

Annual Report on the Charlotte Region Housing Market

RESIDENTIAL REAL ESTATE ACTIVITY FROM THE CHARLOTTE REGIONAL REALTOR® ASSOCIATION



Charlotte Regional **Realtor**® Association

2018



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While the 2017 housing market was marked by renewed optimism fueled by stock market strength, higher wages and a competitive environment for home sales, 2018 delivered a more seasoned prudence toward residential real estate. Home buyers, now steeped in several years of rising prices and low inventory, became more selective in their purchase choices as housing affordability achieved a ten-year low.

Yet the appetite for home buying remained strong enough to drive prices upward in virtually all markets across the country. In fact, national home prices have risen 53 percent from February 2012 to September 2018. That mark is a less dramatic but still sizable 40 percent increase when inflation is factored in.

The national median household income was last reported with a year-over-year increase of 1.8 percent, while home prices have gone up 5.5 percent in roughly the same amount of time. That kind of gap can't be sustained indefinitely, but prices are still expected to rise in most areas, albeit at a much slower pace.

Sales: Pending sales decreased 1.9 percent, closing 2018 at 48,225. Closed sales were down 2.7 percent to finish the year at 47,745. A booming economy would seem to indicate more sales, but fewer homes to choose from coupled with lower affordability made it tougher for buyers in 2018.

Listings: Year-over-year, the number of homes available for sale was lower by 5.9 percent. There were 8,718 active listings at the end of 2018. New listings decreased by 0.3 percent to finish the year at 59,889.

Distressed: The foreclosure market continues to be a hint of its former unhealthy peaks. In 2018, the percentage of closed sales that were either foreclosure or short sale decreased by 35.0 percent to end the year at 1.2 percent of the market.

Showings: Demand began to taper in 2018. There were 802,842 total showings in the region, culminating in 17 showings before pending, which was down 1.0 percent compared to 2017.

Prices: Home prices were up compared to last year. The overall median sales price increased 5.8 percent to \$238,000 for the year. Single Family home prices were up 6.0 percent compared to last year, and Condo-Townhome home prices were up 9.7 percent.

List Price Received: Sellers received, on average, 96.9 percent of their original list price at sale, which remained steady from 2017. If demand shrinks in 2019, original list price received at sale could drop as well.

Consumer optimism has been tested by four interest rate hikes by the Federal Reserve in 2018. Meanwhile, GDP growth was at 4.2 percent in Q2 2018, dropped to 3.4 percent in Q3 2018 and is expected to be about 2.9 percent in Q4 2018 when figures are released.

Looking strictly at market fundamentals, recent Fed and GDP changes will not cause a dramatic shift away from the current state of the housing market. The booming sales at increased prices over the last several years may not be the same thrill ride to observe in 2019, but a long-awaited increase in inventory is something positive to consider, even if it arrives in the form of shrinking demand amidst rising mortgage rates.

The biggest potential problem for residential real estate in 2019 might be human psychology. A fear of buying at the height of the market could create home purchase delays by a large pool of potential first-time buyers, thus creating an environment of declining sales.

If the truth of a positive economic outlook coupled with responsible lending practices and more available homes for sale captures the collective American psyche, the most likely outcome for 2019 is market balance.

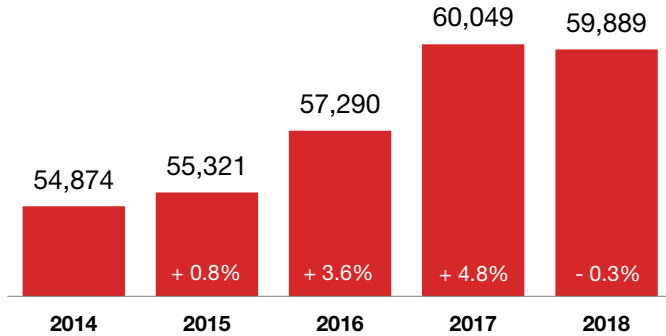
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The following counties are considered a part of the Charlotte Metro region: Alexander, Anson, Cabarrus, Catawba, Cleveland, Gaston, Iredell, Lincoln, Mecklenburg, Rowan, Stanly and Union counties in North Carolina; Chester, Chesterfield, Lancaster and York counties in South Carolina.

Quick Facts

New Listings



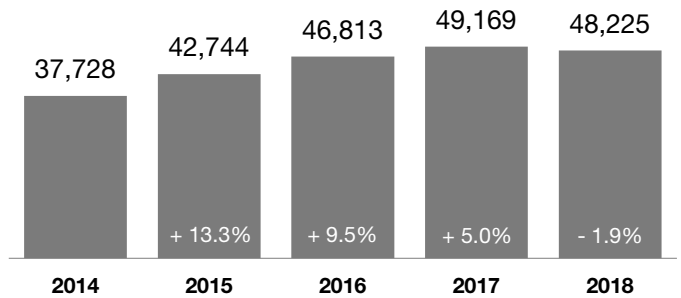
Top 5 Areas: Change in New Listings from 2017

Monroe	+ 10.2%
Cabarrus County	+ 9.0%
Gastonia	+ 8.7%
Lake Wylie	+ 8.0%
York County	+ 7.3%

