

Annual Report on the Catawba Valley Region Housing Market

RESIDENTIAL REAL ESTATE ACTIVITY FROM THE CHARLOTTE REGIONAL REALTOR® ASSOCIATION



2019

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The 2019 housing market was fueled by the overall strength of the economy across most of the country. The stock markets reached new highs throughout the year, improving the asset bases of millions of Americans. Unemployment rates fell to 50-year lows, while wages increased, creating new home buyers. Mortgage rates also declined significantly from 2018, helping to offset affordability stresses caused by continued price appreciation nationally.

With a strong economy and low mortgage rates, buyer activity has been strong. However, most markets are being constrained by inventory levels that are still below historical norms. With supply and demand continuing to favor sellers, prices continue to rise.

With 10 years having now passed since the Great Recession, the U.S. has been on the longest period of continued economic expansion on record. The housing market has been along for much of the ride and continues to benefit greatly from the overall health of the economy. However, hot economies eventually cool and with that, hot housing markets move more towards balance.

Sales: Pending sales increased 16.5 percent, finishing 2019 at 3,926. Closed sales were up 13.8 percent to end the year at 3,842.

Listings: Comparing 2019 to the prior year, the number of homes available for sale was lower by 26.8 percent. There were 758 active listings at the end of 2019. New listings increased by 3.4 percent to finish the year at 4,593.

Distressed: The foreclosure market continues to remain a small player in the overall market and is likely to remain that way in 2020. In 2019, the percentage of closed sales that were either foreclosure or short sale decreased by 29.2 percent to end the year at 1.3 percent of the market.

Showings: Showing activity started 2019 lower than 2018, but the year-over-year activity turned positive in the second half of the year. There were 14 showings before pending, which was up 11.1 percent compared to 2018.

Prices: Home prices were up compared to last year. The overall median sales price increased 8.0 percent to \$169,000 for the year. Single-Family home prices were up 6.3 percent compared to last year, and Townhouse-Condo home prices were up 2.1 percent.

List Price Received: Sellers received, on average, 95.5 percent of their original list price at sale, a year-over-year improvement of 0.6 percent.

While the Federal Reserve moved to temper the hot economy with four interest rate hikes in 2018, in 2019 they turned the heat back up, and reduced rates a total of three times during the year. The Fed's rate decreases were due in part to GDP growth in 2019 that came in notably lower than 2018, showing the Fed's alternating efforts to keep our economy at a steady simmer and not a full boil.

The housing market continues to remain healthy nationwide with price gains and limited inventory being the most common threads across markets. Tight inventory continues to constrain buyer activity in part of the country, while some areas are seeing increased seller inventory starting to improve buyers' choices. New construction activity continues to improve, but is still below levels required to fully supply the market's needs.

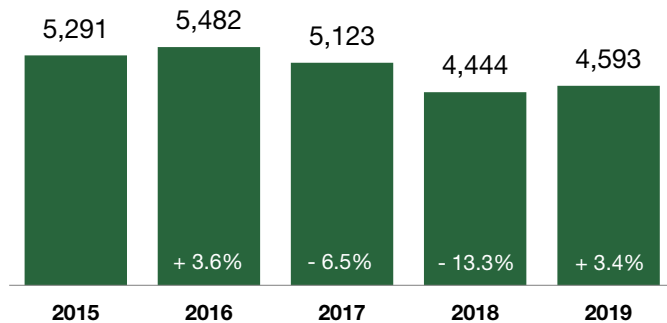
As we look at 2020, we see continued low mortgage rates and a healthy economy giving a great start to housing in the new year. But in election years, we sometimes see a softening of activity that may temper the market in the second half of the year.

