Rise in home sales encourages builders

USC economist says slowdown nearing an end

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Homebuilder Keith Smith has been seeing signs of a positive shift in the economy with an increase in the showings of his houses.

But it was a presentation Friday at the state convention of the Home Builders Association of South Carolina in downtown Greenville that confirmed for Smith that the economic tide is changing.

Doug Woodward, economist and director of the research division at the University of South Carolina's Moore School of Business, presented his findings that the economic slowdown is "coming to an end."

"I was encouraged by what we heard from our economist friend," Smith said. "He only tells us what he finds, so he's got information to say the trend is turning some."

Woodward said Thursday's closing of the Dow industrials above the 9,000 mark and steady increases in home sales, building permits, and consumer spending are signs that the economy is improving.

"As tough as times are right now, there will be a recovery. It will be slow, but it's coming. That's the message I want to portray," Woodward said.

Woodward also announced the launch of a new quarterly publication from his USC research division that focuses on issues involving the state and national housing market.

"The S.C. Housing Market Report," authored by Joseph Von Nessen, said South Carolina's high housing affordability will cause the housing industry to be among the first industries to experience growth as the economy recovers.

"We can never have a recovery without housing construction being an important part of that. It's a key driver," Woodward said.

The report predicts a "largely stagnant" economy and housing market through the remainder of the year, with only a small amount of possible growth.

Smith said he agrees that "the bottom is flat and will stay flat for a little while."

"If it was like a rubber ball that hit the bottom and then bounced straight back up, it would not be a good sign for any of us," Smith said.

"Although I'm a builder and I want people to run out immediately and buy all my product, I'm encouraged that he sees it getting better and it's a slight incline."