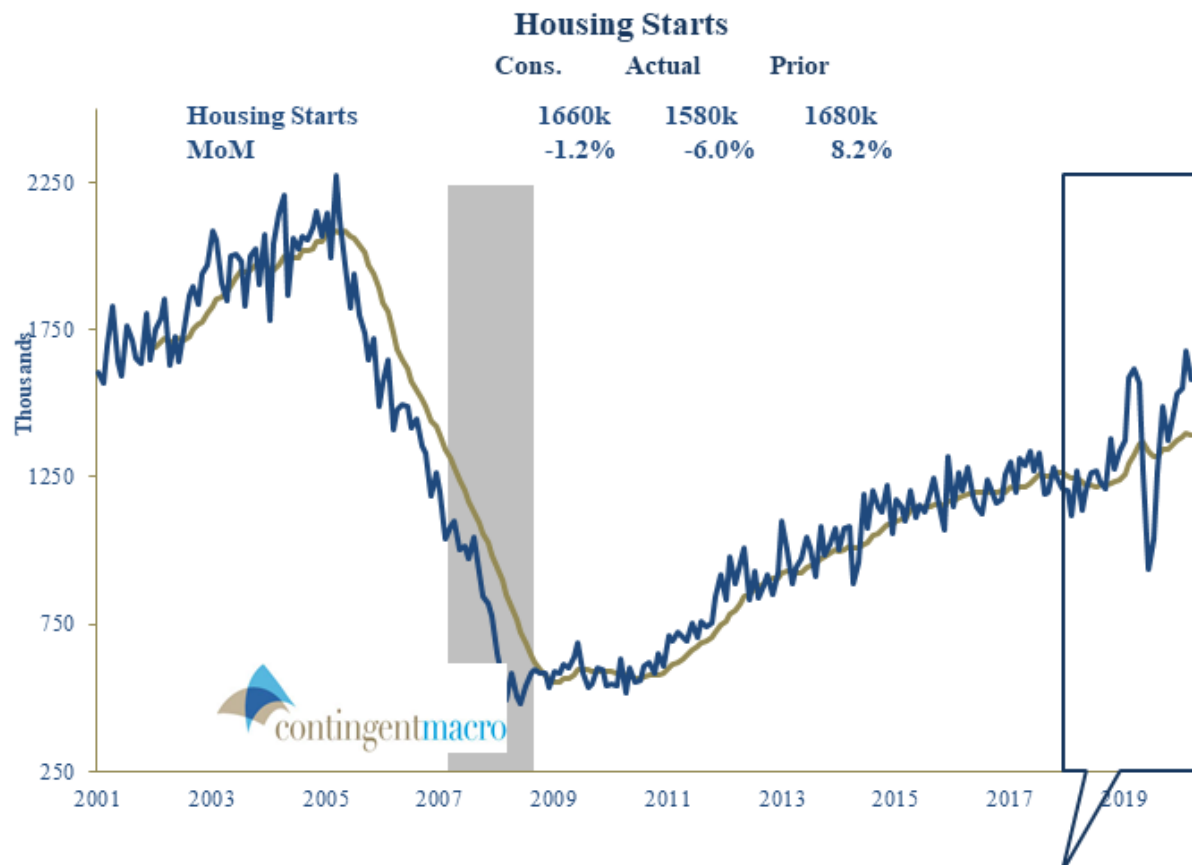
