

# Economic and Market Watch Report

**Includes:**

Berks County, PA  
Bucks County, PA  
Burlington County, NJ  
Camden County, NJ  
Chester County, PA  
Delaware County, PA  
Gloucester County, NJ  
Kent County, DE  
Mercer County, NJ  
Montgomery County, PA  
New Castle County, DE  
Philadelphia County, PA  
Salem County, NJ

# **TREND Economic and Market Watch Report**

TREND is the Multiple Listing Service (MLS) for more than 32,000 real estate professionals in and around the Philadelphia metropolitan region. TREND's 13-county primary service area includes Kent and New Castle counties in Delaware; Burlington, Camden, Gloucester, Mercer and Salem counties in New Jersey; and Berks, Bucks, Chester, Delaware, Montgomery and Philadelphia counties in Pennsylvania.

For more than 10 years, TREND has been committed to providing real estate professionals with superior real estate marketing information services. That commitment continues today and well into the future with our Internet-based MLS and Public Records systems and additional TREND products. The market information services and technology that TREND offers along with education, communication and support of these, give real estate professionals the tools and the advantage they need to succeed in today's industry.

TREND provides the Economic and Market Watch Report to help real estate professionals identify current and future economic trends that affect the real estate industry.

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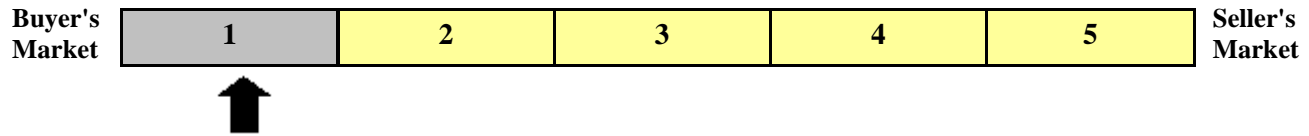
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\*Reprinted from Real Estate Outlook: Market Trends and Insights.

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## Kent County, DE



### Labor Market :

Employment declined by 165 jobs in October and November. The job losses brought about an increase in the average monthly unemployment rate from 4.8% in the third quarter to 5.1% for the first two months of the fourth quarter. Job losses are ticking upwards, creating a drag on buyer confidence and demand in Kent County. However, historically low mortgage rates have created a favorable buying environment for those with a job.

### Housing Market :

	Q3' 08	Q4' 08	Q1' 09 (Forecast)
Average Price	\$223,000	\$211,100	↓
# Homes on the Market *	1,680	1,794	↑
# Homes Sold **	358	253	↓
# New Homes Built ***	158	85	↓
Avg # of Days on Market	83	89	↑

\* Available as of Dec. 31, 2008.

\*\* May not add to total of zip codes

\*\*\* During the first two months of 4th quarter.

### Data by Zip Codes

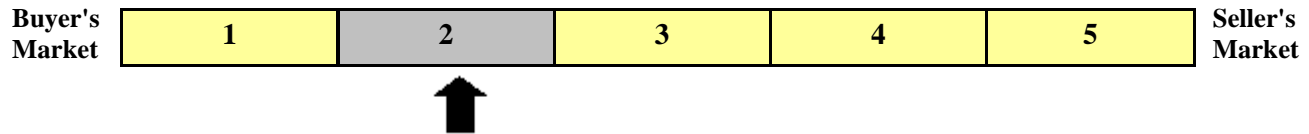
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
19901	\$220,900	1.33%	43	-41.10%	88	97.1%
19904	\$199,100	-7.01%	66	-29.79%	68	97.1%
19934	\$231,300	-0.73%	21	-22.22%	100	95.2%
19938	\$214,800	-24.68%	16	-40.74%	72	97.4%
19943	\$233,200	2.24%	11	-67.65%	96	96.3%
19946	\$176,000	-12.26%	4	33.33%	39	95.1%
19950	\$210,000	-23.25%	3	-25.00%	85	94.0%
19952	\$211,900	7.45%	11	-50.00%	93	95.5%
19953	\$227,600	-7.55%	8	-20.00%	125	95.0%
19954	\$148,800	-26.88%	4	33.33%	192	93.2%
19962	\$219,300	-13.42%	22	-31.25%	81	98.1%

## Kent County, DE

### Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
19963	\$202,500	-16.11%	6	-40.00%	171	93.7%
19964	\$227,500	-13.43%	2	-33.33%	19	96.8%
19977	\$204,900	-18.79%	34	-20.93%	115	96.7%
19979	\$187,500	-14.38%	1	0.00%	40	96.3%
19980	\$191,000	N/A	1	N/A	74	107.3%

## New Castle County, DE



### Labor Market :

Employment increased by 2,485 jobs in New Castle County during October and November. However, the number of job seekers also increased. The combined effect of these two trends was an increase in the average monthly unemployment rate from 4.9% for the third quarter to 5.2% in the first two months of the fourth quarter. The solid job growth may provide home sales, while historically low mortgage rates boost affordability.

### Housing Market :

	Q3' 08	Q4' 08	Q1' 09 (Forecast)
Average Price	\$261,500	\$243,600	↓
# Homes on the Market *	2,996	3,123	↑
# Homes Sold **	1,324	1,013	↓
# New Homes Built ***	134	53	↓
Avg # of Days on Market	65	76	↑

\* Available as of Dec. 31, 2008.

\*\* May not add to total of zip codes

\*\*\* During the first two months of 4th quarter.

### Data by Zip Codes

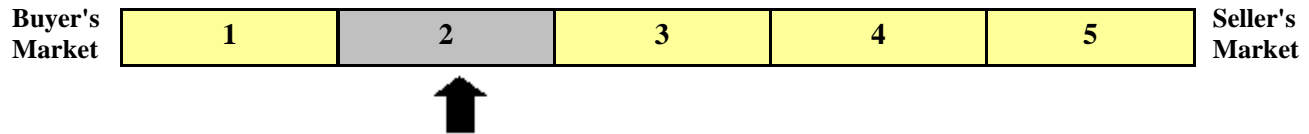
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
19701	\$272,500	-3.88%	76	-37.19%	69	96.8%
19702	\$228,200	-7.54%	100	-28.06%	63	97.0%
19703	\$182,100	0.17%	26	-10.34%	81	96.3%
19706	\$170,000	-30.07%	1	-75.00%	29	92.1%
19707	\$394,900	-8.42%	26	-45.83%	96	92.9%
19709	\$310,400	-6.20%	65	-22.62%	84	97.5%
19711	\$319,600	3.33%	68	-32.67%	70	97.9%
19713	\$193,600	-6.83%	62	-33.33%	71	97.0%
19720	\$173,200	-14.43%	99	-27.74%	74	97.3%
19734	\$292,600	-1.08%	20	25.00%	199	94.7%
19801	\$194,800	-33.76%	20	-83.74%	132	93.5%

## New Castle County, DE

### Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
19802	\$141,600	-2.75%	53	-30.26%	83	96.3%
19803	\$338,900	-3.09%	47	-12.96%	71	95.2%
19804	\$187,400	-7.41%	32	-33.33%	72	97.2%
19805	\$147,800	-5.92%	96	-29.93%	73	95.7%
19806	\$308,100	-6.44%	41	-6.82%	74	96.2%
19807	\$598,600	-43.39%	15	-44.44%	90	93.9%
19808	\$233,000	-11.98%	98	-13.27%	65	96.4%
19809	\$237,900	30.93%	23	-36.11%	78	95.9%
19810	\$309,700	-3.40%	44	-31.25%	67	94.8%
19938	\$135,900	-54.70%	1	0.00%	8	100.0%

## Burlington County, NJ



### Labor Market :

In the first two months of the fourth quarter, 208 jobs were added to the payrolls of Burlington County. As a result of these new jobs, the average monthly unemployment rate fell from 5.3% during the third quarter to 5.2% for October and November. This steady job creation may help to maintain demand for home purchases. Favorable mortgage rates should support this trend.

