

New Residential Housing Starts Up 3.6% in May

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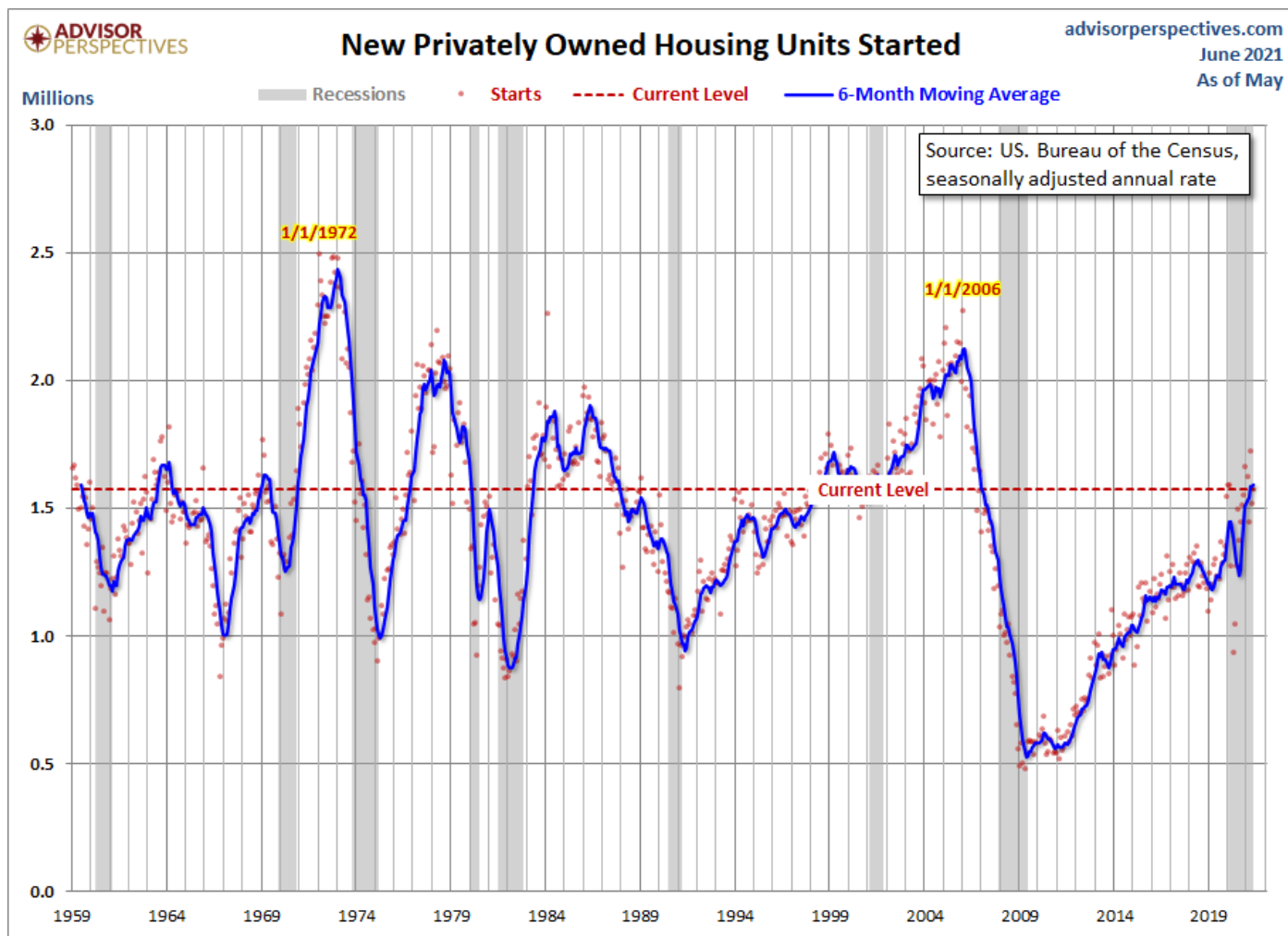
The U.S. Census Bureau and the Department of Housing and Urban Development have now published their findings for May new residential housing starts. The latest reading of **1.572M** was below the Investing.com forecast of 1.630M and a 3.6% increase from the previous month's 1.517M.

