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recovery from the worst housing bust since World War II.

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Home building in New Jersey is accelerating this year, as the state continues its slow recovery from the worst housing bust since World War II.

According to the latest census figures, construction permits for 6,215 units were issued in the state through April, up from 4,864 in the same period in 2012. Of those, more than half were in multifamily buildings.

“Multifamily construction continues to drive New Jersey’s home building recovery,” said Patrick J. O’Keefe, an economist with [CohnReznick](#), a New York-based accounting firm with an office in Roseland.

Apartments are in high demand because tighter mortgage standards and a sluggish employment market have made it tougher for many people to buy homes. In addition, many young people prefer the flexibility of renting as they work to establish their careers in an uncertain labor market.

Lenders also are more willing to finance rentals than other types of housing, builders say. As a result of all these factors, many multifamily projects that were originally conceived as condos have been converted to rentals over the past several years.

David Fisher, a vice president of Hovnanian Enterprises Inc. of Red Bank, the state’s largest home builder, said that buying activity has also risen this year because of the improving economy. Low mortgage rates, he said, have led many potential buyers to decide “this is the time.”

“We feel good about the market again in New Jersey,” said Fisher, who is an officer of the New Jersey Builders Association. Hovnanian has several North Jersey

communities under construction, including 55-and-up developments in Woodland

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distressed properties headed for foreclosure.

O'Keefe predicts that builders will start about 22,000 units in the state this year — a big increase from last year's 18,000 units, and the 13,000 annual average seen from 2009 to 2011, the lowest annual totals since World War II.

With the real estate market reviving, home builder stocks have been on the rise. The Standard & Poor's home builder index has risen about 50 percent over the past year.

And Hovnanian has said that it expects to return to profitability this year, after years of annual losses. Hovnanian is scheduled to report its second-quarter financial results June 5.

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