

19.Sep.2023

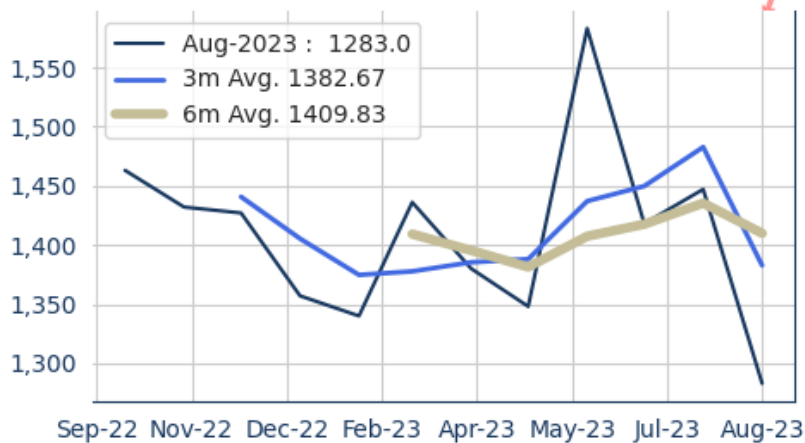
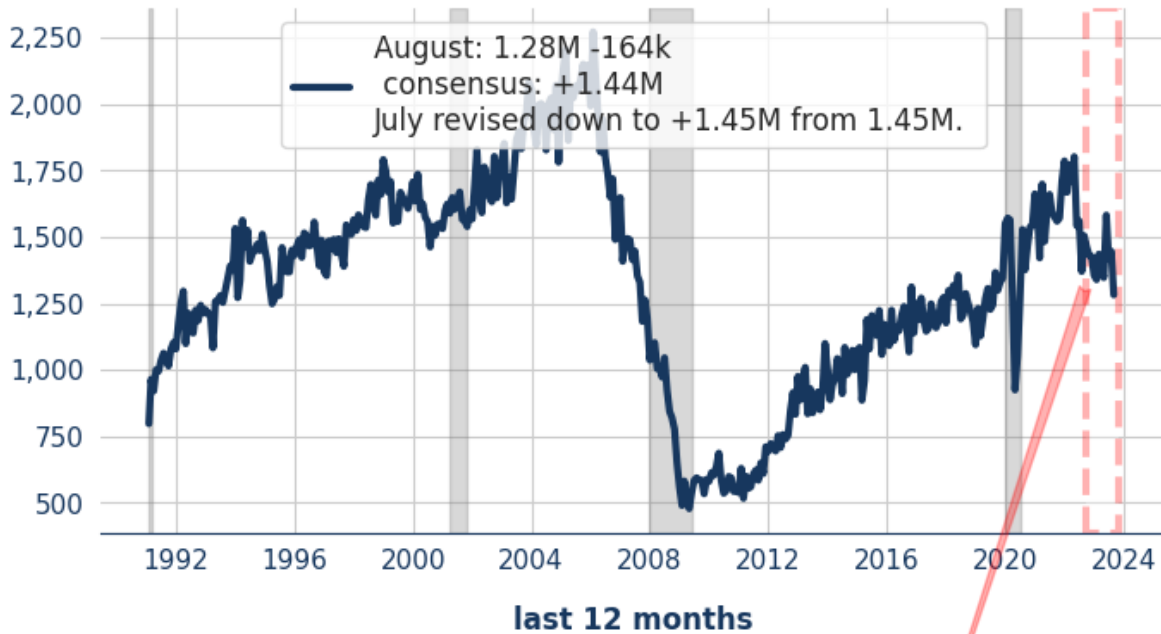
### **Housing Starts: Sharp Drop, Permits Offer Hope**

**Bottom Line:** Housing starts fell sharply in August, much more than expected, hitting the lowest levels since the pandemic. The always-volatile multifamily sector led the declines, though, suggesting the magnitude of the decline was likely just normal volatility. That said, amid higher mortgage rates, single-family declined modestly. Rates are having an impact on builders' outlooks. The National Association of Homebuilders reported yesterday a second month of declines in prospective buyer traffic in August after seven months of higher readings earlier this year. On the plus side, building permits rose in August.

