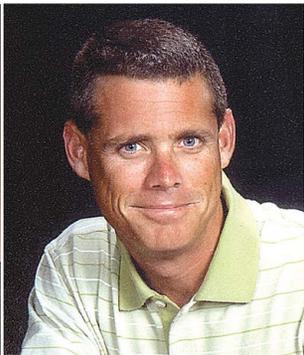


# INSIGHTful DISCUSSIONS

Sponsors' Content Distributed By Greater Wilmington Business Journal

## REAL ESTATE'S REBOUND AND WHAT'S NEXT



**HEATH CLARK**  
President,  
Wilmington-Cape Fear  
Home Builders Association

**DON HARRIS**  
President,  
Wilmington Regional  
Association of Realtors

**JERRY HELMS**  
Director of Sales and  
Marketing, Brunswick  
Forest Realty

**MARK JOHNSON**  
Owner, Mark Johnson  
Custom Homes

**JIM WALLACE**  
CEO,  
Intracoastal Realty



**W**ith the real estate downturn increasingly distant in the rearview mirror, five real estate professionals tackled a range of topics on the local residential real estate market. Topics included how the specific submarkets are performing, how home buyers are changing, pricing trends and local issues that are most likely to impact real estate in the near future.

### How does today's local real estate market compare with the height of the market in 2006 and its low point during the Great Recession?

**HEATH CLARK:** At the height of the housing boom it became evident quickly that what was happening was not going to be sustainable. Post-recession we are seeing developers and builders using more poise and taking more of a calculated, strategic approach.

Banks have really stepped back into the housing market and are lending money again, but under different terms and conditions. This has added some extra challenges though as some of the lending requirements have created some extra layers that potential buyers have to navigate through. Buyers are now being examined much further in regard to credit worthiness, as well as how much money they can put down.

The market certainly holds a lot of pent up demand, which is good as it will continue to drive a good value and price for real estate.

On a national scale the economy is still rebounding in some areas and gradually strengthening in other

areas. The Southeast continues to rank good in terms of growth indexes, but we need continued job creation to further strengthen it.

**JIM WALLACE:** The year is starting out very well. Sales were very good in February. I recently attended the Leading Real Estate Companies of the World convention in Miami. At the conference, the Chief Financial Officer of Realtor.com said all indicators say the spring of 2016 will see the highest number of sales in the last 10 years. For the Wilmington market, our lead generation and showing indexes indicate future activity for this spring to be greater than 2015.

## INSIGHTful DISCUSSIONS

Sponsors' Content Distributed By Greater Wilmington Business Journal

"Downtown Wilmington is on a major roll. The new Fine Arts Center was the catalyst we needed to give downtown the boost it has so long deserved."

**JIM WALLACE**  
Intracoastal Realty



"A major driving factor for our region has been the connection to the retiree market as evident in the development of more and more lifestyle communities."

**HEATH CLARK**  
WCFHBA



The luxury home market is seeing nice pick up this year as well. Second home buyers and investors are buying on the beaches and along the Intracoastal Waterway.

**JERRY HELMS:** Brunswick Forest saw 2008 as our slowest sales year and every year since then we have increased sales over the year prior. In 2015, we welcomed 350 families that purchased, marking our best sales year since we opened in 2007.

**DON HARRIS:** Our real estate market is similar to 2006, but only in the robust current market activity. With the continuation of historical low mortgage interest rates, we are seeing actual seller markets in certain price points.

However, given current lending restrictions put in place by the Frank-Dodd Act, mortgage lenders are much more thorough in qualifying buyers and appraisers are very conservative in market appreciation values.

We are not seeing run-away rapid appreciation in housing values, but we are seeing realistic 3.5 percent to 5.5 percent annual housing appreciation. Speculation drove the rapid increases we saw in 2005-2007... we're not seeing that today.

