

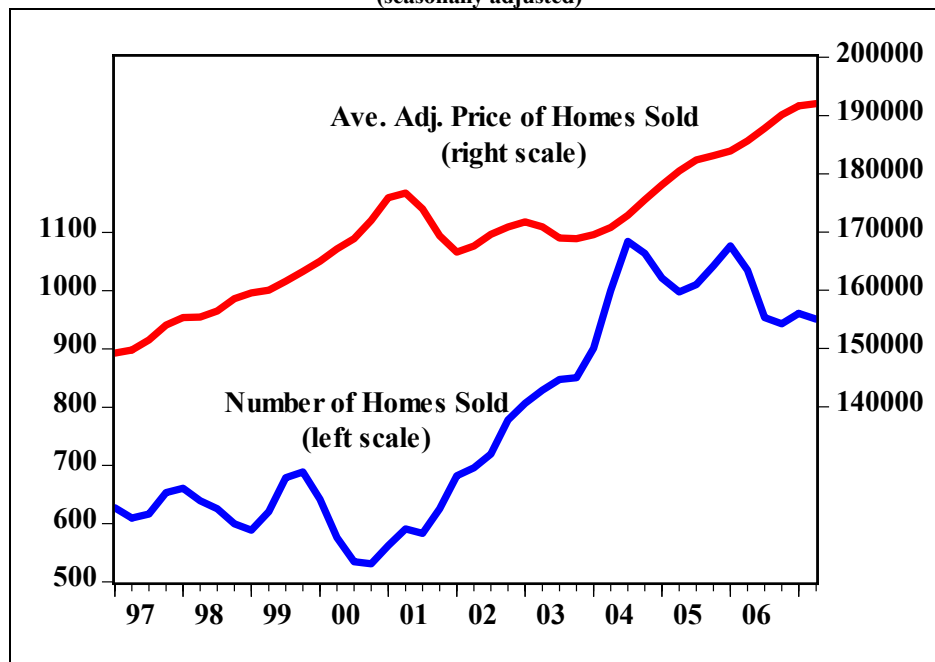
The Greensboro Housing Report, 2007.2

Current Outlook

The number of existing, single-family homes sold in the Greensboro area of Guilford County totaled 951 in the 2nd quarter of 2007 after adjustment for seasonal variation.¹ The number sold was down -1.0 percent compared to the level of sales recorded in the 1st quarter, and it was -8.1 percent below the number sold during the 2nd quarter one year ago.

Nationally, the pace of existing home sales has fallen -10.3 percent over the past 12 months.² Median home prices are down -1.8 percent across the nation and -0.5 percent in the South.

Number and Prices of Existing Homes Sold, 1997.1 – 2007.2
(seasonally adjusted)



At the end of the 2nd quarter of 2007, the inventory of homes on the Greensboro market was 2,479, or 2.3 times the number of homes sold in the 2nd quarter. At the current sales pace, it will take 6.9 months to exhaust the inventory. The number of existing homes offered for sale was up 9.5 percent from what it was at the end of the 1st quarter, and it was 6.6 percent above the level one year ago.

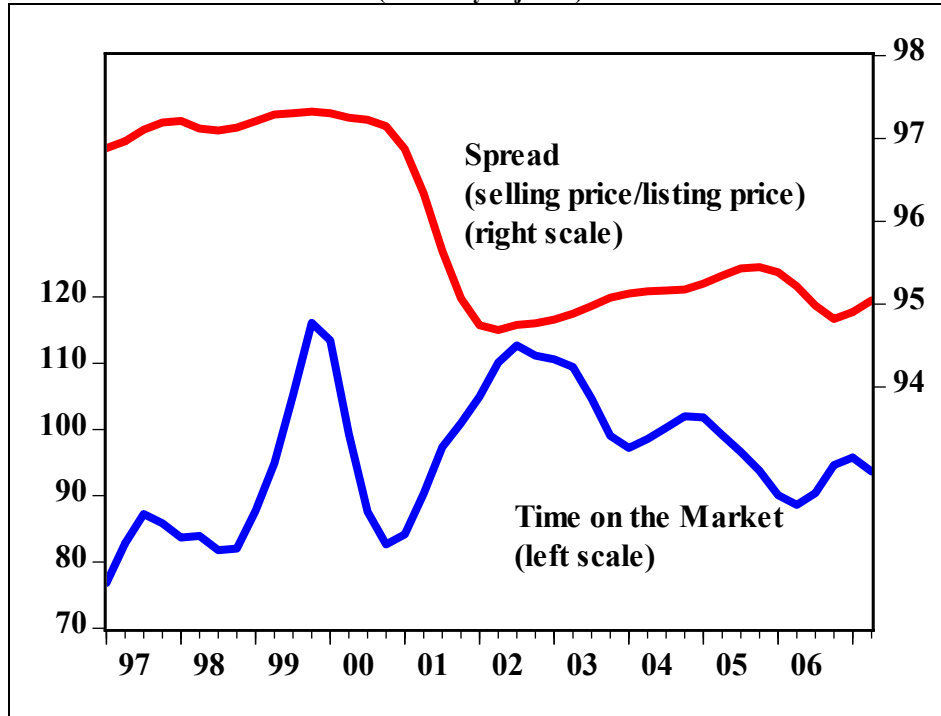
The quality-adjusted price of the average home sold in the 2nd quarter was up 0.2 percent from the previous quarter. The average quality-adjusted price of an existing home in Greensboro was \$192,041. The average this quarter was 3.5 percent above the average recorded in the 2nd quarter of last year. Over the past year, consumer prices nationally have risen 2.7 percent, indicating that real home prices in Greensboro have risen.

