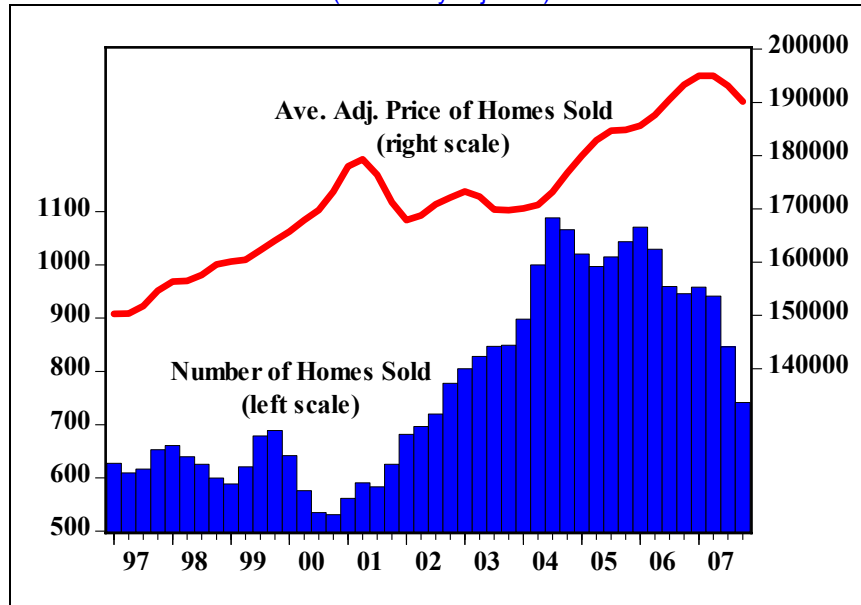


The Greensboro Housing Report, 2007.4

Current Outlook

The number of existing, single-family homes sold in the Greensboro area of Guilford County totaled 741 in the 4th quarter of 2007 after adjustment for seasonal variation.¹ The number sold was down -12.4 percent compared to the level of sales recorded in the 3rd quarter, and it was -21.7 percent below the number sold during the 4th quarter one year ago.

Number and Prices of Existing Homes Sold, 1997.1 – 2007.4
(seasonally adjusted)



At the end of the 4th quarter of 2007, the inventory of homes on the Greensboro market was 2,224, or 3.4 times the number of homes sold in the 4th quarter. At the current sales pace, it will take 10.2 months to exhaust the inventory. The number of existing homes offered for sale was down -8.4 percent from what it was at the end of the 3rd quarter, but it was 8.8 percent above the level one year ago.

The quality-adjusted price of the average home sold in the 4th quarter was off -1.5 percent from the previous quarter. The average quality-adjusted price of an existing home in Greensboro was \$190,161. The average this quarter was -1.6 percent below the average recorded in the 4th quarter of last year. Over the past year, consumer prices nationally have risen 3.7 percent, indicating that real home prices in Greensboro have declined.

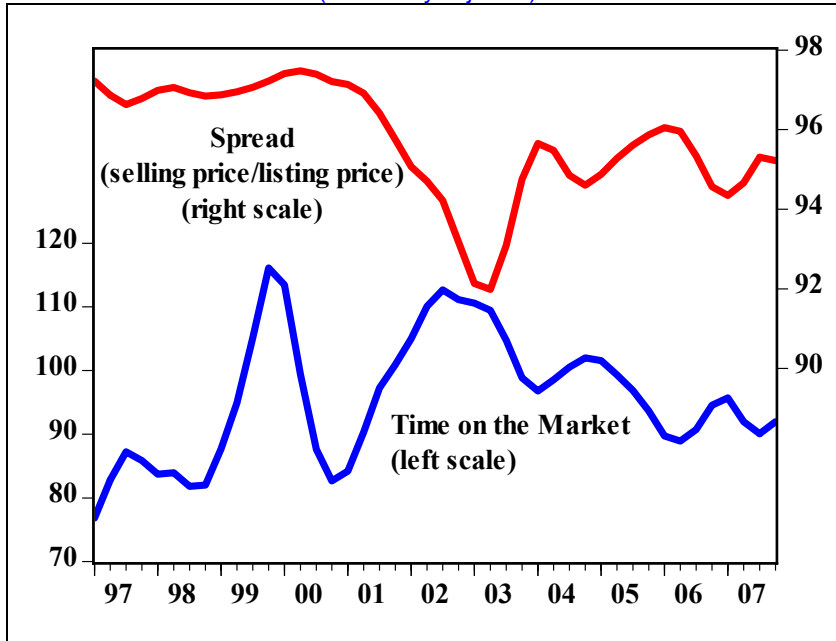
Nationally, the pace of existing home sales has fallen -20.0 percent over the past 12 months.² Average home prices are down -3.3 percent across the nation and -2.5 percent in the South. The national inventory of unsold homes is up 12.3 percent over the past 12 months and will take 10.3 months to sell at the existing pace of sales.

