

CAMPUS and CITY

Middle East crisis blamed for Chapel Hill real estate slump

By ADAM C. WALSER
Staff Writer

Builders, real estate agents and building suppliers are scrambling to stay afloat in what some experts say is Chapel Hill's worst real estate slump in almost a decade.

"Chapel Hill is a different type of market than most, and we're never really as adversely affected as other parts of the state," said A.C. Robbins, office manager of Prudential Triangle Realty. "But that's not to say we're not affected. We're all affected to some degree."

The slump is nationwide. This year

people are expected to buy 500,000 fewer new and existing homes than during the peak years of the late 1980s.

Mike Adair, president of Pulley and Adair Custom Homes in Chapel Hill, said there was fierce competition for local construction contracts.

"I've seen cases where some of the bids are unbelievable," he said. "There's no way they're going to make any money. They just want to keep the cash flowing."

Rising oil prices have caused the cost of building supplies to skyrocket, said Jo Burns, assistant manager of Lett's

Builders Mart in Pittsboro. "We've not increased prices because the competition's so stiff," she said. "All the contractors are hungry and competing for the same contracts, and all of us are competing for the little business that's left out there."

Lett's profits on building supplies are down about 20 percent since the Middle East crisis began.

Iraq's invasion of Kuwait has also caused consumers to worry about the economic future and the possibility of a recession, which has made them afraid

to invest in homes and other high-cost goods, experts said.

September's consumer optimism index, which indicates optimism about the economy when it's above 100, was at 84.7, a 17-point drop from its level before the invasion of Kuwait. This was in spite of relatively low interest rates, which averaged 10.08 percent nationwide, just 0.10 percentage points higher than before the crisis began.

"It's a strong buyer's market," Robbins said. "You've got a lot of sellers looking to get rid of their homes right

now. There are a lot of choices out there and there's a lot of room for negotiation." In the wake of the savings and loan bail out, banks are becoming more cautious about granting loans, making it even harder for sellers, experts said.

Many local banks have already stopped loaning money for speculation building. Speculation building, or specs, is when contractors build a house and hope someone will buy it after it's completed, rather than building a custom-designed house under contract.

Steve Olson, vice president of Mount

Vernon Building Company, said spec builders had been the hardest hit by the housing slump.

"Banks are leery about lending money for spec building," he said. "Spec builders are finding themselves sitting on property they can't afford to build on or trying to unload finished homes at a financial loss to them."

Local real estate agents said homes in the \$150,000 to \$190,000 price range were taking 120 to 140 days to sell. Homes in this range sold in an average of 90 days last October, they said.

Town hopes to benefit from bicycle race

By TIM LITTLE
Staff Writer

Hundreds of car wheels race unnoticed down the streets of Chapel Hill every day, but several people are hoping that the zooming of hundreds of bicycle wheels will cause an uproar.

The event is a community bike race planned by the Chapel Hill-Carrboro Downtown Commission, which co-sponsored the first Chapel Hill Criterium last May.

"The Downtown Commission hopes this will be its major fund raiser in 1991," said Brian Holsten, executive director of the organization.

Last year's race was sponsored by the commission and local businessmen.

Although May's event lost money, the commission hopes the event will make money this spring. The planned dates of the race are April 5-7.

The event last May drew about 500 cyclists from across the state and country. Nearly 6,000 spectators watched along Columbia Street, Cameron Avenue and Franklin Street.

Some UNC students who cycle said they hoped the Downtown Commission would be able to pull off the event.

"I've tried to get more involved in cycle racing after watching parts of the Tour de France on television," said Zach Hanner, a senior from Pilot Mountain. "The thrill of such an event would have everybody wanting to see it every year. I'm sure."

"The key aspect is getting the people

out to see it. I think that most people would love the event once they gave it a look-see," he said.

Karlton Pettis, a junior from Charlotte, said he wished more people would have better attitudes toward UNC bicycle riders.

"All the time you're hearing about how the University should put some kind of restriction on cyclists," he said. "I hope that they don't associate UNC students who ride to class with state and nationally recognized cyclists."

Race co-sponsors Erwin Shatzen, co-owner of Pepper's Pizza, and Michael Gleason, owner of Tumbleweed Cyclery, along with the Downtown Commission paid about \$2,500 to cover the costs of the race last May. Shatzen and Gleason are already working with the Downtown Commission to get more sponsors for next year's race.

For the Record

In The Daily Tar Heel article, "Mr. UNC talent competition draws crowd, charity funds" (Oct. 16), Black Student Movement President Sabrina Evans was not identified as a judge. Also, Damon Toone should have been identified as a sophomore.

Also, in the DTH article "N.C. Senate candidates' platforms emphasize

diversity" (Oct. 23), the district of the candidates was incorrectly reported. Both Democrats Russell Walker and Howard Lee are incumbent state senators in the 16th districts. Republicans Bill Boyd and Max Reece are their opponents in that district.

The Daily Tar Heel regrets the errors.

Residents come together to discuss new public library bond referendum

By NANCY JOHNSON
Staff Writer

About 30 area residents attended a forum Monday night to discuss the pros and cons of the \$3 million public library bond referendum.

The discussion at the Hargraves Center was sponsored by the Citizens' Bond Task Force in an effort to see both sides of the issue, said Judy Jones, a member of the task force.

"We wanted to provide balanced and educational information on the issues surrounding the bond," she said.

The referendum, which will be on the Nov. 6 ballots of Chapel Hill voters, proposes the sale of \$3 million in bonds to finance the additional costs of a 47,000 square-foot library. If it is not passed, a 27,000 square-foot library, for which the funds are already secured, will be built.

Chapel Hill residents would finance the bonds with an increase of 3.4 cents per \$100 valuation in property taxes, according to the slide show.

