

U.S. Data Review

- Housing starts: robust single-family activity

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Housing Starts

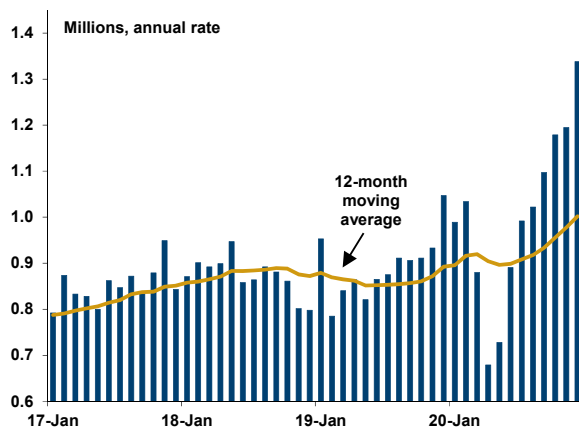
Housing starts jumped 5.8 percent in December from upwardly revised levels in the prior two months (the November level was 2.0 percent firmer than previously believed). The combined changes left the level of starts at 1.669 million units, easily exceeding the expected reading of 1.56 million and pushing starts above weather-aided levels in late 2019 and early 2020.

All of the gain in December occurred in the single-family area, where starts jumped 12.0 percent to 1.338 million units (chart, left). The new level was well shy of totals during the bubble period, but it was easily the best of the post-bubble years and in the upper portions of the ranges seen before the housing bubble. The latest monthly change was concentrated in the Midwest, where starts surged 66.9 percent. Activity in the Midwest lagged other regions in prior months, but it caught up in December. Results elsewhere were mixed (up solidly in the South, slightly in the West, and down a bit in the Northeast), but all regions are now at elevated levels.

Multi-family starts fell 13.6 percent from a mediocre level in November (chart, right). Activity in this sector has been underwhelming in recent months. The pandemic seems to have dampened demand for clustered living, and thus new construction has softened.

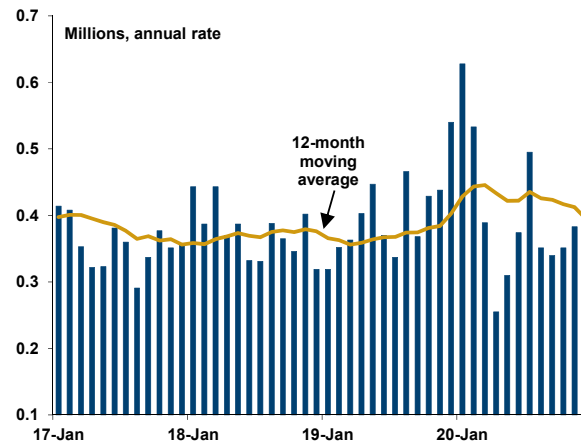
Building permits rose 4.5 percent in December, with the advance concentrated in the single-family sector (up 7.8 percent). Many of these permits might have been used to start units during December and thus do not necessarily point to further gains in January. Multi-family permits fell 3.0 percent, consistent with the sluggish performance seen recently.

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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