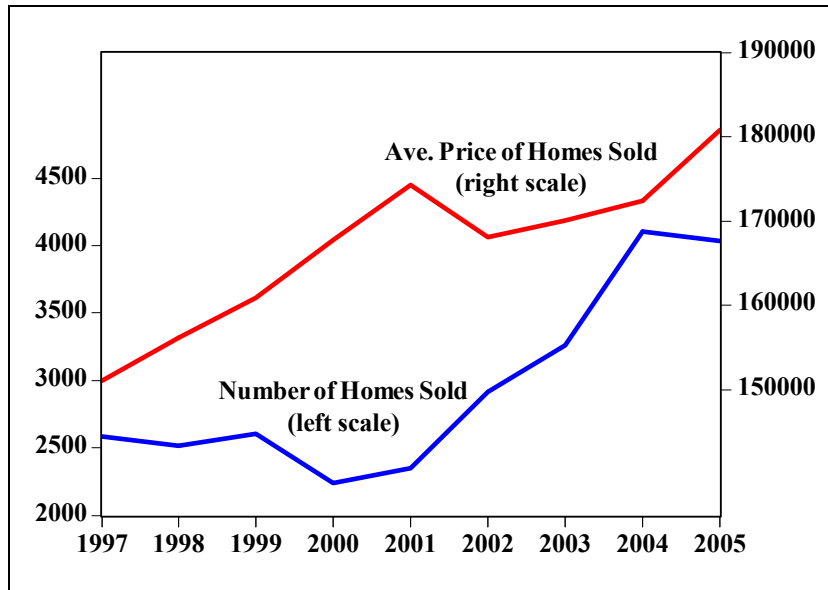


The Greensboro Housing Report, 2005

Current Outlook

The number of existing, single-family homes sold in the Greensboro area of Guilford County totaled 4,033 in 2005.¹ The number sold was down 1.8 percent compared to the level of sales recorded in 2004. Nationally, the National Association of Realtors® (NAR) reports that existing home sales increased 5.0 percent in 2005.

Number of Existing Homes Sold, 1997 – 2005



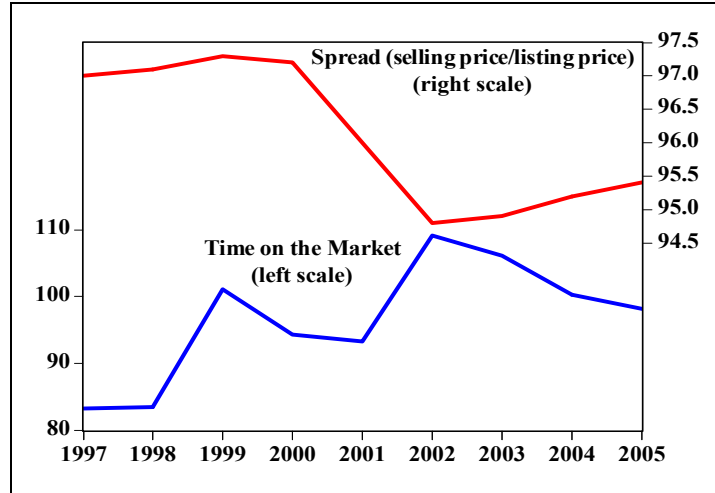
At the end of the 4th quarter of 2005, the inventory of homes on the market totaled 2,929 or 0.7 times the number of homes sold during the year. The number of existing homes offered for sale was up 24.2 percent from what it was at the end of 2004.

The price of the average home sold in 2005 was up 4.9 percent from 2004. The average quality-adjusted price of an existing home in Greensboro was \$180,774. Nationally, the average price for existing homes reported by NAR was \$215,100 in November 2005, up 13.2 percent over November 2004.

The average time on the market for existing homes sold was 98.1 days, down 2.1 percent from the average in 2004. The sale-list price spread, which shows the ratio of selling to listing price, was slightly higher at 95.4 percent, indicating a small decline in the level of discounting in the market. These statistics suggest that home sellers need less time to sell their homes and are accepting offers with smaller 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 – 2005



Housing affordability has been an important factor shaping housing demand in recent years. In 2005, the affordability index averaged 129.6, indicating that housing affordability was 29.6 percent higher than in the 1996 base year. During 2005, affordability declined 2.7 percent because of higher home prices and interest rates.

