November 2008

Most western states expect higher single-family permits in 2009

by Lee McPheters



Single-family housing permit activity is down in every Western state through the first three quarters, as the national residential building contraction continues. But forecasters expect permits to hit bottom and show improvement in most states in 2009 (see table).

The downturn in single-family housing hit some Western states harder than others. Nationally, single-family permits were down by 28.9 percent in 2007. Nevada saw permits decrease by 39.2 percent. Permits were down by one-third or more in California, Idaho and New Mexico, according to annual figures from the U.S. Census Bureau.

But permits increased in Wyoming in 2007 by 20.1 percent, and fell by only 10.9 percent in Montana and 14.7 percent in Washington.

Through September of 2008, permits have decreased at the fastest pace in Utah, where they are down year-to-date by 58.7 percent. Permits are down by more than 50 percent this year in Nevada, Arizona, and California. These three states, along with Florida, are often identified as most affected by the housing slump and related subprime mortgage problems.

Single-family activity has tumbled least in Wyoming this year, with permits down by 26.3 percent. Other Western states where permitting has not declined as much as in the rest of the nation include Texas, New Mexico, Idaho, Montana, and Washington.

Forecasters from most of the Western states see improvement in single-family permits in 2009. California permits are currently expected to increase by 18.6 in 2009. Utah permits are projected to rise by 14.2 percent. Permits will be essentially flat in 2009 in several Western states, including Arizona, Colorado, Nevada, and Wyoming. In Texas, Washington and Montana, permits are projected to rise by 10 percent.

Single-Family Permit Growth in Western States Percentage Change

	2007	YTD 2008*	2009
United States	-28.9	-40.4	
Arizona	-32.3	-53.0	1.5
California	-36.6	-52.6	18.6
Colorado	-32.4	-42.3	2.5I
Idaho	-35.4	-35.9	5.0
Montana	-10.9	-37.8	10.0
Nevada	-39.2	-54.0	1.2
New Mexico	-33.0	-39.0	-1.6
Oregon	-22.9	-49.9	-1.9
Texas	-27.2	-31.1	10.0
Utah	-27.1	-58.7	14.2
Washington	-14.7	-39.9	10.0
Wyoming	20.1	-26.3	1.3
*VTD September 2008 vs. 2007			

*YTD September 2008 vs. 2007

Source: U.S. Census Bureau and state forecasts



Consensus Summary

Forecast Released November 1, 2008

2008 Forecast								
	Current \$ Personal Income	Wage & Salary Empl.	Population Growth	Single-family Housing Permits				
Arizona	3.8	-1.0	2.1	-31.3				
California	4.1	-0.2	1.1	-30.0				
Colorado	5.5	1.4	1.9	-21.3				
Idaho	5.7	1.4	2.0	-17.2				
Montana	6.0	1.8	0.9	-35.0				
Nevada	5.8	1.4	3.1	-11.8				
New Mexico	4.6	1.2	1.5	-9.1				
Oregon	4.7	0.6	1.4	-23.0				
Texas	6.2	2.0	1.7	-13.3				
Utah	6.4	2.1	2.3	-23.4				
Washington	5.3	1.4	1.5	-25.9				
Wyoming	7.2	2.7	1.1	-16.0				

2009 Forecast								
	Current \$ Personal Income	Wage & Salary Empl.	Population Growth	Single-family Housing Permits				
Arizona	4.0	0.8	2.2	1.5				
California	4.3	0.7	1.1	18.6				
Colorado	4.9	1.2	1.8	2.5				
Idaho	5.5	2.1	2.1	5.0				
Montana	5.0	2.0	1.0	10.0				
Nevada	5.6	1.8	3.7	1.2				
New Mexico	4.4	1.2	1.5	-1.6				
Oregon	4.4	0.4	1.4	-1.9				
Texas	6.1	1.8	1.6	-0.7				
Utah	6.5	2.0	2.2	14.2				
Washington	4.9	0.8	1.5	10.0				
Wyoming	6.3	2.3	0.9	1.3				





