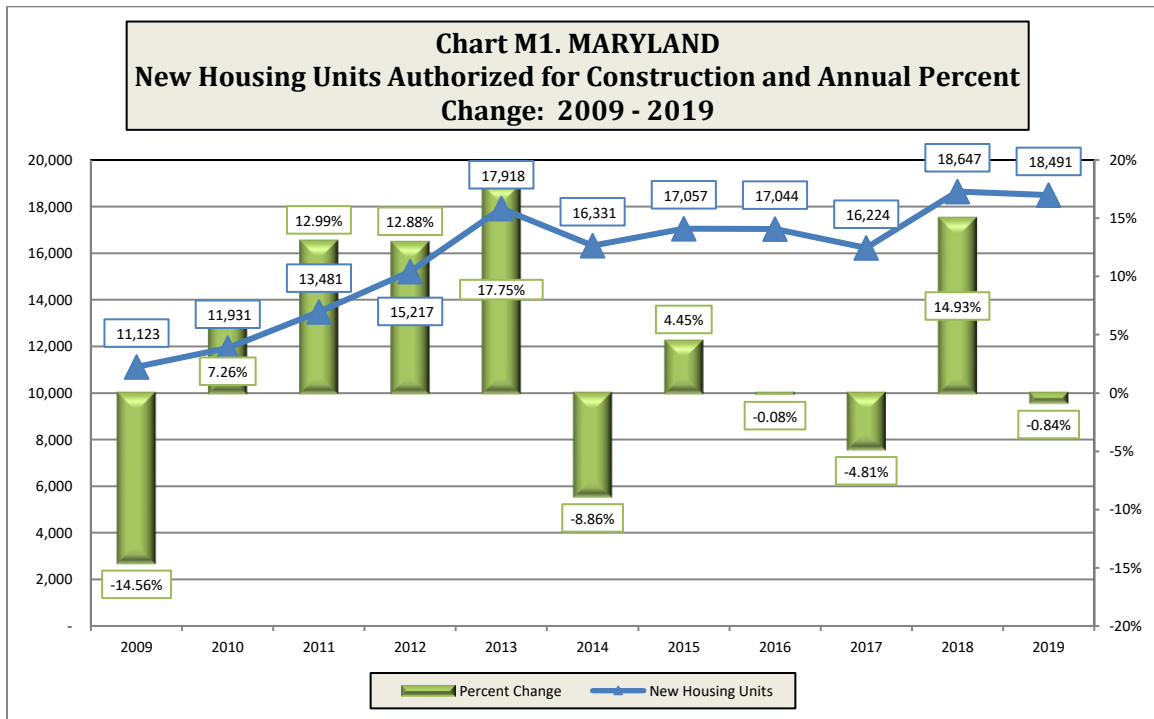


NEW HOUSING UNITS AUTHORIZED FOR CONSTRUCTION BY BUILDING PERMITS: 2019

In 2019, permit issuing places in the United States authorized nearly 1.4 million housing units for construction. National residential construction, as measured by new housing unit construction authorized by building permits, has experienced a prolonged increase in activity since the Great Recession of 2008. New residential construction has climbed each year for 10 consecutive years since 2009, when 583,000 new housing units were authorized for construction.

During 2019, Maryland permit issuing places authorized the construction of 18,491 new housing units. The value of this construction is placed at nearly \$3.754 billion. This is a one - percent gain, or \$52 million higher than the value of new housing construction activity reported in 2018.

Maryland's new housing construction in 2019 is virtually even with that of 2018 when 18,647 new housing units were authorized for construction. The 2019 report is the second highest level of residential construction activity in the State post the housing crisis.



(See also Chart M1. **MARYLAND New Housing Units Authorized for Construction and Percent Change: 2009 - 2019.**)

Since 2009, the State has added 162,341 new housing units to its residential inventory. After substantial expansion from 2009 through 2013, the Maryland construction industry's rate of growth has been losing speed. An expected phenomenon, as this usually occurs as development expands. After advancing seven to 18 percent each year from 2009 through 2013, slight decreases in construction activity, have generally been followed by increases for successive years through 2019

Current year activity should continue to be viewed as an indication that the State's home building industry is relatively stable and maybe poised to build on its recovery.

New Housing Units by Structure Type

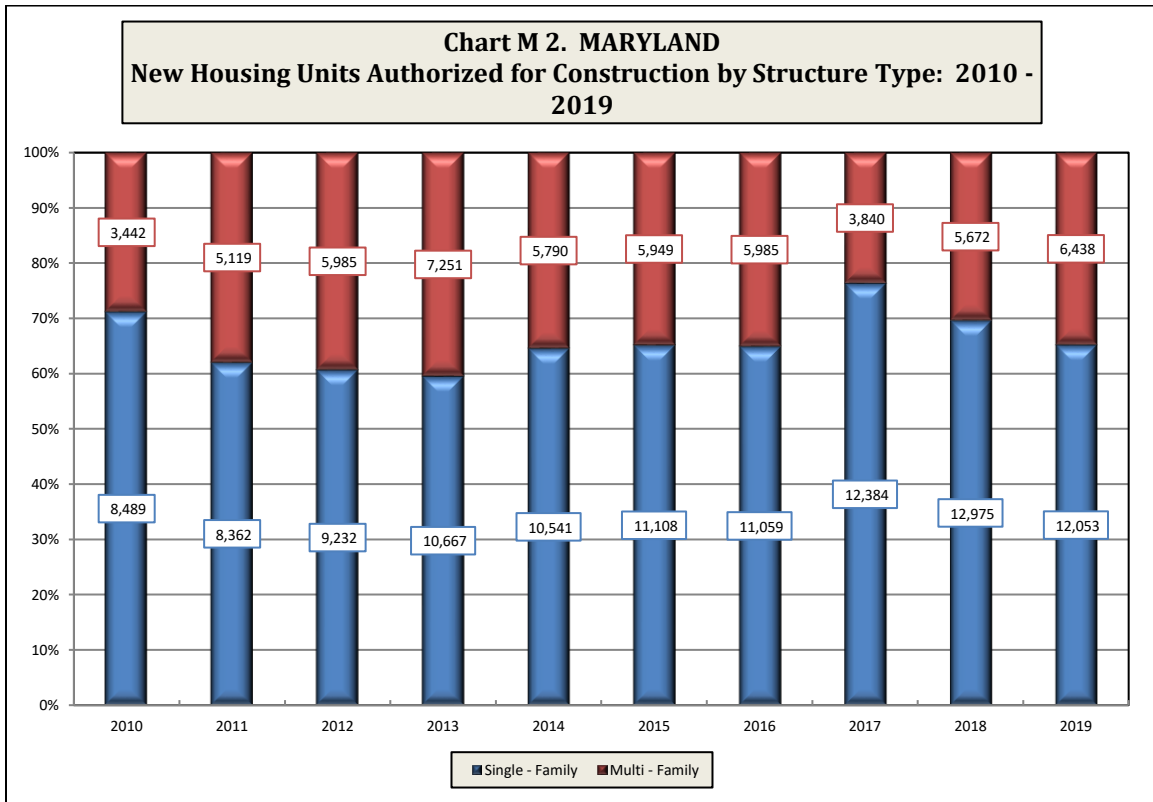
Single family housing units are relatively freestanding dwelling units but may include units that share a common wall. As reported, single - family housing units are either attached (i.e., row houses and townhomes), or detached (e.g., ranch or split - level houses).

Single - family home construction makes up the largest component of Maryland's new residential development. It is also considered a leading economic indicator. Increasing new private home building generally predicts improving economic conditions.

State permit issuing places authorized the construction of 12,053 new single - family units during 2019. This is a substantial drop from the 12,975 single family homes authorized for construction in 2018 (a decrease of 922 homes or just over seven - percent). Still, these new homes signify the State's third highest number of new single - family homes 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. In comparison, new single - family home building accounts for 62 - percent of all new housing nationally.

From 2000 through 2006, Maryland single family homes accounted for almost eight of ten new homes built. When the national recession 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.



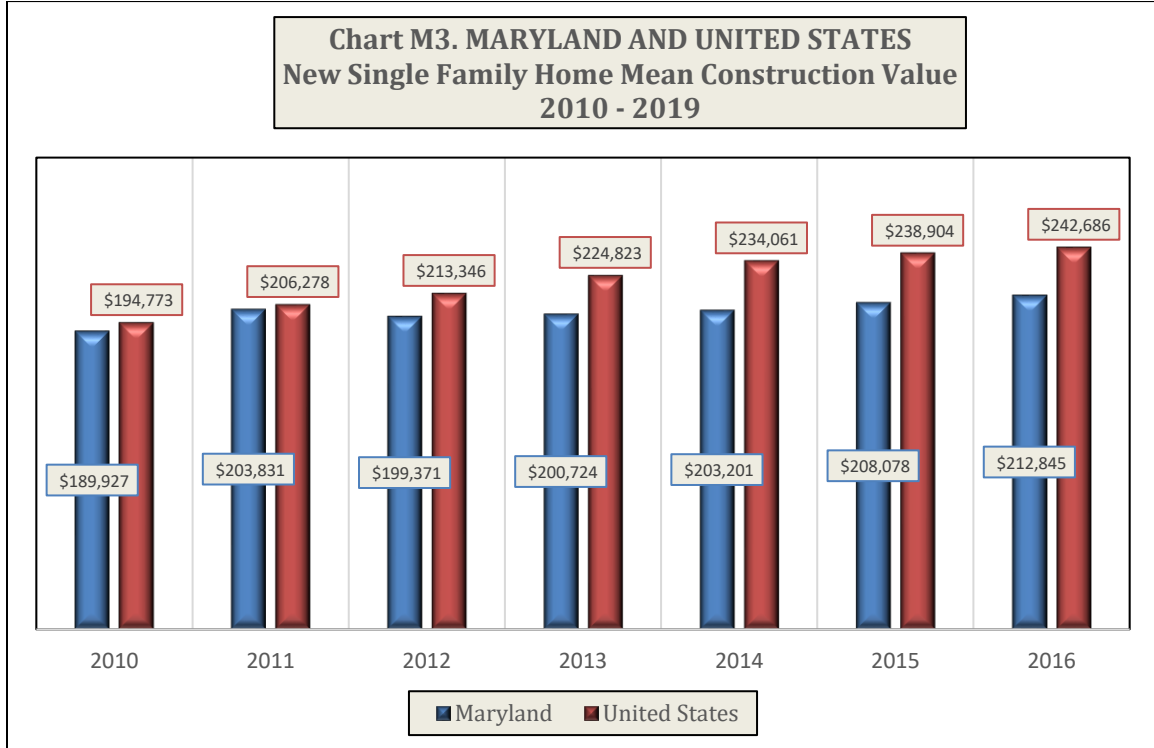
Since 2010, the ratio of single-family homes to total housing units has hovered around two – thirds annually. (See also Chart M2. **MARYLAND New Housing Units Authorized for Construction by Structure Type: 2010 - 2019.**)

New single - family housing units have a construction value placed at \$2.734 billion during 2019. It accounts for 74 - percent of the value of all new housing unit construction in the State. This is a big reduction from the \$2.872 billion spent on single family home building in 2018 (a decrease of \$138.59 million or nearly five - percent).

Since 2010, Maryland homebuilding costs have been consistently lower than the national average. Currently, the 2019 average cost of building a new single - family housing unit in the State is \$226,806. This is eight - percent lower than the \$247,390 construction cost Nationwide. (See also Chart M3. **MARYLAND AND UNITED STATES New Single - Family Home Mean Construction Value 2010 - 2019.**)

Potentially, Maryland's single - family housing production is entering a mature period of growth. Should long - term interest rates remain relatively low, it is not

unreasonable to expect older millennials to increasingly enter the new home buyer market spurring a new rise in single family home construction.



Multi - family housing consists of residential buildings containing units built one on top of another and those built side-by-side not having a ground-to-roof wall. There are 6,438 new multi-family housing units authorized for construction during 2019. This is a 13.5 percent increase over the previous year, when 5,672 new multi-family housing units were authorized for construction.

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

During the year, permit issuing places in the State authorized 6,191 new housing units for construction in 119 buildings containing five or more units. These apartments and condominium developments account for 96 - percent of Maryland's new multi-family housing authorized for construction during the year.

As a share of total new housing construction, the multi-family sector increases as single - family construction activity decreases. During 2019, new multi-family housing development accounts for 34.8 percent of all new residential construction. This is significantly higher than its share in 2018 of 30.4 percent.

The value of new multi-family housing unit construction is placed at \$1.02 billion. This is an increase of 23 - percent or \$190.8 million from 2018. This is the first year that the State's multi - family construction value is reported at over one billion dollars.

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 does not necessarily support a recent economic trend.

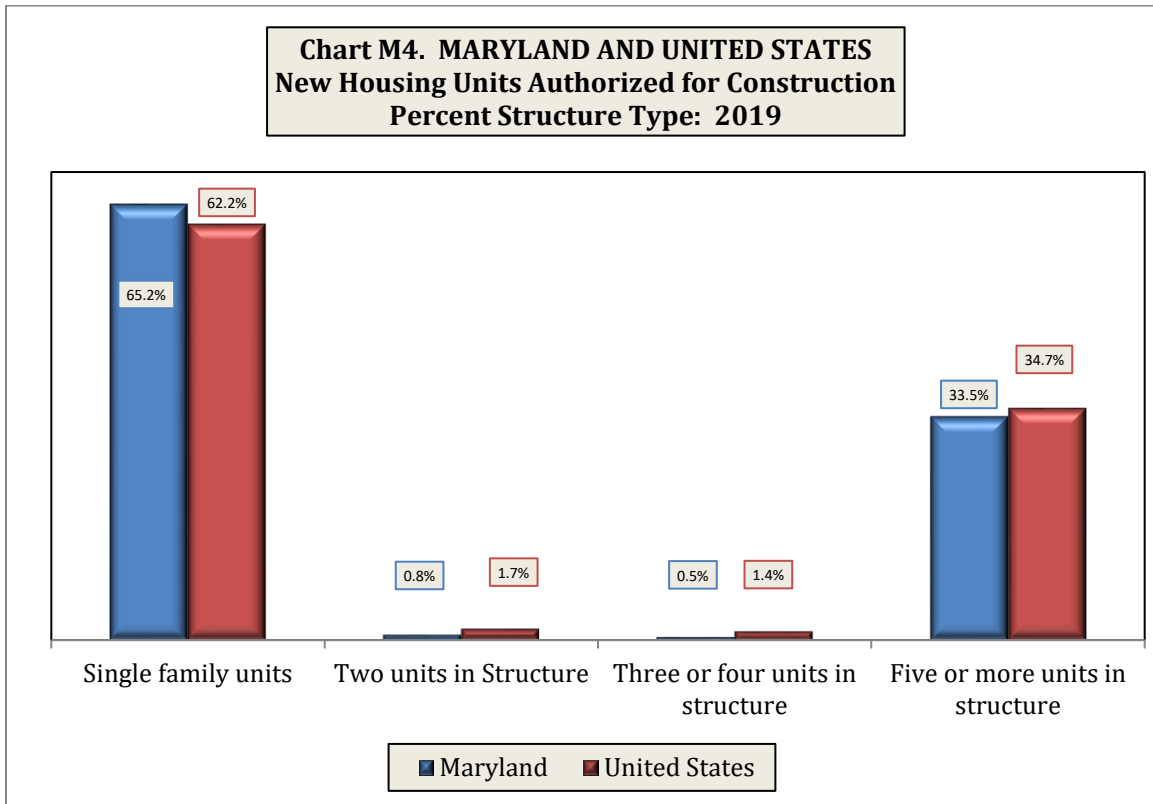
From 2010 through 2012, the sector sustained increased construction activity. During 2012 Maryland's multi-family unit construction jumped 21 percent from 5,985 units to 7,251 units in 2013. This increased the total number of housing units authorized for construction to 17,918 units, at the time, the highest count of total 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 above average. In fact, it was the highest level of authorizations for multi - unit construction since 2005 when 7,271 multi - family housing units were authorized.

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 is 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 2000 when it was 17.2 percent.

In contrast, the average annual share of new multi - family units constructed is 34.1 percent since 2010. 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 reported in 2017 when 23.7 percent of new housing units authorized for construction by building permits were multi-family units.

(See also Chart M4. **MARYLAND AND UNITED STATES New Housing Units Authorized for Construction by Percent Structure Type: 2019.**)



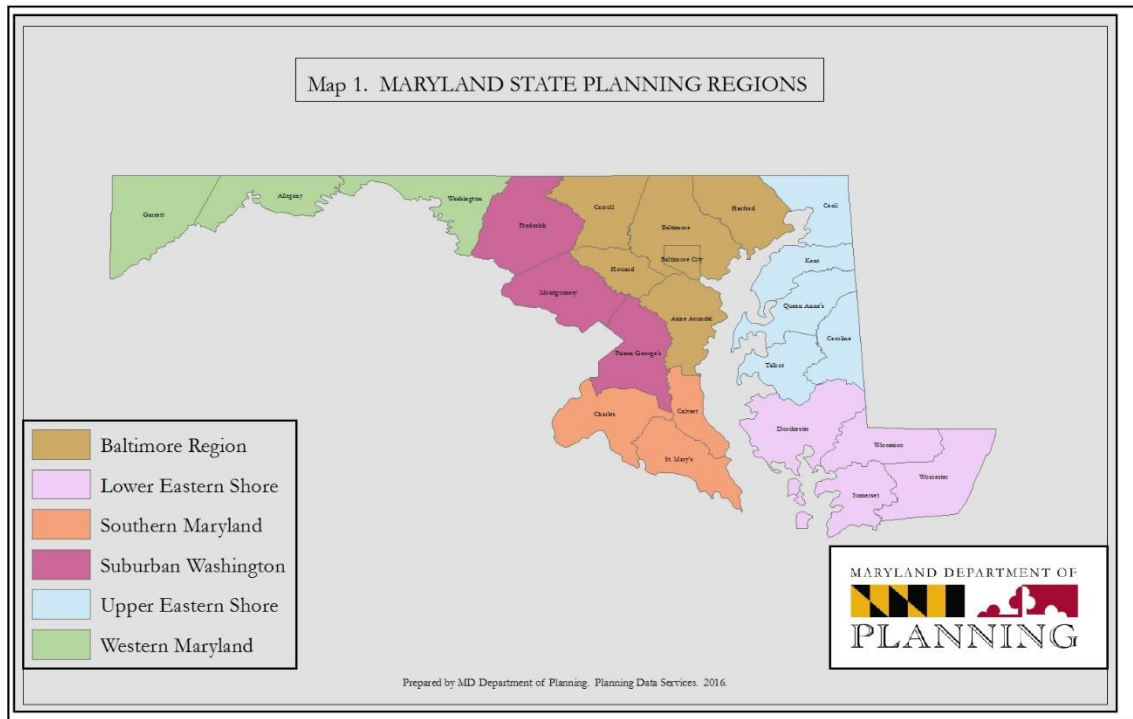
State Planning Regions: 2019

The State of Maryland's 23 counties and Baltimore City comprise six State Planning Regions. They are titled 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. These jurisdictions account for nearly 46 - percent of the State's total population of six million persons.

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' 2019 Population Estimates.

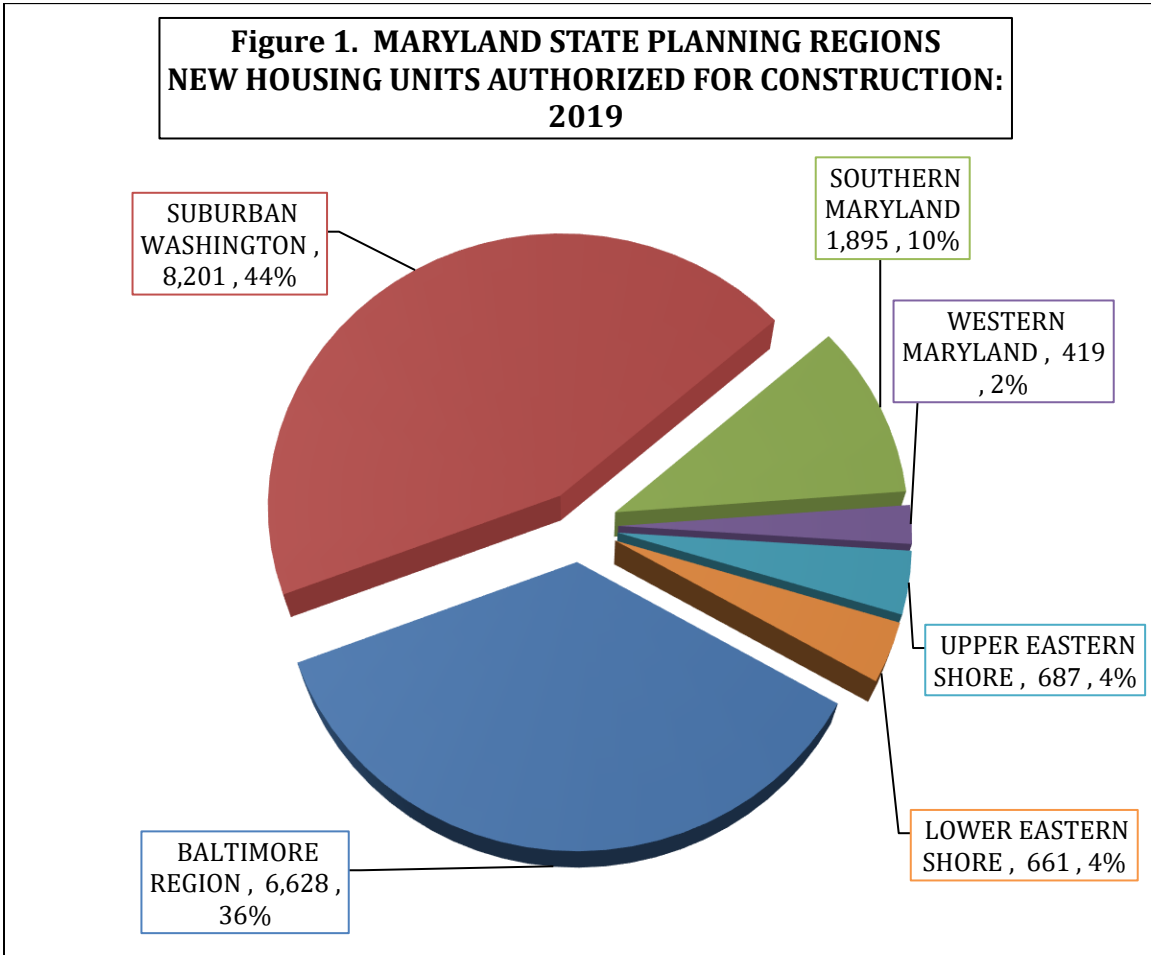


New residential construction activity in the Region declined substantially in comparison with the activity reported during 2018, when 9,008 new housing units were authorized. During 2019, Baltimore State Planning Region permit issuing places authorized 6,628 new housing units for construction. This also represents a drop of 26 – percent from activity the previous year. (See also Figure 1. **MARYLAND STATE PLANNING REGIONS New Housing Units Authorized for Construction: 2019,**)

