

CHICAGOLAND REAL ESTATE MARKET 2010 RECAP & 2011 OUTLOOK

Chicagoland real estate activity trended upward for much of the first half of 2010, spurred by tax credits and greater consumer interest in the housing sector. During the third and fourth quarters we saw a market correction as broader economic concerns were only modestly tempered by low interest rates. At year's end sales were about 3% below 2009 levels. Throughout 2010, more than 18 billion dollars of homes were sold with an average MLS sale price of \$237,666, just slightly ahead of the average sale price last year with somewhat shorter market times.

MARKET VELOCITY

Following two quarters of increasing sales volume, the market cooled in July as the federal home purchase tax credit ended. Though sales and contracts written experienced volatility from month to month, the number of homes for sale decreased for five consecutive months from July to November, and year-end inventory remained about 7% below 2009. The number of homes under contract showed some signs of recovery as both October and November were ahead of those months last year.

MORTGAGE UPDATE - LOW RATES HELP AFFORDABILITY

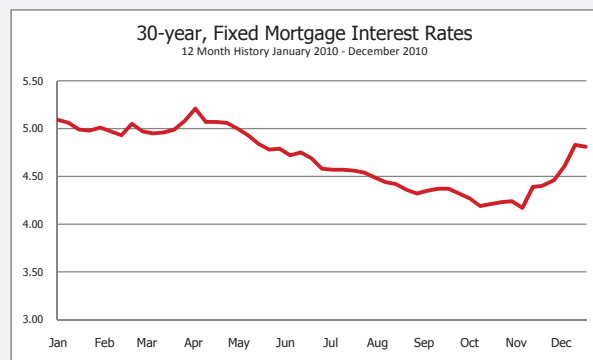
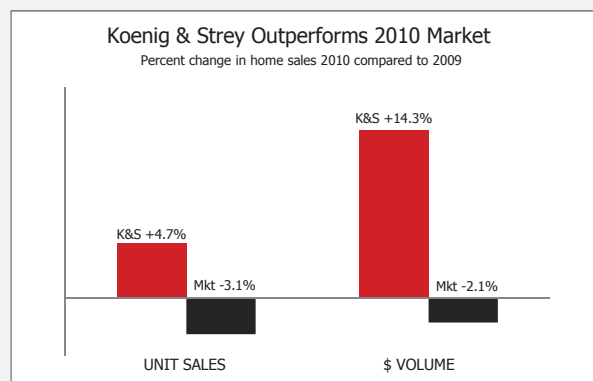
Rates for 30 year fixed loans continued to move downward to historic lows throughout much of the year. A steady seven month decline dipped below 4.2% in mid-November before a slight climb to end the year at 4.81%. Low rates continued to drive a high level of refinance activity and provided critical traction in the housing market as a whole.

LOOKING AHEAD TO 2011

In 2011, we expect continued stabilization in unit sales as our market sells through distressed property inventory. The larger economic picture will continue to impact consumer confidence but low mortgage rates and housing affordability will contribute to slow, incremental growth.