Among other indicators of housing activity in Greensboro in the 4th quarter, the average time on the market for existing homes sold was 92.0 days, down -2.7 percent from the average in the 4th quarter one year ago. The sale-list price spread, which shows the ratio of selling to listing price, was higher at 95.2 percent, indicating a small decline in the level of discounting in the market over the past year.

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

² This percentage is calculated from November 2006 to November 2007 using National Assn. of Realtors® data.

Existing Homes, 1997.1 – 2007.4 (seasonally adjusted)



Housing affordability is an important factor shaping housing demand. The affordability index rose 5.6 percent this quarter. Since the 4th quarter of 2006, the affordability index has risen 3.7 percent.

Existing Home Sales Data

	2007.4	2007.3	2006.4	% Chg Last Qtr.	% Chg Last Yr.
<i>Seasonally Adjusted</i>					
Adj. Ave. Home Price	\$190,161	\$193,129	\$193,301	-1.5%	-1.6%
No. of Homes Sold	741	846	946	-12.4%	-21.7%
Time on Market (days)	92.0	90.0	94.6	2.2%	-2.7%
Spread: (sale price/list price)	95.2	95.3	94.6	-0.1%	0.6%
Consumer Price Index (CPI-U)	209.7	208.0	202.2	0.8%	3.7%
<i>Not Seasonally Adjusted</i>					
Ave. Home Price	\$194,562	\$191,688	\$189,540	1.5%	2.6%
No. of Homes Sold	660	987	838	-33.1%	-21.2%
< \$150K	276	382	373	-27.7%	-26.0%
\$150K - \$349K	294	441	351	-33.3%	-16.2%
\$350K & Over	90	164	114	-45.1%	-21.1%
Inventory, end of qtr.	2,224	2,428	2,045	-8.4%	8.8%
Inventory/Sales	3.4	2.5	2.4	37.0%	38.1%
Affordability Index	100.0	94.7	96.4	5.6%	3.7%

The Neighborhood Distribution of Existing Home Sales

During the 4th quarter, the largest number of sales of existing homes occurred in zip code 27410. This neighborhood, which encompasses much of northwest Greensboro, had a total of 93 sales. It was followed by zip code 27406 in south Greensboro which recorded a total of 90 sales. The Summerfield area (zip code 27358) recorded the highest average price of homes sold, with 35 sales averaging \$400,952. The highest inventory to sales ratios were in zip codes 27377 and 27284 with ratios of 6.6 and 4.5 respectively. Zip code 27377 is in southeastern Guilford County and includes the Stoney Creek and Whitsett areas, while zip code 27284 is the Kernersville area in the northwest part of the county.

