

Directors, First Multiple Listing Service
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I am going to report more negative trends for February. However, I am going to look for any type of “light at the end of the tunnel” and share the results with you.

First, let’s look at February. There were 3,480 total single family closings before lags in February. This is a decline of 36.8% from February 2007. After lags are reported, the decline should be below 30%.

Single family detached closed 2,939 units in February or a decline of 36.8%. Condos and townhomes closed 541 units or a decline 36.9%.

Price is such a strong correlation between supply & demand. I have always stated when the market is strong the selling price will go up and when the market is weak the selling price will go down. However, with inventories at an all time high and demand at year-to-year all time negative percentage declines, i.e., very high supply – very low demand, prices will decline and decline a lot.

The average price for single family detached in February was \$239,232. This is 5.4% below February 2007 and almost 10% below 2007’s overall average of \$265,346. This is also the lowest reported average monthly selling price for single family detached since February 2005.

The average selling price for condos and townhomes was \$177,083 in February. This was 7.1% below February 2007’s average and the lowest average since January 2003, five year ago!

The monthly year-to-year percentage decline for both single family detached and condos & townhomes are the greatest on record (mid-nineties).

There were 5,925 expired total single family listings in February. Combined with January’s expired listings, there have been 1,700 more expired listings than the same year ago period. There have been 13,516 expired listings for all single family through February 2008, which is almost as many as there were in ALL 1999.

There were 2,815 withdrawn listings for all single family in February. Combined with January’s withdrawn listings, there have been 1,100 more withdrawn listings than the same year ago period.

Let’s look at the rest of 2008. The BAD: Housing is down over 30% Jan-Feb 2008 versus Jan-Feb 2007, Mortgage rates have gone up since their 1/15/2008 lows, the economy is probably in recession, and many economic indicators & consumer confidence are in decline.

The GOOD: It is a great time to buy a home. I have said this the past few months, but here are the facts to support this more than ever. Inventory is at all time highs and if you are on the market at this time it is more than likely you HAVE to sell, prices are down and down a lot, the FED has recently and drastically lowered key interest rates, and mortgage rates should go down, as long term rates will decline as our commodity prices start declining.

Below is the year-to-year percent change for homes going under contract. As you can see, the percentage has trended favorably so far in 2008. If housing comes back in 2008, this trend will continue to improve and be our first indicator. If it does, it will improve quickly.

Under Contracts	<u>Jan-07</u>	<u>Feb-07</u>	<u>Mar-07</u>	<u>Apr-07</u>	<u>May-07</u>	<u>Jun-07</u>	<u>Jul-07</u>	<u>Aug-07</u>	<u>Sep-07</u>	<u>Oct-07</u>	<u>Nov-07</u>	<u>Dec-07</u>	<u>Jan-08</u>	<u>Feb-08</u>
Yr-Yr % Chge	-1.44%	-2.28%	-9.66%	-13.34%	-13.99%	-15.04%	-15.27%	-24.54%	-27.97%	-17.69%	-24.69%	-25.80%	-23.68%	-16.74%

Thank you,

Steve Palm
Smart Numbers