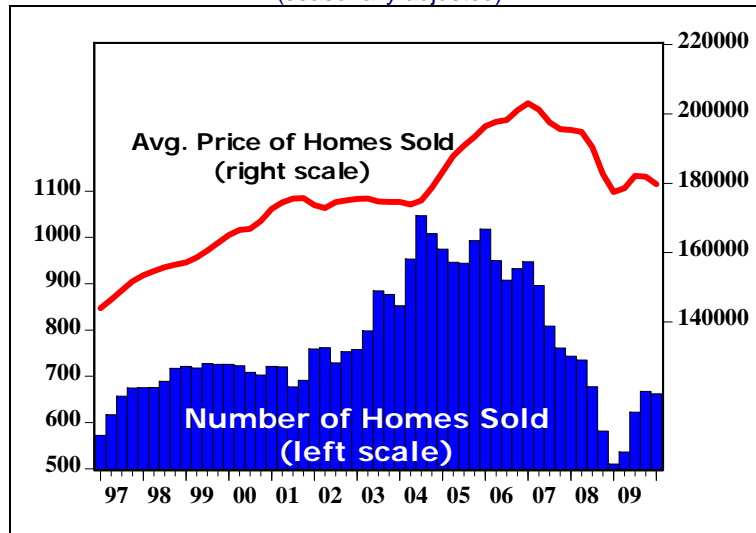


The Forsyth County Housing Report, 2010.1

Current Outlook

The number of existing, single-family homes sold in Forsyth County (including the City of Winston-Salem) totaled 662 in the 1st quarter of 2010 after adjustment for seasonal variation. The number sold was down -0.8 percent compared to the level of sales recorded in the 4th quarter, but it was 29.7 percent more than the number sold during the 1st quarter one year ago.

Number of Existing Homes Sold, 1997.1 – 2010.1
(seasonally adjusted)



At the end of the 1st quarter of 2010, the inventory of homes on the market was 2,917, or 6.5 times the number of homes sold in the 1st quarter. At the current sales pace, it will take 19.5 months to exhaust the existing inventory. The number of homes offered for sale was up 7.4 percent from what it was at the end of the 1st quarter of last year.

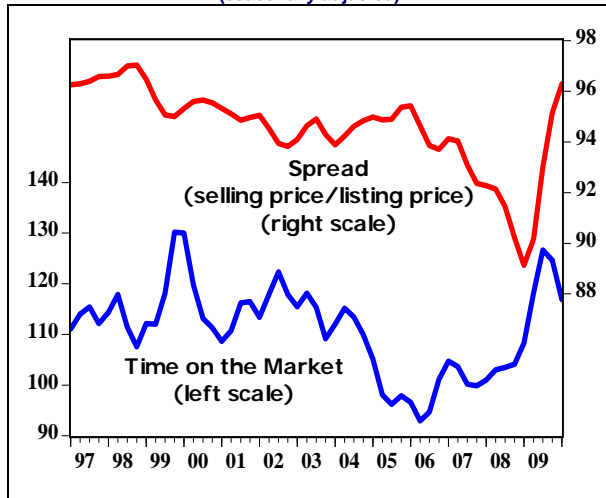
The price of the average home sold in the 1st quarter was lower by -1.2 percent from the previous quarter. The average quality-adjusted price of an existing home in Forsyth County was \$179,759. The average this quarter was up 1.3 percent from the average recorded in the 1st quarter of last year. By comparison, over the past year, consumer prices nationally have risen 2.2 percent.

Nationally, the pace of existing home sales has risen 4.3 percent over the past 12 months.¹ Average home prices are down -0.1 percent across the nation and -1.6 percent in the South. The national inventory of unsold homes is down -6.6 percent over the past 12 months and will take 8.2 months to sell at the existing pace of sales.

