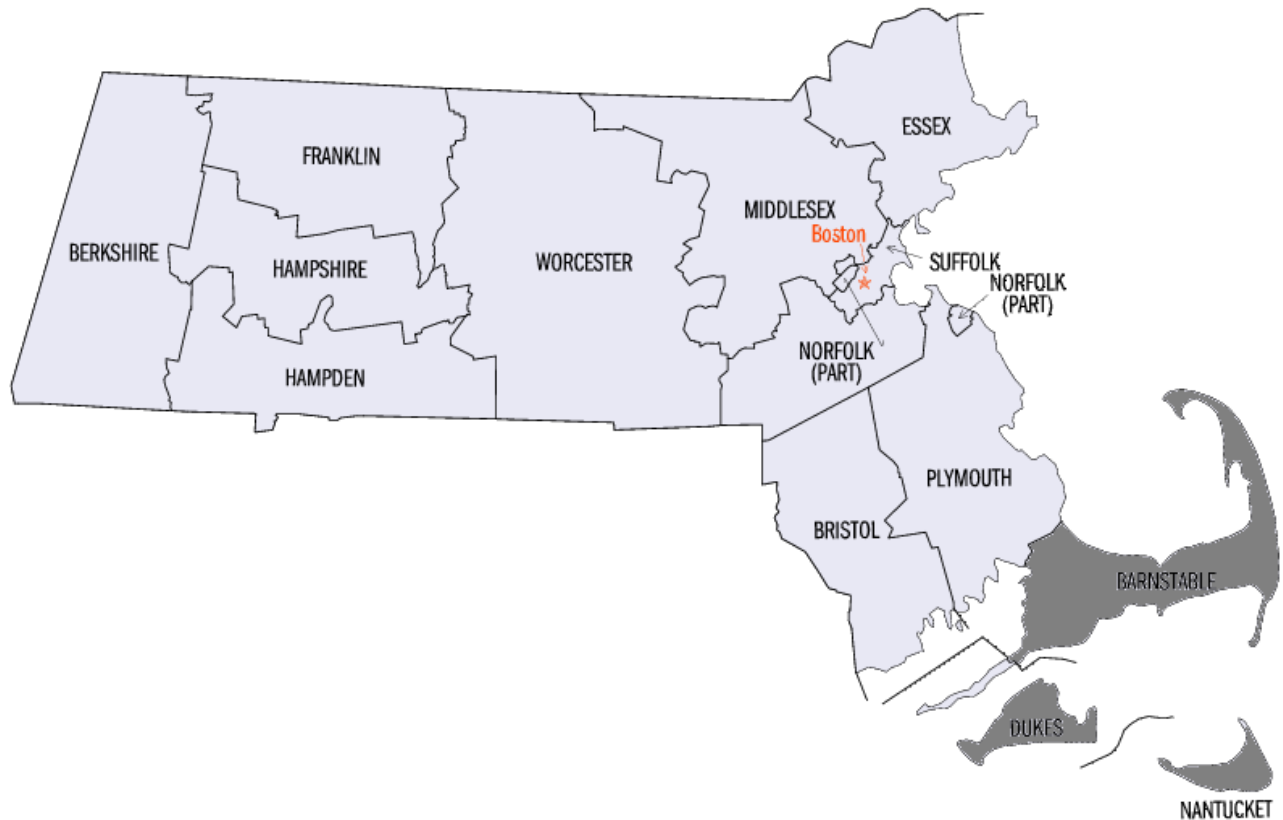


# Economic and Market Watch Report

3rd Quarter, 2008



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

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**Local Report**

**Massachusetts**

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Barnstable County, MA



**Labor Market :**

In the first two months of the third quarter, 14,061 jobs were added to the payrolls of Barnstable County. As a result of these new jobs, the average monthly unemployment rate fell from 4.8% during the second quarter to 4.1% for July and August. This steady job creation may help to maintain demand for home purchases. Favorable mortgage rates should support this trend.

**Housing Market :**

|                         | Q2' 08    | Q3' 08    | Q4' 08<br>(Forecast) |
|-------------------------|-----------|-----------|----------------------|
| Average Price           | \$430,200 | \$406,300 | ↓                    |
| # Homes on the Market * | 949       | 1,078     | ↑                    |
| # Homes Sold **         | 507       | 469       | ↓                    |
| # New Homes Built ***   | 84        | 68        | ↓                    |
| Avg # of Days on Market | 114       | 110       | ↑                    |

\* Available as of Sep. 30, 2008.

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

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

**Data by Zip Codes for Q3 2008**

| Zip Code | Average Price | Price Change<br>*** | Total #<br>Homes Sold<br>(Quarter) | % Change in #<br>Homes Sold<br>*** | Average Days<br>on Market | % of Asking Price<br>(Sold/<br>List Price) |
|----------|---------------|---------------------|------------------------------------|------------------------------------|---------------------------|--|
| 02532    | \$335,100     | -23.60%             | 22                                 | 10.00%                             | 151                       | 97.0%                                      |
| 02534    | \$2,305,000   | 440.19%             | 1                                  | -66.67%                            | 30                        | 92.2%                                      |
| 02536    | \$386,300     | -5.18%              | 47                                 | -2.08%                             | 87                        | 92.6%                                      |
| 02537    | \$487,300     | -4.86%              | 12                                 | -29.41%                            | 189                       | 94.0%                                      |
| 02540    | \$599,800     | -13.16%             | 12                                 | -14.29%                            | 87                        | 93.0%                                      |
| 02543    | \$900,000     | -8.16%              | 1                                  | 0.00%                              | 131                       | 90.5%                                      |
| 02553    | \$272,500     | N/A                 | 2                                  | N/A                                | 210                       | 93.3%                                      |
| 02556    | \$589,500     | -17.19%             | 5                                  | -28.57%                            | 224                       | 93.0%                                      |
| 02559    | \$307,200     | -17.64%             | 10                                 | 66.67%                             | 67                        | 92.4%                                      |

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

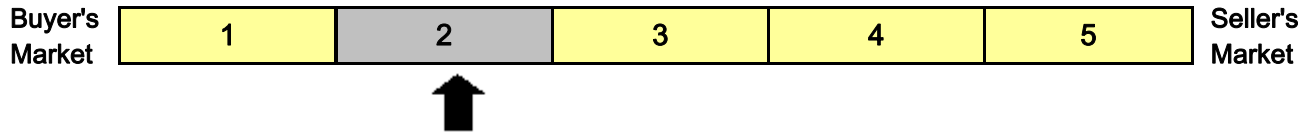
**Barnstable County, MA**

**Data by Zip Codes for Q3 2008**

| Zip Code | Average Price | Price Change<br>*** | Total #<br>Homes Sold<br>(Quarter) | % Change in #<br>Homes Sold<br>*** | Average Days<br>on Market | % of Asking Price<br>(Sold/<br>List Price) |
|----------|---------------|---------------------|------------------------------------|------------------------------------|---------------------------|--|
| 02561    | \$445,000     | 122.50%             | 1                                  | 0.00%                              | 47                        | 95.7%                                      |
| 02562    | \$501,000     | 4.18%               | 10                                 | 150.00%                            | 149                       | 92.4%                                      |
| 02563    | \$350,200     | -13.83%             | 24                                 | -29.41%                            | 112                       | 94.8%                                      |
| 02574    | \$745,000     | 1.02%               | 2                                  | 0.00%                              | 35                        | 90.3%                                      |
| 02601    | \$230,900     | -60.29%             | 37                                 | 54.17%                             | 86                        | 96.1%                                      |
| 02630    | \$476,300     | -59.12%             | 6                                  | 20.00%                             | 76                        | 93.6%                                      |
| 02631    | \$374,900     | -39.36%             | 11                                 | 22.22%                             | 102                       | 94.3%                                      |
| 02632    | \$371,200     | -37.93%             | 34                                 | 36.00%                             | 149                       | 94.7%                                      |
| 02633    | \$476,500     | -27.80%             | 2                                  | 0.00%                              | 127                       | 92.2%                                      |
| 02635    | \$597,300     | -32.59%             | 8                                  | 100.00%                            | 136                       | 85.3%                                      |
| 02637    | \$337,500     | -34.40%             | 1                                  | -50.00%                            | 84                        | 90.0%                                      |
| 02638    | \$742,500     | 3.40%               | 5                                  | -37.50%                            | 155                       | 89.9%                                      |
| 02639    | \$337,000     | 33.04%              | 12                                 | 20.00%                             | 49                        | 94.0%                                      |
| 02641    | \$653,800     | -43.77%             | 3                                  | -40.00%                            | 132                       | 96.3%                                      |
| 02642    | \$623,800     | 7.31%               | 9                                  | 12.50%                             | 131                       | 97.0%                                      |
| 02644    | \$278,200     | -21.01%             | 9                                  | 0.00%                              | 105                       | 96.4%                                      |
| 02645    | \$326,300     | -15.71%             | 20                                 | 185.71%                            | 72                        | 96.5%                                      |
| 02646    | \$697,000     | -27.17%             | 5                                  | 0.00%                              | 96                        | 84.8%                                      |
| 02647    | \$3,150,000   | N/A                 | 1                                  | N/A                                | 21                        | 96.9%                                      |
| 02648    | \$357,800     | -9.56%              | 11                                 | 83.33%                             | 125                       | 95.5%                                      |
| 02649    | \$490,200     | -16.69%             | 35                                 | 94.44%                             | 147                       | 90.0%                                      |
| 02653    | \$470,000     | 8.80%               | 1                                  | -66.67%                            | 142                       | 98.1%                                      |
| 02655    | \$587,400     | -61.47%             | 4                                  | -60.00%                            | 52                        | 96.2%                                      |
| 02659    | \$1,667,500   | N/A                 | 2                                  | N/A                                | 202                       | 94.5%                                      |
| 02660    | \$377,900     | 4.25%               | 8                                  | 14.29%                             | 83                        | 95.8%                                      |
| 02661    | \$501,300     | 10.18%              | 2                                  | 100.00%                            | 135                       | 98.1%                                      |
| 02664    | \$266,500     | -32.00%             | 32                                 | 100.00%                            | 104                       | 95.1%                                      |
| 02667    | \$522,700     | -54.01%             | 3                                  | -40.00%                            | 104                       | 92.9%                                      |
| 02668    | \$669,100     | 27.62%              | 5                                  | 25.00%                             | 210                       | 91.4%                                      |
| 02670    | \$428,200     | -17.02%             | 7                                  | 40.00%                             | 67                        | 92.2%                                      |
| 02671    | \$390,000     | -6.92%              | 1                                  | 0.00%                              | 178                       | 97.7%                                      |
| 02672    | \$240,000     | -52.66%             | 1                                  | -50.00%                            | 45                        | 96.0%                                      |
| 02673    | \$259,300     | -6.83%              | 25                                 | 108.33%                            | 66                        | 95.2%                                      |
| 02675    | \$349,200     | -22.31%             | 19                                 | 280.00%                            | 112                       | 94.4%                                      |
| OTHER    | \$181,000     | -58.86%             | 1                                  | 0.00%                              | 95                        | 90.5%                                      |

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

**Berkshire County, MA**



**Labor Market :**

A total of 2,791 jobs were created during July and August. The new jobs in Berkshire County were offset by a proportional increase in the number of job seekers. The net result was no change in the average monthly unemployment rate for the first two months of the third quarter from the 4.5% rate of the second quarter. The new jobs should help demand. Coupled with historically low mortgage rates, these two patterns should help to keep the market moving.

**Housing Market :**

|                         | Q2' 08    | Q3' 08    | Q4' 08<br>(Forecast) |
|-------------------------|-----------|-----------|----------------------|
| Average Price           | \$387,000 | \$475,100 | ↓                    |
| # Homes on the Market * | 71        | 73        | ↑                    |
| # Homes Sold **         | 25        | 24        | ↓                    |
| # New Homes Built ***   | 3         | 6         | ↓                    |
| Avg # of Days on Market | 195       | 159       | ↑                    |

\* Available as of Sep. 30, 2008.

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

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

**Data by Zip Codes for Q3 2008**

| Zip Code | Average Price | Price Change<br>*** | Total #<br>Homes Sold<br>(Quarter) | % Change in #<br>Homes Sold<br>*** | Average Days<br>on Market | % of Asking Price<br>(Sold/<br>List Price) |
|----------|---------------|---------------------|------------------------------------|------------------------------------|---------------------------|--|
| 01201    | \$156,800     | -15.43%             | 4                                  | 0.00%                              | 83                        | 95.0%                                      |
| 01223    | \$394,500     | 88.49%              | 4                                  | -33.33%                            | 88                        | 90.2%                                      |
| 01225    | \$470,000     | N/A                 | 1                                  | N/A                                | 67                        | 94.9%                                      |
| 01235    | \$295,500     | N/A                 | 1                                  | N/A                                | 110                       | 89.8%                                      |
| 01238    | \$433,000     | N/A                 | 1                                  | N/A                                | 30                        | 86.8%                                      |
| 01252    | \$2,800,000   | N/A                 | 1                                  | N/A                                | 675                       | 96.6%                                      |
| 01253    | \$440,900     | 47.06%              | 10                                 | 100.00%                            | 173                       | 91.5%                                      |
| 01255    | \$465,000     | 48.47%              | 1                                  | -66.67%                            | 445                       | 86.9%                                      |

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

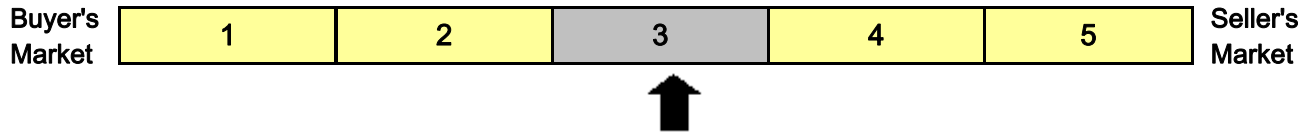
**Berkshire County, MA**

**Data by Zip Codes for Q3 2008**

| Zip Code | Average Price | Price Change<br>*** | Total #<br>Homes Sold<br>(Quarter) | % Change in #<br>Homes Sold<br>*** | Average Days<br>on Market | % of Asking Price<br>(Sold/<br>List Price) |
|----------|---------------|---------------------|------------------------------------|------------------------------------|---------------------------|--|
| 01270    | \$325,000     | 116.81%             | 1                                  | 0.00%                              | 100                       | 100.0%                                     |

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

**Bristol County, MA**



**Labor Market :**

Employment increased by 184 jobs in Bristol County during July and August. However, the number of job seekers also increased. The combined effect of these two trends was an increase in the average monthly unemployment rate from 5.9% for the second quarter to 6.7% in the first two months of the third quarter. The solid job growth may provide home sales, while historically low mortgage rates boost affordability.

