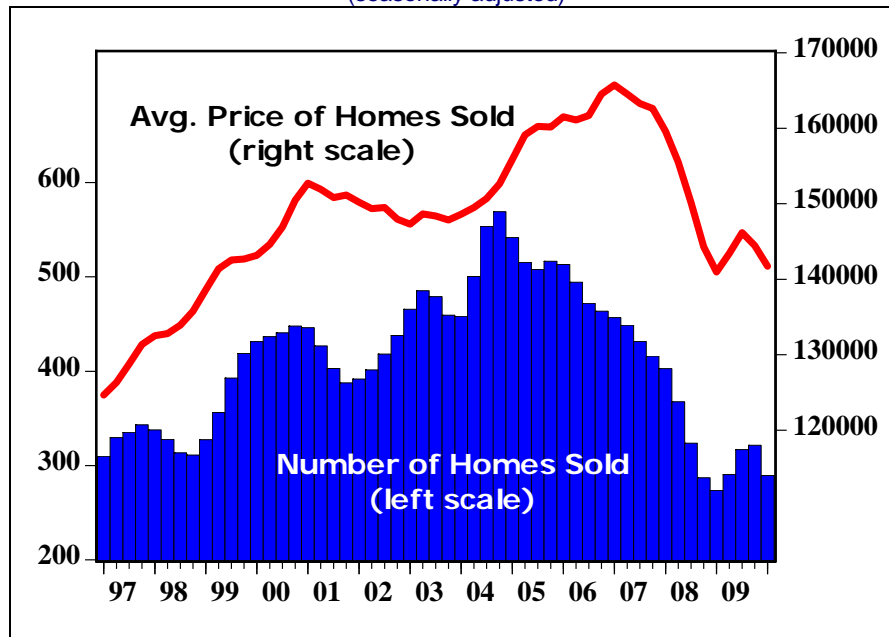


The High Point Housing Report, 2010.1

Current Outlook

The number of existing, single-family homes sold in the High Point area totaled 290 in the 1st quarter of 2010, adjusted for seasonal variation.¹ The number sold was off -10.0 percent compared to the level of sales recorded in the 4th quarter, but it was 5.8 percent above the number sold during the 1st quarter one year ago.

Number and Prices 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 totaled 1,293, or 5.6 times the number of homes sold in the 1st quarter. At the current sales pace, it will take 16.8 months to exhaust the inventory. The number of existing homes offered for sale was up 5.4 percent from what it was in the 4th quarter, and it was unchanged from the level one year ago.

The price of the average home sold in the 1st quarter declined -1.9 percent from the previous quarter, on a seasonally adjusted basis. The average quality-adjusted price of an existing home in High Point was \$141,737. The average this quarter was up 0.6 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.² 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.

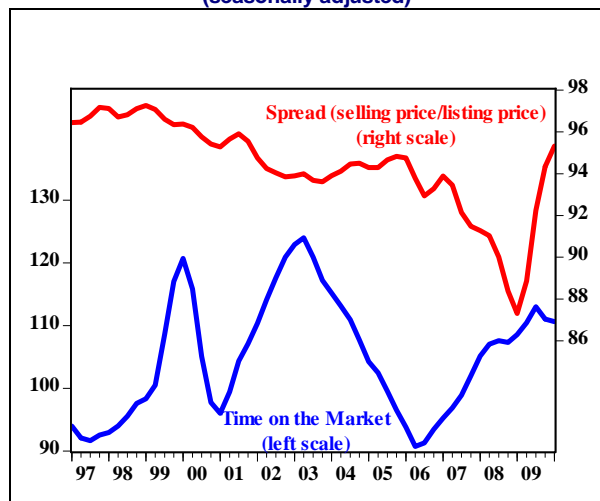
Among other indicators of housing demand, the average time on the market for existing homes sold was 110.6 days, down -0.4 percent from the average in the 4th quarter. The sale-list price spread, which shows the ratio of selling to listing price, was higher at 95.3 percent, indicating a drop in the level of discounting in the market. Over the past year, time on the market has risen 1.9 percent, but the spread has increased, showing that the time to sell a home has risen, but sellers are getting a larger percentage of the listing price.

¹ The High Point area includes zip codes 27260, 27261, 27262, 27263, 27264, 27265, 27282, 27370, 27360, and 27361.

