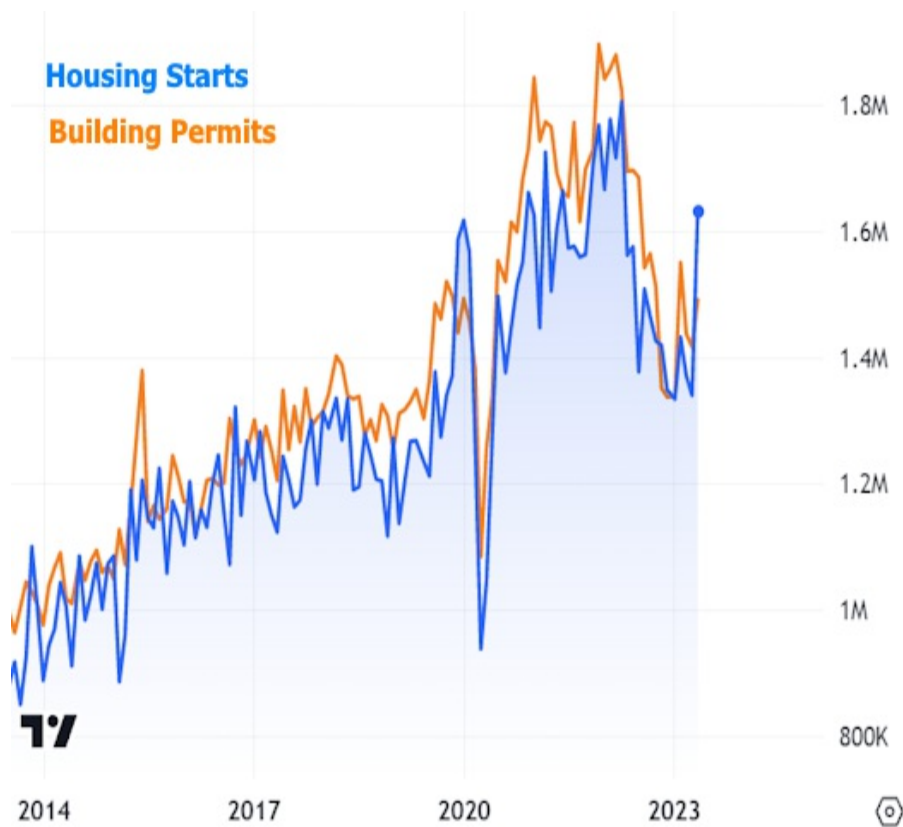




## New Home Construction Growth Swings From 14 Year Low to 13 Month High

Although the New Residential Construction report released by the Census Bureau has notoriously wide margins of error, it's rare to see numbers like today's rendered irrelevant by a revision. In fact, even in the case of the most extreme negative revision, Housing Starts (the ground-breaking phase of new construction) would still be up roughly 7% from April. As reported, starts surged a whopping 21.7% to an annual pace of 1,631,000.



