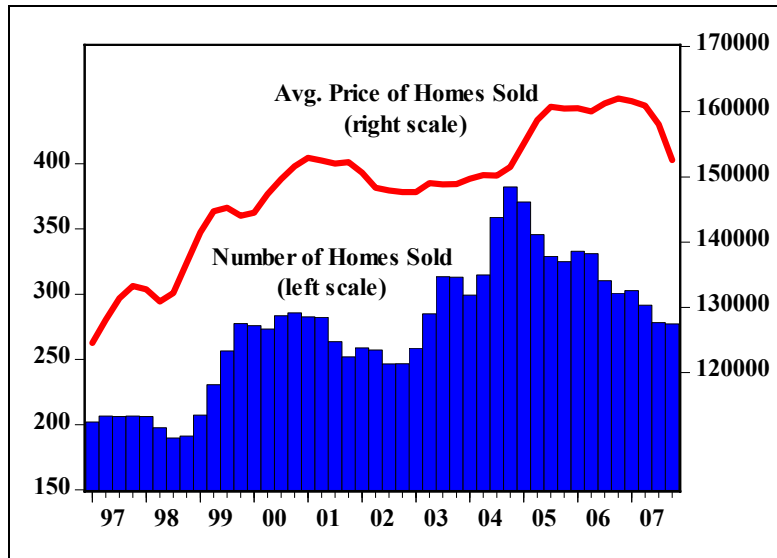


The High Point Housing Report, 2007.4

Current Outlook

The number of existing, single-family homes sold in the High Point area of Guilford County totaled 277 in the 4th quarter of 2007, adjusted for seasonal variation.¹ The number sold was down -0.4 percent compared to the level of sales recorded in the 3rd quarter, and it was -8.0 percent below the number sold during the 4th quarter one year ago.

Number and Prices of Existing Homes Sold, 1997.1 – 2007.4
(seasonally adjusted)



At the end of the 4th quarter of 2007, the inventory of homes on the market totaled 861, or 3.2 times the number of homes sold in the 4th quarter. At the current sales pace, it will take 9.6 months to exhaust the inventory. The number of existing homes offered for sale was down -8.0 percent from what it was in the 3rd quarter, but it was 18.9 percent above the level in the 4th quarter one year ago.

The price of the average home sold in the 4th quarter dipped -3.5 percent from the previous quarter, on a seasonally adjusted basis. The average quality-adjusted price of an existing home in High Point was \$152,582. The average this quarter was off -5.8 percent from the average recorded in the 4th quarter of last year. Over the past year, consumer prices nationally have risen 3.7 percent, indicating that real home prices in High Point have fallen.

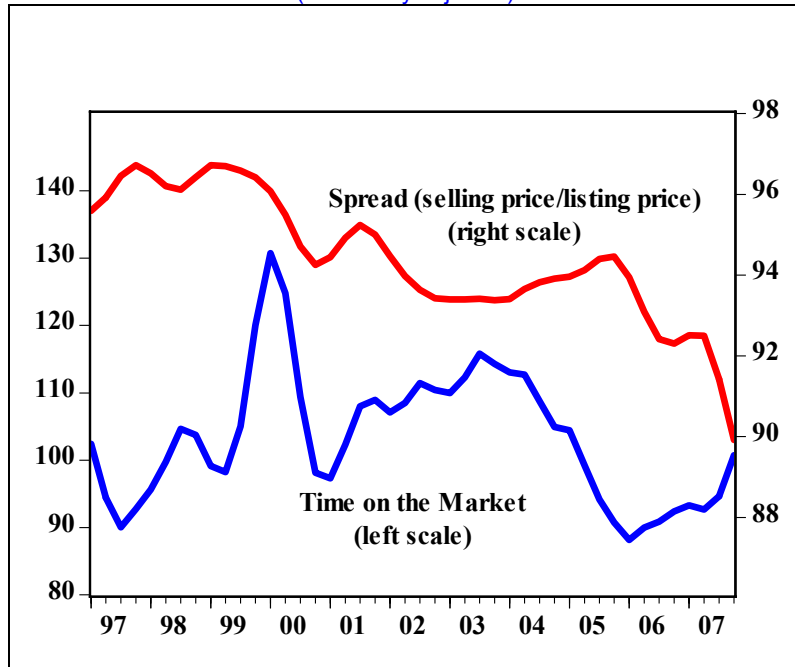
Nationally, the pace of existing home sales has fallen -20.0 percent over the past 12 months.² Average home prices are down -3.3 percent across the nation and -2.5 percent in the South. The national inventory of unsold homes is up 12.3 percent over the past 12 months and will take 10.3 months to sell at the existing pace of sales.

