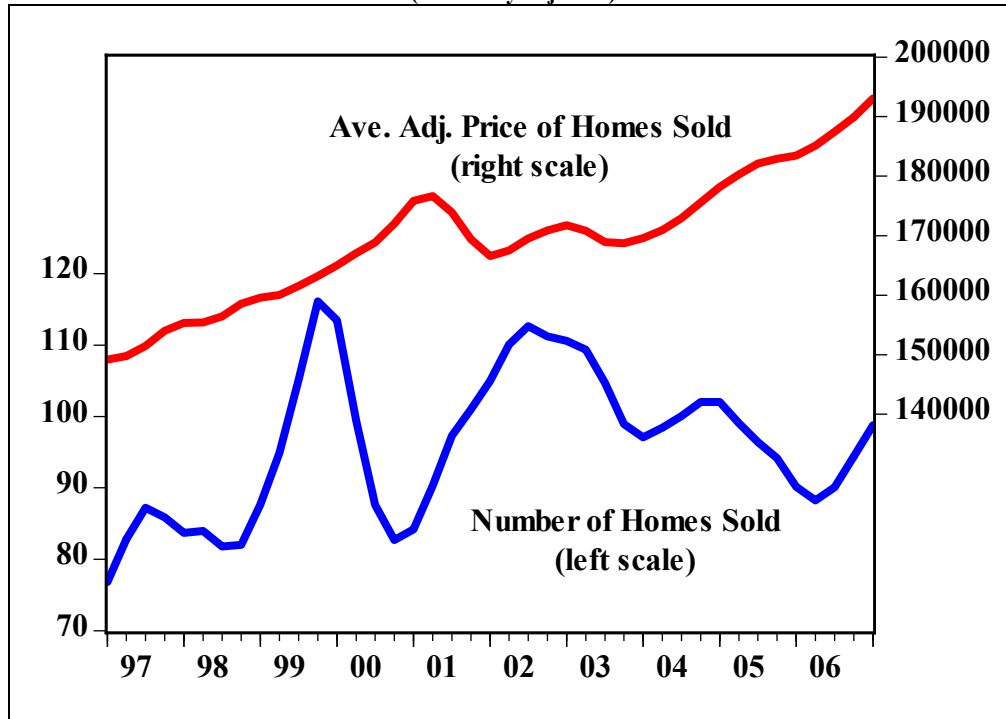


The Greensboro Housing Report, 2007.1

Current Outlook

The number of existing, single-family homes sold in the Greensboro area of Guilford County totaled 992 in the 1st quarter of 2007 after adjustment for seasonal variation.¹ The number sold was higher by 5.8 percent compared to the level of sales recorded in the 4th quarter, but it was -8.2 percent below the number sold during the 1st quarter one year ago. Nationally, the pace of existing home sales has fallen -3.6 percent over the past 12 months.²

Number and Prices of Existing Homes Sold, 1997.1 – 2007.1
(seasonally adjusted)



At the end of the 1st quarter of 2007, the inventory of homes on the market was 2,263, or 2.9 times the number of homes sold in the 1st quarter. At the current sales pace, it will take 8.7 months to exhaust the inventory. The number of existing homes offered for sale was up 10.7 percent from what it was at the end of the 4th quarter, but it was -0.4 percent below the level one year ago.

