

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

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The Economic and Market Watch Report identifies current and future economic trends that affect the real estate industry.

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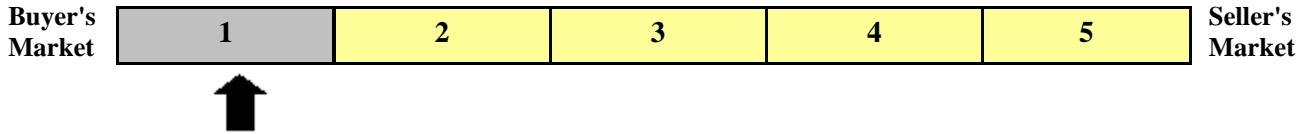
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*Reprinted from [Real Estate Outlook: Market Trends and Insights](#).

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Kent County, DE



Labor Market :

In the first two months of the fourth quarter, 173 jobs were added to the payrolls of Kent County. As a result of these new jobs, the average monthly unemployment rate fell from 8.5% during the third quarter to 8.2% for October and November. This steady job creation will help buyer confidence and fuel home purchases down the road. Mortgage rates near 5% should support this trend.

Housing Market :

	<i>Q3' 10</i>	<i>Q4' 10</i>	<i>Q1' 11</i> <i>(Forecast)</i>
Average Price	\$192,100	\$188,800	↓
# Homes on the Market *	1,680	1,478	↑
# Homes Sold **	291	265	↓
# New Homes Built ***	169	90	↑
Avg # of Days on Market	102	114	↑

* Available as of Dec. 31, 2010.

** May not add to total of zip codes

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

Data by Zip Codes

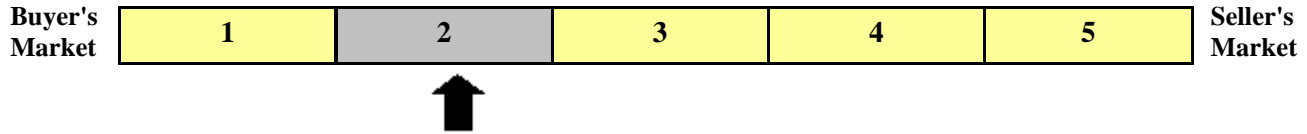
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
19901	\$189,800	4.17%	46	-13.21%	118	97.2%
19904	\$180,700	-2.95%	52	-21.21%	95	97.3%
19934	\$221,300	-12.39%	22	-15.38%	112	97.6%
19936	\$37,000	N/A	1	N/A	46	105.7%
19938	\$202,800	-0.78%	17	-26.09%	78	96.8%
19943	\$212,400	13.89%	17	-37.04%	104	98.1%
19946	\$226,500	-7.36%	5	-44.44%	185	97.3%
19950	\$165,000	-12.47%	2	0.00%	266	94.3%
19952	\$168,300	2.56%	12	-55.56%	81	97.3%
19953	\$139,600	-46.37%	4	-33.33%	227	98.6%
19954	\$139,600	-4.97%	7	133.33%	56	96.5%

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)
19962	\$221,800	-1.47%	21	-30.00%	146	94.3%
19963	\$121,200	-26.05%	6	20.00%	202	90.4%
19964	\$145,600	24.55%	3	-25.00%	149	93.8%
19977	\$180,500	-13.60%	49	-23.44%	120	97.4%
19979	\$245,000	-36.36%	1	0.00%	194	94.2%

New Castle County, DE



Labor Market :

In the first two months of the fourth quarter, 3,986 jobs were added to the payrolls of New Castle County. As a result of these new jobs, the average monthly unemployment rate fell from 8.6% during the third quarter to 8.1% for October and November. This steady job creation will help buyer confidence and fuel home purchases down the road. Mortgage rates near 5% should support this trend.

Housing Market :

	<i>Q3' 10</i>	<i>Q4' 10</i>	<i>Q1' 11</i> <i>(Forecast)</i>
Average Price	\$261,100	\$239,300	↓
# Homes on the Market *	3,903	3,416	↑
# Homes Sold **	897	904	↓
# New Homes Built ***	124	98	↑
Avg # of Days on Market	75	86	↑

* Available as of Dec. 31, 2010.

** May not add to total of zip codes

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

Data by Zip Codes

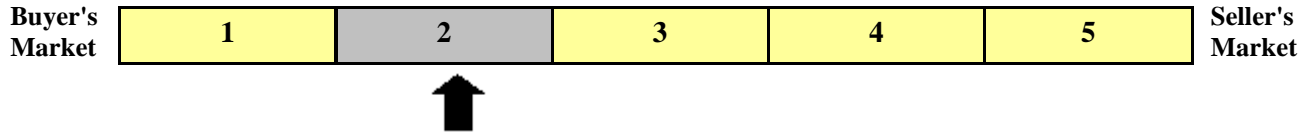
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
19701	\$231,800	-8.99%	51	-42.05%	95	97.2%
19702	\$202,500	-9.48%	91	-30.53%	94	96.5%
19703	\$154,500	-18.17%	29	-14.71%	67	96.6%
19706	\$187,500	105.82%	2	0.00%	53	100.1%
19707	\$371,800	0.95%	37	-15.91%	74	95.5%
19709	\$306,800	9.81%	75	-18.48%	98	97.1%
19711	\$277,000	-4.22%	71	-15.48%	89	95.9%
19713	\$174,900	-1.96%	51	-17.74%	87	95.8%
19720	\$151,500	-16.11%	86	-39.44%	81	94.7%
19732	\$493,000	-4.27%	1	0.00%	218	98.6%
19734	\$244,900	-14.58%	21	16.67%	76	98.6%

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)
19801	\$132,500	29.27%	8	-63.64%	138	95.4%
19802	\$133,100	-10.91%	32	-47.54%	68	96.1%
19803	\$324,700	10.97%	55	0.00%	95	96.7%
19804	\$177,000	-4.84%	24	-53.85%	58	96.2%
19805	\$114,300	-27.61%	59	-46.85%	91	93.0%
19806	\$312,200	15.46%	37	-19.57%	95	94.6%
19807	\$739,800	30.61%	19	35.71%	94	93.5%
19808	\$236,900	-5.28%	66	-39.45%	95	95.8%
19809	\$175,700	-20.50%	31	-18.42%	74	95.2%
19810	\$283,000	-5.85%	56	1.82%	75	95.6%
19977	\$233,800	31.35%	2	100.00%	45	96.0%

Burlington County, NJ



Labor Market :

In the first two months of the fourth quarter, 389 jobs were added to the payrolls of Burlington County. As a result of these new jobs, the average monthly unemployment rate fell from 9.2% during the third quarter to 8.5% for October and November. This steady job creation will help buyer confidence and fuel home purchases down the road. Mortgage rates near 5% should support this trend.

Housing Market :

	Q3' 10	Q4' 10	Q1' 11 (Forecast)
Average Price	\$263,600	\$242,800	↔
# Homes on the Market *	4,390	3,583	↑
# Homes Sold **	818	791	↔
# New Homes Built ***	94	68	↑
Avg # of Days on Market	109	118	↑

* Available as of Dec. 31, 2010.

