

Market Update

SUMMARY OF RESIDENTIAL ACTIVITY



TRIANGLE MLS™
MULTIPLE LISTING SERVICES

Market Drift; the power of new construction

Even though the new home market is suffering through its worst business cycle in decades, its effect on the re-sale market remains strong. This month I will look at the top selling new home areas within the RTP market to see if they stole market share from areas with a lesser new home presence.

Based upon 2009 closings of detached housing listed and sold within TMLS, new homes in Wake County accounted for 23% of all closings. New homes accounted for 15% of Durham County closings and 37% of Johnston county closings. In Wake County, the top three areas were 10(Cary/Morrisville), 16 (Fuquay Varina) and 9 (South Cary, Holly Springs). In Durham County, the top three areas were 101 (Southwest Durham), 121 (East Club Blvd.) and 117(East Durham, Highway 98). Since new home closings in Wake County accounted for a larger number of 2009 closings, the data can be better analyzed to determine any affects on the re-sale market.

Area 10, located in western Wake, was the top selling new home area within Wake County during 2009. The 336 closings accounted for 16% of all new home closings within the county. The average sales price of those closings was \$429,561 and the average price per square foot was \$130.66. During 2010, there were 57 closings in the 400k-450k price bucket within that area. This represented a 12% increase over 2008 closings within this price bucket. Since closings with a Cary city location were down 6%, area 10 had to take market share from other areas within the town. Areas 5 and 9 are the other TMLS areas with a Cary city designation. Area 5 closings were down 38% and area 9 closings with a Cary city location were down 18%. These numbers suggest that northwest Cary stole market share from the other areas within town.

Here are some other facts pertaining to housing located within the Cary market;

-The median age of housing closed in area 10 during 2009 was 1 year. The median for area 9 was 1 year and the median for area 5 was 18 years.

-For re-sale houses that closed in 2009, there does not appear to be a penalty regarding days on market. Each of the areas with re-sale closings within the 350k-450k price bucket had an average DOM between 85 and 92.

-There does appear to be some correlation between the age of the house and closing numbers. Area 5 in Cary has the highest median age and had the highest percentage drop in closings. This area also had the highest average days on market.

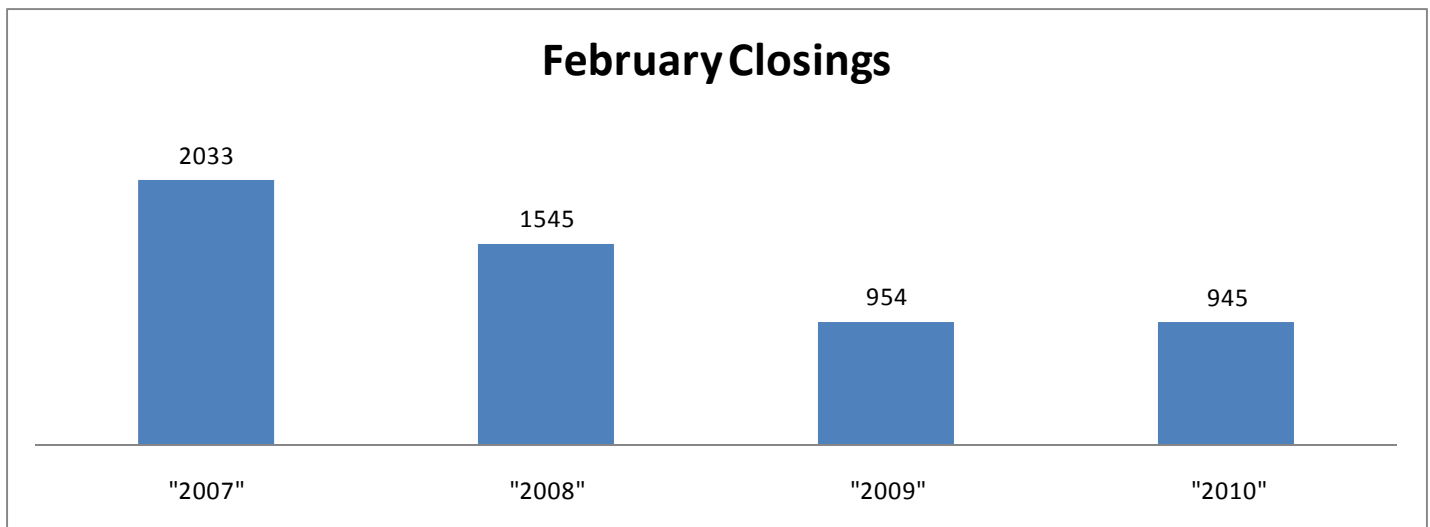
-The presence of new construction did produce a higher percentage of expired listings within area 5. Expired listings within the 350k-450k price bucket made up 18% of all listings entered into the system during 2009. The percentage for all of Cary was 15%.

-The average gross living area (GLA) of new homes within area 10 during 2009 was 3,288. Re-sale housing containing between 3,000 and 3,400 square feet sold for an average of \$381,700, which represents a 13% discount from a similar sized new home. Sellers of housing within this GLA range were successful as long as they kept that 13% discount in mind. There were 53 re-sale closings in 2009 compared to 51 in 2008 within this GLA range. If they moved into the 400k-425k price bucket, the closing numbers decreased.

While the above data illustrates the affect of new construction within the Cary market, the data can be extrapolated into other areas within the RTP market. A key indicator when pricing a re-sale house is the average list and closed price of new construction. The geographic location is not as important, as new construction can lure buyers out of their initial purchase desires. In order to get a key pricing metric, determine the average list price of new construction for subject similar GLA. Keep in mind the premium historically paid for new construction and discount the re-sale based upon that premium. All things considered, the market will purchase a new home over a re-sale home.

