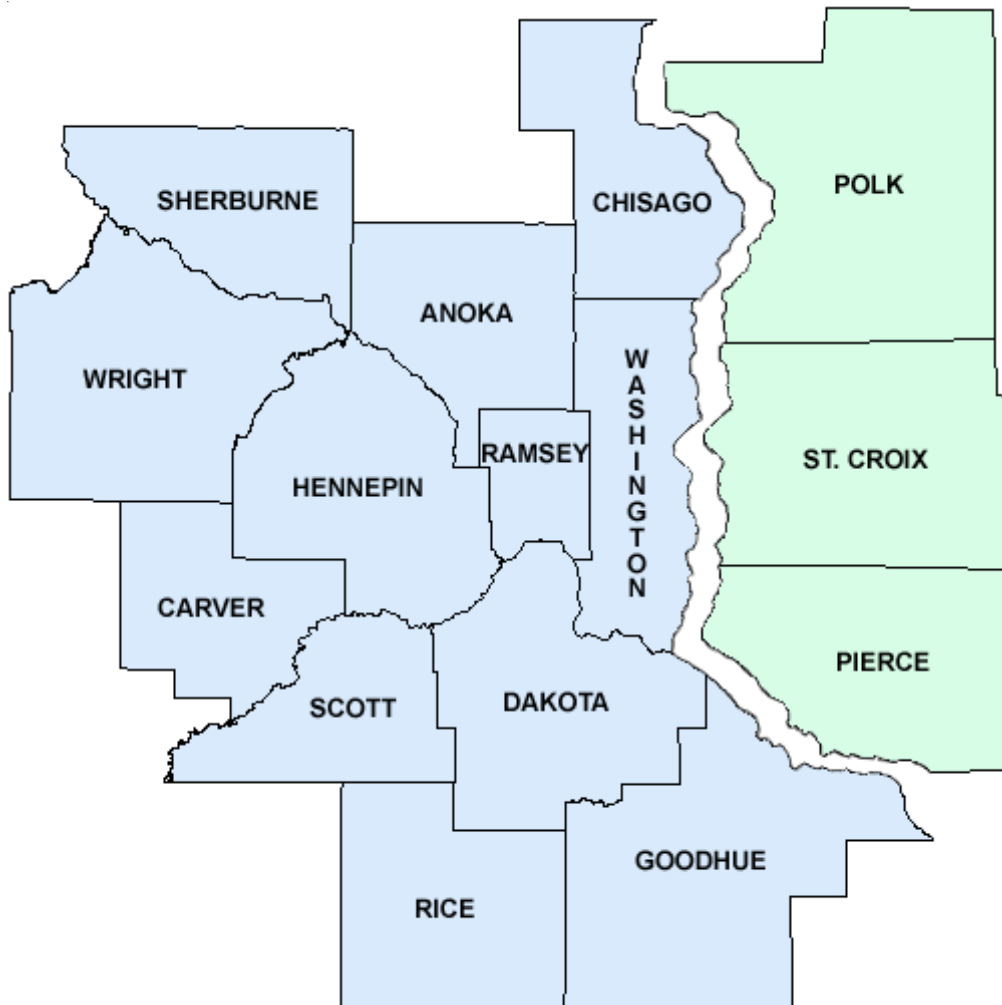




# Economic and Market Watch Report

1<sup>st</sup> Quarter, 2008



\*Click on a County to view economic and real estate information at the county and zip code level

© 2007 Regional MLS of Minnesota, Inc. and  
NATIONAL ASSOCIATION OF REALTORS®

Reproduction, reprinting, or retransmission in any form is prohibited without written permission.

# Regional MLS of Minnesota, inc.

## Economic and Market Watch Report

The Regional MLS of Minnesota, Inc. is the operator of the NorthstarMLS™ system serving the state of Minnesota and Western Wisconsin. It is among the largest MLS's in the nation based on both the number of subscribers and the number of property records in its database. More than 20,000 licensed agents and appraisers subscribe through the Minneapolis Area, North Metro, St. Paul Area, Southern Twin Cities and Western Wisconsin Associations of REALTORS®. They depend on the services of RMLS each day to provide home buyers and sellers with an effective, efficient and orderly marketplace for property transactions.

### Index

#### Local Report

##### Minnesota

Anoka County .....	1
Carver County .....	3
Chisago County .....	5
Dakota County .....	7
Goodhue County .....	9
Hennepin County .....	11
Ramsey County .....	14
Rice County .....	16
Scott County .....	17
Sherburne County .....	19
Washington County .....	20
Wright County .....	22

##### Wisconsin

Pierce County .....	24
Polk County .....	26
St. Croix County .....	28

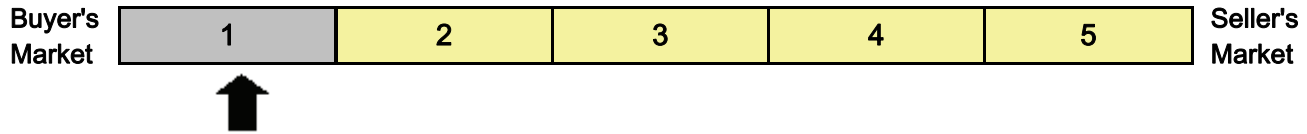
Others .....	30
--------------	----

Trends .....	40
Chief Economist's Commentary* .....	41
Local Forecast .....	42
Economic Monitor* .....	44

\*Reprinted from [Real Estate Outlook: Market Trends and Insights](#). ©2008 NATIONAL ASSOCIATION OF REALTORS®. Used with permission. Reproduction, reprinting, or retransmission of this article in any form (electronic media included) is prohibited without permission. For subscription information please call 1-800-874-6500.



## Anoka County, MN



### Labor Market :

Employment declined by 3,524 jobs in January and February. The job losses brought about an increase in the average monthly unemployment rate from 4.3% in the first quarter to 5% for the first two months of the second quarter. Despite the job losses, the job situation still remains strong in Anoka County. Combined with historically low mortgage rates, home sales should continue at a strong pace.

### Housing Market :

	Q4' 07	Q1' 08	Q2' 08 (Forecast)
Average Price	\$230,400	\$207,800	↑
# Homes on the Market *	4,405	4,859	↔
# Homes Sold **	761	623	↓
# New Homes Built ***	124	25	↓
Avg # of Days on Market	84	88	↑

\* Available as of Mar. 31, 2008.

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

\*\*\* During the first two months of 1st quarter.

### Data by Zip Codes for Q1 2008

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
55005	\$191,400	-19.31%	10	-28.57%	94	99.5%
55011	\$262,900	11.45%	23	4.55%	128	97.1%
55014	\$237,500	-0.17%	42	-23.64%	105	96.1%
55070	\$172,000	-12.56%	15	-51.61%	107	99.0%
55303	\$203,300	-12.26%	87	-15.53%	85	98.2%
55304	\$246,000	-19.61%	93	29.17%	85	96.5%
55421	\$155,300	-17.31%	51	8.51%	89	96.3%
55432	\$172,300	-14.62%	45	-15.09%	83	96.6%
55433	\$168,700	-15.44%	50	-26.47%	82	97.4%

\*\*\* % Change of current quarter compared to the same quarter to year ago.



## Anoka County, MN

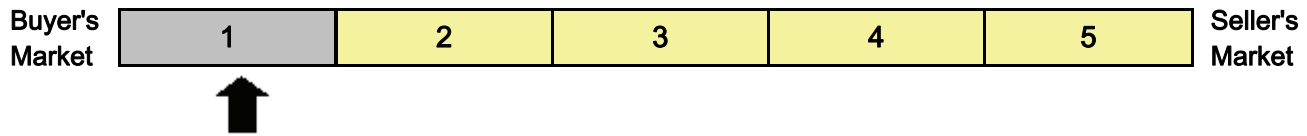
### Data by Zip Codes for Q1 2008

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
55434	\$174,300	-18.85%	54	0.00%	76	96.3%
55448	\$185,700	-18.94%	60	-6.25%	83	97.7%
55449	\$265,200	-10.34%	58	1.75%	87	96.2%
OTHER	\$237,900	-13.93%	35	-41.67%	92	94.1%

\*\*\* % Change of current quarter compared to the same quarter to year ago.



## Carver County, MN



### Labor Market :

Employment increased by 134 jobs in Carver County during January and February. However, the number of job seekers also increased. The combined effect of these two trends was an increase in the average monthly unemployment rate from 4% for the first quarter to 4.7% in the first two months of the second quarter. The solid job growth February provide strong home sales, while historically low mortgage rates should continue to spur sales.

### Housing Market :

	Q4' 07	Q1' 08	Q2' 08 (Forecast)
Average Price	\$313,600	\$330,300	↑
# Homes on the Market *	1,469	1,724	↓
# Homes Sold **	250	221	↔
# New Homes Built ***	118	9	↔
Avg # of Days on Market	82	102	↑

\* Available as of Mar. 31, 2008.

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

\*\*\* During the first two months of 1st quarter.

### Data by Zip Codes for Q1 2008

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
55315	\$275,300	-20.82%	13	116.67%	65	93.6%
55317	\$384,100	-2.76%	57	-18.57%	116	95.6%
55318	\$270,900	-7.51%	54	-12.90%	90	95.2%
55322	\$240,800	-21.97%	4	33.33%	146	102.8%
55360	\$257,800	9.01%	8	0.00%	84	98.7%
55368	\$262,700	43.95%	8	300.00%	114	97.9%
55386	\$465,600	-0.13%	21	-8.70%	106	97.3%
55387	\$264,600	-5.43%	38	22.58%	72	97.3%

\*\*\* % Change of current quarter compared to the same quarter to year ago.



## Carver County, MN

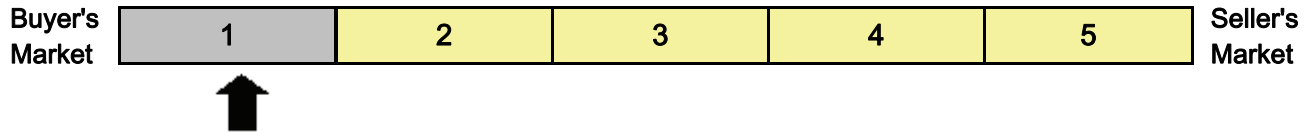
### Data by Zip Codes for Q1 2008

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
55388	\$189,700	-21.68%	9	-18.18%	87	96.0%
55397	\$134,300	-41.30%	2	-66.67%	189	97.7%
OTHER	\$851,000	64.44%	7	-12.50%	298	88.8%

\*\*\* % Change of current quarter compared to the same quarter to year ago.



## Chisago County, MN



### Labor Market :

Employment declined by 246 jobs in January and February. The job losses brought about an increase in the average monthly unemployment rate from 5.5% in the first quarter to 7.3% for the first two months of the second quarter. Despite the job losses, the job situation still remains strong in Chisago County. Combined with historically low mortgage rates, home sales should continue at a strong pace.