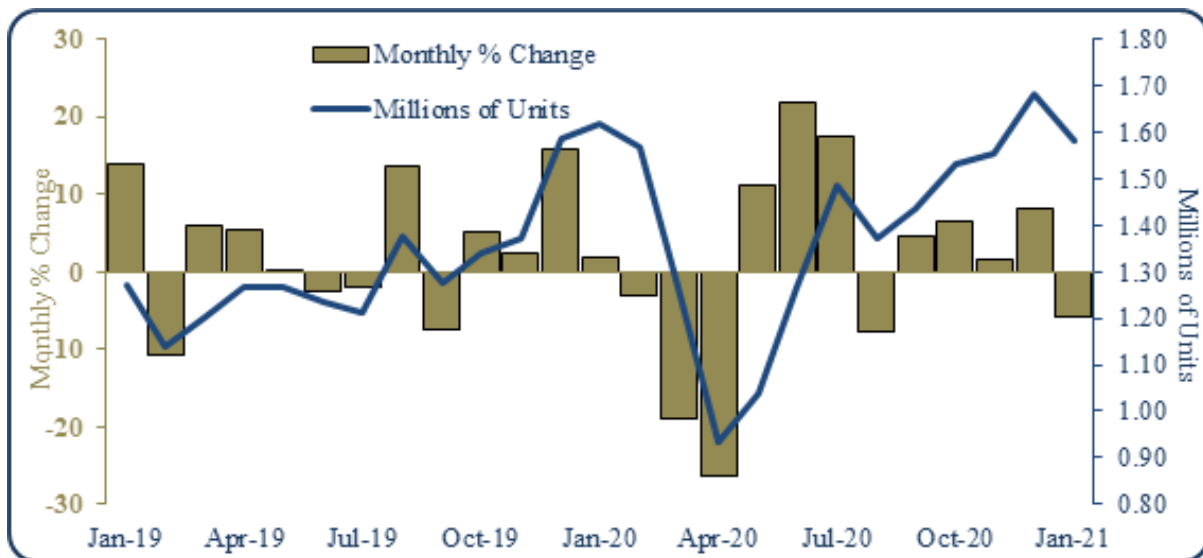