** May not add to total of zip codes

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

Data by Zip Codes

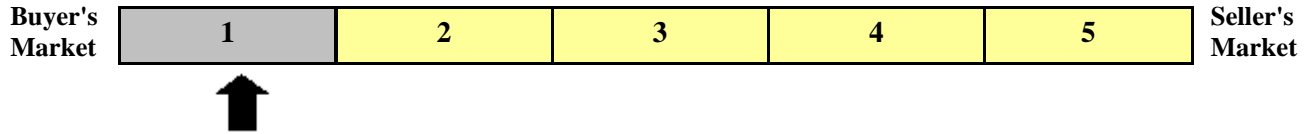
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
08010	\$122,500	-14.99%	17	-26.09%	196	91.8%
08015	\$153,300	-6.35%	34	-40.35%	107	93.7%
08016	\$186,400	-22.14%	46	-36.99%	114	95.7%
08019	\$77,900	-55.23%	1	-66.67%	44	97.5%
08022	\$245,900	-24.96%	21	-46.15%	178	93.8%
08036	\$276,000	-5.28%	10	66.67%	69	93.3%
08046	\$114,800	-19.44%	54	-40.00%	104	94.5%
08048	\$288,700	21.46%	27	12.50%	145	94.6%
08052	\$151,100	-16.89%	22	-38.89%	111	95.5%
08053	\$256,000	-0.97%	90	-33.82%	105	96.2%
08054	\$254,100	11.79%	116	-23.18%	100	95.0%

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)
08055	\$363,300	14.03%	54	-22.86%	135	95.9%
08057	\$541,900	-16.44%	35	6.06%	127	90.4%
08060	\$219,000	1.30%	43	-31.75%	137	96.8%
08064	\$305,000	9.32%	1	0.00%	24	93.8%
08065	\$157,100	-14.62%	12	-29.41%	156	95.0%
08068	\$217,200	6.89%	11	57.14%	149	95.6%
08075	\$190,500	-9.46%	53	-37.65%	107	94.7%
08077	\$279,400	4.84%	31	-13.89%	113	95.2%
08088	\$241,600	-2.70%	49	-10.91%	158	95.4%
08505	\$252,300	-3.81%	34	-41.38%	93	96.7%
08511	\$134,000	-53.81%	1	-66.67%	37	89.4%
08515	\$366,900	-7.18%	6	-33.33%	46	96.0%
08518	\$149,100	-8.97%	8	-50.00%	69	98.4%
08554	\$147,800	-4.40%	6	-66.67%	93	94.1%
08562	\$245,600	-12.10%	8	33.33%	99	93.1%
08610	\$201,000	N/A	1	N/A	203	93.5%

Camden County, NJ



Labor Market :

In the first two months of the fourth quarter, 430 jobs were added to the payrolls of Camden County. As a result of these new jobs, the average monthly unemployment rate fell from 10.7% during the third quarter to 10.1% for October and November. This steady job creation will help buyer confidence and fuel home purchases down the road. Mortgage rates near 5% should support this trend.

Housing Market :

	<i>Q3' 10</i>	<i>Q4' 10</i>	<i>Q1' 11</i> <i>(Forecast)</i>
Average Price	\$203,800	\$192,200	↔
# Homes on the Market *	4,432	3,719	↑
# Homes Sold **	820	669	↔
# New Homes Built ***	63	26	↑
Avg # of Days on Market	96	105	↑

* Available as of Dec. 31, 2010.

** May not add to total of zip codes

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

Data by Zip Codes

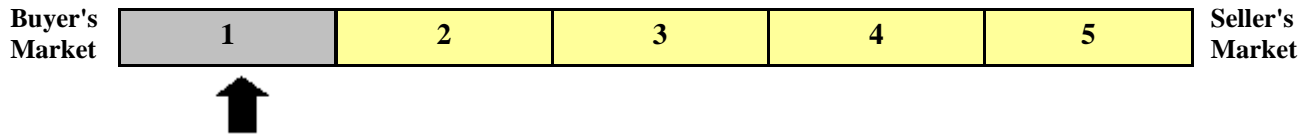
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
08002	\$220,100	-2.22%	36	-46.27%	121	95.1%
08003	\$314,200	11.34%	47	-32.86%	107	91.9%
08004	\$153,900	-22.55%	11	-63.33%	79	94.9%
08007	\$173,200	-10.68%	5	-61.54%	170	98.9%
08009	\$198,700	-4.33%	22	-29.03%	97	93.0%
08012	\$182,100	-1.14%	25	-47.92%	111	94.3%
08021	\$133,600	-1.40%	51	-43.96%	133	92.0%
08026	\$125,700	-30.17%	3	0.00%	68	95.6%
08029	\$125,200	-23.05%	5	-68.75%	98	90.9%
08030	\$112,800	2.55%	16	-61.90%	97	93.4%
08031	\$152,100	-3.06%	13	-40.91%	108	92.2%

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)
08033	\$376,000	10.36%	36	-5.26%	99	91.9%
08034	\$221,500	-3.65%	38	-37.70%	113	95.3%
08035	\$202,400	-17.96%	13	-18.75%	89	94.6%
08037	\$133,200	-27.01%	4	0.00%	147	97.0%
08043	\$292,900	-0.10%	40	-47.37%	121	92.5%
08045	\$65,000	-43.03%	1	-87.50%	147	93.0%
08049	\$147,800	-9.49%	9	-25.00%	80	94.2%
08059	\$153,400	-6.75%	12	-57.14%	233	96.7%
08078	\$157,700	-1.13%	10	-66.67%	80	95.0%
08081	\$156,000	-12.51%	74	-50.99%	101	96.3%
08083	\$181,700	-3.56%	8	-66.67%	48	98.3%
08084	\$155,300	-14.39%	10	-33.33%	108	93.3%
08089	\$140,800	-18.33%	4	-42.86%	101	96.8%
08091	\$153,400	26.05%	11	83.33%	65	97.2%
08102	\$62,800	-30.14%	2	100.00%	209	86.0%
08103	\$54,000	-3.40%	6	-45.45%	146	89.7%
08104	\$67,500	20.11%	14	-44.00%	51	96.1%
08105	\$60,400	-19.14%	14	-36.36%	74	91.1%
08106	\$179,000	-17.78%	17	-32.00%	129	94.7%
08107	\$135,800	-11.47%	19	-40.63%	99	94.1%
08108	\$210,800	-1.72%	43	-20.37%	82	93.3%
08109	\$157,000	-8.45%	31	-51.56%	87	94.9%
08110	\$136,000	8.28%	19	-40.63%	82	96.2%

Gloucester County, NJ



Labor Market :

In the first two months of the fourth quarter, 253 jobs were added to the payrolls of Gloucester County. As a result of these new jobs, the average monthly unemployment rate fell from 9.9% during the third quarter to 9.3% for October and November. This steady job creation will help buyer confidence and fuel home purchases down the road. Mortgage rates near 5% should support this trend.

Housing Market :

	<i>Q3' 10</i>	<i>Q4' 10</i>	<i>Q1' 11</i> <i>(Forecast)</i>
Average Price	\$219,000	\$205,800	↔
# Homes on the Market *	2,696	2,344	↑
# Homes Sold **	471	418	↔
# New Homes Built ***	98	87	↑
Avg # of Days on Market	99	107	↑

* Available as of Dec. 31, 2010.

