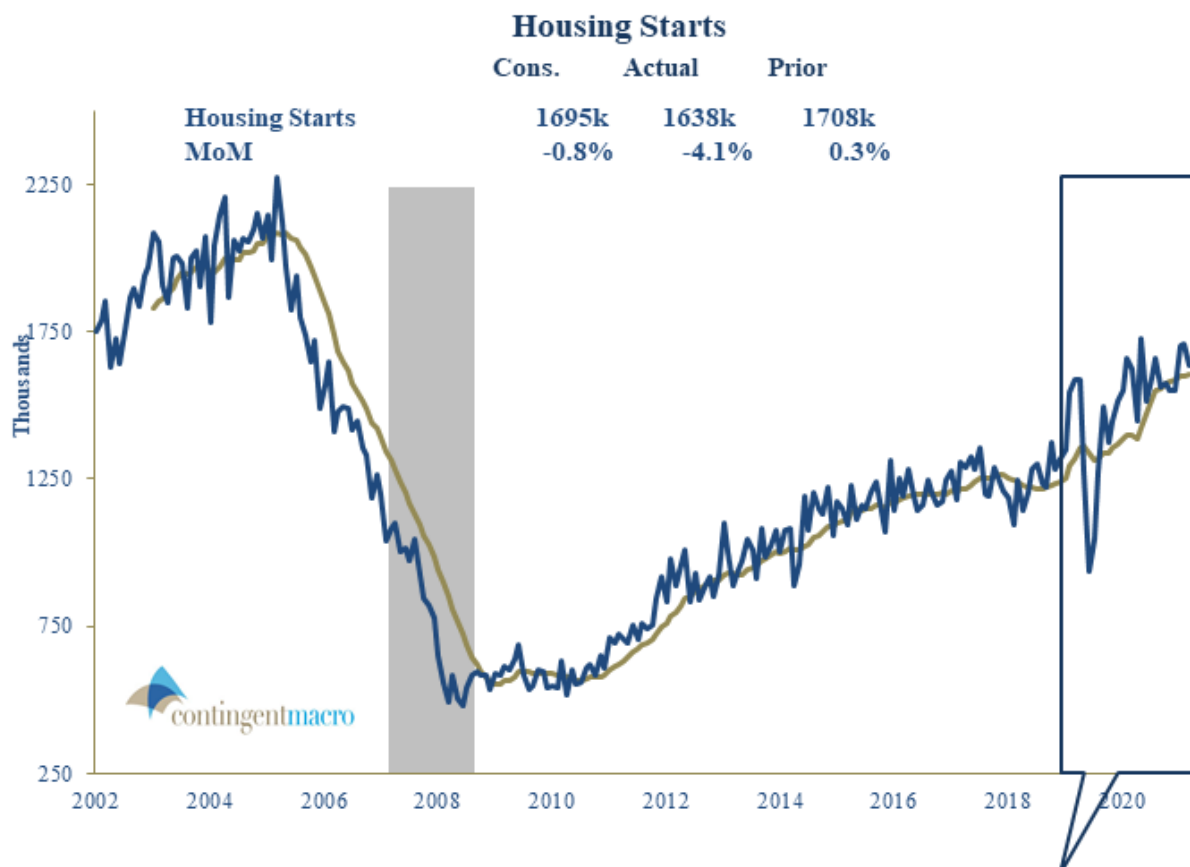
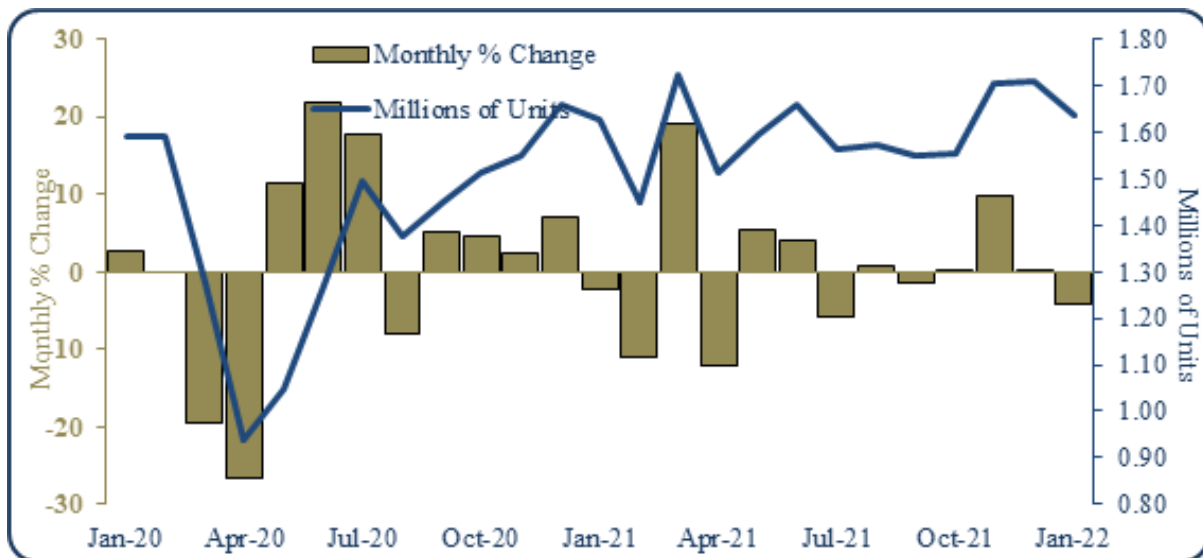