**Housing Market :**

|                                | <b>Q2' 08</b> | <b>Q3' 08</b> | <b>Q4' 08<br/>(Forecast)</b> |
|--------------------------------|---------------|---------------|------------------------------|
| <b>Average Price</b>           | \$305,900     | \$290,900     | ↓                            |
| <b># Homes on the Market *</b> | 1,683         | 1,851         | ↑                            |
| <b># Homes Sold **</b>         | 781           | 826           | ↓                            |
| <b># New Homes Built ***</b>   | 113           | 64            | ↓                            |
| <b>Avg # of Days on Market</b> | 111           | 106           | ↑                            |

\* Available as of Sep. 30, 2008.

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

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

**Data by Zip Codes for Q3 2008**

| Zip Code | Average Price | Price Change<br>*** | Total #<br>Homes Sold<br>(Quarter) | % Change in #<br>Homes Sold<br>*** | Average Days<br>on Market | % of Asking Price<br>(Sold/<br>List Price) |
|----------|---------------|---------------------|------------------------------------|------------------------------------|---------------------------|--|
| 02048    | \$390,900     | -8.65%              | 35                                 | -27.08%                            | 89                        | 97.0%                                      |
| 02356    | \$371,500     | -16.82%             | 23                                 | -34.29%                            | 86                        | 96.4%                                      |
| 02375    | \$364,300     | -12.17%             | 16                                 | 6.67%                              | 94                        | 97.1%                                      |
| 02702    | \$304,100     | -10.37%             | 7                                  | -36.36%                            | 89                        | 94.7%                                      |
| 02703    | \$260,700     | -18.28%             | 70                                 | -23.08%                            | 85                        | 97.0%                                      |
| 02715    | \$332,700     | -9.79%              | 7                                  | -41.67%                            | 84                        | 96.5%                                      |
| 02717    | \$284,600     | -23.14%             | 4                                  | -66.67%                            | 101                       | 97.7%                                      |
| 02718    | \$251,300     | -19.12%             | 14                                 | -6.67%                             | 97                        | 95.8%                                      |

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

**Bristol County, MA**

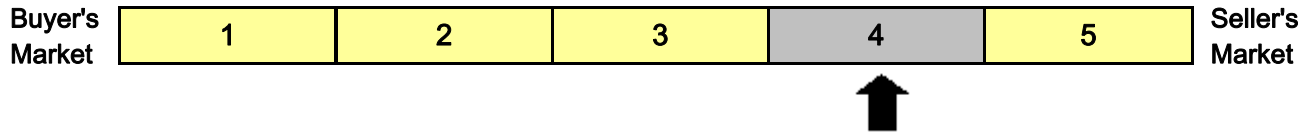
**Data by Zip Codes for Q3 2008**

| Zip Code | Average Price | Price Change<br>*** | Total #<br>Homes Sold<br>(Quarter) | % Change in #<br>Homes Sold<br>*** | Average Days<br>on Market | % of Asking Price<br>(Sold/<br>List Price) |
|----------|---------------|---------------------|------------------------------------|------------------------------------|---------------------------|--|
| 02719    | \$249,500     | -20.31%             | 40                                 | 14.29%                             | 86                        | 94.5%                                      |
| 02720    | \$242,300     | -18.77%             | 37                                 | 5.71%                              | 136                       | 94.4%                                      |
| 02721    | \$232,000     | 0.69%               | 25                                 | 8.70%                              | 146                       | 96.5%                                      |
| 02723    | \$182,000     | -19.68%             | 14                                 | 250.00%                            | 73                        | 92.3%                                      |
| 02724    | \$180,700     | -26.99%             | 11                                 | -21.43%                            | 59                        | 98.7%                                      |
| 02725    | \$229,500     | -18.79%             | 2                                  | -80.00%                            | 27                        | 95.7%                                      |
| 02726    | \$250,800     | -15.41%             | 28                                 | -24.32%                            | 107                       | 96.5%                                      |
| 02740    | \$191,800     | -18.76%             | 54                                 | 17.39%                             | 114                       | 95.7%                                      |
| 02743    | \$289,800     | 10.86%              | 17                                 | -22.73%                            | 126                       | 97.1%                                      |
| 02744    | \$192,200     | -29.93%             | 8                                  | 0.00%                              | 185                       | 94.1%                                      |
| 02745    | \$212,800     | -13.21%             | 50                                 | 21.95%                             | 113                       | 95.4%                                      |
| 02746    | \$154,300     | -22.50%             | 5                                  | 0.00%                              | 159                       | 100.2%                                     |
| 02747    | \$310,300     | -2.11%              | 35                                 | -7.89%                             | 133                       | 93.3%                                      |
| 02748    | \$456,100     | -16.69%             | 17                                 | -48.48%                            | 159                       | 93.8%                                      |
| 02760    | \$369,700     | -11.41%             | 51                                 | 4.08%                              | 92                        | 96.7%                                      |
| 02763    | \$350,300     | N/A                 | 4                                  | N/A                                | 35                        | 96.8%                                      |
| 02764    | \$444,000     | 50.51%              | 7                                  | 600.00%                            | 112                       | 97.2%                                      |
| 02766    | \$384,100     | 3.17%               | 43                                 | 2.38%                              | 108                       | 96.2%                                      |
| 02767    | \$354,700     | -8.61%              | 30                                 | 30.43%                             | 68                        | 96.9%                                      |
| 02769    | \$422,700     | 7.12%               | 14                                 | -12.50%                            | 160                       | 95.0%                                      |
| 02771    | \$280,900     | -14.10%             | 19                                 | -26.92%                            | 125                       | 94.8%                                      |
| 02777    | \$243,100     | -24.62%             | 31                                 | -8.82%                             | 112                       | 92.7%                                      |
| 02779    | \$336,900     | -12.43%             | 6                                  | -53.85%                            | 118                       | 98.3%                                      |
| 02780    | \$244,900     | -12.57%             | 66                                 | -7.04%                             | 95                        | 95.8%                                      |
| 02790    | \$382,200     | 4.63%               | 36                                 | 12.50%                             | 139                       | 95.1%                                      |

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



Essex County, MA



**Labor Market :**

Employment increased by 4,719 jobs in Essex County during July and August. 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 second quarter to 5.5% in the first two months of the third quarter. The solid job growth may provide home sales, while historically low mortgage rates boost affordability.

**Housing Market :**

|                         | Q2' 08    | Q3' 08    | Q4' 08<br>(Forecast) |
|-------------------------|-----------|-----------|----------------------|
| Average Price           | \$410,500 | \$407,800 | ↓                    |
| # Homes on the Market * | 2,090     | 2,157     | ↑                    |
| # Homes Sold **         | 1,221     | 1,231     | ↓                    |
| # New Homes Built ***   | 141       | 100       | ↓                    |
| Avg # of Days on Market | 107       | 101       | ↑                    |

\* Available as of Sep. 30, 2008.

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

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

**Data by Zip Codes for Q3 2008**

| Zip Code | Average Price | Price Change<br>*** | Total #<br>Homes Sold<br>(Quarter) | % Change in #<br>Homes Sold<br>*** | Average Days<br>on Market | % of Asking Price<br>(Sold/<br>List Price) |
|----------|---------------|---------------------|------------------------------------|------------------------------------|---------------------------|--|
| 01810    | \$598,700     | -4.70%              | 71                                 | -31.07%                            | 85                        | 96.5%                                      |
| 01830    | \$273,400     | -4.20%              | 55                                 | 27.91%                             | 118                       | 96.2%                                      |
| 01832    | \$295,900     | -2.73%              | 26                                 | -3.70%                             | 121                       | 97.4%                                      |
| 01833    | \$460,100     | -5.27%              | 15                                 | 7.14%                              | 94                        | 96.6%                                      |
| 01834    | \$339,700     | -12.96%             | 14                                 | -41.67%                            | 64                        | 96.1%                                      |
| 01835    | \$280,200     | -17.56%             | 22                                 | 0.00%                              | 122                       | 96.7%                                      |
| 01841    | \$148,100     | -31.34%             | 31                                 | 106.67%                            | 78                        | 94.9%                                      |
| 01843    | \$176,000     | -21.43%             | 28                                 | 47.37%                             | 86                        | 97.0%                                      |

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

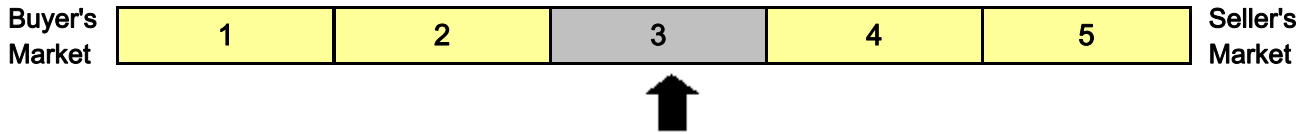
**Essex County, MA**

**Data by Zip Codes for Q3 2008**

| Zip Code | Average Price | Price Change<br>*** | Total #<br>Homes Sold<br>(Quarter) | % Change in #<br>Homes Sold<br>*** | Average Days<br>on Market | % of Asking Price<br>(Sold/<br>List Price) |
|----------|---------------|---------------------|------------------------------------|------------------------------------|---------------------------|--|
| 01844    | \$308,400     | 0.39%               | 70                                 | -21.35%                            | 82                        | 97.6%                                      |
| 01845    | \$547,900     | -3.04%              | 62                                 | 21.57%                             | 116                       | 96.9%                                      |
| 01860    | \$393,200     | 8.89%               | 9                                  | -43.75%                            | 91                        | 96.0%                                      |
| 01902    | \$190,000     | -4.95%              | 53                                 | 51.43%                             | 73                        | 98.4%                                      |
| 01904    | \$238,200     | -19.36%             | 48                                 | 14.29%                             | 117                       | 97.3%                                      |
| 01905    | \$177,600     | -31.64%             | 37                                 | 76.19%                             | 104                       | 97.5%                                      |
| 01906    | \$321,900     | -18.96%             | 49                                 | 0.00%                              | 71                        | 96.0%                                      |
| 01907    | \$487,900     | -17.04%             | 22                                 | -33.33%                            | 88                        | 91.6%                                      |
| 01908    | \$517,100     | -12.62%             | 10                                 | 42.86%                             | 115                       | 95.7%                                      |
| 01913    | \$287,300     | -32.54%             | 22                                 | -50.00%                            | 141                       | 96.2%                                      |
| 01915    | \$426,800     | -1.30%              | 84                                 | 13.51%                             | 89                        | 96.3%                                      |
| 01921    | \$660,900     | -18.04%             | 27                                 | 35.00%                             | 111                       | 94.5%                                      |
| 01922    | \$400,000     | 4.49%               | 1                                  | -80.00%                            | 461                       | 75.5%                                      |
| 01923    | \$381,100     | -12.17%             | 48                                 | -9.43%                             | 102                       | 95.5%                                      |
| 01929    | \$265,500     | -53.50%             | 1                                  | -92.31%                            | 40                        | 84.8%                                      |
| 01930    | \$544,400     | 13.68%              | 37                                 | -21.28%                            | 151                       | 91.6%                                      |
| 01938    | \$491,000     | -8.62%              | 18                                 | -35.71%                            | 155                       | 95.7%                                      |
| 01940    | \$542,600     | -16.93%             | 34                                 | -10.53%                            | 96                        | 96.6%                                      |
| 01944    | \$1,207,400   | -10.67%             | 16                                 | -27.27%                            | 212                       | 90.3%                                      |
| 01945    | \$629,300     | -9.02%              | 45                                 | -32.84%                            | 90                        | 92.3%                                      |
| 01949    | \$419,900     | -18.37%             | 11                                 | -56.00%                            | 93                        | 95.2%                                      |
| 01950    | \$494,000     | -6.95%              | 34                                 | -15.00%                            | 125                       | 95.8%                                      |
| 01951    | \$422,000     | -19.14%             | 12                                 | 9.09%                              | 51                        | 96.6%                                      |
| 01952    | \$259,100     | -30.44%             | 12                                 | -40.00%                            | 135                       | 96.2%                                      |
| 01960    | \$327,600     | -9.40%              | 66                                 | -16.46%                            | 82                        | 96.4%                                      |
| 01966    | \$679,000     | 22.43%              | 16                                 | -33.33%                            | 89                        | 86.8%                                      |
| 01969    | \$434,800     | -10.15%             | 16                                 | -11.11%                            | 102                       | 97.1%                                      |
| 01970    | \$314,000     | -4.03%              | 57                                 | 21.28%                             | 84                        | 95.3%                                      |
| 01982    | \$545,100     | -29.76%             | 15                                 | -25.00%                            | 90                        | 93.9%                                      |
| 01983    | \$670,600     | 8.21%               | 17                                 | 142.86%                            | 147                       | 90.1%                                      |
| 01984    | \$439,400     | -30.84%             | 7                                  | -56.25%                            | 74                        | 96.1%                                      |
| 01985    | \$530,500     | -7.09%              | 13                                 | 62.50%                             | 161                       | 93.3%                                      |

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

Franklin County, MA



**Labor Market :**

Employment declined by 1,449 jobs in July and August. The job losses brought about an increase in the average monthly unemployment rate from 4.4% in the second quarter to 5% for the first two months of the third quarter. Job losses are ticking upwards, creating a drag on buyer confidence and demand in Franklin County. However, historically low mortgage rates have created a favorable buying environment for those with a job.

**Housing Market :**

|                         | Q2' 08    | Q3' 08    | Q4' 08<br>(Forecast) |
|-------------------------|-----------|-----------|----------------------|
| Average Price           | \$226,300 | \$219,500 | ↓                    |
| # Homes on the Market * | 317       | 339       | ↑                    |
| # Homes Sold **         | 92        | 151       | ↓                    |
| # New Homes Built ***   | 13        | 10        | ↓                    |
| Avg # of Days on Market | 134       | 102       | ↑                    |

\* Available as of Sep. 30, 2008.

