

Housing and construction still recovering



Less inventory but looking normal

Campbell McCool's Plein Air housing development in Taylor

BY MARK H. STOWERS
The Oxford Enterprise

When the Oxford home construction and realty market shifted into overdrive in 2003, it was only a matter of time before a downshift occurred. When it finally did a glut of overvalued homes and properties were on the market and many agents and "get rich quick" businessmen were caught up in the backlash.

Now that the market has had a chance to re-adjust, what exactly is happening? Developer Campbell McCool offered some insight.

"The Oxford market, and I include Taylor in that, had a ridiculously high inventory level for the period of 2007 – 2010," he explained. "For the market the size we are, the inventory was way too high."

But that inventory has been absorbed somewhat each year and that's good according to McCool. "We are getting back to a normalized level and it's been a long time coming. The market is picking up but it's still slow."

The properties that have the highest sales rate have been those under \$200,000 but even with the crash of sales, there is still an appetite for high-level million dollar homes.

"All of this is still just my opinion, but there still continues to be a demand for those houses that are in the Oxford Historic District or a 'showstopper' type house," he said.

The best way to gauge the new home construction market, according to McCool, is to talk to a sub contractor.

"Construction has gotten clobbered," he said. "They have been real slow the last two years but there are a few exceptions. It is picking back up but it is nowhere near the 2003 – 2007 red-hot Oxford market. We were artificially hot."

McCool has developed property in and around Lafayette County, mostly in Taylor with his Plein Air housing development. But in the artificial market, he saw plenty of problems brewing.

"In that time, there was development going on that had no business going on," he explained. "People had zero equity in a proj-



Hurricane Katrina refugees, Sidney and Jeepsie Smith, found solace in Taylor at McCool's Plein Air housing development.

ect. Banks were doing 100 percent financing and people were looking to make a quick buck and move on. But then credit tightened up and demand slowed down and whammo! A lot of developers got put out of business, went bankrupt and lost a ton of money."

Available credit is still tight and has returned to pre-artificial levels where 30 percent equity is a normal requirement. McCool does have a small amount of development in motion and has plans to build houses in the upcoming year.

"Everyone is proceeding with caution," he said. "On the commercial side we have one project going on."

On the Condo Design Front

Tim Taylor, a residential designer, has been busy somewhat with condo design.

"These were higher end stuff with two car garages," he explained. "The clients asked us to add more beams, upgrade the kitchen and put in higher-end fireplaces. And even put TVs on the deck to watch the football games."

Taylor says there's not a huge demand for high-end condo design because it's a "saturated market and the older condos aren't

moving." Material wise, Taylor has seen nicer finishes, tiles and cook tops going in. As well as, on-demand type water heaters to help save energy.

Business Development

Announcements of luxury and convention hotels have been seen as a good sign for the economy, according to McCool.

"The convention hotel coming in, it sounds like it makes sense," McCool said. "You're seeing more conservative and intelligent development than you did in that four year phase."

One ingredient driving development is "people get enamored with Oxford and for all the right reasons but at the end of the day, it's still a small market," McCool said. "A lot of people have lost a lot of money thinking they can throw up an exotic coffee shop or a high end day spa and some of those work but at the end of the day it's still a small market."

With the market equalizing itself, McCool believes it has turned around.

"It's getting better and it's getting back to more of a level an economist would define as an appropriate level of activity," he said.



New construction at Plein Air in Taylor