



## ***Luxury Home Market; First Quarter 2010 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 TMLS, 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 20% compared to 1Q/09. The number of luxury listings entered into the system during 1Q/10 was 19% less than the total entered during 1Q/09. The number of expired listings decreased 36% and the number of withdrawn listings decreased by 38%. The number of expired and withdrawn listings accounted for 48% of houses listed during the quarter, a decrease from the 62% seen during 1Q/09. The average days on market for the listings increased to 183 from 156. The number of sellers who dropped price from original list decreased to 948, or 50% of luxury inventory. At the end of 1Q/09, 48% of luxury listings had a price drop. The current average price cut for the active listings is 5%, down from 10% at the end of 1Q/09.

### ***Is there a relationship between the number of showings and contract pending sales?***

First quarter luxury home showings totaled 18,438, a 40% increase compared to 1Q/09. Contract pending sales during the quarter increased 17% compared to 1Q/09. The Preston development in Cary and TMLS area 7 logged the most amount of luxury showings during the quarter.

### ***What happened with luxury home closings during the quarter?***

First quarter closings were down 6% compared to 1Q/09 closings. This was the only market segment that I analyze that had lower first quarter closings compared to 1Q/09. The inventory decrease was somewhat offset by a sales decrease and the result was a decrease in the current supply to 28 months. The current supply at the end of 1Q/09 was 33 months.

### ***How long are luxury houses taking to sell?***

The average days on market for all luxury houses was 201, up from 146 at the end of 1Q/09. The average luxury new home sold in 269 days and the average resale luxury home sold in 155 days.

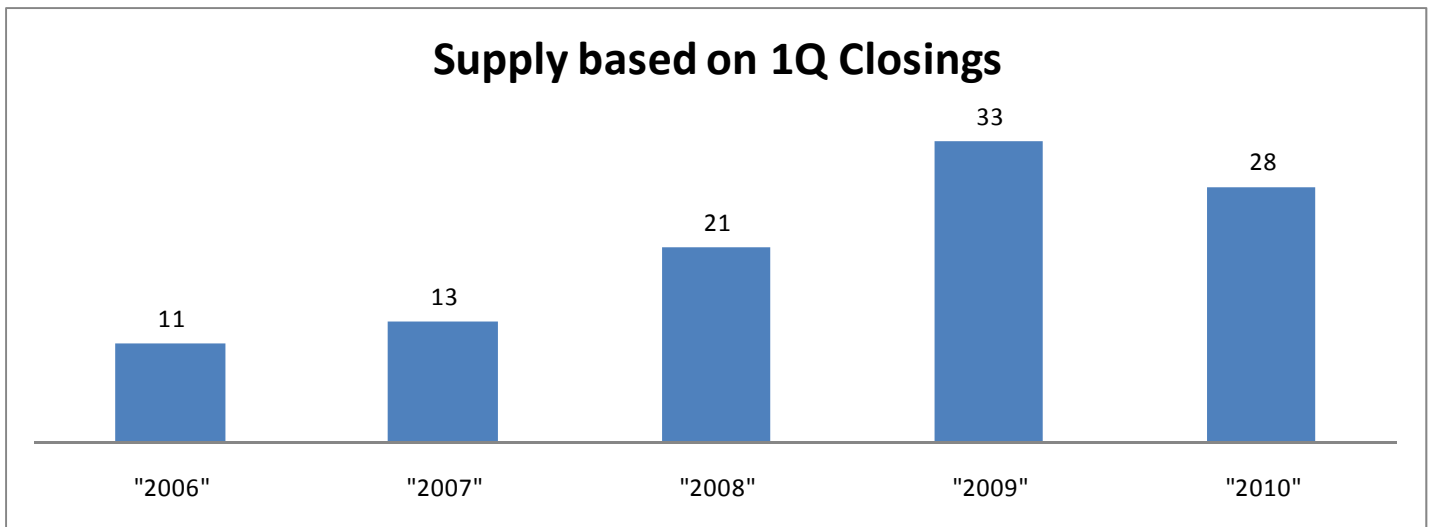
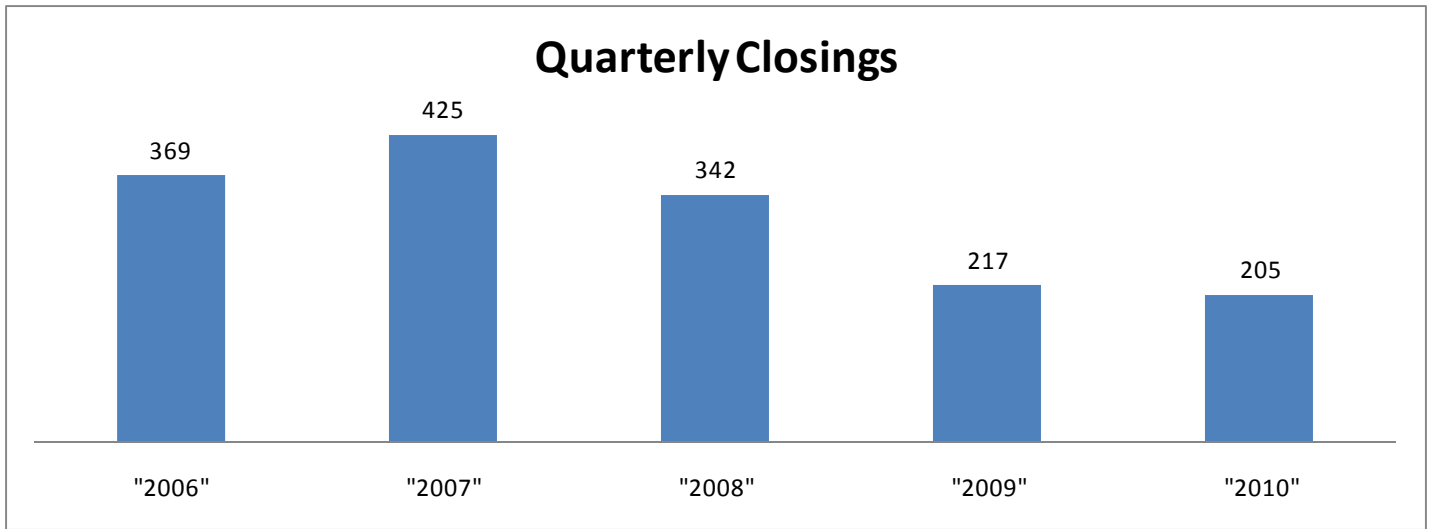
### ***What type of discount are luxury sellers accepting?***