Arizona

2008 Forecast						
			Annual Percent Change 20	008 from 2007		
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Population Growth	Single-family Housing Permits	
Arizona Department of Commerce	3.2	-3.5	-1.3	2.3	-3.0	
Arizona Public Service	0.5	-4.8	-1.3	1.0	-40.0	
ASU - Economic Outlook Center	4.5	-5.0	-1.5	2.3	-55.0	
Davidson Fixed Income Management	3.9	-1.8	-0.7			
ECON-LINC	2.9	-1.5	-1.2	1.2	-32.0	
EconLit LLC	3.9	0.0	-1.0	2.3	-30.0	
Elliott D. Pollack & Co.	3.0	-5.0	-2.0	2.0	-50.0	
Joint Legislative Budget Committee	4.0	-2.0	-1.5	2.3	-25.0	
The Maguire Company	4.0	-3.0	-1.2	2.1	-35.0	
NAU - BBER	4.3	-2.1	-1.5	1.7	-30.0	
Salt River Project	3.6	-1.8	-1.2	1.2	-35.0	
Southwest Growth Partners	3.4	-3.2	-1.4	2.2	-46.0	
Stellar Capital Management	4.1	-1.5	-0.5	2.1	-25.0	
UA - Eller College	3.8	-0.5	-0.3	2.3	-46.9	
VisionEcon/Governing Star Group	5.6	4.0	1.2	3.0	0.0	
Wells Fargo & Co.	5.7	2.6	0.2	2.8	-17.0	
Consensus - This Month	3.8	-1.8	-1.0	2.1	-31.3	
Consensus - Last Month	4.1	-0.6	-0.4	2.2	-28.1	

2009 Forecast							
		Annual Percent Change 2009 from 2008					
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Population Growth	Single-family Housing Permits		
Arizona Department of Commerce	4.4	2.1	-0.5	2.2	3.0		
Arizona Public Service	1.5	2.5	0.5	1.5	-5.0		
ASU - Economic Outlook Center	4.5	2.5	1.0	2.5	10.0		
Davidson Fixed Income Management	4.6	2.9	1.8				
ECON-LINC	3.4	2.2	0.8	1.8	-5.0		
EconLit LLC	4.5	1.8	1.0	2.5	2.5		
Elliott D. Pollack & Co.	2.5	0.0	-1.0	2.0	0.0		
Joint Legislative Budget Committee	4.3	2.5	1.5	2.4	2.0		
The Maguire Company	4.0	2.5	1.3	1.8	0.0		
NAU - BBER	7.5	1.8	3.5	1.9	10.0		
Salt River Project	4.2	2.4	1.1	2.0	5.0		
Southwest Growth Partners	3.2	1.5	0.5	2.4	-15.0		
Stellar Capital Management	4.1	2.5	1.0	2.3	5.0		
UA - Eller College	1.5	1.2	-1.5	2.0	14.6		
VisionEcon/Governing Star Group	3.9	1.3	0.7	2.8	5.0		
Wells Fargo & Co.	5.5	2.7	0.6	2.8	-10.0		
Consensus - This Month	4.0	2.0	0.8	2.2	1.5		
Consensus - Last Month	4.7	2.6	1.3	2.4	2.8		





California

2008 Forecast						
		A	Annual Percent Change 20	008 from 2007		
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Population Growth	Single-family Housing Permits	
Anonymous	4.5	1.1	-0.2	1.2	-46.3	
California State University, Long Beach *	3.8	3.0	-0.3	1.5	-2.9	
Chapman University	3.3	-1.0	-0.5	1.1	-30.3	
Economic Development Corp. of L.A.	4.5	-1.2	-0.2	1.2	-47.4	
Legislative Analyst's Office	4.4	0.9	-0.3	1.1	-28.6	
UCLA - Business Forecasting Project	4.5	-0.2	-0.1	1.1	-33.4	
University of the Pacific	4.0	1.9	0.1	0.8	-26.4	
Wells Fargo & Company - MN	3.6	2.6	0.1	1.0	-24.5	
Consensus - This Month	4.1 0.9 -0.2 1.1 -30.0					
Consensus - Last Month	4.0	0.9	-0.1	1.1	-30.8	