**MARK JOHNSON:** We had great luck when we started our business in the height of the market almost 11 years ago. Things changed really quickly once developers weren't able to satisfy their contracts, and our business started to shrink. Fortunately through relationships and loyalty, we made it through the Great Recession.

Today it's my job to educate my clients on costs associated with plans, amenities, maintenance of their exterior materials and finishes, as well as planning for the future of their in-laws or parents moving in with them.

We spend time educating our clients on aging-in-place new construction and renovation practices. When people get older, their housing needs change. Aging-in-Place is a pretty simple theory and the three following benefits have been proven.

When people stay in their homes versus going to a health care facility, (1) they are happier, (2) live longer and (3) have more money to pass down. I constantly hear that our clients are planning on having one or both of their parents move in with them at some point.

Planning for them is not as intimidating as one may think. Including the family's occupational therapist is an important part of planning as they have the skills and knowledge to really understand the physical limitations that aging people will experience. In other words, it's not just about adding grab bars and wider doorways.

### How have home buyers changed in recent years?

**HELMS:** Home buyers today want a good value and a smooth building process. Traditional retiring empty nesters desire a home that is designed so that they can age in place.

Aging in place means commercial services close by like shopping, dining, onsite amenities, and health care as well as a home that has aging-in-place features.

**JOHNSON:** The Baby Boomer generation is looking for mainly one-story living with the key living areas on the first floor. They are downsizing the home's square footage as their kids have moved out and they only need guest bedrooms and baths for weekend or holiday visitors.

Most of them want "in-law suites" for their aging parents and are incorporating aging-in-place options to accommodate not only their parents, but also themselves as they get older. As most of them are retiring, they are choosing building materials that require little to no maintenance and that have extended warranties.

Finally, most homeowners in this generation are paying cash for their new homes as they plan to stay in the home long term and no longer want a mortgage.

**HARRIS:** Because of the Internet and HGTV-type programming, buyers and sellers are more educated and aware of the real estate process. However, caution is advised as market conditions are "local" and national trends are not necessarily indicative of true market trends in southeastern NC.

This local knowledge is where the Realtor is an extremely valuable resource and should be an integral component of every real estate transaction.

The Realtor's value has changed from being the gate keeper of the information on properties to a transaction manager, helping the seller/buyer appropriately move through all the phases of purchasing/selling a home.

**CLARK:** The Internet has opened up a world of information to prospective buyers. Today's buyers are super savvy and up on the latest trends.

As a play off the recession, some of today's buyers have been sitting idle watching from the sidelines, all the while they have been researching, learning and have a pretty good understanding of the market. Many of them already know exactly what they are looking for in a home, and from a financial point of view they know their credit scores and generally know what they can afford.

They also have typically done their

research and investigated the builders in the area as well as everyone that will mostly be involved in the buying process.

### What are the most interesting trends you're seeing in specific submarkets in our region?

**WALLACE:** Downtown Wilmington is on a major roll. The new Fine Arts Center was the catalyst we needed to give downtown the boost it has so long deserved. We now have the finest entertainment facility east of Raleigh.

Two hundred and fifty new apartments are under construction on the river. The new Marriott is open and the Hampton Inn & Embassy Suites are underway.

Two new restaurants are underway on the river in front of the new world class marina. More apartments, community space, and an Indigo Hotel for the marina site are planned as well.

Of major importance is the new downtown development River Place. The two-story Water Street parking deck, built in the 1960's will be developed into a 12-story, mixed-use building with condominiums, apartments, fitness center and swimming pool. There will be 30,000 square footage of retail with restaurants, shops and small businesses. River Place plans to also set aside space for the extension of Bijou Park connecting it to Water Street.

What do all of these projects have in common? Walkability.

Walkability is a trend that is very much in favor all over the country. People want to live where they can walk to work, restaurants, shopping and entertainment. We see this trend

## INSIGHTful DISCUSSIONS

Sponsors' Content Distributed By Greater Wilmington Business Journal

downtown, at Mayfaire, Lumina Station and others areas around town. It is a lifestyle that people are embracing across all age groups.

