

MASHA HALPERN'S MARKET UPDATE

DURHAM, NC 27701

- Current Real Estate Market Conditions for Single Family Homes
- Trends in Pricing
- Current Levels of Supply and Demand
- Value Metrics

- Report for the week of
April 23, 2018

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This Week

- The median list price in DURHAM, NC this week is \$385,155. The 353 properties have been on the market for an average of 100 days.

Inventory is tightening and days-on-market is falling. But demand as measured by the Market Action Index is also trending down. The market is not giving strong up or down signals from these data.

Supply and Demand

- Home sales continue to outstrip supply and the Market Action Index has been moving higher for several weeks. This is a Seller's market so watch for upward pricing pressure in the near future if the trend continues.

Real-Time Market Profile

		Trend
Median List Price	\$ 385,155	↔
Average List Price	\$ 515,595	↔
Asking Price Per Square Foot	\$ 158	↕
Average Days on Market (DoM)	100	↕
Inventory of Properties Listed	353	↓
Most Expensive Listing	\$ 5,100,000	
Least Expensive Listing	\$ 37,999	
Average Age of Listing	26	
Percent of Properties with Price Decrease	34 %	
Percent Relisted (reset DOM)	4 %	
Percent Flip (price increased)	8 %	
Median House Size (sq ft)	2355	
Median Lot Size	0.25 - 0.50 acre	
Median Number of Bedrooms	3.0	
Median Number of Bathrooms	3.0	

Altos Research Value Statistics

Market Action Index Strong Seller's 50.8 ↑↑

The Market Action Index answers the question "How's the Market?" by measuring the current rate of sale versus the amount of the inventory. Index above 30 implies a seller's advantage. Below 30, conditions give the advantage to the buyer.

Trend Key: ↑↑ Strong upward trend ↓↓ Strong downward trend
 ↔ No change ↑ Slight upward trend ↓ Slight downward trend

Characteristics per Quartile

Quartile	Median Price	Sq. Ft.	Lot Size	Beds	Baths	Age	Inventory	New	Absorbed	DOM
Top/First	\$ 797,500	4240	0.50 - 1.0 acre	4.0	4.0	13	88	8	9	191
Upper/Second	\$ 425,285	2392	6,501 - 8,000 sqft	3.0	3.0	1	88	12	11	86
Lower/Third	\$ 340,000	2332	8,001 - 10,000 sqft	4.0	3.0	12	88	16	15	59
Bottom/Fourth	\$ 207,500	1508	0.25 - 0.50 acre	3.0	2.0	47	89	30	31	64

