

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.

Index

Local Report

Delaware

Kent County	3
New Castle County	5

New Jersey

Burlington County	7
Camden County	9
Gloucester County	11
Mercer County	13
Salem County	15

Pennsylvania

Berks County	16
Bucks County	18
Chester County	21
Delaware County	23
Montgomery County	25
Philadelphia County	28

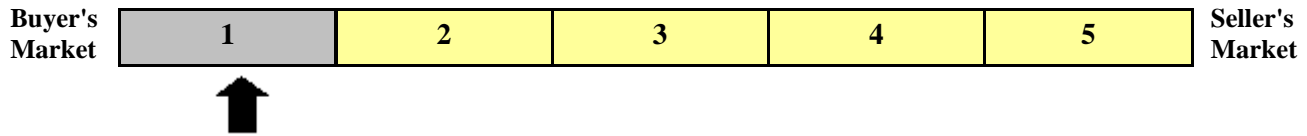
Trends	30
Chief Economist's Commentary*	31
Economic Monitor*	33

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

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Third Quarter 2009

Kent County, DE



Labor Market :

Employment declined by 1,064 jobs in July and August. The job losses brought about an increase in the average monthly unemployment rate from 7.9% in the second quarter to 8.2% for the second two months of the third quarter. Job losses are ticking upwards, creating a drag on buyer confidence and demand in Kent County. However, historically low mortgage rates have created a favorable buying environment for those with a job.

Housing Market :

	Q2' 09	Q3' 09	Q4' 09 (Forecast)
Average Price	\$200,800	\$206,600	↓
# Homes on the Market *	2,411	2,742	↑
# Homes Sold **	300	373	↓
# New Homes Built ***	221	141	↑
Avg # of Days on Market	105	118	↑

* Available as of Sep. 30, 2009.

** May not add to total of zip codes

*** During the first two months of 3rd 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	\$201,000	-8.43%	66	6.45%	114	96.5%
19904	\$202,000	-4.45%	66	-25.00%	87	97.8%
19934	\$239,900	-9.47%	29	52.63%	118	97.1%
19938	\$208,100	-22.84%	32	100.00%	104	99.3%
19943	\$184,100	-8.54%	39	69.57%	100	97.8%
19946	\$218,200	22.45%	13	30.00%	152	96.3%
19950	\$248,500	21.81%	4	300.00%	211	97.8%
19952	\$170,800	-11.59%	12	-42.86%	130	96.2%
19953	\$153,200	-26.06%	13	18.18%	154	94.5%
19954	\$141,000	-40.20%	2	-33.33%	45	96.0%
19955	\$165,000	-2.88%	1	0.00%	79	97.1%



Third Quarter 2009

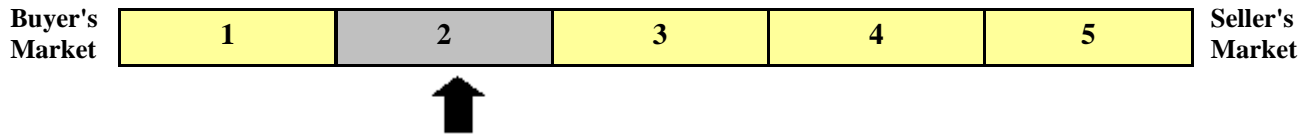
Kent County, DE

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	\$243,600	-9.98%	27	-10.00%	143	98.4%
19963	\$215,000	4.67%	11	0.00%	131	94.5%
19964	\$312,500	41.08%	2	-50.00%	24	124.3%
19977	\$210,700	-7.26%	55	3.77%	148	97.8%
19979	\$194,000	-8.01%	1	0.00%	77	97.0%

Third Quarter 2009

New Castle County, DE



Labor Market :

Employment declined by 4,128 jobs in July and August. The job losses brought about an increase in the average monthly unemployment rate from 8.1% in the second quarter to 8.6% for the second two months of the third 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>Q2' 09</i>	<i>Q3' 09</i>	<i>Q4' 09</i> <i>(Forecast)</i>
Average Price	\$248,300	\$246,200	↓
# Homes on the Market *	4,453	5,159	↑
# Homes Sold **	1,273	1,411	↓
# New Homes Built ***	147	131	↑
Avg # of Days on Market	86	72	↑

* Available as of Sep. 30, 2009.

** May not add to total of zip codes

*** During the first two months of 3rd 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	\$253,200	-2.05%	101	1.00%	64	97.0%
19702	\$221,500	-5.50%	158	12.06%	81	97.9%
19703	\$194,000	5.95%	36	24.14%	62	97.6%
19706	\$161,200	-5.06%	2	-33.33%	29	102.3%
19707	\$379,500	-8.47%	39	11.43%	70	95.6%
19709	\$273,500	-15.82%	105	34.62%	91	96.9%
19711	\$293,800	-4.73%	116	-8.66%	73	96.1%
19713	\$199,400	-0.99%	84	27.27%	66	95.5%
19720	\$180,400	-3.58%	142	18.33%	68	97.1%
19732	\$533,300	-22.15%	3	200.00%	453	89.6%
19733	\$260,000	-14.75%	1	0.00%	251	88.2%

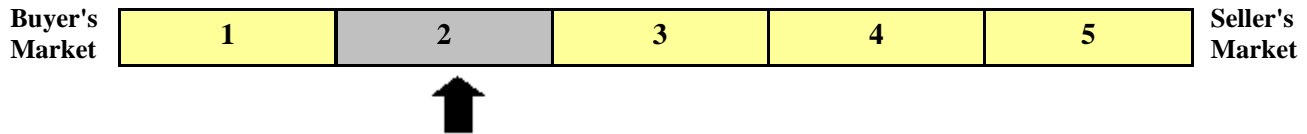
New Castle County, DE

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)
19734	\$271,500	-10.07%	25	19.05%	95	95.6%
19801	\$128,100	-48.51%	14	-58.82%	142	94.7%
19802	\$142,800	-12.07%	65	14.04%	78	97.3%
19803	\$348,900	-3.62%	77	8.45%	68	96.9%
19804	\$185,100	1.09%	42	-22.22%	63	97.8%
19805	\$158,200	-10.27%	99	-12.39%	72	96.2%
19806	\$318,800	9.52%	54	3.85%	53	96.2%
19807	\$686,400	-26.37%	20	25.00%	84	90.3%
19808	\$236,000	-9.34%	114	9.62%	61	97.0%
19809	\$207,800	-5.24%	43	38.71%	57	97.5%
19810	\$323,200	1.83%	68	3.03%	58	96.2%
19938	\$241,000	-22.88%	2	0.00%	196	97.5%
19977	\$235,000	-35.32%	1	-50.00%	178	94.0%

Third Quarter 2009

Burlington County, NJ



Labor Market :

Employment declined by 4,358 jobs in July and August. The job losses brought about an increase in the average monthly unemployment rate from 8% in the second quarter to 9.2% for the second two months of the third quarter. Job losses are ticking upwards, creating a drag on buyer confidence and demand in Burlington County. However, historically low mortgage rates have created a favorable buying environment for those with a job.

Housing Market :

	<i>Q2' 09</i>	<i>Q3' 09</i>	<i>Q4' 09</i> <i>(Forecast)</i>
Average Price	\$247,100	\$249,300	↓
# Homes on the Market *	5,411	6,235	↑
# Homes Sold **	1,008	1,206	↓
# New Homes Built ***	112	82	↑
Avg # of Days on Market	107	101	↑

* Available as of Sep. 30, 2009.

