



THE RESIDENTIAL REAL ESTATE MARKET

Charlotte Regional Realtor® Association
Carolina Multiple Listing Services, Inc. (CMLS)
August 25, 2011

The Charlotte Regional Realtor® Association is the trade association which represents more than 6,000 Realtors® who operate within the 10-county Carolina Multiple Listing Service, Inc. service area.

All housing data contained within this presentation is as reported to:

- 1. National Association of Realtors®**
- 2. North Carolina Association of Realtors® and**
- 3. CMLS**

Other sources of information for this presentation include data from:

- 1. U.S. Department of Commerce and Wells Fargo Securities**
- 2. The Conference Board Consumer Research Ctr.**
- 3. U.S. Department of Labor, Moody's Economy**
- 4. N.C. Administrative Courts and Realtytrac.com**
- 5. Charlotte Chamber of Commerce**
- 6. Charlotte Regional Partnership**



Charlotte Regional Realtor® Association

- 501(c)(6) professional trade association
- Owned by and governed by Realtors®
- Association leads, educates and equips members to be productive
- 6,000 members

THERE'S A DIFFERENCE BETWEEN REALTORS® AND REAL ESTATE AGENTS

- Realtors® adhere to and operate under the National Association of Realtors® (NAR) Code of Ethics



The Charlotte Regional Realtor® Association is a 501 (c)6 professional trade association that is owned and governed by Realtors®. It is the primary local association for Realtors® in Mecklenburg and Iredell counties.

- **The association's mission is to lead, educate and equip members to be productive.**
- **Currently the association has more than 6,000 Realtor® members.**
- **There is a difference between Realtors® and real estate agents. Realtors® are members of the National Association of Realtors® and adhere to a code of ethics.**



Carolina Multiple Listing Services, Inc.

CHARLOTTE REGIONAL REALTOR® ASSOCIATION

Largest regional MLS between Northern Virginia and Atlanta; 7,300 CMLS
Subscribers serving 10 counties in the surrounding area

Alexander

Anson

Cabarrus

Gaston

Iredell

Lincoln

Mecklenburg

Montgomery

Stanley

Union

City of Kannapolis

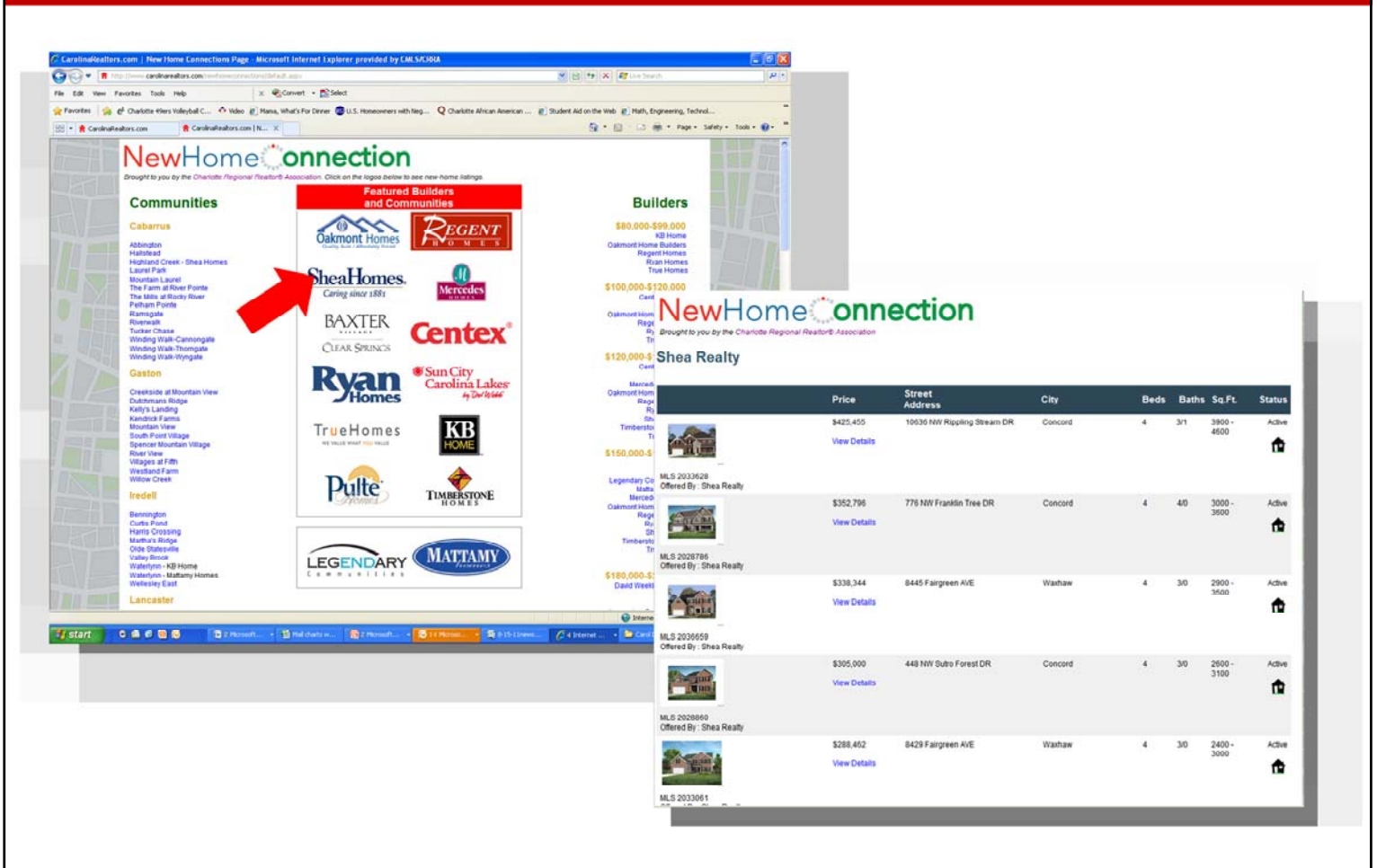
CMLS is owned by and governed by Realtors®

CMLS is a cooperative where members agree to cooperate and compensate one another in an effort to find a perfect fit (buyers and sellers) for their clients

Carolina Multiple Listing Services, Inc. (CMLS) is a wholly owned subsidiary corporation of the association, which is owned and governed by Realtors®.

- **It is the largest regional MLS between Northern Virginia and Atlanta with about 7,000 CMLS Subscribers serving 10 counties in the surrounding area.**
- **It is not a public utility and cannot be accessed directly by the public.**
- **CMLS Subscribers use CMLS to access thousands of residential listings in the CMLS service area, which includes any area or portion of an area in which a Subscriber might be able to effectively deliver service to a potential client or customer.**

NEW HOME CONNECTION WEBSITE AND EBLAST



The New Home Connection Web site and eblast are tools that many CMLS Subscribers use to communicate with our Realtor® members.

Website

- Due to builders' desire to get in front of Realtors® and Realtors' desire to access new-home construction information all in one place, we created the New Home Connection Website earlier this year.
- This site contains paid placement for new-home builders to showcase their communities by area and homes by price point.
- The Featured Builder and Communities area in the center includes links to builders' current inventory in the MLS.
- This site is accessible by members only, so the public cannot see any of this information.

New Home Connection eBlast

- Every other Thursday, we compile an eblast of builders who pay to highlight their incentive programs, new communities and offers targeted to Realtors®.
- The eBlast is delivered directly to more than 6,000 Realtors®.
- On average 18% of our members open and read the eblasts

For more info contact: Melissa Brunner, Advertising & Sponsorships



Position and educate Realtors[®] as leaders, promote homeownership and provide funding to create housing opportunities.

Realtors[®] Care Day
Community Grants Program
Habitat Support Program
Humanitarian Award
Workforce Housing Certificate Program
CarolinaHomePrograms.com

Funding Education Leadership Advocacy

The Housing Opportunity Foundation is the charitable arm of the Charlotte Regional Realtor[®] Association. The foundation provides support and funding on a charitable and educational basis for housing opportunities for all.

- **Realtors[®] Care Day**, one of the foundation's largest annual initiatives, is held in April during National Fair Housing Month. Each year more than 600 area Realtors[®] have helped with all-day home-repair projects for 90 homeowners in Mecklenburg and Iredell counties.
- The foundation also has other initiatives that provide funding to area nonprofits.
Community Grants Program
Habitat Support Program
Humanitarian Award
- The foundation also facilitates the **Workforce Housing Certificate Program**, which serves to educate Realtors[®] about fair and affordable workforce housing, and teaches them how to work with first-time homebuyers and clients purchasing in the affordable price range (80 percent of the median income).
- Last year, the foundation partnered with the National Association of Realtors[®] and various community organizations to launch **CarolinaHomePrograms.com**, a free, accessible online tool that helps homebuyers identify sources of funds and educational tools to assist in the home-buying process.



What is Mingle School of Real Estate?

In 1992, the association purchased the Mingle School of Real Estate.

The Mingle School provides professional-development opportunities for the public and Realtors® by offering a variety of education classes.

- Broker Pre-Licensing Classes
- Broker Post-Licensing Classes
- Continuing-Education Classes (classroom and online)
- Appraisal Classes (Continuing Education)
- National Association of Realtors®-approved designations

“Let our experience be your best teacher.”

The Mingle School of Real Estate is the official school of real estate for the Association and one of the oldest real estate schools in the area.

