

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.



2018

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While the 2017 housing market was marked by renewed optimism fueled by stock market strength, higher wages and a competitive environment for home sales, 2018 delivered a more seasoned prudence toward residential real estate. Home buyers, now steeped in several years of rising prices and low inventory, became more selective in their purchase choices as housing affordability achieved a ten-year low.

Yet the appetite for home buying remained strong enough to drive prices upward in virtually all markets across the country. In fact, national home prices have risen 53 percent from February 2012 to September 2018. That mark is a less dramatic but still sizable 40 percent increase when inflation is factored in.

The national median household income was last reported with a year-over-year increase of 1.8 percent, while home prices have gone up 5.5 percent in roughly the same amount of time. That kind of gap can't be sustained indefinitely, but prices are still expected to rise in most areas, albeit at a much slower pace.

Sales: Under Contract Sales increased 1.9 percent, closing 2018 at 40,046. Closed sales were up 0.2 percent to finish the year at 39,591.

Listings: Year-over-year, the number of homes available for sale increased 2.6 percent. There were 7,705 active listings at the end of 2018. New listings increased by 0.7 percent to finish the year at 47,984.

Showings: Demand began to taper in 2018. There were 686,017 total showings in the region, culminating in 13 showings before pending, which held steady from 2017.

New Construction: Nationally, builder confidence was up in the early part of the year but grew cautious amidst increasing interest rates and affordability concerns. Locally, saw a 5-year high of New Construction starts in September of this year, while months of supply finished 2018 at 4.1 months. Previously owned homes have seen months of supply rise from 3.5 to 1.7 months over the last five years, and new construction supply has dropped from 4.5 to 4.1 months.

Prices: Home prices were up compared to last year. The overall median sales price increased 6.4 percent to \$266,000 for the year. Single-Family Detached home prices were up 5.7 percent compared to last year, and Townhouse-Condo™ Detached home prices were up 10.9 percent.

List Price Received: Sellers received, on average, 98.4 percent of their original list price at sale, a year-over-year improvement of 0.4 percent. If demand shrinks in 2019, original list price received at sale could drop 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.

Consumer optimism has been tested by four interest rate hikes by the Federal Reserve in 2018. Meanwhile, GDP growth was at 4.2 percent in Q2 2018, dropped to 3.4 percent in Q3 2018 and is expected to be about 2.9 percent in Q4 2018 when figures are released.

Looking strictly at market fundamentals, recent Fed and GDP changes will not cause a dramatic shift away from the current state of the housing market. The booming sales at increased prices over the last several years may not be the same thrill ride to observe in 2019, but a long-awaited increase in inventory is something positive to consider, even if it arrives in the form of shrinking demand amidst rising mortgage rates.

The biggest potential problem for residential real estate in 2019 might be human psychology. A fear of buying at the height of the market could create home purchase delays by a large pool of potential first-time buyers, thus creating an environment of declining sales.

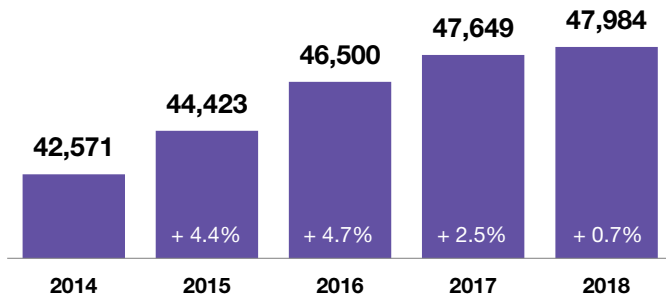
If the truth of a positive economic outlook coupled with responsible lending practices and more available homes for sale captures the collective American psyche, the most likely outcome for 2019 is market balance.