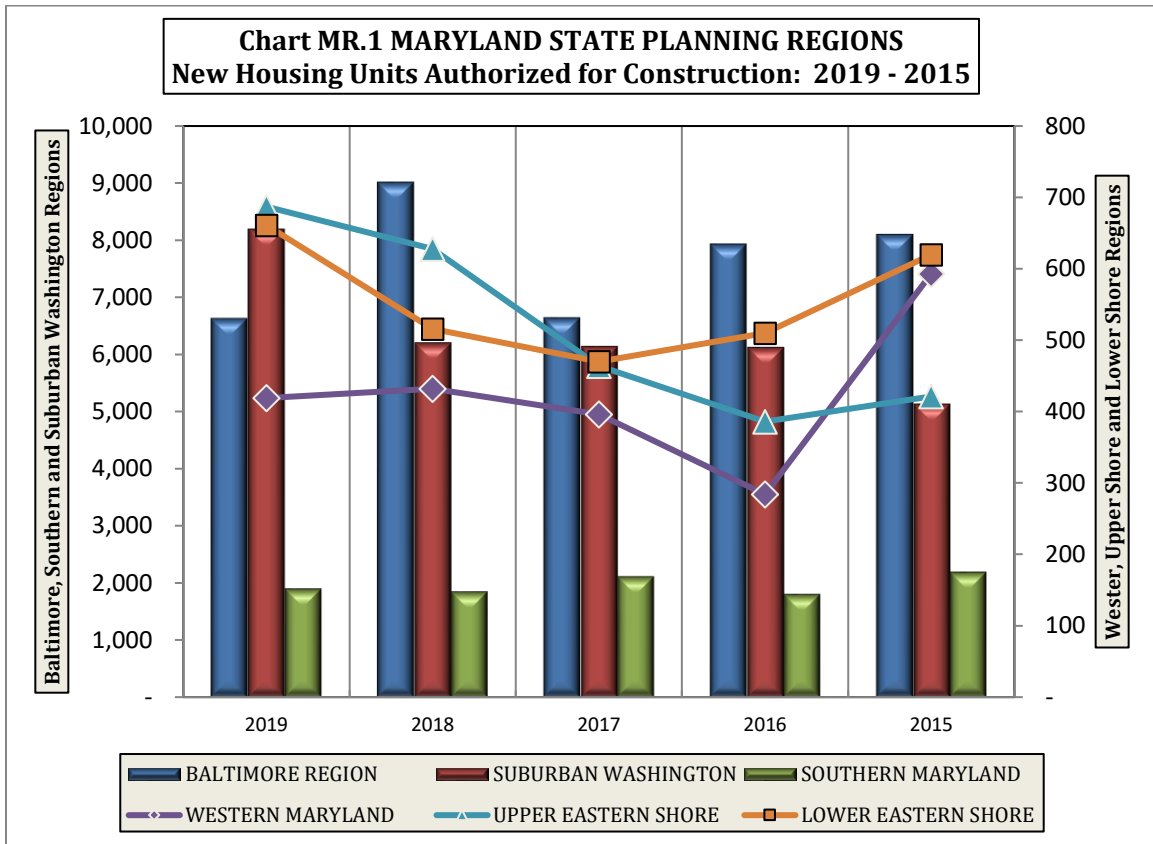
The decrease in construction activity compared to the previous year was nearly region wide. Only Anne Arundel and Harford reported increases in new unit authorizations (604 new units and 67 new units, respectively). Whereas Howard (minus 1,267 new units) and Baltimore City (minus 1,037 new units), account for most of the decline.

Anne Arundel and Baltimore Counties authorized most of the Region's new housing. Anne Arundel County authorized the State's second highest number of new housing units during 2019. It supplied 2,650 units or 40 – percent of the Region's new housing. Baltimore County authorized 1,417 new housing units for construction. This ranks fifth Statewide in new residential construction activity, and accounts for 20 -percent of the Baltimore State Planning Region's new units.

The value of the Region's new home building is placed at \$1.262 billion, representing just over one - third (33.6 percent) of the State's total cost of new residential construction of \$3.754 billion. Expectedly, the 2019 value of residential construction is a 21 - percent decrease from the \$1.591 billion cost of new residential construction reported for 2018.



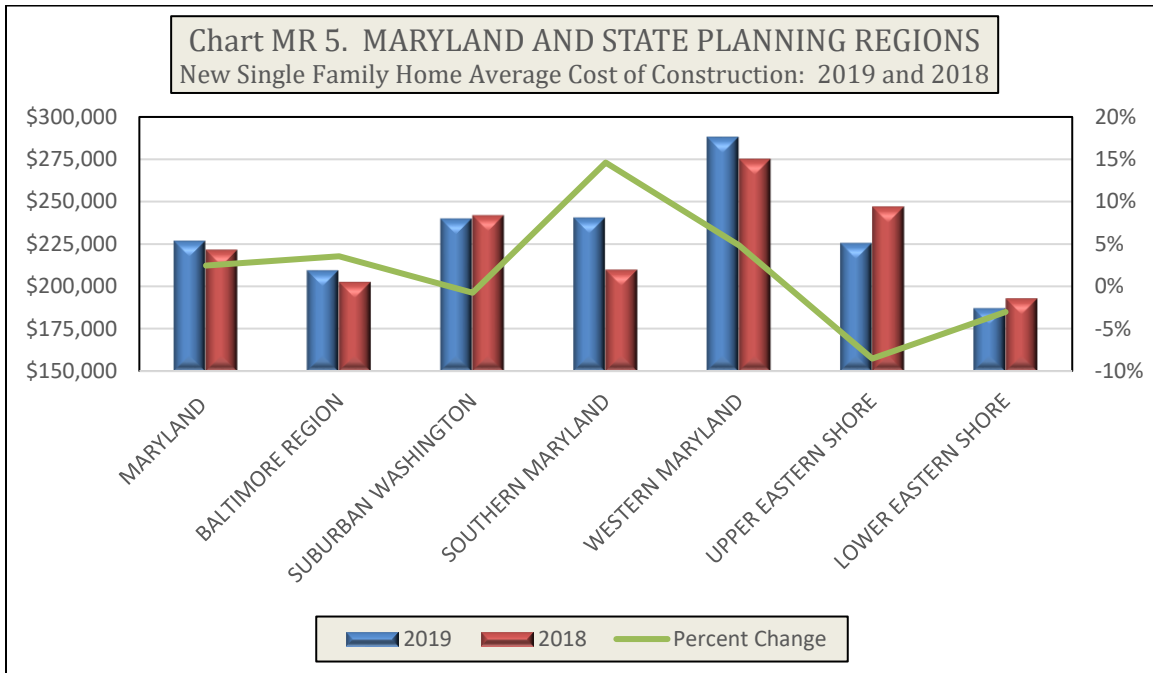
More than two - thirds (69 - percent) of the new housing units built in the Baltimore State Planning Region are single family homes. During 2019, Region permit issuing places authorized the construction of 4,561 attached and detached single family housing homes. This is a decline of more than 11 - percent (minus 591 new single family housing units), compared to the 5,152 new single family housing units authorized for construction during 2018.



Nearly, all the decrease in single family construction activity is attributable to the Region’s largest builders, Baltimore County and Anne Arundel. New home construction slowed by 294 units in Anne Arundel and by 291 new units in Baltimore County.

The value of new single-family home construction in the Baltimore Region is \$955.64 million. This is a decrease of \$86.99 million or more than eight percent from 2018 when single family construction costs were reported at \$1.043 billion.

During 2019, the Baltimore State Planning Region has the second lowest average single-family home construction cost among the six State Planning Regions. The average cost of building a new home in the Region is \$209,524. This is nearly eight percent lower than the mean cost Statewide (\$226,806). (See also Chart MR.5 **MARYLAND AND STATE PLANNING REGIONS New Single-Family Home Average Construction Value: 2019 and 2018.**)



Multi-family construction accounts for 31 - percent of all new housing in the Baltimore State Planning Region. Permit issuing places in the Region authorized 2,067 new multi-family housing units for construction during 2019. This is a substantial decrease (minus 46 - percent) from the 3,856 new multi-family housing units authorized for construction during 2018. Anne Arundel (904 units) and Baltimore County (629 units) authorized the highest number of new multi-family housing units for construction in the Region. Nearly all units (96 percent or 1,974 dwellings) are in buildings containing five or more units.

The value of multi-family housing construction built in the Baltimore Region is placed at \$306.281 million. This is 30 - percent of the value of the State's \$1.02 billion new multi-family housing unit construction.

Suburban Washington State Planning Region

The Suburban Washington State Planning Region has the second highest population among State planning regions with 2.2 million inhabitants, according to 2019 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 6.05 million persons.

The Suburban Washington Region authorized 8,201 new housing units for construction during 2019. It 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 Region accounts for 44 - percent of the State's new residential construction activity. Most of these new dwellings (3,225 units) will be built in Montgomery County.

New residential construction activity in 2019 is up 1,987 housing units (32 - percent) over the 6,214 new units authorized during 2018. The increase in total new housing construction activity is attributable to more than a doubling in multi-family home construction.

The 2019 value of the Region's new residential construction is placed at \$1.704 billion or 45 - percent of the State's \$3.754 billion aggregate value of new residential construction. This is an increase of \$321.52 million (23 - percent) from the Region's 2018 construction value of \$1.382 billion.

Just over 55 - percent of the new housing units authorized for construction in Suburban Washington (4,511 new homes) during 2019 are single family housing units. This accounts for 37.4 percent of the State's new single - family housing units.

New single - family home construction in the Suburban Washington State Planning Region is down 155 units compared to 2018. During the previous year, when 4,666 new home were built, single family home construction accounted for over 75 - 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 2,113 new single-family homes for construction, making Prince George's County the State's largest builder of single - family homes.

The average construction cost of building a new single-family home in Suburban Washington is \$239,838. 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 cost of \$226,806.

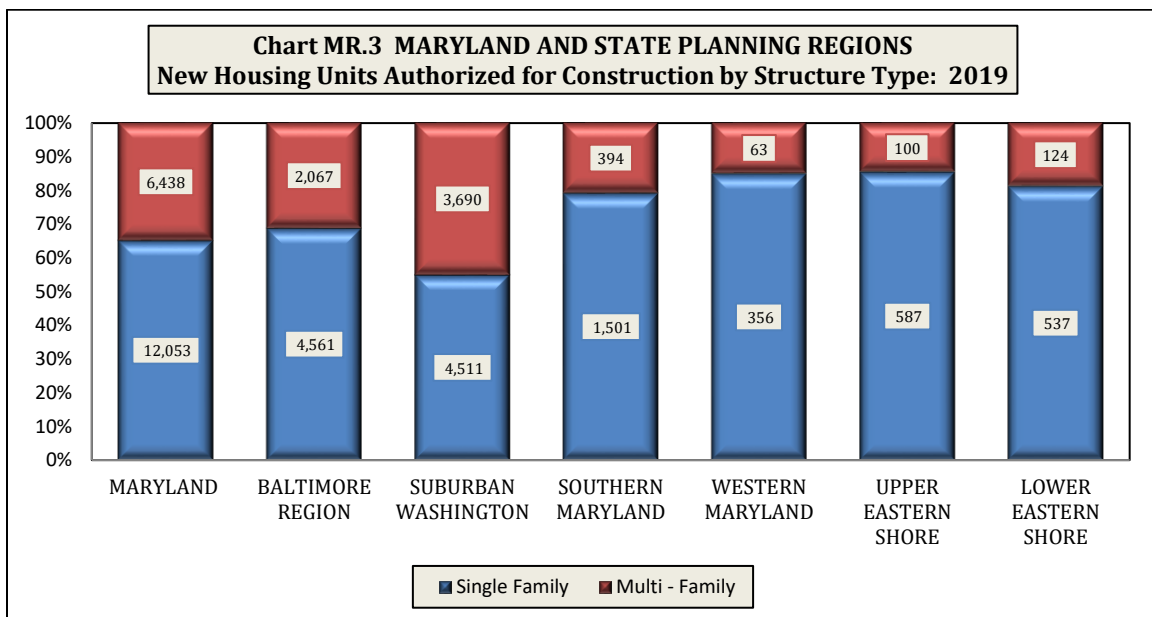
More than one - half of the State's new multi-family housing construction takes place in the Washington suburbs (57 - percent). The Suburban Washington State Planning Region authorized 3,690 new multi-family housing units for construction in 2019. This is a huge increase (138 - percent) in construction activity compared to 2018 when 1,548 new multi-family housing units were authorized.

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Nearly all (97 - percent or 3,590 units) of the Region's new multi-family housing units authorized in 2019, are in buildings containing five or more dwellings.

Most of Suburban Washington's new multi-family construction activity during 2019 takes place in Montgomery County. Permit issuing places there authorized 2,515 new multi-family housing units or 68 - percent of the Region's total.

The value of new multi-family housing unit construction in the Suburban Washington State Planning Region is placed at \$622.03 million. This is 61 - percent of the State's total value of \$1.02 billion reported for building new multi-family developments.



Southern Maryland State Planning Region

Calvert, Charles, and St. Mary's Counties comprise the Southern Maryland State Planning Region. According to 2019 population estimates from the U. S. Bureau of the Census, the Region is home to 369,292 persons. This represents six - percent of the State's total population of six million persons.

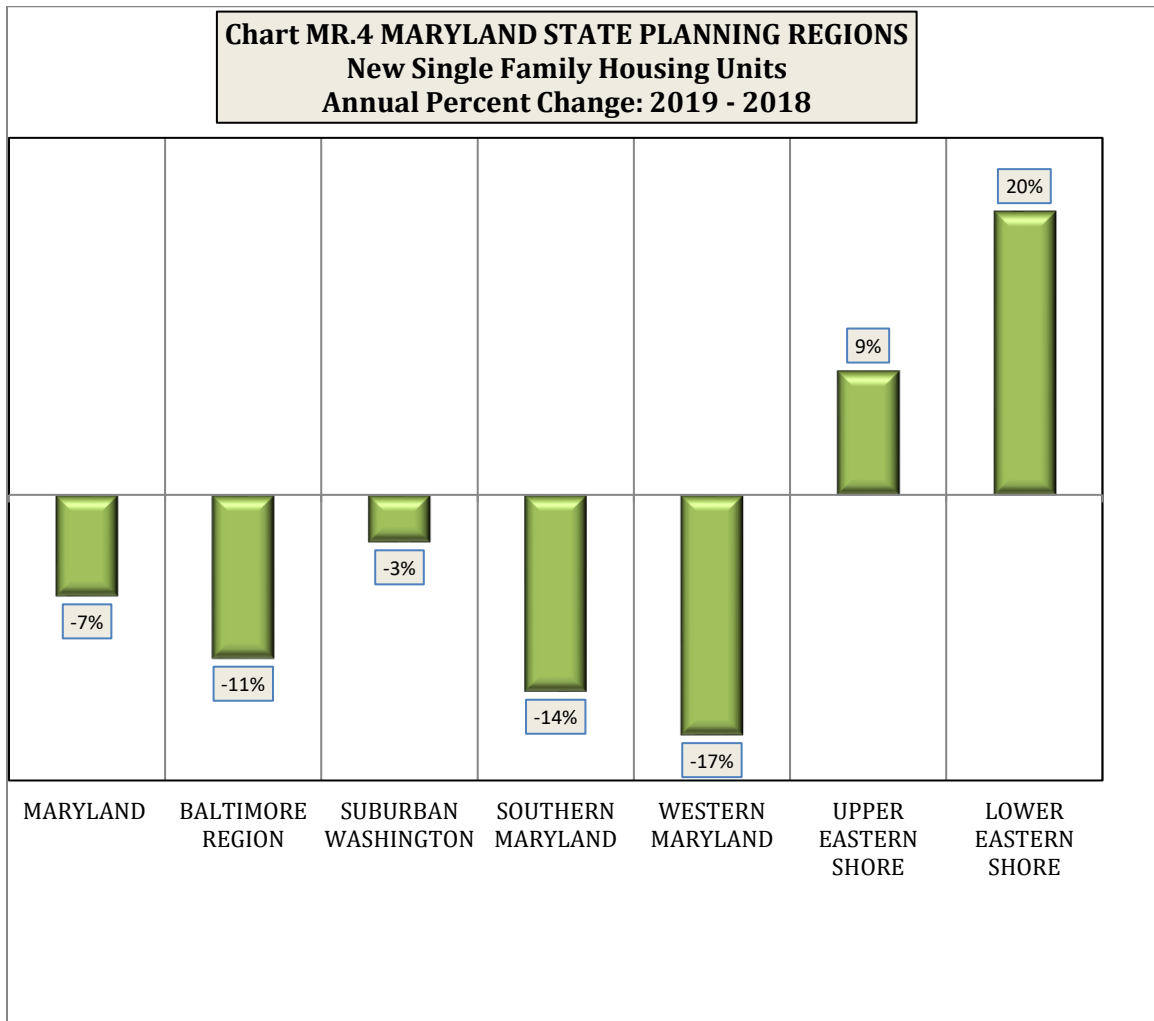
During 2019, Southern Maryland permit issuing places authorized 1,895 new housing units for construction. The value of new housing construction in the Region is placed at \$409.96 million. For the year, the Southern Maryland Region accounts for 10 - percent of the State's total new housing construction activity of 18,491 units,

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and 11- percent of the State's \$3.754 billion total value of new residential construction for the year.

The Region produced 46 more housing units in 2019 compared to 2018, when 1,849 new housing units were authorized for construction. Most of the Region's new housing (41 - percent) will be built in Charles County, where permit issuing places authorized 776 new housing units.

During 2019, the Region authorized 1,501 new single family housing units. This is a decrease of 240 homes (nearly 14 - percent) compared to 1,741 new homes permitted during 2018. For Calvert and Charles Counties single family home construction was about the same as in 2018. The decline was felt mostly in St. Mary's County, where single family home construction declined by 256 units or 29.4 percent.

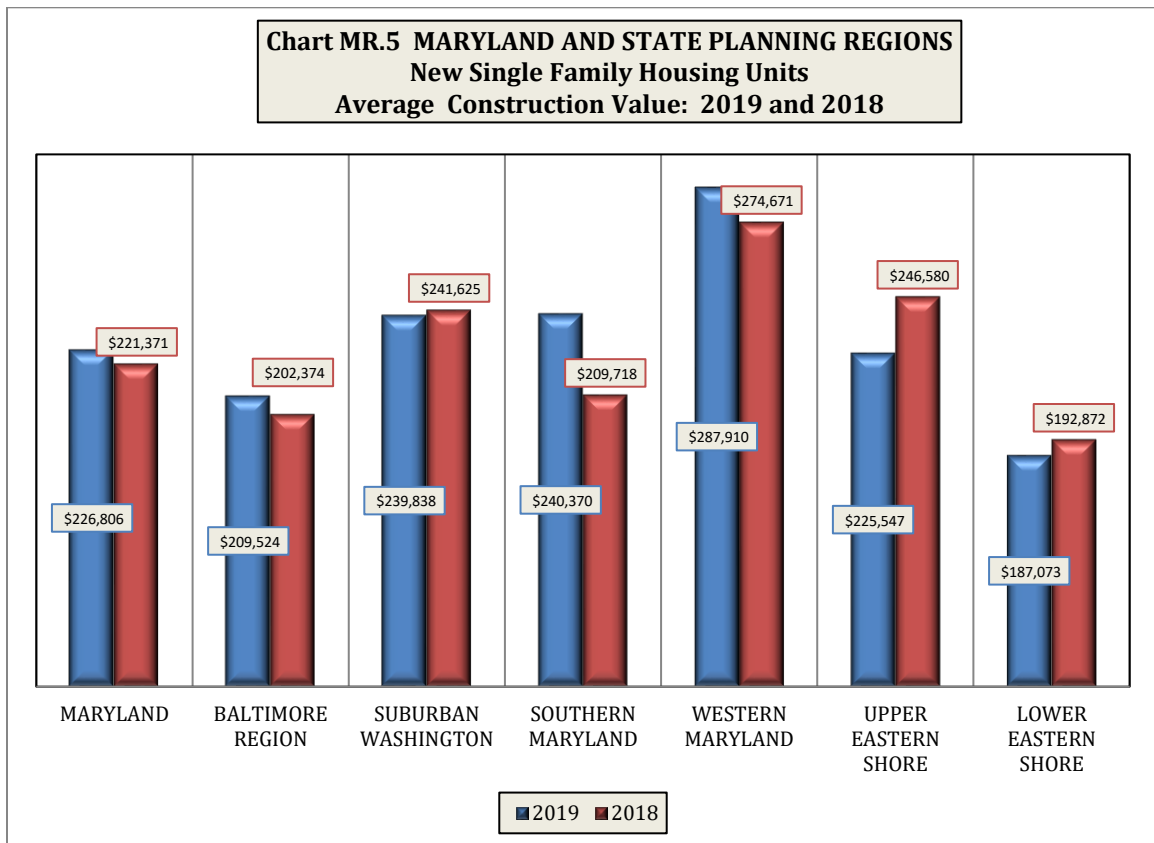


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The average construction cost of a new single - family home in the Southern Maryland State Planning Region is placed at \$240,370. This ranks second among the State's six planning regions and is six - percent higher than the State's average single family home construction cost of \$226,806.

Southern Maryland permit issuing places authorized the construction of 21 new multi-family residential developments containing 394 new multi - family housing units. This accounts for just over six - percent of the State's 2019 new multi-family housing unit production. Five buildings containing 240 of these units will be built in Calvert County.

The construction value of new multi-family housing in Southern Maryland is reported at \$49.16 million. This represents five - percent of the State's new multi-family housing construction value of \$ 1.02 billion. (See also Chart MR. 6B MARYLAND



Western Maryland State Planning Region

The Western Maryland State Planning Region is composed of Allegany, Garrett, and Washington Counties. These counties contain 250,479 persons, or four - percent of the State's total population of 6.05 million persons, according to 2019 population estimates from the U. S. Bureau of the Census.

Permit issuing places in these jurisdictions authorized 419 new housing units during 2019. This is just over two - percent of the State's new housing construction. Nearly sixty - percent of these units will be built in Washington County (247 dwellings).