The Neighborhood Distribution of Existing Home Sales, 2007.4

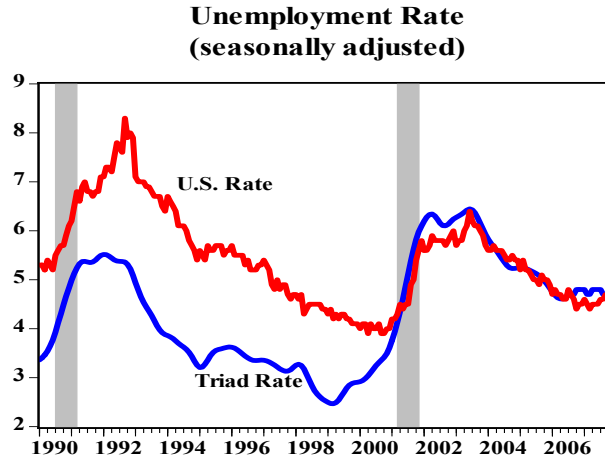
Zip	Price Range	No. Sales	Ave. Price	Spread	TOM	Inventory End of Qtr.	Inv./Sales
27214	< \$150K	9	\$122,800	91.4	64.1	16	1.8
27214	\$150K - \$349K	16	\$233,837	97.3	122.9	66	4.1
27214	\$350K & Over	1	\$395,000	98.8	116.0	14	14.0
27214	Total	26	\$201,599	95.3	102.3	96	3.7
27284	< \$150K	2	\$94,000	88.6	106.5	3	1.5
27284	\$150K - \$349K	2	\$192,500	91.0	98.5	2	1.0
27284	\$350K & Over	1	\$424,000	98.6	205.0	19	19.0
27284	Total	5	\$199,400	91.6	123.0	24	4.8
27310	< \$150K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27310	\$150K - \$349K	10	\$248,450	95.8	61.9	18	1.8
27310	\$350K & Over	15	\$460,583	95.8	158.7	49	3.3
27310	Total	25	\$375,730	95.8	120.0	67	2.7
27358	< \$150K	1	\$93,800	72.7	125.0	1	1.0
27358	\$150K - \$349K	12	\$241,450	96.9	48.3	30	2.5
27358	\$350K & Over	22	\$501,914	95.5	147.4	103	4.7
27358	Total	35	\$400,952	95.3	112.8	134	3.8
27377	< \$150K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27377	\$150K - \$349K	8	\$267,117	96.9	216.4	46	5.8
27377	\$350K & Over	2	\$391,950	91.7	117.0	20	10.0
27377	Total	10	\$292,084	95.9	196.5	66	6.6
27401	< \$150K	19	\$64,018	86.0	117.1	55	2.9
27401	\$150K - \$349K	2	\$237,000	97.6	8.0	12	6.0
27401	\$350K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27401	Total	21	\$80,493	87.1	106.7	67	3.2
27403	< \$150K	18	\$74,467	86.9	91.4	63	3.5
27403	\$150K - \$349K	10	\$210,165	95.4	76.3	37	3.7
27403	\$350K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27403	Total	28	\$122,930	89.9	86.0	100	3.6
27405	< \$150K	73	\$96,140	90.5	91.3	243	3.3
27405	\$150K - \$349K	12	\$170,084	98.1	173.7	74	6.2
27405	\$350K & Over	1	\$530,000	96.7	133.0	3	3.0
27405	Total	86	\$105,340	90.5	101.7	320	3.7

