

## NAWLA Industry News Alert

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### Starting To Roll

For the fourth consecutive month, single-family housing starts showed month-over-month gains, according to the latest government [residential construction report](#). June single-family starts increased 14.4% to a seasonally adjusted annual rate of 470,000.

Housing units authorized by building permits in June were at a seasonally adjusted annual rate of 563,000. This represents an 8.7% increase from the May rate of 518,000 permits.

In baseball, four-in-a-row is a hot streak.

### More Signs We Are Nearing Recession's End

By Jenel Stelton-Holtmeier

More signs are appearing that an end to the recession is on its way. Several indicators are inching their way upward, according to the latest Small Business Economic Trends report, released by the National Federation of Independent Business. However, the report also warns that there are bound to be bumps along the road to recovery as the economy reorganizes itself.

The report indicates the labor market is "finding a foothold, even if a bit slippery," with forecasts pointing to unemployment declining to 8.8% in the next three months.

Additionally, the credit freeze predicted earlier this year never materialized, and June data indicates the credit market actually may be easing. Obtaining credit is more difficult for small businesses than it was in 2003, but credit patterns are no different than in past expansions, the report says.

With that in mind, the NFIB expects economic indicators still in negative territory to "soon break the surface and become positive" as the economy "restarts the growth process."

[Read the full report on small business conditions here.](#)

## **U.S. Housing Market Bottom May Be In Sight**

NEW YORK (Reuters) - The long-awaited bottoming of the U.S. housing market may be in sight, but a recovery could take as long as 18 months and will likely be muted, Fitch Ratings said in a report on Wednesday. "Single family housing starts and new home sales seem to be indicating a trough, albeit at very low levels by historical comparisons," said Bob Curran, lead author of the report.

In its report, Fitch said that pent-up demand for new homes has been building for the past few years while home prices have been sharply declining since the housing bubble burst over two years ago. Meanwhile, this year's spring selling season was notably stronger than the winter and "seasonally adjusted new home sales and single-family housing starts appear to have stabilized in recent months," the report said.

Fitch cautioned that, even with fewer competitors, builders will continue to be challenged and need to maintain tight controls over costs and expenses between now and the end of 2010. "The early stages of this recovery may be more muted than average recoveries of the past," Curran said. Housing weakness will continue through "most, if not all, of 2009, despite recent government initiatives."

The agency expects that builders will continue to either cut back on or stabilize their land purchases for at least the next six months."

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