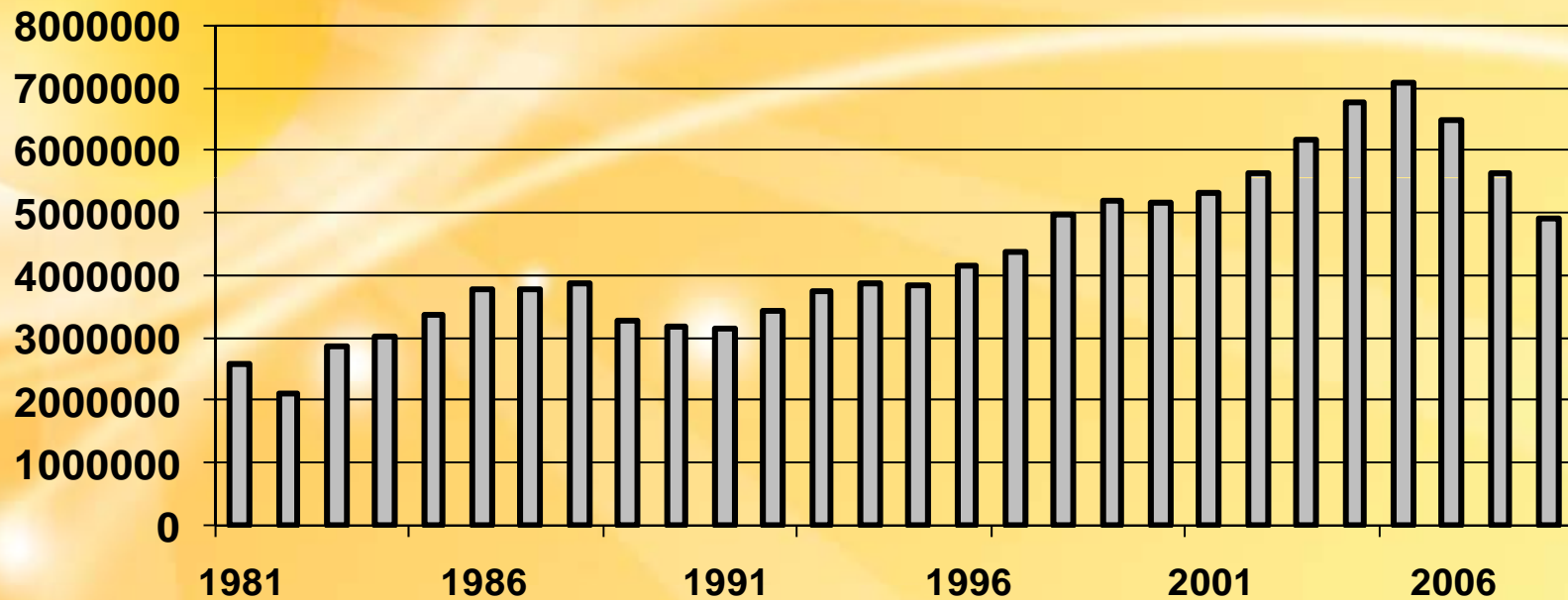




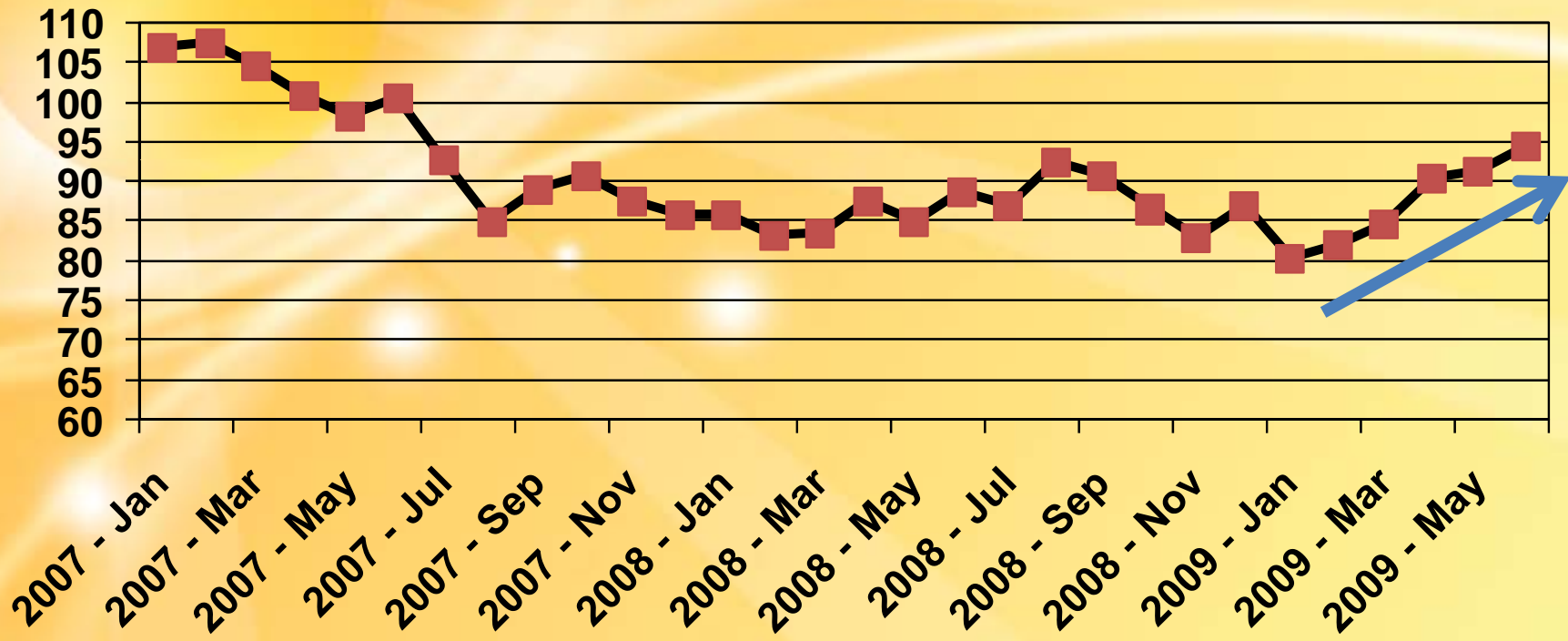
Economic and Housing Market Outlook

Lawrence Yun

