

## SUMMARY 2011

In 2011, the Chicagoland real estate market showed greater stabilization as unit sales were nearly identical to 2010 numbers. This year more than 17.5 billion dollars of homes were sold throughout the region with an average MLS sale price of \$219,661, which is about six percent below the average sale price last year with somewhat higher market times. Distressed and bank-owned properties continued to be a significant influence, declining from a high of 54% of transactions for the first eight months of the year to a low of 36.7% in July before climbing to end the year at 46.9% of unit sales.

### MARKET VELOCITY

The number of homes under contract has followed a seasonal trend line as expected. A sharp increase in March fueled a strong spring market, with smaller upticks in July and October signaling increased activity in the fall market. Distressed properties followed the same pattern, indicating some normalization within that inventory sector.

### MORTGAGE UPDATE - LOW RATES DRIVING HOUSING AFFORDABILITY

Rates for 30 year fixed loans peaked at 5% in the first quarter before moving steadily downward, reaching 4.5% at the end of the second quarter and further declining for the last half of the year. Rates briefly dipped below 4% in October and remained at, or below, 4% throughout November and December, reaching the low for the year at 3.91 percent in the week of 12/22. Concerns about economic instability across the globe created downward pressure on mortgage rates, as investors turned to US treasury bonds. Historically low rates created greater demand for refinance, resulting in some very busy months for lenders and title companies. Combined with a good selection of homes and attractive sales prices, low mortgage rates mean favorable climate for qualified buyers.

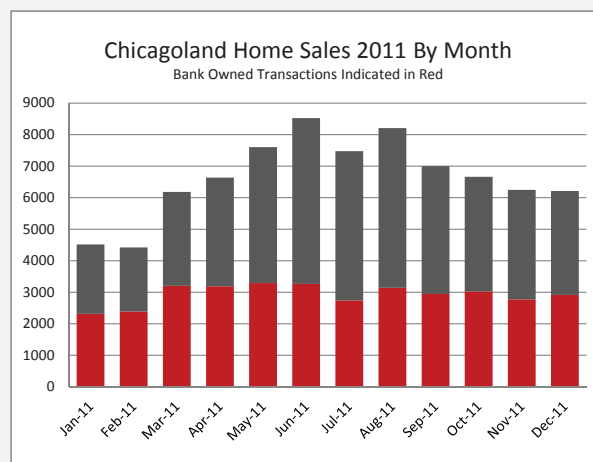
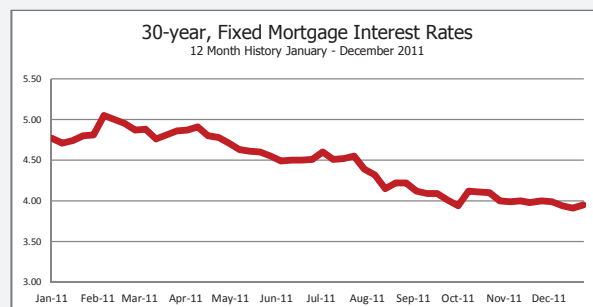
### THE ENDURING VALUE OF HOME

Though the business of real estate is dynamic and challenging, the fundamental value of Home remains the same. Behind the numbers and statistics is something much greater. Home is the place for connecting, celebrating, memory-making, and growing, and that is what the people of Koenig & Strey work hard to achieve for our clients each day. The buyers, sellers, owners and renters of Chicagoland depend on our expertise and ability to deliver, in any market.

Our outstanding local organization is backed by HomeServices of America, a Berkshire Hathaway affiliate, and one of the largest full-service residential real estate brokerages in the nation. Market factors change daily, but your Koenig & Strey agent can always help you get the best results.

