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Housing permits rise in 4th quarter

By Sam Spatter
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A strong fourth quarter for new housing construction may indicate the Pittsburgh region is ready for more activity in 2010, according to a report issued Tuesday.

Permits for housing units started in October through December reached 815, up 41.2 percent over the 577 issued during the same period in 2008, according to Tall Timber Group, a construction market and research company in Ross.

For all of 2009, there were 1,517 single-family homes started, the lowest for any year since Tall Timber began tracking housing information in 1994. That was 24.4 percent below the 2008 total of 2,006.

Permits issued for all housing units, including multi-family units, last year reached 2,807, down 16.2 percent from the 3,348 in 2008, said Jeff Burd, president of Tall Timber.

"Activity levels are still terribly low compared to the historical norms," Burd said.

The outlook for 2010 is brighter, but not sunny, he said.

"The depressed level of activity in 2009 almost certainly represents the bottom of the market," he said.

"Local builders have cut their activity and supply remains close to demand. The extension of a federal tax credit for home buyers and improving overall economy, should provide enough additional demand to boost new construction comfortably above the 3,000-unit level in 2010," he said.

North Huntingdon in Westmoreland County led in production of single-family homes with 81, followed by Peters in Washington County with 67.

The city of Pittsburgh, with 51 single-family houses, led in total housing production with 295, which included 244 multi-family homes, structures with two or more units. McCandless was second with five single-family and 219 multi-family units for 224.

Non-residential construction plunged 31 percent in 2009, valued at \$2.4 billion, which was more than \$1 billion less than 2008. However, like housing, nonresidential contracting showed some renewed life in the fourth quarter, and bidding activity on jobs has been livelier in early January, Burd said.

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