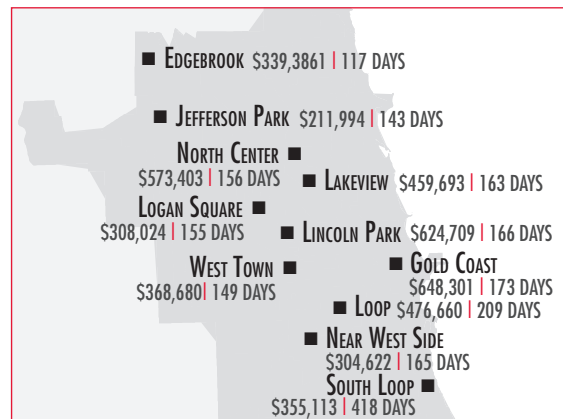
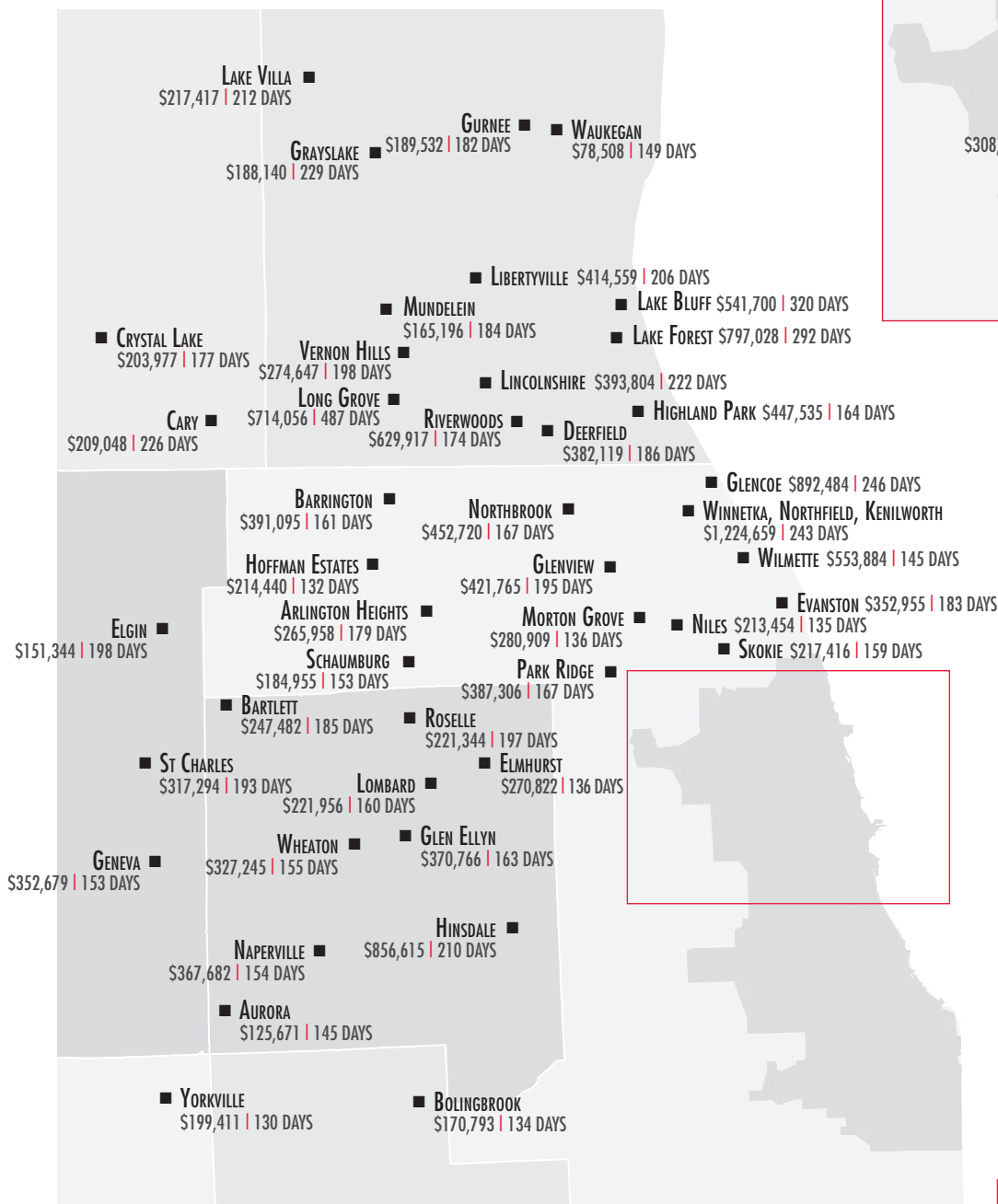
As you consider your real estate goals for 2011, what truly matters is the local activity in your neighborhood and on your street. Your Koenig & Strey real estate agent can provide detailed, market analysis that is relevant to your home and your needs. Find a real estate expert in your area at koenigstrey.com.

Market At-A-Glance (YTD)	2009	2010
Sales	80,694	78,176
Sales Dollars	\$18.97 billion	\$18.58 billion
Average Price	\$235,103	\$237,666
Days on Market	170	161



MARKET PRODUCTION NUMBERS BASED ON MRED MLS RESIDENTIAL TRANSACTION DATA FOR ALL KSRL OFFICES AND TRANSACTIONS 1/1/10-12/27/10 COMPARED TO 1/1/09-12/31/09. MORTGAGE DATA SOURCE: FREDDIE MAC WEEKLY PRIMARY MORTGAGE MARKET SURVEY FOR 30-YEAR, FIXED RATE MORTGAGES FOR WEEKS ENDING 1/1/10-12/27/10.

AVERAGE SALE PRICES & MARKET TIMES



CHICAGO NEIGHBORHOODS

For in-depth information about your neighborhood, visit www.koenigstrey.com to find a Koenig & Strey Sales Associate in your area.

DATA SOURCES: AVERAGE SALES PRICE AND DAYS ON MARKET STATISTICS BASED ON MRED MLS RESIDENTIAL DATA 8/1/10-12/27/10 AS STATED ON 12/27/10 FOR TRANSACTIONS IN EACH LISTED CITY, EXCEPT CHICAGO. CHICAGO NEIGHBORHOOD STATISTICS BASED ON TRANSACTIONS IN MLS MARKET AREAS 8005, 8006, 8007, 8008, 8011, 8028, 8022, 8024, 8033.