

# The Guilford Housing Report

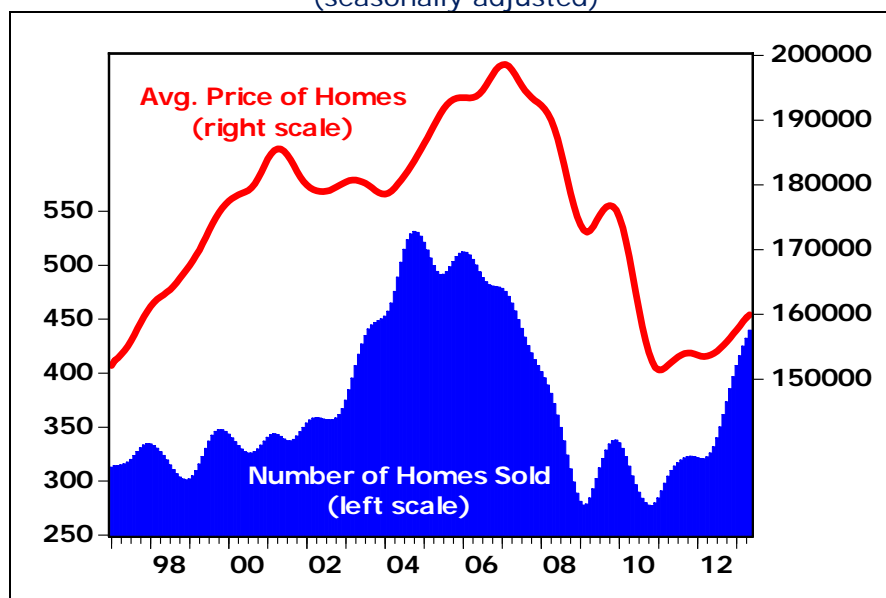
(May 2013)

The number of existing, single-family homes sold in Guilford County totaled 440 in May after adjustment for seasonal variation. The number sold was up 1.9% compared to the level of sales recorded in April, and it was 35.0% above the number sold during May one year ago.

The average price of homes sold was up 0.3% in May and has risen 4.0% over the past 12 months. Existing home prices in this cycle bottomed in January 2011 and have since risen 5.6%.

Over the past 12 months, time on the market (TOM) has fallen and the spread, which shows the ratio of selling to listing prices, has increased, indicating less discounting in the market. The inventory/sales ratio was 5.4 months. This ratio indicates the number of months to clear the current inventory of homes on the market at the current pace of sales. The ratio is down from 8.2 months in May of last year. The inventory/sales ratio is substantially higher for more expensive homes. For homes priced at \$500,000 or above, the ratio is 18.2 months,

**Number and Prices of Existing Homes Sold, 1997.01 – 2013.05**  
(seasonally adjusted)

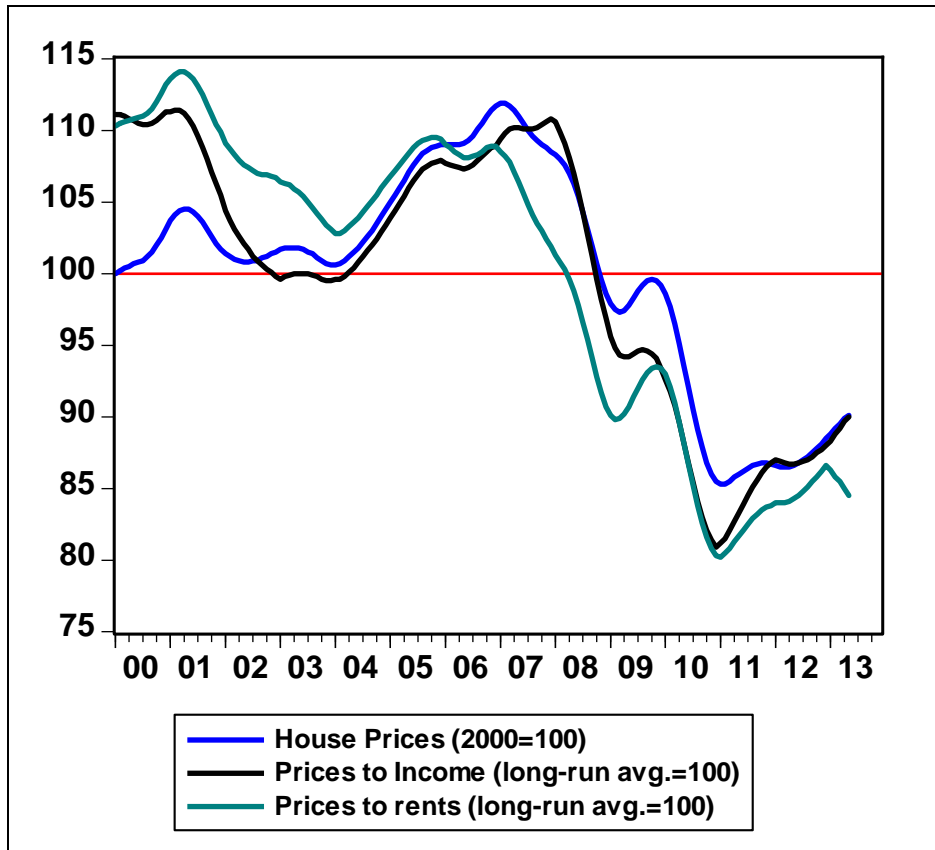


## Single-Family Existing Home Sales, May 2013

	Current Month	Previous Month	2 Months Ago	Year-Ago Month	% Chg. Last Month	% Chg. Year Ago
Avg. Price	\$159,955	\$159,521	\$158,947	\$153,752	0.3%	4.0%
Quantity	440	432	425	326	1.9%	35.0%
Spread	94.1	94.1	94.1	93.6	0.0%	0.5%
Tom	99.3	100.3	101.3	109.4	-1.0%	-9.2%
No. for Sale	2,361	2,395	2,238	2,679	-1.4%	-11.9%
Inv./Sales	5.4	5.2	6.3	8.2	0.0%	-37.5%

The following graph shows housing prices in Guilford County relative to two measures of intrinsic value: 1) the ratio of housing prices to household income and 2) the ratio of housing prices to rents. Comparing these ratios to their long-run average value, provides measures of the over- or under-valuation of housing prices.

**Measures of Housing Valuation**



Both ratios suggest that housing in Guilford County is substantially undervalued currently. The income ratio is 90.0 and the rent ratio is 84.5. They indicate that housing is from 10 to 15% undervalued .