### Housing Market :

	Q4' 07	Q1' 08	Q2' 08 (Forecast)
Average Price	\$197,600	\$184,100	↑
# Homes on the Market *	1,350	1,453	↓
# Homes Sold **	112	94	↔
# New Homes Built ***	30	0	↔
Avg # of Days on Market	102	96	↑

\* Available as of Mar. 31, 2008.

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

\*\*\* During the first two months of 1st quarter.

### Data by Zip Codes for Q1 2008

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
55012	\$265,000	2.83%	1	-85.71%	34	91.7%
55013	\$205,400	-26.75%	10	-33.33%	111	94.7%
55032	\$185,400	-8.71%	9	12.50%	79	94.8%
55045	\$188,200	-16.80%	11	-45.00%	112	97.6%
55056	\$159,900	-20.76%	22	-15.38%	92	94.8%
55069	\$149,500	-27.43%	12	20.00%	119	90.9%
55074	\$200,600	4.97%	6	0.00%	151	94.0%
55079	\$155,300	-35.67%	8	33.33%	46	97.6%
55084	\$173,500	22.27%	2	-66.67%	86	95.6%

\*\*\* % Change of current quarter compared to the same quarter to year ago.



## Chisago County, MN

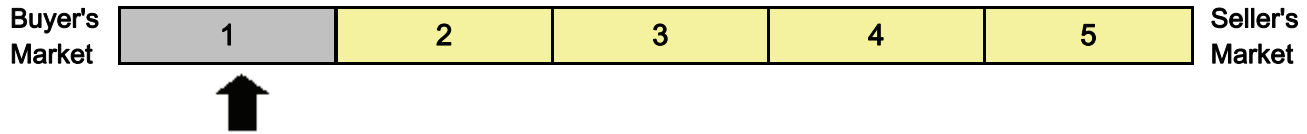
### Data by Zip Codes for Q1 2008

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
55092	\$224,200	-4.11%	9	-18.18%	113	100.6%
OTHER	\$281,600	-21.58%	4	100.00%	24	99.1%

\*\*\* % Change of current quarter compared to the same quarter to year ago.



## Dakota County, MN



### Labor Market :

Employment declined by 3,763 jobs in January and February. The job losses brought about an increase in the average monthly unemployment rate from 3.9% in the first quarter to 4.5% for the first two months of the second quarter. Despite the job losses, the job situation still remains strong in Dakota County. Combined with historically low mortgage rates, home sales should continue at a strong pace.

### Housing Market :

	Q4' 07	Q1' 08	Q2' 08 (Forecast)
Average Price	\$258,100	\$231,600	↑
# Homes on the Market *	4,899	5,486	↔
# Homes Sold **	975	846	↓
# New Homes Built ***	90	26	↓
Avg # of Days on Market	78	90	↑

\* Available as of Mar. 31, 2008.

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

\*\*\* During the first two months of 1st quarter.

### Data by Zip Codes for Q1 2008

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
55024	\$215,200	-9.77%	75	-28.57%	97	97.4%
55031	\$195,000	-0.51%	1	-80.00%	130	98.0%
55033	\$204,900	-15.68%	66	-12.00%	99	96.2%
55044	\$300,900	-3.40%	122	0.00%	77	95.8%
55065	\$155,000	N/A	1	N/A	52	100.8%
55068	\$212,400	-19.70%	76	-24.75%	70	97.3%
55075	\$152,800	-10.33%	40	-33.33%	110	97.0%
55076	\$191,500	-13.23%	40	-14.89%	97	96.3%
55077	\$325,700	-26.35%	9	-40.00%	123	91.7%

\*\*\* % Change of current quarter compared to the same quarter to year ago.



### Dakota County, MN

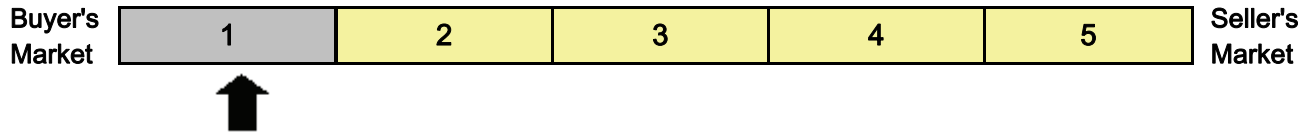
#### Data by Zip Codes for Q1 2008

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
55118	\$201,800	-37.54%	59	18.00%	105	95.0%
55120	\$353,500	6.54%	2	-77.78%	126	94.9%
55121	\$210,300	11.74%	14	-17.65%	109	97.1%
55122	\$223,700	-16.19%	63	-30.77%	93	96.9%
55123	\$269,300	-5.51%	48	-25.00%	92	97.2%
55124	\$252,400	3.49%	110	-20.29%	83	96.9%
55306	\$249,800	-23.89%	20	-28.57%	77	97.9%
55337	\$207,000	-5.05%	92	-14.02%	98	96.5%
OTHER	\$242,900	-20.78%	8	60.00%	125	92.8%

\*\*\* % Change of current quarter compared to the same quarter to year ago.



## Goodhue County, MN



### Labor Market :

Employment declined by 730 jobs in January and February. The job losses brought about an increase in the average monthly unemployment rate from 4.6% in the first quarter to 6.1% for the first two months of the second quarter. Despite the job losses, the job situation still remains strong in Goodhue County. Combined with historically low mortgage rates, home sales should continue at a strong pace.

### Housing Market :

	Q4' 07	Q1' 08	Q2' 08 (Forecast)
Average Price	\$169,000	\$172,100	↑
# Homes on the Market *	691	728	↔
# Homes Sold **	98	82	↓
# New Homes Built ***	19	2	↓
Avg # of Days on Market	100	114	↑

\* Available as of Mar. 31, 2008.

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

\*\*\* During the first two months of 1st quarter.

### Data by Zip Codes for Q1 2008

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
55009	\$269,500	17.58%	12	0.00%	138	95.1%
55018	\$320,000	51.30%	1	0.00%	76	91.5%
55027	\$78,000	-79.42%	2	-33.33%	110	97.0%
55066	\$156,700	10.43%	33	-35.29%	134	95.0%
55089	\$222,300	-9.27%	3	200.00%	89	91.0%
55946	\$135,700	19.88%	7	-36.36%	64	95.9%
55963	\$123,900	-38.42%	7	133.33%	106	97.9%
55983	\$168,700	-32.11%	3	50.00%	194	92.1%
55992	\$153,500	-32.68%	13	333.33%	73	98.3%

\*\*\* % Change of current quarter compared to the same quarter to year ago.



## Goodhue County, MN

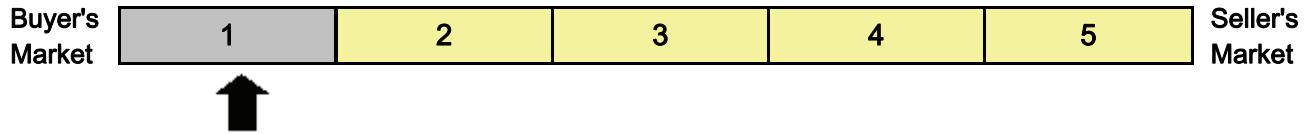
### Data by Zip Codes for Q1 2008

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
OTHER	\$243,100	27.54%	1	-75.00%	2	97.7%

\*\*\* % Change of current quarter compared to the same quarter to year ago.



## Hennepin County, MN



### Labor Market :

Employment declined by 16,432 jobs in January and February. The job losses brought about an increase in the average monthly unemployment rate from 4% in the first quarter to 4.1% for the first two months of the second quarter. Despite the job losses, the job situation still remains strong in Hennepin County. Combined with historically low mortgage rates, home sales should continue at a strong pace.

### Housing Market :

	Q4' 07	Q1' 08	Q2' 08 (Forecast)
Average Price	\$301,700	\$269,400	↑
# Homes on the Market *	15,246	16,438	↔
# Homes Sold **	3,060	2,512	↓
# New Homes Built ***	201	86	↓
Avg # of Days on Market	76	83	↑

\* Available as of Mar. 31, 2008.

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

\*\*\* During the first two months of 1st quarter.

### Data by Zip Codes for Q1 2008

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
55305	\$351,200	13.58%	32	-34.69%	80	95.8%
55311	\$366,900	-2.76%	119	-4.03%	76	96.2%
55316	\$213,200	-11.31%	36	-23.40%	48	95.8%
55327	\$267,000	-16.93%	2	-71.43%	123	96.2%
55331	\$588,100	-17.19%	33	26.92%	92	95.3%
55340	\$495,400	-42.69%	8	-20.00%	87	92.8%
55343	\$207,200	-1.33%	45	-43.75%	68	95.3%
55344	\$219,900	-11.65%	32	28.00%	81	96.9%
55345	\$373,300	5.84%	35	-35.19%	79	95.3%

\*\*\* % Change of current quarter compared to the same quarter to year ago.



## Hennepin County, MN

### Data by Zip Codes for Q1 2008

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
55346	\$277,300	-11.06%	36	-7.69%	78	96.3%
55347	\$400,100	-15.20%	71	-28.28%	83	94.8%
55356	\$1,144,400	139.41%	11	37.50%	86	91.9%
55357	\$474,600	N/A	8	N/A	119	94.6%
55359	\$259,300	-69.42%	6	-14.29%	74	92.9%
55364	\$529,100	4.50%	28	-24.32%	110	90.6%
55369	\$219,500	-6.16%	68	0.00%	95	96.9%
55374	\$243,300	-23.78%	19	-48.65%	123	96.4%
55375	\$286,800	-9.10%	11	57.14%	64	93.8%
55391	\$705,300	-7.90%	35	-18.60%	86	93.3%
55401	\$265,700	-18.82%	80	40.35%	60	100.7%
55403	\$368,000	17.87%	40	122.22%	134	91.9%
55404	\$185,300	-18.26%	33	10.00%	114	96.8%
55405	\$294,700	-8.45%	22	-56.00%	86	95.0%
55406	\$171,600	-30.24%	54	-34.94%	67	96.6%
55407	\$160,000	-16.93%	80	-27.93%	79	97.1%
55408	\$195,400	-22.21%	57	-24.00%	81	95.3%
55409	\$210,400	-12.70%	33	-5.71%	102	95.5%
55410	\$497,700	36.47%	42	-54.84%	78	97.1%
55411	\$74,900	-34.70%	127	60.76%	91	92.9%
55412	\$68,300	-44.74%	114	86.89%	90	93.0%
55413	\$239,200	14.40%	28	-36.36%	73	95.2%
55414	\$287,600	-10.27%	24	-4.00%	66	96.4%
55415	\$397,200	136.15%	32	540.00%	45	104.8%
55416	\$296,800	-13.62%	75	-24.24%	101	96.6%
55417	\$226,800	-10.21%	84	3.70%	62	97.8%
55418	\$172,000	-16.79%	61	0.00%	86	95.9%
55419	\$319,000	-13.78%	72	-18.18%	78	96.5%
55420	\$172,800	-26.09%	32	14.29%	77	96.5%
55422	\$255,900	15.58%	47	-38.96%	70	95.8%
55423	\$178,200	-14.45%	64	-21.95%	96	96.7%
55424	\$590,200	-31.36%	21	-36.36%	108	94.1%
55425	\$246,400	-12.03%	27	125.00%	27	96.4%
55426	\$232,500	6.95%	51	-19.05%	81	96.8%
55427	\$218,800	-8.41%	43	19.44%	87	97.4%
55428	\$166,300	-14.72%	49	-14.04%	75	96.9%

\*\*\* % Change of current quarter compared to the same quarter to year ago.



