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Tulsa could hit record number of new home starts

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Homes are pictured under construction in the Tulsa area. The number of housing starts in the city is on pace to set a record this year.
Tulsa World file

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Tulsa is leading the area this year in new single-family home construction, an official said. So far, 498 single-family homes have started construction in the city this year.

Michael Skates, director of development services for the city of Tulsa, said the city is on pace to break a record this year.

"We are currently leading the (Tulsa) region in home starts, which, typically, we usually run (number) three or four, behind Broken Arrow, Wagoner or Wagoner County, and Rogers County," he said.

"We've seen an uptick this year in home starts, at least through the first nine months, and I think that's contributable to the previous year getting several subdivisions and infrastructure permitted so that housing permits could be pulled."

Tulsa's record for housing starts, set in 2019, is 569, he said. The second-highest number is 543, set in 2021.

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"Based on what I've seen, we're going to be really close to those (record) numbers," he said.

"This is a testament to Tulsa's continued growth and development and a positive economic sign," the city said in a news release.

Skates said new areas of development include north, east, south and west Tulsa.

"It is spread out. Most of the new subdivisions are in east Tulsa, south Tulsa and west Tulsa, but we do have some small subdivisions happening in kind-of the midtown Tulsa ... more the central part of Tulsa," he said. "There is also some development in north Tulsa."

New housing construction is a key economic indicator that spurs additional consumer spending on appliances and furniture, and the increase in housing starts reflects the strength of the housing market in Tulsa, the city said in a news release.

"We are thrilled to see this record number of home starts in Tulsa," Mayor G.T. Bynum said in the release.

"We know Tulsa needs more housing, and our team at the city is focused on rolling out the red carpet for private sector partners who will help us meet our goals. This record number of home starts is a testament to the strong partnership between home builders and the city of Tulsa, and we are committed to keeping this positive momentum going," the mayor said.

"We're just really excited about what we're seeing and the opportunities that it gives to Tulsans and those who may be moving to Tulsa and looking for homes and the different types of housing that are available," Skates said.

"It gives that opportunity for people to live, work and play here in Tulsa, and I think our economic growth is strong and is going to continue to be strong for years to come," he said.

In addition to Tulsa's showing, Broken Arrow, Wagoner County, and Bixby have seen significant growth in new residential construction in 2023, the city's release notes.

Meanwhile, sales of previously occupied U.S. homes slumped in October to their slowest pace in more than 13 years as surging mortgage rates and rising prices kept many prospective homebuyers on the sidelines.

Existing home sales fell 4.1% last month from September to a seasonally adjusted annual rate of 3.79 million, the National Association of Realtors said Tuesday. That's weaker than the 3.9 million sales pace economists were expecting, according to FactSet.

The last time sales slumped this hard was in August 2010, when the housing market was in

recovery from a severe crash.

Sales sank 14.6% compared with the same month last year. They have fallen five months in a row, held back by climbing mortgage rates and a thin supply of properties on the market.

Despite the decline in sales, home prices keep climbing compared with this time last year. The national median sales price rose 3.4% from October last year to \$391,800.

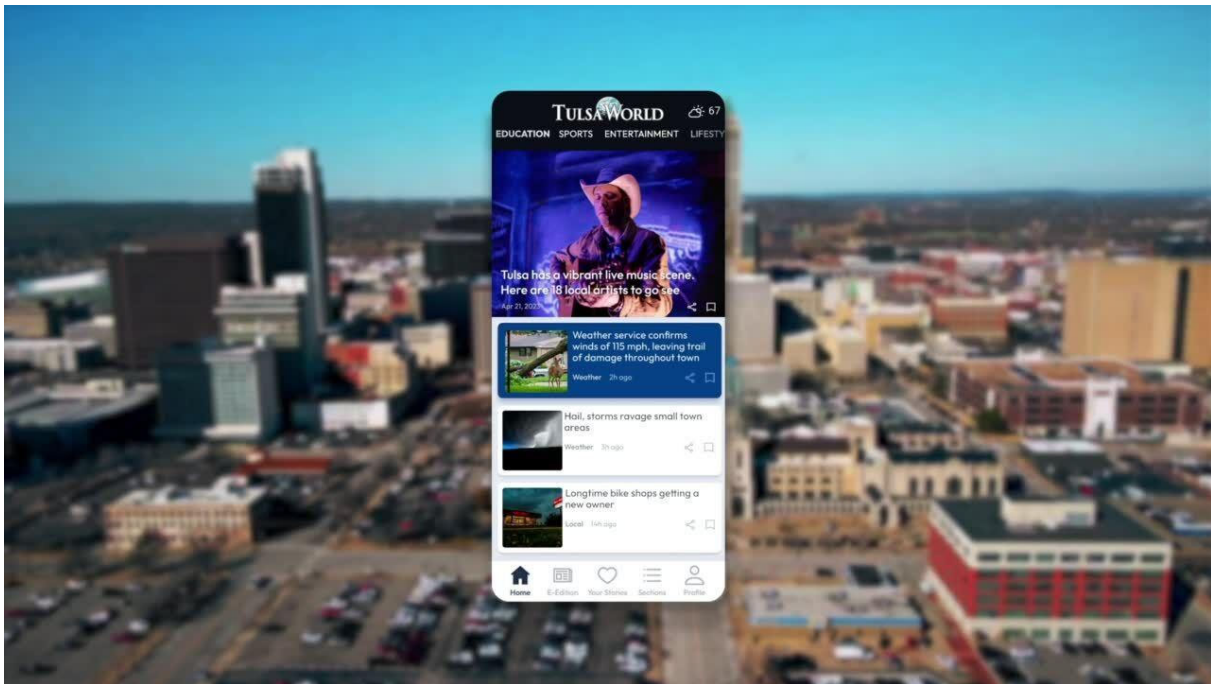
The weekly average rate on a 30-year mortgage hovered above 7% in September, when many of the home sales that were finalized in October would have gone under contract.

It has remained above that threshold since, surging in late October to 7.79%, the highest average in records going back to late 2000, according to mortgage buyer Freddie Mac.

High rates can add hundreds of dollars a month in costs for borrowers, limiting how much they can afford in a market already out of reach for many Americans. They also discourage homeowners who locked in far lower rates two years ago, when they were around 3%, from selling.

— *The Associated Press contributed to this story.*

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