Economic and Market Watch Report

4th Quarter, 2010

ARMLS®

ARIZONA REGIONAL MULTIPLE LISTING SERVICE, INC.

130 South Priest Drive
Tempe, Arizona 85281
(602) 955-1707

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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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Local Report

Maricopa County, AZ

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

Labor Market :

In the first two months of the fourth quarter, 8,076 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 third quarter to 8.4% for October and November. 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 :

	Q3' 10	*Q4' 10*	*Q1' 11 (Forecast)*
Average Price	**$177,100**	**$171,700**	↔
# Homes on the Market *	**45,190**	**40,788**	↑
# Homes Sold **	**17,908**	**15,935**	↔
# New Homes Built ***	**1,338**	**578**	↑
Avg # of Days on Market	**69**	**72**	↑

* Available as of Dec. 31, 2010.
** May not add to total of zip codes.
*** During the first two months of 4th quarter.

Data by Zip Codes for Q4 2010

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
85003	$214,600	-11.21%	19	-36.67%	114	96.1%
85004	$161,100	-0.49%	10	-23.08%	157	92.8%
85006	$75,600	-12.50%	45	-46.43%	60	96.0%
85007	$137,400	2.23%	21	-46.15%	76	89.2%
85008	$66,300	-19.44%	118	-25.79%	58	94.2%
85009	$35,400	-18.62%	46	-49.45%	40	99.1%
85012	$202,400	6.30%	44	22.22%	70	95.2%
85013	$149,100	2.12%	88	4.76%	80	92.9%
85014	$103,100	-15.28%	109	-8.40%	83	94.3%

*** % 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 Q4 2010

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
85015	$71,300	-21.99%	86	-21.82%	58	94.0%
85016	$197,800	-0.25%	153	-23.50%	90	93.0%
85017	$41,400	-17.20%	70	-20.45%	48	93.4%
85018	$266,300	-17.22%	151	4.86%	82	91.6%
85019	$51,300	-12.46%	82	12.33%	73	96.3%
85020	$138,900	-10.39%	145	14.17%	91	94.1%
85021	$116,100	-34.41%	75	-19.35%	80	92.3%
85022	$148,100	-10.78%	176	-21.78%	68	95.4%
85023	$115,500	-19.17%	92	-34.29%	78	93.5%
85024	$146,200	-18.64%	109	-4.39%	68	97.4%
85027	$79,500	-24.14%	153	-23.88%	57	96.0%
85028	$255,700	-8.52%	74	-13.95%	74	95.6%
85029	$74,700	-10.11%	150	-23.47%	60	95.5%
85031	$37,900	-24.50%	77	-18.95%	59	96.6%
85032	$109,600	-19.11%	267	-12.75%	89	95.3%
85033	$44,700	-16.91%	164	-29.31%	52	95.9%
85034	$101,300	42.68%	5	-16.67%	38	101.2%
85035	$40,700	-20.35%	139	-1.42%	50	96.4%
85037	$71,500	-13.54%	239	-40.40%	60	96.3%
85040	$71,600	-6.16%	67	-34.95%	84	96.5%
85041	$87,900	-17.70%	218	-35.69%	61	96.3%
85042	$96,800	-10.70%	147	-17.42%	66	96.9%
85043	$80,600	-11.91%	129	-44.87%	83	96.1%
85044	$196,500	-14.60%	114	-6.56%	70	95.3%
85045	$277,800	-5.99%	37	2.78%	98	94.3%
85048	$222,600	-2.28%	155	0.00%	77	95.8%
85050	$229,600	-19.69%	127	-13.61%	64	97.5%
85051	$63,100	-13.68%	132	-25.42%	64	95.6%
85053	$76,900	-20.56%	116	-7.94%	60	95.7%
85054	$241,000	-15.85%	31	-26.19%	63	94.4%
85083	$225,100	-8.98%	98	-2.97%	74	97.3%
85085	$228,900	-12.77%	104	-40.91%	60	96.9%
85086	$213,800	-7.20%	254	-29.25%	64	97.7%
85087	$191,600	-7.35%	45	-16.67%	66	97.7%
85120	$60,900	-32.71%	3	-50.00%	107	81.7%
85138	$114,000	N/A	1	N/A	129	100.0%

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

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Data by Zip Codes for Q4 2010

