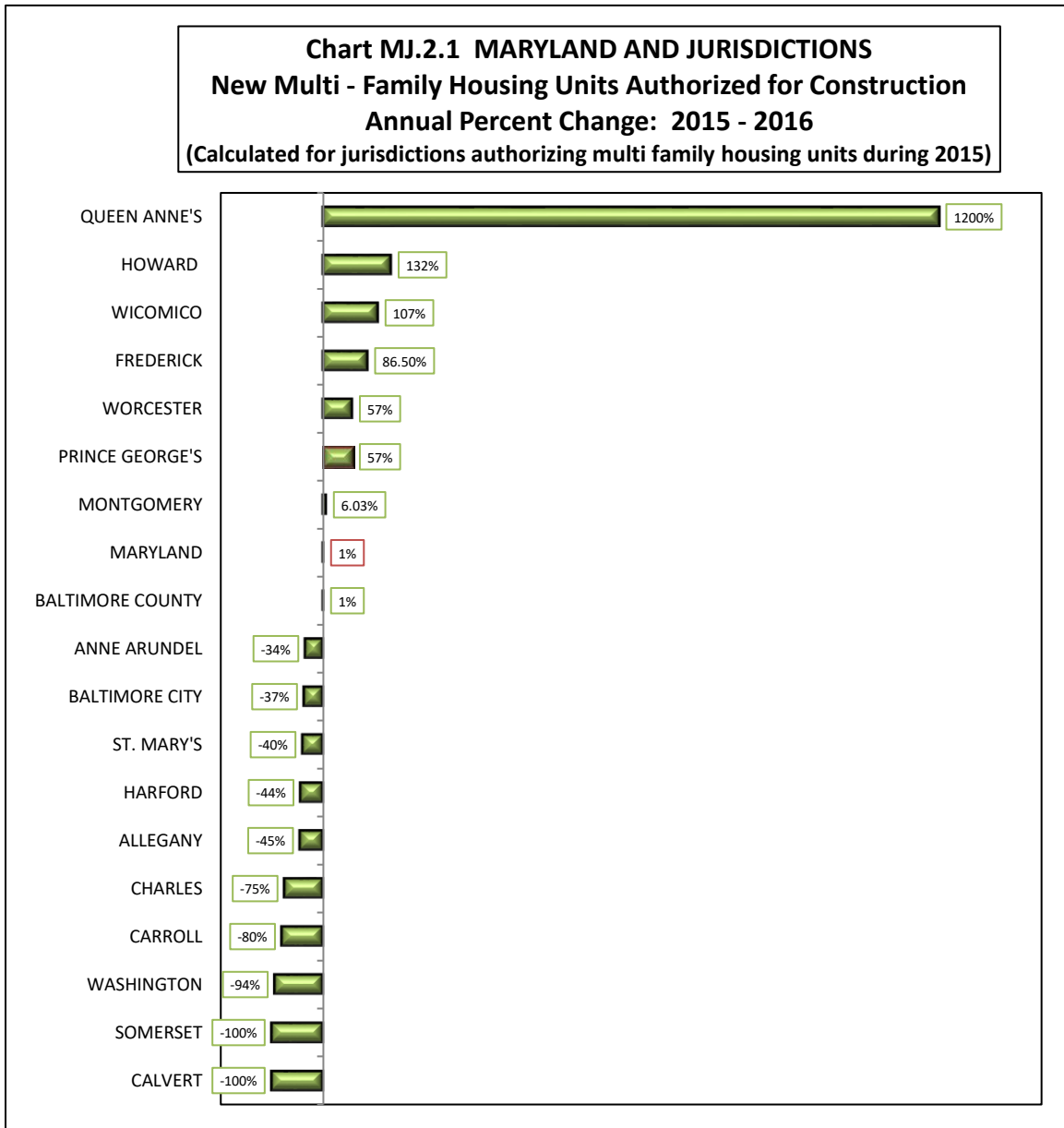
The largest percentage reductions in annual new housing construction from 2015 through 2016 occurred in Somerset, Garrett and Washington. Somerset County housing production dropped 86 percent from 181 units during 2015. In Garrett County, the falloff in new housing is a loss of 81 percent to 43 housing units authorized in 2016. Washington County's 2016 new housing production is nearly a 38 percent decrease from 320 new units in 2015 to 200 new units in 2016. (See also Chart MJ.2 **MARYLAND AND JURISDICTIONS New Housing Units Authorized for Construction Annual Percent Change: 2015 - 2016.**) Chart MJ.2.1 **MARYLAND AND JURISDICTIONS New Multi - Family Housing Units Authorized for Construction Annual Percent Change: 2015 - 2016.**) Chart MJ.2 **MARYLAND AND JURISDICTIONS New Single - Family Housing Units Authorized for Construction Annual Percent Change: 2015 - 2016.**)

**Chart MJ.2 MARYLAND AND JURISDICTIONS
New Housing Units Authorized for Construction
Annual Percent Change: 2015 - 2016**



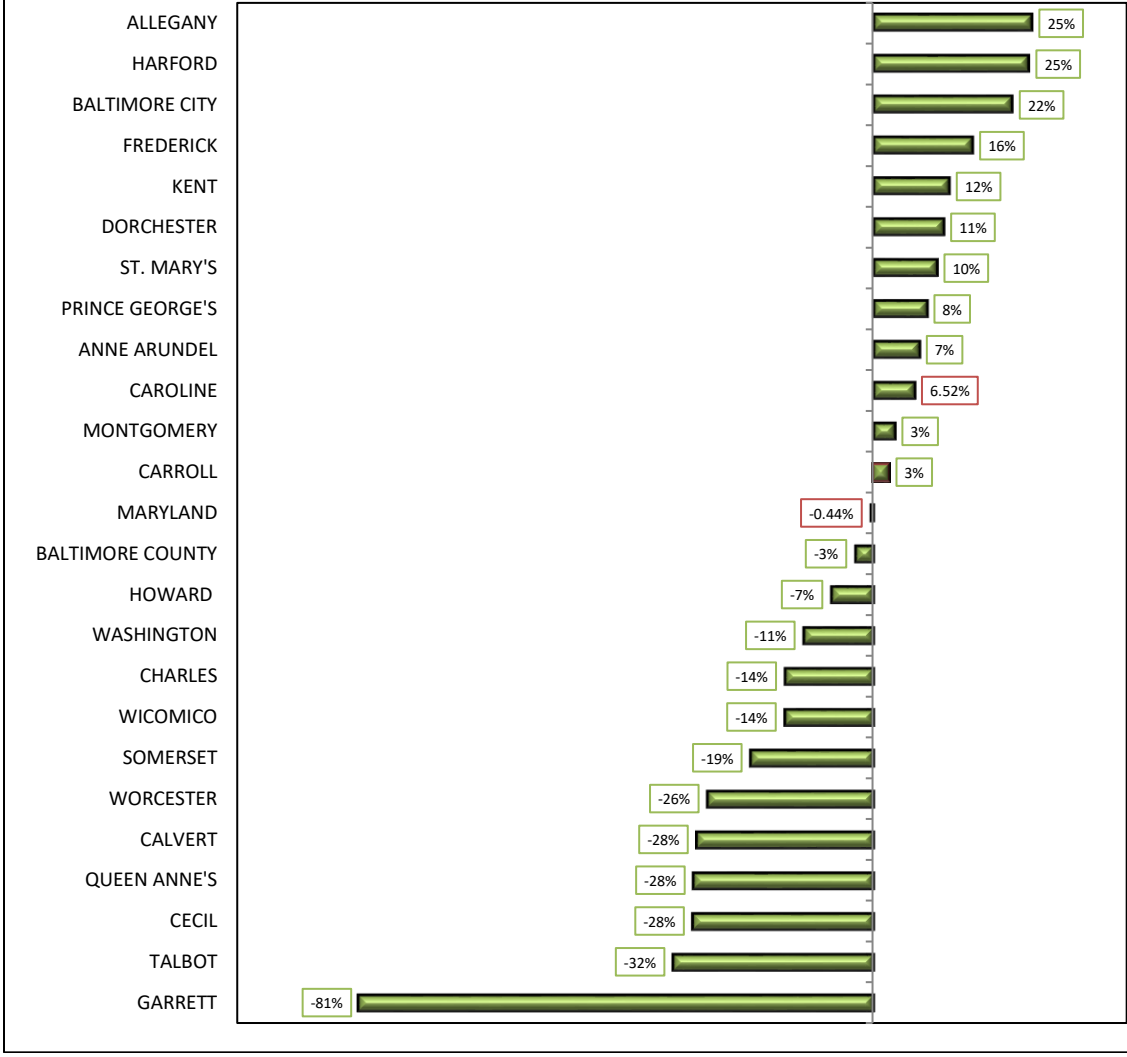
The Statewide value of new residential construction during 2016 is placed at \$3.2 billion. This is almost a three percent increase in value compared to 2015 when the annual value of new residential construction was placed at \$3.1 billion.

The jurisdiction with the highest reported construction value is Montgomery County (\$425 million), followed by Prince George's (\$396.2 million), Howard (\$378.7 million) and Anne Arundel (\$371.8 million) (See also Chart MJ.3 **MARYLAND JURISDICTIONS Value of New Housing Unit Construction: 2016.**)

