

U.S. Housing Starts and Permits Rose in October While Total Completions Dropped

- **Total housing starts rose 1.9% in October, with both single-family and multifamily starts up.**
- **Single-family housing starts are up over the past year while multifamily starts are down.**
- **Total housing permits rose in October while completions fell.**
- **High interest rates will continue to weigh on housing through mid-2024.**

According to the U.S. Census Bureau, total privately owned U.S. housing starts rose 1.9% in October to 1.372 million annualized units from 1.346 million in September (revised downward from 1.358 million). Single-family housing starts increased 0.2% to 970,000, and multifamily housing starts rose 6.3% to 402,000.

Compared to same time last year, total housing starts decreased 4.2% in October, with declines in the Northeast and the South. Single-family housing starts jumped 13%, rising in all regions but the South. Multifamily housing starts dropped 30%.

The number of total residential constructions permits rose 1.1% on the month to 1.487 million at a seasonally-adjusted annualized rate, but dropped 4.4% from one year ago. Both single-family permits (up 0.5% to 968,000) and multifamily permits (up 2.2% to 519,000) rose in October. On a year-ago basis, single-family housing permits rose 13.9% while multifamily permits dropped 26.4%. Building completions dropped 4.6% to 1.410 million in October at a seasonally-adjusted annualized rate from September.

Mortgage rates are up from the spring, although they have fallen slightly over the past couple of weeks. After contracting in 2021 and 2022 the housing market has stabilized this year, but higher mortgage rates will lead to a further contraction in housing in the first half of 2024, including declines in starts and permits. This will also weigh on housing-related employment. Housing should start to improve in the second half of 2024 as mortgage rates decline.

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