Most expensive 25% of properties

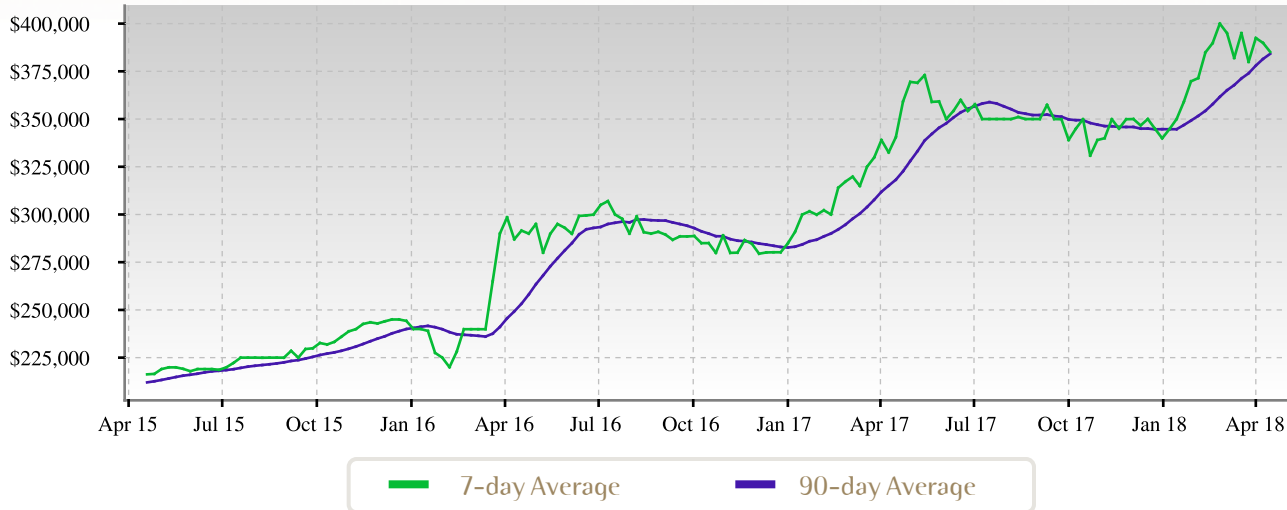
Upper-middle 25% of properties

Lower-middle 25% of properties

Least expensive 25% of properties

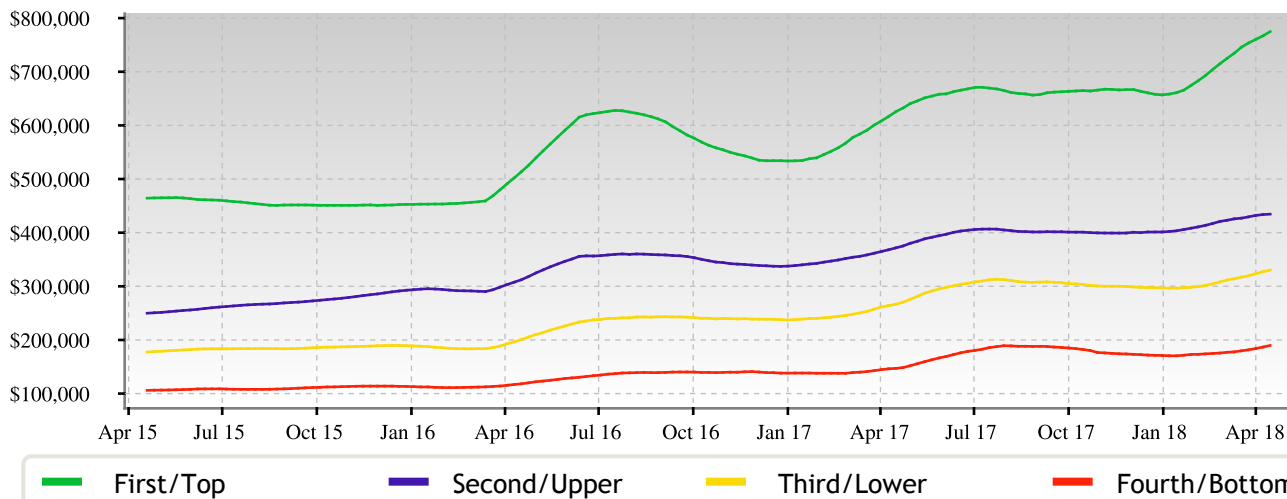
Median Price

Despite this week's up tic, the market seems to have paused around this plateau. The Market Action Index is a good leading indicator for the durability of this shift.



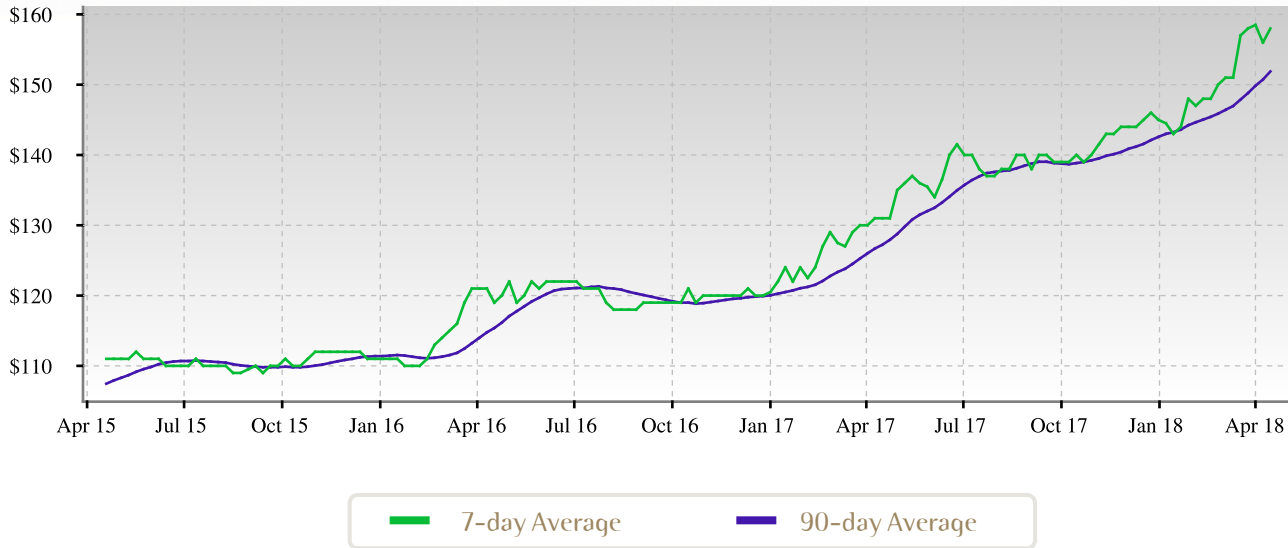
Quartile Prices

Pricing across most of the market has stayed relatively strong recently. While Quartile 2 is basically flat, all other segments are in an up trend period. Unless the Market Action Index has a persistent downward shift, expect that Quartile 2 will assume a similar trend with the other groups.



