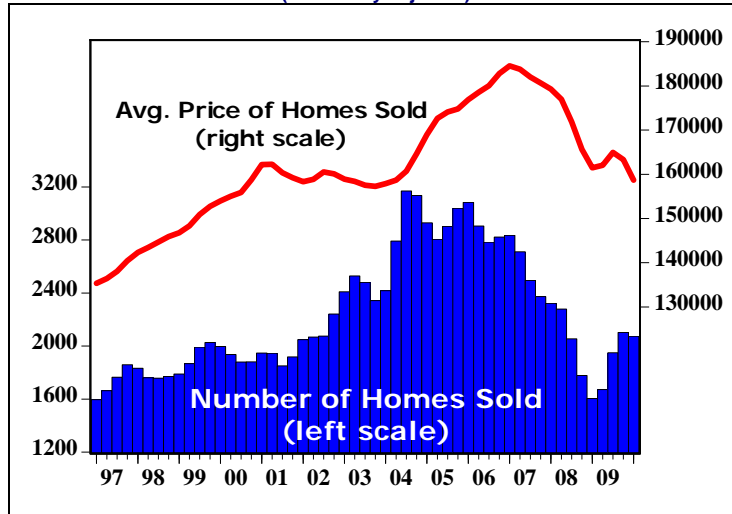


# The Triad Housing Report, 2010.1

## Current Outlook

The number of existing, single-family homes sold in the Triad totaled 2,073 in the 1st quarter of 2010, after adjustment for seasonal variation.<sup>1</sup> The number sold was down -1.4 percent compared to the level of sales recorded in the 4th quarter, but it was 29.2 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 was 9,098, or 6.3 times the number of homes sold in the 1st quarter. At the current sales pace, it will take 18.9 months to exhaust the existing inventory. The number of existing homes offered for sale was up 16.5 percent from what it was at the end of the 4th quarter, and it was 9.5 percent higher than at the end of the 1st quarter one year ago.

The price of the average home sold in the 1st quarter was down -2.8 percent from the previous quarter. The average quality-adjusted price of an existing home in the Triad was \$158,718. The average this quarter was down -1.7 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.<sup>2</sup> 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 in the Triad, the average time on the market for existing homes sold was 111.0 days, down -3.4 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 96.7 percent, indicating a decline in the level of

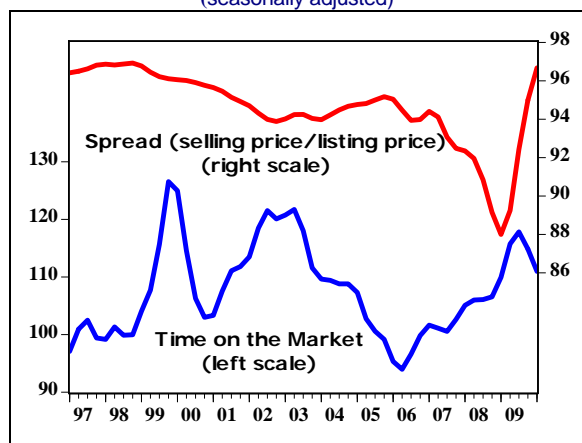
<sup>1</sup> The Triad is defined as an eight-county area that is composed of Alamance, Davie, Forsyth, Guilford, Randolph, Rockingham, Stokes, and Yadkin. The Triad is located in the north central area of North Carolina.

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

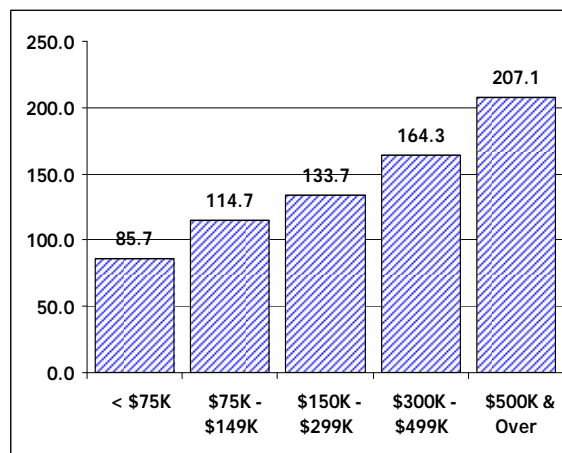
discounting in the market. Over the past year, time on the market has increased, but the spread has risen, indicating that the average home seller needs more time to sell a home but is getting a larger percentage of the listing price.

