

Home Construction Down

[Jon Erickson](#)

January 22, 2009 - 5:51PM

The troubled economy takes another hit here in Mid Michigan, this time it's sales in new-home construction taking the blow.

There are new homes being built on Virginia Avenue in East Lansing, but sites like this are becoming increasingly rare in Michigan and around the country.

"It's slower then we're accustomed to," Co-owner of Mayberry Homes, Karen Schroeder said.

Around the country housing starts, or the act of beginning construction on a home, tumbled nearly 35 percent in December compared to last year.

That drop brought housing starts to the lowest average since 1959, when the records began.

Mayberry Homes is the company developing Virginia Avenue.

Schroeder says that many that are looking for homes have new requirements for a home.

"People are looking for energy efficient, quality-built, inexpensive housing so we sort of curtailed our product to meet the needs of the public," Schroeder said.

Just in the month between November and December of last year, housing starts in the Midwest dropped nearly 25 percent.

That means that for every four homes started in November of last year, only three were started in December.

One expert says one factor in the decline is a high supply of existing houses.

"We already have an overhang of houses that have been built that haven't been sold, so i think it'll be sometime before we see lots of new housing starts," CEO of Anderson Economic Group, Patrick Anderson said.

He says one thing Michigan is lacking is also the prime ingredient of homes: the people.

"Michigan has had the worst out-migration of any state, in terms of employed people that are largely moving. People are the ones that buy houses and live in them and that can't help but hurt the housing market," Anderson explained.