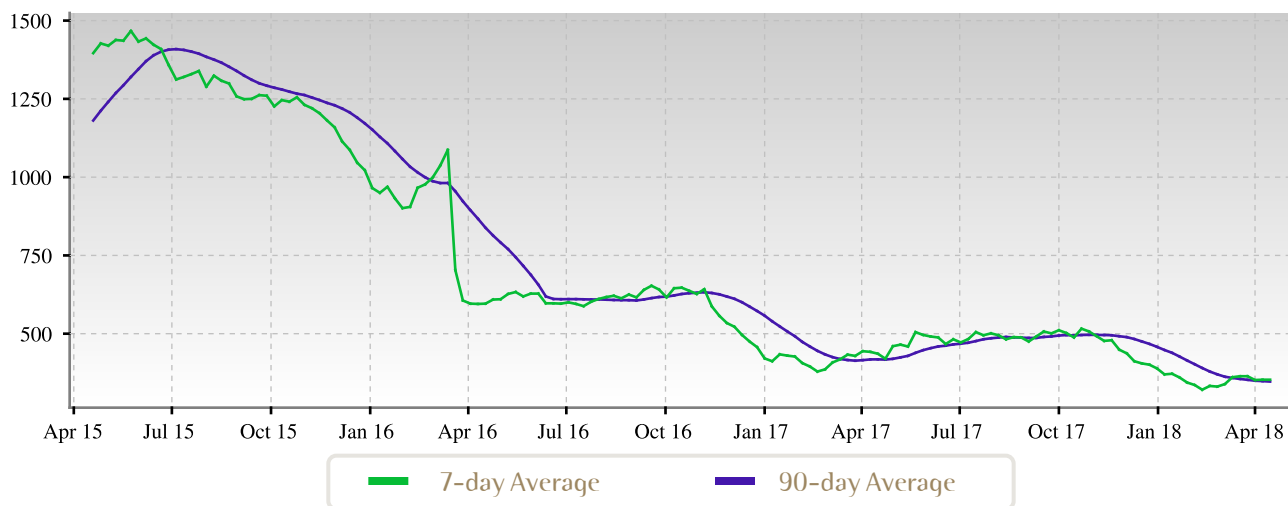
Price per Square Foot

The market plateau is seen across the price and value. The price per square foot and median list price have both been reasonably stagnant. Watch the Market Action Index for persistent changes as a leading indicator before the market moves from these levels.



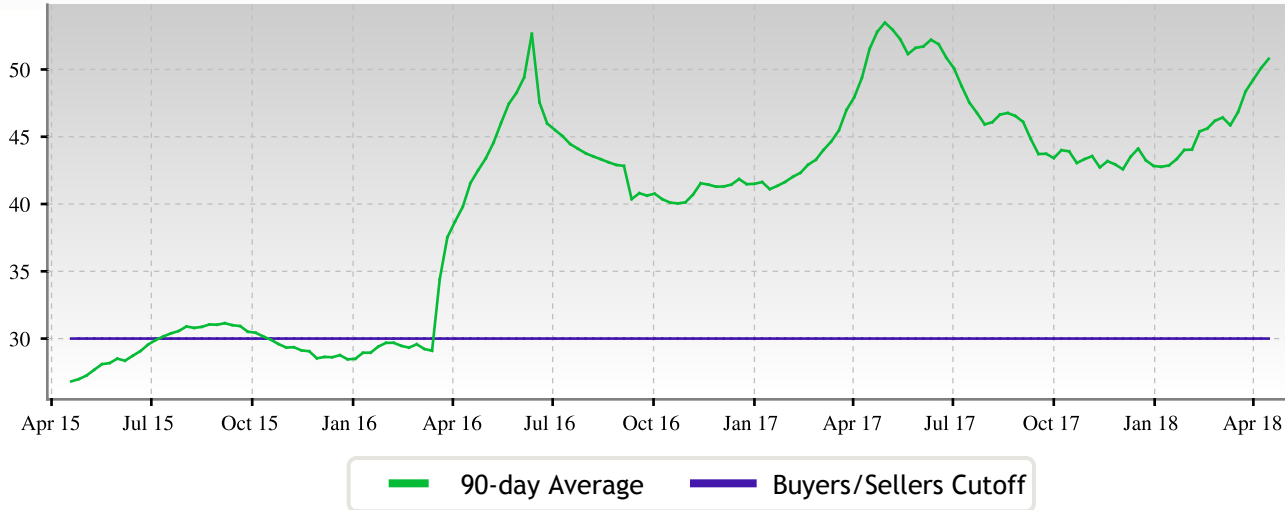
Inventory of Properties Listed for Sale

Inventory has been falling in recent weeks. Note that declining inventory alone does not signal a strengthening market. Look to the Market Action Index and Days on Market trends to gauge whether buyer interest is changing with the available supply.



