

# **Economic and Market Watch Report**

**2nd Quarter, 2011**



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# **RealtyWEB.NET Economic and Market Watch Report**

RealtyWEB.NET a service of the Northeast Florida Multiple Listing Service, Inc. and owned by the Northeast Florida Association of REALTORS, is the largest multiple listing service in Northeast Florida, with more than 7,000 licensed brokers, agents, and appraisers. Customers have access to more than 25,000 active listings and an archive of a quarter of a million comparable and sold properties. In excess of two million public records from 21 counties containing tax information about tax properties is available in the expanded RealtyWEB.NET coverage area. Over 20,000 properties have been sold through RealtyWEB.NET so far this year. This report reflects strictly single family residential homes entered and reported through RealtyWEB.NET.

RealtyWEB.NET is pleased to offer this quarterly economic and market watch report which is designed to help real estate practitioners identify current and future economic and real estate trends that affect our industry.

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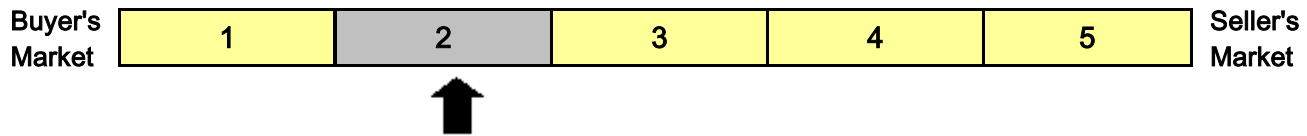
### **Local Report**

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## Baker County, FL



### Labor Market :

In the second quarter, 187 jobs were added to the payrolls of Baker County. As a result of these new jobs, the average monthly unemployment rate fell from 10.6% during the first quarter to 9.2% for the second quarter. This steady job creation will help buyer confidence and fuel home purchases down the road. Mortgage rates near 5% should support this trend.

### Housing Market :

	Q1' 11	Q2' 11	Q3' 11 (Forecast)
Average Price	\$145,900	\$137,800	↔
# Homes on the Market *	103	126	↑
# Homes Sold **	26	34	↔
# New Homes Built ***	8	10	↑
Avg # of Days on Market	82	103	↑

\* Available as of Jun. 30, 2011.

\*\* May not add to total of zip codes.

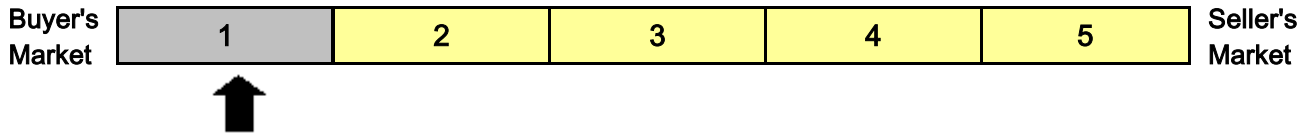
\*\*\* During the first two months of 2nd quarter.

### Data by Zip Codes for Q2 2011

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
32040	\$152,600	-7.23%	8	-11.11%	92	92.3%
32063	\$133,200	13.55%	26	8.33%	107	92.8%

\*\*\* % Change of current quarter compared to the same quarter to year ago.

## Bradford County, FL



### Labor Market :

In the second quarter, 74 jobs were added to the payrolls of Bradford County. As a result of these new jobs, the average monthly unemployment rate fell from 9.3% during the first quarter to 8.5% for the second quarter. This steady job creation will help buyer confidence and fuel home purchases down the road. Mortgage rates near 5% should support this trend.

### Housing Market :

	Q1' 11	Q2' 11	Q3' 11 (Forecast)
Average Price	\$148,400	\$88,600	↔
# Homes on the Market *	98	188	↑
# Homes Sold **	16	24	↔
# New Homes Built ***	NA	NA	↑
Avg # of Days on Market	304	185	↑

\* Available as of Jun. 30, 2011.

\*\* May not add to total of zip codes.