** May not add to total of zip codes

*** During the first two months of 3rd 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	\$124,800	-23.67%	13	-18.75%	131	95.5%
08015	\$159,600	-9.68%	66	-18.52%	67	97.2%
08016	\$220,000	-10.93%	64	-31.18%	94	96.0%
08019	\$253,500	-15.47%	2	100.00%	23	96.8%
08022	\$330,800	9.21%	30	50.00%	137	96.1%
08036	\$285,900	1.02%	16	23.08%	95	96.6%
08046	\$136,500	-15.90%	89	11.25%	130	95.9%
08048	\$302,800	21.61%	29	7.41%	121	95.2%
08052	\$179,400	6.60%	43	34.38%	88	95.8%
08053	\$242,900	-8.99%	175	10.06%	78	96.0%
08054	\$261,300	-4.36%	184	15.72%	102	95.8%

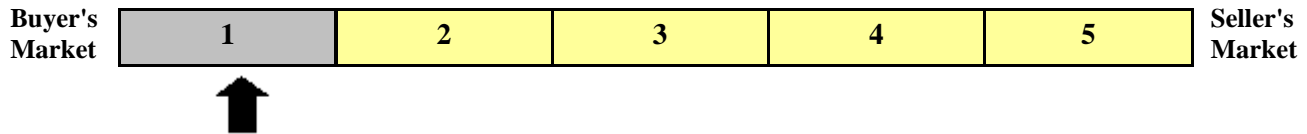
Burlington County, NJ

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	\$328,000	-27.13%	72	-13.25%	124	95.0%
08057	\$537,500	-3.98%	56	-12.50%	102	93.5%
08060	\$226,700	5.05%	58	7.41%	100	96.2%
08065	\$172,700	-1.14%	17	-37.04%	97	95.7%
08068	\$202,500	-13.02%	13	30.00%	153	97.4%
08073	\$305,000	N/A	1	N/A	36	96.8%
08075	\$194,700	-21.87%	58	-9.38%	103	94.6%
08077	\$251,700	-7.57%	43	26.47%	114	95.5%
08088	\$265,600	3.83%	76	15.15%	107	94.7%
08505	\$267,900	-2.72%	52	44.44%	72	96.2%
08511	\$250,000	-35.63%	1	-50.00%	44	96.2%
08515	\$398,000	-21.03%	8	-42.86%	137	93.8%
08518	\$163,100	15.18%	15	66.67%	161	94.9%
08554	\$155,200	-14.25%	12	20.00%	139	94.5%
08562	\$254,400	10.18%	9	-10.00%	129	93.9%
08620	\$290,000	N/A	4	N/A	61	99.6%

Third Quarter 2009

Camden County, NJ



Labor Market :

Employment declined by 4,766 jobs in July and August. The job losses brought about an increase in the average monthly unemployment rate from 9.5% in the second quarter to 10.8% for the second two months of the third quarter. Job losses are ticking upwards, creating a drag on buyer confidence and demand in Camden County. However, historically low mortgage rates have created a favorable buying environment for those with a job.

Housing Market :

	Q2' 09	Q3' 09	Q4' 09 (Forecast)
Average Price	\$200,800	\$210,200	↓
# Homes on the Market *	5,613	6,560	↑
# Homes Sold **	1,063	1,195	↓
# New Homes Built ***	97	33	↑
Avg # of Days on Market	95	93	↑

* Available as of Sep. 30, 2009.

** May not add to total of zip codes

*** During the first two months of 3rd quarter.

Data by Zip Codes

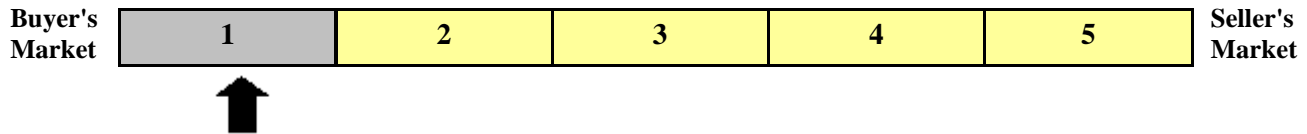
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
08002	\$213,500	-17.15%	62	-6.06%	124	95.8%
08003	\$303,900	-7.06%	107	32.10%	74	94.7%
08004	\$177,000	-9.37%	43	30.30%	119	96.5%
08007	\$166,900	-14.76%	13	-13.33%	40	97.1%
08009	\$219,000	-0.27%	41	10.81%	94	93.8%
08012	\$189,600	-3.85%	48	6.67%	101	96.8%
08021	\$151,200	-3.51%	91	-12.50%	111	96.9%
08026	\$289,400	28.22%	5	-28.57%	63	95.5%
08029	\$182,000	6.81%	14	-12.50%	142	96.8%
08030	\$115,200	-1.20%	29	-19.44%	116	95.0%
08031	\$163,700	-10.50%	32	0.00%	84	95.8%

Third Quarter 2009
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	\$387,900	-17.68%	55	-19.12%	93	96.0%
08034	\$233,100	-3.64%	57	-3.39%	82	96.6%
08035	\$266,700	1.10%	27	17.39%	79	95.4%
08037	\$209,400	12.52%	12	100.00%	126	94.2%
08043	\$307,800	0.00%	84	-2.33%	97	94.4%
08045	\$134,200	-30.82%	3	-40.00%	180	91.5%
08049	\$167,800	-0.06%	9	-30.77%	113	97.3%
08059	\$178,000	16.42%	19	72.73%	88	98.5%
08078	\$170,900	-0.52%	20	33.33%	98	97.7%
08081	\$184,600	-6.53%	125	-21.88%	91	97.0%
08083	\$177,000	-5.85%	18	12.50%	107	95.8%
08084	\$182,400	-6.70%	12	-14.29%	85	95.8%
08089	\$220,100	6.43%	8	60.00%	130	95.0%
08091	\$199,100	11.48%	12	-20.00%	71	96.7%
08102	\$53,300	-65.05%	3	-57.14%	89	89.9%
08103	\$61,100	-12.46%	8	-38.46%	67	81.4%
08104	\$54,900	-12.72%	17	-59.52%	79	97.0%
08105	\$85,500	4.91%	16	-46.67%	61	94.9%
08106	\$196,100	-15.29%	23	-8.00%	80	96.6%
08107	\$174,000	-0.29%	37	19.35%	81	95.4%
08108	\$230,900	-1.45%	50	0.00%	65	96.6%
08109	\$170,100	-12.09%	53	-7.02%	106	95.4%
08110	\$124,900	-14.22%	42	13.51%	78	96.1%

Third Quarter 2009

Gloucester County, NJ



Labor Market :

Employment declined by 2,809 jobs in July and August. The job losses brought about an increase in the average monthly unemployment rate from 9% in the second quarter to 10.1% for the second two months of the third quarter. Job losses are ticking upwards, creating a drag on buyer confidence and demand in Gloucester County. However, historically low mortgage rates have created a favorable buying environment for those with a job.

Housing Market :

	Q2' 09	Q3' 09	Q4' 09 (Forecast)
Average Price	\$224,900	\$218,100	↓
# Homes on the Market *	3,365	3,963	↑
# Homes Sold **	594	681	↓
# New Homes Built ***	186	106	↑
Avg # of Days on Market	99	107	↑

* Available as of Sep. 30, 2009.

** May not add to total of zip codes

*** During the first two months of 3rd quarter.

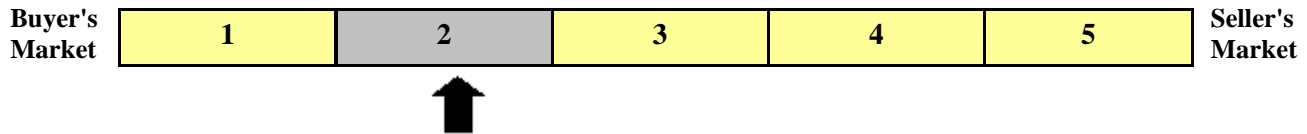
Data by Zip Codes

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	\$200,200	-11.38%	40	25.00%	88	96.7%
08014	\$117,600	-46.55%	2	100.00%	9	94.8%
08020	\$180,700	-37.47%	6	0.00%	145	95.3%
08027	\$165,100	-14.63%	12	9.09%	80	95.1%
08028	\$189,300	-4.05%	47	42.42%	94	95.7%
08039	\$83,000	N/A	1	N/A	102	92.3%
08051	\$197,600	-1.98%	36	0.00%	133	96.4%
08056	\$375,600	-8.10%	15	7.14%	124	95.7%
08061	\$253,000	-3.66%	11	-15.38%	127	97.3%
08062	\$323,100	-10.42%	28	-45.10%	136	96.2%
08063	\$147,600	-2.57%	7	250.00%	142	94.3%

