MASSACHUSETTS ASSOCIATION OF REALTORS®

Detached Single-family Home Sales

December '05	December '06	% Change
3,574	2,980	-16.6%

November'06	December'06	% Change
3,246	2,980	- 8.2%

Condominium Sales

December '05	December '06	% Change
1,627	1,493	- 8.2%

November'06	December'06	% Change
1,401	1,493	+ 6.6%

Detached Single-family Home Median Selling Price

December '05	December '06	% Change
$354,000	$335,000	- 5.4%

November'06	December'06	% Change
$340,000	$335,000	- 1.5%

Condominium Median Selling Price

December '05	December '06	% Change
$264,950	$270,000	+ 1.9%

November'06	December'06	% Change
$270,000	$270,000	0.0%

NOTE: Figures reflect data from 5 of 5 REALTOR®-affiliated Multiple Listing Services in Massachusetts as of January 15, 2007

MASSACHUSETTS ASSOCIATION OF REALTORS®
MARKET TALKING POINTS (1-25-07)

KEY POINTS AND OUTLOOK

- This is the best time in recent years to be a buyer.
- Inventory is still healthy, but beginning to drop as buyers are no longer waiting to time the market.
- Mortgage rates are still historically low, inventory is healthy, and most sellers are setting reasonable prices based on this market rather than the unusual spiking prices of the past five years.
- Pent-up buyer demand seems to be loosening, as the market has stabilized and more are making lifestyle purchases and taking advantage of lower prices and better inventory before the spring market is in place.
- Real estate market is experiencing a healthy price correction and return to a "normal" long-term appreciation rate.
- Real estate continues to be a great long-term investment.
- 2007 is expected to mirror 2006, resulting in another historically strong year, although below the market sales and price spikes of recent years (according to National Association of REALTORS®).

SALES VOLUME:

Single Family Home Sales –

- Compared to same 2005 period, detached single-family home sales in December 2006 continued pattern of past nine months, with 16.6% decline (from 3,574 to 2,980 homes).
- Last month's sales total was lowest December volume since 1991, when 2,168 homes were sold.
- On month-to-month basis, home sales decreased 8.2% from November to December.

Condo Sales-

- Compared to same 2005 period, condo sales fell 8.2%, but remained near record levels for the month….third highest for any December on record. Compared to November, sales activity increased 6.6%.

PRICE:

Single Family -

- December median price declined 5.4% from a year ago (from $354,000 to $335,000), normalizing the market and retaining excellent long-term investment value, but 11% below its peak (spike) of $375,000 in July-August, 2005.
- Median price increased $52,000 over past 4 years or 16%, retaining investment value. The AVERAGE price increased $222,110 or 124% over 10 year period.

Condo -

- December median condo selling price increased over 2005 figures for the second consecutive month by 1.9% (from $264,950 to $270,000).

INVENTORY/DAYS ON MARKET:

Single Family—

- December 2006 inventory (30,651 homes) was just 2.9% higher than December 2005 levels (29,771) statewide. This translates to 10.3 months of supply in December 2006, compared to 8.3 months last December.
- Supply is dwindling, since the December number decreased 13% from November's 35,254 homes. Single family units stayed on the market longer in December 2006, 138 days compared to 104 days in December 2005.
- The market is "balanced" when 7.5 to 8.5 months of housing supply exists.
- Inventory is down from a high of 15-months of inventory last February…to 10.3 months in December.

Condo--

- The number of condos for sale is up 13.7% from 14,581 units last December to 16,581 in December 2006. This represents 11.1 months of supply, up from 9 months in December 2005.
- Since November, the number of unsold units has DROPPED 7.1% (from 17,851 or 12.7 months of supply to 16,581 or 11.1 months of supply
- Similar to the detached market, condo units stayed on the market longer in December, with average condo listing time rising from 98 days in December 2005 to 134 days in December 2006.

MORTGAGE RATES/TERMS:

- Mortgage interest rates remain historically low, dipping in December to a low of 6.22%...the lowest since September 2005 when it was 5.98%.

