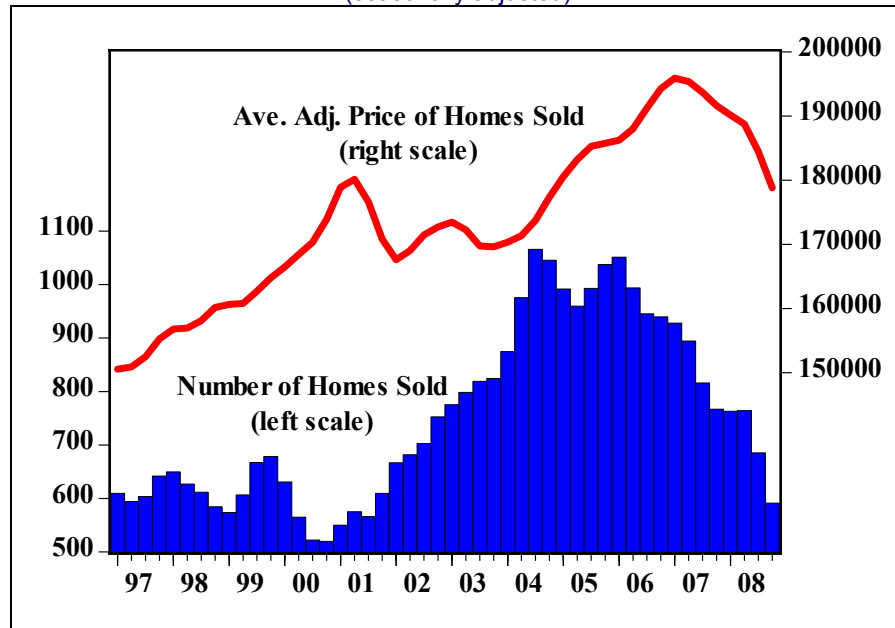


The Greensboro Housing Report, 2008.4

Current Outlook

The number of existing, single-family homes sold in the Greensboro area of Guilford County totaled 591 in the 4th quarter of 2008 after adjustment for seasonal variation.¹ The number sold was down -13.7 percent compared to the level of sales recorded in the 3rd quarter, and it was -22.9 percent below the number sold during the 4th quarter one year ago.

Number and Prices of Existing Homes Sold, 1997.1 – 2008.4
(seasonally adjusted)



At the end of the 4th quarter of 2008, the inventory of homes on the Greensboro market was 2,267, or 4.4 times the number of homes sold in the 4th quarter. The inventory/sales ratio is up substantially from what it was at the end of the 3rd quarter. At the current sales pace, it will take 13.2 months to exhaust the inventory. The number of existing homes offered for sale was down -13.3 percent from what it was at the end of the 3rd quarter, but it was 1.9 percent above the level one year ago.

The quality-adjusted price of the average home sold in the 4th quarter was off -3.1 percent from the previous quarter. The average quality-adjusted price of an existing home in Greensboro was \$178,807. The average this quarter was -6.7 percent below the average recorded in the 4th 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.

Nationally, the pace of existing home sales has fallen -10.6 percent over the past 12 months.² Average home prices are down -13.2 percent across the nation and -10.2 percent in the South. The national inventory of unsold homes is down -0.3 percent over the past 12 months and will take 11.2 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 93.4 days, down -3.5 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 91.0 percent, indicating an increase in the level of discounting in the