National Existing Home Sales



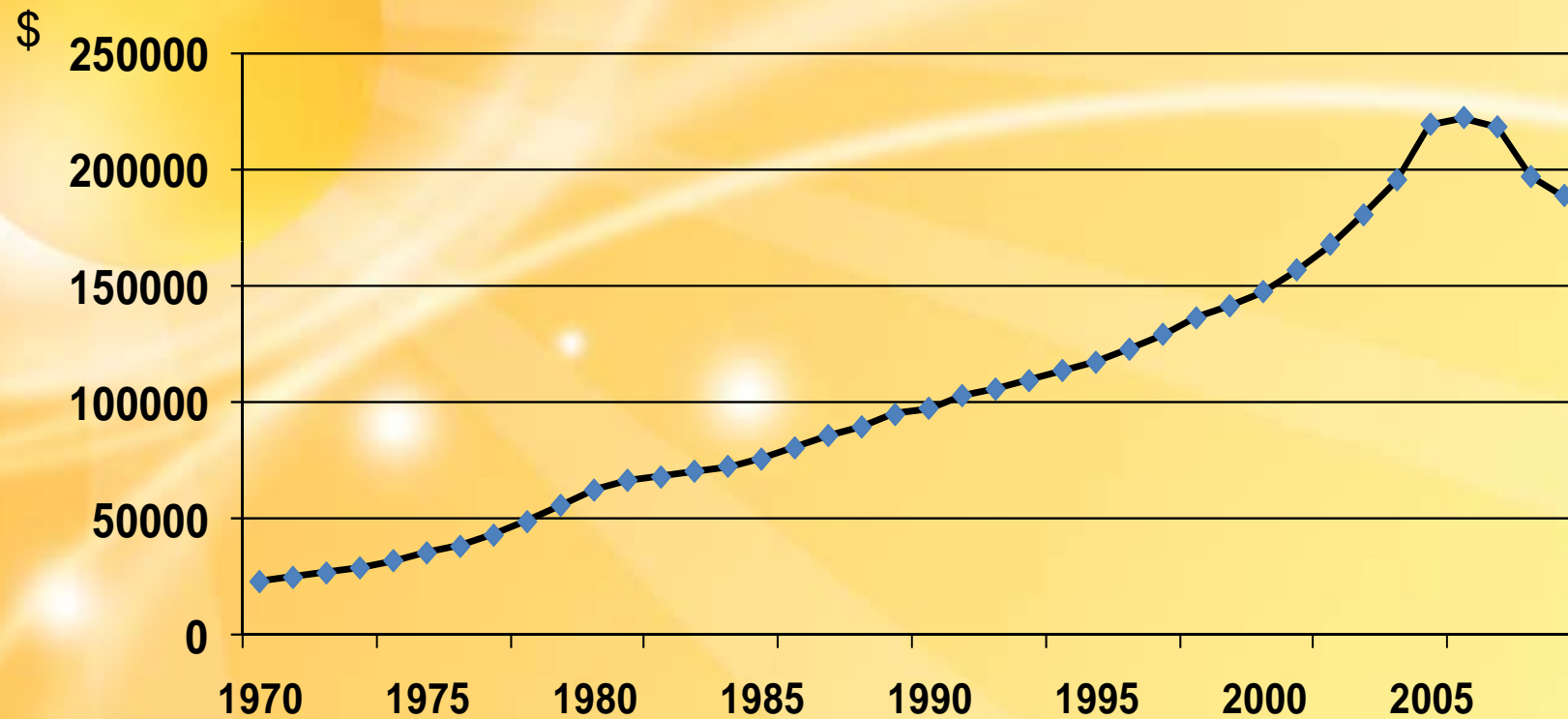
Recent Pending Home Sales Rising, but Taking Longer to Close in Recent Months



