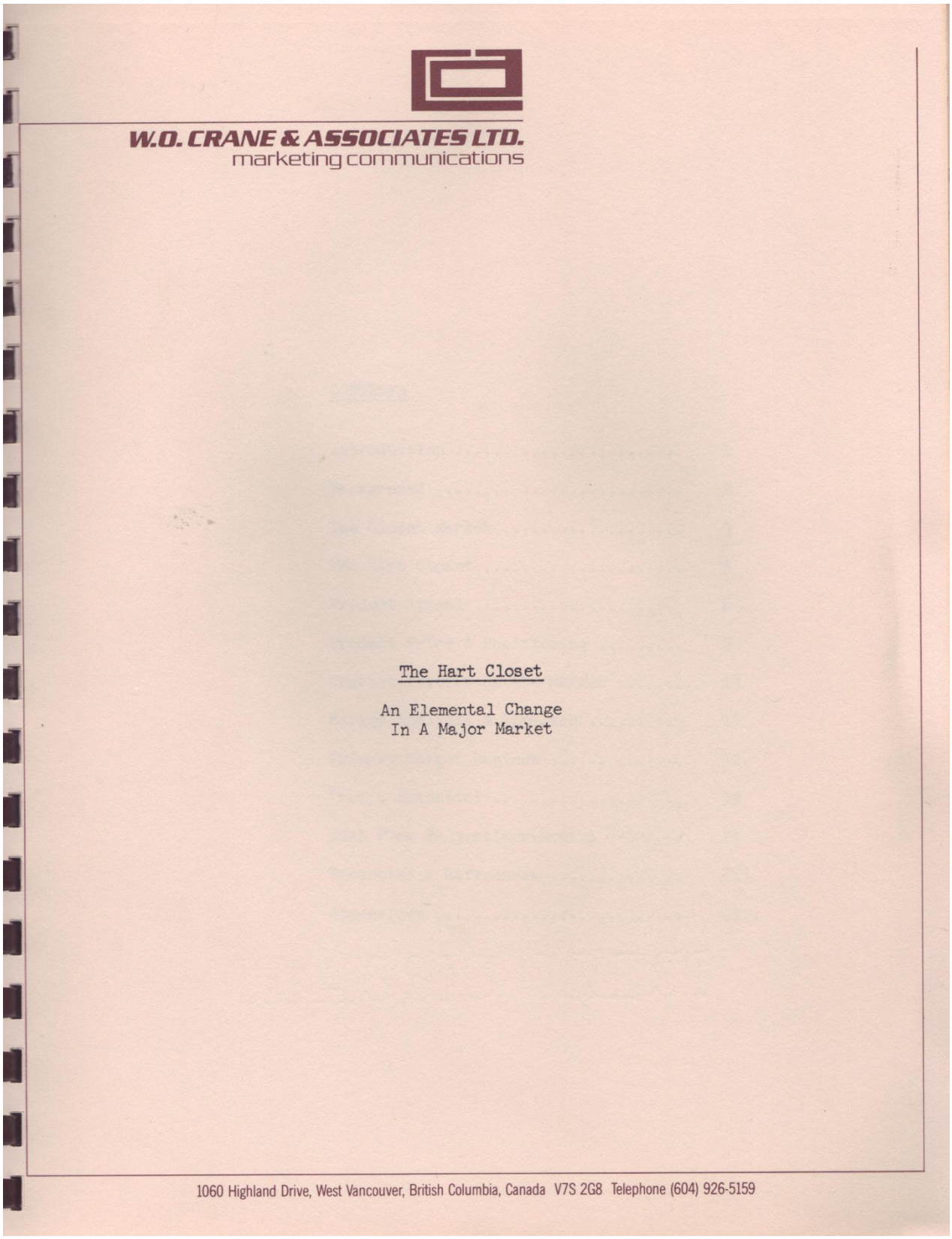
1986 Hart Closet Business Plan compiled by Bill Crane with information also provided by Tom Prevette, Rits Goto, Fred Pneuman, Fraser Cowie & Greg Hart



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INTRODUCTION

The following pages provide a précis of the Hart Closet concept, a simple idea with far reaching consequences in the construction marketplace.

Properly launched and supported financially, the Hart Closet would, in a relatively brief time frame, effect a fundamental change in a multi-billion dollar segment of the North American construction market.

The Hart Closet is, quite simply, a time-saving, labor-saving, cost-saving approach to the construction of a component incorporated in virtually all residential, commercial, industrial, modular, institutional and government structures built each year in North America.

Over and above the savings in time and money, the Hart Closet also offers a dramatic improvement in the quality and buyer appeal of the finished product.

We invite you to review the material that follows and await your comments with interest.

BACKGROUND

From Out of the Closet

The closet, or its equivalent, has been an important part of man's home environment from the cave to the time he began living in permanent structures.

Closets have served as repositories for food, weapons, armor, clothing, tools and a variety of other items which man wished to store out of the way but, at the same time, keep close at hand and easily accessible.

It is only recently that closets have been "discovered" and promoted as sales features to prospective home buyers. In recent years, a variety of organizer systems have been introduced, and custom closet design services have sprung up in most major metropolitan areas of North America (1).

Unlike the Hart Closet, the products or services these companies offer are aimed at a redesign of the space within a closet rather than with the design of the closet structure itself.

The collective impact of their efforts, however, has helped prepare the market for the introduction of the Hart Closet.

They have dramatically increased the awareness of closets among consumers, and, more importantly, among architects and contractors as well.

THE CLOSET MARKET

A Potential Calculated In Billions of Dollars

In North America, the average single family residence, whether detached, condominium, module, condo or town house, contains seven closets. Individual units in apartment buildings incorporate, on average, five closets.

In the single year of 1986, more than 12 million closets were built in new residential construction in the U. S. alone (2).

The majority of residential closets range in size from 2-feet to 8~feet. Assuming an average size of 4-feet, by far the most popular closet size, and an average cost of $500 for a closet of that size, the potential market for closets in the US residential construction alone is more than $6 billion annually.

Significant Savings Potential

The Hart Closet takes a totally new approach to closet design, materials and construction technique. This new approach will reduce the cost of closet construction by a factor of 7% - 11%, depending upon prevailing labor costs in different geographic areas across North America (3).

These cost reductions translate into a potential savings to the construction industry of the U. S. of approximately half a billion dollars each year. They also suggest a total potential market for the Hart Closet of more than $6 billion annually in US residential construction alone.

Commercial construction will increase the size of that market even further.

The Hart Closet

A Better Product at a Lover Price

The Hart Closet is a one piece unit made of a foamed urethane/fiberglass laminate supported by steel studs. It requires none of the time consuming, labor intensive functions of traditional lumber framing, dry-wall process, painting and finishing essential to the completion of conventional stick-built closets.

The materials in the Hart Closet have a flame rating superior to the flame rating of the wood and drywall used in conventionally built closets. Studies indicate that the cost of Hart Closets will be, on average, 7% - 11% lower than the cost of conventional closets as well.

