



# Welcome to Wilmette

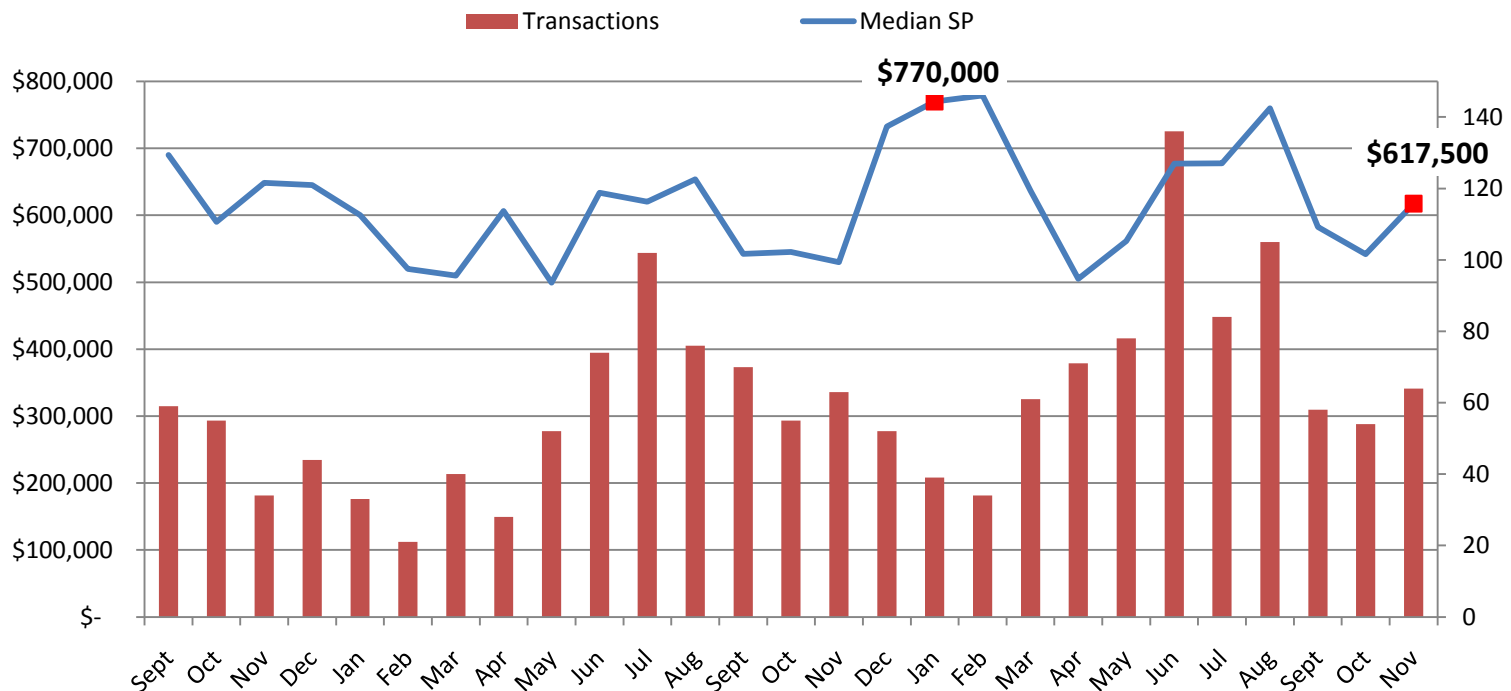
---

Real Estate Transactions in Wilmette  
November 2010

@properties

# North Shore: Modest Sales Increase in November

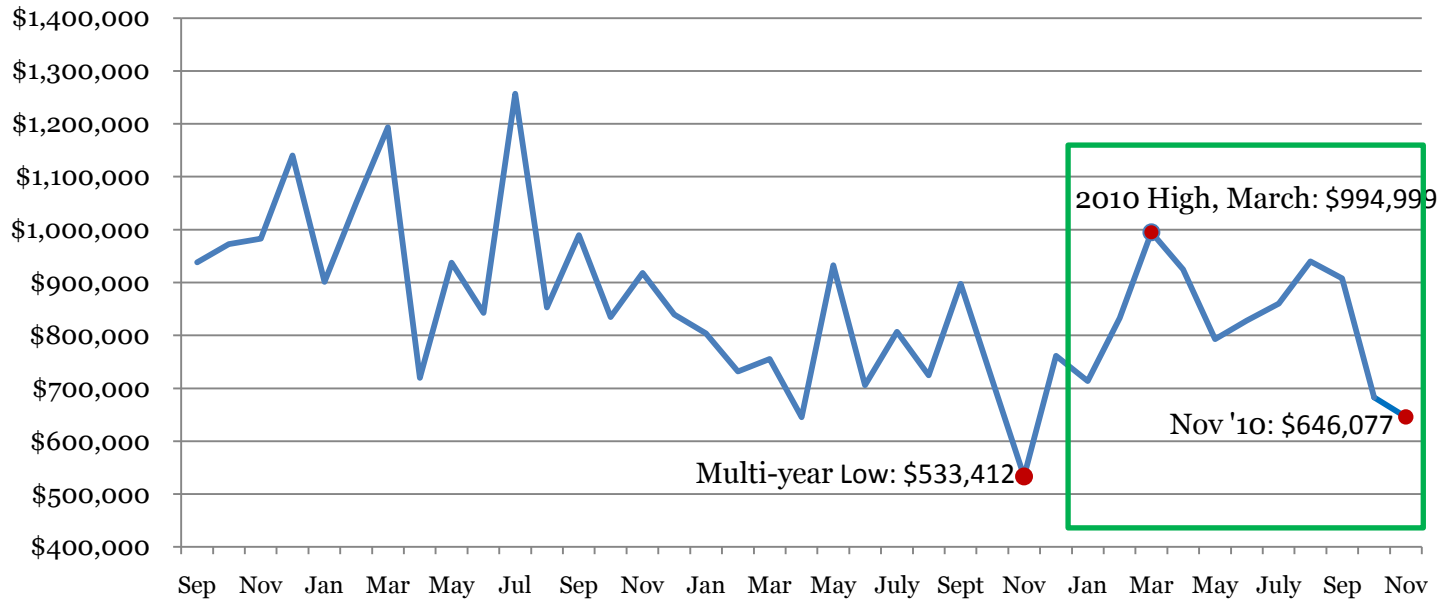
## Chicago's North Shore - Evanston to Winnetka Single Family Homes Sales



If we ignore the high reached in February 2010 we still see a moderate downtrend in pricing for North Shore Single Family Homes. In November there was a slight uptick in transactions (driven by minor increases in all four communities) after the sharp drop off in volume in September. While it still looks as if more homes will sell in 2010 as did in 2009, the fall-off from June is something to watch. Wilmette and Winnetka lag the other markets, although it's hard to