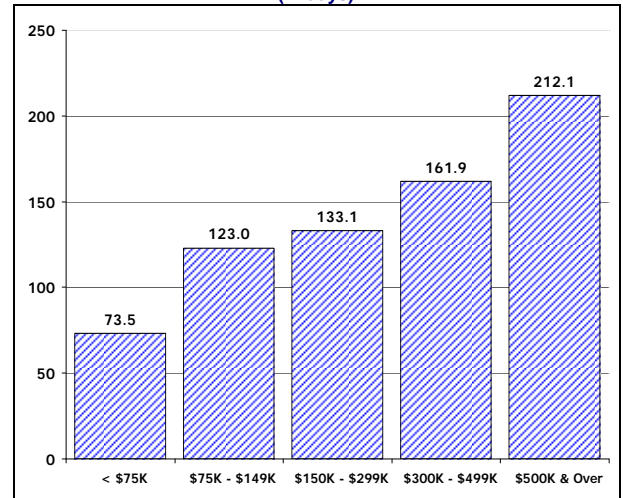
Among other indicators of housing activity, the average time on the market for existing homes sold was 116.9 days, down -6.2 percent from the average in the 4th quarter. The sale-list price spread, which shows the ratio of selling to listing price, was higher at 96.3 percent, indicating a drop in the level of discounting in the market. Over the past year, time on the market has risen, and the spread has increased, suggesting that the average home seller needs more time to sell a home but is capturing a higher percentage of the listing price.

¹ This percentage is calculated from February 2009 to February 2010 using National Assn. of Realtors® data.

Existing Homes, 1997.1 – 2010.1 (seasonally adjusted)



Time on the Market (in days)



The time on the market is higher for higher priced homes. For homes in the highest price category (\$500,000 and above), average time on the market is 212 days. For the lowest price category (less than \$75,000), average time on the market is 74 days.

Housing affordability has been an important factor influencing housing demand over the past year. The affordability index was unchanged this quarter and has risen 0.3 percent over the past year because of lower mortgage rates.

Existing Home Sales Data

	2010.1	2009.4	2009.1	% Chg Last Qtr.	% Chg Last Yr.
Seasonally Adjusted					
Adj. Avg. Home Price	\$179,759	\$181,897	\$177,473	-1.2%	1.3%
No. of Homes Sold	662	667	510	-0.8%	29.7%
Time on Market (days)	116.9	124.6	108.3	-6.2%	8.0%
Spread: (sale price/list price)	96.3	95.1	89.1	1.2%	8.0%
Consumer Price Index (CPI-U)	216.7	216.2	212.0	0.3%	2.2%
Not Seasonally Adjusted					
Avg. Home Price	\$158,407	\$163,301	\$158,196	-3.0%	0.1%
No. of Homes Sold	452	589	435	-23.3%	3.9%
< \$75K	85	90	78	-5.6%	9.0%
\$75K - \$149K	188	275	192	-31.6%	-2.1%
\$150K - \$299K	133	168	128	-20.8%	3.9%
\$300K - \$499K	34	40	25	-15.0%	36.0%
\$500K & Over	12	16	12	-25.0%	0.0%
Inventory, end of qtr.	2,917	2,437	2,716	19.7%	7.4%
Inventory/Sales	6.5	4.1	6.2	56.0%	3.4%
Affordability Index	98.3	98.3	98.0	0.0%	0.3%