Overall, housing starts looked like they would quickly swing from bottoming to a complete rebound. But that notion is in jeopardy now. While structural, demographic-led demand for housing exists, developers appear worried that higher mortgage rates will hamper potential buyers.

## Total US Housing Starts

August: 1.28M -164k consensus: +1.44M



Contingent Macro Advisors 2023 source: US Census Bureau

**Total US Annualized Housing Starts** FELL 164k to 1.28M, BELOW the 3-Month average of 1.38M, BELOW the 6-Month average of 1.41M and 222k BELOW the year-ago level.

**Single-Family Starts** FELL 42k to 941k, BELOW the 3-Month average of 951.33k, ABOVE the 6-Month average of 926k but 22k ABOVE the year-ago level.

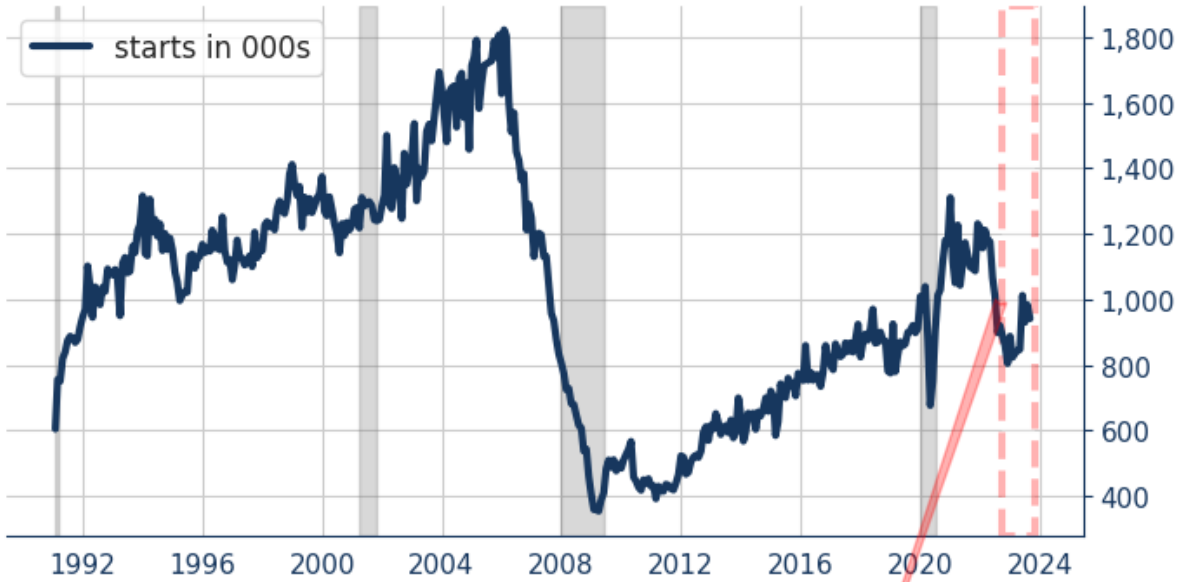
**Multi-Family Starts** FELL 119k to 334k, BELOW the 3-Month average of 420k, BELOW the 6-Month average of 471.17k and 232k BELOW the year-ago level.

- NE Total Starts were nearly unchanged, UP 1k to 97k, BELOW the 3-Month average of 97k, BELOW the 6-Month average of 116k and 81k BELOW the

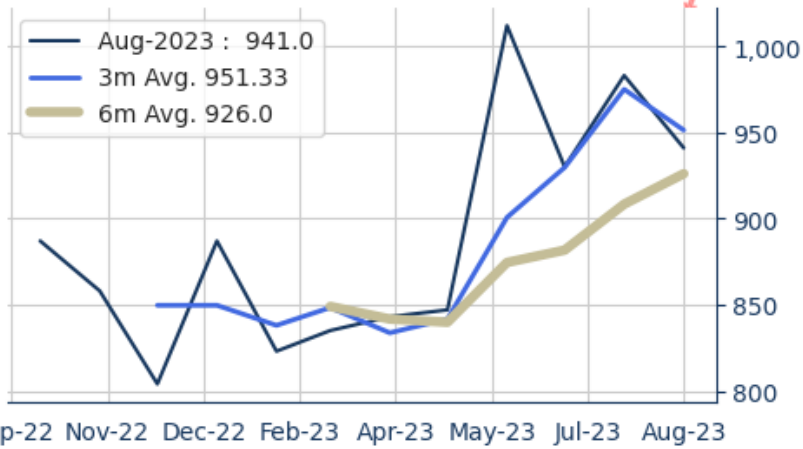
year-ago level. NE Single-Family Starts were nearly unchanged, DOWN 1k to 54k, BELOW the 3-Month average of 56k, BELOW the 6-Month average of 59k and 6k BELOW the year-ago level.

