



FOR FIRST TIME SINCE 2005, NUMBER OF SINGLE-FAMILY PERMITS GOES UP, NOT DOWN

Area homebuilding rate shows slight increase

BY RICHARD MIZE
Real Estate Editor
richardmize@opubco.com

Last year was like the mid-1990s for metro-area homebuilders.

Builders in Oklahoma City, Midwest City, Edmond, Moore and Norman took out construction permits for 3,466 single-family homes in 2010. That was 2.5 percent more than 2009 — a small increase. But it wasn't a decrease.

It was the first time since 2005 that permits didn't go down compared with the year before.

Construction last year in the five cities was comparable to the mid-1990s. In 1996, for example, the cities issued 3,413 permits.



Caleb McCaleb



Jim Schuff



Mark Dale



The early stage of a new home under way by Jeff Click Homes is shown at 2120 NW 172 in March. Click is among those building smaller houses in response to increased demand. This home has 1,398 square feet.

PHOTO BY PAUL B. SOUTHERLAND, THE OKLAHOMAN

Feeling for bottom

Was 2010 the bottom? Builders hope so — and so do the subcontractors, suppliers and others who have tightened their belts since 2005, the last year of the housing boom.

Builder Jim Schuff said subs and suppliers are asking his take on the coming year. In addition to planning for staffing, it helps to have a handle on how much material they might need because they can get quantity discounts.

"I wish we had a crystal ball," said Schuff, co-owner and president of Vesta Homes in Moore and 2010 president of the builders association.

Schuff repeated what he heard from leaders in the National Association of Home Builders earlier this month at the International Builders Show in Orlando, Fla.: 2011 will be better than 2010, and 2012 will be even better, they said, based on trends in auto sales and demand for furniture and other big-ticket consumer products, which usually track with home sales.

Looking back, Schuff said he wished he'd been a little more aggressive in 2010.

Looking ahead, he said he has a little more confidence in the economy as 2011 proceeds.

Edmond rebounds

Recovery in Edmond was the main source of the increase in planned construction across the metro area — "planned" because builders typically have six months to start a house after obtaining a building permit. Edmond's 207

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Oklahoma City	2,303	2,807	3,379	3,456	3,844	3,338	3,107	2,467	2,342	2,374
Midwest City	122	167	184	231	238	263	196	147	148	163
Edmond	492	544	676	652	695	585	476	341	212	297
Moore	337	437	744	786	809	518	561	348	323	305
Norman	509	492	625	656	724	670	419	514	355	327
Totals	3,763	4,448	5,608	5,781	6,310	5,374	4,759	3,817	3,380	3,466

permits, while well less than one-half the city's peak of 695 permits in 2005, represented a 40 percent gain from 212 permits in 2009.

The number of permits doesn't tell the whole story, however. Permit numbers rose last year partly because builders responded to the rush of first-time buyers into homeownership by building more starter homes. But even with the incentives to first-timers long over — federal tax credits expired last April — the recession continues to make smaller homes attractive.

"There's still a hole in the market up top," a lack of demand that has many large homes lingering on the market, said Mark Dale, who was Central Oklahoma Builders Association president last year.

Dale, owner of Oklahoma City's Carriage Homes, wondered if the recession has caused a generational paradigm shift.

Could be, but partly because of the green movement, which puts energy efficiency and the environment above prestige, said Edmond builder Caleb McCaleb, whose Arbor Creek addition of bungalow-size homes signaled the small-is-better trend here when he debuted it in summer 2009.

Frugal is 'in'

"Every builder I know has moved to building a smaller home," said McCaleb, noting that it's not just first-time buyers and young couples who are attracted to his smaller homes, although that's

who he had in mind when he developed Arbor Creek. Lots of older folks are through living so large, he said.

"When I'm working open houses, we're getting a ton of move-down buyers but still looking for the amenities," he said. "It's 'we've lived beyond our means! It's the frugal-is-the-new-cool deal!'"

McCaleb said the Millennial Generation, also called Generation Y — people born as early as the 1970s but mostly in the 1980s and 1990s — wants nothing to do with an overly large footprint, whether for a house or carbon.

"Millennials, they totally don't think it's cool to live in a big house. They're all about everything green," he said.