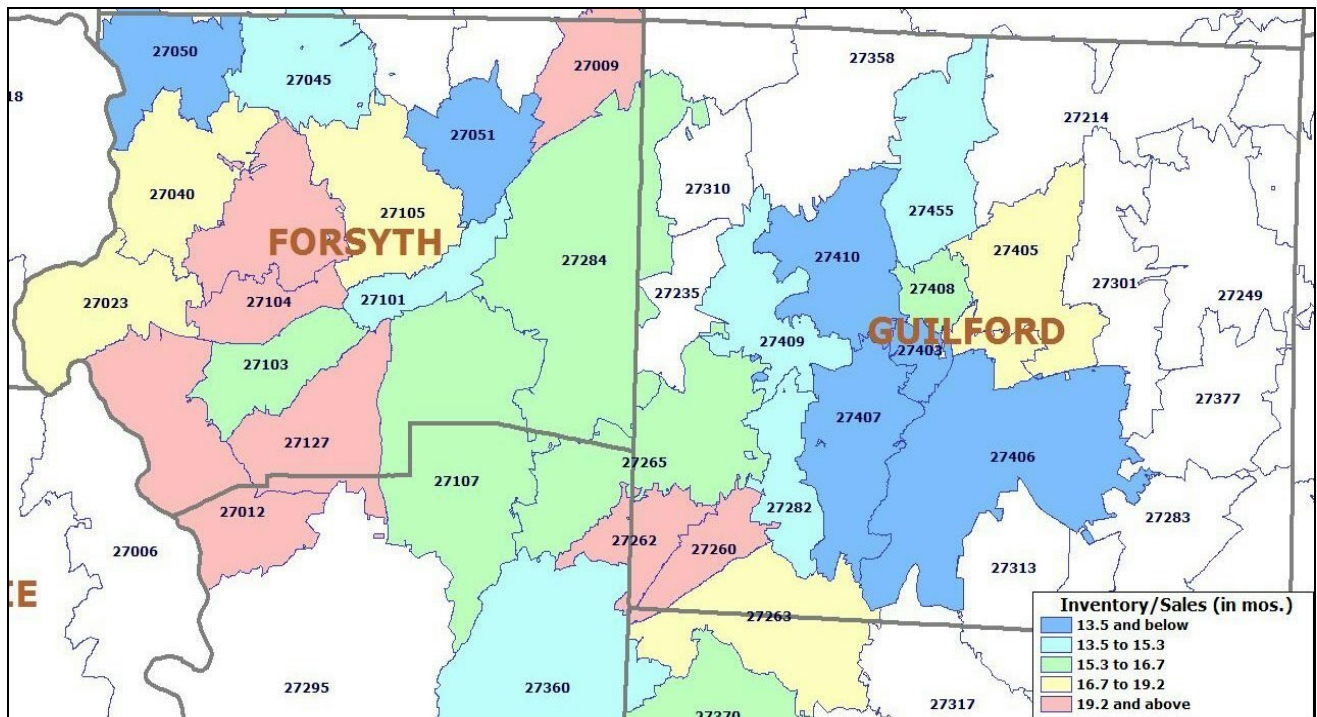
The Neighborhood Distribution of Existing Home Sales

During the 1st quarter, the largest number of sales of existing homes occurred in zip code 27284 (east of the city encompassing the Kernersville area), which had a total of 63 sales. Zip code 27104, which lies west of the city along Country Club Road, recorded the highest average price of homes sold, with sales of existing homes averaging \$274,357 on the basis of 24 sales.

The highest ratio of inventory to sales was in zip code 27012 (subsuming the Clemmons area in the southeast part of the county) where it will take 35.6 months to move the existing inventory at the current sales pace. It was followed by zip code 27104 where it will take 31.9 months to market all the currently available homes.

The lowest ratio of inventory to sales was in zip code 27051 (in the northeast of the city) where it will take 11.2 months to move the existing inventory.

