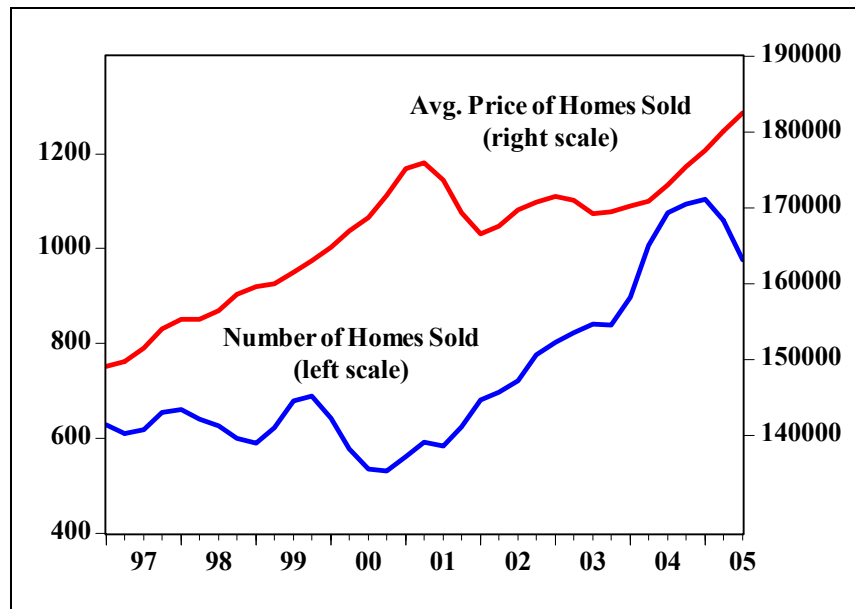


## The Greensboro Housing Report, 2005.3

### Current Outlook

The number of existing, single-family homes sold in the Greensboro area of Guilford County totaled 975 in the 3rd quarter of 2005 after adjustment for seasonal variation.<sup>1</sup> The number sold was down 8.0 percent compared to the level of sales recorded in the 2nd quarter, and it was 9.2 percent below the number sold during the 3rd quarter one year ago.

**Number and Prices of Existing Homes Sold, 1997.1 – 2005.3**  
(seasonally adjusted)



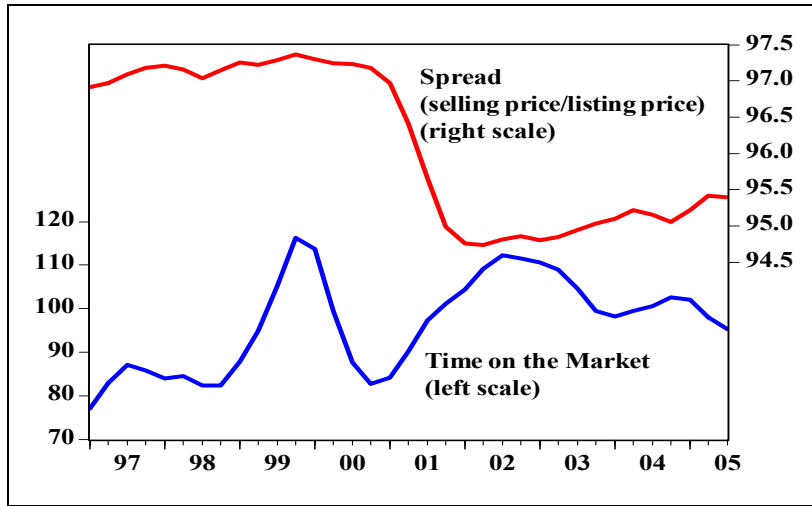
At the end of the 3rd quarter of 2005, the inventory of homes on the market was 2,104 or 2.2 times the number of homes sold in the 3rd quarter. The number of existing homes offered for sale was up 3.2 percent from what it was at the end of the 2nd quarter. The average time on the market for the inventory of unsold homes was 97 days at the end of the 3rd quarter. The median time on market was 71 days.

The price of the average home sold in the 3rd quarter was up 1.4 percent from the previous quarter. The average quality-adjusted price of an existing home in Greensboro was \$182,516. The average this quarter was 5.6 percent above the average recorded in the 3rd quarter of last year.

Other indicators of housing activity offer evidence of a stronger housing market in the 3rd quarter. The average time on the market for existing homes sold was 95 days, down 3.1 percent from the average in the 2nd quarter. The sale-list price spread, which shows the ratio of selling to listing price, was unchanged at 95.4 percent, indicating no change in the level of discounting in the market. Over the past year, time on the market has declined, and the selling-to-listing price ratio has increased, suggesting that home sellers need less time to sell their homes and are accepting smaller discounts from their initial listing price.

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

**Existing Homes, 1997.1 – 2005.3**  
(seasonally adjusted)



Housing affordability is an important factor shaping housing demand. The affordability index rose 0.4 percent this quarter because of rising household income and lower mortgage rates. Since the 3rd quarter of 2004, the affordability index has declined because of rising housing prices.

