

U.S. Data Review

- Housing starts: jump in multi-family offsets a dip in single-family
- Building permits: surge in multi-family authorizations

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Housing Starts

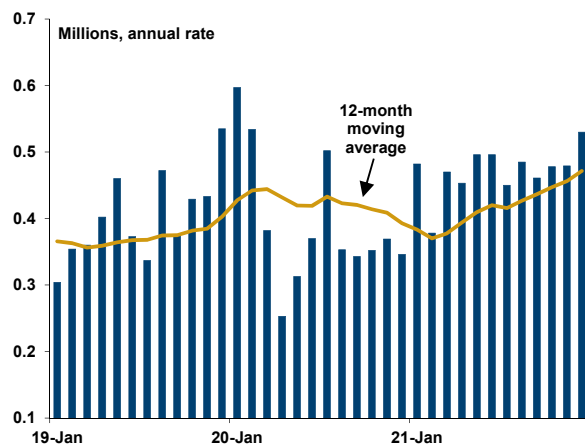
Housing starts rose 1.4 percent in December, easily beating the expected decline of 1.7 percent. In addition, results in the prior two months were revised upward, with total activity in October and November 1.5 percent firmer than previously believed (single-family accounted for most of the adjustment). The latest gain added to a jump of 8.1 percent in November, offsetting most of the slide that occurred in the summer and early fall and leaving starts in the upper portion of the range from the current expansion (and only a shade below the high of 1.725 million in March 2021).

All of the advance in housing starts in December was the result of a jump of 10.6 percent in multi-family activity. The multi-family sector has been firm throughout the year, and the surge in December pushed activity to the highest level of the current expansion and close to the impressive string of observations in late 2019 and early 2020 (just before the onset of Covid; chart, left).

Single-family activity slipped 2.3 percent, but the decline occurred from a strong reading in November (helped by an upward revision of 2.2 percent in November). While the drop in December retraced a portion of the increase in November, single-family starts were still comparable to firm results in late 2020 and early 2021 (chart, right).

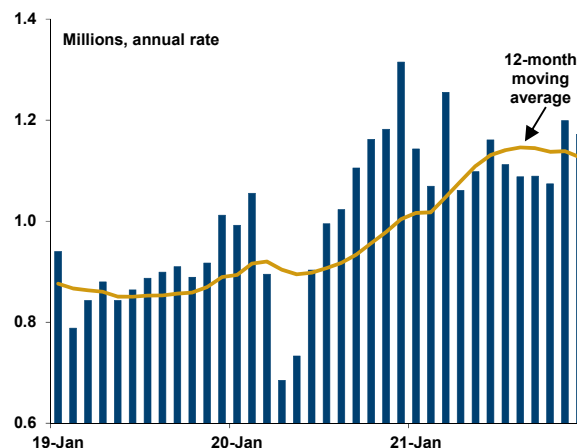
Building permits surged 9.1 percent in December to 1.873 million units, pushing authorizations to the top of the range of the current expansion (and just shy of the recent high of 1.883 million, annual rate, in January 2021). Multi-family permit issuance led the advance, jumping 21.9 percent to the highest level since 1990. Single family permits increased for the third consecutive month (up 2.0 percent in December), but they remained shy of results in late 2020 and in the first half of 2021.

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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