

Columbus area housing market braces for summer boom

Posted on Sun, Feb. 27, 2011

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Ledger-Enquirer

<http://www.ledger-enquirer.com/2011/02/27/1476256/housing-market-braces-for-boom.html>

Shopping around for a new home early last year, Brian Hilton weighed his options heavily before deciding north Columbus was the place to be.

The factors for he and his wife, Kelly, included good schools near their Ivy Park neighborhood with plenty of shopping, dining and entertainment outlets a short drive away at Columbus Park Crossing. A straight-shot commute to Fort Benning via Interstate 185, where the U.S. Army Corps of Engineers project engineer works, also was a big plus. Then there was the clincher.

“I looked at Fort Mitchell and some of the other areas in Alabama and the reason I didn’t pick it, and a big selling point, was the HOPE scholarship,” said Hilton, 40, who has three children ages 14, 10 and 9.

On the other hand, Maj. Henry Delacruz and his wife, Amber, chose the unincorporated but burgeoning burg of Fort Mitchell, Ala., for some of the reasons that Hilton did not.

Their Patriot’s Point subdivision is less than 10 minutes from the back entrance to Fort Benning. There’s a laid-back atmosphere with a military-oriented bond between neighbors. And buyers get plenty of home for their money. Delacruz paid just under \$250,000 for a 3,800-square-foot home with five bedrooms and four baths.

“The housing here at Fort Benning didn’t really fit our needs. It wasn’t big enough for my growing family,” said Delacruz, 38, who has two boys, ages 6 and 10 months. Off post, “we didn’t have that much time to look. We saw that the houses were a little bit more than we could really afford or were willing to spend.”

Hilton, a tank trail and bridge builder at Fort Benning, closed on his 2,800-square-foot home last June, paying about \$250,000. Delacruz, a logistics officer with the 194th Armored Brigade on post, moved into his house last July.

The 194th is a training unit that is moving to Fort Benning from Fort Knox, Ky., as part of the Base Realignment and Closure expansion. The unit’s main body is due here in June, with its troops among 4,700 new military personnel mandated to be in place by September as part of the post’s buildup.

Another 1,000 civil service employees and 4,800 civilian contractors will add to the mix, some bringing along spouses and an estimated 9,800 children, more than 6,800 of them school age.

In all, the military has projected 28,000 new residents will land in the area this spring and summer as part of BRAC and other permanent growth missions at Fort Benning.

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Finding a home

The vast majority of the additional people are expected to rent apartments and purchase homes off the installation in the surrounding area.

Statistics from the Multiple Listing Service in Columbus and its suburbs indicate the influx will be a welcome shot in the arm for the real-estate sector. Overall, metro area home sales dipped 4.8 percent last year. There were 2,860 houses sold, down from 3,003 in 2009. The median sales price also slipped slightly to \$156,022, down 2.5 percent from \$159,961 the year before.

Fort Mitchell, situated about 15 miles south of Phenix City, was the only area to see any appreciable growth in homes sold and sales price. Units sold rose from 278 in 2009 to 283 last year, with the median sales price climbing from just over \$193,000 to nearly \$197,000.

But the Alabama boomtown still experienced a roller-coaster ride, hitting peaks and valleys throughout the year as Atlanta-area contractors worked to supply the demand.

“It started slowing down a little bit back in October or November,” said Connie Justice, an agent with the real-estate firm Coldwell Banker/Kennon, Parker, Duncan & Key. “Then it picked up, and we had a flurry in January which was good. But this month it’s been a little slow again.”

Justice, like other agents on both sides of the Chattahoochee River, is looking for what she terms a “dribble” of prospective homeowners to turn into a steady stream starting in March, but picking up full force as school lets out in May and June, giving military-related families the opportunity to relocate here.

Mark Vitner, a senior economist for Wells Fargo based in Charlotte, N.C., cautions that the stream may not start flowing as quickly as some in the local housing market hope.

“Over the long run as more and more military personnel move into Columbus and new jobs are created, it’s going to be good for the housing market,” Vitner said.

But external forces could force those who want to be home buyers into the rental market, Vitner said.

“Those moving into Columbus will have a more difficult time selling their homes in Kentucky and home loans are tougher to obtain,” he said. “It is unfortunate that a lot of them are coming from the same place and the housing market there is struggling.”

