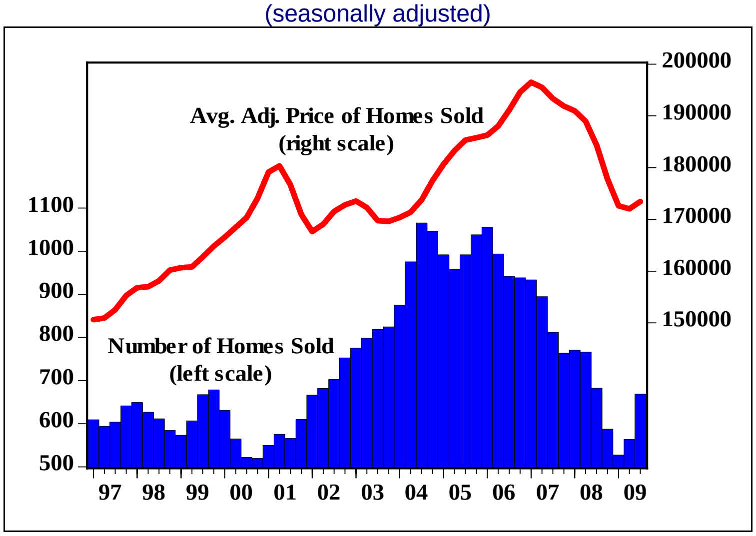
The Greensboro Housing Report, 2009.3

Current Outlook

The number of existing, single-family homes sold in the Greensboro area of Guilford County totaled 669 in the 3rd quarter of 2009 after adjustment for seasonal variation.[1] The number sold was up 18.6 percent compared to the level of sales recorded in the 2nd quarter, but it was -2.0 percent below the number sold during the 3rd quarter one year ago.

Number and Prices of Existing Homes Sold, 1997.1 – 2009.3

(seasonally adjusted)



At the end of the 3rd quarter of 2009, the inventory of homes on the Greensboro market was 3,138, or 3.9 times the number of homes sold in the 3rd quarter. The inventory/sales ratio is up from what it was at the end of the 2nd quarter. At the current sales pace, it will take 11.7 months to exhaust the inventory. The number of existing homes offered for sale was up 33.2 percent from what it was at the end of the 2nd quarter, and it was 20.0 percent above the level one year ago.

The quality-adjusted price of the average home sold in the 3rd quarter was up 0.8 percent from the previous quarter. The average quality-adjusted price of an existing home in Greensboro was $173,437. The average this quarter was -5.9 percent below the average recorded in the 3rd quarter of last year. By comparison, over the past year, consumer prices nationally have slipped -1.5 percent.

Nationally, the pace of existing home sales has risen 3.4 percent over the past 12 months.[2] Average home prices are down -9.3 percent across the nation and -9.9 percent in the South. The national inventory of unsold homes is down -16.4 percent over the past 12 months and will take 8.5 months to sell at the existing pace of sales.

Among other indicators of housing demand, the average time on the market for existing homes sold was 117.1 days, up 4.9 percent from the average in the 2nd quarter. The sale-list price spread, which shows the ratio of selling to listing price, was higher at 93.0 percent, indicating a decrease in the level of discounting in the market. Over the past year, time on the market has risen 20.9 percent, and the spread has increased, showing that the time to sell a home has risen, but sellers are getting a higher percentage of their listing price.

