

20.Jun.2023

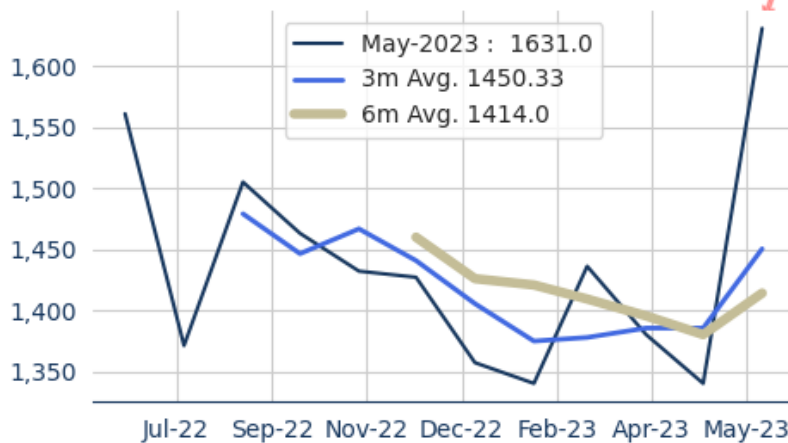
Housing Starts: Surprise Jump

Bottom Line: Housing starts rose sharply in May, jumping 21.7% from the April revised reading. While there were negative revisions to April data, the overall upside surprise was significant. Single-family activity jumped to its highest level in 11 months as multi-family starts hit a record high on continued demand for new 5+ unit complexes. New permits, a more forward-looking indicator, rose to a six-month high. While less strong than the headline start number, permits were remarkably robust in the single-family sector.

Overall, the signs of bottoming in housing developing over months may have turned into a full rebound. One month of data is never enough to make a decisive call on the trend, especially with this volatile series. But this has all the hallmarks of a housing market that has found a new equilibrium amid lower affordability but continued underlying solid demand. We are even more confident in our forecast for steady or slightly positive residential investment in the 2nd Quarter and a return to positive growth in the 2nd Half.

Total US Housing Starts

May: 1.63M +291k consensus: +1.4M



Contingent Macro Advisors 2023 source: US Census Bureau

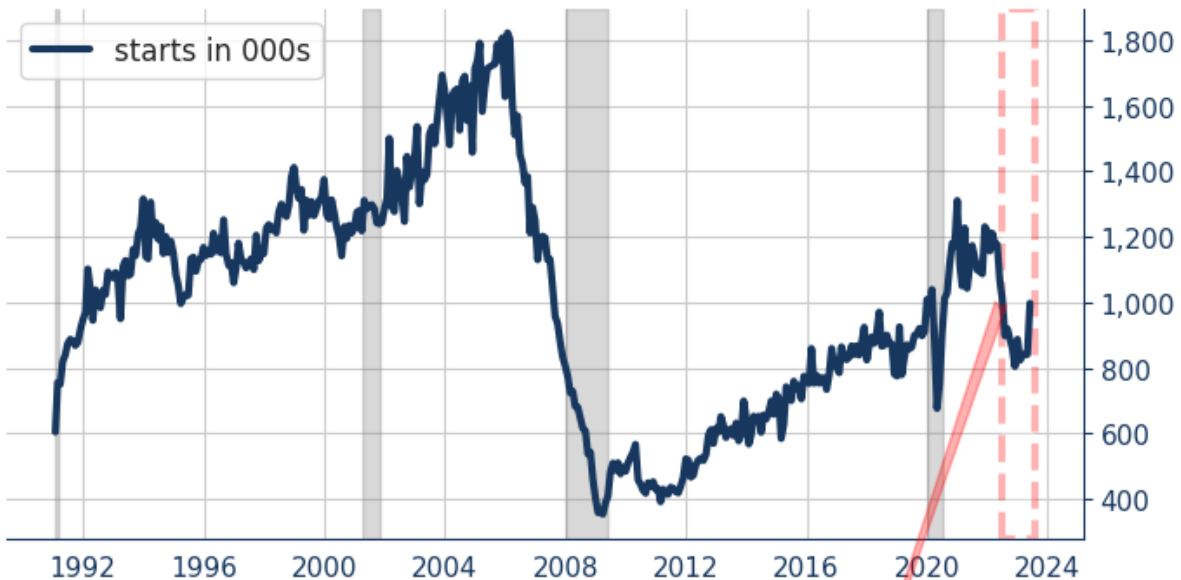
Total US Annualized Housing Starts ROSE 291k to 1.63M, ABOVE the 3-Month average of 1.45M, ABOVE the 6-Month average of 1.41M and 88k ABOVE the year-ago level.

