

June 9, 2011

Public Comment
Graphical Comparisons

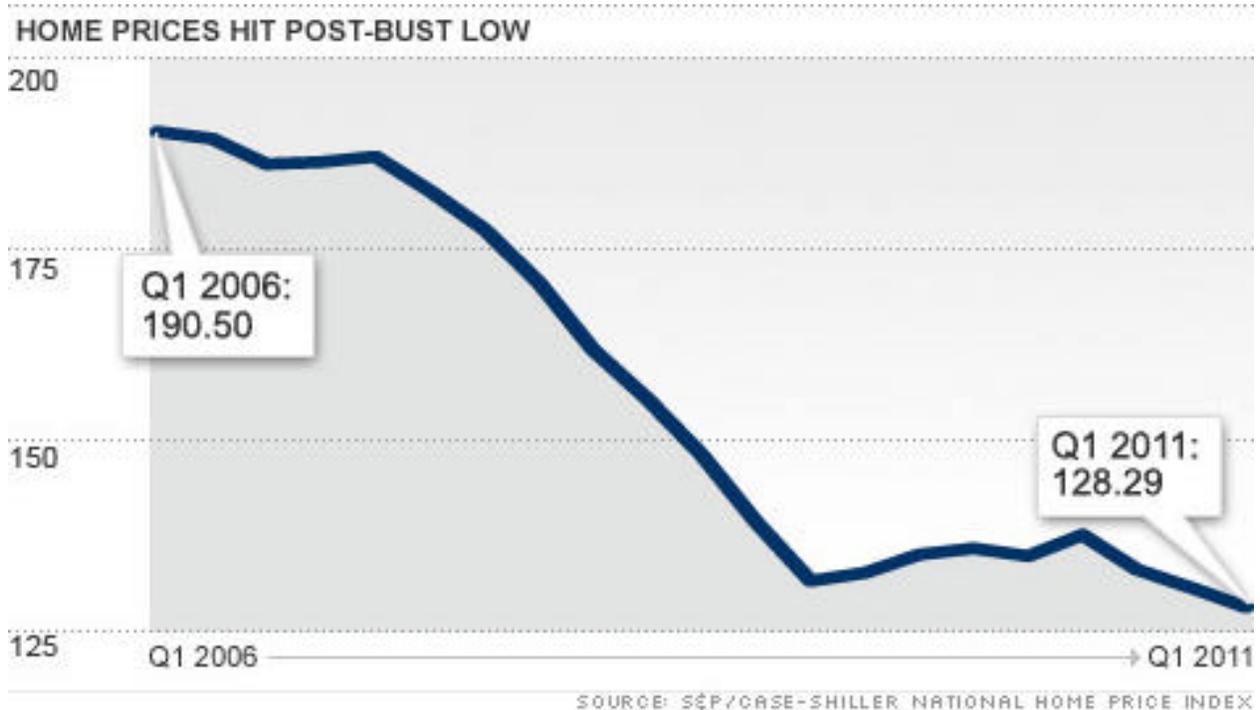
NC Association of Realtors, vs S&P/Case-Shiller National Home Price Index, vs. David Francis

The following is an analysis and comparison of various data, trends, and other data relating to the number of Existing Home Sales in North Carolina, National Home prices based on the latest Standard & Poors / Case-Shiller National Home Price Index, and David Francis's spreadsheet values of property values in Haywood County, all covering the years 2006 through 2010.

Standard & Poors / Case-Shiller National Home Price Index

[re: Home prices: 'Double-dip' confirmed, By Les Christie May 31, 2011: 10:43 AM ET, CNN Money, http://money.cnn.com/2011/05/31/real_estate/march_home_prices/index.htm]

NEW YORK (CNNMoney) -- Home prices hit another new low in the first quarter, down 5.1% from a year ago to levels not reached since 2002. It was the third straight quarterly drop for the S&P/Case-Shiller national home price index, which was released Tuesday. Prices are now down 32.7% from their peak set five years ago. "Home prices continue on their downward spiral with no relief in sight," said David Blitzer, spokesman for Standard and Poor's. ...



