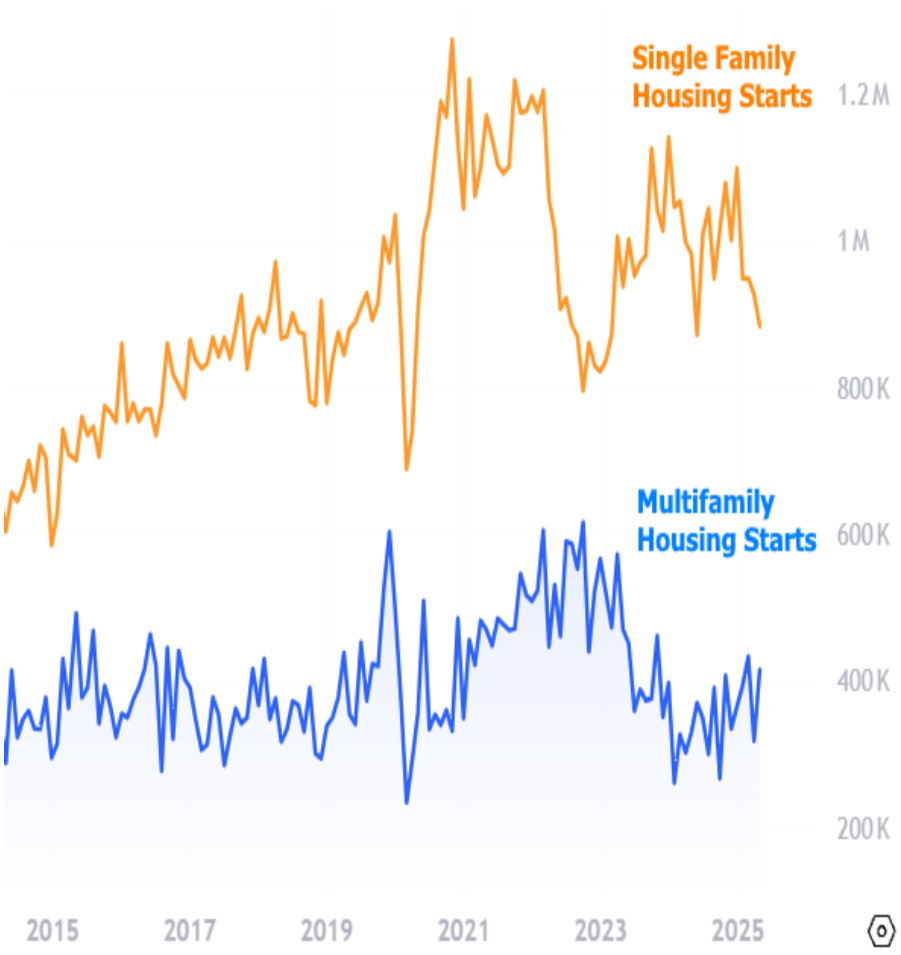
HOUSING CONNECTION
Mortgage and Real Estate News That Matters

Builders Breaking More Ground, But Not on Single Family Homes

The latest Residential Construction report from the Census Bureau showed a mixed bag for June, with a modest gain in overall housing starts driven by a rebound in multifamily construction, while single-family activity continued to decline. Building permits were essentially flat, suggesting a pause in the momentum seen earlier this year.

As usual, the market focuses most on building permits and housing starts, with the latter representing the beginning of actual construction activity. Total starts rose 5.2% to an annual pace of 1.321 million, up from a revised 1.256 million in May.

The increase was entirely due to a sharp rebound in multifamily starts, which surged from 316k to 414k—more than reversing the previous month's drop. In contrast, single-family starts fell 4.4% to 883k, marking the lowest level in 11 months.



Building permits—a forward-looking indicator—were nearly unchanged, inching up from 1.393 million to 1.397 million. That masked a 3.7% decline in single-family permits, which dropped to 866k, while multifamily permits rose modestly from 444k to 478k.

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Meanwhile, housing completions fell sharply, down 13.9% to a seasonally adjusted annual rate of 1.314 million. That included a 12.5% decline in single-family completions, which dropped from 1.038 million to 908k.

While this report shows a slowdown in single-family construction activity, the resurgence in multifamily starts helps keep overall construction afloat. Still, affordability concerns, high mortgage rates, and broader economic uncertainty continue to weigh on new homebuilding—especially in the single-family segment.