Economy, real estate outlook mixed for 2012

BY JESSICA SIBLEY
THE JOURNAL

CLEMSON — Some numbers are improving but when it comes to digging ourselves out of a 4-year recession, local experts aren't expecting positive change in a hurry.

Staggering unemployment, stalled home construction and a serious lack of consumer confidence will create a spotty recovery, according to Bruce Yandle, economic expert and retired professor from Clemson University.



Yandle

Some areas, he said, will recover better than others, especially in early 2012.

"Data on the U.S., South Carolina and Upstate economies tell us that we are finally getting some meaningful economic traction," Yandle said.

"Yes, total personal income has recovered, for the nation and for South Carolina," he continued. "Retail sales have more than recovered from the lows of the recession. Auto sales are strong and we are seeing some good progress in employment growth. Of course, not every county and community in South Carolina is experiencing the good news, not by a long shot, but there is good progress being made in the neighborhood."

When it comes to real estate and home sales, however, Yandle isn't as enthusiastic.

"Housing and construction generally are important economic sectors that are not recovering," he said. "Yes, we do see some life in the housing start data, but still not enough to get excited about.

"Generally speaking, the market for apartments, condos and rental units is leading. Construction for single-family dwellings, commercial and industrial development is lagging. And will likely continue to remain weak for two to three years. Home improvement will be the order of the day, not new home construction," Yandle predicted.

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Dave Liniger, chairman for Re/Max Realty, predicts 2012 will be strong for real estate and has his eye on young adults for the potential recovery.

"Just a handful of years ago, there were about 5 million people aged 18-30 who were still living with their parents," he said. "Now, that number is 29 million. They don't want to be there as much as their parents don't want them there. Because of this, historically low interest and mortgage rates, this population could be a very formidable factor in real estate recovery in 2012."

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