

ECONOMICS

What Recession? Get Ready for a 'Rolling Expansion.'

By [Lauren Foster](#) [Follow](#) June 22, 2023 2:30 am ET



The U.S. is experiencing a “rolling recession” that may be followed by a “rolling expansion” as the parts of the economy that weakened first start to recover, according to longtime strategist Ed Yardeni.

The first to run into trouble was single-family housing.

Yardeni said that when interest rates first started to rise significantly last year, single-family housing “fell into recession very quickly” given the sector’s sensitivity to higher borrowing costs. Although the Federal Reserve kept rates steady at the latest meeting

Single-family starts, which typically comprise the bulk of new construction, rose about 18.5% to a seasonally adjusted annual rate of 997,000—the metric’s highest level since June 2022.

“There have been other indicators that housing has bottomed, and so some of these areas where we’ve had a rolling recession may actually start to see a recovery, like single-family homes because there’s a shortage of existing homes,” Yardeni said “Apparently there’s demand for new homes even with mortgage rates where they are.”