



“The TexInvestors Team”

Why Pay Retail For Real Estate....

Your Texas Real Estate News

Over the top? Glut of homes on the market won't stop new starts

March 2, 2007 Dallas Morning News
By Steve Brown

Homebuilder Terry Woldt is worried about the number of unsold homes on the market. But he'll probably be starting construction on more homes soon. "I want to be prudent, but we can't sell houses if we don't have them," said Mr. Woldt, who builds high-end homes in exclusive Dallas-area neighborhoods.

With almost 12,000 unsold homes, the Dallas-Fort Worth area has a record number of new houses on the market. The overhang of new homes puts builders in a pinch. Typically, they ramp up construction in the early months of the year to have houses ready for the busy summer market. But if buyer traffic doesn't rebound, more starts will only add to the oversupply in some neighborhoods. Home builders have already reduced the number of homes in the pipeline. Dallas-area starts were down 33 percent in November and fell by 48 percent in December compared with a year earlier.

"There need to be some discipline in the market," said Ted Wilson, with Dallas based housing Residential Strategies Inc. "And I think most builders are refraining from starting too many houses." Even so, Mr. Wilson said, "some builders have way too much speculative inventory." Builders say that banks have raised loan requirements and are limiting construction funding. "The lenders aren't going to lend you any more than enough for two speculative homes," said longtime Dallas builder Bill Long. "They've really tightened up." But builders also point out that if they don't start houses now, they won't have product to sell when buyers come calling.

Jay Wysong, who constructs houses in Dallas' M streets neighborhoods, recently sold several of his completed homes. So he's preparing to start more. "There is a lot of inventory," he said. "If I hadn't sold these houses, I wouldn't be replacing them. "I just bought three more lots." Other builders say they are reducing the number of vacant lots they hold because they expect to construct fewer homes this spring. Lot prices have been in flux in some areas. "We have been reluctant to purchase any more lots until we see if lot prices are going to continue to inflate," Mr. Woldt said. "We are trying to sell one of our lots because I am concerned there are too many spec homes. :But if I can't get money out of it, I'm going to go ahead and get started on a house."

Nationwide, a record 175,000 finished, unsold new homes are on the market. And Dallas-Fort Worth area new home inventories have now surpassed the numbers seen in the 1980s housing bust. Of course, the market here is almost twice the size it was in the late 1980s, Mr. Wilson points out.

March 2007



Justen



Cheryl



Wayne



Jim



Kristin



Jill



“The TexInvestors Team”

Visit our Web site at www.TexInvestors.com

Electricity & You—What To Do For ...

ELECTRICAL FIRES

- Get Out.
- Notify 9-1-1. Tell the dispatcher it is an electrical fire.
- Stay away.

ELECTRICAL SHOCK

- Do not touch anyone or anything you think might have been electrically shocked. The victim may still be in contact with the electricity.
- Call 9-1-1. Tell dispatcher the incident involves electricity.
- Keep other people away from the continued danger.
- Understand that electrical shock may cause internal injuries. The person needs to be seen by a doctor, even if you don't see any burn marks.

DOWNED POWER LINES

- Move quickly away even if you do not see sparks.
- Call 9-1-1.
- Stay away from anything that might touch the wire: a fence, a tree, a building, or a car.
- Wait for help

POWER LINE TOUCHING THE CAR YOU ARE IN

- Stay in the car.
- If people move toward the vehicle, motion for them to stay away. Have someone call 9-1-1

TexInvestors Classes & Club Meeting

The next TexInvestors “Successfully Buying HUD Homes” class at Collin County Community College begins March 28th. Register at 972-985-3758 or by email at cluckock@ccccd.edu.

Join the TexInvestors at our next Investment Club meeting. Thursday evening March 22nd at the RE/MAX office in Plano. Network with other investors starting at 7 pm. Guest Speaker Ron Miller, Accountant & Attorney will speak on Investment Tax Strategies from 7:30 to 8:30.

To remove your name, E-Mail us at info@TexInvestors.com