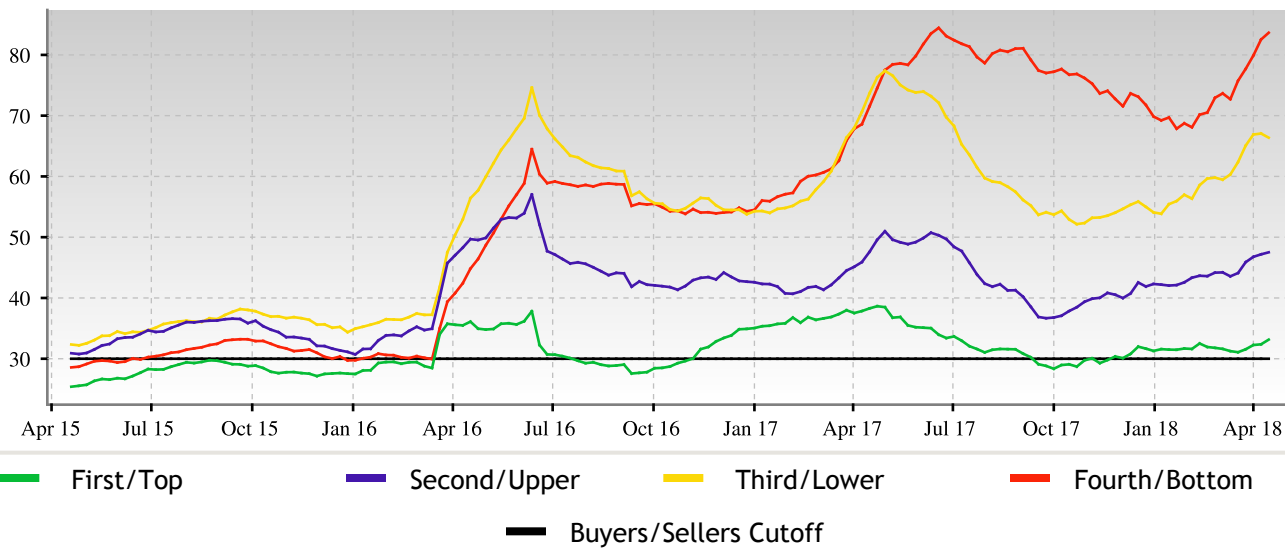
Market Action Index

The DURHAM market is currently quite strongly in the Seller's Advantage zone (greater than 30). The 90-day Market Action Index stands at 50.80; indicating very little supply relative to the demand.



Market Action Index per Quartile

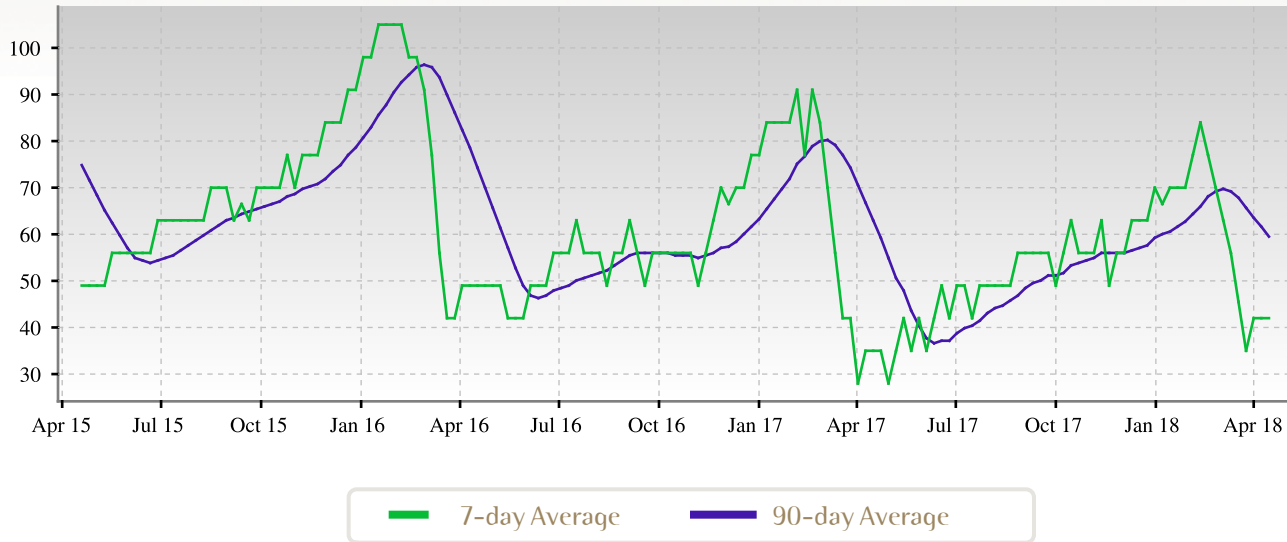
Not surprisingly, all segments in the market are showing high levels of demand. Watch the quartiles for changes before the whole market changes. Often one end of the market (e.g. the high-end) will weaken before the rest of the market and signal a slowdown for the whole group.



Residential house prices are a function of supply and demand, and market conditions can be characterized by analyzing those factors. Watch this index for sustained changes: if the index falls into the Buyer's Advantage zone (below 30) for a long period, prices are likely in for a downward correction.