These savings will be generated by drastic reductions in labor costs, by the quick and easy installation of the Hart Closet, and by the impervious surfaces of the materials used which resist construction site damage and marking far better than traditional drywall and painted materials.

Onsite installation of a Hart Closet requires less than one hour.

PRODUCT APPEAL

Financial, Operational, Aesthetic

The Financial Appeal of the Hart Closet is immediately apparent in the 7% - 11% savings it will provide the contractor in closet building costs.

Additional savings will be derived from other areas. Use of the Hart Closet will accelerate the overall construction process and result in quicker payback of construction loans and reduced interest payments for the contractor.

The Hart Closet requires no sawing and only minimal nailing and is therefore a quicker, cleaner, safer process which will result in less "down time" for clean up or injury on site. But the primary area of savings will be the dramatic reduction of labor costs at the construction site. The savings in this area alone are so extensive that they more than off-set the costs of the higher quality materials used in the manufacture of the Hart Closet.

Operational advantages of the Hart Closet are many and varied. Because they are factory produced under ideal working conditions, they incorporate a consistently higher degree of accuracy in angles, joins, and studs than stick-built closets constructed on-site where working conditions vary.

The result is truer walls and corners, and quick and easy installation. The Hart closet substantially reduces the need for sawing, nailing, screwing and drilling in the framing stages, and is therefore a cleaner, safer way of building.

Further, because Hart Closets are delivered to construction sites as completed units, inventory is much more easily controlled and "shrinkage" of construction materials from the jobsite is reduced.

Aesthetics; Incorporated into the Hart Closet are a number of aesthetically appealing features which speak directly to the interests of the potential home purchaser. Indeed, with these features, the Hart Closet could well become that "extra something" that accelerates or clinches the sale of a new residential home or a commercial unit.

Because the Hart Closet is currently a laminate of foamed urethane and fiberglass, the range of colors and textures in which it can be produced is virtually limitless. However, the Hart Closet can be made of a variety of many materials from various slurries and plastics to steel.

The wall surfaces of the closet are not only exceptionally strong, but also have a resistance to marking, scuffing or denting, being far superior to the drywall products used in traditional closet construction. The tough impervious surface (smooth or textured) is extremely easy to clean. If the color is not just what the home buyer wants, the Hart Closet surface/s will accept paint as well.

In addition to these built-in features, the Hart Closet will soon incorporate a variety of optional snap-in design accessories which will enable the home owner to "shape the space" within the closet to their own particular needs.

The accessories, which comprise the Hart Closet "System", are designed in such a way that the home owner can remove or reposition individual elements as his need for storage space changes.

PRODUCT PRICE & POSITIONING

The tremendous size of the potential market for the Hart Closet dictates that initial sales efforts should be targeted exclusively toward major construction companies.

The primary effect of this strategy will be a minimal cost of sale on a per unit basis and a significantly higher margin of profit through the critical startup period.

Factors of Influence

There are a number of factors which have a bearing on the cost of closet construction. They will also have a bearing on pricing strategies of the Hart Closet.

Closets in residential structures range in size from 2 feet to 8 feet. The time required to build and finish closets of different sizes ranges from 14 to 19 hours.

There is only a slight difference in material costs for traditional closets of different sizes. They range from about $50 for a 2-foot closet to about $75 for an 8-foot closet.

The cost of labor varies across North America, and those.cost variances are reflected in the cost of construction of traditional closets.

Hourly wages for example:
TX Labor: $21/hour
WA Labor: $27/hour

Lower cost labor rates are generally off-set by lower levels of production, but in all geographic areas, labor is by far the single most expensive component in closet construction.

The Hart Concept;

High Quality Materials, Low Labor Costs

The following comparison of labor and material components is based upon a 6-foot Hart Closet and a 6-foot traditionally built closet.

The labor component of the traditional closet is calculated at I7 man hours for framing, drywall installation with process, painting and finishing (4). The cost of labor is calculated at $26.00 per hour (5).

Traditional Closet

Traditional closet construction techniques are labor intensive and require skilled craftsmen on-site for framing, drywall, tapping, mudding twice, sanding, painting twice and finish carpentry. On average, the labor content represents about 85% of the total cost of a closet, leaving only 15% for materials.

Hart Closet:

Under the Hart Closet concept, the labor content of on-site closet construction is reduced to as little as 5% of the overall closet construction cost.

The Hart approach eliminates the need for much of the most expensive component of closet construction, on-site labor.

This approach accomplishes two things. First, the savings realized allow for the incorporation of the best materials available in the Hart Closet, assuring a noticeably superior finished product.

Secondly, a portion of the savings can be passed on to the contractor or the developer. On average, Hart Closets will be available for about 7% - 11% less than the cost of traditionally built closets.

Unit Cost Comparison:

Unit pricing for a typical single family detached house with seven closets (two 2-foot being Pantry, Broom or Linen, two 4-foot being Entry and Mudroom, two 6-foot being two Bedrooms and one 8-foot being the Master Bedroom, demonstrates the savings the Hart Closet can effect for builders.

Traditional	$3,257
Hart Closet	$2,999
Hart Savings:	**$258**

This comparison is based on installed, finished closets with all labor included. It reflects a savings to the contractor of approximately 8% on a single family detached housing unit.

CHARACTERISTICS OF THE MARKET

The potential market for the Hart Closet is huge. In spite of slowdowns in some regions, residential construction in the US overall is on the increase with the Pacific Coast, South Atlantic and Mid-Atlantic states leading the way.

Three key states, California, Florida and Texas continue to lead the nation in residential construction activity and, together, represent more than a third of the total US market.

Projections are that 1987 will see the construction of more than 1.6 million new homes in the United States (6):

998,000	Single Family Detached
345,000	Single Family Attached
293,000	Multi-Family Low Rise
39,000	Multi-Family High Rise
	(mobile homes are not factored in these numbers)

The three leading states will account for more than half a million of those homes, 571,000.

A feeling for the sheer size of the market can be grasped by the following. If the Hart Closet were to achieve a penetration of 6% of the Florida housing market, that market alone would generate sales in excess of $25,000,000.

Penetration of the Texas market to the same level would result in sales of about $14,000,000 and in California, sales of about $40,000,000.

Fortunately, a significant portion of that huge US housing market is comprised of a smaller, more manageable number of large individual contracting companies. One company, for example, has construction operations in 14 different states, and by itself, would represent a market in the tens of millions of dollars for the Hart Closet project.

Further, as overwhelming as the US residential construction market might appear at first glance, it is largely segmented and tied-in to the country's major metropolitan areas. From a sales and marketing point of view, these individual metropolitan areas can be targeted and attacked one by one.

Finally, by targeting specific large metropolitan markets and working one-on-one with the major contractors within those markets, the high costs of traditional new product introductory advertising and promotion can be virtually eliminated.

MARKET ANALYSIS & APPROACH

A Quick but Quiet Approach to Major Metropolitan Markets

The patenting process is already underway, but it appears that with the simplicity of the Hart Closet concept, once the product becomes relatively well known, imitations will begin appearing on the market.