**CLARK:** The interesting thing post-recession is that we are seeing certain areas recovering at a faster rate than others nationally, and this trend is true at the local level as well.

Certain areas like Leland, Southport, and small pockets around Shallotte are doing well. Other small concentrated areas in Brunswick County are doing fairly well as long as the lots are finished and ready.

In New Hanover County areas such as Ogden, Myrtle Grove, Monkey Junction, and Carolina Beach are all doing well. We are also starting to really see an emergence of the Castle Hayne area as there has been a lot of interest in that area. Again, finished lots are the key.

In Pender County the Hampstead area as well as some of the newer developments along Sloop Point Road are doing well. Pender County is moving aggressively to attract more development through the use of private utility companies that can provide wastewater treatment options.

A major driving factor for our region has been the connection to the retiree market as evident in the development of more and more lifestyle communities. I would say that this is going to be a continued trend.

**JOHNSON:** Green building isn't on the top of the list for our clients any longer. In fact, we have not been asked about a green product in quite some time because I think buyers simply expect to have a tight building envelope and energy efficient appliances and equipment.

When we share our minimum energy efficiency package of 2x6 exterior walls, blown-in-blanket insulation and tankless water heaters, those materials typically exceed their expectations. From there, outlining the ROI on some of the Green amenities they are contemplating usually gets them off the fence.

On the contrary, finding value and making sure I am competitive has risen to the top. Where I do have to prove my worth is helping them understand that they are getting a competitive price with me. This challenge/opportunity will never go away, but it gives me a chance to share why we are different and sometimes apples-to-apples comparisons are not realistic.

There are buying groups that allow smaller builders to be competitive with other, larger builders with more buying power. This has leveled the playing field on materials and is a good piece of mind for my clients. Protecting my clients against price increases is becoming more and more relevant as manufacturers are trying to raise prices just as interest rates are starting to rise.

### At which price levels are you seeing a buyer's market, a seller's market or something in between?

**HARRIS:** Housing priced below \$300k could be considered a seller's market, \$300k-\$600k a somewhat balanced market, and above \$600k to \$900k a buyer's market.

Properties \$1 million and above bring a unique clientele and are not easily classified as buyer or seller markets, certainly depending on location and amenities.

**HELMS:** Brunswick Forest has multiple product offerings in single-family homes and townhomes that are all on one level as well as homesites (lots) that can be purchased to be built on in the future.

Our buyers like the concept that the price is the price and that they will get the same deal that their neighbor gets. This gives the buyer comfort that they are getting a home at a good value without the stress of high-pressure negotiations.

**CLARK:** Over the last three years we have seen a strong multi-family sector that has provided for a strong rental market. Many of these renters are young professionals who have not entered the housing market either due to hesitation, fear, or credit or down payment issues.

This in turn has certainly created some gaps in the first-time home buyer market, particularly as it relates to single family homes. One of the trends that more buyers are migrating to that could address this phenomenon is townhouse or cottage type housing developments, as well as infill development opportunities. These types of homes are providing a

new owner with little worries in regards to maintenance and upkeep.

As we look at the middle section of the market – mid \$200's, then we still see a strong market base up into the upper \$350's. This is evident not only in new construction, but also existing home sales. At the same time, the lifestyle communities are still having a lot of success, especially in Brunswick County. In New Hanover we have seen a pretty significant surge in the million-dollar and up market. This is something that for the last few years has been slowly but surely making a comeback.

"With the continuation of historical low mortgage interest rates, we are seeing actual seller markets in certain price points."



**DON HARRIS**  
WRAR

**WALLACE:** Sold units in 2015 are significantly up versus the 2011 market low, according to MLS and MORE data.

In New Hanover County, sales were up 86 percent to 4,927 units and in Brunswick County, up 75 percent to 3,767 units. Both counties are still behind the artificially inflated housing market, which peaked in 2005. By example, New Hanover County had 8,899 units sold in 2005.