Here is the opening of this morning's monthly report, including a note on revisions:

Housing Starts

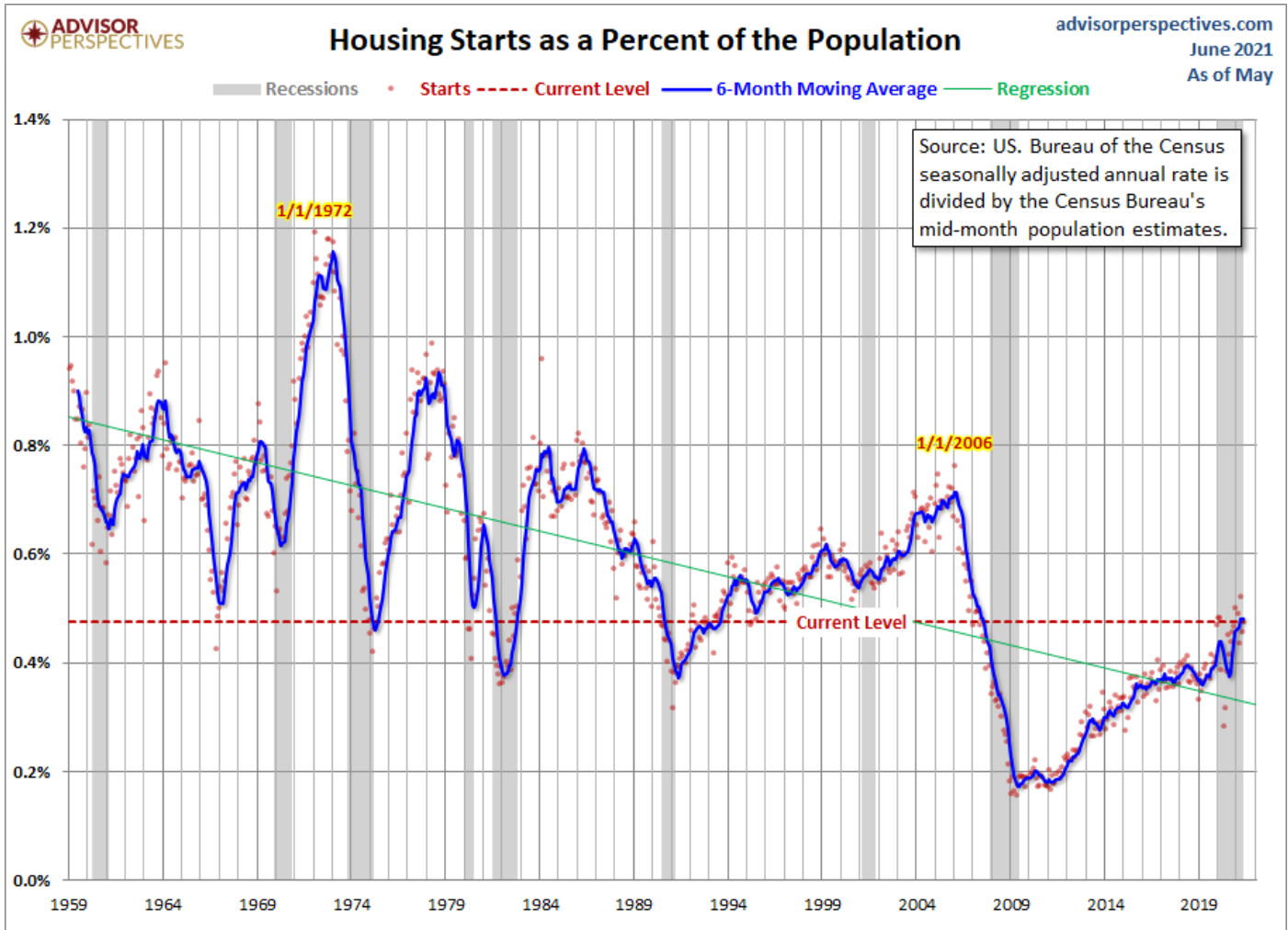
Privately-owned housing starts in May were at a seasonally adjusted annual rate of 1,572,000. This is 3.6 percent (± 10.3 percent)* above the revised April estimate of 1,517,000 and is 50.3 percent (± 15.1 percent) above the May 2020 rate of 1,046,000. Single-family housing starts in May were at a rate of 1,098,000; this is 4.2 percent (± 9.2 percent)* above the revised April figure of 1,054,000. The May rate for units in buildings with five units or more was 465,000. [link to report]