2009 Forecast						
		A	Annual Percent Change 20	009 from 2008		
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Population Growth	Single-family Housing Permits	
Anonymous	4.1	5.0	0.6	1.2	70.6	
California State University, Long Beach *	3.3	2.1	0.9	1.3	20.7	
Chapman University	4.1	2.9	0.6	1.1	-1.3	
Economic Development Corp. of L.A.	5.2	1.8	0.6	1.2	-10.4	
Legislative Analyst's Office	4.0	4.1	0.5	1.1	18.8	
UCLA - Business Forecasting Project	3.3	4.1	0.4	1.1	18.8	
University of the Pacific	5.4	4.2	1.4	0.9	37.1	
Wells Fargo & Company - MN	4.9	2.8	0.9	1.0	-5.4	
Consensus - This Month	4.3 3.4 0.7 1.1 18.6					
Consensus - Last Month	4.4	3.3	0.8	1.1	18.7	





Colorado

2008 Forecast						
		A	Annual Percent Change 20	008 from 2007		
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Population Growth	Single-family Housing Permits	
The Adams Group, Inc.	5.0	3.9	0.5	2.1	-5.0	
Center for Business & Economic Forecasting	5.0	3.0	1.4	1.9	-29.0	
Colorado Legislative Council	6.0	3.8	1.6	2.0	-32.1	
Eastern New Mexico University	6.0	4.3	2.2	1.8	-8.1	
Office of State Planning & Budgeting	4.6	2.6	1.0	2.0	-22.4	
University of Colorado - Leeds	6.7	3.8	1.5	1.9	-12.0	
Wells Fargo & Co.	4.6	2.5	1.5	1.4	-18.6	
Xcel Energy	5.8	5.0	1.5	1.9	-43.0	
Consensus - This Month	5.5 3.6 1.4 1.9 -21.3				-21.3	
Consensus - Last Month	5.7	4.3	1.5	1.9	-17.4	

2009 Forecast						
		A	Annual Percent Change 20	009 from 2008		
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Population Growth	Single-family Housing Permits	
The Adams Group, Inc.						
Center for Business & Economic Forecasting	4.3	1.0	0.4	1.8	3.0	
Colorado Legislative Council	6.2	4.5	1.9	1.8	18.8	
Eastern New Mexico University	6.0	4.4	2.3	1.8	-2.3	
Office of State Planning & Budgeting	3.9	2.1	0.9	2.0	-0.1	
University of Colorado - Leeds	5.0	2.0	0.7	1.9	0.0	
Wells Fargo & Co.	4.2	2.4	1.7	1.3	-6.7	
Xcel Energy	4.8	4.3	0.7	1.9	5.0	
Consensus - This Month	4.9 3.0 1.2 1.8 2.5					
Consensus - Last Month	5.8	4.7	1.8	1.7	3.5	





Idaho

2008 Forecast						
		Annual Percent Change 2008 from 2007				
	Current \$ Personal Income	Current \$ Personal Income Retail Sales Wage & Salary Empl. Population Growth Single-family Housing Permits				
Idaho Division of Financial Management	6.0		2.2	2.1	-1.5	
Idaho Economics	7.0		2.1	2.1	-10.0	
Wells Fargo & Company - UT	4.0	3.5	0.0	1.8	-40.0	
Consensus - This Month	5.7	3.5	1.4	2.0	-17.2	
Consensus - Last Month	5.7	3.5	1.4	2.0	-17.2	

