



## Housing Starts Flatten, Permits Promise Future Improvement

Residential construction numbers were mixed in October. The U.S. Census Bureau and Department of Housing and Urban Development report an increase in construction permits but a small decline in construction starts. Overall, however, **both single-family and multi-family production are running well ahead of their 2020 results.**

Permits for residential construction were issued at a seasonally adjusted annual rate of 1.650 million compared to 1.586 million in September, an increase of 4.0 percent. The September rate was a slight downward adjustment from the 1.589 million units originally reported. The October permit rate was 3.4 percent above the pace in October 2020.

Permitting activity was at the top of the range of forecasts from analysts polled by *Econoday*. Those estimates ranged from 1.585 to 1.650 million. The consensus was 1.630 million.

**Single-family permits were up 2.7 percent** from September, but down 6.3 percent from the prior October at 1.069 million units. Multifamily permits, those for units in buildings with five or more, rose 6.5 percent and 34.0 percent from the two earlier periods.

On a non-adjusted basis, builders drew permits for 136,100 units during the month, 85,200 of which were for single-family houses. In September, those numbers were 134,600 and 87,400 units respectively.

Over the first 10 months of 2021 there were permits issued for 1.439 million residential units, an increase of 20 percent from 1.199 million at the same point in 2020. Single-family permitting has improved 17.3 percent year-over-year to 949,400 units. Permits for multifamily construction are up 27.3 percent for the year-to-date (YTD) at 446,700 units.

Housing starts fell 0.7 percent from the September rate to 1.520 million and were up 0.4 percent year-over-year. The September rate of 1.530 million was a downward revision from the original estimate of 1.555 million units.

Unlike permits, housing starts were not within the estimated range from *Econoday* of 1.532 to 1.630 million units. The consensus was 1.587 million.



**William Halick**

Owner, Aceland Mortgage LLC

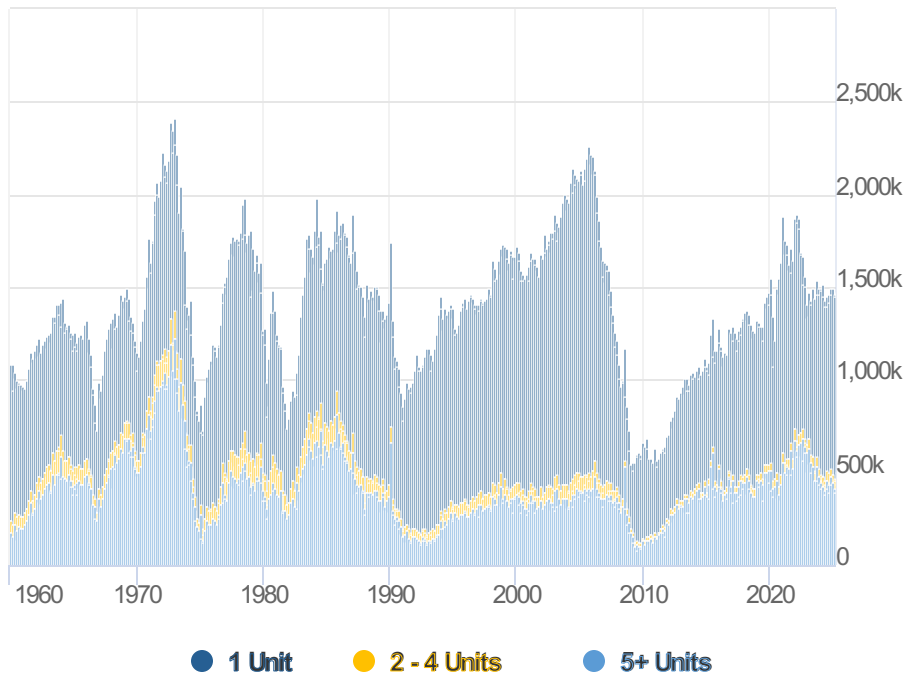
[www.acelandmortgage.com](http://www.acelandmortgage.com)

151 Calle San Francisco  
San Juan Puerto Rico 00901  
1896199



ACELAND MORTGAGE

## Building Permits By Structure



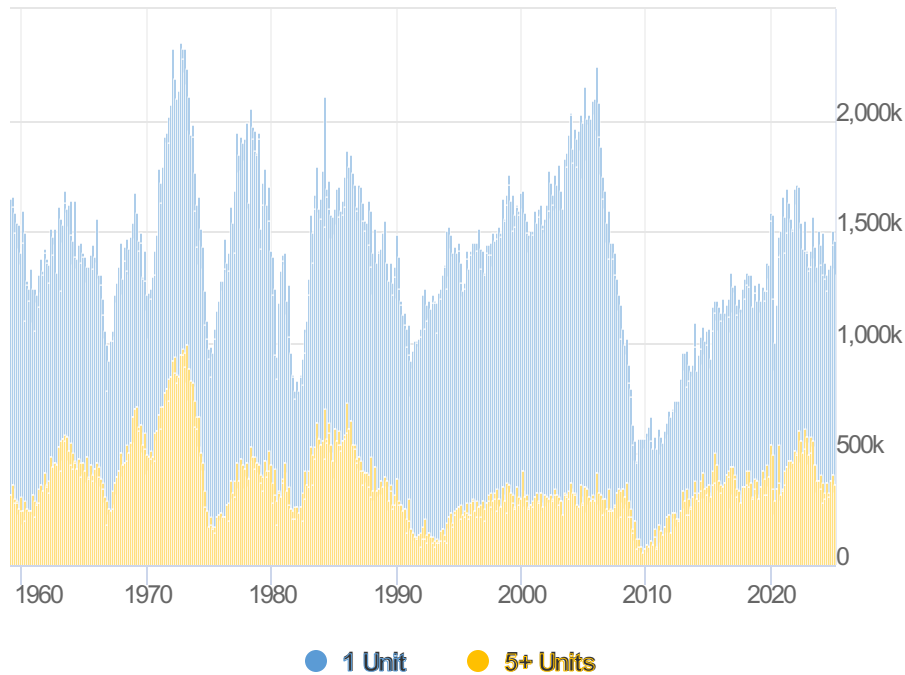
**Single-family starts fell 3.9 percent from September** to 1.039 million from 1.081 million and were 10.6 percent lower than they were in October 2020. Multifamily starts rose 6.8 percent and 39.5 percent from the two prior periods.

