

17.Nov.2022

Housing Starts: Slower Declines, Still Major Drag

Bottom Line: Housing starts fell less than expected in October. But despite upward revisions to previously reported data, starts remained firmly in a downtrend. Single-family starts hit new post-pandemic lows. Single-family permits authorized but not yet started remained very high but were showing signs of topping, much as they did in late 2006 before falling sharply during the financial crisis. Multi-family starts, especially larger 5+ unit projects, remained remarkably robust, near historic highs as housing broadly remains in short supply, even as affordability hampers single-family demand. **Overall, single-family construction activity turned from a tailwind to a sharp headwind for economic growth in the 2nd Half of 2022. While strength in multi-family provided a modest offset to some of the initial weakness, all signs suggest housing will be a considerable drag on growth late in the 4th Quarter.**

Total US Housing Starts October: 1.43M -63k consensus: +1.41M



Contingent Macro Advisors 2022 source: US Census Bureau

Total US Annualized Housing Starts FELL 63k to 1.43M, BELOW the 3-Month average of 1.47M, BELOW the 6-Month average of 1.49M and 138k BELOW the year-ago level.

Single-Family Starts FELL 56k to 855k, BELOW the 3-Month average of 896.33k, BELOW the 6-Month average of 945.83k and 224k BELOW the year-ago level.

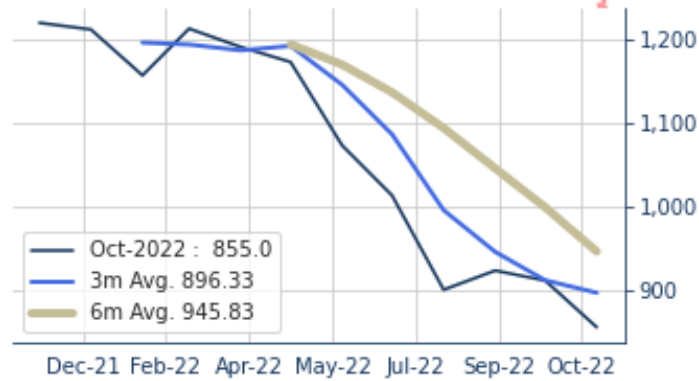
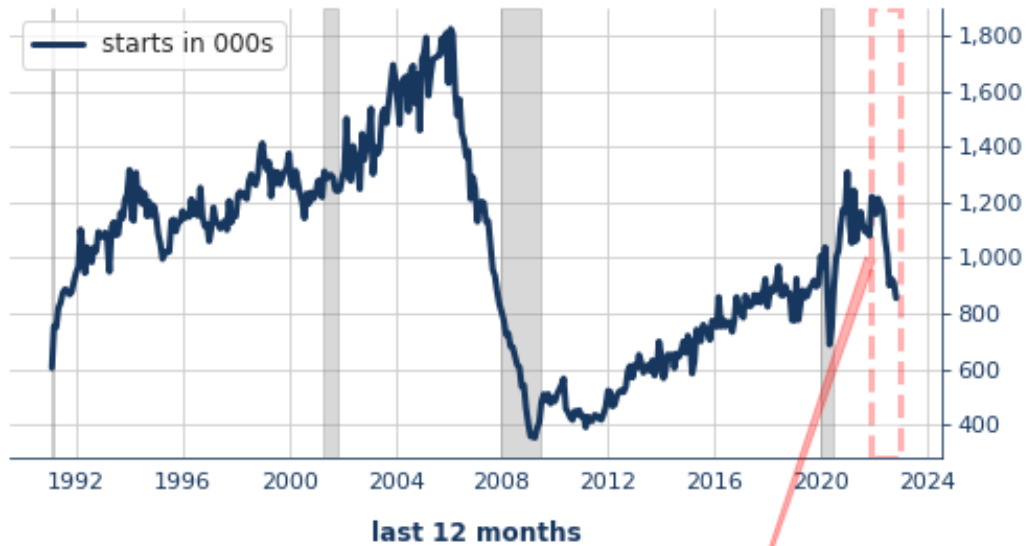
Multi-Family Starts were nearly unchanged, DOWN 3k to 556k, BELOW the 3-Month average of 560k, ABOVE the 6-Month average of 525.83k but 82k ABOVE the year-ago level.

Total Building Permits FELL 38k to 1.53M, BELOW the 3-Month average of 1.54M, BELOW the 6-Month average of 1.62M and 172k BELOW the year-ago level.