Other indicators of housing activity in the 2nd quarter offer a mixed picture. The average time on the market for existing homes sold was 94.0 days, down -2.1 percent from the average in the 1st quarter. The sale-list price spread, which shows the ratio of selling to listing price, was higher at 95.0 percent, indicating a small drop 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 May, 2006 to May, 2007.

Existing Homes, 1997.1 – 2007.2
(seasonally adjusted)



Housing affordability is an important factor shaping housing demand. The affordability index slipped -4.3 percent this quarter. Since the 2nd quarter of 2006, the affordability index has fallen -2.0 percent.

Existing Home Sales Data

	2007.2	2007.1	2006.2	% Chg Last Qtr.	% Chg Last Yr.
Seasonally Adjusted:					
Adj. Ave. Home Price	\$192,041	\$191,684	\$185,627	0.2%	3.5%
No. of Homes Sold	951	961	1,035	-1.0%	-8.1%
Time on Market (days)	94.0	96.0	87.0	-2.1%	8.0%
Spread: (sale price/list price)	95.0	94.9	95.2	0.1%	-0.2%
Seasonally Unadjusted:					
Ave. Home Price	\$194,562	\$191,688	\$189,540	1.5%	2.6%
No. of Homes Sold	1,070	774	1,217	38.2%	-12.1%
< \$150K	425	330	506	28.8%	-16.0%
\$150K - \$349K	484	340	525	42.4%	-7.8%
\$350K & Over	161	104	186	54.8%	-13.4%
Inventory, end of qtr.	2,479	2,263	2,325	9.5%	6.6%
Inventory/Sales	2.3	2.9	1.9	-20.8%	21.3%
Affordability Index	99.0	103.4	101.0	-4.3%	-2.0%

The Neighborhood Distribution of Existing Home Sales

During the 2nd 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 158 sales. It was followed by the South Greensboro area (zip code 27406) which recorded a total of 130 sales. The Lake Jeanette area (zip code 27455) recorded the highest average price of homes sold, with 128 sales averaging \$301,381. The highest inventory to sales ratios were in zip codes 27401 and 27214 with ratios of 4.6 and 4.1 respectively. Zip code 27401 includes an area in and to the east of downtown Greensboro, while Zip code 27214 is in northeastern Guilford County along Highway 150.

The Neighborhood Distribution of Existing Home Sales, 2007.2

Zip	Price Range	No. Sales	Ave. Price	Spread	TOM	Inventory End of Qtr.	Inv./Sales
27214	< \$150K	7	\$122,428	95.6	107	18	2.6
27214	\$150K - \$349K	20	\$230,480	96.9	142	77	3.9
27214	\$350K & Over	2	\$424,150	97.5	146	24	12.0
27214	Total	29	\$217,755	96.7	134.0	119	4.1
27249	< \$150K	10	\$109,395	89.1	163	26	2.6
27249	\$150K - \$349K	11	\$210,875	97.6	109	22	2.0
27249	\$350K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27249	Total	21	\$162,551	93.6	134.7	48	2.3
27301	< \$150K	12	\$129,425	93.4	86	18	1.5
27301	\$150K - \$349K	23	\$195,520	95.1	144	56	2.4
27301	\$350K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27233	Total	35	\$172,859	94.5	124.3	74	2.1
27310	< \$150K	1	\$107,455	95.1	11	3	3.0
27310	\$150K - \$349K	17	\$246,715	96.2	81	17	1.0
27310	\$350K & Over	18	\$487,586	98.3	80	61	3.4
27235	Total	36	\$363,282	97.2	78.7	81	2.3
27357	< \$150K	2	\$134,000	97.5	42	2	1.0
27357	\$150K - \$349K	15	\$227,712	98.8	86	41	2.7
27357	\$350K & Over	3	\$464,467	99.3	120	23	7.7
27357	Total	20	\$253,854	98.7	86.6	66	3.3
27358	< \$150K	4	\$123,450	89.9	102	4	1.0
27358	\$150K - \$349K	19	\$239,526	96.0	81	32	1.7
27358	\$350K & Over	33	\$591,078	98.8	137	126	3.8
27358	Total	56	\$438,400	97.2	115.6	162	2.9
27377	< \$150K	4	\$114,113	96.3	151	2	0.5
27377	\$150K - \$349K	15	\$222,095	94.9	170	46	3.1
27377	\$350K & Over	5	\$428,800	95.5	150	18	3.6
27377	Total	24	\$247,162	95.2	162.7	66	2.8
27401	< \$150K	11	\$66,134	87.3	90	64	5.8
27401	\$150K - \$349K	5	\$216,860	97.2	33	10	2.0
27401	\$350K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27401	Total	16	\$113,236	90.4	71.9	74	4.6

