Annual Report on the Charlotte Housing Market

FOR RESIDENTIAL REAL ESTATE ACTIVITY FROM THE CHARLOTTE REGIONAL REALTOR® ASSOCIATION

Charlotte Regional Realtor® Association

2013

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It was a banner year for residential real estate across America. Nearly every metropolitan housing market embarked upon or continued along the road to recovery. Local and regional markets once burdened by excessive supply levels and heavy foreclosure loads have given way to multiple-offer situations, homes selling in record-low market times and prices rallying to multi-year highs in many cases.

The year 2013 brought tectonic shifts to housing's landscape. Many local markets transitioned from buyers' markets to sellers' markets. Closed Sales are up. Days on Market Until Sale is trending downward. The Percent of List Price Received at Sale is trending higher. Sellers even managed to post a small gain.

Low (but upwardly mobile) mortgage rates, still affordable prices and a better jobs scene created a triple play that helped bolster consumer confidence and galvanize local markets. Rising prices have the dual benefit of further cementing confidence as well as lifting struggling homeowners out of underwater positions, which should create more inventory in 2014.

Sales Favorable rates, more employment opportunities and a rising stock market mixed with rising prices, rising rents and shrinking inventory instilled both a sense of empowerment and urgency among buyers. Consequently, buyers closed on a whopping 24.6 percent more homes in 2013 than in 2012, finishing at 34,468 for the year. That count is starting to flirt with 2007 levels. Not only was there more demand in 2013, but the product mix of those additional sales also skewed toward higher-priced traditional homes. In 2014, watch for buyers who endured foreclosure become ready to purchase again and also watch for signs of life among move-up buyers and in the upper price echelons.

Listings At 13,918, inventory levels fell throughout the year, finishing 7.5 percent below 2012's final tally. That is likely to change in 2014 as the market continues to recover. Rising prices should unlock additional inventory by bringing some homeowners into above-water mortgage positions. A recovering labor market stabilized household finances. There is pent-up demand remaining from the economic downturn where sellers are now ready to make a move. Sellers regained a lot of ground in 2013, listing 52,052 properties or 12.2 percent more than 2012. They must have caught wind of strong demand, rising prices and speedy market times.

Foreclosures Distressed properties are easing as banks are listing less product. A recovering economy means less mortgage delinquency. One of the major sources of downward price pressure in recent years came by way of lender-mediated properties that sold for 40 to 80 cents on the dollar compared to their traditional counterparts. Regionally, the percentage of all sales that were either foreclosures or short sales fell from 18.0 percent in 2011 to 10.8 percent in 2013. Prices reflect this dramatic shift. And families who faced foreclosure during the Great Recession are yearning to own once again.

Prices We closed 2013 with a 7.5 percent median price increase compared to 2012. At $172,000 the median sales price reached a fresh new record high, surpassing the previous peak in 2007 by $800. Expect prices and sales to continue their ascent but perhaps at a more moderate pace. In many areas, prices have already retraced most of their decline. Watch for move-up buyers, more seller activity to meet buyer demands, less foreclosure activity and new construction to have an impact on prices in 2014.

Housing is closely tied to economic health. Households with wage earners in stable and upwardly mobile jobs are much more likely to make bigger purchases like a house or a car. When gauging the housing market, it's important to closely track job growth and unemployment.

"A nation of homeowners is unconquerable." So said FDR. The American Dream was alive and well in 2013, as U.S. citizens proved that they still want a stake in the action. Homeownership continues to be the fabric of our communities, and we expect the national housing morale to remain sharp in 2014.

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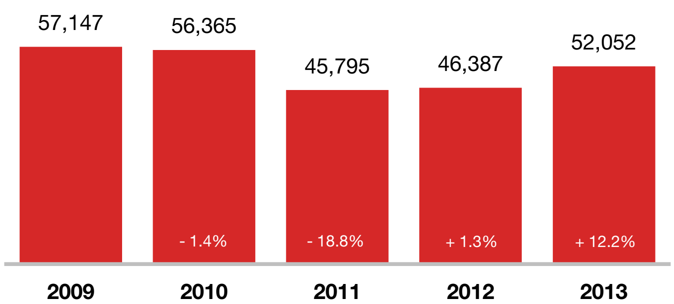
Quick Facts

