

House Calls

A MONTHLY REVIEW OF THE RESIDENTIAL REAL ESTATE MARKET IN LANCASTER COUNTY

Second Quarter Home Sales Down, Prices Up

▶ Home Sales Report
page 2

▶ June Sales
Statistics,
page 4

▶ Mortgage Rates,
page 3

▶ Second Quarter
Sales Statistics,
page 3

According to a recent report by the Lancaster County Association of Realtors® (LCAR), the 1,526 homes sold in the second quarter of 2007 is a 9.7 percent decrease from the second quarter 2006 mark of 1,690. This year there were 457 sales in April, 490 in May and 579 in June; this compares to 473 in April of 2006, 577 in May and 640 in June. The five-year average of second quarter home sales is 1,633.

▶ **Second Quarter
Sales Graphs,
page 3**

The average sale price for the second quarter of 2007 is \$198,621, an increase of 4.7 percent over the second quarter 2006 price tag of \$189,690. The figure sets the record for the second quarter and is also the highest quarterly sale price ever recorded by the Association. The five-year average second quarter sale price is \$173,323, and the average second quarter price ten years ago was \$116,261.

For the second quarter, there were 2,706 new listings in 2007, an 8.7 increase over the second quarter 2006 new listings of 2,489. The five-year average of new listings for the second quarter is 2,391.

“The basic trend we’ve seen for the first half of the year is that sales are down (an average of 7.0 percent when comparing January through June of 2007 to 2006) but prices continue an upward climb (a 4.2 percent increase for the first six months of 2007 compared to 2006),” said LCAR president, Rich Heslin. “Tighter lending criteria from the sub-prime fallout may be negatively impacting our current numbers somewhat; but in the long run, it will make the housing industry healthier.”

Home Sales: June 2007 vs. 2006

New & Existing Sales

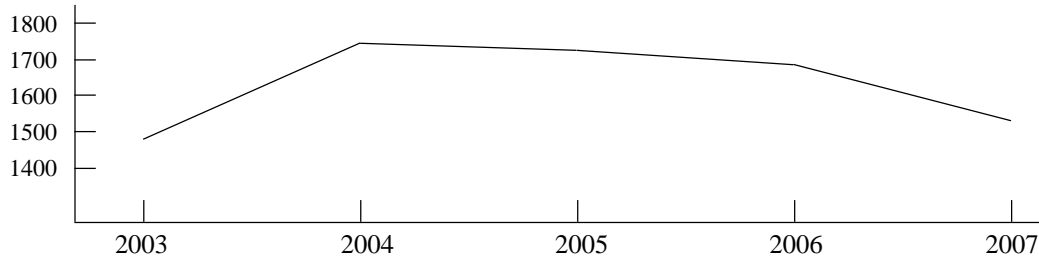
Price Class (\$)	2 - Bdrms	3 Bdrms	4 + Bdrms	Condo	Total June 2007	Total June 2006
Under 39,999	3	2	2	0	7	17
40,000-49,999	3	4	2	3	12	8
50,000-59,999	1	2	4	2	9	10
60,000-69,999	1	3	2	3	9	16
70,000-79,999	1	2	3	1	7	12
80,000-89,999	3	9	2	8	22	10
90,000-99,999	4	3	1	3	11	17
100,000-119,999	4	7	3	11	25	35
120,000-139,999	9	29	10	19	67	63
140,000-159,999	9	31	4	21	65	61
160,000-179,999	8	29	9	16	62	78
180,000-199,999	1	41	17	13	72	60
200,000-249,999	4	49	32	8	93	96
250,000-299,999	1	12	32	2	47	61
300,000-399,999	0	9	28	3	40	64
400,000-499,999	0	1	13	1	15	17
Over 500,000	1	0	15	0	16	15
Totals 2007	53	233	179	114	579	
Totals 2006						640
Average Price 2007					198,621	
Average Price 2006						204,052
Median Price 2007					178,900	
Median Price 2006						177,800

Second Quarter Home Sales Statistics

Settled Units

2007	1,526	Record: 2004	1,737
2006	1,690	5-year Avg.	1,633

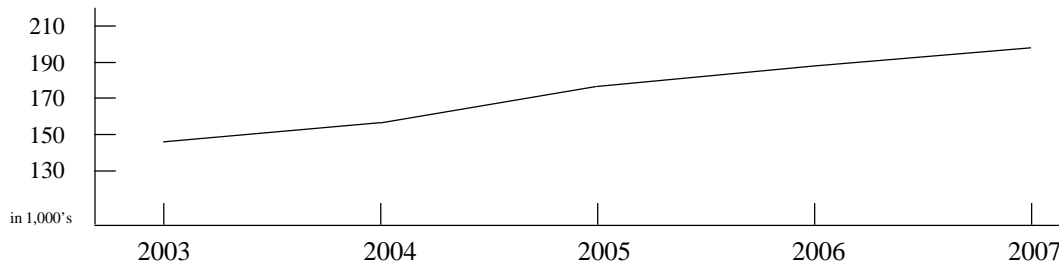
↓ 9.7%



Average Sale Price (\$)