The Neighborhood Distribution of Existing Home Sales, continued

Zip	Price Range	No. Sales	Ave. Price	Spread	TOM	Inventory End of Qtr.	Inv./Sales
27406	< \$150K	59	\$97,654	89.5	101.9	219	3.7
27406	\$150K - \$349K	28	\$193,243	95.2	83.6	117	4.2
27406	\$350K & Over	3	\$381,667	93.6	182.0	27	9.0
27406	Total	90	\$136,860	91.4	98.9	363	4.0
27407	< \$150K	43	\$105,906	92.4	68.5	83	1.9
27407	\$150K - \$349K	25	\$216,349	94.8	77.4	83	3.3
27407	\$350K & Over	4	\$378,125	96.7	98.0	31	7.8
27407	Total	72	\$159,377	93.5	73.3	197	2.7
27408	< \$150K	15	\$117,440	92.5	46.6	29	1.9
27408	\$150K - \$349K	19	\$208,274	92.7	77.3	34	1.8
27408	\$350K & Over	6	\$579,500	101.9	112.8	62	10.3
27408	Total	40	\$229,895	94.0	71.1	125	3.1
27409	< \$150K	3	\$106,367	91.9	49.0	5	1.7
27409	\$150K - \$349K	10	\$212,345	95.1	96.4	10	1.0
27409	\$350K & Over	2	\$403,500	95.1	13.5	6	3.0
27409	Total	15	\$216,637	94.5	75.9	21	1.4
27410	< \$150K	8	\$132,625	92.8	53.0	7	0.9
27410	\$150K - \$349K	70	\$227,865	95.0	78.1	138	2.0
27410	\$350K & Over	15	\$476,957	92.7	139.4	68	4.5
27410	Total	93	\$259,849	94.4	85.8	213	2.3
27455	< \$150K	12	\$117,158	96.9	57.9	21	1.8
27455	\$150K - \$349K	29	\$250,910	95.7	96.9	70	2.4
27455	\$350K & Over	15	\$433,660	95.9	86.0	90	6.0
27455	Total	56	\$271,200	96.0	85.6	181	3.2

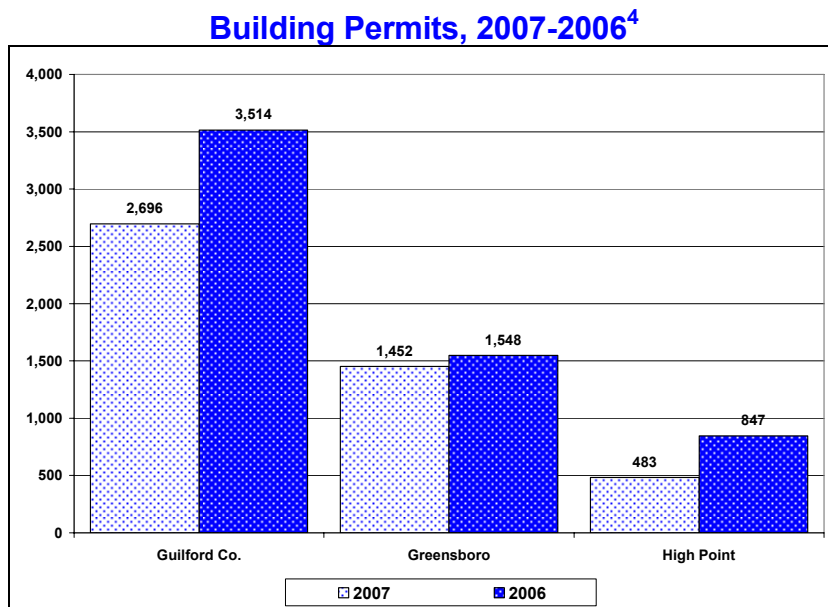
Economic Trends in the Piedmont Triad

Economic conditions in the eight-county Piedmont Triad region improved modestly during the 4th quarter.³ The seasonally adjusted rate of unemployment in the Triad was 4.6 percent in November, down 0.1 percentage points from the revised figure for October. The national unemployment rate was 4.7 percent, unchanged from last month.



Total nonagricultural wage and salary employment (employer survey) in the Piedmont Triad was unchanged in November. Over the past 12 months, employment has gained 1.0 percent. For the nation as a whole, employment was higher by 0.1 percent in November. Over the past 12 months, national employment has risen 1.1 percent.

Planned single-family residential construction declined during the 4th quarter. Residential building permits (which reflect plans for future construction) were off -23.3 percent in Guilford County as a whole during the first 11 months of 2007 compared to the same period in 2006. Permits dropped -6.2 percent in Greensboro and plunged -43.0 percent in High Point.



