

# THE RESIDENTIAL REAL ESTATE MARKET

Charlotte Regional Realtor<sup>®</sup> Association  
Carolina Multiple Listing Services, Inc. (CMLS)  
CEO Anne Marie Howard, Esq.

# National Economic Overview

## The recession ended – Second Quarter 2009

### Good news: Worst recession since the 1930s declared over

- The stock market has rallied 44 percent since March.
- In June, 7 out of 10 indicators from the Conference Board Leading Economic Index rose.
- Analysts predict the economy is growing in the current July-September quarter between 3 and 4 percent.
- Most of the growth comes from more spending from businesses.
- Manufacturing sector has reported “modest” improvements.
- Home sales, while still below the levels of a year ago, have risen for four consecutive months. This is the first time this has happened since 2004.

### The bad news

- The commercial real estate market continues to drag in most markets.
- The Cash For Clunkers Program gave consumer spending a boost, but consumer spending still remains “soft.”
- Unemployment will probably continue to rise.

# National Economic Outlook: HIGHLY UNCERTAIN!

	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>GDP</b>	<b>2.0%</b>	<b>1.5%</b>	<b>-2.6%</b>
<b>Consumer Price Index (CPI) Inflation</b>	<b>2.9%</b>	<b>3.8%</b>	<b>-2.1%</b>
<b>Job Growth</b>	<b>1.1%</b>	<b>-0.1%</b>	<b>-1.3%</b>
<b>Unemployment Rate</b>	<b>4.6%</b>	<b>6.3%</b>	<b>9.7%</b>
<b>10-year Treasury</b>	<b>4.6%</b>	<b>4.0%</b>	<b>3.4</b>

## RISKS TO OUTLOOK

- Financial market troubles and other industry failures  
(i.e., auto industry)
- Unemployment
- Energy and food costs
- Lack of available capital due to banks holding on to  
their reserves

## EXISTING HOME SALES

- Existing home sales have increased for four consecutive months to a seasonally adjusted rate of 5.24 million units in July.
- Pending home sales have risen for six consecutive months, a trend not seen in the history of the index since 2001.
- Total housing inventory is at 4.09 million existing homes, which is about a 9.4 month supply at the current sales pace.
- The national median existing home price was \$178,400 in July, which is 15.1 percent lower than July 2008.

# National Outlook - REGIONALLY

**In the Northeast existing home sales  
rose 5.9% and prices declined 15%  
Median Price = \$236,700**

**In the Midwest, sales rose 8%  
And prices fell 5.9%  
Median Price = \$157,200**

**In the West, sales increased. 1.8%  
And prices fell 31.5%  
Median Price = \$202,300**

**In the South, sales increased 5.4%  
And prices fell 7.1%  
Median Price = \$164,500**

\* Seasonally adjusted. Sales are compared to same period last year  
Source: NAR Sept. 2009

# Let's Talk About The Local Real Estate Market



## POPULATION CHANGES

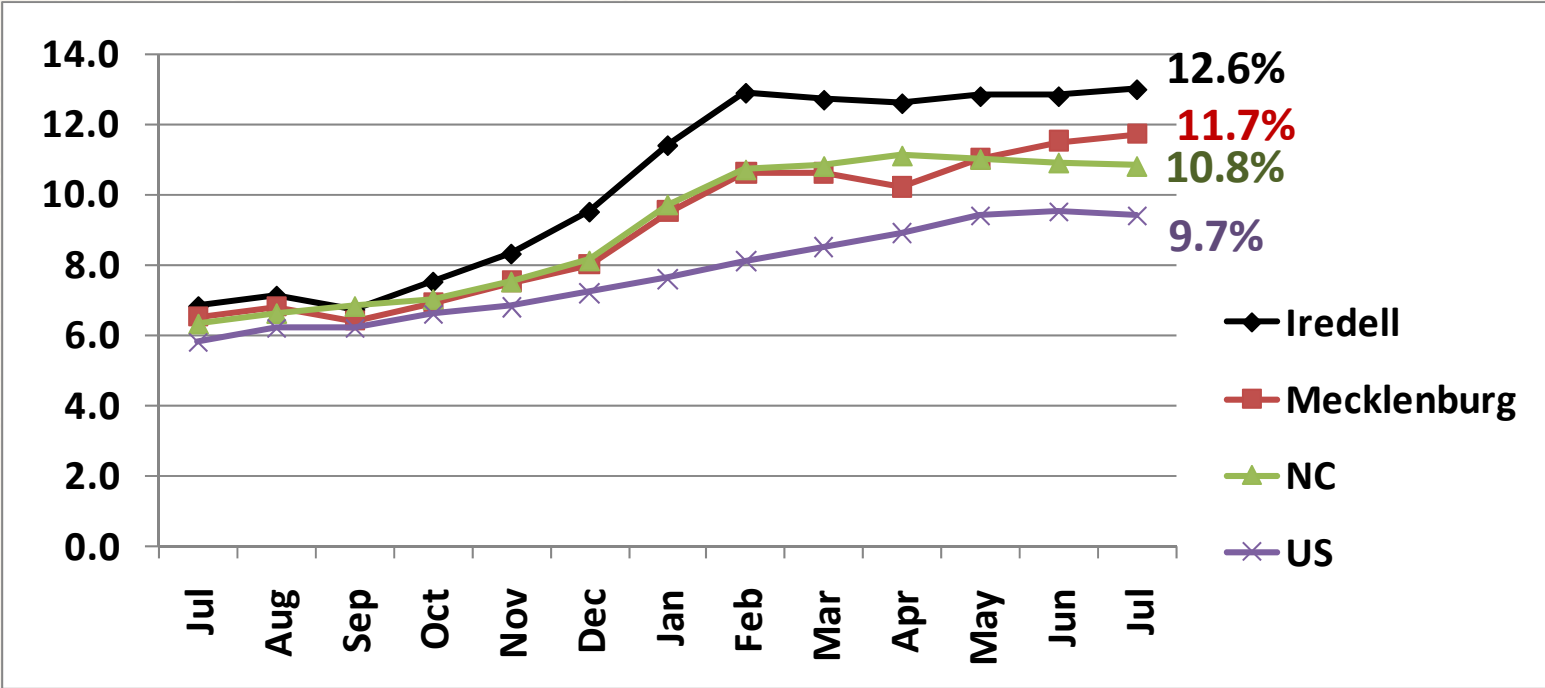
DATE	CHARLOTTE	MECKLENBURG	MSA	METRO REGION
2009	716,874	935,304	1.7 mil	2.5 mil
2008	695,995	902,803	1.6 mil	2.4 mil
2007	664,342	871,432	1.6 mil	2.4 mil
2006	648,139	850,178	1.5 mil	2.3 mil
2005	632,760	820,635	1.5 mil	2.3 mil
2004	614,330	790,809	1.4 mil	2.2 mil