The Neighborhood Distribution of Existing Home Sales, continued

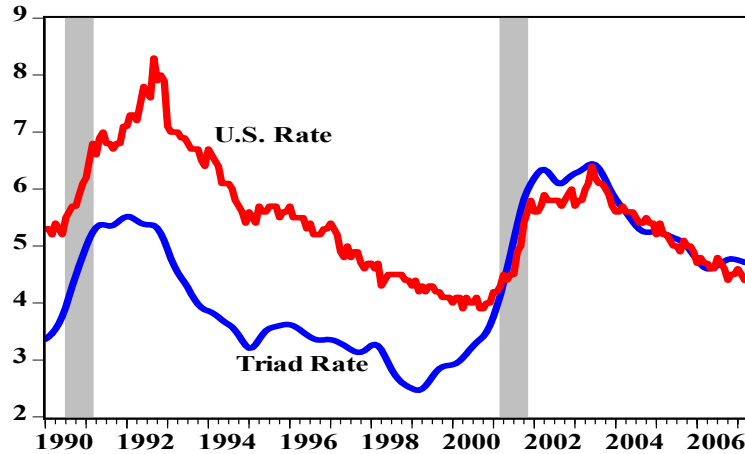
Zip	Price Range	No. Sales	Ave. Price	Spread	TOM	Inventory End of Qtr.	Inv./Sales
27403	< \$150K	30	\$90,177	93.6	80	77	2.6
27403	\$150K - \$349K	24	\$213,208	96.6	45	39	1.6
27403	\$350K & Over	4	\$483,625	93.7	128	8	2.0
27403	Total	58	\$168,221	94.8	68.8	124	2.1
27405	< \$150K	92	\$105,598	96.1	90	257	2.8
27405	\$150K - \$349K	16	\$182,892	94.5	137	65	4.1
27405	\$350K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27405	Total	108	\$117,049	95.9	97.2	322	3.0
27406	< \$150K	88	\$100,258	92.3	76	183	2.1
27406	\$150K - \$349K	38	\$216,312	95.5	96	113	3.0
27406	\$350K & Over	4	\$399,500	91.8	112	22	5.5
27406	Total	130	\$143,389	93.2	82.6	318	2.4
27407	< \$150K	72	\$108,846	94.8	73	118	1.6
27407	\$150K - \$349K	49	\$207,057	96.0	93	110	2.2
27407	\$350K & Over	1	\$420,000	96.0	159	42	42.0
27407	Total	122	\$150,842	95.3	81.7	270	2.2
27408	< \$150K	26	\$123,985	92.4	69	24	0.9
27408	\$150K - \$349K	31	\$205,603	97.1	44	47	1.5
27408	\$350K & Over	16	\$609,100	93.9	68	71	4.4
27408	Total	73	\$264,971	94.7	58.2	142	1.9
27409	< \$150K	1	\$138,500	107.4	9	5	5.0
27409	\$150K - \$349K	11	\$199,428	98.8	54	30	2.7
27409	\$350K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27409	Total	12	\$194,350	99.5	50.4	35	2.9
27410	< \$150K	26	\$137,053	96.8	35	10	0.4
27410	\$150K - \$349K	111	\$218,302	97.3	53	141	1.3
27410	\$350K & Over	21	\$469,195	96.3	92	78	3.7
27410	Total	158	\$238,279	97.1	55.0	229	1.4
27455	< \$150K	27	\$124,967	95.2	77	22	0.8
27455	\$150K - \$349K	59	\$225,532	96.3	99	65	1.1
27455	\$350K & Over	42	\$521,340	96.3	110	85	2.0
27455	Total	128	\$301,381	96.1	97.8	172	1.3

Economic Trends in the Piedmont Triad

Economic conditions in the eight-county Piedmont Triad region improved modestly during the 2nd quarter.³ The seasonally adjusted rate of unemployment in the Triad was 4.7 percent in May, unchanged from the revised figure for April. The national unemployment rate was 4.5 percent, also unchanged from last month.

