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OUR HOMES | OUR HOME SITES | ALL HOMES | ALL HOME SITES | LOCAL INFO

## November 2009 MLS Report

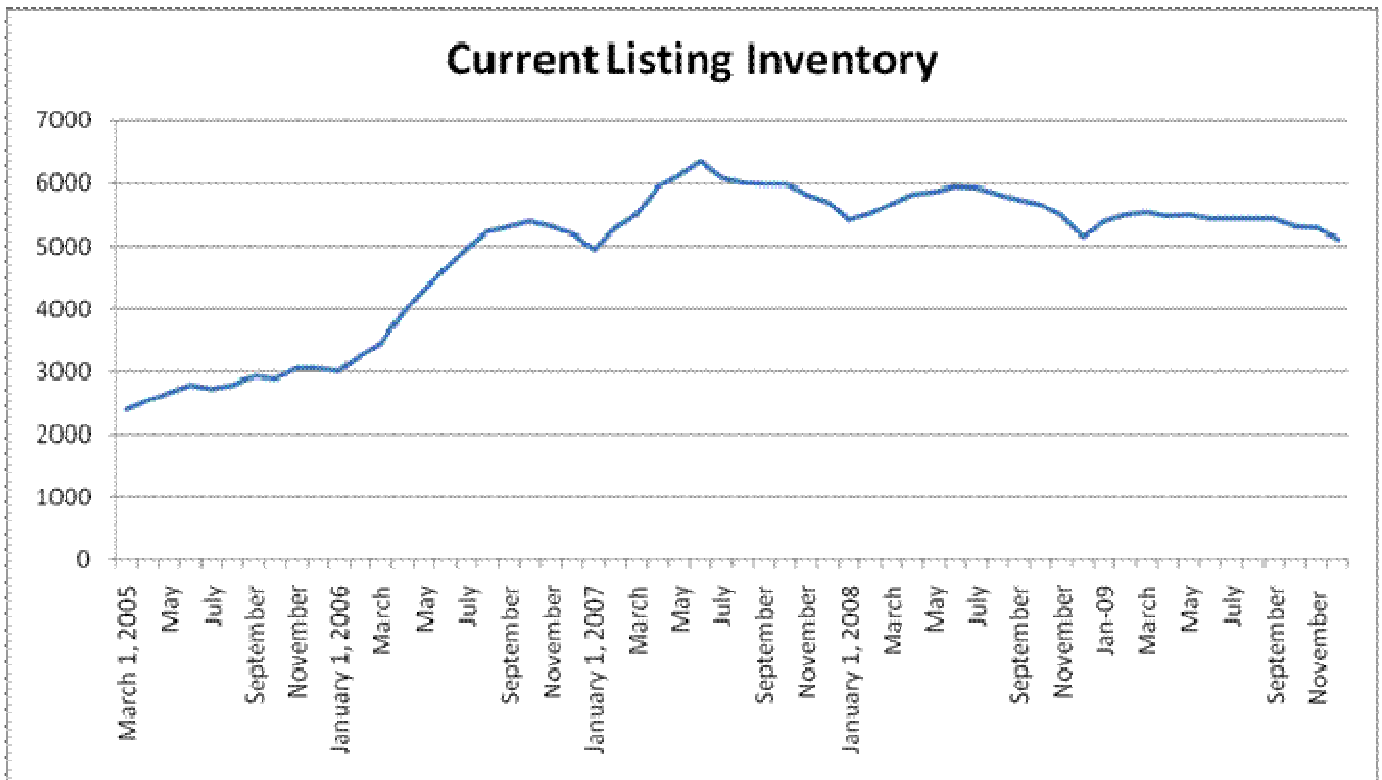
As the year winds down we are closing out what could be considered the start of our recovery, we have now seen 3 months of growth in sold units over the same time frame from a year ago. From October to December of 2008 we saw the bottom of our sold units, (see chart) while our median sold price seemed to bottom out around Jan to Mar of 09'. Our pending sales index shows its lowest point around Jan 2009. We have struggled thru the year, losing value on our average sales price a drop of 9.5% from last year this time. November saw an increase of **74%** over last year this time. We have heard everyone say that the primary reason for such a large increase was due to the possible ending of the \$8,000 Tax credit. On November 6<sup>th</sup> the President signed the extension of the \$8,000 Tax credit for First Time Home Buyers. This took a lot of pressure off getting that property closed by November 30, 2009. I believe we will see some carry over into December. As the holidays slow down some buyers, I believe the other buyers are getting ready for Spring 2010. The \$8,000 tax credit goes till April 30<sup>th</sup> with properties closings up to June 30<sup>th</sup>. If you look at our listing inventory (chart) you will see that we usually have an increase in listing inventory in the spring. The Chairman of the Federal Reserve Ben Bernanke has indicated that the Fed plans to maintain the fed funds rate at extremely low levels for an extended period of time. This is based on the feds belief that inflation will remain low for the next couple of years. Last week's 30 year fixed rate mortgage averaged 4.81% with a .70% origination fee ending 12/10/09. Are you ready for an active spring?