- **Single-Family Starts** ROSE 156k to 997k, ABOVE the 3-Month average of 893.67k, ABOVE the 6-Month average of 871k but 70k BELOW the year-ago level.
- **Multi-Family Starts** ROSE 137k to 624k, ABOVE the 3-Month average of 542k, ABOVE the 6-Month average of 530.17k and 177k ABOVE the year-ago level.
- **Total Building Permits** ROSE 74k to 1.49M, ABOVE the 3-Month average of 1.45M, ABOVE the 6-Month average of 1.43M but 217k BELOW the year-ago level.

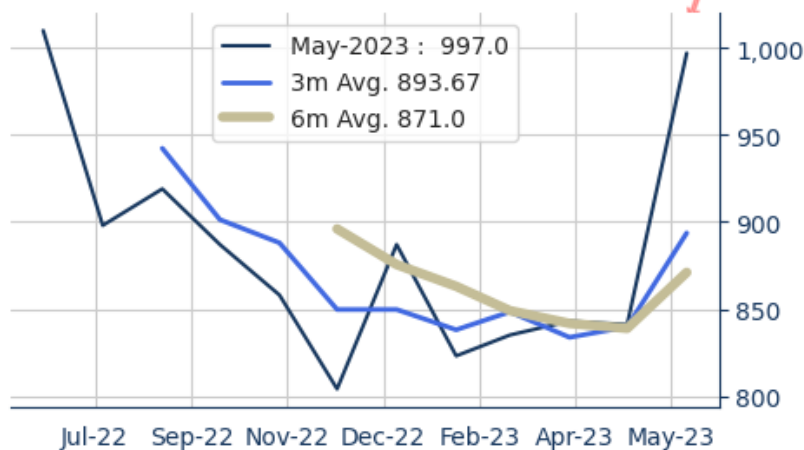
level.

- **Single-Family Permits** ROSE 41k to 897k, ABOVE the 3-Month average of 860.67k, ABOVE the 6-Month average of 812.33k but 136k BELOW the year-ago level.
- **Multi-Family Permits:** Two-Four Unit FELL 6k to 52k, BELOW the 3-Month average of 54k, BELOW the 6-Month average of 52.17k and 8k BELOW the year-ago level. Multi-Family Permits: 5+ Unit ROSE 39k to 542k, ABOVE the 3-Month average of 533.67k, BELOW the 6-Month average of 567.17k but 73k BELOW the year-ago level.

