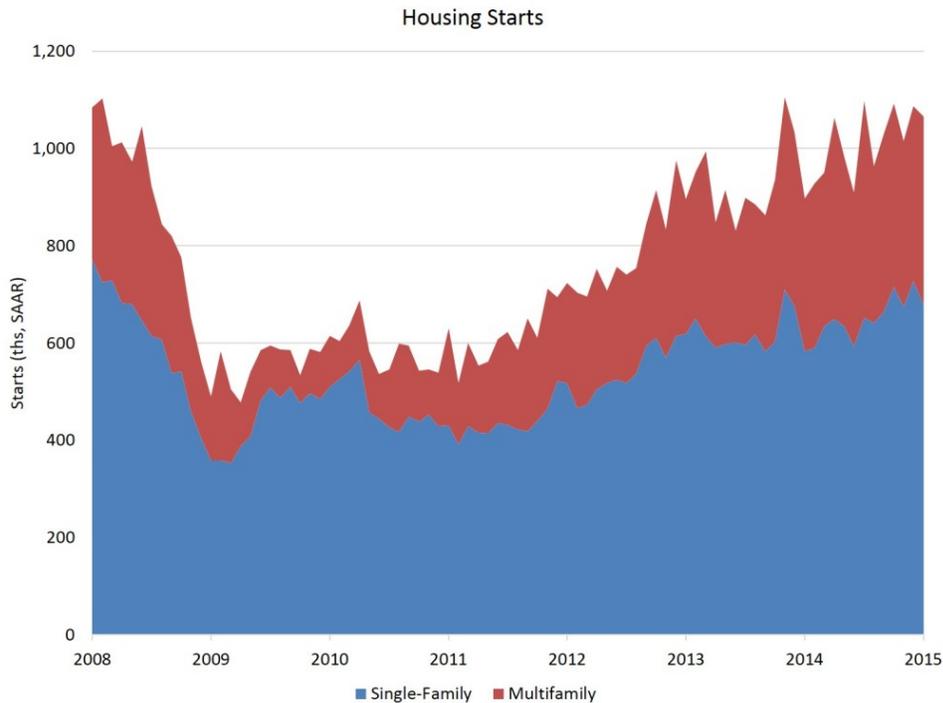


## Housing Starts Decline in the Midwest

BY ROBERT DIETZ ON FEBRUARY 18, 2015

The pace of housing starts declined 2% in January, including a significant decrease in single-family construction in the Midwest connected to weather factors. Nonetheless, the current pace of home construction remains strong and growth should continue in 2015.

According to the joint Census Bureau and HUD release, the seasonally adjusted annual rate of housing starts came in at 1.065 million, down from a revised pace of 1.087 million in December 2014.

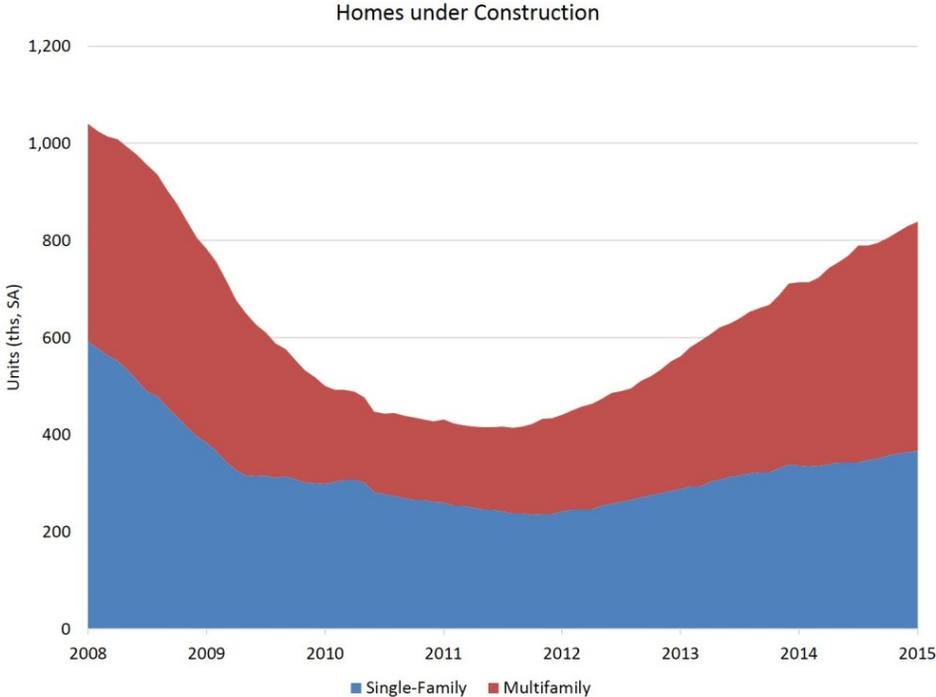


The rate of starts for single-family construction was down 6.7% from December, yielding a 678,000 annual pace. Most of this decline is attributable to a 31% drop for single-family starts in the Midwest, which fell from a 133,000 annual rate in December to 92,000 in January.

This decline is consistent with elements of the [February NAHB / Wells Fargo Housing Market Index](#), which suggested declines in builder confidence due to weather factors. However, builder sentiment

remains positive, and NAHB expects single-family starts to rise in the coming months given favorable job creation numbers and pent-up housing demand.

Multifamily starts remained strong in February, rising 7.5% to a 387,000 seasonally adjusted annual rate. The three-month moving average of multifamily starts has been above 350,000 since April of 2014.



As a check on the state of the recovery in housing construction, the government data also includes a summary of housing units under construction. On a seasonally adjusted basis, there were 839,000 total homes under construction as of January. The single-family total was 366,000, which is the highest for the post-recession period and almost 9% higher than January 2014.

Multifamily units construction stand at 462,000, also a post-recession high. This estimate is more than 25% higher than the January 2014 total of 368,000.

For more information on new construction in the Twin Cities read additional articles by Home Destination:

[Twin Cities Home Builders Rev Up for Spring](#) – February 18, 2015

[Activity in Twin Cities Construction Boosted by Rental Homes](#) – November 28, 2014

[Twin Cities Home Builders Prioritize Luxury Homes](#) – September 20, 2014

[Home Builders in Minneapolis Increase Residential New Home Construction](#) – 2013

[New Construction in the Twin Cities](#) - 2012