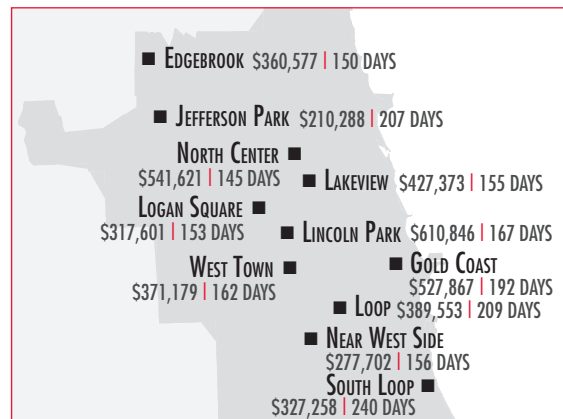
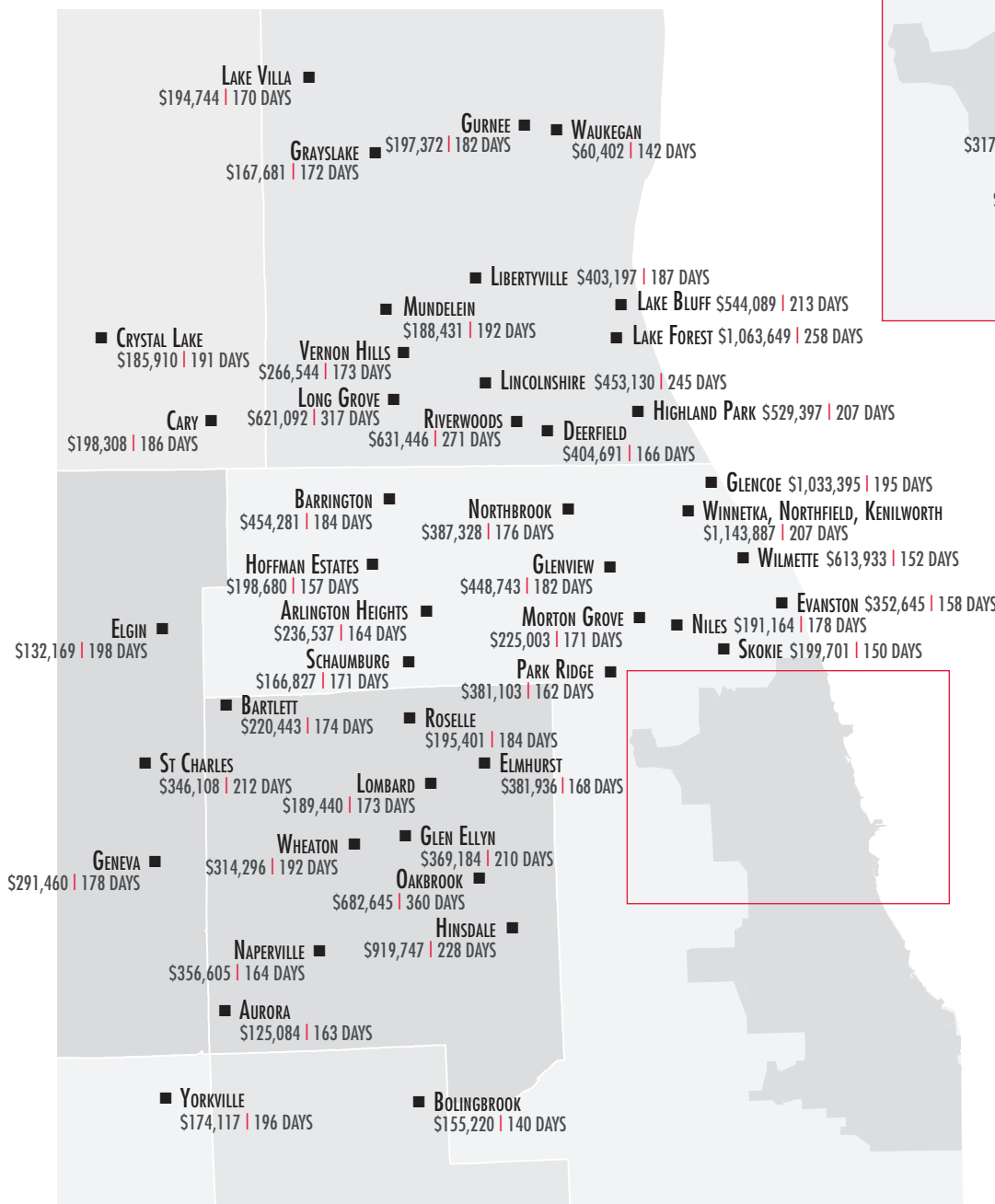
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Market At-A-Glance (YTD)	2010	2011
Sales	80,142	79,693
Sales Dollars	\$19.06 billion	\$17.51 billion
Average Price	\$237,785	\$219,661
Days on Market	161	172



MARKET PRODUCTION NUMBERS BASED ON MRED MLS RESIDENTIAL TRANSACTION DATA FOR ALL KSRL OFFICES AND TRANSACTIONS 1/1/10-12/31/10 COMPARED TO 1/1/11-12/31/11. MORTGAGE DATA SOURCE: FREDDIE MAC WEEKLY PRIMARY MORTGAGE MARKET SURVEY FOR 30-YEAR, FIXED RATE MORTGAGES.

## AVERAGE SALE PRICES & MARKET TIMES



CHICAGO NEIGHBORHOODS

For in-depth information about your neighborhood, visit [www.koenigstrey.com](http://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 1/1/11-12/31/11 AS STATED ON 1/2/12 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.