Table of Contents

- 3 Quick Facts
- 5 Property Type Review
- 6 New Construction Review
- 7 Price Range Review
- 8 Showings Review
- 9 Area Overviews
- 10 Area Historical Median Prices
- 11 Glossary of Terms

Quick Facts

New Listings



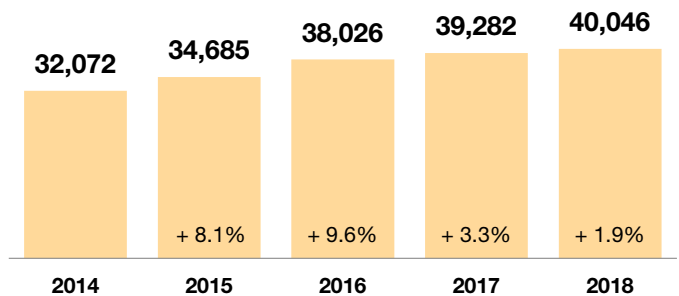
Top 5 Areas: Change in New Listings from 2017

Garner	+ 12.8%
Johnston County	+ 7.7%
Orange County	+ 5.4%
Northern Triangle Region	+ 2.7%
Durham - Central	+ 2.2%

Bottom 5 Areas: Change in New Listings from 2017

Wake County	- 2.1%
Raleigh	- 2.2%
Fuquay-Varina/Holly Springs	- 4.7%
Knightdale/Wendell/Zebulon	- 4.9%
Durham - North	- 6.5%

Under Contract Sales



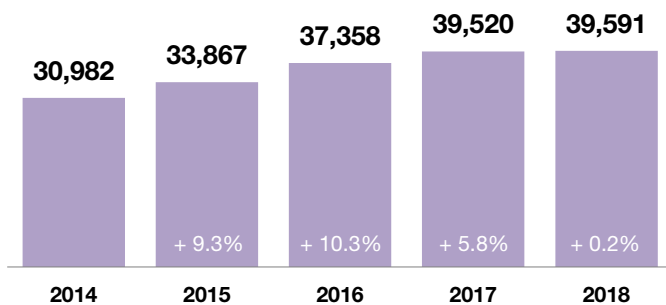
Top 5 Areas: Change in Under Contract Sales from 2017

Garner	+ 21.3%
Hillsborough	+ 13.0%
Johnston County	+ 11.8%
Wake Forest	+ 9.0%
Orange County	+ 5.0%

Bottom 5 Areas: Change in Under Contract Sales from 2017

Durham - North	- 2.3%
Durham - South	- 2.4%
Knightdale/Wendell/Zebulon	- 3.3%
Raleigh	- 3.4%
Fuquay-Varina/Holly Springs	- 4.1%

Closed Sales



Top 5 Areas: Change in Closed Sales from 2017

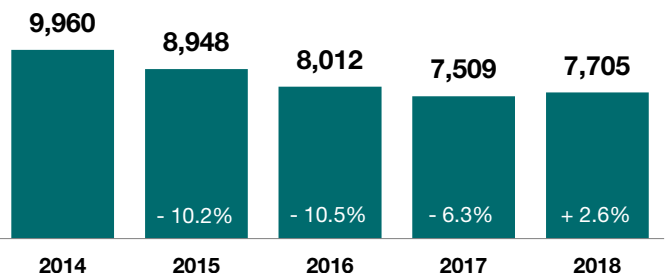
Garner	+ 18.2%
Wake Forest	+ 11.7%
Hillsborough	+ 10.1%
Johnston County	+ 9.5%
Orange County	+ 4.7%

Bottom 5 Areas: Change in Closed Sales from 2017

Durham - East	- 3.3%
Wake County	- 3.6%
Fuquay-Varina/Holly Springs	- 4.2%
Raleigh	- 6.0%
Knightdale/Wendell/Zebulon	- 6.3%

Inventory of Homes for Sale

At the end of the year.



Top 5 Areas: Change in Homes for Sale from 2017

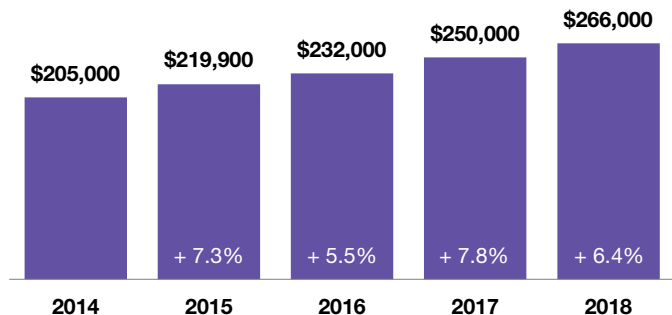
Wake Forest	+ 14.3%
Hillsborough	+ 7.0%
Durham - East	0.0%
Inside the Beltline	- 2.5%
Chapel Hill/Carrboro	- 3.0%