This anticipated competition, the size of the potential market, and its city-by-city segmentation all serve to reinforce the concept of one-on-one product presentation to major builders in selected major markets.

A first class Audio/Visual presentation and supporting collateral materials will be produced for use in person-to-person meetings with representatives of large residential construction companies in selected growth cities:

Seattle, San Francisco, San Diego, Sacramento, Los Angeles and Alanta

This approach will provide Hart Closets with a relatively quick penetration of the key US metropolitan markets and a good geographic distribution of the product in a time frame of 18 months.

Market Expansion By Region

Using the regional market designations set forth by the US Department of Commerce, Hart Closet expansion through the United States in chronological order will be as follows:

May 1987 - December 1988

Pacific: Washington, Oregon, California,
South Atlantic: Florida, Georgia, West Virginia, Virginia, North Carolina, South Carolina,

January 1989 and beyond

Middle Atlantic: New York, New Jersey, Pennsylvania
W/S Central: Texas, Oklahoma, Arkansas, Louisiana
New England: Maine, New Hampshire, Vermont, Rhode Island, Massachusetts, Connecticut
E/N Central: Michigan, Wisconsin, Indiana, Illinois, Ohio
E/S Central: Kentucky, Tennessee, Mississippi, Alabama
W/N Central: Minnesota, Missouri, Iowa, Kansas, Nebraska, North Dakota, South Dakota
Mountain: Montana, Wyoming, Utah, Colorado, New Mexico, Idaho, Nevada, Arizona

TWO PRIMARY TARGET REGIONS

Pacific and South Atlantic Deliver Half of US Market

It should be noted that the first two regions, targeted for expansion within the next 18 months, the Pacific and the South Atlantic, together represent nearly half of the US residential construction market.

Of the 1.6 million new homes projected for the entire US for 1987, 460,000 will be built in the South Atlantic region and 335,000 in the Pacific region, for a total of 795,000 homes - a volume of residential construction activity virtually equal to the other seven US regional markets combined.

Expansion plans for the Hart Closet provide for quick penetration of the major metropolitan markets within the Pacific and South Atlantic Regions.

A staged, market by market, approach to the key cities within the 9 states which comprise those two regions will allow for a rapid, but consistent increase in the company's production capacity. It should also result in an early positive cash flow for the company and an equal yearly pay back for its investors.

Primary Sales Benefits Identified

Sales materials in support of the Hart Closet will stress the following customer benefits :

- 7% to 11% savings on closet construction costs
- a better finished product, more attractive & functional
- enhanced sales appeal to prospective home buyers
- acceleration of the construction process overall
- quicker pay back of construction loans
- a cleaner and safer process

PROFIT POTENTIAL

In spite of the relatively modest levels of market penetration projected over the 18 month period June 1987 through December 1988, the sheer size of the markets targeted result in substantial gross sales projections.

Monthly unit sales projections are calculated as single family detached units (7 closets per unit sold) or as multi-family units (5 closets per unit sold).

To June of 1988

The first sales year, June 1987 to June 1988, will be devoted to bringing production facilities on-line and to establishing a sales presence in the five key metropolitan markets of the Pacific Coast Region: Los Angeles, San Francisco, San Diego, Sacramento and Seattle.

Combined sales levels for these five markets in June on 1988, is projected at 250 single family detached units and 290 multi-family units per month. These figures translate into gross monthly revenues of $1,387,460.

The cost of manufacture for the Hart Closet ranges from 50% of the unit price in areas of low production to only 36% of the unit price in high production areas. However, at a minimum, gross profits should be in the neighborhood of $1,000 per unit over manufacturing costs.

An increase in gross profits can be expected as established markets are developed and as new markets are brought on stream, because per unit costs will drop substantially as production levels rise.

To December of 1988

The primary objectives in the six months between June 1988 and December 1988 will be to accelerate the growth and development of the five key Pacific Region markets and to penetrate the South Atlantic Region with operations in Atlanta.

By December of 1988, the Hart Closet will be available in the two most active regions of residential construction in the entire US

To January of 1989 & Beyond

Expansion into the seven remaining regional markets of the US will take place after January 1989. If, in the long term, the Hart Closet were to penetrate the US national housing market to the 6% regional target level, the resultant gross revenues would approach a quarter of a billion dollars per year.

Footnotes and References

1) For Example: A recent issue of Los Angeles Magazine carried major ads for six different closet design firms in that city: The Closet Store; Colleen Baker's Closet Space Planners; Closets by Design; The Closet Factory; California Closets; and Beautiful Closets.

2) U.S. Department of Commerce/Construction Statistics Division of the Bureau of the Census (1986 Report), Addendum #1

3) Generally speaking, the "fully loaded" or total cost to a contractor for skilled workers at a construction site, are about 3% higher than the actual hourly rate paid. Such "fully loaded" costs vary greatly by area of the country. For example: Texas at $21 per hour vs. Washington State at $27 per hour.

4) Time & Materials Study on Closet Construction, Addendum #2

5) See footnote #3 above

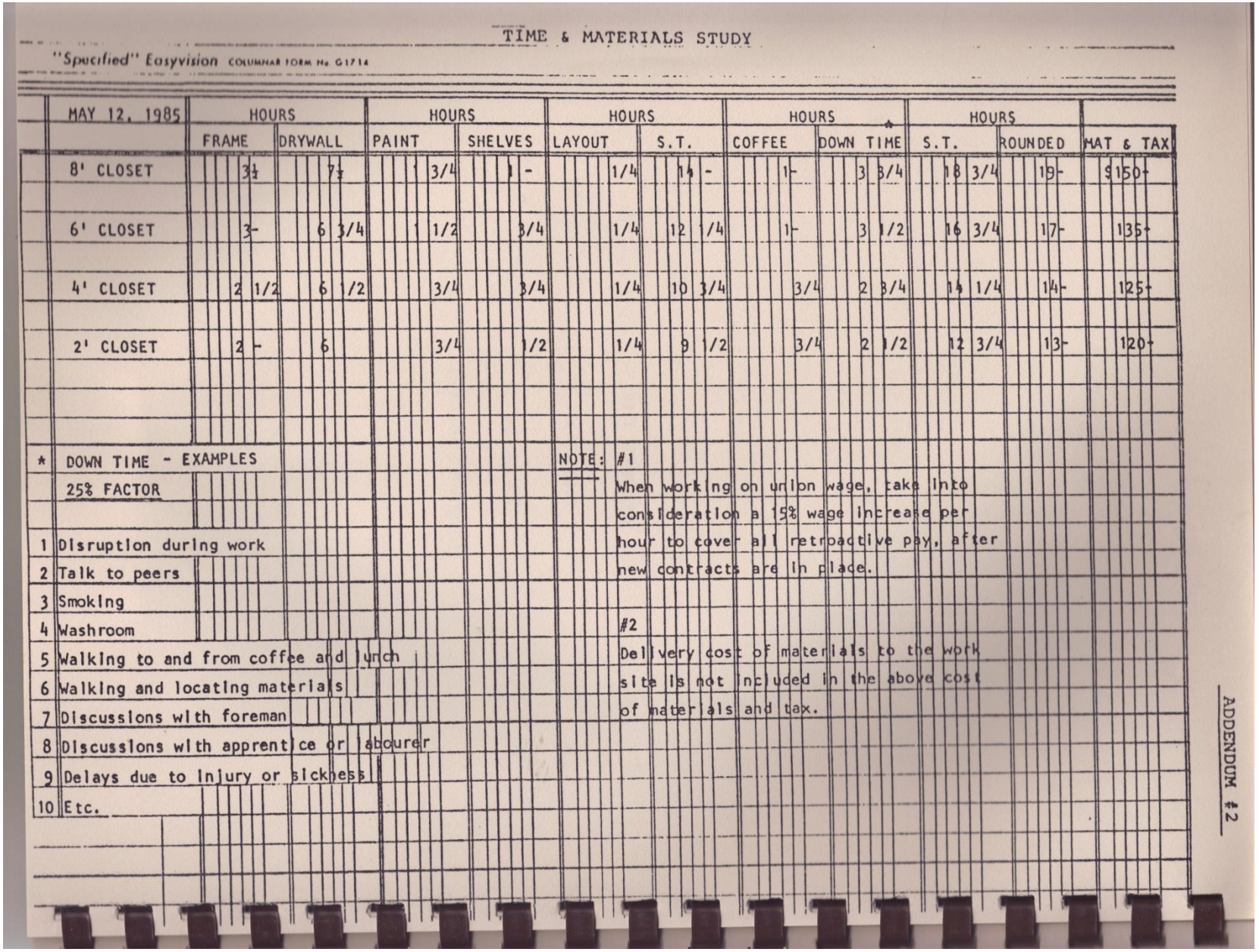
6) US Census Bureau News 2013, Addendum #3

