

John Downs
SVP | Certified Mortgage Planner, Vellum Mortgage
NMLS #476406
115 West St., Suite 201 Annapolis, MD 21401

Office: 202-899-2603
jdowns@vellummortgage.com
View My Website

Building Permits Regain Footing, Housing Starts Still Struggling

Residential construction outcomes in August were mixed, with permitting enjoying a **strong comeback** after more than a 4 percent downturn in July, but **housing starts** continuing to slide. Residential completions were also down substantially, which was probably weather related.

The U.S. Census Bureau and the Department of Housing and Urban Development said that permits for residential construction were **up 5.7 percent** from the previous month, to a seasonally adjusted annual rate of 1,300,000 units compared to a revised (from 1,223,000) rate of 1,230,000 units. Permits are now running 8.3 percent ahead of their August 2016 rate.

Permits bested even the most positive projections of analysts polled by *Econoday*. They had forecast in a range from 1,200,000 to 1,250,000 units with a consensus of 1,220,000.

Permits for **single family** houses dipped 1.5 percent to a rate of 800,000 in August compared to 812,000 in July, a revision from 811,000 units. The August number represents year-over-year growth of 7.7 percent. Multifamily permits rose 22.8 percent to 464,000 units and are 10.2 percent ahead of the pace at the same point last year.

On a **non-adjusted** basis, there were 122,600 permits issued during the month compared to 101,000 in July and single-family permits increased to 76,500 from 69,100.

Housing starts **declined** for the fifth straight month, although the change was small, 0.8 percent, compared to July. The rate for privately funded construction was 1,180,000 units compared to a July estimate of 1,190,000, a substantial upward revision from the first estimate of 1,155,000 units. This returned starts back to a pace exceeding their year-ago number by 1.4 percent.

Starts had been expected at the rate of 1,173,000 units. The range given by analysts was 1,130,000 to 1,225,000.

Construction was started on single family units at an 851,000-unit annual rate. This is up 1.6 percent month-over-month largely because the July number was revised down to 838,000 from 856,000. Single-family starts were up 17.1 percent from a year earlier. Starts on units in buildings with five or more were at a rate of 323,000, 5.8 percent below July and 23.1 percent

National Average Mortgage Rates



Mortgage News Daily	Rate	Change	Points
30YR Fixed	7.45%	-0.01	0.00
15YR Fixed	6.99%	+0.01	0.00
30YR FHA	7.05%	+0.01	0.00
30YR Jumbo	7.50%	0.00	0.00
7/6 SOFR	7.00%	-0.07	0.00
30YR VA	7.07%	+0.01	0.00

Rates as of: 11/19

MBS and Treasury

	Price / Yield	Change
MBS UMBS 6.0	99.33	+0.23
10 YR Treasury	4.9813	-0.0623
30 YR Treasury	5.3633	-0.0429

Pricing as of: 11/20 9:39AM EST

Recent Housing Data

		Value	Change
Mortgage Apps	Nov 4	204.6	+6.23%
Building Permits	Sep	1.4M	+0.43%
Housing Starts	Sep	1.22M	-4.24%
New Home Sales	Sep	676K	-1.17%
Pending Home Sales	Aug	71.2	0%
Existing Home Sales	Oct	3.99M	+0.25%
Builder Confidence	Oct	29	-9.38%

© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: http://housingnewsletters.com/downsgroup

lower than last August.

There were 103,300 residential units started in August compared to 112,900 in July. The non-seasonally adjusted number of single family units declined to 76,100 from 79,200.

Housing completions dropped by 10.2 percent to a seasonally adjusted rate of 1,075,000 units, with the South responsible for most of the downturn. July's completions were revised from 1,175,000 units to 1,197,000. Completions are running 3.4 percent ahead of last year.

Single family houses were completed at a rate of 724,000, down 13.3 percent month over month and 2.7 percent on an annual basis. Multifamily completions dipped by 2.0 percent from July but are 20.8 percent higher than in August 2016.

There were 101,000 completions during the month on a non-adjusted basis, down from 102,500 in July. Single family completions dropped by 5,100 to 63,500.

At the end of August there were an estimated **1,082,000 housing units** under construction, an increase of 1.3 percent from July and 4.6 percent from last August. The single-family component of units in-process was 472,000, a gain of 2.2 and 10.5 percent for the two respective periods. Authorized construction that was not yet started rose 7.8 percent from July to 152,000 units, 16.0 percent higher than last year. The number of unused single-family permits was unchanged from July at 79,000 units, but that was 11.3 percent higher than the prior August.

Permits fell by 13.0 percent in the **Northeast** from July and 8.5 percent compared to the previous August. Housing starts dropped 8.7 percent on a monthly basis and 21.1 percent year-over-year. Completions rose by 29.4 percent from July and 8.5 percent compared to August 2016.

The **Midwest** saw an increase in permitting of 8.8 percent month-over-month, but permits lagged those in August 2016 by 3.6 percent. Starts jumped 22.0 percent, putting them 17.6 percent ahead of last year. Completions were down slightly, 1.1 percent, from the prior month but were 15.3 percent higher on an annual basis.

The rate of permitting in the **South** grew by 3.7 percent and 6.6 percent over the previous month and year respectively. Starts fell by 7.9 percent but eked out an annual gain of 0.2 percent. Completions were down 22.2 percent from July and 9.2 percent year-over-year. Econoday blamed the decrease on flooding in Texas from Hurricane Harvey.

Permitting was strong in the **West**, up 15.3 percent from July and 27.0 percent from the prior August. There was a 4.0 percent increase in housing starts in August, putting the rate is 4.3 percent ahead of last year. The West had 4.3 percent fewer completion in August than in July, but the pace remains 23.3 percent faster than a year ago.

© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: http://housingnewsletters.com/downsgroup