

BUSINESS

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BIGCAPS IN CHICAGO

+1.44%

The one-week change in stock price for the 49 largest Chicago-based companies, as measured by market cap on March 31, 2006. Period covered: Nov. 1-8. During the same week, the DJIA was up 1.21 percent; the S&P 500 was up 1.32 percent.

TOP 10

COMPANY AND HEADQUARTERS	\$	CLOSE	% CHANGE
Abbott Labs (ABT), Abbott Park	47.28	-0.30%	
Boeing (BA), Chicago	85.45	6.73%	
Motorola (MOT), Schaumburg	21.47	-5.71%	
Kraft (KFT), Northfield	34.36	0.00%	
Walgreen (WAG), Deerfield	43.28	2.78%	
McDonald's (MCD), Oak Brook	42.03	0.41%	
Exelon (EXC), Chicago	59.60	-4.35%	
Allstate (ALL), Northbrook	62.59	2.54%	
Illinois Tool Works (ITW), Glenview	47.92	0.34%	
Baxter Intl. (BAX), Deerfield	45.84	0.42%	

GAINERS

COMPANY AND HEADQUARTERS	\$	CLOSE	% CHANGE
Clark (CLK), North Barrington	16.41	31.28%	
Carsen Ed. (CECO), Hoffman Estates	24.36	10.73%	
Tellabs (TLAB), Naperville	11.30	9.07%	
Unitrin (UTR), Chicago	47.56	8.83%	
Schaww (SGK), Des Plaines	20.37	8.06%	
Advanced Life Sci. (ADLS), Woodridge	3.10	6.90%	
Boeing (BA), Chicago	85.45	6.73%	
Praxair (PTV), Lake Forest	32.56	6.37%	
Nuveen Invt. (LNC), Chicago	51.56	6.31%	
CDW (CDWC), Vernon Hills	68.44	6.26%	

LOSERS

COMPANY AND HEADQUARTERS	\$	CLOSE	% CHANGE
CTI Industries (CTB), Barrington	5.70	-9.38%	
Hospira (HSP), Lake Forest	33.30	-7.93%	
Gen. Growth Props. (GGP), Chicago	47.31	-7.87%	
Litelluse (LUS), Des Plaines	30.06	-7.68%	
A.M. Castle (CAS), Franklin Park	28.00	-5.98%	
Motorola (MOT), Schaumburg	21.47	-5.71%	
Equity Res. (EOR), Chicago	50.17	-5.59%	
Naico Holding (NLC), Naperville	19.74	-5.28%	
Imvtech Pharma (IMM), Vernon Hills	6.16	-4.79%	
NeoPharm (NEOL), Lake Forest	6.80	-4.76%	

AROUND TOWN

COMPANY AND HEADQUARTERS	\$	CLOSE	% CHANGE
Allstate (ALL), Northbrook	62.59	2.54%	
IDEX (IDEX), Northbrook	46.83	-0.02%	
Illinois Tool Works (ITW), Glenview	47.92	0.34%	
Kraft (KFT), Northfield	34.36	0.00%	
Stepan (SCL), Northfield	29.99	0.54%	
Think Partnership (THK), Northbrook	2.89	-3.02%	

Stock price information provided courtesy of Chicago investment firm William Blair & Company. www.williamblair.com

Realtors: Slump overblown

But statistics say homes take longer to sell

By RUTH SOLOMON | Staff Writer
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Is the media overplaying the slowdown in the housing market? Or does the media merely reflect reality?

It depends on whom you ask.

The media is "absolutely" overplaying the slowdown, said Nancy Sobol, president of the McHenry County Association of Realtors.

"Yes, yes, yes," agreed Oak Park Association of Realtors executive officer Gerri Keating, reached last week (Nov. 8) in New Orleans, where the National Association of Realtors is holding its annual convention.

Sobol and Keating reflect the view of many Realtors who blame part of the recent slowdown on the media. In fact, as part of an attempt to change public perception, the National Association of Realtors will be rolling out an ad campaign aimed at bolstering the home-buying market.

Others say the media merely reports the situation out in the trenches.

"It is almost a panicky thing. If that's the way it is, people will be willing to make deals. ... We've had three to four years of what I call a feeding frenzy."

Nancy Sobol,

president of the McHenry County Association of Realtors

"The reality is, we all knew it was coming. We always have a correction," said Robert E. Headrick, chief executive officer of Headrick-Wagner Appraisal Group, which has offices in Schaumburg, Naperville, Park Ridge, Oak Brook, Flossmoor, and Chicago.

More time on market

October 2006 figures released by Headrick-Wagner for dozens of communities throughout the Chicago area showed dramatic increases in the number of months that homes were on the market, compared with October 2005.

Home sales drop, but mixed picture on prices



September 2006 versus September 2005 homes sales

The number of homes sold in September dropped in Cook, DuPage, Lake and McHenry counties compared with the same month a year ago, but the picture on prices was mixed. Median home prices were down in Lake and McHenry counties, but up just a tad in Cook and DuPage counties.

