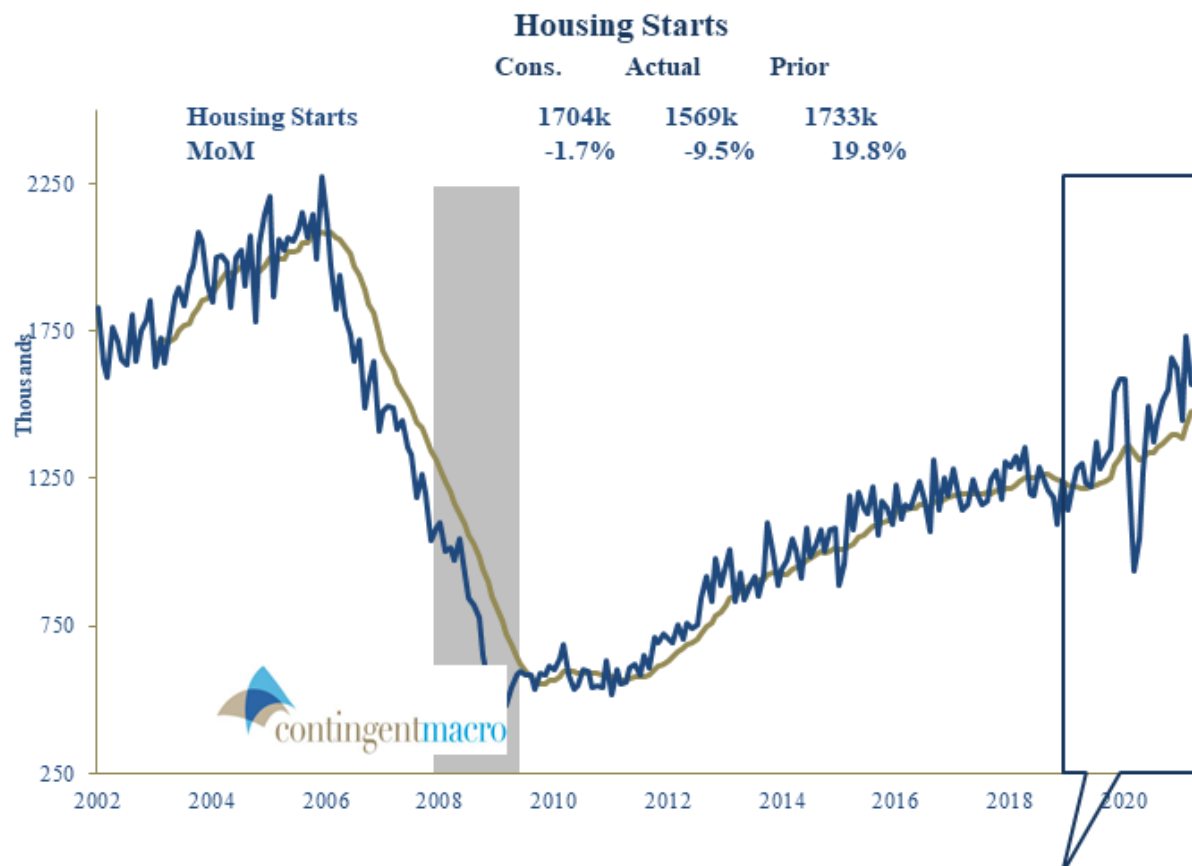
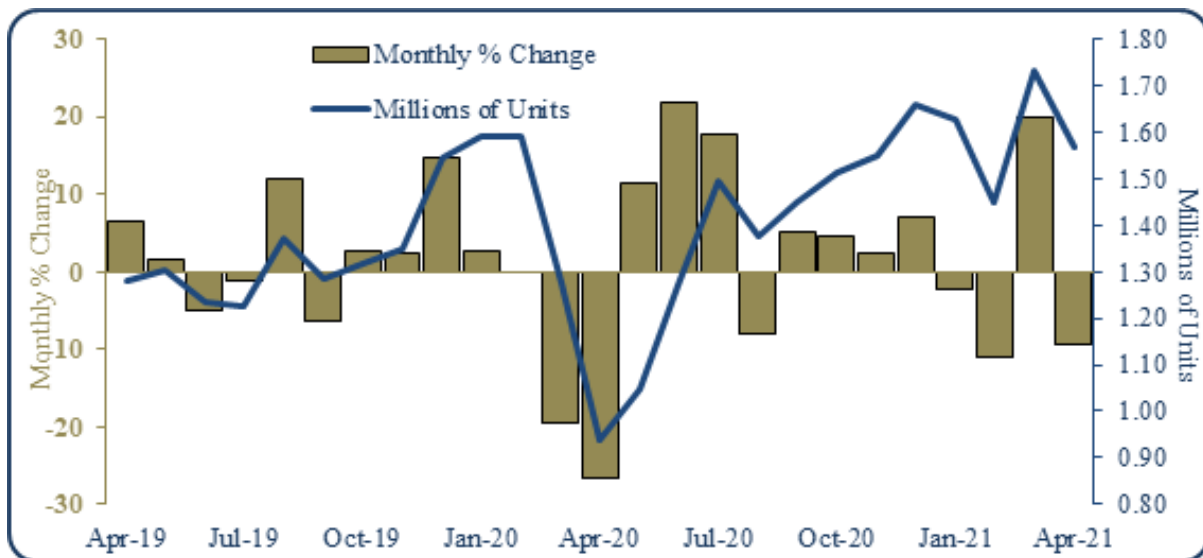


