

MARKET UPDATE

SUMMARY OF THE LOCAL RESIDENTIAL MARKET



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Chatham County: 2007 First Half Summary

On this and the following pages you will find statistical indicators detailing the performance of the residential real estate market in Chatham County.

Here are the answers to my top questions pertaining to market performance;

What is going on in the job market?

Per the N.C. Employment Security Commission, the May, 2007 workforce in Chatham County stands at 32,967. This is a 3.1% increase from the workforce in 5/2006. The U.S. workforce grew at 1% and the North Carolina workforce grew at 1.5%. The current unemployment rate is 3.8%, up from the 3.7% rate in 5/06.

What is going on with interest rates?

They have gone up. The national average for a 30 year fixed rate mortgage is 6.65% compared to 5.8% in April of 2007. The national average for a 15 year fixed rate mortgage is 6.31%, compared to 5.55% in April of 2007.

Give me some numbers

The average list price is \$490,000, a decrease of 3% compared to the first quarter of this year.

The average sold price is \$385,000, an increase of 15.8% compared to last year.

There were 384 closings during the first six months, a decrease of 7% compared to the first six months of 2006.

What is happening with inventory?

Overall inventory increased 9% to 592 listings compared to inventory at the end of the first quarter.

Re-sale inventory decreased 9% to 352 listings compared to inventory at the end of the first quarter.

Is anyone looking at Chatham County housing?

There were 1,317 showings of active listings within the county during the month of June. This number of showings is down from the high of 1,479 showings in April of this year.

How does the current supply compare with other area's in the Triangle?

The current supply for all housing located within the county is 9 months. The current supply of housing located in the four main counties of Durham, Orange, Johnston and Wake is 5 months.

How long is it taking for homes to sell?

The average days on market for homes that have closed within the first six months has been 112 days. The average at the end of June in 2006 was 116 days. The overall TMLS average has been 77 days.

Are house prices appreciating?

Yes they are; the current average for re-sales since 1/05 in Chatham County is 4.94%. The rate for housing in the United States comparing 1Q '07 with 1Q '06 was 4.3%, the rate for the South Atlantic region was 5.09%, and the rate for North Carolina was 7.99%.

Where are people buying?

Fearrington, Governors Club, Potterstone Village and The Preserve at Jordan Lake were the top sellers during the first six months.

Appreciation

Subdivision	Avg Years	Avg %Per Year	#Sales in DB	City	Avg SP
Preserve@Jordan Lake	1.96	7.46%	5	Chapel Hill	\$563,200
Highland Forest	4.85	6.47%	4	Chapel Hill	\$254,700
Governors Park	3.83	6.27%	6	Chapel Hill	\$400,000
Governors Village	1.43	6.11%	3	Chapel Hill	\$287,447
Fearrington	4.58	5.79%	4	Pittsboro	\$264,250
BEECHWOOD COVE	5.50	5.63%	3	Chapel Hill	\$125,000
Polks Landing	3.29	5.10%	3	Chapel Hill	\$159,300
Bobcat Point	2.33	4.67%	3	Pittsboro	\$254,233
Governors Club	3.12	4.67%	20	Chapel Hill	\$588,475
Chatham Forest	2.92	3.23%	7	Pittsboro	\$201,329
Area Summary	3.16	4.94%	94		\$344,741

The table above presents information regarding appreciation rates by subdivision. The data was obtained by comparing re-sales of the same property within TMLS. The subdivision location is followed by the average years of ownership, the average percent per year gain, the number of sales in my database, the city location and the average re-sale sales price. The rates were obtained from re-sales since 1/1/05.

MARKET UPDATE TRIANGLE M.L.S.

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

*This representation is based in whole or in part on data supplied by the Participants in the MLS.. Neither the participants, their respective Boards of Realtors, nor the MLS guarantee or are in any way responsible for its accuracy. Any market data maintained by the MLS necessarily does not include information on listings not published at the request of the seller, listings of brokers who are not members of the MLS, unlisted properties, rental properties, etc..

