

Economic Conditions

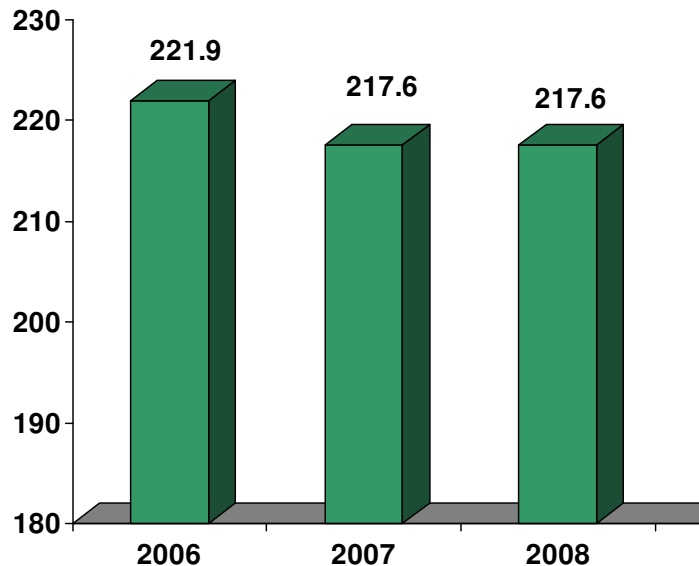
- Dollar weak
- Oil prices up
- Consumer confidence down
- Inflation, stock market uncertain

However...

all eyes are on real estate



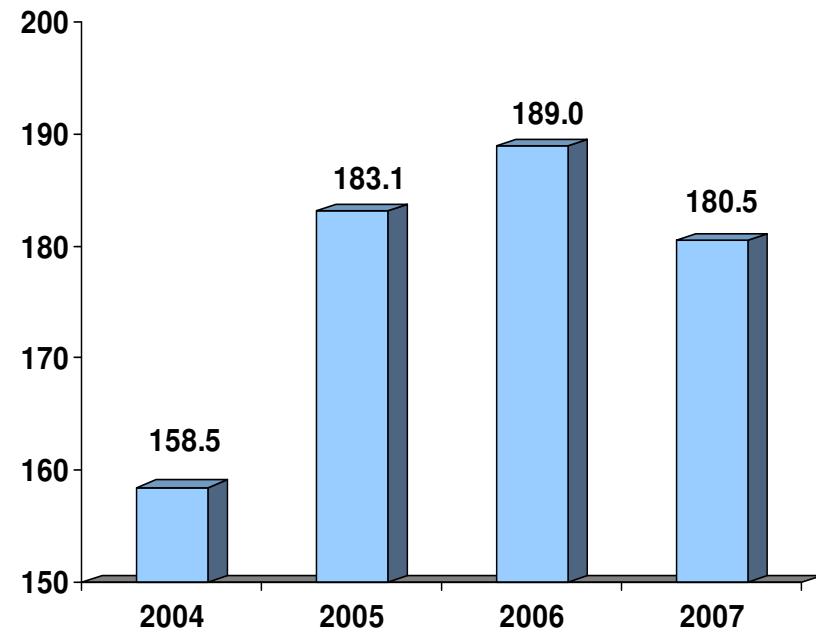
National Association of Realtors Existing Home Prices



“Near-term, existing-home sales should continue to hover in a narrow range...and that’s good news because it’ll be a further sign that the housing market is stabilizing.”

– Lawrence Yun, NAR Chief Economist 12/07

S&P Case-Shiller U.S. National Home Price Index



“Based on the futures market for the S&P Case-Shiller Composite Index, we are looking at homes prices down another 5 percent in 2008.”

