

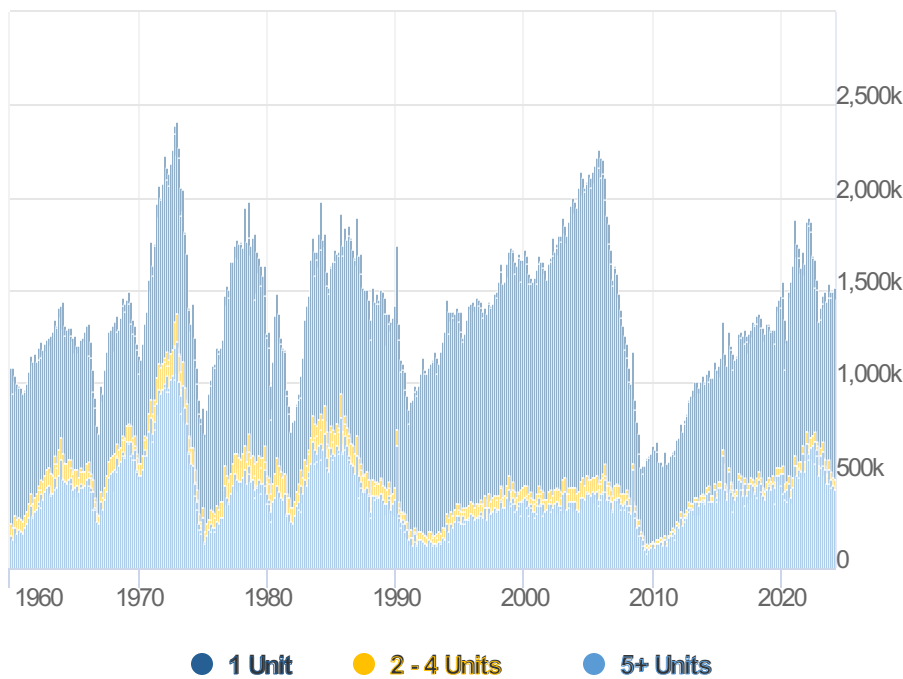


Housing Permits and Starts Drift Lower

The rate of both construction permitting and residential construction starts fell in May, with permitting losing ground for the third straight month. The U.S. Census Bureau and the Department of Housing and Urban Development report that residential authorizations were issued at a seasonally adjusted annual rate of 1.386 million. This is a **decline of 3.8 percent** from the 1.440 million units estimated for April and **9.5 percent** off the pace of the prior May.

Permits for single-family construction were issued at the annual rate of 949,000 and multifamily approvals came in at 382,000. These were decreases of 2.9 percent and 6.1 percent, respectively. Thus, single-family permits increased year-over-year by 3.5 percent, but multifamily permits were 31.4 percent lower.

Building Permits By Structure



Housing starts fell from 1.352 million in April to 1,277 million, a loss of 5.5 percent. Starts declined 19.3 percent compared to the prior May.



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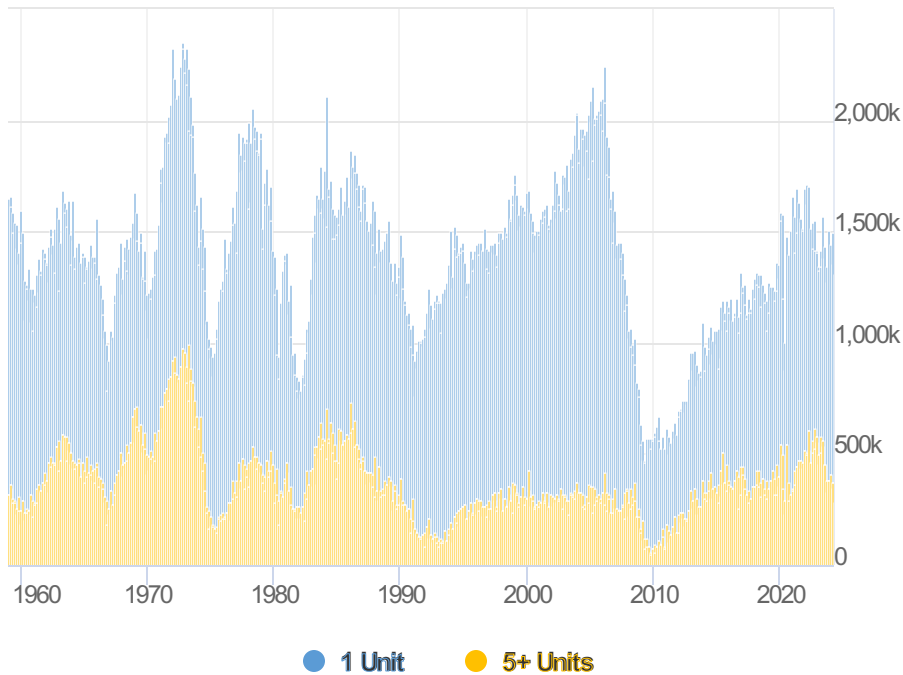
P: (208) 375-5626

