

New-home market continues to slow

By [M.B. Taboada](#) | Wednesday, April 30, 2008, 10:17 AM

Area builders continue to scale back on new home starts and are more quickly reducing their current inventory, according to [Metrostudy](#), a national company that tracks the housing market.



Home starts for the first quarter of 2008 were at the lowest level in five years, according to the [quarterly report](#) (PDF) released today. The reduction was greatest amongst homes priced under \$200,000, because of higher building costs and materials. In addition, builders have cut back on lower priced homes because many first-time buyers have been pushed out of the housing market due to stricter credit standards.

The weakening economy, slowing area job growth and restricted capital contribute to the local slow down. The first-quarter closings declined 16 percent to 2,978 units, the report said.

As the new-home market slows, the resale market will become more competitive, said Eldon Rude (pictured right), Austin director of Metrostudy.

Rude describe the local market as “one of the most resilient” during the past 18 months and said job relocations will continue to serve as the “catalyst” for the housing market.

Courtesy of JB Goodwin