### Existing Homes, 1997.1 – 2010.1

(seasonally adjusted)



### Time on the Market



Time on the market (TOM) is lower for lower priced homes. For homes \$75,000 and less, TOM averages 86 days. In contrast, for homes more than \$500,000, average TOM is 207 days.

Housing affordability has been an important factor influencing housing demand over the past year. The affordability index, which tracks the income-payment ratio, rose 1.6 percent this quarter. Since the 1st quarter of last year, the affordability index has risen 3.4 percent because of lower home mortgage rates and prices.

### Existing Home Sales Data

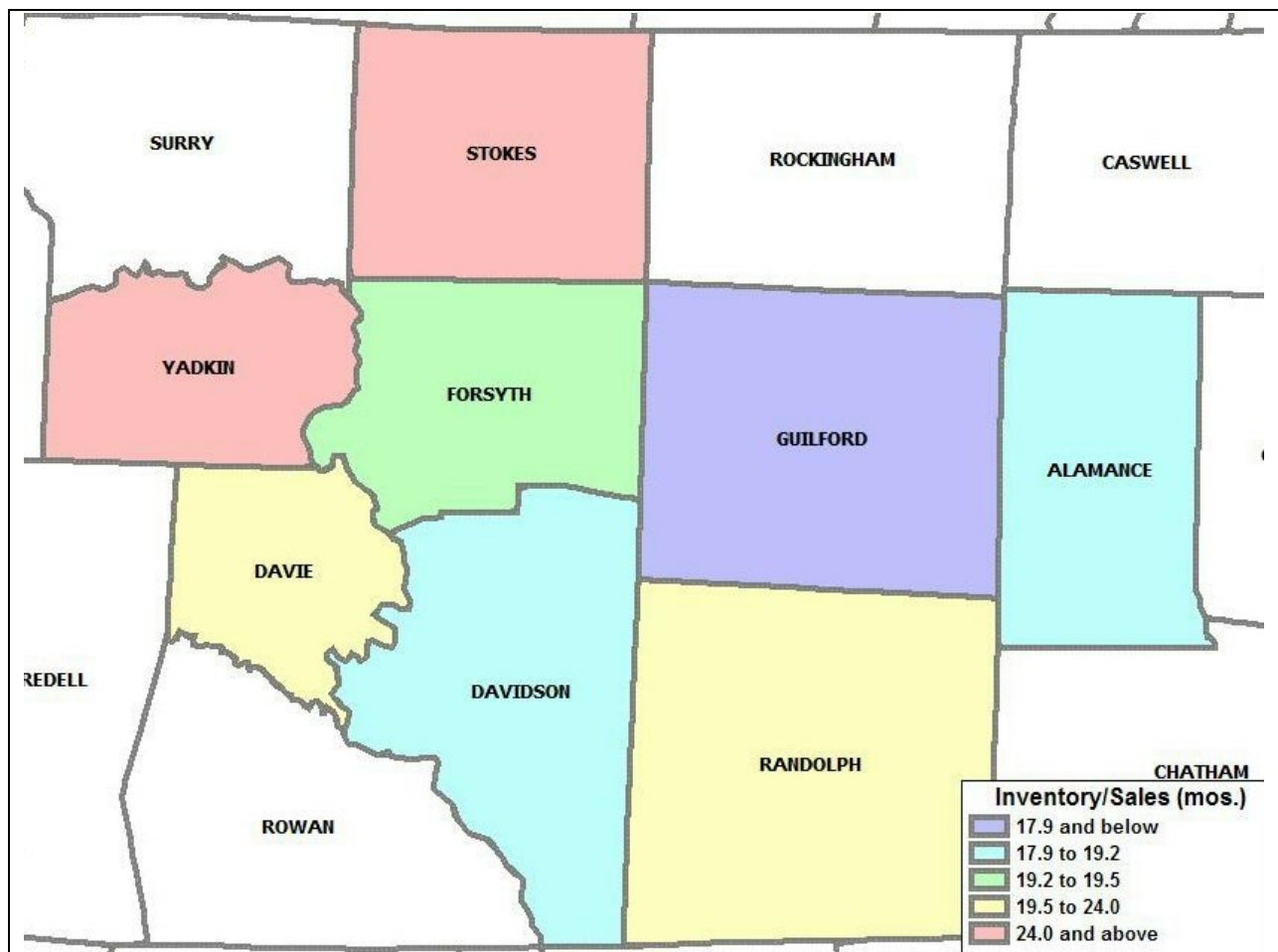
	2010.1	2009.4	2009.1	% Chg Last Qtr.	% Chg Last Yr.
<b>Seasonally Adjusted</b>					
Adj. Avg. Home Price	\$158,718	\$163,327	\$161,456	-2.8%	-1.7%
No. of Homes Sold	2,073	2,102	1,604	-1.4%	29.2%
Time on Market (days)	111.0	114.9	109.9	-3.4%	0.9%
Spread: (sale price/list price)	96.7	95.0	88.0	1.8%	9.9%
Consumer Price Index (CPI-U)	216.7	216.2	212.0	0.3%	2.2%
<b>Not Seasonally Adjusted</b>					
Avg. Home Price	\$156,224	\$164,615	\$158,990	-5.1%	-1.7%
No. of Homes Sold	1,446	1,876	1,346	-22.9%	7.4%
< \$75K	319	328	286	-2.7%	11.5%
\$75K - \$149K	563	789	517	-28.6%	8.9%
\$150K - \$299K	437	568	406	-23.1%	7.6%
\$300K - \$499K	92	141	104	-34.8%	-11.5%
\$500K & Over	35	50	33	-30.0%	6.1%
Inventory, end of qtr.	9,098	7,810	8,308	16.5%	9.5%
Inventory/Sales	6.3	4.2	6.2	51.1%	1.9%
Affordability Index	104.5	102.8	101.1	1.6%	3.4%

