

# MARKET TRENDS AND WHAT TO EXPECT IN CHARLOTTE

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Chief Economist

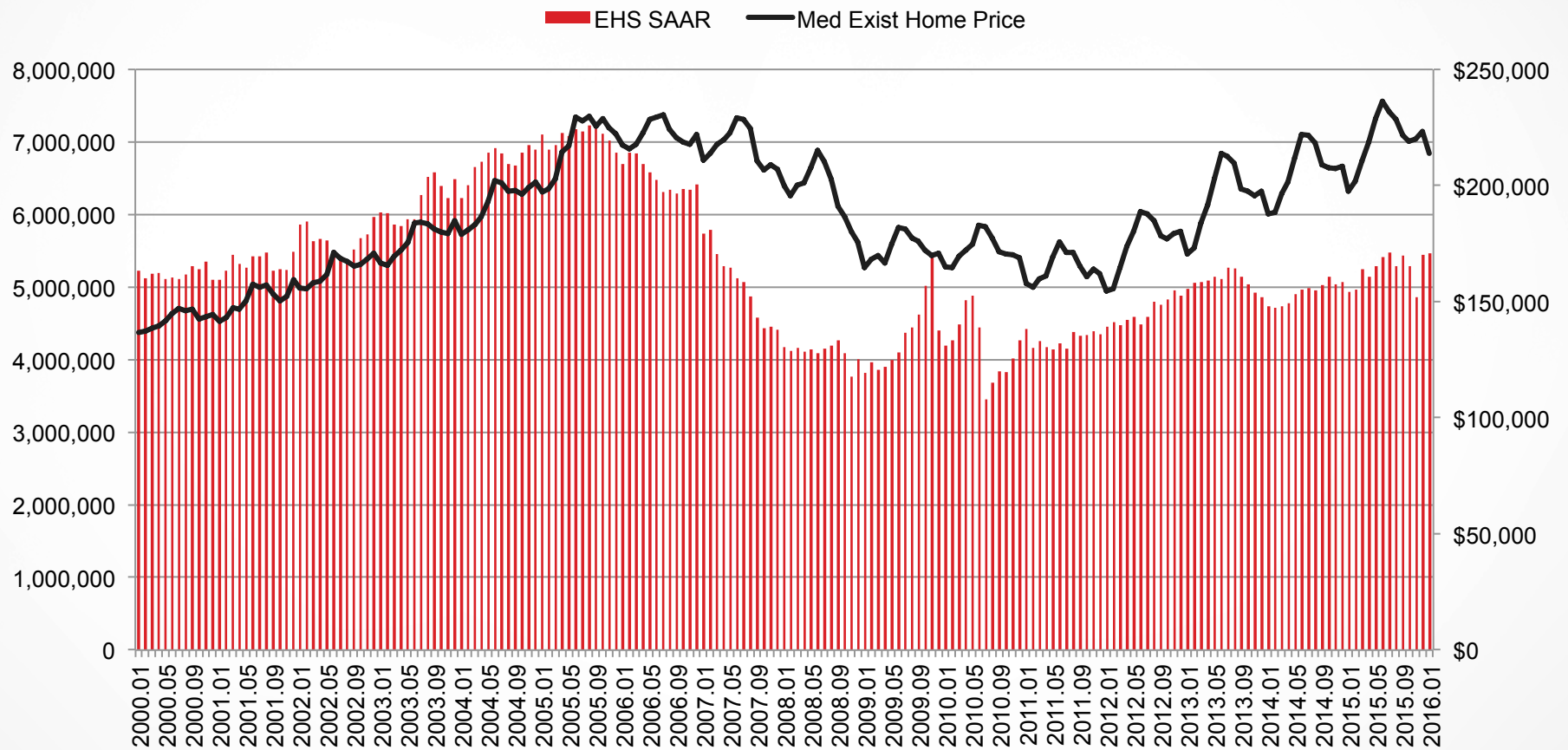
March 15, 2016

realtor.com<sup>®</sup>

# GOOD START TO ANOTHER YEAR

Sales up 11% year-over-year in January

## Existing Home Sales and Prices

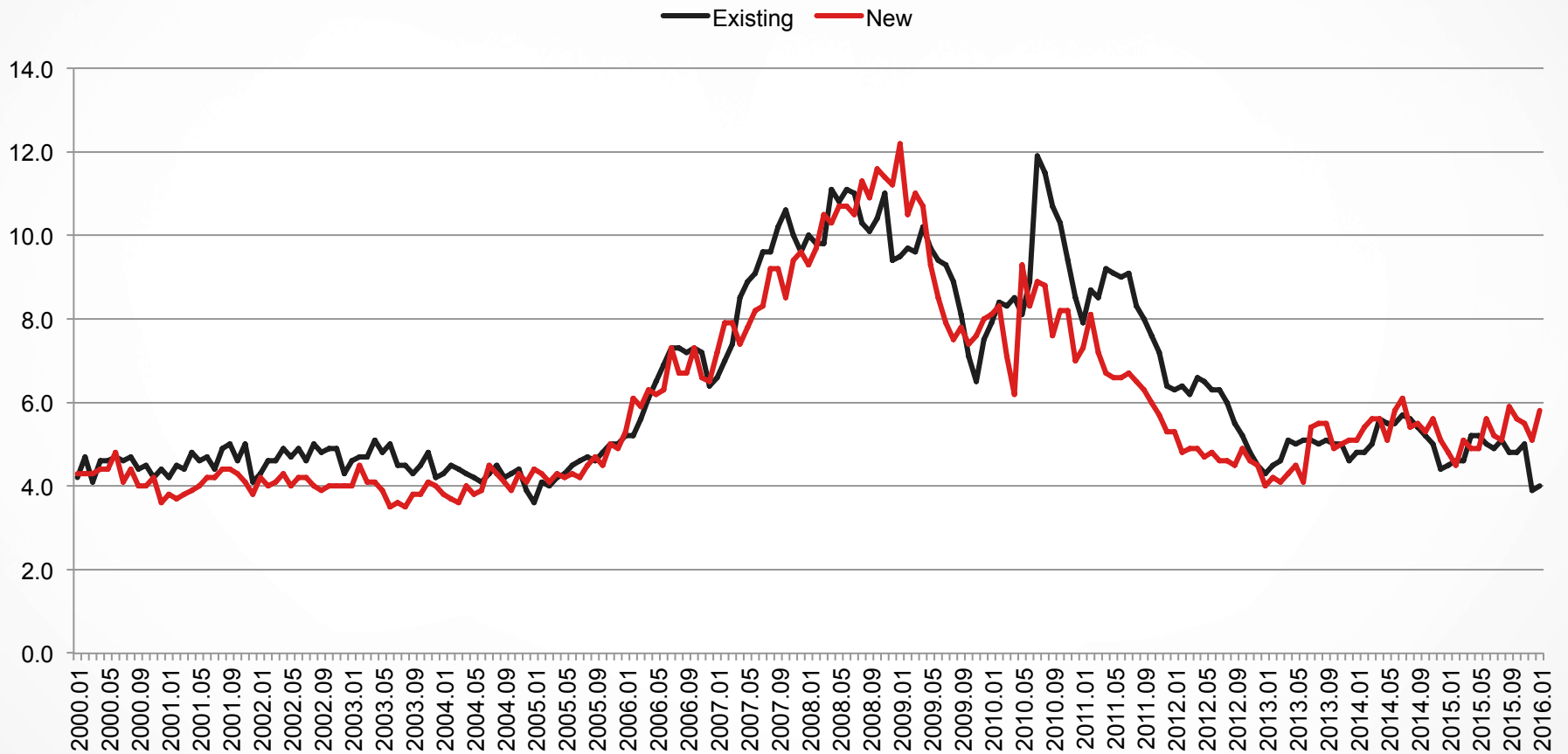


Source: National Association of REALTORS® Existing Home Sales Report

# INVENTORY HAS BEEN A CONSTRAINT

Demand continues to exceed supply

## Months' Supply of Homes for Sale



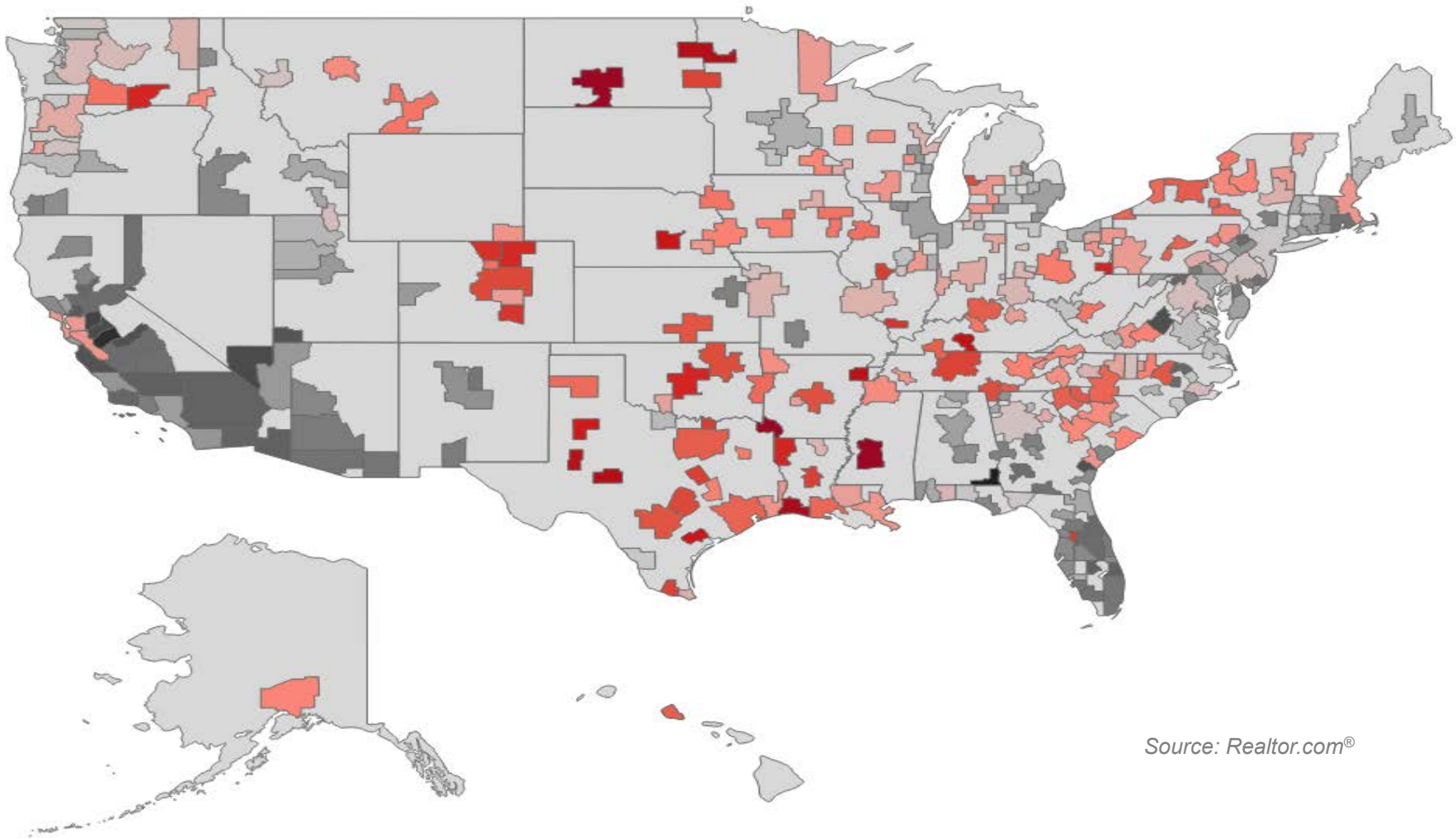
Source: National Association of REALTORS®, Commerce Department

