Welcome
Business Forecasting Roundtable

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Local Real Estate Update

Jim Kouns
Coldwell Banker Lunsford
Growth is likely slowing

WASHINGTON — The recovery is losing steam. The economy is now likely expanding at just half the brisk 5.5-percent pace at which the government on Friday estimated it grew last quarter. Business spending will make up for some of a slowdown in consumer spending — but not likely enough to reduce the jobless rate much.

All that adds up to a long uphill climb for an economy trying to get back on firm footing after the worst recession since the 1930s. The economy continues to grow but it won’t feel like much of a recovery this year amid high unemployment, record-high home foreclosures and tight credit.

Stuart Hoffman, chief economist at PNC Financial Services Group, called the year-end growth spurt “a one-shot wonder.”

In a fresh reading on the nation’s economic standing, the Commerce Department bumped up its growth estimate for the final quarter of 2009, from 5.5 percent growth rate estimated a month ago. It was the strongest showing in six years.

Roughly two-thirds of the growth came from a burst of manufacturing — but not because consumer demand was especially strong. In fact, consumer spending weakened at the end of the year, even more than the government first thought.

The results Friday, the weakest since June, were far worse than forecast and suggest the housing recovery will sputter without government support.

The government has spent billions to keep mortgage rates low in order to keep the market going. The government has not been able to keep the market going.

Home sales plunge

Housing market shows weakness for a second month

WASHINGTON — Sales of previously owned homes plunged in January to their lowest level since September, evidence that high unemployment and tight lending standards are undercutting the government’s attempts to prop up the market.

The results Friday, the weakest since June, were far worse than forecast and suggest the housing recovery will sputter without government support.

The government has spent billions to keep mortgage rates low in order to keep the market going. The government has not been able to keep the market going.

Home sales have been sluggish this winter even thought the deadline for a tax credit for first-time buyers was extended. It had been set to expire on Nov. 30. That caused sales to lag.
Delaware Co. Real Estate
2009 Market Review

All Real Estate Markets Are

Local
Delaware County Real Estate

2009 Market Review
Delaware Co. Real Estate
2009 Market Review

Units Sold

2001 2002 2003 2004 2005 2006 2007 2008 2009

9.5 % Increase

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Broker, GRI, CRS

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Delaware Co. Real Estate 2009 Market Review

Average Selling Price

2003: $96,000
2004: $96,000
2005: $102,000
2006: $102,000
2007: $94,000
2008: $92,000
2009: $86,000

1.53% Decrease
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Broker, GRI, CRS

2008 Vs 2009 Activity By Price Range

- Avg. Price Was $92,622
- Median Price Was $78,500
- 88% Were $175,000 Or Less
Delaware Co. Real Estate 2009 Market Review
Sales By Type

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Broker, GRI, CRS

- Private Seller: 71%
- Foreclosure: 27%
- Estate: 2%
- Short Sale: 2%
Delaware Co. Real Estate
2009 Market Review

2009 Vs 2006 Price Distribution
Delaware Co. Real Estate 2009 Market Review

Pending Sales By Month
Delaware Co. Real Estate
2009 Market Review

Average Property Tax
$90,000-$95,000 Home

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Broker, GRI, CRS

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Delaware Co. Real Estate 2009 Market Review

Sale Price vs Assessed Value

Sold Price

Assessed Value

Year

$0

$20,000

$40,000

$60,000

$80,000

$100,000

$120,000

2003 2004 2005 2006 2007 2008 2009
Delaware Co. Real Estate
2009 Market Review

Ratio of Property Tax
to Sold Price

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Broker, GRI, CRS

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Delaware Co. Real Estate 2009 Market Review

Active Listings

<table>
<thead>
<tr>
<th>Year</th>
<th>Listings</th>
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<tbody>
<tr>
<td>2006</td>
<td>849</td>
</tr>
<tr>
<td>2007</td>
<td>804</td>
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<tr>
<td>2008</td>
<td>752</td>
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<td>2009</td>
<td>699</td>
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<td>2010</td>
<td>608</td>
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</table>
Delaware Co. Real Estate 2009 Market Review

Months Inventory By Price Range

- Below $75M: 7.8
- $75-$100M: 7.4
- $100-$150M: 7
- $150-$200M: 6.1
- $200-$250M: 5.2
- $250-$300: 10.4
- Over $300: 15.3

Balanced
Delaware Co. Real Estate
2008 Market Review

Months Inventory
By Price Range

- Below $75M: 8.2
- $75-$100M: 7.4
- $100-$150M: 10
- $150-$200M: 9
- $200-$250M: 10.7
- $250-$300: 17.7
- Over $300: 23.5

Balanced

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2009 Market Review

Condo/Villa Units Sold
Delaware Co. Real Estate 2009 Market Review

County-Issued Building Permits*

*Single Family, New Construction
Delaware Co. Real Estate
2009 Market Review

- 980 Homes Sold in 2009 (+9.5%)
- Average Sale Price Was Stable (-1.53%)
- Property Taxes Are Decreasing
- Interest Rates Are Very Attractive
- Listing Inventories Are Much Lower
- Muncie Remains Indiana’s Most Affordable Housing Market*
- Muncie Is The 8th Most Affordable Market In The US*

*Source: Coldwell Banker 2009 Affordability Survey.
The US Economic Outlook

Gary Santoni, PhD
Ball State University
## Root Mean Squared Error (RMSE)

### 2009 Forecast

<table>
<thead>
<tr>
<th></th>
<th>Real GDP</th>
<th>Inflation</th>
<th>10-yr T-bond</th>
<th>Unempl.</th>
<th>RMSE</th>
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<td>Blue Chip</td>
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<td>Avg. Forecast</td>
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<td>Actual</td>
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<td>0.7</td>
<td>3.3</td>
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MILLER COLLEGE OF BUSINESS     BALL STATE UNIVERSITY
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<th>Variable</th>
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<td>Q1</td>
<td>Q2</td>
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# US Economy in 2010

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2009 Golden Dart Award
2009 Golden Dart Award

Robert Kersey
The members of the

**Business Forecasting Roundtable**

of Muncie, Indiana

extend their appreciation to

**Dr. Gary Santoni**

for his expert quarterly analyses and forecasts

of the U.S. National Economy

and his continued support from

October 1999 to March 2010.
Thank you

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