In the month of November we saw a decrease of 186 homes in our listing inventory, we have 5,113 homes on the market; this continues to put us in a strong buyer's market with a listing inventory of over a 13.1 month supply. Our listing inventory has remained consistent for almost a year now. The last time we had inventory below 5,000 was January 2007. Our average list price has dropped to \$379,092. For November we saw another increase in our seller concessions, it jumped to 26.7%. Our average days on the market have dropped to the 120's, it decreased about 15 days from last month. The list to sold ratio is 94.4% up .5% from last month; we want this number to be going up. The number of homes that sold in 15 days or less continues to remain very low, 19.5% of November sold homes, same number as last month. On a rolling 12 month our sold units are down by 10.5% and improvement of 8% from last month. Our average list price has dipped below the \$400,000 range for three months; we have to go back to April 2005 to find an average list price below \$400,000, for November 09 it was \$379,092.

**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.**

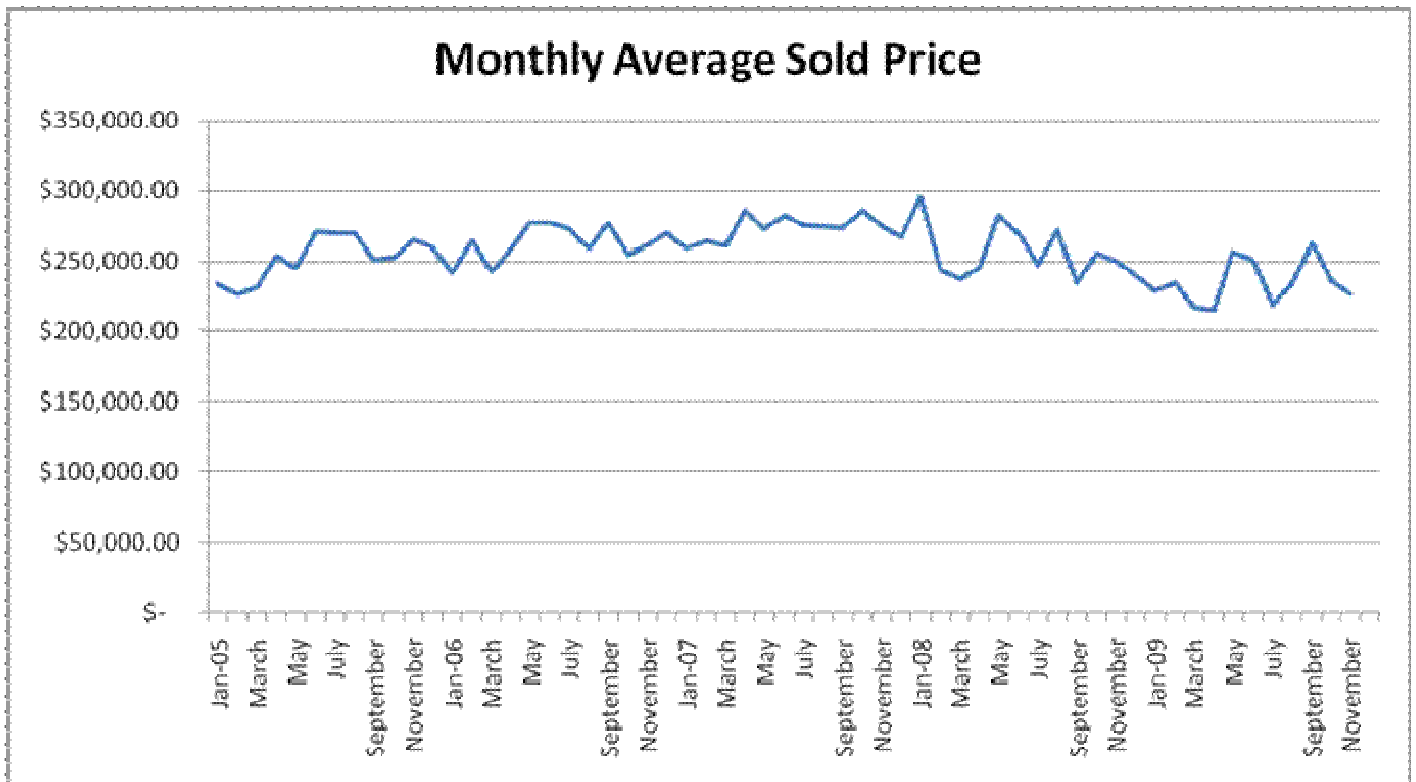
### **Listing Inventory**

In November we saw a decrease in listing inventory of 186 units, mainly due to the high number of sales and the fact that November is not known to be a strong month for listings. We are about 381 units down from December 2008. We have 5,113 single family homes for sale in our MLS. The average list price of \$379,092 is down by \$3,242 from last month. The average list price has decreased by .08% from Oct 2009.



