

10 KEY CHARTS TO SEE BEFORE YOU BUY OR SELL YOUR HOME



By: Michael David White

Months of Supply of Existing Homes For Sale

Current inventory in striking distance of record high.



Existing Homes For Sale In Months of Supply (1999 to Oct 2010).
Data by National Association of Realtors Released 11/23/10.
This chart published 11/23/10 by HousingStory.net



INVENTORY/Months of Supply - In July closed sales fell to a record low and inventory in months exploded up into a record high. August, September, and October have all been repeats of July's poor reading.

Units For Sale

Excess Supply is 950,000 Units of 3.9 Million "For Sale."
At worst, the market hit 4.5 million units in July 2007.

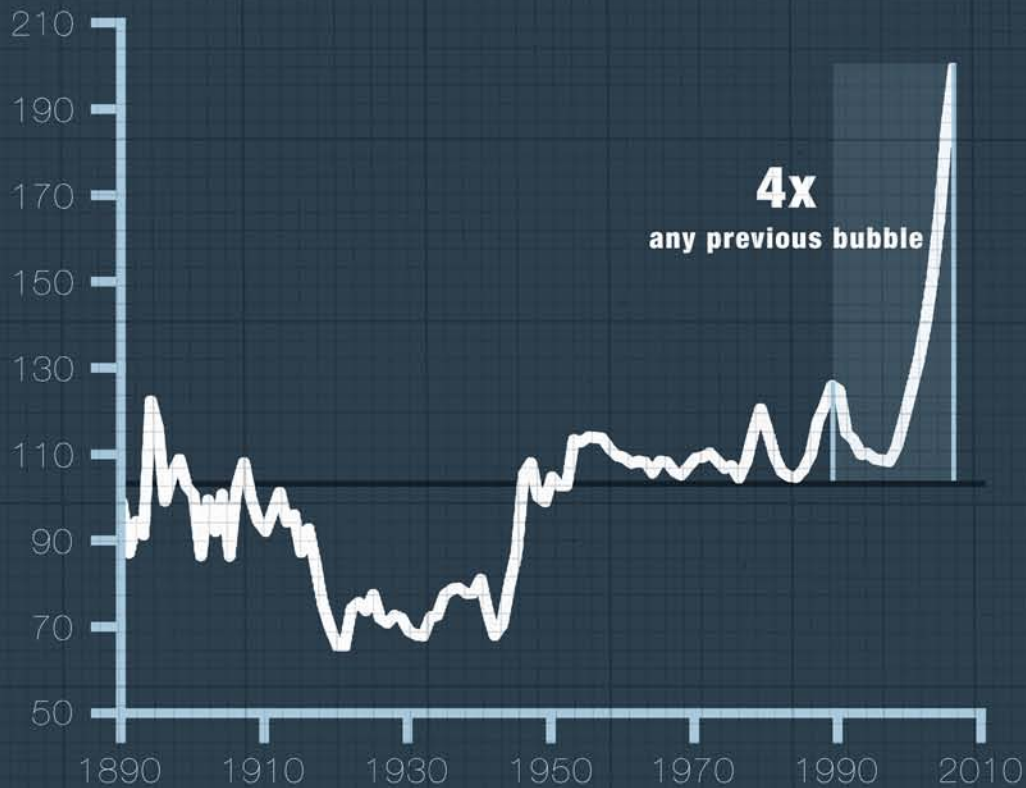


Existing Homes For Sale (1999 to Oct 2010).
Data by National Association of Realtors 11/23/10.
This chart published 11/23/10 by HousingStory.net



INVENTORY - Units for Sale: The dark side of a dark inventory number is a huge collection of shadow inventory not yet listed for sale. A recent estimate puts that number at 2 million. Distressed supply could overwhelm demand.

