

Steady market for sales checks fear of downturn

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The recent slowdown in housing markets across the country has yet to play out in the Charlotte region, and local Realtors don't expect it to.

While the city's housing stock didn't enjoy the double-digit annual appreciation seen in white-hot markets such as Las Vegas, Realtors say the local market hasn't seen an

abrupt correction, either.

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Slow and steady growth in sales and prices seems to be the rule.

The N.C. Association of Realtors reports sales of 43,389 homes in the greater Charlotte market in 2006, up 13% from 2005.

The average sales price rose 4% to \$221,130 during that time.

“Slowdown? I did not have a day off or even half a day off last year,” says Dot Munson, a broker with Re/Max Executive Realty SouthPark and this year's president of the Charlotte Regional Realtor Association. “There has been no slowdown. I worked 10 hours last Saturday and 10 hours last Sunday and made five sales.”

And the association's school, the Mingle School of Real Estate, is filled to capacity and has a waiting list for future classes, Munson says.

Charlie Archer, vice president and education director of the Superior School of Real Estate, has seen no drop in interest in the profession. “There is absolutely no slowdown in the market, and we are definitely not seeing signs of a slowdown in enrollment,” he says.

One recent Superior School prelicensing class attracted 40 students. Another class that began two days later had 95 students.

“These classes are a big investment of time and money,” Archer says. Superior School's prelicensing course costs \$389, and students must commit to 75 hours of classroom instruction over a month.

Archer says a recent drop-off in the number of licenses stems from changes in state law, not a slowdown in the market. Under a new law approved last year, the requirements to obtain a N.C. real estate license have increased. Brokers have a higher degree of accountability and must undertake extensive course work.

Realtors, buyers from Florida

A large percentage of Superior's students are Florida Realtors who relocated to escape hurricanes and other difficulties in the Sunshine State. “And they are doing their homework,” Archer says. “They are looking at the market here and see that it is strong.”

Nancy Homan, a Realtor with Keller Williams Realty SouthPark, says the number of agents in her office has risen to more than 100 and all of them are busy.

“Prices were not overly inflated, so the market has stayed steady,” Homan says. “We do have regular market shifts but those have been small. We do have a large inventory in Charlotte. Any time there is a large inventory, agents who are not as aggressive in marketing might have an issue, but, otherwise everything has remained steady.”

Charlotte has not seen the huge appreciation witnessed in other regions, such as California, Munson

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EXISTING HOME SALES IN CHARLOTTE, STATE

| Year | Units sold in Charlotte | Average price | Units sold in N.C. | Average price |
|------|-------------------------|---------------|--------------------|---------------|
| 2000 | 21,340 | \$179,421 | 68,867 | \$170,253 |
| 2001 | 23,197 | 183,100 | 74,796 | 175,808 |
| 2002 | 24,382 | 187,401 | 79,106 | 180,324 |
| 2003 | 26,370 | 191,678 | 92,523 | 184,606 |
| 2004 | 32,985 | 199,439 | 114,753 | 193,929 |
| 2005 | 38,344 | 212,473 | 135,970 | 210,577 |
| 2006 | 43,389 | 221,130 | 139,676 | 214,952 |

Notes: Charlotte market includes 44 counties; state totals include new-home sales in the Triangle.
Source: N.C. Association of Realtors



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says. Charlotte's steady annual appreciation, 6% to 7% versus as much as 25% in other areas, means the market here is not due for a correction.

"This is the difference between steady growth and astronomical growth," Munson says.

Charlotte's vibrant economy, reasonable cost of living and moderate climate make the area attractive to newcomers. Snowbirds, who discovered Florida's hot summers and hurricanes, are leaving behind exorbitant homeowners' insurance prices and moving to Charlotte, Munson says.

The Charlotte market is also attracting buyers from other areas where housing is considerably more expensive, says Temprance Wilkinson, vice president of Wilkinson and Associates.

"We do a lot of Web leads and we hear from people everywhere — New York,

California — who have heard about what a great deal they can get on a home here," Wilkinson says. "Everyone is coming our way; they are hearing the buzz."

Brokers cite last month as proof of the city's ability to buck the downtrend. Many Realtors expected December to be a sluggish month and prepared accordingly, budgeting extra time for holiday shopping and family gatherings.

Munson, Homan and Wilkinson say December was an unexpectedly strong month, and holiday plans had to be scaled back.

"I have been in the business for 22 years and began when rates were 18%," Munson says. "People have to have somewhere to live. I don't see it slowing down in this area. There is too much going on."

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