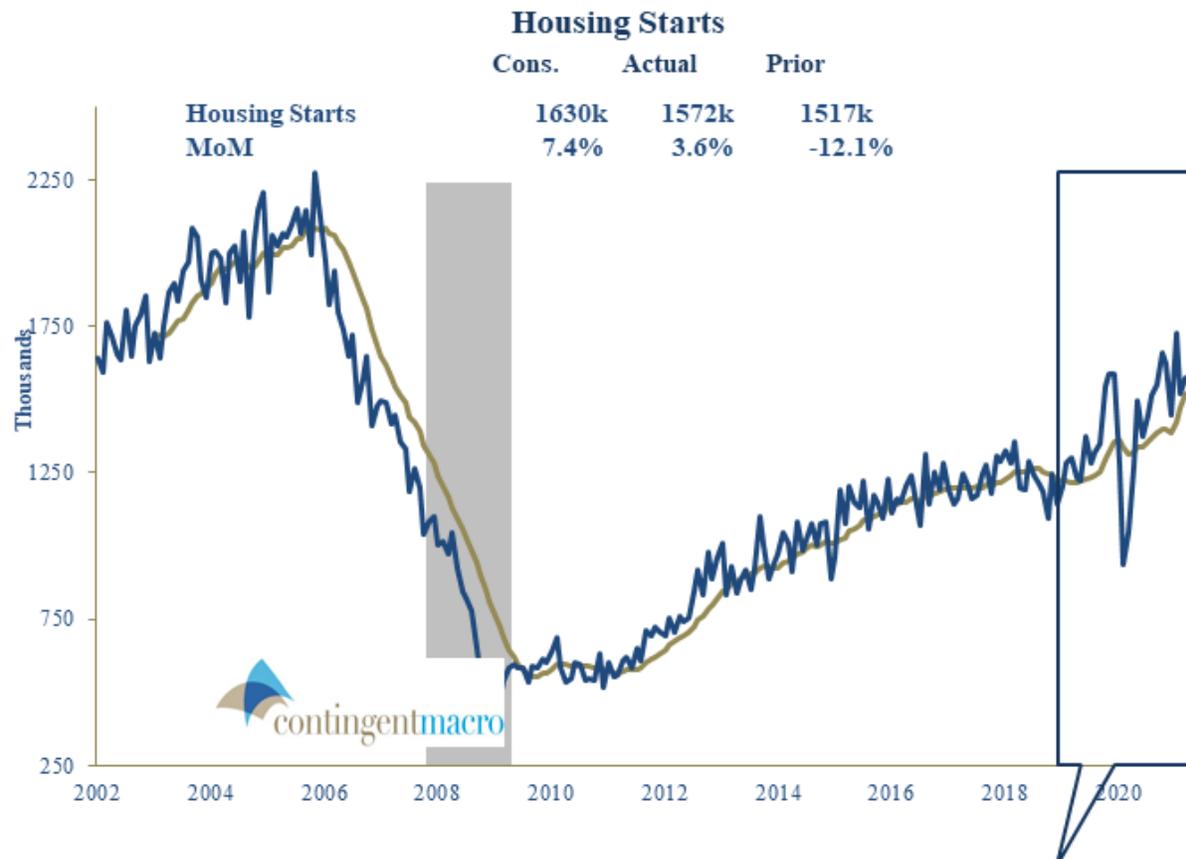
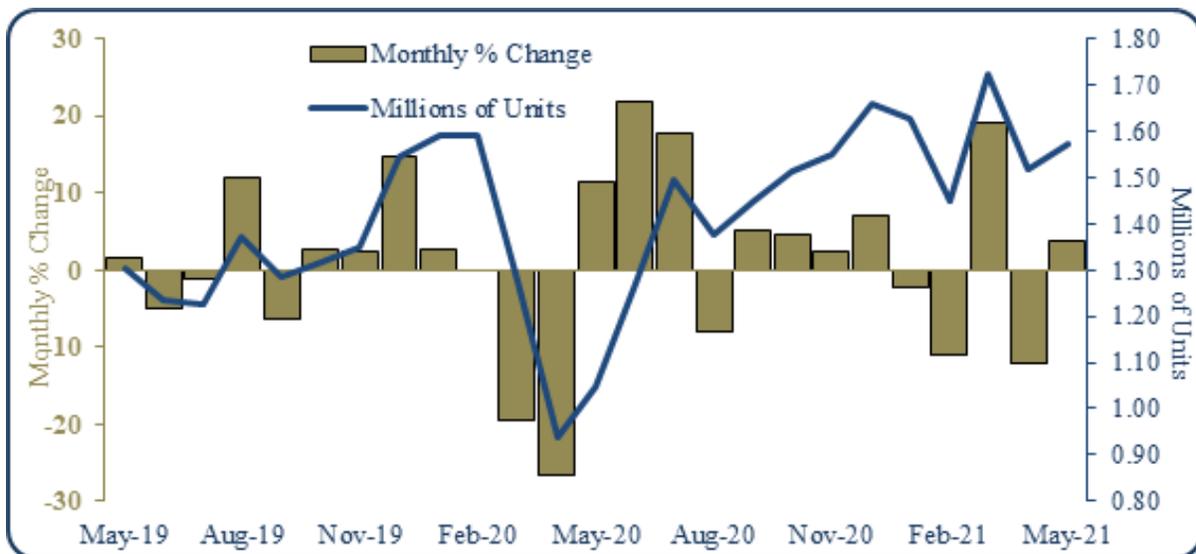