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
85140	$85,000	-21.30%	1	0.00%	80	90.5%
85142	$209,800	-7.29%	163	81.11%	64	97.9%
85201	$67,200	-19.90%	127	-3.05%	67	95.8%
85202	$94,800	-17.64%	113	-13.74%	63	94.5%
85203	$124,300	-9.47%	82	-21.15%	55	97.1%
85204	$87,800	-11.31%	157	-35.92%	64	93.4%
85205	$135,200	-8.03%	130	-12.16%	73	94.1%
85206	$120,800	-18.05%	129	-29.89%	73	94.5%
85207	$200,400	-20.79%	185	-0.54%	76	95.7%
85208	$101,300	-9.80%	143	-23.94%	70	95.1%
85209	$144,900	-14.76%	175	-20.81%	71	95.6%
85210	$85,100	-12.18%	84	-36.36%	71	95.2%
85212	$162,700	-11.24%	132	-3.65%	70	96.8%
85213	$181,000	-8.31%	78	-22.77%	68	97.6%
85215	$170,200	-25.15%	75	-12.79%	82	96.6%
85223	$65,000	N/A	1	N/A	11	100.0%
85224	$134,200	-13.36%	141	-9.62%	67	96.2%
85225	$118,100	-18.83%	267	-13.59%	70	96.7%
85226	$168,200	-19.52%	111	-18.98%	73	95.4%
85233	$179,000	-6.09%	156	-4.88%	66	96.2%
85234	$202,300	4.39%	194	-17.45%	68	96.8%
85242	$210,800	-12.28%	10	-91.80%	211	92.5%
85248	$247,600	-6.14%	172	-1.71%	97	93.4%
85249	$286,400	-2.52%	194	-15.65%	77	97.0%
85250	$187,100	-20.95%	83	-11.70%	83	92.7%
85251	$202,000	-10.26%	204	-12.07%	93	93.9%
85253	$1,266,700	-8.33%	92	6.98%	140	89.8%
85254	$285,300	-10.45%	224	13.71%	80	95.8%
85255	$621,200	9.33%	220	-25.68%	96	93.0%
85257	$126,500	-21.28%	116	-4.13%	64	95.1%
85258	$316,900	-11.28%	132	-8.33%	99	92.5%
85259	$534,200	-9.76%	88	-25.42%	112	95.3%
85260	$290,200	-3.59%	170	-18.66%	86	95.2%
85262	$778,300	-2.75%	119	-23.72%	137	88.7%
85263	$244,200	-47.09%	11	-21.43%	101	84.8%
85264	$453,500	35.37%	2	100.00%	244	98.1%

*** % 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 Q4 2010

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
85266	$621,700	9.09%	67	1.52%	102	91.5%
85268	$284,500	-20.11%	146	-8.18%	96	93.8%
85280	$159,000	N/A	1	N/A	10	96.4%
85281	$126,400	-16.84%	104	5.05%	81	94.5%
85282	$127,000	-21.46%	113	-5.04%	64	94.7%
85283	$137,500	-17.52%	83	-23.15%	68	96.5%
85284	$333,200	-2.86%	54	8.00%	92	96.9%
85286	$224,600	-9.29%	138	-25.00%	63	97.8%
85295	$175,100	-12.93%	221	-3.07%	66	97.4%
85296	$165,600	-14.46%	222	-5.53%	70	96.9%
85297	$185,900	-18.46%	138	-12.10%	68	97.5%
85298	$256,700	-5.56%	121	-11.03%	76	96.5%
85301	$58,000	-6.00%	125	-21.88%	64	95.1%
85302	$90,800	-7.16%	120	-30.64%	57	96.9%
85303	$92,200	-7.89%	122	-27.38%	68	97.5%
85304	$97,700	-9.03%	113	-11.02%	56	95.2%
85305	$145,800	-8.47%	48	-14.29%	55	97.6%
85306	$102,900	-12.87%	84	-20.00%	63	97.3%
85307	$97,800	-12.52%	33	-34.00%	44	99.1%
85308	$162,700	-4.74%	262	-6.09%	73	96.7%
85310	$196,300	-0.51%	92	8.24%	56	98.9%
85322	$30,500	-51.74%	1	-80.00%	42	84.7%
85323	$94,700	-8.94%	169	-46.18%	64	95.7%
85326	$86,900	-11.24%	317	-37.48%	68	95.8%
85331	$347,700	-4.61%	121	-14.18%	78	95.2%
85335	$70,600	-13.05%	188	-20.00%	62	95.1%
85338	$141,100	-1.33%	278	-28.90%	67	95.4%
85339	$119,100	-13.26%	305	-11.08%	67	96.3%
85340	$159,400	-20.54%	136	-35.24%	70	97.1%
85342	$49,800	-51.27%	6	20.00%	78	81.0%
85343	$162,500	N/A	2	N/A	880	95.6%
85345	$80,100	-16.04%	253	-10.92%	63	95.4%
85351	$87,700	-13.17%	163	-6.86%	108	92.8%
85353	$87,400	-18.16%	182	-38.31%	67	94.8%
85354	$51,000	4.94%	42	2.44%	92	91.3%
85355	$189,200	-6.89%	61	-20.78%	68	97.1%

