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Housing market encouraging



HEIDI HEILBRUNN / Staff

Homes rise from the red clay in a new subdivision at Kaledon Acres in Taylors.

Building permits up in Upstate

Contractors say tax credit spurs increase for less expensive homes

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Upstate building permits are on the rise, but not all local home builders are experiencing the climb.

The Market Edge, a Knoxville-based firm that tracks residential building trends, said building permits in the Upstate rose 14.3 percent in the third quarter compared to the second quarter of the year.

Dale Akins, president of The Market Edge, said, there's been a positive trend in quarter-to-quarter increases since the fourth quarter of 2008, with its 525 permits. There were 728 permits in the third quarter this year.

"It's encouraging," Akins said.

Keith Smith, a local custom homebuilder, said for builders like himself, whose average market is in the $450,000 range, "There's surely not a noticeable uptick."

Smith and Michael Dey, executive vice president of the Home Builder Association of Greenville, say a vast majority of the permit activity is coming from homes in the $250,000 price range and below, and it's due to the first-time home buyer tax credit.

"People in my price range, we're still feeling the crunch," Smith said.

Nationwide, single-family permits and starts appear to have bottomed earlier this year and should continue to gradually grind higher, Wells Fargo economists said.

"We may see a temporary stall late this year, however, as the first-time homebuyer credit comes to an end," the economists said.

Dey said the Greenville area probably bottomed out in late April or May.

"We had too much inventory on the market that has had to be absorbed, and that is happening," he said. "We're starting to see builders start new houses particularly in the lower price points where the inventory has been largely absorbed."

The Upstate defined by the quarterly report — Greenville, Pickens, Anderson, Laurens, Abbeville, Greenwood, Oconee, and Spartanburg counties — is still down compared with last year. Year-to-date figures are down 50.7 percent.

Akins likened the housing market to an airplane trying to take off.

"It's been a steady descent. We were pretty much stuck on the runway all the way through the third quarter to the fourth quarter. The last six months have been sort of taking back off again," he said.

"The question going forward is whether we're going to stall out and go back down again or are we going to continue to ride."

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