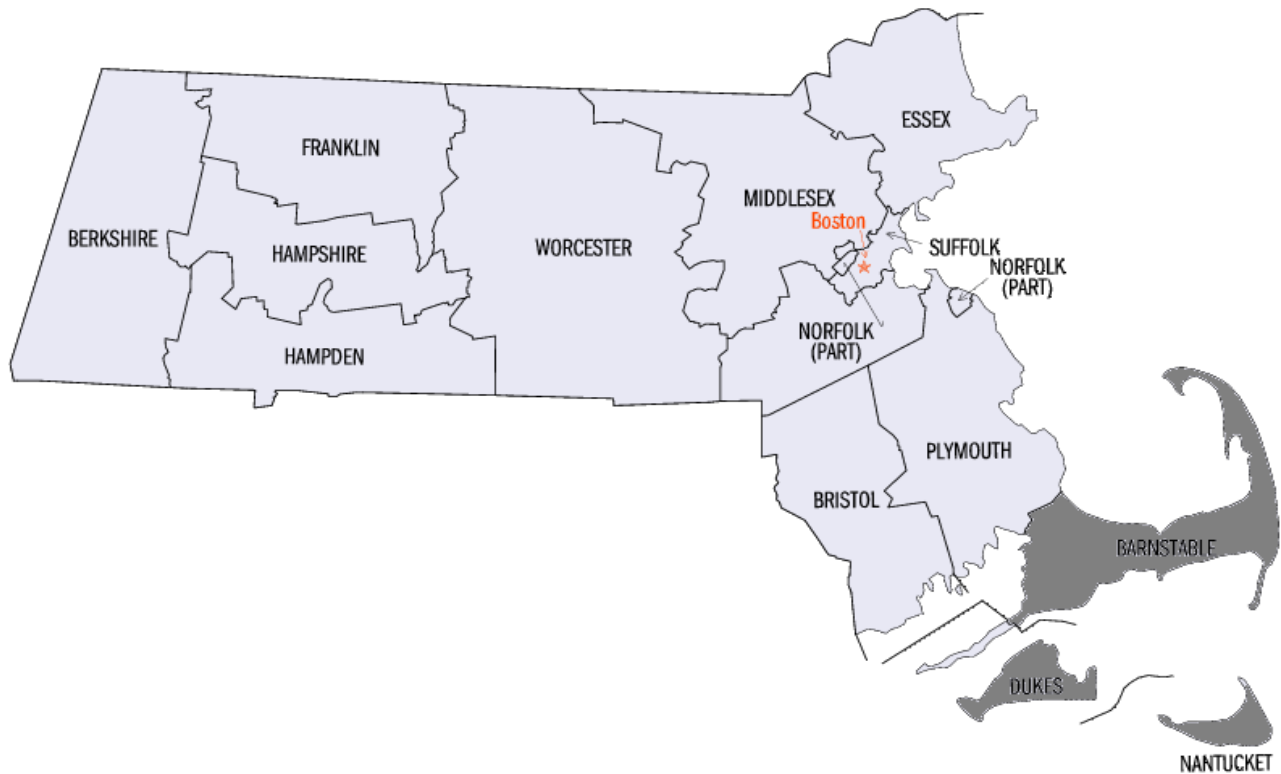


Economic and Market Watch Report

1st Quarter, 2004



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

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MLS Property Information Network, Inc.

Economic and Market Watch Report

MLS Property Information Network, Inc., is the largest MLS in Massachusetts, as well as New England. It provides service to more than 20,000 real estate professionals throughout the state with a comprehensive database of more than 26,000 Active listings, and one million Off-market listings. This database also includes complete statewide assessments, tax, and deed transfers. MLS PIN prides itself in quality customer service with a professional and experienced staff, evening and weekend support, and free hands-on training throughout the state. We have also recently incorporated evening classes at our training site located in Shrewsbury. In addition, we provide state-of-the art technology which includes PINwheel 360 virtual tours and our most recently developed in-house program H3MLS. Some of the many highlights of H3MLS include customized VOW web sites for each and every customer, instant real-time client updates, and instant photo uploads all at no additional cost. It is our goal to connect the real estate professionals of Massachusetts everyday with our service, technical expertise, credibility, and drive to always offer the best and most up to date services available.

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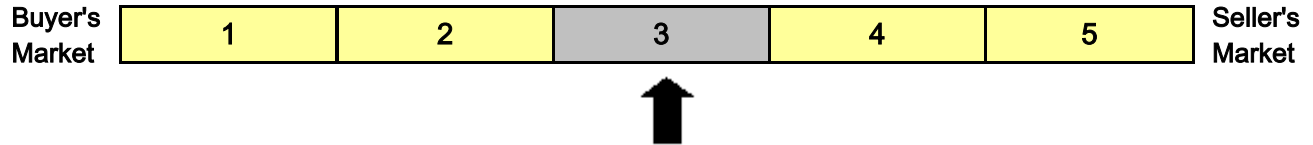
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BERKSHIRE COUNTY, MA



Labor Market :

Employment declined by 1,696 jobs in January and February. The job losses brought about an increase in the average monthly unemployment rate from 4.6% in the fourth quarter to 6.1% for the first two months of the first quarter. Despite the job losses, the job situation still remains strong in Berkshire County. Combined with favorable low mortgage rates, home sales should continue at a strong pace.

Housing Market :

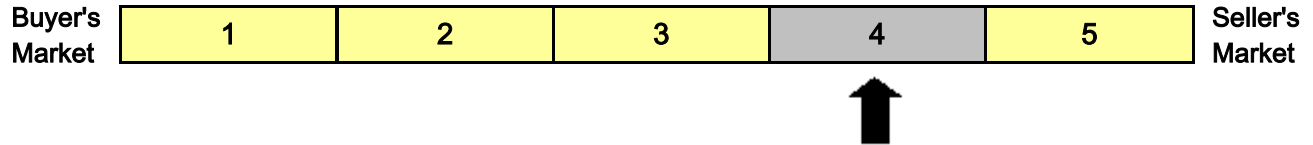
	Q4' 03	Q1' 04	Q2' 04 (Forecast)
Average Price	\$89,300	\$47,400	↑
# Homes on the Market *	9	13	↔
# Homes Sold **	3	3	↓
# New Homes Built ***	20	7	↓
Avg # of Days on Market	44	105	↑

* Available as of Mar. 31, 2004.
 ** May not add to total of zip codes
 *** During the first two months of 1st quarter.

Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
01011	\$39,900	-	1	-	179	100.0%
01223	\$52,300	-	1	-	30	100.0%
01247	\$50,000	-	1	-	106	94.5%

BRISTOL COUNTY, MA



Labor Market :

Employment declined by 5,152 jobs in January and February. The job losses brought about an increase in the average monthly unemployment rate from 6.3% in the fourth quarter to 8.6% for the first two months of the first quarter. Despite the job losses, the job situation still remains strong in Bristol County. Combined with favorable low mortgage rates, home sales should continue at a strong pace.

Housing Market :

	Q4' 03	Q1' 04	Q2' 04 (Forecast)
Average Price	\$319,100	\$313,700	
# Homes on the Market *	1,154	1,811	
# Homes Sold **	780	572	
# New Homes Built ***	333	162	
Avg # of Days on Market	64	64	

* Available as of Mar. 31, 2004.

** May not add to total of zip codes

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

Data by Zip Codes

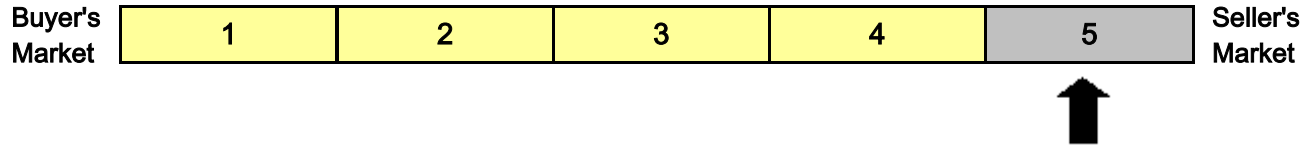
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
02048	\$374,400	-3.46%	40	14.29%	57	98.9%
02334	\$126,500	-	1	-	155	97.4%
02356	\$492,800	18.89%	21	40.00%	65	100.2%
02375	\$462,000	21.01%	12	-25.00%	65	97.8%
02702	\$255,300	-1.96%	8	300.00%	47	96.8%
02703	\$304,500	11.62%	82	-7.87%	71	98.3%
02715	\$436,500	83.40%	2	-33.33%	154	95.1%
02717	\$306,700	6.57%	6	20.00%	63	96.9%