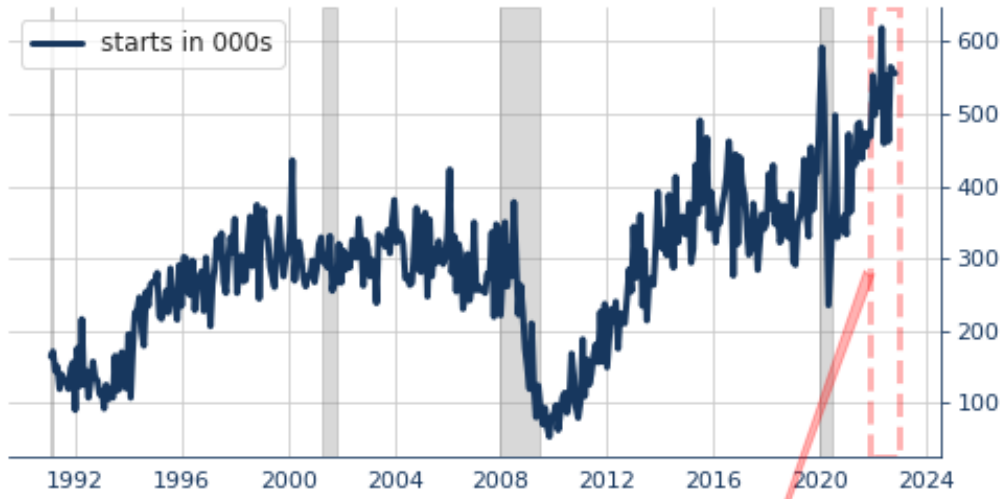
Single-Family Permits FELL 31k to 839k, BELOW the 3-Month average of 869.67k, BELOW the 6-Month average of 927k and 238k BELOW the year-ago level.

Multi-Family Permits: Two-Four Unit ROSE 5k to 54k, ABOVE the 3-Month average of 50k, ABOVE the 6-Month average of 51.17k and 2k ABOVE the year-ago level. **Multi-Family Permits: 5+ Unit** FELL 12k to 633k, ABOVE the 3-Month average of 624.33k, BELOW the 6-Month average of 639.83k and 64k ABOVE the year-ago level.