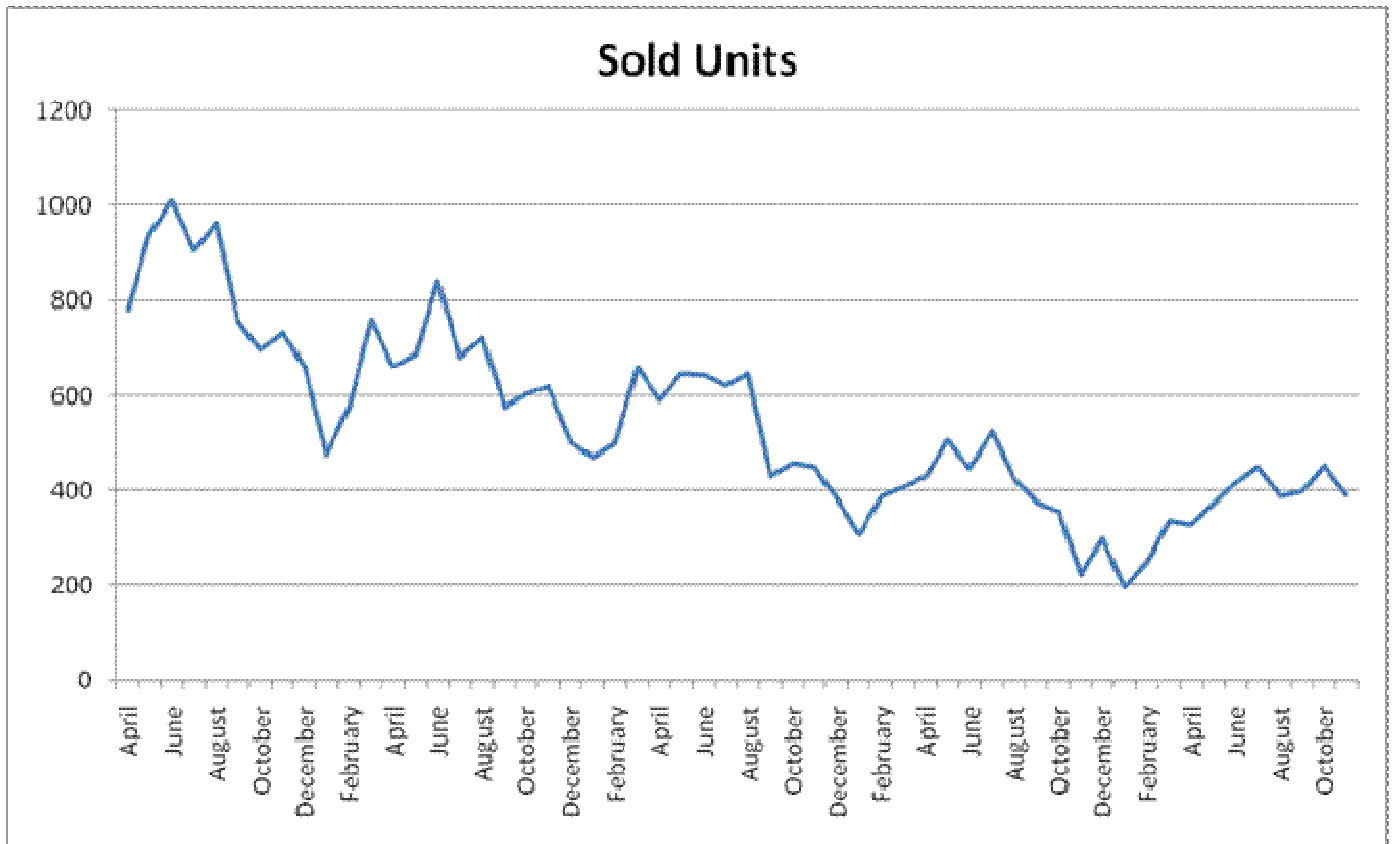
### **Monthly Average Sold Price**

Our monthly average sold price is down by **4.0%** from last month and down **9.5%** from November 2008. A lot of sellers seemed to have negotiated with buyers in Oct and early November thinking that the tax credit was going away and worried that their buyer would go away also, which is why we also have a high seller concession ratio this month. We are down \$9,535 from last month. November average sold price (\$226,494) shows a decrease of just **11.7%** from year end 2008.



