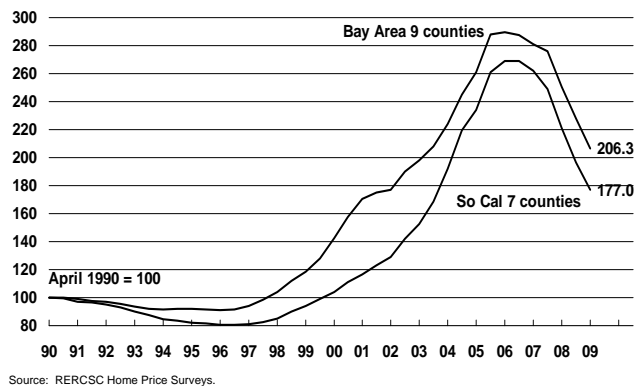


1st Quarter Summary

- Deterioration continues
- Home prices down, same rate of decline
- No sign of a bottom in home prices
- Existing home sales up (foreclosure resales)
- New home sales down
- New tract housing inventory down
- Residential permits down, non-residential down
- Residential and construction lending down
- Defaults up, foreclosures down
- Residential rents down, vacancy rates up
- Employment down, another large drop
- Short rates down, mortgage rates down
- Inflation plummets to negative --- deflation

Indexes of Home Prices - SC versus NC



Southern California Home Price Survey April 2009

- 6 month change - 10 %
- 1 year change - 20 %
- Change from Apr 06 - 34 %
- Change from Apr 96 120 %
- Change from Apr 90 77 %

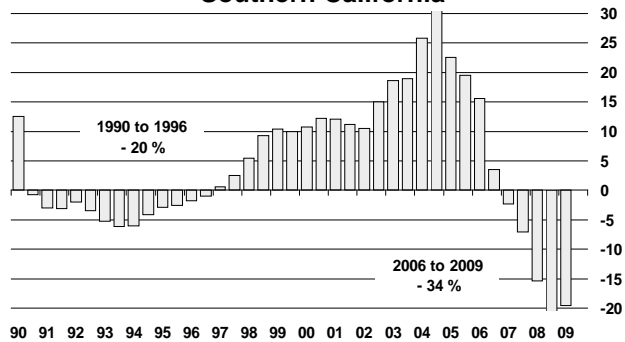
Source: Real Estate Research Council of Southern California
 Semi-Annual Home Price Surveys. Appraised values
 of the same homes every six months.

Northern California Home Price Survey April 2009

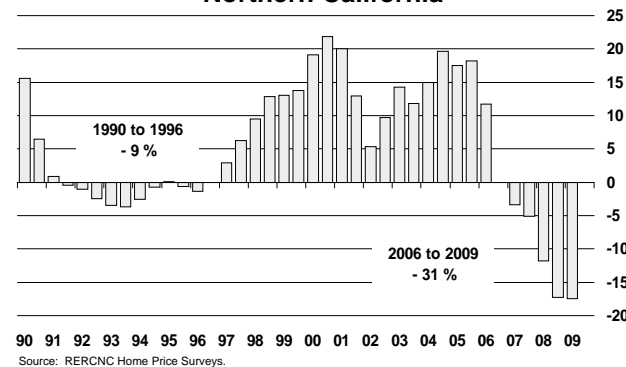
- 6 month change - 10 %
- 1 year change - 18 %
- Change from Apr 06 - 31 %
- Change from Apr 96 125 %
- Change from Apr 90 106 %