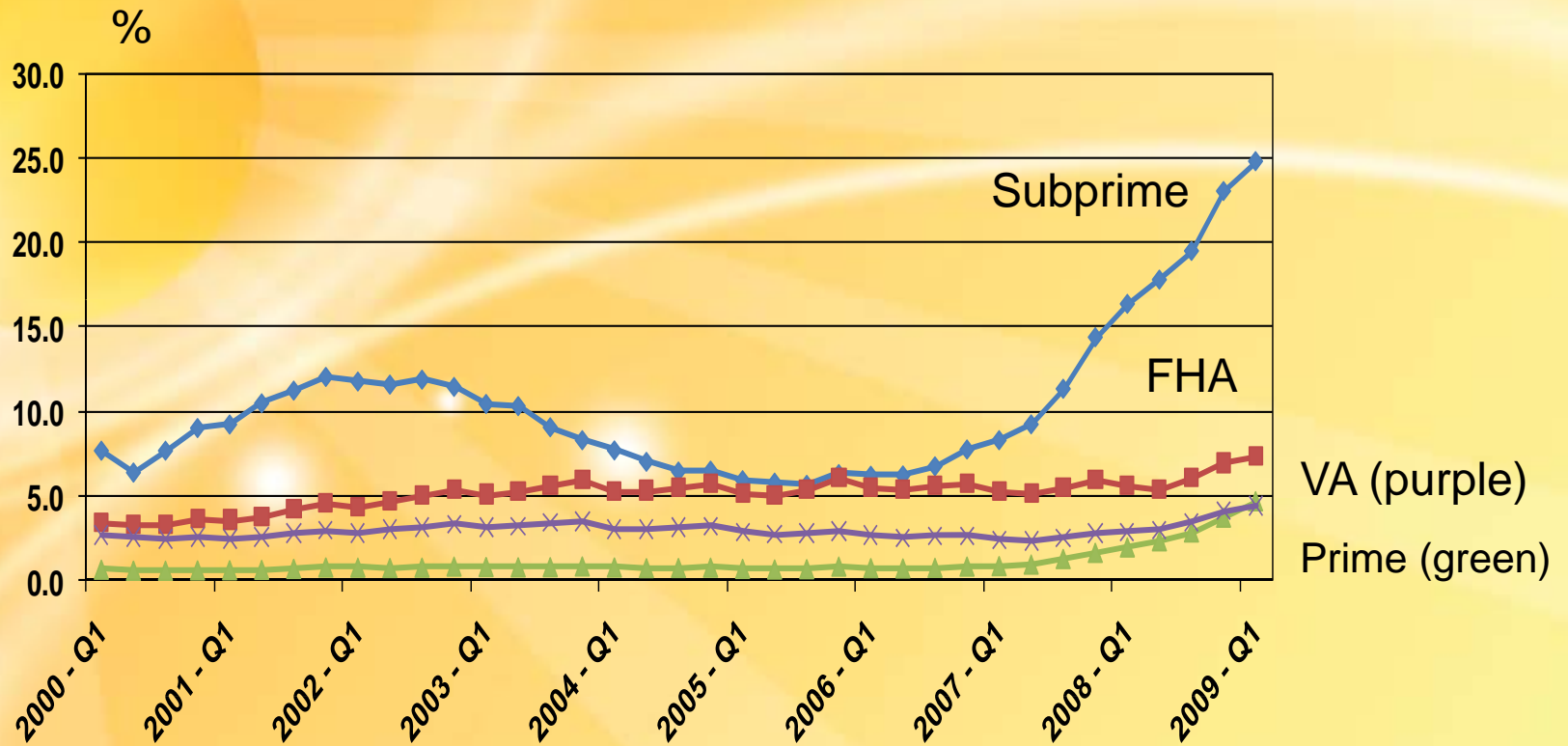
Appraisal Issues from HVCC

- Good Intended Policy Gone Bad
 - Appraisers getting paid less
 - Appraisal process taking shorter time
 - Consumers paying higher fee
 - Homeowners unable to refinance
 - Homebuyers wanting to buy but cannot
- Unintended Consequences of Slowing Housing Market Recovery ... Slowing Economic Recovery

National Existing Median Home Price



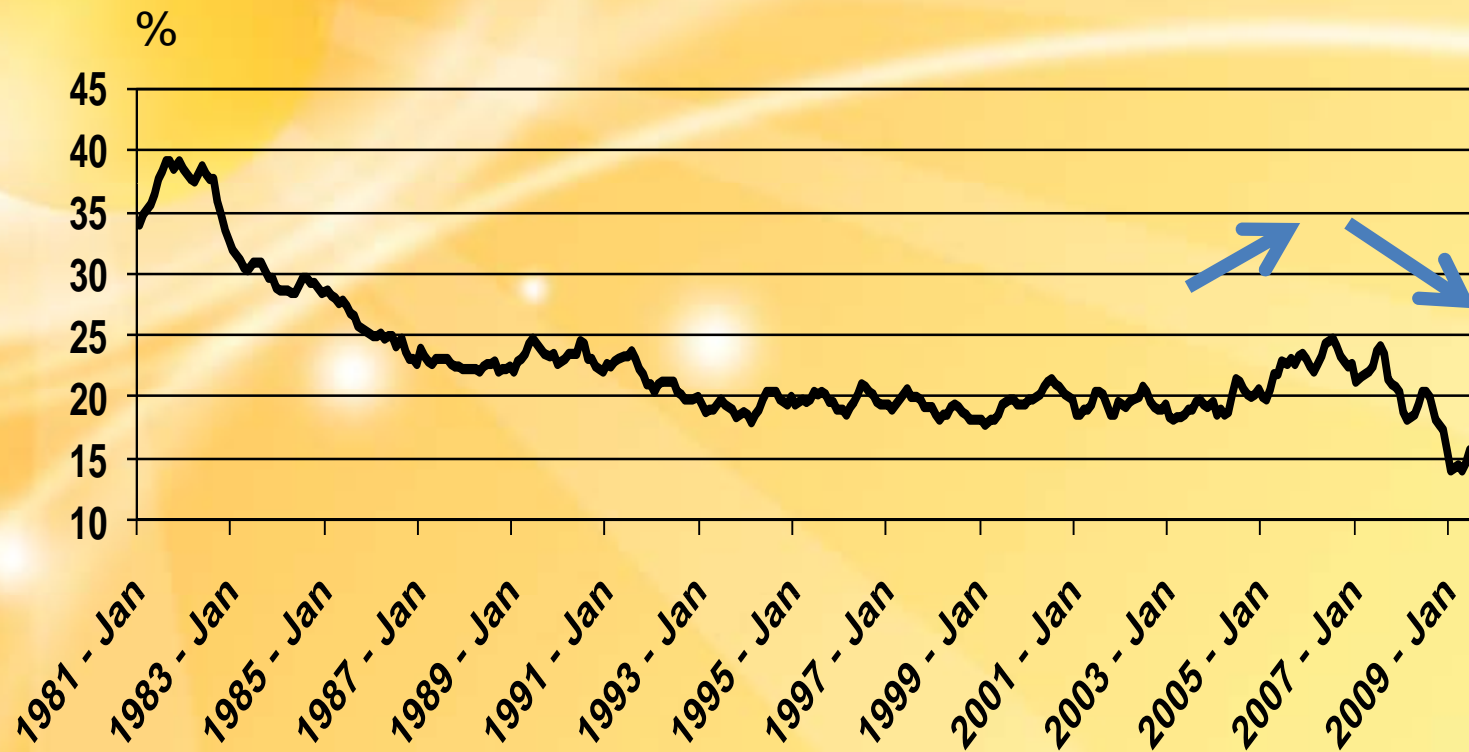
Serious Delinquency Rate (90+ days late or foreclosure)



