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ON THE WEB

When You're Moving, but the House Just Sits

By LISA CHAMBERLAIN
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Raleigh, N.C.

PAULA AND DAVID LAPADULA had lived in the Northeast their whole lives, most recently in Woburn, Mass., a suburb about 15 minutes north of Boston. Having grown weary of the long winters, they started thinking about moving more than a year ago.



Photos Karen Tam for The New York Times

BUILDING BOOM Rapid job growth and an influx of newcomers are spurring construction in Raleigh, N.C., and suburbs like Holly Springs.



David and Paula Lapadula walk through their new three-bedroom house.

Mr. Lapadula was in Raleigh for business several times and liked the area, and on a visit, Ms. Lapadula liked it as well. It was not long before Mr. Lapadula, a technical sales engineer, got a job offer, and they decided to relocate here. They put their house on the market for \$455,000.

But a strange thing happened on their way to a new life in North Carolina. The residential real estate market in their old neighborhood seemed to slow down considerably the minute they listed their house. Seven months later, after dropping the asking price by \$75,000 to \$380,000, the Lapadulas' home finally sold.

Having lived in an apartment with most of their belongings in storage for the last nine months, the couple are relieved to begin building their three-bedroom house on a quarter of an acre in Holly Springs, a Raleigh suburb. The cost is \$350,000.

Newcomers from around the country are helping to drive housing sales in Raleigh. Yet it is not clear whether there will be a ripple effect in places like Raleigh because of the slowdown in other regions.

So far, the market here is robust, according to local real estate agents, although there has been a slight increase in inventory since summer.

Rapid job growth is what has helped keep the Raleigh housing market stable. Research Triangle Park — a 7,000-acre nonprofit center created almost 50 years ago — has been an economic engine in the technology and health science industries.

And this year the area is on track to slightly surpass the previous job growth record, set in 1995. According to the North Carolina Research Triangle Regional Partnership, an economic development organization that manages the park, more than 40,000 jobs will have been added this year alone.

Within 20 miles of Research Triangle Park, about \$1 billion of business investment will be coming online in the next 12 to 18 months, according to Ted W. Abernathy Jr., the executive vice president of the partnership. Not surprisingly, the area has one of the highest percentages of college-educated adults: 41 percent.

“We are a magnet for knowledge workers who move here and start businesses,” Mr. Abernathy said. “The depth of the market is attractive to people. That’s important, especially if you’re relocating a family.”

That was the case with Gerald and Carol Longoria, who recently moved to the area with their four children. “We had been looking for a startup opportunity in Research Triangle Park,” said Mr. Longoria, who worked for Dell in Austin, Tex., for eight years.

But like the Lapadula household, they ran into problems selling their house.

“I was coming to North Carolina for a week, two weeks at a time; my family stayed back in Texas,” Mr. Longoria said. “We did that thinking the house would sell during the summer. I commuted for about three months and finally we just moved to get the kids in school. The house is still on the market today.”

The Longorias are renting a 3,100-square-foot house for \$2,300 a month in the area where they hope to buy, so their children will not have to change schools. But until their home in Austin sells, they are in limbo.

“We definitely want to buy a house when our other house sells,” Mr. Longoria said. “But until that happens, we’re just happy to have found a place to lease in the school district we wanted to be in. The market here feels more like Austin did in 1998. The Research Triangle area is really growing.”

That is not to say that the housing market in Raleigh is overheated.

“Prices never skyrocketed here,” said Nancy Briggs, a real estate agent with York Simpson Underwood. “Even though there are a lot of people moving to the area, new developments are being built at a steady pace. The issue is schools. A projected 35,000 new kids will be added to the school district by 2010.”

In fact, many schools are holding classes in temporary trailers. To relieve overcrowding, some have even started operating year-round, staggering vacation times throughout the year.

In Wake County, voters last month approved \$970 million in school construction bonds that will help pay for 17 new schools and renovate and repair several others.

In the meantime, the Raleigh housing market seems to be enjoying what can be described as a Goldilocks period, according to a recent report by Richard J. DeKaser, a senior vice president and chief economist at the National City Corporation, a Cleveland-based financial services company. Mr. DeKaser ranked 99 markets, from the most overpriced to the most underpriced, and Raleigh was ranked right in the middle.

Housing prices appreciated 7.4 percent in 2004 and 2005, though that is still below the national average of 13 percent for the same time period, according to figures compiled by York Simpson Underwood. The median home price in the Raleigh area is \$185,200, the brokerage firm said, while the national median price is \$213,000.

For the 18,500 people who moved to the area in 2005, a stable but growing housing market may be of some comfort, but having to sell in a slowing market elsewhere has taken people by surprise in many parts of the country.

Meena and Michael Elliott put their house in Washington up for sale when Ms. Elliott, a lawyer, took a corporate legal job in Raleigh. "Unfortunately, we put our house up for sale right when things were declining," Ms. Elliott said.

"We decided not to purchase a home until we sold our own. But we still have to pay rent. We hadn't lived in an apartment in 17 years, so it's different. It took five and a half months to sell the house."

The Elliotts originally listed their 3,600-square-foot four-bedroom colonial for \$999,000 but eventually settled for \$880,000. "That was a big surprise," Ms. Elliott continued. "Nobody expected that the market had changed that dramatically. We could see that it was going to slow down but not such a dramatic shift."

The Elliotts are now looking for a home in the Raleigh area. "What's interesting is, the market here, it's much more stable," Ms. Elliott said. "The homes we've seen, there haven't been any price markdowns."

Mr. Abernathy, meanwhile, says he was not concerned about the slight increase in inventory since the summer.

"There is more housing on the market because there's lots of building," he said. "Compared to other high-tech regions, our average house prices are very reasonable. If you looked at the numbers over the years, appreciation here has been steady but not spectacular, so we had little or no bubble here."