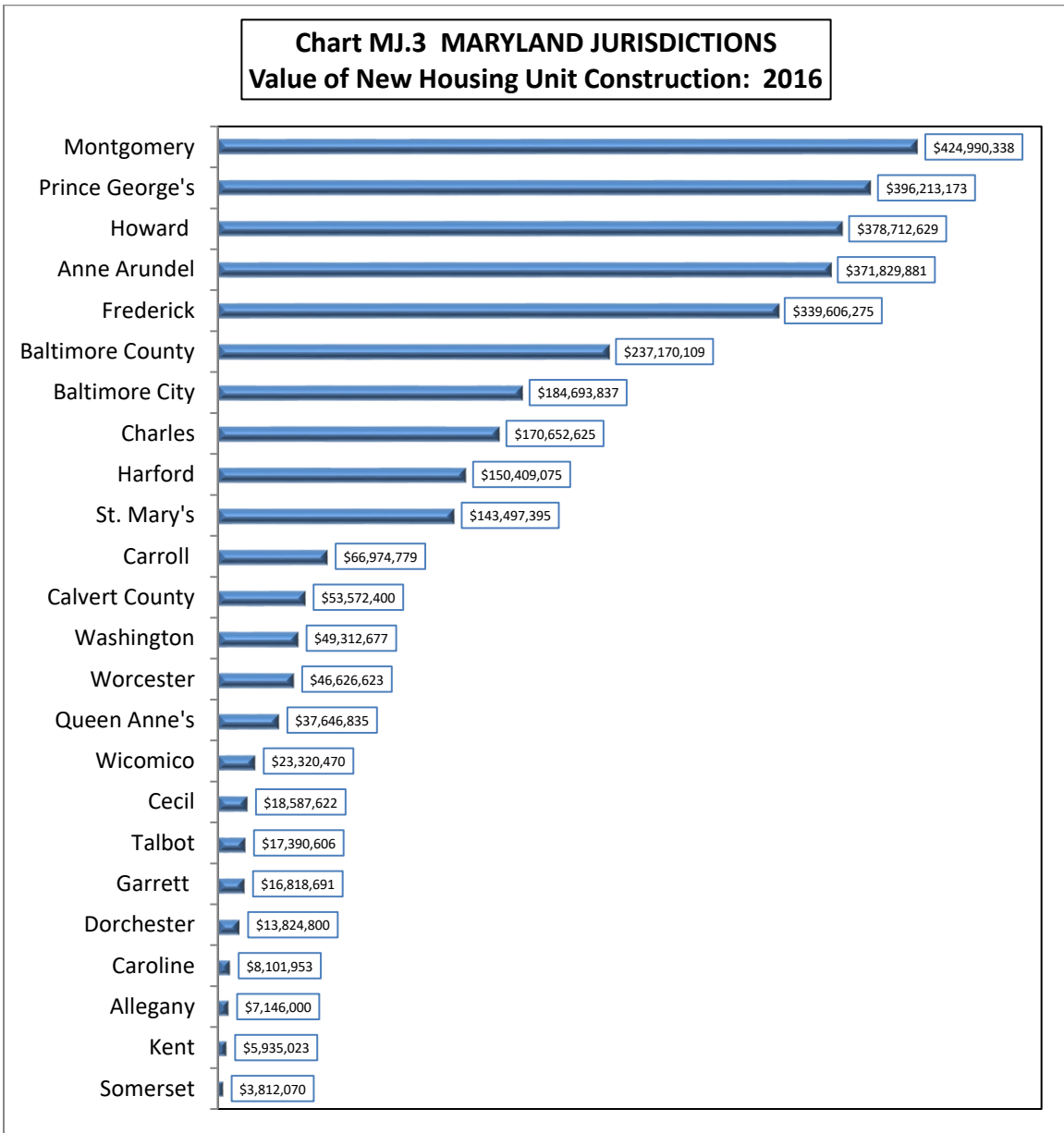


The lowest 2016 value for new housing construction placed in jurisdictions is reported for Somerset County. The value of new housing construction in Somerset is placed at \$3.8 million. This is followed by Kent County with housing production valued at \$5.9 million, Allegany County with new home construction activity valued at \$7.1 million, and Caroline County with permit issuing places reporting the value of their new residential construction costs at \$8.1 million.

**Chart MJ.2.2 MARYLAND AND JURISDICTIONS
New Single - Family Housing Units Authorized for Construction
Annual Percent Change: 2015 - 2016**

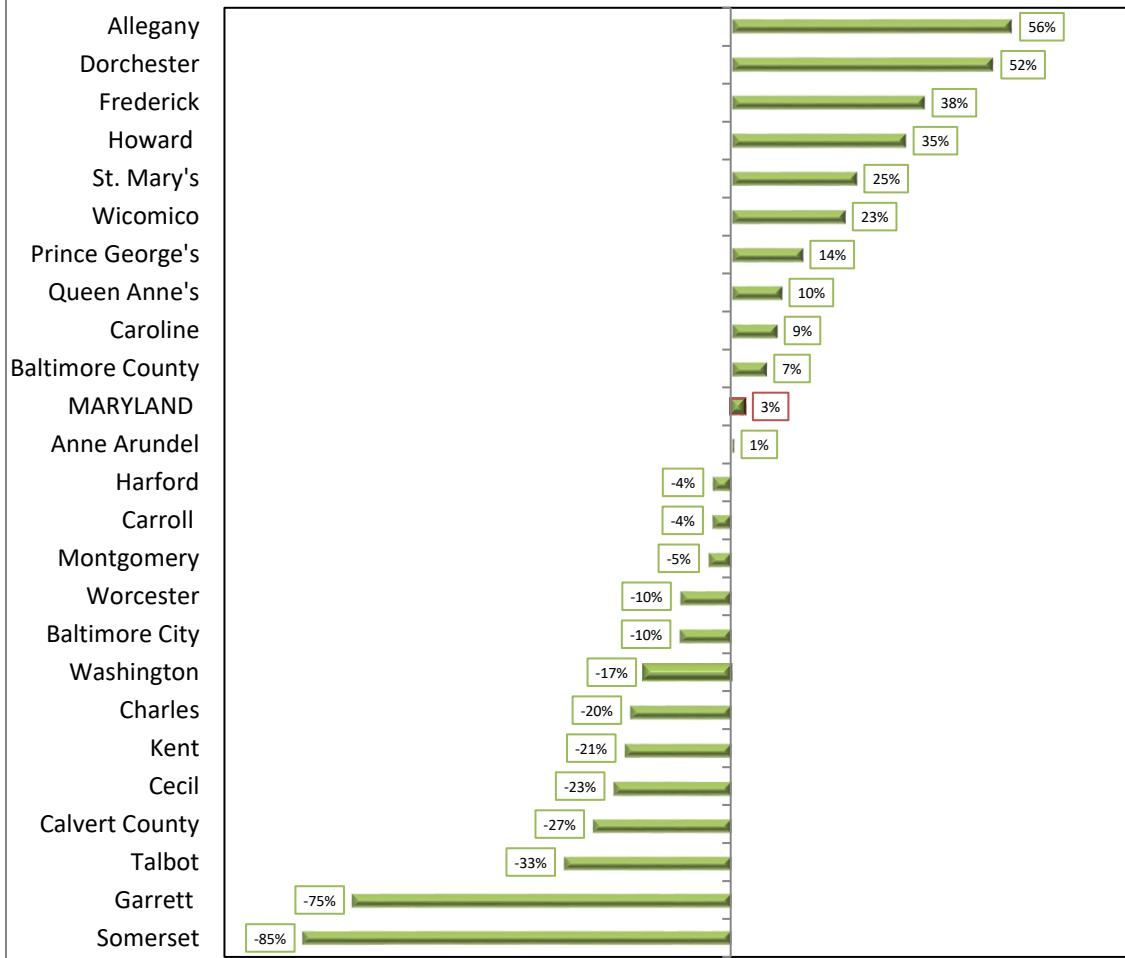


Eleven jurisdictions experienced an increase in the current dollar value of new housing construction from 2015 through 2016. The increase is highest in Howard County where the value of construction increased by \$97.3 million. (See also Chart MJ.4 **MARYLAND AND JURISDICTIONS New Housing Units Construction Value Percent Change: 2015 - 2016.**)



Permit issuing places in Frederick County reported an increase in the value of new home construction for the period at \$94 million. Prince George's and St. Mary's Counties are two other jurisdictions posting very high net increases in the value of new home construction, reporting increases of \$49.1 million and \$28.5 million, respectively.

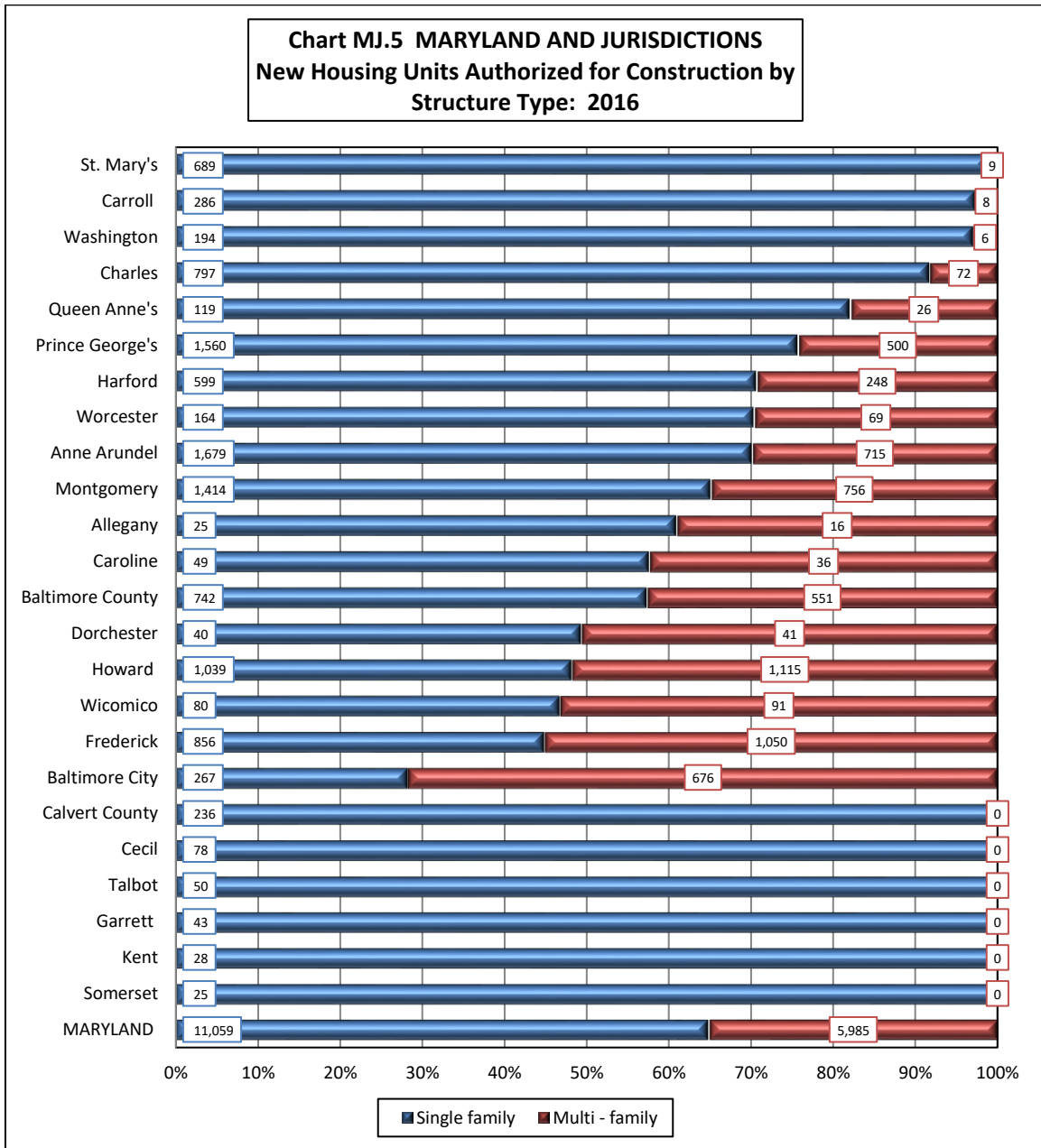
**Chart MJ.4 MARYLAND AND JURISDICTIONS
New Housing Units Construction Value
Percent Change: 2015 - 2016**



Jurisdictions reporting the highest percent gain in the value of new home building from 2015 are Allegany County (with an increase in construction value of 56 percent), Dorchester County (an increase of 52 percent), Frederick (reporting an increase of 38 percent), and Howard Counties (an increase of 35 percent).

There are 13 jurisdictions that experienced a net reduction in the value of new housing construction between 2015 and 2016. The falloff was most severe within six jurisdictions reporting losses of over \$20 million.