BRISTOL COUNTY, MA

Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
02718	\$284,300	22.44%	11	37.50%	69	99.3%
02719	\$260,400	26.10%	20	11.11%	78	93.0%
02720	\$265,600	-4.87%	23	43.75%	81	96.5%
02721	\$197,900	10.07%	8	-27.27%	89	101.0%
02723	\$205,500	0.74%	5	150.00%	53	98.0%
02724	\$235,200	34.79%	8	33.33%	49	98.6%
02725	\$195,000	-20.18%	1	-66.67%	2	100.0%
02726	\$284,200	15.76%	14	-46.15%	51	95.5%
02740	\$202,400	10.18%	29	7.41%	64	98.3%
02743	\$293,600	7.66%	5	-58.33%	102	93.6%
02744	\$259,000	88.23%	1	-66.67%	143	99.7%
02745	\$222,300	13.82%	10	-50.00%	56	97.2%
02746	\$190,000	40.85%	5	400.00%	46	97.0%
02747	\$360,900	47.97%	14	-17.65%	59	96.4%
02748	\$533,000	33.82%	3	-57.14%	83	90.9%
02760	\$349,800	3.31%	46	-22.03%	52	98.7%
02763	\$254,900	-24.81%	1	0.00%	12	100.0%
02764	\$316,400	3.74%	4	0.00%	37	99.2%
02766	\$327,400	9.02%	28	3.70%	58	97.9%
02767	\$357,100	32.31%	18	0.00%	40	100.2%
02769	\$378,000	-7.35%	16	128.57%	50	96.7%
02771	\$277,400	-4.44%	14	16.67%	57	97.2%
02777	\$266,000	21.46%	17	-10.53%	75	92.7%
02779	\$365,200	16.94%	13	8.33%	68	98.7%
02780	\$278,700	1.79%	68	23.64%	73	98.0%
02790	\$408,000	40.69%	11	-15.38%	56	91.6%
02791	\$515,000	-	1	-	12	98.1%
OTHER	\$307,000	-3.97%	6	0.00%	79	99.1%

ESSEX COUNTY, MA



Labor Market :

Employment declined by 7,704 jobs in January and February. The job losses brought about an increase in the average monthly unemployment rate from 6.3% in the fourth quarter to 7.1% for the first two months of the first quarter. Despite the job losses, the job situation still remains strong in Essex County. Combined with favorable low mortgage rates, home sales should continue at a strong pace.

Housing Market :

	Q4' 03	Q1' 04	Q2' 04 (Forecast)
Average Price	\$433,400	\$420,500	↑
# Homes on the Market *	1,707	2,693	↔
# Homes Sold **	1,455	996	↓
# New Homes Built ***	281	131	↓
Avg # of Days on Market	67	74	↑

* Available as of Mar. 31, 2004.

** May not add to total of zip codes

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

Data by Zip Codes

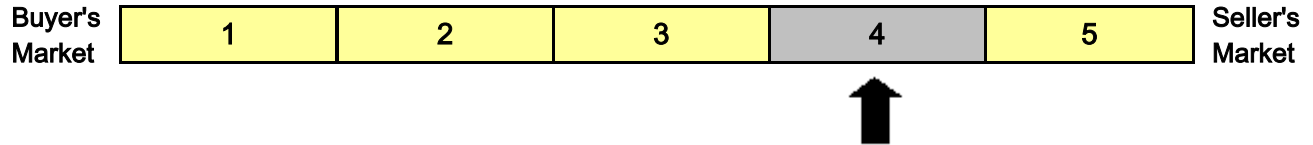
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
01810	\$581,400	3.45%	65	58.54%	60	98.9%
01830	\$319,500	19.39%	47	11.90%	74	89.5%
01832	\$335,600	8.86%	14	-41.67%	89	99.0%
01833	\$490,300	12.25%	18	-28.00%	135	99.7%
01834	\$371,900	2.14%	10	0.00%	66	97.3%
01835	\$344,000	3.68%	28	-3.45%	67	97.8%
01840	\$265,000	-	1	-	48	100.0%
01841	\$202,100	9.42%	21	-12.50%	63	97.6%

ESSEX COUNTY, MA

Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
01843	\$221,500	4.33%	17	-22.73%	68	95.3%
01844	\$277,100	-3.21%	78	-3.70%	60	98.0%
01845	\$492,900	-9.87%	46	4.55%	61	98.2%
01860	\$285,100	17.37%	11	-21.43%	89	90.8%
01902	\$249,000	-3.38%	51	59.38%	78	96.4%
01904	\$293,400	8.07%	37	8.82%	69	97.6%
01905	\$238,000	7.84%	25	31.58%	57	97.9%
01906	\$385,400	16.54%	36	9.09%	67	95.9%
01907	\$461,800	8.23%	24	33.33%	69	96.6%
01908	\$755,300	-25.55%	4	100.00%	94	97.0%
01913	\$350,200	7.29%	33	22.22%	75	97.1%
01915	\$477,000	6.24%	54	1.89%	69	96.5%
01921	\$749,200	19.87%	16	0.00%	125	95.5%
01922	\$512,500	-1.18%	2	-66.67%	74	98.6%
01923	\$410,400	11.86%	29	-17.14%	72	96.5%
01929	\$543,300	59.79%	3	-50.00%	216	92.1%
01930	\$525,400	35.87%	23	-42.50%	85	95.1%
01938	\$551,100	33.66%	25	13.64%	86	94.8%
01940	\$624,900	27.79%	22	-26.67%	69	95.0%
01944	\$565,000	-10.50%	7	16.67%	155	95.7%
01945	\$653,200	27.16%	47	14.63%	84	94.7%
01949	\$651,300	-1.81%	8	60.00%	100	96.7%
01950	\$492,200	19.21%	29	11.54%	68	98.0%
01951	\$491,000	-2.64%	12	200.00%	133	99.2%
01952	\$345,800	13.94%	6	-40.00%	52	98.9%
01960	\$363,300	0.72%	39	-17.02%	67	97.7%
01966	\$457,600	-15.54%	8	-38.46%	96	91.6%
01969	\$395,500	-8.72%	11	175.00%	88	97.8%
01970	\$334,900	3.78%	49	75.00%	64	97.1%
01982	\$567,600	29.47%	13	0.00%	95	98.2%
01983	\$572,500	11.42%	6	-45.45%	73	97.3%
01984	\$673,100	-10.35%	4	-50.00%	140	96.6%
01985	\$599,800	7.82%	4	-33.33%	76	90.2%
OTHER	\$453,200	-17.99%	13	30.00%	76	96.4%

FRANKLIN COUNTY, MA



Labor Market :

Employment declined by 1,061 jobs in January and February. The job losses brought about an increase in the average monthly unemployment rate from 3.9% in the fourth quarter to 5.3% for the first two months of the first quarter. Despite the job losses, the job situation still remains strong in Franklin County. Combined with favorable low mortgage rates, home sales should continue at a strong pace.

Housing Market :

	Q4' 03	Q1' 04	Q2' 04 (Forecast)
Average Price	\$177,500	\$193,000	↑
# Homes on the Market *	188	287	↔
# Homes Sold **	160	95	↓
# New Homes Built ***	22	7	↓
Avg # of Days on Market	76	68	↑

* Available as of Mar. 31, 2004.

** May not add to total of zip codes

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

Data by Zip Codes

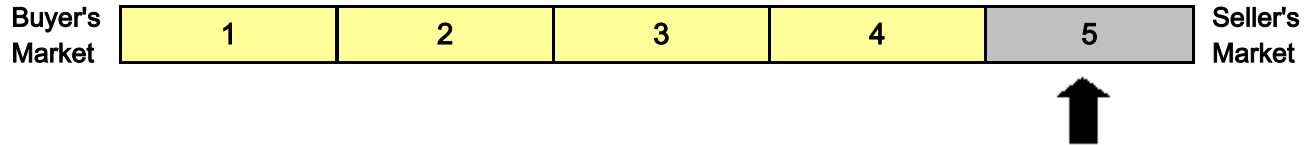
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
01054	\$345,700	20.87%	3	200.00%	39	89.0%
01072	\$78,500	-68.80%	1	-66.67%	125	98.2%
01093	\$244,000	-33.15%	2	100.00%	43	98.6%
01301	\$152,400	10.68%	20	81.82%	48	97.2%
01330	\$175,000	-26.93%	2	-50.00%	78	97.5%
01337	\$239,300	113.47%	6	20.00%	94	96.6%
01339	\$190,000	-	1	-	45	95.5%
01340	\$265,000	95.57%	2	-33.33%	59	97.4%

FRANKLIN COUNTY, MA

Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
01341	\$353,800	4.03%	4	-20.00%	121	91.0%
01342	\$511,500	-	2	-	105	95.6%
01344	\$126,500	-	2	-	32	95.5%
01349	\$166,700	61.84%	3	200.00%	52	97.5%
01351	\$177,000	-9.23%	1	-50.00%	82	95.7%
01360	\$131,700	5.61%	5	66.67%	106	100.7%
01364	\$142,500	-8.77%	14	55.56%	62	97.6%
01367	\$192,500	-	2	-	91	90.6%
01370	\$385,800	158.93%	2	0.00%	110	90.9%
01373	\$239,600	-3.74%	4	-20.00%	39	98.3%
01375	\$205,500	-9.67%	3	-25.00%	76	96.8%
01376	\$154,200	-20.88%	11	37.50%	54	100.4%
01378	\$156,700	-	3	-	49	93.1%
01379	\$144,000	-	1	-	296	96.1%
OTHER	\$118,000	-	1	-	161	69.8%

HAMPDEN COUNTY, MA



Labor Market :

Employment declined by 6,450 jobs in January and February. The job losses brought about an increase in the average monthly unemployment rate from 6.1% in the fourth quarter to 7.6% for the first two months of the first quarter. Despite the job losses, the job situation still remains strong in Hampden County. Combined with favorable low mortgage rates, home sales should continue at a strong pace.

