TARR Report
Triangle Area Residential Realty

S.M.A. Publications Incorporated

Luxury Homes
Second Quarter 2009
Jan.-June Data

2009; Second Quarter Summary

The information contained in this report presents data and analysis of the luxury home market segment within the Triangle. This market is defined as having residential housing priced at $500,000 and above. The data was obtained from the www.realtor.com website, the Durham, Orange, Chatham and Wake County Revenue Departments, and my databases. The following are answers to the most frequently asked questions.

What is going on with inventory?
Luxury inventory decreased by 6% compared to 2Q/08. New home luxury listings decreased by 15% and resale luxury listings increased by 12%. The average days on market for the listings increased to 175 from 126. The number of sellers who dropped price from original list increased to 1,209 versus 654 in 2Q/08. The current crop of price droppers represents 53% of total inventory, compared to 27% in 2Q/08. The average percentage price cut has been 5%, compared to 1% during 2Q/08.

Is there a relationship between the number of showings and contract pendings?
Second quarter showings in the luxury segment totaled 18,924, up 28% compared to 1Q/09 showings. The average luxury listing is being shown 3 times based upon the relationship between the number of showings and the number of listings. There were 334 listings with a status changed from active to pending during the second quarter. This represents a 36% decrease compared to 2Q/08 pending sales. TMLS contract pending levels for the quarter were off 23%.

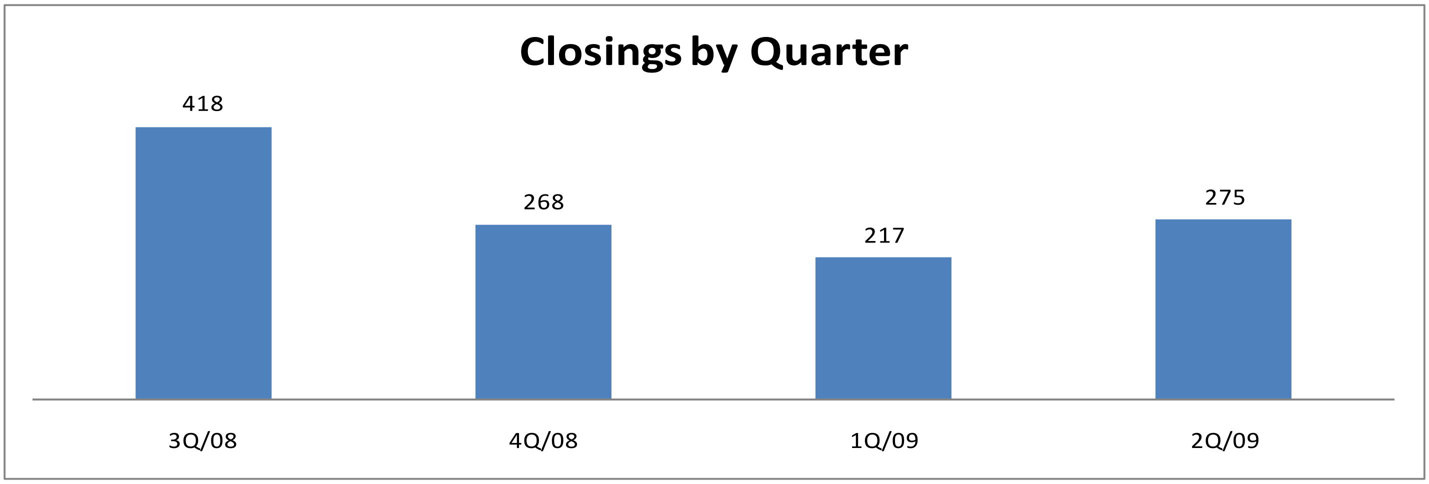
Did anyone close on a luxury home during the second quarter?
275 luxury homes were closed during the quarter, a decrease of 25% compared to 2Q/08. Closings for all housing listed in TMLS were off 18%. The average days on market for the closed sales increased to 126 from 118. The average days on market for all housing listed in TMLS was 101 days. The average discount from original list on the closings was 8%, an increase from the 3% discount seen with 2Q/08 closings.

Is there a difference in days on market between new and re-sale luxury homes?
The average days on market for all luxury listings was 126. The average for new home luxury listings was 136 and the average for re-sale luxury listings was 118.

What has happened with current supply?
Based upon second quarter closings, there is a 25 month supply of luxury housing on the market at the current time. This is an increase from the 20 month current supply seen at the end of 2Q/08. The current supply for all housing listed in TMLS is 8 months.

The luxury market continues to been hammered by the lower amount of buying activity produced by the current recession and tighter underwriting standards. Of the 81 price points/geographic areas that I survey, only 2 have a current supply of under 10 months. There are 15 price points/geographic areas with inventory that did not log a closing during the first six months. The worst affected geographic areas are Chatham County with a 47 month supply and Wake Forest with a 45 month supply. There is some concern regarding the Wake Forest luxury market. There was a 21% inventory decline compared to 2Q/08, yet the current supply has ballooned to 45 months. I believe the buyers for this area have gone to the Falls Lake area 7. This area closed 45 luxury homes during the second quarter to drop the current supply to 30 months. There was a 48 month supply for area 7 at the end of 1Q/09. The Wake Forest luxury segment closed 14 homes during the second quarter, down from 17 first quarter closings. There was a big improvement in the new home market during the second quarter regarding days on market for the active listings. The current crop of luxury new home listings have been on the market an average of 104 days The average at the end of 1Q/09 was 214 days. Builders have not replaced luxury inventory and it appears they have been able to make some headway into inventory reduction.

Quarterly Closing Indicators



The graph above illustrates quarterly closings during the preceding 12 month period in the luxury segment.

The tables on the next page present closing data for Wake, Orange and Durham counties houses that were listed and closed within TMLS* and priced at or above $500,000. The top table breaks down the most recent 12 months into 3 month periods. The bottom table presents closing activity between the 4/09 through 6/09 period and compares that to activity during the same time period in 2008 and 2007.

This output can be obtained within my TARR 24/7 service. After login, on the right hand side of the screen there is a folder called "appraiser tools and statistical analysis" and within that folder is a link named historical closing data.

The above output provides some illustration to pricing trends within the County. The top table illustrates the seasonality within our market and the bottom table provides a true "apples to apples" time period comparison.

Wake and Orange counties had double digit percentage losses in sales while Durham County had a double digit percentage increase in sales. Wake and Orange saw the median price per square foot decrease while Durham had an increase in the median price per foot. The average days on market is up in Wake and Orange and down in Durham. Luxury sellers in each county are accepting a higher percentage off of final list price.

