



Single-family Construction Stats Rose Slightly in March

Residential construction data for March didn't come close to matching February's performance, but the rate of housing starts held its own. **The good news was an uptick in single-family numbers.**

The U.S. Census Bureau and the Department of Housing and Urban Development reported that permits for residential construction were issued at a seasonally adjusted annual rate of 1.413 million units. This was a **decline of 8.8 percent from the prior month and 24.8 percent below the pace the previous March.** The 13.8 percent surge in February permitting more than held, revised up to 1.550 million from 1.524 million annual units.

Single-family permits, at a rate of 818,000 units, represented an increase of 4.1 percent from February while remaining down 29.7 percent year-over-year. Multifamily permits fell by 24.3 percent and 17.7 percent from those in the two earlier periods,

Residential construction starts were at a seasonally adjusted annual rate of 1.420 million units, a -0.8 percent change from February's revised (from 1.450 million) rate of 1.432 million units. Starts lagged the same month in 2022 by 17.2 percent.

Again, the encouraging news was in **single-family production.** Those starts **rose 2.7 percent to a rate of 861,000 units while multifamily starts backed off by 6.7 percent.** Single-family starts are down 27.7 percent and multifamily 6.1 percent compared to a year earlier.

Robert Dietz, chief economist for the National Association of Home Builders (NAHB) said the improvement in single-family building was the result "of a gradual upturn in March as stabilizing mortgage rates and limited existing inventory helped to offset stubbornly high construction costs, building labor shortages and tightening credit conditions. This is reflected in the slight uptick in builder sentiment in April." As was reported here yesterday, NAHB's index reflecting that sentiment rose a point to 42 this month.



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Single-Family Starts and Builder Confidence



Both permits and starts came close to expectations. Analysts surveyed by Econoday had forecast starts at a slightly lower consensus of 1.400 million units, and overestimated permits with a projection of 1.441 million.

On a non-adjusted basis, there were 129,800 permits issued in March, 79,200 for single-family homes, compared to 110,900 and 58,700 in February. Starts totaled 118,400, up from 103,700. Single-family starts increased from 59,300 to 73,300.

Housing units were **completed** at an annual rate of 1.542 million units **fractionally below the rate in February but 12.9 percent higher than the completion rate in March 2022**. The completion rate for single-family homes was up 2.4 percent from the prior month at 1.050 million units and 0.2 percent lower year-over-year.

Dietz continued: “As an indicator of the economic impact of housing, there are now 716,000 single-family homes under construction. This is 11.8 percent lower than a year ago. There are currently 958,000 apartments under construction, the highest levels since the fall of 1973, and is up 17.3 percent compared to a year ago (817,000). Total housing units now under construction (single-family and multifamily combined) are 2.8 percent higher than a year ago. In March, builders completed 15,000 more homes than began construction, resulting in a decline for the construction pipeline.”

Permitting in the **Northeast** increased by 25.2 percent compared to February but was down 0.1 percent in the **Midwest**, 11.8 percent in the **South**, and 16.5 percent in the **West**. All four regions were behind the March 2022 pace by at least 22 percent.

Housing starts surged by 72.4 percent in the Northeast and were up 6.8 percent in the South. The Midwest and the West saw respective declines from February of 23.6 percent and 28.1 percent. The South eked out an 0.2 percent year-over-year increase, but the other three regions remain well below that earlier pace: down 14.2 percent in the Northeast, 44.4 percent in the Midwest, and 38.6 percent in the West.