Current growth has been healthy since 2012 and continued in 2013, 2014, and 2015. We are expecting continuing growth in 2016.

Inventories have been significantly reduced in the past year, and we are experiencing a seller's market in price points under \$320,000 in New Hanover County and under \$220,000 in Brunswick County. A seller's market exists when inventory drops below five months of supply. In this type of market you see full price offers and often multiple contracts on the more desirable properties.

### What are the most important local issues

### likely to impact real estate in the near future?

**CLARK:** The two largest local issues are the City of Wilmington's and New Hanover County's comprehensive plans.

Both governmental entities are moving forward and once complete, they will begin the arduous task of updating their respective zoning ordinances. It is important that as both plans advance through the planning processes that they in turn foster and embrace policies that will encourage economic growth.

The Association was involved at an early level and has participated as one of the key stakeholders on both. We really need for the focus of these two documents to be economically driven and work in synergy with the real estate community, while at the same time striking a balance with our region's natural resources.

Our region's overall economic outlook depends on it as these documents will set the stage for the next 10 to 20 years.

Another local issue is labor and weather. From a labor perspective, we are still seeing some shortfalls in regards to construction labor, which has put significant pressure on actual construction starts. At the same time, the weather has not been our friend and has caused significant delays on the development side as well. Both of these are having an immediate impact on our market.

**HELMS:** I think traffic and services will always be important factors for South-eastern North Carolina real estate.

**HARRIS:** I am going to list important potential issues that will definitely impact real estate: Property insurance, property affordability, flood insurance, transfer fees, tax on services, special use permitting (SUP), EPA – Waters of the US Act, property tax rates, group homes, Airbnb, VRBO, coastal resources & CAMA, seismic drilling, apartments, schools, crime (especially gangs), off-shore wind farms, transportation and traffic issues, road construction, clean water, sewer, and one of the most im-

## INSIGHTful DISCUSSIONS

Sponsors' Content Distributed By Greater Wilmington Business Journal

portant local issues is good paying jobs.

Both the city and county are developing comprehensive plans and they should work together, not independently. Our current zoning system is archaic and needs updating into the 20<sup>th</sup> Century, let alone the 21<sup>st</sup> Century.

All of the above affect affordability of housing as well as the quality of life in our region. However, it is important to recognize that regulation, though necessary in many cases, almost always leads to additional costs, which are most often passed on to the consumer. Increased costs, obviously, leads to reduced affordability.

### What current state and/or national legislative issues are most important to our local real estate community?

**HARRIS:** The biggest issues include national federal flood insurance costs, loss of the mortgage interest deduction, loss of the 1031 tax deferred exchange, creating revenue streams on the backs of the citizenry, EPA – Waters of the US Act and eroding private property rights.

The added cost of owning a home will definitely increase if the federal and state government succeeds in eliminating the deduction on mortgage interest.

As an example, a homeowner who paid \$10,000 in mortgage interest who is in a 25% federal tax bracket, will pay approximately \$2,500 more in income tax if they lose the mortgage interest deduction.

That is more than \$200/month that the homeowner will no longer have available to them and their family to spend on items they need or want, which helps our local economy as well as improves their standard of life through having the additional expendable income.

The National Association of Realtors have fought fervently over the last four years to keep this deduction for homeowners. We expect that this will come back up and we are poised to fight to defeat it.

**CLARK:** Well, obviously, we are in an election year so that will be the number one issue that will drive much of the political conversation this year.

In regard to legislative controls, the General Assembly has made some great strides in reducing redundant, archaic rules, and generally placing common sense back into many of the regulations through their regulatory reform practices. This is something that must continue to make sure that we are generating jobs in North Carolina.

