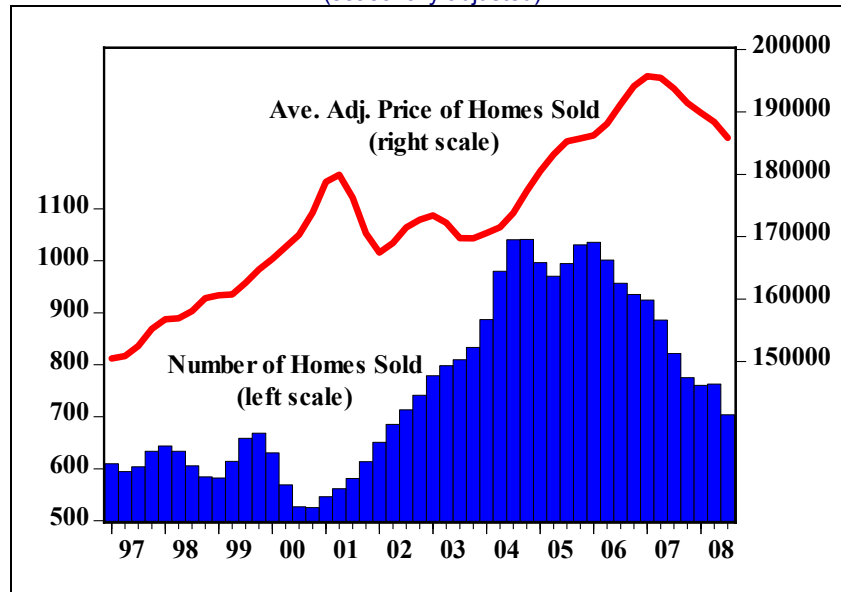


The Greensboro Housing Report, 2008.3

Current Outlook

The number of existing, single-family homes sold in the Greensboro area of Guilford County totaled 704 in the 3rd quarter of 2008 after adjustment for seasonal variation.¹ The number sold was down -7.7 percent compared to the level of sales recorded in the 2nd quarter, and it was -14.3 percent below the number sold during the 3rd quarter one year ago.

Number and Prices of Existing Homes Sold, 1997.1 – 2008.3
(seasonally adjusted)



At the end of the 3rd quarter of 2008, the inventory of homes on the Greensboro market was 2,614, or 3.5 times the number of homes sold in the 3rd quarter. The inventory/sales ratio is up substantially from what it was at the end of the 2nd quarter. At the current sales pace, it will take 10.4 months to exhaust the inventory. The number of existing homes offered for sale was up 11.4 percent from what it was at the end of the 2nd quarter, and it was 7.7 percent above the level one year ago.

The quality-adjusted price of the average home sold in the 3rd quarter was off -1.3 percent from the previous quarter. The average quality-adjusted price of an existing home in Greensboro was \$185,861. The average this quarter was -4.1 percent below the average recorded in the 3rd quarter of last year. Over the past year, consumer prices nationally have risen 4.3 percent, indicating that real home prices in Greensboro have declined.

Nationally, the pace of existing home sales has fallen -10.7 percent over the past 12 months.² Average home prices are down -9.5 percent across the nation and -3.4 percent in the South. The national inventory of unsold homes is up 2.9 percent over the past 12 months and will take 10.4 months to sell at the existing pace of sales.

