

Annual Report on the Triangle Region Housing Market

FOR RESIDENTIAL REAL ESTATE ACTIVITY IN THE ENTIRE TRIANGLE REGION

Data is refreshed regularly to capture changes in market activity.
Figures shown may be different than previously reported.



2017

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There is an ongoing and undeniable national housing shortage. Year-over-year inventory levels have been down in most markets for several years now, and that trend is expected to persist in 2018. Consumers are still purchasing for the first time and relocating to other, presumably more ideal homes.

Having the financial ability to make a move clearly seems feasible to many eager buyers amidst a healthy economy, whether life events such as marriage, children, employment change or desirable downsizing is the reason for moving.

There are further positive signs on the horizon, as builder confidence has improved and construction job gains are measurably higher. It will still take more effort than a lone year can provide for building activity to reach a needed level for inventory balance, but a step in the right direction is welcome.

More sellers should feel ready and willing to list in 2018. Economic indicators such as unemployment rates and consumer confidence are in an improved state, and sellers currently hold the keys in the buyer-seller relationship. This does not mean that sellers can set their price and watch the offers roll in. On the contrary, buyers will be poised to test prevailing price points, particularly in markets where home price increases are outpacing wage growth and in light of the fact that mortgage rates are expected to increase further in 2018.

Sales: Under contract sales increased 4.1 percent, landing at 39,586 to close out the year. Closed sales were up 5.6 percent, finishing 2017 at 39,436.

Listings: Year-over-year, the number of homes available for sale was lower by 14.3 percent. There were 6,852 active listings at the end of 2017. New listings increased by 2.2 percent to finish the year at 47,516. Home supply was once again lower than desired in 2017.

Showings: Demand was high throughout 2017. There were 720,429 total showings in the region, culminating in 13 showings before pending, which was up 100.0 percent compared to 2016.

New Construction: New home building has improved across the country but is not yet at a level to help sustain a balanced market. Locally, months of supply finished 2017 at 3.8 months. While previously owned homes have seen months of supply drop from 4.8 to 1.5 months over the last five years, new construction supply has shown less change from a 2013 peak of 4.8 months.

Prices: Home prices were up compared to last year. The overall median sales price increased 7.8 percent to \$250,000 for the year. Prices are expected to rise at a slow rate in 2018. Single-Family home prices were up 6.8 percent compared to last year, and Townhouse-Condo home prices were up 7.2 percent.

List Price Received: Sellers received, on average, 98.0 percent of their original list price received at sale, a mild year-over-year improvement of 0.5 percent. As sales prices are expected to increase further in 2018, this may bring original list price received at sale up as well.

The historic tax reforms due to make their mark in 2018 will have varying effects across the nation. High-priced coastal markets may feel the changes stronger than the middle of the country. And some potential buyers may see the changes as providing less of an investment benefit for homeowners.

Some observers warn that there might be enough lack of incentives to stifle homeownership, which is already near 50-year lows. Policymakers claim that the reforms will help boost economic activity and profitability. Whichever direction we ultimately turn, the next year appears to offer a dalliance with balance intended to intrigue both sides of the transaction toward a common middle ground.

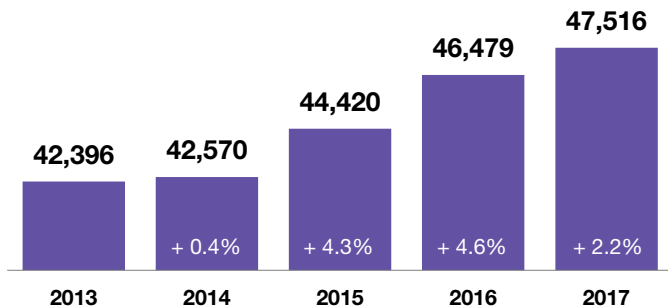
For those who have their minds made up to buy a home in 2018, it will likely be a competitive ride. The trend has widely been toward fewer days on market and fewer months of supply, indicating strong demand despite higher prices and low inventory. This could prove tricky for first-time home buyers, especially for those who are impacted by student loan debt, content to rent or among the more than 15 percent of adult children still living at home. In a landscape rife with new variables, residential real estate is certainly poised to offer an interesting and active year ahead.