Bottom 5 Areas: Change in Homes for Sale from 2017

Raleigh - North	- 14.6%
Northern Triangle Region	- 17.8%
Durham - North	- 20.6%
Durham - Central	- 21.1%
Fuquay-Varina/Holly Springs	- 22.0%

Quick Facts

Median Sales Price



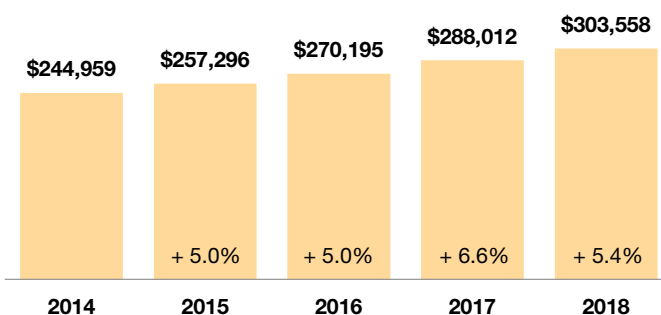
Top 5 Areas: Change in Median Sales Price from 2017

Northern Triangle Region	+ 11.1%
Durham County	+ 10.9%
Johnston County	+ 10.6%
Durham – North	+ 10.0%
Durham – South	+ 9.7%

Bottom 5 Areas: Change in Median Sales Price from 2017

Cary/Apex/Morrisville	+ 3.8%
Chapel Hill/Carrboro	+ 3.4%
Wake Forest	+ 3.1%
Hillsborough	+ 3.0%
Orange County	0.0%

Average Sales Price



Top 5 Areas: Change in Avg. Sales Price from 2017

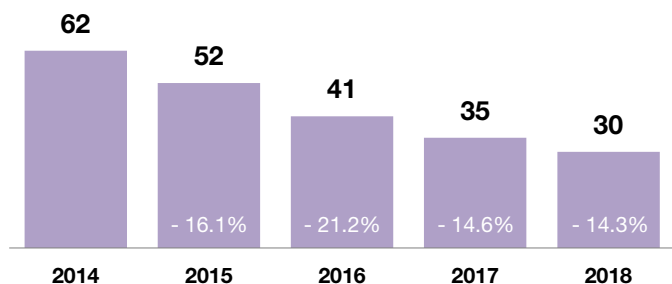
Durham - Central	+ 10.2%
Durham – South	+ 9.9%
Durham County	+ 9.0%
Northern Triangle Region	+ 8.2%
Raleigh	+ 8.1%

Bottom 5 Areas: Change in Avg. Sales Price from 2017

Cary/Apex/Morrisville	+ 4.1%
Wake Forest	+ 4.0%
Chatham County	+ 4.0%
Chapel Hill/Carrboro	+ 3.1%
Orange County	+ 2.8%

Days on Market Until Sale

Resale properties only.



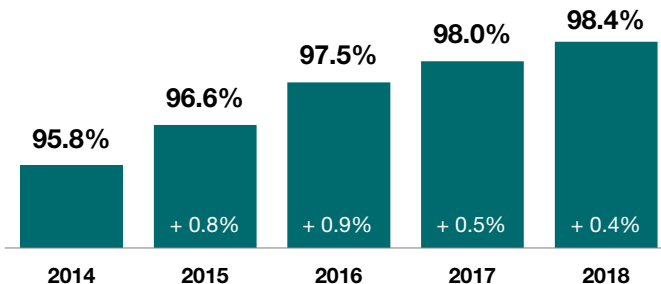
Top 5 Areas: Change in Days on Market from 2017

Durham - Central	+ 4.2%
Fuquay-Varina/Holly Springs	0.0%
Cary/Apex/Morrisville	- 4.2%
Inside the Beltline	- 5.4%
Chatham County	- 6.7%

Bottom 5 Areas: Change in Days on Market from 2017

Durham County	- 23.1%
Orange County	- 23.9%
Durham – North	- 28.1%
Durham – East	- 32.0%
Garner	- 34.5%

Percent of Original List Price Received



Top 5 Areas: Change in Pct. of Orig. Price Received from 2017

Durham – North	+ 1.1%
Garner	+ 1.1%
Northern Triangle Region	+ 0.8%
Orange County	+ 0.8%
Durham – South	+ 0.8%

