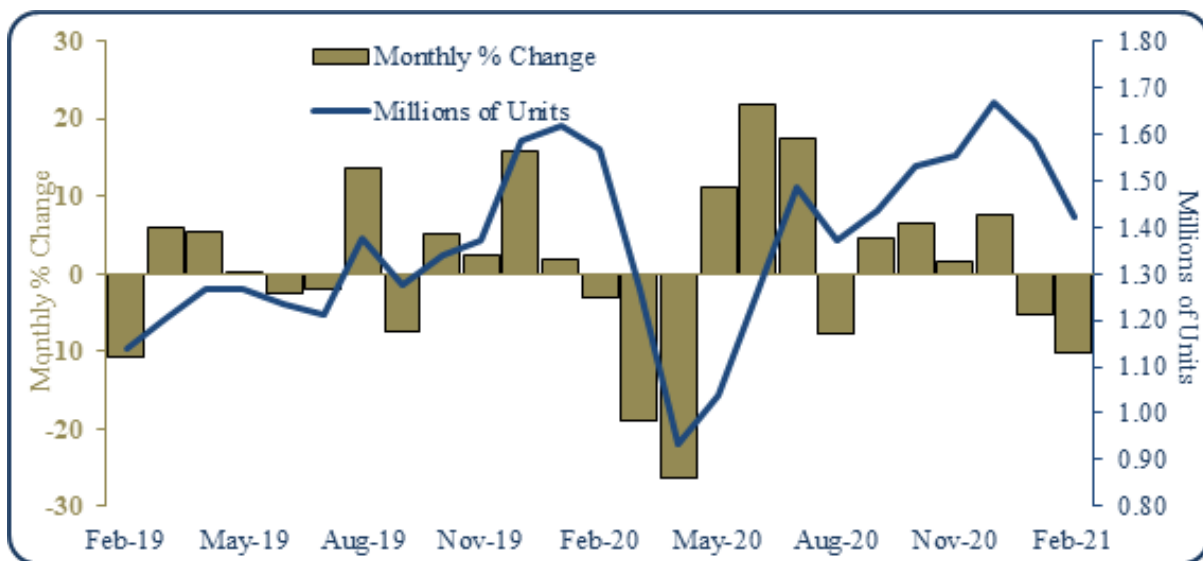
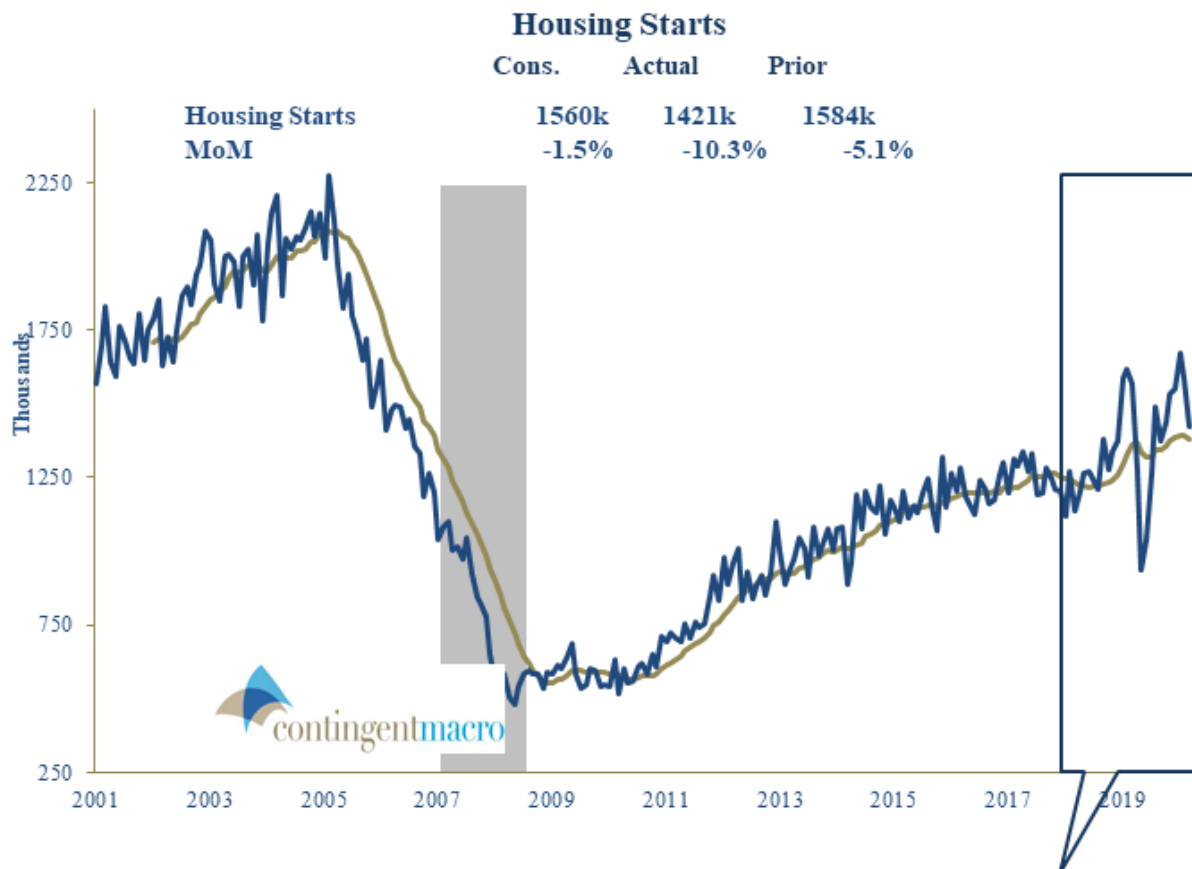


