

Real Estate Market Trends: A Year in Review

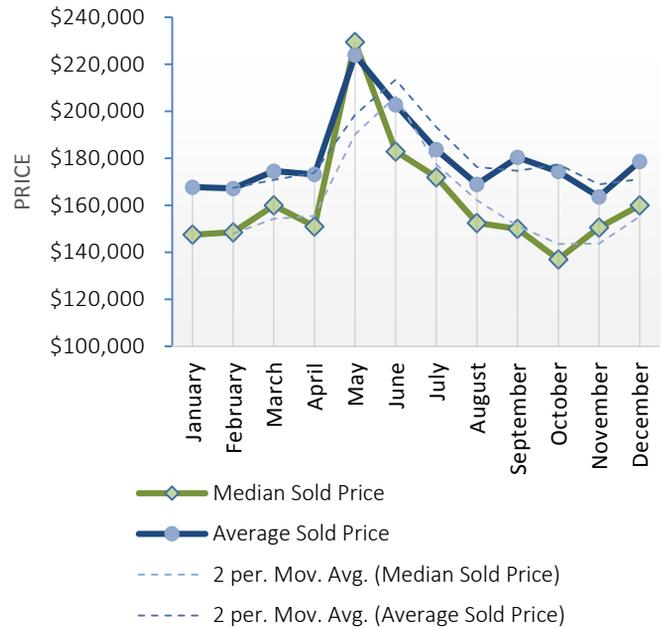
The Columbus GA-AL, Metropolitan Statistical

February 2017

Market Overview

Columbus, GA-AL MSA residential sales reported by MLS for 2016 were 2,203 units, totaling a sales volume of \$434,227,379. Median (Average) sales price for December 2016 was \$161,779 (\$179,909). According to local MLS data, the metro area experienced a 6.85% annual price increase from 2015 to 2016, and a 4.4% increase in sold dollar volume. Time on market also substantially decreased, from 127 days to 103 days.

MLS House Prices | 2016



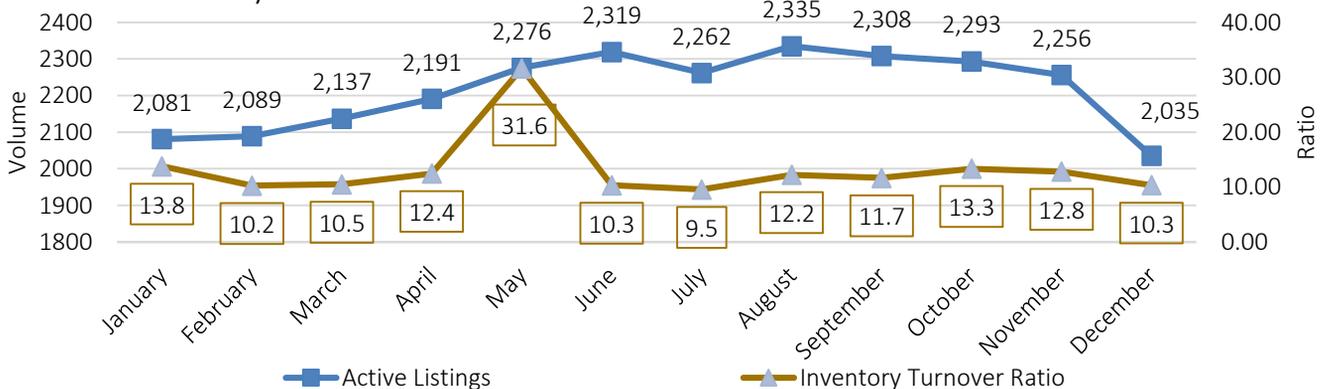
SALES SUMMARY | 2016

Total New Listings Jan. – Dec.	4,142
Current Listings	2035
Total Sales	2,203
Median Sold Price	\$156,000
Average Sold Price	\$174,000
Average Days on Market	103
Total Sold Dollar Volume	\$434,227,379

Inventory-to-Sales Ratio

The monthly inventory-to-sales ratio is the ratio of active listings divided by the number of sales in the month; it is a measure of activity in the real estate market. At year's end, the December ratio was 10.33 months indicating that at the December sales pace, inventory would be exhausted in a little over 10 months if there were no new listings. The December number is less than the year's median value of 12 months, indicating a more active real estate market at the end of 2016.