17.Feb.2022

Housing Starts: Swiftly Lower Amid Higher Rates

Bottom Line: Housing starts started the year on a slower note as mortgage rates increased. Falling more than expected in January, starts saw slight positive revisions. While this report was not enough to change the solid uptrend in housing starts, it suggests higher mortgage rates are starting to impact the market for new residential construction. Supply remains tight, and demand remains solid, if modestly weaker amid lower affordability due to higher mortgage rates and higher prices. Overall, the growth tailwind from housing in 2021 was well below 2020's pace and looks likely to slow further and now has the potential to turn to a slight drag by late in the 1st Quarter.

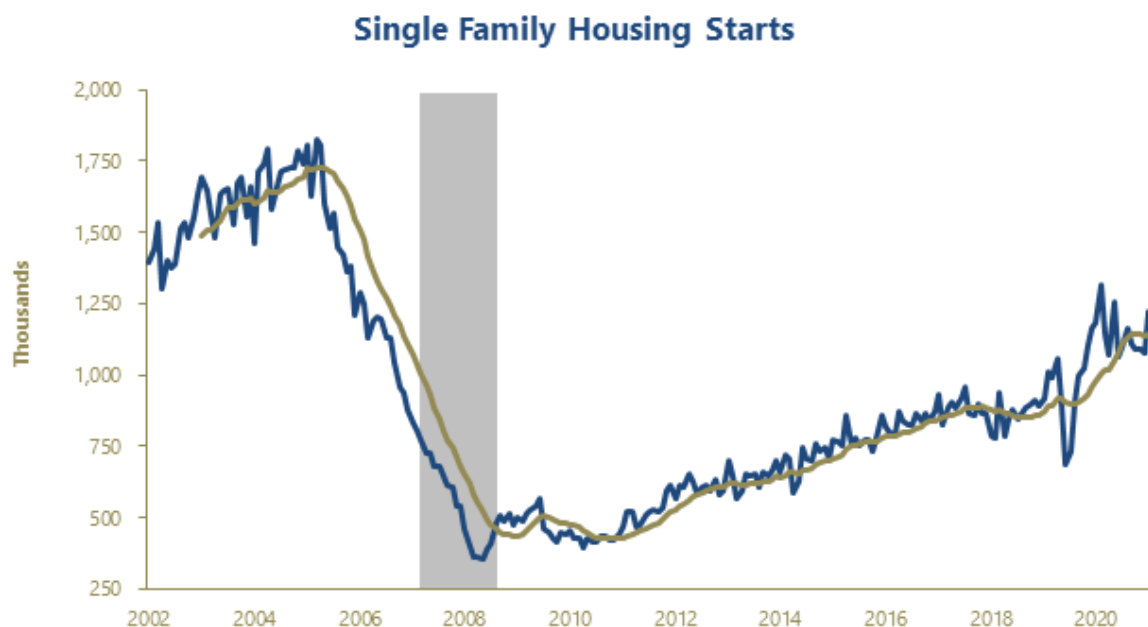




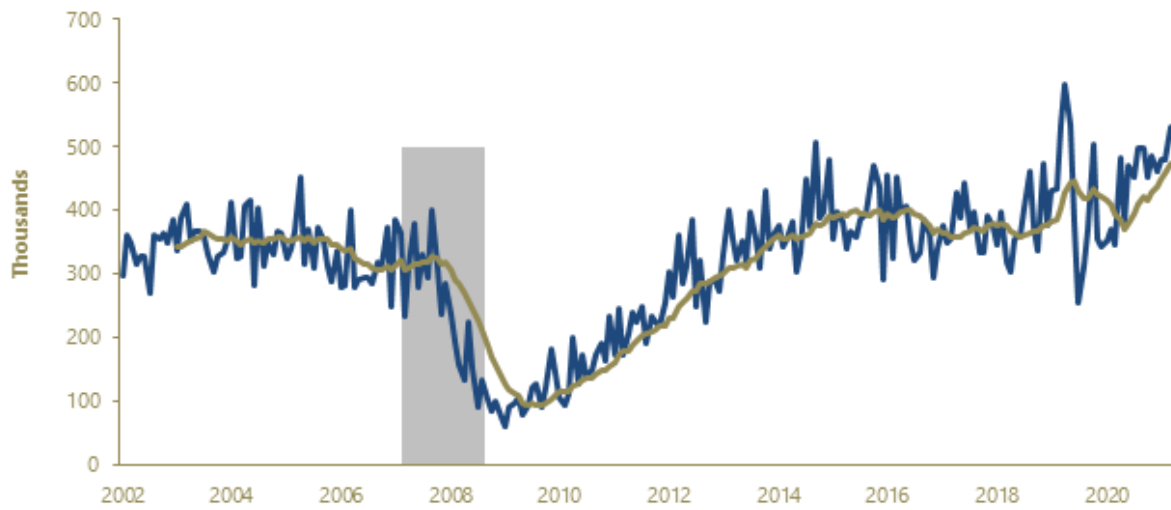
Housing Starts FELL by 4.1% in January to 1638k, compared with market expectations for a decline to 1695k. Meanwhile, the prior month was revised slightly higher from 1,702k to 1,708k. Housing starts are now 0.8% ABOVE their year-ago level. However, they are still a sharp 27.9% BELOW their January 2006 peak.

Single-Family Housing Starts FELL by 5.6% to 1116k. Single-family housing starts are 2.4% BELOW their year-ago level but still 38.8% BELOW their January 2006 peak.

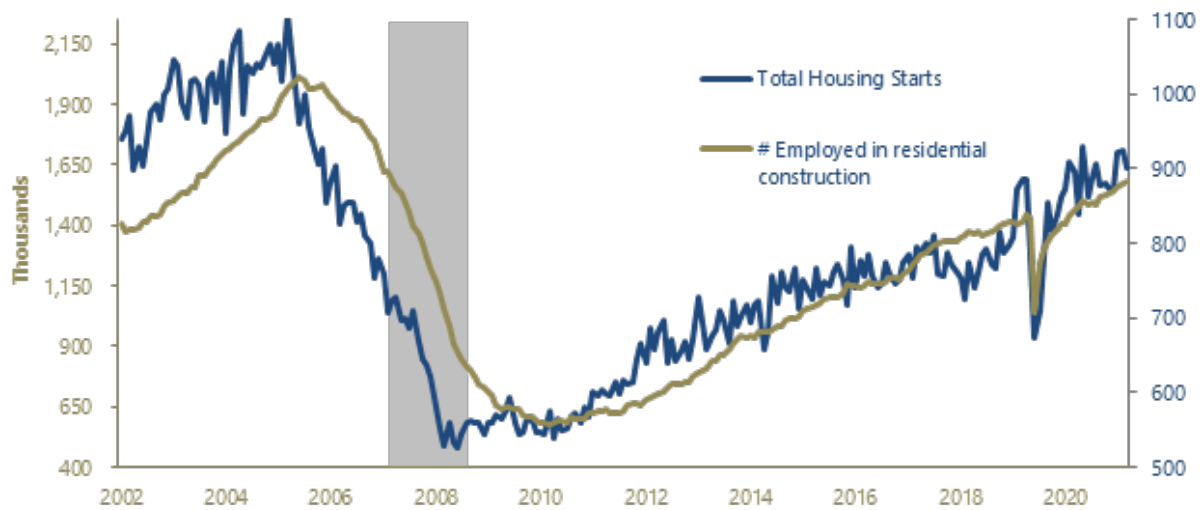
Multifamily Housing Starts FELL by 0.8% to 522k. Multifamily starts are now 8.3% ABOVE their year-ago level.