New Listings



Top 5 Areas: Change in New Listings from 2012

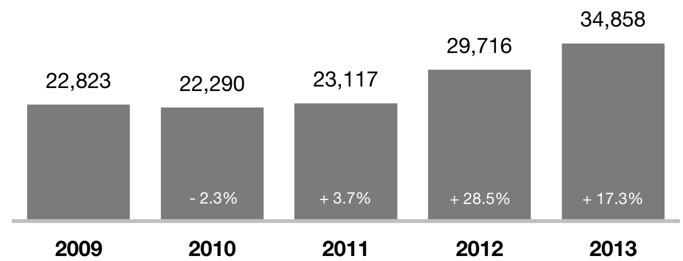
Mecklenburg - (SW) Area 07	+ 30.7%
Mecklenburg - (SSW) Area 06	+ 24.3%
York County, SC	+ 19.0%
Uptown / Area 99	+ 18.3%
Mecklenburg - (NW) Area 09	+ 16.0%

Bottom 5 Areas: Change in New Listings from 2012

Cabarrus County	+ 4.8%
Union County, NC	+ 3.6%
Alexander County	+ 3.5%
Montgomery County	- 4.2%
Anson County	- 9.8%

Pending Sales*

*Note: CarolinaMLS did not include "showable" under contract listings in the "Pending Sales" stats before July 2012. Listing agents report listings as "Under Contract-Show" earlier in the transaction. As a result, the new "Pending Sales" stats trend higher and "Months Supply of Inventory" stats trend lower since July 2012.



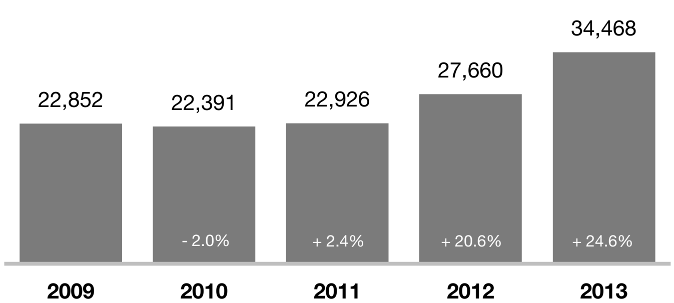
Top 5 Areas: Change in Pending Sales from 2012

Mecklenburg - (SSW) Area 06	+ 29.9%
Mecklenburg - (SSE) Area 04	+ 24.7%
Mecklenburg - (SW) Area 07	+ 23.0%
Uptown / Area 99	+ 22.5%
Lake Wylie / Area 15	+ 22.1%

Bottom 5 Areas: Change in Pending Sales from 2012

Alexander County	+ 9.0%
Mecklenburg - (W) Area 08	+ 6.7%
Lincoln County	+ 5.6%
Montgomery County	- 7.6%
Anson County	- 15.5%

Closed Sales



Top 5 Areas: Change in Closed Sales from 2012

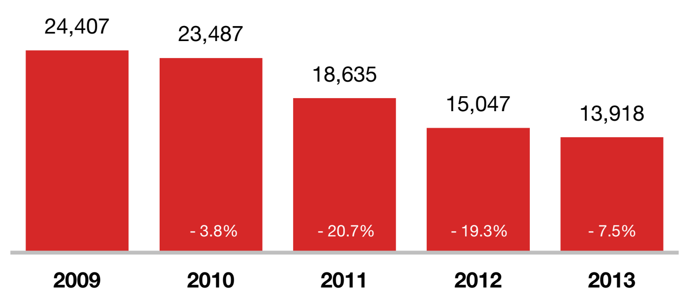
Mecklenburg - (SSW) Area 06	+ 37.6%
Stanly County	+ 34.5%
Lake Wylie / Area 15	+ 30.5%
Mecklenburg - (SSE) Area 04	+ 30.4%
Cabarrus County	+ 29.9%

Bottom 5 Areas: Change in Closed Sales from 2012

Mecklenburg - (W) Area 08	+ 12.4%
Alexander County	+ 10.8%
Lincoln County	+ 10.5%
Anson County	- 10.0%
Montgomery County	- 12.9%

Inventory of Homes for Sale

At the end of the year.



Top 5 Areas: Change in Homes for Sale from 2012

York County, SC	+ 6.6%
Lake Wylie / Area 15	+ 1.7%
Lincoln County	+ 1.0%
Lake Norman / Area 13	- 1.6%
Iredell County	- 4.3%

Bottom 5 Areas: Change in Homes for Sale from 2012

Mecklenburg - (SSW) Area 06	- 15.5%
Mecklenburg - (NW) Area 09	- 16.8%
Union County, NC	- 17.3%
Anson County	- 20.2%
Mecklenburg - (N) Area 01	- 22.0%

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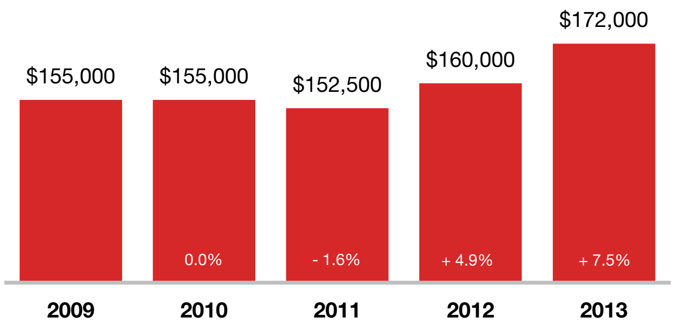
Quick Facts

