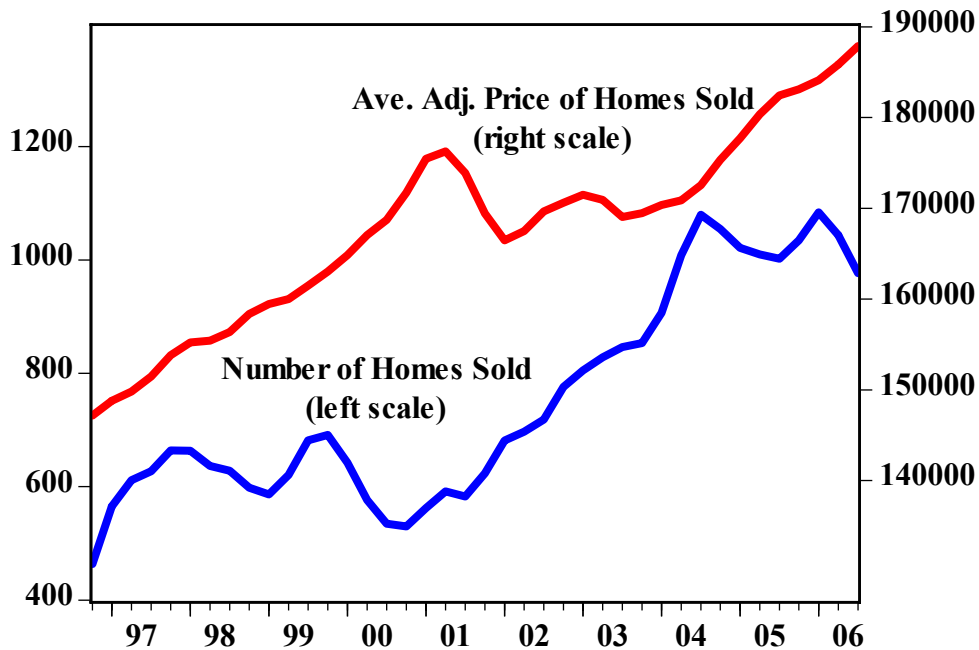


## The Greensboro Housing Report, 2006.3

### Current Outlook

The number of existing, single-family homes sold in the Greensboro area of Guilford County totaled 977 in the 3rd quarter of 2006 after adjustment for seasonal variation.<sup>1</sup> The number sold was off -6.4 percent compared to the level of sales recorded in the 2nd quarter, and it was -2.5 percent below the number sold during the 3rd quarter one year ago. Nationally, the pace of existing home sales has fallen -12.4 percent over the past year.

**Number and Prices of Existing Homes Sold, 1997.1 – 2006.3**  
(seasonally adjusted)



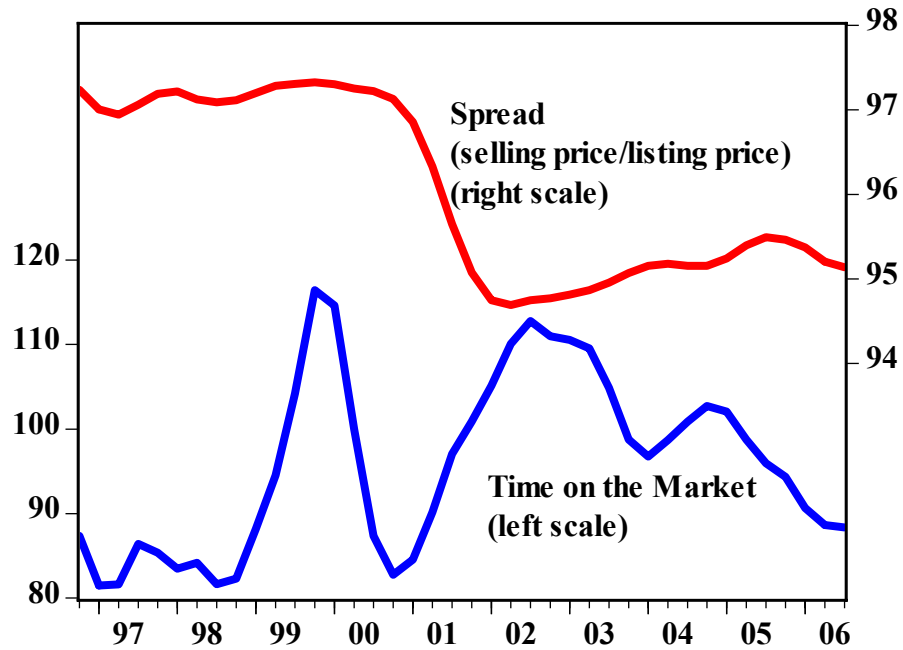
At the end of the 3rd quarter of 2006, the inventory of homes on the market was 2,353, or 2.2 times the number of homes sold in the 3rd quarter. The number of existing homes offered for sale was up 1.2 percent from what it was at the end of the 2nd quarter, and it was 11.8 percent above the level one year ago.