### Housing Market :

	Q3' 08	Q4' 08	Q1' 09 (Forecast)
Average Price	\$273,200	\$250,700	↓
# Homes on the Market *	3,578	3,565	↑
# Homes Sold **	1,171	842	↓
# New Homes Built ***	120	73	↓
Avg # of Days on Market	85	98	↑

\* Available as of Dec. 31, 2008.

\*\* May not add to total of zip codes

\*\*\* During the first two months of 4th quarter.

### Data by Zip Codes

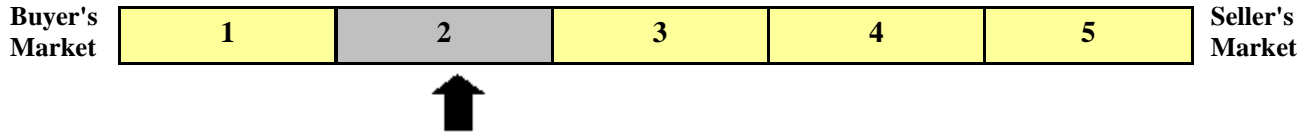
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
08010	\$177,500	4.35%	16	-50.00%	142	97.1%
08015	\$161,200	-12.10%	49	-23.44%	110	96.5%
08016	\$247,000	-0.60%	62	-29.55%	114	96.6%
08022	\$356,600	11.09%	20	-28.57%	142	94.6%
08036	\$289,200	-19.80%	7	-53.33%	94	93.0%
08041	\$230,000	-26.05%	1	-80.00%	73	93.9%
08042	\$426,300	N/A	2	N/A	104	97.5%
08046	\$147,000	-12.19%	70	2.94%	94	95.8%
08048	\$267,900	-2.69%	14	-46.15%	70	96.5%
08052	\$171,500	-1.38%	25	-30.56%	105	94.2%
08053	\$263,800	-5.99%	110	-17.29%	94	95.3%

## Burlington County, NJ

### Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
08054	\$271,500	6.30%	128	-14.09%	78	96.1%
08055	\$335,400	-4.01%	46	-28.13%	105	94.4%
08057	\$464,100	-3.63%	31	-38.00%	101	93.7%
08060	\$230,500	-2.16%	49	-44.94%	89	96.5%
08065	\$182,000	-12.29%	15	-53.13%	62	96.5%
08068	\$251,700	8.35%	5	-73.68%	80	95.3%
08075	\$226,000	-11.72%	60	5.26%	93	95.1%
08077	\$264,300	-1.34%	21	-38.24%	113	95.7%
08087	\$96,000	N/A	1	N/A	76	85.7%
08088	\$228,100	-18.91%	41	-38.81%	129	92.2%
08501	\$200,000	N/A	1	N/A	716	66.7%
08505	\$277,900	6.27%	34	-15.00%	103	94.6%
08511	\$405,800	N/A	2	N/A	111	99.0%
08515	\$440,800	-7.26%	8	-46.67%	62	93.6%
08518	\$134,100	-13.04%	7	-46.15%	64	98.3%
08554	\$140,000	-29.65%	6	-57.14%	135	96.8%
08562	\$288,600	18.09%	8	14.29%	75	94.5%
08610	\$198,700	-20.14%	1	-75.00%	96	99.4%
08620	\$397,500	20.27%	2	0.00%	138	95.3%

## Camden County, NJ



### Labor Market :

A total of 226 jobs were created during October and November. The new jobs in Camden County were offset by a proportional increase in the number of job seekers. The net result was no change in the average monthly unemployment rate for the first two months of the fourth quarter from the 6.4% rate of the third quarter. The new jobs should help demand. Coupled with historically low mortgage rates, these two patterns should help to keep the market moving.

### Housing Market :

	Q3' 08	Q4' 08	Q1' 09 (Forecast)
Average Price	\$218,700	\$199,100	↓
# Homes on the Market *	3,844	3,847	↑
# Homes Sold **	1,266	851	↓
# New Homes Built ***	52	58	↓
Avg # of Days on Market	79	86	↑

\* Available as of Dec. 31, 2008.

\*\* May not add to total of zip codes

\*\*\* During the first two months of 4th quarter.

### Data by Zip Codes

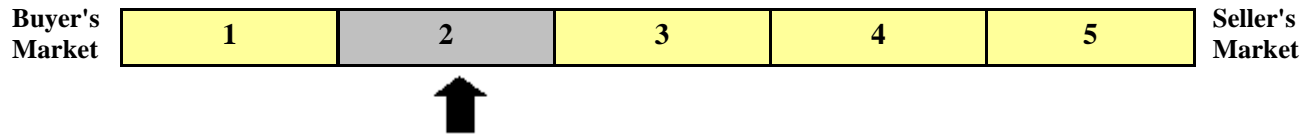
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
08002	\$208,400	-16.37%	36	-23.40%	62	93.1%
08003	\$303,000	-13.48%	52	-23.53%	83	95.3%
08004	\$175,900	-9.14%	14	-46.15%	90	95.6%
08007	\$186,300	3.39%	4	-76.47%	86	96.4%
08009	\$212,000	-19.15%	25	19.05%	90	94.8%
08012	\$192,400	-5.59%	45	7.14%	102	95.8%
08018	\$379,900	72.68%	1	0.00%	183	100.0%
08021	\$139,100	-13.50%	53	-56.91%	89	96.8%
08026	\$475,900	101.65%	1	-75.00%	8	97.1%
08029	\$167,100	-14.09%	7	0.00%	111	90.4%
08030	\$117,100	-14.65%	26	-31.58%	106	96.3%

## Camden County, NJ

### Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
08031	\$174,400	-8.07%	21	-8.70%	80	98.6%
08033	\$434,200	-2.71%	37	8.82%	96	94.0%
08034	\$257,300	-1.27%	37	-42.19%	57	95.3%
08035	\$328,000	1.33%	16	-20.00%	137	87.5%
08037	\$220,800	-0.99%	5	150.00%	106	97.1%
08043	\$257,000	-20.73%	51	-20.31%	86	95.7%
08045	\$158,700	1.21%	7	-36.36%	62	95.5%
08049	\$139,400	-28.91%	7	-53.33%	71	85.0%
08059	\$143,200	-19.28%	9	-57.14%	61	95.5%
08078	\$177,700	-1.50%	12	-7.69%	59	96.7%
08080	\$301,000	N/A	1	N/A	107	96.6%
08081	\$191,200	-4.69%	127	-1.55%	83	96.8%
08083	\$171,200	-9.37%	11	-57.69%	64	96.8%
08084	\$175,500	-22.28%	10	-23.08%	88	96.3%
08089	\$68,000	-67.51%	1	-90.00%	181	96.5%
08091	\$253,100	34.84%	7	0.00%	64	98.3%
08095	\$154,500	-24.60%	1	0.00%	27	93.7%
08102	\$139,300	167.88%	5	150.00%	28	95.3%
08103	\$71,500	-9.61%	11	-26.67%	104	96.3%
08104	\$56,900	-10.25%	40	-20.00%	104	89.2%
08105	\$68,300	-20.49%	24	-31.43%	80	92.8%
08106	\$212,300	-1.07%	17	-32.00%	65	95.5%
08107	\$145,200	-28.89%	15	-57.14%	111	95.9%
08108	\$229,100	-1.38%	39	-20.41%	123	94.9%
08109	\$176,500	-7.49%	39	-33.90%	85	94.7%
08110	\$139,200	-6.76%	37	-33.93%	72	95.5%

## Gloucester County, NJ



### Labor Market :

In the first two months of the fourth quarter, 131 jobs were added to the payrolls of Gloucester County. As a result of these new jobs, the average monthly unemployment rate fell from 5.7% during the third quarter to 5.6% for October and November. This steady job creation may help to maintain demand for home purchases. Favorable mortgage rates should support this trend.

