Growth spurs rise in permits

Home construction called key component of local economy

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Job announcements and employment growth are fueling a surge in residential building permits in the Greenville area, a sign that the deep freeze in home construction is thawing.

The permit spike, said Michael Dey, executive vice president of the Home Builders Association of Greenville, has Greenville leading the Upstate's recovery in an important component of the region's economy.

Permits for the Upstate were 37.3 percent higher in the second quarter, compared with the same period last year, and 30.2 percent higher year-to-date, according to a quarterly trend report from Knoxville-based The Market Edge.

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The bulk of those permits were in Greenville, which had carried 513 of the region's total of 917 permits for the year's second quarter and 961 of the region's 1,723 year-to-date total.

"It's all jobs," Dey said, and "that speaks well to the professionals here who work hard at recruiting industry. They've been very successful."

Gains in building permits; jobs and home prices also helped Greenville make the National Association of Home Builders/First American Markets Index for July.

The index measures essential ingredients in a local housing market — the number of single-family housing building permits, house prices and employment change, NAHB chief economist David Crowe said. Only 84 of the nation's 360 housing markets considered made the list.

The Greenville metropolitan area made the list because it has shown six months or more of improvement in all three of those elements, he told GreenvilleOnline.com.

The index shows the number of single-family residential building permits in Greenville has increased 3.2 percent since September 2010.

Nationwide, building permits in June were down 3.7 percent from the revised May rate, but up 19.3 percent from June 2011, according to HUD and the U.S. Census.

Year-to-date building permits in most markets covered by The Market Edge "have increased significantly," said Dale Akins, the company's president.

The year-to-date percentage increases ranged from 47.2 percent in Louisville to 5.5 percent in the Triad region of North Carolina. Charlotte's year-to-date numbers were up 22.5 percent, while activity was up 5.5 percent in Asheville.

Three Upstate counties saw decreases in the second quarter.

The declines for the quarter were 18.8 percent in Laurens, 30.8 percent in Pickens, and 52.5 percent in Abbeville. Year-to-date permits for Abbeville, Laurens, Oconee, and Pickens are also down, the report said.

Dey expects the Greenville area to reach close to 2,000 permits this year, The normal rate for this market is about 3,000 he said.

"I think activity will continue to trend up," he said. "At some point, we're going to return to more of a normal market."