17.Mar.2021

### **Housing Starts: Weather Hampers February Activity**

**Bottom Line:** After hitting a 14+ year high in December, housing starts fell for the second month in a row in February. Unusually frigid weather slowed starts in the Northeast, Midwest, and the South. Sales in the West, the only area of the country that saw relatively normal weather in February, were sharply higher, back near record levels. Looking through tremendous volatility at the national level, the trend in housing is still higher. Besides the weather-related delays, permitting is likely hampering activity in some regions as buildable, permitted lots become more scarce. Moreover, builders are likely concerned about the rise in mortgage rates. Permits were lower as builders were likely taking a wait-and-see approach after the weather delays and rate increases. Finally, multifamily starts were lower in February and remained mixed on a trend basis as households continued to demand less dense, single-family homes. Overall, the housing trend is still strong and beyond a bit of slowness in the first quarter due to the weather, should continue to provide a source of strength in the economic recovery.



**Housing Starts** FELL by 10.3% in February to 1421k, compared with market expectations for a decline to 1560k. Meanwhile, the prior month was revised slightly higher from 1,580k to 1,584k. Housing starts are now 9.3% BELOW their year ago level. However, they are still a sharp 37.5% BELOW their January 2006 peak.

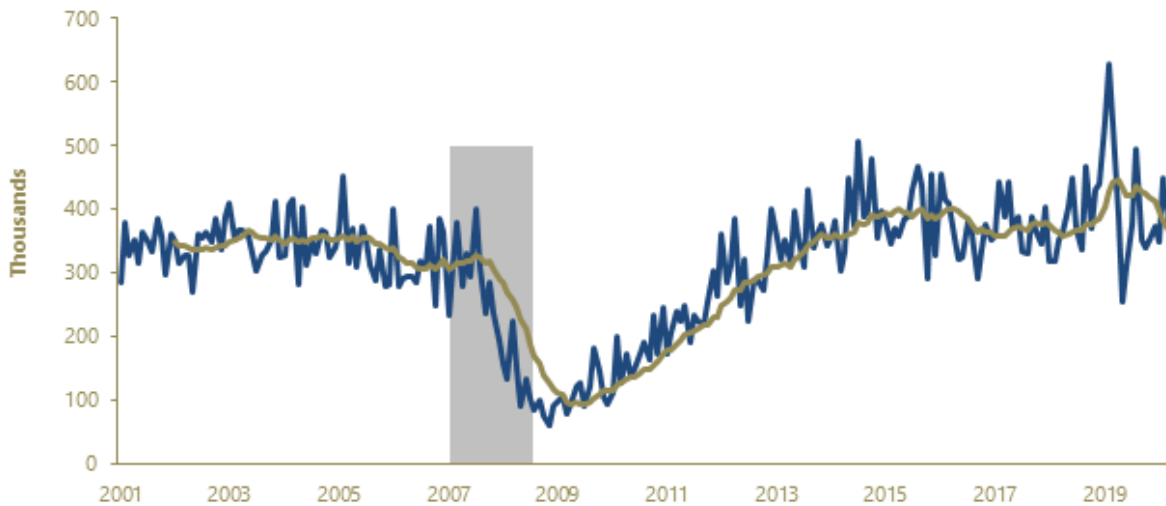
**Single-Family Housing Starts** FELL by 8.5% to 1040k. Single-family housing starts are 0.6% ABOVE their year-ago level.