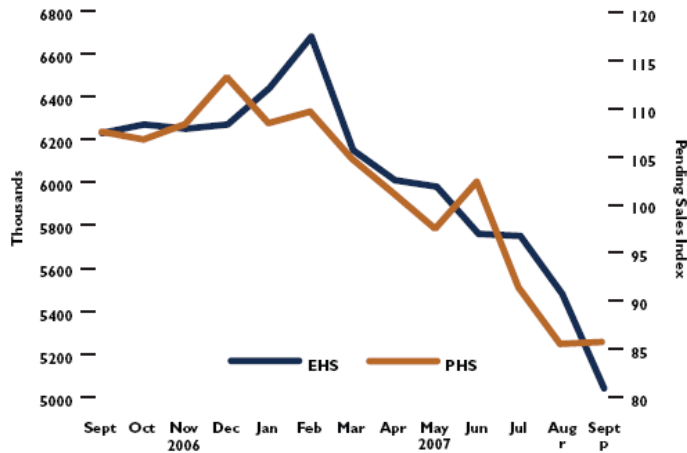
– Robert Shiller, Economist 11/07

National Real Estate Trends

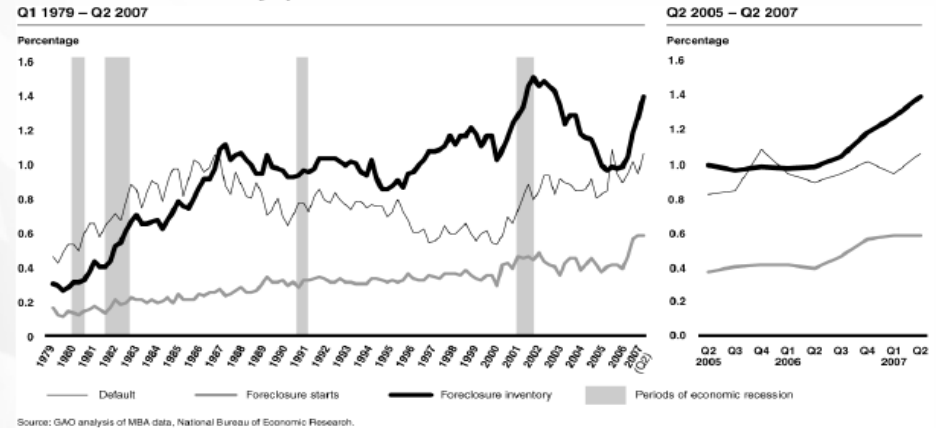


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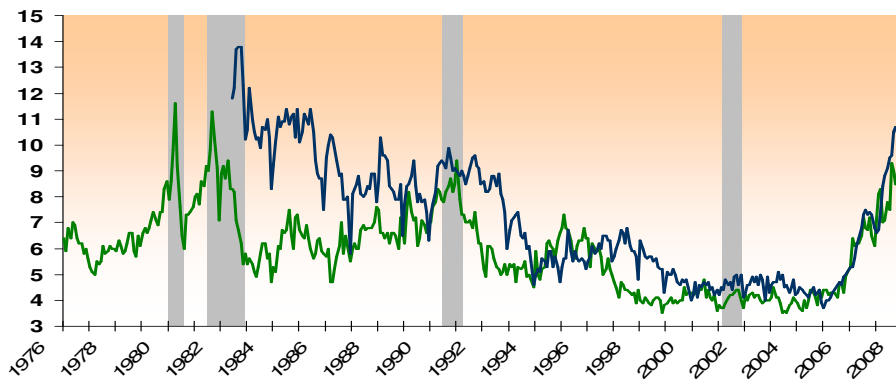
Pending Home Sales (existing home sales lagged by 1-2 months)



