

Construction starts lag in region; Moyock & Corolla see growth

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Construction starts may be picking up across the nation, but builders in northeastern North Carolina are still waiting for their business to increase.

News reports last week indicated an upswing in building permit applications, apparently a good sign for the nation's construction industry. Permits in December hit their highest point since 2008, and despite a slight dip in January, new housing starts were trending upward, the Associated Press reported.

Metropolitan areas in North Carolina, such as Raleigh and Charlotte, are also reporting an upswing in construction activity.

But local builders say those trends haven't affected them yet. The five-county region has been slow to recover from what some builders say is the worst recession for home construction in decades if not a lifetime.

"I can't see much has changed," said Troy Meads of Meads Home Builders Inc.

Seven or eight years ago, Meads was getting 20 to 30 calls a month from interested home buyers. He's now down to building about two to three houses on speculation a year.

Wink Foster, salesman for Elizabeth City Brick, said brick sales are not picking up, despite what national reports say. His company shut down the concrete part of its business because of slow economy.

"Regionally, we're not seeing it," said Foster.

The impact of the recession was slower to hit the region on the front end and now appears to be slower recovering on the back end, he said.

"It's going to take a while for it to come back," Foster predicted.

Even the region has its exceptions. Areas bordering Hampton Roads, Va., have benefited from rising demand for lower land prices across the state line. New construction also appears to be picking up on the Currituck Outer Banks despite a glut of foreclosures and short sales after the housing market crash in 2006.

Northern Currituck appears to have benefited from the trend. Building permits for single-family homes, modular and manufactured homes were up from 132 in 2011 to 220 in 2012, mostly because of increased activity in the Moyock area.

Other surrounding counties saw very little change from 2011 to 2012.

Building permits in Elizabeth City and Pasquotank County combined were up by nine in 2012. Figures were down by four permits in both Camden and Chowan counties over the two years. Perquimans' permit figures for 2012 were not available last week.

Mack Nixon with Albemarle Home Builders in Elizabeth City said housing inventory from foreclosures and short sales have fueled the real estate business, but that construction lags behind.

"It will be 2015 before we get back to an even footing," said Nixon.

When construction does pick up, general contractors may have difficulty finding subcontractors, especially framers, because many are no longer in business, he said.

Ken Corbo, president of the Home Builders Association of Northeastern North Carolina, said membership in his organization once peaked at 210, but has dropped 30 percent since 2010.

"Many have gone out of business. Others did not have enough work to justify paying all the expenses with staying in business and have simply moved to other jobs waiting for the economy to turn around," Corbo said in a statement.

The downturn in construction has been the worst Nixon has seen in his 38 years in the business. He's been through three or four recessions since he started his business in the early 1970s and "this is the worst," he said.