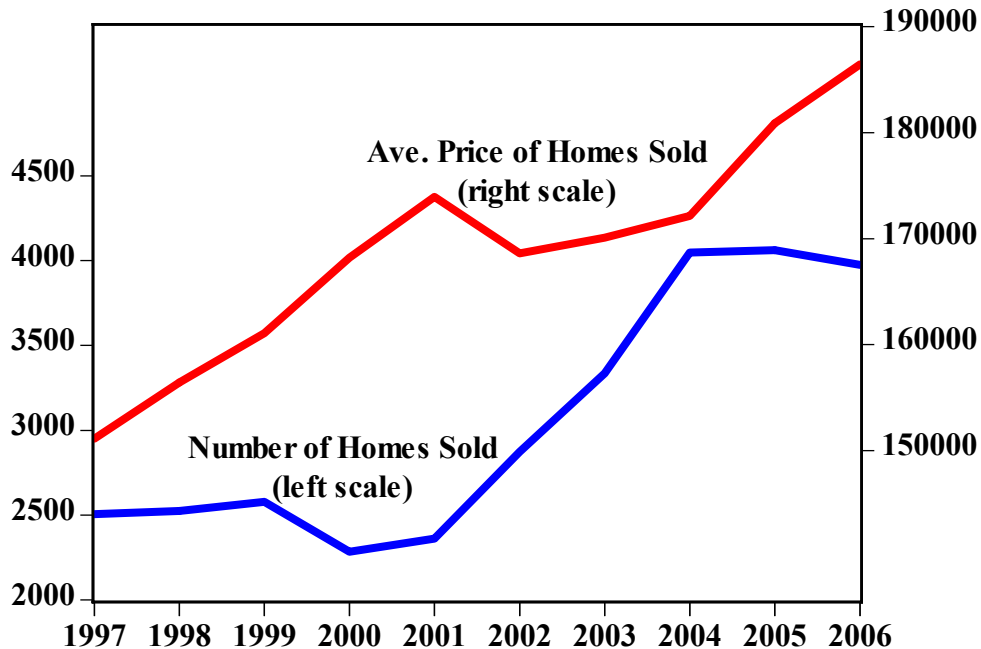


The Greensboro Housing Report, 2006

Current Outlook

The number of existing, single-family homes sold in the Greensboro area of Guilford County totaled 3,958 in 2006.¹ The number sold was down -1.9 percent compared to the level of sales recorded in 2005. Nationally, the National Association of Realtors® (NAR) reports that existing single-family home sales declined -7.4 percent in 2006.²

Number of Existing Homes Sold, 1997 – 2006



At the end of the 4th quarter of 2006, the inventory of homes on the market totaled 2,045 or 0.52 times the number of homes sold during the year. At the current sales rate, it will take 6.2 months to exhaust the current inventory of homes on the market. Nationally, NAR estimates that the inventory of existing single-family homes is equal to 7.0 months of sales. The number of existing homes offered for sale in Greensboro was down -30.2 percent from what it was at the end of 2005.