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.

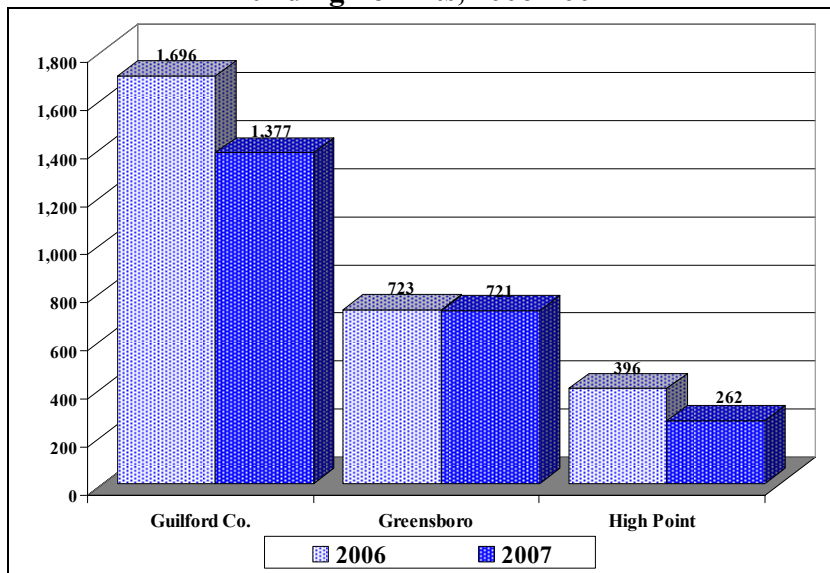
Unemployment Rate (seasonally adjusted)



Total nonagricultural wage and salary employment (employer survey) in the Piedmont Triad was up 0.1 percent in May. Over the past 12 months, employment has gained 1.2 percent. For the nation as a whole, employment also was up 0.1 percent in May. Over the past 12 months, national employment has risen 1.4 percent.

Planned single-family residential construction declined during the 2nd quarter. Residential building permits (which reflect plans for future construction) were off -18.8 percent in Guilford County as a whole during the first 5 months of 2007 compared to the same period in 2006. Permits declined -0.3 percent in Greensboro and were down -33.8 percent in High Point.

Building Permits, 2006-2007⁴

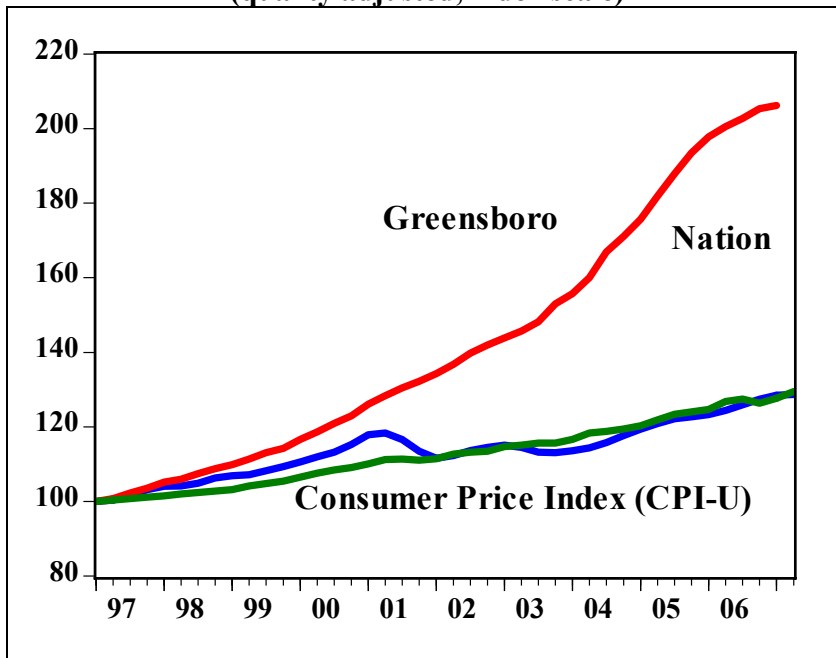


Longer-Term Trends

Since the 1st quarter of 1997, existing home prices in Greensboro have risen at an average annual rate of 2.5 percent, slightly ahead 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 7.3 percent annual rate from 1997.1 through the 1st quarter of 2007, according to the Office of Federal Housing Enterprise Oversight (OFHEO).

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

**Existing Housing Prices in Greensboro & 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.