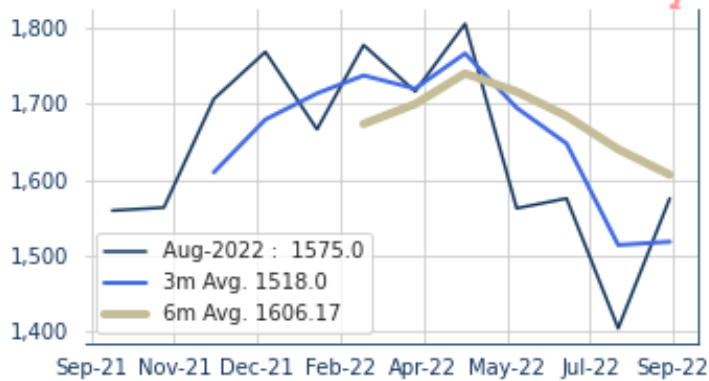


20.Sep.2022

Housing Starts: Sharp Rebound, Trend Still Concerning

Bottom Line: Housing starts rose more than expected in August, but there were negative revisions to previously reported months, and permits slipped further. Moreover, the August rebound was driven by multi-family, which has remained volatile but more resilient than single-family starts. For now, these hard data suggest housing activity has given back all of its post-pandemic gains with starts running at levels seen in 2019. However, soft survey data, like the National Association of Homebuilders' Survey reported yesterday (charts at bottom of this report), suggest a sharper decline. The NAHB survey index suggests current activity has plunged to levels not seen since 2013. And the outlook and buyer traffic components of that survey were back to 2011 levels. **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 large drag on growth late in the 3rd Quarter and into the 4th Quarter.**

Total US Housing Starts August: 1.57M +171k consensus: +1.45M



Contingent Macro Advisors 2022 source: US Census Bureau

Total US Annualized Housing Starts ROSE 171k to 1.57M, ABOVE the 3-Month average of 1.52M, BELOW the 6-Month average of 1.61M, nearly in-line with year-ago level of 1.576M.

Single-Family Starts ROSE 31k to 935k, BELOW the 3-Month average of 950.67k, BELOW the 6-Month average of 1.05M and 160k BELOW the year-ago level. **Multi-Family Starts** ROSE 138k to 621k, ABOVE the 3-Month average of 552.67k, ABOVE the 6-Month average of 541.17k and 147k ABOVE the year-ago level.

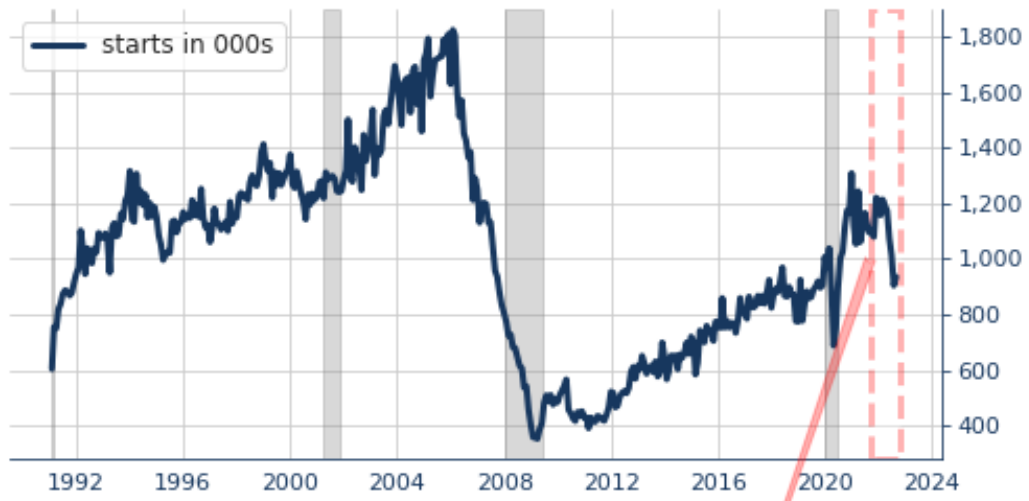
- **NE Total Starts** FELL 34k to 162k, ABOVE the 3-Month average of 161.67k, ABOVE the 6-Month average of 159.83k but 4k BELOW the year-ago level.
NE Single-Family Starts FELL 10k to 60k, ABOVE the 3-Month average of 59k, ABOVE the 6-Month average of 58k but 8k BELOW the year-ago level.

