



Housing construction falls to 17-year low

Data illustrate nation still in grips of severe housing downturn

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WASHINGTON - Government data show construction of new homes and apartments fell by a larger-than-expected amount in August, pushing activity to the lowest level in 17 years.

The data illustrate the country remains in the grips of a severe housing downturn that has triggered billions of dollars of losses and is reshaping the structure of U.S. finance.

The Commerce Department reported Wednesday that housing construction dropped 6.2 percent last month to a seasonally adjusted annual rate of 895,000 units. That's the slowest building pace since January 1991, another period when housing was going through a painful correction.

The decline is larger than the 1.6 percent drop analysts expected and showed weakness in all the country except the West.

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