

HCI Business Report

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Route to:

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RETAILING...

• The hope for a late-year economic recovery has been dashed as Wall Street dove sharply Thursday, sending the Dow Jones industrials down more than 300 points. Many of the nation's major retailers have reported curtailed consumer spending due to higher gas and food prices. Meanwhile, the Labor Department said new applications for unemployment insurance rose by 15,000 from the previous week, a new development that misses expectations for a fourth week of declines. The sudden increase heightens an already existing worry that the average American will have even less money to spend. With a deteriorating job market, it is hard for Wall Street to foresee any rebound in the economy, especially in the housing market. However, Toll Brothers, Inc. CEO Robert Toll said he is seeing signs of stabilization in the housing market. But not all homebuilders are in agreement. Ara Hovnaian, CEO of Hovnanian, Enterprises Inc., said he has seen no evidence yet of a market bottom, and the stock market seems to agree, sending homebuilder stocks even lower.

• According to a recent annual index commissioned by hourly job Web site, SnagAJob.com, 65 percent of American workers are happy on the job, a slight increase from the previous year that was set at 61 percent. Although workers are happier on the job site, the weakening economy still weighs heavy on workers' minds. When workers were asked to name the number one issue facing the nation, 57 percent said the weakening U.S. economy (up from last year's 18 percent), making it more of a concern than healthcare and the war in Iraq. SnagAJob.com also asked workers' sentiments on a number of issues including their thoughts on commuting and the upcoming presidential election.

SnagAJob.com found:

- 84 percent say their primary mode of transportation for getting to work is still their car, which they drive alone.
- 40 percent of American workers surveyed said they plan on voting for Barack Obama.
- 32 percent said they plan on voting for John McCain, while 3 percent said they will vote for someone else.
- Finally, 11 percent said they were not sure for whom they would be voting in the upcoming election.

For additional survey results, please visit www.SnagAJob.com.

RETAILING TRENDS...

- Shoppers have shifted their shopping patterns as food and gas continue to dominate a larger share of their wallet. In the American ShopperScape™ 2008, TNS Retail Forward reported that shoppers are trading down to save money and are starting to seek one-stop shopping venues and stores that are closer to home. "Shoppers' strategies of spending less and migrating to lower-priced retailers are capable of shaking the retail landscape and creating seismic shifts," comments Mandy Putnam, vice president with TNS Retail Forward and author of American ShopperScape™ 2008. "As a result of shopper migration, retailers' customer profiles are shifting. Some are shifting not just because they are gaining customers who are trading down, but because they are losing customers who are turning to even more value-oriented channels." Putnam added that whether new patrons permanently adopt these retailers depends on how well retailers address the needs of their new customers and how well the new patrons acclimate to shopping in less-familiar territory. The American ShopperScape™ 2008 also found that:

- 75 percent of shoppers plan on errands that will minimize the distance they will be traveling.
- 55 percent plan on going to stores that are closer to home or work.
- 47 percent plan on doing more activities around the house instead of driving places.

HOUSING...

- According to the National Association of Home Builders (NAHB), sales of newly built single-family homes rose 2.4 percent to a seasonally adjusted rate of 515,000 units in July. NAHB also reported a continuing contraction in the number of new-homes for sale as builders keep a tight rein on inventories to help restore better balance between market supply and demand. "With 15 consecutive months of reductions in the number of new homes for sale, builders are clearly doing a good job of chipping away at their inventories," said Sandy Dunn, president of NAHB. "Now that the government has done its part by passing a much-needed housing stimulus package, we are looking forward to reporting positive effects on new-home sales in the future."

- The National Association of Home Builders (NAHB) recently reported an increase of multifamily builders and developers going green, a response to consumer interest in sustainable interest in sustainable building practices. NAHB's recent survey found that the majority of the respondents (74 percent) said that buyers and renters are willing to pay more for green amenities and that 89 percent said they are installing energy-efficient appliances and lighting in their multifamily communities.

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