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## Charlotte's housing woes likely to widen

**Potential job losses at Wachovia could add more homes for sale in a market that's already glutted.**

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Slideshow  




dot munson, pres of charlotte regional realtor assoc and cmls

At a south Charlotte hotel Monday morning, before a seminar on real estate and the economy, several Realtors approached Dot Munson, president of the Charlotte Regional Realtor Association.

They were, Munson says, unsettled at the news that one of the city's largest employers had been sold.

"They looked a little like deers in the headlights," she said.

Wachovia's sale – and the potential of thousands of accompanying job losses – promises to distress a Charlotte real estate market already struggling in an economic downturn.

The effect of the Wachovia news could be felt quickly, area Realtors and agents say. Homes would be added to a glut of homes throughout the city, perhaps especially the University area, where Wachovia's Customer Information Center employs approximately 10,000.

"In a marketplace that's already in an oversupply situation, now it could be exacerbated by additional inventory," said Pat Riley, president of Allen Tate Co., based in Charlotte and the Carolinas' leading real estate company.

Charlotte-area home sales and construction have been in decline for more than a year. For the first eight months of 2008, sales through the Carolina Multiple Listing Services were down 28 percent compared with the same period a year ago. In Mecklenburg County alone, single-family house building permits were down 53 percent through August.

Home prices, which held steady last year, have been down every month this year. The average MLS sales price last month was down 4.5 percent. However, Charlotte's real estate market has held up better than other cities', some of which have seen double-digit price declines.

The Wachovia news comes at a time of the year when housing sales are normally slow – "even in a good market," said Munson, who expects that the market segment affected most would be housing priced between \$275,000 and \$500,000.

"This simply means it's going to take longer to get houses sold," said Munson. "When a buyer has 20 homes to choose from in an area rather than three, it means a buyer has a lot more competition."

Riley is hopeful that any job losses resulting in homes for sale will be slow to come and spread out.

"The hope is, by the time that inventory does come to market, that consumer confidence will be coming back," he said.

Munson said the Charlotte market remains stronger than most around the country. "People are not losing money," she said. "They're just not seeing appreciation the way they have been."

Charlotte real estate agent Irv Schwebel said he is adopting an optimistic stance – that change in the market also can bring opportunity, including Citigroup realizing the lower cost of doing business in Charlotte. "I still think this can end up bringing more people to Charlotte," he said.

Said Munson: "It's not quite as dramatic as it could have been if Wachovia had failed."

But: "It still is going to have an impact."

That was clear on Monday, when a Realtor rushed up to Munson just as the real estate seminar was beginning. "She said, 'I'm late because I was talking to a client from Wachovia,'" Munson said.

That client wanted to put his house on the market immediately. Staff writer Stella M. Hopkins contributed.



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**Haywood** wrote on 09/30/2008 09:55:37 AM:

I agree there will be some correction in the \$275M-\$500M segment because that's the range in which lots and lots of the new outer developments were built to attract transplants. However, the real bloodletting in percentage terms is going to be in the range of \$800M+, particular in the inner neighborhoods, where prices have been run up dramatically by the new wealth in town that either is employed by or services the i-banking-related groups at BofA and Wachovia. Many of those people will be departing (or at least downsizing) in droves once the full brunt of the Wachovia i-bank dissolution is felt. Give it a year. These prices will be down 20% if not more.