Gloucester County, NJ

Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
08066	\$123,900	8.02%	17	30.77%	118	96.0%
08071	\$172,300	-13.02%	23	-4.17%	131	95.0%
08080	\$257,900	-2.24%	98	10.11%	97	96.2%
08081	\$208,100	-29.41%	3	0.00%	40	97.7%
08085	\$302,200	4.79%	53	1.92%	108	96.1%
08086	\$216,900	-6.14%	18	-21.74%	101	96.4%
08090	\$192,000	-8.96%	20	42.86%	80	94.8%
08093	\$130,000	-21.78%	17	-34.62%	59	97.3%
08094	\$206,400	-4.49%	73	-6.41%	96	95.6%
08096	\$181,800	-13.80%	91	21.33%	102	96.0%
08097	\$144,500	-24.23%	4	-42.86%	68	95.7%
08312	\$189,200	-5.16%	23	35.29%	190	97.2%
08322	\$265,500	12.45%	22	-12.00%	127	93.3%
08328	\$134,500	-10.27%	2	100.00%	9	98.2%
08343	\$90,000	-70.68%	2	-33.33%	197	75.3%
08344	\$169,500	-14.44%	8	0.00%	187	92.3%
08360	\$261,500	17.69%	2	0.00%	151	97.1%

Third Quarter 2009
Mercer County, NJ

Labor Market :

Employment declined by 1,787 jobs in July and August. The job losses brought about an increase in the average monthly unemployment rate from 7.4% in the second quarter to 8.3% for the second two months of the third quarter. Job losses are ticking upwards, creating a drag on buyer confidence and demand in Mercer County. However, historically low mortgage rates have created a favorable buying environment for those with a job.

Housing Market :

	<i>Q2' 09</i>	<i>Q3' 09</i>	<i>Q4' 09</i> <i>(Forecast)</i>
Average Price	\$325,400	\$361,200	↔
# Homes on the Market *	3,433	3,848	↑
# Homes Sold **	721	928	↔
# New Homes Built ***	53	34	↑
Avg # of Days on Market	92	92	↑

* Available as of Sep. 30, 2009.

** May not add to total of zip codes

*** During the first two months of 3rd 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)
08501	\$314,000	N/A	3	N/A	45	95.2%
08512	\$272,700	24.18%	21	200.00%	55	95.1%
08520	\$292,400	-0.44%	77	16.67%	92	95.2%
08525	\$393,000	-30.59%	12	-7.69%	144	93.3%
08530	\$373,000	N/A	1	N/A	63	94.4%
08534	\$476,100	-4.49%	48	-17.24%	79	95.5%
08540	\$837,000	-0.62%	118	-3.28%	98	93.3%
08542	\$465,800	23.39%	6	50.00%	125	95.1%
08550	\$587,000	-9.57%	73	-16.09%	91	96.9%
08560	\$430,200	-25.55%	5	-58.33%	107	96.5%
08561	\$210,000	0.00%	1	0.00%	0	100.0%

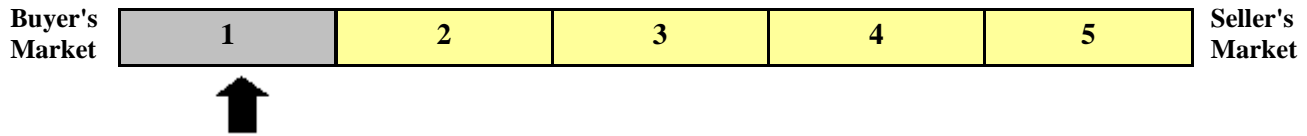
Mercer County, NJ

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)
08609	\$62,700	-23.07%	12	0.00%	76	94.1%
08610	\$175,600	-11.18%	90	15.38%	92	95.4%
08611	\$70,000	-23.91%	37	12.12%	104	90.7%
08618	\$142,500	-9.29%	40	0.00%	92	94.3%
08619	\$233,700	-10.46%	62	12.73%	98	95.6%
08620	\$271,800	-12.29%	25	4.17%	77	96.2%
08628	\$250,900	-10.84%	23	9.52%	87	94.9%
08629	\$123,200	-10.66%	16	-56.76%	137	92.4%
08638	\$174,900	-5.51%	35	-22.22%	87	95.6%
08648	\$303,800	-2.22%	89	-4.30%	100	95.6%
08690	\$282,500	-9.43%	66	26.92%	98	96.8%
08691	\$376,200	-3.51%	68	-5.56%	72	96.7%

Third Quarter 2009






Salem County, NJ



Labor Market :

Employment declined by 557 jobs in July and August. The job losses brought about an increase in the average monthly unemployment rate from 10.5% in the second quarter to 10.6% for the second two months of the third quarter. Job losses are ticking upwards, creating a drag on buyer confidence and demand in Salem County. However, historically low mortgage rates have created a favorable buying environment for those with a job.

Housing Market :

	<i>Q2' 09</i>	<i>Q3' 09</i>	<i>Q4' 09</i> <i>(Forecast)</i>
Average Price	\$172,900	\$179,900	
# Homes on the Market *	843	958	
# Homes Sold **	116	143	
# New Homes Built ***	7	12	
Avg # of Days on Market	131	117	

* Available as of Sep. 30, 2009.

** May not add to total of zip codes

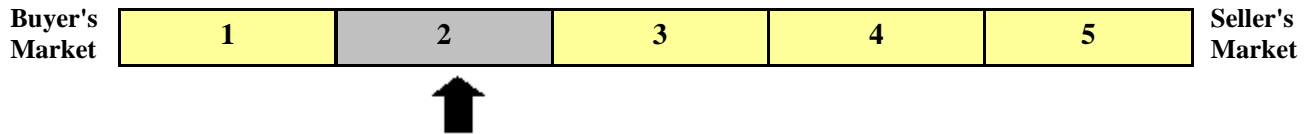
*** During the first two months of 3rd quarter.

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	\$209,700	4.85%	5	400.00%	147	89.7%
08067	\$143,100	-14.31%	8	700.00%	133	91.3%
08069	\$134,600	0.52%	25	31.58%	115	96.0%
08070	\$158,500	0.06%	40	8.11%	117	95.2%
08072	\$119,000	-47.11%	1	0.00%	148	85.1%
08079	\$192,100	57.59%	20	42.86%	127	93.6%
08098	\$245,600	-15.66%	22	4.76%	116	95.5%
08302	\$55,000	N/A	1	N/A	145	67.9%
08318	\$211,100	-5.08%	16	-27.27%	104	92.3%
08343	\$240,800	4.42%	4	0.00%	84	91.7%
08344	\$70,000	N/A	1	N/A	107	87.6%

Third Quarter 2009






Berks County, PA



Labor Market :

Employment declined by 1,061 jobs in July and August. The job losses brought about an increase in the average monthly unemployment rate from 8.9% in the second quarter to 9.2% for the second two months of the third quarter. Job losses are ticking upwards, creating a drag on buyer confidence and demand in Berks County. However, historically low mortgage rates have created a favorable buying environment for those with a job.

Housing Market :

	<i>Q2' 09</i>	<i>Q3' 09</i>	<i>Q4' 09</i> <i>(Forecast)</i>
Average Price	\$168,500	\$170,400	
# Homes on the Market *	4,920	5,422	
# Homes Sold **	943	1,042	
# New Homes Built ***	57	45	
Avg # of Days on Market	101	90	

* Available as of Sep. 30, 2009.

