

# U.S. Data Review

- Housing starts: brisk in February

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## Housing Starts

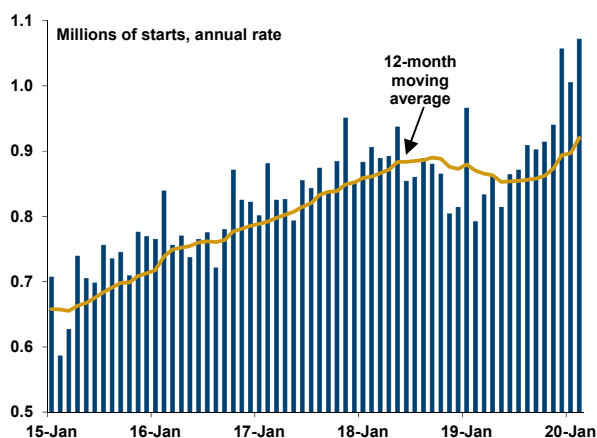
Total housing starts fell 1.5 percent in February, better than the expected decline of 4.3 percent. In addition, the drop occurred from a net upward revision in the prior two months. The combination of the revisions and the smaller-than-expected decline left the level of starts in February above the preliminary total in the prior month (1.599 million units in February versus an initial estimate of 1.567 million for January). The favorable results marked the third consecutive month of brisk activity, with the past three months easily the best of the current expansion. The average number of starts from December through February was 26.6 percent above the average in the first 11 months of 2019.

Single-family starts jumped 6.7 percent in February. The change occurred from a downward revised level, but it was still strong enough to push activity to the highest level of the current expansion. As with total starts, the past three months were the strongest of the current expansion (chart, left).

Multi-family starts fell 14.9 percent in February, but this area often swings widely, and the change occurred from an unusually firm reading in January. Despite the drop, the level of multi-family starts was still above all other readings in the current cycle before December (chart, right).

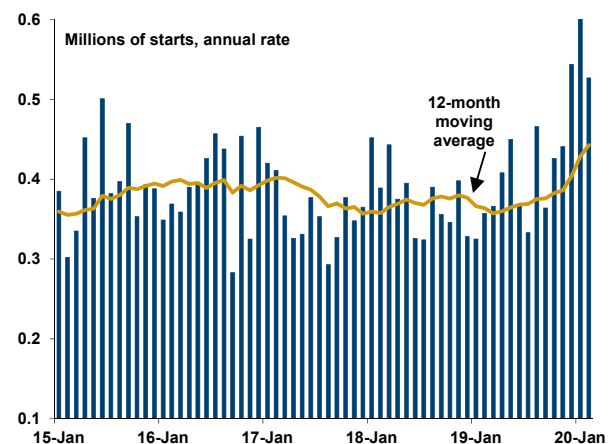
Results next month will be interesting. The low level of interest rates might lead builders to maintain an elevated level of activity in anticipation of strong sales. At the same time, the uncertainty associated with the coronavirus might lead to hesitation (or lack of labor might force restraint). Permits are far from a perfect forecasting tool, but today's results suggest continued firm activity in the single-family sector (up 1.7 percent from an already strong showing; now at the highest level of the current expansion). Multi-family permits fell 18.3 percent and retreated to the middle of the 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

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