



SPOTLIGHT

Greater Tyler Area Real Estate Market Summary - Through September 2010

market



Prepared by...



Jimmy & Elizabeth Deverell

The Spotlight Team

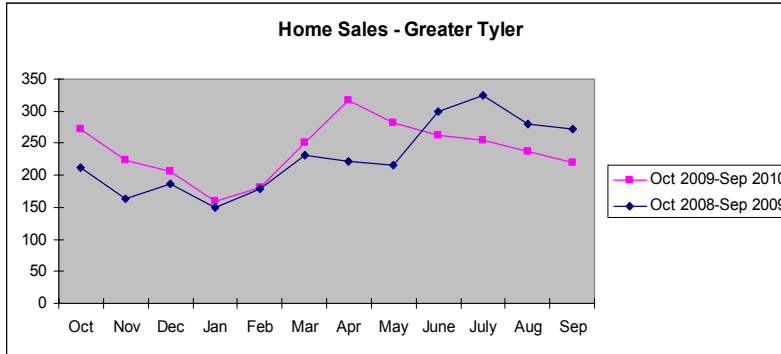
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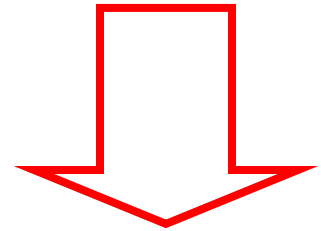
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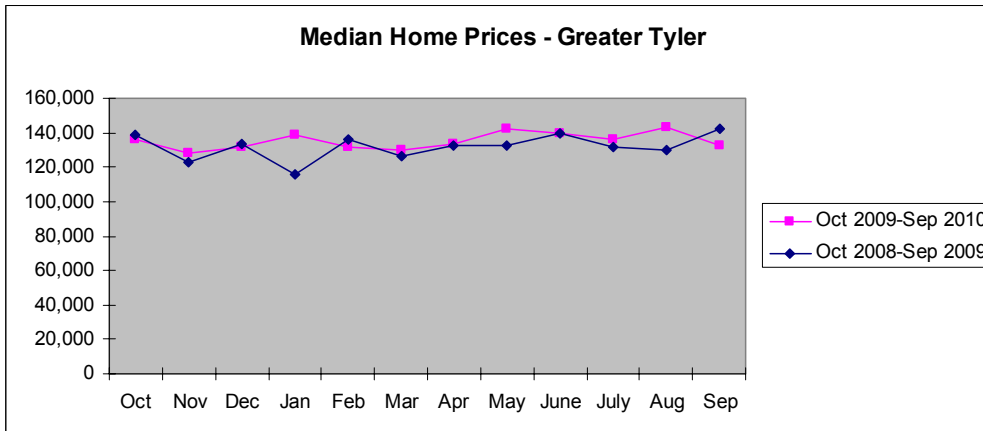
The Numbers That Drive Real Estate...



Current Trend



Compared to the same 12 month period a year ago, cumulative home sales through September 2010 were about 5% higher. Through May 2010, each month sales were trending higher than same month prior year sales suggesting an improving market. However, the most recent months sales (since June 2010) have been less than same month previous year numbers indicating that previous sales may have been elevated as a result of the homebuyers tax credit. September sales were about 19% lower than September 2009 sales and about 5.6% less than August 2010.



Current Trend

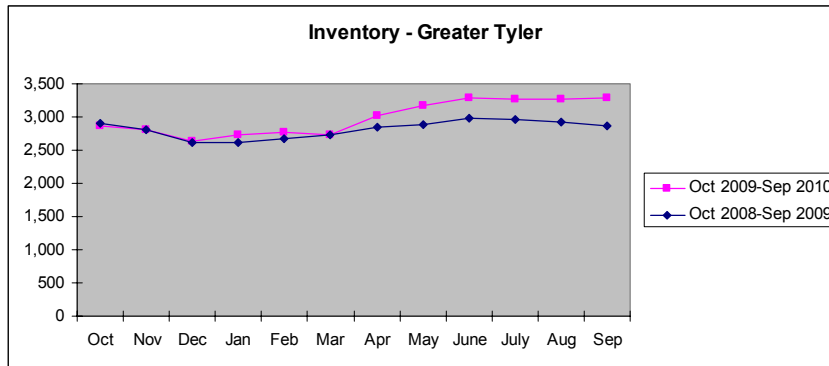


Compared to the same 12 month period a year ago, median home prices remain virtually unchanged. Median home prices, while having some seasonal variability, have remained relatively steady and have been trending very minimally upward. This may be a result of some of more expensive properties that had been slower to sell to start moving compared to lower priced properties that were spurred by the tax credit.

