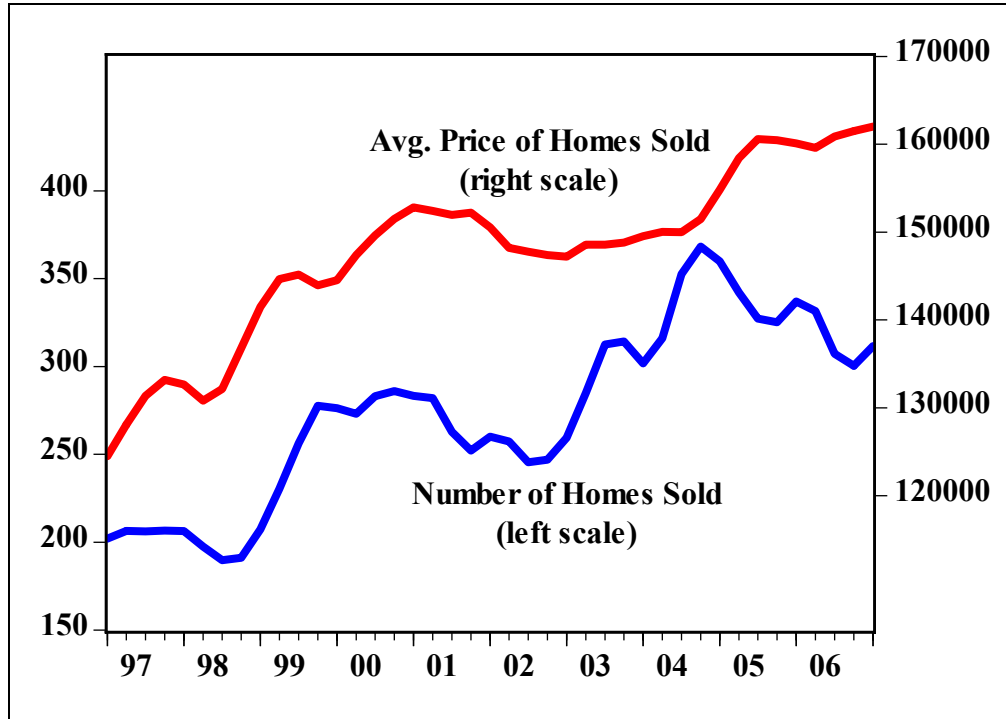


The High Point Housing Report, 2007.1

Current Outlook

The number of existing, single-family homes sold in the High Point area of Guilford County totaled 312 in the 1st quarter of 2007, adjusted for seasonal variation.¹ The number sold was up 4.0 percent compared to the level of sales recorded in the 4th quarter, but it was -7.4 percent below the number sold during the 1st quarter one year ago. Nationally, the pace of existing home sales has fallen -3.6 percent over the past 12 months.²

Number and Prices of Existing Homes Sold, 1997.1 – 2007.1
(seasonally adjusted)



At the end of the 1st quarter of 2007, the inventory of homes on the market totaled 794, or 3.1 times the number of homes sold in the 1st quarter. At the current sales pace, it will take 9.3 months to exhaust the inventory. The number of existing homes offered for sale was up 9.7 percent from what it was in the 4th quarter and 2.8 percent above the level in the 1st quarter one year ago.