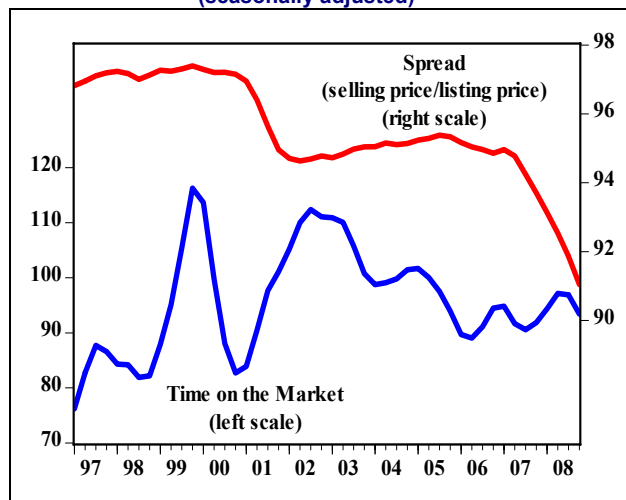
¹ The Greensboro area of Guilford County includes all of Guilford County except High Point and Jamestown.

² This percentage is calculated from Oct. 2007 to Oct. 2008 using National Assn. of Realtors® data.

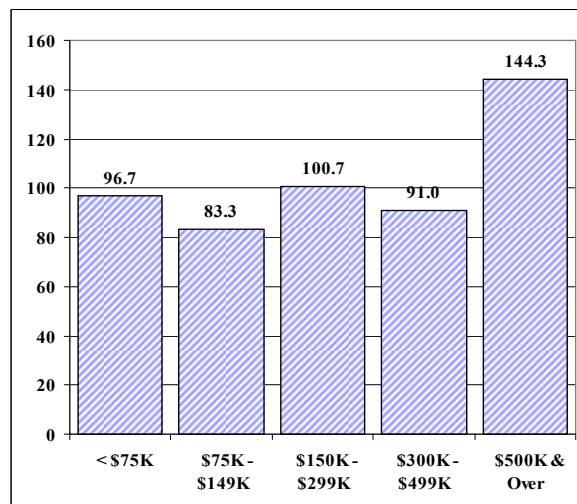
market. Over the past year, time on the market has risen 1.6 percent, and the spread has fallen, showing that the time to sell a home has risen and sellers are accepting a smaller percentage of the listing price.

Time on the market (TOM) is higher for the highest priced homes. For homes \$500,000 and above, TOM averages more than 144 days. In contrast, for homes less than \$500,000, average TOM is under 100 days.

Existing Homes, 1997.1 – 2008.4
(seasonally adjusted)



Time on the Market by Price Category



Housing affordability is an important factor shaping housing demand. The affordability index rose 8.6 percent this quarter. Since the 4th quarter of 2007, the affordability index has risen 10.0 percent because of lower prices and mortgage rates.

Existing Home Sales Data

| | 2008.4 | 2008.3 | 2007.4 | % Chg Last Qtr. | % Chg Last Yr. |
|---------------------------------|-----------|-----------|-----------|--------------------|-------------------|
| <i>Seasonally Adjusted</i> | | | | | |
| Adj. Ave. Home Price | \$178,807 | \$184,454 | \$191,633 | -3.1% | -6.7% |
| No. of Homes Sold | 591 | 685 | 767 | -13.7% | -22.9% |
| Time on Market (days) | 93.4 | 96.8 | 91.9 | -3.5% | 1.6% |
| Spread: (sale price/list price) | 91.0 | 91.9 | 93.7 | -1.0% | -2.9% |
| Consumer Price Index (CPI-U) | 214.5 | 219.3 | 209.7 | -2.2% | 2.3% |
| <i>Not Seasonally Adjusted</i> | | | | | |
| Ave. Home Price | \$172,232 | \$187,714 | \$184,934 | -8.2% | -6.7% |
| No. of Homes Sold | 520 | 756 | 646 | -31.2% | -19.5% |
| < \$75K | 85 | 91 | 63 | -6.6% | 34.9% |
| \$75K - \$149K | 172 | 247 | 213 | -30.4% | -19.2% |
| \$150K - \$299K | 180 | 274 | 236 | -34.3% | -23.7% |
| \$300K - \$499K | 60 | 117 | 111 | -48.7% | -45.9% |
| \$500K & Over | 23 | 27 | 23 | -14.8% | 0.0% |
| Inventory, end of qtr. | 2,267 | 2,614 | 2,224 | -13.3% | 1.9% |
| Inventory/Sales | 4.4 | 3.5 | 3.4 | 26.1% | 26.6% |
| Affordability Index | 109.1 | 100.5 | 99.2 | 8.6% | 10.0% |

