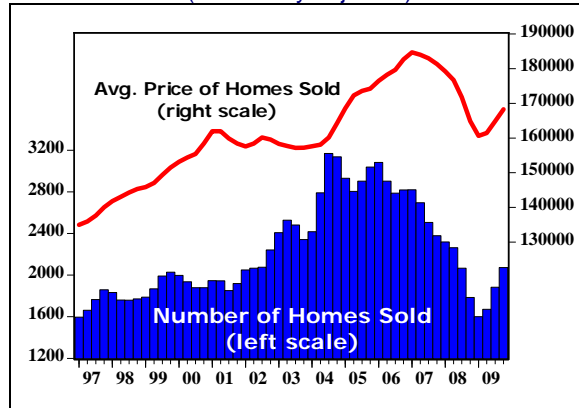


# The Triad Housing Report, 2009.4

## Current Outlook

The number of existing, single-family homes sold in the Triad totaled 2,073 in the 4th quarter of 2009, after adjustment for seasonal variation.<sup>1</sup> The number sold was up 10.0 percent compared to the level of sales recorded in the 3rd quarter, and it was 16.1 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 was 7,810, or 4.6 times the number of homes sold in the 4th quarter. At the current sales pace, it will take 13.8 months to exhaust the existing inventory. The number of existing homes offered for sale was down -3.1 percent from what it was at the end of the 3rd quarter, and it was only 0.1 percent higher than at the end of the 4th quarter one year ago.

The price of the average home sold in the 4th quarter was up 2.1 percent from the previous quarter. The average quality-adjusted price of an existing home in the Triad was \$168,288. The average this quarter was up 2.1 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.

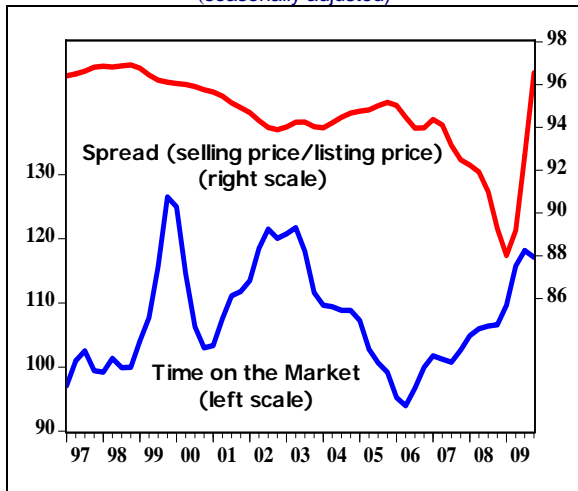
Nationally, the pace of existing home sales has risen 42.1 percent over the past 12 months.<sup>2</sup> Average home prices are down -2.7 percent across the nation and -0.1 percent in the South. The national inventory of unsold homes is down -14.8 percent over the past 12 months and will take 6.2 months to sell at the existing pace of sales.

Among other indicators of housing activity in the Triad, the average time on the market for existing homes sold was 117.1 days, down -0.9 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 96.6 percent, indicating a decline in the level of discounting in the market. Over the past year, time on the market has risen, 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.

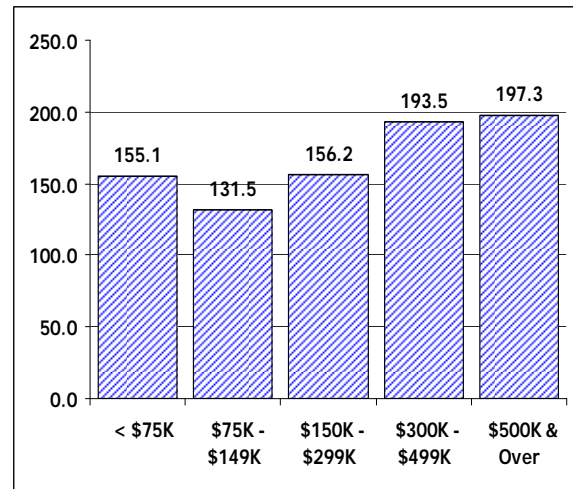
<sup>1</sup> The Triad is defined as an eight-county area that is composed of Alamance, Davie, Forsyth, Guilford, Randolph, Rockingham, Stokes, and Yadkin. The Triad is located in the north central area of North Carolina.

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

## Existing Homes, 1997.1 – 2009.4 (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 155 days. In contrast, for homes more than \$500,000, average TOM is 197 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 1.5 percent this quarter. Since the 4th quarter of last year, the affordability index has risen 4.1 percent because of lower home mortgage rates.

