



CALIFORNIA
ASSOCIATION
OF REALTORS®

California Housing Market Outlook

California Community Colleges
Real Estate Education Center
April 24, 2009

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California Association of REALTORS®

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Outline

- **Economic Conditions in US & CA**
- **CA Housing Market**
- **Regional Housing Market Conditions**
- **Real Estate Finance**
- **Market Summary**

www.car.org → Economics → Speeches

The screenshot shows a Windows Internet Explorer browser window displaying the Economics page of the California Association of Realtors website. The browser's address bar shows the URL <http://www.car.org/economics/>. The website header includes the CAR logo and a navigation menu with links to Economics, Education, Governmental Affairs, Legal, Meetings & Events, Newsstand, Tools & Resources, Member Center, and About C.A.R. A search bar is present with the text "Search C.A.R. Web site for:" and a "GO" button. Below the search bar, a personalized message reads "Welcome back, Robert" with links for "Manage your Profile" and "Logout".

The main content area is titled "ECONOMICS" and features a sidebar with a list of links: "Speeches & Presentations", "Market @ A Glance", "Current Research", "Market Data", "Market Snapshot", "Economic Publications", "Latest Market Analysis", "Research & Econ Team", and "Housing Market Forecast". The main heading is "Welcome to Economics", followed by a paragraph: "C.A.R.'s Research and Economics produces commentary, analysis, and statistics on the housing market and economy. In addition to the latest market statistics, you'll find monthly market analysis and summaries." Below this is a search box labeled "SEARCH ECONOMICS FOR:" with the text "Search Using Keywords" and a "GO" button.

A "What's New" section is displayed with two items: "2008 Housing Market Wrap-Up" (Market Trends January 2009) and "December sales and price report" (C.A.R. reports home sales increased 84.9 percent in December in California; median price of an existing home fell 41.5 percent). A "C.A.R. News Releases" link is also visible.

On the right side, there are three promotional boxes: "FEATURE | Mortgage Workout Programs for Homeowners" (What's Hot: Newly Revised - C.A.R. has compiled information for REALTORS® and consumers on current mortgage workout programs.), "QUICK LINKS | Tools" (listing WINForms Online, WINForms Desktop, Forms Advisor, C.A.R. Forms Tutor, CLARUS RESOURCE, RELAY, CLIENTDIRECT, and FIND A REALTOR Web Site Guide), and a "FREE E-mail Newsletter for Your Clients!" banner with the text "Stay in Touch with Clients and Prospects" and "Sent Out Monthly After One-Time Easy Set Up".



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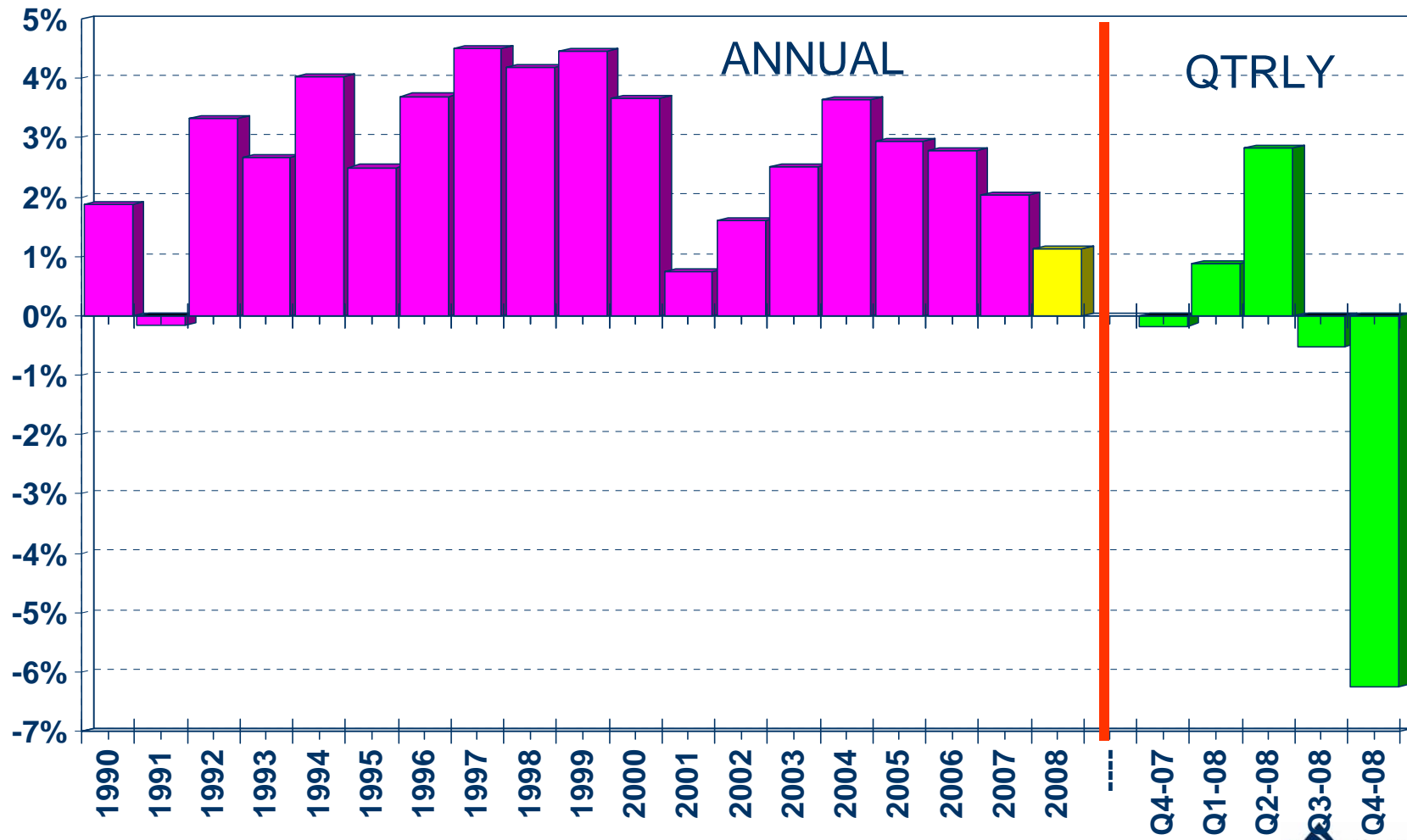
Economic Outlook

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Gross Domestic Product

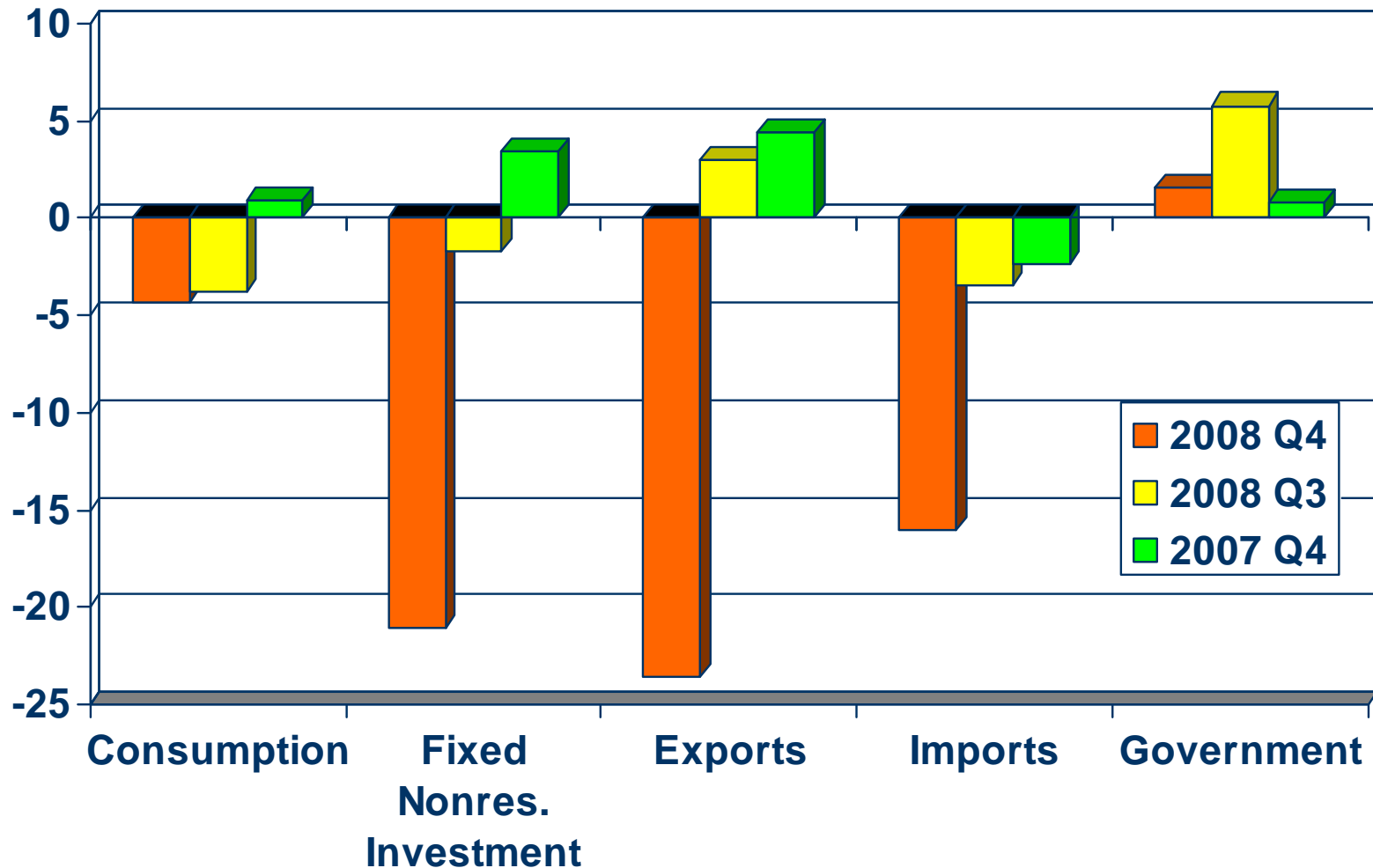
Year 2008: +1.12%; 2008 Q4 -6.2%

ANNUAL PERCENT CHANGE, CHAIN-TYPE (2000) \$



Components of GDP

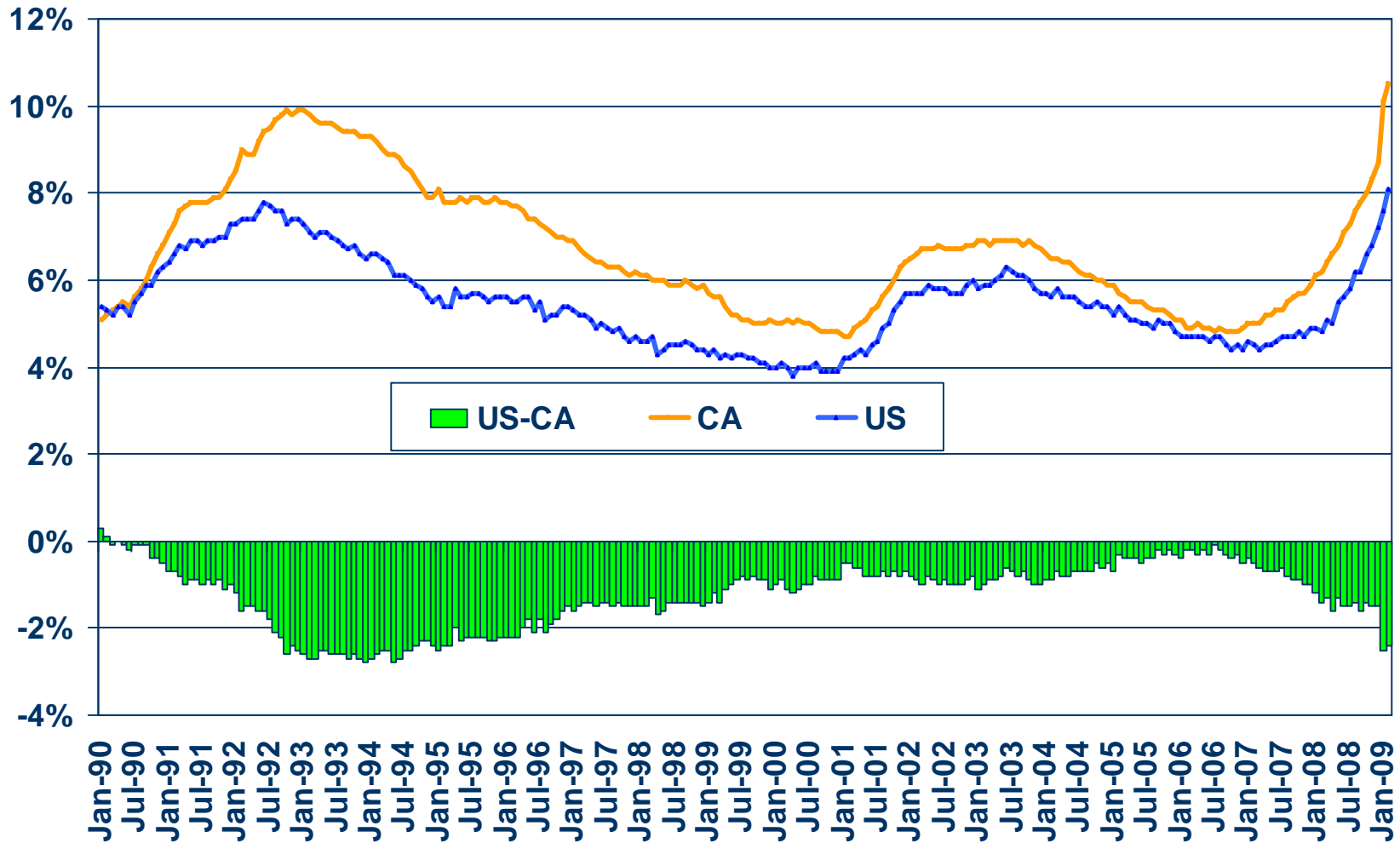
Percent Change



SOURCE: US Dept of Commerce,
Bureau of Economic Analysis

Unemployment Rate

California vs. United States

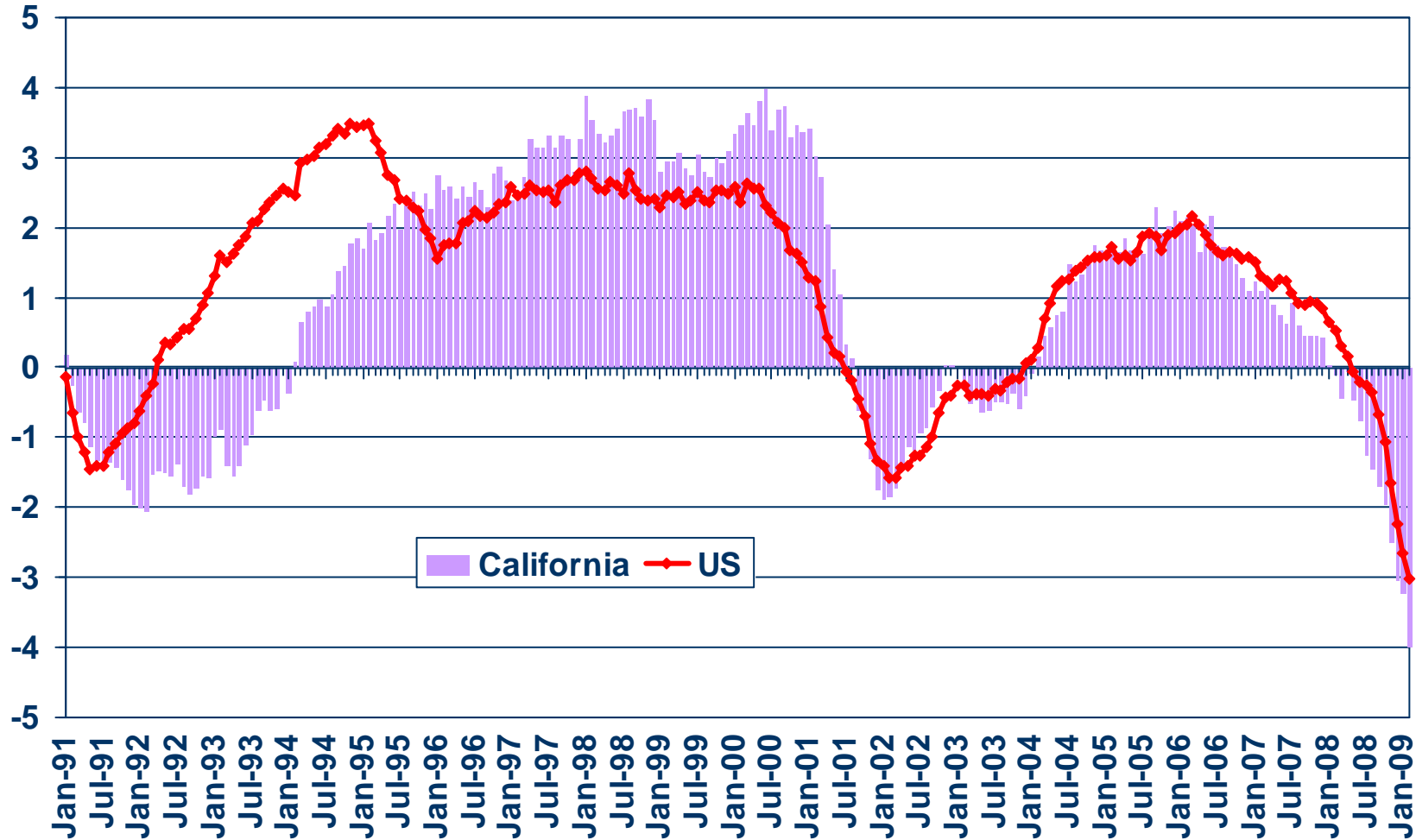


SOURCE: CA Employment Development Division



Employment Growth, California vs. U.S.