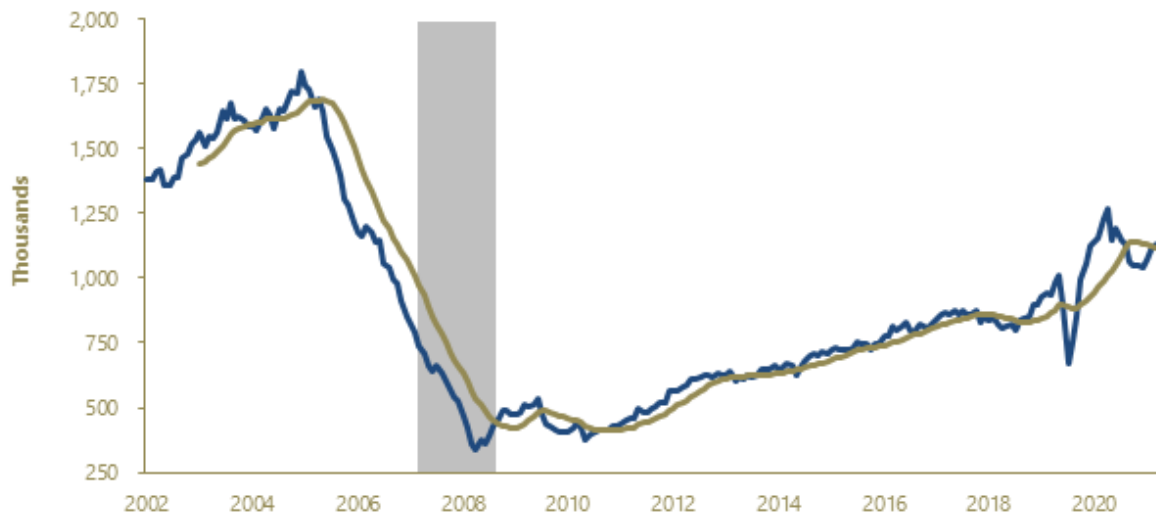
Multifamily Housing Starts



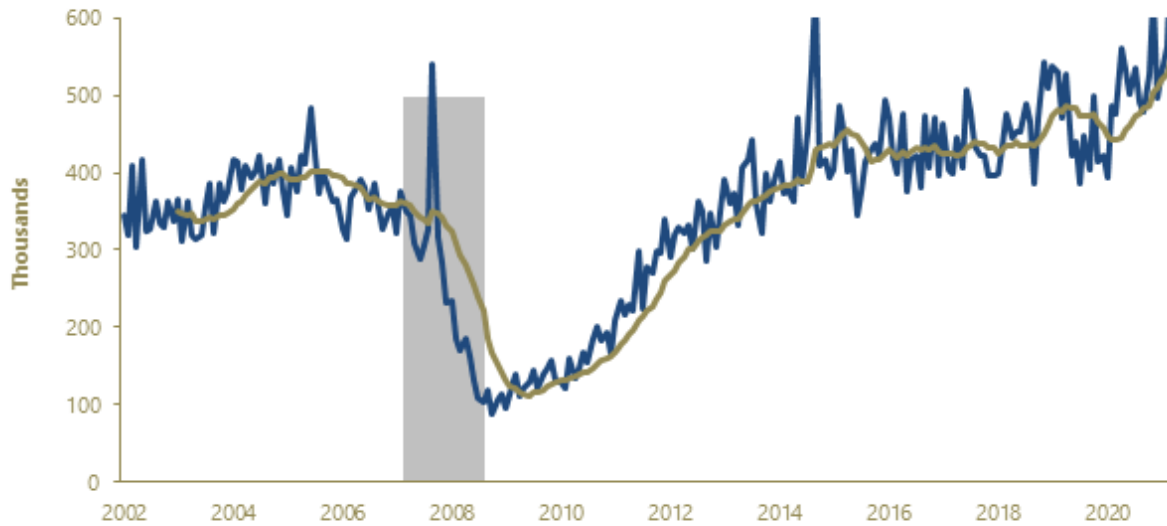
Housing Starts vs Residential Construction Workers



Single Family Housing Permits



Multifamily Housing Permits



	Thousands of Units (Annualized)										
	Monthly				Average for						
	Jan-22	Dec-21	Nov-21	Oct-21	Three Month	Six Month	Twelve Month	2020	2019	Five Year	Ten Year
Housing Starts	1,638	1,708	1,703	1,552	1,683	1,621	1,602	1,661	1,547	1,347	1,163
(percent change)	-4.1	0.3	9.7	0.1				7.4	41.3		
Single Family	1,116	1,182	1,222	1,074	1,173	1,129	1,127	1,004	889	880	735
(percent change)	-5.6	-3.3	13.8	-1.4			12.3%	12.9	2.1		
Multifamily	522	521	508	498	510	492	475	393	403	384	340
(percent change)	0.2	2.6	2.0	8.0			20.8%	-2.5	7.2		
Northeast	120	117	113	114	117	126	129	113	115	113	106
Midwest	200	321	216	213	246	225	216	193	169	180	159
South	880	898	945	814	908	871	854	743	687	649	547
West	438	372	429	411	413	399	403	347	321	322	263
Housing Permits	1,899	1,885	1,717	1,653	1,834	1,744	1,715	1,479	1,385	1,337	1,135
(percent change)	0.7	9.8	3.9	4.2				6.8	4.3		
Single Family Permits	0	1,128	1,106	1,074	745	900	1,011	988	864	856	717
(percent change)	-100.0	2.0	3.0	3.2				14.4	1.1		
Multifamily Permits	1,899	757	611	579	1,089	844	704	491	522	481	418
(percent change)	150.9	23.9	5.5	6.2				-5.9	9.8		

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

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February 17, 2022

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