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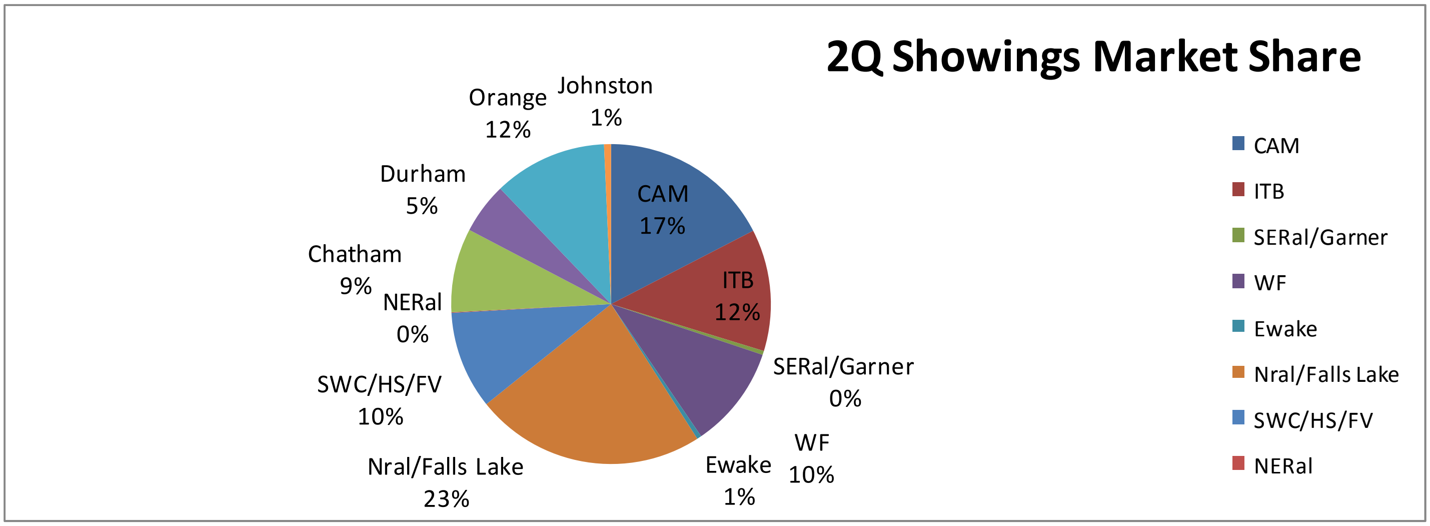
Quarterly Closing Indicators

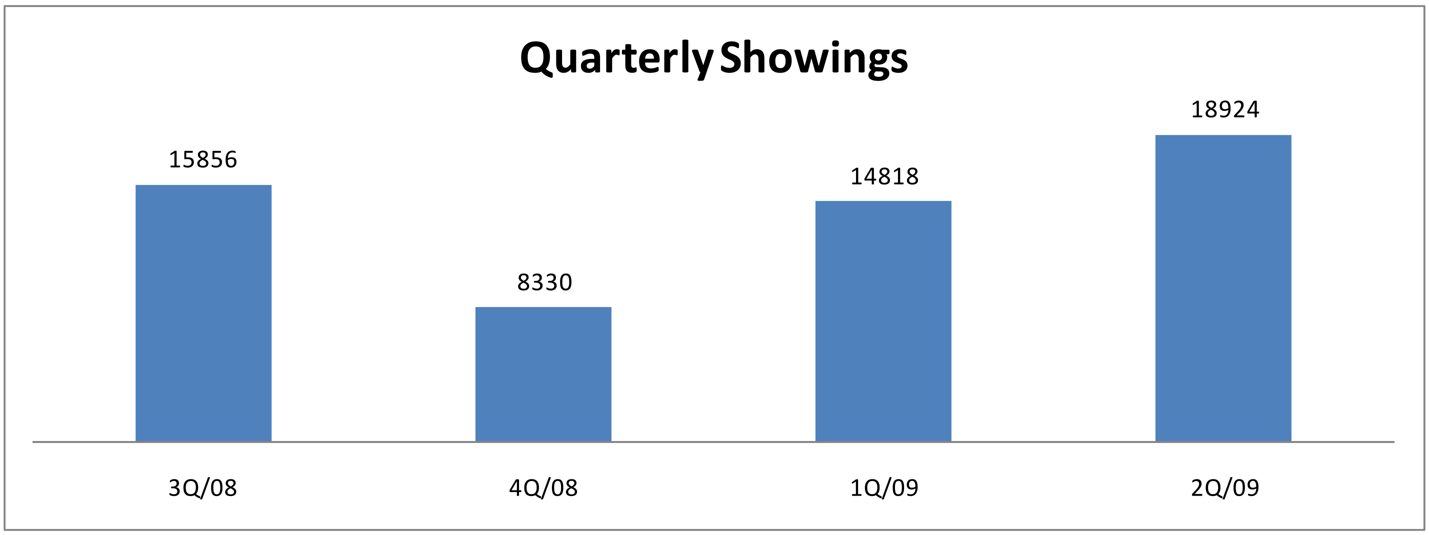
Wake-500K and up	Current				
Inventory Analysis	**7/08-9/08**	**10/08-12/08**	**1/09-3/09**	**4/09-6/09**	
Total # of Comparable Sales (Settled)	307	204	159	182	
Absorption Rate (Total Sales/Months)	102	68	53	61	
Median Sales Price	$625,000	$626,900	$649,291	$655,000	
Median Price per foot	$163.00	$170.67	$162.44	$162.39	
Median Comparable Sales Days on Market	68	91	97	77	
Median List-to-Sale Price Ratio	97.69%	97.89%	96.49%	96.32%	
	2 Years Ago	**1 Year ago**	**Current**	**% chg curr. v.**	
Inventory Analysis	**4/07-6/07**	**4/08-6/08**	**4/09-6/09**	**2 yrs ago**	**1 yr ago**
Total # of Comparable Sales (Settled)	468	372	182	-61.11%	-51.08%
Absorption Rate (Total Sales/Months)	156	124	61	-61.11%	-51.07%
Median Sales Price	$619,950	$643,250	$655,000	5.65%	1.83%
Median Price per foot	$167.36	$166.09	$162.39	-2.97%	-2.23%
Median Comparable Sales Days on Market	52	59	77	48.08%	31.62%
Median List-to-Sale Price Ratio	98.85%	97.76%	96.32%	-2.56%	-1.47%

