

The Numbers That Drive Real Estate

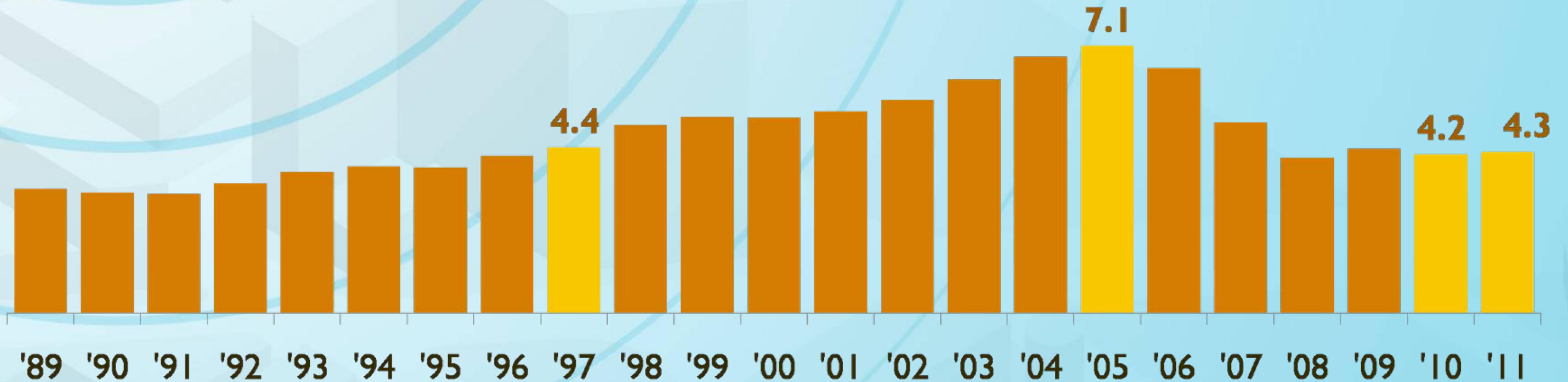
1. Home Sales
2. Home Price
3. Inventory
4. Mortgage Rates
5. Affordability

I. HOME SALES

(IN MILLIONS)

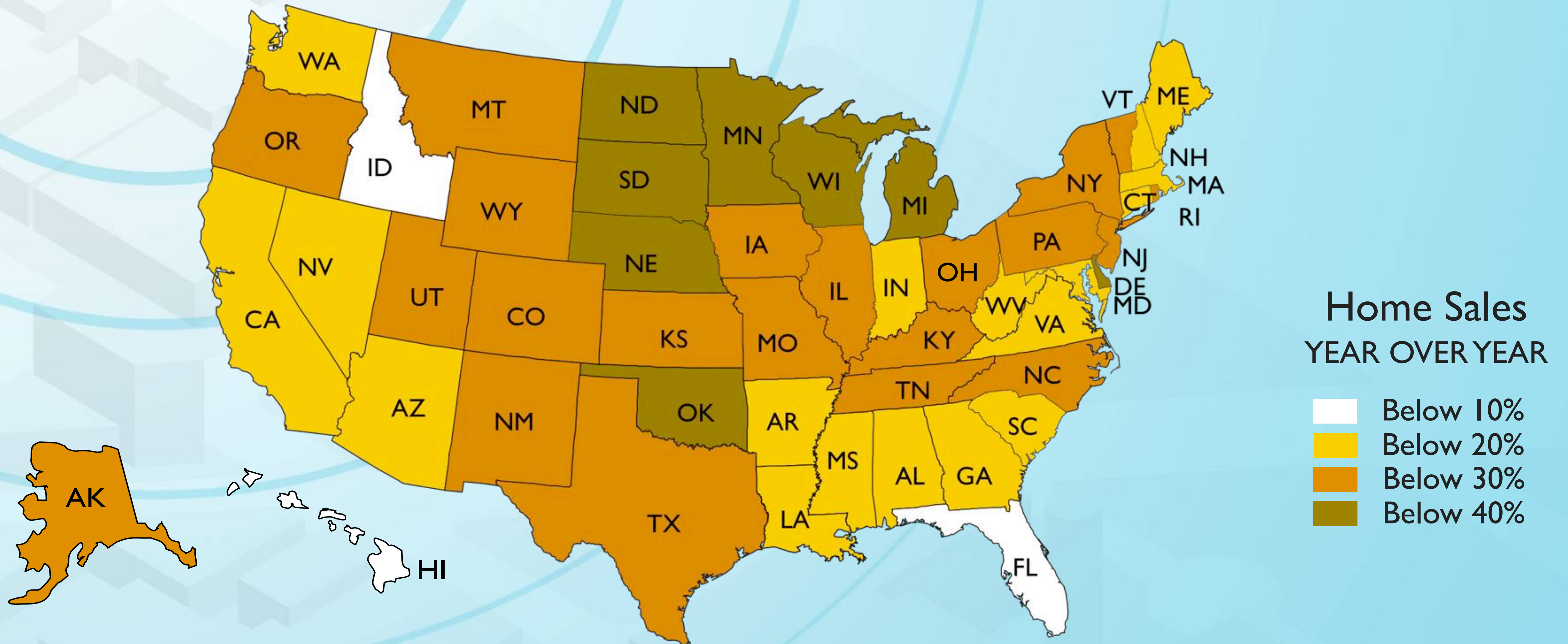
Housing activity increased 1.7% in 2011.