On a national perspective, WOTUS will certainly continue to be an issue. There is still a lot of uncertainty surrounding the new rule and recently it was just announced that the Sixth Circuit will hear challenges to the controversial rule instead of 20 nearly different federal district courts hearing it.

“Currently we are finding more requests for Mediterranean-style home plans.”

**MARK JOHNSON**  
Mark Johnson Custom Homes



### Interest rates are still near historic lows. Is that a large factor in the current state of the market and how do you expect the market will change when rates begin to rise?

**WALLACE:** Interest rates are still at historic lows. This makes buying real estate more affordable. First-time home buyers can now buy a home with a monthly payment equal to what they are paying in rent. The advantage for buying is the equity a homeowner achieves through appreciation. The tax deduction for the mortgage interest offers substantial tax savings.

Rates spiked up for a few months but came back down when oil prices plummeted. Rates will most likely increase when oil prices go up again. Rates would have to go up 2 percent or more to have a significant impact on sales in my opinion.

**HELMS:** Most of our buyers are moving from somewhere else and selling their homes first. Once their home is sold most buyers are paying mostly in cash with small loans.

However, interest rates impact consumer confidence and lower rates drive demand.

**CLARK:** We really need three strong ingredients to get every sector of the market really moving again: good credit, strong employment, and job growth.

While interest rates are historically low, and that is great, we really need all three of these components working together to create a robust housing market. If someone does not feel secure in their job then it really does not matter where the interest rate is because they are just not going to step out on a limb.

We are seeing improvements in the job market, and also in the wage growth, but both are moving at a slower pace than needed.

**HARRIS:** Bottom line, people still must have a roof over their head, and today's mortgage interest rates are below 4 percent.

If buyers do not act today, they are going to miss out on the most affordable and opportune time in history to purchase a home. Even if the rates move upward to 5 or 6 percent, houses will still be sold. Let's not forget the 1980's when rates were 13-18 percent!

The number of qualified buyers will be reduced, but houses will be bought and sold. Again, it's truly all about good paying jobs and affordable housing based on the job salaries. Rising interest rates will also affect how much house any given buyer can afford on their budget.

### Does our region have enough buildable lots? How do you see

### this playing out in the coming years?

**CLARK:** The answer to this question really lies in infrastructure, and if the lot is a finished lot.

Can a builder pull a building permit on it today? Brunswick County for quite some time has led the way in regard to available lots.

However, there is still an air of caution in Brunswick County as we continue to work through the available lot inventory. The key to Brunswick County is that lots have the appropriate permits in place and water and sewer – being able to actually pull a building permit on a finished lot.

In New Hanover, it's a little bit of a different story. We have seen a significant strain on lot availability. Lots certainly exist in New Hanover County, but pricing is now the key determining factor in regard to overall marketability.

There is a light at the end of the tunnel though as we are seeing more and more developments getting ready to come on board in the second and third quarter of this year. This will help to provide some pricing stability in the market.

In Pender County, we are still seeing a good market in terms of existing lot inventory. There is also a lot of activity in regard to new developments moving through the permitting phase, which will add more lots right around the end of the year into the first and second quarter of next year.

**HELMS:** The Wilmington region is starting to see scarcity in buildable lots.

The demand remains strong for lots in Brunswick and New Hanover counties and as demand remains strong and inventory shrinks, lot prices will continue to rise. We are fortunate in Brunswick Forest to have a lot of land to develop for many years and will continue to deliver lots to sustain a pace of 350 sales per year.

**HARRIS:** Excellent question, but it boils down to the infrastructure. If water and/or sewer is not available, then it's not as attractive to build.

According to the NC Regional MLS, there are 455 lots for sale in New Hanover County on less than one acre; 31 5-acre to 20-acre tracts; and only 3 large tracts greater than 21 acres.