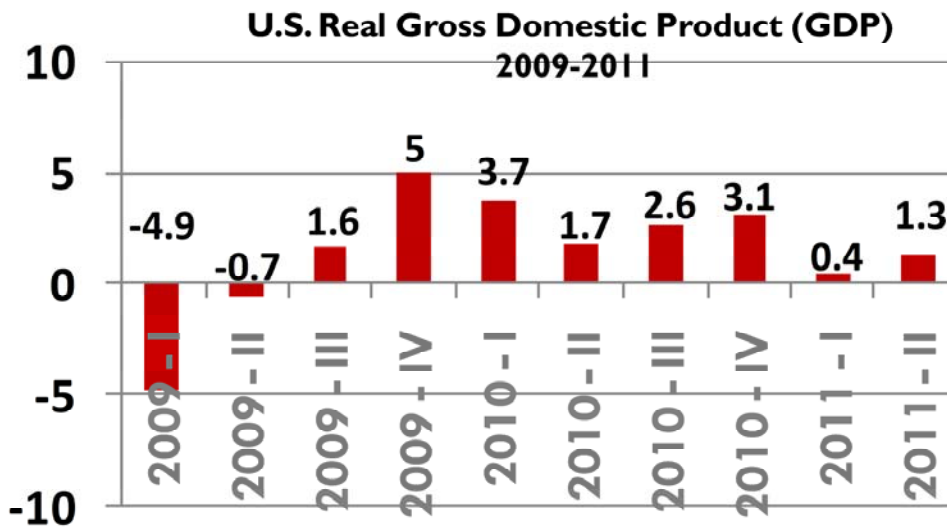
- The Mingle School of Real Estate achieved an 84 percent pass rate July 1, 2010 to June 30, 2011. Eighty-one out of 96 first-time candidates who took the NC real estate licensing exam within 180 days of completing the approved pre-licensing course at Mingle passed the exam.
- Five of Mingles instructors hold the prestigious Distinguished Real Estate Instructor or DREI designation from the Real Estate Educators Association and several Mingle instructors have recently been recognized by the NC Real Estate Commission and the NC Real Estate Educators Association.
- Mingle is fortunate to also have an instructor who has been designated a Master Instructor through the National Association of Realtors®.

FACTS AND FIGURES

The Nation ♦ N.C. ♦ The CMLS Service Area ♦ Mecklenburg County

NATIONAL ECONOMIC OVERVIEW

SLOW RECOVERY UNDERWAY?



- Eight consecutive quarters of growth.
- 1st quarter 2011 GDP was forecasted for 3.4% growth; the “advanced rate” was 1.8 %
- actual GDP was 0.4%
- 2nd quarter 2011 GDP “advanced rate” was 1.3%



Sources: Wells Fargo Securities, U.S. Dept. of Commerce

National economists concluded the recession ended during the summer of 2009.

- The economy has experienced eight consecutive quarters of growth and recovery in the U.S. GDP rate. This growth started during third quarter of 2009, and has risen consistently through 4th quarter 2010.
- Growth during first and second quarter has been slow, with first quarter 2011 forecasted to have 3.4 percent growth. However, the preliminary rate given at the end of the quarter was revised lower to 1.8 percent.
- Once the quarter ended, the actual rate was found to have been only four tenths of a percent. Second quarter’s preliminary rate is not much better at 1.3 percent.
- The economy is still recovering slowly and forecasted rates for 3rd and 4th quarter will probably also be revised.
- The U.S. has lost 8.4 million jobs since the recession began two years ago.

NATIONAL ECONOMIC OVERVIEW

SLOW RECOVERY UNDERWAY?

Recent Unemployment Figures

U.S. (July 2011)	N.C. (July 2011)	Mecklenburg (June 2011)	Iredell (June 2011)
9.1% ↓ (compared to July 2010)	10.1% ↓ (compared to July 2010)	11.1% ↔ (compared to June 2010)	11.1% ↓ (compared to June 2010)
↔ Compared to previous month	↓ Compared to previous month	↑ Compared to previous month	↑ Compared to previous month

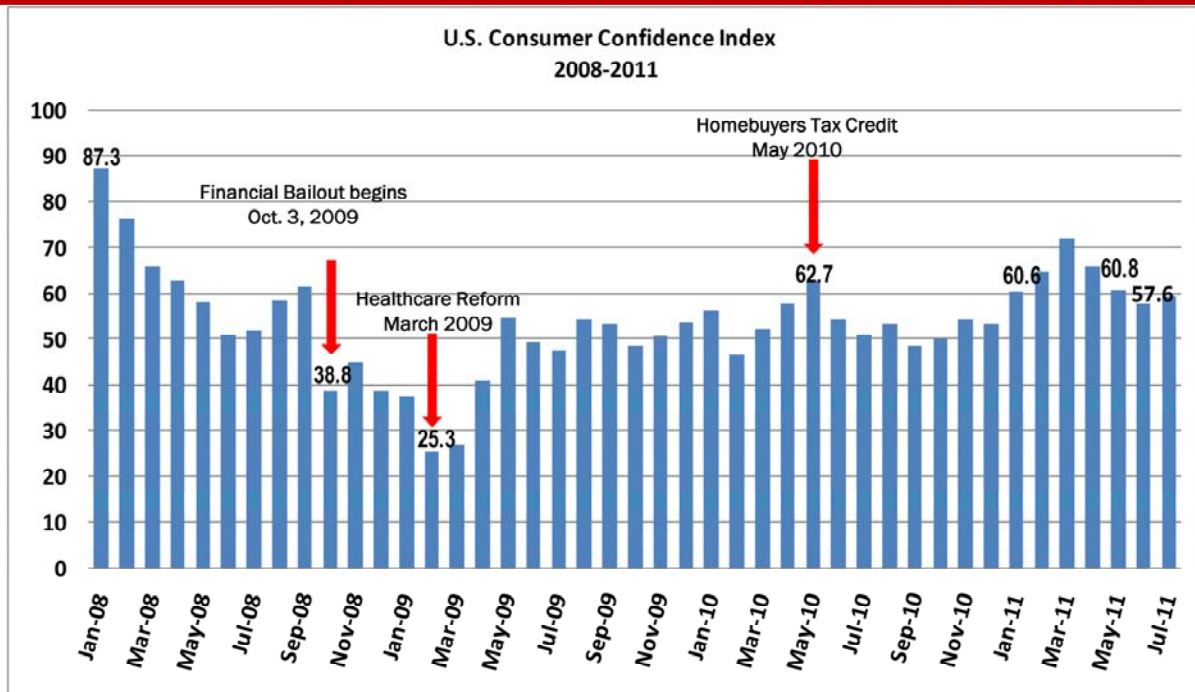
Source: U.S. Dept. of Labor, Employment Security Commission of N.C.
 * U.S. & state unemployment figures are released in advance of county figures

Unemployment has been unusually high over the last two years.

- Current U.S. unemployment is 9.1 percent, which is down compared to last July but has been flat for most of the summer.
- North Carolina's unemployment rate of 10.1 percent shows unemployment has come down since last year –and since last month.
- Mecklenburg county and the surrounding counties are also suffering through persistently high unemployment.
- Figures for July have not been released for Mecklenburg or Iredell county at the time of this report but June's rate for both counties was 11.1 percent.

U.S. Consumer Confidence

"Consumers' assessment of conditions weakened further in July..."



"...concerns about the labor market continue to weigh on consumers' attitudes. Overall, consumers remain apprehensive about the future, but some of the concern expressed last month (June) has abated."

Lynn Franco, Director,
Conference Board Consumer Research Ctr.

Consumer Confidence and sentiment has also been a factor that has impacted spending and the housing sector. This chart shows the U.S. Consumer Confidence Index since January 2008. Consumer confidence is the degree of optimism that consumers feel about the overall state of the economy, their personal financial situation and income stability related to spending activity.

- Consumer Confidence was high in January 2008 at about 87.3. For most of 2007 and 2006, however, the index was at 100 points or above.

- The Consumer Confidence Index also draws a correlation between past events and the index. For example, consumer confidence fell dramatically when the financial bailout began in October 2008 and was at its lowest when healthcare reform was being worked on in March 2009.

- In May 2010 at the close of the homebuyer tax credit, the index rose to 62.7, and currently, the confidence level has dropped to where it was at the beginning of 2011.

- The drop in confidence in July could be due to debt ceiling talks. Concerns over unemployment and the future economy are persistent concerns for consumers.

Risks to the Housing Outlook

Four Issues to Watch in 2011

1. Washington

- FHA loans
- Mortgage Interest Deduction
- Qualified Residential Mortgages (requires 20% down payments)

2. Foreclosures

- Moratoriums
- Difficulties with processing

3. Lending standards & rates

- Tighter lending standards
- Difficulty obtaining credit

4. Jobs

- Lingering unemployment
- Job creation



5. Negative headlines and news

Source: Wall Street Journal – Dec. 29, 2010

In December 2010, the Wall Street Journal announced four issues to watch in 2011.