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

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

**Data by Zip Codes for Q3 2008**

| Zip Code | Average Price | Price Change<br>*** | Total #<br>Homes Sold<br>(Quarter) | % Change in #<br>Homes Sold<br>*** | Average Days<br>on Market | % of Asking Price<br>(Sold/<br>List Price) |
|----------|---------------|---------------------|------------------------------------|------------------------------------|---------------------------|--|
| 01054    | \$357,600     | -5.05%              | 4                                  | -20.00%                            | 135                       | 98.0%                                      |
| 01072    | \$318,800     | 21.87%              | 4                                  | -60.00%                            | 94                        | 94.9%                                      |
| 01093    | \$361,000     | -11.30%             | 2                                  | -50.00%                            | 23                        | 90.9%                                      |
| 01301    | \$200,600     | 3.51%               | 37                                 | -17.78%                            | 89                        | 96.8%                                      |
| 01330    | \$240,200     | -35.06%             | 5                                  | -28.57%                            | 61                        | 91.2%                                      |
| 01337    | \$214,800     | -10.20%             | 6                                  | 20.00%                             | 89                        | 89.4%                                      |
| 01338    | \$198,300     | -25.45%             | 3                                  | -40.00%                            | 33                        | 96.9%                                      |
| 01339    | \$338,800     | N/A                 | 4                                  | N/A                                | 194                       | 91.2%                                      |

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

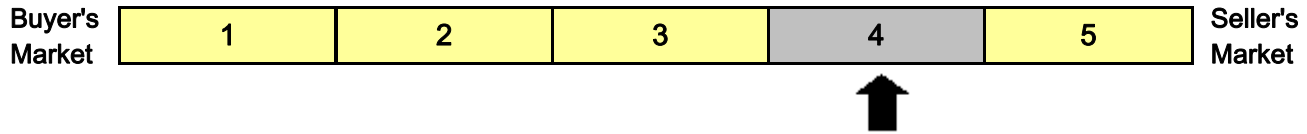
**Franklin County, MA**

**Data by Zip Codes for Q3 2008**

| Zip Code | Average Price | Price Change<br>*** | Total #<br>Homes Sold<br>(Quarter) | % Change in #<br>Homes Sold<br>*** | Average Days<br>on Market | % of Asking Price<br>(Sold/<br>List Price) |
|----------|---------------|---------------------|------------------------------------|------------------------------------|---------------------------|--|
| 01340    | \$205,700     | 19.59%              | 3                                  | 50.00%                             | 41                        | 98.1%                                      |
| 01341    | \$386,800     | 17.14%              | 5                                  | 25.00%                             | 125                       | 94.7%                                      |
| 01342    | \$485,000     | 134.64%             | 1                                  | -66.67%                            | 9                         | 98.0%                                      |
| 01344    | \$179,500     | -17.05%             | 2                                  | -60.00%                            | 180                       | 94.7%                                      |
| 01346    | \$149,500     | -12.93%             | 1                                  | -66.67%                            | 20                        | 88.0%                                      |
| 01347    | \$63,200      | -62.16%             | 3                                  | 200.00%                            | 101                       | 102.5%                                     |
| 01349    | \$168,000     | 0.18%               | 1                                  | -66.67%                            | 206                       | 93.4%                                      |
| 01350    | \$81,000      | N/A                 | 1                                  | N/A                                | 165                       | 102.5%                                     |
| 01351    | \$230,700     | 10.33%              | 7                                  | 16.67%                             | 84                        | 97.1%                                      |
| 01355    | \$550,000     | 79.86%              | 1                                  | -50.00%                            | 88                        | 93.4%                                      |
| 01360    | \$212,800     | -10.63%             | 9                                  | 12.50%                             | 180                       | 94.2%                                      |
| 01364    | \$121,800     | -22.17%             | 18                                 | -30.77%                            | 127                       | 94.5%                                      |
| 01370    | \$178,700     | -24.54%             | 3                                  | -40.00%                            | 135                       | 96.1%                                      |
| 01373    | \$318,300     | -1.91%              | 6                                  | -40.00%                            | 119                       | 94.5%                                      |
| 01375    | \$279,700     | -18.62%             | 6                                  | 0.00%                              | 74                        | 96.7%                                      |
| 01376    | \$173,600     | 3.15%               | 14                                 | 40.00%                             | 71                        | 96.0%                                      |
| 01378    | \$173,500     | -24.14%             | 2                                  | -50.00%                            | 144                       | 91.4%                                      |
| 01379    | \$230,000     | N/A                 | 3                                  | N/A                                | 80                        | 93.9%                                      |

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

Hampden County, MA



**Labor Market :**

Employment declined by 1,667 jobs in July and August. The job losses brought about an increase in the average monthly unemployment rate from 5.5% in the second quarter to 6.5% for the first two months of the third quarter. Job losses are ticking upwards, creating a drag on buyer confidence and demand in Hampden County. However, historically low mortgage rates have created a favorable buying environment for those with a job.

**Housing Market :**

|                         | Q2' 08    | Q3' 08    | Q4' 08<br>(Forecast) |
|-------------------------|-----------|-----------|----------------------|
| Average Price           | \$215,800 | \$206,700 | ↓                    |
| # Homes on the Market * | 1,308     | 1,430     | ↑                    |
| # Homes Sold **         | 792       | 783       | ↓                    |
| # New Homes Built ***   | 59        | 47        | ↓                    |
| Avg # of Days on Market | 90        | 95        | ↑                    |

\* Available as of Sep. 30, 2008.

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

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

**Data by Zip Codes for Q3 2008**

| Zip Code | Average Price | Price Change<br>*** | Total #<br>Homes Sold<br>(Quarter) | % Change in #<br>Homes Sold<br>*** | Average Days<br>on Market | % of Asking Price<br>(Sold/<br>List Price) |
|----------|---------------|---------------------|------------------------------------|------------------------------------|---------------------------|--|
| 01001    | \$215,300     | -9.19%              | 22                                 | -33.33%                            | 85                        | 97.2%                                      |
| 01008    | \$167,000     | -32.80%             | 2                                  | -33.33%                            | 270                       | 97.7%                                      |
| 01009    | \$177,000     | -26.37%             | 1                                  | -75.00%                            | 28                        | 101.1%                                     |
| 01010    | \$259,100     | 1.05%               | 7                                  | -30.00%                            | 102                       | 99.0%                                      |
| 01011    | \$110,300     | 15.50%              | 3                                  | 200.00%                            | 139                       | 96.1%                                      |
| 01013    | \$146,600     | -17.41%             | 32                                 | -3.03%                             | 76                        | 96.3%                                      |
| 01020    | \$186,700     | -0.64%              | 48                                 | -15.79%                            | 81                        | 96.0%                                      |
| 01028    | \$295,100     | 5.36%               | 37                                 | -13.95%                            | 95                        | 96.1%                                      |

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

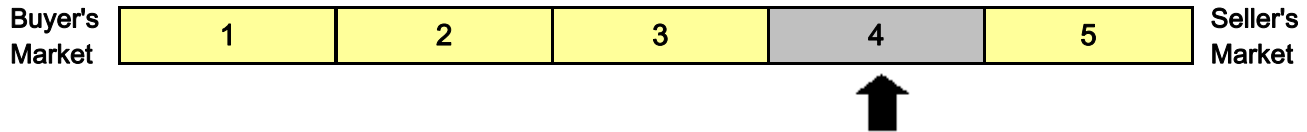
**Hampden County, MA**

**Data by Zip Codes for Q3 2008**

| Zip Code | Average Price | Price Change<br>*** | Total #<br>Homes Sold<br>(Quarter) | % Change in #<br>Homes Sold<br>*** | Average Days<br>on Market | % of Asking Price<br>(Sold/<br>List Price) |
|----------|---------------|---------------------|------------------------------------|------------------------------------|---------------------------|--|
| 01030    | \$261,200     | 7.49%               | 19                                 | -9.52%                             | 61                        | 96.9%                                      |
| 01034    | \$340,300     | 54.12%              | 5                                  | 0.00%                              | 95                        | 92.4%                                      |
| 01036    | \$297,400     | -8.97%              | 13                                 | 44.44%                             | 111                       | 97.9%                                      |
| 01040    | \$194,300     | -2.21%              | 42                                 | -19.23%                            | 107                       | 96.4%                                      |
| 01056    | \$203,100     | -17.51%             | 29                                 | -25.64%                            | 102                       | 93.7%                                      |
| 01057    | \$198,000     | -7.95%              | 20                                 | 0.00%                              | 147                       | 96.1%                                      |
| 01069    | \$212,400     | -11.28%             | 8                                  | -63.64%                            | 131                       | 95.5%                                      |
| 01071    | \$212,300     | 4.43%               | 3                                  | 0.00%                              | 36                        | 96.7%                                      |
| 01077    | \$295,100     | -22.44%             | 16                                 | -36.00%                            | 131                       | 95.3%                                      |
| 01079    | \$210,000     | 28.83%              | 1                                  | 0.00%                              | 161                       | 93.3%                                      |
| 01080    | \$156,000     | -4.70%              | 7                                  | 133.33%                            | 70                        | 96.8%                                      |
| 01081    | \$213,300     | -21.95%             | 2                                  | -33.33%                            | 62                        | 100.7%                                     |
| 01085    | \$231,700     | -17.92%             | 83                                 | 12.16%                             | 77                        | 96.8%                                      |
| 01089    | \$221,000     | -2.30%              | 56                                 | -3.45%                             | 95                        | 96.6%                                      |
| 01095    | \$303,700     | -7.13%              | 26                                 | -40.91%                            | 110                       | 95.2%                                      |
| 01101    | \$84,000      | -48.47%             | 1                                  | 0.00%                              | 3                         | 96.1%                                      |
| 01104    | \$120,700     | -14.09%             | 41                                 | -22.64%                            | 101                       | 97.1%                                      |
| 01105    | \$67,500      | -11.99%             | 2                                  | -33.33%                            | 43                        | 100.1%                                     |
| 01106    | \$338,500     | -6.59%              | 56                                 | -1.75%                             | 95                        | 95.7%                                      |
| 01107    | \$136,000     | -2.09%              | 2                                  | -77.78%                            | 268                       | 97.5%                                      |
| 01108    | \$148,600     | -6.89%              | 32                                 | 23.08%                             | 89                        | 96.3%                                      |
| 01109    | \$102,700     | -13.33%             | 28                                 | -53.33%                            | 108                       | 98.7%                                      |
| 01118    | \$161,600     | -10.32%             | 58                                 | 11.54%                             | 94                        | 98.2%                                      |
| 01119    | \$124,200     | -22.81%             | 26                                 | -33.33%                            | 100                       | 95.8%                                      |
| 01128    | \$164,100     | -15.46%             | 8                                  | 14.29%                             | 74                        | 96.6%                                      |
| 01129    | \$163,100     | -4.90%              | 23                                 | -28.13%                            | 117                       | 99.0%                                      |
| 01151    | \$104,700     | -33.90%             | 14                                 | -6.67%                             | 60                        | 98.1%                                      |
| 01521    | \$192,200     | -20.91%             | 10                                 | -23.08%                            | 115                       | 94.0%                                      |

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

Hampshire County, MA



**Labor Market :**

Employment declined by 2,928 jobs in July and August. The job losses brought about an increase in the average monthly unemployment rate from 3.9% in the second quarter to 4.4% for the first two months of the third quarter. Job losses are ticking upwards, creating a drag on buyer confidence and demand in Hampshire County. However, historically low mortgage rates have created a favorable buying environment for those with a job.

**Housing Market :**

|                         | Q2' 08    | Q3' 08    | Q4' 08<br>(Forecast) |
|-------------------------|-----------|-----------|----------------------|
| Average Price           | \$297,300 | \$282,700 | ↓                    |
| # Homes on the Market * | 472       | 454       | ↑                    |
| # Homes Sold **         | 234       | 287       | ↓                    |
| # New Homes Built ***   | 24        | 14        | ↓                    |
| Avg # of Days on Market | 112       | 99        | ↑                    |

\* Available as of Sep. 30, 2008.

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

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

**Data by Zip Codes for Q3 2008**

| Zip Code | Average Price | Price Change<br>*** | Total #<br>Homes Sold<br>(Quarter) | % Change in #<br>Homes Sold<br>*** | Average Days<br>on Market | % of Asking Price<br>(Sold/<br>List Price) |
|----------|---------------|---------------------|------------------------------------|------------------------------------|---------------------------|--|
| 01002    | \$391,400     | 2.27%               | 47                                 | 2.17%                              | 110                       | 95.5%                                      |
| 01007    | \$275,800     | -3.26%              | 41                                 | -26.79%                            | 127                       | 95.9%                                      |
| 01012    | \$180,600     | -30.75%             | 4                                  | 33.33%                             | 127                       | 96.1%                                      |
| 01026    | \$200,000     | 50.94%              | 1                                  | -50.00%                            | 78                        | 95.2%                                      |
| 01027    | \$244,900     | -4.07%              | 38                                 | -28.30%                            | 85                        | 96.7%                                      |
| 01032    | \$243,800     | -7.51%              | 2                                  | -33.33%                            | 43                        | 93.1%                                      |
| 01033    | \$186,200     | -29.68%             | 12                                 | 9.09%                              | 75                        | 95.3%                                      |
| 01035    | \$324,200     | -14.48%             | 12                                 | -20.00%                            | 105                       | 95.4%                                      |

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

**Hampshire County, MA**

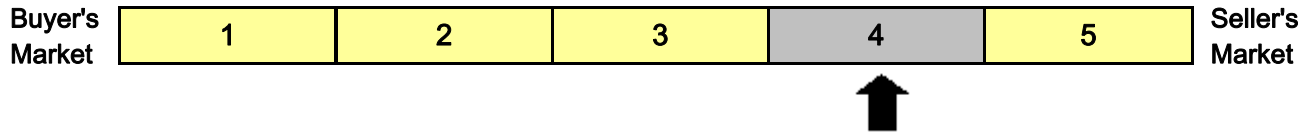
**Data by Zip Codes for Q3 2008**

| Zip Code | Average Price | Price Change<br>*** | Total #<br>Homes Sold<br>(Quarter) | % Change in #<br>Homes Sold<br>*** | Average Days<br>on Market | % of Asking Price<br>(Sold/<br>List Price) |
|----------|---------------|---------------------|------------------------------------|------------------------------------|---------------------------|--|
| 01038    | \$302,900     | 13.70%              | 8                                  | 0.00%                              | 50                        | 97.1%                                      |
| 01050    | \$212,300     | -28.45%             | 2                                  | -71.43%                            | 175                       | 97.8%                                      |
| 01060    | \$320,600     | -14.53%             | 16                                 | -15.79%                            | 68                        | 95.7%                                      |
| 01062    | \$308,300     | -9.19%              | 24                                 | -27.27%                            | 71                        | 98.7%                                      |
| 01073    | \$285,200     | -15.55%             | 15                                 | 0.00%                              | 58                        | 95.4%                                      |
| 01075    | \$256,200     | -12.17%             | 39                                 | 11.43%                             | 114                       | 95.8%                                      |
| 01082    | \$152,800     | -21.88%             | 18                                 | -18.18%                            | 113                       | 97.5%                                      |
| 01084    | \$202,000     | N/A                 | 1                                  | N/A                                | 386                       | 103.6%                                     |
| 01096    | \$220,000     | 13.99%              | 1                                  | -75.00%                            | 29                        | 95.7%                                      |
| 01098    | \$403,300     | 82.16%              | 3                                  | -25.00%                            | 265                       | 91.0%                                      |
| 01243    | \$195,000     | -42.90%             | 2                                  | 100.00%                            | 33                        | 106.9%                                     |
| OTHER    | \$175,000     | -31.91%             | 1                                  | -50.00%                            | 58                        | 97.8%                                      |

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



Middlesex County, MA



**Labor Market :**

Employment increased by 9,214 jobs in Middlesex County during July and August. 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 3.9% for the second quarter to 4.3% in the first two months of the third quarter. The solid job growth may provide home sales, while historically low mortgage rates boost affordability.

