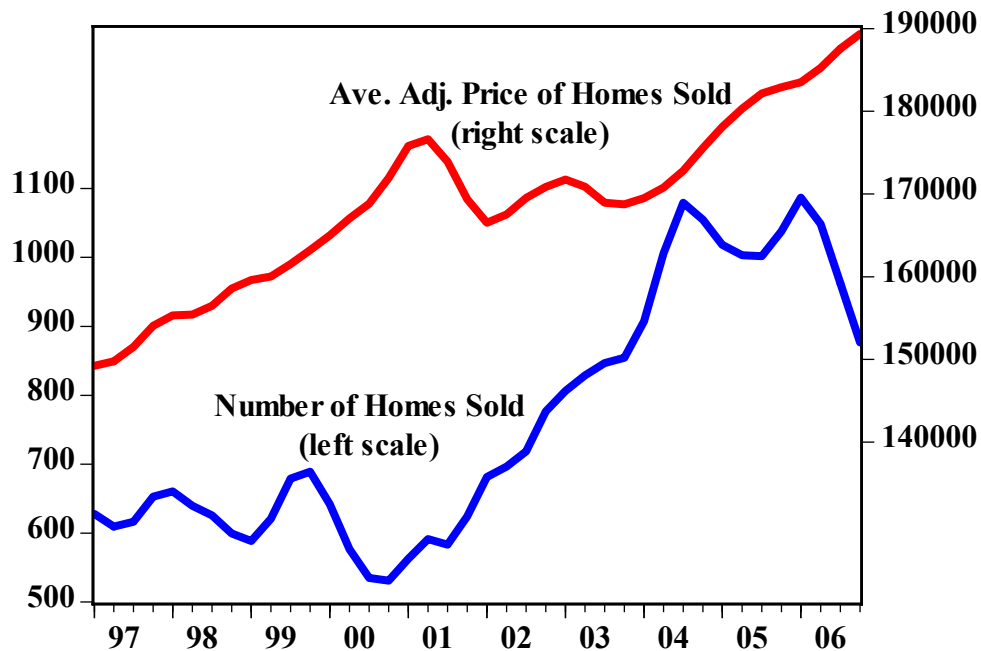


## *The Greensboro Housing Report, 2006.4*

### Current Outlook

The number of existing, single-family homes sold in the Greensboro area of Guilford County totaled 877 in the 4th quarter of 2006 after adjustment for seasonal variation.<sup>1</sup> The number sold was off -8.9 percent compared to the level of sales recorded in the 3rd quarter, and it was -15.5 percent below the number sold during the 4th quarter one year ago. Nationally, the pace of existing home sales has fallen -10.7 percent over the past 12 months.<sup>2</sup>

**Number and Prices of Existing Homes Sold, 1997.1 – 2006.4**  
(seasonally adjusted)



At the end of the 4th quarter of 2006, the inventory of homes on the market was 2,045, or 2.4 times the number of homes sold in the 4th quarter. At the current sales pace, it will take 7.2 months to exhaust the inventory. The number of existing homes offered for sale was down -13.1 percent from what it was at the end of the 3rd quarter, and it was -30.2 percent below the level one year ago.