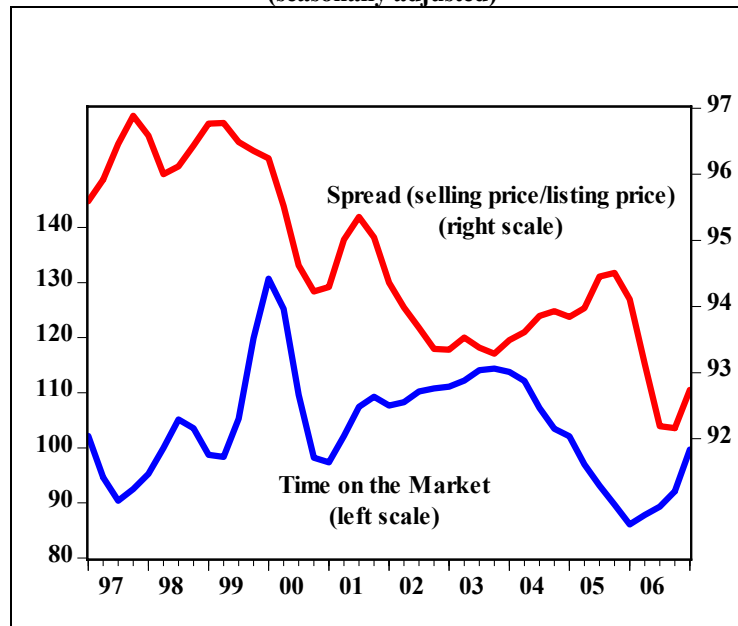
The price of the average home sold in the 1st quarter was essentially unchanged from the previous quarter, on a seasonally adjusted basis. The average quality-adjusted price of an existing home in High Point was \$161,894. The average this quarter was up 1.3 percent from the average recorded in the 1st quarter of last year. Over the past year, consumer prices nationally have risen 2.4 percent, indicating that real home prices in High Point have fallen.

Among other indicators of housing demand, the average time on the market for existing homes sold was 99.7 days, up 8.3 percent from the average in the 4th quarter. The sale-list price spread, which shows the ratio of selling to listing price, was higher at 92.7 percent, indicating a modest decline in the level of discounting in the market. Over the past year, time on the market has risen 15.8 percent, and the spread has fallen, showing that sellers are accepting a smaller percentage of the listing price.

¹ The High Point area of Guilford County includes the cities of High Point and Jamestown.

² This percentage change is calculated from Feb. 2006 to Feb. 2007.

Existing Homes, 1997.1 – 2007.1
(seasonally adjusted)



Housing affordability has been an important factor shaping housing demand over the past year. The affordability index was unchanged this quarter, and since the 1st quarter of 2006, the affordability index has declined 3.7 percent.

Existing Home Sales Data, 2007.1 – 2006.1

	2007.1	2006.4	2006.1	% Chg Last Qtr.	% Chg Last Yr.
<i>Seasonally Adjusted</i>					
Adj. Ave. Home Price	\$161,894	\$161,893	\$159,886	0.0%	1.3%
No. of Homes Sold	312	300	337	4.0%	-7.4%
Time on Market (days)	99.7	92.1	86.1	8.3%	15.8%
Spread: (sale price/list price)	92.7	92.2	94.1	0.5%	-1.5%
<i>Seasonally Unadjusted</i>					
Ave. Home Price	\$145,789	\$160,999	\$146,539	-9.4%	-0.5%
No. of Homes Sold	258	278	273	-7.2%	-5.5%
< \$150K	150	151	157	-0.7%	-4.5%
\$150K - \$349K	94	109	101	-13.8%	-6.9%
\$350K & Over	14	18	15	-22.2%	-6.7%
Inventory, end of qtr.	794	724	772	9.7%	2.8%
Inventory/Sales	3.1	2.6	2.8	18.2%	8.8%
Affordability Index	100.0	100.0	103.8	0.0%	-3.7%

The Neighborhood Distribution of Existing Home Sales

During the 1st quarter, the largest number of sales of existing homes occurred in zip code 27265. This neighborhood, which takes in the Oak Hollow Lake area, had a total of 113 sales. It was followed by zip code 27262, which encompasses the Jamestown area, where 65 sales were recorded. The Oak Hollow area recorded the highest average price for existing homes sold of \$204,204. The highest inventory to sales ratio was in zip code 27260, which is in northwest High Point. At the current sales pace, it will take 12.3 months to exhaust the inventory in this neighborhood.

