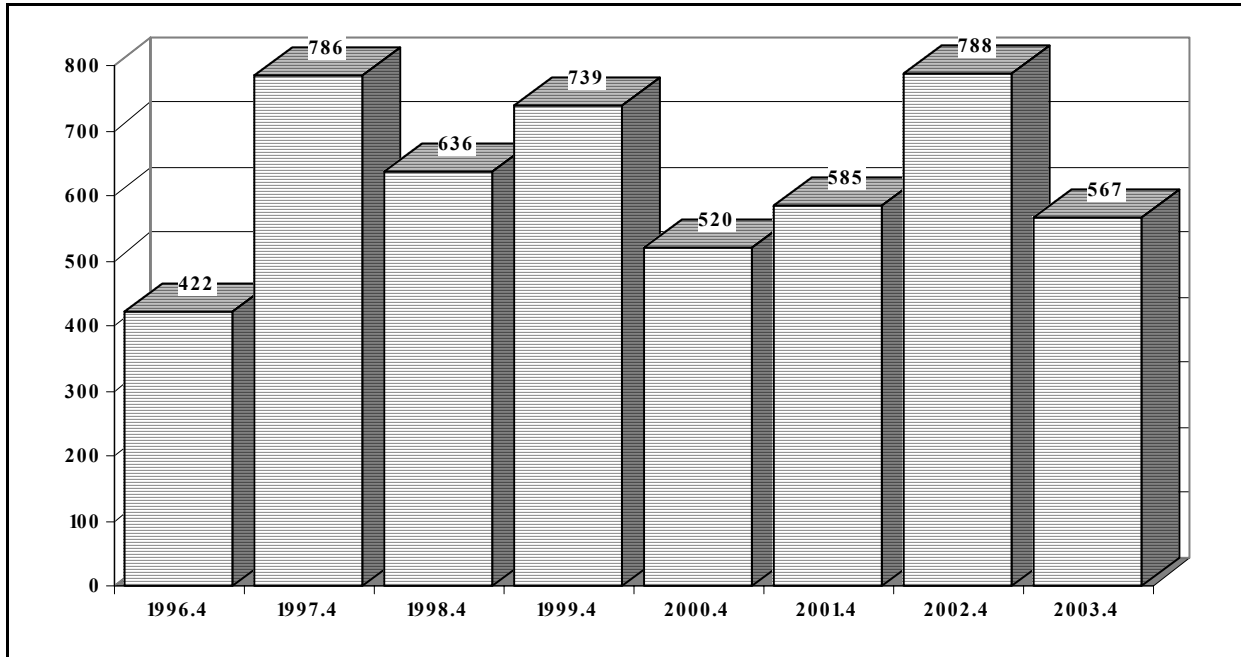


The Greensboro Housing Report, 2003.4

Current Outlook

The number of existing, single-family homes sold in the Greensboro area of Guilford County totaled 567 in the 4th quarter of 2003.¹ The number sold was down 55.4 percent compared to the level of sales recorded in the 3rd quarter of 2003, and it was 28.0 percent below the number sold during the 4th quarter one year ago.