- **Midwest Total Starts** ROSE 27k to 167k, BELOW the 3-Month average of 171k, BELOW the 6-Month average of 200.17k and 29k BELOW the year-ago level. **Midwest Single-Family Starts** ROSE 21k to 122k, ABOVE the 3-Month average of 121k, BELOW the 6-Month average of 136.5k but 8k BELOW the year-ago level.
- **South Total Starts** ROSE 174k to 885k, ABOVE the 3-Month average of 823.67k, ABOVE the 6-Month average of 867k, nearly in-line with year-ago level of 888k. **South Single-Family Starts** ROSE 11k to 530k, BELOW the 3-Month average of 555.33k, BELOW the 6-Month average of 607.33k and 149k BELOW the year-ago level.
- **West Total Starts** were nearly unchanged, UP 4k to 361k, BELOW the 3-Month average of 361.67k, BELOW the 6-Month average of 379.17k but 35k ABOVE the year-ago level. **West Single-Family Starts** ROSE 9k to 223k, ABOVE the 3-Month average of 215.33k, BELOW the 6-Month average of 246.33k and 5k ABOVE the year-ago level.

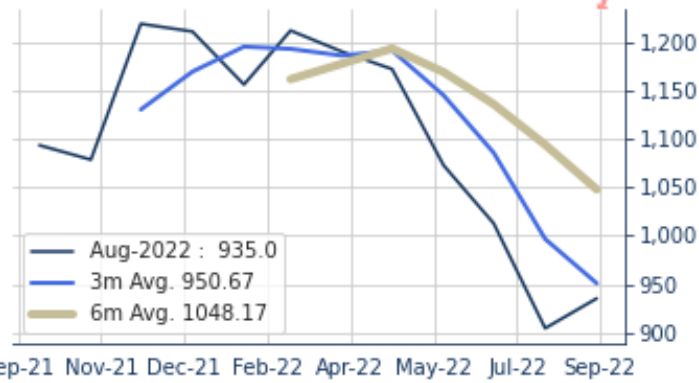
Total Building Permits FELL 168k to 1.52M, BELOW the 3-Month average of 1.63M, BELOW the 6-Month average of 1.72M and 255k BELOW the year-ago level.

- **Single-Family Permits** FELL 33k to 899k, BELOW the 3-Month average of 933.67k, BELOW the 6-Month average of 1.02M and 162k BELOW the year-ago level.
- **Multi-Family Permits: Two-Four Unit** FELL 5k to 47k, BELOW the 3-Month average of 49.67k, BELOW the 6-Month average of 52.67k but 4k ABOVE the year-ago level.
- **Multi-Family Permits: 5+ Units** FELL 130k to 571k, BELOW the 3-Month average of 649.33k, BELOW the 6-Month average of 642.5k and 97k BELOW the year-ago level.

