

U.S. Housing Starts and Building Permits — April

Permits > Starts=Good News

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Let's get the negative headline out of the way. **U.S. housing starts** were down 3.7% in April, a worse than expected move, to 1.287 mln units annualized, the lowest since December. [Note that today's release also included benchmark revisions dating back to 2013.] This is obviously bad news (and poses a bit of downside risk for our Q2 growth call but it is still really early). Now here come the "yeah, but's":

- 1) It was all due to a pullback in multis, which fell 11.3% after a 13.6% jump in the prior month; singles inched up 0.1% and they make up 70% of the total;
- 2) On a 12-month moving average basis, overall starts are still at their highest level since March 2008; and
- 3) Building permits fell an as-expected 1.8% to 1.352 mln units a.r., but remain well above the level of starts, which bodes well for future construction activity. And, overall permits were weighed by fewer authorizations for multis; singles were up 0.9%.

Bottom Line: Look past the monthly volatility; the trend in starts is still very positive.



Housing Starts and Building Permits

United States (millions of units : a.r.)	(average)				
	Apr	Mar	Feb	3-mo.	12-mo.
Housing Starts	1.287	1.336	1.290	1.304	1.241
(m/m % chng : a.r.)	-3.7	3.6	-3.3	-3.5 ¹	10.5 ²
Single-Family Starts	0.894	0.893	0.900	0.896	0.871
Multi-Family Starts	0.393	0.443	0.390	0.409	0.369
Northeast	0.114	0.124	0.132	0.123	0.115
Midwest	0.164	0.196	0.154	0.171	0.174
South	0.663	0.623	0.615	0.634	0.609
West	0.346	0.393	0.389	0.376	0.342
Building Permits	1.352	1.377	1.323	1.351	1.311
(m/m % chng : a.r.)	-1.8	4.1	-3.1	-1.0 ¹	7.7 ²
Single-Family Permits	0.859	0.851	0.886	0.865	0.842

¹ (3-mnth % chng) ² (12-mnth % chng)

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