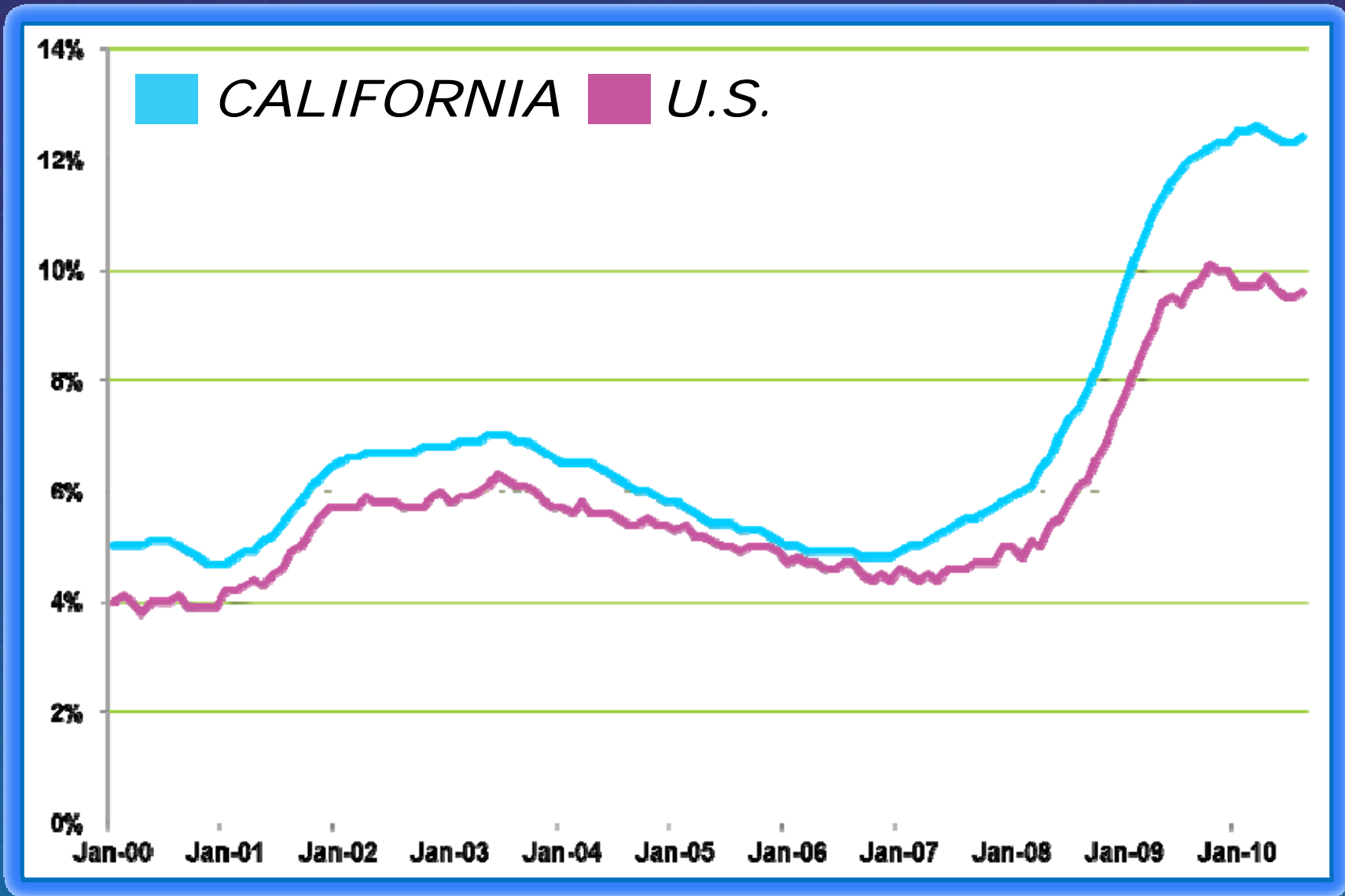


OCTOBER 6, 2010

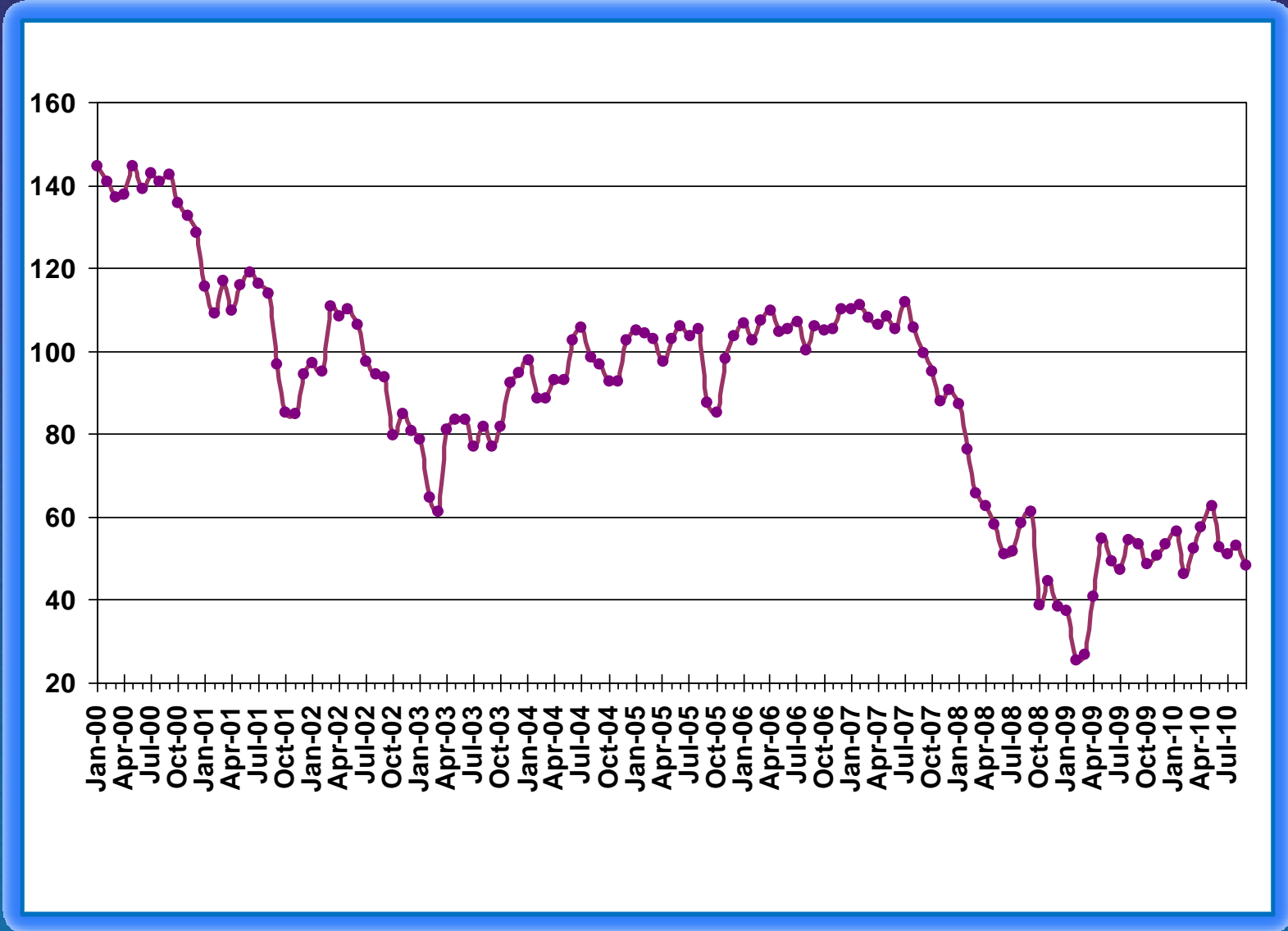
Economic Forecast

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Unemployment Rate

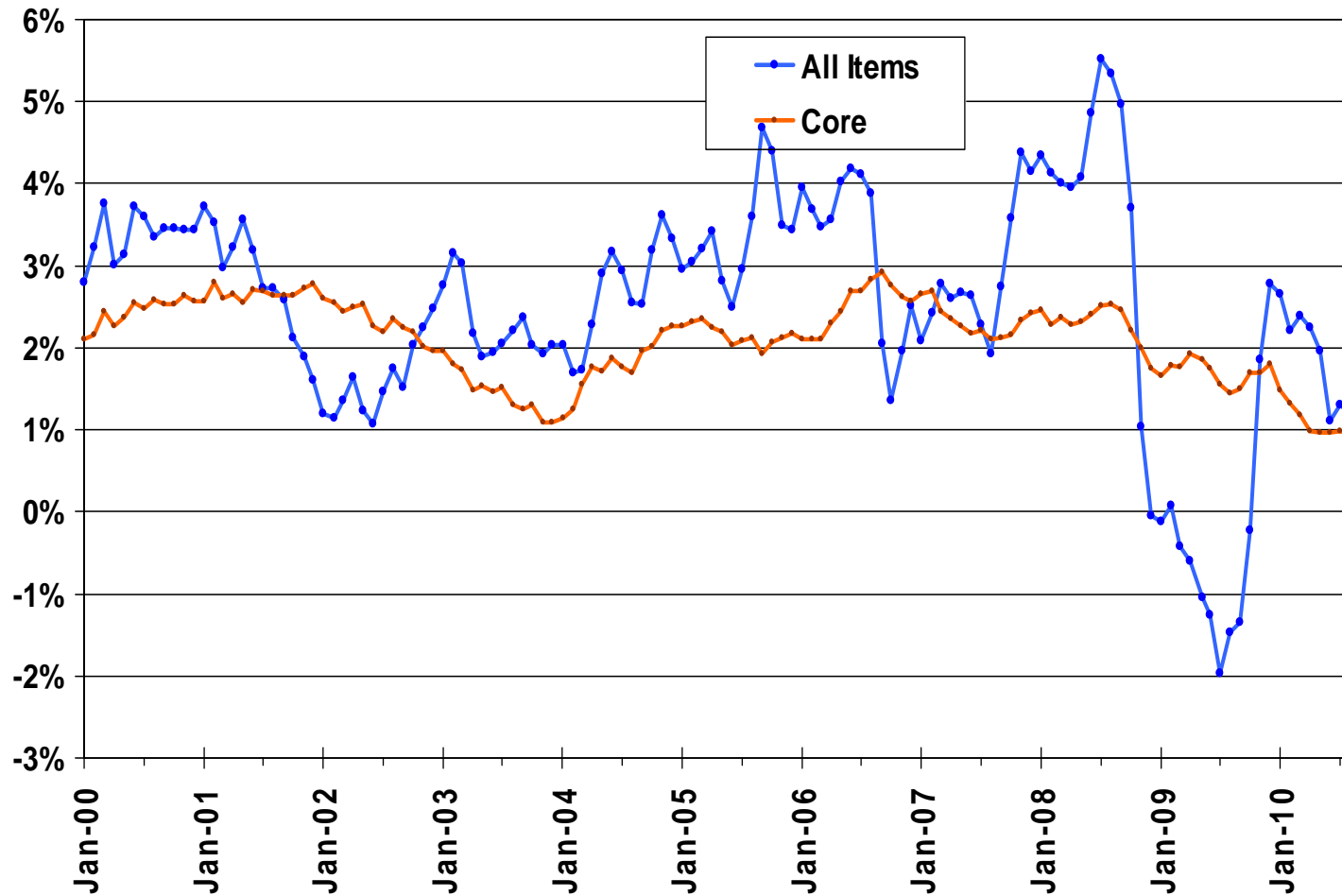
SOURCE: US Dept of Commerce Bureau of Economic Analysis