## Hennepin County, MN

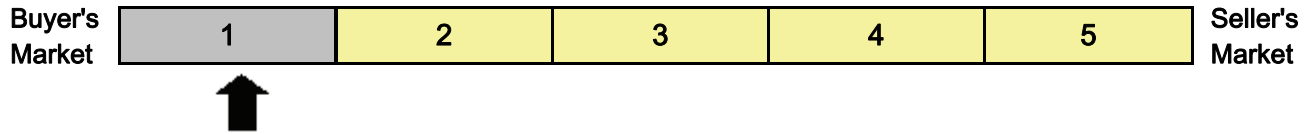
### Data by Zip Codes for Q1 2008

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
55429	\$150,500	-20.41%	26	-38.10%	88	96.9%
55430	\$128,200	-25.07%	34	-19.05%	89	95.5%
55431	\$231,200	-8.76%	28	12.00%	83	97.5%
55435	\$329,900	25.06%	19	-26.92%	81	94.8%
55436	\$495,200	10.88%	22	-31.25%	94	96.3%
55437	\$291,300	10.22%	23	-32.35%	119	95.8%
55438	\$245,900	-7.45%	33	-10.81%	76	97.3%
55439	\$772,000	44.00%	18	-14.29%	87	97.0%
55441	\$307,700	-4.47%	26	-18.75%	83	96.3%
55442	\$245,900	-21.71%	23	-37.84%	97	97.4%
55443	\$241,000	-15.76%	85	2.41%	94	96.3%
55444	\$177,000	-18.96%	30	-18.92%	99	96.6%
55445	\$166,000	-20.69%	17	-26.09%	82	94.2%
55446	\$322,500	9.28%	57	7.55%	79	96.8%
55447	\$380,500	11.22%	36	-16.28%	74	96.2%
55454	\$160,000	N/A	1	N/A	267	87.0%
OTHER	\$256,500	-48.32%	7	40.00%	30	99.5%

\*\*\* % Change of current quarter compared to the same quarter to year ago.



## Ramsey County, MN



### Labor Market :

Employment declined by 8,344 jobs in January and February. The job losses brought about an increase in the average monthly unemployment rate from 4.2% in the first quarter to 4.4% for the first two months of the second quarter. Despite the job losses, the job situation still remains strong in Ramsey County. Combined with historically low mortgage rates, home sales should continue at a strong pace.

### Housing Market :

	Q4' 07	Q1' 08	Q2' 08 (Forecast)
Average Price	\$225,700	\$192,800	↑
# Homes on the Market *	5,413	6,114	↔
# Homes Sold **	1,083	870	↓
# New Homes Built ***	56	3	↓
Avg # of Days on Market	83	92	↑

\* Available as of Mar. 31, 2008.

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

\*\*\* During the first two months of 1st quarter.

### Data by Zip Codes for Q1 2008

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
55101	\$153,800	-25.63%	33	-13.16%	90	94.7%
55102	\$219,500	-5.02%	44	-10.20%	113	96.9%
55103	\$113,000	-34.57%	23	21.05%	139	94.0%
55104	\$159,500	-24.37%	86	11.69%	78	95.2%
55105	\$334,600	-3.82%	50	-13.79%	82	95.1%
55106	\$104,600	-36.37%	116	-10.77%	96	95.8%
55107	\$130,100	-19.59%	22	-4.35%	115	92.1%
55108	\$248,700	0.53%	14	-6.67%	66	98.5%
55109	\$187,500	-15.08%	46	-25.81%	96	96.5%

\*\*\* % Change of current quarter compared to the same quarter to year ago.



## Ramsey County, MN

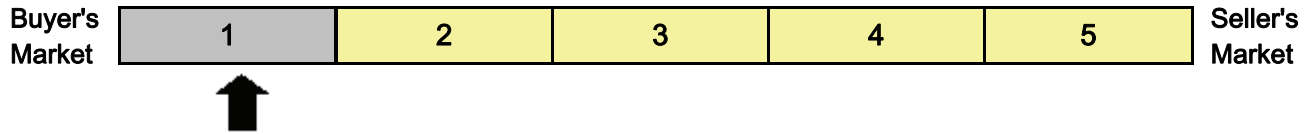
### Data by Zip Codes for Q1 2008

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
55110	\$223,900	-20.43%	52	-35.00%	85	95.6%
55112	\$240,500	3.84%	59	-30.59%	98	95.1%
55113	\$231,100	-10.98%	47	-39.74%	101	95.6%
55114	\$266,900	11.91%	8	14.29%	115	96.9%
55116	\$241,400	-15.48%	41	-10.87%	82	96.6%
55117	\$134,900	-26.84%	60	-23.08%	98	95.9%
55119	\$171,400	-19.94%	84	-3.45%	93	95.5%
55126	\$246,500	-11.04%	35	-33.96%	77	96.8%
55127	\$387,700	13.10%	25	-24.24%	93	96.7%
OTHER	\$131,800	-40.12%	25	25.00%	68	94.1%

\*\*\* % Change of current quarter compared to the same quarter to year ago.



## Rice County, MN



### Labor Market :

Employment declined by 604 jobs in January and February. The job losses brought about an increase in the average monthly unemployment rate from 4.8% in the first quarter to 6.1% for the first two months of the second quarter. Despite the job losses, the job situation still remains strong in Rice County. Combined with historically low mortgage rates, home sales should continue at a strong pace.

### Housing Market :

	Q4' 07	Q1' 08	Q2' 08 (Forecast)
Average Price	\$198,000	\$170,100	↑
# Homes on the Market *	1,104	1,157	↔
# Homes Sold **	138	116	↓
# New Homes Built ***	18	6	↓
Avg # of Days on Market	108	107	↑

\* Available as of Mar. 31, 2008.

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

\*\*\* During the first two months of 1st quarter.

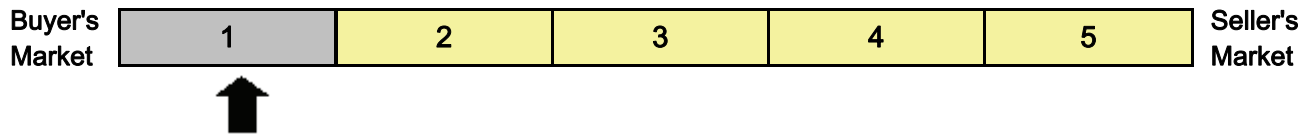
### Data by Zip Codes for Q1 2008

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
55019	\$158,900	-15.25%	11	450.00%	74	95.9%
55021	\$141,500	-26.68%	56	24.44%	106	94.5%
55046	\$187,500	-10.76%	17	21.43%	74	94.9%
55052	\$175,500	-2.99%	2	-33.33%	246	92.4%
55053	\$167,500	-26.21%	2	0.00%	89	98.6%
55057	\$186,000	-17.81%	25	-19.35%	137	96.1%
55088	\$575,000	105.36%	2	100.00%	151	90.2%
OTHER	\$385,000	N/A	1	N/A	94	96.5%

\*\*\* % Change of current quarter compared to the same quarter to year ago.



## Scott County, MN



### Labor Market :

Employment increased by 464 jobs in Scott County during January and February. However, the number of job seekers also increased. The combined effect of these two trends was an increase in the average monthly unemployment rate from 4% for the first quarter to 4.9% in the first two months of the second quarter. The solid job growth February provide strong home sales, while historically low mortgage rates should continue to spur sales.

### Housing Market :

	Q4' 07	Q1' 08	Q2' 08 (Forecast)
Average Price	\$300,800	\$271,800	↑
# Homes on the Market *	2,362	2,480	↓
# Homes Sold **	367	292	↑
# New Homes Built ***	129	10	↑
Avg # of Days on Market	83	93	↓

\* Available as of Mar. 31, 2008.

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

\*\*\* During the first two months of 1st quarter.

### Data by Zip Codes for Q1 2008

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
55020	\$316,200	1.54%	12	100.00%	134	86.2%
55054	\$255,700	-11.18%	6	0.00%	124	91.9%
55352	\$282,300	11.58%	19	72.73%	96	89.3%
55372	\$359,900	14.04%	70	6.06%	83	92.2%
55378	\$240,800	-13.01%	61	-12.86%	82	96.8%
55379	\$234,000	-8.77%	97	-13.39%	91	96.3%
56011	\$178,600	-5.60%	18	-35.71%	81	95.1%
56071	\$191,700	-15.59%	6	-64.71%	219	93.4%

\*\*\* % Change of current quarter compared to the same quarter to year ago.



## Scott County, MN

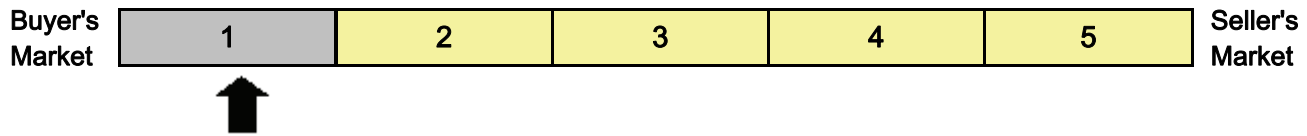
### Data by Zip Codes for Q1 2008

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
OTHER	\$575,200	-6.01%	3	-25.00%	220	92.0%

\*\*\* % Change of current quarter compared to the same quarter to year ago.



## Sherburne County, MN



### Labor Market :

Employment increased by 486 jobs in Sherburne County during January and February. However, the number of job seekers also increased. The combined effect of these two trends was an increase in the average monthly unemployment rate from 4.7% for the first quarter to 6.7% in the first two months of the second quarter. The solid job growth February provide strong home sales, while historically low mortgage rates should continue to spur sales.