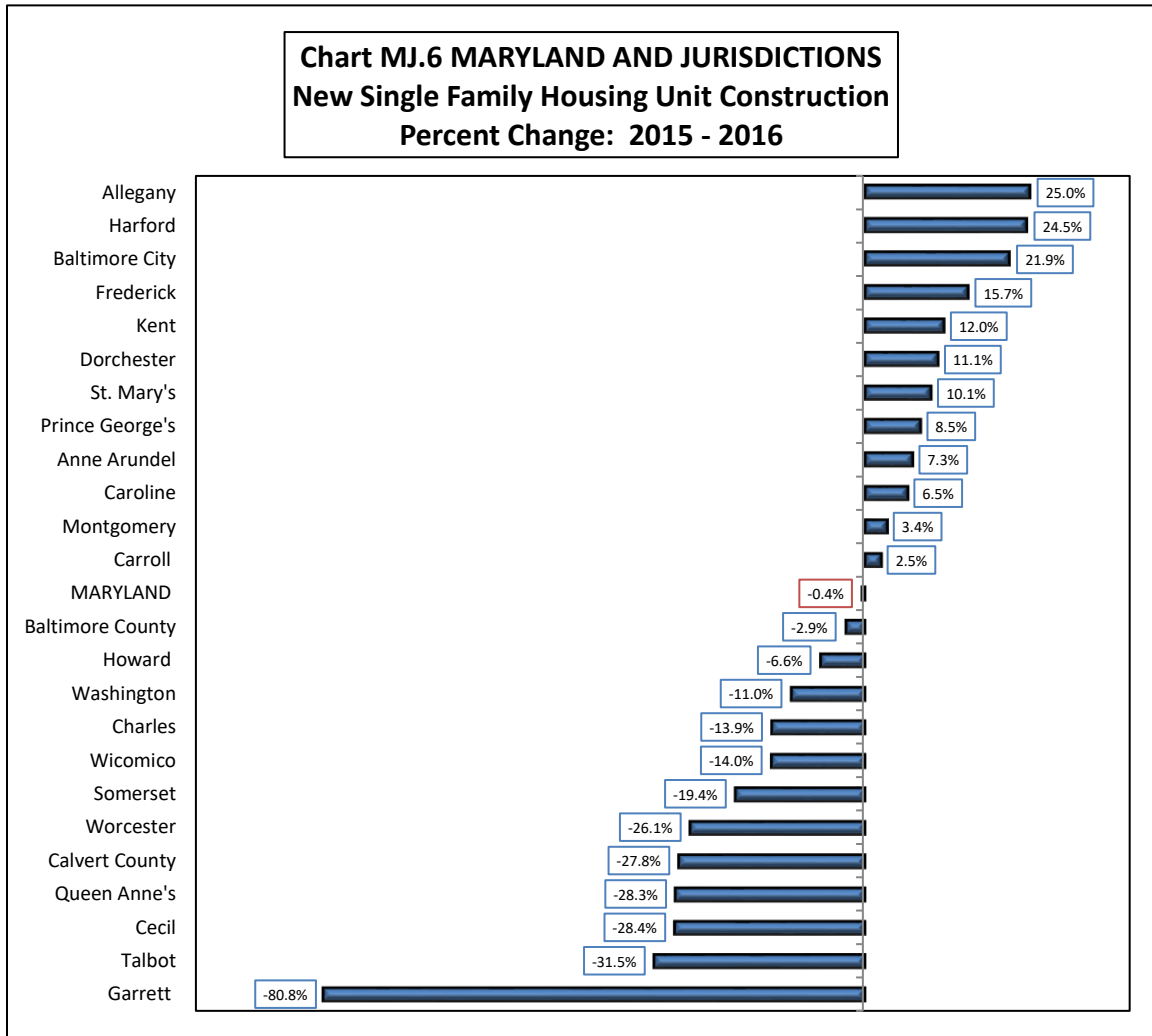
Permit issuing places in Garrett and Charles Counties reported over a \$40 million drop in the value of new housing unit construction (-\$50 million and -\$42.8 million, respectively). While Baltimore City (-\$21.3 million), and permit issuing places in Somerset (-\$20.9 million), Montgomery (-\$20.8 million) and Calvert Counties (-\$20.2 million) also faced substantial cutbacks in activity.



The biggest percent loss in the value of new home building activity from 2015 through 2016 are reported by permit issuing places in Somerset County (- 85 percent), Garrett County (- 75 percent), and Talbot County (- 33 percent).

Single family home construction remains the dominant component of Maryland's new housing, comprising almost two – thirds of all new residential construction. The percentage share of single family housing is 65 percent in 2016, comparable to

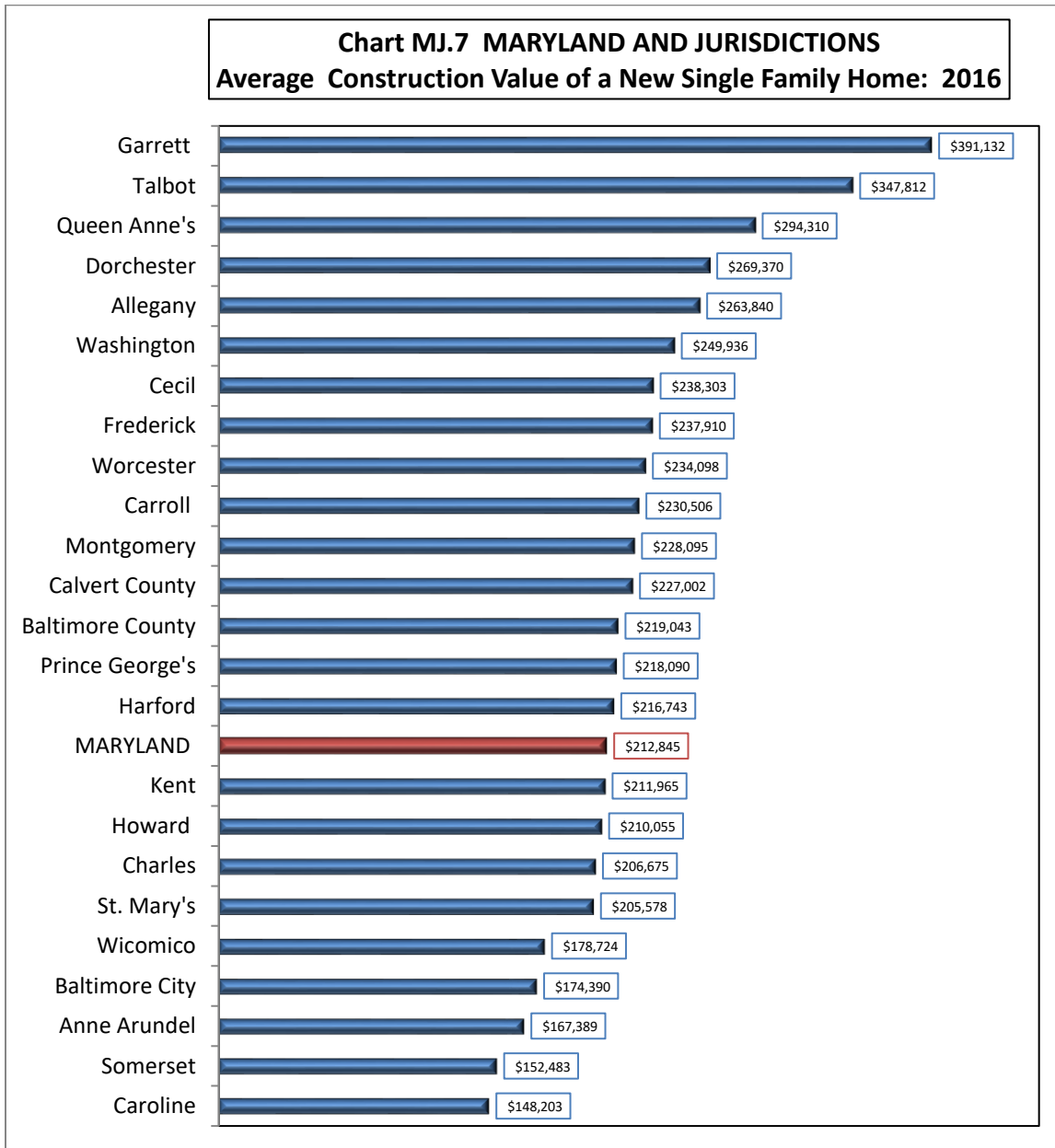
the previous year. (See also Chart MJ.5 MARYLAND AND JURISDICTIONS New Housing Units Authorized for Construction by Structure Type: 2016.)



All new housing units authorized for construction in six jurisdictions are single family homes. These Jurisdictions are in Calvert, Cecil, Talbot, Garrett, Kent and Somerset Counties.

Jurisdictions building the highest number of new single-family housing units during 2016 are Anne Arundel (1,679 new units), Prince George's (1,560 new units), Howard Counties (1,039 new units) and Montgomery (1,414 new units).

The lowest number of new single-family housing units authorized for construction is reported by Somerset and Allegany (25 new homes each), followed by Kent (28 new homes) and Dorchester Counties (40 new homes).



During 2016, twelve jurisdictions reported a net increase in the number of new single-family housing units authorized for construction compared with the number reported in 2014. The highest net increase in new single-family home construction occurred in Prince George's County (122 more single-family homes), Harford (118 additional single-family homes), Frederick County (116 more single-family homes) and Anne Arundel County with 114 more new single-family homes authorized for construction than the previous year.

The highest percent increase in new single-family home construction occurred in Allegany County, where 25 percent more single-family homes were authorized for construction than the previous year. It is followed closely by Harford (24.5 percent), Baltimore City (22 percent) and Anne Arundel County with nearly 16 percent more single-family homes authorized for construction in 2016 than in 2015.

Twelve jurisdictions faced decreases in the production of new single-family houses compared with what was reported for 2015. Counties experiencing the largest net decreases in 2016 new single-family home construction include Garrett (181 fewer single family homes), Charles (129 fewer single family homes), and Calvert (91 fewer single family homes).

The largest percent decrease in new single-family home construction occurred in Garrett County with nearly 81 percent fewer homes authorized for construction than in 2015. The next largest annual percent decrease in activity is reported by permit issuing places in Talbot (-32 percent) and Cecil, Queen Anne's and Calvert Counties – all reporting about 28 percent fewer single family houses delivered, when compared with 2015.

The 2016 average cost of building a new single-family home in the State is \$212,845. Of the 15 jurisdictions with an average cost construction higher than the state mean, the average cost is highest in Garrett County. The average value of construction for a new single-family home is \$391,132 in Garrett County. This is 84 percent higher than the State's average cost.

Other Jurisdictions with relatively high average construction costs for a new single-family home in 2016 include; Talbot County (\$347,812), Queen Anne's County (\$294,310) and Dorchester County (\$269,370). (See also Chart MJ.7 **MARYLAND AND JURISDICTIONS Average Construction Value of a New Single-Family Home: 2015.**)

Jurisdictions reporting the highest annual net increase in the average cost of building a new single-family home include; Garrett County, where the 2016 average new home construction cost of is up \$93,104 from the 2015 average cost of \$298,028. Queen Anne's County's net increase is nearly as high, with \$89,205 increase in the cost of new single-family housing unit construction, from \$205,104 in 2015.

Other jurisdictions where the price tag for building a new house increased over \$20,000 include; Allegany County (\$58,790 to \$263,840), Baltimore City (\$32,812 to \$174,390), Worcester (\$30,988 to \$234,098) and St. Mary's Counties (\$26,306 to \$205,578).