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Quick Facts

New Listings



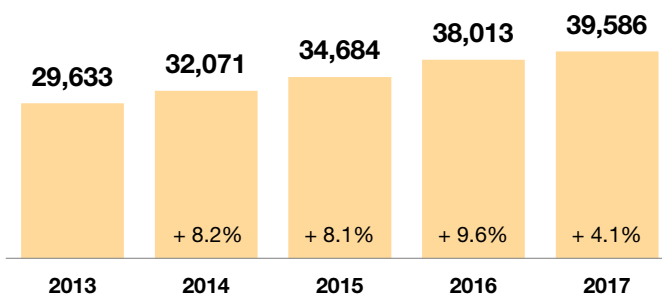
Top 5 Areas: Change in New Listings from 2016

Garner	+ 22.6%
Johnston County	+ 15.5%
Hillsborough	+ 9.0%
Knightdale/Wendell/Zebulon	+ 8.1%
Wake Forest	+ 7.3%

Bottom 5 Areas: Change in New Listings from 2016

Chapel Hill/Carrboro	- 3.4%
Inside the Beltline	- 3.8%
Durham – South	- 3.8%
Raleigh – North	- 4.6%
Orange County	- 5.1%

Under Contract Sales



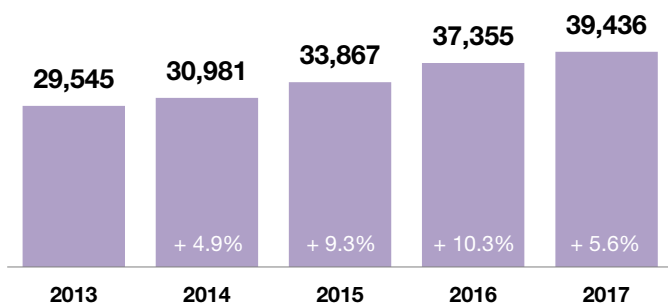
Top 5 Areas: Change in Under Contract Sales from 2016

Garner	+ 20.9%
Johnston County	+ 11.7%
Knightdale/Wendell/Zebulon	+ 10.5%
Durham - Central	+ 10.4%
Durham – East	+ 8.8%

Bottom 5 Areas: Change in Under Contract Sales from 2016

Fuquay-Varina/Holly Springs	- 1.3%
Raleigh – North	- 1.7%
Inside the Beltline	- 2.1%
Orange County	- 3.0%
Chapel Hill/Carrboro	- 3.1%

Closed Sales



Top 5 Areas: Change in Closed Sales from 2016

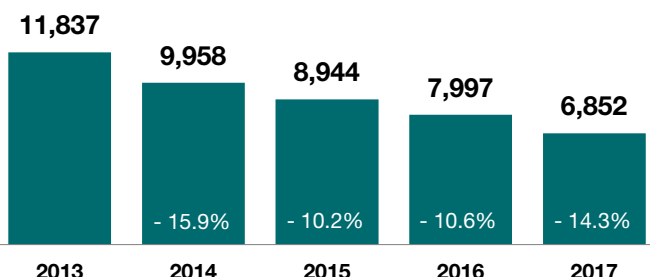
Garner	+ 19.5%
Knightdale/Wendell/Zebulon	+ 15.0%
Durham – East	+ 14.2%
Chatham County	+ 13.3%
Johnston County	+ 12.0%

Bottom 5 Areas: Change in Closed Sales from 2016

Inside the Beltline	- 0.7%
Chapel Hill/Carrboro	- 0.7%
Durham – North	- 2.2%
Durham – South	- 2.5%
Orange County	- 2.8%

Inventory of Homes for Sale

At the end of the year.



Top 5 Areas: Change in Homes for Sale from 2016

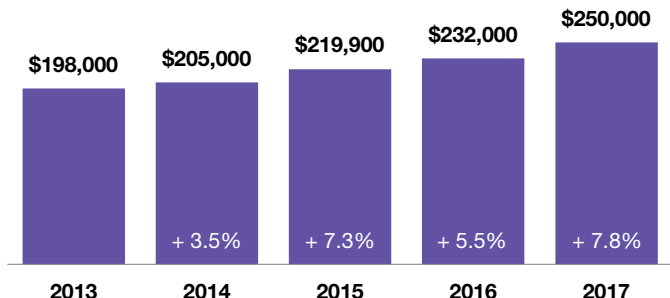
Wake Forest	+ 14.3%
Hillsborough	+ 7.0%
Durham – East	0.0%
Inside the Beltline	- 2.5%
Chapel Hill/Carrboro	- 3.0%