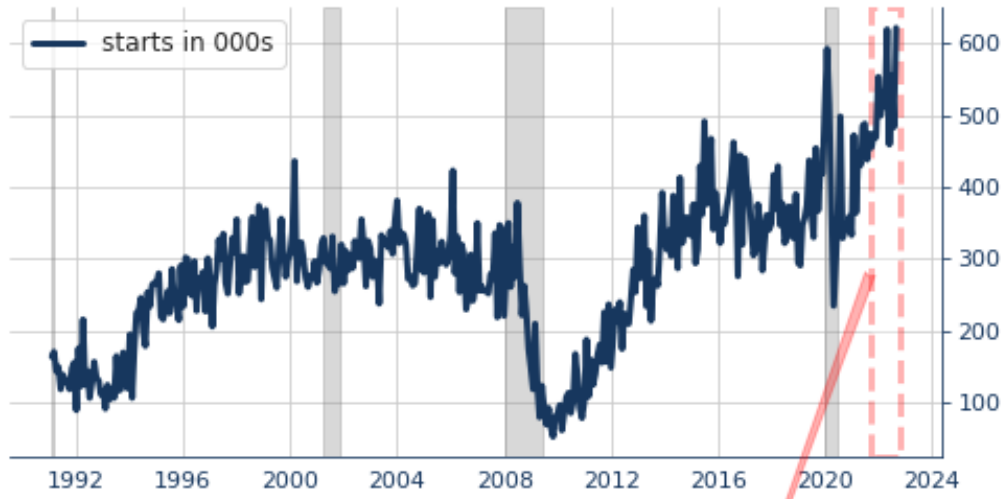
Single-Family Housing Starts



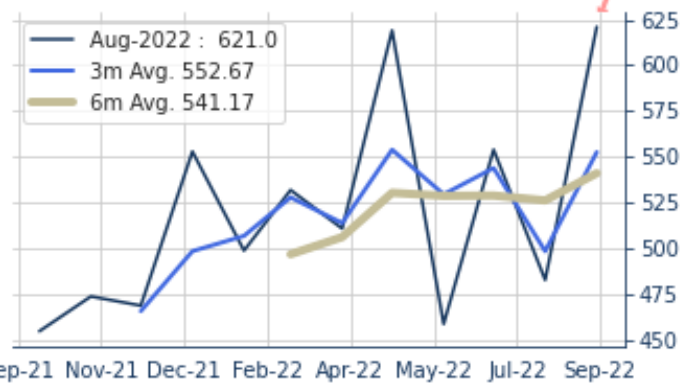