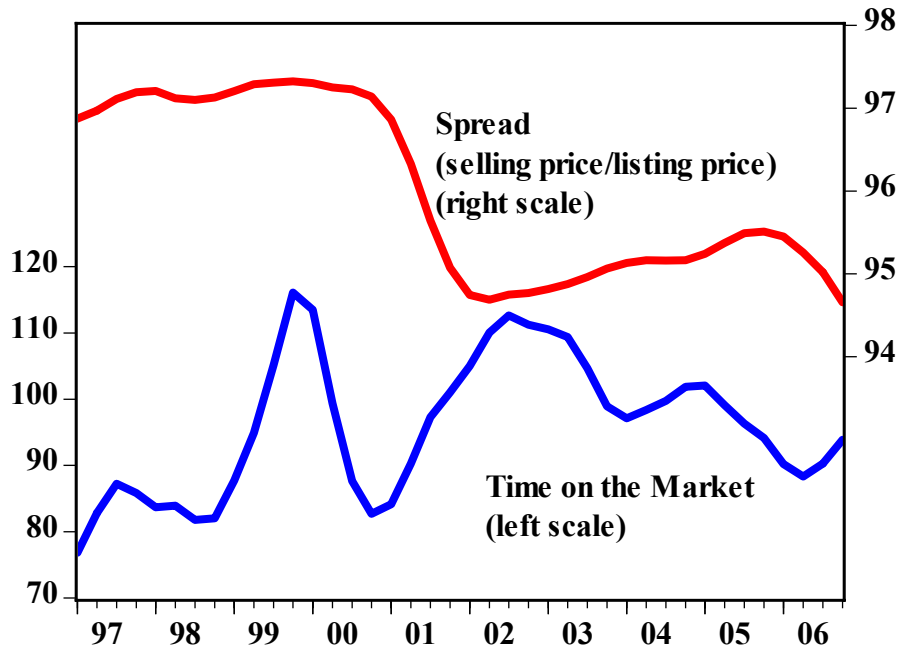
The quality-adjusted price of the average home sold in the 4th quarter was up 0.9 percent from the previous quarter. The average quality-adjusted price of an existing home in Greensboro was \$189,362. The average this quarter was 3.5 percent above the average recorded in the 4th quarter of last year. Over the past year, consumer prices nationally have risen 1.8 percent, indicating that real home prices in Greensboro have risen.

Other indicators of housing activity in the 4th quarter offer a picture of a slowing market. The average time on the market for existing homes sold was 93.9 days, up 4.0 percent from the average in the 3rd quarter. The sale-list price spread, which shows the ratio of selling to listing price, was lower at 94.7 percent, indicating a small rise in the level of discounting in the market.

<sup>1</sup> The Greensboro area of Guilford County includes all of Guilford County except High Point and Jamestown.

<sup>2</sup> This percentage is calculated from Nov. 2005 to Nov. 2006.

**Existing Homes, 1997.1 – 2006.4**  
(seasonally adjusted)



Housing affordability is an important factor shaping housing demand. The affordability index rose 2.3 percent this quarter. Since the 4th quarter of 2005, the affordability index has fallen -1.3 percent.

**Existing Home Sales Data, 2006.4 – 2005.4**

	2006.4	2006.3	2005.4	% Chg Last Qtr.	% Chg Last Yr.
<i>Seasonally Adjusted</i>					
Adj. Ave. Home Price	\$189,362	\$187,580	\$182,902	0.9%	3.5%
No. of Homes Sold	877	963	1,038	-8.9%	-15.5%
Time on Market (days)	93.9	90.3	94.1	4.0%	-0.2%
Spread: (sale price/list price)	94.7	95.0	95.5	-0.3%	-0.8%
<i>Unadjusted</i>					
Ave. Home Price	\$185,618	\$188,989	\$179,740	-1.8%	3.3%
No. of Homes Sold	838	1,091	1,010	-23.2%	-17.0%
< \$150K	373	439	493	-15.0%	-24.3%
\$150K - \$349K	351	469	398	-25.2%	-11.8%
\$350K & Over	114	183	119	-37.7%	-4.2%
Inventory, end of qtr.	2,045	2,353	2,929	-13.1%	-30.2%
Inventory/Sales	2.4	2.2	2.9	13.1%	-15.9%
Affordability Index	102.6	100.3	104.0	2.3%	-1.3%

## The Neighborhood Distribution of Existing Home Sales

During the 4th quarter, the largest number of sales of existing homes occurred in zip code 27403. This neighborhood, which takes in the area around and to the south and west of UNCG, had a total of 133 sales. It was followed by the South Greensboro area (zip code 27406) which recorded a total of 121 sales. The Lake Jeanette area (zip code 27455) recorded the highest average price of homes sold, with 85 sales averaging \$299,700. The highest inventory to sales ratios were in zip codes 27401 and 27357 with ratios of 5.0 and 3.5 respectively. Zip code 27401 includes most of downtown Greensboro and neighborhoods directly east of downtown, while Zip code 27357 is in the Stokesdale area of northwest Guilford County.