# Economic Indicators

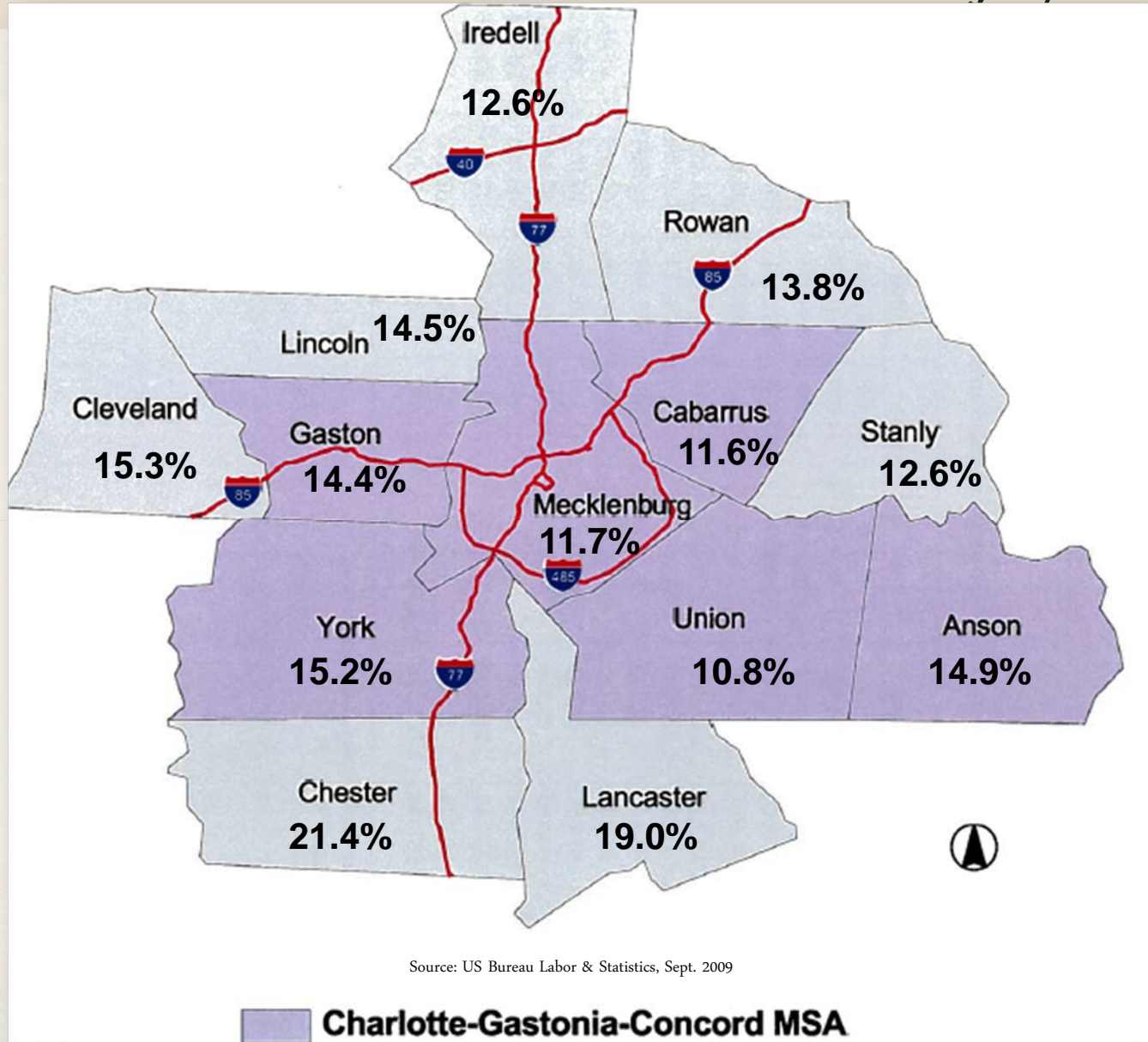
## UNEMPLOYMENT RATE

### Jan. 2008-July 2009



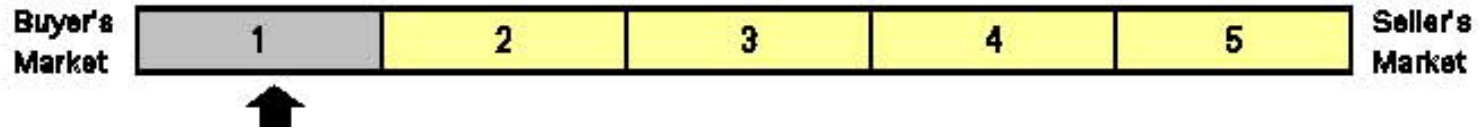
# Local Economic Indicators

## REGIONAL UNEMPLOYMENT RATES - July 2009



Source: US Bureau Labor & Statistics, Sept. 2009

# Alexander County – North Carolina



Housing Market :			
	Q1' 09	Q2' 09	Q3' 09 (Forecast)
Average Price	\$141,100	\$118,900	↓
# Homes on the Market *	61	106	↑
# Homes Sold **	16	18	↓
# New Homes Built ***	30	25	↑
Avg # of Days on Market	128	137	↑

Data by Zip Codes for Q2 2009						
Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change In # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
28636	\$48,800	N/A	2	N/A	85	85.7%
28678	\$90,500	N/A	4	N/A	64	93.8%
28681	\$146,500	N/A	10	N/A	198	96.1%
OTHER	\$107,500	N/A	2	N/A	34	97.3%

\* Available as of Mar. 31, 2009.

\*\* May not add to total of zip codes.

..

\*\*\* % Change of current quarter compared to the same quarter to year ago.

# Anson County – North Carolina



Housing Market :			
	Q1' 09	Q2' 09	Q3' 09 (Forecast)
Average Price	\$89,400	\$113,300	↓
# Homes on the Market *	81	108	↑
# Homes Sold **	9	10	↓
# New Homes Built ***	8	4	↑
Avg # of Days on Market	171	215	↑

Data by Zip Codes for Q2 2009						
Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change In # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
28091	\$174,000	N/A	2	N/A	107	89.2%
28135	\$124,300	N/A	2	N/A	357	89.1%
28170	\$89,400	N/A	6	N/A	204	94.9%

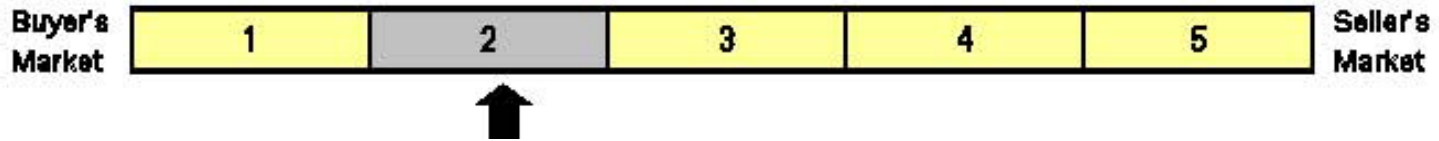
\* Available as of Mar. 31, 2009.

\*\* May not add to total of zip codes.

\*\*\* During the first two months of 1st quarter.

\*\*\* % Change of current quarter compared to the same quarter to year ago.

# Cabarrus County – North Carolina



Housing Market :			
	Q1' 09	Q2' 09	Q3' 09 (Forecast)
Average Price	\$181,800	\$181,700	↓
# Homes on the Market *	1,661	1,731	↑
# Homes Sold **	278	363	↓
# New Homes Built ***	88	92	↑
Avg # of Days on Market	118	118	↑

Data by Zip Codes for Q2 2009						
Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change In # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
28025	\$151,800	-4.23%	96	-30.43%	107	95.0%
28027	\$202,800	-2.78%	122	-36.13%	127	95.0%
28075	\$242,500	-13.21%	43	-38.57%	158	96.0%
28081	\$155,400	-16.32%	27	-15.63%	125	95.4%
28083	\$100,100	-18.22%	31	-44.64%	81	95.2%
28107	\$172,200	-21.48%	9	0.00%	122	88.5%
28124	\$162,500	-34.24%	4	-42.86%	91	94.9%
OTHER	\$216,200	-25.11%	31	-24.39%	104	95.8%

\* Available as of Mar. 31, 2009.

\*\* May not add to total of zip codes.