# Wilmette Still Fighting Downtrend

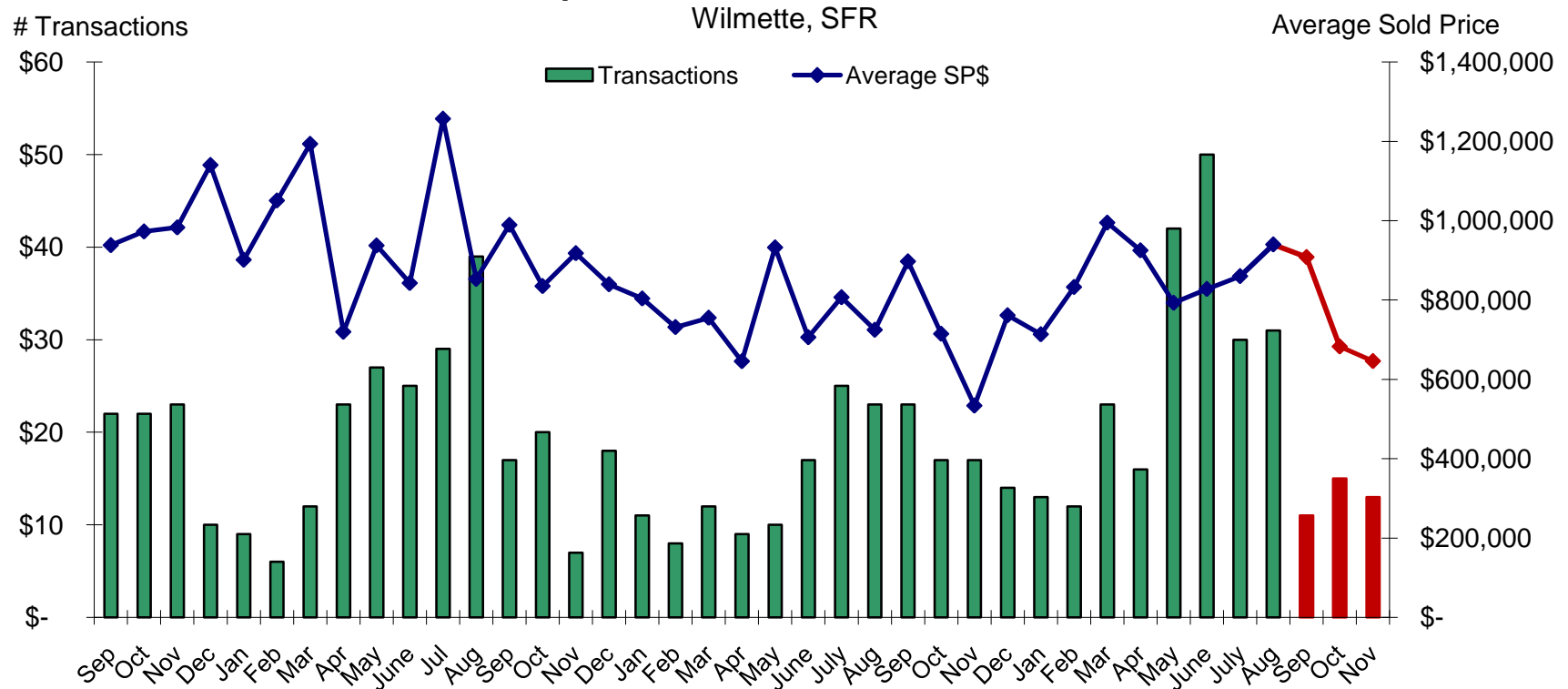
## Wilmette Average Sold Price September 2007 to November 2010



As with the broader real estate market, Wilmette suffered through 2009 not only with lower prices but also lower transaction volume. In a distinct reversal of 2009 Wilmette real estate appeared to be on track in the first quarter of 2010. January began with average Sold Prices just above \$713,000 continued upward to \$994,999 in March. In the first quarter, people who had sold to first-time home buyers were driving the Wilmette move. We saw strong sales numbers in May, June, July and August but then the market lost headway. Then the trend reversed dramatically and last month the average sales price closed just below \$650,000. Much of this can be attributed to a general pessimism, a persistently high unemployment rate and an unfriendly lending environment.

