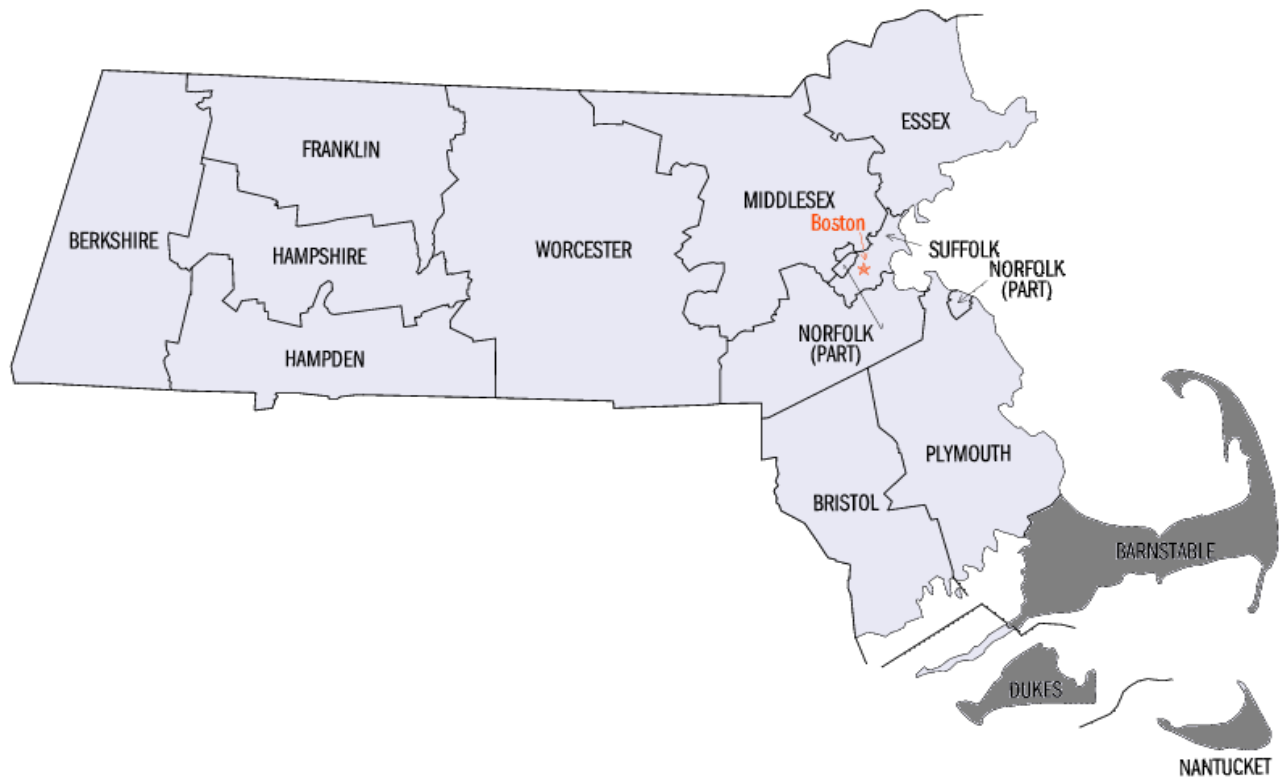


Economic and Market Watch Report

1st Quarter, 2005



*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

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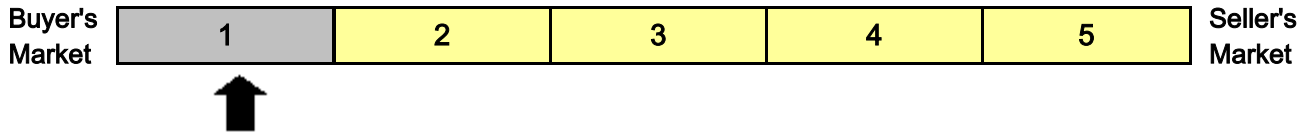
Index

Local Report

Massachusetts

Berkshire County	1
Bristol County	2
Essex County	4
Franklin County	6
Hampden County	8
Hampshire County	10
Middlesex County	12
Norfolk County	15
Plymouth County	17
Suffolk County	19
Worcester County	21
Others	24
Trends	27
Chief Economist's Commentary*	28
Local Forecast	29
Economic Monitor*	32

Berkshire County, MA



Labor Market :

Employment increased by 2,619 jobs in Berkshire 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 3.8% for the fourth quarter to 5.2% 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' 04	Q1' 05	Q2' 05 (Forecast)
Average Price	\$817,500	\$109,900	↑
# Homes on the Market *	17	32	↑
# Homes Sold **	1	4	↔
# New Homes Built ***	23	8	↓
Avg # of Days on Market	21	32	↑

* Available as of Mar. 31, 2005.

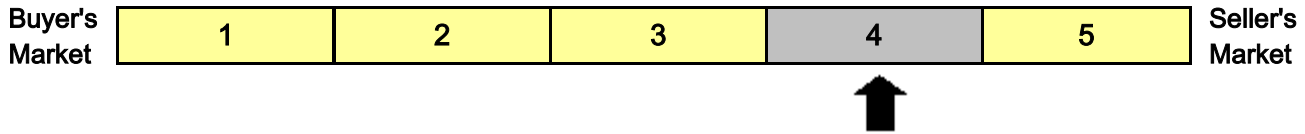
** May not add to total of zip codes

*** 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)
01201	\$85,000	-	1	-	1	100.0%
01230	\$163,800	-	1	-	35	100.0%
01247	\$72,000	44.00%	1	0.00%	18	100.0%
01257	\$118,900	-	1	-	76	99.2%

Bristol County, MA



Labor Market :

Employment increased by 4,748 jobs in Bristol 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 5.3% for the fourth quarter to 7.2% 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' 04	Q1' 05	Q2' 05 (Forecast)
Average Price	\$340,600	\$342,200	↑
# Homes on the Market *	1,373	2,124	↔
# Homes Sold **	847	670	↓
# New Homes Built ***	249	123	↓
Avg # of Days on Market	70	41	↑

* Available as of Mar. 31, 2005.

** May not add to total of zip codes

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

Data by Zip Codes

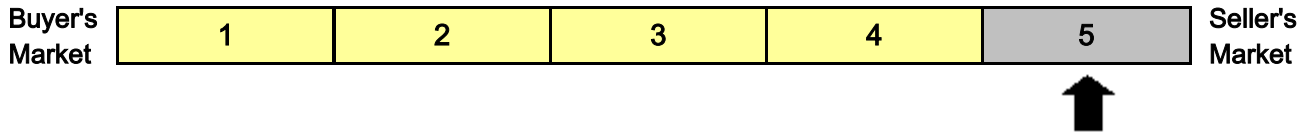
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
02048	\$460,700	22.98%	26	-33.33%	74	97.3%
02334	\$305,000	141.11%	1	0.00%	6	101.7%
02356	\$556,400	12.91%	17	-19.05%	82	100.5%
02375	\$388,800	-15.84%	12	0.00%	89	99.9%
02702	\$378,400	48.22%	13	62.50%	87	97.7%
02703	\$328,600	7.91%	89	8.54%	75	98.7%
02715	\$388,800	-10.93%	4	100.00%	177	97.0%
02717	\$329,000	7.27%	3	-50.00%	57	95.1%
02718	\$328,500	15.55%	6	-45.45%	77	98.1%
02719	\$341,700	31.22%	21	5.00%	106	94.7%

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)
02720	\$294,900	11.03%	19	-17.39%	62	95.5%
02721	\$250,300	26.48%	13	62.50%	90	95.8%
02723	\$217,200	5.69%	7	40.00%	83	94.9%
02724	\$214,300	-8.89%	14	75.00%	93	97.6%
02725	\$182,500	-6.41%	1	0.00%	92	84.9%
02726	\$283,300	-0.32%	20	42.86%	83	96.3%
02740	\$246,800	21.94%	41	41.38%	87	98.8%
02743	\$296,500	0.99%	17	240.00%	70	96.9%
02744	\$272,300	5.14%	4	300.00%	138	97.8%
02745	\$242,800	9.22%	24	140.00%	64	97.0%
02746	\$253,300	33.32%	3	-40.00%	70	98.8%
02747	\$340,700	-5.60%	28	100.00%	96	96.3%
02748	\$624,900	17.24%	9	200.00%	154	93.4%
02760	\$416,800	19.15%	58	26.09%	84	99.6%
02764	\$316,900	0.16%	5	25.00%	180	98.5%
02766	\$415,200	26.82%	34	21.43%	83	97.1%
02767	\$386,900	8.35%	28	55.56%	63	101.4%
02769	\$430,200	13.81%	19	18.75%	92	97.0%
02771	\$329,600	18.82%	17	21.43%	80	96.3%
02777	\$293,000	10.15%	25	47.06%	113	95.2%
02779	\$314,600	-13.86%	6	-53.85%	46	98.6%
02780	\$294,200	5.56%	72	5.88%	-312	97.2%
02790	\$372,200	-8.77%	9	-18.18%	92	96.0%
OTHER	\$313,100	1.99%	5	-16.67%	54	97.3%

Essex County, MA



Labor Market :

Employment declined by 5,282 jobs in January and February. The job losses brought about an increase in the average monthly unemployment rate from 5.2% 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 Essex County. Combined with favorable low mortgage rates, home sales should continue at a strong pace.