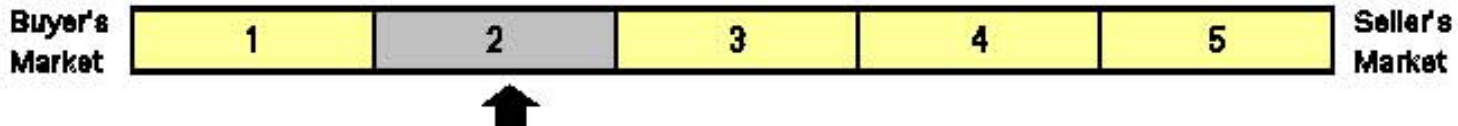
\*\*\* During the first two months of 1st quarter

\*\*\* % Change of current quarter compared to the same quarter to year ago.



# Gaston County – North Carolina

## Gaston County, NC



Housing Market :			
	Q1' 09	Q2' 09	Q3' 09 (Forecast)
Average Price	\$118,600	\$130,800	↓
# Homes on the Market *	1,649	1,623	↑
# Homes Sold **	317	392	↓
# New Homes Built ***	89	106	↑
Avg # of Days on Market	96	111	↑

Data by Zip Codes for Q2 2009						
Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change In # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
28006	\$40,000	-84.85%	1	0.00%	6	108.1%
28012	\$182,300	-13.60%	37	-31.48%	88	94.6%
28016	\$97,000	13.05%	16	-50.00%	145	93.0%
28021	\$75,200	-18.17%	15	-42.31%	116	94.9%
28032	\$148,600	-21.04%	10	0.00%	160	95.8%
28034	\$115,400	-5.33%	31	-38.00%	91	96.9%
28052	\$79,000	-10.13%	53	-35.37%	97	95.0%
28054	\$107,900	-15.64%	60	-29.41%	108	95.2%

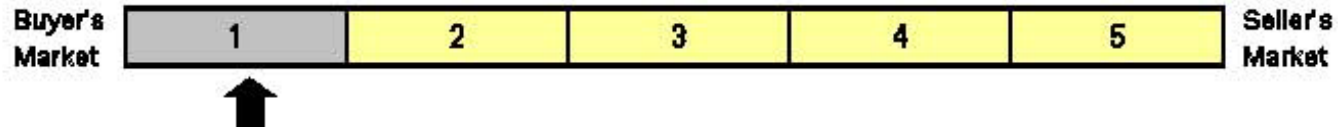
\* Available as of Mar. 31, 2009.

\*\* Maynot add to total of zip codes.

\*\*\* During the first two months of 1st quarter.

\*\*\* % Change of current quarter compared to the same quarter to year ago.

# Iredell County – North Carolina



Housing Market :			
	Q1' 09	Q2' 09	Q3' 09 (Forecast)
Average Price	\$225,500	\$265,000	↔
# Homes on the Market *	1,853	1,914	↑
# Homes Sold **	230	336	↔
# New Homes Built ***	176	101	↑
Avg # of Days on Market	132	142	↑

Data by Zip Codes for Q2 2009						
Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change In # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
28115	\$193,400	-9.75%	76	-33.33%	136	95.2%
28117	\$457,000	0.51%	115	2.68%	157	92.0%
28166	\$250,900	11.26%	14	-48.15%	108	95.2%
28625	\$148,700	-15.13%	72	-23.40%	143	95.7%
28634	\$54,500	-43.23%	4	-60.00%	117	91.1%
28660	\$54,800	-24.41%	2	-33.33%	85	89.9%
28677	\$124,600	7.88%	47	-58.41%	119	93.0%
OTHER	\$229,900	66.23%	6	-40.00%	222	95.3%

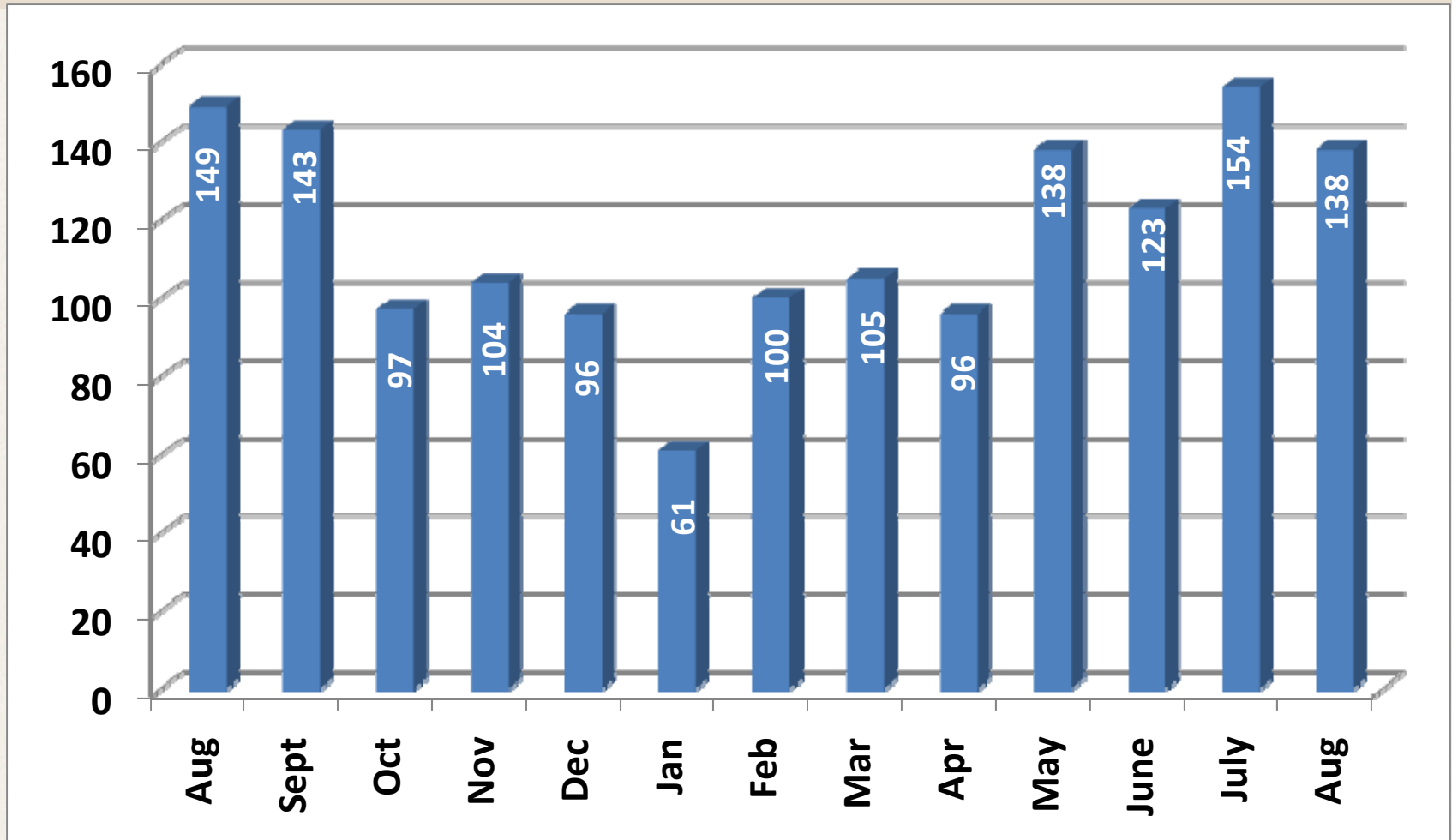
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\*\*\* During the first two months of 1st quarter.