Here is the historical series for total privately-owned housing starts, which dates from 1959. Because of the extreme volatility of the monthly data points, a 6-month moving average has been included.



The Population-Adjusted Reality

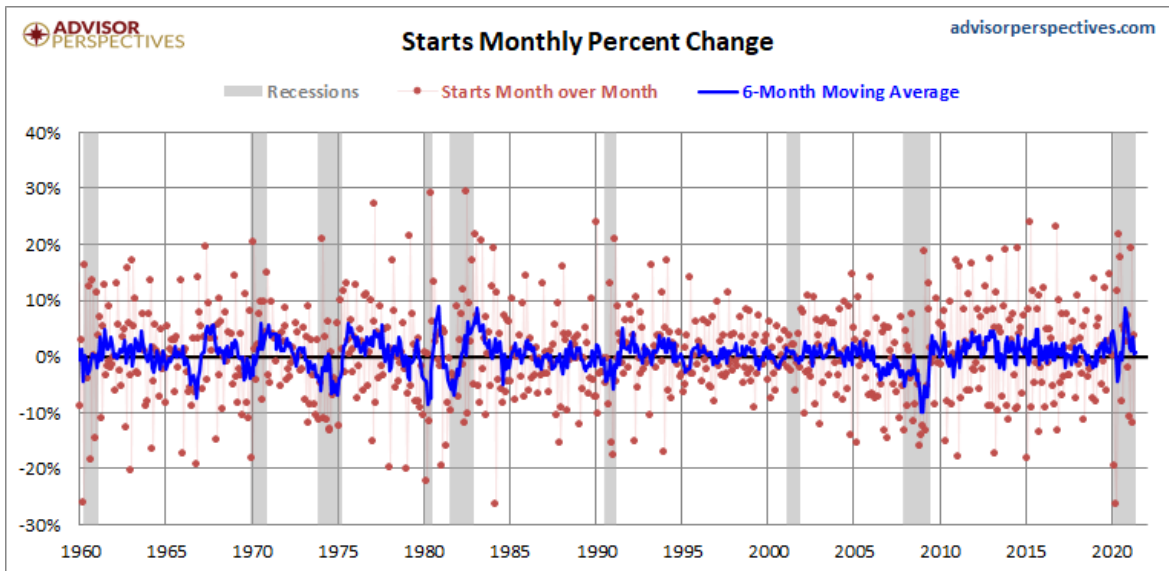
Here is the data with a simple population adjustment. The Census Bureau's mid-month population estimates show substantial growth in the US population since 1959. Here is a chart of housing starts as a percent of the population. We've added a linear regression through the monthly data to highlight the trend.



A Footnote on Volatility

The extreme volatility of this monthly indicator is the rationale for paying more attention to its 6-month moving average than to its noisy monthly change. Over the complete data series, the absolute MoM average percent change is **6.3%**. The MoM range minimum is **-26.4%** and the maximum is **29.3%**.

For visual confirmation of the volatility, here is a snapshot of the monthly percent change since 1990.



For additional perspectives on residential real estate, here is the complete list of our monthly updates:

- S&P/Case-Shiller Home Price Index
- FHFA House Price Index
- NAHB Housing Market Index
- New Home Sales
- Existing Home Sales
- New Residential Housing Starts
- New Residential Building Permits
- Secular Trends in Permits and Starts
- Pending Home Sales