Inventory-Sales Ratios by Zip Code



The Neighborhood Distribution of Existing Home Sales, 2010.1

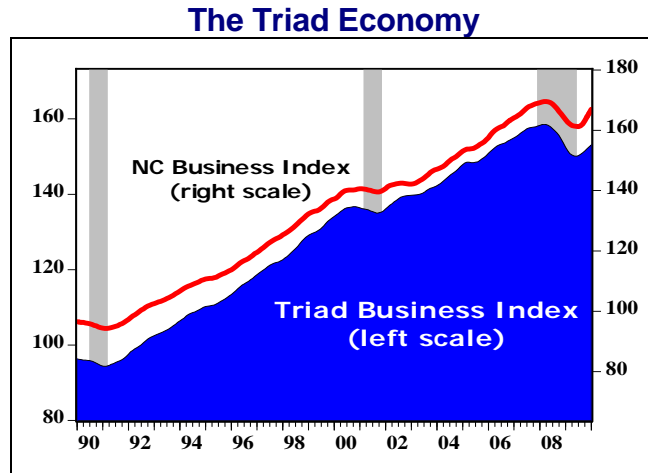
Zip	Price Range	No. Sales	Avg. Price	Spread	TOM	Inventory End of Qtr.	Inv./Sales
27009	< \$75K	n.a.	n.a.	n.a.	n.a.	0	n.a.
27009	\$75K - \$149K	2	\$134,500	100.2	104.3	8	4.0
27009	\$150K - \$299K	1	\$216,000	90.0	148.3	8	8.0
27009	\$300K - \$499K	0	n.a.	n.a.	241.0	5	n.a.
27009	\$500K & Over	0	n.a.	n.a.	108.1	10	n.a.
27009	Total	3	\$161,667	96.8	118.9	31	10.3
27012	< \$75K	0	n.a.	n.a.	n.a.	1	n.a.
27012	\$75K - \$149K	5	\$115,900	91.4	113.0	28	5.6
27012	\$150K - \$299K	12	\$209,768	94.6	127.0	139	11.6
27012	\$300K - \$499K	6	\$354,867	95.2	126.3	78	13.0
27012	\$500K & Over	0	n.a.	n.a.	148.5	27	n.a.
27012	Total	23	\$227,214	94.0	123.8	273	11.9
27023	< \$75K	1	\$46,000	100.2	1.0	0	n.a.
27023	\$75K - \$149K	3	\$126,750	95.6	74.2	17	5.7
27023	\$150K - \$299K	12	\$221,533	96.2	94.7	60	5.0
27023	\$300K - \$499K	5	\$338,400	94.9	181.1	34	6.8
27023	\$500K & Over	2	\$722,500	90.9	196.9	29	14.5
27023	Total	23	\$270,507	95.6	115.6	140	6.1
27040	< \$75K	2	\$63,000	87.0	60.5	0	0.0
27040	\$75K - \$149K	4	\$120,350	98.2	74.4	21	5.3
27040	\$150K - \$299K	9	\$183,998	96.0	106.7	61	6.8
27040	\$300K - \$499K	4	\$353,000	96.9	190.0	25	6.3
27040	\$500K & Over	1	\$618,000	98.9	283.3	7	7.0
27040	Total	20	\$214,669	95.8	121.1	114	5.7
27045	< \$75K	1	\$64,000	101.6	38.0	3	3.0
27045	\$75K - \$149K	6	\$121,708	94.4	133.5	32	5.3
27045	\$150K - \$299K	5	\$224,760	96.7	111.6	24	4.8
27045	\$300K - \$499K	1	\$345,000	93.2	257.0	5	5.0
27045	\$500K & Over	0	n.a.	n.a.	58.0	1	n.a.
27045	Total	13	\$174,081	95.7	127.2	65	5.0
27050	< \$75K	1	\$43,500	72.6	43.0	1	1.0
27050	\$75K - \$149K	4	\$94,850	93.3	54.0	2	0.5
27050	\$150K - \$299K	0	n.a.	n.a.	82.9	8	n.a.
27050	\$300K - \$499K	1	\$352,000	88.0	193.6	7	7.0
27050	\$500K & Over	0	n.a.	n.a.	322.6	5	n.a.
27050	Total	6	\$129,150	89.0	75.4	23	3.8
27051	< \$75K	0	n.a.	n.a.	166.3	3	n.a.
27051	\$75K - \$149K	6	\$99,567	94.4	105.6	23	3.8
27051	\$150K - \$299K	5	\$164,938	98.0	176.8	13	2.6
27051	\$300K - \$499K	0	n.a.	n.a.	65.0	2	n.a.
27051	\$500K & Over	0	n.a.	n.a.	n.a.	0	n.a.
27051	Total	11	\$129,281	96.0	138.0	41	3.7
27101	< \$75K	12	\$32,377	85.8	196.6	37	3.1
27101	\$75K - \$149K	8	\$113,788	94.5	80.7	30	3.8
27101	\$150K - \$299K	2	\$206,250	95.4	132.5	27	13.5
27101	\$300K - \$499K	0	n.a.	n.a.	164.5	8	n.a.
27101	\$500K & Over	0	n.a.	n.a.	528.0	1	n.a.
27101	Total	22	\$77,788	89.8	148.6	103	4.7
27103	< \$75K	12	\$54,026	85.8	165.6	7	0.6
27103	\$75K - \$149K	23	\$113,222	94.5	107.3	122	5.3
27103	\$150K - \$299K	18	\$190,361	94.8	101.0	162	9.0
27103	\$300K - \$499K	1	\$300,000	100.0	129.6	7	7.0
27103	\$500K & Over	0	n.a.	n.a.	306.0	1	n.a.
27103	Total	54	\$129,239	92.8	118.6	299	5.5