The opposing groups, the Library Advocates and the Taxwatch Society, were given the opportunity to state

their cases. Riley Wilson, a library advocate, said the smaller library would not serve the needs of Chapel Hill.

"The current circulation of our present library is three times that of libraries of similar size in the state," Wilson said. "I don't see any need of spending our money for something that's not even going to meet our needs in 1996."

But the members of the Taxwatch Society said a 47,000 square-foot library is not necessary and advocate building the smaller library and continuing the use of the current 12,800 square-foot library.

"Taxwatch is not against libraries," said John Graham, a member of the Taxwatch Society. "What Taxwatch is saying is that we have a good library that we should not junk."

Town officials said the current library would be used as office space. Graham said the combined size of the new library and the current library was 39,800 square feet, close to the size of the proposed larger library.

Graham also said projected population increases have been largely overestimated and that the tax increase is too

large. R.D. Smith, who also opposes of the referendum, agreed.

"I'm talking about the black people and the poor white people who work for minimum wage and are barely making it on retirement," said Smith, a former Chapel Hill Town Council member. "They can't afford this increase."

The meeting began with a slide show produced by the town of Chapel Hill that gave background information and explained the bond proposal.

In 1986, Chapel Hill residents passed a referendum authorizing the sale of \$4 million in bonds for a new 27,000 square-foot public library, and in 1988, the land for the library was obtained, according to the slide show.

Last year, the town sponsored several studies to determine what size facility would best serve Chapel Hill. The results recommended a 47,000 square-foot library which would cost an additional \$4 million, according to the slide show.

Town officials said \$1 million of the cost could be secured through private donations.



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Campus Calendar

WEDNESDAY
Noon: The Institute of Latin American Studies presents a brown bag lunch. "Latin American Library Collection in a World of Shrinking Resources: The Challenge for Cooperation," with Carl Deal, director of library collections at the University of Illinois, in 210 Union.
The Learning Skills Center will hold "College Learning Strategies: Reading Realities," in 104 Phillips Annex with Victoria Faherty.
1 p.m.: Students Older Than Average will have

an organizational meeting in 205 Union until 3 p.m. Social hour before meeting. For more info, call C. Bilbro at 942-4014.
3 p.m.: Study Abroad will hold an informational session for students interested in studying in Wollongong, Australia, in the basement of Caldwell Hall. An informational session with Ed Bergman for students interested in going to Vienna will also be held. Please come even if you attended the previous meeting.
4 p.m.: SAFE Escort will have a meeting for all

interested in joining the team, in 211 Union. Paid positions are available.
The Asian Students Association announces a meeting of the incoming committee in 208 Union.
Career Planning and Placement Services will hold a Banking Careers Panel in 210 Hanes.
The Industrial Relations Association wants you to get the best classes, the best professors and the best schedule! Come to our meeting in 205 Union for an informal pre-registration session. Free pizza and drinks.

5 p.m.: The Vegetarian Society will have a free vegetarian dinner in Gerrard Hall until 7 p.m.
The Black Student Movement will have a general body meeting in the Upendo Lounge, second floor of Chase Cafeteria. Be an informed, active member!
Action Against Apartheid will have a meeting in 218 Union. All are welcome.
The Coalition for Animals and Animal Research will have its fall meeting in 226 Union.
5:30 p.m.: Carolina Women in Business: Stressed about your job hunt? Come to "Where to Go and How to Get There," a panel on interviewing tips and the differences between large and small companies, in 106 Carroll. Open to everyone. Refreshments will be served.
The Asian Students Association will have its weekly meeting in 206 Union. All interested students are warmly invited to attend.
The Newman Center will hold its weekly student night dinner followed at 6:30 with a program by George Lensing. It's hip! It's here! Bring a friend! All are welcome.
6 p.m.: The Korean American Student Association will meet in 205 Union. Dinner will be served. Please join us!
7 p.m.: The Black Cultural Center and Chapel of the Cross present "Racism: Our Common Bondage. How Can We Liberate Ourselves, Cross Cultural Communication Workshops," in the BCC. All are invited.
The United Nations Association is sponsoring a lecture of the U.N.'s role in the Iraqi crisis in 111 Murphey. Hear views from a military, political and journalistic perspective.

SEAC will meet in 211 Union. Anyone interested in environmental/social justice issues is welcome. Focus on new arrivals and on forest destruction.
The Pre-Law Club invites you to come explore the techniques of taking the new LSAT, in 206 Union!
7:30 p.m.: Duke-UNC Latin American Film Festival: "Ganga Zumba," in Hanes Art Center.
8 p.m.: The Carolina Indian Circle will hold its bimonthly meeting in 205 Union. All are encouraged to attend.
The Senior Class of 1991 is sponsoring a debate between the College Republicans and the Young Democrats in 100 Hamilton. The topic will be the U.S. Senate election.
ITEMS OF INTEREST
SAFE Escort needs you! Applications now available at Union desk and in the Steele Building basement. Return or mail to SAFE Escort, CB# 5100, 13 Steele Building, as soon as possible.
Delta Sigma Theta Sorority, Inc. is selling Halloween-o-grams in the Pit every day this week.
UNC French House: Help! We still have a free place at the UNC French House for one male resident. If you are a French language enthusiast, don't hesitate - apply now! Contact Sam Woodley at 933-1007 for info.
UCPPS announces on-campus testing for seniors interested in careers with the federal government. Test dates are Nov. 10 and 17. Registration forms and information are available in 211 Hanes. Registration deadline is Oct. 31 by 3 p.m.
The Department of Dramatic Art presents "Hogan's Goat" by Willam Alfred Nov. 7-11 in the PlayMakers Theatre. Cal. 962-PLAY for more info.

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