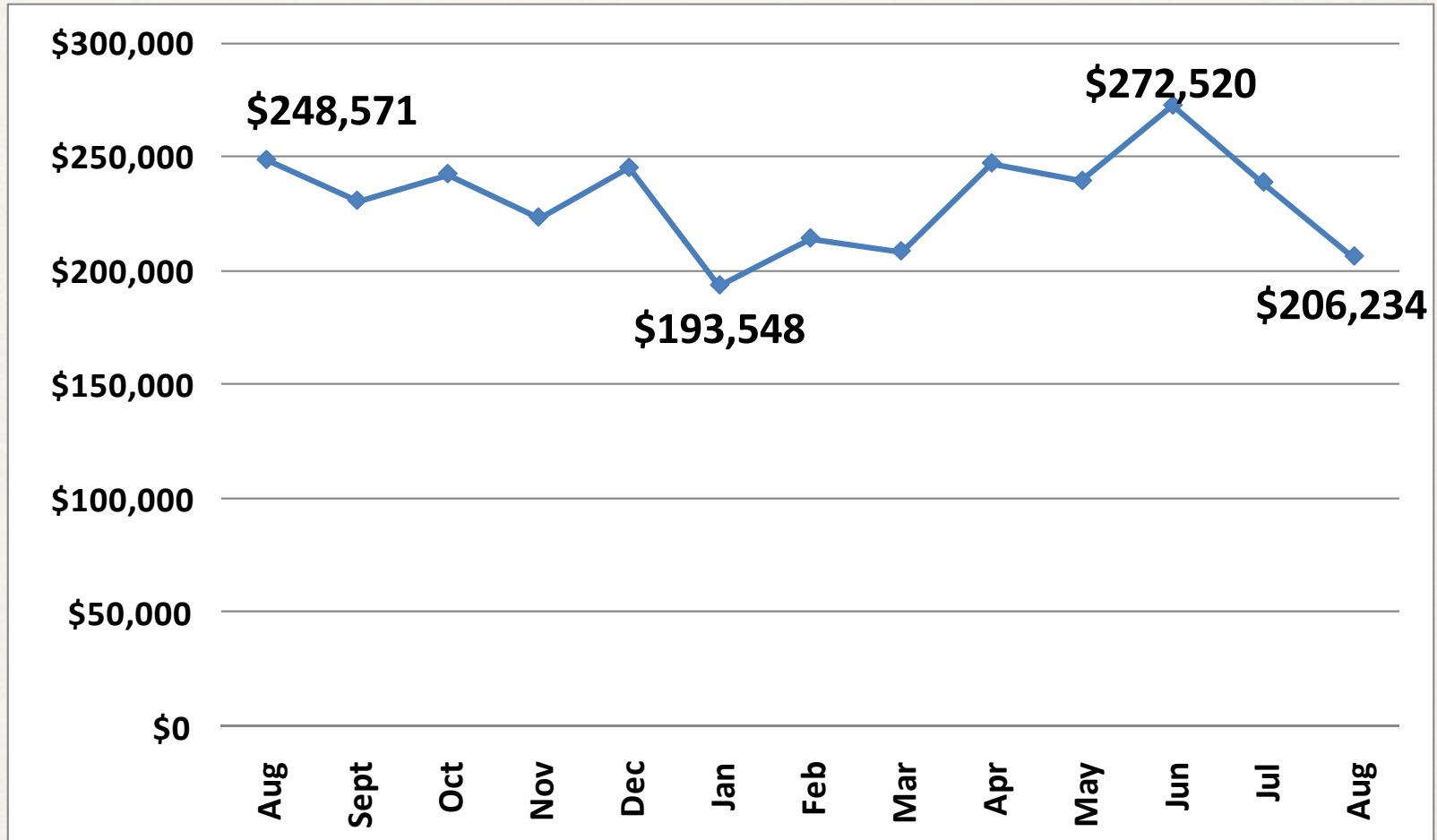
\*\*\* % Change of current quarter compared to the same quarter to year ago.

# Iredell County Residential Closings Aug. 2008-Aug. 2009

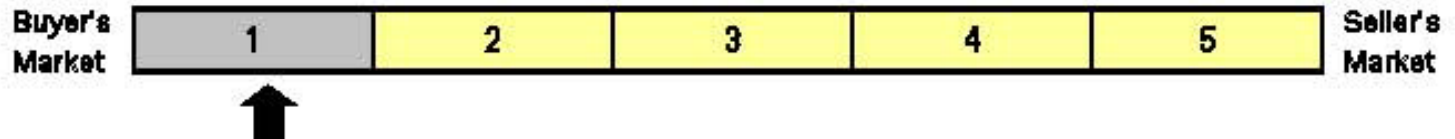




# Iredell County Average Sales Price Aug. 2008-Aug. 2009



# Lincoln County – North Carolina



Housing Market :			
	Q1' 09	Q2' 09	Q3' 09 (Forecast)
Average Price	\$181,600	\$183,900	↔
# Homes on the Market *	830	870	↑
# Homes Sold **	102	143	↔
# New Homes Built ***	75	36	↑
Avg # of Days on Market	130	127	↑

Data by Zip Codes for Q2 2009						
Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change In # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
28033	\$150,300	153.89%	3	0.00%	74	93.4%
28037	\$308,200	-19.91%	45	-48.86%	123	94.0%
28080	\$114,200	-40.18%	17	-22.73%	105	95.1%
28092	\$122,000	-17.29%	46	-51.06%	149	93.9%
28168	\$101,500	-4.69%	8	-27.27%	135	99.3%
OTHER	\$150,600	-29.69%	24	-4.00%	113	94.1%

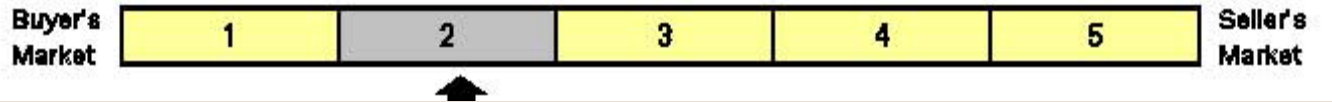
\* Available as of Mar. 31, 2009.

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\*\*\* During the first two months of 1st quarter.

\*\*\* % Change of current quarter compared to the same quarter to year ago.

# Mecklenburg County – North Carolina



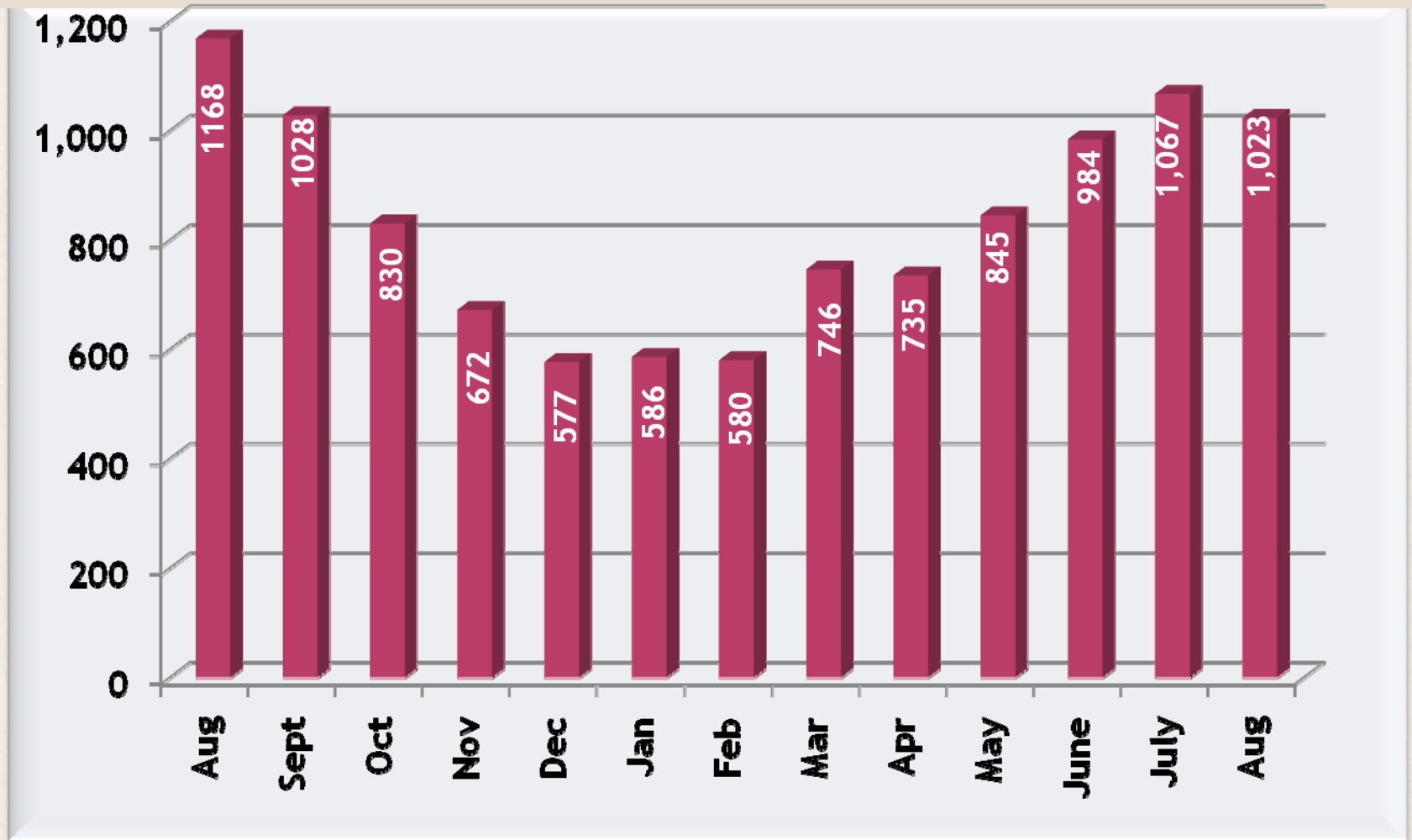
## Housing Market :