# Decline in Prices/Transactions in November

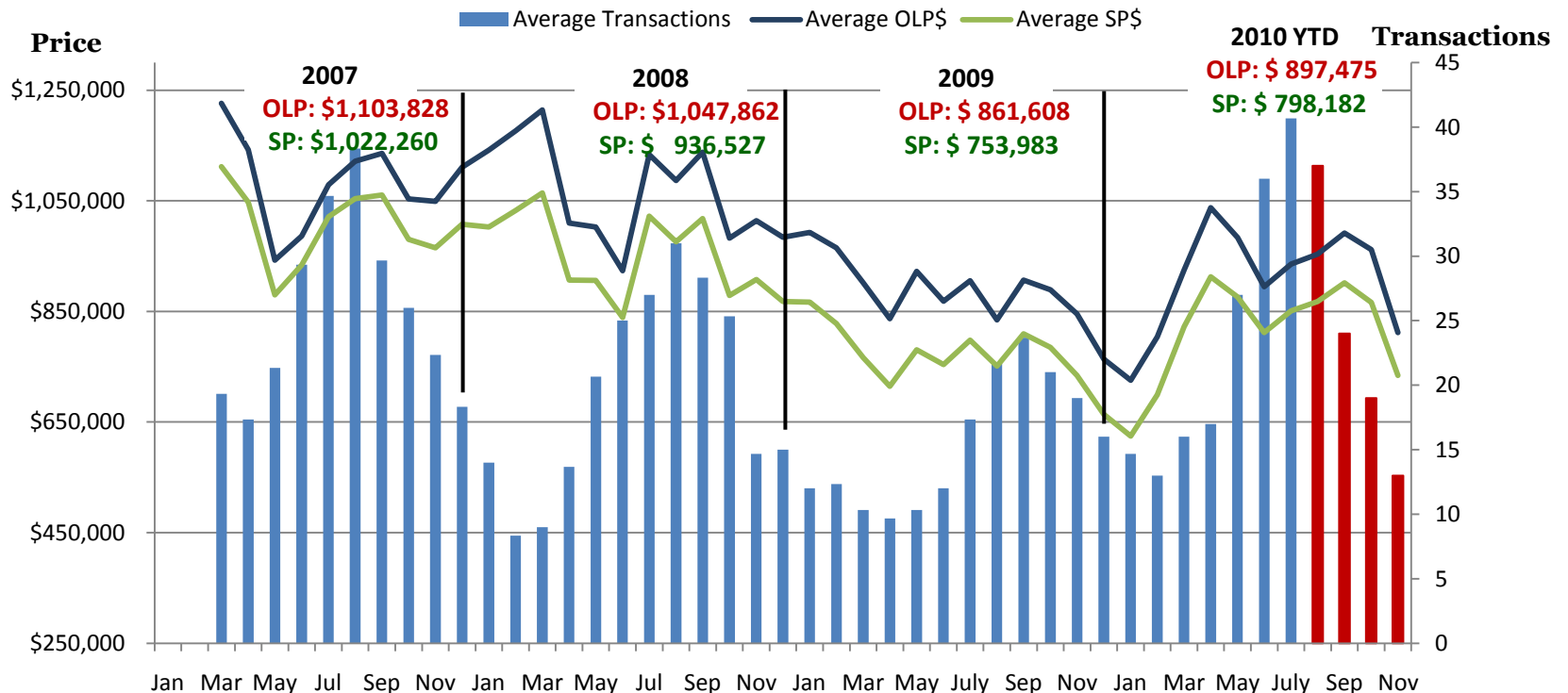
**Contracts vs Average Sale Price  
September 2007 to November 2010**



Two months ago we lost the upward bias in Average Sold Price for homes in Wilmette. I am concerned about the three month decline in Transactions as well. In October we saw marginally more transactions but the results are still below those for the prior two years. November was not better. Some of this decline can be attributed to the Federal Tax Credits but we've talked about that for several months now. I suggest there is still an underlying issue: a lack of consumer confidence, people just don't believe the recovery is real. With low interest rates, substantially lower prices and many housing choices, we should have seen a "pop" back. With only December to make up lost ground, it appears Wilmette will have a "flat" year. **In this market, holding even is a great accomplishment!**

# Q3 and Q4: Signs of Slowing Down

## Closed Transactions - Trailing Three Months March 2007 - November 2010



In a disturbing trend Trailing 3 Month average **transactions** continue to drop dramatically (red bars). September, October and November Closed volume is below that of the prior two years. Last month I noted that there appeared to be a stability between Original List Prices and Sold Prices. In November we saw that ratio drop for the second month as both list and sold prices dropped. Average prices are down and suggests smaller, lower priced homes are out selling the larger ones. In fact, 25% of the homes sold in October were BELOW \$500,000 – the first time in Wilmette in well over a year.

# What to Look For:

---

- Continued slowdown in December –
  - Seasonal slow down – “right on time”, December is always a quiet time
  - The unemployment rate is still high – 9.8%
  - Lack of consumer confidence despite increased consumer spending on smaller ticket items
- Concern at the Federal Reserve Bank
  - We may still see additional Fed stimulus and low mortgage rates
- Distressed Sales will affect pricing in 2011
  - Appraisers will include Foreclosed, Short and Bank Sales in calculations
- **“Shadow Inventory”** in Wilmette could depress prices
  - I know of 56 Wilmette homes 90 days behind or in foreclosure
  - If they come to market Inventory would grow an additional 35%

# How to Reach Me

---

Address:

@properties North Shore

30 Green Bay Road

Winnetka, IL 60093

Telephone: 847-833-8572

Email: [donshea@atproperties.com](mailto:donshea@atproperties.com)

Website: [www.welcometoWilmette.com](http://www.welcometoWilmette.com)