Housing Market :

	Q4' 03	Q1' 04	Q2' 04 (Forecast)
Average Price	\$178,600	\$179,600	↑
# Homes on the Market *	978	1,513	↔
# Homes Sold **	958	622	↓
# New Homes Built ***	130	47	↓
Avg # of Days on Market	58	66	↑

* Available as of Mar. 31, 2004.

** May not add to total of zip codes

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

Data by Zip Codes

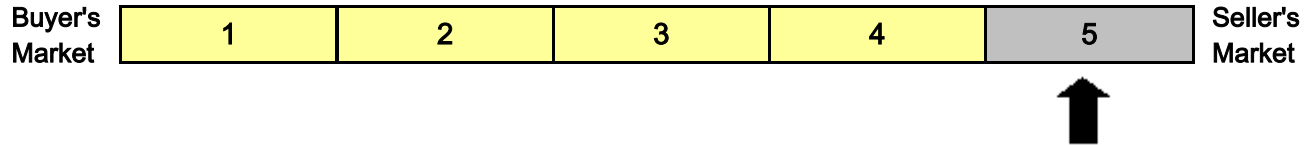
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
01001	\$215,300	28.00%	24	41.18%	59	97.7%
01008	\$199,000	-	2	-	137	98.5%
01009	\$163,600	7.63%	1	-66.67%	2	102.3%
01010	\$246,200	29.85%	10	233.33%	107	98.0%
01011	\$153,800	-	2	-	107	93.8%
01013	\$146,000	20.07%	12	-33.33%	58	97.3%
01020	\$156,000	13.21%	33	-2.94%	58	98.3%
01028	\$258,000	21.18%	27	35.00%	57	97.4%

HAMPDEN COUNTY, MA

Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
01030	\$238,900	37.62%	14	-39.13%	63	96.9%
01036	\$330,900	68.48%	5	25.00%	49	96.4%
01040	\$153,700	8.93%	29	-29.27%	59	96.9%
01056	\$211,500	21.00%	19	-20.83%	66	96.7%
01057	\$206,600	21.82%	11	-31.25%	67	98.4%
01069	\$182,900	6.34%	13	-7.14%	55	96.3%
01071	\$284,600	15.46%	5	66.67%	54	93.3%
01077	\$235,300	8.78%	17	6.25%	112	99.4%
01079	\$148,500	-	2	-	263	97.8%
01080	\$92,000	-19.93%	1	-75.00%	42	100.0%
01081	\$93,200	-35.55%	3	-40.00%	40	94.9%
01085	\$201,000	3.08%	52	-21.21%	67	97.3%
01089	\$184,900	12.88%	44	46.67%	51	97.5%
01095	\$273,100	10.12%	21	0.00%	99	98.0%
01101	\$142,000	-	2	-	21	97.5%
01104	\$109,700	14.27%	37	68.18%	62	98.3%
01105	\$80,800	2.93%	3	50.00%	66	89.5%
01106	\$310,900	7.50%	32	18.52%	84	96.4%
01107	\$104,000	-17.33%	5	66.67%	94	97.6%
01108	\$119,300	6.42%	30	11.11%	47	97.5%
01109	\$100,500	19.22%	37	-17.78%	70	97.7%
01118	\$140,400	3.54%	45	50.00%	55	98.0%
01119	\$127,100	19.23%	23	-4.17%	50	98.6%
01128	\$180,800	10.92%	7	75.00%	76	96.3%
01129	\$139,200	-6.45%	19	72.73%	72	98.4%
01151	\$110,700	30.85%	15	50.00%	64	97.6%
01521	\$190,600	23.53%	11	22.22%	143	95.4%
OTHER	\$170,100	-20.66%	9	200.00%	48	99.1%

HAMPSHIRE COUNTY, MA



Labor Market :

Employment declined by 5,225 jobs in January and February. The job losses brought about an increase in the average monthly unemployment rate from 3.5% in the fourth quarter to 4.6% for the first two months of the first quarter. Despite the job losses, the job situation still remains strong in Hampshire County. Combined with favorable low mortgage rates, home sales should continue at a strong pace.

Housing Market :

	Q4' 03	Q1' 04	Q2' 04 (Forecast)
Average Price	\$234,900	\$244,500	↑
# Homes on the Market *	410	532	↔
# Homes Sold **	313	198	↓
# New Homes Built ***	56	25	↓
Avg # of Days on Market	74	77	↑

* Available as of Mar. 31, 2004.

** May not add to total of zip codes

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

Data by Zip Codes

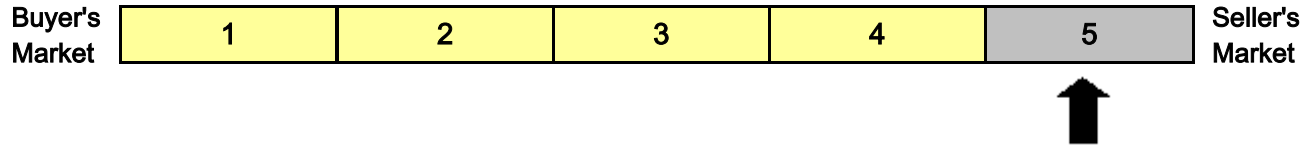
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
01002	\$339,200	13.67%	22	15.79%	108	97.8%
01007	\$268,300	23.07%	34	100.00%	91	97.1%
01026	\$94,000	-39.35%	2	100.00%	272	77.4%
01027	\$232,400	21.17%	24	9.09%	41	98.4%
01032	\$252,500	-14.98%	2	0.00%	246	96.8%
01033	\$188,000	-1.31%	5	-28.57%	65	97.7%
01035	\$370,500	51.16%	4	-20.00%	25	98.3%
01038	\$323,100	62.53%	2	-50.00%	75	95.3%

HAMPSHIRE COUNTY, MA

Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
01050	\$150,900	36.81%	5	0.00%	121	94.8%
01053	\$160,000	-29.52%	1	-50.00%	58	103.3%
01060	\$215,300	-9.39%	15	-16.67%	59	95.3%
01062	\$329,600	49.61%	16	77.78%	54	97.3%
01070	\$114,000	-	1	-	123	99.6%
01073	\$283,900	35.51%	10	25.00%	84	94.2%
01075	\$200,400	8.38%	23	-14.81%	47	97.3%
01082	\$162,500	16.40%	20	25.00%	102	91.1%
01084	\$144,500	-	2	-	111	90.9%
01088	\$240,000	-	1	-	152	92.7%
01096	\$141,800	-61.15%	3	200.00%	37	92.7%
01098	\$156,800	-6.11%	2	0.00%	81	92.5%
OTHER	\$246,400	0.28%	4	33.33%	31	100.6%

MIDDLESEX COUNTY, MA



Labor Market :

Employment declined by 24,293 jobs in January and February. The job losses brought about an increase in the average monthly unemployment rate from 4.4% in the fourth quarter to 4.8% for the first two months of the first quarter. Despite the job losses, the job situation still remains strong in Middlesex County. Combined with favorable low mortgage rates, home sales should continue at a strong pace.

Housing Market :

	Q4' 03	Q1' 04	Q2' 04 (Forecast)
Average Price	\$471,000	\$479,400	↑
# Homes on the Market *	2,643	4,466	↔
# Homes Sold **	2,638	1,804	↓
# New Homes Built ***	536	227	↓
Avg # of Days on Market	59	66	↑

* Available as of Mar. 31, 2004.

** May not add to total of zip codes

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

Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
01431	\$246,500	-4.35%	8	-20.00%	122	97.2%
01432	\$288,900	4.79%	8	0.00%	48	97.7%
01450	\$494,400	1.62%	21	40.00%	104	97.9%
01460	\$417,800	15.70%	24	50.00%	70	97.6%
01463	\$349,500	10.99%	28	47.37%	86	97.1%
01464	\$257,200	-3.78%	12	100.00%	43	99.7%
01469	\$274,100	-2.49%	12	0.00%	89	97.9%
01474	\$180,000	-45.24%	1	-75.00%	15	97.3%

MIDDLESEX COUNTY, MA

Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
01701	\$398,700	12.22%	66	17.86%	43	99.0%
01702	\$355,200	6.96%	31	93.75%	48	98.0%
01719	\$638,100	18.83%	8	14.29%	203	102.7%
01720	\$545,500	9.01%	21	-30.00%	62	97.3%
01721	\$422,300	4.45%	21	-27.59%	59	96.7%
01730	\$586,600	17.20%	19	5.56%	55	98.8%
01741	\$810,300	7.57%	11	83.33%	150	96.2%
01742	\$827,300	-10.90%	14	-30.00%	100	96.6%
01746	\$456,300	35.92%	26	-18.75%	59	100.6%
01748	\$590,600	16.67%	33	13.79%	68	98.9%
01749	\$359,200	5.65%	30	-25.00%	48	98.3%
01752	\$301,200	-14.55%	57	-20.83%	53	96.9%
01754	\$330,600	9.11%	19	-17.39%	56	97.8%
01760	\$435,300	-0.05%	55	5.77%	46	98.1%
01770	\$775,300	15.29%	10	11.11%	106	95.5%
01773	\$1,288,500	4.02%	4	-60.00%	189	95.5%
01775	\$518,800	5.94%	16	14.29%	123	96.8%
01776	\$711,400	15.21%	40	17.65%	82	96.2%
01778	\$733,000	-5.76%	25	38.89%	84	94.3%
01801	\$350,200	8.99%	35	-7.89%	62	96.6%
01803	\$371,400	0.05%	34	3.03%	57	97.4%
01821	\$346,200	4.47%	58	0.00%	66	97.3%
01824	\$384,100	7.20%	51	41.67%	73	97.3%
01826	\$294,900	10.57%	44	4.76%	59	96.2%
01827	\$422,300	-6.92%	3	-25.00%	77	96.7%
01850	\$223,000	10.95%	22	46.67%	84	97.2%
01851	\$244,700	9.34%	32	52.38%	51	95.8%
01852	\$260,300	6.38%	18	-21.74%	65	95.4%
01854	\$253,400	15.71%	35	29.63%	70	98.2%
01862	\$303,300	6.42%	18	100.00%	103	98.1%
01863	\$291,900	3.55%	8	-20.00%	65	98.3%
01864	\$538,700	0.75%	32	-3.03%	90	99.0%
01866	\$594,000	-	1	-	299	108.0%
01867	\$462,400	16.62%	36	-2.70%	74	95.8%
01876	\$345,400	-2.79%	38	-15.56%	57	96.7%