Median Sales Price



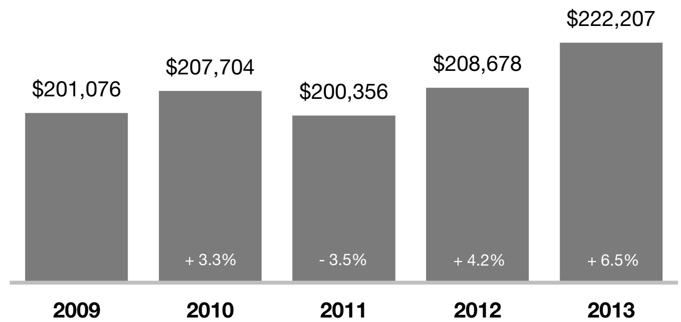
Top 5 Areas: Change in Median Sales Price from 2012

Mecklenburg - (E) Area 02	+ 27.4%
Anson County	+ 23.0%
Mecklenburg - (W) Area 08	+ 21.0%
Mecklenburg - (NW) Area 09	+ 15.8%
Mecklenburg - (N) Area 01	+ 12.5%

Bottom 5 Areas: Change in Median Sales Price from 2012

Lake Wylie / Area 15	+ 1.6%
Lincoln County	- 1.2%
Lake Norman / Area 13	- 1.5%
Montgomery County	- 6.8%
Alexander County	- 16.5%

Average Sales Price



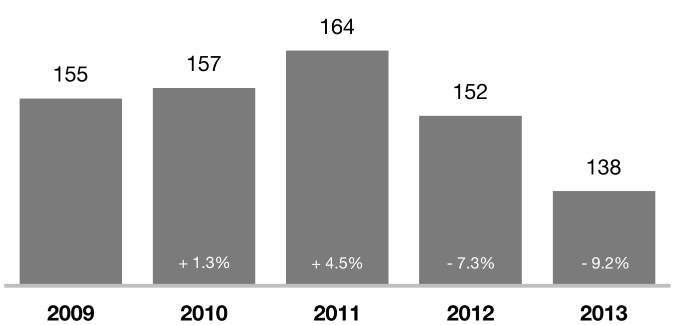
Top 5 Areas: Change in Average Sales Price from 2012

Mecklenburg - (E) Area 02	+ 25.6%
Mecklenburg - (W) Area 08	+ 19.6%
Mecklenburg - (N) Area 01	+ 13.3%
Montgomery County	+ 12.8%
Mecklenburg - (NW) Area 09	+ 11.7%

Bottom 5 Areas: Change in Average Sales Price from 2012

Gaston County	+ 0.8%
Iredell County	- 0.6%
Lake Wylie / Area 15	- 1.0%
Anson County	- 4.0%
Alexander County	- 9.9%

List to Close



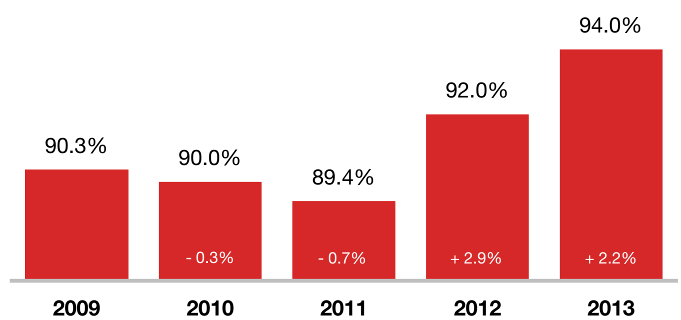
Top 5 Areas: Change in List to Close from 2012

Montgomery County	+ 37.8%
Anson County	+ 21.6%
Alexander County	+ 1.6%
Cabarrus County	0.0%
Mecklenburg - (W) Area 08	- 1.5%

Bottom 5 Areas: Change in List to Close from 2012

Mecklenburg - (N) Area 01	- 15.1%
Mecklenburg - (SSE) Area 04	- 15.8%
Mecklenburg - (SSW) Area 06	- 17.7%
Mecklenburg - (S) Area 05	- 18.2%
Mecklenburg - (SW) Area 07	- 21.8%

Percent of Original List Price Received



Top 5 Areas: Change in Pct. of Orig. Price Received from 2012

Mecklenburg - (E) Area 02	+ 4.0%
Mecklenburg - (SSE) Area 04	+ 2.9%
Mecklenburg - (SE) Area 03	+ 2.8%
Uptown / Area 99	+ 2.8%
Mecklenburg - (NW) Area 09	+ 2.7%