18.Feb.2021

Housing Starts: Cooler Start to Year After Strong Year-End

Bottom Line: Housing starts slowed in January, coming in below expectations, as single-family starts fell from a 14+ year high. Still, very strong, January looks like a retrenchment from an unsustainable pace rather than any shift in trend. Permits rose again, suggesting builders expect robust future activity. That said, permitting is likely hampering activity in some regions as buildable, permitted lots become more scarce. Multifamily sales were strong in January but remained more mixed on a trend basis as households continued to demand less dense, single-family homes. Overall, the housing trend is strong and should continue to provide a source of strength in the economic recovery.



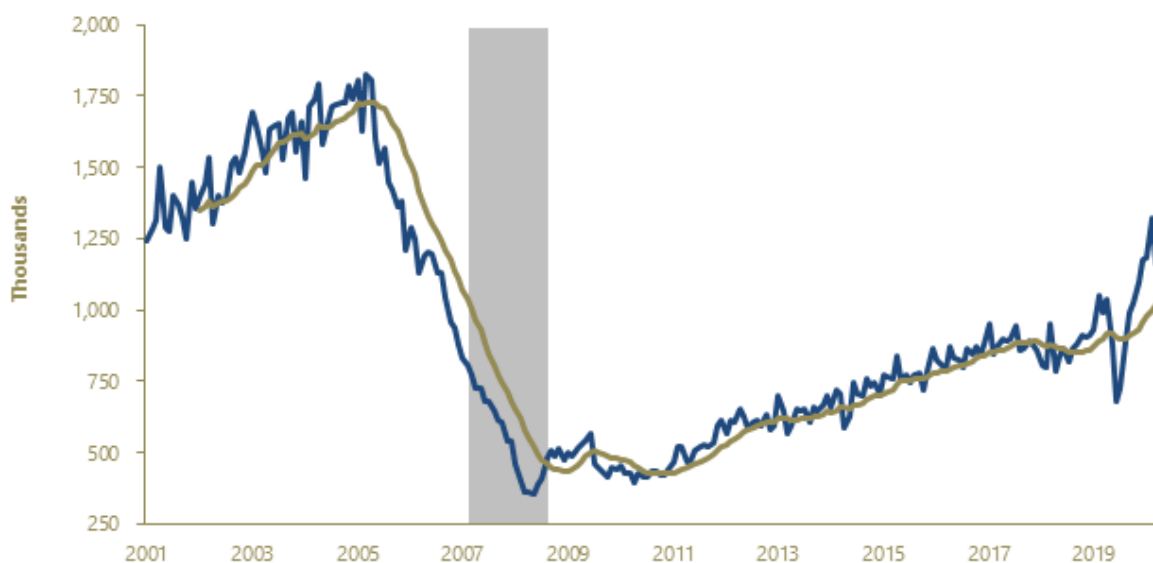


Housing Starts FELL by 6.0% in January to 1580k, compared with market expectations for a decline to 1660k. Meanwhile, the prior month was revised slightly higher from 1,669k to 1,680k. Housing starts are now 2.3% BELOW their year-ago level.

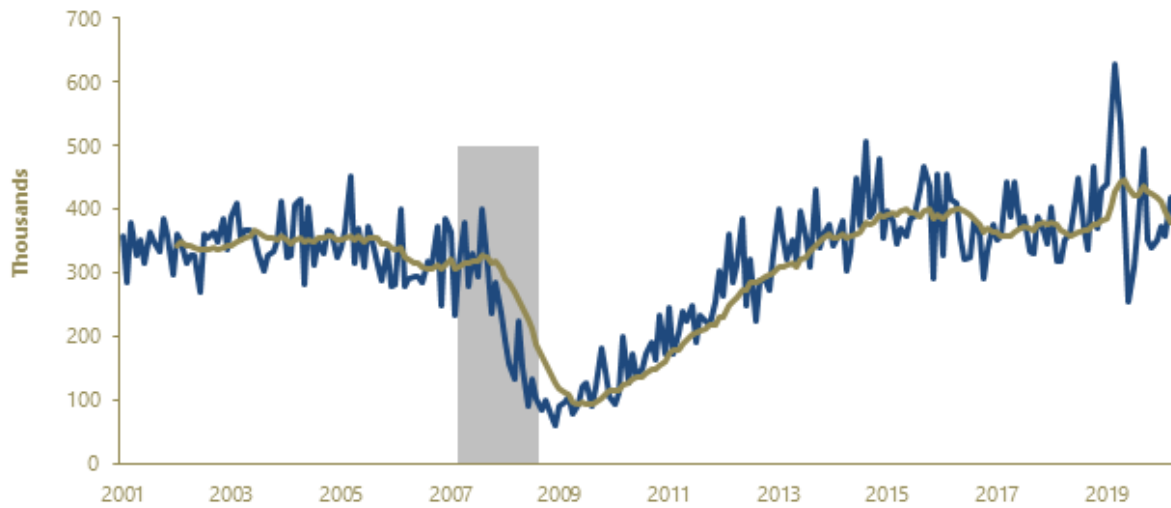
Single-Family Housing Starts FELL by 12.2% to 1162k. Single-family housing starts are 17.5% ABOVE their year-ago level.

Multifamily Housing Starts ROSE by 17.1% to 418k. Multifamily starts are now 33.4% BELOW their year-ago level.