North Carolina Association of Realtors
[re: http://www.ncrealtors.org/market_statistics.cfm]

Data obtained from Existing Home Sales for 2006 - 2010 for “Haywood”, “Asheville”, and Totals for entire State of North Carolina.

Their data contains statistics in the following three (3) areas:

- Units Sold
- Average Cost of Existing Home Sales
- Total Dollars of Existing Home Sales

It is important to note that property values are not compiled, but it is interesting to compare normalized values of this data against the graph of S&P/Case-Shiller National Home Price Index.

These two compare reasonably, i.e., national trend vs. North Carolina Trend.

What will blow your noodle is when we overlay David Francis’s spread sheet of ever increasing property values on top of this normalize data.

[Editors Note: Normalized data means that data is presented such that values of different things on vastly different scales can be easily compared to one another. With this data, 2006 is the starting point, and declared with a value of 1.0. As any data increases or decreases from that point, it is plotted by what percentage it increases or decreases, so trends can be easily compared with one another].

It is important to point out that these comparisons are not “apples” to “apples”. None of the data from either the North Carolina Association of Realtors or the Home Index relates directly to property values, per se.

The following three (3) graphs show the three categories of statistics from the North Carolina Association of Realtors [Units Sold, Average Cost, and Total Dollars], plotted against normalized values of the S&P Home Index, and David Francis’s property value spreadsheet.

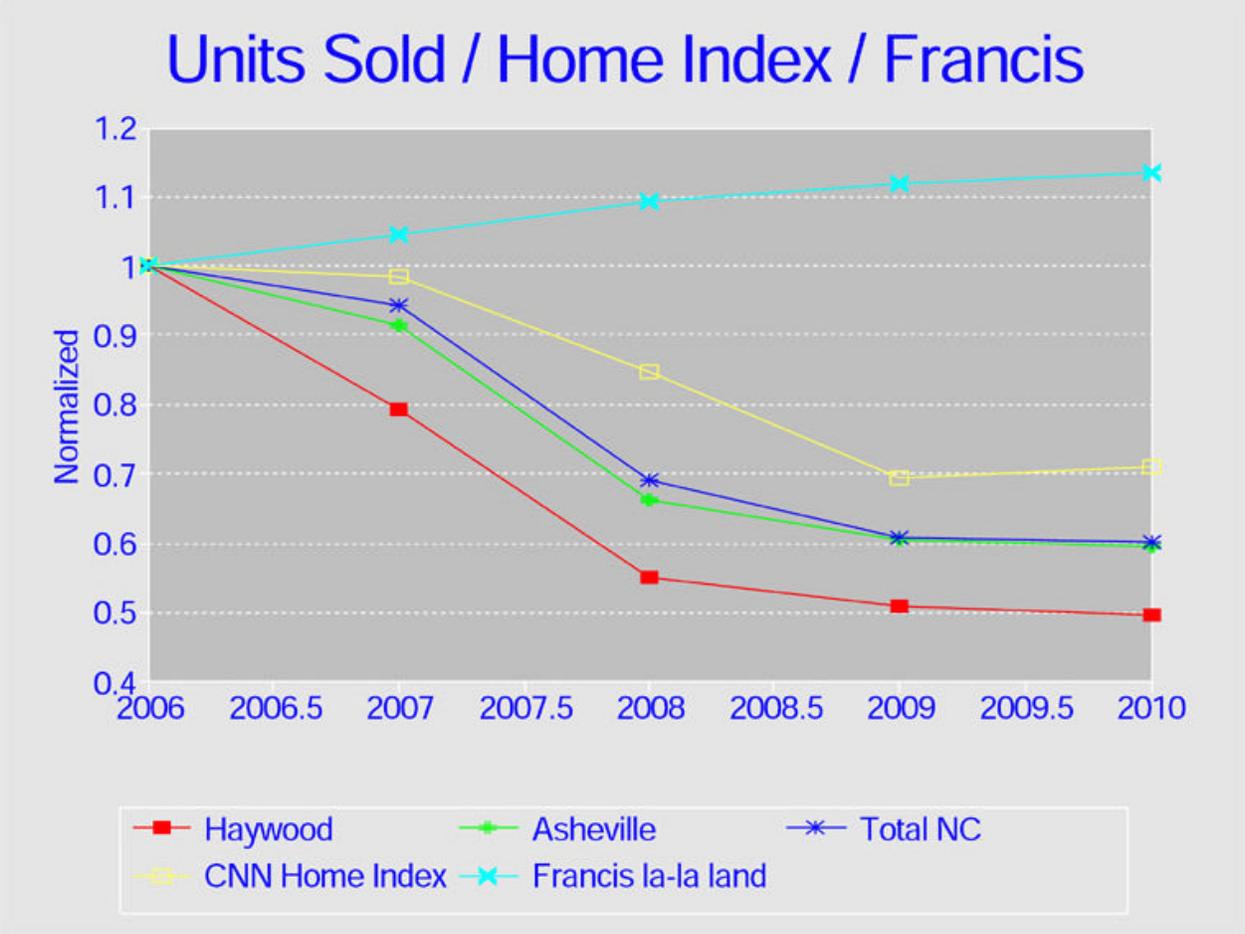
There are twenty (20) areas or sections of North Carolina in the NC Association of Realtors data. I chose three (3) of them to use as representative values:

- “Haywood”
- “Asheville”
- “Total”

along with

- CNN Home Index
- Francis.

So there are five (5) sets of curves for each plot.



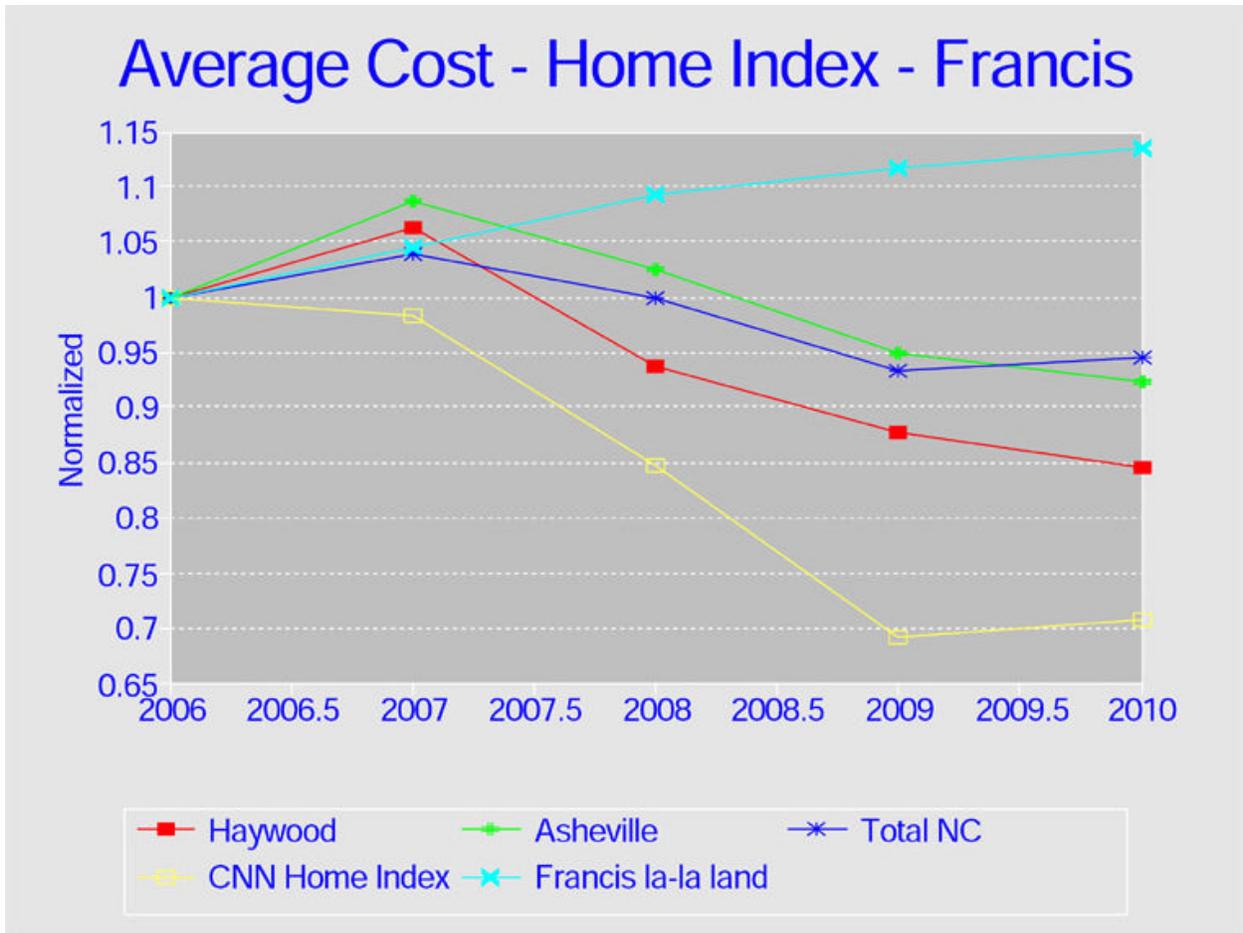
Analysis:

The number of units drops about 40% for Asheville and the Total of NC. Haywood drops about 50%

These three curves compare similarly with the National Home Index drop in home values of 33%.

Francis’s curve of ever increasing property values floats upward off into la-la land.

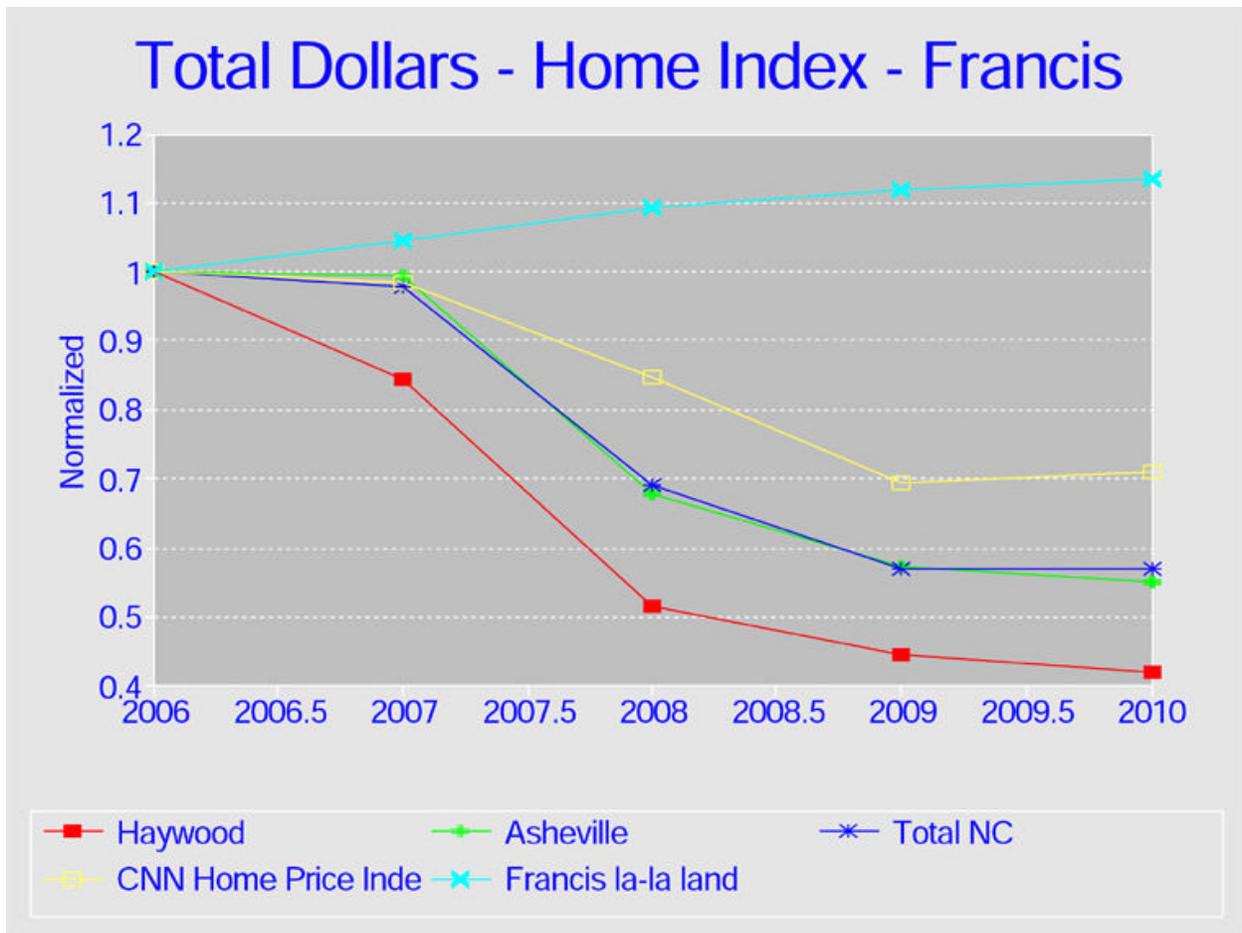
It is evident to the casual observer that there appears to be a drop in demand in the housing market.