HOUSING STARTS BY REG 1980-1990 FORECASTED
UNITED ST...ES TOTAL

Date of Forecast: October 1986

	ACTUAL						ESTIMATED	FORECAST			
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
Northeast											
SFD	77,450	74,780	64,800	95,960	111,330	130,330	176,650	168,600	164,930	138,870	134,320
SFA	20,260	19,500	23,080	39,900	65,700	72,850	75,210	73,090	71,650	77,490	73,880
MFLR	21,040	17,520	21,150	23,120	21,000	37,950	32,620	25,290	24,690	41,600	43,480
MFHR	6,290	5,260	8,020	8,060	7,010	9,900	8,780	6,160	6,000	9,520	9,070
TOTAL	125,040	117,060	117,050	167,040	205,040	251,030	293,260	273,140	267,270	267,480	260,750
North Central											
SFD	132,090	102,350	88,120	137,770	143,640	134,710	172,980	170,320	168,980	152,770	150,130
SFA	38,100	28,900	25,930	35,060	43,580	37,530	48,860	47,040	46,530	48,760	49,640
MFLR	36,330	26,430	25,840	36,050	48,030	60,080	58,100	43,660	41,850	52,640	53,200
MFHR	11,540	8,430	9,140	9,120	7,820	7,720	9,580	6,410	6,130	7,910	8,760
TOTAL	218,060	166,110	149,030	218,000	243,070	240,040	289,520	267,430	263,490	262,080	261,730
South											
SFD	389,540	332,200	317,750	466,250	428,500	428,470	452,590	409,980	454,800	411,360	398,670
SFA	116,570	104,090	98,490	173,870	179,970	135,160	129,660	128,200	141,500	135,850	141,020
MFLR	102,300	95,520	134,930	250,460	224,700	192,050	156,110	104,990	110,500	164,570	164,070
MFHR	34,650	32,350	39,880	41,210	32,910	26,420	23,150	17,070	17,970	29,550	27,720
TOTAL	643,060	564,160	591,050	931,790	866,080	782,100	761,510	660,240	724,770	741,330	731,480
West											
SFD	176,440	133,240	106,700	196,590	193,200	210,340	229,200	249,780	250,280	192,980	180,120
SFA	58,400	45,410	43,140	76,650	80,070	67,980	95,240	97,200	96,130	105,720	105,780
MFLR	54,390	46,940	41,410	95,180	150,510	175,460	166,910	119,840	115,820	162,550	172,160
MFHR	16,810	14,510	13,810	14,660	12,250	14,290	13,760	9,850	9,540	15,490	16,420
TOTAL	306,040	240,100	205,060	383,080	436,030	468,070	505,110	476,670	471,770	476,740	474,480
U.S. TOTAL											
SFD	775,520	642,570	577,370	896,570	876,670	903,850	1,031,420	998,680	1,038,990	895,980	863,240
SFA	233,330	197,900	190,640	325,480	369,320	313,520	348,970	345,530	355,810	367,820	370,320
MFLR	214,060	186,410	223,330	404,810	444,240	465,540	413,740	293,780	292,860	421,360	432,910
MFHR	69,290	60,550	70,850	73,050	59,990	58,330	55,270	39,490	39,640	62,470	61,970
TOTAL	1,292,200	1,087,430	1,062,190	1,699,910	1,750,220	1,741,240	1,849,400	1,677,480	1,727,300	1,747,630	1,728,440

ADDENDUM #1



TIME & MATERIALS STUDY

"Specified" Easyvision COLUMNAR FORM No. G1714

MAY 12, 1985	HOURS FRAME	HOURS DRYWALL	HOURS PAINT	HOURS SHELVES	HOURS LAYOUT	HOURS S.T.	HOURS COFFEE	HOURS DOWN TIME	HOURS S.T.	HOURS ROUNDED	MAT & TAX
8' CLOSET	3½	7½	1 3/4	1 -	1/4	14 -	1-	3 3/4	18 3/4	19-	$150+
6' CLOSET	3-	6 3/4	1 1/2	3/4	1/4	12 1/4	1-	3 1/2	16 3/4	17-	135+
4' CLOSET	2 1/2	6 1/2	3/4	3/4	1/4	10 3/4	3/4	2 3/4	14 1/4	14-	125+
2' CLOSET	2 -	6	3/4	1/2	1/4	9 1/2	3/4	2 1/2	12 3/4	13-	120+

* DOWN TIME - EXAMPLES

25% FACTOR

1. Disruption during work
2. Talk to peers
3. Smoking
4. Washroom
5. Walking to and from coffee and lunch
6. Walking and locating materials
7. Discussions with foreman
8. Discussions with apprentice or labourer
9. Delays due to injury or sickness
10. Etc.

NOTE: #1

When working on union wage, take into consideration a 15% wage increase per hour to cover all retroactive pay, after new contracts are in place.

#2

Delivery cost of materials to the work site is not included in the above cost of materials and tax.