### The Neighborhood Distribution of Existing Home Sales, 2006.4

Zip	Price Range	No. Sales	Ave. Price	Spread	TOM	Inventory End of Qtr.	Inv./Sales
27214	< \$150K	11	\$133,561	88.1	115.2	15	1.4
27214	\$150K - \$349K	22	\$237,991	98.6	155.0	73	3.3
27214	\$350K & Over	2	\$408,000	94.0	78.5	26	13.0
27214	Total	35	\$191,570	89.7	133.7	114	3.3
27310	< \$150K	3	\$145,667	98.7	58.0	3	3.5
27310	\$150K - \$349K	13	\$263,315	89.8	64.4	21	2.6
27310	\$350K & Over	17	\$435,865	95.2	85.9	41	2.1
27310	Total	33	\$341,509	93.4	74.9	65	2.0
27313	< \$150K	5	\$110,520	97.3	19.4	3	0.6
27313	\$150K - \$349K	6	\$225,417	97.3	188.8	14	2.3
27313	\$350K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27313	Total	11	\$173,191	97.3	111.8	17	1.5
27357	< \$150K	4	\$98,600	98.2	15.0	3	0.8
27357	\$150K - \$349K	9	\$241,216	98.5	118.8	38	4.2
27357	\$350K & Over	4	\$417,725	96.6	146.3	18	4.5
27357	Total	17	\$249,191	98.0	100.8	59	3.5
27358	< \$150K	2	\$91,265	86.9	155.5	3	1.5
27358	\$150K - \$349K	18	\$256,111	97.7	71.9	22	1.2
27358	\$350K & Over	19	\$577,123	98.0	140.8	79	4.2
27358	Total	39	\$122,885	49.6	41.2	104	2.7
27377	< \$150K	39	\$87,381	88.9	72.5	68	1.7
27377	\$150K - \$349K	21	\$237,500	96.0	50.0	28	1.3
27377	\$350K & Over	2	\$413,500	97.1	88.5	11	5.5
27377	Total	62	\$148,748	91.5	65.4	107	1.7
27401	< \$150K	14	\$72,716	88.6	110.9	67	4.8
27401	\$150K - \$349K	1	\$340,000	93.2	175.0	8	8.0
27401	\$350K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27401	Total	15	\$90,535	88.9	115.2	75	5.0
27403	< \$150K	94	\$100,820	93.6	66.3	205	2.2
27403	\$150K - \$349K	39	\$202,177	95.8	97.9	98	2.5
27403	\$350K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27403	Total	133	\$130,541	94.3	75.6	303	2.3