16.Jun.2021

Housing Starts: Smaller Rebound Than Expected

Bottom Line: Housing starts rose modestly, less than expected, in May as the trend continues to move higher, albeit with a bit less momentum. In the three months ended in May, sales averaged just over 1.6 million annualized units, modestly above the six- and 12-month averages of 1.59 and 1.52 million units. Homebuilders' outlooks have been uncertain volatile input prices and increased mortgage rates since late last year. That said, despite these potential headwinds, the overall level of housing activity remains historically strong. Housing should continue to add positively to US GDP in the 2nd Quarter.



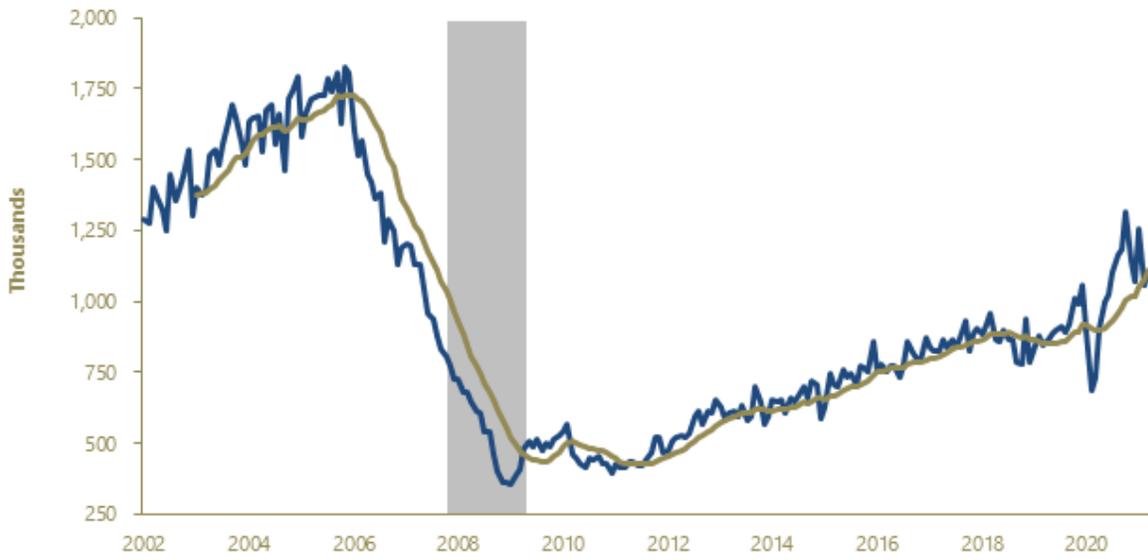


Housing Starts ROSE by 3.6% in May to 1572k, compared with market expectations for an increase to 1630k. Meanwhile, the prior month was revised moderately lower from 1,569k to 1,517k. Housing starts are now 50.3% ABOVE their year-ago level. However, they are still a sharp 30.8% BELOW their January 2006 peak.