Bottom 5 Areas: Change in Pct. of Orig. Price Received from 2017

Cary/Apex/Morrisville	+ 0.2%
Wake Forest	+ 0.1%
Fuquay-Varina/Holly Springs	- 0.2%
Inside the Beltline	- 0.2%
Durham - Central	- 0.4%

Property Type Review

33

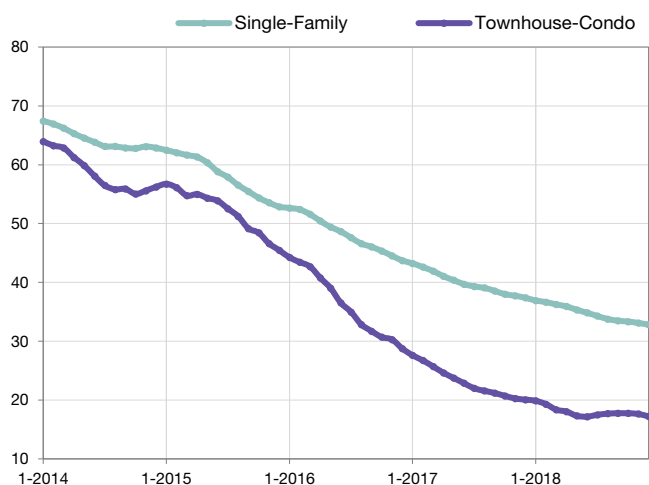
Average Days on Market
Single-Family Detached

17

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 2018

Durham – South	36.2%
Raleigh – North	34.7%
Inside the Beltline	30.6%
Raleigh	29.4%
Cary/Apex/Morrisville	28.1%
Orange County	26.4%
Hillsborough	25.9%
Chapel Hill/Carrboro	24.9%
Durham County	23.9%
Wake County	22.6%
Entire TMLS Area	17.2%
Durham - Central	16.8%
Durham – East	14.9%
Durham – North	14.7%
Wake Forest	13.4%
Garner	11.2%
Johnston County	5.0%
Fuquay-Varina/Holly Springs	4.4%
Chatham County	4.3%