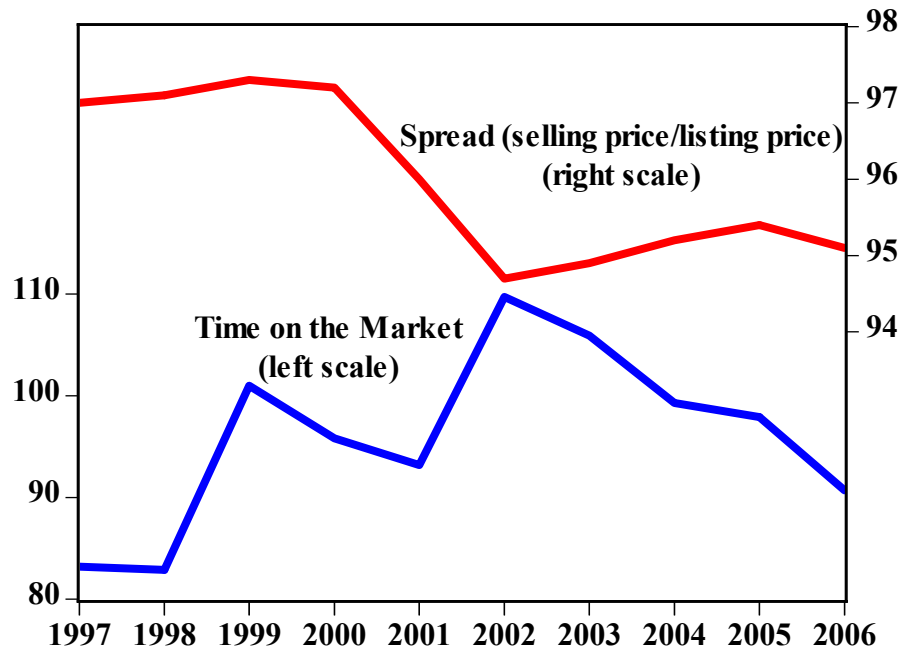
The price of the average home sold in 2006 was up 3.1 percent from 2005. The average quality-adjusted price of an existing home in Greensboro was \$186,430. Nationally, the average price for existing homes reported by NAR was \$266,600 in November 2006, down -2.2 percent over November 2005.

The average time on the market for existing homes sold was 90.7 days, down -7.4 percent from the average in 2005. The sale-list price spread, which shows the ratio of selling to listing price, was slightly lower at 95.1 percent, indicating a small rise 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 larger discounts from their initial listing price.

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

² Calculated through Nov. 2006.

Existing Homes, 1997 – 2006



Housing affordability has been an important factor shaping housing demand in recent years. In 2006, the affordability index averaged 102.1. Housing affordability was -7.1 percent lower than in 2005 because of higher interest rates and housing prices.

Existing Home Sales Data, 2006 – 2003

	2006	2005	2003	% Chg 2006-05	Ave. Ann. % Chg 2006-04
Adj. Ave. Home Price	\$186,430	\$180,874	\$172,162	3.1%	4.1%
Time on Market (days)	90.7	97.9	99.3	-7.4%	-4.4%
Spread: (sale price/list price)	95.1	95.4	95.2	-0.3%	0.0%
No. of Homes Sold	3,958	4,033	4,106	-1.9%	-1.8%
< \$150K	1,689	1,794	2,166	-5.9%	-11.7%
\$150K - \$349K	1,677	1,694	1,537	-1.0%	4.5%
\$350K & Over	592	545	403	8.6%	21.2%
Inventory, end of yr.	2,045	2,929	2,358	-30.2%	-6.9%
Inventory/Sales	0.52	0.73	0.57	-28.9%	-5.1%
Affordability Index	102.1	110.0	113.3	-7.1%	-5.1%
CPI-U	201.6	195.3	188.9	3.2%	3.3%

The Neighborhood Distribution of Existing Home Sales

During 2006, 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 595 sales. It was followed by zip code 27406, encompassing the Forrest Oaks area in southeast Guilford County, which recorded a total of 504 sales. The highest average price of homes sold was recorded in the Summerfield area (zip code 27358). Homes in this neighborhood averaged \$386,864. The second highest average price was \$366,300 recorded in Kernersville area of Guilford County (zip code 27284).

The highest inventory-to-sales ratio was in zip code 27377, the Stoney Creek/Whitsett area, where the inventory level was equal to 13.2 months of sales. It was followed by zip code 27214, along Highway 150 in northeast Guilford County, where the stock of homes for sale was equal to 12 months of sales.