**Housing Market :**

|                         | Q2' 08    | Q3' 08    | Q4' 08<br>(Forecast) |
|-------------------------|-----------|-----------|----------------------|
| Average Price           | \$529,600 | \$522,800 | ↓                    |
| # Homes on the Market * | 3,673     | 3,301     | ↑                    |
| # Homes Sold **         | 2,355     | 2,599     | ↓                    |
| # New Homes Built ***   | 330       | 214       | ↓                    |
| Avg # of Days on Market | 87        | 84        | ↑                    |

\* Available as of Sep. 30, 2008.

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

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

**Data by Zip Codes for Q3 2008**

| Zip Code | Average Price | Price Change<br>*** | Total #<br>Homes Sold<br>(Quarter) | % Change in #<br>Homes Sold<br>*** | Average Days<br>on Market | % of Asking Price<br>(Sold/<br>List Price) |
|----------|---------------|---------------------|------------------------------------|------------------------------------|---------------------------|--|
| 01431    | \$214,200     | -6.63%              | 9                                  | 12.50%                             | 128                       | 96.3%                                      |
| 01432    | \$326,700     | -3.88%              | 18                                 | 5.88%                              | 84                        | 98.2%                                      |
| 01450    | \$494,100     | -0.02%              | 23                                 | -28.13%                            | 96                        | 96.1%                                      |
| 01460    | \$420,200     | -8.67%              | 29                                 | 7.41%                              | 120                       | 94.9%                                      |
| 01463    | \$318,400     | -9.37%              | 19                                 | -26.92%                            | 156                       | 95.0%                                      |
| 01464    | \$368,200     | 1.54%               | 6                                  | -60.00%                            | 287                       | 96.7%                                      |
| 01469    | \$285,400     | -3.97%              | 20                                 | -28.57%                            | 191                       | 96.6%                                      |
| 01474    | \$262,000     | 19.53%              | 2                                  | -33.33%                            | 81                        | 95.5%                                      |

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

Middlesex County, MA

Data by Zip Codes for Q3 2008

| Zip Code | Average Price | Price Change<br>*** | Total #<br>Homes Sold<br>(Quarter) | % Change in #<br>Homes Sold<br>*** | Average Days<br>on Market | % of Asking Price<br>(Sold/<br>List Price) |
|----------|---------------|---------------------|------------------------------------|------------------------------------|---------------------------|--|
| 01701    | \$359,300     | -12.13%             | 113                                | 14.14%                             | 81                        | 96.6%                                      |
| 01702    | \$338,000     | -10.27%             | 43                                 | 2.38%                              | 80                        | 97.4%                                      |
| 01719    | \$639,300     | 4.31%               | 14                                 | -17.65%                            | 74                        | 98.4%                                      |
| 01720    | \$612,200     | 1.68%               | 54                                 | 3.85%                              | 62                        | 96.3%                                      |
| 01721    | \$383,800     | -13.42%             | 38                                 | -13.64%                            | 76                        | 96.2%                                      |
| 01730    | \$637,100     | 4.17%               | 42                                 | -8.70%                             | 70                        | 98.1%                                      |
| 01741    | \$794,600     | -1.78%              | 21                                 | -4.55%                             | 142                       | 94.6%                                      |
| 01742    | \$983,800     | -13.33%             | 45                                 | -27.42%                            | 107                       | 93.7%                                      |
| 01746    | \$408,700     | -13.61%             | 33                                 | -32.65%                            | 92                        | 96.4%                                      |
| 01748    | \$533,000     | -14.25%             | 40                                 | -37.50%                            | 99                        | 96.4%                                      |
| 01749    | \$321,400     | -11.07%             | 39                                 | 8.33%                              | 99                        | 96.2%                                      |
| 01752    | \$324,700     | -12.17%             | 94                                 | 25.33%                             | 109                       | 95.7%                                      |
| 01754    | \$305,200     | -12.53%             | 25                                 | 0.00%                              | 126                       | 96.1%                                      |
| 01760    | \$477,400     | -9.74%              | 78                                 | -7.14%                             | 78                        | 96.0%                                      |
| 01770    | \$1,215,600   | 49.01%              | 17                                 | 6.25%                              | 107                       | 93.3%                                      |
| 01773    | \$1,053,600   | -15.30%             | 13                                 | -18.75%                            | 88                        | 91.6%                                      |
| 01775    | \$543,500     | -4.28%              | 21                                 | -19.23%                            | 107                       | 95.9%                                      |
| 01776    | \$750,400     | 3.69%               | 66                                 | -5.71%                             | 116                       | 93.8%                                      |
| 01778    | \$562,800     | -23.89%             | 41                                 | -25.45%                            | 95                        | 96.0%                                      |
| 01801    | \$345,700     | -13.08%             | 57                                 | -16.18%                            | 63                        | 96.6%                                      |
| 01803    | \$396,800     | -8.87%              | 36                                 | -26.53%                            | 84                        | 96.9%                                      |
| 01821    | \$318,400     | -13.53%             | 80                                 | 29.03%                             | 95                        | 96.3%                                      |
| 01824    | \$382,400     | -2.60%              | 75                                 | -3.85%                             | 94                        | 96.9%                                      |
| 01826    | \$292,600     | -8.88%              | 47                                 | -14.55%                            | 87                        | 97.1%                                      |
| 01827    | \$490,800     | 10.14%              | 4                                  | -20.00%                            | 119                       | 93.6%                                      |
| 01850    | \$152,900     | -22.74%             | 27                                 | 22.73%                             | 71                        | 96.7%                                      |
| 01851    | \$196,600     | -22.57%             | 27                                 | 0.00%                              | 103                       | 95.3%                                      |
| 01852    | \$179,100     | -31.22%             | 41                                 | 17.14%                             | 100                       | 95.9%                                      |
| 01854    | \$230,000     | -11.16%             | 19                                 | -9.52%                             | 102                       | 98.1%                                      |
| 01862    | \$300,900     | -19.16%             | 9                                  | -62.50%                            | 134                       | 94.9%                                      |
| 01863    | \$314,200     | -9.61%              | 12                                 | 33.33%                             | 108                       | 96.2%                                      |
| 01864    | \$491,900     | -1.19%              | 33                                 | -28.26%                            | 104                       | 97.1%                                      |
| 01867    | \$469,200     | 1.54%               | 54                                 | -26.03%                            | 66                        | 97.4%                                      |
| 01876    | \$331,500     | -13.36%             | 49                                 | -16.95%                            | 94                        | 96.2%                                      |
| 01879    | \$389,900     | -7.14%              | 16                                 | -51.52%                            | 132                       | 97.2%                                      |
| 01880    | \$430,100     | -0.14%              | 53                                 | 10.42%                             | 55                        | 97.4%                                      |

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

Middlesex County, MA

Data by Zip Codes for Q3 2008

| Zip Code | Average Price | Price Change<br>*** | Total #<br>Homes Sold<br>(Quarter) | % Change in #<br>Homes Sold<br>*** | Average Days<br>on Market | % of Asking Price<br>(Sold/<br>List Price) |
|----------|---------------|---------------------|------------------------------------|------------------------------------|---------------------------|--|
| 01886    | \$440,900     | -10.13%             | 52                                 | -25.71%                            | 101                       | 96.6%                                      |
| 01887    | \$380,600     | -5.63%              | 58                                 | 9.43%                              | 96                        | 96.8%                                      |
| 01890    | \$823,600     | -0.77%              | 49                                 | -22.22%                            | 78                        | 95.2%                                      |
| 02138    | \$1,273,300   | -26.50%             | 23                                 | 27.78%                             | 82                        | 95.9%                                      |
| 02139    | \$786,600     | 19.73%              | 7                                  | -53.33%                            | 94                        | 98.6%                                      |
| 02140    | \$594,300     | -13.48%             | 3                                  | -75.00%                            | 37                        | 97.1%                                      |
| 02141    | \$459,200     | -7.57%              | 3                                  | -25.00%                            | 9                         | 98.9%                                      |
| 02143    | \$503,300     | 10.81%              | 6                                  | -33.33%                            | 83                        | 97.1%                                      |
| 02144    | \$636,200     | -6.88%              | 12                                 | 33.33%                             | 34                        | 98.5%                                      |
| 02145    | \$320,100     | -22.85%             | 11                                 | 37.50%                             | 94                        | 94.7%                                      |
| 02148    | \$294,600     | -9.49%              | 61                                 | 8.93%                              | 80                        | 96.8%                                      |
| 02149    | \$239,400     | -22.72%             | 31                                 | 14.81%                             | 118                       | 95.9%                                      |
| 02155    | \$379,700     | -11.18%             | 58                                 | -12.12%                            | 86                        | 95.2%                                      |
| 02176    | \$387,800     | -4.51%              | 54                                 | -15.63%                            | 70                        | 97.5%                                      |
| 02180    | \$407,600     | -5.69%              | 32                                 | -37.25%                            | 83                        | 95.9%                                      |
| 02420    | \$942,200     | 14.12%              | 52                                 | -1.89%                             | 63                        | 96.5%                                      |
| 02421    | \$931,700     | 4.56%               | 59                                 | 0.00%                              | 84                        | 96.1%                                      |
| 02451    | \$409,300     | -10.10%             | 30                                 | -26.83%                            | 41                        | 97.8%                                      |
| 02452    | \$446,400     | -17.81%             | 21                                 | 50.00%                             | 53                        | 98.0%                                      |
| 02453    | \$387,800     | -7.42%              | 30                                 | -11.76%                            | 29                        | 96.6%                                      |
| 02458    | \$1,267,200   | 8.88%               | 23                                 | 0.00%                              | 57                        | 92.7%                                      |
| 02459    | \$930,900     | 2.58%               | 42                                 | -36.36%                            | 42                        | 96.7%                                      |
| 02460    | \$859,800     | -1.43%              | 17                                 | 0.00%                              | 49                        | 96.9%                                      |
| 02461    | \$808,400     | 12.59%              | 17                                 | 6.25%                              | 69                        | 99.1%                                      |
| 02462    | \$575,800     | -3.18%              | 2                                  | -33.33%                            | 88                        | 98.1%                                      |
| 02464    | \$433,300     | -14.81%             | 6                                  | 20.00%                             | 42                        | 97.1%                                      |
| 02465    | \$1,131,000   | 8.62%               | 27                                 | -30.77%                            | 39                        | 95.0%                                      |
| 02466    | \$700,000     | -2.55%              | 6                                  | -33.33%                            | 40                        | 98.1%                                      |
| 02467    | \$1,530,100   | 0.28%               | 9                                  | 0.00%                              | 58                        | 97.0%                                      |
| 02468    | \$943,100     | -19.31%             | 18                                 | -30.77%                            | 36                        | 97.7%                                      |
| 02472    | \$425,700     | -12.01%             | 23                                 | -28.13%                            | 51                        | 95.1%                                      |
| 02474    | \$471,900     | 0.55%               | 43                                 | -17.31%                            | 41                        | 98.7%                                      |
| 02475    | \$385,000     | N/A                 | 1                                  | N/A                                | 13                        | 96.5%                                      |
| 02476    | \$527,100     | -5.93%              | 30                                 | -16.67%                            | 35                        | 99.1%                                      |
| 02478    | \$775,200     | 3.61%               | 45                                 | -15.09%                            | 53                        | 96.5%                                      |
| 02493    | \$1,545,500   | 3.79%               | 31                                 | -43.64%                            | 162                       | 93.4%                                      |

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

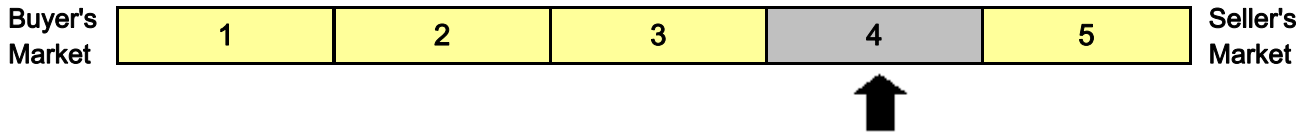
**Middlesex County, MA**

**Data by Zip Codes for Q3 2008**

| Zip Code | Average Price | Price Change<br>*** | Total #<br>Homes Sold<br>(Quarter) | % Change in #<br>Homes Sold<br>*** | Average Days<br>on Market | % of Asking Price<br>(Sold/<br>List Price) |
|----------|---------------|---------------------|------------------------------------|------------------------------------|---------------------------|--|
| OTHER    | \$607,700     | 106.00%             | 5                                  | 400.00%                            | 25                        | 95.5%                                      |

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

Norfolk County, MA



**Labor Market :**

Employment increased by 4,328 jobs in Norfolk County during July and August. 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 4.2% for the second quarter to 4.6% in the first two months of the third quarter. The solid job growth may provide home sales, while historically low mortgage rates boost affordability.

**Housing Market :**

|                         | Q2' 08    | Q3' 08    | Q4' 08<br>(Forecast) |
|-------------------------|-----------|-----------|----------------------|
| Average Price           | \$557,600 | \$532,900 | ↓                    |
| # Homes on the Market * | 1,995     | 1,871     | ↑                    |
| # Homes Sold **         | 1,287     | 1,361     | ↓                    |
| # New Homes Built ***   | 121       | 78        | ↓                    |
| Avg # of Days on Market | 89        | 87        | ↑                    |

\* Available as of Sep. 30, 2008.

