

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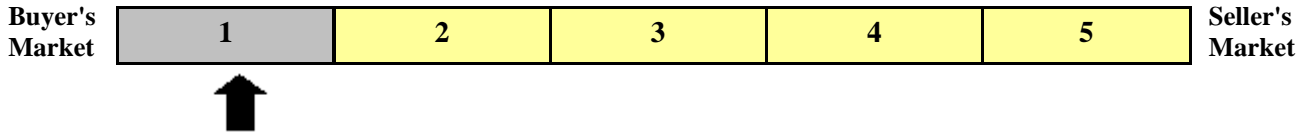
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*Reprinted from [Real Estate Outlook: Market Trends and Insights](#).

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Kent County, DE



Labor Market :

In the first two months of the second quarter, 132 jobs were added to the payrolls of Kent County. As a result of these new jobs, the average monthly unemployment rate fell from 7.7% during the first quarter to 7.6% for April and May. This steady job creation may help to maintain demand for home purchases. Favorable mortgage rates should support this trend.

Housing Market :

	<i>Q1' 09</i>	<i>Q2' 09</i>	<i>Q3' 09</i> <i>(Forecast)</i>
Average Price	\$200,700	\$200,800	↔
# Homes on the Market *	1,946	2,411	↑
# Homes Sold **	201	300	↔
# New Homes Built ***	119	149	↑
Avg # of Days on Market	114	105	↑

* Available as of Jun. 30, 2009.

** May not add to total of zip codes

*** During the first two months of 2nd quarter.

Data by Zip Codes

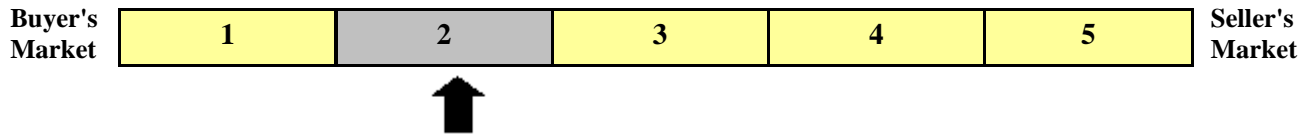
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
19901	\$214,200	-1.61%	44	-38.03%	86	95.2%
19904	\$184,200	-9.35%	73	-10.98%	94	96.5%
19934	\$224,100	1.27%	24	-14.29%	85	98.0%
19936	\$162,000	8.00%	1	0.00%	126	92.6%
19938	\$188,700	-11.41%	15	36.36%	120	94.8%
19943	\$183,700	-7.36%	22	-35.29%	103	97.0%
19946	\$166,700	-29.66%	7	0.00%	189	94.1%
19952	\$165,100	-8.83%	20	-31.03%	120	94.4%
19953	\$125,800	-53.02%	5	0.00%	83	93.5%
19954	\$162,000	141.79%	2	100.00%	31	97.4%
19962	\$253,200	-1.48%	24	-31.43%	162	97.9%

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	\$174,100	-13.77%	7	-22.22%	70	95.6%
19964	\$194,100	-2.66%	6	0.00%	158	98.7%
19977	\$221,000	-4.86%	48	-5.88%	99	98.7%
19979	\$235,800	-27.42%	2	100.00%	255	96.2%

New Castle County, DE



Labor Market :

Employment declined by 2,899 jobs in April and May. The job losses brought about an increase in the average monthly unemployment rate from 7.4% in the first quarter to 7.7% for the second two months of the second quarter. Job losses are ticking upwards, creating a drag on buyer confidence and demand in New Castle County. However, historically low mortgage rates have created a favorable buying environment for those with a job.

Housing Market :

	<i>Q1' 09</i>	<i>Q2' 09</i>	<i>Q3' 09</i> <i>(Forecast)</i>
Average Price	\$240,900	\$248,300	↔
# Homes on the Market *	3,465	4,453	↑
# Homes Sold **	787	1,273	↔
# New Homes Built ***	115	117	↑
Avg # of Days on Market	87	86	↑

* Available as of Jun. 30, 2009.

** May not add to total of zip codes

*** During the first two months of 2nd quarter.

Data by Zip Codes

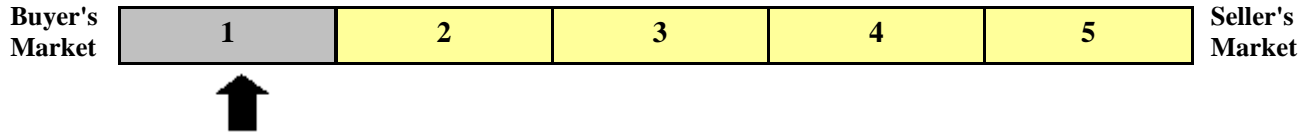
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
19701	\$235,000	-18.23%	112	-3.45%	85	97.4%
19702	\$223,100	-5.06%	112	-25.83%	78	97.2%
19703	\$200,500	-7.99%	20	-33.33%	114	96.5%
19706	\$155,000	-30.80%	1	0.00%	82	90.2%
19707	\$407,000	-6.52%	39	-4.88%	101	95.2%
19709	\$302,100	-7.30%	95	-10.38%	121	96.8%
19711	\$283,100	-8.35%	107	-2.73%	83	96.7%
19713	\$182,700	-13.04%	66	-12.00%	81	96.4%
19720	\$171,000	-10.14%	136	3.03%	90	96.2%
19730	\$270,000	-2.70%	1	-50.00%	192	90.0%
19731	\$50,000	-84.13%	1	0.00%	8	90.9%

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)
19733	\$249,900	N/A	1	N/A	232	100.0%
19734	\$308,700	-2.96%	19	46.15%	179	94.6%
19801	\$125,400	-39.24%	23	-55.77%	65	94.4%
19802	\$149,600	-16.84%	45	-22.41%	82	95.3%
19803	\$360,700	-6.14%	54	-20.59%	53	94.1%
19804	\$187,200	-0.79%	46	-16.36%	95	96.8%
19805	\$163,000	5.50%	114	3.64%	66	97.0%
19806	\$323,500	2.37%	48	-12.73%	116	94.9%
19807	\$757,900	-31.68%	25	25.00%	115	91.3%
19808	\$250,400	-4.28%	87	-33.08%	71	96.1%
19809	\$198,200	-11.87%	53	-14.52%	74	95.6%
19810	\$312,900	-5.72%	64	-1.54%	74	94.9%
19938	\$310,000	N/A	1	N/A	25	94.0%
19977	\$187,500	-39.32%	3	200.00%	41	102.5%

Burlington County, NJ



Labor Market :

Employment increased by 2,162 jobs in Burlington County during April and May. 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 7.7% for the first quarter to 7.8% in the first two months of the second quarter. The solid job growth may provide home sales, while historically low mortgage rates boost affordability.

Housing Market :

	<i>Q1' 09</i>	<i>Q2' 09</i>	<i>Q3' 09</i> <i>(Forecast)</i>
Average Price	\$234,900	\$247,000	↔
# Homes on the Market *	4,052	5,411	↑
# Homes Sold **	676	1,008	↔
# New Homes Built ***	96	68	↑
Avg # of Days on Market	109	107	↑

* Available as of Jun. 30, 2009.

