



BIRCH APPRAISAL GROUP OF CARY

STACEY P. ANFINDSEN

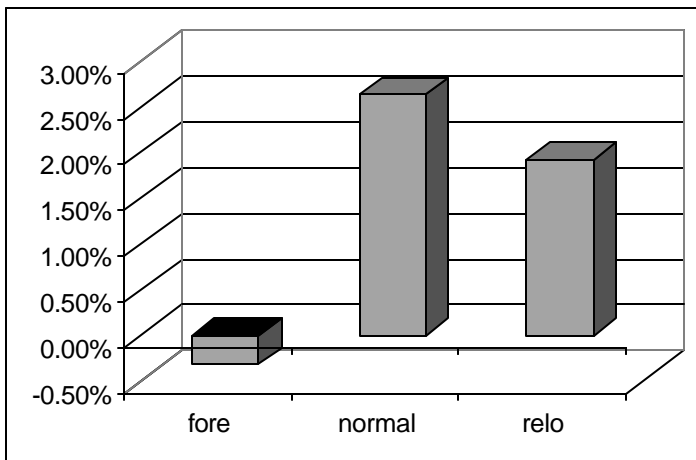
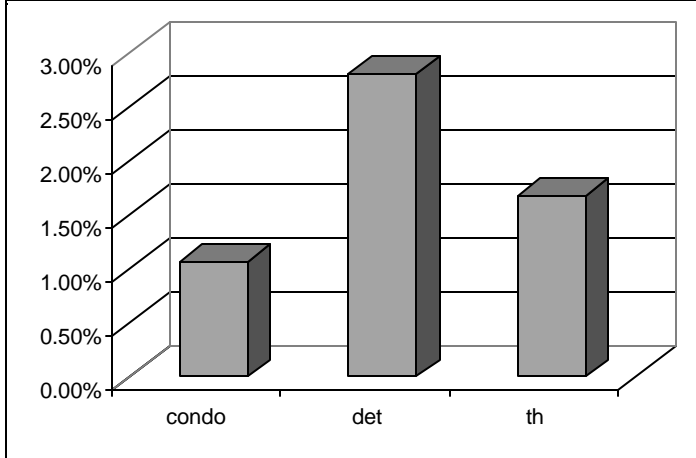
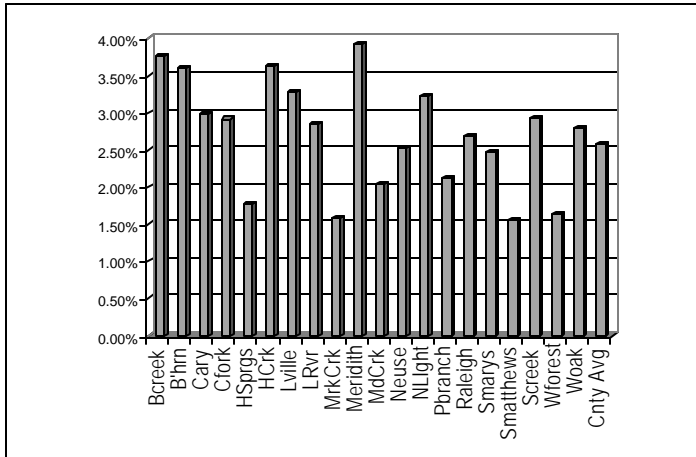
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TRIANGLE AREA RESIDENTIAL REALTY

General Brokerage Edition

January Data 2003

2002: Annual House Price Summary



As we wrap up the first two months of 2003, I would like to spend one last issue dealing with 2002. The graphs at left present information regarding house prices within Wake county. The top graphs the average gain by township, the middle graphs the average gain by housing type and the bottom graphs the average gain by transaction type. The time period used for all of these graphs was the past 18 months.