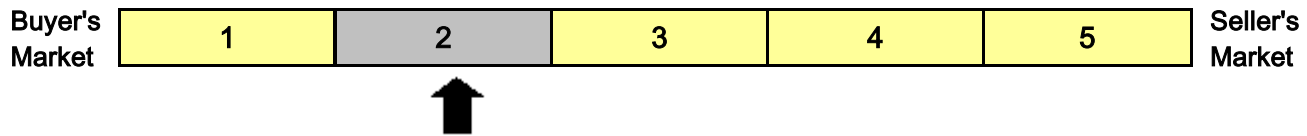
\*\*\* During the first two months of 2nd quarter.

### Data by Zip Codes for Q2 2011

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
32044	\$46,100	-55.16%	2	-33.33%	356	98.1%
32058	\$80,000	-48.88%	1	-50.00%	124	92.0%
32091	\$77,000	-33.04%	12	-25.00%	93	96.4%
OTHER	\$114,600	-53.66%	9	125.00%	277	93.2%

\*\*\* % Change of current quarter compared to the same quarter to year ago.

## Clay County, FL



### Labor Market :

In the second quarter, 1,477 jobs were added to the payrolls of Clay County. As a result of these new jobs, the average monthly unemployment rate fell from 10.4% during the first quarter to 9.2% for the second quarter. This steady job creation will help buyer confidence and fuel home purchases down the road. Mortgage rates near 5% should support this trend.

### Housing Market :

	Q1' 11	Q2' 11	Q3' 11 (Forecast)
Average Price	\$156,300	\$154,800	↔
# Homes on the Market *	1,556	1,723	↑
# Homes Sold **	508	594	↔
# New Homes Built ***	50	144	↑
Avg # of Days on Market	102	110	↑

\* Available as of Jun. 30, 2011.

\*\* May not add to total of zip codes.

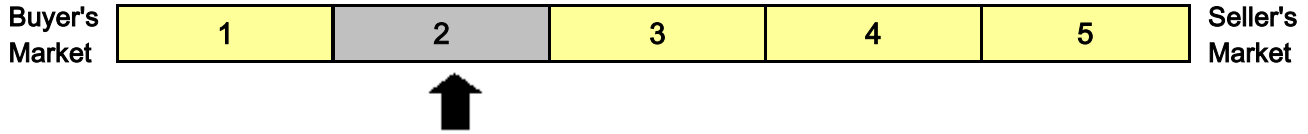
\*\*\* During the first two months of 2nd quarter.

### Data by Zip Codes for Q2 2011

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
32003	\$238,300	-4.41%	112	8.74%	113	94.8%
32043	\$159,700	4.38%	50	-23.08%	92	95.0%
32065	\$153,000	-13.17%	137	3.01%	100	97.9%
32068	\$132,300	3.60%	171	-9.52%	107	95.9%
32073	\$113,600	-24.27%	100	3.09%	123	95.7%
32656	\$85,100	-12.63%	21	-19.23%	186	92.8%
OTHER	\$174,600	-35.81%	3	-25.00%	70	90.8%

\*\*\* % Change of current quarter compared to the same quarter to year ago.

## Duval County, FL



### Labor Market :

In the second quarter, 6,787 jobs were added to the payrolls of Duval County. As a result of these new jobs, the average monthly unemployment rate fell from 11.2% during the first quarter to 10.3% for the second quarter. This steady job creation will help buyer confidence and fuel home purchases down the road. Mortgage rates near 5% should support this trend.

### Housing Market :

	Q1' 11	Q2' 11	Q3' 11 (Forecast)
Average Price	\$171,800	\$162,900	↔
# Homes on the Market *	6,284	6,420	↑
# Homes Sold **	1,568	2,089	↔
# New Homes Built ***	116	282	↑
Avg # of Days on Market	111	124	↑

\* Available as of Jun. 30, 2011.

\*\* May not add to total of zip codes.

\*\*\* During the first two months of 2nd quarter.

