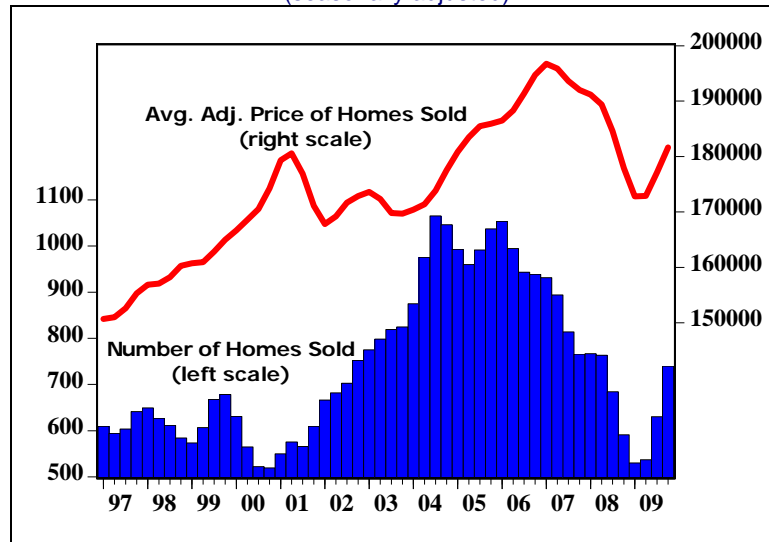


# The Greensboro Housing Report, 2009.4

## Current Outlook

The number of existing, single-family homes sold in the Greensboro area of Guilford County totaled 740 in the 4th quarter of 2009 after adjustment for seasonal variation.<sup>1</sup> The number sold was up 17.3 percent compared to the level of sales recorded in the 3rd quarter, and it was 25.1 percent above the number sold during the 4th quarter one year ago.

**Number and Prices of Existing Homes Sold, 1997.1 – 2009.4**  
(seasonally adjusted)



At the end of the 4th quarter of 2009, the inventory of homes on the Greensboro market was 2,107, or 3.3 times the number of homes sold in the 4th quarter. The inventory/sales ratio is up from what it was at the end of the 3rd quarter. At the current sales pace, it will take 9.9 months to exhaust the inventory. The number of existing homes offered for sale was down -5.6 percent from what it was at the end of the 3rd quarter, and it was -7.1 percent below the level one year ago.

The quality-adjusted price of the average home sold in the 4th quarter was up 2.5 percent from the previous quarter. The average quality-adjusted price of an existing home in Greensboro was \$181,656. The average this quarter was 2.1 percent above the average recorded in the 4th quarter of last year. By comparison, over the past year, consumer prices nationally have risen 1.8 percent.

Nationally, the pace of existing home sales has risen 42.1 percent over the past 12 months.<sup>2</sup> Average home prices are down -2.7 percent across the nation and -0.1 percent in the South. The national inventory of unsold homes is down -14.8 percent over the past 12 months and will take 6.2 months to sell at the existing pace of sales.

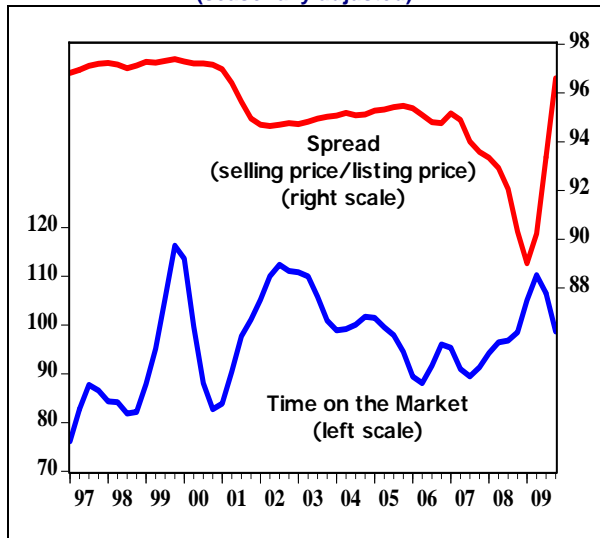
Among other indicators of housing demand, the average time on the market for existing homes sold was 98.7 days, down -7.4 percent from the average in the 3rd quarter. The sale-list price spread, which shows the ratio of selling to listing price, was higher at 96.6 percent, indicating a decrease in the level of discounting in the market. Over the past year, time on the market has risen 0.2 percent, but the spread has increased, showing that the time to sell a home has risen slightly, but sellers are getting a substantially higher percentage of their listing price.