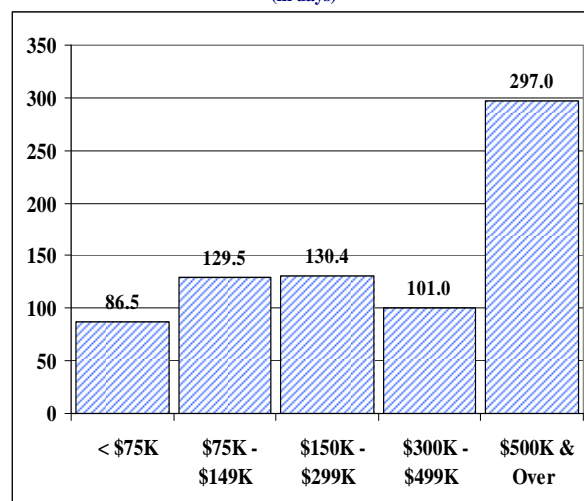
² This percentage is calculated from February 2009 to February 2010 using National Assn. of Realtors® data.

Time on the market (TOM) is substantially higher for higher priced homes (see the bar chart directly below).

Existing Homes, 1997.1 – 2010.1
(seasonally adjusted)



Time on the Market by Price Category
(in days)



Housing affordability has been an important factor shaping housing demand over the past year. The affordability index was up 0.7 percent this quarter, and since the 1st quarter of 2009, the affordability index has risen 1.1 percent chiefly because of lower interest rates.