America's Housing Bubble

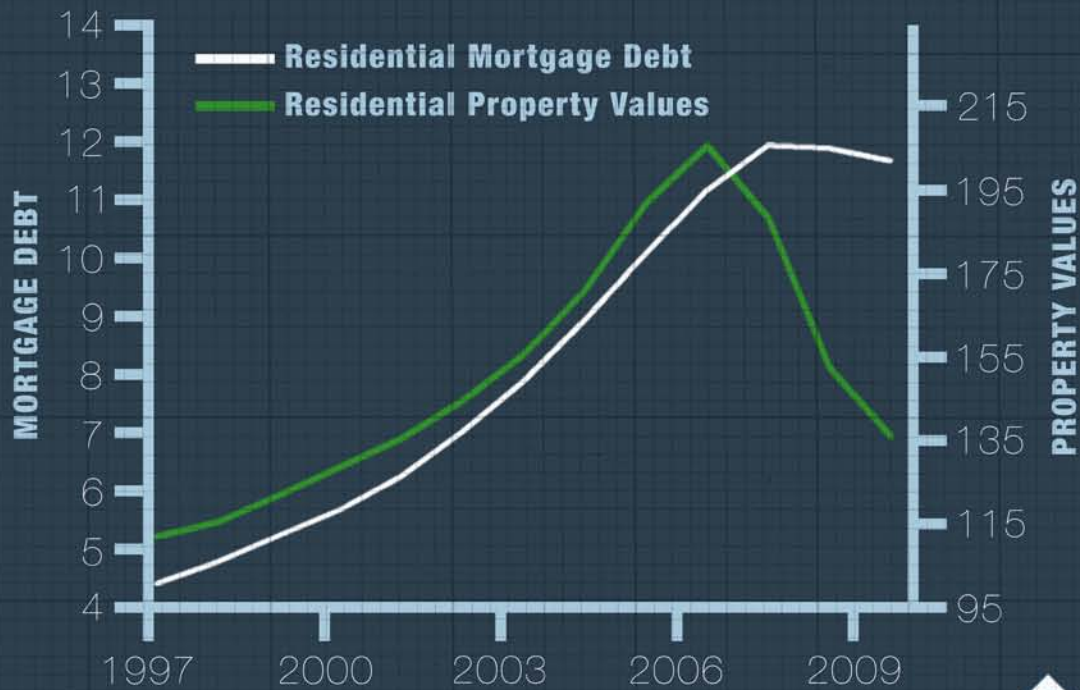


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Mortgage Bubble: Four years into the crash the fundamental question remains: Will we spend the next 10 or 20 years paying off the mastodon debt used to purchase this bubble? The sane answer is "no." The official answer is "yes."

America's Housing Bubble

The part of our financial system devoted to mortgage lending goes Japanese.
The fall in values has no effect on the debt assets.

