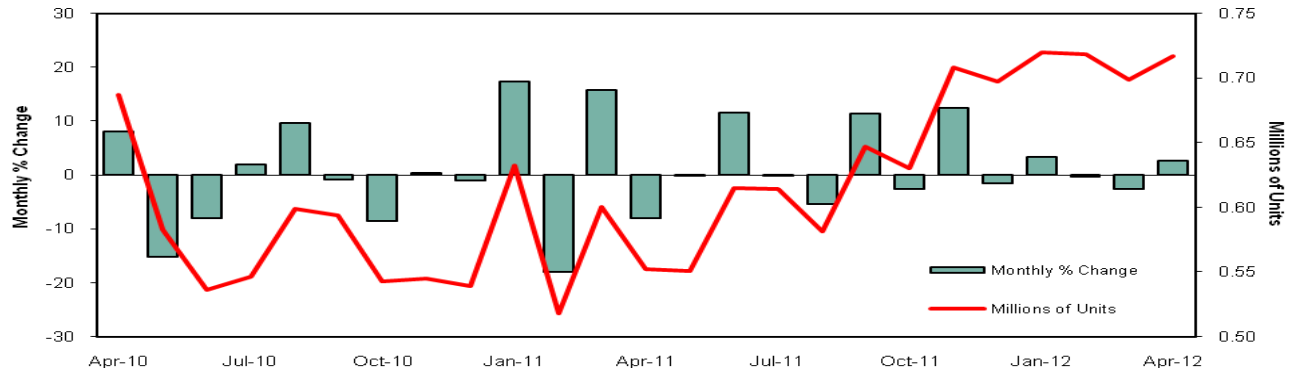


### STARTS PICK UP, ESTABLISH NEW HIGHER LEVEL

Housing Starts – Wednesday May 16, 2012



Housing starts rose 2.6% in April to an annual rate of 717k, following a large upward revision to March which raised the annual pace to 699k. Housing starts are now 29.9% above their year ago level in April 2011. Housing starts have been trending higher over the last six months maintaining an annual average of over 700k. Regionally, gains of 11.6% in the South and 6.7% in the Midwest were offset somewhat by a 20.7% decline in the Northeast and an 8.1% decline in the West. Both single family and multifamily starts rose on the month. Single-family housing starts gained 2.3% in April to an annual pace of 492k and are now 18.8% above their year ago level. Multifamily were up 3.2% on the month to an annualized rate of 225k. New construction starts in the multifamily sector have been quite volatile over the last year, although they are still trending modestly higher overall. Housing permit issuance, often used as a proxy for future construction activity, fell 7.0% last month to a 715k annual rate led by a 20.8% drop in multifamily building plans. Single family permit issuance was up 1.9% on the month. Based on this, new construction in the single family sector may continue to rise slightly in the near term. While slowly improving, a robust recovery in the housing market, especially the important single family sector, still appears to be down the road.

#### THOUSANDS OF UNITS

Forecast:	690k
Consensus:	680k
Actual:	717k

	Monthly				Average for						
	Apr-12	Mar-12	Feb-12	Jan-12	Three Month	Six Month	Twelve Month	2011	2010	Five Year	Ten Year

<b>Housing Starts</b>	<b>717</b>	<b>699</b>	<b>718</b>	<b>720</b>	<b>711</b>	<b>710</b>	<b>658</b>	<b>612</b>	<b>586</b>	<b>799</b>	<b>1,339</b>
(percent change)	<b>2.6</b>	-2.6	-0.3	3.3				4.5	5.7		

<b>Single Family</b>	<b>492</b>	481	470	511	481	489	458	434	471	600	1,066
(percent change)	<b>2.3</b>	2.3	-8.0	-1.7				-7.9	6.6		

<b>Multi Family</b>	<b>225</b>	218	248	209	230	221	200	178	114	199	273
(percent change)	<b>3.2</b>	-12.1	18.7	18.1				55.8	2.2		

<b>Northeast</b>	<b>69</b>	87	66	74	74	76	71	68	71	93	132
<b>Midwest</b>	<b>127</b>	119	99	106	115	121	111	103	98	127	236
<b>South</b>	<b>385</b>	345	419	403	383	371	335	309	296	403	646
<b>West</b>	<b>136</b>	148	134	137	139	143	141	132	120	176	326

<b>Housing Permits</b>	<b>715</b>	769	707	684	730	714	675	624	604	819	1,380
(Percent change)	<b>-7.0</b>	8.8	3.4	-2.4				3.4	3.7		

<b>Single-Family</b>	<b>475</b>	466	478	452	473	463	443	420	448	569	1,031
(Percent change)	<b>1.9</b>	-2.5	5.8	-0.4				-6.2	1.9		

<b>Multi-Family</b>	<b>240</b>	303	229	232	257	252	232	204	156	250	348
(Percent change)	<b>-20.8</b>	32.3	-1.3	-6.1				31.2	9.3		

Sources: Bureau of the Census, Department of Commerce via Haver Analytics. Data, graph & table courtesy of Insight Economics. \*Bloomberg © 2012 HousingMatrix, Inc. • <http://www.HousingMatrix.com> • All rights reserved. Reproduction and/or distribution are expressly prohibited. Hot Sheet is a registered trademark of HousingMatrix, Inc. Information contained herein is based on sources we believe to be reliable, but accuracy is not guaranteed.