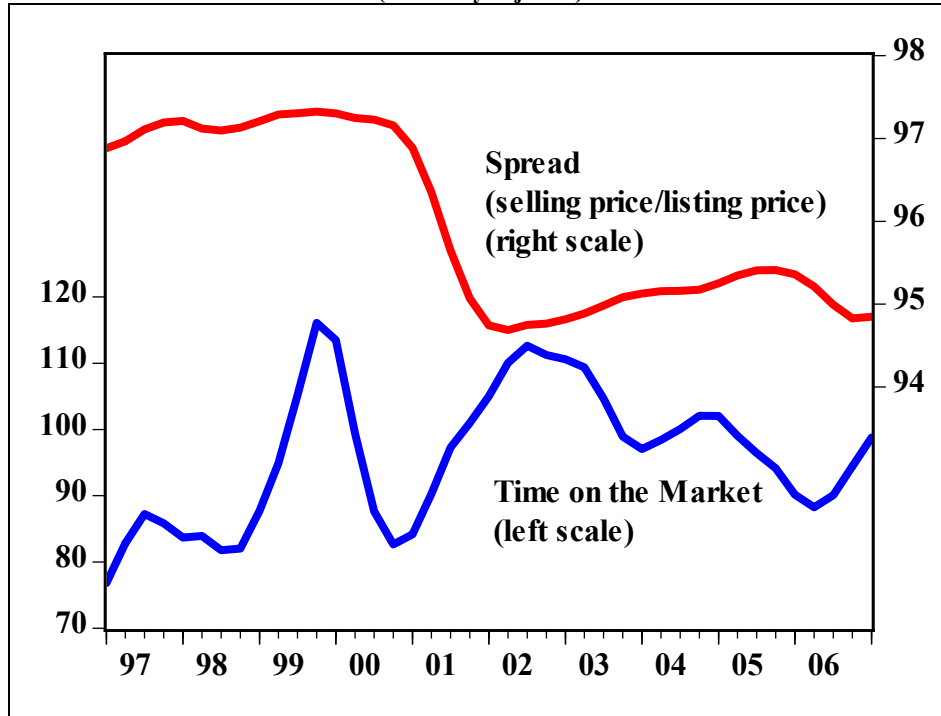
The quality-adjusted price of the average home sold in the 1st quarter was up 1.7 percent from the previous quarter. The average quality-adjusted price of an existing home in Greensboro was \$193,034. The average this quarter was 5.2 percent above the average recorded in the 1st quarter of last year. Over the past year, consumer prices nationally have risen 2.4 percent, indicating that real home prices in Greensboro have risen.

Other indicators of housing activity in the 1st quarter offer a picture of a slowing market. The average time on the market for existing homes sold was 98.8 days, up 4.7 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 94.8 percent, indicating a small rise 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 Feb. 2006 to Feb. 2007.

Existing Homes, 1997.1 – 2007.1
(seasonally adjusted)



Housing affordability is an important factor shaping housing demand. The affordability index slipped -0.4 percent this quarter. Since the 1st quarter of 2006, the affordability index has fallen -2.5 percent.

Existing Home Sales Data, 2007.1 – 2006.1

	2007.1	2006.4	2006.1	% Chg Last Qtr.	% Chg Last Yr.
<i>Seasonally Adjusted</i>					
Adj. Ave. Home Price	\$193,034	\$189,898	\$183,480	1.7%	5.2%
No. of Homes Sold	992	938	1,081	5.8%	-8.2%
Time on Market (days)	98.8	94.4	90.2	4.7%	9.5%
Spread: (sale price/list price)	94.8	94.8	95.4	0.0%	-0.6%
<i>Seasonally Unadjusted</i>					
Ave. Home Price	\$185,618	\$188,989	\$179,740	-1.8%	3.3%
No. of Homes Sold	774	838	812	-7.6%	-4.7%
< \$150K	330	373	371	-11.5%	-11.1%
\$150K - \$349K	340	351	332	-3.1%	2.4%
\$350K & Over	104	114	109	-8.8%	-4.6%
Inventory, end of qtr.	2,263	2,045	2,271	10.7%	-0.4%
Inventory/Sales	2.9	2.4	2.8	19.8%	4.5%
Affordability Index	102.6	103.0	105.2	-0.4%	-2.5%

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 encompasses much of northwest Greensboro, had a total of 101 sales. It was followed by the South Greensboro area (zip code 27406) which recorded a total of 98 sales. The Lake Jeanette area (zip code 27455) recorded the highest average price of homes sold, with 64 sales averaging \$314,137. The highest inventory to sales ratios were in zip codes 27301 and 27214 with ratios of 5.8 and 5.4 respectively. Zip code 27301 includes the Mcleansville area, while Zip code 27357 is the Browns Summit area both in northeastern Guilford County.