### Data by Zip Codes for Q2 2011

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
32204	\$141,900	36.31%	7	16.67%	236	92.3%
32205	\$151,000	15.09%	88	-5.38%	119	93.9%
32206	\$124,300	50.30%	19	0.00%	177	92.1%
32207	\$187,700	16.73%	65	-21.69%	127	91.2%
32208	\$55,900	-13.60%	33	-25.00%	136	88.6%
32209	\$71,400	18.41%	10	-16.67%	28	97.0%
32210	\$124,400	-16.12%	124	-22.98%	133	93.1%
32211	\$79,500	-14.97%	60	-34.78%	123	94.9%
32216	\$92,900	-28.26%	81	-25.00%	90	95.1%

\*\*\* % Change of current quarter compared to the same quarter to year ago.

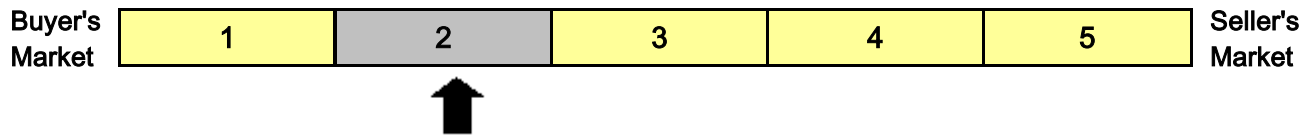
## Duval County, FL

### Data by Zip Codes for Q2 2011

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
32217	\$202,300	20.92%	43	0.00%	122	91.6%
32218	\$113,800	-16.63%	170	-2.86%	139	97.2%
32219	\$95,100	-20.48%	33	-5.71%	109	95.6%
32220	\$114,600	-7.51%	26	-7.14%	129	93.5%
32221	\$111,300	-14.05%	72	-11.11%	115	94.3%
32222	\$120,000	-21.88%	31	-34.04%	132	97.1%
32223	\$226,500	4.23%	58	-24.68%	141	91.1%
32224	\$274,300	-3.72%	113	15.31%	124	93.0%
32225	\$178,400	-0.28%	189	11.18%	116	94.1%
32226	\$206,500	12.11%	60	-21.05%	145	93.4%
32233	\$362,000	32.89%	54	22.73%	113	91.1%
32234	\$132,700	20.53%	8	-27.27%	90	92.5%
32244	\$93,900	-9.71%	168	-4.00%	127	94.9%
32246	\$138,300	-1.98%	96	-27.27%	115	95.1%
32250	\$260,000	-5.11%	86	34.38%	126	93.0%
32254	\$76,500	18.60%	8	-38.46%	69	98.6%
32256	\$273,200	8.59%	66	-10.81%	125	94.8%
32257	\$148,700	-23.70%	94	17.50%	125	92.3%
32258	\$168,000	-6.41%	130	2.36%	126	95.5%
32266	\$438,300	76.09%	23	9.52%	114	92.4%
32277	\$111,600	-14.42%	71	-2.74%	133	93.6%
OTHER	\$176,800	41.67%	3	-62.50%	270	98.6%

\*\*\* % Change of current quarter compared to the same quarter to year ago.

## Flagler County, FL



### Labor Market :

In the second quarter, 174 jobs were added to the payrolls of Flagler County. As a result of these new jobs, the average monthly unemployment rate fell from 15.2% during the first quarter to 13.9% for the second quarter. This steady job creation will help buyer confidence and fuel home purchases down the road. Mortgage rates near 5% should support this trend.

### Housing Market :

	Q1' 11	Q2' 11	Q3' 11 (Forecast)
Average Price	\$123,500	\$146,500	↓
# Homes on the Market *	44	53	↑
# Homes Sold **	14	19	↓
# New Homes Built ***	27	36	↑
Avg # of Days on Market	109	135	↑

\* Available as of Jun. 30, 2011.

\*\* May not add to total of zip codes.

