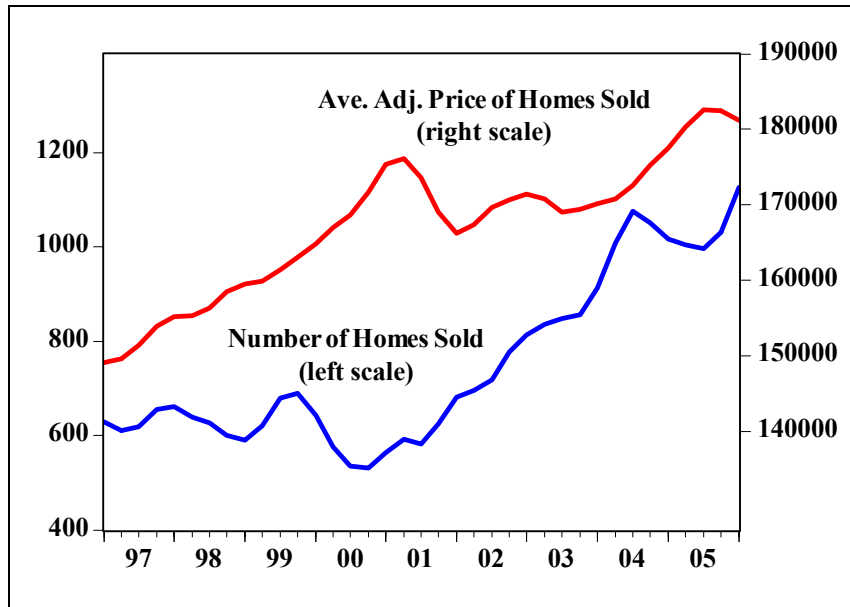


The Greensboro Housing Report, 2006.1

Current Outlook

The number of existing, single-family homes sold in the Greensboro area of Guilford County totaled 1,125 in the 1st quarter of 2006 after adjustment for seasonal variation.¹ The number sold was up 9.1 percent compared to the level of sales recorded in the 4th quarter, and it was 10.6 percent above the number sold during the 1st quarter one year ago.

Number and Prices of Existing Homes Sold, 1997.1 – 2006.1
(seasonally adjusted)



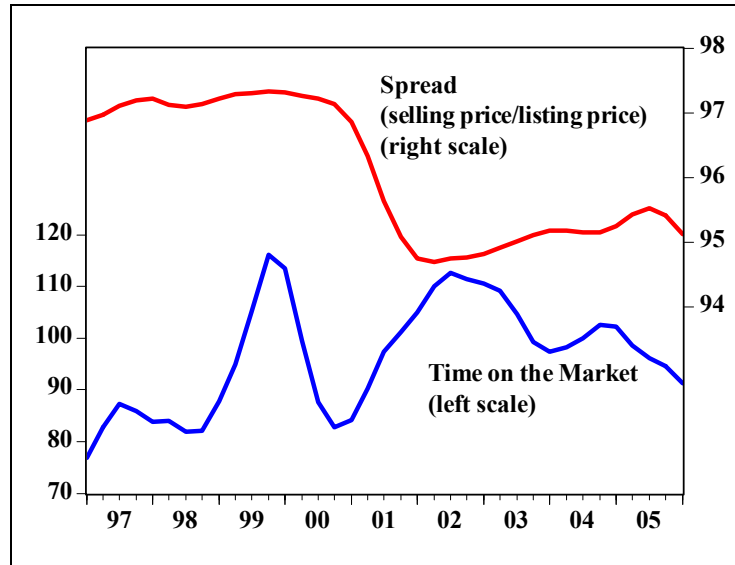
At the end of the 1st quarter of 2006, the inventory of homes on the market was 2,271 or 2.8 times the number of homes sold in the 1st quarter. The number of existing homes offered for sale was down 22.5 percent from what it was at the end of the 4th quarter, but it was 13.5 percent above the level one year ago.

The quality-adjusted price of the average home sold in the 1st quarter was down 0.7 percent from the previous quarter. The average quality-adjusted price of an existing home in Greensboro was \$181,140. The average this quarter was 2.1 percent above the average recorded in the 1st quarter of last year.