The best source in comparing our area with other area's in the country is the Office of Federal Housing Enterprise Oversight. They work with Fannie Mae and Freddie Mac in analyzing repeat sales to develop an index for the United States. The number one ranked state for price appreciation during 2002 was Rhode Island, with an average gain of 14.06%. North Carolina, with an average gain of 2.8% ranked 45 out of 50 states. The Raleigh/Durham MSA had an average gain of 2.18%, ranking 172 out of 185 MSA's. While this is not good, number 185 was San Jose, with house prices decreasing at -0.39% per year. Wake county had an average gain of 2.57%

Price appreciation is a simple function of supply and demand, where supply is influenced by new construction and demand is influenced by employment. All of the top states have an existing housing stock with minimal new construction competition. The slightest increase in population, without net job loss, will drive up re-sale prices. North Carolina, while experiencing population growth, has always had an ample supply of new construction. When builders are unable to raise prices due to competition, re-sale prices will lag behind.

The good news in this data is that double digit house price gains are unsustainable, as the current sellers in San Jose can attest. The PMI Group, which is a large provider of mortgage insurance recently released their national risk index. This index is a statistical model that is predictive of the likelihood of house price decline exceeding 10% over the next two years. Out of 49 MSA's surveyed, the RDU MSA ranked sixth (not good). My forecast for 2003 is a bit more positive, with gains between 2% and 3% per year. Inside the Beltline will continue to lead the way, while area's with a large amount of new construction will struggle.

Market Indicators

Wake Cnty ETJ	July '02	Aug '02	Sept '02	Dec '02	Jan '03
Apex	3.65%	3.81%	3.55%	3.25%	3.05%
Cary	3.91%	4.32%	3.78%	3.98%	3.66%
Fuquay Varina	4.18%	3.73%	4.44%	4.35%	2.74%
Garner	2.93%	5.87%	2.79%	0.18%	5.29%
Holly Springs	1.94%	2.05%	2.15%	1.22%	2.37%
Knightdale	2.43%	1.49%	3.43%	2.76%	2.83%
Morrisville	2.12%	3.42%	4.28%	2.08%	1.47%
Raleigh	4.00%	4.93%	4.43%	3.55%	3.35%
Wake County	4.53%	4.59%	4.30%	3.32%	3.93%
Wake Forest	2.79%	2.64%	2.44%	2.65%	5.18%
Wake Average	3.82%	4.40%	4.00%	3.39%	3.51%
Type	July '02	Aug '02	Sept '02	Dec '02	Jan '03
Condo	1.05%	1.09%	1.21%	1.17%	1.06%
Detached	2.94%	2.91%	2.92%	2.92%	2.80%
Townhouse	1.94%	1.93%	1.84%	1.84%	1.68%
Sales in DB<Prior SP	505	530	549	599	641

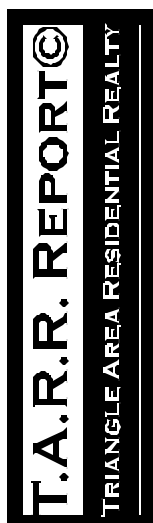
The table at left is broken down into two parts. The bottom half looks at appreciation rates for the three different housing segments. It also details how many houses in my database have lost money from prior sales price.

The top half looks at a sample of listings found on www.realtor.com. The sample listings were analyzed, comparing current list price with most recent sales price. The % per year column gives the average percent per year increase that the sellers are counting on the market to give them. If all offers were full price, then this would be the current appreciation rate for each of the ETJ's. This number should be tempered with the appropriate sales price/list price ratio to give a more realistic view of current housing prices.

The bottom table presents statistics for the larger ETJ's within the county. The data is presented for closed sales

ETJ Name	4 yr Jan Avg	4 yr Total	Jan '03	Jan '02	Jan '01	Jan '00
Apex	73	291	72	90	73	56
Cary	136	545	158	146	135	106
FV	26	103	37	34	16	16
Garner	28	112	38	27	27	20
HS	42	166	41	49	43	33
K'Dale	12	46	11	10	10	15
M'ville	25	101	38	22	34	7
Raleigh	461	1844	535	527	469	313
Wake Cnty	155	618	178	168	166	106
W Forest	34	136	38	40	34	24

during January of each of the past four years. The first column denotes the ETJ. The third column presents the total number of sales during each of the January's from 2000 through 2003. The second column presents the four year monthly average and the next four columns present the total number of monthly closings in each year.