The average luxury seller accepted a price that was 6% below original list price. The average discount at the end of 1Q/09 was 9%.

While there are some encouraging signs in the above, the luxury market remains severely oversupplied. The higher contract pending and showings, the lower current supply and average discount from original list and the decrease in the percentage of expired and withdrawn listings were the main positive signs. The lack of sales growth compared to one of our worst quarters ever is the most troubling sign. There are 73 price points/geographic areas that I survey containing luxury inventory within the four county market. 27 of these segments did not produce a closing during the quarter. Durham county has 18 luxury listings at present and did not close a single one of them during the quarter.

The most troubled area in the market is the 1 to 2 million price bucket in Falls Lake area 7. There are currently 22 active new home listings and 37 re-sale listings within this area. There were 0 new home closings during the quarter and 4 re-sale closings resulting in a 44 month supply of housing. As I wondered this time last year, how much longer can these home builders carry these houses? At some point in time, the banks will step in and aggressively price these houses to a level that will produce buyers. The higher showing and pending numbers should produce higher closings in the second quarter. The combination of this and the continued removal of new home inventory from the market should produce a lower current supply.

## Closed sale indicators



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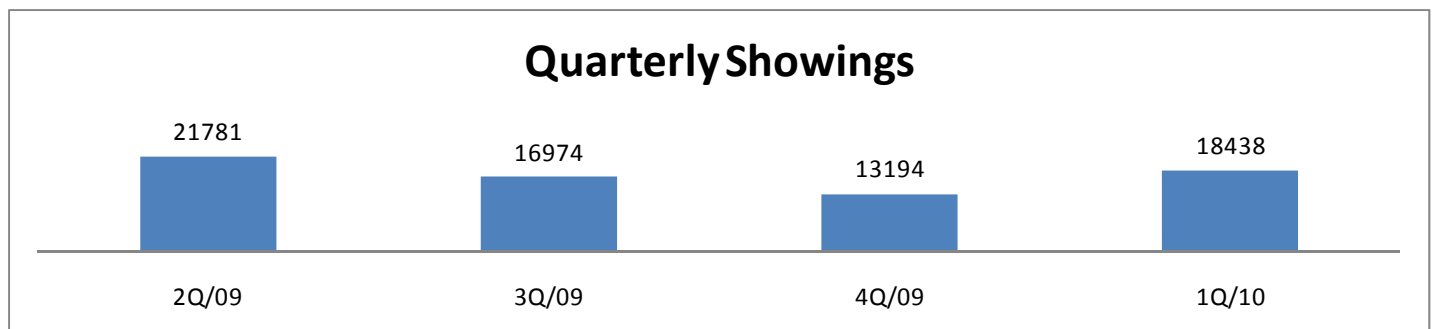
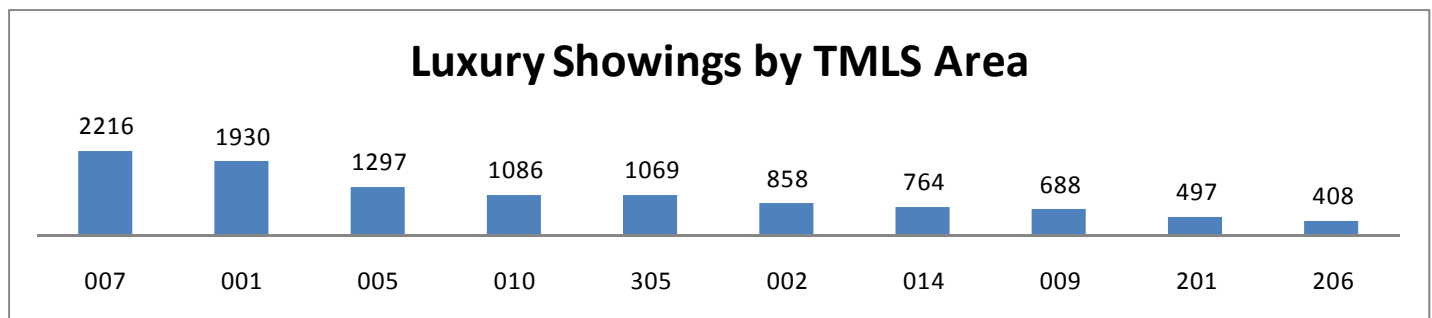
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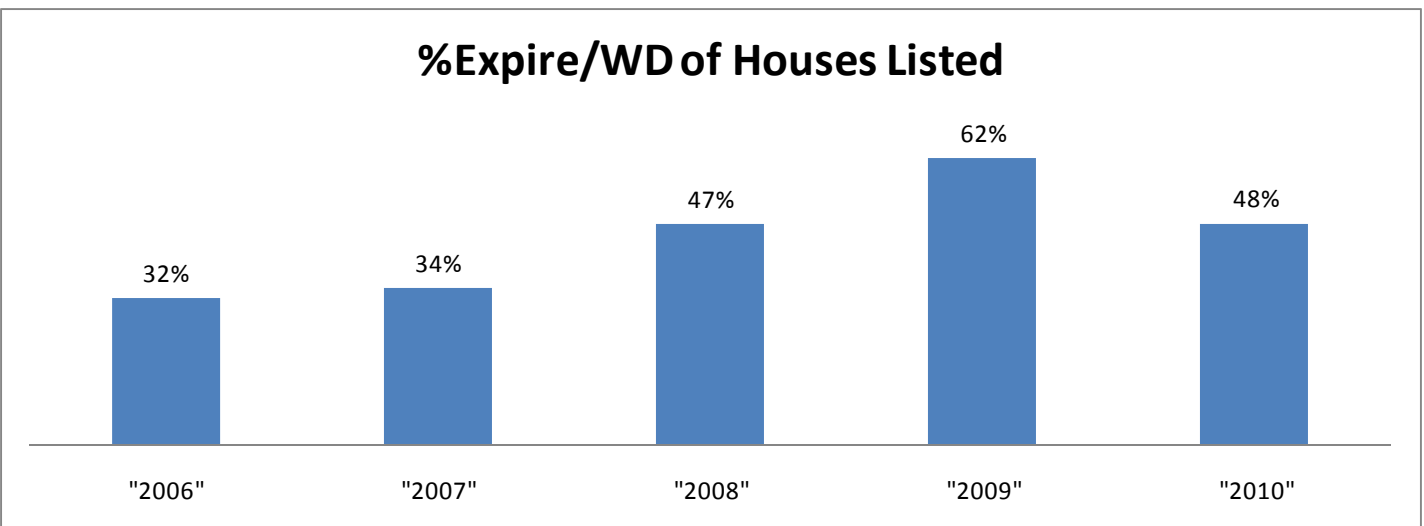
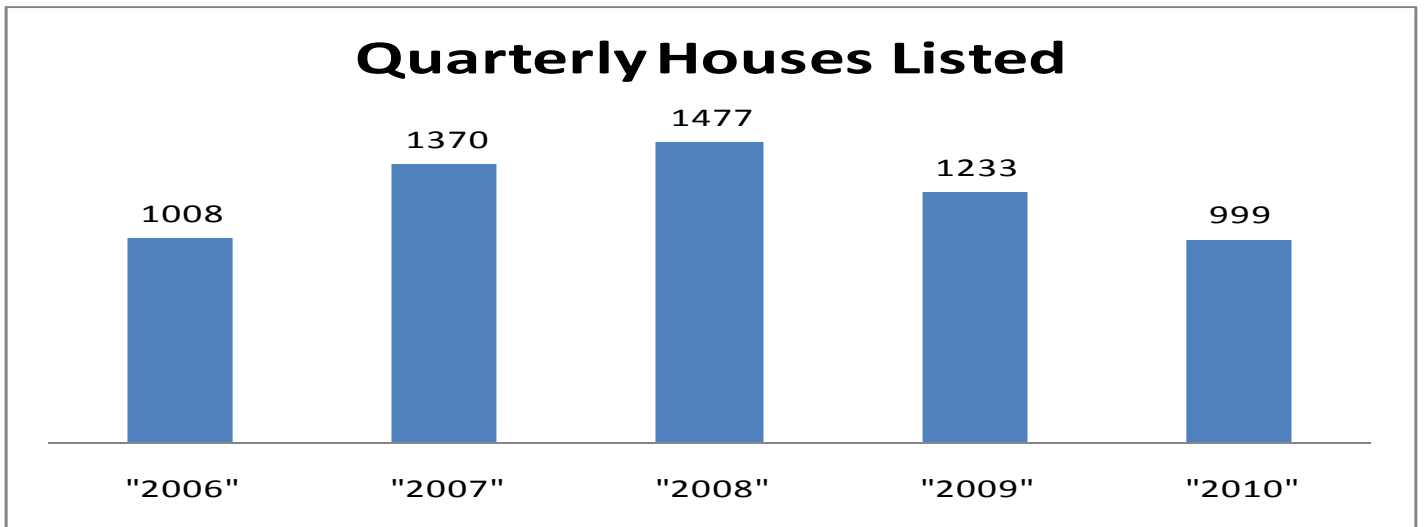
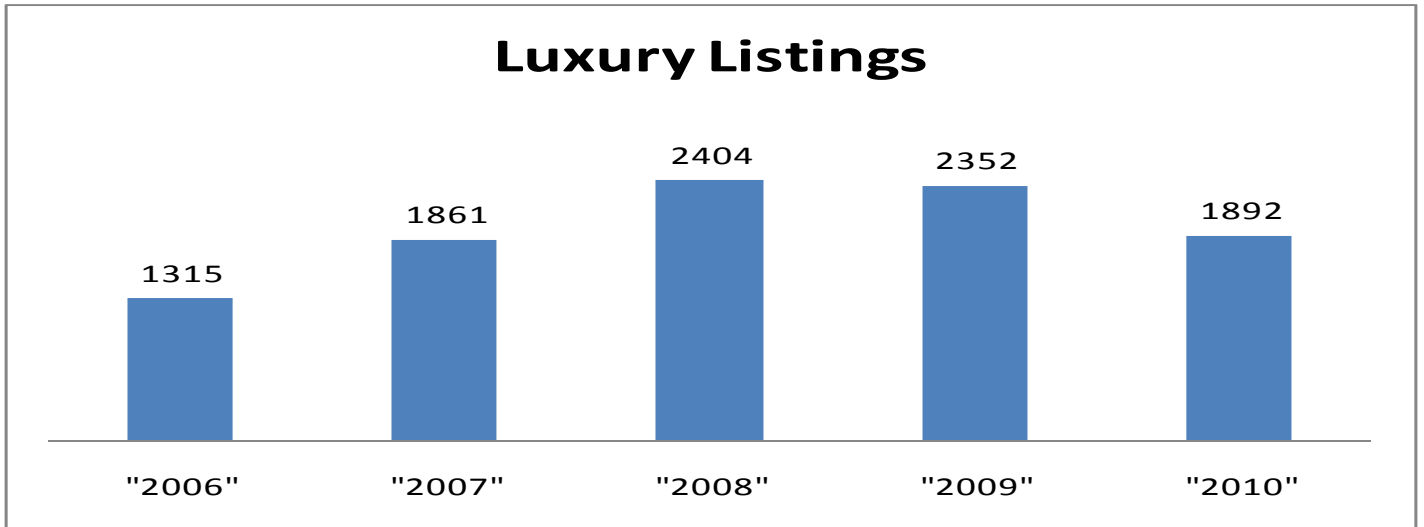
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## Showing indicators

