Altos Research – Real IQ
Housing Market Update

December 10, 2007

Highlights

- Nationally, the housing market continued to experience the widely-publicized pressure this month but a handful of cities have managed to buck the downward trend. Inventory levels displayed seasonal declines in many markets.
- Time-on-market continued to increase substantially, indicating that the decline in demand continues to outpace inventory reductions.
- In San Diego, the first effects of the October wildfires became visible in pricing, inventory and time-on-market trends. Prices fell in San Diego by 5.8% during the last three months.
- Significant price decreases were also observed in Detroit, Los Angeles, San Francisco and Las Vegas.
- Miami experienced the longest time-on-market spans with an average days-on-market of 137 in November. Minneapolis had the second highest average days-on-market at 125.
- Three markets maintained price stability this Autumn – New York, Denver, and Dallas – though weakening demand indicators do not bode well for the near term.

Listing Inventory

Listing inventories declined in most markets during the past three months except in Las Vegas, Detroit and Miami. Listings grew substantially in Las Vegas and Detroit, with increases of 6.6% and 4.0% respectively, while Miami inventory was basically unchanged showing only a 0.3% increase. Inventories declined most in Boston with a decrease of 12.4%. Inventory also fell more than 10% in New York, San Francisco and Washington, DC.

Listing Inventory*

MSA	September	October	November	% Change Last Month	% Change Over 3 Months
Las Vegas	22,000	23,545	23,444	-0.4%	6.6%
Detroit	68,226	68,945	70,925	2.9%	4.0%
Miami	45,005	46,008	45,143	-1.9%	0.3%
Charlotte	16,525	15,226	16,490	8.3%	-0.2%
Phoenix	40,518	41,244	40,246	-2.4%	-0.7%
Tampa	28,749	25,337	28,420	12.2%	-1.1%
Los Angeles	51,146	52,166	50,107	-3.9%	-2.0%
Chicago	70,928	69,779	69,157	-0.9%	-2.5%
San Diego	14,311	13,948	13,944	0.0%	-2.6%
Cleveland	19,101	18,575	18,548	-0.1%	-2.9%
Dallas	42,056	41,494	40,705	-1.9%	-3.2%
Atlanta	61,873	62,221	59,298	-4.7%	-4.2%
Portland	15,546	15,311	14,175	-7.4%	-8.8%
Minneapolis	23,505	23,081	21,375	-7.4%	-9.1%
Seattle	24,732	24,314	22,374	-8.0%	-9.5%
Denver	19,802	19,211	17,861	-7.0%	-9.8%

New York	32,106	30,211	28,858	-4.5%	-10.1%
San Francisco	14,961	14,434	13,387	-7.3%	-10.5%
Washington, DC	17,475	15,860	15,533	-2.1%	-11.1%
Boston	20,505	20,214	17,954	-11.2%	-12.4%

** Single-family detached listings only in data sample (condos and new homes not included)*

Days on Market

Currently markets with the lowest rate of inventory turnover are Miami at an average of 137 days on market, Minneapolis at 125 and Detroit at 124 days. Other markets above 100 days were Tampa, Chicago, Cleveland, Las Vegas and Washington, DC. San Diego led all markets with the highest rate of inventory turnover at 75 days, followed closely by Phoenix at 78 days.

The largest percentage increases in an average days-on-market occurred in Denver and Portland. The Seattle, Tampa, Chicago and Cleveland markets all had increases of more than 20%. Only Phoenix showed a decline in an average days on market down 14.7%.

Monthly Average Days on Market

MSA	September	October	November	% Change Last Month	% Change Over 3 Months
Miami	133	128	137	7.3%	3.1%
Minneapolis	104	113	125	10.6%	19.8%
Detroit*	-	-	124	-	-
Tampa	98	110	121	10.3%	24.0%
Chicago	98	108	118	9.4%	20.9%
Cleveland	90	102	116	14.1%	29.5%
Las Vegas	109	108	116	7.4%	6.3%
Washington, DC	78	79	103	31.1%	32.1%
Denver	64	84	100	19.0%	57.2%
Seattle	79	87	100	14.4%	26.7%
Los Angeles	83	88	97	10.6%	17.5%
Dallas	86	91	96	6.2%	11.8%
Boston	87	94	96	2.0%	10.5%
Charlotte*	-	-	95	-	-
Atlanta	92	118	94	-20.3%	2.0%
Portland	61	67	87	29.7%	42.6%
San Francisco	70	72	83	15.4%	18.9%
Phoenix	92	74	78	5.3%	-14.7%
San Diego	73	81	75	-6.9%	2.9%
New York*	-	-	-	-	-

** Tracking of this data metric in the market initiated recently; monthly data unavailable for certain periods*

Percentage of Inventory with Price Reductions

In Las Vegas, Minneapolis and San Francisco, more than half of the listings currently on the market had at least one price reduction. The Washington, DC and Charlotte markets had the lowest percentage of properties with a price reduction.

