



# Economics Group

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## Housing Starts Pull Back in April

*Housing starts declined 2.6 percent to an annual rate of 1.172 million units in April, disappointing consensus expectations for a modest gain. Multifamily starts led the drop, while single-family starts edged higher.*

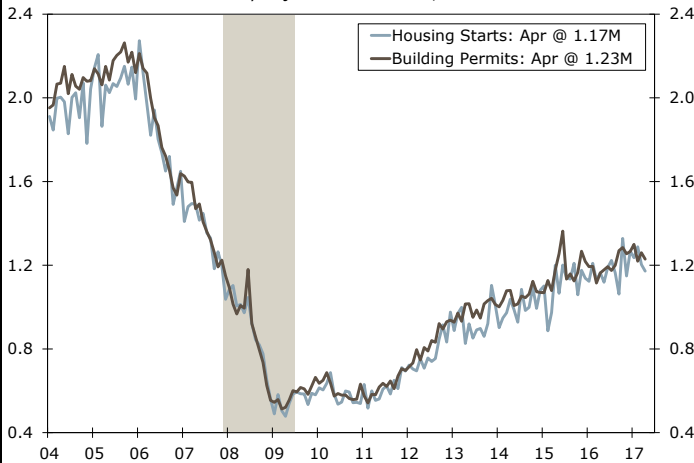
### Decline in Multifamily Pulls Headline Lower

- Housing starts fell 2.6 percent in April, as a 9.2 percent drop in multifamily exceeded a modest 0.4 percent pickup in single-family construction. Building permits also pulled back 2.5 percent on the month, but are still trending above starts.
- We suspect the milder winter weather that supported homebuilding at the start of the year has made it more difficult for housing starts to post larger than usual gains this spring.

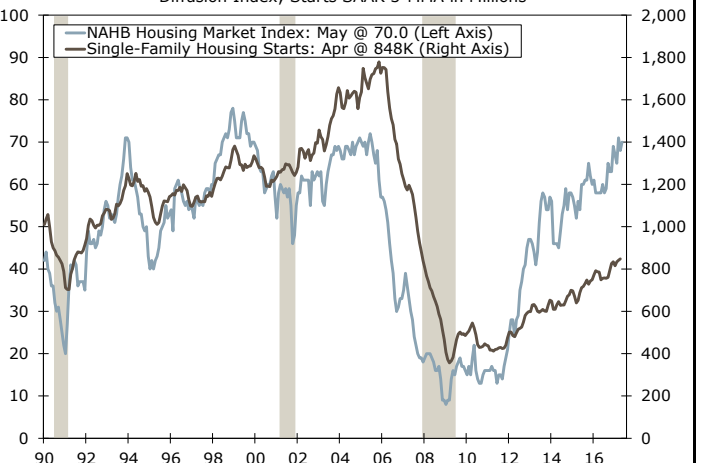
### Single-Family Starts Trend Higher

- Despite the disappointing print, housing starts for the first four months of the year are running 5.3 percent ahead of their year-ago level and single-family starts are up a stronger 7.0 percent.
- The upward trend in single-family starts is consistent with yesterday's strong homebuilder confidence report. We look for homebuilding to continue to trend higher and expect total housing starts to register a 7.3 percent gain in 2017.

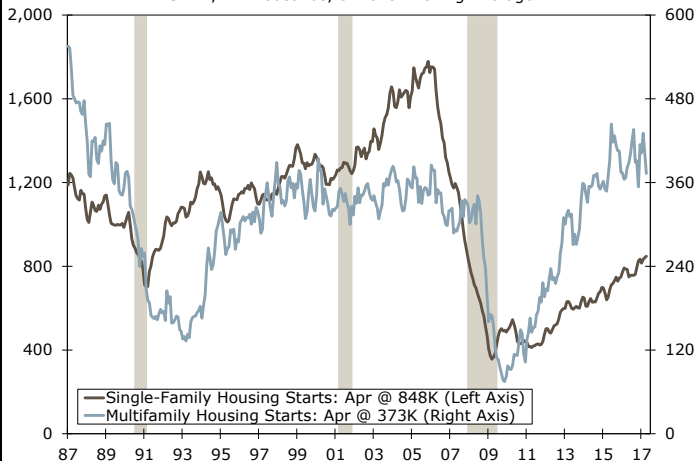
**Housing Starts and Building Permits**  
 Seasonally Adjusted Annual Rate, In Millions



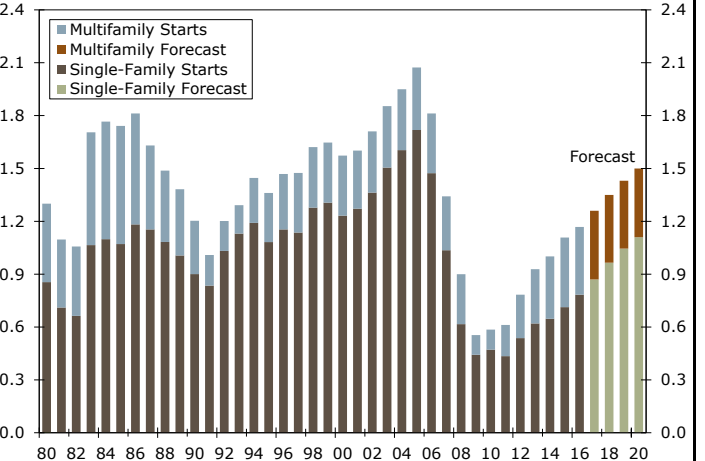
**Builder Confidence & Single-Family Starts**  
 Diffusion Index; Starts SAAR 3-MMA in Millions



**Single & Multifamily Housing Starts**  
 SAAR, In Thousands, 3-Month Moving Average



**Housing Starts**  
 Millions of Units



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

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