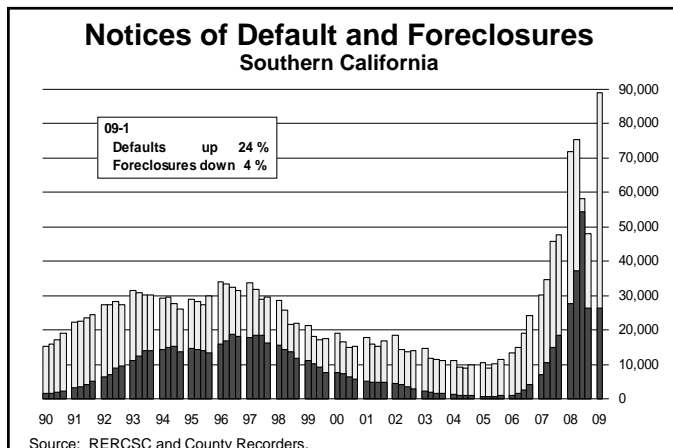
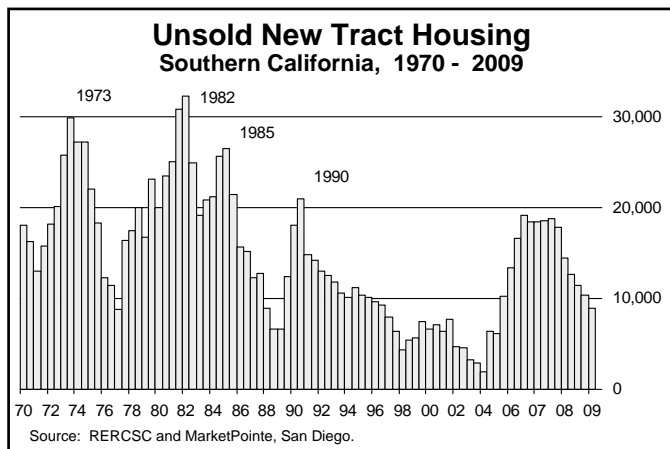
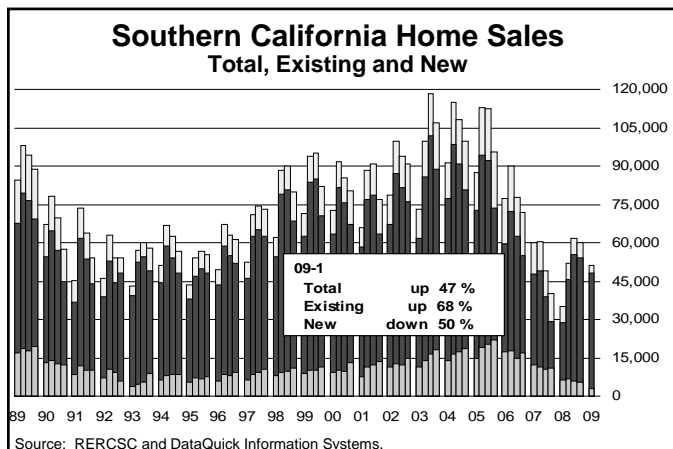
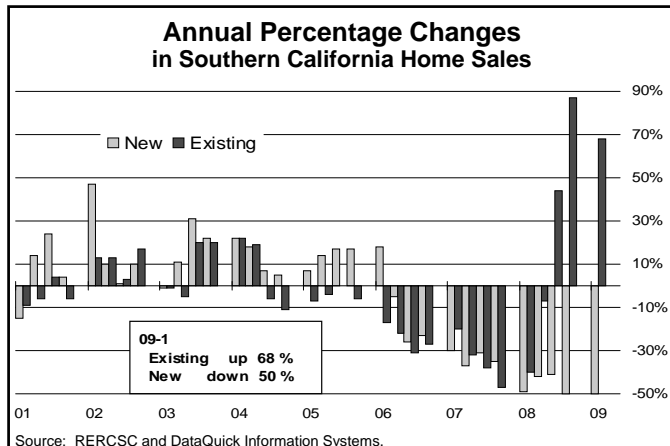
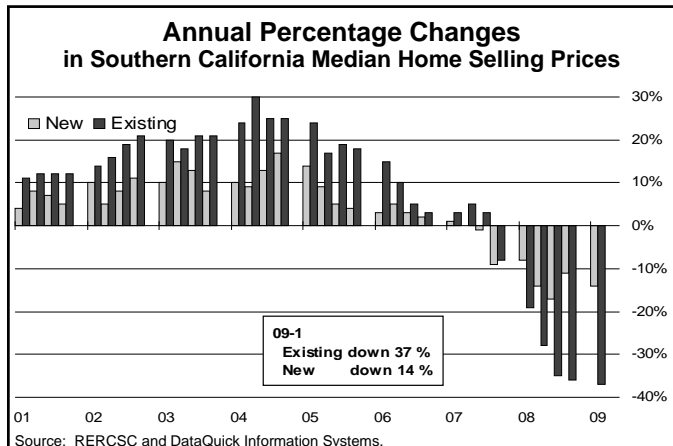
Source: Real Estate Research Council of Northern California
 Semi-Annual Home Price Surveys. Appraised values
 of the same homes every six months.