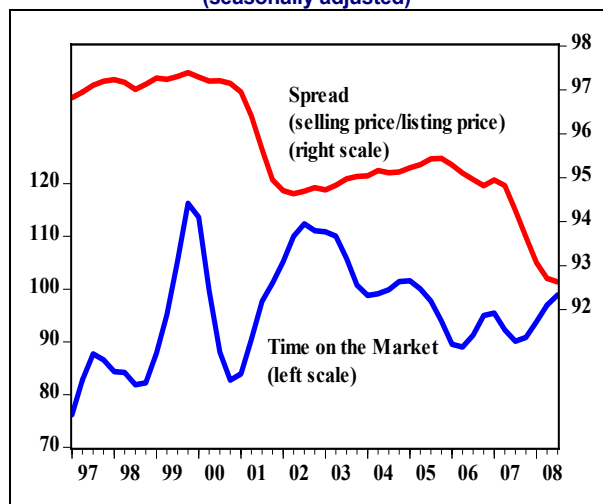
Among other indicators of housing demand, the average time on the market for existing homes sold was 98.9 days, up 2.0 percent from the average in the 2nd quarter. The sale-list price spread, which shows the ratio of selling to listing price, was lower at 92.6 percent, indicating an increase in the level of discounting in the market. Over the past year, time on the market has risen 9.7 percent, and the spread has fallen, showing that the time to sell a home has risen and sellers are accepting a smaller percentage of the listing price.

¹ The Greensboro area of Guilford County includes all of Guilford County except High Point and Jamestown.

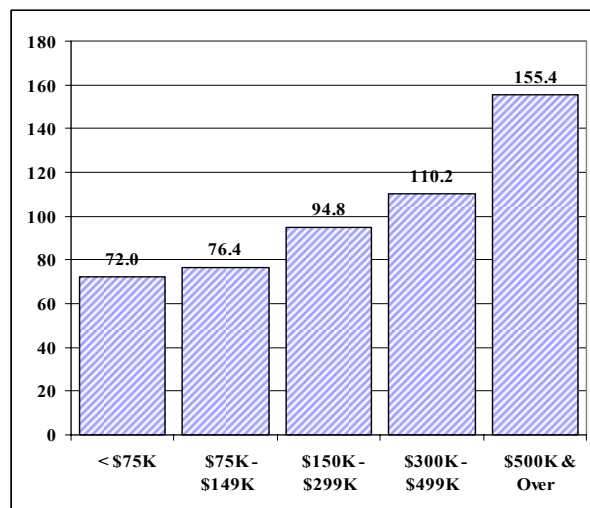
² This percentage is calculated from Aug. 2007 to Aug. 2008 using National Assn. of Realtors® data.

Time on the market (TOM) is higher for higher priced homes. For homes \$300,000 and above, TOM averages more than 110 days. In contrast, for homes less than \$150,000, average TOM is under 80 days.

Existing Homes, 1997.1 – 2008.3
(seasonally adjusted)



Time on the Market by Price Category



Housing affordability is an important factor shaping housing demand. The affordability index slipped -0.4 percent this quarter. Since the 3rd quarter of 2007, the affordability index has risen 5.6 percent because of lower prices and mortgage rates.

Existing Home Sales Data

	2008.3	2008.2	2007.3	% Chg Last Qtr.	% Chg Last Yr.
<i>Seasonally Adjusted</i>					
Adj. Ave. Home Price	\$185,861	\$188,381	\$193,731	-1.3%	-4.1%
No. of Homes Sold	704	763	822	-7.7%	-14.3%
Time on Market (days)	98.9	97.0	90.1	2.0%	9.7%
Spread: (sale price/list price)	92.6	92.7	94.3	-0.1%	-1.7%
Consumer Price Index (CPI-U)	215.4	212.8	206.6	1.2%	4.3%
<i>Not Seasonally Adjusted</i>					
Ave. Home Price	\$206,571	\$212,451	\$225,116	-2.8%	-8.2%
No. of Homes Sold	756	952	955	-20.6%	-20.8%
< \$75K	91	117	77	-22.2%	18.2%
\$75K - \$149K	247	301	305	-17.9%	-19.0%
\$150K - \$299K	274	350	339	-21.7%	-19.2%
\$300K - \$499K	117	133	187	-12.0%	-37.4%
\$500K & Over	27	51	47	-47.1%	-42.6%
Inventory, end of qtr.	2,614	2,346	2,428	11.4%	7.7%
Inventory/Sales	3.5	2.5	2.5	40.3%	36.0%
Affordability Index	99.7	100.1	94.4	-0.4%	5.6%

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 117 sales. It was followed by zip code 27405 in northeast Greensboro which recorded a total of 100 sales. The Oak Ridge area in the northwest section of the county (zip code 27310) recorded the highest average price of homes sold, with 14 sales averaging \$427,021. The highest inventory to sales ratios were in zip codes 27310 and 27377 with ratios of 8.4 and 6.4 respectively. Zip code 27310 encompasses the Oak Ridge area, while zip code 27377 includes the Stoney Creek and Whitsett areas in eastern Guilford County.