Number of Existing Homes Sold, 1996.4 – 2003.4



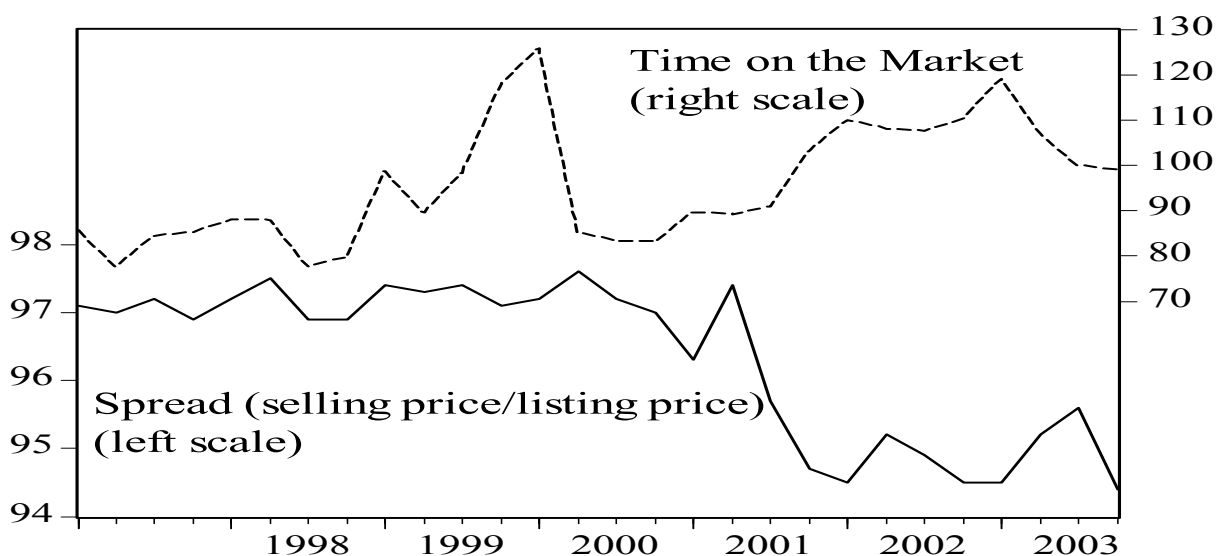
At the end of the 4th quarter of 2003, the inventory of homes on the market was 1,800 or 3.1 times the number of homes sold in the fourth quarter. Nevertheless, the number of existing homes offered for sale was down 10.1 percent from what it was at the end of the 3rd quarter. The average time on the market for unsold homes was 120 days at the end of the 4th quarter.

The price of the average home sold in the 4th quarter was down 3.4 percent from the previous quarter. The average quality-adjusted price of an existing home in Greensboro was \$164,556. The average this quarter was 0.8 percent below the average recorded in the 4th quarter of last year.

Other indicators of housing activity were mixed in the 4th quarter. The average time on the market for existing homes sold was 99 days, down 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 slightly lower at 94.4 percent, indicating an increase in the level of discounting in the market. Over the past year, time on the market has declined, and the spread has fallen, suggesting that home sellers need less time to sell their homes but are accepting offers with larger discounts from their initial listing price.

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

Existing Homes, 1997:1 - 2003:4



Housing affordability has been an important factor maintaining housing demand over the past year. The affordability index rose 2.0 percent this quarter because of lower housing prices. Since the 4th quarter of 2002, the affordability index has fallen 3.5 percent because of the increase in mortgage rates.

Existing Home Sales Data, 2003.4 – 2002.4

				% Chg	% Chg
	2003.4	2003.3	2002.4	Last Qtr.	Last Yr.
<i>Existing Homes:</i>					
Ave. Home Price	\$ 164,556	\$ 170,339	\$ 165,936	-3.4	-0.8
No. of Homes Sold	567	1,271	788	-55.4	-28.0
Time on Market (days)	99	100	110	-1.0	-10.0
Affordability Index	135.3	132.6	140.2	2.0	-3.5
Spread: (sale price/list price)	94.4	95.6	94.5	-1.3	-0.1

The Neighborhood Distribution of Existing Home Sales

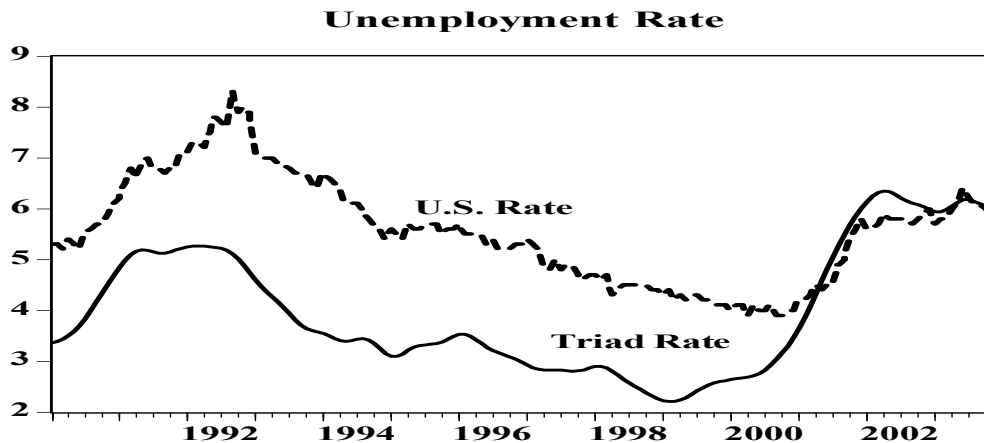
During the 4th quarter, the largest number of sales of existing homes occurred in zip code 27410. This neighborhood, which takes in most of northwest Greensboro, had a total of 146 sales. It was followed by zip code 27455, encompassing the Lake Jeannette area, which recorded a total of 132 sales. The Lake Jeannette area also recorded the highest average price of homes sold, with sales of existing homes averaging \$266,261.