The Neighborhood Distribution of Existing Home Sales

During the 4th quarter, the largest number of sales of existing homes occurred in zip code 27406. This neighborhood, which encompasses much of southern Greensboro (including Forrest Oaks), had a total of 77 sales. It was followed by zip code 27410 in northwest Greensboro which recorded a total of 75 sales. The Summerfield area in the northwest section of the county (zip code 27358) recorded the highest average price of homes sold, with 17 sales averaging \$395,118. The highest inventory to sales ratios were in zip codes 27408 and 27358 with ratios of 8.7 and 8.6 respectively. Zip code 27408 is in the northern section of the city and includes the Greensboro County Club area.

The Neighborhood Distribution of Existing Home Sales, 2008.4

| Zip | Price Range | No. Sales | Ave. Price | Spread | TOM | Inventory End of Qtr. | Inv./Sales |
|-------|-----------------|-----------|------------|--------|-------|-----------------------|------------|
| 27214 | < \$75K | | | | | | |
| 27214 | \$75K - \$149K | 9 | \$120,256 | 91.4 | 97.7 | 25 | 2.8 |
| 27214 | \$150K - \$299K | 7 | \$221,143 | 91.6 | 219.1 | 41 | 5.9 |
| 27214 | \$300K - \$499K | 3 | \$309,833 | 93.2 | 110.3 | 18 | 6.0 |
| 27214 | \$500K & Over | 2 | 577500 | 91 | 184 | 3 | 2 |
| 27214 | Total | 21 | \$224,514 | 91.7 | 148.1 | 87 | 4.1 |
| 27235 | < \$75K | | | | | | |
| 27235 | \$75K - \$149K | | | | | | |
| 27235 | \$150K - \$299K | 5 | \$216,700 | 93.6 | 144.8 | 13 | 2.6 |
| 27235 | \$300K - \$499K | 5 | \$375,400 | 91.1 | 48.0 | 15 | 3.0 |
| 27235 | \$500K & Over | | | | | | |
| 27235 | Total | 10 | \$296,050 | 92.4 | 96.4 | 28 | 2.8 |
| 27249 | < \$75K | 2 | 39000 | 62 | 48 | 1 | 1 |
| 27249 | \$75K - \$149K | 4 | \$122,225 | 97.2 | 25.3 | 12 | 3.0 |
| 27249 | \$150K - \$299K | 2 | \$179,700 | 95.7 | 28.0 | 17 | 8.5 |
| 27249 | \$300K - \$499K | 2 | \$364,000 | 95.2 | 47.0 | 4 | 2.0 |
| 27249 | \$500K & Over | | | | | | |
| 27249 | Total | 10 | \$165,430 | 89.5 | 34.7 | 34 | 3.4 |
| 27284 | < \$75K | | | | | | |
| 27284 | \$75K - \$149K | | | | | | |
| 27284 | \$150K - \$299K | 2 | \$210,000 | 90.7 | 20.5 | 2 | 1.0 |
| 27284 | \$300K - \$499K | 1 | \$444,900 | 92.7 | 64.0 | 17 | 17.0 |
| 27284 | \$500K & Over | 1 | \$645,000 | 92.3 | 314.0 | 4 | 4.0 |
| 27284 | Total | 4 | \$377,475 | 91.6 | 104.8 | 23 | 5.8 |
| 27301 | < \$75K | 1 | \$49,900 | 100.0 | 9.0 | 1 | 1.0 |
| 27301 | \$75K - \$149K | 6 | \$128,800 | 94.0 | 97.7 | 22 | 3.7 |
| 27301 | \$150K - \$299K | 5 | \$183,898 | 92.5 | 62.8 | 41 | 8.2 |
| 27301 | \$300K - \$499K | | | | | | |
| 27301 | \$500K & Over | | | | | | |
| 27301 | Total | 12 | \$145,183 | 93.9 | 75.8 | 64 | 5.3 |
| 27310 | < \$75K | | | | | | |
| 27310 | \$75K - \$149K | | | | | | |
| 27310 | \$150K - \$299K | 6 | \$209,333 | 90.4 | 145.2 | 18 | 3.0 |
| 27310 | \$300K - \$499K | 9 | \$386,767 | 91.7 | 163.2 | 46 | 5.1 |
| 27310 | \$500K & Over | 4 | \$642,500 | 105.5 | 140.5 | 36 | 9.0 |
| 27310 | Total | 19 | \$384,574 | 94.2 | 152.7 | 100 | 5.3 |

