

Housing market remains strong

Area's job growth keeps sales of new homes going up

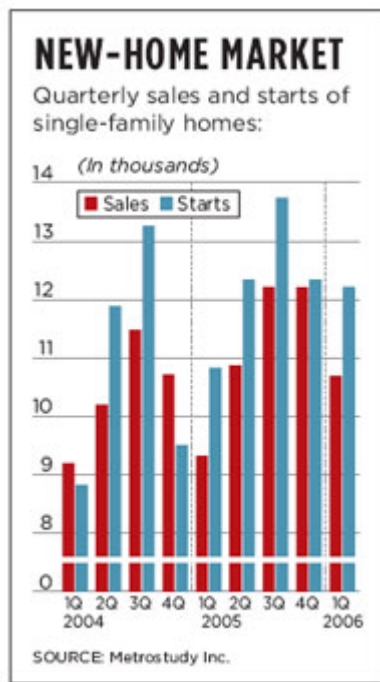
08:35 AM CDT on Friday, April 7, 2006

By **STEVE BROWN** / The Dallas Morning News

Although nationwide building has slowed in recent months, North Texas builders are setting records for sales and starts, thanks to strong job growth.

Sales of new homes in the Dallas-Fort Worth area rose about 15 percent in the first quarter. Starts also grew at a double-digit rate.

Builders sold almost 11,000 houses in the first three months of 2006, according to statistics released Thursday by housing analyst Metrostudy Inc. During the same period, starts rose 13 percent to more than 12,000 homes.



"We've gone above 50,000 annual starts for the first time," said David Brown, director of Metrostudy's Dallas-Fort Worth office. "What's driving it are the job numbers.

"The Dallas-Fort Worth area currently ranks second in the country for job growth, with 92,300 jobs added in the last 12 months," Mr. Brown said.

That's enough, apparently, to offset a national slowdown.

Nationwide, new-home sales dropped 10.5 percent in February, and starts were down 8 percent.

Economists are forecasting an 8 percent decline in new-home activity in the U.S. this year.

But so far, Dallas-Fort Worth has shrugged off the slowdown.

"Our last three months have been incredible, and I hope we can keep it going," said Jimmy Brownlee, president of K. Hovnanian Homes' Dallas-Fort Worth division.

Not all the new-home market is booming.

"The lower price points continue to slump," said Ted Wilson of housing analyst Residential Strategies Inc. "Not surprising, the cancellation rates are high, especially in southern Dallas County."

Despite overall strong sales, the number of unsold new homes on the market increased by about 20 percent in the first quarter compared with a year earlier.

At the end of March, there was more than a seven-month supply of new houses on the market.

"The number of unsold homes is a littler higher than we would like to see it, and it eventually will lead to a pullback in starts later this year," Mr. Brown said.