YEAR TO YEAR % CHANGE

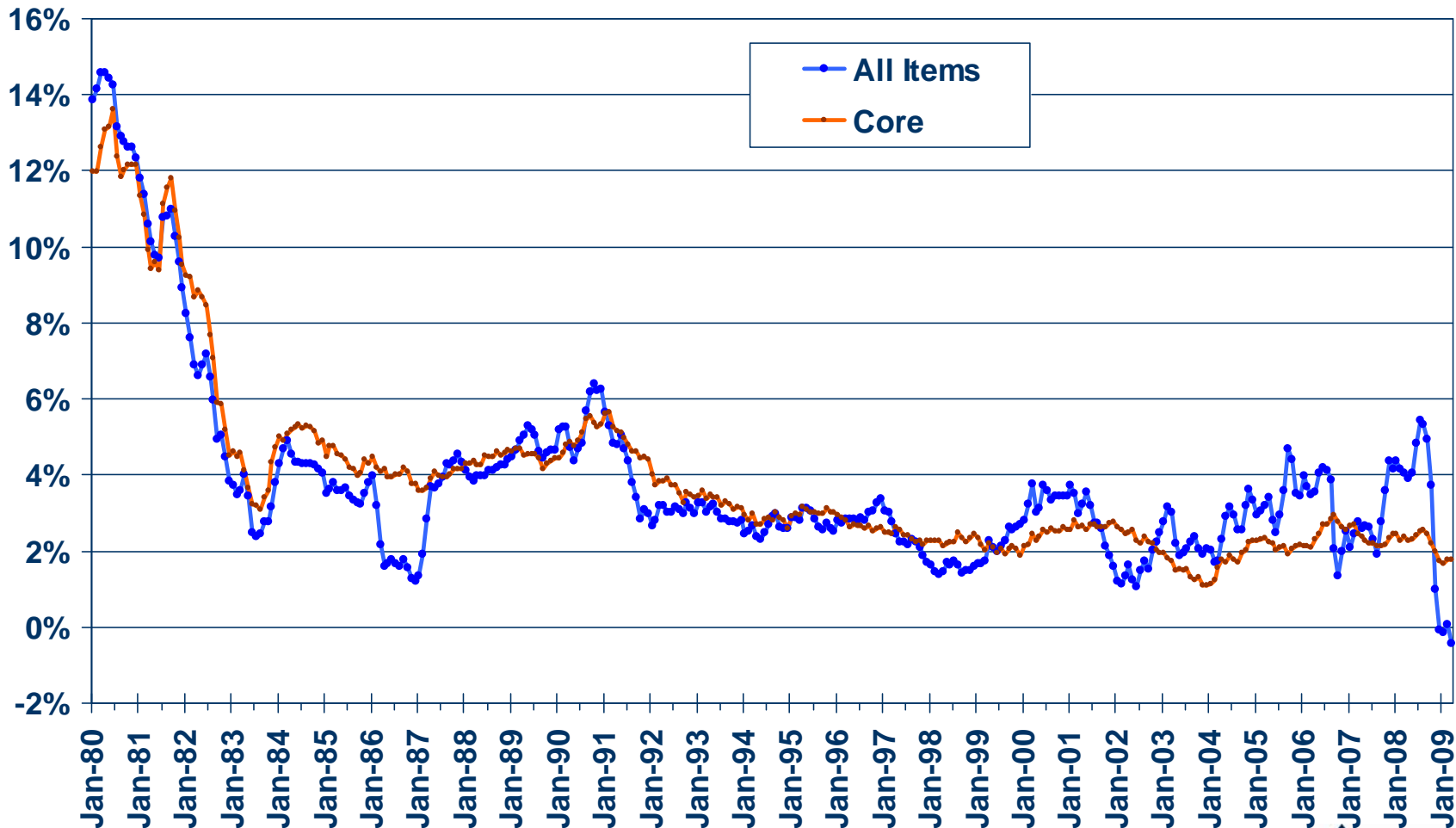


SOURCE: CA Employment Development Division

Consumer Price Index

March 2009: All Items -0.5% YTY; Core 1.8% YTY

PERCENT CHANGE FROM A YEAR AGO, 100=1982-1984



U.S. Economy

	2003	2004	2005	2006	2007	2008	2009f
US GDP	2.5%	3.6%	2.9%	2.8%	2.0%	1.1%	-2.5%
Nonfarm Job Growth	-0.3%	1.1%	1.7%	1.8%	1.1%	-0.4%	-3.0%
Unemployment	6.0%	5.5%	5.1%	4.6%	4.6%	5.8%	9.2%
CPI	2.3%	2.7%	3.4%	3.2%	2.9%	3.8%	0.0%
Real Disposable Income	2.4%	3.4%	1.2%	2.6%	2.8%	1.3%	1.6%

Forecast Date: April 2009

California Economy

	2003	2004	2005	2006	2007	2008	2009f
Nonfarm Job Growth	-0.5%	1.0%	1.8%	1.8%	0.8%	-1.2%	-3.9%
Unemployment Rate	6.8%	6.2%	5.4%	4.9%	5.4%	7.2%	11.0%
Population Growth	1.7%	1.5%	1.3%	1.3%	1.1%	1.1%	1.1%
Real Disposable Income, % Change	1.4%	3.6%	1.2%	3.4%	1.5%	0.4%	-0.5%

Forecast Date: April 2009



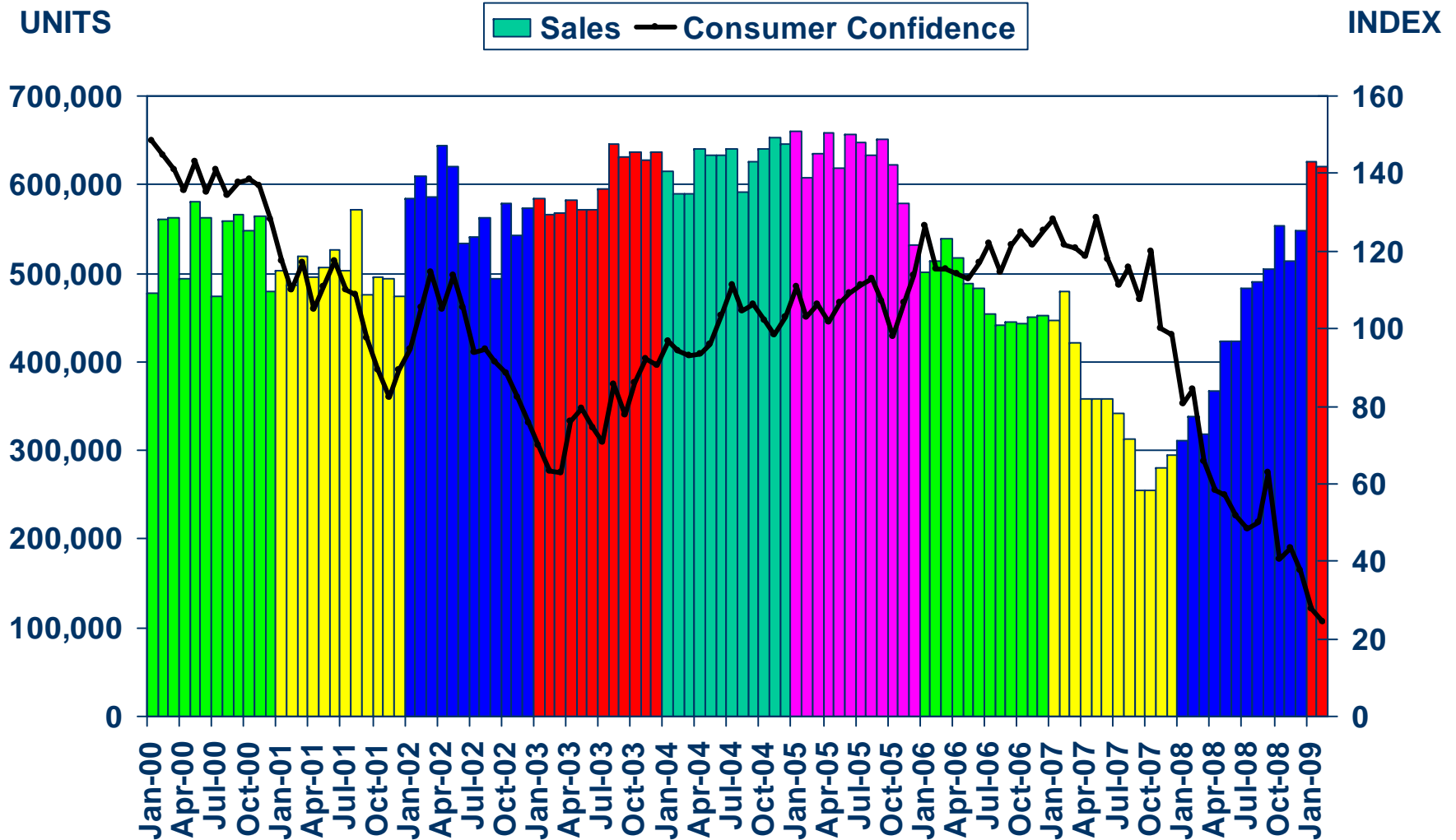
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California Housing Market Outlook

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Sales of Existing Detached Homes and Pacific West Consumer Confidence

California, Feb. 2009 Sales: 620,410 Units, Up 91.6% YTD, Up 83.0% YTY



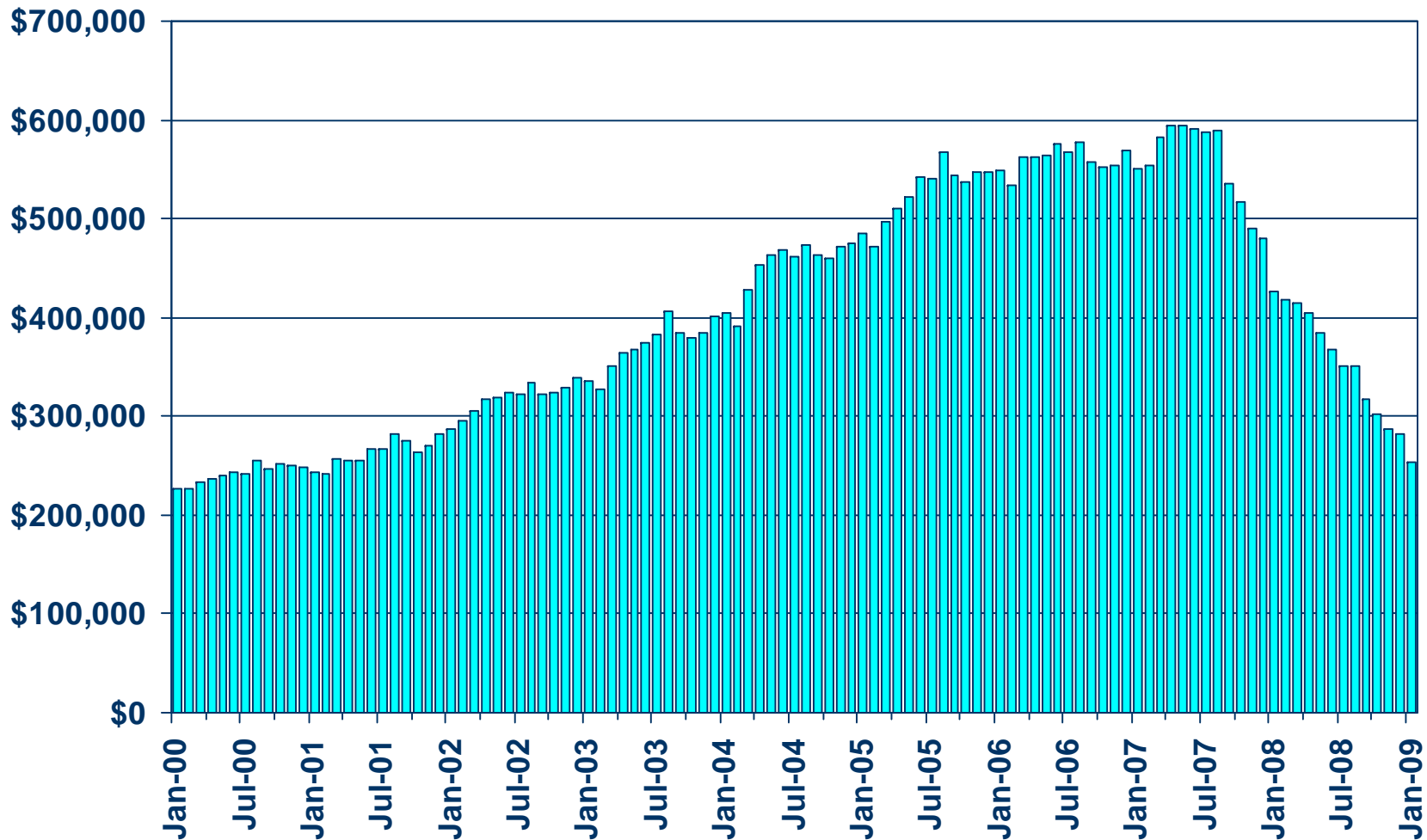
SOURCE: California Association of REALTORS®; The Conference Board