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Overall Indicators

Area	Class	NumberListings	NumberShowings	NumberSold	PerMonth	Supply	DaysMarket
Chatham County	0-149.9	96	90	77	13	7	137
Chatham County	150-199.9	38	71	38	6	6	91
Chatham County	200-299.9	83	173	83	14	6	86
Chatham County	300-399.9	59	113	46	8	8	91
Chatham County	400-499.9	42	131	29	5	9	94
Chatham County	500-599.9	57	156	26	4	13	109
Chatham County	600-799.9	109	289	38	6	17	150
Chatham County	800-999.9	41	100	12	2	21	130
Chatham County	1ml+	43	113	10	2	26	263
Chatham County	Condo	1	1	2	0	3	45
Chatham County	Townhouse	21	61	23	4	5	96
	Area Total	590	1298	384	64	9	118

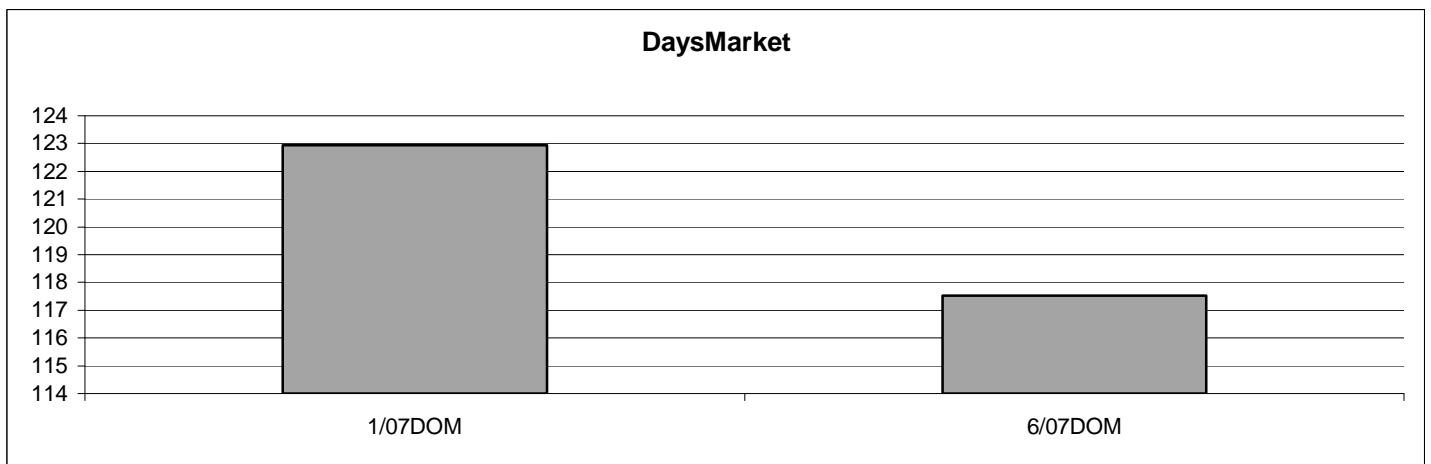
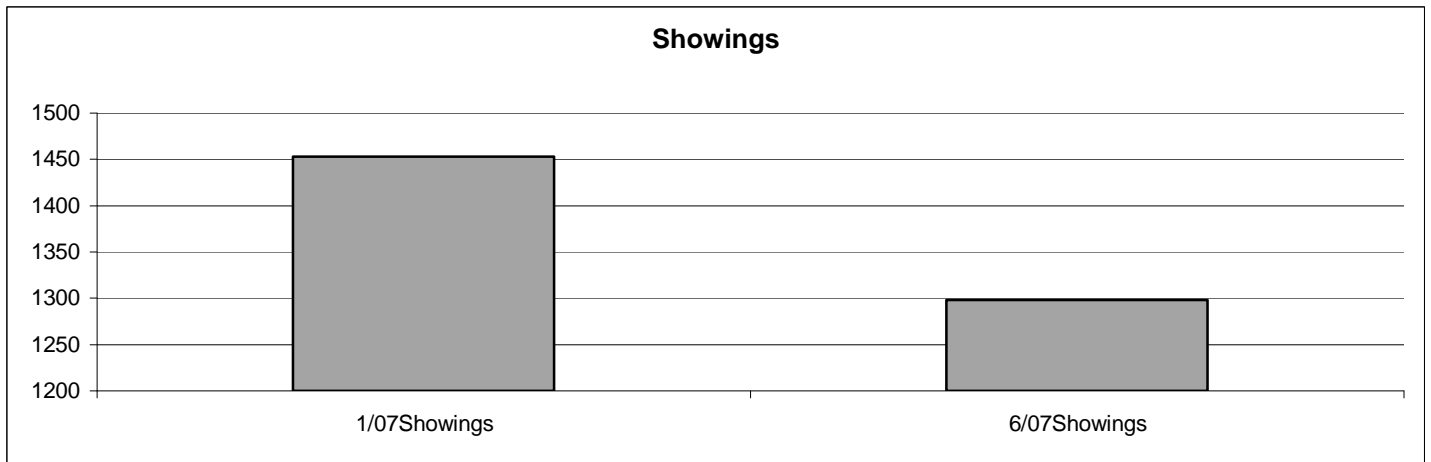
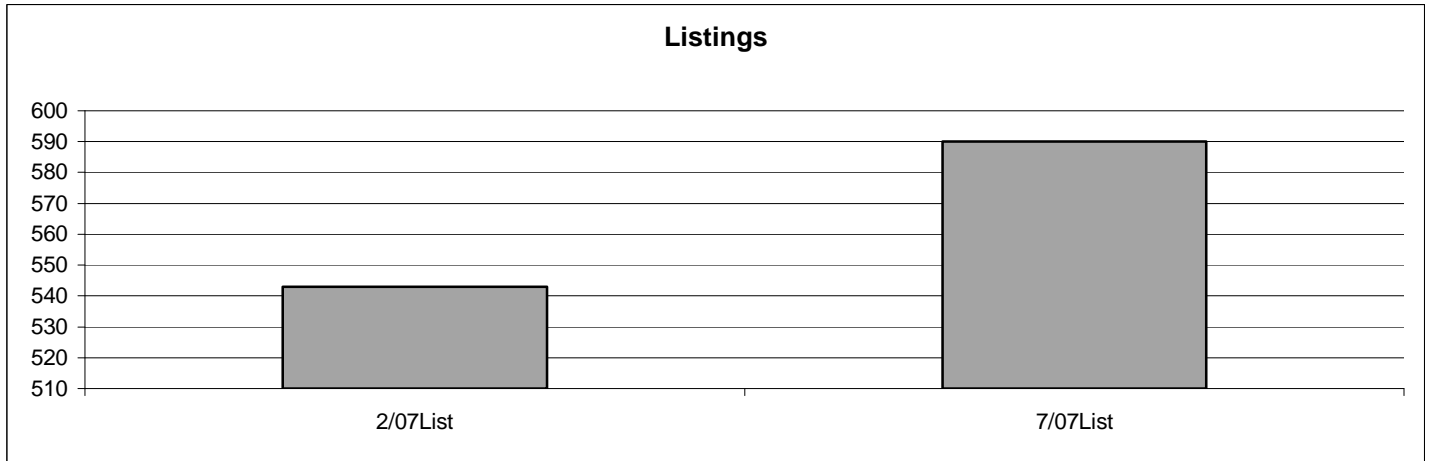
The table on this page presents location and price point indicators for all housing located within Chatham County. The geographic location is followed by the price point, the number of listings, the number of showings, the number sold during the first 6 months of 2007, the per month amount of closings and the current supply, as stated in months. The final column is the average days on market for the most recent listing period.