ADDENDUM #2

ADENDUM 3

THIS ADENDUM IS NOT FROM 1987 BUT CURRENT in 2013

U.S. Census Bureau News

Joint Release

U.S. Department of Housing and Urban Development

U.S. Department of Commerce • Washington, D.C. 20233

FOR IMMEDIATE RELEASE WEDNESDAY, FEBRUARY 20, 2013 AT 8:30 A.M. EST

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NEW RESIDENTIAL CONSTRUCTION IN JANUARY 2013

The U.S. Census Bureau and the Department of Housing and Urban Development jointly announced the following new residential construction statistics for January 2013:

BUILDING PERMITS

Privately-owned housing units authorized by building permits in January were at a seasonally adjusted annual rate of 925,000. This is 1.8 percent (±0.9%) above the revised December rate of 909,000 and is 35.2 percent (±1.5%) above the January 2012 estimate of 684,000.

Single-family authorizations in January were at a rate of 584,000; this is 1.9 percent (±0.8%) above the revised December figure of 573,000. Authorizations of units in buildings with five units or more were at a rate of 311,000 in January.

HOUSING STARTS

Privately-owned housing starts in January were at a seasonally adjusted annual rate of 890,000. This is 8.5 percent (±11.3%)* below the revised December estimate of 973,000, but is 23.6 percent (±13.4%) above the January 2012 rate of 720,000.

Single-family housing starts in January were at a rate of 613,000; this is 0.8 percent (±11.7%)* above the revised December figure of 608,000. The January rate for units in buildings with five units or more was 260,000.

HOUSING COMPLETIONS

Privately-owned housing completions in January were at a seasonally adjusted annual rate of 724,000. This is 6.0 percent (±7.2%)* above the revised December estimate of 683,000 and is 33.6 percent (±17.1%) above the January 2012 rate of 542,000.

Single-family housing completions in January were at a rate of 565,000; this is 7.0 percent (±8.1%)* above the revised December rate of 528,000. The January rate for units in buildings with five units or more was 152,000.

New Residential Construction data for February 2013 will be released on Tuesday, March 19, 2013, at 8:30 A.M. EDT.
Our Internet site is: http://www.census.gov/starts

To receive the latest updates on the Nation's key economic indicators, download the America's Economy app for Apple and Android smartphones and tablets.

EXPLANATORY NOTES

In interpreting changes in the statistics in this release, note that month-to-month changes in seasonally adjusted statistics often show movements which may be irregular. It may take 3 months to establish an underlying trend for building permit authorizations, 4 months for total starts, and 6 months for total completions. The statistics in this release are estimated from sample surveys and are subject to sampling variability as well as non-sampling error including bias and variance from response, non-reporting, and under coverage. Estimated relative standard errors of the most recent data are shown in the tables. Whenever a statement such as "2.5 percent (±3.2%) above" appears in the text, this indicates the range (-0.7 to +5.7 percent) in which the actual percent change is likely to have occurred. All ranges given for percent changes are 90-percent confidence intervals and account only for sampling variability. If a range does not contain zero, the change is statistically significant. If it does contain zero, the change is not statistically significant; that is, it is uncertain whether there was an increase or decrease. The same policies apply to the confidence intervals for percent changes shown in the tables. On average, the preliminary seasonally adjusted estimates of total building permits, housing starts and housing completions are revised about three percent or less. Explanations of confidence intervals and sampling variability can be found on our web site listed above.

* 90% confidence interval includes zero. The Census Bureau does not have sufficient statistical evidence to conclude that the actual change is different from zero.

Table 1. New Privately-Owned Housing Units Authorized in Permit-Issuing Places

[Thousands of units. Detail may not add to total because of rounding]

Period	United				Northeast		Midwest		Sout		Wes	
		In structures with --										
	Total	1 unit	2 to 4 units	5 units or more	Total	1 unit	Total	1 unit	Total	1 unit	Total	1 unit
	Seasonally adjusted											
2012: January	684	452	20	212	78	37	101	75	377	245	128	95
February	707	478	25	204	82	46	119	79	361	260	145	93
March	769	466	22	281	81	44	130	84	371	241	187	97
April	723	475	22	226	88	45	114	76	359	248	162	106
May	784	490	22	272	78	43	119	82	412	255	175	110
June	760	491	21	248	82	43	119	81	381	256	178	111
July	811	511	29	271	91	42	114	83	404	267	202	119
August	801	511	27	263	83	40	123	88	409	267	186	116
September	890	550	27	313	88	44	145	94	451	287	206	125
October	868	566	24	278	81	45	148	98	452	302	187	121
November	900	568	28	304	79	43	158	94	466	301	197	130
December (r)	909	573	28	308	99	48	141	102	447	298	222	125
2013: **January (p)**	**925**	**584**	**30**	**311**	**109**	**46**	**143**	**101**	**452**	**304**	**221**	**133**
Average RSE (%)[1]	1	1	8	1	3	2	2	2	1	1	1	1
Percent Change:												
January 2013 from December 2012	***1.8%***	***1.9%***	***7.1%***	***1.0%***	***10.1%***	***-4.2%***	***1.4%***	***-1.0%***	***1.1%***	***2.0%***	***-0.5%***	***6.4%***
90% Confidence Interval[3]	*± 0.9*	*± 0.8*	*± 12.7*	*± 2.1*	*± 4.1*	*± 6.5*	*± 3.4*	*± 4.2*	*± 1.2*	*± 1.5*	*± 1.3*	*± 1.7*
January 2013 from January 2012	***35.2%***	***29.2%***	***50.0%***	***46.7%***	***39.7%***	***24.3%***	***41.6%***	***34.7%***	***19.9%***	***24.1%***	***72.7%***	***40.0%***
90% Confidence Interval[3]	*± 1.5*	*± 1.0*	*± 12.9*	*± 3.1*	*± 5.3*	*± 8.4*	*± 4.5*	*± 5.6*	*± 1.8*	*± 2.2*	*± 2.6*	*± 3.4*
	Not seasonally											
2011:	624.1	418.5	21.6	184.0	68.5	39.0	102.7	70.5	320.7	227.1	132.2	81.9
2012: (r)	815.5	514.2	24.7	276.6	84.3	43.4	130.6	87.5	415.6	270.5	185.1	112.7
RSE (%)	1	1	4	(Z)	3	2	1	1	1	(Z)	1	2
Year to Year Percent Change[4]	***30.7%***	***22.9%***	***14.6%***	***50.3%***	***23.1%***	***11.3%***	***27.1%***	***24.1%***	***29.6%***	***19.1%***	***40.0%***	***37.7%***
90% Confidence Interval[3]	*± 1.1*	*± 1.0*	*± 6.7*	*± 1.5*	*± 4.6*	*± 6.4*	*± 1.8*	*± 2.2*	*± 0.7*	*± 0.9*	*± 2.1*	*± 2.7*
2012: January	46.3	29.9	1.3	15.1	4.8	2.2	5.0	3.3	28.4	18.3	8.2	6.1
February	51.9	35.1	1.7	15.2	5.5	2.7	6.5	4.6	28.9	21.1	11.1	6.8
March	67.4	42.2	2.0	23.2	5.8	3.6	10.3	7.3	34.3	22.5	17.0	8.9
April	62.5	43.9	1.8	16.8	7.6	4.0	10.6	7.8	30.5	22.4	13.7	9.6
May	75.4	49.6	2.0	23.8	7.3	4.4	12.3	9.1	38.6	24.9	17.2	11.3
June	73.8	47.6	2.0	24.3	8.8	4.1	11.4	8.2	35.4	24.0	18.2	11.2
July	72.1	46.8	2.5	22.8	8.1	4.0	10.9	8.1	35.9	23.8	17.2	10.9
August	77.7	49.4	2.6	25.8	7.7	3.8	12.6	9.0	39.1	25.4	18.4	11.1
September	71.4	43.0	2.1	26.3	7.3	3.7	12.9	8.1	35.2	21.5	16.0	9.7
October	75.3	49.2	2.3	23.8	7.6	4.2	15.6	9.9	36.5	24.7	15.6	10.3
November	66.5	40.1	2.2	24.2	6.1	3.3	12.5	6.9	33.8	21.2	14.1	8.8
December (r)	65.1	36.1	2.0	27.0	7.8	3.1	8.7	5.3	32.7	19.6	16.0	8.0
2013: **January (p)**	**65.5**	**40.5**	**2.0**	**23.0**	**7.3**	**2.9**	**7.2**	**4.7**	**35.5**	**23.7**	**15.4**	**9.2**
Average RSE (%)[1]	1	1	8	1	3	2	2	2	1	1	1	1

