Economic and Market Watch Report

2nd Quarter, 2011

ARMLS®

ARIZONA REGIONAL MULTIPLE LISTING SERVICE, INC.

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ARMLS Economic and Market Watch Report

Arizona Regional Multiple Listing Service, Inc. (ARMLS) has been providing multiple listing services to its subscribers since its inception in 1982. ARMLS was one of the first regional multiple listing services in the country. Our service area includes all of Maricopa County and portions of Pinal and Yavapai Counties. With more than 35,000 subscribers, ARMLS is one of the largest multiple listing services in the country.

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The statistical information presented in this report is compiled from information provided by Arizona Regional Multiple Listing Service, Inc and may not include all sales activity in the market.

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ARMLS
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Local Report

Maricopa County, AZ

Buyer's Market	1	2	3	4	5	Seller's Market

Labor Market :

In the second quarter, 16,235 jobs were added to the payrolls of Maricopa County. As a result of these new jobs, the average monthly unemployment rate fell from 8.8% during the first quarter to 8% for the second quarter. This steady job creation will help buyer confidence and fuel home purchases down the road. Mortgage rates near 5% should support this trend.

Housing Market :

	Q1' 11	*Q2' 11*	*Q3' 11* *(Forecast)*
Average Price	**$171,900**	**$169,900**	↔
# Homes on the Market *	**40,788**	**33,371**	↑
# Homes Sold **	**15,935**	**25,852**	↔
# New Homes Built ***	**785**	**1,775**	↑
Avg # of Days on Market	**72**	**74**	↑

* Available as of Jun. 30, 2011.
** May not add to total of zip codes.
*** During the first two months of 2nd quarter.

Data by Zip Codes for Q2 2011

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
85001	$94,000	N/A	1	N/A	303	100.0%
85003	$173,700	-6.71%	36	-14.29%	116	95.8%
85004	$130,000	-37.71%	40	166.67%	77	96.4%
85006	$86,700	-20.17%	101	21.69%	68	96.6%
85007	$138,300	-29.00%	36	12.50%	92	96.0%
85008	$69,900	-11.96%	172	13.91%	61	96.7%
85009	$39,400	-11.66%	68	9.68%	49	97.9%
85012	$182,300	-27.14%	33	37.50%	101	95.8%
85013	$142,500	-0.63%	136	7.09%	66	95.1%

*** % Change of current quarter compared to the same quarter to year ago.

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Data by Zip Codes for Q2 2011

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
85014	$98,200	-15.78%	135	0.75%	66	96.8%
85015	$63,700	-23.99%	156	9.86%	65	97.8%
85016	$185,600	-6.69%	251	5.02%	88	94.4%
85017	$38,000	-22.13%	102	-4.67%	53	99.4%
85018	$306,000	-11.25%	237	19.70%	80	95.2%
85019	$45,700	-29.15%	124	1.64%	59	98.0%
85020	$135,700	-20.22%	232	43.21%	73	95.9%
85021	$155,700	-11.93%	119	9.17%	83	95.9%
85022	$124,300	-11.21%	294	17.60%	76	96.2%
85023	$112,900	-14.98%	191	20.89%	55	94.0%
85024	$157,300	-2.42%	171	18.75%	67	97.9%
85027	$86,200	-12.84%	249	2.89%	62	97.7%
85028	$232,100	-9.34%	100	-0.99%	81	95.6%
85029	$71,100	-24.44%	250	21.95%	62	96.9%
85031	$37,800	-26.32%	123	38.20%	46	97.3%
85032	$111,100	-13.74%	407	4.36%	72	97.0%
85033	$40,600	-25.09%	223	1.83%	51	99.6%
85034	$60,100	-45.01%	6	0.00%	68	88.6%
85035	$38,800	-21.30%	174	31.82%	51	99.7%
85037	$66,100	-16.65%	375	16.10%	57	98.5%
85040	$63,900	-18.60%	106	-5.36%	71	97.7%
85041	$84,800	-16.94%	415	15.28%	76	98.7%
85042	$104,900	-12.80%	242	20.40%	70	97.3%
85043	$70,300	-23.92%	280	24.44%	70	97.5%
85044	$198,100	-15.12%	204	29.94%	87	95.2%
85045	$285,600	-14.03%	51	2.00%	76	97.2%
85048	$243,300	2.10%	227	6.57%	71	97.8%
85050	$218,000	-16.22%	213	0.95%	70	97.8%
85051	$58,600	-25.06%	188	-8.74%	68	98.2%
85053	$84,200	-16.14%	175	-1.69%	61	96.8%
85054	$255,700	7.94%	58	7.41%	84	96.4%
85083	$212,900	-10.96%	144	-2.70%	75	98.2%
85085	$210,400	-13.38%	148	-13.95%	59	97.8%
85086	$220,300	-1.61%	460	5.50%	65	97.9%
85087	$191,600	-6.95%	75	-6.25%	80	97.8%
85120	$77,200	-13.65%	12	-7.69%	67	100.2%