### Housing Market :

	Q4' 07	Q1' 08	Q2' 08 (Forecast)
Average Price	\$216,900	\$179,000	↑
# Homes on the Market *	2,063	2,333	↓
# Homes Sold **	253	214	↑
# New Homes Built ***	51	8	↑
Avg # of Days on Market	87	99	↓

\* Available as of Mar. 31, 2008.

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

\*\*\* During the first two months of 1st quarter.

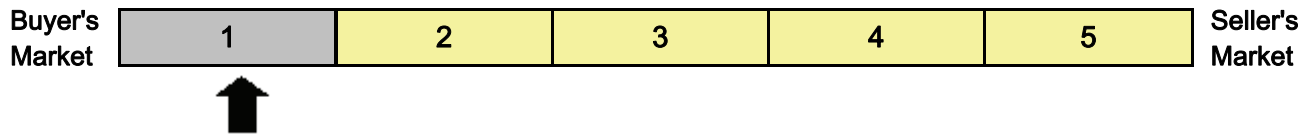
### Data by Zip Codes for Q1 2008

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
55308	\$178,700	-12.83%	23	-23.33%	117	94.4%
55309	\$160,400	-21.87%	64	16.36%	107	96.9%
55319	\$163,700	-27.79%	5	-68.75%	43	99.5%
55330	\$213,900	-9.90%	60	-15.49%	89	95.7%
55398	\$161,900	-21.83%	48	0.00%	100	95.4%
OTHER	\$178,800	-0.17%	14	-36.36%	108	96.0%

\*\*\* % Change of current quarter compared to the same quarter to year ago.



## Washington County, MN



### Labor Market :

Employment declined by 959 jobs in January and February. The job losses brought about an increase in the average monthly unemployment rate from 3.8% in the first quarter to 4.5% for the first two months of the second quarter. Despite the job losses, the job situation still remains strong in Washington County. Combined with historically low mortgage rates, home sales should continue at a strong pace.

### Housing Market :

	Q4' 07	Q1' 08	Q2' 08 (Forecast)
Average Price	\$283,900	\$273,700	↑
# Homes on the Market *	3,347	3,833	↓
# Homes Sold **	632	536	↔
# New Homes Built ***	144	43	↔
Avg # of Days on Market	85	91	↑

\* Available as of Mar. 31, 2008.

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

\*\*\* During the first two months of 1st quarter.

### Data by Zip Codes for Q1 2008

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
55001	\$346,700	-41.80%	6	0.00%	105	97.7%
55003	\$263,400	7.91%	4	-20.00%	59	98.3%
55016	\$231,200	-2.28%	85	14.86%	82	96.5%
55025	\$262,900	-1.46%	38	-20.83%	85	93.7%
55038	\$246,400	-10.89%	38	-13.64%	72	97.5%
55042	\$565,100	11.42%	14	100.00%	128	98.7%
55043	\$222,200	1.37%	11	120.00%	117	92.7%
55047	\$730,000	108.57%	2	100.00%	134	95.8%
55055	\$211,100	24.32%	9	80.00%	73	93.5%

\*\*\* % Change of current quarter compared to the same quarter to year ago.



## Washington County, MN

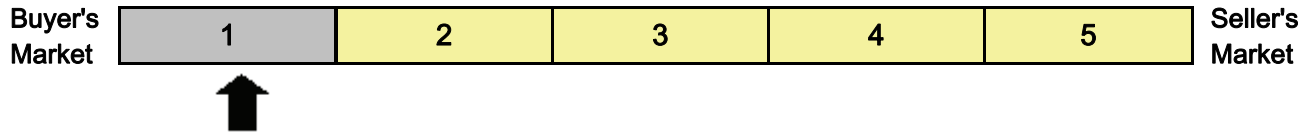
### Data by Zip Codes for Q1 2008

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
55071	\$180,700	-18.53%	15	0.00%	97	98.9%
55073	\$309,400	-3.43%	6	0.00%	133	92.2%
55082	\$323,100	-5.44%	62	-31.11%	123	95.7%
55090	\$184,000	-5.83%	1	-75.00%	88	102.8%
55125	\$248,800	-7.82%	104	-5.45%	87	96.4%
55128	\$194,800	-13.58%	43	-28.33%	77	98.1%
55129	\$309,700	-6.77%	72	-8.86%	80	95.5%
OTHER	\$365,900	-18.69%	26	-13.33%	114	92.5%

\*\*\* % Change of current quarter compared to the same quarter to year ago.



## Wright County, MN



### Labor Market :

Employment increased by 475 jobs in Wright County during January and February. However, the number of job seekers also increased. The combined effect of these two trends was an increase in the average monthly unemployment rate from 4.9% for the first quarter to 6.6% in the first two months of the second quarter. The solid job growth February provide strong home sales, while historically low mortgage rates should continue to spur sales.

### Housing Market :

	Q4' 07	Q1' 08	Q2' 08 (Forecast)
Average Price	\$224,100	\$210,500	↑
# Homes on the Market *	2,548	2,838	↓
# Homes Sold **	356	335	↑
# New Homes Built ***	134	15	↑
Avg # of Days on Market	92	88	↓

\* Available as of Mar. 31, 2008.

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

\*\*\* During the first two months of 1st quarter.

### Data by Zip Codes for Q1 2008

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
55301	\$194,900	-14.44%	67	45.65%	83	97.2%
55302	\$155,200	-52.32%	20	33.33%	82	97.9%
55313	\$240,700	7.22%	47	-18.97%	84	97.6%
55320	\$128,900	-42.17%	6	-40.00%	85	103.9%
55321	\$191,200	8.51%	10	11.11%	78	93.3%
55328	\$315,000	19.00%	12	33.33%	167	95.2%
55341	\$273,000	-9.45%	10	66.67%	71	97.1%
55349	\$149,100	-16.75%	6	-50.00%	139	94.7%

\*\*\* % Change of current quarter compared to the same quarter to year ago.



## Wright County, MN

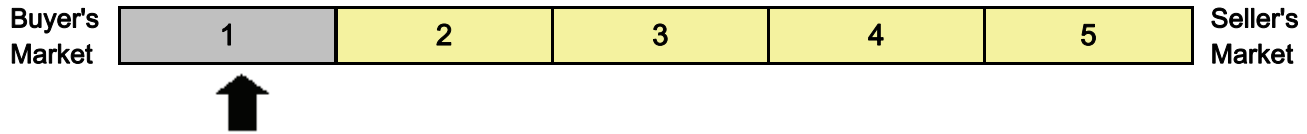
### Data by Zip Codes for Q1 2008

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
55358	\$179,200	-26.86%	5	-58.33%	48	96.1%
55362	\$220,800	8.93%	34	9.68%	80	96.1%
55363	\$177,100	-9.64%	11	22.22%	125	96.4%
55373	\$304,100	-6.37%	11	-42.11%	79	91.2%
55376	\$225,400	-9.62%	54	31.71%	91	96.5%
55382	\$99,500	-59.67%	2	-66.67%	54	102.6%
55390	\$152,000	-31.84%	9	80.00%	73	97.6%
OTHER	\$178,300	-19.10%	31	29.17%	92	96.1%

\*\*\* % Change of current quarter compared to the same quarter to year ago.



Pierce County, WI



**Labor Market :**

Employment declined by 205 jobs in January and February. The job losses brought about an increase in the average monthly unemployment rate from 3.9% in the first quarter to 5.4% for the first two months of the second quarter. Despite the job losses, the job situation still remains strong in Pierce County. Combined with historically low mortgage rates, home sales should continue at a strong pace.

**Housing Market :**

	Q4' 07	Q1' 08	Q2' 08 (Forecast)
Average Price	\$186,500	\$231,800	↑
# Homes on the Market *	1,095	1,193	↔
# Homes Sold **	82	73	↓
# New Homes Built ***	26	3	↓
Avg # of Days on Market	142	137	↑

\* Available as of Mar. 31, 2008.

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

\*\*\* During the first two months of 1st quarter.

**Data by Zip Codes for Q1 2008**

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
54011	\$139,400	-41.08%	11	-26.67%	182	89.6%
54014	\$171,300	-5.15%	3	-57.14%	65	96.1%
54021	\$232,400	54.11%	12	0.00%	120	95.9%
54022	\$274,200	32.08%	25	-26.47%	153	89.4%
54723	\$126,500	5.42%	1	0.00%	56	97.3%
54740	\$185,000	106.70%	1	-50.00%	150	92.5%
54750	\$256,000	90.90%	9	125.00%	139	96.6%
54761	\$349,800	219.45%	4	33.33%	59	95.2%
54767	\$161,900	-7.91%	6	-53.85%	74	91.1%

\*\*\* % Change of current quarter compared to the same quarter to year ago.



## Pierce County, WI

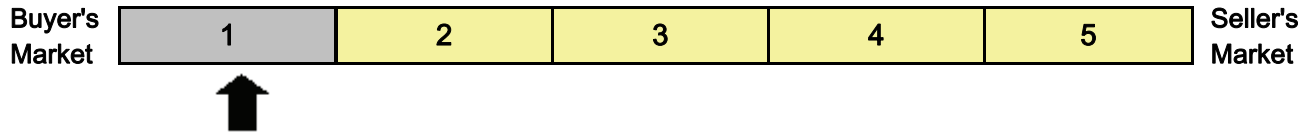
### Data by Zip Codes for Q1 2008

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
OTHER	\$247,500	N/A	1	N/A	346	99.0%

\*\*\* % Change of current quarter compared to the same quarter to year ago.



Polk County, WI



**Labor Market :**

Employment declined by 391 jobs in January and February. The job losses brought about an increase in the average monthly unemployment rate from 5.4% in the first quarter to 7.8% for the first two months of the second quarter. Despite the job losses, the job situation still remains strong in Polk County. Combined with historically low mortgage rates, home sales should continue at a strong pace.

**Housing Market :**

	Q4' 07	Q1' 08	Q2' 08 (Forecast)
Average Price	\$169,500	\$130,400	↑
# Homes on the Market *	1,447	1,516	↔
# Homes Sold **	116	60	↓
# New Homes Built ***	33	0	↓
Avg # of Days on Market	140	174	↑

\* Available as of Mar. 31, 2008.

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

\*\*\* During the first two months of 1st quarter.

**Data by Zip Codes for Q1 2008**

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
54001	\$78,100	-40.88%	7	-50.00%	148	93.4%
54004	\$192,000	76.47%	3	-25.00%	224	96.2%
54005	\$131,600	-28.05%	3	-57.14%	93	86.3%
54006	\$110,000	25.14%	2	100.00%	453	91.7%
54009	\$113,300	-34.62%	2	-71.43%	65	92.7%
54020	\$154,200	-10.14%	13	-35.00%	161	95.1%
54024	\$155,600	-19.79%	7	-22.22%	174	92.5%
54026	\$160,000	N/A	1	N/A	530	84.3%
54810	\$109,500	-9.20%	3	-70.00%	112	88.0%

\*\*\* % Change of current quarter compared to the same quarter to year ago.