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Cary/Apex/Morrisville

LISTINGS/SALES BY PRICE POINT

Area	Class	1/03 List	2/03 List	%Change	Sold	Per Month	Supply
Cary/Apex/Morrisville	Condo/Townhs	321	351	9%	61	61	6
	0-99.9	2	3	50%	12	12	0
	100-149.9	83	89	7%	35	35	3
	150-199.9	231	234	1%	66	66	4
	200-249.9	181	185	2%	48	48	4
	250-299.9	110	112	2%	23	23	5
	300-399.9	146	156	7%	29	29	5
	400+	107	116	8%	27	27	4
	Area Total	1181	1246	6%	301	301	4

The table at left details sales and listing activity in the Cary, Apex and Morrisville markets.

The # of listings are the current active listings as of 2/15/03. These listings were obtained from the www.realtor.com internet site. The # sold are the closed sales from 1/1/03 through 1/31/03. These sales were obtained from the Wake County Revenue Department.

RE-SALE ANALYSIS

PUD/Subdivision	Avg Years	% per year	# of sales
HOLLANDS CROSSING	3.04	4.42%	33
PRESTON VILLAGE	3.92	4.32%	51
SCOTTS MILL	2.53	3.88%	41
WEST PARK	5.51	3.78%	33
WELLSLEY	4.51	3.74%	35
WALDEN CREEK	3.27	3.44%	46
PRESTON	4.29	3.29%	110
SILVERTON	6.35	3.17%	33
LOCHMERE HIGHLANDS	5.45	3.16%	36
LOCHMERE	5.71	3.14%	70
PARKWAY	5.28	3.07%	180
BROOKSTONE-WO TWP	4.54	2.73%	57
PARK VILLAGE	4.61	2.71%	80
WATERFORD GREEN	4.96	2.61%	35
DEVEREAUX	4.23	2.53%	37
KILDAIRE FARMS	4.72	2.45%	41
REGENCY PARK	3.08	2.41%	52
DOGWOOD RIDGE	3.07	2.17%	32
TRAILWOODS	4.61	1.96%	54
HADDON HALL	3.59	1.33%	39
Area Averages	4.22	2.89%	2208

The per month column is the number of closed/pending sales divided by the total number of months. The supply is the # of listings column divided by the per month. This figure states supply in months and should be viewed as supply if no other listings are added to the price point.

The townships that are included in this area are Buckhorn, Cary, Cedar Fork, Swift Creek and White Oak. The average re-sale sales price of all housing in this area is \$209,000 and the average sales price of new construction is \$256,000.

The table at left details re-sales in the Cary/Apex markets. "% per year" is the average gain for the subdivision listed, "avg years" is the average years of ownership, and "# of sales" is the number of sales in the time period examined.

The best way to measure movement in price is to compare the sales price of the same house at two different points in time.

The subdivisions analyzed have houses built from 1990-2002. The time period examined was from 6/01 through 1/03.

Inside Beltline/Garner/Wake Forest

Area	Class	1/03 List	2/03 List	%Change	Sold	Per Month	Supply
Inside Beltline	Condo/Townhs	268	268	0%	38	38	7
	0-99.9	16	16	0%	23	23	1
	100-149.9	36	42	17%	20	20	2
	150-199.9	40	44	10%	19	19	2
	200-249.9	19	19	0%	11	11	2
	250-299.9	34	30	-12%	7	7	4
	300-399.9	32	23	-28%	5	5	5
	400+	79	77	-3%	4	4	19
	Area Total	524	519	-1%	127	127	4