The Neighborhood Distribution of Existing Home Sales, 2006

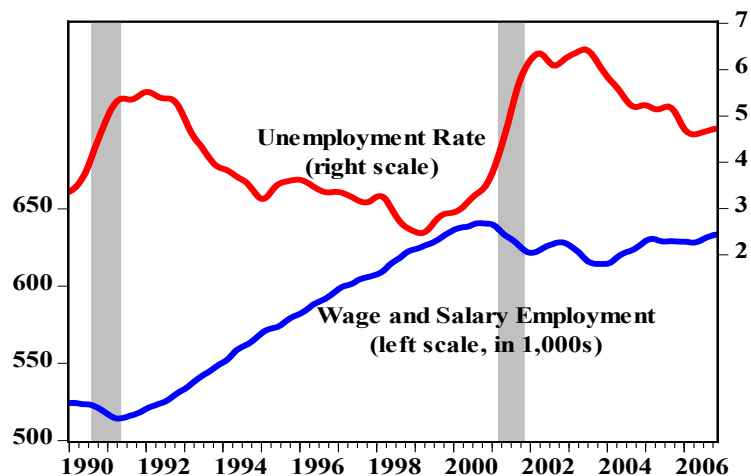
Zip	Price Range	No. Sales	Ave. Price	Spread	TOM	Inventory End of Yr.	Inv./Sales
27214	< \$150K	36	\$121,839	94.3	92.9	15	0.4
27214	\$150K - \$349K	65	\$230,305	98.4	119.7	73	1.1
27214	\$350K & Over	8	\$461,625	96.2	255.1	26	3.3
27214	Total	109	\$211,459	96.9	120.8	114	1.0
27215	< \$150K	4	\$142,791	98.5	62.3	n.a	n.a
27215	\$150K - \$349K	17	\$176,931	97.9	92.7	10	0.6
27215	\$350K & Over	1	\$364,000	95.8	13.0	4	4.0
27215	Total	22	\$179,227	97.9	83.5	14	0.6
27233	< \$150K	3	\$97,133	91.1	90.7	2	0.7
27233	\$150K - \$349K	3	\$182,500	97.2	134.7	n.a	n.a
27233	\$350K & Over	1	\$417,000	92.7	308.0	n.a	n.a
27233	Total	7	\$179,414	93.9	140.6	2	0.3
27235	< \$150K	9	\$110,333	93.0	39.1	2	0.2
27235	\$150K - \$349K	33	\$265,859	98.0	113.8	16	0.5
27235	\$350K & Over	8	\$473,847	97.5	199.3	n.a	n.a
27235	Total	50	\$271,142	97.0	114.1	18	0.4
27284	< \$150K	2	\$108,000	96.0	136.5	1	0.5
27284	\$150K - \$349K	9	\$258,878	97.2	78.8	5	0.6
27284	\$350K & Over	17	\$453,559	100.1	97.2	17	1.0
27284	Total	28	\$366,300	98.9	94.1	23	0.8
27310	< \$150K	8	\$138,988	93.0	106.4	3	0.4
27310	\$150K - \$349K	60	\$255,517	95.2	74.1	21	0.4
27310	\$350K & Over	81	\$450,761	97.2	101.7	41	0.5
27310	Total	149	\$355,400	96.1	90.8	65	0.4
27357	< \$150K	12	\$102,867	93.6	52.5	3	0.3
27357	\$150K - \$349K	44	\$238,657	98.1	112.9	38	0.9
27357	\$350K & Over	27	\$426,419	98.1	178.1	18	0.7
27357	Total	83	\$280,104	97.4	125.4	59	0.7
27358	< \$150K	11	\$115,712	91.0	81.2	3	0.3
27358	\$150K - \$349K	80	\$244,734	97.2	69.8	22	0.3
27358	\$350K & Over	106	\$522,269	98.3	114.1	79	0.7
27358	Total	197	\$386,864	97.4	94.3	104	0.5