### Polk County, WI

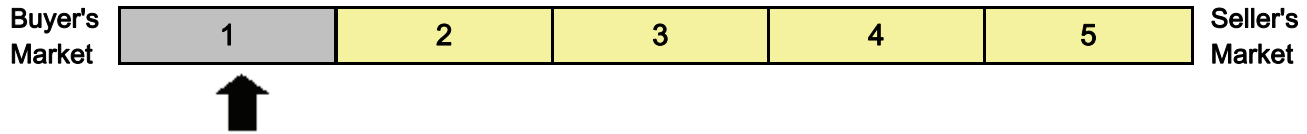
#### Data by Zip Codes for Q1 2008

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
54824	\$132,900	-28.55%	2	100.00%	129	95.0%
54837	\$125,900	4.48%	6	-33.33%	312	89.7%
54853	\$121,900	37.43%	8	-38.46%	107	90.9%
54858	\$118,500	17.33%	2	0.00%	105	89.2%
OTHER	\$45,000	-74.29%	1	0.00%	217	100.0%

\*\*\* % Change of current quarter compared to the same quarter to year ago.



St. Croix County, WI



**Labor Market :**

Employment increased by 904 jobs in St Croix County during January and February. However, the number of job seekers also increased. The combined effect of these two trends was an increase in the average monthly unemployment rate from 4.1% for the first quarter to 5.6% in the first two months of the second quarter. The solid job growth February provide strong home sales, while historically low mortgage rates should continue to spur sales.

**Housing Market :**

	Q4' 07	Q1' 08	Q2' 08 (Forecast)
Average Price	\$198,400	\$209,000	↑
# Homes on the Market *	2,857	3,099	↓
# Homes Sold **	226	212	↑
# New Homes Built ***	74	12	↑
Avg # of Days on Market	139	134	↓

\* Available as of Mar. 31, 2008.

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

\*\*\* During the first two months of 1st quarter.

**Data by Zip Codes for Q1 2008**

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
54002	\$140,000	-1.13%	8	-52.94%	149	96.7%
54007	\$93,500	N/A	1	N/A	120	94.4%
54013	\$172,300	35.56%	3	-25.00%	148	89.2%
54015	\$182,600	0.50%	14	-12.50%	158	96.7%
54016	\$262,500	3.22%	77	-20.62%	131	97.2%
54017	\$187,000	-3.36%	50	-7.41%	131	95.6%
54023	\$188,000	-15.62%	9	-35.71%	84	91.6%
54025	\$142,300	-22.91%	15	-40.00%	123	94.7%

\*\*\* % Change of current quarter compared to the same quarter to year ago.



## St. Croix County, WI

### Data by Zip Codes for Q1 2008

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
54027	\$79,800	-79.00%	2	0.00%	177	91.6%
54028	\$127,300	-4.79%	8	-20.00%	119	98.3%
54082	\$255,700	5.53%	7	250.00%	156	93.6%
OTHER	\$203,900	14.36%	18	5.88%	164	96.1%

\*\*\* % Change of current quarter compared to the same quarter to year ago.



Others

Data by Zip Codes for Q1 2008

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
52155	\$85,000	N/A	1	N/A	244	88.6%
54002	\$180,000	102.25%	1	0.00%	403	75.0%
54004	\$67,500	-52.63%	1	-50.00%	111	90.0%
54005	\$161,600	N/A	1	N/A	192	99.7%
54603	\$60,000	N/A	1	N/A	89	92.4%
54616	\$54,900	N/A	1	N/A	85	103.8%
54660	\$98,800	70.34%	1	0.00%	63	89.8%
54661	\$190,000	N/A	1	N/A	140	95.0%
54701	\$128,600	-36.90%	12	-36.84%	106	98.9%
54703	\$134,200	6.68%	22	-29.03%	115	96.6%
54720	\$95,100	-46.90%	2	-66.67%	70	95.8%
54721	\$50,000	N/A	1	N/A	72	83.5%
54724	\$150,000	19.05%	1	-75.00%	142	88.8%
54725	\$87,800	-62.64%	8	700.00%	95	89.5%
54728	\$80,300	-49.53%	3	-76.92%	187	88.7%
54729	\$180,000	26.14%	7	-36.36%	155	98.2%
54730	\$130,700	-53.35%	6	20.00%	186	90.4%
54732	\$47,500	N/A	2	N/A	187	95.1%
54733	\$64,000	-15.90%	1	-66.67%	178	91.6%
54736	\$131,500	25.24%	4	300.00%	65	116.0%
54739	\$115,000	-6.50%	1	-50.00%	176	82.2%
54740	\$125,000	N/A	1	N/A	319	82.2%
54742	\$174,500	N/A	3	N/A	133	94.4%
54751	\$147,100	-5.34%	31	-24.39%	120	93.4%
54754	\$32,900	N/A	1	N/A	132	100.0%
54755	\$126,000	6.96%	7	-12.50%	144	96.2%
54756	\$118,300	N/A	3	N/A	90	98.6%
54757	\$87,000	57.32%	1	-50.00%	261	105.1%
54759	\$136,000	-40.25%	7	0.00%	172	89.8%
54768	\$95,600	-2.94%	3	200.00%	206	95.7%
54769	\$85,000	N/A	1	N/A	6	94.5%
54770	\$104,000	-11.04%	1	0.00%	184	100.5%
54801	\$115,000	-35.28%	8	60.00%	152	91.2%
54805	\$67,500	-11.18%	2	0.00%	109	95.1%

\*\*\* % Change of current quarter compared to the same quarter to year ago.



Others

Data by Zip Codes for Q1 2008

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
54812	\$71,900	-41.69%	4	33.33%	323	91.0%
54817	\$79,300	-61.65%	9	-18.18%	83	91.0%
54819	\$69,700	-62.47%	2	-33.33%	239	99.6%
54822	\$69,100	-72.42%	5	150.00%	82	94.1%
54826	\$139,000	N/A	2	N/A	117	95.9%
54827	\$225,000	N/A	1	N/A	229	100.0%
54828	\$156,000	95.00%	1	0.00%	95	95.1%
54829	\$157,000	-28.83%	1	-91.67%	74	92.4%
54830	\$103,100	-34.25%	12	-25.00%	178	93.7%
54835	\$34,500	-9.21%	1	0.00%	131	65.2%
54838	\$206,300	N/A	2	N/A	86	93.8%
54840	\$109,000	-6.12%	13	8.33%	86	92.1%
54843	\$150,300	-43.11%	11	-21.43%	146	93.0%
54844	\$48,000	N/A	2	N/A	77	100.1%
54847	\$85,500	-20.47%	5	150.00%	169	77.9%
54848	\$233,500	N/A	1	N/A	84	95.3%
54849	\$79,000	-37.40%	1	0.00%	264	93.1%
54859	\$229,000	236.76%	2	-50.00%	348	81.9%
54865	\$290,000	311.35%	1	-50.00%	164	96.7%
54868	\$125,900	-30.56%	7	250.00%	124	95.9%
54870	\$212,500	232.03%	2	0.00%	221	90.4%
54871	\$62,400	-51.96%	2	100.00%	125	63.5%
54872	\$169,500	100.12%	5	-44.44%	101	91.1%
54873	\$64,600	-58.24%	3	0.00%	164	92.9%
54875	\$220,000	N/A	1	N/A	3	95.7%
54876	\$61,000	-83.31%	1	-66.67%	522	89.7%
54880	\$125,300	20.25%	8	33.33%	83	98.4%
54888	\$193,900	N/A	3	N/A	243	93.9%
54889	\$192,300	-41.73%	3	200.00%	206	93.1%
54893	\$81,400	-25.66%	8	-55.56%	138	93.1%
54896	\$69,700	-44.42%	4	-42.86%	121	83.9%
55006	\$128,000	-3.18%	11	-47.62%	149	92.1%
55007	\$85,900	-22.12%	9	50.00%	91	96.2%
55008	\$142,900	-20.08%	48	29.73%	105	97.0%
55017	\$108,000	-23.94%	1	-66.67%	158	55.1%
55030	\$155,000	16.54%	1	-50.00%	65	97.5%

\*\*\* % Change of current quarter compared to the same quarter to year ago.



Others

Data by Zip Codes for Q1 2008

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
55037	\$92,800	-38.83%	7	-36.36%	61	95.8%
55040	\$171,900	-9.67%	39	11.43%	98	100.3%
55041	\$153,800	-12.96%	7	-41.67%	134	86.2%
55049	\$163,200	-42.02%	5	150.00%	101	97.4%
55051	\$107,100	-22.11%	21	5.00%	138	93.4%
55060	\$143,000	-19.66%	49	-36.36%	122	96.8%
55063	\$130,900	-1.28%	15	-42.31%	99	96.4%
55069	\$164,500	N/A	1	N/A	99	100.0%
55072	\$61,000	-35.52%	7	-46.15%	47	90.6%
55079	\$130,000	N/A	1	N/A	18	92.9%
55080	\$170,400	-42.28%	3	50.00%	71	97.1%
55307	\$130,700	-16.00%	3	-57.14%	166	86.2%
55314	\$90,000	-14.93%	1	-50.00%	36	94.8%
55324	\$254,200	349.91%	3	200.00%	79	88.4%
55325	\$175,900	52.69%	3	-66.67%	75	107.5%
55329	\$95,900	-48.08%	7	250.00%	125	95.0%
55332	\$650,000	475.22%	1	-50.00%	163	96.7%
55334	\$98,500	-23.64%	6	100.00%	123	94.6%
55335	\$112,500	N/A	2	N/A	100	91.6%
55336	\$192,200	28.13%	14	7.69%	82	95.1%
55338	\$160,300	-61.14%	1	0.00%	72	91.6%
55342	\$81,000	-44.10%	3	-62.50%	199	93.6%
55350	\$167,100	0.66%	45	-18.18%	122	95.6%
55353	\$133,900	-12.37%	5	25.00%	270	95.1%
55354	\$140,000	-7.65%	3	-75.00%	116	101.7%
55355	\$175,500	20.45%	14	-46.15%	117	95.5%
55370	\$255,000	27.50%	1	0.00%	8	113.3%
55371	\$153,300	-17.89%	27	-6.90%	65	96.9%
55381	\$190,900	N/A	5	N/A	128	88.5%
55382	\$314,700	72.16%	3	0.00%	114	89.0%
55385	\$152,100	12.92%	3	-50.00%	53	96.6%
55389	\$104,200	-44.96%	1	-75.00%	21	86.9%
55395	\$120,700	-0.66%	9	200.00%	62	96.5%
55396	\$57,500	-30.30%	2	0.00%	48	91.7%
55398	\$144,500	N/A	2	N/A	99	97.3%
55609	\$135,000	-57.68%	1	0.00%	3	96.5%

\*\*\* % Change of current quarter compared to the same quarter to year ago.



