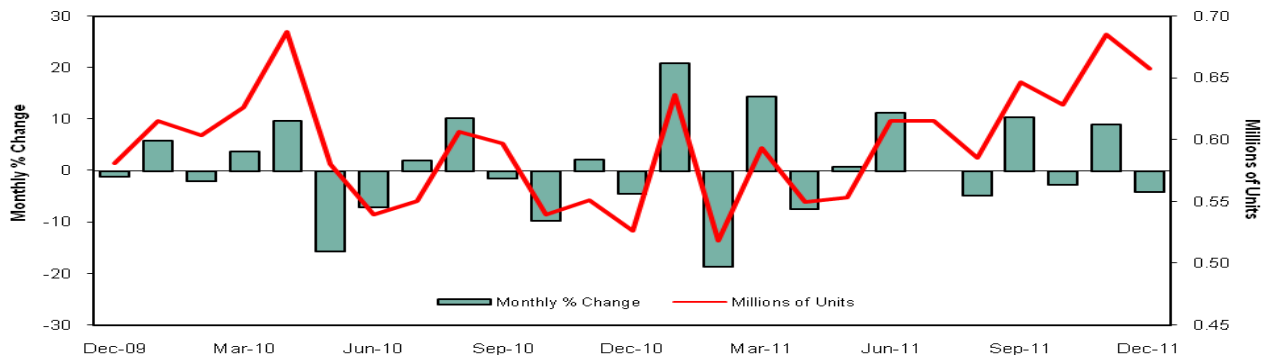


### SINGLE-FAMILY STARTS GAIN, MULTI-FAMILY TUMBLES

Housing Starts – Thursday January 19, 2012



Housing starts declined 4.1% in December to an annual pace of 657k, less than expectations for a smaller decline to a rate of 680k. Housing starts are now 24.9% above their December 2010 rate of 526k. For the year, housing starts were up 3.4% in 2011 to 607k from 587k for all of 2010. This was their highest annual total since 2008. Gains last month were limited to the single-family sector. Single-family housing starts were up 4.4% to an annual rate of 470k, their highest level since April 2010. Builders may have been taking advantage of milder weather conditions in many parts of the country last month. Single family starts are now 11.6% above their December 2010 level. Multifamily starts tumbled 20.4% last month to an annual rate of 187k. New construction starts in the multifamily sector have been quite volatile over the last year, although they are trending moderately higher overall. Housing permit issuance, often used as a proxy for future construction activity, edged 0.1% lower in December to a 679k annual rate suggesting that new construction may continue to rise in the near term. While beginning to improve, the outlook is still uncertain surrounding the time when a strong sustained recovery in the housing market will emerge.

#### THOUSANDS OF UNITS

	Monthly				Average for						
	Dec-11	Nov-11	Oct-11	Sep-11	Three Month	Six Month	Twelve Month	2010	2009	Five Year	Ten Year
Forecast:	675k										
Consensus:	680k										
Actual:	657k										
<b>Housing Starts</b>	<b>657</b>	<b>685</b>	<b>628</b>	<b>646</b>	<b>657</b>	<b>636</b>	<b>607</b>	<b>585</b>	<b>554</b>	<b>1,039</b>	<b>1,438</b>
(percent change)	<b>-4.1</b>	9.1	-2.8	10.4				5.6	-38.4		
<b>Single Family</b>	<b>470</b>	450	437	422	452	439	429	471	442	808	1,150
(percent change)	<b>4.4</b>	3.0	3.6	-0.7						6.5	-28.2
<b>Multi Family</b>	<b>187</b>	235	191	224	204	197	177	114	112	231	288
(percent change)	<b>-20.4</b>	23.0	-14.7	40.0						2.1	-60.7
<b>Northeast</b>	<b>57</b>	97	64	59	73	70	68	72	61	113	140
<b>Midwest</b>	<b>144</b>	93	110	98	116	104	100	97	95	163	259
<b>South</b>	<b>320</b>	330	322	327	324	318	307	296	281	523	688
<b>West</b>	<b>136</b>	165	132	162	144	145	132	120	117	239	352
<b>Housing Permits</b>	<b>679</b>	680	644	589	668	636	607	603	582	1,063	1,481
(Percent change)	<b>-0.1</b>	5.6	9.3	-5.8				3.7	-35.0		
<b>Single-Family</b>	<b>444</b>	436	428	413	436	424	412	448	440	761	1,113
(Percent change)	<b>1.8</b>	1.9	3.6	-1.2				1.9	-22.5		
<b>Multi-Family</b>	<b>235</b>	244	216	176	232	213	195	155	142	302	368
(Percent change)	<b>-3.7</b>	13.0	22.7	-15.0				9.1	-56.6		

Sources: Bureau of the Census, Department of Commerce via Haver Analytics. Data, graph & table courtesy of Insight Economics. \*Bloomberg © 2011 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.