Zip	Price Range	No. Sales	Ave. Price	Spread	TOM	Inventory End of Yr.	Inv./Sales
27377	< \$150K	9	\$124,254	92.7	170.8	3	0.3
27377	\$150K - \$349K	45	\$236,505	96.6	159.2	49	1.1
27377	\$350K & Over	10	\$432,151	98.6	136.1	16	1.6
27377	Total	64	\$251,289	96.3	157.2	68	1.1
27401	< \$150K	73	\$74,889	89.8	89.2	67	0.9
27401	\$150K - \$349K	10	\$234,500	94.1	68.9	8	0.8
27401	\$350K & Over	2	\$429,000	96.2	138.0	n.a	n.a
27401	Total	85	\$101,999	90.4	88.0	75	0.9
27403	< \$150K	117	\$83,779	88.8	80.1	62	0.5
27403	\$150K - \$349K	74	\$223,695	95.1	75.9	27	0.4
27403	\$350K & Over	8	\$423,313	94.8	58.3	12	1.5
27403	Total	199	\$149,458	91.4	77.7	101	0.5
27405	< \$150K	382	\$95,244	93.2	95.0	197	0.5
27405	\$150K - \$349K	60	\$182,933	99.1	119.6	54	0.9
27405	\$350K & Over	2	\$388,250	95.9	79.0	4	2.0
27405	Total	444	\$108,414	94.0	98.3	255	0.6
27406	< \$150K	355	\$95,938	91.8	82.8	178	0.5
27406	\$150K - \$349K	140	\$219,845	95.7	110.6	76	0.5
27406	\$350K & Over	9	\$392,244	96.6	148.9	18	2.0
27406	Total	504	\$135,648	93.0	91.7	272	0.5
27407	< \$150K	224	\$108,037	94.1	77.6	97	0.4
27407	\$150K - \$349K	170	\$202,067	96.1	76.7	76	0.4
27407	\$350K & Over	29	\$567,595	94.8	146.4	33	1.1
27407	Total	423	\$177,333	95.0	82.0	206	0.5
27408	< \$150K	102	\$120,656	95.5	64.1	23	0.2
27408	\$150K - \$349K	104	\$211,490	94.6	68.6	34	0.3
27408	\$350K & Over	61	\$651,697	92.5	114.7	42	0.7
27408	Total	267	\$277,361	94.5	77.4	99	0.4
27409	< \$150K	24	\$128,729	91.7	66.9	5	0.2
27409	\$150K - \$349K	30	\$203,399	96.0	71.6	13	0.4
27409	\$350K & Over	3	\$386,567	99.8	77.7	n.a	n.a
27409	Total	57	\$181,599	94.4	69.9	18	0.3
27410	< \$150K	106	\$130,482	96.9	50.2	6	0.1
27410	\$150K - \$349K	402	\$220,477	96.3	75.4	114	0.3
27410	\$350K & Over	87	\$500,176	96.3	100.5	49	0.6
27410	Total	595	\$245,342	96.4	74.6	169	0.3
27455	< \$150K	106	\$125,995	96.2	77.9	25	0.2
27455	\$150K - \$349K	199	\$242,217	97.0	88.9	79	0.4
27455	\$350K & Over	129	\$491,257	96.2	109.6	82	0.6
27455	Total	434	\$287,854	96.6	92.4	186	0.4

Economic Trends in the Piedmont Triad

Economic conditions in the eight-county Piedmont Triad region improved in 2006.³ The seasonally adjusted rate of unemployment in the Triad was 4.7 percent in November, down -0.3 percentage points from the revised figure for November 2005. The national unemployment rate was 4.5 percent, down -0.5 percentage points from last year.

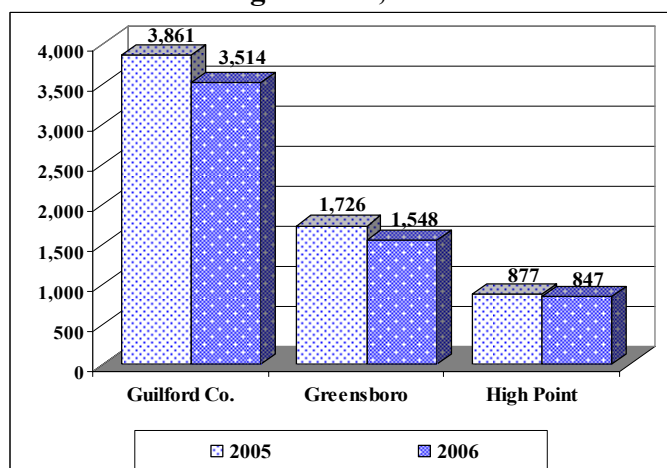
Employment and Unemployment in the Piedmont Triad, 2006 - 1990