*** % Change of current quarter compared to the same quarter to year ago.

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Data by Zip Codes for Q2 2011

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
85122	$108,000	N/A	1	N/A	188	102.9%
85132	$49,000	-42.29%	1	0.00%	97	99.0%
85138	$115,700	3.40%	3	-57.14%	17	97.8%
85139	$45,000	-61.31%	2	-60.00%	67	105.9%
85140	$85,500	8.64%	2	0.00%	11	95.1%
85142	$189,700	-7.24%	253	13.45%	71	98.7%
85143	$106,000	0.19%	2	-66.67%	103	101.0%
85201	$64,400	-24.06%	190	13.77%	62	96.8%
85202	$92,100	-11.19%	182	41.09%	79	96.7%
85203	$109,200	-17.27%	147	25.64%	68	97.1%
85204	$82,900	-20.06%	284	1.07%	70	97.4%
85205	$111,900	-24.44%	214	-7.36%	75	95.7%
85206	$124,600	-14.83%	232	18.97%	88	95.9%
85207	$233,200	-14.26%	307	4.78%	80	95.8%
85208	$92,800	-16.55%	249	23.27%	72	96.7%
85209	$136,400	-14.80%	239	-14.64%	73	97.2%
85210	$72,700	-13.04%	171	26.67%	63	96.7%
85212	$151,500	-13.58%	208	9.47%	75	98.2%
85213	$185,800	0.38%	135	3.85%	78	95.0%
85215	$195,600	-18.12%	126	31.25%	100	93.6%
85220	$72,600	10.84%	4	-20.00%	89	85.0%
85224	$117,600	-13.91%	273	33.82%	69	97.7%
85225	$114,900	-14.76%	407	17.63%	67	97.7%
85226	$176,600	-20.20%	175	6.71%	54	97.7%
85233	$164,700	-6.84%	237	2.60%	67	97.7%
85234	$177,800	-11.23%	341	25.83%	63	97.2%
85236	$114,500	10.63%	4	300.00%	31	97.6%
85239	$48,400	-30.56%	1	-66.67%	10	101.0%
85242	$216,000	-0.87%	5	-86.11%	176	99.3%
85248	$247,900	-14.13%	255	9.44%	97	95.4%
85249	$272,000	1.95%	344	10.97%	74	97.3%
85250	$189,400	-13.63%	182	51.67%	71	93.7%
85251	$208,000	1.12%	306	11.68%	80	94.8%
85253	$1,131,900	-0.95%	156	38.05%	160	90.7%
85254	$269,800	-10.45%	292	2.82%	77	96.3%
85255	$672,000	9.46%	399	7.55%	107	91.6%