- FHA Reserve Fund depleting ... may need funds to implement a countercyclical policy
- Fannie-Freddie will need funds ... future reform of the secondary mortgage market
- VA ... slight rise ... even though a zero-down product ... stay within budget and all will be OK!

Mortgage Payment to Income to Buy a Median Price Home

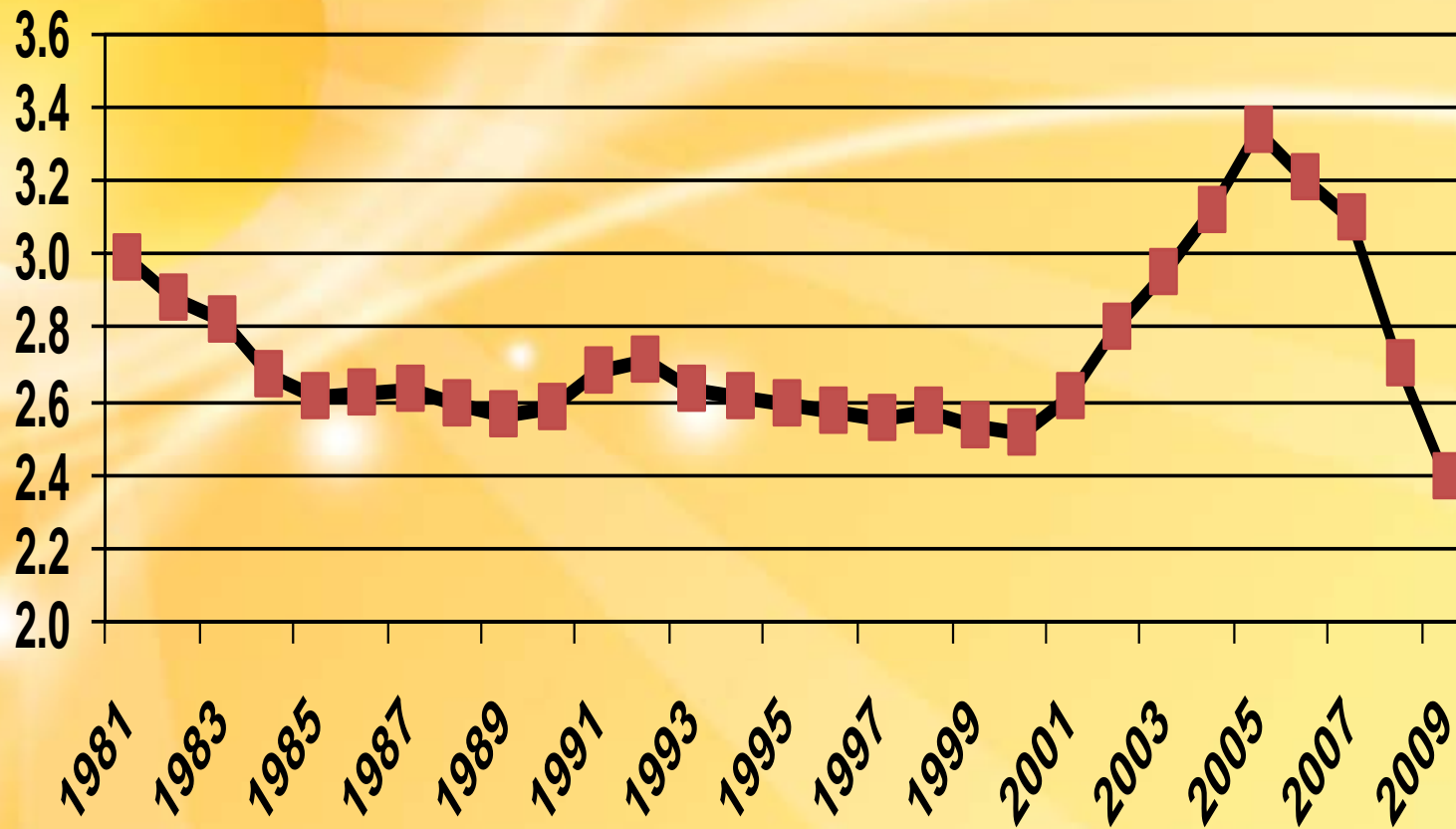
(for those staying within budget ... middle income person buying a middle priced home)



Stay within budget and monthly payment will be manageable !