Percentage of Inventory with Price Reduction					
MSA	September	October	November	% Change Last Month	% Change Over 3 Months
Las Vegas	52.0%	51.6%	51.1%	-0.9%	-1.7%
Minneapolis	50.6%	50.4%	51.1%	1.3%	0.9%
San Francisco	46.3%	48.4%	50.3%	4.1%	8.6%
Los Angeles	47.8%	49.2%	48.9%	-0.6%	2.3%
Seattle	45.8%	48.4%	46.9%	-3.2%	2.4%
Denver	41.8%	47.8%	45.6%	-4.6%	9.2%
Atlanta*	-	-	42.5%	-	-
Boston	45.8%	48.1%	41.9%	-12.8%	-8.5%
Tampa	43.7%	44.5%	41.9%	-5.9%	-4.2%
Detroit*	-	-	41.4%	-	-
Miami	42.6%	40.2%	41.3%	3.0%	-2.9%
Chicago	42.0%	43.7%	40.1%	-8.3%	-4.4%
Dallas	41.6%	41.5%	39.9%	-3.9%	-4.2%
Cleveland	42.1%	41.8%	38.8%	-7.3%	-7.8%
San Diego	43.9%	46.4%	38.1%	-18.0%	-13.3%
Portland	35.6%	42.6%	37.3%	-12.6%	4.5%
Phoenix*	-	-	36.3%	-	-
Charlotte*	-	-	35.7%	-	-
Washington, DC*	-	-	32.8%	-	-
New York*	-	-	-	-	-

** Tracking of this data metric in the market initiated recently; monthly data unavailable for certain periods*

Median Listing Prices

Only three markets, New York, Denver and Dallas, experienced even nominal price increases in the most recent three month period at 1.3%, 0.7% and 0.4% respectively. Prices in Seattle, Washington, DC, Phoenix and Atlanta declined only marginally. The largest declines occurred in San Diego and Detroit. The Los Angeles, San Francisco and Las Vegas markets all dropped by more than 3% for the quarter.

Altos Research Price Index*					
MSA	September	October	November	% Change Last Month	% Change Over 3 Months
New York	$ 821,543	$ 835,486	$ 831,892	-0.4%	1.3%
Denver	$ 331,165	$ 332,655	$ 333,584	0.3%	0.7%
Dallas	$ 215,798	$ 216,491	$ 216,591	0.0%	0.4%
Seattle	$ 464,990	$ 463,869	$ 462,591	-0.3%	-0.5%
Washington, DC	$ 471,086	$ 469,415	$ 467,993	-0.3%	-0.7%
Phoenix	$ 386,655	$ 384,452	$ 383,802	-0.2%	-0.7%
Atlanta	$ 237,529	$ 236,452	$ 235,561	-0.4%	-0.8%
Boston	$ 472,438	$ 467,675	$ 466,014	-0.4%	-1.4%
Minneapolis	$ 308,428	$ 306,436	$ 303,188	-1.1%	-1.7%
Tampa	$ 288,462	$ 287,892	$ 283,400	-1.6%	-1.8%
Chicago	$ 377,992	$ 374,913	$ 371,310	-1.0%	-1.8%
Portland	$ 398,403	$ 395,776	$ 391,250	-1.1%	-1.8%
Miami	$ 516,180	$ 511,854	$ 504,888	-1.4%	-2.2%
Cleveland	$ 171,713	$ 169,062	$ 167,563	-0.9%	-2.4%

Los Angeles	$ 750,920	$ 739,985	$ 725,247	-2.0%	-3.4%
San Francisco	$ 735,145	$ 722,960	$ 708,551	-2.0%	-3.6%
Las Vegas	$ 361,183	$ 354,347	$ 347,597	-1.9%	-3.8%
Detroit	$ 195,157	$ 190,327	$ 186,375	-2.1%	-4.5%
San Diego	$ 743,291	$ 741,961	$ 700,275	-5.6%	-5.8%
Charlotte**	-	-	$ 243,392	-	-

** Price index only includes single-family detached properties (condos and new homes not included)*

*** Tracking of this data metric in the market initiated recently; monthly data unavailable for full period*

Methodology

The Altos Research—Real IQ Housing Market Update provides data on current housing market conditions in major markets around the country. Unlike other data sources that lag several months behind the market, this report summarizes metrics associated with active residential property listings to present the only real-time view of the housing market. This approach provides market participants with a timely view of future market direction in each local area.

In the short-term, prices are driven by supply and demand factors in the local market area. Listing Inventory reflects the total current supply available in the market. Days on Market (DOM) is an indicator of the market's ability to absorb that inventory. The slower the rate of inventory turnover as reflected in a growing number of Days on Market, the larger the imbalance of sellers versus buyers. However, most markets experience some seasonality so inventory levels should be considered in context.

In general, growth in both Listing Inventory and Days-on-Market will put downward pressure on prices. This pressure is reflected in the Percentage of Inventory with Price Reductions metric and in the Price Index for the local market.

The Altos Research Price Index is a statistical compilation of property prices highly correlated with the S&P/Case Shiller® Index. For more information visit AltosResearch.com

Each "market" measured in this report is equivalent to the Census Bureau's Metropolitan Statistical Area (MSA) dominated by the city listed. Properties analyzed in this data included repeat sales of single-family homes. Condominiums and town homes are not included in the data set. New construction is not included in the data set.

About Altos Research

Altos Research LLC pioneered real-time real estate market research. Founded in 2005, the company's information products serve investors, derivatives traders, and thousands of real estate professionals. Because real estate market data is traditionally obscure and highly latent, Altos built the Real-Time Market Intelligence(TM) platform to monitor dozens of housing market metrics as they are right now in local markets across the country. The company publishes analytical reports and data feeds each week for thousands of zip codes including all 20 S&P/Case Shiller markets summarized in this report.

The *Altos Research—Real IQ Housing Market Update* is jointly produced by Real IQ™ and Altos Research. If you have any questions regarding this report, please contact Stephen Bedikian or Michael Simonsen.

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