Wells Fargo Economics
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U.S. Housing Market:
Is It Time for Bottom Fishing?
Construction Will Remain Very Weak
Credit: Better Than Before Is Not Good Enough
Consumer Sentiment: Improving, But Will It Matter?
Home Prices: Affordable, But Who Is Buying?
Home Prices
Year-over-Year Percentage Change

- Median Sale Price: Jul @ $178,300
- Median Sales Price 3-M Mov. Avg.: Jul @ -14.9%
- FHFA (OFHEO) Purchase Only Index: Jun @ -5.0%
- S&P Case-Shiller Composite 10: Jun @ -15.1%

Real Existing Single-Family Home Price
In Thousands

- "Real" Median Home Price: Jul @ $178.3
Housing Inventory, Sales & Starts

Inventory of New Homes for Sale
Months of New Homes For Sale at Current Sales Rate

- Months' Supply: Jul @ 7.5
- 12-Month Moving Average: Jul @ 10.6
Housing Starts
Seasonally Adjusted Annual Rate, In Millions

87 89 91 93 95 97 99 01 03 05 07 09

- Housing Starts: Jul @ 581K

NAHB/Wells Fargo Housing Market Index
Diffusion Index

87 89 91 93 95 97 99 01 03 05 07 09

- NAHB Housing Market Index: Aug @ 18.0
And Now What?
FHA Mortgage Delinquencies

Overall Mortgage Delinquencies

Source: Mortgage Bankers Association
Mortgage Delinquency Rates

Mortgage Delinquency Rates - Prime

Source: Mortgage Bankers Association

Source: Mortgage Banker's Association
**Mortgage Foreclosure Rates – Sub-prime**

Source: Mortgage Banker's Association

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate (%)</th>
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<tbody>
<tr>
<td>1998</td>
<td>1.46</td>
</tr>
<tr>
<td>1999</td>
<td>1.75</td>
</tr>
<tr>
<td>2000</td>
<td>2.31</td>
</tr>
<tr>
<td>2001</td>
<td>2.34</td>
</tr>
<tr>
<td>2002</td>
<td>2.13</td>
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<tr>
<td>2003</td>
<td>1.65</td>
</tr>
<tr>
<td>2004</td>
<td>1.49</td>
</tr>
<tr>
<td>2005</td>
<td>1.42</td>
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<tr>
<td>2006</td>
<td>1.81</td>
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<td>2007</td>
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<td>2008</td>
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<tr>
<td>2009</td>
<td>4.44</td>
</tr>
<tr>
<td>2010</td>
<td>2.80</td>
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**Home Ownership**

Source: U.S. Department of Commerce
Thanks!
Wells Fargo Economics
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http://www.wellsfargo.com/com/research/economics