The new, exciting River Lights project is utilizing about 1,300 acres of

## INSIGHTful Q & A

Sponsors' Content Distributed By Greater Wilmington Business Journal

buildable land, and they will be providing an attractive housing product and community. While, in northern New Hanover County, the eco-friendly new community of River Bluffs is offering a unique product on some of the most beautiful land in our region. In addition to the new development at the Forks, there is a new 94 patio home community called Heathland at Echo underway just off Independence Blvd.

So there is a lot of new home construction underway just in the Wilmington area alone.

There remains two major land owners and their development plans will be dictated by the price that builders are willing and able to purchase. If the cost of the land is too high, the builders will not be able to make the margins they need to run a successful construction business, and thus will not be able to build houses at a price point the market will support.

Another way to state this is the cost to prepare the land to build is the largest variable in bringing a product to the market that buyers can afford. Undeveloped land in NHC is still much more expensive than in the surrounding counties. The cost to build is virtually the same, but the cost of the land (supply) and the cost of building the infrastructure resulting in buildable lots is simply much more expensive in NHC. That directly affects housing affordability.

**WALLACE:** Buildable lots are scarce in New Hanover County. There is still some vacant land out there, but because it is limited the prices are high and that means developed lots will be high as well.

We are seeing existing homes being purchased and then torn down just to get a lot to build on in some of the more desirable neighborhoods. This is a trend we think will continue in the coming years. The land is more valuable than the existing house.

Land in Brunswick and Pender counties is more available for development. We are seeing some exceptional new development in both areas and that will continue to be the case for the near future. The Leland area is booming and quality commercial development is springing up to support the new neighborhoods.

The beach towns from Topsail to Sunset Beach have very active markets and lot prices are increasing at a rapid

pace. With the limited amount of water oriented properties available and great demand, lot values will continue to escalate.

### Which types of house plans are popular in our region?

**JOHNSON:** Ten plus years ago everyone seemed to want a Low Country style exterior with wide front porches for rocking chairs. Although these styles have a gorgeous curb appeal, I don't think those rocking chairs were used too much when taking into account a family's busy and active lifestyle.

When considering the style of the house plan, I recommend focusing on the interior layout first, and then finding an exterior that you like. Of course, this approach won't work if you are buying stock plans that have already been designed. If you consider a custom design, you can get creative and find a few plans that have details you like and then combining them to make the perfect plan for your family!

Currently we are finding more requests for Mediterranean-style home plans. Often these types of plans have details that drive the cost up. For example, if a tile roof was specified for the plan, perhaps an asphalt roof may be appropriate and would save tens of thousands of dollars.

I suggest making a list of wants versus needs so you are able to narrow down your list if the budget is exceeded. Making a list of your wants ONLY could end up being just about everything you can think of or have seen on TV. Determining what you can live without is always a good task to do early on so you are realistic with your expectations.

**HARRIS:** The popularity of house plans depends greatly on the age of the buyer. Younger buyers with growing families have needs much different from Baby Boomers who may be looking to downsize and simplify their life.

We see Boomers looking for the bright and open style floorplan, master bedroom down, guest room, study, and possibly a "frog" (finished room over garage) with a full bath. They tend to want hardwood flooring in the living areas, granite counters, garages, and functional square footage.

They like to entertain and love the opportunity to eat inside or outside on a screened porch or lanai with outdoor cooking facilities. They are typically downsizing from 3,500+ square feet to 2,000-2,500 square feet.

Younger families often make buying decisions based on school districts, other children in the neighborhood, and are definitely more defined by budget. We are also seeing a significant interest in urban lifestyles where being within walking distance of restaurants, shopping, and other community events are attractive to the Millennials and the Boomers alike.

**HELMS:** Open floor plans all on one level from 2100 – 2700 square feet.

Home features and efficiencies are also very important to today's buyers. They want homes that have custom features throughout as well as being a very cost effective home to own.

**WALLACE:** After the recession, there was a definite move to new homes with smaller square footage in an effort to keep prices down. Home buyers still wanted the granite countertops, great kitchens and luxury baths but okay with smaller rooms.