- Midwest Total Starts FELL 13k to 160k, BELOW the 3-Month average of 166.67k, BELOW the 6-Month average of 178k and 22k BELOW the year-ago level. Midwest Single-Family Starts FELL 15k to 107k, BELOW the 3-Month average of 113.33k, BELOW the 6-Month average of 114k and 19k BELOW the year-ago level.
- South Total Starts FELL 38k to 745k, BELOW the 3-Month average of 780.33k, BELOW the 6-Month average of 798.83k and 48k BELOW the year-ago level. South Single-Family Starts ROSE 44k to 590k, ABOVE the 3-Month average of 564.67k, ABOVE the 6-Month average of 558k and 75k ABOVE the year-ago level.
- West Total Starts FELL 114k to 281k, BELOW the 3-Month average of 338.67k, BELOW the 6-Month average of 317k and 71k BELOW the year-ago level. West Single-Family Starts FELL 70k to 190k, BELOW the 3-Month average of 217.33k, BELOW the 6-Month average of 195k and 28k BELOW the year-ago level.
- Total Building Permits ROSE 100k to 1.54M, ABOVE the 3-Month average of 1.48M, ABOVE the 6-Month average of 1.46M but 43k BELOW the year-ago level.
- Single-Family Permits ROSE 19k to 949k, ABOVE the 3-Month average of 934.33k, ABOVE the 6-Month average of 898.33k and 64k ABOVE the year-ago level.
- Multi-Family Permits: Two-Four Unit ROSE 12k to 59k, ABOVE the 3-Month average of 52.67k, ABOVE the 6-Month average of 53.67k and 8k ABOVE the year-ago level.
- Multi-Family Permits: 5+ Unit ROSE 69k to 535k, ABOVE the 3-Month average of 488.67k, ABOVE the 6-Month average of 510.83k but 115k BELOW the year-ago level.