The Neighborhood Distribution of Existing Home Sales, 2003.3

Zip Code	No. Sales	Price	Spread	TOM
27401	15	\$67,910	88.7%	110
27403	50	\$140,258	93.5%	84
27405	54	\$82,478	92.0%	95
27406	78	\$114,239	94.7%	110
27407	96	\$150,371	95.2%	94
27408	65	\$222,086	95.8%	81
27409	10	\$187,842	96.2%	93
27410	146	\$198,450	94.7%	94
27455	132	\$266,261	96.5%	118

Economic Trends in the Piedmont Triad

Economic conditions in the eight-county Piedmont Triad region improved during in the 4th quarter. The seasonally adjusted rate of unemployment was 6.0 percent in November 2003, down 0.2 percentage points from the July figure. The national unemployment rate in November was 5.9 percent.

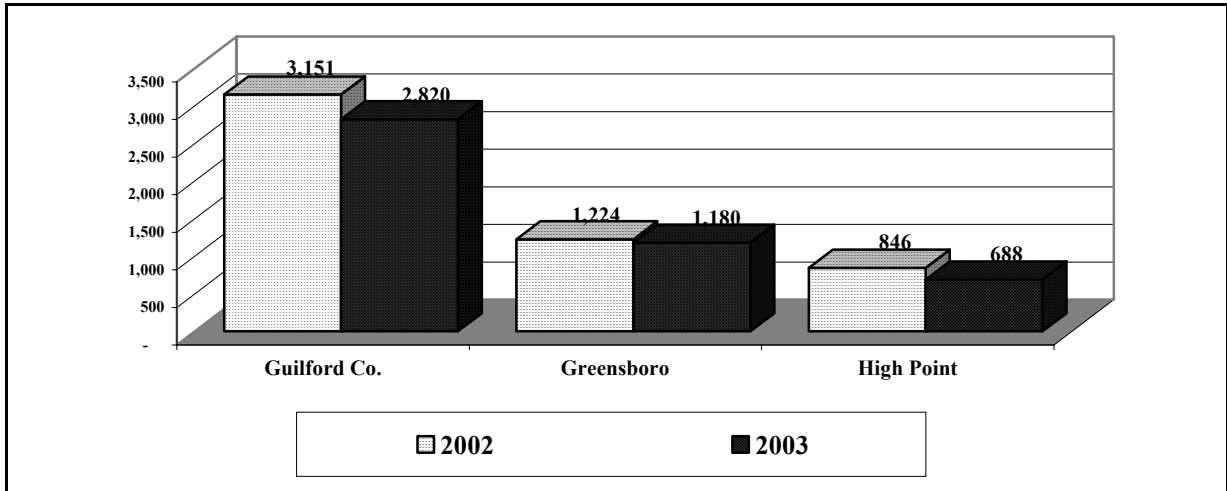


The number of persons employed in the Triad has risen by 2,400 (0.4 percent) since July, providing a clear indicator of the improving pace of regional economic activity. Employment in the manufacturing sector has continued to decline, but the average workweek and average weekly earning moved up in the 3rd quarter.

Consumer spending in the Triad continues to rise. Retail sales adjusted for price-level changes, gained 1.5 percent over the 12 months ending November 2003. In comparison, the growth in real spending nationally was up 5.0 percent.

Planned residential construction slowed during the 4th quarter. Single-family residential building permits (which reflect plans for future construction) were down 10.5 percent in Guilford County as a whole during the first 11 months of 2003 compared to 2002. Permits dropped 3.6 percent in Greensboro and 18.7 percent in High Point.