We see that changing now with larger homes now back in vogue. Outdoor living spaces with fire pits, outdoor kitchens and landscape water features are popular.

**CLARK:** Open layouts still reign king!

Buyers are really looking for homes to be efficient not only in the terms of energy, but also space. As the average home size ranges between 2200 to 2600 square feet, homebuyers are looking to utilize every nook and cranny with minimal waste.

Buyers are looking for efficiency in the floor plans — asking how the home fits their lifestyle. With more and more people retiring in our area, single-level floor plans still hold a strong niche in our market.

### What amenities are buyers increasingly looking for?

**CLARK:** One big selling point has been the indoor-outdoor convergence. What was once a distinct line between two living areas, indoor and outdoor has been

replaced by floor-to-ceiling, retractable glass walls and screens.

Families can both visually and physically move between these areas and with Wilmington's climate these areas can be enjoyed almost all year round. Other items such as fire pits and outdoor gathering spots are a hot trend not only in new construction but in the remodel sector as well.

Energy Efficiency — Buyers are still being conscience of their footprint and are increasingly looking at the homes energy output. With today's codes, nearly every house being built scores very high in regard to energy efficiency.

With the use and advantages of today's smartphones and tablet devices, home automation has been taken to another level. Homeowners now can be anywhere and still be in control of their home using today's technology.

**HELMS:** Walking and biking are the most sought after amenities followed by pools and Pickleball. Golf remains an amenity that 50 percent of buyers are looking for.

**JOHNSON:** Aside from physical amenities in the house, the experience the client had is typically what they will remember.

Construction software has been a major plus for those that have invested the dollars and time. It allows clients unprecedented access to their selections, schedule, budgets and pictures. It also stores all the necessary emails and communications that sometimes get lost during construction.

New home customers have increasingly been looking to invest more in outdoor living spaces to maximize their entertainment options. The spaces have become a real focal point and tend to include patios, swimming pools and spas or lanais with full scale outdoor kitchens and fireplaces and fire pits.

While not only looking to add or increase the size of their outdoor amenities, buyers are also increasingly upgrading to luxury products and materials including natural stone, the best tiles, water features, appliances or exposed beams and custom wood doors.

Electronics options are increasingly a necessity rounding out the outdoor experience buyers are looking for. The spaces end up including TVs, wireless networking, and state of the art lighting and wireless speakers.

## INSIGHTful DISCUSSIONS

Sponsors' Content Distributed By Greater Wilmington Business Journal

**HARRIS:** Communities with walkability, proximity to shopping/grocery/coffee/dining, and access to walking trails and sidewalks seem to be highly desirable in this current market.

While HOA's provide many of these types of amenities, if they are overly expensive or restrictive, some buyers are opting to avoid communities with strong or invasive boards.

However, HOA communities also provide other features that attract the discerning buyer, such as gazebos, fire pits, garden areas, pools and recreational facilities, and an active social setting.

It is not uncommon for the Baby Boomer buyer to seek communities that provide yard maintenance so they can enjoy our active coastal lifestyle.

### What is happening in the home renovation market?

**JOHNSON:** Other than planning for parents and their own aging needs in regard to their living, we are increasingly seeing owners choose to stay in their homes versus buying a lot and building their custom dream home.

They are comfortable with their current location and overall layout of their existing home; however they realize their home is aging and is ready for updating. They want new kitchens, new master baths and newly updated secondary baths.

This type of renovation usually affords them an opportunity to add a screened porch or other outdoor living since their home and lifestyles are temporality disrupted. The scale of the remodels we are seeing typically requires them to move out and sometimes store their furniture until completion.

**CLARK:** Even with the recession over we are still dealing with some of its hangover effects.

More people opted to stay put in their homes during the recession, instead electing to remodel their existing homes. With more people opting to stay in their homes they decided to go through major upgrades to bathrooms, kitchens, and outdoor living spaces at the fraction of the cost of buying new.

