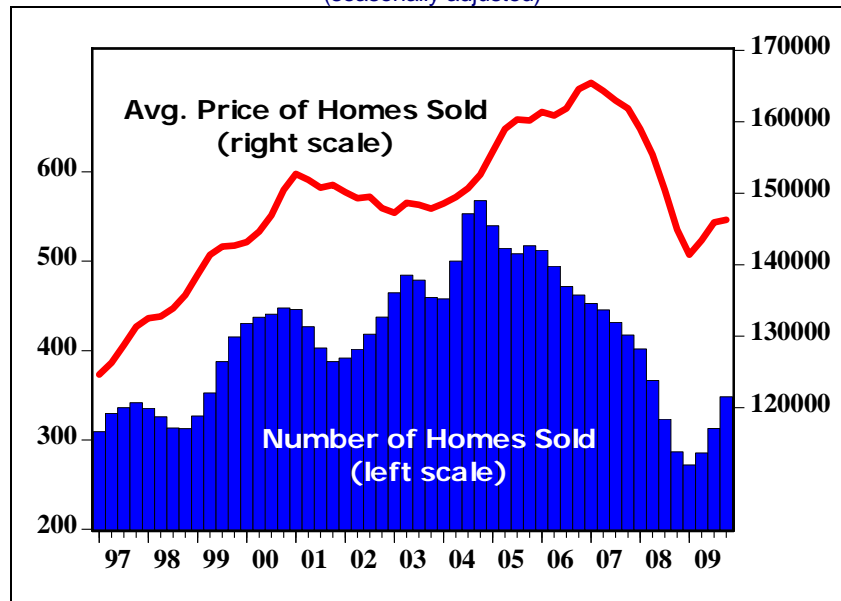


# The High Point Housing Report, 2009.4

## Current Outlook

The number of existing, single-family homes sold in the High Point area totaled 348 in the 4th quarter of 2009, adjusted for seasonal variation.<sup>1</sup> The number sold was up 11.3 percent compared to the level of sales recorded in the 3rd quarter, and it was 21.4 percent above the number sold during the 4th quarter one year ago.

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



At the end of the 4th quarter of 2009, the inventory of homes on the market totaled 1,227, or 3.9 times the number of homes sold in the 4th quarter. At the current sales pace, it will take 11.7 months to exhaust the inventory. The number of existing homes offered for sale was down -3.0 percent from what it was in the 3rd quarter, and it was -0.3 percent below the level in the 4th quarter one year ago.

As further evidence of the positive turnaround, the price of the average home sold in the 4th quarter gained 0.3 percent from the previous quarter, on a seasonally adjusted basis. The average quality-adjusted price of an existing home in High Point was \$146,293. The average this quarter was up 0.9 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.<sup>2</sup> 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.

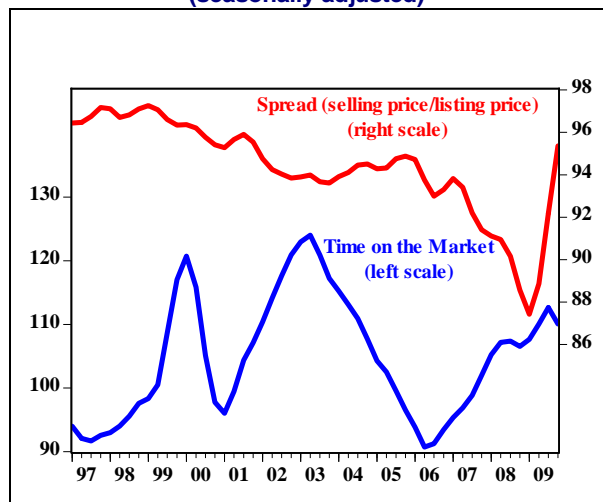
Among other indicators of housing demand, the average time on the market for existing homes sold was 110.1 days, down -2.3 percent from the average in the 3rd quarter. The sale-list price spread, which shows the ratio of selling to listing price, was higher at 95.4 percent, indicating a drop in the level of discounting in the market. Over the past year, time on the market has risen 3.3 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.

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

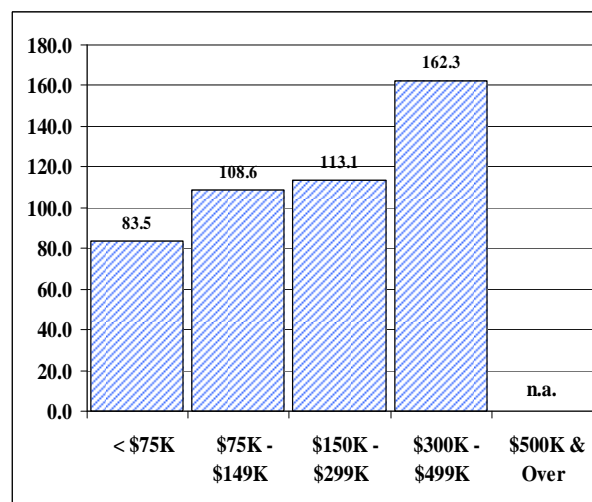
<sup>2</sup> This percentage is calculated from November 2008 to November 2009 using National Assn. of Realtors® data.