18.May.2021

Housing Starts: Slower April After Record March

Bottom Line: After hitting their fastest pace since 2006 in March, housing starts slowed in April, led by single-family starts amid lower affordability. Looking through the volatility of the first four months of the year, the trend slowed slightly since mortgage rates started to move higher, dampening affordability amid continued higher prices. Moreover, homebuilders' outlooks have been more uncertain given dramatically higher lumber prices and shortages of many raw materials due to supply chain disruptions. That said, despite these potential headwinds, the overall level of housing activity remains historically strong. Housing should continue to add positively to US GDP, but these early 2nd Quarter figures suggest housing may become slightly less positive than it was in the 1st Quarter and late last year.

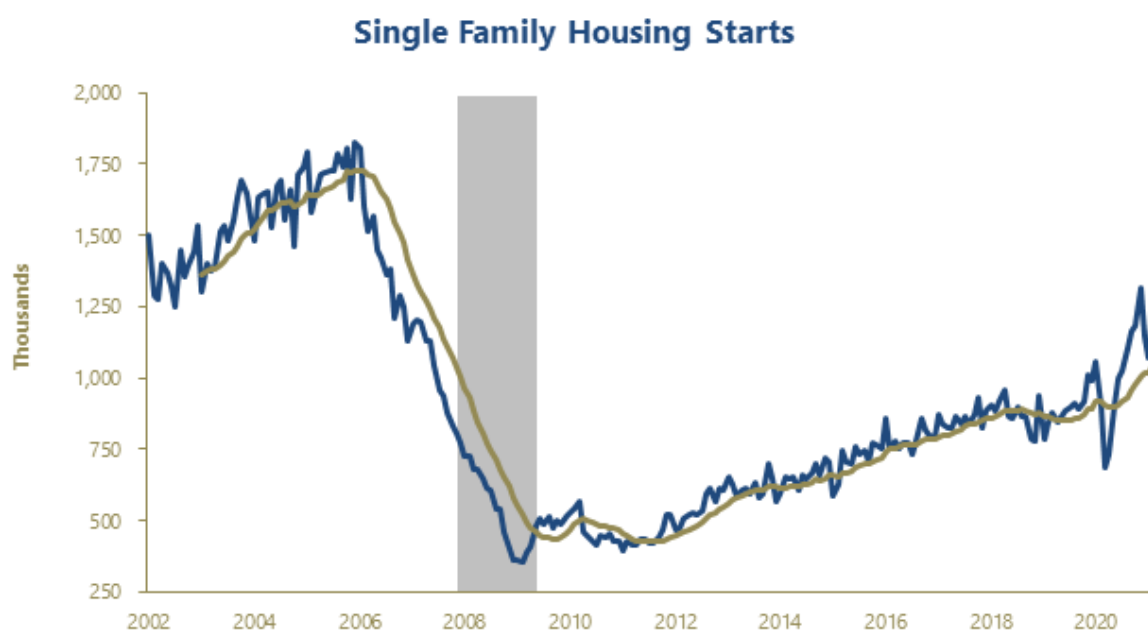




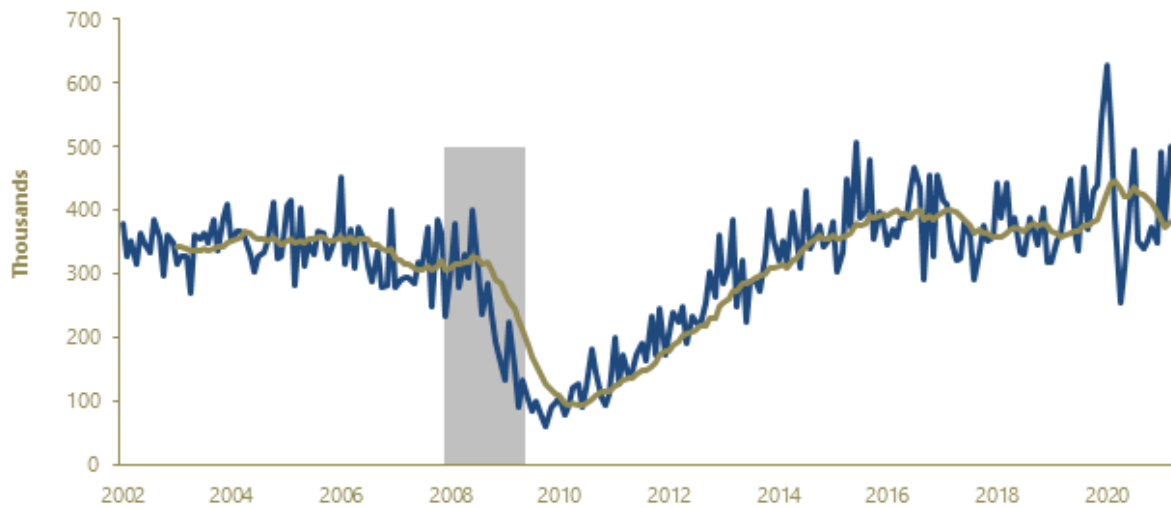
Housing Starts FELL by 9.5% in April to 1569k, compared with market expectations for a decline to 1704k. Meanwhile, the prior month was revised slightly lower from 1,739k to 1,733k. Housing starts are now 67.3% ABOVE their year ago level. However, they are still a sharp 31.0% BELOW their January 2006 peak.

Single-Family Housing Starts FELL by 13.4% to 1087k. Single-family housing starts are 58.7% ABOVE their year-ago level but still 40.4% BELOW their January 2006 peak.