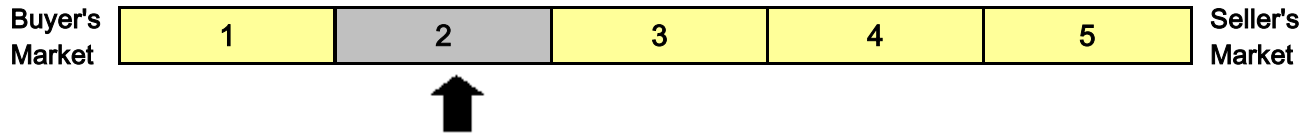
\*\*\* During the first two months of 2nd quarter.

### Data by Zip Codes for Q2 2011

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
32136	\$143,800	-41.31%	2	100.00%	34	94.4%
32137	\$203,600	-20.93%	6	-45.45%	203	92.3%
32164	\$115,800	-19.30%	11	22.22%	117	92.9%

\*\*\* % Change of current quarter compared to the same quarter to year ago.

## Nassau County, FL



### Labor Market :

In the second quarter, 558 jobs were added to the payrolls of Nassau County. As a result of these new jobs, the average monthly unemployment rate fell from 11.3% during the first quarter to 9.5% for the second quarter. This steady job creation will help buyer confidence and fuel home purchases down the road. Mortgage rates near 5% should support this trend.

### Housing Market :

	Q1' 11	Q2' 11	Q3' 11 (Forecast)
Average Price	\$239,800	\$158,800	↔
# Homes on the Market *	272	329	↑
# Homes Sold **	58	99	↔
# New Homes Built ***	33	86	↑
Avg # of Days on Market	122	109	↑

\* Available as of Jun. 30, 2011.

\*\* May not add to total of zip codes.

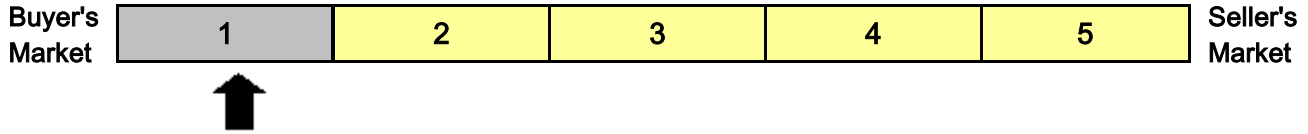
\*\*\* During the first two months of 2nd quarter.

### Data by Zip Codes for Q2 2011

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
32009	\$169,300	44.95%	7	40.00%	150	94.9%
32011	\$172,100	25.90%	8	-57.89%	169	96.1%
32034	\$185,100	5.71%	44	10.00%	105	96.2%
32046	\$116,400	2.37%	8	-11.11%	60	89.4%
32097	\$127,600	-12.96%	30	0.00%	109	94.4%
OTHER	\$127,500	10.87%	2	100.00%	12	96.4%

\*\*\* % Change of current quarter compared to the same quarter to year ago.

## Putnam County, FL



### Labor Market :

In the second quarter, 509 jobs were added to the payrolls of Putnam County. As a result of these new jobs, the average monthly unemployment rate fell from 12.1% during the first quarter to 10.9% for the second quarter. This steady job creation will help buyer confidence and fuel home purchases down the road. Mortgage rates near 5% should support this trend.

### Housing Market :

	Q1' 11	Q2' 11	Q3' 11 (Forecast)
Average Price	\$93,600	\$81,500	↔
# Homes on the Market *	564	733	↑
# Homes Sold **	74	97	↔
# New Homes Built ***	4	9	↑
Avg # of Days on Market	167	217	↑

\* Available as of Jun. 30, 2011.

\*\* May not add to total of zip codes.

\*\*\* During the first two months of 2nd quarter.

### Data by Zip Codes for Q2 2011

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
32112	\$63,900	-29.55%	10	-28.57%	217	86.5%
32131	\$177,000	-15.19%	5	-37.50%	269	89.1%
32139	\$36,300	-74.70%	3	50.00%	128	72.0%
32140	\$100,000	96.08%	3	200.00%	120	90.7%
32148	\$48,800	-30.58%	16	60.00%	188	83.8%
32149	\$42,500	N/A	1	N/A	50	55.6%
32177	\$97,600	-0.10%	29	-19.44%	184	90.0%
32181	\$28,000	-20.00%	1	0.00%	15	90.3%
32187	\$80,500	-55.89%	4	100.00%	84	79.6%

\*\*\* % Change of current quarter compared to the same quarter to year ago.