** May not add to total of zip codes

*** During the first two months of 2nd quarter.

Data by Zip Codes

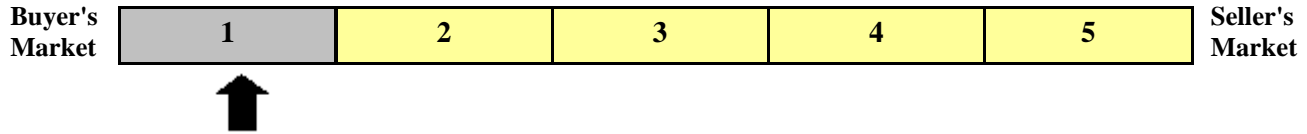
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
08010	\$156,500	-6.96%	21	-19.23%	102	96.8%
08015	\$167,400	-5.37%	59	-11.94%	81	98.7%
08016	\$229,500	-1.76%	74	-20.43%	121	95.9%
08019	\$90,000	-73.80%	1	-66.67%	77	90.1%
08022	\$309,000	-16.06%	21	-30.00%	98	96.2%
08036	\$336,500	-5.61%	13	-18.75%	112	94.7%
08046	\$130,100	-21.91%	67	-22.09%	96	95.3%
08048	\$289,400	-3.98%	27	-18.18%	82	95.5%
08052	\$162,300	-16.47%	28	-9.68%	101	94.7%
08053	\$252,100	-5.90%	139	-22.35%	82	95.9%
08054	\$263,500	4.32%	158	-10.73%	121	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)
08055	\$326,400	-22.36%	50	-45.05%	96	95.0%
08057	\$514,900	-4.06%	37	-43.94%	118	93.3%
08060	\$208,200	-15.47%	53	-11.67%	127	95.8%
08065	\$188,500	-5.66%	23	35.29%	107	95.8%
08068	\$186,300	-4.51%	9	28.57%	86	95.4%
08075	\$220,800	-11.25%	58	-31.76%	127	93.7%
08077	\$280,000	-1.30%	40	-11.11%	104	94.0%
08088	\$268,000	-21.98%	58	-6.45%	130	94.5%
08215	\$92,000	N/A	1	N/A	63	96.9%
08505	\$265,400	-6.91%	37	-42.19%	101	96.2%
08511	\$286,500	-24.61%	2	100.00%	96	93.2%
08515	\$431,000	-13.24%	9	-25.00%	212	95.2%
08518	\$140,900	-13.02%	12	-25.00%	164	94.1%
08554	\$181,300	4.08%	9	-52.63%	126	96.3%
08562	\$244,000	-42.78%	2	-71.43%	23	93.0%

Camden County, NJ



Labor Market :

A total of 2,364 jobs were created during April and May. 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 second quarter from the 9.2% rate of the first 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 :

	<i>Q1' 09</i>	<i>Q2' 09</i>	<i>Q3' 09</i> <i>(Forecast)</i>
Average Price	\$188,400	\$200,800	↔
# Homes on the Market *	4,190	5,613	↑
# Homes Sold **	690	1,063	↔
# New Homes Built ***	51	80	↑
Avg # of Days on Market	99	95	↑

* Available as of Jun. 30, 2009.

** May not add to total of zip codes

*** During the first two months of 2nd quarter.

Data by Zip Codes

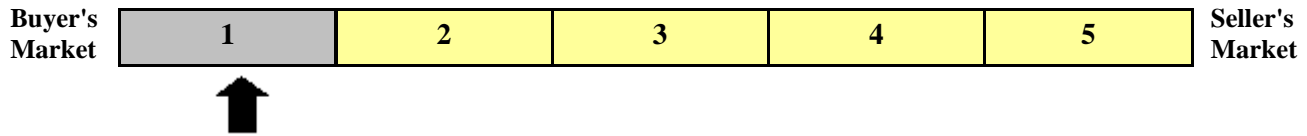
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
08002	\$210,800	-14.17%	42	-34.38%	101	93.1%
08003	\$293,300	-4.77%	75	-9.64%	101	94.5%
08004	\$196,800	-6.37%	33	22.22%	117	94.4%
08007	\$178,300	-17.80%	11	10.00%	76	96.7%
08009	\$228,600	-6.12%	32	14.29%	100	94.1%
08012	\$168,300	-21.97%	39	-35.00%	112	95.9%
08021	\$133,800	-12.55%	66	-38.32%	90	96.4%
08026	\$290,700	58.51%	6	50.00%	104	96.5%
08029	\$167,300	-2.16%	12	0.00%	134	97.3%
08030	\$109,800	-13.34%	34	21.43%	97	93.9%
08031	\$157,500	-11.91%	22	-24.14%	82	96.5%

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	\$402,600	-10.71%	44	-16.98%	112	96.5%
08034	\$223,500	-7.87%	59	7.27%	101	96.1%
08035	\$260,700	-10.32%	28	21.74%	125	94.4%
08037	\$179,200	-21.78%	5	-16.67%	49	98.1%
08043	\$296,700	-7.40%	71	-18.39%	94	93.3%
08045	\$130,500	-34.91%	4	-20.00%	79	100.6%
08049	\$158,700	-11.83%	15	15.38%	95	97.2%
08059	\$175,900	-1.40%	18	-5.26%	119	96.3%
08078	\$141,100	-23.06%	14	-36.36%	107	94.5%
08081	\$189,900	-10.17%	143	-12.27%	91	96.2%
08083	\$168,200	-3.72%	22	0.00%	161	95.0%
08084	\$169,600	-1.34%	16	77.78%	66	96.7%
08089	\$442,600	31.80%	4	33.33%	182	85.7%
08091	\$178,100	-9.36%	12	71.43%	76	96.8%
08103	\$53,400	-8.56%	16	33.33%	100	88.1%
08104	\$51,000	-19.56%	30	-23.08%	98	93.0%
08105	\$84,600	-2.87%	17	-43.33%	58	92.4%
08106	\$208,000	2.77%	28	7.69%	73	95.6%
08107	\$156,700	-12.75%	26	-3.70%	72	95.1%
08108	\$222,100	-8.15%	33	-34.00%	60	93.6%
08109	\$177,300	-9.86%	55	-3.51%	77	96.6%
08110	\$128,300	-15.09%	31	-39.22%	83	96.8%

Gloucester County, NJ



Labor Market :

In the first two months of the second quarter, 1,394 jobs were added to the payrolls of Gloucester County. As a result of these new jobs, the average monthly unemployment rate fell from 8.7% during the first quarter to 8.6% for April and May. This steady job creation may help to maintain demand for home purchases. Favorable mortgage rates should support this trend.

Housing Market :

	<i>Q1' 09</i>	<i>Q2' 09</i>	<i>Q3' 09</i> <i>(Forecast)</i>
Average Price	\$211,200	\$224,700	↔
# Homes on the Market *	2,546	3,365	↑
# Homes Sold **	416	594	↔
# New Homes Built ***	103	114	↑
Avg # of Days on Market	106	99	↑

* Available as of Jun. 30, 2009.