Jurisdictions reporting the highest annual percent increase in the annual average cost of building a new single-family home include; Queen Anne's County, where the

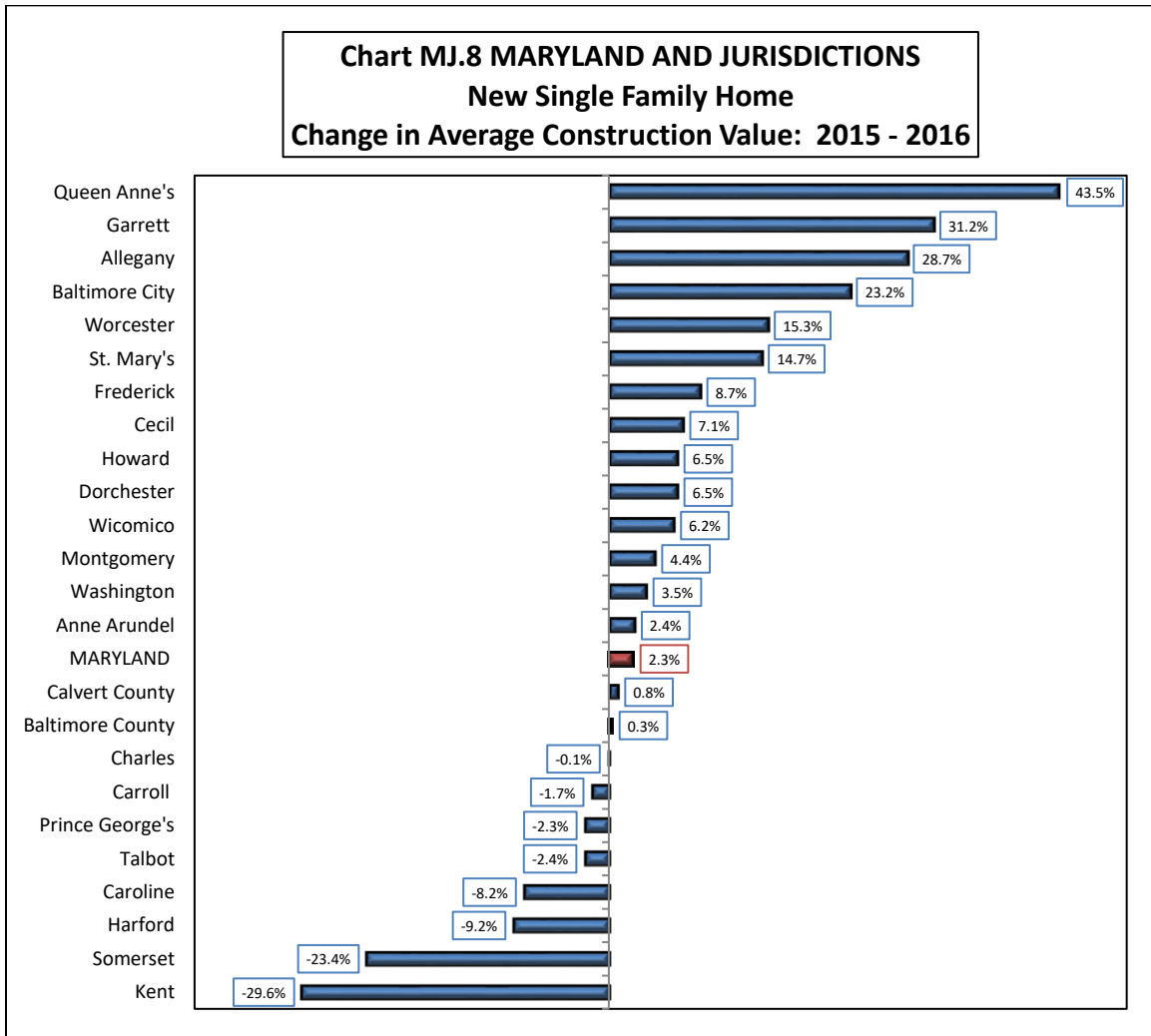
2016 average new home construction cost of is up 44 percent, followed by Garrett County (31 percent) and Allegany County (29 percent).

Other jurisdictions where the price tag for building a new house increased jumped markedly include; Baltimore City (23 percent), Worcester (15 percent) and St. Mary's Counties (just over 14 percent).

Caroline County permit issuing places report the lowest average value of construction for building a new single-family home in 2016 (\$148,203). This is 30 percent lower than the State's average cost of \$212,845. The next lowest average construction costs for new single-family housing units are reported for Somerset County (\$152,483), Anne Arundel County (\$167,389) and Baltimore City (\$174,390).

Kent County reports the largest net and percent decrease in the average price of building a new single-family house in 2016. The building costs there dropped 30 percent or an average of \$89,172 from \$301,137 in 2015.

Other jurisdictions experiencing substantial declines in average single-family home construction value include; Somerset (a 23 percent decrease of \$46,519 from \$199,002), Harford (a decrease of \$22,018 or nine percent to \$216,743) and Caroline (a decrease of \$13,243 or eight percent from \$161,447). (See also Chart MJ.8 **MARYLAND AND JURISDICTIONS New Single-Family Home Change in Average Construction Value: 2015 - 2016.**)



Permit issuing places in Maryland authorized 5,985 new multi - family housing units for construction during 2016. This is just 36 more new multi-family housing units from 2015 or an increase of under one percent. Nearly one half (49 percent) of these new units are being built in three jurisdictions; Howard (1,115 units), Frederick (1,050 units) and Montgomery (756 units).

New multi - family housing is being developed in all State's Planning Regions. Statewide, this construction accounts for 35 percent of all new residential construction activity in 2016. (See also Chart MJ.5 **MARYLAND AND JURISDICTIONS New Housing Units Authorized for Construction by Structure Type: 2016.**)

Seven jurisdictions have a higher share of new multi - family housing units to new single-family units relative to the State. In five of these jurisdictions, new multi - family developments account for most of new residential construction.

During 2016, new multi - family housing construction activity continues to dominate the home building market in Baltimore City, where the share is nearly 72 percent

(676 units). Other jurisdictions where new multi - family housing unit construction represents a majority share of total residential construction activity include Frederick County (55 percent), Wicomico County (91 units accounting for 53 percent), Howard County (52 percent) and Dorchester County (41 units accounting for 51 percent).

Six jurisdictions did not authorize any new multi – family housing units for construction during 2016. These jurisdictions are; Calvert Cecil, Garrett, Kent, Somerset and Talbot Counties.

Of the 16 jurisdictions that authorized new multi - family housing units for construction during both years, the highest net change in new multi - family home construction from 2015 through 2016 is reported in Howard County (635 additional units), Frederick County (487 additional units) and Prince George's County (181 additional units). (See also Chart MJ.9 **MARYLAND AND JURISDICTIONS New Multi - Family Housing Units Authorized for Construction Net Change: 2015 - 2016.**)

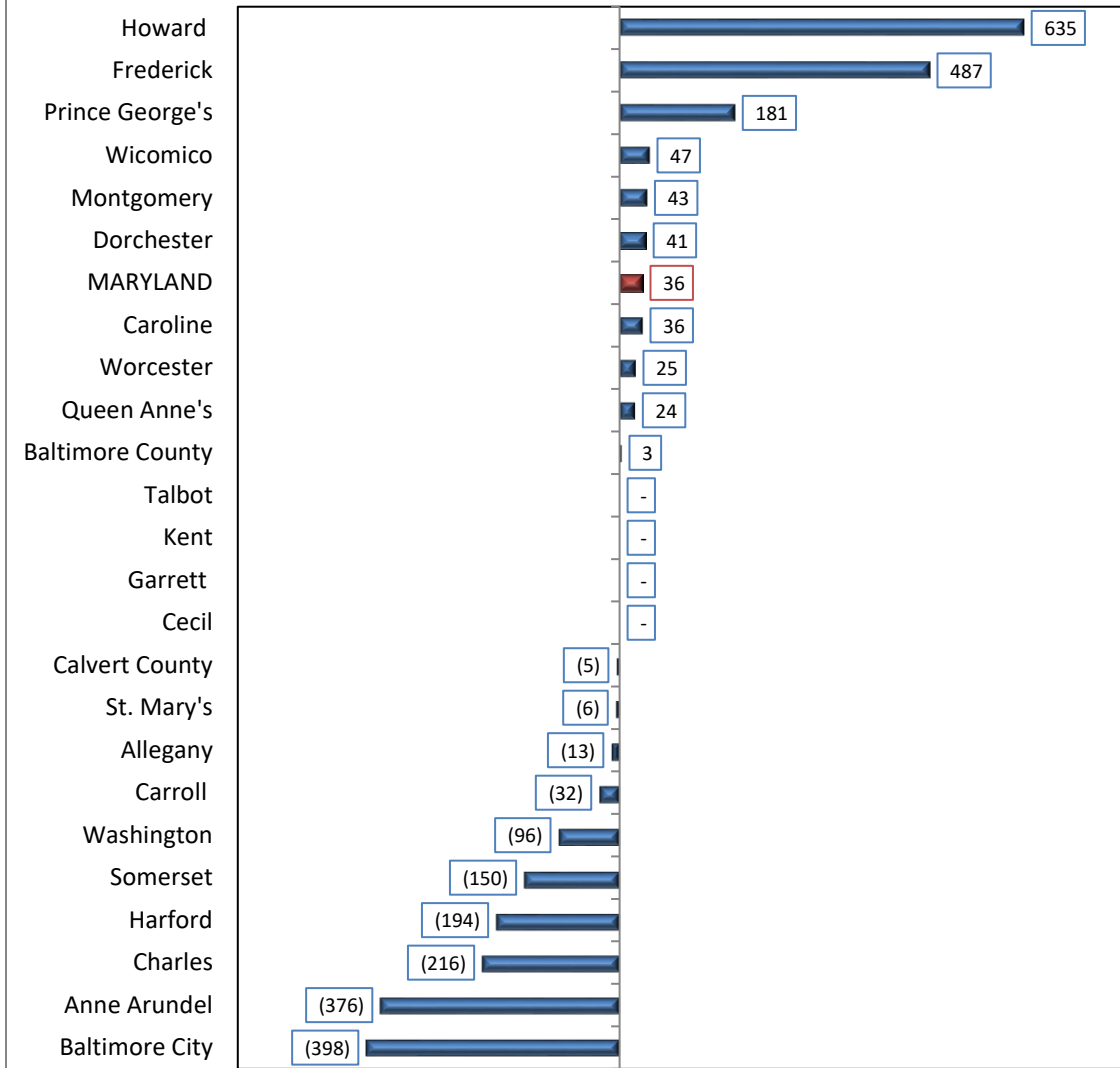
The highest annual percent increase in the construction of new multi – family housing units occurred in Queen Anne's County. The jump from two units during 2015, to 26 units during 2016, reported by the County permit issuing places represents a 1,200 percent increase.

There are other jurisdictions that report considerable surges in 2016 new multi - family development activity compared to activity in 2015. These jurisdictions are; Howard County (132 percent), Wicomico County (107 percent) and Frederick County (87 percent).

The most significant annual decreases in new multi - family housing unit construction are reported by Baltimore City (-398 multi-family units) and permit issuing places in Anne Arundel (-376 multi-family units). The next largest net decreases in new multi - family housing development activity in the State are reported for Charles County (216 fewer new multi - family housing units) and Harford County (194 fewer multi - family units).