The Neighborhood Distribution of Existing Home Sales, 2008.3

Zip	Price Range	No. Sales	Ave. 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	13	\$123,030	96.1	66.2	25	1.9
27214	\$150K - \$299K	11	\$213,818	94.0	88.8	45	4.1
27214	\$300K - \$499K	3	\$324,000	95.8	147.3	19	6.3
27214	\$500K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27214	Total	27	\$182,348	95.2	84.4	89	3.3
27233	< \$75K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27233	\$75K - \$149K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27233	\$150K - \$299K	2	\$172,500	96.3	146.0	1	0.5
27233	\$300K - \$499K	1	\$322,501	100.0	42.0	1	1.0
27233	\$500K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27233	Total	3	\$222,500	97.5	111.3	2	0.7
27235	< \$75K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27235	\$75K - \$149K	2	\$105,750	85.7	78.5	1	0.5
27235	\$150K - \$299K	9	\$240,556	99.2	100.0	13	1.4
27235	\$300K - \$499K	1	\$429,900	102.4	247.0	22	22.0
27235	\$500K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27235	Total	12	\$233,867	97.2	108.7	36	3.0
27283	< \$75K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27283	\$75K - \$149K	2	\$136,200	92.8	228.0	5	2.5
27283	\$150K - \$299K	1	\$182,000	99.0	38.0	6	6.0
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	\$151,467	94.9	164.7	11	3.7
27284	< \$75K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27284	\$75K - \$149K	1	\$120,000	85.8	104.0	1	1.0
27284	\$150K - \$299K	5	\$245,788	94.5	75.2	3	0.6
27284	\$300K - \$499K	2	\$409,500	92.7	433.0	20	10.0
27284	\$500K & Over	1	\$775,000	91.3	124.0	8	8.0
27284	Total	9	\$326,993	92.8	163.3	32	3.6
27301	< \$75K	2	\$66,250	87.1	25.5	1	0.5
27301	\$75K - \$149K	9	\$119,062	83.8	134.3	24	2.7
27301	\$150K - \$299K	10	\$186,015	95.5	74.7	43	4.3
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	21	\$145,915	89.7	95.6	68	3.2

