

## **Housing Market Strong, Realtors Told**

**By Rebecca Logan**  
**Staff writer**

Zan Monroe asked a room full of real estate professionals to remember how they felt in 2003.

Many of them were tired back then and nervous about being able to meet the pace of growing demand for homes, said Monroe, executive officer of the Fayetteville Regional Association of Realtors.

Then he told them that the area covered by the local Realtors association should end this year with about 3,700 sales of existing homes. That would be down about 900 homes in 2008 but just about equal to sales in 2003.

“(That was) when we were all running around here wondering how we would ever keep up,” he said. “Homes are selling.”

Monroe said he expects the area to reach about 2,100 new home sales for this year, a tally just above 2008.

He said he'd expect to see about 4,100 existing home sales in 2010 — about a 10 percent increase. And new home sales for 2010 may end up being around 2,400, he said.

Monroe spoke Thursday at the Holiday Inn Bordeaux during the first of what is set to become a monthly brokers briefing. This time, he walked participants through a national economic report from Lawrence Yun, chief economist for the National Association of Realtors.

Monroe used the data to illustrate his point that the most expensive homes sit on the market but plenty of lower-price homes are selling.

“The bottom of the market in every market ... is as hot as it's ever been,” Monroe said. “The tops of the market are dead as a doornail.”

Markets heat up from the bottom as homes sell and previous owners move into something larger, he said.

“We read reports that say homes aren’t selling. It’s not so,” Monroe said. “The upper ends aren’t selling.

“You think it’s local?” he added. “Wrong.”

Monroe spent much of the morning talking about supply and demand, saying there are corrections occurring in the supply of new homes.

“We’re back to about 300,000 new homes out there for sale, nationwide,” Monroe said. “How many of you think most of them are in Cumberland County?”

That got a big laugh from the room.

Many local real estate experts say the market of existing homes in Fayetteville has taken a hit from attractive deals on new homes.

Existing home sales in November were up about 28 percent over November 2008, according to the most recent data from the Fayetteville Realtors association. But November 2008 was a particularly rough month for existing home sales; they were down 35 percent from November 2007.

For new homes, sales in November were up about 77 percent from a year earlier.

In all, about 458 homes closed last month compared with 352 in November 2008.

During a question-and-answer session Thursday, developer John Gillis asked Monroe about Zillow, the online real estate company that tracks home values.

A Zillow report last month said the Fayetteville market’s home values increased for the third straight quarter, allowing the area to retain its No. 1 ranking in the nation for appreciation.

Gillis wanted to know Monroe’s take on the impact of Zillow and its influence on the media and the public.

“It’s huge, and we have pretended that this elephant is not in the room with us,” Monroe answered.

He asked for a show of hands by those who believe Zillow is accurate. No hands went up.

“That ought to answer it,” Monroe said. “But you’re professionals in this room.”

Consumers don’t have the same background.

“They assume that it’s accurate,” he said, adding that consumers aren’t aware that when Zillow says “our market here is the best in the country, it’s based on tax value and tax evaluations, not on actual sales.”

“I will tell you, we’re not a bad market nationwide,” Monroe added. “But placing us No. 1? I probably wouldn’t do that.”

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Economic Pulse

Fayetteville market home sales for November 2009

Existing homes (Percent change from Nov. 2008)

Closings: 279 (+11.2%)

Average price: \$140,254 (+15.4%)

New homes (Percent change from from Nov. 2008)

Closings: 179 (+77.2%)

Average price: \$204,261 (-5.1%)

Total homes (Percent change from Nov. 2008)

Total closings: 458 (+30.1%)

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