** May not add to total of zip codes

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

Data by Zip Codes

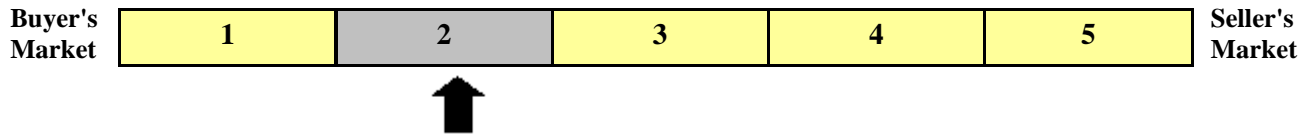
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
08012	\$239,800	24.90%	19	-53.66%	90	96.1%
08014	\$132,100	16.90%	3	200.00%	36	101.7%
08027	\$138,800	-15.11%	11	-35.29%	113	96.4%
08028	\$176,300	-7.16%	24	-29.41%	95	93.8%
08043	\$180,000	N/A	1	N/A	103	100.0%
08051	\$183,100	13.16%	21	-50.00%	128	95.6%
08056	\$511,600	61.08%	4	-73.33%	27	92.7%
08061	\$237,400	4.21%	4	-50.00%	44	101.8%
08062	\$297,600	-18.44%	28	3.70%	115	97.0%
08063	\$100,300	-31.91%	3	-50.00%	109	95.3%
08066	\$114,100	1.60%	8	-61.90%	88	94.4%

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)
08071	\$146,700	-17.07%	17	-29.17%	68	92.0%
08080	\$213,800	-7.88%	54	-51.35%	129	94.8%
08081	\$200,000	-24.78%	1	-66.67%	113	88.9%
08085	\$265,800	2.63%	49	-15.52%	115	95.2%
08086	\$233,200	4.39%	14	-33.33%	138	94.2%
08090	\$235,400	1.73%	14	-26.32%	81	97.4%
08093	\$122,200	-23.14%	6	-80.00%	85	94.8%
08094	\$170,800	-13.48%	42	-46.15%	126	94.5%
08096	\$178,200	-2.25%	63	-27.59%	99	95.2%
08097	\$189,400	-11.29%	5	400.00%	143	99.7%
08312	\$90,700	-42.59%	5	-80.77%	105	96.3%
08322	\$209,400	14.05%	11	-54.17%	129	96.1%
08328	\$59,000	-69.08%	3	50.00%	76	82.3%
08343	\$244,200	6.31%	4	33.33%	82	95.1%
08344	\$166,700	18.48%	3	-50.00%	26	96.2%
08360	\$445,000	80.16%	1	0.00%	67	99.1%

Mercer County, NJ



Labor Market :

In the first two months of the fourth quarter, 484 jobs were added to the payrolls of Mercer County. As a result of these new jobs, the average monthly unemployment rate fell from 8.2% during the third quarter to 7.5% for October and November. This steady job creation will help buyer confidence and fuel home purchases down the road. Mortgage rates near 5% should support this trend.

Housing Market :

	<i>Q3' 10</i>	<i>Q4' 10</i>	<i>Q1' 11</i> (Forecast)
Average Price	\$400,900	\$346,100	↔
# Homes on the Market *	2,809	2,230	↑
# Homes Sold **	607	570	↔
# New Homes Built ***	60	16	↑
Avg # of Days on Market	88	103	↑

* Available as of Dec. 31, 2010.

** May not add to total of zip codes

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

Data by Zip Codes

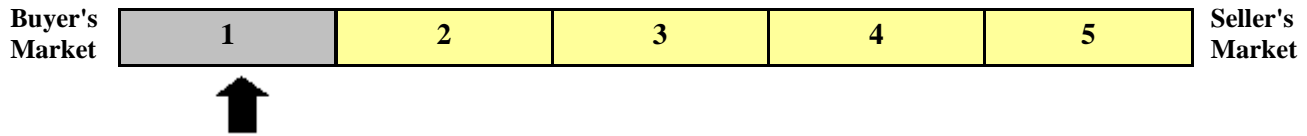
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
08512	\$122,400	-50.28%	6	-50.00%	92	94.2%
08520	\$273,200	-1.30%	43	-41.10%	82	95.9%
08525	\$535,400	3.20%	10	-16.67%	149	91.3%
08530	\$400,000	N/A	1	N/A	442	94.1%
08534	\$519,500	32.69%	23	-30.30%	136	93.5%
08540	\$835,600	18.32%	71	12.70%	120	92.2%
08542	\$435,500	-11.01%	5	-28.57%	113	92.8%
08550	\$564,600	2.19%	46	-8.00%	84	95.7%
08560	\$536,700	28.00%	3	-62.50%	117	93.1%
08561	\$230,000	N/A	1	N/A	20	93.9%
08609	\$52,900	-31.39%	11	83.33%	101	89.9%

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)
08610	\$167,200	-0.06%	42	-48.15%	95	94.1%
08611	\$63,700	-2.90%	21	-44.74%	112	89.1%
08618	\$145,100	-8.68%	27	-47.06%	104	92.3%
08619	\$208,900	-14.87%	35	-46.15%	95	95.8%
08620	\$270,100	18.99%	21	75.00%	141	95.1%
08628	\$231,900	-1.24%	17	13.33%	67	95.2%
08629	\$98,700	-20.91%	16	-40.74%	96	86.4%
08638	\$151,700	-12.92%	38	-7.32%	108	94.5%
08648	\$300,900	3.33%	53	-39.08%	102	95.5%
08690	\$295,300	-5.20%	46	-20.69%	91	96.9%
08691	\$312,100	-12.77%	33	-13.16%	105	94.3%
19006	\$835,000	N/A	1	N/A	16	96.1%

Salem County, NJ



Labor Market :

In the first two months of the fourth quarter, 33 jobs were added to the payrolls of Salem County. As a result of these new jobs, the average monthly unemployment rate fell from 10.7% during the third quarter to 10.2% for October and November. This steady job creation will help buyer confidence and fuel home purchases down the road. Mortgage rates near 5% should support this trend.

Housing Market :

	Q3' 10	Q4' 10	Q1' 11 (Forecast)
Average Price	\$162,300	\$163,600	↔
# Homes on the Market *	751	619	↑
# Homes Sold **	79	74	↔
# New Homes Built ***	16	17	↑
Avg # of Days on Market	108	124	↑

* Available as of Dec. 31, 2010.

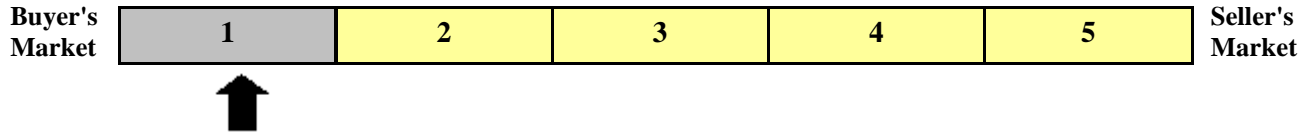
** May not add to total of zip codes

*** 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	\$291,500	32.80%	2	0.00%	363	100.1%
08067	\$181,000	503.33%	5	400.00%	76	93.2%
08069	\$111,000	-7.73%	12	-55.56%	151	89.9%
08070	\$130,100	-11.19%	19	-57.78%	108	91.3%
08072	\$175,000	6.06%	1	0.00%	70	90.0%
08079	\$162,900	55.14%	8	-33.33%	137	93.2%
08098	\$271,400	36.38%	9	-35.71%	158	91.2%
08302	\$100,000	-35.15%	1	-66.67%	170	83.3%
08318	\$164,600	-25.45%	16	33.33%	90	93.7%
08344	\$158,000	N/A	1	N/A	80	98.8%

Berks County, PA



Labor Market :

In the first two months of the fourth quarter, 196 jobs were added to the payrolls of Berks County. As a result of these new jobs, the average monthly unemployment rate fell from 9.4% during the third quarter to 8.8% for October and November. This steady job creation will help buyer confidence and fuel home purchases down the road. Mortgage rates near 5% should support this trend.

Housing Market :

	<i>Q3' 10</i>	<i>Q4' 10</i>	<i>Q1' 11</i> <i>(Forecast)</i>
Average Price	\$167,600	\$168,800	↓
# Homes on the Market *	4,179	3,720	↑
# Homes Sold **	745	677	↓
# New Homes Built ***	54	19	↑
Avg # of Days on Market	96	103	↑

* Available as of Dec. 31, 2010.