### Monthly Sold Units

The number of sold homes is down **13.7%** from last month and up **74.9%** from November 2008. November saw a increase of 167 sold homes over November 2008. This is our third monthly increase in year over year sold homes since September 2005. Our monthly sold units continue to lag behind the last couple of years by as much as **9.5%**. We have now had the last 7 months in 2009 with over 375 units sold compare that with 2008 and we had 8 months with 375+ units sold. 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 (more on this later).



### 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

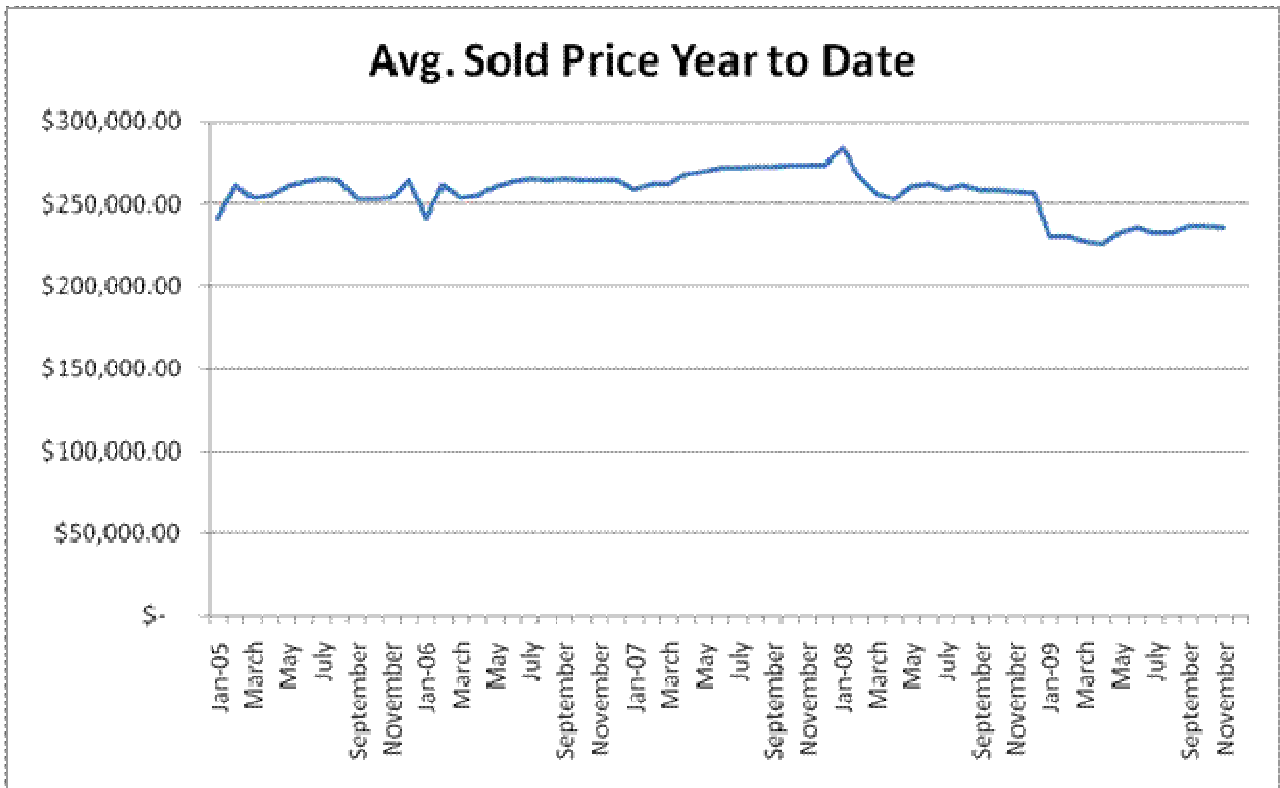
2005 year end average sale price \$ 254,080