** May not add to total of zip codes

*** During the first two months of 2nd quarter.

Data by Zip Codes

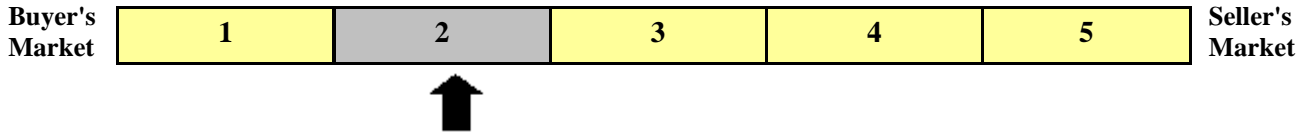
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
08012	\$202,600	-11.26%	41	17.14%	68	95.8%
08020	\$313,600	17.67%	6	0.00%	65	93.9%
08027	\$171,900	-14.39%	7	-53.33%	165	94.2%
08028	\$199,900	-7.50%	47	-9.62%	112	94.2%
08051	\$177,900	-9.51%	32	-3.03%	104	96.9%
08056	\$342,900	-15.10%	14	-12.50%	123	94.5%
08061	\$258,200	-26.42%	8	0.00%	123	95.5%
08062	\$362,500	-1.63%	46	17.95%	122	95.2%
08063	\$160,900	7.99%	5	-44.44%	43	94.7%
08066	\$142,200	18.50%	11	-56.00%	58	95.4%
08071	\$163,000	-3.83%	21	16.67%	100	92.7%

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)
08080	\$253,400	0.48%	71	-40.83%	112	96.0%
08085	\$290,400	-13.90%	48	9.09%	94	94.5%
08086	\$191,900	-18.03%	14	-26.32%	97	91.7%
08090	\$221,700	2.50%	11	-52.17%	90	96.0%
08093	\$140,900	-19.81%	12	-42.86%	103	96.0%
08094	\$199,000	-5.73%	75	-8.54%	75	96.5%
08096	\$183,500	-10.36%	68	-32.00%	113	95.7%
08097	\$191,300	9.38%	6	20.00%	119	96.2%
08312	\$171,700	-15.42%	22	-8.33%	109	95.5%
08322	\$240,500	4.84%	16	-36.00%	81	92.4%
08328	\$153,400	-3.28%	3	-40.00%	56	91.8%
08343	\$187,500	-28.95%	2	-71.43%	122	94.0%
08344	\$259,100	23.26%	7	133.33%	92	90.9%
08360	\$115,000	-25.81%	1	0.00%	187	100.0%

Mercer County, NJ



Labor Market :

In the first two months of the second quarter, 2,066 jobs were added to the payrolls of Mercer County. As a result of these new jobs, the average monthly unemployment rate fell from 7.3% during the first quarter to 7.2% for April and May. This steady job creation may help to maintain demand for home purchases. Favorable mortgage rates should support this trend.

Housing Market :

	<i>Q1' 09</i>	<i>Q2' 09</i>	<i>Q3' 09</i> <i>(Forecast)</i>
Average Price	\$304,600	\$325,400	↔
# Homes on the Market *	2,539	3,433	↑
# Homes Sold **	430	721	↔
# New Homes Built ***	46	32	↑
Avg # of Days on Market	111	92	↑

* Available as of Jun. 30, 2009.

** May not add to total of zip codes

*** During the first two months of 2nd quarter.

Data by Zip Codes

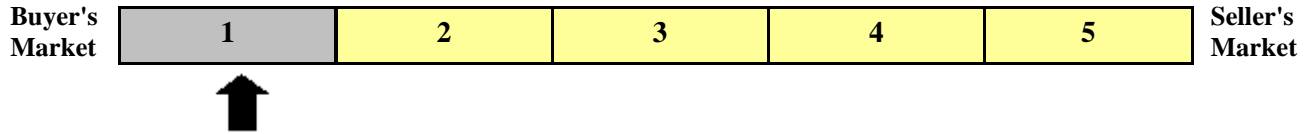
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
08512	\$184,600	-13.46%	12	20.00%	109	94.2%
08520	\$289,600	9.61%	71	-16.47%	96	95.8%
08525	\$398,700	5.50%	9	0.00%	152	92.0%
08534	\$478,800	-4.77%	23	-59.65%	116	94.6%
08540	\$753,000	-16.86%	81	-29.57%	91	93.6%
08542	\$485,000	21.10%	1	-80.00%	391	93.4%
08550	\$560,300	-6.38%	67	34.00%	54	96.1%
08560	\$327,300	-14.14%	6	-14.29%	173	97.1%
08609	\$91,700	1.10%	7	-61.11%	51	93.3%
08610	\$169,600	-22.66%	52	-8.77%	96	95.6%
08611	\$69,900	-16.88%	38	-20.83%	87	88.3%

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)
08618	\$132,100	-21.42%	43	-8.51%	104	93.4%
08619	\$232,700	-15.84%	56	-8.20%	79	96.3%
08620	\$295,500	-4.80%	19	-13.64%	130	95.8%
08628	\$216,600	-21.61%	16	-23.81%	84	94.4%
08629	\$106,200	-21.62%	20	-4.76%	126	96.8%
08638	\$180,900	-10.09%	39	0.00%	85	95.3%
08648	\$274,900	-15.96%	72	-14.29%	119	95.0%
08690	\$265,400	-13.18%	52	-3.70%	67	96.7%
08691	\$366,100	-2.81%	37	-32.73%	89	96.6%

Salem County, NJ



Labor Market :

In the first two months of the second quarter, 124 jobs were added to the payrolls of Salem County. As a result of these new jobs, the average monthly unemployment rate fell from 10.5% during the first quarter to 10.1% for April and May. This steady job creation may help to maintain demand for home purchases. Favorable mortgage rates should support this trend.

Housing Market :

	Q1' 09	Q2' 09	Q3' 09 (Forecast)
Average Price	\$157,200	\$172,900	↔
# Homes on the Market *	663	843	↑
# Homes Sold **	79	116	↔
# New Homes Built ***	8	4	↑
Avg # of Days on Market	131	131	↑

* Available as of Jun. 30, 2009.

** May not add to total of zip codes

*** During the first two months of 2nd quarter.

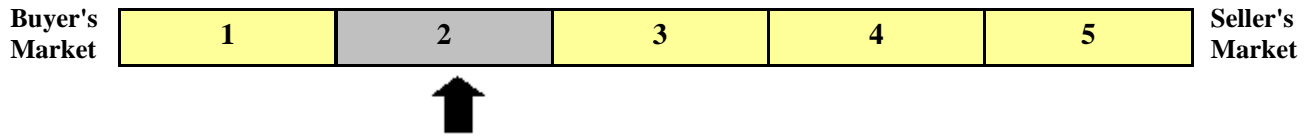
Data by Zip Codes

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	\$263,800	-42.90%	3	200.00%	131	97.8%
08038	\$373,000	N/A	1	N/A	3	99.8%
08067	\$311,200	N/A	2	N/A	116	96.5%
08069	\$133,100	-13.01%	22	-12.00%	123	95.2%
08070	\$148,400	-24.05%	32	14.29%	116	94.9%
08072	\$160,000	-54.29%	1	0.00%	75	100.1%
08079	\$94,300	-31.67%	13	-23.53%	158	89.2%
08098	\$230,800	1.63%	17	-22.73%	206	94.5%
08302	\$155,500	6.51%	3	50.00%	70	91.6%
08318	\$217,300	-11.16%	15	-21.05%	123	93.8%
08343	\$287,000	10.81%	5	66.67%	101	96.3%

Salem 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)
08344	\$62,300	41.59%	2	100.00%	34	92.4%

Berks County, PA



Labor Market :

Employment increased by 188 jobs in Berks County during April and May. 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 8.6% for the first quarter to 8.8% in the first two months of the second quarter. The solid job growth may provide home sales, while historically low mortgage rates boost affordability.

Housing Market :

	Q1' 09	Q2' 09	Q3' 09 (Forecast)
Average Price	\$165,200	\$168,500	↔
# Homes on the Market *	4,012	4,920	↑
# Homes Sold **	566	943	↔
# New Homes Built ***	28	31	↑
Avg # of Days on Market	99	101	↑

* Available as of Jun. 30, 2009.