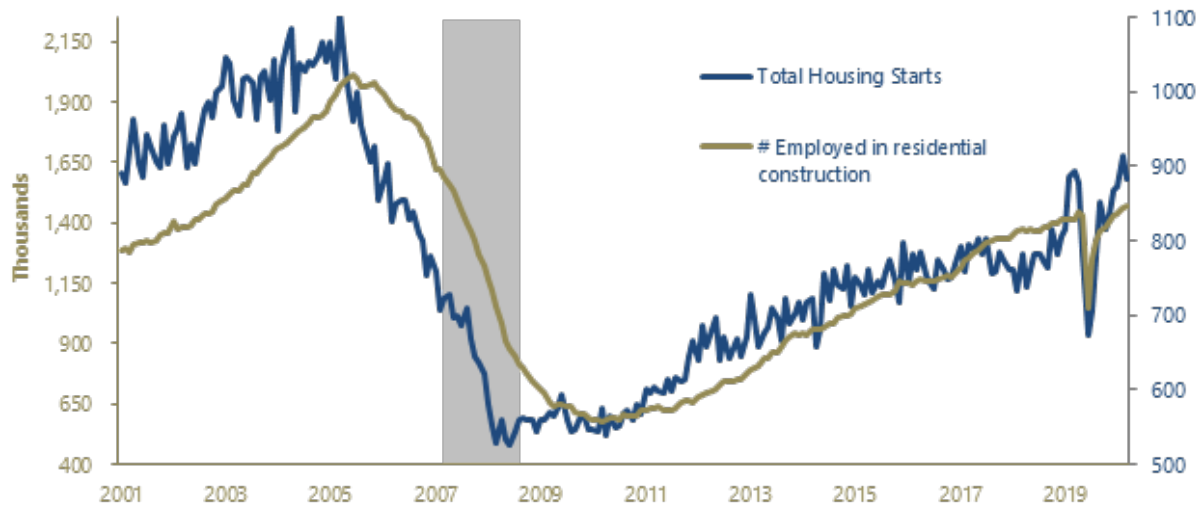
Single Family Housing Starts



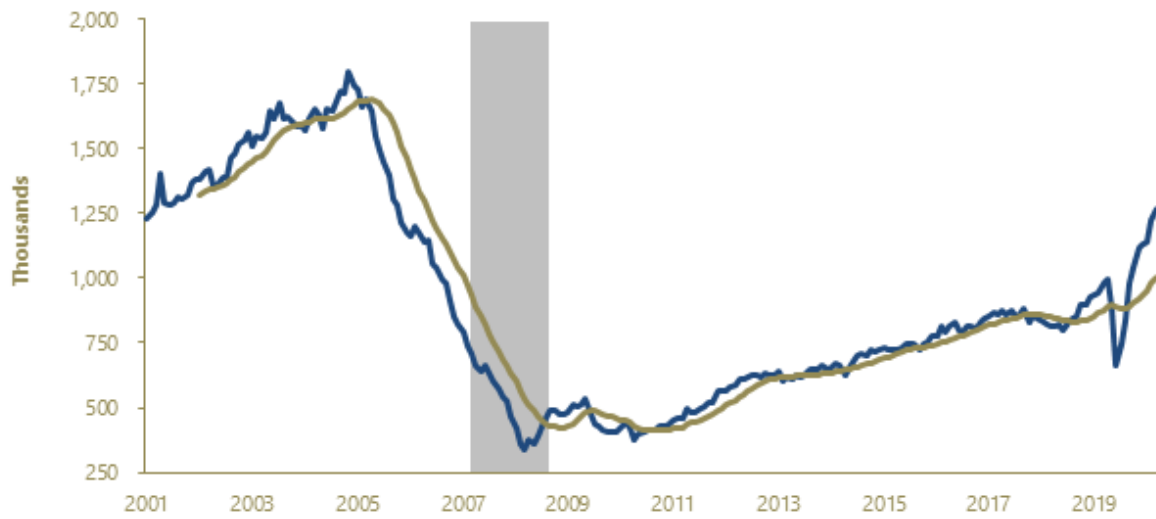
Multifamily Housing Starts



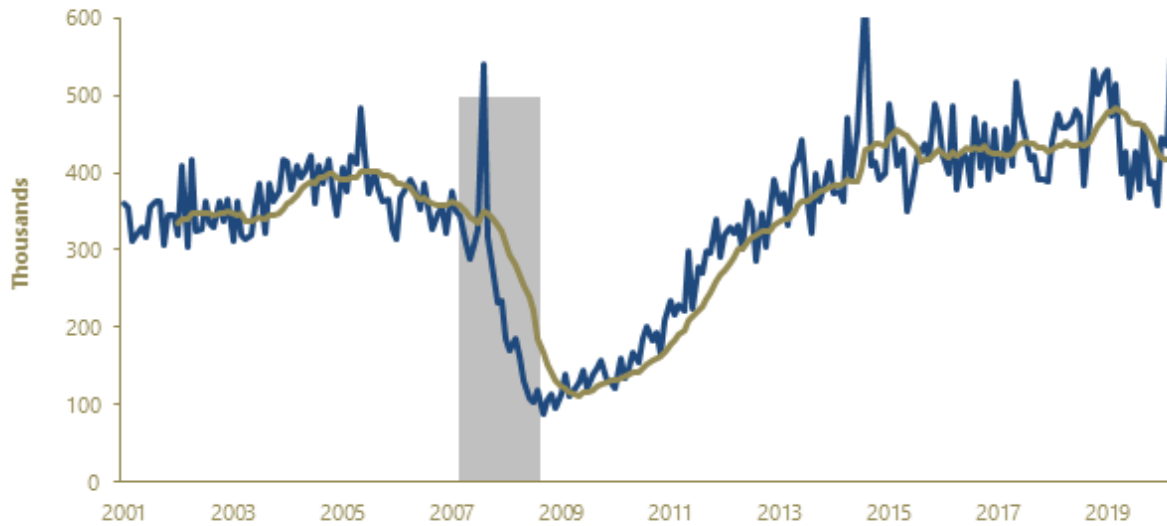
Housing Starts vs Residential Construction Workers



Single Family Housing Permits



Multifamily Housing Permits



| | Thousands of Units (Annualized) | | | | | | | | | | |
|------------------------------|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|
| | Monthly | | | | Average for | | | | | | |
| | Jan-21 | Dec-20 | Nov-20 | Oct-20 | Three Month | Six Month | Twelve Month | 2018 | 2017 | Five Year | Ten Year |
| Housing Starts | 1,580 | 1,680 | 1,553 | 1,530 | 1,604 | 1,526 | 1,393 | 1,117 | 1,199 | 1,160 | 959 |
| (percent change) | -6.0 | 8.2 | 1.5 | 6.5 | | | | -6.8 | -5.4 | | |
| Single Family | 1,162 | 1,323 | 1,181 | 1,179 | 1,222 | 1,161 | 1,014 | 872 | 851 | 773 | 637 |
| (percent change) | -12.2 | 12.0 | 0.2 | 7.5 | | | 16.3% | 2.4 | 8.5 | | |
| Multifamily | 418 | 357 | 372 | 351 | 382 | 365 | 379 | 376 | 356 | 374 | 283 |