*** % 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 Q4 2010

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
85361	$125,800	-0.71%	42	16.67%	67	95.3%
85363	$64,700	-15.86%	29	-47.27%	55	94.7%
85373	$122,600	-12.55%	134	10.74%	82	96.6%
85374	$141,800	-7.86%	232	-29.48%	81	94.4%
85375	$165,900	-9.74%	164	-24.77%	99	94.3%
85377	$445,500	-25.30%	18	-35.71%	96	96.7%
85378	$86,700	N/A	19	N/A	36	97.5%
85379	$135,300	-7.46%	301	-24.56%	61	97.5%
85381	$153,300	-8.59%	73	-19.78%	48	97.2%
85382	$161,500	-7.50%	189	2.72%	70	97.0%
85383	$246,800	-5.22%	267	-6.32%	88	97.1%
85387	$190,300	-18.19%	62	-22.50%	55	96.3%
85388	$131,000	-11.13%	152	-31.84%	54	97.5%
85390	$179,100	14.00%	28	33.33%	191	91.3%
85392	$118,500	-5.88%	182	-16.51%	52	97.0%
85395	$209,900	-2.28%	136	-10.53%	58	96.6%
85396	$157,800	-10.44%	109	-28.29%	77	95.8%
86040	$388,000	N/A	1	N/A	222	107.8%

*** % 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 first two months of the fourth quarter, 491 jobs were added to the payrolls of Pinal County. As a result of these new jobs, the average monthly unemployment rate fell from 12.1% during the third quarter to 11% for October and November. 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 :

	Q3' 10	*Q4' 10*	*Q1' 11 (Forecast)*
Average Price	**$108,300**	**$100,300**	↔
# Homes on the Market *	**5,365**	**4,812**	↑
# Homes Sold **	**2,108**	**1,821**	↔
# New Homes Built ***	**277**	**295**	↑
Avg # of Days on Market	**63**	**75**	↑

* Available as of Dec. 31, 2010.
** May not add to total of zip codes.
*** During the first two months of 4th quarter.

Data by Zip Codes for Q4 2010

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	$223,000	6.09%	77	57.14%	98	92.6%
85119	$139,500	7.31%	61	52.50%	81	95.5%
85120	$88,600	-1.99%	87	112.20%	69	96.4%
85122	$90,600	-5.53%	181	64.55%	64	95.6%
85123	$58,400	2.10%	47	9.30%	60	94.9%
85128	$71,700	-2.32%	45	7.14%	56	97.0%
85131	$74,500	-23.35%	13	-31.58%	97	95.7%
85132	$78,200	-23.03%	106	68.25%	64	96.5%
85137	$67,000	N/A	3	N/A	77	90.6%

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

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Data by Zip Codes for Q4 2010