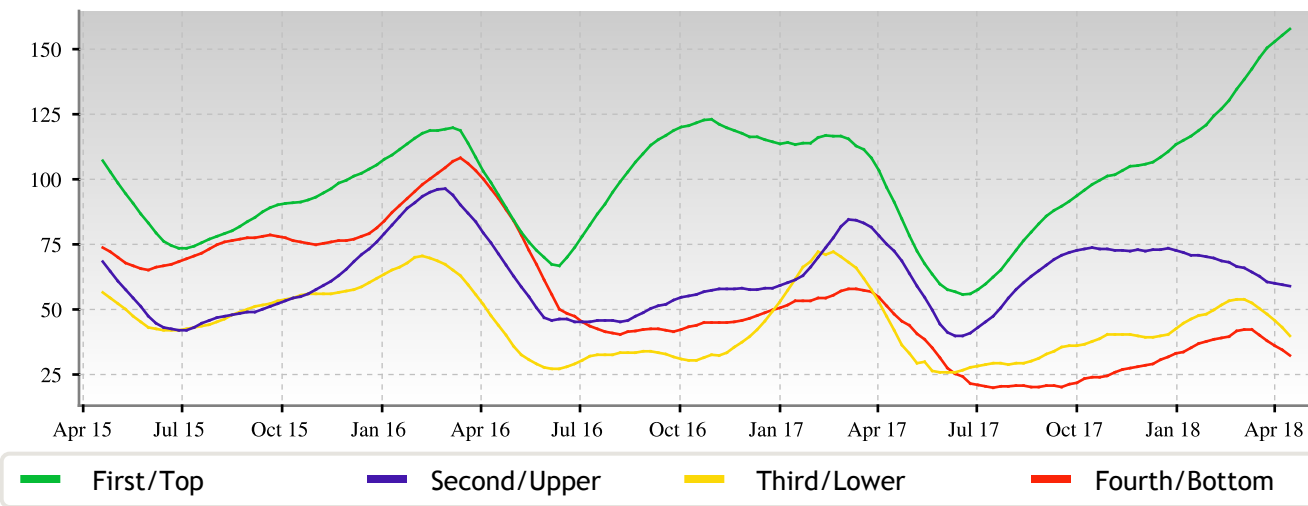
Days on Market

The properties have been on the market for an average of 100 days. Half of the listings have come newly on the market in the past 42 or so days.



Days on Market per Quartile

It is not uncommon for the higher priced homes in an area to take longer to sell than those in the lower quartiles.



This Week

- The median list price in DURHAM, NC 27701 this week is \$442,000. The 24 properties have been on the market for an average of 96 days.

Inventory has been lightening lately and the Market Action Index has been trending up. Though days-on-market is increasing, these are mildly positive indications for the market.

Supply and Demand

- In the last few weeks the market has achieved a relative stasis point in terms of sales to inventory. However, inventory is sufficiently low to keep us in the Seller's Market zone so watch changes in the MAI. If the market heats up, prices are likely to resume an upward climb.

Real-Time Market Profile

		Trend
Median List Price	\$ 442,000	↔
Average List Price	\$ 446,983	
Asking Price Per Square Foot	\$ 222	↑
Average Days on Market (DoM)	96	↑
Inventory of Properties Listed	24	↓↓
Most Expensive Listing	\$ 799,999	
Least Expensive Listing	\$ 175,000	
Average Age of Listing	47	
Percent of Properties with Price Decrease	50 %	
Percent Relisted (reset DOM)	4 %	
Percent Flip (price increased)	8 %	
Median House Size (sq ft)	1994	
Median Lot Size	6,501 - 8,000 sqft	
Median Number of Bedrooms	3.0	
Median Number of Bathrooms	3.0	

Altos Research Value Statistics

Market Action Index Strong Seller's 47.4 ↔

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Characteristics per Quartile

Quartile	Median Price	Sq. Ft.	Lot Size	Beds	Baths	Age	Inventory	New	Absorbed	DOM
Top/First	\$ 660,000	2632	6,501 - 8,000 sqft	3.5	3.0	1	6	0	1	142
Upper/Second	\$ 457,500	2034	6,501 - 8,000 sqft	3.0	3.0	31	6	0	1	89
Lower/Third	\$ 409,500	1866	4,501 - 6,500 sqft	3.0	3.0	0	6	0	0	88
Bottom/Fourth	\$ 282,450	1284	8,001 - 10,000 sqft	3.0	1.5	86	6	1	2	66

