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Dallas-Fort Worth housing starts rose 71% in first quarter from year earlier

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Dallas-Fort Worth housing starts soared in the first quarter from a year earlier, signaling recovery in the local home-building industry as many production builders ramped up construction to meet demand spurred by the first-time home buyer tax credit, a Residential Strategies report said Friday.

From January to March, construction began on 4,124 houses, a 71 percent increase from the 2,413 starts recorded in the first quarter of 2009, the report said.

"The increased start activity is further evidence that the housing recovery is under way in D-FW," said Ted Wilson, principal with the Dallas-based real estate research firm. But, Wilson said, there was nowhere to go but up from first quarter 2009, the worst quarter since the area housing market turned down.

"That quarter fell on the heels of the collapse of the credit and equity markets and was characterized by builders working down unsold inventory," Wilson said.

For all of 2009, Dallas-Fort Worth had 13,543 starts, considerably below the 19,587 in 2008.

Builders closed the sales of fewer homes in the first quarter, 3,373, down 18 percent from 4,116 closings a year earlier.

The decline in sales reflects "the slowdown in starts in 2009," Wilson said "The expectation is that closings will rebound as the new inventory initiated in 2010 is closed later this year."

The first-time home buyer tax credit expires April 30. Homes under contract by that date need to close by June 30.

Fort Worth has a supply of 3,464 new homes, which includes 1,621 finished lots, or slightly more than a three-month supply, the report said. The supply is down 438, or slightly more than 11 percent, from a year earlier.

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