Bottom 5 Areas: Change in New Listings from 2017

Waxhaw	- 3.8%
Lincolnton	- 5.2%
Uptown Charlotte	- 7.7%
Matthews	- 10.3%
Alexander County	- 62.6%

Pending Sales



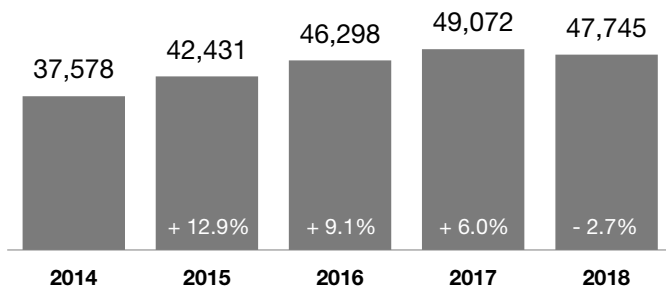
Top 5 Areas: Change in Pending Sales from 2017

Salisbury	+ 17.0%
Lancaster County	+ 15.4%
Statesville	+ 8.3%
Kannapolis	+ 7.7%
Lake Wylie	+ 6.2%

Bottom 5 Areas: Change in Pending Sales from 2017

Denver	- 9.5%
Matthews	- 9.6%
Anson County	- 10.6%
Uptown Charlotte	- 13.7%
Alexander County	- 64.2%

Closed Sales



Top 5 Areas: Change in Closed Sales from 2017

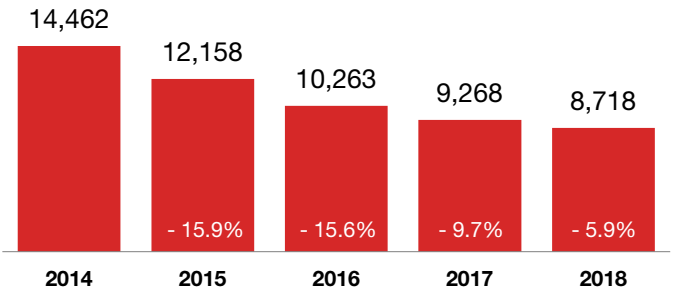
Lancaster County	+ 17.7%
Salisbury	+ 14.9%
Lake Wylie	+ 10.1%
Statesville	+ 6.0%
Concord	+ 5.1%

Bottom 5 Areas: Change in Closed Sales from 2017

Matthews	- 11.6%
Denver	- 12.4%
Uptown Charlotte	- 12.9%
Anson County	- 13.9%
Alexander County	- 61.3%

Inventory of Homes for Sale

At the end of the year.



Top 5 Areas: Change in Homes for Sale from 2017

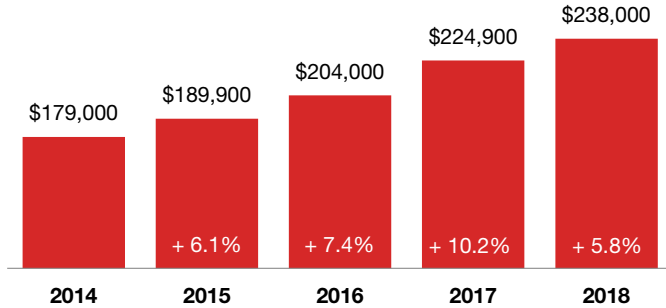
Concord	+ 26.6%
Cabarrus County	+ 25.5%
Davidson	+ 19.7%
City of Charlotte	+ 13.9%
Lake Wylie	+ 8.3%

Bottom 5 Areas: Change in Homes for Sale from 2017

Gaston County	- 17.0%
Gastonia	- 21.5%
Salisbury	- 31.2%
Anson County	- 33.7%
Alexander County	- 71.4%

Quick Facts

Median Sales Price



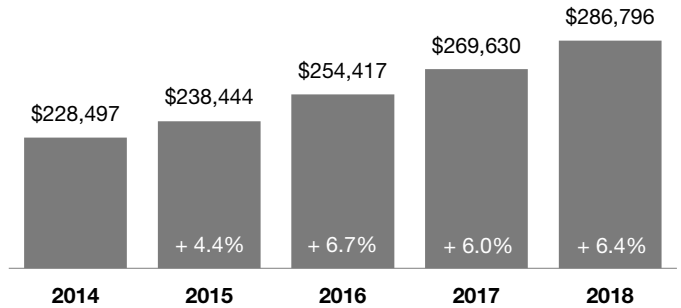
Top 5 Areas: Change in Median Sales Price from 2017

Anson County	+ 25.8%
Davidson	+ 14.7%
Kannapolis	+ 13.8%
Montgomery County	+ 10.0%
Cabarrus County	+ 9.7%

Bottom 5 Areas: Change in Median Sales Price from 2017

Alexander County	+ 3.6%
Waxhaw	+ 3.4%
Lake Norman	+ 3.1%
Denver	+ 0.3%
Uptown Charlotte	- 2.1%