Others

Data by Zip Codes for Q1 2008

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
55612	\$1,185,500	N/A	1	N/A	149	79.0%
55614	\$104,800	29.70%	9	28.57%	111	90.6%
55616	\$236,300	10.21%	6	-25.00%	151	96.6%
55704	\$163,500	157.08%	2	-75.00%	375	94.3%
55706	\$78,800	N/A	2	N/A	104	90.8%
55707	\$64,100	-37.95%	2	-71.43%	110	75.5%
55718	\$186,200	59.15%	3	50.00%	88	93.3%
55719	\$140,500	N/A	1	N/A	84	100.4%
55720	\$143,900	11.90%	10	-33.33%	99	94.9%
55721	\$233,000	-37.50%	1	-50.00%	19	101.3%
55722	\$125,000	-2.50%	1	-50.00%	27	104.3%
55723	\$175,000	-20.49%	1	-66.67%	36	92.2%
55724	\$39,500	-12.22%	1	0.00%	57	88.8%
55726	\$179,500	N/A	1	N/A	46	94.7%
55733	\$167,800	-15.72%	2	-66.67%	71	98.6%
55735	\$103,000	-13.95%	4	-20.00%	71	92.6%
55744	\$123,800	-24.05%	8	-50.00%	92	91.5%
55756	\$45,000	N/A	1	N/A		100.0%
55757	\$122,000	29.10%	1	0.00%	17	93.9%
55760	\$179,500	-10.12%	5	-16.67%	95	93.0%
55767	\$110,500	-21.02%	5	25.00%	163	91.0%
55769	\$55,000	N/A	1	N/A	56	94.8%
55771	\$98,300	-34.47%	6	500.00%	109	80.7%
55775	\$119,900	N/A	1	N/A	343	100.0%
55783	\$114,300	75.04%	4	-33.33%	123	95.6%
55787	\$121,500	N/A	1	N/A	102	93.5%
55793	\$222,000	N/A	2	N/A	167	93.5%
55795	\$134,100	-50.26%	4	33.33%	115	104.2%
55797	\$122,500	322.41%	1	0.00%	7	94.3%
55798	\$126,700	262.00%	1	-50.00%	12	103.9%
55802	\$210,000	N/A	2	N/A	110	94.4%
55803	\$162,000	-25.52%	6	-40.00%	101	97.5%
55804	\$205,100	24.83%	10	-33.33%	82	96.5%
55805	\$78,500	-43.57%	2	-75.00%	24	95.2%
55806	\$78,200	-37.29%	7	-12.50%	63	95.0%
55807	\$102,000	4.94%	5	-28.57%	148	98.3%

\*\*\* % Change of current quarter compared to the same quarter to year ago.



Others

Data by Zip Codes for Q1 2008

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
55808	\$141,300	254.14%	7	600.00%	74	94.7%
55810	\$158,100	-11.38%	3	-70.00%	147	94.9%
55811	\$250,000	23.76%	17	-22.73%	78	95.4%
55812	\$190,800	8.22%	8	-11.11%	66	97.9%
55901	\$172,000	6.24%	91	16.67%	90	98.4%
55902	\$319,400	5.69%	30	36.36%	107	95.0%
55904	\$144,800	-0.14%	25	-19.35%	70	98.6%
55905	\$115,000	N/A	1	N/A	84	88.5%
55906	\$185,000	5.47%	33	50.00%	111	100.3%
55909	\$149,000	N/A	1	N/A	122	99.4%
55910	\$100,000	N/A	1	N/A	104	90.9%
55912	\$78,200	-52.08%	20	42.86%	89	92.7%
55917	\$43,000	-70.67%	2	-33.33%	41	90.6%
55918	\$170,000	-39.29%	1	0.00%	216	89.5%
55919	\$44,000	N/A	1	N/A	0	73.5%
55920	\$138,000	-52.46%	6	20.00%	191	97.9%
55921	\$135,000	N/A	1	N/A	37	96.4%
55923	\$190,400	-19.63%	5	400.00%	187	91.3%
55924	\$48,000	N/A	1	N/A	182	90.7%
55927	\$60,000	-46.09%	2	-77.78%	156	96.4%
55929	\$158,900	N/A	1	N/A	288	102.6%
55932	\$152,000	N/A	1	N/A	238	95.1%
55934	\$134,700	-12.76%	5	0.00%	167	95.6%
55936	\$185,000	-21.34%	1	-66.67%	202	86.1%
55940	\$65,100	N/A	5	N/A	138	91.5%
55944	\$152,200	-20.40%	13	44.44%	117	97.5%
55945	\$61,000	N/A	2	N/A	90	95.0%
55949	\$227,000	-36.94%	1	0.00%	123	94.6%
55952	\$105,000	N/A	3	N/A	103	89.5%
55953	\$44,700	N/A	2	N/A	225	85.3%
55955	\$170,300	10.58%	3	200.00%	74	91.3%
55956	\$58,100	-55.98%	3	200.00%	205	99.2%
55957	\$152,000	N/A	1	N/A	47	87.4%
55960	\$482,700	8.86%	4	100.00%	74	98.5%
55964	\$79,500	-38.13%	3	0.00%	131	89.4%
55965	\$164,000	185.22%	1	0.00%	163	96.5%

\*\*\* % Change of current quarter compared to the same quarter to year ago.



Others

Data by Zip Codes for Q1 2008

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
55968	\$120,800	N/A	2	N/A	106	93.1%
55971	\$45,000	N/A	1	N/A	97	75.0%
55972	\$179,300	N/A	5	N/A	56	90.1%
55975	\$61,700	-50.60%	5	400.00%	73	90.1%
55976	\$168,300	-11.00%	11	57.14%	266	97.7%
55981	\$146,500	-42.35%	7	0.00%	154	94.6%
55982	\$80,500	N/A	1	N/A	178	94.8%
55985	\$106,900	-27.28%	7	250.00%	169	93.5%
55987	\$121,100	-12.94%	15	25.00%	115	97.7%
55988	\$179,400	N/A	1	N/A	38	97.0%
55990	\$53,700	N/A	3	N/A	60	94.9%
55991	\$77,000	-31.86%	1	-50.00%	42	102.8%
56001	\$173,000	7.19%	46	-17.86%	113	95.0%
56003	\$182,200	-6.56%	23	4.55%	129	96.5%
56007	\$101,900	14.62%	48	26.32%	110	94.0%
56009	\$185,400	87.65%	2	0.00%	94	90.5%
56011	\$569,000	-20.42%	2	100.00%	106	96.4%
56017	\$250,000	6.38%	1	0.00%	468	91.0%
56026	\$139,500	-24.47%	4	100.00%	108	95.5%
56029	\$67,400	N/A	3	N/A	76	93.3%
56032	\$64,900	-23.20%	1	0.00%	38	100.0%
56034	\$94,100	N/A	1	N/A	20	98.1%
56035	\$103,000	-26.06%	1	-50.00%	76	87.3%
56037	\$101,500	-17.48%	1	0.00%	104	101.7%
56041	\$57,000	N/A	1	N/A	71	70.8%
56042	\$56,200	N/A	1	N/A	92	93.8%
56043	\$56,600	N/A	1	N/A	114	90.0%
56044	\$145,000	21.24%	2	-33.33%	79	87.9%
56045	\$115,900	221.94%	1	0.00%	31	100.0%
56048	\$122,800	-17.47%	4	-50.00%	152	96.6%
56050	\$158,000	N/A	1	N/A	84	93.0%
56052	\$30,000	-74.53%	1	-66.67%	86	85.7%
56054	\$87,500	N/A	2	N/A	231	75.7%
56055	\$112,300	-35.01%	5	150.00%	130	93.6%
56057	\$137,500	4.96%	2	-66.67%	141	61.1%
56058	\$211,800	44.47%	8	-42.86%	100	97.0%

\*\*\* % Change of current quarter compared to the same quarter to year ago.



Others

Data by Zip Codes for Q1 2008

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
56065	\$74,000	-35.20%	2	-60.00%	142	89.8%
56068	\$82,000	-44.97%	1	0.00%	63	93.2%
56069	\$152,500	-2.87%	3	-50.00%	156	95.4%
56071	\$177,600	-9.39%	10	11.11%	46	95.6%
56072	\$102,900	-24.84%	4	-20.00%	93	97.1%
56073	\$91,900	-4.96%	2	-66.67%	229	96.8%
56074	\$74,300	-36.93%	2	-33.33%	28	80.4%
56078	\$114,900	N/A	1	N/A	22	100.0%
56080	\$137,200	N/A	1	N/A	159	94.7%
56082	\$139,000	-28.13%	7	-30.00%	106	92.1%
56085	\$138,000	-18.29%	3	200.00%	52	92.2%
56093	\$155,400	25.53%	9	28.57%	151	92.5%
56096	\$143,500	-1.58%	6	20.00%	142	92.6%
56098	\$169,900	N/A	1	N/A	106	94.4%
56201	\$113,900	-15.38%	14	-33.33%	130	97.1%
56208	\$103,000	75.17%	2	-33.33%	204	83.9%
56209	\$101,500	1.50%	3	200.00%	44	87.2%
56220	\$27,300	N/A	3	N/A	101	95.6%
56221	\$59,300	N/A	1	N/A	45	95.6%
56223	\$96,500	28.67%	1	0.00%	28	96.6%
56228	\$28,000	-83.99%	1	0.00%	15	80.9%
56243	\$266,000	6.49%	2	-33.33%	105	90.2%
56251	\$40,000	-91.92%	1	0.00%	309	80.2%
56253	\$81,300	-41.93%	2	0.00%	55	96.5%
56273	\$250,900	15.36%	3	50.00%	94	90.6%
56277	\$59,700	-62.50%	3	-50.00%	171	99.6%
56278	\$107,000	N/A	1	N/A	106	98.2%
56279	\$258,000	N/A	1	N/A	32	95.9%
56283	\$75,000	N/A	1	N/A	132	84.4%
56284	\$33,000	-72.27%	1	0.00%	56	94.6%
56285	\$60,000	-71.08%	1	0.00%	38	120.0%
56288	\$187,500	-52.14%	11	175.00%	40	97.7%
56301	\$169,300	-6.36%	37	-13.95%	91	96.4%
56303	\$133,800	-10.80%	55	-5.17%	93	98.1%
56304	\$134,100	-5.83%	8	-33.33%	73	95.6%
56307	\$156,900	-9.57%	7	-30.00%	73	97.2%

\*\*\* % Change of current quarter compared to the same quarter to year ago.