### Housing Market :

	Q3' 08	Q4' 08	Q1' 09 (Forecast)
Average Price	\$238,900	\$234,100	↓
# Homes on the Market *	2,197	2,198	↑
# Homes Sold **	662	541	↓
# New Homes Built ***	135	117	↓
Avg # of Days on Market	89	103	↑

\* Available as of Dec. 31, 2008.

\*\* May not add to total of zip codes

\*\*\* During the first two months of 4th quarter.

### Data by Zip Codes

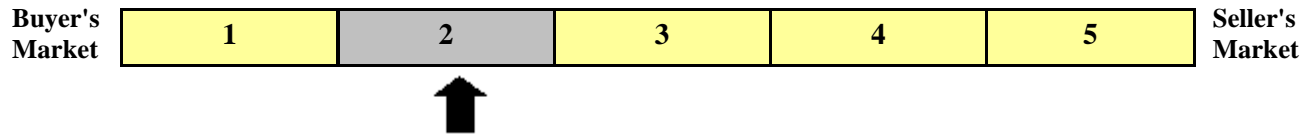
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
08012	\$209,800	-13.09%	18	-41.94%	101	93.9%
08020	\$377,300	99.63%	6	-14.29%	61	91.2%
08027	\$167,700	-18.43%	7	-53.33%	54	94.8%
08028	\$190,000	-13.52%	31	-13.89%	113	96.4%
08032	\$178,300	N/A	2	N/A	49	98.5%
08039	\$230,000	N/A	1	N/A	192	98.8%
08051	\$201,300	5.12%	34	-2.86%	103	96.9%
08056	\$398,900	3.93%	18	157.14%	104	94.4%
08061	\$258,600	-14.85%	8	14.29%	247	98.5%
08062	\$375,200	5.19%	23	-39.47%	82	93.5%
08063	\$150,300	0.33%	6	-25.00%	46	95.6%

## Gloucester County, NJ

### Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
08066	\$129,500	7.29%	16	-15.79%	98	94.3%
08071	\$212,100	6.10%	23	4.55%	89	97.6%
08080	\$232,200	-10.59%	53	-38.37%	106	95.1%
08081	\$258,600	3.90%	4	0.00%	152	96.4%
08085	\$292,300	-19.48%	47	2.17%	108	95.0%
08086	\$246,400	0.41%	19	35.71%	99	95.2%
08090	\$253,800	32.74%	18	-14.29%	118	92.3%
08093	\$156,700	-14.79%	17	-32.00%	91	96.8%
08094	\$226,900	6.43%	70	0.00%	97	95.7%
08096	\$191,000	-12.94%	62	-34.74%	95	96.1%
08097	\$247,500	13.01%	2	-84.62%	171	90.9%
08312	\$189,600	14.42%	17	-10.53%	110	98.0%
08322	\$294,500	-1.04%	24	14.29%	119	92.7%
08328	\$161,100	-32.45%	4	100.00%	92	96.2%
08343	\$221,500	-7.59%	5	-44.44%	157	98.7%
08344	\$190,000	-23.33%	5	0.00%	95	91.9%
08360	\$173,500	N/A	1	N/A	69	96.9%

## Mercer County, NJ



### Labor Market :

Mercer County saw 568 layoffs occur during October and November. Despite the decline in employment, the average monthly unemployment rate fell from 5.3% during the third quarter to 5% in the first two months of the fourth quarter. Resign job losses are hurting demand, but historically low mortgage rates are improving affordability.

### Housing Market :

	Q3' 08	Q4' 08	Q1' 09 (Forecast)
Average Price	\$391,900	\$302,600	↓
# Homes on the Market *	2,209	2,149	↑
# Homes Sold **	933	510	↓
# New Homes Built ***	65	33	↓
Avg # of Days on Market	80	91	↑

\* Available as of Dec. 31, 2008.

\*\* May not add to total of zip codes

\*\*\* During the first two months of 4th quarter.

### Data by Zip Codes

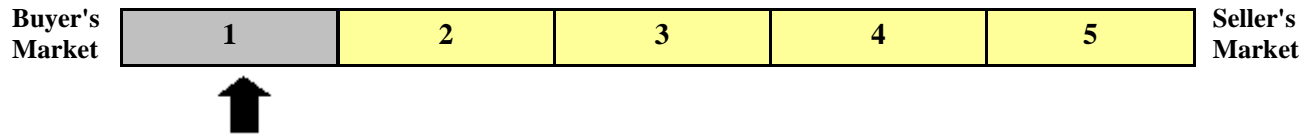
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
08512	\$199,000	-11.95%	7	-50.00%	98	95.5%
08520	\$246,100	-20.38%	52	-24.64%	103	95.0%
08525	\$286,700	-34.05%	5	-70.59%	107	90.0%
08530	\$288,500	-36.24%	2	0.00%	193	90.3%
08534	\$467,400	2.16%	21	-38.24%	77	94.0%
08540	\$704,600	3.36%	49	-40.96%	80	93.7%
08542	\$325,000	-19.79%	2	-33.33%	285	93.0%
08550	\$639,400	12.16%	23	-54.00%	72	95.2%
08560	\$385,800	-21.68%	3	-62.50%	138	92.2%
08609	\$70,300	-32.60%	11	-8.33%	78	92.1%
08610	\$177,000	-14.04%	61	-12.86%	111	95.8%

## Mercer County, NJ

### Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
08611	\$84,500	-22.12%	27	-46.00%	94	90.4%
08618	\$156,300	1.56%	24	-63.08%	108	92.2%
08619	\$260,700	1.32%	36	-25.00%	86	96.3%
08620	\$273,900	-28.67%	17	-15.00%	85	93.8%
08628	\$219,400	-18.89%	9	-35.71%	101	95.9%
08629	\$120,100	-18.02%	15	-58.33%	97	94.2%
08638	\$173,400	-17.62%	16	-60.98%	69	94.8%
08648	\$318,100	-6.44%	49	-31.94%	71	96.5%
08690	\$276,300	-12.48%	49	-3.92%	107	95.8%
08691	\$311,400	-12.90%	32	-48.39%	62	97.3%

## Salem County, NJ



### Labor Market :

Employment increased by 67 jobs in Salem County during October and November. However, the number of job seekers also increased. The combined effect of these two trends was an increase in the average monthly unemployment rate from 6.3% for the third quarter to 6.8% in the first two months of the fourth quarter. The solid job growth may provide home sales, while historically low mortgage rates boost affordability.

### Housing Market :

	Q3' 08	Q4' 08	Q1' 09 (Forecast)
Average Price	\$188,600	\$177,700	↓
# Homes on the Market *	574	574	↑
# Homes Sold **	120	82	↓
# New Homes Built ***	10	15	↓
Avg # of Days on Market	102	105	↑

\* Available as of Dec. 31, 2008.

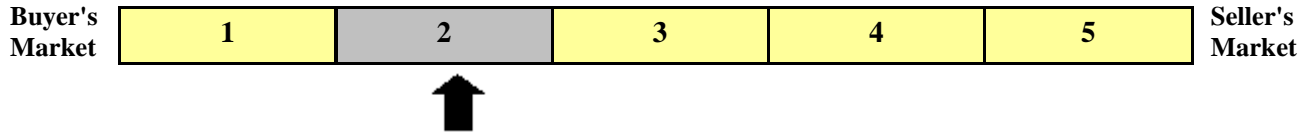
\*\* May not add to total of zip codes

\*\*\* During the first two months of 4th quarter.

### Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
08001	\$342,500	22.63%	1	-80.00%	92	90.4%
08023	\$128,000	113.33%	1	0.00%	477	98.5%
08067	\$78,900	-67.46%	1	-50.00%	220	75.2%
08069	\$125,400	-17.45%	14	-60.00%	96	95.3%
08070	\$177,800	3.07%	17	-57.50%	111	94.8%
08079	\$116,800	-28.48%	14	-33.33%	108	94.9%
08085	\$90,000	N/A	1	N/A	0	79.6%
08098	\$255,900	-2.66%	18	20.00%	101	93.2%
08302	\$171,500	-41.77%	2	-60.00%	179	94.0%
08318	\$190,600	-22.71%	8	-46.67%	73	98.0%
08343	\$209,700	29.44%	5	150.00%	82	94.5%

## Berks County, PA



### Labor Market :

Employment declined by 1,771 jobs in October and November. The job losses brought about an increase in the average monthly unemployment rate from 5.5% in the third quarter to 5.9% for the first two months of the fourth quarter. Job losses are ticking upwards, creating a drag on buyer confidence and demand in Berks County. However, historically low mortgage rates have created a favorable buying environment for those with a job.

### Housing Market :

	Q3' 08	Q4' 08	Q1' 09 (Forecast)
Average Price	\$184,700	\$176,400	↓
# Homes on the Market *	3,609	3,677	↑
# Homes Sold **	1,051	820	↓
# New Homes Built ***	49	29	↓
Avg # of Days on Market	82	81	↑

\* Available as of Dec. 31, 2008.

\*\* May not add to total of zip codes

\*\*\* During the first two months of 4th quarter.

### Data by Zip Codes

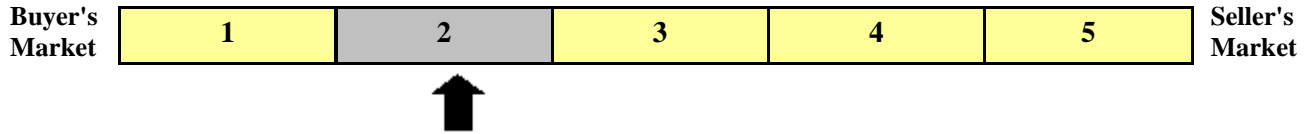
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
17569	\$214,000	8.91%	2	0.00%	60	97.3%
18011	\$212,500	-42.26%	1	0.00%	140	94.5%
18056	\$87,100	N/A	2	N/A	50	87.1%
18070	\$218,000	N/A	2	N/A	85	100.5%
19503	\$197,500	29.93%	1	-50.00%	128	98.8%
19504	\$238,100	-12.30%	9	28.57%	94	93.2%
19505	\$227,600	-12.46%	4	100.00%	56	93.6%
19506	\$211,700	-25.93%	10	-28.57%	70	94.4%
19507	\$119,400	-15.74%	5	0.00%	52	95.0%
19508	\$207,000	-1.66%	33	37.50%	73	96.6%
19510	\$197,700	-1.40%	31	10.71%	88	99.2%

## Berks County, PA

### Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
19512	\$207,100	8.09%	26	-16.13%	75	97.4%
19518	\$243,000	-2.53%	30	-38.78%	105	97.1%
19520	\$324,700	-29.95%	4	-33.33%	11	115.0%
19522	\$209,500	-5.37%	23	-36.11%	84	96.9%
19525	\$189,000	N/A	1	N/A	236	90.0%
19526	\$158,600	25.47%	27	12.50%	108	97.2%
19529	\$292,500	0.24%	1	-66.67%	66	97.5%
19530	\$164,900	-10.38%	12	0.00%	78	95.2%
19533	\$176,700	-14.10%	10	-44.44%	33	102.5%
19534	\$247,600	27.76%	4	0.00%	34	96.8%
19536	\$87,500	-42.32%	1	-66.67%	83	87.5%
19539	\$227,700	0.40%	3	-66.67%	127	98.3%
19540	\$215,800	11.52%	33	37.50%	101	96.0%
19541	\$213,800	-13.37%	6	-40.00%	99	95.8%
19543	\$301,100	-2.11%	11	-45.00%	53	108.1%
19547	\$369,900	49.58%	1	-90.91%	69	100.0%
19548	\$85,000	N/A	1	N/A	16	131.0%
19551	\$157,600	-32.96%	10	25.00%	60	92.8%
19555	\$168,600	-23.71%	5	0.00%	56	96.9%
19560	\$147,900	-8.25%	20	-28.57%	127	97.7%
19562	\$117,500	-25.73%	4	-33.33%	48	92.4%
19565	\$201,600	-13.85%	26	-23.53%	112	93.9%
19567	\$136,400	-4.15%	9	-40.00%	127	96.8%
19601	\$74,300	-16.23%	34	-43.33%	76	94.1%
19602	\$44,300	-7.71%	23	-36.11%	76	92.0%
19604	\$62,900	-8.31%	53	-14.52%	47	95.0%
19605	\$144,200	-21.59%	61	-17.57%	76	97.1%
19606	\$200,000	15.81%	74	-29.52%	102	98.8%
19607	\$165,800	-13.19%	57	-21.92%	84	97.1%
19608	\$238,800	-0.50%	52	-28.77%	71	97.8%
19609	\$169,500	5.74%	28	0.00%	75	98.4%
19610	\$252,600	-1.94%	43	0.00%	80	95.9%
19611	\$110,600	-7.06%	27	-6.90%	70	90.8%

## Bucks County, PA



### Labor Market :

Employment declined by 783 jobs in October and November. The job losses brought about an increase in the average monthly unemployment rate from 5% in the third quarter to 5.1% for the first two months of the fourth quarter. Job losses are ticking upwards, creating a drag on buyer confidence and demand in Bucks County. However, historically low mortgage rates have created a favorable buying environment for those with a job.

### Housing Market :

	Q3' 08	Q4' 08	Q1' 09 (Forecast)
Average Price	\$349,600	\$309,700	↑
# Homes on the Market *	3,489	3,510	↔
# Homes Sold **	1,628	1,095	↓
# New Homes Built ***	127	119	↓
Avg # of Days on Market	67	77	↑

\* Available as of Dec. 31, 2008.

\*\* May not add to total of zip codes

\*\*\* During the first two months of 4th quarter.

### Data by Zip Codes

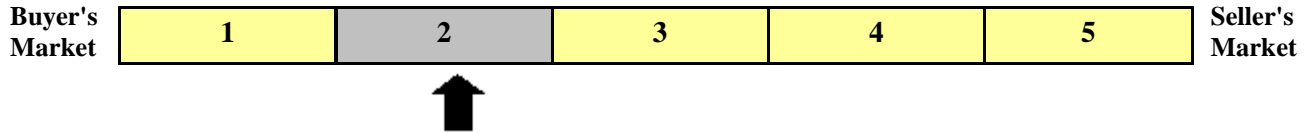
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
18036	\$244,900	-41.68%	1	0.00%	12	100.0%
18055	\$2,000,000	N/A	1	N/A	10	100.0%
18077	\$154,800	-64.05%	2	-50.00%	64	96.3%
18081	\$210,000	-83.33%	1	0.00%	31	86.6%
18901	\$370,900	-4.51%	58	-25.64%	71	94.8%
18902	\$456,800	N/A	35	N/A	85	95.9%
18910	\$325,000	N/A	1	N/A	164	65.1%
18912	\$395,000	14.16%	1	-66.67%	72	94.3%
18914	\$346,700	-6.40%	28	-41.67%	66	95.8%
18917	\$223,600	15.44%	4	-42.86%	154	96.6%
18920	\$279,900	N/A	1	N/A	105	100.0%

