



[Comments](#) 15 | [Recommend](#) 3

# Texas leads the nation in homebuilding

07:35 AM CDT on Tuesday, July 28, 2009

By **STEVE BROWN** / The Dallas Morning News  
[stevebrown@dallasnews.com](mailto:stevebrown@dallasnews.com)

Texas cities continue to lead the nation in homebuilding, even in the face of huge construction cutbacks.

Houston and Dallas-Fort Worth are the top markets in the country for building permits for single-family homes, based on numbers for the 12-month period ending in May.

And Texas had more homebuilding permits than California and Florida combined, according to data provided by California-based John Burns Real Estate Consulting.

Austin and San Antonio also rank among the country's 10 busiest homebuilding markets.

"Texas didn't see the downturn in the housing market the other states did," said Lesley Deutch, a vice president at John Burns.

"Florida and California have really pulled off their permit totals, but Texas is still high up there."

During the 12 months ending in May, almost 64,000 single-family homebuilding permits were recorded in Texas.

Houston had almost 22,000 permits, and more than 15,000 were recorded in the Dallas-Fort Worth area.

"It's not surprising that we lead the country – both because every place is really hurting and we've held up relatively well," said Dr. James Gaines, an economist with the Real Estate Center at Texas A&M University.

"We do have to be careful that we don't build just for the heck of it.

"Most of the builders I've talked to say they are doing mostly contract work with just a few speculative homes here and there and only by those with capital resources to be able to finance it."

Gaines is forecasting a 25 percent drop in homebuilding permits in Texas this year, "the lowest level we've had since 1992."

"Builders have to build somewhere, and Texas is about the only game in the country," he said.

"We still have a growing population – although not as much – and our home prices and markets have held up pretty well."

At midyear, home starts in the Dallas-Fort Worth area were down about 70 percent from mid-2006 levels.

"The industry understands that Texas has performed much better than the rest of the country throughout the downturn," said Ted Wilson, a housing analyst with Dallas-based Residential Strategies Inc.

"But to say that there hasn't been pain here is a misstatement.

"Yes, the market has been better here, but you aren't going to find many builders crowing about local market demand."

### Top homebuilding markets

Based on single-family home building permits for the 12 months ending in May:

1. Houston	21,921
<b>2. Dallas-Fort Worth</b>	<b>15,115</b>
3. Phoenix	9,293
4. Washington, D.C.	7,498
5. Atlanta	7,100
6. Austin	6,411
7. San Antonio	5,271
8. Riverside-San Bernardino, Calif.	4,888
9. Charlotte, N.C.	4,810
10. Raleigh-Cary, N.C.	4,678

### Top states:

<b>Texas</b>	<b>63,993</b>
California	25,766
Florida	24,027
North Carolina	20,292
Georgia	13,573

SOURCE: John Burns Real Estate Consulting