*Sales are seasonally adjusted and annualized



Median Price of Existing Detached Homes

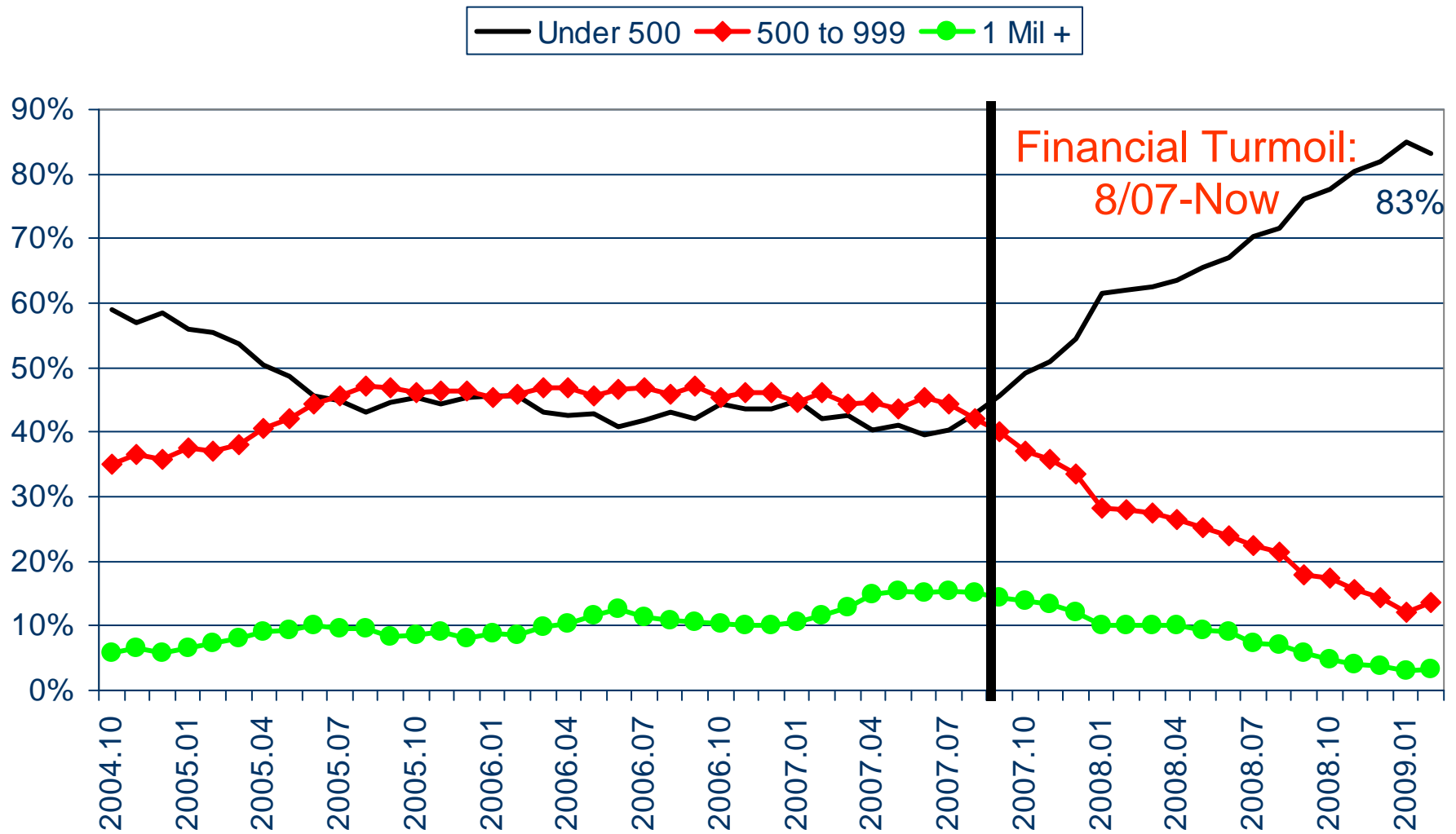
California, February 2009: \$247,590, Down 40.8% YTY



SOURCE: California Association of REALTORS®



Sales By Price Range



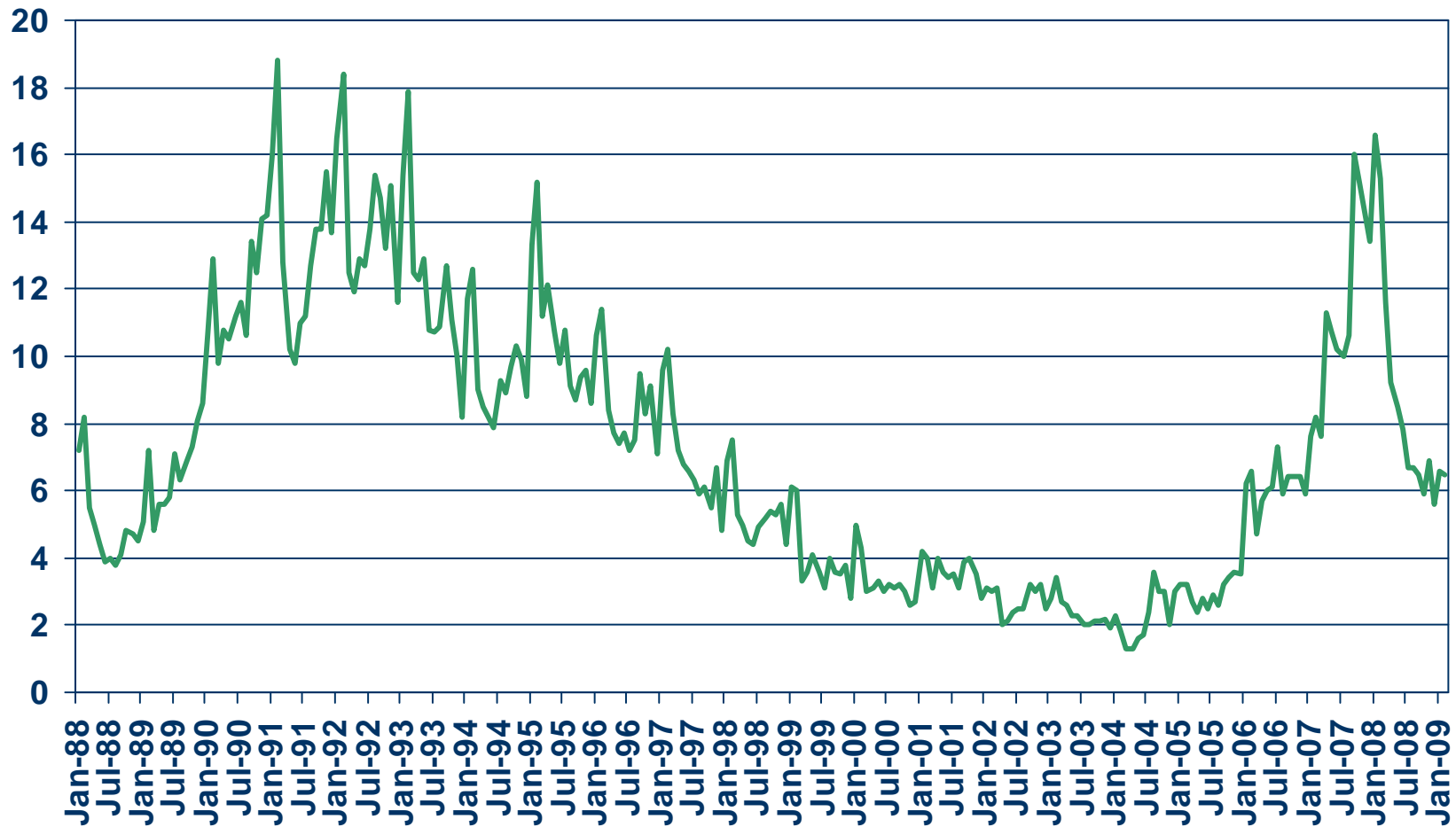
Peak vs Current Price - February 2009

Region	Peak Month	Peak Price	Feb-09 Median	% Chg From Peak
Monterey Region	Aug-07	\$798,210	\$241,130	-69.8%
High Desert	Apr-06	\$334,860	\$121,970	-63.6%
Palm Springs/Lower Desert	Jun-05	\$393,370	\$156,000	-60.3%
CALIFORNIA	May-07	\$594,530	\$247,590	-58.4%
Riverside/San Bernardino	Jan-07	\$415,160	\$174,400	-58.0%
Sacramento	Aug-05	\$394,450	\$168,700	-57.2%
San Francisco	May-07	\$853,910	\$399,040	-53.3%
Northern Wine Country	Jan-06	\$645,080	\$310,950	-51.8%
Ventura	Aug-06	\$710,910	\$359,630	-49.4%
Los Angeles	Aug-07	\$605,300	\$308,540	-49.0%
Santa Clara	Apr-07	\$868,410	\$445,000	-48.8%
San Diego	May-06	\$622,380	\$320,980	-48.4%
San Luis Obispo	Jun-06	\$620,540	\$347,060	-44.1%
Orange County	Apr-07	\$747,260	\$433,690	-42.0%
Northern California	Aug-05	\$440,420	\$255,810	-41.9%

Unsold Inventory Index

California, February 2009: 6.5 Months

MONTHS



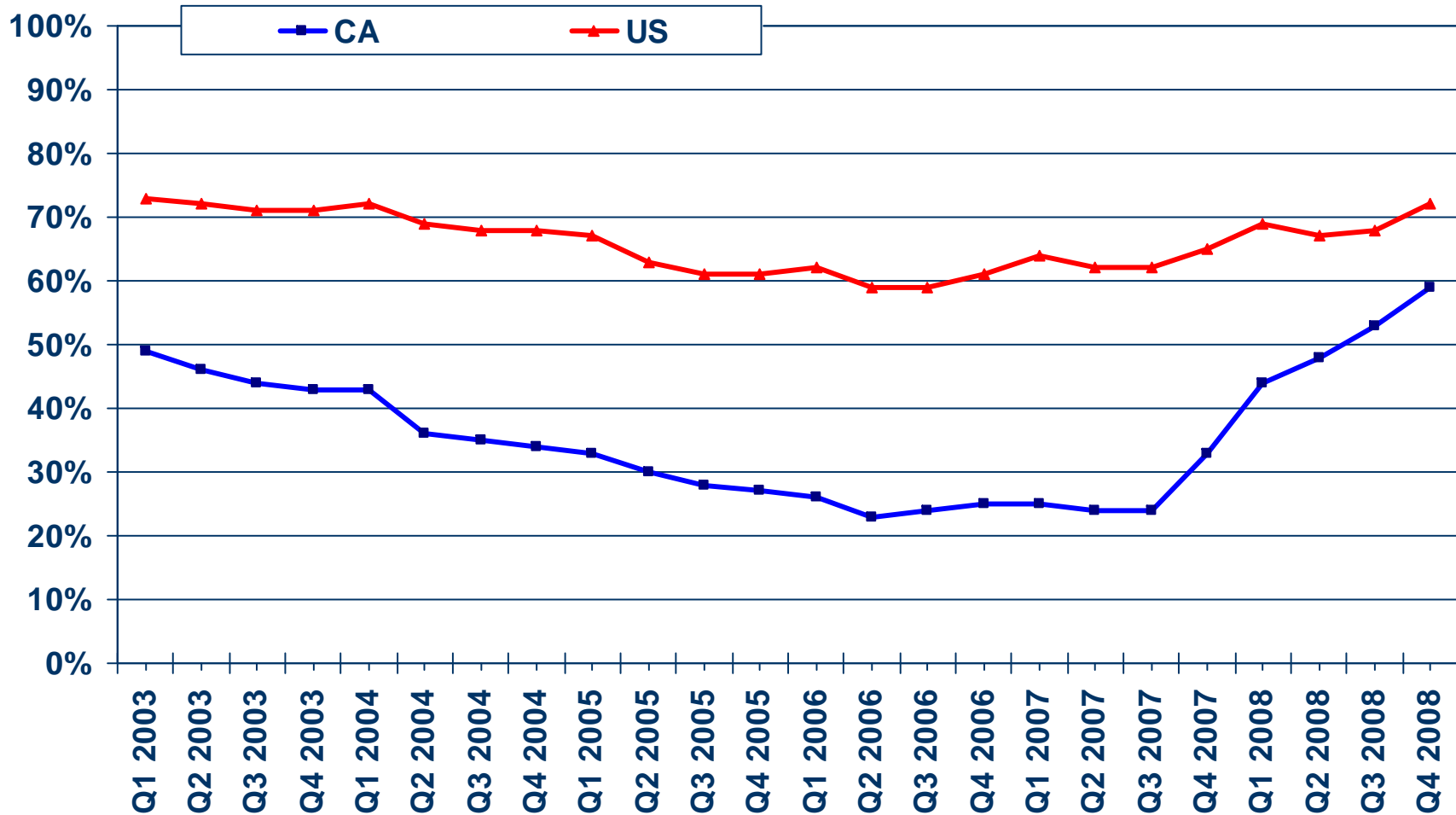
SOURCE: California Association of REALTORS®