Bottom 5 Areas: Change in Homes for Sale from 2016

Durham County	- 13.6%
Raleigh – North	- 14.6%
Durham – North	- 20.6%
Durham - Central	- 21.1%
Fuquay-Varina/Holly Springs	- 22.1%

Quick Facts

Median Sales Price



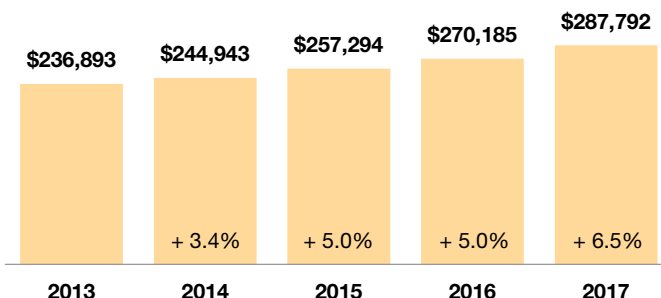
Top 5 Areas: Change in Median Sales Price from 2016

Durham – East	+ 14.0%
Durham - Central	+ 13.0%
Inside the Beltline	+ 12.8%
Garner	+ 10.8%
Fuquay-Varina/Holly Springs	+ 10.4%

Bottom 5 Areas: Change in Median Sales Price from 2016

Chatham County	+ 4.8%
Wake Forest	+ 4.8%
Orange County	+ 3.3%
Chapel Hill/Carrboro	+ 3.0%
Hillsborough	+ 1.6%

Average Sales Price



Top 5 Areas: Change in Avg. Sales Price from 2016

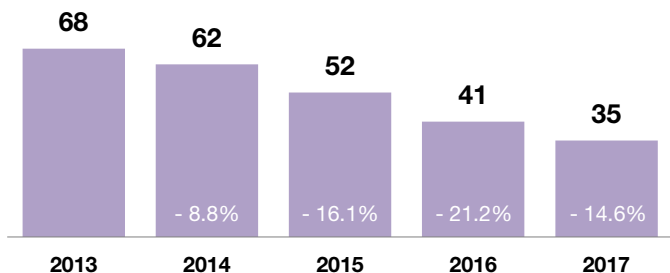
Durham – East	+ 14.6%
Inside the Beltline	+ 13.1%
Raleigh	+ 9.9%
Durham - Central	+ 9.9%
Raleigh – North	+ 9.3%

Bottom 5 Areas: Change in Avg. Sales Price from 2016

Durham – South	+ 4.3%
Chapel Hill/Carrboro	+ 4.2%
Wake Forest	+ 3.4%
Orange County	+ 3.3%
Hillsborough	+ 0.1%

Days on Market Until Sale

Resale properties only.



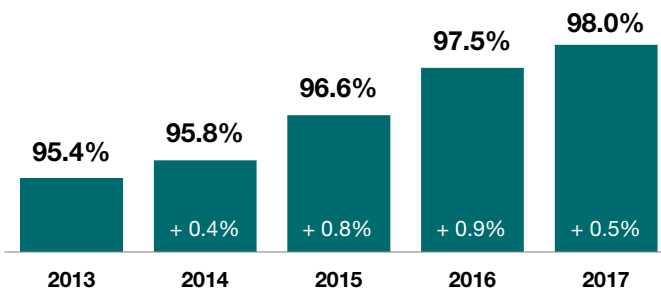
Top 5 Areas: Change in Days on Market from 2016

Cary/Apex/Morrisville	+ 4.3%
Fuquay-Varina/Holly Springs	0.0%
Inside the Beltline	- 5.1%
Wake Forest	- 7.0%
Raleigh – North	- 9.7%

Bottom 5 Areas: Change in Days on Market from 2016

Durham – North	- 25.6%
Knightdale/Wendell/Zebulon	- 26.3%
Chapel Hill/Carrboro	- 26.5%
Johnston County	- 28.6%
Durham - Central	- 31.4%

Percent of Original List Price Received



Top 5 Areas: Change in Pct. of Orig. Price Received from 2016

Durham – North	+ 1.2%
Durham - Central	+ 1.1%
Chapel Hill/Carrboro	+ 1.0%
Durham – South	+ 1.0%
Durham County	+ 0.9%