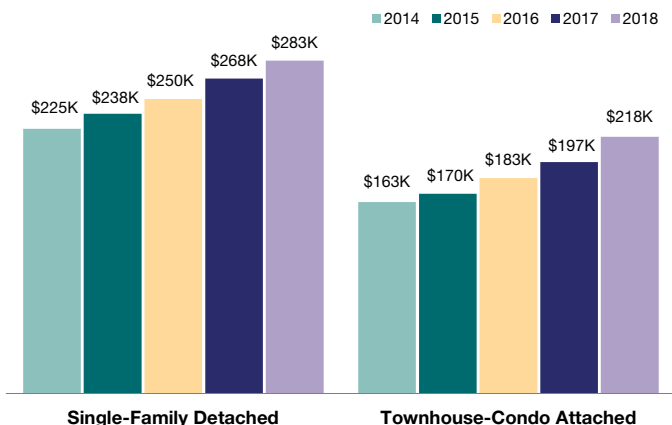
+ 5.7%

One-Year Change in Price
Single-Family Detached

+ 10.9%

One-Year Change in Price
Townhouse-Condo Attached

Median Sales Price



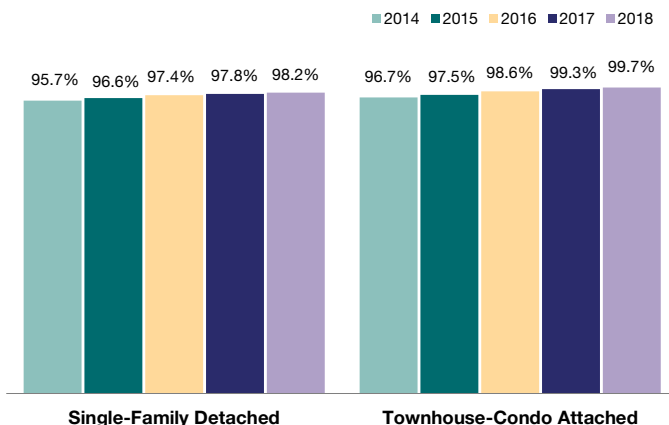
98.2%

Pct. of Orig. Price Received
Single-Family Detached

99.7%

Pct. of Orig. Price Received
Townhouse-Condo Attached

Percent of Original List Price Received



New Construction Review

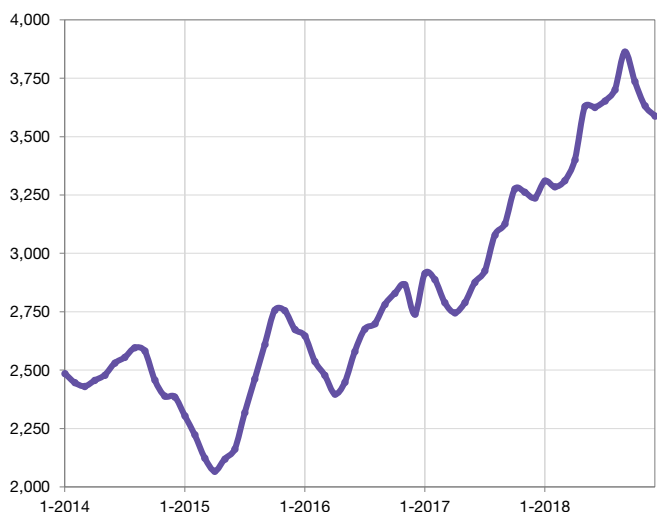
Sep '18

274

Peak of New Construction Inventory

Drop in New Construction Inventory from Peak

New Construction Homes for Sale



Top Areas: New Construction Market Share in 2018

Garner	46.1%
Johnston County	43.6%
Knightdale/Wendell/Zebulon	42.6%
Wake Forest	39.1%
Chatham County	33.5%
Hillsborough	33.5%
Fuquay-Varina/Holly Springs	33.3%
Cary/Apex/Morrisville	30.5%
Durham – East	27.3%
Entire TMLS Area	25.5%
Northern Triangle Region	24.2%
Wake County	24.1%
Durham – South	22.9%
Chapel Hill/Carrboro	20.4%
Durham County	19.7%
Orange County	15.6%
Inside the Beltline	14.7%
Durham - Central	13.5%
Raleigh	11.5%

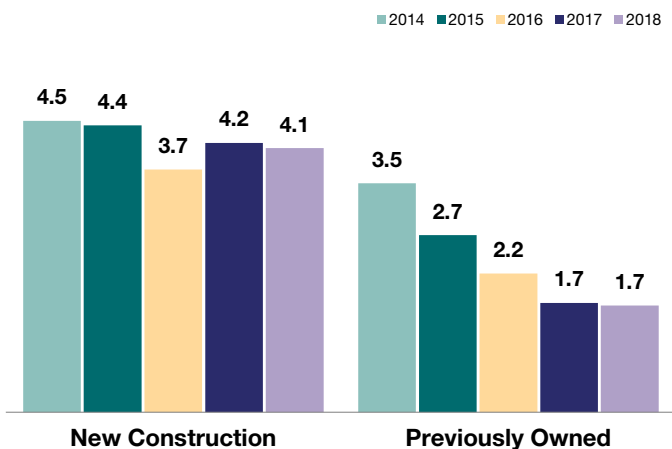
4.1

Year-End Months Supply New Construction

1.7

Year-End Months Supply Previously Owned

Months Supply of Inventory



99.8%

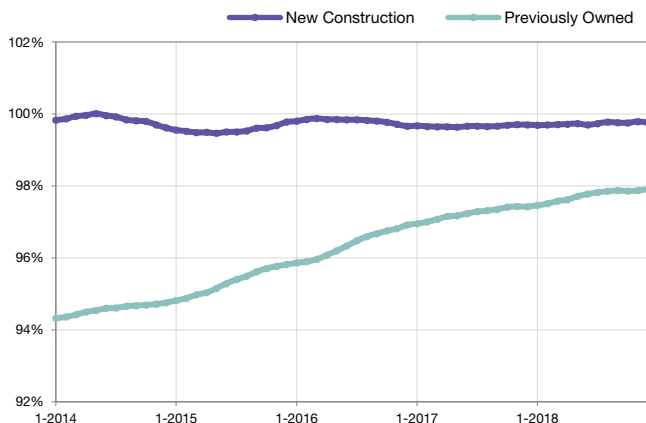
Pct. of Orig. Price Received New Construction