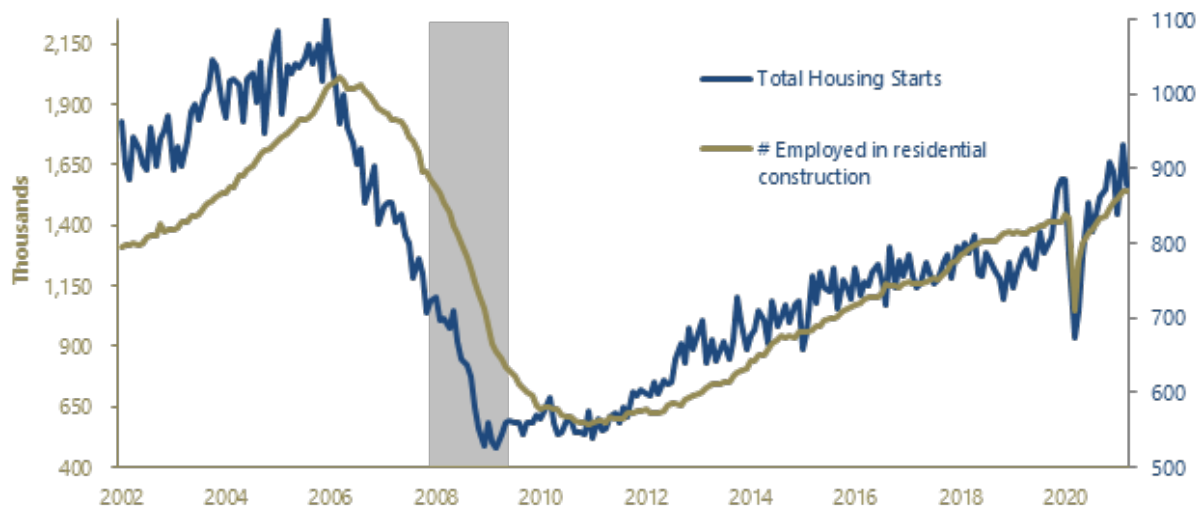
Multifamily Housing Starts ROSE by 1.3% to 482k. Multifamily starts are now 90.5% ABOVE their year-ago level.



