Upstate home construction back on its feet

Local builders expect positive trend to continue

BY CARLOS GALARZA-VEVE
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SENECA — The local home construction industry that was brought to its knees during the great recession is back on its feet and regaining some of its former swagger.

Russ Price, executive officer at the Home Builders Association of Oconee, said 2014 was a good year for local builders, and he expects the positive trend to continue into the New Year.

"I don't have the exact numbers, but I know this year has been a good year for us," Price said. "The trend has been up all year. ... Next year is supposed to be a real good year and be better than (2014), and in 2016, even better. We're looking forward to good news for all the home-building industry."

Mark Nix, executive director of the Home

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CONSTRUCTION: 'They have confidence'

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Builders Association of South Carolina, said the construction industry this year hit a national bench benchmark that shows it is strong and back on firm footing.

"Our benchmark for construction in the entire country used to be one million homes," Nix said. "When you think you were doing really well you went over a million, and if it wasn't doing well it was below that."

Nix said the industry welcomed the good news that national numbers reflected in the number of permits for new housing, remodeling and such surpassed the one million mark.

"What you were seeing for the past several years were numbers in the couple of hundred thousand," Nix said. "We weren't coming close. So, to be able to hit the million mark is wonderful."

Nix said in South Carolina permits in the 21,000 to 22,000 range would be average when the industry was strong.

"I haven't seen the final numbers yet, but we should be able to surpass that," Nix said. "It's the first time we've been over where our median should be."

Price said that as the economy continues to improve and more jobs come to the area, the demand for homes in the $150,000 to $225,000 price range would grow in Oconee and surrounding area. He said that demand might open the way for some track homes to be built as opposed to the custom-built homes that are much more common in Oconee.

Nix said job growth should sustain construction growth in the coming years.

"An economist once told me, 'Houses are where jobs go to sleep at night,'" Nix said. "It actually makes a lot of sense. People ask why do you push for new industry coming to the state and that's why. I mean the main reason people keep buying houses is they have jobs. They have confidence in their jobs."

Nix said he likes where the economy is headed with falling gasoline prices giving more discretional income to potential homebuyers, while the Fed has indicated it plans to keep interest rate low for the time being.

"If the Fed touches interest rates it won't be until midpoint next year and even then it won't be a huge increase," Nix said. "You don't see inflationary markers right now."

Upstate home construction starts 2010-14

Includes home construction in Anderson, Greenville, Oconee, Pickens and Spartanburg counties.

2014	3,297
2013	3,158
2012	2,542
2011	1,787
2010	1,662

— SOURCE: HOME BUILDERS ASSOCIATION OF SOUTH CAROLINA



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ruction workers are building a new home in riendship Road area near Seneca. Homebuild njoyed a good year in 2014, and the forecast d looks bright, according to industry officials