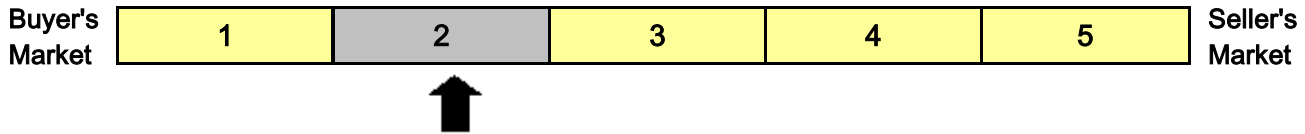
## Putnam County, FL

### Data by Zip Codes for Q2 2011

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
32189	\$64,100	-20.57%	13	8.33%	285	84.4%
32193	\$67,000	N/A	4	N/A	262	76.7%
32666	\$115,900	-6.00%	5	66.67%	394	83.6%
OTHER	\$94,600	104.76%	3	0.00%	449	85.0%

\*\*\* % Change of current quarter compared to the same quarter to year ago.

## St. Johns County, FL



### Labor Market :

In the second quarter, 1,519 jobs were added to the payrolls of St Johns County. As a result of these new jobs, the average monthly unemployment rate fell from 9.3% during the first quarter to 8% for the second quarter. This steady job creation will help buyer confidence and fuel home purchases down the road. Mortgage rates near 5% should support this trend.

### Housing Market :

	Q1' 11	Q2' 11	Q3' 11 (Forecast)
Average Price	\$301,800	\$320,400	↔
# Homes on the Market *	1,879	2,123	↑
# Homes Sold **	557	736	↔
# New Homes Built ***	195	408	↑
Avg # of Days on Market	125	134	↑

\* Available as of Jun. 30, 2011.

\*\* May not add to total of zip codes.

\*\*\* During the first two months of 2nd quarter.

### Data by Zip Codes for Q2 2011

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
32033	\$145,100	-5.84%	8	-42.86%	138	93.6%
32080	\$416,500	52.29%	37	0.00%	181	89.1%
32081	\$318,800	6.98%	66	50.00%	138	95.5%
32082	\$627,100	-5.16%	123	5.13%	175	90.6%
32084	\$202,500	7.31%	58	-15.94%	128	93.5%
32086	\$173,500	-3.23%	47	-11.32%	115	94.1%
32092	\$209,400	0.43%	161	9.52%	119	95.7%
32095	\$348,300	25.24%	37	-9.76%	132	97.8%
32145	\$97,800	51.16%	7	16.67%	39	94.7%

\*\*\* % Change of current quarter compared to the same quarter to year ago.

## St. Johns County, FL

### Data by Zip Codes for Q2 2011

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
32259	\$282,400	-0.56%	189	-8.25%	123	95.1%
OTHER	\$177,600	N/A	3	N/A	99	99.3%

\*\*\* % Change of current quarter compared to the same quarter to year ago.

## Others

### Data by Zip Codes for Q2 2011

Zip Code	Average Price	Price Change ***	Total # Homes Sold (Quarter)	% Change in # Homes Sold ***	Average Days on Market	% of Asking Price (Sold/ List Price)
32024	\$37,600	N/A	2	N/A	378	91.0%
32025	\$59,000	N/A	1	N/A	91	96.3%
32055	\$43,000	-85.42%	1	0.00%	132	95.8%
32064	\$40,400	-25.19%	1	0.00%	35	100.0%
32071	\$28,700	N/A	1	N/A	49	87.0%
32117	\$75,000	N/A	1	N/A	174	83.4%
32128	\$135,000	N/A	1	N/A	8	97.1%
32134	\$87,000	N/A	1	N/A	29	96.8%
32303	\$77,200	N/A	1	N/A	2	91.9%
32608	\$112,200	N/A	1	N/A	415	95.3%
32615	\$128,900	-44.44%	5	400.00%	93	96.4%
32640	\$103,200	72.00%	2	0.00%	37	77.1%
33409	\$85,000	N/A	1	N/A	69	94.4%
33469	\$240,000	N/A	1	N/A	77	96.0%
33897	\$83,000	N/A	1	N/A	106	97.6%

\*\*\* % Change of current quarter compared to the same quarter to year ago.

