

December 2009 & Year End MLS Report
Prepared by David Flory, Cunningham & Company Mortgage Bankers.

David's Comments

The holidays are behind us and 2009 is nothing but history – our mantra should be “I Will Survive” by Gloria Gaynor. I am certain that during the course of the past year we all hummed a few bars of this tune as we willed our sales to the closing table. 2009 is over and done with and behind us. For the year we had 8.3% loss in our average sold price from 2008, over the last two years we have only seen a loss of 14.3% from our best year of 2007.

We have now seen 4 months of growth in sold units over the same time frame from a year ago, December had a gain of 17.4% over December of 2008. With the high number of Dec and Nov sales our pending sales index is approaching our low point much like it did last year this time. We have a lot to look forward to the Spring of 2010. The \$8,000 tax credit goes till April 30th with properties closings up to June 30th. We have a large housing inventory of 13.5 months. The 30-year fixed-rate mortgage (FRM) averaged 5.09 percent with an average 0.7 point for the week ending January 7, 2010

In the month of December we saw a decrease of 357 homes in our listing inventory, we have 4756 homes on the market; this continues to put us in a strong buyer's market with a listing inventory of over a 13.5 month supply. This is the first time we have had a listing inventory below 5,000 since January 2007. Our average list price has dropped to \$373,677. For December we saw another decrease in our seller concessions, it is now 21.0%. Our average days on the market remained in the 130's. The list to sold ratio is 94.5% up .1% from last month; we want this number to be going up. For the most part of 2009 we had an average list to sale ratio under 95%. The number of homes that sold in 15 days or less continues to remain very low, 17.9% of December sold homes. Our average list price has dipped below the \$400,000 range for four months; we have to go back to April 2005 to find an average list price below \$400,000, for December 09 it was \$373,677.

I did a brief breakdown on price ranges for 2008 and 2009. In the sold price range of \$200,000 and below we had 2,461 units in 2009 and 2,349 in 2008 and increase of 4.8% in units. Our average sold price was only down by 2.3% - in 2009 our average sold price was \$133,628 and the average sold price for 2008 was \$136,818. A lot of people took advantage of the First Time Homebuyer Tax Credit.

In the sold price range of \$200,000 to \$500,000 we have a decrease in units by 18.3% - 1,660 sold in 2009 and 2,033 sold in 2008. Our average sold price does not have much change between years in 2009 our average sold price was \$292,616 and in 2008 the average sold price was \$294,118 a loss of .5% and our median sold price increased from \$270,000 in 2008 and \$272,500 in 2009.

In the sold price range of \$500,000 and up we did not do as well – kinda. In sold units we were down 25% - sold 262 units in 2009 while in 2008 we had 351 sales. I am sure a lot had to do with the tightening of credit in the Jumbo market. But our average sold price was \$839,443 in

2008 and is now \$823,835 for 2009 a decrease of 1.9%. The median sold price managed to remain the same from 2008 to 2009 - \$675,000.

2010 is a year that has a lot great promise to it; our economic recovery and opportunities for the housing market to recover. So let's get on with 2010. Good Luck and Happy New Year.

Despite all the media comments about our markets we are still lending money for residential mortgages. If a client has income and credit and some sort of down payment; they can get a mortgage. It goes to the basic three C's – Capacity, Collateral and Character.

