

NEST REALTY

2023 Nest Market Report

RALEIGH-DURHAM-CHAPEL HILL

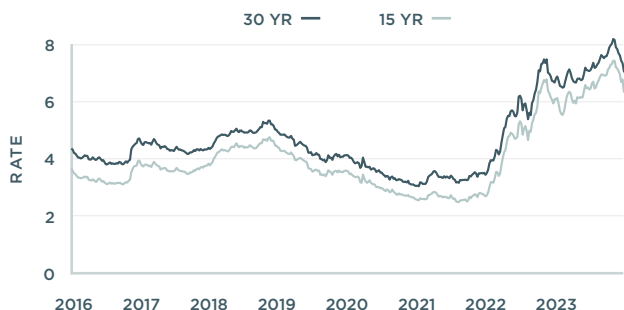


MARKET OUTLOOK NATIONAL LEVEL

Every year starts naturally with a focus on the near future, and 2024 brings with it a mixed bag of economic signals that may at times contradict one another and provide a somewhat murky view of our year ahead. At Nest we are committed to providing our clients with the best and most relevant information to help you make some of the most important financial decisions of your life. On a national level, we focus on three key economic indicators—interest rates, consumer confidence, and employment—to help us look forward to what we should expect. The fundamentals of our nation’s economy are solidly on the right path: inflation rates have stabilized, interest rates have retreated, low unemployment has continued as a bright spot, and real wages finally seem to be making headway in a positive direction. But while the data may look cheery, our nation faces some of the lowest consumer confidence in more than a decade, driven, we believe, from political frustrations at home and geo-political instability abroad. With real estate in mind, a quick conversation with your Nest advisor will help you understand some of the problems created by historically low inventory.

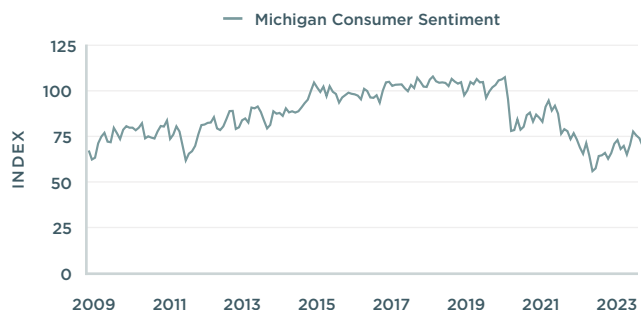
Mortgage Rates

From the beginning of 2022 through June 2023, the U.S. saw the most rapid increase in mortgage rates in recent history, leading to an immediate decrease in buyer interest. But pent up demand meant that buyers still outnumbered sellers. Homeowners became “locked in” to their current interest rates and inventory shrank even further. However, the second half of 2023 brought a steady decrease in rates, with mortgages at year end only 13 basis points higher than at the start, and indications point to the Fed wanting to minimize rate hikes. Buyer activity appears poised to increase early in the new year.



Consumer Confidence

While indicators may point to rosy times ahead, the actual people involved in buying and selling real estate aren’t convinced. The Michigan Consumer Sentiment index reports on public perception of personal future, and while the sentiment has been rising since the middle of 2022, looking back as far back as 2011 shows a bleaker trend. Is this negativity a byproduct of wars throughout the world, because we are in the middle of a messy election year, or something else entirely? No matter the cause, the impact could be that buyers sit on the sidelines this year more than expected.