The value of this construction is placed at \$114.71 million. This is just over three - percent of the State's new housing unit \$3.754 billion construction value. It is \$3.2 million (- 2.71 percent) less than what was spent on new residential construction in 2018 when the Region's value of construction was placed at \$117.91million.

Of the new housing units authorized for construction during 2019, 356 will be single family homes. Single family home construction accounts for 85 - percent of the new residential development. The value of this construction is placed at \$102.5 million.

Building new single family - housing in the Western Maryland State Planning Region decreased substantially from 2018 through 2019. The number reported in 2019 is a drop of 17 - percent from the 428 new homes reported the previous year. Most of this decline may be attributed to a decrease in construction activity in Washington County, as 61 fewer homes were authorized there compared to 2018.

The average cost for building a new single - family home in the Western Maryland Region is \$287,910. This is the highest average construction value among State Planning Regions. It is 27 - percent higher than the State's average construction cost of \$226,806.

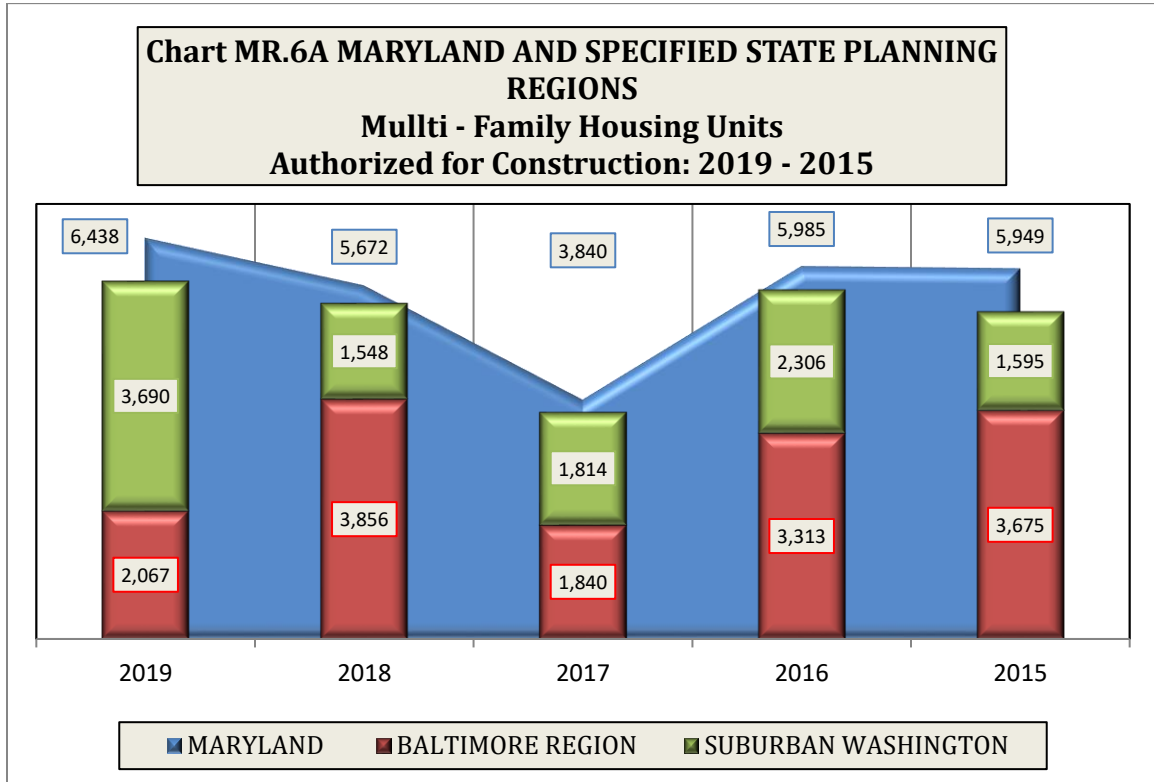
Garrett County has the highest average value of construction for new single - family home in the State. New homes in Garrett, on average, cost \$440,589 to build. The high value of Garrett's single - family construction is most likely tied to the construction of retirement and vacation homes near Deep Creek Lake.

Relatively little multi-family housing construction takes place in the Region. During 2019, eight buildings containing 63 housing units are authorized, with most of the units (40), authorized for construction in Allegany County.

The 2019 value of multi-family housing construction in Western Maryland is placed at \$12.22 million.

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 2019 population estimates from the U. S. Bureau of the Census, the total population is 243,245 persons, accounting for four - percent of the State's total population of six million persons.



During 2019, Upper Shore Region permit issuing places authorized 687 new housing units for construction, an increase of 59 units (nine - percent) from 2018. New housing in the Region accounts for just over four - percent of the State's total new housing construction.

The value of the Region's new residential construction is placed at \$148.49 million. This is a 2.8 percent increase in construction value compared to 2018, when the value of new housing construction was placed at \$144.4 million. Most of the Regions new houses are built in Queen Anne's County. The 339 new housing units authorized for construction in Queen Anne's permit issuing places represents 49 - percent of the Region's total.

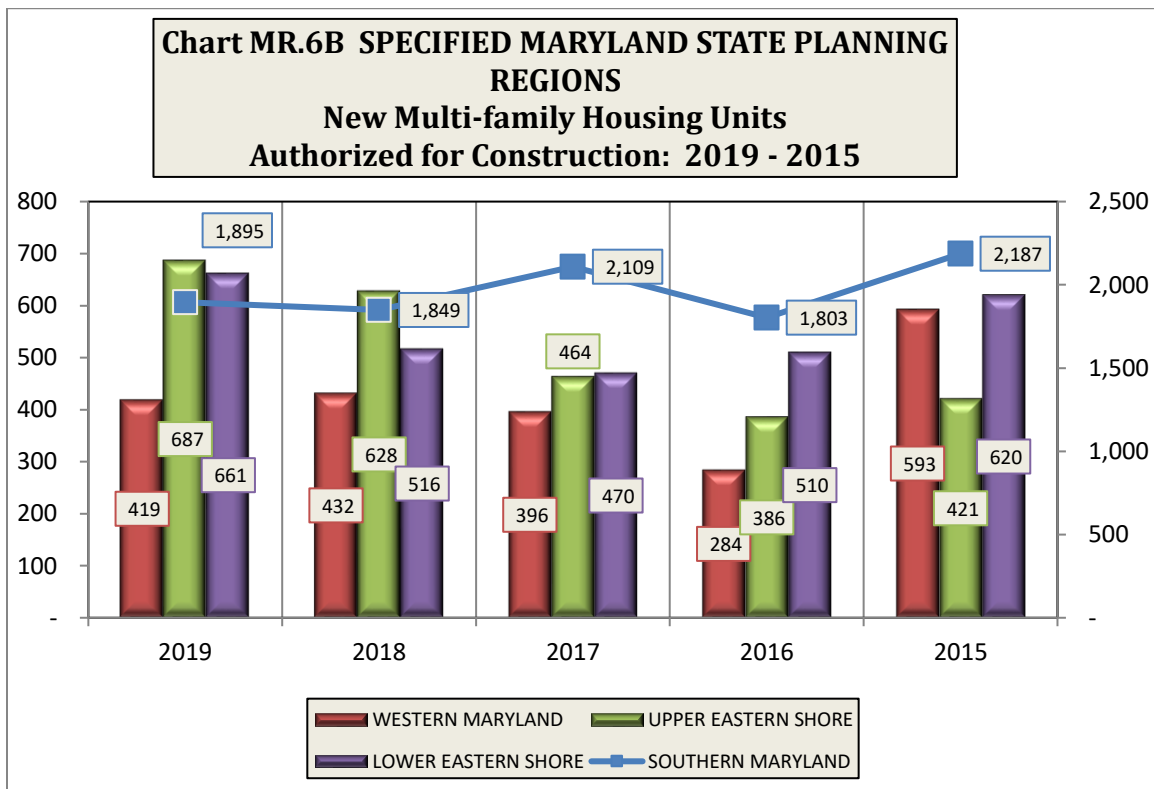
Of the new housing units, 587 are single-family homes. Single family home construction accounts for 85 - percent of the new housing units permitted in the five

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counties during 2019. Single family home construction is up nearly nine - percent compared with 2018, when 540 new single family housing units were permitted.

The aggregate construction value of new single-family home in the region is placed at \$132.4 million. This a decrease of about one - percent from the construction cost of single - family homes built in the region during 2018 (\$133.15 million).

The average construction value for a new single-family home is \$225,547. This ranks fourth among State Planning Regions and is roughly equivalent to the State's average cost of \$226,806 for building a new home.



Compared to other State Planning Regions very little multi-family housing construction is authorized for construction during 2019. Seven buildings containing 98 housing units were authorized for construction in Queen Anne's County, and one duplex building was authorized for construction in Queen Anne's County during the year. The value of these structures is placed at \$16.1 million.

Caroline, Cecil, and Kent 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 2019 U. S. Census Bureau population estimate for these jurisdictions is 213,430 persons. The region's population accounts for almost four - percent of the State's total population of 6.05 million persons, according to 2019 population estimates from the U. S. Bureau of the Census.

During 2019, permit issuing places on the Lower Eastern Shore Region authorized 661 new housing units for construction. This is an increase of 145 units (28 - percent), from 2018 when 516 new housing units were authorized for construction.

New residential development in the Lower Eastern Shore Region accounts for 3.6 percent of the new residential construction activity in the State. Most of the new construction takes place in Worcester and Wicomico Counties. Permit issuing places in Worcester authorized 316 new units for construction, while Wicomico authorized the construction of 266 new housing units. The two jurisdictions account for 88 - percent of the new residential construction activity in the region.

The value of new home building in the four counties is placed at \$115 million. This is an increase of \$19.13 million (just under 20 - percent) from the Region's value of new residential construction in 2018 (\$95.87 million).

Of the new housing units, 537 are single family homes, accounting for 81 - percent of new Lower Shore residential construction. This is 20 - percent higher than in 2018 when 448 new houses were built. The average construction value of the Region's new single - family homes is \$187,073. This is over 17 - percent below the Statewide average construction cost of \$226,806.

The Lower Eastern Shore Region authorized the construction of 124 new multi-family housing units during 2019, nearly doubling the number of new multi-family housing units authorized in 2018 (68 new units). More than 80 - percent of the new multi-family housing (100 units), is in buildings containing five or more units.

The 2019 value of construction for new multi-family dwellings in the Eastern Shore is \$14.54 million. This is \$5.1 million (53.6 percent) higher than the value reported for building new multi-family housing units on the Lower Eastern Shore in 2018 (\$9.47 million).

Suburban Development Areas: 2019

Most of the State's new residential development is moderate density, single-family housing built on small plots of land. The new housing is built in counties within commuting distance of major employment centers. 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 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 three 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), and
3. **Exurban** (Allegany, Washington, and Wicomico Counties).

The balance of the State's housing is built in areas that may be classified **Non – suburban** (Caroline, Dorchester, Garrett, Kent, Somerset, Talbot, and Worcester Counties); and **Urban** (Baltimore City).

According to 2019 population estimates from the U. S. Bureau of the Census, 86.4 percent of the State's population (5,223,346 of 6,045,680 persons), lives in the 16 jurisdictions classified Suburban (55.7 percent live in Inner Suburban jurisdictions, 25.3 percent live in Outer Suburban jurisdictions, and 5.4 percent live in Exurban jurisdictions).

Baltimore City, the only primary jurisdiction classified Urban contains 9.8 percent of the State's residents. Just under four percent of the population (3.8 percent) lives in primary jurisdictions not classified as suburban or urban.

During 2019, Suburban jurisdictions authorized the construction of 17,319 new housing units. This is five percent higher than the 16,485 new housing unit permitted during 2018, and the highest report for new suburban housing units since 2007. During that year 18,582 new housing units were authorized for construction.

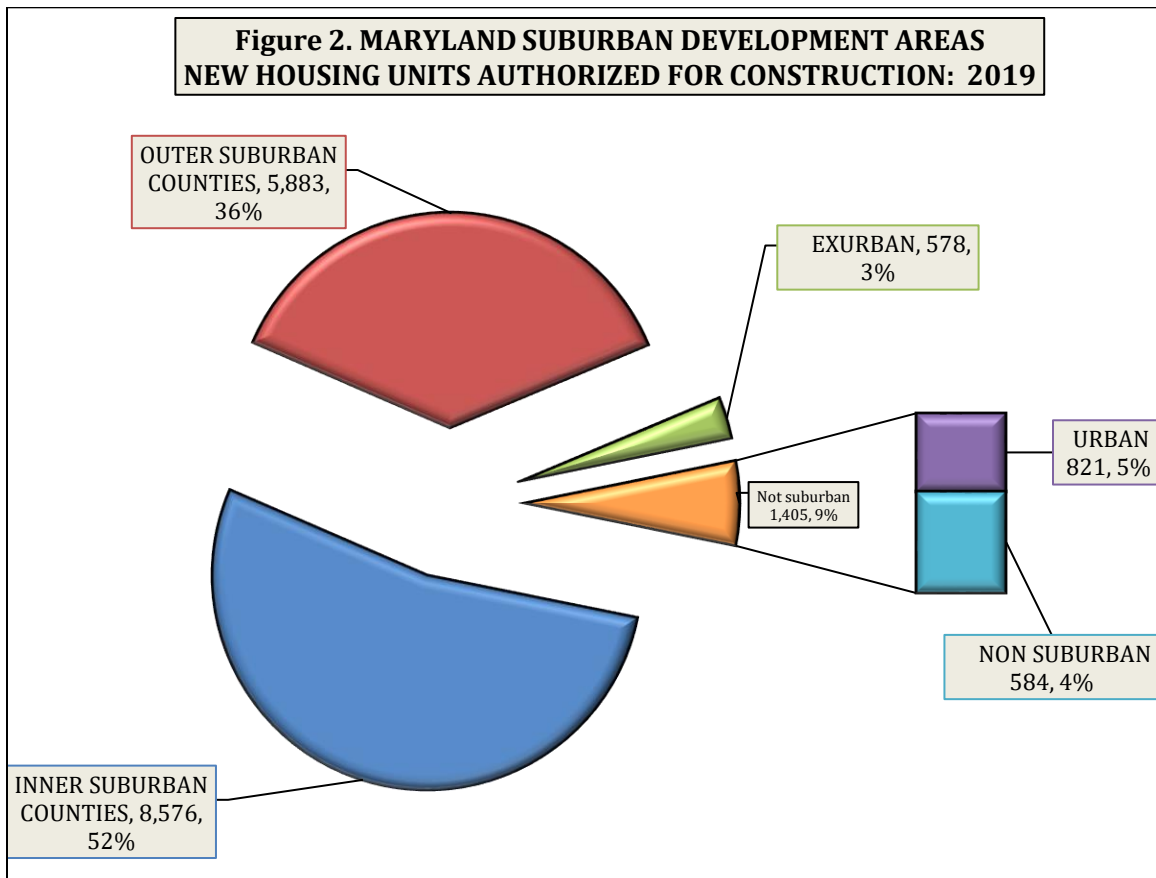
Suburban residential development accounts for 94 percent of the State's total new residential construction. The value of this construction is placed at \$3.51 billion.

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(See Figure 2. MARYLAND RESIDENTIAL DEVELOPMENT AREAS New Housing Units Authorized for Construction: 2019).

Single family housing units comprise nearly two - thirds of the State's residential development in suburban jurisdictions (11,368 housing units or 65.6 percent). This is decrease from 2018, when 12,331 new single - family homes were built. The 2019 count of new single - family homes is the second highest since 2010. Only the 2017 count of 12,384 units is higher.

The single - family units authorized for construction in suburban areas have an aggregate value placed at \$2.562 billion. The average cost to build a house in the Maryland suburbs is \$225,423. This is slightly less (-0.61 percent) than the statewide average of \$226,806. (See also Chart MS. 1 **MARYLAND SUBURBAN DEVELOPMENT AREAS New Housing Units Authorized for Construction by Structure Type: 2010 - 2019.**)

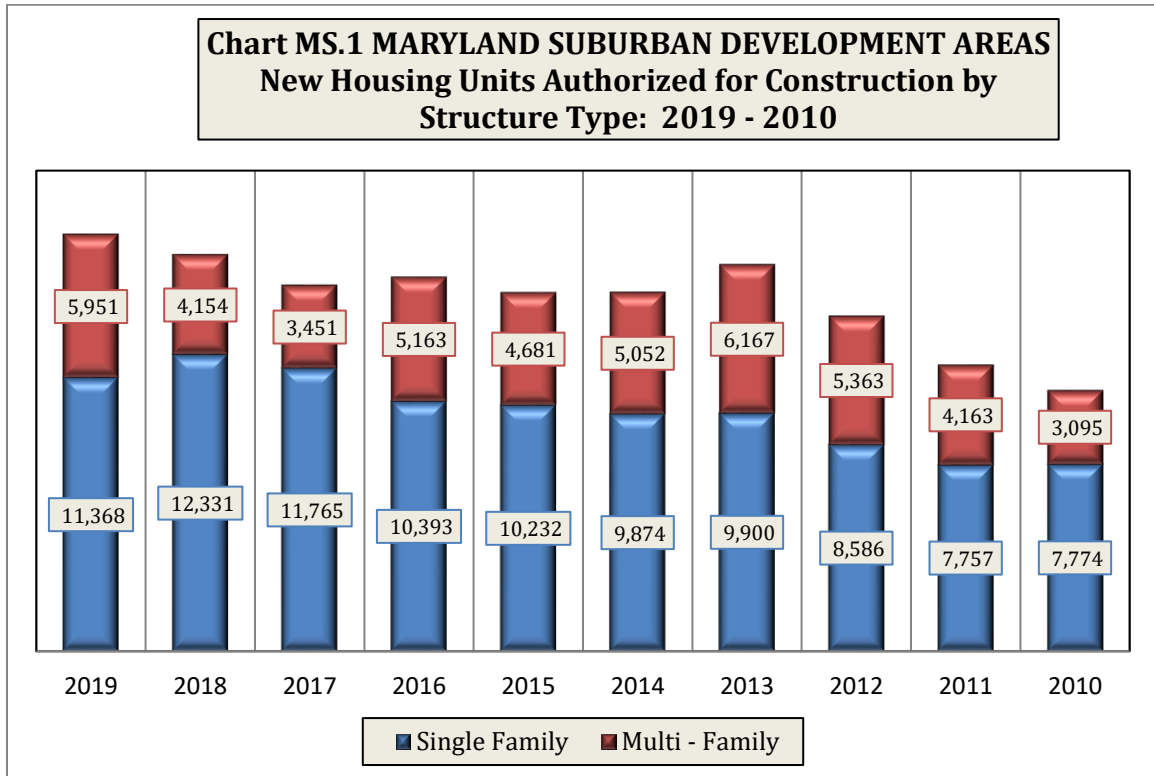


Maryland's suburban builders produced 5,951 new multi-family housing units during 2019. This is 92 - percent of the State's new multi-family housing unit

inventory. It is an increase of 1,797 units from the 4,154 authorized during 2018. 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 2019 construction value of multi-family housing construction in Suburban jurisdictions is placed at \$947.82 million, an increase of 57.9 percent (\$347.45 million) over the value of construction reported in 2018.

Most of the new multi-family units are garden style or high - rise apartments or condominiums (97 - percent or 5,764 units). The value of which is placed at \$924.34 million or 98 - 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.

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The four jurisdictions contain 3,366,619 persons. This is 56 - percent of the State's total population and 64.5 percent of the State's Suburban population.

During 2019, Inner Suburban permit issuing places authorized 9,861 new housing units. This accounts for 53 - percent of the State's new residential construction. (See Also Chart MS 2. **MARYLAND SUBURBAN DEVELOPMENT New Housing Units Authorized for Construction: 2019 - 2010.**)

The number of new housing units authorized for construction rose 1,494 units (18 - percent) from the 6,201 new housing units authorized for construction during 2018. This makes four consecutive years the Inner Suburbs have reported an annual increase in new housing production. (See Also Chart MS 3. **MARYLAND SUBURBAN DEVELOPMENT Change in New Housing Units Authorized for Construction 2014 - 2019.**)

The value of new residential construction in the Inner Suburban jurisdictions is placed at \$1.923 billion during 2019. This is over 51 - percent of the State's \$3.754 billion value of new residential construction during the year, and an increase of \$294.12 million (18 - percent) from the value of new residential construction authorized in these jurisdictions the previous year. (See also Chart MS 4. **MARYLAND RESIDENTIAL DEVELOPMENT Value of New Housing Unit Construction: 2019 - 2018.**)

About 44 - percent (5,357) of the State's 12,053 new single - family homes are built in these four counties. Single family home construction during 2019 is a decrease of 844 single family housing units from 2018, or just under a 14 - percent decrease. It should be noted however, that the 2018 count of single - family homes permitted in the county group is the highest level reached since 2007, when 8,616 single family homes were authorized.

The value of new single - family home construction in the Inner Suburbs of Maryland is placed at \$1.158 billion. The average construction value of a new single - family home is \$216,111, or nearly five - percent below the State's average construction value of \$226,806.