last 12 months

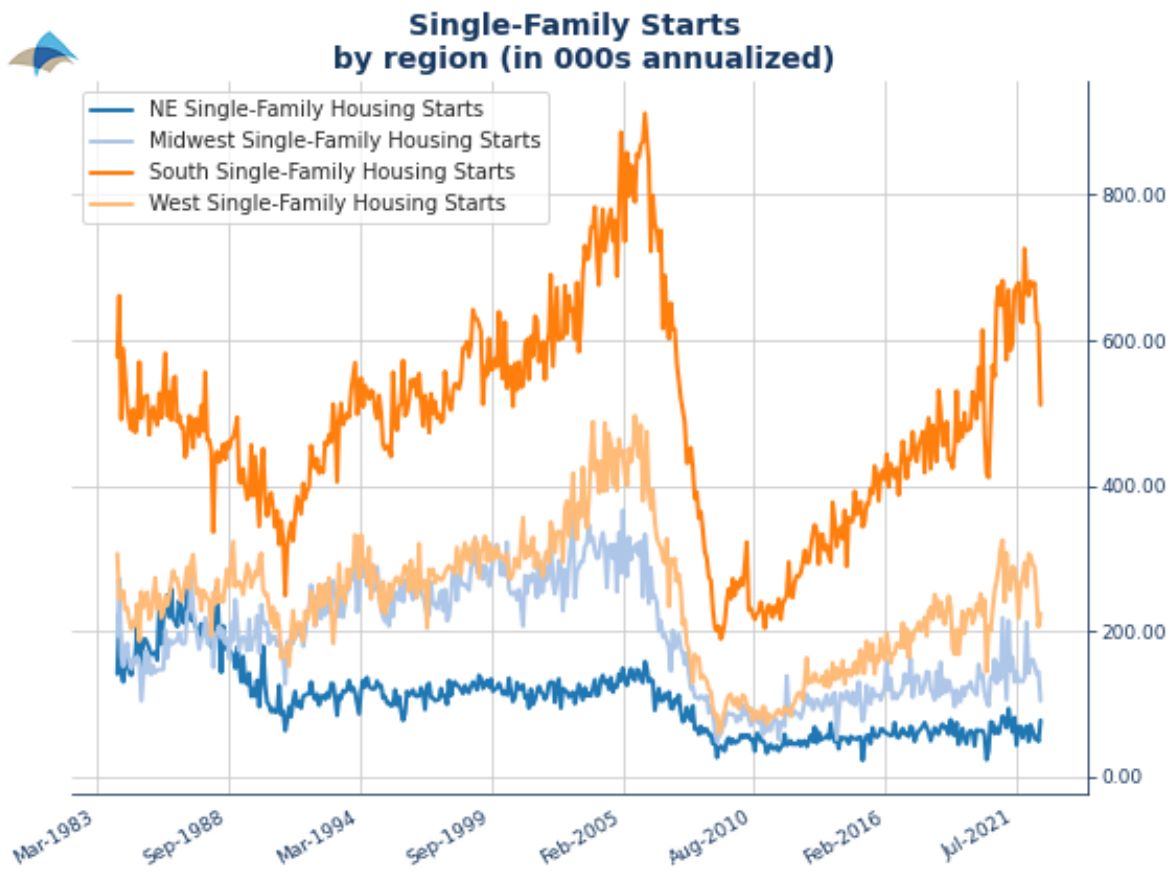
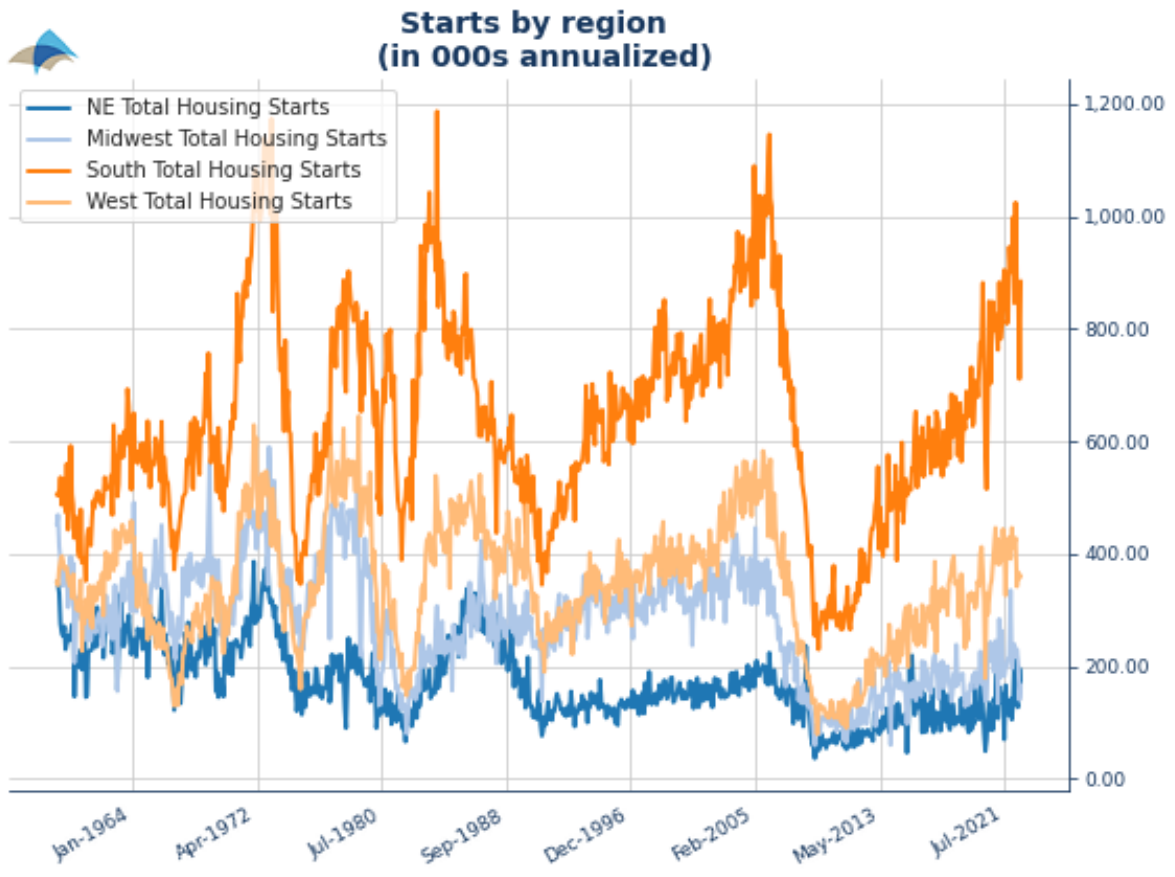