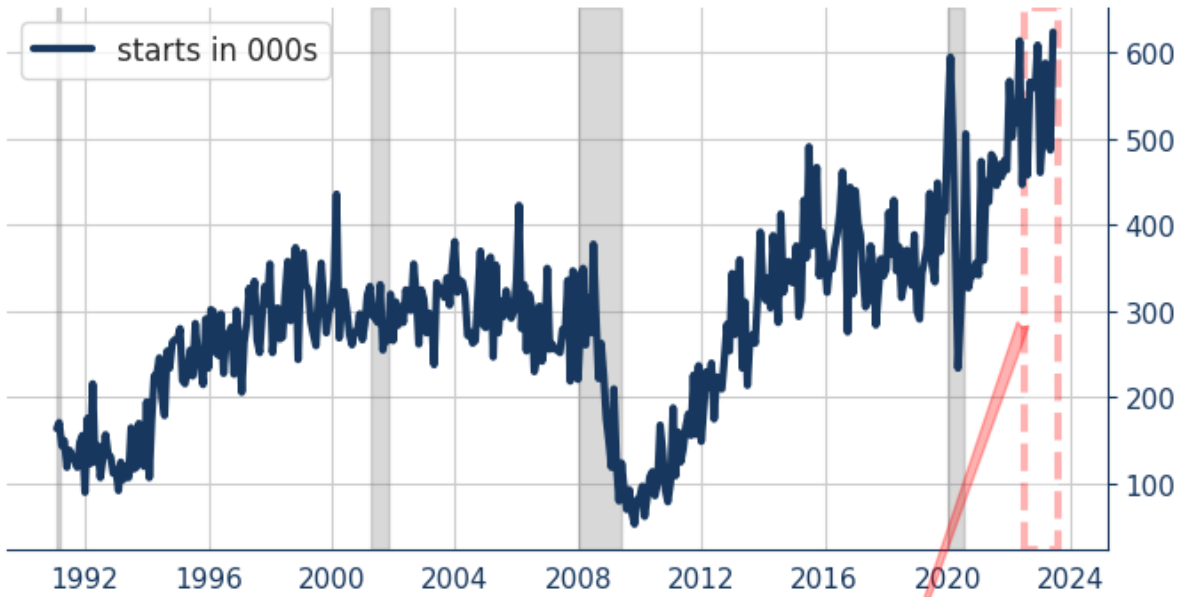
Single-Family Housing Starts



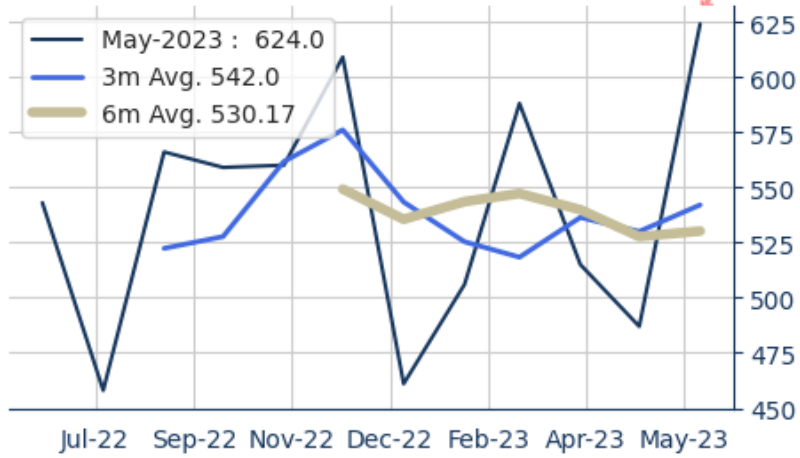
last 12 months



Multi-Family Housing Starts



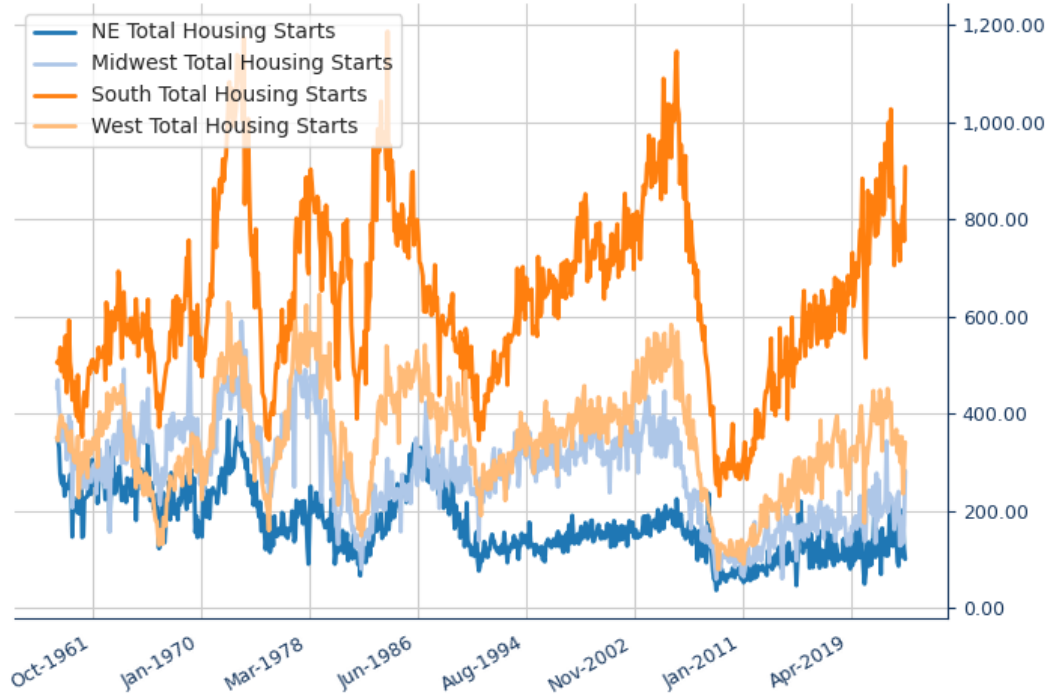
last 12 months