# Single-Family Housing Starts

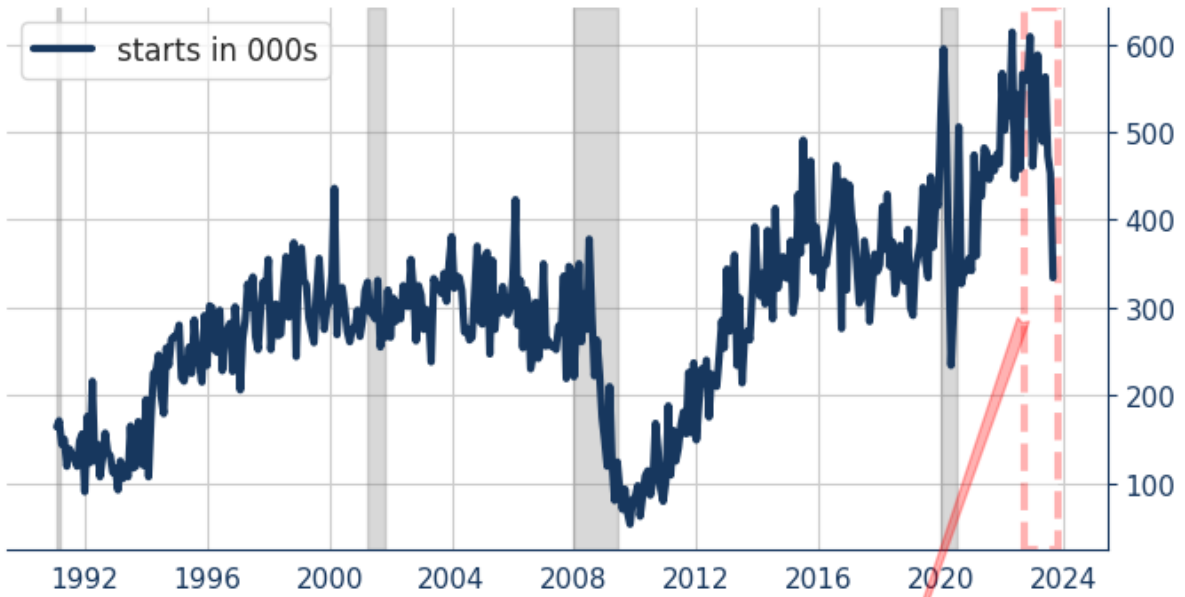


last 12 months

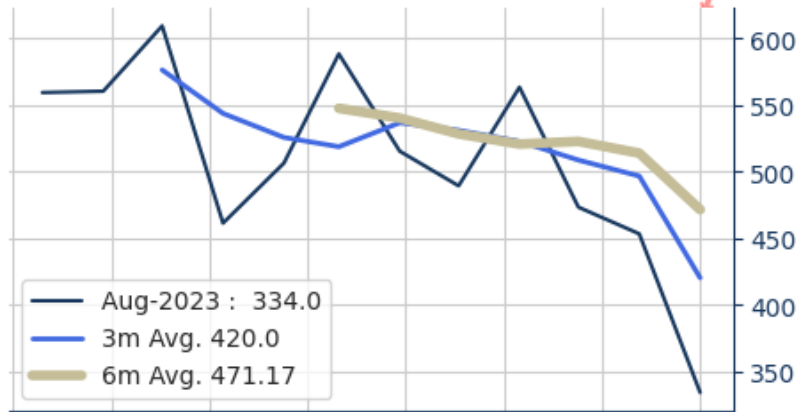


Contingent Macro Advisors 2023 source: US Census Bureau

# Multi-Family Housing Starts



last 12 months



Sep-22 Nov-22 Dec-22 Feb-23 Apr-23 May-23 Jul-23 Aug-23

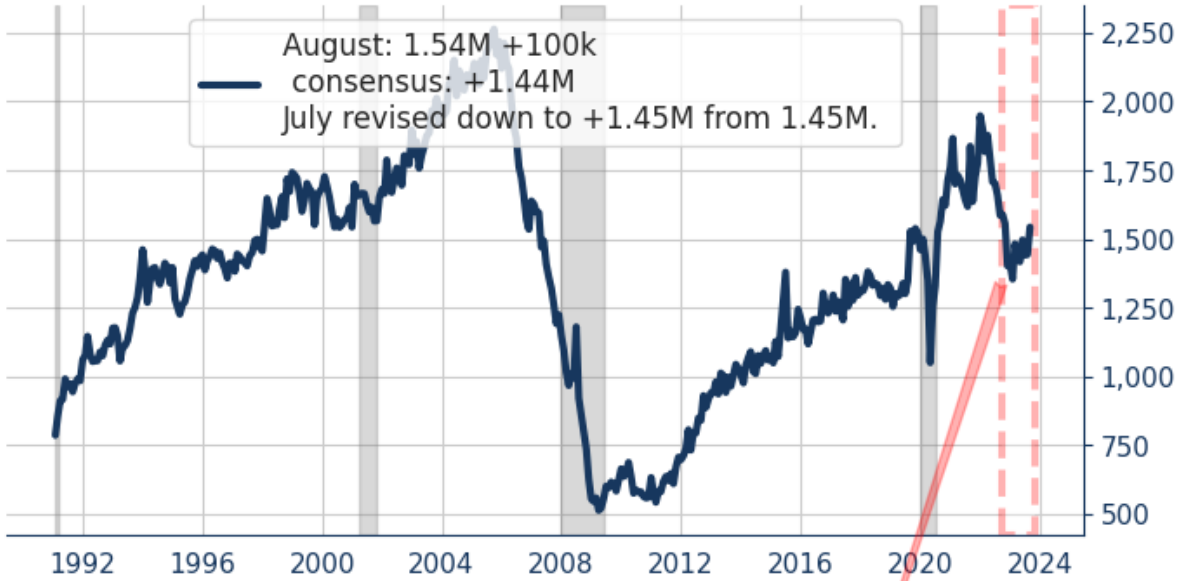
Contingent Macro Advisors 2023 source: US Census Bureau