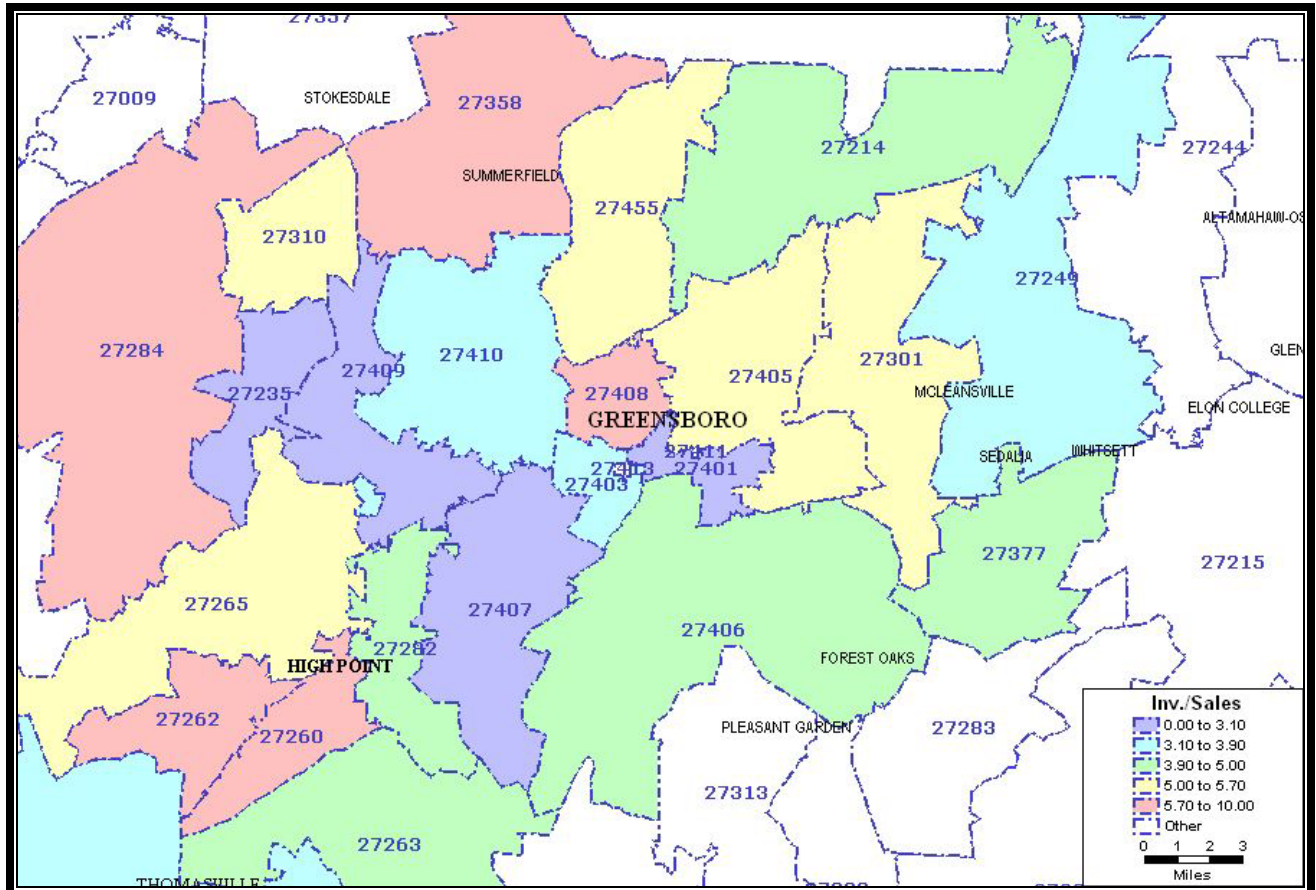
The Neighborhood Distribution of Existing Home Sales, continued