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Quick Facts

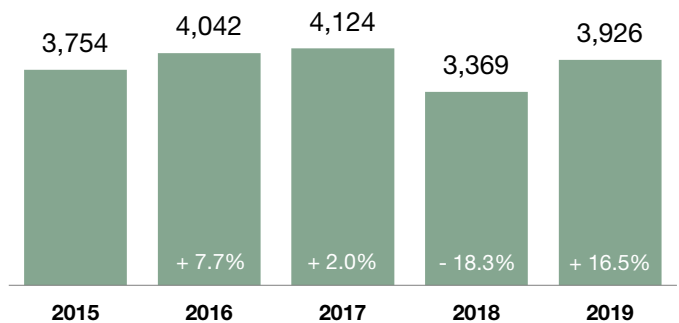
New Listings



Change in New Listings from 2018

Morganton	+ 53.4%
Burke County	+ 32.5%
Catawba Valley Region	+ 3.4%
Hickory-Lenoir-Morganton MSA	+ 3.4%
Caldwell County	+ 2.8%
Lenoir	- 1.2%
Hickory	- 2.2%
Catawba County	- 2.4%
Newton	- 11.4%
Alexander County	- 16.6%

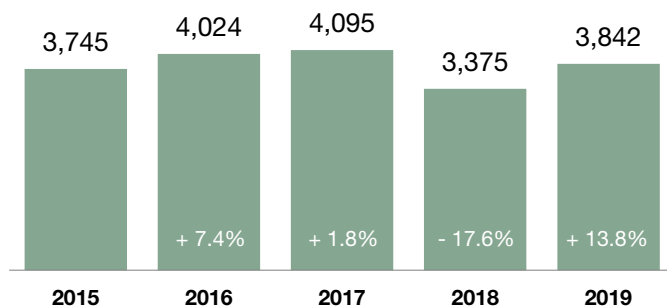
Pending Sales



Change in Pending Sales from 2018

Morganton	+ 81.3%
Burke County	+ 53.5%
Catawba Valley Region	+ 16.5%
Hickory-Lenoir-Morganton MSA	+ 16.5%
Caldwell County	+ 12.8%
Newton	+ 10.2%
Catawba County	+ 8.2%
Lenoir	+ 7.5%
Alexander County	+ 6.8%
Hickory	+ 2.3%

Closed Sales

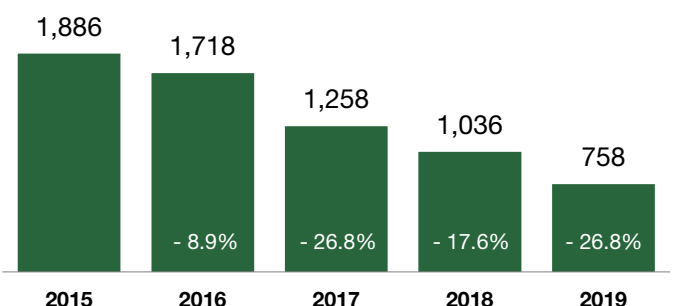


Change in Closed Sales from 2018

Morganton	+ 76.0%
Burke County	+ 51.7%
Catawba Valley Region	+ 13.8%
Hickory-Lenoir-Morganton MSA	+ 13.8%
Newton	+ 12.1%
Caldwell County	+ 8.5%
Catawba County	+ 7.8%
Lenoir	+ 4.4%
Hickory	+ 0.4%
Alexander County	- 3.4%

Inventory of Homes for Sale

At the end of the year.

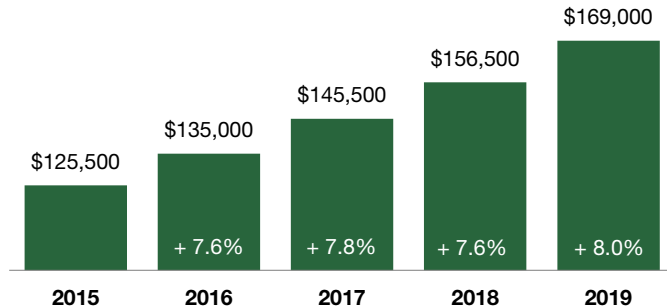


Change in Homes for Sale from 2018

Burke County	- 12.4%
Morganton	- 17.3%
Lenoir	- 23.5%
Caldwell County	- 23.5%
Catawba Valley Region	- 26.8%
Hickory-Lenoir-Morganton MSA	- 26.8%
Hickory	- 27.1%
Catawba County	- 30.7%
Alexander County	- 43.1%
Newton	- 43.3%