Bottom 5 Areas: Change in Pct. of Orig. Price Received from 2016

Fuquay-Varina/Holly Springs	+ 0.1%
Inside the Beltline	0.0%
Cary/Apex/Morrisville	- 0.1%
Hillsborough	- 0.2%
Wake Forest	- 0.3%

Property Type Review

37

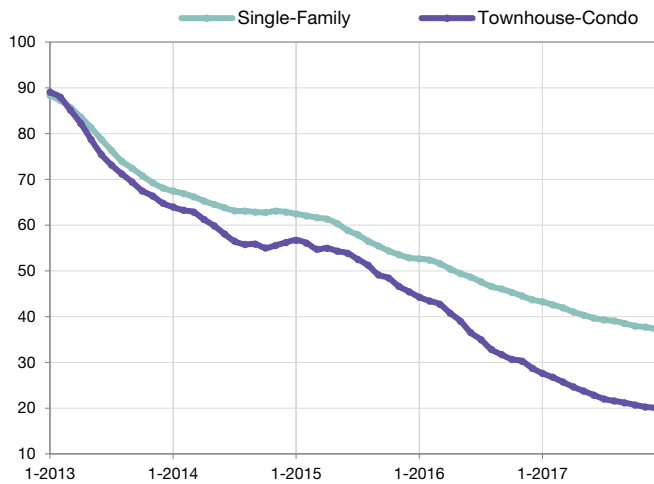
Average Days on Market
Single-Family Detached

20

Average Days on Market
Townhouse-Condo Attached

Days on Market Until Sale

Each data point is a rolling 12-month average. Resale properties only.



Top Areas: Townhouse-Condo Attached Market Share in 2017

Raleigh – North	35.2%
Durham – South	33.4%
Inside the Beltline	33.1%
Raleigh	30.4%
Cary/Apex/Morrisville	27.8%
Chapel Hill/Carrboro	25.0%
Orange County	24.8%
Wake County	22.8%
Durham County	22.4%
Durham - Central	18.6%
Entire TMLS Area	17.3%
Durham – North	16.0%
Wake Forest	14.1%
Hillsborough	13.6%
Durham – East	11.4%
Garner	6.6%
Fuquay-Varina/Holly Springs	4.5%
Chatham County	4.4%
Johnston County	3.8%

