

FEDERAL HOUSING ADMINISTRATION
WASHINGTON

STEWART McDONALD
ADMINISTRATOR

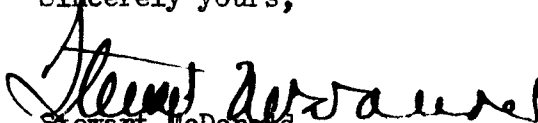
June 22, 1939

Honorable Marriner S. Eccles
Board of Governors
Federal Reserve System
Washington, D. C.

Dear Marriner:

Our Division of Economics and Statistics feel that they are fairly safe in making the attached estimate, from which we have prepared the enclosed chart, indicating what they believe will be the residential construction activity for the year 1939.

Sincerely yours,


Stewart McDonald
Administrator

FEDERAL HOUSING ADMINISTRATION
MEMORANDUM

DATE June 21, 1939

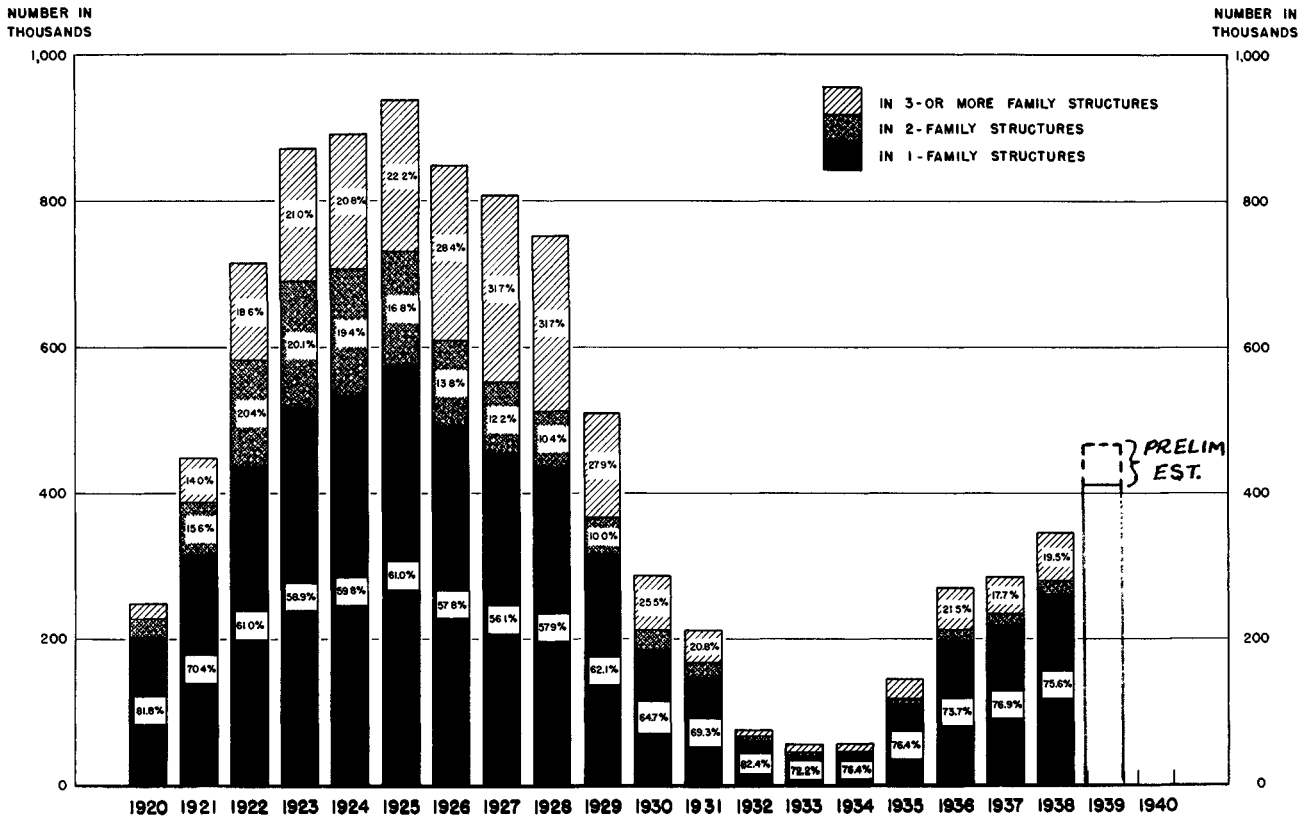
TO: Mr. Stewart McDonald
FROM: K. C. Beede
SUBJECT: FORECAST OF 1939 RESIDENTIAL CONSTRUCTION

On the basis of the information now available it is our opinion that the number of nonfarm dwelling units likely to be built during the calendar year 1939 will fall somewhere between 415,000 and 470,000, indicating an increase of from 20% to 35% over the 346,000 units estimated for 1938 by the Bureau of Labor Statistics.