# HOME PRICE RECOVERY VARIES

Markets not recovered face the most existing inventory challenges

## Recovery Index

60%  150%

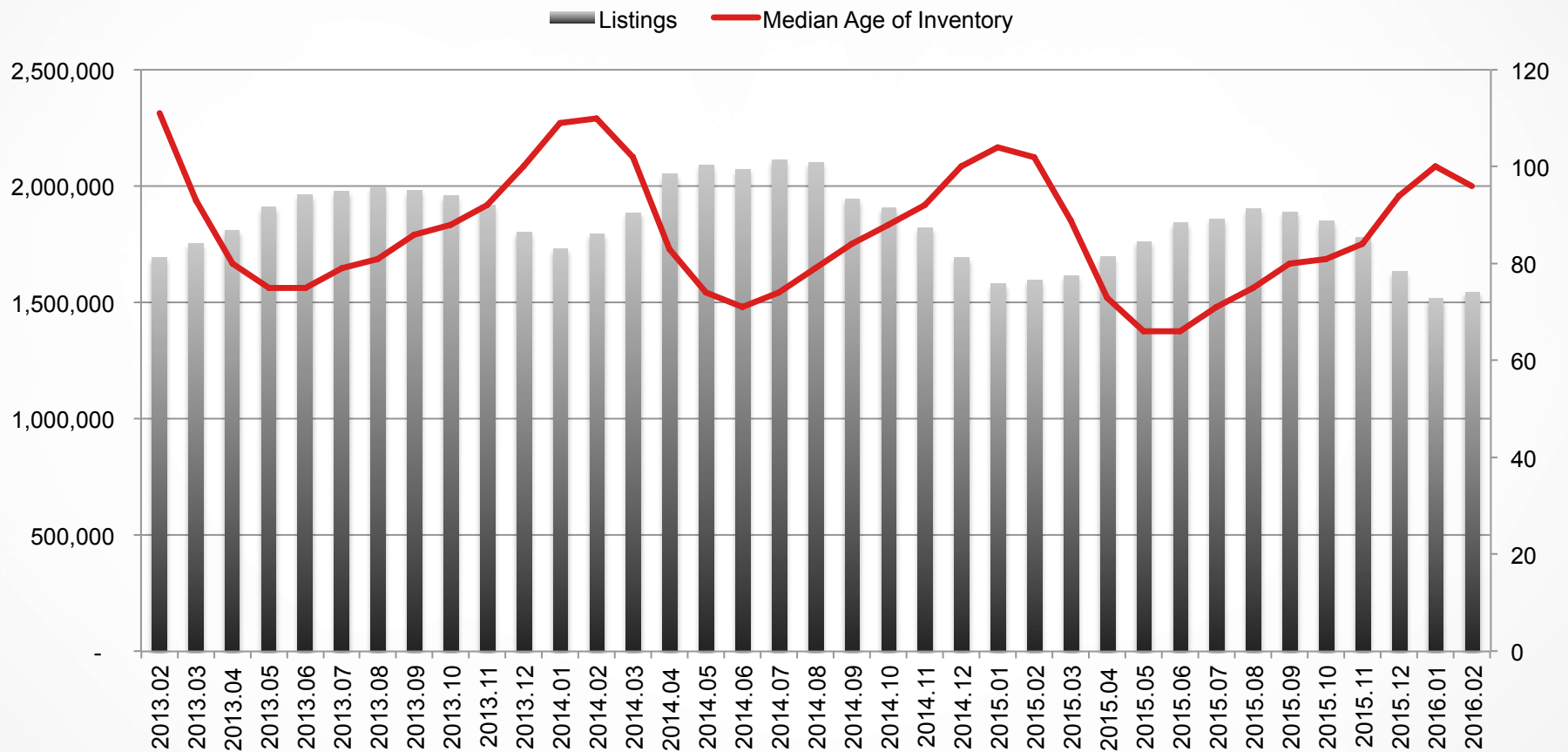


Source: Realtor.com®

# INVENTORY CONTINUES TO TIGHTEN

Inventory and median age also lower than last year in February

## Listings and Median Age of Inventory

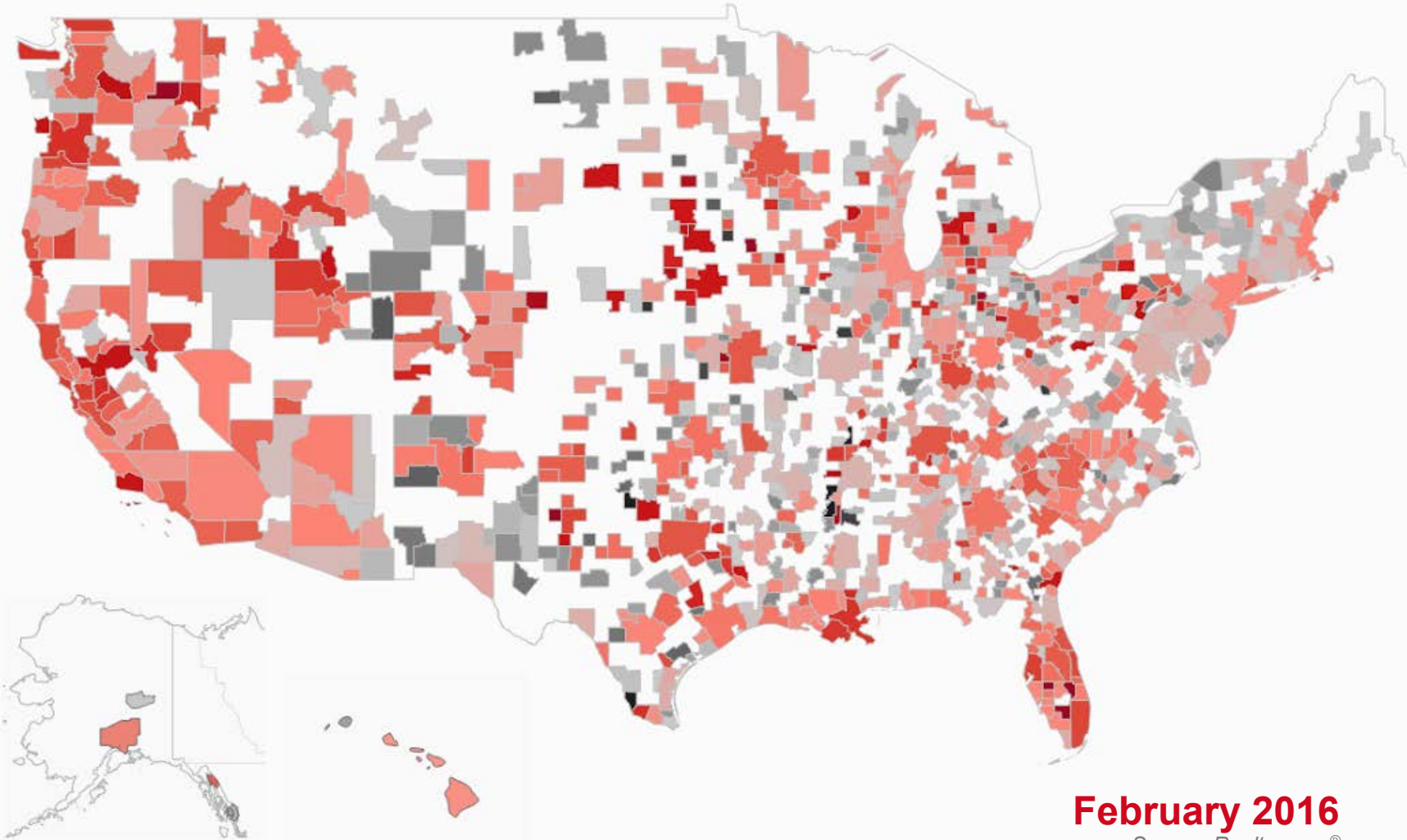


Source: Realtor.com®

# LISTING PRICES GREW 8% Y/Y IN FEB

Median list price increases are widespread