Among other indicators of housing demand, the average time on the market for existing homes sold was 93.3 days, up 1.0 percent from the average in the 3rd quarter. The sale-list price spread, which shows the ratio of selling to listing price, was higher at 92.5 percent, indicating a modest decline in the level of discounting in the market. Over the past year, time on the market has risen 5.8 percent, and the spread has fallen, showing that sellers are accepting a smaller percentage of the listing price.

¹ The High Point area of Guilford County includes the cities of High Point and Jamestown.

² This percentage is calculated from November 2006 to November 2007.

Existing Homes, 1997.1 – 2007.4
(seasonally adjusted)



Housing affordability has been an important factor shaping housing demand over the past year. The affordability index was up 10.5 percent this quarter, and since the 4th quarter of 2006, the affordability index has gained 4.1 percent.

Existing Home Sales Data

	2007.4	2007.2	2006.4	% Chg Last Qtr.	% Chg Last Yr.
<i>Seasonally Adjusted</i>					
Adj. Ave. Home Price	\$152,582	\$158,067	\$162,048	-3.5%	-5.8%
No. of Homes Sold	277	278	301	-0.4%	-8.0%
Time on Market (days)	93.3	92.4	88.2	1.0%	5.8%
Spread: (sale price/list price)	92.5	92.3	93.9	0.2%	-1.5%
Consumer Price Index (CPI-U)	209.7	208.0	202.2	0.8%	3.7%
<i>Not Seasonally Adjusted</i>					
Ave. Home Price	\$147,129	\$170,839	\$174,111	-13.9%	-15.5%
No. of Homes Sold	268	297	278	-9.8%	-3.6%
< \$150K	164	161	151	1.9%	8.6%
\$150K - \$349K	96	117	109	-17.9%	-11.9%
\$350K & Over	8	19	18	-57.9%	-55.6%
Inventory, end of qtr.	861	936	724	-8.0%	18.9%
Inventory/Sales	3.2	3.2	2.6	1.9%	23.4%
Affordability Index	94.6	85.6	90.9	10.5%	4.1%

The Neighborhood Distribution of Existing Home Sales

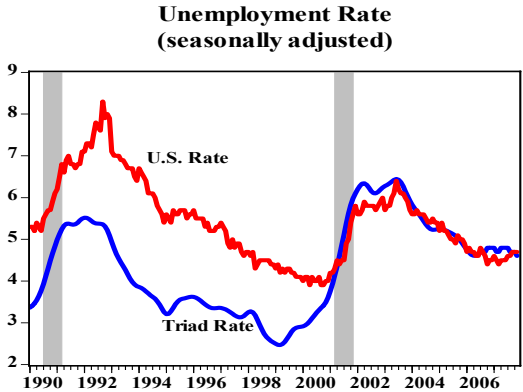
During the 4th quarter, the largest number of sales of existing homes occurred in zip code 27265. This neighborhood, which takes in the Oak Hollow Lake area, had a total of 106 sales. It was followed by zip code 27260, which encompasses southeast High Point north of old I-85, where 62 sales were recorded. Zip code 27265, the Oak Hollow Lake area, area recorded the highest average price for existing homes sold of \$176,913. The highest inventory to sales ratio was in zip code 27262, which includes northwest High Point surrounding the High Point Country Club. At the current sales pace, it will take 11.4 months to exhaust the inventory in this neighborhood.