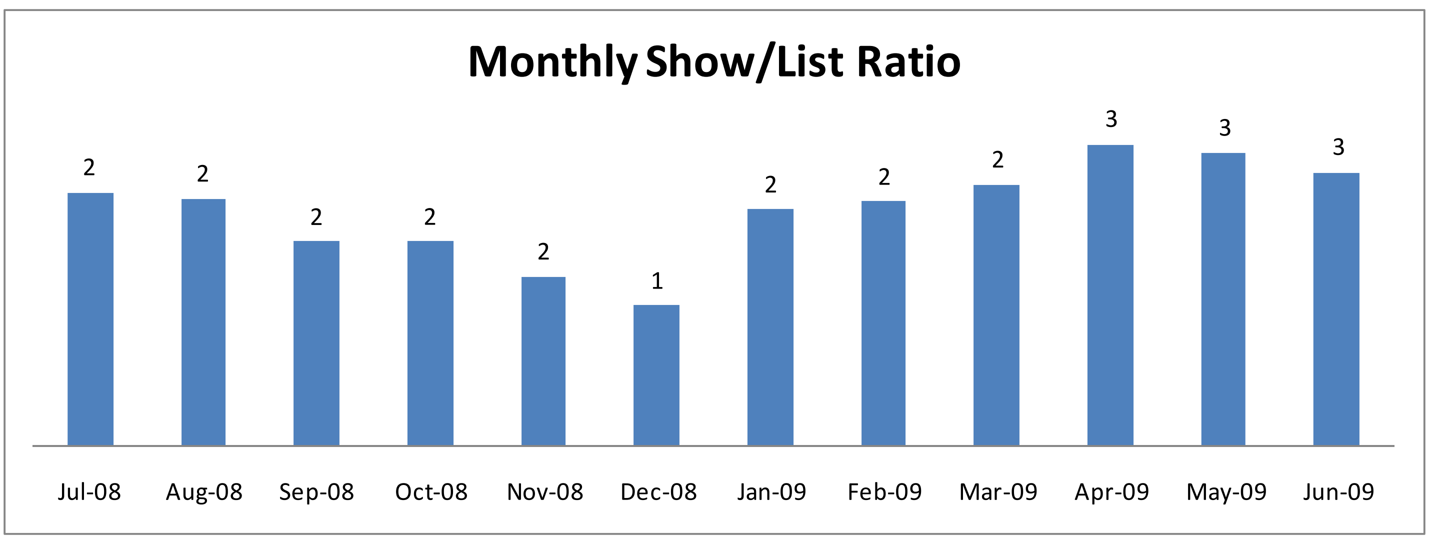
Orange-500K and up	Current				
Inventory Analysis	**7/08-9/08**	**10/08-12/08**	**1/09-3/09**	**4/09-6/09**	
Total # of Comparable Sales (Settled)	60	28	30	49	
Absorption Rate (Total Sales/Months)	20	9	10	16	
Median Sales Price	$661,500	$580,375	$687,000	$625,000	
Median Price per foot	$191.24	$179.20	$190.59	$181.67	
Median Comparable Sales Days on Market	67	62	158	56	
Median List-to-Sale Price Ratio	96.55%	96.79%	96.99%	97.24%	
	2 Years Ago	**1 Year ago**	**Current**	**% chg curr. v.**	
Inventory Analysis	**4/07-6/07**	**4/08-6/08**	**4/09-6/09**	**2 yrs ago**	**1 yr ago**
Total # of Comparable Sales (Settled)	91	73	49	-46.15%	-32.88%
Absorption Rate (Total Sales/Months)	30	24	16	-46.16%	-32.88%
Median Sales Price	$700,000	$662,500	$625,000	-10.71%	-5.66%
Median Price per foot	$194.65	$198.41	$181.67	-6.67%	-8.44%
Median Comparable Sales Days on Market	53	51	56	5.66%	9.80%
Median List-to-Sale Price Ratio	98.82%	97.87%	97.24%	-1.60%	-0.64%

Durham-500K and up	Current				
Inventory Analysis	**7/08-9/08**	**10/08-12/08**	**1/09-3/09**	**4/09-6/09**	
Total # of Comparable Sales (Settled)	22	11	16	27	
Absorption Rate (Total Sales/Months)	7	4	5	9	
Median Sales Price	$653,500	$575,000	$700,295	$649,211	
Median Price per foot	$173.72	$159.05	$182.47	$173.44	
Median Comparable Sales Days on Market	103	118	124	33	
Median List-to-Sale Price Ratio	97.76%	95.16%	93.47%	96.56%	
	2 Years Ago	**1 Year ago**	**Current**	**% chg curr. v.**	
Inventory Analysis	**4/07-6/07**	**4/08-6/08**	**4/09-6/09**	**2 yrs ago**	**1 yr ago**
Total # of Comparable Sales (Settled)	33	21	27	-18.18%	28.57%
Absorption Rate (Total Sales/Months)	11	7	9	-18.18%	28.57%
Median Sales Price	$658,500	$590,000	$649,211	-1.41%	10.04%
Median Price per foot	$172.70	$162.41	$173.44	0.43%	6.79%
Median Comparable Sales Days on Market	78	83	33	-57.69%	-60.24%
Median List-to-Sale Price Ratio	97.77%	97.39%	96.56%	-1.24%	-0.85%