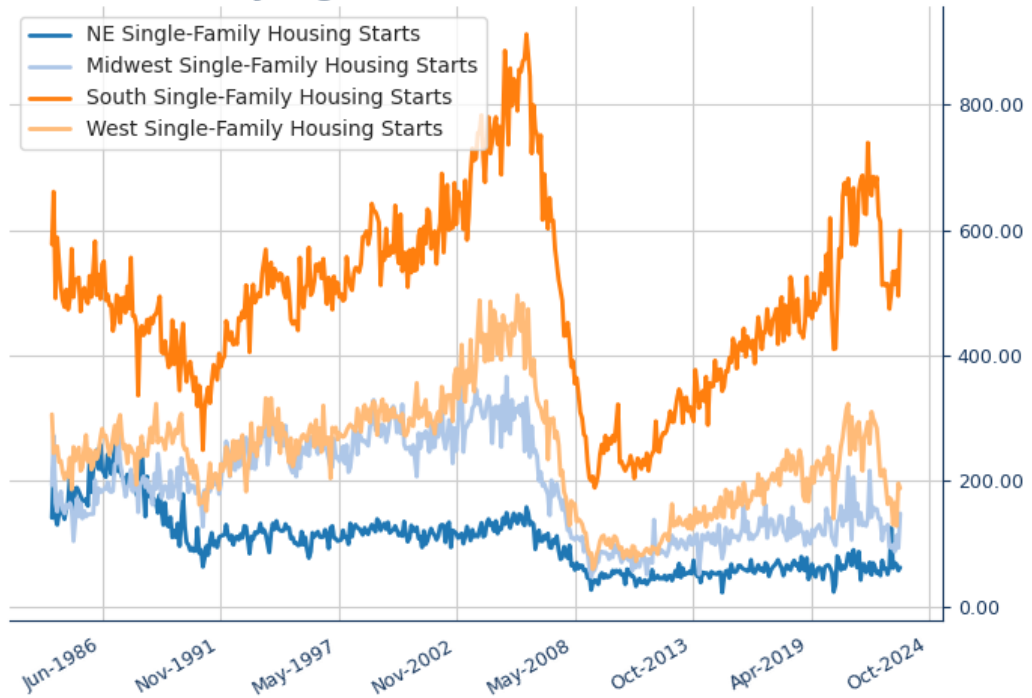
Contingent Macro Advisors 2023 source: US Census Bureau



Starts by region (in 000s annualized)



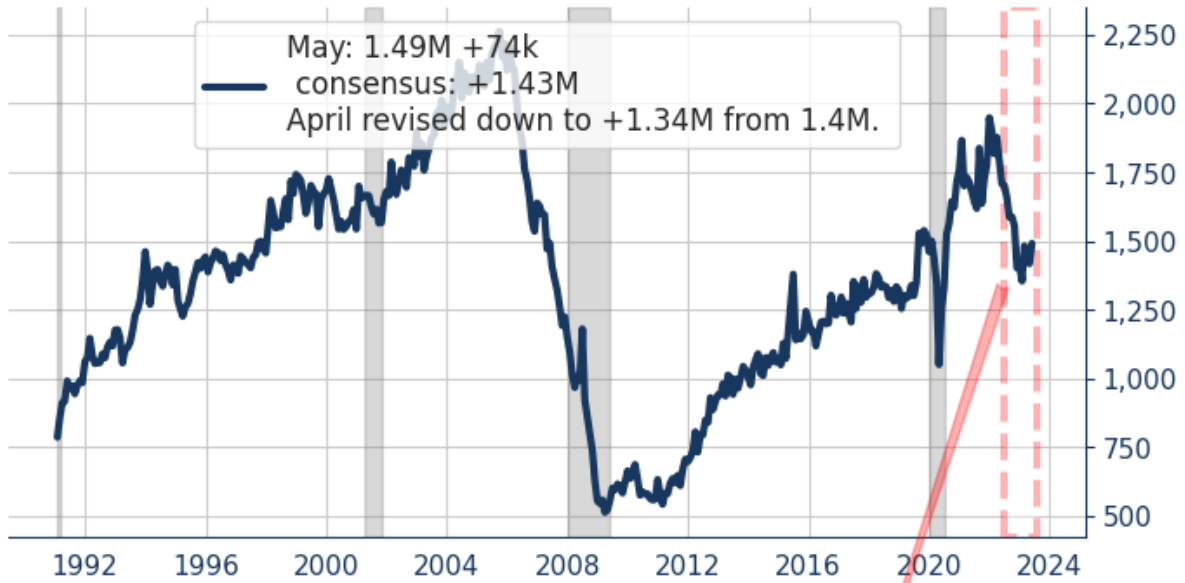
Single-Family Starts by region (in 000s annualized)