*** % Change of current quarter compared to the same quarter to year ago.

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Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
85257	$121,500	-18.51%	197	36.81%	94	96.0%
85258	$344,700	2.80%	235	3.98%	98	94.8%
85259	$518,900	-1.54%	183	9.58%	80	93.8%
85260	$278,500	-6.92%	262	11.02%	88	96.1%
85262	$777,400	-7.03%	167	-3.47%	156	92.7%
85263	$364,500	2.04%	25	56.25%	178	90.5%
85266	$575,800	-4.26%	127	3.25%	119	94.4%
85268	$353,400	-6.56%	237	3.49%	110	94.9%
85281	$130,400	-16.57%	204	53.38%	76	96.1%
85282	$115,200	-20.22%	220	23.60%	61	96.6%
85283	$131,800	-18.49%	154	29.41%	79	96.6%
85284	$313,400	-7.66%	74	-1.33%	77	95.5%
85286	$225,800	-4.12%	278	33.65%	65	97.3%
85295	$173,100	-12.00%	292	2.82%	69	97.9%
85296	$159,900	-15.17%	379	21.47%	60	98.4%
85297	$183,700	-20.06%	230	14.43%	76	98.1%
85298	$253,400	-2.58%	173	-4.42%	78	97.1%
85301	$48,700	-24.73%	178	-3.78%	62	97.3%
85302	$78,200	-18.80%	227	11.27%	63	98.3%
85303	$82,700	-22.78%	188	2.17%	61	98.2%
85304	$100,000	-6.80%	188	23.68%	61	97.4%
85305	$136,300	-10.56%	99	22.22%	50	99.9%
85306	$90,800	-15.38%	118	8.26%	62	99.1%
85307	$89,600	-15.47%	51	4.08%	65	99.4%
85308	$154,600	-9.17%	431	23.85%	66	97.3%
85310	$180,500	-13.10%	163	18.98%	71	96.5%
85320	$66,000	-55.10%	2	100.00%	149	86.3%
85322	$40,500	-3.80%	3	0.00%	12	103.7%
85323	$91,600	-10.72%	295	8.46%	66	98.9%
85326	$80,500	-12.88%	519	-2.99%	62	98.9%
85331	$328,200	-9.46%	201	5.24%	103	96.6%
85335	$67,300	-16.50%	279	-8.22%	62	99.6%
85337	$64,500	-7.73%	2	100.00%	35	87.0%
85338	$125,500	-15.03%	420	0.96%	70	98.0%
85339	$113,200	-17.61%	488	9.42%	70	98.5%
85340	$170,900	-11.91%	215	-6.93%	80	97.2%

*** % Change of current quarter compared to the same quarter to year ago.

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Local Report

Maricopa County, AZ

Data by Zip Codes for Q2 2011

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
85342	$63,100	-52.20%	7	16.67%	65	96.9%
85343	$120,000	-10.11%	1	0.00%	204	104.4%
85345	$75,200	-17.36%	391	13.01%	66	97.4%
85351	$85,200	-17.36%	263	-9.62%	108	93.5%
85353	$83,600	-18.60%	358	17.76%	64	98.9%
85354	$60,400	-18.16%	43	-10.42%	56	99.6%
85355	$167,900	-8.50%	88	12.82%	94	98.6%
85361	$123,300	-12.18%	64	33.33%	61	96.8%
85363	$58,300	-21.32%	65	4.84%	51	97.4%
85373	$125,300	-12.87%	181	10.37%	91	96.5%
85374	$156,200	2.02%	371	-8.17%	82	95.3%
85375	$163,800	-11.03%	327	1.24%	109	94.4%
85377	$473,900	-35.51%	46	53.33%	124	93.5%
85378	$91,900	-80.65%	43	4200.00%	72	95.5%
85379	$125,600	-7.92%	422	-7.46%	61	98.9%
85381	$153,300	-0.26%	141	23.68%	58	98.2%
85382	$151,500	-15.36%	262	5.22%	81	96.7%
85383	$245,400	-4.40%	370	12.80%	78	97.4%
85387	$193,100	-5.85%	84	-29.41%	86	95.8%
85388	$126,800	-9.17%	252	-0.40%	59	98.9%
85390	$211,400	6.07%	38	0.00%	219	92.2%
85392	$113,900	-6.41%	261	3.16%	55	98.9%
85395	$194,000	-10.97%	241	25.52%	75	97.3%
85396	$158,900	-9.72%	160	-18.37%	97	96.6%

*** % Change of current quarter compared to the same quarter to year ago.

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Local Report

Pinal County, AZ

Buyer's Market	1	2	3	4	5	Seller's Market

Labor Market :

In the second quarter, 1,010 jobs were added to the payrolls of Pinal County. As a result of these new jobs, the average monthly unemployment rate fell from 11.5% during the first quarter to 10.5% for the second quarter. This steady job creation will help buyer confidence and fuel home purchases down the road. Mortgage rates near 5% should support this trend.