97.9%

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

7.7%

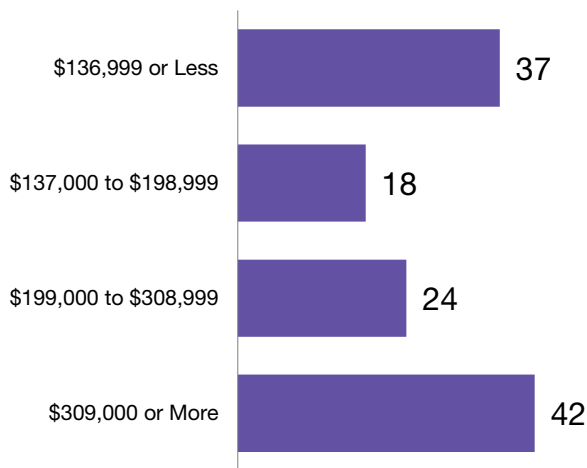
of Homes for Sale at Year End Priced \$136,999 or Less

- 24.1%

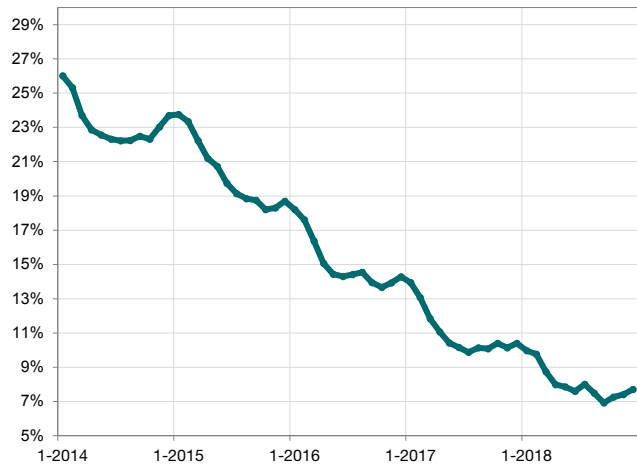
One-Year Change in Homes for Sale Priced \$136,999 or Less

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

+ 11.7%

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

\$136,999 or Less

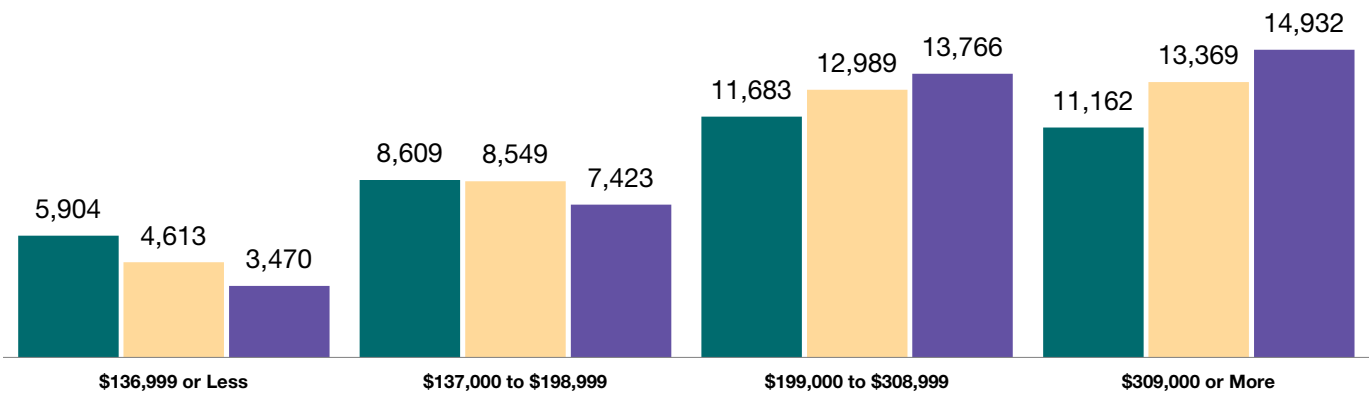
Price Range with the Fewest Closed Sales

- 24.8%

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

Closed Sales by Price Range

2016 2017 2018



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	400,376
Raleigh	192,451
Cary/Apex/Morrisville	110,292
Durham County	99,187
Raleigh – North	83,558
Johnston County	61,402
Chapel Hill/Carrboro	40,650
Durham – South	40,470
Fuquay-Varina/Holly Springs	38,743
Orange County	36,706