Most expensive 25% of properties

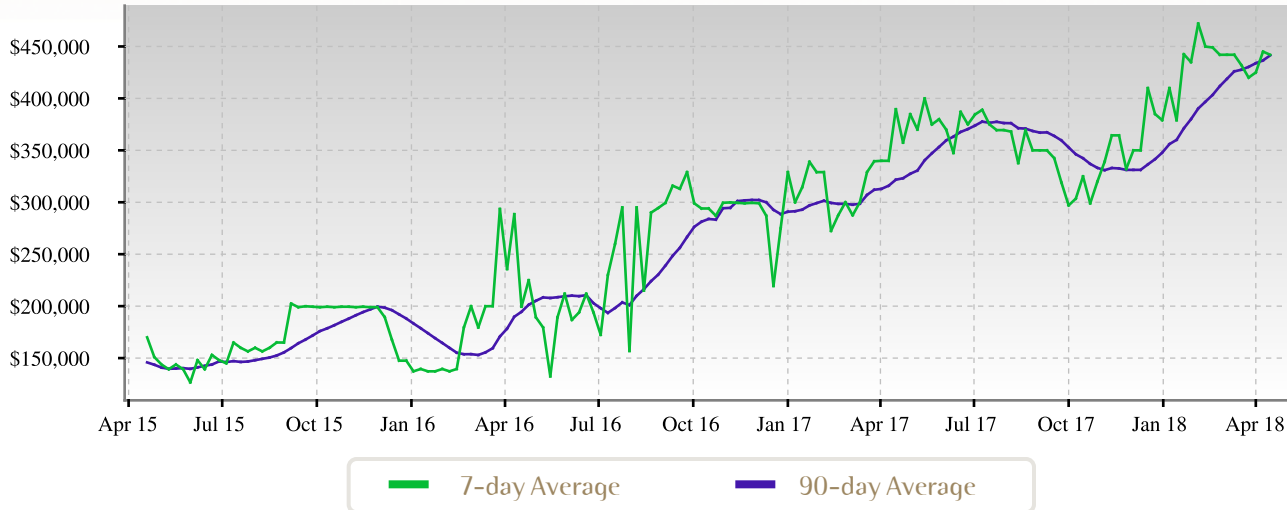
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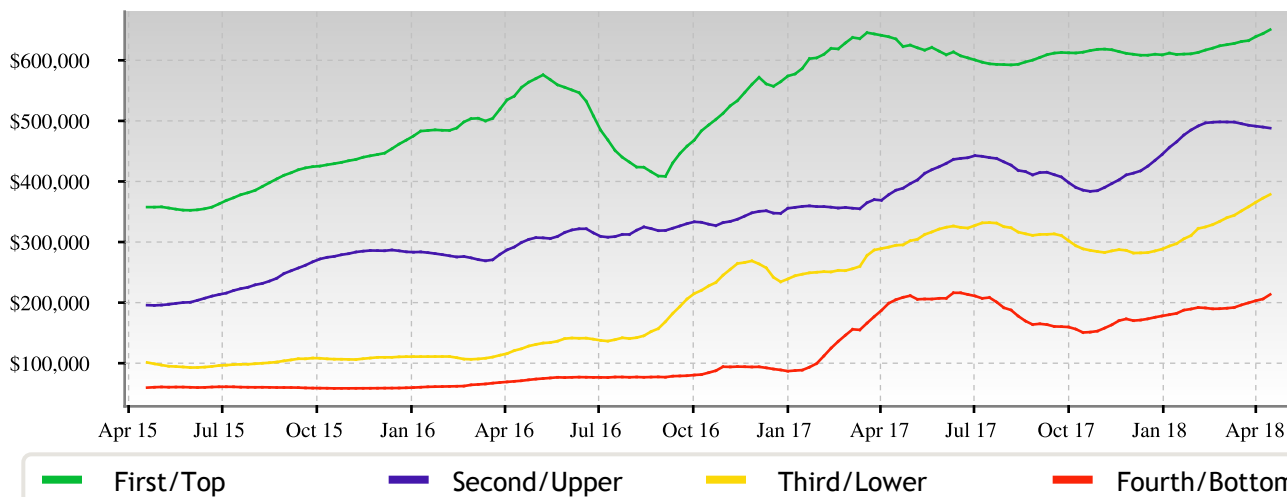
Median Price

Prices in this zip code seem to have settled around a plateau. Look for a persistent down-shift in the Market Action Index before we see prices deviate from these levels.