Median Listing Price Y/Y  
-30%  40%



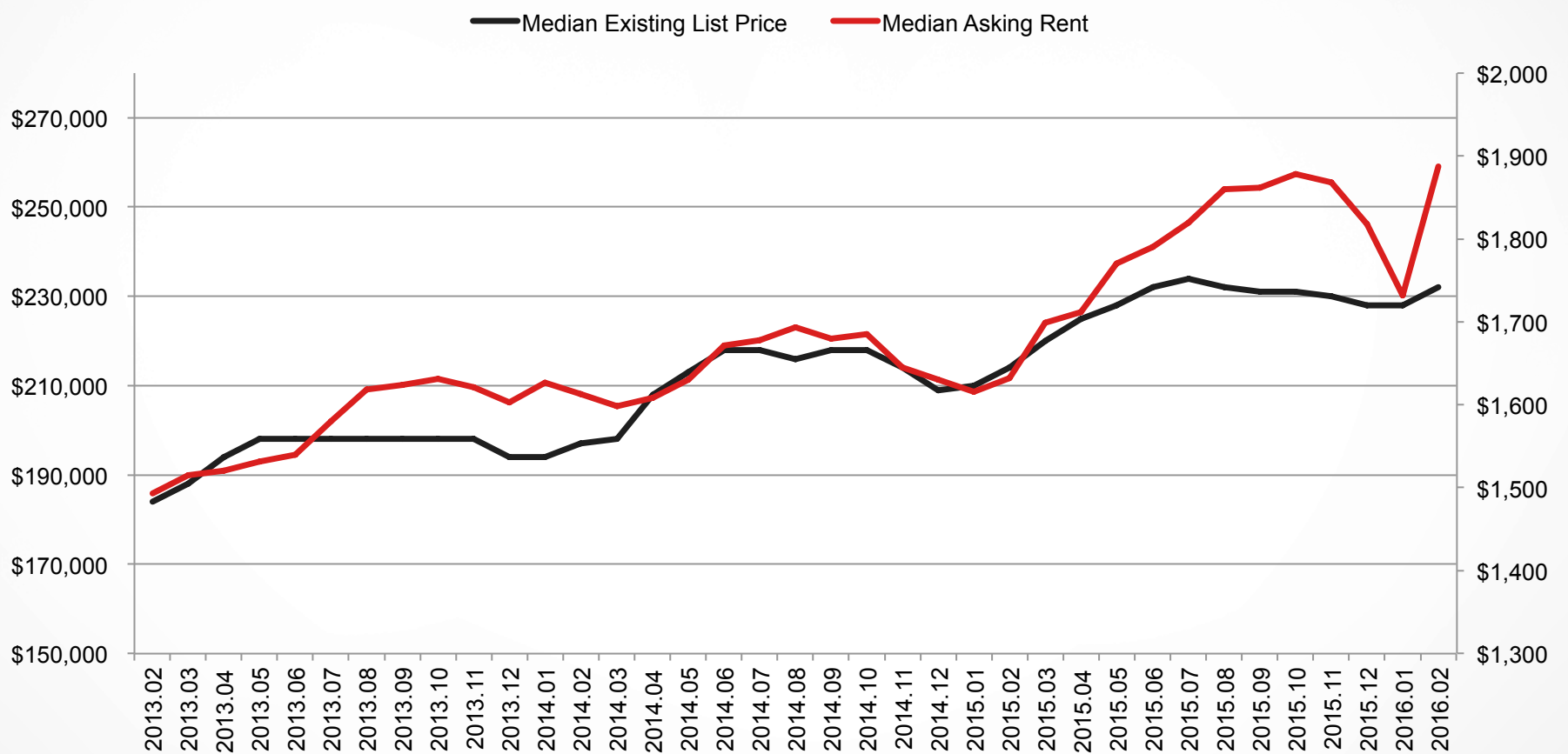
**February 2016**

Source: Realtor.com®

# PRICES NOW OUTPACING RENTS

Asking rents up 16% y/y in February compared to list prices up 8%

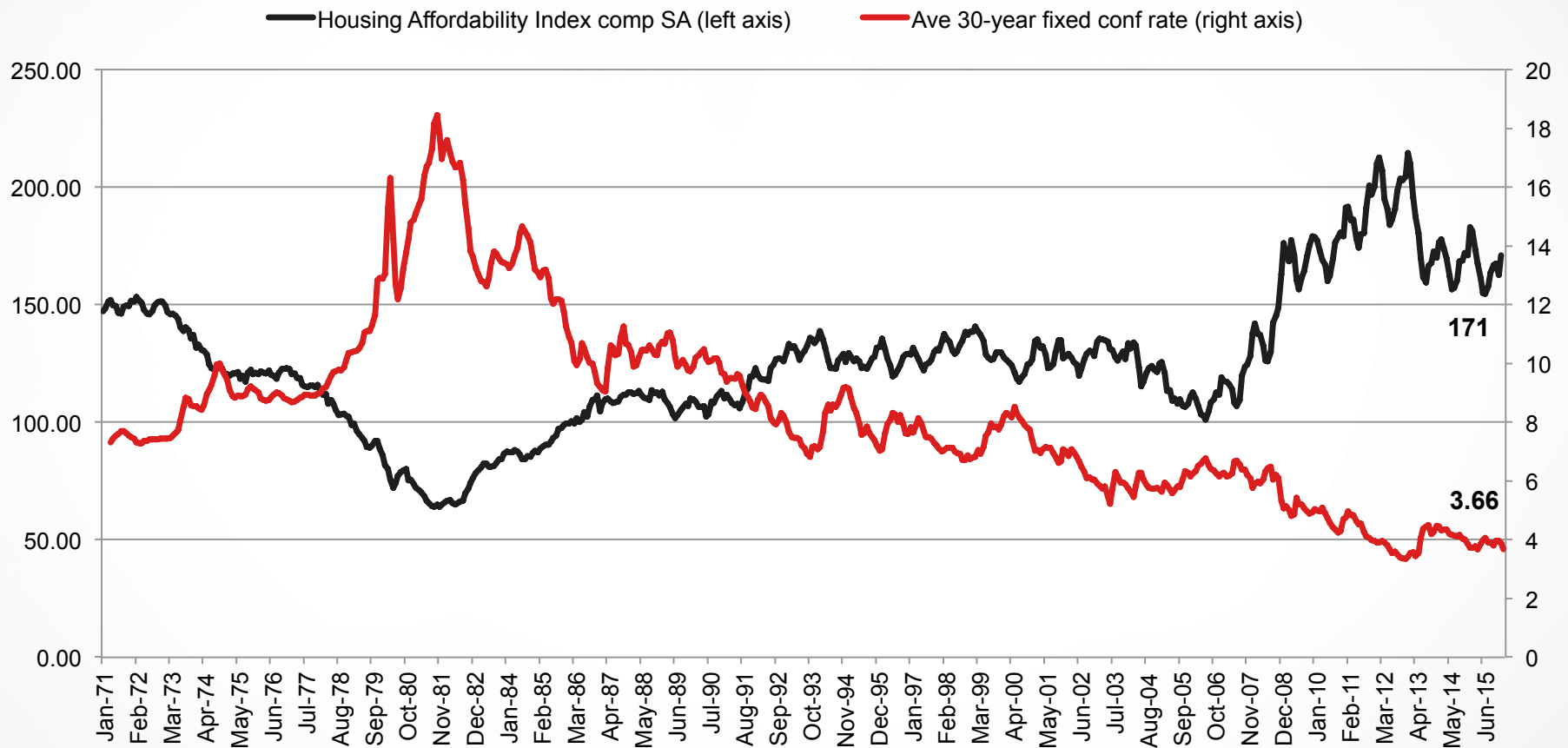
## National Home Price and Rent Trends



# NEARING THE END OF THIS ERA

Low rates and prices enabled incredible affordability

## Affordability and Mortgage Rates

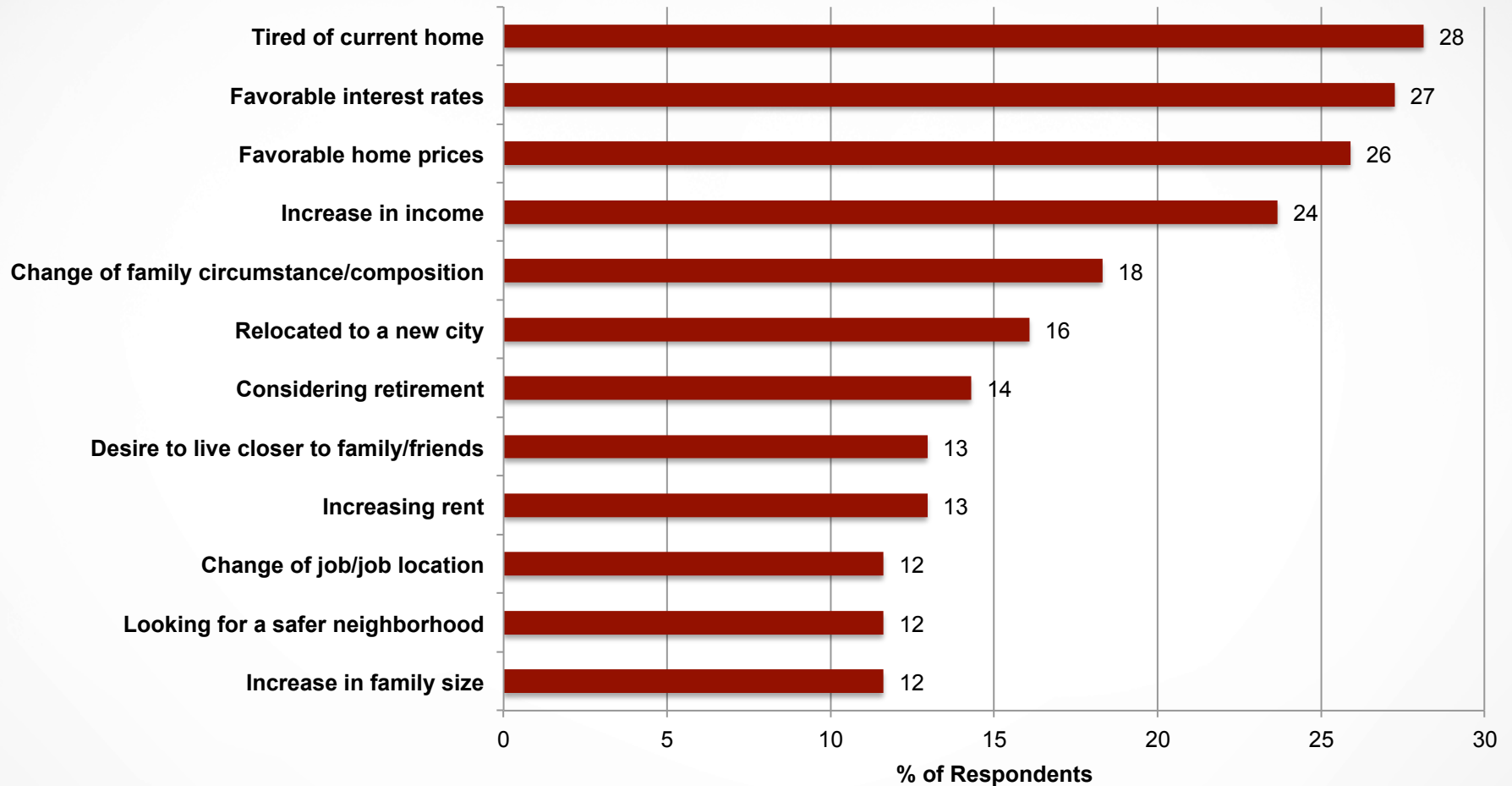