# Total US Building Permits

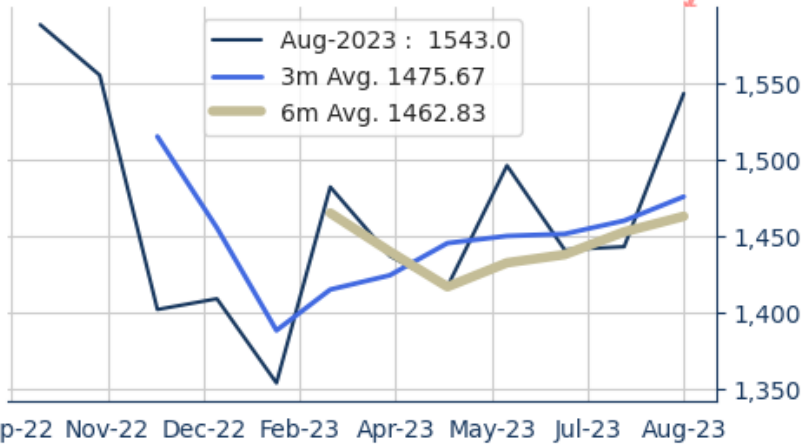
## August: 1.54M +100k

### consensus: +1.44M

### July revised down to +1.45M from 1.45M.



### last 12 months

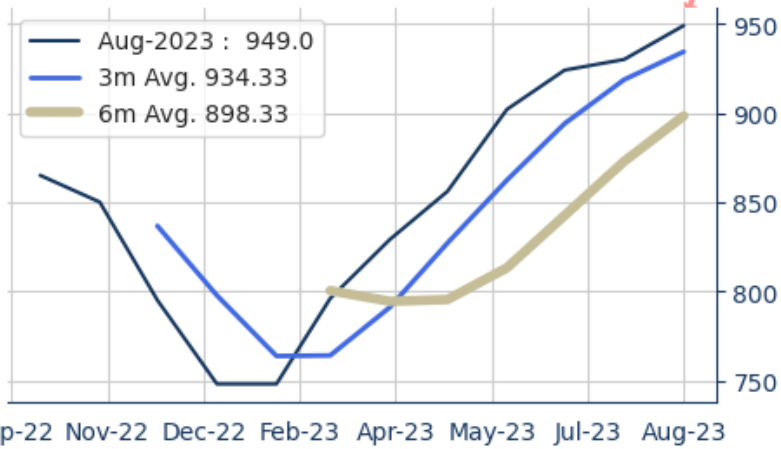


Contingent Macro Advisors 2023 source: US Census Bureau

# Single-Family Building Permits

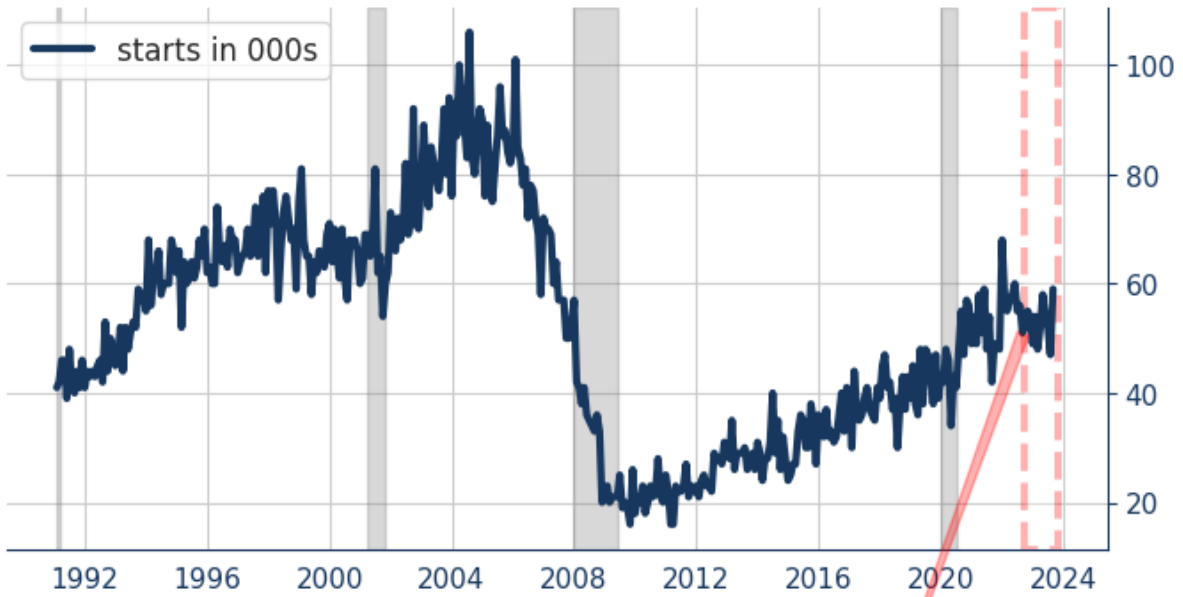