Still the average cost of building a single - family dwelling in the Inner Suburbs increased two - percent relative to building cost reported in 2018 (\$211,538). (See also Chart MS 5. **MARYLAND AND RESIDENTIAL DEVELOPMENT AREAS New Single-Family Home Average Construction Value: 2019 and 2018.**)

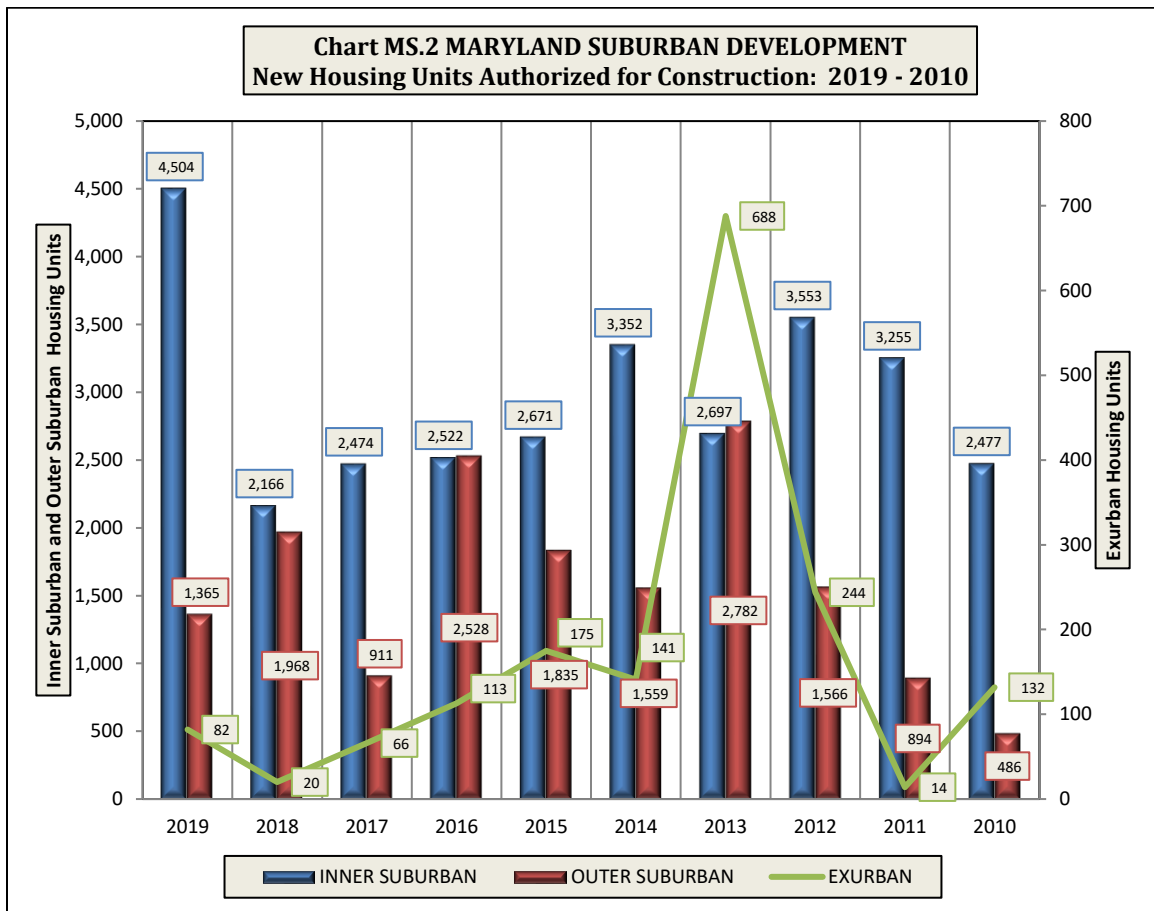
The Inner Suburban counties authorized the construction of 4,504 new multi-family housing units during 2019, more than double the 2,166 new multi-family housing units authorized for construction the previous year. (See also Chart MS 6.

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MARYLAND AND RESIDENTIAL DEVELOPMENT AREAS New Housing Units Authorized for Construction by Structure Type: 2019.)

The 2019 value of constructing multi-family buildings in the Inner Suburban counties is placed at \$765.04 million. This is a 141 - percent increase over the \$316.88 million spent building multi-family housing in 2018.

Over 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 4,381 units in 46 new buildings containing five or more units with a construction cost placed at \$752.09 million.



Outer Suburban Counties

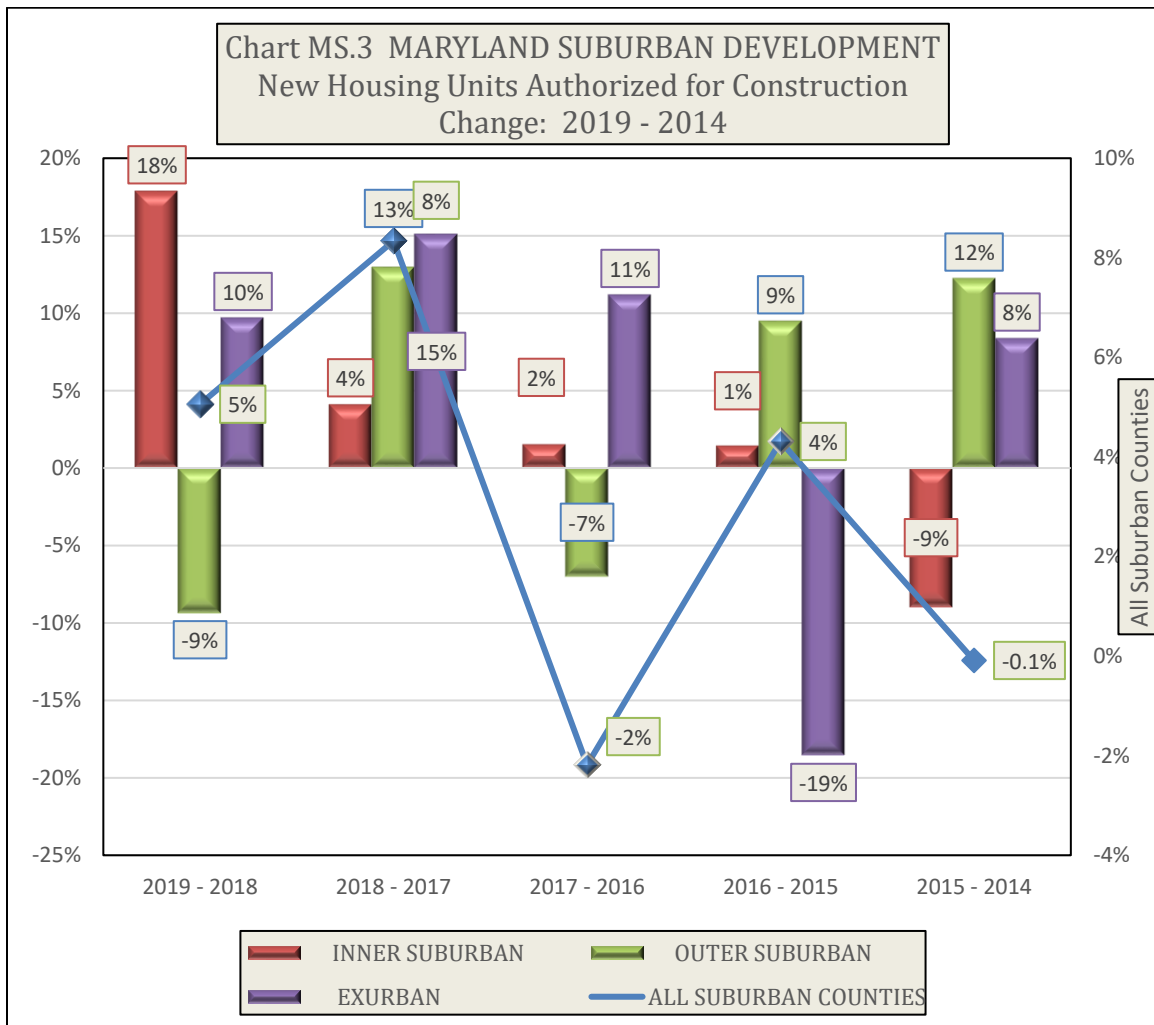
Calvert, Carroll, Cecil, Charles, Frederick, Harford, Howard, Queen Anne's, and St. Mary's Counties comprise the Outer Suburban Counties. These are fast growing jurisdictions within the commuter shed of the Baltimore City and Washington, DC

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population cores. In general, these jurisdictions are adjacent to or closely neighbor Inner Suburban Counties.

These counties contain 1,531,653 persons according to the 2019 population estimates from the U. S. Bureau of the Census. This is 29 - percent of the State's suburban area population of 5,223,346 persons, and 25 - percent of the State's total population of 6,045,680.

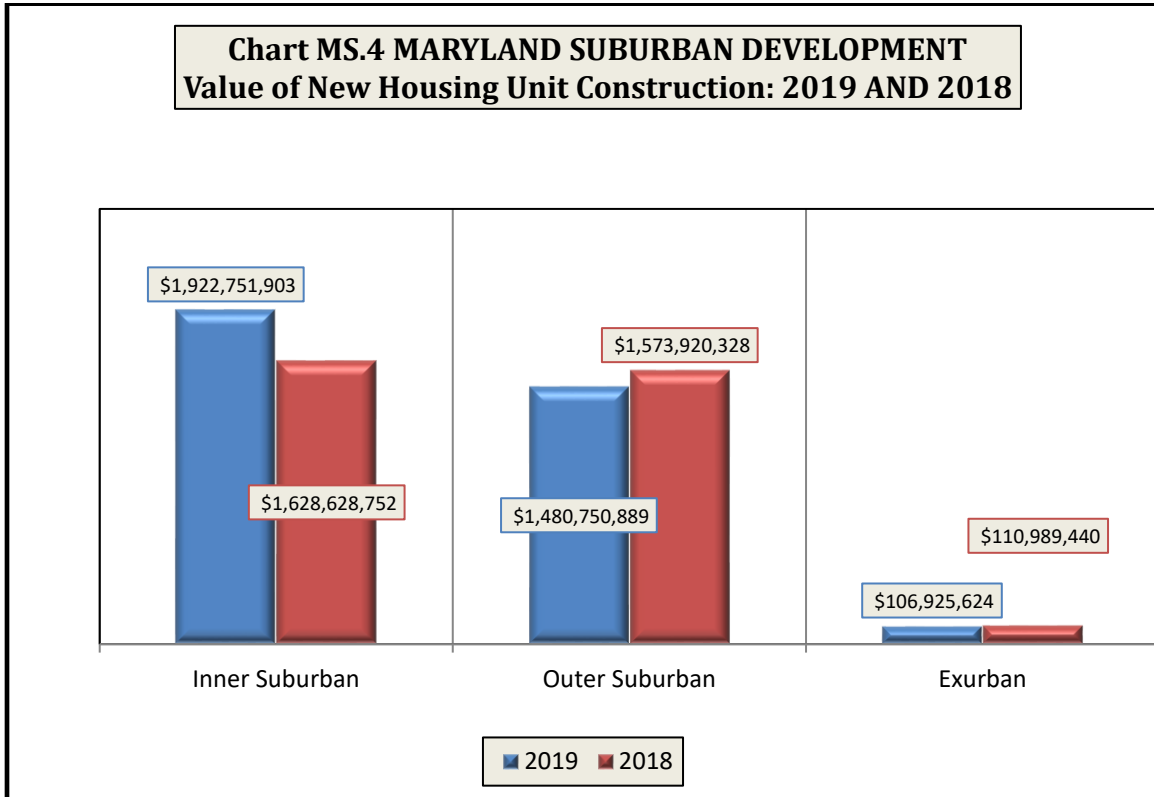
During 2019, Outer Suburban Counties authorized 6,880 new housing units for construction. This accounts for 37 - percent of the State's new residential construction during the year.



The 2019 total is a decrease 711 units (minus nine - percent) compared to the 7,591 new units authorized during 2018. The 2019 value of Outer Suburban housing

construction is placed at \$1.481 billion. This is 39 - percent of the State's total new housing construction value of \$3.754 billion.

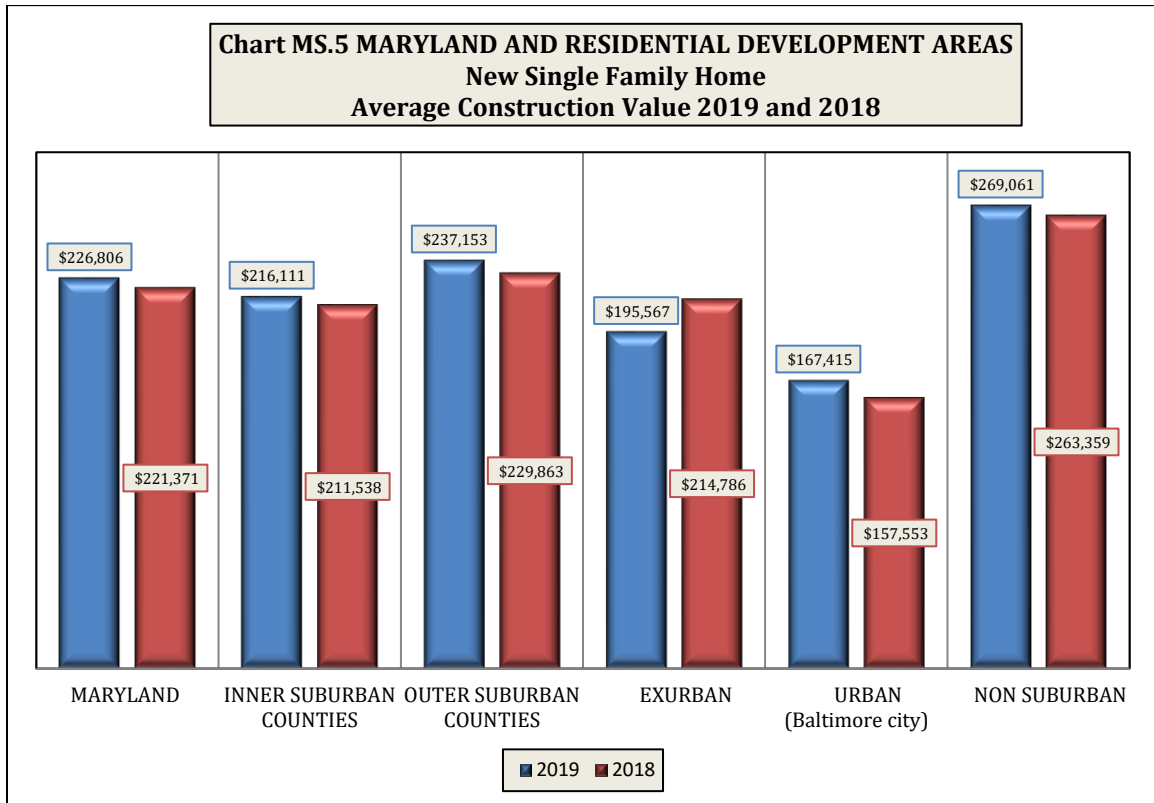
The new housing inventory in the Outer Suburban Counties is predominantly single - family dwellings (80 - percent or 5,515 units). The number of new single - family housing units authorized for construction during 2019 is 108 units lower than the number of new single - family housing units built in 2018 (5,623).



The 2019 construction value of new single - family housing in Outer Suburban jurisdictions is placed at \$1.308 billion. The average new home construction cost in the Outer Suburbs is \$237,153. This is 4.6 percent higher than the average cost of building a new home Statewide (\$226,806), and three - percent higher than the construction value of new single - family homes in the same areas reported for 2018 (\$229,863).

Permit issuing places in Outer Suburban jurisdictions authorized 1,365 new housing units in multi-family developments during 2019. This accounts for 21 - percent of the State's new multi-family housing unit development activity. It also represents a substantial decrease (603 units or minus 31 - percent) from the 1,968 new multi-family housing units authorized during 2018.

The 2019 construction value of new Outer Suburban multi-family housing units is placed at \$172.85 million. Nearly all (96 - percent) new multi-family development is devoted to apartments and condominiums, as 1,303 of the new units are in 47 buildings containing five or more units.



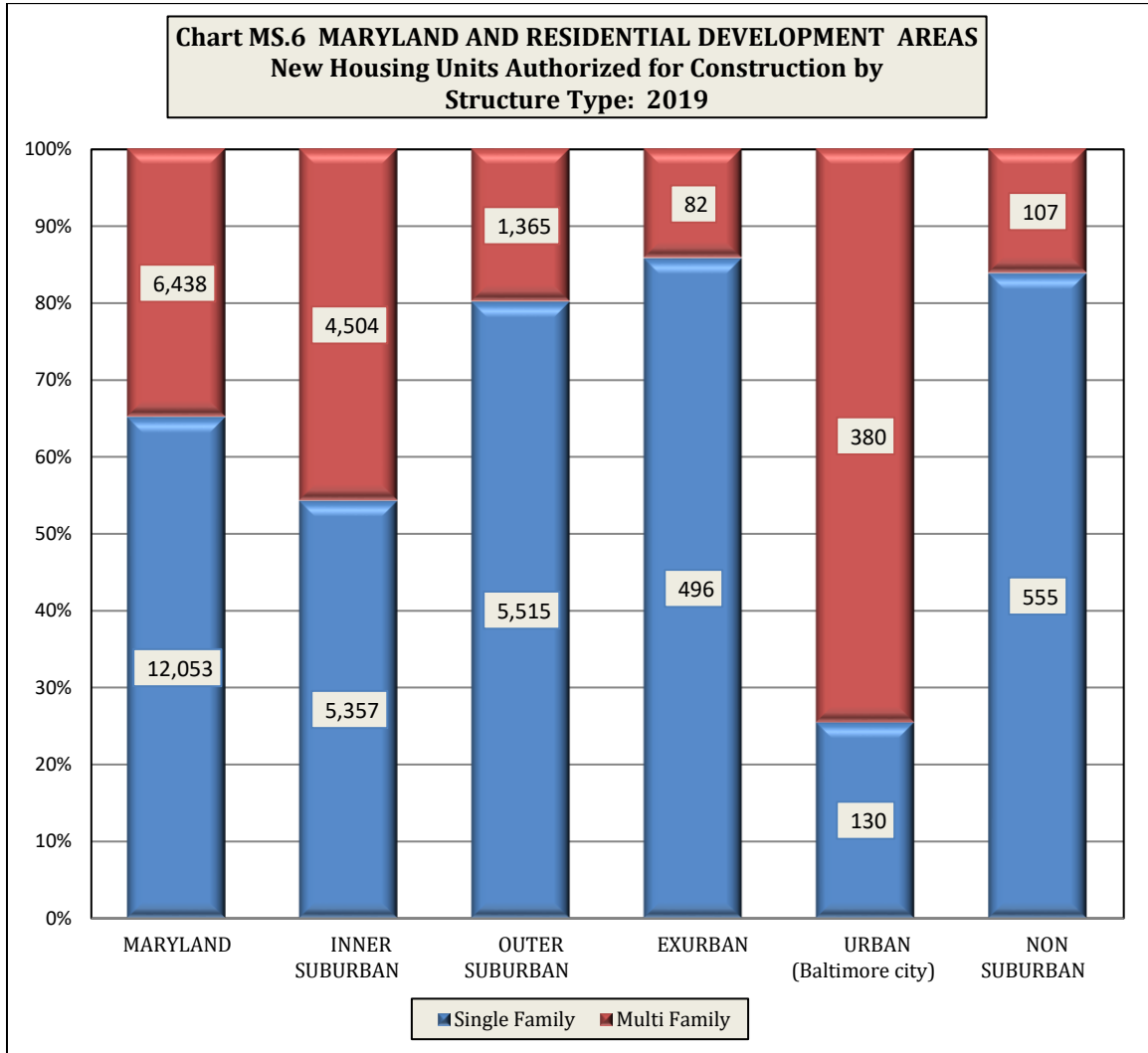
Exurban Counties

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 residing in the three jurisdictions is 325,074 persons according to the 2019 population estimates from the U. S. Census Bureau. This is over five percent of the State's total population of 6,045,680 persons, and over six - percent of the State's suburban population of 5,223,346 persons.

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During 2019, these jurisdictions authorized 578 new housing units. This is an increase of 51 new homes (nearly eight - percent) from the 527 new housing units authorized for construction during 2018. New housing construction in Exurban jurisdictions accounts for over three - percent of the State's new residential construction in 2019.



The value of new residential construction in Exurban counties is placed at \$106.93 million, or almost three - percent of the State's total value of residential new construction. This is a significant decrease in expenditures from 2018, when the value of new housing production in Exurban counties was placed at \$111 million.

Allegany, Washington, and Wicomico Counties combined to authorize 496 new single-family houses in 2019. This accounts for 86 - percent of all new housing units authorized for construction by Exurban permit issuing places and while this is a decrease of 11 units from 2018, it is still the highest percent share for new single - family housing construction among all specified development areas.

The 2019 value of new single - family housing construction is \$97 million in Exurban counties. The average construction value of new single - family homes is \$195,567 in these areas. This is nearly 14 - percent below the average cost of a new single - family home in Maryland (\$226,806). The 2019 average construction value is nine - percent below the \$214,786 average new home construction value the previous year.

New multi-family housing unit construction activity in Exurban counties accounts for just over one - percent of the State's new suburban multi-family developments. Permit issuing places in these jurisdictions authorized 82 new multi-family housing units for construction during 2019. This is an increase of 62 units from the 20 new multi-family housing units authorized in these counties during 2018.

The 2019 total value of multi-family building construction in the Exurbs is placed at \$9.92 million. This represents a quantum leap in spending compared to new multi-family housing construction in 2018, when the value of new multi-family housing unit was placed at \$2.09 million.

Non - Suburban Non - Urban Counties

Although they may contain incorporated and unincorporated places that are classified urban, there are seven jurisdictions that are generally not considered as suburban. There are 228, 844 persons residing in these areas, accounting for 3.8 percent of the State's population. These jurisdictions are Caroline, Dorchester, Garrett, Kent, Somerset, Talbot, and Worcester Counties.

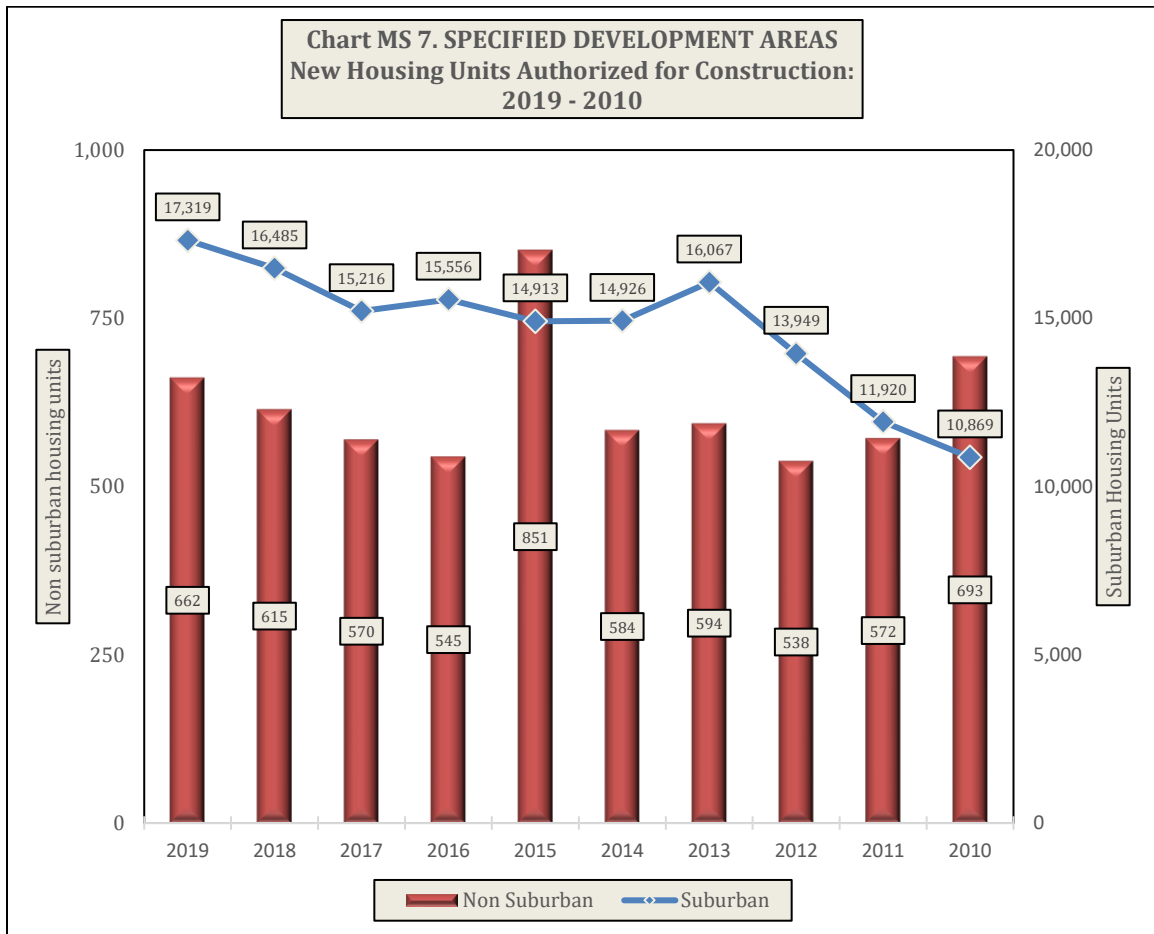
Total new residential construction remains relatively stable in these jurisdictions. Since 2010, the average number of new housing units authorized for construction is around 622 units a year. During 2019, 662 new housing units were authorized for construction. This is 47 more housing units (an increase of eight - percent), than were authorized during 2018 when 615 new housing units were authorized for construction and represents the fourth consecutive year of increased residential construction in these jurisdictions.