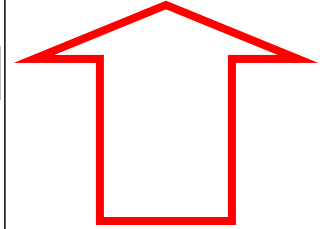


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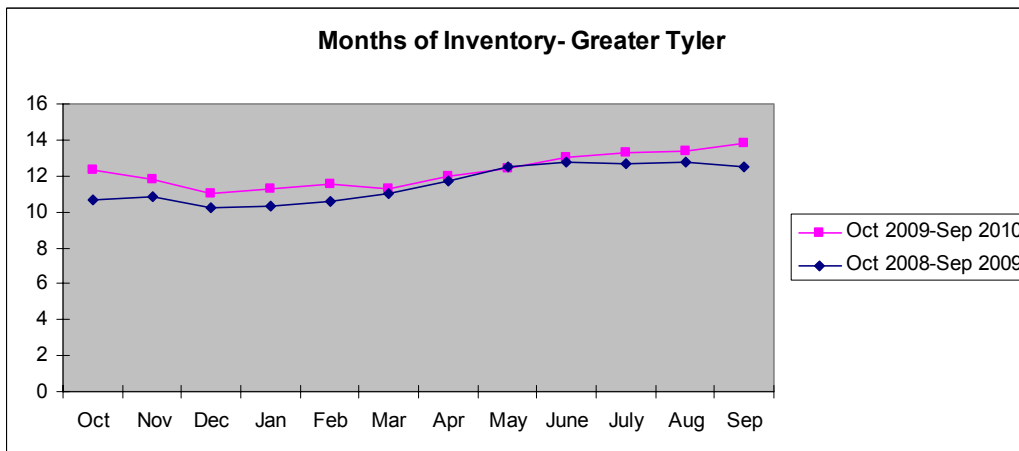
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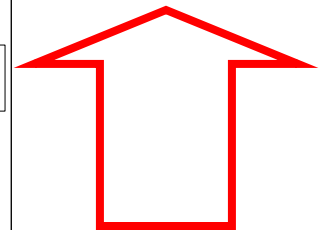
Current Trend



Compared to the same 12 month period a year ago, monthly inventory of available homes has increased. Prior to April 2010, current months inventory had been staying relatively unchanged compared to the same month previous year. However, since April 2010, active (available) properties have been trending higher than the same month last year. Available inventory for September was virtually unchanged from August - up about 1%.



Current Trend

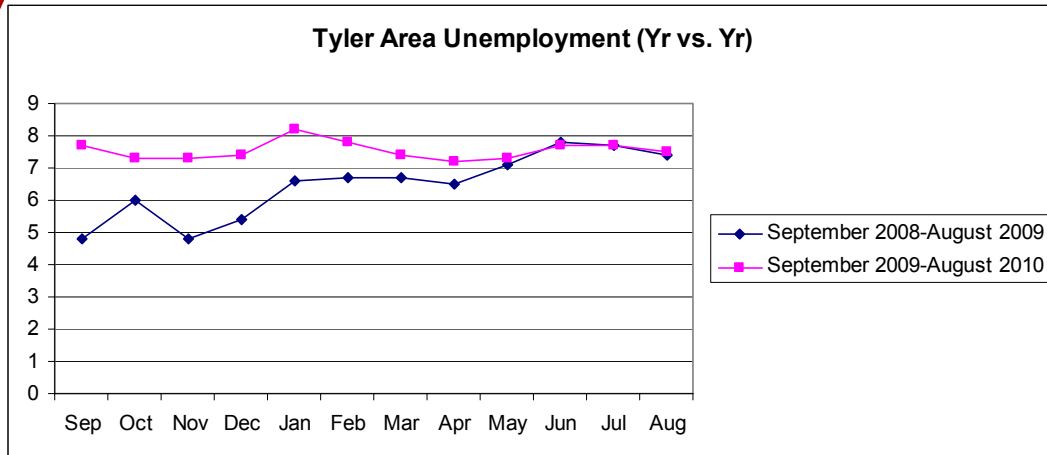


The months of inventory (MOI) data indicates the time to sell all current available homes based on current absorption rate or sales rates. The most current MOI is 13.8 months (up from 13.4 months in August) which is a result of both higher inventory and slower monthly sales. Inventory rates above 6 months indicate a buyers' market, where there is an abundance of available homes compared to qualified buyers. A number below 6 typically indicates a sellers' market where the demand for homes is greater than the supply. As a general rule, all other parameters being equal, home prices will trend lower in buyer markets and higher in seller markets.

