

Homebuilding rose 6.6 percent in April

<http://thehill.com/policy/finance/housing/280177-home-building-rose-66-percent-in-april>

By Vicki Needham - 05/17/16 12:29 PM EDT

Housing construction got a boost in April from a pickup in single-family homes, a sign that the housing sector is holding steady after a rough start to the year.

Housing starts rose 6.6 percent, to a seasonally adjusted annual rate of 1.17 million in April, following a sharp 9.4 percent drop in March, the Commerce Department reported on Tuesday.

"Though housing construction data is relatively flat for the beginning of 2016, we anticipate a ramping up of housing production during the rest of the year, given a strengthening job market, low mortgage interest rates and favorable demographics," said Robert Dietz, chief economist for the National Association of Home Builders (NAHB).

The housing market faces a shortage of new homes on the market, making it difficult to meet demand and boost growth.

Building permits, which provide a look into future building, increased 3.6 percent, to a seasonally adjusted annual rate of 1.12 million.

Still, construction is below the 1.5 million pace that reflects a healthy market.

The housing sector has struggled to bounce back from the 2008 financial crisis but the outlook has improved for this year.

"This month's modest rise in housing production is consistent with builder sentiment, which has remained steady and in positive territory in recent months," said NAHB Chairman Ed Brady, a homebuilder and developer from Bloomington, Ill.

A separate NAHB report on Monday showed that builder confidence held at 58 — any reading over 50 reflect positive sentiment — for the fourth straight month.

The Commerce report showed that single-family and multifamily production each registered gains in April.

Single-family housing starts rose 3.3 percent to a seasonally adjusted annual rate of 778,000 units while multifamily starts increased 13.9 percent to 394,000 units.

Construction increased 22.2 percent in the Midwest and 14.1 percent in the South last month. But the West saw a 10 percent drop and while the Northeast's building fell off 7.6 percent.