Source: Moody's Analytics, Freddie Mac, and National Association of REALTORS®



# REASONS FOR PURCHASE VARY

Clear patterns emerge from top 12 triggers for 2015 buyers

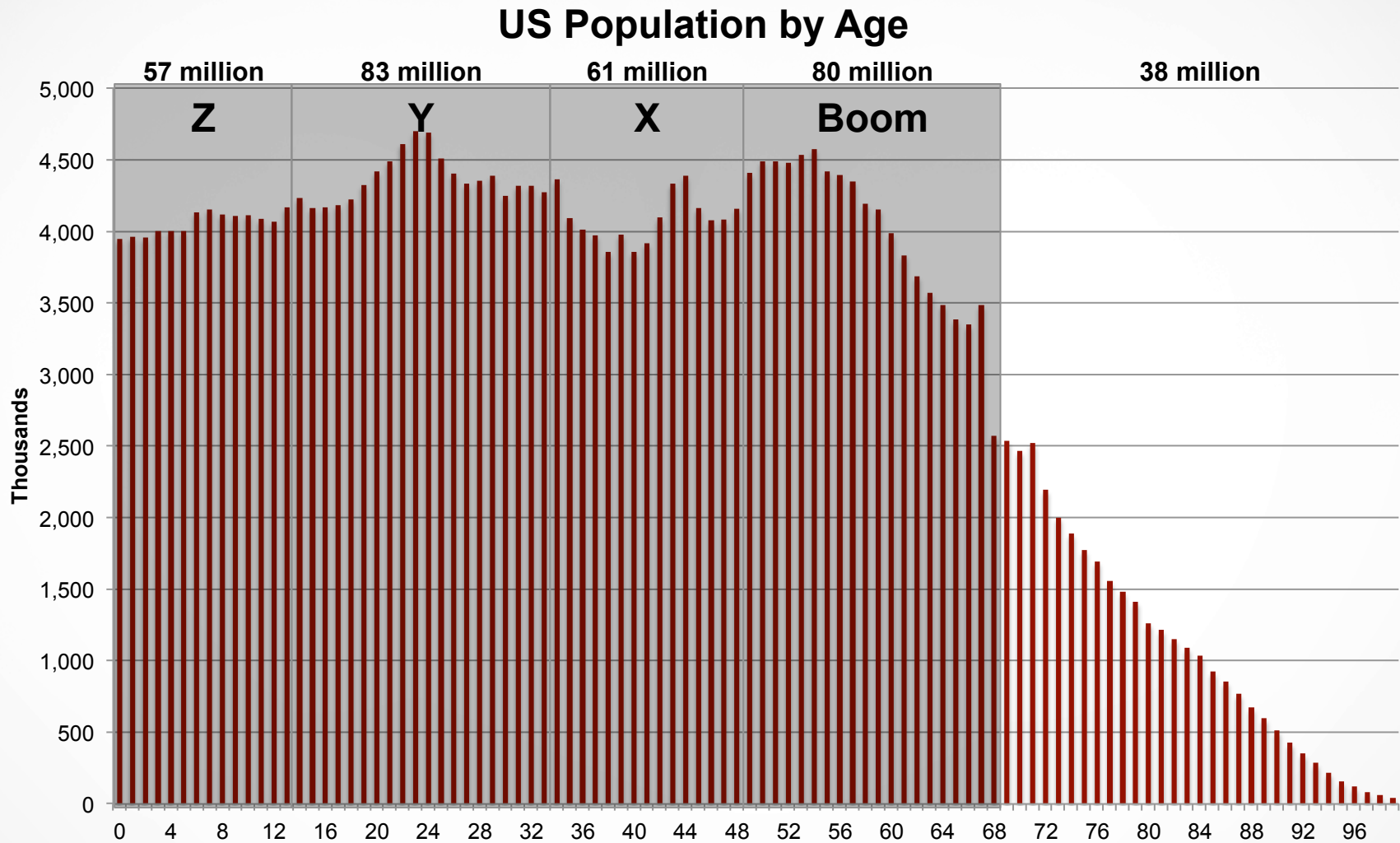


Source: BDX Home Shopper Insights Panel, Summer 2015

# DEMAND DRIVERS

# DEMOGRAPHICS SET THE TABLE

When viewed by age, importance of Millennials becomes clearer

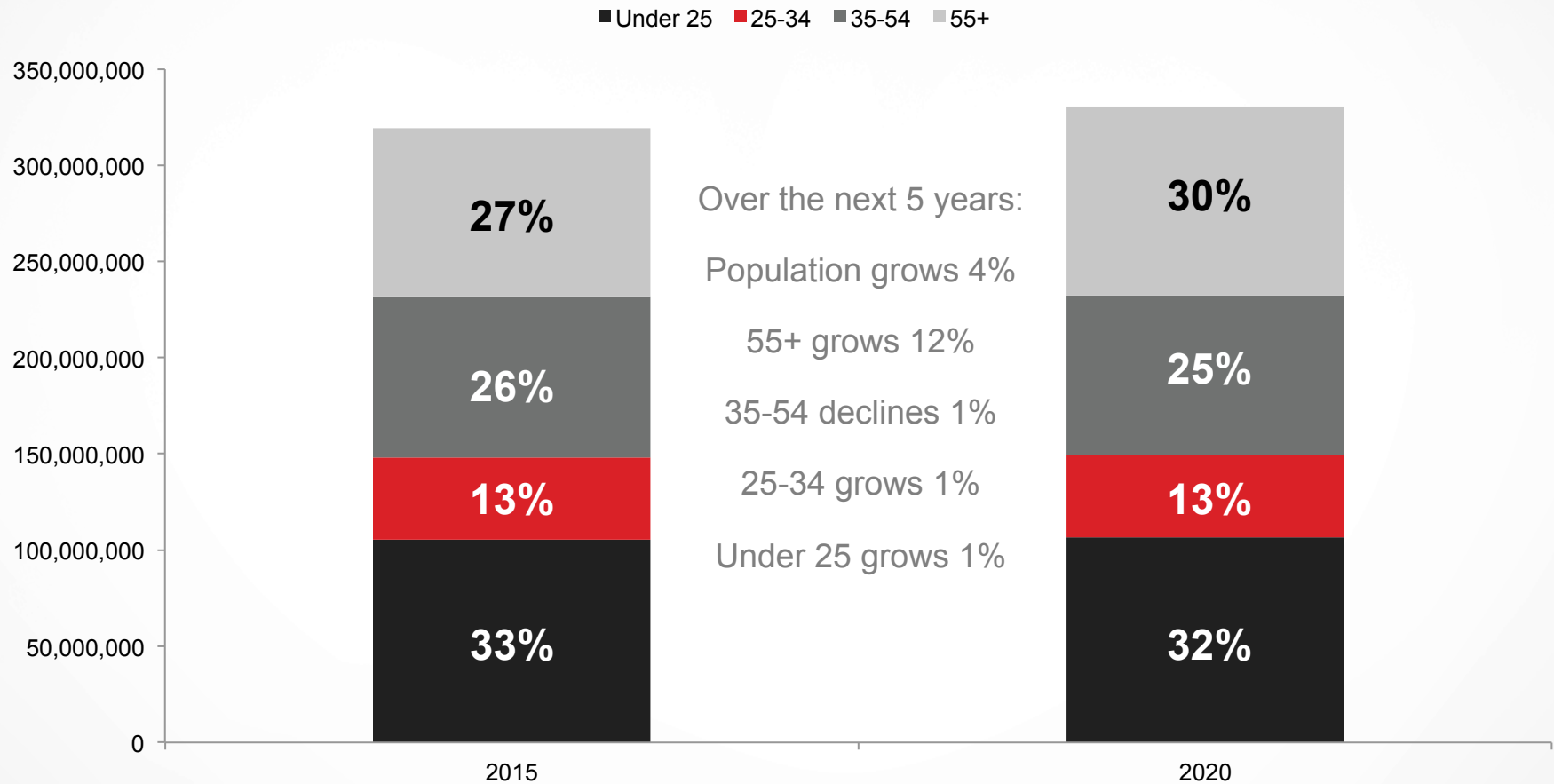


Source: Realtor.com® Analysis of US Census Bureau Population Estimates (2014)