	Q1' 09	Q2' 09	Q3' 09 <i>(Forecast)</i>
Average Price	\$197,700	\$227,800	↓
# Homes on the Market *	8,370	8,573	↑
# Homes Sold **	1,457	2,049	↓
# New Homes Built ***	202	216	↑
Avg # of Days on Market	101	104	↑

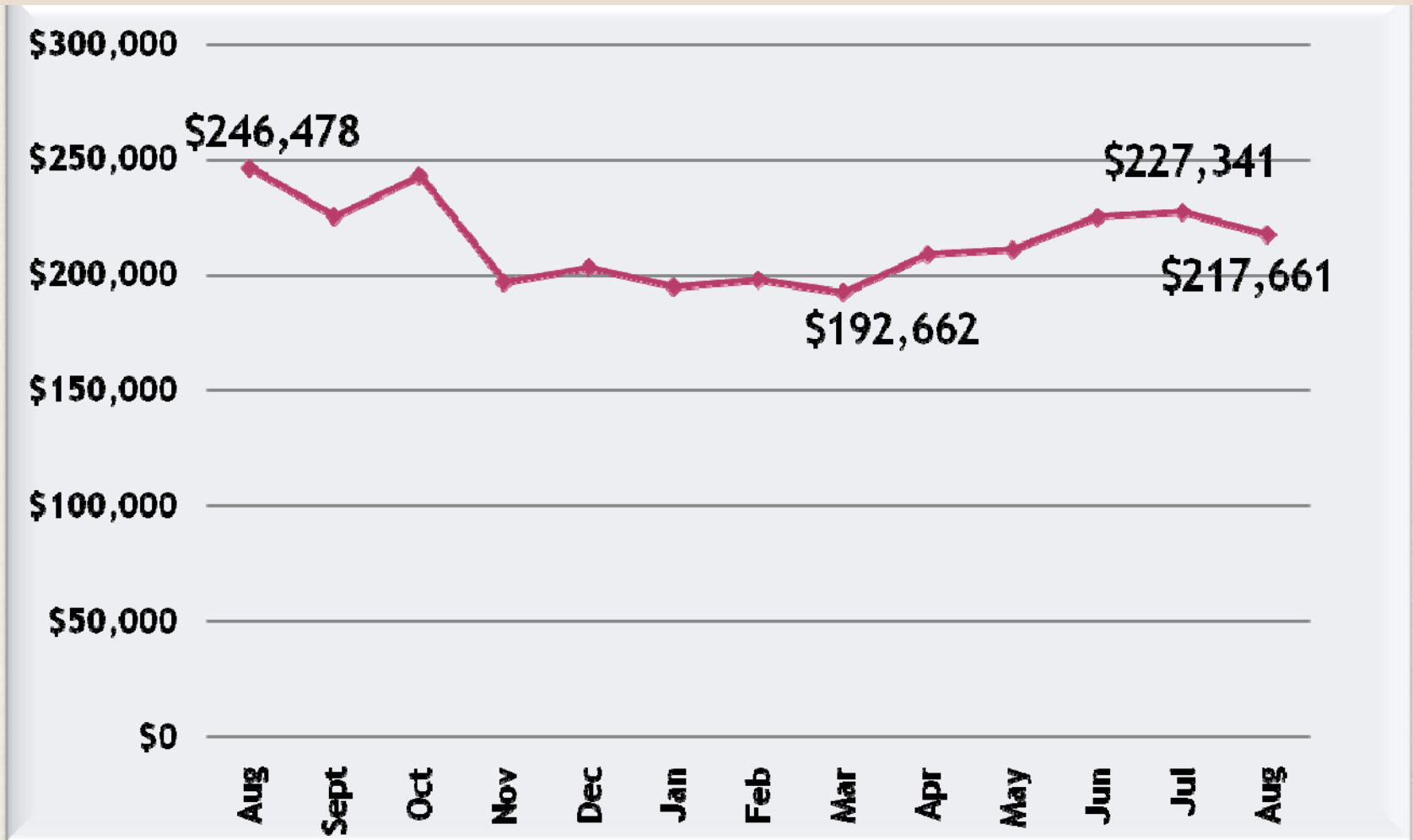
## Data By Zip Codes for Q2 2009- Top 10 Zips (by Solds)

Zip Code	Average Price	Price Change	Total # Homes Sold Quarter	% Change in # Homes Sold	Average DOM	% of Asking Price (Sold/List Price)
28269	\$150,800	-10.32%	211	-38.84%	107	95.5%
28277	\$363,500	-17.54%	164	-34.14%	108	94.5%
28078	\$262,900	-11.03%	149	-33.18%	97	96.2%
28214	\$112,500	-19.87%	136	-18.56%	103	94.9%
28216	\$105,900	-26.51%	125	-32.07%	101	95.1%
28215	\$119,800	-7.78%	109	-30.13%	89	96.6%
28227	\$171,600	-12.89%	106	-28.86%	121	95.5%
28270	\$303,200	-12.67%	97	-21.14%	105	94.8%
28205	\$181,600	-15.42%	86	-46.58%	107	94.1%
28210	\$349,100	5.21%	75	-35.90%	93	94.2%

# Mecklenburg County Residential Closings Aug. 2008- Aug. 2009



# Mecklenburg County Average Sales Price Aug. 2008-Aug. 2009



# Montgomery County – North Carolina



Housing Market :			
	Q1' 09	Q2' 09	Q3' 09 (Forecast)
Average Price	\$610,000	\$186,500	↔
# Homes on the Market *	95	157	↑
# Homes Sold **	3	7	↔
# New Homes Built ***	NA	NA	↑
Avg # of Days on Market	159	110	↑

Data by Zip Codes for Q2 2009						
Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change In # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
27306	\$113,000	N/A	2	N/A	65	76.6%
27371	\$41,000	N/A	1	N/A	18	91.3%
OTHER	\$259,700	N/A	4	N/A	156	87.2%

\* Available as of Mar. 31, 2009.

\*\* May not add to total of zip codes.