** May not add to total of zip codes

*** During the first two months of 3rd 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	\$150,000	-42.31%	1	0.00%	57	100.1%
17067	\$164,500	-28.32%	2	0.00%	111	93.8%
17087	\$75,500	N/A	1	N/A	5	100.0%
18011	\$167,500	-57.05%	2	100.00%	46	89.4%
18056	\$45,000	-82.92%	1	-50.00%	38	90.2%
18062	\$124,500	N/A	2	N/A	7	97.7%
19503	\$169,500	-3.14%	2	-33.33%	32	100.0%
19504	\$278,000	22.57%	5	150.00%	102	95.0%
19505	\$181,800	-17.81%	7	16.67%	106	97.5%
19506	\$217,700	12.16%	12	-14.29%	168	98.5%
19507	\$167,800	-13.06%	3	0.00%	40	97.1%

Third Quarter 2009

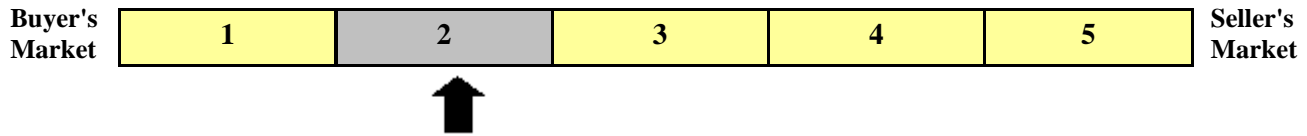
Berks County, PA

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)
19508	\$180,900	-13.53%	41	20.59%	156	95.4%
19510	\$185,900	-14.96%	25	-10.71%	92	100.6%
19511	\$180,000	N/A	1	N/A	49	92.4%
19512	\$183,100	-2.45%	46	91.67%	78	97.9%
19518	\$232,900	-2.43%	39	30.00%	76	97.9%
19520	\$250,900	-28.05%	4	0.00%	18	96.5%
19522	\$211,800	3.32%	32	-21.95%	97	94.9%
19526	\$139,000	-20.57%	33	17.86%	101	97.1%
19529	\$269,900	N/A	1	N/A	11	100.0%
19530	\$196,100	0.41%	18	50.00%	71	95.5%
19533	\$198,400	-14.26%	17	-34.62%	113	95.6%
19534	\$130,000	N/A	2	N/A	54	96.7%
19536	\$109,000	-29.68%	1	0.00%	39	90.9%
19539	\$231,200	-11.01%	10	25.00%	140	96.5%
19540	\$219,500	2.76%	27	-3.57%	88	92.8%
19541	\$203,300	-38.07%	15	150.00%	96	91.1%
19543	\$250,500	-13.68%	21	-8.70%	142	99.0%
19547	\$191,600	-32.68%	12	20.00%	75	96.9%
19551	\$154,600	-34.85%	10	11.11%	127	98.1%
19554	\$210,100	N/A	3	N/A	93	101.4%
19555	\$157,200	-17.48%	6	-25.00%	73	94.2%
19559	\$138,000	N/A	1	N/A	317	92.1%
19560	\$156,300	1.23%	28	-9.68%	134	95.9%
19562	\$140,000	-10.60%	8	60.00%	76	95.5%
19565	\$173,100	-23.71%	26	-3.70%	80	97.8%
19567	\$112,200	-9.08%	13	-23.53%	42	96.6%
19601	\$60,000	-20.42%	41	-6.82%	95	95.3%
19602	\$50,200	22.44%	14	-36.36%	157	93.7%
19604	\$76,900	-10.69%	49	-36.36%	67	97.1%
19605	\$159,200	-4.38%	70	4.48%	85	98.0%
19606	\$156,200	-15.15%	116	-2.52%	87	96.9%
19607	\$167,400	-9.66%	95	41.79%	71	98.6%
19608	\$225,600	-7.20%	58	-26.58%	78	97.8%
19609	\$174,700	2.40%	41	-14.58%	55	96.7%
19610	\$237,100	-2.51%	47	-11.32%	96	94.9%
19611	\$107,500	-6.03%	33	-8.33%	113	96.4%

Third Quarter 2009

Bucks County, PA



Labor Market :

Employment declined by 870 jobs in July and August. The job losses brought about an increase in the average monthly unemployment rate from 7.3% in the second quarter to 7.6% for the second two months of the third quarter. Job losses are ticking upwards, creating a drag on buyer confidence and demand in Bucks County. However, historically low mortgage rates have created a favorable buying environment for those with a job.

Housing Market :

	Q2' 09	Q3' 09	Q4' 09 (Forecast)
Average Price	\$315,400	\$332,700	↔
# Homes on the Market *	5,561	6,066	↑
# Homes Sold **	1,408	1,723	↔
# New Homes Built ***	115	78	↑
Avg # of Days on Market	90	83	↑

* Available as of Sep. 30, 2009.

** May not add to total of zip codes

*** During the first two months of 3rd 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	\$292,500	-7.14%	2	-33.33%	30	96.7%
18041	\$338,500	-0.44%	1	0.00%	13	98.1%
18054	\$241,700	-14.59%	3	50.00%	64	95.4%
18077	\$231,700	-33.50%	3	-40.00%	118	94.0%
18081	\$609,500	N/A	1	N/A	324	93.8%
18901	\$377,900	-16.82%	97	49.23%	85	94.2%
18902	\$447,000	-10.80%	68	-13.92%	107	94.3%
18912	\$262,500	N/A	1	N/A	7	80.8%
18913	\$1,000,000	75.90%	1	-50.00%	427	93.0%
18914	\$332,300	-6.10%	51	-27.14%	90	96.3%
18917	\$343,800	8.66%	2	-66.67%	28	98.9%

Third Quarter 2009

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)
18920	\$478,500	N/A	4	N/A	287	85.8%
18923	\$397,500	3.25%	3	50.00%	76	98.5%
18925	\$511,600	-1.99%	20	-28.57%	70	95.5%
18927	\$245,000	-32.88%	1	0.00%	174	89.1%
18928	\$877,500	N/A	1	N/A	93	98.0%
18929	\$394,600	-10.28%	34	30.77%	88	96.2%
18930	\$414,300	3.14%	3	0.00%	31	88.8%
18934	\$435,000	-33.99%	1	0.00%	60	96.7%
18938	\$727,400	26.13%	60	27.66%	121	82.4%
18940	\$435,600	-12.42%	121	18.63%	76	94.8%
18942	\$354,600	-12.85%	7	0.00%	149	90.0%
18943	\$347,500	N/A	1	N/A	74	93.4%
18944	\$300,100	5.37%	61	5.17%	77	95.6%
18947	\$430,600	-24.26%	12	-29.41%	159	93.0%
18950	\$305,000	N/A	1	N/A	31	91.0%
18951	\$229,200	-10.26%	109	-0.91%	92	97.4%
18954	\$488,000	4.70%	27	22.73%	79	95.8%
18955	\$190,700	6.00%	3	200.00%	34	101.3%
18960	\$250,300	-2.34%	42	16.67%	58	97.6%
18966	\$311,000	-8.23%	128	29.29%	76	96.0%
18969	\$196,800	6.03%	13	-13.33%	110	97.6%
18972	\$294,600	-15.39%	4	-20.00%	100	94.6%
18974	\$299,300	-2.67%	89	-2.20%	81	95.4%
18976	\$355,100	-2.95%	61	8.93%	88	95.1%
18977	\$628,400	16.46%	15	-31.82%	103	95.2%
18980	\$385,000	N/A	1	N/A	22	96.4%
19006	\$348,400	-12.11%	8	166.67%	129	95.5%
19007	\$168,800	-8.06%	43	10.26%	85	97.3%
19020	\$254,400	-2.64%	108	-11.48%	79	96.9%
19021	\$164,900	-13.48%	31	47.62%	75	96.0%
19030	\$251,700	6.34%	27	17.39%	74	95.8%
19040	\$214,000	N/A	1	N/A	13	104.4%
19047	\$316,400	-8.71%	77	-4.94%	81	96.8%
19053	\$273,800	-11.39%	43	-14.00%	69	96.3%
19054	\$222,300	-3.05%	29	-12.12%	61	98.2%
19055	\$176,500	-8.45%	48	33.33%	84	96.8%
19056	\$236,900	-4.28%	43	34.38%	58	97.0%



Third Quarter 2009

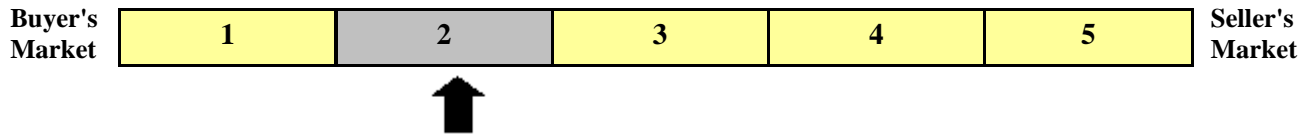
Bucks County, PA

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)
19057	\$197,300	-2.42%	54	22.73%	76	97.6%
19067	\$377,900	-0.40%	155	5.44%	72	95.8%
19440	\$284,900	-35.16%	3	-40.00%	160	100.6%
OTHER	\$27,000	N/A	1	N/A	17	100.0%

Third Quarter 2009

Chester County, PA



Labor Market :

Employment declined by 674 jobs in July and August. The job losses brought about an increase in the average monthly unemployment rate from 6.2% in the second quarter to 6.8% for the second two months of the third quarter. Job losses are ticking upwards, creating a drag on buyer confidence and demand in Chester County. However, historically low mortgage rates have created a favorable buying environment for those with a job.