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	$97,700	-14.52%	316	58.79%	71	95.4%
85139	$87,400	-17.47%	132	23.36%	72	95.4%
85140	$102,600	-14.43%	223	95.61%	69	96.2%
85142	$99,100	-11.99%	95	-10.38%	68	95.4%
85143	$96,800	-8.59%	290	28.89%	67	94.5%
85145	$105,000	N/A	1	N/A	163	59.0%
85172	$320,000	N/A	1	N/A	109	91.5%
85173	$43,800	-60.18%	3	200.00%	41	96.1%
85193	$79,500	-34.68%	9	200.00%	51	93.8%
85194	$120,900	-47.98%	22	144.44%	67	95.1%
85218	$277,600	14.00%	5	-92.75%	386	83.7%
85219	$149,300	15.83%	5	-91.23%	121	84.4%
85220	$67,600	-28.16%	12	-83.33%	117	87.0%
85222	$102,000	-3.86%	7	-95.00%	270	84.5%
85223	$33,500	-55.51%	2	-94.59%	508	91.8%
85225	$122,700	N/A	1	N/A	115	100.0%
85228	$68,000	-9.09%	8	-88.89%	125	95.9%
85231	$123,000	22.51%	2	-91.30%	361	96.1%
85232	$67,100	-21.89%	8	-90.80%	152	87.4%
85238	$104,000	-7.39%	12	-94.00%	168	92.1%
85239	$92,400	-12.08%	19	-88.05%	163	90.4%
85240	$106,500	-3.53%	3	-97.84%	175	91.6%
85242	$110,400	-10.68%	13	-91.82%	103	96.7%
85243	$67,700	-38.06%	5	-97.91%	148	92.0%
85272	$30,000	-85.51%	1	-50.00%	95	60.1%
85293	$65,000	-53.27%	1	-75.00%	686	88.0%
85326	$110,500	N/A	1	N/A	8	105.2%
85623	$44,000	N/A	1	N/A	8	119.2%
85631	$27,000	N/A	1	N/A	79	100.4%
85658	$84,500	N/A	1	N/A	28	99.5%
85746	$77,000	N/A	1	N/A	98	100.0%

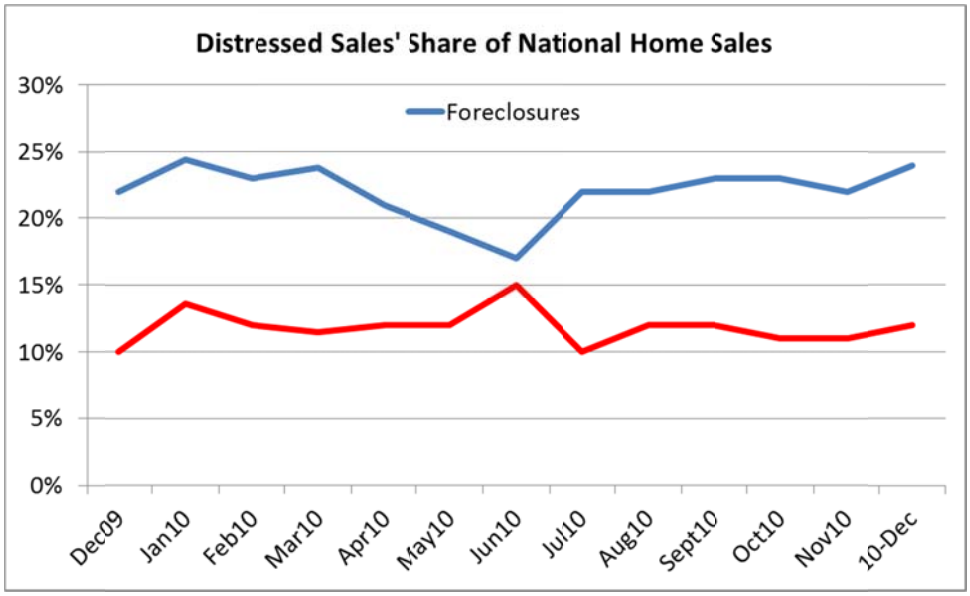
*** % Change of current quarter compared to the same quarter to year ago.

Robo-Signing and You

By Ken Fears
Manager, Regional Economics

The dust had not settled in the wake of the Federal home buyer tax credit before the housing market was hit by another distortion. This time the shock came from the supply side by way of the foreclosure process and the revelation that documentation submitted by some banks was flawed. Several banks imposed a moratorium on foreclosure sales as a result. The question is how did this change impact home sales?

Nationally, the share of foreclosures that sold fell to 22% in November before jumping to 24% in December. Short sales held steady at 11% before climbing to 12%. These patterns suggest that the moratorium imposed by Bank of America, JP Morgan Chase, GMAC, and Ally Financial may have had a slight impact on sales of foreclosures at the national level. However, the scandal did not hold back general consumer demand for housing. Nationally, home sales rose 6.1% in November and surged 12.3% in December as fence sitters moved to get ahead of rising mortgage rates. The inventory of homes slipped by 3.8% and 4.2% over this same time frame. The drop in supply and rise in demand helped drive the months supply down from 10.5 in October to 8.1 in December, its lowest level since March and a trend that helps to ease downward pressure on home prices.