Home Price to Income Ratio

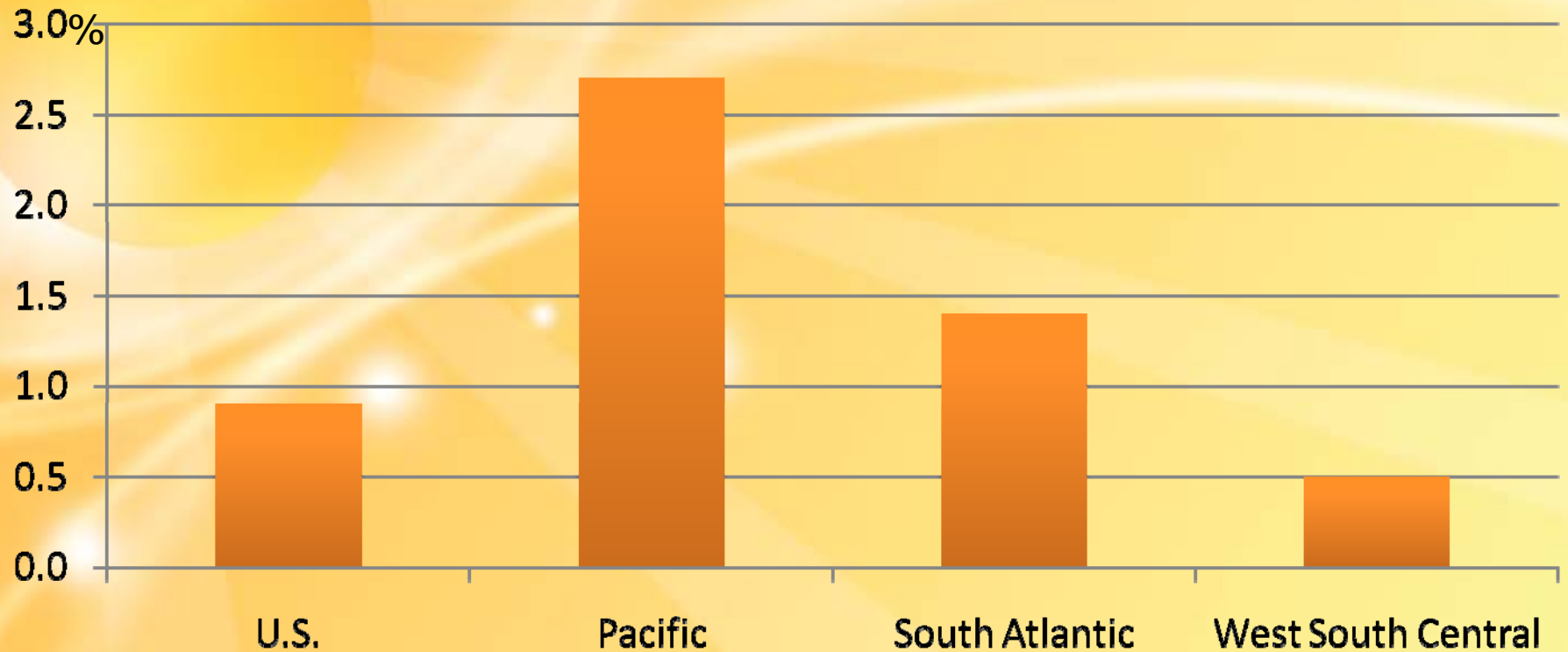
(Enticing for All-Cash Buyers)



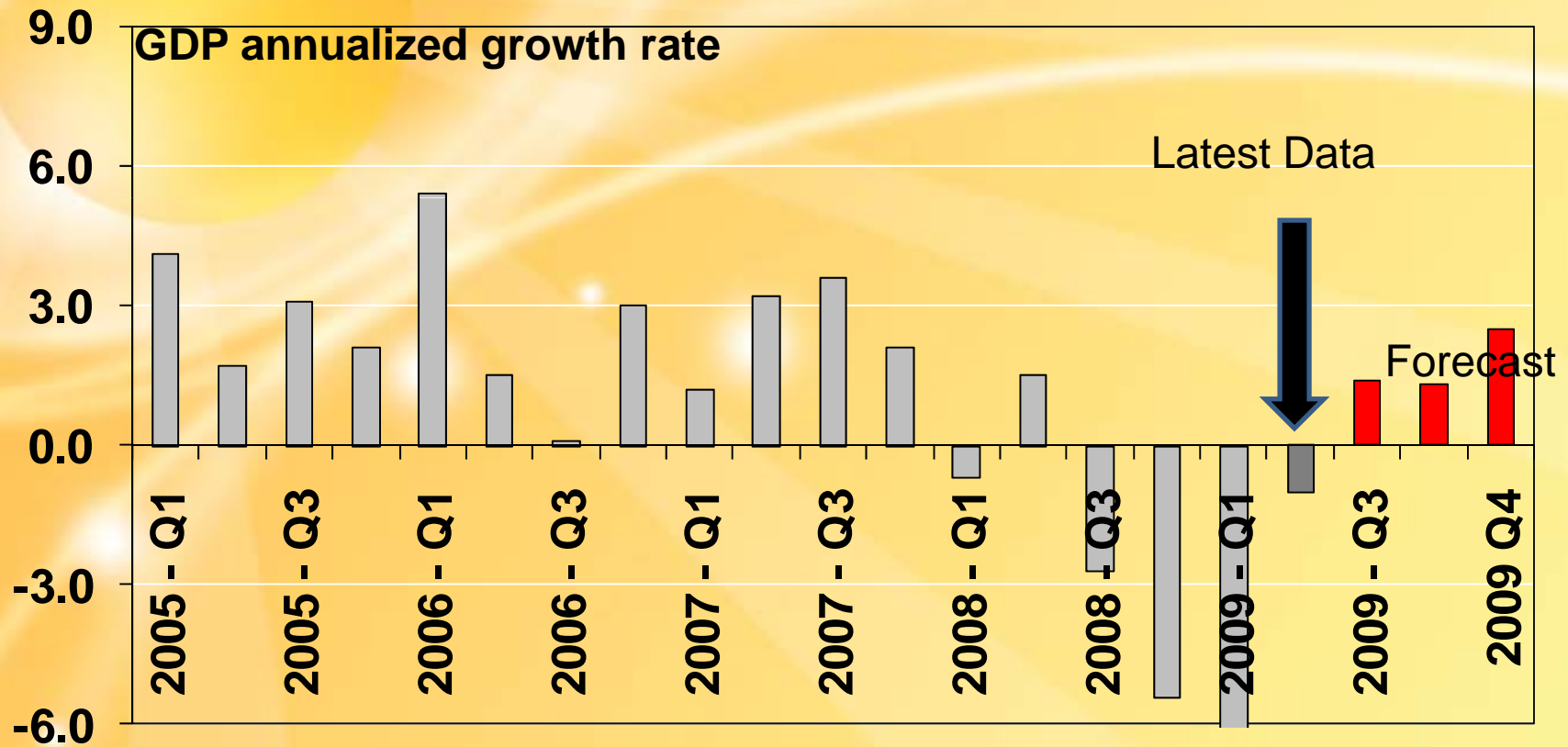
Stay within Budget and all will be OK !

