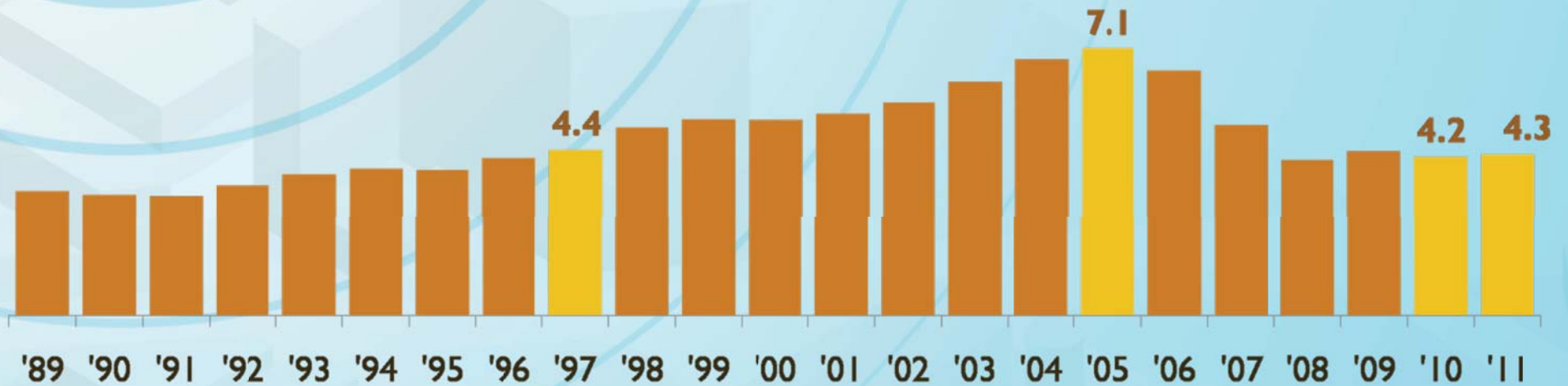


I. HOME SALES

(IN MILLIONS)

Housing activity increased 1.7% in 2011.

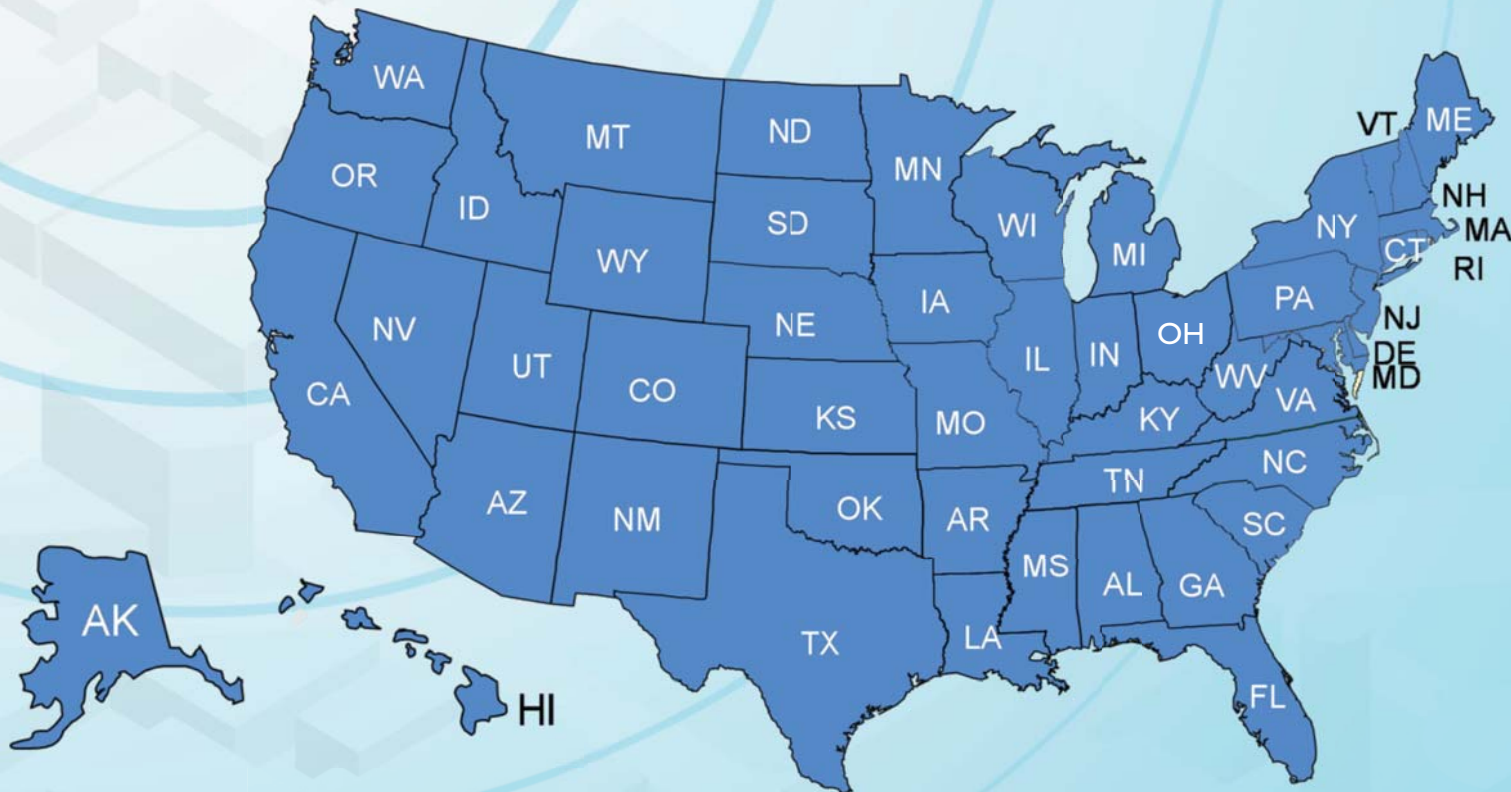
Latest home sales pattern offers signs of finding bottom.