Latest home sales pattern offers signs of finding bottom.



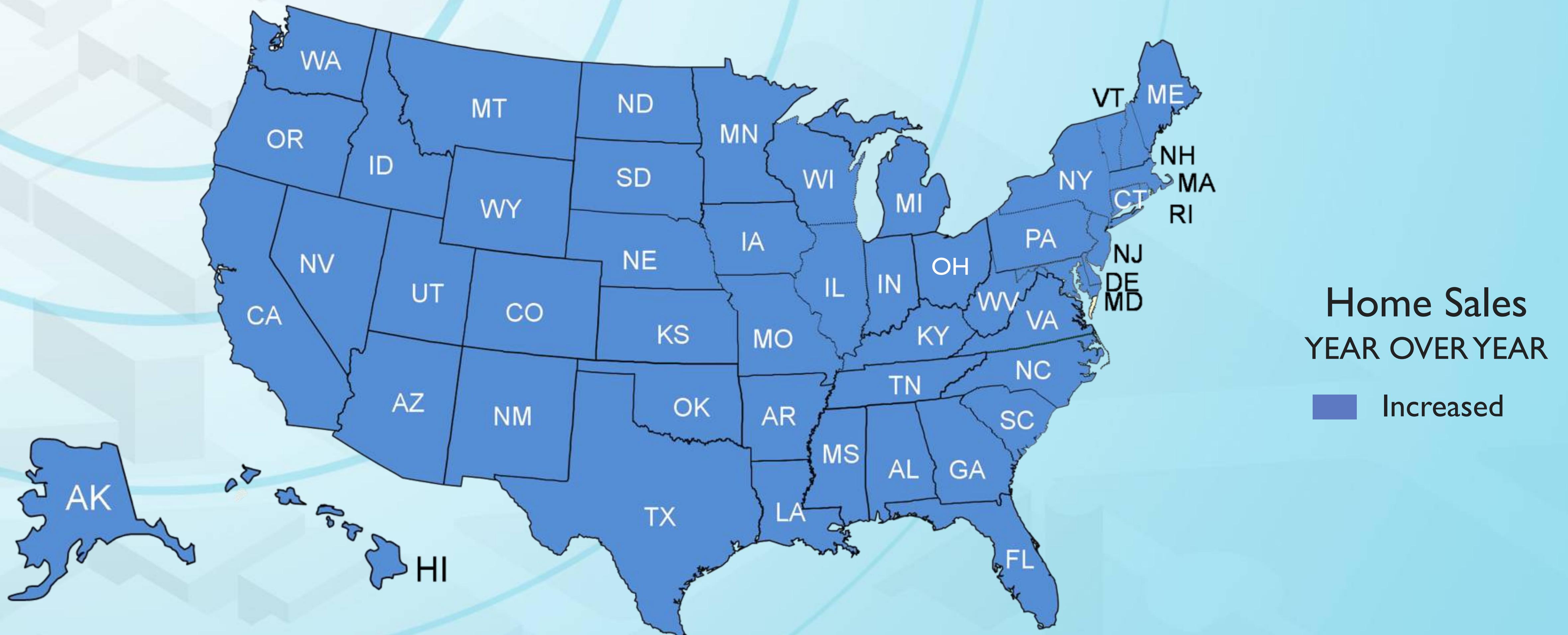
Home Sales by State - Q3 2010

All States Decreased



