

# Third Quarter 2011

## *Regional Market*

- Employment:** 8.8% which represents a .5% increase
- Interest Rates:** 30 year fixed rate loans are available at below 4% interest rate  
15 year fixed rate loans are available in the 3% range  
18% of all closings this year were cash buyers.
- Inventory:** Active listings are down 19% as compared to the third quarter 2010.  
Special Conditions Listings (foreclosure, short sale) account for 9% of the total inventory.
- Closed Sales:** Year to date 2011 closings are down 9% as compared to 2010. Third quarter sales are up 17% as compared to the third quarter of 2010.
- Concessions:** Financial concessions (seller paid fees for the buyer) were paid on 54% of all closings.  
Third quarter closings averaged 92% of their original list price.
- Current Supply:** 52% of price points/geographic areas surveyed have an over supply of available housing (10 months supply or higher), 6% have an under supply (3 months supply or less).

Showings:	number of showings	% of change
condo	3674	+ 17%
townhouse	10490	+16%
under \$149.9K	11788	+ 14%
\$150K - \$199.9K	11902	+ 20%
\$200K - \$299.9K	18239	+ 3%
\$300K - \$399.9K	12794	+ 6%
\$400K - \$499.9K	6453	- 1%
\$500 - \$599.9K	3579	- 9%
\$600 - \$799.9K	3302	- 10%
\$800 - \$899.9K	1121	- 3%
1 million and up	710	- 42%

# Orange County

	ytd closed	per month	supply in months	ave. \$ per sq ft
condo	79	9	15	159
townhouse	106	12	7	129
under \$149.9K	114	13	6	83
\$150K - \$199.9K	77	9	7	117
\$200K - \$299.9K	161	18	8	135
\$300K - \$399.9K	148	16	6	139
\$400K - \$599.9K	145	16	9	161
\$600 - \$799.9K	51	6	11	173
\$800 and up	41	5	16	141

# Durham County

	ytd closed	per month	supply in months	ave. \$ per sq ft
condo	53	6	13	142
townhouse	284	32	9	104
under \$149.9K	647	72	7	63
\$150K - \$199.9K	449	50	6	98
\$200K - \$299.9K	434	48	7	113
\$300K - \$399.9K	133	15	10	129
\$400K - \$599.9K	86	10	9	154
\$600 - \$799.9K	15	2	20	170
\$800 and up	14	2	14	214

# *Cary, Morrisville & Apex*

	ytd closed	per month	supply in months	ave. \$ per sq ft
condo	66	7	10	159
townhouse	423	47	3	129
under \$149.9K	185	21	5	83
\$150K - \$199.9K	461	51	6	117
\$200K - \$299.9K	353	39	6	135
\$300K - \$399.9K	244	27	7	139
\$400K - \$599.9K	68	8	9	161
\$600 - \$799.9K	26	3	16	173
\$800 and up	66	7	10	141

# *Raleigh* Inside & Near the Beltline

	ytd closed	per month	supply in months	ave. \$ per sq ft
condo	156	17	10	131
townhouse	176	20	7	97
under \$149.9K	70	8	3	71
\$150K - \$199.9K	61	7	6	86
\$200K - \$299.9K	103	11	9	126
\$300K - \$399.9K	76	8	9	143
\$400K - \$599.9K	73	8	10	162
\$600 - \$799.9K	35	4	11	185
\$800 and up	21	2	21	205

# National Housing Market

## from Fiserv Case-Shiller

The double-dip drop in home prices that began last year continued into the first quarter of 2011, with prices falling in 302 out of 384 metro areas tracked by Fiserv Case-Shiller. The decrease, an average of 5.1 percent as compared to the first quarter of last year, was expected, as housing demand settled to a lower level following last summer's expiration of the home buyer tax credit. Price declines in the recent quarter were also driven by a jump in foreclosure sales, which were temporarily stalled by loan processing issues that surfaced at the end of 2010.

David Stiff, chief economist at Fiserv, noted that continued economic weakness and uncertainty continue to weigh on markets. "The stabilization of housing markets depends greatly on household confidence in the strength of the economic recovery," he said. "Unfortunately, recent economic news has done little to build confidence. Weak job growth numbers in May and June, political wrangling over the Federal government debt ceiling, and the ongoing debt crisis in Europe have all increased pessimism. Households will not become more optimistic about housing markets until they are convinced that the job market is improving and that politicians will not allow debt problems to become new economic catastrophes."

Despite the weakness in housing markets, which remain a problem in nearly every region, Fiserv continues to project that home prices remain on track to stabilize by the end of 2012.

Stiff pointed to several positive trends. "Mortgage delinquency rates have been falling for more than a year. Foreclosure rates have started to decline. The flood of bank-owned sales, which has swamped many markets, will finally begin to recede this year as fewer houses enter the foreclosure pipeline. Meanwhile, housing affordability has nearly returned to pre-bubble levels," said Stiff. "Relative to family income levels, the average U.S. home is now only 5 percent more expensive than it was in 2000."

According to Fiserv and Moody's Analytics, these factors, when combined with economic growth forecast for the coming quarters, point to a broad-based recovery for housing that will begin in early 2012. Between the first quarter of 2012 and the first quarter of 2013, homes are projected to increase by an average of 2.7 percent, with gains in 365 out of 384 metro areas.

## from the National Association of Realtors

Metro area median existing-home prices in the third quarter generally were down from a year ago, while sales rose in every state from the third quarter of 2010, according to the latest quarterly report by the National Association of Realtors®.

Lawrence Yun, NAR chief economist, said the market is holding fairly even. "Home sales need to recover first – only then can prices stabilize. Existing-home sales are little changed from the second quarter but are notably higher than a year ago," he said. "The good news is inventory levels have been trending gradually down."

NAR President Ron Phipps, broker-president of Phipps Realty in Warwick, R.I., said home sales should be notably higher given the buying power in today's market. "Housing affordability conditions have been at a record high this year, rents are rising and homes are selling for less than the cost of construction in most of the country," he said. "For people with secure jobs, good credit and long-term plans, today's conditions will be remembered as a golden opportunity to enter the housing market," Phipps added.