**Multifamily Housing Starts** FELL by 15.0% to 381k. Multifamily starts are now 28.5% BELOW their year-ago level.

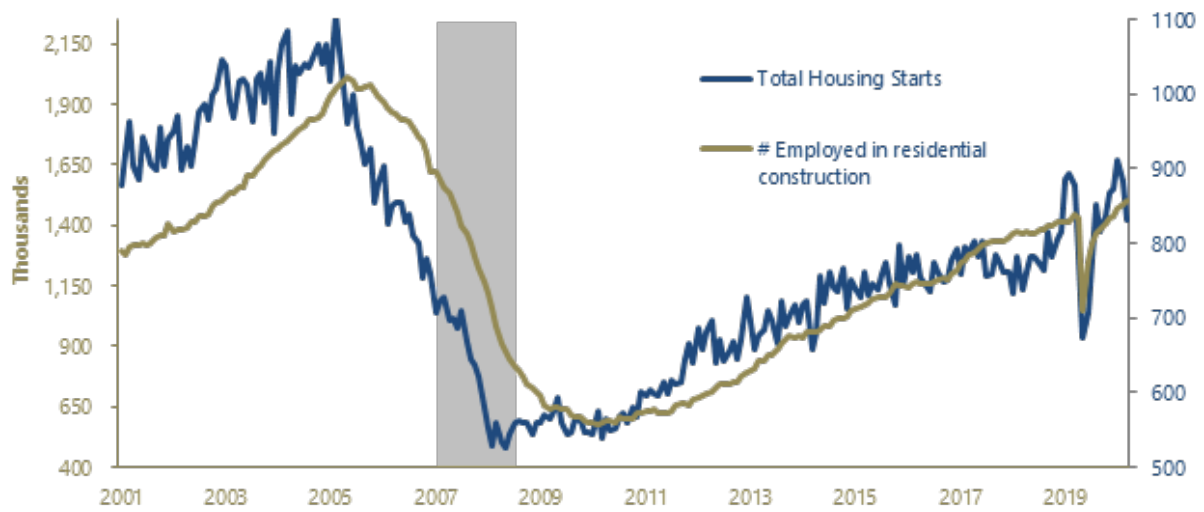
**Single Family Housing Starts**



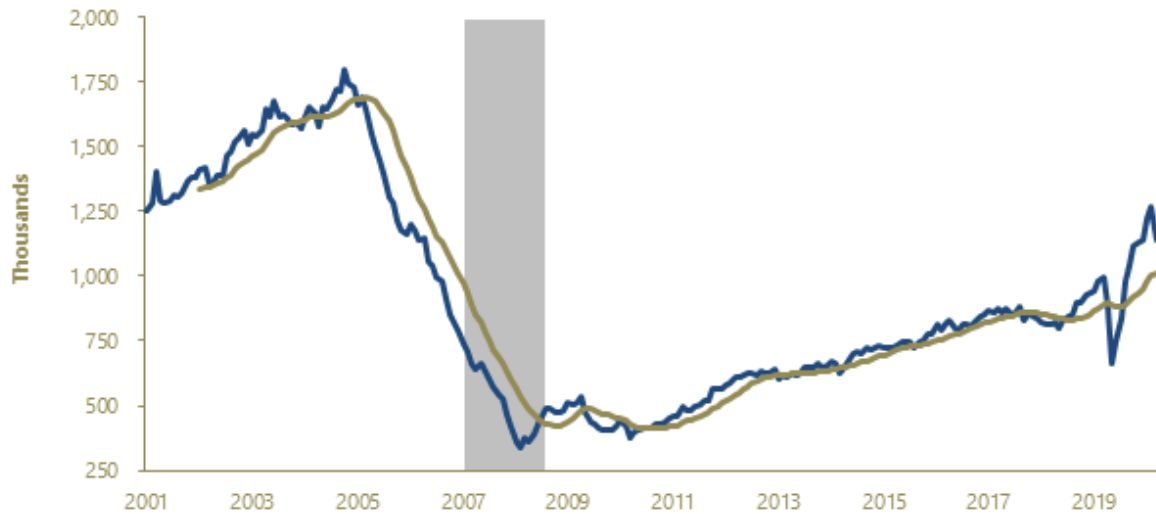
**Multifamily Housing Starts**



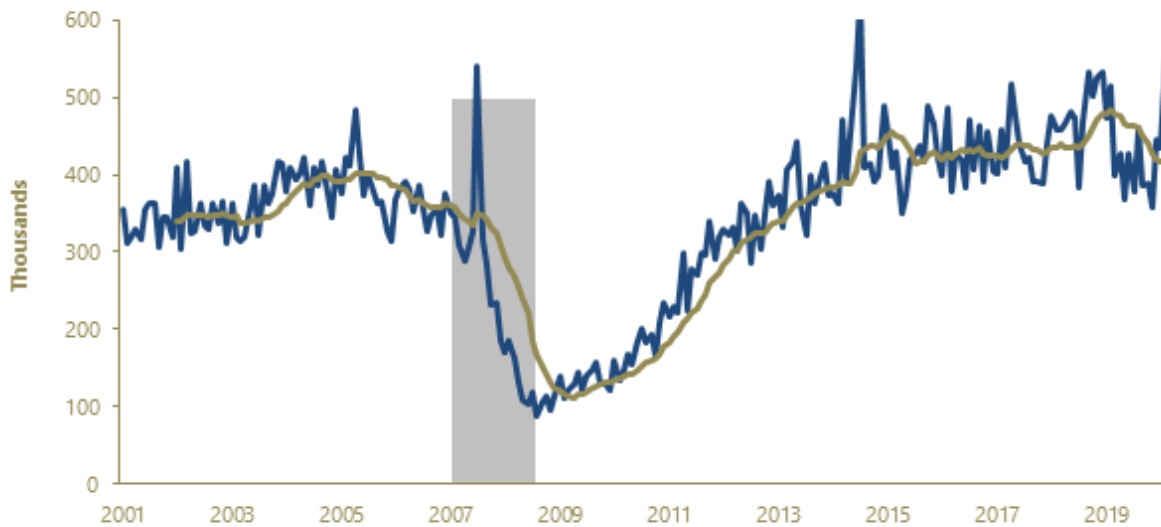
## Housing Starts vs Residential Construction Workers



## Single Family Housing Permits



## Multifamily Housing Permits



	Thousands of Units (Annualized)										
	Monthly				Average for						
	Feb-21	Jan-21	Dec-20	Nov-20	Three Month	Six Month	Twelve Month	2018	2017	Five Year	Ten Year
<b>Housing Starts</b>	<b>1,421</b>	<b>1,584</b>	<b>1,670</b>	<b>1,553</b>	<b>1,558</b>	<b>1,533</b>	<b>1,380</b>	<b>1,117</b>	<b>1,199</b>	<b>1,160</b>	<b>959</b>
(percent change)	-10.3	-5.1	7.5	1.5				-6.8	-5.4		
<b>Single Family</b>	<b>1,040</b>	<b>1,136</b>	<b>1,322</b>	<b>1,181</b>	<b>1,166</b>	<b>1,159</b>	<b>1,012</b>	<b>872</b>	<b>851</b>	<b>773</b>	<b>637</b>
(percent change)	-8.5	-14.1	11.9	0.2			16.1%	2.4	8.5		
<b>Multifamily</b>	<b>381</b>	<b>448</b>	<b>348</b>	<b>372</b>	<b>392</b>	<b>373</b>	<b>368</b>	<b>376</b>	<b>356</b>	<b>374</b>	<b>283</b>
(percent change)	-15.0	28.7	-6.5	6.0			-2.2%	5.6	-9.1		