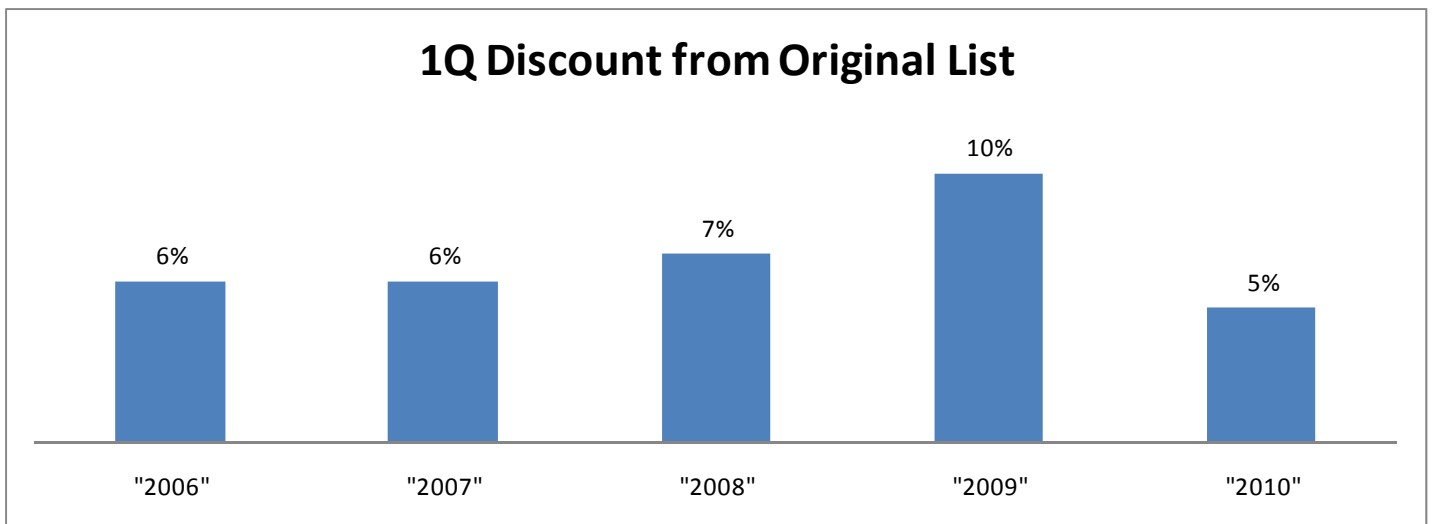
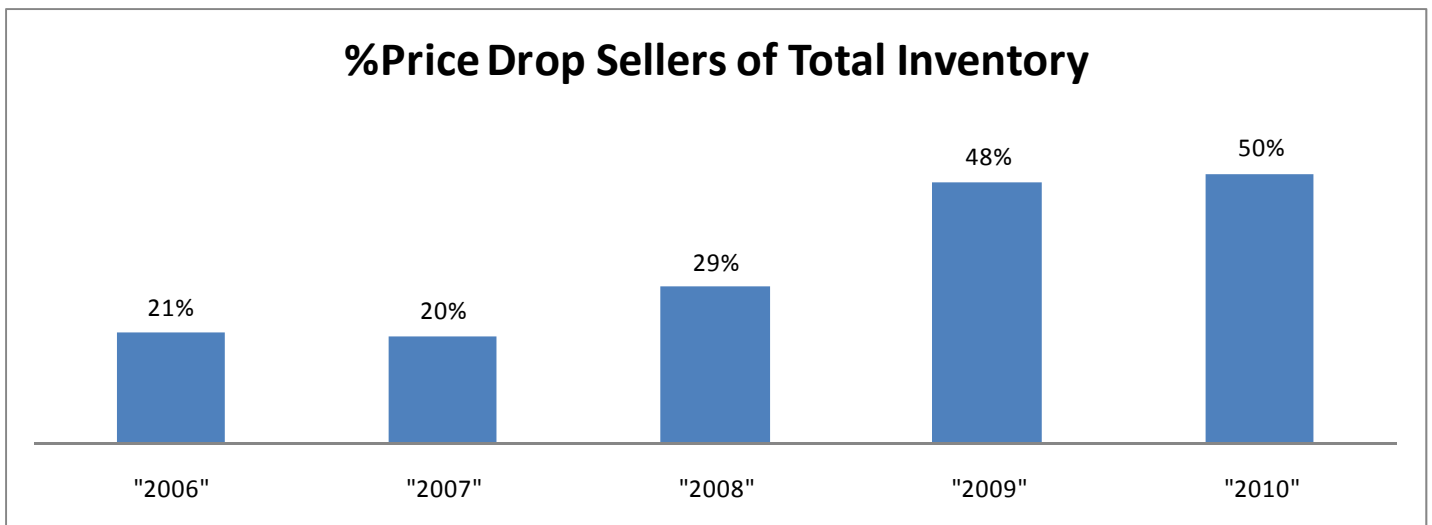
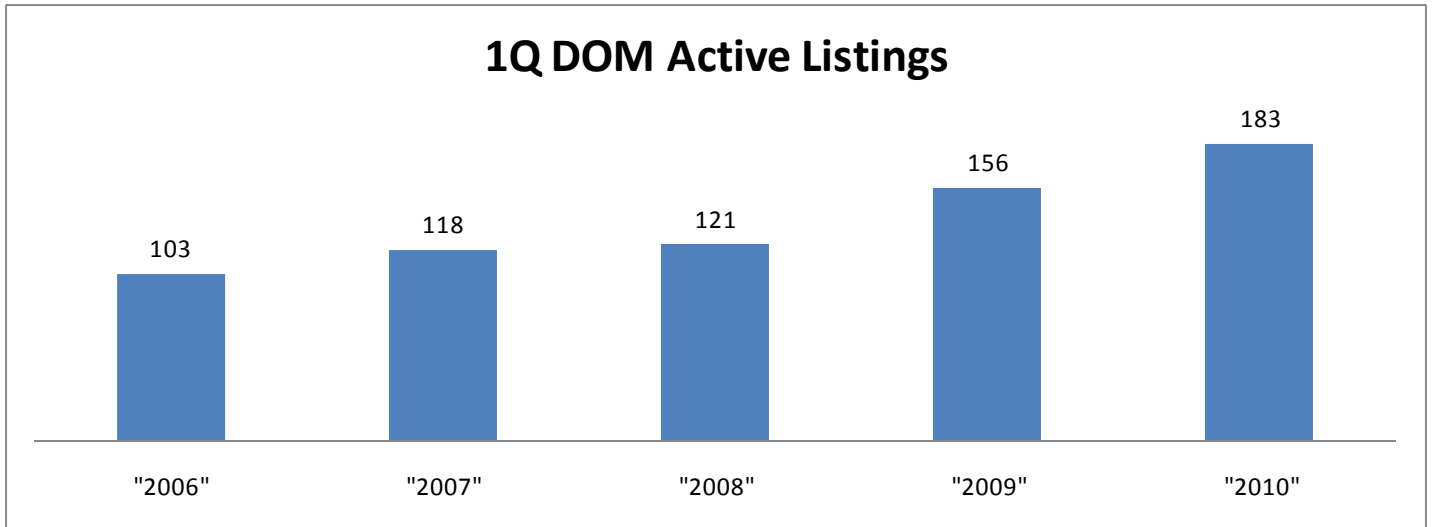
SD	#Showings	#Listings	Avg LP	Avg DOM	Show List
Preston	447	72	\$920,143	137	6
Governors Club	435	126	\$795,951	225	3
Wakefield	321	93	\$1,041,424	204	3
Budleigh	315	63	\$1,097,560	335	5
Cary Park	213	35	\$639,383	120	6
The Preserve at Jordan Lak	207	64	\$631,659	173	3
Southern Village	201	37	\$652,435	92	5
The Registry	183	31	\$1,334,923	420	6
Glenkirk	179	9	\$589,644	258	20
Meadowmont	175	59	\$951,837	284	3
Anderson Heights	162	22	\$1,002,625	208	7
Lake Hogan Farms	153	20	\$634,010	134	8
The Oaks	145	29	\$1,372,569	235	5
North Ridge	144	42	\$689,359	186	3
Southbridge at Cary Park	133	16	\$640,569	189	8
Brier Creek	128	35	\$712,623	105	4
Highcroft	126	16	\$562,847	82	8
Hayes Barton	123	33	\$907,794	252	4
Country Club Hills	111	32	\$1,442,484	291	3
St. Ives Estates	107	37	\$649,695	134	3
MacGregor Downs	104	41	\$943,127	366	3
The Moorlands	103	9	\$949,056	122	11
Historic District	98	22	\$1,097,123	221	4
Hyc0 Lake	97	42	\$733,541	162	2
Chapel Ridge	90	32	\$618,847	183	3
Bent Tree	89	17	\$655,218	250	5
The Oaks at Fallon Park	89	16	\$714,344	123	6
Wessex	89	18	\$647,222	221	5
Abbingt0n	84	16	\$564,069	213	5
Croasdaile Farm	82	20	\$791,820	227	4
<b>Group Summary</b>	<b>13571</b>	<b>3540</b>	<b>\$821,767</b>	<b>206</b>	<b>4</b>



