

Residential Construction Finds Footing in December

What goes down must come up? Definitely not always the case, but true this time for residential construction numbers. The Census Bureau's latest report showed a rebound in December, with both housing starts and building permits moving higher after softer readings in prior months.

Privately owned housing starts rose **6.2%** to a seasonally adjusted annual rate of **1.404 million**, up from November's revised 1.322 million pace. Despite the monthly gain, starts were **7.3%** lower than December 2024 levels. Single-family starts increased 4.1% to 981k, while multifamily starts (buildings with five units or more) came in at 402k.

On the permitting side, activity also strengthened. Total building permits climbed **4.3%** to an annual rate of **1.448 million**, though that figure remains 2.2% below year-ago levels. Single-family permits slipped 1.7% to 881k, while multifamily authorizations rose to 515k, driving the overall monthly increase.



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For the full year, an estimated **1.36 million** housing units were started in 2025, down 0.6% from 2024. Permits totaled approximately **1.43 million**, representing a 3.6% annual decline. The year-end data suggest a construction sector that regained some footing in December but remained modestly below last year's pace overall.