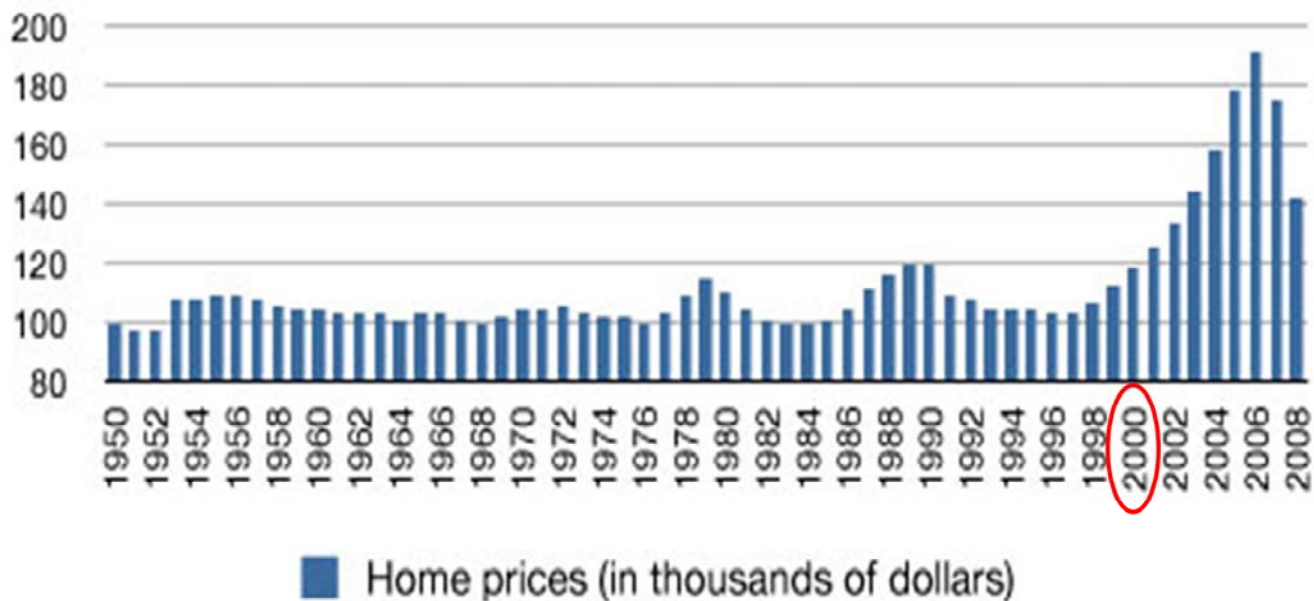
1. Washington
 - Fannie Mae
 - Freddie Mac
 - Qualified Residential Mortgage regulation
 - Mortgage Interest Deduction

April 2010 data from the National Association of Realtors® showed that only 1 out of every 5 first time homebuyers needing a mortgage can afford 20% down which is what the Qualified Residential Mortgage regulation would require.

NAR data released in the spring of this year, further showed that 56% of entry level buyers financed with FHA loans.

2. Foreclosures
 - Moratoriums
 - Difficulty processing
3. Lending Standards
4. Jobs

THE HISTORY OF HOUSING AS AN INVESTMENT

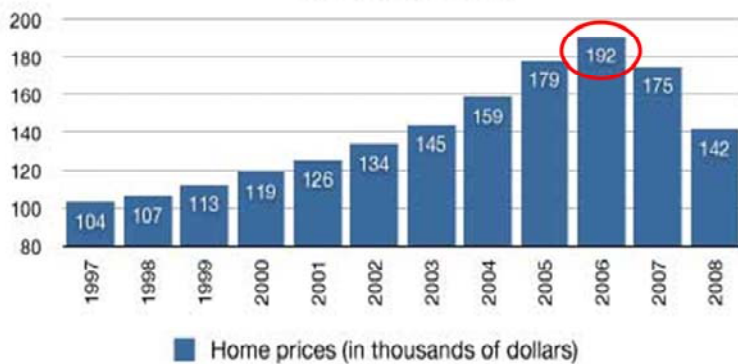


Source: Economist Robert Shiller, Yale University

A look at home prices from 1950 to 2008

- From 1950 until about 2000, home prices remained relatively stable and in the same range, with upticks in the late 1970s and early 1990s.
- By the year 2000 home prices rose quickly – peaking in 2006 followed by sharp declines in 2007 and 2008.
- Since 2008, home prices have continued to decline in an effort to stabilize.

THE BUBBLE DECADE



The housing bubble began in 1998, peaked in 2006 and burst in 2007.

RETURN ON INVESTMENT
Jan. 1, 2000-May 31, 2010



Source: MSN Money.com, Economist Robert Shiller, Steve Harney June 2010

- The bubble began in 1998, peaked in 2006 and burst over 2007 and 2008.
- According to Economist Robert Shiller, an investment of \$100,000 dollars this past decade, would have you in the hole depending on whether you'd invested in stocks, bonds or in real estate as displayed by the green bar.
- Real estate is still a wise investment.
- In a white paper released in fourth quarter 2010, Wells Fargo acknowledged that the long-term questions about the viability of homeownership appear to be exaggerated. It even cited surveys by the National Association of Realtors® that shows that a large proportion of the population continues to believe that housing is a good investment.

RETURN on Investment

Jan. 1, 2000-May 31, 2010

Investment	Return on investment	%change
DOW	Less than \$95,000	-11.8%
S&P 500	Less than \$80,000	-17.7%
Nasdaq	Less than \$60,000	-44.8%
Real Estate	Up almost \$50,000	+43.4%

National Outlook 2011 EXISTING HOME SALES

July 2011

Existing-home sales totaled 4.67 million in July 2011



July 2011 U.S. Average Sales Price \$224,200
(July 2011 U.S. Median Sales Price \$174,000)

- Investors accounted for 18% of transactions in July 2011 compared to 19% in July 2010.
- All-cash sales accounted for 29% of transactions in July 2011
- First-time homebuyers purchased 32% of homes in July 2011, up from 31% in June 2011. First-time homebuyers purchased 38% of homes in July 2010.
- Total housing inventory decreased in July 2011 to 9.4-months supply of homes – up from 9.2-months supply in June 2011.
- Distressed homes accounted for 29% of sales in July 2011; down from 32% in July 2010 and down from 30% in June 2011.

National Housing Indicators

- Existing-home sales totaled approximately 4.6 million this past July, an increase of 21 percent compared to July 2010.
- July's data is down slightly compared to June 2011.
- The average sales price of homes this past July was \$224,000 -- down 3 percent compared to the same period last year and flat with June 2011.
- Investors accounted for 18 percent of transactions and first-time homebuyers purchased 32 percent of all homes in July.
- The National Association of Realtors[®] shows a 9.2-month supply of resale home inventory. (Buyer's Market) Inventories must be reduced to about a 6- to 7-month supply in order to return to a seller's market. Locally, CMLS inventory is approximately 12 months of supply.
- Distressed home sales accounted for 29 percent of sales in July, down from 32 percent compared to last year and down compared to the previous month.

North Carolina 2011 EXISTING HOME SALES

RECAP End of Year 2010

Total homes sold in all of 2009 --- 81,217

Total homes sold in all of 2010 --- 80,568

-1.0%
2009

1.0%
2009

Avg. Sales Price for all of 2010 --- \$203,071

July 2011

Total homes sold in July 2011 --- 7,487

11.1%
July
2010

-11.0%
June
2011



July 2011 Average Sales Price --- \$205,656

-3.0%
July
2010

Source: North Carolina Association of Realtors®

North Carolina Housing Indicators

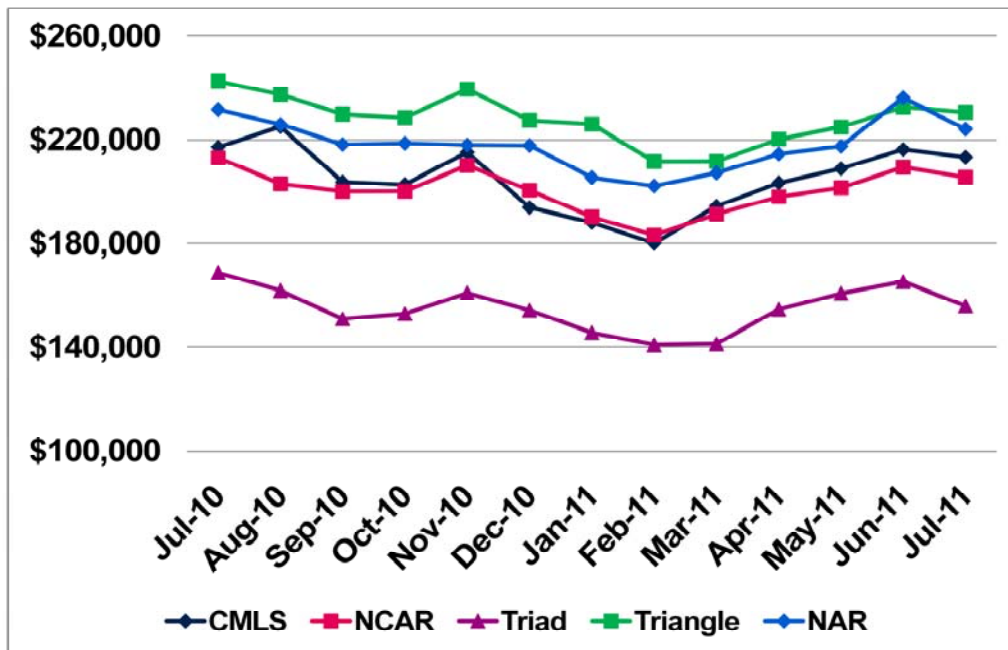
- At year end 2010 there were approximately 80,500 total homes sold in 2010 across the state, down one percent compared to 2009.
- The average sales price in North Carolina for all of last year was approximately \$203,000.
- In July 2011, there were about 7,400 homes sold in North Carolina. This is up 11 percent compared to last July and down compared to June 2011.
- The average sales price in North Carolina in July was \$205,000 – down 3 percent compared to prices in North Carolina a year ago.

Average Sales Price

July 2010- July 2011



Charlotte Regional Realtor[®] Association



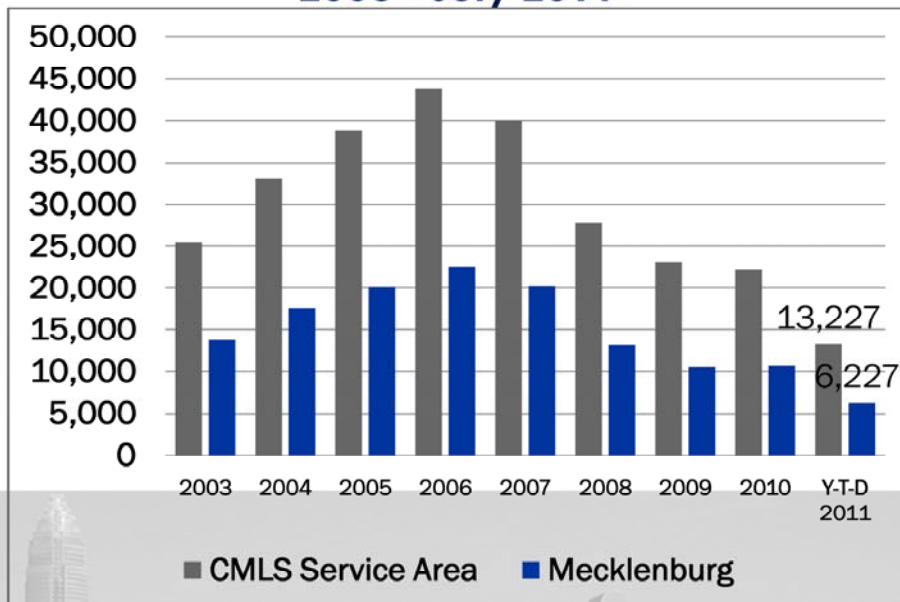
Sources: Carolina Multiple Listing Services, Inc., N.C. Association of Realtors[®] and National Association of Realtors[®]

The CMLS 10-county service area's average sales price over the last year compared to the state, the Triad, the Triangle and the National Association of Realtors[®] or U.S. average sales price.

