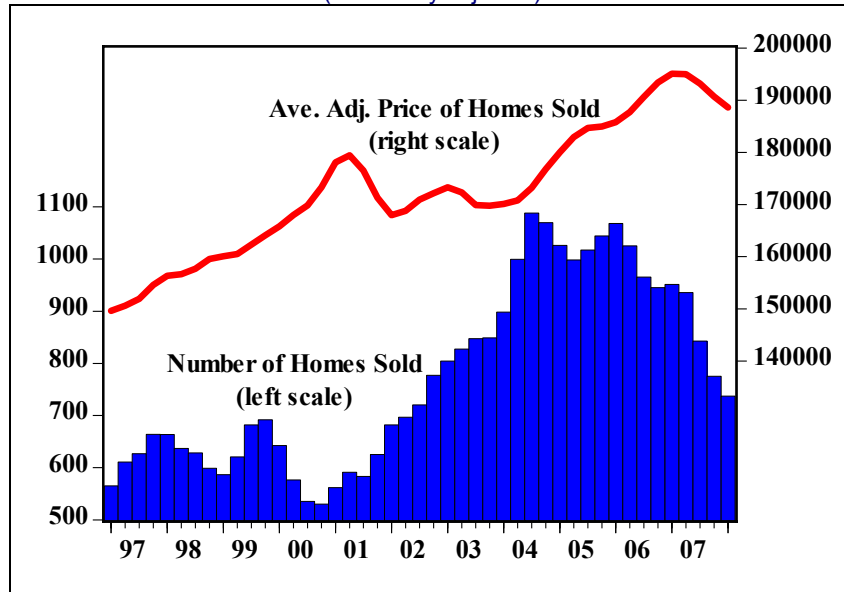


The Greensboro Housing Report, 2008.1

Current Outlook

The number of existing, single-family homes sold in the Greensboro area of Guilford County totaled 737 in the 1st quarter of 2008 after adjustment for seasonal variation.¹ The number sold was down -4.9 percent compared to the level of sales recorded in the 4th quarter, and it was -22.5 percent below the number sold during the 1st quarter one year ago.

Number and Prices of Existing Homes Sold, 1997.1 – 2008.1
(seasonally adjusted)



At the end of the 1st quarter of 2008, the inventory of homes on the Greensboro market was 2,486, or 4.1 times the number of homes sold in the 1st quarter. At the current sales pace, it will take 12.3 months to exhaust the inventory. The number of existing homes offered for sale was up 11.8 percent from what it was at the end of the 4th quarter, and it was 9.9 percent above the level one year ago.

The quality-adjusted price of the average home sold in the 1st quarter was off -1.1 percent from the previous quarter. The average quality-adjusted price of an existing home in Greensboro was \$188,619. The average this quarter was -3.3 percent below the average recorded in the 1st quarter of last year. Over the past year, consumer prices nationally have risen 4.1 percent, indicating that real home prices in Greensboro have declined.

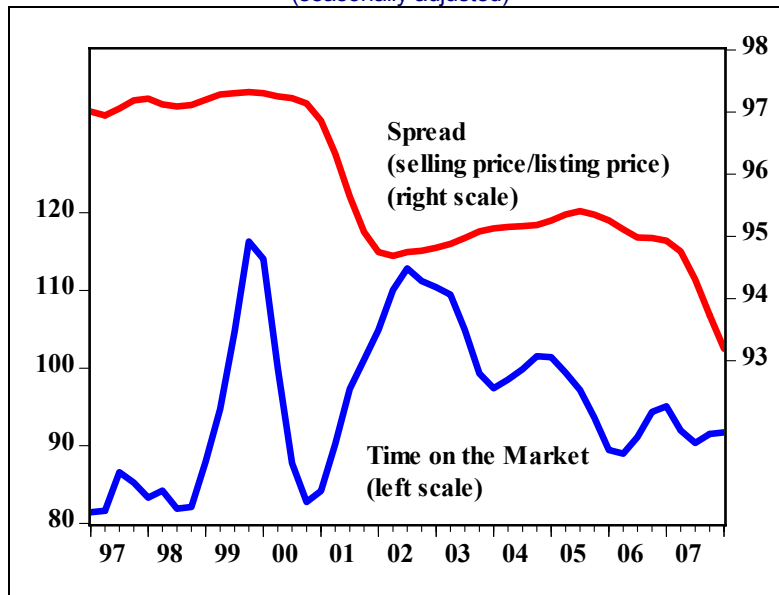
Nationally, the pace of existing home sales has fallen -23.8 percent over the past 12 months.² Average home prices are down -8.2 percent across the nation and -8.6 percent in the South. The national inventory of unsold homes is up 6.0 percent over the past 12 months and will take 9.6 months to sell at the existing pace of sales.