Annual Percentage Changes in Home Prices Southern California



Annual Percentage Changes in Home Prices Northern California



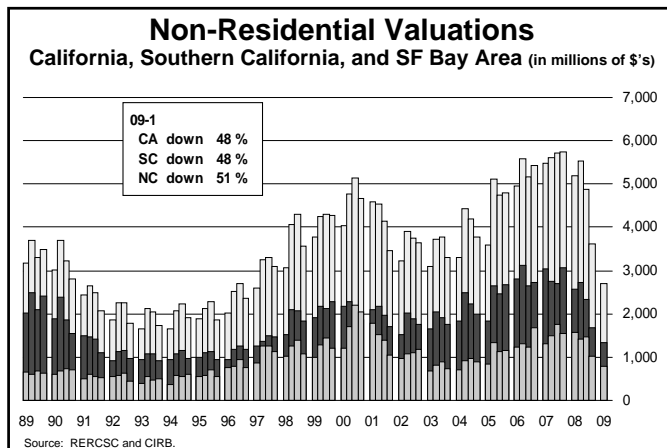
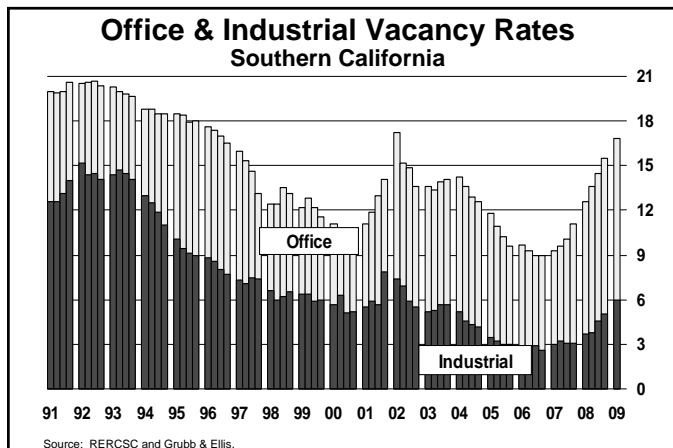
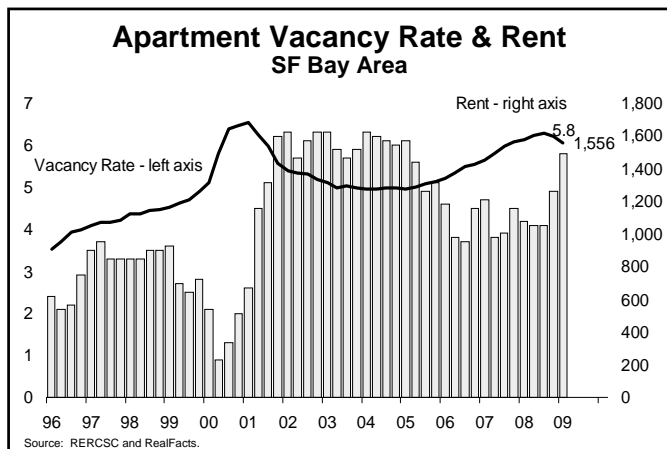
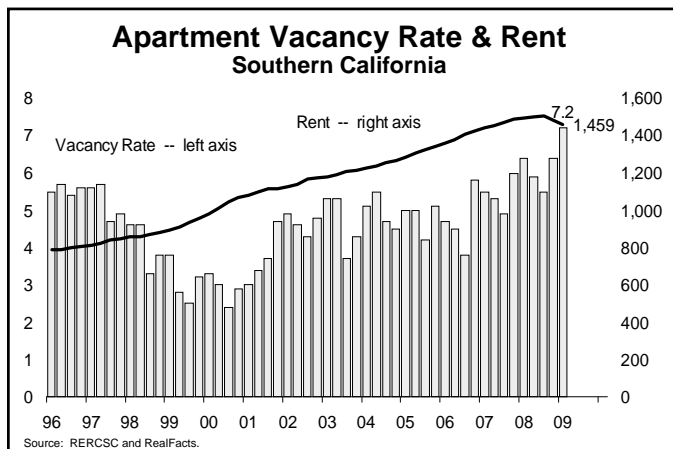
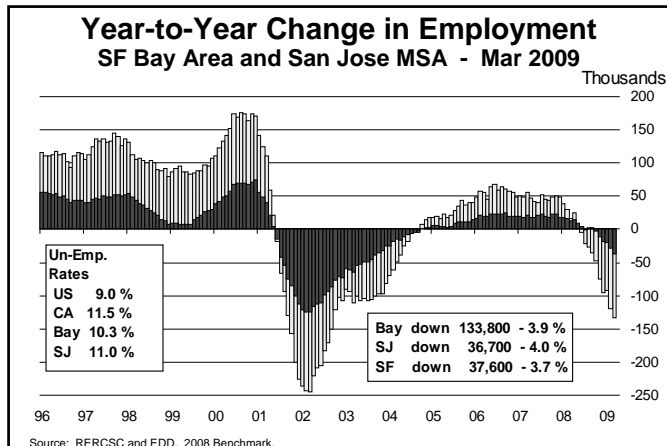
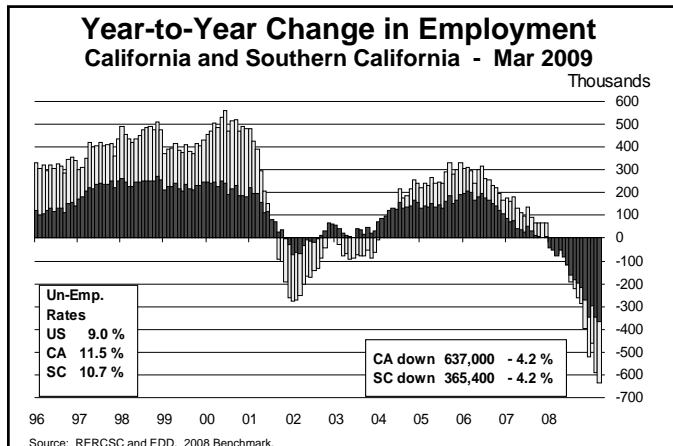