Multi-Family Housing Starts



last 12 months

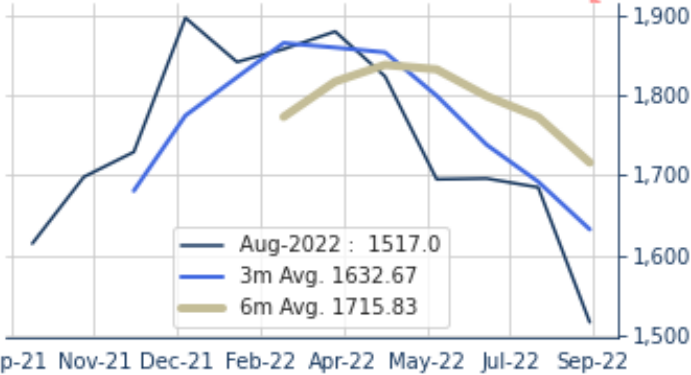




Total US Building Permits
August: 1.52M -168k
consensus: +1.6M

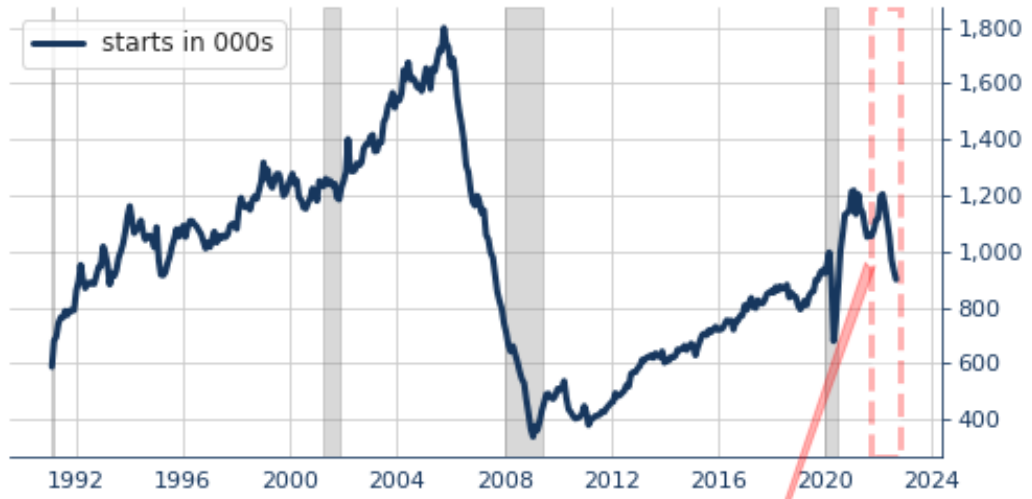


last 12 months

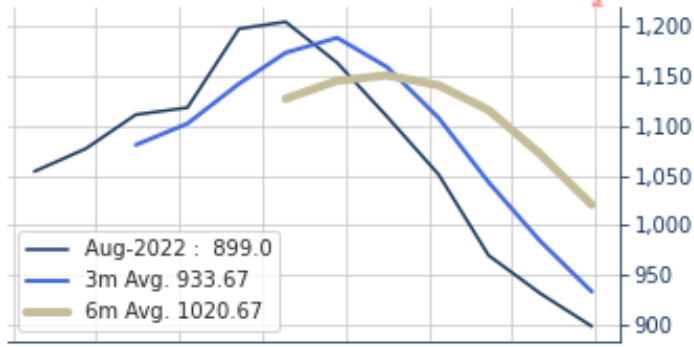