See also Chart MS 7. ***SPECIFIED DEVELOPMENT AREAS New Housing Units Authorized for Construction: 2019 - 2010.***)

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The 2019 value of new housing construction in these counties is placed at \$166.29 million. This is over four - percent of the State's \$3.754 billion annual value of residential construction activity, it also reflects a substantial increase from the area's \$153.28 million construction value reported in 2018 (a jump of 8.5 percent).

There are 555 new single-family homes authorized for construction in non - suburban counties during 2019. This is 84 - percent of the county group's new residential unit construction. The value of new single - family home construction is placed at \$149.33 million.



As an aggregate, the cost of building a house in Maryland non suburban areas is more expensive than building one in suburban areas. The 2019 average cost to build a new single - family home in a non-suburban jurisdiction is \$269,061. This is more than 18 - percent higher than the Statewide average of \$226,806.

Much like Maryland's Exurban jurisdictions, relatively little new multi-family housing construction takes place in non-suburban areas. During 2019, 107 new housing units were authorized for construction in 10 buildings. This is a net increase of 37 new multi-family housing units since 2018.

Just three of the State's seven non-suburban jurisdictions authorized new multi-family housing construction during the year. Garrett, Talbot, and Worcester authorized 21, two and 84 new multi-family housing units for construction, respectively.

The 2019 value of constructing new housing units in multi-family buildings is placed at \$16.96 million. This is a substantial increase when contrasted with the \$9.75 million value of multi-family housing construction put in place during 2018.

Maryland Jurisdictions

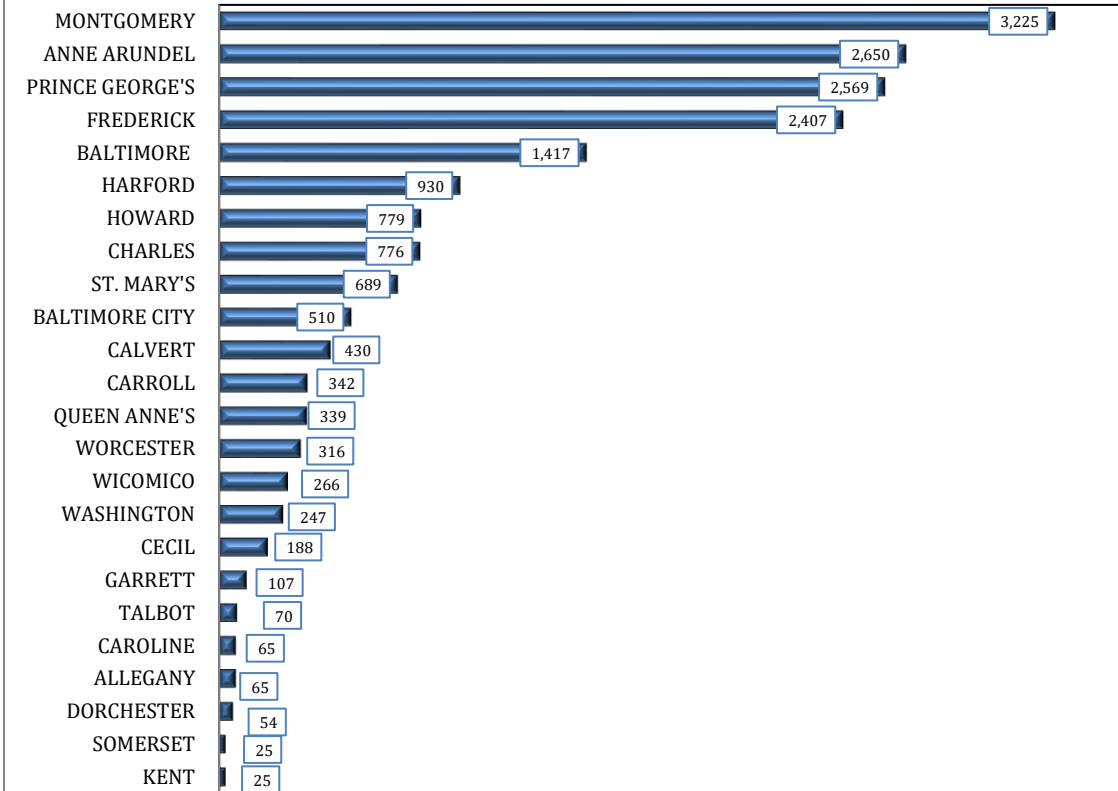
Four jurisdictions account for over one-half of Maryland's 18,491 new housing units during 2019. Montgomery County permit issuing places authorized the most, 3,225 new dwellings. Combined with Anne Arundel (2,650 units), Prince George's (2,569 units) and Frederick (2,407 units), the four jurisdictions account for 59 percent of the State's new housing production. (See also Chart MJ.1 **MARYLAND JURISDICTIONS New Housing Units Authorized for Construction: 2019.**)

These jurisdictions also report the highest values for new housing construction and have the largest annual increase in residential construction activity. The highest values are reported by permit issuing places in Montgomery County (\$647.12 million), followed by Prince George's (\$553.88 million), Frederick (\$502.95 million) and Anne Arundel (\$453.22 million). (See also Chart MJ.2 **MARYLAND JURISDICTIONS Value of New Housing Unit Construction: 2019.**)

Fourteen 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 include Montgomery County (1,278 additional units), Anne Arundel County (604 additional units), Frederick County (407 units) and Prince George's, with 302 more units authorized for construction during 2019 than in 2018.

Calvert County experienced the highest annual percent increase in new housing during 2019. Housing production in the County jumped 133.7 percent (from 184 to 430 new housing units) over the period.

**Chart MJ.1 MARYLAND JURISDICTIONS
New Housing Units Authorized for Construction: 2019**

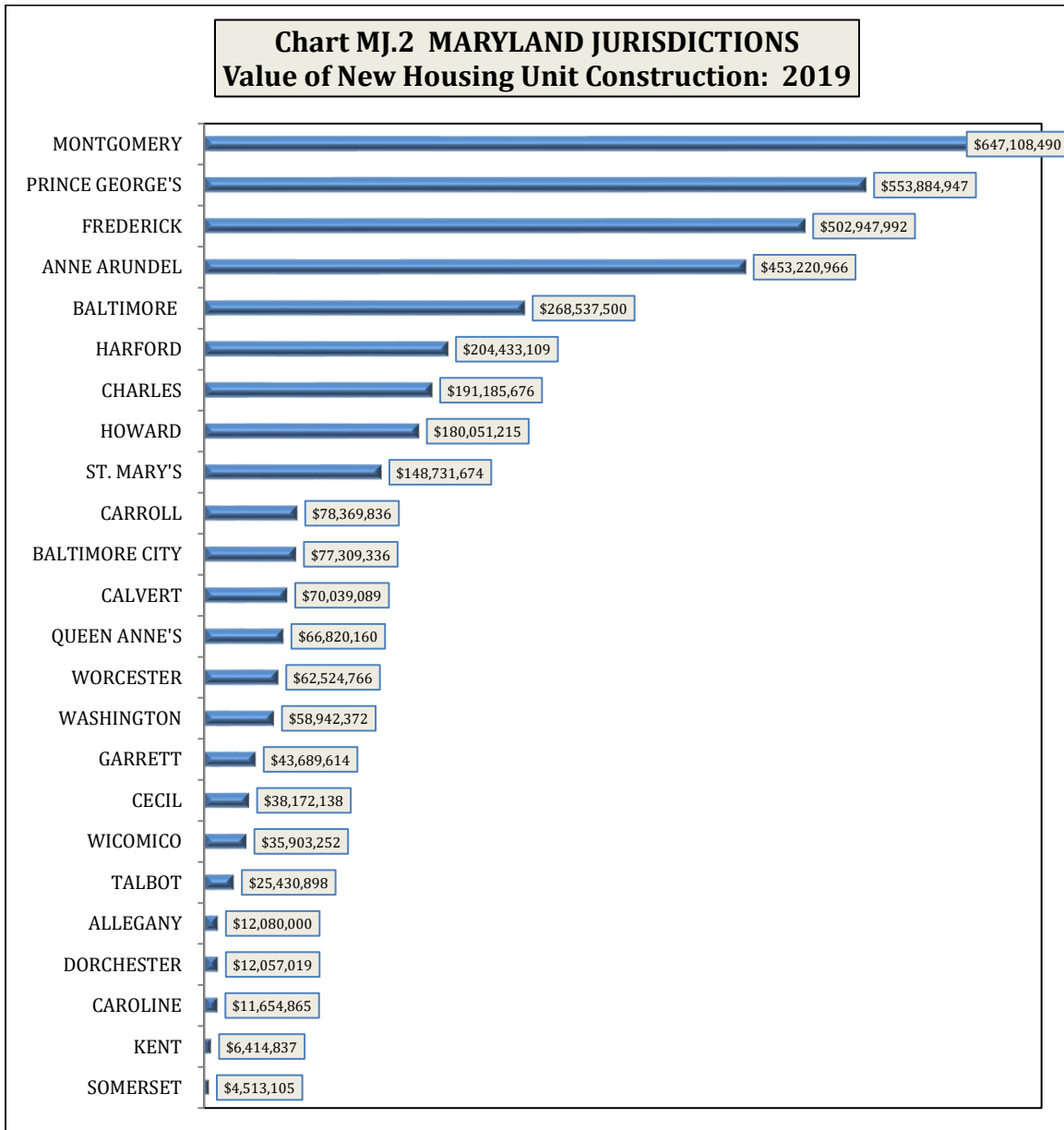


Other jurisdictions reporting very high annual percentage increases in new housing units since 2018 include Allegany County (116.7 percent, an increase of 35 to 65 new housing units), Montgomery County (66 - percent, increasing 1,278 from 1,947 new units), and Wicomico County, displaying a 42 - percent increase from 187 new units to 266 or an increase of 79 new units.

Jurisdictions experiencing the largest decrease in new housing production from 2018 through 2019 include Howard County, Baltimore City, Baltimore County and St. Mary's County. Howard County's new housing unit production fell from 2,046 to 779 new units (a decrease of 1,267 units), while activity in Baltimore City, Baltimore County and St. Mary's County decreased by 1,037 units, 690 units and 242 units, respectively.

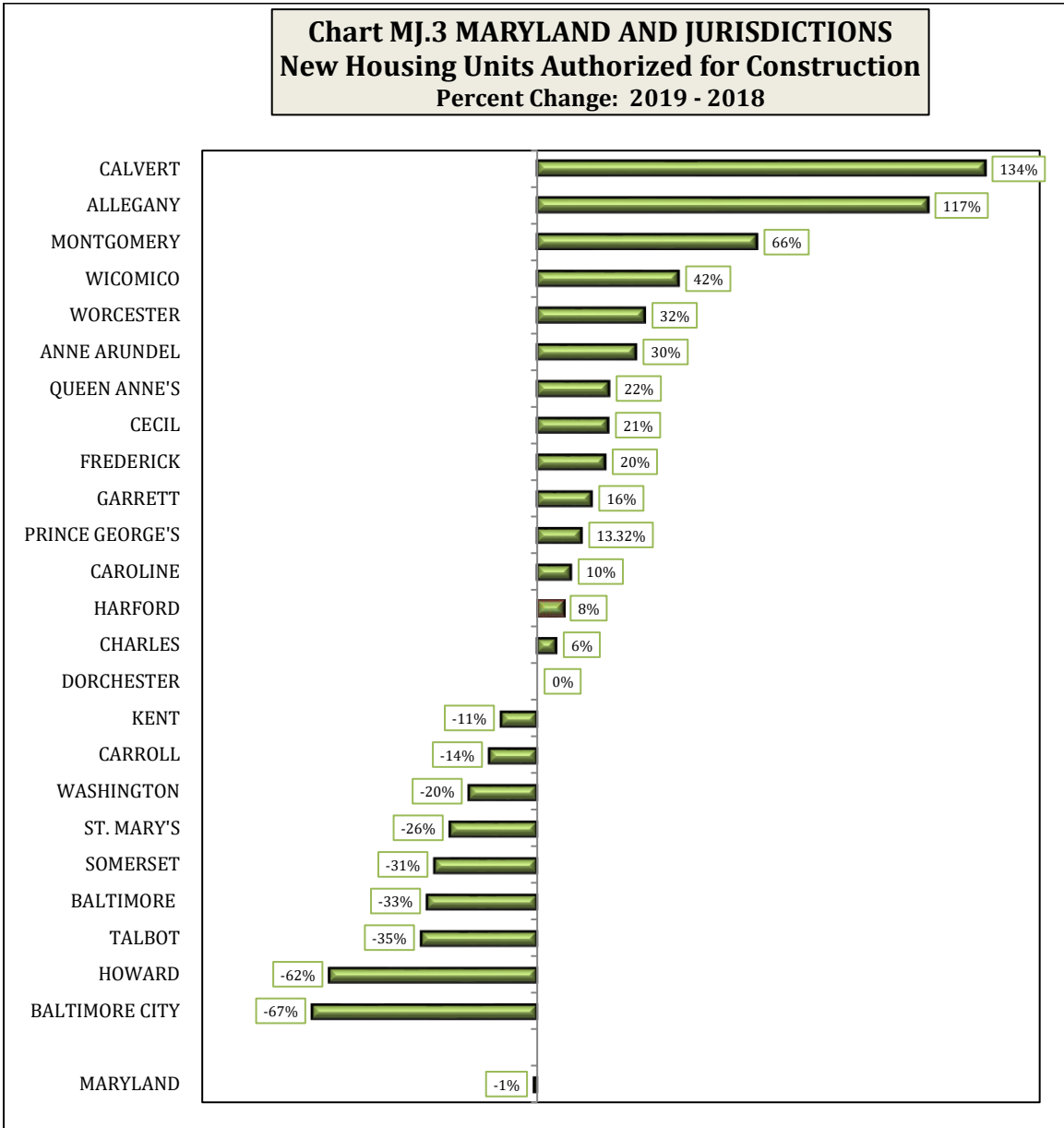
(See also Chart MJ.3 ***MARYLAND AND JURISDICTIONS New Housing Units Authorized for Construction Annual Percent Change: 2019 - 2018.***)

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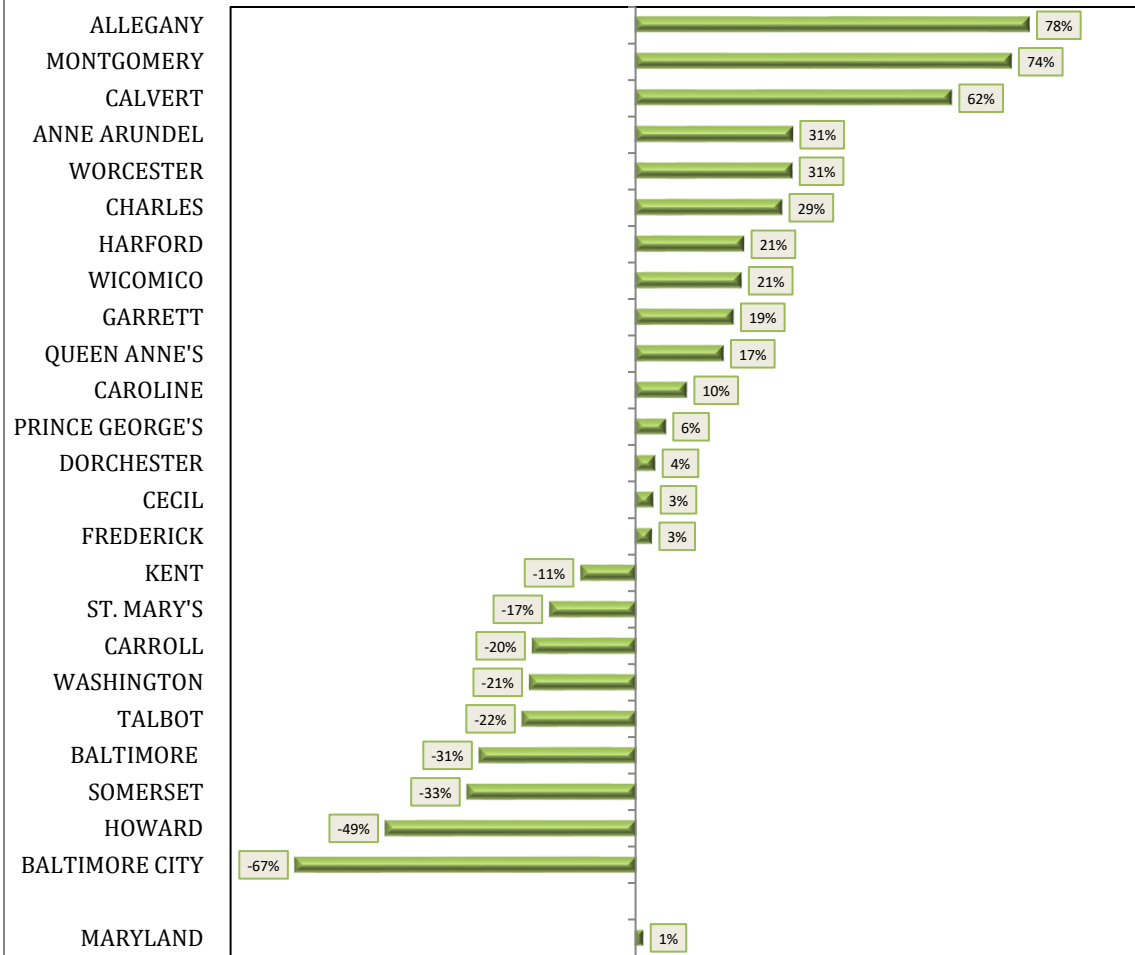
Fifteen jurisdictions experienced an increase in the current dollar value of new housing construction from 2018 through 2019. The increase is highest in Montgomery County where the value of construction increased by \$275.52 million.

Permit issuing places in Anne Arundel County reported an increase in the value of new home construction for the period of \$107.93 million. Charles and Harford Counties are two other jurisdictions posting very high net increases in the value of new home construction, reporting increases of \$42.8 million and \$35.9 million, respectively.



Jurisdictions reporting the highest percent gain in the value of new home building from 2018 are Allegany County (with an increase in construction value of 77.7 percent), Montgomery County (an increase of 74.1 percent), Calvert County (reporting an increase of 62.4 percent), and Anne Arundel County (an increase of 31 - percent).

**Chart MJ.4 MARYLAND AND JURISDICTIONS
New Housing Units Construction Value
Percent Change: 2019 - 2018**



There are nine jurisdictions that experienced a net reduction in the value of new housing construction between 2018 and 2019. The falloff was most severe within three jurisdictions, each reporting losses of over \$100 million.

Howard County, Baltimore City and Baltimore County reported extremely high reductions in the value of new housing unit construction (-\$175.04 million, -\$157.72 million and - \$119.31 million , respectively).

The biggest percent loss in the value of new home building activity from 2018 through 2019 is reported by Baltimore City (- 67.1 percent), Howard County (- 49.3

percent), permit issuing places in Somerset County (-33.1 percent) and Baltimore County (-30.8 percent).

The lowest 2019 value for new housing construction placed in jurisdictions is reported for Somerset County. The value of new housing construction in Somerset is placed at \$4.5 million. This is followed by Kent County with housing production valued at \$6.4 million, Caroline County with new home construction activity valued at \$11.65 million, and Dorchester County with permit issuing places reporting the value of their new residential construction costs at \$12.06 million.

There are 922 fewer single family housing units authorized for construction compared to the previous year. There were 12,053 new single - family homes authorized for construction in Maryland during 2019. This is a decrease of seven - percent from the 12,975 new homes authorized during 2018.

Single family housing unit construction remains the dominant component of Maryland's new housing, comprising almost two - thirds (65.2 percent) of all new residential construction. In fact, all new housing authorized for construction in five jurisdictions are single family homes (Caroline, Cecil, Dorchester, Kent, and Somerset Counties).

However, the percent share of single-family housing in 2019 represents a significant decrease from its percent share in 2018. During 2018 single family housing constituted 69.6 percent of newly authorized housing. See also Chart MJ.5 **MARYLAND AND JURISDICTIONS New Housing Units Authorized for Construction by Structure Type: 2019.**)

Jurisdictions building the highest number of new single-family housing units during 2019 are Prince George's (2,113 new units), Anne Arundel (1,746 new units), and Frederick (1,688 new units).

