

## Total Housing Starts Plunged in March While Permits Edged Up

- **Total housing starts plunged month-on-month in March but were up slightly from a year ago.**
- **Housing starts rose in two of the four regions.**
- **Housing permits rose on the month but fell slightly from a year ago; housing completions slipped on the month but are higher compared to last year.**
- **Housing demand will likely remain weak in the near term under a great deal of policy uncertainty, although lower rates later this year should improve housing affordability somewhat.**

Total privately-owned U.S. housing starts plunged 11.4% in March to 1.324 million units at a seasonally adjusted annualized rate from a downwardly revised 1.494 million, more than erasing the 10.7% advance in the previous month. Single-family housing starts fell by more than 14%, while multifamily starts (apartment and condominium) were largely unchanged from the prior month. On a year-ago basis total housing starts were still up 1.9%, a notable improvement from the 3.4% decline in February.

Starts climbed in the Midwest (+76.2%) and the Northeast (+1.4%) but fell in the West (-30.9%) and the South (-17.1%). On a year-ago basis, starts were firmly up in the Northeast (+45.8%) and the Midwest (+44.2%), and declined in the West (-8.8%) and the South (-8.1%).

Total housing construction permits rose 1.2% on the month to 1.482 million units and were down 0.2% from March 2024. Single-family permits fell 2.0% while multifamily permits increased 10.1%. On a year-ago basis both single-family and multifamily permits were down marginally. Regionally, permits were lower from a year ago in the Northeast (-17.1%) and the West (-8.5%) and were higher in the Midwest (+7.4%) and the South (+4.5%).

Total housing completions slipped 2.1% month-on-month in March but are up 3.9% from last year. Single-family housing completions in March were up 9.6% from a year ago while multifamily completions were down 4.4%.

Mortgage rates have fallen slightly over the past two months. The average 30-year fixed mortgage rate was 6.62% in the week of April 12, the lowest since mid-December. However, housing demand and permits will likely remain weak as trade policy uncertainties delay investment decisions. The DOGE efforts to cut government employment will also likely limit overall employment gains in the coming months. Moreover, homebuilder confidence remains low with the NAHB/Wells Fargo Housing Market Index registering a relatively weak reading of 40 in April, up one point from March. PNC expects more fed funds rate easing this year, supporting a gradual recovery in housing affordability and housing demand, but risks remain with metals

tariffs and possible increases on lumber tariffs.

**PNC Economics**

**Jay Hawkins, Senior Economist**

[economics@pnc.com](mailto:economics@pnc.com)

Visit [pnc.com/economicreports](https://pnc.com/economicreports) for more information from PNC Economics.