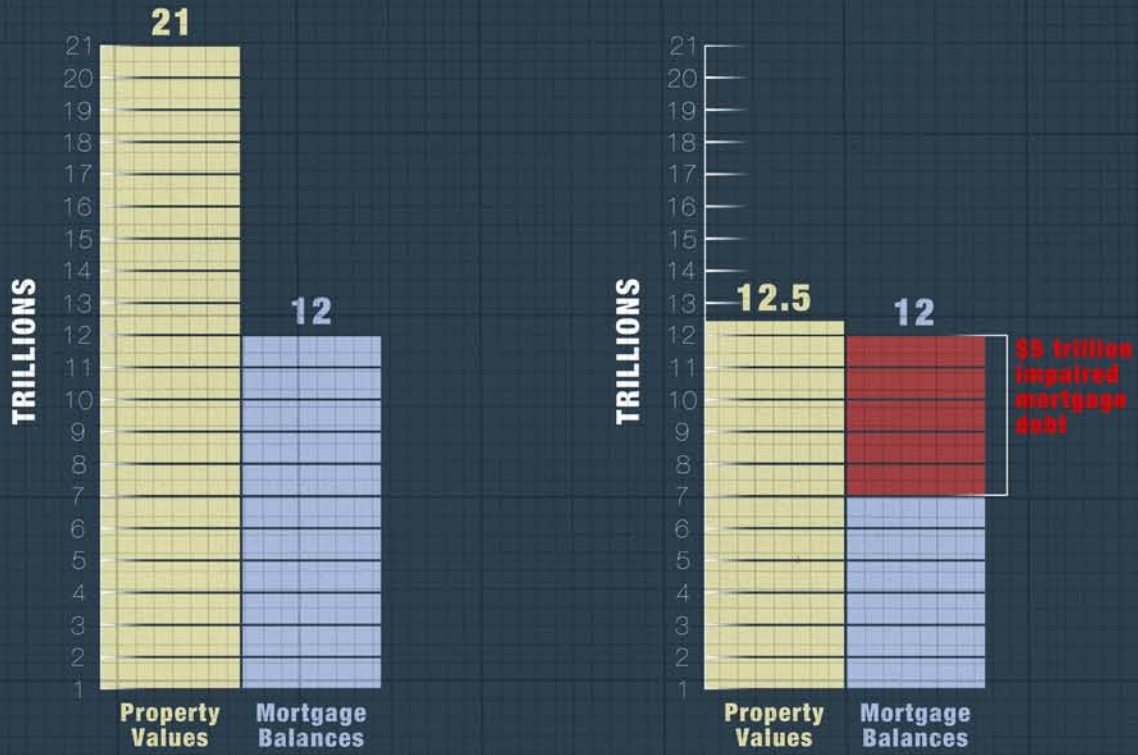


Property values have fallen 34%. Mortgage balances have fallen 2%.
Federal Housing Finance Agency (debt values 1/2010).
Case Shiller 120-year series (property values 1/2010).
Chart by HousingStory.net. Published 8/20/10.



Mortgage Bubble - The price of real estate has adjusted dramatically. Outstanding mortgage debt used to purchase the bubble remains unchanged. The housing sector is in a zombie mode.

ROTTEN MORTGAGE DEBT ADDS UP



6/06 → 40% fall in property values → 6/11



ORIGINALLY PUBLISHED NOVEMBER 10, 2008

Mortgage Bubble: If values fall by 40% nationally, HousingStory.net estimates that as much as \$5 trillion of mortgage debt will be contaminated and prone to either default or to zombie-ness.

11 MILLION HOMES WILL BE LOST TO PAYMENT DEFAULT

vervor design

95% OF LOANS NOW 60 DAYS LATE 4.94

70% OF LOANS ONCE LATE BUT NOW CURRENT 2.31

50% OF HIGH NEGATIVE-EQUITY HOMES 1.30

25% OF MODERATE NEGATIVE-EQUITY HOMES 1.00

5% OF ALL LOANS THAT HAVE NEVER BEEN LATE 2.02

TOTAL

11.57



CHART DATE OCTOBER 4, 2010

DATA BY AMHERST SECURITIES GROUP LP

Mortgage Delinquencies - All price forecasts are provisional because the current default rates have not been seen before by any observer. If 11 million mortgages go bad, it could easily lead to a major new fall in prices.