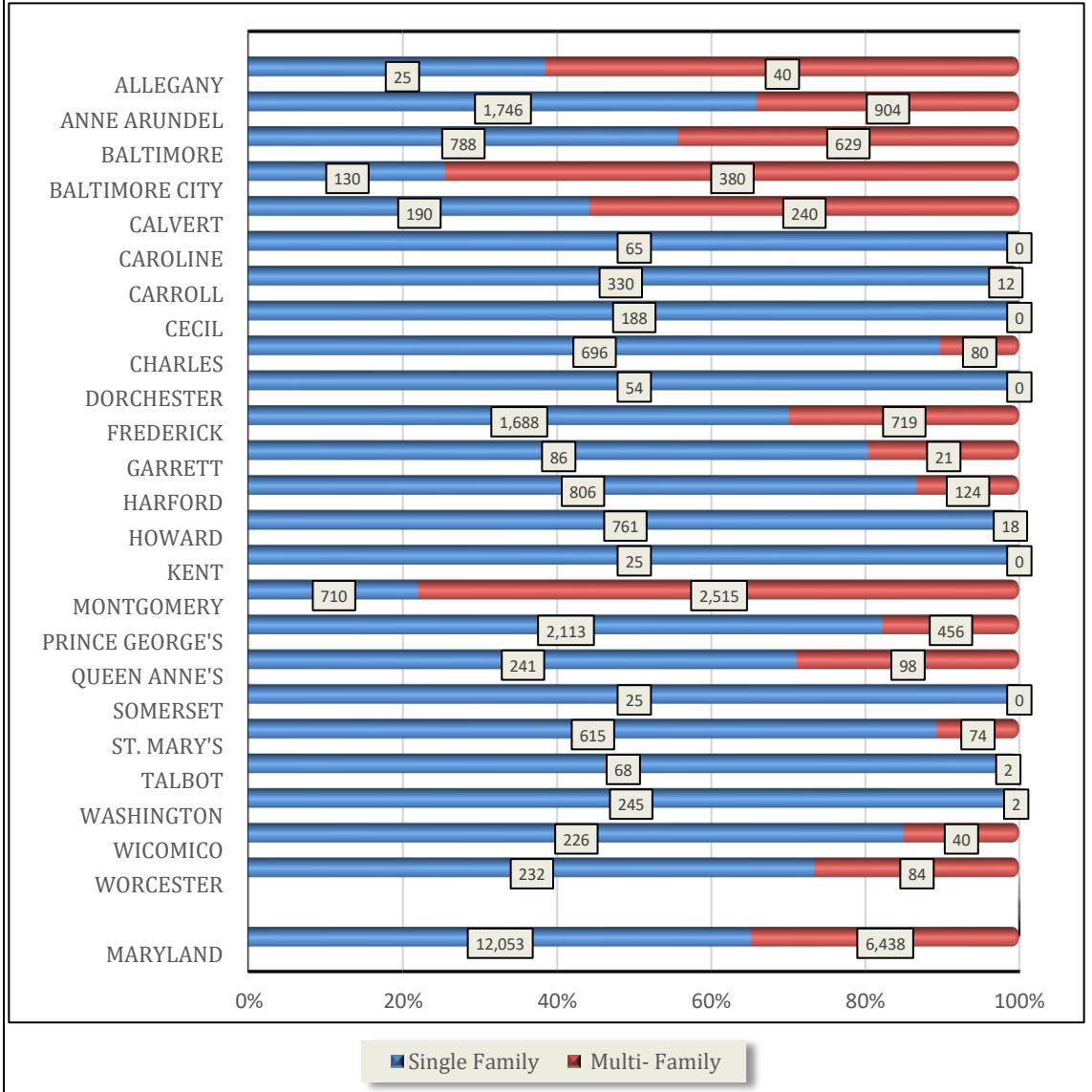
The lowest number of new single-family housing units authorized for construction is reported by Allegany, Kent, and Somerset (25 new homes each), followed by Dorchester (54 new homes) and Caroline (65 new homes).

During 2019, twelve jurisdictions reported a net increase in the number of new single-family housing units authorized for construction compared with the number reported in 2018.

The highest net increase in new single-family home construction occurred in Frederick County (104 more single-family homes), Wicomico (55 additional single-family homes), Worcester County (43 more single-family homes) and Carroll County with 42 more new single-family homes authorized for construction than the previous year.

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Chart MJ 5. MARYLAND AND JURISDICTIONS
New Housing Units Authorized for Construction by Structure Type: 2019



The highest percent increase in new single-family home construction occurred in Wicomico County, where 32.2 percent more single-family homes were authorized for construction than the previous year. Baltimore City follows with an increase of 31.3 percent (31 new homes). Next are Worcester County (22.8 percent) and Cecil County with an increase of 21.3 percent (33 new units) more single-family homes authorized for construction during 2019 than in 2018.

There was a reduction in new home building among Maryland's other twelve political subdivisions, compared with what was reported for 2018. Those experiencing the largest net decrease in activity during 2019 include Anne Arundel (294 fewer single-family homes), Baltimore County (291 fewer single-family homes), Montgomery (279 fewer single-family homes), and St. Mary's County (256 fewer homes).

The largest percent decrease in new single-family home construction occurred in Somerset County where the eleven unit decrease in new single family housing construction represents more than a thirty - percent decrease from 2018. The next highest annual percent decrease is reported by permit issuing places in St. Mary's County (29.4 percent), Montgomery County (28.2 percent), and Baltimore County (27 - percent). See also Chart MJ.6 **MARYLAND AND JURISDICTIONS New Single - Family Housing Units Authorized for Construction Percent Change: 2019 - 2018.**

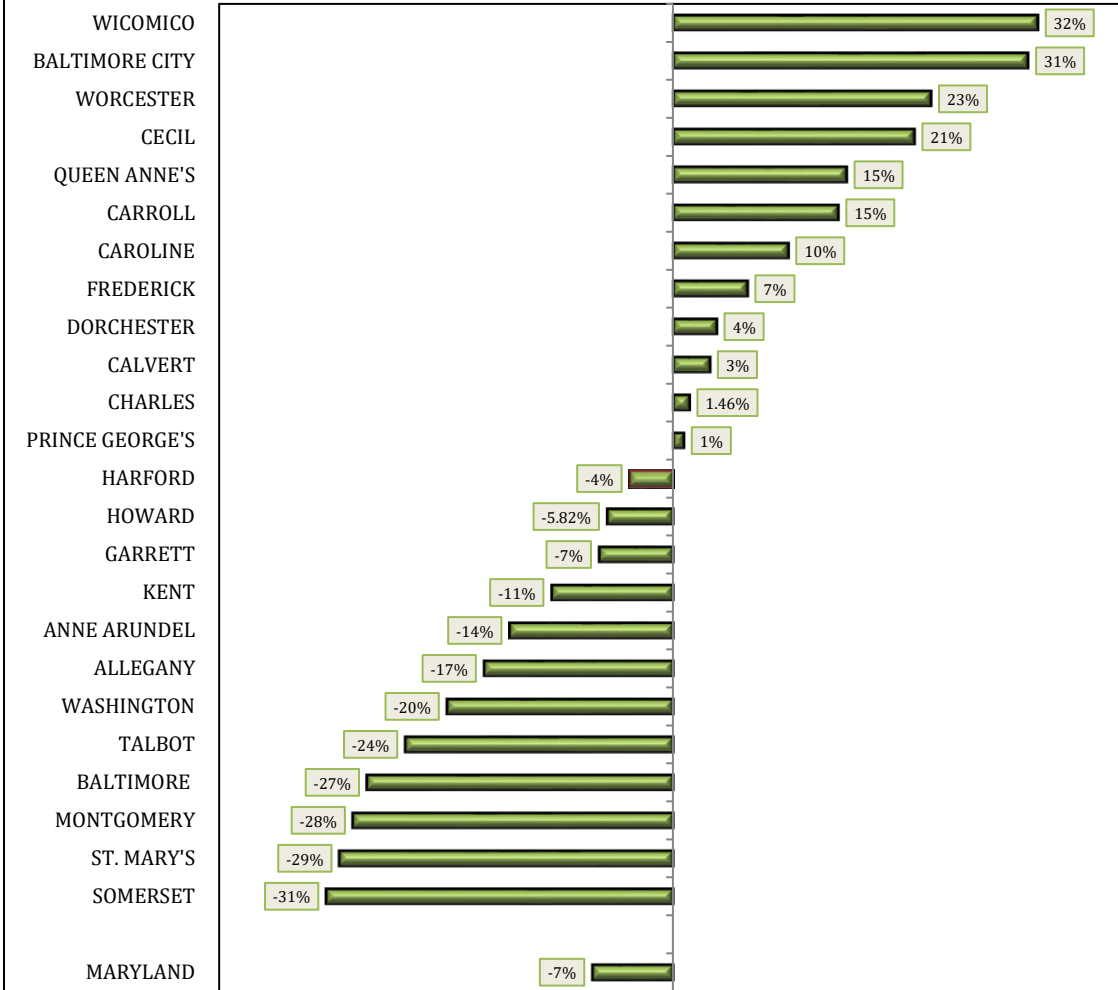
The 2019 average cost of building a new single-family home in the State is \$226,806. There are 14 jurisdictions with an average construction cost higher, the highest of which is reported by Garrett County. The average cost of building a new home in Garrett is \$440,589. This is 94 - percent higher than the State's average.

Other Jurisdictions with relatively high average construction costs for a new single-family home in 2019 include Talbot (\$372,146), Charles (\$258,836) and Kent Counties (\$256,593). (See also Chart MJ.7 **MARYLAND AND JURISDICTIONS Average Construction Value of a New Single-Family Home: 2019.**)

Jurisdictions reporting the highest annual net increase in the average cost of building a new single-family home include Charles County, where the 2019 average new home construction cost of jumped \$48,581 from the 2018 average cost of \$210,254. Garrett County's net increase is nearly as high, with a \$42,322 increase in the cost of new single-family housing unit construction, from \$398,267 in 2018.

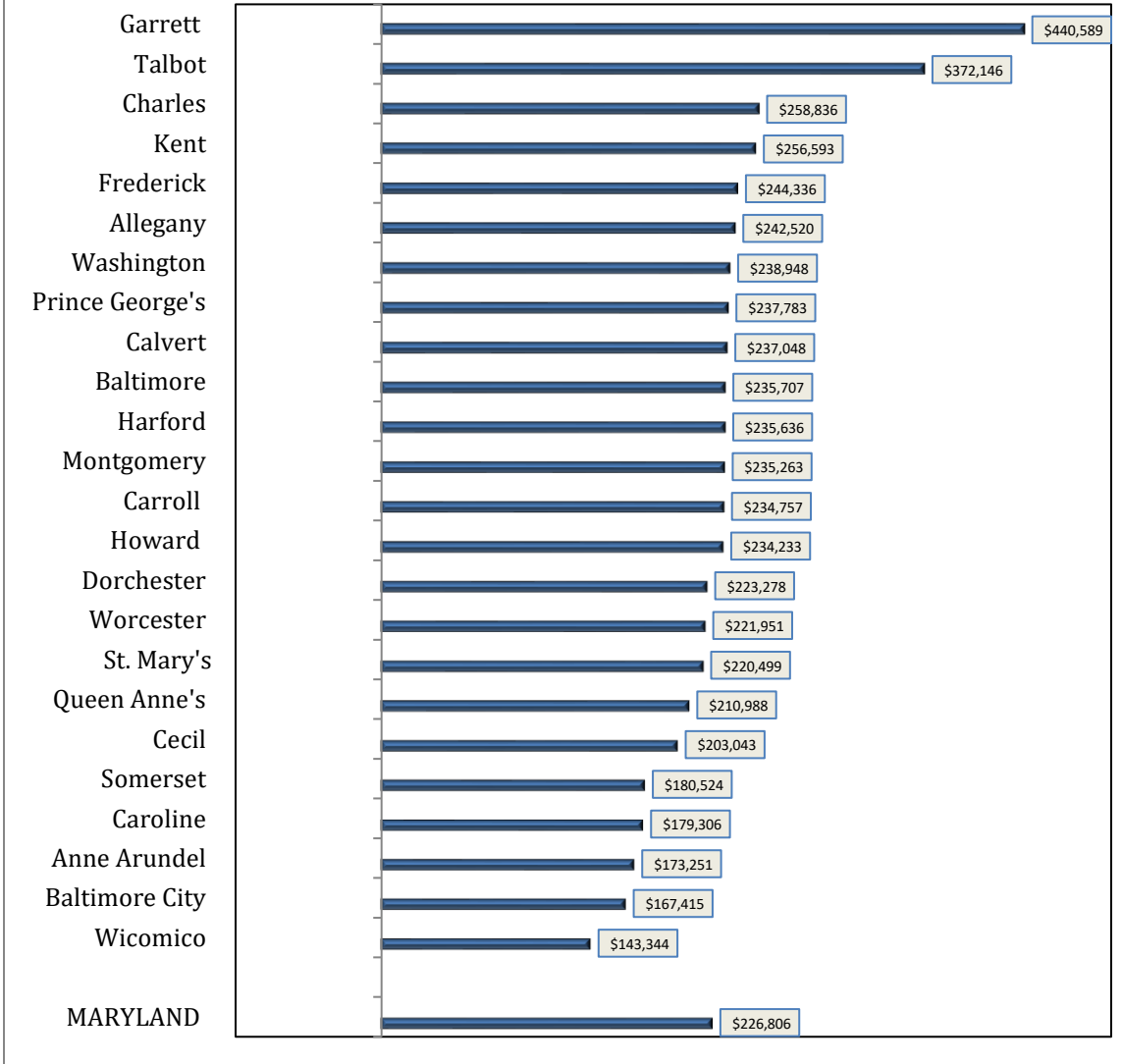
Other jurisdictions where the price tag for building a new house increased by more than \$20,000 include Harford County (\$40,251 from \$195,386), Somerset County (\$32,971 from \$187,527), and Talbot County (\$27,375 from \$344,770).

**Chart MJ.6 MARYLAND AND JURISDICTIONS
New Single - Family Housing Units Authorized for
Construction
Percent Change: 2019 - 2018**



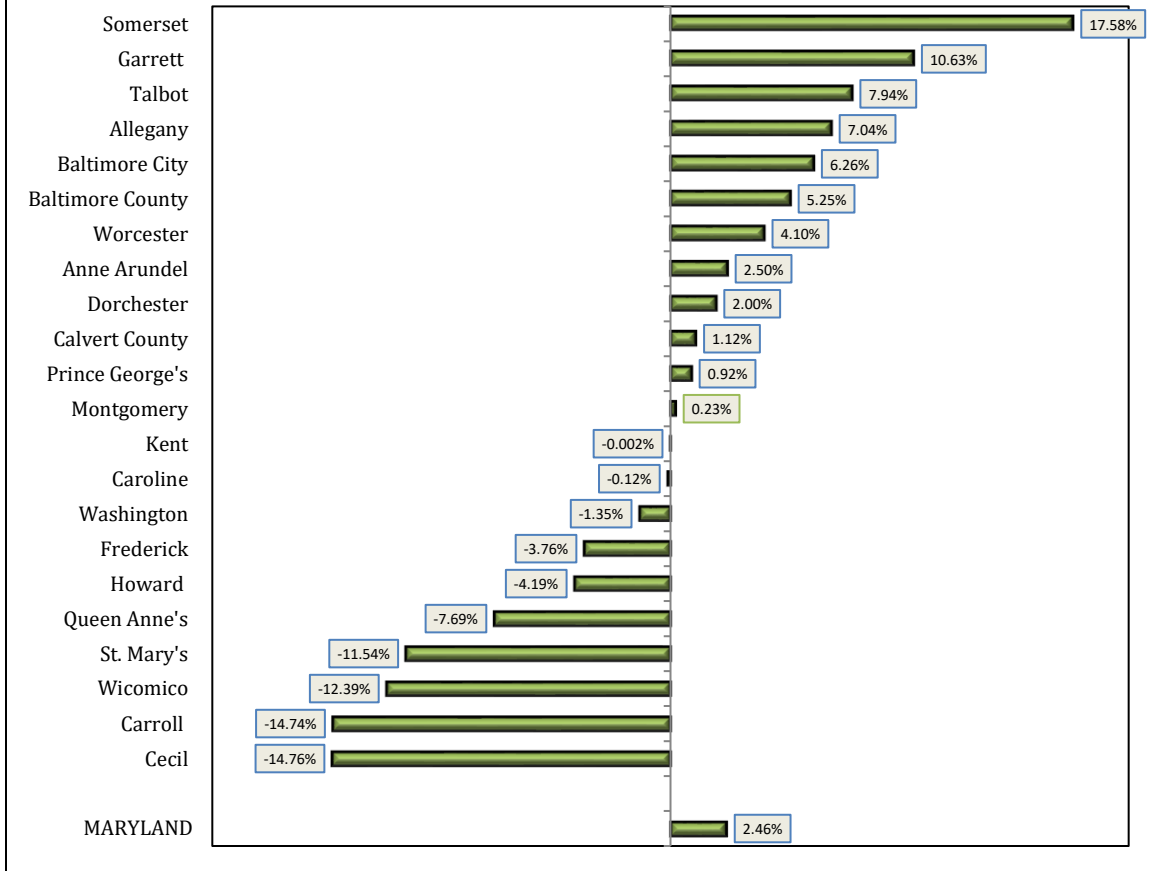
Jurisdictions reporting the highest annual percent increase in the annual average cost of building a new single-family home include Charles, where the 2019 average new home construction cost of is up 23.1 percent, followed by Harford County (20.6 percent) and Somerset County (17.6 percent). Garrett County (10.6 percent), Talbot (7.9 percent), Allegany County (seven – percent), Baltimore City (6.3 percent) and Baltimore County (just over five – percent) are also among the jurisdictions where the price tag for building a new house increased substantially.

**Chart MJ.7 MARYLAND AND JURISDICTIONS
Average Construction Value of a New Single Family Home:
2019**



Building a new home in Maryland is least expensive in Wicomico County where the 2019 average construction cost is reported at \$143,344. This is nearly 37 – percent lower than the State’s average cost of \$226,806. Other political subdivisions reporting relatively low costs for new single-family housing unit construction include Baltimore City (\$167,415), Anne Arundel County (\$173,251) and Caroline County (\$179,306).

**Chart MJ.8 MARYLAND AND JURISDICTIONS
Average Construction Value of a New Single Family Home
Percent Change: 2019 - 218**



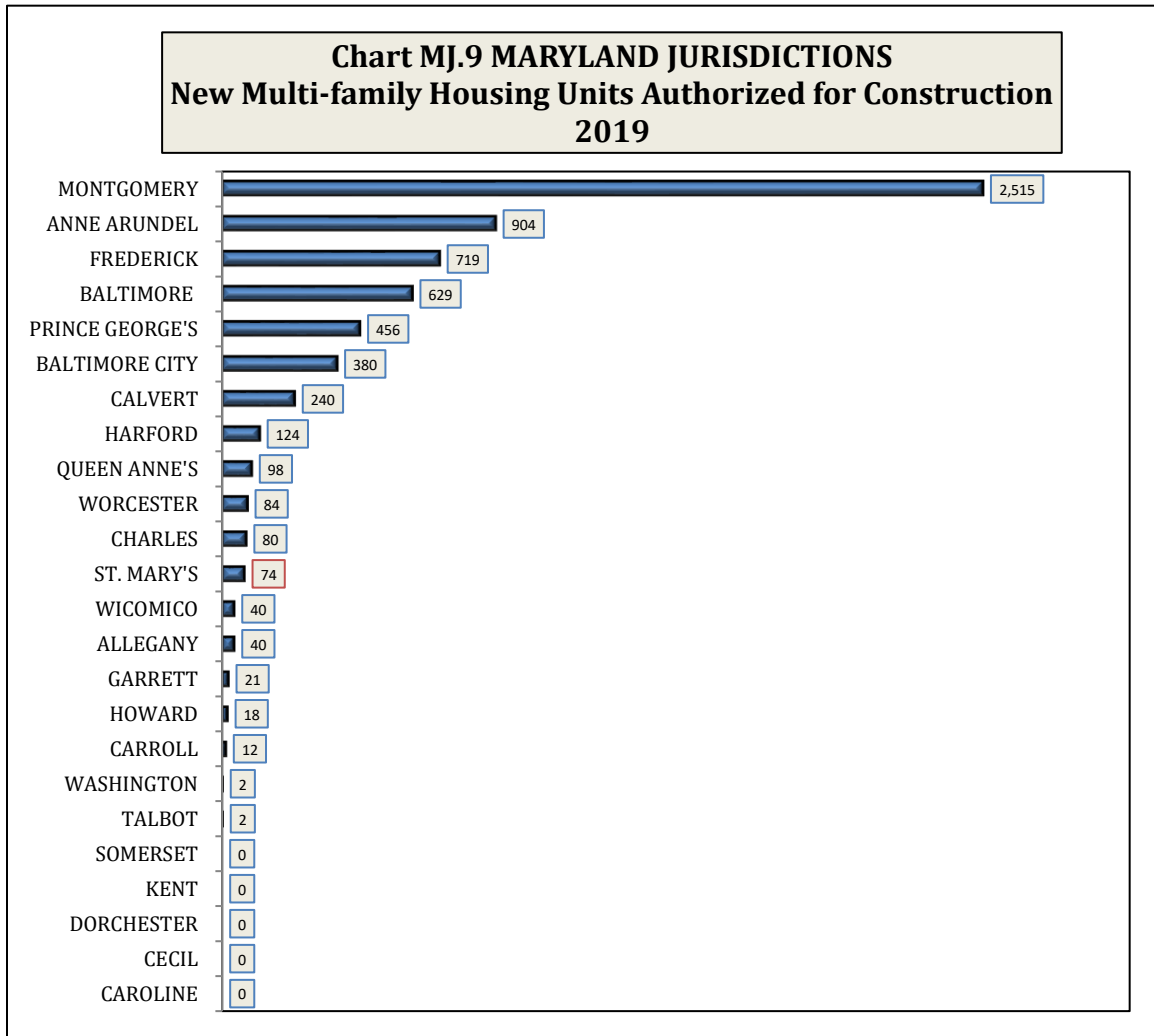
Several jurisdictions experienced substantial declines in average single-family home construction. Cecil County reports the largest percent decrease in the average price of building a new single - family house in 2019. The cost dropped 14.8 percent for a decrease of \$35,159 from the 2018 average cost of \$238,202.

Also among these jurisdictions is Carroll County, which also reports the largest net decrease in the average price of building a new single-family house in 2019. The building costs there dropped 14.7 percent or \$40,576 from \$275,333 in 2018.