| Zip | Price Range | No. Sales | Ave. Price | Spread | TOM | Inventory End of Qtr. | Inv./Sales |
|-------|-----------------|-----------|------------|--------|-------|-----------------------|------------|
| 27358 | < \$75K | | | | | | |
| 27358 | \$75K - \$149K | | | | | | |
| 27358 | \$150K - \$299K | 8 | \$224,700 | 96.1 | 60.0 | 18 | 2.3 |
| 27358 | \$300K - \$499K | 6 | \$408,650 | 92.6 | 98.8 | 61 | 10.2 |
| 27358 | \$500K & Over | 3 | \$822,500 | 89.3 | 159.7 | 67 | 22.3 |
| 27358 | Total | 17 | \$395,118 | 93.7 | 91.3 | 146 | 8.6 |
| 27377 | < \$75K | | | | | | |
| 27377 | \$75K - \$149K | 2 | \$119,813 | 69.9 | 286.5 | 6 | 3.0 |
| 27377 | \$150K - \$299K | 8 | \$228,375 | 88.0 | 199.6 | 28 | 3.5 |
| 27377 | \$300K - \$499K | 2 | \$392,500 | 96.0 | 99.0 | 13 | 6.5 |
| 27377 | \$500K & Over | | | | | | |
| 27377 | Total | 12 | \$237,635 | 86.3 | 197.3 | 47 | 3.9 |
| 27401 | < \$75K | 12 | \$43,356 | 78.6 | 74.0 | 26 | 2.2 |
| 27401 | \$75K - \$149K | 8 | \$97,163 | 98.0 | 52.5 | 30 | 3.8 |
| 27401 | \$150K - \$299K | 4 | \$220,000 | 89.2 | 88.5 | 18 | 4.5 |
| 27401 | \$300K - \$499K | | | | | | |
| 27401 | \$500K & Over | | | | | | |
| 27401 | Total | 24 | \$90,732 | 86.8 | 69.3 | 74 | 3.1 |
| 27403 | < \$75K | 8 | \$48,575 | 83.1 | 53.9 | 21 | 2.6 |
| 27403 | \$75K - \$149K | 7 | \$116,186 | 96.5 | 65.9 | 30 | 4.3 |
| 27403 | \$150K - \$299K | 6 | \$233,558 | 93.5 | 90.3 | 25 | 4.2 |
| 27403 | \$300K - \$499K | 2 | \$366,500 | 93.0 | 37.0 | 11 | 5.5 |
| 27403 | \$500K & Over | 1 | \$570,000 | 92.7 | 64.0 | 3 | 3.0 |
| 27403 | Total | 24 | \$162,760 | 90.8 | 65.5 | 90 | 3.8 |
| 27405 | < \$75K | 23 | \$52,978 | 82.0 | 80.1 | 61 | 2.7 |
| 27405 | \$75K - \$149K | 28 | \$116,132 | 95.2 | 84.9 | 183 | 6.5 |
| 27405 | \$150K - \$299K | 6 | \$169,387 | 93.3 | 138.3 | 47 | 7.8 |
| 27405 | \$300K - \$499K | | | | | | |
| 27405 | \$500K & Over | | | | | | |
| 27405 | Total | 57 | \$96,255 | 89.7 | 88.6 | 291 | 5.1 |
| 27406 | < \$75K | 26 | \$43,804 | 75.2 | 106.4 | 66 | 2.6 |
| 27406 | \$75K - \$149K | 35 | \$113,400 | 91.2 | 81.4 | 144 | 3.4 |
| 27406 | \$150K - \$299K | 15 | \$220,207 | 84.7 | 187.2 | 103 | 4.5 |
| 27406 | \$300K - \$499K | 1 | \$324,000 | 95.3 | 76.0 | 39 | 7.8 |
| 27406 | \$500K & Over | | | | | | |
| 27406 | Total | 77 | \$113,441 | 84.6 | 110.4 | 352 | 4.6 |
| 27407 | < \$75K | 11 | \$60,991 | 74.6 | 184.2 | 13 | 1.2 |
| 27407 | \$75K - \$149K | 35 | \$110,261 | 89.3 | 96.6 | 93 | 2.7 |
| 27407 | \$150K - \$299K | 20 | \$190,865 | 92.7 | 86.8 | 55 | 2.8 |
| 27407 | \$300K - \$499K | 3 | \$409,167 | 87.8 | 85.7 | 14 | 4.7 |
| 27407 | \$500K & Over | 4 | \$621,875 | 88.7 | 150.3 | 28 | 7.0 |
| 27407 | Total | 73 | \$165,238 | 87.9 | 109.6 | 203 | 2.8 |
| 27408 | < \$75K | | | | | | |
| 27408 | \$75K - \$149K | 7 | \$113,221 | 81.0 | 70.3 | 26 | 3.7 |
| 27408 | \$150K - \$299K | 4 | \$219,425 | 96.7 | 52.5 | 39 | 9.8 |
| 27408 | \$300K - \$499K | 3 | \$348,500 | 93.4 | 49.0 | 29 | 9.7 |
| 27408 | \$500K & Over | 2 | \$606,750 | 95.5 | 15.0 | 45 | 22.5 |
| 27408 | Total | 16 | \$245,578 | 89.0 | 54.9 | 139 | 8.7 |

