



Multifamily Starts Help to Boost April's Housing Stats

The April Residential Construction Report from the U.S. Census Bureau and the Department of Housing and Urban Development shows mixed results in April. Permits fell off slightly from March levels and housing starts showed some improvement.

Construction permits were issued at a seasonally adjusted annual rate of 1.416 million units. This is **1.5 percent fewer than the 1.437 million units permitted in March**. Single-family permits rose 3.1 percent to 855,000 units and multifamily permits fell 9.7 percent to a rate of 502,000 units. Permitting overall was down 21.1 percent from the 1.795 million level in April 2022 and those issued for single-family homes and multifamily units were down 21.2 percent and 23.0 percent respectively.

Any **improvement in housing starts was blurred by a substantial revision** to the March numbers. Originally reported at an annual rate of 1.420 million units, an 0.8 percent increase, the rate of starts was downgraded to 1.371 million in today's report. This accounted for the **2.2 percent gain in April to 1.401 million, the highest rate thus far in 2023**. A similar revision to single-family starts (861,000 units became 833,000) made the 846,000-unit rate in April a gain of 1.6 percent. **Multifamily starts jumped 5.2 percent to 542,000 units**. Starts were down 22.3 percent from a year earlier, single-family starts lagged by 28.1 percent, and multifamily starts were 11.7 percent lower.



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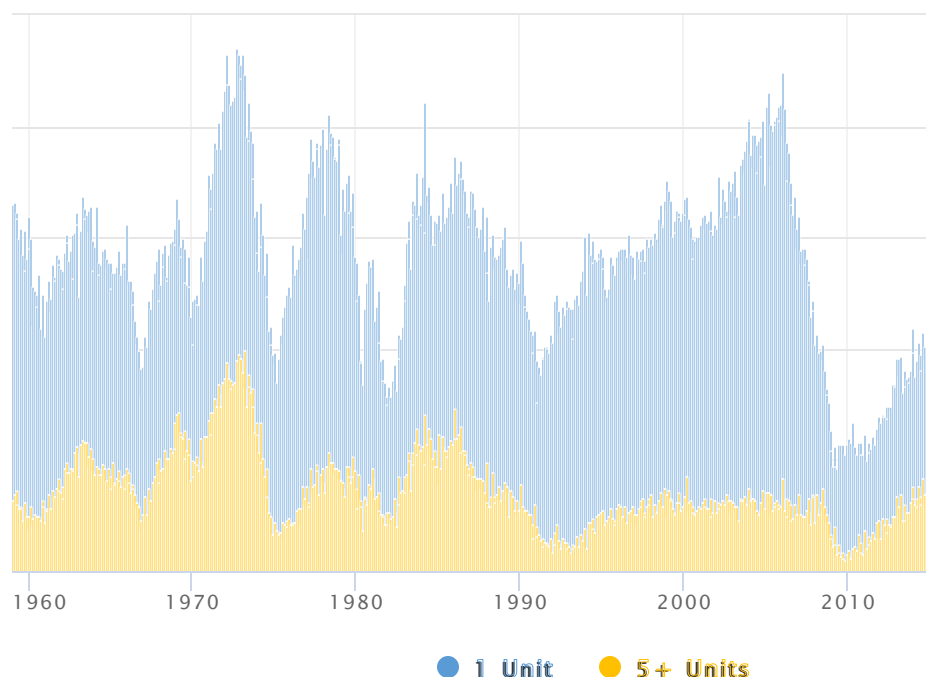
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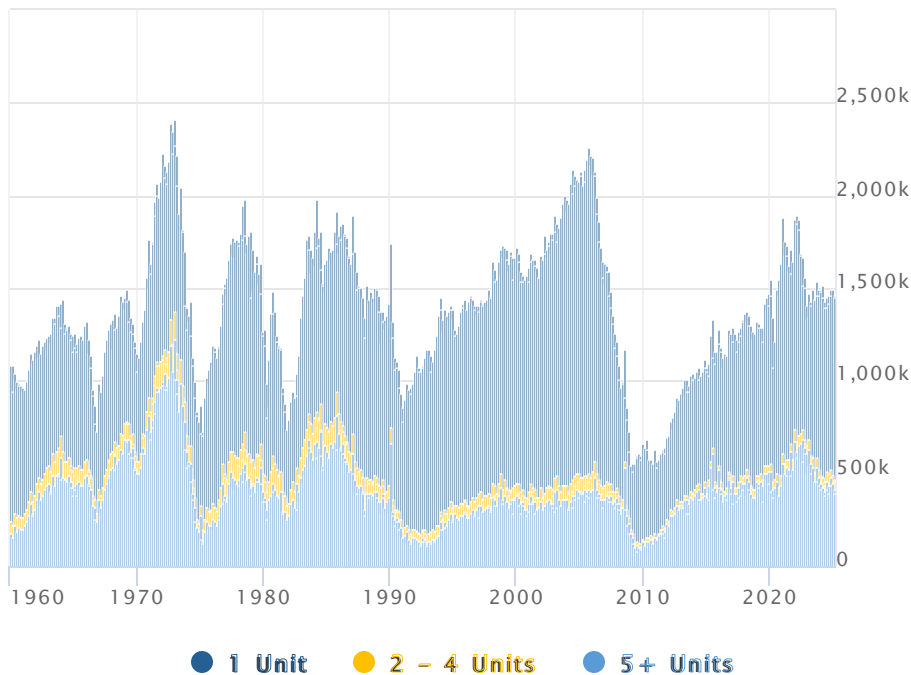
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Housing Starts By Structure