Area	Class	1/03 List	2/03 List	%Change	Sold	Per Month	Supply
Garner	Condo/Townhs	9	15	67%	1	1	15
	0-99.9	33	35	6%	12	12	3
	100-149.9	134	145	8%	51	51	3
	150-199.9	90	82	-9%	22	22	4
	200-249.9	54	60	11%	7	7	9
	250-299.9	57	54	-5%	6	6	9
	300-399.9	38	42	11%	3	3	14
	400+	5	9	80%	0	0	n/a
	Area Total	420	442	5%	102	102	4

Area	Class	1/03 List	2/03 List	%Change	Sold	Per Month	Supply
Wake Forest	Condo/Townhs	54	58	7%	7	7	8
	0-99.9	13	14	8%	8	8	2
	100-149.9	120	110	-8%	31	31	4
	150-199.9	113	113	0%	28	28	4
	200-249.9	68	67	-1%	8	8	8
	250-299.9	41	47	15%	5	5	9
	300-399.9	86	100	16%	6	6	17
	400+	112	108	-4%	8	8	14
	Area Total	607	617	2%	101	101	6

East Raleigh/East Wake

LISTINGS/SALES BY PRICE POINT

Area	Class	1/03 List	2/03 List	%Change	Sold	Per Month	Supply
East Raleigh/East Wake	Condo/Townhs	177	184	4%	3	3	61
	0-99.9	69	78	13%	21	21	4
	100-149.9	376	359	-5%	56	56	6
	150-199.9	125	142	14%	26	26	5
	200-249.9	54	48	-11%	5	5	10
	250-299.9	21	18	-14%	4	4	5
	300-399.9	12	11	-8%	4	4	3
	400+	9	10	11%	2	2	5
	Area Total	843	850	1%	121	121	7

The table at left details sales and listing activity in the East Raleigh, Knightdale, Wendell and Zebulon

markets.

RE-SALE ANALYSIS

PUD/Subdivision	Avg Years	% per year	# of sales
BROADLANDS	6.04	4.47%	10
PINEVIEW	4.70	3.16%	11
CHARLESTON PARK	4.92	3.07%	15
AMBER ACRES	5.21	2.55%	13
CARRINGTON WOODS	4.70	2.12%	11
EAGLECHASE	4.15	1.94%	16
WINCHESTER	4.23	1.94%	13
BAYWOOD FOREST	5.31	1.88%	18
NEW HOPE CROSSING	3.36	1.84%	11
VILLAGE AT BEACON HILL	3.96	1.83%	13
VILLAGE LAKES	5.39	1.81%	24
COBBLESTONE	5.39	1.44%	26
SOUTHALL	5.79	1.31%	21
AMBERFIELD	2.34	1.24%	9
PLANTERS WALK	5.91	1.20%	24
HEDINGHAM	4.06	1.03%	164
COVINGTON CROSS	3.96	0.83%	13
MALLARD CROSSING	4.54	0.74%	14
BEACHWOOD	4.32	0.66%	9
TIMBER RIDGE	3.91	0.59%	9
Area Averages	4.35	1.64%	636

The # of listings are the current active listings as of 2/15/03. These listings were obtained from the www.realtor.com internet site. The # sold are the closed sales from 1/1/03 through 1/31/03. These sales were obtained from the Wake County Revenue Department.

The per month column is the number of closed/pending sales divided by the total number of months. The supply is the # of listings column divided by the per month. This figure states supply in months and should be viewed as supply if no other listings are added to the price point.

The townships that are included in this area are Marks Creek, St. Matthews and Little River. The average sales price of re-sale housing in this area is \$126,000 and the average sales price of new construction is \$148,000.

The table at left details re-sales in this area . “% per year” is the average gain for the subdivision listed, “avg years” is the average years of ownership, and “# of sales” is the number of sales in the time period examined.

The best way to measure movement in price is to compare the sales price of the same house at two different points in time.

The subdivisions analyzed have houses built from 1990-2002. The time period examined was from 6/01 through 1/03.