## The County Distribution of Existing Home Sales

During the 1st quarter, the largest number of sales of existing homes occurred in Guilford County, which recorded a total of 573 sales. It was followed by Forsyth County with 452 sales. Davie County recorded the highest average price for homes sold at \$182,810. The largest number of homes selling for \$500,000 or more was in Guilford and Forsyth Counties with 20 and 12 homes respectively in this category.

The highest inventory-to-sales ratio was recorded in Yadkin County with a ratio of 8.5. At the current sales pace, it will take 25.5 months to exhaust the current inventory of existing homes in this county. The highest time on the market for homes sold also was recorded in Yadkin County where the 15 homes sold this quarter averaged 166 days on the market. The lowest average time on the market was recorded in Alamance County where the 58 homes sold this quarter averaged 104 days on the market.

## Inventory-Sales Ratios by County



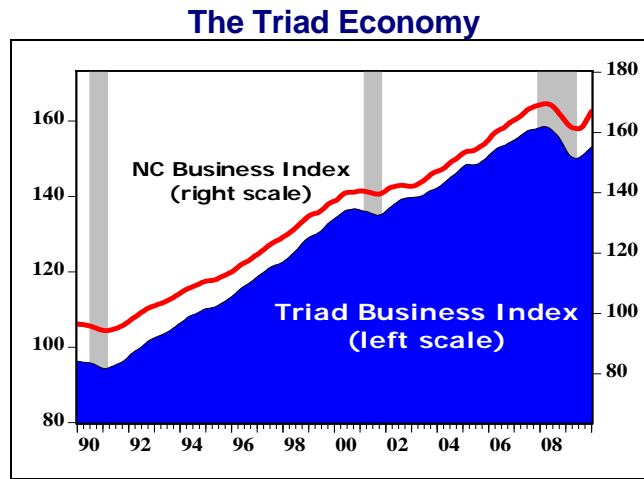
## County Distribution of Existing Home Sales, 2010.1