Existing Home Sales Data, 2005 – 2002

	2005	2004	2003	% Chg 2005-04	% Chg 2005-03
Adj. Ave. Home Price	\$180,774	\$172,381	\$170,047	4.9%	6.3%
Time on Market (days)	98.1	100.2	106.1	-2.1%	-7.6%
Spread: (sale price/list price)	95.4	95.2	94.9	0.3%	0.6%
No. of Homes Sold	4,033	4,106	3,261	-1.8%	23.7%
< \$150K	1,794	2,166	1,713	-17.2%	4.7%
\$150K - \$349K	1,694	1,537	1,270	10.2%	33.4%
\$350K & Over	545	403	278	35.2%	96.0%
Inventory, end of yr.	2,929	2,358	1,800	24.2%	62.7%
Inventory/Sales	0.7	0.6	0.6	26.5%	31.6%
Affordability Index	129.6	133.2	135.8	-2.7%	-4.6%

The Neighborhood Distribution of Existing Home Sales

During 2005, 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 696 sales. It was followed by zip code 27455, encompassing the Lake Jeannette area, which recorded a total of 503 sales. The highest average price of homes sold was recorded in the Summerfield area (zip code 27358). Homes in this neighborhood averaged \$378,110. The second highest average price was \$342,594 recorded in Oakridge area (zip code 27310).

The Neighborhood Distribution of Existing Home Sales, 2005

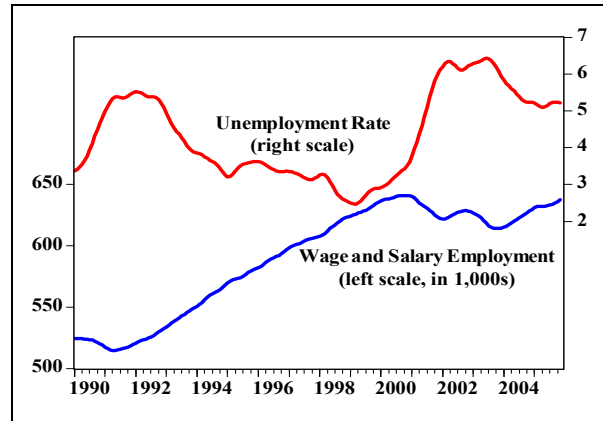
Zip	Price Range	No. Sales	Ave. Price	Spread	TOM	Inventory End of Yr.	Inv./Sales
27214	< \$150K	45	\$121,332	94.1	99.3	26	0.58
27214	\$150K - \$349K	39	\$202,881	98.1	103.8	49	1.26
27214	\$350K & Over	9	\$430,587	96.2	166.6	15	1.67
27214	Total	93	\$185,458	96.0	107.7	90	0.97
27215	< \$150K	5	\$144,340	96.6	156.2	4	0.80
27215	\$150K - \$349K	5	\$166,940	96.9	159.8	6	1.20
27215	\$350K & Over	1	\$650,000	93.5	223.0	1	1.00
27215	Total	11	\$200,582	96.4	163.9	11	1.00
27235	< \$150K	8	\$114,563	95.4	129.1	4	0.50
27235	\$150K - \$349K	37	\$249,077	99.2	94.8	40	1.08
27235	\$350K & Over	8	\$452,488	97.7	214.5	7	0.88
27235	Total	53	\$259,476	98.4	118.0	51	0.96
27249	< \$150K	30	\$96,003	92.2	98.9	12	0.40
27249	\$150K - \$349K	13	\$207,400	97.0	155.4	7	0.54
27249	\$350K & Over	n.a.	n.a.	n.a.	n.a.	1	n.a.
27249	Total	43	\$129,681	93.7	116.0	20	0.47
27283	< \$150K	4	\$132,088	94.9	138.3	4	1.00
27283	\$150K - \$349K	11	\$187,936	94.5	136.4	7	0.64
27283	\$350K & Over	1	\$375,000	93.8	37.0	1	1.00
27283	Total	16	\$185,666	94.5	130.6	12	0.75
27284	< \$150K	5	\$121,550	93.6	69.4	5	1.00
27284	\$150K - \$349K	13	\$244,742	94.7	138.0	13	1.00
27284	\$350K & Over	8	\$487,425	97.1	106.3	12	1.50
27284	Total	26	\$295,723	95.2	115.0	30	1.15
27301	< \$150K	29	\$110,711	93.8	82.7	16	0.55
27301	\$150K - \$349K	44	\$193,386	97.3	91.4	58	1.32
27301	\$350K & Over	n.a.	n.a.	n.a.	n.a.	2	n.a.
27301	Total	73	\$160,543	95.9	88.0	76	1.04
27310	< \$150K	9	\$129,267	96.9	52.2	4	0.44
27310	\$150K - \$349K	73	\$271,649	96.4	104.0	37	0.51
27310	\$350K & Over	72	\$441,190	97.5	128.6	67	0.93
27310	Total	154	\$342,594	96.9	112.5	108	0.70
27313	< \$150K	11	\$87,245	88.3	139.5	5	0.45
27313	\$150K - \$349K	25	\$234,941	95.4	117.4	11	0.44
27313	\$350K & Over	1	\$372,500	96.8	54.0	2	2.00
27313	Total	37	\$194,750	93.4	122.2	18	0.49

