

# The Clarion-Ledger

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## Builders flaunt their work: Madison, Rankin 'booming,' Realtor says

By Nell Luter Floyd  
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Homebuilder Randy Watkins has one house in the metro area for which he awaits a buyer.

The brick house at 100 Chadwyck Place sits on a lake in Reunion subdivision in Madison County and features four bedrooms, 3 baths, a kitchen with granite countertops, heart-pine floors, an office, bonus room and a safe room that was featured in The Wall Street Journal.

The price: \$805,000.

"That's the only one I've got on the market at that price," said Watkins, 47, who gets up at 4:30 each morning and drives from Philadelphia to the metro area to construct mostly custom-built homes.

It's more than likely the buyer for the house that has been on the market since mid-February will be a doctor, lawyer, business owner or perhaps someone who just sold a business, received a large settlement in a lawsuit or moved from an area such as New York or California where real estate costs more, said Watkins, a homebuilder for 28 years.

The house at 100 Chadwyck Place is among those on the Home Builders Association of Jackson's Parade of Homes 2005, which continues today from 1-5 p.m. The parade features 118 new homes located across metro Jackson.

While Watkins' house has been on the market for almost three months, that is still less time than many homes costing \$200,000 or more in Madison County.

It typically takes 74 days for a house priced at more than \$200,000 to sell, according to the Multiple Listings Services. In Rankin County, it takes an average of 88 days.

In Madison County, 500 houses - 147 new - fall into that category.

Rankin County has fewer houses priced at \$200,000 or above - 168, of which 32 are new.

"Both Madison and Rankin counties are booming," said Charlotte Smith, a Jackson Realtor. "I see new developments almost every time I turn around."

The Multiple Listings Service, which provides statistics for Realtors, is owned by the Jackson Board of Realtors, Smith said.

The vast majority of new construction in the metro area is in Madison and Rankin counties. There are 67 Madison County houses in the Parade of Homes, compared to 10 in Hinds County. And of those 10, three are advertising a price of more than \$200,000.

A new house priced at \$200,000 in Madison County is the low end of the market, said Tonquin Stovall, president of HomeFirst Mortgage in Flowood.

"In Rankin County in Flowood and at the Ross Barnett Reservoir, you find a new house at \$200,000 or less," he said.

Bob Allsbrook, senior vice president and chief economist at AmSouth Bank, said many consumers since 9-11 want to spend time with their families at home, and many consider an investment in residential real estate - single family homes, condominiums and vacation homes - more attractive than the stock market.

Low interest rates also have boosted residential sales and made it possible for consumers to buy larger houses, he said. "Increasingly popular are deals where you pay a percentage only, and that's tax deductible," he said, referring to interest-only mortgage payments.

Stovall said he's noticed many people buying homes in the \$200,000-\$700,000 price range are seeking maximum financing.

Many people who move South from the Northeast wouldn't be surprised by a house priced at \$800,000 or more, Allsbrook said, and many would be pleased by the amount of land with it compared to what they would get in the Northeast. In a suburb of New York City, it's not unusual to find a three-bedroom, two-bath home priced at \$800,000 to \$1 million - and a dozen or more buyers bidding more than the asking price, he said.

While some economists have called the housing market overheated, Allsbrook said he doesn't buy into the idea of a housing bubble because that would call for a collapse.

Data from the Federal Financial Institutions Examination Council shows mortgage loan originations for home purchases of \$200,000 or more increased from a total value of \$71.8 million for Madison County in 2001 to \$131.8 million in 2003, said Brandon Roberts, president of Premier Insights, a Canton consulting firm that specializes in statistical analysis for the banking industry.

The Federal Financial Institutions Examination Council was formed in 1979 to standardize examinations of financial institutions.

Mortgage loan originations for home purchases of \$200,000 or more increased from \$22.5 million for Rankin County in 2001 to \$56.4 million in 2003, he said.

Roberts attributes the rise in mortgage loan origination numbers to record-low interest rates.

William Hoggatt, a district sales manager for the auto industry, and his wife, Leslie, a homemaker, recently purchased a four-bedroom, three-bath home in the "\$300,000 price range" in Madison's Sherbourne subdivision.

The Hoggatts, who moved up from a three-bedroom, two-bath house, chose Madison because of its public school system, low crime and low taxes, he said. "You get what you pay for," he said.

Consumers are willing to spend a little more to get what they want, Ti Garner, project director for R&S Developers. And in one of the company's subdivisions, they're willing to spend half a million dollars.

The company is developing and building homes in Lineage Lake off Lakeland Drive in Brandon, where the majority of homes are more than \$500,000, and Cornerstone subdivision in Brandon, where houses range from \$200,000-\$400,000.

"We've personally in the past year built and sold three houses in Lineage Lakes," Garner said. "One sold for \$365,000, another for \$555,000 and a third for \$665,000."

Lower interest rates are a little bit of a driving factor for sales, he said.

"People are looking to go ahead and get into that final house," he said. "One person paid cash, so the interest rate wasn't a factor. Money is not the issue for these folks. They want the nicest home they can get."

Ronnie Garner, owner of R & S Developers, said consumers spending \$400,000 or more on a house want large bedrooms, baths and living areas and finishes such as granite countertops in the kitchen and hardwood floors.

"When you start putting in granite, marble and hardwood, it drives the costs up," he said.

That is the case for 29 homes in Madison County priced at \$1 million and above.

The median price for those homes is \$1.42 million. They average 5,496 square feet and the typical number of days on the market is 266.

Rankin County currently has no houses listed at more than \$1 million.

**GRAPHIC:**

Charlotte Smith of Charlotte Smith Real Estate, Inc. in Jackson arranges fliers Thursday in the kitchen of a \$495,000 home in the Victoria Place subdivision in Madison. The two-story French manor home features a three-car garage, Viking range and refrigerator and four bedrooms. Smith said the home was built by Michael McElroy.

Greg Jenson, The Clarion-Ledger; The Parade of Homes in Madison County features an \$805,000 home built by Randy Watkins Construction Inc. The parade features 118 new homes across metro Jackson. Greg Jenson, The Clarion-Ledger;

**BY THE NUMBERS;**

Madison County; 500 Number of houses priced at \$200,000 or more, according to the Multiple Listings Service; 147 Number of those 500 houses that are new; 74 Average number of days on the market before they're sold;

Rankin County; 168 Number of houses priced at \$200,000 or more, according to the Multiple Listings Service; 32 Number of those 168 houses that are new; 88 Average number of days on the market before they're sold;

**PRICES;**

In Madison County, the mean price for homes over \$200,000 is \$350,000; averaging 3,131 square feet; and average days on the market before being sold is 113.

In Rankin County the mean price for homes over \$200,000 is \$309,158; averaging 2,814 square feet; and average days on the market before being sold is 89.

Source: Multiple Listings Services;

**BUDGETING;**

Understand where you are currently spending your money - this is the only way to know how much you can realistically budget for a mortgage payment.

Don't forget to take into account periodic expenses that can easily sneak-up on you - car registration, property tax, income taxes, annual fees, etc.

Buying too much house today can hurt your ability to save for tomorrow - be clear on what you should be saving for your retirement.

Too high of a mortgage payment can jeopardize your ability to pay for unexpected expenses or problems such as emergency repairs to your car or home, medical expenses, or even a job loss.

Living in a bigger home with no money to play with, is no fun - make sure that you will still have room in your budget for fun, holidays, vacation and even entertainment.

Source: Personal