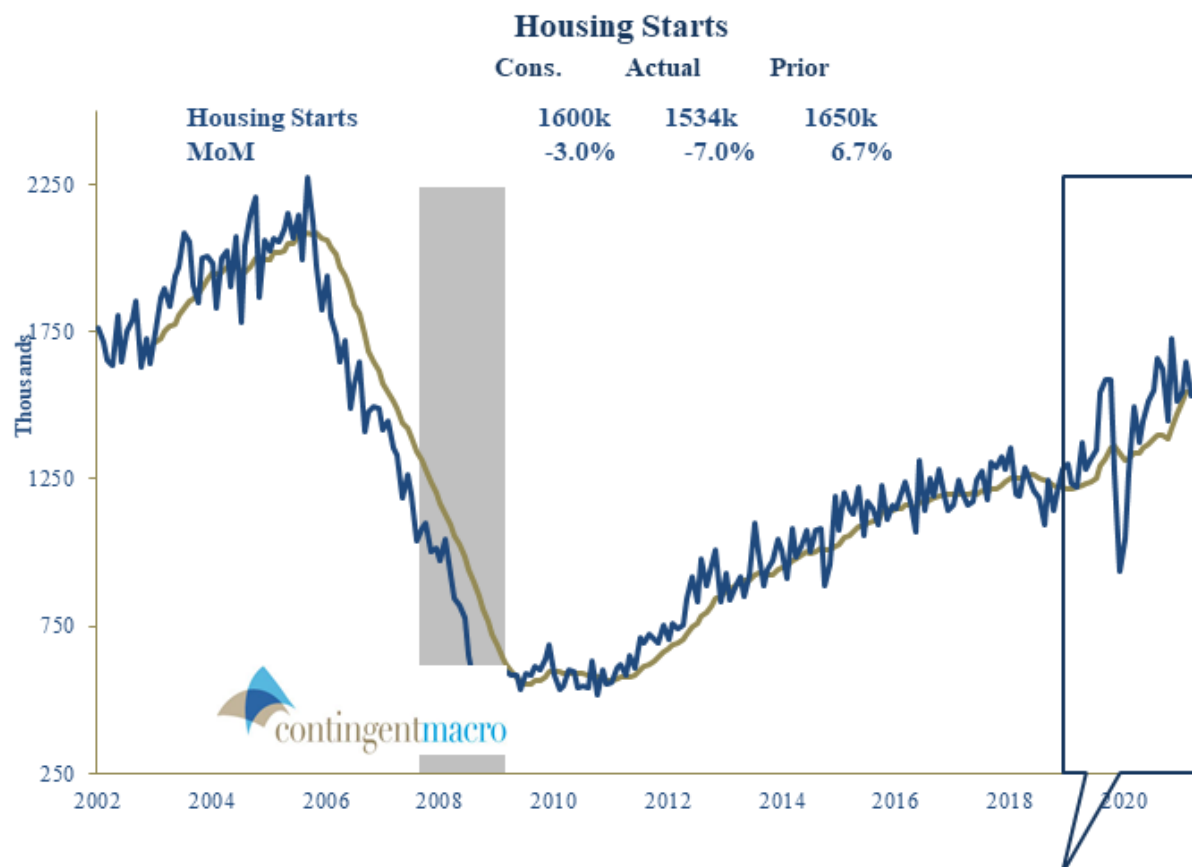
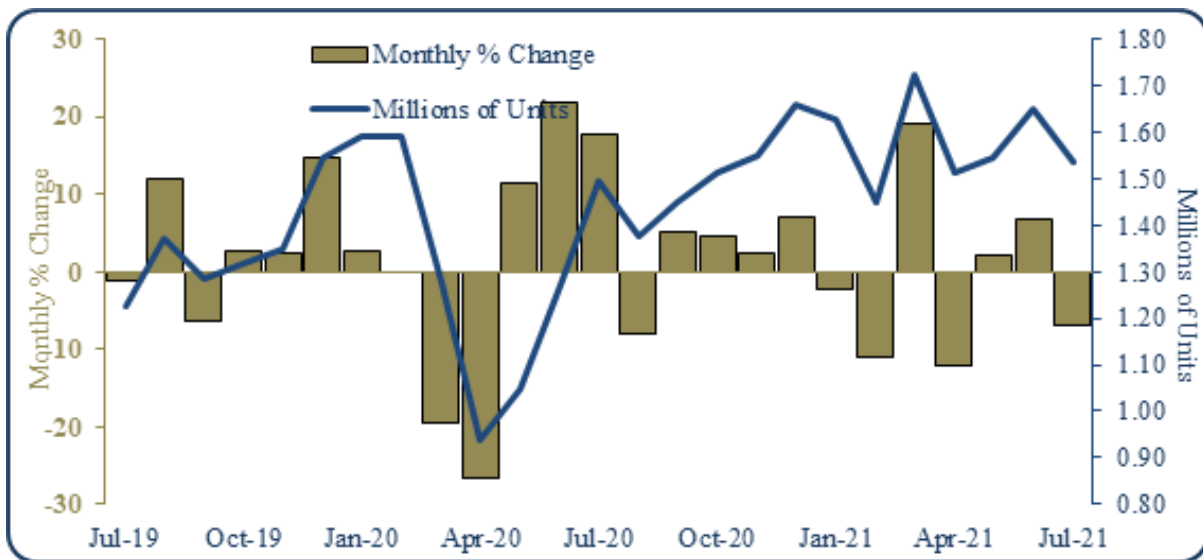