MIDDLESEX COUNTY, MA

Data by Zip Codes

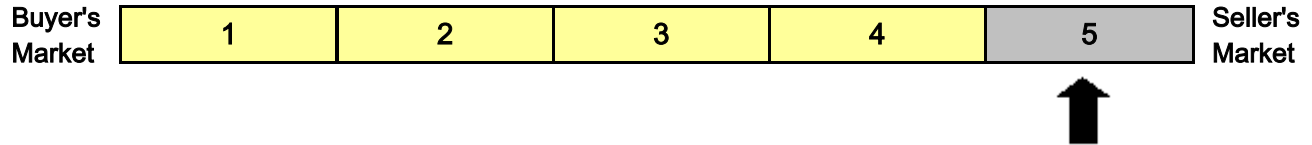
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
01879	\$337,600	-25.49%	10	-41.18%	84	98.2%
01880	\$407,400	5.76%	40	25.00%	52	97.9%
01886	\$433,100	9.20%	33	-10.81%	84	98.3%
01887	\$358,000	-1.49%	44	4.76%	60	97.3%
01890	\$717,900	4.21%	35	34.62%	68	96.4%
02138	\$1,196,600	0.20%	17	21.43%	92	95.3%
02139	\$452,600	-42.71%	4	100.00%	70	93.4%
02140	\$743,600	43.91%	7	16.67%	79	93.2%
02141	\$399,000	-	4	-	23	96.3%
02142	\$730,000	-	2	-	79	91.9%
02143	\$525,000	54.96%	1	-50.00%	8	105.2%
02144	\$327,500	-43.52%	3	-40.00%	140	96.8%
02145	\$388,400	37.39%	7	133.33%	53	96.1%
02148	\$328,200	7.25%	41	-2.38%	51	96.8%
02149	\$307,800	4.37%	11	-45.00%	49	95.5%
02151	\$325,000	-	1	-	65	92.9%
02155	\$400,400	9.16%	52	62.50%	63	96.4%
02176	\$411,000	5.44%	46	27.78%	74	97.4%
02180	\$427,400	16.65%	20	-9.09%	63	96.8%
02420	\$791,800	-3.40%	30	200.00%	64	96.9%
02421	\$739,600	4.02%	27	68.75%	80	95.3%
02451	\$428,400	13.09%	21	31.25%	32	97.4%
02452	\$379,400	-27.97%	7	133.33%	73	97.2%
02453	\$399,100	7.63%	19	-17.39%	40	96.9%
02458	\$755,500	-19.11%	11	-15.38%	40	95.2%
02459	\$906,800	12.34%	28	64.71%	59	96.6%
02460	\$564,500	7.30%	4	-42.86%	71	92.8%
02461	\$646,300	20.29%	13	160.00%	42	97.3%
02462	\$753,800	38.95%	3	50.00%	9	97.1%
02464	\$580,800	-23.45%	4	33.33%	131	97.1%
02465	\$792,100	-19.18%	16	-33.33%	71	95.2%
02466	\$683,300	10.12%	6	20.00%	75	98.2%
02467	\$1,241,600	0.67%	9	80.00%	83	93.6%
02468	\$918,400	-9.23%	14	100.00%	72	92.2%
02472	\$452,800	8.79%	11	-38.89%	52	96.5%

MIDDLESEX COUNTY, MA

Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
02474	\$429,000	-6.47%	30	30.43%	34	98.4%
02476	\$557,900	7.77%	19	0.00%	40	96.8%
02478	\$693,200	13.27%	26	18.18%	82	96.3%
02493	\$1,238,900	-27.28%	25	56.25%	93	91.8%
OTHER	\$354,000	-19.53%	18	0.00%	50	97.7%

NORFOLK COUNTY, MA



Labor Market :

Employment declined by 17,749 jobs in January and February. The job losses brought about an increase in the average monthly unemployment rate from 4.3% in the fourth quarter to 4.8% for the first two months of the first quarter. Despite the job losses, the job situation still remains strong in Norfolk County. Combined with favorable low mortgage rates, home sales should continue at a strong pace.

Housing Market :

	Q4' 03	Q1' 04	Q2' 04 (Forecast)
Average Price	\$472,200	\$518,800	
# Homes on the Market *	1,426	2,302	
# Homes Sold **	1,269	949	
# New Homes Built ***	239	94	
Avg # of Days on Market	52	64	

* Available as of Mar. 31, 2004.

** May not add to total of zip codes

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

Data by Zip Codes

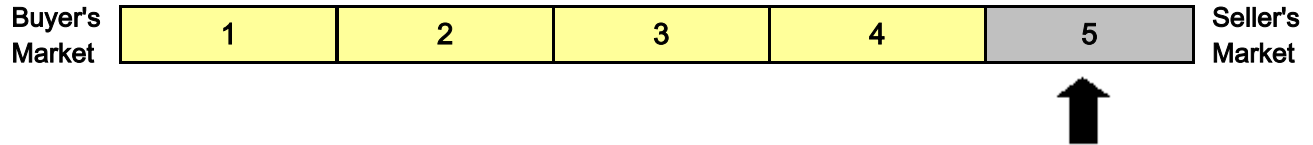
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
02019	\$341,900	15.66%	35	9.38%	84	99.4%
02021	\$530,500	25.12%	40	66.67%	68	95.1%
02025	\$871,600	14.53%	16	-11.11%	130	92.1%
02026	\$499,400	25.26%	40	14.29%	53	96.8%
02030	\$1,196,900	-12.71%	18	63.64%	130	91.0%
02032	\$352,700	15.60%	7	40.00%	46	98.1%
02035	\$400,800	-11.37%	24	-17.24%	42	99.2%
02038	\$428,300	14.12%	63	-3.08%	60	98.2%

NORFOLK COUNTY, MA

Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
02052	\$676,700	17.32%	29	-6.45%	63	89.0%
02053	\$409,300	1.36%	20	-37.50%	52	98.4%
02054	\$395,700	4.46%	16	45.45%	75	98.1%
02056	\$507,700	-0.26%	17	-5.56%	81	97.1%
02062	\$380,000	2.10%	21	5.00%	34	96.8%
02067	\$478,700	2.35%	21	-12.50%	91	96.3%
02071	\$468,300	15.40%	3	50.00%	60	97.8%
02072	\$323,100	3.59%	35	29.63%	58	97.3%
02081	\$506,700	21.66%	24	-40.00%	71	96.1%
02090	\$636,700	16.40%	20	-44.44%	65	97.0%
02093	\$465,800	6.88%	18	28.57%	77	97.9%
02169	\$349,300	12.46%	60	39.53%	59	96.2%
02170	\$356,500	-5.41%	17	13.33%	57	95.5%
02171	\$357,900	-15.83%	17	183.33%	64	94.1%
02184	\$374,500	18.25%	48	54.84%	62	95.9%
02186	\$547,800	11.66%	36	-18.18%	73	96.6%
02188	\$291,600	-7.66%	15	25.00%	50	97.4%
02189	\$328,000	25.24%	21	61.54%	63	97.6%
02190	\$324,000	-8.06%	15	-11.76%	91	98.4%
02191	\$256,900	-2.21%	9	-10.00%	30	96.1%
02322	\$310,700	8.45%	6	-33.33%	42	99.2%
02343	\$309,200	23.24%	18	-18.18%	52	98.4%
02368	\$296,900	6.26%	66	29.41%	48	97.7%
02445	\$1,296,600	-2.97%	22	83.33%	80	94.7%
02446	\$926,100	-73.80%	8	166.67%	89	91.9%
02467	\$1,325,000	106.58%	11	175.00%	67	92.1%
02478	\$290,000	-	1	-	5	100.3%
02481	\$1,099,100	0.59%	37	54.17%	58	95.3%
02482	\$932,700	3.43%	12	-65.71%	68	95.6%
02492	\$674,500	11.34%	28	-40.43%	58	97.2%
02494	\$519,700	3.44%	14	-17.65%	56	96.9%
02762	\$312,700	10.14%	12	9.09%	53	98.9%
OTHER	\$994,000	87.51%	9	-30.77%	52	90.8%

PLYMOUTH COUNTY, MA



Labor Market :

Employment declined by 9,906 jobs in January and February. The job losses brought about an increase in the average monthly unemployment rate from 5.1% in the fourth quarter to 6.3% for the first two months of the first quarter. Despite the job losses, the job situation still remains strong in Plymouth County. Combined with favorable low mortgage rates, home sales should continue at a strong pace.