# BOOMERS KEEP DISTURBING

Boomer wave is causing a major population shift

## Population by Age (United States)



Source: Nielsen Demographics Pop-Facts 2015

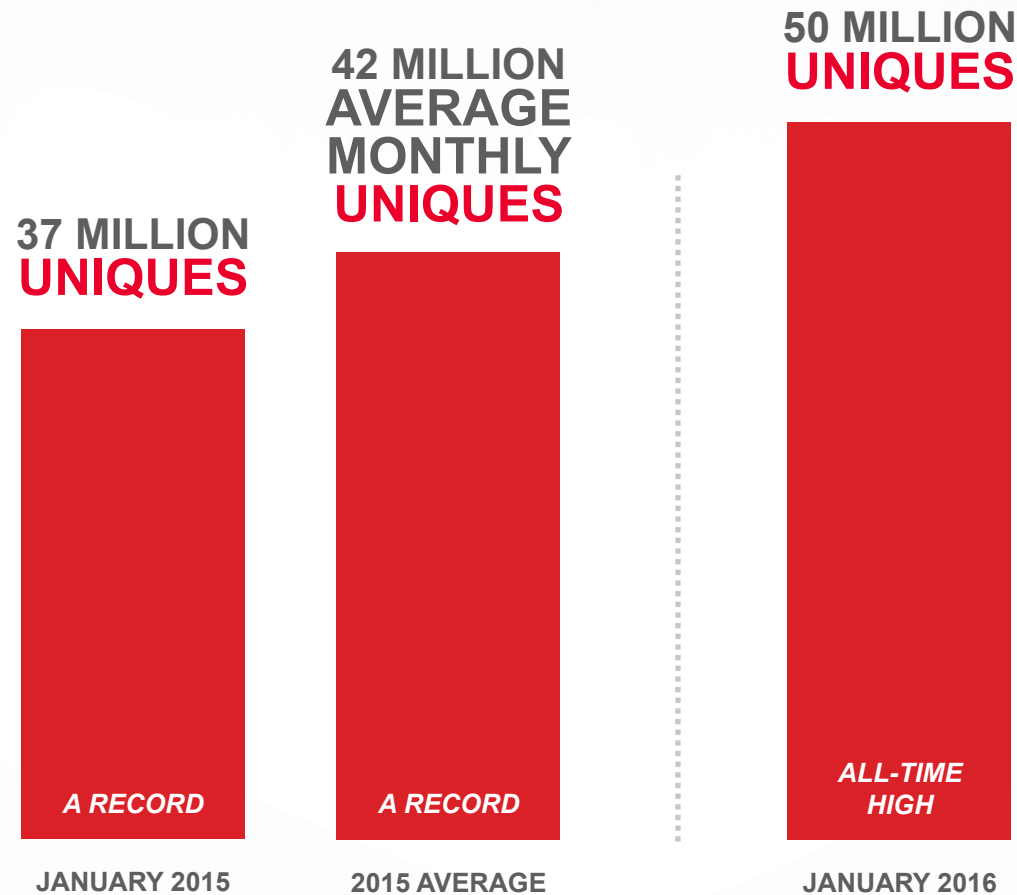
# 2016 FORECAST

Key economic and housing metrics from NAR and realtor.com

- National Association of REALTORS® Macro Forecast:
  - GDP grows 1.4%
  - Nonfarm payroll employment grows 1.3%
  - Unemployment declines to 4.9%
- realtor.com® housing forecast:
  - Existing home prices appreciate 3%
  - Existing home sales grow 3% to 5.4 million
  - New home sales grow 16% to 580,000
  - Housing starts increase 12% to 1.23 million
  - 30-year fixed conforming rate ends 2016 at 4.22%

# A RECORD YEAR IN 2015

An even better start in 2016

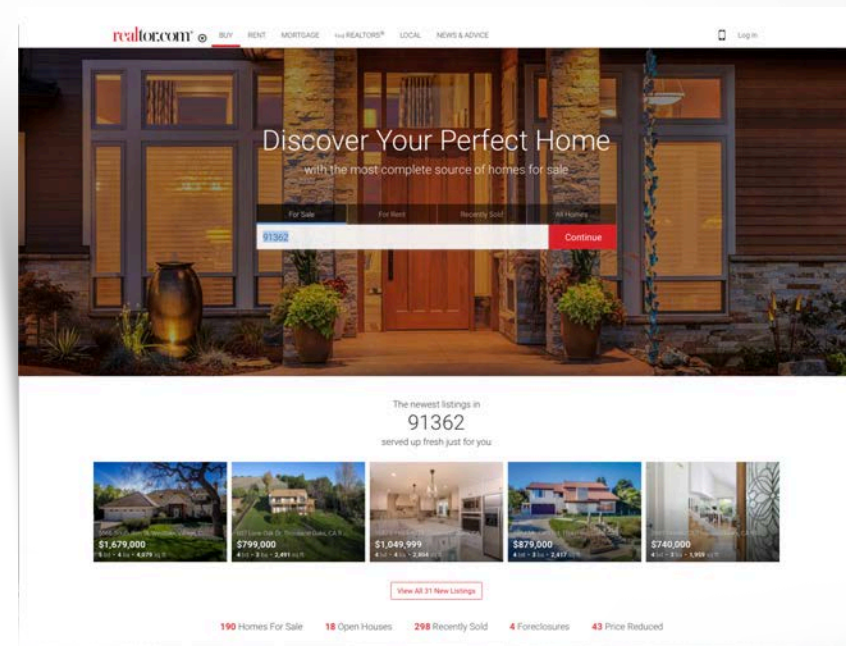


*Internal Move Metrics*

# BEST DATA FOR CONSUMERS

We attract serious real estate consumers

- ✓ Most accurate real estate content available, 90% of listings updated every 15 minutes, the rest daily
- ✓ Realtor.com® gets data directly from nearly 800 MLS
- ✓ Realtor.com® has 97% of all existing homes listed for sale
- ✓ Solutions integrate mobile and online platforms

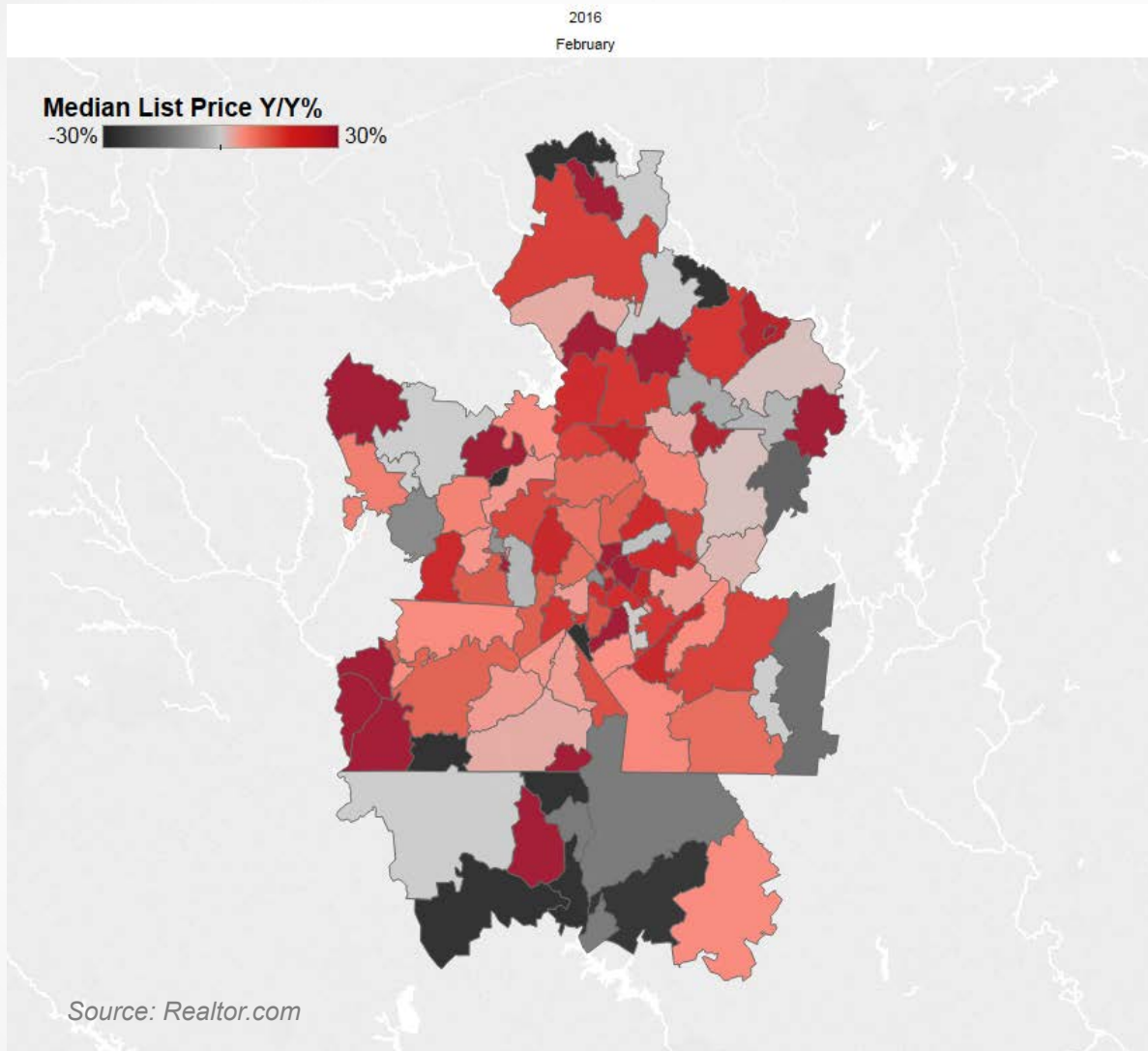


**REAL PARTNERS:  
INNOVATING  
WITH THE INDUSTRY**



# FOCUS ON CHARLOTTE METRO

Half of zip codes are seeing prices up 10%+ Y/Y (Feb 2016)