**Existing Home Sales Data, 2004.3 – 2005.3**  
(seasonally adjusted)

	2005.3	2005.2	2004.3	% Chg Last Qtr.	% Chg Last Yr.
Ave. Home Price	\$ 182,516	\$ 180,048	\$ 172,912	1.4%	5.6%
No. of Homes Sold	975	1,060	1,074	-8.0%	-9.2%
Time on Market (days)	95	98	101	-3.1%	-5.9%
Affordability Index	132.0	131.5	133.7	0.4%	-1.3%
Spread: (sale price/list price)	95.4	95.4	95.2	0.0%	0.2%

**The Neighborhood Distribution of Existing Home Sales**

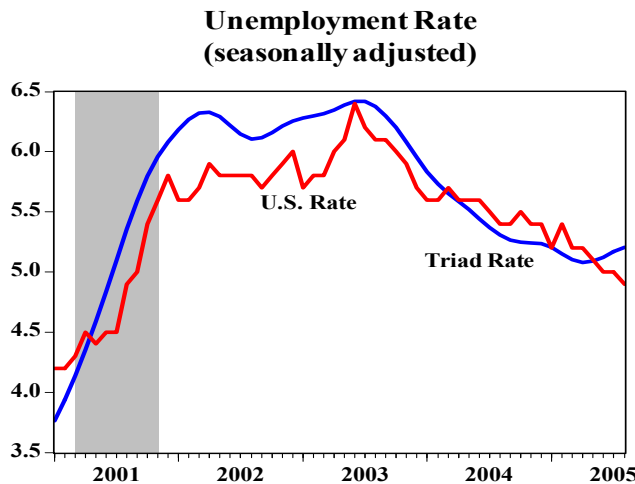
During the 3rd quarter, the largest number of sales of existing homes occurred in zip code 27410. This neighborhood, which takes in most of northwest Greensboro, had a total of 182 sales. It was followed by zip code 27407, in the southwest area of the City, which recorded a total of 138 sales. The Irving Park area (zip code 27408) recorded the highest average price of homes sold, with sales of existing homes averaging \$314,948.

## The Neighborhood Distribution of Existing Home Sales, 2005.3

Zip Code	No. Sales	Ave. Price	Spread	TOM
27360	1	\$88,351	95.0	11
27377	17	\$235,080	98.3	113
27401	25	\$108,858	92.9	102
27403	70	\$145,884	93.0	98
27405	109	\$105,287	94.3	91
27406	104	\$148,024	93.7	92
27407	138	\$183,252	96.4	78
27408	76	\$314,948	94.3	85
27409	16	\$179,441	96.6	86
27410	182	\$235,393	96.4	77
27455	118	\$272,241	96.8	102

### Economic Trends in the Piedmont Triad

Economic conditions in the eight-county Piedmont Triad region improved in the 3rd quarter.<sup>2</sup> The seasonally adjusted rate of unemployment in the Triad was 5.2 percent in August, unchanged from the revised figure for July. The national unemployment rate was 4.9 percent, down 0.1 percentage points from July.



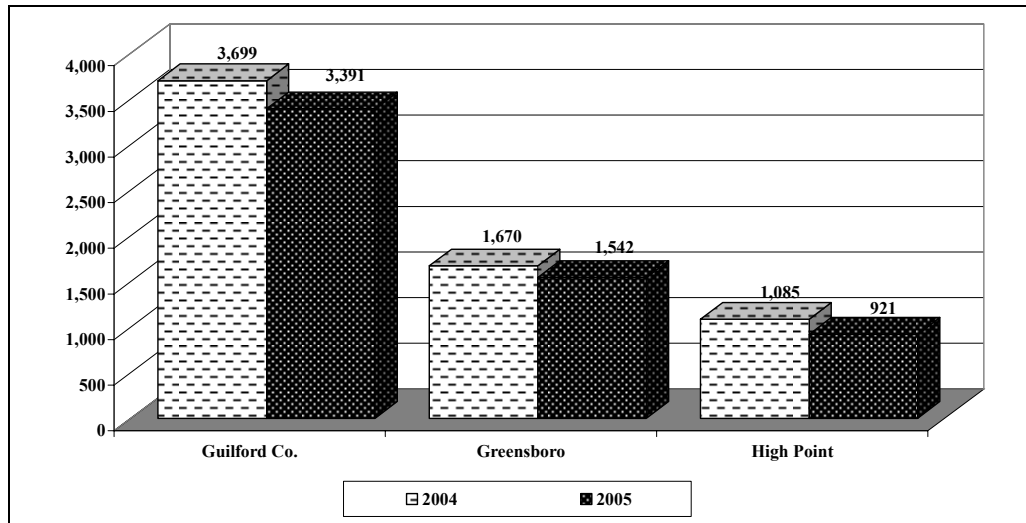
Total nonagricultural wage and salary employment in the Piedmont Triad rose 0.2 percent in August. Over the past 12 months, employment has gained 1.7 percent. For the nation as a whole, employment rose 0.1 percent in August. Over the past 12 months, national employment has risen 1.9 percent.