## The Neighborhood Distribution of Existing Home Sales, continued

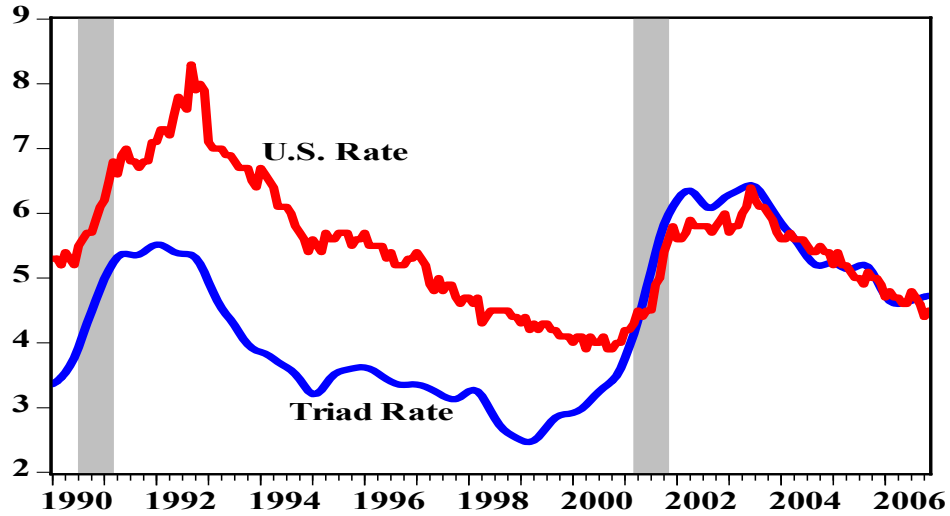
Zip	Price Range	No. Sales	Ave. Price	Spread	TOM	Inventory End of Qtr.	Inv./Sales
27405	< \$150K	95	\$97,148	92.6	102.1	197	2.1
27405	\$150K - \$349K	16	\$176,012	98.5	124.5	54	3.4
27405	\$350K & Over	1	\$386,500	94.3	129.0	4	4.0
27405	Total	112	\$110,998	93.4	105.5	255	2.3
27406	< \$150K	84	\$95,474	90.7	96.0	178	2.1
27406	\$150K - \$349K	30	\$237,589	95.8	111.1	76	2.5
27406	\$350K & Over	7	\$399,314	97.3	154.4	18	2.6
27406	Total	121	\$148,287	92.4	103.1	272	2.2
27407	< \$150K	50	\$109,594	91.6	82.4	97	1.9
27407	\$150K - \$349K	34	\$206,085	96.3	72.0	76	2.2
27407	\$350K & Over	4	\$495,729	94.9	100.3	33	8.3
27407	Total	88	\$164,426	93.6	79.2	206	2.3
27408	< \$150K	10	\$119,540	94.3	56.2	23	2.3
27408	\$150K - \$349K	17	\$193,969	94.2	77.0	34	2.0
27408	\$350K & Over	7	\$557,357	92.4	124.1	42	6.0
27408	Total	34	\$246,893	93.8	80.6	99	2.9
27409	< \$150K	8	\$125,481	93.3	67.0	5	0.6
27409	\$150K - \$349K	10	\$196,240	96.6	60.9	13	1.3
27409	\$350K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27409	Total	18	\$164,792	95.1	63.6	18	1.0
27410	< \$150K	18	\$135,214	97.2	45.4	6	0.3
27410	\$150K - \$349K	76	\$226,256	95.9	80.7	114	1.5
27410	\$350K & Over	17	\$533,618	93.9	106.1	49	2.9
27410	Total	111	\$258,566	95.8	78.9	169	1.5
27455	< \$150K	19	\$130,853	96.2	62.9	25	1.3
27455	\$150K - \$349K	37	\$250,610	96.0	86.8	79	2.1
27455	\$350K & Over	29	\$472,958	96.0	89.4	82	2.8
27455	Total	85	\$299,700	96.0	82.3	186	2.2

### Economic Trends in the Piedmont Triad

Economic conditions in the eight-county Piedmont Triad region improved modestly during the 4th quarter.<sup>3</sup> The seasonally adjusted rate of unemployment in the Triad was 4.7 percent in November, unchanged from the revised figure for October. The national unemployment rate was 4.5 percent, up 0.1 percentage points from last month.

<sup>3</sup> The Triad is defined as the eight-county area that is composed of the Burlington MSA, the Greensboro/High Point MSA, and the Winston-Salem MSA.

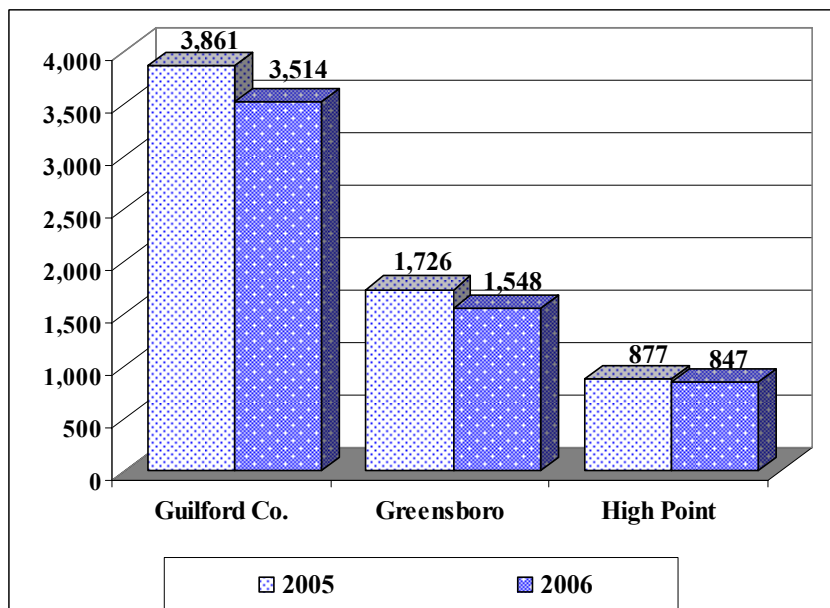
## Unemployment Rate (seasonally adjusted)



Total nonagricultural wage and salary employment (employer survey) in the Piedmont Triad was up 0.1 percent in November. Over the past 12 months, employment has gained 0.7 percent. For the nation as a whole, employment was up 0.1 percent in November. Over the past 12 months, national employment has risen 1.3 percent.

