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Housing offers hope for rebound

Numbers surprise economists

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WASHINGTON — The number of new housing projects that builders broke ground on in February rose sharply, defying economists' forecasts.

The Commerce Department reported Tuesday that construction of new homes and apartments jumped 22.2 percent from January to a seasonally adjusted annual rate of 583,000 units. Economists were expecting a pace of around 450,000 units.

February's pickup was led by a big increase in apartment construction.

All parts of the country reported an increase in housing construction except for the West, which was hard-hit by the bust.

Some economists said the new housing figures offered a glimmer of hope.

"While it may be premature to call an absolute bottom in residential construction, we are clearly getting close," economists Adam York said.

Applications for building permits, considered a reliable sign of future activity, also rose in February by 3 percent to an annual rate of 547,000. Economists were expecting permits to fall to 500,000 units.

Even with February's rare burst of activity, housing construction is down a whopping 47.3 percent from a year ago.