Howard Jefferson, a Coldwell Banker Realtor who once owned his own real estate company in Phenix City, pointed out preliminary home sales data for January show an increase of 33 percent from the same month a year ago. There were 236 homes sold in the metro area last month, up from 177 in January 2009.

“The effects of BRAC became significantly noticeable to us in mid-December,” Jefferson said. “In the neighborhoods with new construction, it appears that every other car at our model homes

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has a Kentucky license plate ... We expect that trend to continue for several months and increase even more in April through September.”

Lots of options

Fort Mitchell has certainly snagged much of the attention among real-estate professionals and home prospects. But there’s much more to the local real-estate market than that community, said Dave Erickson, president of Grayhawk Homes and a leading homebuilder in Columbus and Phenix City.

Of the 1,900 homes sold last year in those two cities, Erickson closed 181 of the sales, most at his Ivy Park, Sonoma Pointe and Lexington Hills subdivisions in Columbus. Prices ranged from \$145,000 to \$375,000. But even that was an off year for the builder, compared with 247 sales in 2006 before the wheels fell off the economy and mortgage industry. The lending environment also has been difficult for both contractors and homebuyers, he pointed out.

“Generally speaking, most of the builders that I’m aware of just kind of did OK in 2010,” said Erickson. “I don’t think they necessarily did big numbers. But the good ones, at least, did a little bit of business and stayed healthy. If they weren’t building the right product at the right price, they weren’t competitors, period. And there’s a number of builders who basically have folded their tent and stopped trying because they don’t have the right combination of ingredients.”

Grayhawk has had a “modest amount” of Fort Knox-related business, but less than Erickson expected. Traffic at model homes also has been light, he said, although that looks to change in June as more buyers start moving into market.

“I have heard consistently that a lot of people are coming in with the mentality of renting, either because they’re not planning to stay very long, or because they want to rent for a while and figure out where they want to land,” the builder said.

Perhaps many of the military people believe they can simply show up quickly and there will be plenty of houses available, said Erickson, who thinks that could lead to some serious strain on the market and prospective buyers.

“My one advice is anybody who’s coming here from outside the area -- get here and make a decision quickly,” he said. “Because if 100 people all line up at the same time looking for the same 10 houses, somebody is going to be very badly disappointed.”

Considering all factors

Fort Mitchell resident Delacruz, despite his satisfaction with the new home his family now inhabits, wishes he and his wife, Amber, had more time to get a feel for the lay of the land before buying. They took about two weeks to visit areas before making their decision.

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“The only downside of living at Fort Mitchell is that it hasn’t been commercialized yet,” the Army major said. “There aren’t a lot of stores and shopping is 30 or 40 minutes away in Phenix City and Columbus.”

The rural community has a small grocery store, gas station, dollar store and a few eateries, but not much else.

Doug Young, a Patriot’s Point resident and civilian employee at Fort Benning, would add that schools in the Fort Mitchell area are also a drawback. He and wife, Jennifer, send their three children to Mount Olive Elementary School, but are considering a switch to a school in Phenix City next year, just as the Delacruz family already has done.

“Anybody with kids, I would personally deter them from moving out here,” said Young, 38, who closed on his five-bedroom home last June. “Obviously, it’s a small country school and you’ve got a huge influx of people coming and it’s automatically overcrowded.”

Beyond that, however, Young and his family enjoy the country lifestyle and the “brothers in arms mentality” that comes with living around other military people who keep an eye out for each other’s family.

“We also looked in north Columbus, and the schools are much better,” he said. “But you get a lot less house and acreage with the house, and the property taxes are much higher there. And that really became the driving force for us.”

Aside from lower property taxes, Alabama also is a draw for military retirees because the state does not tax their federal pensions. Such savings, real estate agents say, could conceivably boost home ownership in Phenix City and in the Smiths Station area, which is constructing a new high school and will retrofit the existing facility for junior high students.

But wherever homebuyers decide to lay down their roots, north Columbus resident Hilton said the key for anyone is to do their homework. That’s what the civil engineer did as his Ivy Park house was being built last spring. But he went beyond that, showing up routinely as construction was unfolding, monitoring it and voicing his opinion.

“Just remember, it’s your money,” said Hilton, who came here from Toledo, Ohio, and plans to stay 10 to 15 years. “You’ve got to be willing to stand up and say, ‘Hey, I want this’ or ‘I want that.’ Stay on top of it. It’s going to be your house and you want to be happy with it, so you want to make sure that you spend time with it.