The Neighborhood Distribution of Existing Home Sales, continued

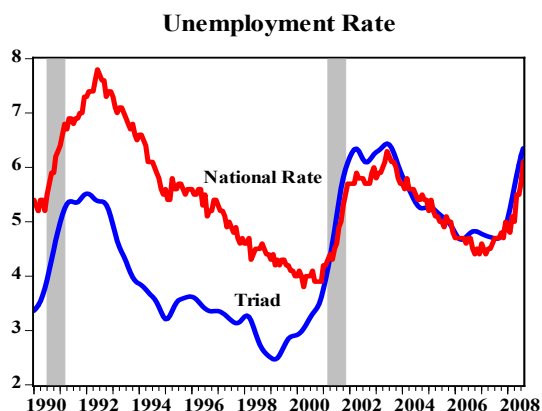
Zip	Price Range	No. Sales	Ave. Price	Spread	TOM	Inventory End of Qtr.	Inv./Sales
27310	< \$75K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27310	\$75K - \$149K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27310	\$150K - \$299K	3	\$199,233	96.5	65.0	20	6.7
27310	\$300K - \$499K	8	\$394,063	92.3	165.1	58	7.3
27310	\$500K & Over	3	\$742,700	102.8	87.3	40	13.3
27310	Total	14	\$427,021	95.5	127.0	118	8.4
27357	< \$75K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27357	\$75K - \$149K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27357	\$150K - \$299K	12	\$251,908	95.2	194.8	26	2.2
27357	\$300K - \$499K	3	\$422,500	91.6	244.3	18	6.0
27357	\$500K & Over	1	\$562,400	98.7	169.0	13	13.0
27357	Total	16	\$303,300	94.8	202.5	57	3.6
27358	< \$75K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27358	\$75K - \$149K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27358	\$150K - \$299K	8	\$204,175	92.4	72.9	20	2.5
27358	\$300K - \$499K	20	\$398,620	93.2	110.2	63	3.2
27358	\$500K & Over	6	\$715,750	91.6	241.0	66	11.0
27358	Total	34	\$408,832	92.7	124.5	149	4.4
27377	< \$75K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27377	\$75K - \$149K	2	\$138,450	99.0	10.5	5	2.5
27377	\$150K - \$299K	6	\$230,513	85.2	110.7	36	6.0
27377	\$300K - \$499K	2	\$377,500	93.9	104.5	23	11.5
27377	\$500K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27377	Total	10	\$241,498	89.7	89.4	64	6.4
27401	< \$75K	7	\$46,379	90.8	65.6	36	5.1
27401	\$75K - \$149K	4	\$95,000	89.1	52.3	30	7.5
27401	\$150K - \$299K	5	\$227,600	98.8	47.4	11	2.2
27401	\$300K - \$499K	1	\$325,000	92.9	1.0	5	5.0
27401	\$500K & Over	1	\$585,000	97.5	117.0	4	4.0
27401	Total	18	\$152,925	93.1	56.8	86	4.8
27403	< \$75K	11	\$50,241	79.4	80.9	28	2.5
27403	\$75K - \$149K	12	\$110,913	95.4	77.3	41	3.4
27403	\$150K - \$299K	18	\$208,554	94.9	53.8	24	1.3
27403	\$300K - \$499K	4	\$391,125	95.4	61.0	11	2.8
27403	\$500K & Over	1	\$525,000	98.1	1.0	4	4.0
27403	Total	46	\$167,980	91.4	65.9	108	2.3
27405	< \$75K	29	\$55,500	81.1	76.8	68	2.3
27405	\$75K - \$149K	61	\$111,168	93.6	88.9	216	3.5
27405	\$150K - \$299K	9	\$184,861	98.0	177.7	57	6.3
27405	\$300K - \$499K	1	\$400,000	94.1	21.0	2	2.0
27405	\$500K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27405	Total	100	\$104,545	90.4	92.7	343	3.4
27406	< \$75K	25	\$48,116	78.3	73.9	66	2.6
27406	\$75K - \$149K	42	\$107,153	92.4	78.0	144	3.4
27406	\$150K - \$299K	23	\$192,397	94.0	138.2	103	4.5
27406	\$300K - \$499K	5	\$333,480	91.8	108.6	39	7.8
27406	\$500K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27406	Total	95	\$124,167	89.1	93.1	352	3.7
27407	< \$75K	8	\$60,794	83.3	78.0	8	1.0
27407	\$75K - \$149K	37	\$116,206	93.6	92.2	114	3.1
27407	\$150K - \$299K	19	\$185,623	95.9	88.9	79	4.2
27407	\$300K - \$499K	3	\$356,767	94.3	79.7	19	6.3
27407	\$500K & Over	1	\$799,999	95.8	304.0	30	30.0
27407	Total	68	\$149,752	93.1	92.2	250	3.7