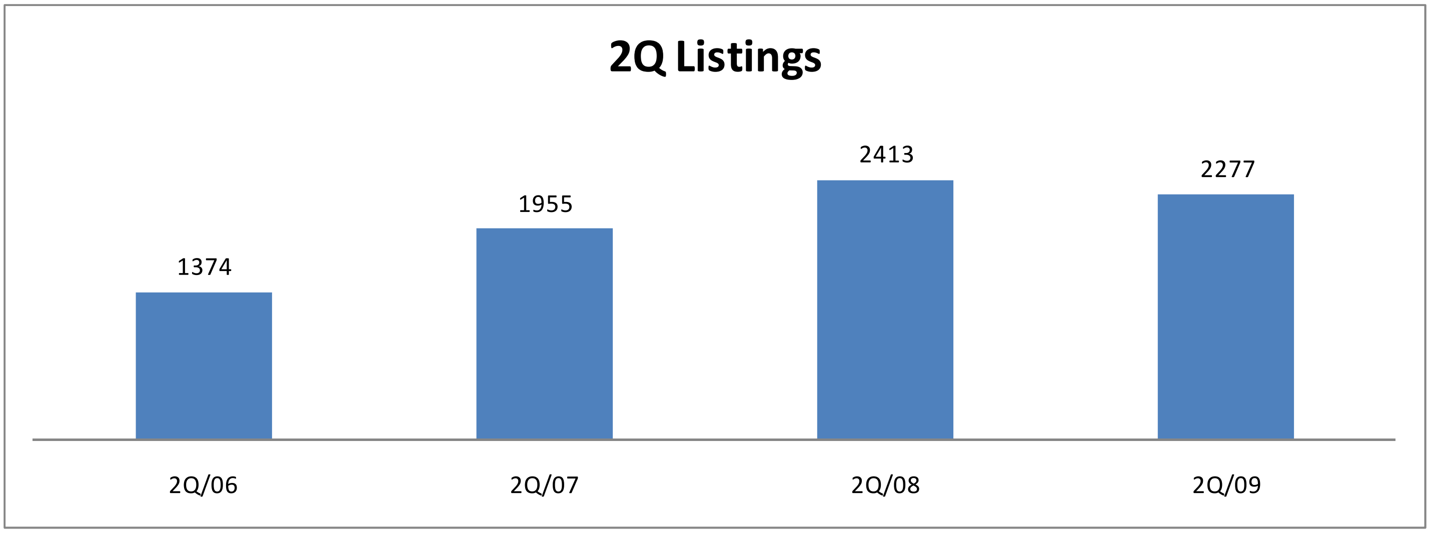
Showing Indicators

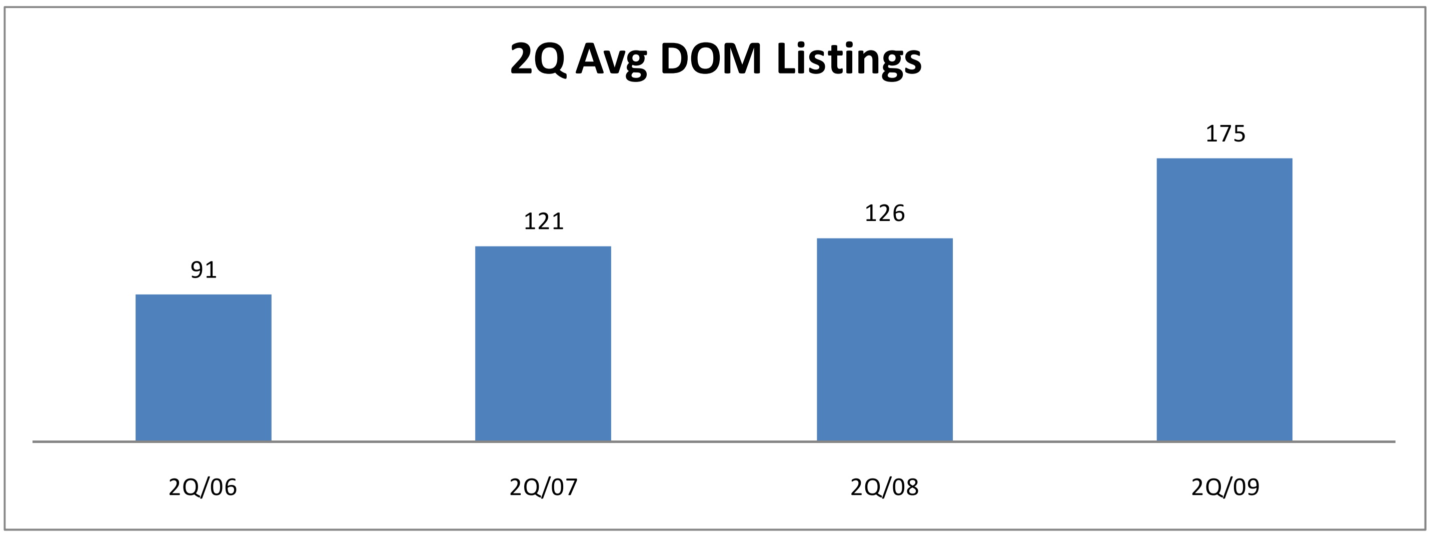


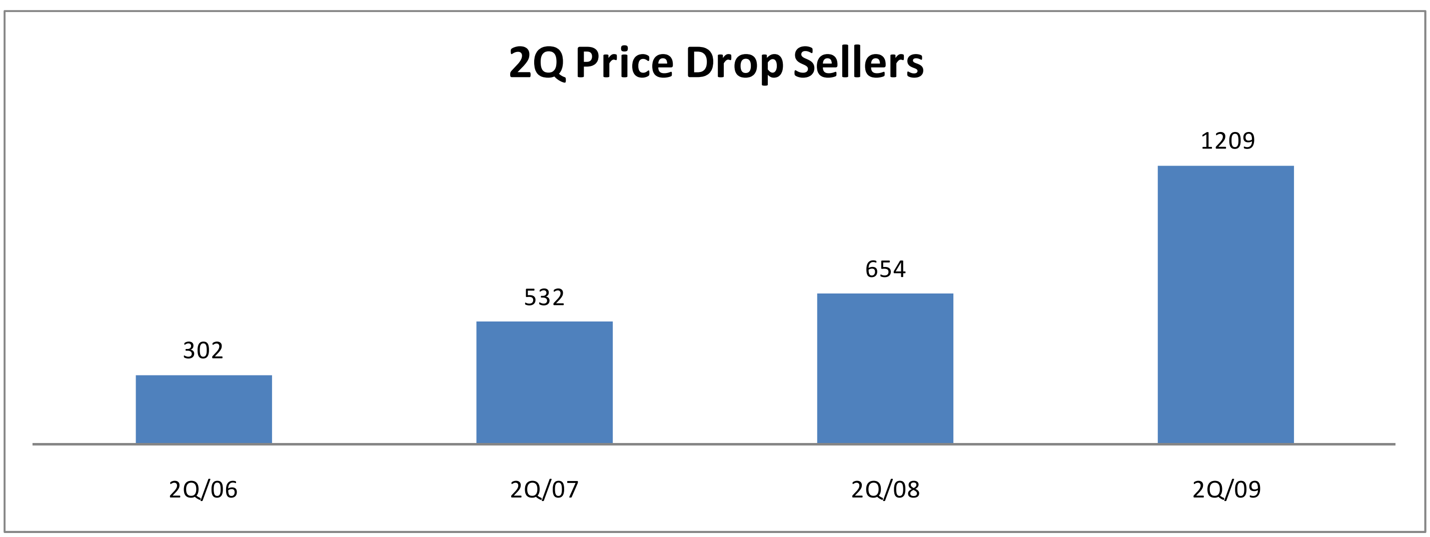




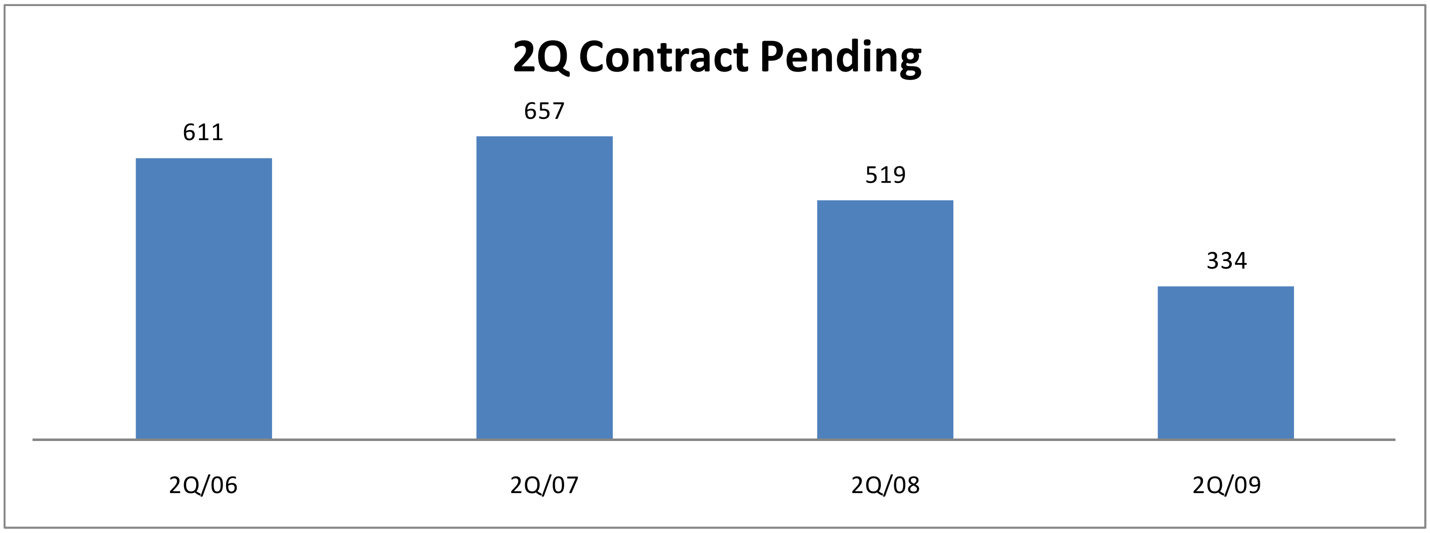
Inventory Indicators

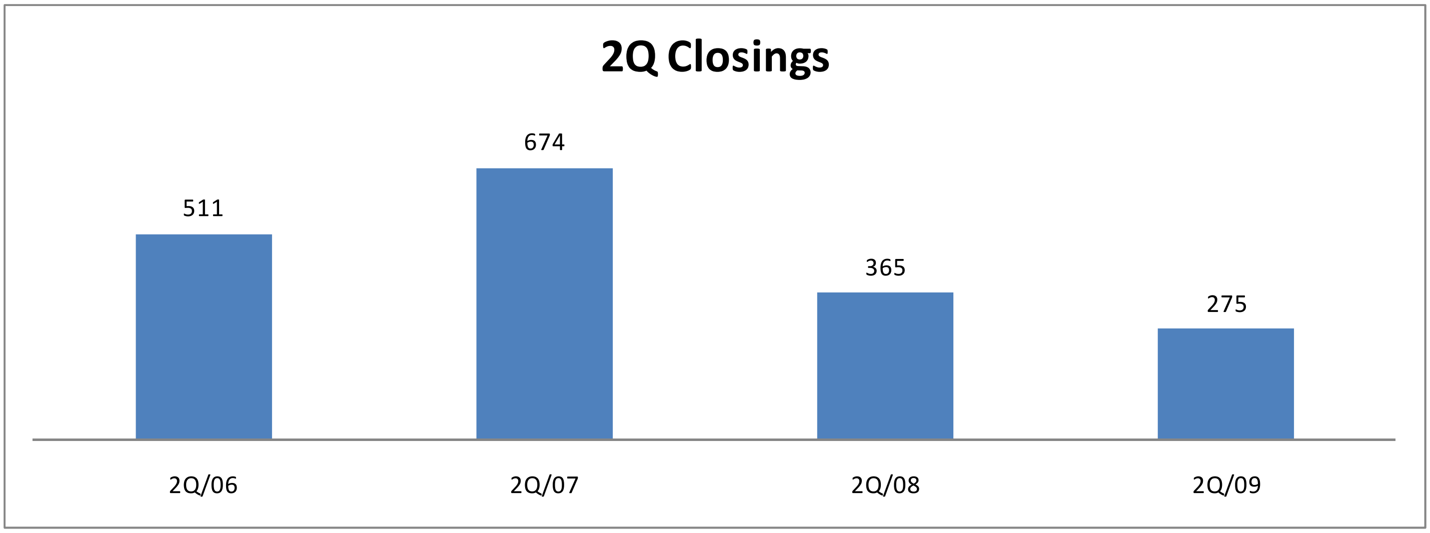


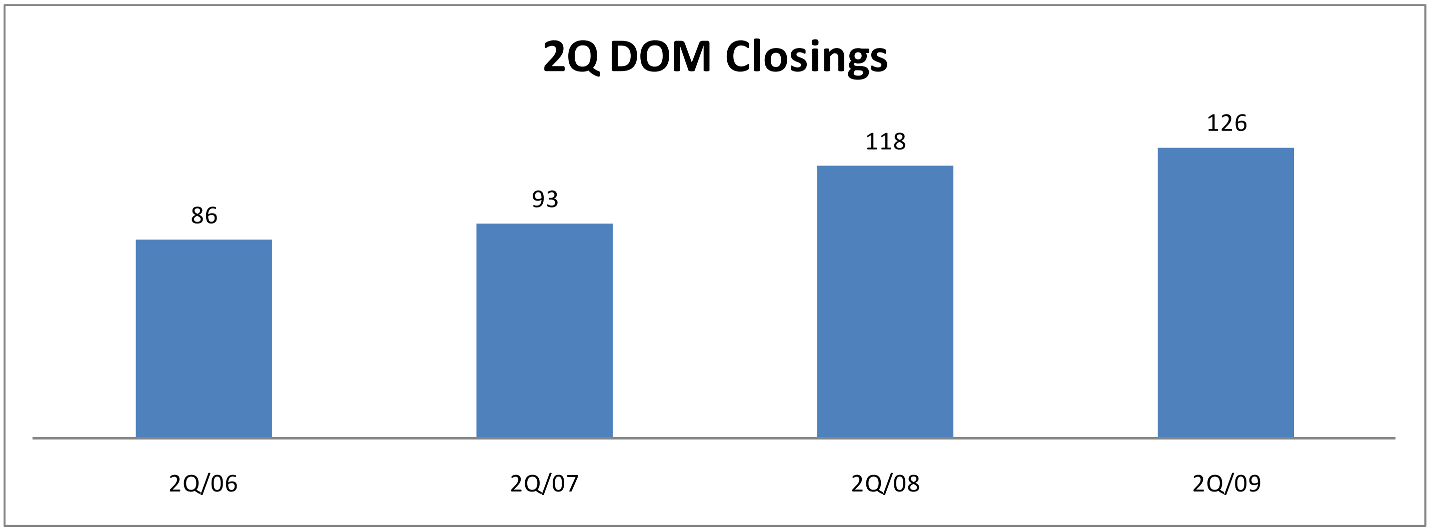




Pending/Closing Indicators







Total market listings and sales statistics

Area	Class	2Q/07List	2Q/08List	2Q/09List	09v08%Chg	NumberSold	PerMonth	Supply	DaysMarket
CAM(z5/10/15)	Area Total	207	338	307	-9%	106	18	17	138
Falls Lake(z7)	Area Total	222	338	334	-1%	67	11	30	127
Chapel Hill/Carrboro	Area Total	147	217	218	0%	67	11	20	118
ITB(z1/4)	Area Total	210	285	285	0%	58	10	29	161
FV/H'Springs(z9/16/17)	Area Total	104	217	179	-18%	43	7	25	137
Durham	Area Total	117	157	156	-1%	43	7	22	104
N.Raleigh(Z2)	Area Total	77	169	160	-5%	36	6	27	151
Chatham	Area Total	176	262	282	8%	36	6	47	129
Wake Forest(z14/21)	Area Total	133	296	235	-21%	31	5	45	150
