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# Market Report

Metro St. Louis Real Estate

4th Quarter 2008



## REAL ESTATE OUTLOOK: Follow the Money

by *Kenneth R. Harney, Realty Times*

Is the economic glass half empty or half full?

Talk to different groups of forecasters and you get different answers, but basically a similar consensus: The national recession is likely to drag on for another four to six months, but by mid-year we should be moving into a slow-growth rebound mode, digging out of recession.

A new poll of 50 top business economists conducted by Blue Chip Economic Indicators, a research organization, found a mildly upbeat general outlook -- especially if the economic stimulus package being prepared by the incoming Obama administration and the new Congress cuts taxes, stimulates housing sales, lowers mortgage rates, and reverses job losses as the year moves on.

Randell Moore, the head of Blue Chip Indicators, which conducts monthly economic surveys, said "the consensus (is that) we are in the deepest part of the recession (right) now. But the stimulus package and lower gasoline prices are expected to ... restore consumer confidence and personal spending -- and that will put us on the road back."

The Federal Reserve released its own forecast, based on discussions at its December board meeting: Expect negative growth through the late Spring, a slow recovery thereafter.

What about housing and real estate?

The latest pending home sales survey by the National Association of REALTORS, covering the month of November, was down.

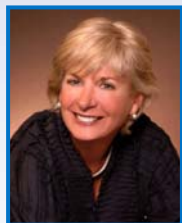
But think back to the prevailing mindset back in October and November - some of the biggest jitters and panic on Wall Street in recent history, plus worries about the financial safety of the banking system.

Who would expect people to rush out and sign home purchase contracts with the entire economy in earthquake mode and consumer confidence plummeting?

Today, by contrast, the outlook is VERY different. We're on the verge of getting an economic shot in the arm from a giant stimulus package -- some of which will likely directly target home sales, possibly with tax credits.

Mortgage interest rates are at almost unprecedented lows -- five percent and even below if you've got a downpayment and decent credit. Applications for new mortgages to buy houses were up by more than 7 percent last week, according to the Mortgage Bankers Association's national survey -- up 2.3 percent for those seeking conventional loans and up an amazing 19.2 percent for buyers planning to use FHA financing.

As the saying goes: Follow the money. There's something important stirring out there. Home prices are at 2004 levels in many markets. Buyers who can qualify are seeing real, tangible opportunities...and that dynamic, along with help from the stimulus package, should begin turning around housing even before the economy as a whole.



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# Residential and Condo Statistics

Year to date 2008 vs. Year to date 2007 Compiled December 31, 2008

## ST. CHARLES COUNTY RESIDENTIAL

St. Charles County School District	Units 2007	Units 2008	% of Change	Average 2007	Average 2008	% of Change	DOM 2007	DOM 2008	% of Change
<b>Total Residential</b>	4439	3709	-16.45%	\$225,132	\$217,686	-3.31%	80	92	15.00%
St. Charles	306	249	-18.63%	\$175,922	\$150,243	-14.60%	71	64	-9.86%
St. Charles West	151	145	-3.97%	\$214,898	\$197,154	-8.26%	76	82	7.89%
Orchard Farm	72	68	-5.56%	\$232,199	\$243,339	4.80%	104	103	-0.96%
Fort Zumwalt East	8	64	700.00%	\$295,662	\$176,594	-40.27%	14	70	400.00%
Fort Zumwalt West	647	465	-28.13%	\$236,214	\$230,352	-2.48%	78	95	21.79%
Fort Zumwalt North	356	302	-15.17%	\$203,899	\$196,982	-3.39%	85	104	22.35%
Fort Zumwalt South	440	367	-16.59%	\$183,226	\$176,450	-3.70%	58	77	32.76%
Francis Howell	539	445	-17.44%	\$294,382	\$287,279	-2.41%	82	102	24.39%
Francis Howell North	437	399	-8.70%	\$218,907	\$224,086	2.37%	74	86	16.22%
Francis Howell Central	424	344	-18.87%	\$190,061	\$189,795	-0.14%	65	79	21.54%
Wentzville Holt	619	455	-26.49%	\$234,670	\$216,029	-7.94%	96	102	6.25%
Wentzville Timberland	433	399	-7.85%	\$249,609	\$224,115	-10.21%	101	107	5.94%

## ST. CHARLES COUNTY CONDO

St. Charles County School District	Units 2007	Units 2008	% of Change	Average 2007	Average 2008	% of Change	DOM 2007	DOM 2008	% of Change
<b>Condo/Coop/Villa</b>	839	619	-26.22%	\$157,953	\$153,701	-2.69%	82	109	32.93%
St. Charles	39	28	-28.21%	\$172,490	\$159,061	-7.79%	95	102	7.37%
St. Charles West	38	42	10.53%	\$179,773	\$212,505	18.21%	129	103	-20.16%
Orchard Farm	13	13	0.00%	\$184,890	\$172,205	-6.86%	84	143	70.24%
Fort Zumwalt East	2	8	300.00%	\$101,000	\$109,175	-6.86%	44	75	70.45%
Fort Zumwalt West	44	43	-2.27%	\$186,368	\$171,681	-7.88%	99	132	33.33%
Fort Zumwalt North	57	31	-45.61%	\$160,189	\$160,621	0.27%	77	133	72.73%
Fort Zumwalt South	84	59	-29.76%	\$133,030	\$123,698	-7.01%	87	118	35.63%
Francis Howell	77	56	-27.27%	\$144,375	\$184,019	27.46%	87	120	37.93%
Francis Howell North	237	167	-29.54%	\$160,619	\$143,099	-10.91%	68	100	47.06%
Francis Howell Central	43	25	-41.86%	\$166,286	\$145,533	-12.48%	64	61	-4.69%
Wentzville Holt	98	56	-42.86%	\$149,939	\$141,810	-5.42%	88	133	51.14%
Wentzville Timberland	107	91	-14.95%	\$157,243	\$144,040	-8.40%	82	96	17.07%

Data is based on closed transactions January 1, 2008 through December 31, 2008. This representation is based in whole or part on data supplied by the Multiple Listing Services, for single-family residential property. 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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