Quick Facts

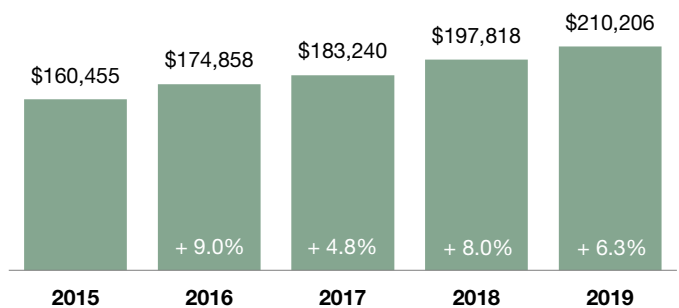
Median Sales Price



Change in Median Sales Price from 2018

Catawba Valley Region	+ 11.0%
Burke County	+ 10.5%
Catawba County	+ 9.4%
Catawba Valley Region	+ 8.0%
Hickory-Lenoir-Morganton MSA	+ 8.0%
Hickory	+ 7.9%
Caldwell County	+ 6.3%
Morganton	+ 6.1%
Lenoir	+ 5.6%
Newton	+ 3.4%

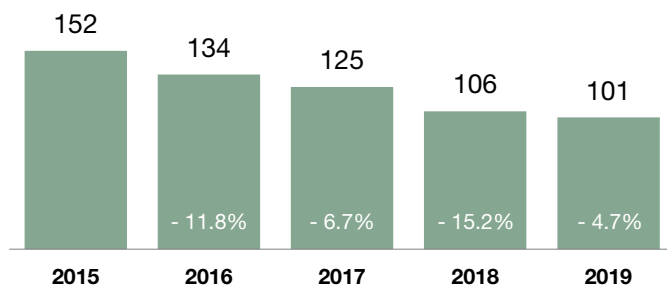
Average Sales Price



Change in Average Sales Price from 2018

Alexander County	+ 8.4%
Caldwell County	+ 7.3%
Catawba County	+ 7.2%
Hickory	+ 6.7%
Catawba Valley Region	+ 6.3%
Hickory-Lenoir-Morganton MSA	+ 6.3%
Lenoir	+ 5.8%
Newton	+ 4.9%
Burke County	+ 4.9%
Morganton	- 2.7%

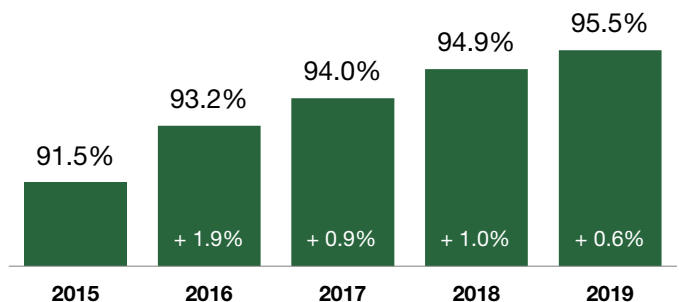
List to Close



Change in List to Close from 2018

Burke County	+ 4.0%
Newton	- 1.0%
Alexander County	- 1.7%
Morganton	- 2.9%
Catawba County	- 3.8%
Catawba Valley Region	- 4.7%
Hickory-Lenoir-Morganton MSA	- 4.7%
Hickory	- 5.9%
Lenoir	- 11.5%
Caldwell County	- 13.2%

Percent of Original List Price Received



Change in Percent of Original List Price Received from 2018

Morganton	+ 2.3%
Burke County	+ 1.5%
Alexander County	+ 0.6%
Caldwell County	+ 0.6%
Catawba Valley Region	+ 0.6%
Hickory-Lenoir-Morganton MSA	+ 0.6%
Newton	+ 0.5%
Lenoir	+ 0.3%
Catawba County	+ 0.3%
Hickory	+ 0.2%