Consumer Confidence Stalled: Sept 48.5

SOURCE: US Dept of Commerce Bureau of Economic Analysis

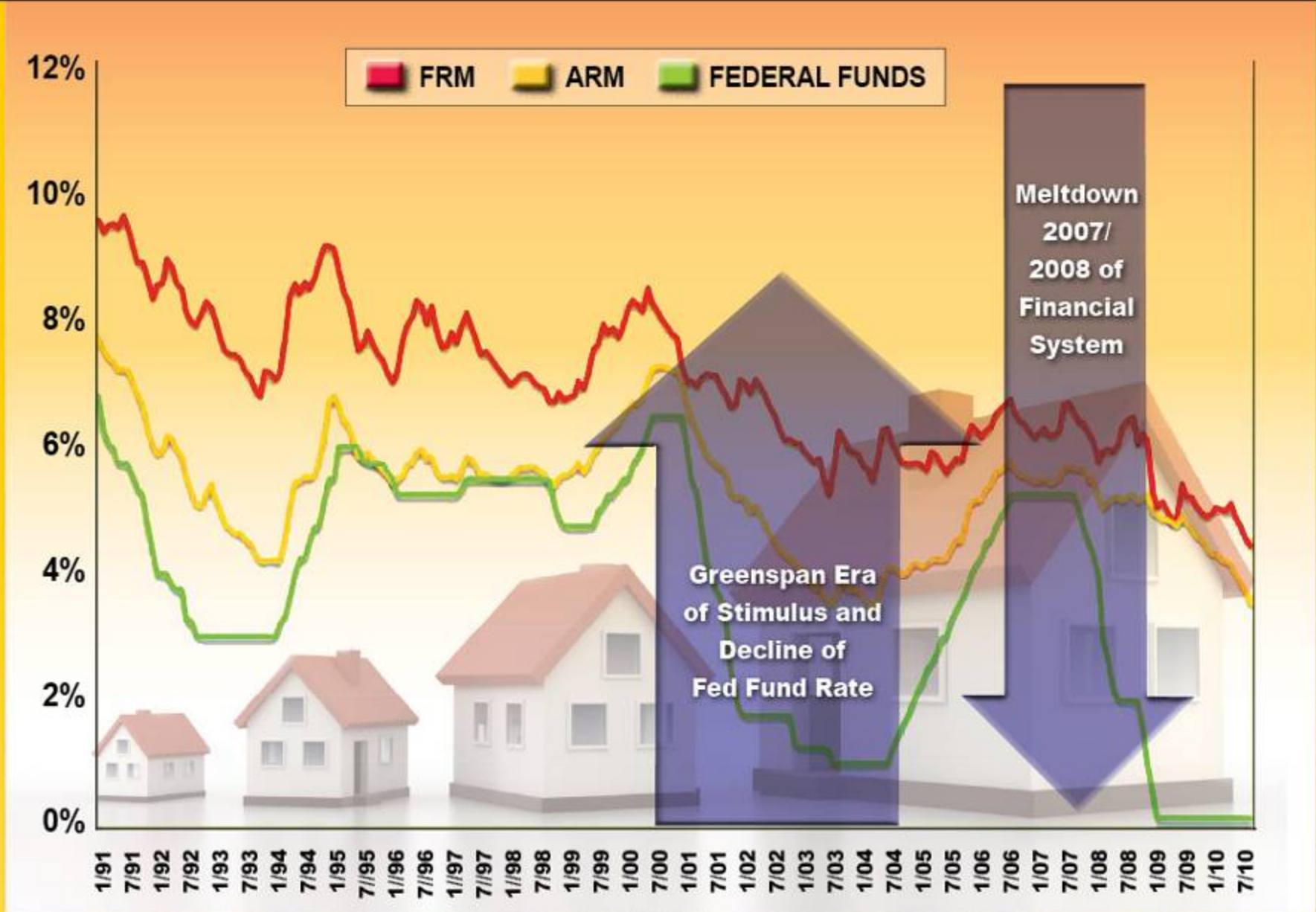
Percentage change from a year ago, 100=1982-1984



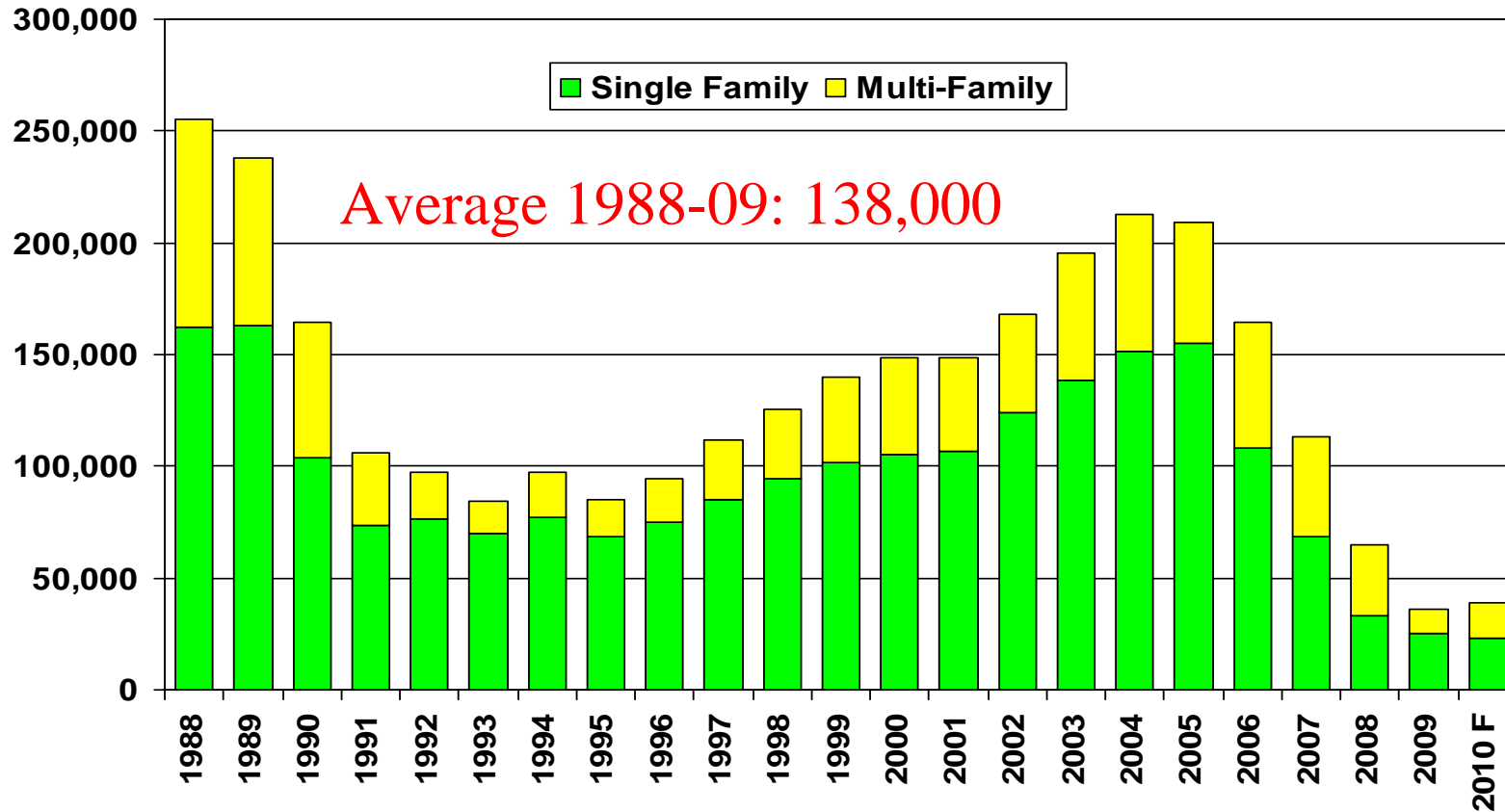
August 2010: All Items +1.2% YTY; Core +0.95% YTY