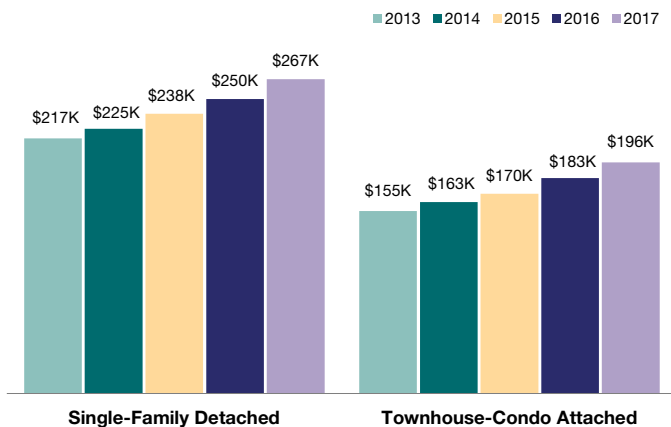
+ 6.8%

One-Year Change in Price
Single-Family Detached

+ 7.2%

One-Year Change in Price
Townhouse-Condo Attached

Median Sales Price



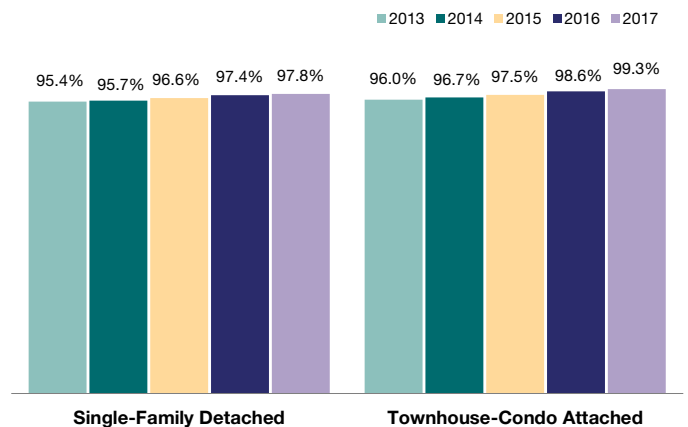
97.8%

Pct. of Orig. Price Received
Single-Family Detached

99.3%

Pct. of Orig. Price Received
Townhouse-Condo Attached

Percent of Original List Price Received



New Construction Review

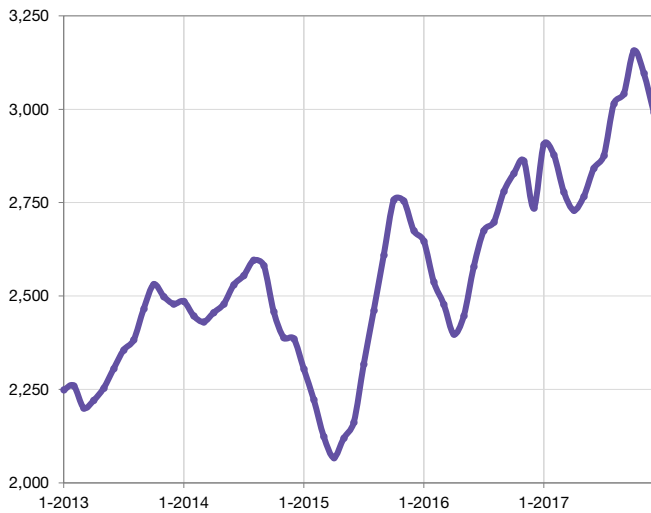
Oct '17

165

Peak of New Construction Inventory

Drop in New Construction Inventory from Peak

New Construction Homes for Sale



Top Areas: New Construction Market Share in 2017

Knightdale/Wendell/Zebulon	40.4%
Chatham County	40.2%
Johnston County	37.8%
Wake Forest	37.2%
Fuquay-Varina/Holly Springs	34.0%
Garner	32.8%
Durham – East	32.0%
Cary/Apex/Morrisville	26.5%
Entire TMLS Area	23.7%
Wake County	23.1%
Chapel Hill/Carrboro	20.9%
Durham County	19.3%
Durham – South	19.3%
Hillsborough	18.7%
Inside the Beltline	14.3%
Raleigh	13.1%
Durham - Central	12.9%
Orange County	10.0%
Raleigh – North	7.2%

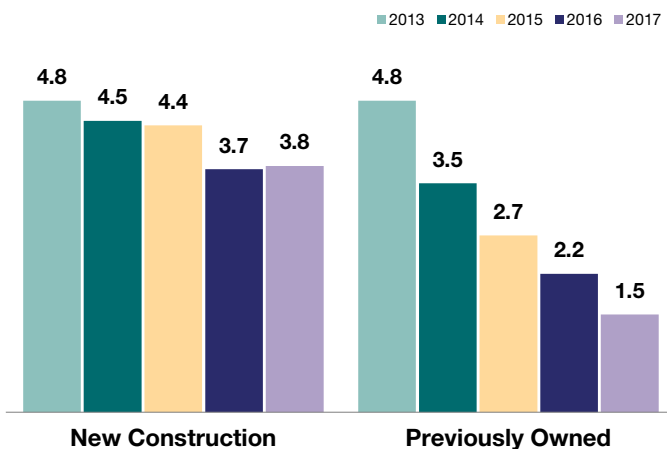
3.8

Year-End Months Supply New Construction

1.5

Year-End Months Supply Previously Owned

Months Supply of Inventory



99.7%

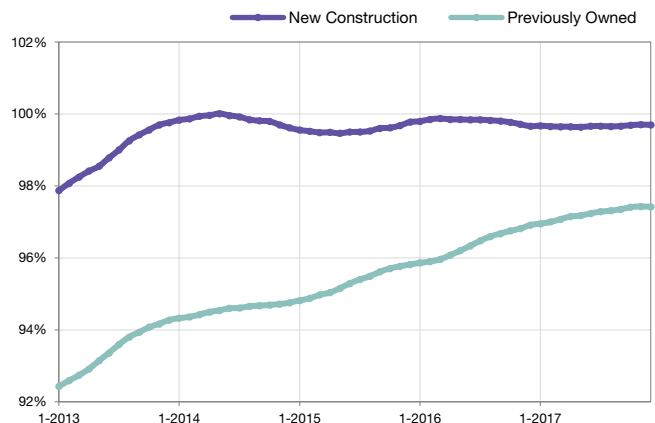
Pct. of Orig. Price Received New Construction