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

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

**Data by Zip Codes for Q3 2008**

| Zip Code | Average Price | Price Change<br>*** | Total #<br>Homes Sold<br>(Quarter) | % Change in #<br>Homes Sold<br>*** | Average Days<br>on Market | % of Asking Price<br>(Sold/<br>List Price) |
|----------|---------------|---------------------|------------------------------------|------------------------------------|---------------------------|--|
| 02019    | \$282,000     | -13.68%             | 36                                 | 9.09%                              | 97                        | 95.7%                                      |
| 02021    | \$547,600     | 16.41%              | 33                                 | -28.26%                            | 97                        | 95.9%                                      |
| 02025    | \$995,000     | 6.12%               | 24                                 | 9.09%                              | 73                        | 94.5%                                      |
| 02026    | \$410,900     | -3.09%              | 72                                 | 24.14%                             | 81                        | 96.0%                                      |
| 02030    | \$1,126,200   | -13.82%             | 25                                 | -3.85%                             | 123                       | 94.4%                                      |
| 02032    | \$423,600     | -16.63%             | 8                                  | -33.33%                            | 53                        | 95.4%                                      |
| 02035    | \$413,500     | -12.91%             | 44                                 | 15.79%                             | 105                       | 98.2%                                      |
| 02038    | \$444,200     | -4.47%              | 73                                 | -14.12%                            | 90                        | 97.7%                                      |

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

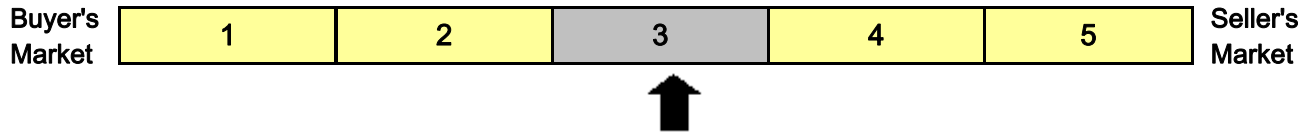
Norfolk County, MA

Data by Zip Codes for Q3 2008

| Zip Code | Average Price | Price Change<br>*** | Total #<br>Homes Sold<br>(Quarter) | % Change in #<br>Homes Sold<br>*** | Average Days<br>on Market | % of Asking Price<br>(Sold/<br>List Price) |
|----------|---------------|---------------------|------------------------------------|------------------------------------|---------------------------|--|
| 02052    | \$655,500     | 5.97%               | 34                                 | -17.07%                            | 124                       | 96.6%                                      |
| 02053    | \$397,600     | -15.94%             | 37                                 | 0.00%                              | 105                       | 95.8%                                      |
| 02054    | \$391,100     | -3.69%              | 17                                 | -29.17%                            | 76                        | 96.4%                                      |
| 02056    | \$478,500     | -4.38%              | 24                                 | -44.19%                            | 99                        | 96.8%                                      |
| 02062    | \$424,600     | 5.99%               | 47                                 | 11.90%                             | 87                        | 95.6%                                      |
| 02067    | \$421,000     | -3.26%              | 51                                 | 4.08%                              | 102                       | 94.8%                                      |
| 02071    | \$402,000     | -16.25%             | 3                                  | 200.00%                            | 33                        | 94.6%                                      |
| 02072    | \$310,300     | -15.79%             | 60                                 | 62.16%                             | 98                        | 95.6%                                      |
| 02081    | \$436,300     | -19.41%             | 33                                 | -25.00%                            | 81                        | 94.6%                                      |
| 02090    | \$689,500     | -19.94%             | 32                                 | -27.27%                            | 120                       | 93.8%                                      |
| 02093    | \$396,000     | -20.18%             | 21                                 | -30.00%                            | 119                       | 97.5%                                      |
| 02169    | \$338,700     | -1.40%              | 72                                 | 16.13%                             | 72                        | 96.0%                                      |
| 02170    | \$350,900     | -10.78%             | 23                                 | -8.00%                             | 64                        | 96.0%                                      |
| 02171    | \$337,900     | -23.27%             | 14                                 | -30.00%                            | 44                        | 95.9%                                      |
| 02184    | \$376,100     | -7.48%              | 65                                 | 4.84%                              | 68                        | 95.7%                                      |
| 02186    | \$540,200     | 4.17%               | 78                                 | 27.87%                             | 93                        | 96.4%                                      |
| 02188    | \$317,800     | -7.91%              | 26                                 | -3.70%                             | 95                        | 96.2%                                      |
| 02189    | \$299,900     | -5.33%              | 18                                 | -37.93%                            | 57                        | 97.5%                                      |
| 02190    | \$310,700     | -12.28%             | 29                                 | -23.68%                            | 96                        | 96.0%                                      |
| 02191    | \$290,400     | -13.42%             | 21                                 | 10.53%                             | 63                        | 95.9%                                      |
| 02322    | \$280,900     | -3.93%              | 6                                  | -40.00%                            | 151                       | 97.3%                                      |
| 02343    | \$244,400     | -18.91%             | 36                                 | 33.33%                             | 75                        | 95.9%                                      |
| 02368    | \$254,100     | -18.79%             | 75                                 | 13.64%                             | 89                        | 97.0%                                      |
| 02445    | \$2,109,300   | 37.25%              | 12                                 | -55.56%                            | 119                       | 92.6%                                      |
| 02446    | \$1,378,600   | -17.42%             | 7                                  | -36.36%                            | 50                        | 97.2%                                      |
| 02481    | \$1,295,800   | 0.46%               | 56                                 | -17.65%                            | 64                        | 96.4%                                      |
| 02482    | \$1,196,300   | 4.24%               | 25                                 | -35.90%                            | 81                        | 95.6%                                      |
| 02492    | \$909,400     | 18.97%              | 73                                 | -17.05%                            | 69                        | 95.0%                                      |
| 02494    | \$659,000     | 1.32%               | 23                                 | -11.54%                            | 62                        | 98.1%                                      |
| 02762    | \$429,900     | 1.56%               | 12                                 | -40.00%                            | 129                       | 96.9%                                      |
| OTHER    | \$878,400     | -35.68%             | 16                                 | -33.33%                            | 68                        | 94.9%                                      |

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

Plymouth County, MA



**Labor Market :**

Employment increased by 4,036 jobs in Plymouth County during July and August. 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 second quarter to 5.4% in the first two months of the third quarter. The solid job growth may provide home sales, while historically low mortgage rates boost affordability.

**Housing Market :**

|                         | Q2' 08    | Q3' 08    | Q4' 08<br>(Forecast) |
|-------------------------|-----------|-----------|----------------------|
| Average Price           | \$375,400 | \$385,500 | ↓                    |
| # Homes on the Market * | 2,091     | 2,319     | ↑                    |
| # Homes Sold **         | 1,014     | 1,075     | ↓                    |
| # New Homes Built ***   | 167       | 105       | ↓                    |
| Avg # of Days on Market | 117       | 115       | ↑                    |

\* Available as of Sep. 30, 2008.

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

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

**Data by Zip Codes for Q3 2008**

| Zip Code | Average Price | Price Change<br>*** | Total #<br>Homes Sold<br>(Quarter) | % Change in #<br>Homes Sold<br>*** | Average Days<br>on Market | % of Asking Price<br>(Sold/<br>List Price) |
|----------|---------------|---------------------|------------------------------------|------------------------------------|---------------------------|--|
| 02043    | \$712,300     | -13.98%             | 68                                 | -22.73%                            | 99                        | 95.2%                                      |
| 02045    | \$437,300     | -8.63%              | 31                                 | 3.33%                              | 149                       | 92.5%                                      |
| 02047    | \$367,500     | -4.25%              | 1                                  | -50.00%                            | 23                        | 94.3%                                      |
| 02050    | \$405,500     | -14.13%             | 70                                 | 22.81%                             | 140                       | 95.3%                                      |
| 02059    | \$510,000     | N/A                 | 1                                  | N/A                                | 324                       | 98.1%                                      |
| 02061    | \$744,000     | 13.62%              | 24                                 | -4.00%                             | 136                       | 96.6%                                      |
| 02066    | \$645,100     | 7.05%               | 65                                 | -1.52%                             | 96                        | 96.1%                                      |
| 02301    | \$196,000     | -22.87%             | 90                                 | 25.00%                             | 107                       | 96.9%                                      |

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

**Plymouth County, MA**

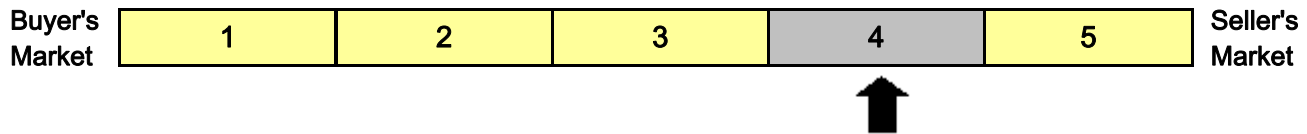
**Data by Zip Codes for Q3 2008**

| Zip Code | Average Price | Price Change<br>*** | Total #<br>Homes Sold<br>(Quarter) | % Change in #<br>Homes Sold<br>*** | Average Days<br>on Market | % of Asking Price<br>(Sold/<br>List Price) |
|----------|---------------|---------------------|------------------------------------|------------------------------------|---------------------------|--|
| 02302    | \$172,100     | -30.15%             | 90                                 | 28.57%                             | 108                       | 95.4%                                      |
| 02324    | \$357,100     | -1.76%              | 31                                 | -8.82%                             | 108                       | 96.8%                                      |
| 02330    | \$276,800     | -16.07%             | 23                                 | -14.81%                            | 163                       | 97.2%                                      |
| 02332    | \$727,200     | -11.59%             | 38                                 | -13.64%                            | 110                       | 94.5%                                      |
| 02333    | \$276,700     | -20.94%             | 25                                 | 19.05%                             | 96                        | 95.1%                                      |
| 02338    | \$271,800     | -11.92%             | 12                                 | -29.41%                            | 83                        | 95.3%                                      |
| 02339    | \$474,800     | -12.25%             | 27                                 | -28.95%                            | 133                       | 94.2%                                      |
| 02341    | \$288,000     | -14.97%             | 22                                 | 10.00%                             | 127                       | 97.0%                                      |
| 02346    | \$304,100     | -3.89%              | 44                                 | -10.20%                            | 111                       | 96.0%                                      |
| 02347    | \$315,600     | -9.41%              | 27                                 | -25.00%                            | 103                       | 95.3%                                      |
| 02351    | \$309,800     | 0.75%               | 26                                 | 36.84%                             | 107                       | 95.1%                                      |
| 02359    | \$374,200     | -3.95%              | 34                                 | -22.73%                            | 99                        | 95.2%                                      |
| 02360    | \$346,700     | -3.24%              | 140                                | -3.45%                             | 123                       | 95.6%                                      |
| 02364    | \$384,900     | 9.66%               | 27                                 | -25.00%                            | 134                       | 95.1%                                      |
| 02367    | \$340,000     | -18.47%             | 3                                  | -40.00%                            | 66                        | 96.2%                                      |
| 02370    | \$271,700     | -13.58%             | 28                                 | -41.67%                            | 81                        | 95.8%                                      |
| 02379    | \$310,600     | 1.87%               | 19                                 | 0.00%                              | 140                       | 95.7%                                      |
| 02382    | \$265,500     | -8.42%              | 35                                 | 40.00%                             | 93                        | 97.7%                                      |
| 02538    | \$195,200     | -21.61%             | 10                                 | -9.09%                             | 54                        | 95.2%                                      |
| 02558    | \$269,900     | -5.43%              | 1                                  | -83.33%                            | 401                       | 100.0%                                     |
| 02571    | \$279,500     | -18.30%             | 24                                 | -31.43%                            | 106                       | 94.7%                                      |
| 02576    | \$234,200     | -7.10%              | 3                                  | -57.14%                            | 58                        | 95.6%                                      |
| 02738    | \$652,400     | 28.81%              | 8                                  | -38.46%                            | 233                       | 88.9%                                      |
| 02739    | \$598,700     | 30.07%              | 20                                 | 25.00%                             | 142                       | 95.0%                                      |
| 02770    | \$466,100     | 20.01%              | 7                                  | -46.15%                            | 206                       | 89.2%                                      |
| OTHER    | \$285,000     | -18.92%             | 1                                  | -66.67%                            | 54                        | 86.4%                                      |

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



Suffolk County, MA



**Labor Market :**

Employment increased by 4,376 jobs in Suffolk County during July and August. 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 4.8% for the second quarter to 5.4% in the first two months of the third quarter. The solid job growth may provide home sales, while historically low mortgage rates boost affordability.

**Housing Market :**

|                         | Q2' 08    | Q3' 08    | Q4' 08<br>(Forecast) |
|-------------------------|-----------|-----------|----------------------|
| Average Price           | \$448,000 | \$421,800 | ↓                    |
| # Homes on the Market * | 590       | 565       | ↑                    |
| # Homes Sold **         | 314       | 401       | ↓                    |
| # New Homes Built ***   | 14        | 8         | ↓                    |
| Avg # of Days on Market | 92        | 78        | ↑                    |

\* Available as of Sep. 30, 2008.