Other jurisdictions with substantial percent decreases in the average cost of building single family homes include St. Mary's (a decrease of 11.5 percent or \$23,552 from \$204,076), Wicomico County (a decrease of 12.4 percent or \$20,269), and Queen Anne's County (a decrease of 7.7 percent or \$17,579 from \$228,567). (See also Chart MJ.8 ***MARYLAND AND JURISDICTIONS New Single-Family Home Change in Average Construction Value: 2019 - 2018.***)

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Permit issuing places in Maryland authorized 6,438 new multi-family housing units for construction during 2019. This is an increase of 766 new multi-family housing units from 2018, an increase of 13.5 percent. Nearly two – thirds (64.3 percent) of these new units are being built in three jurisdictions, Montgomery County (2,515 units), Anne Arundel County (904 units), and Frederick County (719 units). Five jurisdictions did not authorize any multi – family housing unit construction during 2019. (See also Chart MJ.9 ***MARYLAND JURISDICTIONS New Multi-family Housing Units Authorized for Construction: 2019.***)



New multi-family housing is being developed in all State's Planning Regions. Statewide, this construction accounts for 34.8 percent of all new residential construction activity in 2019.

There are four jurisdictions where new multi – family developments account for most of the jurisdiction's new residential construction. During 2019, new multi-family housing construction activity dominates the home building market in Montgomery County, where the share is nearly 78 – percent. Other jurisdictions where new multi-family housing unit construction represents a majority share of total residential construction activity include Baltimore City (380 units accounting for 75 – percent of all residential construction), Allegany County (40 units accounting for 62 – percent of new housing, and Calvert County 240 units accounting for 56 – percent of total residential construction activity.

Statewide, the 2019 value of construction for new multi-family housing units is placed at \$1.020 billion. This is an increase of \$190.77 million or nearly 23 percent from 2018, when the reported value was \$829.56 million.

Jurisdictions with the highest reported value of new multi-family building construction are Montgomery County (\$480.1 million); Anne Arundel County (\$150.73 million); Frederick County (\$90.5 million); and Baltimore County (\$82.8 million).

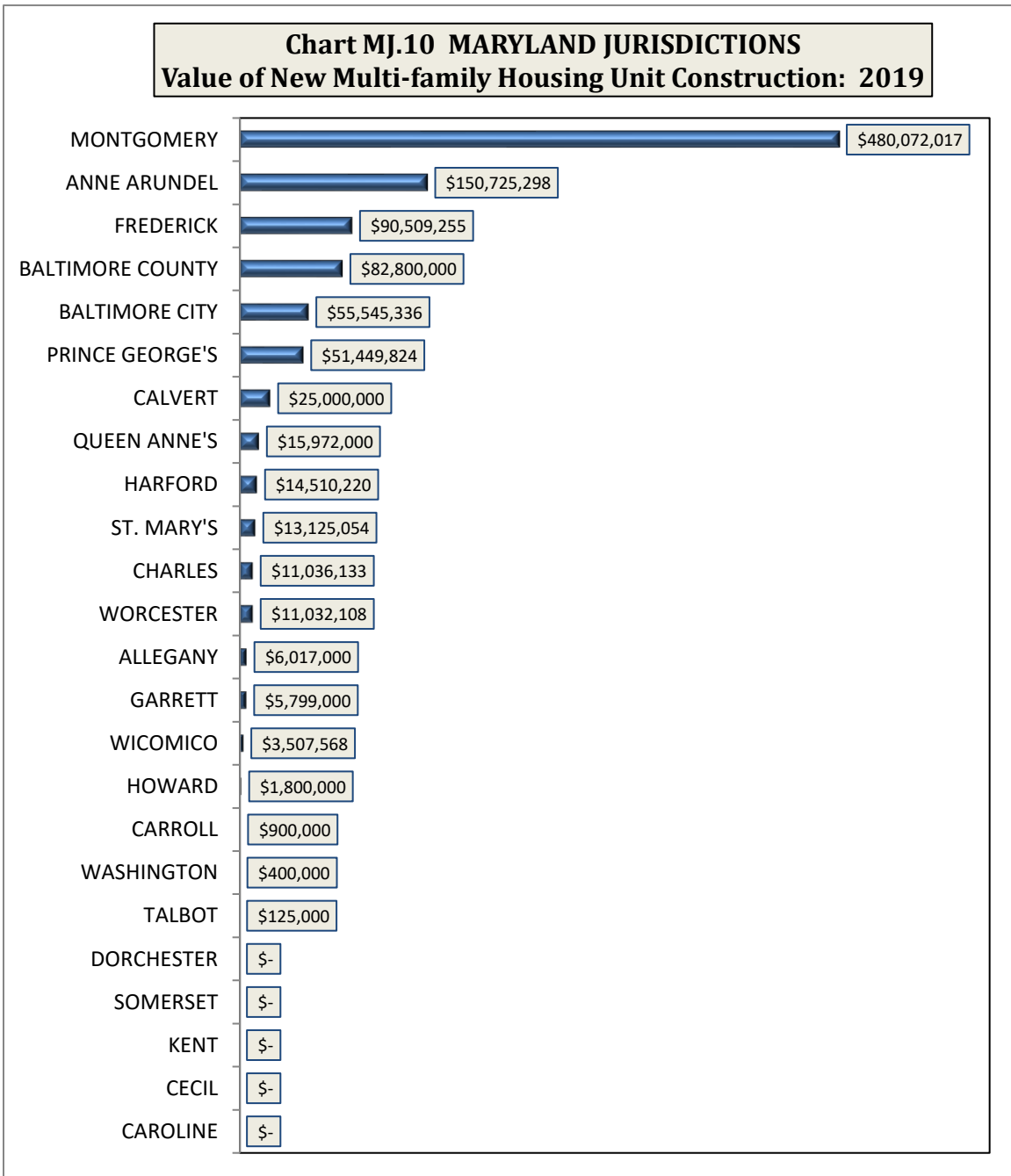
The total cost of multi-family housing construction in these jurisdictions is \$804.12 million or 79 – percent of the State's 2019 reported value.

Jurisdictions reporting the highest net change in new multi-family construction value are Montgomery County (\$340.63 million), Anne Arundel County (\$149.52 million) and Calvert County (\$25 million).

(See also Chart MJ.10 **MARYLAND JURISDICTIONS Value of New Multi-family Housing Units Authorized for Construction: 2019.**)

Seven jurisdictions did not authorize multi – family housing in 2018 (Allegany, Calvert, Caroline, Cecil, Garrett, Kent, and Somerset. Of those jurisdictions reporting construction value during 2018, the percent increase in construction value is highest in Anne Arundel. Anne Arundel multi - unit building construction jumped twelvefold from \$1.2 million in 2018 to \$150.73 million. This is the largest percentage increase in multi-family construction value for any of the State's 24 political subdivisions.

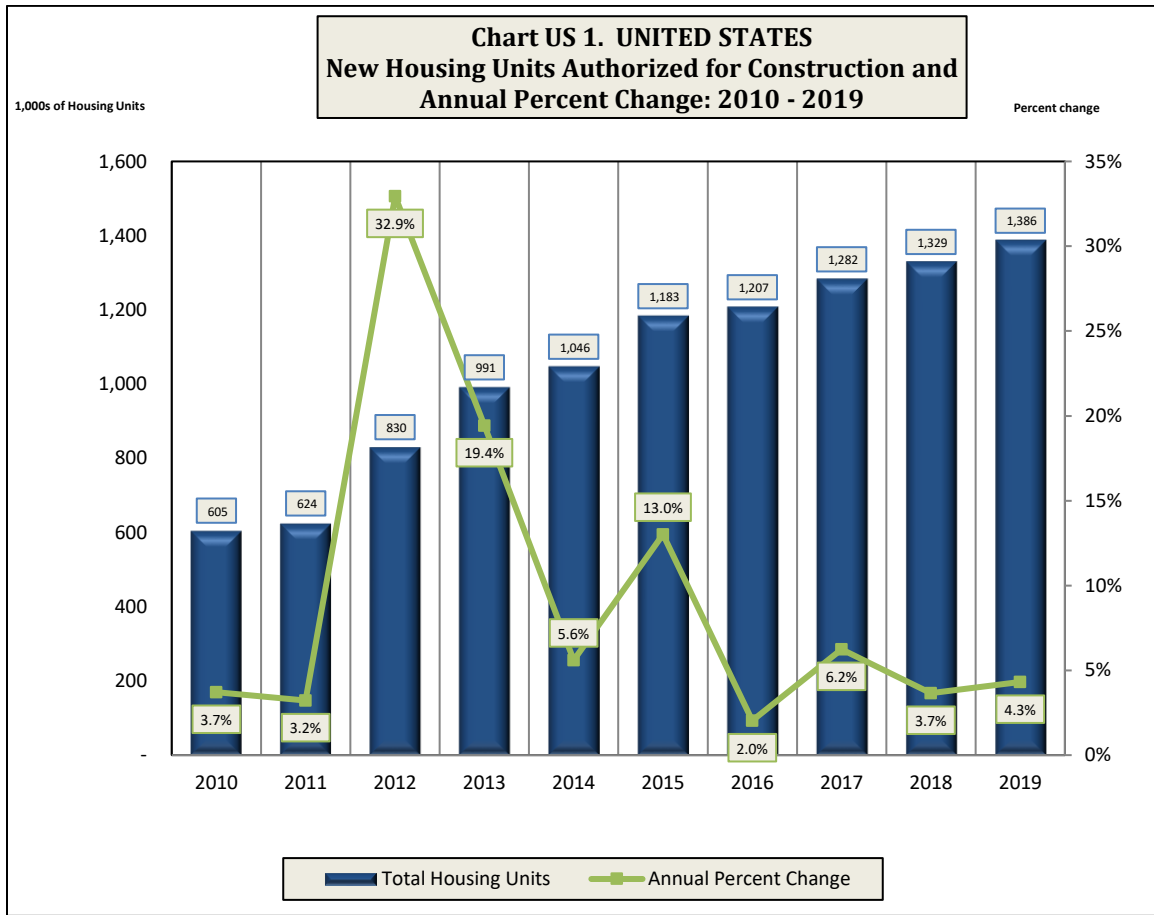
Other jurisdictions reporting more than double the value of multi – family construction from 2018 include St. Mary's County (1,010 - percent from \$1.2 million), Montgomery County (244 – percent), Harford County (205 – percent from \$ 4.8 million), Charles County (165 – percent from \$4.2 million), and Wicomico County (101 - percent).



Several Maryland jurisdictions experienced severe reductions in the amount of multi-family construction compared to the previous year. Of those reporting new multi family unit construction during 2018 and 2019, jurisdictions with 2019 construction value reported at less than half that of the previous year include Howard County (- 98.9 percent from \$157.56 million), Carroll County (- 95.3

percent from \$19 million), Talbot County (-93.8 percent from \$2 million) and Baltimore City (-74.7 percent from \$219.43 million).

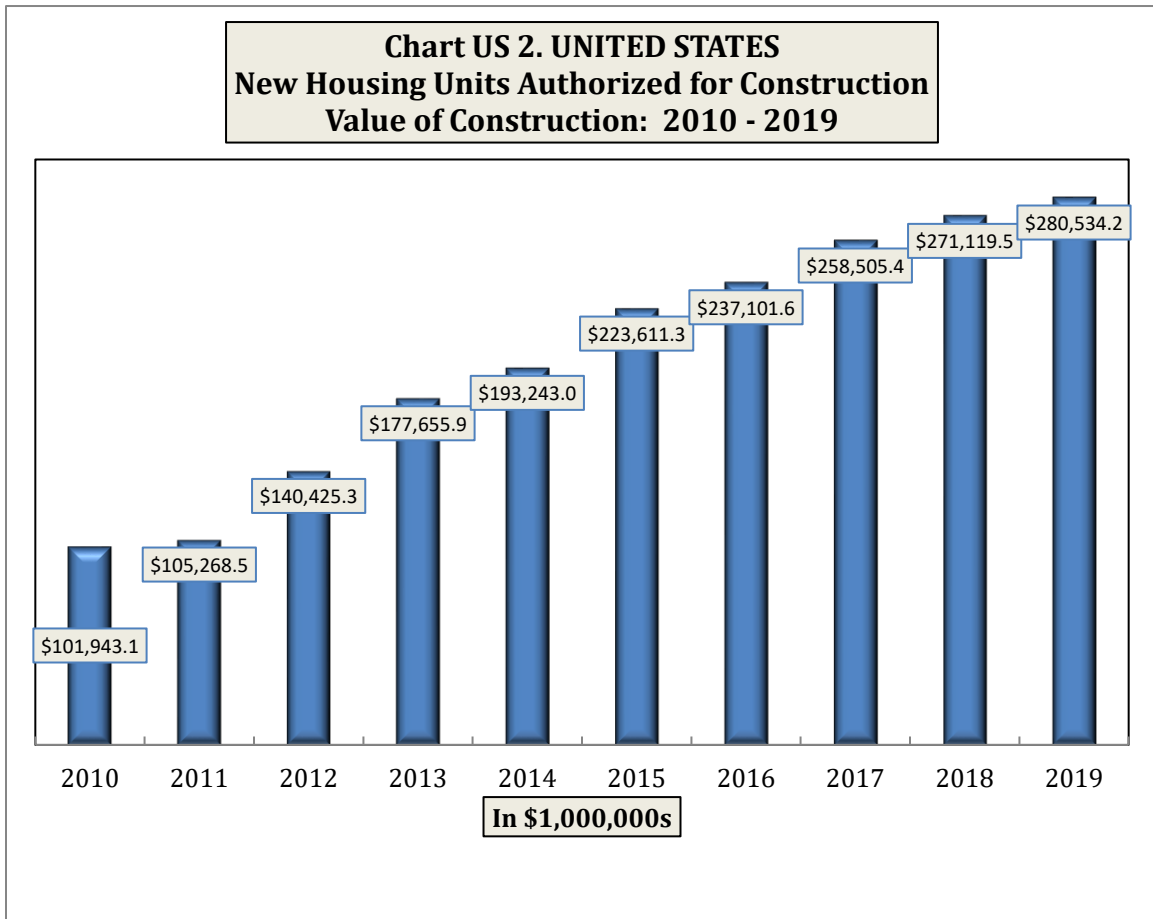
United States: 2019



During 2019 United States permit issuing places authorized 1,386,048 new housing units for construction. This is an increase of 57,211 units (over four – percent) from the 1,328,827 new housing units authorized during 2018.

Nationally new housing production has increased every year since 2009, when 582,963 new housing units were authorized for construction. Since 2010 10,481,590 new housing units have been authorized for construction. (See Chart US 1. ***UNITED STATES New Housing Units Authorized for Construction and Annual Percent Change: 2010 – 2019.***)

The 2019 value of the Nation's new housing construction is placed at \$280.534 billion. This is 3.47 percent higher than 2018, when the value of construction was reported at \$271.120 billion. (See Chart US 2. **UNITED STATES New Housing Units Authorized for Construction Value of Construction: 2010 - 2019**).



Sixty - two percent of the Nation's new units are single - family homes (862,084 dwellings). This is an annual increase of just under one - percent over the previous year when 855,332 new houses were permitted. It is also a decrease in the single-family home construction share of all new residential housing. During 2018, single-family home construction constituted 64.4 percent of all new housing.

The new home building sector displayed considerable resilience in bouncing back from the Great Recession. It reduced pent up demand caused by the economic downturn with substantial growth from 2011 through 2013.

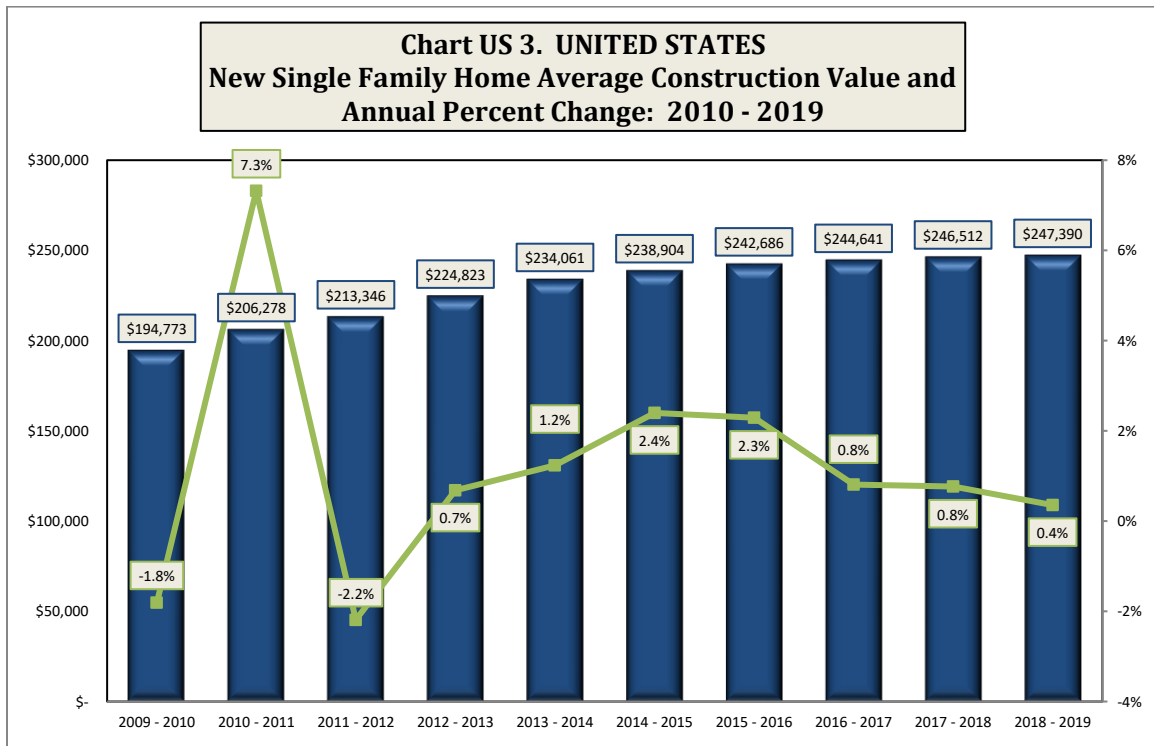
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However, the 2019 annual percent increase in single family housing units is the lowest percent increase in single family housing unit construction activity since 2010, when building new houses declined over six - percent.

The total value of new single-family home construction is placed at \$213.271 billion. This is up slightly over one – percent (1.15 percent) from 2018 when the value of new single-family home construction was placed at \$210.850 billion.

The 2019 annual average construction cost for a new single-family home is \$247,390. This is a negligible increase (0.36 percent) over the average cost reported in 2018 of \$246,512.

The average construction cost of home building in the United States has risen annually since 2011. The pace of the increase has slowed considerably since 2015, however. (See Chart US 3. **UNITED STATES New Single-Family Home Average Construction Value and Annual Percent Change: 2010 - 2019.**)



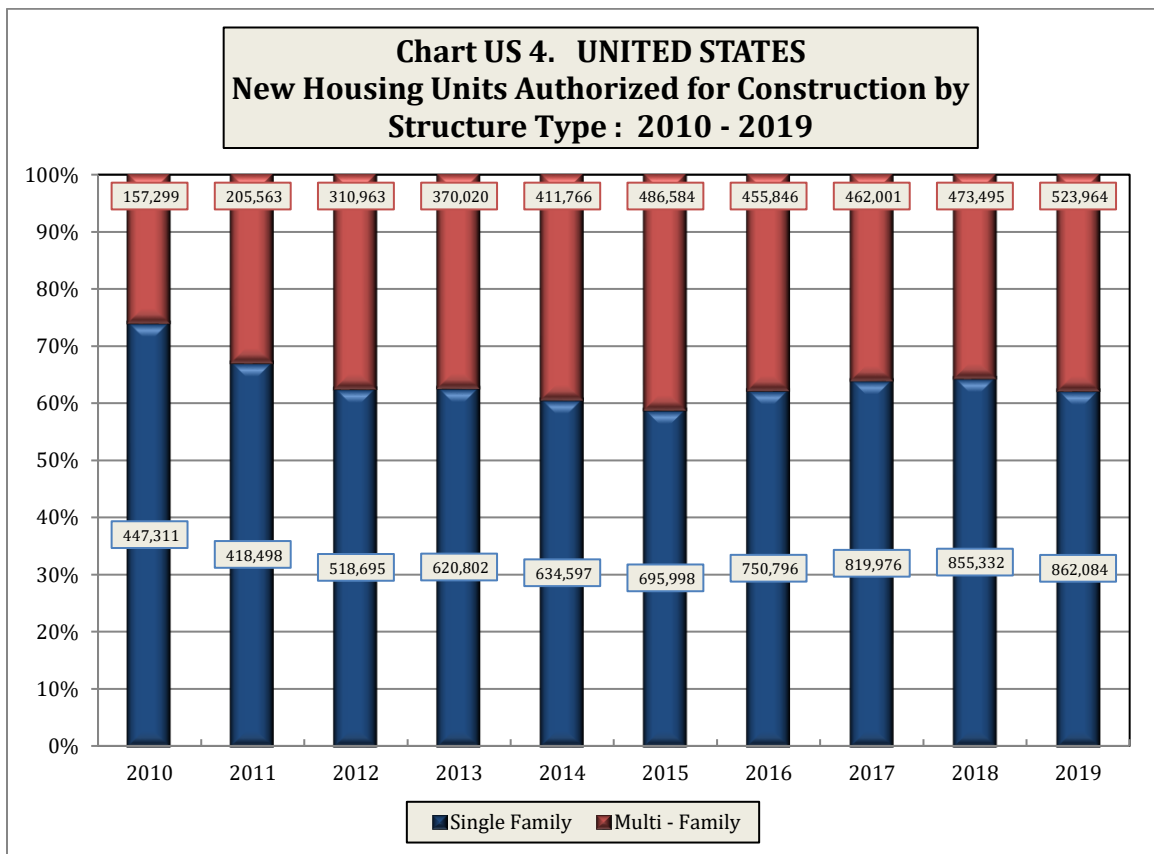
Over the last 10 years, new housing unit construction has seen an evolution in the blend of single family and multi – family unit construction. The transition is fueled by a surge in the number of young adults in household formation age groups combined with their hesitancy to enter a pricey first home buying marketplace.

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First time purchasers account for the transition from rent to own, making them crucial to the new home construction market. They also provide the momentum for the rest of the home building sector by releasing home equity to homeowners to purchase their next home.

Single-family home building costs are up relative to recent years, the impact of which is, in part, to mute total new residential construction. The most popular price range for new home purchasers is the segment between \$200,000 and \$250,000. However, in three of the Nation's regions, the average construction cost of a single - family home is from six to 13 - percent higher than the national average of \$247,390.

Therefore, many first home buyers are purchasing homes that had been vacant. This is one way the housing market adjusts to inadequate stock. Vacant for sale housing units declined from 1.93 million units in 2010 to 1.20 million in 2019, or from 11.2 percent to seven - percent of all vacant units.