Source: National Association of REALTORS®

Home Sales by State - Q3 2011

All States Increased



Home Sales
YEAR OVER YEAR

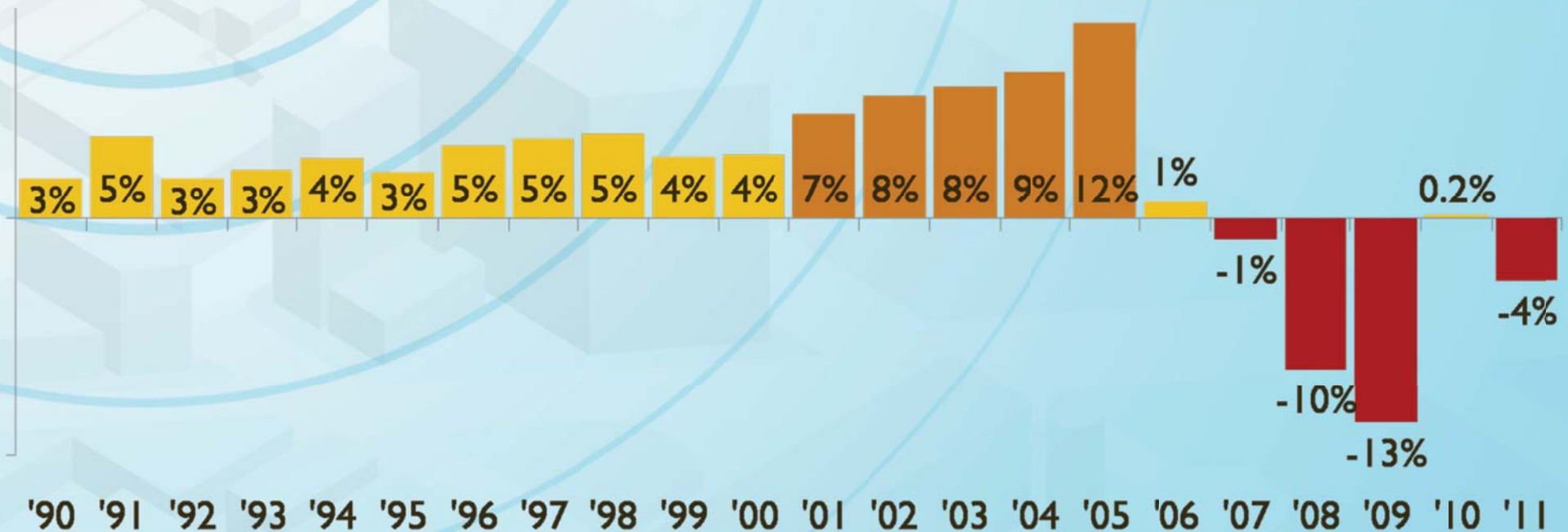
Increased

Source: National Association of REALTORS®

2. HOME PRICES

(ANNUAL APPRECIATION)

