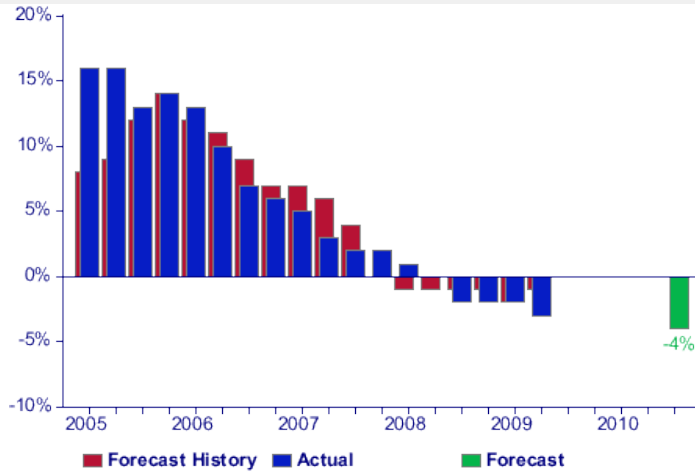




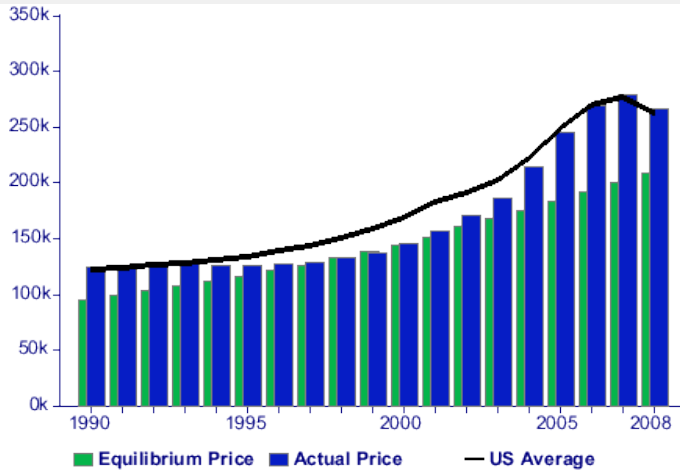
Philadelphia, PA (MSAD) (37964)

Home Value Forecast vs. Actual

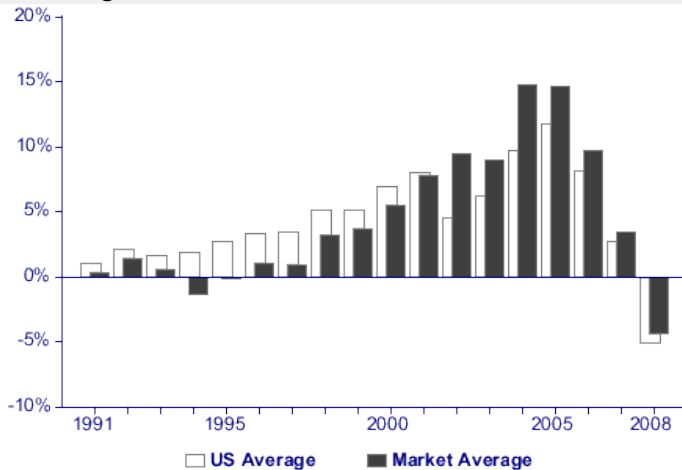
Last Update: 11/05/2009



Equilibrium Home Price vs. Actual



Annual Change in Home Values



Home Value Forecast and Equilibrium Home Price:

Home values for Philadelphia, PA (MSAD) are forecast to decrease by 4 percent over the next 12 months. Nationally, prices are forecast to decrease by 5 percent.

This market is **over-priced**. Markets can become over-priced for a number of reasons. All over-priced markets eventually return to their Equilibrium Home Price. In over-priced markets, income is a less important factor than the momentum of price changes.

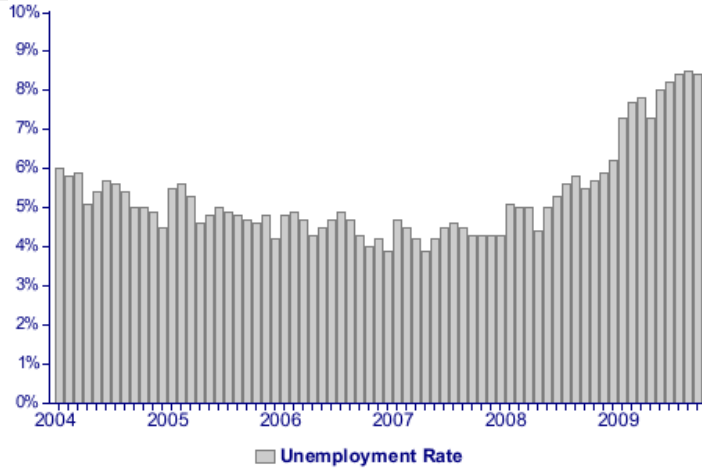
The Equilibrium Home Price in this market is currently \$228,082 as of Q3 2009. The Average Home Value in this market is currently \$257,178 as of Q3 2009. The market is currently overpriced by 13 percent. Prices in this market are currently 1 percent lower than the national average.

The Equilibrium Home Price allows us to determine if a market is in balance or is over-priced, by comparing the calculated Equilibrium Price with the actual average home value. Over-priced markets always return to the Equilibrium Home Price, and the greater the difference between actual and Equilibrium prices, the greater the risk of an eventual sharp drop in prices.