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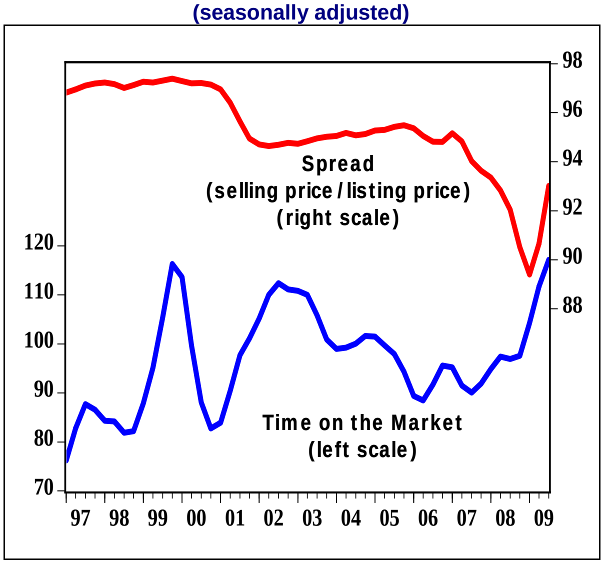
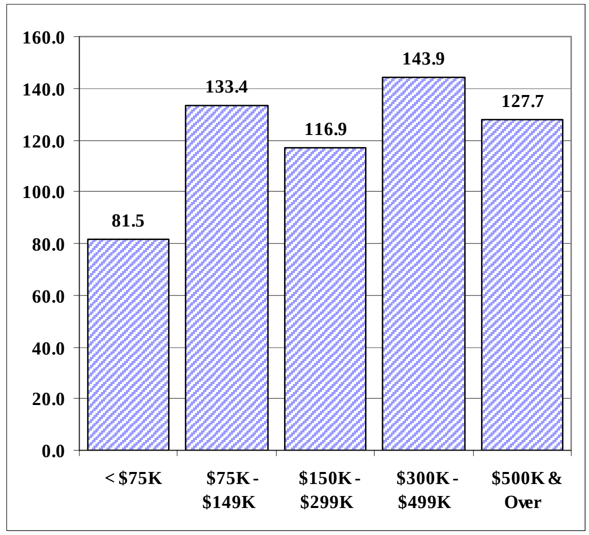
[1] The Greensboro area of Guilford County includes all of Guilford County except High Point and Jamestown.
[2] This percentage is calculated from August 2008 to August 2009 using National Assn. of Realtors® data.

Time on the market (TOM) is higher for the highest priced homes. For homes $75,000 and above, TOM averages more than 116 days. In contrast, for homes less than $75,000, average TOM is under 82 days.

Existing Homes, 1997.1 – 2009.3
(seasonally adjusted)



Time on the Market by Price Category



Housing affordability is an important factor shaping housing demand. The affordability index declined 4.5 percent this quarter. Since the 3rd quarter of 2008, the affordability index has risen 22.2 percent because of lower prices and mortgage rates.

Existing Home Sales Data

	2009.3	2009.2	2008.3	% Chg Last Qtr.	% Chg Last Yr.
Seasonally Adjusted					
Adj. Avg. Home Price	$173,437	$172,053	$184,341	0.8%	-5.9%
No. of Homes Sold	669	564	682	18.6%	-2.0%
Time on Market (days)	117.1	111.7	96.9	4.9%	20.9%
Spread: (sale price/list price)	93.0	90.7	92.0	2.6%	1.1%
Consumer Price Index (CPI-U)	215.8	213.9	219.1	0.9%	-1.5%
Non-Seasonally Adjusted					
Avg. Home Price	$194,375	$181,988	$212,450	6.8%	-8.5%
No. of Homes Sold	808	633	756	27.6%	6.9%
< $75K	115	88	91	30.7%	26.4%
$75K - $149K	275	198	247	38.9%	11.3%
$150K - $299K	289	247	274	17.0%	5.5%
$300K - $499K	105	80	117	31.3%	-10.3%
$500K & Over	24	20	27	20.0%	-11.1%
Inventory, end of qtr.	3,138	2,356	2,614	33.2%	20.0%
Inventory/Sales	3.9	3.7	3.5	4.3%	12.3%
Affordability Index	122.9	128.7	100.6	-4.5%	22.2%

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 encompasses much of northwest Greensboro, had a total of 160 sales. It was followed by zip code 27406 in southern Greensboro (including the Forest Oaks area) which recorded a total of 93 sales. The Oakridge area in the northwestern section of the county (zip code 27310) recorded the highest average price of homes sold, with 20 sales averaging $344,820. It was followed by the neighboring Summerfield area (zip 27358) with 40 sales averaging $329,724. The highest inventory to sales ratio was in zip code 27377, with a ratio of 6.1 (18.3 mos.). Zip code 27377 is in the eastern section of the county along I-40.