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

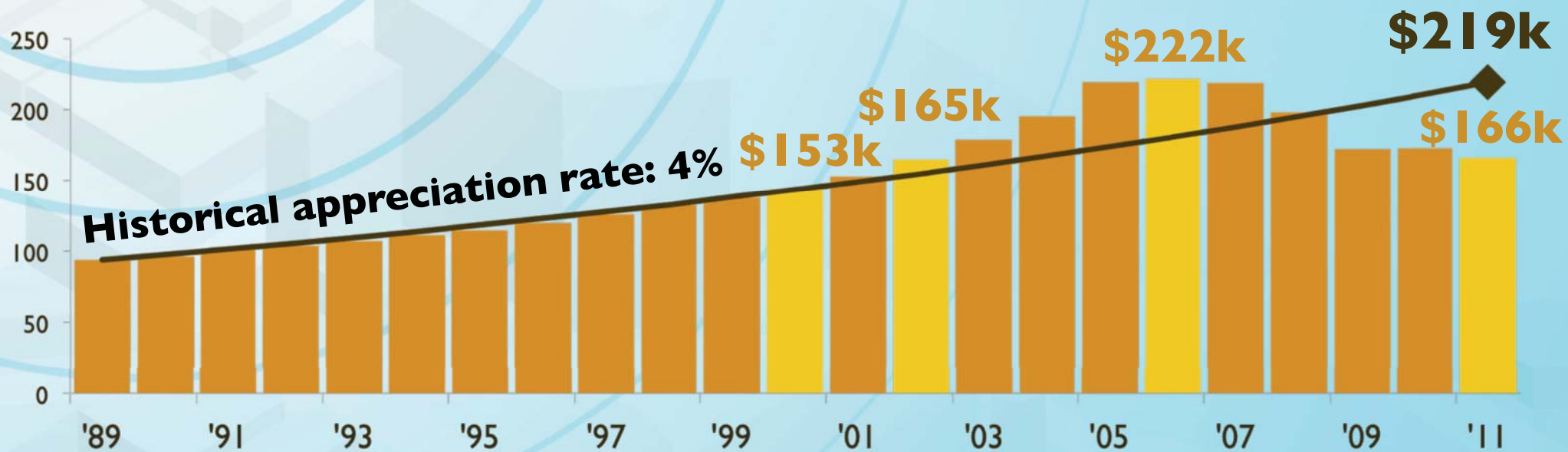


Source: National Association of REALTORS®

2. HOME PRICES

(IN THOUSANDS)

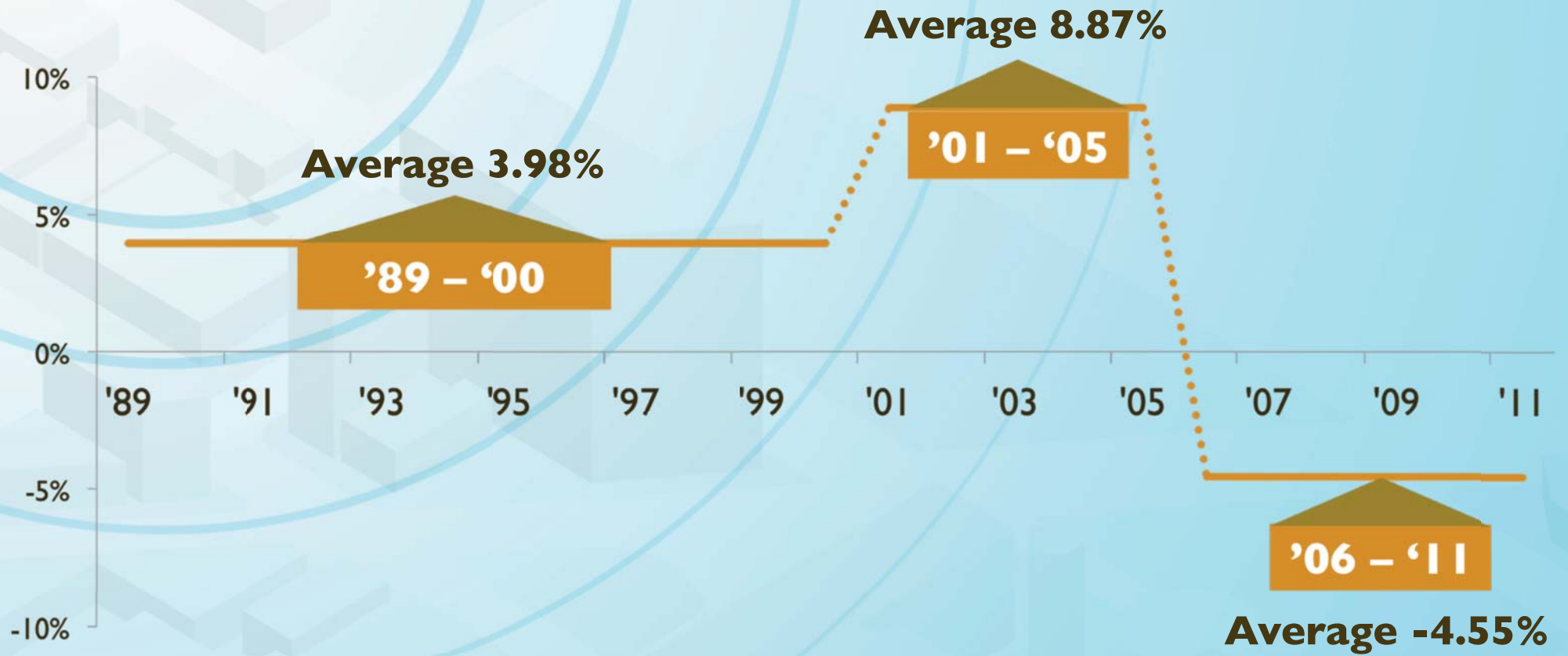
If home prices had followed the 4% historical appreciation rate, the median price would be \$219,372 – 24% above today's prices.