Zip	Price Range	No. Sales	Ave. Price	Spread	TOM	Inventory End of Yr.	Inv./Sales
27357	< \$150K	10	\$85,824	89.8	97.7	6	0.60
27357	\$150K - \$349K	49	\$237,025	98.4	95.3	37	0.76
27357	\$350K & Over	19	\$430,350	99.3	156.5	27	1.42
27357	Total	78	\$264,732	97.5	110.5	70	0.90
27358	< \$150K	8	\$115,863	99.4	19.4	3	0.38
27358	\$150K - \$349K	83	\$263,791	96.9	77.5	48	0.58
27358	\$350K & Over	84	\$516,044	99.0	161.3	95	1.13
27358	Total	175	\$378,110	98.0	115.0	146	0.83
27377	< \$150K	19	\$126,001	97.2	115.8	9	0.47
27377	\$150K - \$349K	50	\$223,742	97.1	123.0	46	0.92
27377	\$350K & Over	14	\$414,794	97.6	105.4	18	1.29
27377	Total	83	\$233,593	97.2	118.4	73	0.88
27401	< \$150K	86	\$76,356	93.0	119.2	86	1.00
27401	\$150K - \$349K	10	\$213,980	98.1	27.4	7	0.70
27401	\$350K & Over	6	\$532,667	91.4	177.7	8	1.33
27401	Total	102	\$116,690	93.4	113.6	101	0.99
27403	< \$150K	108	\$97,023	92.6	88.3	80	0.74
27403	\$150K - \$349K	85	\$206,997	94.6	91.1	43	0.51
27403	\$350K & Over	4	\$500,875	94.1	135.3	5	1.25
27403	Total	197	\$152,674	93.5	90.5	128	0.65
27405	< \$150K	336	\$96,856	93.3	103.3	348	1.04
27405	\$150K - \$349K	41	\$177,425	98.6	97.9	66	1.61
27405	\$350K & Over	3	\$477,333	98.8	21.7	1	0.33
27405	Total	380	\$108,553	94.0	102.0	415	1.09
27406	< \$150K	302	\$96,121	92.6	95.0	228	0.75
27406	\$150K - \$349K	125	\$219,489	96.4	101.0	131	1.05
27406	\$350K & Over	8	\$405,100	98.1	96.1	14	1.75
27406	Total	435	\$137,254	93.8	96.7	373	0.86
27407	< \$150K	276	\$106,449	95.5	82.0	149	0.54
27407	\$150K - \$349K	164	\$196,515	96.6	81.3	95	0.58
27407	\$350K & Over	30	\$498,381	94.2	153.7	48	1.60
27407	Total	470	\$162,893	95.8	86.3	292	0.62
27408	< \$150K	127	\$115,139	94.2	59.1	51	0.40
27408	\$150K - \$349K	116	\$217,902	94.8	80.8	70	0.60
27408	\$350K & Over	60	\$688,363	93.9	134.3	56	0.93
27408	Total	303	\$267,990	94.4	82.3	177	0.58
27409	< \$150K	41	\$99,417	94.5	98.0	6	0.15
27409	\$150K - \$349K	23	\$207,124	96.3	94.5	17	0.74
27409	\$350K & Over	4	\$375,095	98.6	128.8	1	0.25
27409	Total	68	\$152,064	95.3	98.7	24	0.35
27410	< \$150K	158	\$124,750	96.3	73.3	38	0.24
27410	\$150K - \$349K	462	\$217,477	96.6	81.1	235	0.51
27410	\$350K & Over	76	\$483,987	94.5	112.9	77	1.01
27410	Total	696	\$225,528	96.3	82.8	350	0.50
27455	< \$150K	152	\$121,087	96.4	84.7	60	0.39
27455	\$150K - \$349K	215	\$249,184	97.5	95.6	155	0.72
27455	\$350K & Over	136	\$460,198	98.5	132.2	98	0.72
27455	Total	503	\$267,528	97.4	102.2	313	0.62

Economic Trends in the Piedmont Triad

Economic conditions in the eight-county Piedmont Triad region improved in 2005.² The seasonally adjusted rate of unemployment in the Triad was 5.2 percent in November, unchanged from the revised figure for October. The national unemployment rate was 5.0 percent, also unchanged from October.

