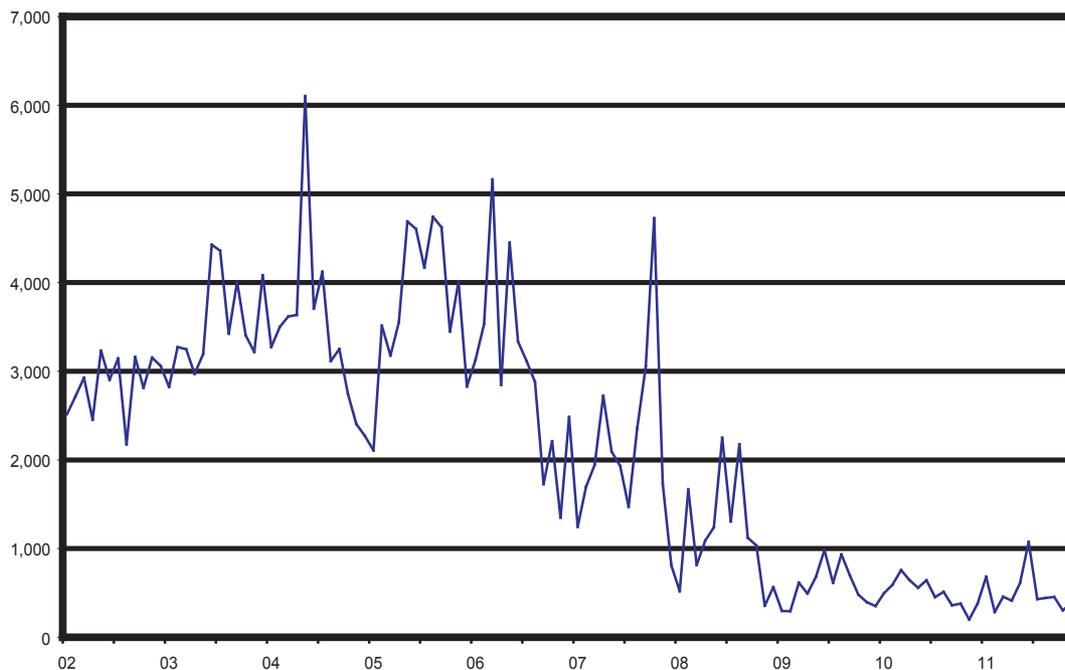




## Housing Starts

January 17, 2012; Jeffrey Sutich, Economist

### Nevada Housing Starts



- In 2011, housing starts peaked at 1,075 in June, but have been below 500 every month except three (January, May, and June). Overall, starts are down sharply since the beginning of the last recession, but appear to have stabilized in recent months.
- At the national level, starts for multi-family housing are beginning to grow. Many people who lost their homes have decided to rent instead of buy, spurring demand for construction of multi-family developments, such as apartments and condominiums.
- Nevada housing starts are trending at historical lows, but have shown some modest improvement recently with an increase of 189 starts, a 95 percent increase, year-over-year. This is well below pre-recession levels, but the market is showing signs of stabilization.
- Nevada reached record sales of existing homes in 2011, which greatly affected housing starts. Demand for housing is being satisfied by foreclosures and re-sales, which have exerted downward pressure on prices. Until prices stabilize and demand for new housing picks up, new home starts will not show significant growth.