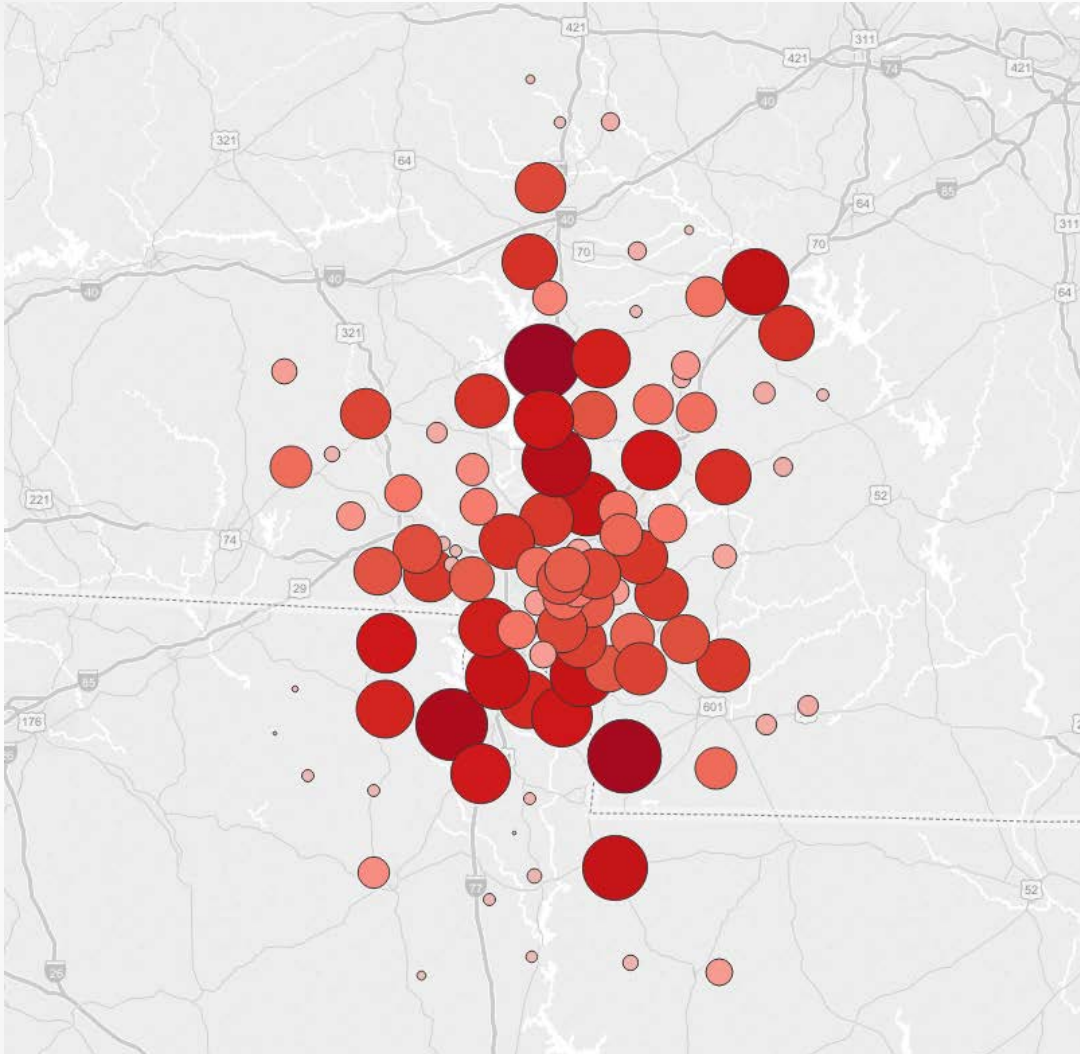


Fastest Growing Zips			
Area Name	Analysis Area Name	2016 February	
		Y/Y Change	Median Price
28205	Charlotte, NC	48.3%	\$264K
28226	Charlotte, NC	30.0%	\$511K
28202	Charlotte, NC	27.6%	\$374K
28083	Kannapolis, NC	26.7%	\$114K
28207	Charlotte, NC	26.3%	\$898K
28144	Salisbury, NC	25.5%	\$118K
28212	Charlotte, NC	23.0%	\$123K
28214	Charlotte, NC	21.7%	\$168K
28104	Matthews, NC	21.7%	\$438K
28052	Gastonia, NC	20.5%	\$88K

Includes zip codes with a minimum 50 listings.

# INVENTORY IN CHARLOTTE METRO

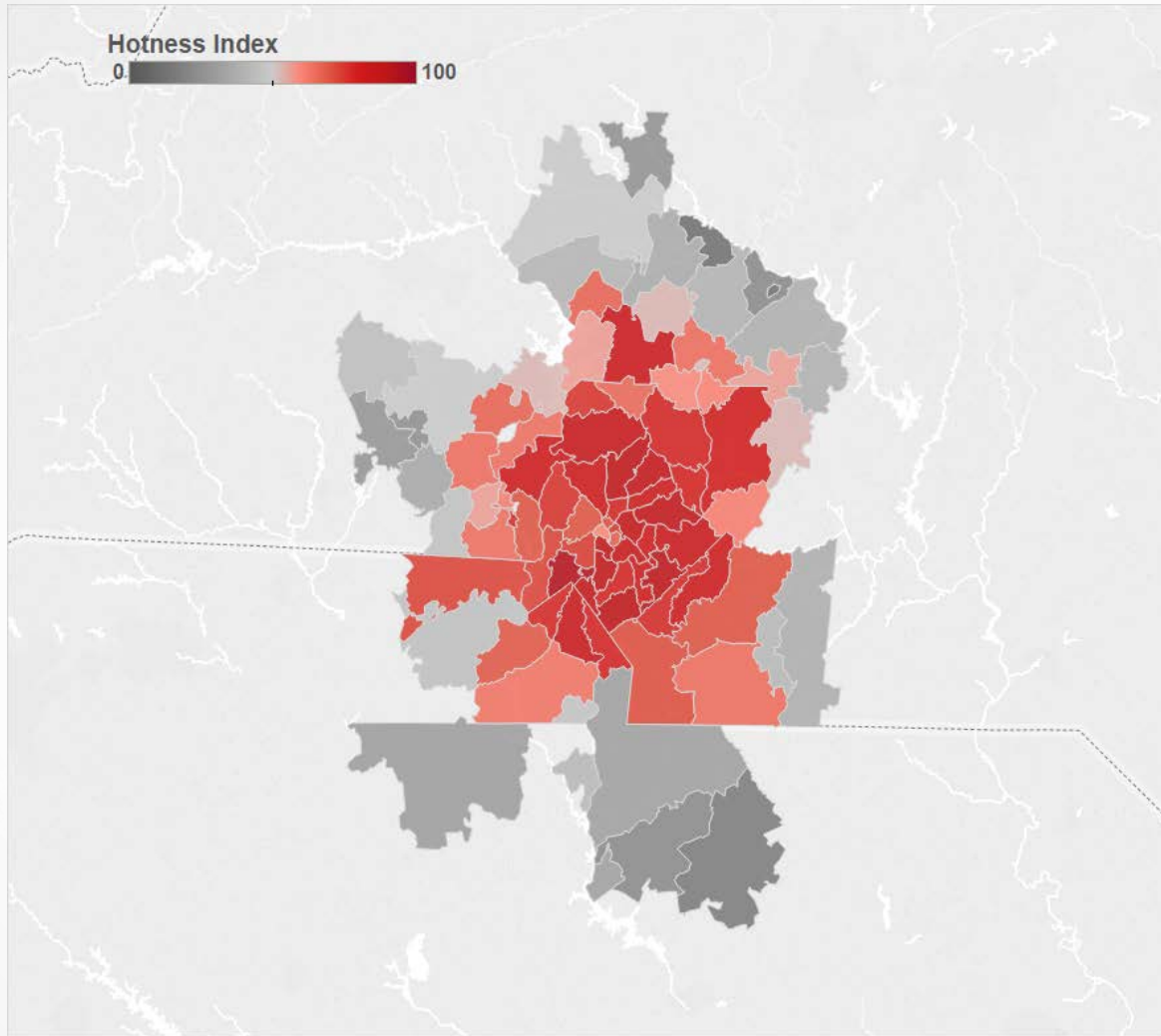
Active listings are down 12% y/y (February 2016)



Active Inventory by Zip Code			
		2016 February Active Listings	YY Change
28117	Mooresville, NC	430	-11%
28173	Waxhaw, NC	405	2%
29732	Rock Hill, SC	384	-38%
28078	Huntersville, NC	360	-13%
28144	Salisbury, NC	327	-10%
29720	Lancaster, SC	314	-17%
28269	Charlotte, NC	307	-16%
29708	Fort Mill, SC	307	2%
28277	Charlotte, NC	305	-20%
29707	Fort Mill, SC	275	0%

