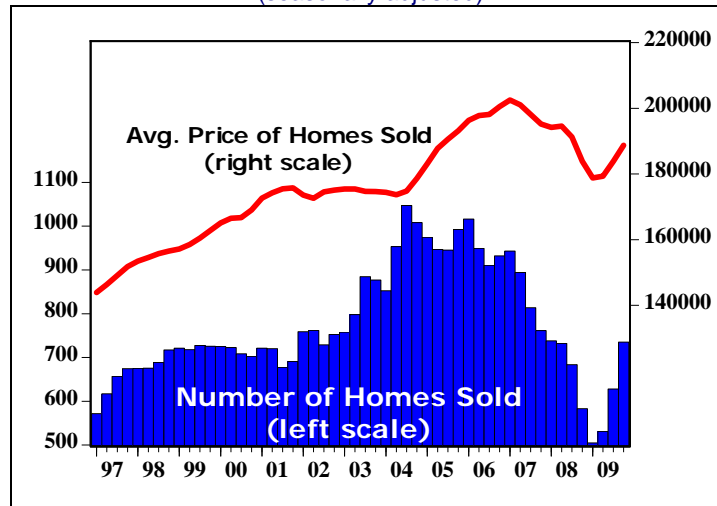


The Forsyth County Housing Report, 2009.4

Current Outlook

The number of existing, single-family homes sold in Forsyth County (including the City of Winston-Salem) totaled 735 in the 4th quarter of 2009 after adjustment for seasonal variation. The number sold was up 17.0 percent compared to the level of sales recorded in the 3rd quarter, and it was 26.1 percent more than the number sold during the 4th quarter one year ago.

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



At the end of the 4th quarter of 2008, the inventory of homes on the market was 2,437, or 4.1 times the number of homes sold in the 4th quarter. At the current sales pace, it will take 12.3 months to exhaust the existing inventory. The number of homes offered for sale was down -0.2 percent from what it was at the end of the 4th quarter of last year.

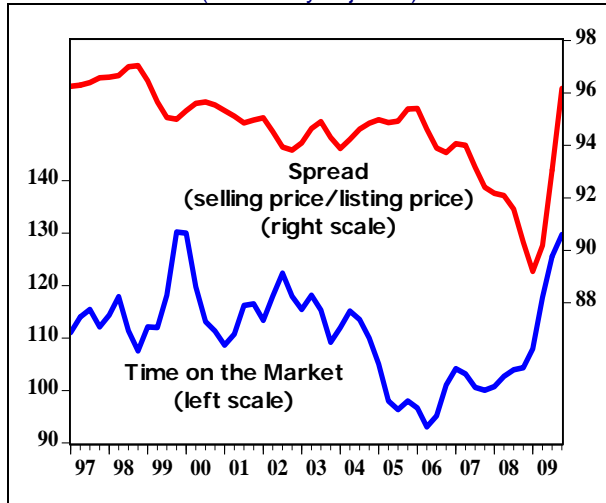
The price of the average home sold in the 4th quarter was higher by 2.6 percent from the previous quarter. The average quality-adjusted price of an existing home in Forsyth County was \$188,697. The average this quarter was up 2.6 percent from the average recorded in the 4th quarter of last year. By 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.¹ 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.

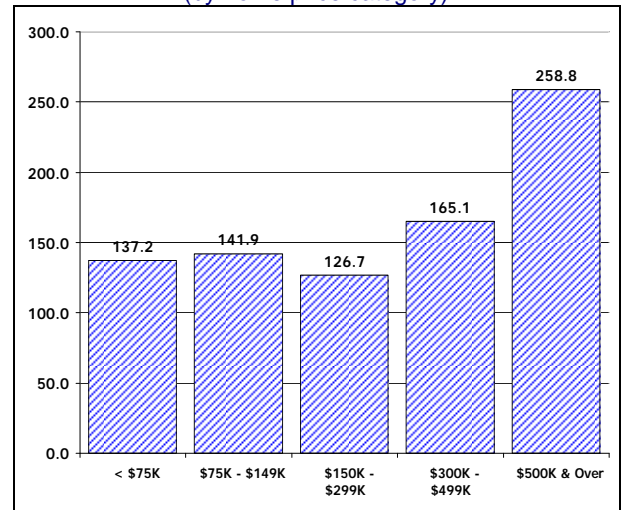
Among other indicators of housing activity, the average time on the market for existing homes sold was 129.7 days, up 3.3 percent from the average in the 3rd quarter. The sale-list price spread, which shows the ratio of selling to listing price, was higher at 96.2 percent, indicating a drop in the level of discounting in the market. Over the past year, time on the market has risen, and the spread has risen, 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 November 2008 to November 2009 using National Assn. of Realtors® data.