The Neighborhood Distribution of Existing Home Sales, continued

Zip	Price Range	No. Sales	Avg. Price	Spread	TOM	Inventory	
						End of Qtr.	Inv./Sales
27104	< \$75K	0	n.a.	n.a.	161.0	6	n.a.
27104	\$75K - \$149K	9	\$113,306	93.2	151.5	41	4.6
27104	\$150K - \$299K	8	\$213,813	96.1	123.5	83	10.4
27104	\$300K - \$499K	3	\$363,500	94.5	113.4	60	20.0
27104	\$500K & Over	4	\$690,953	94.7	160.9	65	16.3
27104	Total	24	\$274,357	94.5	139.0	255	10.6
27105	< \$75K	22	\$35,709	85.9	139.5	109	5.0
27105	\$75K - \$149K	14	\$104,439	97.2	115.8	101	7.2
27105	\$150K - \$299K	1	\$167,000	94.9	138.8	20	20.0
27105	\$300K - \$499K	0	n.a.	n.a.	846.0	1	n.a.
27105	\$500K & Over	0	n.a.	n.a.	756.0	1	n.a.
27105	Total	37	\$65,264	90.4	130.5	232	6.3
27106	< \$75K	4	\$35,863	84.5	84.4	9	2.3
27106	\$75K - \$149K	16	\$117,538	96.0	129.7	84	5.3
27106	\$150K - \$299K	16	\$211,213	95.3	126.9	129	8.1
27106	\$300K - \$499K	10	\$379,750	95.3	144.9	54	5.4
27106	\$500K & Over	4	\$688,750	93.6	165.4	61	15.3
27106	Total	50	\$239,119	94.5	131.1	337	6.7
27107	< \$75K	19	\$33,979	84.1	143.9	92	4.8
27107	\$75K - \$149K	26	\$111,645	97.0	149.9	138	5.3
27107	\$150K - \$299K	9	\$167,443	97.0	160.6	56	6.2
27107	\$300K - \$499K	0	n.a.	n.a.	n.a.	0	0.0
27107	\$500K & Over	0	n.a.	n.a.	201.5	2	n.a.
27107	Total	54	\$93,618	92.5	149.6	288	5.3
27127	< \$75K	6	\$29,469	87.5	129.7	33	5.5
27127	\$75K - \$149K	35	\$112,342	96.6	122.5	195	5.6
27127	\$150K - \$299K	7	\$187,610	96.6	115.7	111	15.9
27127	\$300K - \$499K	0	n.a.	n.a.	14.0	1	n.a.
27127	\$500K & Over	0	n.a.	n.a.	50.0	1	n.a.
27127	Total	48	\$112,960	95.5	122.4	341	7.1
27284	< \$75K	5	\$50,490	94.5	59.4	7	1.4
27284	\$75K - \$149K	26	\$121,910	97.1	97.4	106	4.1
27284	\$150K - \$299K	28	\$187,191	96.8	132.7	176	6.3
27284	\$300K - \$499K	3	\$362,300	99.8	176.7	47	15.7
27284	\$500K & Over	1	\$925,000	78.7	178.9	15	15.0
27284	Total	63	\$169,450	96.6	115.1	351	5.6

Economic Trends in the Piedmont Triad

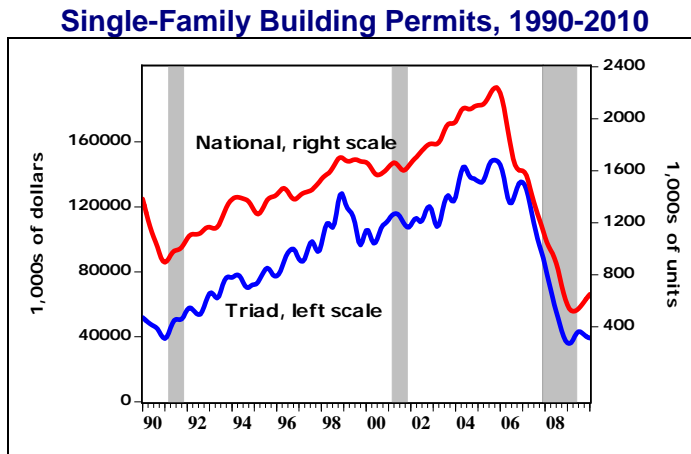
Economic conditions in the eight-county Piedmont Triad region improved modestly during the 1st quarter.² The Dixon Hughes Triad Business Index which tracks the pace of economic activity in the 8-county Triad region rose 0.3 percent in January.³