Not all areas of the country were exposed to the problems brought on by flawed foreclosure filings. Only states where foreclosures are part of the judicial process are impacted by the issues surrounding the mass signing of documents. In areas where the process falls under the judicial system, a bank must prove in court that it owns the property before it can proceed with the foreclosure sale. In non-judicial areas, the process is based on the deed of trust, which has a clause explicitly allowing a trustee to sell the property after the trustee makes pre-determined efforts to notify the home owner. While some non-judicial areas may be spared this potential log-jam, both GMAC and Bank of America chose to suspend foreclosures sales in both judicial and non-judicial areas. Consequently, given the size of these two lenders the impacts are likely widespread. BofA did re-start limited foreclosure sales in late October, which might explain the increased share of foreclosures in the December sales report.

According to research done by RealtyTrac, Inc, the foreclosure process in Arizona is governed by the judicial process, but it is not common in practice. Consequently, the area covered by the Arizona Regional MLS may be negatively impacted by problems with the foreclosure process. The impact on the market is hard to quantify. Intuitively, one would expect a decline in foreclosures to reduce supply and help prices, but it might push the supply issue into the spring market once the documentation and signature issues are resolved. Furthermore, the scandal could scare away buyers who are worried about the health of the market and their legal right to buy a foreclosed home. One clear upside is that banks are more likely to be receptive to short-sale offers, particularly if a coalition of state attorneys general move forward with prosed law suits that would extend the moratorium.

It is difficult to say exactly how the robo-signing scandal will impact the local housing market. Markets with relatively tight inventories and stable employment may not be impacted, while markets with high inventory levels may experience a roller-coaster. What's fact is that the true nature of market may not be revealed until later in 2011.

Cheers for the New Year?

by Lawrence Yun, *NAR Chief Economist*

The total number of home-owning households rises about one million each year. These additional homeowners are the result of powerful yet simple forces of an increasing population. The latest decennial Census count confirms the continuing solid gains in the U.S. population. From 2000 to 2010, our nation's population grew by 27 million -- there are now 308 million people living in the country representing 112 million households.

Year	Homeowners
1960	31 million (estimate)
1970	41 million
1980	52 million
1990	60 million
2000	70 million
2010	75 million

Because of population increases, one can expect a rising number of homeowners over time. Of course, there will naturally be fluctuations from one year to the next due to changing economic circumstances. One notable past example of this occurred in 1982 when there was no net new addition to the homeowner population despite the ongoing general population increase. If you recall, in 1982 mortgage rates rose to 18 percent – certainly an interest rate not conducive to buying a home.

In the past five years, from 2005 to 2010, even a larger anomaly occurred: there was no net new growth in the home-owning population. The main reason for this was the huge housing bubble and the subsequent – and painful – bust which halted homeownership growth. There are currently 75 million home-owning households. That is slightly lower than the 76 million homeowners in 2005. Indeed, according to the U.S. Census Bureau (which tracks homeownership rates), the homeownership rate fell from 69 percent to 66 percent over the past 5 years.

We should remember something important. Those bubble years are artificial; consequently, that 69 percent homeownership rate in 2005 was likely also to have been artificial. A return to a 66 percent homeownership rate could be sustainable – and frankly still very impressive as it means that two-thirds of U.S. households own their own homes. The very low default rates on recently originated mortgage loans (those originated in 2009 and 2010) point back towards solid sustainable homeownership levels for the future. A "back-to-the-long term" trend line would mean adding one million net new home-owning households each year. This powerful supporting demographic force will be present as the overall population is expected to rise to about 340 million by the next Census period in 2020, and then to increase to 420 million by 2050. In terms of home-owning households, that means an increase anywhere from the current 75 million homeowners to 115 million by 2050.

Such a demographic force has a major impact regarding the longer term future. But the short-term dynamics are dominated by economic forces. Fortunately, the economy is showing more definitive signs of improvement. Manufacturing output has been rising. The stock market has recovered nicely. Companies are flush with cash. Consumer confidence has rebounded off very low levels (albeit with more improvement needed). And more importantly, jobs are being created. According to the latest company payroll data released in early January, there were 1.1 million additional jobs in December of 2010 compared to one year before. The household employment

data (based on asking people if they have a job) was even more encouraging: there were 1.3 million more jobs. The official unemployment rate figure of 9.4 percent is based on the household survey not the payroll survey.

Job gains are expected to accelerate in 2011 to something close to 2 million net new jobs. That good news is tempered somewhat by the fact that the unemployment rate will remain stubbornly high at near 9 percent as more discouraged unemployed people – those who are not officially counted as unemployed since they are not looking for work – start looking for a job.