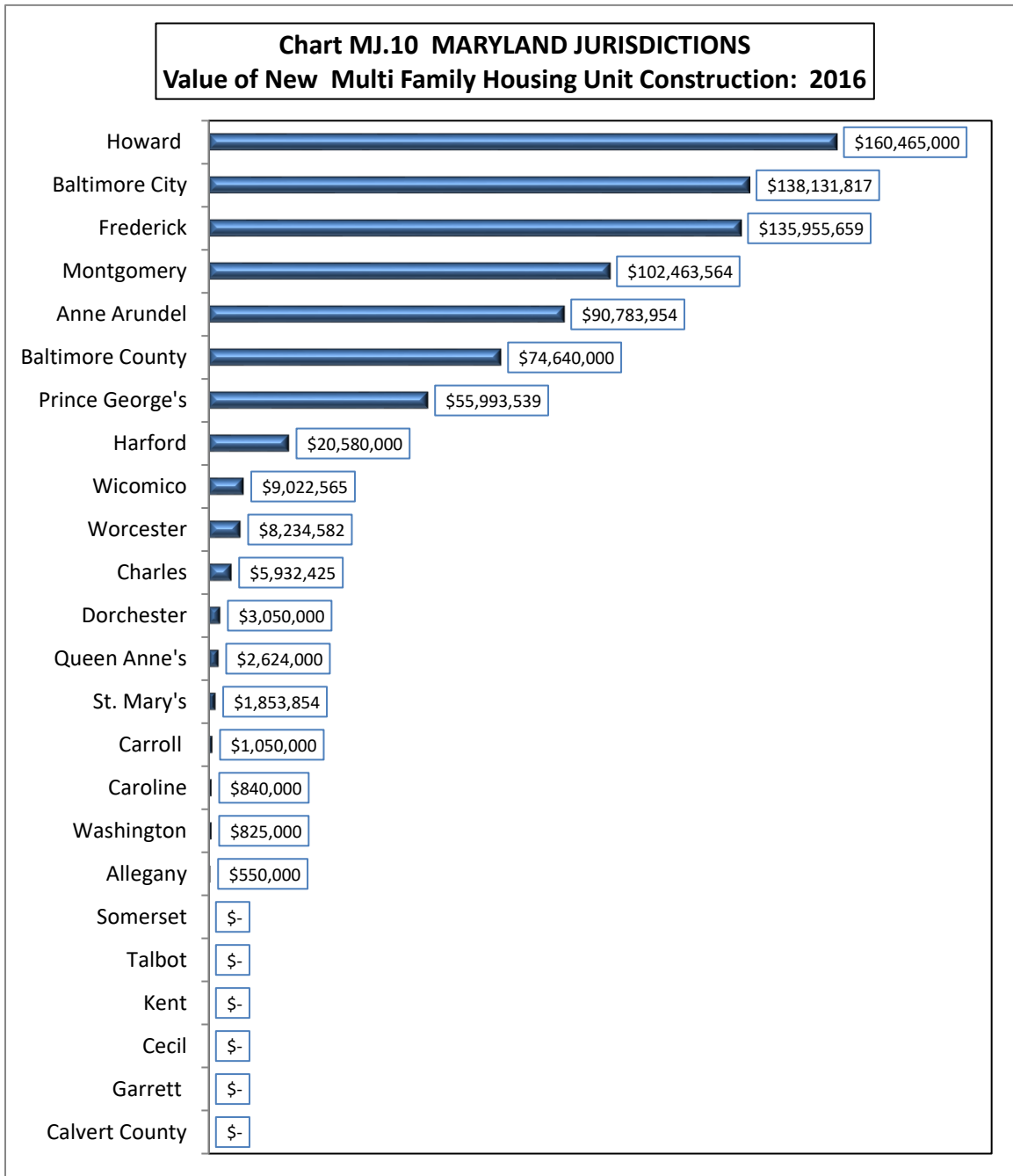
Permit issuing places in six jurisdictions (Calvert, Cecil, Garrett, Kent, Somerset and Talbot Counties) did not authorize any new multi-family housing units for construction during 2016. Of those jurisdictions, only Somerset and Calvert authorized new multi-family housing unit construction the previous year.

**Chart MJ. 9 MARYLAND AND JURISDICTIONS
New Multi Family Housing Units Authorized for Construction
Net Change: 2015 - 2016**



Since permit issuing places in Somerset and Cecil Counties did not authorize new multi - family housing units for construction during 2016, these jurisdictions report the largest annual percent decrease new multi - family housing unit construction (- 100 percent) from 2015 through 2016.

Among jurisdictions that authorized new multi - family housing unit construction for both 2015 and 2016, Washington county reports the largest percentage loss, falling 94 percent. Other jurisdictions reporting considerable percentage reductions in 2016 new multi - family development activity compared to activity in 2015, include; Carroll (-80 percent) and Charles (-75 percent).



Statewide, the 2016 value of construction for new multi - family housing units is placed at \$813 million. This is an increase of \$43.7 million or nearly six percent from 2015, when the reported value was \$769.3 million. (See also Chart MJ.10 ***MARYLAND AND JURISDICTIONS Value of New Multi - Family Housing Units Construction: 2016.***)

Jurisdictions with the highest value reported for new multi - family building construction are;

Howard County (\$160.5 million),

Baltimore City (\$138.1 million), and

Frederick and Montgomery Counties (\$136 million and \$102.5 million, respectively).

These jurisdiction account for 66 percent of the annual value reported or \$537 million.

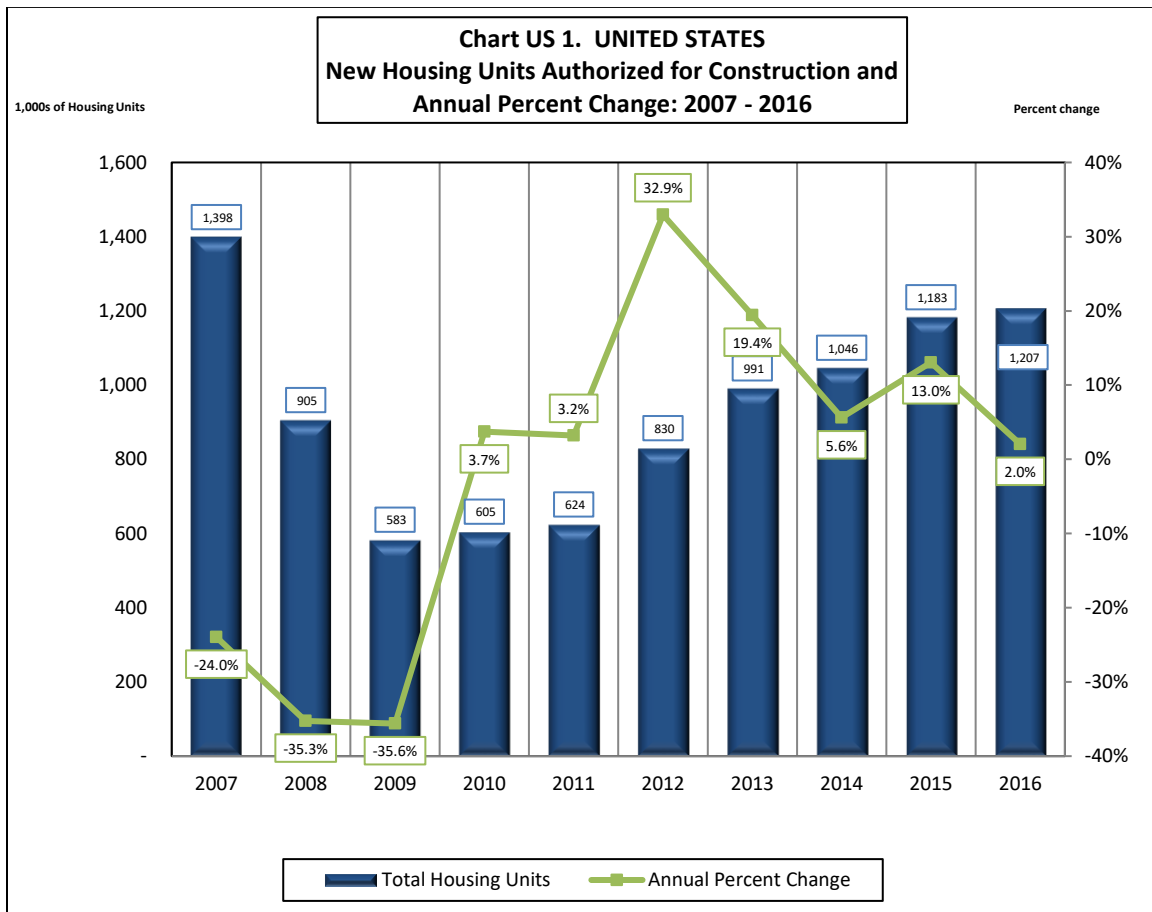
Jurisdictions reporting the highest net change in new multi - family construction value are; Howard County increased \$98.5 million from \$62 million, Frederick County (\$52.3 million from \$83.7 million) and Prince George's County (\$30.1 million from \$25.9 million).

Queen Anne's County new multi-family housing construction activity jumped over 1,490 percent from a value of \$165,000 during 2015 to over \$2.6 million during 2016. This is the largest percentage increase in multi-family construction value for any of the State's 24 political subdivisions.

Other jurisdictions reporting high annual percent change in the value of new multi - family construction include; Wicomico (167 percent from \$3.4 million), Howard (159 percent) and Prince George's County (116 percent).

Of the jurisdictions with permit issuing places reporting new multi family unit construction during 2015 and 2016, those with 2016 value reported at less than one-half the value from the previous year are; Washington County (- 88 percent from \$6.9 million), Carroll County (- 75 percent from \$4.3 million), Charles (-73 percent from \$21.9 million) and Harford (-51 percent from \$21 million).

United States: 2016²

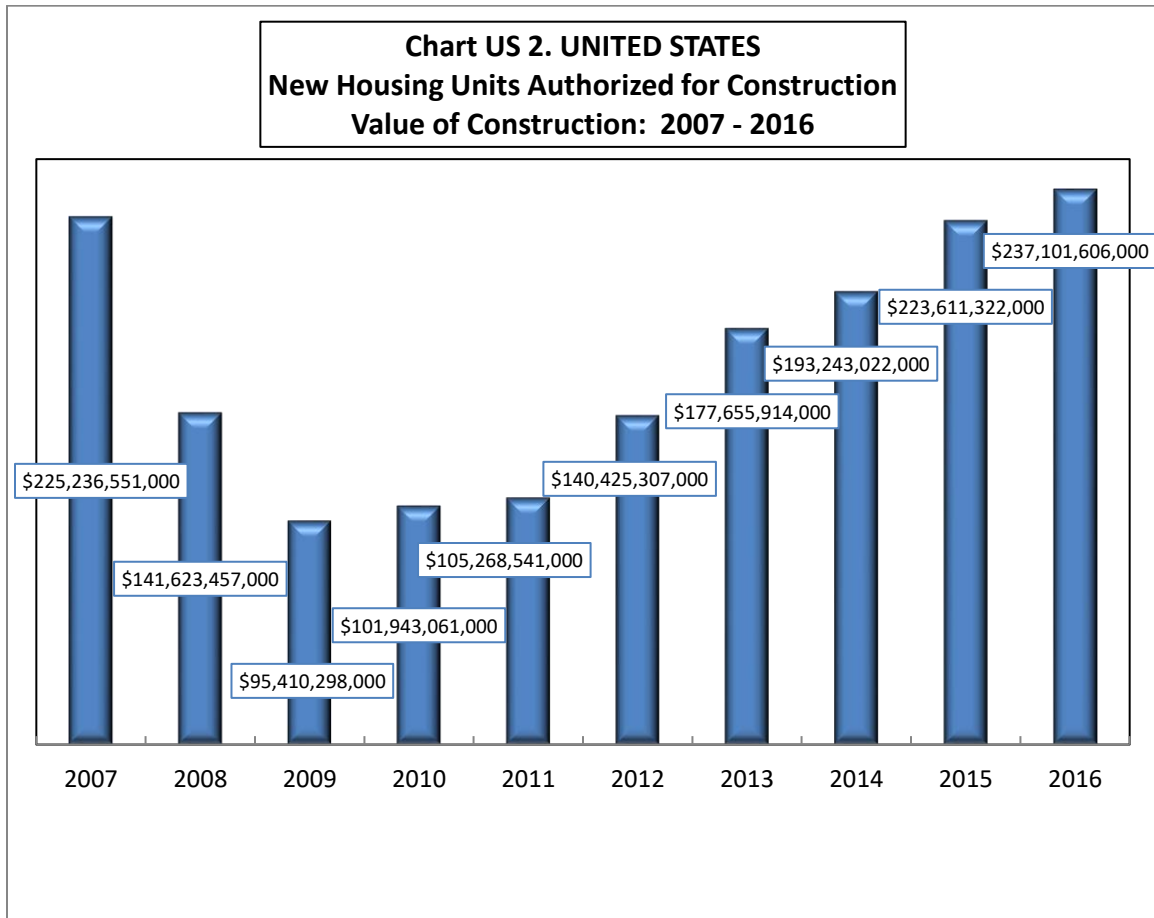


During the year United States permit issuing places authorized 1,206,642 new housing units for construction. This is an increase of 24,060 units (two - percent), over the 1,182,582 new housing units authorized during 2015.

