

Homebuilding Appears to Be on the Rise

By: Ken Laughlin, President

Hawaii Lumber Products Association (HLPA)

Who is HLPA?

Since Hawaii Lumber Products Association (HLPA) was started in 2003, they have worked hard to reach their goal to educate and promote the benefits of building with wood.

HLPA is committed to educating the general public, homeowners, commercial builders, designers and architects about the performance quality, environmental advantages, architectural benefits and cost advantages of wood-frame design and construction.

Based on the proven track record of wood and its achievement of long-term performance success in Hawaii's construction industry, lumber products are a preferred building material.

As Hawaii's only devoted lumber association, HLPA has over 35 members here and across the mainland comprised of professionals representing the development and construction industry. They continue to work hard to make major impacts on the Hawaii and mainland construction industry in order to increase lumber products demand, to increase knowledge of the "greenness" of lumber products and their environmental advantages.

Building and Lumber Forecast:

There is a Light at the End of the Tunnel— Homebuilding Appears to Be on the Rise

The economy appears to be making a slight come back. Although buyers and builders remain cautious, they are starting to buy and build new homes and businesses. There seems to be a positive outlook for the real estate market according to the University of Hawaii Economic Research Organization's (UHERO) quarterly forecast.

Construction growth is most evident on the west side of Oahu with a multitude of developments underway including Ka Makana in Ewa, Makalae at Sea Country in Waianae and Kahiwelo II in Makakilo. Home building is also taking place at Trades and Sandalwood in Ewa along with Nohona III and Makalii II in Kapolei.

Remember, the increase in building of new homes and businesses means an increase in not only construction jobs, but an increase in jobs and sales for many related vendors. I believe confidence with home builders is gaining momentum and that bodes well for not only the real estate market, but the entire economy.

The Commerce Department reported nation-wide building permits in September rose almost 12 percent from August to a seasonally adjusted annual rate of 894,000, which is a large increase over last year. This is also true for Hawaii as the UHERO report shows continued growth with private building permits in Hawaii increasing for the third consecutive quarter, and the last time this happened was in 2006. Residential permits are up 20 percent from last year with moderate upward growth for commercial permits. This rise is expected to increase in 2013 indicating Hawaii may be in the midst of its next major home building cycle.

With a positive mood within the economy, Hawaii may be readying itself for the start of new job creation in the home building market. Stay tuned Hawaii.

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