

HADDOW'S REAL NEWS

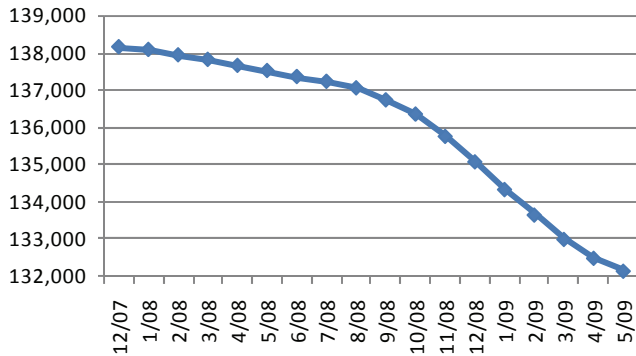
QUARTERLY MARKET INSIGHTS

SECOND QUARTER, 2009

ECONOMIC RECOVERY SCORECARD

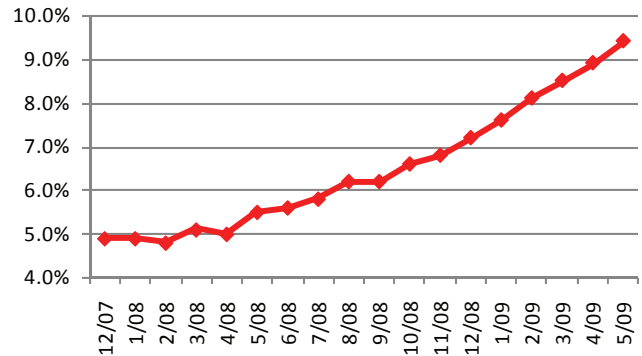
The economy's importance to the real estate market has never been more evident. Two dramatic measures of the U.S. economy's descent since the recession began in December, 2007, are reflected below:

Non-Agricultural Employment (000s) - U.S.



Source: U.S. Bureau of Labor Statistics

Unemployment Rate - U.S.

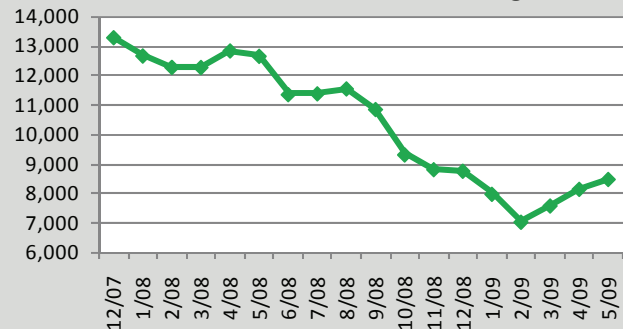


Source: U.S. Bureau of Labor Statistics

In spite of this bleak employment picture, positive signs are starting to surface:

- U.S. job losses were 345,000 in May, 2009, roughly half the level recorded in February, 2009.
- Ten financial institutions repaid \$68 billion in Troubled Asset Relief Program (TARP) funds.
- The Dow Jones Industrial Average rose 30 percent between its low point on March 9, 2009, and the end of May.
- House prices have leveled off after freefalling, and resale volume has grown steadily since February, according to the National Association of Realtors.
- The Leading Economic Index climbed 1.2 percent in May and 1.1 percent in April, following a steady decline since July, 2007.
- Consumer confidence is on the rebound, as reflected by the sharp rise in the Consumer Sentiment Index since February.

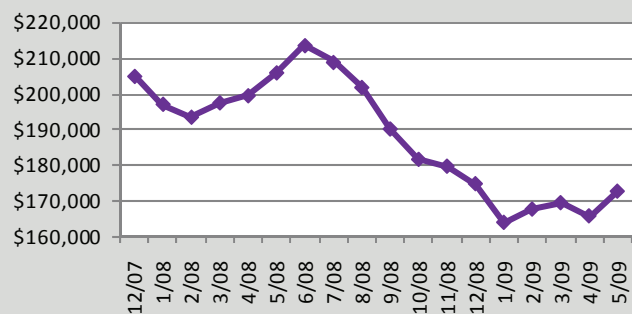
Dow Jones Industrial Average*



* Figures are taken at month's end.

Source: Dow Jones & Company

Median Sales Price of Existing Single-Family Homes - U.S.



Source: National Association of Realtors

Does this mean the recession is over? No, but it does suggest the worst is behind us. That knowledge alone could help spur the recovery by instilling the confidence to act.