The quality-adjusted price of the average home sold in the 3rd quarter was up 1.1 percent from the previous quarter. The average quality-adjusted price of an existing home in Greensboro was \$187,900. The average this quarter was 3.0 percent above the average recorded in the 3rd quarter of last year. Over the past year, consumer prices nationally have risen 3.8 percent, indicating that real home prices in Greensboro have fallen.

Other indicators of housing activity offer a mixed picture of the housing market in the 3rd quarter. The average time on the market for existing homes sold was 88.4 days, down 0.3 percent from the average in the 2nd 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.

<sup>1</sup> The Greensboro area of Guilford County includes all of Guilford County except High Point and Jamestown.

**Existing Homes, 1997.1 – 2006.3**  
(seasonally adjusted)



Housing affordability is an important factor shaping housing demand. The affordability index rose 0.9 percent this quarter. Since the 3rd quarter of 2005, the affordability index has fallen -10.8 percent.

**Existing Home Sales Data, 2006.3 – 2005.3**

	2006.3	2006.2	2005.3	% Chg Last Qtr.	% Chg Last Yr.
<i>Seasonally Adjusted</i>					
Adj. Ave. Home Price	\$187,900	\$185,861	\$182,459	1.1%	3.0%
No. of Homes Sold	977	1,043	1,002	-6.4%	-2.5%
Time on Market (days)	88.4	88.6	95.9	-0.3%	-7.9%
Spread: (sale price/list price)	95.1	95.2	95.5	-0.1%	-0.4%
Consumer Price Index	204.1	202.3	196.6	0.9%	3.8%
<i>Unadjusted</i>					
Ave. Home Price	\$188,898	\$189,282	\$183,492	-0.2%	2.9%
No. of Homes Sold	1,091	1,217	1,076	-10.4%	1.4%
< \$150K	439	506	443	-13.2%	-0.9%
\$150K - \$349K	469	525	487	-10.7%	-3.7%
\$350K & Over	183	186	146	-1.6%	25.3%
Inventory, end of qtr.	2,353	2,325	2,104	1.2%	11.8%
Inventory/Sales	2.2	1.9	2.0	12.9%	10.3%
Affordability Index	98.0	97.1	109.8	0.9%	-10.8%

## The Neighborhood Distribution of Existing Home Sales

During the 3rd 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 174 sales. It was followed by the South Greensboro area (zip code 27406) which recorded a total of 133 sales. The Lake Jeanette area (zip code 27455) recorded the highest average price of homes sold, with 117 sales averaging \$280,903. The highest inventory to sales ratios were in zip codes 27377 and 27401 with ratios of 4.1 and 3.4 respectively. Zip code 27377 is in the Whitsett area of eastern Guilford County, while 27401 includes most of downtown Greensboro and neighborhoods directly east of downtown.

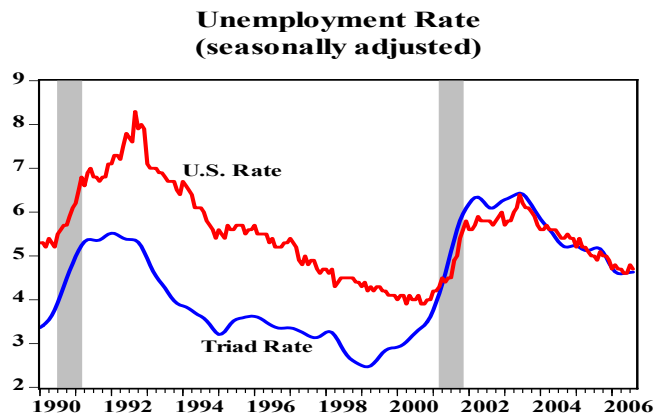
### The Neighborhood Distribution of Existing Home Sales, 2006.3