** May not add to total of zip codes

*** During the first two months of 2nd quarter.

Data by Zip Codes

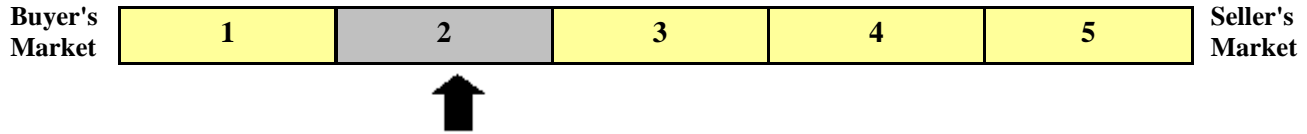
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
17026	\$209,900	60.97%	1	0.00%	182	100.0%
17067	\$147,500	-21.12%	2	0.00%	216	95.0%
17087	\$475,000	140.75%	1	-50.00%	103	95.0%
17569	\$231,000	-19.20%	2	0.00%	234	88.0%
18011	\$196,000	-32.39%	1	-66.67%	7	100.6%
18056	\$404,000	N/A	2	N/A	138	98.7%
18062	\$216,000	-39.15%	2	100.00%	26	89.1%
18070	\$279,000	N/A	1	N/A	123	99.7%
19503	\$174,400	-0.74%	5	66.67%	131	97.2%
19504	\$274,400	-16.87%	3	-25.00%	113	95.5%
19505	\$193,000	-23.05%	2	-50.00%	21	100.0%

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)
19506	\$203,700	-19.23%	15	-21.05%	154	96.7%
19507	\$183,900	-24.32%	5	66.67%	80	93.6%
19508	\$186,500	-10.25%	39	34.48%	108	97.6%
19510	\$212,500	-7.85%	19	-29.63%	169	98.5%
19512	\$188,600	-12.97%	30	-3.23%	103	96.5%
19518	\$242,600	-12.42%	39	0.00%	110	96.5%
19520	\$237,200	-45.42%	3	200.00%	67	107.1%
19522	\$177,200	-17.77%	29	0.00%	158	97.4%
19526	\$167,600	-1.87%	23	-14.81%	142	98.2%
19529	\$203,300	-38.39%	3	50.00%	138	97.6%
19530	\$183,100	-18.77%	21	40.00%	116	95.6%
19533	\$170,100	-33.48%	13	-27.78%	80	98.2%
19534	\$522,500	113.88%	1	-66.67%	367	80.4%
19536	\$115,000	N/A	1	N/A	41	85.2%
19539	\$301,600	4.79%	7	0.00%	178	94.3%
19540	\$186,400	-30.29%	17	-41.38%	103	97.4%
19541	\$224,700	-19.66%	6	0.00%	140	98.4%
19543	\$262,800	-5.26%	17	6.25%	116	96.3%
19545	\$152,900	N/A	1	N/A	40	100.0%
19547	\$362,400	36.75%	7	-46.15%	105	85.3%
19551	\$192,600	12.17%	13	-27.78%	121	95.4%
19554	\$179,900	N/A	1	N/A	391	100.0%
19555	\$158,600	-14.13%	8	-11.11%	92	99.1%
19560	\$146,500	-6.87%	37	5.71%	119	97.6%
19562	\$149,400	4.48%	8	100.00%	81	98.2%
19565	\$179,300	-17.79%	20	-9.09%	93	97.2%
19567	\$145,300	-19.32%	17	41.67%	82	98.9%
19601	\$64,600	-5.14%	39	-25.00%	81	96.3%
19602	\$46,400	-7.94%	20	-51.22%	92	91.2%
19604	\$70,600	32.71%	50	-16.67%	79	94.5%
19605	\$155,300	-6.50%	70	-11.39%	97	98.1%
19606	\$155,000	-14.88%	109	-21.58%	88	97.8%
19607	\$163,500	2.19%	64	-24.71%	89	97.6%
19608	\$214,300	-5.43%	56	-38.46%	83	97.8%
19609	\$148,500	-13.91%	39	-17.02%	86	97.8%
19610	\$210,600	-14.01%	45	-16.67%	111	96.1%
19611	\$116,600	-6.12%	29	-45.28%	68	97.6%

Bucks County, PA



Labor Market :

In the first two months of the second quarter, 648 jobs were added to the payrolls of Bucks County. As a result of these new jobs, the average monthly unemployment rate fell from 7.3% during the first quarter to 7.2% for April and May. This steady job creation may help to maintain demand for home purchases. Favorable mortgage rates should support this trend.

Housing Market :

	Q1' 09	Q2' 09	Q3' 09 (Forecast)
Average Price	\$294,700	\$315,200	↔
# Homes on the Market *	4,212	5,561	↑
# Homes Sold **	810	1,408	↔
# New Homes Built ***	69	76	↑
Avg # of Days on Market	93	90	↑

* Available as of Jun. 30, 2009.

** May not add to total of zip codes

*** During the first two months of 2nd quarter.

Data by Zip Codes

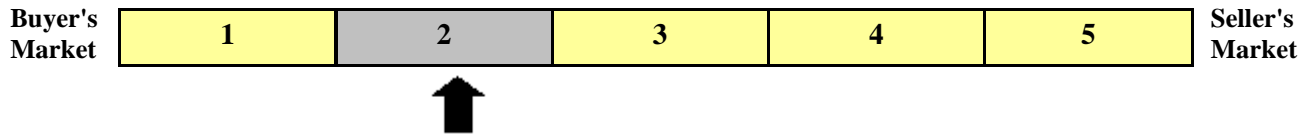
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
18054	\$370,000	N/A	1	N/A	31	90.3%
18073	\$485,000	N/A	1	N/A	214	97.2%
18077	\$293,300	-25.63%	5	0.00%	67	96.9%
18081	\$399,000	37.59%	1	0.00%	124	93.9%
18901	\$336,500	-23.05%	68	-32.67%	79	95.7%
18902	\$396,500	N/A	48	N/A	117	96.5%
18914	\$321,300	-9.57%	39	-15.22%	96	96.3%
18917	\$226,300	14.12%	5	25.00%	97	89.9%
18920	\$300,000	-36.84%	1	0.00%	77	89.6%
18921	\$205,000	N/A	1	N/A	73	89.1%
18923	\$392,900	0.56%	2	-33.33%	134	96.2%