- The black line represents the average sales price in the CMLS region. Prices in our region are trending closely with prices across the state as represented by the red line.
- The average sales price in the Triangle, as indicated by the green line, shows sales prices in that area trending a bit higher than prices in the CMLS service area, and more in line with prices nationally, as indicated by the light blue line.
- Sales prices in the Triad remain well below the nation, the state and the region.
- Prices overall compared to last year show a steady rise for the first half of the year. Since June prices seem to be trending down slightly.

THE CMLS SERVICE AREA and MECKLENBURG COUNTY

Homes Sold in CMLS Service Area and Mecklenburg County 2003 - July 2011



Charlotte Regional Realtor Association

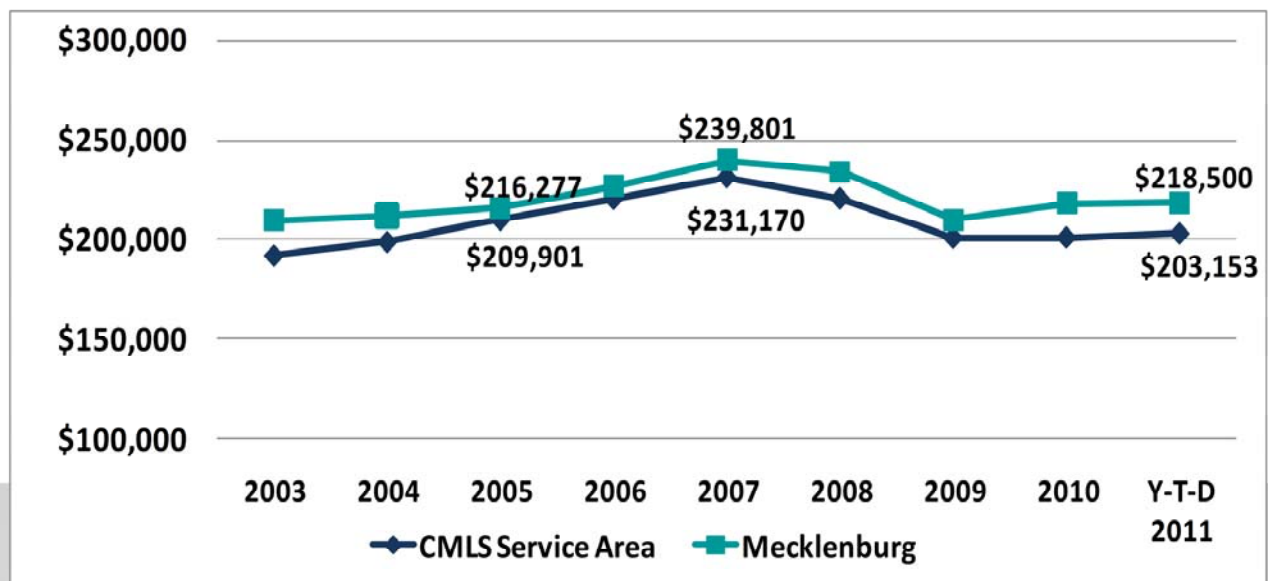
Source: Carolina Multiple Listing Services, Inc.

A comparison of total number of homes sold in the service area compared to the total number of homes sold in Mecklenburg County since 2003.

- 2006 shows peak sales activity in the service area with 43,700 closings.
- Mecklenburg County accounted for nearly 51 percent of these sales.
- Since 2006, sales activity has declined about 49 percent, with Mecklenburg County's 2010 closings accounting for about 48 percent of all sales transactions in the 10-county service area.
- Y-T-D activity shows activity and pacing in line with 2010.

THE CMLS SERVICE AREA & MECKLENBURG COUNTY

Average Sales Price CMLS Service Area and Mecklenburg County 2003 - July 2011



Charlotte Regional Realtor[®] Association

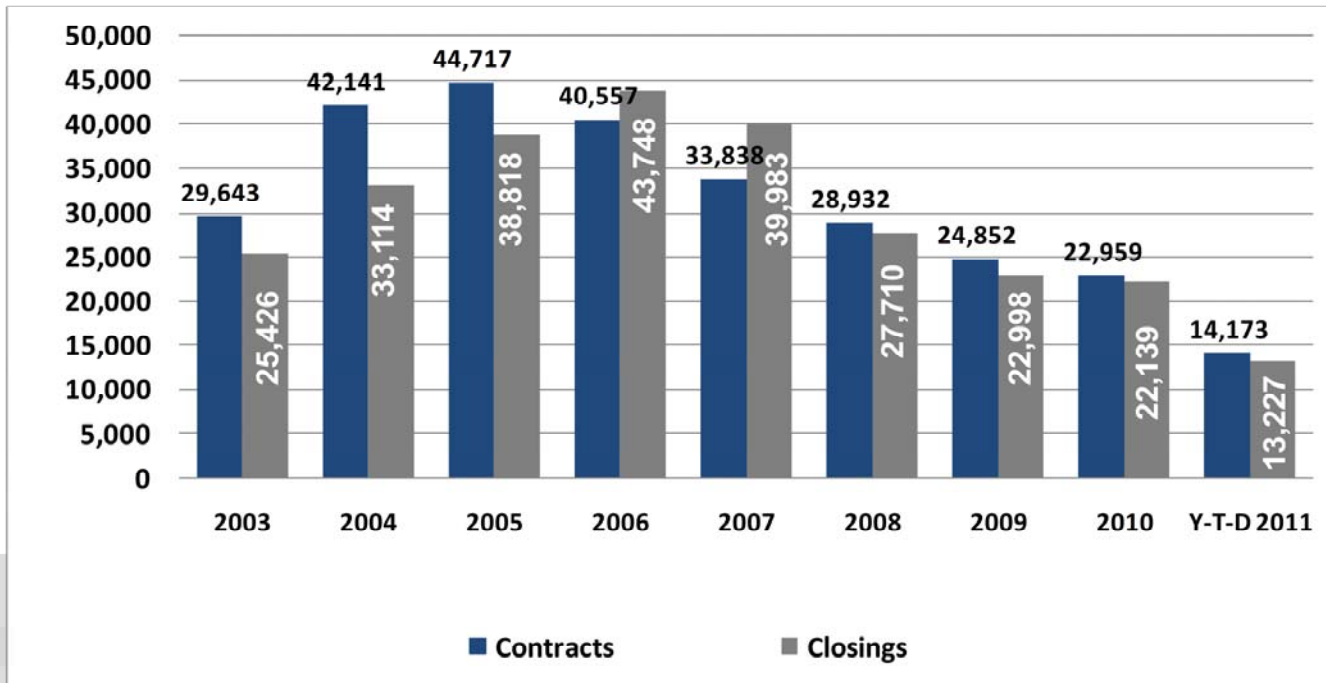
Source: Carolina Multiple Listing Services, Inc.

The average sales price in the region compared to the average sales price in Mecklenburg County since 2003

- The average sales price in the county remains slightly higher than the region.
- The last chart showed closings peaking in 2006; however, average sales prices peaked in 2007.
- Since the peak, CMLS's average sales price in 2010, which appears to be leveling off or stabilizing, is down about 13 percent from the peak.
- The average sales price at the close of 2010 for Mecklenburg County was down 8.9 percent compared to the peak.
- The current trend in the first half of the year show prices remaining level and steady and in the range of where pricing was in this market during 2005.

THE CMLS SERVICE AREA

Pending Contracts & Closings



Charlotte Regional Realtor Association

Source: Carolina Multiple Listing Services, Inc.

Pending contracts and closings for the CMLS Service area since 2003.

- Pending contracts are typically a good gauge of future sales activity.
- The chart shows phenomenal pending contract activity in 2004 and 2005, which drove sales in our area to peak in 2006.
- Currently, pending contract activity seems to be trending alongside closings.
- Pending contracts remain elevated for the first half of the year which at this point, could be a sign of increased difficulties at closing rather than future sales.

Entire CMLS Area

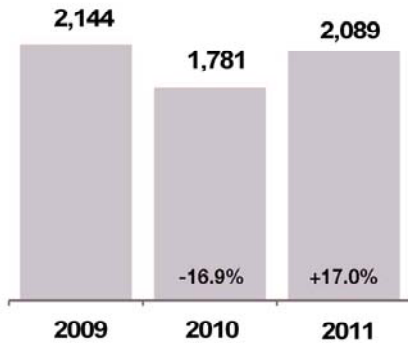
Pending Sales

A count of the properties on which contracts have been accepted in a given month.