Zip	Price Range	No. Sales	Ave. Price	Spread	TOM	Inventory End of Qtr.	Inv./Sales
27310	< \$150K	14	\$250,729	97.2	32.5	25	1.8
27310	\$150K - \$349K	30	\$446,005	97.6	109.0	41	1.4
27310	\$350K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27310	Total	44	\$383,871	97.5	84.6	66	1.5
27357	< \$150K	2	\$79,250	78.3	78.0	7	3.5
27357	\$150K - \$349K	16	\$238,581	98.2	98.4	42	2.6
27357	\$350K & Over	10	\$422,780	97.7	152.8	21	2.1
27357	Total	28	\$292,986	96.6	116.4	70	2.5
27358	< \$150K	3	\$106,467	89.4	105.0	5	1.7
27358	\$150K - \$349K	16	\$234,456	97.7	65.8	32	2.0
27358	\$350K & Over	32	\$533,742	98.5	131.3	94	2.9
27358	Total	51	\$414,714	97.7	109.2	131	2.6
27377	< \$150K	2	\$109,000	90.6	208.5	5	2.5
27377	\$150K - \$349K	14	\$224,080	97.1	225.4	63	4.5
27377	\$350K & Over	5	\$398,400	95.8	131.2	18	3.6
27377	Total	21	\$254,625	96.2	201.3	86	4.1
27401	< \$150K	22	\$79,556	89.0	98.1	68	3.1
27401	\$150K - \$349K	1	\$192,500	99.0	13.0	11	11.0
27401	\$350K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27401	Total	23	\$84,467	89.4	94.4	79	3.4
27403	< \$150K	39	\$87,381	88.9	72.5	68	1.7
27403	\$150K - \$349K	21	\$237,500	96.0	50.0	28	1.3
27403	\$350K & Over	2	\$413,500	97.1	88.5	11	5.5
27403	Total	62	\$148,748	91.5	65.4	107	1.7
27405	< \$150K	81	\$97,933	94.0	107.5	237	2.9
27405	\$150K - \$349K	16	\$205,299	100.3	113.4	45	2.8
27405	\$350K & Over	1	\$390,000	97.5	29.0	5	5.0
27405	Total	98	\$118,443	95.1	107.6	287	2.9
27406	< \$150K	94	\$100,820	93.6	66.3	205	2.2
27406	\$150K - \$349K	39	\$202,177	95.8	97.9	98	2.5
27406	\$350K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27406	Total	133	\$130,541	94.3	75.6	303	2.3

27407	< \$150K	62	\$103,516	93.4	82.1	101	1.6
27407	\$150K - \$349K	57	\$193,753	96.7	74.8	86	1.5
27407	\$350K & Over	6	\$530,983	97.0	151.8	45	7.5
27407	Total	125	\$165,183	95.0	82.1	232	1.9
27408	< \$150K	30	\$126,162	96.2	62.1	16	0.5
27408	\$150K - \$349K	28	\$231,073	95.5	49.8	46	1.6
27408	\$350K & Over	22	\$541,495	92.4	96.8	45	2.0
27408	Total	80	\$277,097	94.9	67.3	107	1.3
27410	< \$150K	30	\$124,035	96.8	54.9	14	0.5
27410	\$150K - \$349K	113	\$218,995	96.4	64.7	140	1.2
27410	\$350K & Over	31	\$462,169	96.3	85.8	78	2.5
27410	Total	174	\$245,946	96.4	66.8	232	1.3
27455	< \$150K	28	\$123,254	92.4	72.1	25	0.9
27455	\$150K - \$349K	54	\$237,110	97.5	64.3	78	1.4
27455	\$350K & Over	35	\$474,590	96.8	127.8	95	2.7
27455	Total	117	\$280,903	96.0	85.2	198	1.7

### Economic Trends in the Piedmont Triad

Economic conditions in the eight-county Piedmont Triad region improved modestly during the 3rd quarter.<sup>2</sup> The seasonally adjusted rate of unemployment in the Triad was 4.6 percent in August, unchanged from the revised figure for July. The national unemployment rate was 4.7 percent, down -0.1 percentage points from last month.

