



The State Home Economics Chart I've provided you with contains great market insight into the reality of the real estate market in our state as opposed to the national picture too often described in the media.

Housing is a cyclical market. Just because some areas of the country have problems, this does not mean that we suffer the same conditions or at least not to the same degree.

To bring proper perspective focused on our markets, you can see here year-by-year appreciation, the OFHEO housing price index and trend line since 1976 and a projection based on historical performance. On the reverse, you'll find the most important supporting demographics, which are unemployment, population change and growth rate, disposable income growth, and ownership participation. References to "bubbles" in our market may make for good news stories but are not accurate.

Some of the most important points that you can conclude from this chart are:

- Our prices are very much in line with the historical trend line
- Going forward, similar momentum in value will quite quickly reward the purchase of property just as it has in the past.
- Our labor market has its cycles but overall, has been close to what economists consider "full employment"
- Our population has grown and with that, so too does the need for housing and in turn, values
- Disposable income growth has marched forward at a steady pace and with it, affordability
- Over time, more people choose and/or have been able to purchase their own homes

I hope you find value in this educational piece and I look forward to answering any questions you may have.

Sincerely,

Laurence E. Ostrom, Owner  
NMLS Licensed, Mortgage Broker