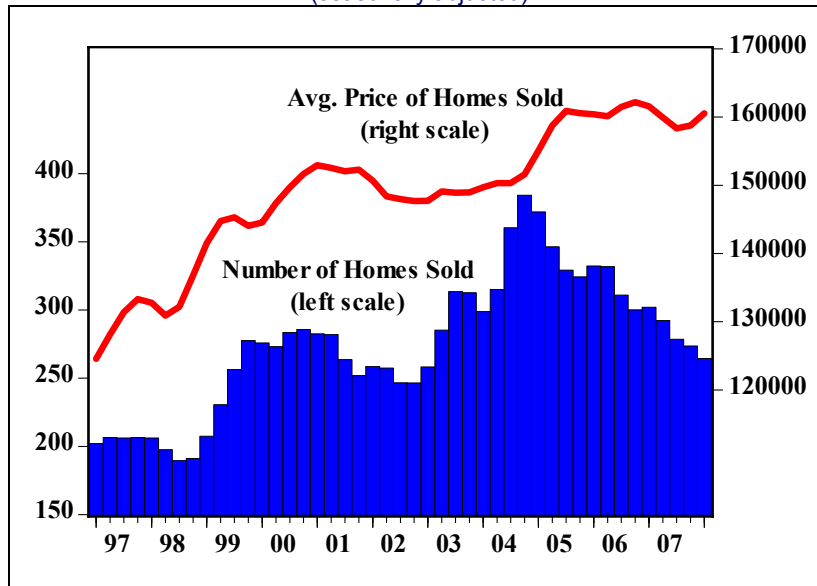


The High Point Housing Report, 2008.1

Current Outlook

The number of existing, single-family homes sold in the High Point area of Guilford County totaled 264 in the 1st quarter of 2008, adjusted for seasonal variation.¹ The number sold was down -3.4 percent compared to the level of sales recorded in the 4th quarter, and it was -12.5 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 market totaled 896, or 4.2 times the number of homes sold in the 1st quarter. At the current sales pace, it will take 12.6 months to exhaust the inventory. The number of existing homes offered for sale was up 4.1 percent from what it was in the 4th quarter, and it was 12.8 percent above the level in the 1st quarter one year ago.

The price of the average home sold in the 1st quarter rose 1.1 percent from the previous quarter, on a seasonally adjusted basis. The average quality-adjusted price of an existing home in High Point was \$160,551. The average this quarter was off -0.6 percent from 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 High Point have fallen.

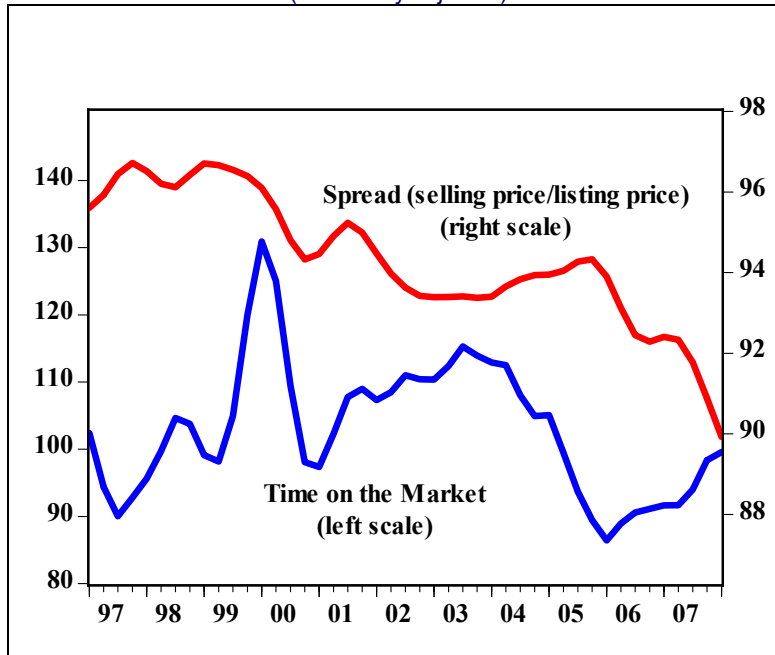
Nationally, the pace of existing home sales has fallen -23.8 percent over the past 12 months.² Average home prices are down -8.2 percent across the nation and -8.6 percent in the South. The national inventory of unsold homes is up 6.0 percent over the past 12 months and will take 9.6 months to sell at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

Among other indicators of housing demand, the average time on the market for existing homes sold was 99.6 days, up 1.2 percent from the average in the 4th quarter. The sale-list price spread, which shows the ratio of selling to listing price, was lower at 89.9 percent, indicating an increase in the level of discounting in the market. Over the past year, time on the market has risen 8.7 percent, and the spread has fallen, showing that the time to sell a home has risen and 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 is calculated from February 2007 to February 2008.

