

Building and Lumber Forecast: 2015 Still on Trend for Healthy Rise in Construction

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Although the Hawaii construction industry realized only marginal job growth in 2014, the combination of current lumber sales and future project bidding trending upward suggests a notable increase for this year. According to the University of Hawaii Economic Research Organization's (UHERO) October 2014 forecast, construction jobs will jump by 6 percent in 2015-2016 over last year's 1 percent bump. UHERO's report states that the projected increase is "based on known plans for development and additional building that will be needed to meet the demands of a growing population."

Hawaii's unemployment rate consistently remains around 4 percent, lower than the national average, and continued a gradual decline on a near month-to-month basis in 2014. Unemployment rates also fell in more than half of U.S. states, indicating a strengthening economy with confidence in future growth. This environment is prime for investments in new residential and nonresidential developments.

Single-family home and condo median prices on Oahu, Maui, Kauai and the Big Island have also shown a modest rise over the past 12 months. A healthy real estate market and demand for more housing will help drive residential building.

Additionally, Honolulu's urban core, specifically Kakaako, and areas along the Honolulu rail route will create more opportunities for both residential and nonresidential growth over the next few years. Many commercial projects from Ala Moana to Waikiki are already underway and will continue throughout the year.

The construction and lumber industries are poised for a boost in 2015 with multiple projects in the queue and positive economic conditions to cultivate new developments.

For more information about lumber and the benefits of building with wood, please visit Hawaii Lumber Products Association at HawaiiLumber.com.

Who is HLP A?

Founded in 2003, Hawaii Lumber Products Association (HLP A) has diligently worked toward the goals of education and promoting the benefits of building with wood. As Hawaii's only devoted lumber association, HLP A has more than 30 members here and across the mainland, comprised of professionals representing the development and construction industry.

HLPA promotes lumber products as a preferred building material based on the proven track record of wood and its achievement of long-term performance success in Hawaii's construction industry. Wood is a renewable building material resource that provides benefits to the environment, produces sound construction economics, creates architectural flexibility and meets the highest structural engineering standards.