Home Price Up in Select Regions

•April to May according FHFA (Government) Home Price Index



Economy to Recover Slowly

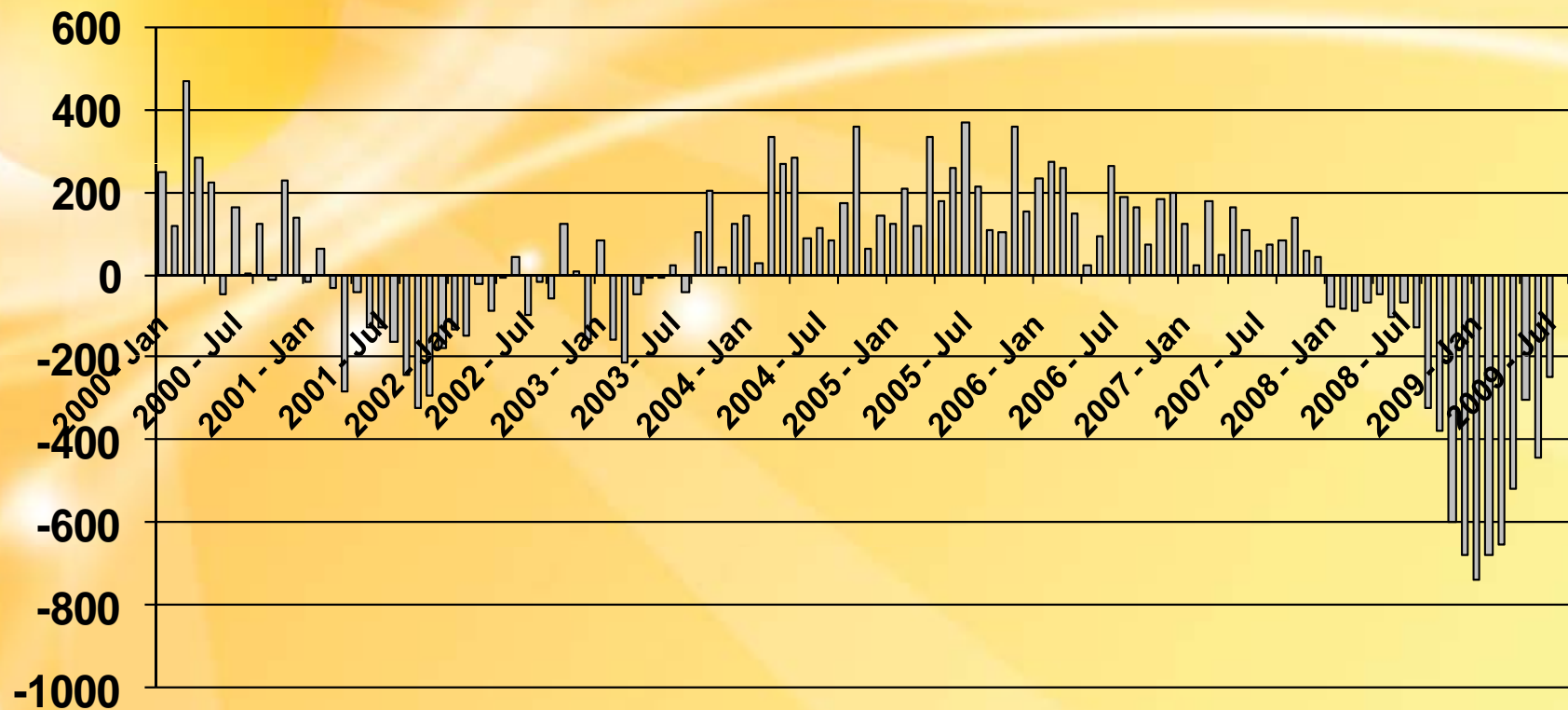


Source: BEA

Job Changes in U.S. ...