2006 year end average sale price \$ 264,498

2007 year end average sale price \$ 273,408

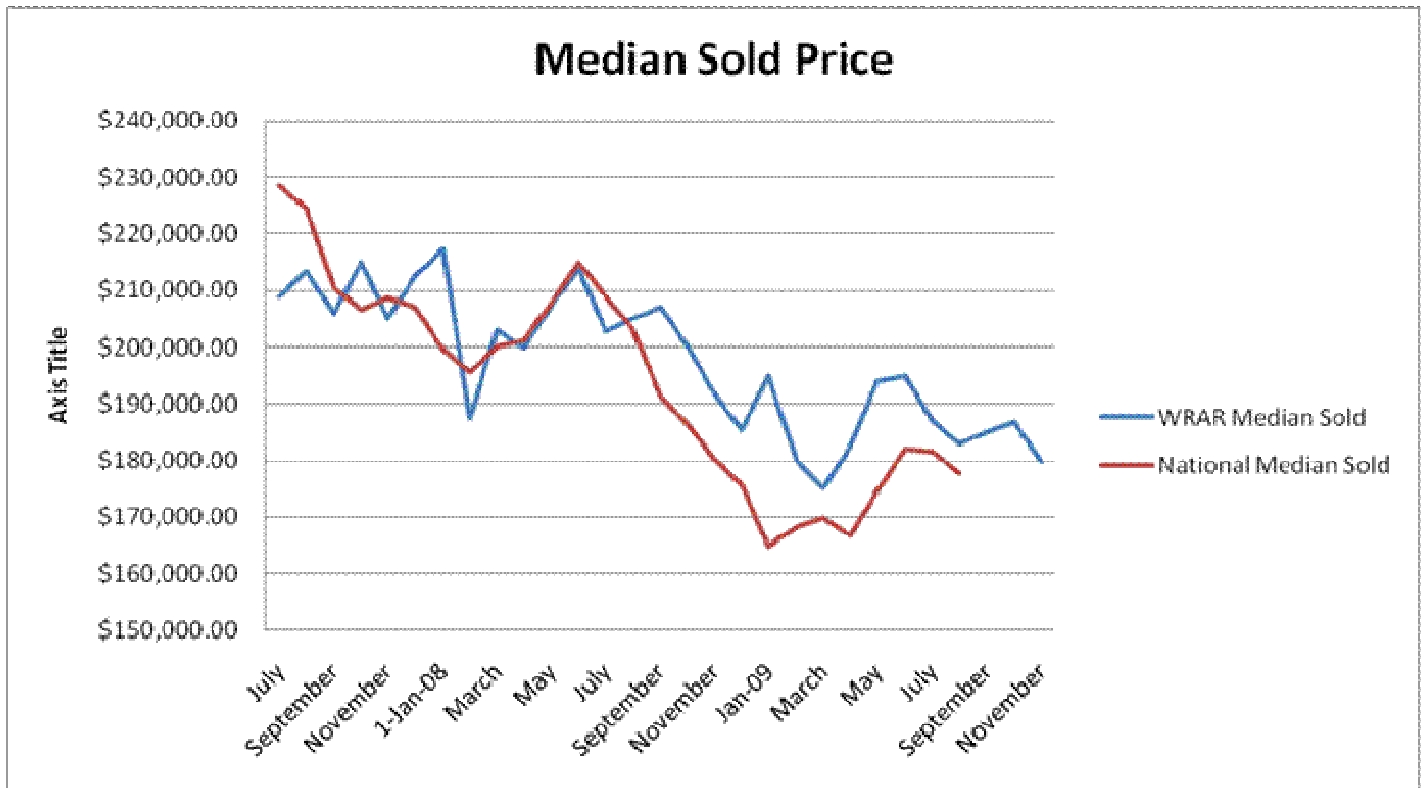
2008 year end average sale price \$256,498

