

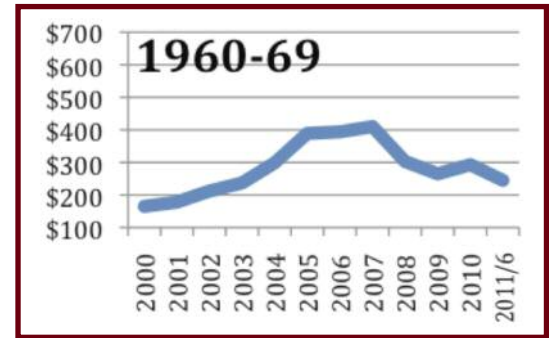
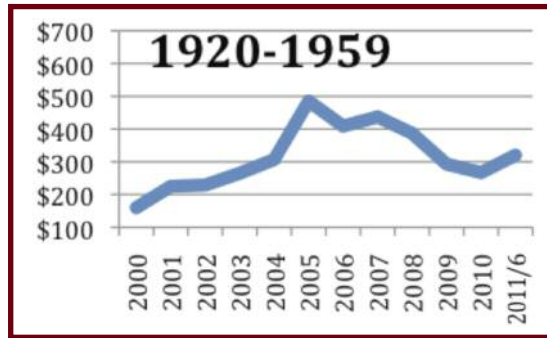


PRICE CHANGES BEFORE AND AFTER THE BUBBLE: THE NEW START POINT IN 2011

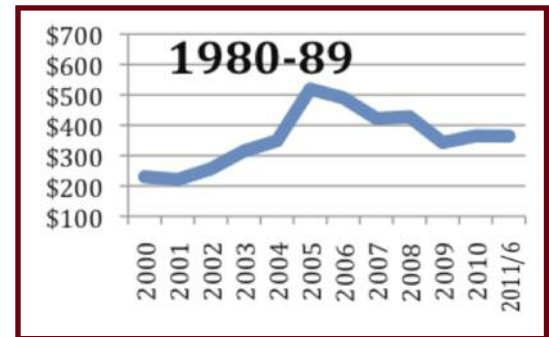
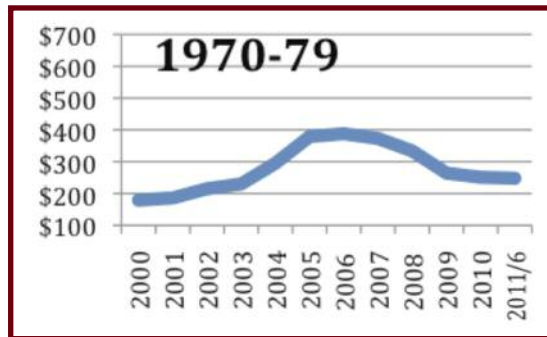
Looking at home values in the real world, prices are up 142% since 2000. In the "if only I had..." wish world, prices have fallen 36% since the peak in 2007.

YEAR BUILT

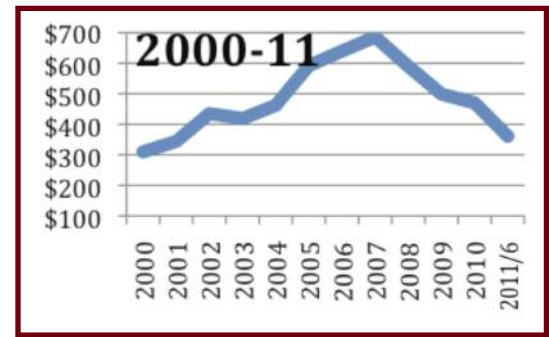
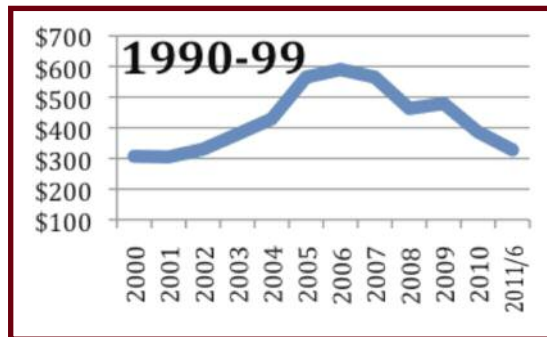
Prices broke the \$300,000 ceiling for the first time since 2008 for homes built between **1920-1959**. The recovery has not begun for **1960-69**; prices fell 14% in 2011.



The trend for **1970-79** looked like it has stabilized at about \$250,000. The decade was not as volatile for **1980-89** home prices, firming at \$365,000, staying the same in 2009, 2010 and 2011.



Prices dropped drastically for homes built between **1990-99**. A deep decline off \$500,000+ in 2005, 06 and 07. An unrelenting slide for homes built **2000-2011** is most serious.



Arr Woods & Lakefronts	1920-59	1960-69	1970-79	1980-89	1990-99	2000-11	Median in Year
2000	\$160	\$165	\$179	\$230	\$307	\$310	\$215
2001	\$225	\$178	\$186	\$221	\$305	\$344	\$220
2002	\$229	\$212	\$215	\$256	\$330	\$435	\$243
2003	\$265	\$237	\$230	\$315	\$379	\$419	\$289
2004	\$307	\$299	\$295	\$349	\$429	\$462	\$349
2005	\$485	\$289	\$379	\$519	\$565	\$592	\$448
2006	\$409	\$394	\$388	\$490	\$590	\$640	\$480
2007	\$437	\$410	\$373	\$422	\$565	\$686	\$473
2008	\$387	\$303	\$334	\$428	\$463	\$590	\$400
2009	\$293	\$265	\$264	\$343	\$479	\$499	\$325
2010	\$267	\$293	\$251	\$365	\$386	\$470	\$350
2011/6 mo.	\$320	\$245	\$248	\$364	\$328	\$361	\$305
Past Median price closest to 2011	2004	2003	2003	2004	2002	2001	2003

OF GREAT CONCERN is that all six charts indicate a resistance at \$500,000. It may reflect lender reluctance to fund larger mortgages. At \$500,000, conforming loan is \$417,000 with 20% down. The interest rate is less than 5%.

SINCE YEAR 2000 when the median price was \$215,000, home prices have risen \$90,000, 142%.