Housing Market :

	Q1' 11	*Q2' 11*	*Q3' 11* *(Forecast)*
Average Price	**$100,300**	**$99,600**	↔
# Homes on the Market *	**4,812**	**3,686**	↑
# Homes Sold **	**1,821**	**3,012**	↔
# New Homes Built ***	**114**	**325**	↑
Avg # of Days on Market	**75**	**65**	↑

* Available as of Jun. 30, 2011.
** May not add to total of zip codes.
*** During the first two months of 2nd quarter.

Data by Zip Codes for Q2 2011

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
85118	$255,200	1.92%	134	28.85%	84	95.2%
85119	$112,000	-12.16%	97	5.43%	70	97.2%
85120	$75,600	-21.66%	93	-16.22%	56	96.8%
85122	$95,200	-9.07%	304	14.29%	64	97.0%
85123	$53,400	-16.04%	100	4.17%	57	95.8%
85128	$67,400	-4.13%	85	-14.14%	46	97.4%
85131	$128,300	37.81%	9	-60.87%	39	98.6%
85132	$86,900	-11.51%	180	12.50%	87	96.4%
85137	$63,900	-40.56%	5	150.00%	76	85.2%

*** % Change of current quarter compared to the same quarter to year ago.

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Data by Zip Codes for Q2 2011

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
85138	$94,000	-17.33%	563	40.40%	58	98.4%
85139	$83,500	-13.92%	215	15.59%	61	98.8%
85140	$97,100	-13.84%	374	33.10%	64	98.2%
85142	$97,000	-19.64%	174	-23.68%	73	98.4%
85143	$95,400	-12.07%	528	30.69%	65	98.6%
85145	$116,500	0.52%	5	400.00%	81	90.8%
85172	$113,600	N/A	4	N/A	86	95.5%
85173	$52,000	-21.21%	1	-50.00%	34	94.6%
85193	$94,000	-21.01%	10	42.86%	66	96.8%
85194	$149,700	4.18%	39	44.44%	72	96.3%
85213	$139,900	N/A	1	N/A	35	100.0%
85215	$270,000	N/A	1	N/A	316	97.5%
85218	$105,000	-47.29%	2	-88.24%	96	95.7%
85219	$96,600	-35.43%	10	-61.54%	135	92.6%
85220	$80,300	-5.97%	15	-54.55%	52	98.6%
85222	$140,700	23.31%	3	-89.66%	67	89.4%
85223	$35,800	-39.12%	5	-75.00%	54	91.5%
85228	$33,000	-40.54%	1	-95.24%	71	82.7%
85232	$142,300	64.70%	2	-91.67%	307	99.0%
85238	$91,800	-13.48%	5	-91.07%	64	97.1%
85239	$97,600	7.73%	15	-76.92%	84	98.5%
85240	$83,800	-30.74%	4	-88.57%	309	98.0%
85242	$90,500	-21.78%	14	-80.00%	51	100.5%
85243	$89,800	-13.24%	11	-80.36%	124	102.5%
85245	$85,000	N/A	1	N/A	55	100.1%
85273	$35,000	-44.36%	1	-66.67%	283	67.3%
85623	$128,000	-40.74%	1	-50.00%	185	88.9%

*** % Change of current quarter compared to the same quarter to year ago.

Stepping Out from the Shadow of 2010?

Ken Fears
Manager, Regional Economics

The spring revealed some important patterns in the national housing market. After an abysmal summer of 2010 in which sales volume crashed in July following the end of the Federal tax credit, sales clawed back to respectable levels by the spring of 2011. However, this year's market is continually compared with the heated sales volume from the tax fed period of 2010. That is about to change.

Nationally, sales volume began to slide in May of 2010 easing 2.0% from April (using seasonally adjusted and annualized figures). The decline continued into June with a fall of 7.9% before the 26.2% crash from June to July. NAR's monthly national homes sales figure for June of this year was 8.8% lower than June of 2011, but this gap was smaller than May's 15.3% spread and sales last year fell sharply in July. Furthermore, NAR's Pending Home Sales index, which measures the volume of homes under contract, jumped 19.8% in June versus last year suggesting that homes sales in July of 2011 will likely surpass sales in July of 2010.