Consumer Price Index

Rates at Historic Lows



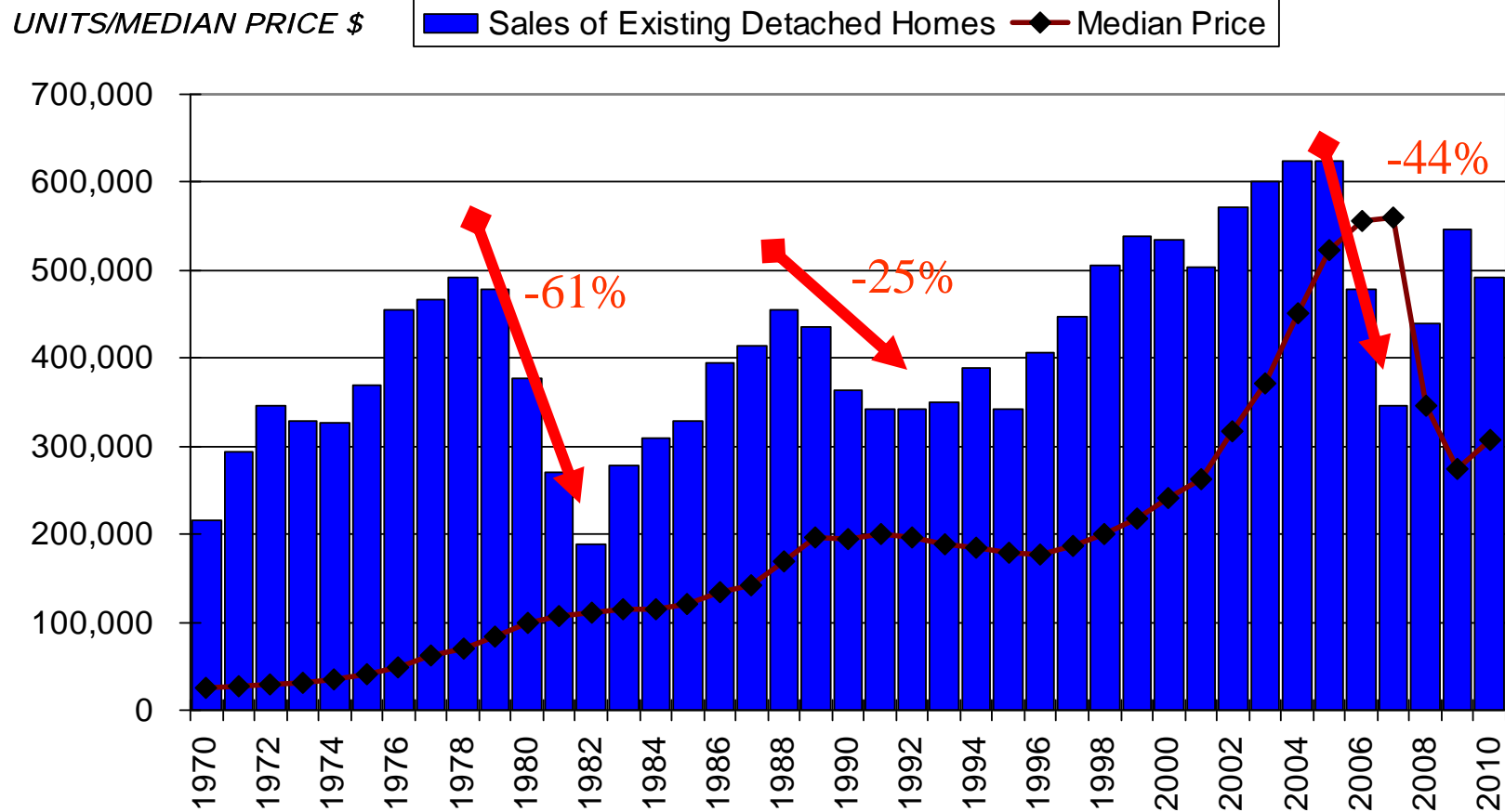
SOURCE: CBIA. Forecast: C.A. R.



2009: 36,200 2010: 39,000

CA New Housing Permits

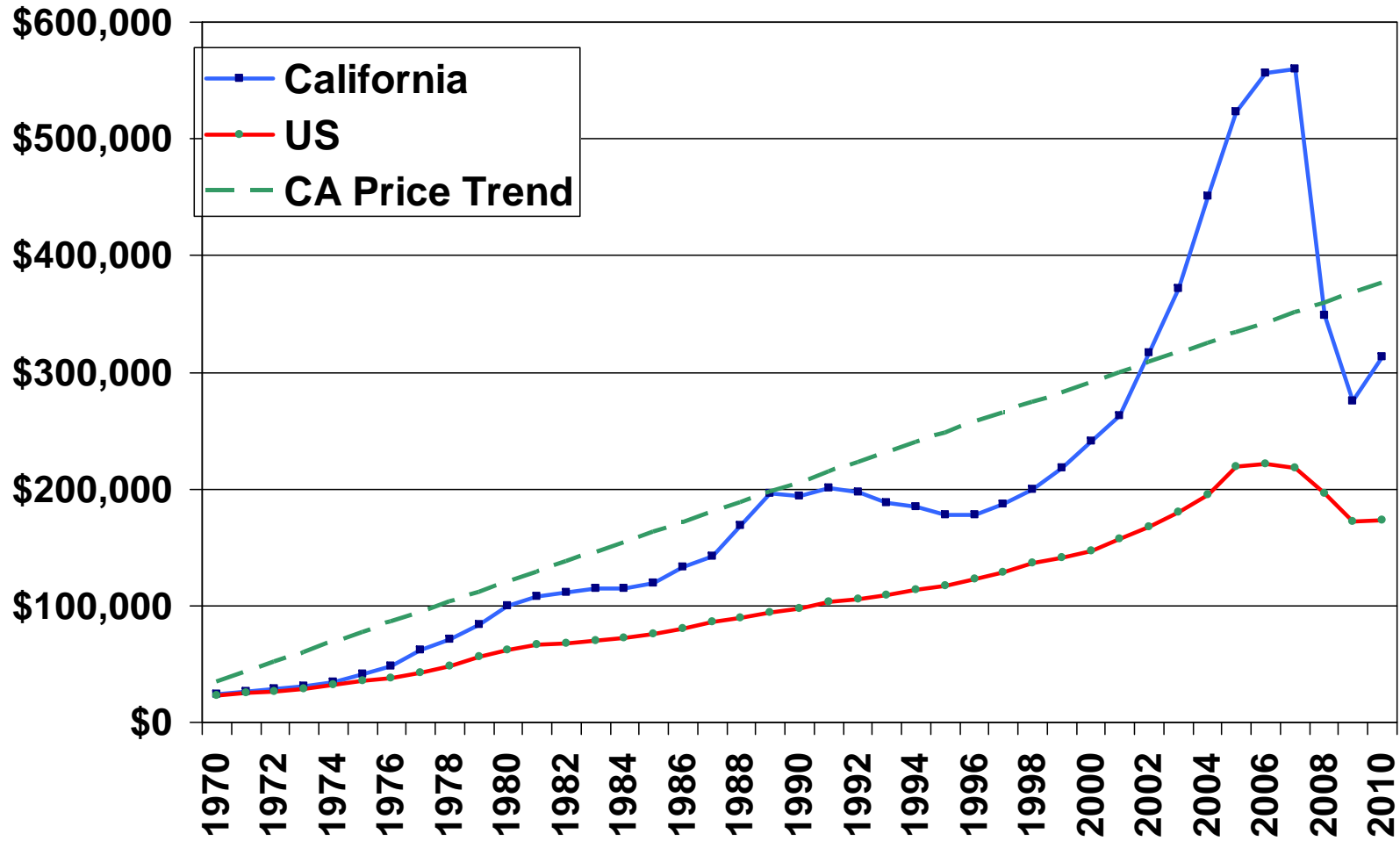
SOURCE: US Dept of Commerce Bureau of Economic Analysis