Home Sales by State - Q3 2011

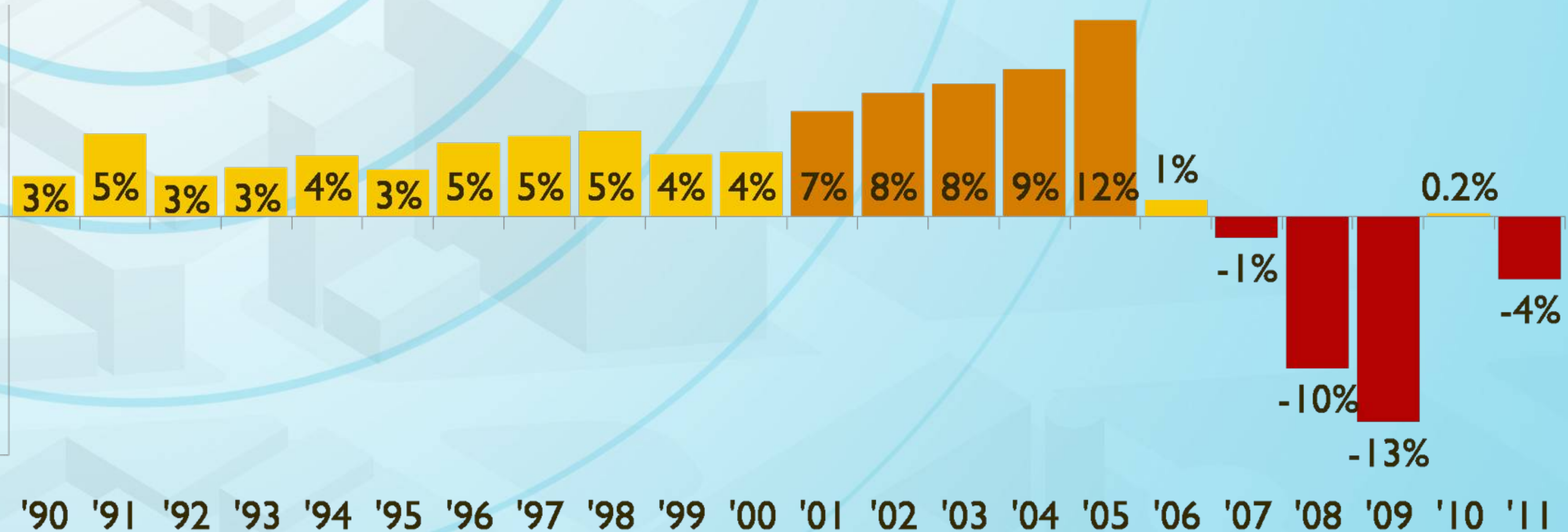
All States Increased



2. HOME PRICES

(ANNUAL APPRECIATION)

