

Housing Starts Continued to Free Fall in December

Starts of new homes dropped another 101K units in December, after falling a revised 126K in November. Single- and multi-family starts both saw large declines on the month. No corner of the market seems safe in this relentless downturn. Further declines may be possible through the winter.

Starts Plunge

- Starts dropped another 15 percent in December after a similar drop the month before. Builders continued to pull back on activity at a torrid pace as the economy entered a second year of recession.
- With an unusually cold January, especially in the South, we are not looking for a bounce in next month's release.

Permits Do Not Lend Much Hope for Coming Months

- Permits saw another 10 percent plus drop in December and were off a full fifty percent from the year before. In a separate release yesterday, the NAHB/Wells-Fargo home builders' sentiment index fell to another all-time low. We do not expect any significant improvement before spring as builders see little reason to start new homes in the current environment.