Housing Market :

	Q4' 03	Q1' 04	Q2' 04 (Forecast)
Average Price	\$359,400	\$368,500	↑
# Homes on the Market *	1,789	2,697	↔
# Homes Sold **	1,202	932	↓
# New Homes Built ***	385	167	↓
Avg # of Days on Market	68	78	↑

* Available as of Mar. 31, 2004.
** May not add to total of zip codes
*** During the first two months of 1st quarter.

Data by Zip Codes

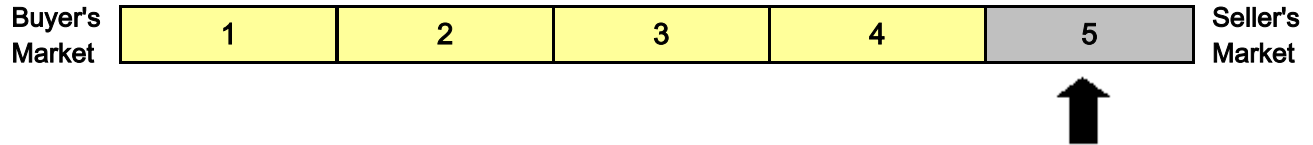
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
02020	\$233,000	-	2	-	98	96.5%
02043	\$612,000	-2.08%	42	40.00%	140	96.6%
02045	\$367,700	3.69%	19	46.15%	107	97.2%
02047	\$430,000	0.23%	1	0.00%	30	96.6%
02050	\$427,200	11.57%	54	74.19%	78	97.5%
02061	\$596,300	17.99%	23	35.29%	117	95.5%
02066	\$514,400	4.81%	28	64.71%	75	95.6%
02301	\$253,700	9.83%	98	53.13%	74	98.3%

PLYMOUTH COUNTY, MA

Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
02302	\$231,100	10.68%	67	71.79%	68	98.6%
02324	\$344,300	12.59%	27	3.85%	62	97.3%
02327	\$444,500	-	1	-	49	95.6%
02330	\$306,800	15.99%	31	14.81%	89	97.5%
02332	\$643,600	-5.49%	29	26.09%	91	97.2%
02333	\$311,600	11.44%	19	-9.52%	48	96.4%
02338	\$289,700	2.11%	16	45.45%	65	97.6%
02339	\$475,100	-4.06%	24	-7.69%	83	95.6%
02341	\$338,700	10.04%	27	35.00%	70	96.7%
02345	\$249,900	-13.83%	1	0.00%	12	100.0%
02346	\$290,000	8.05%	38	18.75%	77	97.1%
02347	\$344,800	-1.99%	21	5.00%	90	99.3%
02351	\$353,500	0.68%	23	155.56%	57	98.4%
02359	\$356,100	17.22%	23	-11.54%	46	97.8%
02360	\$357,300	14.45%	156	36.84%	84	97.4%
02364	\$364,500	-4.13%	27	35.00%	81	95.1%
02367	\$325,300	-13.78%	4	33.33%	80	90.4%
02368	\$173,000	-	1	-	5	96.2%
02370	\$287,300	5.98%	24	26.32%	62	95.9%
02379	\$328,400	26.11%	7	-53.33%	55	98.3%
02382	\$289,800	1.15%	26	44.44%	61	97.0%
02538	\$213,000	16.90%	14	55.56%	74	95.4%
02558	\$199,500	-3.62%	4	300.00%	46	97.6%
02571	\$264,700	14.99%	30	42.86%	68	96.2%
02576	\$252,500	18.82%	4	-33.33%	91	98.2%
02738	\$1,363,000	372.61%	1	-85.71%	179	94.0%
02739	\$394,000	22.93%	4	-20.00%	86	94.2%
02770	\$403,300	14.09%	6	-33.33%	34	98.6%
OTHER	\$1,256,100	241.61%	10	0.00%	72	93.8%

SUFFOLK COUNTY, MA



Labor Market :

Employment declined by 73 jobs in January and February. The job losses brought about an increase in the average monthly unemployment rate from 5.6% in the fourth quarter to 5.8% for the first two months of the first quarter. Despite the job losses, the job situation still remains strong in Suffolk County. Combined with favorable low mortgage rates, home sales should continue at a strong pace.

Housing Market :

	Q4' 03	Q1' 04	Q2' 04 (Forecast)
Average Price	\$387,100	\$418,100	↑
# Homes on the Market *	408	691	↔
# Homes Sold **	341	237	↓
# New Homes Built ***	52	13	↓
Avg # of Days on Market	59	63	↑

* Available as of Mar. 31, 2004.

** May not add to total of zip codes

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

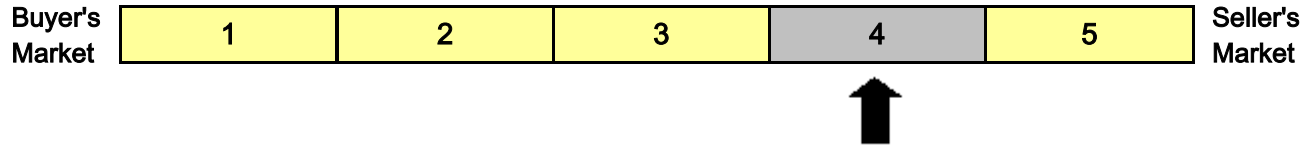
Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
02114	\$3,583,300	157.79%	3	50.00%	272	88.9%
02116	\$834,700	-	3	-	144	92.8%
02118	\$1,135,900	-	4	-	87	92.5%
02119	\$305,400	-	10	-	37	94.5%
02121	\$299,900	-	1	-	109	100.0%
02122	\$319,800	56.00%	10	900.00%	56	94.6%
02124	\$390,300	21.10%	9	-25.00%	93	97.3%
02125	\$332,700	1.59%	5	66.67%	69	95.8%

SUFFOLK COUNTY, MA

Data by Zip Codes						
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
02126	\$234,100	-14.12%	7	40.00%	56	95.6%
02127	\$291,300	-	5	-	46	94.2%
02128	\$272,700	24.92%	9	200.00%	64	95.6%
02129	\$793,300	34.00%	3	50.00%	129	93.2%
02130	\$481,000	-7.87%	7	-30.00%	78	96.5%
02131	\$394,300	13.96%	27	3.85%	47	98.4%
02132	\$428,500	11.44%	34	-5.56%	41	96.3%
02134	\$470,000	-	2	-	36	98.1%
02135	\$446,300	15.17%	4	-33.33%	27	99.0%
02136	\$328,200	-3.01%	24	41.18%	66	96.7%
02150	\$289,700	4.21%	7	-22.22%	42	95.6%
02151	\$310,800	1.67%	48	84.62%	77	97.8%
02152	\$362,200	4.23%	12	0.00%	53	97.2%
OTHER	\$390,300	25.90%	3	200.00%	44	96.9%

WORCESTER COUNTY, MA



Labor Market :

Employment increased by 1,979 jobs in Worcester County during January and February. However, the number of job seekers also increased. The combined effect of these two trends was an increase in the average monthly unemployment rate from 6.1% for the fourth quarter to 7% in the first two months of the first quarter. The solid job growth may provide strong home sales, while low mortgage rates should continue to spur sales.

Housing Market :

	Q4' 03	Q1' 04	Q2' 04 (Forecast)
Average Price	\$281,700	\$294,600	↑
# Homes on the Market *	2,737	4,102	↔
# Homes Sold **	1,964	1,364	↓
# New Homes Built ***	824	343	↓
Avg # of Days on Market	66	72	↑

* Available as of Mar. 31, 2004.

** May not add to total of zip codes

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

Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
01005	\$263,800	36.12%	14	16.67%	93	94.2%
01037	\$211,300	-19.38%	3	-25.00%	121	95.7%
01068	\$267,700	-24.59%	4	300.00%	98	96.3%
01083	\$192,500	27.99%	9	50.00%	99	97.7%
01092	\$130,000	-31.03%	1	-50.00%	7	104.1%
01331	\$151,400	-4.78%	35	6.06%	84	97.6%
01366	\$232,300	-	2	-	28	102.1%

