

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

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

The effect was minimal. The Census Bureau does not produce local estimates of new home sales, but local building permit data show that 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 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 was the collection of data on new home sales affected by the hurricane?

Data on new home sales 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 new home sales.

How will the hurricane affect future estimates of new home sales?

The Survey of Construction is used to determine the rates of sale of permits that have been issued. (The data are also adjusted to include an estimate of sales prior to permit issuance.) The survey assumes that the rates of sale 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 sale dates, they will be included in the new home sales estimates because of their inclusion in the Census Bureau's building permit estimates.

Source: U. S. Census Bureau
Manufacturing and Construction Division