Total nonagricultural wage and salary employment (employer survey) in the Piedmont Triad was off -0.3 percent in January. Over the past 12 months, employment has fallen -4.5 percent. For the nation as a whole, employment declined -3.0 percent during the same period.

The number of persons in the Triad employed in the service-producing sector slipped -0.2 percent in January but higher employment was recorded in professional and business services.

Residential building permits in the Triad, which reflect planned construction, declined -1.3 percent in January, but are up 8.0 percent over the past year.



The number of real estate foreclosures in the Triad increased 1.6 percent in March and have risen 29.6 percent over the past 12 months. Nationally, foreclosures were down 2.0 percent lower in January but have risen 6.0 percent over the past 12 months. There were 9,954 reported foreclosures in the Triad over the past year.

² 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.

³ See, <http://www.triadbizindex.com/>

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. Forsyth County's population was 343,028 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 Forsyth 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

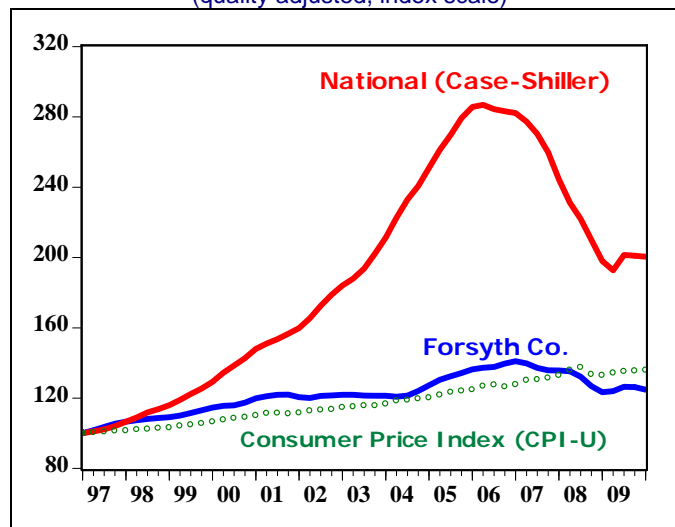
Area	Population 2008	Percent Change 2008-07	Percent Change 2008-00
Alamance County	148,053	2.25%	1.56%
Davidson County	158,166	1.34%	0.90%
Davie County	40,971	1.50%	2.05%
Forsyth County	343,028	1.60%	1.44%
Guilford County	472,216	1.76%	1.44%
Randolph County	141,186	1.20%	0.99%
Stokes County	46,171	0.51%	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 Forsyth Co. have risen at an average annual rate of 1.7 percent, lagging the consumer price index (CPI), which has increased an average of 2.4 percent annually. The appreciation of housing prices in Forsyth Co. 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 1st quarter of 2010, according to the S&P Case-Shiller 10-City Home Price Index.

Existing Housing Prices in Forsyth Co. & the Nation

(quality adjusted, index scale)



In 2009, the average existing home that was sold had 1,959 square feet of floor space. It was 1.3 stories high, had 2.3 bathrooms, and 1.4 garage parking spaces. The average home had 1.0 fireplaces. The average age of existing homes sold was 24.8 years. Sixty-three percent of exiting homes sold were in the city limits of Winston-Salem. A total of 2,365 single-family homes were sold through Triad MLS in Forsyth County.

Characteristics of Existing Homes Sold, 2009

Square Footage	1,959
Floors	1.3
Baths	2.3
Garage Spaces	1.4
Fireplaces	1.0
Age	24.8
In the City	63%
Number Sold	2,365

Methodology

The *Forsyth County Housing Report* uses data from the Triad MLS to track the pace of housing activity in Forsyth County. 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 *Forsyth County Housing Report* is compiled for the Triad MLS by:

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