Top 10 Areas: Median Number of Showings per Listing

Durham – South	9.9
Cary/Apex/Morrisville	9.6
Durham - Central	9.4
Durham County	9.2
Durham – East	9.1
Raleigh	8.5
Raleigh – North	8.3
Wake County	8.1
Durham – North	7.9
Garner	7.5

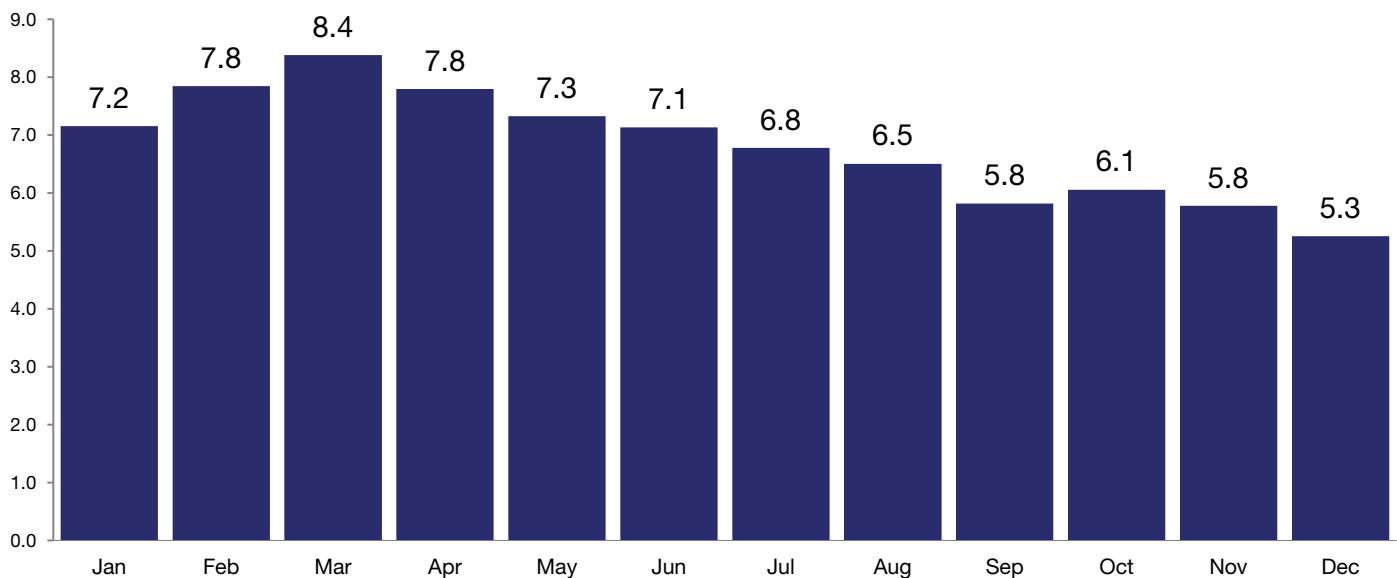
686,017

Total Showings in 2018

March '18

2017 Peak Showing Activity Month

2018 Monthly Showings per Listing



Area Overviews

	Total Closed Sales	Change from 2017	Percent New Construction	Percent Townhouse-Condo	Showings per Listing	New Listings	Days on Market**	Pct. of Orig. Price Received
Cary/Apex/Morrisville	5,449	- 1.0%	30.5%	28.1%	9.6	6,589	23	98.9%
Chapel Hill/Carrboro	1,894	+ 3.6%	20.4%	24.9%	5.9	2,373	43	97.9%
Chatham County	1,291	- 2.4%	33.5%	4.3%	4.2	1,701	56	97.5%
Durham - Central	894	+ 1.4%	13.5%	16.8%	9.4	1,116	25	98.5%
Durham – East	1,245	- 3.3%	27.3%	14.9%	9.1	1,404	17	99.5%
Durham – North	810	- 2.8%	6.8%	14.7%	7.9	922	23	99.2%
Durham – South	2,051	- 2.8%	22.9%	36.2%	9.9	2,372	19	99.9%
Durham County	5,000	- 2.2%	19.7%	23.9%	9.2	5,814	20	99.4%
Fuquay-Varina/Holly Springs	2,426	- 4.2%	33.3%	4.4%	6.7	2,815	26	98.6%
Garner	1,296	+ 18.2%	46.1%	11.2%	7.5	1,485	19	99.6%
Hillsborough	478	+ 10.1%	33.5%	25.9%	5.5	580	41	98.0%
Inside the Beltline	981	- 2.2%	14.7%	30.6%	6.7	1,312	35	97.1%
Johnston County	4,595	+ 9.5%	43.6%	5.0%	5.3	5,557	30	98.6%
Knightdale/Wendell/Zebulon	1,547	- 6.3%	42.6%	2.9%	6.5	1,791	22	99.2%
Northern Triangle Region*	2,703	+ 1.9%	24.2%	1.0%	3.9	3,404	52	96.6%
Orange County	1,866	+ 4.7%	15.6%	26.4%	6.3	2,333	35	97.8%
Raleigh	8,867	- 6.0%	11.5%	29.4%	8.5	10,625	23	98.9%
Raleigh – North	3,699	- 2.4%	8.3%	34.7%	8.3	4,449	25	98.9%
Wake County	20,316	- 3.6%	24.1%	22.6%	8.1	24,350	24	98.8%
Wake Forest	1,956	+ 11.7%	39.1%	13.4%	5.3	2,421	35	97.9%

* Includes Person 321, Vance 322, Granville 323, Franklin 324, Warren 329 and Kerr Lake 333.