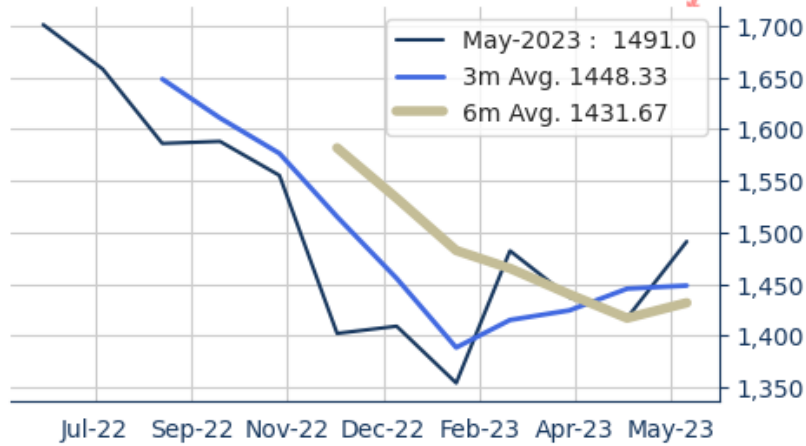
Total US Building Permits

May: 1.49M +74k

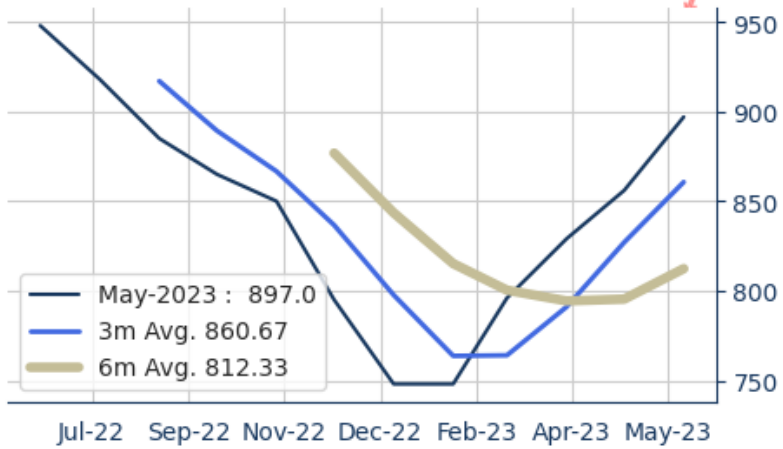
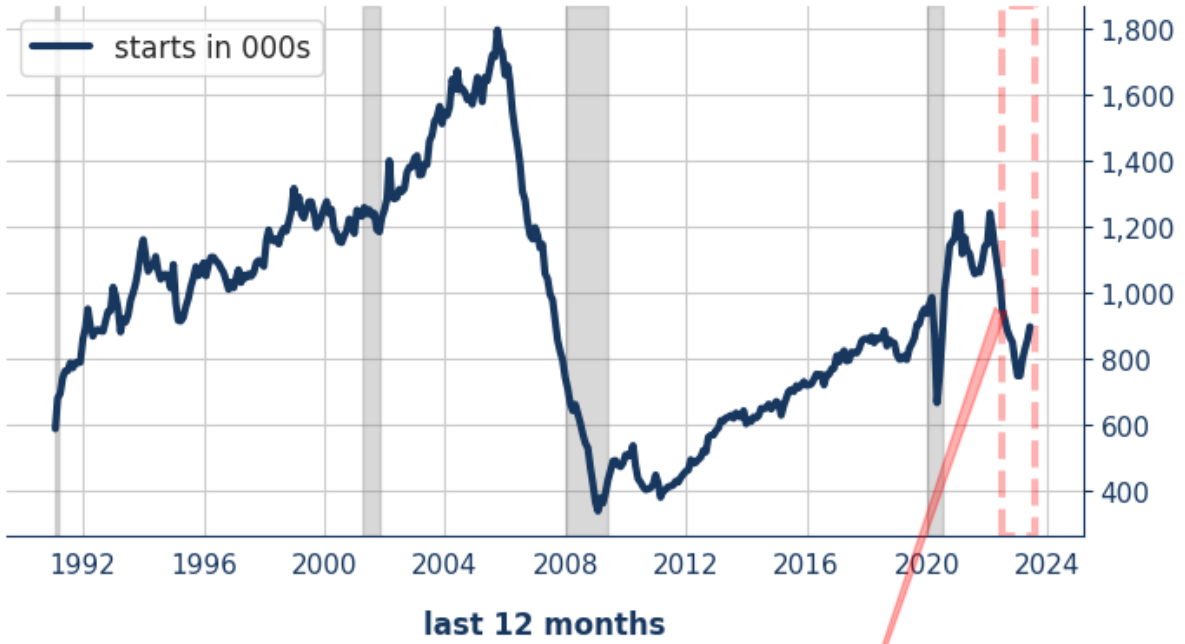
consensus: +1.43M



