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Contrary to Headlines, Triangle Homes Selling Quickly

Almost 30% of homes sold in October 2007 were available less than a month, and homes in hot price points continue to show strong sales.

Holly Springs, NC, Dec 12 2007 – Scary headlines, lately. Triangle home resales down 26.5% in October. If we go by what we read in the press, the market sounds as good as dead.

What a surprise to potential buyers, who think they can pick up a home for nearly nothing, only to find that home sales in the Triangle remain very much alive - especially in hot price points.

What's causing the perception that the news is all bad, when sales are still hopping?

Focusing on a small part of the picture. Concentrating on resale numbers, without factoring in new home sales.

Take a look at the Multiple Listing Service (MLS), used across the country by real estate agents who list homes for sale, whether resale or new construction. These MLS numbers don't include homes for sale by owner, or the large national builders.

Here's what the numbers have to say, as provided by the Triangle MLS Residential Real Estate Sales Trends reports, which track all Triangle homes listed on the MLS.

The number of homes (new and resale) sold in October 2007 was 2528. This is down only 16% from Oct 2006 (at 2953 units) and down 16% from Oct 2005 at 3025.

Yes, those numbers are down. But 16 percent is a lot less scary than 26 percent. And even that percentage reflects nothing more than an adjustment from the fact that 2005 and 2006 saw record home sales in the Raleigh area.

But there's more to it than that. A lot more. And it's all good news.

According to normal sales activity, without factoring in the banner years, the Raleigh region is still way ahead of the game.

Looking at unit sales against the same period in 2004, which was the fourth in a six year steady climb in the Triangle area, we see that sales are holding steady. And sales remain way up in comparison to October of 2001, 2002, and 2003.

But there's more good news.

Let's take a closer look at the 16% drop since the record sales of last year.

The Triangle market continues to be very strong in most price points.

The greatest unit sales drops occurred in homes priced under \$200,000. There are several reasons for this. These buyers are most affected by tightening credit, AND there is the least amount of inventory in the lower price points, as homes have been increasing in value in the area.

In the \$200-249,999 range, unit sales were 361, down only 1.4% from the record sales in October 2006, at 366 units!

In the \$250,000 and up range, unit sales were at 838, down only 8.8% from the record sales in October 2006 at 919 units.

Number of Days On Market is another telling factor. Hype that suggests homes have been on the market for extraordinary lengths of time and sellers are desperate to offer anything is off the mark.

In fact, the opposite is true.

In 2006, there were 556 homes that were listed on the MLS for 120 days or more before being sold. In October 2007, there were 524 homes in this category. Those numbers are down six percent - not up.

Sure, there are some homes that take longer to sell. This has always been the case, even in the record years. There are always some things that can hold a sale back - the home, itself, the area, the square footage...

And this year, the lower numbers have another factor we're hearing a lot - People are waiting to buy because they're listening to the media, they're hearing the hype, and they're waiting for the better deals they're sure are coming from all those desperate sellers.

Big surprise.

Thirty percent of homes sold in October 2007 were listed on the MLS for 30 days or less!

Some of those buyers who are waiting it out are astounded to find that that home they wanted has multiple offers on it. And it's often sold while they're still mulling it over.

That's right. The housing market is not as strong as it was in 2005 and 2006.

But the numbers prove it - in a lot of price points, there is still a great deal of competition for available homes for sale in the Raleigh Triangle area.

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