** Resale properties only.

Area Historical Median Prices

	2014	2015	2016	2017	2018	Change From 2017	Change From 2014
Cary/Apex/Morrisville	\$290,225	\$301,831	\$329,500	\$353,528	\$367,000	+ 3.8%	+ 26.5%
Chapel Hill/Carrboro	\$329,500	\$345,000	\$355,000	\$370,000	\$382,451	+ 3.4%	+ 16.1%
Chatham County	\$316,000	\$335,000	\$352,000	\$369,000	\$387,450	+ 5.0%	+ 22.6%
Durham - Central	\$181,750	\$194,673	\$230,000	\$260,000	\$284,500	+ 9.4%	+ 56.5%
Durham – East	\$163,500	\$172,500	\$189,450	\$217,000	\$234,000	+ 7.8%	+ 43.1%
Durham – North	\$164,000	\$176,250	\$185,000	\$200,000	\$220,000	+ 10.0%	+ 34.1%
Durham – South	\$197,000	\$209,650	\$225,260	\$241,800	\$265,200	+ 9.7%	+ 34.6%
Durham County	\$179,598	\$192,500	\$211,000	\$230,000	\$255,000	+ 10.9%	+ 42.0%
Fuquay-Varina/Holly Springs	\$226,715	\$250,000	\$270,000	\$298,000	\$310,000	+ 4.0%	+ 36.7%
Garner	\$174,000	\$192,000	\$212,000	\$235,000	\$254,999	+ 8.5%	+ 46.6%
Hillsborough	\$237,000	\$266,000	\$275,560	\$280,500	\$289,000	+ 3.0%	+ 21.9%
Inside the Beltline	\$360,000	\$364,000	\$393,108	\$442,500	\$467,000	+ 5.5%	+ 29.7%
Johnston County	\$165,000	\$179,000	\$189,900	\$206,990	\$228,900	+ 10.6%	+ 38.7%
Knightdale/Wendell/Zebulon	\$158,500	\$178,438	\$200,000	\$219,920	\$237,000	+ 7.8%	+ 49.5%
Northern Triangle Region*	\$143,000	\$153,000	\$165,000	\$180,000	\$199,900	+ 11.1%	+ 39.8%
Orange County	\$268,000	\$290,000	\$300,000	\$315,000	\$315,000	0.0%	+ 17.5%
Raleigh	\$204,000	\$219,000	\$228,000	\$250,000	\$271,000	+ 8.4%	+ 32.8%
Raleigh – North	\$246,110	\$260,000	\$269,000	\$290,750	\$307,750	+ 5.8%	+ 25.0%
Wake County	\$230,253	\$249,903	\$264,990	\$285,000	\$305,000	+ 7.0%	+ 32.5%
Wake Forest	\$275,974	\$290,000	\$310,000	\$325,000	\$335,000	+ 3.1%	+ 21.4%

* Includes Person 321, Vance 322, Granville 323, Franklin 324, Warren 329 and Kerr Lake 333.

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.