Seasonally adjusted consumer spending, as measured by retail sales, was up 1.1 percent this month, after correction for the change in consumer prices. Since August of 2004, real spending at the retail level has risen 8.3 percent. At the national level, real retail spending for August dipped 2.6 percent, but national spending in real dollars has grown 0.6 percent over the past year.

<sup>2</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.

Planned residential construction declined during the 3rd quarter. Residential building permits (which reflect plans for future construction) were off 8.3 percent in Guilford County as a whole during the first 8 months of 2005 compared to the same period in 2004. Permits dipped 7.7 percent in Greensboro and 15.1 percent in High Point.

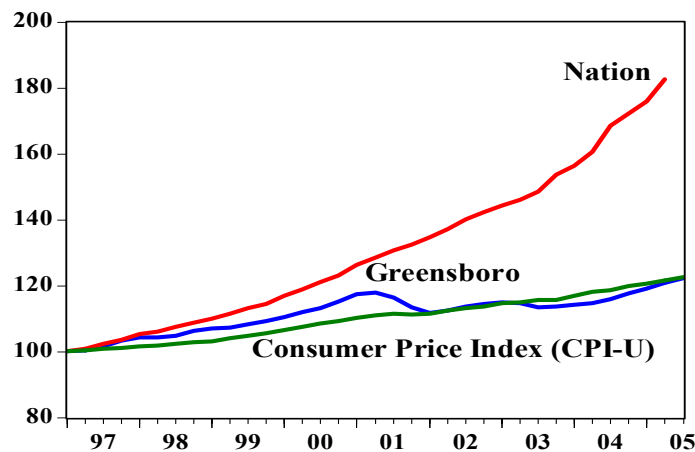
**Building Permits, 2004-2005<sup>3</sup>**



### Longer-Term Trends

Since the 1st quarter of 1997, existing home prices in Greensboro have risen at an average annual rate of 2.4 percent, matching of the consumer price index (CPI), which also 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 7.3 percent annual rate from 1997.1 through the 2nd quarter of 2005, according to the Office of Federal Housing Enterprise Oversight (OFHEO).

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



<sup>3</sup> Figures reflect year-to-date totals through May.

## Characteristics of Existing Homes Sold, 2004

Square Footage	1,971
Floors	1.5
Baths	2.3
Garage Spaces	1.1
Fireplaces	88%
Age	21.5
In the City	83%
Northwest	44%
Number Sold	4,106

In 2004, the average existing home that was sold had 1,971 square feet of floor space. It was 1.5 stories high, had 2.3 bathrooms, 1.1 garage parking spaces, and 0.88 fireplaces. The average age of existing homes sold was 21.5 years. Eighty-three percent of exiting homes sold were in the city limits of Greensboro, and 44 percent of all homes were in the northwest part of Guilford County.

### 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, Bryan School of Business & Economics, University of North Carolina at Greensboro, P.O. Box 26165, Greensboro, NC 27402 – 6165. Phone: 336-334-3091; FAX: 336-334-4141; Email: [Juddon@uncg.edu](mailto:Juddon@uncg.edu) .**

### Historical Data, 1997.1 – 2005.3

Date	Number	Price	Spread	TOM
1997:1	627	\$149,066	96.9	77
1997:2	610	149,686	97.0	83
1997:3	617	151,463	97.1	87
1997:4	654	154,012	97.2	86
1998:1	661	155,277	97.2	84
1998:2	640	155,314	97.2	84
1998:3	626	156,351	97.0	82
1998:4	600	158,490	97.1	82
1999:1	589	159,549	97.3	88
1999:2	621	159,984	97.2	95
1999:3	679	161,394	97.3	105
1999:4	689	162,969	97.4	116
2000:1	642	164,798	97.3	114
2000:2	577	166,959	97.2	99
2000:3	535	168,707	97.2	88
2000:4	531	171,578	97.2	83
2001:1	562	175,106	97.0	84
2001:2	591	175,915	96.4	90
2001:3	584	173,606	95.7	97
2001:4	624	169,249	95.0	101
2002:1	681	166,484	94.8	104
2002:2	696	167,550	94.7	109
2002:3	721	169,672	94.8	112
2002:4	775	170,686	94.9	111
2003:1	801	171,490	94.8	111
2003:2	823	170,922	94.8	109
2003:3	841	169,218	94.9	105
2003:4	838	169,473	95.0	100
2004:1	897	170,188	95.1	98
2004:2	1007	170,833	95.2	99
2004:3	1074	172,912	95.2	101
2004:4	1093	175,427	95.1	103
2005:1	1103	177,495	95.2	102
2005:2	1060	180,048	95.4	98
2005:3	975	182,516	95.4	95

Note: All numbers are seasonally adjusted.