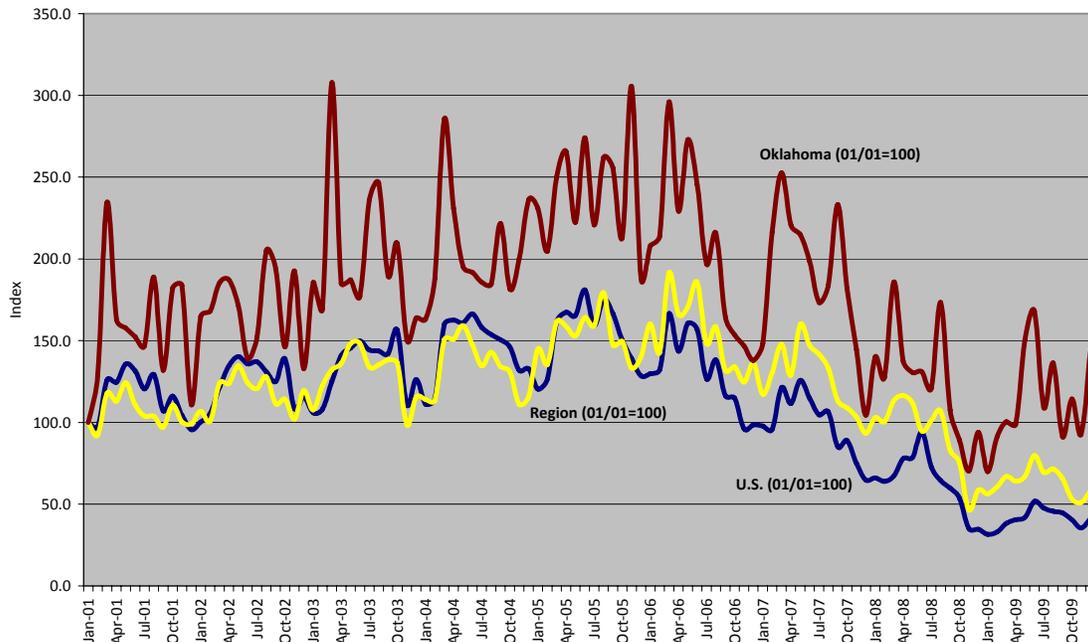


U.S., West South Central Region and Oklahoma Total Residential Building Permits

Index: January 2001 = 100

Source: U.S. Census Bureau



This indicator measures the number of permits issued for housing units (single-family home or apartment) authorized for construction. Because permits precede construction, they are considered a leading indicator for the residential construction industry and the overall economy. Most of the construction begins the same month the permit is issued. The remainder usually begins construction during the next three months.

Residential construction has direct, positive impacts on the economy. The most obvious impacts are the work opportunities created in the housing industry, as well as in other industries that provide products or services to home builders and buyers. Not only are workers employed to directly engage in construction activity but also jobs are generated in the industries where lumber, concrete, lighting fixtures, heating equipment, and other products that go into a home are produced. More jobs are created when real estate agents, lawyers, and brokers provide services to home builders and home buyers. Other economic impacts include the revenues generated for federal and local governments by way of taxes and fees from direct employment and sales.

In the past two years, home builders have lost half their share of the U.S. housing market, mainly because of competition from cheap foreclosed houses. In 2009, only 7.9 percent of homes sold were newly constructed—down from the average of 16 percent over the past two decades.

Due to the different magnitudes of permitting activity nationally, regionally and statewide, the data have been indexed with January 2001 as the base. Generally, residential permitting peaked in mid-2006 in all geographic areas and has been declining

since that time. The sharpest slide occurred in September 2008 with permitting falling by 37.9 percent in Oklahoma and 22.3 percent in the West South Central region (including Arkansas, Louisiana, Oklahoma and Texas). After a slump in November, Oklahoma permitting activity rebounded in December along with the U.S. and the region.