Housing Market :

	Q4' 04	Q1' 05	Q2' 05 (Forecast)
Average Price	\$454,500	\$452,500	↓
# Homes on the Market *	1,695	2,669	↓
# Homes Sold **	1,439	1,029	↓
# New Homes Built ***	151	102	↓
Avg # of Days on Market	67	77	↑

* Available as of Mar. 31, 2005.

** May not add to total of zip codes

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

Data by Zip Codes

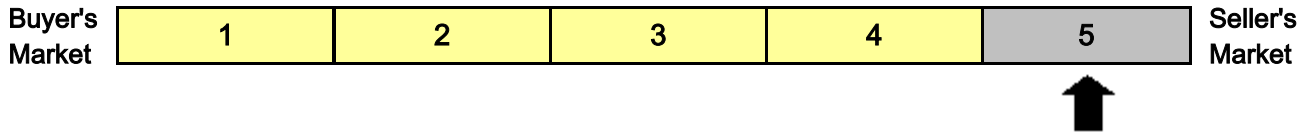
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
01810	\$652,200	12.18%	65	0.00%	76	95.6%
01830	\$304,900	-4.57%	34	-27.66%	88	97.9%
01832	\$364,300	8.55%	18	28.57%	38	98.4%
01833	\$508,100	3.63%	19	5.56%	116	98.3%
01834	\$447,100	20.22%	17	70.00%	81	97.8%
01835	\$375,500	9.16%	18	-35.71%	57	98.8%
01840	\$230,000	-13.21%	1	0.00%	60	95.9%
01841	\$206,700	2.28%	23	9.52%	58	96.9%
01843	\$243,800	10.07%	24	41.18%	52	96.8%
01844	\$330,300	19.20%	86	10.26%	61	97.9%
01845	\$535,400	8.62%	51	10.87%	107	98.3%

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)
01860	\$373,800	31.11%	11	0.00%	76	96.0%
01901	\$218,800	-	2	-	31	98.9%
01902	\$271,500	9.04%	38	-25.49%	59	98.1%
01904	\$319,800	9.00%	47	27.03%	79	97.5%
01905	\$283,800	19.24%	22	-12.00%	71	96.1%
01906	\$369,500	-4.13%	42	16.67%	73	96.2%
01907	\$517,000	11.95%	27	12.50%	71	96.3%
01908	\$540,300	-28.47%	6	50.00%	79	94.4%
01913	\$328,100	-6.31%	22	-33.33%	81	98.1%
01915	\$412,100	-13.61%	37	-31.48%	93	96.7%
01921	\$693,900	-7.38%	24	50.00%	130	96.1%
01922	\$590,000	15.12%	2	0.00%	145	98.3%
01923	\$449,300	9.48%	30	3.45%	72	98.0%
01929	\$744,500	37.03%	11	266.67%	108	90.4%
01930	\$465,300	-11.44%	37	60.87%	77	96.0%
01936	\$776,000	-	2	-	41	92.2%
01938	\$532,800	-3.32%	24	-4.00%	97	97.1%
01940	\$612,300	-2.02%	28	27.27%	62	95.1%
01944	\$696,900	23.35%	6	-14.29%	130	95.9%
01945	\$599,400	-8.24%	35	-25.53%	73	95.1%
01949	\$568,400	-12.73%	11	37.50%	68	97.2%
01950	\$567,800	15.36%	30	3.45%	69	97.9%
01951	\$517,800	5.46%	12	0.00%	92	94.6%
01952	\$371,600	7.46%	13	116.67%	124	97.1%
01960	\$380,900	4.84%	48	23.08%	60	97.8%
01965	\$4,000,000	-	1	-	300	80.0%
01966	\$506,300	10.64%	16	100.00%	77	94.7%
01969	\$520,400	31.58%	17	54.55%	78	97.7%
01970	\$345,900	3.28%	32	-34.69%	49	97.8%
01982	\$568,300	0.12%	12	-7.69%	107	95.8%
01983	\$537,300	-6.15%	4	-33.33%	146	95.4%
01984	\$1,212,200	80.09%	6	50.00%	66	93.1%
01985	\$645,600	7.64%	13	225.00%	92	96.8%
OTHER	\$354,600	-21.76%	5	-61.54%	87	97.2%

Franklin County, MA



Labor Market :

Employment declined by 673 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 5% 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' 04	Q1' 05	Q2' 05 (Forecast)
Average Price	\$217,500	\$225,600	↓
# Homes on the Market *	204	285	↓
# Homes Sold **	179	98	↓
# New Homes Built ***	21	9	↓
Avg # of Days on Market	53	81	↑

* Available as of Mar. 31, 2005.

** May not add to total of zip codes

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

Data by Zip Codes

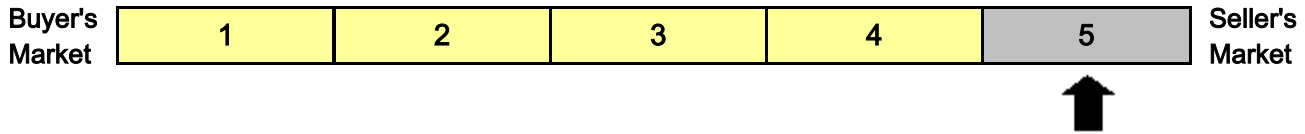
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
01054	\$360,000	4.14%	4	33.33%	63	93.9%
01072	\$270,300	244.33%	2	100.00%	97	96.6%
01301	\$189,400	24.28%	20	0.00%	80	97.1%
01330	\$282,200	61.26%	5	150.00%	46	94.8%
01340	\$290,000	9.43%	1	-50.00%	238	96.7%
01341	\$400,000	13.06%	1	-75.00%	32	100.0%
01344	\$145,000	14.62%	1	-50.00%	26	96.7%
01347	\$150,000	-	1	-	12	100.0%
01349	\$154,800	-7.14%	2	-33.33%	125	99.4%
01351	\$268,300	51.58%	3	200.00%	53	98.9%
01355	\$355,000	-	1	-	136	96.2%

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)
01360	\$176,300	33.86%	3	-40.00%	20	98.2%
01364	\$194,300	36.35%	27	92.86%	80	99.3%
01370	\$227,500	-41.03%	2	0.00%	134	94.8%
01373	\$336,100	40.28%	7	75.00%	77	96.7%
01375	\$350,300	70.46%	3	0.00%	117	95.7%
01376	\$190,600	24.82%	8	-20.00%	122	98.5%
01378	\$168,000	7.21%	2	-33.33%	93	93.6%
OTHER	\$196,400	66.44%	5	400.00%	59	98.7%

Hampden County, MA



Labor Market :

Employment declined by 4,385 jobs in January and February. The job losses brought about an increase in the average monthly unemployment rate from 5% in the fourth quarter to 6.5% 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' 04	Q1' 05	Q2' 05 (Forecast)
Average Price	\$197,000	\$203,300	↓
# Homes on the Market *	1,051	1,395	↓
# Homes Sold **	995	747	↓
# New Homes Built ***	73	52	↓
Avg # of Days on Market	54	64	↑

* Available as of Mar. 31, 2005.