Property Type Review

103

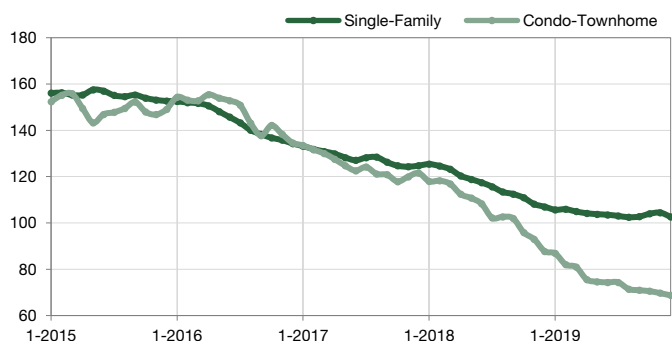
Average List to Close
Single-Family

69

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 2019

Hickory	10.3%
Catawba County	6.5%
Catawba Valley Region	3.8%
Hickory-Lenoir-Morganton MSA	3.8%
Newton	2.0%
Burke County	1.4%
Morganton	1.2%
Lenoir	0.7%
Alexander County	0.7%
Caldwell County	0.7%

+ 6.3%

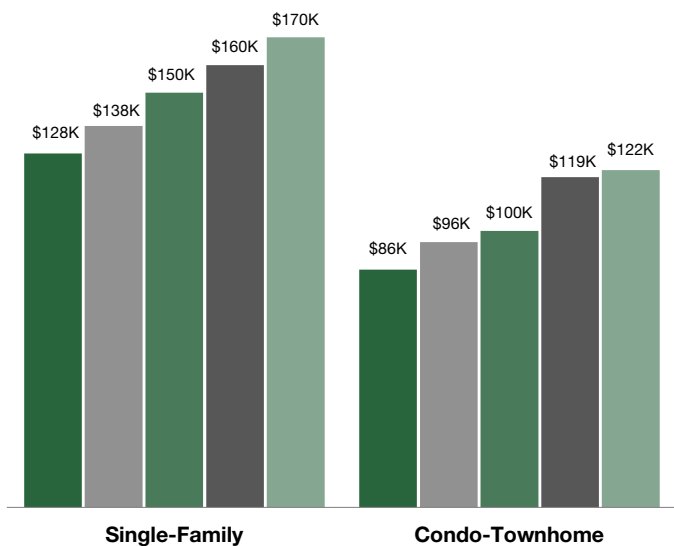
One-Year Change in Price
Single-Family

+ 2.1%

One-Year Change in Price
Condo-Townhome

Median Sales Price

■ 2015 ■ 2016 ■ 2017 ■ 2018 ■ 2019



95.4%

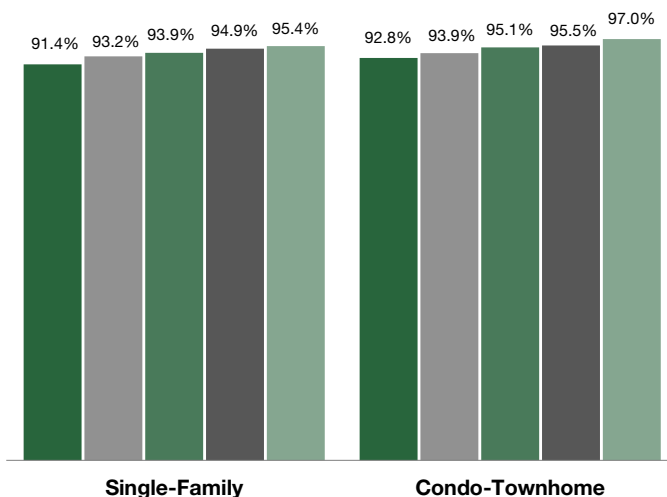
Pct. of Orig. Price Received
Single-Family