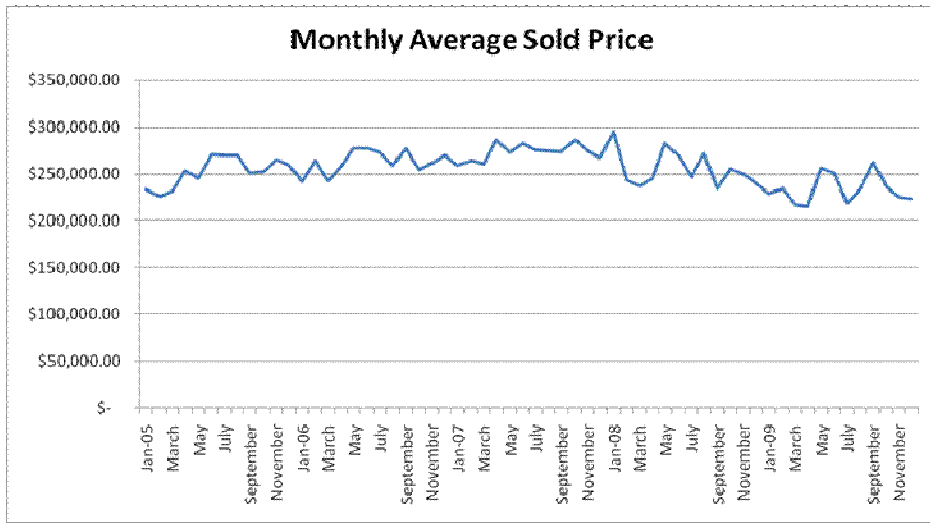
Listing Inventory

In December we saw a decrease in listing inventory of 357 units, mainly due to the high number of sales and the fact that December is not known to be a strong month for listings. We are about 393 units down from January 2009. We have 4,756 single family homes for sale in our MLS. The average list price of \$373,677 is down by \$5,415 from last month. The average list price has decreased by 1.4% from December 2009. The last time our inventory with in the 4,700 range was June 2006.



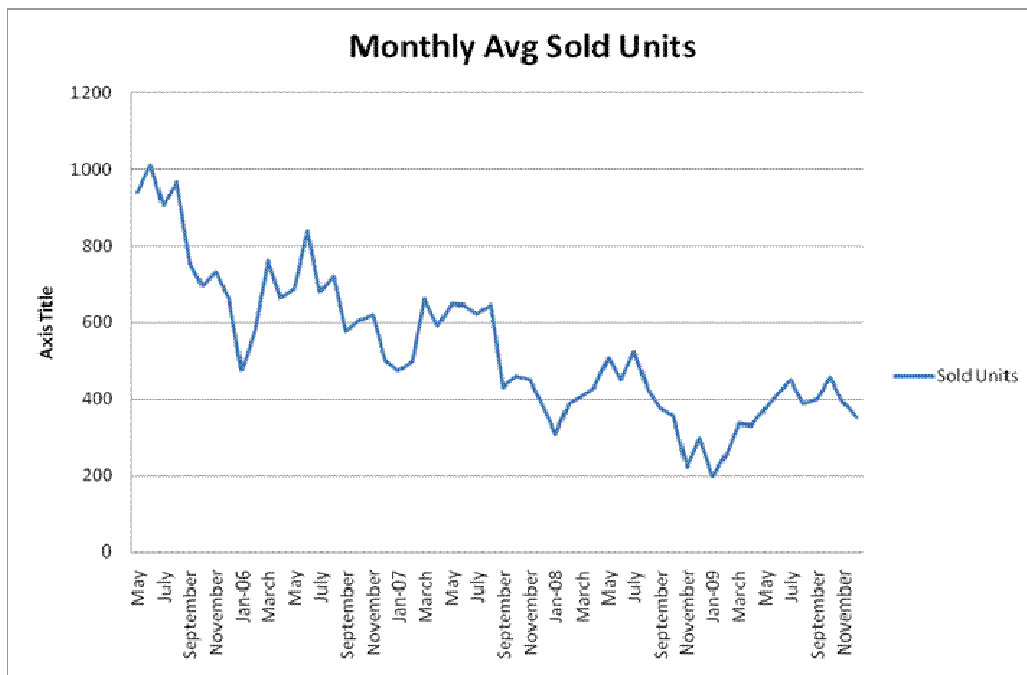
Monthly Average Sold Price

Our monthly average sold price is down by **1.1%** from last month and down **7.0%** from December 2008. Our average sold price is down by \$2,477 from last month. December average sold price (\$223,312) shows a decrease of just **12.9%** from year end 2008.



