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## Tyler project points to resurgence in New Bern housing market

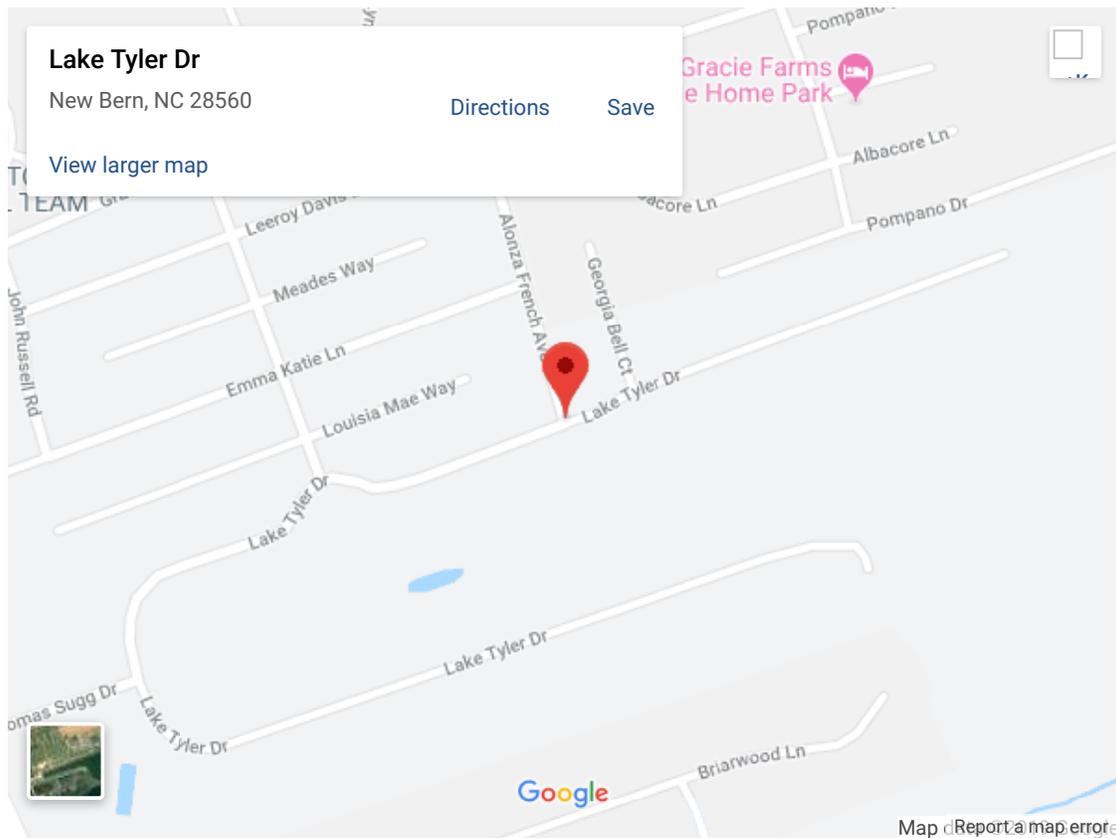
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Like many areas of the United States, the housing market in North Carolina is only now beginning to pull itself out of the quagmire of the financial crisis that rocked the housing and credit industries a decade ago. Though the market has yet to rebound to pre-2008 levels, new construction in New Bern and surrounding areas is a sign that the recovery that began in the state's urban centers is finally making its way east.

New Bern's Tyler residential community off of Washington Post Road is just one example of a project that fell victim to the housing crash and languished in financial limbo for years. The project was launched back in 2007 but fell into disarray after the original developer, Gene Dunn Construction Company, went bankrupt and the property was foreclosed on. The development was purchased by the investment company Private Capital Group before Drapac Capital Partners, the parent company of the Atlanta-based asset management and development company St. Bourke, acquired the property in 2016.



The project was launched again in August 2018 and now features 270 acres, including a central 60-acre lake, and 400 homesites, nearly 40 percent of which have been sold to national homebuilder DR Horton. According to Katie Fidler, communications manager with St. Bourke, 30 homes have been completed at the site in addition to the 15 original Tyler homes built more than a decade ago.