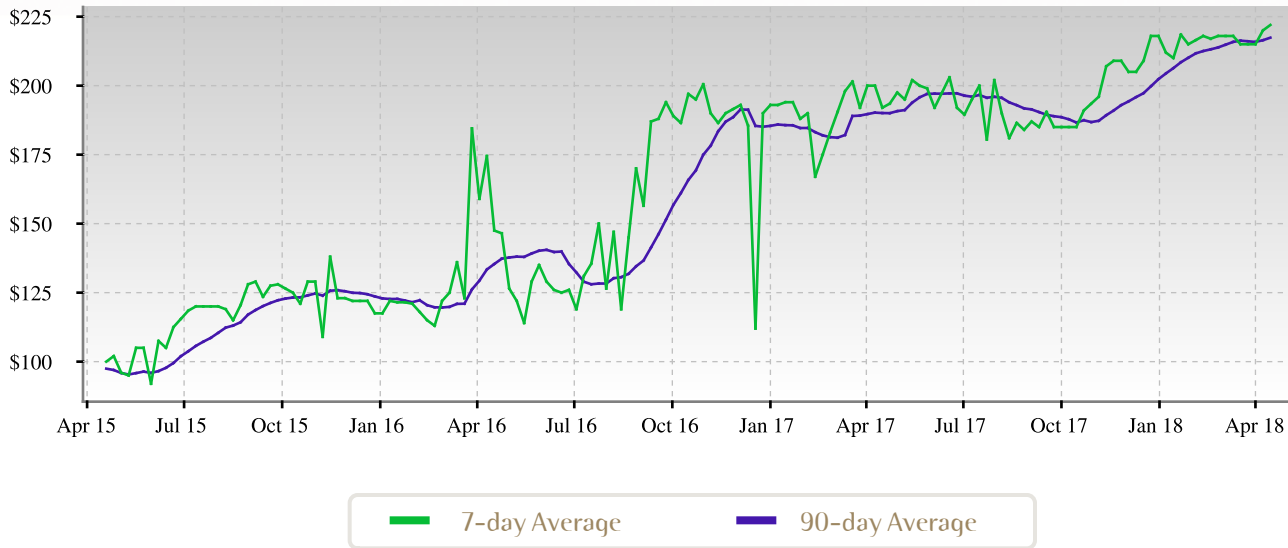
Quartile Prices

In the quartile market segments, we see the upper-half of the market (Quartiles 1 and 2) in this zip code relatively flat recently while the lower-half prices have remained strong. Quartiles 3 and 4 have been increasing in the last few weeks. Look to the Market Action Index Quartile breakdown for a leading indicator on which group will lead the market in the near future.



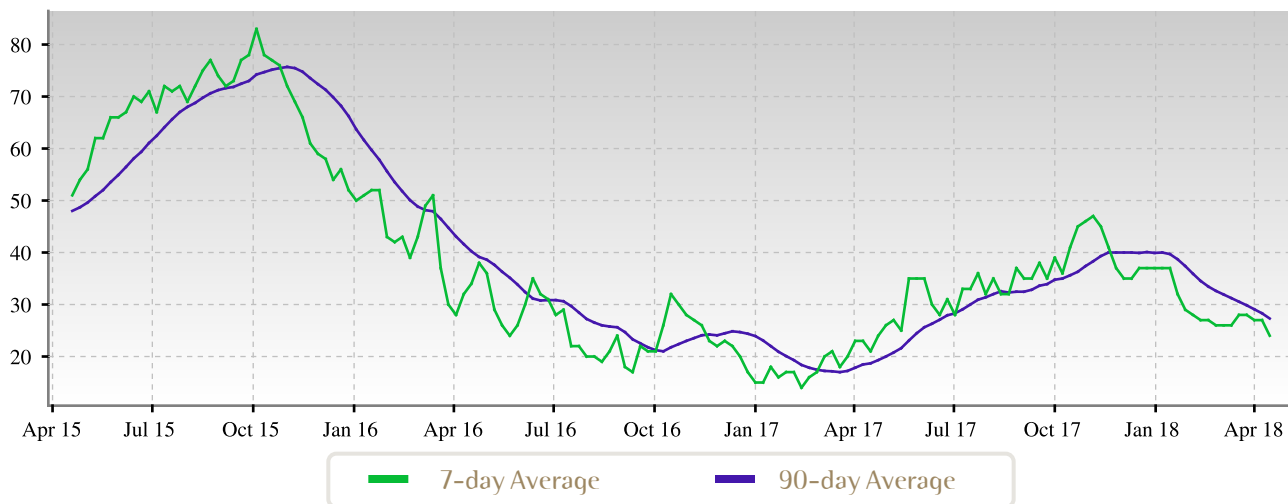
Price per Square Foot

The value placed on homes appears to be on the upswing, despite the fact that prices in general have remained basically flat. These conditions can arise when inventory is light and a greater number of smaller homes have more influence on overall prices.



