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## California's 2008 new home starts lowest on record

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- **Plunge 42 percent from 2007**
- **'The state economy benefits greatly when housing production is operating at healthy levels'**

Total housing production in California in 2008 was at the lowest level on record, the California Building Industry Association says Thursday.

CBIA says just 65,380 permits were issued statewide last year for new homes, condominiums, townhomes and apartments, down 42 percent from 2007 and down a staggering 69 percent – or 147,580 units – compared to 2004, the peak of the current cycle.

The numbers should send a clear signal to state and federal lawmakers to immediately enact stimulus measures to reinvigorate the depressed housing market, says Robert Rivinius, CBIA's president and CEO.

"We continue to believe that the best solution to the current depression in the homebuilding industry is to create a tax credit for new-home buyers, which in the past has proven to be an effective means of quickly jump-starting housing construction, which is such an important part of the state and national economy," he says.

Mr. Rivinius says that after Congress enacted a temporary homebuyer tax credit during the 1970s when faced with a similar downturn, home sales doubled within months of its enactment and within two years, new housing construction was back to normal levels nationwide.

According to statistics compiled by the Construction Industry Research Board, single-family permits in 2008 totaled 33,048, down 52 percent from 2007, while multifamily permits totaled 32,332, down 28 percent from the previous year.

For the month of December, permits totaled 4,973, down 34 percent from December 2007 and up 7 percent from November. Single-family permits totaled 1,978, down 45 percent when compared to December 2007 but up 36 percent from the previous month, while permits were pulled for 2,995 multifamily units, down 24 percent from December 2007 and down 7 percent from the previous month.

"Studies show that the state economy benefits greatly when housing production is operating at healthy levels," says Mr. Rivinius. "Because homebuilding has declined so dramatically, California has lost nearly 300,000 jobs and \$46 billion in economic impact in just the last three years, enough to plug the budget deficit and lift our economy out of the doldrums."

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