## Existing Home Sales Data

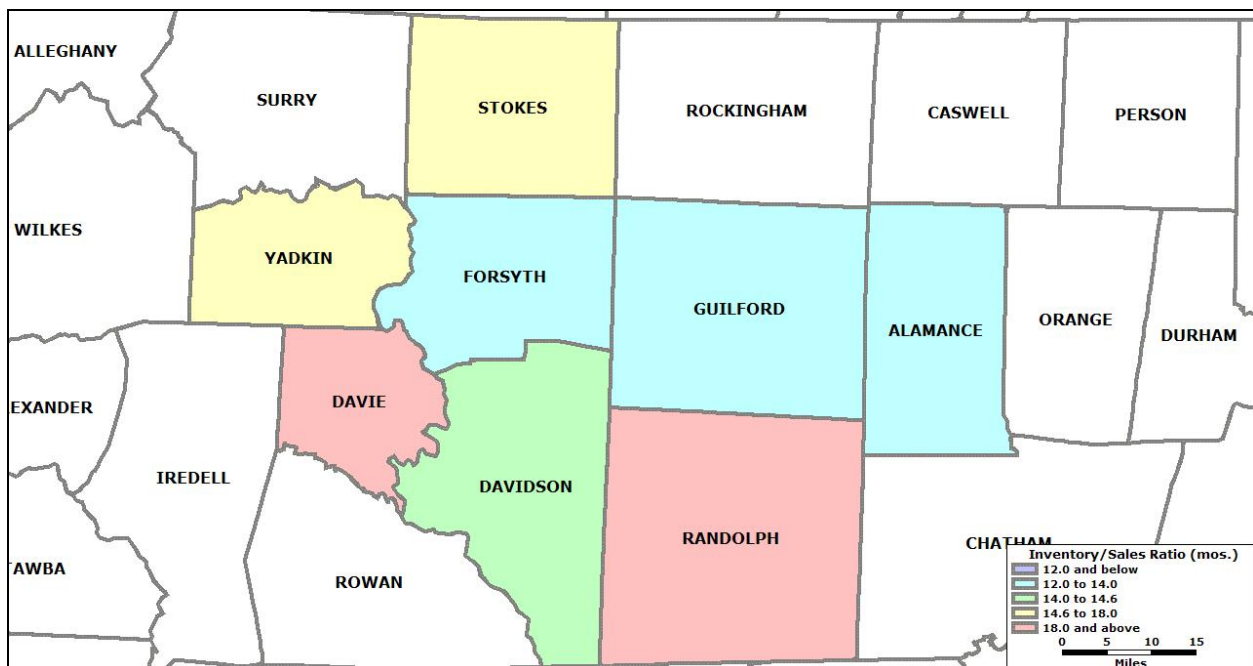
	2009.4	2009.3	2008.4	% Chg Last Qtr.	% Chg Last Yr.
<b>Seasonally Adjusted</b>					
Avg. Adj. Home Price	\$168,288	\$164,889	\$164,889	2.1%	2.1%
No. of Homes Sold	2,073	1,885	1,786	10.0%	16.1%
Time on Market (days)	117.1	118.2	106.6	-0.9%	9.9%
Spread: (sale price/list price)	96.6	92.7	89.3	4.2%	8.2%
Consumer Price Index (CPI-U)	216.3	215.8	212.4	0.2%	1.8%
<b>Not Seasonally Adjusted</b>					
Ave. Home Price	\$168,136	\$174,891	\$168,016	-3.9%	0.1%
No. of Homes Sold	1,690	2,193	1,500	-22.9%	12.7%
< \$75K	274	340	317	-19.4%	-13.6%
\$75K - \$149K	720	835	552	-13.8%	30.4%
\$150K - \$299K	514	752	465	-31.6%	10.5%
\$300K - \$499K	132	208	123	-36.5%	7.3%
\$500K & Over	50	58	43	-13.8%	16.3%
Inventory, end of qtr.	7,810	8,062	7,801	-3.1%	0.1%
Inventory/Sales	4.6	3.7	5.2	25.7%	-11.1%
Affordability Index	99.5	98.0	95.6	1.5%	4.1%

## The County Distribution of Existing Home Sales

During the 4th quarter, the largest number of sales of existing homes occurred in Guilford County, which recorded a total of 944 sales. It was followed by Forsyth County with 589 sales. Davie County recorded the highest average price for homes sold at \$189,796. The largest number of homes selling for \$500,000 or more was in Guilford and Forsyth Counties with 29 and 16 homes respectively in this category.