Housing Market :

	Q2' 09	Q3' 09	Q4' 09 (Forecast)
Average Price	\$331,500	\$346,800	↔
# Homes on the Market *	5,396	5,985	↑
# Homes Sold **	1,199	1,421	↔
# New Homes Built ***	233	187	↑
Avg # of Days on Market	90	81	↑

* Available as of Sep. 30, 2009.

** May not add to total of zip codes

*** During the first two months of 3rd 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	\$1,277,100	17.63%	6	-25.00%	49	82.8%
19087	\$408,800	-7.53%	67	-17.28%	55	96.7%
19301	\$409,100	-0.12%	25	-13.79%	76	96.2%
19310	\$249,900	40.55%	7	0.00%	136	98.1%
19311	\$356,300	1.65%	22	-24.14%	111	96.8%
19312	\$590,900	-8.43%	35	-23.91%	65	95.5%
19317	\$500,200	-3.83%	12	-7.69%	117	97.0%
19319	\$350,000	N/A	1	N/A	71	95.9%
19320	\$214,600	0.89%	142	12.70%	72	97.8%
19330	\$311,400	7.42%	9	0.00%	116	96.1%
19333	\$553,900	5.73%	22	-15.38%	105	95.1%

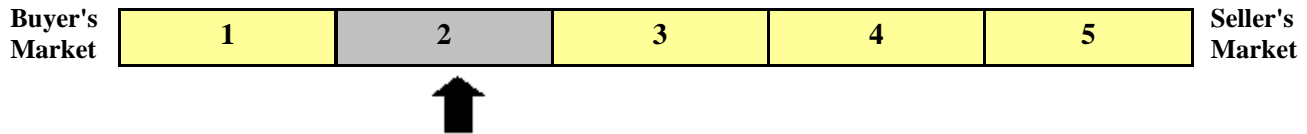
Chester County, PA

Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
19335	\$308,400	-4.64%	165	7.14%	80	96.5%
19341	\$348,900	-4.04%	39	-17.02%	54	96.9%
19343	\$460,700	18.04%	20	-4.76%	92	96.8%
19344	\$230,300	-6.61%	21	50.00%	109	98.0%
19348	\$421,300	-5.22%	61	-15.28%	89	93.4%
19350	\$413,700	-3.90%	24	4.35%	73	93.7%
19352	\$355,500	-3.37%	17	-22.73%	85	95.0%
19355	\$572,200	2.53%	66	-8.33%	99	93.3%
19362	\$152,800	25.76%	4	33.33%	176	96.4%
19363	\$244,400	-10.11%	30	0.00%	124	96.2%
19365	\$167,800	-10.65%	22	10.00%	73	95.9%
19372	\$233,400	-6.23%	8	100.00%	53	98.8%
19375	\$375,000	N/A	2	N/A	259	95.6%
19380	\$326,300	-10.09%	150	-15.25%	64	96.3%
19382	\$377,700	-3.77%	160	8.11%	79	96.0%
19390	\$264,700	-10.79%	32	-5.88%	107	97.0%
19421	\$390,000	-33.33%	1	-50.00%	18	102.6%
19425	\$418,800	-7.75%	53	17.78%	95	95.2%
19460	\$258,900	-18.07%	123	6.96%	83	96.6%
19465	\$288,400	-18.28%	45	-11.76%	123	97.8%
19475	\$273,600	-21.83%	22	-26.67%	51	96.9%
19520	\$249,300	15.42%	8	33.33%	50	96.2%

Third Quarter 2009

Delaware County, PA



Labor Market :

Employment declined by 707 jobs in July and August. The job losses brought about an increase in the average monthly unemployment rate from 7.4% in the second quarter to 8% for the second two months of the third quarter. Job losses are ticking upwards, creating a drag on buyer confidence and demand in Delaware County. However, historically low mortgage rates have created a favorable buying environment for those with a job.

Housing Market :

	Q2' 09	Q3' 09	Q4' 09 (Forecast)
Average Price	\$247,200	\$263,500	↔
# Homes on the Market *	4,666	5,209	↑
# Homes Sold **	1,308	1,480	↔
# New Homes Built ***	78	66	↑
Avg # of Days on Market	89	80	↑

* Available as of Sep. 30, 2009.

** May not add to total of zip codes

*** During the first two months of 3rd 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	\$319,400	-2.26%	19	-13.64%	49	97.0%
19008	\$339,800	-2.07%	39	-29.09%	75	95.4%
19010	\$534,600	-7.04%	42	-4.55%	84	94.5%
19013	\$73,200	0.41%	33	3.13%	73	93.3%
19014	\$235,800	4.11%	64	14.29%	55	98.0%
19015	\$148,100	8.34%	83	23.88%	67	96.5%
19018	\$158,500	-4.23%	64	28.00%	68	96.4%
19022	\$114,100	3.16%	8	0.00%	30	98.1%
19023	\$68,100	-24.42%	47	4.44%	72	95.4%
19026	\$194,900	-6.34%	93	-2.11%	78	96.1%
19029	\$98,300	-27.35%	6	-33.33%	160	85.1%

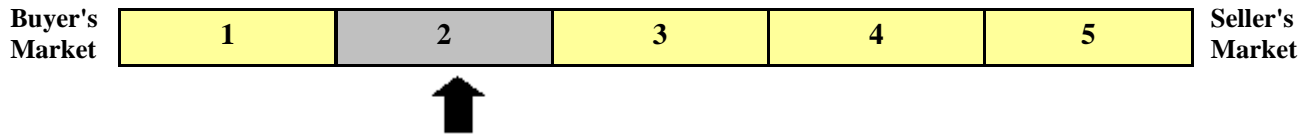
Delaware County, PA

Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
19032	\$113,500	-9.27%	21	-12.50%	72	98.0%
19033	\$196,500	-4.33%	25	31.58%	89	97.6%
19036	\$146,200	3.39%	43	53.57%	68	98.2%
19041	\$911,800	-0.27%	16	166.67%	14	99.3%
19043	\$232,500	23.67%	5	-16.67%	62	97.4%
19050	\$131,700	-15.03%	90	40.63%	96	97.0%
19061	\$267,400	20.29%	71	2.90%	109	96.4%
19063	\$391,200	8.94%	101	9.78%	91	95.1%
19064	\$286,700	-7.10%	83	15.28%	99	96.6%
19070	\$195,200	-18.56%	18	12.50%	63	98.6%
19073	\$520,100	-8.85%	41	-16.33%	62	92.6%
19074	\$164,300	-6.91%	14	-22.22%	72	96.8%
19076	\$175,100	10.82%	16	14.29%	75	97.5%
19078	\$190,100	-3.45%	32	-3.03%	83	95.5%
19079	\$105,900	-9.72%	14	-26.32%	80	96.6%
19081	\$295,300	-17.95%	32	0.00%	85	94.6%
19082	\$101,700	-11.41%	75	20.97%	87	96.4%
19083	\$276,100	-9.83%	124	8.77%	75	97.1%
19085	\$823,100	-25.02%	10	-9.09%	115	91.0%
19086	\$313,300	2.45%	41	-2.38%	83	95.9%
19087	\$771,200	5.17%	34	0.00%	55	93.7%
19094	\$160,600	-21.24%	11	-15.38%	99	96.9%
19096	\$427,300	14.87%	3	-50.00%	36	95.7%
19317	\$383,700	-26.96%	16	-30.43%	86	95.3%
19342	\$322,200	-18.33%	39	-38.10%	107	95.7%
19373	\$612,100	54.96%	6	100.00%	169	97.5%
19382	\$432,500	-38.21%	1	-66.67%	177	94.0%

Third Quarter 2009

Montgomery County, PA



Labor Market :

Employment declined by 1,081 jobs in July and August. The job losses brought about an increase in the average monthly unemployment rate from 6.8% in the second quarter to 7.3% for the second two months of the third quarter. Job losses are ticking upwards, creating a drag on buyer confidence and demand in Montgomery County. However, historically low mortgage rates have created a favorable buying environment for those with a job.

