SOLD

Housing Starts Hit 2023 High

Housing starts, which had risen modestly in September and October, soared last month, **topping 1.5 million units for the first time in 2023**. The U.S. Census Bureau and the Department of Housing and Urban Development said construction began during the month at a seasonally adjusted annual rate of 1.560 million residential units. This was an increase of 14.8 percent from October's rate of 1.359 million units. The November starts also topped those in November 2022 by 9.3 percent and were significantly higher than the consensus forecasts of both *Econoday* and *Trading Economics* at 1.360 million units.

Construction started on single-family houses at an annual rate of 1.143 million units, an increase of 18.0 percent month-over-month and a whopping increase of 42.2 percent from the prior November. Multifamily starts rose 8.9 percent to 404,000 units, 33.7 percent fewer than a year earlier.

Starts totaled 120,500 on an unadjusted basis, up from 113,700 in October. There were 86,100 single-family home starts compared to 80,800 the prior month.
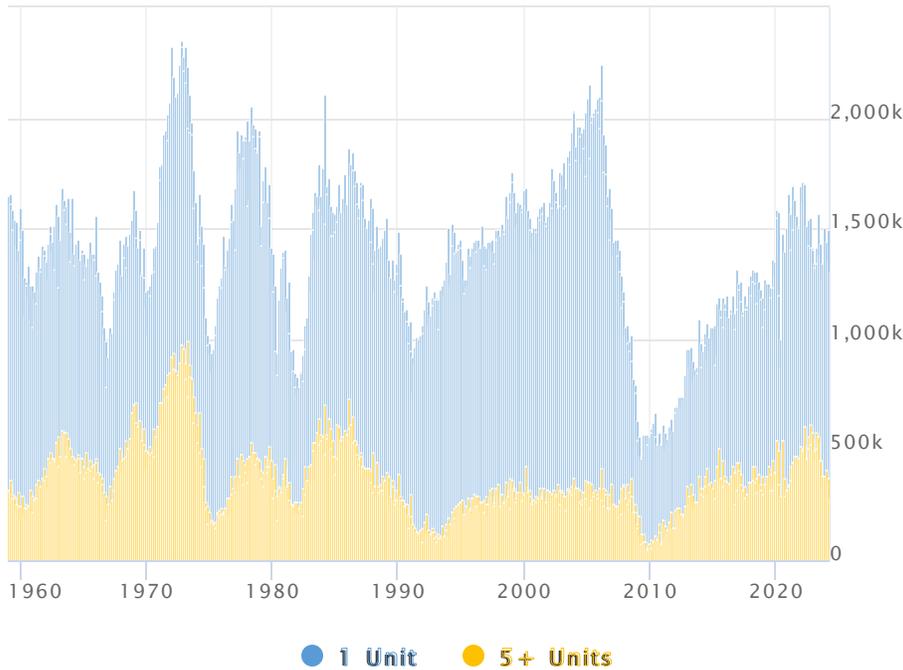
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Housing Starts By Structure

Legend: ● 1 Unit   ● 5+ Units

Construction permits retreated from their October level. Units were authorized at an annual rate of 1.460 million units, a 2.5 percent decline from September but 4.1 percent higher on an annual basis. Single-family permits rose 0.7 percent to 976,000 annual units, 22.8 percent higher than in November 2022, while multifamily permits were down 9.6 percent and 21.3 percent from the two earlier periods.

Building Permits By Structure

Analysts had expected permits to be slightly higher. The consensus from both publications was 1.470 million.

Before adjustment, 108,000 permits were issued in November, 69,600 of them for single-family houses. The October totals were 125,300 and 79,800.

For the year-to-date, there have been 1.363 million permits issued and 1,314 million residential units started, During the same period in 2022, permits totaled 1.555 million and starts numbered 1.458 million. Single-family starts are 7.2 percent lower than last year and **multifamily starts have declined 14.5 percent.**

There were 117,500 homes completed during the month, 78,500 of them were single-family, down from 118,900 and 85,500 the prior month. Over the first 11 months of 2023 completions have totaled 1,302 million with 897,300 single-family and 394,100 multifamily units among them. Total completions are up 3.5 percent from the same period last year, but single-family completions are down 3.0 percent. Year-to-date, 394,100 multifamily units have come online compared to 325,100 a year ago.

At the end of the reporting period, there were 1.685 million housing units under construction, 680,000 of which were single-family units. There were 276,000 unused permits, 136,000 for single-family houses.

Housing Starts By Structure
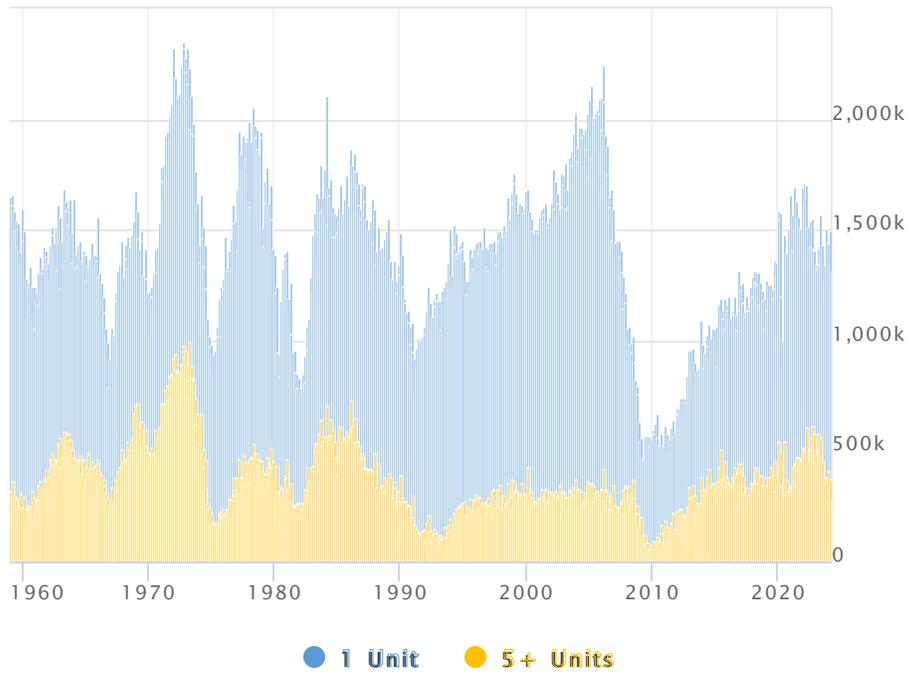
Permits declined by 34.4 percent in the **Northeast** compared to October and 29.4 percent from November 2022. Housing starts doubled from their October rate and were 67.4 percent higher year-over-year. The number of completions was unchanged from October but down 52.8 percent on an annual basis.

The **Midwest** had 12.4 percent more permits approved than the prior month, but 6.8 percent fewer on an annual basis. Starts were up 1.4 percent for the month but 7.9 percent lower than the prior November. Completions increased by 4.7 percent but were still down 9.6 percent for the year.

The **South** saw permits decline 6.7 percent for the month but increase 1.3 percent for the year, while starts rose 16.3 and 13.4 percent. Completions rose 9.1 percent and 6.7 percent, respectively.

Permits were 12.1 percent and 33.1 percent higher than the two earlier periods in the **West**. Starts moved 2.1 percent higher than in October but were 1.7 percent below their November 2022 level. Completions fell by 3.9 percent and 5.5 percent from previous levels.