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**Isaac M. O'Bannon** • Jan. 21, 2013

The U.S. housing market has seen incremental good news over the past few years, but it has generally been regional, as new home construction hasn't rebounded nearly as fast as many had hoped. This year, builders and the economy overall may finally see positive growth across the country.

Since 2005, tepid economic growth and high foreclosure rates have depressed home prices, bloating inventories and preventing start activity. In 2013, economists are revising nearly a decade of pessimism and forecasting growth throughout the residential construction industry.

A new report from the [Portland Cement Association](#) (PCA) projects total housing starts to reach 954,000 units in 2013, reflecting further improvement on 2012's nearly 30 percent growth.

"The possibility of one million starts in 2013 should not be dismissed," PCA Chief Economist Ed Sullivan said. "Although the first half 2013 will be mired in a fiscal cliff hangover, we are decidedly optimistic about second half economic growth, job creation and consumer sentiment – all of which translate into a stronger home sales and starts activity."

Even stronger growth in homebuilding is predicted to materialize in 2014 with starts surpassing 1.1 million.

In another optimistic turn from previous residential forecasts, PCA expects the recovery to be broad-based and is projecting all 50 states will see increases in single

family housing this year. Already underway in the interior U.S., the emergence of

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housing fundamentals on a relative basis to the Interior U.S, but on a construction activity basis, given the extremely depressed bases from which these regions are recovering from, they will likely be the housing growth leaders in coming years,” Sullivan said.

PCA expects multifamily construction to continue to grow at a strong pace as favorable fundamentals fuel the sector. Multifamily starts recorded a 55 percent gain in 2011 and 36 percent growth in 2012.

PCA expects an additional growth of 15 percent in 2013 to 277,000 units. Damaged credit due to foreclosure activity and tight mortgage lending standards have combined to create robust apartment demand.

The Portland Cement Association represents cement companies in the United States and Canada. It conducts market development, engineering, research, education, and public affairs programs.

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