WORCESTER COUNTY, MA

Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
01368	\$164,400	39.09%	2	-60.00%	92	88.9%
01420	\$197,700	9.35%	77	87.80%	68	98.0%
01430	\$238,400	4.93%	11	10.00%	100	99.4%
01436	\$198,700	8.58%	5	-44.44%	79	98.7%
01438	\$142,500	81.76%	2	100.00%	75	101.8%
01440	\$210,300	7.08%	36	-16.28%	81	98.5%
01451	\$490,700	-8.72%	10	42.86%	90	96.1%
01452	\$291,100	24.67%	10	-9.09%	103	96.7%
01453	\$251,000	6.45%	51	-5.56%	68	97.2%
01462	\$322,600	14.03%	38	40.74%	112	97.4%
01467	\$1,550,000	-	1	-	238	86.2%
01468	\$253,000	11.80%	18	50.00%	86	100.4%
01473	\$286,800	21.73%	12	-7.69%	94	99.2%
01475	\$187,100	7.34%	20	25.00%	69	97.9%
01501	\$233,400	-3.83%	33	-10.81%	69	98.8%
01503	\$478,100	65.43%	6	50.00%	94	98.4%
01504	\$268,600	-10.47%	10	11.11%	75	99.0%
01505	\$351,500	8.15%	7	40.00%	81	98.0%
01506	\$207,100	35.80%	10	400.00%	71	97.3%
01507	\$317,700	13.14%	17	-22.73%	60	97.6%
01510	\$217,900	-1.27%	17	70.00%	65	95.9%
01515	\$280,000	-4.44%	7	40.00%	100	92.0%
01516	\$319,400	26.00%	16	77.78%	69	98.5%
01518	\$337,100	-	3	-	84	105.9%
01519	\$494,000	26.08%	28	180.00%	52	101.1%
01520	\$297,000	12.41%	33	13.79%	81	99.7%
01522	\$228,800	-16.56%	4	33.33%	43	99.9%
01523	\$349,800	-2.26%	13	-18.75%	63	97.1%
01524	\$257,100	16.39%	11	-21.43%	72	98.2%
01527	\$303,600	17.49%	18	20.00%	52	97.5%
01529	\$272,000	17.34%	6	20.00%	66	94.4%
01531	\$247,000	-	1	-	28	96.9%
01532	\$367,100	-9.34%	20	-4.76%	51	97.5%
01534	\$300,400	-0.60%	17	183.33%	50	97.7%
01535	\$217,800	12.56%	5	-37.50%	56	98.7%

WORCESTER COUNTY, MA

Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
01536	\$321,100	2.36%	10	11.11%	53	98.7%
01537	\$207,500	-7.24%	2	-33.33%	14	100.1%
01540	\$253,100	6.48%	19	35.71%	67	97.9%
01541	\$517,400	80.97%	5	150.00%	249	92.1%
01542	\$230,600	8.52%	4	100.00%	75	99.6%
01543	\$267,200	4.46%	13	-7.14%	73	97.2%
01545	\$395,700	-6.67%	63	3.28%	64	98.7%
01550	\$207,900	15.82%	21	-8.70%	52	98.3%
01560	\$416,200	30.63%	4	100.00%	44	99.7%
01562	\$242,800	2.27%	20	42.86%	106	97.2%
01564	\$397,400	17.99%	14	180.00%	112	99.7%
01566	\$336,800	18.59%	25	38.89%	108	98.8%
01568	\$409,000	0.57%	19	58.33%	60	98.7%
01569	\$327,700	16.45%	18	-14.29%	68	98.4%
01570	\$211,500	6.39%	20	-13.04%	53	96.7%
01571	\$249,600	-3.85%	20	185.71%	57	96.6%
01581	\$469,100	18.43%	24	-4.00%	78	98.1%
01583	\$295,200	0.54%	15	87.50%	74	98.0%
01585	\$242,000	-11.16%	8	0.00%	67	97.9%
01588	\$289,100	1.72%	11	10.00%	55	98.9%
01590	\$464,700	24.15%	13	-31.58%	84	96.1%
01602	\$240,600	8.33%	52	57.58%	71	97.4%
01603	\$184,000	5.14%	38	22.58%	61	97.6%
01604	\$218,700	22.80%	29	-3.33%	70	97.6%
01605	\$215,400	-1.51%	37	94.74%	62	98.2%
01606	\$235,100	10.27%	37	23.33%	50	98.8%
01607	\$178,200	15.19%	9	28.57%	30	95.5%
01609	\$344,700	8.16%	21	10.53%	77	97.5%
01610	\$217,000	31.44%	2	-77.78%	87	98.7%
01611	\$229,800	7.48%	4	-33.33%	59	95.9%
01612	\$369,500	16.67%	20	122.22%	92	95.8%
01740	\$620,300	6.45%	17	30.77%	128	97.3%
01745	\$1,200,000	-	1	-	32	66.7%
01747	\$360,400	7.04%	13	-7.14%	50	96.8%
01756	\$383,800	-5.63%	16	0.00%	51	93.0%

WORCESTER COUNTY, MA

Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
01757	\$336,400	9.19%	47	34.29%	65	98.2%
01772	\$617,700	5.64%	18	20.00%	74	98.6%
OTHER	\$277,000	13.02%	12	-14.29%	72	98.2%

Others

Data by Zip Codes						
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
02532	\$278,600	-8.08%	11	83.33%	130	96.6%
02536	\$455,000	-	3	-	53	98.6%
02556	\$485,000	-	1	-	2	99.0%
02559	\$175,000	-56.14%	1	0.00%	18	100.0%
02561	\$510,000	120.78%	2	100.00%	97	102.0%
02562	\$400,500	-13.41%	5	150.00%	101	97.2%
02563	\$372,900	49.22%	3	200.00%	70	98.2%
02601	\$280,000	43.59%	2	100.00%	110	94.9%
02639	\$320,000	-	1	-	2	84.4%
02645	\$345,000	-	1	-	124	98.9%
02673	\$229,000	-	2	-	41	95.5%
02675	\$305,000	-	1	-	9	95.3%
02809	\$197,500	-	2	-	85	97.6%
02814	\$176,000	-	1	-	8	103.5%
02860	\$177,500	-	2	-	78	99.5%
02861	\$210,300	30.95%	3	-40.00%	42	98.9%
02864	\$368,200	-0.27%	8	100.00%	41	96.4%
02865	\$321,500	60.75%	2	100.00%	50	97.8%
02871	\$375,000	97.37%	1	0.00%	105	94.0%
02878	\$251,200	-26.55%	8	-20.00%	68	96.1%
02885	\$184,900	-	1	-	6	102.8%
02895	\$230,000	15.06%	2	100.00%	59	97.9%
02896	\$382,200	3.30%	3	200.00%	104	98.1%
02915	\$227,500	-	1	-	32	99.0%
03038	\$292,500	-	2	-	35	97.5%
03044	\$257,500	-	2	-	99	97.2%
03048	\$179,500	-	3	-	35	99.7%
03051	\$294,700	-0.84%	4	-20.00%	89	98.3%
03060	\$255,000	-	2	-	89	97.6%
03062	\$376,600	-17.54%	3	0.00%	41	99.6%
03063	\$339,900	-	1	-	19	100.0%
03071	\$175,000	-16.19%	1	-80.00%	164	66.1%
03076	\$341,500	0.35%	13	-51.85%	180	92.0%

Others

Data by Zip Codes						
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
03079	\$414,100	21.87%	4	-73.33%	100	96.3%
03452	\$36,900	-70.83%	1	0.00%	239	92.5%
03461	\$238,000	1.06%	3	50.00%	118	107.8%
03811	\$280,000	12.00%	1	0.00%	70	98.4%
03819	\$382,800	-	6	-	201	98.8%
03825	\$272,000	-	1	-	322	100.8%
03827	\$410,800	-	3	-	46	96.7%
03833	\$499,900	-	1	-	240	100.0%
03841	\$103,000	-	1	-	124	93.7%
03842	\$584,900	-	2	-	82	79.0%
03844	\$586,000	71.14%	1	0.00%	99	96.1%
03858	\$229,000	-	1	-	3	99.6%
03865	\$527,500	-	2	-	5	101.6%
03873	\$296,500	-6.76%	2	100.00%	93	98.9%
03874	\$360,000	67.44%	1	-66.67%	127	97.3%
06078	\$354,000	21.61%	3	0.00%	191	90.4%
06082	\$155,300	-	4	-	54	99.1%
06241	\$189,900	-	1	-	92	100.0%
06255	\$314,500	-	1	-	55	74.0%
06260	\$276,300	-	2	-	65	102.3%
06277	\$317,500	-	2	-	41	98.4%
06278	\$233,000	-	1	-	46	93.2%
06281	\$288,900	-	4	-	149	98.9%
OTHER	\$596,300	-	3	-	79	99.6%

Housing Stock's Ebb and Flow

Ken Fears, Economist

Nationally, single family housing construction has risen sharply over the last two years. Permits for construction of these dwellings increased by 8.2 percent and 9.3 percent in 2002 and 2003, respectively. Roughly 1.508 million permits (that is a seasonally adjusted figure at an annual rate) were issued in February of 2004, an increase of 0.1 percent from one month earlier and 14.3 percent from a year earlier.

Strong growth in construction coupled with the specter of rising mortgage rates looming on the horizon, has caused some market watchers to worry about the potential for an increase in the stock of housing. This problem should not be a major concern, though. The stock of housing, the number of homes available for sale, is likely to shrink if demand falls for two reasons. First, many home sellers have been attracted to the market by the strong price appreciations. As prices ease, fewer homeowners will put their homes on the market and some will take their properties off of the market. Secondly, as mortgage rates rise and price appreciations diminish, producers are likely to restrict their production as this helps to keep prices of their finished product (and their profit margins) up. When rates do rise, they are expected to do so mildly, leaving demand at historically strong levels. Currently, the stock of homes is at a historically high level of 2.2 million units as of January. However, it is not keeping up with demand, which at current rates will whittle down the stock of housing in 4.4 months if no new stock, through production or new listings of existing homes, is brought to the market. Compare this supply situation with the 4.8-month supply in January of 1999 or the 6.5-month supply in January of 1992.