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

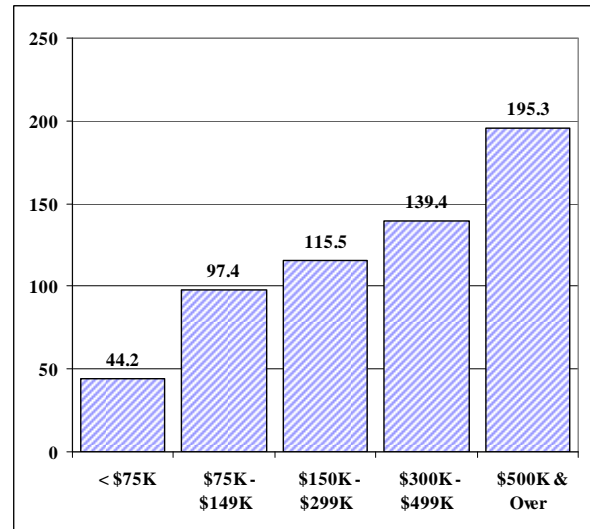
<sup>2</sup> This percentage is calculated from November 2008 to November 2009 using National Assn. of Realtors® data.

Time on the market (TOM) is higher for the highest priced homes (see the bar graph shown directly below).

**Existing Homes, 1997.1 – 2009.4**  
(seasonally adjusted)



**Time on the Market by Price Category**



Housing affordability is an important factor shaping housing demand. The affordability index gained 1.0 percent this quarter. Since the 4th quarter of 2008, the affordability index has risen 5.2 percent because of lower mortgage rates.

### Existing Home Sales Data

	2009.4	2009.3	2008.4	% Chg Last Qtr.	% Chg Last Yr.
<i>Seasonally Adjusted</i>					
Adj. Avg. Home Price	\$181,656	\$177,143	\$177,909	2.5%	2.1%
No. of Homes Sold	740	631	591	17.3%	25.1%
Time on Market (days)	98.7	106.6	98.5	-7.4%	0.2%
Spread: (sale price/list price)	96.6	93.4	90.3	3.5%	7.0%
Consumer Price Index (CPI-U)	216.3	215.8	212.4	0.2%	1.8%
<i>Not Seasonally Adjusted</i>					
Avg. Home Price	\$197,122	\$201,887	\$190,488	-2.4%	3.5%
No. of Homes Sold	629	730	520	-13.8%	21.0%
< \$75K	75	93	85	-19.4%	-11.8%
\$75K - \$149K	223	219	172	1.8%	29.7%
\$150K - \$299K	231	284	180	-18.7%	28.3%
\$300K - \$499K	71	109	60	-34.9%	18.3%
\$500K & Over	29	25	23	16.0%	26.1%
Inventory, end of qtr.	2,107	2,232	2,267	-5.6%	-7.1%
Inventory/Sales	3.3	3.1	4.4	9.6%	-23.2%
Affordability Index	108.0	106.9	102.7	1.0%	5.2%

## The Neighborhood Distribution of Existing Home Sales

During the 4th quarter, the largest number of sales of existing homes occurred in zip code 27405. This neighborhood, which is in northeast Greensboro, had a total of 86 sales. It was followed by zip code 27410 in northwest Greensboro which recorded a total of 79 sales. The Summerfield area in the northwestern section of the county (zip code 27358) recorded the highest average price of homes sold, with 23 sales averaging \$471,722. It was followed by the neighboring Stokesdale area (zip 27357) with 8 sales averaging \$435,813. The highest inventory to sales ratio was in zip code 27357 (the Stokesdale area), with a ratio of 18.0 mos. It was followed by zip codes 27401 (encompassing and to the east of downtown Greensboro) and 27358 (the Summerfield area) each with a ratio of 16.8 months. The lowest ratio was in zip code 27283 where at the existing pace of sales it will take just 4.2 months to sell the listing in this area. Zip code 27283 is in the southeast section of the county.