Others

Data by Zip Codes for Q1 2008

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
56308	\$307,700	39.74%	34	-33.33%	161	93.1%
56310	\$308,000	80.33%	4	-42.86%	99	90.3%
56312	\$122,000	-25.56%	2	0.00%	77	92.1%
56313	\$154,500	209.00%	1	0.00%	91	103.0%
56316	\$158,000	4.29%	1	-50.00%	179	95.8%
56318	\$129,000	N/A	2	N/A	260	86.1%
56319	\$109,800	-16.31%	2	-33.33%	99	95.2%
56320	\$154,000	-37.30%	12	-40.00%	133	93.5%
56324	\$170,000	N/A	1	N/A	153	90.5%
56326	\$165,300	7.55%	4	100.00%	193	89.5%
56329	\$137,100	-9.86%	17	88.89%	132	94.4%
56330	\$116,400	-37.89%	7	133.33%	56	97.0%
56332	\$75,000	-60.13%	1	-80.00%	141	90.5%
56333	\$67,900	22.34%	1	-50.00%	513	80.0%
56334	\$105,000	-44.44%	1	-80.00%	606	91.3%
56336	\$265,000	N/A	1	N/A	0	100.0%
56338	\$166,900	66.90%	1	0.00%	107	98.8%
56339	\$40,000	-36.81%	1	-75.00%	164	89.1%
56342	\$173,700	42.14%	7	-22.22%	57	96.9%
56343	\$160,000	146.15%	1	0.00%	247	97.0%
56345	\$121,400	-6.97%	26	44.44%	131	93.3%
56347	\$108,300	-41.46%	3	200.00%	207	94.8%
56349	\$163,000	N/A	1	N/A	141	88.1%
56352	\$142,400	-27.94%	4	-50.00%	78	91.9%
56353	\$142,500	15.01%	16	-33.33%	73	91.2%
56354	\$271,500	8.77%	2	-50.00%	76	97.2%
56355	\$118,900	-20.73%	1	0.00%	143	100.0%
56357	\$156,000	N/A	2	N/A	561	91.0%
56358	\$105,200	-33.59%	4	-20.00%	133	87.4%
56359	\$29,400	-69.21%	2	-33.33%	7	90.6%
56360	\$141,300	-38.00%	3	-25.00%	277	97.0%
56361	\$153,600	18.15%	3	200.00%	91	113.7%
56362	\$90,800	-24.77%	3	-25.00%	200	91.1%
56364	\$132,500	9.87%	6	200.00%	207	86.5%
56367	\$151,100	27.73%	17	142.86%	75	97.6%
56368	\$154,300	28.69%	9	125.00%	131	95.9%

\*\*\* % Change of current quarter compared to the same quarter to year ago.



Others

Data by Zip Codes for Q1 2008

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
56369	\$95,000	N/A	1	N/A	15	105.7%
56371	\$98,000	N/A	1	N/A	581	103.2%
56373	\$118,500	-34.93%	4	-20.00%	86	96.8%
56374	\$176,900	-5.70%	13	18.18%	82	95.8%
56375	\$185,000	7.87%	4	100.00%	174	95.5%
56376	\$135,000	40.63%	1	0.00%	70	90.1%
56377	\$204,600	13.98%	38	52.00%	114	96.3%
56378	\$105,900	-34.22%	7	75.00%	61	87.3%
56379	\$150,100	0.07%	35	45.83%	109	97.2%
56381	\$364,500	52.26%	2	-50.00%	80	95.5%
56382	\$96,000	6.79%	2	100.00%	39	89.3%
56384	\$76,000	13.43%	1	0.00%	11	98.1%
56386	\$186,300	-1.90%	3	200.00%	87	94.8%
56387	\$130,100	6.81%	10	-16.67%	78	95.3%
56401	\$131,400	-38.68%	17	-19.05%	149	94.7%
56425	\$151,700	9.45%	4	-50.00%	173	95.3%
56431	\$157,700	21.31%	11	-15.38%	153	91.5%
56435	\$315,100	40.04%	1	-50.00%	257	95.5%
56438	\$258,300	99.46%	2	0.00%	174	93.1%
56441	\$183,800	104.00%	2	0.00%	269	94.3%
56442	\$169,500	-61.96%	4	0.00%	117	92.6%
56444	\$445,000	341.47%	1	-75.00%	57	84.1%
56447	\$263,300	N/A	3	N/A	50	91.5%
56448	\$640,000	98.76%	1	-50.00%	86	95.5%
56450	\$122,500	-16.21%	2	-66.67%	54	87.5%
56452	\$225,000	-21.02%	1	0.00%	125	77.6%
56458	\$416,000	N/A	1	N/A	477	91.2%
56461	\$270,000	35.00%	1	0.00%	118	90.0%
56465	\$253,500	-55.61%	2	0.00%	149	98.5%
56466	\$293,000	281.51%	2	-50.00%	135	88.8%
56467	\$128,000	-58.28%	1	-75.00%	170	82.6%
56468	\$449,200	78.96%	7	0.00%	161	94.5%
56469	\$142,900	52.02%	2	-33.33%	92	85.4%
56470	\$259,500	-1.89%	5	0.00%	171	91.7%
56472	\$253,000	5.68%	6	-62.50%	221	93.5%
56474	\$245,000	17.22%	1	0.00%	6	98.0%

\*\*\* % Change of current quarter compared to the same quarter to year ago.



Others

Data by Zip Codes for Q1 2008

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
56475	\$97,900	-59.71%	3	50.00%	38	98.0%
56477	\$123,200	N/A	1	N/A	0	82.7%
56479	\$130,600	45.76%	5	-37.50%	106	89.4%
56482	\$80,000	-13.33%	2	-66.67%	117	95.0%
56484	\$70,000	-77.32%	1	-80.00%	603	100.1%
56501	\$94,500	-57.06%	2	-50.00%	56	86.7%
56529	\$135,000	N/A	1	N/A	188	100.1%
56531	\$57,000	N/A	1	N/A	154	96.8%
56537	\$91,600	-66.27%	5	66.67%	115	82.4%
56544	\$387,000	N/A	1	N/A	99	93.3%
56551	\$81,000	6.58%	2	100.00%	176	96.5%
56554	\$140,600	-45.92%	1	0.00%	14	99.6%
56576	\$183,000	-1.08%	1	0.00%	17	96.4%
56578	\$35,000	N/A	1	N/A	501	70.0%
56601	\$191,900	26.17%	18	-25.00%	115	93.0%
56621	\$64,000	11.89%	3	50.00%	138	88.2%
56626	\$105,000	N/A	1	N/A	120	91.7%
56628	\$75,000	N/A	6	N/A	152	81.7%
56634	\$120,000	34.83%	1	0.00%	8	100.1%
56636	\$140,000	N/A	2	N/A	336	98.3%
56647	\$175,000	N/A	1	N/A	244	87.5%
56650	\$75,000	N/A	1	N/A	2	83.3%
56655	\$240,000	N/A	1	N/A	321	85.7%
56661	\$70,000	N/A	1	N/A	480	77.9%
56678	\$122,000	N/A	1	N/A	105	111.0%
56683	\$91,300	232.00%	5	150.00%	109	98.6%
56751	\$30,000	N/A	1	N/A	191	77.9%
58078	\$211,500	2.82%	2	-33.33%	128	99.1%
58103	\$71,300	-35.12%	1	0.00%	23	97.8%
58104	\$171,800	-14.95%	2	0.00%	105	96.8%

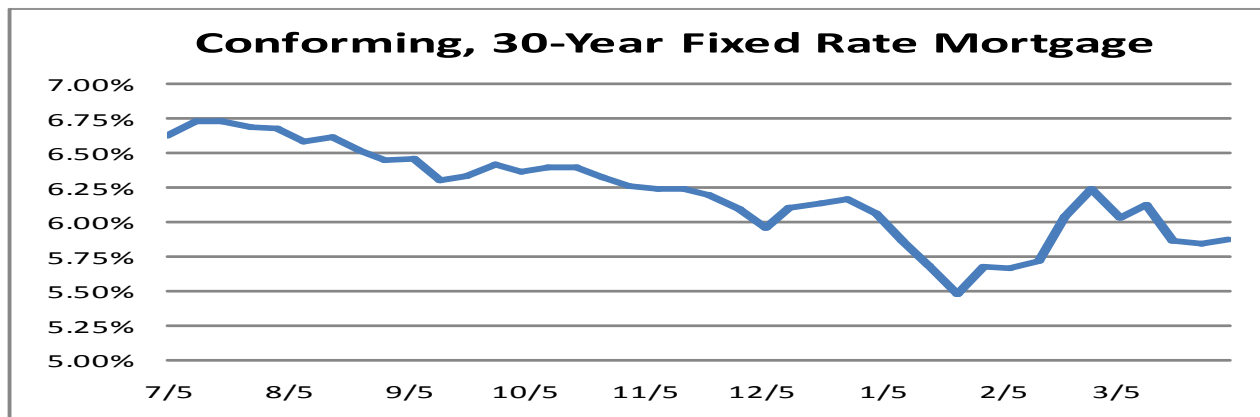
\*\*\* % Change of current quarter compared to the same quarter to year ago.

## Overcoming Uncertainty

By Ken Fears

Manager, Regional Economics

Long-term mortgages rates fell sharply in January. The average 30-year fixed rate mortgage fell from an average of 6.07% for the first week in January to 5.48% by the fourth week. This rate gyrated thereafter before settling back under 5.9% for the last few weeks in March. These rates are a substantial improvement from the third quarter of 2007, when the average rate hit 6.57% and was even higher for some of the weeks in that period.



These lower rates should have improved affordability by reducing rates. Lower rates would draw down monthly payments in an environment of flat prices. If prices fell, payments would fall that much more, boosting affordability further. As a result, home sales should have improved. However, the malaise of bad news about the economy, the banking system, foreclosures and the national housing market has created questions for local housing markets that aren't necessarily warranted. Was the market covered by North Star MLS able to buck the trend?

It is difficult to compare the first quarter of a year with the fourth quarter because seasonal patterns normally cause sales to be slower in the coldest months of the year. One would anticipate slower sales in January, February and March than in October, November, and December. But the sub-prime fallout created much consternation in the housing markets this past fall and sales fell as a result, despite a sharp decline in conforming, those under the \$417,000 cap, mortgage rates. If sales improved in the first quarter, then one might be able to assert with moderate certainty that the improvement in affordability is drawing buyers back to the market, if only at a tepid rate. Here in the area covered by North Star MLS sales fell -17.7% between the first quarter of 2008 and the fourth quarter of 2007. Consequently, it is unlikely that the sharp decline in rates pierced buyers' uncertainty about the housing market in the local area. Sales were strongest in March, suggesting that buyers were not responding to the sharp decline in rates during January.