	Number of sales		Sales % change	Median price		Median price % change
	Sept. '05	Sept. '06		Sept. '05	Sept. '06	
COOK	6,788	5,430	-20.0%	\$250,000	\$253,000	1.2%
DUPAGE	1,449	957	-34.0%	\$268,000	\$274,000	2.2%
LAKE	1,136	827	-27.2%	\$250,000	\$240,000	-4.0%
MCHEMRY	506	396	-21.7%	\$230,865	\$217,000	-5.9%
CHICAGO AREA (7 county)	12,073	9,306	-22.9%	\$245,000	\$245,000	0.0
STATEWIDE	16,700	13,447	-19.5%	\$207,000	\$199,900	-3.4%

Source: Illinois Association of Realtors

Pioneer Press/LRP

A year ago, it took three to four months to sell a home, considered a "balanced market." Now virtually every community shows an inventory of homes of five months or more, considered an oversupply.

In Chicago neighborhoods, generally speaking, a balanced market existed only for home sales in the very lowest price range, less than \$500,000.

A look at the monthly figures for September released by the Illinois Association of Re-

altors indicate that any particular house dropped in value, said Sobol, the McHenry County Realtor executive. It could be just that there are more lower-

"I have never seen anything like this. There are always highs and lows, but for some reason, there are not that many buyers. No one understands why."

Gerri Keating

Oak Park Association of Realtors executive officer

priced homes on the market this year, compared with 2005.

Sobol thinks all the new construction in McHenry County may be responsible for the decline in the median home sale price.

"That's (figure for September 2006 versus 2005) inclusive

"The one out of three figure (for number of mortgages with ARMs) is not necessarily indicative of McHenry County. You don't see as many creative loans here as in, say, Texas," she said.

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HOME SALE PRICES

	Average list price	Average sale price	Months supply	
			Oct. 05	Oct. 06
Evanston	\$723,000	\$619,000	2.75	5.60
Lincolnwood	\$870,000	\$606,000	5.54	11.16
Northbrook	\$1,059,000	\$718,000	4.96	9.38
Northfield	\$1,527,000	\$994,000	5.45	11.77
Glenview	\$982,000	\$725,000	4.52	9.26
Winnetka	\$2,298,000	\$1,696,000	6.73	9.24
Glencoe	\$2,153,000	\$1,275,000	6.72	11.34
Wilmette	\$1,127,000	\$939,000	4.07	6.52
Kenilworth	\$2,743,000	\$1,559,000	3.43	18.43

Source: Headrick-Wagner Appraisal Group Ltd.

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HOMES

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The other reason why the real estate market was so hot in recent years was due to the collapse of the stock market during the dot-com bust of the late 1990s, she said. Now, with the stock market reaching record levels, real estate money is flowing back into equities, she said.

Where are the buyers?

Oak Park's Keating said much of the slow-down defies explanation. "I have never seen anything like this. There are always highs and lows, but for some reason, there are not that many buyers. No one understands why," she said, noting that unemployment is low and the stock market is doing very well.

The figures from Headrick-Wagner show that the amount of time a home stays on the market was well over six months in such wealthy areas as Winnetka (8.34 months), Lake Forest (10.27 months) and Hinsdale (12.2 months).

In the North Shore/Barrington Association of Realtors region, the number of \$1 million homes on the market has also gone up. Generally speaking, the area goes from Evanston north to Lake Bluff and west as far as the Tri-State Tollway, but also includes Lincolnshire and Barrington.

In October 2005, there were 1,168 million-dollar homes in that area on the market, said Mike Gadzik, information technology manager for the North Shore/Barrington Realtor group. This October, the number had risen to 1,234 homes, he said.

Deerfield demand down

But in Deerfield, the site of many teardowns over the last five years, the number of \$1 million homes on the market has more than doubled, from 20 in October 2005 to 49 this October, Gadzik said.

One reason so many \$1 million homes remain unsold in Deerfield may be because their lots are smaller than in such sub-

urbs as Lake Forest and Winnetka, Gadzik said.

In the west suburbs, Headrick said he had just come back from appraising a home in St. Charles where the sellers had dropped the price by \$200,000.

"It's a great home, but nobody is buying," he said.

Part of the reason may be that this time of year is a traditionally slow time for home sales, Headrick said.

But Headrick cites other reasons as well, including higher property taxes, higher gas prices, higher interest rates, and less-than-spectacular pay raises.

"I don't think salaries are keeping up with the costs of buying expensive homes," he said.

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Robert E. Headrick,
 chief executive officer of
 Headrick-Wagner
 Appraisal Group

Apartment trend?

One bright spot may be the rental market. Richard Goldstein, vice president of Gurnee-based Ludwig and Co., is holding an open house Nov. 16. on 90 new luxury apartments in Buffalo Grove. The apartments start at \$1,395 for a one-bedroom on up to \$2,950 for a penthouse. They were a joint venture with Hamilton Associates.

"In downtown (Chicago) there is a waiting list for rental apartments and now the trend is moving toward the North Shore," said Goldstein, whose company also owns and manages luxury apartments at Deerfield Centre in downtown Deerfield.

A combination of the affordability of rental, higher interest rates, and no need to spend money on upkeep are fueling a trend toward rental apartments, Goldstein said.

Headrick is taking a wait-and-see attitude, though.

"All the trends say there will be an increase in rental. I have not seen it yet," Headrick said.

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