The Neighborhood Distribution of Existing Home Sales, continued

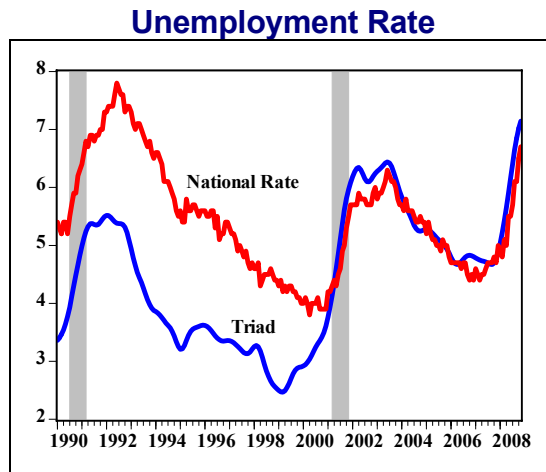
| Zip | Price Range | No. Sales | Ave. Price | Spread | TOM | Inventory End of Qtr. | Inv./Sales |
|-------|-----------------|-----------|------------------|-------------|--------------|-----------------------|------------|
| 27409 | < \$75K | | | | | | |
| 27409 | \$75K - \$149K | 2 | \$125,550 | 93.6 | 122.5 | 5 | 2.5 |
| 27409 | \$150K - \$299K | 5 | \$199,032 | 94.8 | 127.0 | 10 | 2.0 |
| 27409 | \$300K - \$499K | | | | | | |
| 27409 | \$500K & Over | | | | | | |
| 27409 | Total | 7 | \$178,037 | 94.5 | 125.7 | 15 | 2.1 |
| 27410 | < \$75K | | | | | | |
| 27410 | \$75K - \$149K | 9 | \$133,800 | 95.4 | 57.3 | 18 | 2.0 |
| 27410 | \$150K - \$299K | 49 | \$210,411 | 94.9 | 66.9 | 134 | 2.7 |
| 27410 | \$300K - \$499K | 13 | \$357,927 | 94.0 | 78.1 | 61 | 4.7 |
| 27410 | \$500K & Over | 4 | \$621,250 | 88.9 | 175.8 | 37 | 9.3 |
| 27410 | Total | 75 | \$248,698 | 94.5 | 73.5 | 250 | 3.3 |
| 27455 | < \$75K | | | | | | |
| 27455 | \$75K - \$149K | 10 | \$119,991 | 90.7 | 74.6 | 36 | 3.6 |
| 27455 | \$150K - \$299K | 16 | \$210,000 | 96.0 | 58.3 | 41 | 2.6 |
| 27455 | \$300K - \$499K | 9 | \$376,179 | 94.0 | 88.1 | 73 | 8.1 |
| 27455 | \$500K & Over | 2 | \$656,200 | 96.9 | 99.0 | 55 | 27.5 |
| 27455 | Total | 37 | \$250,214 | 94.1 | 72.2 | 205 | 5.5 |