Existing Homes, 1997.1 – 2009.4
(seasonally adjusted)



Time on the Market
(by home price category)



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 258 days. For the lowest price category (less than \$75,000), average time on the market is 137 days.

Housing affordability has been an important factor influencing housing demand over the past year. The affordability index was up 1.0 percent this quarter and has risen 2.9 percent over the past year because of lower mortgage rates.

Existing Home Sales Data

	2009.4	2009.3	2008.4	% Chg Last Qtr.	% Chg Last Yr.
Seasonally Adjusted					
Adj. Avg. Home Price	\$188,697	\$183,869	\$183,849	2.6%	2.6%
No. of Homes Sold	735	628	583	17.0%	26.1%
Time on Market (days)	129.7	125.6	104.4	3.3%	24.3%
Spread: (sale price/list price)	96.2	93.1	90.3	3.3%	6.5%
Consumer Price Index (CPI-U)	216.3	215.8	212.4	0.2%	1.8%
Not Seasonally Adjusted					
Ave. Home Price	\$171,176	\$179,202	\$181,975	-4.5%	-5.9%
No. of Homes Sold	589	696	463	-15.4%	27.2%
< \$75K	90	103	92	-12.6%	-2.2%
\$75K - \$149K	275	300	192	-8.3%	43.2%
\$150K - \$299K	168	221	141	-24.0%	19.1%
\$300K - \$499K	40	47	25	-14.9%	60.0%
\$500K & Over	16	25	13	-36.0%	23.1%
Inventory, end of qtr.	2,437	2,552	2,441	-4.5%	-0.2%
Inventory/Sales	4.1	3.7	5.3	12.8%	-21.5%
Affordability Index	94.7	93.8	92.0	1.0%	2.9%