Delinquent Mortgages Vs. Unit Sales

7.7 Million Mortgages Past Due + 3.9 Million Homes For Sale

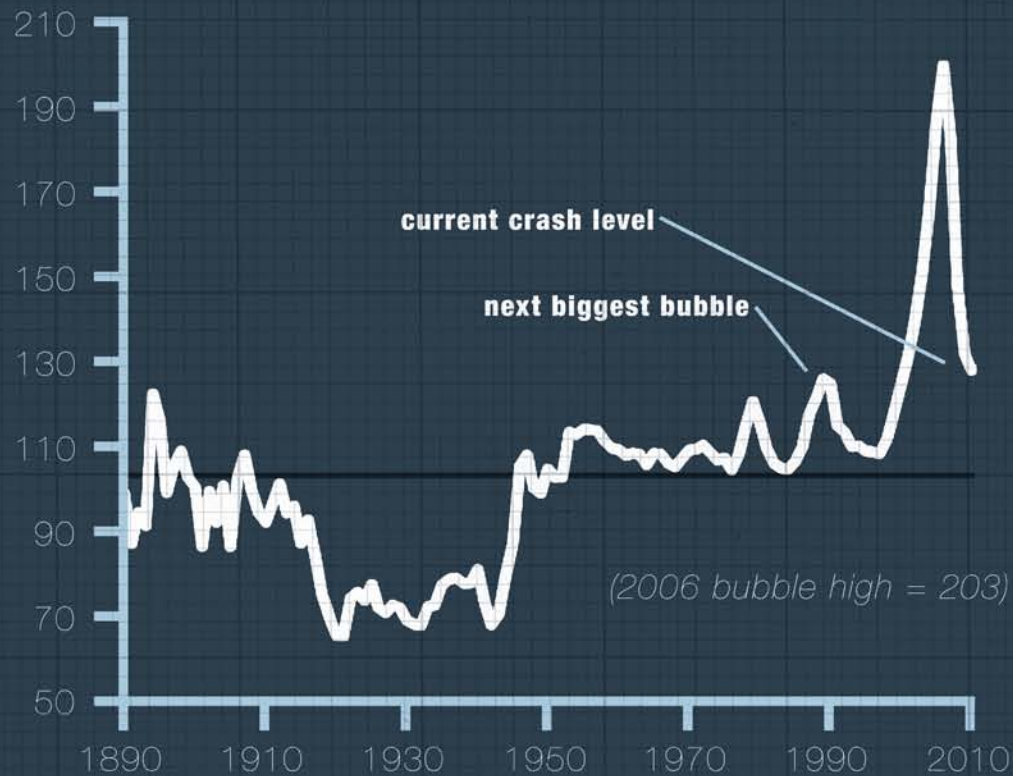


Existing Homes "Delinquent + For Sale" (X) "For Sale" (Y) "Sold" (Z)
(1999 to Oct 2010) National Association of Realtors.
This chart published 11/23/10 by HousingStory.net



Mortgage Delinquencies vs. Units for Sale: Look at the massive gap between "X" and "Z." Delinquent mortgages equal sixteen times average monthly sales. The gap proves that distressed supply could ruin prices.

America's Housing Bubble



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Price Trends: Based on the long series by Case Shiller current values are still far above long-trend norms. This is not a signal to buy. It's a seller.