Some release of pent-up demographic demand supported by the improving economy will bump up home sales this year. In addition to new homeowners, there are always a certain percentage of existing homeowners who move – that is, they sell their home and purchase another one. The latest NAR survey of home sellers indicates that recent sellers have been in their current residence for 10 years. That implies one out of 10 homeowners will be moving in a given year. Census data suggests a much longer holding period than 10 years, which is due to many homeowners who remain in their homes until death and thus do not get captured in the NAR survey of recent home sellers. Generally, younger homeowners have shorter tenures in their homes before making the next move. At the same time though, older homeowners are more likely to purchase a second home – be it an investment or vacation home.

Putting all important factors together, exiting-home sales are projected to rise 8 percent to 5.2 million units nationwide this year and possibly to 5.5 million in 2012. There will be a bigger percentage increase of 24 percent for new home sales in 2011, but that is due to a very low base figure of only 310,000 new home sale posted in 2010.

Our forecast figures will be updated each month depending on how the economy plays out. And let's be a bit more realistic for this new year: going forward we are unlikely to see the 7 million existing-home sales and 1 million new homes sales we saw during the bubble years. We now know that those figures were in part artificial. The housing market is just trying to settle down – and it will do so at a long-run and sustainable pace.

So, here' sot the new year: Cheers!

This table reflects data available through January 7, 2011.

Monthly Indicator	Recent Forecast	Likely Direction Over the Next Six Months	Forecast
Existing-home sales rose 5.6% in November to a seasonally adjusted annual rate of 4.68 million units. The national median existing-home price was $170,600 in November. Going forward, the positive impact of ongoing economic growth and steady job creation should more than offset the modest rise in mortgage interest rates.	Nov 2010 4,680 Oct 2010 4,430 Nov 2009 6,490	↑	Job creation is adding to the buyer pool
New home sales also increased in November, rising 5.5% to a seasonally adjusted annual rate of 290,000 units. The West experienced a 37.3% increase in new home sales. Still, sales were 21.2% below their pace in November of 2009. New home inventory at the end of November was 197,000 units – an 8.2 month supply at the current sales pace.	Nov 2010 290 Oct 2010 275 Nov 2009 368	↑	Finally, some recovery from a dismal state
Housing starts rose 3.9% from October to November, posting a seasonally adjusted annual rate of 555,000 units. Single-family starts increased 6.9%. However, building permits – generally a reliable indicator of future starts – declined slightly to 4.0% from October to 14.7% from November of 2009. There is still significant new construction that needs to be completed as well as sold.	Nov 2010 555 Oct 2010 534 Nov 2009 589	↑	Construction loans should steadily appear
Housing affordability continued its march upward. NAR's HAI Index for November registered 184.5 – up from 183.6 in October. The relationship recently between mortgage rates, home prices and income has been the most favorable on record.	Nov 2010 184.5 Oct 2010 183.4 Nov 2009 173.3	↓	Slow wage gain not enough to offset higher rates
Mortgage rates Average 30-year fixed mortgage rates rose 31 basis points in December 2010 to 4.71%. Despite the increase, mortgage rates were still lower than they were in December of 2009. Modest rate increases are not yet a threat to the housing market as long as the job market holds up as anticipated in 2011.	Dec 2010 4.71% Nov 2010 4.30% Dec 2009 4.88%	↑	High budget deficit raises borrowing costs
Employment The U.S. economy created 103,000 new jobs in December, virtually all of which were private-sector payrolls. October's and November's job creation figures were revised upward. Still the December figure was less than what most analysts anticipated. During 2010, the nation added 1.1 million jobs. The unemployment rate did decline in December – to 9.4% -- although that was in part Due to people who stopped looking for work.	Dec 2010 - 103 Nov 2010 -71 12-month total: +1,100	↑	Two million new jobs possible in 2011
Economic Growth continued to improve. Real GDP growth – that is, the output of all goods and services produced in the U.S. – increased 2.6% from the 2nd quarter of 2010 to the 3rd quarter, marking a 5th consecutive quarter of positive GDP growth. This is the 3rd and final estimate of GDP growth based on more complete data. The increase in GDP reflects growth in consumer spending, private investment, export and government spending.	2010:III +2.6% 2010:II +1.7% 2009:III +1.6%	↑	Business spending momentum strengthening

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.