The Neighborhood Distribution of Existing Home Sales, 2009.4

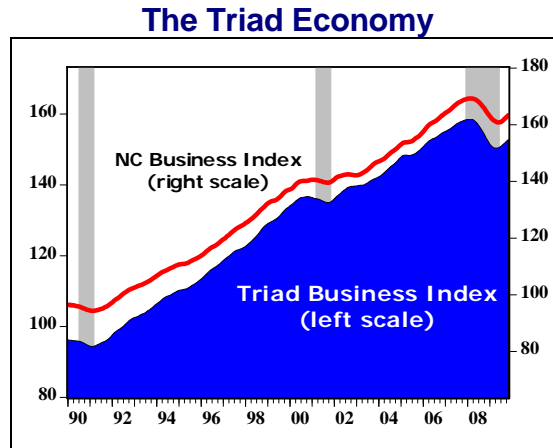
Zip	Price Range	No. Sales	Avg. Price	Spread	TOM	Inventory End of Qtr.	Inv./Sales
27009	< \$75K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27009	\$75K - \$149K	1	\$138,000	97.2	139.0	4	4.0
27009	\$150K - \$299K	n.a.	n.a.	n.a.	137.0	5	n.a.
27009	\$300K - \$499K	n.a.	n.a.	n.a.	192.7	7	n.a.
27009	\$500K & Over	n.a.	n.a.	n.a.	154.1	8	n.a.
27009	Total	1	\$138,000	97.2	139.0	24	24.0
27012	< \$75K	n.a.	n.a.	n.a.	181.0	1	n.a.
27012	\$75K - \$149K	10	\$122,940	91.6	95.1	24	2.4
27012	\$150K - \$299K	17	\$207,068	96.6	140.4	103	6.1
27012	\$300K - \$499K	8	\$363,469	95.5	179.1	73	9.1
27012	\$500K & Over	n.a.	n.a.	n.a.	176.9	27	n.a.
27012	Total	35	\$218,780	94.9	136.3	228	6.5
27023	< \$75K	n.a.	n.a.	n.a.	8.0	1	n.a.
27023	\$75K - \$149K	11	\$120,836	96.3	154.7	13	1.2
27023	\$150K - \$299K	13	\$190,384	97.0	112.2	51	3.9
27023	\$300K - \$499K	7	\$408,306	97.2	203.9	37	5.3
27023	\$500K & Over	3	\$916,667	95.7	219.2	30	10.0
27023	Total	34	\$276,833	96.7	154.3	132	3.9
27040	< \$75K	1	\$55,000	73.4	43.0	1	1.0
27040	\$75K - \$149K	9	\$133,794	95.6	142.8	16	1.8
27040	\$150K - \$299K	10	\$229,000	94.4	185.4	49	4.9
27040	\$300K - \$499K	3	\$379,333	96.8	176.5	24	8.0
27040	\$500K & Over	n.a.	n.a.	n.a.	330.4	7	n.a.
27040	Total	23	\$203,789	94.3	161.4	97	4.2
27045	< \$75K	4	\$55,425	94.0	14.0	1	0.3
27045	\$75K - \$149K	13	\$116,689	97.6	153.7	26	2.0
27045	\$150K - \$299K	5	\$206,580	94.6	142.3	21	4.2
27045	\$300K - \$499K	n.a.	n.a.	n.a.	259.0	4	n.a.
27045	\$500K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27045	Total	22	\$125,980	96.2	125.7	52	2.4
27051	< \$75K	2	\$67,950	98.8	148.0	2	1.0
27051	\$75K - \$149K	6	\$111,983	94.6	158.1	22	3.7
27051	\$150K - \$299K	5	\$178,700	96.5	137.1	15	3.0
27051	\$300K - \$499K	n.a.	n.a.	n.a.	74.0	2	n.a.
27051	\$500K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27051	Total	13	\$130,869	96.0	148.5	41	3.2
27101	< \$75K	4	\$34,438	89.5	165.6	37	9.3
27101	\$75K - \$149K	10	\$112,185	94.4	90.6	17	1.7
27101	\$150K - \$299K	6	\$228,038	93.4	169.6	20	3.3
27101	\$300K - \$499K	n.a.	n.a.	n.a.	206.0	7	n.a.
27101	\$500K & Over	n.a.	n.a.	n.a.	438.0	1	n.a.
27101	Total	20	\$131,391	93.1	129.3	82	4.1
27103	< \$75K	8	\$56,550	85.2	150.1	7	0.9
27103	\$75K - \$149K	25	\$116,284	95.6	120.3	99	4.0
27103	\$150K - \$299K	15	\$200,728	96.8	139.2	108	7.2
27103	\$300K - \$499K	n.a.	n.a.	n.a.	223.0	5	n.a.
27103	\$500K & Over	n.a.	n.a.	n.a.	216.0	1	n.a.
27103	Total	48	\$132,717	94.2	131.2	220	4.6
27104	< \$75K	n.a.	n.a.	n.a.	348.5	2	n.a.
27104	\$75K - \$149K	12	\$107,571	93.3	136.9	38	3.2
27104	\$150K - \$299K	15	\$219,702	94.8	154.1	59	3.9
27104	\$300K - \$499K	9	\$347,822	97.0	160.2	37	4.1
27104	\$500K & Over	8	\$602,531	95.2	198.6	48	6.0
27104	Total	44	\$284,932	94.9	158.7	184	4.2