97.0%

Pct. of Orig. Price Received
Condo-Townhome

Percent of Original List Price Received

■ 2015 ■ 2016 ■ 2017 ■ 2018 ■ 2019



Distressed Homes Review

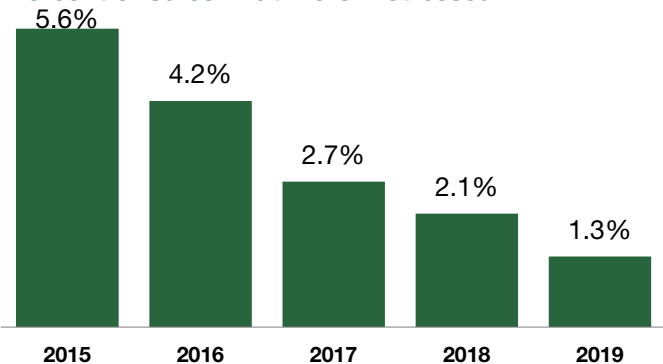
1.3%

Percent of Closed Sales in 2019 That Were Distressed

- 29.2%

One-Year Change in Sales of Lender-Mediated

Percent of Sales That Were Distressed



Top Areas: Lender-Mediated Market Share in 2019

Alexander County	2.5%
Lenoir	2.2%
Caldwell County	1.6%
Catawba Valley Region	1.3%
Hickory-Lenoir-Morganton MSA	1.3%
Catawba County	1.2%
Burke County	1.1%
Newton	1.0%
Hickory	1.0%
Morganton	0.4%

+ 25.2%

Four-Year Change in Price All Properties

+ 22.3%

Four-Year Change in Price Traditional Properties

+ 34.1%

Four-Year Change in Price Foreclosure

+ 10.7%

Four-Year Change in Price Short Sale

Median Sales Price

■ 2016 ■ 2017 ■ 2018 ■ 2019



Bedroom Count Review

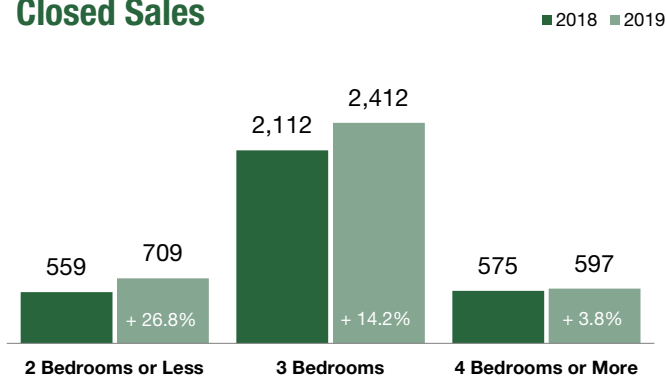
+ 26.8%

Reduction in Closed Sales
2 Bedrooms or Less

+ 3.8%

Reduction in Closed Sales
4 Bedrooms or More

Closed Sales



Top Areas: 4 Bedrooms or More Market Share in 2019

Hickory	20.2%
Catawba County	18.8%
Catawba Valley Region	15.5%
Hickory-Lenoir-Morganton MSA	15.5%
Morganton	15.3%
Burke County	13.6%
Lenoir	11.7%
Caldwell County	11.0%
Alexander County	10.4%
Newton	9.5%

