Homebuilders in Oklahoma City welcome revived market

The December push for building permits in Oklahoma City and Norman solidified 2011 as the second clear year of recovery from the bottomed-out metro-area market in 2009.

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Published: January 28, 2012

Home building here ended 2011 lots better.

Construction-ready lots banked by cautious developers — probably at the insistence of wary lenders — came onto the market in the fourth quarter, meeting builders anxious to build and buyers looking to buy, builders said.

That — and fair weather in December — helped lift construction, which for most of the year was flat compared with 2010.

Builders in Oklahoma City, Edmond, Midwest City, Moore and Norman took out permits to build 3,579 single-family houses in 2011, an increase of 3.3 percent over 2010.

A broader survey by the Central Oklahoma Home Builders Association showed that 4,079 permits were issued, an increase of 5.7 percent. That survey also includes a dozen other municipalities plus Oklahoma County, four of them with significant increases in 2011:

• Piedmont, where a tornado leveled neighborhoods last May, issued 87 permits, up from 36 in 2010.

• Blanchard doubled the number of permits issued to 40.

• Newcastle issued 98 permits, up from 64.

• Nichols Hills issued 13 permits for new homes, compared with just one permit the year before.

It was the December push in Oklahoma City and Norman that solidified 2011 as the second clear year of recovery from the 2009 bottom.

Builders' plans have been tempered by the relative lack of construction-ready lots, said Jim Schuff, co-owner of Vesta Homes in Moore and 2011 president of the Central Oklahoma Home Builders Association.

“Developers used to go out and develop real big sections at a time. They're self-regulating,” Schuff said.

“Builders and developers have been what I'd call cautiously smart. Builders didn't want to overbuild and developers didn't want to overdevelop.”

However, land developers — both residential and commercial — indicated renewed confidence in the local economy last year by almost tripling the number of parcels registered for planned development with the Oklahoma County Assessor's Office.

The office added 2,257 new accounts — one per parcel — to be added to the tax rolls this year compared with a low of 776 accounts in 2010 added to the tax rolls last year, County Assessor Leonard Sullivan said.

Peak development was in 2006, which resulted in 4,737 new accounts in 2007, he said.

“While we have had years with much more growth, it's important to remember this shows optimism by the small and large residential and commercial property development companies in Oklahoma County,” Sullivan said.

Reasons to be optimistic abound, said Kurt Dinnes, owner of Oklahoma City's Sun Custom Homes and 2012 president of the Central Oklahoma Home Builders Association.

He said reasons include “a number of national recognitions naming Oklahoma City one of the leading cities with respect to everything from a relatively low foreclosure rate, to housing value and affordability, to being named the No. 1 city in the U.S. for economic security, as reported by Mayor Mick Cornett at the State of Oklahoma City address.”

Dinnes also pointed to the National Association of Home Builders/First American Improving Markets Index, which included Oklahoma City as well as Tulsa this month. The index lists metro areas that have climbed from the bottom of the housing bust for at least six months in a row in single-family building permits as reported by the Census Bureau, employment as reported by the Bureau of Labor Statistics and house price appreciation as tracked by Freddie Mac.

Such recognitions and accolades have encouraged “bolstered confidence in our local economy by builders and consumers alike,” he said.

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