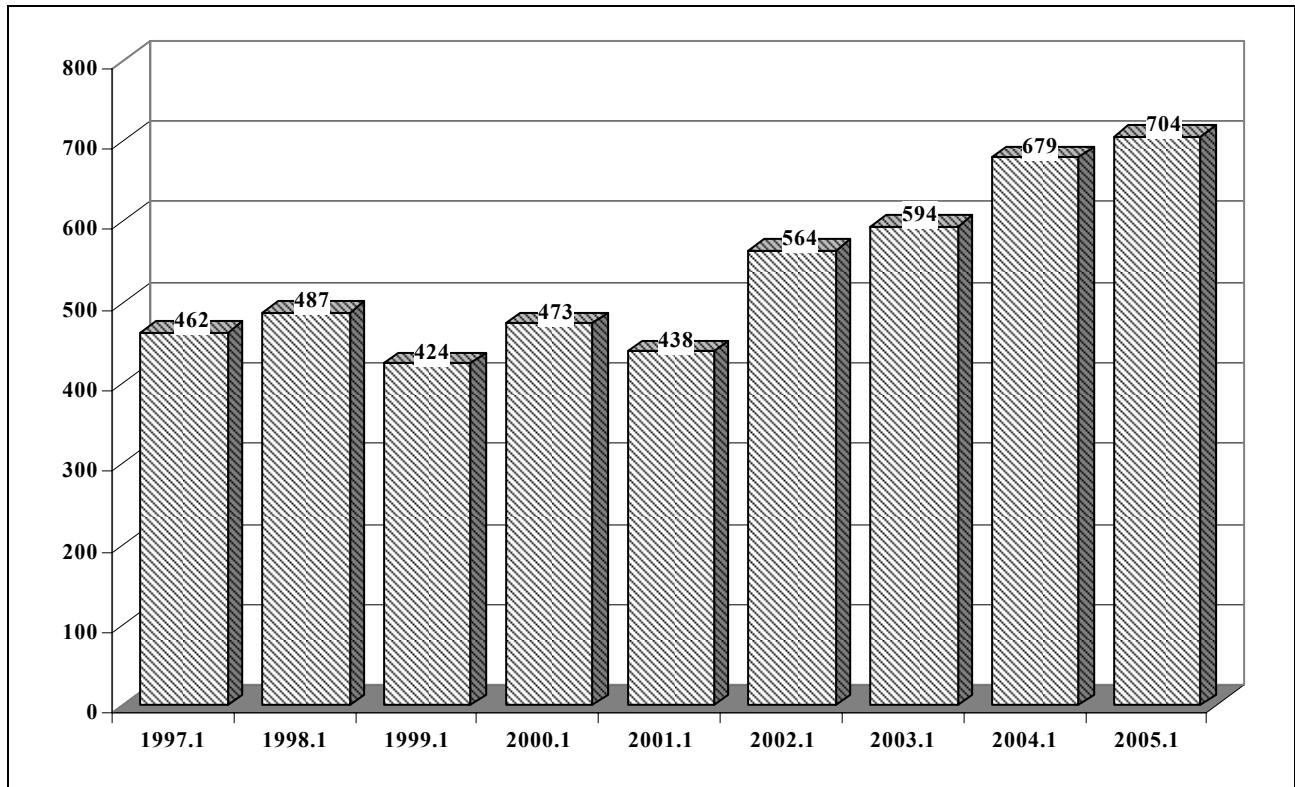


The Greensboro Housing Report, 2005.1

Current Outlook

The number of existing, single-family homes sold in the Greensboro area of Guilford County totaled 704 in the 1st quarter of 2005.¹ The number sold was down 32.7 percent compared to the level of sales recorded in the 4th quarter, but it was 3.7 percent higher than the number sold during the 1st quarter one year ago.

Number of Existing Homes Sold, 1997.1 – 2005.1



At the end of the 1st quarter of 2005, the inventory of homes on the market was 2,001 or 2.8 times the number of homes sold in the 1st quarter. The number of existing homes offered for sale was down 15.1 percent from what it was at the end of the 4th quarter. The average time on the market for unsold homes was 102 days at the end of the 1st quarter.