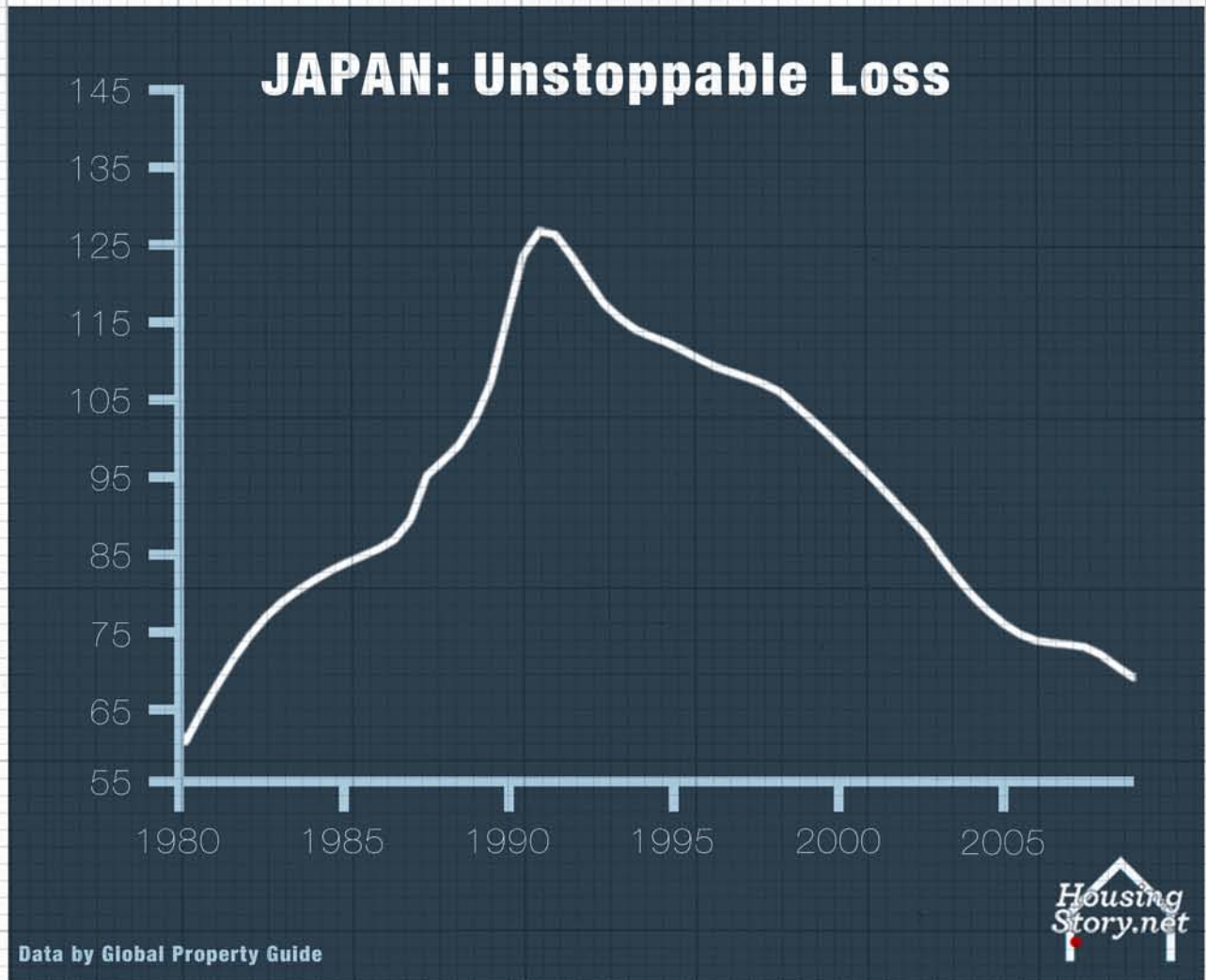


A SUMMARY OF RESULTS FROM MAJOR RESIDENTIAL-PROPERTY INDEXES

This chart published September 9, 2010, data as of 6/2010

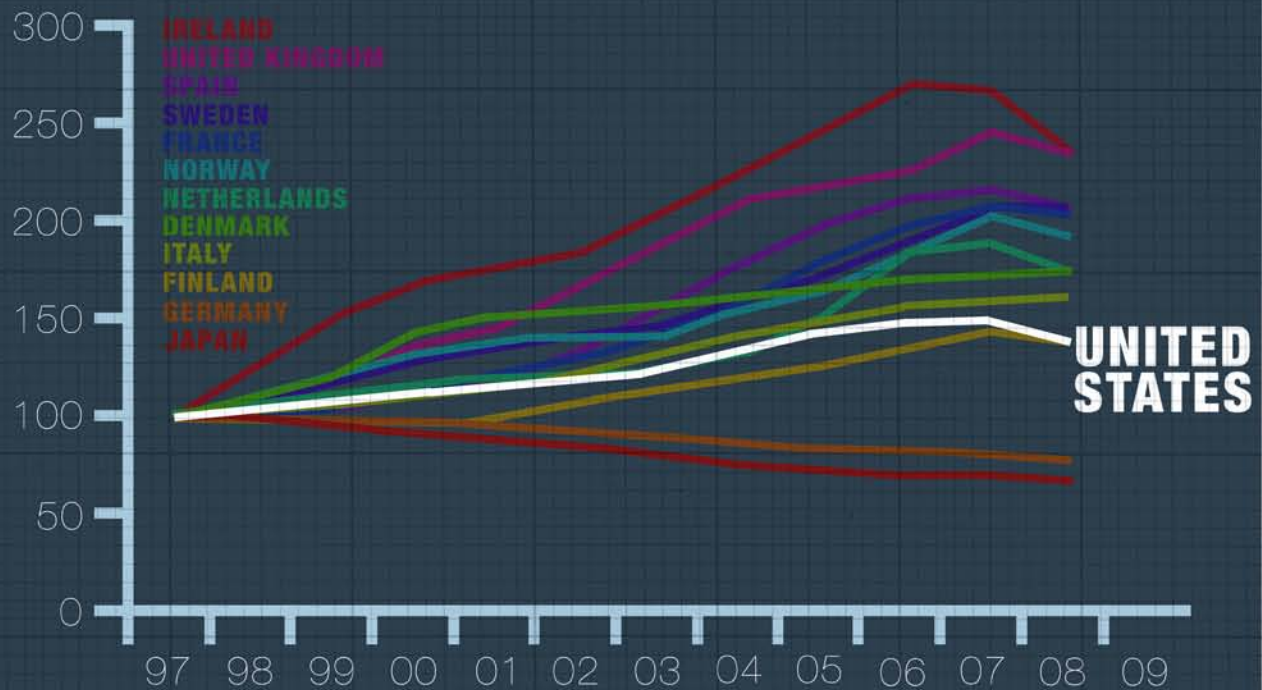
DATA SOURCE	AVERAGE OF FOUR DATA SETS	CASE-SHILLER 23 YEARS	FHFA 35 YEARS	FIRST AMERICAN 34 YEARS	FREDDIE 40 YEARS
A TOTAL FALL - PEAK TO TREND	<u>34%</u>	55%	21%	35%	25%
B CURRENT FALL FROM PEAK	<u>20%</u>	29%	11%	28%	12%
C LOSS - TODAY TO BOTTOM	<u>18%</u>	37%	11%	10%	15%
D GAIN - POST-CRASH RECOVERY	<u>3%</u>	7%	0%	6%	0%
E ESTIMATED LOSS IN 2010	<u>9%</u>	18%	4%	11%	4%
PERCENTAGE OF TOTAL FALL ALREADY LOST	<u>54%</u>	52%	54%	79%	32%

Price Trends - The HousingStory.net forecast of four major property price indexes suggests we are approximately half way through the total fall in property prices and that prices will fall an additional 18% from current levels.