Monthly Sold Units

The number of sold homes is down **10.7%** from last month and up **17.4%** from December 2008. December saw an increase of 52 sold homes over December 2008. This is our fourth monthly increase in year over year sold homes since September 2005. We ended the year with over 4,350 homes sold compared to 2008 where we had 4,704 a decrease of **7.5%**. Since May of 2009 we have had 8 months with sold units in excess of 350 units; while we had 9 months in 2008 that had over 350 sold units. You can notice that all of our big dips seem to occur on or about December. I believe we will continue to see the next couple of months with unit sales over and above the previous year. No doubt in my mind the First Time Homebuyers Tax Credit has contributed to this increase in sales units and I would anticipate it to continue over the next several months as we approach the new potential extended deadline of April 30, 2010.



Average Sold Price Year to Date

Year over year our year to date numbers have dipped a little.

2003 year end average sale price \$ 186,137

2004 year end average sale price \$ 210,048

2005 year end average sale price \$ 254,080

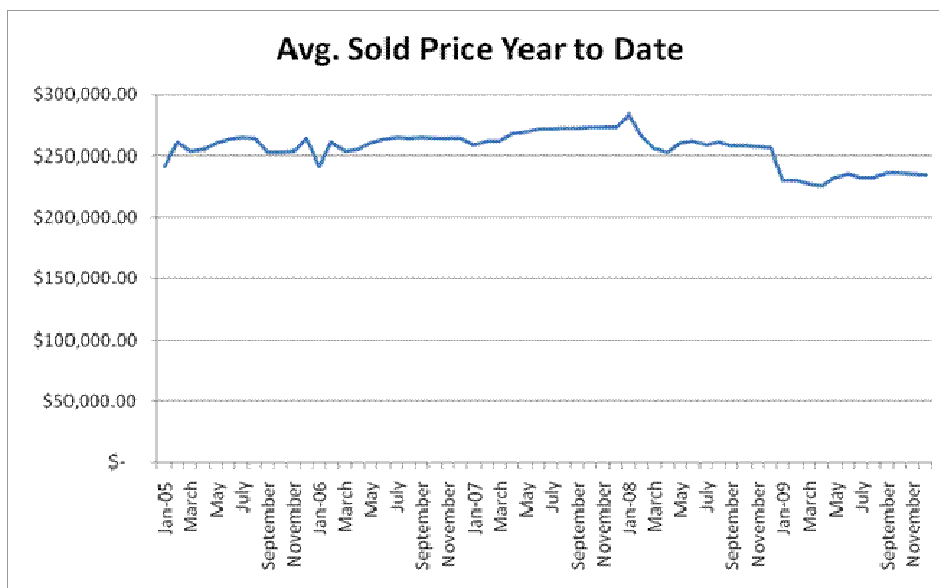
2006 year end average sale price \$ 264,498

2007 year end average sale price \$ 273,408

2008 year end average sale price \$256,498

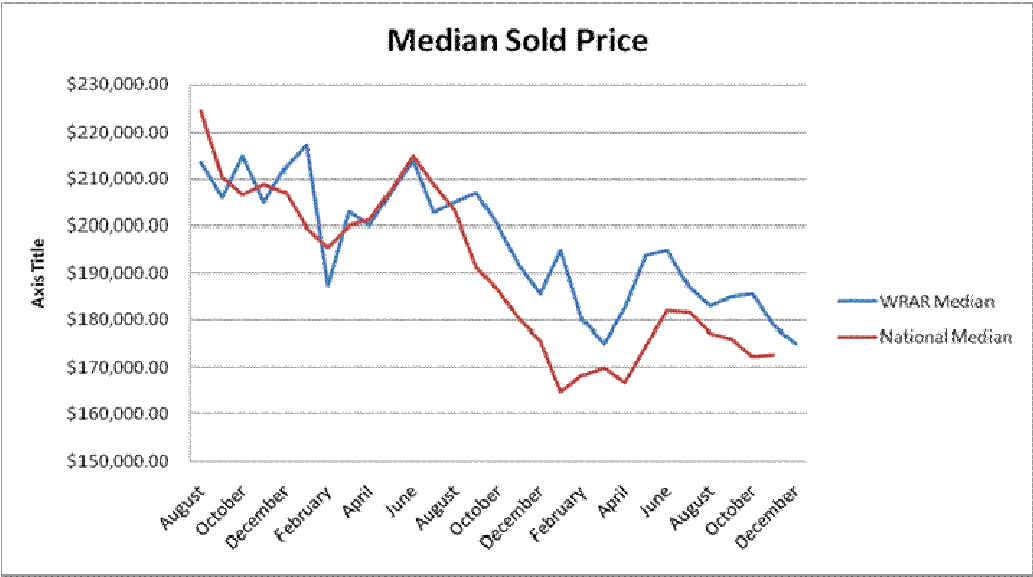
2009 year end average sale price \$234,407

Our average year to date sold price of \$234,407 is down **8.6%** from year end 2008.