# HOTTEST ZIPS IN CHARLOTTE Q4 2015

Based on Supply and Demand

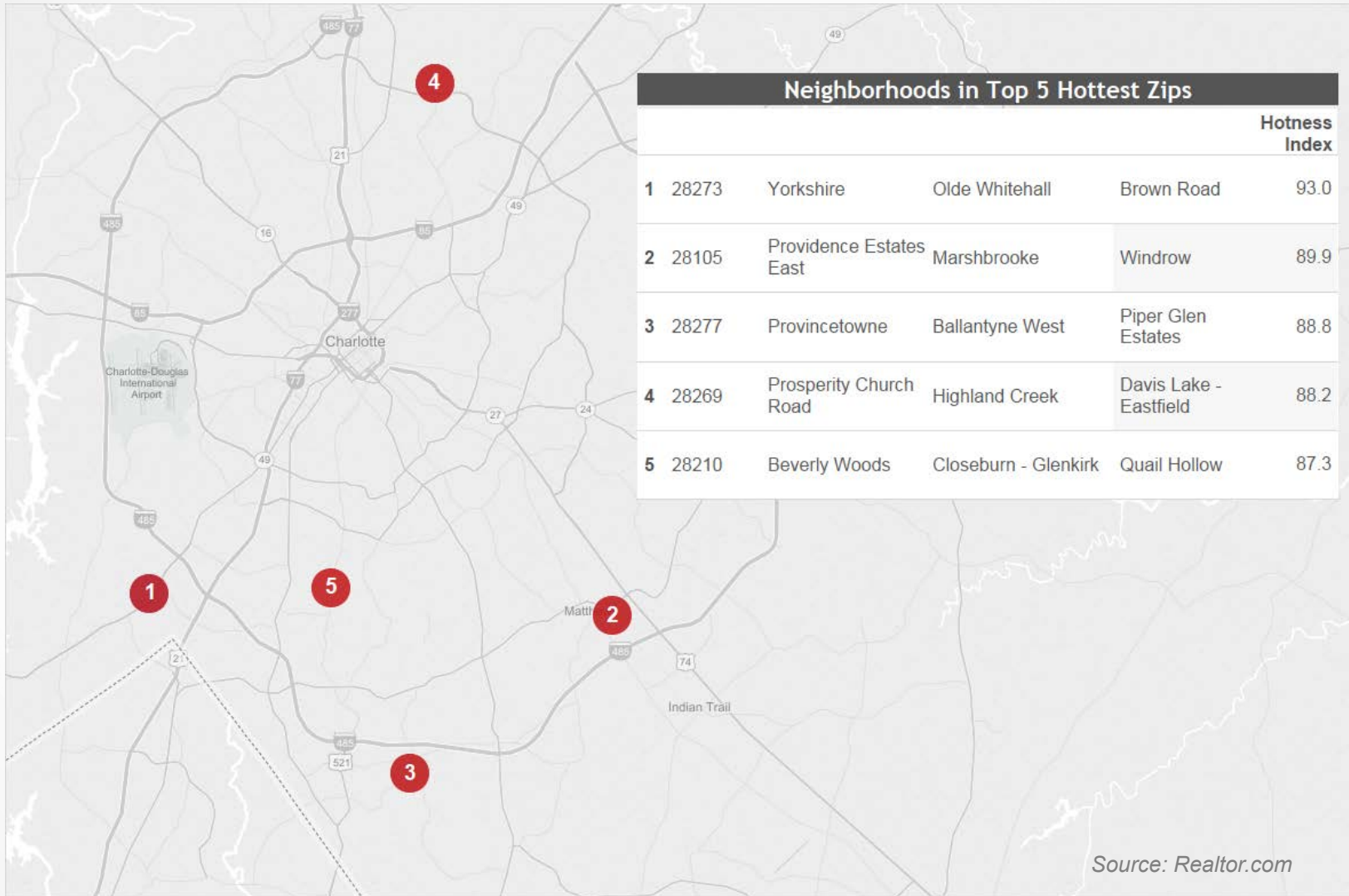


Top 10 Hottest Zips			Hotness Index
1	28273	Charlotte, NC	93.0
2	28105	Matthews, NC	89.9
3	28277	Charlotte, NC	88.8
4	28269	Charlotte, NC	88.2
5	28210	Charlotte, NC	87.3
6	28209	Charlotte, NC	87.1
7	28205	Charlotte, NC	86.9
8	28134	Pineville, NC	86.7
9	28215	Charlotte, NC	86.6
10	28262	Charlotte, NC	86.4

Source: Realtor.com

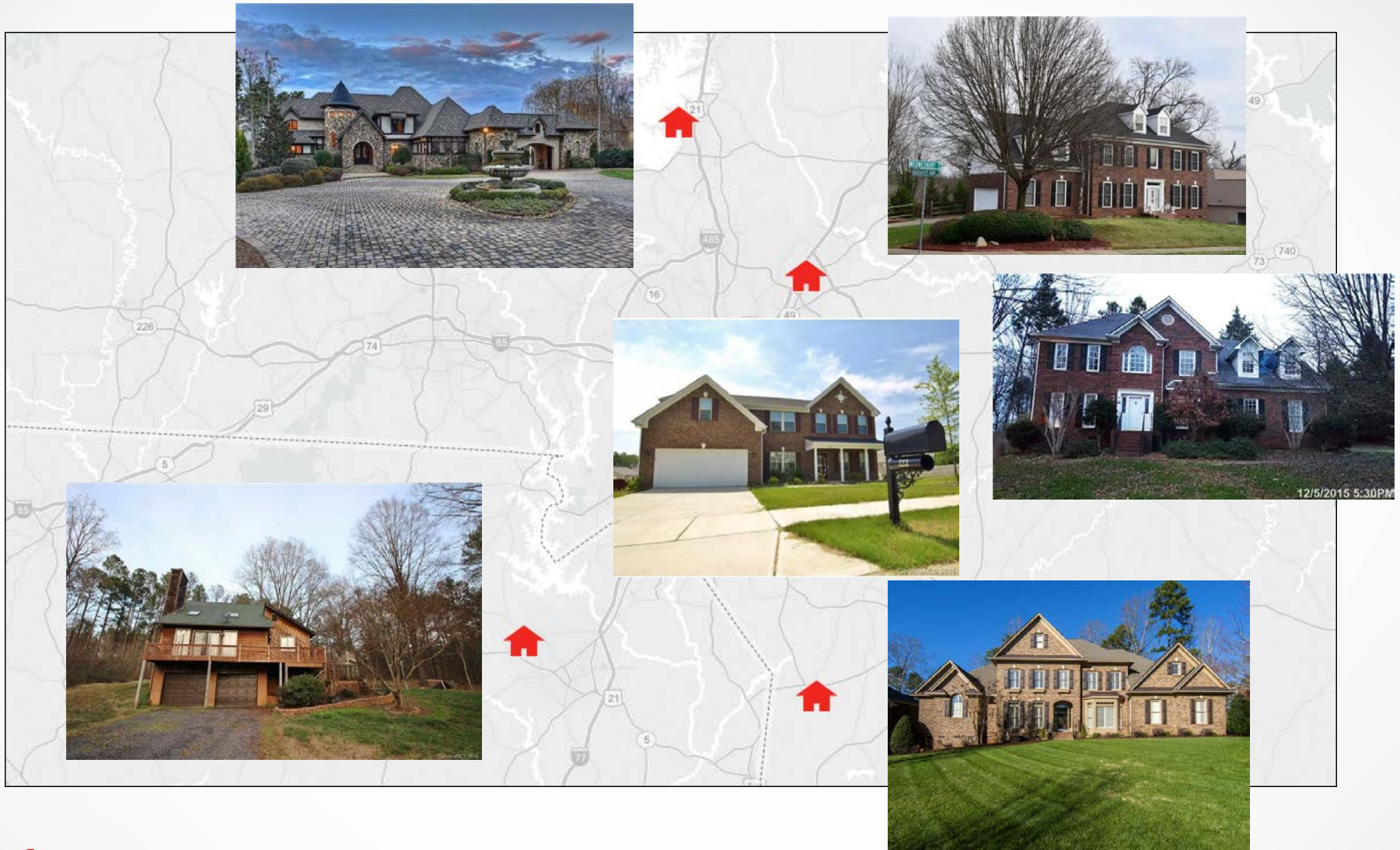
# FOCUS ON CHARLOTTE HOTTEST ZIPS

## Neighborhoods in top 5 hottest zip codes



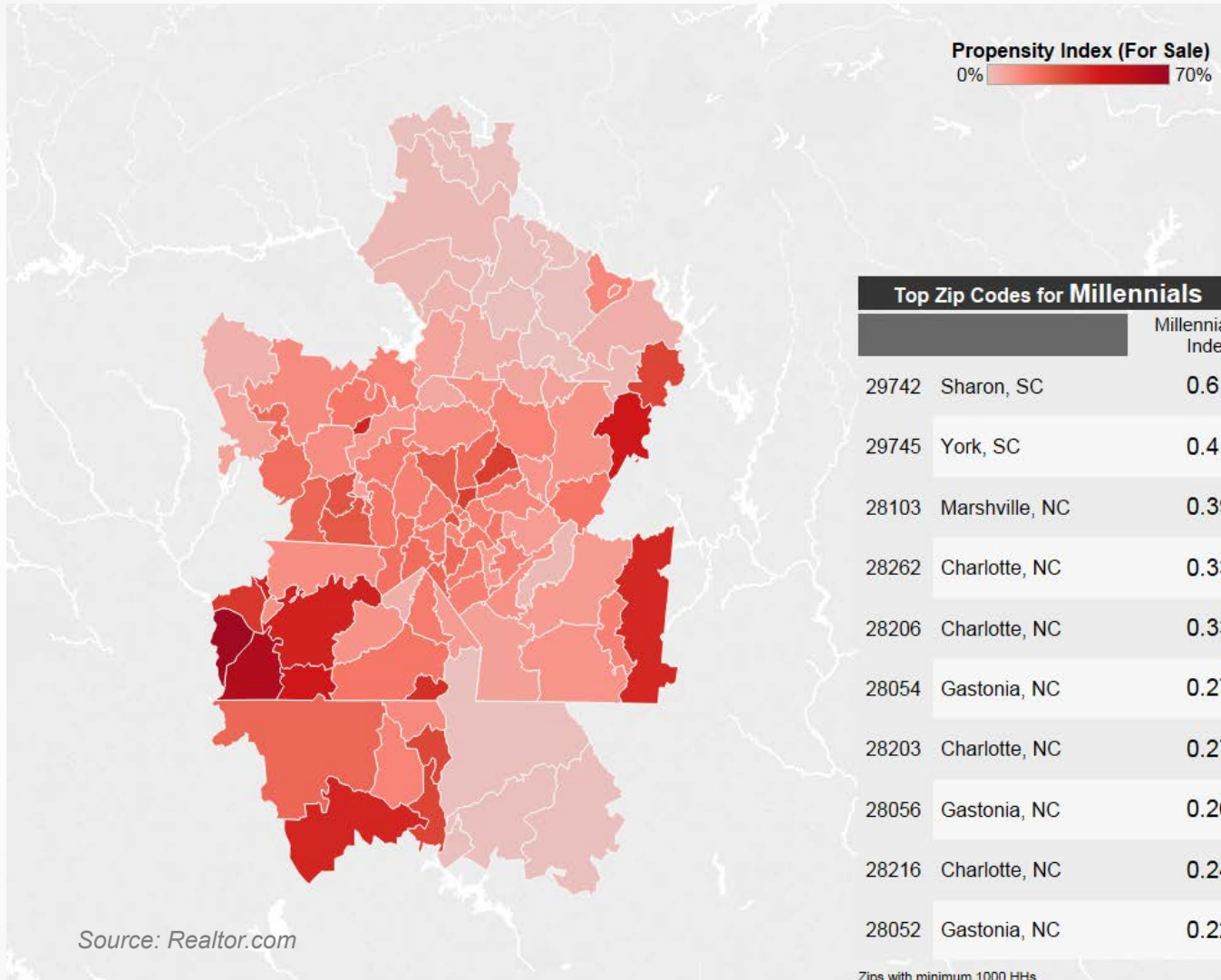
# HOTTEST HOMES LAST 90 DAYS

Top homes in Charlotte get 50-100 more views per month



# MILLENNIAL PROPENSITY

25-34 interest relative to other age groups (Q4 2015)