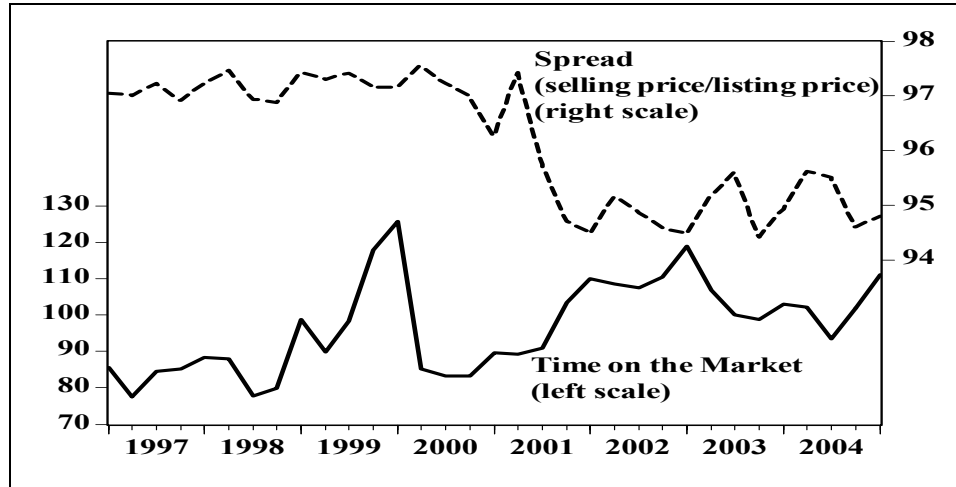
The price of the average home sold in the 1st quarter was up 3.7 percent from the previous quarter. The average quality-adjusted price of an existing home in Greensboro was \$177,314. The average this quarter was 2.9 percent above the average recorded in the 1st quarter of last year.

Other indicators of housing activity were mixed in the 1st quarter. The average time on the market for existing homes sold was 111 days, up 8.8 percent from the average in the 4th quarter. The sale-list price spread, which shows the ratio of selling to listing price, was slightly higher at 94.8 percent, indicating a small decrease in the level of discounting in the market. Over the past year, time on the market has declined, and the selling-to-listing

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

price ratio has been essentially unchanged, suggesting that home sellers need less time to sell their homes and are not accepting offers with substantially larger discounts from their initial listing price.

Existing Homes, 1997.1 – 2005.1



Housing affordability has been an important factor shaping housing demand over the past year. The affordability index declined 2.0 percent this quarter because of higher home prices. Since the 1st quarter of 2004, the affordability index has declined 0.8 percent because of the rise in prices.

Existing Home Sales Data, 2004.1 – 2005.1

	2005.1	2004.4	2004.1	% Chg Last Qtr.	% Chg Last Yr.
Ave. Home Price	\$ 177,314	\$ 170,960	\$ 172,247	3.7%	2.9%
No. of Homes Sold	704	1,046	679	-32.7%	3.7%
Time on Market (days)	111	102	116	8.8%	-4.3%
Affordability Index	134.1	136.9	135.2	-2.0%	-0.8%
Spread: (sale price/list price)	94.8	94.6	94.9	0.2%	-0.1%

The Neighborhood Distribution of Existing Home Sales

During the 1st 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 124 sales. It was followed by zip code 27455, encompassing the Lake Jeannette area, which recorded a total of 87 sales. This area recorded the highest average price of homes sold, with sales of existing homes averaging \$281,053.