Group Summary		**1393**	**2279**	**2156**	**-5%**	**487**	**81**	**27**	**133**

The first three columns after the class present inventory at three different points in time. The next column provides a percentage comparison between this year and last year. The “NumberSold” are the closed sales between 1/1/09 and 6/30/09. The “PerMonth” column is the number of closed sales divided by 6. The “Supply” is the “2Q/09 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 “DaysMarket” is the average days on market as reported by TMLS for the most recent listing period.

Area	Class	2Q/07List	2Q/08List	2Q/09List	09v08%Chg	NumberSold	PerMonth	Supply	DaysMarket
CAM(z5/10/15)	500-599.9	68	121	108	-11%	40	7	16	141
	600-699.9	63	76	86	13%	29	5	18	140
	700-799.9	29	43	39	-9%	13	2	18	103
	800-899.9	9	22	13	-41%	11	2	7	159
	900-999.9	5	11	8	-27%	5	1	10	35
	1ml-2ml	19	34	32	-6%	6	1	32	245
	2ml+	7	8	8	0%	0	0	n/a	0
	Condo	0	1	0	-100%	0	0	n/a	0
	Townhouse	7	22	13	-41%	2	0	39	73
	Area Total	207	338	307	-9%	106	18	17	138
Area	**Class**	**2Q/07List**	**2Q/08List**	**2Q/09List**	**09v08%Chg**	**NumberSold**	**PerMonth**	**Supply**	**DaysMarket**
FV/H'Springs(z9/16/17)	500-599.9	42	90	68	-24%	17	3	24	130
	600-699.9	27	56	54	-4%	14	2	23	181
	700-799.9	10	26	18	-31%	4	1	27	110
	800-899.9	10	16	17	6%	7	1	15	126
	900-999.9	5	15	8	-47%	1	0	48	0
	1ml-2ml	9	12	13	8%	0	0	n/a	0
	2ml+	1	2	1	-50%	0	0	n/a	0
	Condo	0	0	0	n/a	0	0	n/a	0
	Townhouse	0	0	0	n/a	0	0	n/a	0
	Area Total	104	217	179	-18%	43	7	25	137
Area	**Class**	**2Q/07List**	**2Q/08List**	**2Q/09List**	**09v08%Chg**	**NumberSold**	**PerMonth**	**Supply**	**DaysMarket**
ITB(z1/4)	500-599.9	49	50	52	4%	13	2	24	95
	600-699.9	37	44	45	2%	10	2	27	179
	700-799.9	38	40	50	25%	7	1	43	201
	800-899.9	21	31	30	-3%	6	1	30	143
	900-999.9	17	26	23	-12%	1	0	138	667
	1ml-2ml	27	52	38	-27%	12	2	19	164
	2ml+	5	13	14	8%	2	0	42	426
	Condo	14	20	21	5%	4	1	32	115
	Townhouse	2	9	12	33%	3	1	24	43
	Area Total	210	285	285	0%	58	10	29	161