95.5%

Percent of Original List Price
Received in 2019 for
All Properties

93.7%

Percent of Original List Price
Received in 2019 for
2 Bedrooms or Less

96.2%

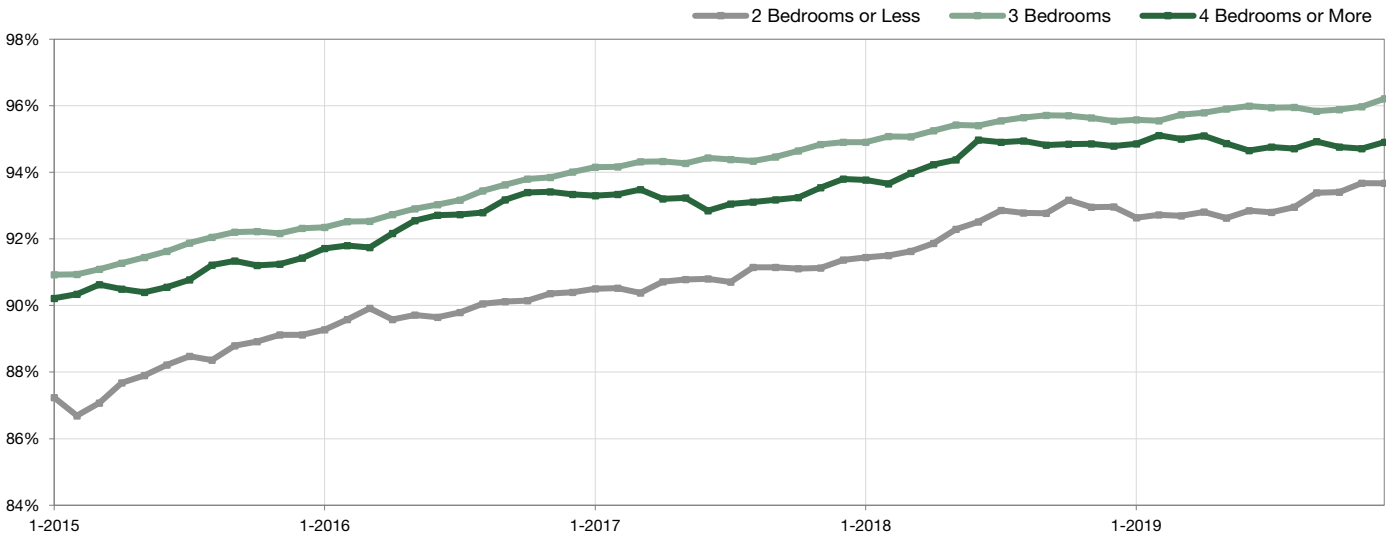
Percent of Original List Price
Received in 2019 for
3 Bedrooms

94.9%

Percent of Original List Price
Received in 2019 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

