

Raleigh News & Observer - Business Section March 7, 2007

Link to Story: <http://www.newsobserver.com/724/story/550552.html>

Some doubt a leap in home prices

Realtors report says values in the Triangle rose 14.5 percent in 2006

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Home values in the Raleigh-Cary area rose 14.5 percent in 2006, far faster than the rest of the nation, according to the National Association of Realtors.

Or maybe not.

Those familiar with the Triangle home market suggest that the association's numbers might be off slightly.

"If we can figure out where Clay Aiken bought, and there are more houses around it for sale, we might sell them for 14 percent appreciation," said Kathy Sims, a top seller for REMAX United in Cary. But local appreciation "averages 5 percent and it's been like that for four years."

The association reported that fourth-quarter Raleigh-Cary median resale prices increased to \$226,300, up 14.5 percent from the period a year ago -- the sixth-largest increase in the nation of the 150 metropolitan statistical areas tracked. Durham's median resales dropped 0.1 percent to \$168,600, the group said.

The report stood out because single-digit appreciation rates have been the norm in this region for years.

Triangle home values generally have seen modest increases, because there is plenty of available land for development and stiff competition among builders. Most homeowners haven't gotten quick riches, but there's an upside: The area has avoided the housing bubble affecting many other parts of the country, caused by speculators trying to cash in on soaring prices.

Market Opportunity Research Enterprises, a Rocky Mount firm that tracks Triangle residential sales, reported that fourth-quarter appreciation remained modest. In the Raleigh-Cary MSA, which includes Wake, Johnston and Franklin counties, fourth-quarter median resale prices rose 2.5 percent to \$188,000, researcher Carl Van Horn said. Market Opportunity tracks sales as they are listed in register of deeds offices across the region.

The Office of Federal Housing Enterprise Oversight also said that Triangle home prices rose slowly, but it put the fourth-quarter Raleigh-Cary increase at 7.38 percent. The office is the federal oversight agency for Freddie Mac and Fannie Mae, the nation's largest housing finance institutions. It tracks resale prices and refinancing agreements.

"It's very difficult to track house transactions," said Andrew Leventis, an economist with the agency.

"If in one quarter you get lots of very expensive homes that sell, it spuriously drives up measured appreciation."

Realtors association economist Lawrence Yun said that his statistics are meant only to be a guide. Realtors and residential brokerages provide statistics to the group. He said zip codes might have been left out.

"We know this type of discrepancy exists, but over time it fairly reflects the situation," Yun said. "We don't not put out a report if one zip code is missing. [If we did] we'd never put out a report."

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