last 12 months

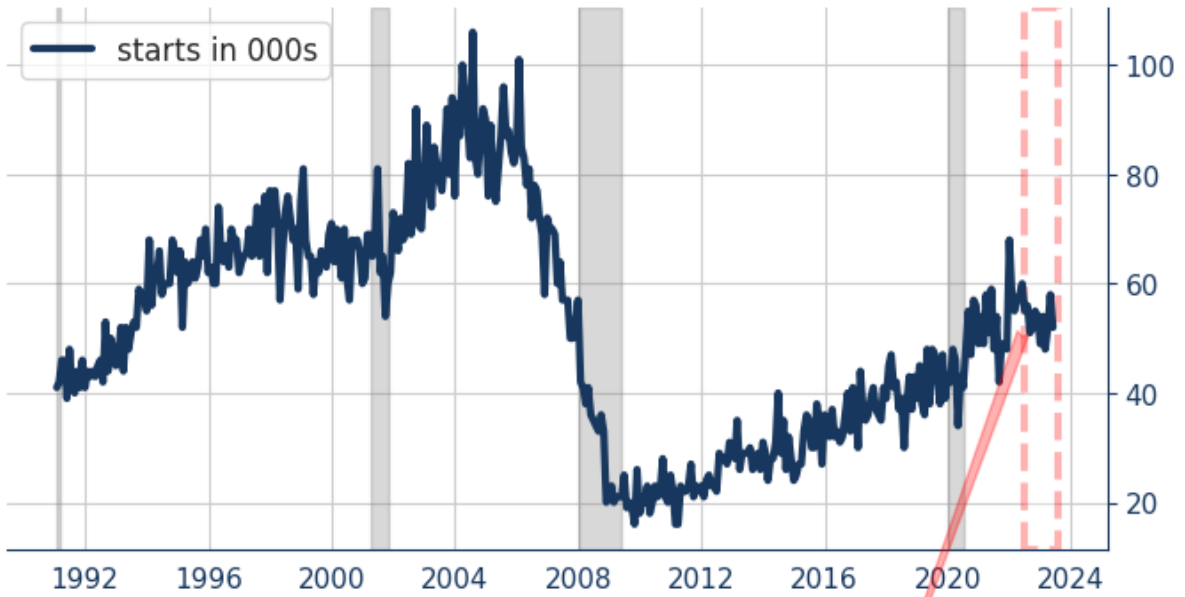


Single-Family Building Permits

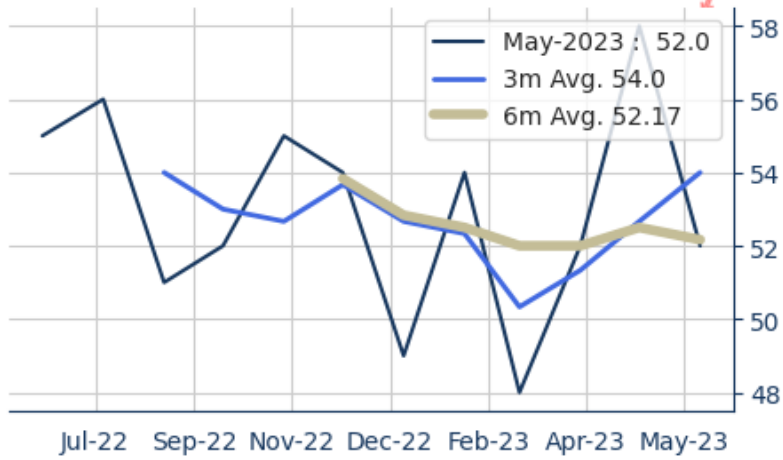


Contingent Macro Advisors 2023 source: US Census Bureau

Multi-Family 2-4 Unit Building Permits

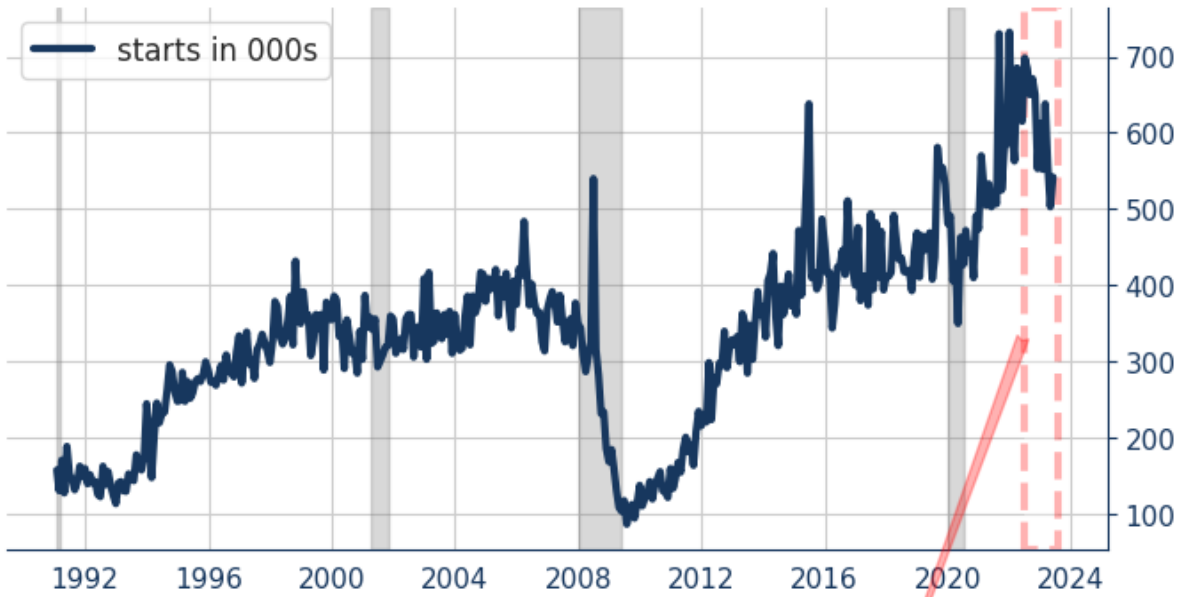


last 12 months

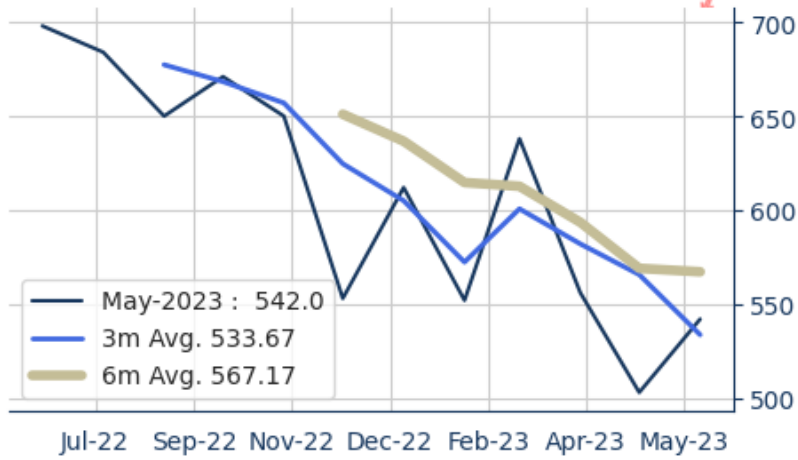


Contingent Macro Advisors 2023 source: US Census Bureau

Multi-Family 5+ Unit Building Permits

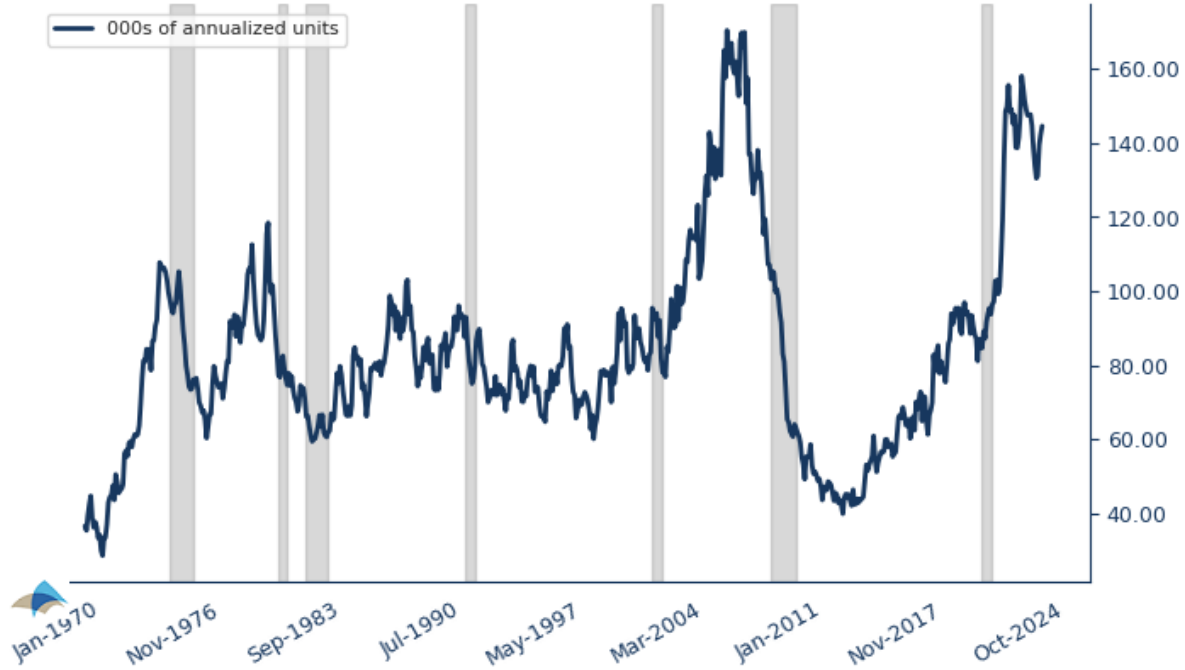


last 12 months

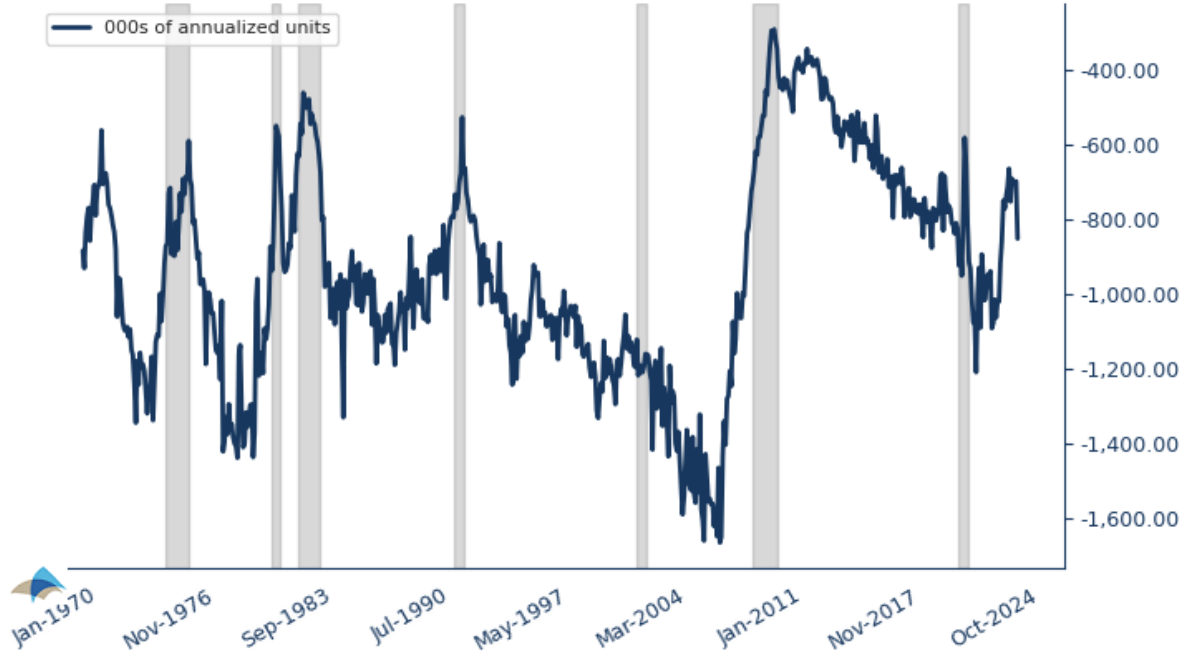


Contingent Macro Advisors 2023 source: US Census Bureau

Single-Family Permits Authorized Not Started



Authorized Permits less Housing Starts



US Housing Starts	May-23	Apr-23	Mar-23	Feb-23	3m. avg.	6m. avg.	12m. avg.	2022	2021	5y
Total Housing Starts	1631	1340	1380	1436	1450	1414	1437	1551	1606	1428
Single-Family Housing Starts	997	841	843	835	894	871	884	1004	1132	977
Multi-Family Housing Starts	624	487	515	588	542	530	540	530	462	438
NE Total Housing Starts	100	123	185	105	136	141	137	143	137	125

NE Single-Family Housing Starts	62	57	67	69	62	74	66	64	68	63
Midwest Total Housing Starts	282	169	133	187	195	171	188	206	218	192
Midwest Single-Family Housing Starts	148	93	113	87	118	105	113	130	150	131
South Total Housing Starts	908	755	827	792	830	797	785	833	849	762
South Single-Family Housing Starts	599	495	535	514	543	529	526	580	645	554
West Total Housing Starts	341	293	235	352	290	305	327	370	401	350
West Single-Family Housing Starts	188	196	128	165	171	163	178	231	268	230

annualized monthly in thousands of units