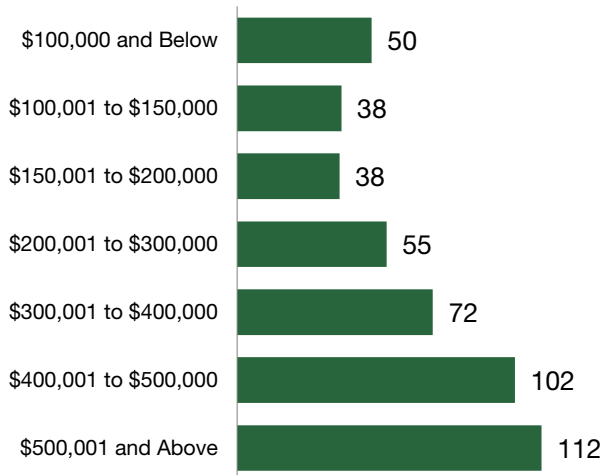
10.8%

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

- 35.6%

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



\$100,001 to \$150,000

Price Range with the Most Closed Sales

+ 33.3%

Price Range with Strongest One-Year Change in Sales: \$300,001 to \$400,000

\$400,001 to \$500,000

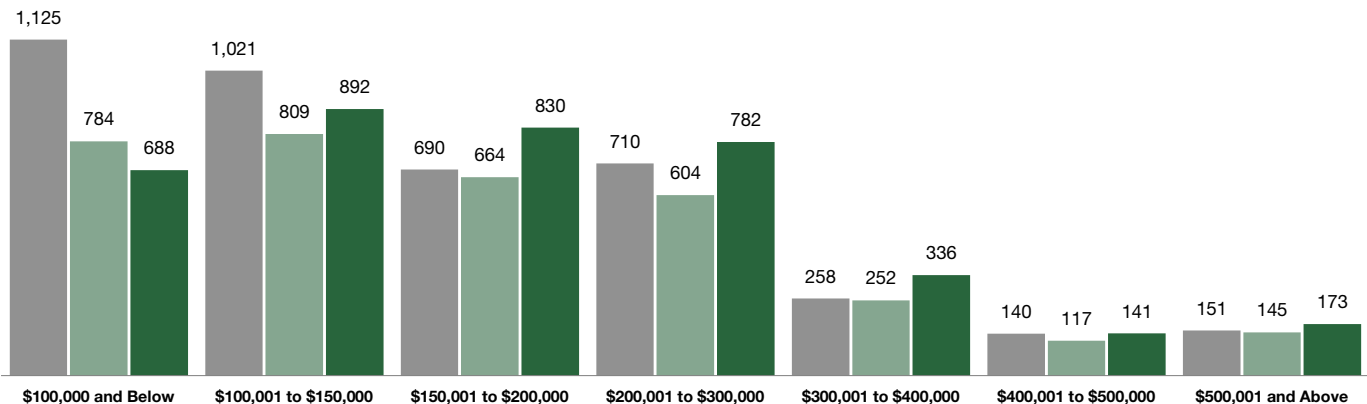
Price Range with the Fewest Closed Sales

- 12.2%

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

Closed Sales by Price Range

■ 2017 ■ 2018 ■ 2019



Showings Review

14

Median Number of Showings Before Pending

+ 11.1%

One-Year Change in Median Showings Before Pending

Monthly Number of Showings



Number of Showings

Catawba Valley Region	68,221
Hickory-Lenoir-Morganton MSA	68,221
Catawba County	38,824
Hickory	21,013
Burke County	12,507
Caldwell County	12,110
Morganton	7,456
Lenoir	6,290
Newton	5,663
Alexander County	4,780

Number of Showings per Listing

Hickory	15.9
Newton	15.9
Catawba County	15.6
Catawba Valley Region	13.9
Hickory-Lenoir-Morganton MSA	13.9
Alexander County	12.5
Burke County	12.1
Caldwell County	12.1
Morganton	11.6
Lenoir	11.5