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)
18925	\$514,000	2.80%	21	-4.55%	102	94.3%
18927	\$880,000	N/A	1	N/A	50	98.3%
18929	\$435,700	-6.34%	29	20.83%	87	94.8%
18930	\$416,400	31.98%	6	200.00%	179	96.2%
18933	\$1,100,000	N/A	1	N/A	273	92.1%
18938	\$508,600	-33.29%	36	5.88%	118	89.7%
18940	\$448,300	-5.12%	106	-8.62%	71	95.9%
18942	\$414,100	-48.72%	6	200.00%	236	91.6%
18943	\$205,000	N/A	1	N/A	318	74.6%
18944	\$316,200	7.22%	49	-19.67%	89	96.4%
18947	\$396,700	-13.93%	18	157.14%	91	96.2%
18951	\$265,000	3.52%	90	-25.62%	116	94.5%
18954	\$403,800	-14.45%	14	-33.33%	105	94.1%
18955	\$105,000	-43.82%	1	-75.00%	13	85.4%
18960	\$252,700	-4.89%	40	-11.11%	75	98.5%
18962	\$245,300	-0.28%	3	50.00%	110	98.5%
18966	\$337,200	0.27%	102	-4.67%	86	96.2%
18969	\$170,800	-21.04%	10	-44.44%	40	97.0%
18970	\$208,800	9.89%	2	100.00%	149	98.7%
18972	\$277,500	-22.94%	2	-77.78%	161	91.0%
18974	\$268,400	-1.58%	80	-13.98%	77	95.7%
18976	\$344,200	-0.89%	36	-32.08%	110	95.1%
18977	\$471,500	-6.23%	13	8.33%	125	94.2%
18980	\$233,100	N/A	2	N/A	115	91.6%
19006	\$507,000	37.85%	2	-50.00%	104	85.3%
19007	\$181,800	-2.94%	39	-15.22%	95	94.1%
19020	\$263,800	-5.28%	76	-24.00%	79	96.9%
19021	\$158,600	-17.87%	17	-19.05%	63	96.6%
19030	\$225,900	-14.98%	28	21.74%	82	96.1%
19047	\$320,100	-1.11%	62	-12.68%	98	96.8%
19053	\$277,100	-5.97%	55	-5.17%	88	95.6%
19054	\$209,500	-12.31%	43	38.71%	76	97.8%
19055	\$183,300	-9.08%	37	-22.92%	94	96.3%
19056	\$245,900	0.29%	34	9.68%	79	96.4%
19057	\$180,700	-5.14%	42	-4.55%	61	98.3%
19067	\$325,800	-12.82%	128	-7.91%	88	94.6%
19440	\$384,300	-24.16%	4	33.33%	395	93.8%

Chester County, PA



Labor Market :

Employment increased by 502 jobs in Chester County during April and May. 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 5.9% for the first quarter to 6.1% in the first two months of the second quarter. The solid job growth may provide home sales, while historically low mortgage rates boost affordability.

Housing Market :

	Q1' 09	Q2' 09	Q3' 09 (Forecast)
Average Price	\$324,000	\$331,500	↔
# Homes on the Market *	3,996	5,396	↑
# Homes Sold **	749	1,199	↔
# New Homes Built ***	176	153	↑
Avg # of Days on Market	96	90	↑

* Available as of Jun. 30, 2009.

** May not add to total of zip codes

*** During the first two months of 2nd quarter.

Data by Zip Codes

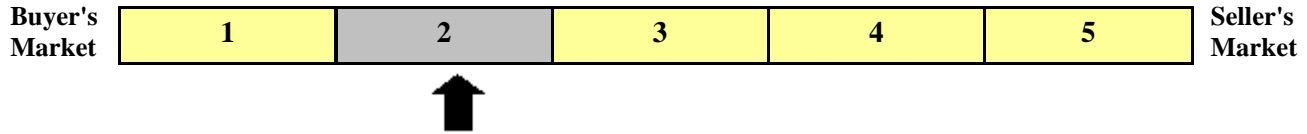
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
19073	\$561,300	15.80%	2	-75.00%	102	98.8%
19087	\$375,200	-11.47%	54	-34.15%	62	96.6%
19301	\$417,200	3.06%	21	-40.00%	78	96.6%
19310	\$214,000	-3.91%	2	-71.43%	341	97.3%
19311	\$322,100	-14.11%	23	27.78%	125	95.8%
19312	\$491,400	-28.46%	19	-58.70%	37	96.4%
19317	\$641,200	9.44%	13	-27.78%	130	95.7%
19320	\$219,900	6.75%	104	-25.71%	75	98.2%
19330	\$274,600	-59.14%	13	18.18%	88	98.3%
19333	\$451,400	-40.99%	28	33.33%	57	97.9%
19335	\$331,000	-0.09%	141	-24.19%	81	97.0%

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	\$316,500	-13.55%	41	-24.07%	66	96.8%
19342	\$700,000	-12.50%	1	0.00%	206	93.3%
19343	\$439,500	-1.08%	11	-56.00%	154	93.8%
19344	\$221,600	-24.57%	23	91.67%	126	96.3%
19348	\$340,100	-8.84%	46	-17.86%	111	95.9%
19350	\$407,300	5.00%	18	-37.93%	83	94.3%
19352	\$354,200	-3.17%	11	-42.11%	116	95.5%
19355	\$493,100	-19.31%	48	-40.00%	84	95.8%
19362	\$150,200	-15.67%	11	120.00%	99	95.1%
19363	\$243,600	-16.80%	26	-10.34%	103	96.0%
19365	\$173,300	-17.67%	15	50.00%	82	97.1%
19372	\$213,900	-8.94%	13	116.67%	87	98.1%
19380	\$349,700	-4.03%	117	-8.59%	81	96.2%
19382	\$345,600	-7.96%	151	-1.31%	93	96.2%
19390	\$246,800	-7.74%	28	-3.45%	170	95.4%
19421	\$295,000	-66.48%	1	0.00%	288	92.5%
19425	\$385,800	-26.60%	46	-2.13%	103	96.7%
19460	\$304,400	-5.67%	121	-9.70%	91	96.3%
19465	\$264,100	-6.48%	28	-37.78%	122	94.7%
19475	\$252,700	-13.40%	19	-29.63%	106	95.5%
19481	\$595,000	77.61%	1	0.00%	152	93.0%
19520	\$294,700	23.10%	3	-57.14%	94	89.8%

Delaware County, PA



Labor Market :

Employment increased by 526 jobs in Delaware County during April and May. 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 7% for the first quarter to 7.2% in the first two months of the second quarter. The solid job growth may provide home sales, while historically low mortgage rates boost affordability.

Housing Market :

	Q1' 09	Q2' 09	Q3' 09 (Forecast)
Average Price	\$236,800	\$247,000	↔
# Homes on the Market *	3,648	4,666	↑
# Homes Sold **	792	1,308	↔
# New Homes Built ***	19	48	↑
Avg # of Days on Market	95	89	↑

* Available as of Jun. 30, 2009.

** May not add to total of zip codes

*** During the first two months of 2nd quarter.

Data by Zip Codes

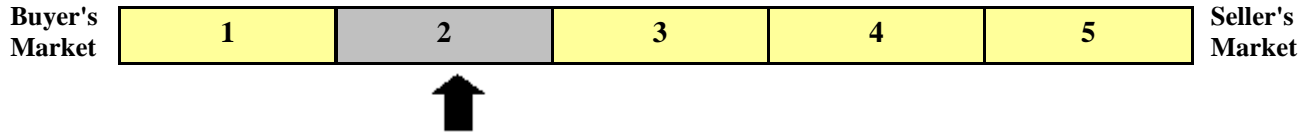
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
19003	\$263,400	-12.78%	25	13.64%	79	95.4%
19008	\$318,900	-9.38%	33	-15.38%	63	96.2%
19010	\$513,500	13.08%	30	-21.05%	124	94.9%
19013	\$65,500	-14.38%	25	-50.00%	83	89.0%
19014	\$227,300	-11.11%	64	-9.86%	90	96.9%
19015	\$159,000	-1.61%	58	-3.33%	78	97.7%
19018	\$147,900	-8.70%	68	7.94%	84	97.0%
19022	\$94,100	-18.53%	9	12.50%	30	92.8%
19023	\$79,300	-13.14%	37	-50.67%	96	95.1%
19026	\$194,800	-6.17%	82	-15.46%	86	97.1%
19029	\$167,000	6.98%	8	-11.11%	46	95.8%

