

## **An Overview of the Real Estate Market in Carteret County**

As Carteret County continues to grow and expand, with new residents flocking to the coastal county from other parts of North Carolina and the rest of the country, the real estate market is poised once again to enjoy a major upswing. As more homes, community developments, and apartment complexes are being built, more brand name businesses – TGI Friday’s, Lowes, and Ruby Tuesday, to name a few – are moving to town and adding new jobs to the economy.

Primarily driven by its tourism industry, Carteret County is ideally situated along the water, with Morehead City holding the distinction of having the second busiest seaport in North Carolina and U.S. 70 serving as the main highway running through the county. There’s little wonder why, then, Carteret County is experiencing a growth spurt. Yet despite the continued growth and expansion, the real estate market has certainly cooled off to a certain extent, making now the ideal time for prospective homebuyers to purchase.

Linda Rike, of Linda Rike Realty, believes that now is the best time for homebuyers to purchase homes because, “First, the interest rates are historically low. Second, there is a good amount of inventory out there. It’s still a great time to sell and buy,” Rike said.

Al Williams, of Al Williams Properties, agrees, “Now is a very good time to purchase a home because interest rates are still around six percent, and we have more inventory than we’ve had in a long time. Two years ago (at the height of the real estate boom) we didn’t have any inventory,” he said.

Inventory of residential properties is particularly expansive for those in the \$475,000 to \$750,000 price range. In fact, Rike points out there are currently 192 units for sale in that price range in Carteret County.

Despite the fact that the market has cooled off somewhat, Frank Kivett, of Kivett’s Happy House, believes Carteret County and other areas of North Carolina are still experiencing somewhat of an upswing in the real estate market, at least compared to the rest of the nation. “North Carolina has been doing quite well and both the coastal and mountain areas are on an upswing,” he said.

Yet, he concedes, “It’s (the real estate market) probably not as great as it was last year and the year before, but a lot of new homes are being built and are being sold. There has been a lot of emphasis on condos, but I believe the single family home is also progressing.”

Now is also the ideal time to purchase because home prices are falling compared to two years ago, and because Carteret County is still relatively unknown to those outside of North Carolina.

“Carteret County is still being discovered by the folks out of the northeast. We’re getting a lot of activity on our website from Texas, Florida, California, and Virginia. People in more metropolitan areas have started to realize we’re here. Home prices (in those areas) have historically been higher while ours have only been higher for the past two to three years. Now is the time to buy even if you’re retiring in five years,” Rike noted.

Williams believes the best thing homebuyers can do in today’s real estate market is “Work with a good, knowledgeable realtor,” he said.

While buyers certainly have the advantage in the real estate market right now, sellers are going to have to adjust their expectations accordingly. Those homeowners who want to sell must understand that their homes might not fetch as much money as they did two years ago when home prices skyrocketed.

“Somebody who wants to sell has to realize there is a lot of competition, and they may not be able to buy low and sell high,” Rike said.

One of the major residential development projects currently in progress is being led by Sam Hamad of Hamad Realty. “I’m actually doing something with the boutique hotels in the form of a condo ownership. We’re converting motels into individual ownership that one would actually own the room and be able to rent it out on a daily, weekly, or monthly basis. We’re going to start taking reservations in the next month or so,” he said.

The project is slated to be completed in the first quarter of 2008.

While the residential real estate market may have cooled off somewhat, that’s not the case with commercial real estate. In fact, according to Vic Knight of First Coast Realty, “Commercial activity almost entirely across North Carolina, and for that matter a large part of the east coast, has been relatively insulated from this huge swing and potential fall in values of activity compared to residential markets,” he said.

Knight is a familiar figure in the real estate industry in North Carolina. In addition to serving as the past president of the North Carolina Association of Realtors, Knight has spent nearly 25 years in the brokerage business, has done commercial and residential appraisal work, has done development, and travels extensively throughout North Carolina, all of which gives him a unique prospective of the real estate industry in both Carteret County and North Carolina as a whole.

“In addition of having had a great deal of exposure across the state, I’m currently the National Chair for the National Association of Realtors for their appraisal committee, so I pay attention to a lot of things that go on nationally that relate to valuation and trends. That’s why I feel very positive that Carteret County is going to benefit tremendously and in a very positive sense well into the future,” Knight said.

Knight believes that several major retail developments in the last decade, such as Wal-Mart coming to the county and Lowe’s building a major store in Morehead City, were the

catalyst for other businesses – such as Ruby Tuesday, Chick-Fil-A and TGI Friday’s – moving to Carteret County.

With all the growth and development Carteret County is experiencing, one might naturally wonder if there will come a point when that growth bubble will simply grow too large and burst. Knight doesn’t envision that happening, at least any time soon.

“Carteret County, for all intents and purposes, is an unpopulated county in terms of comparative locations around even eastern North Carolina, so lots of people could argue the point that that’s possible. But, it is really so far out into the future that it’s not predictable. There really isn’t any foreseeable stagnation of net positive growth for the county,” Knight said.