** May not add to total of zip codes

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

Data by Zip Codes

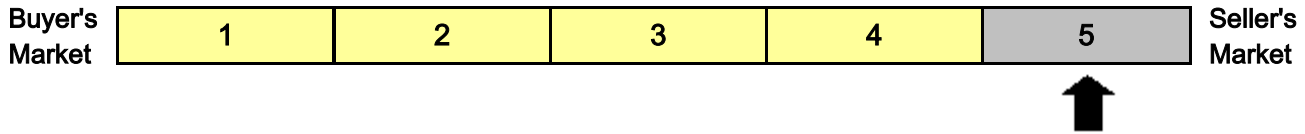
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
01001	\$216,900	0.74%	31	29.17%	44	97.7%
01008	\$352,000	76.88%	2	0.00%	98	96.8%
01009	\$135,000	-17.48%	1	0.00%	146	96.5%
01010	\$184,700	-24.98%	8	-20.00%	103	99.9%
01011	\$139,000	-9.62%	1	-50.00%	189	97.3%
01013	\$149,200	2.19%	15	25.00%	40	99.1%
01020	\$164,000	5.13%	41	24.24%	59	98.0%
01022	\$181,500	-	1	-	55	96.0%
01028	\$259,900	0.74%	38	40.74%	63	96.4%
01030	\$265,900	11.30%	19	35.71%	41	98.7%
01034	\$180,000	-	1	-	27	94.8%

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)
01036	\$249,100	-24.72%	6	20.00%	93	96.8%
01040	\$181,900	18.35%	40	37.93%	61	98.2%
01056	\$205,600	-2.79%	24	26.32%	73	96.7%
01057	\$237,700	15.05%	17	54.55%	64	98.6%
01069	\$203,600	11.32%	17	30.77%	83	96.6%
01071	\$202,400	-28.88%	5	0.00%	122	96.7%
01077	\$255,800	8.71%	24	41.18%	44	98.6%
01080	\$155,000	68.48%	2	100.00%	82	91.4%
01081	\$254,800	173.39%	5	66.67%	107	98.8%
01085	\$276,400	37.51%	82	57.69%	65	98.3%
01089	\$224,300	21.31%	32	-27.27%	71	97.1%
01095	\$309,800	13.44%	24	14.29%	88	97.0%
01101	\$165,000	16.20%	1	-50.00%	182	92.7%
01104	\$122,700	11.85%	50	35.14%	82	97.2%
01105	\$71,400	-11.63%	5	66.67%	85	97.1%
01106	\$360,200	15.86%	30	-6.25%	72	95.6%
01107	\$121,900	17.21%	4	-20.00%	46	99.0%
01108	\$142,500	19.45%	40	33.33%	52	97.1%
01109	\$126,900	26.27%	38	2.70%	59	99.2%
01114	\$99,900	-	1	-	15	100.0%
01118	\$159,500	13.60%	56	24.44%	61	97.2%
01119	\$149,200	17.39%	42	82.61%	57	98.9%
01128	\$133,600	-26.11%	5	-28.57%	56	96.7%
01129	\$191,400	37.50%	14	-26.32%	57	99.5%
01151	\$150,400	35.86%	12	-20.00%	68	98.5%
01521	\$184,700	-3.10%	8	-27.27%	83	95.7%
OTHER	\$170,700	0.35%	5	-44.44%	64	97.7%

Hampshire County, MA



Labor Market :

Employment increased by 2,787 jobs in Hampshire 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 3.1% for the fourth quarter to 4.1% 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' 04	Q1' 05	Q2' 05 (Forecast)
Average Price	\$268,600	\$261,900	↑
# Homes on the Market *	379	500	↑
# Homes Sold **	298	186	↔
# New Homes Built ***	27	11	↓
Avg # of Days on Market	64	81	↑

* Available as of Mar. 31, 2005.

** May not add to total of zip codes

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

Data by Zip Codes

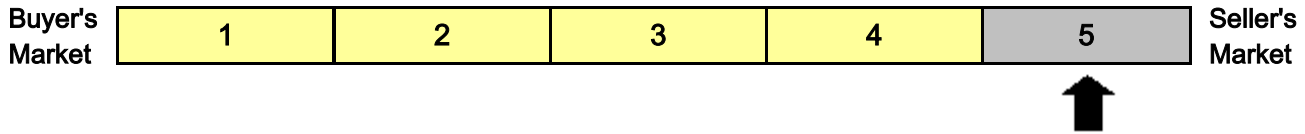
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
01002	\$343,900	1.39%	21	-4.55%	90	95.7%
01007	\$265,000	-1.23%	27	-20.59%	63	97.5%
01027	\$246,700	6.15%	30	25.00%	63	95.3%
01033	\$260,500	38.56%	4	-20.00%	121	98.0%
01035	\$327,400	-11.63%	6	50.00%	106	97.1%
01038	\$292,000	-9.63%	7	250.00%	81	98.4%
01039	\$319,000	-	1	-	284	97.0%
01050	\$221,700	46.92%	3	-40.00%	27	99.3%
01060	\$305,300	41.80%	13	-13.33%	52	97.4%
01062	\$247,600	-24.88%	15	-6.25%	103	95.9%

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)
01073	\$254,000	-10.53%	9	-10.00%	67	88.6%
01075	\$246,000	22.75%	20	-13.04%	92	95.9%
01082	\$179,900	7.85%	26	36.84%	97	95.4%
01096	\$403,600	184.63%	3	0.00%	102	77.9%
01243	\$120,000	-	1	-	76	93.8%

Middlesex County, MA



Labor Market :

Employment declined by 33,138 jobs in January and February. The job losses brought about an increase in the average monthly unemployment rate from 3.4% in the fourth quarter to 4.4% 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' 04	Q1' 05	Q2' 05 (Forecast)
Average Price	\$520,100	\$536,000	↓
# Homes on the Market *	2,521	4,202	↓
# Homes Sold **	2,541	1,826	↓
# New Homes Built ***	357	273	↓
Avg # of Days on Market	55	68	↑

* Available as of Mar. 31, 2005.

** 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	\$288,600	17.08%	4	-50.00%	207	96.0%
01432	\$382,000	32.23%	16	100.00%	69	103.9%
01434	\$499,000	-	1	-	159	100.0%
01450	\$643,000	30.06%	21	0.00%	91	97.0%
01460	\$437,500	4.72%	14	-41.67%	91	99.8%
01463	\$423,900	21.29%	27	-3.57%	84	95.4%
01464	\$262,400	2.02%	12	0.00%	74	96.8%
01469	\$291,100	6.20%	17	41.67%	95	98.2%
01474	\$357,000	98.33%	1	0.00%	82	99.2%
01701	\$427,800	7.30%	96	45.45%	48	98.3%
01702	\$354,100	-0.31%	30	-3.23%	43	97.6%

Middlesex County, MA

Data by Zip Codes

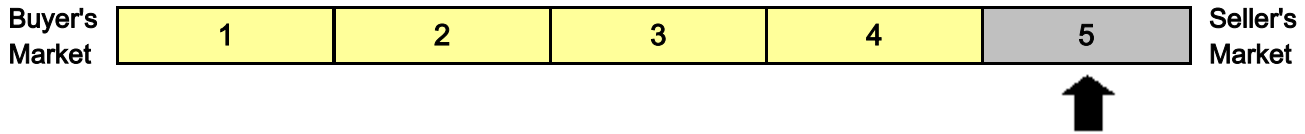
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
01719	\$630,800	-1.14%	6	-25.00%	111	99.6%
01720	\$600,000	9.99%	22	4.76%	64	97.7%
01721	\$428,000	1.35%	27	28.57%	57	97.9%
01730	\$545,600	-8.19%	20	11.11%	59	97.1%
01741	\$885,600	9.29%	16	45.45%	94	96.6%
01742	\$890,600	7.65%	27	92.86%	87	96.6%
01746	\$420,800	-7.44%	21	-16.00%	66	98.5%
01748	\$577,700	-2.18%	34	3.03%	88	97.0%
01749	\$373,700	4.04%	32	6.67%	78	97.8%
01752	\$387,200	28.55%	68	19.30%	82	97.8%
01754	\$348,400	5.38%	21	10.53%	53	99.1%
01760	\$573,000	31.63%	63	14.55%	75	98.5%
01770	\$707,800	-8.71%	10	0.00%	52	95.8%
01773	\$1,305,100	1.29%	9	125.00%	80	94.6%
01775	\$570,700	10.00%	21	31.25%	112	99.0%
01776	\$722,900	1.62%	44	10.00%	78	96.5%
01778	\$648,800	-11.49%	22	-12.00%	84	95.2%
01801	\$394,400	11.51%	34	0.00%	58	97.0%
01803	\$463,300	24.74%	25	-26.47%	65	98.6%
01821	\$375,000	8.32%	57	-1.72%	56	97.9%
01824	\$384,800	0.18%	43	-15.69%	67	97.9%
01826	\$341,900	15.35%	46	6.98%	66	98.7%
01827	\$599,500	41.96%	5	66.67%	102	100.0%
01850	\$210,400	-5.65%	14	-36.36%	65	98.1%
01851	\$259,600	6.44%	32	3.23%	54	96.0%
01852	\$297,700	14.37%	29	61.11%	45	97.8%
01854	\$298,100	17.64%	26	-25.71%	76	98.8%
01862	\$434,900	43.39%	9	-50.00%	66	97.5%
01863	\$375,500	28.64%	10	25.00%	77	100.0%
01864	\$530,300	-1.56%	27	-15.63%	51	97.9%
01867	\$465,000	0.56%	45	25.00%	48	97.8%
01876	\$375,000	8.57%	34	-10.53%	86	97.9%
01879	\$386,900	14.60%	20	100.00%	93	98.5%
01880	\$442,500	8.62%	23	-42.50%	67	97.5%
01886	\$507,500	17.18%	35	6.06%	62	98.4%
01887	\$435,200	21.56%	36	-18.18%	65	97.9%
01888	\$489,500	-	1	-	191	99.0%