### The Neighborhood Distribution of Existing Home Sales, 2009.4

Zip	Price Range	No. Sales	Avg. Price	Spread	TOM	Inventory	
						End of Qtr.	Inv./Sales
27214	< \$75K	1	\$47,000	94.0	14.0	1	1.0
27214	\$75K - \$149K	9	\$115,011	96.5	41.4	19	2.1
27214	\$150K - \$299K	11	\$202,433	97.5	110.5	25	2.3
27214	\$300K - \$499K	1	\$349,900	94.6	213.0	20	20.0
27214	\$500K & Over	n.a	n.a	n.a	n.a	n.a	n.a
27214	Total	22	\$166,307	96.8	82.5	65	3.0
27235	< \$75K	n.a	n.a	n.a	n.a	n.a	n.a
27235	\$75K - \$149K	1	\$75,000	115.6	41.0	1	1.0
27235	\$150K - \$299K	8	\$236,881	97.4	120.5	11	1.4
27235	\$300K - \$499K	6	\$368,333	95.6	67.2	15	2.5
27235	\$500K & Over	1	\$520,000	69.3	187.0	4	4.0
27235	Total	16	\$293,753	96.1	99.7	31	1.9
27249	< \$75K	5	\$43,662	90.1	84.8	3	0.6
27249	\$75K - \$149K	1	\$52,000	92.7	27.0	5	5.0
27249	\$150K - \$299K	8	\$126,886	100.4	176.4	8	1.0
27249	\$300K - \$499K	2	\$201,000	94.1	203.0	13	6.5
27249	\$500K & Over	n.a	n.a	n.a	n.a	n.a	n.a
27249	Total	16	\$105,462	95.9	141.8	29	1.8
27283	< \$75K	n.a	n.a	n.a	n.a	n.a	n.a
27283	\$75K - \$149K	2	\$107,500	96.5	106.5	4	2.0
27283	\$150K - \$299K	5	\$182,780	94.4	119.0	6	1.2
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	7	\$161,271	95.0	115.4	10	1.4
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	86.5	4	2.0
27284	\$300K - \$499K	6	\$365,604	97.3	107.8	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	102.5	21	2.6
27301	< \$75K	n.a	n.a	n.a	n.a	n.a	n.a
27301	\$75K - \$149K	8	\$122,119	98.8	73.6	12	1.5
27301	\$150K - \$299K	14	\$185,613	96.0	110.0	45	3.2
27301	\$300K - \$499K	n.a	n.a	n.a	n.a	n.a	n.a
27301	\$500K & Over	n.a	n.a	n.a	n.a	n.a	n.a
27301	Total	22	\$162,524	97.0	96.8	57	2.6

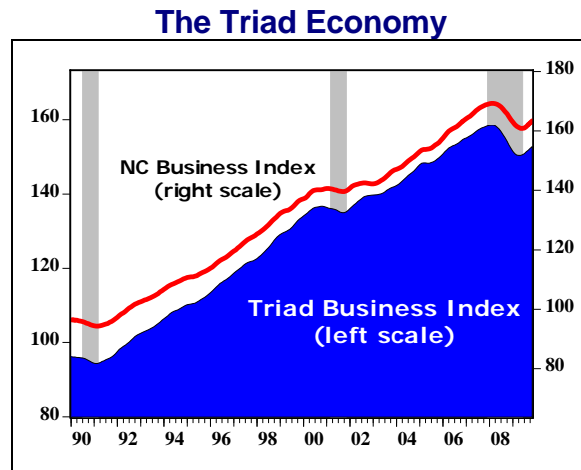
## The Neighborhood Distribution of Existing Home Sales, continued