K. C. Beede
Division of Economics and Statistics

ESTIMATED NUMBER OF NON-FARM DWELLING UNITS BUILT ANNUALLY

BY TYPE OF STRUCTURE



COMMENTS

NO ACCURATE FIGURES EXIST AS TO THE NUMBER OF DWELLING UNITS BUILT ANNUALLY IN THE UNITED STATES. THESE ESTIMATES ARE BASED ON CENSUS DATA AND ON BUILDING PERMIT DATA REPORTED BY THE BUREAU OF LABOR STATISTICS. THE NATIONAL BUREAU OF ECONOMIC RESEARCH ESTIMATES WERE USED FOR 1920 - 1935; ESTIMATES FOR 1936 TO DATE WERE MADE BY THE BUREAU OF LABOR STATISTICS AND THE FEDERAL HOUSING ADMINISTRATION.

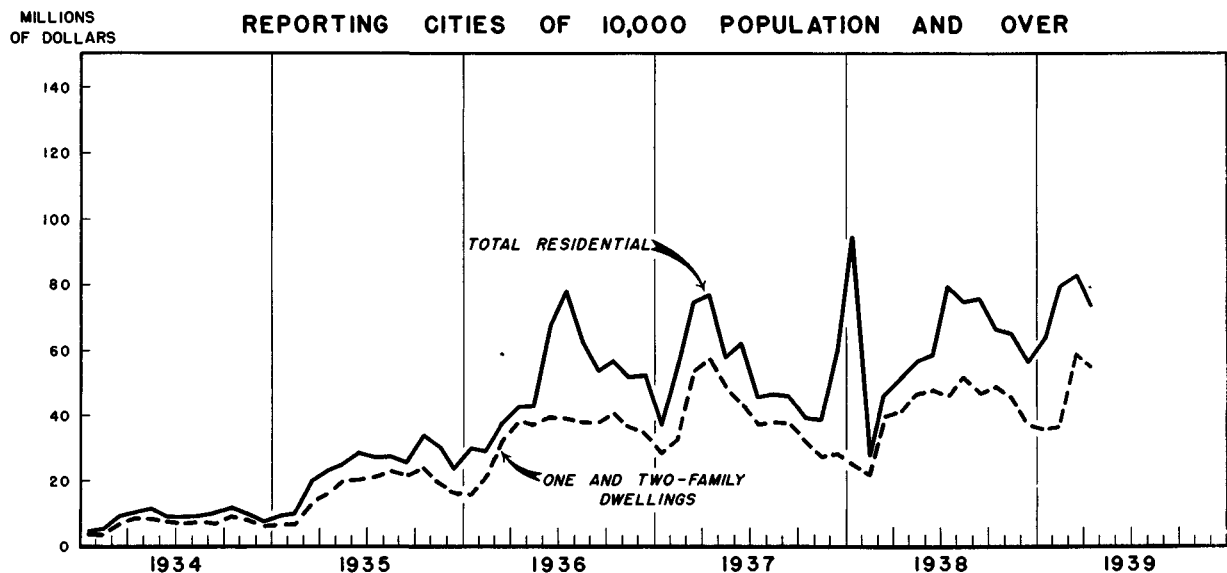
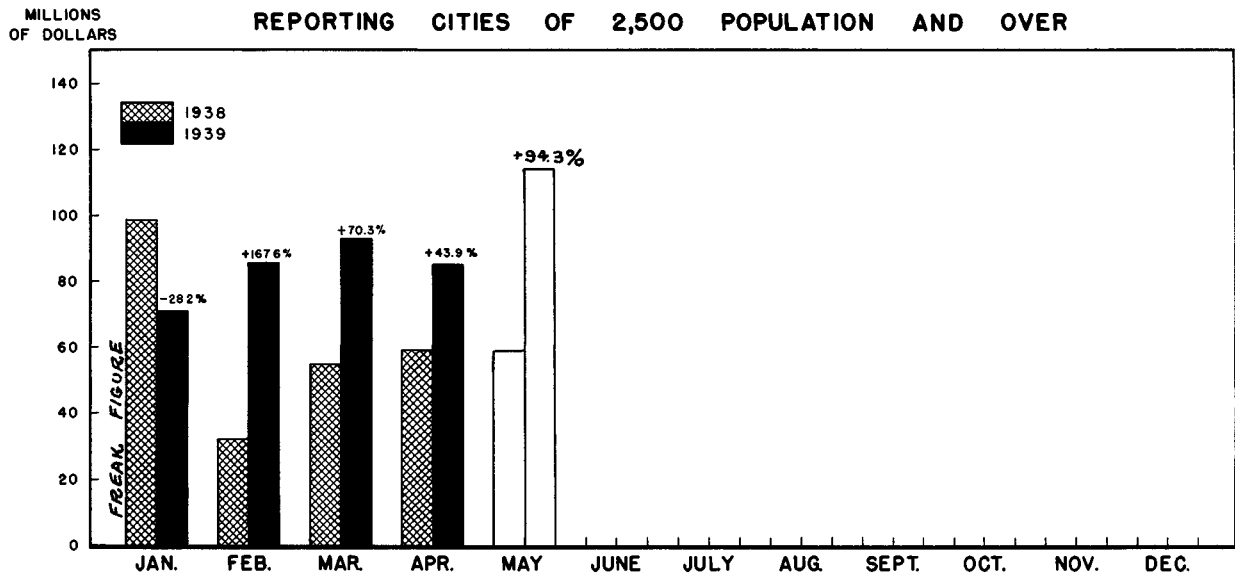
THE FEDERAL HOUSING ADMINISTRATION INSURES MORTGAGES ON STRUCTURES CONTAINING ONE TO FOUR FAMILY DWELLING UNITS, INCLUSIVE; ALSO MORTGAGES ON MODERATE PRICED APARTMENTS. THE BASIC DATA PRECLUDE ANY SEGREGATION OF THE ESTIMATES BY THESE PRECISE TYPES.