\*\*\* During the first two months of 1st quarter.

\*\*\* % Change of current quarter compared to the same quarter to year ago.

# Stanly County – North Carolina



Housing Market :			
	Q1' 09	Q2' 09	Q3' 09 (Forecast)
Average Price	\$140,800	\$132,000	↔
# Homes on the Market *	331	348	↑
# Homes Sold **	51	73	↔
# New Homes Built ***	28	22	↑
Avg # of Days on Market	150	154	↑

Data by Zip Codes for Q2 2009						
Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change In # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
28001	\$121,300	-10.28%	32	-15.79%	137	94.7%
28009	\$154,000	N/A	1	N/A	236	96.9%
28097	\$159,400	-25.20%	9	-10.00%	131	86.3%
28109	\$149,300	N/A	1	N/A	176	93.3%
28127	\$112,500	-8.01%	3	0.00%	54	93.8%
28128	\$111,300	-49.75%	8	14.29%	316	87.4%
28129	\$128,300	-33.97%	7	-22.22%	189	91.5%
28137	\$167,500	40.40%	2	0.00%	103	92.3%
28163	\$156,100	-9.14%	9	28.57%	96	92.6%

\* Available as of Mar. 31, 2009.

\*\* Maynot add to total of zip codes.

\*\*\* During the first two months of 1st quarter.

\*\*\* % Change of current quarter compared to the same quarter to year ago.

# Union County – North Carolina



Housing Market :			
	Q1' 09	Q2' 09	Q3' 09 (Forecast)
Average Price	\$253,200	\$282,300	↓
# Homes on the Market *	2,628	2,637	↑
# Homes Sold **	381	506	↓
# New Homes Built ***	125	89	↑
Avg # of Days on Market	109	113	↑

## Data by Zip Codes for Q2 2009

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change In # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
28079	\$190,400	-9.16%	103	-30.87%	102	96.5%
28103	\$106,200	-19.55%	6	-62.50%	122	95.0%
28104	\$356,600	-7.81%	82	-31.09%	111	95.6%
28110	\$157,900	-13.81%	93	-30.60%	111	96.1%
28112	\$158,600	-1.86%	39	-50.00%	108	93.4%
28173	\$414,800	-4.25%	170	-3.41%	124	94.5%
28174	\$149,100	4.71%	10	-33.33%	123	90.8%
OTHER	\$161,300	-61.70%	3	-50.00%	82	97.0%

\* Available as of Mar. 31, 2009.

\*\* Maynot add to total of zip codes.

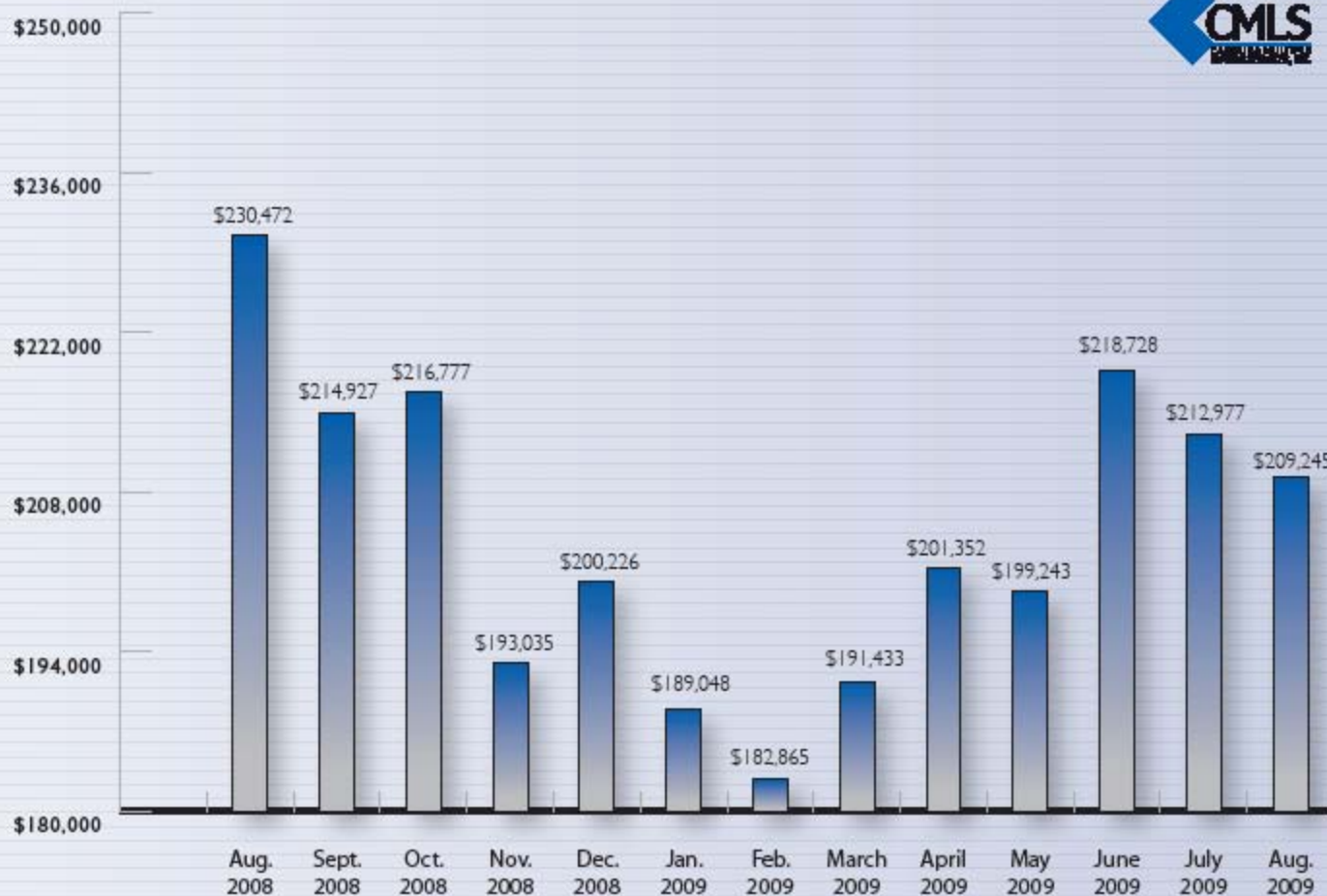
\*\*\* During the first two months of 1st quarter.

\*\*\* % Change of current quarter compared to the same quarter to year ago.



# AVERAGE CLOSING PRICE

August 2008-August 2009



Data comes from Carolina Multiple Listing Services, Inc. (September 8, 2009)

# AVERAGE SALES PRICE

July 2008-July 2009



Data comes from Carolina Multiple Listing Services, Inc., North Carolina Association of Realtors® and National Association of Realtors® (September 8, 2009)

# PENDING CONTRACTS

August 2008-August 2009



Data comes from Carolinas Multiple Listing Services, Inc. (September 8, 2009)