Zip	Price Range	No. Sales	Avg. Price	Spread	TOM	Inventory End of Qtr.	Inv./Sales
27357	< \$75K	n.a	n.a	n.a	n.a	n.a	n.a
27357	\$75K - \$149K	1	\$87,500	109.4	340.0	4	4.0
27357	\$150K - \$299K	2	\$178,750	97.0	45.5	18	9.0
27357	\$300K - \$499K	2	\$390,250	94.6	236.5	16	8.0
27357	\$500K & Over	3	\$753,667	94.6	252.3	10	3.3
27357	Total	8	\$435,813	97.1	207.6	48	6.0
27358	< \$75K	n.a	n.a	n.a	n.a	n.a	n.a
27358	\$75K - \$149K	1	\$119,900	100.0	103.0	3	3.0
27358	\$150K - \$299K	5	\$243,280	96.2	48.8	19	3.8
27358	\$300K - \$499K	11	\$401,445	95.7	121.4	48	4.4
27358	\$500K & Over	6	\$849,567	91.8	191.0	59	9.8
27358	Total	23	\$471,722	95.0	123.0	129	5.6
27377	< \$75K	n.a	n.a	n.a	n.a	n.a	n.a
27377	\$75K - \$149K	5	\$115,398	100.2	23.4	12	2.4
27377	\$150K - \$299K	12	\$195,018	95.3	85.5	18	1.5
27377	\$300K - \$499K	2	\$381,000	97.9	176.5	14	7.0
27377	\$500K & Over	n.a	n.a	n.a	n.a	n.a	n.a
27377	Total	19	\$193,643	96.8	78.7	44	2.3
27401	< \$75K	5	\$46,678	92.9	23.8	34	6.8
27401	\$75K - \$149K	5	\$109,100	99.1	120.2	25	5.0
27401	\$150K - \$299K	3	\$292,333	96.1	25.0	14	4.7
27401	\$300K - \$499K	n.a	n.a	n.a	n.a	n.a	n.a
27401	\$500K & Over	n.a	n.a	n.a	n.a	n.a	n.a
27401	Total	13	\$127,376	96.0	61.2	73	5.6
27403	< \$75K	9	\$45,056	96.9	53.2	23	2.6
27403	\$75K - \$149K	5	\$112,350	92.6	70.4	32	6.4
27403	\$150K - \$299K	15	\$199,453	96.0	76.4	29	1.9
27403	\$300K - \$499K	2	\$349,500	92.2	188.5	12	6.0
27403	\$500K & Over	n.a	n.a	n.a	n.a	n.a	n.a
27403	Total	31	\$150,260	95.4	75.9	96	3.1
27405	< \$75K	28	\$46,450	91.7	70.6	76	2.7
27405	\$75K - \$149K	49	\$115,286	97.5	100.3	132	2.7
27405	\$150K - \$299K	9	\$176,404	96.8	106.4	33	3.7
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	86	\$99,270	95.5	91.3	241	2.8
27406	< \$75K	22	\$46,514	90.8	48.2	64	2.9
27406	\$75K - \$149K	35	\$112,015	97.4	79.8	119	3.4
27406	\$150K - \$299K	16	\$195,725	97.4	92.5	88	5.5
27406	\$300K - \$499K	1	\$341,000	106.6	190.0	15	15.0
27406	\$500K & Over	n.a	n.a	n.a	n.a	n.a	n.a
27406	Total	74	\$113,736	95.6	74.6	286	3.9
27407	< \$75K	4	\$38,642	86.9	37.5	20	5.0
27407	\$75K - \$149K	28	\$115,671	97.1	98.6	85	3.0
27407	\$150K - \$299K	17	\$197,976	97.5	174.4	50	2.9
27407	\$300K - \$499K	4	\$393,500	93.9	121.5	29	7.3
27407	\$500K & Over	2	\$698,500	97.9	284.0	25	12.5
27407	Total	55	\$176,908	96.3	126.0	209	3.8
27408	< \$75K	n.a	n.a	n.a	n.a	n.a	n.a
27408	\$75K - \$149K	21	\$127,619	96.8	52.8	30	1.4
27408	\$150K - \$299K	10	\$192,750	95.4	88.0	46	4.6
27408	\$300K - \$499K	9	\$381,556	95.2	78.7	18	2.0
27408	\$500K & Over	6	\$644,917	94.3	86.3	58	9.7
27408	Total	46	\$258,935	95.9	69.9	152	3.3



## Economic Trends in the Piedmont Triad

Economic conditions in the eight-county Piedmont Triad region improved modestly during the 4th quarter.<sup>3</sup> The Triad Business Index which tracks the pace of economic activity in the 8-county Triad region rose at an annualized rate of 3.7 percent from September through November.<sup>4</sup>