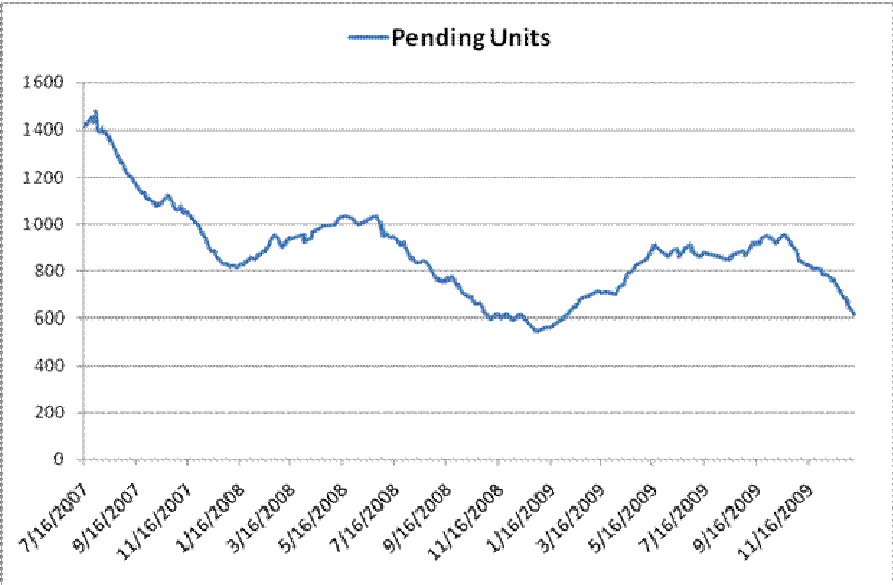
Median Sold Price

Our Median sold price is down **2.2%** from last month, about \$175,000. Our year to date median is down **7.7%** from same year to date in 2008. While we have not dipped as low as the National Median we continue to follow the same path, we are just slightly ahead of the National Median and both of us have had little ups and downs in the last couple of months. I am hoping that this current downward trend will reverse itself in the coming months as we approach the spring buying season.



Pending

Pending Sales – A sale is listed as pending when the contract has been signed but the transaction has not yet closed. Sales are typically finalized within one to two months from signing. I look at the total pending units on a regular basis and this is how they chart out. We have seen a steady decrease in pending units over the last 4 months as sales close out. Over the next 30 days I anticipate seeing our pending turn around and start climbing again. With the current Tax Credit deadline extension I think we will see our pending sales climb thru April 2010.



Market Absorption rate – The number of homes sold in December, 351 divided by the current listing inventory, 4,756 gives us a **13.5** month supply of single family homes. The increase in sales units for December could be carry over from November. This just means that we have plenty of homes to sell. With rates where they are and plenty of inventory; we can get this number down.

List to Sold price ratio – the average list price of the sold properties is \$236,293 and the average sold price is \$223,312 for December which gives us a **94.5%** list to sold price ratio – an increase of .1% from last month. We have now managed to stay under 95% for a year.

Seller Concessions – We had **21%** of sold properties report a sales concession for December, a decrease of **5.7%**. With the tax credit extended to April a lot of the December sales did not offer as much in concessions as in the past which is why we saw a 5.7% decrease. We want this number to go lower. The average concession for the month of November was \$3,688 while in December it was \$3,500.

Days on Market – The average days on market for the sold properties is now at **135** for December. That is almost 5 + months to keep a property on the market. Only **17.9%** of the properties were placed under contract in less than 15 days for the month of December, a change of 1.6% from last month.

