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Fairways Realty

2009 Spring Update

When it rains in Seattle, do we get wet?

2008 Housing Statistics:

- **Triangle Area***

Average Sales Price: \$239,084

Annual % Change in Sales Price:
 less than 1%

Total Units Sold: 24,564

- **National Average****

Average Sales Price (SP):
 \$243,100

Annual % Change in Sales Price:
 -15.0%

Total Units Sold: 4,912,000

* Information collected from the Triangle MLS all closed sales data

** Information collected from the National Association of Realtors[®], existing home sales data

If you have lived in the Triangle region for any period of time, you know that predicting the weather here could be very tricky. For example, local meteorologists will call for snow, the school systems close, and nothing ever materializes. Or, you have a week where a storm comes without much warning and drops 6 inches of snow. All from experts that have local knowledge. Imagine if we relied on national averages to predict our local weather. The forecast would be 50 degrees and cloudy all year long.

National Association of Realtors[®] Chief Economist, Lawrence Yun, wrote an article last year about the unique aspects of local real estate markets, discussing why the national housing market forecast is about as meaningful as a national weather forecast. Yet, recent discussions of housing market

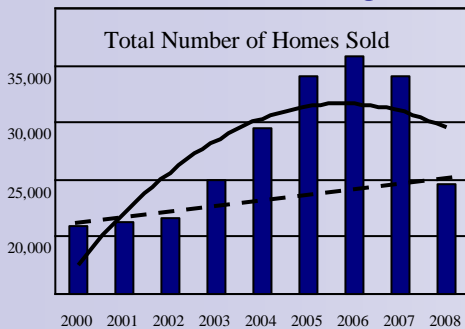
conditions have centered predominantly around national data.” According to TARR report current appreciation rate for Wake county is 4.45% over last 18 months, while the national average is -8.7%. Forget county level, real estate market today is unpredictable even at micro level. Let’s look at statistics around 3 small neighbors Cary, Apex and Morrisville over 4th quarter of 2008. Inventory grew by 10% in Cary, 67% in Morrisville and decreased by 3% in Apex. While average listed prices were almost flat in Cary and Apex, in Morrisville they decreased 11%. What are the home builders doing? They pretty much stop building in Apex and Cary with permits declines 44% in Cary and 67% in Apex. Morrisville bucked the trend by issuing 24% more permits. Go figure the market trend, it is rollercoaster just

As your Realtor[®], I am always available to answer your questions and provide you with current and specific information, so please don’t hesitate to call



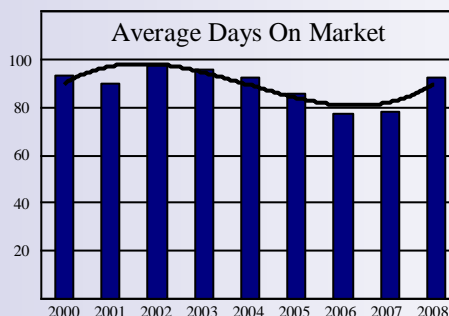
around RTP. To understand the real estate

Historical Triangle Sales Data

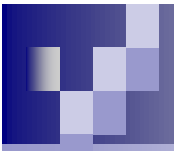


The Triangle experienced record growth in home sales in 2004 - 2006, to a high of over 35,000 homes sold per year. While the number of sales decreased in 2007 & 2008 from the record highs, 2008 ended with just under 25,000 sales, on pace with historical growth as demonstrated by the dashed line.

Looking at the chart below, you can see that the average Days on Market (DOM) for the Triangle has been relatively “flat” over the last nine years. In 2008, the average DOM was 92 days, compared to an average of 78 for 2007.



From 2000 to 2007 the average sales price increased from \$175,000 to just over \$240,000. In 2008, the average sales price was relatively flat with a slight decrease to just below \$240,000. Interestingly, the average list price continues to rise.



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If you have any questions about the information contained in this update, please don't hesitate to call or email. Or, if you or anyone you know are thinking of buying or selling, let me work with you to get the results you need. Hard work, attention to detail, and keeping my client first insures that I deliver the service you want and need.

I look forward to hearing from you soon!

If your property is currently listed with a real estate broker, please disregard. It is not our intention to solicit the offerings of other real estate brokers. We are happy to work with them and cooperate fully.

In the Middle, the Two Shall Meet



I often get asked questions similar to the following: "If our market is not like the national market, what is really going on?" and "How did we get here?". My answers are always the same. We have not had the huge "bursting bubble" that has been experienced in other areas of the country, mainly because we did not have years of double digit appreciation. Additionally, people continue to relocate to the Triangle, as it is consistently ranked near the top of various lists on quality of life, or best place to raise a family, or any other number of "top tens". Also, with Research Triangle Park and 3 major Universities in the area, jobs still exist. These things are unlike other

parts of the country where highly inflated home prices and/or plant and company closings are causing people to leave those areas.

While we are definitely a local housing market, we are not immune to the national situation. Many of the people who are relocating to this area come from areas where housing has been greatly affected. They have homes to sell before they can purchase here - they are ready to buy, they are willing to buy, but they are not quite able. So, as their home sits on the market in Virginia or Florida in competition with the over supply of other homes and countless foreclosures, they come to the Triangle with a new job and wait on the sidelines of the housing game. Similarly, national builders with projects in many markets across the country affect our local market as they react to changes in other areas. To help liquidate inventory, they may have significant price reductions adversely impacting the sale of re-sale homes in the area.

Our real estate market is split. There are sellers that remember the market from when they purchased their homes or when their

neighbors sold, perhaps with sales prices over the asking price in multiple offer situations. At the same time, we have buyers that hear all the national housing woes, and think that those woes apply locally. Somewhere in the middle, the two must meet. Sellers that continue to seek the appreciation rates of years past need to understand current market conditions. Similarly, Buyers that are looking for a deal and want to submit "low ball" offers must understand that our market has not suffered as many national markets have. Finding the common ground and working with an experienced Realtor® is crucial to a successful transaction.