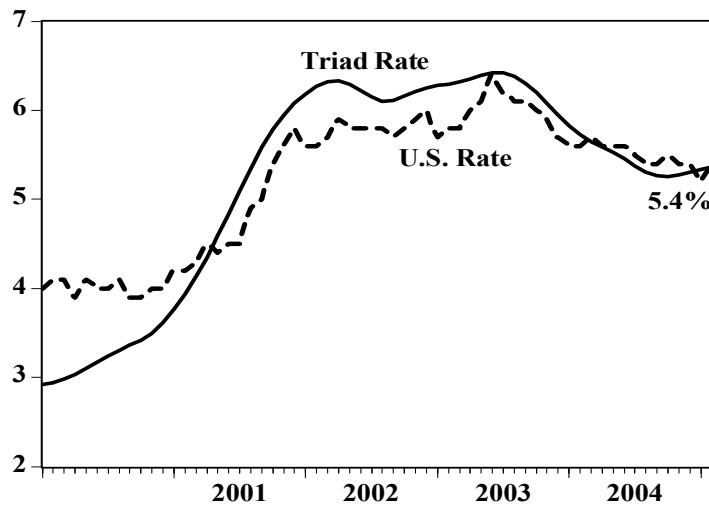
The Neighborhood Distribution of Existing Home Sales, 2005.1

Zip Code	No. Sales	Average Price	Spread	TOM
27401	20	\$141,330	95.1	152
27403	33	\$163,627	93.9	99
27405	64	\$109,403	93.3	121
27406	76	\$124,127	92.8	120
27407	71	\$141,932	94.4	98
27408	55	\$257,687	94.0	82
27409	11	\$190,245	91.6	129
27410	124	\$229,740	95.0	105
27455	87	\$281,053	97.3	128

Economic Trends in the Piedmont Triad

Economic conditions in the eight-county Piedmont Triad region improved in the 1st quarter.² The seasonally adjusted rate of unemployment was 5.4 percent in February 2005, down 0.3 percentage points from February 2004. The national unemployment rate in February also was 5.4 percent.

**Unemployment Rate
(seasonally adjusted)**



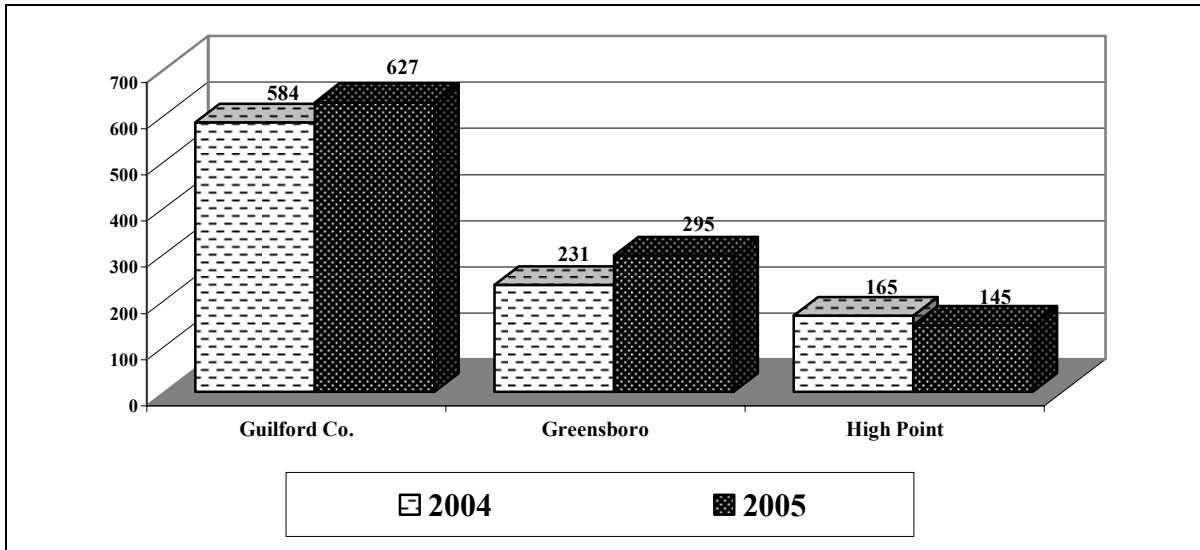
The number of persons employed in the Triad has risen 2.7 percent since February 2004, providing a clear indicator of the improving pace of regional economic activity. Employment in the goods-producing sector has risen 3.0 percent over the past year, while service-producing employment has gained 2.6 percent.

Consumer spending in the Triad, adjusted for price level change, has risen 0.8 percent over the past 12 months. In comparison, real spending nationally was up 4.2 percent over the same period.

² 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.