3023 E Copper Point Dr
Meridian ID 83642
380736



Single-family starts fell below 1 million for the first time since October at 982,000. This was a 5.2 percent decline from April and 1.7 percent lower than a year earlier. Multifamily starts, at a rate of 278,000 were down 10.3 and 51.7 percent from the two earlier periods.

Housing Starts By Structure



Analysts polled by Econoday had expected both permits and starts to rise slightly above their April levels. The consensus forecast for permits was 1.450 million and 1.373 million for starts.

Permitting activity was little changed from the prior month on an unadjusted basis, Total permits ticked down from 132,300 to 131,200 with single-family permits falling by 300 units to 93,400.

The slowdown was more apparent in housing starts which fell from 123,300 to 116,900. Single-family starts declined to 90,000 from 95,900.

Privately owned housing completions in May were at a seasonally adjusted annual rate of 1,514,000. This is 8.4 percent below the rate in April but up 1.0 percent for the year. **Single-family completions were down 8.3 percent and multifamily completions fell 7.2 percent**, but each rose compared to the same month in 2023; single-family by 2.0 percent and multifamily by 0.8 percent.

During the first five months of 2024, there were 624,500 permits issued for residential construction compared to 619,300 for the same period in 2023. Single-family permits total 429,500, 19.4 percent annual growth. Multifamily permits have declined 27.3 percent to a year-to-date (YTD) total of 172,500.

Starts are 3.6 percent lower YTD than in 2023, at 561,500. Single-family starts, however, have grown by 18.8 percent to 427,100 while multifamily starts declined by 40.6 percent to 129,200.

There have been 612,000 homes completed YTD, 398,500 of them single-family homes. These are gains of 6.6 percent and 0.4 percent compared to the first five months of 2023. The 207,300 multifamily units brought online is 20.5 percent fewer than last year.

At the end of May, there were 1,593 million housing units under construction including 679,000 single families. Builders had a backlog of 275,000 permits, 140,000 of which were for single-family homes.

In the **Northeast**, the rate of permitting dropped 22.4 percent from April and 25.3 percent from the prior May. Starts were down .5 percent and 19.8 percent, respectively and completions by 46.2 and 28.2 percent.

The **Midwest** managed a gain in permitting in May, rising 8.4 percent. The rate was still 7.2 percent lower than a year earlier. The results for starts were not nearly as good. They dove 19.0 percent below April's level and 43.1 percent compared to May 2023. The region had 4.9 percent fewer homes completed during the year and 10.8 percent fewer than last May.

The **South's** permitting was down 6.6 percent from both April and May 2023. Starts declined 8.5 percent for the month and 16.1 percent on an annual basis. Completions slowed by 8.7 percent for the month and 2.7 percent year-over-year..

The **West** posted a 7.1 percent gain from the previous month but was still 10.5 percent lower year-over-year. Starts also increased, up by 10.4 percent. They were 9.4 percent lower than the previous May. Completions rose 7.1 percent compared to April and 15.2 percent for the year.

Housing Starts By Structure

