

Construction worker Elabert Salazar works on a house frame for a new home in Chula Vista, Calif., in November. U.S. builders broke ground on fewer homes in November. GREGORY BULL/AP

US housing starts slow in November

Reduction occurs after fast-paced growth in October

By Christopher S. Rugaber
Associated Press



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WASHINGTON — U.S. builders broke ground on fewer houses in November after starting work in October at the fastest pace in four years. Superstorm Sandy likely slowed starts in the Northeast.

The Commerce Department said Wednesday that builders began construction of homes at a seasonally adjusted annual rate of 861,000. That was 3 percent less than October's annual rate of 888,000, the fastest since July 2008.

Still, the decline follows months of strong gains. Housing starts remain on track for their best year in four years, and the housing market overall appears to be sustaining its recovery.

An encouraging sign was that applications for building permits, a sign of future construction, rose to 899,000 in November, the most since July 2008.

"Growth in housing starts was extremely strong in the prior three months ... so some giveback is not a concern at this point," said Robert Kavcic, an economist at BMO Capital Markets.

Housing starts fell 5.2 percent in the Northeast from October to November.