	New Homes	Existing Homes
2002	3,898	38,541
2003	3,519	39,880
Share of 2002 Total	9.18%	90.82%
Share of 2003 Total	8.11%	91.89%

Locally, the share of newly constructed homes sold in the area covered by the MLS Property Information Network declined over the last two years. The number of new homes sold declined. Meanwhile, the share of homes sold that were pre-owned rose, while the level of existing sales rose. This pattern would suggest that construction has been strong locally but has softened. More recently, the proportion of new homes sold in the coverage area of the MLS Property Information Network has declined to 8.65% in the first quarter of 2003 from 8.80% during the first quarter of 2002.

While the make up of the supply of homes may change over time, it is important to remember that falling mortgage rates and rising prices will draw more potential sellers to the market. As rates rise and prices fall, these participants will pull their properties from the market, contracting the stock of homes. For now, the stock of homes is low. In the future, the natural ebb and flow of mortgage rates and prices will keep the entry of existing homes as well as the construction of new homes, in check, maintaining strong price levels.

Feelin' All Right

By David Lereah. *Chief Economist*

Does it get any better than this? Thirty-year mortgage rates are now hovering around 5.4 percent. Both new and existing home sales are up again. The little house (or condo) that could continues to climb relentlessly to higher and higher levels of activity. And what was an unthinkable notion just two months ago – even to those of us making predictions – may now be a real possibility. The 2004 housing market could surpass last year's record-setting pace.

Case in point: existing home sales averaged an annualized 6.06 million during the first two months of this year compared to a 5.86 million unit pace for the first two months in 2003. Similarly, new home sales averaged an annualized 1.13 million for the first two months of this year, compared to only 972,000 units during the same period in 2003. Last year's records of 6.1 million and 1.13 million in existing and new home sales, respectively, are now in the line of sight.

Of course, activity in the housing sector this year depends so much on interest rate levels. With the economy expanding and the federal funds rate stuck at one percent, most observers expect the Federal Reserve to raise rates by a bit by the end of the year. That could dampen the demand for home buying. But if the job market continues to exhibit weakness, it is possible that the Fed will delay any rate hike until 2005.

If that scenario plays out, the housing sector would have the best of both worlds: historically low mortgage rates and a growing economy. That favorable backdrop will make homes more affordable for first time homebuyers. It would also tempt current homeowners to trade-up.

Another strong year for home sales also bodes well for home price appreciation. Median existing home prices rose 7.5 percent in 2003 and a healthy pace for homebuying this year promises more of the same. Home price appreciation should average 4.4 percent in 2004, but with some variation among the major regions. The northeast and West regions are expected to post the greatest price gains due to relatively tight home inventories, while prices increase in the Midwest and South regions will soften a bit due to a greater amount of home construction activity.

Not surprisingly, the most glaring problem in the housing sector this year continues to be low inventory of homes across the nation. Nationally, inventories in February totaled 2.33 million existing homes available for sale, representing a 4.6 months supply at the current sales pace. Based on past experience, any number below 5.5 represents a tight market.

But since the buying and selling of homes is based on local demand and supply conditions, it is more revealing to look at the local supply measures across the country. As of the fourth quarter of last year there were 28 major metropolitan areas of the nation that exhibited serious supply constraints, registering a months supply of 4.0 or less.

Metropolitan areas such as Orange County, California, Las Vegas, Riverside/San Bernardino, Washington DC/MD/VA, Atlantic City, Los Angeles, and Lansing-East Lansing, MI are all experiencing severe supply shortages posting a months supply of less than 2.0. It is no coincidence that most of these areas of the country are also experiencing double-digit home price growth.

Replenishing supply is often a local issue. Local economic conditions, strict land development restrictions and environmental zoning laws in some parts of the country (e.g., the Northeast region, coastal California, and Miami/Ft. Lauderdale) are the same reasons given for today's current supply problems. With such severe supply shortages, some local markets run the risk of "irrational" buying. That is a situation when there are multiple bids for a given property with some bidders submitting higher than market bids without property inspection.

So we look at the prospects for residential real estate with raised eyebrows. Still, the housing sector is off to a running start in 2004. Whether this can continue throughout the rest of the year rests firmly on the direction of interest rates. The likely scenarios are they remain near today's historic lows or that rates rise slightly. Either way bodes well for housing – a record-setting year or a near record-setting year.

Not a bad situation to be in.

The Forecast

By Lawrence Yun, *Senior Research Forecaster*

The Fed Watch

The Federal Reserve has left the monetary spigot open for nearly two and a half years. Even though in terms of production of goods and services the economy has shown respectable growth for over a year, the all-important job market had been markedly underperforming. Then came the March employment report with 308,000 net payroll job gains (on top of an 87,000 upward revision to January's and February's data). On an annualized basis, that is nearly 4 million net new jobs per year. Of course, that pace is not sustainable and a single-month's data does not imply a trend. But job growth will undoubtedly continue based on strong movements in other supporting economic data: falling unemployment claims, a rising manufacturing (ISM) employment index, rising durable goods orders, as well as positive movements in a host of other economic indicators. The Fed, which had been looking for that final confirmation of robust economic activity from the job figure, will now be shifting its stance towards tightening and will make its first move in August. A quick succession of 25 to 50 basis point increases will soon follow, such that the Fed Funds rate will be 3% by the end of 2005, up from the current 1%. As for the 30-year fixed mortgage rate, expect the average rate to rise to 6.5% by year-end and to 7% in 2005.

Oil Watch

It is marginally profitable to extract oil at \$20 per barrel. So any price above that will induce oil suppliers to pump more, which over time brings new supply in line with new demand. However, a quick surge in demand cannot be immediately met with new supply, which thereby bids up the price. In March, the black gold was bid up to \$37 per barrel to a level not seen since the early 1980s. Why? OPEC's agreement to reduce production is one reason (though history has shown that many member countries soon disregard their agreement when profit margins get too tempting). There are also the ever-changing political landscapes in Iraq and the Middle East (and recently Venezuela). SUV owners could also be said to be part guilty.

But the major reason for the recent upswing in energy prices is a faster than anticipated global economic recovery. Factories hum only if they're greased with oil. U.S. industrial production, after having declined in 2001 and 2002, rose 0.2% in 2003 and has been rising at better than a 5% annualized rate in the first two months

of 2004. China, now said to be the second largest economy in the World (surpassing Japan), has seen its industrial production rise by a whopping 23% over the recent 12-month period ending February. Other major oil-consuming nations have also seen a rise in their factory output - or at least their declines have ended. Given such rising thirst, oil prices had nowhere to go but up. Oil prices are often more difficult to forecast particularly due to the political factors that accompany the oil game. But the best guess is for elevated prices for the remainder of the year and, hence, pushing the overall inflation rate higher by 20 basis points.

Housing Market Reaction

So what does it all mean for housing? In the overall scheme of things, the housing market will remain strong. First, home sales will likely increase in the next few months. When mortgage rates rise after having flirted at rock-bottom rates, many shoppers -- already having mentally envisioned their new home -- quickly close the deal before rates head even higher. That's what happened in the third quarter of 2003. Home sales rose when interest rates made a sudden upward U-turn. More people bought homes on the interest rate rise, rather than during the fall. Second, though interest rates will be rising due to more job creations, down the line more jobs mean more homebuyers.

Still, higher oil prices are bad news all around. Money flows out of the country since the U.S. is a big net importer of oil. Furthermore, higher energy prices will filter through and not only raise the cost at the gas pump, but also the cost of most goods and services. In the end, interest rates will be 20 basis points higher than what they would otherwise have been under more normal conditions. That may not sound a lot, but that means a higher monthly mortgage payment - by about \$15 to \$30 per month for most homebuyers.

The net result of higher, yet still historically low mortgage rates, higher consumer prices, more jobs (to the tune of 20,000 in Massachusetts), rising consumer confidence, and a host of other factors will be such that home sales in the local region will be up by 1%. Home price appreciation will be 7%, padding a typical homeowner's wealth by roughly \$25,000.