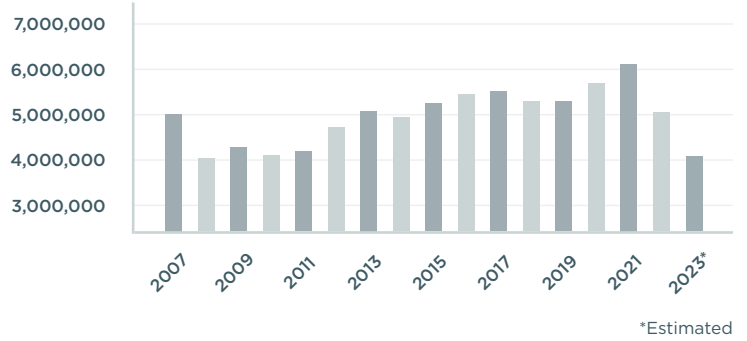
Unemployment Rates

All statistics need to be considered on a local level, and unemployment is certainly one stat where this adage holds true. But across the U.S., 2023 was marked by strong employment numbers and wage growth. Whether looking at Midwestern job stability for auto workers, West Coast entertainment contracts, or a national work-from-anywhere movement, workers showed their upper hand last year. Unemployment has been below 5% across the country since June of 2021, and aside from pandemic related shutdowns in 2020, job growth has been a hallmark of this non-recessionary period. While non-farm employment is currently at the highest level in our nation’s history, total household income is still slightly depressed, as the number of Americans in the workforce has decreased from pre-pandemic numbers.

MARKET OUTLOOK HOUSING TRENDS

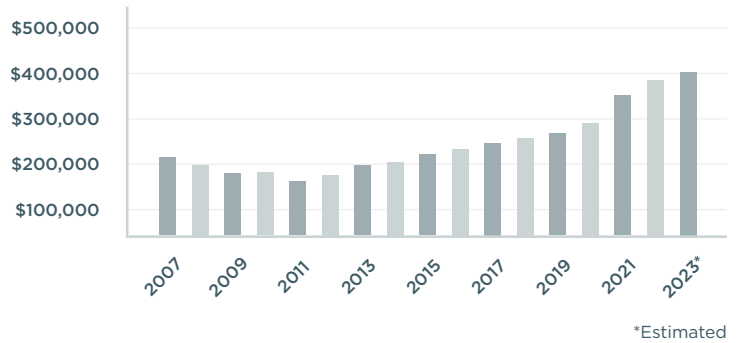
Annual Existing Home Sales

The U.S. hit a recent peak of 6.1 million existing home sales in 2021 (a top five historical year for home sales). In 2022, sales totals dropped 18% and are estimated to have dropped another 20% in 2023. Lower interest rates are expected to spur an increase in sales activity for 2024.



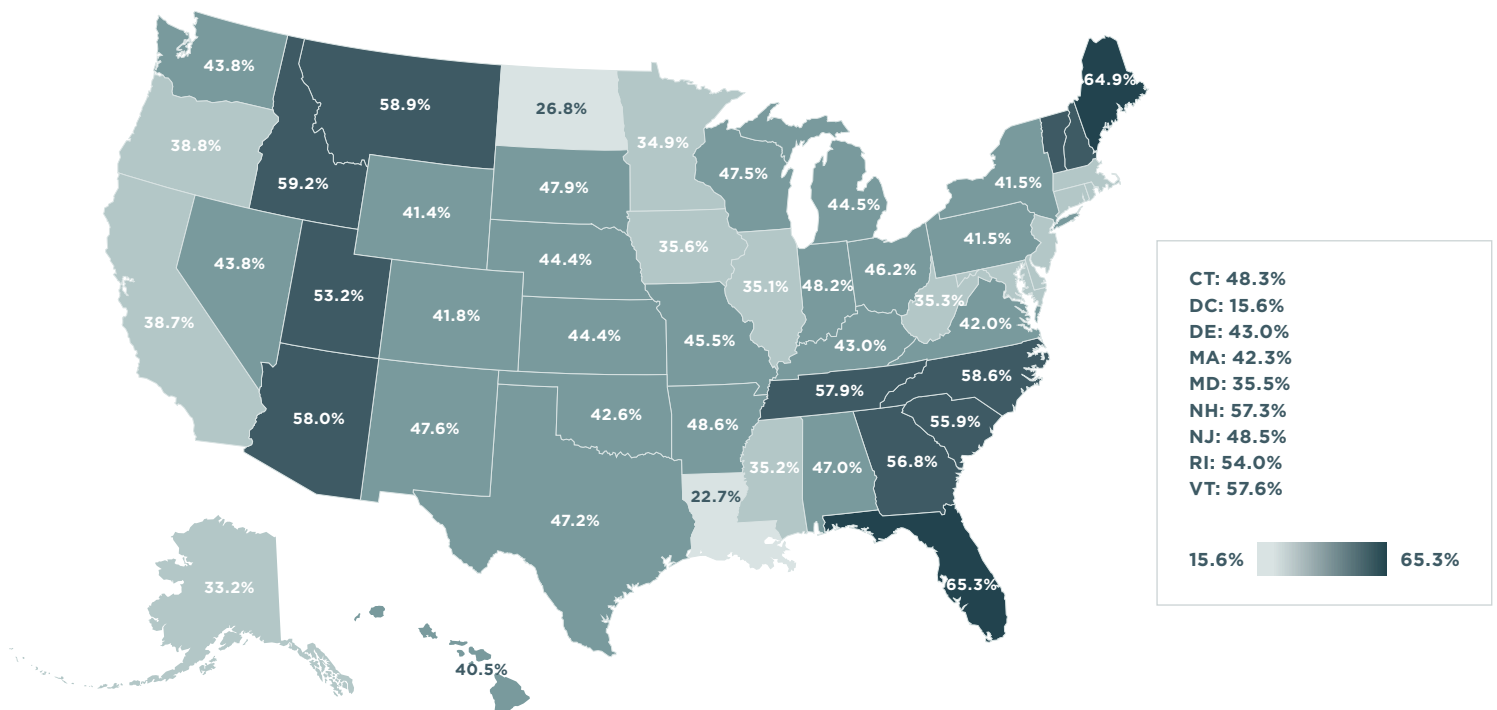
Annual Median Sold Price of Single Family Homes

