

U.S. Data Review

- Housing starts: single-family continues to soften; multi-family remains firm

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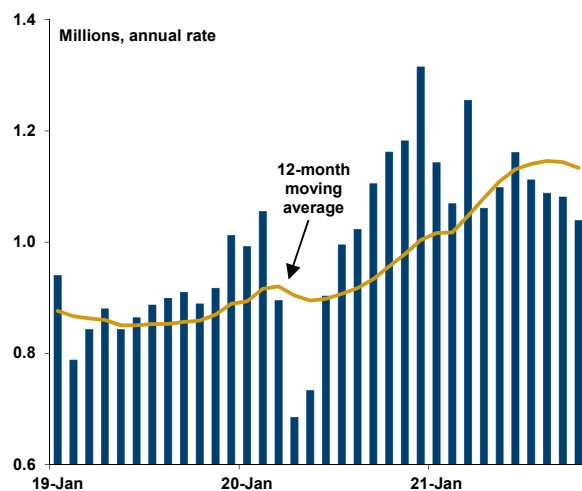
Housing Starts

Housing starts fell 0.7 percent in October, sharply different than the expected gain of 1.5 percent. In addition, results in the prior two months were revised lower, with the number of starts in the two months combined 1.0 percent lighter than previously estimated.

The softness in October was concentrated in the single-family sector, where starts fell 3.9 percent. After rallying in the second half of last year, single-family starts have edged lower this year, with the October total now the lightest of the year thus far. The level of activity is still respectable relative to pre-pandemic norms, but this sector has lost the vigor seen in the closing months of 2020 (chart, left). Results for single-family starts in August and September were revised upward, but the adjustments were small and did not meaningfully alter the downward drift that has occurred this year. While single-family starts have been disappointing this year, a pickup in permits in October (up 2.7 percent) offered hope that activity could improve in November.

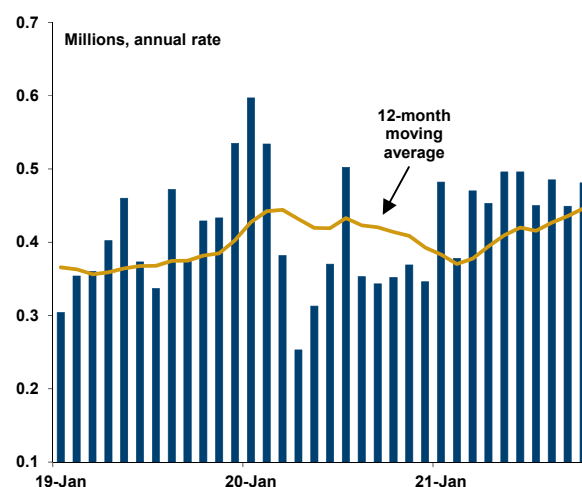
Multi-family starts rose 7.1 percent in October, continuing the firm performance that has been in place throughout the year. Activity has fluctuated from month-to-month, but the level of multi-family starts has generally been firm (chart, right). Indeed, the average number of starts in the first 10 months of the year is the best since the late 1980s. The downward revision to total starts in the prior two months was concentrated in the multi-family sector, but the adjustments were not large enough to alter the favorable performance. Multi-family permits rose 6.6 percent in October. The increase followed sharp swings in the prior two months (a surge in August and a correction in September), with the increase in October returning authorizations to the middle of the recent firm range.

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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