Philadelphia, PA (MSAD) (37964)

Monthly Unemployment Rate



MARKET METRIC UPDATE

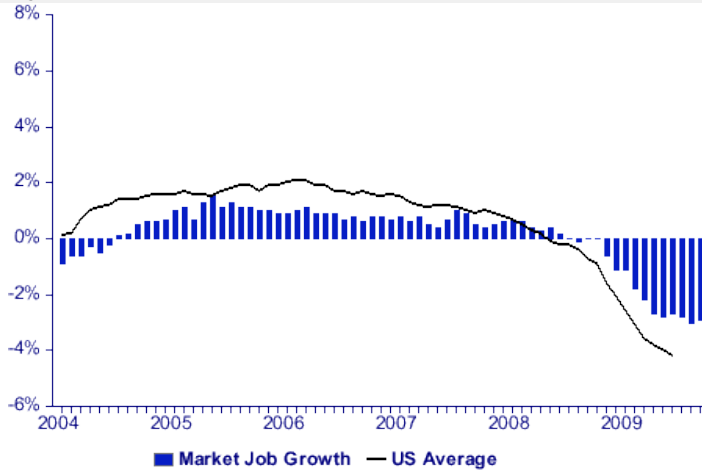
Employment:

The unemployment rate in September 2009 was 8.4% versus 5.5% for the same month in the previous year.

In the past 12 months, jobs in this market have fallen by 2.8 percent. This compares to a national decrease of 4.2 percent.

Total Non-Farm Employment was 1,865,200 in September 2009. Job gains over past year were seen in Education and Health Services and Government. Biggest job losses over past year by percentage were in Mining, Logging and Construction, and Manufacturing.

Monthly Job Growth Rates



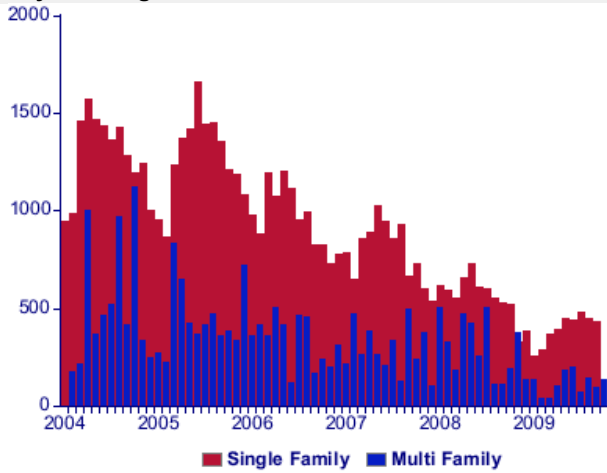
Employment by Industry

Industry	September 2008	September 2009	Percent Change
Mining, Logging and Construction	79.9K	68.2K	-14.6
Manufacturing	148.8K	139.2K	-6.5
Wholesale Trade	85.9K	82.8K	-3.6
Retail Trade	193.3K	185.0K	-4.3
Transportation and Utilities	60.8K	58.1K	-4.4
Information	41.5K	40.1K	-3.4
Financial Activities	143.3K	137.7K	-3.9
Professional and Business Services	303.1K	292.8K	-3.4
Education and Health Services	410.1K	413.5K	+0.8
Leisure and Hospitality	155.5K	150.0K	-3.5
Other Services	84.4K	82.7K	-2.0
Government	214.3K	215.1K	+0.4

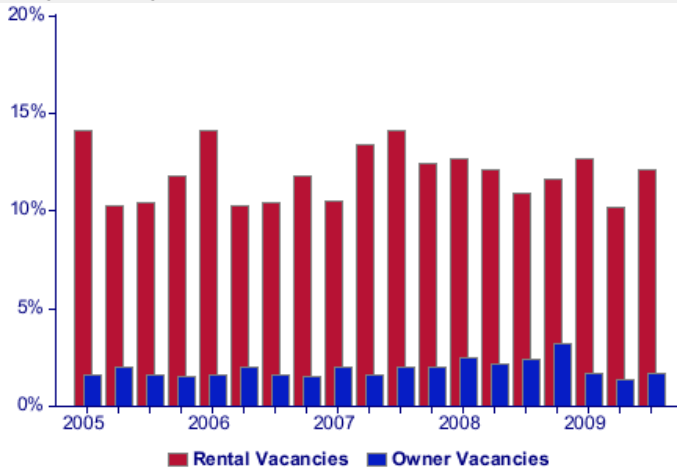


Philadelphia, PA (MSAD) (37964)

Monthly Housing Permits



Quarterly Vacancy Rate



MARKET METRIC UPDATE

Housing Permits and Vacancy Rates:

Total housing permits in September 2009 were -21 percent versus the same month in the previous year. Single family permits in September 2009 were -18 percent versus the same month in the previous year. Single family permits were 76 percent of total permits in September 2009. Single family permits have averaged 73 percent of total permits over the past 5 years.

Rental Vacancy Rate rose from 10.9 percent in Q3 2008 to 12.1 percent in Q3 2009. Local Rental Vacancy Rate was equal to the national rate of 12.1 percent in Q3 2009. Owner Vacancy Rate fell from 2.4 percent in Q3 2008 to 1.7 percent in Q3 2009. Local Owner Vacancy Rate was lower than the national rate of 2.6 percent in Q3 2009.