SOURCES:

NATIONAL BUREAU OF ECONOMIC RESEARCH
BUREAU OF LABOR STATISTICS
FEDERAL HOUSING ADMINISTRATION
20214 R.3/6/39

FEDERAL HOUSING ADMINISTRATION
DIVISION OF ECONOMICS & STATISTICS
CHART NO 553A (REVISED)
MARCH 1, 1939

VALUE OF RESIDENTIAL CONSTRUCTION AS SHOWN BY BUILDING PERMITS



COMMENTS

THESE OFFICIAL SERIES REPRESENT THE REPORTED ESTIMATED COST OF RESIDENTIAL CONSTRUCTION OF ALL TYPES FOR WHICH PERMITS WERE ISSUED IN REPORTING CITIES THROUGHOUT THE UNITED STATES. THE COST SHOWN BY PERMITS MAY NOT CONFORM TO ACTUAL COST, BUT THE FIGURES NEVERTHELESS INDICATE THE DIRECTION AND AMOUNT OF CHANGE IN CURRENT RESIDENTIAL CONSTRUCTION.

THE UPPER CHART REPRESENTS THE MOST COMPREHENSIVE SERIES OF PERMITS NOW AVAILABLE FOR URBAN COMMUNITIES. THE CITIES REPORTING ACCOUNT FOR SOME 86% OF TOTAL URBAN POPULATION, AND INCLUDE APPROXIMATELY 1,500 REPRESENTATIVE COMMUNITIES OF ALL SIZES DOWN TO 2,500 POPULATION. THE CITIES ARE IDENTICAL IN EACH MONTH FOR BOTH YEARS, BUT FROM MONTH TO MONTH THEY ARE NOT IDENTICAL.

IN THE LOWER CHART THE NUMBER OF REPORTING CITIES VARIES FROM 708 TO 797, BUT THIS VARIATION AFFECTS TOTALS ONLY SLIGHTLY. SHARP PEAKS IN 1936 AND AT THE BEGINNING OF 1938 ARE DUE LARGELY TO CHANGES IN NEW YORK CITY BUILDING CODE.

SOURCE OF BASIC DATA:
BUREAU OF LABOR STATISTICS

FEDERAL HOUSING ADMINISTRATION
DIVISION OF ECONOMICS & STATISTICS
CHART NO. C - 516 B