California Sales of Existing Homes and Median Price

Cyclical Similarities & Differences

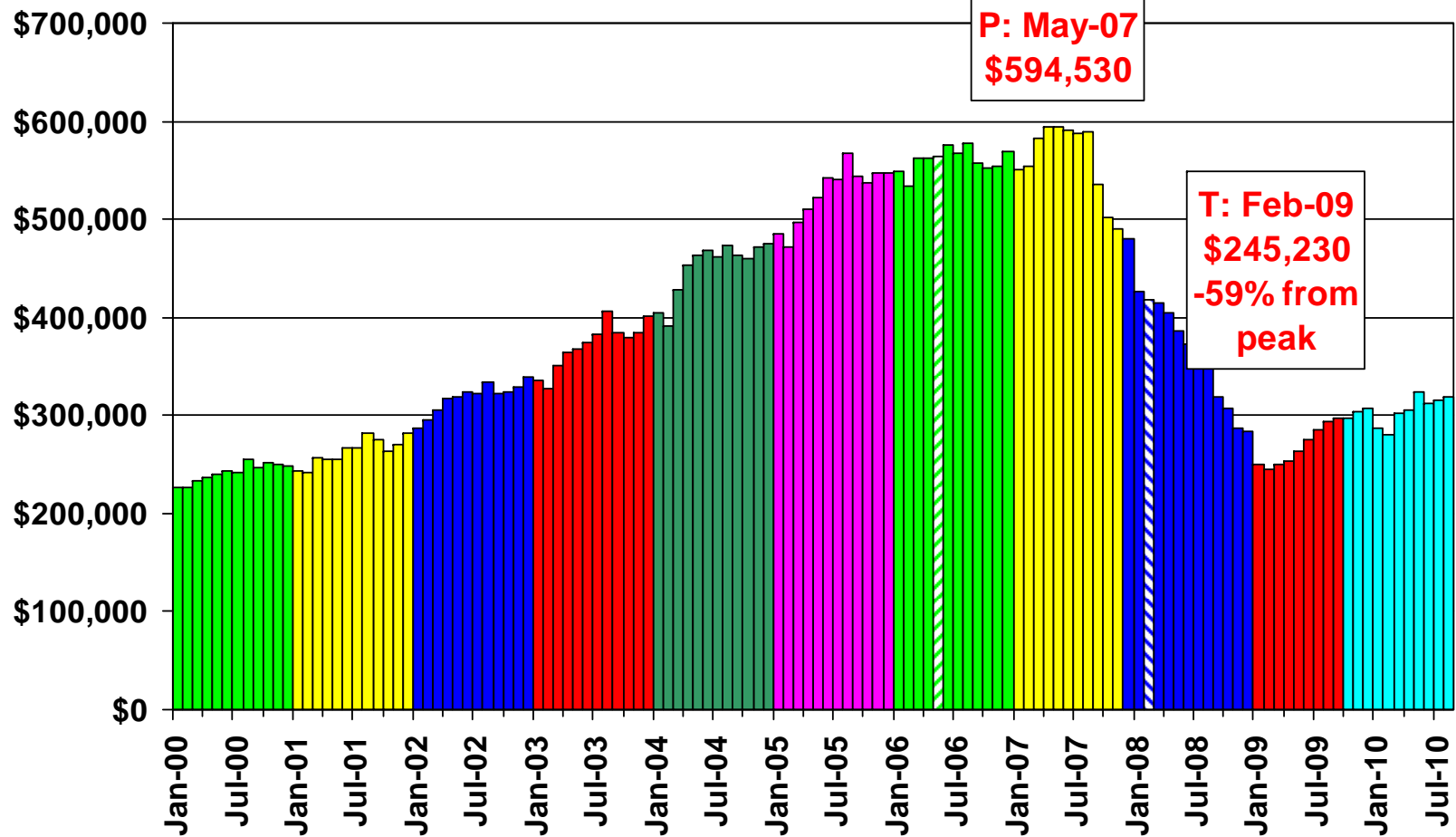
SOURCE: CALIFORNIA ASSOCIATION OF REALTORS®