North Raleigh/Wake

LISTINGS/SALES BY PRICE POINT

Area	Class	1/03 List	2/03 List	%Change	Sold	Per Month	Supply
North Raleigh/Wake	Condo/Townhs	513	512	0%	90	90	6
	0-99.9	54	48	-11%	5	5	10
	100-149.9	196	210	7%	41	41	5
	150-199.9	209	211	1%	49	49	4
	200-249.9	114	110	-4%	18	18	6
	250-299.9	105	112	7%	18	18	6
	300-399.9	151	149	-1%	23	23	6
	400+	222	228	3%	17	17	13
	Area Total	1564	1580	1%	261	261	6

The table at left details sales and listing activity in the North Raleigh/Wake markets.

The # of

listings are the current active listings as of 2/15/03. These listings were obtained from the www.realtor.com internet site. The # sold are the closed sales from 1/1/03 through 1/31/03. These sales were obtained from the Wake County Revenue Department.

RE-SALE ANALYSIS

PUD/Subdivision	Avg Years	% per year	# of sales
WESTBOROUGH	2.85	5.41%	19
DELTA RIDGE	1.81	4.87%	27
WOOD SPRING	3.06	4.41%	22
STONEHEDGE	5.85	4.17%	15
DURANT TRACE	4.53	4.08%	31
WOODLAWN	3.48	3.92%	31
VILLAGE AT WESTGATE	2.78	3.90%	18
WYNGATE	3.59	3.89%	26
NORTH RIDGE	4.80	3.78%	21
GREYSTONE	4.05	3.57%	18
PINECREST	2.99	3.56%	26
DOMINION PARK	5.19	3.44%	49
HARRINGTON GROVE	5.02	3.04%	123
DURANT TRAILS	4.50	3.00%	22
ALYSON POND	5.17	2.95%	24
WINDSOR FOREST	4.90	2.85%	34
BENT TREE	5.15	2.64%	17
CARDINAL GROVE	3.21	2.37%	30
FOX GLEN	5.43	2.35%	15
FALLS RIVER	2.84	1.67%	67
Area Averages	4.25	3.14%	1364

The per month column is the number of closed/pending sales divided by the total number of months. The supply is the # of listings column divided by the per month. This figure states supply in months and should be viewed as supply if no other listings are added to the price point.

The townships that are included in this area are Bartons Creek, House Creek, Leesville, Meridith and Neuse. The average sales price of re-sale housing in this area is \$216,000 and the average sales price of new construction is \$241,000.

The table at left details re-sales in this area. “% per year” is the average gain for the subdivision listed, “avg years” is the average years of ownership, and “# of sales” is the number of sales in the time period examined.

The best way to measure movement in price is to compare the sales price of the same house at two different points in time.

The subdivisions analyzed have houses built from 1990-2002. The time period examined was from 6/01 through 1/03.

Fuquay Varina/Holly Springs

LISTINGS/SALES BY PRICE POINT

Area	Class	1/03 List	2/03 List	%Change	Sold	Per Month	Supply
Fuquay/Holly Springs	Condo/Townhs	21	41	95%	1	1	41
	0-99.9	26	23	-12%	14	14	2
	100-149.9	202	205	1%	38	38	5
	150-199.9	156	163	4%	30	30	5
	200-249.9	121	129	7%	11	11	12
	250-299.9	95	91	-4%	7	7	13
	300-399.9	105	100	-5%	6	6	17
	400+	99	96	-3%	3	3	32
	Area Total	825	848	3%	110	110	8

The table above details sales and listing activity in the Holly Springs and Fuquay Varina markets.

