

# U.S. Data Review

- Housing starts: single-family activity fell, but multi-family surged

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## Housing Starts

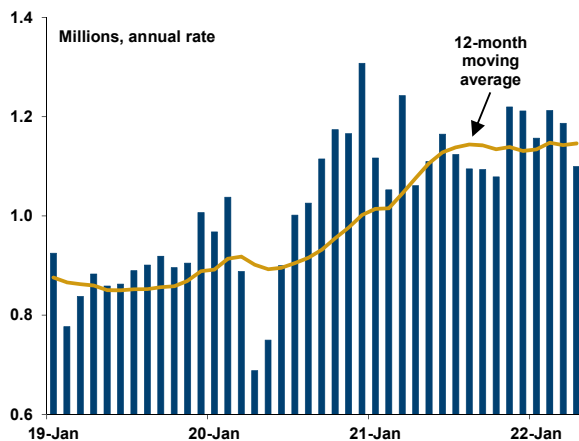
Housing starts eased in April (-0.2%), but the results were softer than implied by the modest month-to-month change. Total starts for March were revised lower by 2.8 percent (1.728 million versus 1.793 million first published), and thus the latest reading of 1.724 million, while only slightly below the revised March tally, missed the expected reading of 1.756 million by a notable margin. In April, all of the weakness was concentrated in the single-family area; multi-family activity surged.

Single-family starts fell 7.3 percent to 1.100 million from downward-revised results in the prior three months (results for January to March were 0.9 percent lighter than first reported; chart, left). The latest reading was 15.9 percent below the high of the current expansion of 1.308 million in December 2020, but it was better than all readings in the prior expansion and it compared favorably to the longer-run performance of single-family activity (excluding the frothy period in the early-to-mid 2000s). Single-family permits fell 4.6 percent to 1.819 million after a decline of 3.4 percent in March, signaling that homebuilders may trim single-family starts further amid slowing demand for housing.

Multi-family starts surged 15.3 percent to 0.624 million units, the best performance since 1986 (chart, right). For reference, the peak in the prior expansion of 0.601 million in January 2020 also was among the firmest handful of the past 30+ years. Results in the prior three months were adjusted lower by 3.5 percent combined, but the performance in April erased all evidence of the prior downward adjustments. Builders likely are sensing a shift in housing preferences as affordability of single-family housing has dropped sharply, and they are boosting inventories of more affordably priced units to meet expected demand. Multi-family permits slipped 1.0 percent to 0.709 million, but the change followed a burst of 9.6 percent in March.

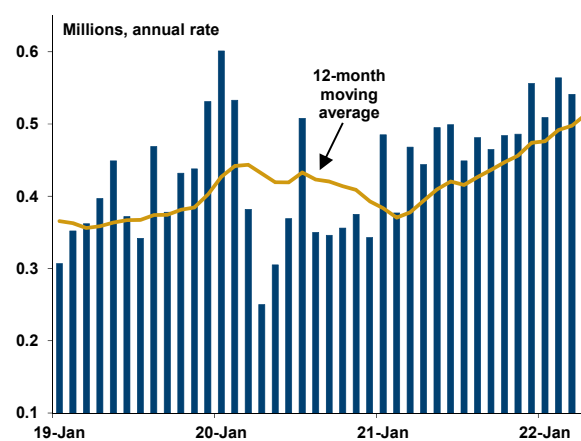
The May report contained benchmark revisions to data from 2017 through 2021. Changes to prior data were modest, with 2021 results slightly firmer than previously reported; single-family starts were nudged lower, but multi-family activity was revised slightly higher. The bigger picture on housing starts over the past few years did not change appreciably from prior results.

### 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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