

U.S. Data Review

- Housing starts: gains in both single-family & multi-family; back to midrange
- Single-family permits lag

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Housing Starts and Permits

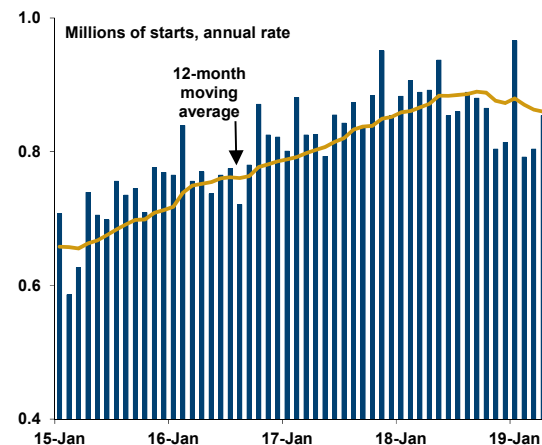
Housing starts rose 5.7 percent in April, a touch lighter than the expected gain of 6.1 percent. However, results in prior months were revised upward, and the combination of the revisions and latest increase pushed the number of units above the consensus estimate (1.235 million units, annual rate, versus a consensus estimate of 1.209 million). The revisions included both the normal monthly adjustments, which left activity in the prior two months combined 1.6 percent firmer than previously believed, as well annual benchmark revisions, which involved slight upward adjustments in the prior few years.

Both single-family and multi-family activity contributed to the latest monthly increase, registering gains of 6.2 percent and 4.7 percent, respectively. The increase in single-family starts pushed the level of building to the middle of the range from the past two years -- slightly below the average from last year but above the average from 2017 (chart, right).

Multi-family starts were a touch firmer than the average from last year (381,000 units in April versus 377,000 last year), although numerous months in recent years have been stronger and the latest tally was shy of the robust performances in 2015 and 2016 (both above 390,000; chart, below left).

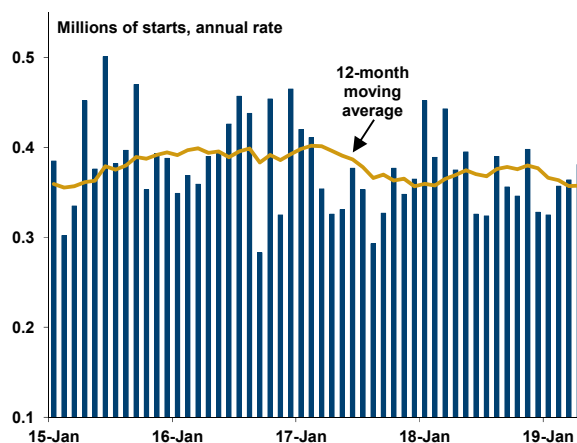
The April results were favorable, but the data on permits suggest that the gain might represent a temporary burst rather than a fundamental turn. Single-family permits fell 4.2 percent in April, continuing the noticeable downward trend that began last year (chart, below right). Multi-family permits were firmer, increasing 8.9 percent and moving to the upper portion of their recent range.

Single-Family Housing Starts



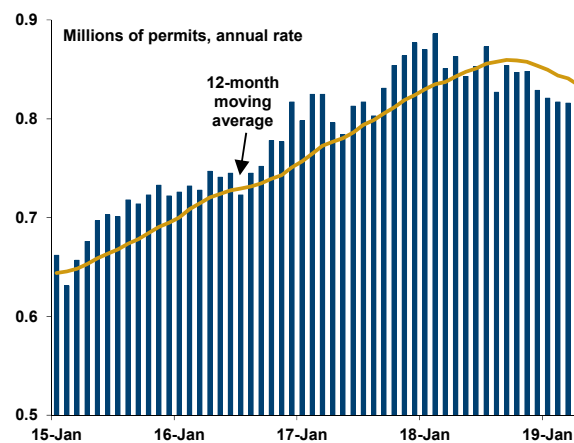
Source: U.S. Census Bureau via Haver Analytics

Multi-Family Housing Starts



Source: U.S. Census Bureau via Haver Analytics

Single-Family Building Permits



Source: U.S. Census Bureau via Haver Analytics

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