Among other indicators of housing activity in Greensboro in the 1st quarter, the average time on the market for existing homes sold was 91.7 days, down -3.6 percent from the average in the 1st quarter one year ago. The sale-list price spread, which shows the ratio of selling to listing price, was lower at 92.7 percent, indicating a rise in the level of discounting in the market over the past year.

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

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

Existing Homes, 1997.1 – 2008.1 (seasonally adjusted)



Housing affordability is an important factor shaping housing demand. The affordability index rose 5.3 percent this quarter. Since the 1st quarter of 2007, the affordability index has risen 8.7 percent because of lower prices and mortgage rates.

Existing Home Sales Data

	2008.1	2007.4	2007.1	% Chg Last Qtr.	% Chg Last Yr.
<i>Seasonally Adjusted</i>					
Adj. Ave. Home Price	\$188,619	\$190,719	\$195,063	-1.1%	-3.3%
No. of Homes Sold	737	775	951	-4.9%	-22.5%
Time on Market (days)	91.7	91.5	95.1	0.2%	-3.6%
Spread: (sale price/list price)	92.7	93.3	94.6	-0.7%	-2.0%
Consumer Price Index (CPI-U)	212.6	210.6	204.3	1.0%	4.1%
<i>Not Seasonally Adjusted</i>					
Ave. Home Price	\$212,189	\$216,800	\$220,364	-2.1%	-3.7%
No. of Homes Sold	613	660	774	-7.1%	-20.8%
< \$150K	286	276	330	3.6%	-13.3%
\$150K - \$349K	248	294	340	-15.6%	-27.1%
\$350K & Over	79	90	104	-12.2%	-24.0%
Inventory, end of qtr.	2,486	2,224	2,263	11.8%	9.9%
Inventory/Sales	4.1	3.4	2.9	20.4%	38.7%
Affordability Index	105.0	99.7	96.6	5.3%	8.7%

The Neighborhood Distribution of Existing Home Sales

During the 1st 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 85 sales. It was followed by zip code 27405 in northeast Greensboro which recorded a total of 81 sales. The Summerfield area (zip code 27358) recorded the highest average price of homes sold, with 32 sales averaging \$386,128. The highest inventory to sales ratios were in zip codes 27310 and 27377 with ratios of 10.3 and 9.7 respectively. Zip code 27310 is in northwestern Guilford County and includes the Oak Ridge area, while zip code 27377 is in southeastern Guilford County and includes the Stoney Creek and Whitsett areas.

The Neighborhood Distribution of Existing Home Sales, 2008.1

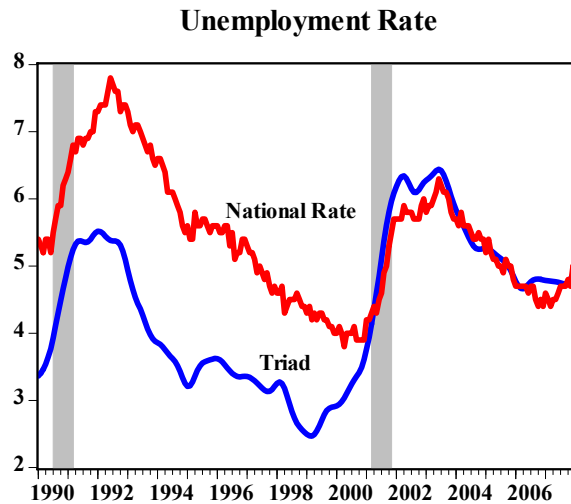
Zip	Price Range	No. Sales	Ave. Price	Spread	TOM	Inventory End of Qtr.	Inv./Sales
27214	< \$150K	5	\$115,218	97.0	57.8	18	3.6
27214	\$150K - \$349K	14	\$258,207	94.3	176.1	68	4.9
27214	\$350K & Over	4	\$412,250	98.7	137.8	14	3.5
27214	Total	23	\$253,913	95.7	143.7	100	4.3
27301	< \$150K	7	\$133,547	99.0	41.3	17	2.4
27301	\$150K - \$349K	10	\$183,983	96.6	95.5	48	4.8
27301	\$350K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27301	Total	17	\$163,215	97.6	73.2	65	3.8
27310	< \$150K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27310	\$150K - \$349K	5	\$245,330	94.8	90.6	23	4.6
27310	\$350K & Over	4	\$523,625	93.9	126.3	70	17.5
27310	Total	9	\$369,017	94.4	106.4	93	10.3
27357	< \$150K	1	\$149,900	93.7	106.0	1	1.0
27357	\$150K - \$349K	5	\$210,721	95.0	116.6	39	7.8
27357	\$350K & Over	1	\$535,925	96.1	260.0	25	25.0
27357	Total	7	\$248,490	95.0	135.6	65	9.3
27358	< \$150K	2	\$77,950	97.0	44.5	4	2.0
27358	\$150K - \$349K	14	\$269,579	96.2	62.8	24	1.7
27358	\$350K & Over	16	\$526,631	96.2	151.7	125	7.8
27358	Total	32	\$386,128	96.3	106.1	153	4.8
27377	< \$150K	2	\$141,480	100.3	173.0	2	1.0
27377	\$150K - \$349K	5	\$253,600	84.4	84.8	57	11.4
27377	\$350K & Over	2	\$360,000	93.2	101.0	28	14.0
27377	Total	9	\$172,329	69.2	85.6	87	9.7
27401	< \$150K	14	\$78,325	89.2	65.9	54	3.9
27401	\$150K - \$349K	3	\$240,200	91.8	195.3	10	3.3
27401	\$350K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27401	Total	17	\$106,891	89.7	88.7	64	3.8
27403	< \$150K	19	\$73,755	90.6	141.6	60	3.2
27403	\$150K - \$349K	10	\$228,600	91.6	115.8	40	4.0
27403	\$350K & Over	1	\$365,000	86.9	108.0	7	7.0
27403	Total	30	\$122,912	87.9	128.3	107	3.6

