

Economic highlights from the week ending on August 21, 2020

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While the overall US economy seems to be experiencing a somewhat uneven and slowing pace of recovery, the housing market is showing remarkable strength. Total housing starts surged nearly 23% in July to an annual pace of 1,496,000. Single family starts rose 8.2% to an annualized rate of 940,000, while multi-family starts soared 58.4% to an annualized rate of 556,000. On a year-over-year basis, housing starts were up 23.4% in July, with single family starts up 7.4% year-over-year, and multi-family starts up 65.0%. The housing market isn't showing any signs of slowing down either, with permits up 18.8% in July on a month-over-month basis, to an annualized rate of 1,495,000. Existing home sales jumped 24.7% in July to a very strong seasonally adjusted rate of 5.860 million units. On a year-over-year basis, sales of existing homes were up 8.7% in July. Each of the four major regions of the country experienced a double-digit month-over-month increase in July, though the Northeast region remains weaker on a year-over-year basis. The median price for an existing home sold in July was up 3.3% month-over-month and 8.5% year-over-year. The National Association of Realtors characterizes the housing market as "booming." Very low mortgage rates, strong stock market performance, and a meaningful shift toward working from home are providing strong tailwinds for the housing sector, despite an otherwise challenging economic backdrop. We believe fiscal relief and government restrictions on evictions also helped support the housing market during the depths of the pandemic crisis in the spring and early summer.



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Next Week

Chicago Fed National Activity Index, Case-Shiller House Price Index, FHFA House Price Index, Consumer Confidence, New Home Sales, Durable Goods, GDP, Pending Home Sales, Personal Income & Outlays, Consumer Sentiment

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