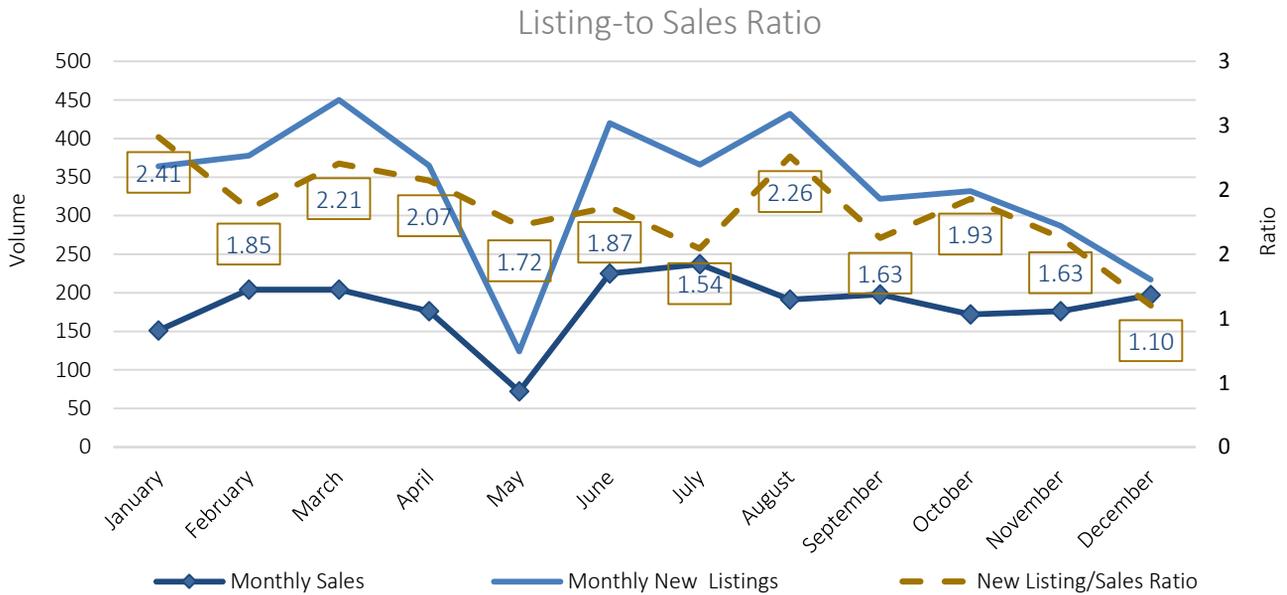
Inventory Turnover



Source: Columbus, GA-AL. Board of REALTORS®

New Listing-to-Sales Ratio

Total new listings and sales through 2016 are 4,142 and 2,203, respectfully. The New Listing to Sales Ratio is 1.88, indicating that about twice as many properties were listed for sale as properties that sold. Since 2016Q3 this ratio has substantially declined and currently is 1.10, suggesting improvement - as listing and sales were approximately equal in December 2016.



Housing Affordability

The *Housing Affordability Index* is an indicator of the ability of families in a region to qualify for a conventional mortgage loan provided they make a 20% down payment and have enough income to make their mortgage payments. In 2016, the index for the Columbus MSA was 191. This means that a local family earning the median income has 91% more than the income needed to qualify for a loan to purchase a median priced house. A higher affordability index indicates a greater ability to qualify for a loan and, likewise, means that the area has higher median family incomes relative to median house prices. The tables below illustrates relative affordability of residential housing in our local area compared to other regions.