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	\$126,900	5.49%	21	-32.26%	98	96.2%
19033	\$198,800	-5.74%	17	-10.53%	113	96.4%
19036	\$131,700	-16.17%	37	8.82%	90	96.2%
19041	\$367,500	-75.34%	4	-20.00%	110	90.6%
19043	\$200,800	1.06%	5	25.00%	59	95.7%
19050	\$143,100	-5.92%	71	9.23%	118	95.5%
19061	\$259,900	8.02%	85	-17.48%	92	96.3%
19063	\$336,000	-15.32%	79	-11.24%	79	95.0%
19064	\$278,400	1.31%	63	-14.86%	91	96.6%
19070	\$228,100	6.19%	12	-47.83%	63	97.6%
19073	\$389,400	-34.28%	34	-30.61%	114	94.8%
19074	\$155,700	-18.74%	12	33.33%	133	93.4%
19076	\$170,900	3.45%	16	-11.11%	32	96.8%
19078	\$171,500	-11.96%	26	-16.13%	75	97.1%
19079	\$93,500	-15.23%	17	-41.38%	117	93.2%
19081	\$302,400	9.80%	21	-8.70%	102	94.3%
19082	\$99,600	-18.36%	73	-23.96%	84	94.6%
19083	\$269,300	-7.20%	109	-18.66%	65	96.3%
19085	\$1,274,900	44.25%	8	0.00%	184	86.7%
19086	\$285,600	6.61%	44	0.00%	103	96.3%
19087	\$617,700	-26.56%	30	-18.92%	77	92.8%
19094	\$165,400	6.50%	10	11.11%	110	92.4%
19096	\$390,000	10.89%	1	-66.67%	8	94.0%
19317	\$402,000	-8.47%	21	0.00%	121	95.1%
19342	\$402,400	7.80%	43	-6.52%	115	95.5%
19373	\$618,100	-13.89%	5	-37.50%	121	97.0%
19382	\$498,900	-12.09%	5	150.00%	118	94.0%

Montgomery County, PA



Labor Market :

Employment increased by 805 jobs in Montgomery County during April and May. 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 6.5% for the first quarter to 6.6% in the first two months of the second quarter. The solid job growth may provide home sales, while historically low mortgage rates boost affordability.

Housing Market :

	Q1' 09	Q2' 09	Q3' 09 (Forecast)
Average Price	\$285,400	\$300,600	↔
# Homes on the Market *	5,635	7,326	↑
# Homes Sold **	1,125	2,002	↔
# New Homes Built ***	170	104	↑
Avg # of Days on Market	95	83	↑

* Available as of Jun. 30, 2009.

** May not add to total of zip codes

*** During the first two months of 2nd 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	\$194,100	0.52%	18	63.64%	98	96.4%
18054	\$271,300	-1.92%	5	-44.44%	82	98.6%
18070	\$215,000	16.22%	1	0.00%	66	100.0%
18073	\$218,800	-13.35%	20	5.26%	110	96.9%
18074	\$269,000	-2.22%	17	-5.56%	121	97.1%
18076	\$215,300	22.82%	12	300.00%	68	97.7%
18915	\$245,500	-30.26%	2	100.00%	171	96.3%
18936	\$229,900	3.23%	1	-50.00%	11	100.0%
18964	\$227,500	-11.75%	37	-2.63%	68	95.9%
18969	\$250,700	-23.03%	19	-13.64%	62	96.8%
19001	\$255,500	1.15%	43	-27.12%	68	96.9%

Montgomery County, PA

Data by Zip Codes

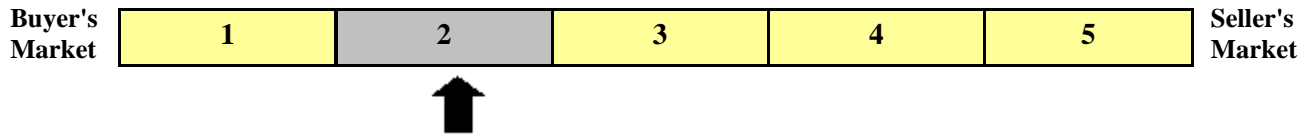
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
19002	\$398,600	-18.47%	82	-2.38%	92	94.7%
19003	\$312,700	-25.57%	20	0.00%	113	96.5%
19004	\$462,600	-7.90%	33	-23.26%	67	94.6%
19006	\$384,900	-22.37%	39	-26.42%	79	93.2%
19010	\$1,071,800	5.88%	17	-22.73%	101	89.1%
19012	\$206,400	-19.63%	16	-33.33%	100	94.3%
19025	\$430,800	25.09%	10	-37.50%	75	94.9%
19027	\$260,800	-2.90%	35	-35.19%	105	95.6%
19031	\$332,800	5.65%	17	-5.56%	120	96.1%
19034	\$350,200	-19.55%	16	45.45%	83	95.7%
19035	\$775,200	-20.44%	9	12.50%	76	91.7%
19038	\$298,700	5.73%	80	-14.89%	67	96.0%
19040	\$262,900	-5.77%	42	-4.55%	55	95.8%
19041	\$611,900	-41.42%	6	-45.45%	88	77.7%
19044	\$263,100	-9.43%	36	-20.00%	61	96.7%
19046	\$313,500	-15.59%	46	-14.81%	126	94.2%
19066	\$624,600	27.70%	12	50.00%	117	94.4%
19072	\$354,800	-31.25%	31	-8.82%	107	91.7%
19075	\$267,300	-8.40%	9	-72.73%	51	97.6%
19085	\$1,078,500	31.72%	13	62.50%	110	88.5%
19087	\$572,900	29.82%	13	-23.53%	152	93.6%
19090	\$217,100	-13.64%	52	26.83%	69	97.5%
19095	\$263,200	11.05%	12	-20.00%	82	97.6%
19096	\$545,400	-0.84%	37	-21.28%	74	95.9%
19401	\$142,500	-14.67%	90	-25.62%	82	95.1%
19403	\$247,500	0.86%	111	-23.97%	70	96.4%
19405	\$198,400	0.40%	16	-23.81%	60	96.6%
19406	\$270,900	-6.55%	60	-9.09%	71	96.6%
19422	\$391,500	-23.82%	46	-33.33%	108	93.9%
19426	\$312,700	-4.90%	103	-14.88%	86	96.4%
19428	\$292,900	-4.62%	69	-5.48%	87	94.3%
19437	\$754,500	N/A	2	N/A	179	83.0%
19438	\$332,900	-5.24%	38	-44.12%	81	95.2%
19440	\$274,500	-7.26%	25	-26.47%	61	97.0%
19444	\$326,900	-8.56%	20	-28.57%	53	97.4%
19446	\$282,200	-7.72%	124	-28.32%	70	96.6%
19453	\$164,800	-15.49%	4	-50.00%	25	93.5%

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	\$264,600	-15.41%	104	20.93%	89	95.4%
19456	\$210,000	-49.80%	1	-66.67%	14	91.3%
19460	\$381,800	-16.44%	12	33.33%	106	95.3%
19462	\$277,400	-15.86%	33	-38.89%	68	96.2%
19464	\$167,900	-5.83%	124	-8.15%	99	97.8%
19468	\$232,600	-0.73%	75	-16.67%	89	96.9%
19473	\$311,500	-18.16%	45	7.14%	85	96.8%
19474	\$295,000	-12.15%	3	-62.50%	70	98.2%
19477	\$466,500	-39.81%	2	0.00%	51	89.1%
19492	\$262,500	-4.55%	2	0.00%	36	96.3%
19504	\$220,600	-4.63%	3	50.00%	47	98.0%
19512	\$184,000	-18.29%	2	-33.33%	17	97.5%
19525	\$265,900	-5.24%	30	-33.33%	71	98.3%

Philadelphia County, PA



Labor Market :

A total of 1,130 jobs were created during April and May. The new jobs in Philadelphia 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 second quarter from the 9.5% rate of the first 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 :

	Q1' 09	Q2' 09	Q3' 09 (Forecast)
Average Price	\$171,100	\$197,000	↔
# Homes on the Market *	9,497	12,735	↑
# Homes Sold **	1,885	2,859	↔
# New Homes Built ***	62	53	↑
Avg # of Days on Market	81	79	↑

* Available as of Jun. 30, 2009.