Default and Foreclosure Rates

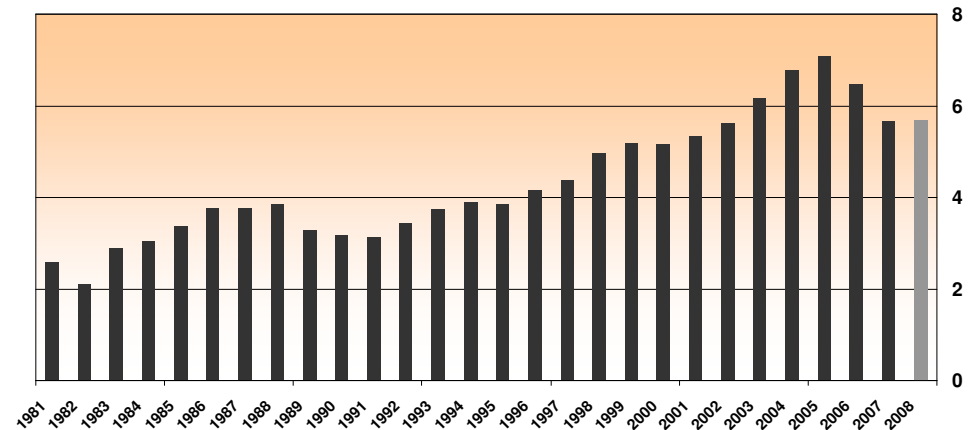


Months of Inventory



Source: NAR, Bureau of Census, Freddie Mac

Total Existing Home Sales



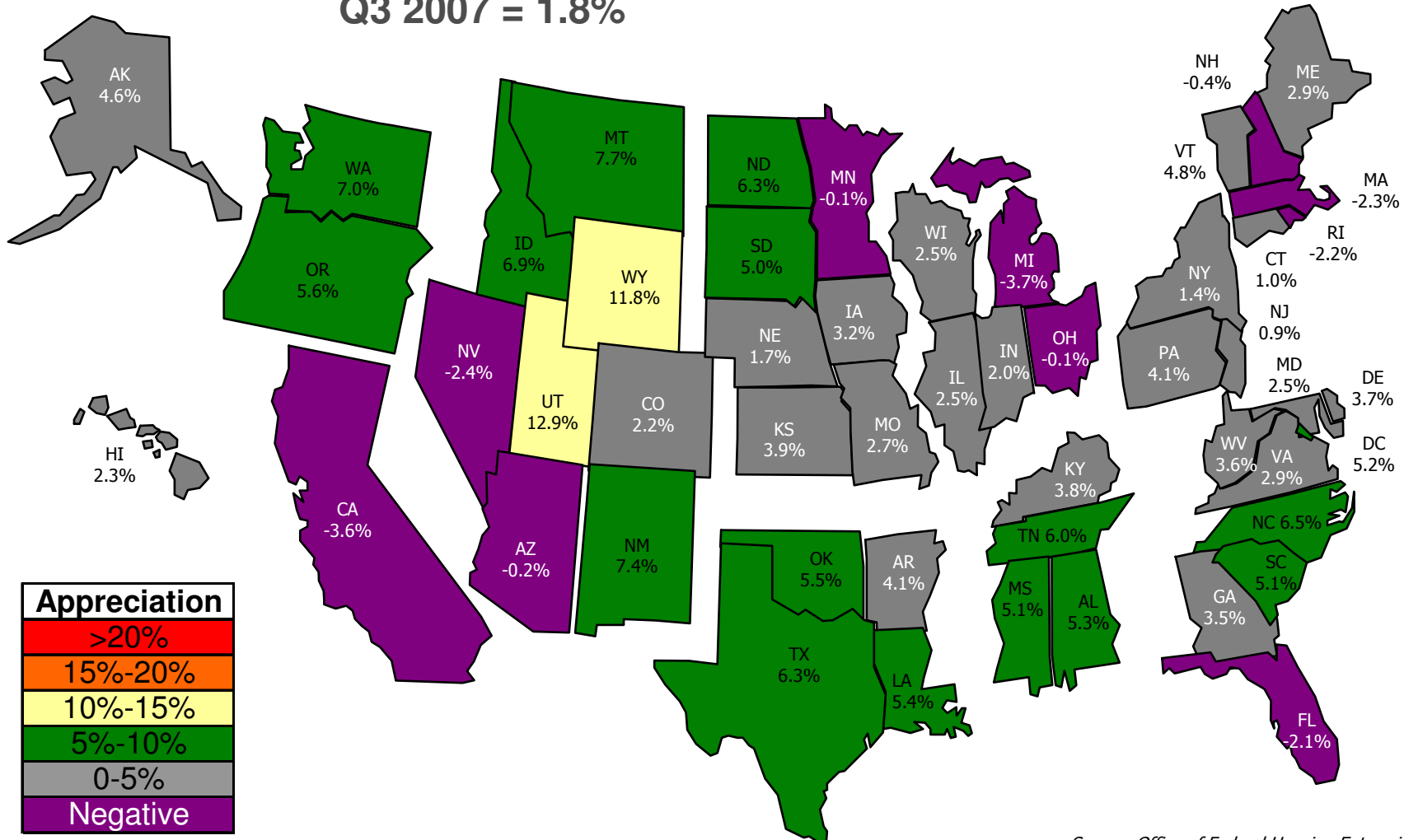
Source: NAR

2007 Industry Update-OFHEO.gov



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Q3 2007 = 1.8%



Source: Office of Federal Housing Enterprise Oversight

TReND Activity 2005-2006-2007 Sold Properties



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Activity YTD 2007

Activity YTD 2006

Activity YTD 2005

RESIDENTIAL	Units Sold YTD	Median Sold Price	Median DOM	SPrice/OPrice	Units Sold YTD	Median Sold Price	Median DOM	sPrice/Opri ce	Units Sold YTD	Median Sold Price	Median DOM	sPrice/Opri ce
Total TReND Counties	78,031	\$226.0	44	94.67%	87,468	\$221.5	35	95.80%	96082	\$210.50	23	97.26%
Berks County	4,993	\$165.0	40	95.65%	5,714	\$155.0	28	96.72%	6,016	\$150.00	22	97.45%
Bucks County	6,870	\$300.0	43	95.22%	7,224	\$300.0	35	95.93%	8,442	\$289.00	22	97.41%
Chester County	5,889	\$315.0	45	95.59%	6,613	\$308.0	35	96.56%	7,179	\$303.00	23	97.61%
Delaware County	6,804	\$212.0	35	94.88%	7,270	\$195.0	27	95.91%	7,640	\$189.90	19	97.13%