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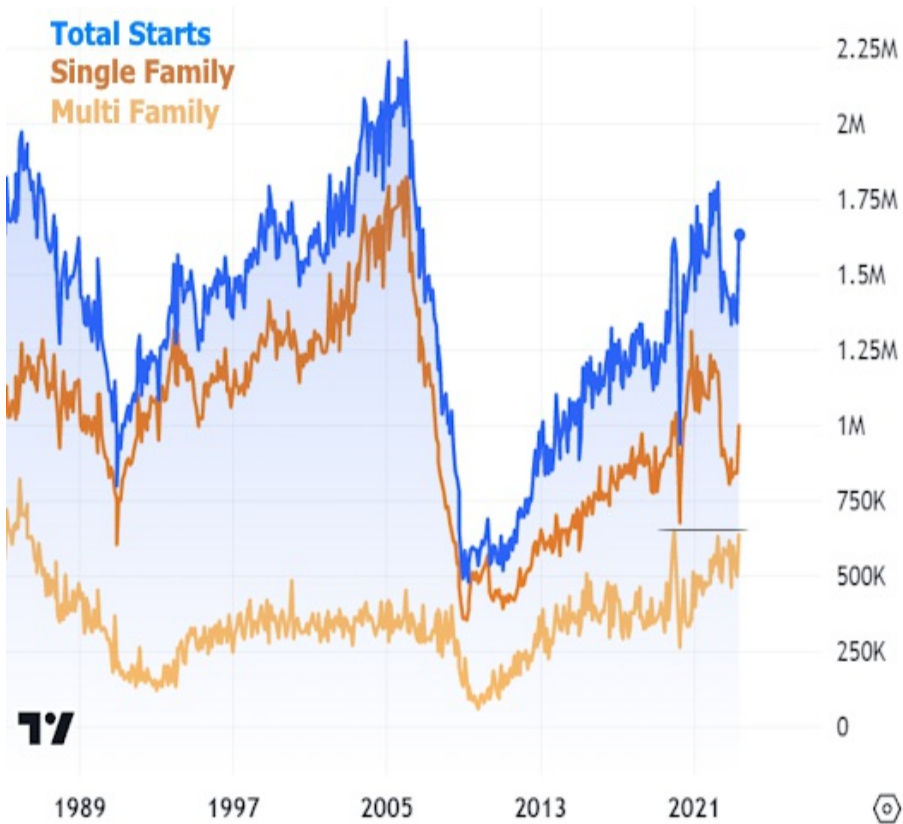
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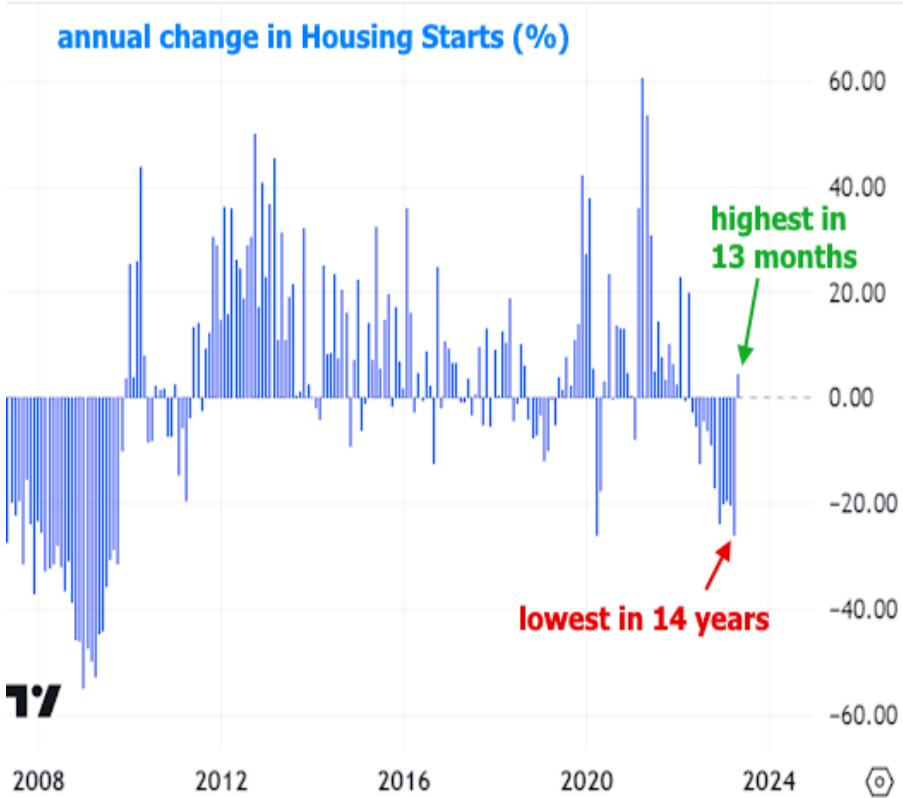
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Multifamily starts jumped even more: 28.1% from last month and 39.6% vs a year ago. Multifamily continues eating into the market share of single family construction, growing 2.4% faster from last month and 33.7% faster over the past 12 months. In terms of outright levels, multi-fam starts are the highest since the 1980s. That said, single family construction still has a bigger piece of the pie.

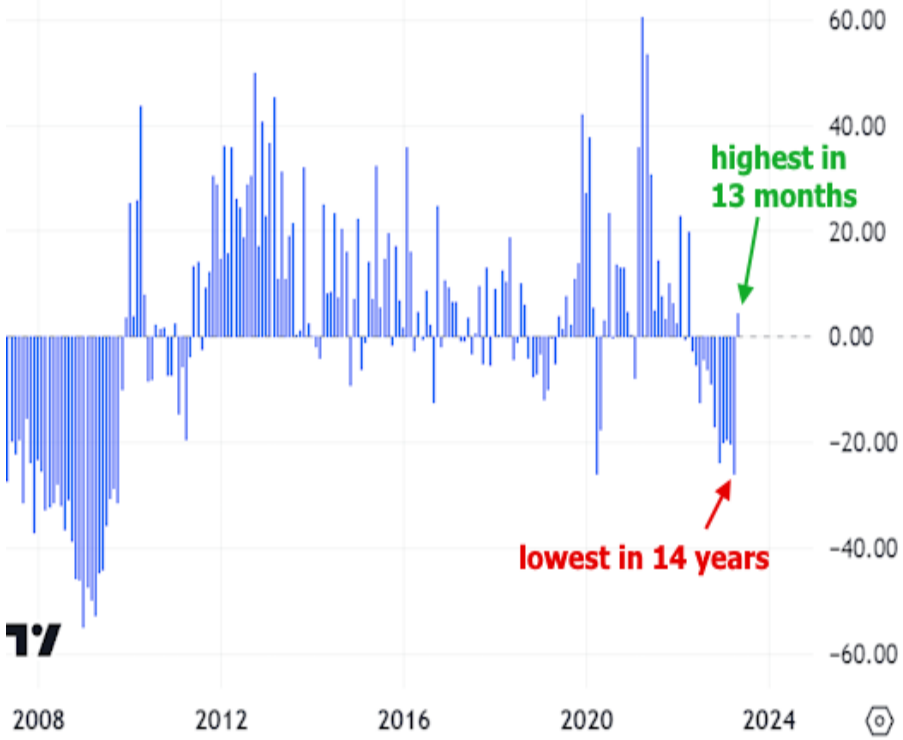


One striking feature of this month's numbers is the sharp reversal from a trend negative growth to positive. In fact, the year-over-year change in housing starts was at a 14 year low last month. Today's data leaves May at a 13 month high (also the first positive reading during that time).



Granted, part of the reason such things are possible is the fact that last year saw a sharp decline from April to May (i.e. today's data is now compared against a much shorter yard stick), but even then, the outright level of starts is the 10th highest in over a decade.

# annual change in Housing Starts (%)



17

2008 2012 2016 2020 2024