Annual median home prices have risen every year since 2012. In fact, since 1989, the median home price has fallen in only four instances. Housing affordability continues to be a significant challenge nationally.



Home Price Appreciation Since COVID Pandemic

The arrival of the COVID pandemic in March 2020 brought an unexpected rise in home values throughout the U.S. The below map represents the percentage increase in home values from Q1 2020 to Q3 2023.



*Data courtesy of the National Association of Realtors

Collaboration is our Culture

We pride ourselves on not being a transactional brokerage. We're definitely a business first, but as a group of agents we're pretty tight. We treat each other really well, we help each other, and we really like each other. We think ultimately that leads to a greater client experience.



2,000+

NEST FEST ATTENDEES

The turnout for our annual client appreciation party was the best yet!



6

NEW NEST AGENTS

We continue to look for the best and brightest people to work with. We are thrilled to have added 6 new Nesters to our flock this year!

7

NEW BABY BIRDS

Celebrating not only professional growth but also personal milestones, our office has seen the arrival of seven new baby birds to the flock!





2023 Raleigh-Durham-Chapel Hill MSA Overview

From our vantage point as one of the leading firms in the area, the market forces dominating the story in the Raleigh-Durham-Chapel Hill real estate market in 2023 were sellers staying put because of their “golden handcuffs.” Many purchased their homes at historically low interest rates, which hovered below 4% for much of the last decade.

Homeowners looking to sell their properties have experienced significant equity increases but are faced with the one-two punch of doubled interest expense, compounded by the reality that the properties that they could look to buy have also appreciated dramatically. This lock-in effect kept sellers on the sidelines, reducing the number of would be “move up” buyers from leaving their current homes.

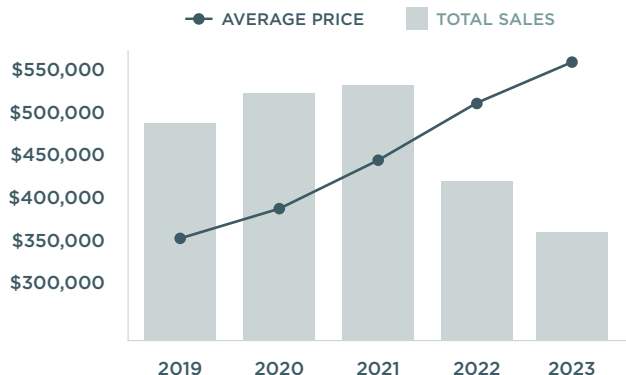
Affordability for new home buyers presented another key theme in 2023: rates increased into the 7% range, causing many first-time home buyers to be completely priced out of the market, and heading into 2024, we agree with most experts who do not anticipate prices falling in any significant manner. Real estate economists are also predicting that interest rates will drop into the 6% range as we head into the spring market of 2024.

