



NARROW PATH LLC

Monthly Housing Review



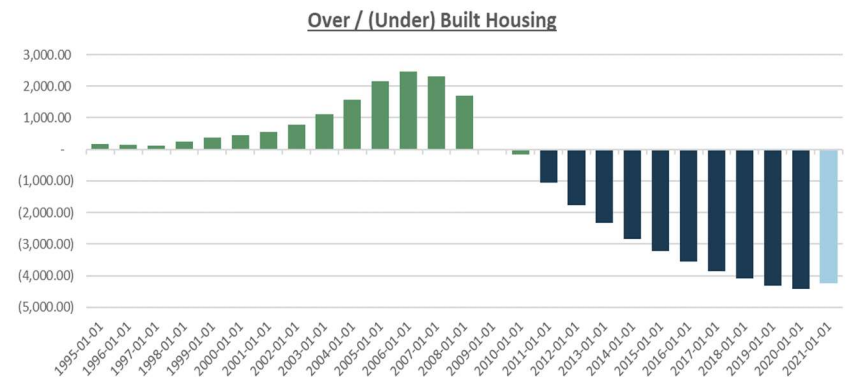
August Summary:

While total housing starts are up 3.8% for the month and single-family housing starts are down 2.8%, overall housing starts have continued to stall with total starts hovering around 1,600K since December of 2020 and single-family housing starts hovering around 1,125K within the same time frame. Home prices continue to take a breath from the rapid acceleration we experienced in the first 6 months of the year with overall median prices down slightly for the second month in a row. Inventory levels increased over the prior month but remain at historically low levels.

Housing Situation:

In our opinion, the increasing prices and low inventory are a direct result of the overall housing situation, which we believe is currently approximately 4.4M homes under built (“Over / (Under) Built” exhibit). Based on the current U.S. population growth rates and our estimated annual home destroyed or abandoned rate, we estimate that the U.S. economy needs to build 1.5 million units every year. While the under build of homes is currently being absorbed by lower inventory and a cultural shift of young adults living at home longer, we still believe that we are in a home build deficit to achieve an efficient housing market and any reduction in home building over the next 24 months will fuel accelerated price increases in housing. However, we do believe the price increases seen in the past six months are exaggerated and over the next six months we will see some price erosion.

Annual U.S. Population Increase	2,000,000
Average Persons per Household	2.43
New Homes required to support Population Growth	823,045
Destruction of homes older than 1970 annually	465,480
Homes destroyed annually from natural disasters & fires	231,228
Total new homes required annually	1,519,753



Regional Housing Review:

This housing situation appears to be occurring universally across the four U.S. Census regions, with home prices spiking across the country from January 2021 to July 2021. The one variance to note is that while housing starts overall have remained flat, the starts in the South have continued to increase since January of 2021 while the West region has decreased.



NARROW PATH LLC

Housing Analytics

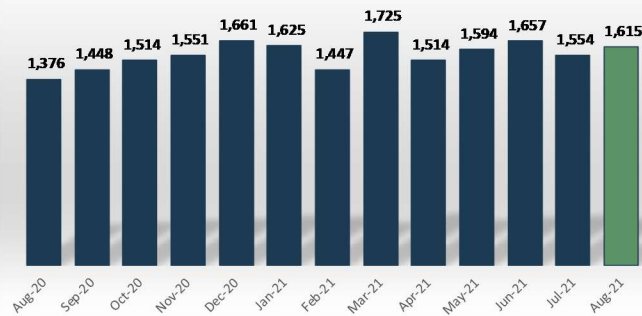
August

	Vs Pr. Mo.	Vs Pr. Year	YTD
Total Starts	3.8%	17.4%	21.6%
SF Starts	-2.8%	5.2%	23.9%

Median Price	-0.8%	14.9%
Total Inventory	-1.5%	-13.4%

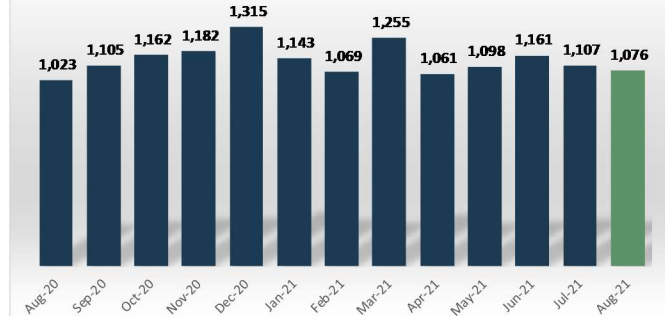
Total Start Units

Seasonally Adjusted Annual Starts (SAAR)



