

News is positive for area housing market

Written by: Pat Karley, associate broker, Coldwell Banker First Realty-Encore and member of The Positive News Task Force.

“I’m as mad as hell, and I’m not going to take this anymore!” That line from the movie “Network” inspired Kris Sheridan, president of Park Company Realtors, to do something about negative economic news. Sheridan says, “I was listening to all the negative news about the real estate market, reading it in the paper, hearing it on the radio, watching it on television and I thought, “This has got to stop!”

Here’s what got Sheridan’s goat. It is only one statistic, but it is impressive. The F-M Area Association of Realtors reports that overall sales volume increased 3.79 percent from 2006 to 2007. That is a clear contradiction of national news which is reporting double digit declines in the economy and real estate markets.

Sheridan moved into action. She says, “I decided we needed to change people’s perceptions. So, I spoke with the board of Realtors and asked them to put a list together of people who might be interested in helping to do that. We wanted Realtors, home builders and lenders. Sheridan’s idea moved swiftly and she is now chairing the media group. She has officially dubbed it “The Positive News Task Force.” The group currently consists of 15 people but Sheridan says there is room for more.

“Absolutely, we’d love to have more volunteers if anyone else is interested,” she says. The goal is to send out a consistent message to consumers about the stability and growth which exists in this market contrary to national reports.

Sheridan’s idea struck a chord with a lot of people. Brenda Martinson, president of the F-MAAR says the national media has been showing one view of the real estate market which is bad. Martinson says that is not the case here.

“We want to get the real story out, the real facts, that it’s not here. The goal for the task force is to get the positive and real story out about our market,” she says.

Martinson says that inviting lenders to get involved was a no-brainer. She says, “I think the banking industry has really taken a hit and I know that the foreclosure rates here are nothing like the news we’re hearing from the national media. That’s why we asked the lenders to join this group because it’s another big piece of the puzzle.”

Blaise Johnson, director of lending at Gate City Bank says, “That’s definitely it. From a lender standpoint, we understand there are economic problems out there in other parts of the country. But, we’ve seen our home loan production increase and actually our delinquencies have gone down. Like others out in the community, we hear and read the news about a recession fueled by banking problems. We feel that it’s important for people to recognize the fact that we’re not seeing that here.”

Johnson says that, out of 11,000 home loans serviced by Gate City Bank in 2007, the bank has had four foreclosures.

“Certainly one of the things that we can attribute it to is that we did not offer any sub-prime mortgages,” he says.

He agrees that the majority of bad loans fueling the mortgage crisis has been caused by lenders who made loans to people who would never qualify for a loan otherwise. Johnson says people in this area seem to know what they can afford.

He adds, “Frankly, I think people in this area are a little bit smarter than people in other areas when it comes to lending and getting home loans. I think it also has to do with the stable economy that we see in this area. We are not subject to the severe economic ups and downs of states like Florida or California.”

Is there room for more lenders on this task force? Johnson is enthusiastic, “I would hope that the majority of lenders in this area would join us on this. And I think they will.”

The HBA of F-M is actively involved in the Task Force too. Executive Vice President Bryce Johnson says, “The Home Builders Association board feels it is important to expand on the efforts we are already making to highlight good news about the housing industry. Combining voices with the realtors and lenders strengthens our message. It makes sense since our livelihoods are so connected. History has shown that buying or fixing up a home has always been a solid investment, and our leaders are confident that it will continue to be.” She reiterates the lenders’ and Realtors’ view of the F-M area’s situation.

“Our local economy is different than the rest of the nation in many respects. We need to get the word out to local consumers that they shouldn’t pass up a great time to make the best investment of their lives. With the recent cut by the Federal Reserve in interest rates, now is definitely the time to build or remodel a home,” she says.

Chairing the task force is a welcome challenge for Sheridan. She says the first order of business is to come up with a uniform message that all the groups can use in their advertising and promotions. She says, “We started with the message. Then we have to encourage all members of the Realtors, home builders, and lenders to use the message in their advertising.” She stresses people within the industry need to stay positive and that this isn’t an issue that will be solved in a week or even a few months.

“The next step will be to consider whether to launch an advertising campaign with this message,” she says. “I think this will be a year-long project. I think we need to be diligent and continue the positive message to consumers about our market and why it is a good time to buy a home.”