Source: National Association of REALTORS®

2. HOME PRICES

(APPRECIATION RATES BY PERIOD)



Source: National Association of REALTORS®

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.



Source: National Association of REALTORS®

3. INVENTORY (MONTHS SUPPLY)

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



Source: National Association of REALTORS®

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%.



Source: Freddie Mac

Let's put this in perspective....

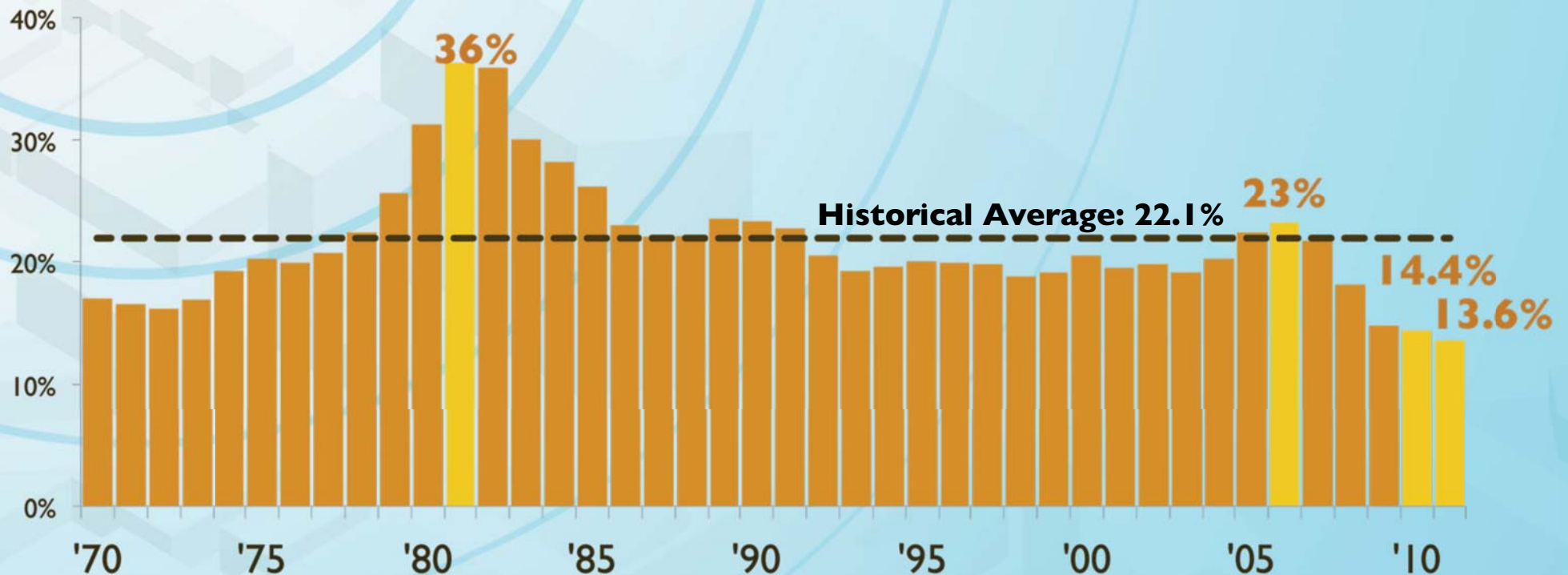
	1989	2011
Bread	\$0.67	\$2.78
Gas (gal.)	\$0.97	\$2.84
New Car	\$15,350	\$30,000
Existing Home	\$94,000	\$166,100
Mortgage	10%	4.45%
Monthly Payment	\$825	\$837

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

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.



Source: National Association of REALTORS®