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

**Existing Homes, 1997.1 – 2009.4**  
(seasonally adjusted)



**Time on the Market by Price Category**



Housing affordability has been an important factor shaping housing demand over the past year. The affordability index was up 3.3 percent this quarter, and since the 4th quarter of 2008, the affordability index has risen 6.4 percent chiefly because of lower interest rates.

**Existing Home Sales Data**

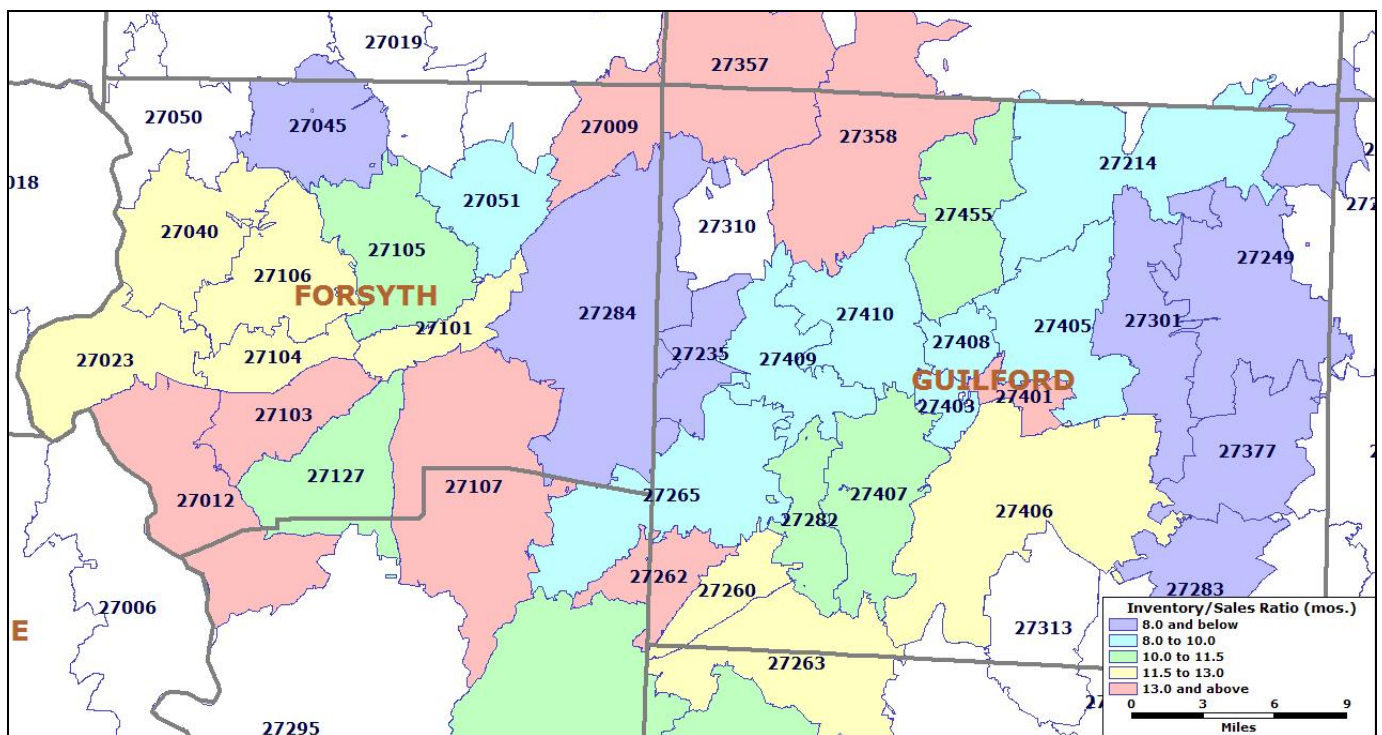
|                                 | 2009.4    | 2009.3    | 2008.4    | % Chg<br>Last Qtr. | % Chg<br>Last Yr. |
|---------------------------------|-----------|-----------|-----------|--------------------|-------------------|
| <b>Seasonally Adjusted</b>      |           |           |           |                    |                   |
| Adj. Ave. Home Price            | \$146,293 | \$145,911 | \$144,929 | 0.3%               | 0.9%              |
| No. of Homes Sold               | 348       | 313       | 287       | 11.3%              | 21.4%             |
| Time on Market (days)           | 110.1     | 112.6     | 106.5     | -2.3%              | 3.3%              |
| Spread: (sale price/list price) | 95.4      | 92.2      | 88.6      | 3.5%               | 7.7%              |
| Consumer Price Index (CPI-U)    | 135.6     | 135.3     | 133.1     | 0.2%               | 1.8%              |
| <b>Not Seasonally Adjusted</b>  |           |           |           |                    |                   |
| Ave. Home Price                 | \$133,158 | \$147,080 | \$155,250 | -9.5%              | -14.2%            |
| No. of Homes Sold               | 315       | 355       | 244       | -11.3%             | 29.1%             |
| < \$75K                         | 74        | 63        | 55        | 17.5%              | 34.5%             |
| \$75K - \$149K                  | 141       | 147       | 90        | -4.1%              | 56.7%             |
| \$150K - \$299K                 | 85        | 121       | 78        | -29.8%             | 9.0%              |
| \$300K - \$499K                 | 15        | 24        | 18        | -37.5%             | -16.7%            |
| \$500K & Over                   | 0         | 0         | 3         | n.a.               | n.a.              |
| Inventory, end of qtr.          | 1,227     | 1,265     | 1,231     | -3.0%              | -0.3%             |
| Inventory/Sales                 | 3.9       | 3.6       | 5.0       | 9.3%               | -22.8%            |
| Affordability Index             | 111.6     | 108.0     | 104.9     | 3.3%               | 6.4%              |

