



Register of Deeds
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For Immediate Release

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Wake County's Strong Real Estate Market Does Not Include Many Affordable Housing Options

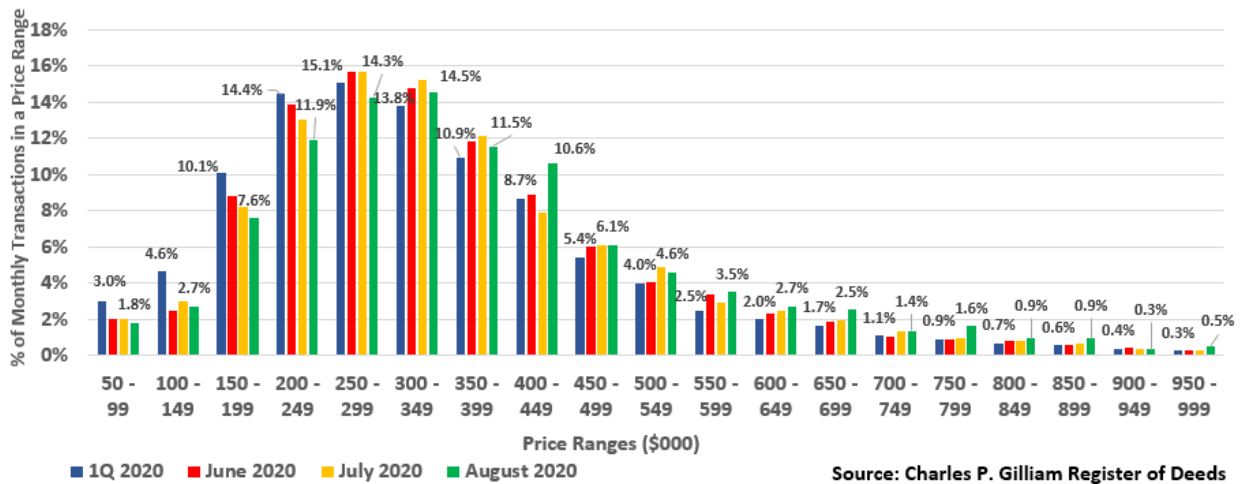
*Activity Continues to be Relatively Stronger in Above Median Price Ranges
Interest in Affordable Housing Lags.*

Raleigh, NC - An analysis of August 2020 Wake County core market real estate transactions released today by Charles Gilliam, the Register of Deeds of Wake County, shows that while the overall real estate market continues to appear little affected by COVID-19, the market also continues to trend weaker at lower price points.

Register of Deeds Charles Gilliam stated "The situation concerning affordable housing is not new. [Earlier this year I reported](#) on a 5-year decline in affordable housing. It continues to be difficult for a person of moderate means to keep head above water in Raleigh's swift river of real estate flowing for more affluent people."

The following chart shows the proportion of transactions that took place in each price range within the core market. The core market is property valued at up to \$1 million and it is consistently 97-98% of all transactions.

Wake County Property Transfers by Price Range
Percentage of Transactions in Each Period in Each Price Range
June, July and August 2020 Compared to Average Month in First Quarter 2020