Nationally new housing production has increased seven consecutive years since falling to a low of 583,000 new housing units authorized for construction during 2009. However, the 2016 annual percent increase is the smallest increase since the earliest of the post Great Recession years. (See Chart US 1. *UNITED STATES New Housing Units Authorized for Construction and Annual Percent Change: 2007 - 2016.*)

² SOURCE: Residential Construction Branch, Economic Indicators Division, U.S. Census Bureau. Annual Reports. See also Table 3. **UNITED STATES, REGIONS AND STATES NEW HOUSING UNITS AUTHORIZED FOR CONSTRUCTION BY BUILDING PERMITS: 2015 Buildings, Structure Type and Value;** and Table 4. **UNITED STATES, REGIONS AND STATES NEW HOUSING UNITS AUTHORIZED FOR CONSTRUCTION BY BUILDING PERMITS: 2014 Buildings, Structure Type and Value.**

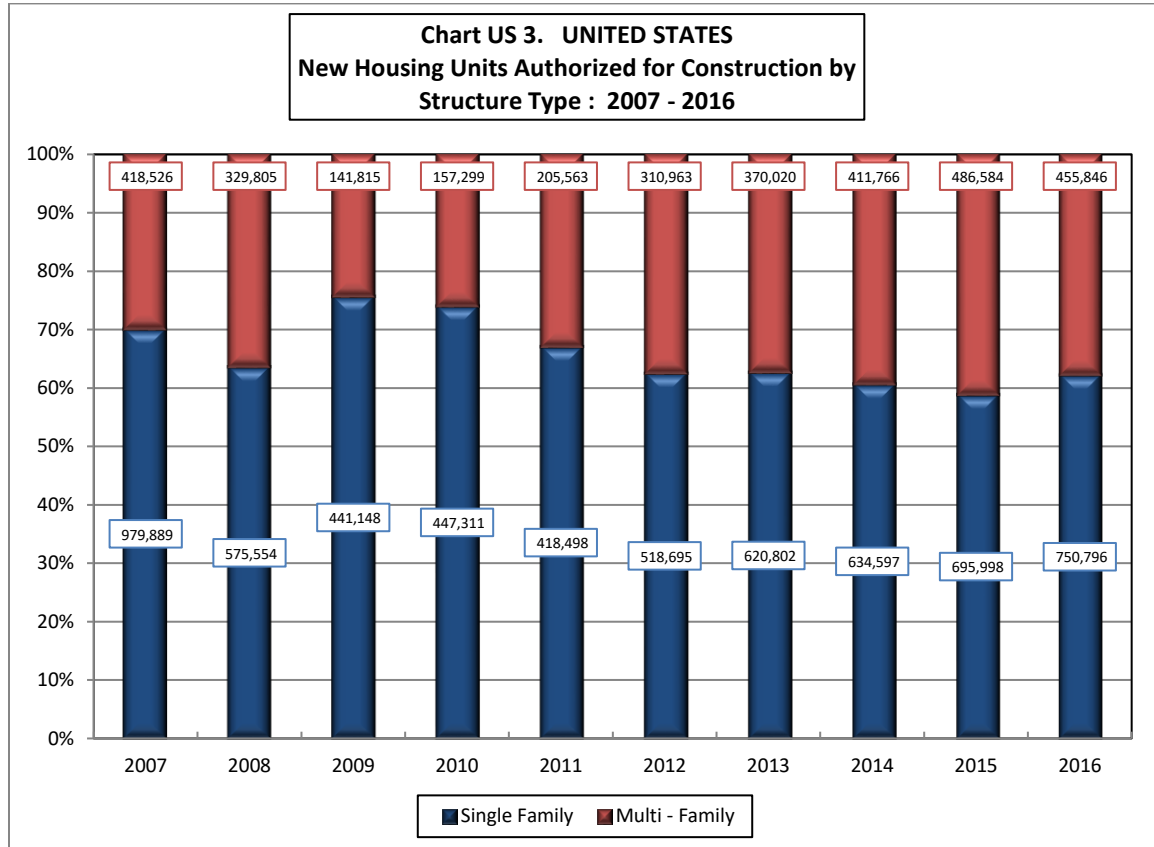
The value of the Nation's new housing construction is placed at \$237.1 billion. This is six percent higher than 2015, when the value of construction was reported at \$223.6 billion. (See Chart US 2. *UNITED STATES New Housing Units Authorized for Construction Value of Construction: 2007 - 2016*).



Sixty – two percent of the Nation's new units are single - family homes (750,796 dwellings). This is an annual increase of eight percent over the previous year when 695,998 new single-family homes were authorized for construction. It is also an increase in the single-family home construction share of all new residential housing. During 2015, single-family home construction constituted 59 percent of all new housing.

The 2016 annual percent increase in single family housing units follows a 10 percent annual increase reported in 2015. As this structure type continues to display substantial growth, it would suggest that the residential construction industry's recovery from the Recession of 2007 is stabilizing. (See Chart US 3. *UNITED STATES New Housing Units Authorized for Construction by Structure Type: 2007 - 2016*.)

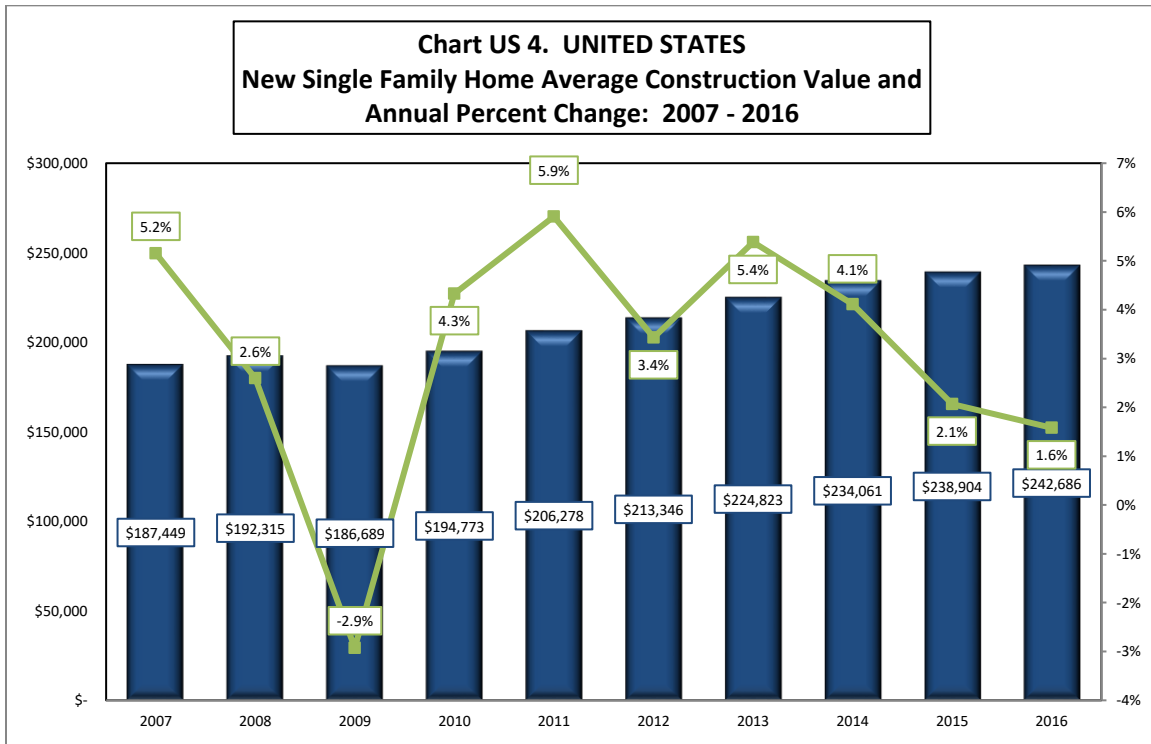
The total value of new single-family home construction is placed at \$182.2 billion, this is up 10 percent from 2015 when the value of new single-family home construction was placed at \$166.3 billion.



The cost of building a home in the United States has risen annually since 2009. The pace of the increase has slowed considerably since 2013, however. (See Chart US 4. UNITED STATES New Single-Family Home Average Construction Value and Annual Percent Change: 2007 - 2016.)

The 2016 annual average construction cost for a new single-family home is \$242,686. This is just under two percent higher than the average cost reported in 2015 of \$238,904.

While single-family home building is up relative to recent years, its impact on total new residential construction is somewhat muted. With slowing price increases, single-family homes become more affordable. This weakens the demand for apartments and slows housing production in the multi-family sector.



Multi – family housing units are units built in structures containing two or more housing units. During the year United States permit issuing places authorized 55,846 new multi-family housing units for construction. This is a decrease of 30,738 units (or minus six percent) from 2015 when 486,584 multi - family dwellings were permitted.

The overwhelming majority of new multi - family housing is in apartment and condominium buildings containing five or more units. Currently 421,064 units, or 92 percent of all multi - family buildings contain five or more units.

The entire decrease can be attributed to a slowdown in apartment and condominium building construction. New construction of buildings containing five or more housing units decreased by 33,443 units from 454,507 in 2015, a change of seven-percent.

Nationally the current value of new multi-family housing construction is placed at \$54.9 billion. This is a \$2.4 billion reduction (or a drop of over four percent) from the \$57.3 billion spent on building new multi - family housing developments during 2015.

The net decrease in the value new construction of buildings containing five or more housing units from 2015 through 2016 is \$2.9 billion. This is nearly a six percent decrease in value.

U. S. Regions: 2016³

The United States is divided into four major geographic regions for which statistics on new residential construction are tabulated. These regions are;

- The Midwest,
- The Northeast,
- The South, and
- The West Regions.

During 2016, new housing units authorized for construction increased in three of the four regions, when compared to 2015 totals. The West Region and the Midwest Region increased 12 percent and nine percent, respectively. New housing units authorized for construction in the South Region increased almost four percent. Housing production in the Northeast Region dropped over 28 percent.

The State of Maryland is in the South Region. Maryland's new housing production ranks 25th among the 50 states and the District of Columbia in 2016.