<b>Northeast</b>	<b>118</b>	<b>195</b>	<b>136</b>	<b>143</b>	<b>150</b>	<b>133</b>	<b>111</b>	<b>111</b>	<b>112</b>	<b>117</b>	<b>96</b>
<b>Midwest</b>	<b>138</b>	<b>212</b>	<b>246</b>	<b>189</b>	<b>199</b>	<b>201</b>	<b>192</b>	<b>170</b>	<b>180</b>	<b>169</b>	<b>142</b>
<b>South</b>	<b>725</b>	<b>803</b>	<b>840</b>	<b>805</b>	<b>789</b>	<b>796</b>	<b>730</b>	<b>630</b>	<b>602</b>	<b>574</b>	<b>462</b>
<b>West</b>	<b>440</b>	<b>374</b>	<b>448</b>	<b>416</b>	<b>421</b>	<b>402</b>	<b>347</b>	<b>337</b>	<b>314</b>	<b>289</b>	<b>220</b>
<b>Housing Permits</b>	<b>1,682</b>	<b>1,886</b>	<b>1,704</b>	<b>1,635</b>	<b>1,757</b>	<b>1,666</b>	<b>1,488</b>	<b>1,329</b>	<b>1,285</b>	<b>1,210</b>	<b>967</b>
(percent change)	-10.8	10.7	4.2	5.9				3.4	6.6		
<b>Single Family Permits</b>	<b>1,143</b>	<b>1,270</b>	<b>1,223</b>	<b>1,137</b>	<b>1,212</b>	<b>1,169</b>	<b>1,014</b>	<b>854</b>	<b>823</b>	<b>752</b>	<b>621</b>
(percent change)	-10.0	3.8	7.6	0.8				3.7	9.6		
<b>Multifamily Permits</b>	<b>539</b>	<b>616</b>	<b>481</b>	<b>498</b>	<b>545</b>	<b>497</b>	<b>474</b>	<b>475</b>	<b>462</b>	<b>457</b>	<b>347</b>
(percent change)	-12.5	28.1	-3.4	19.7				2.9	1.5		

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

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March 17, 2021

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