November 2009 – average year to date sold price of \$235,314 is down **9.5%** from year end 2008. We have one month left to get our average back above 2008 levels. In our rolling 12 months – December 2008 to November 2009 our average sold price is down by **8.8%** over this same timetable a year ago.



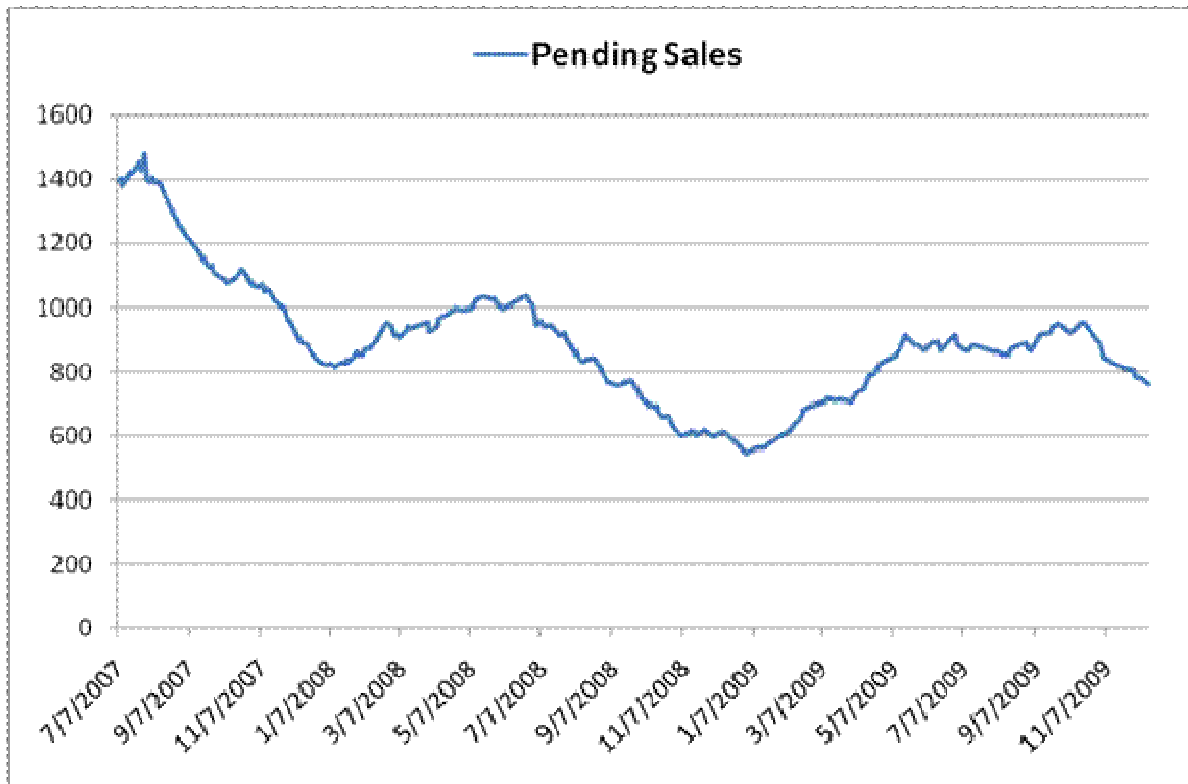
**Median Sold Price**

Our Median sold price is down **3.8%** from last month, about \$179,700. Our year to date median is down **8.8%** from same year to date in 2008. In our current rolling 12 month (Dec 08 to Nov 09) the median is \$185,000 down by **9.1%**. 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.



## 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 rise in pending units over the last 9 months. As our October and November sales take place, we have a decline until the extended tax credit catches back up. We continue to see these pendings drop and I expect it to continue into January. With the current Tax Credit deadline extension we might not start to see an uptick until January 2010.



**Market Absorption rate** – The number of homes sold in November, 390 divided by the current listing inventory, 5,113 gives us a **13.1** month supply of single family homes (we had a 1.0 month increase from last month). The increase in sales units for November affects this calculation. 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 \$239,838 and the average sold price is \$226,494 for November which gives us a **94.4%** list to sold price ratio – a increase of .4% from last month. We have now managed to stay under 95% for a year.

**Seller Concessions** – We had **26.7%** of sold properties report a sales concession for November, an increase of **1.8%**. I think we saw a lot of concessions as people were anxious to sell to buyers trying to meet the tax credit deadline. We want this number to go lower. The average concession for the month was \$3,688.