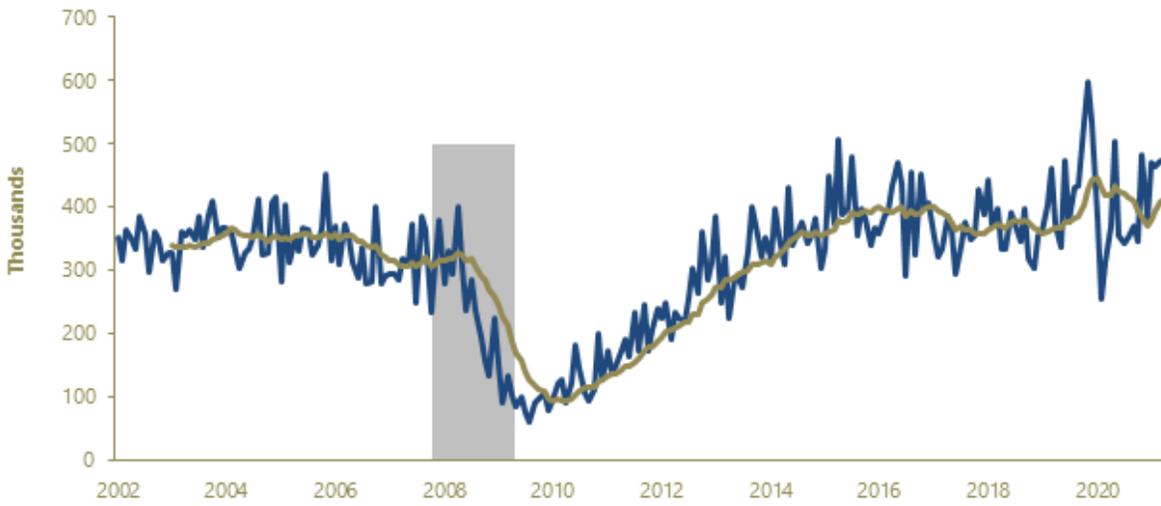
Single-Family Housing Starts ROSE by 4.2% to 1098k. Single-family housing starts are 49.8% ABOVE their year-ago level but still 39.8% BELOW their January 2006 peak.

Multifamily Housing Starts ROSE by 2.4% to 474k. Multifamily starts are now 51.4% ABOVE their year-ago level.