** May not add to total of zip codes

*** During the first two months of 2nd 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	\$563,300	36.59%	13	-56.67%	105	88.6%
19103	\$520,200	1.05%	81	1.25%	132	95.1%
19104	\$255,900	35.18%	19	-20.83%	71	92.8%
19106	\$468,600	-5.24%	66	4.76%	145	92.6%
19107	\$332,700	-22.30%	30	-30.23%	241	92.4%
19111	\$164,000	-4.37%	141	-12.42%	71	95.8%
19114	\$188,600	-18.99%	51	-23.88%	62	96.4%
19115	\$223,000	2.15%	65	-13.33%	95	96.0%
19116	\$218,900	-3.18%	57	-8.06%	73	96.2%
19118	\$449,900	-10.38%	17	-46.88%	52	96.2%
19119	\$281,300	-1.19%	66	-18.52%	68	96.0%

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	\$88,400	-0.23%	105	-30.92%	71	97.1%
19121	\$120,500	32.13%	17	-55.26%	96	87.1%
19122	\$132,300	-0.53%	16	-36.00%	85	89.7%
19123	\$372,500	8.51%	38	35.71%	113	93.9%
19124	\$83,800	-6.68%	113	-31.52%	70	94.9%
19125	\$173,000	14.80%	89	-16.04%	88	95.9%
19126	\$133,100	-11.97%	33	43.48%	86	95.8%
19127	\$251,200	-4.78%	28	-28.21%	91	97.0%
19128	\$244,000	-0.77%	138	4.55%	70	96.9%
19129	\$225,800	-2.29%	36	-21.74%	67	95.3%
19130	\$334,300	-7.34%	83	-25.89%	96	95.4%
19131	\$106,800	-10.48%	40	-23.08%	63	94.3%
19132	\$76,900	62.92%	12	-64.71%	48	90.9%
19133	\$57,300	19.62%	4	-42.86%	65	100.7%
19134	\$103,100	24.67%	94	-21.01%	68	95.4%
19135	\$106,000	0.00%	80	-29.82%	52	97.3%
19136	\$131,400	-6.54%	81	-27.68%	65	95.7%
19137	\$126,600	-1.56%	31	34.78%	58	96.4%
19138	\$80,500	-2.66%	59	11.32%	52	94.7%
19139	\$88,600	-19.23%	34	-37.04%	75	93.4%
19140	\$56,500	4.05%	27	-44.90%	76	95.0%
19141	\$89,700	9.12%	30	-21.05%	76	94.1%
19142	\$64,900	-2.11%	56	-6.67%	66	95.7%
19143	\$139,500	8.06%	72	-25.00%	59	95.4%
19144	\$112,500	-1.32%	53	-14.52%	59	96.6%
19145	\$151,100	4.86%	78	-26.42%	81	92.8%
19146	\$304,700	0.59%	150	-21.47%	109	94.3%
19147	\$348,500	1.90%	134	-10.07%	94	94.1%
19148	\$158,600	3.39%	134	-17.79%	82	94.4%
19149	\$116,200	-4.83%	127	-14.77%	51	96.1%
19150	\$124,500	-20.24%	47	42.42%	80	96.3%
19151	\$117,600	-9.89%	70	-16.67%	74	95.0%
19152	\$177,100	-12.54%	57	-25.97%	52	96.1%
19153	\$123,700	2.66%	20	-31.03%	73	97.8%
19154	\$179,700	-9.01%	67	-5.63%	61	96.5%

You've Got to Fall Before You Can Pick Yourself Up

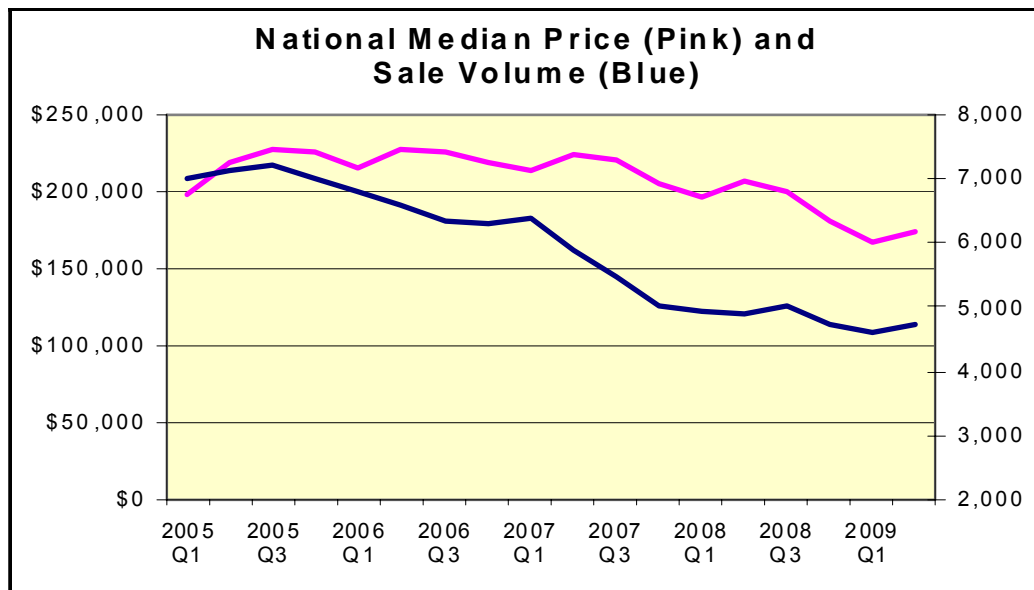
By Ken Fears

Manager, Regional Economics

The national housing market peaked in 2006, but some local markets peaked before this period, while others were still on the upswing through 2007. Today, most markets are in decline as a result of the economic recession, problems in the mortgage markets and a hangover from the subprime mess. Critical to a recovery is eliminating the perception of the local market as being in decline and crucial to this change is defining the "bottom" in the market covered by TREND MLS.

Nationally, the median price peaked in the third quarter of 2005. Since then, it has fallen 23.5%. Over the last 12 months, the median home price has fallen 15.7%. Thus, 60.4% of the national price decline took place in the last 12 months ending in June of this year.

Sales have followed suit. After peaking in the third quarter of 2005, the quarterly sales volume declined 34.5%, but only 3.6% in the 12 month period ending in June. The bulk of the decline in sales, 92.9%, occurred prior to the large price declines of the last 12 months. This pattern makes sense. After years of a strong sellers' market, sellers were reluctant to recognize the change in affordability as mortgage rates began to creep up in the middle of 2005. As financing and demand dried up, sellers were forced to re-evaluate their asking prices in an environment of excess supply and economic pessimism. The delay to re-price exacerbated the price correction.