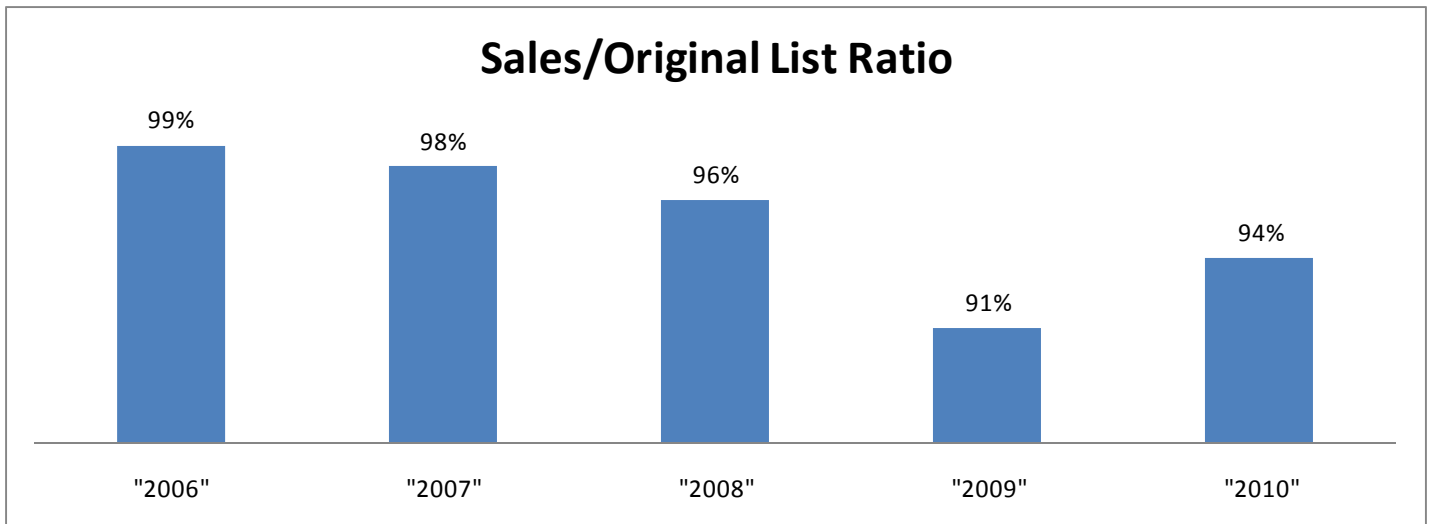
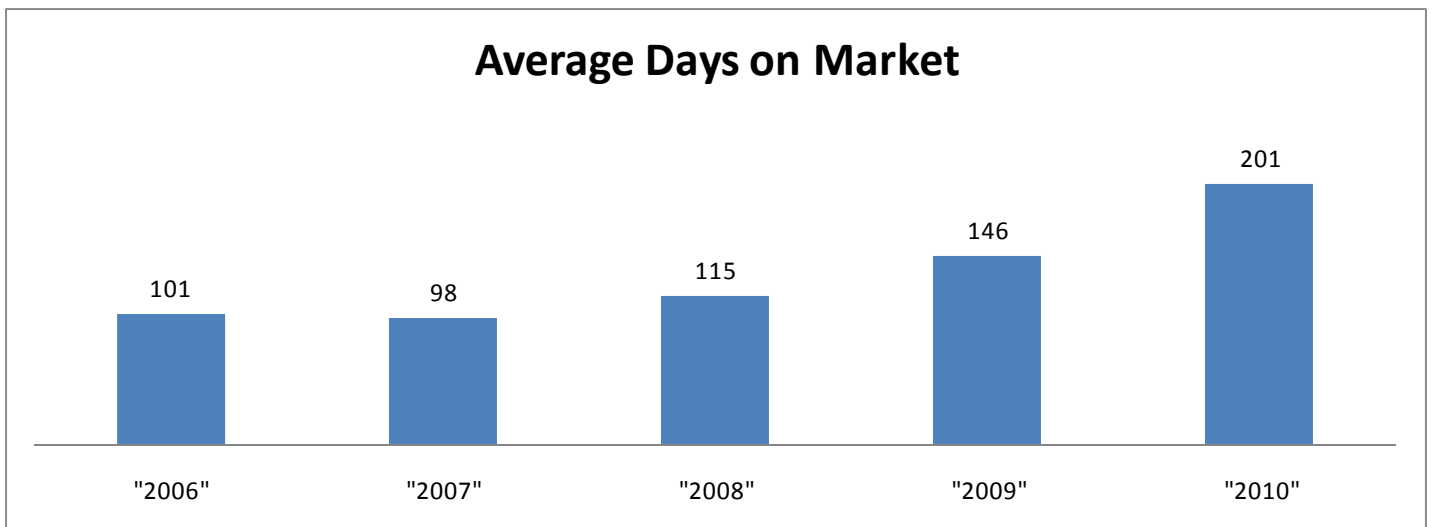
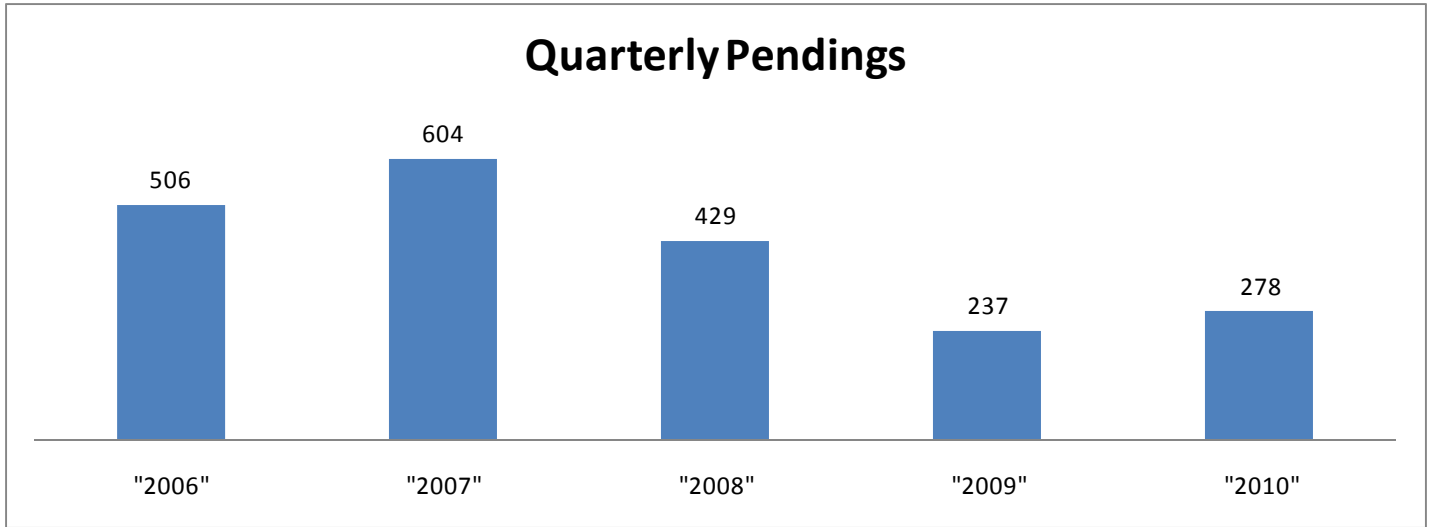
## Inventory indicators