Unemployment Rate to 10.5%

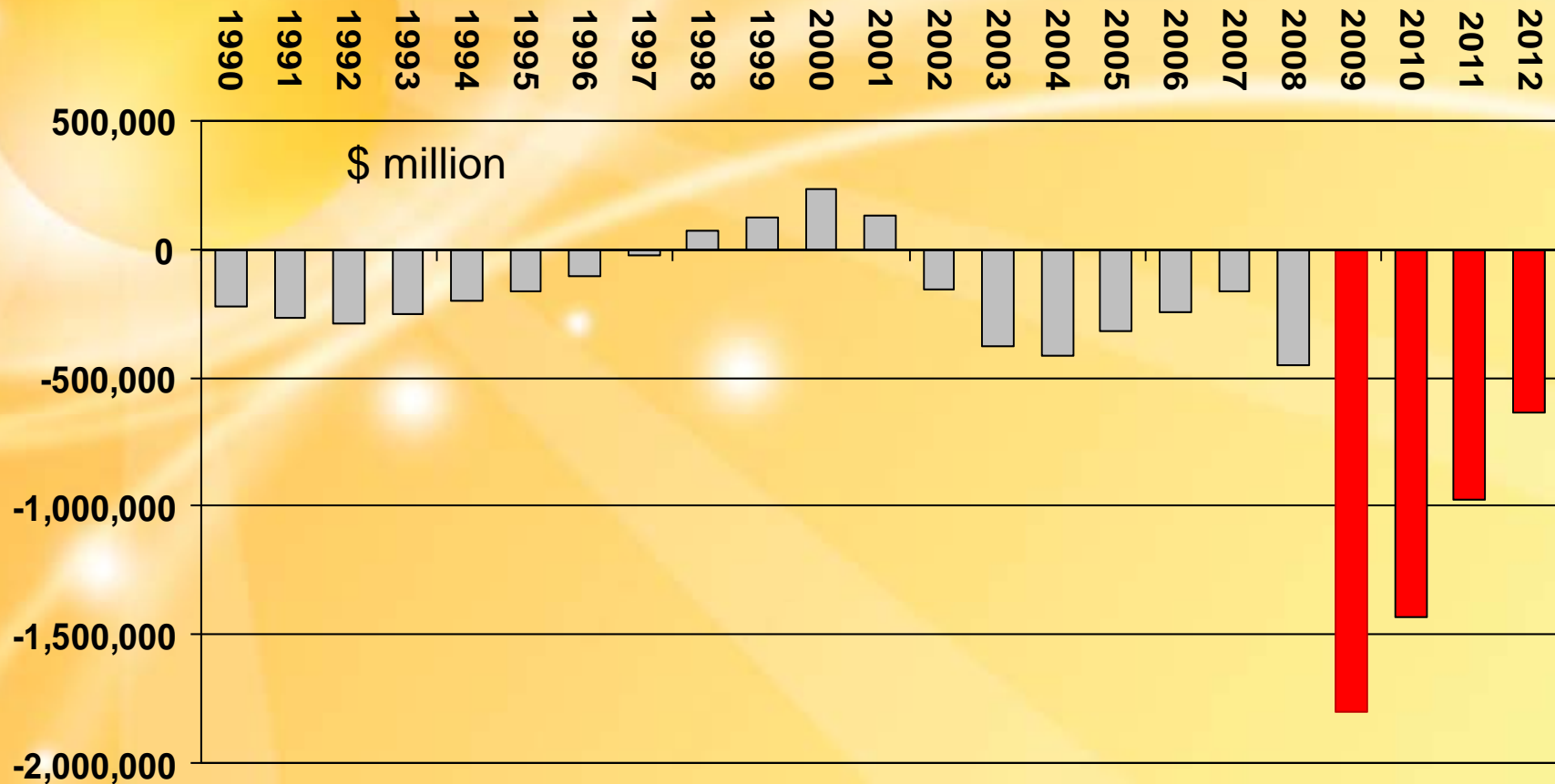
One-month payroll job changes in thousands



Source: BLS, NAR forecast

Federal Budget Deficit ... Impact?

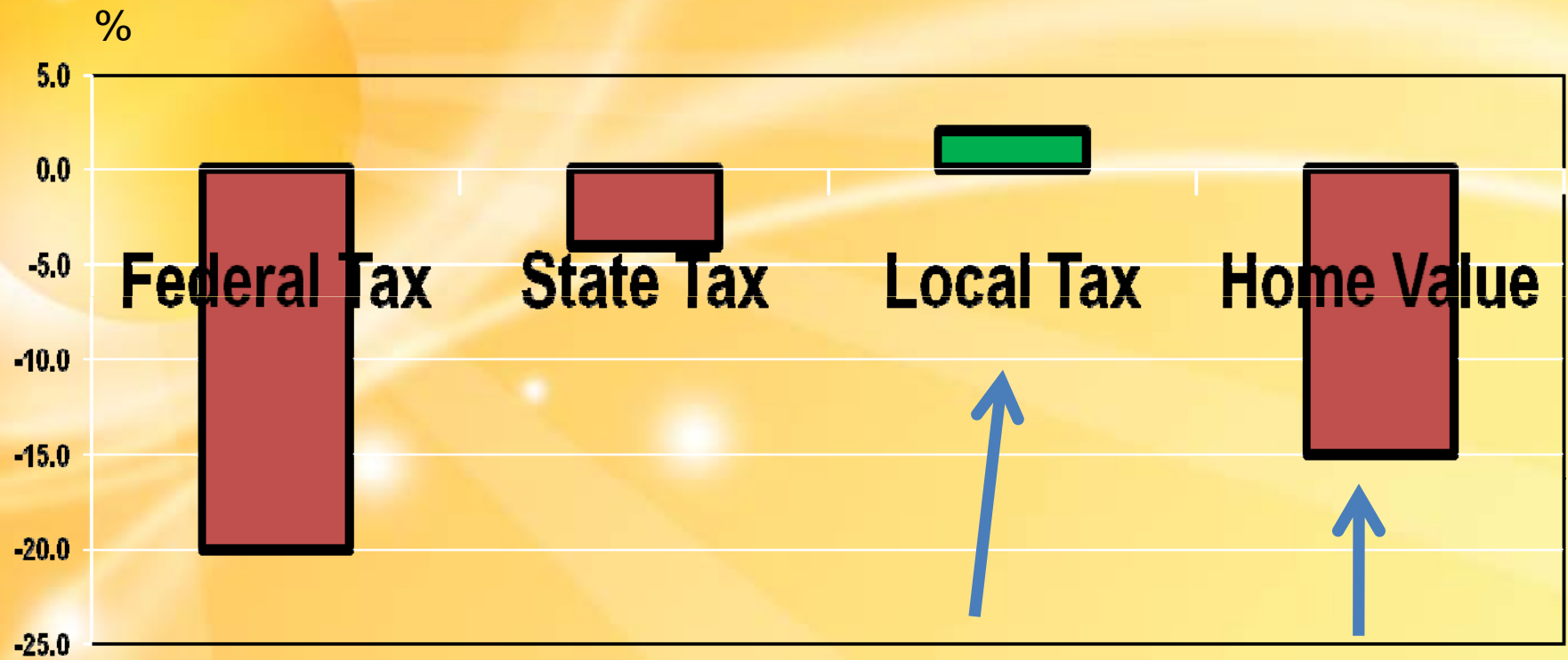
Future Generation and Housing



Source: Congressional Budget Office Projections

Tax Revenue Collections

(4-quarter change as of 2009 Q1)