2009 Forecast						
	Annual Percent Change 2009 from 2008					
	Current \$ Personal Income	Current \$ Personal Income Retail Sales Wage & Salary Empl. Population Growth Single-family Housing Permits				
Idaho Division of Financial Management						
Idaho Economics	6.4		2.3	2.1	0.0	
Wells Fargo & Company - UT	4.5	4.0	1.8	2.0	10.0	
Consensus - This Month	5.5	4.0	2.1	2.1	5.0	
Consensus - Last Month	5.5	4.0	2.1	2.1	5.0	





Montana

2008 Forecast										
	Annual Percent Change 2008 from 2007									
	Current \$ Personal Income	Current \$ Personal Income Wage & Salary Empl. Population Growth Single-family Housing Permits								
University of Montana	6.5	2.1	0.8							
Wells Fargo & Company - UT	5.5	1.5	1.0	-35.0						
Consensus - This Month	6.0	1.8	0.9	-35.0						
Consensus - Last Month	6.0	1.8	0.9	-35.0						

2009 Forecast										
	Annual Percent Change 2009 from 2008									
	Current \$ Personal Income	Current \$ Personal Income Wage & Salary Empl. Population Growth Single-family Housing Perm								
University of Montana										
Wells Fargo & Company - UT	5.0	2.0	1.0	10.0						
Consensus - This Month	5.0	2.0	1.0	10.0						
Consensus - Last Month	5.0	2.0	1.0	10.0						





Nevada

2008 Forecast								
		Annual I	Percent Change 2008 fro	om 2007				
	Current \$ Personal Income	Gross Gaming Revenues	Wage & Salary Empl.	Population Growth	Single-family Housing Permits			
Dept. of Employment, Training & Rehab.		-5.0	-1.1	2.0				
Restrepo Consulting Group, LLC	5.0	-4.2	2.0	4.5	-17.0			
Southwest Gas Corporation	8.0	5.3	4.8	3.9	2.0			
University of Nevada at Las Vegas - CBER	5.5	1.6	2.1	2.1	-21.9			
Wells Fargo & Company - MN	4.7	4.9	-0.7	3.0	-10.1			
Consensus - This Month	5.8	0.5	1.4	3.1	-11.8			
Consensus - Last Month	5.8	0.5	1.4	3.1	-11.8			

2009 Forecast								
		Annual I	Percent Change 2009 fro	om 2008				
	Current \$ Personal Income	Gross Gaming Revenues	Wage & Salary Empl.	Population Growth	Single-family Housing Permits			
Dept. of Employment, Training & Rehab.		2.0	0.3	2.0				
Restrepo Consulting Group, LLC	5.0	2.0	3.0	4.8	-8.0			
Southwest Gas Corporation								
University of Nevada at Las Vegas - CBER	7.1	4.0	3.7	5.0	23.7			
Wells Fargo & Company - MN	4.8	4.6	0.2	2.9	-12.2			
Consensus - This Month	5.6	3.2	1.8	3.7	1.2			
Consensus - Last Month	5.6	3.2	1.8	3.7	1.2			





New Mexico

2008 Forecast								
		A	nnual Percent Change 20	08 from 2007				
	Current \$ Personal Income	Mfg. Employ.	Wage & Salary Empl.	Population Growth	Single-family Housing Permits			
Eastern New Mexico University	5.4	0.6	1.7	1.4	-4.7			
New Mexico State University - CEMAF	6.0	1.0	1.9	1.5				
PNM Resources	3.1	0.1	1.1	1.2	-4.5			
University of New Mexico - BBER	4.0	-1.9	1.0		-21.6			
Wells Fargo & Company - MN	4.5	0.2	0.4	1.8	-5.7			
Consensus - This Month	4.6	4.6 0.0 1.2 1.5 -9.1						
Consensus - Last Month	4.4	0.0	1.2	1.5	-11.7			