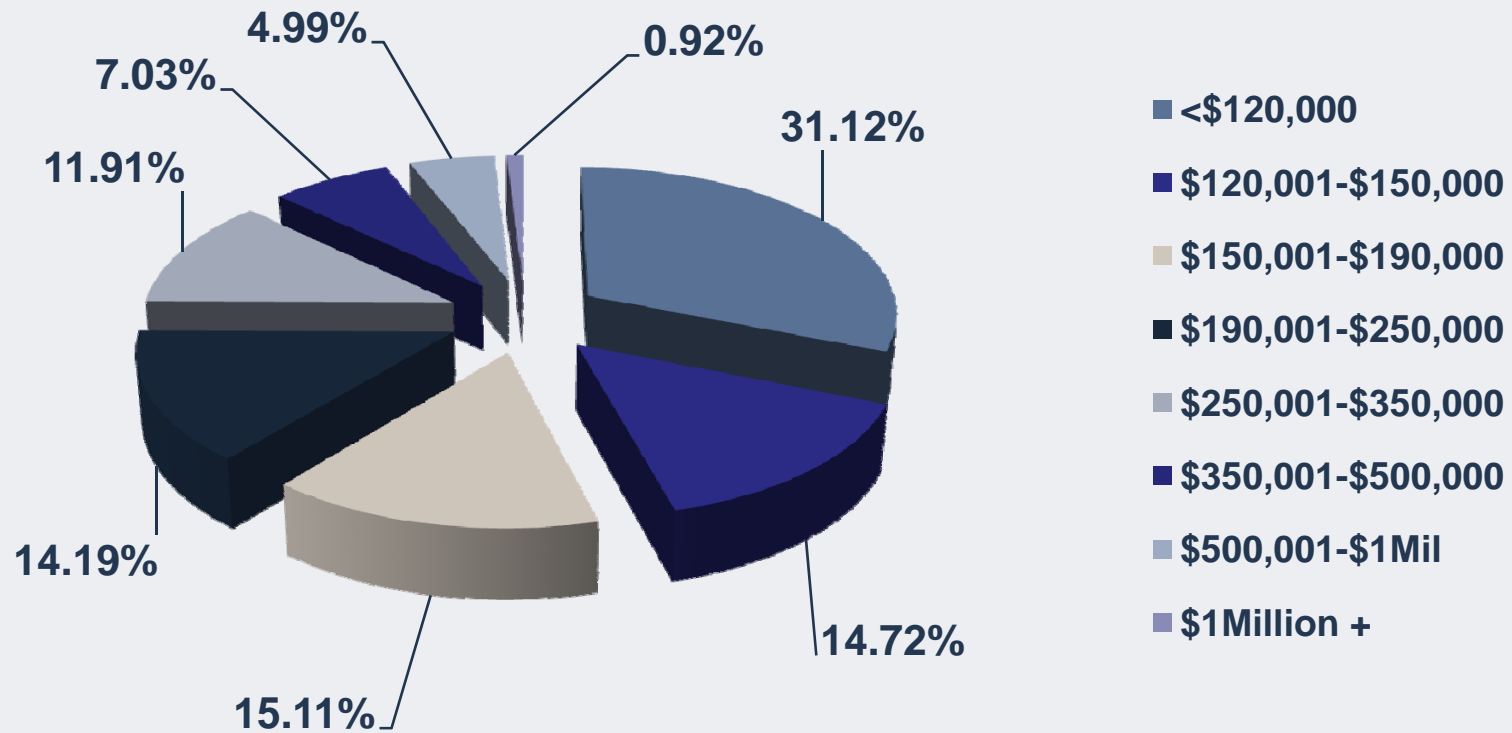
# MORTGAGE RATES

August 2008-August 2009

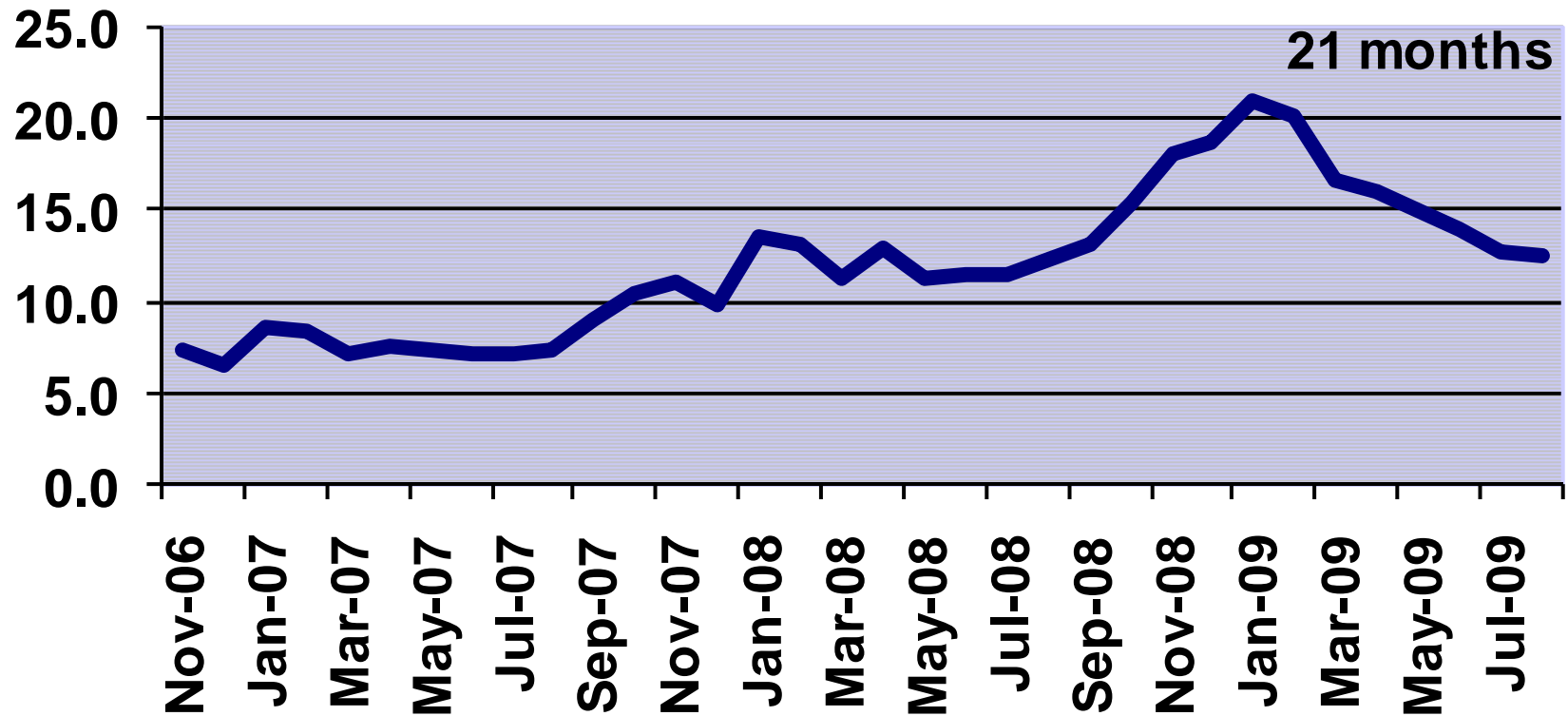


30-Year Fixed Mortgage Rate (Freddie Mac) - Source: Freddie Mac, NAR Forecast (September 8, 2009)

# Carolina Multiple Listing Services, Inc. Percent of Closed Listings By Price Range Jan.- Aug. 2009



# Carolina Multiple Listing Services, Inc. Historical Months of Supply Nov. 2006 - Present



# Positive Economic Indicators Recent Rankings & Accolades

**#1 America's Most Livable Communities**  
**– Partners for Livable Communities**  
*(earned ranking in 2008 – Ranking is for 2000-2010)*