Bottom 5 Areas: Change in Pct. of Orig. Price Received from 2012

Lake Wylie / Area 15	+ 1.2%
Cabarrus County	+ 1.0%
Anson County	- 0.5%
Alexander County	- 3.1%
Montgomery County	- 4.5%

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Property Type Review

138

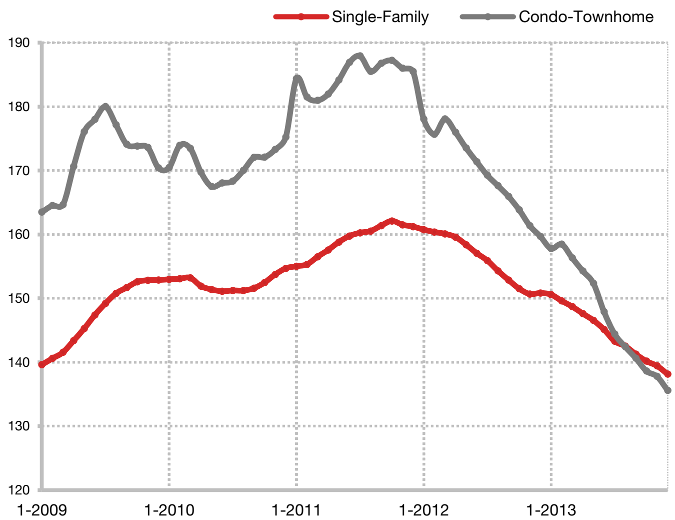
Average List to Close Single-Family

136

Average List to Close Condo-Townhome

List to Close

This chart uses a rolling 12-month average for each data point.



Top Areas: Condo-Townhome Market Share in 2013

Uptown / Area 99	98.1%
Mecklenburg - (SSW) Area 06	37.1%
Mecklenburg - (S) Area 05	30.6%
Mecklenburg County	21.0%
Mecklenburg - (SSE) Area 04	17.4%
Mecklenburg - (N) Area 01	15.7%
Mecklenburg - (SW) Area 07	15.3%
Charlotte-Gastonia-Rock Hill MSA	15.1%
Mecklenburg - (E) Area 02	14.3%
Lake Norman / Area 13	14.2%
Mecklenburg - (SE) Area 03	14.0%
York County, SC	13.7%
Entire CarolinaMLS Service Area	13.1%
Lake Wylie / Area 15	12.4%
Mecklenburg - (NW) Area 09	9.1%
Iredell County	6.6%
Cabarrus County	5.9%
Mecklenburg - (W) Area 08	5.5%
Gaston County	5.0%
Stanly County	4.0%
Lincoln County	3.2%
Union County, NC	3.2%
Alexander County	1.1%
Anson County	0.0%
Montgomery County	0.0%

