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Utah housing market strong

By [Dave Anderton](#)

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Housing starts in the greater Salt Lake region rose 17 percent in the fourth quarter of 2006, to 4,570 units, according to a new report by Metrostudy.

The increase in new home starts was surpassed by closings, the report noted, with quarterly home closings totaling 4,613 units, a 30 percent increase compared to the fourth quarter of 2005.

For all of 2006, the greater Salt Lake region had 18,740 new home starts and 15,600 new home closings, representing increases of 17 percent and 5 percent, respectively, compared to 2005, according to the report from the Houston-based real estate research company with offices in West Jordan.

The greater Salt Lake region includes Davis, Salt Lake, Summit, Tooele, Utah, Wasatch and Weber counties.

"While much of the nation prepares for a slowdown in new home production, the greater Salt Lake market is experiencing growth," said Eric Allen, director of Metrostudy Utah. "We've seen inventory levels in the Salt Lake area rise quite a bit over the last year, but a lot of the inventory that is out there is getting closed on."

Most of the Wasatch Front's new housing starts were in Daybreak, a South Jordan master-planned community. Daybreak saw 698 new home starts in 2006. It was followed by The Ranches in Eagle Mountain at 665 home starts. Traverse Mountain in Lehi came in third at 475 starts.

The Metrostudy report noted that the unsold, finished, vacant, single-house inventory rose to 1,612 units in the fourth quarter, a 92 percent increase from 839 units in the fourth quarter of 2005. The fourth quarter unsold new-house inventory represents a 1.6-month supply.

Bill Martin, managing partner of Commerce CRG, said while there is talk of a housing slowdown hitting the Wasatch Front, the Metrostudy numbers don't yet show it.

"It is critical that the people that are building subdivisions are building them in the way of progress," Martin said. "The people that are building houses that will get hurt are the ones that are way out, pioneering. In the beginning of a downturn, Eagle Mountain will be the first



Construction crew works on a home in the Daybreak development. Housing starts rose 17% in the fourth quarter.

Stuart Johnson, Deseret Morning News

one to go down."

There were 6,869 new lots delivered to the greater Salt Lake market during the fourth quarter of 2006. Vacant developed lot inventory totaled 19,600 units as of Dec. 31. Based on the annual starts rate, the level of lot inventory represents a 12.5-month supply. A 12- to 18-month supply of new lots is considered average, Allen said.

Allen noted that the median price for a new single-family home in the greater Salt Lake area rose to \$303,516 in the fourth quarter, a 22 percent increase from \$247,912 in the fourth quarter of 2005.

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