Re-Sale Indicators

Area	Class	ReSaleList	ReSaleShow	ReSaleClsd	PerMonth	Supply	DaysMarket
Chatham County	0-149.9	93	88	70	12	8	141
Chatham County	150-199.9	34	70	31	5	7	96
Chatham County	200-299.9	51	140	45	8	7	79
Chatham County	300-399.9	35	98	26	4	8	83
Chatham County	400-499.9	19	91	17	3	7	72
Chatham County	500-599.9	27	101	13	2	12	70
Chatham County	600-799.9	40	140	15	3	16	96
Chatham County	800-999.9	10	39	3	1	20	178
Chatham County	1ml+	28	87	6	1	28	273
Chatham County	Condo	1	1	2	0	3	45
Chatham County	Townhouse	11	60	21	4	3	71
	Area Total	349	915	249	42	8	109

The table on this page presents location and price point indicators for re-sale housing located within Chatham County. The geographic location is followed by the price point, the number of listings, the number of showings and the number sold during the first 6 months of 2007. The final column is the average days on market for the most recent listing period.

Trends



The above graphs illustrate various market indicators comparing the first quarter of 2007 with the second quarter of 2007. The top graph presents the number of listings, the middle graph presents the number of showings and the bottom graph presents the average days on market.

Top Selling Developments

Subdivision	#Closed	Avg SP	Avg PPF	Avg DOM	Avg LP/SP	Avg YB	City	Avg GLA
Fearrington	25	\$282,494	\$128.54	108	97.98%	1989	Pittsboro	2184
Governors Club	19	\$630,734	\$165.83	130	96.91%	1999	Chapel Hill	3830
Potterstone Village	19	\$255,613	\$112.88	77	101.71%	2005	Pittsboro	2280
Preserve@Jordan Lake	13	\$625,900	\$158.88	107	98.38%	2004	Chapel Hill	3973
Highland Forest	11	\$266,237	\$134.76	15	99.72%	1995	Chapel Hill	1968
Colvard Farms	10	\$722,659	\$192.47	112	103.58%	2005	Durham	3747
Chatham Forest	10	\$252,675	\$122.95	90	99.97%	2005	Pittsboro	2084
GOVERNORS PARK	9	\$397,100	\$135.00	44	98.45%	2000	Chapel Hill	2961
Bobcat Point	9	\$303,526	\$118.37	151	100.62%	2005	Pittsboro	2568
Powell Place	9	\$232,363	\$122.69	130	99.89%	2005	Pittsboro	1924
Cedar Grove	8	\$425,678	\$140.17	193	99.87%	2005	Pittsboro	3049
Governors Village	6	\$378,646	\$155.80	136	102.45%	2004	Chapel Hill	2491
Strowd Mountain	6	\$543,267	\$140.23	183	99.67%	2005	Pittsboro	3865
Heartland Grove	4	\$574,925	\$150.00	184	100.04%	2005	Pittsboro	3824
COLE PLACE TOWN-HOMES	3	\$157,233	\$106.43	61	100.00%	2005	Chapel Hill	1478
Townes of Governors Village	3	\$212,833	\$153.83	25	97.79%	2004	Chapel Hill	1389
Shambley Meadows	3	\$267,000	\$114.22	150	98.91%	2005	Pittsboro	2339
POLKS LANDING	2	\$182,600	\$137.81	3	99.35%	1975	Chapel Hill	1327
Price Creek	2	\$470,000	\$153.59	171	100.00%	2006	Chapel Hill	3060
Ridge Springs	2	\$579,750	\$164.47	281	101.72%	2006	Chapel Hill	3529
TMLS Averages	316	\$339,104	\$127.66	112	98.13%	1993		2451

The data above represents all closed sales with a Chatham County designation and a closed status that were entered into TMLS in the first six months of 2007. The subdivision name is followed by the number of closings, the average sales price, the average sales price per square foot, the average days on market for the most recent listing period, the average ratio between list price and sales price, the average year built, the city location and the average gross living area.