Analysis:

This is the average cost of existing home sales. There was a slight increase from 2006 to 2007, but all dropped after that. This is exacerbated since home prices in general started to fall, which implies that there were more homes being sold at lower prices.

Yet, David Francis's take on property value is ever increasing off into la-la land.



Analysis:

This is the most telling of all. Time after time, we have heard from our county commissioners that we are so lucky to live in Haywood County because it is so desirable, and our property values have not decreased, but have increased. We live in a small bubble to be envied by the rest of the nation.

But wait!

Asheville compares identically with the North Carolina total of all sales on a normalized scale, and Haywood County had taken a severe hit beyond Asheville and the total sales.

Please explain that bubble that we live in again.

Yet here we are, when we look at David Francis's numbers again, they go shooting off into deep space.

The next page shows the source code for values used in all of the previous graphs.

Conclusion. I contend that **David Francis' numbers are wrong.**

Monroe A. Miller Jr.
Haywood County Taxpayer

NC Association of Realtors - S&P Case-Shiller, Francis

Units Sold	2006	2007	2008	2009	2010
Year					
Haywood					
Units Sold	998	791	547	508	495
Normalize	1.00	0.79	0.55	0.51	0.50
Ave. Cost	232,439	247,049	218,015	203,990	196,724
Normalize	1	1.06	0.94	0.88	0.85
Total \$	231,974,197	195,415,792	119,254,330	103,627,132	97,378,438
Normalize	1	0.84	0.51	0.45	0.42
Asheville					
Units Sold	3637	3325	2403	2199	2162
Normalize	1	0.91	0.66	0.60	0.59
Ave. Cost	271,828	295,410	278,428	258,045	250,985
Normalize	1	1.09	1.02	0.95	0.92
Total \$	988,637,241	982,237,368	669,062,760	567,440,126	542,629,021
Normalize	1	0.99	0.68	0.57	0.55
Total					
Units Sold	133,588	125,896	92,275	81,259	80,568
Normalize	1	0.94	0.69	0.61	0.60
Ave. Cost	214,948	223,270	214,799	200,606	203,071
Normalize	1	1.04	1.00	0.93	0.94
Total \$	28,714,518,243	28,108,746,331	19,820,599,883	16,301,080,564	16,361,044,444
Normalize	1	0.98	0.69	0.57	0.57
CNN Money chart					
		S&P Case-Schiller National Home Price Index			
Home Price	190.5	187.27	161.5	131.9	134.97
Normalize	1	0.98	0.85	0.69	0.71
Francis					
La-la land	5,983,379,792	6,257,155,922	6,530,671,982	6,684,214,356	6,787,564,357
Normalize	1	1.05	1.09	1.12	1.13