**Days on Market** – The average days on market for the sold properties is now at **125** for November. That is almost 5 + months to keep a property on the market. Only **19.5%** of the properties were placed under contract in less than 15 days for the month of November, no real change from last month.

### **Carolina & Kure Beach**

There are currently 465 single family homes for sale and this represents a 20 unit decrease over November 2009 and 9.1% of our total WRAR inventory. The average list price is \$445,268 a slight decrease of about \$5,000 from October. In November there were 22 homes sold, divide that by the

homes available and you have a **21.1** monthly supply of homes in Carolina and Kure Beach (we just added about 7 months). The average sold price for the month of November was \$283,364 and is up from last month. In November 2008 we had 10 home sales at an average \$278,152. When we look at our year to date we see that we are ahead in units by 38 and our average sold price has dipped from \$372,215 (first eleven months of 2008) to a current \$298,174 a decrease of 19.9%.

This data was pulled on December 14, 2009, based on information from the Wilmington Regional Association of REALTORS Incorporated, for the period Jan. 1, 2005 through November 30, 2009.

## **The Market**

### **Most mortgage rates follow bond yields higher this week**

Freddie Mac released the results of its Primary Mortgage Market Survey in which the 30-year fixed-rate mortgage (FRM) averaged 4.81 percent with an average 0.7 point for the week ending December 10, 2009, up from last week when it averaged 4.71 percent. Last year at this time, the 30-year FRM averaged 5.47 percent.

"Following an upbeat employment report, long-term bond yields rose slightly and fixed mortgage rates followed," said Frank Nothaft, Freddie Mac vice president and chief economist. "The economy shed only 11,000 jobs in November, far fewer than the market consensus forecast, and the unemployment rate unexpectedly fell to 10 percent. In addition, revisions added 159,000 jobs to September and October."