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

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

**Data by Zip Codes for Q3 2008**

| Zip Code | Average Price | Price Change<br>*** | Total #<br>Homes Sold<br>(Quarter) | % Change in #<br>Homes Sold<br>*** | Average Days<br>on Market | % of Asking Price<br>(Sold/<br>List Price) |
|----------|---------------|---------------------|------------------------------------|------------------------------------|---------------------------|--|
| 02114    | \$2,048,300   | -14.39%             | 3                                  | 50.00%                             | 25                        | 92.9%                                      |
| 02116    | \$2,077,500   | 8.10%               | 7                                  | 75.00%                             | 161                       | 93.8%                                      |
| 02118    | \$1,685,000   | -2.48%              | 2                                  | -77.78%                            | 86                        | 93.9%                                      |
| 02119    | \$191,000     | -56.07%             | 3                                  | -50.00%                            | 126                       | 94.4%                                      |
| 02120    | \$650,000     | 14.70%              | 2                                  | -60.00%                            | 11                        | 100.2%                                     |
| 02121    | \$256,400     | -12.19%             | 4                                  | 300.00%                            | 83                        | 93.4%                                      |
| 02122    | \$277,000     | -16.52%             | 12                                 | 20.00%                             | 109                       | 92.9%                                      |
| 02124    | \$327,200     | -14.19%             | 27                                 | 28.57%                             | 126                       | 94.3%                                      |

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

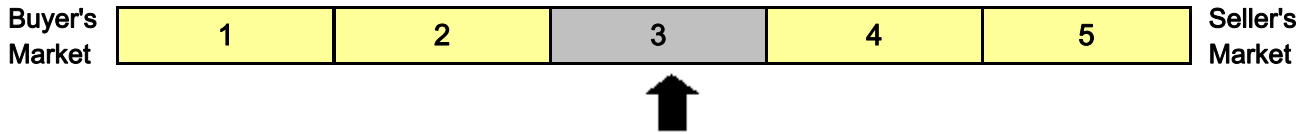
**Suffolk County, MA**

**Data by Zip Codes for Q3 2008**

| Zip Code | Average Price | Price Change<br>*** | Total #<br>Homes Sold<br>(Quarter) | % Change in #<br>Homes Sold<br>*** | Average Days<br>on Market | % of Asking Price<br>(Sold/<br>List Price) |
|----------|---------------|---------------------|------------------------------------|------------------------------------|---------------------------|--|
| 02125    | \$371,600     | -2.11%              | 9                                  | 28.57%                             | 41                        | 97.8%                                      |
| 02126    | \$205,100     | -33.65%             | 21                                 | 23.53%                             | 89                        | 95.9%                                      |
| 02127    | \$476,100     | 0.78%               | 12                                 | -40.00%                            | 53                        | 94.4%                                      |
| 02128    | \$221,600     | -19.21%             | 5                                  | -37.50%                            | 79                        | 92.1%                                      |
| 02129    | \$644,300     | -6.96%              | 25                                 | 25.00%                             | 84                        | 94.2%                                      |
| 02130    | \$639,400     | 12.37%              | 16                                 | -15.79%                            | 57                        | 96.3%                                      |
| 02131    | \$374,300     | -3.53%              | 36                                 | -25.00%                            | 51                        | 98.2%                                      |
| 02132    | \$425,600     | 0.45%               | 73                                 | 8.96%                              | 53                        | 96.3%                                      |
| 02134    | \$430,000     | N/A                 | 1                                  | N/A                                | 21                        | 93.5%                                      |
| 02135    | \$507,600     | 7.91%               | 15                                 | 114.29%                            | 62                        | 96.3%                                      |
| 02136    | \$283,300     | -13.68%             | 35                                 | 0.00%                              | 74                        | 96.9%                                      |
| 02150    | \$192,900     | -31.89%             | 10                                 | 100.00%                            | 67                        | 93.2%                                      |
| 02151    | \$227,000     | -22.89%             | 62                                 | 63.16%                             | 98                        | 94.3%                                      |
| 02152    | \$360,500     | 0.17%               | 20                                 | 5.26%                              | 128                       | 93.2%                                      |
| 02205    | \$3,500,000   | N/A                 | 1                                  | N/A                                | 69                        | 90.9%                                      |

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

Worcester County, MA



**Labor Market :**

Employment declined by 1,348 jobs in July and August. The job losses brought about an increase in the average monthly unemployment rate from 5.1% in the second quarter to 5.8% for the first two months of the third quarter. Job losses are ticking upwards, creating a drag on buyer confidence and demand in Worcester County. However, historically low mortgage rates have created a favorable buying environment for those with a job.

**Housing Market :**

|                         | Q2' 08    | Q3' 08    | Q4' 08<br>(Forecast) |
|-------------------------|-----------|-----------|----------------------|
| Average Price           | \$283,100 | \$273,200 | ↓                    |
| # Homes on the Market * | 2,948     | 3,203     | ↑                    |
| # Homes Sold **         | 1,464     | 1,517     | ↓                    |
| # New Homes Built ***   | 156       | 118       | ↓                    |
| Avg # of Days on Market | 115       | 108       | ↑                    |

\* Available as of Sep. 30, 2008.

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

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

**Data by Zip Codes for Q3 2008**

| Zip Code | Average Price | Price Change<br>*** | Total #<br>Homes Sold<br>(Quarter) | % Change in #<br>Homes Sold<br>*** | Average Days<br>on Market | % of Asking Price<br>(Sold/<br>List Price) |
|----------|---------------|---------------------|------------------------------------|------------------------------------|---------------------------|--|
| 01005    | \$194,600     | 0.00%               | 11                                 | 0.00%                              | 101                       | 93.5%                                      |
| 01037    | \$308,000     | -5.23%              | 3                                  | 50.00%                             | 315                       | 95.6%                                      |
| 01068    | \$184,300     | -29.66%             | 7                                  | 250.00%                            | 67                        | 94.9%                                      |
| 01083    | \$200,200     | -9.25%              | 15                                 | 15.38%                             | 113                       | 97.2%                                      |
| 01092    | \$73,500      | -53.48%             | 1                                  | -50.00%                            | 238                       | 82.6%                                      |
| 01331    | \$148,400     | -14.91%             | 37                                 | -15.91%                            | 121                       | 95.0%                                      |
| 01366    | \$182,500     | -62.73%             | 2                                  | -33.33%                            | 264                       | 90.1%                                      |
| 01368    | \$144,800     | -40.34%             | 6                                  | 50.00%                             | 86                        | 95.0%                                      |

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

Worcester County, MA

Data by Zip Codes for Q3 2008

| Zip Code | Average Price | Price Change<br>*** | Total #<br>Homes Sold<br>(Quarter) | % Change in #<br>Homes Sold<br>*** | Average Days<br>on Market | % of Asking Price<br>(Sold/<br>List Price) |
|----------|---------------|---------------------|------------------------------------|------------------------------------|---------------------------|--|
| 01420    | \$176,000     | -11.69%             | 60                                 | -7.69%                             | 129                       | 96.0%                                      |
| 01430    | \$226,700     | -8.29%              | 16                                 | -23.81%                            | 92                        | 96.0%                                      |
| 01436    | \$97,500      | -62.40%             | 1                                  | -50.00%                            | 74                        | 97.6%                                      |
| 01438    | \$148,500     | -10.00%             | 2                                  | 100.00%                            | 32                        | 95.8%                                      |
| 01440    | \$149,400     | -19.98%             | 31                                 | -20.51%                            | 109                       | 96.5%                                      |
| 01451    | \$647,000     | 9.14%               | 12                                 | -36.84%                            | 175                       | 95.2%                                      |
| 01452    | \$226,700     | -15.25%             | 3                                  | -78.57%                            | 235                       | 94.6%                                      |
| 01453    | \$226,600     | -13.71%             | 80                                 | -1.23%                             | 101                       | 97.0%                                      |
| 01462    | \$273,500     | -15.17%             | 30                                 | 15.38%                             | 111                       | 93.1%                                      |
| 01468    | \$203,500     | -20.76%             | 15                                 | -40.00%                            | 64                        | 98.5%                                      |
| 01473    | \$253,400     | -16.06%             | 21                                 | 5.00%                              | 137                       | 97.7%                                      |
| 01475    | \$200,700     | 6.13%               | 21                                 | 16.67%                             | 64                        | 95.2%                                      |
| 01501    | \$247,800     | -10.22%             | 41                                 | -18.00%                            | 78                        | 97.7%                                      |
| 01503    | \$458,800     | 11.63%              | 4                                  | 33.33%                             | 184                       | 95.9%                                      |
| 01504    | \$246,100     | -15.43%             | 11                                 | -45.00%                            | 129                       | 97.3%                                      |
| 01505    | \$400,400     | -15.99%             | 7                                  | -30.00%                            | 134                       | 98.0%                                      |
| 01506    | \$237,100     | -27.58%             | 5                                  | -37.50%                            | 150                       | 94.9%                                      |
| 01507    | \$310,600     | 5.90%               | 24                                 | 4.35%                              | 121                       | 95.5%                                      |
| 01510    | \$259,600     | -15.05%             | 25                                 | 25.00%                             | 105                       | 95.3%                                      |
| 01515    | \$221,200     | -4.28%              | 9                                  | 28.57%                             | 83                        | 96.7%                                      |
| 01516    | \$296,800     | -9.70%              | 21                                 | 0.00%                              | 125                       | 97.1%                                      |
| 01518    | \$410,000     | 18.70%              | 1                                  | -87.50%                            | 302                       | 97.6%                                      |
| 01519    | \$366,400     | -13.97%             | 15                                 | -34.78%                            | 104                       | 96.9%                                      |
| 01520    | \$293,700     | -13.82%             | 40                                 | -6.98%                             | 106                       | 96.1%                                      |
| 01522    | \$211,000     | -23.27%             | 2                                  | 0.00%                              | 178                       | 89.8%                                      |
| 01523    | \$273,300     | -22.71%             | 15                                 | -21.05%                            | 85                        | 96.0%                                      |
| 01524    | \$228,900     | -11.42%             | 15                                 | 7.14%                              | 137                       | 96.7%                                      |
| 01527    | \$272,400     | 1.68%               | 25                                 | -21.88%                            | 110                       | 94.9%                                      |
| 01529    | \$270,200     | -6.99%              | 12                                 | 200.00%                            | 176                       | 96.3%                                      |
| 01531    | \$250,000     | -32.80%             | 1                                  | -50.00%                            | 162                       | 90.9%                                      |
| 01532    | \$336,000     | -25.99%             | 23                                 | -54.00%                            | 127                       | 95.8%                                      |
| 01534    | \$375,600     | -4.74%              | 14                                 | 7.69%                              | 171                       | 96.7%                                      |
| 01535    | \$192,800     | 1.05%               | 12                                 | 20.00%                             | 98                        | 97.3%                                      |
| 01536    | \$432,200     | 0.21%               | 18                                 | -10.00%                            | 112                       | 95.6%                                      |
| 01537    | \$210,000     | -10.56%             | 2                                  | -60.00%                            | 97                        | 87.5%                                      |
| 01540    | \$233,400     | -11.82%             | 19                                 | -24.00%                            | 99                        | 97.7%                                      |

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

Worcester County, MA

Data by Zip Codes for Q3 2008

| Zip Code | Average Price | Price Change<br>*** | Total #<br>Homes Sold<br>(Quarter) | % Change in #<br>Homes Sold<br>*** | Average Days<br>on Market | % of Asking Price<br>(Sold/<br>List Price) |
|----------|---------------|---------------------|------------------------------------|------------------------------------|---------------------------|--|
| 01541    | \$297,000     | 1.85%               | 8                                  | -11.11%                            | 107                       | 90.3%                                      |
| 01542    | \$226,900     | 13.28%              | 3                                  | 0.00%                              | 124                       | 97.9%                                      |
| 01543    | \$276,200     | -7.81%              | 22                                 | 15.79%                             | 93                        | 97.9%                                      |
| 01545    | \$404,000     | -12.29%             | 82                                 | -8.89%                             | 90                        | 96.9%                                      |
| 01550    | \$157,800     | -23.32%             | 30                                 | -3.23%                             | 122                       | 98.4%                                      |
| 01560    | \$242,500     | -44.91%             | 7                                  | -41.67%                            | 89                        | 98.2%                                      |
| 01562    | \$219,500     | -9.15%              | 13                                 | -18.75%                            | 129                       | 96.7%                                      |
| 01564    | \$357,500     | 10.54%              | 20                                 | 17.65%                             | 97                        | 94.8%                                      |
| 01566    | \$243,900     | -30.05%             | 23                                 | -37.84%                            | 132                       | 95.6%                                      |
| 01568    | \$335,600     | -20.96%             | 11                                 | -45.00%                            | 130                       | 90.6%                                      |
| 01569    | \$275,800     | -15.61%             | 18                                 | -33.33%                            | 123                       | 96.7%                                      |
| 01570    | \$226,500     | -10.33%             | 34                                 | 47.83%                             | 118                       | 94.7%                                      |
| 01571    | \$224,200     | -27.82%             | 27                                 | -3.57%                             | 112                       | 95.3%                                      |
| 01581    | \$520,700     | -3.16%              | 51                                 | -5.56%                             | 65                        | 96.7%                                      |
| 01583    | \$274,800     | -27.17%             | 16                                 | 23.08%                             | 105                       | 95.4%                                      |
| 01585    | \$183,200     | -28.69%             | 17                                 | -10.53%                            | 117                       | 95.1%                                      |
| 01588    | \$294,100     | -7.78%              | 17                                 | -10.53%                            | 128                       | 97.0%                                      |
| 01590    | \$368,500     | -7.94%              | 23                                 | 9.52%                              | 126                       | 93.5%                                      |
| 01602    | \$219,300     | -12.63%             | 45                                 | -31.82%                            | 91                        | 97.0%                                      |
| 01603    | \$171,200     | -20.15%             | 26                                 | -16.13%                            | 66                        | 96.7%                                      |
| 01604    | \$188,200     | -14.88%             | 46                                 | -4.17%                             | 96                        | 95.0%                                      |
| 01605    | \$210,400     | -20.75%             | 34                                 | 21.43%                             | 98                        | 96.2%                                      |
| 01606    | \$192,500     | -22.10%             | 55                                 | 7.84%                              | 108                       | 96.1%                                      |
| 01607    | \$196,400     | -1.95%              | 14                                 | 180.00%                            | 86                        | 97.5%                                      |
| 01609    | \$345,100     | -26.53%             | 22                                 | -24.14%                            | 151                       | 94.0%                                      |
| 01610    | \$113,500     | N/A                 | 8                                  | N/A                                | 69                        | 94.7%                                      |
| 01611    | \$111,300     | -39.67%             | 2                                  | 100.00%                            | 117                       | 96.6%                                      |
| 01612    | \$322,900     | -12.80%             | 10                                 | -23.08%                            | 145                       | 95.5%                                      |
| 01740    | \$651,100     | -3.40%              | 11                                 | -57.69%                            | 135                       | 96.3%                                      |
| 01747    | \$327,600     | -14.02%             | 9                                  | 28.57%                             | 123                       | 96.1%                                      |
| 01756    | \$426,000     | -15.56%             | 11                                 | -15.38%                            | 64                        | 97.6%                                      |
| 01757    | \$272,800     | -16.52%             | 49                                 | 36.11%                             | 107                       | 96.8%                                      |
| 01772    | \$644,400     | -4.31%              | 17                                 | -15.00%                            | 75                        | 96.2%                                      |
| OTHER    | \$248,000     | -0.40%              | 1                                  | 0.00%                              | 60                        | 95.4%                                      |

