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Housing Starts Up 11% in May
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New homes and apartment units were started at a seasonally adjusted rate of 1,230,000 in May - up 11 percent from April and 25 percent from May 1991, the Commerce Department said.

"We are settling into what could best be described as a substandard housing recovery," said Robert Buchert of Cincinnati, Ohio, president of the National Association of Home Builders.

"Instead of a 50 percent or better increase in housing construction, which is typical for the first year of an economic recovery, we are expecting a 25 percent upturn in housing construction this year," he added. "Pushing housing to a higher construction level will require lower interest rates and more job growth, both of which would bolster consumer confidence."

Single-family units were started at an annual rate of 1,045,000 in May, up 9.8 percent from April. Apartment units rose 18.6 percent to a rate of 185,000 in May.

Housing construction rose in all four Census regions, with the Midwest, including Nebraska and Iowa, showing the biggest improvement following a big dip in construction reported in April.

Building permits - a bellwether of future activity - were issued in May at an annual rate of 1,051,000, about the same as in April.

Buchert predicted that the current level of housing production would hold for the next several months, with housing starts averaging 1,240,000 during the second quarter of the year - down from the 1,260,000 average reported for the first quarter.

The builders' association is projecting that starts will rise to an average rate of 1,301,000 in the third quarter and then 1,334,000 in the fourth quarter.

For the entire year, the association is forecasting 1,280,000 starts - up 26 percent from the 1,014,000 homes started in 1991.

"Housing was an engine of growth for the U.S. economy in the first quarter, creating thousands of new jobs and demand for billions of dollars worth of goods and services throughout the economy," Buchert said. "Housing's contribution to the recovery will be less dramatic in the months ahead."

Omahans to Find Flags in Front Yards

By sunrise Saturday, more than 26,000 American flags will be placed in the front yards of homes throughout Omaha by HOME real estate agents, said Joe Valenti, president.

"For the past several years, HOME Real Estate's agents have chosen to wake up early to place the American flag in the front yards of homes across our city in order to celebrate the birth of our nation," Valenti said.

Last year, the agents had trouble finding enough American flags because of celebrations after the Persian Gulf war, he said. This year, flags were ordered early in order to have enough.

"Every year more HOME agents participate in this project and we are proud of the fact that we can help begin people's Fourth of July day decorating both sides of many streets with the American flag."

Architects, Builders Shows Signs of Recovery

Architectural and building firms in many regions of the country appear to be showing signs of economic recovery, according to a national poll by the American Institute of Architects.

"This survey is one of the earliest indicators of what appears to be an economic recovery in the profession of architecture and the building industry," said James Cramer, the institute's executive vice president.

"In this survey, we have measured the economic climate and the level of new business opportunities for architecture firms since the beginning of the year," Cramer said. "We believe this approach gives us the most timely information possible. Most measurements of building trends are based on construction contract awards and permits, which generally occur months after the design has begun."

Results of firms surveyed in Nebraska, Iowa, Missouri, Kansas and South Dakota indicated:

41 percent said business opportunities for architecture firms in the area had increased since the beginning of 1992; 45 percent said opportunities had remained the same.

36 percent said architectural practices had suffered somewhat in the area as a result of the national recession; 36 percent said practices had suffered a great deal.

55 percent said the economic recession for architectural practices had bottomed out; 36 percent were not sure.

55 percent said the number of architects employed by their firm had remained the same since the beginning of the year; 27 percent said the number had increased.

"Given the fact that two-thirds of the participants said firms in their area suffered a great deal during the recession, we are encouraged now that more than half believe it has bottomed out and nearly half said business opportunities have increased since the beginning of the year," Cramer said.

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