1970-2010

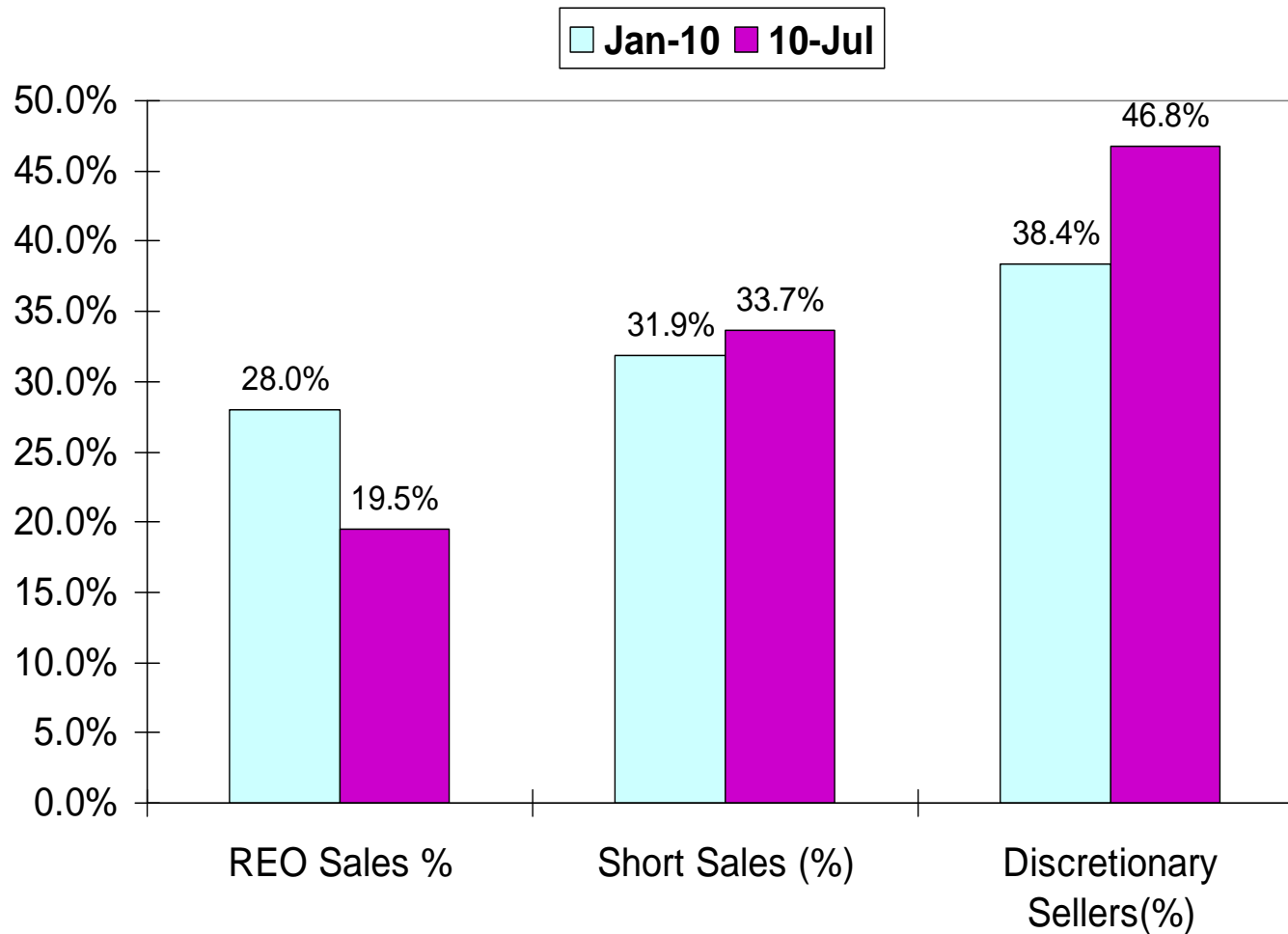
California vs. U.S. Median Home Price

SOURCE: CALIFORNIA ASSOCIATION OF REALTORS®



California, August 2010: \$318,660, Up 8.6% YTY

Median Price of Existing Detached Homes

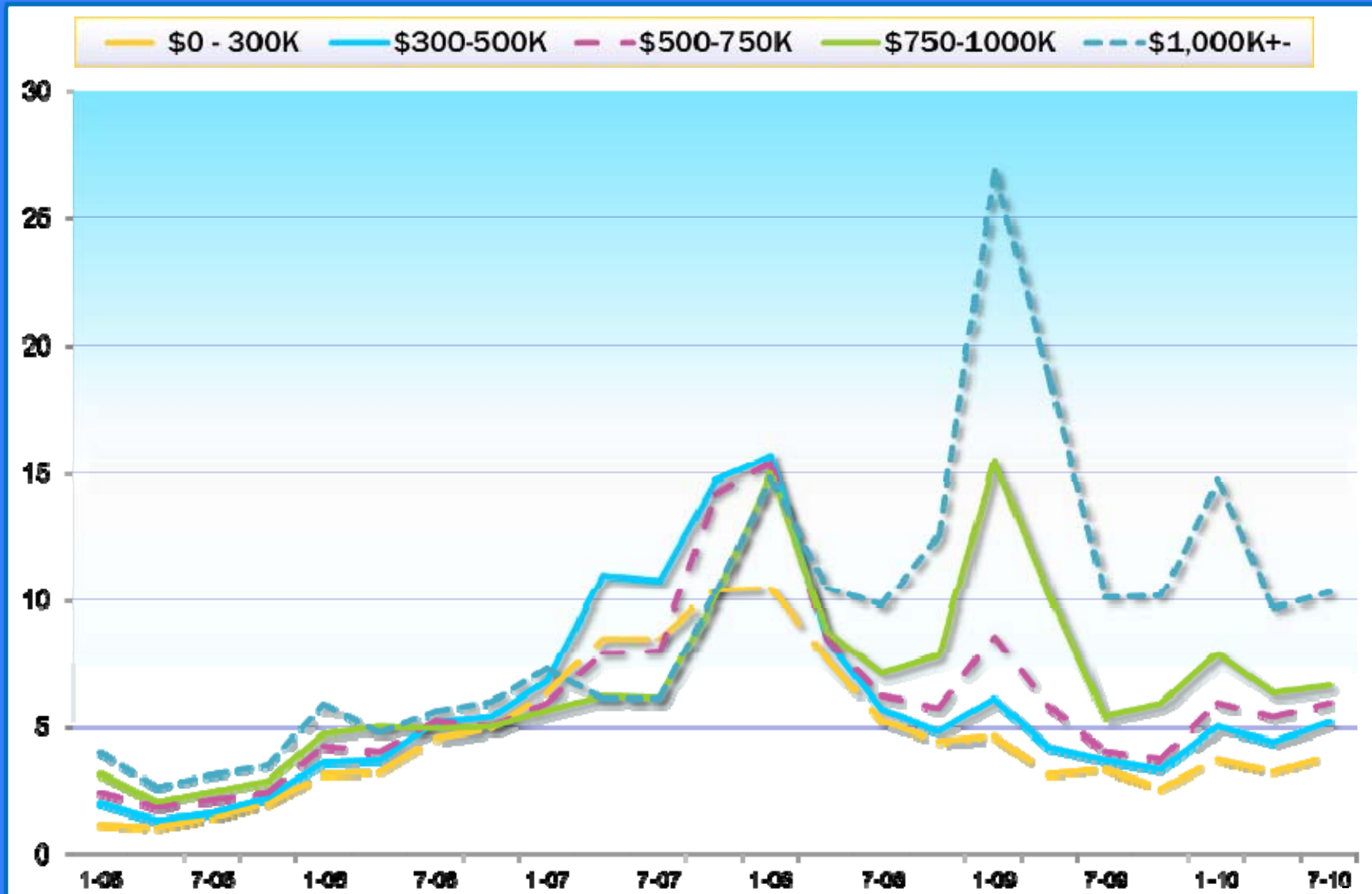


2010 H1: Tax Credits Boost Reg Sales

Unsold Inventory Index

California, August 2010: 6.1 Months





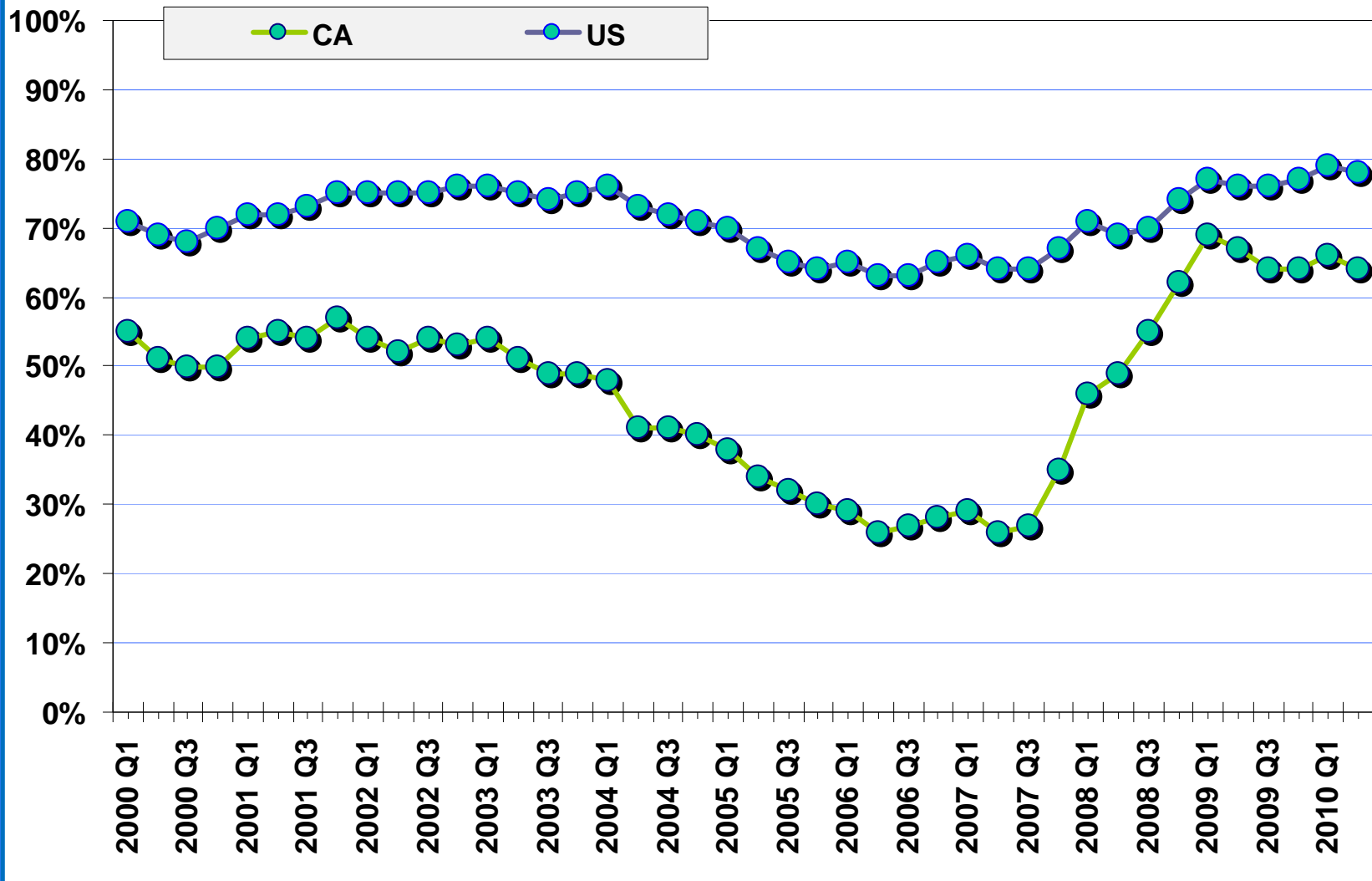
Unsold Inventory By Price Point