First-time Buyer Housing Affordability Index

California Vs. U.S. 2003-2008

% OF HOUSEHOLDS THAT CAN BUY

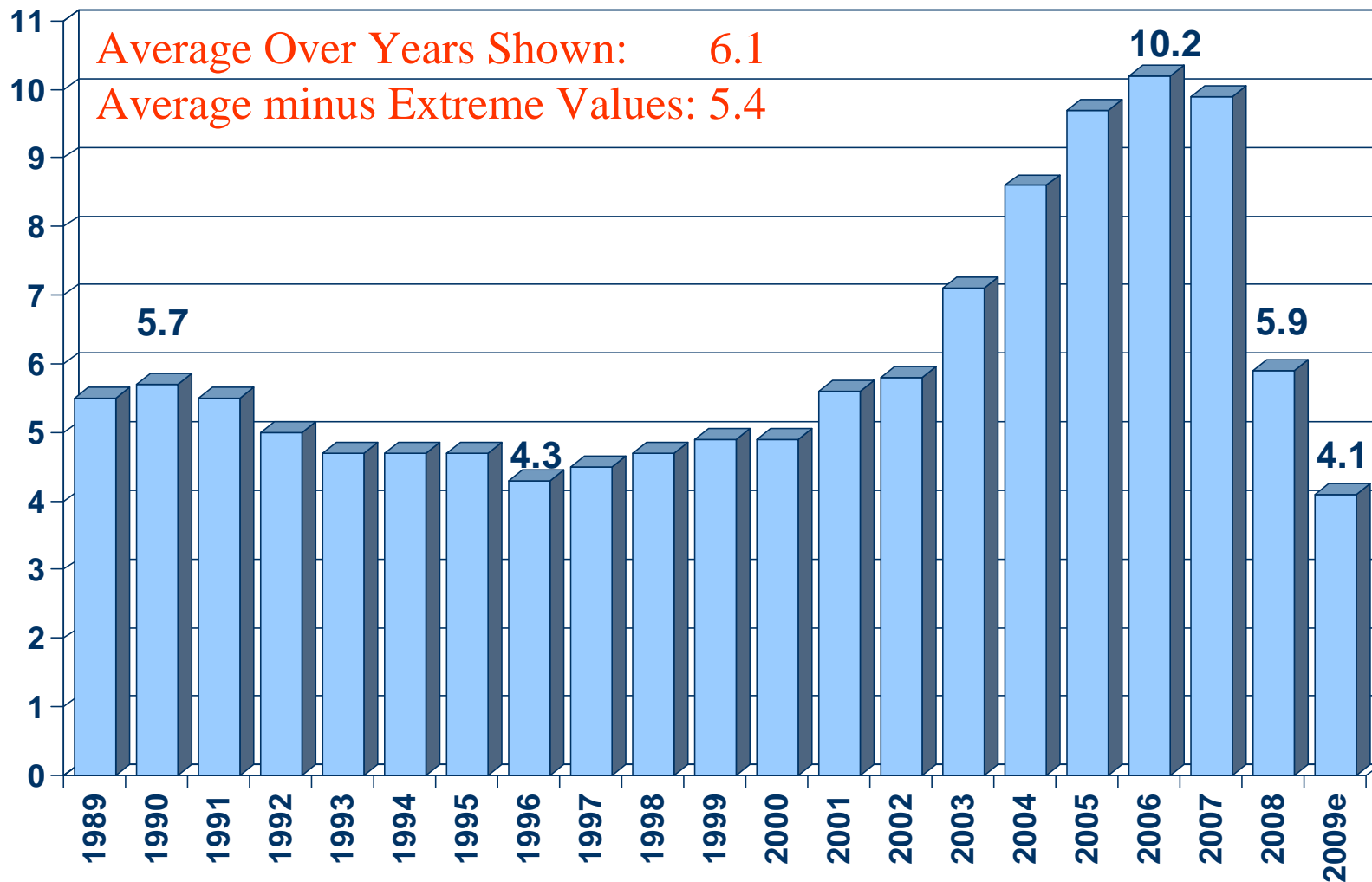


SOURCE: California Association of REALTORS®



Median Price to Median HH Income Ratio

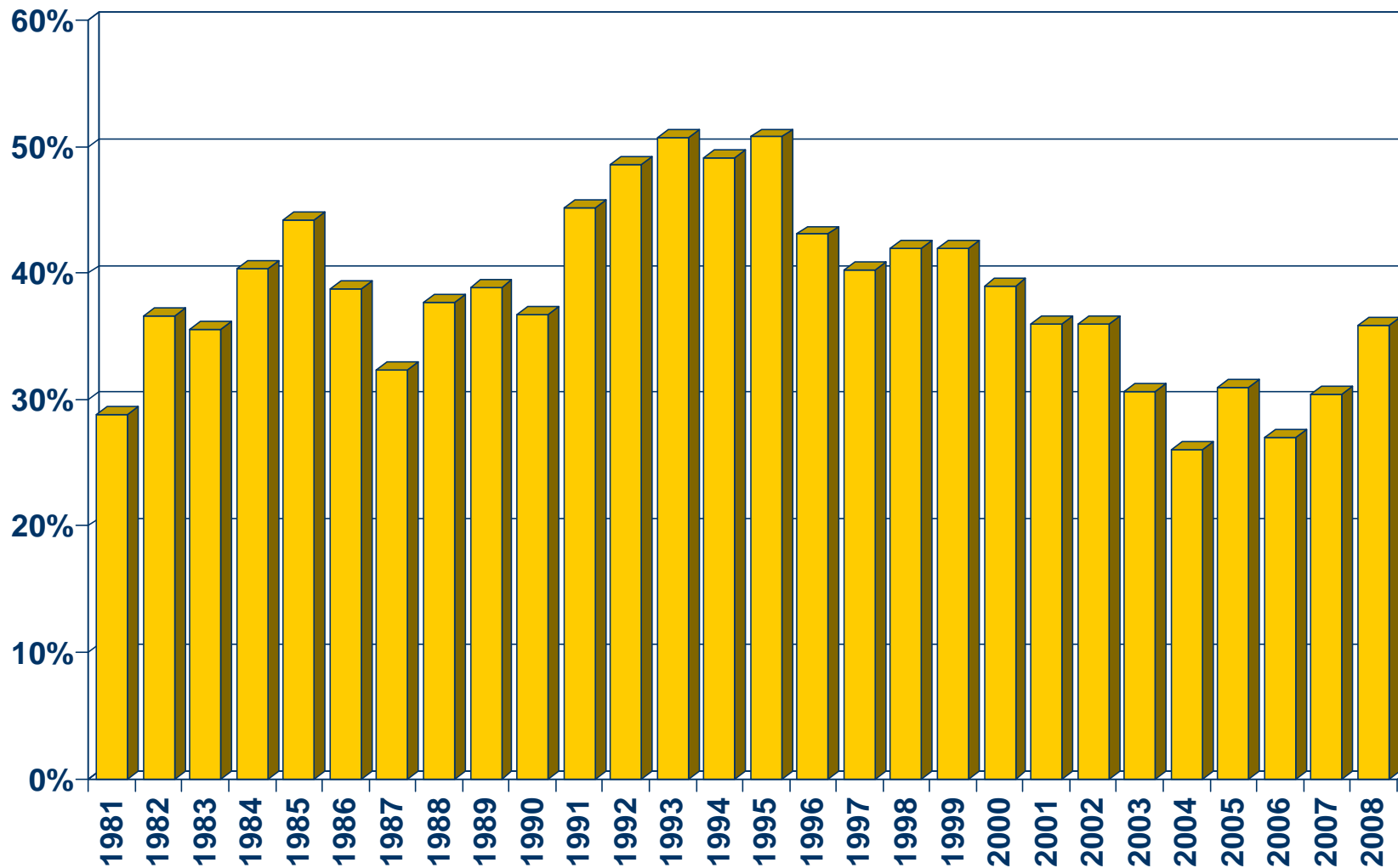
California



SOURCE: California Association of REALTORS®



Proportion of First-Time Homebuyers California



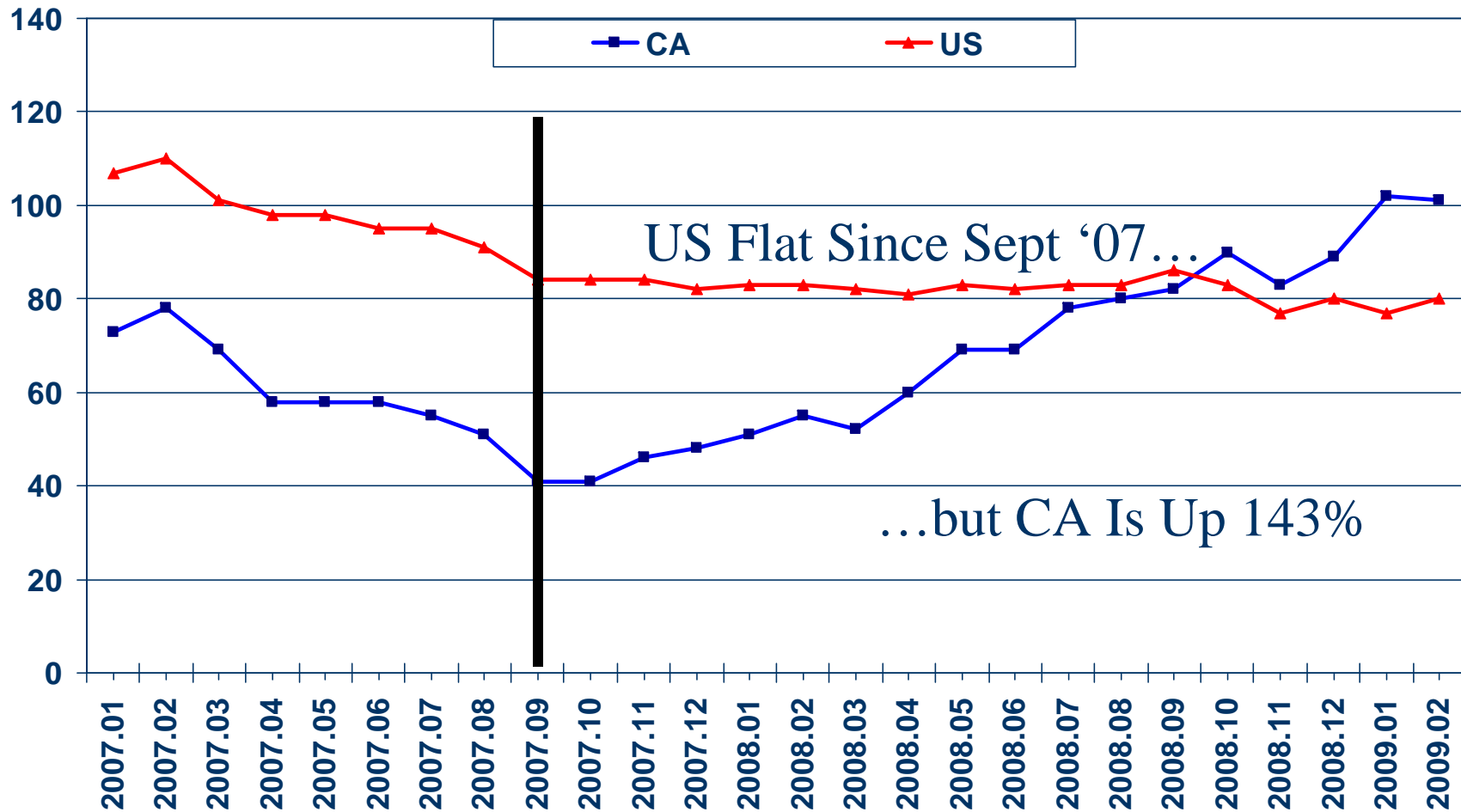
SOURCE: California Association of REALTORS®



CA Sales Are Improving Ahead of US

California Vs. U.S. 2007-Present

Sales Index (Jan 2004=100)



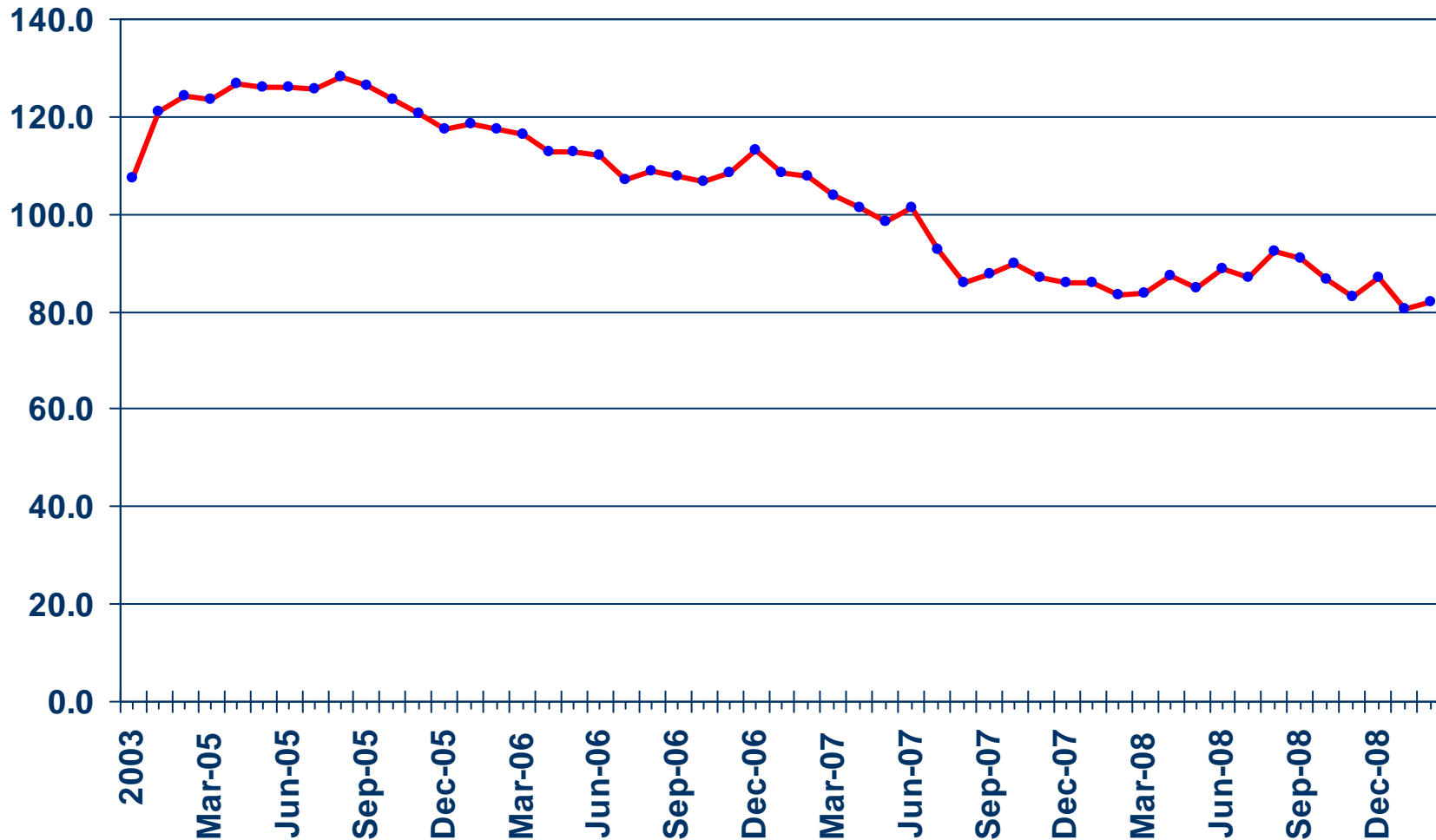
SOURCE: California Association of REALTORS®



U.S. Pending Home Sales Index

2003-2009

SEASONALLY ADJUSTED
ANNUAL RATE

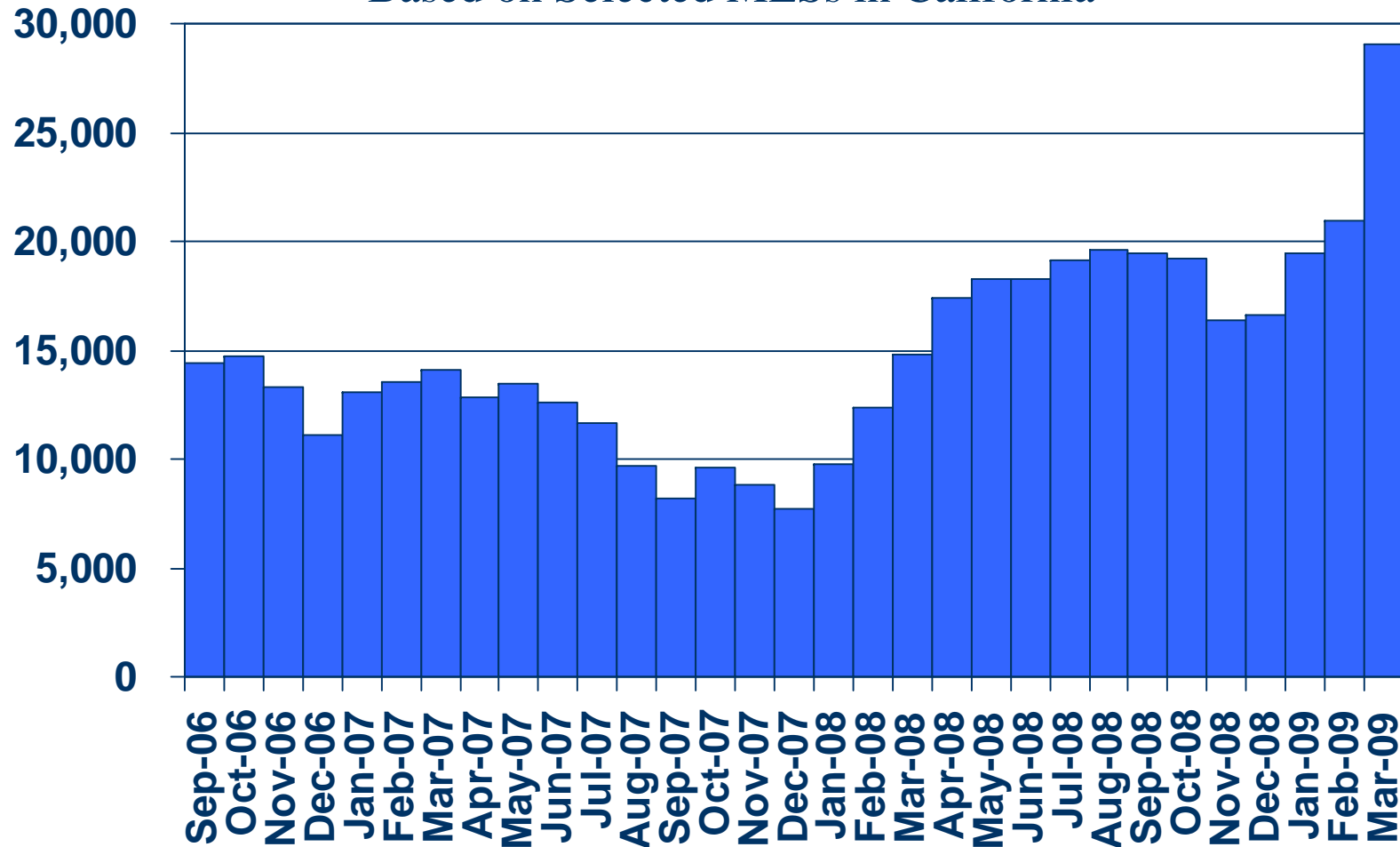


Properties Under Contract in CA

March 2009: 29,082 Units, Up 38.7% MTM, Up 96.0% YTY

UNITS

Based on Selected MLSs in California



SOURCE: Clarus MarketMetrics, compiled by C.A.R.