Market Statistics

6 month period	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	%Change
Total Pending(4cnty)	1638	1607	1060	941	1160	1467	26%
4Cnty Total List	12357	12067	11608	11403	12214	13128	7%
Houses Listed During the Month	3183	3008	2211	1986	3355	3685	86%
Price Drop Listings	6468	6246	5912	5860	5940	6282	6%
%Price Drop	52%	52%	51%	51%	49%	48%	-2%
Showings	59641	54952	37545	33498	52603	62660	19%
Withdrawn	908	895	957	882	797	714	-10%
Expired	647	622	581	825	557	433	-22%
Days on Market	94	91	91	104	108	102	-6%
ReSale Listings	9583	9362	8865	8671	9484	10431	10%
New Home Listings	2774	2705	2742	2731	2730	2696	-1%
Monthly Closings	1595	1687	1744	1234	841	945	12%
Current Supply(Monthly)	8	7	7	9	15	14	-4%
Low Suppy Price Points	0	1	0	0	0	0	n/a
High Supply Price Points	59	60	57	59	92	92	0%
Average Price ReSale	\$201,400	\$207,800	\$210,400	\$217,400	\$211,500	\$208,900	-1%
Average Price Overall	\$220,000	\$226,200	\$225,900	\$236,600	\$235,000	\$226,400	-4%
%Low	0%	1%	0%	0%	0%	0%	n/a
%High	55%	56%	53%	55%	85%	85%	0%



**MARKET UPDATE
TRIANGLE M.L.S.**

The following pertains to the M.L.S. information presented in the report;

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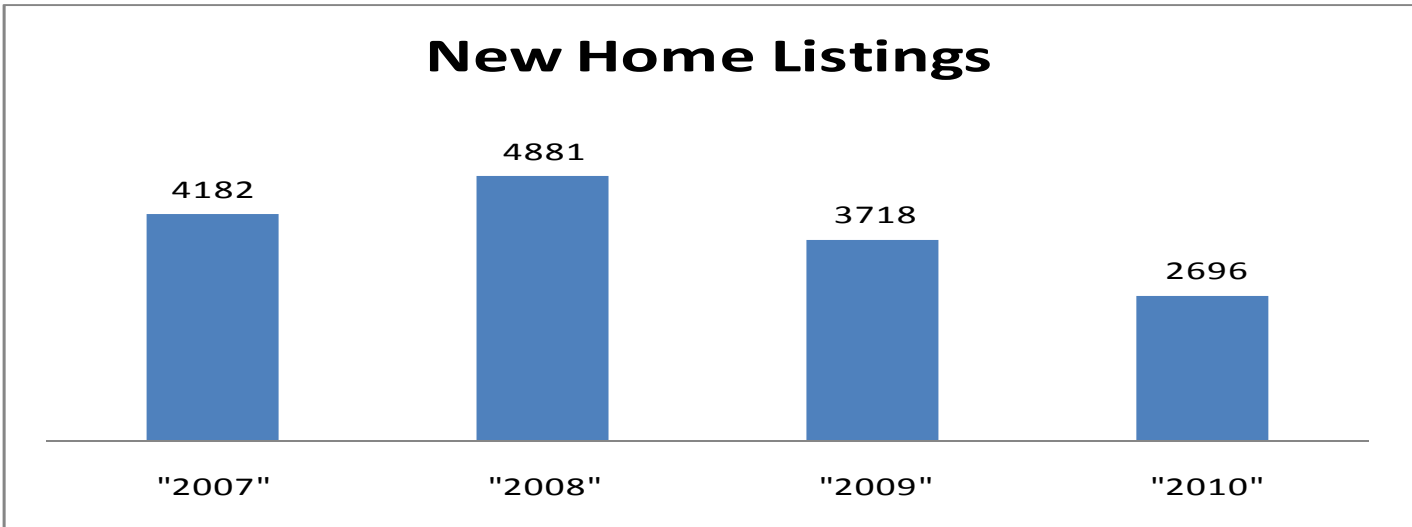
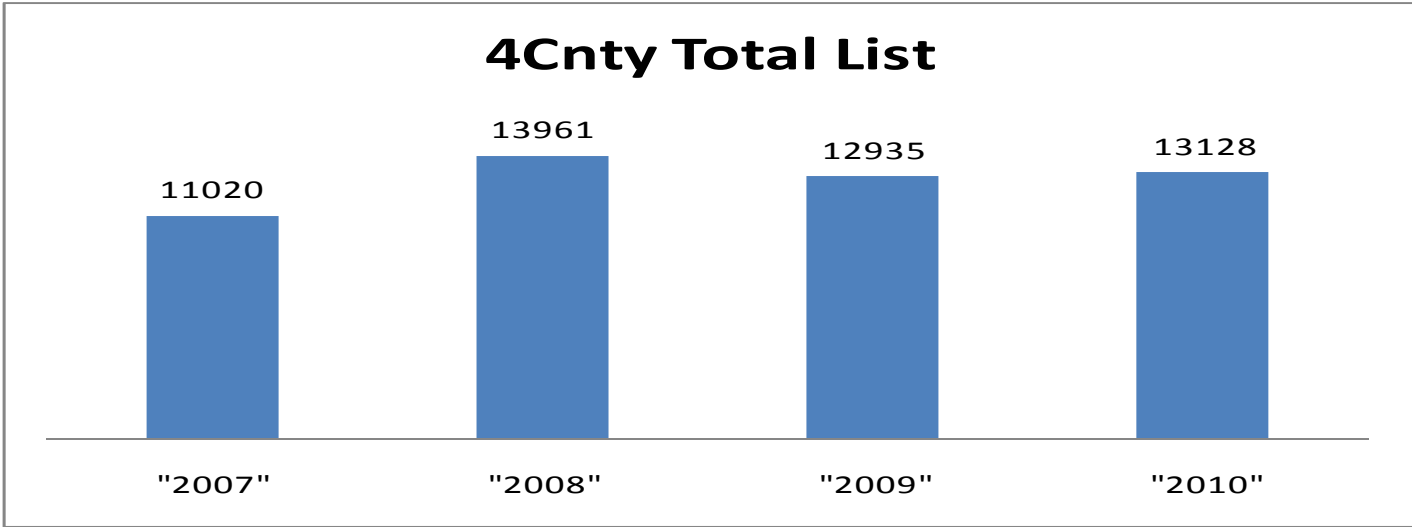
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Market Update