Planned single-family residential construction declined during the 4th quarter. Residential building permits (which reflect plans for future construction) were off -9.0 percent in Guilford County as a whole during the first 11 months of 2006 compared to the same period in 2005. Permits declined -10.3 percent in Greensboro and were off -3.4 percent in High Point.

### Building Permits, 2005-2006<sup>4</sup>

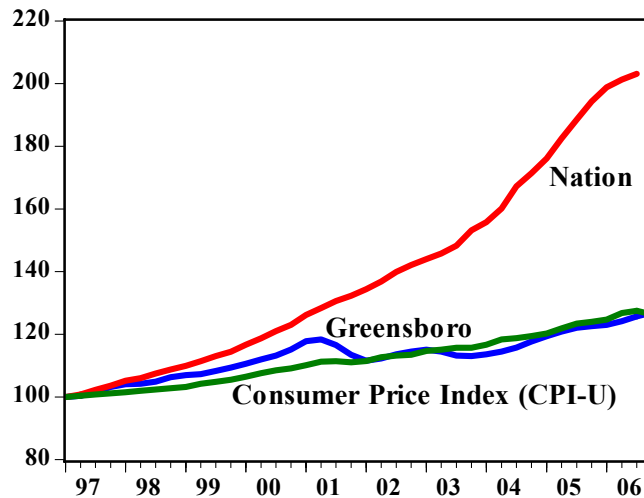


<sup>4</sup> Figures reflect year-to-date totals through November.

## Longer-Term Trends

Since the 1st quarter of 1997, existing home prices in Greensboro have risen at an average annual rate of 2.5 percent, slightly ahead of the consumer price index (CPI), which has increased an average of 2.4 percent annually. The appreciation of housing prices in Greensboro has lagged substantially the rise in housing prices nationally. For the nation as a whole, existing home prices have risen at a 7.5 percent annual rate from 1997.1 through the 3rd quarter of 2006, according to the Office of Federal Housing Enterprise Oversight (OFHEO).

**Existing Housing Prices in Greensboro & the Nation  
(quality adjusted, index scale)**



In 2006, the average existing home that was sold had 2,110 square feet of floor space. It was 1.5 stories high, had 2.4 bathrooms, and 1.3 garage parking spaces. Eighty-nine percent had fireplaces. The average age of existing homes sold was 22.5 years. Seventy-seven percent of existing homes sold were in the city limits of Greensboro, and 34 percent of all homes were in the northwest part of Guilford County.

### Characteristics of Existing Homes Sold, 2006

Square Footage	2,110
Floors	1.5
Baths	2.4
Garage Spaces	1.3
Fireplaces	89%
Age	22.5
In the City	77%
Northwest	34%
Number Sold	3,958

## Methodology

The *Greensboro Housing Report* uses data from the Triad MLS to track the pace of housing activity in Guilford County, excluding High Point and Jamestown. Average home price numbers reflect quality-adjusted averages. These averages are constructed using the multiple regression approach. Among the independent variables in the analysis are: neighborhood housing prices, square footage, number of baths, age, and other amenities of the structure. This approach to calculating quality-adjusted prices is discussed in: G. D. Jud & T. G. Seaks,

"Sample Selection Bias in Estimating Housing Sales Prices," *Journal of Real Estate Research*, Vol. 9, No. 3, (1994), pp. 289-298.

The affordability index measures changes in the income-payment ratio. The loan payment is calculated as the monthly payment necessary to finance a 90 percent, 30-year loan on the average house price at prevailing interest rates. The income measure is average household income, as reported by the U.S. Department of Commerce, Bureau of Economic Analysis. The sales-list price spread is the ratio of selling price to listing price.

**The *Greensboro Housing Report* is compiled for the Triad MLS by Dr. G. Donald Jud, *Jud & Associates*, 722 Rollingwood Drive, Greensboro, NC 27410 - 6165. Phone: 336-294-3655; Email: [GDonaldJud@JudAssociates.com](mailto:GDonaldJud@JudAssociates.com).**