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NEWS & MEDIA


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NAHB: Home Construction Unexpectedly Surges in November

By Amy Connolly

The National Home Builder's Association also said apartment and condo starts increased 6.9%.

WASHINGTON – New single-family home construction hit an unexpected high in November, bolstered by strong demand and lower interest rates, the National Association of Home Builders (NAHB) said Tuesday.

Overall housing starts increased 14.8% in November to a seasonally adjusted annual rate of 1.56 million units, according to a report from the U.S. Department of Housing and Urban Development and the U.S. Census Bureau.

The November reading of 1.56 million starts is the number of housing units builders would begin if development kept this pace for the next 12 months. Within this overall number, single-family starts increased 18% to a 1.14 million seasonally adjusted annual rate. However, single-family starts are down 7.2% year-to-date. The multifamily sector, which includes apartment buildings and condos, increased 6.9% to an annualized 417,000 pace.

“Lower interest rates and a lack of resale inventory helped to provide a strong boost for new home construction in November,” said Alicia Huey, NAHB chairman. “And while these higher starts numbers are consistent with our latest builder survey, which shows a rise in builder sentiment and future sales expectations, home builders continue to contend with elevated construction and regulatory costs.”

“The single-family starts figure is remarkably strong, and we would not be surprised to see this figure revised lower or fall back slightly in the next month, given the nearly 20% rise in November,” said NAHB Chief Economist Robert Dietz. “NAHB is forecasting an approximate 4% gain for single-family starts in 2024 as mortgage rates settle lower, economic growth slows and inflation moves lower.”

On a regional and year-to-date basis, combined single-family and multifamily starts are 16.7% lower in the Northeast, 12.3% lower in the Midwest, 6.2% lower in the South and 14.3% lower in the West.

Overall permits decreased 2.5% to a 1.46 million unit annualized rate in November. Single-family permits increased 0.7% to a 976,000 unit rate. However, single-family permits are down 8.4% year-to-date. Multifamily permits decreased 8.5% to an annualized 484,000 pace.

Looking at regional permit data on a year-to-date basis, permits are 19.9% lower in the Northeast, 15.3% lower in the Midwest, 10.3% lower in the South and 12.8% lower in the West.

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