U.S. Economic Outlook: April 2004

	2003			2004				2005			2002	2003	2004	2005
	II	III	IV	I	II	III	IV	I	II	III				
U.S. Economy														
<i>Annual Growth Rate</i>														
Real GDP	3.1	8.2	4.1	4.1	4.7	4.3	3.9	4.0	4.1	4.3	2.2	3.1	4.7	4.1
Nonfarm Payroll Employment	-0.7	-0.3	0.6	1.0	1.6	2.0	1.8	2.1	1.9	2.1	-1.1	-0.2	1.0	2.0
Consumer Prices	0.6	2.3	0.7	3.3	2.0	1.2	1.4	1.6	1.5	1.8	1.6	2.3	1.9	1.6
Real Disposable Income	4.8	6.9	0.5	5.4	2.6	1.7	3.8	4.5	3.4	3.2	3.8	2.6	3.5	3.4
Consumer Confidence	83	79	90	91	93	96	97	99	101	104	97	80	94	102
<i>Percent</i>														
Unemployment	6.1	6.1	5.9	5.6	5.6	5.5	5.4	5.3	5.2	5.1	5.8	6.0	5.5	5.2
<i>Interest Rates, Percent</i>														
Fed Funds Rate	1.2	1.0	1.0	1.0	1.0	1.3	1.5	1.8	2.2	2.5	1.7	1.1	1.2	2.3
3-Month T-Bill Rate	1.0	0.9	0.9	0.9	1.0	1.2	1.4	1.7	2.1	2.4	1.6	1.0	1.1	2.2
Prime Rate	4.2	4.0	4.0	4.0	4.0	4.3	4.5	4.8	5.2	5.5	4.7	4.1	4.2	5.3
Discount Rate	0.7	0.5	0.5	0.5	0.5	0.8	1.0	1.3	1.7	2.0	1.2	0.6	0.7	1.8
Corporate Aaa Bond Yield	5.3	5.7	5.7	5.3	5.6	5.8	6.0	6.4	6.5	6.7	6.5	5.7	5.7	6.7
30-Year Government Bond	4.7	5.2	5.2	4.9	5.2	5.3	5.6	6.0	6.1	6.3	5.4	5.1	5.3	6.3
<i>Mortgage Rates, percent</i>														
30-Year Fixed Rate	5.5	6.0	5.9	5.6	5.9	6.2	6.4	6.8	6.9	7.1	6.5	5.8	6.0	7.0
1-Year Adjustable	3.7	3.7	3.7	3.5	3.7	4.0	4.2	4.5	4.8	5.0	4.6	3.8	3.9	4.9
National Housing Indicators														
<i>Thousands</i>														
Existing Single-Family Sales	5,827	6,423	6,297	6,113	5,981	5,847	5,910	5,812	5,793	5,850	5,566	6,100	5,956	5,838
New Single-Family Sales	1,095	1,155	1,115	1,126	1,095	1,036	996	950	962	948	973	1,085	1,062	948
Housing Starts	1,739	1,884	2,031	1,922	1,834	1,763	1,676	1,654	1,635	1,635	1,705	1,848	1,799	1,640
Single-Family Units	1,415	1,523	1,656	1,531	1,473	1,415	1,333	1,283	1,253	1,230	1,359	1,499	1,438	1,248
Multifamily Units	324	361	375	391	361	348	344	370	382	406	346	349	361	391
Residential Construction*	492	517	527	528	520	508	493	479	471	467	470	505	512	471
<i>Percent Change -- Year Ago</i>														
Existing Single-Family Sales	6.0	18.7	9.6	4.2	2.6	-9.0	-6.2	-4.9	-3.2	0.1	5.1	9.6	-2.4	-2.0
New Single-Family Sales	15.0	13.9	8.7	14.4	0.0	-10.3	-10.7	-15.6	-12.2	-8.5	7.2	11.5	-2.1	-10.7
Housing Starts	3.3	10.7	16.5	10.7	5.5	-6.4	-17.4	-14.0	-10.8	-7.2	6.4	8.4	-2.7	-8.8
Single-Family Units	5.5	13.5	17.4	9.0	4.1	-7.1	-19.5	-16.2	-14.9	-13.1	6.8	10.3	-4.1	-13.2
Multifamily Units	-5.3	0.3	12.7	17.7	11.5	-3.5	-8.2	-5.3	5.8	16.6	5.3	0.9	3.4	8.5
Residential Construction	5.0	9.2	9.5	8.5	5.8	-1.7	-6.4	-9.2	-9.5	-8.1	4.9	7.5	1.3	-8.1
National Home Prices														
<i>Thousands of Dollars</i>														
Existing Home Prices	168.4	176.9	172.2	170.7	176.0	182.4	179.6	179.2	184.9	189.5	158.1	170.0	177.4	185.0
New Home Prices	191.0	190.9	199.1	198.8	202.5	203.2	206.7	209.0	211.3	213.7	187.6	194.3	202.9	212.5
<i>Percent Change -- Year Ago</i>														
Existing Home Prices	7.1	10.1	7.0	5.9	4.5	3.1	4.3	5.0	5.0	3.9	7.0	7.5	4.4	4.3
New Home Prices	2.6	7.7	5.2	7.7	6.0	6.4	3.8	5.2	4.3	5.2	7.1	3.6	4.4	4.8
Local Region														
Jobs (in thousands)	3227.0	3235.3	3208.0	3189.0	3243.1	3270.9	3252.9	3240.0	3298.3	3329.8	3283.0	3217.2	3239.0	3294.9
Home Sales	11319	14007	11247	7929	11715	13433	10887	7897	11832	13742	42777	43659	43964	44609
Home Prices (in thousand \$)	375.7	388.0	369.8	381.7	402.4	413.2	392.7	403.8	426.2	438.4	347.4	375.0	399.6	423.6
<i>Percent Change -- Year Ago</i>														
Jobs	-2.1%	-2.4%	-2.2%	-0.3%	0.5%	1.1%	1.4%	1.6%	1.7%	1.8%	0.7%	-2.0%	0.7%	1.7%
Home Sales	-7.5%	15.1%	12.4%	11.9%	3.5%	-4.1%	-3.2%	-0.4%	1.0%	2.3%	1.3%	2.1%	0.7%	1.5%
Home Prices	6.1%	5.4%	7.5%	7.1%	7.1%	6.5%	6.2%	5.8%	5.9%	6.1%	12.5%	7.9%	6.6%	6.0%

Quarterly figures are seasonally adjusted annual rates.

* Billion dollars

Source: Forecast produced using Macroeconomic Advisers quarterly model of the U.S. economy.

Assumptions and simulations by Dr. David Lereah and Dr. Lawrence Yun.

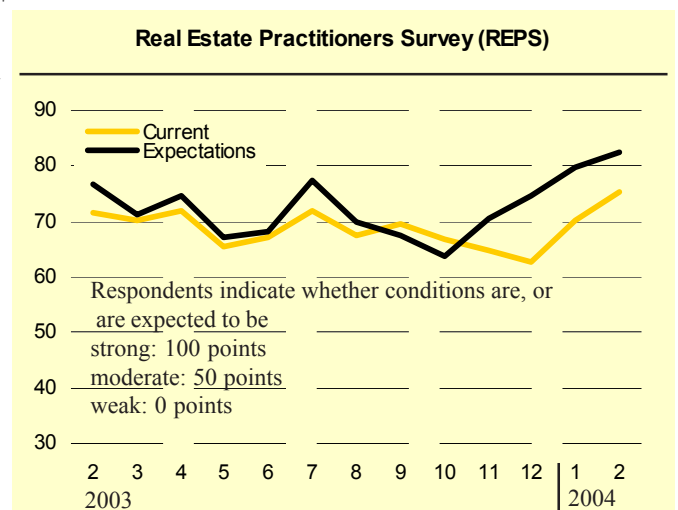
This table reflects data available through April 5, 2004.

Monthly Indicator	Recent Statistics	Likely Direction Over the Next Six Months	Forecast
Mortgage Rates The 30-year fixed mortgage rate dipped by 19 basis points in February to 5.45% — the lowest in eight months. The one-year adjustable rate fell to 3.41 from 3.55 in the previous month.	Jan 5.74 Feb 5.64 Mar 5.45	↑	The Fed to be less patient.
Existing Home Sales increased 2.0% in February to 6.12 million annualized units. Home prices grew at a pace of 5.7% compared to a year ago. The inventory level remains lean at a month's supply of 4.6.	Dec 6,370 Jan 6,000 Feb 6,120	↔	Strong momentum.
New Home Sales increased 5.8% in February to 1.163 million annualized units -the highest level in six month. Median home prices surged 10%, which reflects the strong demand. The west experienced the largest increase, with sales rising 29%.	Dec 1,111 Jan 1,099 Feb 1,163	↔	People seeking larger new homes in an improving economy.
Housing Starts slowed for the second straight month, but still remain at a strong level. Residential construction fell 4.0% in February to 1.855 million annualized units. The Northeast and Midwest rebounded strongly, while South and West starts dropped for the second straight month.	Dec 2,061 Jan 1,932 Feb 1,855	↔	Home builders respond to demand.
Employment Growth Payroll employment took a leap with 308,000 jobs in March, surpassing the consensus estimate. February's figure was revised upward to 46,000. Unemployment inched to 5.7% as more workers entered the labor market.	Jan 159 Feb 46 Mar 308	↑	Job growth, even in the manufacturing sector.
Purchase Applications After slipping in February, mortgage loan applications bounced back in March rising 6.7% to a level of 443.3. This is the 2nd highest level on record and suggests strong home sales activity ahead.	Jan 448.9 Feb 415.6 Mar 443.3	↔	Refi's slip, but purchase applications remain elevated.
Housing Affordability The composite affordability index inched up to 144.9. The slowing of home prices offset the slight increase in mortgage rates, leading to improved affordability conditions.	Dec 137.2 Jan 143.4 Feb 144.9	↓	Higher rates limit loan dollars.
Inflation The consumer price index inched up 0.3% in February. The core index (excluding food and energy) increased 0.2%, pushing core inflation to 1.2% higher compared to a year-ago.	Dec 0.2 Jan 0.5 Feb 0.3	↔	Not so good at the gas pump, but overall index is behaving.

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

Real Estate Practitioners Survey (REPS)

Each month NAR surveys more than 3500 Real Estate Practitioners asking for their opinions about residential housing market conditions in their local areas. The REPS has proven to be a good leading measure of home sales activity. More specifically, the REPs expectations index typically leads Existing Home Sales by one to three months, and so it is a powerful tool for measuring current and future housing activity. The REPS "Question of the Month" allows NAR to capture information on current topics facing the real estate industry (see page 11 for this month's results). Through the REP question of month NAR was able to quickly capture the housing market's response to September 11. REPS participants are sanguine about the outlook for the housing market — the REP index has trended upwards recently, indicating that home sales will remain strong in near future.



By Wannasiri Chompoopet