**#2 Best place to start a small business;**  
*bizjournals.com February 2009*

**#3 Most Popular Move Destination**  
*--United Van Lines. - January 2009*

**#3 Best Housing Markets**  
*– Forbes.com February 2009*

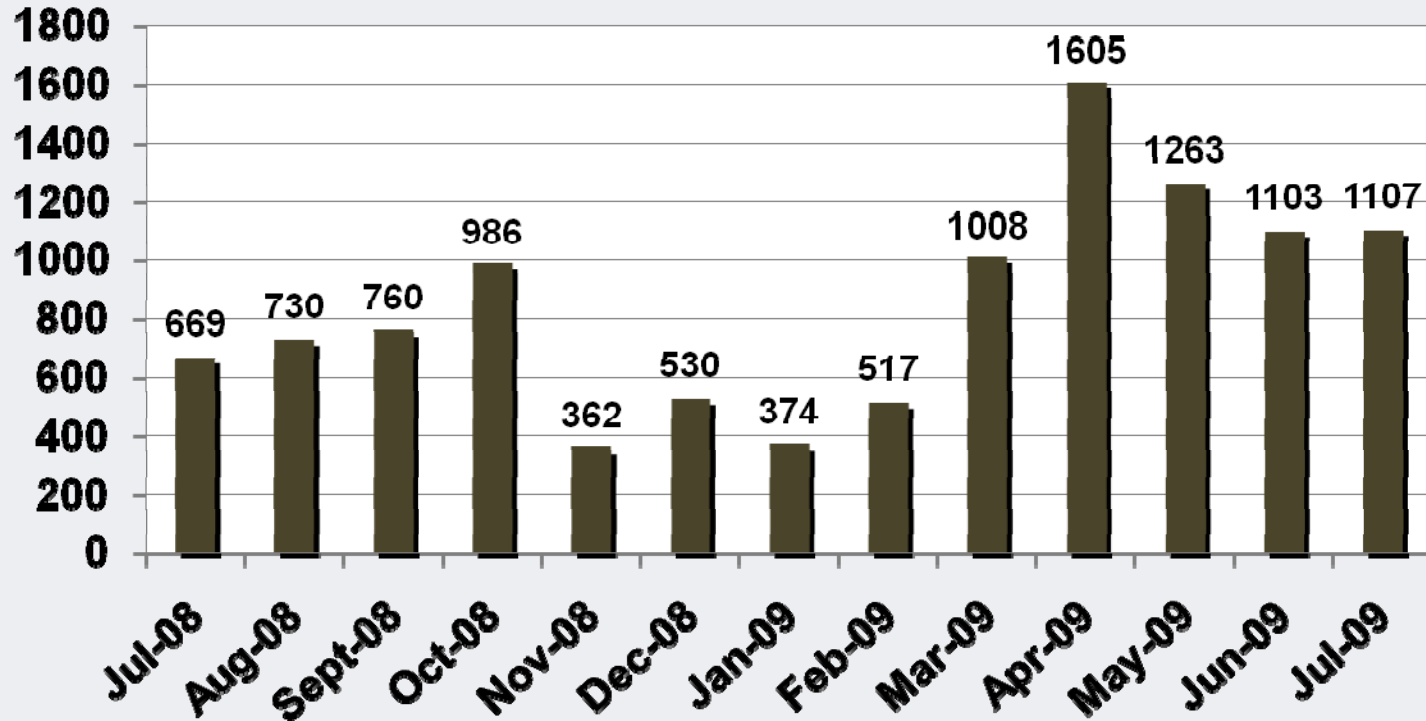
**#3 Top 10 Cities Where Americans are Relocating**  
*- March 2009 - MSN*

# The Elephant is still in the Room...





# Foreclosure Filings Mecklenburg County July 2008-July 2009 Activity



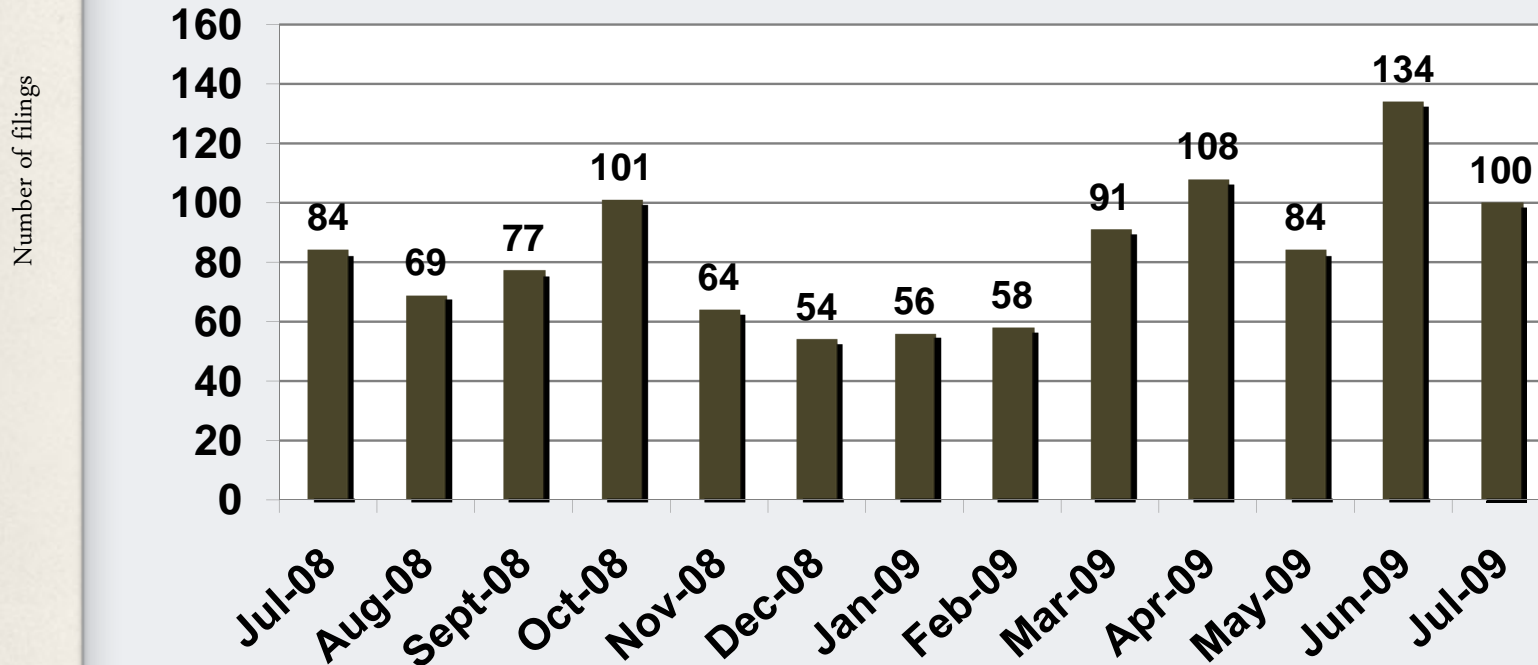
Total foreclosure filings for Mecklenburg County

Total filings YTD-6,977

Mecklenburg County Avg. Foreclosure Sales Price

\$128,000 - July 2009

# Foreclosure Filings Iredell County July 2008-July 2009 Activity



# LOCAL MORTGAGE INDUSTRY

- Banks have gone back-to-basics, carefully screening applications when securing loans.
- Credit worthiness: credit score no lower than 660 on average. The better the credit, the better the rate.
- Down payment : buyer needs 3-5 percent depending on loan. In 2009, the 3 percent rate increased to 3.5 percent.
- Documentation of income and the approved debt-to-income ratio.
- Mortgages for investment property: lenders are looking for 20 percent down payment.
- \$8,000 tax credit for first-time homebuyers who close before December 1, 2009.

# IN SUMMARY

## CHARLOTTE REGION

- Unemployment concerns
- Potential job growth
- Positive population gain projections

## MECKLENBURG COUNTY

- Foreclosure filings monitored

## CMLS

- Closings have been up for four consecutive months nationally and locally, with sales prices holding steady. The local market is showing signs of stabilization.

## NATIONALLY

- The \$8,000 tax credit has been instrumental. Thirty percent of transactions this year have been by first-time homebuyers.
- Fewer new homes being built; fewer new-home sales
- Housing affordability at an all-time high
- Mortgage rates at 50-year lows
- The economy output will recover before the job market
- Consumer confidence though soft, is rising slowly

# Q&A