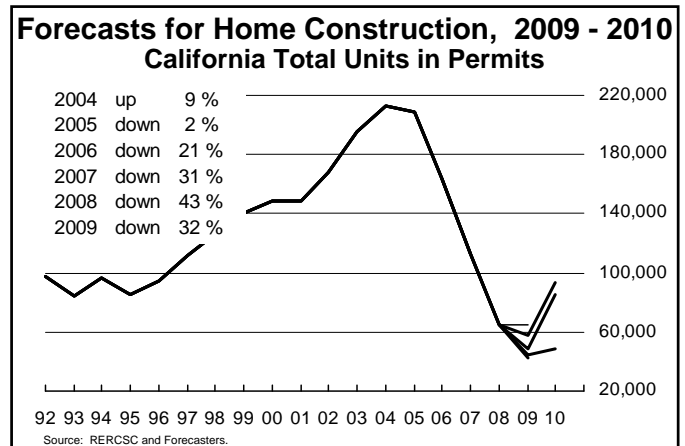
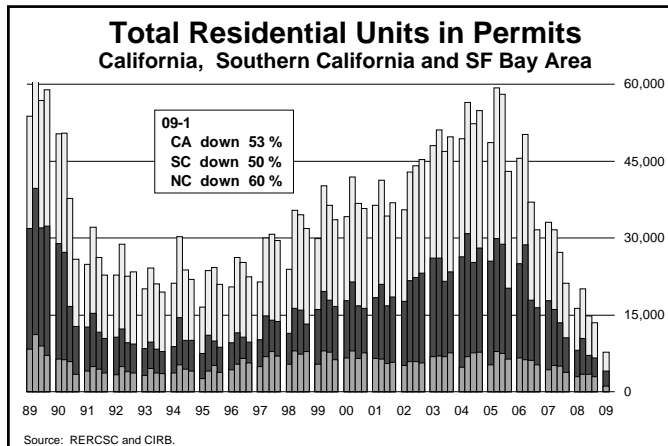
Inflation Rates

Los Angeles, San Francisco & U.S., Mar 2009

	<u>LA</u>	<u>SF</u>	<u>US</u>
■ CPI	- 1.0	1.2	- 0.4
■ Housing Costs	0.9	2.6	1.4
■ Homeowners	2.7	3.2	2.1
■ Residential Rent	3.2	4.7	3.2

Source: RERCSC and BLS.





2009 & 2010 Outlook – Further Deterioration

- Home ownership markets weak
 - Home prices down, slowing rate of decline ?
 - Existing home sales up, new down
 - Residential permits down
 - Where's the financing for home loans?
- Apartment rental markets weak
 - Residential rents down and vacancies up
- Non-residential permits down, vacancies up
- Economy and employment down – recession
- Government deficits – monetizing the debt
- Higher inflation (!), and long-term interest rates up (!)