The Neighborhood Distribution of Existing Home Sales, 2007.1

Zip	Price Range	No. Sales	Ave. Price	Spread	TOM	Inventory End of Qtr.	Inv./Sales
27214	< \$150K	8	\$122,100	89.9	118.6	26	3.3
27214	\$150K - \$349K	13	\$221,354	97.2	159.6	74	5.7
27214	\$350K & Over	2	\$455,000	98.3	252.5	25	12.5
27214	Total	23	\$207,148	94.7	153.4	125	5.4
27249	< \$150K	6	\$124,863	99.0	117.0	14	2.3
27249	\$150K - \$349K	7	\$186,184	93.2	169.7	22	3.1
27249	\$350K & Over	2	\$426,168	96.5	49.5	3	1.5
27249	Total	15	\$193,653	96.0	132.6	39	2.6
27301	< \$150K	4	\$97,925	96.0	51.5	17	4.3
27301	\$150K - \$349K	9	\$192,161	96.0	140.9	63	7.0
27301	\$350K & Over	1	\$385,000	98.7	37.0	1	1.0
27301	Total	14	\$179,010	96.2	107.9	81	5.8
27310	< \$150K	1	\$138,000	92.1	209.0	3	3.0
27310	\$150K - \$349K	8	\$240,947	95.0	73.8	28	3.5
27310	\$350K & Over	10	\$422,500	94.9	104.2	50	5.0
27310	Total	19	\$331,083	94.8	96.9	81	4.3
27313	< \$150K	3	\$124,667	92.0	159.7	2	0.7
27313	\$150K - \$349K	7	\$198,606	96.0	61.6	11	1.6
27313	\$350K & Over	1	\$376,500	78.4	424.0	3	3.0
27313	Total	11	\$194,613	93.3	121.3	16	1.5
27357	< \$150K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27357	\$150K - \$349K	16	\$251,972	98.3	131.7	41	2.6
27357	\$350K & Over	9	\$518,295	97.2	142.4	12	1.3
27357	Total	25	\$347,848	97.9	135.6	53	2.1
27358	< \$150K	1	\$108,000	94.8	50.0	3	3.0
27358	\$150K - \$349K	17	\$251,686	95.2	75.1	21	1.2
27358	\$350K & Over	16	\$525,213	95.0	241.5	99	6.2
27358	Total	34	\$376,178	95.1	152.7	123	3.6
27377	< \$150K	2	\$106,145	106.1	64.5	2	1.0
27377	\$150K - \$349K	16	\$250,298	95.3	152.3	58	3.6
27377	\$350K & Over	4	\$408,375	97.4	58.3	17	4.3
27377	Total	22	\$265,934	96.7	127.2	77	3.5

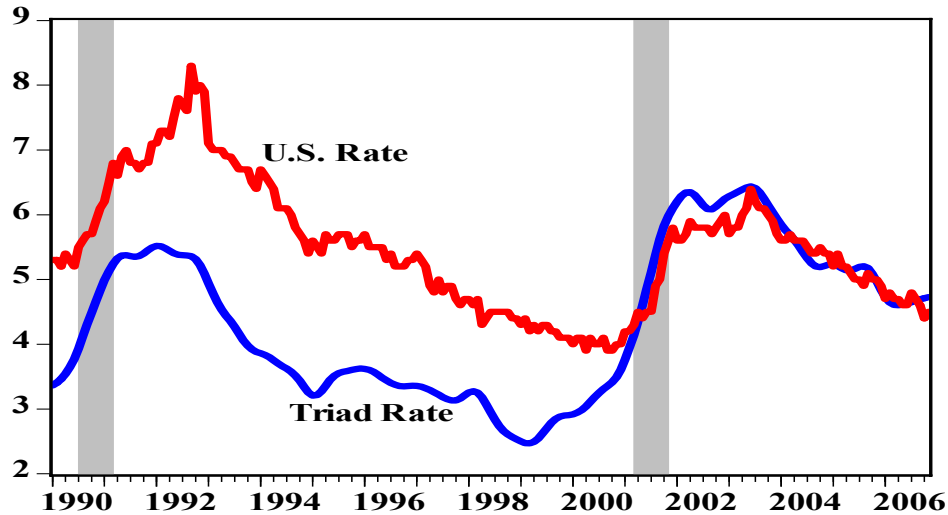
The Neighborhood Distribution of Existing Home Sales, continued