The Neighborhood Distribution of Existing Home Sales, continued

Zip	Price Range	No. Sales	Ave. Price	Spread	TOM	Inventory End of Qtr.	Inv./Sales
27405	< \$150K	69	\$93,153	90.2	87.2	241	3.5
27405	\$150K - \$349K	11	\$176,047	96.1	101.0	70	6.4
27405	\$350K & Over	1	\$390,000	97.5	65.0	3	3.0
27405	Total	81	\$103,260	89.9	88.0	314	3.9
27406	< \$150K	57	\$94,981	89.6	88.4	205	3.6
27406	\$150K - \$349K	22	\$195,738	95.3	122.5	125	5.7
27406	\$350K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27406	Total	79	\$123,040	91.2	97.9	330	4.2
27407	< \$150K	45	\$101,435	87.7	84.3	113	2.5
27407	\$150K - \$349K	25	\$199,090	96.0	120.4	80	3.2
27407	\$350K & Over	5	\$454,800	90.8	120.2	40	8.0
27407	Total	75	\$157,544	90.6	98.7	233	3.1
27408	< \$150K	23	\$115,793	91.4	101.0	29	1.3
27408	\$150K - \$349K	9	\$240,833	94.8	95.8	54	6.0
27408	\$350K & Over	8	\$533,375	91.8	150.1	62	7.8
27408	Total	40	\$227,443	92.3	109.7	145	3.6
27409	< \$150K	2	\$129,500	97.7	24.5	11	5.5
27409	\$150K - \$349K	5	\$264,562	94.9	78.4	20	4.0
27409	\$350K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27409	Total	7	\$225,973	95.7	63.0	31	4.4
27410	< \$150K	5	\$128,900	93.1	29.2	12	2.4
27410	\$150K - \$349K	70	\$213,572	94.5	86.9	176	2.5
27410	\$350K & Over	10	\$426,587	95.9	63.5	85	8.5
27410	Total	85	\$233,652	94.6	80.8	273	3.2
27455	< \$150K	18	\$121,978	96.8	53.3	24	1.3
27455	\$150K - \$349K	27	\$250,256	94.4	106.1	84	3.1
27455	\$350K & Over	19	\$472,548	93.9	127.9	108	5.7
27455	Total	64	\$280,170	94.9	97.7	216	3.4