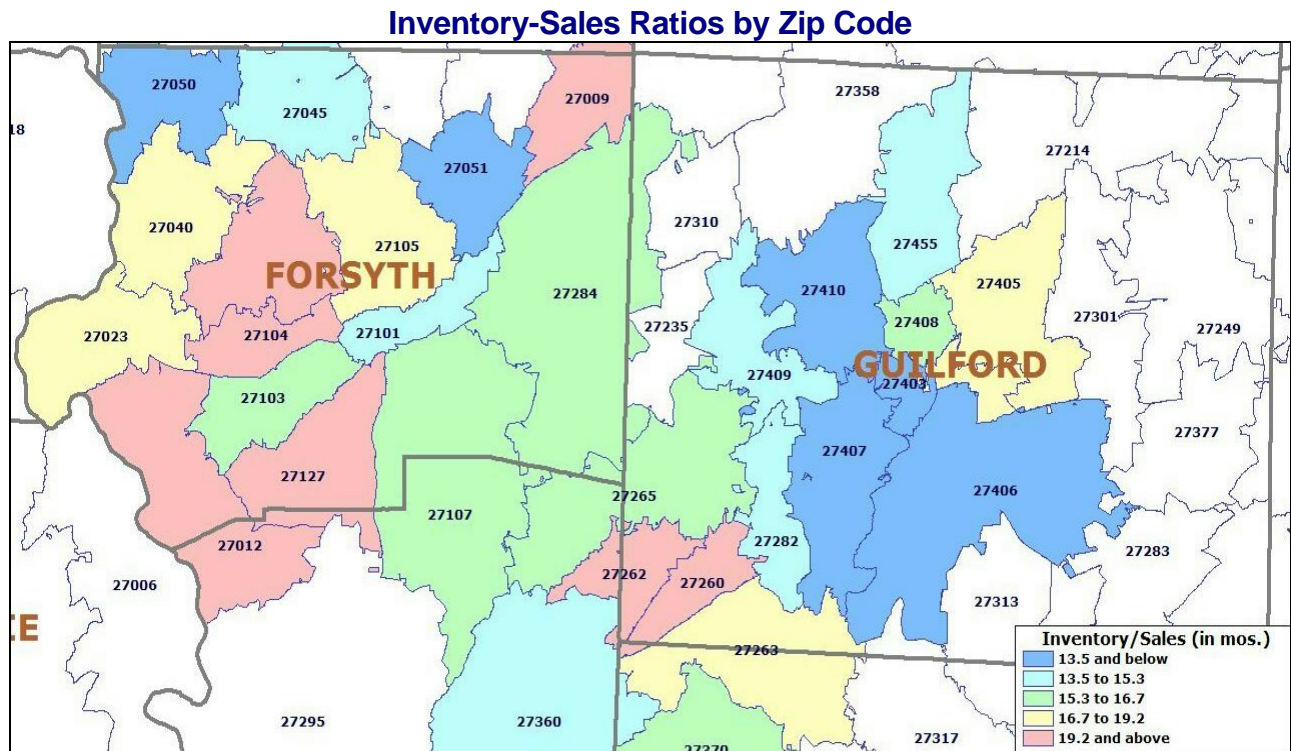
Existing Home Sales Data

	2010.1	2009.4	2009.1	% Chg Last Qtr.	% Chg Last Yr.
Seasonally Adjusted					
Adj. Avg. Home Price	\$141,737	\$144,455	\$140,952	-1.9%	0.6%
No. of Homes Sold	290	322	274	-10.0%	5.8%
Time on Market (days)	110.6	111.0	108.6	-0.4%	1.9%
Spread: (sale price/list price)	95.3	94.3	87.3	1.0%	9.2%
Consumer Price Index (CPI-U)	216.7	216.2	212.0	0.3%	2.2%
Not Seasonally Adjusted					
Avg. Home Price	\$129,866	\$133,158	\$141,214	-2.5%	-8.0%
No. of Homes Sold	232	315	242	-26.3%	-4.1%
< \$75K	59	74	58	-20.3%	1.7%
\$75K - \$149K	96	141	91	-31.9%	5.5%
\$150K - \$299K	73	85	81	-14.1%	-9.9%
\$300K - \$499K	3	15	11	-80.0%	-72.7%
\$500K & Over	1	0	1	n.a.	0.0%
Inventory, end of qtr.	1,293	1,227	1,293	5.4%	0.0%
Inventory/Sales	5.6	3.9	5.3	43.1%	4.3%
Affordability Index	113.8	113.0	112.6	0.7%	1.1%

The Neighborhood Distribution of Existing Home Sales

During the 1st quarter, the largest number of sales of existing homes occurred in zip code 27265. This neighborhood, north and west of High Point taking in Oak Hollow Lake, had a total of 70 sales. It was followed by zip code 27360, southwest of High Point taking in Thomasville, where 57 sales were recorded. Zip code 27265 also recorded the highest average price for existing homes sold of \$157,691.

The highest inventory to sales ratio was in zip code 27260, which is situated north and west of old I-85. At the current sales pace, it will take 23.1 months to exhaust the inventory in this neighborhood. The second highest inventory to sales ratio was in zip code 27262 (north and west of downtown including the High Point County Club area and extending into Davidson County). It will take 19.9 months to move the exiting inventory at the current sales pace in this area.



The Neighborhood Distribution of Existing Home Sales, 2010.1

Zip	Price Range	No. Sales	Avg. Price	Spread	TOM	Inventory End of Qtr.	Inv./Sales
27260	< \$75K	12	\$26,546	78.8	63.8	84	7.0
27260	\$75K - \$149K	4	\$115,250	97.4	190.3	38	9.5
27260	\$150K - \$299K	n.a.	n.a.	n.a.	n.a.	1	n.a.
27260	\$300K - \$499K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27260	\$500K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27260	Total	16	\$48,722	83.5	95.4	123	7.7
27262	< \$75K	13	\$38,965	88.3	134.3	62	4.8
27262	\$75K - \$149K	12	\$113,617	96.4	107.5	62	5.2
27262	\$150K - \$299K	8	\$223,813	97.0	122.9	64	8.0
27262	\$300K - \$499K	1	\$470,000	89.5	168.0	24	24.0
27262	\$500K & Over	1	\$725,000	96.7	297.0	20	20.0
27262	Total	35	\$138,727	93.4	128.1	232	6.6
27263	< \$75K	10	\$44,985	91.1	54.2	19	1.9
27263	\$75K - \$149K	9	\$104,033	94.9	164.7	58	6.4
27263	\$150K - \$299K	3	\$209,667	98.5	233.0	44	14.7
27263	\$300K - \$499K	n.a.	n.a.	n.a.	n.a.	2	n.a.
27263	\$500K & Over	n.a.	n.a.	n.a.	n.a.	2	n.a.
27263	Total	22	\$91,598	93.7	123.8	125	5.7
27265	< \$75K	6	\$48,350	78.9	112.0	16	2.7
27265	\$75K - \$149K	30	\$120,763	96.5	113.5	111	3.7
27265	\$150K - \$299K	33	\$206,586	96.1	119.6	198	6.0
27265	\$300K - \$499K	1	\$308,000	97.8	16.0	35	35.0
27265	\$500K & Over	n.a.	n.a.	n.a.	n.a.	14	n.a.
27265	Total	70	\$157,691	94.8	114.9	374	5.3
27282	< \$75K	3	\$45,167	89.6	124.0	3	1.0
27282	\$75K - \$149K	6	\$130,650	98.2	191.5	24	4.0
27282	\$150K - \$299K	11	\$198,945	97.4	142.1	58	5.3
27282	\$300K - \$499K	n.a.	n.a.	n.a.	n.a.	15	n.a.
27282	\$500K & Over	n.a.	n.a.	n.a.	n.a.	1	n.a.
27282	Total	20	\$155,390	96.5	154.2	101	5.1
27360	< \$75K	13	\$38,685	89.0	66.7	41	3.2
27360	\$75K - \$149K	27	\$112,141	97.0	121.3	127	4.7
27360	\$150K - \$299K	16	\$196,006	97.1	128.6	93	5.8
27360	\$300K - \$499K	1	\$337,500	90.0	119.0	12	12.0
27360	\$500K & Over	n.a.	n.a.	n.a.	n.a.	1	n.a.
27360	Total	57	\$122,882	95.1	110.9	274	4.8
27370	< \$75K	2	\$26,100	83.7	70.5	6	3.0
27370	\$75K - \$149K	8	\$105,588	93.4	133.4	21	2.6
27370	\$150K - \$299K	2	\$215,750	97.5	136.0	17	8.5
27370	\$300K - \$499K	n.a.	n.a.	n.a.	n.a.	18	n.a.
27370	\$500K & Over	n.a.	n.a.	n.a.	n.a.	3	n.a.
27370	Total	12	\$110,700	92.4	123.3	65	5.4