As new home construction costs gradually reach and surpass the entry level thresholds, and the vacant for sale home inventory continues to shrink, the demand

for housing by will necessarily be met by increased production in the multi – family sector. (See Chart US 3. **UNITED STATES New Housing Units Authorized for Construction by Structure Type: 2010 – 2019.**)

Multi – family housing units are units built in structures containing two or more housing units. During the year United States permit issuing places authorized 523,964 new multi-family housing units for construction. This is an increase of 50,469 units (10.7 percent) from 2018 when 473,495 multi-family dwellings were permitted.

Nationally the current value of new multi-family housing construction is placed at \$67.263 billion. This is a \$7 billion increase (11.6 percent) from the \$60.27 billion spent on building new multi-family housing developments during 2018.

Most of this increase can be attributed to apartment and condominium building construction. Typically, these buildings contain apartments and condominiums, and may be garden style developments or hi – rise structures. New construction of buildings containing five or more housing units increased by 47,572 units from 433,799 in 2018, an increase of change of 11 - percent. Currently 481,371 units, or 92 percent of all multi-family units are in buildings containing five or more units.

The net increase in the value new construction of buildings containing five or more housing units from 2018 through 2019 is \$6.4 billion. This is nearly 12 – percent increase in value.

U. S. Regions: 2019

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

The Midwest Region,
The Northeast Region,
The South Region, and
The West Region.

During 2019, new housing units authorized for construction increased in three of the four regions, when compared to 2018 totals. The Northeast Region and the South Region increased 14.4 percent and 4.9 percent, respectively, while new housing units authorized for construction in the West Region just over two – percent. 2019 housing production in the Midwest Region was practically unchanged from 2018, dropping less than one – half percent (716 units).

The State of Maryland is in the South Region. Maryland's new housing production of 18,491 new housing units, ranks 23rd among the 50 states and the District of Columbia in 2019.

The Midwest Region

During 2019, 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 184,772 new housing units.

This accounts for 13.3 percent of the Nation's new housing inventory and represents a decrease of 716 new units from the 185,488 housing units authorized for construction during 2018. (See also Chart R 1. **UNITED STATES REGIONS New Housing Units Authorized for Construction: 2015 – 2019.**)

Midwest States reporting the highest number of new housing units include Minnesota (28,586 units), Ohio (23,047 units), Indiana (22,309 units) and Illinois (20,524). Nationally, these areas rank 15th, 17th, 18th, and 21st, respectively in new housing production.

For perspective, Maryland's new housing production during 2019 (18,491 units) ranks 23 among the 50 States and the District of Columbia. This is higher than six of the 12 States comprising the Midwest Region.

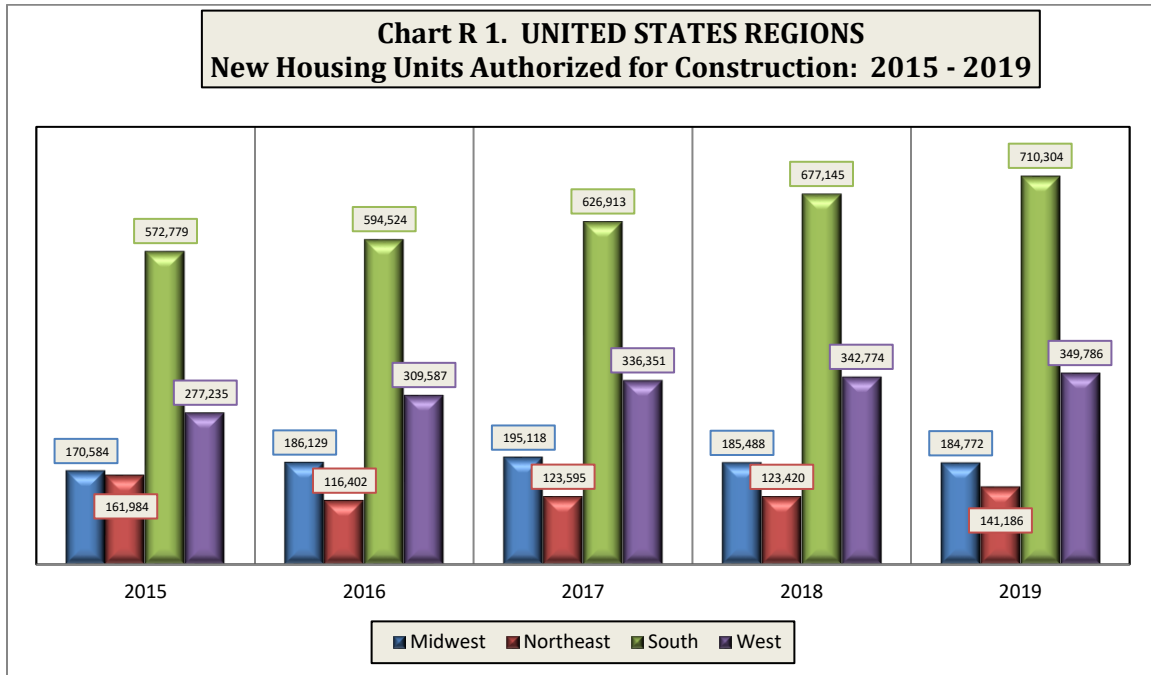
Jurisdictions in the Midwest Region reporting relatively low numbers of new housing units include North Dakota ranked 47th nationally with 2,495 units, South Dakota ranked 44th with 4,415 units, Kansas ranked 35th with 7,961 units and Nebraska ranked 34th with 8,025 units authorized for construction.

The 2019 annual value of new housing unit construction in the Midwest Region is placed at \$39.104 billion. This is 14 - percent of the construction value for new housing units in the United States. It is also a two - percent increase over the \$38.481 billion value of new construction in 2018. (See also Chart R 2. **UNITED STATES REGIONS New Housing Units Authorized for Construction Value of Construction: 2018 and 2019.**)

There are 114,248 new single-family housing units authorized for construction in the Midwest Region, accounting for 61.83 percent of the Region's new housing. This is nearly the same as the proportion of new single - family home construction nationwide (62.2 percent). The Midwest produces 13.25 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: 2019.**)

The Midwest Region's new single-family home construction during 2019 is a decrease of 3,644 units (over three - percent), from 2018. However, the value of new Midwest Region single family housing increased to \$30.383 billion, an increase of \$70.8 million (0.23 percent) over what is reported for 2018.

The average construction value of a new single-family home in the Midwest Region is \$265,943 during 2019. This is substantially higher (7.5 percent), than the national average cost of building a house (\$247,390). (See also Chart R 4. **UNITED STATES AND U. S. REGIONS New Single-Family Home Average Construction Value: 2019.**)

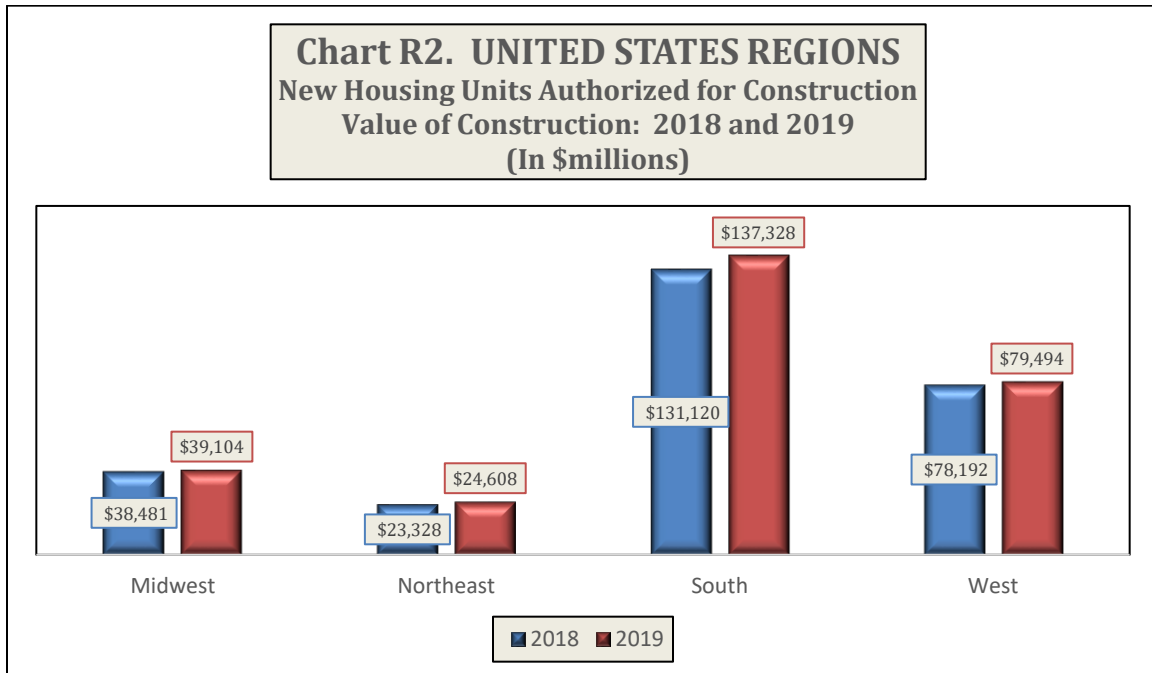


Midwest Region permit issuing places authorized the construction of 70,524 new multi-family housing units during 2019. This accounts for 13.46 percent of all the Nation's new multi-family housing units and represents an increase of 2,928 units (over four - percent) from the 67,596 multi - family units built in 2018. The value of new Midwest Region multi-family housing increased to \$8.720 billion, or nearly seven - percent from \$8.168 billion reported for 2018.

During 2019, units in buildings containing five or more housing units accounted for nearly 89 - percent (62,482 units) of the Region's new multi-family developments. In comparison, units in buildings containing five or more units account for 92 -

percent of all multi – family development Nationwide. These buildings have a construction value placed at \$7.5 billion or nearly 91 percent of the total value of multi – family housing development in the Midwest Region.

The 2019 construction value of new Midwest buildings containing five or more housing units increased \$467.12 million from \$7.076 billion in 2018, an increase of 6.6 percent.



The Northeast Region

Among U. S. Regions, the Northeast Region has the fewest states or 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 141,186 new housing units. This is a substantial increase (17,766 units or 14.39 percent) from the 123,420 new housing units authorized in the Northeast during 2018. Over the period its share of national housing production increased from 9.29 percent to 10.19 percent.

Most of new housing units are built in New York and New Jersey. New York permit issuing places (45,219 new units) and New Jersey permit issuing places (36,505 new units), account for 57.88 percent of the Region's new housing. These States are followed by the Commonwealths of Pennsylvania and Massachusetts (23,539 units and 17,365 units, respectively).

Nationally these jurisdictions rank eighth, 11th, 16th, and 28th, respectively in new housing production. Maryland would rank among this region's top four in housing production, as we place 23rd among the 50 states and the District of Columbia in 2019.

Jurisdictions in the Northeast Region reporting relatively low levels of new housing unit construction include Rhode Island (1,400 units), Vermont (1,801 units), New Hampshire (4,743 units) and Maine (4,760 units). Nationally these areas are ranked 51st, 48th, 43rd and 42nd, respectively.

The Northeast Region of the United States reports the highest increase in the value of new residential construction from the previous year. The value of construction, or the construction cost of these units is placed at \$24.607 billion. This is 5.49 percent higher than the previous year's annual value of new housing unit construction reported at \$23.328 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 two - fifths (37.3 percent) of the new housing units built in the Northeast (52,699 dwellings) during 2019 are single family dwellings. Single family home construction in 2019 declined by 1,176 new units (or just over two percent) compared to 53,875 authorized units during 2018.

With the decline in construction activity came a decline in aggregate construction value. The 2019 value of new single-family home construction in the Region is placed at \$13.854 billion, or down \$62.13 million from 2018.

The average construction value of a new single-family housing unit in the Northeast Region is \$262,890. This is the third highest average cost to build a new home among the four United States Regions. This is over six percent higher than the national average construction cost (\$247,390) of building a single - family home.

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 88,487 new multi-family housing units for construction during 2019. This is 62.67 percent of all new housing in the Region.

It is also an increase in production of over 27 - percent (18,942 units) from the 69,545 multi-family housing units authorized for construction during 2018. That year multi-family housing comprised 56 - percent of the Region's new housing.

Most of the units in these developments (81,002 units or 91.5 percent), will be built in 3,278 buildings containing five or more housing units. This is a big increase in this type of new construction. The previous year 62,798 new housing units were authorized for construction in 2,384 buildings containing five or more units. A difference of 18,204 units (29 - percent).

The value of Northeast Region new multi-family residential developments is \$10.754 billion. Compared to 2018, when the value is reported at \$9.411 billion, the 2019 value represents an increase in value of over \$1.342 billion or 14.26 percent.

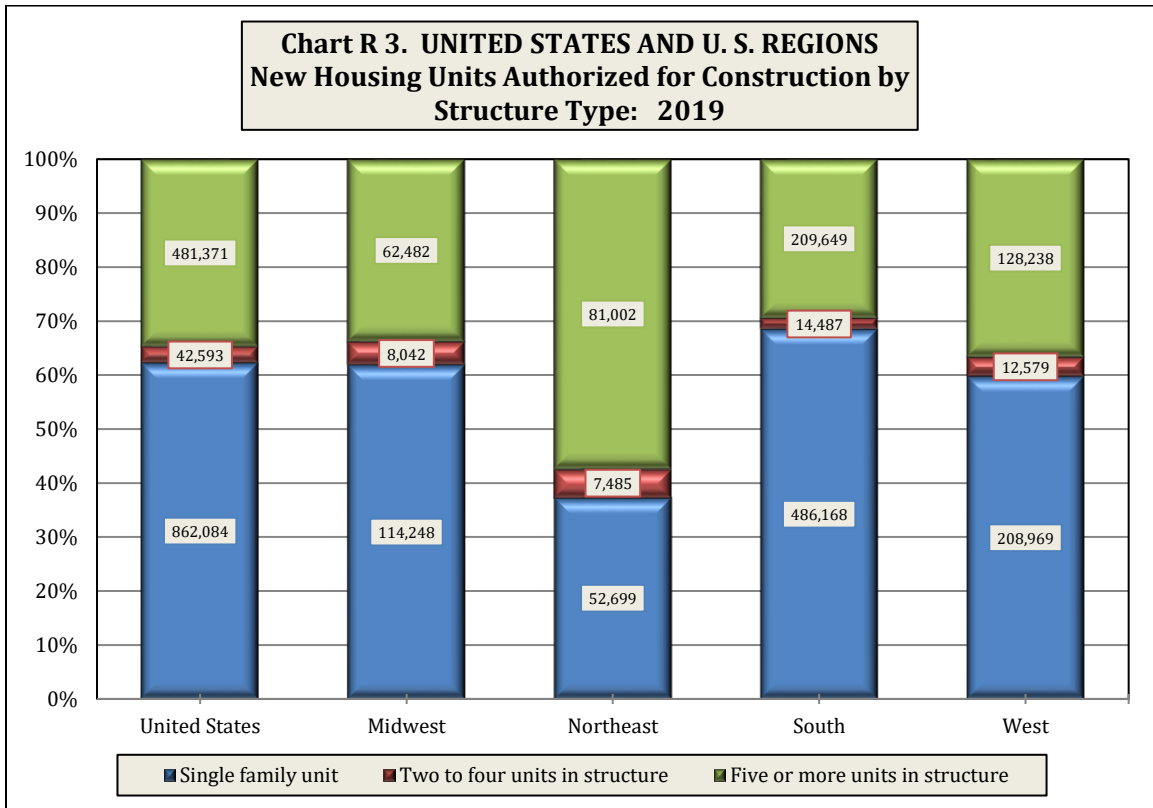
The subsector's increase was a little steeper. For the same period, the value of new multi-family housing unit construction in buildings containing five or more units increased \$1.252 billion to \$9.692 billion. This is a 14.84 percent increase from the 2018 value of \$8.440 billion.

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 for a total of 17 jurisdictions, 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 more than one - half (51.2 percent), of all new housing units built in the United States during 2019. Permit issuing places in these jurisdictions authorized the construction of 710,304 new housing units. This is nearly a five - percent increase from the 677,145 new housing units authorized for construction during 2018.



Texas permit issuing places authorized more new housing units for construction than any other jurisdiction in the country (209,895 units). Other South Region jurisdictions reporting high numbers of new housing units include Florida (with 154,302 units, and ranked 2nd), North Carolina (with 71,307 units, and ranked 4th) and Georgia (with 53,823 units and ranked 5th).

Maryland, with 18,491 new housing units ranks 23rd 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 (3,010 units, and ranked 46th), the District of Columbia (5,945 units, and ranked 38th), Delaware (6,539 units, and ranked 37th) and Mississippi (6,952 units, and ranked 36th).

During 2019, the value of new housing unit construction in the South Region value is placed at \$137.328 billion. This is 49 – percent of the total value of new residential construction across the United States, and 4.73 percent higher than the \$131.120 billion construction value for new housing reported in 2018.

More than two-thirds (68.4 percent) of the South's new housing units (486,168 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 (56.4 percent) of all new single-family homes built in the United States.

The value of this construction is placed at \$110.864 billion. This is a two - percent increase from the 2018 value of new single-family home construction placed at \$108.674 billion.

The average construction value of a new single-family housing unit authorized for construction in the South Region is \$228,037. This is 7.82 percent below the national average cost of a new single-family house (\$247,390), 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 224,136 new multi-family housing units during 2019. This accounts for 42.78 percent of all new multi-family housing construction in the country. It is an increase of 21,894 new units (nearly eleven - 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 \$26.464 billion and it accounts for almost 40 - percent of the nation's total value of multi-family housing construction. This is 18 - percent higher than the \$22.446 billion value of new multi-family construction during 2018.

Of the new multi-family housing units to be delivered throughout 2019, 93.5 percent (209,649 units) will be built in 6,185 buildings containing five or more housing units. This is an increase of ten - percent from the 189,834 units authorized for construction in structures containing five or more units during 2018.

These buildings have a construction value placed at \$24.665 billion. This is an increase in value of over \$3.658 billion, or an increase of over 17 - percent.

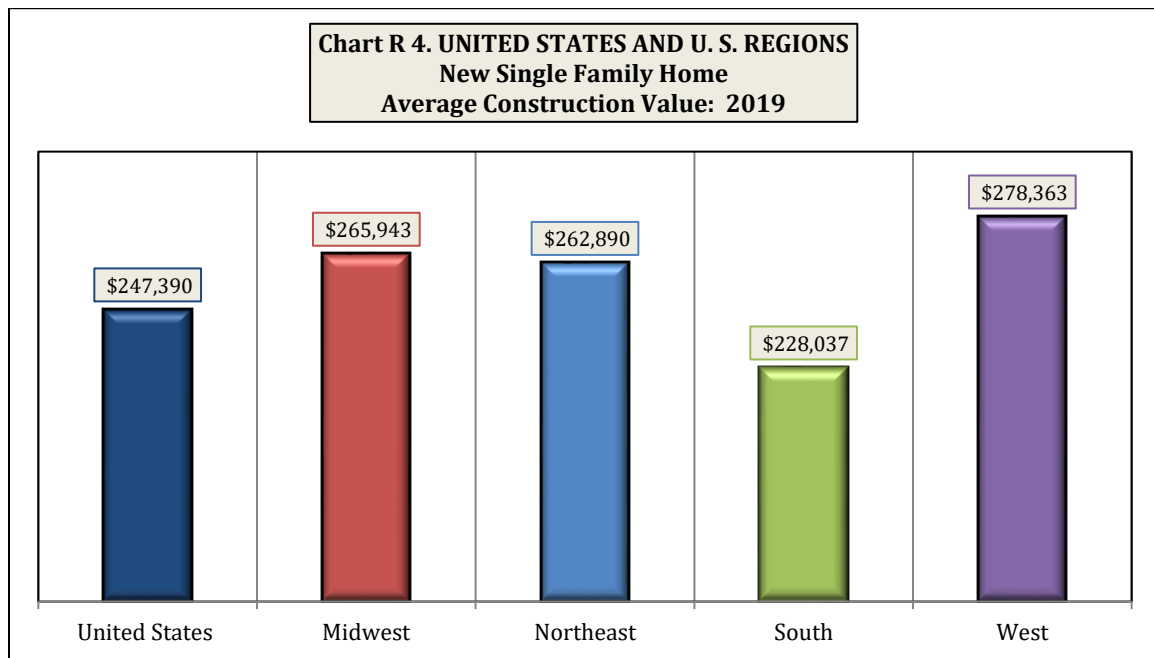
The West Region

During 2019, permit issuing places in the 13 states comprising the West Region (Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming), authorized the construction of 349,786 new housing units.

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This amounts to 25.2 percent of all new housing units built in the United States, and an increase of two - percent from the 342,774 new housing units authorized for construction during 2018.

The highest number of new housing units are built in California (110,197 units), followed by Washington (48,424 units), Arizona (46,580 units) and Colorado (38,633 units). Nationally these jurisdictions rank third, sixth, seventh and 10th, respectively among the 50 state areas and the District of Columbia. Maryland's new housing production (ranked 23rd nationally), would place seventh among this region's 13 states in 2019.



Jurisdictions in the West Region reporting the lowest number of new housing units include Alaska (1,680 units), Wyoming (1,708 units), Hawaii (4,093) and Montana (4,776 units). These States rank 50th, 49th, 45th and 41st, respectively.

New housing units produced in these States have a 2019 construction value of \$79.494 billion in 2019. This is 28.34 percent of the value of new housing construction across the United States, and just under two percent of the \$78.192 billion value of new housing construction reported in 2018.

Over 59 - percent (208,969 dwellings) of all new housing units built in the West Region are single family dwellings. This accounts for 24 percent of all new single-family homes in the United States. It is an increase of just 307 new single-family homes from the 2018 report of 208,662 units.

The 2019 aggregate value placed on new single family home construction in the Western States is placed at \$58.169 billion. This is 27 percent of the construction value for all new single-family homes in the United States, and 0.38 percent higher than the \$57.948 billion value of new single-family home construction reported in 2018.

On average the 2019 annual value of construction for a new single-family housing unit authorized for construction in Western States is \$278,363. This is the highest average cost for a new home among the four United States Regions. It is 12.2 percent higher than the national average cost of a new single-family house (\$247,390).

There are 140,817 new multi-family housing units authorized for construction in the West Region during 2019, comprising over forty - percent of new residential construction in the West Region. The annual increase in multi – family housing unit construction from 2018 through 2019 is 6,705 units or five percent.

The construction value of the new multi-family developments is placed at \$21.325 billion, an increase of 5.3 percent from the \$20.243 billion spent building multi-family developments in 2018. Of all new multi-family housing units authorized in 2019, ninety-one - percent (128,238 units) will be built in 4,435 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 Maryland Department of Planning. Planning Services Division. 2021.