Permits came in slightly higher than consensus estimates from analysts polled by Econoday. They were expected to be at an annual rate of 1.430 million units. The forecast for housing starts was only slightly above the mark at 1.405 million. On an unadjusted basis, there were 117,400 permits issued in April, down from 131,300 in March. Single-family permits fell to 74,900 from 79,400. Starts totaled 127,100, 78,800 of which were single-family homes. In March the totals were 113,600 and 70,800, respectively.

Building Permits By Structure



During the first four months of 2023 there have been 461,500 residential construction permits issued, a 23.0 percent decline from the same period in 2022. Single-family permits are down 30.1 percent to 266,600 and multifamily permits have fallen 10.9 percent to 178,400 units. Year-to-date starts are 20.3 percent lower than those in 2022 at 441,600 and single-family starts have fallen 29.2 percent to 266,400. Starts on units in buildings with five or more are down only 1.0 percent from the previous year to date.

There were **107,500 homes completed in April, almost 20,000 fewer than in March.** Single-family completions fell by 11,000 to 76,400. So far this year, completions are up 8.7 percent from the same period in 2022 to 441,200 although single-family completions at 311,800 are 0.5 percent lower than the first four months of 2022. At the end of April, there were an estimated 1.675 million housing units under construction, 698,000 single-family houses and 959,000 multifamily units. There were also 139,000 single-family and 147,000 multifamily permits outstanding.

Permitting in the **Northeast** region fell 23.6 percent from March levels and was 29.4 percent lower on an annual basis. Starts were down 23.4 percent and 2.2 percent from the two earlier periods. In the **Midwest** there were 15.2 percent fewer permits issued than in March and 28.5 percent fewer year-over-year. Housing starts surged 32.6 percent from March levels but remained down 21.9 percent compared to 12 months earlier. An increase of 4.3 percent in the rate of permits in the **South** leaves that rate down 17.8 percent compared to the prior April. Starts were down 6.3 percent and 23.7 percent. The **West** saw a gain of 3.8 percent in monthly permitting leaving the annual deficit at 21.3 percent. Starts were even stronger, rising 34.6 percent. However, starts are still down 25.5 percent on an annual basis.