

# U.S. Data Review

- Housing starts: multi-family softness obscures single-family strength

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## Housing Starts

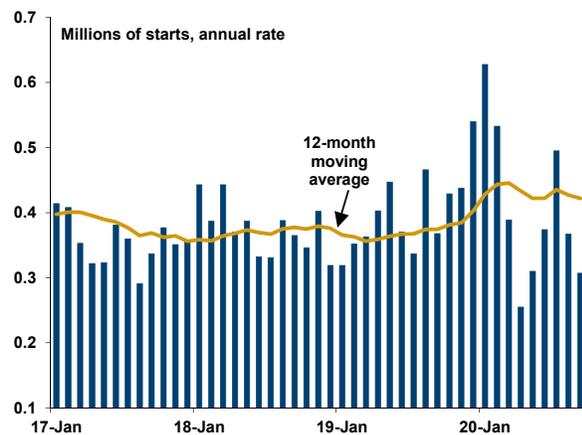
The headline figure on housing starts for September disappointed, as the increase of 1.9 percent was shy of the expected gain of 3.5 percent. In addition, the lighter-than-expected increase occurred from a downward revised level in August (2.0 percent below the previous estimate). All told, the number of starts in September was 3.4 percent softer than the consensus estimate (1.415 million units, annual rate, versus the expected reading of 1.465 million).

The disappointing results in September were concentrated in the multi-family sector, where activity often shows wide monthly swings. All of the downward revision occurred in the multi-family area, and the number of new multi-family starts fell 16.3 percent. The combined changes left multi-family activity in the bottom portion of the range from the past few years (chart, left).

Single-family starts were strong, with growth of 8.5 percent in September adding to the average increase of 11.0 percent in the prior four months. The cumulative changes since April have pushed single-family starts above the pre-virus peak in December and to their highest level since June 2007. The single-family results were influenced by unusually strong activity in the South (up 17.7 percent to a level well above previous readings), but the Northeast and West also posted good results. Activity fell sharply in the Midwest, but the drop of 16.4 percent followed a similar-sized gain in August and merely pushed activity back to the middle of its recent range.

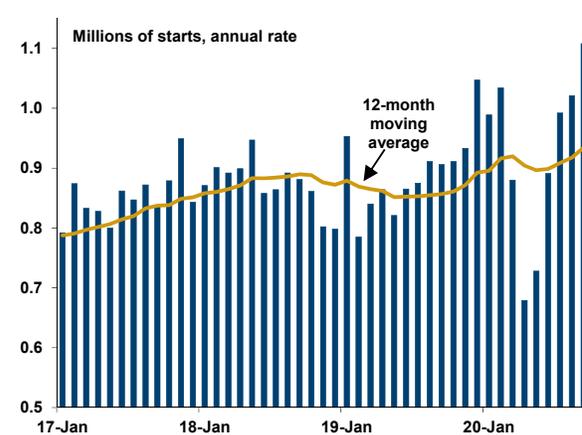
Permits in September followed a pattern similar to that for starts: a retreat in the multi-family sector and a solid advance in the single-family area. Total permits rose 5.2 percent, reflecting a jump of 7.8 percent in single-family authorizations and a dip of 0.9 percent in multi-family permits.

### Multi-Family Housing Starts



Source: U.S. Census Bureau via Haver Analytics

### Single-Family Housing Starts



Source: U.S. Census Bureau via Haver Analytics

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