



Prudential

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# Market Report

## Metro St. Louis Real Estate

4th Quarter 2007

### What Is Really Going On Anyway?



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The last few months have seen many upsetting real estate and economic headlines. They have ranged from "Mortgage Meltdown" to "Recession on the Horizon?" to "Real Estate Market Tanks" giving way to slipping consumer confidence.

Yet here are some recent events we have seen: some brand new listings selling in only a few days for their fair market price; buyers seeing listings on our website and purchasing their dream home quickly; and first time home buyers, obtaining loans with HUD money for their down payment and closing costs.

*There is no such thing as a national real estate market.*

The reality is, there are many real cases of buying, selling and financing as usual, but you would never know that by listening to or reading some recent news stories.

#### Reality Check

There are some very real economic issues out there that are going to be with us for some time. Consumer debt levels; a genuine problem with sub-prime loan performance levels, and attendant foreclosure activity; and some recent economic news that is just not good.

There is no such thing as a national real estate market. In reality, there is no such thing as a St. Louis Metro market either. We have 91 municipalities in St. Louis County alone, and sub-markets within each of those areas. National figures do not represent what is happening here town to town.

#### The St. Louis Metro Story

Sales have been slowing for well over a year at this point. This is not new or surprising. Metrowide we have about 91 percent of last year's number of sales for single family homes and about 94 percent of last year's level of condo units sold. The St. Louis region even out paces the Midwest which fell to 89 percent according to a recent study by the National Association of REALTORS®. Hardly a market in the tank. Median prices are fairly stable year-over-year with some modest increases and some modest decreases. Free falling prices are not characteristic of our markets.

Sure we can find some individual horror stories in the resale market. Yes, some new home and condominium developments are not selling well.

The good news is the three-year appreciation rate in our area as of October stands at 19.5 percent, as stated in the NAR study. Amazingly, this includes our recent market slowdown.

*Free falling prices are not characteristic of our markets.*

#### What This Really Means:

First, it's good to be in the St. Louis Metro area! Second, expect continuing roller coaster in the real estate market.

Third, expect loan qualifications to tighten and foreclosures on sub-prime loans to remain high. Fourth, expect buyers to be cautious. We are in a buyer's market which often follows a seller's market and is typically followed by a balanced market. Real estate and the economy move in cycles. We are only part of the way through the cycle now. The rest of it is still coming. Are these reasons not to buy or sell a home? Certainly not. The market is slower, yet there are still a lot of sales, good values and great opportunities.

#### ST. CHARLES COUNTY RESIDENTIAL

St. Charles County School District	Units 2006	Units 2007	% of Change	Average 2006	Average 2007	% of Change	DOM 2006	DOM 2007	% of Change
<b>Residential</b>	4901	4439	-9.43%	\$221,652	\$225,132	1.57%	69	80	15.94%
St. Charles	354	306	-13.56%	\$161,179	\$175,922	9.15%	53	71	33.96%
St. Charles West	159	151	-5.03%	\$216,280	\$214,898	-0.64%	70	76	8.57%
Orchard Farm	68	72	5.88%	\$203,618	\$232,199	14.04%	89	104	16.85%
Fort Zumwalt East		8			\$295,662			14	
Fort Zumwalt West	728	647	-11.13%	\$234,812	\$236,214	0.60%	73	78	6.85%
Fort Zumwalt North	448	356	-20.54%	\$204,979	\$203,899	-0.53%	79	85	7.59%
Fort Zumwalt South	477	440	-7.76%	\$180,606	\$183,226	1.45%	54	58	7.41%
Francis Howell	581	539	-7.23%	\$280,460	\$294,382	4.96%	72	82	13.89%
Francis Howell North	511	437	-14.48%	\$216,642	\$218,907	1.05%	67	74	10.45%
Francis Howell Central	467	424	-9.21%	\$197,877	\$190,061	-3.95%	55	65	18.18%
Wentzville Holt	608	619	1.81%	\$241,522	\$234,670	-2.84%	74	96	29.73%
Wentzville Timberland	484	433	-10.54%	\$237,478	\$249,609	5.11%	78	101	29.49%

#### CONDO

St. Charles County School District	Units 2006	Units 2007	% of Change	Average 2006	Average 2007	% of Change	DOM 2006	DOM 2007	% of Change
<b>Condo/Coop/Villa</b>	878	839	-4.44%	\$158,265	\$157,953	-0.20%	67	82	22.39%
St. Charles	48	39	-18.75%	\$151,292	\$172,490	14.01%	58	95	63.79%
St. Charles West	63	38	-39.68%	\$179,711	\$179,773	0.03%	87	129	48.28%
Orchard Farm	6	13	116.67%	\$195,633	\$184,890	-5.49%	46	84	82.61%
Fort Zumwalt East		2			\$101,000			44	
Fort Zumwalt West	52	44	-15.38%	\$180,620	\$186,368	3.18%	78	99	26.92%
Fort Zumwalt North	74	57	-22.97%	\$160,551	\$160,189	-0.23%	67	77	14.93%
Fort Zumwalt South	78	84	7.69%	\$127,458	\$133,030	4.37%	72	87	20.83%
Francis Howell	73	77	5.48%	\$150,039	\$144,375	-3.78%	79	87	10.13%
Francis Howell North	268	237	-11.57%	\$161,040	\$160,619	-0.26%	48	68	41.67%
Francis Howell Central	56	43	-23.21%	\$139,250	\$166,286	19.42%	40	64	60.00%
Wentzville Holt	78	98	25.64%	\$147,115	\$149,939	1.92%	83	88	6.02%
Wentzville Timberland	80	107	33.75%	\$178,148	\$157,243	-12.30%	103	82	-20.39%

Data is based on closed transactions January 1, 2007 through December 31, 2007. This representation is based in whole or part on data supplied by the Multiple Listing Services, for single-family residential property, and multi-families. Data maintained by the MLS may not reflect all real estate activity in the market. MARIS-Mid America Regional Information Systems Rapattoni MLS. Properties listed and sold by various participants in the MLS

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