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)
01890	\$802,900	11.84%	30	-14.29%	73	95.9%
02138	\$1,476,200	23.37%	12	-29.41%	133	93.1%
02139	\$547,300	20.92%	4	0.00%	49	97.5%
02140	\$1,025,200	37.87%	4	-42.86%	129	97.6%
02141	\$389,500	-2.38%	6	50.00%	132	91.4%
02143	\$475,200	-9.49%	5	400.00%	117	97.5%
02144	\$519,000	58.47%	8	166.67%	67	98.4%
02145	\$411,000	5.82%	2	-71.43%	19	99.2%
02148	\$341,300	3.99%	48	17.07%	57	98.0%
02149	\$357,000	15.98%	21	90.91%	68	98.1%
02153	\$365,500	-	1	-	93	96.2%
02155	\$406,400	1.50%	39	-25.00%	46	97.0%
02176	\$426,600	4.18%	35	-22.22%	54	98.4%
02180	\$442,700	3.58%	22	10.00%	53	97.4%
02420	\$735,400	-7.12%	22	-26.67%	79	96.7%
02421	\$923,200	24.82%	27	0.00%	102	95.9%
02451	\$434,500	1.42%	35	66.67%	51	97.6%
02452	\$515,700	35.93%	6	-14.29%	60	98.3%
02453	\$411,900	3.21%	25	31.58%	44	97.4%
02458	\$1,179,500	56.12%	12	9.09%	86	94.3%
02459	\$914,100	0.81%	28	0.00%	48	95.5%
02460	\$546,700	-3.15%	3	-25.00%	77	96.2%
02461	\$665,800	3.02%	9	-30.77%	64	94.3%
02462	\$670,000	-11.12%	1	-66.67%	108	99.3%
02464	\$490,000	-15.63%	2	-50.00%	21	95.7%
02465	\$1,318,800	66.49%	13	-18.75%	65	94.8%
02466	\$794,300	16.24%	10	66.67%	56	96.3%
02467	\$1,199,900	-3.36%	7	-22.22%	79	91.5%
02468	\$1,015,400	10.56%	13	-7.14%	45	96.0%
02471	\$422,000	-	1	-	11	96.1%
02472	\$478,600	5.70%	18	63.64%	40	96.6%
02474	\$492,500	14.80%	21	-30.00%	41	98.5%
02476	\$493,700	-11.51%	17	-10.53%	25	100.1%
02478	\$727,700	4.98%	21	-19.23%	69	97.5%
02493	\$1,762,300	42.25%	36	44.00%	122	93.5%
OTHER	\$415,600	17.90%	9	-52.63%	55	98.2%






Norfolk County, MA



Labor Market :

Employment declined by 9,228 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 4.5% 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' 04	Q1' 05	Q2' 05 (Forecast)
Average Price	\$531,100	\$536,800	
# Homes on the Market *	1,392	2,393	
# Homes Sold **	1,397	962	
# New Homes Built ***	136	145	
Avg # of Days on Market	53	65	

* Available as of Mar. 31, 2005.

** May not add to total of zip codes

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

Data by Zip Codes

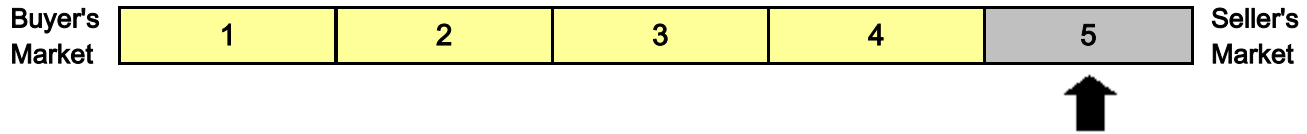
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
02019	\$354,100	3.57%	41	17.14%	46	98.4%
02021	\$552,600	4.17%	20	-50.00%	75	96.6%
02025	\$1,023,200	17.39%	16	0.00%	113	93.5%
02026	\$468,900	-6.11%	60	50.00%	64	96.3%
02030	\$1,078,000	-9.93%	19	5.56%	79	94.0%
02032	\$409,000	15.96%	8	14.29%	43	98.2%
02035	\$464,500	15.89%	18	-25.00%	88	97.8%
02038	\$432,300	0.93%	59	-6.35%	59	98.1%
02052	\$769,000	13.64%	18	-37.93%	72	98.1%
02053	\$480,300	17.35%	17	-15.00%	47	98.7%
02054	\$433,900	9.65%	14	-12.50%	55	97.7%

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)
02056	\$548,700	8.08%	13	-23.53%	50	98.6%
02062	\$431,100	13.45%	34	61.90%	55	98.2%
02067	\$550,200	14.94%	35	66.67%	70	96.0%
02072	\$384,200	18.91%	45	28.57%	67	97.4%
02081	\$451,600	-10.87%	26	8.33%	64	97.8%
02090	\$678,100	6.50%	14	-30.00%	55	93.6%
02093	\$445,900	-4.27%	12	-33.33%	88	98.3%
02169	\$382,200	9.42%	47	-21.67%	68	95.9%
02170	\$403,600	13.21%	19	11.76%	70	95.6%
02171	\$403,700	12.80%	17	0.00%	73	94.8%
02184	\$423,800	13.16%	46	-4.17%	70	95.7%
02186	\$506,900	-7.47%	54	50.00%	92	96.1%
02188	\$320,700	9.98%	11	-26.67%	38	96.2%
02189	\$309,500	-5.64%	21	0.00%	50	97.5%
02190	\$383,300	18.30%	15	0.00%	67	96.9%
02191	\$344,200	33.98%	18	100.00%	54	97.8%
02322	\$344,500	10.88%	18	200.00%	52	96.4%
02343	\$313,100	1.26%	22	22.22%	75	98.7%
02368	\$340,200	14.58%	59	-10.61%	56	98.2%
02445	\$1,973,500	52.21%	5	-77.27%	53	96.5%
02446	\$1,675,800	80.95%	6	-25.00%	97	91.9%
02481	\$1,083,300	-1.44%	31	-16.22%	70	96.6%
02482	\$1,115,100	19.56%	24	100.00%	83	96.4%
02492	\$872,300	29.33%	28	0.00%	26	97.6%
02494	\$719,900	38.52%	15	7.14%	69	97.4%
02762	\$337,300	7.87%	17	41.67%	70	97.0%
OTHER	\$1,000,300	-11.78%	20	-4.76%	59	96.4%

Plymouth County, MA



Labor Market :

Employment declined by 2,959 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 5.5% 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' 04	Q1' 05	Q2' 05 (Forecast)
Average Price	\$404,200	\$404,300	↓
# Homes on the Market *	1,755	2,724	↓
# Homes Sold **	1,276	921	↓
# New Homes Built ***	367	194	↓
Avg # of Days on Market	70	78	↑

* Available as of Mar. 31, 2005.

** May not add to total of zip codes

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

Data by Zip Codes

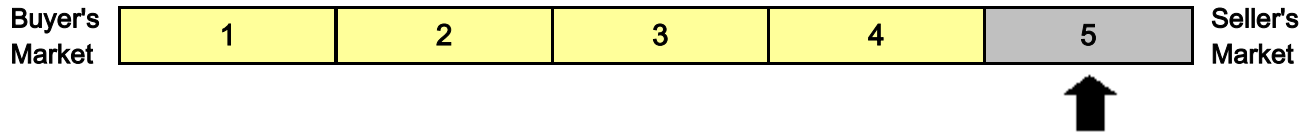
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
02043	\$746,900	22.04%	46	9.52%	107	95.3%
02045	\$383,100	4.87%	15	-16.67%	61	94.1%
02047	\$530,000	23.26%	1	0.00%	36	88.3%
02050	\$523,000	22.43%	50	-7.41%	73	97.5%
02061	\$639,400	7.23%	10	-56.52%	106	96.4%
02066	\$679,800	32.15%	30	7.14%	98	93.6%
02301	\$296,000	16.67%	90	-8.16%	63	98.5%
02302	\$266,200	15.19%	70	4.48%	54	98.3%
02324	\$408,100	18.53%	36	33.33%	60	96.5%
02330	\$381,700	24.41%	30	-3.23%	105	98.9%
02331	\$1,116,000	-	3	-	108	94.0%