2007	198,621	Record: 2007	198,621
2006	189,690	5-year Avg.	173,323

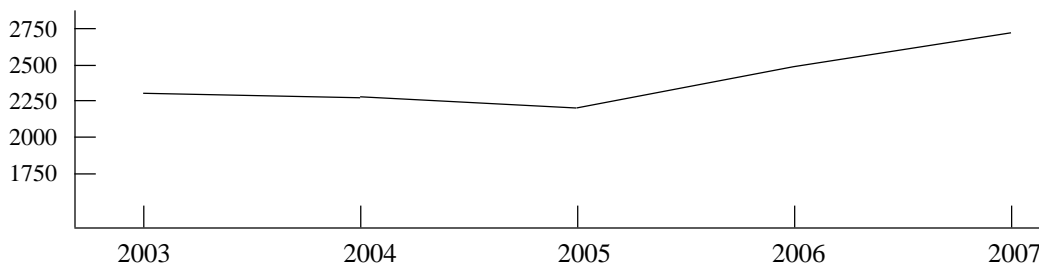
↑ 4.7%



New Listings

2007	2,706	Record: 1994	2,753
2006	2,489	5-year Avg.	2,391

↑ 8.7%



National vs. Local Mortgage Rates

The national average commitment rate on a 30-year, fixed-rate home loan as of July 5th was 6.63 percent, down from the 6.79 percent rate one year ago. The average rate on 15-year, fixed-rate mortgages was 6.30 percent, down from the 6.44 average one year ago. One-year adjustable-rate mortgages averaged 5.71 percent, down from

the 5.83 percent rate one year ago.

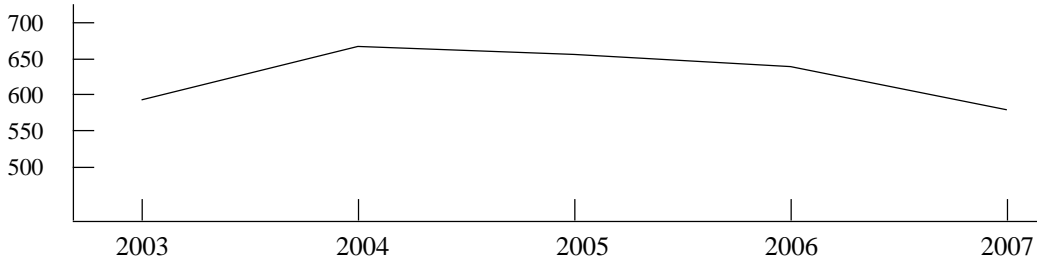
A poll of local lending institutions conducted by LCAR revealed the average commitment rate for a conventional 30-year loan as of July 9th was 6.18 percent and the conventional 15-year loan was 5.91 percent.

June Home Sales Statistics

Settled Units

2007	579	Record: 6/04	666
2006	640	5-year Avg.	626

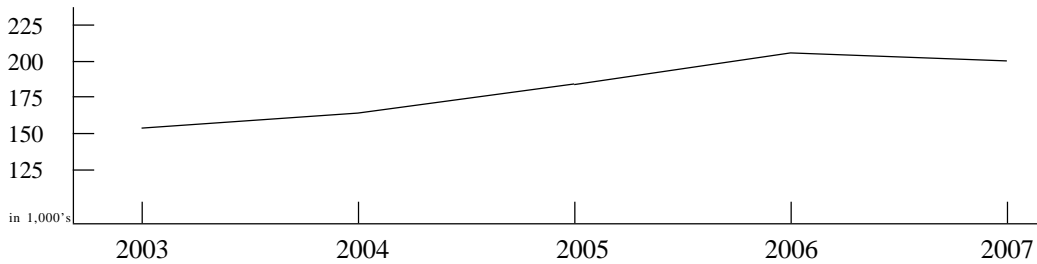
↓ 9.5%



Average Sale Price (\$)

2007	199,695	Record: 6/06	202,581
2006	204,052	5-year Avg.	180,672

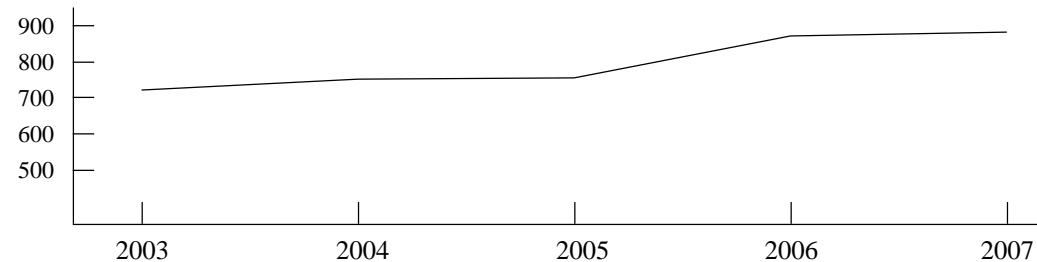
↓ 2.1%



New Listings

2007	888	Record: 6/95	899
2006	877	5-year Avg.	800

↑ 1.3%



Young Buyers Seek High-Tech Homes

Younger home buyers from Generations X and Y, born after 1965, grew up with technology and want high tech built into their homes, according to research by the National Association of Home Builders.

Here are some trends in high-tech homes:

- Outdoor theaters—mount a flat-screen TV

by the barbecue.

- Whole-house lighting controls.
- Whole-house automation systems.
- Solar hot-water systems.

Source: *Orlando Sentinel*, John Handley (07/08/07)