The highest inventory-to-sales ratio was recorded in Randolph County with a ratio of 6.7. At the current sales pace, it will take 20.1 months to exhaust the current inventory of existing homes in this county. The highest time on the market for homes sold was recorded in Davie County where the 50 homes sold this quarter averaged 170 days on the market. The lowest average time on the market was recorded in Alamance County where the 66 homes sold this quarter averaged 123 days on the market.

## Inventory-Sales Ratios by County



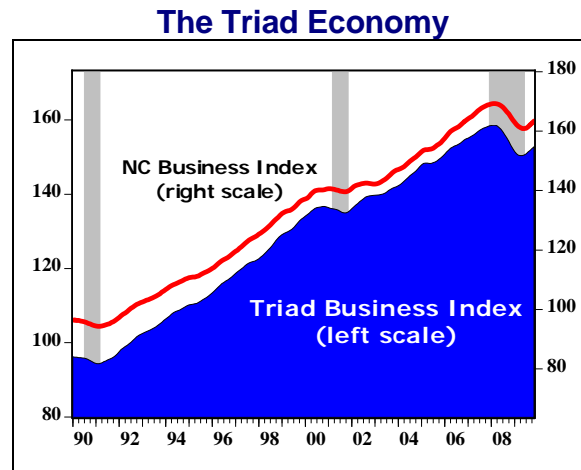
## County Distribution of Existing Home Sales, 2009.4

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	25	\$47,892	93.4	111.7	43	1.7
Alamance	\$75K - \$149K	17	\$114,212	96.3	104.0	77	4.5
Alamance	\$150K - \$299K	19	\$224,384	95.6	135.2	90	4.7
Alamance	\$300K - \$499K	3	\$343,133	99.0	179.1	38	12.7
Alamance	\$500K & Over	2	\$614,500	92.3	216.5	16	8.0
Alamance	Total	66	\$146,373	95.0	122.7	264	4.0
Davidson	< \$75K	42	\$48,538	87.0	138.0	108	2.6
Davidson	\$75K - \$149K	107	\$109,524	96.7	149.0	326	3.0
Davidson	\$150K - \$299K	34	\$202,172	95.6	166.8	291	8.6
Davidson	\$300K - \$499K	7	\$381,286	92.0	242.2	128	18.3
Davidson	\$500K & Over	n.a.	n.a.	n.a.	208.2	61	n.a.
Davidson	Total	190	\$122,634	94.2	153.2	914	4.8
Davie	< \$75K	3	\$67,133	90.3	254.1	23	7.7
Davie	\$75K - \$149K	18	\$114,517	96.5	154.9	63	3.5
Davie	\$150K - \$299K	22	\$199,183	90.3	156.2	111	5.0
Davie	\$300K - \$499K	5	\$361,580	95.8	221.0	68	13.6
Davie	\$500K & Over	2	\$518,600	98.4	191.2	40	20.0
Davie	Total	50	\$189,796	93.4	169.5	305	6.1
Forsyth	< \$75K	90	\$44,319	89.3	146.0	265	2.9
Forsyth	\$75K - \$149K	275	\$116,864	96.1	134.7	793	2.9
Forsyth	\$150K - \$299K	168	\$206,106	96.1	140.4	889	5.3
Forsyth	\$300K - \$499K	40	\$372,732	96.1	182.8	295	7.4
Forsyth	\$500K & Over	16	\$657,703	94.4	211.4	195	12.2
Forsyth	Total	589	\$163,301	95.0	143.4	2,437	4.1
Guilford	< \$75K	149	\$44,323	90.7	167.5	399	2.7
Guilford	\$75K - \$149K	364	\$116,290	97.2	125.5	799	2.2
Guilford	\$150K - \$299K	316	\$202,110	96.5	132.2	927	2.9
Guilford	\$300K - \$499K	86	\$380,746	94.7	166.9	445	5.2
Guilford	\$500K & Over	29	\$703,117	92.9	217.8	292	10.1
Guilford	Total	944	\$175,778	95.6	141.0	2,862	3.0
Randolph	< \$75K	21	\$47,123	86.6	113.4	79	3.8
Randolph	\$75K - \$149K	45	\$106,626	95.9	123.1	263	5.8
Randolph	\$150K - \$299K	23	\$203,645	95.5	166.2	202	8.8
Randolph	\$300K - \$499K	3	\$317,667	88.9	203.5	57	19.0
Randolph	\$500K & Over	n.a.	n.a.	n.a.	196.6	14	n.a.
Randolph	Total	92	\$124,180	93.5	134.3	615	6.7
Stokes	< \$75K	12	\$51,417	90.6	150.9	15	1.3
Stokes	\$75K - \$149K	20	\$111,820	98.3	140.5	111	5.6
Stokes	\$150K - \$299K	12	\$197,013	96.0	200.1	116	9.7
Stokes	\$300K - \$499K	2	\$397,450	98.0	157.2	30	15.0
Stokes	\$500K & Over	1	\$700,000	63.6	191.6	7	7.0
Stokes	Total	47	\$142,818	95.0	160.2	279	5.9
Yadkin	< \$75K	6	\$41,761	77.6	159.1	10	1.7
Yadkin	\$75K - \$149K	15	\$113,713	95.8	120.5	41	2.7
Yadkin	\$150K - \$299K	5	\$201,230	94.5	152.6	42	8.4
Yadkin	\$300K - \$499K	1	\$426,000	92.6	195.4	35	35.0
Yadkin	\$500K & Over	n.a.	n.a.	n.a.	145.2	6	n.a.
Yadkin	Total	27	\$125,497	91.4	137.8	134	5.0