Total nonagricultural wage and salary employment (employer survey) in the Piedmont Triad was up 0.7 percent over the past 12 months. For the nation as a whole, employment rose 1.3 percent during the same period. Manufacturing employment in the region dropped -1.1 percent during the year, while construction employment was up 3.7 percent.

Planned single-family residential construction declined during the year. Residential building permits (which reflect plans for future construction) were off -9.0 percent in Guilford County as a whole during the first 11 months of 2006 compared to the same period in 2005. Permits declined -10.3 percent in Greensboro and were off -3.4 percent in High Point.

Building Permits, 2005-2006⁴



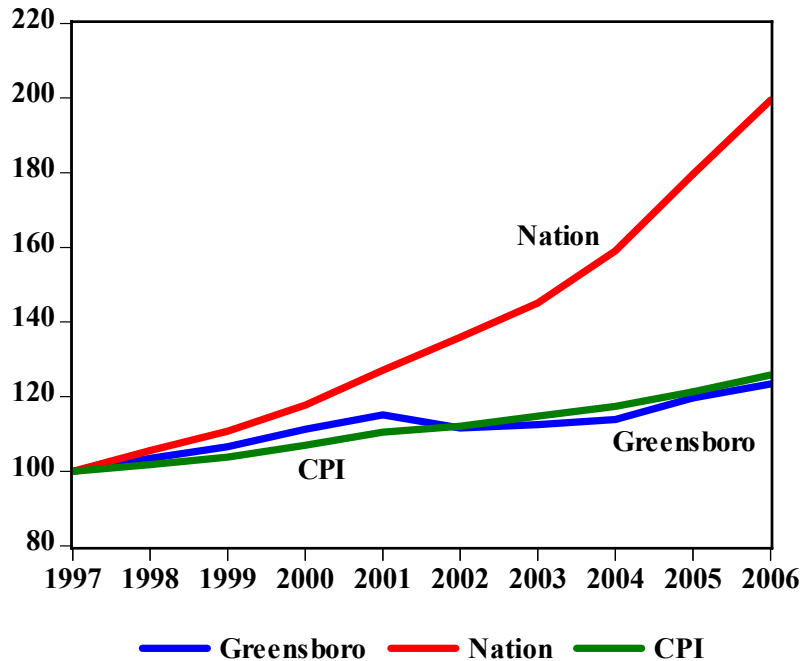
³ The Triad is defined as the eight-county area that is composed of the Burlington MSA, the Greensboro/High Point MSA, and the Winston-Salem MSA.

⁴ 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 2.4 percent, slightly behind 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 2006, according to data compiled by the Office of Federal Housing Enterprise Oversight (OFHEO).

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



In 2006, the average existing home that was sold had 2,110 square feet of floor space. It was 1.5 stories high, had 2.4 bathrooms, and 1.3 garage parking spaces. Eighty-nine percent had fireplaces. The average age of existing homes sold was 22.5 years. Seventy-seven percent of exiting homes sold were in the city limits of Greensboro, and 34 percent of all homes were in the northwest part of Guilford County.

Characteristics of Existing Homes Sold, 2006

Square Footage	2,110
Floors	1.5
Baths	2.4
Garage Spaces	1.3
Fireplaces	89%
Age	22.5
In the City	77%
Northwest	34%
Number Sold	3,958

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, *Jud & Associates*, 722 Rollingwood Drive, Greensboro, NC 27410 - 6165. Phone: 336-294-3655; Email: GDonaldJud@JudAssociates.com.