The Neighborhood Distribution of Existing Home Sales, continued

Zip	Price Range	No. Sales	Avg. Price	Spread	TOM	Inventory	
						End of Qtr.	Inv./Sales
27105	< \$75K	28	\$36,686	87.5	127.6	94	3.4
27105	\$75K - \$149K	21	\$113,071	96.8	140.0	82	3.9
27105	\$150K - \$299K	2	\$211,500	98.5	116.9	20	10.0
27105	\$300K - \$499K	1	\$455,000	82.9	96.0	n.a.	n.a.
27105	\$500K & Over	n.a.	n.a.	n.a.	756.0	1	n.a.
27105	Total	52	\$73,552	90.0	129.7	197	3.8
27106	< \$75K	7	\$49,793	88.0	133.6	7	1.0
27106	\$75K - \$149K	26	\$115,500	96.3	147.7	72	2.8
27106	\$150K - \$299K	27	\$221,081	94.0	138.4	113	4.2
27106	\$300K - \$499K	7	\$395,571	95.9	166.9	43	6.1
27106	\$500K & Over	5	\$590,600	92.5	219.8	48	9.6
27106	Total	72	\$208,927	94.3	149.7	283	3.9
27107	< \$75K	16	\$36,216	90.9	146.9	81	5.1
27107	\$75K - \$149K	32	\$107,177	97.1	143.4	125	3.9
27107	\$150K - \$299K	7	\$169,514	97.4	132.2	65	9.3
27107	\$300K - \$499K	n.a.	n.a.	n.a.	67.0	1	n.a.
27107	\$500K & Over	n.a.	n.a.	n.a.	211.5	2	n.a.
27107	Total	55	\$94,468	95.3	143.0	274	5.0
27127	< \$75K	14	\$51,533	92.1	187.3	26	1.9
27127	\$75K - \$149K	45	\$114,787	97.0	138.1	150	3.3
27127	\$150K - \$299K	9	\$176,024	96.5	119.4	83	9.2
27127	\$300K - \$499K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27127	\$500K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27127	Total	68	\$109,869	95.9	145.8	259	3.8
27284	< \$75K	4	\$57,325	92.4	113.4	5	1.3
27284	\$75K - \$149K	50	\$125,832	96.4	116.6	94	1.9
27284	\$150K - \$299K	36	\$205,819	97.7	145.3	161	4.5
27284	\$300K - \$499K	3	\$337,667	96.6	203.3	45	15.0
27284	\$500K & Over	n.a.	n.a.	n.a.	176.0	12	n.a.
27284	Total	93	\$160,682	96.7	130.4	317	3.4

Economic Trends in the Piedmont Triad

Economic conditions in the eight-county Piedmont Triad region improved modestly during the 4th quarter.² 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.³

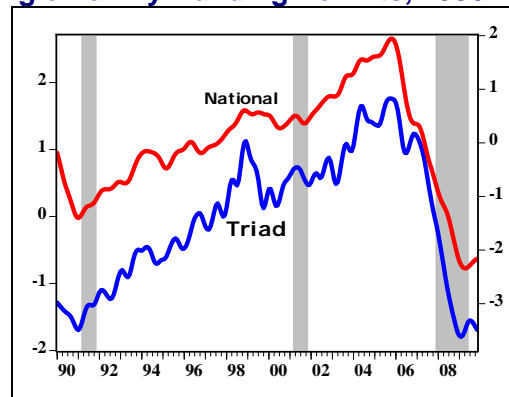


Total nonagricultural wage and salary employment (employer survey) in the Piedmont Triad was off -0.1 percent in November. Since June, employment has fallen -0.6 percent. For the nation as a whole, employment dipped -0.5 percent during the same period.

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.

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.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. 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

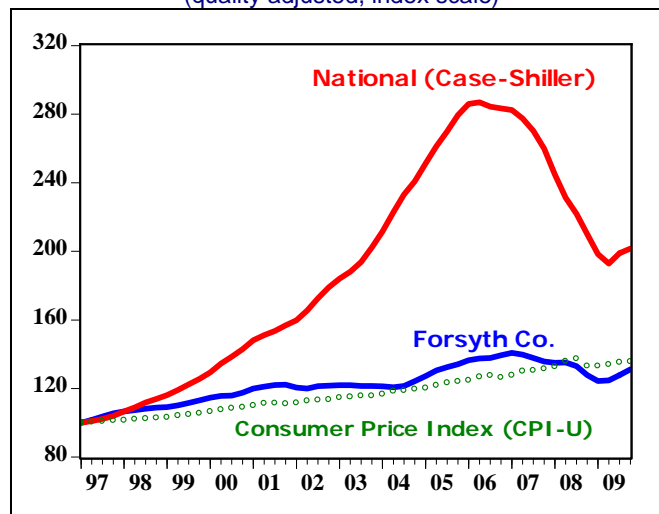
Area	Population 2008	Percent Change 2008-07	Percent Change 2008-00
Alamance County	148,053	2.25%	1.56%
Davidson County	158,166	1.34%	0.90%
Davie County	40,971	1.50%	2.05%
Forsyth County	343,028	1.60%	1.44%
Guilford County	472,216	1.76%	1.44%
Randolph County	141,186	1.20%	0.99%
Stokes County	46,171	0.51%	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 2.1 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 4th quarter of 2009, 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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