

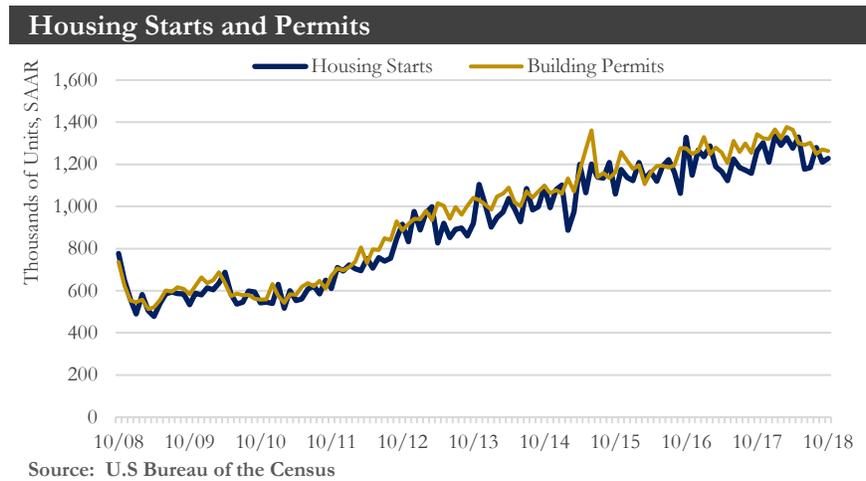
CMC UPDATE: Housing Starts Up October but Real Estate Impact on the Economy Muted

Abdur Chowdhury, Ph.D. Chief Economist

November 20, 2018

U.S. housing starts rose 1.5% in October. The gain was concentrated in the volatile multi-family segment while the single family segment declined. Building permits, on the other hand, edged lower by 0.6%. Regionally, starts were up in the Midwest and South, but were down in the Northeast and the West.

The contribution of the housing industry to overall economic growth has been relatively muted in 2018. Homebuilding activity continues to face significant headwinds. Heightened affordability concerns from higher interest rates and home prices have risen in recent months, and supply constraints such as labor and building lot availability have all been headwinds. These will likely limit the upside potential for sustained increase in housing starts.



Dr. Abdur Chowdhury is a Professor of Economics at Marquette University, the Chief Economist at Capital Market Consultants, Inc. (CMC) and a member of the Federal Reserve Board of Chicago’s Academic Advisory Council. CMC provides capital market, investment manager and economic research to financial professionals (for more information about Capital Market Consultants, Inc. see our website at www.cmarkc.com).

The opinions expressed herein are those of Capital Market Consultants, Inc. and may not reflect the opinions of other advisory firms or their affiliates. The information herein has been obtained from sources believed to be reliable, but we cannot assure its accuracy or completeness. Neither the information nor any opinion expressed constitutes a solicitation for the purchase or sale of any security. Any reference to past performance is not to be implied or construed as a guarantee of future results.

This email and any files transmitted with it are privileged and confidential. This email is intended solely for the use of the individual(s) or entity to which it is addressed. If you do not wish to receive CMC News Alerts please notify the sender. If you are not the named addressee, then any dissemination, distribution, and copying is strictly prohibited. Please notify the sender immediately, by email, if you have received this email in error and delete the message from your system. The sender does not accept liability for any errors or omissions in the content of this message that arise as a result of email transmission.