Housing Market :

	Q2' 09	Q3' 09	Q4' 09 (Forecast)
Average Price	\$300,700	\$305,400	↔
# Homes on the Market *	7,326	7,945	↑
# Homes Sold **	2,002	2,367	↔
# New Homes Built ***	185	122	↑
Avg # of Days on Market	83	81	↑

* Available as of Sep. 30, 2009.

** May not add to total of zip codes

*** During the first two months of 3rd 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	\$184,800	7.82%	24	60.00%	56	98.1%
18054	\$322,400	19.23%	14	75.00%	103	97.0%
18073	\$228,700	-7.11%	22	4.76%	148	95.0%
18074	\$290,200	7.84%	19	46.15%	90	92.8%
18076	\$221,900	25.30%	7	-41.67%	63	97.0%
18915	\$270,900	N/A	9	N/A	92	95.9%
18936	\$217,100	N/A	3	N/A	129	98.8%
18964	\$246,600	1.61%	47	42.42%	104	97.0%
18969	\$234,800	-17.70%	33	175.00%	79	96.4%
19001	\$237,200	-10.19%	57	1.79%	39	97.3%
19002	\$417,700	-22.09%	94	14.63%	85	95.1%

Third Quarter 2009

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	\$380,800	12.60%	15	7.14%	54	94.6%
19004	\$480,000	4.03%	21	-19.23%	73	95.0%
19006	\$423,000	13.37%	51	24.39%	85	93.4%
19009	\$360,000	N/A	1	N/A	28	90.0%
19010	\$773,200	-34.35%	20	33.33%	109	87.1%
19012	\$214,000	-13.54%	15	-40.00%	102	95.7%
19025	\$462,600	8.49%	15	7.14%	39	96.2%
19027	\$251,000	-7.99%	42	2.44%	72	95.5%
19031	\$278,200	-8.82%	12	-36.84%	49	98.4%
19034	\$366,300	-6.86%	17	21.43%	96	94.9%
19035	\$897,100	-48.19%	15	-28.57%	111	93.7%
19038	\$280,400	-5.11%	72	-11.11%	47	97.0%
19040	\$264,500	-2.07%	51	-3.77%	89	95.6%
19041	\$997,900	58.95%	8	-42.86%	60	94.0%
19044	\$283,500	12.95%	34	-17.07%	59	97.4%
19046	\$328,100	-14.45%	37	-26.00%	86	94.2%
19066	\$528,400	-14.76%	20	17.65%	77	94.4%
19072	\$455,800	-2.57%	32	-8.57%	110	94.3%
19075	\$276,300	0.55%	26	18.18%	45	96.2%
19085	\$1,162,500	-11.44%	10	-23.08%	100	94.2%
19087	\$541,800	-24.06%	12	20.00%	71	93.8%
19090	\$222,400	-9.74%	50	-1.96%	63	97.2%
19095	\$224,100	-24.72%	11	0.00%	97	92.5%
19096	\$462,400	-7.22%	57	18.75%	65	93.8%
19401	\$154,900	-2.76%	86	-8.51%	81	94.9%
19403	\$250,600	-10.15%	120	-4.00%	94	95.8%
19405	\$187,600	-20.54%	11	10.00%	55	97.2%
19406	\$269,600	-8.17%	81	37.29%	98	96.6%
19422	\$430,600	-14.09%	71	10.94%	93	95.6%
19426	\$326,000	-4.59%	130	13.04%	90	96.3%
19428	\$309,200	13.26%	72	4.35%	85	96.4%
19435	\$183,500	-63.30%	2	100.00%	13	99.2%
19436	\$1,834,000	N/A	1	N/A	72	113.2%
19437	\$1,065,000	N/A	2	N/A	97	89.3%
19438	\$299,400	6.66%	59	5.36%	92	97.5%
19440	\$262,600	-7.11%	38	5.56%	70	97.7%
19444	\$335,100	-23.89%	30	0.00%	52	95.7%

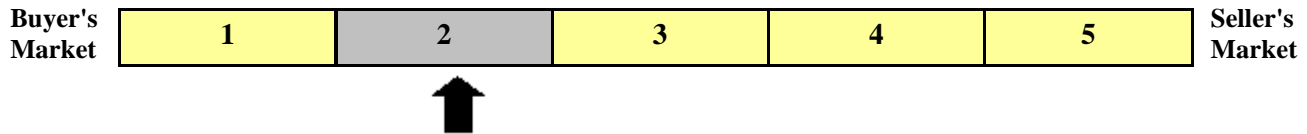
Montgomery County, PA

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)
19446	\$277,800	-6.18%	172	1.78%	80	96.1%
19453	\$144,600	-24.84%	15	66.67%	79	95.6%
19454	\$259,300	-23.33%	99	10.00%	68	95.7%
19456	\$280,000	-16.79%	1	-50.00%	240	93.4%
19460	\$359,200	-1.64%	17	70.00%	103	95.0%
19462	\$311,100	-28.68%	38	2.70%	91	95.8%
19464	\$169,200	-4.73%	164	4.46%	83	97.4%
19465	\$190,000	N/A	2	N/A	125	100.2%
19468	\$233,600	-8.61%	71	-15.48%	65	96.8%
19473	\$296,900	-8.39%	57	50.00%	98	95.9%
19474	\$361,100	15.37%	6	-14.29%	87	100.4%
19490	\$818,500	-13.84%	2	100.00%	218	92.8%
19492	\$175,000	-18.57%	1	0.00%	317	97.3%
19504	\$194,900	-30.39%	1	0.00%	23	100.0%
19512	\$208,000	10.29%	4	-20.00%	120	94.3%
19525	\$266,500	-11.70%	41	32.26%	109	98.4%

Third Quarter 2009

Philadelphia County, PA



Labor Market :

Employment declined by 1,516 jobs in July and August. The job losses brought about an increase in the average monthly unemployment rate from 9.8% in the second quarter to 10.6% for the second two months of the third quarter. Job losses are ticking upwards, creating a drag on buyer confidence and demand in Philadelphia County. However, historically low mortgage rates have created a favorable buying environment for those with a job.

Housing Market :

	Q2' 09	Q3' 09	Q4' 09 (Forecast)
Average Price	\$197,100	\$189,000	↔
# Homes on the Market *	12,735	14,718	↑
# Homes Sold **	2,859	3,122	↔
# New Homes Built ***	74	41	↑
Avg # of Days on Market	79	73	↑

* Available as of Sep. 30, 2009.