Total market listings and sales statistics

Area	Class	2Q/07List	2Q/08List	2Q/09List	09v08%Chg	NumberSold	PerMonth	Supply	DaysMarket
N.Raleigh(Z2)	500-599.9	21	41	44	7%	11	2	24	134
	600-699.9	21	49	45	-8%	10	2	27	140
	700-799.9	13	31	25	-19%	7	1	21	171
	800-899.9	9	14	17	21%	3	1	34	180
	900-999.9	6	10	9	-10%	2	0	27	1
	1ml-2ml	1	8	5	-38%	3	1	10	288
	2ml+	2	0	2	n/a	0	0	n/a	0
	Condo	0	10	6	-40%	0	0	n/a	0
	Townhouse	4	6	7	17%	0	0	n/a	0
	Area Total	77	169	160	-5%	36	6	27	151
Area	**Class**	**2Q/07List**	**2Q/08List**	**2Q/09List**	**09v08%Chg**	**NumberSold**	**PerMonth**	**Supply**	**DaysMarket**
Falls Lake(z7)	500-599.9	44	73	62	-15%	27	5	14	111
	600-699.9	51	59	69	17%	12	2	35	193
	700-799.9	27	50	40	-20%	6	1	40	126
	800-899.9	19	34	33	-3%	6	1	33	201
	900-999.9	28	28	41	46%	1	0	246	8
	1ml-2ml	40	75	74	-1%	12	2	37	57
	2ml+	9	17	11	-35%	3	1	22	213
	Condo	0	0	0	n/a	0	0	n/a	0
	Townhouse	4	2	4	100%	0	0	n/a	0
	Area Total	222	338	334	-1%	67	11	30	127
Area	**Class**	**2Q/07List**	**2Q/08List**	**2Q/09List**	**09v08%Chg**	**NumberSold**	**PerMonth**	**Supply**	**DaysMarket**
Wake Forest(z14/21)	500-599.9	46	111	79	-29%	13	2	36	139
	600-699.9	30	61	48	-21%	7	1	41	221
	700-799.9	16	28	26	-7%	3	1	52	148
	800-899.9	12	24	24	0%	1	0	144	22
	900-999.9	4	14	9	-36%	3	1	18	164
	1ml-2ml	17	45	35	-22%	2	0	105	177
	2ml+	4	10	10	0%	2	0	30	1
	Condo	0	0	0	n/a	0	0	n/a	0
	Townhouse	4	3	4	33%	0	0	n/a	0
	Area Total	133	296	235	-21%	31	5	45	150

Total market listings and sales statistics

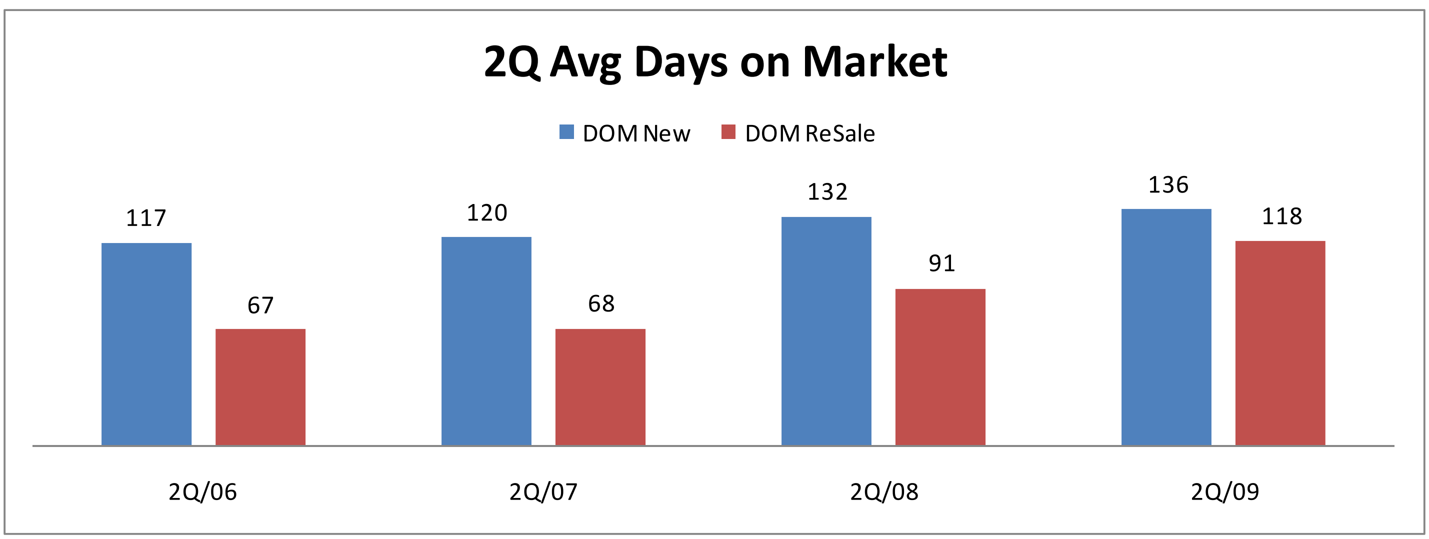
Area	Class	2Q/07List	2Q/08List	2Q/09List	09v08%Chg	NumberSold	PerMonth	Supply	DaysMarket
Chatham	500-599.9	50	66	85	29%	14	2	36	131
	600-699.9	41	81	73	-10%	13	2	34	154
	700-799.9	36	32	47	47%	2	0	141	26
	800-899.9	14	23	24	4%	0	0	n/a	0
	900-999.9	8	18	13	-28%	3	1	26	106
	1ml-2ml	18	36	30	-17%	4	1	45	111
	2ml+	8	6	9	50%	0	0	n/a	0
	Condo	0	0	0	n/a	0	0	n/a	0
	Townhouse	1	0	1	n/a	0	0	n/a	0
	Area Total	176	262	282	8%	36	6	47	129
Area	**Class**	**2Q/07List**	**2Q/08List**	**2Q/09List**	**09v08%Chg**	**NumberSold**	**PerMonth**	**Supply**	**DaysMarket**
Durham	500-599.9	33	35	41	17%	14	2	18	46
	600-699.9	26	35	31	-11%	8	1	23	110
	700-799.9	12	23	18	-22%	8	1	14	102
	800-899.9	9	16	11	-31%	5	1	13	204
	900-999.9	12	18	15	-17%	3	1	30	219
	1ml-2ml	20	24	23	-4%	4	1	35	51
	2ml+	4	5	4	-20%	0	0	n/a	0
	Condo	1	1	1	0%	1	0	6	147
	Townhouse	0	0	12	n/a	0	0	n/a	0
	Area Total	117	157	156	-1%	43	7	22	104
Area	**Class**	**2Q/07List**	**2Q/08List**	**2Q/09List**	**09v08%Chg**	**NumberSold**	**PerMonth**	**Supply**	**DaysMarket**
Chapel Hill/Carrboro	500-599.9	48	45	56	24%	25	4	13	113
	600-699.9	30	25	34	36%	17	3	12	90
	700-799.9	20	32	26	-19%	10	2	16	166
	800-899.9	10	18	15	-17%	6	1	15	116
	900-999.9	3	13	7	-46%	1	0	42	0
	1ml-2ml	26	40	38	-5%	7	1	33	70
	2ml+	3	9	4	-56%	0	0	n/a	0
	Condo	2	30	30	0%	0	0	n/a	0
	Townhouse	5	5	8	60%	1	0	48	181
	Area Total	147	217	218	0%	67	11	20	118

