

## Economics Group

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### Housing Starts Rebound Solidly in June

**Housing starts rose 8.3 percent to a 1.215 million unit pace. The gain follows three months of declines. Single-family starts rose 6.3 percent, while multifamily jumped 13.3 percent. Housing permits also rose solidly.**

#### Housing Starts Get Back on Track in June

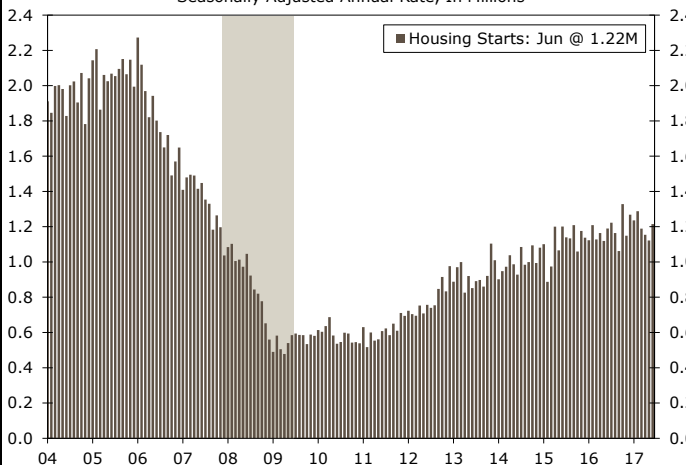
- The housing recovery got back on track in June. Overall starts rose 8.3 percent and the prior month's decline turned out to be only about half as large as previously thought. Permits for future construction also increased, climbing 7.4 percent.
- The rebound in housing starts was widely expected. Activity in prior months had been held back by unusual seasonal factors that have now largely played out.

#### Homebuilders Are Busiest in the South & West

- Single-family starts jumped 10.6 percent in the West and rose 9.3 percent in the Northeast. The South, which accounts for over half of single-family starts, saw starts rise 7.2 percent.
- Apartment construction also bounced back, with starts of projects with 5 units or more jumping 15.4 percent in June. Activity was up sharply in the Midwest and Northeast, but fell in the South, which has seen an onslaught of new supply.

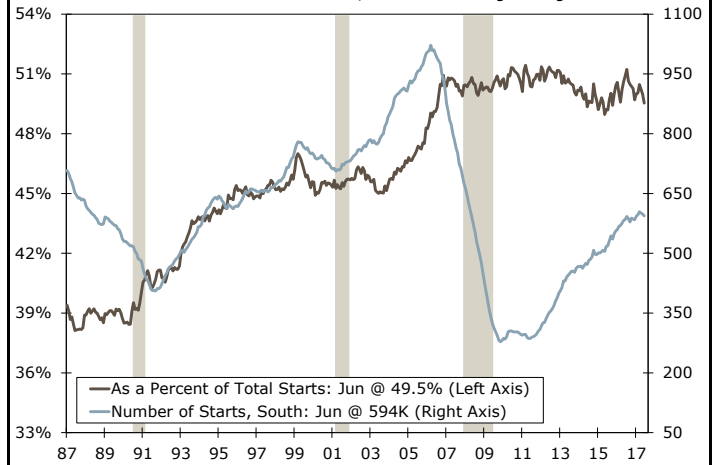
#### Housing Starts

Seasonally Adjusted Annual Rate, In Millions



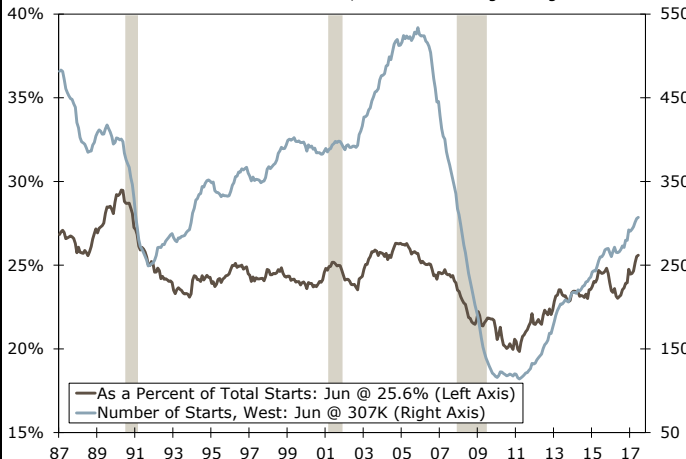
#### Housing Starts in the South

As a Percent of Total Starts, 12-Month Moving Average



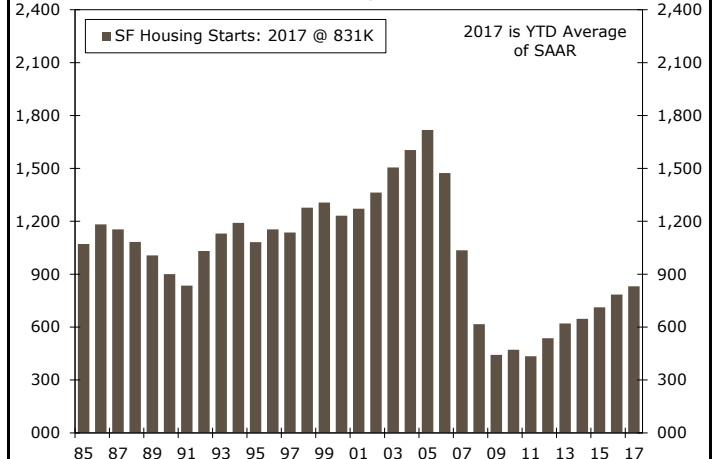
#### Housing Starts in the West

As a Percent of Total Starts, 12-Month Moving Average



#### Single-Family Housing Starts

Annual Average of SAAR



Source: U.S. Department of Commerce, National Association of Home Builders and Wells Fargo Securities

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