BUILDING CONFIDENCE

Construction permits at highest point in several years

BY NORMAN CANNADA
THE JOURNAL

Confidence in the local housing market appears to be growing as more building permits are being issued for new homes and other construction, giving officials reason to be optimistic for another strong year in 2014.

"We've seen 2013 is a stronger year than we've had in the past couple of years, suggesting there's an upswing," said Josh Stephens, Oconee County zoning administrator. "As a nation, we're coming out of the Great Recession slower than we would all want, but I think we've seen some signs that we're coming out of it, and you see that on the local level here in Oconee and in the Upstate region."

Records before this week in Oconee County showed that permits for new construction have reached 191 in 2013 and 1,201 in all building permits so far this year. The number of new home permits issued is the most since 205 were pulled through October 2009 and the most total permits since 1,564

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EDITOR'S NOTE

This is the first of a multi-part series on the market for building new homes in Oconee and Pickens counties.



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A construction employee works on the site of a new home being built in Oconee County, one of 191 new home permits that have been issued in the county in 2013. Local officials are pointing to numbers showing Oconee with its most construction activity it has seen in five years.



BUILDING: 'Hopefully we'll see some more industrial expansion'

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permits were issued in 2008.

Pickens County numbers also showed improvements, with 118 new home permits issued Jan. 1-Oct. 29 and 580 total permits issued during the same time period. The number of new home permits is more than the 86 issued through October a year ago, but less than the 167 in 2011. The total number of permits is higher than the 506 through October 2012, but short of the 649 during the same time period in 2011. Pickens numbers do not include permits issued within the city limits of Clemson and Easley.

"Last year at this time it started dying off, but this year we're still pulling some permits, and I'm hearing good things," said Russ Price, executive director of the Oconee Home Builders Association. "I'm optimistic that it's getting much better. Everything is pointing toward next year being a much better year."

Price added that he feels good that more spec homes are being built and that many of the permits for new homes are for higher-end residences.

"I've noticed permits being pulled in the $200,000 range, and that is good," Price said. "The people are wanting homes. The price of the spec homes isn't as expensive, but they are building them. It's not as good as we'd like but it's much better than it has been over the past three years."

Stephens agreed that an increase in spec homes is positive.

"When people want to take that risk, that says it's a good environment to build spec homes," he said. "You wouldn't have people building spec homes if they didn't feel confident they were going to get a return on their investment. We've had a substantial number of spec homes. To me, that's a good indicator of where we're going just because of the risk involved. That's a huge capital investment for a builder."

Stephens added he is also seeing increases in permits for construction on commercial buildings.

"I think people are getting comfortable spending money, not just for residential but for commercial projects," he said. "We've had some commercial activity this year, with Duke doing those office buildings and some expansions at BASF. It's a good sign, not only when people want to build a home, but (when) the industrial-type guys start spending some money. They must feel good if they are going to spend money. Hopefully we'll see some more industrial expansion."

While things are improving, Stephens said he is not sure the numbers will ever reach the pre-recession heights Oconee enjoyed in 2007, when 591 permits for new homes and 1,864 total permits were issued by the end of October.

"We would love to see it happen, but not if it had the same result as we have gone through the last few years," Stephens said. "How many years can you build that many houses? I don't know. It would seem to me not that many. What I would hope we would do is get to the place where we would have sustainable growth."

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Oconee County construction

YEAR	NEW HOMES	TOTAL PERMITS
2007	591	1,864
2008	378	1,564
2009	205	963
2010	160	1,010
2011	131	911
2012	152	1,029
2013*	191	1,201

*2013 permits are through Oct. 29, all others are January-October

Pickens County construction

YEAR	NEW HOMES	TOTAL PERMITS
2007	308	920
2008	291	868
2009	139	619
2010	89	551
2011	167	649
2012	86	506
2013*	118	580

*2013 permits are through Oct. 29, all others are January-October

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