The uncertainty in the housing market will continue through most of 2008. But little by little, we will see shapes in the fog. Sales levels and inventories have begun to plateau at the national level. Foreclosures will continue to rise, but at diminishing rates. Removing the uncertainty will do much to boost confidence. It is up to Realtors® to identify and advise their clients of the opportunities that abound in this buyers' market.

## Bigger Fall After Bigger Gain

By Lawrence Yun, NAR Chief Economist

The stream of stories about housing's downturn continue in the media. But I can't stress enough the reality: not all housing markets have suffered to the same extent. We are all well aware of the current weak housing market regions: California, Florida, Arizona, Nevada, and the D.C. region. We should also be aware that these areas were also the places where prices increased the most during the housing boom. Current price declines of 5% to 20% are not as frightening for those who bought a home for the long-term.

For example, based on NAR price data, a typical homeowner who bought a property in 2000 would be have accumulated \$123,000 in Phoenix, \$150,100 in Orlando, \$242,800 in Riverside-San Bernardino, and \$252,000 in the Washington, D.C. metro region. That does not even include any additional equity that homeowner acquired from paying down mortgage debt from his/her normal amortizing monthly payments. The equity position would be less for those homeowners who took out home equity loans and who took cash-out refinances. (I would personally advise against tapping into housing equity unless it is for investment reasons - like paying for tuition or to open a business).

Data from the Federal Reserve further affirms the long-term housing equity accumulation for homeowners *even with recent declines in home prices*. Homeowners' net housing equity (home value minus mortgage debt) rose from \$6.2 trillion to \$9.6 trillion from 2000 to 2007.

And as I say, in many parts of the country, there has not been a price decline. NAR data indicate that essentially half of the 150 metro markets studied in the U.S. experienced a price *increase* throughout the past seven years. Data from the Office of Federal Housing Enterprise Oversight (OFHEO) also show that close to 70 percent of the 287 markets the agency tracks had price increases throughout those same seven years. In rural America, the price declines are even more rare.

Because of different price measurements, the gain could also be different depending on how the price statistics are calculated. Only when the homeowner him or herself sells their home – i.e., has a actual price against which to measure – would they know for sure how much equity was accumulated or lost.

The Case-Shiller home price index, by contrast, which looks at a very narrow 20 markets, finds most markets experienced price declines in 2007. Interestingly though, if one uses the Case-Shiller national aggregate price index, the housing equity gains are much higher than under other price data. From 2000 to 2007, a typical U.S. homeowner would have accumulated \$103,400 according to Case-Shiller rather than the \$75,400 equity gain as is implied by the NAR data.

The Case-Shiller price gain appears outsized and not necessarily what most people would be saying. Perhaps, the methodology of the Case-Shiller price index brings volatile swings that distort underlying trends. So the recent decline in the Case-Shiller price measurement may not be due completely to a decline in home prices but rather to a downward adjustment after illusory high price gains it showed during the market boom. These illusory price gains also fooled Wall Street and global capital providers into believing that the underlying housing collateral was worth more than it actually was. Ask Bear Stearns if it would have made a similar bet if it knew that home values were not as high as indicated by Case-Shiller.

Sure, home prices have fallen measurably in some Florida and California markets - as reflected in both Case-Shiller and NAR data. But broadly speaking the decline in the Case-Shiller price measurement may be just a downward adjustment to compensate for unrealistically strong price gains it recorded during the housing market boom.

## The Forecast

By Lawrence Yun, *Senior Vice President, Chief Economist*

NAR's latest pending home sales index slipped yet again. The index in March again came in soft, falling one percent from the prior month. Of course, what you'll hear in much of the media reports will be that March's index was the lowest reading since the index was created in 2001. However, smarter observers will note that for all intents and purposes, the index has actually been moving in a very narrow range from August of last year to March of this year. It's important to remember that this time period reflects post credit crunch conditions where subprime loan originations virtually disappeared from the market place.

But the pending sales index report did have some bright spots. The Northeast region continues to show some good signs of recovery. In March, pending home sales in the region rose 12.5 percent. The West and South regions were essentially unchanged. Only the Midwest region experienced a meaningful decline with a 10.4 percent fall. As with all things "real estate," some local markets fared better than others. Pending sales rose in localities where affordability conditions have measurably improved. For example, Bakersfield and Providence both showed outright year-over-year gains in March.

As for actual *closings*, existing-home sales finished the first quarter of this year with a 4.95 million annualized unit sales pace. That is essentially unchanged from the 5.00 million existing-home sales in the fourth quarter of last year. Home sales will continue to trend soft in the current quarter with the expectation of 5.01 million sales. In the second half of this year, look for a measurable lift to the 5.6 to 5.9 million unit range.

There are several reasons to expect the lift. Mortgages will become more widely available. Both Fannie Mae and Freddie Mac recently announced plans to further provide liquidity, including in the new higher conforming jumbo markets. California, where jumbo loans had accounted for close to half of sales in 2005, was witnessing only 10 to 15 percent of jumbo loan originations in early 2008. Any reversal in the share of the jumbo loan market will have a huge impact in markets like those in California.

Legislation is also being debated to make the higher conforming loan limit (now at \$729,000 versus \$417,000 a year ago) *permanent* rather than temporary as it is currently. The temporary status of the higher loan limit has not really drawn investor interest in holding on to GSE backed jumbo loans; hence, the interest rates on jumbo loans have remained very high.

Another key reason for a solid recovery is due to wider use of FHA loans. Many lenders are trying to get HUD approval so they can make loans. Consumers are digesting the benefits of this safer loan product that carries much lower interest rates. As consumers realize that FHA loans no longer carry the stigma as being purely for low-and-moderate income households with credit blemishes, more and more consumers will utilize the loans, thereby steadily replacing the disappearance of the subprime loans.

And let's not forget those tax rebates. Tax rebate checks are showing up in bank accounts. There are some who say the rebate is not enough to make an impact on the economy. But rebates *did* make a difference in 2001. And today's rebate checks are larger than the ones back then.

Other developments are pointing towards better times. Exports continue to ramp up solidly. Business profits are surprisingly solid – outside of homebuilders and the financial industry. Business spending will grow as a result. These factors indicate that the economy will be better in the second half of this year after

## The Forecast...Continued

having stalled in the first half. The improving economy will also lift consumer spirits, some gaining enough confidence to buy a home.

All that means that home prices will also improve in the second half of 2008 in many parts of the country. The return of jumbo loans and higher-priced home purchases will result in a higher recorded median home price. (Recent lower median prices were driven by fewer than normal transactions requiring jumbo loans.) As we know all real estate is local and there are large variations across markets. Even though the national median price will be lower in 2008, due to the weak first half and major price declines that already occurred in few markets, more than half of the country is likely to experience a price growth this year.

And there's a possibility of more good news. Legislation providing for a tax credit for homebuyers has been passed by both chambers of Congress, although the White House has hinted at a veto because it did not like the "big" housing stimulus bill. The White House has opposed several aspects of the stimulus bill, though it has not (yet?) come out actually *opposing* the homebuyer tax credit concept if applied for any homes and not just foreclosed ones. The homebuyer tax credit will make market conditions much stronger than what we call for in the current baseline forecast.

Risks do still exist. Very high oil prices could stick around and that will hold back consumer spending growth. Inflation could notch higher, which then will result in higher mortgage rates. Despite these risks the economy and the housing market look to improve markedly in the second half of 2008. The momentum will carry forward to 2009.

This table reflects data available through April 4, 2008.

Monthly Indicator	Recent Statistics	Likely Direction Over the Next Six Months	Forecast
<p><b>Existing Home Sales</b> rose 2.9% in February to a seasonally adjusted annual rate of 5.03 million units. The national median existing-home price for all housing types was \$195,900 in February, down 8.2% from a year earlier. Total housing inventory fell 3.0%: at the end of February there were 4.03 million existing homes available for sale – a 9.6-month supply at the current sales pace.</p>	Feb 08 5,030 Jan 08 4,890 Feb 07 6,600	↑	Subprime disappeared, but FHA and GSE loans making a comeback
<p><b>New Home Sales</b> recorded a seasonally adjusted annual rate of 590,000 units in February – a 1.8% decline from January’s revised rate of 601,000 units, but almost 30% off the rate in February 2007. New home inventory has been decreasing over the past 12 months, but is still elevated. At the end of February there were 471,000 new homes available for sale – a 9.8 months supply at the current sales pace.</p>	Feb 08 590 Jan 08 601 Feb 07 840	↔	Soft sales through the end of the year because builders are bringing very few to the market
<p><b>Housing Starts</b> slipped 0.6% in February to a seasonally adjusted annual rate of 1.065 million units. February starts were off 28.4% from the rate in February of 2007. Single-family starts declined, while multi-family units rose. Building permits – generally a reliable indicator of future starts, fell 7.8% to 978,000.</p>	Feb 08 1,065 Jan 08 1,071 Feb 07 1,487	↓	Recent housing permits point toward further declines in new construction
<p><b>Housing Affordability</b> continued to improve in February. NAR’s housing affordability index stood at 135.2 at the end of the month – the 7th consecutive increase in the index, and the highest index level since February 2003. Declines in most of the components of the index -- median home price, interest rates, qualifying income – combined with an increase in the median family income – contributed to rising affordability.</p>	Feb 08 135.2 Jan 08 131.3 Feb 07 114.1	↑	Incomes are rising while home prices are not
<p><b>Mortgage Rates</b> rose slightly but continue at historic lows. The average 30-year fixed mortgage rate in March was 5.97% – a 10-basis point increase from February’s rate, but below the 6.16% average recorded in March of 2007. Rates are likely to settle around the 6% range for the next few months.</p>	Mar 08 5.97% Feb 08 5.87% Mar 07 6.16%	↔	Cannot fall further from already historically favorable rates
<p><b>Employment</b> The U.S. economy lost jobs for a third month in a row. In March, payrolls were cut by 80,000 – the largest job loss figure in five years and worse than most analysts expected. The unemployment rate rose from 4.8% to 5.1% – relatively modest by historical standards, but its highest level since September of 2005. One piece of good news for workers: average hourly earnings rose to \$17.86 in March, a 0.3 percent increase from the previous month.</p>	Mar 08 -80 Feb 08 -76 12-month total 536 thousand	↑	Second half recovery
<p><b>Economic Growth</b> The U.S. economy eked out a barely positive GDP growth measurement in the last quarter of 2007. Real gross domestic product increased at an annual rate of 0.6% in the fourth quarter of 2007. This is the third and final estimate of economic growth based on more complete data. Increases in personal consumption expenditures, exports, nonresidential structures, spending by state and local government and equipment and software were offset by declines in private inventory investment and residential fixed investment.</p>	2007:IV 0.4% 2007:III 4.9% 2006:IV 2.1%	↑	Fiscal stimulus and lagged impact of monetary stimulus will help grow the economy

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