Single Family Start Units

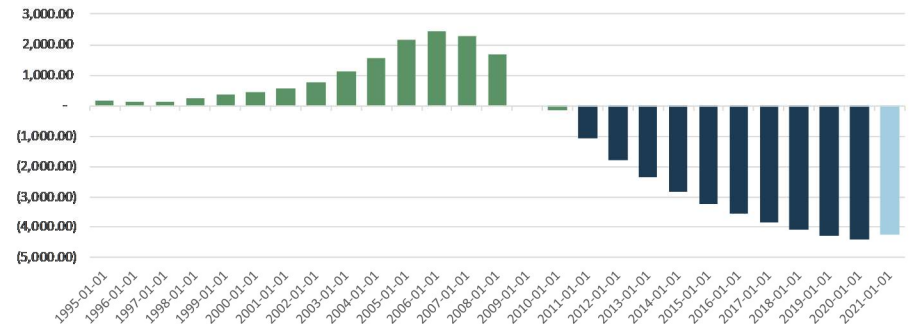
Seasonally Adjusted Annual Starts (SAAR)



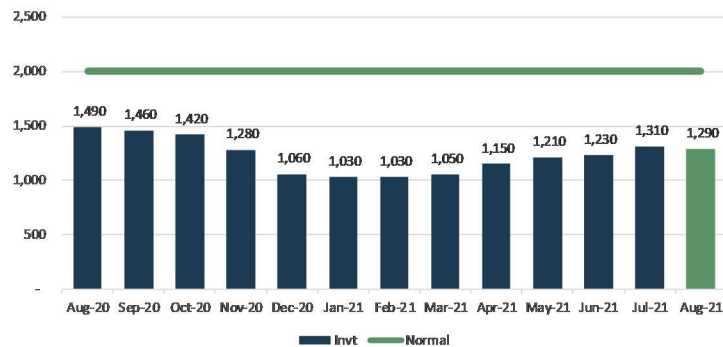
50 Yr. Housing Starts Trend



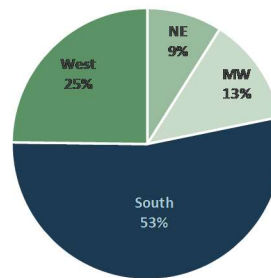
Over / (Under) Built Housing



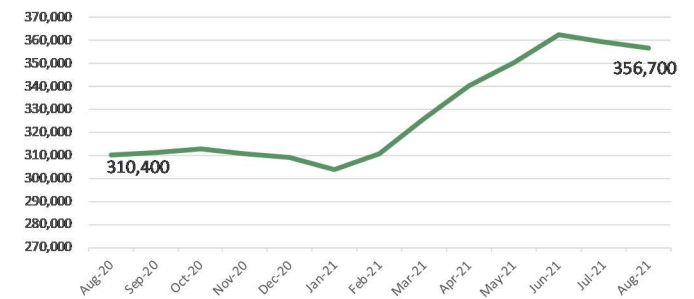
Inventory



Total Starts by Region



Median Home Prices

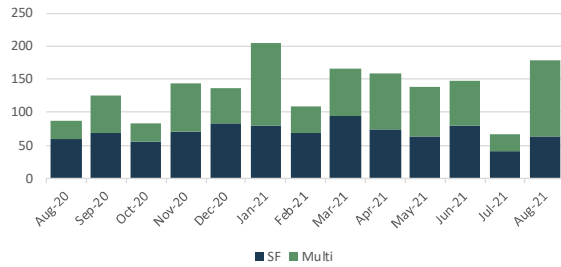


Source: U.S. Census Bureau and U.S. Housing and Urban Development, housing starts.

Source: National Association of Realtors monthly new release: Median Home prices and Inventory levels

Total & Single Family (SF) Starts

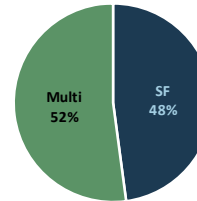
Seasonally Adjusted Annual Starts (SAAR)



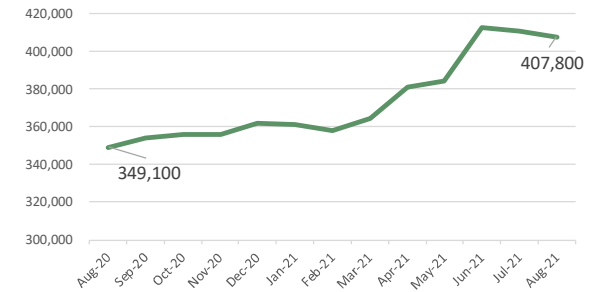
Northeast

	Vs Pr. Mo.	Vs Pr. Year	YTD
Total Starts	167.2%	105.7%	36.1%
SF Starts	52.4%	8.5%	24.4%

Median Price	-0.8%	16.8%
--------------	-------	-------

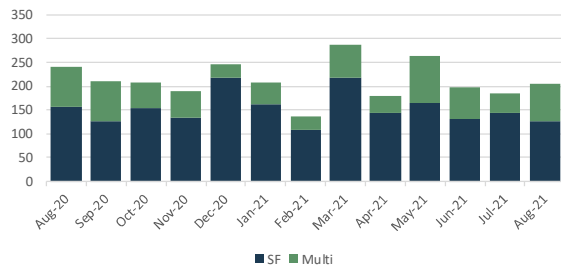


Median Home Prices



Total & Single Family (SF) Starts

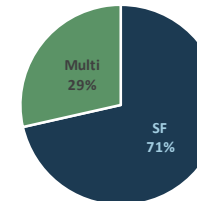
Seasonally Adjusted Annual Starts (SAAR)