Montgomery County	9,878	\$276.5	40	95.04%	10,854	\$275.0	32	96.19%	11,689	\$265.90	22	97.35%
Philadelphia County	15,785	\$139.9	41	93.36%	17,812	\$135.0	36	94.24%	18,357	\$130.00	22	96.18%
Total Pennsylvania	50,219	\$225.0	41	94.64%	55,487	\$220.0	33	95.59%	59,323	\$211.00	22	97.01%
Burlington County, NJ	5,427	\$240.0	59	94.37%	6,417	\$242.5	45	96.07%	7,566	\$230.00	31	97.68%
Camden County, NJ	5,917	\$195.0	52	94.38%	6,763	\$194.0	41	95.83%	8,092	\$180.00	29	97.49%
Gloucester County, NJ	3,206	\$224.0	57	94.28%	3,670	\$217.0	45	95.93%	4,033	\$199.90	32	97.29%
Mercer County, NJ	3,992	\$274.0	60	93.40%	4,463	\$271.0	56	94.40%	5,431	\$258.00	38	96.59%
Salem County, NJ	622	\$173.0	72	92.16%	696	\$173.0	53	93.98%	765	\$159.00	37	95.99%
Total New Jersey	19,164	\$225.1	57	94.08%	22,009	\$225.0	46	95.57%	25,887	\$211.50	32	97.28%
Kent County, DE	1,784	\$225.0	42	96.34%	2,264	\$229.9	27	98.08%	2,571	\$207.00	14	99.35%
New Castle County, DE	6,864	\$235.0	33	96.12%	7,708	\$225.0	23	97.26%	8,301	\$210.00	14	98.34%
Total Delaware	8,648	\$232.0	35	96.17%	9,972	\$225.0	24	97.45%	10,872	\$210.00	14	98.58%