## The Neighborhood Distribution of Existing Home Sales

During the 4th 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 95 sales. It was followed by zip code 27360, southwest of High Point taking in Thomasville, where 79 sales were recorded. Zip code 27282, which is northeast of High Point and includes the Jamestown area, recorded the highest average price for existing homes sold of \$180,574 on the basis of 29 sales.

The highest inventory to sales ratio was in zip code 27262, which is situated north and west of downtown including the High Point County Club area and extending into Davidson County. At the current sales pace, it will take 20 months to exhaust the inventory in this neighborhood. The second highest inventory to sales ratio was in zip code 27260 (south and east of downtown) and in zip code 27263 (south of the city). It will take 12.3 months to move the exiting inventory at the current sales pace in these two zip codes.

### Inventory-Sales Ratios by Zip Code

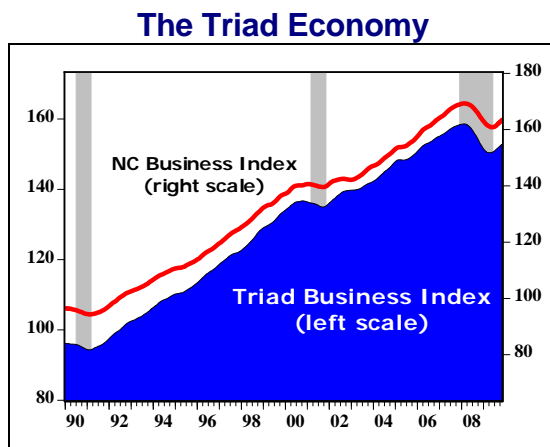


## The Neighborhood Distribution of Existing Home Sales, 2009.4

| Zip   | Price Range     | No. Sales | Avg. Price | Spread | TOM   | Inventory End of Qtr. | Inv./Sales |
|-------|-----------------|-----------|------------|--------|-------|-----------------------|------------|
| 27260 | < \$75K         | 26        | \$36,583   | 92.1   | 80.1  | 93                    | 3.6        |
| 27260 | \$75K - \$149K  | 9         | \$109,900  | 98.3   | 134.7 | 51                    | 5.7        |
| 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           | 35        | \$55,436   | 93.7   | 94.1  | 145                   | 4.1        |
| 27262 | < \$75K         | 10        | \$33,635   | 85.2   | 118.8 | 59                    | 5.9        |
| 27262 | \$75K - \$149K  | 12        | \$115,408  | 94.7   | 99.4  | 66                    | 5.5        |
| 27262 | \$150K - \$299K | 5         | \$198,700  | 94.8   | 142.2 | 51                    | 10.2       |
| 27262 | \$300K - \$499K | 6         | \$406,167  | 89.7   | 209.0 | 25                    | 4.2        |
| 27262 | \$500K & Over   | n.a.      | n.a.       | n.a.   | n.a.  | 23                    | n.a.       |
| 27262 | Total           | 33        | \$156,114  | 91.0   | 131.7 | 224                   | 6.8        |
| 27263 | < \$75K         | 7         | \$47,543   | 83.5   | 48.6  | 18                    | 2.6        |
| 27263 | \$75K - \$149K  | 13        | \$109,315  | 95.7   | 114.5 | 48                    | 3.7        |
| 27263 | \$150K - \$299K | 7         | \$215,542  | 97.1   | 213.7 | 41                    | 5.9        |
| 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           | 27        | \$120,841  | 92.9   | 123.1 | 111                   | 4.1        |
| 27265 | < \$75K         | 14        | \$51,756   | 93.8   | 100.6 | 7                     | 0.5        |
| 27265 | \$75K - \$149K  | 37        | \$121,458  | 97.6   | 102.8 | 87                    | 2.4        |