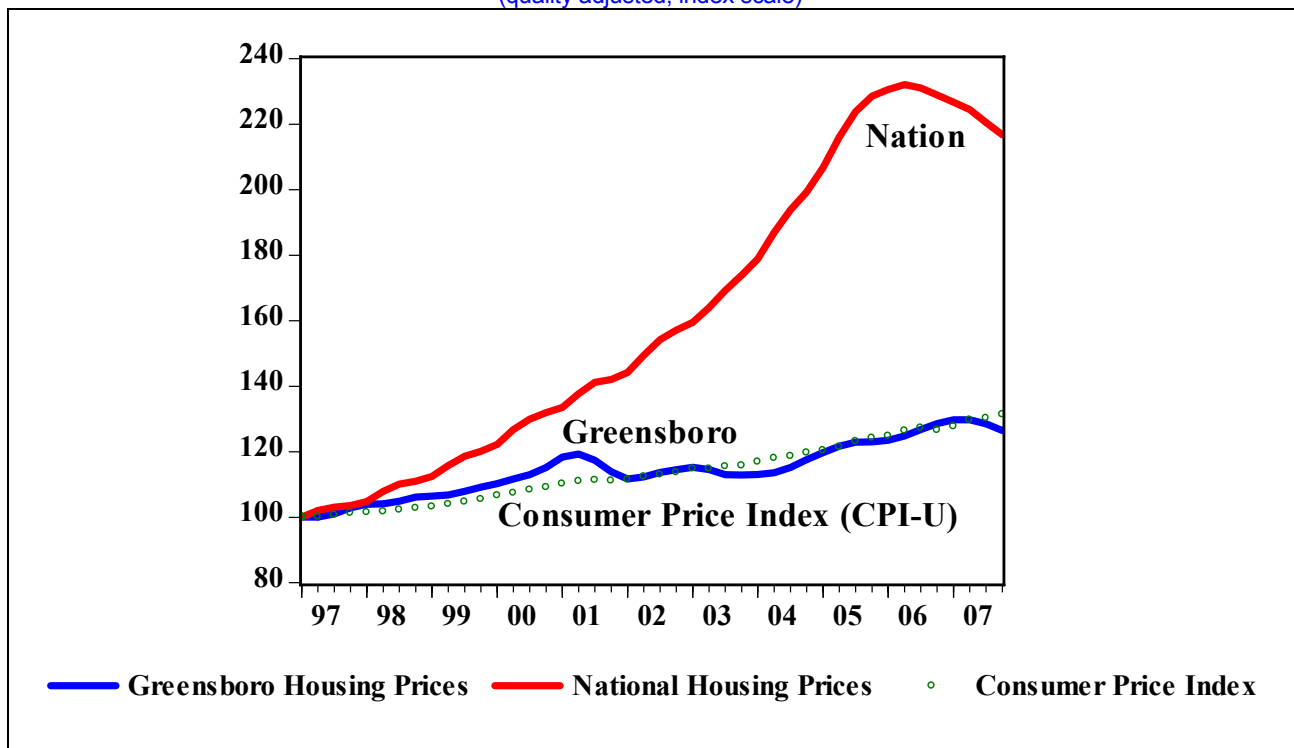
³ The Triad is defined as the eight-county area that is composed of the Burlington MSA, the Greensboro/High Point MSA, and the Winston-Salem MSA.

⁴ Figures reflect year-to-date totals through November.

Longer-Term Trends

Since the first quarter of 1997, existing home prices in Greensboro have risen at an average annual rate of 2.2 percent, lagging the consumer price index (CPI), 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 7.3 percent annual rate from 1997.1 through the 4th quarter of 2007, according to the S&P Case-Shiller 10-City Home Price Index. Over the past year, the Case-Shiller Index has fallen -5.4 percent, while prices in Greensboro are down -1.6 percent.

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



In 2007, the average existing home that was sold had 2,104 square feet of floor space. It was 1.5 stories high, had 2.4 bathrooms, and 1.8 garage parking spaces. Eighty-nine percent had fireplaces. The average age of existing homes sold was 23 years. Seventy-six 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, 2007

Square Footage	2,104
Floors	1.5
Baths	2.4
Garage Spaces	1.8
Fireplaces	89%
Age	23
In the City	76%
Northwest	34%
Number Sold	3,492

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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