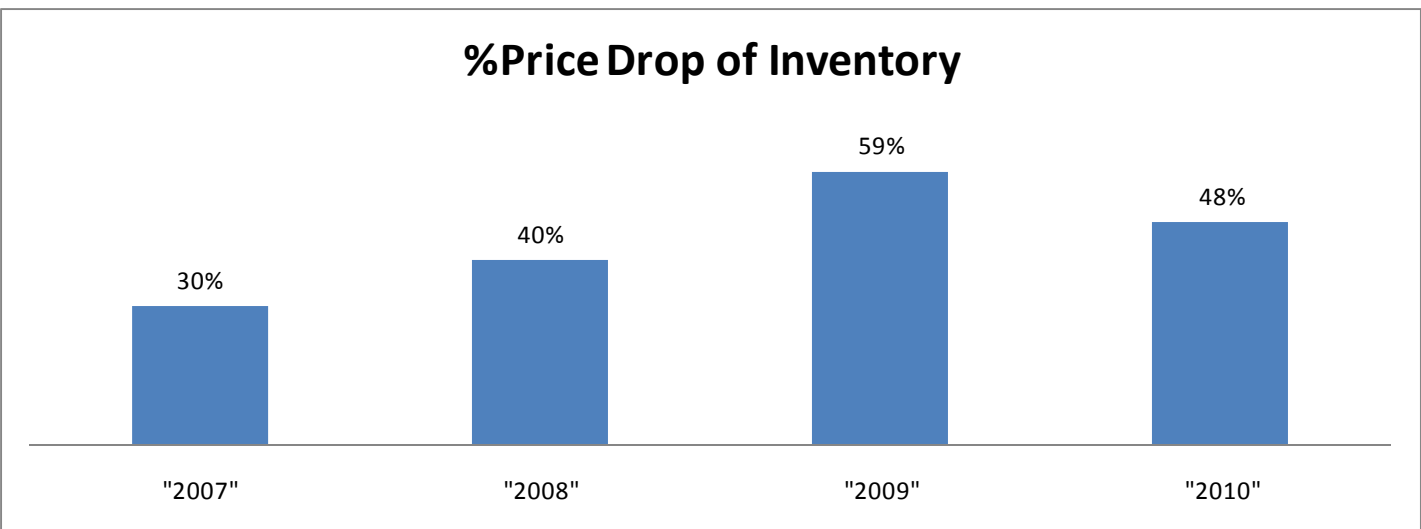
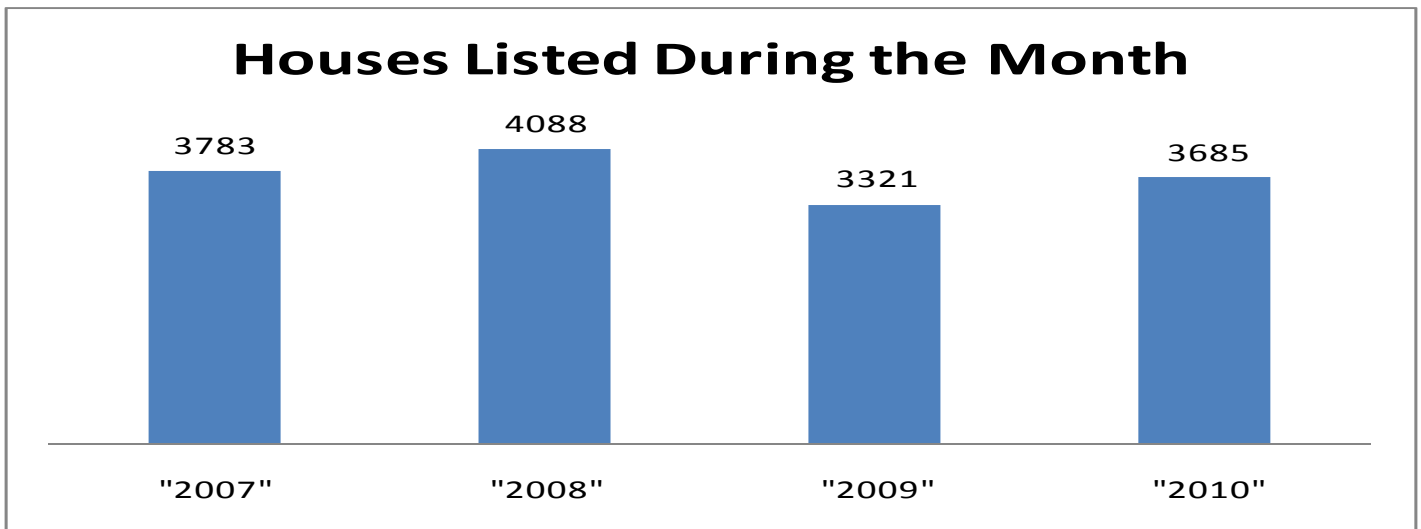
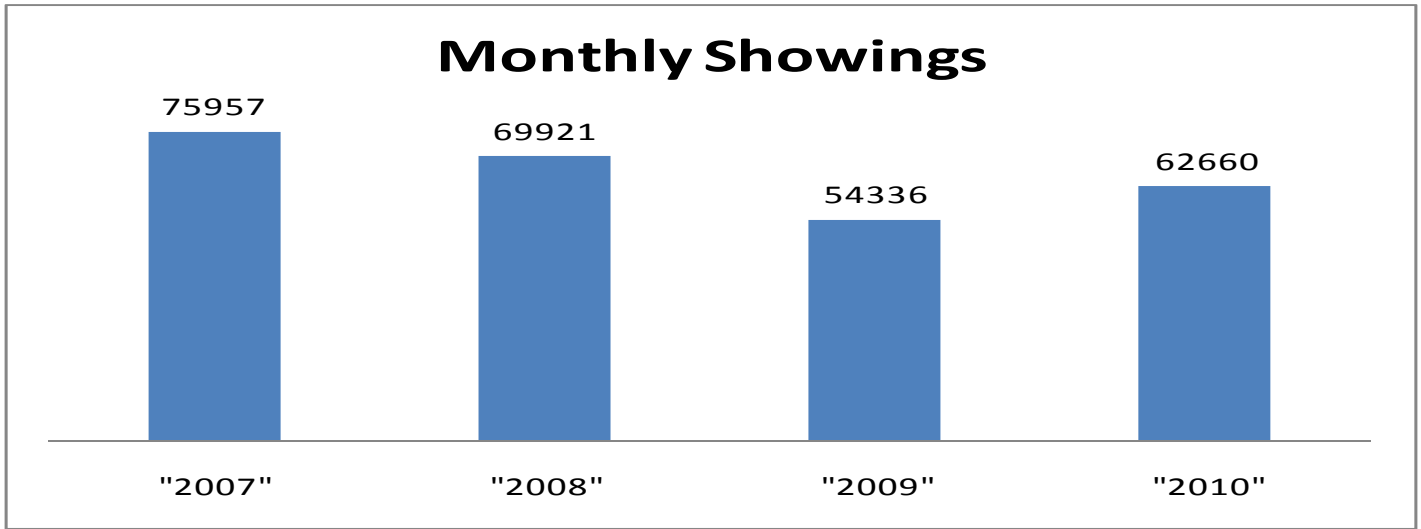
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