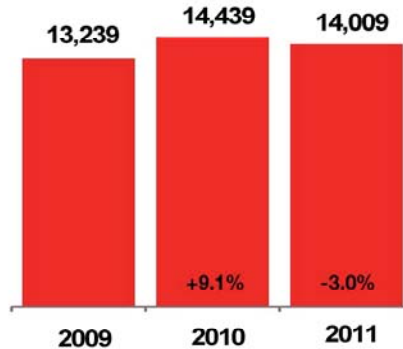


Charlotte Regional Realtor Association

July

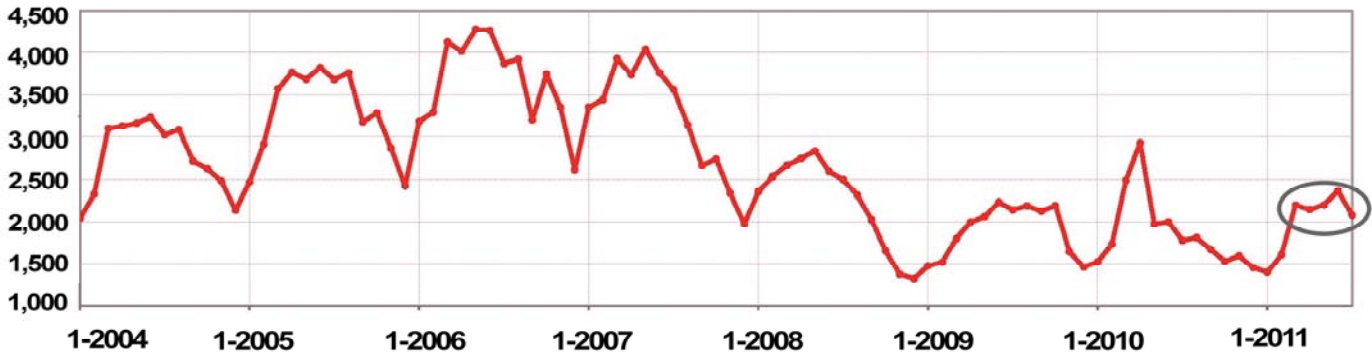


Year To Date



Month	Prior Year	Current Year	+/-
August	2,191	1,814	-17.2%
September	2,126	1,675	-21.2%
October	2,194	1,533	-30.1%
November	1,648	1,597	-3.1%
December	1,463	1,456	-0.5%
January	1,528	1,400	-8.4%
February	1,736	1,613	-7.1%
March	2,492	2,199	-11.8%
April	2,930	2,148	-26.7%
May	1,974	2,202	+11.6%
June	1,998	2,364	+18.3%
July	1,781	2,083	+17.0%
12-Month Avg	2,005	1,840	-8.2%

Historical Pending Sales Activity



CMLS Monthly Indicators report showing pending contract activity for the entire CMLS area.

- Pending contracts for the past three months in 2011 show an increase compared to the same period a year ago (May 2011, +11.6%; June 18.3%; July 2011, 17.0%).
- Last year's demand was influenced by the tax credit. This year the local market is recovering without stimulus under tighter lending standards.
- The bottom line graph shows contract activity since 2004 – with 2nd quarter activity in the range of late 2003 and early 2004.

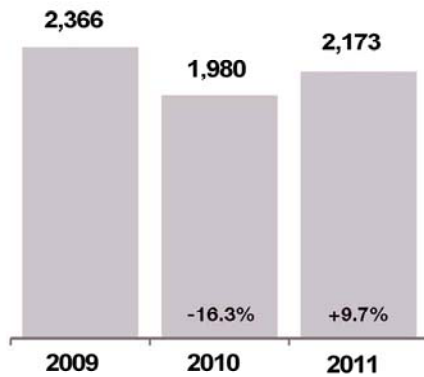
Entire CMLS Area Closed Sales

A count of the actual sales that have closed in a given month.

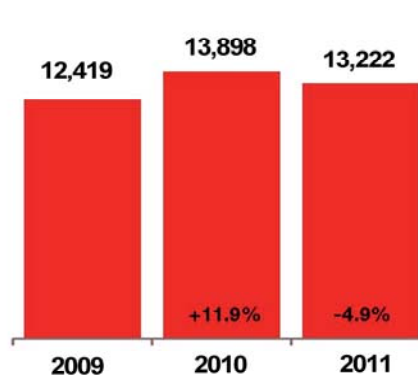


Charlotte Regional Realtor Association

July

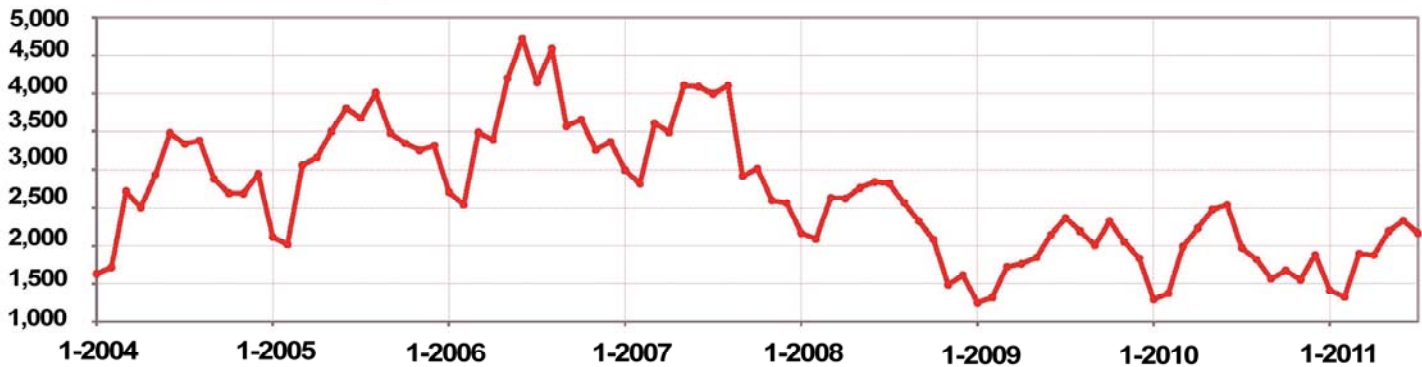


Year To Date



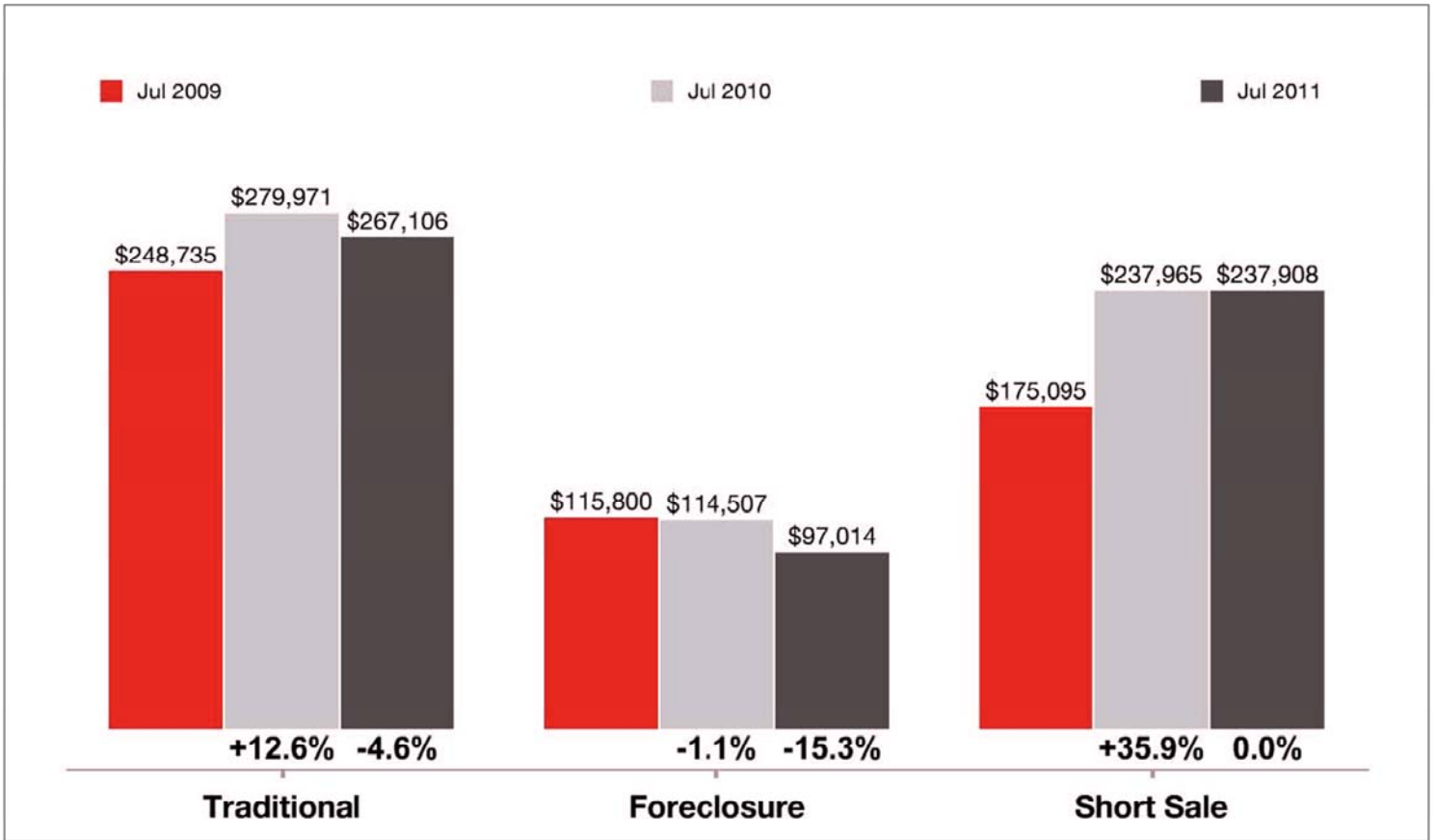
Month	Prior Year	Current Year	+/-
August	2,195	1,822	-17.0%
September	2,012	1,564	-22.3%
October	2,327	1,674	-28.1%
November	2,057	1,551	-24.6%
December	1,842	1,884	+2.3%
January	1,297	1,411	+8.8%
February	1,372	1,329	-3.1%
March	1,997	1,903	-4.7%
April	2,235	1,882	-15.8%
May	2,480	2,194	-11.5%
June	2,537	2,330	-8.2%
July	1,980	2,173	+9.7%
12-Month Avg	2,028	1,810	-9.5%

Historical Closed Sales Activity



CMLS Monthly Indicators report showing closing activity for the entire CMLS area.