** May not add to total of zip codes

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

Data by Zip Codes

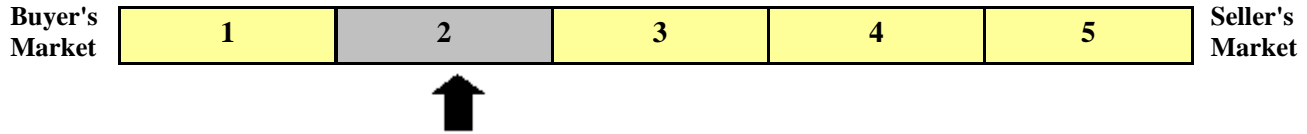
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
17026	\$260,000	100.15%	1	0.00%	80	96.3%
17067	\$165,000	N/A	3	N/A	127	94.3%
17569	\$159,400	-23.44%	4	0.00%	87	97.9%
18011	\$236,400	-28.90%	5	150.00%	109	88.7%
18062	\$347,000	135.25%	2	-50.00%	64	99.6%
19503	\$183,000	31.18%	1	-75.00%	128	96.4%
19504	\$417,400	71.14%	4	-50.00%	141	89.5%
19505	\$207,700	3.44%	5	-16.67%	83	99.2%
19506	\$197,500	-7.80%	7	-63.16%	157	94.6%
19507	\$161,500	34.58%	2	0.00%	175	88.5%
19508	\$173,000	-5.46%	29	-34.09%	91	97.2%

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)
19510	\$193,300	-0.57%	12	-72.09%	86	97.0%
19512	\$185,400	0.11%	28	3.70%	100	96.9%
19518	\$224,800	1.22%	30	-6.25%	73	97.8%
19520	\$258,000	113.22%	1	-50.00%	195	93.9%
19522	\$180,700	1.86%	31	-24.39%	105	94.1%
19526	\$170,200	-1.33%	19	-9.52%	149	96.1%
19529	\$335,000	88.73%	1	-50.00%	118	96.0%
19530	\$169,100	-8.89%	15	50.00%	116	96.8%
19533	\$179,800	4.53%	14	-22.22%	80	95.4%
19534	\$185,500	N/A	3	N/A	75	96.8%
19539	\$202,100	2.12%	6	-40.00%	92	93.3%
19540	\$194,600	-8.98%	23	-25.81%	111	93.6%
19543	\$247,800	9.16%	8	-33.33%	136	98.5%
19545	\$175,000	N/A	1	N/A	353	94.9%
19547	\$285,000	78.13%	2	-66.67%	145	93.5%
19551	\$155,700	-11.88%	11	-15.38%	113	96.3%
19555	\$145,100	31.67%	4	-50.00%	86	98.4%
19559	\$94,500	-17.11%	1	-66.67%	93	94.6%
19560	\$140,400	1.15%	14	-62.16%	103	97.3%
19562	\$125,600	-11.42%	7	133.33%	65	95.5%
19565	\$184,300	-4.16%	19	18.75%	71	96.7%
19567	\$143,300	8.64%	9	-43.75%	163	96.9%
19601	\$94,100	25.63%	20	-48.72%	101	93.3%
19602	\$62,900	3.97%	10	-44.44%	51	92.5%
19604	\$67,500	0.75%	37	-41.27%	72	93.6%
19605	\$159,100	-1.61%	41	-46.75%	108	97.8%
19606	\$149,900	-2.47%	64	-36.63%	131	95.9%
19607	\$144,500	-12.00%	51	-39.29%	102	94.4%
19608	\$223,400	6.84%	39	-36.07%	83	96.8%
19609	\$156,100	-2.07%	21	-34.38%	75	95.8%
19610	\$229,000	-16.06%	45	0.00%	141	94.1%
19611	\$106,100	0.00%	27	-10.00%	84	93.0%

Bucks County, PA



Labor Market :

Bucks County saw 500 layoffs occur during October and November. Despite the decline in employment, the average monthly unemployment rate fell from 7.9% during the third quarter to 7.4% in the first two months of the fourth quarter. Continued layoffs are hurting confidence and demand, but sub-5% mortgage rates have kept affordability strong.

Housing Market :

	Q3' 10	Q4' 10	Q1' 11 (Forecast)
Average Price	\$353,800	\$315,800	↓
# Homes on the Market *	4,403	3,540	↑
# Homes Sold **	1,284	1,043	↓
# New Homes Built ***	100	50	↑
Avg # of Days on Market	88	99	↑

* Available as of Dec. 31, 2010.

** 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	\$204,500	-25.77%	2	-66.67%	22	105.2%
18054	\$158,000	N/A	1	N/A	60	95.8%
18073	\$115,000	-67.47%	1	-50.00%	26	88.5%
18077	\$279,500	-20.93%	1	-75.00%	251	93.5%
18081	\$275,500	-12.95%	2	-33.33%	114	89.7%
18901	\$345,900	-6.69%	63	-27.59%	130	94.7%
18902	\$505,500	16.42%	50	2.04%	114	94.0%
18911	\$215,000	N/A	1	N/A	155	90.3%
18912	\$490,000	N/A	1	N/A	16	96.1%
18913	\$484,300	N/A	3	N/A	248	95.9%
18914	\$333,800	0.82%	27	-54.24%	92	96.1%

Bucks County, PA

Data by Zip Codes

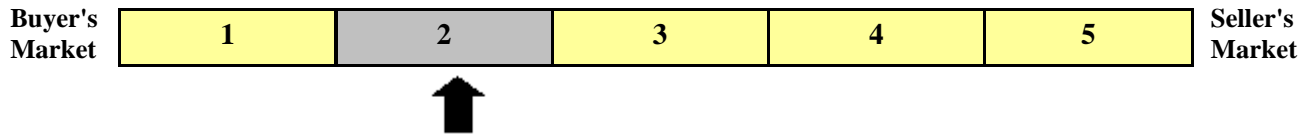
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
18917	\$335,000	28.40%	2	-75.00%	97	95.9%
18920	\$553,000	-78.31%	2	100.00%	191	101.5%
18923	\$423,700	7.76%	4	-20.00%	94	94.4%
18925	\$448,900	-12.85%	14	-6.67%	107	96.2%
18928	\$335,000	N/A	1	N/A	97	95.7%
18929	\$389,200	-11.73%	13	-13.33%	112	95.4%
18930	\$315,000	3.96%	1	-75.00%	47	97.2%
18934	\$1,400,000	389.85%	1	-50.00%	122	90.3%
18938	\$538,600	1.45%	33	-23.26%	136	89.9%
18940	\$446,500	8.29%	60	-36.17%	82	94.8%
18942	\$270,400	-37.65%	4	-42.86%	184	91.1%
18944	\$309,600	3.93%	31	-46.55%	114	95.1%
18946	\$210,000	N/A	1	N/A	18	84.0%
18947	\$480,300	0.97%	10	25.00%	202	90.9%
18950	\$305,000	N/A	1	N/A	107	95.3%
18951	\$231,700	9.09%	68	-23.60%	99	95.7%
18954	\$377,600	-12.47%	14	55.56%	109	95.2%
18955	\$161,000	-27.96%	2	-50.00%	51	101.3%
18960	\$237,100	-0.34%	25	-19.35%	84	97.3%
18963	\$744,000	-58.08%	1	0.00%	145	93.1%
18966	\$288,600	-4.56%	64	-31.18%	82	95.4%
18969	\$159,700	-13.82%	10	-33.33%	75	97.6%
18970	\$239,000	165.56%	3	200.00%	101	97.1%
18972	\$327,900	2.76%	8	14.29%	135	89.8%
18974	\$280,600	12.06%	63	-35.05%	94	95.1%
18976	\$334,400	0.18%	34	-49.25%	74	95.2%
18977	\$490,100	-2.41%	9	-18.18%	115	93.6%
18980	\$441,300	-8.06%	2	100.00%	39	92.5%
19006	\$265,000	-32.33%	2	-60.00%	139	92.2%
19007	\$139,900	-16.73%	24	-59.32%	119	94.5%
19020	\$252,900	1.32%	63	-32.26%	89	94.6%
19021	\$156,400	-15.96%	17	0.00%	90	94.9%
19030	\$243,500	9.64%	13	-40.91%	92	96.2%
19040	\$210,000	-9.48%	2	100.00%	73	90.6%
19047	\$300,400	5.63%	55	-23.61%	118	95.9%
19053	\$285,800	3.44%	40	-18.37%	96	95.1%
19054	\$204,800	-1.06%	25	-24.24%	74	95.8%