TReND Activity 2005-2006-2007 Listed Properties



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Activity YTD 2007

Activity YTD 2006

Activity YTD 2005

RESIDENTIAL	Total Units For Sale	Units Sold YTD	Median Sold Price	Median DOM	Total Units For Sale	Units Sold YTD	Median Sold Price	Median DOM	Total Units For Sale	Units Sold YTD	Median Sold Price	Median DOM
Total TReND Counties	55,766	3,514	\$219.9	58	53,047	4,816	\$219.0	54	41,303	4,811	\$210.0	41
Berks County	4,072	273	\$164.9	58	3,442	309	\$155.0	43	2,685	347	\$139.9	39
Bucks County	4,260	302	\$289.9	57	4,182	393	\$299.0	59	3,190	374	\$299.8	42
Chester County	4,158	231	\$314.9	62	4,132	359	\$309.9	63	3,362	350	\$296.5	44
Delaware County	3,666	304	\$189.9	49	3,321	416	\$209.9	54	2,766	371	\$179.9	40
Montgomery County	5,858	443	\$267.9	58	5,768	566	\$279.9	58	4,470	512	\$269.0	40
Philadelphia County	12,396	754	\$129.9	55	12,828	1,040	\$133.0	50	10,790	1,033	\$126.2	37
Total Pennsylvania	34,410	2,307	\$214.9	57	33,673	3,083	\$215.0	53	27,263	2,987	\$209.0	40
Burlington County, NJ	4,646	247	\$228.7	71	4,204	327	\$237.7	64	2,852	362	\$235.0	48
Camden County, NJ	4,786	239	\$189.9	58	4,318	401	\$189.0	54	3,162	408	\$182.9	42
Gloucester County, NJ	2,602	138	\$206.9	64	2,336	189	\$219.0	68	1,713	216	\$219.9	54
Mercer County, NJ	2,989	168	\$279.0	59	3,103	258	\$280.0	75	2,449	269	\$269.9	63
Salem County, NJ	628	27	\$198.0	65	533	39	\$150.0	76	362	29	\$164.9	43
Total New Jersey	15,651	819	\$219.0	65	14,494	1,214	\$219.9	65	10,538	1,284	\$219.9	51
Kent County, DE	1,823	74	\$234.9	53	1,536	109	\$215.0	39	1,041	121	\$220.0	23
New Castle County, DE	3,882	314	\$239.9	54	3,344	410	\$227.9	37	2,461	419	\$205.9	27
Total Delaware	5,705	388	\$239.0	54	4,880	519	\$224.9	38	3,502	540	\$209.9	26

Coldwell Banker Preferred Industry Statistics

	Chester County, PA	Delaware County, PA	Montgomery County, PA	Philadelphia County, PA	New Castle County, DE
2007 Median Price	\$ 315,000	\$ 212,000	\$ 276,500	\$ 139,900	\$ 235,000
2006 Median Price	\$ 308,000	\$ 195,000	\$ 275,000	\$ 135,000	\$ 225,000
Change	2.27%	8.72%	0.55%	3.63%	4.44%
\$0 to \$200K					
Days on Market	67	58	66	60	51
Absorption Rate	4	5	5	6	4
\$200K to \$500K					
Days on Market	69	67	67	74	63
Absorption Rate	6	5	5	7	5
\$500K to \$800K					
Days on Market	79	90	85	88	96
Absorption Rate	7	7	9	16	9
\$800K to \$1M					
Days on Market	82	88	109	101	83
Absorption Rate	11	17	11	21	12
over \$1M					
Days on Market	131	97	88	103	112
Absorption Rate	23	14	18	20	21
Months					
Increasing or Declining DOM	Increasing	Increasing	Increasing	Inceasing	Increasing

Impacts on Relocation Industry

- Rental market to increase for destination services
- More transferees not willing to relocate
- Employee home sale incentives
 - The old saying “the first offer is often the best offer” is a good rule of thumb in a tough market. Home sale incentives engage employees early – and actively – in the sale of their homes, preventing loss of solid offers.
- Buyer incentives
 - Paying closing costs, points, mortgage buydowns may help encourage negotiations.
- Fix-up allowances
 - A relatively small expense can create immediate competitive advantages, driving increased amended sales and BVO.

Predictable Surprises?

- Fewer employee-generated sales (amended / BVO)
- More homes entering inventory
- Longer time to sell and higher average direct costs
- Need to budget for future costs that can be anticipated



Focus on Prevention

- Condition
- Pricing
- Incentives
- Policy restrictions

More Aggressive Approach to Sales

- Stay ahead of the competition
- Spend a little upfront...
- Accelerate approvals

- **Mortgage Market Update: How does it impact Relocation?**

The tremendous changes in the mortgage market over the past few months, accompanied by an unprecedented media attention, prompted many companies to question the current and future impact on the relocation programs and transferring of employees.

Recommendations to your employees

- Start mortgage process ASAP
- Lenders requiring higher credit scores and larger down payments
- Increased documentation of income and assets
- Greater scrutiny of job history, salary and other compensating factors
- Pre-approval letter to pre-approval mortgage commitment
- Pricing increases on all jumbo loans
- Employees that are selling their homes should try to close as quickly as possible. Those holding out for better deals will most likely lose out entirely.

Q and A