Average Sales Price



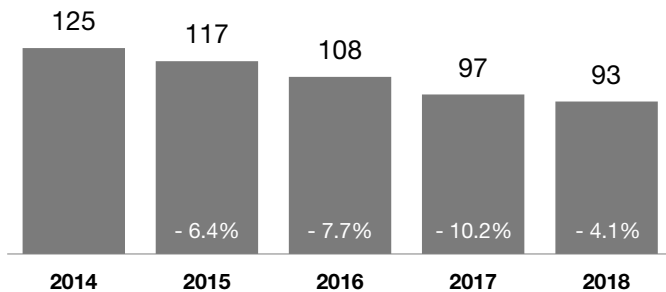
Top 5 Areas: Change in Avg. Sales Price from 2017

Kannapolis	+ 11.9%
Anson County	+ 11.9%
Davidson	+ 10.2%
Stanly County	+ 10.0%
Concord	+ 9.2%

Bottom 5 Areas: Change in Avg. Sales Price from 2017

Waxhaw	+ 3.7%
Matthews	+ 3.3%
Lincoln County	+ 1.9%
Denver	+ 0.3%
Uptown Charlotte	- 2.2%

List to Close



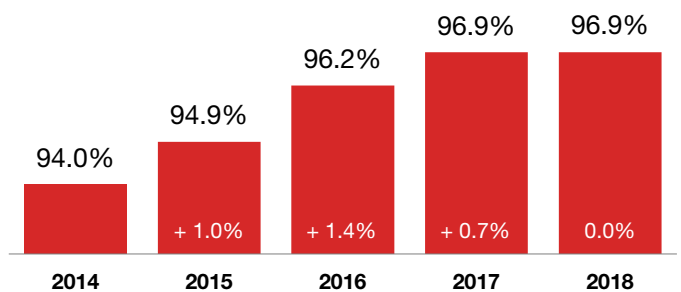
Top 5 Areas: Change in List to Close from 2017

Alexander County	+ 8.5%
Lancaster County	+ 4.8%
Lake Wylie	+ 4.1%
Uptown Charlotte	+ 4.0%
Concord	+ 2.2%

Bottom 5 Areas: Change in List to Close from 2017

Stanly County	- 11.0%
Kannapolis	- 11.1%
Gastonia	- 16.0%
Rock Hill	- 17.2%
Montgomery County	- 24.1%

Percent of Original List Price Received



Top 5 Areas: Change in Pct. of Orig. Price Received from 2017

Anson County	+ 2.6%
Salisbury	+ 1.7%
Statesville	+ 1.3%
Stanly County	+ 0.7%
Iredell County	+ 0.6%

Bottom 5 Areas: Change in Pct. of Orig. Price Received from 2017

Lake Wylie	- 0.5%
Huntersville	- 0.6%
Davidson	- 0.6%
Lincoln County	- 0.7%
Alexander County	- 1.1%

Property Type Review

94

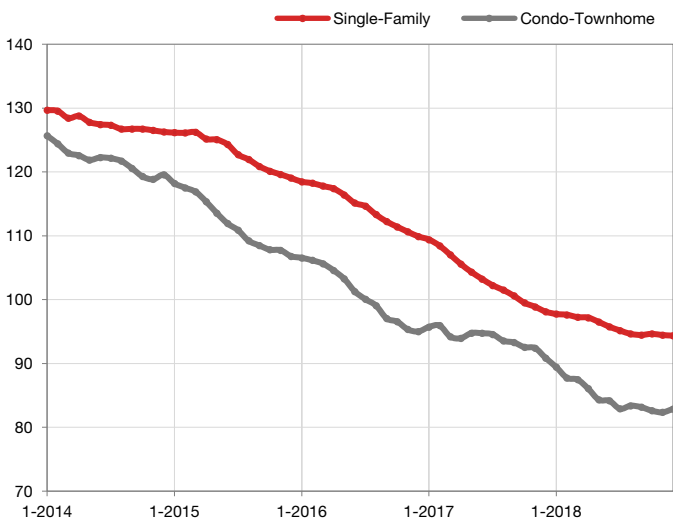
Average List to Close
Single-Family

83

Average List to Close
Condo-Townhome

List to Close

This chart uses a rolling 12-month average for each data point.



Top Areas: Condo-Townhome Market Share in 2018

Uptown Charlotte	97.6%
City of Charlotte	26.0%
Davidson	24.7%
Fort Mill	20.5%
Charlotte MSA	15.8%
Lake Norman	14.6%
Rock Hill	14.1%
York County	13.8%
Matthews	13.6%
Lancaster County	13.0%
Lake Wylie	11.7%
Huntersville	10.9%
Mooresville	10.4%
Denver	9.5%
Iredell County	8.2%
Concord	7.6%
Cabarrus County	6.3%
Gaston County	6.2%
Statesville	5.7%
Salisbury	5.2%
Gastonia	5.0%
Lincoln County	4.9%
Union County	3.8%
Monroe	3.6%
Anson County	1.6%