On an unadjusted basis, construction was begun on 131,000 residential units in October compared to 133,300 in September. Single family starts numbered 88,500, down from 93,000 the previous month.

YTD there have been 1.342 million starts, up 17.0 percent from the year through October in 2020. Single family starts are up 16.7 percent and multifamily starts are 18.4 percent above those during the first 10 months of last year.

Completions during the month were at a seasonally adjusted rate of 1.242 million unchanged from September and 8.4 percent fewer year-over-year. Single-family completions, at a rate of 929,000, were 1.7 percent fewer than the prior month but 3.5 percent ahead of the prior October. The 302,000-unit completion rate for multifamily units was up 4.1 percent for the down and down 31.7 percent year-over-year.

## Housing Starts By Structure

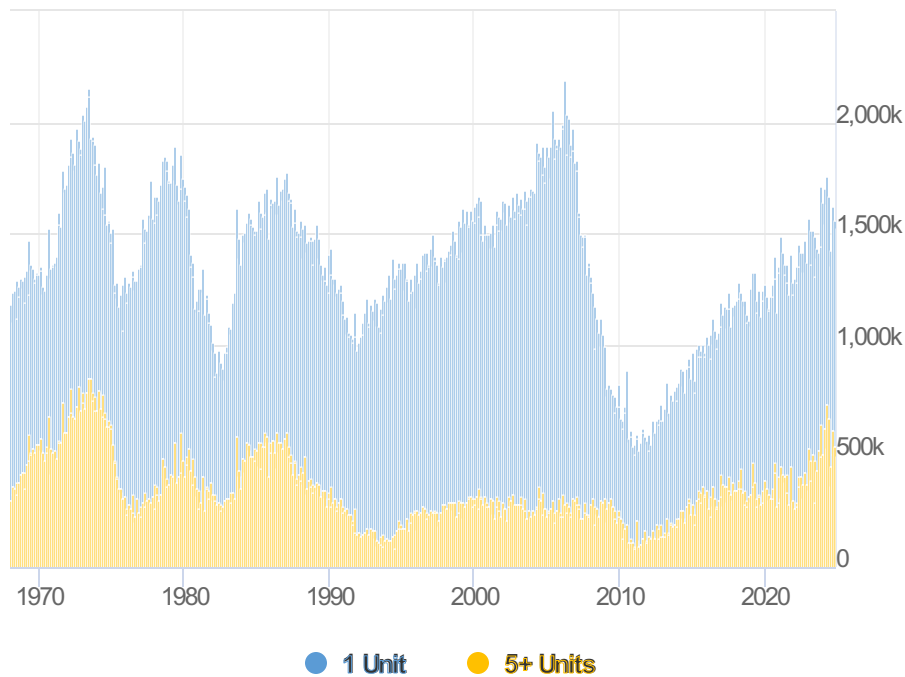


There were 109,600 units completed during the month compared to 103,600 the prior month. **Single family completions numbered 82,600, up from 79,100.**

On a YTD basis there have been 4.2 percent more residences completed at 1.101 million. The 791,900 single-family completions represent a 6.4 percent increase from the same period in 2020, and multifamily completions are about even with last year at 303,300 units.

At the end of October there were 1.451 million housing units under construction, 726,000 single family residences and 712,000 multifamily. There were also 265,000 permits that had been issued but under which work had not been started. The single-family share is 152,000 while the backlog of multifamily permits was 110,000.

## Housing Completions By Structure



Permitting in the **Northeast** was 4.8 percent higher in October than in September but 7.8 percent lower than a year earlier. Housing starts dipped 0.8 percent from the prior month but were up 45.2 percent on an annual basis. Completions rose 19.8 percent from September and were 24.7 percent higher than a year earlier.

The **Midwest** saw gains in permitting of 8.3 percent for the month and 6.4 percent on an annual basis. Starts rose 5.6 percent and 8.7 percent for the month and the year. There were 15.8 percent fewer completions than in September and they were 14.9 percent lower on an annual basis.

The **South** saw a small increase (0.9 percent) in permitting for the month and only slightly more, 1.1 percent, year-over-year. Starts were down for both periods, declines of 1.0 percent and 5.7 percent, respectively. Completions fell 6.7 percent and 10.9 percent.

**Permitting saw the greatest improvement in the West** where it gained 8.1 percent and 11.1 percent compared to September and October 2020. Starts fell 3.3 percent from September and 0.5 percent from the previous October. There were 22.3 more completions than the previous month and 8.7 percent fewer on an annual basis.