Contingent Macro Advisors 2022 source: US Census Bureau

Single-Family Building Permits



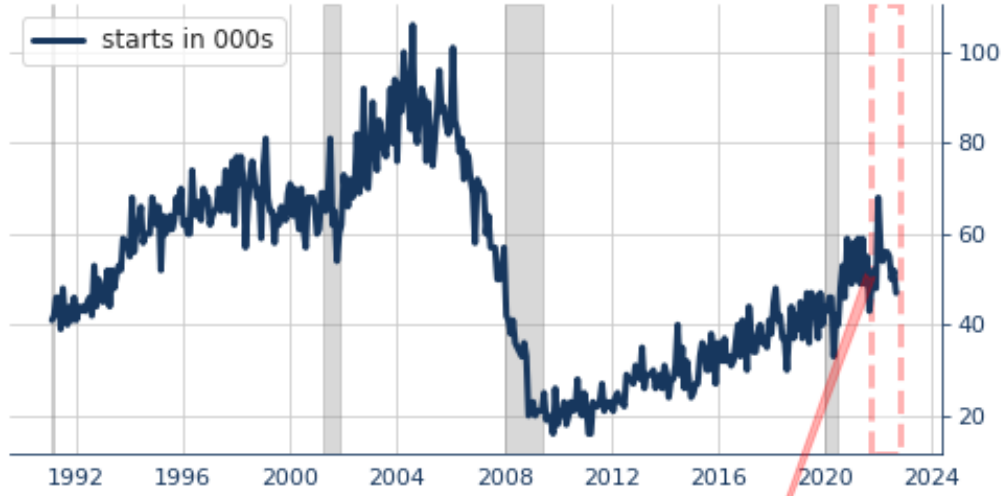
last 12 months



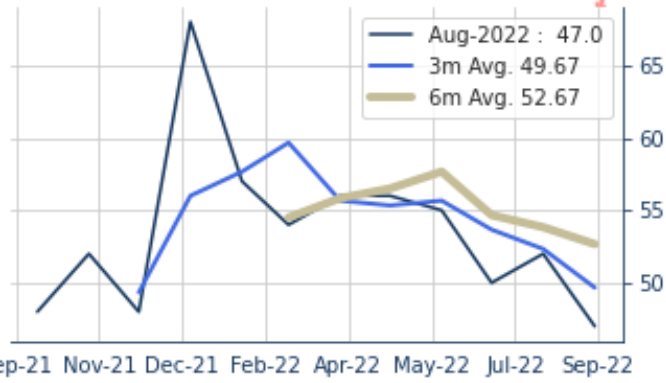
Sep-21 Nov-21 Dec-21 Feb-22 Apr-22 May-22 Jul-22 Sep-22