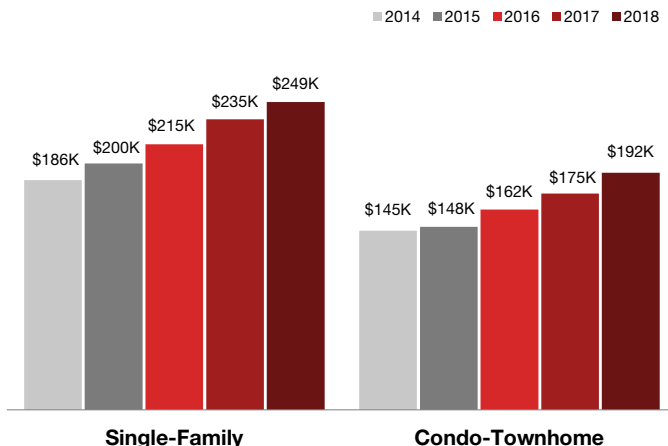
+ 6.0%

One-Year Change in Price
Single-Family

+ 9.7%

One-Year Change in Price
Condo-Townhome

Median Sales Price



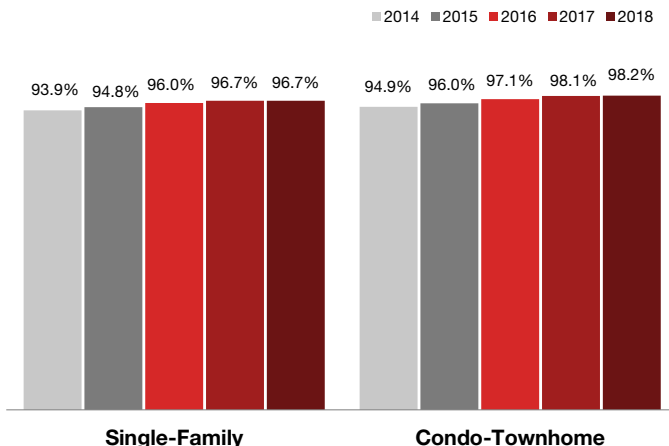
96.7%

Pct. of Orig. Price Received
Single-Family

98.2%

Pct. of Orig. Price Received
Condo-Townhome

Percent of Original List Price Received



Distressed Homes Review

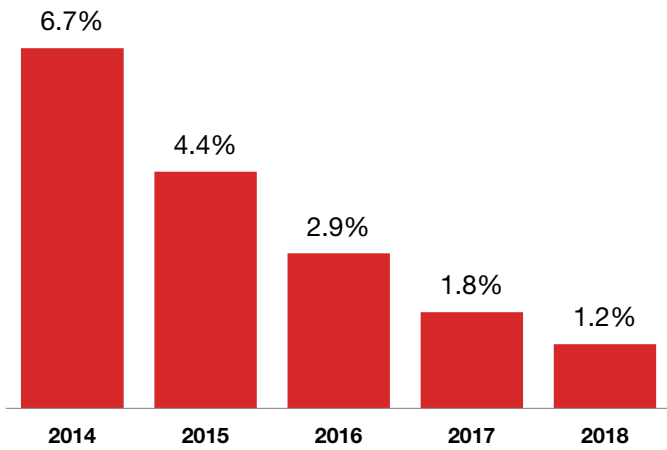
1.2%

Percent of Closed Sales in 2018 That Were Distressed

- 35.0%

One-Year Change in Sales of Lender-Mediated

Percent of Sales That Were Distressed



Top Areas: Lender-Mediated Market Share in 2018

Anson County	4.8%
Salisbury	3.6%
Statesville	2.3%
Lincolnton	2.1%
Gastonia	2.1%
Kannapolis	1.7%
Alexander County	1.6%
Gaston County	1.6%
Monroe	1.5%
Stanly County	1.5%
Iredell County	1.3%
Lake Wylie	1.3%
Concord	1.3%
Lincoln County	1.2%
Charlotte Region	1.2%
Cabarrus County	1.1%
Charlotte MSA	1.1%
York County	1.0%
Union County	1.0%
Lancaster County	1.0%
Fort Mill	0.9%
City of Charlotte	0.9%
Mooresville	0.8%
Rock Hill	0.7%
Lake Norman	0.7%

