

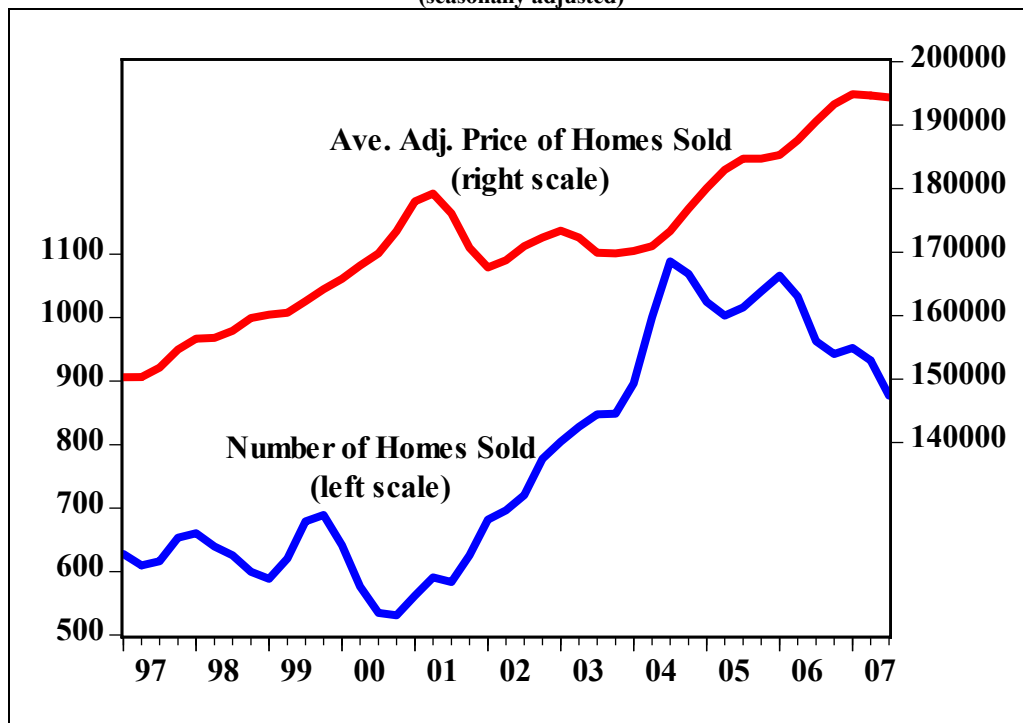
The Greensboro Housing Report, 2007.3

Current Outlook

The number of existing, single-family homes sold in the Greensboro area of Guilford County totaled 877 in the 3rd quarter of 2007 after adjustment for seasonal variation.¹ The number sold was down -5.9 percent compared to the level of sales recorded in the 2nd quarter, and it was -8.9 percent below the number sold during the 3rd quarter one year ago.

Nationally, the pace of existing home sales has fallen -12.8 percent over the past 12 months.² Average home prices are down -0.3 percent across the nation and -0.9 percent in the South.

Number and Prices of Existing Homes Sold, 1997.1 – 2007.3
(seasonally adjusted)



At the end of the 3rd quarter of 2007, the inventory of homes on the Greensboro market was 2,428, or 2.5 times the number of homes sold in the 3rd quarter. At the current sales pace, it will take 7.5 months to exhaust the inventory. The number of existing homes offered for sale was down -2.1 percent from what it was at the end of the 2nd quarter, but it was 3.2 percent above the level one year ago.

The quality-adjusted price of the average home sold in the 3rd quarter was off -0.2 percent from the previous quarter. The average quality-adjusted price of an existing home in Greensboro was \$194,354. The average this quarter was 2.0 percent above the average recorded in the 3rd quarter of last year. Over the past year, consumer prices nationally have risen 2.3 percent, indicating that real home prices in Greensboro have declined slightly.