The Neighborhood Distribution of Existing Home Sales, 2009.3

Zip	Price Range	No. Sales	Avg. Price	Spread	TOM	Inventory End of Qtr.	Inv./Sales
27214	< $75K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27214	$75K - $149K	7	$116,235	94.7	148	23	3.3
27214	$150K - $299K	11	$240,399	98.1	80	35	3.2
27214	$300K - $499K	2	$319,750	100.0	77	18	9.0
27214	$500K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27214	Total	20	$204,877	97.1	104	76	3.8
27235	< $75K	1	$17,364	86.8	2	1	1.0
27235	$75K - $149K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27235	$150K - $299K	6	$228,258	97.2	179	25	4.2
27235	$300K - $499K	2	$415,697	94.182	50	18	9
27235	$500K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27235	Total	9	$246,478	95.3	130	44	4.9
27249	< $75K	5	$43,662	90.1	85	3	0.6
27249	$75K - $149K	1	$93,000	100.0	172	11	11.0
27249	$150K - $299K	5	$211,680	95.2	121	9	1.8
27249	$300K - $499K	1	$342,000	97.7	169	6	6.0
27249	$500K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27249	Total	12	$142,643	93.7	114	29	2.4
27283	< $75K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27283	$75K - $149K	2	$146,240	100.3	226	3	1.5
27283	$150K - $299K	1	$167,000	98.3	58	5	5.0
27283	$300K - $499K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27283	$500K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27283	Total	3	$153,160	99.6	170	8	2.7
27284	< $75K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27284	$75K - $149K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27284	$150K - $299K	2	$193,450	96.7	87	4	2.0
27284	$300K - $499K	6	$365,604	97.3	108	17	2.8
27284	$500K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27284	Total	8	$322,566	97.2	102	21	2.6
27301	< $75K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27301	$75K - $149K	2	$59,425	96.3	43	4	2.0
27301	$150K - $299K	6	$115,000	97.7	63	15	2.5
27301	$300K - $499K	14	$195,952	95.518	95	52	3.7143
27301	$500K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27301	Total	22	$161,463	96.2	82	71	3.2

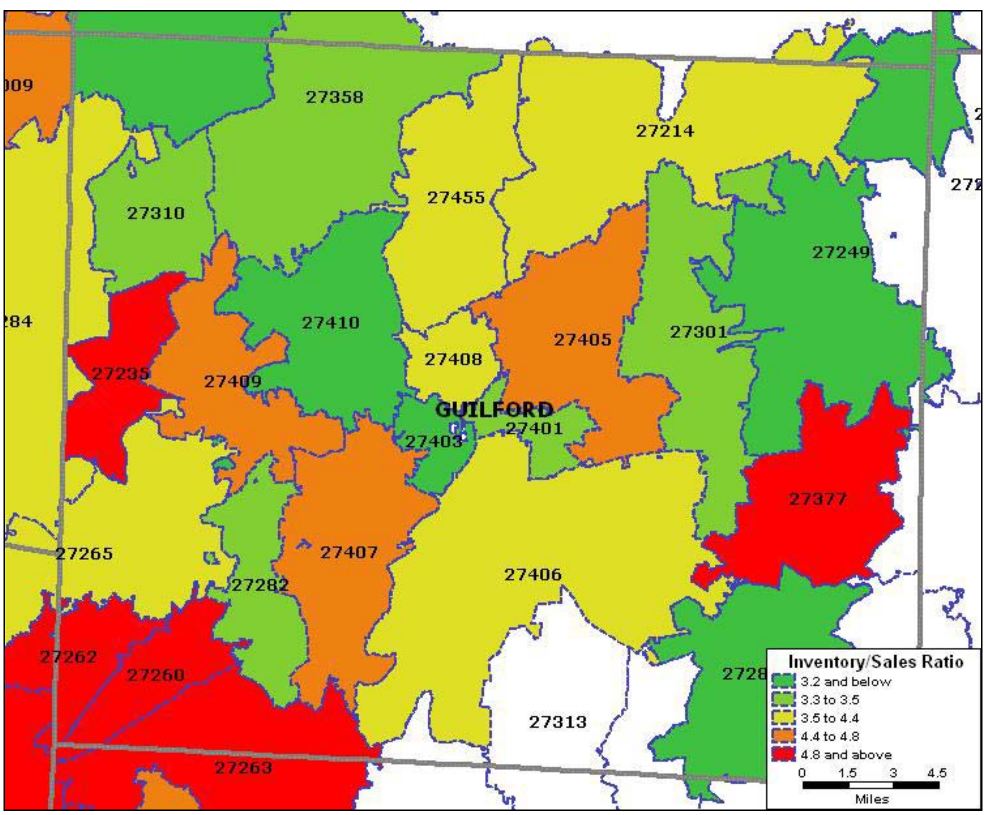
The Neighborhood Distribution of Existing Home Sales, continued