Inventory-Sales Ratios by Zip Code



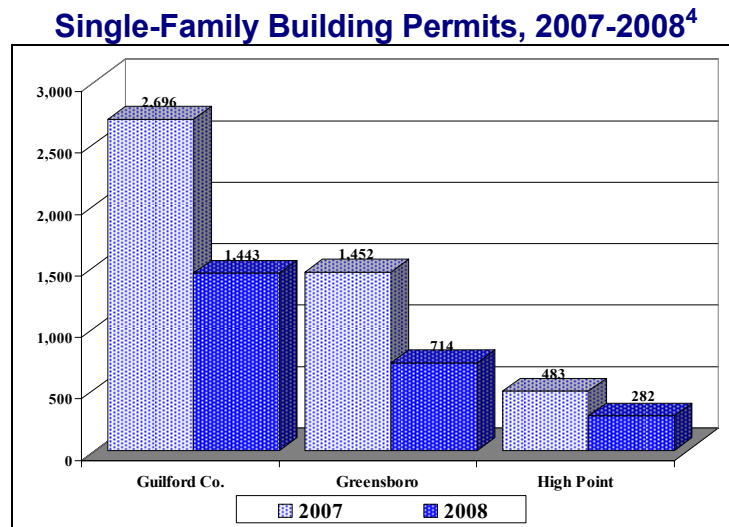
Economic Trends in the Piedmont Triad

Economic conditions in the eight-county Piedmont Triad region deteriorated during the 4th quarter.³ The seasonally adjusted rate of unemployment in the Triad was 7.1 percent in November, up 0.1 percentage points from the revised figure for October. The national unemployment rate was 6.7 percent, up 0.2 percentage points from last month.



Total nonagricultural wage and salary employment (employer survey) in the Piedmont Triad was down -0.3 percent in November. Over the past 12 months, employment has gained 0.5 percent. For the nation as a whole, employment was down -0.4 percent in November. Over the past 12 months, national employment has fallen -1.4 percent.

Planned residential construction declined during the 4th quarter. Single-family building permits (which reflect plans for future construction) were off -46.5 percent in Guilford County as a whole during the first 11 months of 2008 compared to the same period in 2007. Permits dropped -50.8 percent in Greensboro and -41.6 percent in High Point. Employment in the construction sector is down -0.2 percent across the Triad over the past year.



The number of real estate foreclosures in November was down -3.4 percent in the Triad during the past 12 months. Foreclosures were lower by -2.3 percent in Guilford County during the same period. Over the past 12 months, there were 9,421 foreclosures in the Triad and 3,966 in Guilford County.