+ 25.3%

Four-Year Change in Price All Properties

+ 22.6%

Four-Year Change in Price Traditional Properties

+ 37.7%

Four-Year Change in Price Foreclosure

+ 26.6%

Four-Year Change in Price Short Sale

Median Sales Price



Bedroom Count Review

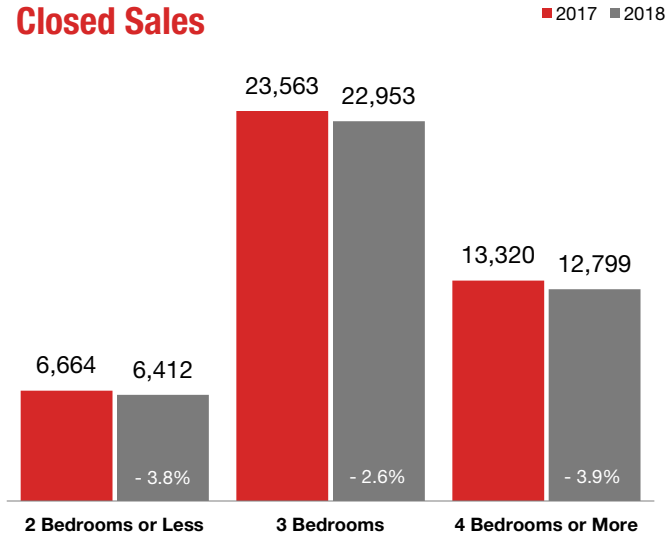
- 3.8%

Reduction in Closed Sales
2 Bedrooms or Less

- 3.9%

Reduction in Closed Sales
4 Bedrooms or More

Closed Sales



Top Areas: 4 Bedrooms or More Market Share in 2018

Mooreville	41.6%
Lake Wylie	38.3%
Waxhaw	38.0%
Lake Norman	37.3%
Huntersville	37.2%
Davidson	36.6%
Iredell County	33.7%
Denver	33.7%
Fort Mill	33.4%
Matthews	32.8%
Union County	31.7%
Lancaster County	29.6%
Concord	29.0%
Cabarrus County	28.4%
York County	28.1%
Charlotte MSA	27.1%
Charlotte Region	26.8%
City of Charlotte	26.2%
Lincoln County	25.9%
Monroe	23.0%
Gaston County	22.5%
Rock Hill	21.9%
Gastonia	21.0%
Statesville	18.5%
Lincolnton	16.6%

96.9%

Percent of Original List Price
Received in 2018 for
All Properties

95.8%

Percent of Original List Price
Received in 2018 for
2 Bedrooms or Less

97.4%

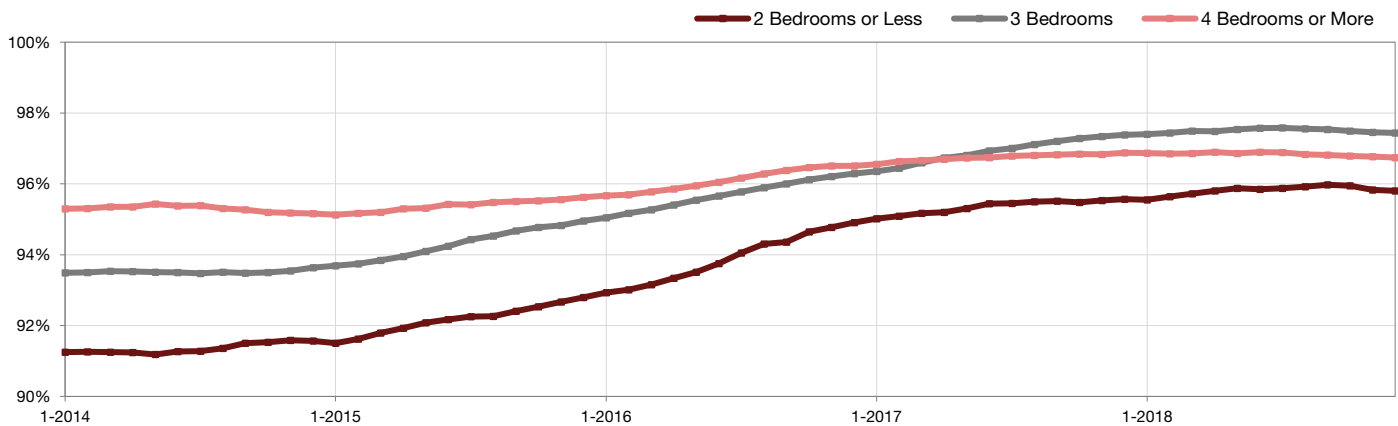
Percent of Original List Price
Received in 2018 for
3 Bedrooms

96.7%

Percent of Original List Price
Received in 2018 for
4 Bedrooms or More

Percent of Original List Price Received

This chart uses a rolling 12-month average for each data point.