## Inventory indicators



## Pending, closed sale indicators



## Total market listing and closed sale statistics

Area	Class	1Q/09List	1Q/10List	%Change	NumberSold	PerMonth	Supply	DaysMarket
CAM(z5/10/15)	Area Total	303	277	-9%	51	17	16	182
Falls Lake(z7)	Area Total	350	259	-26%	44	15	18	195
ITB(z1/4)	Area Total	316	227	-28%	23	8	30	220
FV/H'Springs(z9/16/17)	Area Total	203	145	-29%	17	6	26	232
Chapel Hill/Carrboro	Area Total	226	236	4%	16	5	44	203
Chatham	Area Total	281	234	-17%	15	5	47	259
N.Raleigh(Z2)	Area Total	164	108	-34%	13	4	25	231
Wake Forest(z14/21)	Area Total	240	167	-30%	13	4	39	163
Durham	Area Total	150	131	-13%	6	2	66	195
<b>Group Summary</b>		<b>2233</b>	<b>1784</b>	<b>-20%</b>	<b>198</b>	<b>66</b>	<b>27</b>	<b>204</b>

## New home market listing and closed sale statistics

Area	Class	1Q/09List	1Q/10List	%Change	NumberSold	PerMonth	Supply	DaysMarket
CAM(z5/10/15)	Area Total	119	73	-39%	28	9	8	238
Falls Lake(z7)	Area Total	121	72	-40%	12	4	18	341
FV/H'Springs(z9/16/17)	Area Total	105	52	-50%	9	3	17	304
N.Raleigh(Z2)	Area Total	90	39	-57%	7	2	17	343
Chatham	Area Total	119	69	-42%	7	2	30	347
Wake Forest(z14/21)	Area Total	112	46	-59%	6	2	23	226
Chapel Hill/Carrboro	Area Total	74	75	1%	5	2	45	373
ITB(z1/4)	Area Total	93	45	-52%	4	1	34	272
Durham	Area Total	30	18	-40%	0	0	n/a	n/a
<b>Group Summary</b>		<b>863</b>	<b>489</b>	<b>-43%</b>	<b>78</b>	<b>26</b>	<b>19</b>	<b>269</b>

## Resale market listing and closed sale statistics

Area	Class	1Q/09List	1Q/10List	%Change	NumberSold	PerMonth	Supply	DaysMarket
Falls Lake(z7)	Area Total	229	187	-18%	32	11	18	140
CAM(z5/10/15)	Area Total	184	204	11%	21	7	29	125
ITB(z1/4)	Area Total	223	182	-18%	18	6	30	220
Chapel Hill/Carrboro	Area Total	152	161	6%	9	3	54	154
FV/H'Springs(z9/16/17)	Area Total	98	93	-5%	8	3	35	150
Chatham	Area Total	162	165	2%	7	2	71	209
Durham	Area Total	120	113	-6%	6	2	57	195
N.Raleigh(Z2)	Area Total	74	69	-7%	5	2	41	120
Wake Forest(z14/21)	Area Total	128	121	-5%	5	2	73	153
<b>Group Summary</b>		<b>1370</b>	<b>1295</b>	<b>-5%</b>	<b>111</b>	<b>37</b>	<b>35</b>	<b>155</b>