Supply (specifically a lack thereof) and demand from out-of-town buyers entering our market kept prices elevated in 2023. This historically low inventory of homes for sale, as we predicted in last year’s report, means that sellers who put their homes up for sale have yet to be forced to come down from current price levels.

While economic headwinds continue to buffer the U.S. economy, our corner of a thriving North Carolina market in Raleigh-Durham-Chapel Hill continues to see prime inventory getting snapped up quickly.

MSA OVERVIEW RALEIGH-DURHAM-CHAPEL HILL, NC

All Properties



3.7% ▲

AVERAGE PRICE

In 2023 the average sales price was \$552,088 compared to \$532,636 in 2022.

19.7% ▼

TOTAL SALES

In 2023 there were 21,274 total home sales compared to 26,507 in 2022.

In 2023, on average, a listing stayed on the market for 58.3% more time and saw a 2.9% increase in price per square foot compared to 2022.

	2022	%	2023
Avg. Days on Market	12	58.3	19
Avg. Price per Sq. Ft.	\$243	2.9	\$250

Condos/Townhomes

3.1% ▲

AVERAGE PRICE

In 2023 the average sales price was \$398,823 compared to \$386,830 in 2022.

21.9% ▼

TOTAL SALES

In 2023 there were 5,263 total attached home sales compared to 6,743 in 2022.

	2022	%	2023
Avg. Days on Market	9	55.6	14
Avg. Price per Sq. Ft.	\$263	-6.8	\$245

Single Family

8.6% ▲

AVERAGE PRICE

In 2023 the average sales price was \$632,244 compared to \$582,382 in 2022.

21.4% ▼

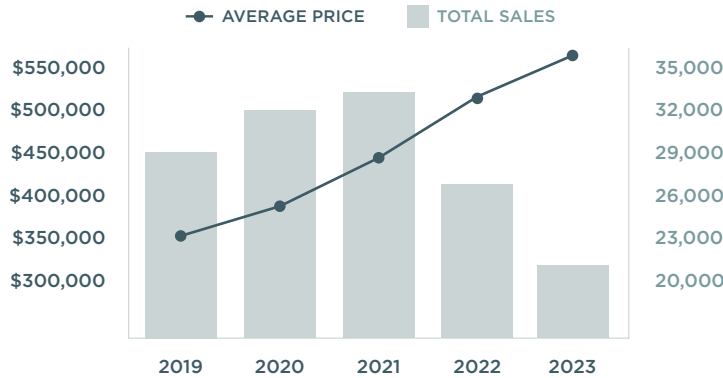
TOTAL SALES

In 2023 there were 15,529 total detached home sales compared to 19,764 in 2022.

	2022	%	2023
Avg. Days on Market	13	53.9	20
Avg. Price per Sq. Ft.	\$237	6.3	\$252

*Raleigh-Durham-Chapel Hill area includes Wake, Durham, Chatham, and Orange counties. Data as of 01/05/24

THE TRIANGLE MARKET



2003
AVERAGE
YEAR HOMES
BUILT

61
% OF HOMES
GREATER THAN
5 YEARS OLD

2,538
AVERAGE
DETACHED
SQ. FT.

1,748
AVERAGE
ATTACHED
SQ. FT.

	2021	%	2022	%	2023	TREND
Total Sales	32,256	-17.8	26,507	-19.7	21,274	▼
Price per Sq. Ft.	\$196	24	\$243	2.9	\$250	▲
Days on Market	13	-7.7	12	58.3	19	▲
Avg. Sales Price	\$449,502	18.5	\$532,636	3.6	\$552,088	▲
Total Volume	\$14,500,000,000	-2.6	\$14,118,584,696	-17.0	\$11,716,473,648	▼

WAKE

2006
AVERAGE
YEAR HOMES
BUILT

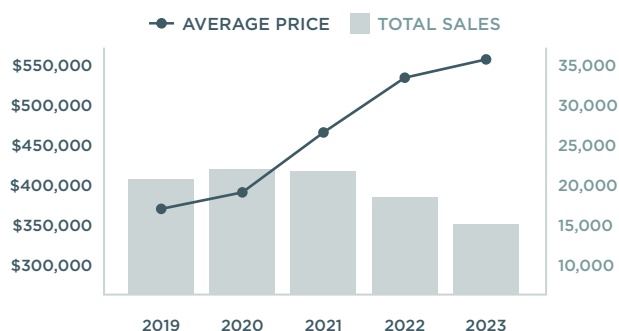
65
% OF HOMES
GREATER THAN
5 YEARS OLD

2,633
AVERAGE
DETACHED
SQ. FT.