Price Range Review

\$150,001 to \$200,000

Price Range with Shortest Average Market Time

\$500,001 and Above

Price Range with Longest Average Market Time

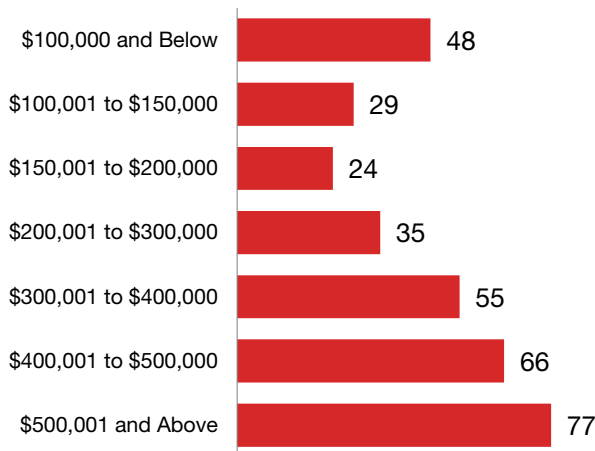
5.5%

of Homes for Sale at Year End Priced \$100,000 and Below

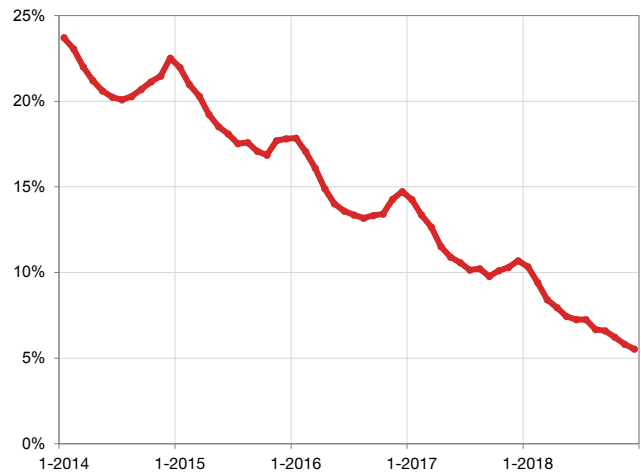
- 48.3%

One-Year Change in Homes for Sale Priced \$100,000 and Below

Days on Market Until Sale by Price Range



Share of Homes for Sale \$100,000 and Below



\$200,001 to \$300,000

Price Range with the Most Closed Sales

+ 11.9%

Price Range with Strongest One-Year Change in Sales: \$400,001 to \$500,000

\$100,000 and Below

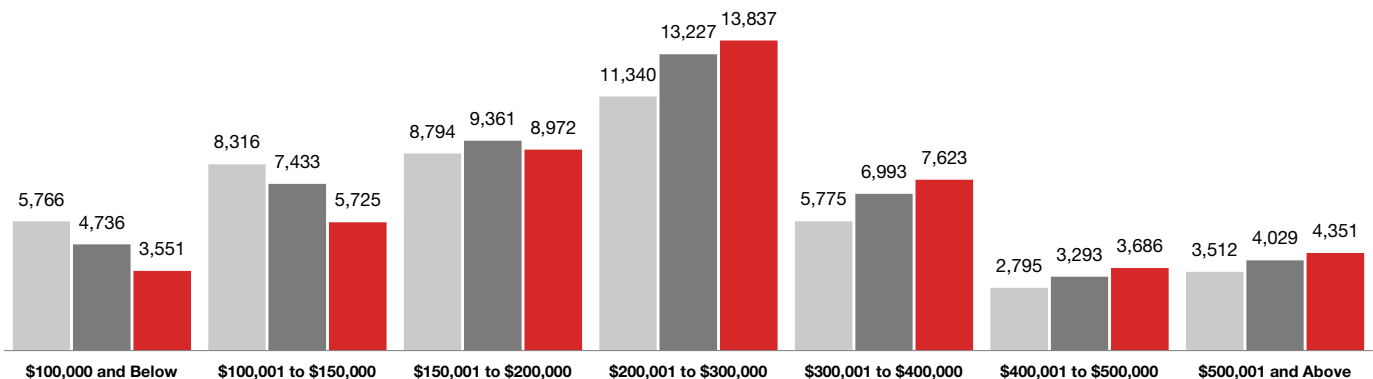
Price Range with the Fewest Closed Sales

- 25.0%

Price Range with Weakest One-Year Change in Sales: \$100,000 and Below

Closed Sales by Price Range

■ 2016 ■ 2017 ■ 2018



Showings Review

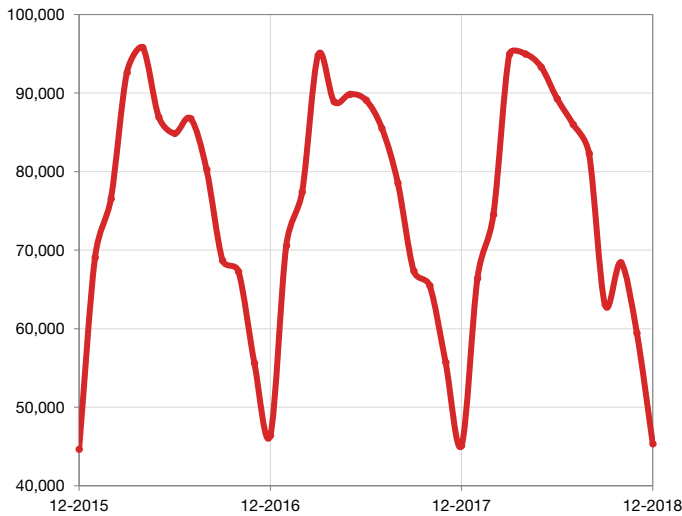
17

Median Number of Showings Before Pending

- 1.0%

One-Year Change in Median Showings Before Pending

Monthly Number of Showings



Top 10 Areas: Number of Showings

Charlotte MSA	802,842
Mecklenburg County	424,321
City of Charlotte	338,758
York County	93,394
Union County	81,716
Cabarrus County	69,839
Iredell County	60,552
Lake Norman	56,589
Gaston County	54,787
Mooreville	41,922

Top 10 Areas: Number of Showings per Listing

Uptown Charlotte	20.3
Matthews	20.1
City of Charlotte	18.8
Mecklenburg County	18.6
Fort Mill	18.2
Waxhaw	17.9
Concord	17.7
Lake Norman	17.6
Davidson	17.4
Charlotte MSA	17.2

