

INTELLIGENCE

The metro Chicago market was severely impacted by the collapse of the real estate bubble in 2007. Median sale prices have declined 20 to 30 percent in most markets over the past three years, resulting in a drastic decline in the number of sales and listings and an almost complete halt to new residential development. The rate of decline in some Chicago markets began to level off in 2009 as unsold inventory has been gradually reduced over the past three years. Some markets/neighborhoods have actually stabilized towards the end of 2009. According to a recent article in the Daily Herald, 2010 is expected to bring even more foreclosures and short sales than 2009. Both the Median and Average sales price in the Chicago Metro Area have declined 21% from February 2009 to February 2010.

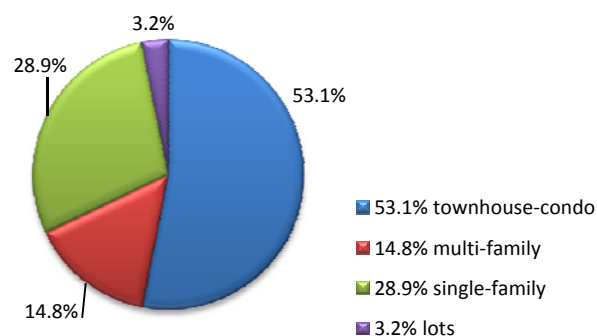
Building permits have declined 52% over the same period. There are very few land sales with a tremendous oversupply of vacant lot listings with many local markets having a 10-20+ year supply. Very little new construction is occurring now. The most active price range in the area is below \$400,000, comprising 81% of all sales. Purchases over \$700,000 consist of only 5% of total sales. On a positive note, the Chicagoland benefits from a diversified job market which has likely helped to soften the impact of the current economic conditions.

Metro Statistics

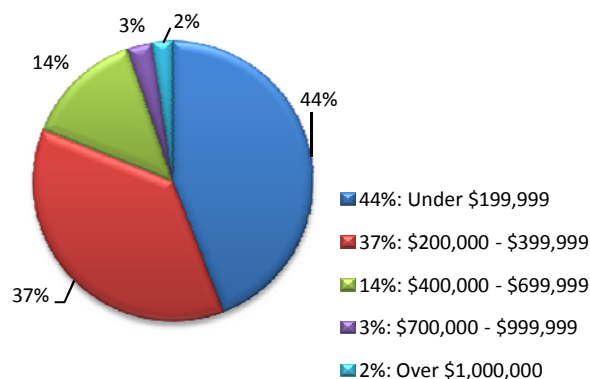
	Feb-09	Feb-10	% Change	Trend
Total Property Sales	23,503	22,738	-3%	Neg
Total Dollar Volume	\$8,311,361,358	\$6,373,210,768	-23%	Neg
Avg. Single Family-Sales Price	\$353,630	\$280,289	-21%	Neg
Median Single Family-Sales Price	\$282,000	\$222,000	-21%	Neg
Days on Market - Single Family	141	156	11%	Neg
Foreclosure Filings - 2008-2009	57,927	70,122	21%	Neg
Avg. Condo/TH - Sales Price	\$378,128	\$316,870	-16%	Neg
Median Condo/TH - Sales Price	\$313,133	\$270,000	-14%	Neg
Total Condo/TH Sales	15,000	12,471	-17%	Neg
Days on Market - Condo/TH	135	159	18%	Neg
Unemployment Rate	7.2%	11.1%	54%	Neg
Building Permits - IL 2007-2008	24,511	11,830	-52%	Ned
	2007	2008		
Median Family Income-City of Chicago	\$69,800	\$71,600	3%	Pos

Data sources for this report have included: MRED ConnectMLS, US Department of HUD, Woodstock Institute and the Bureau of Labor.

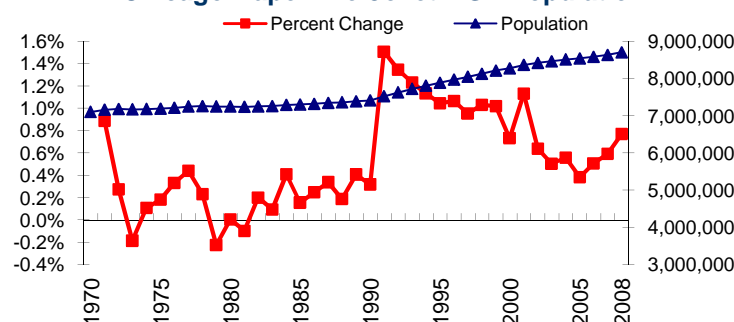
Property Type Inventory - Feb 2010



Closed Sales SFR 2/2009 to 1/2010



Chicago-Naperville-Joliet MSA Population



Gerald Cote, Managing Director IRR-Residential Gerald Cote & Associates

17 E Palatine Road
Palatine, IL 60067
Office 847-705-0665
Fax 847-705-0682
gcote@irr-residential.com
<http://irr-residential.com/geraldcoteassociates>



Local Knowledge ... Nationwide

Matthew Rayburn, Managing Director IRR-Residential Rayburn Appraisals

1013 Royal Bombay Ct.
Naperville IL 60563
Office 630-548-4984
Fax 630-548-4979
mrayburn@irr-residential.com
<http://irr-residential.com/rayburnappraisalsconsulting>



Local Knowledge ... Nationwide