REALTOR®VALUE:

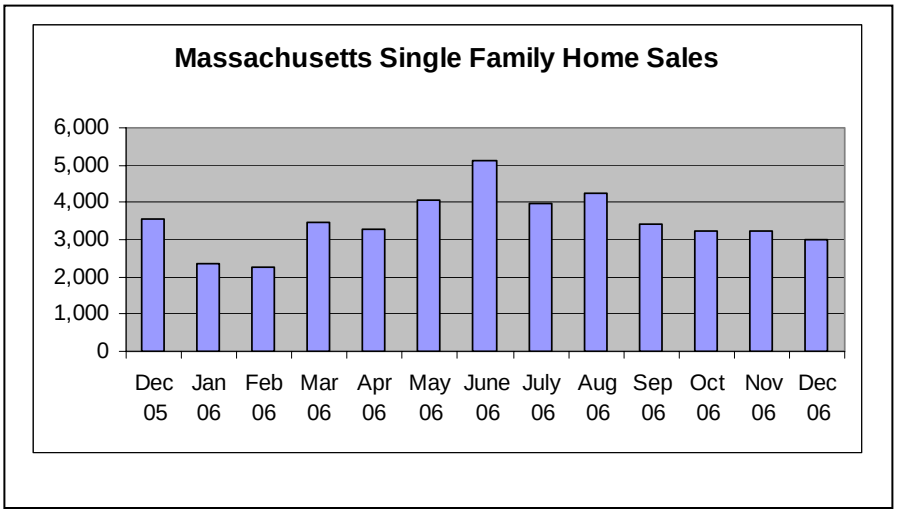
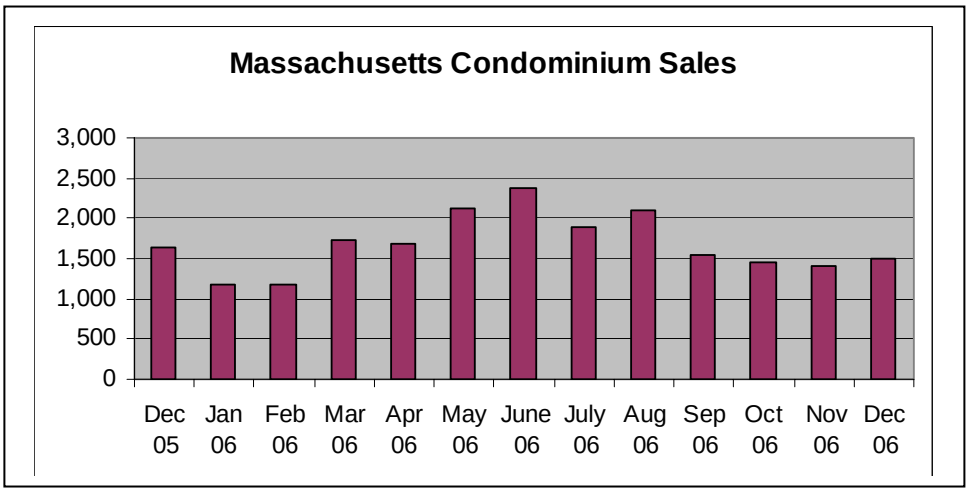
Choice of REALTOR® continues to be vital in this market. REALTORS® remain well-informed about changes in market, consumer attitudes, interest rates and other critical factors.

- Real estate is the most important investment for most consumers…and one where you spend most of your life. Whether a buyer or seller, finding the right professional is your first and best choice to manage the process.
- Not all real estate licensees are REALTORS®. REALTORS® must subscribe to a strict Code of Ethics and remain educated about changing market and legal conditions.

Historical Monthly Sales of
Single Family Homes and Condominiums

December Sales		
Year	***S-F***	***Condos***
Dec-06	2,980	1,493
Dec-05	3,574	1,627
Dec-04	3,921	1,580
Dec-03	4,026	1,284
Dec-02	3,527	1,071
Dec-01	3,350	852
Dec-00	3,403	899
Dec-99	3,735	1,019
Dec-98	4,164	1,101
Dec-97	4,184	910
Dec-96	3,442	735
Dec-95	3,171	641
Dec-94	2,884	510
Dec-93	3,729	580
Dec-92	3,141	496
Dec-91	2,168	335

Dec 05	3,574
Jan 06	2,340
Feb 06	2,265
Mar 06	3,440
Apr 06	3,281
May 06	4,055
June 06	5,101
July 06	3,982
Aug 06	4,229
Sep 06	3,435
Oct 06	3,239
Nov 06	3,246
Dec 06	2,980



Dec 05	1,627
Jan 06	1,171
Feb 06	1,168
Mar 06	1,731
Apr 06	1,691
May 06	2,113
June 06	2,382
July 06	1,883
Aug 06	2,103
Sep 06	1,546
Oct 06	1,464
Nov 06	1,401
Dec 06	1,493