The Midwest Region

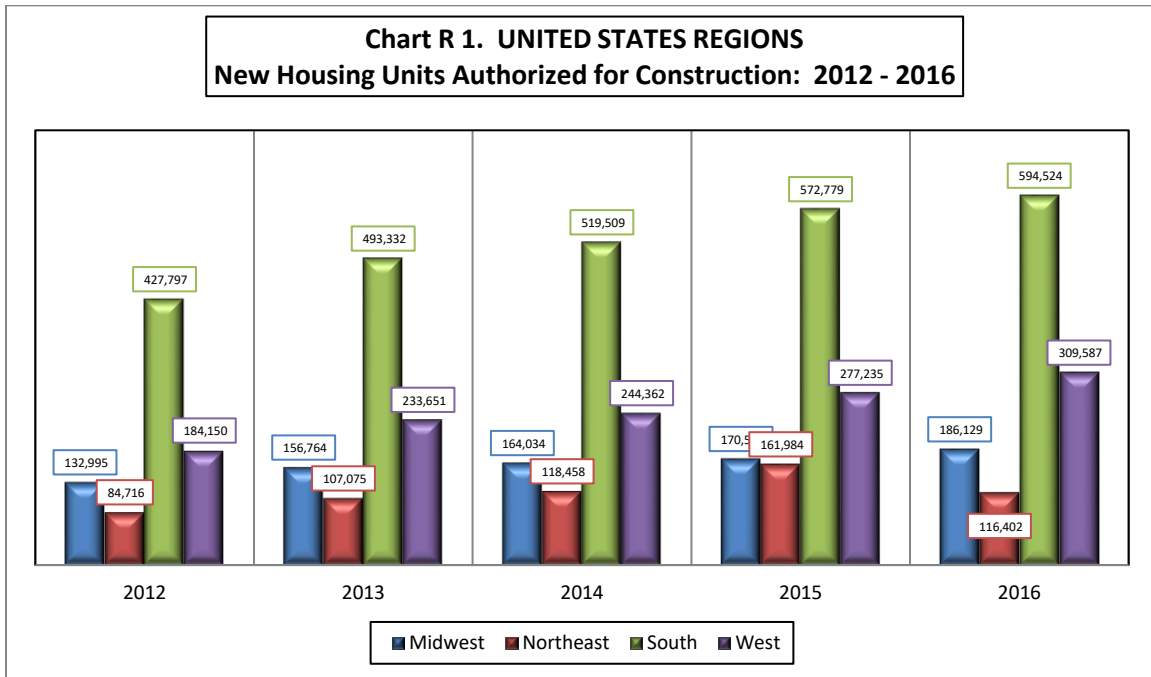
During 2016, permit issuing places in the 12 states comprising the Midwest Region (Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin), authorized the construction of 186,129 new housing units.

This accounts for 15 percent of the Nation's new housing inventory, and represents an increase of 15,545 new units from the 170,584 housing units authorized for construction during 2015. (See also Chart R 1. *UNITED STATES REGIONS New Housing Units Authorized for Construction: 2012 - 2016.*)

Midwest States reporting the highest number of new housing units include; Ohio (22,816 units), Illinois (22,603 units), Minnesota (21,449 units) and Michigan (20,408). Nationally, these areas rank 15th through 19th, respectively in new housing production.

For perspective, Maryland's housing production (17,044 units) would rank eighth among states in the Midwest Region.

³ See Table 3. UNITED STATES, REGIONS AND STATES NEW HOUSING UNITS AUTHORIZED FOR CONSTRUCTION BY BUILDING PERMITS: 2016 Buildings, Structure Type and Value; and Table 4. UNITED STATES, REGIONS AND STATES NEW HOUSING UNITS AUTHORIZED FOR CONSTRUCTION BY BUILDING PERMITS: 2015 Buildings, Structure Type and Value.



Jurisdictions in the Midwest Region reporting relatively low numbers of new housing units include; North Dakota ranked 44th nationally with 3,981 units, South Dakota ranked 38th with 5,686 units, Nebraska ranked 35th with 88,078 units and Kansas ranked 33rd with 9,807 units authorized for construction.

The 2016 annual value of new housing unit construction in the Midwest Region is placed at \$36 billion. This is 15 percent of the construction value for new housing units in the United States. It is also a nine percent increase over the \$33 billion value of new construction in 2015. (See also Chart R 2. *UNITED STATES REGIONS New Housing Units Authorized for Construction Value of Construction: 2012 – 2016.*)

There are 112,438 new single-family housing units authorized for construction in the Midwest Region, accounting for 60 percent of the Region’s new housing. In comparison, new single - family home construction accounts for over 62 percent of all new residential construction activity for the Nation. The Midwest produces 15 percent of all new single-family houses built in the country. (See also Chart R 3. *UNITED STATES REGIONS New Housing Units Authorized for Construction by Structure Type: 2016.*)

The Midwest Region’s new single-family home construction during 2016 is an increase of 7,765 units (over seven percent), from 2015. The value of new Midwest Region single family housing increased to \$27.7 billion, an increase of 10 percent from \$25.1 billion reported for 2015.

The average construction value of a new single-family home in the Midwest Region is \$246,214. This is slightly higher than the national average cost of building a

house (\$242,686). (See also Chart R 4. *UNITED STATES AND U. S. REGIONS New Single-Family Home Average Construction Value: 2016.*)

Midwest Region permit issuing places authorized the construction of 73,691 new multi - family housing units during 2016. This accounts for 16 percent of all the Nation's new multi - family housing units, and represents an increase of 7,780 units (almost 12 percent) over the 65,911 multi - family units built in 2015. The value of new Midwest Region multi - family housing increased to \$8.4 billion, or seven percent from \$7.8 billion reported for 2015.

During 2016, units in buildings containing five or more housing units amounted to nearly 90 percent (66,2780 units) of the Region's multi - family developments compared to over 92 percent for the Nation. These buildings have a construction value placed at \$7.5 billion.

This is an increase of almost eight percent from the \$7 billion value of apartment and condominium construction during 2015. The value of apartment and condominium construction during 2016 accounts for 89 percent of all new multi - family housing unit construction in the Midwest Region.

The Northeast Region

Among U. S. Regions, the Northeast Region has the fewest states and state equivalent jurisdictions. There are nine jurisdictions: Seven states (Connecticut, Maine, New Hampshire, New Jersey, New York, Rhode Island and Vermont); and two Commonwealths (state equivalents), Massachusetts and Pennsylvania.

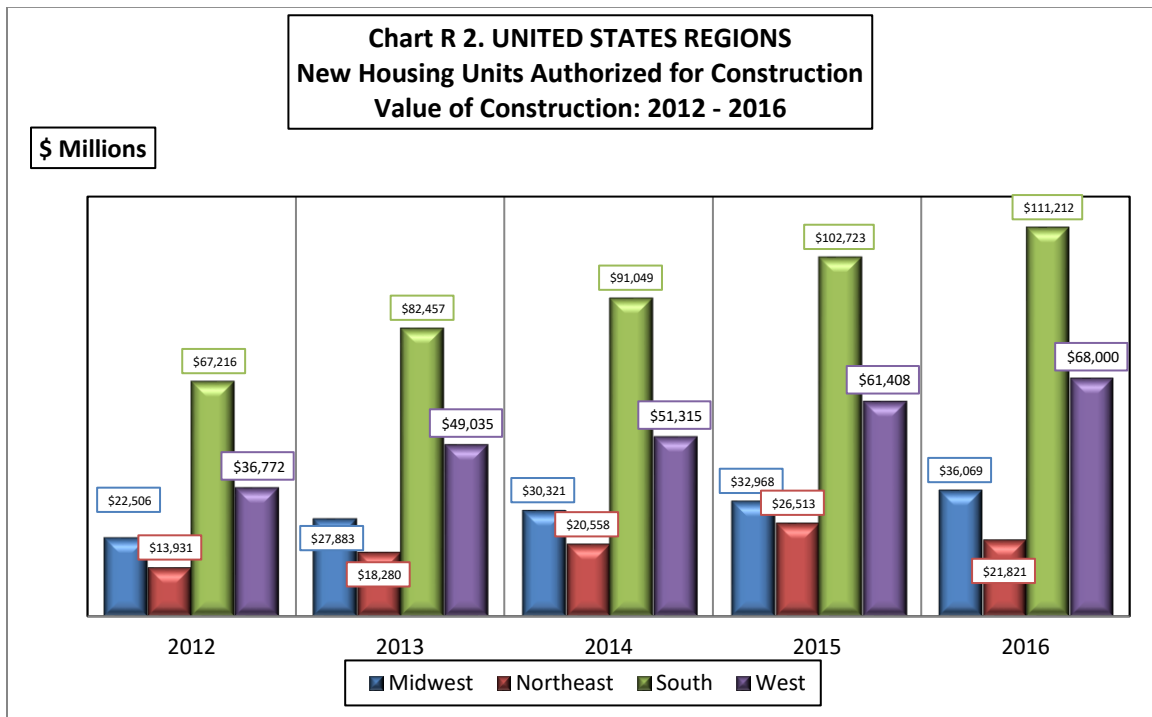
Permit issuing places in these jurisdictions authorized the construction of 116,402 new housing units. This is a substantial decrease of 45,582 units (-28 percent) from the 161,984 new housing units authorized in the Northeast during 2015.

The Northeast Region is the only United States region to experience a net loss in new housing units authorized for construction compared to the previous year. Over the period its share of national housing production fell from 14 percent in 2015 to less than 10 percent during 2016.

Most of new housing units are built in New York. New York permit issuing places account for 29 percent (33,711 units), of the Region's new housing. It is followed by New Jersey (26,793 units), the Commonwealths of Pennsylvania and Massachusetts (23,303 units and 16,288 units, respectively).

Nationally these jurisdictions rank 10th, 13th, 14th and 26th, respectively in new housing production. Maryland would rank among this region's top four in housing

production, as we place 25th among the 50 states and the District of Columbia in 2016.



Jurisdictions in the Northeast Region reporting relatively low levels of new housing unit construction include Rhode Island (1,226 units), Vermont (1,771 units), New Hampshire (3,796 units) and Maine (4,010 units) and. Nationally these areas are ranked 51st, 48th, 45th and 43rd, respectively.

Permit issuing places in the Northeast Region of the United States report the highest percent decrease in the value of new residential construction among the four regions. The value of construction, or the construction cost of these units is placed at \$21.8 billion. This is 18 percent lower than the previous year's annual value of new housing unit construction reported at \$26.5 billion.

The Northeast Region is the only region in the country where building new single-family homes does not account for the majority new residential construction. Slightly less than one – half (47 percent) of the new housing units built in the Northeast (54,261 dwellings) during 2016 are single family dwellings.

Slowed residential construction in the Northeast is not due to new single-family home building. Quite the contrary, new single-family home construction in 2016 is up nearly four percent compared to 2015, when 52,415 new single-family housing units were authorized for construction. The 2016 value of new single-family home construction in the Region is placed at \$13.9 billion, or \$790 million higher than the 2015 value of \$13.1 billion.

The average construction value of a new single-family housing unit in the Northeast Region is \$256,552. This is the second highest average cost to build a new home among the four United States Regions. It is almost six percent higher than the national average construction cost (\$242,686).

The Northeast Region is the only United States Region that historically authorizes more multi-family housing units for construction than single family housing units. The Region authorized 62,141 new multi - family housing units for construction during 2016. This is 53 percent of all new housing in the Region.

