

Housing Starts Dropped Sharply as Multi-Family Activity Collapsed

Starts dropped to a new all-time low of just 458,000 units as multi-family activity dropped to a mere 90,000 units at an annual pace. The more volatile multi-family series has been the driver behind several large drops in recent months. Single-family activity managed a second straight gain giving some credence to a bottoming process.

Starts Dropped Again

- Starts dropped 12.8 percent led by a more than 46 percent decline in multi-family activity. Single-family activity actually moved higher for the second straight month, up 2.8 percent.
- Building permits showed a similar picture to starts, with the headline pushed lower by a big drop in multi-family activity. The single-family market appears to be establishing a bottom and may level out as we move into summer.

Multi-Family Collapsed

- Multi-family activity has been hammered in recent months; starts are down 72.3 percent over the past year and permits nearly as much. This market will likely remain under pressure.
- In a separate release yesterday, the NAHB/Wells Fargo builders' sentiment index moved higher again. While still at an extremely depressed level of 16, we are encouraged by builders' slowly improving sentiment.