97.4%

Pct. of Orig. Price Received Previously Owned

Percent of Original List Price Received

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



Price Range Review

\$137,000 to \$198,999

Price Range with Shortest Average Days on Market

\$309,000 or More

Price Range with Longest Average Days on Market

9.8%

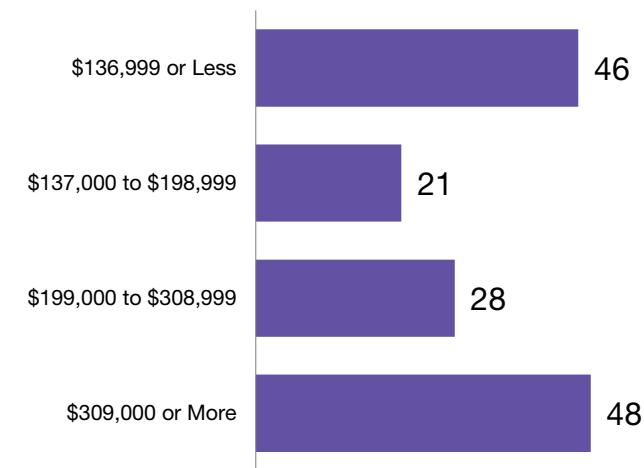
of Homes for Sale at Year End Priced \$136,999 or Less

- 41.1%

One-Year Change in Homes for Sale Priced \$136,999 or Less

Days on Market Until Sale by Price Range

Resale properties only.



Share of Homes for Sale \$136,999 or Less



\$309,000 or More

Price Range with the Most Closed Sales

+ 19.2%

Price Range with Strongest One-Year Change in Sales: \$309,000 or More

\$136,999 or Less

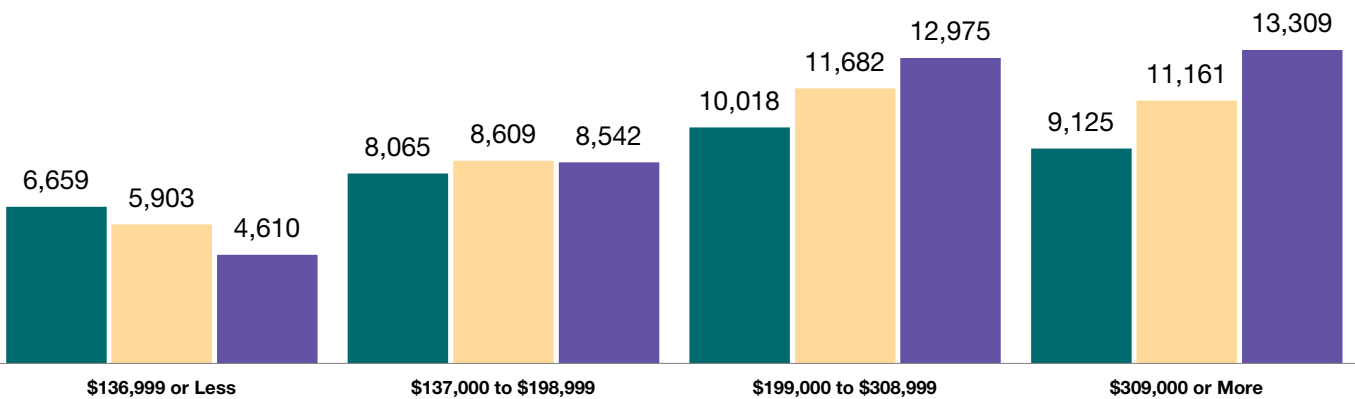
Price Range with the Fewest Closed Sales

- 21.9%

Price Range with Weakest One-Year Change in Sales: \$136,999 or Less

Closed Sales by Price Range

■ 2015 ■ 2016 ■ 2017



Showings Review

13

Median Number of Showings Before Pending

0.0%

One-Year Change in Median Showings Before Pending

Monthly Number of Showings



Top 10 Areas: Number of Showings

Wake County	429,545
Raleigh	208,245
Cary/Apex/Morrisville	119,297
Durham County	105,223
Raleigh – North	91,037
Johnston County	60,333
Durham – South	43,872
Chapel Hill/Carrboro	43,341
Fuquay-Varina/Holly Springs	40,692
Orange County	39,759

Top 10 Areas: Median Number of Showings per Listing

Durham – South	9.9
Cary/Apex/Morrisville	9.7
Durham - Central	9.4
Durham County	9.3
Durham – East	9.1
Raleigh	8.5
Raleigh – North	8.3
Wake County	8.1
Durham – North	8.0
Garner	7.6