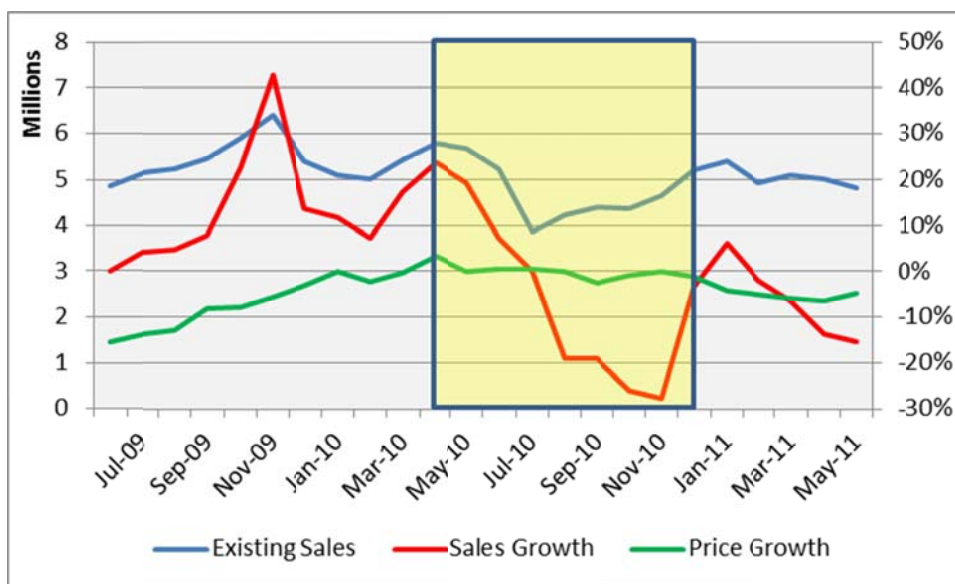
# Stepping Out from the Shadow of 2010?

Ken Fears  
 Manager, Regional Economics

The spring revealed some important patterns in the national housing market. After an abysmal summer of 2010 in which sales volume crashed in July following the end of the Federal tax credit, sales clawed back to respectable levels by the spring of 2011. However, this year's market is continually compared with the heated sales volume from the tax fed period of 2010. That is about to change.

Nationally, sales volume began to slide in May of 2010 easing 2.0% from April (using seasonally adjusted and annualized figures). The decline continued into June with a fall of 7.9% before the 26.2% crash from June to July. NAR's monthly national homes sales figure for June of this year was 8.8% lower than June of 2011, but this gap was smaller than May's 15.3% spread and sales last year fell sharply in July. Furthermore, NAR's Pending Home Sales index, which measures the volume of homes under contract, jumped 19.8% in June versus last year suggesting that homes sales in July of 2011 will likely surpass sales in July of 2010.

The ramifications of this shift in last year's market on the perception of this year's market is important. Sales have remained robust considering the lack of a credit in today's market. They could be better, but that will come as the economy gains its stride and employment improves. As the year-over-year comparison shifts to reflect last year's weakness, the



summer of 2011 will appear strong, boosting confidence. Low mortgage rates and stable employment will help to underpin the strength of sales this summer.

Locally, sales fell 2.1% in April of 2011 versus April of last year and were 4.9% weaker over the 12 months ending in June of 2011. Though the local pattern differs from the national, the strong local sales in June of 2010 suggest that sales are likely to be stronger in the later part of this summer and into the fall relative to sales levels in 2010, here in the market covered by the Northeast Florida Multiple Listing Service, Inc.

