

U.S. Data Review

- Housing starts: robust gain in July from an upward revised level...
...led by multi-family, but single-family strong as well

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Housing Starts

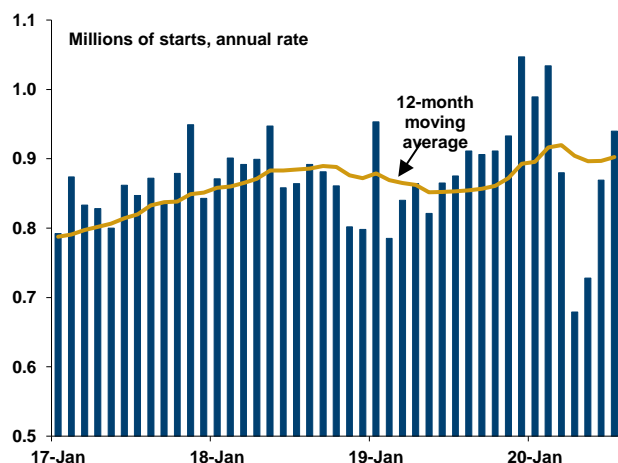
Housing starts surged 22.6 percent in July, easily beating the expected increase of 5.0 percent. In addition, the change occurred from an upward revised results in the prior two months, with May and June combined showing 2.8 more starts than previously believed. The revisions and gain in July left the level of starts at 1.496 million units, close to the brisk average of 1.590 million from December through February and above all other readings in recent years.

Most of the advance in July was the result of a 58.4 percent surge in multi-family activity, with the new level of starts the second strongest of the past several years (556,000 in July versus 628,000 in January of this year; chart, right). Other than The lofty total in January, multi-family starts in July were the best since December 1986.

While multi-family starts dominated the picture in July, single-family activity also was strong, with the number of newly started units jumping 8.2 percent to 940,000 units. The latest total was shy of the brisk results around the turn of the year (average of 1.023 million units from December through February), but single-family starts compared favorably with all other observations from the previous expansion (chart, left).

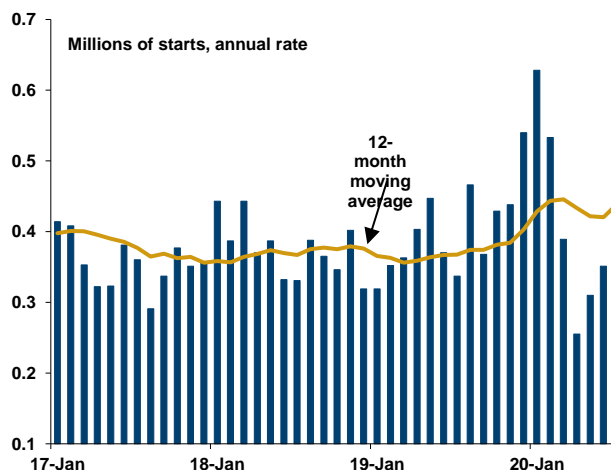
Building permits also were strong in July, increasing 18.8 percent. Many of these permits probably pertained to starts in July, but they also offer hope that activity will remain firm in August. Multi-family led the advance in permits with a jump of 22.5 percent, but single-family authorizations were not far behind with an increase of 17.0 percent. Multi-family permits were in the upper portion of the range from the past several years. Only one reading of single-family permits in recent years was better than the July total (994,000 in February of this year versus 983,000 in July).

Single-Family Housing Starts



Source: U.S. Census Bureau via Haver Analytics

Multi-Family Housing Starts



Source: U.S. Census Bureau via Haver Analytics

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