

Jim Weiler, of Jim Weiler Construction, sets a roof truss on a home. Rising interest from would-be buyers has U.S. homebuilders less pessimistic, but tight lending rules are still blocking many new homes sales. BOB WELLINSKI/AP

South aids home optimism

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Builder confidence has improved for three consecutive months, with areas in the South being the largest contributor to the recent increase.

The National Association of Home Builders/Wells Fargo Housing Market Index (HMI) for December said builder confidence in the new single-family homes market inched up two points from a downwardly revised 21, the highest level since May 2010.

The South, which includes the Greenville area, showed the highest gain in builder sentiment this month, with a four-point gain to 25. The region's index score is at its highest level since March of 2008, the NAHB, said. A one-point gain to 16 was registered in the West, while the Midwest held unchanged at 24 and the Northeast slipped one point to 15, the association said.

Robert Denk, a senior economist with the NAHB, told GreenvilleOnline.com, that it makes sense that Southern builder sentiment moved up more than the national index.

"If you sort of ignore Florida, one of the most hard hit areas in the country, actually the Southeast is in pretty good shape," Denk said. "Greenville in particular was relatively restrained, didn't have much of a housing boom, got caught up in the housing bust just like everybody did, but our forecast is for Greenville to actually do a little better than some other parts of the country in terms of the timing and strength of housing recovery."

"That's because it avoided a lot of the real craziness of the housing boom," Denk said.

Bob Nielsen, chairman of the NAHB, said builder confidence is still low but "consistent gains" over the past several months are an "an indication that pockets of recovery are slowly starting to emerge in scattered housing markets."

Denk said markets with the least damage from the housing excesses are recovering the most rapidly.

"Basically, I always refer to the housing boom and the housing bust as the wild party the night before and the hangover after," he said. "The Greenville market was very well behaved at the party last night, so they're feeling among the best the following morning."

The NAHB/Wells Fargo index gauges builder perceptions of current single-family home sales and sales expectations for the next six months as "good," "fair" or "poor." The survey also asks builders to rate traffic of prospective buyers as "high to very high," "average" or "low to very low." Scores from each component are used to calculate a seasonally adjusted index where any number over 50 indicates that more builders view conditions as good rather than poor.

Each of the three component indexes registered a third consecutive month of improvement in December, the NAHB said.

Wayne Moore, president of the Home Builders Association of Greenville, told GreenvilleOnline.com that the confidence level locally is "spotty."

"We certainly have some builders in our area who have contracts in place and are building and doing well," he said. "We have spoken to those who feel like possibly after the first of the year, some more things will break. At the same time, we have others who are working hard to make it happen. They don't have a lot going on."

Still, he said, "We've been been blessed that there is still some level of confidence. There is some building going on compared to other localities throughout our nation."