Price Trends - The Japanese have 19 years of consecutive falling real estate prices. A real estate bubble is deadly serious business and is capable of destroying economic growth if handled incorrectly.

REAL HOUSE PRICES 1997-2008



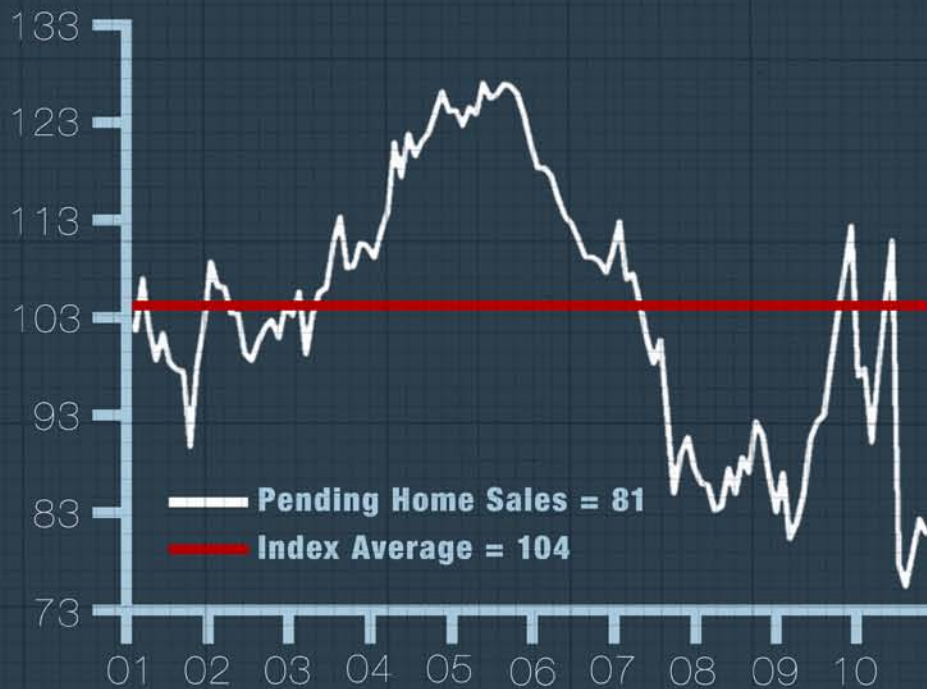
Note: All series are indexed to 100 in 1997 except Finland which is indexed to 100 at 2001.



Prices Trends: America's housing bubble was far greater than any on record. What if housing prices in many other advanced economies went far more manic than ours? It means you should plan for global catastrophe.

Pending Homes Sales Stuck at Crash Levels

“Demand Ain’t Doing Nothin”



National Association of Realtors. 2001 to Sep 2010. 11/5/10 Release Date.
Seasonally Adjusted. By HousingStory.net Published Nov 5, 2010



Sales Pending: After free down payments expired in April, demand has consistently maintained the weakest readings in the history of the series.

Units Sold/Month - Existing Homes

Millions of units. Actual Sales. No Seasonal Adjustment.



Existing Homes Sold In Units Per Month (1999 to Oct 2010).
Data by National Association of Realtors 11/23/10
This chart published 11/23/10 by HousingStory.net



SALES Closed: Sales of units are weak in the last three years even with unlimited government subsidies for new mortgages. The prescient question: Are we in a housing depression anyway even with unlimited mortgages from the Bank of Uncle Sam?

Units Sold Existing Homes

Sales volume is just above pathetic.



Existing Homes Sold In September (1999 to Oct 2010).
Data by National Association of Realtors 11/23/10.
This chart published 11/23/10 by HousingStory.net



SALES Closed/UNITS adjusted - Here again we see a stark and negative trend following the expiration of free down payments. Demand as measured in closed sales has been consistently worse than any prior period in the crash.

SELL



Proceed with great caution. The U.S. housing market is riddled with massive risks which will almost certainly lower prices. The global economy remains in quiet crisis due in part to property bubbles scattered throughout the major economies of the world. There's no shame in renting. There's huge risk of loss for buyers. And for sellers? Sell.