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)
02332	\$614,400	-4.54%	19	-34.48%	77	96.4%
02333	\$363,300	16.59%	19	0.00%	86	100.0%
02338	\$334,100	15.33%	12	-25.00%	97	97.0%
02339	\$520,600	9.58%	14	-41.67%	70	95.8%
02341	\$376,000	11.01%	21	-22.22%	61	96.7%
02345	\$357,000	42.86%	1	0.00%	28	96.7%
02346	\$345,800	19.32%	33	-10.81%	70	97.2%
02347	\$414,200	20.13%	23	9.52%	121	97.2%
02351	\$378,900	7.19%	21	-8.70%	65	97.0%
02359	\$376,300	5.67%	31	34.78%	71	96.8%
02360	\$386,000	8.03%	164	5.13%	92	98.0%
02364	\$381,200	4.58%	30	11.11%	75	97.5%
02367	\$397,700	22.26%	3	-25.00%	81	97.2%
02370	\$309,200	7.62%	35	45.83%	51	97.0%
02379	\$329,800	0.43%	7	0.00%	58	98.0%
02382	\$360,200	24.29%	23	-11.54%	68	98.3%
02538	\$211,300	-0.80%	10	-28.57%	66	97.5%
02558	\$323,900	62.36%	6	50.00%	102	92.8%
02571	\$310,600	17.34%	26	-13.33%	109	95.2%
02576	\$300,900	19.17%	6	50.00%	47	96.9%
02738	\$470,300	-65.50%	13	1200.00%	108	96.3%
02739	\$419,400	6.45%	5	25.00%	45	96.9%
02770	\$426,600	5.78%	6	0.00%	57	98.1%
OTHER	\$273,700	-76.36%	12	9.09%	65	95.5%

Suffolk County, MA



Labor Market :

Employment declined by 17,772 jobs in January and February. The job losses brought about an increase in the average monthly unemployment rate from 4.5% in the fourth quarter to 5.5% 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' 04	Q1' 05	Q2' 05 (Forecast)
Average Price	\$406,900	\$434,900	↓
# Homes on the Market *	410	726	↓
# Homes Sold **	405	249	↓
# New Homes Built ***	37	2	↓
Avg # of Days on Market	53	56	↑

* Available as of Mar. 31, 2005.

** May not add to total of zip codes

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

Data by Zip Codes

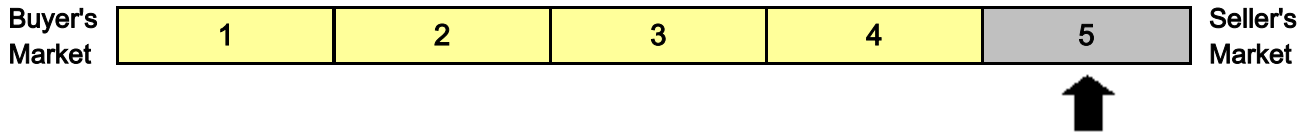
Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
02114	\$2,762,500	-22.91%	1	-66.67%	107	93.6%
02116	\$2,550,000	205.50%	2	-33.33%	120	87.9%
02118	\$1,498,000	31.88%	4	0.00%	59	101.7%
02119	\$245,000	-19.78%	2	-80.00%	49	89.3%
02120	\$320,000	-	1	-	147	87.5%
02121	\$274,000	-8.64%	2	100.00%	58	93.0%
02122	\$304,500	-4.78%	4	-60.00%	82	95.7%
02124	\$356,500	-8.66%	13	44.44%	67	97.3%
02125	\$323,500	-2.77%	5	0.00%	74	96.3%
02126	\$307,500	31.35%	20	185.71%	53	98.9%
02127	\$392,800	34.84%	5	0.00%	42	96.8%

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)
02128	\$269,100	-1.32%	7	-22.22%	44	90.5%
02129	\$664,300	-16.26%	8	166.67%	86	95.6%
02130	\$492,700	2.43%	11	57.14%	47	98.5%
02131	\$385,000	-2.36%	27	0.00%	45	98.2%
02132	\$507,600	18.46%	38	11.76%	53	97.1%
02134	\$604,000	28.51%	3	50.00%	63	89.3%
02135	\$490,000	9.79%	11	175.00%	73	96.5%
02136	\$341,300	3.99%	24	0.00%	62	98.1%
02150	\$290,500	0.28%	11	57.14%	74	96.5%
02151	\$328,700	5.76%	41	-14.58%	44	97.3%
02152	\$346,500	-4.33%	9	-25.00%	56	95.2%

Worcester County, MA



Labor Market :

Employment increased by 6,815 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 4.9% for the fourth quarter to 5.8% 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' 04	Q1' 05	Q2' 05 (Forecast)
Average Price	\$315,800	\$320,800	↑
# Homes on the Market *	2,625	3,857	↔
# Homes Sold **	2,025	1,474	↓
# New Homes Built ***	508	334	↓
Avg # of Days on Market	63	77	↑

* Available as of Mar. 31, 2005.

** 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	\$245,600	-6.90%	13	-7.14%	38	99.7%
01037	\$300,200	42.07%	2	-33.33%	237	98.6%
01068	\$305,800	14.23%	3	-25.00%	156	98.7%
01083	\$192,900	0.21%	11	22.22%	64	97.5%
01092	\$141,500	8.85%	2	100.00%	28	96.3%
01331	\$192,100	26.88%	37	5.71%	91	98.0%
01366	\$115,000	-50.50%	1	-50.00%	2	76.7%
01368	\$155,000	-5.72%	2	0.00%	183	98.4%
01420	\$215,000	8.75%	84	9.09%	79	99.4%
01430	\$281,000	17.87%	15	36.36%	79	101.4%

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)
01436	\$246,600	24.11%	10	100.00%	28	100.2%
01438	\$125,000	-12.28%	1	-50.00%	12	89.3%
01440	\$250,200	18.97%	37	2.78%	76	98.3%
01451	\$644,800	31.40%	8	-20.00%	152	93.5%
01452	\$272,100	-6.53%	10	0.00%	121	99.8%
01453	\$273,800	9.08%	51	0.00%	70	97.9%
01462	\$354,100	9.76%	28	-26.32%	119	98.8%
01468	\$281,000	11.07%	11	-38.89%	52	98.0%
01473	\$333,900	16.42%	16	33.33%	104	98.2%
01475	\$211,800	13.20%	46	130.00%	87	97.1%
01501	\$268,900	15.21%	24	-27.27%	66	96.7%
01503	\$548,900	14.81%	5	-16.67%	78	99.2%
01504	\$333,300	24.09%	12	20.00%	61	98.4%
01505	\$441,500	25.60%	13	85.71%	68	98.5%
01506	\$176,300	-14.87%	11	10.00%	91	98.3%
01507	\$351,500	10.64%	40	135.29%	67	97.4%
01508	\$250,000	-	1	-	6	89.3%
01510	\$280,700	28.82%	21	23.53%	94	96.7%
01515	\$312,700	11.68%	3	-57.14%	37	94.3%
01516	\$388,000	21.48%	24	50.00%	102	92.7%
01518	\$256,600	-23.88%	3	0.00%	-71	95.7%
01519	\$546,500	10.63%	29	3.57%	91	99.4%
01520	\$319,900	7.71%	41	24.24%	61	97.3%
01522	\$308,100	34.66%	2	-50.00%	71	96.5%
01523	\$332,800	-4.86%	12	-7.69%	57	95.3%
01524	\$270,000	5.02%	15	36.36%	63	98.4%
01527	\$408,800	34.65%	15	-16.67%	56	99.3%
01529	\$340,300	25.11%	8	33.33%	52	98.5%
01531	\$460,000	86.23%	1	0.00%	57	92.0%
01532	\$434,400	18.33%	38	90.00%	78	98.2%
01534	\$393,900	31.13%	25	47.06%	74	100.8%
01535	\$252,800	16.07%	9	80.00%	41	93.2%
01536	\$452,500	40.92%	11	10.00%	110	98.4%
01537	\$233,000	12.29%	1	-50.00%	113	97.1%
01540	\$255,600	0.99%	20	5.26%	74	97.5%
01541	\$493,000	-4.72%	2	-60.00%	5	98.6%
01542	\$331,000	43.54%	2	-50.00%	91	99.0%