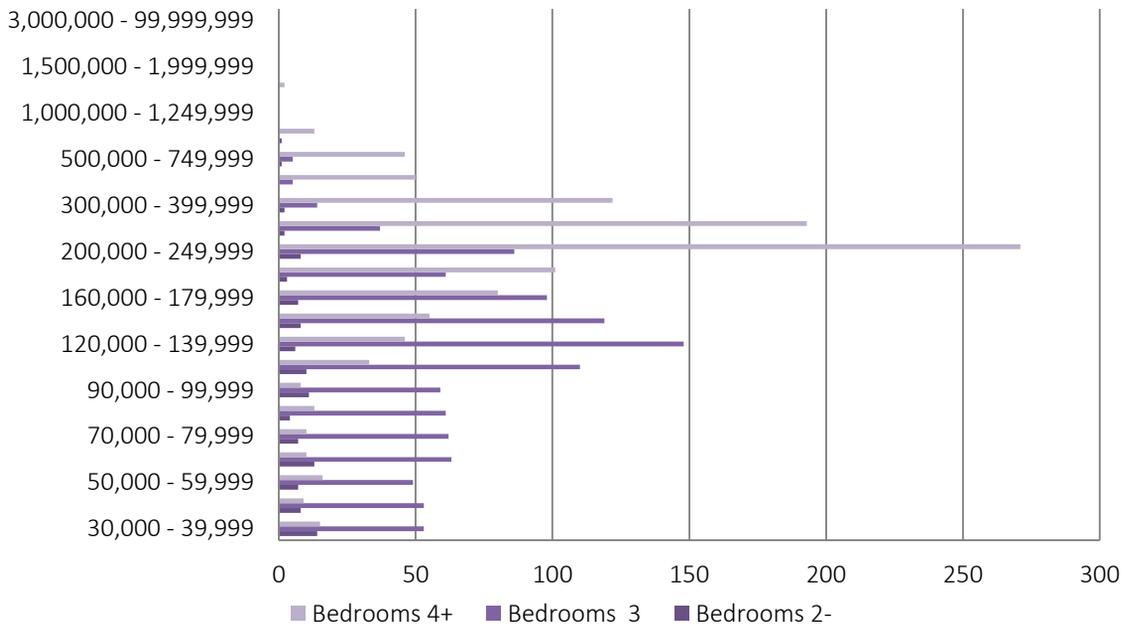
Region	Housing Affordability Index	Region	Median Sales Price (\$000)
Midwest	215.2	Montgomery, AL	131
Columbus, GA-AL	191.4	Columbus, GA-AL	156
Northeast	172.2	Chattanooga, TN-GA	165
South	168.4	Huntsville, AL	184
U.S.	166.8	Birmingham-Hoover, AL	186
West	119.3	Atlanta-Sandy Springs-Marietta, GA	185
		SO	209
		U.S.	236

Sources: Federal Housing Finance Board; Columbus Board of REALTORS®; Census Bureau American Community Survey; National Association of REALTORS®.