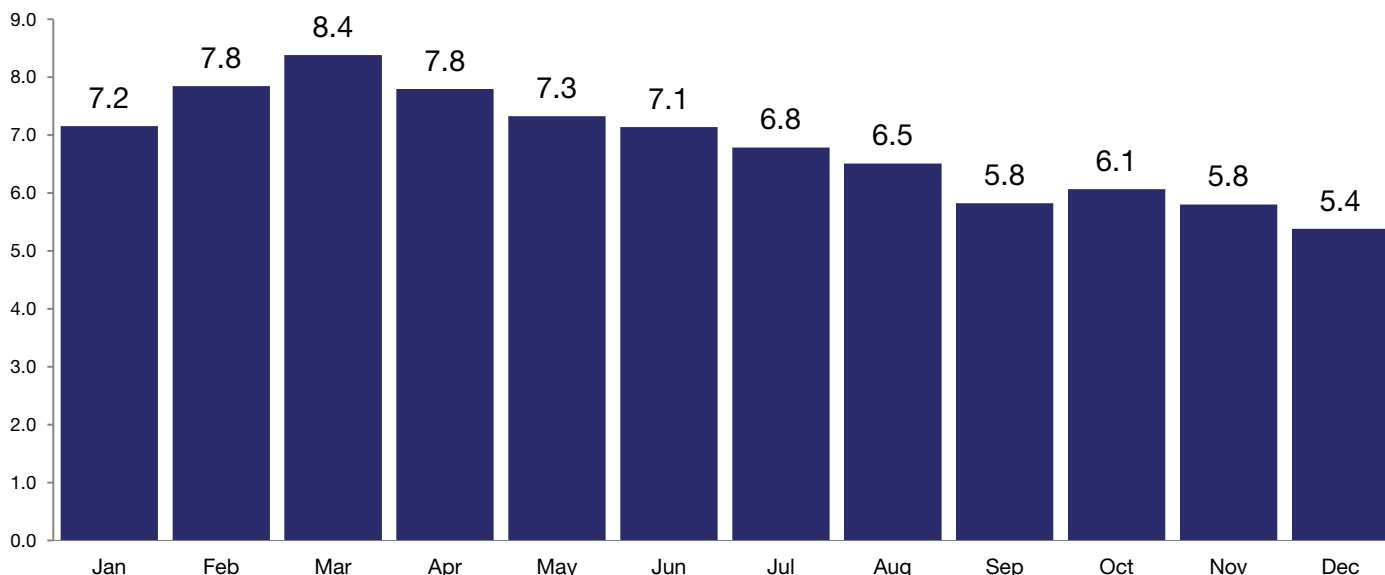
720,429

Total Showings in 2017

March '17

2017 Peak Showing Activity Month

2017 Monthly Showings per Listing



Area Overviews

	Total Closed Sales	Change from 2016	Percent New Construction	Percent Townhouse-Condo	Showings per Listing	New Listings	Days on Market*	Pct. of Orig. Price Received
Cary/Apex/Morrisville	5,490	+ 3.5%	26.5%	27.8%	9.7	6,544	24	98.7%
Chapel Hill/Carrboro	1,801	- 0.7%	20.9%	25.0%	5.8	2,327	50	97.2%
Chatham County	1,320	+ 13.3%	40.2%	4.4%	4.2	1,671	60	97.2%
Durham - Central	882	+ 11.8%	12.9%	18.6%	9.4	1,088	24	98.8%
Durham – East	1,285	+ 14.2%	32.0%	11.4%	9.1	1,377	25	98.9%
Durham – North	832	- 2.2%	6.7%	16.0%	8.0	983	32	98.1%
Durham – South	2,097	- 2.5%	19.3%	33.4%	9.9	2,362	24	99.1%
Durham County	5,096	+ 3.7%	19.3%	22.4%	9.3	5,810	26	98.8%
Fuquay-Varina/Holly Springs	2,531	- 0.4%	34.0%	4.5%	6.7	2,939	26	98.8%
Garner	1,096	+ 19.5%	32.8%	6.6%	7.6	1,313	29	98.5%
Hillsborough	433	+ 7.7%	18.7%	13.6%	5.6	572	44	97.6%
Inside the Beltline	1,001	- 0.7%	14.3%	33.1%	6.7	1,294	37	97.3%
Johnston County	4,195	+ 12.0%	37.8%	3.8%	5.3	5,149	35	98.2%
Knightdale/Wendell/Zebulon	1,645	+ 15.0%	40.4%	1.9%	6.5	1,877	28	98.9%
Orange County	1,765	- 2.8%	10.0%	24.8%	6.3	2,206	46	96.9%
Raleigh	9,423	+ 1.5%	13.1%	30.4%	8.5	10,843	25	98.6%
Raleigh – North	3,785	- 0.6%	7.2%	35.2%	8.3	4,524	28	98.3%
Wake County	21,023	+ 3.2%	23.1%	22.8%	8.1	24,800	26	98.6%
Wake Forest	1,745	+ 0.9%	37.2%	14.1%	5.3	2,381	40	97.8%