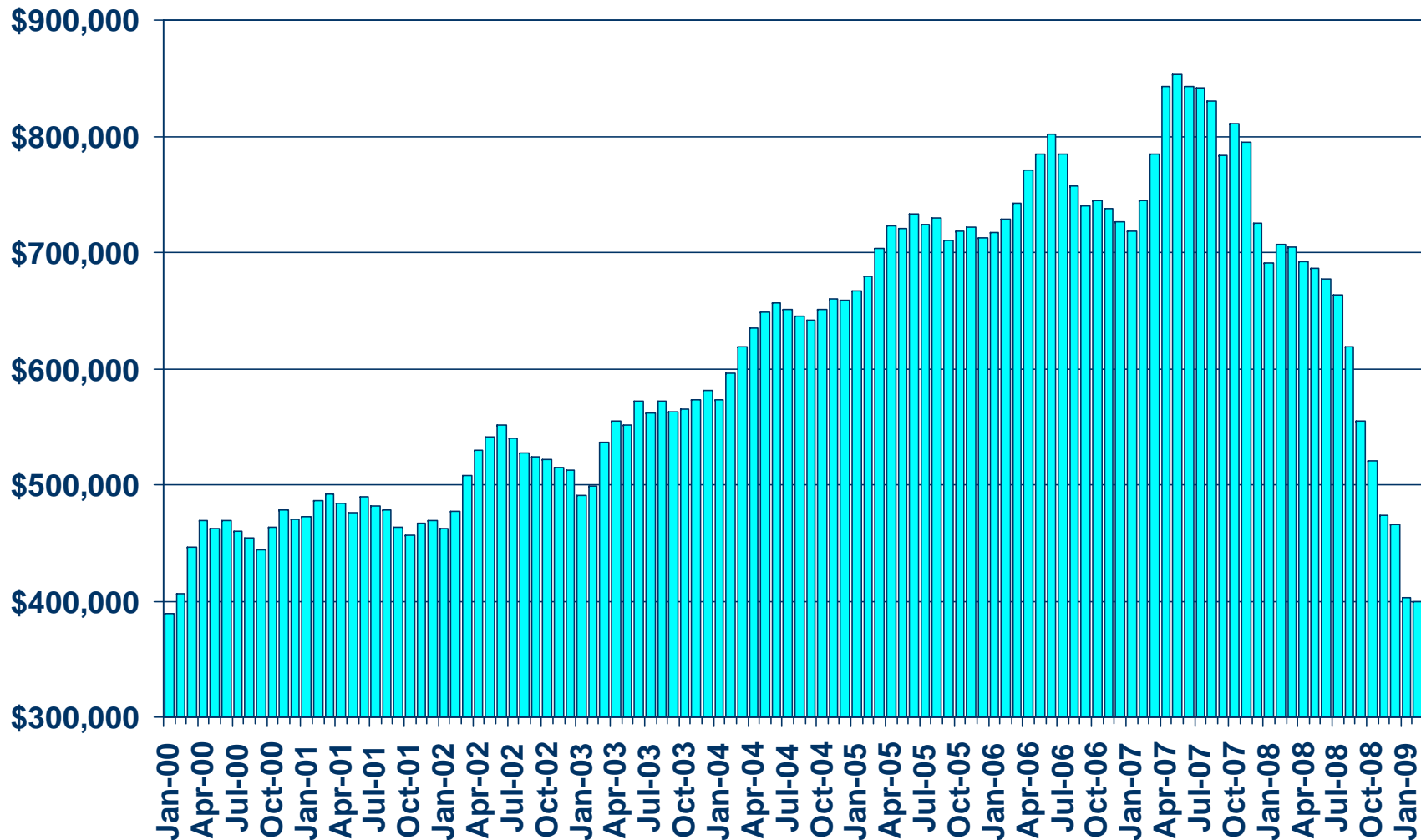
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Local & Regional Market Conditions

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Median Price of Existing Detached Homes

Bay Area, February 2009: \$399,040, Down 43.5% YTY



SOURCE: California Association of REALTORS®



Median Price of Existing Detached Homes

Bay Area Counties

County	Feb-09	Jan-09	Feb-08	M-t-M	Y-t-Y
Alameda	\$ 360,714	\$ 346,236	\$ 574,292	4.2%	-37.2%
Contra Costa	\$ 492,307	\$ 519,231	\$ 693,877	-5.2%	-29.0%
Marin	\$ 702,380	\$ 778,409	\$ 964,285	-9.8%	-27.2%
San Francisco	\$ 601,293	\$ 588,028	\$ 769,737	2.3%	-21.9%
San Mateo	\$ 562,500	\$ 551,000	\$ 910,950	2.1%	-38.3%
Santa Clara	\$ 445,000	\$ 450,000	\$ 780,000	-1.1%	-42.9%
Santa Cruz	\$ 380,000	\$ 450,000	\$ 685,000	-15.6%	-44.5%
Solano	\$ 204,779	\$ 206,034	\$ 338,793	-0.6%	-39.6%
Sonoma	\$ 312,338	\$ 326,000	\$ 447,435	-4.2%	-30.2%

SOURCE: California Association of REALTORS®



Sales of Existing Detached Homes

Bay Area Counties

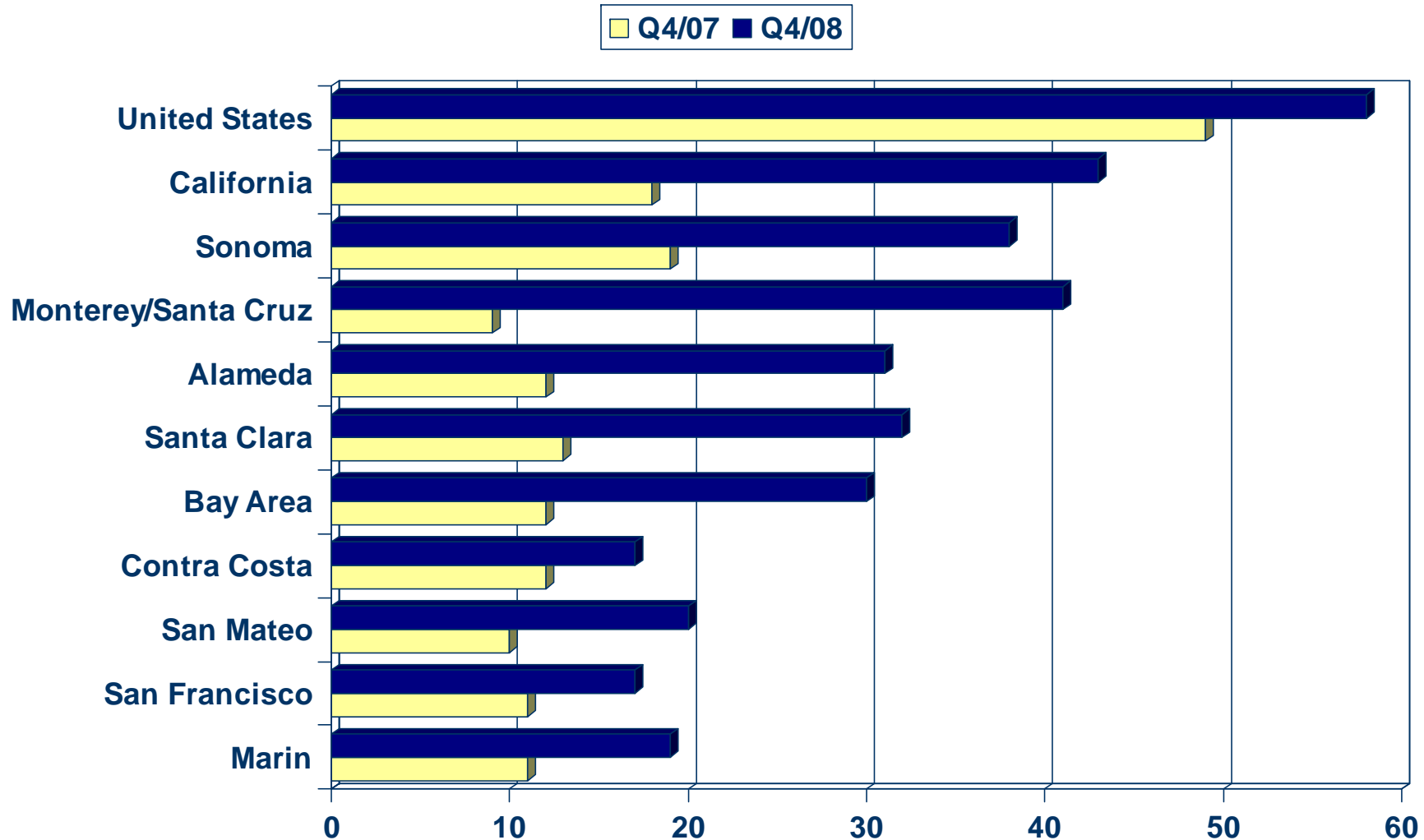
County	Feb-09	Jan-09	Feb-08	M-t-M	Y-t-Y	Y-t-D
Alameda	396	424	325	-6.6%	21.8%	36.4%
Contra Costa	130	152	132	-14.5%	-1.5%	11.0%
Marin	60	69	92	-13.0%	-34.8%	-25.4%
San Francisco	173	154	182	12.3%	-4.9%	0.6%
San Mateo	212	166	213	27.7%	-0.5%	3.0%
Santa Clara	594	595	433	-0.2%	37.2%	52.0%
Santa Cruz	91	83	73	9.6%	24.7%	22.5%
Solano	431	396	155	8.8%	178.1%	183.2%
Sonoma	307	336	177	-8.6%	73.4%	90.8%