Contingent Macro Advisors 2022 source: US Census Bureau

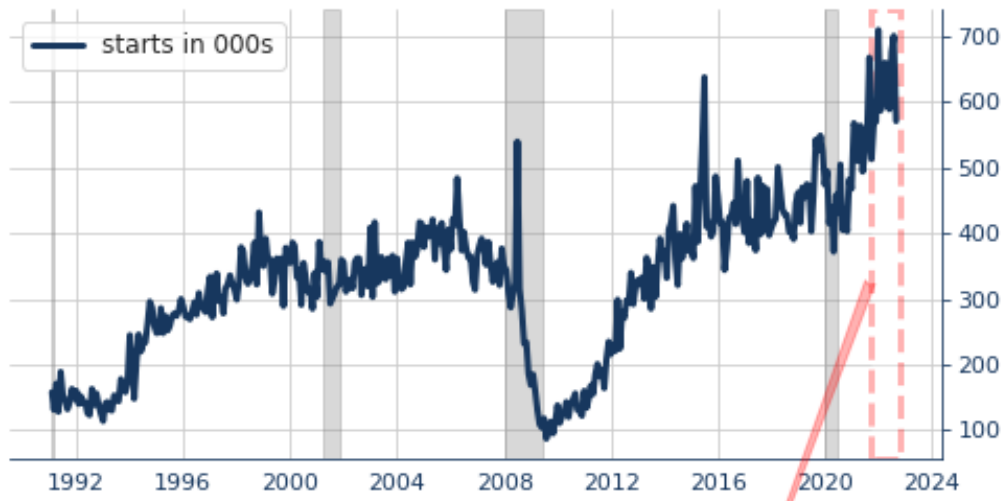
Multi-Family 2-4 Unit Building Permits



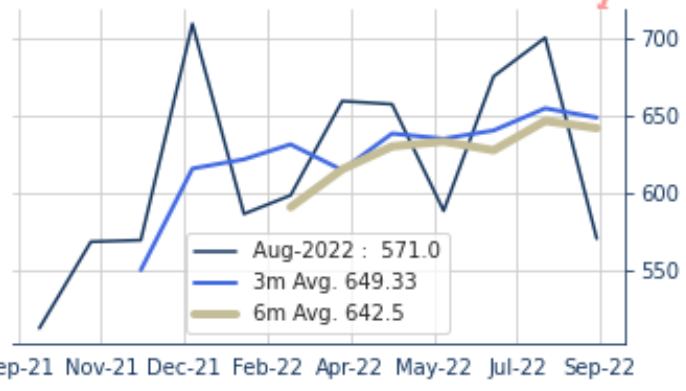
last 12 months



Multi-Family 5+ Unit Building Permits



last 12 months



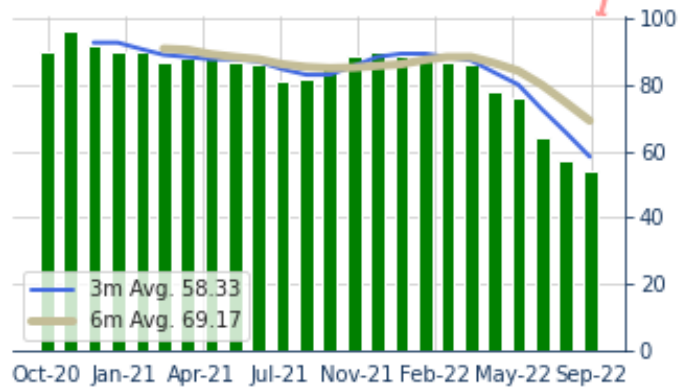
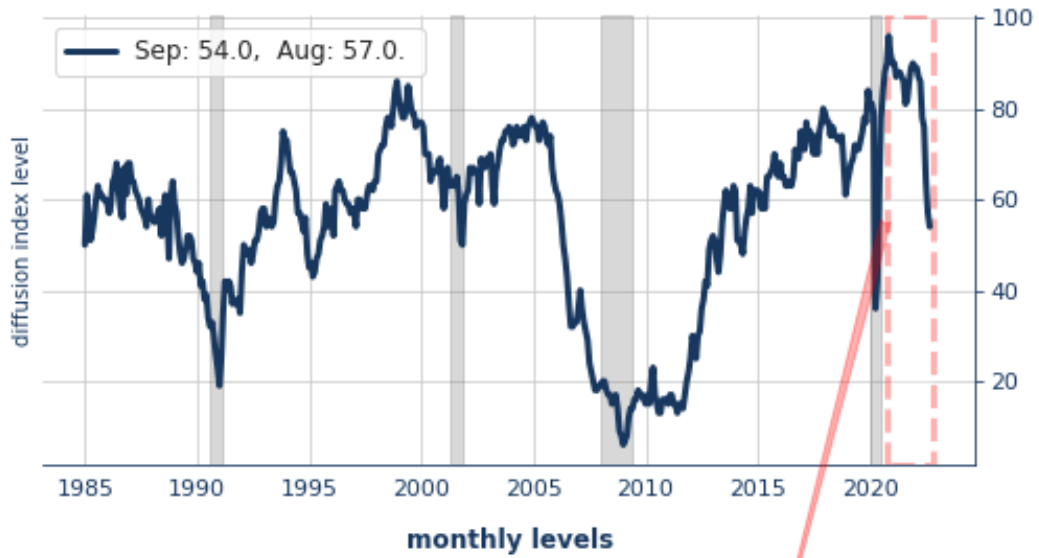
Contingent Macro Advisors 2022 source: US Census Bureau