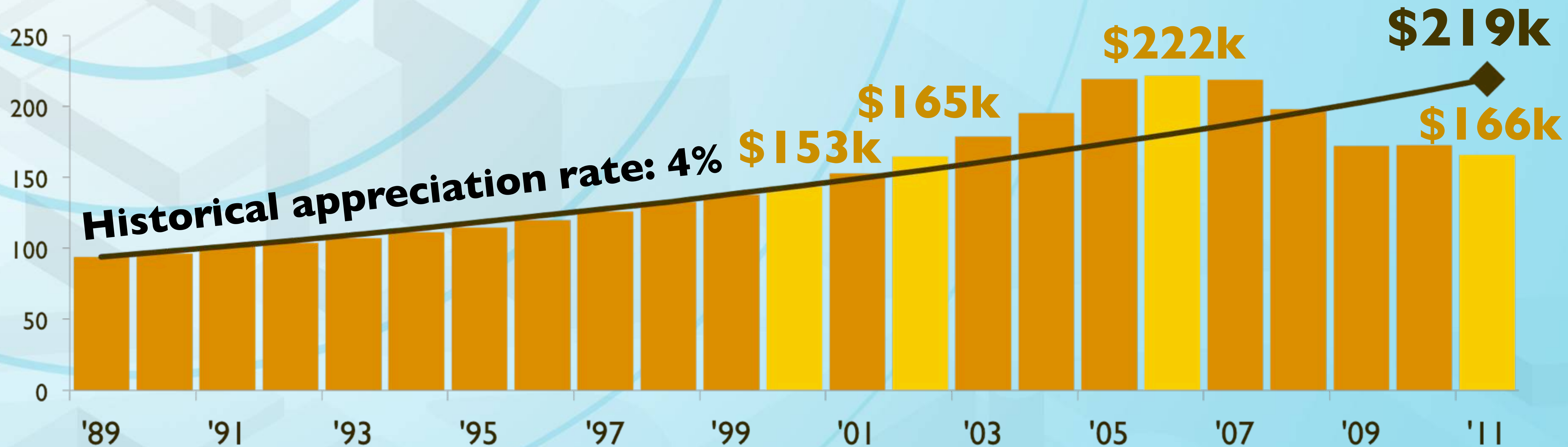
Home prices are currently at the lowest level since 2003. The median home price contracted 3.9% in 2011.



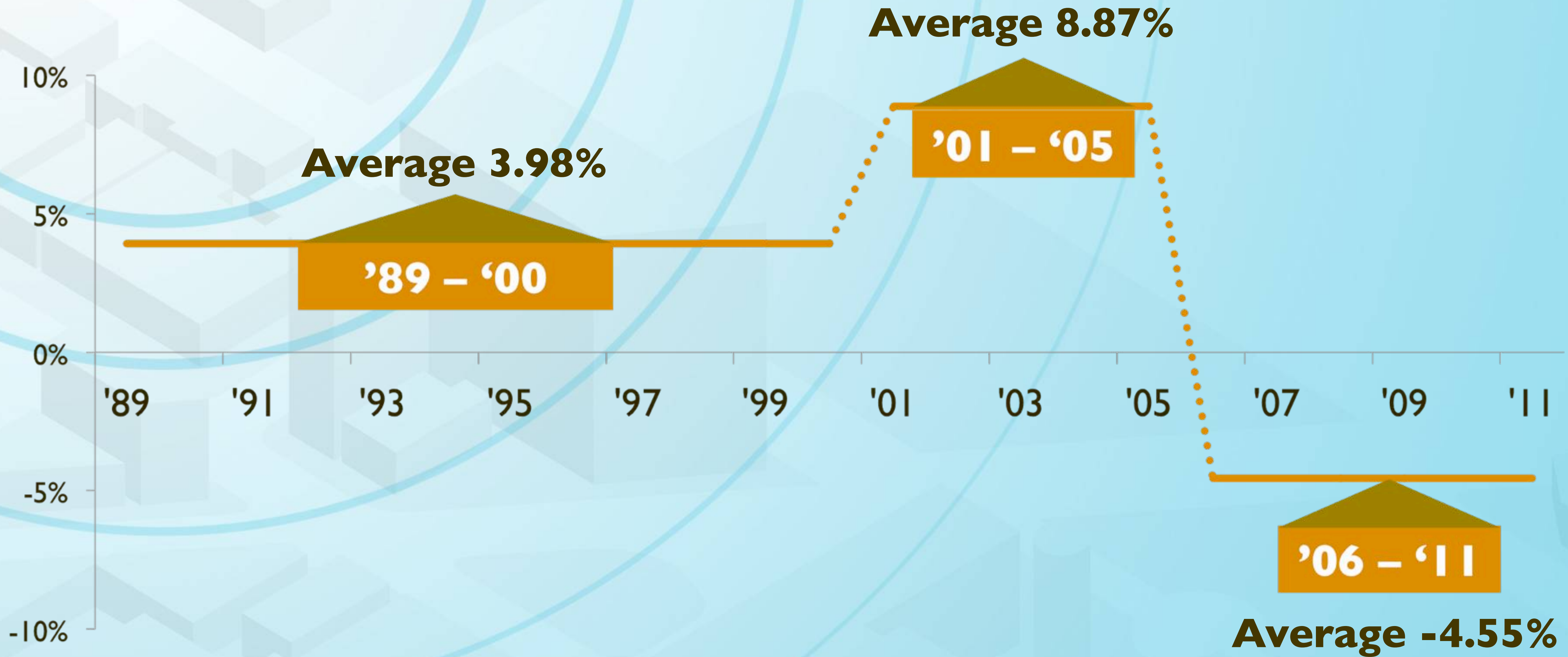
2. HOME PRICES

(IN THOUSANDS)