SOURCE: California Association of REALTORS®



Housing Affordability

Bay Area - 4th Quarter 2008

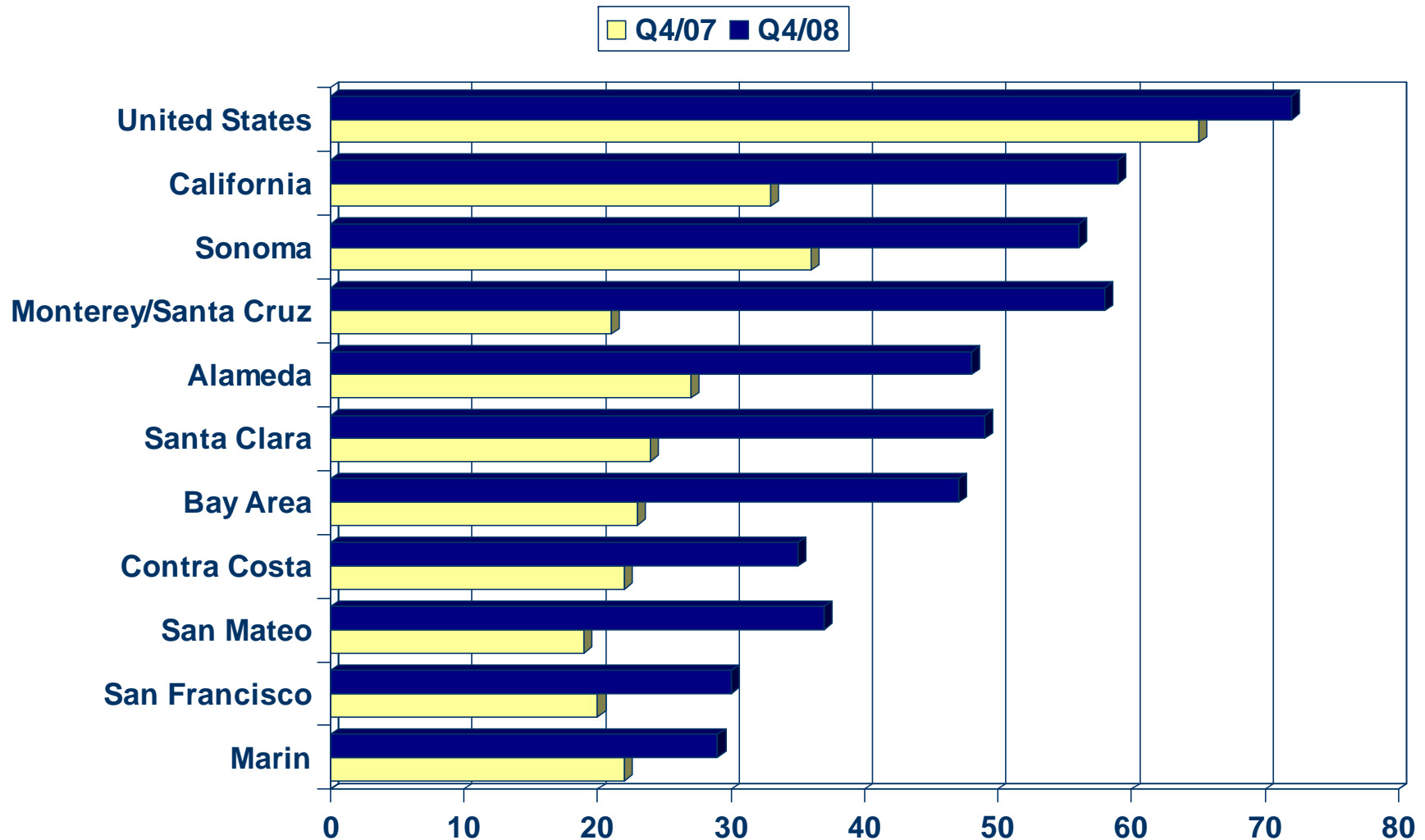


SOURCE: California Association of REALTORS®



First-time Buyer Housing Affordability

Bay Area - 4th Quarter 2008

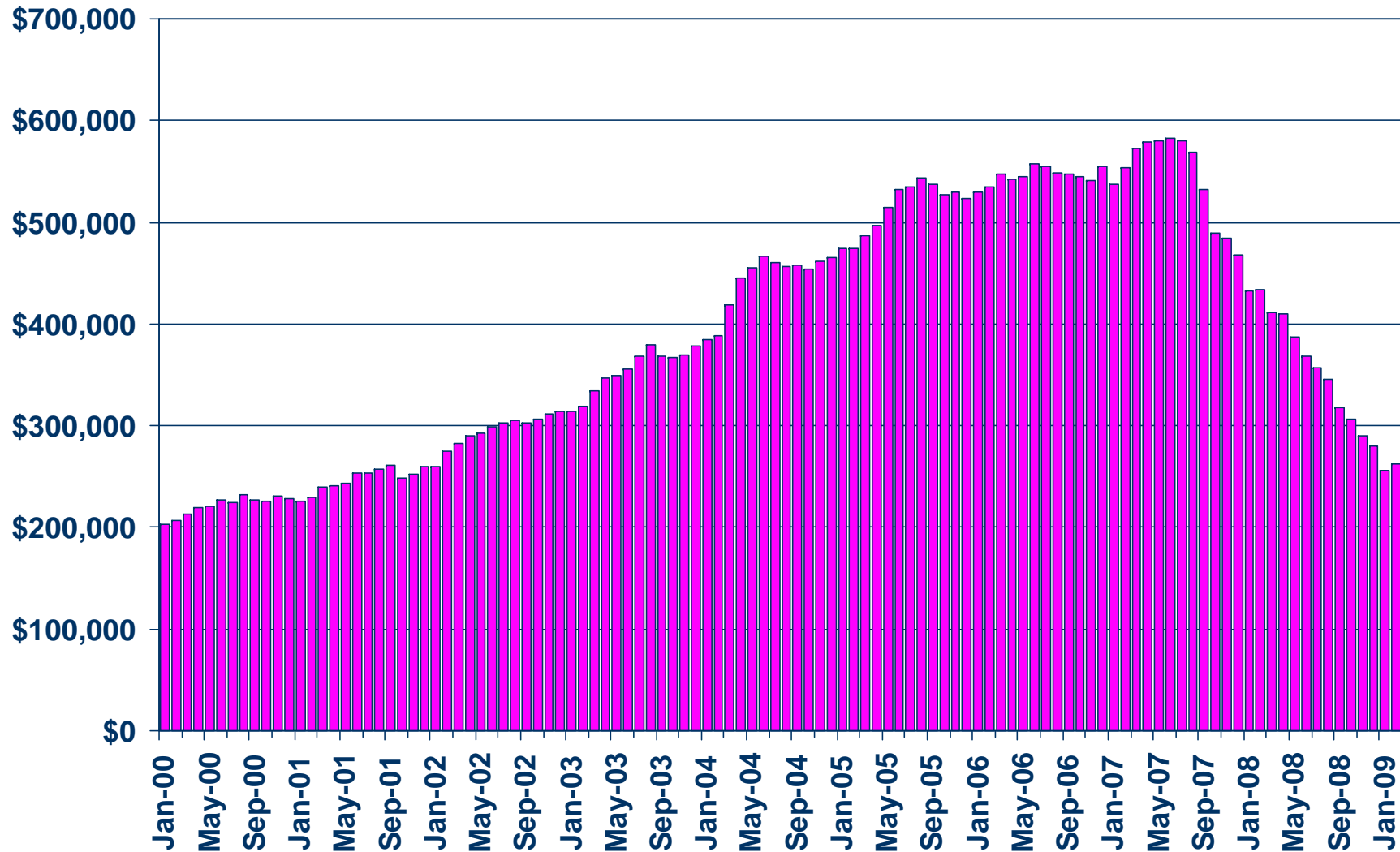


SOURCE: California Association of REALTORS®



Median Price of Existing Detached Homes

Southern California, Feb. 2009: \$261,810 Down 39.6% YTY



SOURCE: California Association of REALTORS®



Median Price of Existing Detached Homes

Southern California Regions

County	Feb-09	Jan-09	Feb-08	M-t-M	Y-t-Y
High Desert	\$ 121,967	\$ 127,750	\$ 220,378	-4.5%	-44.7%
Los Angeles	\$ 308,538	\$ 304,747	\$ 478,354	1.2%	-35.5%
Orange	\$ 433,690	\$ 423,101	\$ 609,968	2.5%	-28.9%
Palm Springs	\$ 155,999	\$ 153,147	\$ 334,905	1.9%	-53.4%
Riverside/SB	\$ 174,405	\$ 176,184	\$ 289,663	-1.0%	-39.8%
San Diego	\$ 320,977	\$ 325,257	\$ 450,707	-1.3%	-28.8%
Sta. Barbara-So. Coast	\$ 715,000	\$ 900,000	\$ 1,295,000	-20.6%	-44.8%
Sta. Barbara-North Cnty.	\$ 228,260	\$ 225,000	\$ 333,928	1.4%	-31.6%
Ventura	\$ 359,632	\$ 364,534	\$ 520,270	-1.3%	-30.9%

SOURCE: California Association of REALTORS®



Sales of Existing Detached Homes

Southern California Regions

County	Feb-09	Jan-09	Feb-08	M-t-M	Y-t-Y	Y-t-D
High Desert	1,252	1,315	413	-4.8%	203.1%	218.5%
Los Angeles	3,374	3,762	1,993	-10.3%	69.3%	77.1%
Orange	1,191	1,073	820	11.0%	45.2%	59.5%
Palm Springs	628	533	369	17.8%	70.2%	60.8%
Riverside/SB	1,620	1,784	649	-9.2%	149.6%	152.1%
San Diego	2,092	2,097	948	-0.2%	120.7%	129.7%
Sta. Barbara Area	120	132	118	-9.1%	1.7%	17.2%
Ventura	382	351	236	8.8%	61.9%	70.1%

SOURCE: California Association of REALTORS®



Unsold Inventory Index (Months)

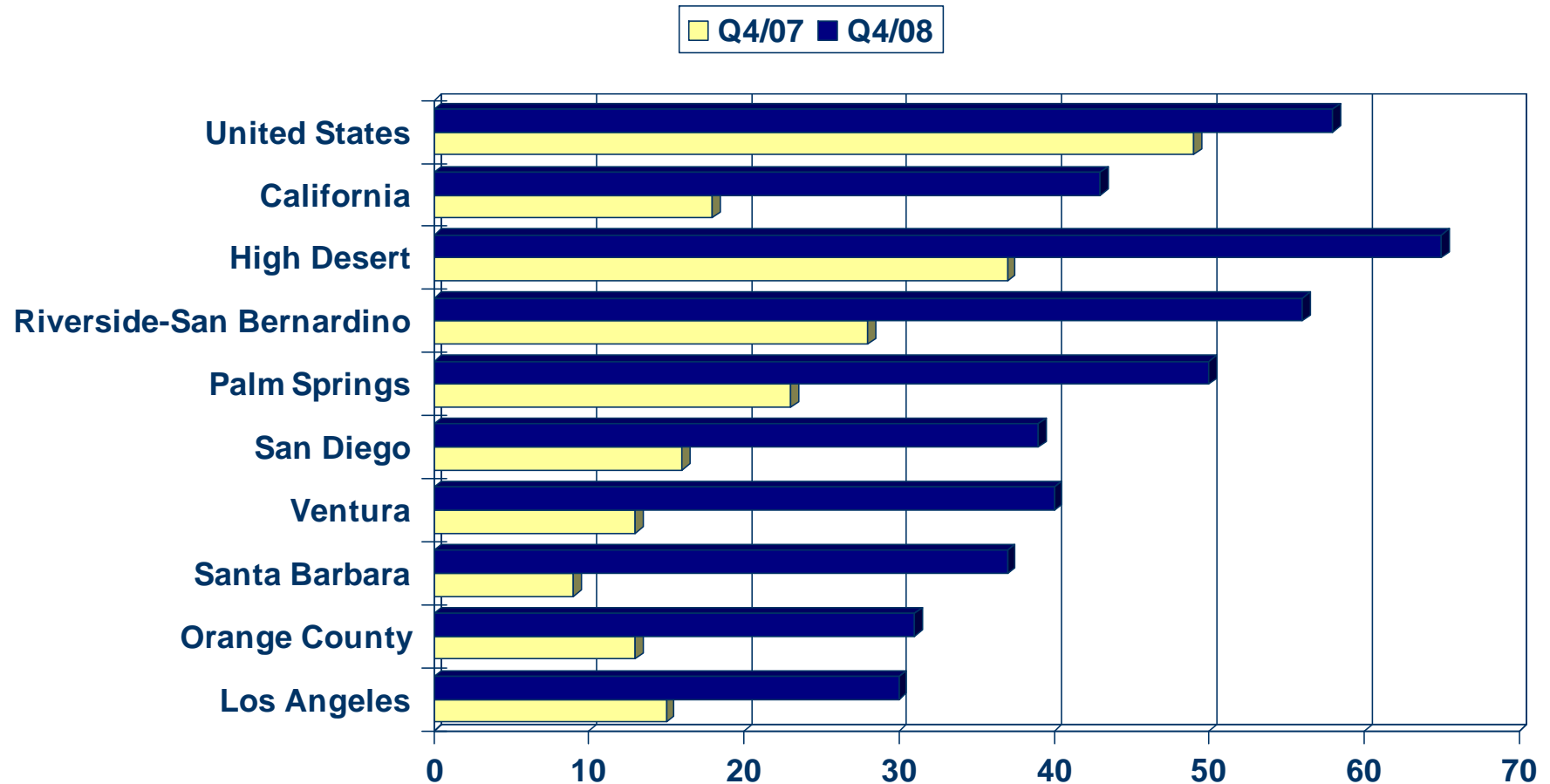
County	Feb-09	Jan-09	Feb-08
Los Angeles	7.7	7.6	18.5
Orange	9.1	9.9	16.2
Riverside/SB	5.6	5.5	19.3
San Diego	3.9	4.0	14.5
Santa Barbara	8.9	7.2	7.5
Ventura	4.7	6.0	NA
Southern California	6.4	6.5	17.2

SOURCE: California Association of REALTORS®



Housing Affordability

Southern California - 4th Quarter 2008

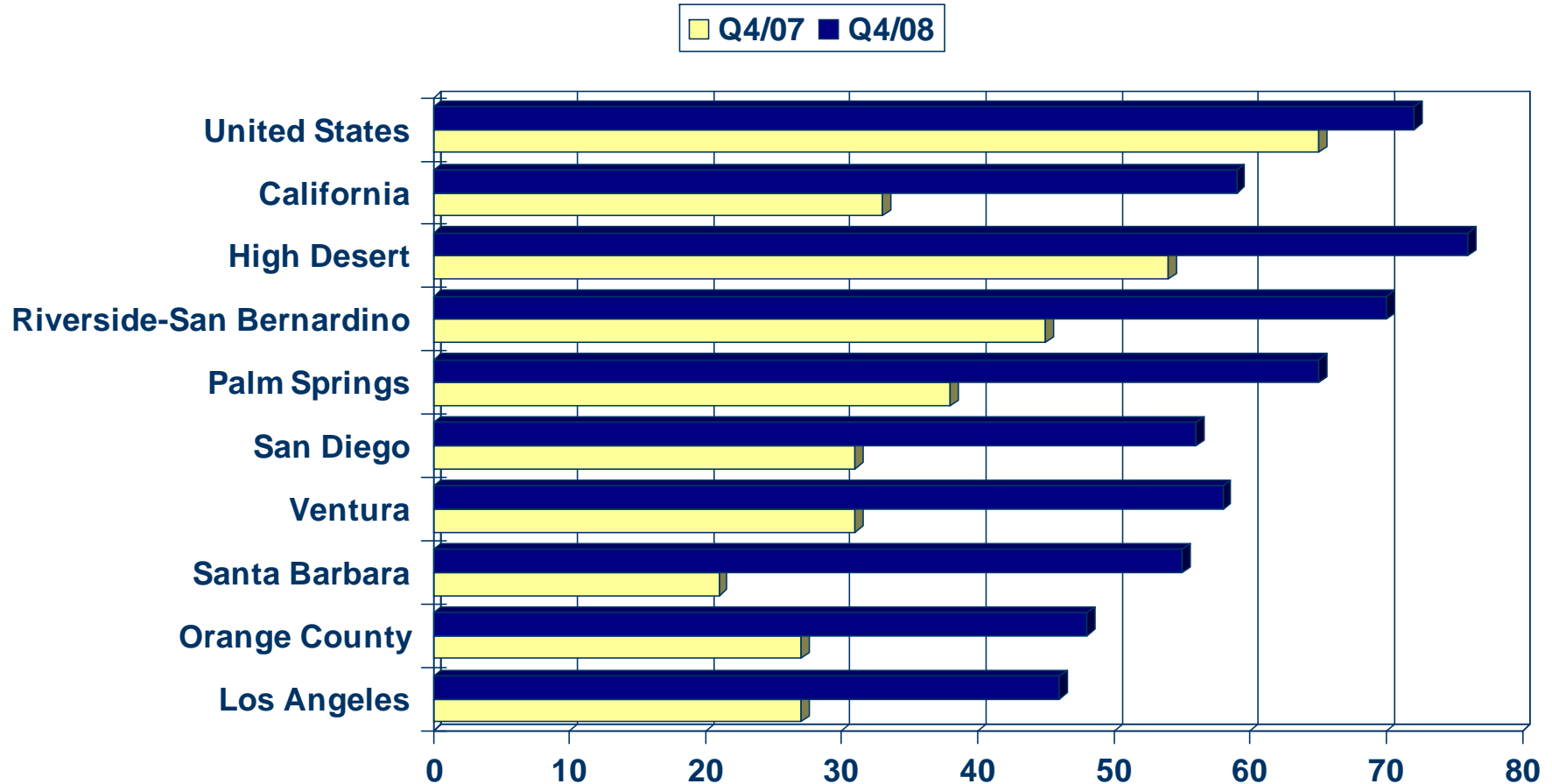


SOURCE: California Association of REALTORS®



First-time Buyer Housing Affordability

Southern California - 4th Quarter 2008



SOURCE: California Association of REALTORS®



Sales of Existing Detached Homes

Central Valley Regions

County	Feb-09	Jan-09	Feb-08	M-t-M	Y-t-Y	Y-t-D
Bakersfield	499	562	269	-11.2%	85.5%	116.5%
Fresno	718	809	354	-11.2%	102.8%	111.2%
Merced	201	215	66	-6.5%	204.5%	238.2%
Sacramento	1,575	1,542	870	2.1%	81.0%	93.7%

SOURCE: California Association of REALTORS®



Median Price of Existing Detached Homes

Central Valley Regions

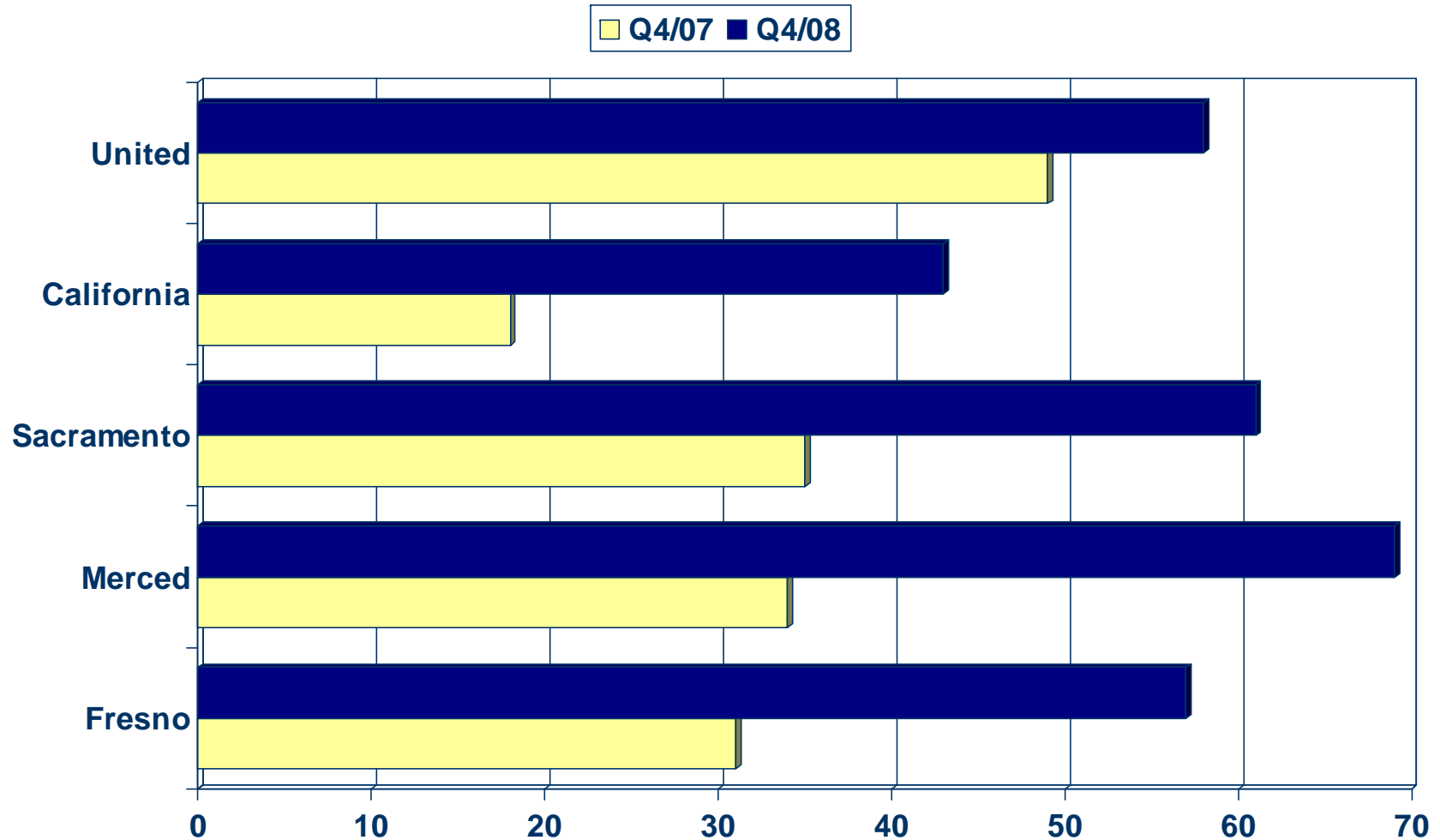
County	Feb-09	Jan-09	Feb-08	M-t-M	Y-t-Y
Bakersfield	\$ 130,000	\$ 125,000	\$ 235,000	4.0%	-44.7%
Fresno	\$ 133,870	\$ 145,200	\$ 242,957	-7.8%	-44.9%
Merced	\$ 101,500	\$ 114,137	\$ 200,000	-11.1%	-49.3%
Sacramento	\$ 168,700	\$ 169,666	\$ 258,680	-0.6%	-34.8%