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)
19055	\$170,500	-11.34%	29	-17.14%	91	96.1%
19056	\$207,700	-10.13%	29	-14.71%	73	93.1%
19057	\$173,500	-4.57%	21	-57.14%	68	95.8%
19067	\$361,100	9.26%	86	-25.22%	84	95.0%
19440	\$408,900	-8.61%	4	0.00%	233	85.5%

Chester County, PA



Labor Market :

Chester County saw 392 layoffs occur during October and November. Despite the decline in employment, the average monthly unemployment rate fell from 7.1% during the third quarter to 6.3% in the first two months of the fourth quarter. Continued layoffs are hurting confidence and demand, but sub-5% mortgage rates have kept affordability strong.

Housing Market :

	<i>Q3' 10</i>	<i>Q4' 10</i>	<i>Q1' 11</i> <i>(Forecast)</i>
Average Price	\$383,700	\$347,800	↓
# Homes on the Market *	4,396	3,530	↑
# Homes Sold **	1,107	979	↓
# New Homes Built ***	228	140	↑
Avg # of Days on Market	87	104	↑

* Available as of Dec. 31, 2010.

** May not add to total of zip codes

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

Data by Zip Codes

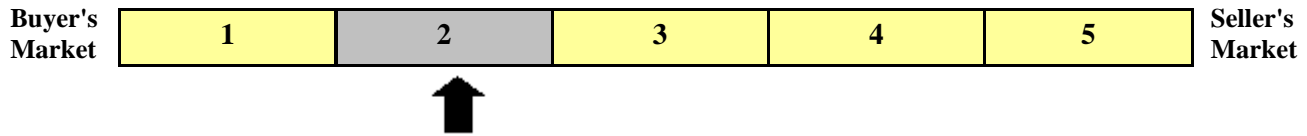
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
19073	\$1,266,500	214.03%	4	-20.00%	160	84.6%
19087	\$482,600	50.30%	42	-34.38%	81	98.4%
19301	\$303,700	-8.14%	14	-36.36%	132	95.2%
19310	\$117,600	-47.50%	5	-16.67%	124	96.5%
19311	\$314,000	-6.49%	11	-45.00%	58	96.9%
19312	\$550,300	-24.14%	28	-12.50%	93	94.7%
19317	\$426,500	-28.54%	14	-22.22%	145	92.0%
19320	\$225,800	-3.55%	86	-43.05%	110	96.3%
19330	\$245,700	-0.85%	6	-14.29%	66	98.7%
19333	\$523,600	-7.98%	28	47.37%	80	95.6%
19335	\$326,300	1.21%	106	-25.87%	106	96.4%

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)
19341	\$368,000	19.48%	28	-33.33%	91	95.9%
19343	\$391,100	1.35%	10	-16.67%	159	95.0%
19344	\$222,900	-10.48%	15	-25.00%	135	96.9%
19348	\$391,400	14.44%	38	-15.56%	125	96.1%
19350	\$409,800	1.99%	18	0.00%	95	96.1%
19351	\$350,000	N/A	1	N/A	7	93.3%
19352	\$317,700	-4.91%	15	-16.67%	89	100.5%
19355	\$546,800	14.18%	51	-22.73%	121	95.3%
19362	\$212,900	46.52%	4	-42.86%	114	94.7%
19363	\$205,700	-5.03%	22	-50.00%	52	95.1%
19365	\$128,600	-27.39%	14	-26.32%	116	95.8%
19372	\$226,400	-9.22%	1	-87.50%	197	100.7%
19374	\$120,000	N/A	1	N/A	323	88.9%
19375	\$1,466,900	N/A	1	N/A	7	137.8%
19380	\$358,200	-3.11%	97	-24.81%	93	96.0%
19382	\$352,800	10.25%	109	-19.26%	102	95.5%
19390	\$285,400	8.85%	22	-37.14%	135	94.1%
19425	\$402,000	-4.22%	34	-27.66%	105	95.2%
19460	\$258,400	-0.23%	79	-34.71%	109	95.6%
19465	\$280,300	11.27%	42	-8.70%	114	94.8%
19475	\$216,500	-13.54%	19	-42.42%	96	96.9%
19520	\$288,000	-22.16%	12	9.09%	110	90.8%
19543	\$313,200	4.43%	2	100.00%	33	99.8%

Delaware County, PA



Labor Market :

Delaware County saw 406 layoffs occur during October and November. Despite the decline in employment, the average monthly unemployment rate fell from 8.9% during the third quarter to 8.3% in the first two months of the fourth quarter. Continued layoffs are hurting confidence and demand, but sub-5% mortgage rates have kept affordability strong.

Housing Market :

	Q3' 10	Q4' 10	Q1' 11 (Forecast)
Average Price	\$295,800	\$273,300	↓
# Homes on the Market *	4,079	3,375	↑
# Homes Sold **	930	855	↓
# New Homes Built ***	112	55	↑
Avg # of Days on Market	74	95	↑

* Available as of Dec. 31, 2010.

** May not add to total of zip codes

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

Data by Zip Codes

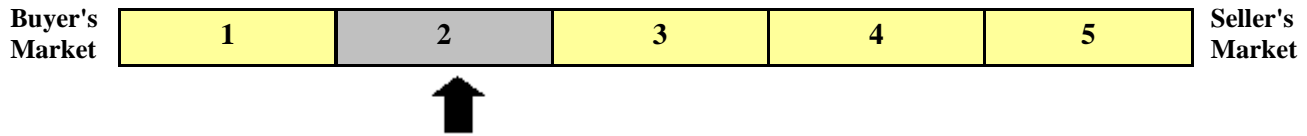
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
19003	\$251,600	-10.65%	15	-21.05%	64	96.7%
19008	\$326,100	0.49%	26	-40.91%	94	93.6%
19010	\$399,700	-3.62%	26	-29.73%	95	94.1%
19013	\$57,000	-33.49%	18	-10.00%	88	93.9%
19014	\$212,300	3.26%	29	-58.57%	87	96.5%
19015	\$156,200	2.56%	25	-60.94%	128	95.6%
19018	\$145,600	-6.67%	36	-47.06%	110	94.8%
19022	\$90,400	-16.99%	5	-37.50%	115	96.1%
19023	\$71,400	-16.88%	20	-58.33%	98	95.1%
19026	\$176,700	-6.46%	40	-59.18%	97	94.8%
19029	\$114,700	-13.11%	8	-20.00%	71	90.8%