Zip	Price Range	No. Sales	Ave. Price	Spread	TOM	Inventory End of Qtr.	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	25	\$71,094	91.3	145.1	59	2.4
27401	\$150K - \$349K	4	\$197,225	92.9	100.0	10	2.5
27401	\$350K & Over	1	\$371,000	89.4	269.0	6	6.0
27401	Total	30	\$97,908	91.4	143.2	75	2.5
27403	< \$150K	26	\$80,881	87.5	82.2	62	2.4
27403	\$150K - \$349K	23	\$216,967	95.9	58.7	31	1.3
27403	\$350K & Over	2	\$380,000	95.6	94.5	10	5.0
27403	Total	51	\$153,983	91.6	72.1	103	2.0
27405	< \$150K	83	\$98,740	93.2	95.0	234	2.8
27405	\$150K - \$349K	12	\$171,078	100.6	131.8	62	5.2
27405	\$350K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27405	Total	95	\$107,877	94.2	99.6	296	3.1
27406	< \$150K	73	\$104,715	94.9	104.2	161	2.2
27406	\$150K - \$349K	23	\$229,044	95.5	94.3	92	4.0
27406	\$350K & Over	2	\$439,750	98.8	138.0	20	10.0
27406	Total	98	\$140,732	95.1	102.6	273	2.8
27407	< \$150K	44	\$98,036	90.6	95.8	120	2.7
27407	\$150K - \$349K	32	\$213,722	93.1	120.9	94	2.9
27407	\$350K & Over	3	\$561,000	94.4	71.7	36	12.0
27407	Total	79	\$162,477	91.8	105.1	250	3.2
27408	< \$150K	20	\$117,540	89.2	102.4	29	1.5
27408	\$150K - \$349K	25	\$227,236	95.9	94.9	35	1.4
27408	\$350K & Over	8	\$729,400	93.6	177.0	67	8.4
27408	Total	53	\$261,640	93.1	110.1	131	2.5
27409	< \$150K	3	\$135,333	92.3	49.0	3	1.0
27409	\$150K - \$349K	5	\$270,825	103.2	135.8	25	5.0
27409	\$350K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27409	Total	8	\$220,016	99.1	103.3	28	3.5
27410	< \$150K	11	\$134,336	97.0	55.5	5	0.5
27410	\$150K - \$349K	70	\$217,588	96.1	84.3	123	1.8
27410	\$350K & Over	20	\$504,240	95.5	105.0	67	3.4
27410	Total	101	\$265,284	96.1	85.3	195	1.9
27455	< \$150K	10	\$127,740	98.0	55.6	26	2.6
27455	\$150K - \$349K	33	\$236,171	96.4	87.6	76	2.3
27455	\$350K & Over	21	\$525,417	95.4	159.8	84	4.0
27455	Total	64	\$314,137	96.3	106.3	186	2.9

Economic Trends in the Piedmont Triad

Economic conditions in the eight-county Piedmont Triad region improved modestly during the 1st quarter.³ The seasonally adjusted rate of unemployment in the Triad was 4.8 percent in February, unchanged from the revised figure for January. The national unemployment rate was 4.5 percent, down 0.1 percentage points from last month.

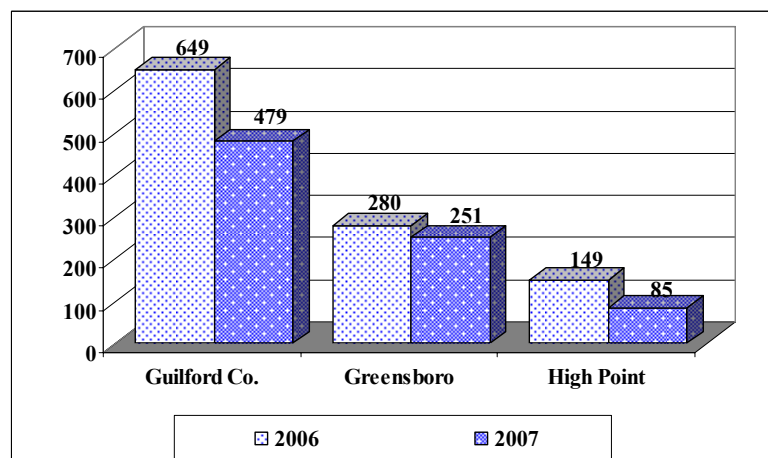
Unemployment Rate (seasonally adjusted)