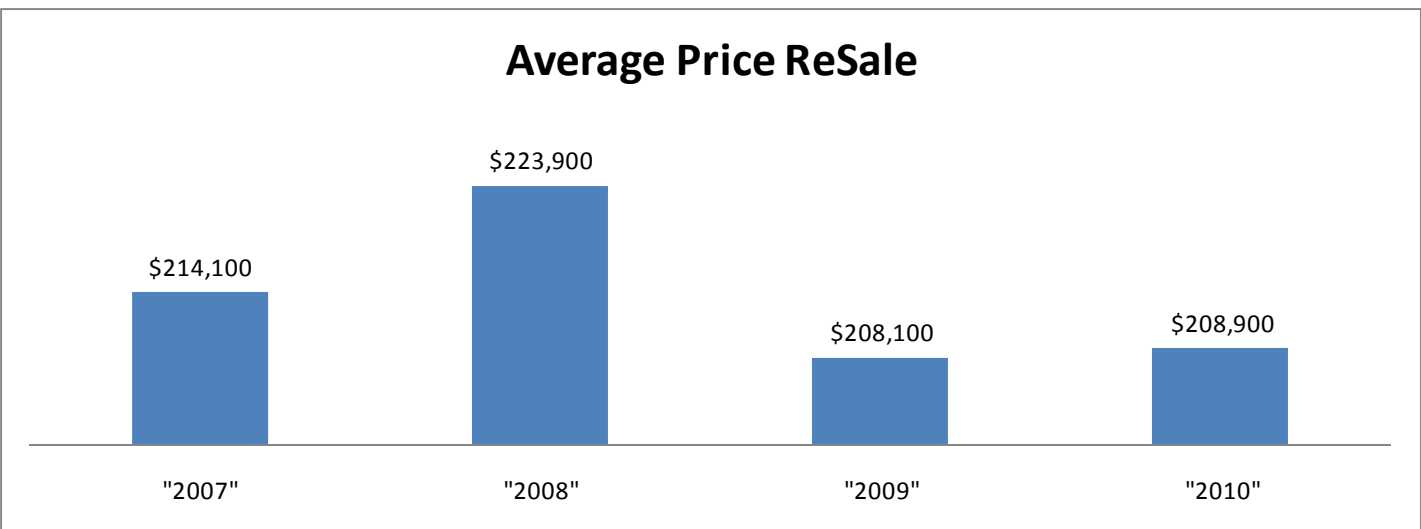
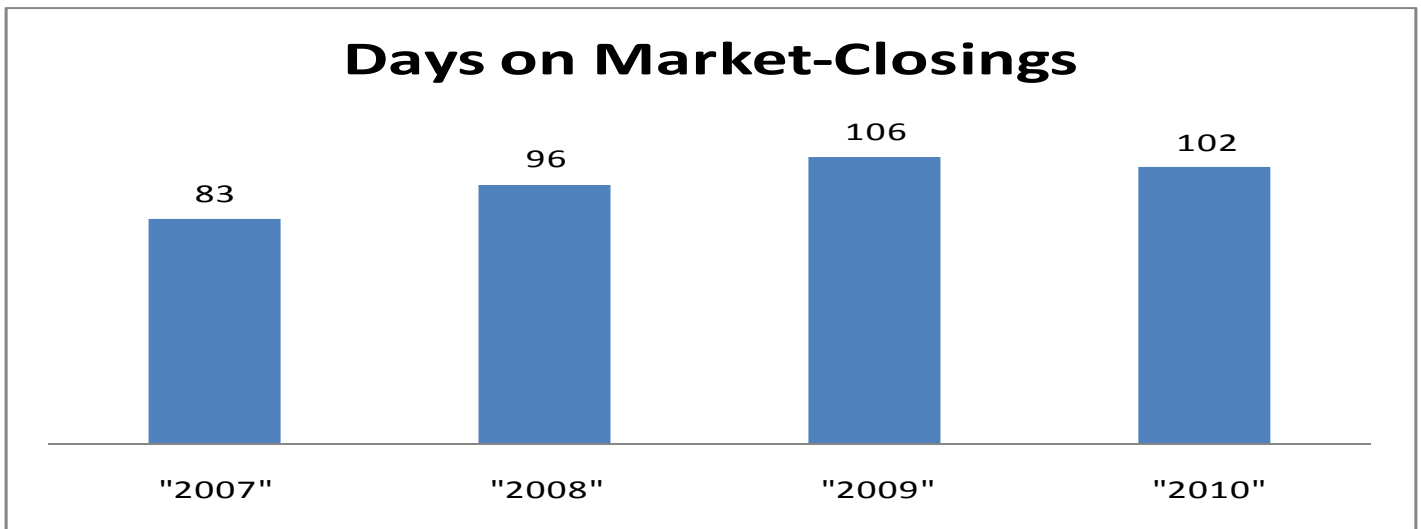
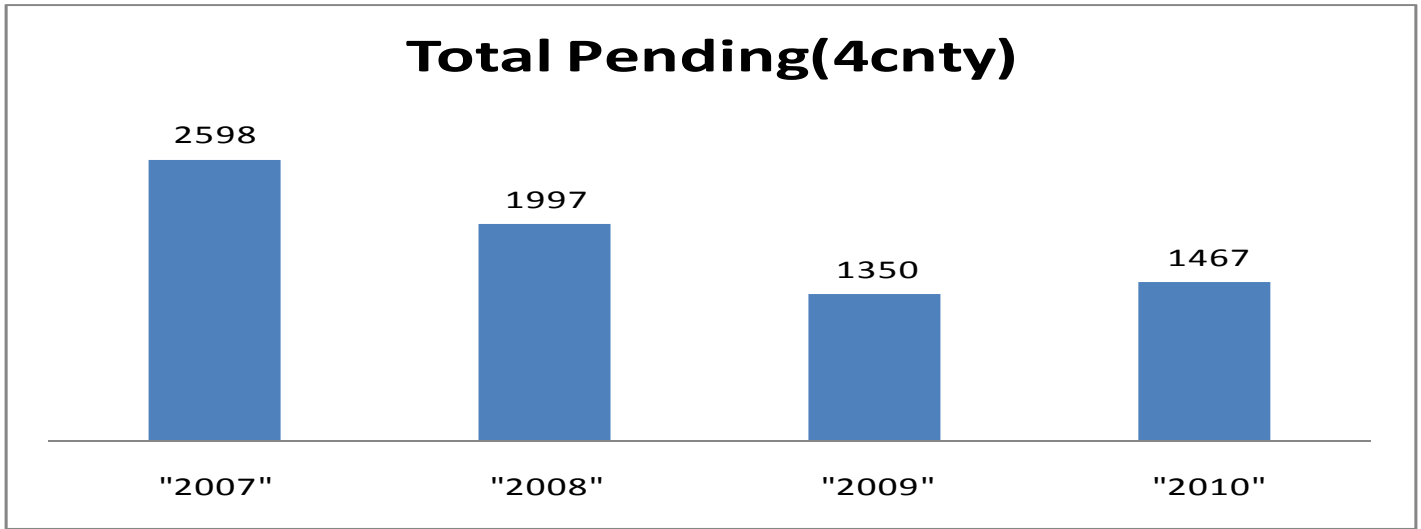
Inventory Indicators