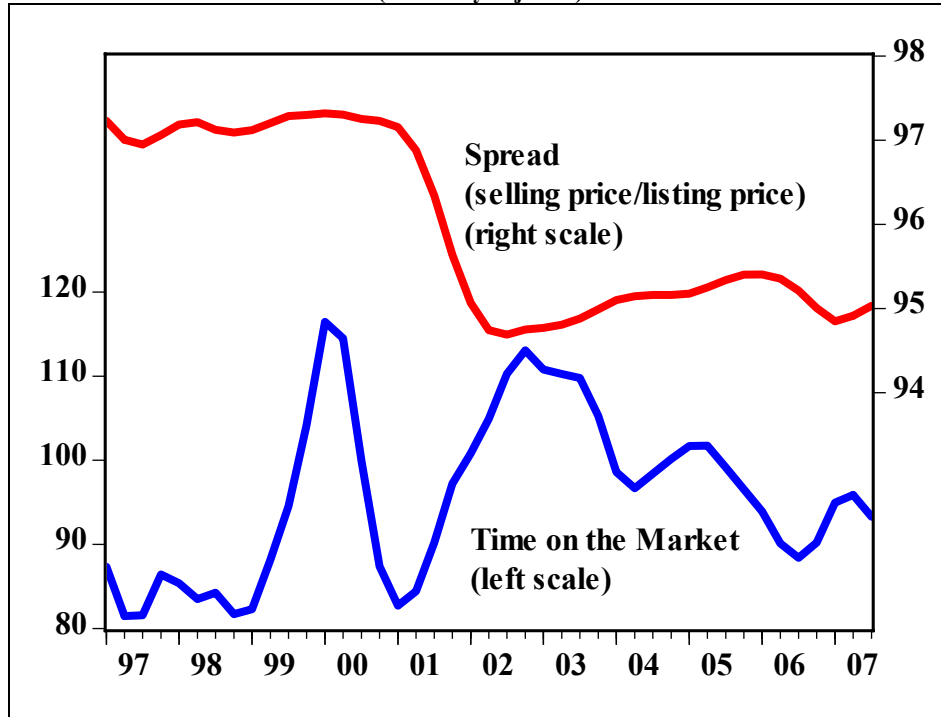
Other indicators of housing activity in the 3rd quarter suggest a slowing market. The average time on the market for existing homes sold was 93.3 days, up 5.5 percent from the average in the 3rd quarter one year ago.

¹ The Greensboro area of Guilford County includes all of Guilford County except High Point and Jamestown.

² This percentage is calculated from August 2006 to August 2007 using data from the National Assn. of Realtors®.

The sale-list price spread, which shows the ratio of selling to listing price, was lower at 95.0 percent, indicating a small increase in the level of discounting in the market over the past year.

Existing Homes, 1997.1 – 2007.3
(seasonally adjusted)



Housing affordability is an important factor shaping housing demand. The affordability index slipped -0.2 percent this quarter. Since the 3rd quarter of 2006, the affordability index has risen 0.2 percent.

Existing Home Sales Data

	2007.3	2007.2	2006.3	% Chg Last Qtr.	% Chg Last Yr.
Seasonally Adjusted					
Adj. Ave. Home Price	\$194,354	\$194,666	\$190,597	-0.2%	2.0%
No. of Homes Sold	877	932	962	-5.9%	-8.9%
Time on Market (days)	93.3	95.9	88.4	-2.7%	5.5%
Spread: (sale price/list price)	95.0	94.9	95.2	0.1%	-0.2%
Seasonally Unadjusted					
Ave. Home Price	\$196,399	\$197,702	\$191,792	-0.7%	2.4%
No. of Homes Sold	987	1,070	1,091	-7.8%	-9.5%
< \$150K	382	425	439	-10.1%	-13.0%
\$150K - \$349K	441	484	469	-8.9%	-6.0%
\$350K & Over	164	161	183	1.9%	-10.4%
Inventory, end of qtr.	2,428	2,479	2,353	-2.1%	3.2%
Inventory/Sales	2.5	2.3	2.2	6.2%	14.1%
Affordability Index	99.5	99.7	99.3	-0.2%	0.2%

The Neighborhood Distribution of Existing Home Sales

During the 3rd quarter, the largest number of sales of existing homes occurred in zip code 27410. This neighborhood, which encompasses much of northwest Greensboro, had a total of 148 sales. It was followed by the South Greensboro area (zip code 27406) which recorded a total of 119 sales. The Summerfield area (zip code 27358) recorded the highest average price of homes sold, with 48 sales averaging \$435,839. The highest inventory to sales ratios were in zip codes 27401 and 27377 with ratios of 4.6 and 4.5 respectively. Zip code 27401 includes an area in and to the east of downtown Greensboro, while Zip code 27377 is in southeastern Guilford County and includes the Stoney Creek and Whitsett areas.