If home prices had followed the 4% historical appreciation rate, the median price would be \$219,372 – 24% above today's prices.



2. HOME PRICES (APPRECIATION RATES BY PERIOD)



3. INVENTORY (MONTHS SUPPLY)

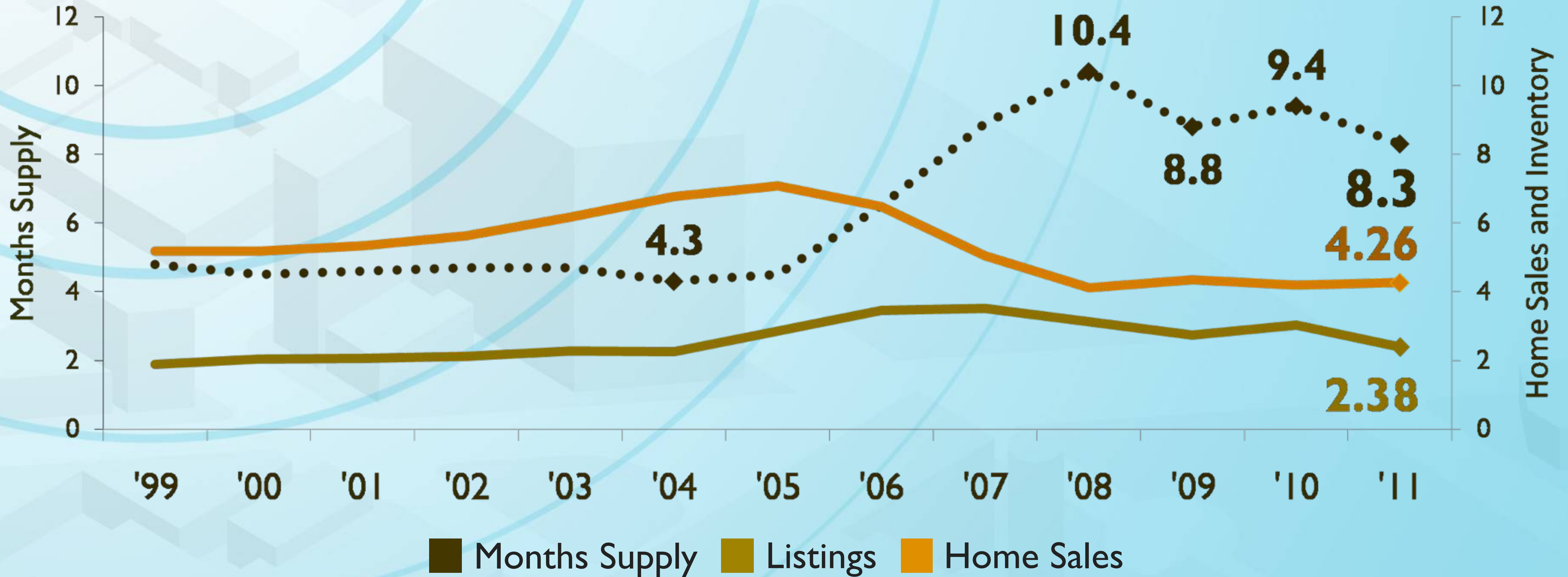
Number of months it would take to sell all the homes on the market at the current rate of sales

Stronger demand and fewer new listings brought inventory of existing homes down to the lowest level since 2007 at 8.3 months in 2011. In December, months supply stood at 6.2 months, pushing the market closer to the balanced market threshold.



