

Housing Starts Jump But Don't Be Fooled

Housing starts jumped up 89K units, but all of the gain was contained in multi-family issuance. The Commerce Department noted a change in New York City building codes which accounted for much of the multi-family gain. Single-family starts and permits both declined again indicating continued weakness for this segment.

Starts Jump – All Multifamily

- Starts jumped 9.1 percent in June, but most if not all of the increase can be attributed to a change in New York City building codes. The Commerce Department noted that housing starts would have fallen 4.0 percent on the month excluding Northeast multi-family activity. Permits increased as well on the same factors.

Single-Family Market Continues Decline

- The single-family market, largely unaffected by the code changes, showed continued declines. Although, the pace of declines has slowed, we are looking for weak activity at least through the summer.
- In a separate release yesterday, homebuilders' sentiment fell to a new all-time low indicating continued weakness.