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)
19032	\$103,900	-11.42%	12	-60.00%	66	93.9%
19033	\$179,300	-2.77%	11	-52.17%	72	93.2%
19036	\$122,900	-12.28%	26	-50.00%	90	94.5%
19041	\$834,100	-35.45%	21	250.00%	103	102.0%
19043	\$145,300	-18.37%	4	-20.00%	70	94.1%
19050	\$118,400	-22.66%	46	-41.77%	100	95.6%
19061	\$250,100	19.84%	51	-36.25%	118	97.3%
19063	\$354,800	3.86%	63	-26.74%	96	95.5%
19064	\$262,000	-11.16%	39	-31.58%	94	96.5%
19070	\$207,800	2.26%	8	-52.94%	112	98.0%
19073	\$480,200	5.19%	31	-35.42%	106	99.3%
19074	\$183,100	9.90%	12	71.43%	80	96.1%
19076	\$137,900	-21.15%	7	-41.67%	60	97.4%
19078	\$171,100	-12.48%	17	-43.33%	118	95.8%
19079	\$105,700	-1.21%	13	-51.85%	66	97.3%
19081	\$247,700	-8.53%	12	-33.33%	70	94.5%
19082	\$91,300	-14.59%	47	-51.04%	70	95.4%
19083	\$264,900	-2.57%	78	-9.30%	75	95.7%
19085	\$697,500	-40.63%	5	-37.50%	87	96.4%
19086	\$269,300	-13.19%	15	-50.00%	151	95.8%
19087	\$1,005,100	82.41%	27	8.00%	110	87.8%
19094	\$153,600	-14.24%	5	-58.33%	123	95.2%
19096	\$366,300	-6.39%	4	33.33%	63	96.1%
19317	\$420,400	5.89%	11	-35.29%	132	94.5%
19342	\$339,300	-5.57%	29	-36.96%	112	96.4%
19373	\$563,500	11.47%	6	0.00%	101	96.4%
19382	\$542,000	-20.29%	2	100.00%	172	96.8%
OTHER	\$369,900	-2.07%	5	66.67%	110	94.2%

Montgomery County, PA



Labor Market :

Montgomery County saw 623 layoffs occur during October and November. Despite the decline in employment, the average monthly unemployment rate fell from 7.6% during the third quarter to 7.1% in the first two months of the fourth quarter. Continued layoffs are hurting confidence and demand, but sub-5% mortgage rates have kept affordability strong.

Housing Market :

	<i>Q3' 10</i>	<i>Q4' 10</i>	<i>Q1' 11</i> <i>(Forecast)</i>
Average Price	\$326,400	\$313,200	↓
# Homes on the Market *	6,094	4,924	↑
# Homes Sold **	1,606	1,524	↓
# New Homes Built ***	160	119	↑
Avg # of Days on Market	82	91	↑

* Available as of Dec. 31, 2010.

** 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	\$187,400	-6.35%	9	-10.00%	97	96.2%
18054	\$348,400	-5.22%	11	10.00%	206	96.8%
18073	\$270,800	7.42%	10	-62.96%	65	95.5%
18074	\$216,400	-12.21%	14	-22.22%	72	96.2%
18076	\$199,900	10.02%	6	-60.00%	73	95.1%
18915	\$214,000	N/A	2	N/A	70	97.5%
18936	\$170,000	-20.93%	1	0.00%	55	94.5%
18964	\$272,100	8.49%	28	-34.88%	116	96.6%
18969	\$233,100	-14.36%	18	-10.00%	73	93.7%
19001	\$243,000	3.80%	33	-35.29%	60	96.7%
19002	\$378,900	-13.26%	68	-15.00%	97	95.4%

Montgomery County, PA

Data by Zip Codes

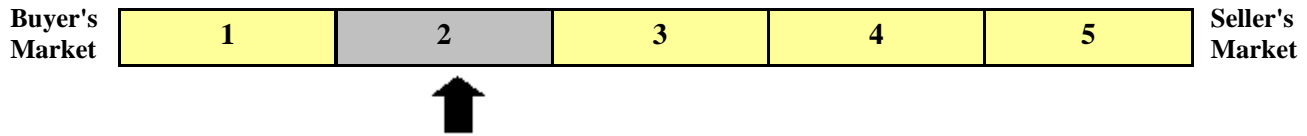
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
19003	\$612,900	110.55%	18	-10.00%	96	95.0%
19004	\$372,900	-8.11%	18	-14.29%	81	94.1%
19006	\$361,200	-13.30%	35	-2.78%	78	92.8%
19010	\$962,200	-23.88%	23	91.67%	64	93.1%
19012	\$215,500	-11.61%	12	0.00%	107	90.2%
19025	\$343,800	-13.64%	13	-7.14%	109	96.9%
19027	\$240,800	6.83%	37	-32.73%	104	94.1%
19031	\$283,800	-6.31%	5	-50.00%	45	93.1%
19034	\$441,300	5.62%	8	-27.27%	103	92.1%
19035	\$1,351,000	69.30%	5	25.00%	79	91.3%
19038	\$256,600	-4.96%	53	-29.33%	103	95.7%
19040	\$247,100	-3.33%	32	-41.82%	92	96.3%
19041	\$737,500	6.58%	13	85.71%	129	93.5%
19044	\$269,500	9.42%	21	-50.00%	72	96.3%
19046	\$369,600	14.71%	30	-33.33%	91	92.7%
19066	\$466,900	8.86%	14	-6.67%	74	95.4%
19072	\$492,100	10.44%	25	19.05%	66	94.1%
19075	\$285,600	6.33%	11	-56.00%	120	94.6%
19085	\$1,267,500	11.49%	8	0.00%	86	85.9%
19087	\$532,400	27.43%	11	22.22%	54	96.0%
19090	\$196,300	-12.44%	38	5.56%	105	94.0%
19095	\$252,000	-8.66%	8	-20.00%	31	92.8%
19096	\$429,700	11.38%	29	-17.14%	96	93.6%
19401	\$135,500	-20.20%	67	-36.79%	108	94.1%
19403	\$274,200	8.94%	85	-34.11%	97	95.1%
19405	\$179,600	-9.61%	10	-50.00%	48	93.9%
19406	\$259,300	0.08%	27	-54.24%	99	93.8%
19422	\$405,700	4.16%	36	-14.29%	88	96.0%
19426	\$328,100	0.89%	65	-31.58%	90	96.2%
19428	\$289,100	2.16%	39	-32.76%	97	96.2%
19437	\$720,300	30.96%	3	200.00%	102	94.0%
19438	\$309,200	7.62%	38	-36.67%	95	96.9%
19440	\$272,700	4.56%	22	-21.43%	121	96.8%
19444	\$405,200	13.18%	24	0.00%	60	91.6%
19446	\$273,000	2.71%	121	-15.38%	79	95.9%
19453	\$158,400	23.85%	7	-22.22%	98	95.7%
19454	\$284,200	3.50%	75	-17.58%	78	96.7%

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)
19456	\$328,500	20.86%	2	0.00%	17	97.4%
19460	\$583,100	52.13%	8	-60.00%	173	93.5%
19462	\$332,700	11.01%	25	-34.21%	81	93.1%
19464	\$147,900	-1.53%	86	-45.57%	114	94.6%
19468	\$236,700	3.23%	45	-52.13%	91	97.3%
19473	\$304,300	23.60%	36	-23.40%	101	94.8%
19474	\$232,000	-20.79%	5	-58.33%	61	97.8%
19477	\$720,000	N/A	1	N/A	6	99.3%
19512	\$151,900	-16.77%	4	300.00%	56	94.2%
19525	\$264,800	-7.90%	25	-21.88%	76	97.7%
OTHER	\$225,000	-55.00%	1	0.00%	43	100.0%

Philadelphia County, PA



Labor Market :

Philadelphia County saw 871 layoffs occur during October and November. Despite the decline in employment, the average monthly unemployment rate fell from 11.7% during the third quarter to 11.4% in the first two months of the fourth quarter. Continued layoffs are hurting confidence and demand, but sub-5% mortgage rates have kept affordability strong.

Housing Market :

	Q3' 10	Q4' 10	Q1' 11 (Forecast)
Average Price	\$190,600	\$182,000	↓
# Homes on the Market *	9,526	8,039	↑
# Homes Sold **	2,149	2,038	↓
# New Homes Built ***	154	55	↑
Avg # of Days on Market	70	76	↑

* Available as of Dec. 31, 2010.