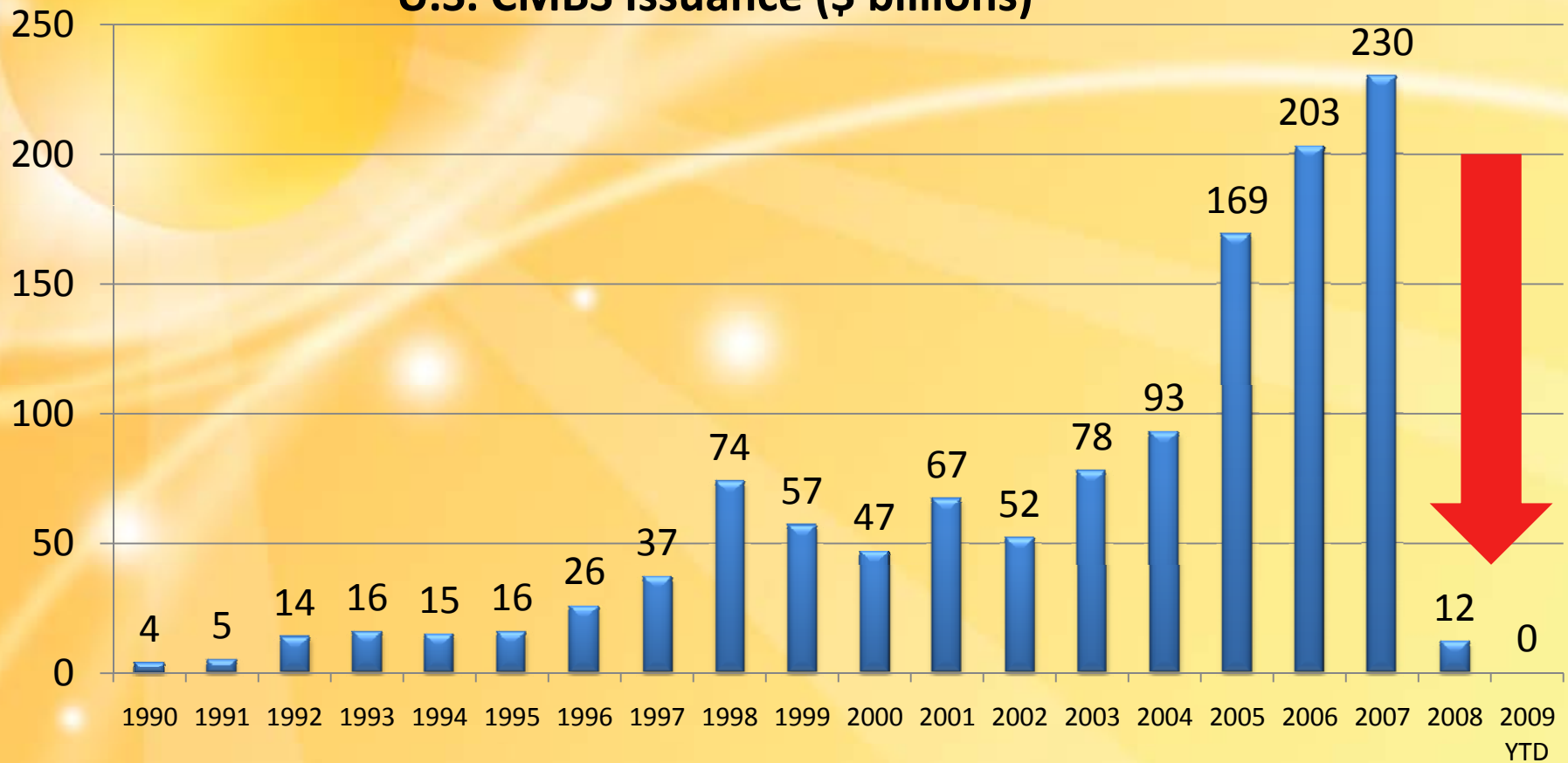
Tax Assessors and Appraisers
need to meet

Housing Market Recovery Helps Reduce Budget Deficit

- Housing Market Impact on the Economy
 - \$62,000 from each home sale (furniture, moving truck, carpeting, title search, etc.)
 - Home values are most American's wealth ... and consumer spending
 - Higher home sales ... reduce inventory ... stabilize home values
 - Home values strongly impact bank balance sheets and foreclosures
- Home Buyer Tax Credit ... Extend and Expand

Commercial Credit Freeze

U.S. CMBS Issuance (\$ billions)



Source: Commercial Mortgage Alert

Economic Outlook

	2008	2009	2010 forecast	50 year average
GDP	1.1%	-2.9%	1.5%	3.3%
CPI Inflation	3.8%	-0.5%	2.1%	4.1%
Unemployment Rate	5.8%	9.5%	10.0%	5.9%
Mortgage Rate	6.1%	5.2%	5.8%	9.1%
Existing Home Sales	4.9 m	4.9 m	5.2 m	N/A 5.2 m in 2000 (before bubble)

Customer Satisfaction

- Historically 80% of customers would recommend their specific REALTOR® to a friend and colleagues
- Some Decline in satisfaction bust-years
- Serve your client well and assure that clients stay within budget