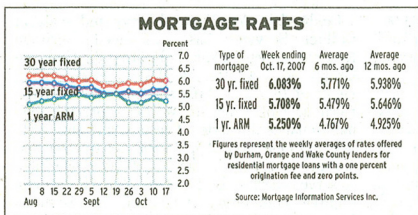


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Real Estate

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dream the **affordable** dream



BY CHRISTA GALA
CORRESPONDENT

Haim Einhorn, an investor who recently bought his first property in Raleigh, makes a good point about affordable housing.

"Affordable housing is not necessarily for someone who needs government assistance," Einhorn says. "It's also for people that are starting their life."

In April of this year, Einhorn, an investor from South Florida, bought Dutch Village, formerly a townhome rental community nestled off Jones Franklin Road near N.C. State University.

After buying the property, Einhorn spent money on landscaping and then made the former manager's office a clubhouse. Next, he added a fenced playground. Today, the two- and three-bedroom townhomes, themselves with renovated interiors, are for sale, averaging \$97,000.

And they're selling fast. The 106 units, built in 1968, are about 50 percent sold, mostly to young families, students, and young professionals.

But with decreasing vacancy rates in the rental market, why not just continue renting the properties?

"The idea of condo conversion is to encourage young renters to become owners," says Einhorn. "From an investor's point of

view, it's a win-win situation because conversions are typically turned around in a year's time."

Janie Mueller, a broker with Coldwell Banker Howard Perry and Walston, recently sold a unit to a buyer who had visited 35 homes online before choosing Dutch Village.

"Dutch Village is a unique property in this particular price point due to the updates and renovations that have been completed," says Mueller. "Combine that with the location and it's a rare find."

Mueller thinks the townhomes will appeal especially to N.C. State students and recent graduates. "I believe that young students and professionals will enjoy the proximity to N.C. State and downtown entertainment. It's a great opportunity for a first-time home purchase." What appealed most to her client was the "ability to own versus rent for the same monthly payment."

That's the strategy Einhorn is using to market Dutch Village. It's something he couldn't do in South Florida, and one of the

Renovated condos off Jones Franklin Road at Dutch Village sell for an average of \$97,000.

CONTRIBUTED PHOTOS

ON THE WEB

- North Carolina Housing Finance Agency: www.nchfa.com
- North Carolina Housing Coalition: www.nchousing.org
- Dutch Village: www.dutchvillageraleigh.com
- Cottages of Stonehenge: www.cottagesofstonehenge.com

AFFORDABLE

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reasons he started looking for investments in other states.

"Everybody defines real estate as 'location, location, location,' but the other thing with real estate has to be the price. If the location is there and the price is too high, then it prevents a lot of people from buying," says Einhorn.

He describes the current Florida real estate market as "saturated."

"It stopped making sense a long time ago," he says. "Young people in the workforce can't even afford to rent there, much less to buy. I started looking at areas that were rated as good areas with employment, low crime and good education. Typically, these are the places where people will move and the area will grow."

Einhorn is already interested in investing in other rental conversions in the Triangle. In addition to turning a quick profit, Einhorn is also meeting a need.

Nationally, more than 13 million households pay more than 50 percent of their income on housing, according to the Habitat for Humanity International Web site. And in North Carolina, two million are classified by The North Carolina Housing Coalition as hav-

ing a 'housing problem.' The majority pay more than 30 percent of their income for housing.

In 2006, the median home value in Raleigh was \$191,800. If the Dutch Village project goes well, Einhorn hopes to invest in other properties that will sell for well below the median price.

Mueller says the Triangle has not seen many rental conversions. The Cottages of Stonehenge is another example, with two-bedroom units selling for \$114,900 with new floors and appliances. Units with new countertops and maple cabinets list for \$119,900. On-site agent Jeffrey Mazza says he sells about six units each month.

"Cottages of Stonehenge was originally built in 1985 and was a rental property for about 20 years," says Mazza. "I am at the tail end of the project where we are converting 188 rentals into 188 condos. I am down to less than 10 units."

Mueller says the Triangle's real estate market could support more conversions, with conditions. "I believe that the market will accept conversions in the right area and at the right price. The updates and renovations are also crucial to success."

Dutch Village underwent renovations in 2004, before Einhorn purchased the property, and include all new cabinets, laminate floors in the kitchen and dining room, French doors, new light fixtures and new six-panel doors. Einhorn installed new roofs on each townhome as well.

Home at last

Laura and Tim Wooten just closed on their two bedroom, one-and-a-half bath unit a few weeks ago. Tim is a recent NCSU graduate and is thinking of going to seminary school. The Dutch Village community fit the couple's lifestyle and budget.

"We were renting and did not think we'd be able to buy," says Laura Wooten, noting her mortgage payment now is one dollar less than her previous rent. "A friend of ours who had been out here referred us."

The Wootens qualified for a loan under the N.C. Housing Trust Fund, a program affiliated with the N.C. Housing Finance Agency.

"They're first-time homebuyers and have good credit," says Judy Carraway, noting that couples making under \$72,000 and singles making under \$42,000 may qualify for a 30-year fixed rate mortgage at 5.75 percent.

Because of special promotions at Dutch Village, the Wootens had no closing costs, put no money down and will not pay homeowners dues the first year.

"They had absolutely no problems with the loan process," says Carraway. "We just walked them right through it. And now they're homeowners. I'm just so proud of them because you don't find many couples in their twenties that are able to purchase their own home."

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