1,783
AVERAGE
ATTACHED
SQ. FT.



	2022	%	2023	TREND
Total Sales	18,709	-19.8	15,009	▼
Price per Sq. Ft.	\$232	0	\$232	FLAT
Days on Market	11	54.6	17	▲
Avg. Sales Price	\$543,681	2.6	\$557,982	▲
Total Volume	\$10,171,736,835	-17.7	\$8,372,522,791	▼



DURHAM

1995
AVERAGE
YEAR HOMES
BUILT

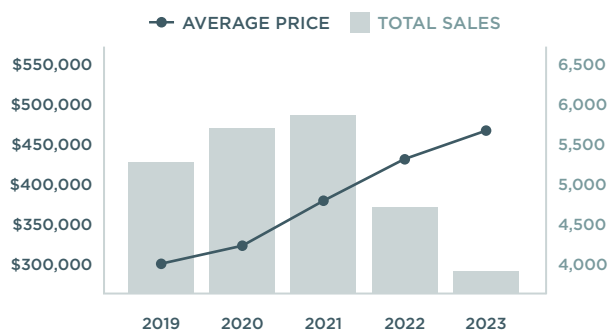
75
% OF HOMES
GREATER THAN
5 YEARS OLD

2,048
AVERAGE
DETACHED
SQ. FT.

1,684
AVERAGE
ATTACHED
SQ. FT.



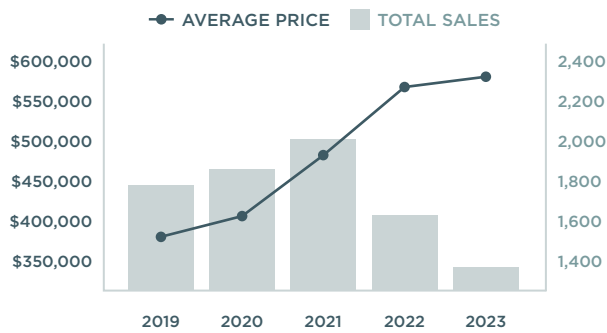
	2022	%	2023	TREND
Total Sales	4,873	-23.0	3,752	▼
Price per Sq. Ft.	\$285	-14.0	\$245	▼
Days on Market	14	35.7	19	▲
Avg. Sales Price	\$441,348	5.5	\$465,730	▲
Total Volume	\$2,150,690,372	-18.8	\$1,746,486,138	▼



ORANGE



UNC Bell Tower



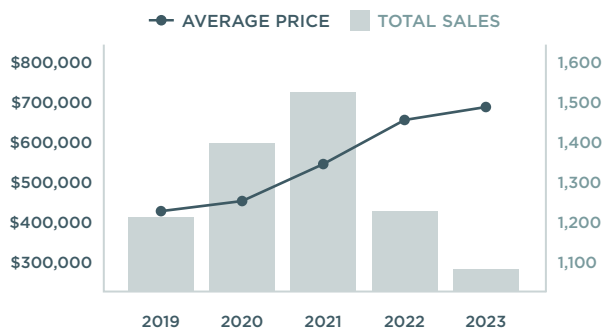
1991	83	2,483	1,508
AVERAGE YEAR HOMES BUILT	% OF HOMES GREATER THAN 5 YEARS OLD	AVERAGE DETACHED SQ. FT.	AVERAGE ATTACHED SQ. FT.

	2022	%	2023	TREND
Total Sales	1,679	-18.1	1,376	▼
Price per Sq. Ft.	\$250	6.8	\$267	▲
Days on Market	13	38.5	18	▲
Avg. Sales Price	\$563,862	3.8	\$585,402	▲
Total Volume	\$946,724,646	-14.9	\$805,513,232	▼

CHATHAM



Chatham County Courthouse



2008	60	2,891	1,806
AVERAGE YEAR HOMES BUILT	% OF HOMES GREATER THAN 5 YEARS OLD	AVERAGE DETACHED SQ. FT.	AVERAGE ATTACHED SQ. FT.