The Neighborhood Distribution of Existing Home Sales, 2007.4

Zip	Price Range	No. Sales	Ave. Price	Spread	TOM	Inventory End of Qtr.	Inv./Sales
27260	< \$150K	62	\$50,913	81.4	106.1	194	3.1
27260	\$150K - \$349K	0	n.a.	n.a.	n.a.	6	n.a.
27260	\$350K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27260	Total	62	\$50,913	81.4	106.1	200	3.2
27262	< \$150K	38	\$77,551	85.7	77.4	117	3.1
27262	\$150K - \$349K	12	\$220,908	91.2	96.4	51	4.3
27262	\$350K & Over	1	\$575,000	82.3	190.0	24	24.0
27262	Total	51	\$121,036	86.9	84.1	192	3.8
27263	< \$150K	8	\$78,396	96.1	81.6	26	3.3
27263	\$150K - \$349K	0	n.a.	n.a.	n.a.	2	n.a.
27263	\$350K & Over	0	n.a.	n.a.	n.a.	1	n.a.
27263	Total	8	\$78,396	96.1	81.6	29	3.6
27265	< \$150K	40	\$106,975	91.9	98.4	87	2.2
27265	\$150K - \$349K	62	\$207,188	93.9	119.6	221	3.6
27265	\$350K & Over	4	\$407,030	92.9	38.3	37	9.3
27265	Total	106	\$176,913	93.1	108.5	345	3.3
27282	< \$150K	16	\$119,515	92.2	69.0	15	0.9
27282	\$150K - \$349K	22	\$207,191	95.3	75.5	58	2.6
27282	\$350K & Over	3	\$381,667	97.7	28.3	13	4.3
27282	Total	41	\$157,816	94.3	67.5	86	2.1

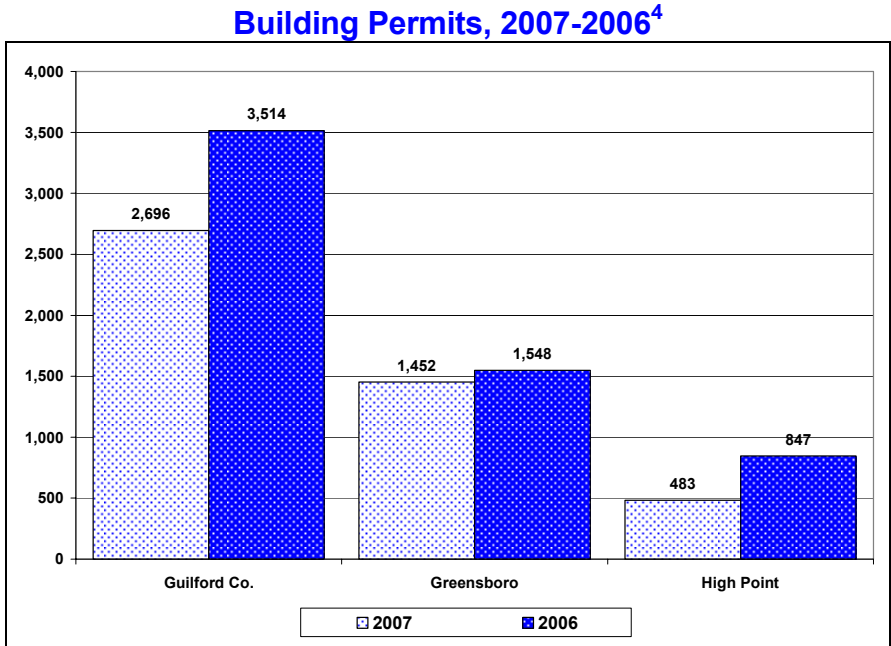
Economic Trends in the Piedmont Triad

Economic conditions in the eight-county Piedmont Triad region improved modestly during the 4th quarter.³ The seasonally adjusted rate of unemployment in the Triad was 4.6 percent in November, down 0.1 percentage points from the revised figure for October. The national unemployment rate was 4.7 percent, unchanged from last month.



Total nonagricultural wage and salary employment (employer survey) in the Piedmont Triad was unchanged in November. Over the past 12 months, employment has gained 1.0 percent. For the nation as a whole, employment was higher by 0.1 percent in November. Over the past 12 months, national employment has risen 1.1 percent.

Planned single-family residential construction declined during the 4th quarter. Residential building permits (which reflect plans for future construction) were off -23.3 percent in Guilford County as a whole during the first 11 months of 2007 compared to the same period in 2006. Permits dropped -6.2 percent in Greensboro and plunged -43.0 percent in High Point.