Zip	Price Range	No. Sales	Avg. Price	Spread	TOM	Inventory End of Qtr.	Inv./Sales
27310	< $75K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27310	$75K - $149K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27310	$150K - $299K	7	$241,071	96.2	59	17	2.4
27310	$300K - $499K	13	$400,685	97.2	79	51	3.9
27310	$500K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27310	Total	20	$344,820	96.8	72	68	3.4
27357	< $75K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27357	$75K - $149K	5	$118,080	97.4	233	4	0.8
27357	$150K - $299K	5	$223,380	95.7	185	18	3.6
27357	$300K - $499K	4	$358,750	93.9	302	14	3.5
27357	$500K & Over	2	$646,500	96.3	80	11	5.5
27357	Total	16	$277,206	95.9	216	47	2.9
27358	< $75K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27358	$75K - $149K	4	$113,975	91.4	75	4	1.0
27358	$150K - $299K	13	$229,944	97.5	72	15	1.2
27358	$300K - $499K	20	$394,039	94.3	122	57	2.9
27358	$500K & Over	3	$621,000	93.3	345	60	20.0
27358	Total	40	$329,724	95.0	118	136	3.4
27377	< $75K	1	$66,000	98.7	8	1	1.0
27377	$75K - $149K	6	$116,017	95.4	118	33	5.5
27377	$150K - $299K	4	$213,875	94.6	62	39	9.8
27377	$300K - $499K	3	$368,333	95.8	279	12	4.0
27377	$500K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27377	Total	14	$194,471	95.5	129	85	6.1
27401	< $75K	15	$43,074	86.1	100	34	2.3
27401	$75K - $149K	7	$127,057	99.2	64	47	6.7
27401	$150K - $299K	10	$203,040	95.2	74	27	2.7
27401	$300K - $499K	1	$305,000	93.8	184	9	9.0
27401	$500K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27401	Total	33	$117,300	91.9	87	117	3.5
27403	< $75K	14	$49,943	89.7	73	26	1.9
27403	$75K - $149K	6	$129,017	99.5	51	40	6.7
27403	$150K - $299K	20	$213,818	96.7	69	38	1.9
27403	$300K - $499K	7	$340,357	96.6	80	13	1.9
27403	$500K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27403	Total	47	$173,024	94.9	70	117	2.5
27405	< $75K	16	$51,119	89.8	76	65	4.1
27405	$75K - $149K	34	$118,531	97.2	129	174	5.1
27405	$150K - $299K	10	$183,849	97.3	275	41	4.1
27405	$300K - $499K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27405	$500K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27405	Total	60	$111,441	95.2	139	280	4.7
27406	< $75K	31	$51,323	91.7	91	88	2.8
27406	$75K - $149K	45	$111,576	96.7	104	160	3.6
27406	$150K - $299K	16	$192,551	94.3	149	95	5.9
27406	$300K - $499K	1	$366,500	94.0	96	22	22.0
27406	$500K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27406	Total	93	$108,164	94.6	107	365	3.9
27407	< $75K	10	$52,100	90.5	120	21	2.1
27407	$75K - $149K	33	$114,945	95.5	128	176	5.3
27407	$150K - $299K	26	$206,021	95.5	115	65	2.5
27407	$300K - $499K	3	$380,000	93.3	133	51	17.0
27407	$500K & Over	3	$609,374	100.6	143	31	10.3
27407	Total	75	$168,518	95.0	123	344	4.6