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 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>

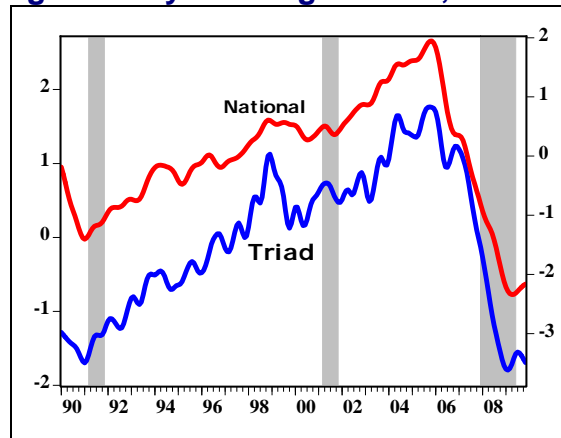


Total nonagricultural wage and salary employment (employer survey) in the Piedmont Triad was off -0.1 percent in November. Since June, employment has fallen -0.6 percent. For the nation as a whole, employment dipped -0.5 percent during the same period.

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/>

## 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

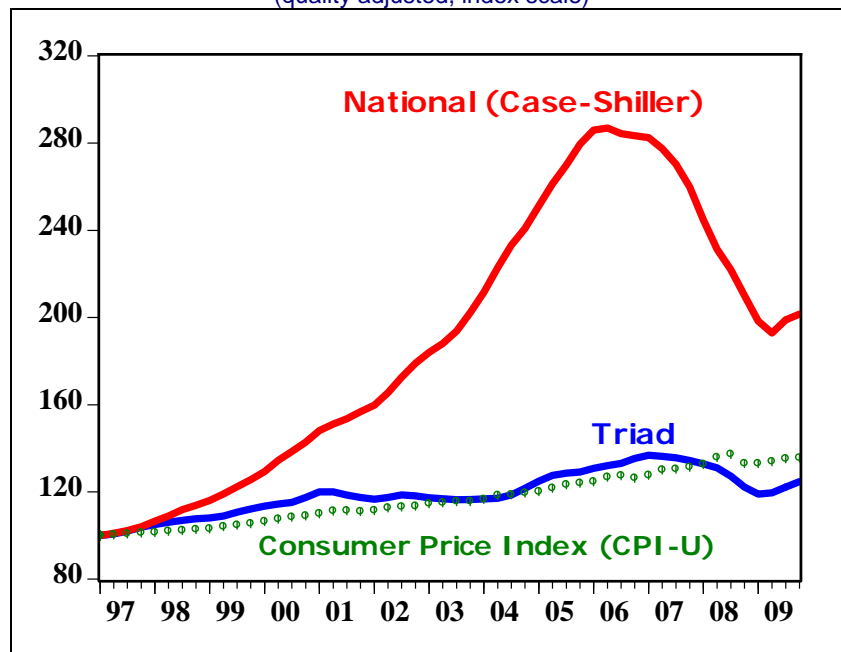
Area	Population 2008	Percent Change 2008-07	Percent Change 2008-00
Alamance County	148,053	2.25%	1.56%
Davidson County	158,166	1.34%	0.90%
Davie County	40,971	1.50%	2.05%
Forsyth County	343,028	1.60%	1.44%
Guilford County	472,216	1.76%	1.44%
Randolph County	141,186	1.20%	0.99%
Stokes County	46,171	0.51%	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 1.7 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 4th quarter of 2009, 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:**

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