## Bucks County, PA

### Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
18923	\$384,900	7.94%	4	33.33%	140	96.5%
18925	\$485,100	-0.61%	19	-24.00%	90	95.7%
18929	\$361,600	-23.94%	13	-45.83%	55	96.3%
18930	\$375,000	-33.19%	3	-25.00%	202	95.3%
18934	\$376,800	N/A	2	N/A	106	89.2%
18938	\$556,000	-33.40%	31	-20.51%	132	93.9%
18940	\$373,700	-23.73%	55	-35.29%	74	95.8%
18942	\$490,600	92.85%	4	33.33%	240	96.5%
18944	\$332,600	-24.92%	40	-23.08%	91	96.0%
18947	\$331,900	-28.33%	8	-20.00%	93	91.9%
18951	\$222,700	-15.03%	72	-17.24%	90	95.5%
18954	\$385,700	-30.69%	13	8.33%	72	92.3%
18960	\$306,800	6.42%	32	-11.11%	114	99.5%
18966	\$340,600	9.80%	63	-30.77%	78	95.3%
18969	\$209,100	2.50%	8	-20.00%	57	97.3%
18970	\$180,000	-25.22%	1	-66.67%	45	97.3%
18972	\$329,300	-23.06%	6	20.00%	146	88.4%
18974	\$281,900	2.58%	76	-23.23%	64	95.5%
18976	\$349,500	-11.05%	32	-46.67%	70	96.5%
18977	\$557,700	-9.87%	7	-41.67%	87	94.3%
18980	\$410,000	N/A	1	N/A	2	98.8%
19006	\$320,000	-34.69%	3	200.00%	41	98.0%
19007	\$175,500	-9.21%	31	-27.91%	84	95.2%
19020	\$255,700	-6.58%	84	-14.29%	54	95.9%
19021	\$166,800	-16.47%	26	4.00%	79	94.7%
19030	\$241,900	-6.64%	15	-31.82%	86	96.1%
19040	\$201,500	N/A	1	N/A	70	96.0%
19047	\$312,000	-9.43%	53	-1.85%	74	96.9%
19053	\$278,800	-0.99%	48	-22.58%	83	95.9%
19054	\$195,800	-11.56%	32	6.67%	54	97.5%
19055	\$167,800	-17.42%	30	-6.25%	63	95.8%
19056	\$244,300	-2.55%	21	0.00%	73	97.0%
19057	\$182,400	-8.66%	37	-19.57%	60	97.0%
19067	\$350,500	-7.20%	89	-38.62%	71	96.0%
19440	\$310,000	-35.01%	1	-80.00%	58	91.2%
OTHER	\$450,000	0.92%	1	-97.56%	7	96.6%

## Chester County, PA



### Labor Market :

A decline in employment of 599 jobs was offset by a decrease in the number of persons looking for work during the first two months of the fourth quarter. The net effect was no change in the 4.4% average monthly unemployment rate from the third quarter. Job losses are cutting into confidence and demand, but historically low mortgage rates are creating a great buying opportunity for those with a job and good credit.

### Housing Market :

	Q3' 08	Q4' 08	Q1' 09 (Forecast)
Average Price	\$375,400	\$345,100	↑
# Homes on the Market *	3,409	3,421	↔
# Homes Sold **	1,466	904	↓
# New Homes Built ***	246	138	↓
Avg # of Days on Market	72	83	↑

\* Available as of Dec. 31, 2008.

\*\* May not add to total of zip codes

\*\*\* During the first two months of 4th quarter.

### Data by Zip Codes

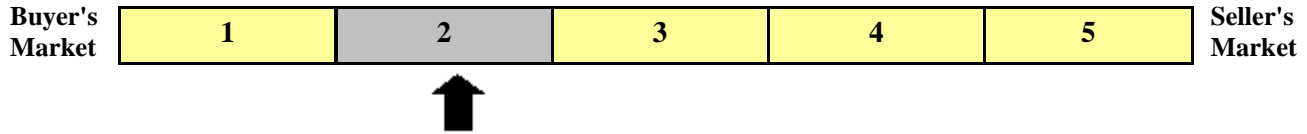
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
17527	\$185,000	N/A	1	N/A	116	100.1%
19073	\$404,900	8.70%	6	-14.29%	39	96.2%
19087	\$388,100	0.96%	44	10.00%	59	96.3%
19301	\$602,800	59.30%	17	-10.53%	91	91.6%
19310	\$217,000	15.73%	1	-83.33%	130	96.5%
19311	\$442,300	20.26%	11	-45.00%	56	96.3%
19312	\$550,600	-33.35%	21	-12.50%	60	94.2%
19317	\$346,400	-25.05%	10	-28.57%	66	95.1%
19320	\$204,300	-29.06%	101	-22.31%	84	97.3%
19330	\$271,400	-9.56%	6	-25.00%	193	95.2%
19333	\$555,600	-22.32%	18	-10.00%	95	93.9%

## Chester County, PA

### Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
19335	\$324,100	-6.95%	87	-27.50%	83	96.6%
19341	\$340,200	3.18%	28	-20.00%	61	95.8%
19343	\$632,100	32.29%	9	-40.00%	105	98.4%
19344	\$201,800	-30.25%	7	-73.08%	132	92.0%
19348	\$367,900	3.43%	33	-21.43%	80	95.6%
19350	\$431,100	5.33%	22	-21.43%	105	94.8%
19352	\$307,200	-22.29%	9	-40.00%	134	95.5%
19355	\$566,700	11.91%	40	8.11%	91	92.2%
19362	\$278,700	21.86%	4	33.33%	79	94.1%
19363	\$305,800	18.67%	37	23.33%	110	91.7%
19365	\$197,600	-9.52%	14	-36.36%	93	96.5%
19372	\$260,500	-4.58%	4	-55.56%	31	99.0%
19374	\$269,000	40.25%	2	0.00%	39	90.7%
19375	\$369,900	-57.73%	1	0.00%	131	100.0%
19380	\$360,000	-3.23%	82	-34.92%	83	94.3%
19382	\$356,600	-9.29%	94	-25.98%	73	96.1%
19390	\$291,600	-5.97%	30	15.38%	98	95.9%
19422	\$280,000	N/A	1	N/A	15	97.4%
19425	\$473,300	9.46%	30	-18.92%	64	94.3%
19457	\$168,000	N/A	1	N/A	23	99.4%
19460	\$251,900	-7.32%	80	-14.89%	91	95.3%
19465	\$285,900	-8.57%	30	-30.23%	111	96.6%
19475	\$189,000	-28.33%	17	-39.29%	53	95.8%
19520	\$370,800	7.79%	5	-44.44%	96	87.3%
19543	\$375,000	-2.42%	1	-50.00%	17	100.0%

## Delaware County, PA



### Labor Market :

A decline in employment of 636 jobs was offset by a decrease in the number of persons looking for work during the first two months of the fourth quarter. The net effect was no change in the 5.4% average monthly unemployment rate from the third quarter. Job losses are cutting into confidence and demand, but historically low mortgage rates are creating a great buying opportunity for those with a job and good credit.

### Housing Market :

	Q3' 08	Q4' 08	Q1' 09 (Forecast)
Average Price	\$284,600	\$245,100	↑
# Homes on the Market *	3,086	3,120	↔
# Homes Sold **	1,419	999	↓
# New Homes Built ***	46	79	↓
Avg # of Days on Market	65	78	↑

\* Available as of Dec. 31, 2008.

\*\* May not add to total of zip codes

\*\*\* During the first two months of 4th quarter.

