

Frequently Asked Questions (FAQs) Hurricane Katrina's Effect on New Residential Construction

What was the effect of Hurricane Katrina on new residential construction in August?

The effect was minimal. The metropolitan areas affected most by the hurricane accounted for about 1.1 percent of U.S. total permit authorizations in 2004, and about 2.4 percent of the permit activity in the South region (see table below). Moreover, the hurricane impacted construction activity only for the last few days of the month.

	Total Units Authorized in 2004	Single-family Units Authorized in 2004	Percent of 2004 U.S. Total Units	Percent of 2004 U.S. Single-family Units	Percent of 2004 South Total Units	Percent of 2004 South Single-family Units
United States	2,070,077	1,613,445				
South Region	960,779	756,139				
New Orleans-Metairie-Kenner, LA CBSA	6,400	5,698	0.31	0.35	0.67	0.75
Baton Rouge, LA CBSA	5,179	4,669	0.25	0.29	0.54	0.62
Lafayette, LA CBSA	2,247	2,219	0.11	0.14	0.23	0.29
Lake Charles, LA CBSA	1,347	1,211	0.07	0.08	0.14	0.16
Houma-Bayou Cane-Thibodaux, LA CBSA	895	890	0.04	0.06	0.09	0.12
Gulfport-Biloxi, MS CBSA	2,368	1,875	0.11	0.12	0.25	0.25
Pascagoula, MS CBSA	1,295	1,063	0.06	0.07	0.13	0.14
Hattiesburg, MS CBSA	616	201	0.03	0.01	0.06	0.03
Mobile, AL CBSA	2,370	1,749	0.11	0.11	0.25	0.23
Total Gulf Coast Metro Areas	22,717	19,575	1.10	1.21	2.36	2.59

CBSA = Core-Based Statistical Area

Source: <http://www.census.gov/const/C40/Table3/tb3u2004.txt>

How were the building permit estimates for August affected by the hurricane?

If a local government in the monthly Building Permits Survey sample does not report its permit activity to the Census Bureau, the data for that jurisdiction are imputed based on its previous activity. There are about 260 jurisdictions in Louisiana, Mississippi, and Alabama in the monthly sample. About 60 of those jurisdictions reported July data but did not report August data. We imputed their August data using our normal imputation procedure. The imputed total number of units authorized in those jurisdictions in August accounted for about 1.4 percent of the preliminary August estimate for the South region.

How will the hurricane affect building permit data for September?

When estimating units authorized in September 2005, for jurisdictions that do not report September data to us and cannot be contacted, we will assume that no permits were issued.

Do you have monthly estimates of permit authorizations for the affected areas?

Yes. Monthly state and local estimates for August will be released on September 27, 2005.

How was the collection of data on housing starts and completions affected by the hurricane?

Housing starts and completions are obtained from the Survey of Construction, a sample survey of new housing units from 900 permit jurisdictions and from a sample of land areas where permits are not required. Most of the areas significantly affected by Hurricane Katrina are not in the Survey of Construction sample, so there was minimal impact on the data collection for housing starts and completions.

How will the hurricane affect future estimates of housing starts and completions?

The Survey of Construction is used to determine the rates of start and completion of permits that have been issued. The survey assumes that the rates of start and completion in the sampled jurisdictions in each region are representative of the entire region. While new permits in most of the affected areas will not be surveyed to determine their rates of start and completion, they will be included in the starts and completions estimates because of their inclusion in the building permit estimates.

Do you have monthly estimates of starts or completions for the affected areas?

No. The Survey of Construction sample was designed to make regional and U.S. estimates, not local estimates.

Will completely rebuilt houses be counted as a new house being built?

Yes. Following Hurricane Andrew in 1992, the definition of a new housing start was modified to include structures where the entire building was razed and a new house was built on the existing foundation. We plan to work with local jurisdictions in the affected states to assist in the proper classification of the permits for the units being rebuilt.

Will manufactured homes placed in the area be counted as new residential construction?

Manufactured (mobile) homes inspected by HUD at the factory (“HUD-code” homes) are not counted as new residential construction because permits from the local jurisdictions are not required to inspect the construction of the units. These units are counted separately in the Manufactured Housing Survey; data from that survey can be found at this link: <http://www.census.gov/const/www/mhsindex.html>. Modular homes without a HUD factory inspection require local building permits and are included in the new residential construction statistics.