* Resale properties only.

Area Historical Median Prices

	2013	2014	2015	2016	2017	Change From 2016	Change From 2013
Cary/Apex/Morrisville	\$275,700	\$290,225	\$301,831	\$329,500	\$353,000	+ 7.1%	+ 28.0%
Chapel Hill/Carrboro	\$328,500	\$329,500	\$345,000	\$355,000	\$365,500	+ 3.0%	+ 11.3%
Chatham County	\$303,442	\$316,000	\$335,000	\$352,000	\$369,000	+ 4.8%	+ 21.6%
Durham - Central	\$169,200	\$181,750	\$194,673	\$230,000	\$260,000	+ 13.0%	+ 53.7%
Durham – East	\$150,000	\$163,500	\$172,500	\$189,450	\$216,047	+ 14.0%	+ 44.0%
Durham – North	\$152,640	\$164,000	\$176,250	\$185,000	\$200,000	+ 8.1%	+ 31.0%
Durham – South	\$193,000	\$197,000	\$209,650	\$225,260	\$241,000	+ 7.0%	+ 24.9%
Durham County	\$172,000	\$179,598	\$192,500	\$211,000	\$230,000	+ 9.0%	+ 33.7%
Fuquay-Varina/Holly Springs	\$223,500	\$226,715	\$250,000	\$270,000	\$297,950	+ 10.4%	+ 33.3%
Garner	\$166,000	\$174,000	\$192,000	\$212,000	\$234,950	+ 10.8%	+ 41.5%
Hillsborough	\$238,365	\$237,000	\$266,000	\$275,560	\$280,000	+ 1.6%	+ 17.5%
Inside the Beltline	\$330,000	\$360,000	\$364,000	\$393,108	\$443,500	+ 12.8%	+ 34.4%
Johnston County	\$156,684	\$165,000	\$179,000	\$189,900	\$206,945	+ 9.0%	+ 32.1%
Knightdale/Wendell/Zebulon	\$154,450	\$158,500	\$178,438	\$200,000	\$219,900	+ 9.9%	+ 42.4%
Orange County	\$274,700	\$268,000	\$290,000	\$300,000	\$310,000	+ 3.3%	+ 12.9%
Raleigh	\$199,727	\$204,000	\$219,000	\$228,000	\$250,000	+ 9.6%	+ 25.2%
Raleigh – North	\$235,500	\$246,110	\$260,000	\$269,000	\$290,500	+ 8.0%	+ 23.4%
Wake County	\$223,000	\$230,240	\$249,903	\$264,990	\$285,000	+ 7.6%	+ 27.8%
Wake Forest	\$271,500	\$275,974	\$290,000	\$310,000	\$324,900	+ 4.8%	+ 19.7%

Glossary of Terms

Metric Name	Description
New Listings	A count of the properties that have been newly listed on the market in a given month.
Under Contract Sales	A count of the properties on which contracts have been accepted, or in a contingent status in a given month.
Closed Sales	A count of the actual sales that have closed in a given month.
Inventory of Homes for Sale	The number of properties available for sale in active status at the end of a given month.
Median Sales Price	Median price point for all closed sales, not accounting for seller concessions, in a given month.
Average Sales Price	Average sales price for all closed sales, not accounting for seller concessions, in a given month.
Days on Market Until Sale	Average number of days between when a property is listed and when an offer is accepted in a given month. Resale properties only.
Percent of Original List Price Received	Percentage found when dividing a property's sales price by its original list price, then taking the average for all properties sold in a given month, not accounting for seller concessions.
Months Supply of Inventory	The inventory of homes for sale at the end of a given month, divided by the average monthly closed sales from the last 12 months.