Upstate residential building permits

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Upstate job creation and pent-up demand likely created the surge in residential building permits in the first quarter 2011.

The region defined as the Upstate — Abbeville, Anderson, Greenville, Greenwood, Laurens, Oconee, Pickens and Spartanburg — had a 25.3 percent hike in building permits from fourth quarter 2010 to first quarter 2011, according to a trend report by Knoxville, Tenn.-based The Market Edge.

Michael Dey, executive vice president of the Home Builders Association of Greenville, called the increase a "positive trend" that he expects to continue but at a gradual pace.

"I'm sure we will have a quarter here or there where it flattens out or even drops a little bit, but that's the normal economy," he said. "But as a general rule, the trend is going to be upward. It's just not going to come rocketing back."

The increase in the Upstate is a reflection of building permits in all markets served by The Market Edge, except Asheville, according to Dale Akins, Market Edge president.

Even nationwide, building permits were up 11.1 percent from February but down 13.3 percent from March 2010, the Commerce Department said Tuesday.

Fourth quarter 2010 was "terrible for the most part, so we're glad to see some signs of life again," Akins said about the totals in Southeastern markets.

The bad news, he said is that first quarter 2011 totals are below the first quarter 2010 totals in all markets except Hickory, N.C., which showed a slight increase.

In the Upstate, the year-to-date total was down 12.7 percent from 2010.

Dey said production is picking up in the Upstate because of pent-up demand created during the last couple of years of the recession.

There's also a "natural demand" here driven by job creation, Dey said.

Between March of 2008 and January of 2010, more than 49,000 jobs were lost in the Upstate, said Brian

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Reed, CB Richard Ellis/ The Furman Co., vice president client services.

"In the past year, about one-fifth of those jobs have been regained. In a one-year period, that is very strong job growth," he said.

Reed said a job growth is not delivering a "proportional amount" of increased homes sales because many of the jobs are providing employment for people who already live here, meaning that finding a new place to live won't necessarily go hand-in-hand with new jobs.