The Neighborhood Distribution of Existing Home Sales, 2007.3

Zip	Price Range	No. Sales	Ave. Price	Spread	TOM	Inventory End of Qtr.	Inv./Sales
27214	< \$150K	8	\$131,963	93.4	58.4	18	2.3
27214	\$150K - \$349K	18	\$236,401	96.7	163.9	65	3.6
27214	\$350K & Over	8	\$423,348	96.9	126.0	13	1.6
27214	Total	34	\$255,815	96.0	130.1	96	2.8
27284	< \$150K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27284	\$150K - \$349K	4	\$187,475	94.8	63.5	6	1.5
27284	\$350K & Over	3	\$365,467	98.4	36.0	19	6.3
27284	Total	7	\$263,757	96.3	51.7	25	3.6
27310	< \$150K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27310	\$150K - \$349K	16	\$250,456	97.0	58.6	24	1.5
27310	\$350K & Over	22	\$439,426	96.3	75.4	51	2.3
27310	Total	38	\$359,860	96.6	68.3	75	2.0
27358	< \$150K	1	\$124,000	88.6	100.0	3	3.0
27358	\$150K - \$349K	20	\$241,993	96.4	51.2	31	1.6
27358	\$350K & Over	27	\$590,978	91.7	133.0	111	4.1
27358	Total	48	\$435,839	93.6	98.2	145	3.0
27377	< \$150K	4	\$120,650	95.1	107.0	3	0.8
27377	\$150K - \$349K	9	\$247,067	93.2	116.9	44	4.9
27377	\$350K & Over	2	\$560,000	104.4	121.5	20	10.0
27377	Total	15	\$255,080	95.2	114.9	67	4.5
27401	< \$150K	13	\$86,631	92.6	72.1	71	5.5
27401	\$150K - \$349K	3	\$224,333	85.2	152.0	12	4.0
27401	\$350K & Over	3	\$533,250	92.2	66.7	4	1.3
27401	Total	19	\$178,892	91.4	83.8	87	4.6
27403	< \$150K	23	\$85,148	88.8	88.7	87	3.8
27403	\$150K - \$349K	25	\$255,632	95.7	39.2	40	1.6
27403	\$350K & Over	5	\$400,800	90.1	77.8	5	1.0
27403	Total	53	\$195,344	92.2	64.4	132	2.5
27405	< \$150K	77	\$92,181	89.8	99.6	271	3.5
27405	\$150K - \$349K	24	\$175,187	98.8	128.5	71	3.0
27405	\$350K & Over	1	\$359,900	97.3	17.0	2	2.0
27405	Total	102	\$110,808	91.0	105.4	344	3.4