2009 Forecast								
		A	nnual Percent Change 20	09 from 2008				
	Current \$ Personal Income	Mfg. Employ.	Wage & Salary Empl.	Population Growth	Single-family Housing Permits			
Eastern New Mexico University	5.4	0.7	1.5	1.6	-3.1			
New Mexico State University - CEMAF								
PNM Resources	3.3	0.2	1.4	1.3	-2.0			
University of New Mexico - BBER	4.7	0.0	1.5		5.7			
Wells Fargo & Company - MN	4.3	0.3	0.5	1.7	-6.9			
Consensus - This Month	4.4	4.4 0.3 1.2 1.5 -1.6						
Consensus - Last Month	3.2	0.9	0.9	1.5	-1.7			





Oregon

2008 Forecast									
		Α	Annual Percent Change 200	8 from 2007					
	Current \$ Personal Income	Mfg. Employ.	Wage & Salary Empl.	Population Growth	Single-family Housing Permits				
Conerly Consulting	4.3	-4.1	-0.2	1.3	-43.8				
Forefront Economics	5.7	1.5	2.1	1.3	-3.0				
John Mitchell	5.5	-0.5	0.8	1.4	-15.0				
Oregon Executive Department	4.0	-3.9	0.0	1.3	-40.2				
Portland General Electric	3.9	-2.2	0.2	1.4	-30.0				
Wells Fargo & Company - MN	4.6	0.5	0.4	1.5	-5.8				
Consensus - This Month	4.7	4.7 -1.5 0.6 1.4 -23.0							
Consensus - Last Month	4.9	-1.2	0.7	1.4	-22.2				

2009 Forecast									
		Α	Annual Percent Change 200	9 from 2008					
	Current \$ Personal Income	Mfg. Employ.	Wage & Salary Empl.	Population Growth	Single-family Housing Permits				
Conerly Consulting	3.1	-2.9	-0.9	1.4	-0.7				
Forefront Economics	5.3	1.2	1.8	1.3	3.0				
John Mitchell	6.1	1.5	1.4	1.5	8.0				
Oregon Executive Department	2.5	-4.1	-1.3	1.3	-17.4				
Portland General Electric	4.9	0.5	0.9	1.5	5.0				
Wells Fargo & Company - MN	4.6	0.5	0.5	1.4	-9.2				
Consensus - This Month	4.4	4.4 -0.6 0.4 1.4 -1.9							
Consensus - Last Month	5.1	0.3	1.0	1.4	2.3				





Texas

2008 Forecast								
		1	Annual Percent Change 2	008 from 2007				
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Population Growth	Single-family Housing Permits			
Eastern New Mexico University	6.7	5.3	2.1	1.8	-7.4			
Econoclast	5.0	4.1	1.8	1.6	-15.5			
Federal Reserve Bank of Dallas	7.5	6.4	2.5	1.9	-10.0			
Perryman Group	6.5	5.9	2.0	1.8	-10.1			
TX State Comptroller of Public Accounts	5.8	5.7	2.0	1.6	-26.1			
University of Houston - CPP	5.5	4.4	1.6	1.6	-19.4			
University of North Texas	6.7	4.8	2.2	1.8	-10.1			
University of Texas at El Paso	7.0	6.2	1.7	1.8	-15.8			
Wells Fargo & Company - MN	5.2	4.2	1.8	1.4	-5.2			
Consensus - This Month	6.2	5.2	2.0	1.7	-13.3			
Consensus - Last Month	6.3	5.5	1.9	1.7	-12.6			

2009 Forecast								
		1	Annual Percent Change 20	009 from 2008				
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Population Growth	Single-family Housing Permits			
Eastern New Mexico University	6.3	5.0	1.8	1.7	-2.1			
Econoclast	5.9	5.5	1.9	1.7	2.1			
Federal Reserve Bank of Dallas	7.3	6.5	2.8	1.9	4.5			
Perryman Group	6.7	6.0	1.9	1.0	-4.9			
TX State Comptroller of Public Accounts	5.7	4.9	1.8	1.5	-1.1			
University of Houston - CPP	5.9	5.1	1.8	1.7	3.3			
University of North Texas	5.5	4.6	1.5	2.3	-2.1			
University of Texas at El Paso	6.0	5.0	1.2	1.6	-3.5			
Wells Fargo & Company - MN	5.8	4.4	1.8	1.3	-2.8			
Consensus - This Month	6.1	5.2	1.8	1.6	-0.7			
Consensus - Last Month	6.3	5.4	1.9	1.6	3.6			