Locally, the housing market reached its peak price in the third quarter of 2007 with an average price of \$281,148. Today, 7 quarters later, the average price stands at \$246,610, a peak-to-date decline of 12.3%. Over the last twelve months the average price has fallen \$29,047 which accounts for roughly 84.1% of the total peak-to-date price decline.

Sales are down 47.2% since their peak in the third quarter of 2005 through the second quarter of 2009. Over the last 12 months, sales have fallen 16.9%, making it too early to tell if the seasonally-adjusted pattern of local decline is over.

Nationally, neither sales nor prices appear to have clearly defined a bottom, yet. When that process is done, consumers are more likely to gain the confidence that they need to get in the market.

“Appraising” the Situation

by Lawrence Yun, *NAR Chief Economist*

As I write this, we are about to celebrate the 4th of July – Independence Day. What started as a revolt against unfair taxes became a revolution against an imperial government intruding into the lives and business activities of colonial citizens. Tea tax, stamp tax, burdensome regulations and rules that impede the free flow of goods and trade. Thank goodness we are blessed to live in the land of the free.

Of course, for many households and businesses today independence is tempered by the current economic environment. We have seen improvement in our economy but we need to see more – especially in the real estate sector. Let first take a look at the latest developments.

The latest residential housing market figures do indeed give me some hope. Existing-home sales rose 2.4 percent in May. May's increase follows a rise in re-sales in April as well. That's the first back-to-back monthly increase in existing-home sales since September of 2005. Pending sales also rose. And while May's pending home sales index of 90.7 represented a mere 0.1 percent from the previous month's (upwardly revised) reading of 90.6, it was 6.7 percent higher than the index in May 2008. Indeed, May's pending home sales index was the fourth consecutive monthly gain since October of 2004. Housing affordability continues at historically high levels as well. NAR's Housing Affordability Index in May was 171.6. While that is off from April's revised reading of 178.8, the index last May was 129.8. And remember that April's index was the highest reading ever recorded since NAR began tracking housing affordability in 1970.

So what's holding back our “independence” from the current recession and a true housing recovery? First and foremost – jobs. June's employment figures showed that employers cut 467,000 payroll jobs during the month – a much larger number than most analysts expected. And the good news that May's job cuts were smaller than originally estimated (322,000 rather than 345,000) was offset by revised April employment figures which showed 15,000 more layoffs than originally thought. The national unemployment rate rose to 9.5 percent – that's the highest level in 26 years. It's likely that the unemployment rate will surely breach the double-digit threshold before it starts to trend back down in 2010.

But another factor which seems to be impeding a housing recovery is new appraisal rules and they could be impacting the time it takes from contract to closing. There is a growing lag time between the pending home sales and closed sales. Traditionally, sales close one to two months after a contract is signed.

In the past month, we've heard from a number of REALTORS® that the appraisal process is taking longer.

The appraisal issue is a bit complicated. For instance, distressed homes often are selling for 20 percent less than normal homes in the same area. (In May distressed properties accounted for almost a third of all existing-home sales.) But some appraisals don't distinguish between traditional homes and distressed properties.

In many cases appraisers from outside the area are being used. They are hired by large, national lenders, perhaps with little knowledge about a local real estate market. The intentions of the new appraisal rules were to improve accuracy by removing undue pressure for inflation valuations. But the pendulum may have swung too far in the other direction, leading to unintended negative consequences, including consumers paying higher fees, and appraisers receiving lower compensation.








Another consequence is a “lower quality” of appraisals – many appraisers themselves (and REALTORS® as well) have indicated to me that they’ve seen lower quality of appraisals because those appraisals do not take into consideration unique housing features. The result of all of these “unintended consequences” from the new appraisal rules: the housing market recovery being unnecessarily delayed.

(More details about the new appraisal rules, current legislation under consideration and NAR’s efforts on this issue are available at www.realtor.org. The Association also has a “blog” on which you can share your concern and latest experiences with the new appraisal rules.)

All real estate is local and appraisals should be done by an expert with local expertise. Speedy clarification of the appraisal rules could smooth a housing market recovery and support the overall economy. NAR is currently conducting a study to assess the degree to which new appraisal rules are impacting home sales. And NAR is working with policymakers to ensure that appraisals are conducted so that home buyers and sellers can conduct their transactions with REALTORS® in a cost-effective and time-efficient manner.

So let’s declare a bit more of our independence – and freedom from restrictive rules that are holding back a vigorous housing recovery. Only when that happens will we be free from the reins – and the reign – of our recession.

This table reflects data available through July 3rd of 2009.

Monthly Indicator	Recent Statistics	Likely Direction Over the Next Six Months	Forecast
<p>Existing Home Sales r2.4% in May to a seasonally adjusted annual rate of 4.77 million units. The inventory of existing homes available for sale fell to 3.80 million units – a 9.6 month supply at the current sales pace. The national median sales price for an existing home was \$173,000 in May a 16.8% decline from the price registered a year ago.</p>	May 09 4,770 Apr 09 4,660 May 08 4,950		Momentum building and broadening to more geographic regions
<p>New Home Sales slipped in May, posting a seasonally adjusted annualized rate of 342,000 units. The pace is 0.6% off the revised April level of 344,000 units, and 32.8% below the level registered in May of 2008. New home inventory continued to decline, with 292,000 units available for sale at the end of May – a 10.2 month supply at the current sales rate.</p>	May 09 342 Apr 09 344 May 08 509		Very few spec home sales
<p>Housing Starts rose in May to a seasonally adjusted annualized rate of 532,000 units – a 17.2% increase from April’s level, but 45.2% off the level in May of 2008. Single-family starts increased 7.5% from the previous month. Building permits – generally a reliable indicator of future starts – also rose in May – by 4.0% – but were still 47.0% down from their level a year ago.</p>	May 09 532 Apr 09 454 May 08 971		Recovery taking hold only from 2010
<p>Housing Affordability continues to be at historic highs. NAR’s housing affordability index (HAI) in May posted a reading of 171.6 – down from April’s record-setting level of 178.8, but well above the 129.8 index registered in May of 2008. Affordability has been consistently above the 170.0 mark since the beginning of the year</p>	May 09 171.6 Apr 09 178.8 May 08 129.8		Very high already
<p>Mortgage Rates remain at historic lows. The average rate on a 30-year fixed mortgage loan was 5.42% in June. While an increase from May’s average rate of 4.86%, it is well below the 6.32% average in June of 2008. As the economy begins to turn the corner, look for mortgage rates to inch upward although remaining well below 6% for the foreseeable future.</p>	June 09 5.42% May 09 4.86% June 08 6.32%		Could spike if inflation appears
<p>Employment The job market continues to hold back any meaningful “quick start” to the economic recovery Employers cut 467,000 payrolls in June. Businesses will continue to hold back on hiring until the credit markets loosen up and they are convinced that the economy is moving in the right direction.</p>	June 09 -467 May 09 -322 12-month total: -5,664		Tough job market in 2009
<p>Economic Growth GDP growth in the first quarter declined 5.5% (SAAR) – slightly better than earlier estimates. This is the third and final estimate of GDP based on more complete data. Among the factors “raising” the GDP figure was the level of imports which dropped significantly more than earlier estimated. Consumer spending increased 1.4% – the highest it has been in almost two years.</p>	2009:I -5.5% 2008:IV -6.3% 2008:I -1.0%		Sluggish rebound

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