+ 8.8%

One-Year Change in Price Single-Family

+ 6.3%

One-Year Change in Price Condo-Townhome

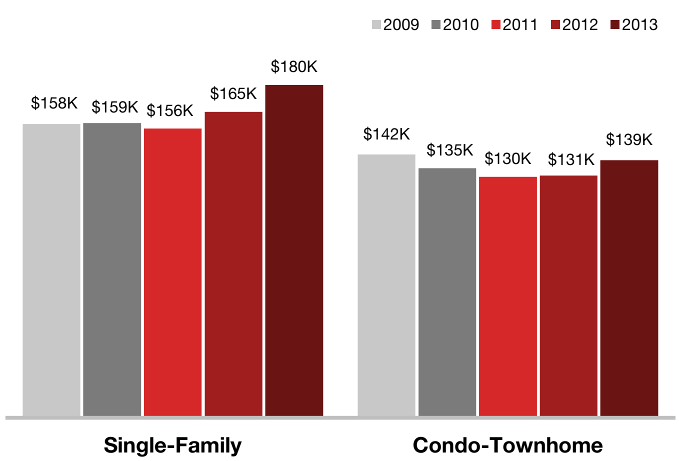
93.9%

Pct. of Orig. Price Received Single-Family

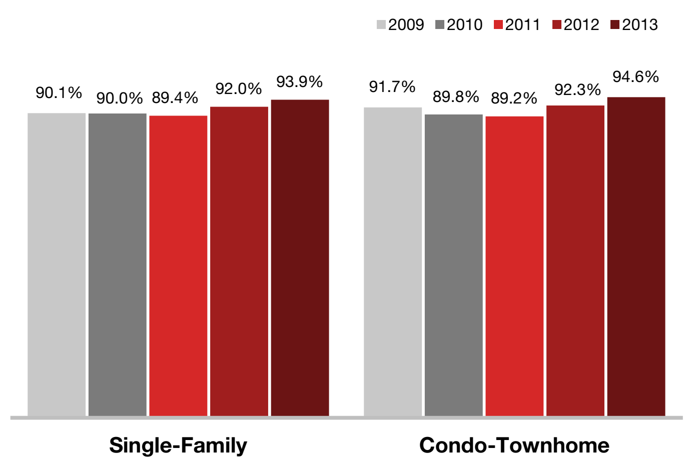
94.6%

Pct. of Orig. Price Received Condo-Townhome

Median Sales Price



Percent of Original List Price Received



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Distressed Homes Review

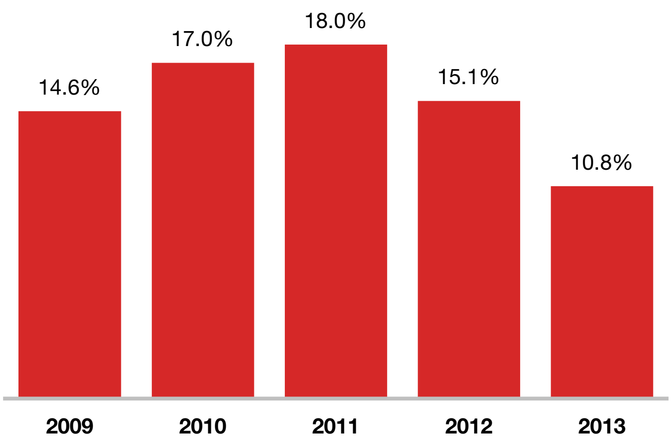
10.8%

Percent of Closed Sales in 2013 that were Distressed

- 11.1%

One-Year Change in Sales of Lender-Mediated

Percent of Sales That Were Distressed



Top Areas: Lender-Mediated Market Share in 2012

Mecklenburg - (W) Area 08	26.7%
Anson County	23.3%
Mecklenburg - (E) Area 02	18.7%
Mecklenburg - (NW) Area 09	16.9%
Gaston County	16.3%
Mecklenburg - (SE) Area 03	14.1%
Mecklenburg - (N) Area 01	13.9%
Mecklenburg - (SW) Area 07	13.3%
Uptown / Area 99	12.8%
Alexander County	12.0%
Mecklenburg County	11.6%
Charlotte-Gastonia-Rock Hill MSA	11.0%
Entire CarolinaMLS Service Area	10.8%
Union County, NC	10.6%
Lincoln County	10.0%
Stanly County	9.6%
Iredell County	9.4%
Cabarrus County	9.4%
Mecklenburg - (SSW) Area 06	6.7%
Lake Wylie / Area 15	6.6%
Montgomery County	6.3%
Lake Norman / Area 13	5.6%
Mecklenburg - (SSE) Area 04	5.3%
Mecklenburg - (S) Area 05	5.1%
York County, SC	5.1%