3. INVENTORY (MONTHS SUPPLY)

Number of months it would take to sell all the homes on the market at the current rate of sales



4. MORTGAGE RATES (30-YEAR FIXED)

Mortgage rates averaged 4.45% in 2011, an all-time low since Freddie Mac started tracking in 1971. In 2011, mortgage rates ranged as high as 4.95% and ended in December at a low of 3.96%. During the week ending February 9, 30-year fixed rate averaged 3.87%.



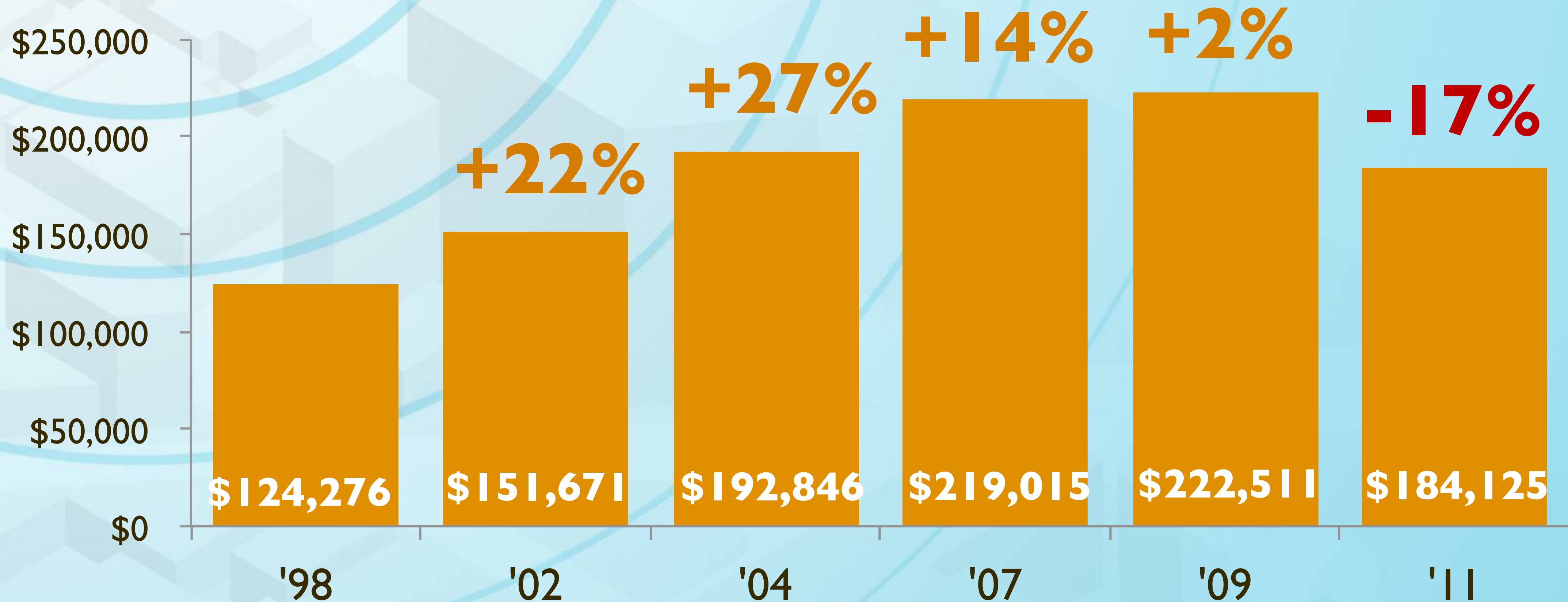
Let's put this in perspective....

| | 1989 | 2011 |
|-----------------|------------|--------------|
| Bread | \$0.67 | \$2.78 |
| Gas (gal.) | \$0.97 | \$2.84 |
| New Car | \$15,350 | \$30,000 |
| Existing Home | \$94,000 | \$166,100 |
| Mortgage | 10% | 4.45% |
| Monthly Payment | \$825 | \$837 |

And you still wouldn't get a mortgage as cheap as you could in 2011.

Construction Costs

The average construction cost of a single-family home in 2011 is \$184,125. This average is significantly lower than the 2009 average construction cost of \$222,511.



5. AFFORDABILITY (% OF INCOME)

Percent of mean family's income required to make mortgage payments on a median-priced home

Housing affordability was the most favorable on record in 2011.