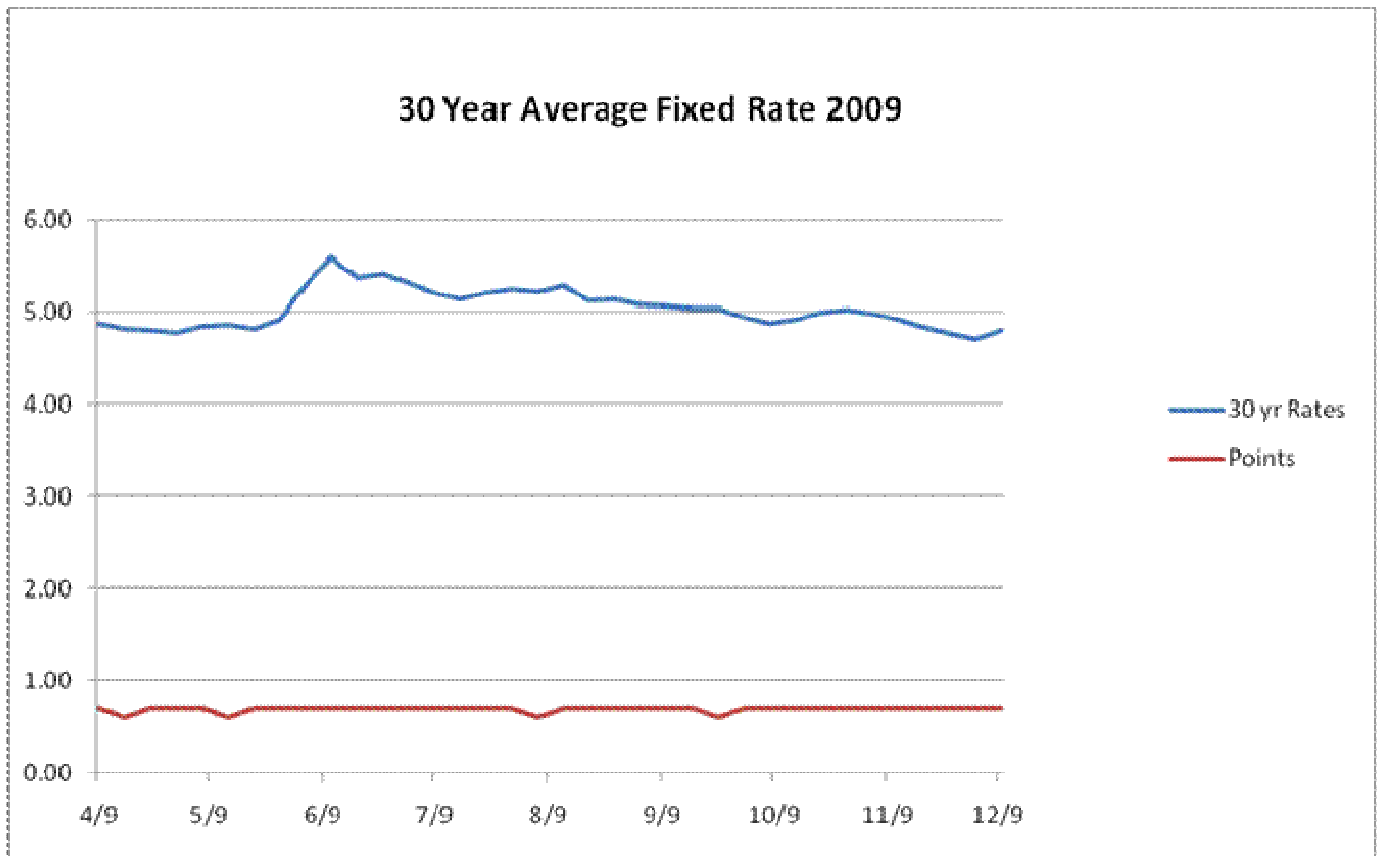
"Notwithstanding, rates on 30-year fixed mortgages are almost 0.7 percentage points below those at the same time last year. This translates into an \$81 lower monthly payment on a \$200,000 conventional mortgage."

Freddie Mac

### **30 Year Fixed Rates**

This chart represents the average 30 year fixed rate mortgages and the path they have taken this year.

There are several aspects to this extension, First Time home buyer tax credit till April 30, 2010 with a contract set to close by June 30, 2010. An opportunity to previous home owners who have lived in their home for the last 5 years out of 8 to be able to get a tax credit when they purchase.



I offer these key statistics to keep you informed as to how our market is moving. With 16 years of real estate sales and management in my background I am able to evaluate the current conditions and provide you with accurate data. With key information from your clients I can evaluate their needs and offer them the best plan for their current mortgage. Call me today for a quote.

*Report provided by:*

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