The Neighborhood Distribution of Existing Home Sales, continued

Zip	Price Range	No. Sales	Ave. Price	Spread	TOM	Inventory End of Qtr.	Inv./Sales
27408	< \$75K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27408	\$75K - \$149K	20	\$127,540	96.1	49.6	31	1.6
27408	\$150K - \$299K	19	\$207,761	94.9	73.4	42	2.2
27408	\$300K - \$499K	10	\$379,390	91.2	104.2	24	2.4
27408	\$500K & Over	4	\$974,275	91.8	175.5	47	11.8
27408	Total	53	\$267,722	94.4	77.9	144	2.7
27409	< \$75K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27409	\$75K - \$149K	1	\$124,900	94.0	50.0	6	6.0
27409	\$150K - \$299K	1	\$165,000	97.1	21.0	17	17.0
27409	\$300K - \$499K	5	\$346,781	99.8	96.8	10	2.0
27409	\$500K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27409	Total	7	\$289,115	98.6	79.3	33	4.7
27410	< \$75K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27410	\$75K - \$149K	14	\$135,773	96.8	39.4	18	1.3
27410	\$150K - \$299K	81	\$215,992	94.7	81.8	154	1.9
27410	\$300K - \$499K	21	\$377,974	95.9	87.9	63	3.0
27410	\$500K & Over	1	\$800,000	84.2	149.0	49	49.0
27410	Total	117	\$240,458	95.1	78.4	284	2.4
27455	< \$75K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27455	\$75K - \$149K	18	\$130,172	95.8	55.4	30	1.7
27455	\$150K - \$299K	28	\$224,616	95.7	93.4	65	2.3
27455	\$300K - \$499K	27	\$386,256	95.9	89.2	67	2.5
27455	\$500K & Over	8	\$688,188	94.5	115.4	61	7.6
27455	Total	81	\$303,293	95.7	85.7	223	2.8

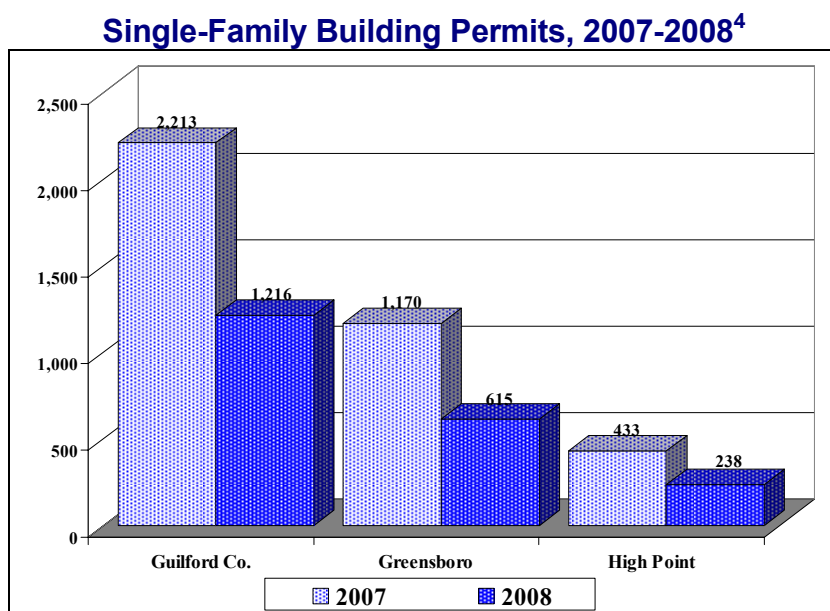
Economic Trends in the Piedmont Triad

Economic conditions in the eight-county Piedmont Triad region deteriorated during the 3rd quarter.³ The seasonally adjusted rate of unemployment in the Triad was 6.4 percent in August, up 0.2 percentage points from the revised figure for July. The national unemployment rate was 6.1 percent, up 0.4 percentage points from last month.



Total nonagricultural wage and salary employment (employer survey) in the Piedmont Triad was up 0.2 percent in August. Over the past 12 months, employment has gained 3.2 percent. For the nation as a whole, employment was down -0.1 percent in August. Over the past 12 months, national employment has fallen -0.2 percent.

Planned residential construction declined during the 3rd quarter. Single-family building permits (which reflect plans for future construction) were off -45.1 percent in Guilford County as a whole during the first 8 months of 2008 compared to the same period in 2007. Permits dropped -47.4 percent in Greensboro and -45.0 percent in High Point. Employment in the construction section is down -1.8 percent across the Triad over the past year.