** May not add to total of zip codes

*** During the first two months of 3rd 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	\$540,400	53.83%	9	-18.18%	72	96.4%
19103	\$479,400	-19.28%	77	-23.00%	87	94.5%
19104	\$156,400	-23.71%	28	-12.50%	77	93.8%
19106	\$454,200	-13.11%	50	-24.24%	160	92.7%
19107	\$384,300	-9.81%	27	-30.77%	110	91.3%
19111	\$169,900	-1.79%	141	-9.03%	68	97.4%
19114	\$192,000	-1.23%	82	17.14%	88	95.7%
19115	\$233,400	-7.82%	61	5.17%	63	95.2%
19116	\$223,100	-5.79%	82	32.26%	70	96.1%
19118	\$435,700	-31.47%	21	-44.74%	70	93.7%
19119	\$284,700	6.95%	72	10.77%	67	95.2%

Third Quarter 2009

Philadelphia County, PA

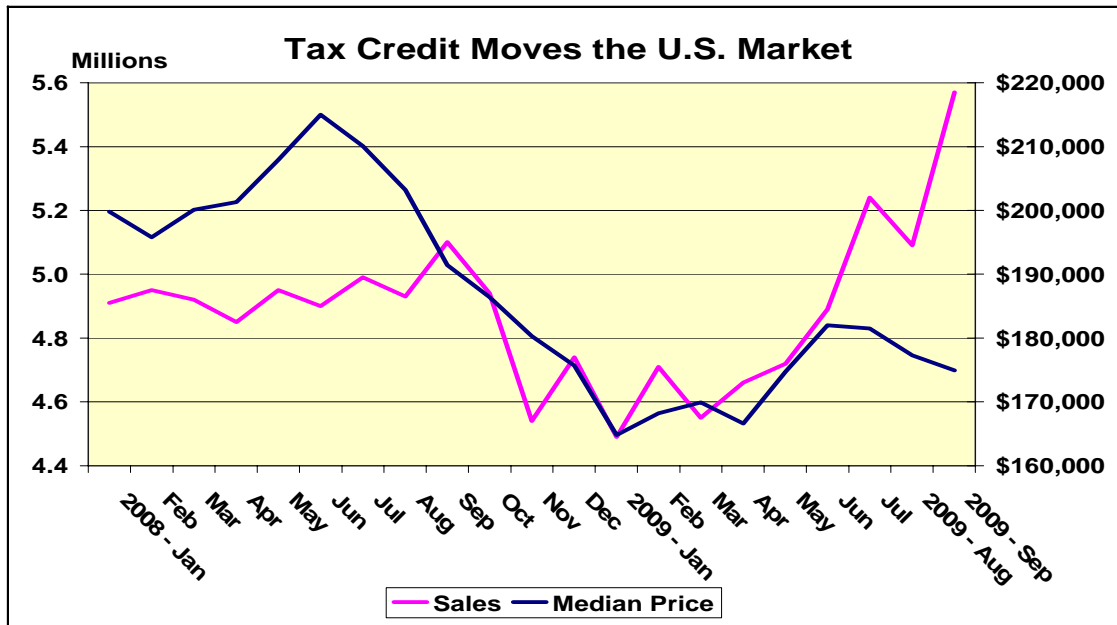
Data by Zip Codes

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	\$87,000	-1.36%	106	9.28%	58	95.3%
19121	\$120,000	0.76%	16	-46.67%	51	94.1%
19122	\$153,300	19.58%	20	5.26%	160	92.9%
19123	\$306,100	-6.59%	47	27.03%	106	95.7%
19124	\$88,300	3.88%	124	-28.32%	79	96.3%
19125	\$162,400	-12.92%	104	26.83%	86	95.9%
19126	\$127,000	-13.19%	23	-25.81%	114	96.0%
19127	\$236,900	-9.06%	22	-35.29%	98	96.2%
19128	\$234,000	-6.59%	121	-17.69%	54	96.5%
19129	\$242,600	-0.25%	30	0.00%	65	96.3%
19130	\$343,100	-5.33%	106	10.42%	73	95.5%
19131	\$110,900	8.62%	46	-24.59%	59	95.3%
19132	\$54,800	7.03%	16	-5.88%	80	95.2%
19133	\$49,600	-21.27%	5	25.00%	51	93.4%
19134	\$89,100	2.30%	102	-2.86%	73	95.3%
19135	\$111,500	-3.21%	104	9.47%	70	97.0%
19136	\$138,800	-3.34%	98	12.64%	47	97.1%
19137	\$135,800	-12.39%	22	10.00%	82	95.4%
19138	\$82,900	-11.15%	58	-9.38%	52	98.2%
19139	\$92,700	9.57%	38	-19.15%	77	94.1%
19140	\$50,500	-9.82%	26	-25.71%	57	92.6%
19141	\$77,700	-10.07%	40	-2.44%	85	94.5%
19142	\$64,600	11.19%	63	3.28%	55	92.0%
19143	\$148,900	5.45%	62	-32.61%	60	95.3%
19144	\$134,500	12.08%	45	-23.73%	60	97.2%
19145	\$138,200	-2.19%	98	4.26%	94	93.7%
19146	\$290,700	12.11%	155	1.97%	74	95.2%
19147	\$326,200	-10.80%	133	-9.52%	90	94.1%
19148	\$151,700	-6.59%	173	15.33%	85	95.5%
19149	\$120,700	-4.51%	167	3.09%	53	96.4%
19150	\$156,700	10.27%	47	11.90%	55	96.2%
19151	\$111,300	-8.55%	64	-4.48%	61	96.6%
19152	\$182,200	-3.80%	79	-14.13%	73	96.4%
19153	\$117,800	6.99%	25	-10.71%	114	93.4%
19154	\$191,100	-2.45%	87	52.63%	53	97.8%

What's Driving Your Market?

By Ken Fears
Manger, Regional Economics

We all know that this is one of the strongest buyers' markets in years, possibly decades. But there is a lot of confusion about what is driving it; the \$8,000 first-time home buyer tax credit, falling prices, record low mortgage rates, or improved confidence?



It is hard to say which factor sparked this summer's up-tick. By most accounts, though, the majority of first-time home buyers who purchased knew about the first-time home buyer tax credit and were eager to take advantage of it. Given that the share of first time buyers is at its highest levels in years, it's fair to assume that the recent improvement is owed in large part to this credit. However, the current tax credit is far from perfect and what's more, it is set to expire in November.

The first-time homebuyer tax credit allows a new buyer a refund of \$8,000 in their taxes if they purchase a home. However, since the only way to get the moneys from the credit is to file with the IRS after the purchase, a buyer cannot use the \$8,000 for closing. The Treasury and HUD have made efforts to get state governments to create programs that would enable buyers to use the credit money at the time of purchase. In effect, the HUD suggested that state governments make zero-interest loans to first-time buyers for \$8,000. The first time buyers would then pay back these loans when they receive their credit from the IRS. Unfortunately, given the current environment of tight budgets, few state governments created such programs. Thus, the \$8,000 may help new buyers to afford improvements and new appliances after a purchase, an added economic boost, but it doesn't help to facilitate the transaction.

A second issue with the current tax credit is that it is relatively small. Here in the market covered by TREND MLS, the average selling price is \$255,477. Even though this credit money cannot be used at close, it could be used to reduce the principal by 3.9% for the average mortgage (assuming a down payment of 20%) or 3.2% of the average mortgage insured by the FHA (assuming a 3.5% down payment). This translates to a reduction of a buyer's monthly payment from \$1,148 to \$1,112 under the private financing situation or from \$1,384 to \$1,341 under the FHA situation.

Even if your buyer doesn't qualify to use the first time buyer tax credit, your buyer will still benefit. Purchases by first-time buyers unlock equity for trade up buyers to make their purchase. Furthermore, the sheer volume of sales stimulated by this tax credit helps to stabilize prices, boosting buyer confidence and easing access to PMI.

By most accounts, the current first-time homebuyer tax credit has helped stimulate demand in the housing market at a time when it was necessary to bring down high inventory levels and stabilize prices. But the program suffers from two big problems. With the tax credit expiring in November and calls for its renewal, there is also the opportunity for improvement.

Help for a Sustainable Recovery

by Lawrence Yun, *NAR Chief Economist*

While we listen to the animated discussions surrounding the health care debate, war strategies, flu vaccines and Nobel Peace Prizes, the federal budget deficit continues to rise. There is certainly no delight in watching the budget deficit soar. The \$1.4 trillion deficit in the 2009 fiscal year to September is the highest ever in U.S. history – both in sheer dollar figures as well as the highest since the Second World War if measured in relation to the overall economic pie. It's a huge burden to future generations.