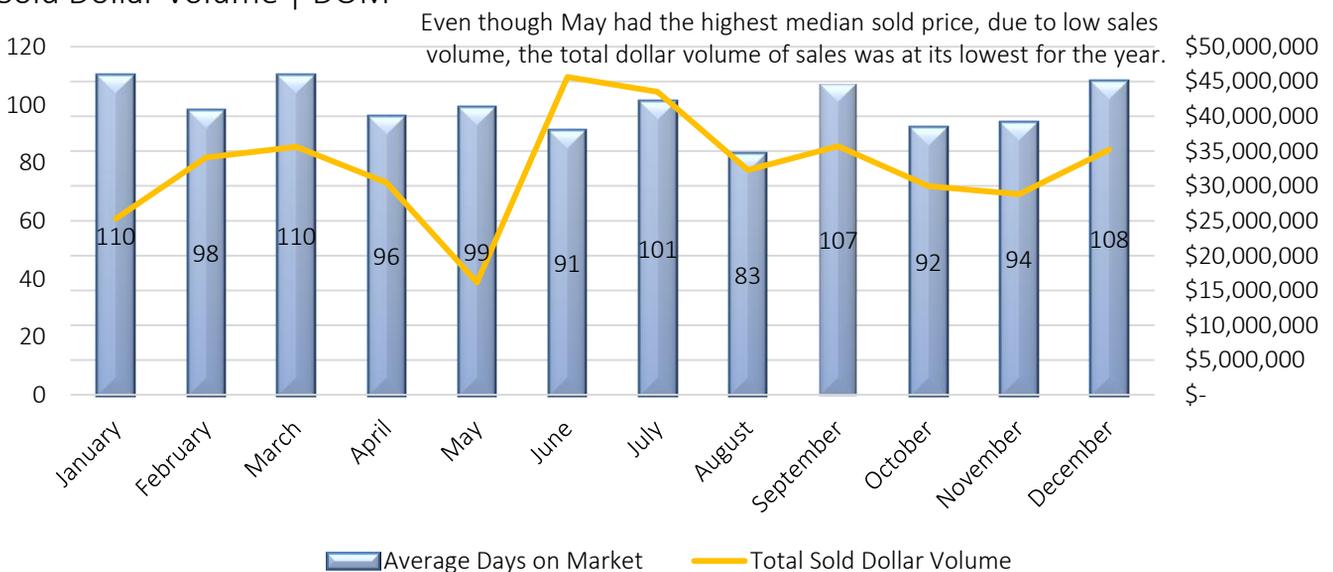
MLS DATA | Price Distribution

The median sales price in 2016 for the Columbus, GA-AL MSA was \$156,000 with an average sales price of \$173,969. Top 5 active market segments by price distribution are: 1) \$200,000 to \$249,999 (15%); 2) 250,000 - 299,999 (9%); 3) 120,000 - 139,999 (8%); 4) 0 - 29,999 (8%); 5) 160,000 - 179,999 (7%). Sold dollar volume increased by 4.4% in 2015 from \$415,858,672 to \$434,227,379. Three, and four (or more) bedroom houses represent 93% of housing market transactions in 2016 with 1217 and 1116 sales, respectively. Two or fewer bedroom houses are only 7% of sales in the Columbus, GA-AL MSA.

Price Distribution



Sold Dollar Volume | DOM



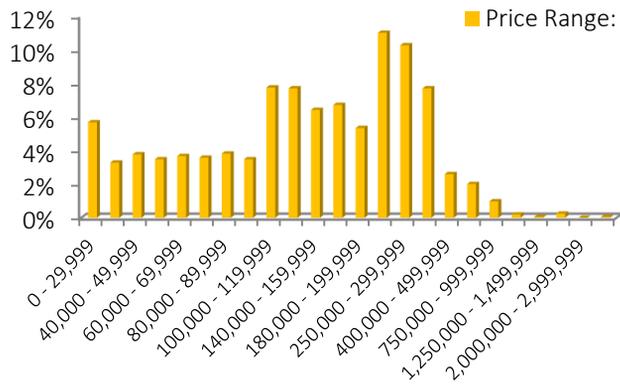
Source: Columbus, GA Board of REALTORS®

MLS Data | Days on Market (DOM)

Average DOM for 2016 was 103 days. This represents a decrease of 19% compared with 127 days on market in 2015. The most active DOM range is 0 - 30 days, accounting for 33% of sales, up from 27% last year. 31% of sales took 121 days or longer, down from 35% last year. And, approximately 60% of houses sold in 90 days or less in 2016.