The Neighborhood Distribution of Existing Home Sales, continued

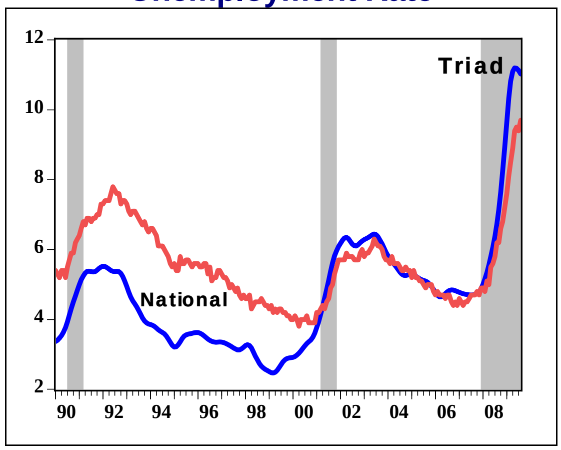
Zip	Price Range	No. Sales	Avg. Price	Spread	TOM	Inventory End of Qtr.	Inv./Sales
27408	< $75K	2	$63,875	89.9	87	1	0.5
27408	$75K - $149K	26	$122,454	95.6	85	86	3.3
27408	$150K - $299K	18	$224,078	95.3	102	54	3.0
27408	$300K - $499K	4	$403,875	98.9	153	39	9.8
27408	$500K & Over	6	$644,917	94.3	86	58	9.7
27408	Total	56	$229,106	95.4	95	238	4.3
27409	< $75K	6	$60,483	92.6	179	26	4.3
27409	$75K - $149K	14	$97,179	97.4	82	58	4.1
27409	$150K - $299K	5	$202,400	92.0	272	31	6.2
27409	$300K - $499K	1	$310,000	97.7	248	9	9.0
27409	$500K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27409	Total	26	$117,131	95.3	147	124	4.8
27410	< $75K	3	$61,633	91.0	100	13	4.3
27410	$75K - $149K	54	$113,828	97.4	101	160	3.0
27410	$150K - $299K	84	$209,036	96.6	84	198	2.4
27410	$300K - $499K	17	$399,000	96.0	73	73	4.3
27410	$500K & Over	2	$692,500	90.0	32	42	21.0
27410	Total	160	$200,367	96.6	88	486	3.0
27455	< $75K	4	$55,000	87.4	97	4	1.0
27455	$75K - $149K	21	$118,046	96.7	123	63	3.0
27455	$150K - $299K	27	$203,706	98.2	112	102	3.8
27455	$300K - $499K	20	$386,735	96.2	153	91	4.6
27455	$500K & Over	4	$562,750	96.6	89	61	15.3
27455	Total	76	$239,273	96.6	124	321	4.2

Inventory-Sales Ratios by Zip Code



Economic conditions in the eight-county Piedmont Triad region improved modestly during the 3rd quarter.[3] The seasonally adjusted rate of unemployment in the Triad was 11.0 percent in August, down 0.1 percentage points this month, but up 4.3 percentage points over the past 12 months. The national unemployment rate was 9.7 percent, up 0.3 percentage points this month and up 3.5 percentage points over the past year.

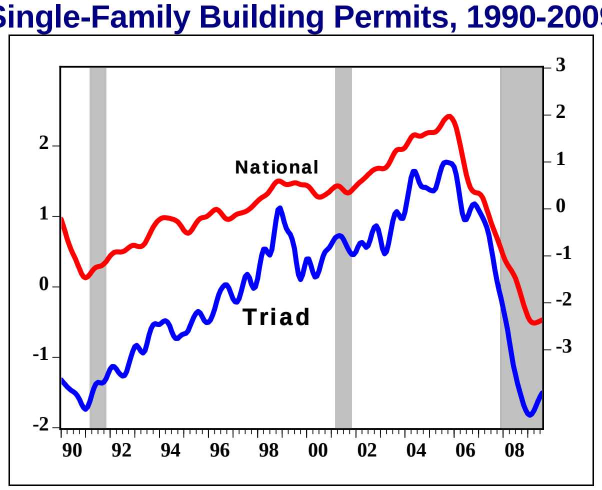
Unemployment Rate



Total nonagricultural wage and salary employment (employer survey) in the Piedmont Triad was off -0.1 percent in August. Over the past 12 months, employment has fallen -4.7 percent. For the nation as a whole, employment dipped -0.2 percent in August. Over the past 12 months, national employment has declined -4.3 percent. The number of persons in the Triad employed in the service-producing sector was essentially unchanged in August, but higher employment was recorded this month in professional & business services, education & healthcare, leisure, government, and other services.