| (percent change) | 17.1 | -4.0 | 6.0 | 3.2 | | | 0.7% | 5.6 | -9.1 | | |
| Northeast | 134 | 131 | 143 | 84 | 136 | 117 | 106 | 111 | 112 | 117 | 96 |
| Midwest | 221 | 252 | 189 | 209 | 221 | 220 | 198 | 170 | 180 | 169 | 142 |
| South | 829 | 850 | 805 | 852 | 828 | 799 | 745 | 630 | 602 | 574 | 462 |
| West | 396 | 447 | 416 | 385 | 420 | 390 | 344 | 337 | 314 | 289 | 220 |
| Housing Permits | 1,881 | 1,704 | 1,635 | 1,544 | 1,740 | 1,631 | 1,467 | 1,329 | 1,285 | 1,210 | 967 |
| (percent change) | 10.4 | 4.2 | 5.9 | -0.1 | | | | 3.4 | 6.6 | | |
| Single Family Permits | 1,269 | 1,223 | 1,137 | 1,128 | 1,210 | 1,151 | 1,001 | 854 | 823 | 752 | 621 |
| (percent change) | 3.8 | 7.6 | 0.8 | 1.3 | | | | 3.7 | 9.6 | | |
| Multifamily Permits | 612 | 481 | 498 | 416 | 530 | 480 | 466 | 475 | 462 | 457 | 347 |
| (percent change) | 27.2 | -3.4 | 19.7 | -3.7 | | | | 2.9 | 1.5 | | |

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

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February 18, 2021

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