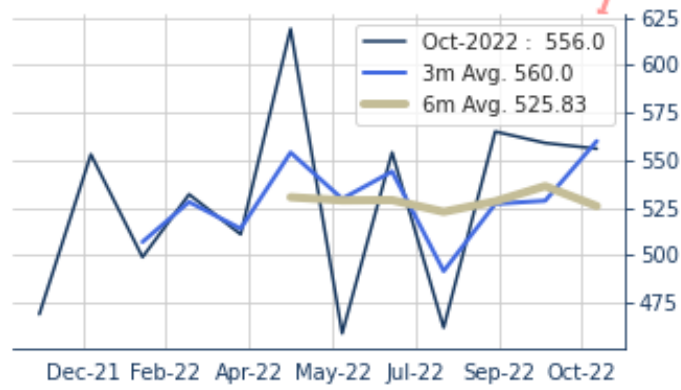
Single-Family Housing Starts

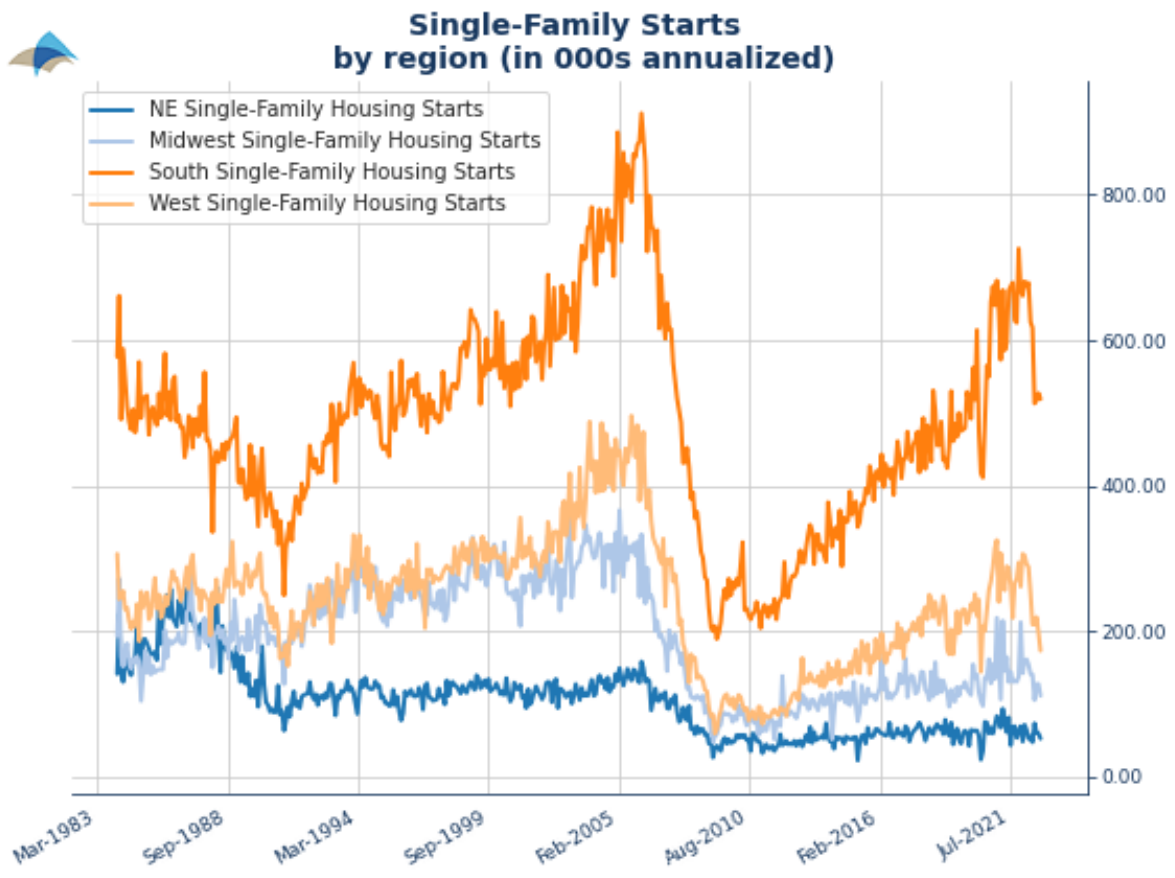
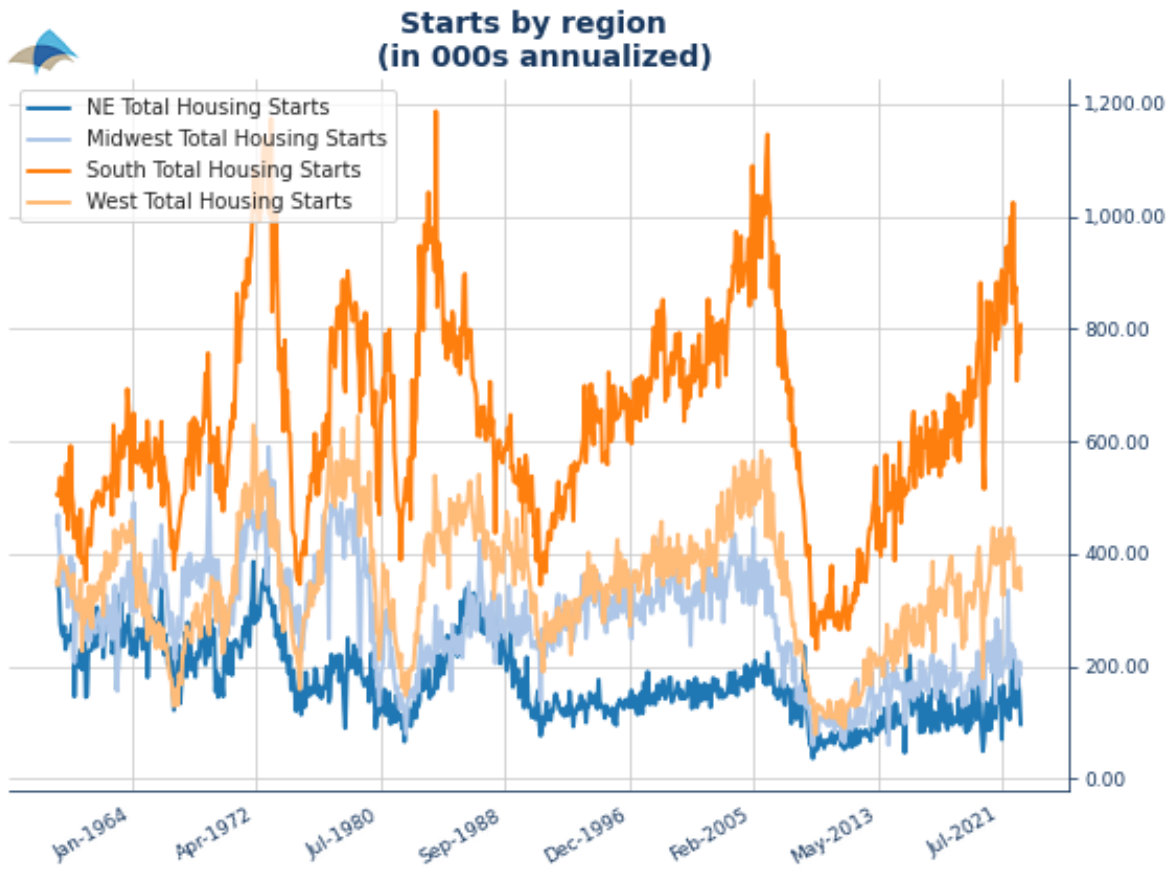