The number of real estate foreclosures in August was up 18.0 percent in the Triad during the past 12 months. Foreclosures were higher by 22.7 percent in Guilford County during the same period. Over the past 12 months, there were 10,161 foreclosures in the Triad and 4,303 in Guilford County.

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 Figures reflect year-to-date totals through August.

Longer-Term Trends

The population of the Triad totaled 1.46 million in 2007, growing at an average annual rate of 1.4 percent since 2000. Guilford County's population was 465,931 in 2007, rising 1.6 percent annually since 2000. The pace of population growth in the Triad accelerated in 2007, with population growing 1.7 percent from 2006 to 2007. The rate of population growth in Guilford County also increased in 2007, growing more than twice as fast as the nation as a whole.

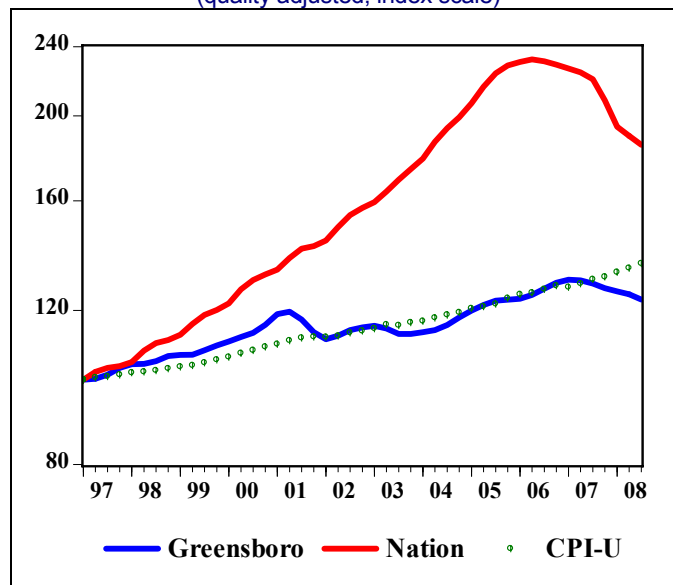
Population Change in the Triad & the Nation, 2007-2000

Area	Population 2007	Percent Change 2007-06	Percent Change 2007-00
Alamance County	145,360	2.4%	1.7%
Davidson County	156,530	1.1%	1.0%
Davie County	40,516	2.2%	2.4%
Forsyth County	338,774	2.1%	1.7%
Guilford County	465,931	2.2%	1.6%
Randolph County	140,145	1.1%	1.1%
Rockingham County	92,421	0.3%	0.1%
Stokes County	46,072	0.6%	0.5%
Yadkin County	37,797	0.5%	0.6%
Triad	1,463,546	1.7%	1.4%
North Carolina	9,061,032	2.2%	1.9%
United States	301,621,157	1.0%	1.1%

Since the first quarter of 1997, existing home prices in Greensboro have risen at an average annual rate of 1.8 percent, lagging the consumer price index (CPI), which has increased an average of 2.7 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 3rd quarter of 2008, according to the S&P Case-Shiller 10-City Home Price Index. Over the past year, the Case-Shiller Index has fallen -15.8 percent, while prices in Greensboro are down -4.1 percent.

Existing Housing Prices in Greensboro & the Nation

(quality adjusted, index scale)



In 2007, the average existing home that was sold had 2,104 square feet of floor space. It was 1.5 stories high, had 2.4 bathrooms, and 1.8 garage parking spaces. Eighty-nine percent had fireplaces. The average age of existing homes sold was 23 years. Seventy-six percent of exiting homes sold were in the city limits of Greensboro, and 34 percent of all homes were in the northwest part of Guilford County.

Characteristics of Existing Homes Sold, 2007

Square Footage	2,104
Floors	1.5
Baths	2.4
Garage Spaces	1.8
Fireplaces	89%
Age	23
In the City	76%
Northwest	34%
Number Sold	3,492

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.

The *Greensboro 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.