### Data by Zip Codes

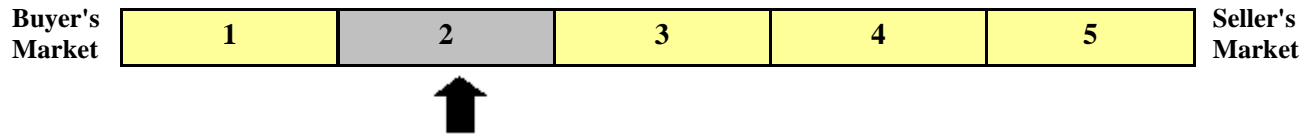
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
19003	\$297,000	-6.78%	17	-22.73%	67	90.9%
19008	\$340,400	-1.08%	29	-42.00%	71	94.8%
19010	\$587,100	-2.38%	15	-61.54%	93	92.8%
19013	\$68,100	-0.15%	27	-51.79%	75	93.7%
19014	\$224,600	-10.73%	48	-7.69%	87	96.7%
19015	\$147,400	-3.34%	44	-36.23%	55	96.7%
19017	\$430,000	N/A	1	N/A	117	82.7%
19018	\$162,700	7.82%	57	-12.31%	86	96.8%
19022	\$94,300	-21.61%	8	-42.86%	57	89.5%
19023	\$81,200	-3.68%	43	-32.81%	72	96.2%
19026	\$191,100	-6.92%	67	-5.63%	88	96.1%

## Delaware County, PA

### Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
19029	\$151,200	16.22%	3	-25.00%	39	99.8%
19032	\$115,600	-3.59%	22	-12.00%	87	96.5%
19033	\$197,800	-4.26%	12	-45.45%	93	95.3%
19036	\$129,700	-13.99%	27	-32.50%	78	95.8%
19041	\$585,000	-43.62%	1	-80.00%	22	94.4%
19043	\$202,800	14.84%	5	-54.55%	93	95.6%
19050	\$143,200	-1.38%	59	-21.33%	79	95.9%
19061	\$273,000	2.55%	61	-29.89%	86	95.7%
19063	\$392,300	-3.21%	52	-34.18%	76	96.3%
19064	\$295,400	3.90%	49	-25.76%	78	96.1%
19070	\$205,400	-13.30%	8	-42.86%	71	95.8%
19073	\$583,200	-3.16%	42	-19.23%	56	99.8%
19074	\$154,400	-8.53%	11	-8.33%	56	95.4%
19076	\$172,300	-12.67%	13	-13.33%	55	95.1%
19078	\$213,300	7.84%	12	-45.45%	89	98.0%
19079	\$101,100	-12.54%	14	-50.00%	83	93.6%
19081	\$264,200	7.09%	17	-46.88%	96	96.2%
19082	\$101,300	-16.90%	54	-48.08%	72	95.5%
19083	\$264,500	-5.80%	70	-12.50%	70	95.0%
19085	\$704,800	-8.94%	3	-40.00%	63	88.5%
19086	\$330,200	18.01%	29	-21.62%	86	97.4%
19087	\$545,200	-34.01%	21	16.67%	84	92.3%
19094	\$156,700	-11.67%	12	100.00%	59	95.2%
19096	\$425,000	-9.19%	1	0.00%	48	90.6%
19317	\$233,300	-64.05%	17	41.67%	86	95.5%
19342	\$410,700	11.06%	24	-45.45%	90	96.0%
19373	\$821,900	21.73%	3	-72.73%	347	96.0%
19382	\$602,000	2.03%	1	0.00%	138	98.0%

## Montgomery County, PA



### Labor Market :

Employment declined by 969 jobs in October and November. The job losses brought about an increase in the average monthly unemployment rate from 4.6% in the third quarter to 4.8% for the first two months of the fourth quarter. Job losses are ticking upwards, creating a drag on buyer confidence and demand in Montgomery County. However, historically low mortgage rates have created a favorable buying environment for those with a job.

### Housing Market :

	Q3' 08	Q4' 08	Q1' 09 (Forecast)
Average Price	\$339,500	\$302,400	↑
# Homes on the Market *	4,813	4,717	↔
# Homes Sold **	2,242	1,569	↓
# New Homes Built ***	152	123	↓
Avg # of Days on Market	66	77	↑

\* Available as of Dec. 31, 2008.

\*\* May not add to total of zip codes

\*\*\* During the first two months of 4th quarter.

### Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
18041	\$168,100	-25.02%	11	-8.33%	63	96.4%
18054	\$368,000	43.02%	5	-50.00%	67	95.1%
18073	\$239,900	-12.89%	10	-54.55%	82	98.9%
18074	\$243,400	-10.05%	9	-35.71%	74	97.9%
18076	\$199,200	-6.26%	10	42.86%	112	98.6%
18915	\$285,000	12.16%	3	-25.00%	70	93.8%
18936	\$226,600	-2.54%	1	0.00%	105	105.4%
18964	\$240,800	-8.48%	36	63.64%	114	95.6%
18969	\$265,300	-3.98%	24	9.09%	109	96.6%
19001	\$222,400	-8.06%	29	-44.23%	80	95.6%
19002	\$454,000	11.36%	47	-30.88%	84	92.0%

## Montgomery County, PA

### Data by Zip Codes

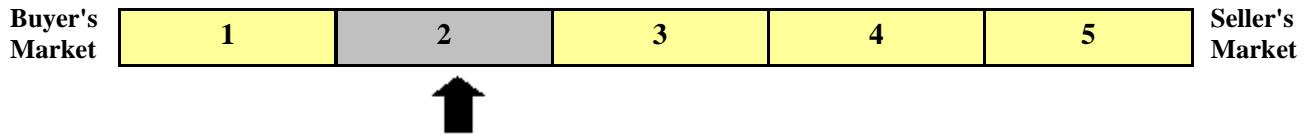
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
19003	\$278,600	-50.29%	13	-64.86%	52	95.1%
19004	\$441,500	-12.80%	21	23.53%	51	96.3%
19006	\$370,900	-22.75%	46	48.39%	57	94.7%
19010	\$815,800	9.31%	16	-27.27%	94	95.9%
19012	\$237,800	-10.23%	10	-41.18%	109	93.6%
19025	\$428,900	3.08%	11	10.00%	56	93.1%
19027	\$252,100	-13.81%	35	20.69%	92	95.0%
19031	\$342,500	-14.61%	3	-76.92%	36	96.0%
19034	\$714,800	-17.97%	12	33.33%	64	86.0%
19035	\$820,000	-44.23%	6	-50.00%	83	90.8%
19038	\$278,200	-4.63%	59	-19.18%	57	96.5%
19040	\$248,500	-13.89%	34	-33.33%	50	96.3%
19041	\$1,030,600	40.29%	6	-57.14%	96	90.5%
19044	\$236,800	0.42%	25	-28.57%	53	95.7%
19046	\$313,300	-23.70%	37	0.00%	49	95.0%
19066	\$398,800	-30.52%	4	-76.47%	85	88.1%
19072	\$478,000	-4.91%	25	-39.02%	110	91.5%
19075	\$294,800	1.24%	16	-27.27%	104	95.9%
19083	\$275,000	N/A	1	N/A	45	91.7%
19085	\$1,160,000	16.01%	4	-55.56%	70	94.9%
19087	\$648,000	11.38%	3	-80.00%	104	97.5%
19090	\$231,200	-4.66%	34	-24.44%	48	97.5%
19095	\$265,700	-33.58%	13	18.18%	34	99.3%
19096	\$451,800	-19.42%	30	-11.76%	41	95.2%
19401	\$159,700	-4.26%	82	-28.70%	95	96.0%
19403	\$263,400	-10.59%	98	-19.01%	76	96.0%
19405	\$156,700	-22.27%	14	133.33%	69	92.4%
19406	\$251,000	-12.54%	50	4.17%	70	95.7%
19422	\$412,600	1.95%	40	-39.39%	118	96.3%
19426	\$361,200	6.99%	78	6.85%	90	96.0%
19428	\$265,100	-9.37%	37	-21.28%	66	94.7%
19435	\$197,000	N/A	1	N/A	6	98.7%
19438	\$333,200	-1.83%	44	-29.03%	73	96.6%
19440	\$293,700	0.69%	27	-37.21%	81	96.6%
19444	\$403,700	13.43%	20	-16.67%	74	93.5%
19446	\$299,000	2.96%	106	-22.06%	66	96.3%
19453	\$140,200	1.67%	3	-66.67%	54	93.2%

## Montgomery County, PA

### Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
19454	\$282,400	-13.37%	60	-43.40%	75	96.3%
19460	\$448,500	6.94%	11	-15.38%	90	90.4%
19462	\$283,100	-22.29%	25	-19.35%	84	95.6%
19464	\$146,900	-11.82%	96	-36.42%	83	96.1%
19468	\$217,300	-15.02%	55	-21.43%	96	96.5%
19473	\$338,600	-6.85%	32	-23.81%	62	98.6%
19474	\$290,200	12.35%	6	20.00%	51	98.4%
19504	\$151,800	-70.81%	1	-50.00%	20	104.1%
19512	\$180,000	-17.24%	1	-66.67%	63	95.3%
19525	\$281,500	-11.48%	32	33.33%	112	97.1%
OTHER	\$162,400	N/A	1	N/A	466	100.0%

## Philadelphia County, PA



### Labor Market :

Employment declined by 1,360 jobs in October and November. The job losses brought about an increase in the average monthly unemployment rate from 7.6% in the third quarter to 7.8% for the first two months of the fourth quarter. Job losses are ticking upwards, creating a drag on buyer confidence and demand in Philadelphia County. However, historically low mortgage rates have created a favorable buying environment for those with a job.

