

Better-than-expected housing news from the US

HOUSING start-ups in the US unexpectedly snapped the longest streak of declines in 18 years in February, adding to signs that the pace of the economy's decline may be easing.

Work began on 583 000 homes – 22% up from January – the US Commerce Department said yesterday. The jump was influenced by

warmer weather and an 82% surge in start-ups on condominiums, apartments and townhouses that was unlikely to be sustained, analysts said.

While the glut of unsold properties on the market means that the housing industry's recession would probably continue for some time, economists said yesterday's report

indicated that the worst of the contraction might have passed. Retail sales figures for February also indicated a slower rate of decline.

"You get the sense from a lot of the data coming out now that we're beginning to get to a bottom," said Nariman Behravesh, chief economist at IHS Global Insight in Lexington, Massachusetts. "We're

not quite there yet."

Start-ups were projected to fall to a 450 000 annual pace, according to the median forecast of 71 economists, surveyed by Bloomberg News. Estimates ranged from 400 000 to 500 000.

January's start-ups were revised up to 477 000 from a previously estimated 466 000. – *Bloomberg*.