18.Aug.2021

Housing Starts: Decline More Than Expected

Bottom Line: Housing starts fell sharply more than expected in July following June's strong rebound. Looking through the volatility, the trend is still slightly higher, with the overall level of starts still robust relative to history. That said, the level of starts is below the average pace of 202. And the deceleration in the trend bears watching as we advance, especially since mortgage rates have moved back down in the last month. Looking forward, building permits were a touch higher, but entirely because of the volatile multifamily sector. Single-family permits were trending lower. Overall, housing has provided a critical growth driver since the pandemic, but that tailwind is now slowing.



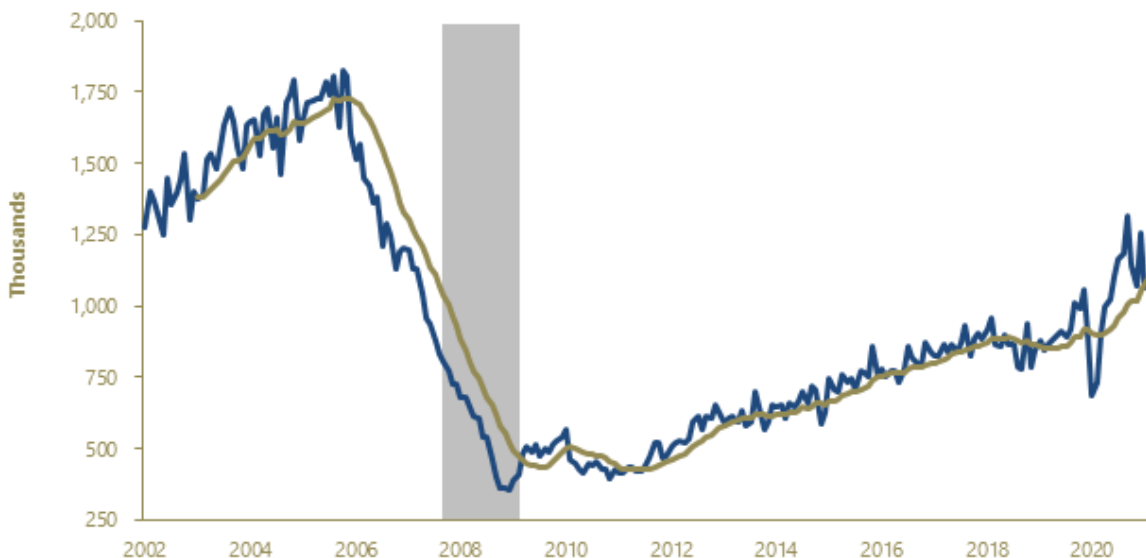


Housing Starts FELL by 7.0% in July to 1534k, compared with market expectations for a decline to 1600k. Meanwhile, the prior month was revised slightly higher from 1,643k to 1,650k. Housing starts are now 2.5% ABOVE their year-ago level. However, they are still a sharp 32.5% BELOW their January 2006 peak.