County	Price Range	No.	Avg.	Inventory			
		Sales	Price	Spread	TOM	End of Qtr.	Inv./Sales
Alamance	< \$75K	25	\$47,892	93.4	111.7	43	1.7
Alamance	< \$75K	20	\$45,085	84.3	99.2	44	2.2
Alamance	\$75K - \$149K	15	\$120,237	95.9	91.8	108	7.2
Alamance	\$150K - \$299K	19	\$208,615	97.6	108.8	115	6.1
Alamance	\$300K - \$499K	3	\$348,770	93.7	139.8	56	18.7
Alamance	\$500K & Over	1	\$720,000	90.0	167.1	24	24.0
Alamance	Total	58	\$145,435	92.2	103.7	347	6.0
Davidson	< \$75K	30	\$43,747	90.5	155.1	113	3.8
Davidson	\$75K - \$149K	67	\$115,893	96.8	135.8	342	5.1
Davidson	\$150K - \$299K	55	\$221,345	96.2	142.6	348	6.3
Davidson	\$300K - \$499K	11	\$373,182	94.8	208.3	151	13.7
Davidson	\$500K & Over	2	\$618,500	94.9	191.3	61	30.5
Davidson	Total	165	\$153,674	94.1	144.8	1,015	6.2
Davie	< \$75K	5	\$46,460	86.4	248.3	19	3.8
Davie	\$75K - \$149K	18	\$120,169	95.4	131.0	68	3.8
Davie	\$150K - \$299K	21	\$235,579	95.5	135.1	132	6.3
Davie	\$300K - \$499K	4	\$358,100	99.9	206.8	72	18.0
Davie	\$500K & Over	0	n.a.	n.a.	n.a.	54	n.a.
Davie	Total	48	\$182,810	94.9	151.3	345	7.2
Forsyth	< \$75K	85	\$39,062	86.2	144.1	308	3.6
Forsyth	\$75K - \$149K	188	\$113,906	95.9	118.7	955	5.1
Forsyth	\$150K - \$299K	133	\$196,644	96.0	121.6	1085	8.2
Forsyth	\$300K - \$499K	34	\$358,974	95.6	150.1	339	10.0
Forsyth	\$500K & Over	12	\$708,901	92.7	177.7	230	19.2
Forsyth	Total	452	\$158,407	94.0	128.2	2,917	6.5
Guilford	< \$75K	137	\$38,918	88.7	149.1	444	3.2
Guilford	\$75K - \$149K	202	\$116,326	96.8	109.8	934	4.6
Guilford	\$150K - \$299K	176	\$206,219	96.2	118.2	1150	6.5
Guilford	\$300K - \$499K	38	\$366,338	94.9	147.3	532	14.0
Guilford	\$500K & Over	20	\$717,299	91.2	187.6	346	17.3
Guilford	Total	573	\$162,986	94.3	127.0	3,406	5.9
Randolph	< \$75K	30	\$40,647	89.9	122.9	77	2.6
Randolph	\$75K - \$149K	45	\$109,688	95.0	132.8	294	6.5
Randolph	\$150K - \$299K	25	\$193,661	97.1	154.5	210	8.4
Randolph	\$300K - \$499K	2	\$395,000	87.1	134.7	67	33.5
Randolph	\$500K & Over	0	n.a.	n.a.	n.a.	19	n.a.
Randolph	Total	102	\$115,558	93.9	135.2	667	6.5
Stokes	< \$75K	7	\$54,114	91.6	158.7	20	2.9
Stokes	\$75K - \$149K	20	\$99,720	94.3	151.6	117	5.9
Stokes	\$150K - \$299K	6	\$215,483	95.8	201.5	103	17.2
Stokes	\$300K - \$499K	0	n.a.	n.a.	n.a.	24	n.a.
Stokes	\$500K & Over	0	n.a.	n.a.	n.a.	8	n.a.
Stokes	Total	33	\$111,094	94.0	162.2	272	8.2
Yadkin	< \$75K	5	\$46,300	85.9	201.0	9	1.8
Yadkin	\$75K - \$149K	8	\$118,438	91.7	137.0	41	5.1
Yadkin	\$150K - \$299K	2	\$237,000	97.5	190.5	34	17.0
Yadkin	\$300K - \$499K	0	n.a.	n.a.	n.a.	35	n.a.
Yadkin	\$500K & Over	0	n.a.	n.a.	n.a.	9	n.a.
Yadkin	Total	15	\$110,200	90.5	165.5	128	8.5

Note: Data are not seasonally adjusted.