last 12 months

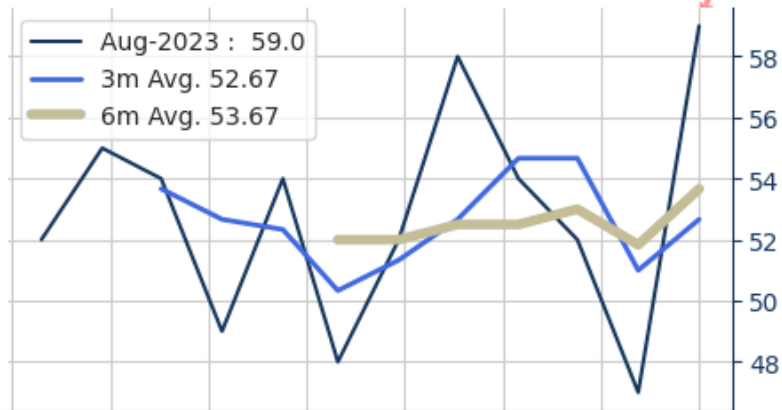


Contingent Macro Advisors 2023 source: US Census Bureau

# Multi-Family 2-4 Unit Building Permits



last 12 months

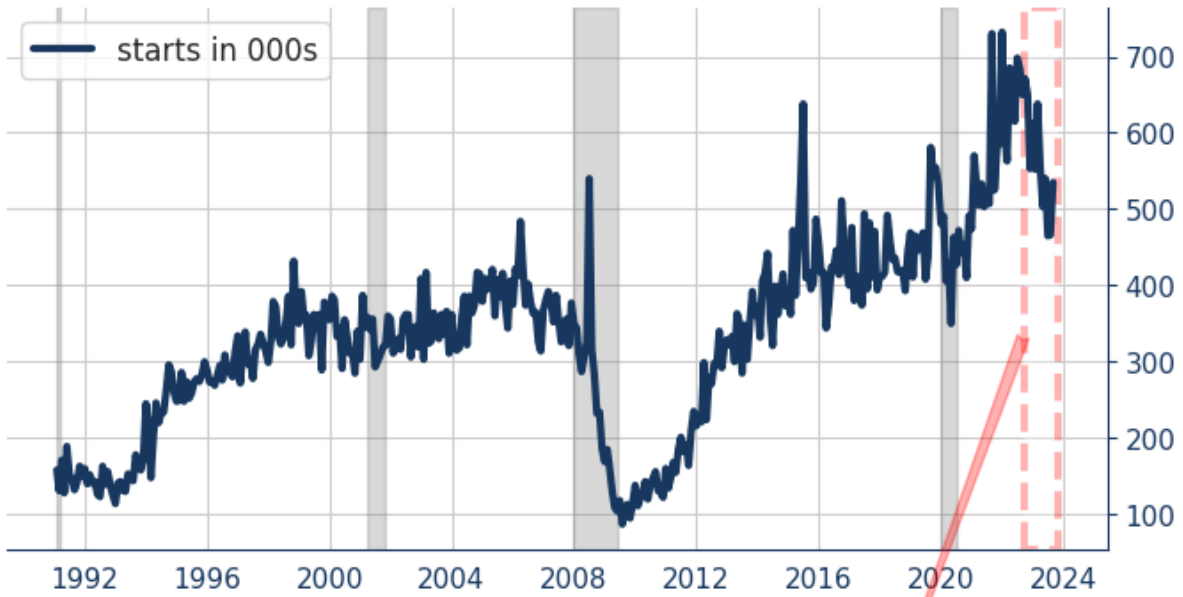


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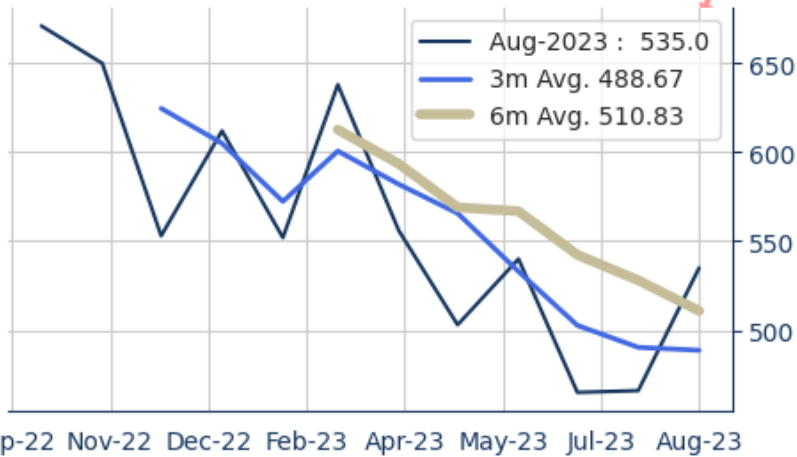
Contingent Macro Advisors 2023 source: US Census Bureau