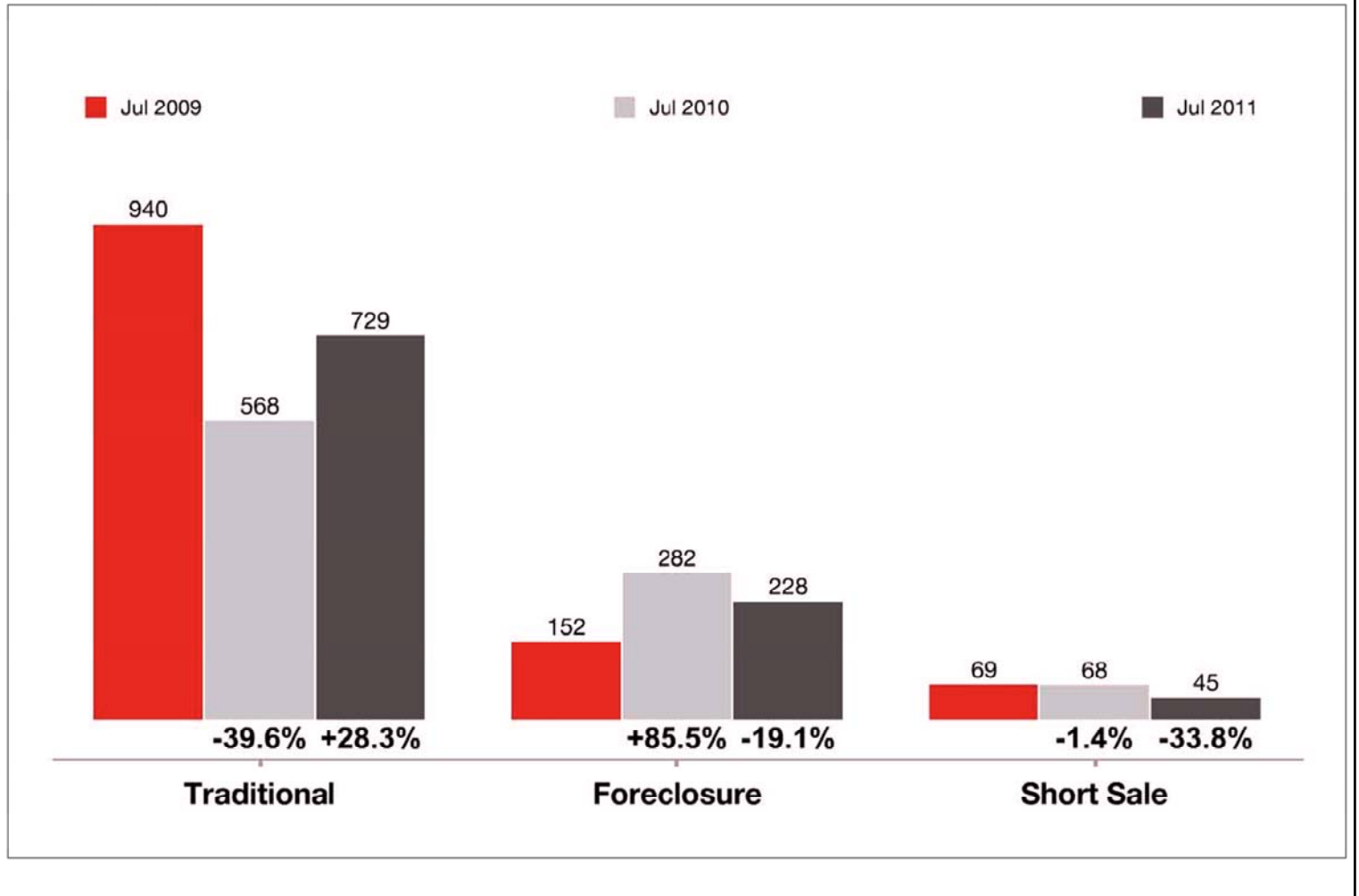
- The Year-to-Date red bar graph shows 2011 closing activity trending at the same pace as 2010 closing activity.
- Closing activity since 2004 – as seen by the line graph, shows a build up of activity from 2005 through 2007. 2008 is where the correction began.
- Closing activity from 2009 to the present – seems to be in the same range and trending the same way.



Mecklenburg county’s average sales price pulled using the CMLS Statistical Analysis Module (SAM) shows a break out of traditional, foreclosure and short sale prices compared back to July 2009.

- Because of this tool, we now have a way of looking at the “healthy” side of the market as compared to the distressed side. The most recent CMLS report showed a drop in share of distressed inventory and activity in the CMLS.
- While foreclosure sales have slowed – mostly due to problems in processing those transactions, short sale activity has risen steadily this year.

Mecklenburg County Closed Sales

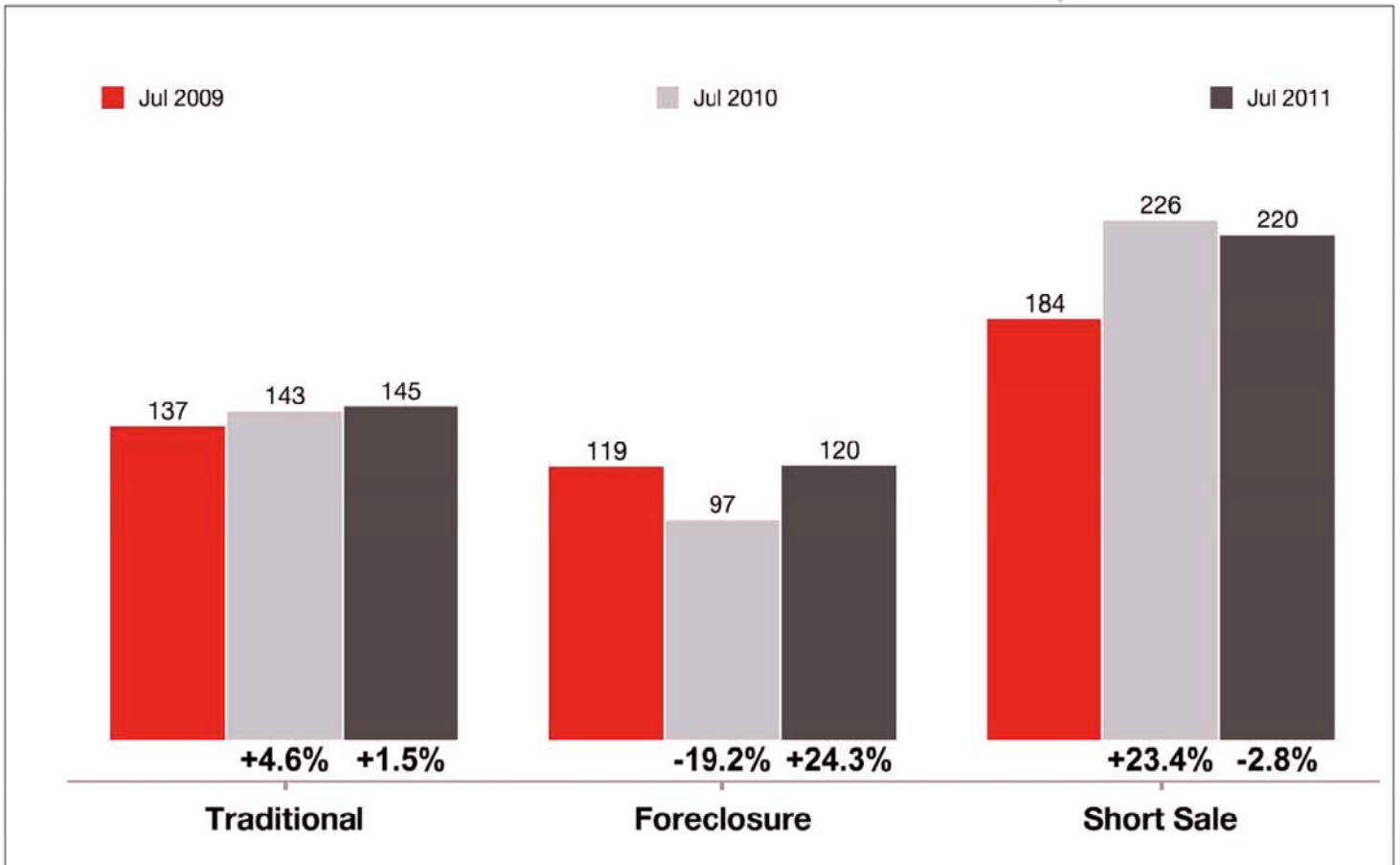


Mecklenburg county's closing activity pulled using the CMLS Statistical Analysis Module (SAM) shows a break out of traditional, foreclosure and short sale closings compared back to July 2009.