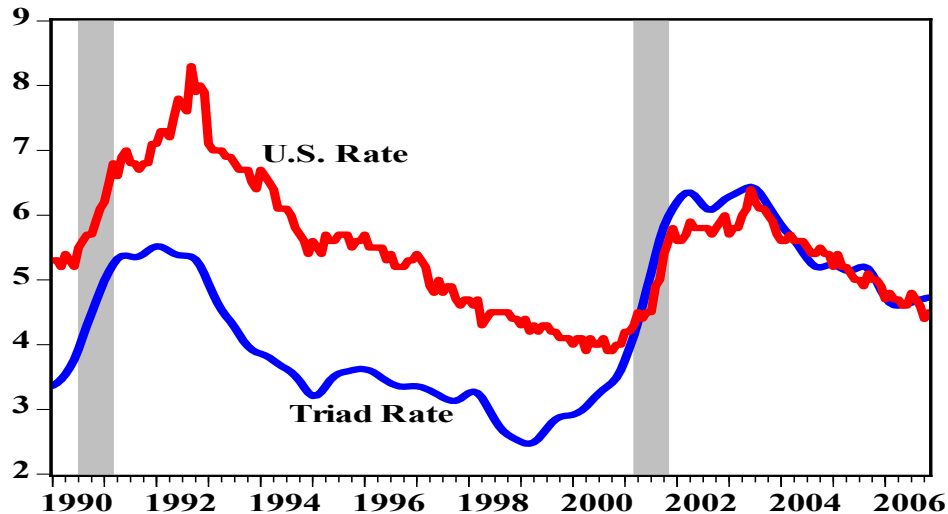
The Neighborhood Distribution of Existing Home Sales, 2007.1

Zip	Price Range	No. Sales	Ave. Price	Spread	TOM	Inventory End of Qtr.	Inv./Sales
27260	< \$150K	42	\$56,967	82.0	83.9	171	4.1
27260	\$150K - \$349K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27260	\$350K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27260	Total	42	\$56,967	82.0	83.9	171	4.1
27262	< \$150K	48	\$84,500	90.4	85.9	120	2.5
27262	\$150K - \$349K	14	\$215,075	96.0	105.6	51	3.6
27262	\$350K & Over	3	\$483,333	92.7	50.3	23	7.7
	Total	65	\$131,032	91.7	88.5	194	3.0
27263	< \$150K	12	\$95,617	93.3	108.8	38	3.2
27263	\$150K - \$349K	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27263	\$350K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Total	12	\$95,617	93.3	108.8	38	3.2
27265	< \$150K	35	\$105,401	91.2	79.4	78	2.2
27265	\$150K - \$349K	66	\$212,742	96.5	89.0	178	2.7
27265	\$350K & Over	12	\$445,417	96.3	119.4	39	3.3
	Total	113	\$204,204	94.8	89.2	295	2.6
27282	< \$150K	12	\$125,474	94.2	79.3	17	1.4
27282	\$150K - \$349K	29	\$231,724	95.9	65.7	71	2.4
27282	\$350K & Over	3	\$432,167	95.4	91.3	14	4.7
	Total	44	\$186,947	88.9	64.9	102	2.3

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 4.8 percent in February, unchanged from the revised figure for January. The national unemployment rate was 4.5 percent, down 0.1 percentage points from last month.

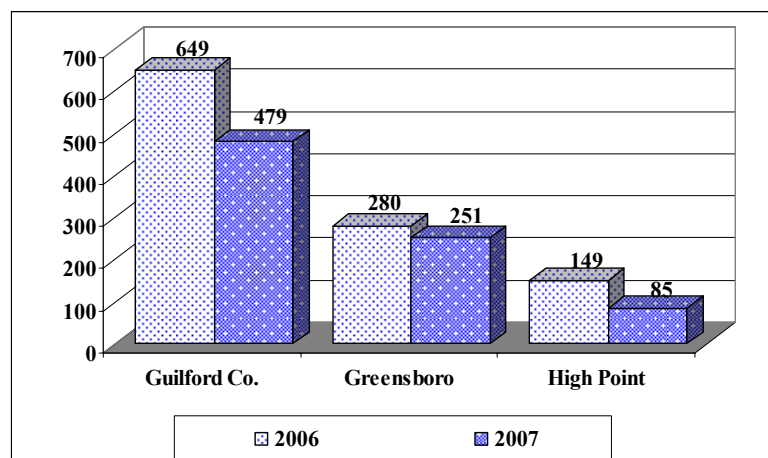
Unemployment Rate (seasonally adjusted)



Total nonagricultural wage and salary employment (employer survey) in the Piedmont Triad was up 0.1 percent in February. Over the past 12 months, employment has gained 1.4 percent. For the nation as a whole, employment was up 0.1 percent in February. Over the past 12 months, national employment has risen 1.5 percent.