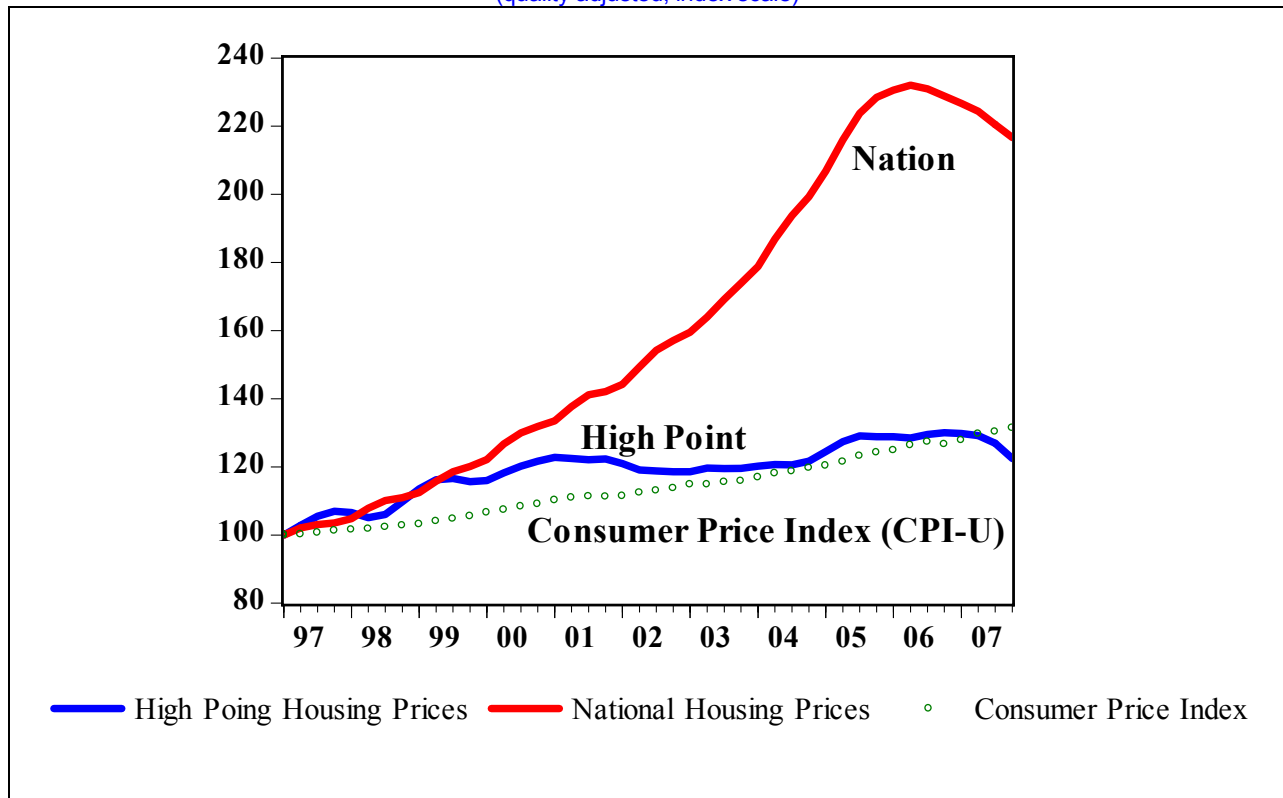
³ The Triad is defined as the eight-county area that is composed of the Burlington MSA, the Greensboro/High Point MSA, and the Winston-Salem MSA.

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

Longer-Term Trends

Since the first quarter of 1997, existing home prices in High Point have risen at an average annual rate of 1.9 percent, lagging the consumer price index (CPI) which has increased an average of 2.5 percent annually. The appreciation of housing prices in High Point has lagged substantially the rise in housing prices nationally. For the nation as a whole, existing home prices have risen at a 7.3 percent annual rate from 1997.1 through the 4th quarter of 2007, according to the S&P Cass-Shiller 10-City Home Price Index.

Existing Housing Prices in High Point and the Nation (quality adjusted, index scale)



In 2007, the average existing home that was sold had 1,818 square feet of floor space. It was 1.4 stories high, had 2.1 bathrooms, 1.1 garage parking spaces, and 0.8 fireplaces. The average age of existing homes sold was 32 years. Eighty-four percent of existing homes sold were in the city limits of High Point.

Characteristics of Existing Homes Sold, 2007

Square Footage	1,818
Floors	1.4
Baths	2.1
Garage Spaces	1.1
Fireplaces	0.8
Age	32
In the City of High Point	84%
Number Sold	1,151

Methodology

The *High Point Housing Report* uses data from the Triad MLS to track the pace of housing activity in the cities of 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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