

December 18, 2008

Local home sales swoon in November

By Mark Barrett

Sales of existing homes in Buncombe County fell by half in November, the sharpest monthly drop in years, the North Carolina Association of Realtors reported Wednesday.

The 50.4 percent decline in sales over November 2007 is the steepest since at least 1995, according to records kept by Tom Tveidt, head of the Asheville Area Chamber of Commerce's research arm.

"That is pretty dramatic. ... That's sobering," Tveidt said.

Nearby counties saw similar dropoffs. Sales fell 56.7 percent in Haywood County, 51.8 percent in Henderson County and 46.7 percent in Transylvania County.

Sales are reported only when a transaction closes, meaning November's figures generally reflect homes that went under contract in September and October. That's about the same period when big drops in the stock market and other bad news significantly worsened concerns about the national economy.

"You're definitely seeing the impact of the stock market dropping. ... People are hesitant to make a move right now," said Terry Horner, president of Preferred Properties of Asheville and of the Asheville Board of Realtors.

Since 1995, the next-largest percentage drop in Buncombe's monthly sales over the same month of the previous year was 38.9 percent in October 2007, according to Tveidt's records.

There were 126 existing homes sold through the Multiple Listing Service in Buncombe County in November, down from 254 in November 2007 and 331 in November 2006. Area sales generally began slumping during the second half of 2006.

Doug Kenny, executive director of N.C. Mountains Multiple Listing Service, which primarily serves Buncombe, Haywood, Henderson and Transylvania counties, also said economic worries are bound to be a big factor in the decline.

"Everybody still is quite nervous and wants to see where we're going," he said.

Kenny said lower mortgage rates will help sales, but he doesn't expect significant sales improvement until next year. "Even if you give money away, people are still a little reluctant and a little hesitant," he said.

Existing home sales statewide were down 40.2 percent. National home sales figures for November have not yet been released. October sales nationally were 1.6 percent below October 2007.

The decline in average sales price — which was \$267,074 in Buncombe County in November — was much less dramatic. It fell 7.5 percent in Buncombe County, 7 percent in Haywood, 13.4 percent in Henderson and 3.4 percent in Transylvania.

Quarterly figures released recently by the Federal Housing Finance Agency suggest that homes in the area have held their value better than those nationwide.

The agency said home values in sales or refinancing involving so-called "conforming" loans — in most markets, \$417,000 or less — dropped 2.7 percent nationwide in the third quarter and 4 percent in the 12 months ending Sept. 30.

In the Asheville metropolitan area — Buncombe, Haywood, Henderson and Transylvania counties — values fell 0.65 percent in the third quarter but were up 2.1 percent for the 12-month period, the agency said. The annual increase ranked the Asheville area 43rd among 292 metros around the country.