Multi-Family Housing Starts



last 12 months

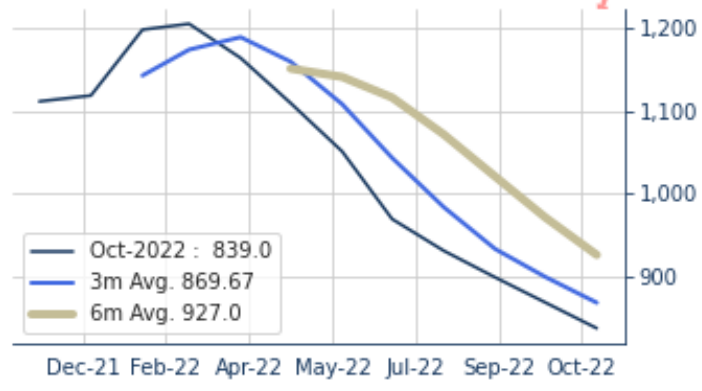




Single-Family Building Permits



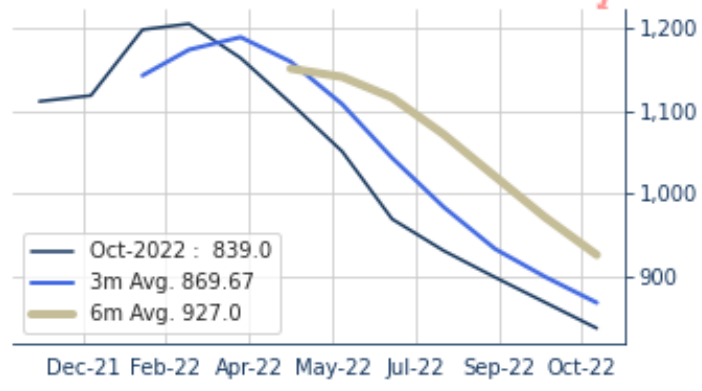
last 12 months



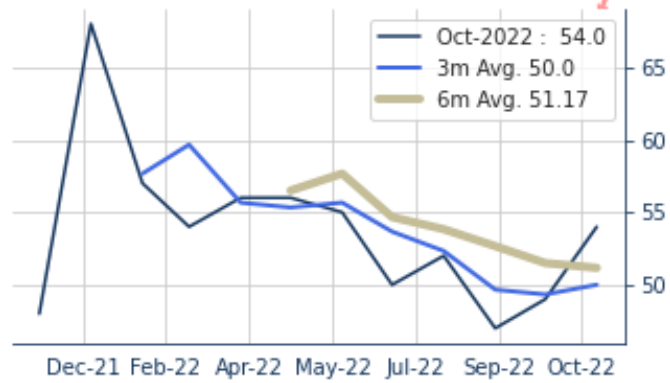
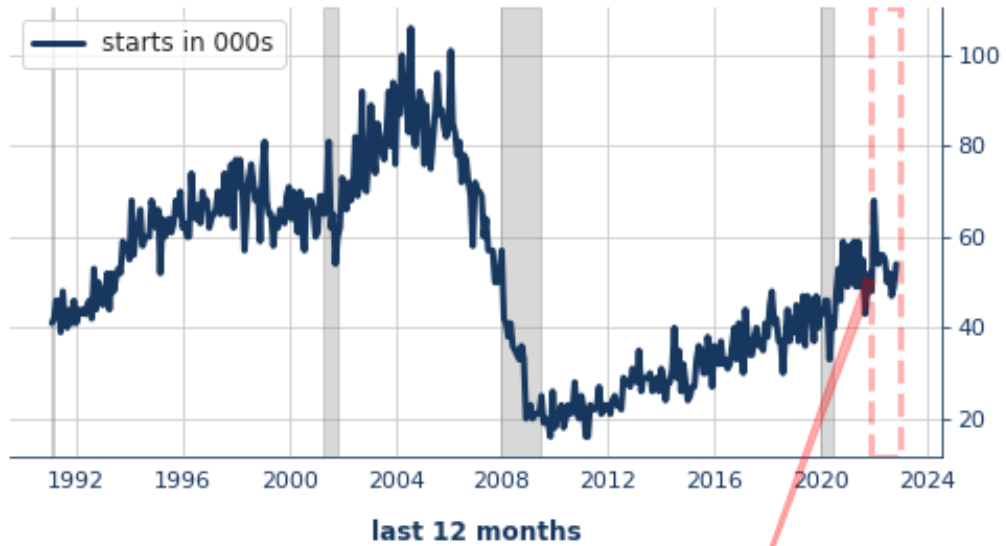
Single-Family Building Permits



last 12 months



Multi-Family 2-4 Unit Building Permits



Contingent Macro Advisors 2022 source: US Census Bureau