** 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	\$435,200	-20.03%	10	66.67%	129	95.4%
19103	\$520,400	7.77%	47	-20.34%	144	92.1%
19104	\$176,300	10.74%	12	-36.84%	57	94.1%
19106	\$502,300	5.39%	24	-40.00%	160	90.9%
19107	\$230,900	-36.64%	16	-36.00%	137	92.4%
19111	\$159,400	-3.74%	88	-42.48%	67	95.5%
19114	\$173,500	-11.12%	35	-55.70%	92	95.3%
19115	\$223,600	-1.54%	58	-20.55%	88	93.7%
19116	\$215,600	-11.20%	41	-43.06%	81	94.7%
19118	\$523,800	2.07%	20	-16.67%	66	96.6%
19119	\$249,000	14.01%	41	-32.79%	51	94.8%

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	\$86,200	3.86%	64	-45.30%	50	95.6%
19121	\$92,100	-1.92%	22	46.67%	82	89.9%
19122	\$164,200	-9.13%	8	-55.56%	35	95.4%
19123	\$334,700	6.80%	46	39.39%	55	99.2%
19124	\$75,900	-16.32%	97	-44.89%	67	94.3%
19125	\$159,900	-16.81%	68	-26.88%	73	94.8%
19126	\$134,000	6.94%	14	-56.25%	60	96.4%
19127	\$226,600	-2.50%	21	-40.00%	98	95.2%
19128	\$233,700	-0.55%	74	-28.16%	84	96.2%
19129	\$279,300	12.03%	21	-25.00%	117	96.4%
19130	\$307,100	5.39%	64	-25.58%	89	94.2%
19131	\$118,900	12.59%	33	-40.00%	54	92.4%
19132	\$50,900	-10.23%	13	-35.00%	106	93.0%
19133	\$50,400	-4.73%	4	-60.00%	45	94.2%
19134	\$74,600	-15.61%	74	-26.00%	78	91.4%
19135	\$92,600	-15.51%	77	-36.89%	60	94.1%
19136	\$129,500	-3.93%	55	-37.50%	86	94.0%
19137	\$123,000	-0.89%	18	-21.74%	66	92.6%
19138	\$87,900	-8.82%	38	-54.76%	53	96.3%
19139	\$62,200	-9.72%	37	19.35%	72	91.7%
19140	\$50,800	5.39%	15	-58.33%	88	90.9%
19141	\$96,300	7.48%	18	-60.87%	71	98.0%
19142	\$67,600	-1.60%	16	-61.90%	36	93.4%
19143	\$126,400	22.24%	52	-30.67%	81	93.2%
19144	\$110,200	-3.25%	29	-48.21%	71	94.0%
19145	\$140,900	-5.50%	70	-29.29%	91	93.5%
19146	\$257,200	1.38%	115	-11.54%	77	94.9%
19147	\$320,800	1.84%	102	-16.39%	70	95.3%
19148	\$144,500	-7.13%	101	-37.65%	84	93.6%
19149	\$111,900	-8.28%	99	-47.62%	49	95.8%
19150	\$131,200	-9.58%	27	-38.64%	61	94.0%
19151	\$105,400	-6.89%	44	-48.24%	85	93.6%
19152	\$174,300	-2.19%	41	-57.73%	80	93.9%
19153	\$110,800	2.21%	24	-11.11%	80	94.8%
19154	\$181,800	-7.01%	45	-37.50%	76	95.6%

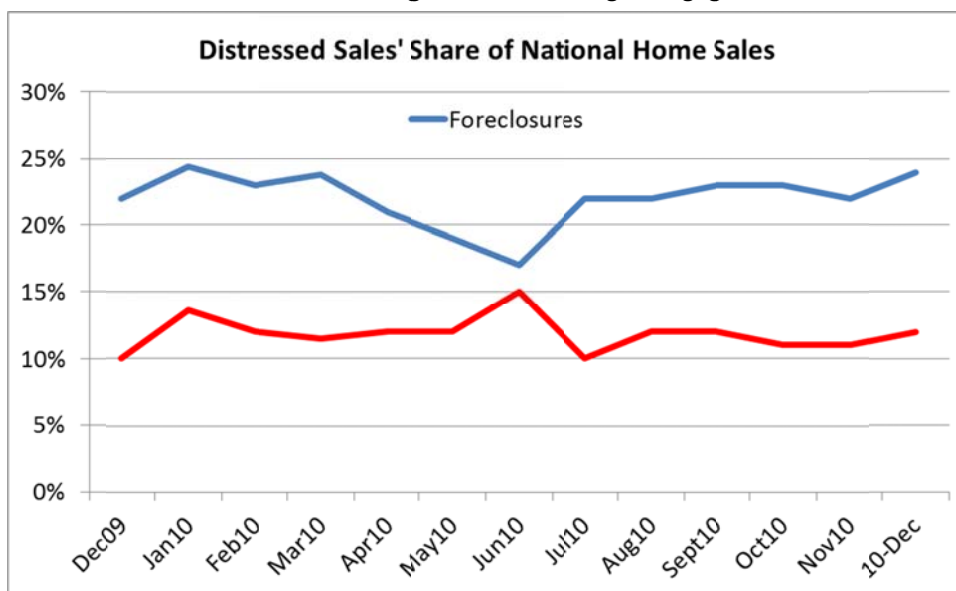
Robo-Signing and You

By Ken Fears
Manager, Regional Economics

The dust had not settled in the wake of the Federal home buyer tax credit before the housing market was hit by another distortion. This time the shock came from the supply side by way of the foreclosure process and the revelation that documentation submitted by some banks was flawed. Several banks imposed a moratorium on foreclosure sales as a result. The question is how did this change impact home sales?

Nationally, the share of foreclosures that sold fell to 22% in November before jumping to 24% in December. Short sales held steady at 11% before climbing to 12%. These patterns suggest that the moratorium imposed by Bank of America, JP Morgan Chase, GMAC, and Ally Financial may have had a slight impact on sales of foreclosures at the national level. However, the scandal did not hold back general consumer demand for housing. Nationally, home sales rose 6.1% in November and surged 12.3% in December as fence sitters moved to get ahead of rising mortgage rates. The inventory of homes slipped by 3.8% and 4.2% over this same time frame. The drop in supply and rise in demand helped drive the months supply down from 10.5 in October to 8.1 in December, its lowest level since March and a trend that helps to ease downward pressure on home prices.

Not all areas of the country were exposed to the problems brought on by flawed foreclosure filings. Only states where foreclosures are part of the judicial process are impacted by the issues



surrounding the mass signing of documents. In areas where the process falls under the judicial system, a bank must prove in court that it owns the property before it can proceed with the foreclosure sale. In non-judicial areas, the process is based on the deed of trust, which has a clause explicitly allowing a trustee to sell the property after the trustee makes pre-determined efforts to notify the home owner. While some non-judicial areas may be spared this potential log-jam, both GMAC and Bank of America chose to suspend foreclosure sales in both judicial and non-judicial areas. Consequently, given the size of these two lenders the impacts are likely widespread. BofA did re-start limited foreclosure sales in late October, which might explain the increased share of foreclosures in the December sales report.

According to research done by RealtyTrac, Inc, the foreclosure process in both Pennsylvania and Delaware is governed by the judicial process. Consequently, the area covered by TREND MLS is likely to experience some disruptions from the moratorium. The impact on the market is hard to quantify. Intuitively, one would expect a decline in foreclosures to reduce supply and help prices, but it might push the supply issue into the spring market once the documentation and signature issues are resolved. Furthermore, the scandal could scare away buyers who are worried about the health of the market and their legal right to buy a foreclosed home. One clear upside is that banks are more likely to be receptive to short-sale offers, particularly if a coalition of state attorneys general move forward with proposed law suits that would extend the moratorium.