+ 11.0%

Four-Year Change in Price All Properties

+ 10.9%

Four-Year Change in Price Traditional Properties

- 11.4%

Four-Year Change in Price Foreclosure

- 18.8%

Four-Year Change in Price Short Sale

Median Sales Price

Bedroom Count Review

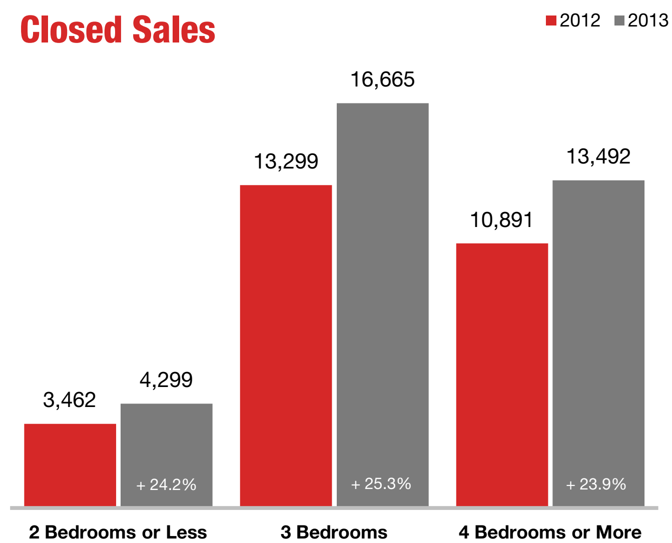
+ 24.2%

Growth in Closed Sales
2 Bedrooms or Less

+ 23.9%

Growth in Closed Sales
4 Bedrooms or More

Closed Sales



Top Areas: 4 Bedrooms or More Market Share in 2013

Lake Wylie / Area 15	56.4%
Union County, NC	56.3%
Lake Norman / Area 13	51.7%
Mecklenburg - (SSE) Area 04	51.7%
Mecklenburg - (S) Area 05	49.3%
Cabarrus County	45.0%
Mecklenburg - (NW) Area 09	43.0%
Mecklenburg - (N) Area 01	41.7%
Charlotte-Gastonia-Rock Hill MSA	41.0%
York County, SC	40.8%
Mecklenburg County	39.3%
Iredell County	39.2%
Entire CarolinaMLS Service Area	39.1%
Mecklenburg - (SW) Area 07	37.1%
Mecklenburg - (SE) Area 03	32.6%
Lincoln County	32.5%
Mecklenburg - (E) Area 02	26.2%
Mecklenburg - (SSW) Area 06	26.0%
Gaston County	25.1%
Anson County	22.2%
Mecklenburg - (W) Area 08	21.7%
Alexander County	16.3%
Montgomery County	14.8%
Stanly County	14.8%
Uptown / Area 99	1.5%

94.0%

Percent of Original List Price
Received in 2013 for
All Properties

91.0%

Percent of Original List Price
Received in 2013 for
2 Bedrooms or Less

93.6%

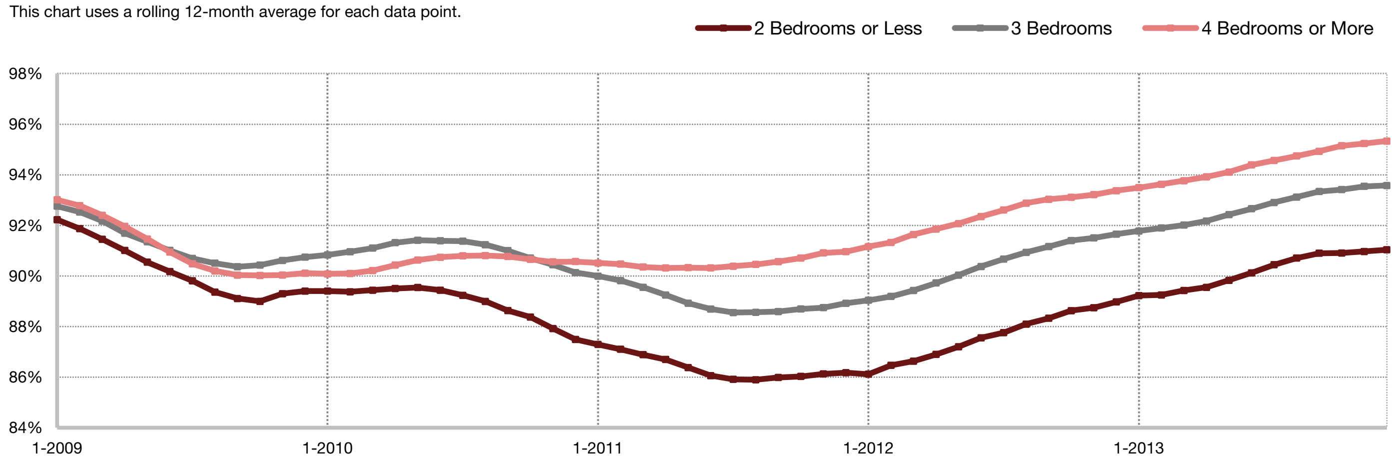
Percent of Original List Price
Received in 2013 for
3 Bedrooms

95.3%

Percent of Original List Price
Received in 2013 for
4 Bedrooms or More

Percent of Original List Price Received

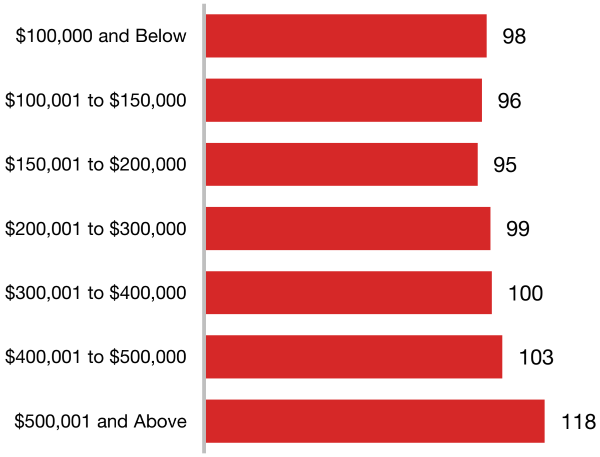
This chart uses a rolling 12-month average for each data point.