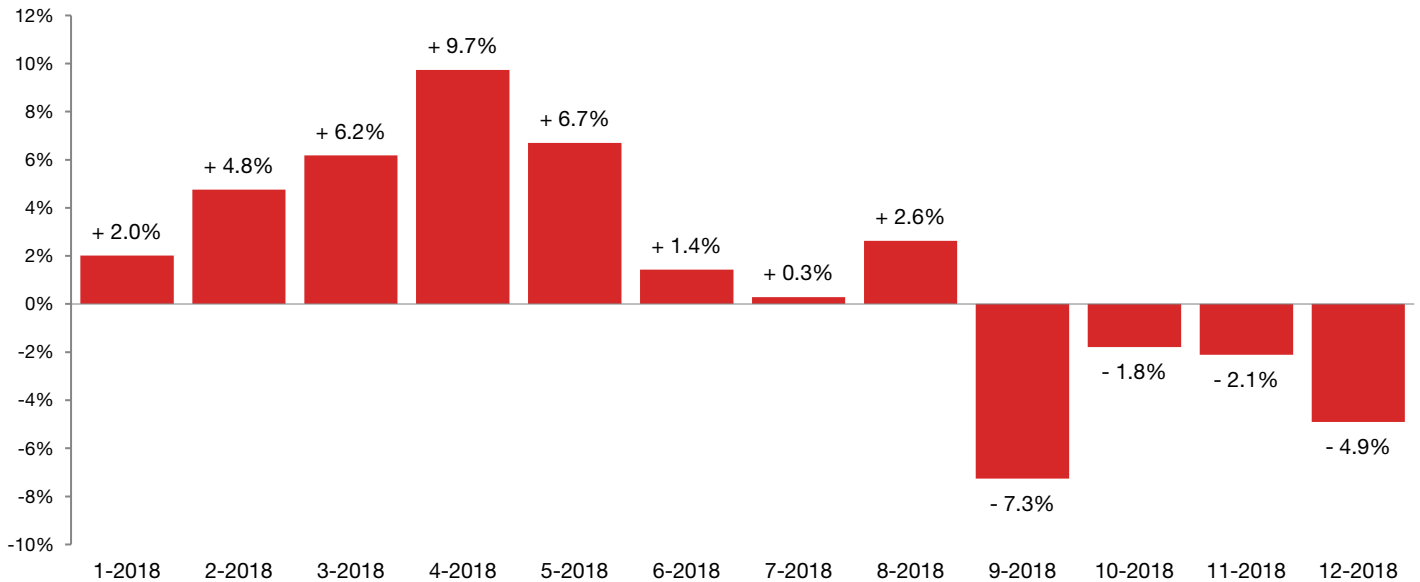
+ 1.1%

One-Year Change in Total Showings

April '18

Peak Showing Activity Month

2018 Year-Over-Year Change in Monthly Showings per Listing



Area Overviews

	Total Closed Sales	Change from 2017	Percent Condo- Townhome	Percent Distressed	Median Showings to Pending	Months Supply of Inventory	List to Close	Pct. of Orig. Price Received
Charlotte Region	47,745	- 2.7%	14.5%	1.2%	17	2.2	93	96.9%
Alexander County	63	- 61.3%	0.0%	1.6%	8	4.2	140	92.5%
Anson County	124	- 13.9%	1.6%	4.8%	7	5.6	190	91.1%
Cabarrus County	3,808	+ 4.3%	6.3%	1.1%	17	2.0	89	97.1%
Charlotte MSA	40,906	- 1.1%	15.8%	1.1%	17	2.0	89	97.2%
City of Charlotte	15,708	- 6.0%	26.0%	0.9%	19	1.7	80	97.8%
Concord	2,303	+ 5.1%	7.6%	1.3%	18	2.0	91	97.4%
Davidson	470	+ 2.8%	24.7%	0.6%	17	3.6	116	96.0%
Denver	673	- 12.4%	9.5%	0.6%	15	3.3	119	96.4%
Fort Mill	1,569	+ 1.1%	20.5%	0.9%	18	2.0	98	97.1%
Gaston County	3,323	+ 1.9%	6.2%	1.6%	15	1.8	92	96.9%
Gastonia	1,439	- 2.0%	5.0%	2.1%	16	1.7	84	96.3%
Huntersville	1,647	- 3.3%	10.9%	0.4%	17	1.8	94	97.3%
Iredell County	3,168	+ 1.3%	8.2%	1.3%	15	3.3	112	95.8%
Kannapolis	785	+ 3.2%	1.1%	1.7%	16	2.0	80	95.8%
Lake Norman	2,293	- 2.5%	14.6%	0.7%	18	3.9	126	95.7%
Lake Wylie	1,227	+ 10.1%	11.7%	1.3%	17	3.3	126	96.6%
Lancaster County	1,828	+ 17.7%	13.0%	1.0%	15	2.5	110	97.0%
Lincoln County	1,324	- 7.2%	4.9%	1.2%	14	2.9	114	95.4%
Lincolnton	421	+ 0.2%	0.2%	2.1%	14	2.9	114	94.6%
Matthews	1,103	- 11.6%	13.6%	0.6%	20	1.5	77	97.5%
Mecklenburg County	19,735	- 6.0%	24.6%	0.8%	19	1.8	83	97.7%
Monroe	1,025	+ 1.0%	3.6%	1.5%	14	2.0	78	97.0%
Montgomery County	222	- 4.3%	0.5%	0.5%	8	7.2	164	88.2%
Mooresville	1,994	- 0.7%	10.4%	0.8%	16	3.3	113	96.1%
Rock Hill	1,780	+ 3.2%	14.1%	0.7%	17	1.6	72	97.5%
Salisbury	912	+ 14.9%	5.2%	3.6%	13	2.4	110	94.4%
Stanly County	688	0.0%	1.5%	1.5%	12	2.9	113	94.5%
Statesville	907	+ 6.0%	5.7%	2.3%	13	3.3	110	95.4%
Union County	4,168	+ 0.6%	3.8%	1.0%	16	2.2	96	97.0%
Uptown Charlotte	371	- 12.9%	97.6%	0.3%	20	2.2	104	96.6%
Waxhaw	1,264	- 0.4%	1.0%	0.4%	18	2.6	111	96.5%
York County	4,901	+ 3.6%	13.8%	1.0%	17	2.0	89	97.1%

