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Charlotte's booming housing construction market being driven by many factors

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Across the Charlotte region, housing inventory is down 19.5%, according to the Charlotte Regional Realtor Association. It's led to a boom in new home construction to keep up with the housing needs of the more than 100 people who move to the area each day.

"With the lack of inventory, there's nothing out there for people to buy," said Maren Brisson-Kuester, chief operating officer at HM Properties.

"New construction is going up everywhere," said Valerie Mitchener, owner of HM Properties. "Areas that are located outside the city of Charlotte limits that used to be considered far away, such as Weddington, Waxhaw, Fort Mill, Lake Norman and Lake Wylie, have a lot of new construction because those areas still have land available for development."

There's also been an increase in the development of infill subdivisions, where city services are already available, and developers only need to build the new houses. "Developers are paying more for the land than individuals would pay for the house," said Mitchener. "For example, if you're a homeowner, and there are others around you who want to sell and any type of lot assemblage can take place, you're likely to



MIKE KEMP

Changing home design trends are driving new construction in the Charlotte area.

sell to a builder or developer because they're probably going to pay more than a single homeowner would. The developer will often pay cash or secure non-traditional financing to close quickly, and the seller doesn't need to make repairs since the house will be torn down at some point."

Three examples of infill subdivisions are Opus Myers Park, Kenwood Sharon Lane and Ashton Ridge. Opus Myers Park is a multifamily luxury condominium project, developed by the Jim Gross Company, which was planned solely for its location. At the corner of Queens and Providence roads, Opus Myers Park features 24 premium-finished residences in five separate buildings. There are no shared walls, lobbies or hallways, and all units, other than first floor, have direct access from the garage via an elevator that opens directly into the unit's private foyer. "This development appeals to people who currently live in single-family homes in that area and want to downsize, but still want a high-quality product choice with premium finishes and selections," said Mitchener.

The Jim Gross Company also developed Kenwood Sharon Lane, a 10-home enclave in the Foxcroft area. These three and five-bedroom houses range from 3,900 square feet to 4,600 square feet. "With 10 feet between each home, it's almost like townhome living, but in a single-family residence," said Mitchener. Each residence also features an attached, two-car garage and private outdoor living space.

Developed by Homewood Centerlane Charlotte, Ashton Ridge features 21 single-family homes in South Charlotte on its Providence Lane West site. With four floor plans ranging from 3,500 to 3,800 square feet, these homes sell for less than \$1 million. "This development is in a good school district in a location where there are a lot of homes that were built in the '60s and '70s, so to have new construction options is appealing to buyers," said Mitchener.

Another of Charlotte's trends includes homeowners who, instead of choosing to renovate their homes, are instead tearing down their existing home and building a new one in its place. The primary reasons homeowners go this route are cost, design and materials. "If you renovate an existing home, it's challenging to determine the exact the cost of the project and obtain accurate expenses due to the unpredictability of the process," said Mitchener. You just don't know what you will uncover when you start the demolition. "With new construction, you can

develop very detailed architectural plans/drawings and secure estimates and quotes from builders or subcontractors that can be within 5% of the final cost.”

If you renovate in an area that is a designated historic district, like Dilworth, you could be restricted to using certain materials and designs, Mitchener said. “Some historic areas have requirements for renovation that make it challenging and more expensive.” The process can also take longer depending on when the review board meets.

Changes in home design are also driving new construction. “We’re seeing a huge trend of more contemporary and modern designed homes,” Mitchener said. “It’s difficult to renovate and get that same aesthetic.” This style of design has been popular on the West Coast and other countries but has gained momentum in our region over the last few years, according to Mitchener.

New homes can be more energy efficient, from the selection of the windows to the roofing to the solar options. “One problem with older homes is the toxic materials they may contain,” said Mitchener. “Some older homes still have asbestos shingles, asbestos insulation or lead paint that would be expensive to remove.”

The availability of newer materials is another reason homeowners are choosing to build as opposed to buying from the existing inventory of homes on the market. “For example, there are composite materials that can be used in place of wood for flooring, interior and exterior trim, etc. that look exactly like wood but are far more durable and require less maintenance,” said Mitchener. When used on the exterior for trim, this product rarely needs to be painted.

Some existing homes have issues with moisture in the crawl space or basement. There are new and innovative ways to solve that problem and eliminate moisture with new construction. New glass technology has also advanced to the point where rugs and floors will no longer fade from direct sun exposure if these new windows are used.

This trend toward tearing down and building a new home often occurs closer to Uptown, in areas such as Elizabeth, Dilworth, Eastover and Myers Park. “Many people want to be in these desirable locations because of their proximity to Uptown, so if you're close to Uptown and can tear down your house and build a new

one that's affordable, I think most people are choosing that," said Mitchener. "It's definitely a new trend."

See available real estate in the Charlotte market at hmproperties.com.

HM Properties is a full-service residential real estate company serving the Charlotte region including upstate South Carolina. The agency also has an in-house relocation department that manages individual and corporate moves. The company was founded in 2006 and now has three offices in the Charlotte region.