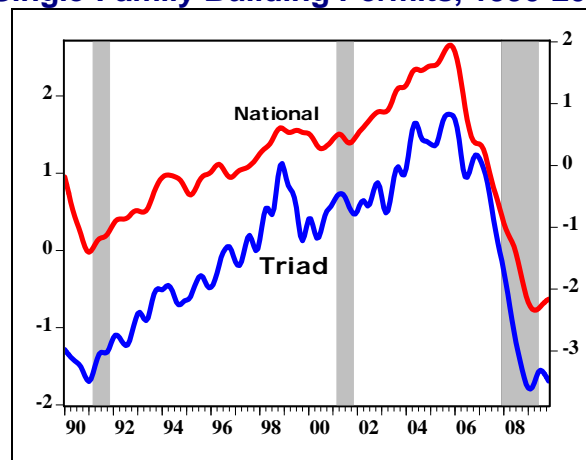


Total nonagricultural wage and salary employment (employer survey) in the Piedmont Triad was off -0.1 percent in November. Since June, employment has fallen -0.6 percent. For the nation as a whole, employment dipped -0.5 percent during the same period.

The number of persons in the Triad employed in the service-producing sector has fallen -0.3 percent since June, but higher employment was recorded during this period in education & healthcare, leisure, and government.

Residential building permits in the Triad, which reflect planned construction, have fallen -8.9 percent since June, reversing an upward trend that began in February.

### Single-Family Building Permits, 1990-2009



The number of real estate foreclosures in the Triad was down -1.8 percent in November but has risen 33.5 percent over the past 12 months. Nationally, foreclosures were 8.0 percent lower in November but have increased 18 percent over the past 12 months. There were 9,009 reported foreclosures in the Triad over the past year.

<sup>3</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.

<sup>4</sup> See, <http://www.uncg.edu/bae/cber/>

## 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 2008, 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.

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

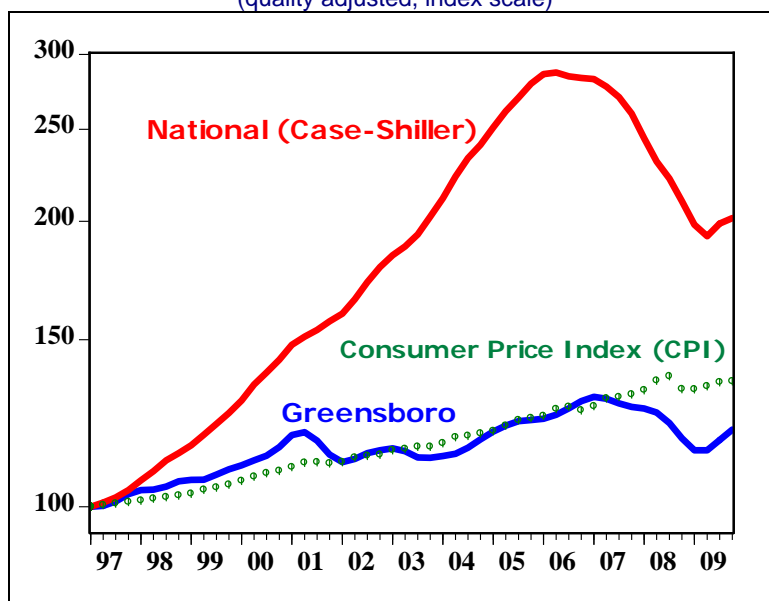
Area	Population 2008	Percent Change 2008-07	Percent Change 2008-00
Alamance County	148,053	2.25%	1.56%
Davidson County	158,166	1.34%	0.90%
Davie County	40,971	1.50%	2.05%
Forsyth County	343,028	1.60%	1.44%
Guilford County	472,216	1.76%	1.44%
Randolph County	141,186	1.20%	0.99%
Stokes County	46,171	0.51%	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 1.5 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 5.5 percent annual rate from 1997.1 through the 4th 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 2009, the average existing home that was sold had 2,105 square feet of floor space. It was 1.5 stories high, had 2.4 bathrooms, and 1.3 garage parking spaces. The average home had 0.86 fireplaces. The average age of existing homes sold was 24.8 years. Seventy-five 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. A total of 2,408 single-family homes were sold through Triad MLS in the Greensboro area of Guilford County.

### Characteristics of Existing Homes Sold, 2009

Square Footage	2,105
Floors	1.5
Baths	2.4
Garage Spaces	1.3
Fireplaces	0.86
Age	24.8
In the City	75%
Northwest	32%
Number Sold	2,408

### 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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