(p) Preliminary. (r) Revised. RSE Relative standard error. S Does not meet publication standards because tests for identifiable and stable seasonality do not meet reliability standards.
X Not applicable. Z Relative standard error is less than 0.5 percent.

[1]Average RSE for the latest 6-month period. [2]Reflects revisions not distributed to months.

[3] See the Explanatory Notes in the accompanying text for an explanation of 90% confidence intervals. [4] Computed using unrounded data.

Table 2. New Privately-Owned Housing Units Authorized, but Not Started, at End of Period

[Thousands of units. Detail may not add to total because of rounding]

Period	United States				Northeast		Midwest		South		West	
		In structures with --										
	Total	1 unit	2 to 4 units	5 units or more	Total	1 unit	Total	1 unit	Total	1 unit	Total	1 unit
	Not seasonally adjusted											
2012: January	75.0	39.9	1.6	33.5	8.1	5.0	5.6	3.7	41.4	21.1	20.0	10.1
February	78.7	44.2	1.9	32.6	9.8	5.1	6.7	4.5	41.1	23.5	21.1	11.1
March	87.6	45.2	2.0	40.4	8.4	5.2	8.4	5.2	44.4	23.6	26.4	11.3
April	80.6	44.2	2.0	34.5	8.8	5.1	7.2	5.3	39.9	22.8	24.8	11.1
May	85.8	45.1	1.6	39.2	8.0	4.9	8.5	5.7	43.6	23.5	25.7	11.0
June	84.7	43.5	1.5	39.8	8.5	5.6	9.3	4.9	43.3	22.2	23.6	10.7
July	87.5	42.1	1.5	44.0	8.9	5.2	8.7	4.7	48.2	22.6	21.7	9.6
August	94.5	46.4	1.8	46.4	9.1	5.4	8.7	5.2	53.2	24.8	23.6	10.9
September	93.3	42.4	2.2	48.7	8.4	4.9	8.3	5.3	53.0	21.6	23.5	10.6
October	89.9	42.6	2.0	45.3	8.0	5.3	8.5	5.0	52.3	22.7	21.0	9.7
November (r)	90.1	43.9	2.6	43.6	8.4	5.0	8.6	4.5	51.2	24.8	21.9	9.5
December (r)	92.7	43.5	2.5	46.6	8.1	4.5	6.4	4.6	54.2	25.1	24.0	9.3
2013: **January (p)**	**96.3**	**44.9**	**2.8**	**48.6**	**9.4**	**4.5**	**8.1**	**4.9**	**54.5**	**25.7**	**24.4**	**9.9**
Average RSE (%)[1]	6	6	21	9	17	21	12	11	7	9	14	17
Percent Change: [2]												
January 2013 from December 2012	***3.9%***	***3.2%***	***10.6%***	***4.3%***	***15.6%***	***-1.1%***	***25.6%***	***5.8%***	***0.7%***	***2.6%***	***1.6%***	***5.9%***
90% Confidence Interval [3]	*± 3.7*	*± 4.3*	*± 25.8*	*± 5.9*	*± 16.3*	*± 14.5*	*± 15.1*	*± 17.5*	*± 4.4*	*± 5.0*	*± 7.0*	*± 11.0*
January 2013 from January 2012	***28.4%***	***12.8%***	***73.6%***	***44.8%***	***16.3%***	***-9.4%***	***44.8%***	***33.3%***	***31.7%***	***21.8%***	***22.0%***	***-2.6%***
90% Confidence Interval [3]	*± 10.6*	*± 10.8*	*± 58.3*	*± 20.5*	*± 23.0*	*± 18.0*	*± 36.9*	*± 30.9*	*± 17.5*	*± 17.0*	*± 19.3*	*± 15.5*

(p) Preliminary. (r) Revised. RSE Relative standard error. S Does not meet publication standards because tests for identifiable and stable seasonality do not meet reliability standards.

[1] Average RSE for the latest 6-month period. [2] Computed using unrounded data.

[3] See the Explanatory Notes in the accompanying text for an explanation of 90% confidence intervals.

Note: These data represent the number of housing units authorized in all months up to and including the last day of the reporting period and not started as of that date without regard to the months of original permit issuance. Cancelled, abandoned, expired, and revoked permits are excluded.

Table 3. New Privately-Owned Housing Units Started

[Thousands of units. Detail may not add to total because of rounding]

