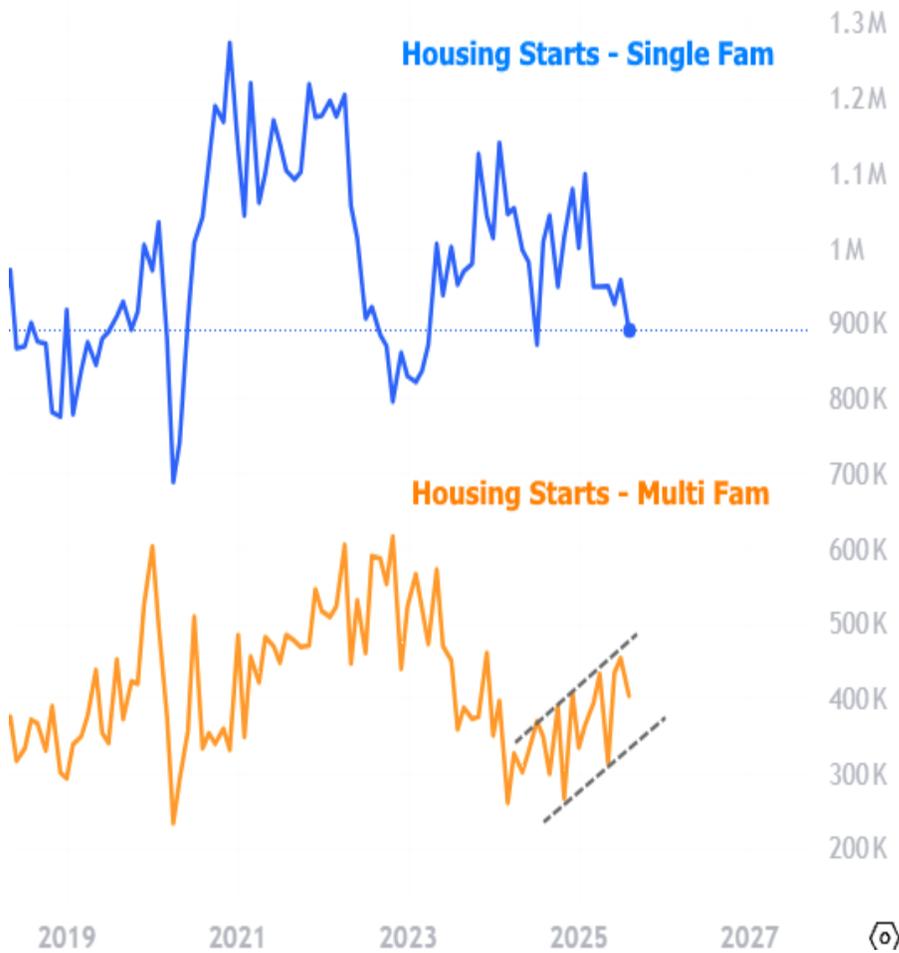




## Big Drop in Building Permits, But Construction Pace is Still Fairly Steady

The Census Bureau's latest Residential Construction report showed a mixed picture for August, highlighted by a sharp drop in building permits. Total housing starts (the groundbreaking phase of construction) fell 2.3% to a 1.398 million annual rate, led by a 3.4% decline in single-family starts to 906k. Multifamily activity eased 1.5% to 464k but continues to trend higher over the past several months, signaling sustained demand for apartments and other multi-unit projects.



### Casey Sullivan

Sr. Loan Officer, The Sullivan Group at CrossCountry Mortgage

[www.thesullivangrp.com](http://www.thesullivangrp.com)

P: (925) 395-4212

[casey@thesullivangrp.com](mailto:casey@thesullivangrp.com)

2125 Oak Grove Rd. Ste. 328

Walnut Creek CA 94598

NMLS237837 & CCM NMLS3029



The standout shift came on the permitting side. Total permits dropped 6.8% to a 1.264 million annual pace—one of the steepest monthly declines in years. Single-family permits slid 5.1% to 827k and multifamily permits fell 9.3% to 437k.



Importantly, though, permits had been running well above starts for much of the year. This latest pullback brings the two measures into closer alignment, suggesting a more balanced pipeline. Note the broadly flat pace of housing starts. This suggests a fairly steady pace of construction for now.