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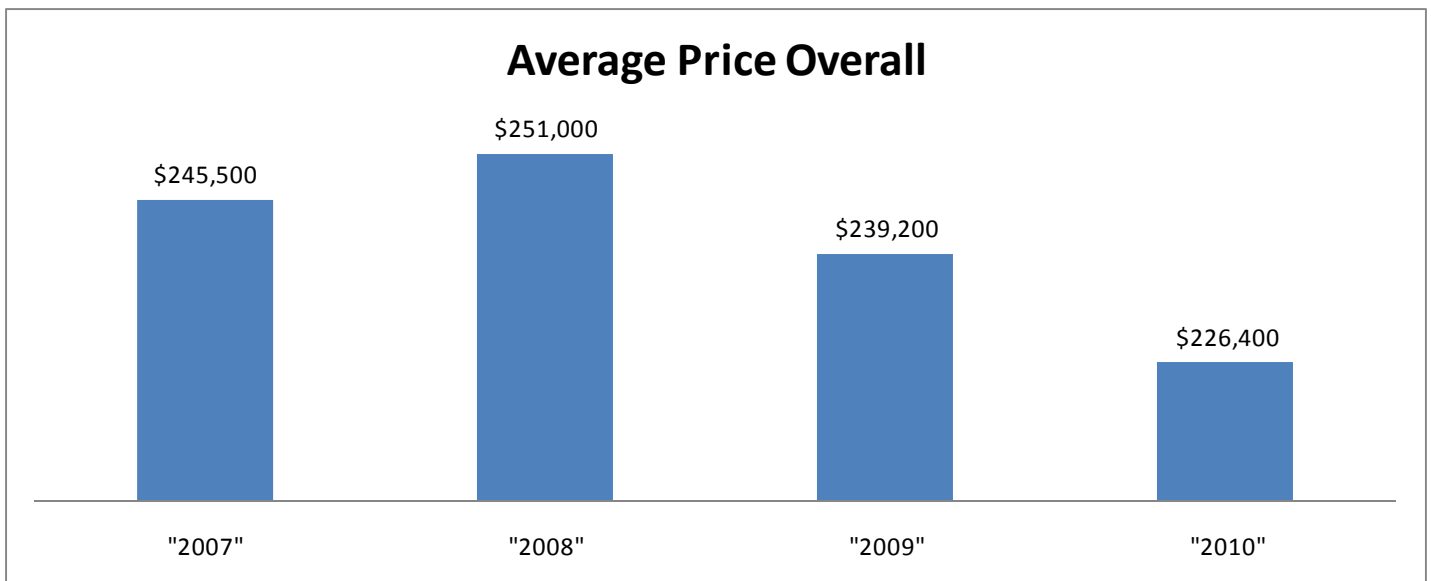