Period	United				Northeast		Midwest		South		West	
		In structures with --										
	Total	1 unit	2 to 4	5 units or more	Total	1 unit	Total	1 unit	Total	1 unit	Total	1 unit
	Seasonally adjusted											
2012: January	720	511	(S)	193	74	44	106	82	403	290	137	95
February	718	470	(S)	240	66	50	99	87	419	253	134	80
March	706	481	(S)	215	87	45	116	88	354	249	149	99
April	747	504	(S)	234	80	48	125	91	395	265	147	100
May	706	513	(S)	178	76	43	108	86	365	276	157	108
June	754	531	(S)	215	78	48	98	87	366	276	212	120
July	728	506	(S)	211	86	41	111	77	348	278	183	110
August	750	538	(S)	205	74	47	130	89	376	293	170	109
September	843	590	(S)	245	77	48	147	107	418	306	201	129
October	889	589	(S)	281	78	41	156	109	438	289	217	150
November (r)	841	570	(S)	261	68	48	154	96	451	297	168	129
December (r)	973	608	(S)	352	116	55	190	103	464	317	203	133
2013: **January (p)**	**890**	**613**	**(S)**	**260**	**75**	**50**	**95**	**93**	**483**	**331**	**237**	**139**
Average RSE (%)[1]	5	4	(X)	12	16	14	13	13	7	5	8	9
Percent Change:												
January 2013 from December 2012	***-8.5%***	***0.8%***	***(S)***	***-26.1%***	***-35.3%***	***-9.1%***	***-50.0%***	***-9.7%***	***4.1%***	***4.4%***	***16.7%***	***4.5%***
90% Confidence Interval[2]	*± 11.3*	*± 11.7*	*(X)*	*± 21.2*	*± 28.9*	*± 43.6*	*± 11.8*	*± 29.8*	*± 17.3*	*± 13.4*	*± 21.4*	*± 17.2*
January 2013 from January 2012	***23.6%***	***20.0%***	***(S)***	***34.7%***	***1.4%***	***13.6%***	***-10.4%***	***13.4%***	***19.9%***	***14.1%***	***73.0%***	***46.3%***
90% Confidence Interval[2]	*± 13.4*	*± 11.2*	*(X)*	*± 42.4*	*± 50.3*	*± 44.1*	*± 20.2*	*± 22.1*	*± 15.8*	*± 13.5*	*± 40.9*	*± 24.2*
	Not seasonally adjusted											
2011:	608.8	430.6	10.9	167.3	67.7	41.2	100.9	74.3	307.8	229.3	132.5	85.7
2012: (r)	779.9	534.6	11.1	234.2	79.7	46.5	128.1	92.0	397.7	282.1	174.4	113.9
RSE (%)	1	1	14	3	3	5	2	4	2	2	2	2
Year to Year Percent Change[3]	***28.1%***	***24.1%***	***1.7%***	***40.0%***	***17.7%***	***12.7%***	***27.0%***	***23.8%***	***29.2%***	***23.0%***	***31.7%***	***32.9%***
90% Confidence Interval[2]	*± 2.6*	*± 2.6*	*± 23.6*	*± 8.3*	*± 7.3*	*± 9.7*	*± 5.1*	*± 4.8*	*± 4.7*	*± 3.9*	*± 6.3*	*± 4.8*
2012: January	47.2	33.1	1.1	13.0	4.6	2.6	5.3	3.7	28.4	20.7	9.0	6.1
February	49.7	32.2	0.6	16.9	3.8	2.7	5.0	4.1	31.1	19.5	9.8	5.9
March	58.0	40.2	0.8	17.1	7.0	3.7	8.4	6.1	30.2	21.8	12.4	8.5
April	66.8	46.6	0.7	19.5	7.1	4.4	11.3	8.5	35.0	24.2	13.4	9.5
May	67.8	50.1	1.3	16.3	7.4	4.4	11.4	9.4	33.4	25.3	15.5	11.0
June	74.7	54.4	0.7	19.6	7.7	5.0	10.5	9.5	35.9	27.7	20.5	12.2
July	69.2	49.4	1.0	18.7	8.1	4.1	11.3	8.3	32.0	25.8	17.7	11.2
August	69.0	49.3	0.7	19.0	6.9	4.4	12.9	9.1	33.3	25.6	15.8	10.2
September	75.8	51.4	0.8	23.6	6.9	4.1	13.6	9.8	37.5	26.7	17.8	10.8
October	77.0	50.3	1.7	25.1	7.1	3.8	15.0	10.8	37.3	24.0	17.7	11.7
November (r)	62.2	40.1	0.8	21.3	5.1	3.5	12.1	7.4	33.0	20.5	11.9	8.7
December (r)	62.5	37.5	0.9	24.2	8.0	3.8	11.2	5.3	30.4	20.3	12.9	8.0
2013: **January (p)**	**58.5**	**39.6**	**1.1**	**17.7**	**4.7**	**3.0**	**4.2**	**4.1**	**34.0**	**23.6**	**15.6**	**8.9**
Average RSE (%)[1]	5	4	33	12	16	14	13	13	7	5	8	9

(p) Preliminary. (r) Revised. RSE Relative standard error. S Does not meet publication standards because tests for identifiable and stable seasonality do not meet reliability standards.
X Not applicable.

[1] Average RSE for the latest 6-month period.

[2] See the Explanatory Notes in the accompanying text for an explanation of 90% confidence intervals.

[3] Computed using unrounded data.

Table 4. New Privately-Owned Housing Units Under Construction at End of Period

[Thousands of units. Detail may not add to total because of rounding]

Period	United States				Northeast		Midwest		South		West	
		In structures with --										
	Total	1 unit	2 to 4 units	5 units or more	Total	1 unit	Total	1 unit	Total	1 unit	Total	1 unit
	Seasonally adjusted											
2012: January	443	241	(S)	191	90	36	69	46	182	111	102	48
February	450	243	(S)	196	89	37	70	47	188	111	103	48
March	459	245	(S)	204	90	37	69	47	191	111	109	50
April	464	247	(S)	207	89	37	70	47	197	113	108	50
May	474	252	(S)	212	89	36	71	48	202	115	112	53
June	486	258	(S)	219	89	35	70	48	207	118	120	57
July	491	263	(S)	219	88	35	69	48	211	122	123	58
August	497	267	(S)	222	91	36	69	49	216	124	121	58
September	512	272	(S)	232	91	36	73	50	222	126	126	60
October	520	275	(S)	236	90	34	76	51	225	128	129	62
November (r)	534	280	(S)	245	90	34	81	53	233	130	130	63
December (r)	549	282	(S)	258	92	34	86	52	239	132	132	64
2013: **January (p)**	**557**	**284**	**(S)**	**264**	**92**	**34**	**86**	**52**	**244**	**133**	**135**	**65**
Average RSE (%)[1]	2	3	(X)	3	5	6	4	7	3	4	3	5
Percent Change:												
January 2013 from December 2012	***1.5%***	***0.7%***	***(S)***	***2.3%***	***0.0%***	***0.0%***	***0.0%***	***0.0%***	***2.1%***	***0.8%***	***2.3%***	***1.6%***
90% Confidence Interval[2]	*± 1.0*	*± 1.3*	*(X)*	*± 1.4*	*± 2.3*	*± 4.2*	*± 1.5*	*± 2.5*	*± 1.5*	*± 1.8*	*± 2.0*	*± 1.9*
January 2013 from January 2012	***25.7%***	***17.8%***	***(S)***	***38.2%***	***2.2%***	***-5.6%***	***24.6%***	***13.0%***	***34.1%***	***19.8%***	***32.4%***	***35.4%***
90% Confidence Interval[2]	*± 3.9*	*± 4.4*	*(X)*	*± 7.4*	*± 6.5*	*± 9.2*	*± 7.9*	*± 7.3*	*± 8.4*	*± 5.8*	*± 11.8*	*± 14.1*
	Not seasonally adjusted											
2012: January	426.8	227.7	10.4	188.7	87.7	34.6	66.1	43.4	174.0	104.2	99.0	45.4
February	435.1	230.2	10.5	194.4	86.1	34.9	65.3	42.6	182.6	106.4	101.0	46.2
March	449.3	236.5	10.2	202.6	88.7	35.5	64.8	43.3	189.4	109.6	106.4	48.0
April	462.1	245.0	10.4	206.6	88.7	36.6	68.0	45.1	197.6	113.7	107.9	49.6
May	478.1	255.1	10.2	212.8	89.6	36.4	70.4	47.1	205.0	117.9	113.1	53.6
June	496.2	265.7	9.1	221.5	90.1	35.3	72.2	49.9	212.2	122.5	121.8	58.0
July	503.7	275.5	8.6	219.6	89.4	36.0	71.4	50.5	216.4	127.3	126.5	61.7
August	508.6	279.8	7.8	221.0	92.0	37.3	72.1	51.9	219.9	128.7	124.5	61.9
September	523.5	283.8	8.1	231.5	91.6	36.6	75.6	52.7	227.6	131.7	128.8	62.9
October	528.8	282.7	9.1	237.0	91.2	34.8	79.0	54.2	227.3	129.9	131.3	63.8
November (r)	535.2	278.6	9.0	247.7	90.4	34.2	82.3	54.1	232.8	128.3	129.8	62.1
December (r)	530.0	265.7	8.8	255.5	90.7	33.4	83.5	50.0	228.6	122.2	127.1	60.0
2013: **January (p)**	**538.4**	**267.5**	**9.4**	**261.5**	**90.4**	**32.7**	**82.7**	**49.1**	**235.2**	**125.0**	**130.1**	**60.7**
Average RSE (%)[1]	2	3	13	3	5	6	4	7	3	4	3	5