RE-SALE ANALYSIS

PUD/Subdivision	Avg Years	% per year	# of sales
VALLEYFIELD	2.28	4.02%	9
WOODLAND POINT	5.08	3.43%	9
GOLD LEAF ACRES	4.15	3.25%	7
AMHERST-MC TWP	6.18	2.73%	7
REMINGTON	5.08	2.73%	39
CROOKED CREEK	3.26	2.50%	8
FAIRFIELD	5.69	2.32%	11
WINDWARD POINTE	5.60	2.32%	21
OLIVER CREEK	4.24	2.27%	8
SQUIRE RIDGE	5.44	2.12%	16
SUNSET RIDGE	3.64	2.07%	76
AVENT ACRES	4.72	1.70%	16
SANDY SPRINGS	4.34	1.51%	29
COTTENWOOD	5.70	1.34%	10
IVY CREEK	4.51	1.30%	8
HOLLY GLEN	3.22	1.20%	24
ARBOR CREEK	3.08	1.07%	44
WILLOW BLUFFS	2.90	0.90%	14
SOMERSET FARM	4.08	0.71%	19
OAKHALL	3.77	0.62%	36
Area Averages	4.11	1.88%	627

The # of listings are the current active listings as of 2/15/03. These listings were obtained from the www.realtor.com internet site. The # sold are the closed sales from 1/1/03 through 1/31/03. These sales were obtained from the Wake County Revenue Department.

The per month column is the number of closed/pending sales divided by the total number of months. The supply is the # of listings column divided by the per month. This figure states supply in months and should be viewed as supply if no other listings are added to the price point.

The townships that are included in this area are Holly Springs and Middle Creek. The average sales price of re-sale housing in this area is \$168,000 and the average sales price of new construction is \$201,000.

The table at left details re-sales in this area. "% per year" is the average gain for the subdivision listed, "avg years" is the average years of ownership, and "# of sales" is the number of sales in the time period examined.

The best way to measure movement in price is to compare the sales price of the same house at two different points in time.

The subdivisions analyzed have houses built from 1990-2002. The time period examined was from 6/01 through 1/03.

Existing s/d's; The top projects

Subdivision	# of Sales	Avg Sales Price	High	Township	Avg Lot Size
KILDAIRE FARMS	9	\$171,556	\$265,500	CARY	0.19
PARKWAY	9	\$215,556	\$370,000	CARY	0.24
OXFORD HUNT	8	\$163,625	\$191,000	CARY	0.18
FALLS RIVER	7	\$222,000	\$330,000	NEUSE	0.14
HARRINGTON GROVE	7	\$188,500	\$249,500	LEESVILLE	0.21
NORTH RIDGE	7	\$227,929	\$494,000	NEUSE	0.35
HEDINGHAM	6	\$131,917	\$205,000	ST. MATTHEWS	0.14
BRECKENRIDGE	5	\$152,900	\$207,000	CEDAR FORK	0.08
CHESAPEAKE	5	\$95,800	\$124,000	CARY	0.00
LOCHMERE	5	\$277,500	\$410,000	SWIFT CREEK	0.38
MACGREGOR DOWNS	5	\$397,200	\$540,000	CARY	0.77
PRESTON	5	\$425,900	\$545,000	CEDAR FORK	0.30
SCOTTS MILL	5	\$214,200	\$262,500	WHITE OAK	0.20
STONEHENGE	5	\$171,900	\$176,500	HOUSE CREEK	0.29
SUNSET RIDGE	5	\$306,500	\$390,000	HOLLY SPRINGS	0.35
TRAPPERS RUN	5	\$149,000	\$182,500	CARY	0.34
BRYN MAWR	4	\$204,750	\$258,000	RALEIGH	0.43
CAROLINA HEIGHTS	4	\$77,250	\$89,500	RALEIGH	0.19
DELTA RIDGE	4	\$158,000	\$189,000	HOUSE CREEK	0.12
DOMINION PARK	4	\$172,750	\$183,000	LEESVILLE	0.31
Avg Sales Price	\$177,680				
# of Closed sales	631				

The adjacent table presents sales in existing developments within Wake County. These sales closed between 1/1/03 and 1/31/03 and were reported by the Wake County Revenue Department. The data is for re-sales only.

The graph below presents monthly deed transfers for January in each of the last five years.

January transfers compared to the following prior years as follows:

- 2002 +1.79%
- 2001 +4.39%
- 2000 +39.88%

Wake County Deed Transfers