Perception plays an important role in economic behavior. Falling home prices weigh on consumers who spend less in turn. Home prices did not fall directly after the end of the tax credit in May of 2010, but much later, dipping in earnest in January of 2011. Prices have since begun to tick upward, but are likely to remain below last year's level until later this year or in the spring, but they should not venture much further down. Stronger sales growth will boost consumer confidence, which will help the economy and housing in turn...green shoots for the economy.

### Taking Care of “Small” Business

by Lawrence Yun, *NAR Chief Economist*

The economy is barely crawling along. A recent sizable downward revision to GDP figures showed that the current economic activity – adding up all income generation from producing autos to providing haircuts – is still below the recent past cyclical peak achieved in late 2007 even though the country added over 10 million additional people in the workable age of 16-and-over. In short, it seems like “Progress in America” has stopped.

The latest data on the manufacturing sector is also not good. After having registered 22 straight months of expansion, the ISM index – which surveys managers in the manufacturing industry – posted a reading of 50.9 in July. The index had been in the 55 to 60 range in the first half of this year. Note that any index below 50 is considered as reflecting a contraction in the industry. The component on new orders showed contraction, though actual current production and employment showed slight expansion. Why the contraction after almost two years of expansion? One likely reason was the constant discussion about the debt ceiling in July which no doubt caused many business decision-makers to halt purchase orders. Consequently, a long-term resolution to debt debate is critical to restart up the manufacturing sector. Large companies are sitting on a pile of cash. They only need clarity and business confidence to start investing again.

The Federal Reserve, though having ended its Quantitative Easing (“QE2”) cannot be any more accommodative. It will no longer buy bonds with freshly printed money; rather, it will only repurchase bonds that are maturing in the Fed portfolio. Money simply cannot be printed in massive quantities for an extended period of time without raising the specter of inflation. Consumer price inflation has already notched up by 3.4 percent from one year ago, while many Social Security check recipients did not get any cost-of-living adjustment last year. They have to wait until 2012 before the COLA gets appropriately readjusted. Many workers, however, do not have automatic COLAs. Average hourly earnings rose 1.9 percent in from June 2010 to June 2010.

Such a slow wage growth assures slow consumer spending growth in the near term. With government spending expected to contract, for better or worse, and housing starts still struggling to gain traction, economic growth will be below the trend growth line. The second half GDP growth rate is expected to be less than 2 percent.

Slow economic growth also means a continuing worsening situation in budget deficit and national debt figures. History shows that one of the biggest sources of federal government revenue has been more people working and so more people paying taxes. The current unemployment rate of 9 percent is just too high.

Aside from the lack of enthusiasm among large companies, one major reason for the economic struggle is that small businesses – the entrepreneurial heart of America – cannot find funds either to establish themselves or to keep going. (It should also be said here that many real estate firms are actually small businesses.) Because of the small nature of such companies, these entrepreneurs cannot issue bonds like IBM or Disney.

Banks also have been extra tough on any borrowers without an established name. Small businesses, therefore, typically have relied on their owners' savings and housing equity for the funds to test out new business ideas.

## Chief Economist's Commentary








But housing equity – that is, housing asset value minus mortgage liability – has greatly shrunk in the painful aftermath of the housing market crash. Currently, the aggregate of homeowners' real estate equity is at \$6.1 trillion versus \$13 trillion in 2006 according to Flow of Funds data from the Federal Reserve. The Census Bureau reports that there are 74 million homeowners. So on average, the average equity per homeowner in 2011 is \$82,000, down from the \$170,000 in 2006. Other Federal Reserve data from its Survey of Consumer Finances show that the median homeowner net worth is \$190,000. This larger net worth figure is due to homeowners having other assets in addition to housing equity (stocks, cash, etc.). In comparison, the median net worth of a renter household is \$4,000. The only good news at the moment is that further declines appear to be largely over. Price measurements from NAR, Case-Shiller, Core Logic, and the Federal Housing Finance Agency have all noted a slight uptick in home prices in recent months.