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)
01543	\$283,200	5.99%	10	-23.08%	79	96.5%
01545	\$442,700	11.88%	54	-14.29%	67	94.9%
01550	\$231,400	11.30%	26	23.81%	85	98.1%
01560	\$180,500	-56.63%	2	-50.00%	37	85.0%
01562	\$289,000	19.03%	19	-5.00%	86	97.4%
01564	\$422,800	6.39%	16	14.29%	98	96.4%
01566	\$339,200	0.71%	37	48.00%	83	100.0%
01568	\$512,000	25.80%	21	16.67%	53	98.2%
01569	\$370,200	12.97%	25	38.89%	74	97.4%
01570	\$270,000	27.66%	34	70.00%	93	97.7%
01571	\$271,300	8.69%	22	10.00%	147	97.1%
01581	\$485,500	3.50%	26	8.33%	82	97.0%
01583	\$363,800	23.24%	11	-26.67%	61	94.9%
01585	\$231,000	-4.55%	6	-25.00%	52	96.7%
01588	\$349,200	20.79%	13	18.18%	53	97.1%
01590	\$412,900	-11.15%	11	-15.38%	57	98.6%
01602	\$264,500	9.93%	57	9.62%	59	97.5%
01603	\$206,900	12.45%	43	13.16%	68	97.5%
01604	\$254,900	16.55%	37	27.59%	56	99.2%
01605	\$242,700	12.67%	31	-16.22%	59	98.3%
01606	\$247,400	5.23%	37	0.00%	86	98.8%
01607	\$182,300	2.30%	8	-11.11%	50	99.9%
01609	\$317,100	-8.01%	22	4.76%	104	95.2%
01610	\$210,400	-3.04%	12	500.00%	56	99.0%
01611	\$233,600	1.65%	7	75.00%	52	97.9%
01612	\$358,100	-3.09%	16	-20.00%	134	99.0%
01740	\$621,700	0.23%	10	-41.18%	89	98.7%
01747	\$430,400	19.42%	5	-61.54%	62	98.7%
01756	\$527,200	34.73%	10	-28.57%	80	99.2%
01757	\$367,800	9.33%	42	-10.64%	51	97.2%
01772	\$679,900	10.07%	22	22.22%	111	95.9%
OTHER	\$303,000	9.39%	6	-50.00%	110	100.9%

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	\$392,700	40.95%	16	45.45%	95	98.4%
02536	\$317,800	-30.15%	7	133.33%	90	97.6%
02537	\$455,400	-	9	-	59	96.6%
02553	\$335,000	-	1	-	119	95.7%
02556	\$435,000	-10.31%	1	0.00%	56	94.6%
02557	\$532,300	-	2	-	64	97.9%
02559	\$340,900	94.80%	6	500.00%	56	97.0%
02561	\$590,000	15.69%	1	-50.00%	61	98.5%
02562	\$402,400	0.47%	9	80.00%	87	96.6%
02563	\$396,800	6.41%	12	300.00%	75	96.0%
02601	\$342,500	22.32%	2	0.00%	48	100.7%
02644	\$311,000	-	3	-	32	99.8%
02645	\$408,000	18.26%	1	0.00%	143	102.0%
02648	\$481,000	-	2	-	66	94.3%
02649	\$394,300	-	5	-	98	92.0%
02660	\$337,500	-	1	-	22	99.3%
02664	\$677,000	-	1	-	47	97.4%
02668	\$420,000	-	1	-	98	95.5%
02672	\$367,000	-	1	-	117	96.6%
02673	\$278,000	21.40%	2	0.00%	50	106.9%
02675	\$270,000	-11.48%	1	0.00%	227	96.5%
02806	\$313,500	-	2	-	151	95.0%
02816	\$252,500	-	2	-	153	96.4%
02860	\$236,500	33.24%	3	50.00%	100	99.3%
02861	\$227,000	7.94%	7	133.33%	47	97.3%
02864	\$395,400	7.39%	5	-37.50%	40	98.2%
02865	\$163,900	-49.02%	1	-50.00%	78	99.9%
02871	\$200,000	-46.67%	1	0.00%	21	95.3%
02878	\$297,300	18.35%	10	25.00%	68	95.4%
02895	\$235,000	2.17%	1	-50.00%	58	84.0%
02896	\$436,200	14.13%	2	-33.33%	180	102.7%
02909	\$115,000	-	1	-	129	92.1%
02914	\$182,000	-	1	-	26	98.4%
02915	\$238,000	4.62%	2	100.00%	59	99.8%
03038	\$281,300	-3.83%	3	50.00%	86	98.3%

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)
03042	\$403,000	-	1	-	56	94.8%
03044	\$249,900	-2.95%	1	-50.00%	208	100.0%
03048	\$145,800	-18.77%	3	0.00%	70	96.2%
03051	\$287,100	-2.58%	4	0.00%	32	98.9%
03053	\$314,000	-	1	-	28	97.5%
03054	\$89,900	-	1	-	107	100.0%
03055	\$316,500	-	1	-	78	98.9%
03060	\$264,000	3.53%	3	50.00%	74	97.2%
03062	\$319,700	-15.11%	2	-33.33%	30	98.4%
03063	\$255,900	-24.71%	1	0.00%	28	98.5%
03064	\$223,500	-	1	-	99	97.2%
03071	\$252,500	44.29%	5	400.00%	94	98.0%
03076	\$390,900	6.45%	15	25.00%	85	98.4%
03077	\$265,000	-	1	-	38	98.2%
03079	\$324,000	-21.76%	17	325.00%	66	97.7%
03087	\$436,600	-	8	-	96	99.0%
03103	\$239,900	-	1	-	9	100.0%
03110	\$529,900	-	1	-	82	100.0%
03461	\$283,700	19.20%	6	100.00%	81	98.9%
03470	\$32,800	-	1	-	42	97.0%
03811	\$519,200	85.43%	3	200.00%	107	96.5%
03819	\$318,000	-16.93%	4	-33.33%	53	101.1%
03824	\$75,000	-	1	-	148	93.9%
03827	\$575,000	39.97%	1	-66.67%	277	101.1%
03833	\$415,100	-16.96%	4	300.00%	118	100.7%
03841	\$303,000	194.17%	5	400.00%	82	94.2%
03848	\$374,700	-	3	-	102	99.6%
03862	\$272,000	-	1	-	123	96.3%
03865	\$319,100	-39.51%	4	100.00%	103	97.1%
03867	\$286,900	-	1	-	82	99.0%
03872	\$172,100	-	4	-	55	97.0%
03873	\$270,000	-8.94%	1	-50.00%	29	98.2%
03874	\$470,000	30.56%	1	0.00%	223	96.9%
06035	\$319,900	-	1	-	12	94.1%
06071	\$277,500	-	2	-	16	100.1%
06076	\$370,000	-	1	-	90	97.4%
06078	\$316,000	-10.73%	3	0.00%	62	98.3%

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)
06082	\$237,500	52.93%	2	-50.00%	53	99.8%
06241	\$192,900	1.58%	1	0.00%	14	94.1%
06255	\$217,000	-31.00%	1	0.00%	26	96.5%
06260	\$302,500	9.48%	2	0.00%	66	95.3%
06267	\$220,000	-	1	-	158	92.1%
06277	\$320,900	1.07%	4	100.00%	88	95.5%
06281	\$346,800	20.04%	5	25.00%	151	97.8%
OTHER	\$521,000	-12.63%	2	-33.33%	62	96.6%

Selling While It's Hot

By Ken Fears, Economist

Home sales continue to leave a scorched path in the first quarter of 2005. Coming off of a record in 2004, sales are enduring at a strong pace. Roughly 8,433 homes were sold in the area serviced by the MLS Property Information Network during the first quarter of 2005. That is an increase of 7% from the first quarter, January, February, and March, of 2004. While the 30-year fixed rate mortgage remained low in January and February, averaging roughly 5.7% according to the Freddie Mac survey, the average jumped up to 5.9% in March. This upward trend is expected to persist through the year. The National Association of Realtors® is currently forecasting the 30-year FRM to rise to 6.7% by the fourth quarter of 2005 and to average 6.2% for all of 2005.

Price Range	Days on the Market 2004 Q1	Days on the Market 2005 Q1
<\$100K	77.4	78.9
\$100K-\$199K	59	63.8
\$200K-\$299K	65.5	56.2
\$300K-\$399K	65	65.7
\$400K>	84.4	83.1

As interest rates rise, demand for housing is pressing upward as potential buyers seek to lock in low monthly payments. With higher mortgage rates looming on the horizon, a Realtor® might choose to seek out homes that move more quickly in order to take advantage of this trend. To this end, the average days on the market by price sector is plotted above. From this breakdown, some conclusions can be drawn:

- Homes move the fastest in the middle price ranges.
- The slowest moving homes are in the upper price ranges.
- Compared to last spring, the middle price ranges have shown the greatest improvement in days on the market.
- The average duration of a sale has softened most in the lower price range.

