

HOMEBUILDING

Builders' biggest wish is for lots of lots

Shortage of sites holds back the number of housing starts

By Nancy Sarnoff

The frenzied pace of home sales has Houston-area builders eager to feed the demand.

Builders are expected to start construction on as many as 28,000 homes this year. That's up 19 percent over 2012, according to Metrostudy, which compiled a list of the most active builders for the Chronicle 100.

A shortage of lots in desirable communities is keeping builders from putting up more homes.

"That's been our biggest challenge," said Gary Tesch, president of McGuyer Homebuilders, which builds under the Plantation, Coventry and Carmel names. "When the markets got tough, the banks weren't lending to the developers for future development, so we're feeling the pinch."

Indeed, the recent housing downturn shut

down lot development.

Now that demand has ramped up, supply is constrained.

"We are hearing stories from builders giving salespeople allocations of what they can sell," said David Jarvis, regional director of Metrostudy's Houston market. "That's the opposite of a quota."

Jarvis said it could take years for supply and demand to come back into balance.

Builders are facing higher costs, too, as construction rebounds across the country.

"The demand for labor is tremendous; construction and material costs are going up," Tesch said.

Despite the challenges, builders are feeling grateful to be in Houston.

This area's strengthening economy and low mortgage rates have boosted home sales across town.

The top 20 builders



J. Patric Schneider photos

Workers put in a driveway at a Village Builders house in the Woodforest community in Montgomery.

closed on 15,203 homes last year, according to the Metrostudy data. That's up 17 percent over the previous year.

Lennar/Village Builders had the biggest market share in 2012, with 1,936 closings.

The resurgence of con-

struction means consumers have more designs and floor plans to choose from.

Jarvis said builders are creating more "lifestyle housing," like patio homes for empty nesters.

He calls the newest models "very stylish"

with three-car garages and lots of amenities.

McGuyer is offering more technological amenities, as well as multi-generational floor plans with two master bedrooms on the first floor.

"What we try to incorporate in all our brands

are flexible designs," said James Miller, the company's Houston region president. "Houston is such a diverse city from a lifestyle standpoint."

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Woodforest is among the Houston-area communities where Lennar is building.

MOST ACTIVE BUILDERS

The 20 biggest home builders in the Houston area ranked by 2012 closings.

Rank	Builder	2012 closings	Market share	Rank	Builder	2012 closings	Market share
1	Lennar/Village Builders	1,936	8.9%	11	Meritage Homes	630	2.9%
2	Perry Homes	1,468	6.8%	12	Highland Homes	596	2.7%
3	K. Hovnanian/Brighton/Parkwood/Four Seasons	1,163	5.4%	13	Legend/Princeton Classic Homes	594	2.7%
4	Long Lake	1,154	5.3%	14	Beazer	527	2.4%
5	D.R. Horton	1,012	4.7%	15	Taylor Morrison Homes	472	2.2%
6	Pulte Group/Centex/Del Webb	864	4.0%	16	Trendmaker Homes	443	2.0%
7	KB Home	718	3.3%	17	LGI Homes	432	2.0%
8	MHI/Coventry/Plantation/Pioneer	695	3.2%	18	Westlin Homes	402	1.9%
9	Ryland Homes	646	3.0%	19	CastleRock	402	1.9%
10	David Weekley Homes	645	3.0%	20	Cesmar Homes	402	1.9%

Houston market total: 21,713

Source: Metrostudy