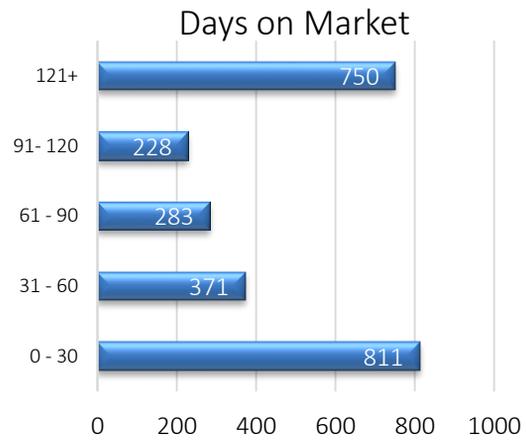
Available Listings

At the end of December 2016, 2,035 properties were listed for sale on Columbus, GA-AL MLS, and their inventory-to-sales-ratio is estimated at 10.3 months indicating at December sales pace, inventory would be exhausted in about 10 months if there were no new listings. 55% of listings are priced between \$120,000 and \$400,000. Houses with a list price between \$200,000 - \$249,999 represent 11% of active listings and is the largest market segment. Houses listed at \$400,000 or more represent 6% of the market, while houses listed less than \$100,000 represent 31% of active listings.

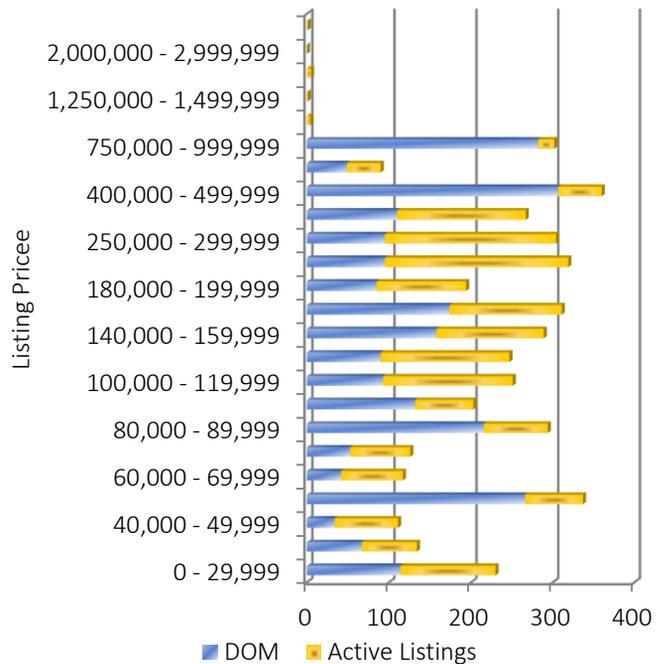


Type of Financing

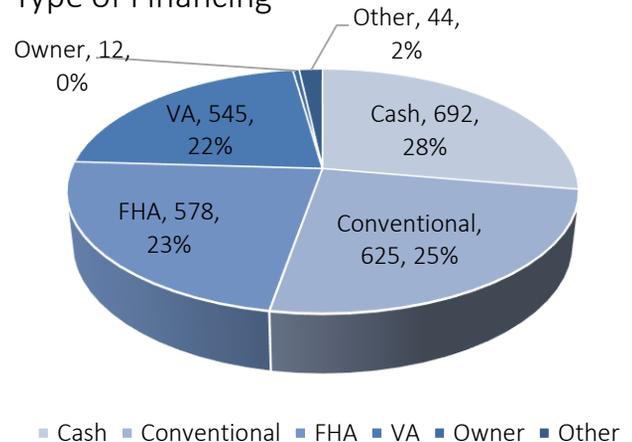
All-cash, conventional, VA, and FHA transactions account for about a quarter each of market share - totaling about 98% of observed financing choices. Followed by 2% owner/other-financing. It is noted, that in the Columbus, GA-AL MSA, cash transactions decreased slightly from 28% and conventional mortgages increased from 22% compared to EOY 2015.



DOM and Active Listings



Type of Financing





COLUMBUS STATE

UNIVERSITY

Author:

Alan Tidwell, Ph.D., CFP®

Violet Litchfield and Thomas Bryant Buck, Jr. Chair in Real Estate

Associate Professor of Finance

Department of Accounting and Finance

Turner College of Business

(706) 507-8160

atidwell@columbusstate.edu

Acknowledgements: Grateful appreciation to Elaine Reynolds with Columbus Board of Realtors® for data assistance; and for financial support provided through the Violet Litchfield and Thomas Bryant Buck, Jr. Chair in Real Estate at Columbus State University.