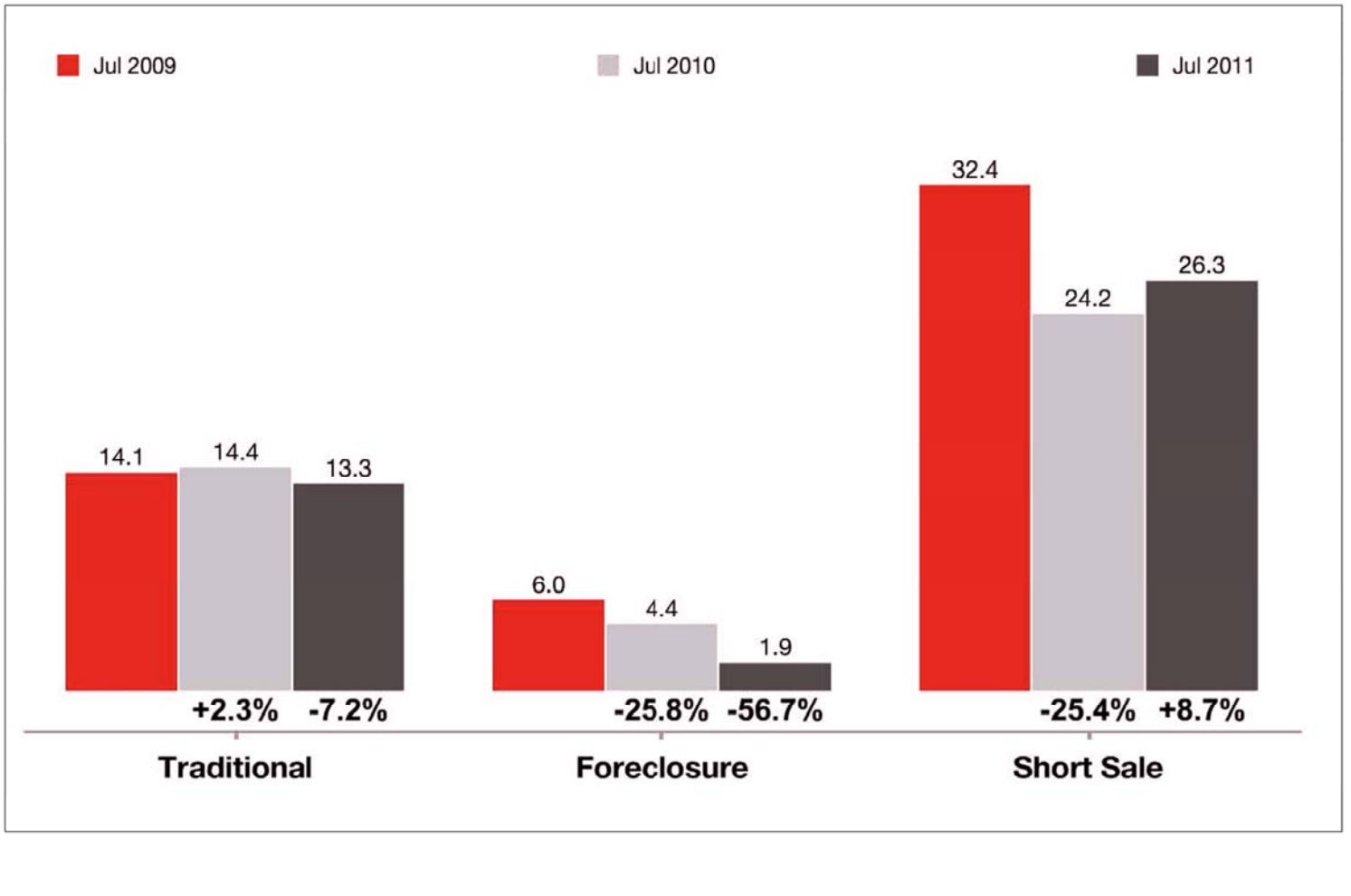
Mecklenburg county's Closed Sales By Price Ranges pulled using the CMLS Statistical Analysis Module (SAM) shows a break out of traditional, foreclosure and short sale closings compared back to July 2009.

- The dark gray bar represents July 2011 activity and shows the price range of \$126,000 and below, continuing to see the bulk of sales activity with closings increasing in this range since July 2009.
- There's been an uptick in sales in the \$300,000 and up price range – which for the past couple of years has suffered due to banks higher lending standards and problems with the jumbo loan market.
- SAM does not breakout activity in the upper price ranges. When using the SAM tool, the price range groupings are dynamic and change based on the number of listings at specific ranges in the area that the user has searched.



Mecklenburg county's List To Close metric pulled using the CMLS Statistical Analysis Module (SAM) shows a break out of traditional, foreclosure and short sale property's time from the point when a property is first listed until it closes, compared back to July 2009.

- List to close remains high and has increased particularly with short sales.
- Currently CMLS is not reporting Days on Market and has appointed a task force to study it to make sure that what we're reporting is accurate. Subscribers can still pull this metric through the TEMPO system.



Mecklenburg county's Months of Supply pulled using the CMLS Statistical Analysis Module (SAM) shows a break out of traditional, foreclosure and short sale supply compared back to July 2009.

- Months of supply of inventory in Mecklenburg county has come down a bit for the traditional market and substantially for the foreclosure market.
- Again, we're seeing evidence of foreclosures also slowing, with July showing about a two month supply of foreclosures in the MLS.
- We would like to think this is due to decreased inventory being sold off – however, all indications point to banks holding on to much of this supply and releasing this inventory slowly back on the market.
- Traditional homes are looking at about a year's supply on market – again, we need a 6-7 month supply of homes before we can return to a sellers market.
- Problems with processing and banks paying more attention to the legalities behind foreclosures have impacted the inventory levels.

Mecklenburg County The Condo Market



	July 2009	July 2010	July 2011
New Listings	595	511	348
Closed Sales	250	181	182
Average Sales Price	\$173,376	\$175,674	\$158,148
Median Sales Price	\$150,000	\$150,000	\$138,105
% Original List Price Received	91.5%	88.2%	89.7%
List to Close	145	147	161
Homes for Sale	3,256	3,149	2,177
Months of Supply	18.3	16.0	13.2



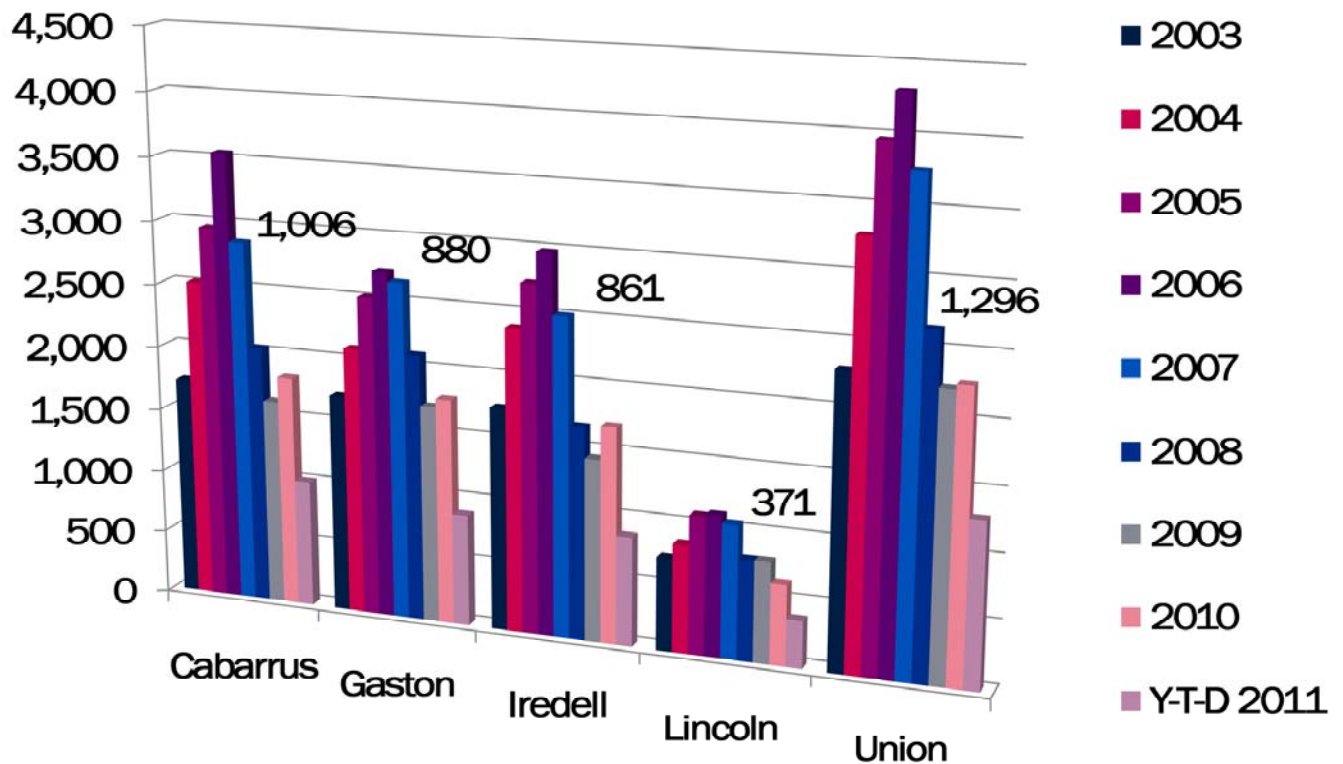
Source: Carolina Multiple Listing Services, Inc.

Mecklenburg County Condo Market compared to July 2009.

THE CMLS SERVICE AREA - Select Counties

(Cabarrus, Gaston, Iredell, Lincoln and Union counties)

Total Homes Sold 2003 through Y-T-D 2011



Source: Carolina Multiple Listing Services, Inc.