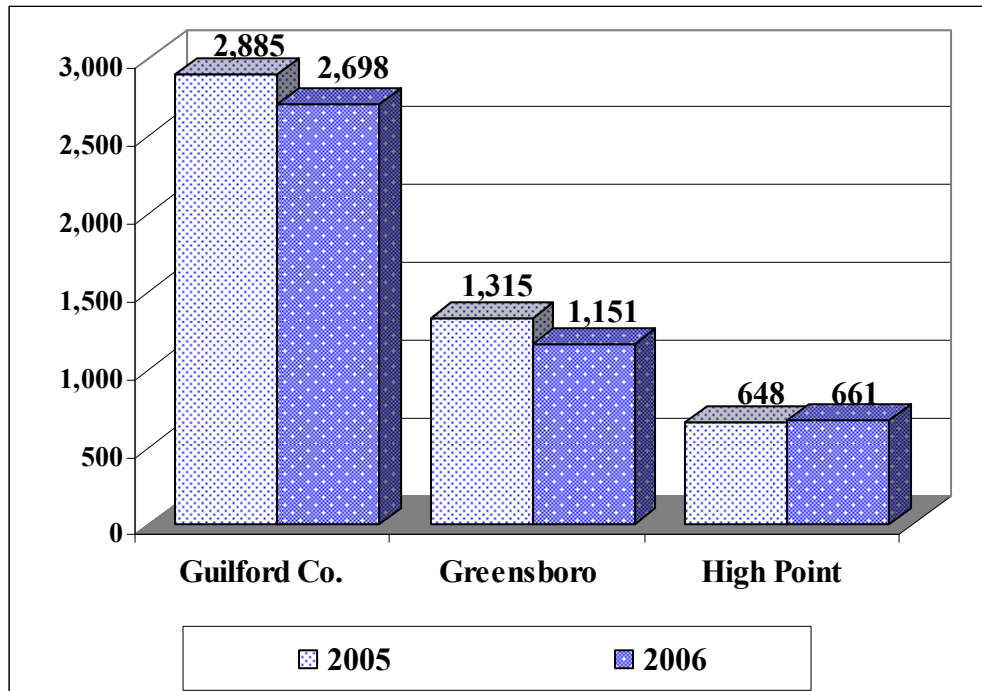


Total nonagricultural wage and salary employment (employer survey) in the Piedmont Triad was up 0.2 percent in August. Over the past 12 months, employment has gained 0.3 percent. For the nation as a whole, employment was up 0.1 percent in August. Over the past 12 months, national employment has risen 1.1 percent.

Planned single-family residential construction declined during the 3rd quarter. Residential building permits (which reflect plans for future construction) were off -6.5 percent in Guilford County as a whole during the first 8 months of 2006 compared to the same period in 2005. Permits declined -12.8 percent in Greensboro but rose 2.0 percent in High Point.

<sup>2</sup> 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.

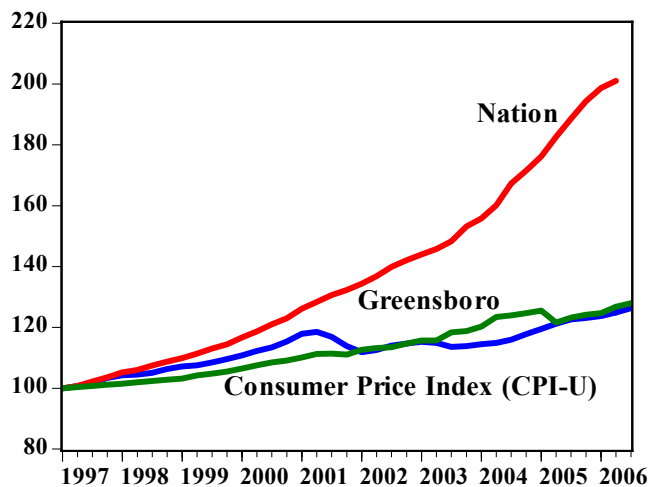
### Building Permits, 2005-2006<sup>3</sup>



### Longer-Term Trends

Since the 2nd quarter of 1997, existing home prices in Greensboro have risen at an average annual rate of 2.5 percent, slightly below of the consumer price index (CPI), which has increased an average of 2.6 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 7.6 percent annual rate from 1997.1 through the 2nd quarter of 2006, according to the Office of Federal Housing Enterprise Oversight (OFHEO).

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



<sup>3</sup> Figures reflect year-to-date totals through November.

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.

**The *Greensboro Housing Report* is compiled for the Triad MLS 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](mailto:Juddon@uncg.edu) .**