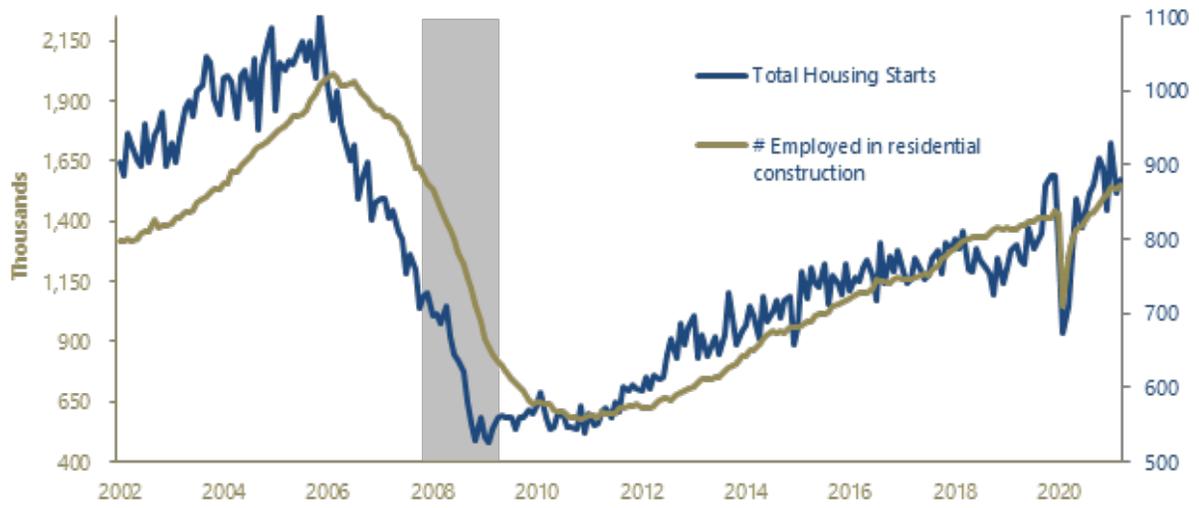
Single Family Housing Starts



Multifamily Housing Starts



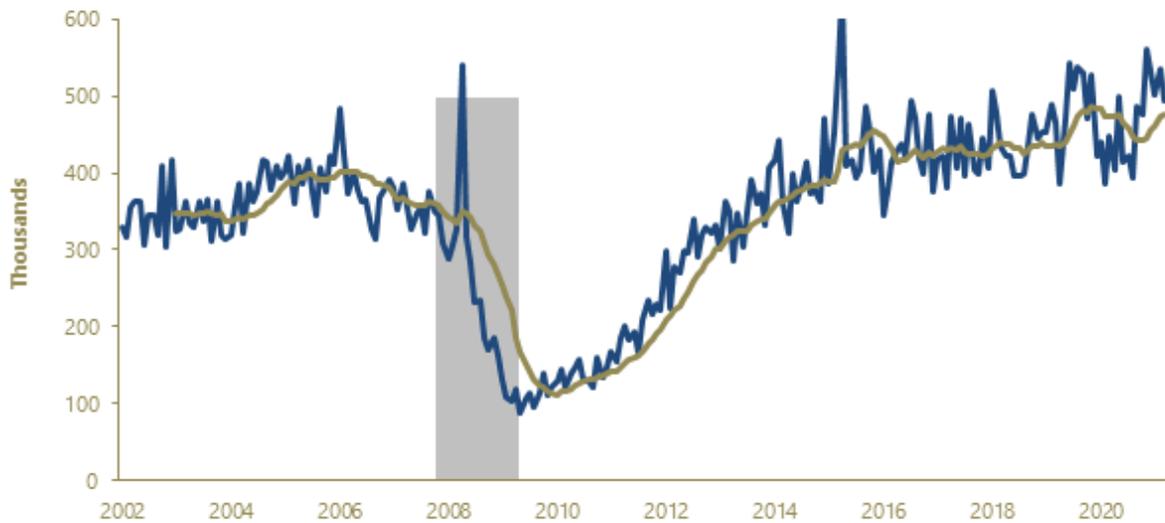
Housing Starts vs Residential Construction Workers



Single Family Housing Permits



Multifamily Housing Permits



	Thousands of Units (Annualized)										
	Monthly				Average for						
	May-21	Apr-21	Mar-21	Feb-21	Three Month	Six Month	Twelve Month	2018	2017	Five Year	Ten Year
Housing Starts	1,572	1,517	1,725	1,447	1,605	1,591	1,517	1,095	1,182	1,150	954
(percent change)	3.6	-12.1	19.2	-11.0				-7.4	-5.6		
Single Family	1,098	1,054	1,255	1,069	1,136	1,156	1,109	871	849	773	637
(percent change)	4.2	-16.0	17.4	-6.5			27.2%	2.6	8.2		
Multifamily	474	463	470	378	469	436	409	376	356	374	283
(percent change)	2.4	-1.5	24.3	-21.6			8.7%	5.7	-9.2		
Northeast	118	152	165	109	145	147	131	111	112	117	96
Midwest	239	184	288	136	237	217	214	170	180	169	142
South	814	784	891	771	830	818	793	630	600	574	462
West	401	397	381	431	393	409	379	336	313	288	220
Housing Permits	1,681	1,733	1,755	1,726	1,723	1,756	1,648	1,329	1,285	1,210	967
(percent change)	-3.0	-1.3	1.7	-8.3				3.4	6.6		
Single Family Permits	1,130	1,148	1,194	1,145	1,157	1,186	1,119	854	823	752	621
(percent change)	-1.6	-3.9	4.3	-9.7				3.7	9.6		
Multifamily Permits	551	585	561	581	566	570	529	475	462	457	347
(percent change)	-5.8	4.3	-3.4	-5.5				2.9	1.5		

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

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June 16, 2021

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