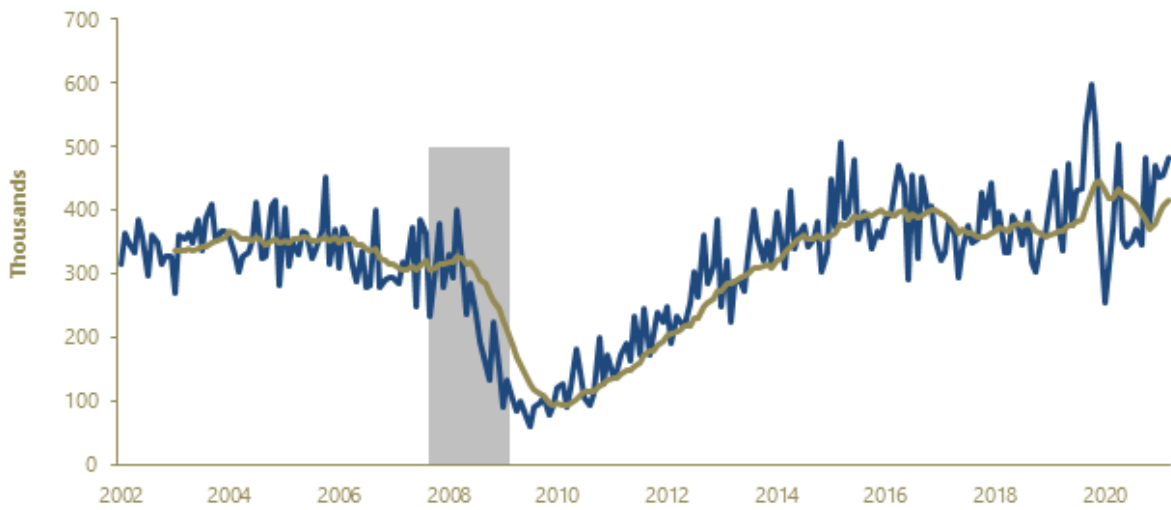
Single Family Housing Starts FELL by 4.5% to 1111k. Single family housing starts are 11.7% ABOVE their year ago level but still 39.1% BELOW their January 2006 peak.

Multifamily Housing Starts FELL by 13.0% to 423k. Multifamily starts are now 15.7% BELOW their year ago level.