The Neighborhood Distribution of Existing Home Sales, continued

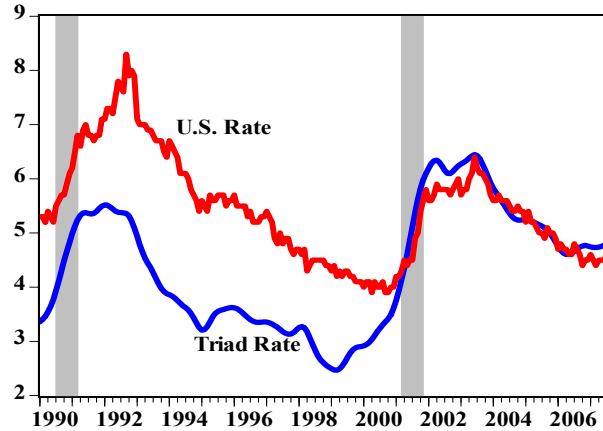
Zip	Price Range	No. Sales	Ave. Price	Spread	TOM	Inventory End of Qtr.	Inv./Sales
27406	< \$150K	89	\$97,939	91.4	86.5	194	2.2
27406	\$150K - \$349K	27	\$221,942	95.3	118.6	129	4.8
27406	\$350K & Over	3	\$356,667	89.1	137.3	31	10.3
27406	Total	119	\$132,597	92.2	95.0	354	3.0
27407	< \$150K	69	\$107,331	93.9	81.1	97	1.4
27407	\$150K - \$349K	44	\$211,601	97.5	72.1	103	2.3
27407	\$350K & Over	2	\$560,500	96.8	151.0	35	17.5
27407	Total	115	\$155,107	95.3	78.8	235	2.0
27408	< \$150K	18	\$126,094	93.9	67.8	19	1.1
27408	\$150K - \$349K	28	\$204,064	95.9	43.8	45	1.6
27408	\$350K & Over	21	\$561,798	95.5	96.3	72	3.4
27408	Total	67	\$295,243	95.2	66.7	136	2.0
27409	< \$150K	4	\$116,875	102.5	32.3	7	1.8
27409	\$150K - \$349K	17	\$227,195	95.9	83.1	20	1.2
27409	\$350K & Over	2	\$403,500	95.1	13.5	6	3.0
27409	Total	23	\$223,340	97.0	68.2	33	1.4
27410	< \$150K	25	\$134,934	96.2	33.0	8	0.3
27410	\$150K - \$349K	105	\$225,226	95.8	49.4	145	1.4
27410	\$350K & Over	18	\$444,033	94.0	90.6	75	4.2
27410	Total	148	\$236,586	95.6	51.6	228	1.5
27455	< \$150K	24	\$122,506	96.0	55.8	25	1.0
27455	\$150K - \$349K	44	\$242,000	96.4	75.4	70	1.6
27455	\$350K & Over	35	\$498,134	96.0	72.6	91	2.6
27455	Total	103	\$301,193	96.2	69.9	186	1.8

Economic Trends in the Piedmont Triad

Economic conditions in the eight-county Piedmont Triad region improved modestly during the 3rd quarter.³ The seasonally adjusted rate of unemployment in the Triad was 4.8 percent in August, unchanged from the revised figure for the second quarter. The national unemployment rate was 4.6 percent, up 0.1 percentage points from last quarter.

³ 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.

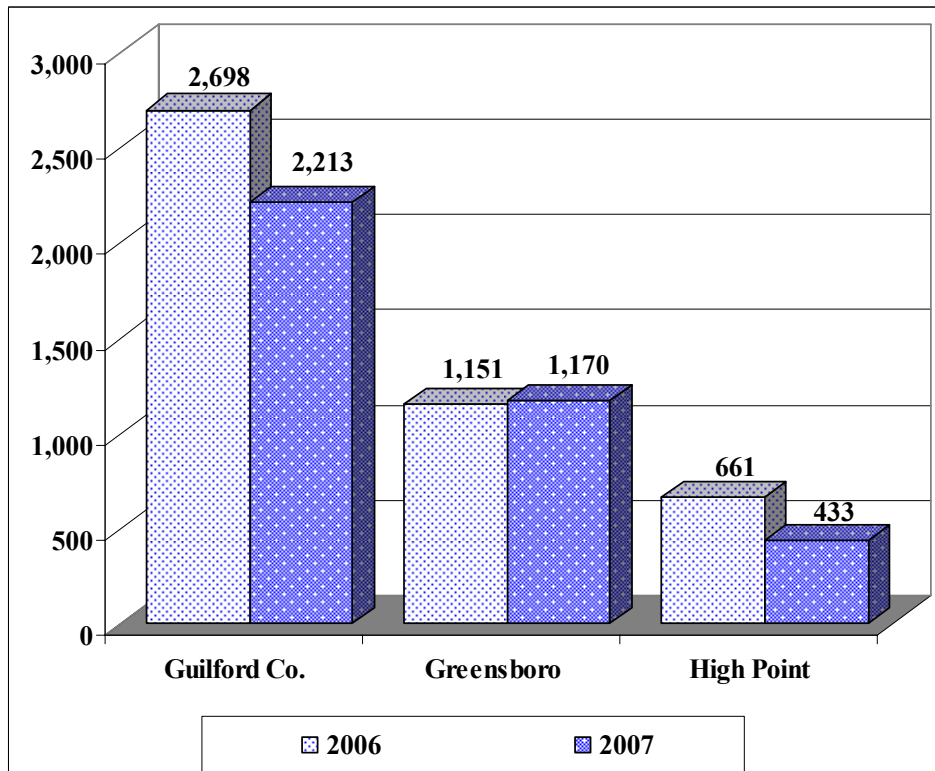
**Unemployment Rate
(seasonally adjusted)**