### Housing Market :

	Q3' 08	Q4' 08	Q1' 09 (Forecast)
Average Price	\$203,200	\$171,900	↑
# Homes on the Market *	8,348	8,632	↔
# Homes Sold **	3,259	2,328	↓
# New Homes Built ***	67	118	↓
Avg # of Days on Market	68	69	↑

\* Available as of Dec. 31, 2008.

\*\* May not add to total of zip codes

\*\*\* During the first two months of 4th quarter.

### Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
19102	\$321,900	-28.83%	9	-18.18%	149	95.1%
19103	\$417,500	-24.24%	38	-20.83%	93	97.2%
19104	\$157,900	50.52%	16	-27.27%	85	95.0%
19106	\$466,300	-30.88%	28	-44.00%	152	94.1%
19107	\$412,500	2.28%	20	-48.72%	97	91.7%
19111	\$158,300	-2.76%	128	-11.72%	70	95.4%
19114	\$193,700	-27.99%	39	-45.07%	65	95.9%
19115	\$222,400	-8.82%	57	-12.31%	67	94.4%
19116	\$230,300	-4.32%	43	-38.57%	71	94.1%
19118	\$614,700	-9.68%	23	-17.86%	62	93.8%
19119	\$223,500	-22.15%	49	-26.87%	62	95.4%

## Philadelphia County, PA

### Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
19120	\$85,000	-6.49%	112	-17.04%	81	94.6%
19121	\$108,100	14.63%	18	-33.33%	76	90.9%
19122	\$138,700	-3.68%	10	-37.50%	87	86.2%
19123	\$301,000	-19.09%	23	-39.47%	100	95.3%
19124	\$85,000	-4.06%	130	-7.80%	63	95.1%
19125	\$172,100	-1.21%	60	-29.41%	65	95.8%
19126	\$129,600	-12.61%	11	-69.44%	76	96.9%
19127	\$221,800	-14.73%	12	-47.83%	51	96.2%
19128	\$241,300	-5.04%	69	-31.00%	51	97.2%
19129	\$306,400	58.67%	30	-11.76%	59	93.6%
19130	\$326,300	-3.23%	66	-17.50%	59	94.6%
19131	\$116,500	12.56%	50	-28.57%	65	94.3%
19132	\$35,700	-28.60%	18	-35.71%	96	87.3%
19133	\$48,300	-2.03%	6	-50.00%	83	86.4%
19134	\$72,800	-7.02%	87	-29.84%	59	91.8%
19135	\$106,100	-3.11%	66	-38.89%	61	95.3%
19136	\$129,400	-1.60%	63	-14.86%	58	95.7%
19137	\$126,900	-11.44%	22	-18.52%	64	94.4%
19138	\$92,300	-9.06%	52	-21.21%	70	95.9%
19139	\$62,600	11.99%	32	-40.74%	56	91.6%
19140	\$65,600	21.26%	35	-42.62%	75	89.5%
19141	\$96,400	13.15%	28	-46.15%	59	94.7%
19142	\$56,200	-25.27%	59	-24.36%	53	91.5%
19143	\$94,100	7.42%	67	-36.19%	69	91.5%
19144	\$136,000	31.15%	38	-51.28%	49	96.8%
19145	\$126,100	-0.08%	84	-27.59%	76	92.7%
19146	\$240,500	-5.50%	112	-28.21%	80	94.3%
19147	\$383,900	9.47%	81	-24.30%	79	95.4%
19148	\$153,300	9.81%	103	-27.46%	82	93.9%
19149	\$118,900	-5.48%	112	-37.43%	55	94.8%
19150	\$148,700	3.55%	36	-25.00%	65	98.0%
19151	\$119,100	-0.08%	56	-12.50%	63	95.4%
19152	\$179,500	-8.56%	52	-36.59%	69	95.2%
19153	\$103,700	-10.91%	20	-44.44%	58	94.0%
19154	\$183,100	-6.96%	58	-1.69%	61	96.2%

## Will Spring Thaw the Frozen Market?

Ken Fears

Economist, Manager of Regional Economics

The sharp stock market decline in August along with the economic gyrations that ensued sent the housing market into gridlock during the fourth quarter of 2008. Owners, buyers, and sellers alike felt a sharp pinch to their retirement accounts and stock holdings. Coupled with massive layoffs, consumer confidence fell to an all-time low in December of 2008, 56.7% lower than it was a year earlier. Consumers have cut back on spending and they are scared and unwilling to take big risks. Unfortunately, a home purchase is a big risk and the housing market is suffering the impact as a result.

Many factors would suggest that housing should re-ignite at any time. Mortgage rates are near historic lows and there is a distinct possibility that they could slip below 5.0% and stay there for some time. Much action is being taken in Washington and new incentives are planned to stimulate demand including conversion of the current \$7,500 tax credit into a true tax credit (the current credit must be repaid over a 15-year period) and an interest rate buy-down program. Passage of these and other possible housing stimulus programs should help to stimulate demand by way of improved affordability. The problem with the process of introducing these initiatives is that buyers may wait until these programs are implemented before buying.

It is difficult to say definitively whether anticipation of these programs is what is pushing buyers to the fence. Buyers have plenty of economic concerns to worry about, not to mention tighter credit standards. Regardless, it is wise for a seller to understand the current landscape and how it will change moving through the spring.

During the winter, less new inventory is placed on the market, but this pattern changes in the spring as the end of the school year approaches. In the current market, units that are priced well move fast. However, properties that are not well priced can sit for long periods. Homes that once sold in a few weeks are now sitting on the market for months with no interest. So, what should a seller do? Or more specifically, how should a seller's agent advise his or her client?

Every market is unique. Some have a strong influx of inventory that arrives every spring. An agent may anticipate more demand with the spring and advise their seller to wait. Conversely, the spring could bring more competition from other sellers, in which case an agent might suggest aggressive re-pricing prior to the spring. Yet another view holds that regardless of the new supply or competition from other sellers, new buyers will see an old listing for the first time. Thus, a listing with many days on market and a new price may be priced right from their fresh perspective...and move quicker with this new pool of potential buyers.

Days on Market	Less than 30	30 to 59	60 to 99	100 to 149	150 or more
Number	4234	5386	7370	7769	14047
Share	10.9%	13.9%	19.0%	20.0%	36.2%
Avg. Concession	99.2%	98.3%	97.1%	96.1%	94.3%

Here in the area covered by TREND MLS, the majority of homes on the market as of December 31st had been on the market for more than 150 days. Listings on the market for more than 150 days accounted for 36.2% of the total inventory and averaged a concession of 94.3%. Conversely, the smallest share of inventory is in the range less than 30 days on market, which makes up 10.9% of the total inventory.

Pricing is paramount, so getting it right the first time is critical. However, the spring market may present an opportunity to move a floundering property if it can be re-priced correctly. Good sellers' agents are working harder and being creative to earn their income these days; the rest are suffering. A fresh strategy may help.