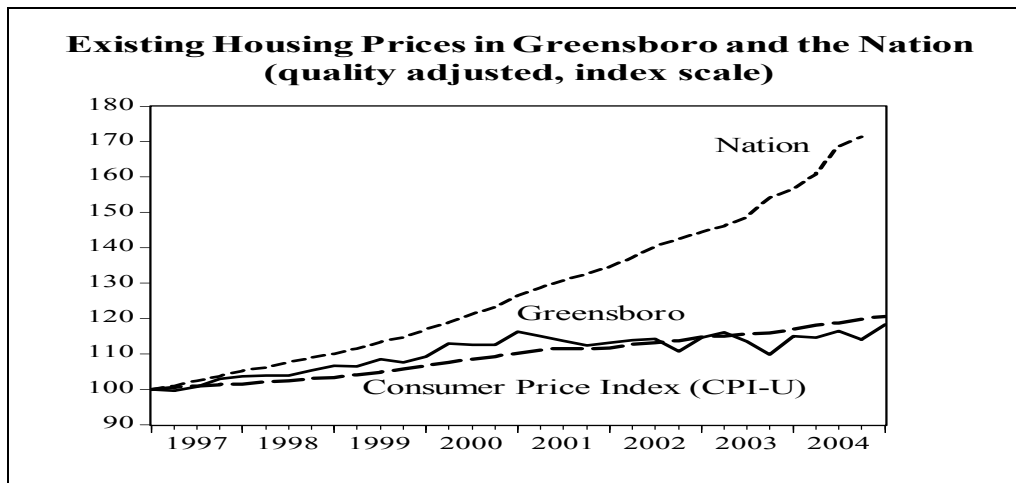
Planned residential construction increased during the 1st quarter. Residential building permits (which reflect plans for future construction) were up 7.4 percent in Guilford County as a whole during the first 2 months of 2005 compared to the same period in 2004. Permits rose 27.7 percent in Greensboro but dipped -12.1 percent in High Point.

Building Permits, 2004-2005³



Longer-Term Trends

Since the 1st quarter of 1997, existing home prices in Greensboro have risen at an average annual rate of 2.1 percent, lagging the consumer price index (CPI), which has increased an average of 2.3 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 7.0 percent annual rate from 1997.1 through the 4th quarter of 2004, according to the Office of Federal Housing Enterprise Oversight (OFHEO).



³ Figures reflect year-to-date totals through February.

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.

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Historical Data, 1997.1 – 2005.1

Quarter	No. Sales	Adjusted Sales Price	Spread	TOM
1997.1	462	\$149,933	97.1	86
1997.2	664	\$149,136	97.0	78
1997.3	669	\$150,879	97.2	84
1997.4	786	\$154,336	96.9	85
1998.1	487	\$155,311	97.2	88
1998.2	692	\$155,658	97.5	88
1998.3	702	\$155,712	96.9	78
1998.4	636	\$158,059	96.9	80
1999.1	424	\$160,009	97.4	99
1999.2	698	\$159,659	97.3	90
1999.3	742	\$162,463	97.4	98
1999.4	739	\$161,157	97.1	118
2000.1	473	\$163,715	97.2	126
2000.2	640	\$169,479	97.6	85
2000.3	605	\$168,867	97.2	83
2000.4	520	\$168,639	97.0	83
2001.1	438	\$174,346	96.3	90
2001.2	655	\$183,142	97.4	89
2001.3	669	\$170,438	95.7	91
2001.4	585	\$168,497	94.7	103
2002.1	564	\$164,482	94.5	110
2002.2	770	\$170,796	95.2	108
2002.3	790	\$171,280	94.9	107
2002.4	788	\$165,876	94.6	110
2003.1	594	\$171,690	94.5	119
2003.2	829	\$173,877	95.2	107
2003.3	1271	\$170,247	95.6	100
2003.4	567	\$164,528	94.4	99
2004.1	679	\$172,247	94.9	103
2004.2	1167	\$171,640	95.6	102
2004.3	1214	\$174,642	95.5	94
2004.4	1046	\$170,960	94.6	102
2005.1	704	\$177,314	94.8	111