Economic Trends in the Piedmont Triad

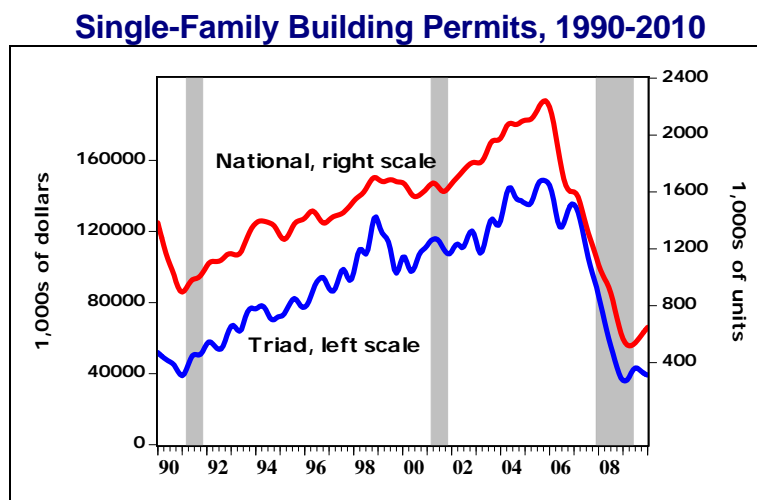
Economic conditions in the eight-county Piedmont Triad region improved modestly during the 1st quarter.³ The Dixon Hughes Triad Business Index which tracks the pace of economic activity in the 8-county Triad region rose 0.3 percent in January.⁴



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.

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 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. 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.

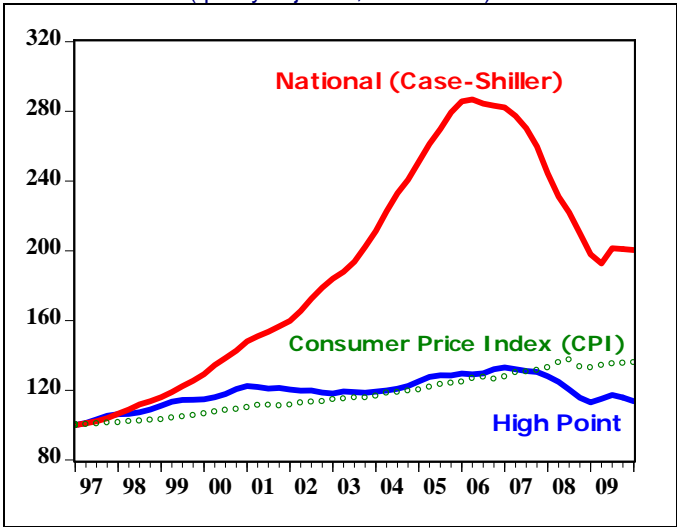
Population Change in the Triad & the Nation, 2008-2000

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 High Point have risen at an average annual rate of 1.2 percent, lagging the consumer price index (CPI), which has increased an average of 2.4 percent annually. The appreciation of housing prices in High Point 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 High Point & the Nation (quality adjusted, index scale)



In 2009, the average existing home that was sold had 1,891 square feet of floor space. It was 1.3 stories high, had 2.2 bathrooms, and 1.3 garage parking spaces. The average home had 0.78 fireplaces. The average age of existing homes sold was 26.8 years. Seventy-two percent of exiting homes sold were in the city limits of High Point. A total of 1,216 single-family homes were sold through Triad MLS in the High Point area.

Characteristics of Existing Homes Sold, 2009

Square Footage	1,891
Floors	1.3
Baths	2.2
Garage Spaces	1.3
Fireplaces	0.78
Age	26.8
In the City	72%
Number Sold	1,216

Methodology

The *High Point Housing Report* uses data from the Triad MLS to track the pace of housing activity in the cities of 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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