Days on the market continues to be a strong indicator of market strength. While most areas are strong, certain ones are clearly better. As mortgage rates rise, one should focus their efforts on areas of fast turnover in order to garner more sales commissions; in short, getting in (on sales) while it's good. To this end, in the area covered by the MLS Property Information Network one should focus their sales effort on the middle segment of the price spectrum. However, don't ignore the other sectors! Commissions are good no matter where you get them. Furthermore, a balance must be struck between how fast one moves the home and the size of the commission.

The housing sector looks to continue its strength in 2005. While sales are expected to moderate from the remarkable levels attained in 2004, this year is expected to be a historically strong year. Mortgage rates may be on the rise, but so is employment. With employment comes job security and rising wages, both of which will result in additional demand for housing.

REAL ESTATE DOESN'T NEED A BOOM TO ROAR

By David Lereah. *Chief Economist*

With the peak of the nation's housing boom most likely behind us, the debate about whether the housing sector lands hard or soft has begun. Many times in this column I have stated a case for a soft landing for housing. Today's housing sector is fundamentally sound with historically low mortgage rates, a lean supply of homes and a boomer-led demand for homebuying. As a result, home sales are expected to fall this year, but not by much.

According to our latest forecast, existing home sales are expected to drop by only 2.6 percent this year. New home sales are expected to drop by 5 percent. And with housing inventories remaining lean across the nation, upward pressures on home prices are likely to persist. While we forecast home price appreciation for existing homes to slow from the 9.3 percent pace of last year to a 6.3 percent pace this year, that is hardly a fall-out in home values. So – no big concerns there.

What *does* concern me is that the media and many Wall Street analysts are now stating that even if the soft landing scenario plays out, real estate may lose its stronghold as a competitive investment *vis-a-vis* stocks and bonds.

Nothing could be further from the truth. Real estate does not need a boom to roar. Over 36 percent of all home sales last year were second homes – purchased either as a vacation property or a rental investment property. It is obvious that households are still comfortable putting some of their funds into tangible real estate rather than holding paper equity shares of companies whose values are subject to the sways of the economy, corporate management capabilities and market competition. Not surprisingly, most households that purchase real estate are not looking – or depending – on double-digit price returns.

Property has built-in benefits that many other income-generating assets lack. First, there are the social benefits of homeownership: the pride of owning a home of one's own, improved relations with family members, reduced crime in the community. Second, real estate is a highly leveraged asset generating high-yielding returns and creating significant wealth through amortization schedules and steady price appreciation on the money homebuyers put down. Third, real estate expands a household's borrowing/buying power, allowing homeowners to borrow against the equity in their property. And finally, real estate brings with it tax benefits and government subsidies that no other income-generating asset can rival.

Real estate has played second fiddle to traditional stock and bond investments for far too long. The real estate markets have grown up. The buying and selling of property is no longer a long, awkward and costly process. Property holdings have become more liquid and their financial rewards have become legendary during this past decade. Property ownership has generated substantial wealth and income gains for households across America. And real estate enables property owners to leverage capital and build wealth, it provides tax benefits, and attracts government subsidies – all advantages that stock, bonds, and other income-producing assets do not offer. Real estate has earned the right to stand side by side with stocks and bonds in any investment and/or retirement portfolio.

Double-digit price increases are not the reason households should be investing in real estate. Moreover, speculative purchasing in real estate is not healthy, but occurs because that is the nature of human greed in any asset market that offers the potential for great income and wealth gains. But let us separate the forest from these few speculative trees. Most home sales—whether for a primary residence or a second home—are based on solid economic fundamentals and rational purchase behavior. Households recognize real estate for what it is—the gift that keeps on giving.

The Forecast

By Lawrence Yun, *Senior Research Forecaster*

Historically, home prices have advanced by one and one-half percentage points above consumer price inflation. But in recent years, the real home price gains (that is, home price growth minus the consumer price inflation) have been far stronger. Home price growth outpaced consumer price inflation by 16% cumulatively over the past three years. The only other period in modern history when real home price gains were this strong was in the 1976 to 1979 period when the cumulative gains totaled 15%. That “rah-rah” period, however, was immediately followed by a period of real home price declines of 10% from 1980 to 1984. Though nominal home prices have not declined at the national level since the Great Depression, real home prices have at times shown negative trends. With the so much discussion of the housing bubble in the current environment, should we also be bracing for at least real home price declines, if not an outright nominal home price declines?

Don't Panic

That's not likely. For that to happen, home sales would have to fall by half. Mortgage rates would have to double. And the economy would have to go through one of sharpest contractions in U.S. history!

Those three nasty things did in fact happened when the real home price declined in the early 1980s. The likelihood of such a similar scenario playing out in the current environment is nil. Home sales momentum is still going strong (NAR pending sales index firmed up a bit in February) and looks to finish the year only a hair shy of last year's record figures. It's true that mortgage rates will rise, but to only 7% by the middle of next year. And the economy? There are no signs of a major economic contraction. In fact, the economy has been expanding nicely with a plenty of job creations.

The much more likely scenario is for the modestly rising rates to temper home buying enthusiasm, thereby, slowing the real home price gain back to the historic norm by the end of next year. That means, at the national level a real price gain will slow from 6.6% in 2004 to 3.3% in 2005 to 1.0% in 2006.

The Wildcard

There is, however, a wildcard that could wreak havoc to our forecast – oil prices. An expanding global economy has sharply driven up oil prices and there doesn't appear to be any relief in sight. Our baseline forecast assumes that oil prices will continue to stay near \$50 a barrel for the rest of the year. That means GDP will be struggling to grow at the 3.0% mark by the end of this year. That growth rate is barely enough to absorb the anticipated rise in the labor force, and consequently, the unemployment rate may have already bottomed.

The Local Market

The local job market has shown an improvement in recent months. After losing jobs for the three consecutive years, a positive job gains were posted in the first quarter of 2005. The local housing market conditions have been much more impressive. The first quarter sales were up 6.5% compared to the same quarter a year ago, after having already increased 12% in all of 2004. The strong demand for housing has continued to push up home prices. The average price of \$409,700 is 7.3% higher than what it was just a year ago.

The local market outlook calls for continued job creations. Expect about 35,000 net new job over the next 24 months. But mortgage rates will be about one full percentage point higher by the year end. That will hold back demand, particularly in the starter home market. Home sales, as a result, will be about the same in 2005 as was in 2004. There is still enough momentum and limited housing supply to push home prices by 7% in 2005.