Price Range Review

$150,001 to $200,000	$500,001 and Above	18.0%	- 12.6%
Price Range with Shortest Average Market Time	Price Range with Longest Average Market Time	of Homes for Sale at Year End Priced $100,000 and Below	One-Year Change in Homes for Sale Priced $100,000 and Below

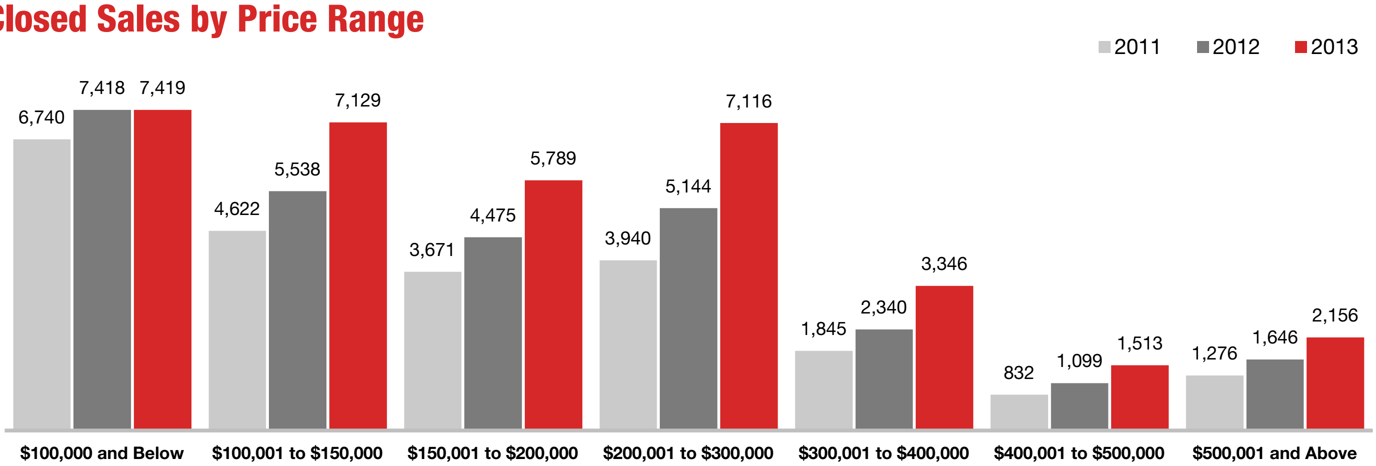
Days on Market Until Sale by Price Range



Share of Homes for Sale $100,000 and Below

$100,000 and Below	+ 43.0%	$400,001 to $500,000	+ 0.0%
Price Range with the Most Closed Sales	Price Range with Strongest One-Year Change in Sales: $300,001 to $400,000	Price Range with the Fewest Closed Sales	Price Range with Weakest One-Year Change in Sales: $100,000 and Below

Closed Sales by Price Range



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Area Overviews

	Total Closed Sales	Change from 2012	Percent Condo-Townhome	Percent Distressed	Months Supply of Inventory*	List to Close	Pct. of Orig. Price Received
Entire CarolinaMLS Service Area	**34,468**	**+ 24.6%**	**13.1%**	**10.8%**	**4.8**	**138**	**94.0%**
Alexander County	92	+ 10.8%	1.1%	12.0%	10.1	190	86.5%
Anson County	90	- 10.0%	0.0%	23.3%	13.1	276	84.1%
Cabarrus County	2,630	+ 29.9%	5.9%	9.4%	4.7	148	92.8%
Gaston County	2,219	+ 21.1%	5.0%	16.3%	6.5	146	91.4%
Iredell County	2,345	+ 24.4%	6.6%	9.4%	6.2	146	92.6%
Lincoln County	862	+ 10.5%	3.2%	10.0%	7.0	152	92.1%
Mecklenburg County	16,031	+ 25.4%	21.0%	11.6%	3.1	126	95.3%
Montgomery County	128	- 12.9%	0.0%	6.3%	25.1	321	81.4%
Stanly County	425	+ 34.5%	4.0%	9.6%	11.5	174	88.6%
Union County, NC	3,521	+ 27.7%	3.2%	10.6%	4.0	138	95.1%
York County, SC	2,958	+ 25.6%	13.7%	5.1%	5.3	139	94.6%
Uptown / Area 99	265	+ 17.3%	98.1%	12.8%	3.5	136	95.4%
Lake Wylie / Area 15	621	+ 30.5%	12.4%	6.6%	7.1	158	93.4%
Lake Norman / Area 13	1,593	+ 20.2%	14.2%	5.6%	7.0	155	93.1%
Mecklenburg - (N) Area 01	2,655	+ 22.8%	15.7%	13.9%	2.9	129	95.7%
Mecklenburg - (E) Area 02	1,785	+ 21.2%	14.3%	18.7%	3.2	128	95.6%
Mecklenburg - (SE) Area 03	1,161	+ 20.8%	14.0%	14.1%	3.9	132	94.2%
Mecklenburg - (SSE) Area 04	1,737	+ 30.4%	17.4%	5.3%	3.0	117	95.3%
Mecklenburg - (S) Area 05	3,046	+ 26.1%	30.6%	5.1%	2.6	117	95.3%
Mecklenburg - (SSW) Area 06	1,383	+ 37.6%	37.1%	6.7%	2.6	121	95.0%
Mecklenburg - (SW) Area 07	1,139	+ 28.1%	15.3%	13.3%	2.6	122	96.6%
Mecklenburg - (W) Area 08	660	+ 12.4%	5.5%	26.7%	4.0	133	92.6%
Mecklenburg - (NW) Area 09	1,291	+ 24.1%	9.1%	16.9%	2.8	123	96.2%
Charlotte-Gastonia-Rock Hill MSA	27,449	+ 25.6%	15.1%	11.0%	3.9	133	94.6%