The ramifications of this shift in last year's market on the perception of this year's market is important. Sales have remained robust considering the lack of a credit in today's market. They could be better, but that will come as the economy gains its stride and employment improves. As the year-over –year comparison shifts to reflect last year's weakness, the summer of 2011 will appear strong, boosting confidence. Low mortgage rates and stable employment will help to underpin the strength of sales this summer.

Locally, sales rose 2.9% in April of 2011 versus April of last year and were 15.3% stronger over the 12 months ending in June of 2011. This pattern, like that of the U.S., suggests that sales volume is likely to be stronger in the later part of this summer and into the fall relative to sales levels in 2010, here in the market covered by the Arizona Regional MLS.

Perception plays an important role in economic behavior. Falling home prices weigh on consumers who spend less in turn. Home prices did not fall directly after the end of the tax credit in May of 2010, but much later, dipping in earnest in January of 2011. Prices have since begun to tick upward, but are likely to remain below last year's level until later this year or in the spring, but they should not venture much further down. Stronger sales growth will boost consumer confidence, which will help the economy and housing in turn…green shoots for the economy.

Taking Care of "Small" Business

by Lawrence Yun, *NAR Chief Economist*

The economy is barely crawling along. A recent sizable downward revision to GDP figures showed that the current economic activity – adding up all income generation from producing autos to providing haircuts – is still below the recent past cyclical peak achieved in late 2007 even though the country added over 10 million additional people in the workable age of 16-and-over. In short, it seems like "Progress in America" has stopped.

The latest data on the manufacturing sector is also not good. After having registered 22 straight months of expansion, the ISM index – which surveys managers in the manufacturing industry – posted a reading of 50.9 in July. The index had been in the 55 to 60 range in the first half of this year. Note that any index below 50 is considered as reflecting a contraction in the industry. The component on new orders showed contraction, though actual current production and employment showed slight expansion. Why the contraction after almost two years of expansion? One likely reason was the constant discussion about the debt ceiling in July which no doubt caused many business decision-makers to halt purchase orders. Consequently, a long-term resolution to debt debate is critical to restart up the manufacturing sector. Large companies are sitting on a pile of cash. They only need clarity and business confidence to start investing again.

The Federal Reserve, though having ended its Quantitative Easing ("QE2") cannot be any more accommodative. It will no longer buy bonds with freshly printed money; rather, it will only repurchase bonds that are maturing in the Fed portfolio. Money simply cannot be printed in massive quantities for an extended period of time without raising the specter of inflation. Consumer price inflation has already notched up by 3.4 percent from one year ago, while many Social Security check recipients did not get any cost-of-living adjustment last year. They have to wait until 2012 before the COLA gets appropriately readjusted. Many workers, however, do not have automatic COLAs. Average hourly earnings rose 1.9 percent in from June 2010 to June 2010.

Such a slow wage growth assures slow consumer spending growth in the near term. With government spending expected to contract, for better or worse, and housing starts still struggling to gain traction, economic growth will be below the trend growth line. The second half GDP growth rate is expected to be less than 2 percent.

Slow economic growth also means a continuing worsening situation in budget deficit and national debt figures. History shows that one of the biggest sources of federal government revenue has been more people working and so more people paying taxes. The current unemployment rate of 9 percent is just too high.

Aside from the lack of enthusiasm among large companies, one major reason for the economic struggle is that small businesses – the entrepreneurial heart of America – cannot find funds either to establish themselves or to keep going. (It should also be said here that many real estate firms are actually small businesses.) Because of the small nature of such companies, these entrepreneurs cannot issue bonds like IBM or Disney.

Banks also have been extra tough on any borrowers without an established name. Small businesses, therefore, typically have relied on their owners' savings and housing equity for the funds to test out new business ideas.