It is also a decline in production of over 43 percent (47,428 units) from the 109,569 multi-family housing units authorized for construction during 2015. That year multi-family housing comprised 68 percent of the Region's new housing.

Most of the units in these developments (55,511 units or 89 percent), will be built in 2,259 buildings containing five or more housing units. This is a drastic drop in this type of new construction. The previous year 103,641 new housing units were authorized for construction in 3,079 buildings containing five or more units. A difference of 48,130 units (- 46 percent).

The value of Northeast Region new multi - family residential developments is \$7.9 billion. Compared to 2015, when the value is reported at \$13.4 billion, the 2016 value represents a decrease in value of over \$5.2 billion, or minus 40 percent.

The subsector's decline was even more steep. For the same period, the value of new multi-family housing unit construction in buildings containing five or more units dropped \$5.6 billion to \$7 billion. This is a 44 percent drop from the 2015 value of \$12.6 billion.

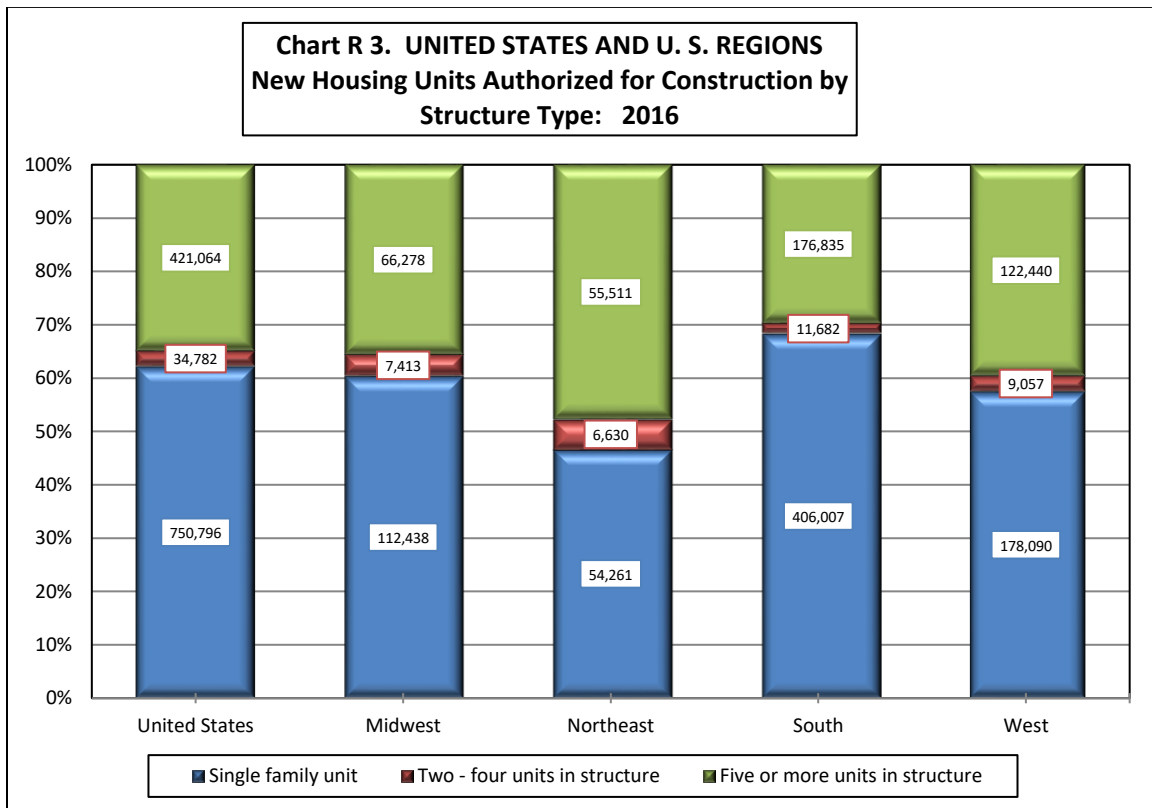
The South Region

Fourteen 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 comprise the South Region of the United States.

The South Region contains the highest number of states or state equivalent jurisdictions. It is also the Nation's largest home builder.

The South accounts for nearly one - half (49 percent), of all new housing units built in the United States during 2016. Permit issuing places in these jurisdictions authorized the construction of 594,524 new housing units. This is an increase of

four percent from the 572,779 new housing units authorized for construction during 2015.



Texas permit issuing places authorized more new housing units for construction than any other jurisdiction in the country (165,853 units). Other South Region jurisdictions reporting high numbers of new housing units include; Florida (with 116,240 units, and ranked 2nd), North Carolina (with 60,550 units, and ranked 4th) and Georgia (with 51,675 units, and ranked 5th).

Maryland, with 17,044 new housing units ranks 25th among the 50 States and the District of Columbia. Within the region, Maryland ranks 8th among the 17 political jurisdictions.

South Region jurisdictions reporting relatively low numbers of new housing units authorized for construction include; West Virginia (2,544 units, and ranked 48th), the District of Columbia (4,690 units, and ranked 47th), Delaware (5,804 units, and ranked 44th) and Mississippi (6,886 units, and ranked 38th).

During 2016, the value of new housing unit construction in the South Region value is placed at \$111.2 billion. This is 47 percent of the total value of new residential

construction across the United States, and eight percent higher than the \$102.7 billion construction value for new housing reported in 2015.

More than two-thirds (68 percent) of the South's new housing units (406,007 units) are single family dwellings. This is the highest percent share for single family home construction among all U. S. Regions. Single family homes built in the South Region account for over half (54 percent) of all new single-family homes built in the United States.

The value of this construction is placed at \$91.3 billion. This is a nine percent increase from the 2015 value of new single-family home construction placed at \$83.6 billion.

The average construction value of a new single-family housing unit authorized for construction in the South Region is \$224,752. This is seven percent below the national average cost of a new single-family house (\$242,686), and the lowest average building cost for a new home among the four regions.

Permit issuing places in the South Region authorized the construction of 188,517 new multi - family housing units during 2016. This accounts for 40 percent of all new multi - family housing construction in the country. It is a decrease of 6,059 new units (three percent) from the number of new multi-family housing units authorized for construction during the preceding year.

New multi-family housing construction in the Region is valued at \$20 billion and it accounts for more than one - third of the nation's total value of multi - family housing construction. This is four percent higher than the \$19.1 billion value of new multi - family construction during 2015.

Of the new multi-family housing units to be delivered throughout 2016, 94 percent (176,835 units) will be built in 5,722 buildings containing five or more housing units. This is a decrease of four percent from the 184,087 units authorized for construction in structures containing five or more units during 2015.

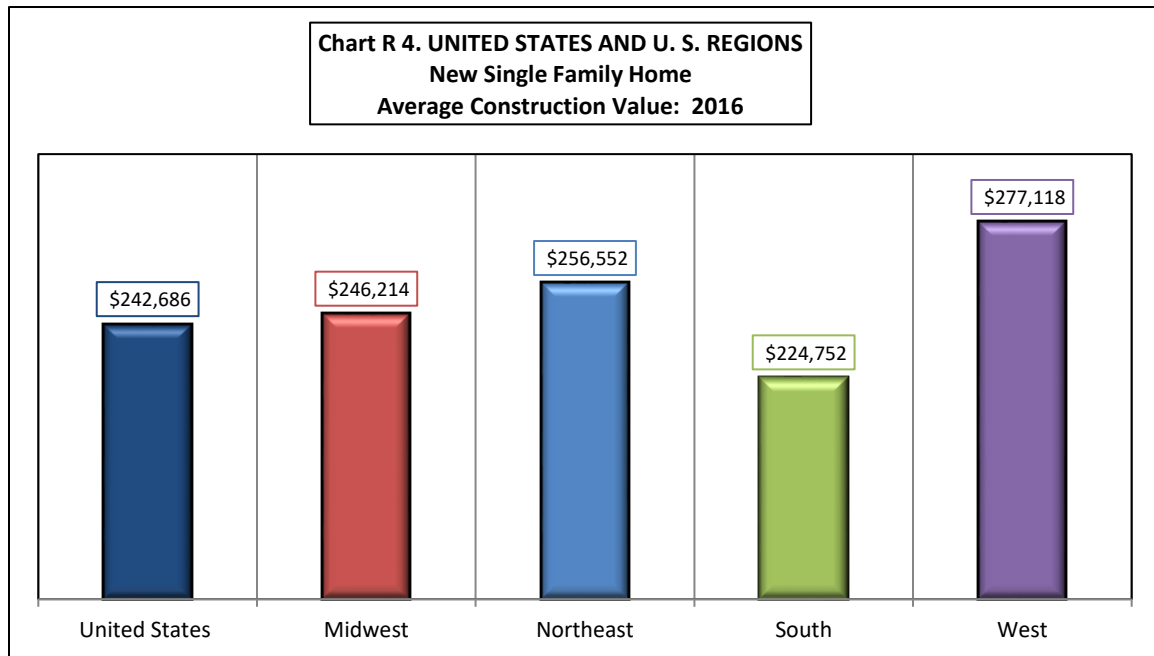
These buildings have a construction value placed at \$18.7 billion. This is an increase in value of over \$666 million, or an increase of nearly four percent. billion.

The West Region

The West Region is composed of 13 states. The states are Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington and Wyoming.

Permit issuing places in the West authorized the construction of 309,587 new housing units during 2016. This amounts to 26 percent of all new housing units built in the United States, and an increase of 12 percent from the 277,235 new housing units authorized for construction during 2015.

The highest number of new housing units are built in California (102,350 units), followed by Washington (44,077 units), Colorado (38,974 units) and Arizona (35,578 units). Nationally these jurisdictions rank third, sixth, seventh and ninth, respectively. Maryland's new housing production (ranked 25th nationally), would rank eighth among this region's states in 2016.



Jurisdictions in the West Region reporting the lowest number of new housing units include Alaska (1,503 units), Wyoming (1,727 units), Hawaii (3,369) and Montana (4,781 units). These States rank 50th, 49th, 46th and 41st, respectively.

New housing units produced in these States have a 2016 construction value of \$68 billion in 2016. This is 29 percent of the value of new housing construction across the United States, and 11 percent higher than the \$61.4 billion value of new housing construction reported in 2015.

Fifty-eight percent (178,090 dwellings) of all new housing units built in the West Region are single family dwellings. 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 17,383 units or 11 percent.

The 2016 value of new single-family home construction is placed at \$49.4 billion. This is 27 percent of the construction value for all new single-family homes in the United States, and 11 percent higher than the \$44.4 billion value of new single-family home construction reported in 2015.

On average the 2016 annual value of construction for a new single-family housing unit authorized for construction in Western States, at \$277,118, is up less than one percent from average cost of \$276,366. This is the highest average cost for a new home among the four United States Regions. It is 12 percent higher than the national average cost of a new single-family house (\$242,686).

There are 131,497 new multi - family housing units authorized for construction in the Region during 2016. Multi-family housing units comprise nearly 43 percent of new residential construction in the West Region. It is a 13 percent increase over the 116,528 multi - family housing units authorized for construction in 2015.

The construction value of the new multi - family developments is placed at \$18.6 billion, an increase of nearly 10 percent from the \$17 billion spent building multi - family developments in 2015. Of the new multi - family housing units authorized in 2016, ninety-four percent (176,835 units) will be built in 5,722 buildings containing five or more housing units.

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. 2018.