Existing Homes, 1997.1 – 2008.1
(seasonally adjusted)



Housing affordability has been an important factor shaping housing demand over the past year. The affordability index was off -1.8 percent this quarter, and since the 1st quarter of 2007, the affordability index has slipped -0.6 percent.

Existing Home Sales Data

	2008.1	2007.2	2007.1	% Chg Last Qtr.	% Chg Last Yr.
<i>Seasonally Adjusted</i>					
Adj. Ave. Home Price	\$160,551	\$158,746	\$161,597	1.1%	-0.6%
No. of Homes Sold	264	274	302	-3.4%	-12.5%
Time on Market (days)	99.6	98.4	91.6	1.2%	8.7%
Spread: (sale price/list price)	89.9	90.9	92.4	-1.1%	-2.7%
Consumer Price Index (CPI-U)	212.6	210.6	204.3	1.0%	4.1%
<i>Not Seasonally Adjusted</i>					
Ave. Home Price	\$159,140	\$135,540	\$145,789	17.4%	9.2%
No. of Homes Sold	215	268	258	-19.8%	-16.7%
< \$150K	108	164	150	-34.1%	-28.0%
\$150K - \$349K	98	96	94	2.1%	4.3%
\$350K & Over	9	8	14	12.5%	-35.7%
Inventory, end of qtr.	896	861	794	4.1%	12.8%
Inventory/Sales	4.2	3.2	3.1	29.7%	35.4%
Affordability Index	93.1	94.8	93.7	-1.8%	-0.6%

The Neighborhood Distribution of Existing Home Sales

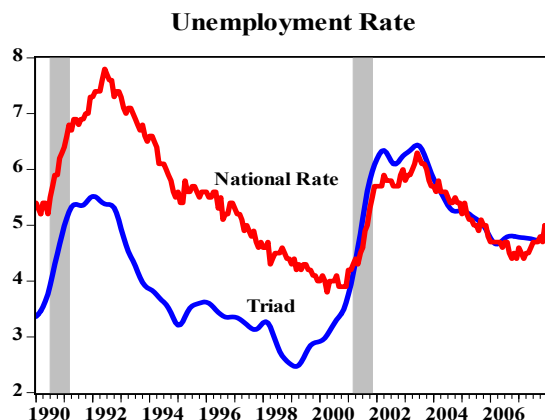
During the 1st quarter, the largest number of sales of existing homes occurred in zip code 27265. This neighborhood, which takes in the Oak Hollow Lake area, had a total of 97 sales. It was followed by zip code 27262, which encompasses northwest High Point around the High Point Country Club, where 39 sales were recorded. Zip code 27265, the Oak Hollow Lake area, area recorded the highest average price for existing homes sold of \$188,520. The highest inventory to sales ratio was in zip code 27260, which includes southeast High Point surrounding the Blair Park area. At the current sales pace, it will take 15.6 months to exhaust the inventory in this neighborhood.

The Neighborhood Distribution of Existing Home Sales, 2008.1

Zip	Price Range	No. Sales	Ave. Price	Spread	TOM	Inventory End of Qtr.	Inv./Sales
27260	< \$150K	36	\$60,112	83.7	92.4	182	5.1
27260	\$150K - \$349K	0	n.a.	n.a.	n.a.	6	n.a.
27260	\$350K & Over	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27260	Total	36	\$60,112	83.7	92.4	188	5.2
27262	< \$150K	22	\$79,500	85.6	109.2	108	4.9
27262	\$150K - \$349K	14	\$212,150	93.2	159.1	48	3.4
27262	\$350K & Over	3	\$542,083	88.9	110.3	34	11.3
27262	Total	39	\$162,701	88.5	127.2	190	4.9
27263	< \$150K	10	\$88,112	82.1	116.4	31	3.1
27263	\$150K - \$349K	0	n.a.	n.a.	n.a.	2	n.a.
27263	\$350K & Over	0	n.a.	n.a.	n.a.	1	n.a.
27263	Total	10	\$88,112	82.1	116.4	34	3.4
27265	< \$150K	31	\$107,856	94.1	93.6	93	3.0
27265	\$150K - \$349K	63	\$214,040	92.6	112.2	235	3.7
27265	\$350K & Over	3	\$486,133	88.0	78.3	32	10.7
27265	Total	97	\$188,520	92.9	105.2	360	3.7
27282	< \$150K	8	\$122,456	88.0	91.0	19	2.4
27282	\$150K - \$349K	21	\$198,412	95.3	92.0	73	3.5
27282	\$350K & Over	3	\$425,583	97.9	67.3	23	7.7
27282	Total	32	\$160,822	93.7	83.2	115	3.6