# We Need a “Jolt” Now!

*by Lawrence Yun, Chief Economist, NAR Research*

Well, let's talk about the bad news. The economy is just awful. It shed 2.6 million jobs in 2008. Brace yourself for another one million in the upcoming months. The stock market still has a very long way to go to recoup all its losses from the past year. The latest retail figures – which include data from the just-concluded holiday season – were the worst in years. I think I speak for a number of us when I say “thank goodness 2008 is over!” Happy New Year.

The recent housing figures did nothing to cheer us up at the end of the year – or even during the first few days of 2009. Existing-home sales declined 8.6 percent in November to a seasonally adjusted annual rate of 4.46 million. Year over year, existing sales declined 10.6 percent. Home prices declined 13.2 percent from the previous year – that's the largest price decline since NAR began tracking home prices in 1968. And immediate future sales activity doesn't look all that hot either. NAR's Pending

Home sales index was at its lowest level since NAR began tracking pending sales in 2001.

### **Pending and Closed Sales**

Let's recap the numbers on both pending and closed sales measures. Pending home sales represent signing of contracts, not closed sales. Sometimes contracts do not close — for a variety of reasons. They may “fall out” because of buyers losing their jobs, or due to loss of ready cash (to pay for closing costs or down-payments) from stock market losses or retreating home equity. Because pending home sales is a leading indicator of what the closing activity will be two or three months down the road, the weak November figure suggests that sales activity also will be weak in December and possibly in January.

Existing-home sales also were down – to their lowest level since 1997. The decline is due first of all to the stock market “crash” in October. Job losses of course also played a major role in collapsing consumer confidence. Another reason for lower sales activity in November is that serious buyers decided to wait given the discussion about policy measures that could bring down mortgage rates.

### **Housing Stimulus**

The price and sales figures affirm the need for a housing stimulus plan. Some action has already been taken. In the middle of December, the Fed working with the Treasury department, made a very innovative, nontraditional monetary policy move of purchasing – or making the announcement of purchasing – mortgage-backed securities. As a result, interest rates fell to 50-year low levels. Just consider – 5 percent mortgage rates! Who would have thought we would ever see 5 percent mortgage interest rates! (Please note that the November pending and existing-home sales do NOT reflect that.) But remember, generally there's about a 3-5 month lag time between interest-rate changes and the way home sales activity respond.

But I think we need further additional incentives for buyers. Right now, we are in a recession, people are losing jobs. Consumer confidence is likely to be low for those who are currently unemployed. But we need to change the confidence level of those households who HAVE jobs. About 90 percent of people will have jobs. How do we instill confidence in those potential home buyers? One way is to have “money on the table.” NAR has advocated for a home buyer tax credit for quite some time. Last summer a version of such a credit was enacted. But at the time the federal government was concerned with budget deficits. So while

the program provided for buyers to get a tax credit, they needed to pay it back. In these economic times, that just doesn't make sense. What we need now is a clean tax credit: where people get the credit and don't have to worry about repaying it.

Another element of such a housing stimulus package would be to raise loan limits. Even though people may qualify for a 5 percent mortgage rate, that is only for a conforming, conventional loan – NOT jumbo loans. The jumbo loan market is virtually frozen. One way to defrost it would be to raise the jumbo loan limit so more home buyers can qualify and take advantage of historically low rates.

### **“Jolt” Impacts**

If a good strong stimulus package does pass Congress in January or February, the prospects for housing could be good. I think we may begin to see some steady improvement just from the historically-improved interest rates. But that will be a modest increase. Home sales activity now matches the level seen in 1997, so we are definitely down. While any improvement from a very low level is not necessarily great news, it would be welcome.

What we really need is a “jolt” to the system to help stabilize home prices. And our government can provide that jolt. Without home price stabilization, economic recovery will be very difficult. As home prices decline, consumer spending contracts. As prices decline, bank balance sheets deteriorate; as home prices decline, there will be increased incidence of mortgage defaults and rising foreclosures, including those on recently modified loans. If we have a properly structured housing-focused stimulus plan, once it is enacted I suspect that home sales could increase 10 percent – perhaps even 20 percent – nationwide. That would immediately bring down inventory levels and thus stabilize home prices.

That will give us the foundation for a further recovery in housing – which in turn will help turn our economy around. Here's to the potential for a happy new year.

This table reflects data available through January 2009.

Monthly Indicator	Recent Statistics	Likely Direction Over the Next Six Months	Forecast
<p><b>Existing Home Sales</b> declined 8.6% in November to a seasonally adjusted annualized rate of 4.49 million units. The median sales price for an existing home also declined – to \$181,300, 13.2 percent below the price posted in November of 2007. Housing inventory continues at very elevated levels, with 4.2 million existing homes available for sale at the end of November – an 11.2 month supply at November’s sales pace.</p>	Nov 08 4,990 Oct 08 4,890 Nov 07 5,930	↑	Rising affordability conditions will help despite job cuts
<p><b>New Home Sales</b> posted 407,000 seasonally adjusted annualized units in November – 2.9% below October’s pace and 35.3% off the pace in November of 2007. While the actual number of new homes available for sale fell to 372,000, the month’s supply of inventory is still very high at 11.5 months.</p>	Nov 08 512 Oct 08 525 Nov 07 857	↓	So few new homes are being built
<p><b>Housing Starts</b> posted a seasonally adjusted annualized rate of 625,000 units in November – 18.9% below October’s level and 47.0% below that posted in November of 2007. Housing permits – generally a reliable indicator of future starts – were at 616,000 (seasonally adjusted annual rate), 15.6% off the rate in October and 48.1% below the rate a year ago. Builders have sharply cut back production. Given the large overall housing inventory, and further construction cutbacks are likely.</p>	Nov 08 625 Oct 08 771 Nov 07 1,179	↓	Inventory is still high and cuts are required
<p><b>Housing Affordability</b> In spite of the recession, housing affordability continues to improve. NAR’s latest housing affordability index rose in November to 142.4 – a 7th monthly increase. The rise in affordability was due primarily to a slight increase in the median family income and a decline in qualifying income while interest rates remained relatively low.</p>	Nov 08 142.4 Oct 08 138.8 Nov 07 120.1	↑	Staying at a near 30-year high
<p><b>Mortgage Rates:</b> Rates on 30 year fixed-rate mortgages fell 5.33% in December – their lowest level since June 2003. Rates have been falling since November when the Federal Reserve announced a plan to purchase mortgage-backed securities in an effort to prop up the distressed housing market.</p>	Dec 08 6.32% Nov 08 6.04% Dec 07 6.61%	↔	Near 50-year lows and will remain at that level for most of 2009
<p><b>Employment</b> The U.S. economy continues to bleed jobs. Nonfarm payrolls were cut by 524,000 in December, and November’s job loss figure was revised upward to 584,000. The unemployment rate rose to 7.2% in December – its highest level in 16 years. The economic momentum and the fall in average work hours per employee in the last month suggest another one million jobs could easily be lost in the upcoming months.</p>	Dec 08 -524 Nov 08 -528 12-month total -2,600 (thousands)	↓	Heavy job losses in 1st quarter of 2009 followed by moderating job cuts in the second quarter
<p><b>Economic Growth</b> The U.S. economy is officially in recession. GDP growth decreased at an annual rate of 0.5% from the second to the third quarter of 2008. This is the final estimate of GDP growth based on more complete data. Both consumer and business spending continue to decline. Economic contraction is expected to continue at least through the first half of 2009.</p>	2008:III 1.0% 2008:II 0.6% 2007:III 1.2%	↓	Recovery in the second half of 2009 after a sharp contraction in the first half

Notes: All rate are seasonally adjusted. New home sales, existing home sales, and housing starts are shown in thousands. Employment growth is shown as month-to-month change in thousands. Inflation is shown as the month-to-month change in the Consumer Price Index. Sources: NAR, Bureau of the Census, Bureau of Labor Statistics, Freddie Mac, and the Mortgage Bankers Association