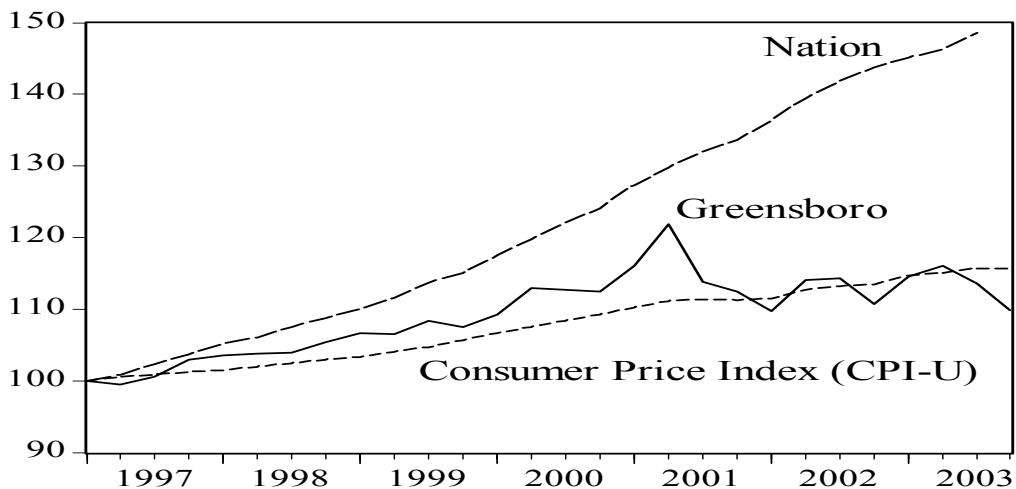
Building Permits, 2002-2003²



Longer-Term Trends

Since the 1st quarter of 1997, existing home prices in Greensboro have risen at an average annual rate of 1.4 percent, below the consumer price index (CPI), which has increased an average of 2.2 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 5.9 percent annual rate through the 3rd quarter of 2003, according to the Office of Federal Housing Enterprise Oversight (OFHEO).

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



² Figures reflect year-to-date totals through November.

Characteristics of Existing Homes Sold, 2003

Square Footage	1,973
Floors	1.4
Baths	2.3
Garage Spaces	1.1
Fireplaces	90%
Age	21.0
In the City	0.81
Northwest	45%
Number Sold	3,261

In 2003, the average existing home that was sold had 1,973 square feet of floor space. It was 1.4 stories high, had 2.3 bathrooms, 1.1 garage parking spaces, and 0.90 fireplaces. The average age of existing homes sold was 21.0 years. Eight-one percent of exiting homes sold were in the city limits of Greensboro, and 45 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 Greensboro Regional Realtors® Association 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 and Sharon P. Puryear, AICP, Community Research Associates, Inc.

Historical Data, 1997 - 2003

Quarter	No. Sales	Adjusted Sales Price	Spread	TOM
1997.1	462	149,887	97.1	86
1997.2	664	149,096	97.0	78
1997.3	669	150,835	97.2	85
1997.4	786	154,272	96.9	85
1998.1	488	155,347	97.2	88
1998.2	692	155,641	97.5	88
1998.3	702	155,690	96.9	78
1998.4	636	158,007	96.9	80
1999.1	424	159,991	97.4	99
1999.2	698	159,680	97.3	90
1999.3	742	162,508	97.4	98
1999.4	739	161,123	97.1	118
2000.1	473	163,645	97.2	126
2000.2	640	169,438	97.6	85
2000.3	605	168,941	97.2	83
2000.4	520	168,657	97.0	83
2001.1	438	173,976	96.3	90
2001.2	655	182,781	97.4	89
2001.3	669	170,557	95.7	91
2001.4	585	168,607	94.7	103
2002.1	564	164,386	94.5	110
2002.2	770	170,972	95.2	108
2002.3	790	171,383	94.9	108
2002.4	788	165,936	94.5	110
2003.1	594	171,788	94.5	119
2003.2	829	174,009	95.2	107
2003.3	1271	170,339	95.6	100
2003.4	567	164,556	94.4	99