Carolina & Kure Beach

There are currently 448 single family homes for sale and this represents a 17 unit decrease over December 2009 and 9.4% of our total WRAR inventory. The average list price is \$445,432 a slight increase of about \$164 from November. In December there were 23 homes sold, divide that by the homes available and you have a **19.4** monthly supply of homes in Carolina and Kure Beach (we just took a couple of months off). The average sold price for the month of December was \$297,048 and is up from last month. In December 2008 we had 16 home sales at an average \$340,394. When we look at our year to date we see that we are ahead in units by 45 and our average sold price has dipped from \$370,094 for year end 08 to \$298,083 for 2009 a decrease of 19.5%.

This data was pulled on January 10, 2010, based on information from the Wilmington Regional Association of REALTORS Incorporated, for the period Jan. 1, 2005 through December 31, 2009.

The Market

Mortgage Rates Start the New Year Slightly Lower Than They Ended the Old Year

Freddie Mac released the results of its Primary Mortgage Market Survey in which the 30-year fixed-rate mortgage (FRM) averaged 5.09 percent with an average 0.7 point for the week ending

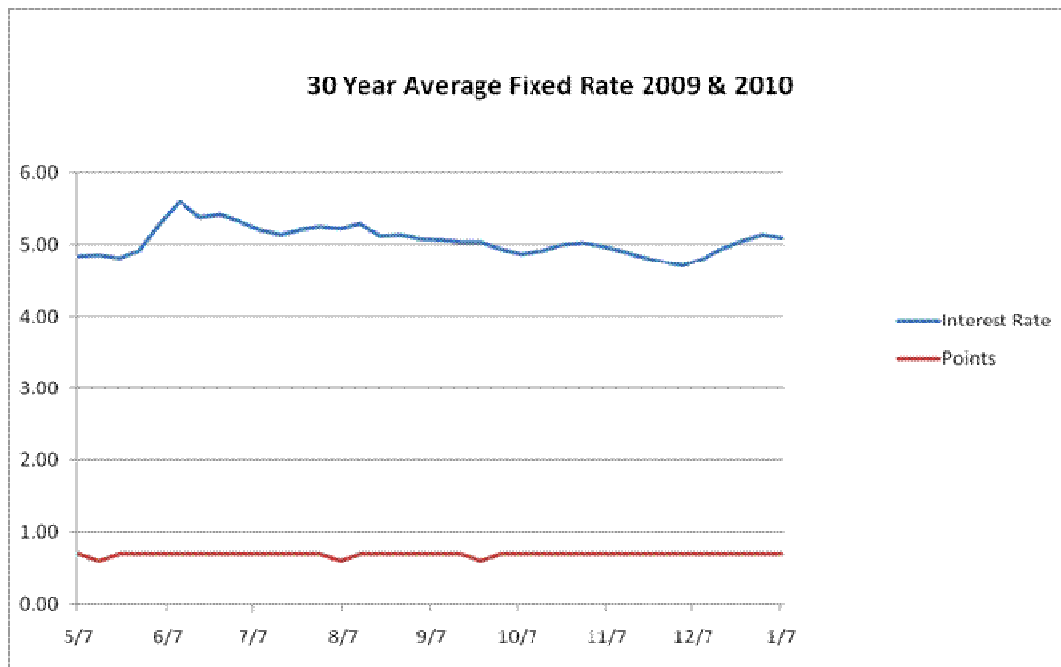
January 7, 2010, down from last week when it averaged 5.14 percent. Last year at this time, the 30-year FRM averaged 5.01 percent.

"Mortgage rates eased slightly this week after rising consecutively through December," said Frank Nothaft, Freddie Mac vice president and chief economist. "Current interest rates for fixed-rate mortgages are just about at their annual average for 2009, while ARM rates are considerably below their averages for last year.

"As the economy strengthens further and the [Federal Reserve \(Fed\)](#) decides to raise its overnight target rate, ARM rates will follow suit because they are typically tied to shorter-term interest rates. However, the federal funds futures market does not anticipate any Fed action until the second half of 2010."

Freddie Mac

30 Year Fixed Rates



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