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

Others

Data by Zip Codes for Q3 2008

| Zip Code | Average Price | Price Change<br>*** | Total #<br>Homes Sold<br>(Quarter) | % Change in #<br>Homes Sold<br>*** | Average Days<br>on Market | % of Asking Price<br>(Sold/<br>List Price) |
|----------|---------------|---------------------|------------------------------------|------------------------------------|---------------------------|--|
| 02535    | \$2,186,000   | N/A                 | 1                                  | N/A                                | 255                       | 87.6%                                      |
| 02539    | \$681,200     | -33.43%             | 2                                  | -33.33%                            | 133                       | 101.8%                                     |
| 02557    | \$446,300     | N/A                 | 2                                  | N/A                                | 15                        | 102.3%                                     |
| 02806    | \$342,500     | N/A                 | 2                                  | N/A                                | 131                       | 95.2%                                      |
| 02809    | \$300,300     | -9.77%              | 6                                  | 100.00%                            | 157                       | 92.6%                                      |
| 02813    | \$189,000     | N/A                 | 1                                  | N/A                                | 13                        | 97.0%                                      |
| 02814    | \$252,500     | -20.47%             | 2                                  | 0.00%                              | 91                        | 92.7%                                      |
| 02816    | \$181,900     | -13.38%             | 1                                  | 0.00%                              | 21                        | 101.7%                                     |
| 02828    | \$210,000     | N/A                 | 1                                  | N/A                                | 34                        | 100.0%                                     |
| 02830    | \$154,000     | -60.51%             | 1                                  | 0.00%                              | 140                       | 93.3%                                      |
| 02837    | \$1,207,600   | N/A                 | 6                                  | N/A                                | 46                        | 94.5%                                      |
| 02852    | \$204,000     | N/A                 | 1                                  | N/A                                | 13                        | 102.1%                                     |
| 02858    | \$60,000      | N/A                 | 1                                  | N/A                                | 70                        | 100.0%                                     |
| 02859    | \$432,500     | 121.91%             | 1                                  | 0.00%                              | 265                       | 98.3%                                      |
| 02860    | \$126,200     | -38.29%             | 3                                  | 50.00%                             | 84                        | 96.6%                                      |
| 02861    | \$206,000     | -11.66%             | 5                                  | -28.57%                            | 72                        | 93.1%                                      |
| 02864    | \$349,500     | 0.72%               | 15                                 | -34.78%                            | 76                        | 92.9%                                      |
| 02865    | \$605,000     | 83.33%              | 1                                  | -50.00%                            | 118                       | 93.1%                                      |
| 02871    | \$249,700     | -13.69%             | 5                                  | 66.67%                             | 131                       | 85.0%                                      |
| 02878    | \$427,500     | 5.63%               | 11                                 | -45.00%                            | 156                       | 91.3%                                      |
| 02882    | \$320,000     | N/A                 | 1                                  | N/A                                | 69                        | 86.7%                                      |
| 02885    | \$320,200     | 5.57%               | 3                                  | 0.00%                              | 123                       | 94.3%                                      |
| 02886    | \$75,000      | -45.65%             | 1                                  | 0.00%                              | 77                        | 79.9%                                      |
| 02888    | \$124,300     | N/A                 | 3                                  | N/A                                | 39                        | 96.7%                                      |
| 02889    | \$58,000      | N/A                 | 1                                  | N/A                                | 80                        | 96.6%                                      |
| 02891    | \$181,000     | N/A                 | 1                                  | N/A                                | 51                        | 101.7%                                     |
| 02895    | \$202,000     | -26.55%             | 5                                  | 400.00%                            | 83                        | 96.2%                                      |
| 02896    | \$200,500     | -39.30%             | 2                                  | -33.33%                            | 124                       | 98.4%                                      |
| 02904    | \$188,500     | N/A                 | 1                                  | N/A                                | 57                        | 99.3%                                      |
| 02909    | \$76,000      | N/A                 | 2                                  | N/A                                | 75                        | 93.9%                                      |
| 02910    | \$146,300     | -13.69%             | 5                                  | 150.00%                            | 75                        | 97.5%                                      |
| 02915    | \$249,600     | 13.61%              | 4                                  | 33.33%                             | 56                        | 94.7%                                      |
| 02917    | \$120,000     | N/A                 | 1                                  | N/A                                | 24                        | 107.1%                                     |
| 02919    | \$120,000     | -70.52%             | 1                                  | 0.00%                              | 11                        | 106.3%                                     |

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

Others

Data by Zip Codes for Q3 2008

| Zip Code | Average Price | Price Change<br>*** | Total #<br>Homes Sold<br>(Quarter) | % Change in #<br>Homes Sold<br>*** | Average Days<br>on Market | % of Asking Price<br>(Sold/<br>List Price) |
|----------|---------------|---------------------|------------------------------------|------------------------------------|---------------------------|--|
| 02920    | \$172,000     | 1.18%               | 1                                  | 0.00%                              | 29                        | 95.6%                                      |
| 03031    | \$483,500     | 38.98%              | 4                                  | 33.33%                             | 46                        | 97.1%                                      |
| 03032    | \$313,300     | N/A                 | 1                                  | N/A                                | 109                       | 95.2%                                      |
| 03034    | \$265,000     | 152.38%             | 1                                  | 0.00%                              | 159                       | 100.0%                                     |
| 03036    | \$351,500     | N/A                 | 2                                  | N/A                                | 138                       | 97.0%                                      |
| 03038    | \$322,700     | -8.61%              | 6                                  | -14.29%                            | 81                        | 101.4%                                     |
| 03042    | \$261,200     | -13.22%             | 2                                  | -50.00%                            | 91                        | 99.5%                                      |
| 03043    | \$309,900     | N/A                 | 1                                  | N/A                                | 328                       | 100.0%                                     |
| 03044    | \$186,800     | 74.91%              | 3                                  | 200.00%                            | 94                        | 89.1%                                      |
| 03045    | \$185,000     | N/A                 | 1                                  | N/A                                | 175                       | 92.5%                                      |
| 03048    | \$226,700     | -24.93%             | 2                                  | -33.33%                            | 186                       | 99.9%                                      |
| 03049    | \$372,600     | -10.22%             | 5                                  | 400.00%                            | 41                        | 97.7%                                      |
| 03051    | \$293,000     | -14.83%             | 9                                  | 125.00%                            | 227                       | 95.8%                                      |
| 03052    | \$252,000     | -25.97%             | 2                                  | -33.33%                            | 138                       | 95.1%                                      |
| 03053    | \$317,900     | -14.31%             | 7                                  | -53.33%                            | 85                        | 98.9%                                      |
| 03054    | \$260,500     | -18.59%             | 5                                  | -44.44%                            | 72                        | 98.0%                                      |
| 03055    | \$252,600     | -10.99%             | 2                                  | -71.43%                            | 279                       | 107.0%                                     |
| 03060    | \$266,300     | 10.96%              | 7                                  | 600.00%                            | 154                       | 96.5%                                      |
| 03062    | \$362,600     | -7.05%              | 5                                  | -28.57%                            | 42                        | 97.2%                                      |
| 03063    | \$327,700     | 6.85%               | 3                                  | 50.00%                             | 103                       | 98.8%                                      |
| 03064    | \$225,700     | -13.09%             | 4                                  | 100.00%                            | 101                       | 95.9%                                      |
| 03071    | \$233,100     | -3.56%              | 4                                  | -42.86%                            | 92                        | 98.4%                                      |
| 03076    | \$344,200     | -15.51%             | 16                                 | 23.08%                             | 133                       | 97.5%                                      |
| 03077    | \$264,900     | -3.67%              | 2                                  | 0.00%                              | 68                        | 100.0%                                     |
| 03079    | \$348,000     | -1.11%              | 25                                 | -7.41%                             | 87                        | 96.1%                                      |
| 03084    | \$250,000     | -15.25%             | 1                                  | -50.00%                            | 163                       | 92.9%                                      |
| 03087    | \$555,200     | -0.75%              | 10                                 | -37.50%                            | 131                       | 96.0%                                      |
| 03102    | \$223,000     | N/A                 | 2                                  | N/A                                | 38                        | 95.9%                                      |
| 03104    | \$270,500     | 7.13%               | 2                                  | 100.00%                            | 143                       | 99.1%                                      |
| 03106    | \$379,900     | 38.40%              | 1                                  | 0.00%                              | 52                        | 100.0%                                     |
| 03110    | \$735,400     | 66.08%              | 7                                  | 16.67%                             | 87                        | 85.4%                                      |
| 03221    | \$225,000     | N/A                 | 1                                  | N/A                                | 41                        | 88.2%                                      |
| 03234    | \$226,000     | N/A                 | 1                                  | N/A                                | 177                       | 98.3%                                      |
| 03249    | \$339,000     | N/A                 | 1                                  | N/A                                | 42                        | 96.9%                                      |
| 03254    | \$77,000      | -61.98%             | 1                                  | -50.00%                            | 113                       | 96.4%                                      |
| 03269    | \$275,000     | N/A                 | 1                                  | N/A                                | 227                       | 78.6%                                      |

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

**Others**

**Data by Zip Codes for Q3 2008**

| Zip Code | Average Price | Price Change<br>*** | Total #<br>Homes Sold<br>(Quarter) | % Change in #<br>Homes Sold<br>*** | Average Days<br>on Market | % of Asking Price<br>(Sold/<br>List Price) |
|----------|---------------|---------------------|------------------------------------|------------------------------------|---------------------------|--|
| 03281    | \$280,000     | N/A                 | 1                                  | N/A                                | 53                        | 100.0%                                     |
| 03301    | \$263,200     | -1.90%              | 1                                  | -85.71%                            | 600                       | 103.2%                                     |
| 03303    | \$242,400     | N/A                 | 3                                  | N/A                                | 376                       | 102.8%                                     |
| 03452    | \$137,000     | -46.32%             | 1                                  | -50.00%                            | 43                        | 98.6%                                      |
| 03458    | \$310,000     | 60.62%              | 1                                  | -50.00%                            | 224                       | 82.7%                                      |
| 03461    | \$204,800     | -24.79%             | 12                                 | -20.00%                            | 118                       | 95.5%                                      |
| 03561    | \$140,000     | N/A                 | 1                                  | N/A                                | 301                       | 87.6%                                      |
| 03570    | \$60,500      | -52.10%             | 4                                  | 0.00%                              | 279                       | 91.8%                                      |
| 03579    | \$300,000     | 3.45%               | 1                                  | 0.00%                              | 415                       | 94.0%                                      |
| 03581    | \$140,500     | 3.92%               | 1                                  | -80.00%                            | 7                         | 102.6%                                     |
| 03801    | \$385,000     | 12.67%              | 1                                  | -66.67%                            | 14                        | 97.5%                                      |
| 03811    | \$357,000     | 5.53%               | 7                                  | -12.50%                            | 174                       | 96.4%                                      |
| 03819    | \$277,000     | 9.49%               | 5                                  | 0.00%                              | 137                       | 91.8%                                      |
| 03820    | \$225,000     | -13.43%             | 1                                  | 0.00%                              | 42                        | 97.2%                                      |
| 03826    | \$315,000     | N/A                 | 2                                  | N/A                                | 64                        | 97.7%                                      |
| 03827    | \$225,000     | -47.61%             | 2                                  | 0.00%                              | 136                       | 86.4%                                      |
| 03841    | \$346,000     | -8.78%              | 4                                  | 33.33%                             | 146                       | 98.0%                                      |
| 03842    | \$202,000     | N/A                 | 2                                  | N/A                                | 186                       | 95.1%                                      |
| 03844    | \$1,021,000   | 33.46%              | 1                                  | 0.00%                              | 95                        | 92.9%                                      |
| 03848    | \$401,300     | 45.45%              | 2                                  | -60.00%                            | 62                        | 94.4%                                      |
| 03850    | \$520,000     | N/A                 | 1                                  | N/A                                | 91                        | 94.6%                                      |
| 03856    | \$73,900      | N/A                 | 1                                  | N/A                                | 114                       | 82.1%                                      |
| 03858    | \$274,300     | -20.28%             | 9                                  | 80.00%                             | 131                       | 96.8%                                      |
| 03865    | \$210,400     | -35.14%             | 6                                  | 50.00%                             | 91                        | 93.0%                                      |
| 03868    | \$147,000     | N/A                 | 1                                  | N/A                                | 19                        | 101.4%                                     |
| 03873    | \$316,200     | 9.60%               | 3                                  | 50.00%                             | 139                       | 97.0%                                      |
| 03874    | \$270,000     | 1.93%               | 1                                  | 0.00%                              | 14                        | 98.2%                                      |
| 03903    | \$221,000     | N/A                 | 1                                  | N/A                                | 140                       | 96.1%                                      |
| 03904    | \$330,000     | -37.44%             | 1                                  | 0.00%                              | 94                        | 97.1%                                      |
| 05101    | \$142,500     | N/A                 | 1                                  | N/A                                | 54                        | 96.6%                                      |
| 06002    | \$199,000     | N/A                 | 1                                  | N/A                                | 116                       | 90.5%                                      |
| 06060    | \$405,000     | N/A                 | 1                                  | N/A                                | 5                         | 94.2%                                      |
| 06071    | \$355,500     | -15.22%             | 3                                  | 0.00%                              | 119                       | 97.1%                                      |
| 06076    | \$203,800     | -30.04%             | 5                                  | 150.00%                            | 73                        | 96.4%                                      |
| 06078    | \$397,900     | -11.38%             | 3                                  | 0.00%                              | 73                        | 94.9%                                      |
| 06082    | \$189,800     | -36.54%             | 7                                  | -12.50%                            | 64                        | 97.2%                                      |

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



**Others**

**Data by Zip Codes for Q3 2008**

| Zip Code | Average Price | Price Change<br>*** | Total #<br>Homes Sold<br>(Quarter) | % Change in #<br>Homes Sold<br>*** | Average Days<br>on Market | % of Asking Price<br>(Sold/<br>List Price) |
|----------|---------------|---------------------|------------------------------------|------------------------------------|---------------------------|--|
| 06095    | \$202,500     | -3.80%              | 1                                  | -66.67%                            | 45                        | 94.2%                                      |
| 06226    | \$172,700     | N/A                 | 4                                  | N/A                                | 42                        | 98.8%                                      |
| 06234    | \$210,000     | N/A                 | 1                                  | N/A                                | 127                       | 95.9%                                      |
| 06235    | \$170,900     | N/A                 | 1                                  | N/A                                | 285                       | 103.6%                                     |
| 06239    | \$160,000     | -43.20%             | 1                                  | -66.67%                            | 26                        | 100.1%                                     |
| 06255    | \$191,300     | 53.04%              | 2                                  | 100.00%                            | 70                        | 94.5%                                      |
| 06259    | \$233,000     | N/A                 | 1                                  | N/A                                | 31                        | 99.1%                                      |
| 06260    | \$165,000     | N/A                 | 1                                  | N/A                                | 72                        | 94.3%                                      |
| 06277    | \$178,000     | -29.03%             | 2                                  | -60.00%                            | 63                        | 93.7%                                      |
| 06281    | \$398,500     | 66.11%              | 1                                  | 0.00%                              | 26                        | 93.8%                                      |
| 06354    | \$195,000     | N/A                 | 1                                  | N/A                                | 125                       | 97.5%                                      |
| 34465    | \$450,000     | N/A                 | 1                                  | N/A                                | 98                        | 88.3%                                      |

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

## They Want How Much?

Ken Fears

Manger, Regional Economics

Accurate pricing is one key to selling a home during this tumultuous market. While sellers may be focused on prices realized during the peak of the boom, buyers are looking for bargains. This contradiction can make a Realtor's job more difficult by scaring away buyers or creating the impression of a difficult seller. In the end, initial pricing is paramount in this environment.