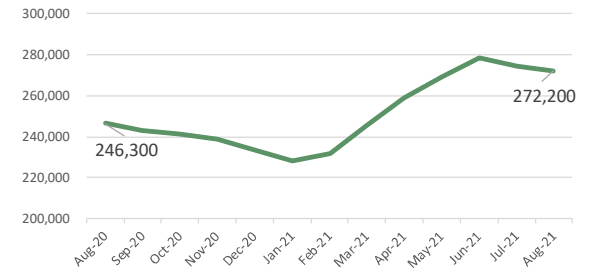
Midwest

	Vs Pr. Mo.	Vs Pr. Year	YTD
Total Starts	11.4%	-14.5%	14.1%
SF Starts	-12.5%	-20.3%	16.9%

Median Price	-0.8%	10.5%
--------------	-------	-------

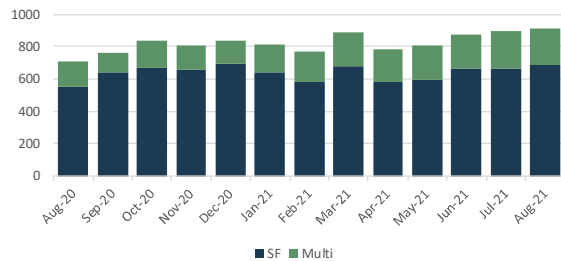


Median Home Prices



Total & Single Family (SF) Starts

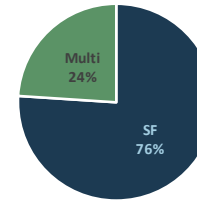
Seasonally Adjusted Annual Starts (SAAR)



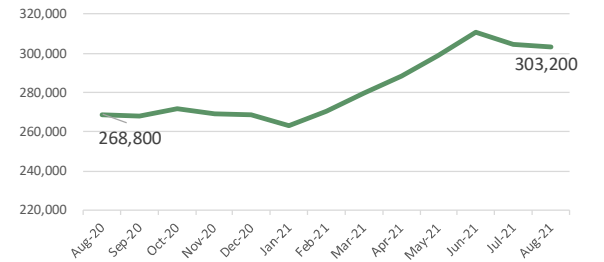
South

	Vs Pr. Mo.	Vs Pr. Year	YTD
Total Starts	1.4%	29.2%	20.2%
SF Starts	2.5%	23.9%	26.7%

Median Price	-0.4%	12.8%
--------------	-------	-------

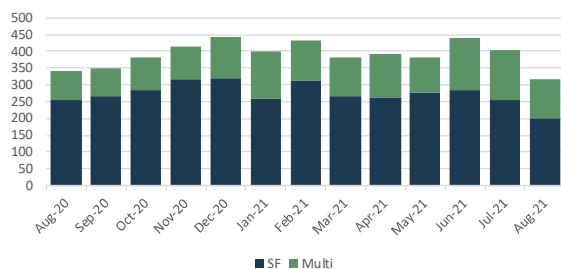


Median Home Prices



Total & Single Family (SF) Starts

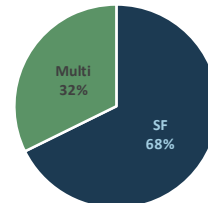
Seasonally Adjusted Annual Starts (SAAR)



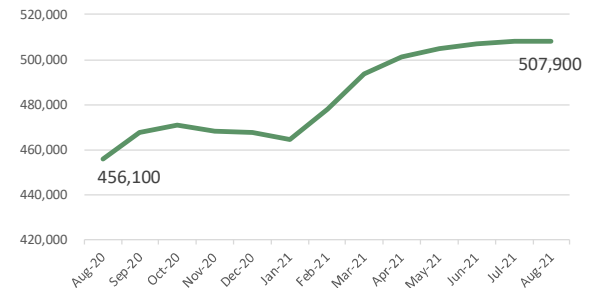
West

	Vs Pr. Mo.	Vs Pr. Year	YTD
Total Starts	-21.1%	-7.0%	21.2%
SF Starts	-20.5%	-20.5%	30.3%

Median Price	-0.1%	11.4%
--------------	-------	-------



Median Home Prices



Source: U.S. Census Bureau and U.S. Housing and Urban Development, housing starts.

Source: National Association of Realtors monthly new release: Median Home prices and Inventory levels

- **Contact us about custom financial models, sales models and share gain models that incorporate housing data as leading indicators to forecast future sales and earnings.**
- **Contact us about custom profitability analysis by product, client, or overall.**



NARROW PATH LLC
Analytics