California's Million Dollar Home Sales



SOURCE: US Dept of Commerce Bureau of Economic Analysis

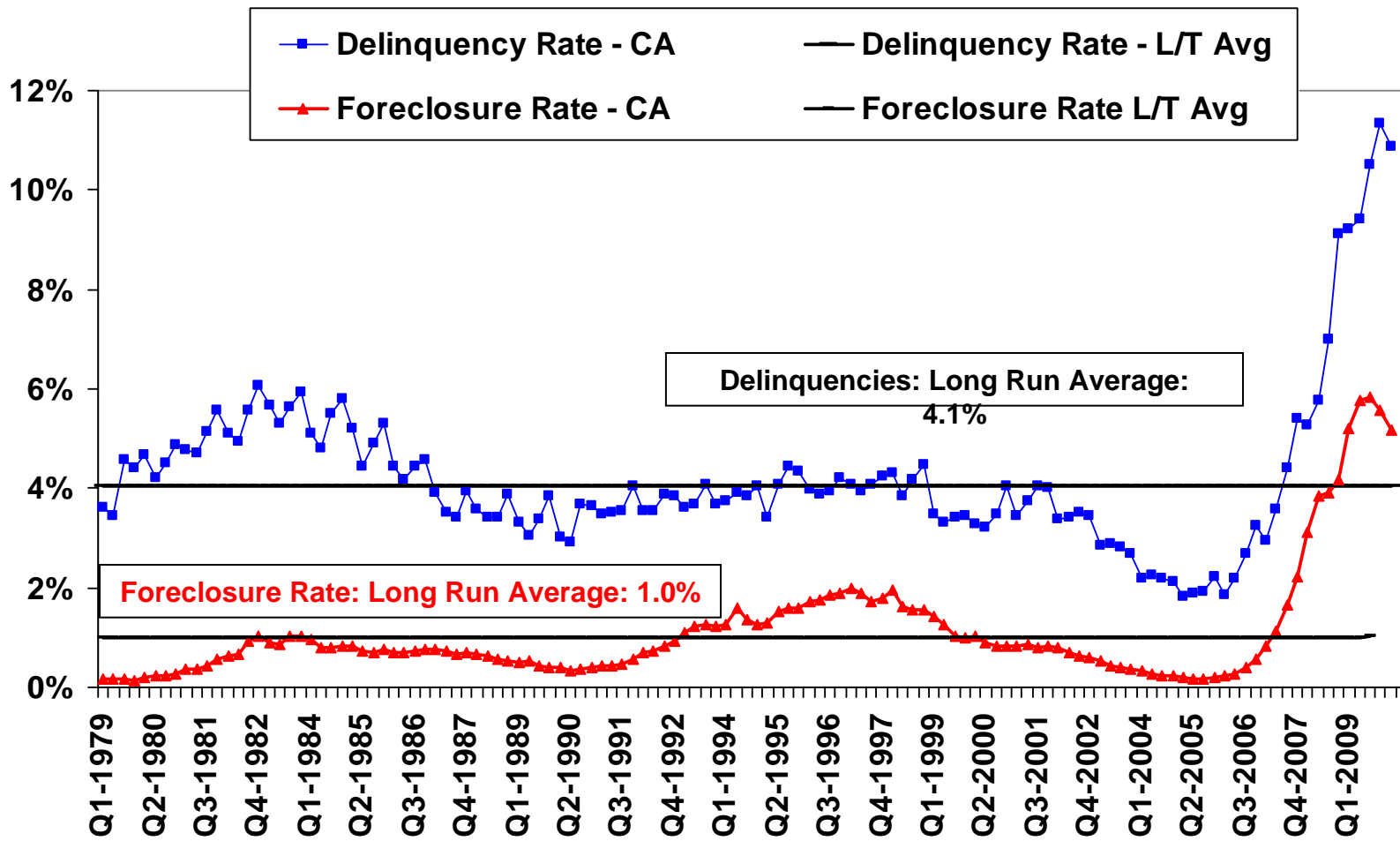
Percentage of households that can buy



2010 Q2 California 64% U.S. 78%

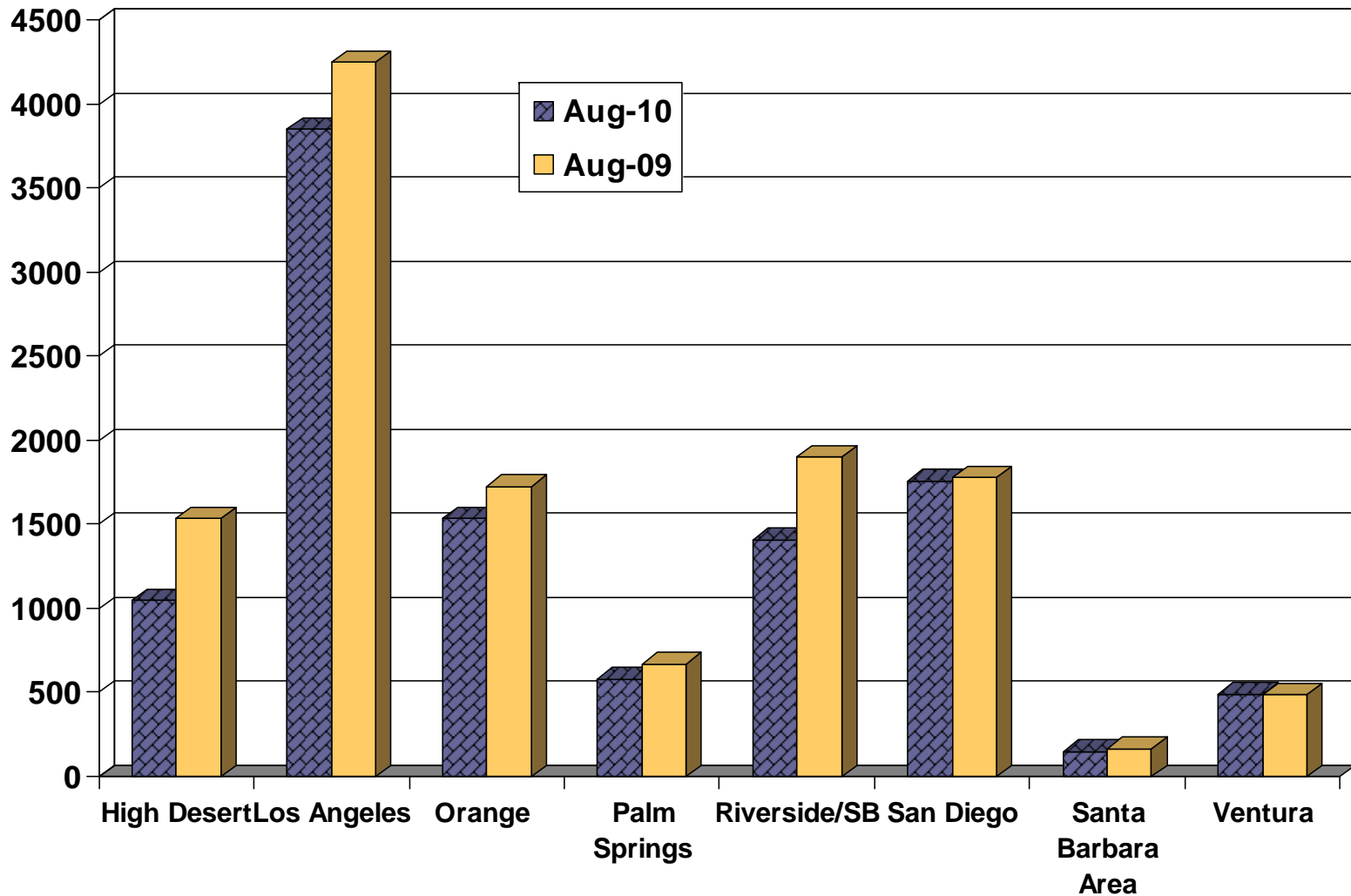
1st Time Buyer Affordability: New Highs

SOURCE: Mortgage Bankers Association



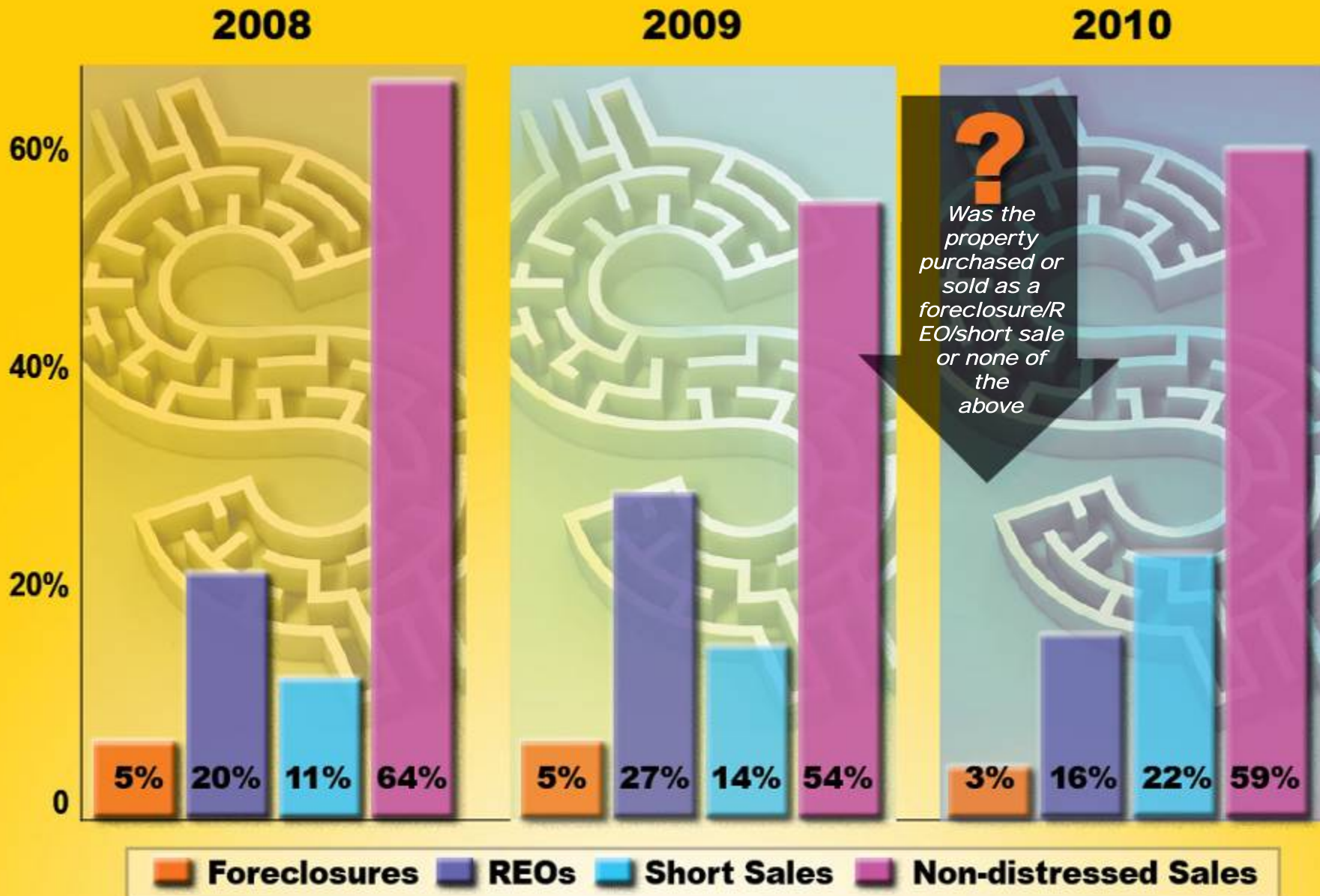
CA Mortgage Foreclosure & Delinquency Rates