In a continuing turnaround, residential building permits in the Triad, which reflect planned construction, were up 3.7 percent this month, rising for the 6th consecutive month. Over the past 12 months, the pace of planned residential building has fallen -8.6 percent. Construction employment has fallen -17.9 percent over the past year and was off -0.4 percent this month.

Single-Family Building Permits, 1990-2009



The number of real estate foreclosures in the Triad was up 2.7 percent in August and is up 18.8 percent over the past 12 months. Nationally, foreclosures are up 18.0 percent over the past 12 months.

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[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.

Longer-Term Trends

The population of the Triad totaled 1.39 million in 2008, growing at an average annual rate of 1.3 percent since 2000. Guilford County's population was 472,216 in 2007, rising 1.4 percent annually since 2000. The pace of population growth in the Triad accelerated in 2008, with population growing 1.6 percent from 2007 to 2008. The rate of population growth in Guilford County also increased in 2008, growing more rapidly than the nation, but slower than the state.

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Population Change in the Triad & the Nation, 2008-2000

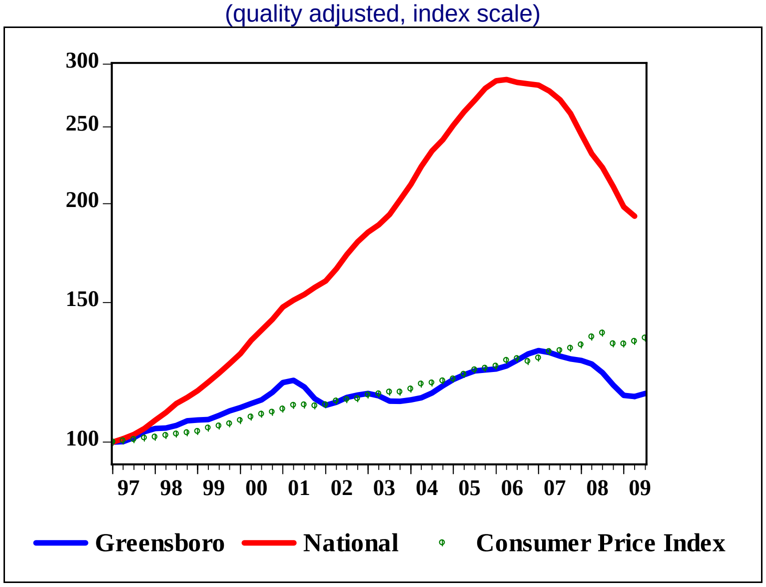
Area	Population 2008	Percent Change 2008-07	Percent Change 2008-00
Alamance County	148,053	2.25%	1.56%
Davidson County	158,166	1.34%	0.90%
Davie County	40,971	1.50%	2.05%
Forsyth County	343,028	1.60%	1.44%
Guilford County	472,216	1.76%	1.44%
Randolph County	141,186	1.20%	0.99%
Stokes County	46,171	0.51%	0.40%
Yadkin County	37,954	0.74%	0.54%
Triad	1,387,745	1.59%	1.30%
North Carolina	9,222,414	2.00%	1.72%
United States	304,059,724	0.92%	0.97%

Source: Census Bureau

Since the first quarter of 1997, existing home prices in Greensboro have risen at an average annual rate of 1.1 percent, lagging 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 5.4 percent annual rate from 1997.1 through the 2nd quarter of 2009, according to the S&P Case-Shiller 10-City Home Price Index.

Existing Housing Prices in Greensboro & the Nation

(quality adjusted, index scale)



In 2008, the average existing home that was sold had 2,059 square feet of floor space. It was 1.5 stories high, had 2.3 bathrooms, and 1.3 garage parking spaces. Eighty-five percent had fireplaces. The average age of existing homes sold was 24.6 years. Seventy-seven percent of exiting homes sold were in the city limits of Greensboro, and 32 percent of all homes were in the northwest part of Guilford County.

Characteristics of Existing Homes Sold, 2008

Square Footage	2,059
Floors	1.5
Baths	2.3
Garage Spaces	1.3
Fireplaces	85%
Age	24.6
In the City	77%
Northwest	32%
Number Sold	2,831

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: 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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