



HOUSING STARTS AND PERMITS POST GAINS IN MAY

WASHINGTON, June 16 - Nationwide housing starts rebounded in May from record lows in the previous month, posting a 17.2 percent gain to a seasonally adjusted annual rate of 532,000 units, according to U.S. Commerce Department figures released today. While driven largely by a double-digit gain in the volatile multifamily sector, the uptick also reflected a substantial gain on the single-family side and applied consistently to all regions of the country.

"Having drawn down standing inventories to very thin levels over the past year, some home builders are now carefully replenishing their supplies in response to demand from smart buyers who are taking advantage of low interest rates and prices," said Joe Robson, chairman of the National Association of Home Builders (NAHB) and a home builder from Tulsa, Okla.

"Today's report showing three consecutive months of gains in single-family housing starts and two consecutive months of gains in single-family permits is a very welcome sign that the market may be nearing a turning point," said NAHB Chief Economist David Crowe. "That said, our recent surveys tell us that builders remain very cautious about the future, and that they are aware of the upcoming expiration of the first-time buyer tax credit at the end of November. Homes that get started now should be able to close by that deadline, and this may be spurring some of the latest construction activity."

Single-family housing starts gained 7.5 percent in May, breaking the 400,000 mark for the first time since November 2008 to reach a seasonally adjusted annual rate of 401,000 units. Meanwhile, starts in the much more volatile multifamily sector posted a 77 percent gain following a nearly equivalent decline in the previous month, for a seasonally adjusted annual rate of 124,000 units.

Building permit issuance, which can be an indicator of future building activity, rose 4 percent overall in May to a seasonally adjusted annual rate of 518,000 units. On the single-family side, permits rose 7.9 percent to 408,000 units, while on the multifamily side, they declined 8.3 percent to 110,000 units.

Both housing starts and permits were up across every region in May. Starts rose 2 percent in the Northeast, 11.1 percent in the Midwest, 16.8 percent in the South and 28.6 percent in the West. Permits rose 5.7 percent in the Northeast, 8.9 percent in the Midwest, 2.3 percent in the South and 3.8 percent in the West.

ABOUT NAHB: The National Association of Home Builders is a Washington, D.C.-based trade association representing more than 200,000 members involved in home building, remodeling, multifamily construction, property management, subcontracting, design, housing finance, building product manufacturing and other aspects of residential and light commercial construction. Known as "the voice of the housing industry," NAHB is affiliated with more than 800 state and local home builders associations around the country. NAHB's builder members will construct about 80 percent of the new housing units projected for 2009.

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