Other indicators of housing activity offer a mixed picture of the housing market in the 1st quarter. The average time on the market for existing homes sold was 91.2 days, down 3.5 percent from the average in the 4th quarter. The sale-list price spread, which shows the ratio of selling to listing price, was lower at 95.1 percent, indicating a small rise in the level of discounting in the market.

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

Existing Homes, 1997.1 – 2006.1
(seasonally adjusted)



Housing affordability is an important factor shaping housing demand. The affordability index rose 1.1 percent this quarter because of declining home prices. Since the 1st quarter of 2005, the affordability index has fallen 6.1 percent.

Existing Home Sales Data, 2004.4 – 2006.1

	2006.1	2005.4	2005.1	% Chg Last Qtr.	% Chg Last Yr.
<i>Seasonally Adjusted</i>					
Adj. Ave. Home Price	\$181,140	\$182,470	\$177,479	-0.7%	2.1%
No. of Homes Sold	1,125	1,031	1,017	9.1%	10.6%
Time on Market (days)	91.2	94.5	102.2	-3.5%	-10.8%
Spread: (sale price/list price)	95.1	95.4	95.2	-0.3%	-0.1%
<i>Unadjusted</i>					
Ave. Home Price	\$180,392	\$179,515	\$177,374	0.5%	1.7%
No. of Homes Sold	812	1,010	704	-19.6%	15.3%
< \$150K	371	493	317	-24.7%	17.0%
\$150K - \$349K	332	398	300	-16.6%	10.7%
\$350K & Over	109	119	87	-8.4%	25.3%
Inventory, end of qtr.	2,271	2,929	2,001	-22.5%	13.5%
Inventory/Sales	2.8	2.9	2.8	-3.6%	-1.6%
Affordability Index	124.0	122.7	132.1	1.1%	-6.1%

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 110 sales. It was followed by zip code 27405, in the northeast area of the City, which recorded a total of 102 sales. The Lake Jeanette area (zip code 27455) recorded the highest average price of homes sold, with sales of existing homes averaging \$303,180.

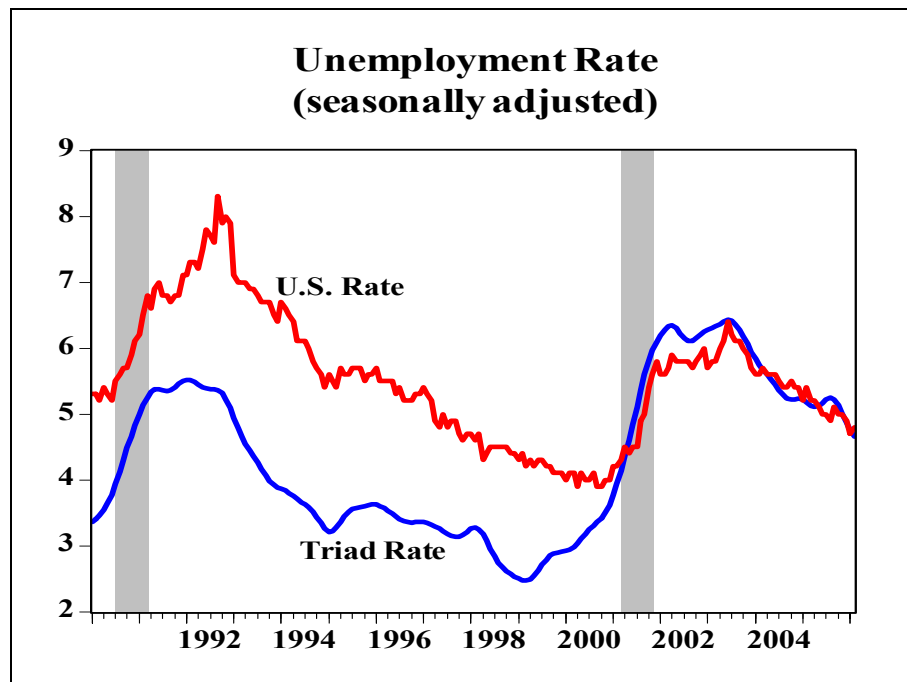
The Neighborhood Distribution of Existing Home Sales, 2006.1