Starts	885	711	875	860	824	867	883	849	742	740
South Single-Family Housing Starts	530	519	617	625	555	607	636	644	558	546
West Total Housing Starts	361	357	367	342	362	379	399	401	346	355
West Single-Family Housing Starts	223	214	209	252	215	246	265	268	245	239

annualized monthly in thousands of units

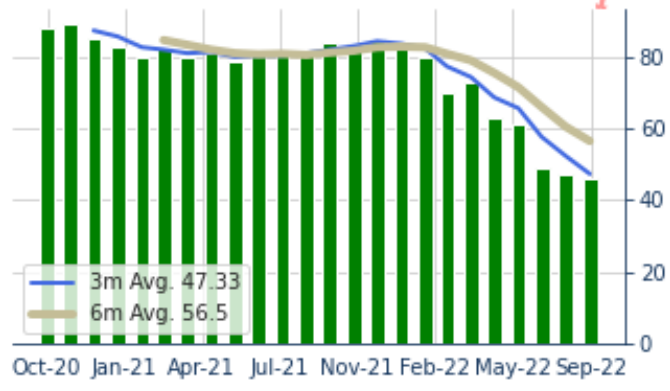


NAHB Single-Family



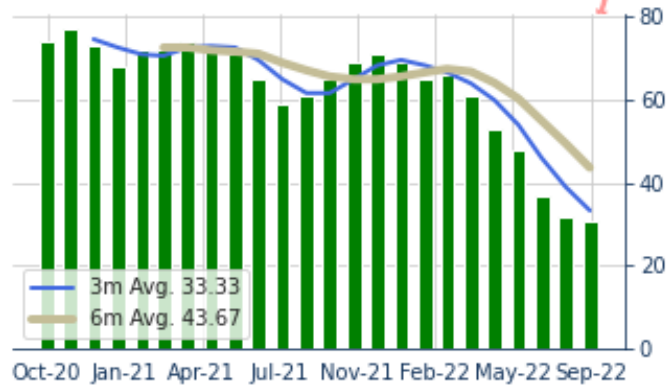
Contingent Macro Advisors 2022 source: Philadelphia Fed. Consensus from Bloomberg LP

Single-Family Six Months Ahead



Contingent Macro Advisors 2022 source: Philadelphia Fed. Consensus from Bloomberg LP

Prospective Buyer Traffic



Contingent Macro Advisors 2022 source: Philadelphia Fed. Consensus from Bloomberg LP

NAHB Homebuilder Survey	Sep-22	Aug-22	Jul-22	3m. avg.	6m. avg.	12m. avg.	2021	5y
NAHB Market Index	46.0	49.0	55.0	50.0	60.5	71.1	81.2	70.5
NAHB Single-Family	54.0	57.0	64.0	58.3	69.2	78.8	87.0	76.9
Single-Family Six Months Ahead	46.0	47.0	49.0	47.3	56.5	68.7	81.8	73.6
Prospective Buyer Traffic	31.0	32.0	37.0	33.3	43.7	55.6	68.3	55.0

Source: NAHB.org