

Survey of Construction

Comparing New Home Sales and New Residential Construction

We are often asked why the numbers of new single-family housing units started and completed each month are larger than the number of new homes sold. This is because all new single-family houses are measured as part of the New Residential Construction series (starts and completions), but only those that are built for sale are included in the New Residential Sales series.

We categorize new residential construction into four intents, or purposes:

Built for sale (or speculatively built): the builder is offering the house and the developed lot for sale as one transaction this includes houses where ownership of the entire property including the land is acquired ("fee simple") as well as houses sold for cooperative or condominium ownership. These are the units measured in the New Residential Sales series.

Contractor-built (or custom-built): the house is built for the landowner by a general contractor, or the land and the house are purchased in separate transactions.

Owner-built: the house is built entirely by the landowner or by the landowner acting as his/her own general contractor.

Built for rent: the house is built with the intent that it be placed on the rental market when it is completed.

Tables of housing starts and completions by purpose of construction can be found at:
www.census.gov/construction/nrc/pdf/quarterly_starts_completions.pdf