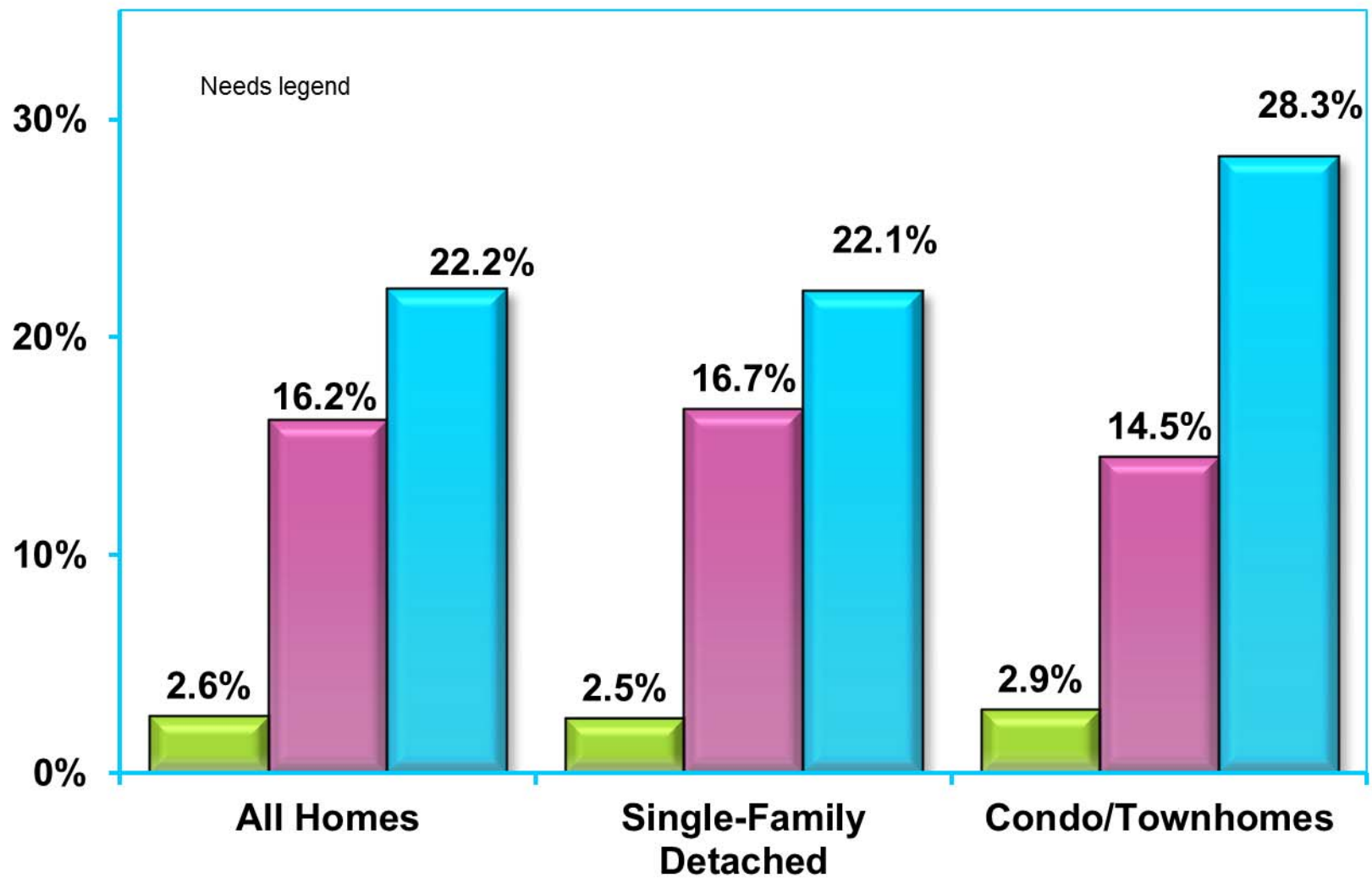
SOURCE: CALIFORNIA ASSOCIATION OF REALTORS®



