



Construction work slows in Neenah as fewer homes built

By Duke Behnke, Post-Crescent staff writer

NEENAH – Neenah recorded \$51 million in construction activity during 2006, a 20 percent drop from the \$64 million in 2005.

Director of community Development Bob Buckingham said the results reflect a slowdown in the economy, but he said the total was on par with the average for the last decade. "While new housing starts dipped from the prior year, commercial and industrial development produced strong totals," he said.

New housing starts in Neenah dropped for the fourth straight year, falling from 93 units to 66 units, a 29 percent decline. Buckingham said the performance mirrored state and national trends. He said major metropolitan areas in the state reported 20 percent to 39 percent declines in housing starts last year. Neenah's 66 new units consisted of 44 single-family homes and 12 duplex condominiums. No multifamily units were built in the last two years.

Dave Downs, owner of Dream Homes of Neenah, said he thinks home construction will remain slow in the first half of 2007 but will pick up in the second half of the year. "There seems to be a lot of interest," Downs said. "People are just kind of hesitant. I really don't know why. Lumber prices are low, and interest rates are low. I think it is a good time to buy or build."

Bickingham said Neenah remains well-positioned for growth once the economy rebounds. It has nearly 400 residential lots available for new home construction. Neenah's commercial sector was driven by retail and office projects in Westowne Village, Bridgewood Office Park and the S. Commercial Street business corridor. Its industrial sector was a bright spot, totaling \$18.4 million, the highest amount in the last decade.

Major projects included the construction of a new manufacturing facility for Custom Marine Inc. and major additions at Neenah Foundry Co. and Derby Molded Products Inc. "Industrial and manufacturing companies are showing renewed interest in expanding their operations, and the city is responding by creating more building sites in the Southpark Industrial Center," Buckingham said.