Total nonagricultural wage and salary employment (employer survey) in the Piedmont Triad was up 0.2 percent in August. Over the past 12 months, employment has gained 1.7 percent. For the nation as a whole, employment was essentially unchanged in August. Over the past 12 months, national employment has risen 1.2 percent.

Planned single-family residential construction declined during the 3rd quarter. Residential building permits (which reflect plans for future construction) were off -18.0 percent in Guilford County as a whole during the first 8 months of 2007 compared to the same period in 2006. Permits increased 1.7 percent in Greensboro but were down -34.5 percent in High Point.

Building Permits, 2006-2007⁴

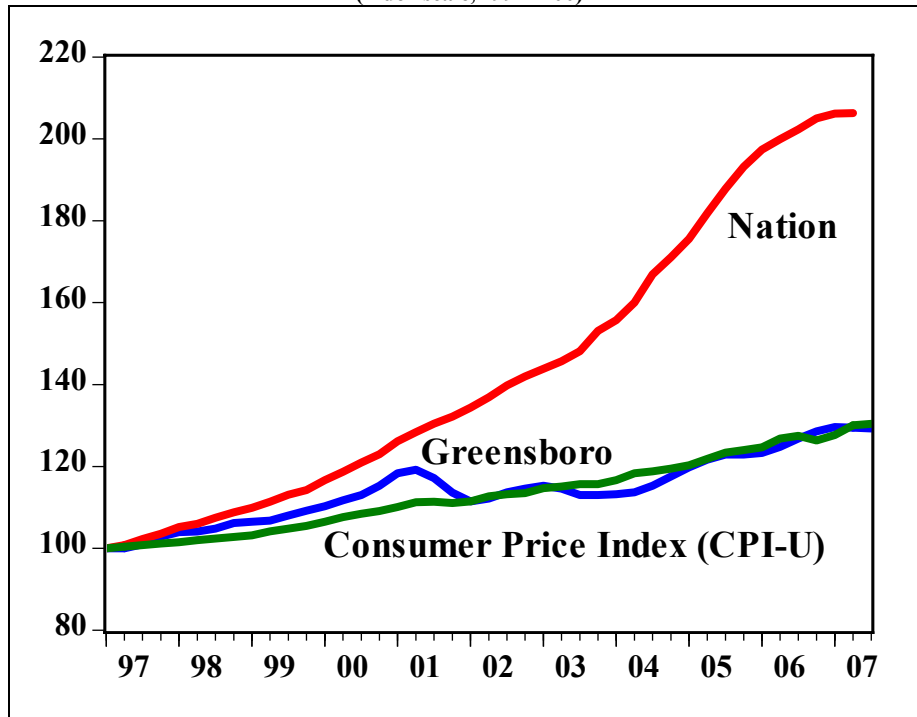


⁴ Figures reflect year-to-date totals through August.

Longer-Term Trends

Since the first quarter of 1997, existing home prices in Greensboro have risen at an average annual rate of 2.5 percent, matching the consumer price index (CPI), which also has increased an average of 2.5 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 7.1 percent annual rate from 1997.1 through the 2nd quarter of 2007, according to the Office of Federal Housing Enterprise Oversight (OFHEO).

Existing Housing Prices in Greensboro & the Nation
(index scale, 1997=100)



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 exiting 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.

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