In order to truly give a push to the U.S. economy to get it on a sustainable robust growth path, small businesses need funds to establish themselves and to maintain operations. A home price recovery will be critical to that process in the upcoming years. Any obstacle to such a home price recovery will, therefore, hamper economic growth and job creation. As policymakers continue their discussions on future federal budgets, they need to be well aware that any trimming of housing-related programs – such as the mortgage interest deduction – will hurt home values and consequently derail many small business start-ups.

Stay “up to date” with Dr. Yun's views on real estate and economy by visiting the NAR Research “blog” at <http://economistsoutlook.blogs.realtor.org/>

# Economic Monitor

*This table reflects data available through April 1, 2011.*

<b>Monthly Indicator</b>	<b>Recent Forecast</b>	<b>Likely Direction Over the Next Six Months</b>	<b>Forecast</b>
<p><b>Existing-home sales</b> in June posted a seasonally adjusted annual rate of 4.77 million units – 0.8% off May’s level and an 8.8% decline from a year ago. Continued economic uncertainty, concerns about the federal budget, and a spike in contract cancellations contributed to the decline. At the same time, the national median price for an existing home rose 0.8% from a year ago to \$184,300.</p>	June 2011 4,770 May 2011 4,810 June 2010 5,230		Contract signings trending higher
<p><b>New home sales</b> declined by 1.0% from May to June, registering a seasonally adjusted annual rate of 312,000 units. Still, June’s sales pace was a 1.6% increase from a year ago. The inventory of new homes available for sale continues to shrink -- at the end of the month, the supply of new homes was 164,000 – a 6.3-month supply at the current sales rate.</p>	June 2011 312 May 2011 315 June 2010 307		Rising new home price signals buyers are developing
<p><b>Housing starts</b> increased in June to a seasonally adjusted annual rate of 629,000 units – up 14.6% from May and a 16.7% increase from June of 2010. Both single family and multi-family starts rose; on a year over year basis, multifamily starts were up by 104.8%.</p>	June 2011 629 May 2011 549 June 2010 539		Better than 20 percent increase, but need to wait till 2012
<p><b>Housing affordability</b> remains at very impressive levels. NAR’s housing affordability index posted a reading of 166.5 in June, down from May’s revised index of 178.5, but above the reading in June of 2010. Changes in the index were due to a significant increase in the median sales price of a home from the previous month.</p>	June 2011 166.5 May 2011 178.5 June 2010 161.7		Price drop ends while mortgage rates rise
<p><b>Mortgage rates</b> The average interest rate in July for a 30-year fixed mortgage rose to 4.55%. Current Treasury bond yields are at historic lows and may continue to decline slightly but temporarily. Mortgage rates will most likely move in the same direction since in today’s market nearly all mortgage originations have government backing.</p>	July 2011 4.55% June 2011 4.51% July 2010 4.56%		Inflationary and budget deficit pressures push up interest rates
<p><b>Employment</b> The U.S. economy added 117,000 new jobs in July – better than most analysts expected and well ahead of the 46,000 jobs created in June. The private sector added 154,000 payrolls, while the government sector shed 37,000 – primarily in state and local governments. The unemployment rate declined slightly to 9.1%, due mostly to unemployed workers halting their job search.</p>	July 2011 +117 June 2011 +46 12-month total: +1,258		Only slow gains with no meaningful changes to the unemployment rate
<p><b>Economic Growth</b> The U.S. economy continued to grow in the 2nd quarter of 2011, but at a slow pace. Real Gross Domestic Product (GDP) increased 1.3% from the 1st to the 2nd quarter of this year (annualized rate). This is the first estimate of 2nd quarter GDP growth based on incomplete data. Contributing to the positive growth in GDP were increases in exports, private inventory, building and nonresidential fixed investment, and federal government spending.</p>	2011:II +1.9% 2011:I +0.4% 2010:II +3.8%		Cruising forward, but at slow pace

*Notes: All rates are seasonally adjusted. Existing home sales, new home sales and housing starts are shown in thousands. Employment growth is shown as month-to-month change in thousands. Sources: NAR, Bureau of the Census, Bureau of Labor Statistics and Freddie Mac.*