It is difficult to say exactly how the robo-signing scandal will impact the local housing market. Markets with relatively tight inventories and stable employment may not be impacted, while markets with high inventory levels may experience a roller-coaster. What's fact is that the true nature of market may not be revealed until later in 2011.

Cheers for the New Year?

by Lawrence Yun, NAR Chief Economist

The total number of home-owning households rises about one million each year. These additional homeowners are the result of powerful yet simple forces of an increasing population. The latest decennial Census count confirms the continuing solid gains in the U.S. population. From 2000 to 2010, our nation's population grew by 27 million -- there are now 308 million people living in the country representing 112 million households.

Because of population increases, one can expect a rising number of homeowners over time. Of course, there will naturally be fluctuations from one year to the next due to changing economic circumstances. One notable past example of this occurred in 1982 when there was no net new addition to the homeowner population despite the ongoing general population increase. If you recall, in 1982 mortgage rates rose to 18 percent – certainly an interest rate not conducive to buying a home.

Year	Homeowners
1960	31 million (estimate)
1970	41 million
1980	52 million
1990	60 million
2000	70 million
2010	75 million

In the past five years, from 2005 to 2010, even a larger anomaly occurred: there was no net new growth in the home-owning population. The main reason for this was the huge housing bubble and the subsequent – and painful – bust which halted homeownership growth. There are currently 75 million home-owning households. That is slightly lower than the 76 million homeowners in 2005. Indeed, according to the U.S. Census Bureau (which tracks homeownership rates), the homeownership rate fell from 69 percent to 66 percent over the past 5 years.

We should remember something important. Those bubble years are artificial; consequently, that 69 percent homeownership rate in 2005 was likely also to have been artificial. A return to a 66 percent homeownership rate could be sustainable – and frankly still very impressive as it means that two-thirds of U.S. households own their own homes. The very low default rates on recently originated mortgage loans (those originated in 2009 and 2010) point back towards solid sustainable homeownership levels for the future. A “back-to-the-long term” trend line would mean adding one million net new home-owning households each year. This powerful supporting demographic force will be present as the overall population is expected to rise to about 340 million by the next Census period in 2020, and then to increase to 420 million by 2050. In terms of home-owning households, that means an increase anywhere from the current 75 million homeowners to 115 million by 2050.

Such a demographic force has a major impact regarding the longer term future. But the short-term dynamics are dominated by economic forces. Fortunately, the economy is showing more definitive signs of improvement. Manufacturing output has been rising. The stock market has recovered nicely. Companies are flush with cash. Consumer confidence has rebounded off very low levels (albeit with more improvement needed). And more importantly, jobs are being created. According to the latest company payroll data released in early January, there were 1.1 million additional jobs in December of 2010 compared to one year before. The household employment

Chief Economist's Commentary

data (based on asking people if they have a job) was even more encouraging: there were 1.3 million more jobs. The official unemployment rate figure of 9.4 percent is based on the household survey not the payroll survey.

Job gains are expected to accelerate in 2011 to something close to 2 million net new jobs. That good news is tempered somewhat by the fact that the unemployment rate will remain stubbornly high at near 9 percent as more discouraged unemployed people – those who are not officially counted as unemployed since they are not looking for work – start looking for a job.

Some release of pent-up demographic demand supported by the improving economy will bump up home sales this year. In addition to new homeowners, there are always a certain percentage of existing homeowners who move – that is, they sell their home and purchase another one. The latest NAR survey of home sellers indicates that recent sellers have been in their current residence for 10 years. That implies one out of 10 homeowners will be moving in a given year. Census data suggests a much longer holding period than 10 years, which is due to many homeowners who remain in their homes until death and thus do not get captured in the NAR survey of recent home sellers. Generally, younger homeowners have shorter tenures in their homes before making the next move. At the same time though, older homeowners are more likely to purchase a second home – be it an investment or vacation home.








Putting all important factors together, existing-home sales are projected to rise 8 percent to 5.2 million units nationwide this year and possibly to 5.5 million in 2012. There will be a bigger percentage increase of 24 percent for new home sales in 2011, but that is due to a very low base figure of only 310,000 new home sale posted in 2010.

Our forecast figures will be updated each month depending on how the economy plays out. And let's be a bit more realistic for this new year: going forward we are unlikely to see the 7 million existing-home sales and 1 million new homes sales we saw during the bubble years. We now know that those figures were in part artificial. The housing market is just trying to settle down – and it will do so at a long-run and sustainable pace.

So, here's to the new year: Cheers!

Economic Monitor

This table reflects data available through January 7, 2011.

Monthly Indicator	Recent Forecast	Likely Direction Over the Next Six Months	Forecast
<p>Existing-home sales rose 5.6% in November to a seasonally adjusted annual rate of 4.68 million units. The national median existing-home price was \$170,600 in November. Going forward, the positive impact of ongoing economic growth and steady job creation should more than offset the modest rise in mortgage interest rates.</p>	Nov 2010 4,680 Oct 2010 4,430 Nov 2009 6,490		Job creation is adding to the buyer pool
<p>New home sales also increased in November, rising 5.5% to a seasonally adjusted annual rate of 290,000 units. The West experienced a 37.3% increase in new home sales. Still, sales were 21.2% below their pace in November of 2009. New home inventory at the end of November was 197,000 units – an 8.2 month supply at the current sales pace.</p>	Nov 2010 290 Oct 2010 275 Nov 2009 368		Finally, some recovery from a dismal state
<p>Housing starts rose 3.9% from October to November, posting a seasonally adjusted annual rate of 555,000 units. Single-family starts increased 6.9%. However, building permits – generally a reliable indicator of future starts – declined slightly to 4.0% from October to 14.7% from November of 2009. There is still significant new construction that needs to be completed as well as sold.</p>	Nov 2010 555 Oct 2010 534 Nov 2009 589		Construction loans should steadily appear
<p>Housing affordability continued its march upward. NAR's HAI Index for November registered 184.5 – up from 183.6 in October. The relationship recently between mortgage rates, home prices and income has been the most favorable on record.</p>	Nov 2010 184.5 Oct 2010 183.4 Nov 2009 173.3		Slow wage gain not enough to offset higher rates
<p>Mortgage rates Average 30-year fixed mortgage rates rose 31 basis points in December 2010 to 4.71%. Despite the increase, mortgage rates were still lower than they were in December of 2009. Modest rate increases are not yet a threat to the housing market as long as the job market holds up as anticipated in 2011.</p>	Dec 2010 4.71% Nov 2010 4.30% Dec 2009 4.88%		High budget deficit raises borrowing costs
<p>Employment The U.S. economy created 103,000 new jobs in December, virtually all of which were private-sector payrolls. October's and November's job creation figures were revised upward. Still the December figure was less than what most analysts anticipated. During 2010, the nation added 1.1 million jobs. The unemployment rate did decline in December – to 9.4% -- although that was in part Due to people who stopped looking for work.</p>	Dec 2010 - 103 Nov 2010 -71 12-month total: +1,100		Two million new jobs possible in 2011
<p>Economic Growth continued to improve. Real GDP growth – that is, the output of all goods and services produced in the U.S. – increased 2.6% from the 2nd quarter of 2010 to the 3rd quarter, marking a 5th consecutive quarter of positive GDP growth. This is the 3rd and final estimate of GDP growth based on more complete data. The increase in GDP reflects growth in consumer spending, private investment, export and government spending.</p>	2010:III +2.6% 2010:II +1.7% 2009:III +1.6%		Business spending momentum strengthening

Notes: All rates are seasonally adjusted. Existing home sales, new home sales and housing starts are shown in thousands. Employment growth is shown as month-to-month change in thousands. Sources: NAR, Bureau of the Census, Bureau of Labor Statistics and Freddie Mac.