| 27265 | \$150K - \$299K | 41        | \$206,267  | 96.1   | 102.5 | 175                   | 4.3        |
| 27265 | \$300K - \$499K | 3         | \$406,800  | 91.7   | 96.0  | 28                    | 9.3        |
| 27265 | \$500K & Over   | n.a.      | n.a.       | n.a.   | n.a.  | 12                    | n.a.       |
| 27265 | Total           | 95        | \$156,799  | 96.2   | 102.1 | 309                   | 3.3        |
| 27282 | < \$75K         | 2         | \$44,550   | 91.2   | 58.0  | n.a.                  | n.a.       |
| 27282 | \$75K - \$149K  | 11        | \$124,845  | 98.0   | 40.7  | 25                    | 2.3        |
| 27282 | \$150K - \$299K | 12        | \$194,899  | 96.9   | 95.2  | 59                    | 4.9        |
| 27282 | \$300K - \$499K | 4         | \$358,863  | 94.3   | 156.8 | 16                    | 4.0        |
| 27282 | \$500K & Over   | n.a.      | n.a.       | n.a.   | n.a.  | 1                     | n.a.       |
| 27282 | Total           | 29        | \$180,574  | 96.6   | 80.4  | 101                   | 3.5        |
| 27360 | < \$75K         | 13        | \$44,286   | 87.2   | 75.2  | 49                    | 3.8        |
| 27360 | \$75K - \$149K  | 51        | \$106,354  | 97.2   | 116.7 | 130                   | 2.5        |
| 27360 | \$150K - \$299K | 15        | \$189,182  | 96.9   | 85.9  | 79                    | 5.3        |
| 27360 | \$300K - \$499K | n.a.      | n.a.       | n.a.   | n.a.  | 11                    | n.a.       |
| 27360 | \$500K & Over   | n.a.      | n.a.       | n.a.   | n.a.  | 1                     | n.a.       |
| 27360 | Total           | 79        | \$111,867  | 95.5   | 104.0 | 270                   | 3.4        |
| 27370 | < \$75K         | 2         | \$28,875   | 89.0   | 34.0  | 5                     | 2.5        |
| 27370 | \$75K - \$149K  | 8         | \$109,313  | 96.5   | 151.5 | 19                    | 2.4        |
| 27370 | \$150K - \$299K | 5         | \$207,980  | 93.3   | 154.6 | 22                    | 4.4        |
| 27370 | \$300K - \$499K | 2         | \$324,000  | 87.8   | 132.5 | 16                    | 8.0        |
| 27370 | \$500K & Over   | n.a.      | n.a.       | n.a.   | n.a.  | 3                     | n.a.       |
| 27370 | Total           | 17        | \$154,126  | 93.6   | 136.4 | 65                    | 3.8        |

## Economic Trends in the Piedmont Triad

Economic conditions in the eight-county Piedmont Triad region improved modestly during the 4th quarter.<sup>3</sup> 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.<sup>4</sup>

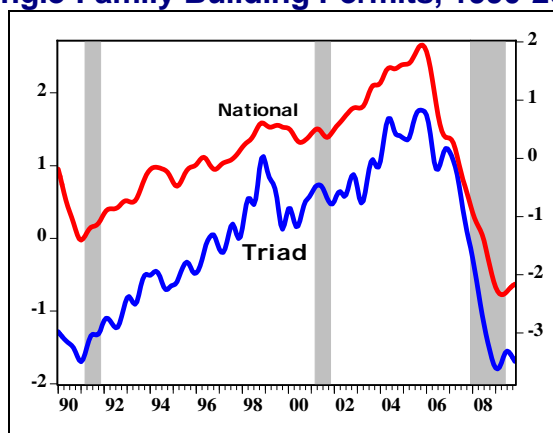


Total nonagricultural wage and salary employment (employer survey) in the Piedmont Triad was off -0.1 percent in November. Since June, employment has fallen -0.6 percent. For the nation as a whole, employment dipped -0.5 percent during the same period.

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.

<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.uncg.edu/bae/cber/>