Triad Employment and the Unemployment Rate

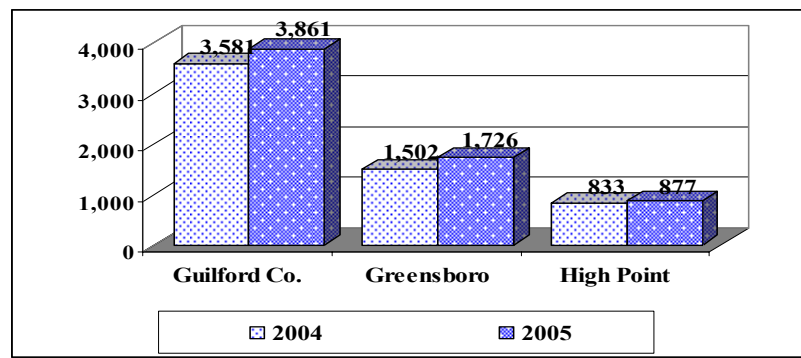


Total nonagricultural wage and salary employment in the Piedmont Triad rose 0.2 percent in November. Over the past 12 months, employment has gained 1.5 percent. For the nation as a whole, employment rose 0.2 percent in November. Over the past 12 months, national employment has risen 1.7 percent.

Seasonally adjusted consumer spending, as measured by retail sales, was up 0.2 percent in November, after correction for the change in consumer prices. Since November of 2004, real spending at the retail level has risen 5.0 percent. At the national level, real retail spending for November rose 0.8 percent, and national spending in real dollars has grown 2.7 percent over the past year.

Planned single-family residential construction rose during 2005. Residential building permits (which reflect plans for future construction) were up 7.8 percent in Guilford County as a whole during the first 11 months of 2005 compared to the same period in 2004. Permits increased 14.9 percent in Greensboro and 5.3 percent in High Point.

Building Permits, 2004-2005³

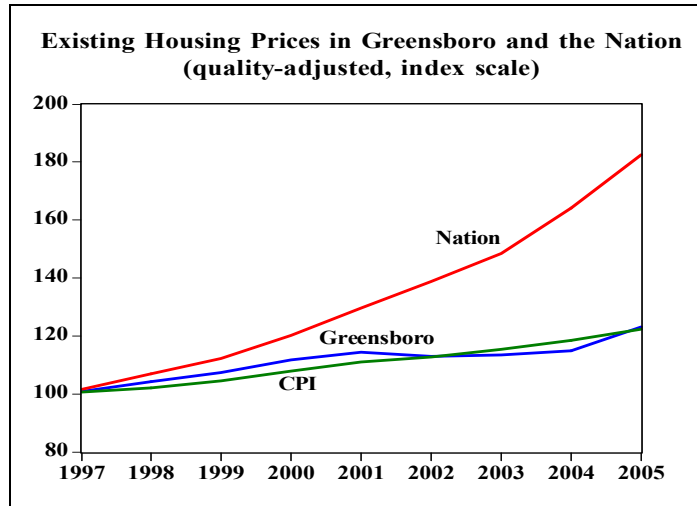


² The Triad is defined as the eight-county area that is composed of the Burlington MSA, the Greensboro/High Point MSA, and the Winston-Salem MSA.

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

Longer-Term Trends

Since 1997, existing home prices in Greensboro have risen at an average annual rate of 2.6 percent, slightly ahead of the consumer price index for urban consumers (CPI-U), 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 7.8 percent annual rate from 1997 through the 2005, according to data compiled by the Office of Federal Housing Enterprise Oversight (OFHEO).



In 2005, the average existing home that was sold had 2,096 square feet of floor space. It was 1.5 stories high, had 2.4 bathrooms, 1.3 garage parking spaces, and 0.91 fireplaces. The average age of existing homes sold was 21.9 years. Seventy-nine percent of exiting homes sold were in the city limits of Greensboro, and 39 percent of all homes were in the northwest part of Guilford County.

Characteristics of Existing Homes Sold, 2005

Square Footage	2,096
Floors	1.5
Baths	2.4
Garage Spaces	1.3
Fireplaces	91%
Age	21.9
In the City	79%
Northwest	39%
Number Sold	4,033

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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