Sales Indicators



Market Indicators

2010	DOM	Specs	SpecAvgPrice	ResaleListings	ResaleClosed	Active	ActiveAvgPrice
Durham	87	380	\$273,819	1734	235	2114	\$234,402
Johnston	117	402	\$221,063	1218	146	1620	\$202,150
Orange	100	166	\$557,436	759	85	925	\$457,263
Wake	100	1770	\$395,723	6621	928	8391	\$325,940
Group Summary	105	2718	\$363,000	10332	1394	13050	\$304,400
10 v 09	-0.94%	-26.90%	-10.30%	12.10%	20.59%	0.89%	-8.45%
2009	DOM	Specs	SpecAvgPrice	ResaleListings	ResaleClosed	Active	ActiveAvgPrice
Durham	94	387	\$296,885	1523	222	1910	\$252,176
Johnston	123	650	\$233,151	1045	103	1695	\$211,511
Orange	104	176	\$622,927	657	67	833	\$477,840
Wake	104	2505	\$449,324	5992	764	8497	\$360,112
Group Summary	106	3718	\$404,700	9217	1156	12935	\$332,500
09 v 08	10.42%	-23.83%	4.04%	0.52%	-40.41%	-7.94%	0.21%
2008	DOM	Specs	SpecAvgPrice	ResaleListings	ResaleClosed	Active	ActiveAvgPrice
Durham	88	573	\$291,329	1756	340	2329	\$246,023
Johnston	106	885	\$254,697	1091	201	1976	\$227,810
Orange	86	166	\$610,642	729	123	895	\$457,359
Wake	92	3257	\$427,954	5593	1276	8850	\$362,287
Group Summary	96	4881	\$389,000	9169	1940	14050	\$331,800
08 v 07	15.66%	16.71%	4.80%	34.09%	-25.24%	27.50%	3.91%
2007	DOM	Specs	SpecAvgPrice	ResaleListings	ResaleClosed	Active	ActiveAvgPrice
Durham	96	491	\$303,861	1633	425	2124	\$237,801
Johnston	84	729	\$257,869	823	257	1552	\$223,152
Orange	77	163	\$580,442	577	150	740	\$449,342
Wake	79	2799	\$400,978	3805	1763	6604	\$354,216
Group Summary	83	4182	\$371,200	6838	2595	11020	\$319,300



Stats by Price Point/Location

The "3/09 List" column reports the number of listings as of 3/15/09. The "3/10 List" column reports the number of listings as of 3/10/10. The next column provides a percentage comparison between the two. The "YTDClsd" are the closed sales between 1/1/10 and 2/28/10. The "PerMonth" column is the number of closed sales divided by 2. The "Supply" is the "3/10 List" column divided by the "PerMonth". This figure states supply in months and should be viewed as supply if no other listings are added to the price point. The "AvgDOM" is the average days on market as reported by TMLS for the most recent listing period.