Fidler said Tyler homes range from 1,500 – 3,200 square feet and are priced between \$180,000 - \$250,000. Fidler said the typical floor plan is in the four bedroom three bath range and averages approximately 2,100 square feet.

“The first few homes built were mainly single story when we were expecting there might be more retirees than we’ve had,” she commented. “But we’ve really attracted younger families so most of the homes that have been built in the last couple of months have been two story homes, and we expect to see that trend to continue.”

Fidler said one of the biggest challenges in developing the Tyler community has been convincing gun shy homebuyers that the project is back on track after years of inactivity.

“Especially with the visibility right there on Washington Post Road, how many people drove past that year after year and saw nothing happening?” asked Fidler. “So to convince the market that we’re back open for business, that’s been a struggle.”

According to St. Bourke President Ben Simpson, until recently Tyler was seen as a “busted community.”

“It was a victim of the global financial crisis and this is sort of that we specialize in, focusing on these types of assets and going in and repositioning them and creating a new vision,” explained Simpson. “We approach a whole range of builder partners to get them interested in the project and then create a master plan.”

Simpson said the master plan for the Tyler community should be completed over the next two to three years and will include a cabana, several miles of paved walking trails and a playground.

According to Simpson, like many areas of the U.S the New Bern market has “pent-up demand” for new housing. He said the majority of residential construction projects active immediately before and after the recession have sold out, yet demand for new housing is only increasing. According to Simpson, the shortage is due in large part to a severe shortage of “builder-ready” homesites like the Tyler project.

“What we’ve seen is the metropolitan areas have been quicker to recover and then it will be the regional centers that will follow, they’ve kind of lagged and we’ve seen that with New Bern,” he commented.

According to information from the U.S. Census Bureau, even after a gradual rebound from its lowest point in early 2009, the rate of construction for single-family residences remains below that of the early 1960s, when the U.S. population was less than 60 percent of what it is today. Instead of an oversupply of homes, there simply aren’t enough being built.

“That supply of viable lots is depleted nationally and when the supply is low the prices go up. The home prices are increasing faster than wages are increasing and even if it’s just mentally, that is affecting homebuyers,” said Fidler.

Fidler said fluctuations in interest and mortgage rates, while still at historically low levels, are also deterring some buyers. Still, she said, the market has improved significantly over the last six to seven years.

“On a national level we are definitely making huge strides. If you compare where we are today versus where we were in 2011 or 12 there’s no doubt that nationally we are trending in the right direction in terms of sales and price escalation.”

In addition to offering plenty of acreage for new homesites, Tyler has also benefited from residents who are seeking new homes after being displaced during Hurricane Florence, said Simpson.

“We’re finding that insurance payouts are starting to come through so that’s also driving the demand for new homes in Tyler and elsewhere,” he commented.

“None of the houses being built at Tyler have any damage from the hurricane or had any type of flooding, they’re all kind of clean slates, which is an attractive thing for someone who maybe just took \$100,000 worth of hurricane damage,” added Fidler.

Fidler said bringing a homebuilder of DR Horton’s stature to New Bern shows their confidence in the local market. She pointed to another local project the company is currently involved in, Bayberry Park at Carolina Colours, as a sign of the New Bern housing markets gathering strength.

“They did the research and they liked what they saw so much their first couple of months in New Bern that they took the plunge and they’re going full steam ahead at Bayberry Park,” she commented.

Last month, Steve Tyson, owner of The Tyson Group Realtors, noted that while the real estate market has faced plenty of hardships over the past decade, the local industry has managed to come through both recessions and hurricanes in better shape than many Eastern N.C. cities.

“It’s actually a seller’s market, there’s more buyers than there are sellers, so the prices are pushed up a little bit,” he said. “Some of that unfortunately has been boosted by the flood. In a normal market you would have in Craven County about 1,000 to 1,200 homes on the market at any given time, now you’re down to 300.”

According to realtor.com, the official website of the National Association of Realtors, active homes for sale in New Bern spend an average of 76 days on the market. Those homes have a median listing price of \$170,000 and a price per square foot of \$106. The website singles out the “hottest” neighborhoods near New Bern as James City, downtown New Bern, Taberna, Carolina Pines and Greenbrier.