Realtors are often at the mercy of their sellers' or buyers' perspective and expectations. Since the national media drives the perspective of local housing markets, sellers' and buyers' are often misinformed on local trends. Sellers may expect substantially higher prices for their homes than are realistic in this slow environment. To be fair, a seller may have bought for more than the current value of their home, but more often than not, a seller has already allocated the perceived equity for some large expenditure whether it is a trade-up home, college education, or some other good. Similarly, buyers may expect dramatic reductions on homes in their local market, even homes with the best amenities. Buyers, pummeled for years during the strong housing market (remember those lines just to get into an open house?) feel entitled to their time in the sun and the benefits of a "bubble" bursting.

These two widely varying perspectives can cause serious problems with pricing. A home that is new to the market with a high relative listing price could sit on the market with very little interest. The buyer could perceive this home as out of their range. Worse yet, the buyer might assume that the seller is being unrealistic and could be difficult to work with. A negative perception of the home or seller could linger for months on a multiple listing service where the initial listing price is preserved for all to see.

Re-listing a home repeatedly with a lower re-list price can suggest a problem with the home or a difficult seller. This may be true or it may just be a perception, but sellers' and buyers' agents should take note of it. It could be a weak situation for a seller and an opportunity for a buyer.

Here in the area covered by the MLS Property Information Network the average price concessions<sup>1</sup> have been widest for homes below the national median home price of \$203,100. While the average concession for all homes above the national average is 3.9%, this figure is largest when the home takes longer than 149 days to sell, suggesting that sellers might move their home quicker with a faster price adjustment. Similarly, concessions on homes below the national average were largest when the sale took more than 149 days emphasizing the need for accurate, initial pricing.

| Days on Market    | Total | DOM<30 | 29<DOM<60 | 59<DOM<100 | 99<DOM<150 | DOM>149 |
|-------------------|-------|--------|-----------|------------|------------|---------|
| Price < \$203,100 | 5.0%  | 2.4%   | 5.7%      | 5.7%       | 5.7%       | 6.6%    |
| Price > \$203,100 | 3.9%  | 2.0%   | 3.8%      | 4.5%       | 4.5%       | 5.1%    |

The extreme swings of the housing market over the last 7 years have widened the gap between the expectations of buyers and sellers. As a result, an overpriced home can linger on the market much longer or be forced to make substantial concessions. Bridging this gap between your client and the reality of today's market in the area covered by the MLS Property Information Network is one key to completing a transaction and making your client happy in the end. Initial pricing and realistic expectations can be the difference between a buyer who walks away shaking their head in disgust or calls their Realtor, ready to haggle.

<sup>1</sup>The concession refers is defined to be the final sale price divided by the initial listing price (the concession ratio as shown in zip code tables of this report) the subtracted from one. A larger concession implies weaker bargaining power for sellers.

# Amidst the Confusion, Some Positive Signs

by Lawrence Yun, NAR Chief Economist

Part of the government's original \$700 billion plan to purchase troubled mortgages and take them off banks' books is being shelved – primarily because of the long-time involvement to implement it effectively. Instead, the money will be used to quickly strengthen the capital position of financial institutions and support securitization for consumer financing. The goal is to get capital to lenders (banks, mortgage companies, other financial institutions) so that they can start issuing loans to consumers and companies. In one sense the plan is working; the LIBOR rates – the key rate measurement of liquidity flow in the financial system — have begun to thaw after being essentially frozen. But in a greater respect the plan is not yet working: residential mortgage rates stubbornly carry a high spread above Treasury rates, commercial mortgage loans are non-existent and the banks are not still lending to small businesses.

The good news on the real estate front is that mortgages backed by Fannie Mae and Freddie Mac (now under the governance of the Federal Housing Finance Agency) have received stronger support. Treasury Secretary Henry Paulson recently said the following regarding the mortgage-backed securities of Fannie and Freddie: “The U.S. government honors its commitments and investors can bank on it.” Let's all hope he's right on both counts. Still, there has been investor confusion about what “effective” vs. “explicit” guarantee of Fannie and Freddie debts actually means. That confusion has pushed up mortgage rates.

Yes, we are in the midst of one of the worst financial crises in a generation. The confusion in the markets has also affected consumers — some consumers mistakenly believe mortgage loans are not available. However, massive government efforts are being made to ensure mortgages flow to qualified consumers. There are loans out there.

Perhaps also a bit confusing for consumers, against this turmoil of financial and credit concerns: housing affordability has been *improving* consistently over the last few months. Affordability is as high as it's been since 2003. The latest NAR Housing Affordability Index stood at 135.2 for September – up from August's revised reading of 123.3 and a third consecutive monthly increase. That means that a family earning the median family income has 135 percent of the income necessary to qualify for a conventional loan covering 80 percent of a median-priced existing single-family home.

That improved affordability has led to improved home sales. In September, existing-home sales rose more than five percent from the level in August. In Arizona, California and Nevada, sales rose 20 percent or more between the second and third quarters of 2008. In fact, 19 states experienced increased or no change in sales during that time.

Those home sales are helping to work off housing inventory. Shrinking inventory is another sign that the real estate market is stabilizing. Inventory of new homes has been falling since posting a peak supply of 570,000 new homes in August 2006. As of September 2008, new-home inventory had fallen to 394,000. The inventory of existing homes has also declined – from an 11.2 month supply in April to a 9.9 month supply in September.

While these signs are encouraging, more must be done, particularly given our economic contraction forecast of about two percent in the fourth quarter of this year, and a jobless rate that could easily surpass 7 percent in 2009. NAR research indicates that an interest-rate deduction of just 1 percentage point could result in as many as 840,000 additional home sales. That could further reduce the inventory of homes by as much as 20 percent.

To encourage more buyers into the housing market, NAR has proposed that the government buy-down mortgage interest rates to ensure fixed low rates for home buyers. NAR also presented a four-point plan to Congress last month recommending, in part, that the repayment feature be removed from the first-time home buyer tax credit, that the tax credit be extended to all buyers, and that higher FHA and conventional loan limits be made permanent – up to \$729,000 in high-cost areas – to give buyers in these areas access to safer, more affordable mortgages. A meaningful shrinking of inventory can only occur with new set of buyers entering the market. Only then will home prices, Wall Street and the economy begin to turn toward a sustainable recovery.

While NAR will continue to press for additional housing stimulus, the housing recovery – and the subsequent economic recovery – also depends on restoring consumer confidence. REALTORS® are an essential part of that. Buying a home has been a path to long-term wealth accumulation for a vast number of homeowners. REALTORS® have the knowledge, experience and expertise to help their clients make informed, smart decisions in these difficult times.

# Forecast for the Slowing Market

by Lawrence Yun, NAR Chief Economist

The U.S. economy has entered a recession and will contract for the next three quarters, and the recovery, from the second half of 2009, will be tepid. The unemployment rate will rise through the middle of 2009 before steadily heading down. However, existing home sales will be rising despite challenging economic times.

The most important factor driving home sales is affordability. With home prices falling in many parts of the country and mortgage rates still near historic lows, affordability conditions have markedly improved. Even with rising unemployment, nearly 93 percent of households will have jobs. This 93 percent of working households (rather than 95 percent during good economic times) respond to incentives. Added measures, from the first-time homebuyer tax credit to a larger number of mortgage loans qualifying to be purchased by Fannie and Freddie and through the FHA program, will further bring homebuyers to the marketplace.








Back in the previous recession, the economy shed nearly 2 million net jobs from 2001 to 2003. All the while, existing home sales rose from 5.2 million to 6.2 million just as jobs were being cut. New home sales likewise rose from 900,000 to 1.1 million. Mortgage rates were falling and housing affordability was rising during these years. The 2 million job cuts were painful, but the economy still had 130 million job holders.

Sales have been rising in California and Florida for several months and the momentum appears to be building with even a higher year-over-year sales increases with each passing month. This trend has expanded to Arizona and Nevada and northern Virginia. Now more markets are participating in the home sales recovery including Rhode Island, Minnesota, and Colorado. Existing home sales, therefore, will likely breakout from the narrow trading range of 4.8 to 5 million of the past 12 months to 5.2 million by the year end and to 5.4 million in 2009. Even with the improvement, the next year's sales level will still be well below the 7.1 million peak sales achieved with rampant speculative buying in 2005.

New home sales will be a different story. There is an overhang of inventory and homebuilders are being forced to cut back sharply. New housing starts have fallen by about 60 percent from peak activity three years back. Because of the cutback in new home construction, the inventory of vacant new homes on the market has fallen to 408,000 as of August from nearly 600,000 just two years ago. The total inventory - new and existing combined - still remains elevated, so further reduction in building by builders will be welcomed. Because of low housing starts, new home sales will continue to tread at soft levels - under 500,000 in 2009 (far below the 1.2 million peak sales in 2005).

On the economic front, recession in itself is not a positive for the housing market because there are fewer job holders. But if a recession is accompanied by rising housing affordability, then home sales can trend higher - as is now. A prolonged deep recession, however - certainly a possibility in light of the most severely tested financial market stress since the Great Depression - can dampen consumer confidence and put up barriers to home buying. Fortunately, the economic downturn appears manageable provided a right stimulus package get through. President-Elect Obama clearly recognize the need to get the housing market moving. The two housing stimulus bills (homebuyer tax credit and higher loan limits), \$700 billion Treasury plan and the Federal Reserve's actions are designed to assure steady mortgage flow and help revive the housing sector. With it, the economy will expand and create jobs. America and its exceptional ingenuity always find a way to move past crises and back to economic prosperity.

This table reflects data available through November of 2008.

| Monthly Indicator   | Recent Statistics   | Likely Direction Over the Next Six Months   | Forecast   |
|---|---|---|--|
| <p><b>Existing Home Sales</b> posted 5.18 million seasonally adjusted annualized units in September – a 5.5% increase from August’s resales pace and 1.4% ahead of the pace registered in September 2007. Home prices continued to retreat, with the national median price of an existing home at \$191,600 in September. Housing inventory declined to a 9.9 months supply at the current sales pace.</p>  | Sept 08 5,180<br>Aug 08 4,910<br>Sept 07 5,110              |    | Modest gains in months ahead.  |
| <p><b>New Home Sales</b> rose 2.7% in September to 464,000 seasonally adjusted annualized units. The pace is still 33.1% off that posted in September of 2007. The inventory of new homes available for sale at the end of the month declined to 394,000 – a 10.4 months supply at the current sales pace.</p>  | Sept 08 464<br>Aug 08 452<br>Sept 07 694                    |    | New homes are a difficult sell when existing homes are cheaper                     |
| <p><b>Housing Starts</b> posted a seasonally adjusted annual rate of 817,000 units – a 6.3% decline from August’s level and 31.1% off the level registered in September of 2007. Single-family housing starts were down 12.0% from the previous month, but multifamily starts rose 5.8% from August. Housing permits, generally a reliable indicator for future starts declined 8.3% from August to 786,000 – 38.4% off the level posted in September 2007.</p> | May 08 817<br>Apr 08 872<br>May 07 1,185                    |    | Foreclosure inventory keeps builders at bay  |
| <p><b>Housing Affordability</b> improved in September. NAR’s housing affordability index stood at 135.2 for September – up from August’s revised reading of 123.3 and a third consecutive monthly increase. The rise in affordability was due to a decline in the national median price for an existing home, a decrease in qualifying income, and lower interest rates.</p>  | Sept 08 135.2<br>Aug 08 123.2<br>Sept 07 115.8              |   | It may be hard to repeat the good gains in affordability from the prior year       |
| <p><b>Mortgage Rates</b> The 30-year fixed mortgage rate rose to 6.20% in October, after dropping in September. Gaps continue to widen between mortgage bond yields from Fannie Mae and Freddie Mac as compared to the US treasuries and was one of the main reasons for the driving up of rates. Still, compared to a year ago, mortgage rates are lower.</p>  | Oct 08 6.20%<br>Sept 08 6.04%<br>Oct 07 6.38%               |  | Depends on how Fannie and Freddie are pushed to get the rates down                 |
| <p><b>Employment</b> The economy continued to lose jobs in October as 240,000 non-farm payrolls were cut. Job losses in both September and August were revised upward – significantly. The nation’s unemployment rate also rose significantly – to a 14-year high of 6.5%. Job gains in sectors including government, health care and accounting/bookkeeping were not enough to offset the major losses in construction, retail, securities firms and auto</p>  | Oct 08 -62<br>Sept 08 -62<br>12-month total -1,138 thousand |  | Job losses will continue for six more months                                       |
| <p><b>Economic Growth</b> The U.S. economy contracted in the third quarter of 2008, as real gross domestic product (GDP) decreased at an annual rate of 0.3%. This is the first estimate of third quarter economic growth based on incomplete data. Among the major components contributing to the negative GDP figure were sharp declines in personal consumption expenditures and slower growth in exports.</p>   | 2008:III -0.3%<br>2008:II 2.8%<br>2007:III 4.8%             |  | The right stimulus package needs to be structured to get the economy back on track |

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