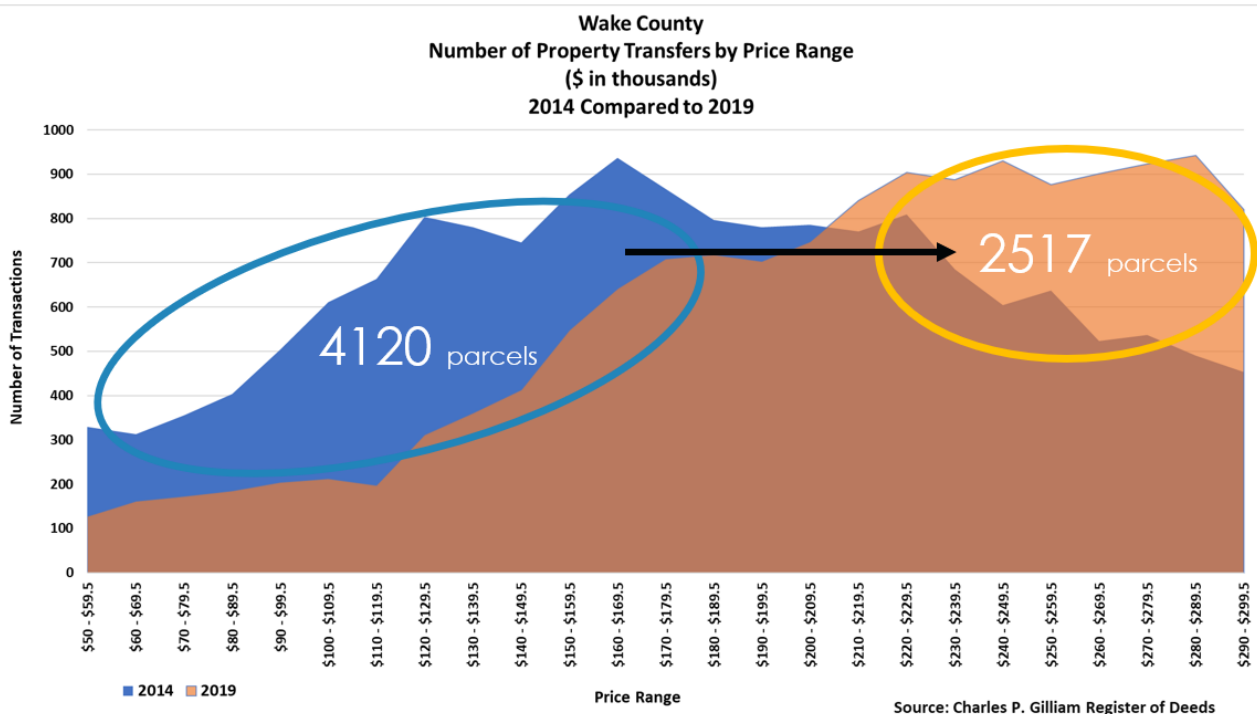
[Click here for larger chart](#)

For the price ranges presented in this chart, in 2020's first quarter 47% of sales were below \$300,000. In June 43% were below \$300,000, in July it was 42% and in August the percentage dropped to 38%.

The continuing decline in activity for lower-priced parcels can be readily exemplified in the two price brackets of \$150K – \$199K and \$200K - \$249K. Taken together, the proportion of activity has steadily declined from 24.5% in the first quarter to 19.5% in August 2020.

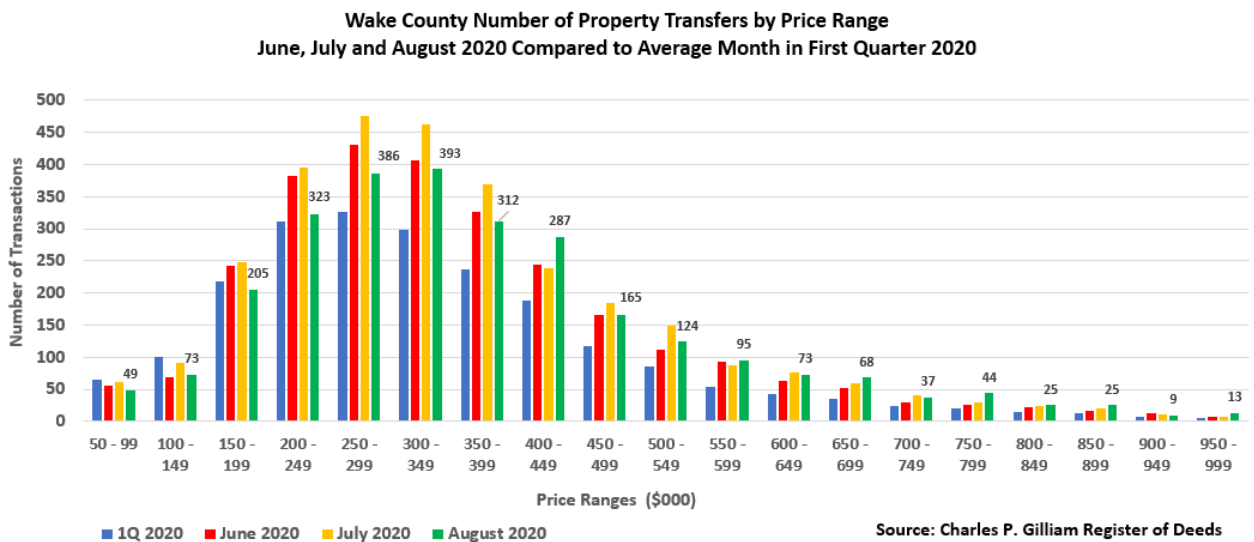
This data is consistent with the fact that August 2020 set a new high in monthly median prices at \$341,000. For both the fourth quarter of 2019 and the first quarter of 2020 the median was \$310,000.