## Total market listing and closed sale statistics

Area	Class	1Q/09List	1Q/10List	%Change	NumberSold	PerMonth	Supply	DaysMarket
CAM(z5/10/15)	500-599.9	102	108	6%	31	10	10	183
	600-699.9	75	64	-15%	8	3	24	114
	700-799.9	41	35	-15%	6	2	18	171
	800-899.9	19	8	-58%	3	1	8	254
	900-999.9	11	9	-18%	1	0	27	80
	1ml-2ml	35	31	-11%	0	0	n/a	0
	2ml+	4	7	75%	0	0	n/a	0
	Condo	0	0	n/a	0	0	n/a	0
	Townhouse	16	15	-6%	2	1	23	399
	Area Total	<b>303</b>	277	-9%	51	17	16	182
Area	Class	1Q/09List	1Q/10List	%Change	NumberSold	PerMonth	Supply	DaysMarket
FV/HSprings(z9/16/17)	500-599.9	80	58	-28%	10	3	17	212
	600-699.9	73	36	-51%	4	1	27	143
	700-799.9	17	15	-12%	1	0	45	324
	800-899.9	13	11	-15%	0	0	n/a	0
	900-999.9	7	10	43%	0	0	n/a	0
	1ml-2ml	12	15	25%	2	1	23	464
	2ml+	1	0	-100%	0	0	n/a	0
	Condo	0	0	n/a	0	0	n/a	0
	Townhouse	0	0	n/a	0	0	n/a	0
	Area Total	<b>203</b>	145	-29%	17	6	26	232
Area	Class	1Q/09List	1Q/10List	%Change	NumberSold	PerMonth	Supply	DaysMarket
ITB(z1/4)	500-599.9	68	46	-32%	5	2	28	189
	600-699.9	31	46	48%	5	2	28	284
	700-799.9	51	32	-37%	5	2	19	240
	800-899.9	32	18	-44%	3	1	18	39
	900-999.9	30	20	-33%	0	0	n/a	0
	1ml-2ml	45	36	-20%	3	1	36	73
	2ml+	14	14	0%	0	0	n/a	0
	Condo	31	11	-65%	1	0	33	292
	Townhouse	14	4	-71%	1	0	12	865
	Area Total	<b>316</b>	227	-28%	23	8	30	220
Area	Class	1Q/09List	1Q/10List	%Change	NumberSold	PerMonth	Supply	DaysMarket
N.Raleigh(Z2)	500-599.9	47	46	-2%	6	2	23	308
	600-699.9	46	23	-50%	5	2	14	226
	700-799.9	31	18	-42%	1	0	54	0
	800-899.9	14	7	-50%	1	0	21	18
	900-999.9	7	5	-29%	0	0	n/a	0
	1ml-2ml	7	4	-43%	0	0	n/a	0
	2ml+	0	2	n/a	0	0	n/a	0
	Condo	6	0	-100%	0	0	n/a	0
	Townhouse	6	3	-50%	0	0	n/a	0
	Area Total	<b>164</b>	108	-34%	13	4	25	231

## Total market listing and closed sale statistics

Area	Class	1Q/09List	1Q/10List	%Change	NumberSold	PerMonth	Supply	DaysMarket
Falls Lake(z7)	500-599.9	77	57	-26%	11	4	16	165
	600-699.9	56	59	5%	13	4	14	237
	700-799.9	57	29	-49%	5	2	17	210
	800-899.9	29	27	-7%	7	2	12	115
	900-999.9	34	15	-56%	4	1	11	278
	1ml-2ml	80	59	-26%	4	1	44	179
	2ml+	12	12	0%	0	0	n/a	0
	Condo	1	0	-100%	0	0	n/a	0
	Townhouse	4	1	-75%	0	0	n/a	0
Area Total		<b>350</b>	259	-26%	44	15	18	195
Area	Class	1Q/09List	1Q/10List	%Change	NumberSold	PerMonth	Supply	DaysMarket
Wake Forest(z14/21)	500-599.9	88	62	-30%	3	1	62	68
	600-699.9	50	41	-18%	3	1	41	132
	700-799.9	28	20	-29%	3	1	20	311
	800-899.9	23	7	-70%	3	1	7	193
	900-999.9	8	5	-38%	1	0	15	7
	1ml-2ml	29	24	-17%	0	0	n/a	0
	2ml+	10	7	-30%	0	0	n/a	0
	Condo	0	0	n/a	0	0	n/a	0
	Townhouse	4	1	-75%	0	0	n/a	0
Area Total		<b>240</b>	167	-30%	13	4	39	163
Area	Class	1Q/09List	1Q/10List	%Change	NumberSold	PerMonth	Supply	DaysMarket
Chatham	500-599.9	88	84	-5%	4	1	63	267
	600-699.9	75	69	-8%	4	1	52	161
	700-799.9	38	29	-24%	6	2	15	317
	800-899.9	26	19	-27%	1	0	57	278
	900-999.9	10	9	-10%	0	0	n/a	0
	1ml-2ml	34	17	-50%	0	0	n/a	0
	2ml+	9	6	-33%	0	0	n/a	0
	Condo	0	0	n/a	0	0	n/a	0
	Townhouse	1	1	0%	0	0	n/a	0
Area Total		<b>281</b>	234	-17%	15	5	47	259
Area	Class	1Q/09List	1Q/10List	%Change	NumberSold	PerMonth	Supply	DaysMarket
Durham	500-599.9	40	29	-28%	2	1	44	114
	600-699.9	31	28	-10%	2	1	42	107
	700-799.9	19	17	-11%	1	0	51	434
	800-899.9	18	20	11%	1	0	60	293
	900-999.9	16	9	-44%	0	0	n/a	0
	1ml-2ml	23	20	-13%	0	0	n/a	0
	2ml+	2	2	0%	0	0	n/a	0
	Condo	0	1	n/a	0	0	n/a	0
	Townhouse	1	5	400%	0	0	n/a	0
Area Total		<b>150</b>	131	-13%	6	2	66	195
Area	Class	1Q/09List	1Q/10List	%Change	NumberSold	PerMonth	Supply	DaysMarket
Chapel Hill/Carrboro	500-599.9	50	57	14%	6	2	29	120
	600-699.9	33	51	55%	2	1	77	430
	700-799.9	35	16	-54%	2	1	24	116
	800-899.9	18	15	-17%	0	0	n/a	0
	900-999.9	11	10	-9%	0	0	n/a	0
	1ml-2ml	44	31	-30%	4	1	23	167
	2ml+	3	2	-33%	0	0	n/a	0
	Condo	26	51	96%	1	0	153	737
	Townhouse	6	3	-50%	1	0	9	31
Area Total		<b>226</b>	236	4%	16	5	44	203