Total nonagricultural wage and salary employment (employer survey) in the Piedmont Triad was up 0.1 percent in February. Over the past 12 months, employment has gained 1.4 percent. For the nation as a whole, employment was up 0.1 percent in February. Over the past 12 months, national employment has risen 1.5 percent.

Planned single-family residential construction declined during the 1st quarter. Residential building permits (which reflect plans for future construction) were off -26.2 percent in Guilford County as a whole during the first 2 months of 2007 compared to the same period in 2006. Permits declined -10.4 percent in Greensboro and were down -43.0 percent in High Point.

Building Permits, 2006-2007⁴

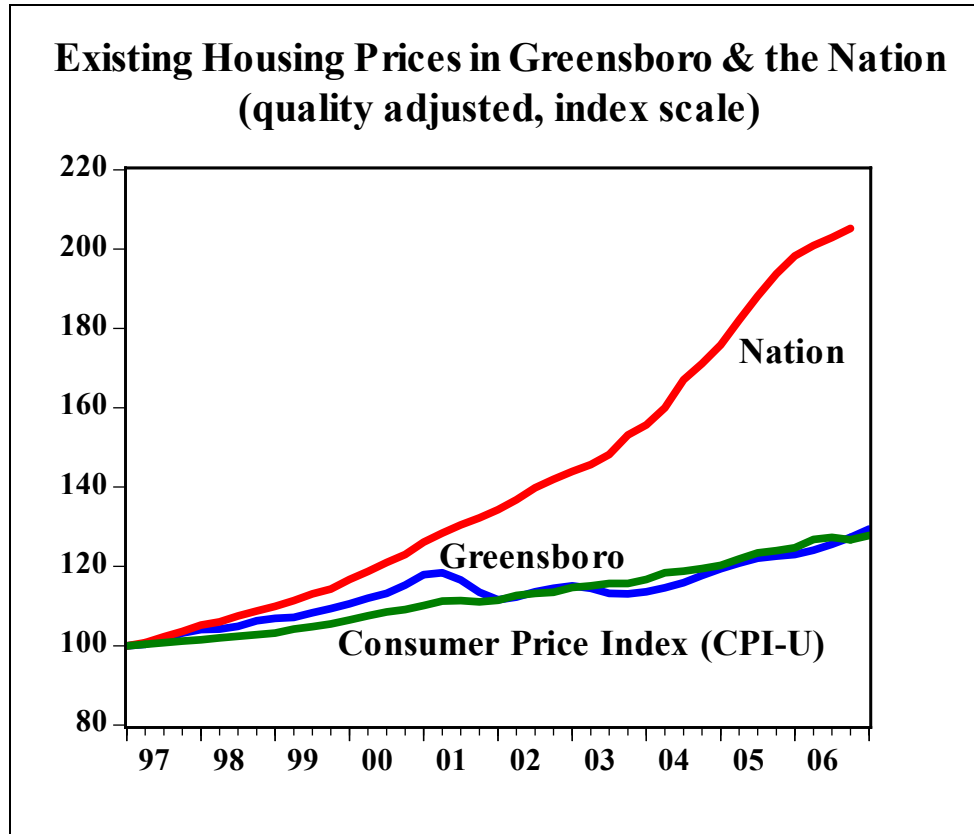


³ The Triad is defined as the eight-county area that is composed of the Burlington MSA, the Greensboro/High Point MSA, and the Winston-Salem MSA.

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

Longer-Term Trends

Since the 1st quarter of 1997, existing home prices in Greensboro have risen at an average annual rate of 2.6 percent, slightly ahead of 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 7.6 percent annual rate from 1997.1 through the 4th quarter of 2006, according to the Office of Federal Housing Enterprise Oversight (OFHEO).



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.

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