Zip	Price Range	No. Sales	Ave. Price	Spread	TOM	Inventory End of Qtr.	Inv./Sales
27310	< \$150K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27310	\$150K - \$349K	17	257,076	96.8	90.8	27	1.6
27310	\$350K & Over	15	449,287	97.8	106.6	60	4.0
27310	Total	32	347,175	97.3	98.2	87	2.7
27357	< \$150K	1	125,500	95.1	164.0	4	4.0
27357	\$150K - \$349K	3	192,967	97.6	181.3	42	14.0
27357	\$350K & Over	8	429,495	100.5	167.1	22	2.8
27357	Total	12	345,030	99.3	170.4	68	5.7
27358	< \$150K	3	126,833	98.1	22.3	3	1.0
27358	\$150K - \$349K	21	233,774	95.9	71.8	33	1.6
27358	\$350K & Over	11	465,732	98.7	132.5	98	8.9
27358	Total	35	297,508	97.0	86.6	134	3.8
27377	< \$150K	1	142,000	101.0	60.0	6	6.0
27377	\$150K - \$349K	10	227,238	97.1	118.6	49	4.9
27377	\$350K & Over	2	495,254	108.7	28.5	20	10.0
27377	Total	13	261,914	99.2	100.2	75	5.8
27401	< \$150K	18	63,402	87.0	82.8	78	4.3
27401	\$150K - \$349K	7	219,429	94.2	57.3	12	1.7
27401	\$350K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27401	Total	25	107,090	89.0	75.7	90	3.6
27403	< \$150K	22	75,398	83.0	117.3	75	3.4
27403	\$150K - \$349K	11	203,327	94.2	95.3	28	2.5
27403	\$350K & Over	2	477,500	94.3	30.0	7	3.5
27403	Total	35	138,581	87.1	105.4	110	3.1
27405	< \$150K	91	88,675	92.1	85.8	228	2.5
27405	\$150K - \$349K	11	182,239	96.8	128.4	51	4.6
27405	\$350K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27405	Total	102	98,766	92.6	90.4	279	2.7
27406	< \$150K	65	88,411	90.3	86.2	188	2.9
27406	\$150K - \$349K	28	224,642	94.8	110.9	121	4.3
27406	\$350K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27406	Total	93	129,426	91.6	93.7	309	3.3
27407	< \$150K	57	106,398	94.8	74.8	107	1.9
27407	\$150K - \$349K	27	200,352	93.4	128.3	77	2.9

27407	\$350K & Over	6	547,083	92.6	229.2	34	5.7
27407	Total	90	163,963	94.2	101.1	218	2.4
27408	< \$150K	27	112,245	95.3	56.3	33	1.2
27408	\$150K - \$349K	23	189,589	93.6	85.0	41	1.8
27408	\$350K & Over	12	839,817	91.0	211.2	59	4.9
27408	Total	62	281,757	93.8	97.0	133	2.1
27410	< \$150K	22	136,246	96.5	66.9	21	1.0
27410	\$150K - \$349K	75	209,705	96.5	77.3	134	1.8
27410	\$350K & Over	13	522,337	96.5	146.3	63	4.8
27410	Total	110	231,961	96.5	83.4	218	2.0
27455	< \$150K	23	123,848	96.9	89.3	37	1.6
27455	\$150K - \$349K	43	251,208	97.2	109.9	74	1.7
27455	\$350K & Over	34	490,224	95.7	143.5	70	2.1
27455	Total	100	303,180	96.6	116.6	181	1.8

Economic Trends in the Piedmont Triad

Economic conditions in the eight-county Piedmont Triad region were stable during the 1st quarter.² The seasonally adjusted rate of unemployment in the Triad was 4.7 percent in February, unchanged from the revised figure for January. The national unemployment rate was 4.8 percent, up 0.1 percentage points from last month.