U.S. Economic Outlook: May 2005

	2004				2005				2006			2003	2004	2005	2006
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3					
U.S. Economy															
<i>Annual Growth Rate</i>															
Real GDP	3.3	4.0	3.8	4.7	3.4	3.3	3.0	2.8	3.0	3.3	3.0	4.4	3.8	3.0	
Nonfarm Payroll Employment	2.4	1.2	1.7	1.8	2.0	1.6	1.5	1.4	1.4	1.5	-0.3	1.1	1.7	1.5	
Consumer Prices	4.4	1.6	3.6	2.8	4.0	2.3	2.3	3.0	3.3	3.1	2.3	2.7	3.0	2.9	
Real Disposable Income	2.8	2.9	8.3	1.3	2.2	3.6	3.6	4.4	3.3	3.2	2.3	3.5	3.5	3.6	
Consumer Confidence	96	100	96	104	101	101	102	102	103	104	80	96	102	103	
<i>Percent</i>															
Unemployment Rate	5.6	5.4	5.4	5.1	5.0	5.1	5.1	5.2	5.3	5.3	6.0	5.5	5.1	5.3	
<i>Interest Rates, Percent</i>															
Fed Funds Rate	1.0	1.4	2.0	2.4	2.9	3.4	3.7	3.9	4.0	4.0	1.1	1.3	3.1	4.0	
3-Month T-Bill Rate	1.1	1.5	2.0	2.5	2.9	3.3	3.5	3.7	3.8	3.8	1.0	1.4	3.0	3.8	
Prime Rate	4.0	4.4	4.9	5.4	5.9	6.4	6.7	6.9	7.0	7.0	4.1	4.3	6.1	7.0	
Corporate Aaa Bond Yield	5.9	5.6	5.5	5.4	5.8	6.1	6.3	6.4	6.5	6.6	5.7	5.6	5.9	6.6	
10-Year Government Bond	4.6	4.3	4.2	4.2	4.7	5.1	5.2	5.4	5.5	5.5	4.0	4.3	4.8	5.5	
30-Year Government Bond	5.4	5.1	4.9	5.0	5.5	5.8	5.9	6.0	6.1	6.2	5.1	5.1	5.5	6.1	
<i>Mortgage Rates, percent</i>															
30-Year Fixed Rate	6.1	5.9	5.7	5.8	6.2	6.6	6.8	6.9	7.0	7.1	5.8	5.8	6.3	7.1	
1-Year Adjustable	3.9	4.1	4.1	4.2	4.7	5.2	5.4	5.6	5.6	5.7	3.8	3.9	4.9	5.6	
National Housing Indicators															
<i>Thousands</i>															
Existing Single-Family Sales	6,900	6,797	6,877	6,833	6,743	6,569	6,354	6,291	6,335	6,501	6,183	6,784	6,624	6,443	
New Single-Family Sales	1,206	1,155	1,153	1,180	1,170	1,130	1,089	1,063	1,041	1,027	1,086	1,202	1,142	1,032	
Housing Starts	1,920	1,969	1,975	2,111	1,996	1,941	1,885	1,842	1,779	1,743	1,848	1,956	1,983	1,776	
Single-Family Units	1,596	1,632	1,621	1,715	1,613	1,543	1,483	1,430	1,366	1,322	1,499	1,611	1,588	1,353	
Multifamily Units	323	338	355	397	383	399	402	412	413	421	349	345	395	422	
Residential Construction*	564	566	571	583	590	578	566	554	542	532	560	561	579	538	
<i>Percent Change - Year Ago</i>															
Existing Single-Family Sales	16.3	4.7	8.1	8.2	-2.3	-3.4	-7.6	-7.9	-6.0	-1.0	9.6	9.7	-2.4	-2.7	
New Single-Family Sales	9.1	-0.2	3.3	-1.4	-3.0	-2.2	-5.6	-9.9	-11.1	-9.1	11.9	10.7	-5.0	-9.6	
Housing Starts	10.0	4.6	-2.9	8.7	4.0	-1.4	-4.6	-12.7	-10.9	-10.2	8.4	5.8	1.4	-10.4	
Single-Family Units	12.4	7.2	-2.2	9.2	1.0	-5.5	-8.5	-16.6	-15.3	-14.3	10.3	7.5	-1.4	-14.8	
Multifamily Units	-0.4	-6.5	-6.1	6.4	18.6	18.0	13.3	3.9	7.7	5.7	0.6	-1.1	14.5	6.8	
Residential Construction	13.2	8.0	6.5	7.4	4.6	2.2	-0.8	-4.9	-8.0	-8.1	8.8	9.7	3.3	-7.1	
National Home Prices															
<i>Thousands of Dollars</i>															
Existing Home Prices	183.5	188.2	187.5	188.2	197.7	202.3	197.5	195.6	204.3	209.9	169.5	185.2	196.9	204.6	
New Home Prices	216.6	214.0	228.0	229.0	233.1	229.9	239.7	242.3	245.1	241.7	195.0	220.5	232.8	244.6	
<i>Percent Change - Year Ago</i>															
Existing Home Prices	8.8	7.5	8.9	10.2	7.7	7.5	5.4	4.0	3.3	3.8	7.5	9.3	6.3	3.9	
New Home Prices	13.4	12.1	14.5	7.6	7.6	7.4	5.2	5.8	5.1	5.1	3.9	13.1	5.6	5.1	
Local Region															
<i>Payroll Jobs (in thousands)</i>															
Payroll Jobs (in thousands)	1925.7	1920.0	1936.0	1890.3	1931.5	1925.8	1943.7	1899.8	1941.1	1941.2	1930.7	1917.3	1922.8	1934.4	
Home Sales	13856	15280	11758	8433	13911	14776	11405	8222	13772	14909	43659	48811	48525	48348	
Home Prices (in thousand \$)	413.9	421.5	404.3	409.7	443.7	448.9	427.3	431.4	465.5	469.5	375.0	408.8	435.5	456.6	
<i>Percent Change - Year Ago</i>															
Jobs	-0.9%	-0.3%	0.1%	0.2%	0.3%	0.3%	0.4%	0.5%	0.5%	0.8%	-2.5%	-0.7%	0.3%	0.6%	
Home Sales	22.4%	9.1%	4.5%	6.5%	0.4%	-3.3%	-3.0%	-2.5%	-1.0%	0.9%	2.1%	11.8%	-0.6%	-0.4%	
Home Prices	10.2%	8.6%	9.3%	7.3%	7.2%	6.5%	5.7%	5.3%	4.9%	4.6%	8.0%	9.0%	6.6%	4.8%	

Quarterly figures are seasonally adjusted annual rates.

* Billion dollars

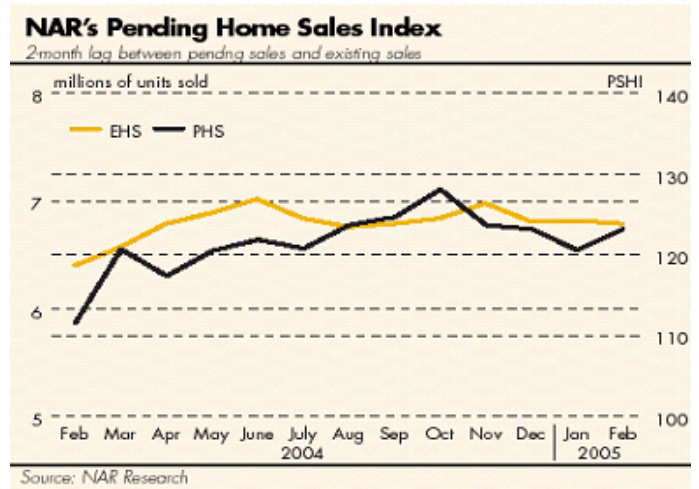
Source: Forecast produced using Macroeconomic Advisers quarterly model of the U.S. economy.

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

This table reflects data available through April 5, 2005.

Monthly Indicator	Recent Statistics		Forecast
Mortgage Rates The 30-year fixed mortgage rose to 5.90% in March – the highest in 7 months. The one-year ARM also climbed to 4.21% from 4.16% in the prior month of February.	Jan 5.71 Feb 5.63 Mar 5.90	↑	ARM holders need be watchful of the next readjustment date
Existing Home Sales Total existing home sales (single-family, condos and co-ops) posted 6.79 million seasonally adjusted annualized units in February. Resales continue to remain near record highs. The inventory of existing homes rose slightly to a 4.2 months' supply.	Dec 6,810 Jan 6,820 Feb 6,790	↔	To stay near record levels through the first half of 2005
New Home Sales rose 9% in February to 1.226 million seasonally adjusted annualized units. The increase is due in part to low interest rate conditions during the month, and warmer and dryer weather than is usual during February.	Dec 1,226 Jan 1,121 Feb 1,226	↓	High lumber and material costs becoming a concern
Housing Starts surged to 2.195 million units in February, a 0.5% from January and their highest monthly mark in over 21 years. Single-family units rose to an all-time high of 1.78 million units, while multifamily units posted 420,000.	Dec 2,056 Jan 2,183 Feb 2,195	↔	Builders are an optimistic bunch
Employment Payroll employment advanced by 110,000 in March, less than anticipated by most forecasters. The latest payroll addition is far below what would be expected of an economy (GDP) that has been growing at 4% or better rate. The unemployment rate declined to 5.2%.	Jan 124 Feb 243 Mar 110	↑	Job gains will average over 200,000 per month
Purchase Applications The mortgage application index leaped to 458.0 in March – a higher level than March of 2004. This indicates strong home sales activities ahead despite rising interest rates.	Jan 430.1 Feb 431.4 Mar 458.0	↓	In neutral gear for purchase apps; reverse gear for refis
Housing Affordability NAR's index was unchanged in February – at 134.1. An increase in the median home price was balanced by an increase in family median income. The ARM (adjustable rate mortgage) affordability index rose slightly from 138.2 to 139.5.	Dec 130.7 Jan 134.1 Feb 134.1	↓	Rising rates cut into affordability
Inflation The CPI jumped 0.4% in February and is up 2.9% over the last 12 months. The core index (excluding food and energy) increased 0.3%. Core prices are up 2.2% in the last 12 month period. Look to more steady upward increases in the CPI through the spring.	Dec 0.0% Jan 0.1% Feb 0.4%	↑	Anticipate highest inflation in five years

NAR's Pending Home Sales Index (PHSI) – a new leading indicator for the housing market – stood at 123.2 in February, 2.2% above January's figure and 10.4 percent ahead of the index in February 2004. The index is based on pending sales of all existing homes – that is when a contract has been signed but the transaction has not yet closed. An index of 100 is equal to the average level of contract activity during 2001 (the first year to be analyzed and the first of four consecutive record years for existing home sales). Consequently an index of 100 coincides with a historically high level of home sales activity. February's index indicates that housing activity is firming up, with an anticipated modest uptrend in the months ahead. Details on the latest PHSI is available on page 16. For more information about NAR's Pending Home Sales Index, visit www.REALTOR.org/Research.nsf/pages/PHSdata



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