Area	Class	3/09List	3/10 List	%Change	YTDClsd	PerMonth	Supply	AvgDOM
Cary/Apex/Mo'ville(z5/10/15)	0-149.9	5	13	160%	6	3	4	53
	150-199.9	73	97	33%	30	15	6	72
	200-299.9	277	316	14%	67	34	9	78
	300-399.9	290	257	-11%	49	25	10	153
	400-599.9	270	254	-6%	36	18	14	153
	600-799.9	109	92	-16%	7	4	26	127
	800+	67	53	-21%	1	1	106	356
	Condo	83	111	34%	21	11	11	87
	Townhouse	347	389	12%	76	38	10	87
Area Total		1521	1582	4%	293	147	11	104
N.Raleigh/N.Wake(z2/7)	0-149.9	18	24	33%	8	4	6	108
	150-199.9	66	90	36%	21	11	9	99
	200-299.9	233	260	12%	51	26	10	94
	300-399.9	209	235	12%	34	17	14	96
	400-599.9	261	247	-5%	35	18	14	127
	600-799.9	172	120	-30%	9	5	27	198
	800+	180	126	-30%	6	3	42	134
	Condo	169	157	-7%	29	15	11	90
	Townhouse	456	446	-2%	82	41	11	78
Area Total		1764	1705	-3%	275	138	12	98
S.Cary/S.W.Wake/H'Sprgs(z9/17)	0-149.9	15	13	-13%	5	3	5	159
	150-199.9	56	72	29%	21	11	7	47
	200-299.9	132	167	27%	22	11	15	132
	300-399.9	150	145	-3%	19	10	15	128
	400-599.9	192	157	-18%	14	7	22	189
	600-799.9	82	48	-41%	4	2	24	143
	800+	38	28	-26%	1	1	56	858
	Condo	0	1	n/a	0	0	n/a	n/a
	Townhouse	46	33	-28%	7	4	9	188
Area Total		711	664	-7%	93	47	14	134
ITB(z1/4)	0-149.9	29	33	14%	10	5	7	59
	150-199.9	22	49	123%	12	6	8	109
	200-299.9	86	121	41%	11	6	22	108
	300-399.9	99	93	-6%	5	3	37	131
	400-599.9	126	99	-21%	6	3	33	231
	600-799.9	78	78	0%	7	4	22	325
	800+	121	91	-25%	3	2	61	75
	Condo	246	269	9%	16	8	34	102
	Townhouse	114	124	9%	14	7	18	78
Area Total		921	957	4%	84	42	23	123

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Area	Class	3/09List	3/10 List	%Change	YTDClsd	PerMonth	Supply	AvgDOM
N.E. Raleigh(z8)	0-149.9	76	101	33%	22	11	9	76
	150-199.9	108	144	33%	13	7	22	75
	200-299.9	65	79	22%	10	5	16	126
	300-399.9	10	6	-40%	0	0	n/a	n/a
	400-599.9	3	4	33%	1	1	8	206
	600-799.9	0	0	n/a	0	0	n/a	n/a
	800+	1	1	0%	0	0	n/a	n/a
	Condo	13	18	38%	2	1	18	134
	Townhouse	140	155	11%	15	8	21	95
Area Total		416	508	22%	63	32	16	92
Area	Class	3/09List	3/10 List	%Change	YTDClsd	PerMonth	Supply	AvgDOM
S.E.Raleigh/Garner(z3/6)	0-149.9	303	267	-12%	78	39	7	79
	150-199.9	133	155	17%	18	9	17	77
	200-299.9	54	47	-13%	2	1	47	390
	300-399.9	35	26	-26%	3	2	17	24
	400-599.9	11	11	0%	0	0	n/a	n/a
	600-799.9	0	1	n/a	0	0	n/a	n/a
	800+	0	2	n/a	0	0	n/a	n/a
	Condo	48	35	-27%	4	2	18	145
	Townhouse	54	63	17%	6	3	21	141
Area Total		638	607	-5%	111	56	11	89
Area	Class	3/09List	3/10 List	%Change	YTDClsd	PerMonth	Supply	AvgDOM
FV/S.Wake(z16/18)	0-149.9	100	129	29%	33	17	8	65
	150-199.9	186	224	20%	28	14	16	86
	200-299.9	326	329	1%	34	17	19	139
	300-399.9	186	124	-33%	12	6	21	237
	400-599.9	83	49	-41%	2	1	49	289
	600-799.9	4	6	50%	0	0	n/a	n/a
	800+	3	4	33%	0	0	n/a	n/a
	Condo	1	0	-100%	0	0	n/a	n/a
	Townhouse	25	39	56%	3	2	26	54
Area Total		914	904	-1%	112	56	16	115
Area	Class	3/09List	3/10 List	%Change	YTDClsd	PerMonth	Supply	AvgDOM
Wake Forest(z14/21)	0-149.9	34	49	44%	13	7	8	66
	150-199.9	89	94	6%	26	13	7	74
	200-299.9	215	253	18%	27	14	19	117
	300-399.9	201	213	6%	28	14	15	119
	400-599.9	249	167	-33%	12	6	28	152
	600-799.9	81	60	-26%	4	2	30	252
	800+	72	40	-44%	2	1	40	4
	Condo	9	9	0%	0	0	n/a	n/a
	Townhouse	165	148	-10%	18	9	16	136
Area Total		1115	1033	-7%	130	65	16	112