New home data

New Homes	Class	2Q/07List	2Q/08List	2Q/09List	09v08%Chg	NumberSold	PerMonth	Supply	DaysMarket
CAM(z5/10/15)	Area Total	114	134	100	-25%	59	10	10	147
FV/H'Springs(z9/16/17)	Area Total	123	110	75	-32%	23	4	20	156
N.Raleigh(Z2)	Area Total	80	86	83	-3%	19	3	26	162
ITB(z1/4)	Area Total	93	85	75	-12%	15	3	30	215
Falls Lake(z7)	Area Total	128	117	112	-4%	14	2	48	175
Chapel Hill/Carrboro	Area Total	55	77	71	-8%	14	2	30	154
Chatham	Area Total	145	109	106	-3%	13	2	49	107
Wake Forest(z14/21)	Area Total	115	150	102	-32%	11	2	56	125
Durham	Area Total	40	34	39	15%	11	2	21	108
Group Summary		**893**	**902**	**763**	**-15%**	**179**	**30**	**26**	**148**

Re-sale home data

ReSale Homes	Class	2Q/07List	2Q/08List	2Q/09List	09v08%Chg	NumberSold	PerMonth	Supply	DaysMarket
CAM(z5/10/15)	Area Total	123	175	207	18%	33	6	38	117
FV/H'Springs(z9/16/17)	Area Total	74	99	104	5%	15	3	42	102
ITB(z1/4)	Area Total	113	182	210	15%	40	7	32	137
N.Raleigh(Z2)	Area Total	47	73	77	5%	14	2	33	134
Falls Lake(z7)	Area Total	144	201	222	10%	50	8	27	110
Wake Forest(z14/21)	Area Total	115	136	133	-2%	15	3	53	177
Chatham	Area Total	105	136	176	29%	16	3	66	160
Durham	Area Total	96	115	117	2%	28	5	25	103
Chapel Hill/Carrboro	Area Total	111	127	147	16%	47	8	19	106
Group Summary		**928**	**1244**	**1393**	**12%**	**258**	**43**	**32**	**120**



Luxury Listings; the top developments

SD	#List	Avg LP	Avg DOM	Avg LPPF	Avg Ratio	Avg SF	#PDrop	City
Governors Club	75	$877,020	179	$194.47	95.58%	4417	41	Chapel Hill
Wakefield	69	$1,041,210	155	$166.08	92.58%	5996	41	Raleigh
Preston	44	$1,004,622	139	$201.73	95.16%	4723	22	Cary
Preserve/Jordan Lake	43	$694,079	149	$164.18	97.81%	4292	15	Chapel Hill
Budleigh	34	$1,059,435	266	$255.76	91.84%	4127	23	Raleigh
Hasentree	30	$1,458,295	335	$257.08	93.98%	5402	18	Wake Forest
Meadowmont	26	$955,331	187	$265.12	96.69%	3846	12	Chapel Hill
Brier Creek	24	$746,404	124	$168.33	96.62%	4397	12	Raleigh
Treyburn	24	$871,692	194	$165.44	88.00%	5205	15	Durham
The Oaks	23	$1,337,843	133	$265.72	95.68%	4971	12	Chapel Hill
Bedford at Falls River	20	$593,528	157	$155.82	98.16%	3828	9	Raleigh
North Ridge	20	$889,315	159	$186.50	94.13%	4238	11	Raleigh
MacGregor Downs	19	$1,019,479	249	$227.13	91.29%	4484	16	Cary
Renaissance/Regency	18	$1,150,417	170	$231.41	93.13%	4913	11	Cary
Chapel Ridge	17	$681,297	135	$177.75	93.61%	3804	8	Pittsboro
East 54	17	$607,353	392	$479.76	101.68%	1264	0	Chapel Hill
St. Ives Estates	16	$704,850	417	$165.39	93.29%	4302	13	Wake Forest
Country Club Hills	15	$1,467,553	236	$280.81	85.45%	4947	11	Raleigh
Heritage Wake Forest	15	$632,633	316	$163.87	98.38%	3883	8	Wake Forest
Jamison Park	14	$618,686	89	$147.73	95.90%	4213	8	Apex
The Registry	14	$1,246,407	264	$210.18	94.62%	5962	8	Raleigh
12 Oaks	13	$645,521	168	$160.07	97.35%	4051	8	Holly Springs
Bent Tree	13	$631,585	113	$151.97	96.46%	4210	9	Raleigh
Anderson Heights	12	$1,062,075	154	$243.61	92.62%	4128	8	Raleigh
Cameron Pond	12	$611,882	155	$171.53	96.86%	3565	7	Cary
Group Summary	**2277**	**$852,255**	**175**	**$200.83**	**95.36%**	**4286**	**1209**	

Luxury Listings; the top developments with closings during 1st six months

Subdivision	#Closed	Avg SP	Avg PPF	Avg DOM	Avg LP/SP	Avg YB	City	Avg GLA
Copperleaf	12	$853,101	$196.52	136	99.68%	2008	Cary	4338
Lake Hogan Farms	9	$642,778	$168.41	82	96.73%	2001	Chapel Hill	3818
Brier Creek	9	$602,111	$129.79	142	95.41%	2004	Raleigh	4722
Meadowmont	8	$1,061,680	$295.04	182	94.76%	2006	Chapel Hill	3664
Budleigh	8	$887,375	$204.34	137	89.58%	1976	Raleigh	4321
Wakefield	8	$755,575	$159.42	192	96.45%	2005	Raleigh	4777
Abbington	7	$531,207	$154.86	319	94.33%	2008	Apex	3440
Weycroft	7	$592,786	$162.40	162	95.22%	2008	Cary	3654
Country Club Hills	7	$1,333,143	$255.90	215	91.52%	1984	Raleigh	4999
Southbridge at Cary Park	6	$655,803	$143.39	94	99.90%	2008	Cary	4592
Claremont	6	$671,603	$196.81	134	99.21%	2008	Chapel Hill	3424
The Oaks at Meadowridge	6	$657,176	$147.75	70	100.40%	2008	Raleigh	4466
Cameron Pond	5	$604,380	$157.99	63	100.07%	2008	Cary	3914
Green Level Crossing	5	$793,602	$168.50	1	99.74%	2009	Cary	4701
GreyHawk Landing	5	$811,000	$195.59	223	95.31%	2007	Cary	4179
Group Summary	**502**	**$744,083**	**$176.73**	**134**	**95.84%**	**1999**		**4255**