Utah

2008 Forecast								
		Annual Percent Change 2008 from 2007						
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Population Growth	Single-family Housing Permits			
Pacificorp	6.6	4.6	3.1	2.2	7.3			
Utah Department of Workforce Services	6.0	4.1	0.3	2.8	-50.0			
Utah State Tax Commission	7.1	3.4	3.5	1.5	-10.7			
Wells Fargo & Company - UT	6.0	4.5	1.5	2.8	-40.0			
Consensus - This Month	6.4	6.4 4.2 2.1 2.3 -23.4						
Consensus - Last Month	6.4	4.2	2.1	2.3	-23.4			

2009 Forecast							
	Annual Percent Change 2009 from 2008						
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Population Growth	Single-family Housing Permits		
Pacificorp							
Utah Department of Workforce Services	6.9	3.7	1.0	2.4	30.0		
Utah State Tax Commission	7.0	6.1	2.9	1.4	2.5		
Wells Fargo & Company - UT	5.5	4.5	2.0	2.8	10.0		
Consensus - This Month	6.5 4.8 2.0 2.2 14.2						
Consensus - Last Month	6.5	4.8	2.0	2.2	14.2		





Washington

2008 Forecast									
	Annual Percent Change 2008 from 2007								
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Population Growth	Single-family Housing Permits				
Conerly Consulting	5.4	-2.4	1.2	1.5	-43.0				
Dick Conway & Associates	5.8	5.0	1.5	1.4	-2.1				
Doug Pedersen & Associates	4.7	-5.8	1.1	1.5	-38.5				
Office of the Forecast Council	5.4	1.6	1.3	1.7	-30.1				
Wells Fargo & Company - MN	5.1	4.0	1.7	1.5	-15.7				
Consensus - This Month	5.3 0.5 1.4 1.5 -25.9								
Consensus - Last Month	5.5	3.0	1.4	1.5	-22.5				

2009 Forecast								
	Annual Percent Change 2009 from 2008							
	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Population Growth	Single-family Housing Permits			
Conerly Consulting	5.7	2.8	0.5	1.6	-0.5			
Dick Conway & Associates	5.7	5.5	1.4	1.2	10.1			
Doug Pedersen & Associates	3.6	-0.5	-0.5	1.4	2.6			
Office of the Forecast Council	4.7	3.7	1.0	1.6	44.0			
Wells Fargo & Company - MN	5.0	3.9	1.8	1.5	-6.0			
Consensus - This Month	4.9	3.1	0.8	1.5	10.0			
Consensus - Last Month	5.4	4.3	1.3	1.5	11.7			





Wyoming

2008 Forecast								
	Annual Percent Change 2008 from 2007							
	Current \$ Personal Income	Wage & Salary Empl.	Population Growth	Single-family Housing Permits				
WY Ctr. for Business & Economic Analysis	6.8	2.6	1.1	-13.0				
WY Dept. of Administration & Information	8.0	2.8	1.3	-15.0				
Wells Fargo & Company - UT	6.7	2.8	1.0	-20.0				
Consensus - This Month	7.2	2.7	1.1	-16.0				
Consensus - Last Month	6.6	2.8	1.1	-10.8				

2009 Forecast								
	Annual Percent Change 2009 from 2008							
	Current \$ Personal Income	Wage & Salary Empl.	Population Growth	Single-family Housing Permits				
WY Ctr. for Business & Economic Analysis	5.5	1.7	0.5	-8.0				
WY Dept. of Administration & Information	7.0	2.4	1.1	2.0				
Wells Fargo & Company - UT	6.5	2.7	1.0	10.0				
Consensus - This Month	6.3	2.3	0.9	1.3				
Consensus - Last Month	6.6	2.7	1.0	4.5				