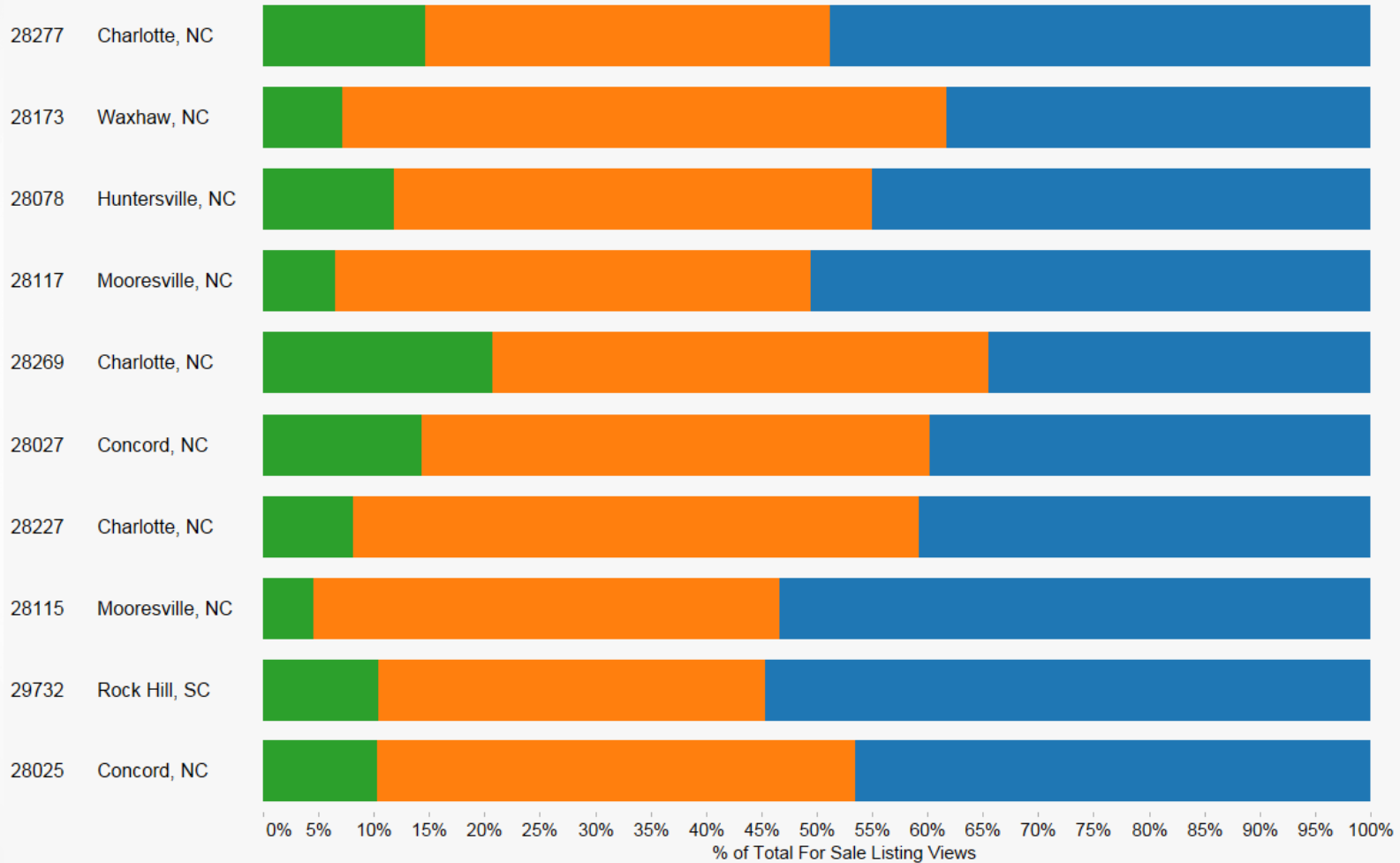


# INTEREST IN LARGEST ZIPS

## Generational interest for largest zips (Q4 2015)

### Generation

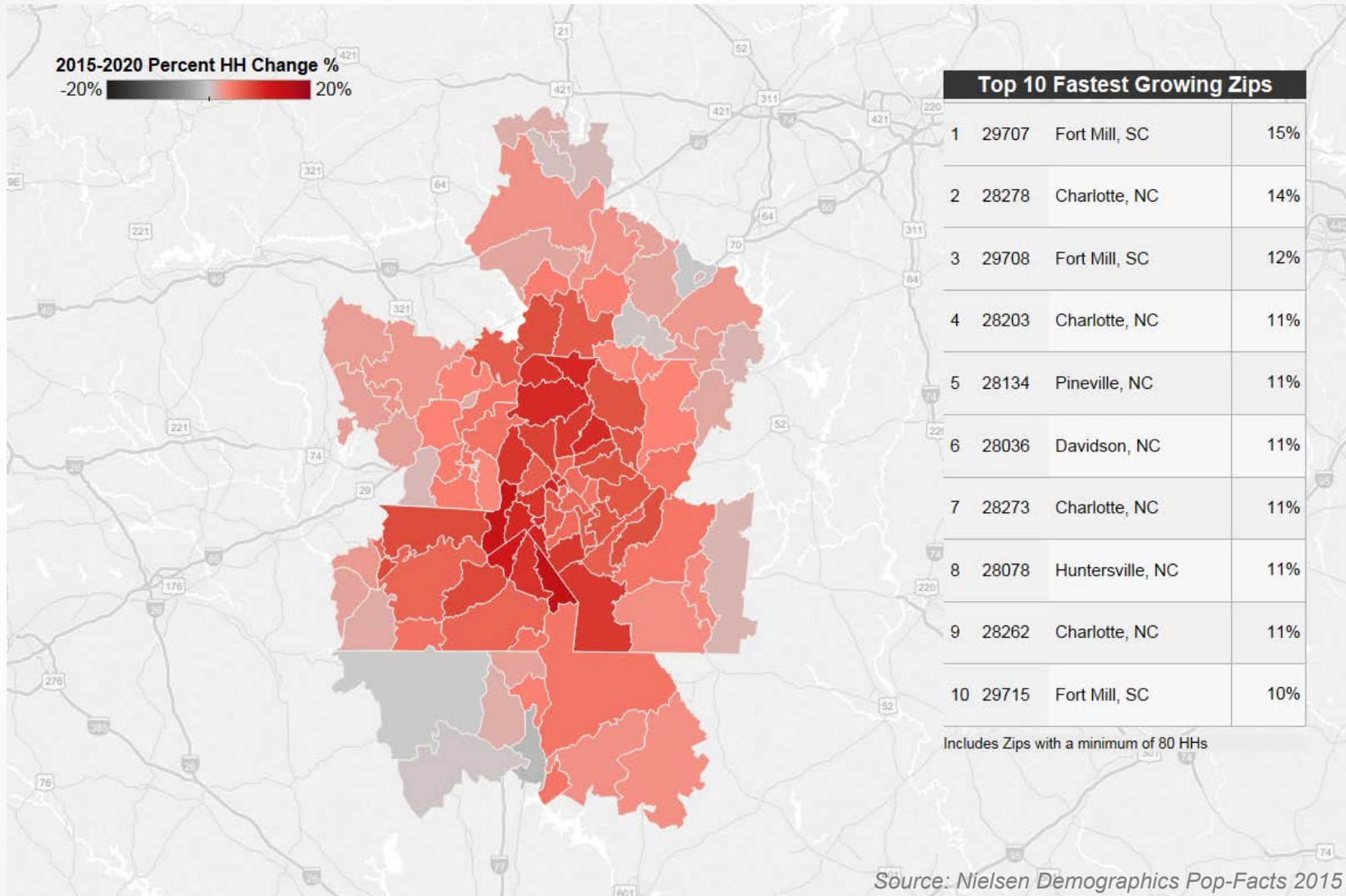
Millennials GenX Boomers



Source: Realtor.com

# HOUSEHOLD GROWTH 2015-2020

Many areas expected to grow 10%+





# THIS IS MY KIND OF SPIN...

## Courtesy of DJ Smokey Smoke

1. Rents are rising, it's cheaper to buy a home in 77% of the country, and real estate is viewed very positively, especially by young people—owning is cool again. Welcome to My House!

 *My House* by Flo Rida

2. Planning to buy in 2016? Don't mess around. More than 85% of buyers who plan to purchase in 2016 are focused on the spring and summer.

 *Mess Around* by Cage the Elephant

3. The world's pain is the real estate market's gain—rates have fallen and increased buying power. Whatcha gonna do with that dessert?

 *Dessert* by Dawin

4. We all benefit from the occasional Smoke break.

 *Smoke Break* by Carrie Underwood

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