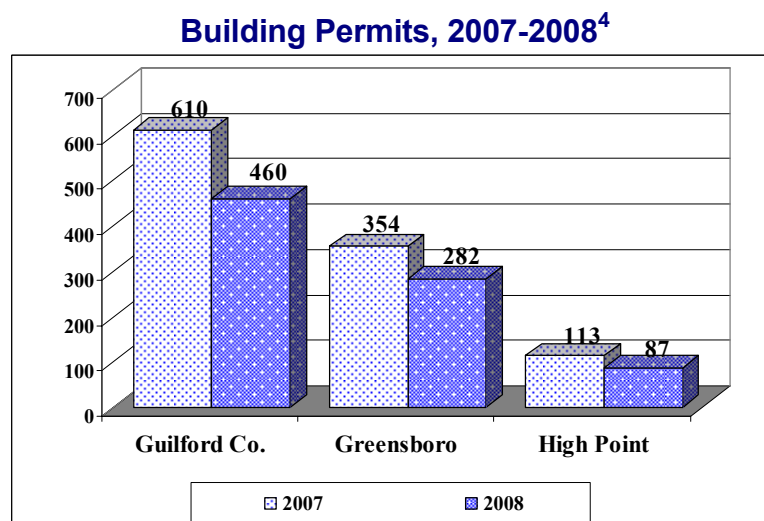
Economic Trends in the Piedmont Triad

Economic conditions in the eight-county Piedmont Triad region improved modestly during the 1st quarter.³ The seasonally adjusted rate of unemployment in the Triad was 5.0 percent in February, up 0.1 percentage points from the revised figure for January. The national unemployment rate was 4.8 percent, down -0.1 percentage points from last month.



Total nonagricultural wage and salary employment (employer survey) in the Piedmont Triad was up 0.2 percent in February. Over the past 12 months, employment has gained 1.4 percent. For the nation as a whole, employment was essentially unchanged in February. Over the past 12 months, national employment has risen 0.6 percent.

Planned residential construction declined during the 1st quarter. Residential building permits (which reflect plans for future construction) were off -24.6 percent in Guilford County as a whole during the first 2 months of 2008 compared to the same period in 2007. Permits dropped -20.3 percent in Greensboro and -23.0 percent in High Point.



The number of real estate foreclosures was up 11.6 percent in the Triad during the 12-month period ending March 2008 compared to the same period in March 2007. Foreclosures were higher by 16.5 percent in Guilford County during the same period. There were 8,529 foreclosures in the Triad and 3,559 in Guilford County.

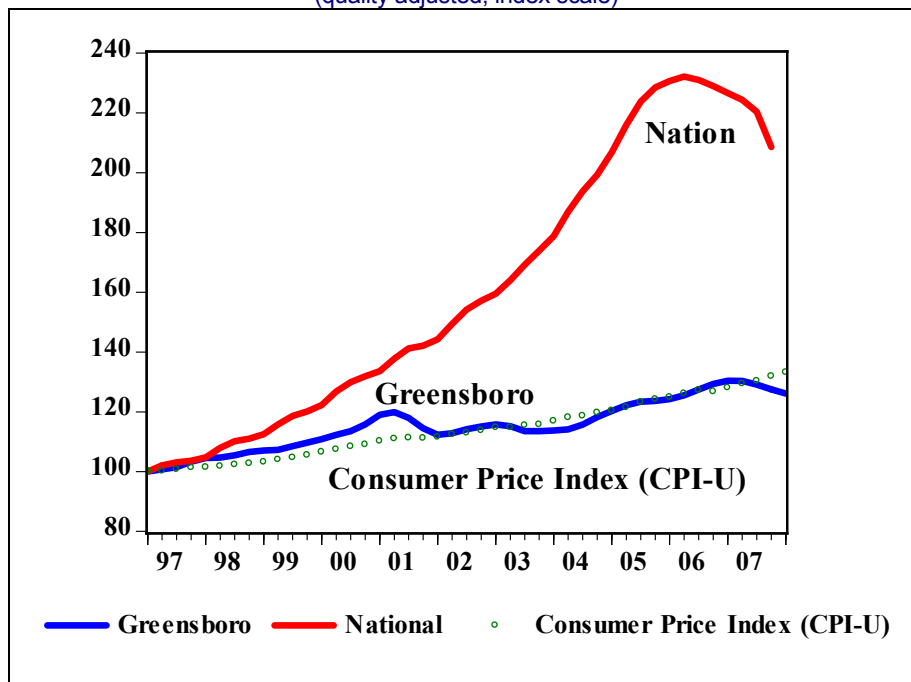
³ The Triad is defined as the eight-county area that is composed of the Burlington MSA, the Greensboro/High Point MSA, and the Winston-Salem MSA.

⁴ Figures reflect year-to-date totals through February.

Longer-Term Trends

Since the first quarter of 1997, existing home prices in Greensboro have risen at an average annual rate of 2.1 percent, lagging the consumer price index (CPI), which has increased an average of 2.5 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 6.9 percent annual rate from 1997.1 through the 4th quarter of 2007, according to the S&P Case-Shiller 10-City Home Price Index. Over the past year, the Case-Shiller Index has fallen -8.9 percent, while prices in Greensboro are down -3.3 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: 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 *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.