But housing equity – that is, housing asset value minus mortgage liability – has greatly shrunk in the painful aftermath of the housing market crash. Currently, the aggregate of homeowners' real estate equity is at $6.1 trillion versus $13 trillion in 2006 according to Flow of Funds data from the Federal Reserve. The Census Bureau reports that there are 74 million homeowners. So on average, the average equity per homeowner in 2011 is $82,000, down from the $170,000 in 2006. Other Federal Reserve data from its Survey of Consumer Finances show that the median homeowner net worth is $190,000. This larger net worth figure is due to homeowners having other assets in addition to housing equity (stocks, cash, etc.). In comparison, the median net worth of a renter household is $4,000. The only good news at the moment is that further declines appear to be largely over. Price measurements from NAR, Case-Shiller, Core Logic, and the Federal Housing Finance Agency have all noted a slight uptick in home prices in recent months.

In order to truly give a push to the U.S. economy to get it on a sustainable robust growth path, small businesses need funds to establish themselves and to maintain operations. A home price recovery will be critical to that process in the upcoming years. Any obstacle to such a home price recovery will, therefore, hamper economic growth and job creation. As policymakers continue their discussions on future federal budgets, they need to be well aware that any trimming of housing-related programs – such as the mortgage interest deduction – will hurt home values and consequently derail many small business start-ups.

Stay "up to date" with Dr. Yun's views on real estate and economy by visiting the NAR Research "blog" at http:// economistsoutlook.blogs.realtor.org/

This table reflects data available through April 1, 2011.

Monthly Indicator	Recent Forecast	Likely Direction Over the Next Six Months	Forecast
Existing-home sales in June posted a seasonally adjusted annual rate of 4.77 million units – 0.8% off May's level and an 8.8% decline from a year ago. Continued economic uncertainty, concerns about the federal budget, and a spike in contract cancellations contributed to the decline. At the same time, the national median price for an existing home rose 0.8% from a year ago to $184,300.	June 2011 4,770 May 2011 4,810 June 2010 5,230	↑	Contract signings trending higher
New home sales declined by 1.0% from May to June, registering a seasonally adjusted annual rate of 312,000 units. Still, June's sales pace was a 1.6% increase from a year ago. The inventory of new homes available for sale continues to shrink -- at the end of the month, the supply of new homes was 164,000 – a 6.3-month supply at the current sales rate.	June 2011 312 May 2011 315 June 2010 307	↑	Rising new home price signals buyers are developing
Housing starts increased in June to a seasonally adjusted annual rate of 629,000 units – up 14.6% from May and a 16.7% increase from June of 2010. Both single family and multi-family starts rose; on a year over year basis, multifamily starts were up by 104.8%.	June 2011 629 May 2011 549 June 2010 539	↑	Better than 20 percent increase, but need to wait till 2012
Housing affordability remains at very impressive levels. NAR's housing affordability index posted a reading of 166.5 in June, down from May's revised index of 178.5, but above the reading in June of 2010. Changes in the index were due to a significant increase in the median sales price of a home from the previous month.	June 2011 166.5 May 2011 178.5 June 2010 161.7	↓	Price drop ends while mortgage rates rise
Mortgage rates The average interest rate in July for a 30-year fixed mortgage rose to 4.55%. Current Treasury bond yields are at historic lows and may continue to decline slightly but temporarily. Mortgage rates will most likely move in the same direction since in today's market nearly all mortgage originations have government backing.	July 2011 4.55% June 2011 4.51% July 2010 4.56%	↑	Inflationary and budget deficit pressures push up interest rates
Employment The U.S. economy added 117,000 new jobs in July – better than most analysts expected and well ahead of the 46,000 jobs created in June. The private sector added 154,000 payrolls, while the government sector shed 37,000 – primarily in state and local governments. The unemployment rate declined slightly to 9.1%, due mostly to unemployed workers halting their job search.	July 2011 +117 June 2011 +46 12-month total: +1,258	↑	Only slow gains with no meaningful changes to the unemployment rate
Economic Growth The U.S. economy continued to grow in the 2nd quarter of 2011, but at a slow pace. Real Gross Domestic Product (GDP) increased 1.3% from the 1st to the 2nd quarter of this year (annualized rate). This is the first estimate of 2nd quarter GDP growth based on incomplete data. Contributing to the positive growth in GDP were increases in exports, private inventory, building and nonresidential fixed investment, and federal government spending.	2011:II +1.9% 2011:I +0.4% 2010:II +3.8%	↑	Cruising forward, but at slow pace

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. Sources: NAR, Bureau of the Census, Bureau of Labor Statistics and Freddie Mac.