Planned single-family residential construction declined during the 1st quarter. Residential building permits (which reflect plans for future construction) were off -26.2 percent in Guilford County as a whole during the first 2 months of 2007 compared to the same period in 2006. Permits declined -10.4 percent in Greensboro and were down -43.0 percent in High Point.

Building Permits, 2006-2007⁴



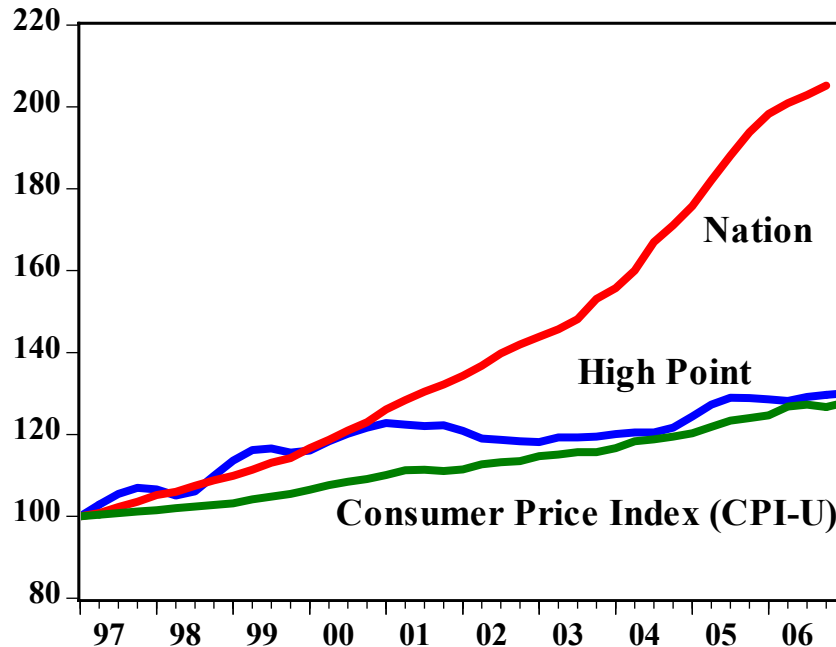
³ The Triad is defined as the eight-county area that is composed of the Burlington MSA, the Greensboro/High Point MSA, and the Winston-Salem MSA.

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

Longer-Term Trends

Since the 1st quarter of 1997, existing home prices in High Point have risen at an average annual rate of 2.6 percent, slightly outpacing the consumer price index (CPI) which has increased an average of 2.5 percent annually. The appreciation of housing prices in High Point has lagged the rise in housing prices nationally. For the nation as a whole, existing home prices have risen at a 7.6 percent annual rate from 1997.1 through the 4th quarter of 2006, according to the Office of Federal Housing Enterprise Oversight (OFHEO).

**Existing Housing Prices in High Point and the Nation
(quality adjusted, index scale)**



In 2006, the average existing home that was sold had 1,876 square feet of floor space. It was 1.4 stories high, had 2.1 bathrooms, 1.2 garage parking spaces, and 0.8 fireplaces. The average age of existing homes sold was 30 years. Eighty-four percent of exiting homes sold were in the city limits of High Point.

Characteristics of Existing Homes Sold, 2006

Square Footage	1,876
Floors	1.4
Baths	2.1
Garage Spaces	1.2
Fireplaces	0.8
Age	30
In the City of High Point	84%
Number Sold	1,270

Methodology

The *High Point Housing Report* uses data from the Triad MLS to track the pace of housing activity in the cities of 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.

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