(p) Preliminary. (r) Revised. RSE Relative standard error. S Does not meet publication standards because tests for identifiable and stable seasonality do not meet reliability standards.
X Not applicable.

[1] Average RSE for the latest 6-month period. [2] See the Explanatory Notes in the accompanying text for an explanation of 90% confidence intervals.

Table 5. New Privately-Owned Housing Units Completed

[Thousands of units. Detail may not add to total because of rounding]

Period	United States				Northeast		Midwest		South		West	
		In structures with --										
	Total	1 unit	2 to 4 units	5 units or more	Total	1 unit	Total	1 unit	Total	1 unit	Total	1 unit
	Seasonally adjusted annual rate											
2012: January	542	394	(S)	140	89	37	87	65	275	220	91	72
February	572	432	(S)	136	79	40	97	79	283	229	113	84
March	587	440	(S)	136	71	44	121	79	284	227	111	90
April	663	490	(S)	170	80	44	106	90	325	246	152	110
May	605	469	(S)	121	80	49	103	88	299	247	123	85
June	623	475	(S)	131	72	57	107	75	319	253	125	90
July	673	466	(S)	198	90	42	135	87	312	243	136	94
August	682	492	(S)	181	63	41	119	80	331	262	169	109
September	659	514	(S)	140	76	50	110	94	331	264	142	106
October	739	531	(S)	203	64	55	118	93	408	267	149	116
November (r)	670	515	(S)	146	71	47	94	81	344	263	161	124
December (r)	683	528	(S)	147	57	47	109	102	355	270	162	109
2013: **January (p)**	**724**	**565**	**(S)**	**152**	**75**	**59**	**87**	**81**	**377**	**299**	**185**	**126**
Average RSE (%)[1]	6	5	(X)	17	17	19	11	12	9	7	10	10
Percent Change:												
January 2013 from December 2012	***6.0%***	***7.0%***	***(S)***	***3.4%***	***31.6%***	***25.5%***	***-20.2%***	***-20.6%***	***6.2%***	***10.7%***	***14.2%***	***15.6%***
90% Confidence Interval[2]	*± 7.2*	*± 8.1*	*(X)*	*± 21.8*	*± 36.4*	*± 40.7*	*± 11.2*	*± 12.3*	*± 10.0*	*± 11.2*	*± 14.8*	*± 13.2*
January 2013 from January 2012	***33.6%***	***43.4%***	***(S)***	***8.6%***	***-15.7%***	***59.5%***	***0.0%***	***24.6%***	***37.1%***	***35.9%***	***103.3%***	***75.0%***
90% Confidence Interval[2]	*± 17.1*	*± 20.8*	*(X)*	*± 31.4*	*± 31.1*	*± 68.8*	*± 21.4*	*± 34.8*	*± 30.6*	*± 31.1*	*± 41.7*	*± 37.2*
	Not seasonally adjusted											
2011:	584.9	446.6	8.4	129.9	72.5	44.0	103.0	75.9	295.5	235.6	113.9	91.2
2012: (r)	650.0	483.3	8.7	157.9	74.7	46.8	110.7	85.4	325.0	250.6	139.5	100.5
RSE (%)	2	2	18	4	6	6	3	5	2	2	4	4
Year to Year Percent Change[3]	***11.1%***	***8.2%***	***3.4%***	***21.6%***	***3.0%***	***6.4%***	***7.5%***	***12.5%***	***10.0%***	***6.4%***	***22.5%***	***10.3%***
90% Confidence Interval[2]	*± 4.6*	*± 3.5*	*± 28.6*	*± 17.1*	*± 14.4*	*± 12.4*	*± 6.2*	*± 6.8*	*± 6.7*	*± 4.9*	*± 8.2*	*± 6.4*
2012: January	36.4	26.0	0.6	9.8	5.8	2.2	5.8	4.3	18.8	14.9	6.0	4.7
February	39.0	29.4	0.3	9.3	5.3	2.6	6.4	5.2	19.9	16.2	7.4	5.4
March	44.4	33.6	0.8	9.9	4.8	2.9	8.4	5.3	22.1	17.9	9.1	7.6
April	52.3	37.6	0.3	14.5	6.1	3.0	8.3	6.9	26.1	19.4	11.9	8.3
May	50.0	39.3	1.2	9.5	6.8	4.4	8.5	7.4	24.5	20.4	10.1	7.1
June	55.1	42.4	1.4	11.2	7.2	5.9	9.0	6.3	27.9	22.3	10.9	7.9
July	58.2	38.3	0.9	19.0	8.0	3.4	11.8	7.2	26.7	20.1	11.7	7.7
August	64.8	43.3	1.0	20.5	6.1	3.6	11.3	7.0	30.9	23.1	16.5	9.7
September	58.7	46.6	0.4	11.7	6.6	4.5	10.3	9.0	28.7	23.1	13.0	10.0
October	67.7	50.1	0.4	17.2	6.3	5.5	11.3	9.2	36.6	24.7	13.5	10.7
November (r)	57.8	45.6	0.7	11.5	6.2	4.3	8.9	7.8	28.7	22.4	14.0	11.1
December (r)	65.6	51.0	0.7	13.8	5.4	4.5	10.6	10.0	34.1	26.1	15.4	10.4

2013: **January (p)**	**47.6**	**37.8**	**0.4**	**9.4**	**4.8**	**3.8**	**5.6**	**5.2**	**25.2**	**20.4**	**12.1**	**8.5**
Average RSE (%)[1]	6	5	44	17	17	19	11	12	9	7	10	10

(p) Prelminary. (r) Revised. RSE Relative standard error. S Does not meet publication standards because tests for identifiable and stable seasonality do not meet reliability standards. X Not applicable.

[1] Average RSE for the latest 6-month period. [2] See the Explanatory Notes in the accompanying text for an explanation of 90% confidence intervals.

[3] Computed using unrounded data.