# Multi-Family 5+ Unit Building Permits

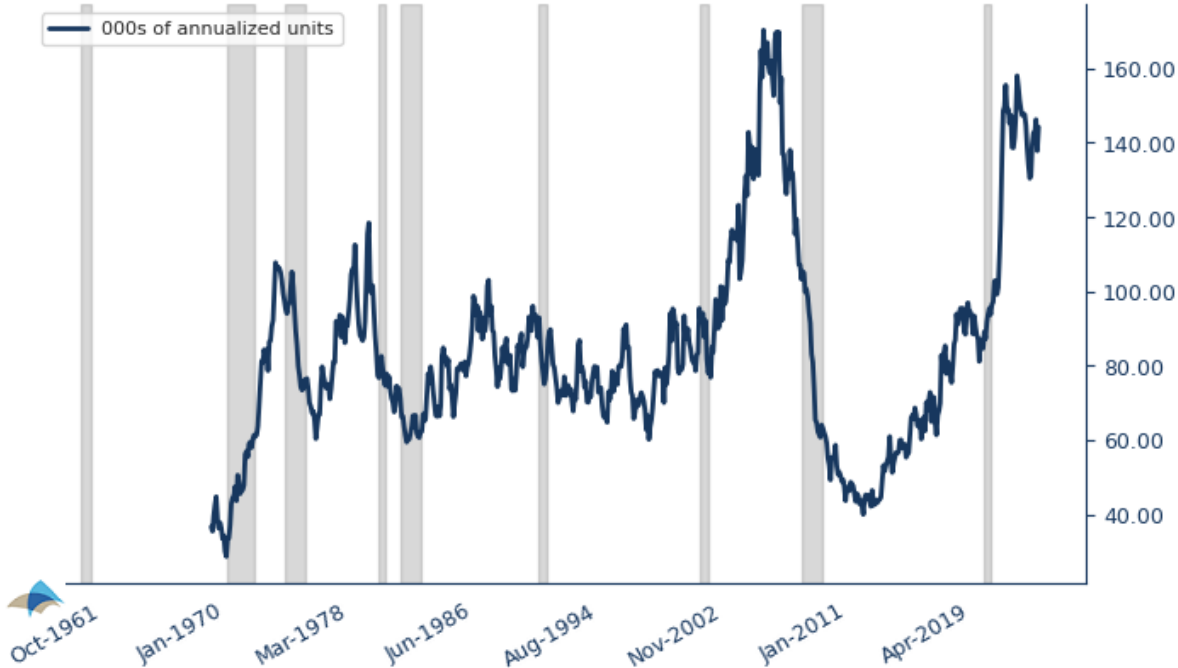


last 12 months

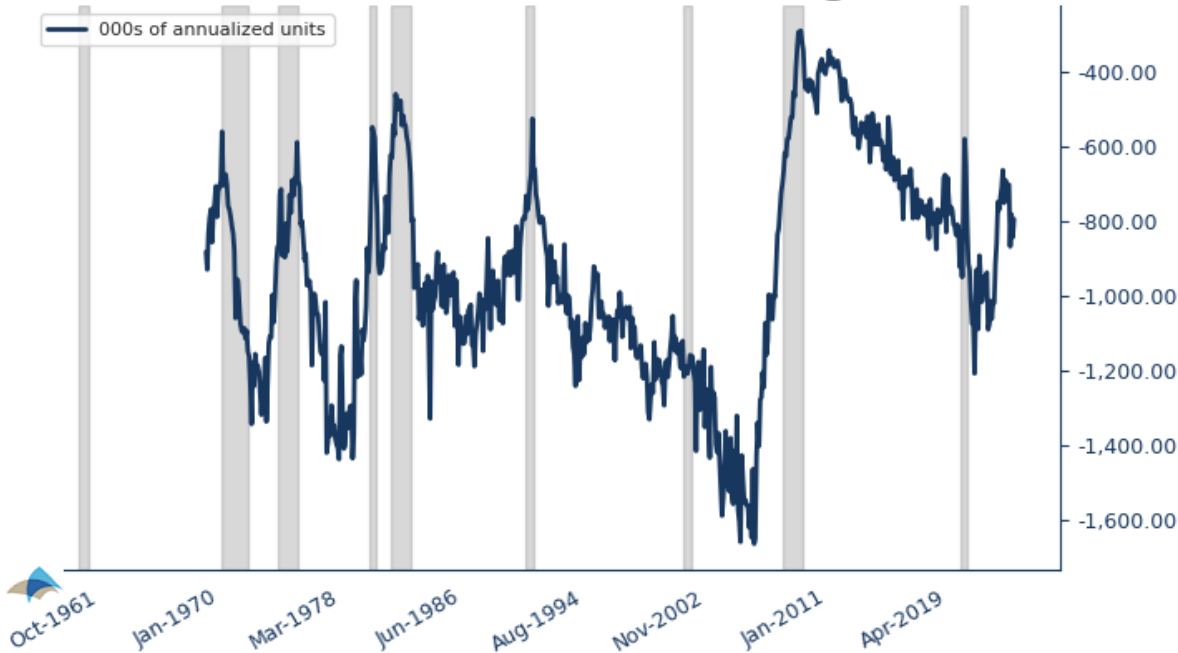


Contingent Macro Advisors 2023 source: US Census Bureau

## Single-Family Permits Authorized Not Started



## Authorized Permits less Housing Starts



US Housing Starts	Aug-23	Jul-23	Jun-23	May-23	3m. avg.	6m. avg.	12m. avg.	2022	2021	5y
<b>Total Housing Starts</b>	<b>1283</b>	<b>1447</b>	<b>1418</b>	<b>1583</b>	<b>1383</b>	<b>1410</b>	<b>1410</b>	<b>1551</b>	<b>1606</b>	<b>1435</b>
<b>Single-Family Housing Starts</b>	<b>941</b>	<b>983</b>	<b>930</b>	<b>1012</b>	<b>951</b>	<b>926</b>	<b>888</b>	<b>1004</b>	<b>1132</b>	<b>981</b>
<b>Multi-Family Housing Starts</b>	<b>334</b>	<b>453</b>	<b>473</b>	<b>563</b>	<b>420</b>	<b>471</b>	<b>509</b>	<b>530</b>	<b>462</b>	<b>441</b>
NE Total Housing Starts	97	96	98	96	97	116	122	143	137	125

NE Single-Family Housing Starts	54	55	59	61	56	59	65	64	68	62
Midwest Total Housing Starts	160	173	167	260	167	178	183	206	218	191
Midwest Single-Family Housing Starts	107	122	111	139	113	114	109	130	150	130
South Total Housing Starts	745	783	813	880	780	799	780	833	849	769
South Single-Family Housing Starts	590	546	558	617	565	558	533	580	645	559
West Total Housing Starts	281	395	340	347	339	317	325	370	401	350
West Single-Family Housing Starts	190	260	202	195	217	195	180	231	268	230

annualized monthly in thousands of units