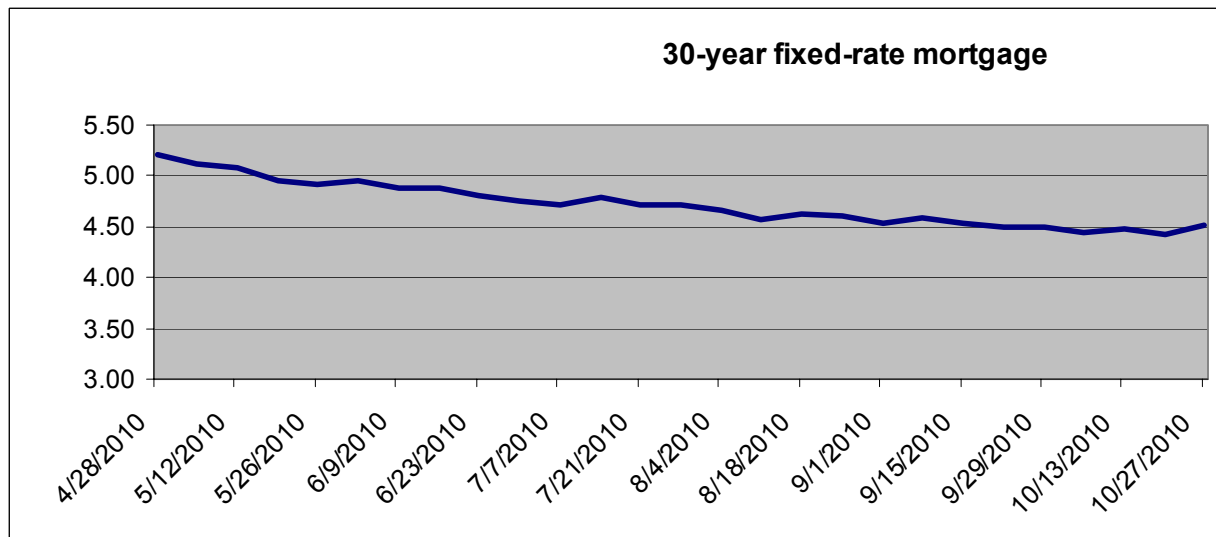


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Other Numbers That Impact Real Estate...



After several months of trending downward earlier in the year, local unemployment rates have climbed slightly to about the same as 2009 levels - 7.5% in August. Recent unemployment levels are at virtually the same levels as the same months last year. Higher unemployment still continues to be the primary contributor to a lackluster housing market.

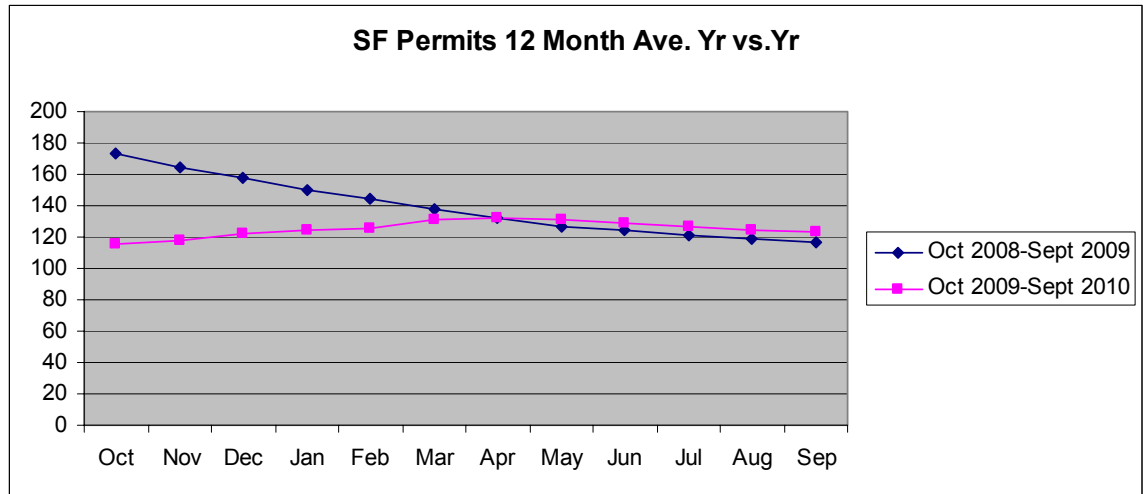


Mortgage interest rates continue to linger at historically low levels. The most recent weekly benchmark 30-year fixed rate as of 10/27/10 was 4.51% up slightly from the previous week's rate of 4.42%. Historically low mortgage rates continue to provide some momentum to the market.



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Other Numbers That Impact Real Estate...



12 month rolling single family permit numbers are slightly better than the same months last year. The average was trending upward from November 2009 through April 2010; however, since April the permit numbers have been trending downward slightly.

Local Market Summary

Currently considered a buyers' market where inventory exceeds demand. Inventories are up and home sales are not selling at as fast a pace in recent months as they were in the same months last year. Despite higher inventory and less robust sales, median prices have continued to trend relatively steady. Low interest rates continue to provide some momentum for buyers; however, that is tempered by more rigorous qualifying guidelines and a tepid overall economy - still sluggish from higher levels of unemployment. Bottom Line - likely expect more of the same until job growth is more robust and unemployment levels begin to drop. With historically low interest rates and plentiful inventories, this is an excellent time for buyers to make their move. New buyers, moving up or downsizing - now is a great time to take advantage of great values in the market.



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