## Economic Trends in the Piedmont Triad

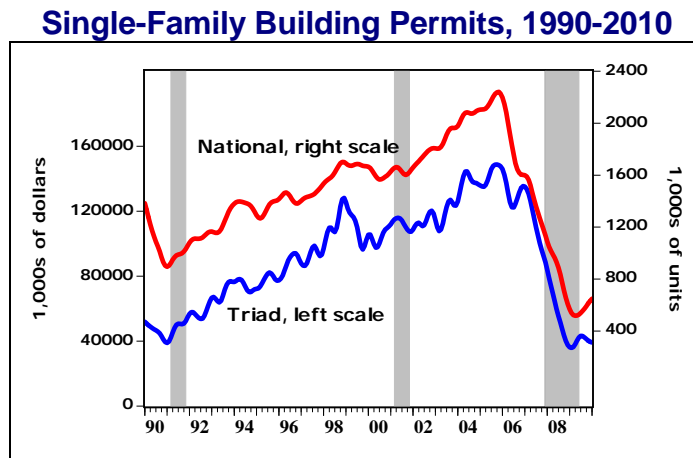
Economic conditions in the eight-county Piedmont Triad region improved modestly during the 1st quarter.<sup>3</sup> The Dixon Hughes Triad Business Index which tracks the pace of economic activity in the 8-county Triad region rose 0.3 percent in January.<sup>4</sup>



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.

<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.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. The pace of population growth in the Triad accelerated in 2008, with population growing 1.6 percent from 2007 to 2008, more rapidly than the nation, but slower than the state.

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

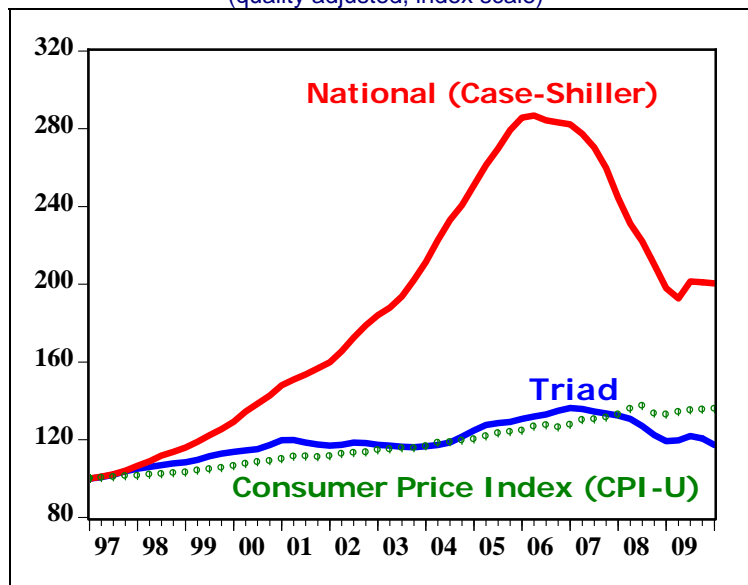
Area	Population 2008	Percent Change 2008-07	Percent Change 2008-00
Alamance County	148,053	2.25%	1.56%
Davidson County	158,166	1.34%	0.90%
Davie County	40,971	1.50%	2.05%
Forsyth County	343,028	1.60%	1.44%
Guilford County	472,216	1.76%	1.44%
Randolph County	141,186	1.20%	0.99%
Stokes County	46,171	0.51%	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 the Triad 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 the Triad 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 the Triad & the Nation

(quality adjusted, index scale)



In 2009, the average existing home that was sold had 1,952 square feet of floor space. It was 1.4 stories high, had 2.2 bathrooms, and 1.3 garage parking spaces. The average home had 0.86 fireplaces. The average age of existing homes sold was 26.6 years. Guilford County accounted for 46.2 percent of recorded home sales, followed by Forsyth County with 30.2 percent of sales. A total of 7,827 homes were sold in the Triad in 2009.

### Characteristics of Existing Homes Sold, 2009

Square Footage	1,952
Floors	1.4
Baths	2.2
Garage Spaces	1.3
Fireplaces	0.86
Age	26.6
Alamance	3.2%
Davidson	9.3%
Davie	2.7%
Forsyth	30.2%
Guilford	46.2%
Randolph	4.9%
Stokes	2.3%
Yadkin	1.2%
Number of Homes Sold	7,827

### Methodology

The *Triad Housing Report* uses data from the Triad MLS to track the pace of housing activity in the Triad (the Greensboro/High Point/Winston-Salem, MSA). 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 *Triad 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](mailto:GDonaldJud@JudAssociates.com).