This in return has created a very

strong niche remodel market. This is evident in the success that the WCFHBA has had with their Home Expo and the growing base of remodel DIY shows on networks like HGTV.

These types of forums continue to provide homeowners inspiration and ideas to help them transform their own living space into something that is more personalized with their lifestyle.

### How is social media and other forms of Internet marketing affecting the way homes are being bought and sold?

**WALLACE:** The Internet continues to be the go-to source for consumers. Mobile sites are a must. We launched our mobile search app in 2014. The consumer can search all properties in the area and see photos and data that are formatted to their mobile device be it cell phone, tablet or laptop.

It has an amazing feature called Homespotter that is GPS enabled. The user just points the phone's camera at a home and it tells you if that home is for sale and gives you photos, pricing, and other information. You can use it from your car or even from a boat.

"Walking and biking are the most sought after amenities followed by pools and Pickleball."

**JERRY HELMS**  
Brunswick Forest Realty

Social media has become a major source of marketing for real estate. You will see ads on Facebook, Google, Yahoo and other sites. Videos are also being used in social media by agents to showcase their listings in ways never seen before.

3D photography and virtual tours are being used to show the features of luxury properties. These videos are then being

put on Facebook, YouTube, and other sites by the listing agents. If the videos are compelling, they are then shared by Facebook users to others.

**HARRIS:** Obviously, we live in a world where the Internet and social media has a huge impact on every aspect of a consumer's life.

Specifically, as it pertains to real estate, print is passé for real estate advertising. Today's buyers and sellers are much more knowledgeable of properties for sale and typically do much more research prior to contacting Realtors.

This research includes statistics on crime, schools, city/county recreational opportunities, and, unfortunately, perceived property values. This research tends to slow down the buying process as the 2016 buyer wants to know "everything" before the purchase. They look at virtual tours, property photos, aerial photos, flood maps, etc.

But at the end of the day, they still need the Realtor to gain access to a house and then manage their way through the appropriate forms and documents. After all, this is typically the largest single purchase most people will ever participate in.

Statistics confirm that 85-90 percent of all home buyers begin their research online. However, according to the National Association of Realtors, 89 percent of all home sales in 2015 were completed with a Realtor and 87 percent of all buyers utilized the services of a professional Realtor in 2015.

Even with the proliferation of the Internet we do not expect that trend to diminish. Not many people will buy a house without first walking into the property and recognize the value a Realtor brings to a successful negotiation and transaction. Realtors are dedicated to assisting their clients make intelligent and rewarding home purchases and to helping to preserve the great American freedom of private property rights.

**HELMS:** Clients are more educated than they have ever been. They are doing a tremendous amount of research online before they walk in the front door.

When they do walk in the door they have likely decided on the area and com-

munity and have a very good knowledge of the property/home and really want to focus on the specifics in their buying decision.

**JOHNSON:** Buyers have so much information at their disposal so having a strong online presence across the board is extremely important.

You may have a dynamite sales process and do a great job for your clients, but if they are unable to find you online through their typical means of research, your chances for success diminish. Good online reviews are crucial because buyers depend on the experiences their peers had when selecting a home builder.



**HAVE SOMETHING  
INSIGHTFUL  
TO SAY?**

**Be part of an upcoming  
Insightful Discussions  
sponsored content  
section.**

**UPCOMING  
INSIGHTFUL DISCUSSIONS:**

- Mar. 25, 2016 – Wealth Management
- Apr. 22, 2016 – Law
- May 20, 2016 – Commercial Real Estate
- June 17, 2016 – Human Resources
- July 29, 2016 – Business Growth
- Aug. 26, 2016 – Education
- Sept. 23, 2016 – Business Banking
- Oct. 21, 2016 – Health Care
- Nov. 18, 2016 – Law
- Dec. 16, 2016 – Technology

**For more info,  
contact Melissa Pressley:  
(910) 343-8600 x203**