Area Historical Median Prices

	2014	2015	2016	2017	2018	Change From 2017	Change From 2014
Charlotte Region	\$179,000	\$189,900	\$204,000	\$224,900	\$238,000	+ 5.8%	+ 33.0%
Alexander County	\$115,250	\$123,678	\$138,700	\$147,750	\$153,000	+ 3.6%	+ 32.8%
Anson County	\$62,500	\$59,500	\$86,900	\$79,500	\$100,000	+ 25.8%	+ 60.0%
Cabarrus County	\$169,950	\$184,500	\$193,000	\$205,000	\$224,900	+ 9.7%	+ 32.3%
Charlotte MSA	\$185,000	\$195,500	\$210,505	\$230,000	\$244,000	+ 6.1%	+ 31.9%
City of Charlotte	\$178,500	\$188,000	\$202,000	\$225,000	\$237,500	+ 5.6%	+ 33.1%
Concord	\$165,000	\$177,500	\$188,000	\$204,000	\$222,473	+ 9.1%	+ 34.8%
Davidson	\$288,500	\$297,500	\$332,500	\$324,000	\$371,500	+ 14.7%	+ 28.8%
Denver	\$289,154	\$291,445	\$350,000	\$334,000	\$334,900	+ 0.3%	+ 15.8%
Fort Mill	\$256,500	\$260,000	\$285,000	\$299,000	\$324,500	+ 8.5%	+ 26.5%
Gaston County	\$124,815	\$139,000	\$149,999	\$164,945	\$180,000	+ 9.1%	+ 44.2%
Gastonia	\$118,000	\$133,500	\$142,000	\$155,000	\$165,000	+ 6.5%	+ 39.8%
Huntersville	\$245,000	\$258,435	\$270,000	\$296,683	\$313,000	+ 5.5%	+ 27.8%
Iredell County	\$190,000	\$208,000	\$216,500	\$244,000	\$254,500	+ 4.3%	+ 33.9%
Kannapolis	\$94,000	\$116,000	\$124,299	\$133,360	\$151,800	+ 13.8%	+ 61.5%
Lake Norman	\$345,000	\$341,000	\$365,000	\$375,994	\$387,500	+ 3.1%	+ 12.3%
Lake Wylie	\$298,820	\$290,279	\$330,000	\$327,000	\$354,765	+ 8.5%	+ 18.7%
Lancaster County	\$232,000	\$246,548	\$259,000	\$268,000	\$279,000	+ 4.1%	+ 20.3%
Lincoln County	\$193,000	\$196,000	\$236,500	\$255,000	\$266,000	+ 4.3%	+ 37.8%
Lincolnton	\$127,500	\$130,000	\$142,000	\$155,500	\$164,000	+ 5.5%	+ 28.6%
Matthews	\$218,000	\$235,500	\$257,500	\$278,250	\$295,000	+ 6.0%	+ 35.3%
Mecklenburg County	\$192,000	\$204,708	\$218,500	\$239,900	\$252,000	+ 5.0%	+ 31.3%
Monroe	\$150,000	\$157,250	\$172,000	\$186,000	\$204,000	+ 9.7%	+ 36.0%
Montgomery County	\$130,475	\$133,750	\$135,000	\$120,000	\$132,000	+ 10.0%	+ 1.2%
Mooresville	\$242,486	\$255,000	\$260,000	\$287,000	\$300,000	+ 4.5%	+ 23.7%
Rock Hill	\$150,000	\$157,000	\$169,900	\$185,500	\$195,000	+ 5.1%	+ 30.0%
Salisbury	\$110,450	\$120,000	\$137,700	\$143,000	\$149,000	+ 4.2%	+ 34.9%
Stanly County	\$115,500	\$126,000	\$137,500	\$144,990	\$155,000	+ 6.9%	+ 34.2%
Statesville	\$115,000	\$131,000	\$144,000	\$154,000	\$166,000	+ 7.8%	+ 44.3%
Union County	\$222,000	\$235,000	\$258,750	\$284,000	\$300,000	+ 5.6%	+ 35.1%
Uptown Charlotte	\$269,450	\$250,500	\$263,000	\$284,000	\$278,000	- 2.1%	+ 3.2%
Waxhaw	\$326,870	\$346,700	\$388,479	\$382,000	\$394,900	+ 3.4%	+ 20.8%
York County	\$194,500	\$206,000	\$226,900	\$244,000	\$255,000	+ 4.5%	+ 31.1%