

Winston-Salem housing market gains affordability boost from realtor groups

Richard Craver – August 24, 2023



*Winston-Salem city skyline as seen from the Martin Luther King Jr. Blvd. interchange on U.S. 52.
Walt Unks, Journal*

Winston-Salem is one of the nation's most attractive housing markets for households — at least for those making at least \$100,000 in annual income.

That's according to a report released last week from the National Association of Realtors and Realtor.com that spotlighted 15 housing markets.

Winston-Salem was of only three in the Southeast, including Columbia, S.C., and Augusta, Ga.

The most affordability housing market was Akron, Ohio, at 71.2% and median sales price of \$206,000. Ohio contained the top-four markets.

The measuring stick: having the highest share of affordable listings for people earning \$100,000 as of June, according to TheStreet.com.

"In other words, the majority of homes for sale in these markets were available to people earning at least \$100,000 in annual income.

Winston-Salem's housing market was listed with 60.2% of residences for sale in June as being affordable.

Of the 15 housing markets, Winston-Salem had the highest median sale price of \$292,200 for the second quarter.

The median is the number in the middle, with the same amount of numbers below and above.

The real-estate groups determined the maximum affordable home price for the nation's metropolitan statistical areas.

They used a typical single-family affordable standard that 30% of a prospective buyer's annual income goes toward the housing payment, property tax and homeowner's insurance. Homebuyers were projected to be purchasing with a 30-year fixed-rate mortgage and a variable down payment.

Zagros Madjd-Sadjadi, an economics professor at Winston-Salem State University, said gaining this level of national residential real-estate recognition could spur ripple effect beyond the niche household income range.

"The low cost of living and housing in comparison with other metropolitan areas will likely continue to drive investment decisions for companies interested in relocating to our area," Madjd-Sadjadi said.

Home affordability has become a major, if not the prominent, factor when it comes how companies view where to locate or relocate facilities, said John H. Boyd, founder and principal with global site-selection firm The Boyd Co. of Boca Raton, Fla.

"Home affordability for many site-seeking companies is becoming a more critical location determinant, especially given today's mortgage rate inching above the 7% mark and the growing popularity of the rental market," Boyd said.

"That the Winston-Salem area shows especially well" is a plus for Winston-Salem given already "the superior state business climate of North Carolina vis-à-vis many of the other surveyed markets," Boyd said.

"The Triad's positive job opportunity prospects for newcomers and the fact that the Triad market is already a well-established landing spot for the new wave of people, including job-seekers as well as retirees, all in all is more good economic development news for the Triad."

According to the 2022 U.S. Census, 34% of U.S. households now earn at least \$100,000 annually.

The Winston-Salem area's existing single-family housing market remained solidly in the seller's favor during June, but with a slight dip in the median sale price, according to a July reports from the Winston-Salem Regional Association of Realtors.

The report covers the following ZIP codes: 27012, 27023, 27040, 27050, 27051, 27101, 27103, 27104, 27105, 27106, 27127 and 27284.

Three were 492 properties sold during June. The median sale price was down 1.2% to \$290,000, but sellers on average were still getting 101.4% of their listing price.

The median days that a sold home was on the market was up 4.2% year over year to 25.

There were 531 new listings during June, down 1.1% from a year ago. The median list price was \$309,950.

Also in July, the median existing sale price of a home in the Winston-Salem area was at a record \$240,000 during the second quarter, according to national real-estate research group Attom Data Solutions.

The five-county area of Davidson, Davie, Forsyth, Stokes and Yadkin also had a median sale price of a record \$240,000 in the second and third quarters of 2022.

The price has remained above \$200,000 each quarter since the third quarter of 2021.

The median sale price remains up 27.6% from \$172,000 when the COVID-19 pandemic surfaced in mid-March 2020.

"Just when it looked like the housing market was flattening out, prices spiked again, which pushed seller profits back up to nearly their highest level in the past decade," said Rob Barber, Attom's chief executive.

"Stable mortgage rates, an ongoing tight supply of homes for sale and the usual springtime surge in buyer demand appeared to have combined to halt the downturn we started seeing a year ago."

Barber cautioned that "it's way too early to predict another long-term price run-up, especially since buying a home is a financial stretch for so many households around the country."

“But the second-quarter numbers clearly show the market has more steam left in it, and sellers are reaping the benefits.”

Attom reported that all-cash homebuyers represented 39.3% of buyers in the Winston-Salem area, down from 43% a year ago.