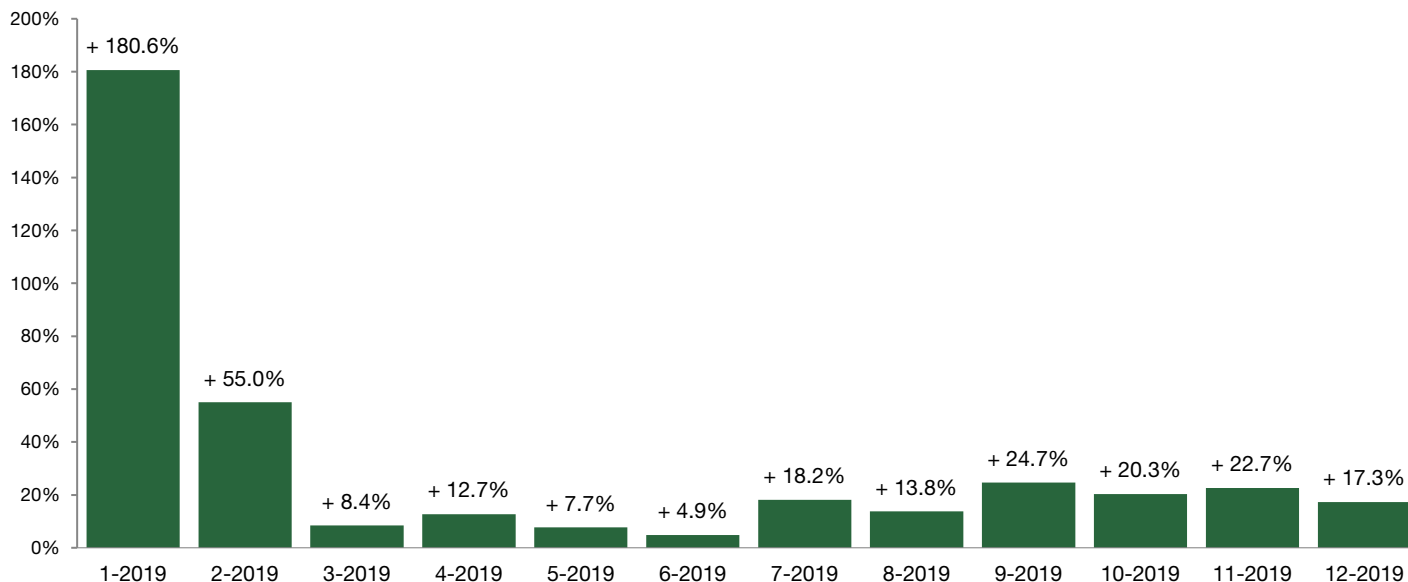
+ 32.4%

One-Year Change in Total Showings

January '19

Peak Change in Showing Activity Month

2019 Year-Over-Year Change in Monthly Showings per Listing





Area Overviews

	Total Closed Sales	Change from 2018	Percent Condo-Townhome	Percent Distressed	Median Showings to Pending	Months Supply of Inventory	List to Close	Pct. of Orig. Price Received
Catawba Valley Region	3,842	+ 13.8%	3.8%	1.3%	14	2.3	101	95.5%
Alexander County	280	- 3.4%	0.7%	2.5%	12	2.3	118	94.9%
Burke County	801	+ 51.7%	1.4%	1.1%	12	2.6	104	95.3%
Caldwell County	764	+ 8.5%	0.7%	1.6%	12	2.4	92	95.2%
Catawba County	1,997	+ 7.8%	6.5%	1.2%	16	2.2	101	95.7%
Hickory	1,034	+ 0.4%	10.3%	1.0%	16	1.9	95	95.6%
Hickory-Lenoir-Morganton MSA	3,842	+ 13.8%	3.8%	1.3%	14	2.3	101	95.5%
Lenoir	403	+ 4.4%	0.7%	2.2%	12	2.9	100	94.2%
Morganton	498	+ 76.0%	1.2%	0.4%	12	2.3	102	95.4%
Newton	306	+ 12.1%	2.0%	1.0%	16	2.0	103	95.7%

Area Historical Median Prices



	2015	2016	2017	2018	2019	Change From 2018	Change From 2015
Catawba Valley Region	\$125,500	\$135,000	\$145,500	\$156,500	\$169,000	+ 8.0%	+ 34.7%
Alexander County	\$128,000	\$137,500	\$149,900	\$150,000	\$166,500	+ 11.0%	+ 30.1%
Burke County	\$95,250	\$115,000	\$136,500	\$145,000	\$160,250	+ 10.5%	+ 68.2%
Caldwell County	\$114,000	\$118,500	\$125,000	\$139,200	\$147,950	+ 6.3%	+ 29.8%
Catawba County	\$133,500	\$147,000	\$157,500	\$169,000	\$184,900	+ 9.4%	+ 38.5%
Hickory	\$150,000	\$157,000	\$160,000	\$165,000	\$178,000	+ 7.9%	+ 18.7%
Hickory-Lenoir-Morganton MSA	\$125,500	\$135,000	\$145,500	\$156,500	\$169,000	+ 8.0%	+ 34.7%
Lenoir	\$100,500	\$104,000	\$115,900	\$126,450	\$133,500	+ 5.6%	+ 32.8%
Morganton	\$110,000	\$116,000	\$139,000	\$156,500	\$166,050	+ 6.1%	+ 51.0%
Newton	\$108,000	\$120,000	\$132,988	\$145,000	\$150,000	+ 3.4%	+ 38.9%