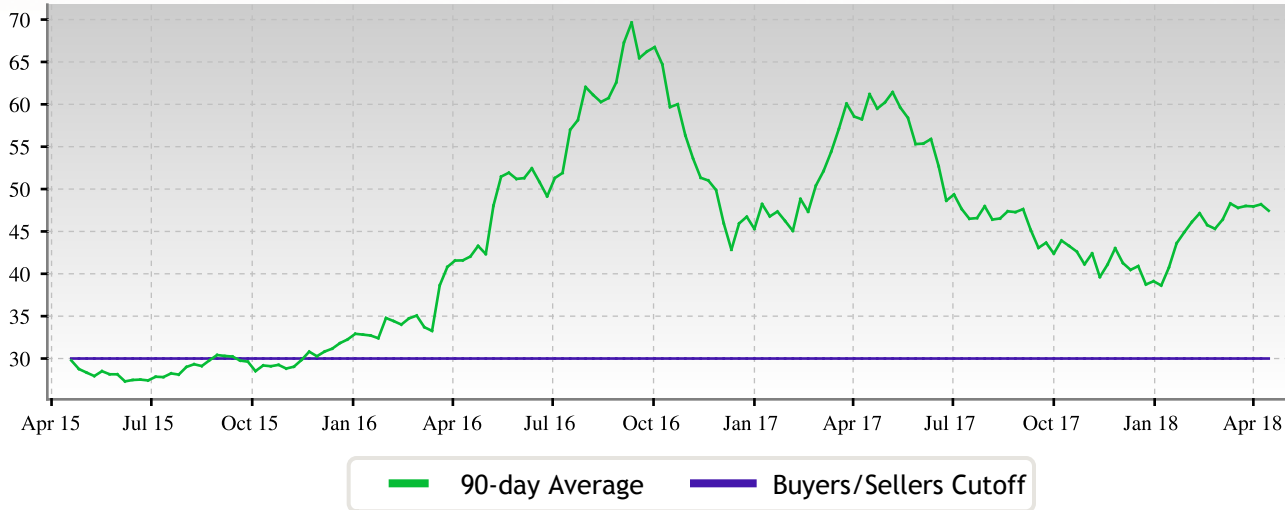
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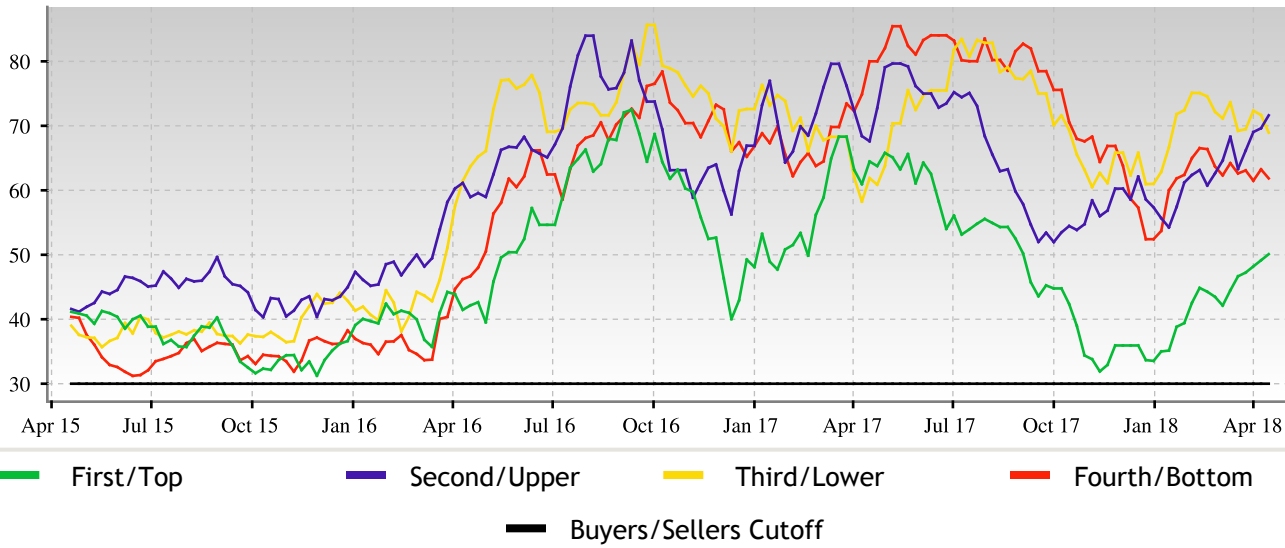
Market Action Index

The DURHAM, 27701 market is currently quite strongly in the Seller's Advantage zone (greater than 30). The 90-day Market Action Index stands at 47.44; indicating very little supply relative to the demand.



Market Action Index per Quartile

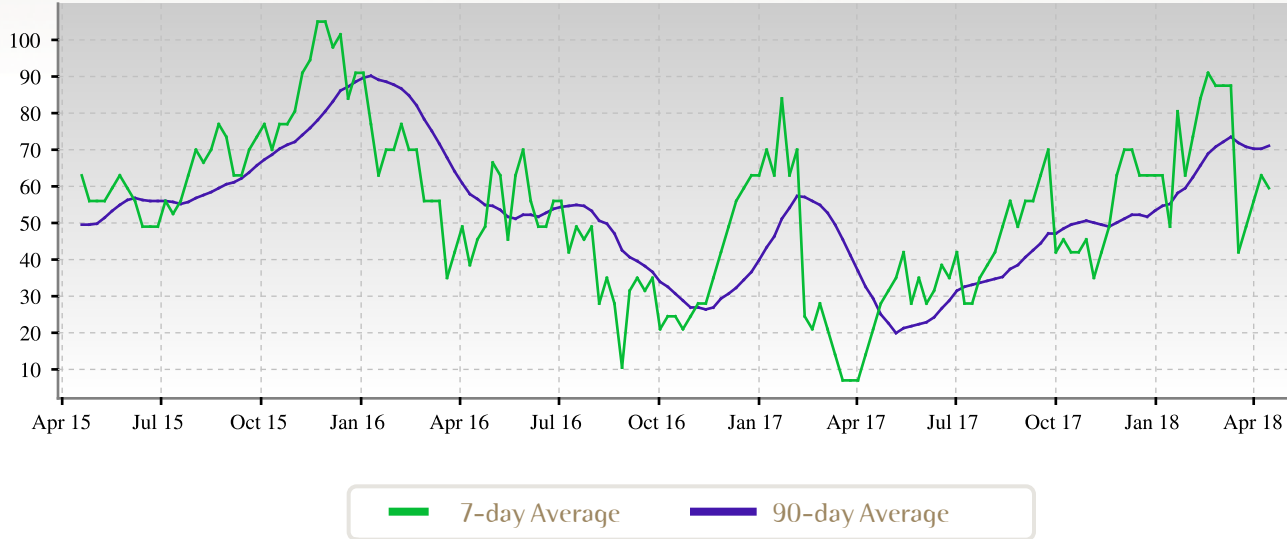
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