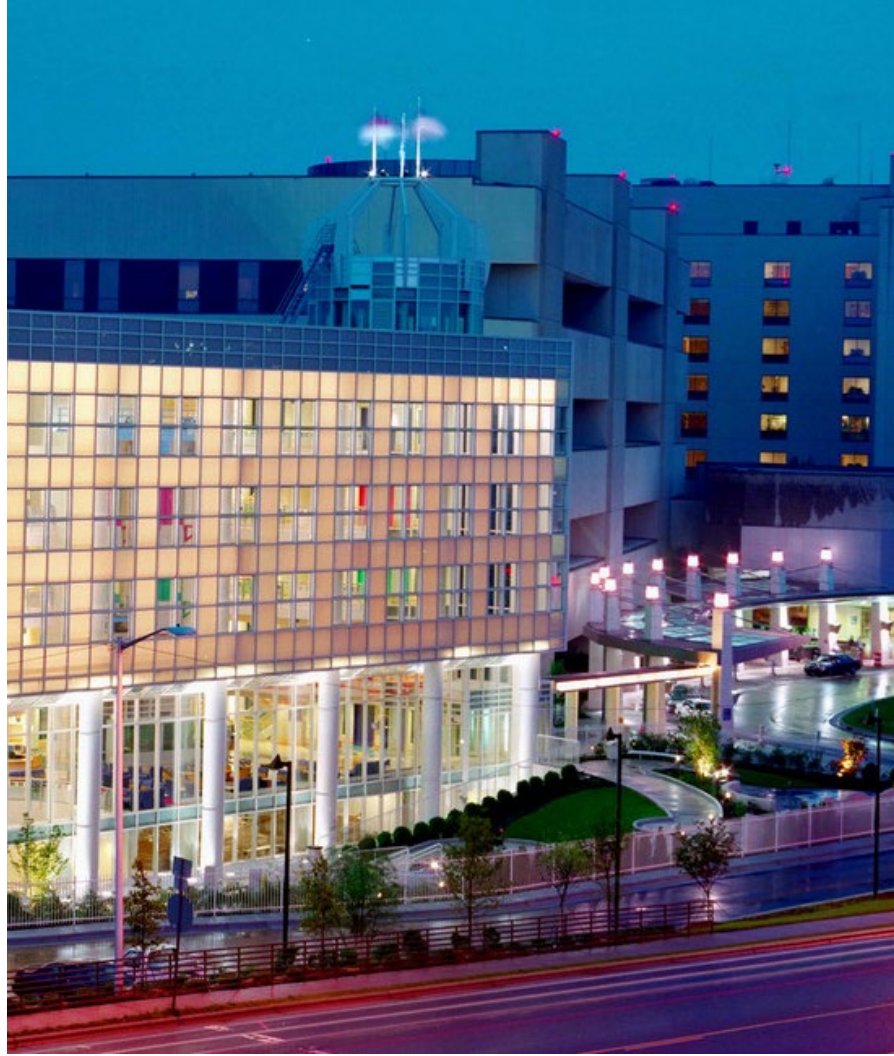
	2022	%	2023	TREND
Total Sales	1,243	-8.5	1,137	▼
Price per Sq. Ft.	\$244	4.1	\$254	▲
Days on Market	14	42.9	20	▲
Avg. Sales Price	\$682,858	2.1	\$697,140	▲
Total Volume	\$848,791,943	-6.7	\$791,951,487	▼

Organization Spotlight

This year we are celebrating the relationships we've built with local businesses and community organizations.

DONATIONS TO DUKE CHILDREN'S HOSPITAL

Real estate is about much more than just buying and selling houses; it's about building relationships and bringing people together. With every residential sale, we offer our agents the opportunity to make a donation to Duke Children's Hospital, which Nest Realty of the Triangle matches dollar for dollar.



NEST REALTY VOLUNTEER DAY

Our Nest agents gather together to volunteer as a team with Habitat for Humanity to help families build and improve places to call home.

NEST REALTY
nestrealty.com/triangle