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Area	Class	3/09List	3/10 List	%Change	YTDClsd	PerMonth	Supply	AvgDOM
K'dale/W'dell/Zebulon(z11/12/13)	0-149.9	152	143	-6%	27	14	11	91
	150-199.9	105	88	-16%	14	7	13	98
	200-299.9	95	100	5%	11	6	18	104
	300-399.9	52	52	0%	1	1	104	595
	400-599.9	36	26	-28%	0	0	n/a	n/a
	600-799.9	5	0	-100%	0	0	n/a	n/a
	800+	3	1	-67%	0	0	n/a	n/a
	Condo	3	0	-100%	0	0	n/a	n/a
	Townhouse	45	21	-53%	4	2	11	274
Area Total		496	431	-13%	57	29	15	117
Area	Class	3/09List	3/10 List	%Change	YTDClsd	PerMonth	Supply	AvgDOM
Durham County	0-149.9	453	501	11%	103	52	10	68
	150-199.9	277	343	24%	39	20	18	93
	200-299.9	329	394	20%	54	27	15	96
	300-399.9	188	174	-7%	30	15	12	128
	400-599.9	124	117	-6%	13	7	18	82
	600-799.9	42	41	-2%	2	1	41	107
	800+	56	45	-20%	1	1	90	293
	Condo	106	116	9%	10	5	23	64
	Townhouse	259	316	22%	25	13	25	98
Area Total		1834	2047	12%	277	139	15	88
Area	Class	3/09List	3/10 List	%Change	YTDClsd	PerMonth	Supply	AvgDOM
Orange County	0-149.9	50	59	18%	8	4	15	85
	150-199.9	38	44	16%	5	3	18	148
	200-299.9	97	121	25%	24	12	10	83
	300-399.9	113	115	2%	18	9	13	104
	400-599.9	127	135	6%	15	8	18	88
	600-799.9	64	73	14%	3	2	49	309
	800+	96	77	-20%	2	1	77	259
	Condo	166	188	13%	11	6	34	154
	Townhouse	82	113	38%	9	5	25	146
Area Total		833	925	11%	95	48	19	116
Area	Class	3/09List	3/10 List	%Change	YTDClsd	PerMonth	Supply	AvgDOM
Johnston County	0-149.9	507	566	12%	108	54	10	103
	150-199.9	419	361	-14%	38	19	19	107
	200-299.9	433	398	-8%	33	17	24	131
	300-399.9	146	126	-14%	5	3	50	313
	400-599.9	88	70	-20%	3	2	47	207
	600-799.9	13	12	-8%	0	0	n/a	n/a
	800+	8	5	-38%	0	0	n/a	n/a
	Condo	5	17	240%	0	0	n/a	n/a
	Townhouse	77	65	-16%	11	6	12	137
Area Total		1696	1620	-4%	198	99	16	117

Top Developments

SD	#List	Avg LP	Avg DOM	Avg LPPF	Avg Ratio	Avg SF	City
Wakefield	74	\$484,595	188	\$120.69	91.66%	3556	Raleigh
Governors Club	47	\$703,328	236	\$174.44	89.36%	4051	Chapel Hill
Brier Creek	36	\$410,894	145	\$143.15	93.37%	2779	Raleigh
Cary Park	36	\$333,268	161	\$125.05	91.48%	2600	Cary
Heritage Wake Forest	35	\$377,843	341	\$127.18	92.64%	2927	WF
Glen Laurel	27	\$333,067	182	\$113.27	90.03%	2962	Clayton
Hedingham	27	\$152,485	134	\$102.88	95.49%	1492	Raleigh
Sunset Ridge	26	\$383,181	205	\$126.02	92.23%	3050	Hsprings
Bedford at Falls River	25	\$360,748	125	\$128.79	95.52%	2809	Raleigh
Riverwood Athletic Club	25	\$227,559	332	\$113.10	95.74%	1961	Clayton
Treyburn	25	\$521,728	245	\$135.82	86.37%	3724	Durham
Flowers Plantation	24	\$366,828	294	\$127.86	90.95%	2834	Clayton
Lakestone Village	24	\$252,317	213	\$106.65	91.95%	2398	FV
Davis Park	22	\$199,595	172	\$147.29	74.52%	1403	Durham
Hope Valley Farms	22	\$196,923	107	\$116.99	94.92%	1737	Durham
North Ridge	22	\$453,398	157	\$135.14	92.46%	3121	Raleigh
Riverside	22	\$216,450	138	\$91.61	93.73%	2388	Raleigh
Eagle Ridge	21	\$330,957	190	\$110.79	91.70%	2971	Raleigh
Bedford	20	\$348,765	110	\$124.69	93.09%	2848	Raleigh
Lochmere	20	\$420,654	192	\$129.13	91.57%	3251	Cary
Budleigh	19	\$941,842	400	\$240.30	87.85%	3782	Raleigh
Renaissance Park	19	\$233,178	168	\$114.93	94.55%	2000	Raleigh
The Groves	19	\$229,374	482	\$122.77	94.24%	1834	Apex
Brightleaf	18	\$227,319	144	\$111.95	93.92%	2045	Durham
Five Points	18	\$423,911	136	\$222.97	90.47%	2011	Raleigh
Group Summary	6282	\$314,988	181	\$123.24	92.07%	2387	

The top table presents active listings based upon subdivision location within the Triangle where the sellers have dropped list price. The data is reported in the following columns; total number of listings, average list price, average days on market, average list price per square foot, average ratio between original and current list, average square footage and city location. The bottom table presents listings and closings by geographic area analyzed. The final three columns present current supply, average days on market and the average closed price.

Area	3/09List	3/10 List	%Change	YTDClsd	PerMonth	Supply	AvgDOM	ACP
Cary/Apex/Mo'ville(z5/10/15)	1521	1582	4%	293	147	11	104	\$275,455
Durham County	1834	2047	12%	277	139	15	88	\$188,003
N.Raleigh/N.Wake(z2/7)	1764	1705	-3%	275	138	12	98	\$277,025
Johnston County	1696	1620	-4%	198	99	16	117	\$153,782
Wake Forest(z14/21)	1115	1033	-7%	130	65	16	112	\$279,551
FV/S.Wake(z16/18)	914	904	-1%	112	56	16	115	\$194,539
S.E.Raleigh/Garner(z3/6)	638	607	-5%	111	56	11	89	\$130,451
Orange County	833	925	11%	95	48	19	116	\$312,159
S.Cary/S.W.Wake/H'Sprgs(z9/17)	711	664	-7%	93	47	14	134	\$299,841
ITB(z1/4)	921	957	4%	84	42	23	123	\$294,960
N.E. Raleigh(z8)	416	508	22%	63	32	16	92	\$154,435
K'dale/W'dell/Zebulon(z11/12/13)	496	431	-13%	57	29	15	117	\$145,568
Group Summary	12859	12983	1%	1788	894	15	105	\$233,300