*__Note:__ CarolinaMLS did not include "showable" under contract listings in the "Pending Sales" stats before July 2012. Listing agents report listings as "Under Contract-Show" earlier in the transaction. As a result, the new "Pending Sales" stats trend higher and "Months Supply of Inventory" stats trend lower since July 2012.

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Area Historical Median Prices

	2009	2010	2011	2012	2013	Change From 2012	Change From 2009
Entire CarolinaMLS Service Area	**$155,000**	**$155,000**	**$152,500**	**$160,000**	**$172,000**	**+ 7.5%**	**+ 11.0%**
Alexander County	$112,750	$110,000	$125,000	$118,000	$98,500	- 16.5%	- 12.6%
Anson County	$62,500	$70,000	$36,500	$49,500	$60,871	+ 23.0%	- 2.6%
Cabarrus County	$154,000	$150,000	$151,200	$152,950	$159,000	+ 4.0%	+ 3.2%
Gaston County	$110,000	$111,000	$105,250	$114,000	$117,500	+ 3.1%	+ 6.8%
Iredell County	$159,900	$161,448	$165,000	$172,500	$178,000	+ 3.2%	+ 11.3%
Lincoln County	$138,475	$151,500	$140,400	$164,000	$162,000	- 1.2%	+ 17.0%
Mecklenburg County	$160,000	$160,000	$157,000	$165,000	$184,000	+ 11.5%	+ 15.0%
Montgomery County	$63,600	$64,575	$82,000	$95,000	$88,500	- 6.8%	+ 39.2%
Stanly County	$122,000	$122,850	$104,500	$108,338	$111,000	+ 2.5%	- 9.0%
Union County, NC	$190,000	$195,000	$184,995	$190,000	$205,000	+ 7.9%	+ 7.9%
York County, SC	$180,000	$180,000	$179,900	$179,548	$182,950	+ 1.9%	+ 1.6%
Uptown / Area 99	$208,900	$219,000	$200,000	$210,500	$217,600	+ 3.4%	+ 4.2%
Lake Wylie / Area 15	$281,000	$308,617	$272,000	$283,024	$287,651	+ 1.6%	+ 2.4%
Lake Norman / Area 13	$322,500	$325,000	$320,000	$340,000	$335,000	- 1.5%	+ 3.9%
Mecklenburg - (N) Area 01	$150,000	$152,748	$146,000	$150,000	$168,750	+ 12.5%	+ 12.5%
Mecklenburg - (E) Area 02	$116,000	$110,000	$95,000	$95,000	$121,000	+ 27.4%	+ 4.3%
Mecklenburg - (SE) Area 03	$129,000	$120,000	$106,100	$120,000	$130,000	+ 8.3%	+ 0.8%
Mecklenburg - (SSE) Area 04	$246,365	$240,000	$250,000	$248,000	$265,000	+ 6.9%	+ 7.6%
Mecklenburg - (S) Area 05	$260,250	$275,866	$270,000	$275,000	$290,000	+ 5.5%	+ 11.4%
Mecklenburg - (SSW) Area 06	$184,755	$176,000	$180,000	$183,750	$194,700	+ 6.0%	+ 5.4%
Mecklenburg - (SW) Area 07	$146,650	$140,000	$130,000	$140,150	$155,000	+ 10.6%	+ 5.7%
Mecklenburg - (W) Area 08	$83,456	$75,000	$54,000	$63,650	$77,000	+ 21.0%	- 7.7%
Mecklenburg - (NW) Area 09	$135,000	$129,900	$127,450	$133,000	$154,022	+ 15.8%	+ 14.1%
Charlotte-Gastonia-Rock Hill MSA	$158,950	$158,900	$155,000	$162,000	$175,000	+ 8.0%	+ 10.1%