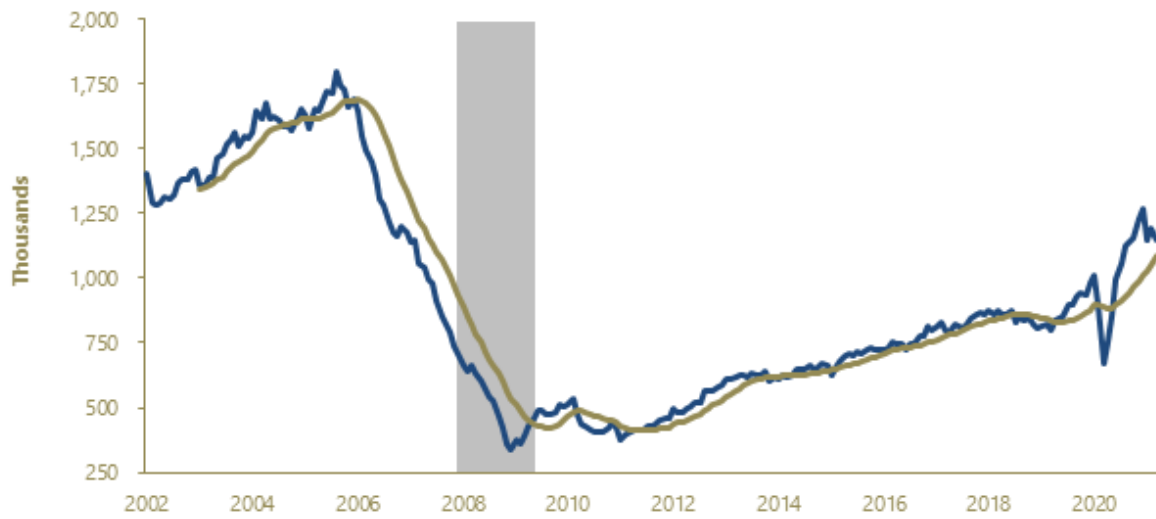
Multifamily Housing Starts



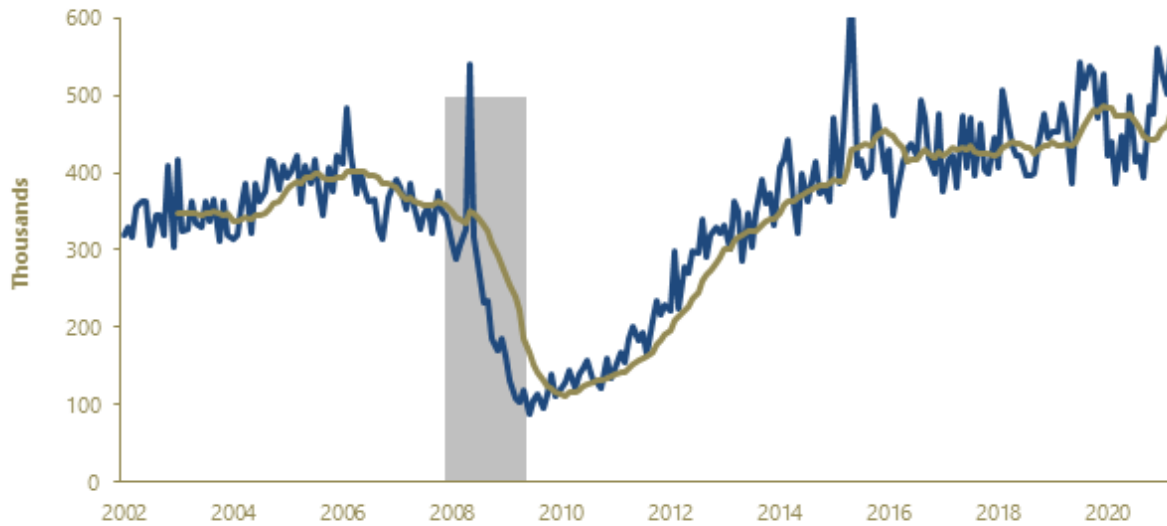
Housing Starts vs Residential Construction Workers



Single Family Housing Permits



Multifamily Housing Permits



	Thousands of Units (Annualized)										
	Monthly				Average for						
	Apr-21	Mar-21	Feb-21	Jan-21	Three Month	Six Month	Twelve Month	2018	2017	Five Year	Ten Year
Housing Starts	1,569	1,733	1,447	1,625	1,583	1,598	1,478	1,095	1,182	1,150	954
(percent change)	-9.5	19.8	-11.0	-2.2				-7.4	-5.6		
Single Family	1,087	1,255	1,069	1,143	1,137	1,175	1,081	871	849	773	637
(percent change)	-13.4	17.4	-6.5	-13.1			24.1%	2.6	8.2		
Multifamily	482	476	381	482	446	423	397	376	356	374	283
(percent change)	1.3	24.9	-21.0	39.3			5.7%	5.7	-9.2		
Northeast	172	162	109	204	148	154	128	111	112	117	96
Midwest	193	296	136	209	208	212	208	170	180	169	142
South	804	908	771	811	828	823	771	630	600	574	462
West	400	367	431	401	399	409	371	336	313	288	220
Housing Permits	1,760	1,755	1,726	1,883	1,747	1,763	1,614	1,329	1,285	1,210	967
(percent change)	0.3	1.7	-8.3	7.1				3.4	6.6		
Single Family Permits	1,149	1,194	1,145	1,268	1,163	1,191	1,088	854	823	752	621
(percent change)	-3.8	4.3	-9.7	2.8				3.7	9.6		
Multifamily Permits	611	561	581	615	584	572	526	475	462	457	347
(percent change)	8.9	-3.4	-5.5	17.1				2.9	1.5		

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

Copyright © 2018 Contingent Macro Advisors, LLC. All rights reserved. Reproduction and/or redistribution are expressly prohibited. "Economic Advisory Service" is a registered trademark of Contingent Macro Advisors, LLC. Information contained herein is based on sources we believe to be reliable, but its accuracy is not guaranteed.

T.J. Connelly, Head of Research

May 18, 2021

Steven A. Wood, Senior Economic Advisor