

# Real Estate 2007: The Year in Review



It was the best of times; it was the worst of times. Actually, 2007 doesn't qualify as a year of Dickensian proportions here in the Triangle, but you'd certainly

think so listening to the media. It seems like day in, day out there was a story relaying impending doom in the housing market. Yet if you look at the numbers for our little corner of the world, there's some good news out there and strong underlying fundamentals. Our local area has an attractive story to tell, particularly relative to the rest of the nation.

First a snapshot of the counties. In the past year, Orange County sales were down just 1.9%, with 1733 transactions versus last year's 1766. And while days on market expanded from 68 days to 79, prices continued to rise. In fact, prices continued to rise quite nicely, with the average sales price up 7.7% for the year, to \$343,013.

In Durham County, the market showed stability and growth as well. Sales were almost constant, at 4603 transactions in 2007, versus 4637 in 2006. Days on market also stayed steady, at 83 days from listing to contract for the average property. And prices continued to rise, up 4.9% to \$200,740 per transaction. This is much better news than the national media would project!

Not to be outdone, North Chatham County also saw prices rise. The average sales price for the northern section of the county rose to \$409,594, up 7.7% from the year before. Number of sales was down more significantly, however, falling 9.8% for the year. Days on market slipped slightly, from an average 101 days in 2006 to 104 days this year.

Looking more specifically at area cities, Chapel Hill saw prices rise 7.9% to \$387,009, while Hillsborough experienced an increase in sales price of over 11.5%, to \$260,367. The town of Pittsboro also boasted higher average prices, rising 8.5% to \$289,302. These statistics speak to the resiliency and underlying strength of our market. Though it's taking a bit longer for properties to sell, they're moving, and at higher prices, to boot.

Wendy Tanson, Broker, CRS, ABR, SRES, ASP  
 919-971-7180  
 wendy@tanson.com  
 www.wendytanson.com  
 Wendy Tanson is an award-winning real estate broker with Re/Max Winning Edge.

If we look at the county data by new versus existing properties, we can gain an understanding of how new construction has impacted the market. In Orange County, sales of new homes fell sharply, from 169 units in 2006 to 92 units this year. However, it must be noted that new construction in the county has been somewhat limited, affecting these numbers. Looking at prices, the new homes that sold did so at substantially higher price points: \$482,662 versus \$353,997 in 2006, up 36%. Sales prices for existing homes in the county were up 6.5% for the year, and the number of sales for existing homes was up too, rising 2.8%.

In Durham County, sales of new homes dropped slightly, down 2.6% for the year, while the number of existing home sales was constant for the year. Looking at pricing of new versus existing, new homes sold at an average 4% increase over the year before, and existing homes enjoyed an average 5.2% price increase.

In North Chatham County, the number of new home sales rose substantially, up 31.9% versus the year before. Prices of new homes fell slightly, from \$447,913 to \$438,379, a decline of 2.1%. Existing homes in the county showed the opposite phenomena: numbers fell, but prices rose. Sales of existing homes in North Chatham fell 19.6%, while prices rose 9.6%. Clearly, the mix of new and existing properties in Chatham is shifting with substantial new developments such as The Preserve, The Parks at Meadowmont, Legacy at Jordan Lake, Chatham Forest, Chapel Ridge, Powell Place and others. Yet it's interesting that even as existing homes sales declined in the wake of substantial new construction, prices for these homes continued to rise. And builders did not have to lower their prices significantly, despite the challenging year.

So it seems the sky has far from fallen

in our tri-county region. Sales are constant to down minimally in Orange and Durham counties, and prices continue to rise in all three counties. Perhaps even more importantly, the outlook for 2008 is an improving one. We are heading in to our traditional spring selling season with pent up demand and a stabilizing credit market. Our population continues to grow, spurred by folks from all ages moving to North Carolina for



its wonderful quality of life. In fact, North Carolina is now the sixth fastest growing state in the nation, with over 9 million residents. Of course if national issues deepen, it could affect us here, but based on current trends, there is reason to be optimistic.

If you have questions regarding any aspect of this market data, or would like more information about the outlook for the housing market in the coming year, please contact me. Until next time, here's to your house! (\*Note: All data is derived from the Triangle MLS as of December 31, 2007.)