Why should we be concerned? Because continuing high budget deficits could easily cause interest rates to rise much sooner – and possibly quite sharply. Yes, there will be arguments about what federal programs work and which ones just bleed money. But Washington needs to come out with a credible plan to reduce the deficit over time.

Meanwhile, price correction – and over-correction – have wreaked havoc on the broader economy. Wall Street balance sheets were bleeding heavily before the big help from the \$700 billion TARP funding. Property owners felt it, too: foreclosures spiked, strategic defaults rose among financially capable but underwater homeowners, and appraisals became messier. Most importantly in terms of economic impact, the bulk of American families have experienced a major hit to their wealth accumulation — by more than \$4 trillion in the past three years. The economy will have a difficult time gaining firm footing without government life support if home values continue to fall.

One area where federal taxpayer dollars have been effectively utilized is that first-time homebuyer tax credit. The key to any future sustainable economic recovery lies in home values stabilizing, or better yet, a return to a historical home price appreciation rate of 3 to 5 percent each year. The bubble prices crash landed, but all the excesses have already been removed. In fact, one could legitimately argue that home values have overshot downward. Price-to-income ratio is now below the historical average. The monthly mortgage payment for a middle income person buying a middle priced home is well below its historical norm.

A review of the latest data strongly suggests that the homebuyer tax credit has had its intended impact of significantly stimulating home sales. From about 4.5 million annualized home sales pace in the few months prior to the stimulus, sales have jumped to 5.1 million in recent months. That is a change of 600,000 additional existing-home sales. New home sales have risen from the mid 300,000 to low 400,000 range over the similar period. The rise in sales has been concentrated in the lower-priced home segment largely because first-time buyers are looking to stay, rightly, well within their budget.

Housing inventories, while still higher than desired levels, have been trimmed. The latest 8-month supply of existing-home inventory is much better than the double-digit figures of last year. Home values have likewise moved in an “improving” direction. Broadly speaking, they are down from one year ago, but the declines have been less steep in recent months compared to the pre-stimulus times. The median existing-home price as of August was down 12.5 percent compared to a nearly 20 percent decline early in the year. In short, sales have risen and home prices are on the verge of stabilizing.

But the housing stimulus package is set to expire. A settlement, and not the contract signing to buy, must occur by the end of November. Some first-time buyers who are signing contracts to buy in October just may make the deadline. It would be pity if the housing market which is just on the cusp of a self-sustaining recovery rolls downhill again. That could happen if potential buyers step back and inventory returns to an upward climb. Falling home values – independent of whether it is over-

correcting or not – will bring back all the associated collateral damage.

A much happier scenario would be that the buying momentum continues for few additional quarters so that inventory falls back down to the normal 5 to 7 months, a level consistent with home value stabilization. Once that is accomplished, the consumer “fear factor” of waiting and waiting for a lower price later will no longer be part of the home buying decision. We will have reached a point of housing market self-sustainability. Consumer confidence will be lifted. The wealth impact of consumers opening up wallets for general consumer goods will steadily turn positive. Thus, the broader economy also gets set for a sustainable recovery without needing further stimulus dollars.

For that happy scenario to play out, a time extension on the home buyer tax credit is critically needed. At a cost of about \$10 billion (if extended through the middle of next year), the housing market will likely have recovered nicely with the broader economy on track for a solid robust expansion. That \$10 billion price tag is rather modest compared to the \$700 billion in TARP funding and \$800 billion of the broader economic stimulus package that was passed early in the year (with debate still raging over the effectiveness of that broad spending bill). Moreover, the cost of \$10 billion is a static measure that does not take into account job creations and increased tax revenue from rising economic activity. Actually, if we take into consideration all of the economic dynamic responses, the homebuyer tax credit can be argued as a net positive revenue generator for the federal government.

There is nothing like economic growth to dent budget deficits. If the economy was already at full capacity the housing stimulus would simply be moving dollars from one sector of the economy to another. But as is fully visible out in the streets, we are nowhere near full capacity. Factory capacity utilization was 69.6 percent in August, compared to an 80 percent rate that should be the case in normal economic times. On the job market front, the country is facing a double-digit unemployment rate rather than the healthy 5 or 6 percent unemployment rate. Therefore, there is a plenty of room for growth for a win-win situation for the housing market and other sectors of the economy.

Despite these vast potential benefits to the economy from extending the homebuyer tax credit, valid questions should nonetheless be asked. Is there any pent-up demand remaining? Will the tax credit just go to the people who would have bought a home anyway and thereby will simply pocket the \$8,000 check? Well, the following table shows a compelling case for tapping the financially healthy renter population.

In 2000, before the housing market boom, there were 11.5 million renter households who had the necessary income to buy a median priced home at prevailing market conditions. Today, the pool of renters who can buy a median priced home is over 16 million. Just nudging even a small share – say 5 percent – of these financially healthy renters into buying via a tax credit check will mean 800,000 additional home sales. That number is sufficiently meaningful to get the inventory down to the level of home value stabilization. The housing market will then be on the path to a self-sustaining recovery.

After what we have been through this decade, it would be quite nice to observe a return of a “boring” housing market with annual price growth of a steady and normal 3 to 5 percent - without any of the fits, frenzy, and panic. A faster and firmer recovery can happen if the tax credit is opened up to more buyers by making it apply to *any buyers* – just first-timers – and by raising the income limit for qualification. It would also contribute to healthy economic activity – a sustained recovery – and thus help to put a dent in the deficit. In short – it’s a win/win. NAR is working hard to get that homebuyer tax credit extended. You can help – by calling, writing or emailing your Congressional representatives. It’s good for home buyers, it’s good for REALTORS®, and it’s good for the U.S. economy.

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 slipped 2.7% in August to a seasonally adjusted annual rate of 5.10 million units – 3.4% above their sales level in August of 2008. The national median sales price for an existing home was \$177,700. The inventory of existing homes available for sale at the end of August fell to 3.62 million units – an 8.5-month supply at the current sales pace.</p>	Aug 09 5,100 Jul 09 5,240 Aug 08 4,930	↑	The strength of recovery depends on tax credit extension
<p>New Home Sales rose slightly in August, posting a seasonally adjusted annual rate of 429,000 units – 0.7% ahead of July’s revised rate of 426,000. New home inventory continued to decline to a 7.3 month supply at the current sales rate. That is down 3.9% from the previous month and more than 34% off its year-ago level.</p>	Aug 09 429 July 09 426 Aug 08 444	↑	To rise from rock bottom levels
<p>Housing Starts also posted a small increase in August, registering 598,000 units – up 1.5% from July’s level of 589,000. Despite the rise in August, starts were still 29.6% below their level a year ago. Building permits – generally a reliable indicator of future starts – posted a seasonally adjusted annual rate of 579,000 – 2.7% above July’s level.</p>	Aug 09 598 July 09 589 Aug 08 849	↑	A long way to go until full recovery but still trending up
<p>Housing Affordability continued at very healthy levels. NAR’s Housing Affordability Index (HAI) posted a reading of 159.1 in August – up from July’s reading of 155.5 and significantly higher than the 125.8 reading in August of 2008.</p>	Aug 09 159.1 July 09 155.5 Aug 08 125.8	↔	No meaningful changes to income, home value, or mortgage rates
<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>	Sept 09 5.06% Aug 09 5.19% Sept 08 6.04%	↑	Slowly inching higher
<p>Employment The economy shed 263,000 jobs in September – a larger number than anticipated and a sign that despite other encouraging figures on the economy, the job market remains a drag on a more robust economic recovery. The unemployment rate rose to 9.8% – its highest level since June of 1983.</p>	June 09 -263 May 09 -201 12-month total: -5,843	↑	Finally to get a net gain in few months after more than 7 million job cuts
<p>Economic Growth The U.S. economy showed some improvement in the 2nd quarter of this year. Real GDP growth registered -0.7% – a significant increase from the -6.4% figure in the 1st quarter. Going forward, GDP growth should turn positive in the 3rd quarter but consumer spending activity may be tempered by the still-worrisome job market.</p>	2009:II -0.7% 2009:I -6.4% 2008:II -1.5%	↑	Production recovery intact

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