

Home building rises in Upstate

3 area counties see jump in number of permits

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Three Upstate counties saw increases in their residential building permits during the year's second quarter, while other areas had declines.

Greenville County's total was up 19 percent from first quarter 2011 to the year's second quarter, while Spartanburg and Anderson counties had totals that jumped 28.4 percent and 57.1 percent, respectively, during that period, according to a quarterly trend report released by Knoxville, Tenn.-based, The Market Edge.

Keith Smith, a Greer-based custom home builder and a representative of the South Carolina Home Builders Association, believes the uptick in permits is due to low interest rates.

"I do think there's a pent-up demand for new housing, but the ones who feel more secure in their jobs and are more stable with their personal lives are looking at the interest rates and seeing that it's a good time to build," he said.

The Upstate region as a whole - Abbeville, Anderson, Greenville, Greenwood, Laurens, Oconee, Pickens and Spartanburg - had a 0.3 percent total drop in building permits issued during second quarter 2011.

Year-to-date, permit totals were down 6.4 percent for the region and 5.5 percent for Greenville County.

The numbers are just about what was expected and "they look good in my opinion," Michael Dey, executive vice president of the Home Builders Association of Greenville, told GreenvilleOnline.com.

"We're comparing the current market to a market a year ago that was influenced by the first time homebuyer tax credit," he said. "It's a level market. It's

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about the same right now as it was a year ago with the effect of the stimulus. It's going to continue to strengthen over time."

The good news about the second quarter totals for all Southeastern markets covered in the trend report is that "we're seeing signs of life in an otherwise bleak housing market," Dale Akins, president of The Market Edge, told GreenvilleOnline.com.

In most of the markets, the total number of residential building permits issued during the first six months of 2011 was below the total from the same period in 2010, according to Akins.

But a lot of the markets also had increases in their first quarter permit totals from fourth quarter 2010 and in second quarter 2011 from the first quarter of this year.

Smith said he hopes the upward trend will continue, but added "there's not enough information out there to make me say emphatically that it's on a continuous move up."

"I think we're going to see flat spots and bump ups. I hope that the bump-ups are a little taller and the flat spots are a little less flat," he said.

The U.S. Commerce Department said housing starts nationwide were up 14.6 percent to a seasonally adjusted annual rate of 629,000 units in June, its best pace since the beginning of the year.

Building permits showed a 2.5 percent gain to 624,000 units, their highest level since December of 2010, the commerce department said.

Bob Nielsen, chairman of the National Association of Home Builders, called the June numbers "encouraging" and said they are a sign that builders are responding to improving consumer interest in new homes and apartments by gradually replenishing thin inventories in places where demand is evident.

Smith said he and most area home builders are being very careful in what they do.

His company no longer carries inventory and has expanded services to include remodeling projects and work on commercial buildings. The company has also broadened the area that it will go to for projects.

"We had to diversify our business to survive," he said. "Right now it seems if you don't offer all of those services, if you're just depending on new houses, you're probably not doing much business at all."