

Housing permits increase sharply

403 units OK'd in June double May's figures

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The number of new housing units approved in the state jumped dramatically in June, sparking cautious optimism that the slumping housing market may have hit bottom.

The 128 municipalities that report monthly data issued permits for 403 new housing units in June, nearly 110 percent more than the 192 units issued in May. The 403 units were the most approved since November, when 542 units were approved.

Even with the dramatic jump, however, the numbers for June and the year to date remain significantly below previous levels. June's total was nearly 46 percent below the total for June 2008, and the 1,434 permits approved through the first six months of this year were 46 percent fewer than through the same period last year.

In addition, just three towns contributed almost half of June's permit total. Danbury approved 94 units, Norwich 70 units and Southington 20; combined, the 184 units is equal to 45.6 percent of June's total.

A building official in Danbury did not return calls for comment. George Gardner, an assistant building official in Norwich, said that town's total was mostly driven by approvals of permits for a 35-unit apartment building.

Southington Town Planner Mary Savage, meanwhile, said See **PERMITS** , *Page 4A*

>> Chart compares monthly totals in the state,

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PERMITS: September will be key

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no major multi-unit projects were responsible for her town's spike, which increased its total of approved units for the year to 36 from 16 in just one month.

"We have a high inventory of approved building lots," Savage said. "My theory of what you're seeing is that developers, instead of building houses without a buyer, it may be that with the economy the way it is they are waiting until someone purchases the house to build. Perhaps in June, as mortgages got a little easier to obtain, more people chose to build.

"If anything," she added, "I think that's an optimistic sign that folks are buying new houses again."

Her theory was supported by data released Monday by the Commerce Department, which said that sales of new homes nationwide rose 11 percent last month, the biggest one-month jump in more than eight years. The report also said sales jumped 29 percent in the Northeast.

Combined with the latest state housing permit numbers, observers could say things are looking up for the housing market.

But George LaCava, president of Trilacon Development Corp. in Cromwell and president of the Home Builders Association of Connecticut, is less certain.

"It's a good sign, but one month doesn't necessarily make a trend," he said. "Most people think we have hit the bottom, but as for how steep the climb up will be or will we plod along the bottom, that remains to be seen."

LaCava said recovery in the housing market has led the way out of past economic downturns, but with unemployment still rising and credit difficult to get for builders, that may not necessarily be the case this time.

"Our inventory numbers have started to drop," he said. "If we can get the inventory of homes for sale closer to a more normal number, say three to four months worth, things will have improved."

He added that July and August traditionally have been slow sales months for housing, because of summer vacations, so the results for those months may be somewhat misleading if they lag behind June.

"As we come into September, we'll see what happens there and that will tell the story on sales" he said.

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