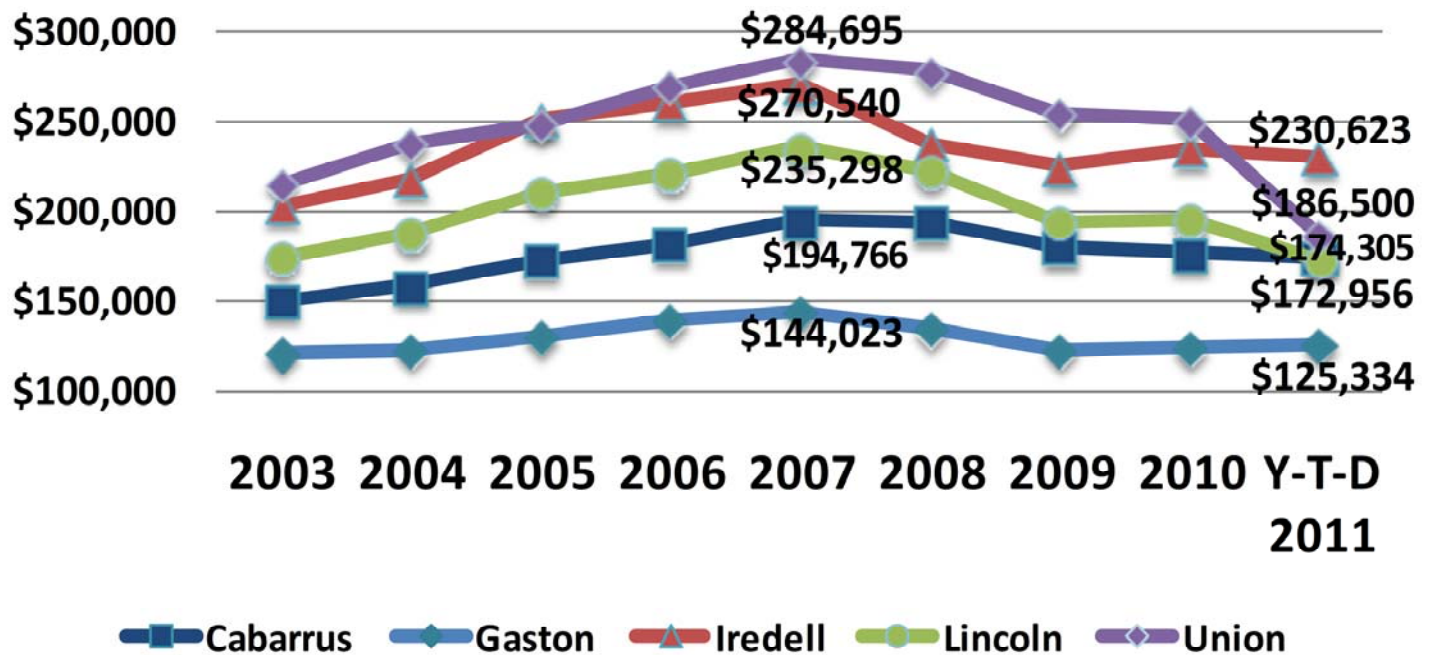
Homes sold from 2003 through Year-to-Date 2011 for selected counties.

- The dark purple bars denote homes sold in these counties in 2006 – the peak sales year.
- Union county has experienced tremendous growth as compared to the other surrounding counties.
- Gaston, Iredell, and Lincoln have had more steady growth over the years, and thus have not had the same sharp declines in sales that Mecklenburg, Union and Cabarrus counties have experienced.

THE CMLS SERVICE AREA - Select Counties

(Cabarrus, Gaston, Iredell, Lincoln and Union counties)

Average Sales Prices 2003-Y-T-D 2011



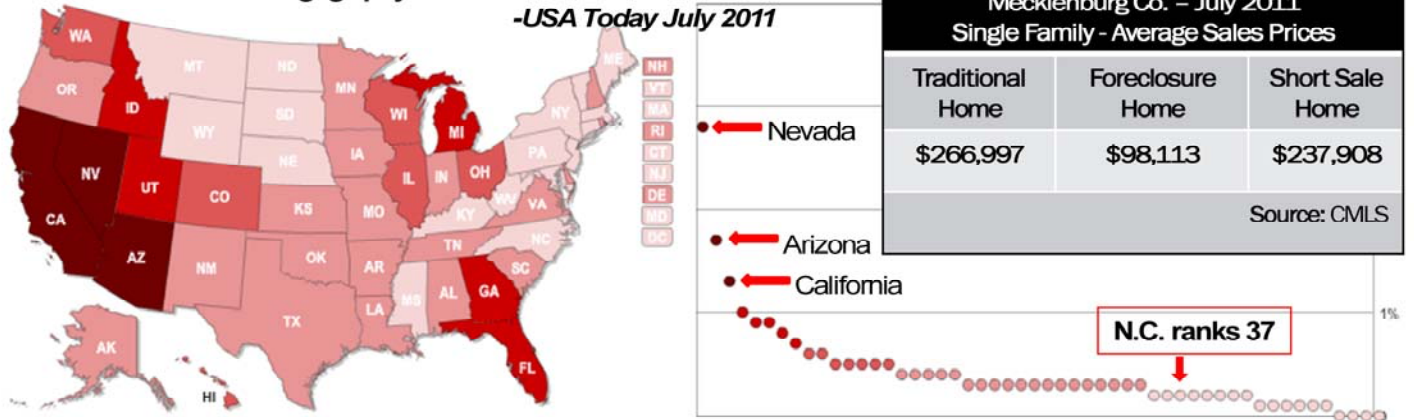
Source: Carolina Multiple Listing Services, Inc.

Average sale prices of selected counties 2003 through Year-to-Date 2011.

- The average sales price in these counties began increasing slowly in 2004 and peaked in 2007. Followed by declines through 2009.
- Looking at the trend lines between 2009 and 2010 shows pricing that was somewhat stable even into 2nd quarter 2011.
- Only Union & Lincoln counties, as denoted by the purple and green lines – show decline in pricing.
- Current trends point to prices in the range of where pricing was in 2004 and 2005.

Foreclosure activity down in most metro areas

Most of the nation's largest metropolitan areas are seeing a sharp drop in foreclosure activity as banks take longer to move against homeowners who are behind on their mortgage payments.



Sources: RealtyTrac

	Dec. 2010 Foreclosures (on-market)	July 2011 Foreclosures (on-market)	Percent Change	July 2011 Average Foreclosure Sales Price
U.S.	2,166,711	1,619,782	-25.2%	\$173,422
N.C.	33,822	19,263	-43.0%	\$140,079
Mecklenburg	7,780	4970	-36.1%	\$221,370

Source: Realtytrac.com and N.C. Administrative Courts

National data regarding the foreclosure market (filings and foreclosures) shows significant declines in first and second quarter 2011. The table which compares the foreclosure situation in December 2010 to July 2011 for the U.S., North Carolina and Mecklenburg shows a decline in foreclosures.

- This current trend of fewer foreclosures is in line with CMLS' s most recent Lender-Mediated report which showed distressed inventory falling for the seventh consecutive month and a total of 1,200 lender-mediated properties on market in July. The current inventory is on-par with foreclosure levels CMLS experienced in July 2009.
- According to the CMLS Lender-Mediated report, the share of distressed new listings entering the market decreased from about 24 percent to 19 percent over the past year. This means that a greater share of distressed properties are selling off the market than entering the market.
- This could be indicative of foreclosures being transacted from the current inventory and thus falling or could be a situation of banks holding on to foreclosures and letting them "on-market" in small waves.
- As foreclosure inventory decreases, the average sales price increases --- as noted by the table at the top showing the average sales price for traditional single-family homes in Mecklenburg county.

THE CHARLOTTE REGION RECENT ACCOLADES



Charlotte ranked 14th in list of fastest growing cities in U.S.
Rice University Study– July 2011

Charlotte ranked 2nd as a “top value city” in list of 10 U.S. cities.
Finance Magazine-July 2011

Charlotte region ranked 2nd - 2011 Major Market of the Year.
Southern Business & Development Magazine – July 2011

Mooresville ranked 7th in list of 25 places where homes are affordable.
CNN Money – July 2011

Charlotte was ranked 5th in a list of 405 large cities in “Economic Vitality.”
Foreign Direct Investment Magazine – July 2011

Even in a down economy Charlotte still continues to gain recognition for its vibrant, diverse and growing community. And a business climate which is still thriving.

- These are just a few of the most recent accolades and rankings for this market released in July.
- The Charlotte Chamber notes that the 2010 MSA (or Metropolitan Statistical Area) population was 1.8 million and over the next 10 years is predicted to grow to 2.4 million.
- As long as Charlotte’s population continues to grow there will always be a demand for housing and shelter.

RECENT EXPANSIONS & ANNOUNCEMENTS

2011 Major Expansions		
Capgemini	\$4.2mil exp.	550 jobs
Celgard	\$105mil exp.	200 jobs
Time Warner Cable	\$101mil exp.	225 job
Compass Group	\$8.5mil exp.	200 jobs
2010 Major Expansions		
Siemens	\$135mil exp.	825 jobs
Hewitt Associates	<i>investment not known</i>	463 jobs
American Red Cross	<i>investment not known</i>	440 jobs
Fifth Third Bank	\$2mil exp.	250 jobs
CITCO Fund Services	\$3mil exp.	250 jobs
Shaw Power	<i>investment not known</i>	225 jobs

Sources: Charlotte Chamber of Commerce
Charlotte Regional Partnership

Companies continue to relocate and expand in Charlotte.

- The first six months of 2011 yielded 541 new or expanding firms, creating 5,459 jobs.
- In 2010 there were more than 35 companies relocating or expanding in this area.

TRANSACTION CHALLENGES

- Foreclosures
- Short sales
- Processing time
- Bank-owned properties
- Increased difficulties closing
- Consumer confidence

This is the new norm...

Realtors® are still experiencing challenges that make transactions more difficult to close - foreclosures and the processing time associated with short sales, foreclosure sales and bank-owned properties. Increased difficulties at the closing table -- as well as consumer confidence in general.

In a survey at the end of 2010 of 3,700 Americans by the National Association of Realtors®, 95 percent of owners and 72 percent of renters believe it makes sense to own a home.

Ninety-five percent of owners surveyed said they will purchase again and 63 percent of renters say they are likely to purchase in the future. According to Carolinas Real Data, a research firm that tracks multifamily property stats, local rental rates are increasing.

Homeownership still makes sense.



Charlotte Regional **Realtor**® Association

Q&A

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