Home Sales in Southern California Regions

Share of Non-distressed Properties Up in 2010

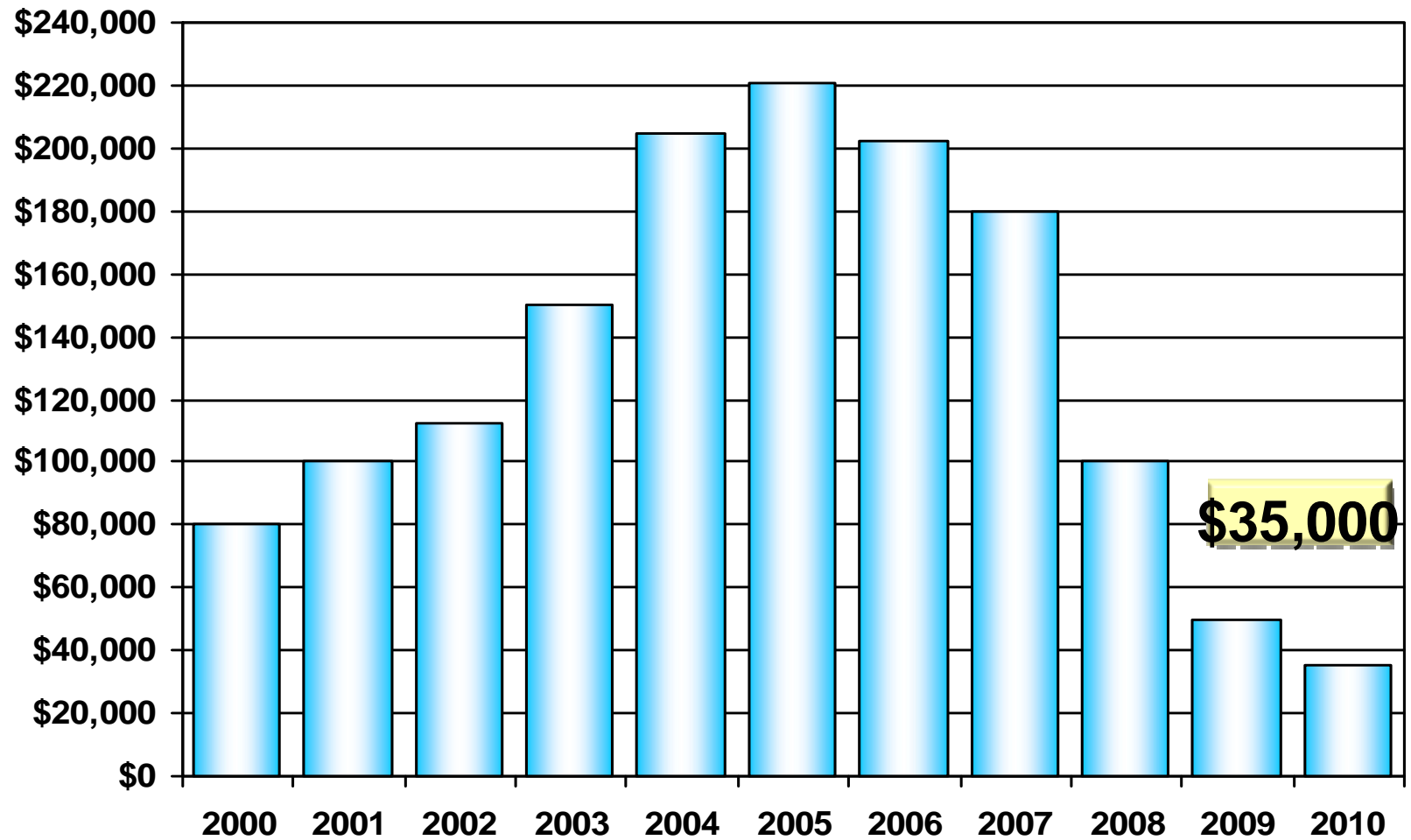




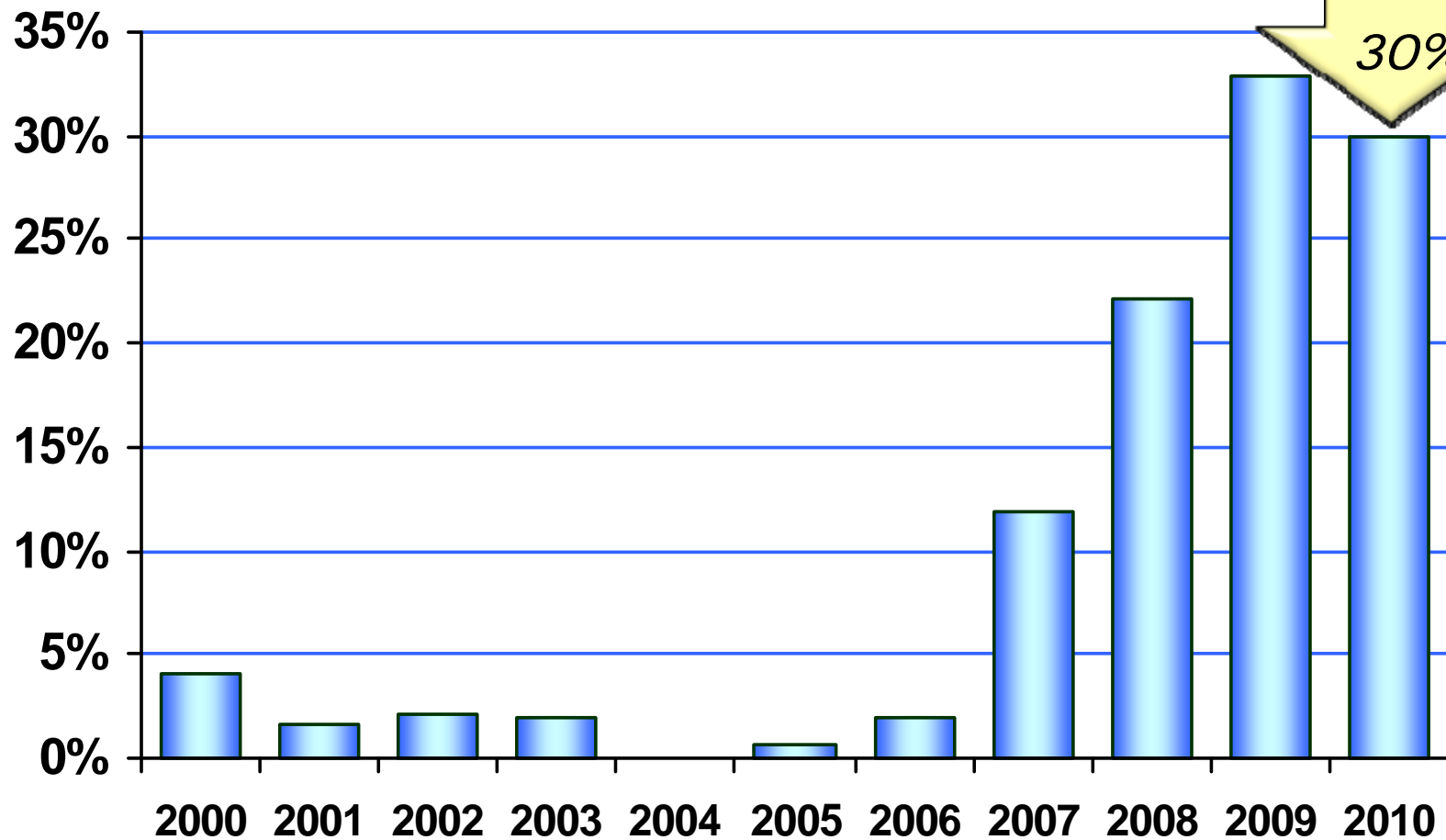
More Short Sales Are Closing

Multiple Offers: Buyers Face Competitive Market

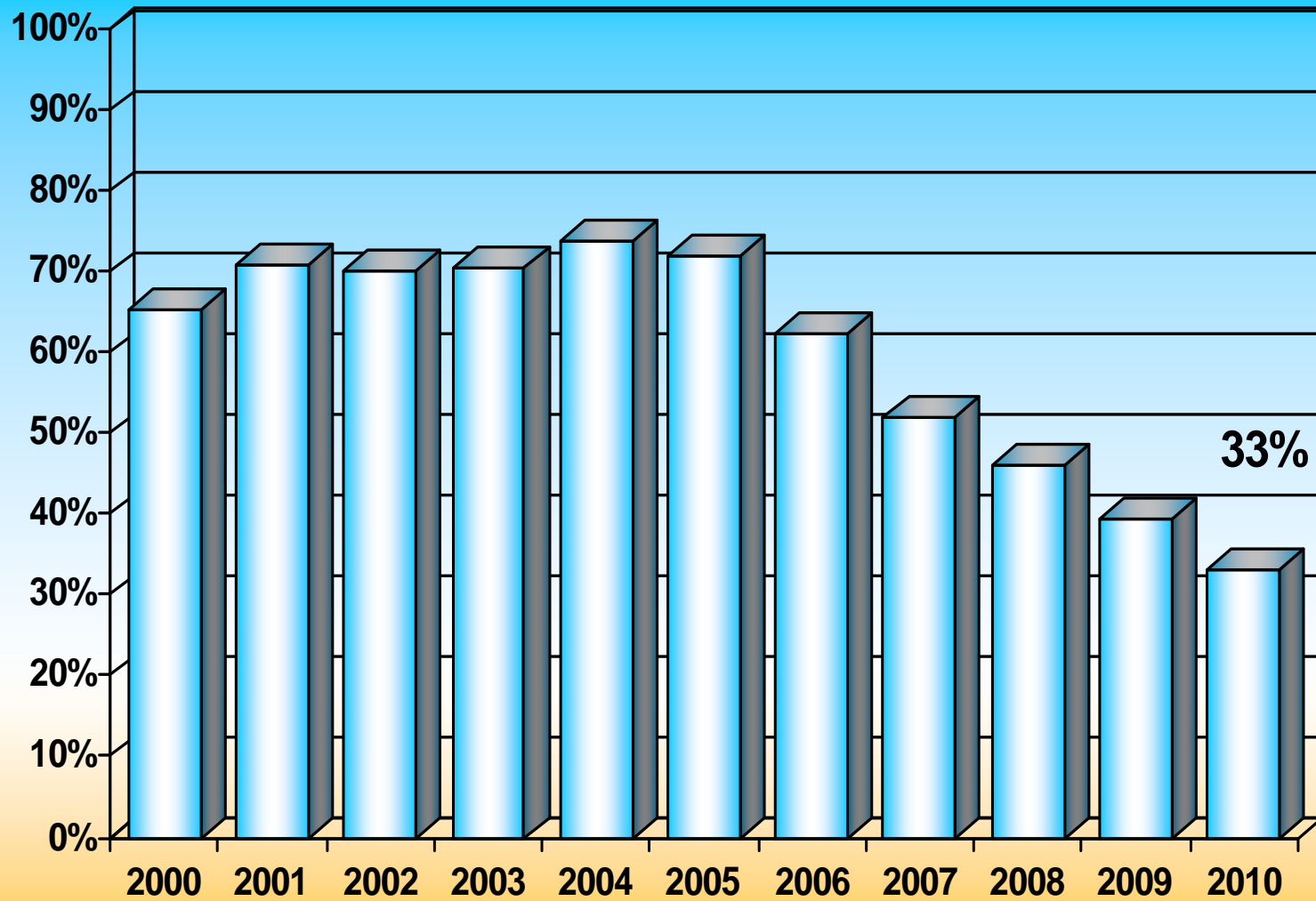




Net Cash To Sellers at Record Lows



% Sellers with Net Cash Loss



Plans to Repurchase on Hold

All Cash Purchases Increase



Properties Sold Because They Were Under Water

40%
35%
30%
25%
20%
15%
10%
5%
0

29%

Homes Sold
in 2010 Due
to Foreclosure,
Short Sale
or Default

2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010



Property Fell Out of Escrow Because:	2008	2009	2010
Buyer changed mind and decided not to buy	33%	37%	44%
Buyers could not secure a mortgage	33%	41%	30%
Buyer could not come up with the down payment	11%	6%	5%
Seller decided not to sell	1%	0%	1%
Other	22%	22%	20%
Total	67%	68%	56%

Reasons Why Property Fell Out of Escrow

Foreign Buyers