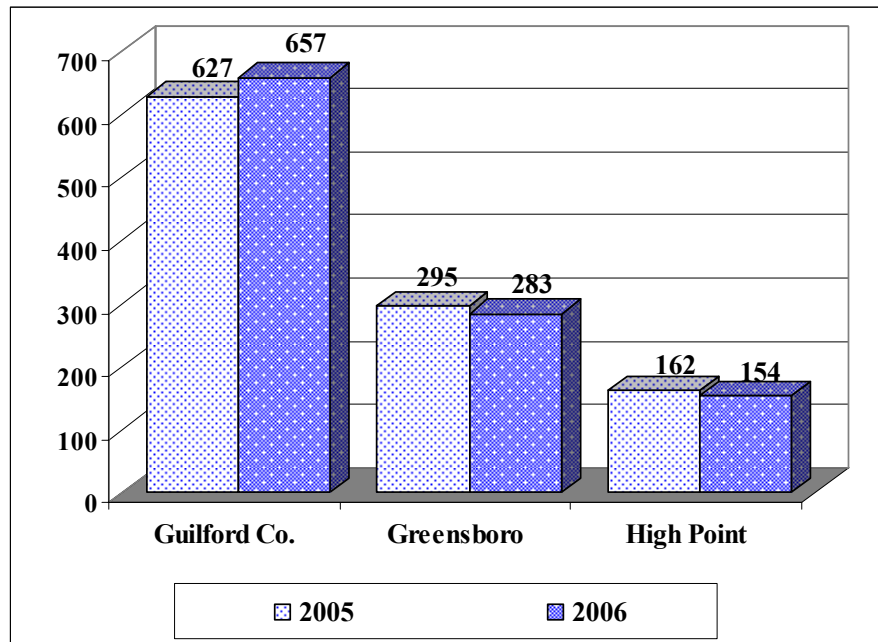
Total nonagricultural wage and salary employment in the Piedmont Triad was unchanged in February. Over the past 12 months, employment has slipped 0.1 percent. For the nation as a whole, employment was up 0.2 percent in February. Over the past 12 months, national employment has risen 1.4 percent.

Planned single-family residential construction rose during the 1st quarter. Residential building permits (which reflect plans for future construction) were up 4.8 percent in Guilford County as a whole during the first 2

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.

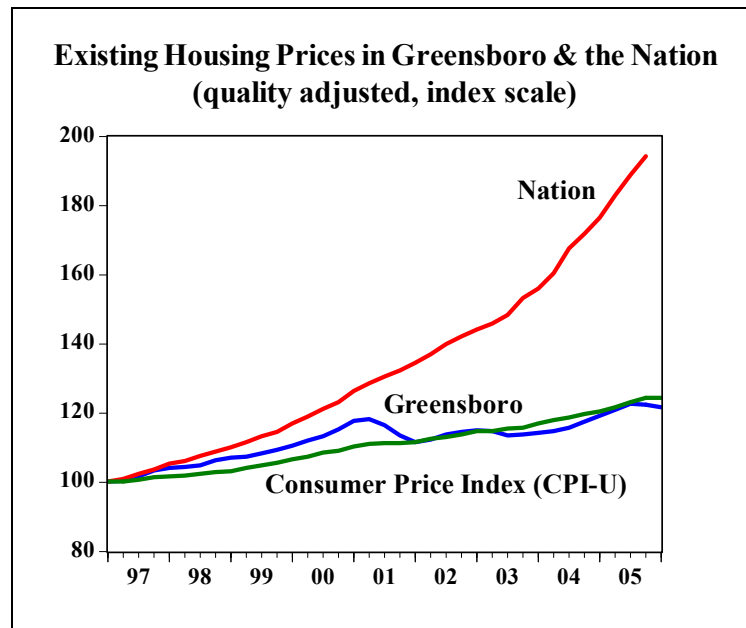
months of 2006 compared to the same period in 2005. But permits declined 4.1 percent in Greensboro and 4.9 percent in High Point.

Building Permits, 2005-2006³



Longer-Term Trends

Since the 1st quarter of 1997, existing home prices in Greensboro have risen at an average annual rate of 2.0 percent, slightly below of the consumer price index (CPI), which 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 7.8 percent annual rate from 1997.1 through the 4th quarter of 2006, according to the Office of Federal Housing Enterprise Oversight (OFHEO).



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

In 2006, 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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