








# Real Estate Monitor

Monthly Indicator	Recent Figures	Likely Direction Over the Next Six Months	Forecast
<p><b>Existing-home sales</b> rose again in October to a seasonally adjusted annualized rate of 6.10 million units – a 10.1% increase from September. October resales were 23.5% above the pace of a year ago. The healthy gain in existing sales helped draw down inventory 3.7% to a 7.0 months' supply at the current sales pace. The national existing-home sales price was \$173,100 in October, down 7.1% from October 2008. <a href="#">Read more.</a></p>	Oct 09 6,100 Sept 09 5,540 Oct 08 4,940		Expect a dip in early 2010 before resurgence in spring
<p><b>New home sales</b> increased 6.2% from September to October to a seasonally adjusted annual rate of 430,000 units. New home sales were 5.1% above the pace in October of 2008. The number of new homes available for sale was 239,000 – a 6.7 months supply at the current sales rate. <a href="#">Read more.</a></p>	Oct 09 430 Sept 09 405 Oct 08 409		Finally to show life signs
<p><b>Housing starts</b> posted a seasonally adjusted annual rate of 529,000 units – a 10.6% decline from September's revised level of 592,000 units and a 30.7% decline from the level in October of 2008. Housing permits – generally a reliable indicator of future housing starts – registered a seasonally adjusted annual rate of 552,000. <a href="#">Read more.</a></p>	Oct 09 529 Sept 09 592 Oct 08 763		Inventory levels have been coming down such that builders can test the waters
<p><b>Housing affordability</b> continued at historical highs. NAR's housing affordability index (HAI) rose to 166.7 in October – up from the 161.9 reading posted in September and a significant increase from the 140.5 reading registered in October of 2008. Low interest rates and still-low median home prices helped keep affordability at high levels. <a href="#">Read more.</a></p>	Oct 09 166.7 Sept 09 161.9 Oct 08 140.5		Coming off record high year in 2009
<p><b>Mortgage rates</b> remained at historically low levels. In November 2009, the 30-year fixed-mortgage rate was 4.88% – the second lowest rate in history. Thanks to the record low mortgage rates along with declining home prices, housing is more affordable than ever. Given the extension of the home buyer tax credit, the recent momentum of the housing market recovery is expected to continue but at a slightly slower pace. <a href="#">Read more.</a></p>	Nov 09 4.88% Oct 09 4.95% Nov 08 6.09%		The Fed will slow MBS purchase program
<p><b>Employment</b> The economy lost 11,000 in November – a significant improvement from the loss of 111,000 jobs shed in October. The small decline in November indicates the economy could begin generating jobs soon – perhaps in the first quarter of next year. The unemployment rate fell to 10.0% in November – down from the 10.2% reported the previous month. <a href="#">Read more.</a></p>	Nov 09 -11 Oct 09 -111 12-month total: -4,759		Consistent job gains from spring
<p><b>Economic growth.</b> The U.S. economy improved in the 3rd quarter of 2009. Real GDP growth registered a 2.8% annual rate (from the 2nd to the 3rd quarter) – the first positive growth rate since the second quarter of 2008. This is the second estimate of GDP growth based on more complete data and reflects positive contributions in personal consumption expenditures, exports, private inventory development and residential fixed investment. <a href="#">Read more.</a></p>	2009:III +2.8% 2009:II -0.7% 2008:III -0.5%		No double-dip recession in sight (at least not in 2010)

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. This report reflects data as of December 4, 2009. Compiled by Wannasiri Chompoopet, Ken Fears and Lawrence Yun.