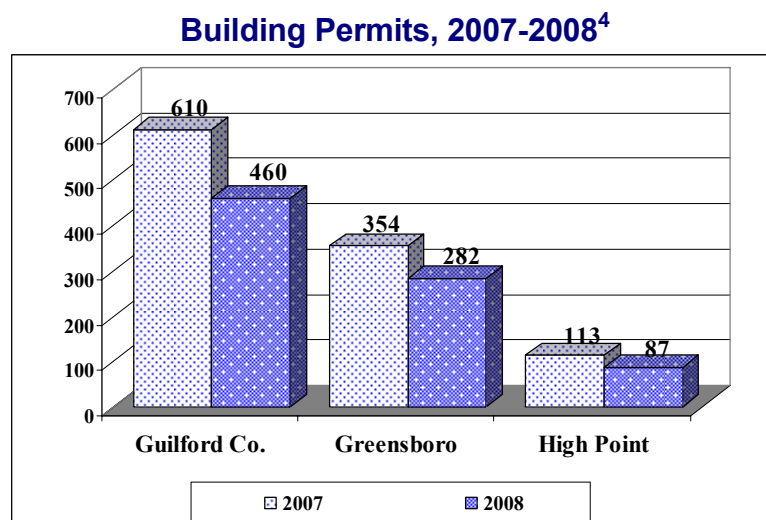
Economic Trends in the Piedmont Triad

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.

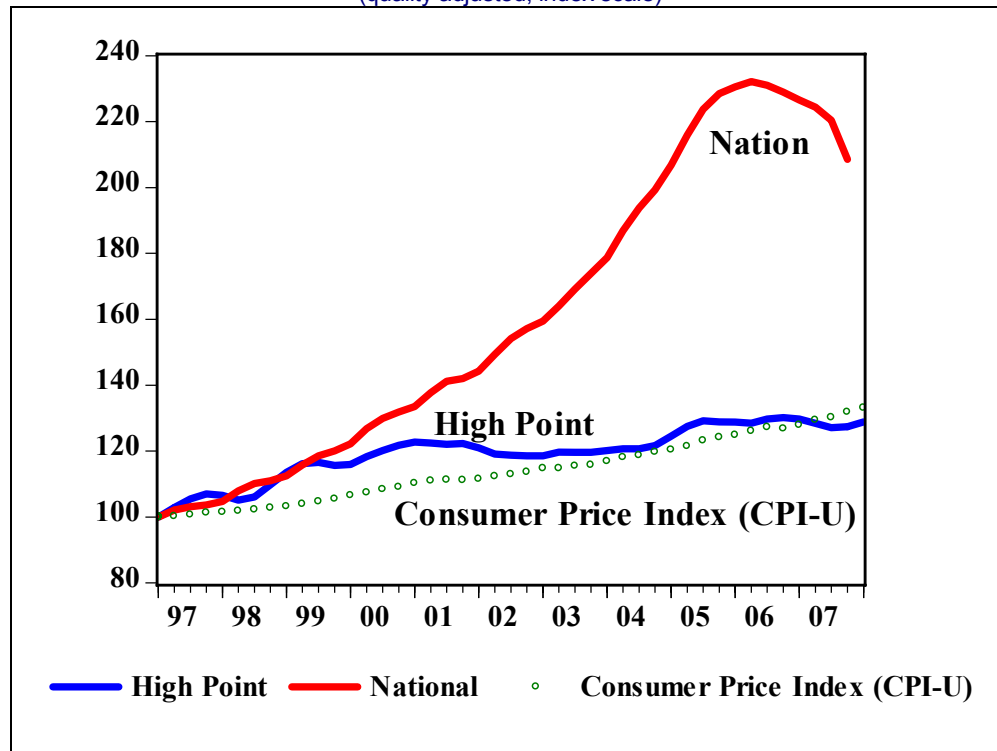
³ The Triad is defined as the eight-county area that is composed of the Burlington MSA, the Greensboro/High Point MSA, and the Winston-Salem MSA.

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

Longer-Term Trends

Since the first quarter of 1997, existing home prices in High Point have risen at an average annual rate of 2.3 percent, lagging 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 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 Cass-Shiller 10-City Home Price Index. Over the past year, the Cass-Shiller Index has fallen -8.9 percent, while prices in the High Point area are down -0.6 percent.

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



In 2007, the average existing home that was sold had 1,818 square feet of floor space. It was 1.4 stories high, had 2.1 bathrooms, 1.1 garage parking spaces, and 0.8 fireplaces. The average age of existing homes sold was 32 years. Eighty-four percent of exiting homes sold were in the city limits of High Point.

Characteristics of Existing Homes Sold, 2007

Square Footage	1,818
Floors	1.4
Baths	2.1
Garage Spaces	1.1
Fireplaces	0.8
Age	32
In the City of High Point	84%
Number Sold	1,151

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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