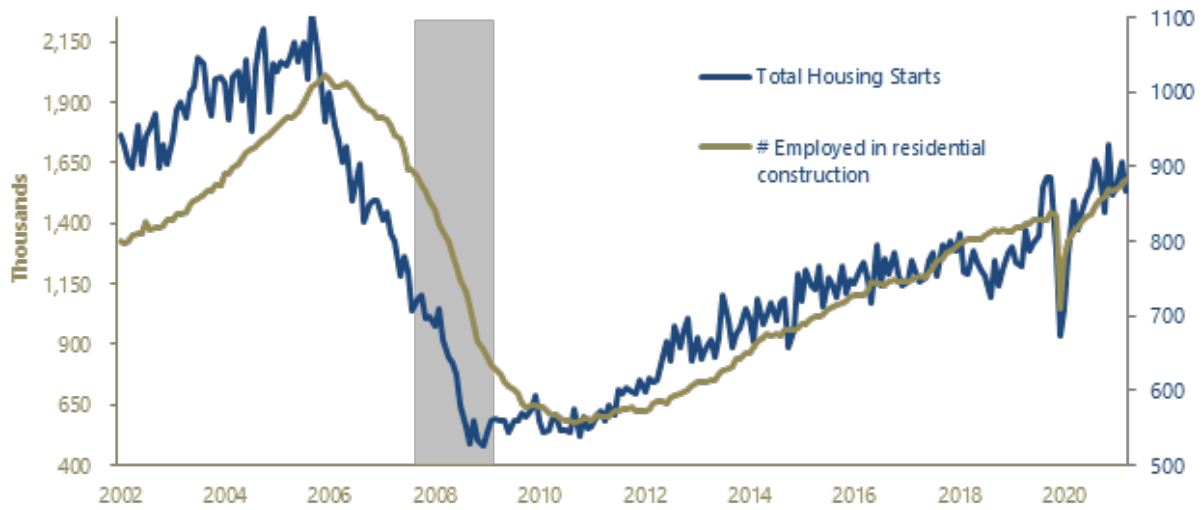
Single Family Housing Starts



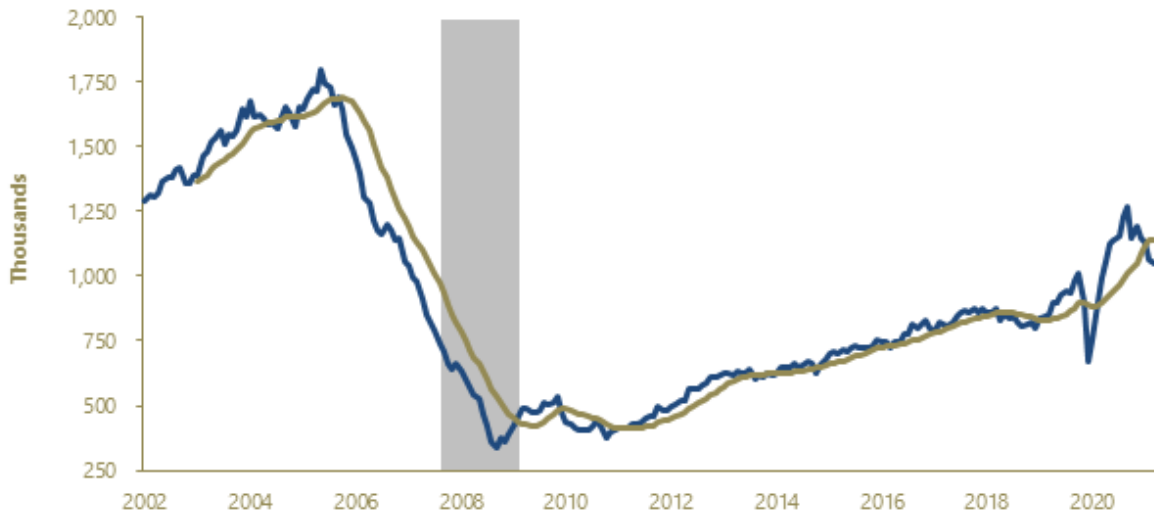
Multifamily Housing Starts



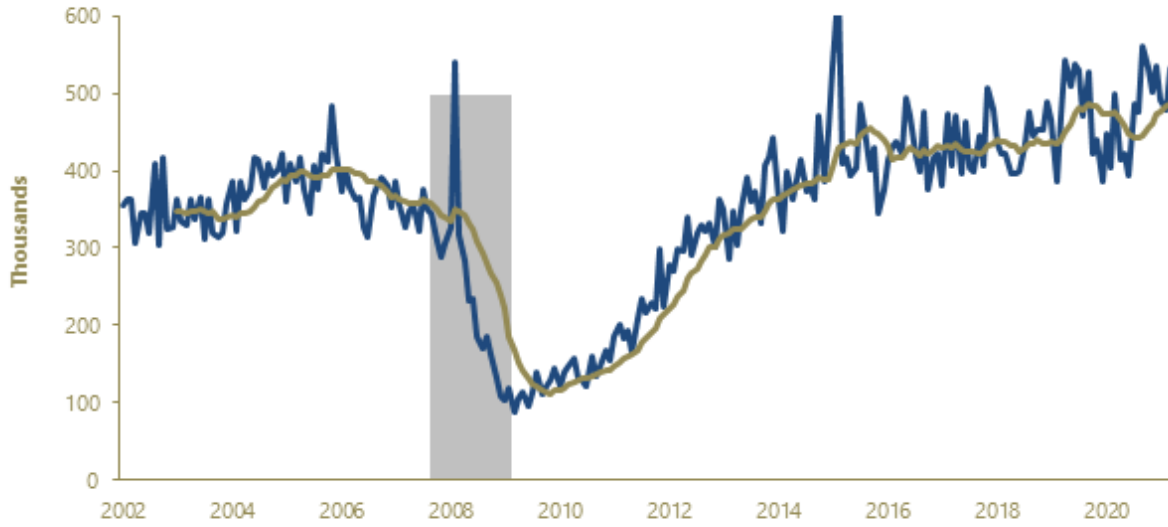
Housing Starts vs Residential Construction Workers



Single Family Housing Permits



Multifamily Housing Permits



	Thousands of Units (Annualized)										
	Monthly				Average for						
	Jul-21	Jun-21	May-21	Apr-21	Three Month	Six Month	Twelve Month	2020	2019	Five Year	Ten Year
Housing Starts	1,534	1,650	1,594	1,514	1,593	1,577	1,553	1,661	1,547	1,347	1,163
(percent change)	-7.0	3.5	5.3	-12.2				7.4	41.3		
Single Family	1,111	1,163	1,098	1,061	1,124	1,126	1,141	1,004	889	880	735
(percent change)	-4.5	5.9	3.5	-15.5			13.6%	12.9	2.1		
Multifamily	423	486	497	453	469	451	413	393	403	384	340
(percent change)	-13.0	-2.2	9.7	-3.6			5.0%	-2.5	7.2		
Northeast	73	144	139	158	119	131	131	113	115	113	106
Midwest	188	202	263	180	218	210	213	193	169	180	159
South	889	871	810	782	857	836	815	743	687	649	547
West	384	433	382	394	400	401	395	347	321	322	263
Housing Permits	1,635	1,594	1,683	1,733	1,637	1,688	1,681	1,479	1,385	1,337	1,135
(percent change)	2.6	-5.3	-2.9	-1.3				6.8	4.3		
Single Family Permits	1,048	1,066	1,134	1,148	1,083	1,123	1,142	988	864	856	717
(percent change)	-1.7	-6.0	-1.2	-3.9				14.4	1.1		
Multifamily Permits	587	528	549	585	555	565	538	491	522	481	418
(percent change)	11.2	-3.8	-6.2	4.3				-5.9	9.8		

Source: Bureau of the Census, Department of Commerce via Bloomberg. Our calculations.

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August 18, 2021

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