The following chart, [originally released by the Register of Deeds in April 2020](#) illustrates how property affordable by people of moderate means has declined over recent years.



[Click here for a larger image.](#)

The following chart shows the number of transactions in the core market in August 2020, as compared to the average month of the first quarter of 2020, broken down by the dollar value of the transaction. June and July 2020 are also included for comparison.



[Click here for larger chart](#)

Because real estate turnover is seasonal, tending to be slower in the winter and brisker in the summer, the lower absolute number of property transfers in the first quarter compared to the summer months, as shown on this chart, does not mean the first quarter of 2020 was a weak market. In fact, the first quarter of 2020 was stronger than the first quarters of each of the previous three years.

Other information, including results for transactions in the one million dollar and up price range, was published by the Register of Deeds earlier this month and is available at <http://www.wakegov.com/news/Lists/Posts/Post.aspx?ID=1330>

Methodology and Additional Information

The statistics in this report are derived from instruments recorded in the office of the Wake County Register of Deeds. Under North Carolina law, changes in property rights in real estate are recorded with the register of deeds of the county where the real estate is located.

The value of real estate transferred is measured by excise tax assessed on the consideration in a real estate transaction. Excise taxes are calculated as \$1 in tax for every five hundred dollars of consideration. About 99% of transactions are property transfers by deed and the balance are miscellaneous transactions such as acquisitions of a right of way. The monetary data in this report includes all transactions.

The core market is defined as property transactions valued at \$1 million and less. In August 2020, 97% of transactions were in this core market.

The first quarter 2020 average month was calculated by summing transactions in January, February, and March and dividing the sum by three. For the charts presented in this report, there are 2,160 data points for the first quarter average month, 2,754 for June, 3,034 for July, and 2,706 for August.

The median Wake County real estate sales price for both the fourth quarter of 2019 and the first quarter of 2020 was \$310,000. In the second quarter of 2020, it was \$322,500, and it was \$341,000 in August 2020.

Deeds and other instruments recorded with the register of deeds include transfers of interests in real estate where monetary consideration did not change hands, such as transfers within a family. No excise tax is due on such deeds and, therefore, they are not included in the data presented in this report. In August 2020, 22% of deeds attracted no excise tax. In the second quarter that percentage was 22%, and it was 21% in the first quarter of 2020.

On March 14, 2020, public schools were closed and mass gatherings were prohibited by executive order of the governor. On March 17 and 23, 2020 additional executive orders were issued which closed certain businesses and introduced additional restrictions. Based on these events, a starting date of March 17, 2020, can be used to demark the advent of Covid-19 related legal restrictions on economic activity.

For a complete picture of Wake County real estate activity, the information in this report should be considered in conjunction with data available from other

sources, such as rezoning applications and new building permits, and a report on August activity released by the Register of Deeds earlier this month which is available at <http://www.wakegov.com/news/Lists/Posts/Post.aspx?ID=1330>

This report was initially released on September 21, 2020.

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