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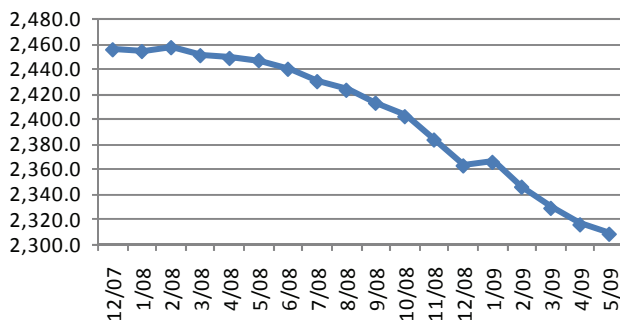
SECOND QUARTER, 2009

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WHAT ABOUT ATLANTA?

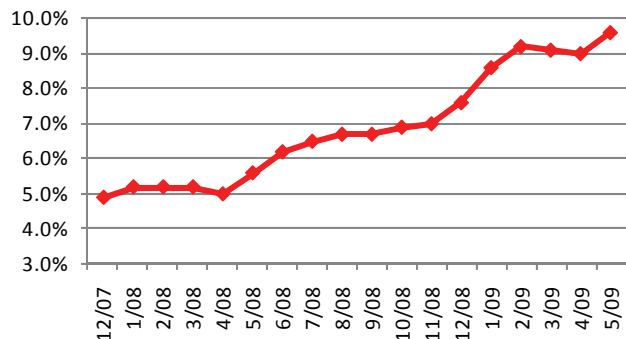
Metro Atlanta's population has expanded at a rate 2.6 times the national average since 1960, a phenomenal record of sustained growth. Blessed with a diverse economy and strategic role as economic capital of the Southeast, Atlanta has generally proven resilient to national economic recessions. This has not been the case since 2000. The Atlanta MSA actually had a net loss of 23,100 jobs between 2000 and 2004, even though the 2001 national economic recession was short-lived. What about the current recession? Employment and unemployment data tell the story.

Non-Agricultural Employment (000s) - Atlanta MSA



Source: U.S. Bureau of Labor Statistics

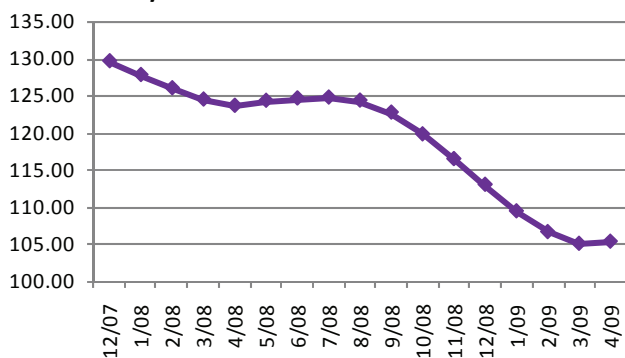
Unemployment Rate - Atlanta MSA



Source: U.S. Bureau of Labor Statistics

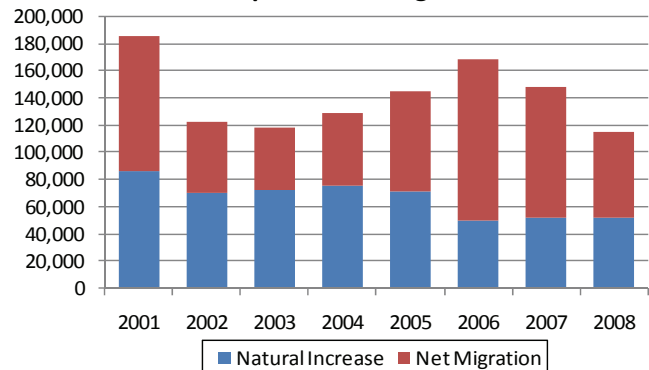
Atlanta's job losses have actually been more severe in percentage terms than the U.S., and the unemployment rate is also higher. This helps explain the sharp reduction in demand for all types of real estate. Unfortunately, a quick turnaround is not likely. The Georgia State University Economic Forecasting Center recently predicted (May, 2009) that metro Atlanta will lose 125,800 jobs in 2009, followed by a decline of 42,100 jobs in 2010. Two bright spots are house prices appear to have bottomed and people continue to migrate to Atlanta.

S&P/Case-Shiller Home Price Index - Atlanta



Source: Standard & Poor's Financial Services, LLC

Annual Population Change - Atlanta MSA



Source: U.S. Census Bureau

NCR Corporation's recent announcement that it plans to relocate its headquarters to Atlanta is certainly good news, providing further evidence of the city's appeal to technology companies. Corporate relocations are a vital economic driver, and more are needed to reverse the downward job spiral. The likelihood of a protracted economic recovery has important implications for real estate decision-making of all kinds.

To monitor changes in key monthly economic and housing indicators, please visit www.haddowandcompany.com. As always, your thoughts and feedback are encouraged.



If you have questions or would like more information, please contact us.

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