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

The population of the Triad totaled 1.46 million in 2007, growing at an average annual rate of 1.4 percent since 2000. Guilford County's population was 465,931 in 2007, rising 1.6 percent annually since 2000. The pace of population growth in the Triad accelerated in 2007, with population growing 1.7 percent from 2006 to 2007. The rate of population growth in Guilford County also increased in 2007, growing more than twice as fast as the nation as a whole.

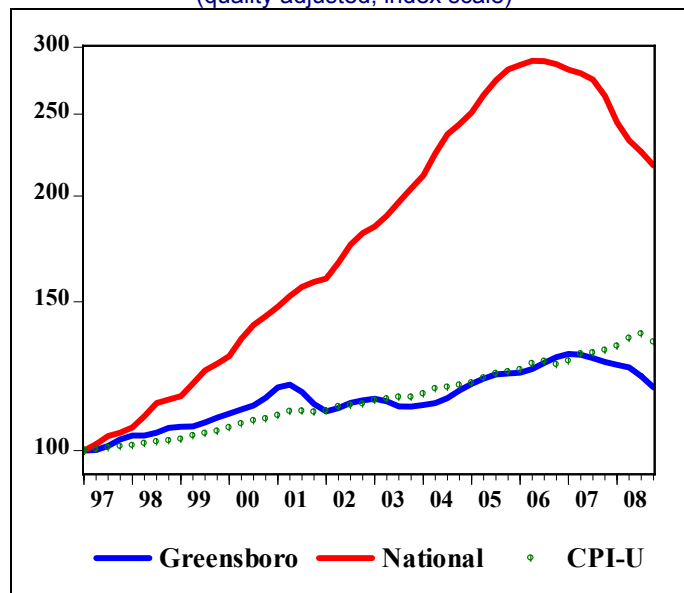
Population Change in the Triad & the Nation, 2007-2000

| Area | Population 2007 | Percent Change 2007-06 | Percent Change 2007-00 |
|-------------------|--------------------|------------------------------|------------------------------|
| Alamance County | 145,360 | 2.4% | 1.7% |
| Davidson County | 156,530 | 1.1% | 1.0% |
| Davie County | 40,516 | 2.2% | 2.4% |
| Forsyth County | 338,774 | 2.1% | 1.7% |
| Guilford County | 465,931 | 2.2% | 1.6% |
| Randolph County | 140,145 | 1.1% | 1.1% |
| Rockingham County | 92,421 | 0.3% | 0.1% |
| Stokes County | 46,072 | 0.6% | 0.5% |
| Yadkin County | 37,797 | 0.5% | 0.6% |
| Triad | 1,463,546 | 1.7% | 1.4% |
| North Carolina | 9,061,032 | 2.2% | 1.9% |
| United States | 301,621,157 | 1.0% | 1.1% |

Since the first quarter of 1997, existing home prices in Greensboro have risen at an average annual rate of 1.5 percent, lagging the consumer price index (CPI), which 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 5.4 percent annual rate from 1997.1 through the 4th quarter of 2008, according to the S&P Case-Shiller 10-City Home Price Index. Over the past year, the Case-Shiller Index has fallen -19.1 percent, while prices in Greensboro are down -6.7 percent.

Existing Housing Prices in Greensboro & the Nation

(quality adjusted, index scale)



In 2008, the average existing home that was sold had 2,059 square feet of floor space. It was 1.5 stories high, had 2.3 bathrooms, and 1.3 garage parking spaces. Eighty-five percent had fireplaces. The average age of existing homes sold was 24.6 years. Seventy-seven percent of exiting homes sold were in the city limits of Greensboro, and 32 percent of all homes were in the northwest part of Guilford County.

Characteristics of Existing Homes Sold, 2008

| | |
|----------------|-------|
| Square Footage | 2,059 |
| Floors | 1.5 |
| Baths | 2.3 |
| Garage Spaces | 1.3 |
| Fireplaces | 85% |
| Age | 24.6 |
| In the City | 77% |
| Northwest | 32% |
| Number Sold | 2,831 |

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: 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:

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