SOURCE: California Association of REALTORS®



Housing Affordability

Central Valley - 4th Quarter 2008

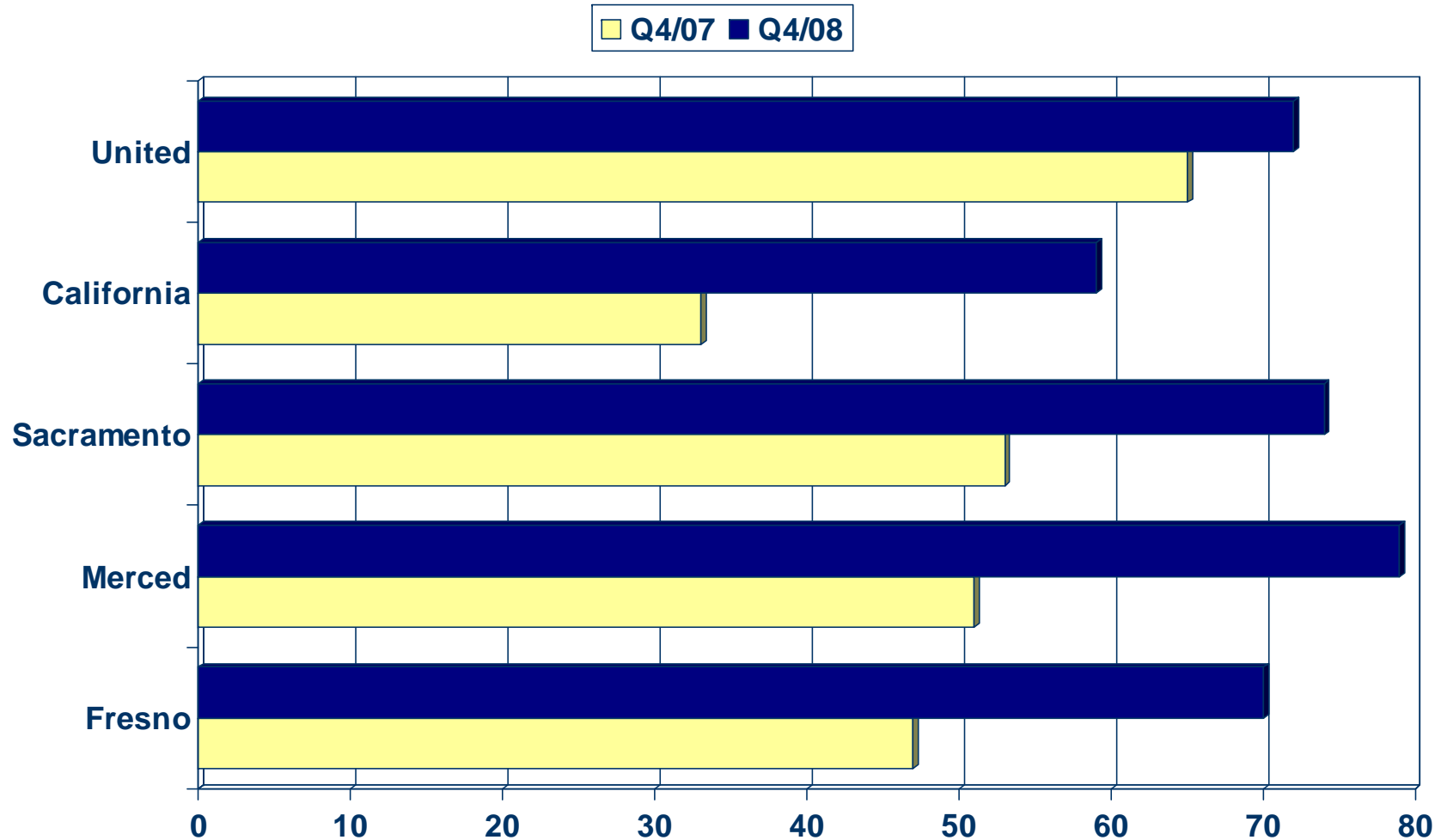


SOURCE: California Association of REALTORS®



First-time Buyer Housing Affordability

Central Valley - 4th Quarter 2008



SOURCE: California Association of REALTORS®



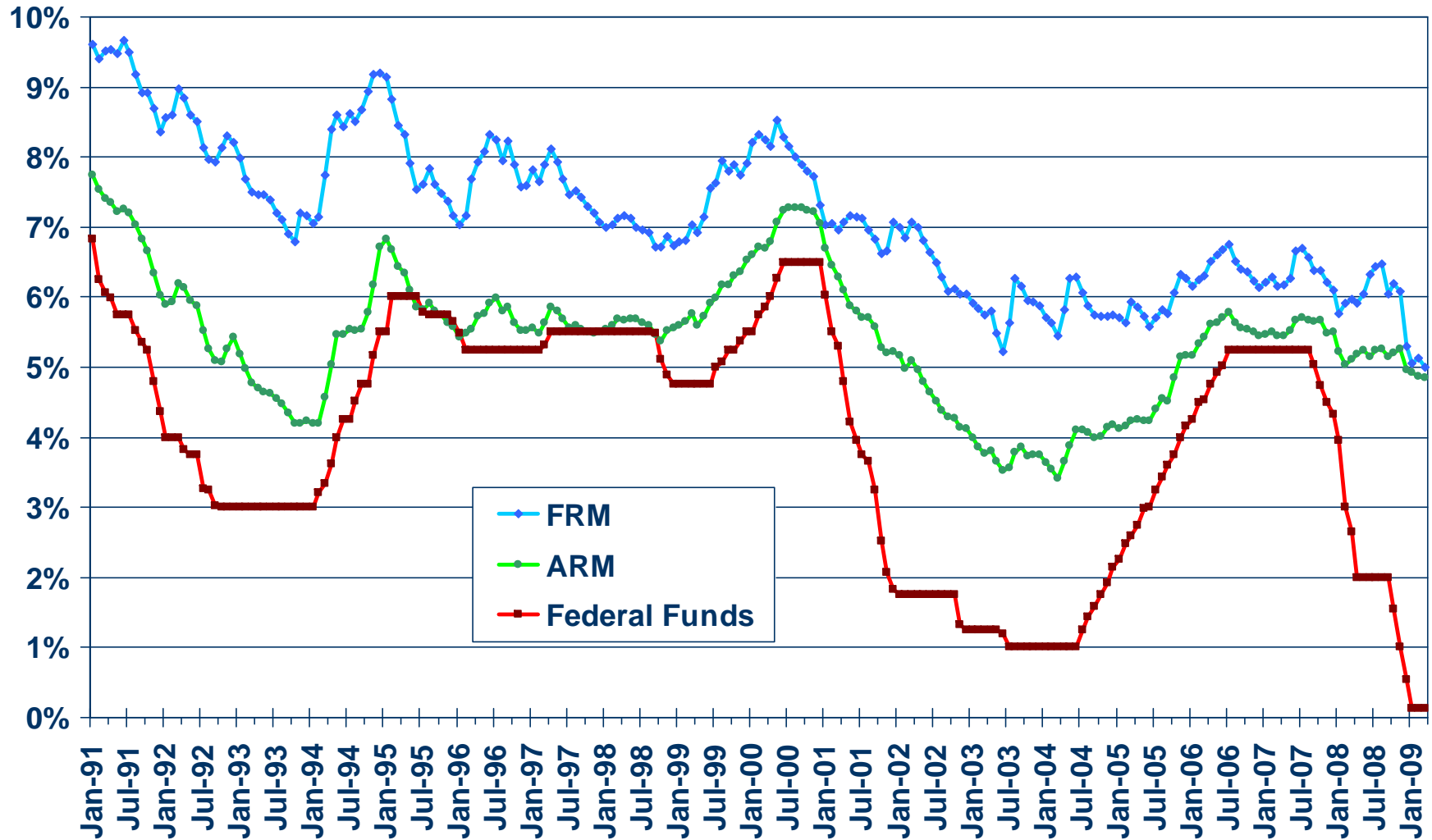


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Real Estate Finance

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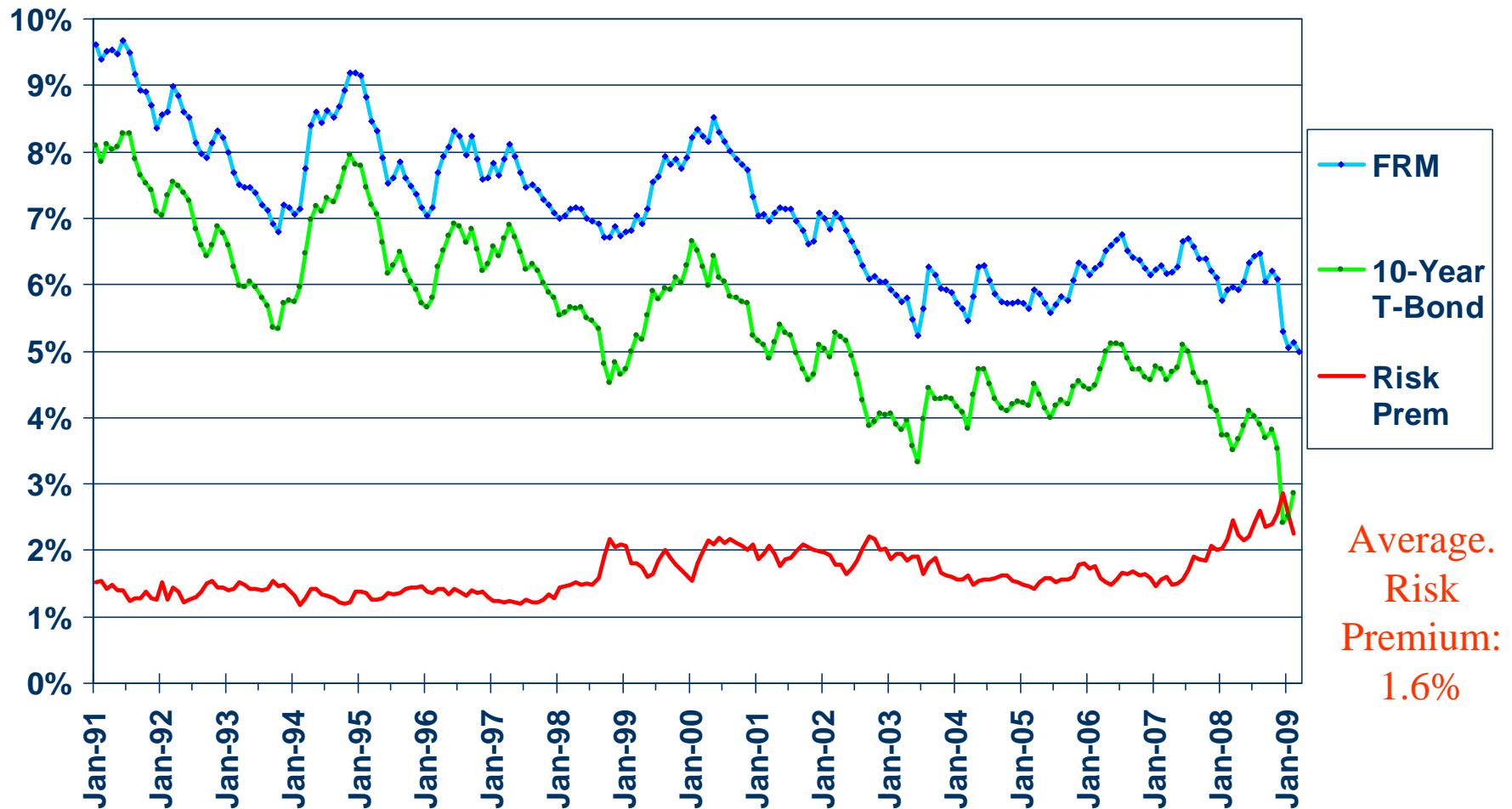
Mortgage Rates



SOURCE: Federal Home Loan Mortgage Corporation

30-Year FRM vs. 10-Year T-Bond

Above-Average Risk Premiums Associated With Mortgage Loans



SOURCE: Federal Home Loan Mortgage Corporation – 30-yr FRM
Federal Reserve Board – 10-Year T-Bond

Notices of Default – CA Q1-2009

Houses and Condos

Region	2009-Q1	2008-Q4	2008-Q1	QTQ %Chg	YTY %Chg
SoCal	80,234	42,826	65,309	87.3%	22.9%
Bay Area	19,438	11,157	16,531	74.2%	17.6%
Central Valley	29,919	17,888	26,793	67.3%	11.7%
Statewide*	135,431	75,230	113,809	80.0%	19.0%

* Includes additional counties

NOTES:

- SB1137 imposed a 30-day Notice of Intent to File NOD, effective 9/08

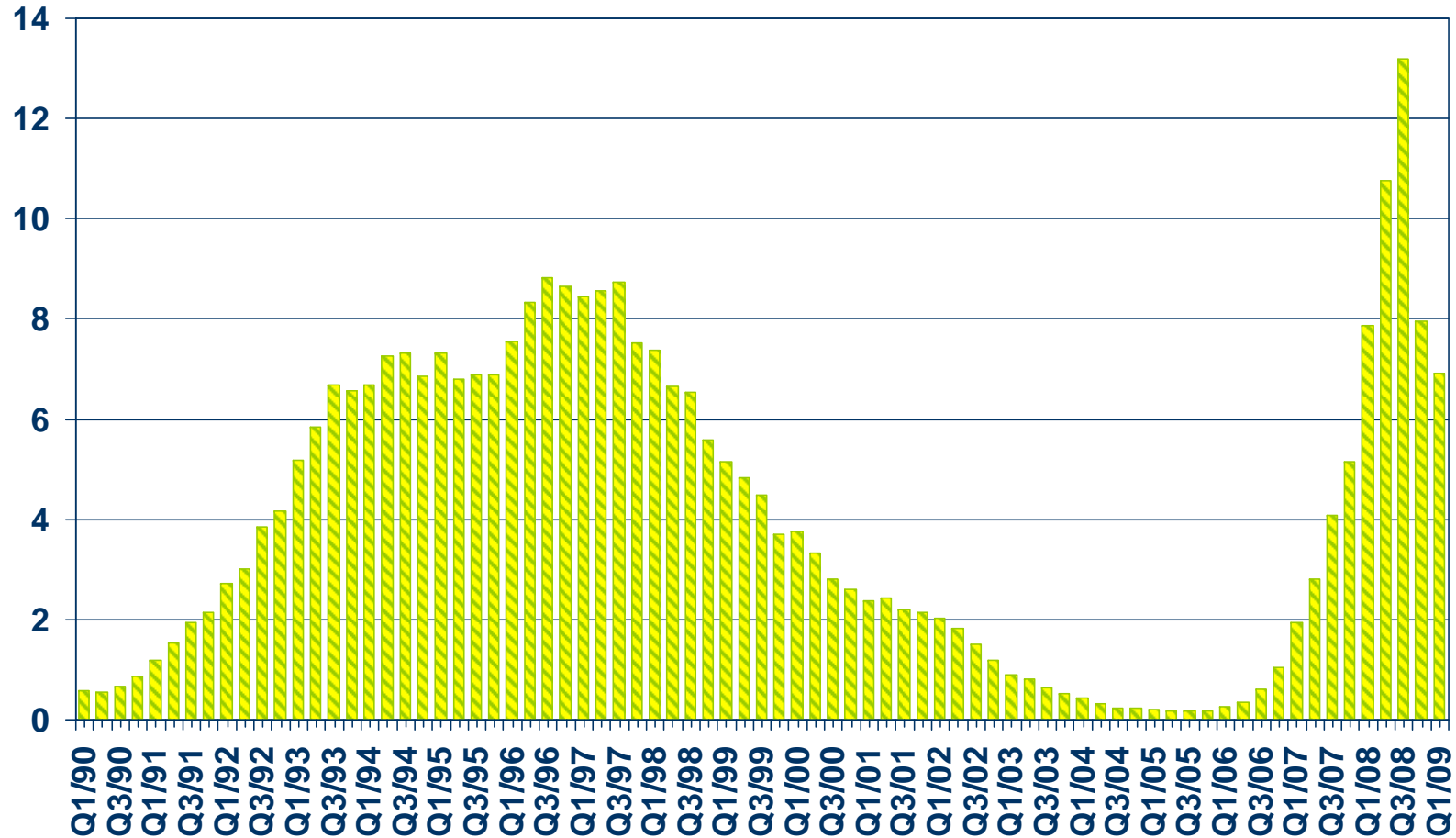
SOURCE: Data Quick Information Systems



Foreclosures

Los Angeles County

THOUSANDS

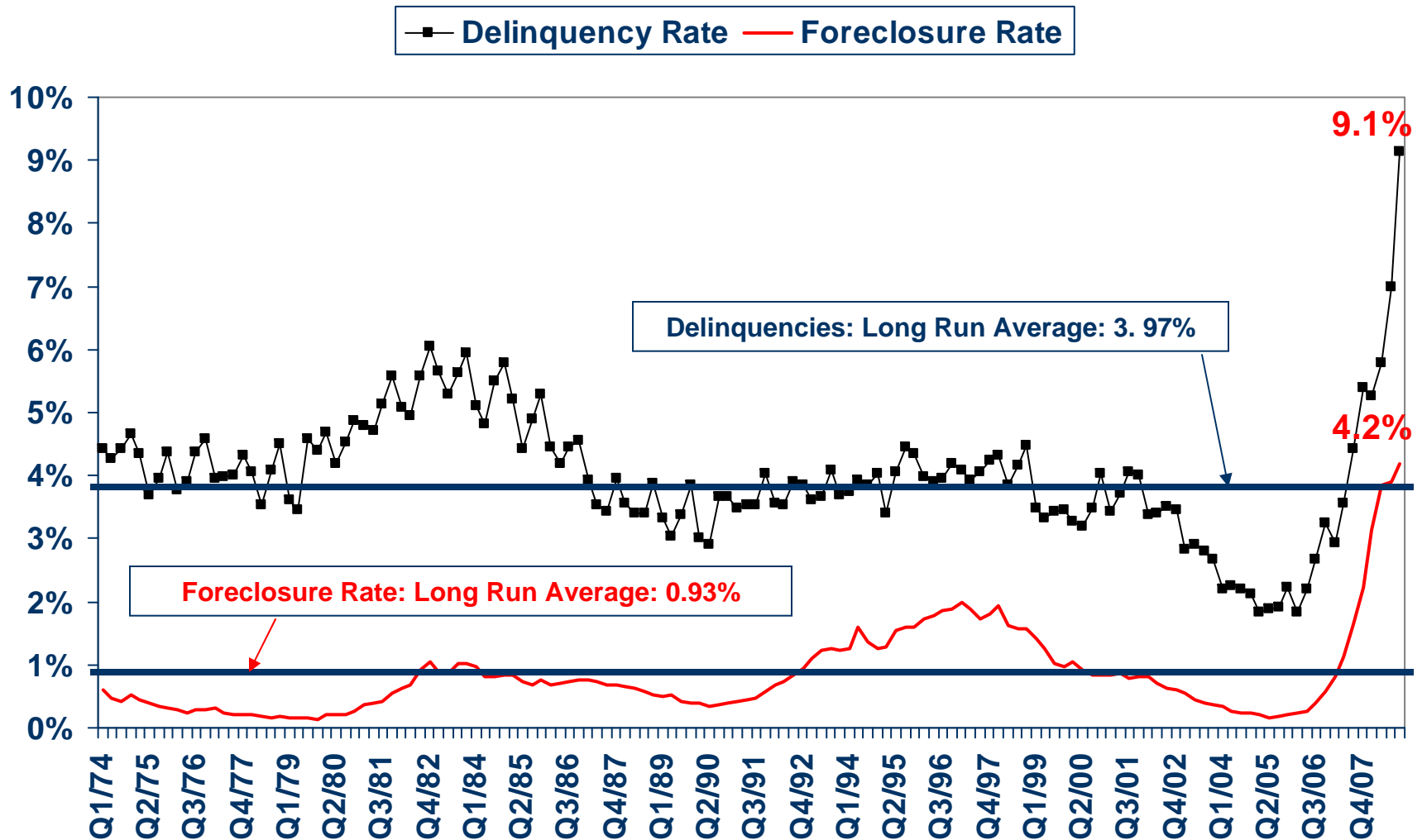


SOURCE: Real Estate Research Council



Mortgage Foreclosure & Delinquency Rates

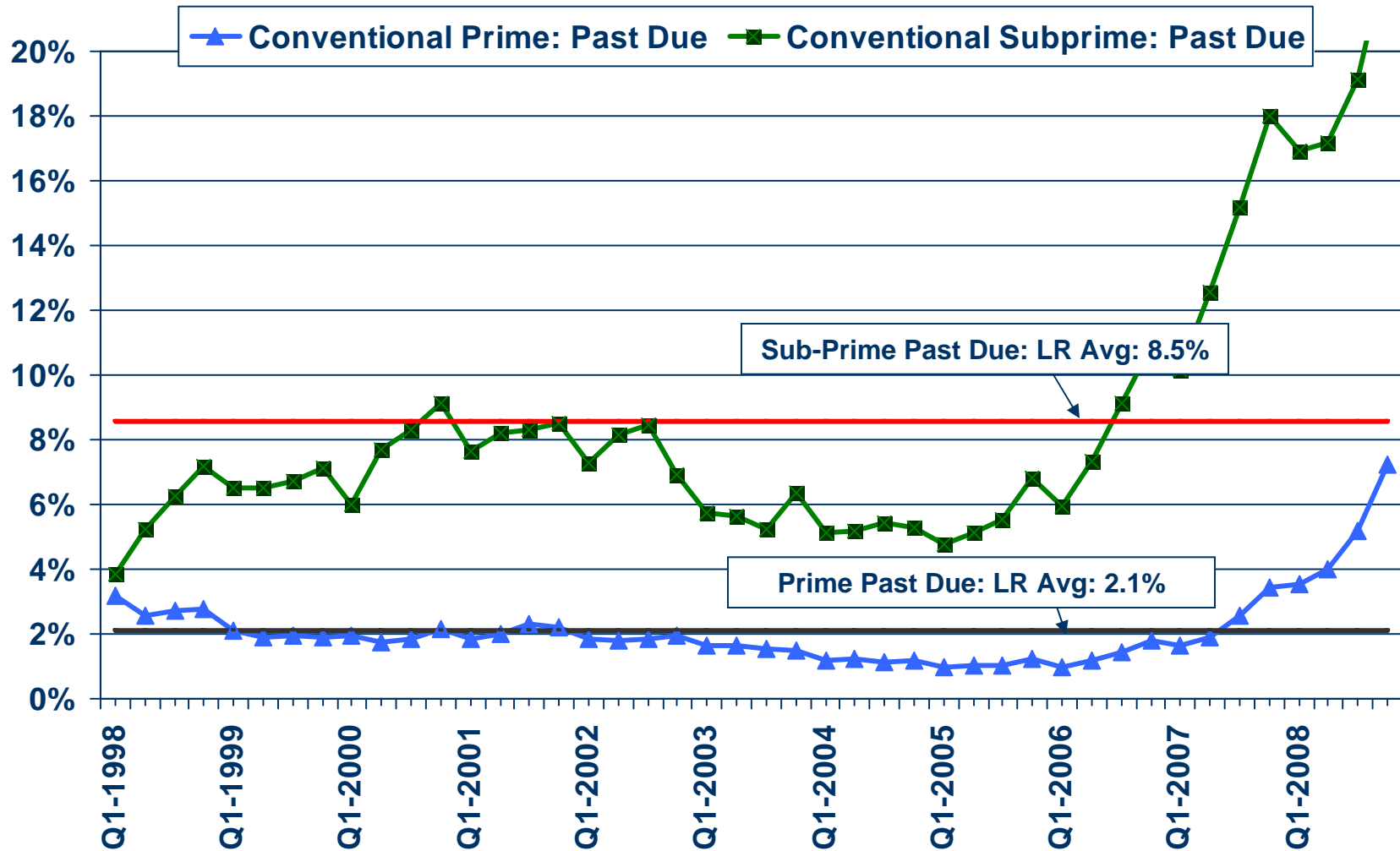
California: Q4-2008



SOURCE: Mortgage Bankers Association

Prime Versus Sub-Prime Past Due

California Q4-2008



SOURCE: Mortgage Bankers Association



California Subprime & Alt A Loans

As of December 2008

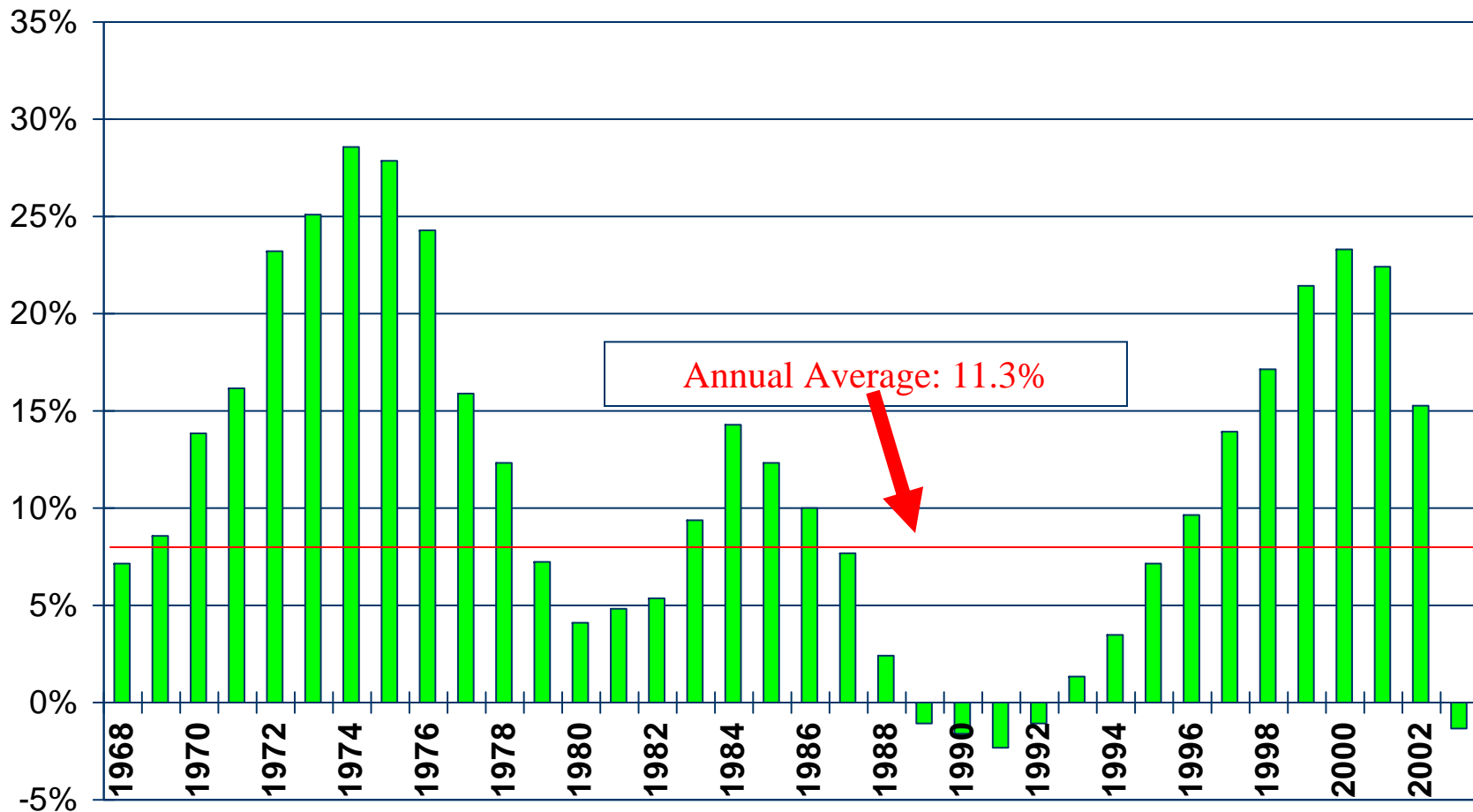
	Sub-Prime	Alt-A
Number of All Loans in Category	403,634	673,309
Loans as % of All Housing Units	3%	5%
ARMs As % of All Loans in Category	69%	70%
Number of ARMs	278,507	472,663
Percent of ARMs...		
...Already Reset	71%	46%
...To Reset Next 1-11 Months	19%	5%
...To Reset Next 12-23 Months	4%	7%
...To Reset Next 24+ Months	5%	43%

SOURCE: FirstAmerican CoreLogic, LoanPerformance Data, U.S. Census Bureau, and Federal Reserve Bank of New York, compiled by C.A.R.



5-Year Rate of Return on Median Price Home

Purchased in Year Shown - Sold After 5 Years (California)



Note: Return on 7-Year Horizon: +17.5%



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Recent Federal & State Actions

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American Recovery & Reinvestment Act (\$787 Billion Stimulus Bill)

Loan Limits:

- Reinstates the 2008 loan limits for FHA, Freddie Mac, and Fannie Mae loans through December 31, 2009.
- Limits were equal to the greater of 125% of the 2008 local area median home price or \$271,050 for FHA and \$417,000 for Fannie and Freddie
- Overall maximum cap of **\$729,750.**

American Recovery & Reinvestment Act (\$787 Billion Stimulus Bill)

Tax Credit:

- First-Time Buyer Tax Credit of \$8,000
- Income Limits: \$75K single, \$150K married filing jointly
- Must live in 3 years
- Duration: 1/109 through 11/30/09

Other:

- Neighborhood Stabilization: \$2 Billion
- Green Building & Energy Efficiency Credits for Bus/Households: \$6 Billion
- Making Work Pay Tax Credit of \$400 single/\$800 joint filers

Homeowner Affordability & Stability Plan

Loan Modification Program:

- \$75 Billion
- Gives servicers incentives to modify loans of owners who are under water so owners can stay in home
 - **Reduce rates as low as 2%, extend term of loan, forbear part of principal**
 - **Bring monthly payment down to 31% of household income**
- Limit of \$729,750
- Duration: 1/109 through 11/30/09
- Owners receive \$1,000 toward principal for up to 5 years
- Servicers get \$1,000/year for each year the loan mod sticks

Homeowner Affordability & Stability Plan

Re-Finance Program:

- Change in rules/policies regarding Fannie/Freddie re-fis
- For people with Freddie/Fannie loans who are not under water but do not have 20% equity needed to re-fi without mortgage insurance.
- Must be current w/ mortgage payments
- May re-fi up to 105% of current value of home at current rates
- Servicers may charge fees
- Problem: does not help many in CA where prices have fallen so quickly that many owners are under water.

Other:

- Authorizes additional \$100B to F/F to buy MBS

State of California Budget

Closed \$41.2 Billion Gap over 18 Months

- Program Cuts \$14.9B
- Tax/Fee Hikes \$12.5B
- Borrowing \$ 5.9B - Lottery Bonds
- Fed Assistance \$ 7.9B – US Stimulus Bill

Housing:

- \$10K tax credit for buyers of new homes
- 90-day extension on notice of sale unless lender has legitimate loan mod program in place

State of California Budget

Other Details

- Raises Sales Tax by 1%
- Raises VLF by nearly two times
- Increases income tax rates by 1/4%
- Reduces dependent tax credit
- No change in gasoline tax
- Ballot Initiatives: Rainy Day Fund, etc.

Federal Budget 2009-10

- MID phased out for taxpayers with incomes over \$250,000

This Bill is Currently Being Debated...

...So Stay Tuned!



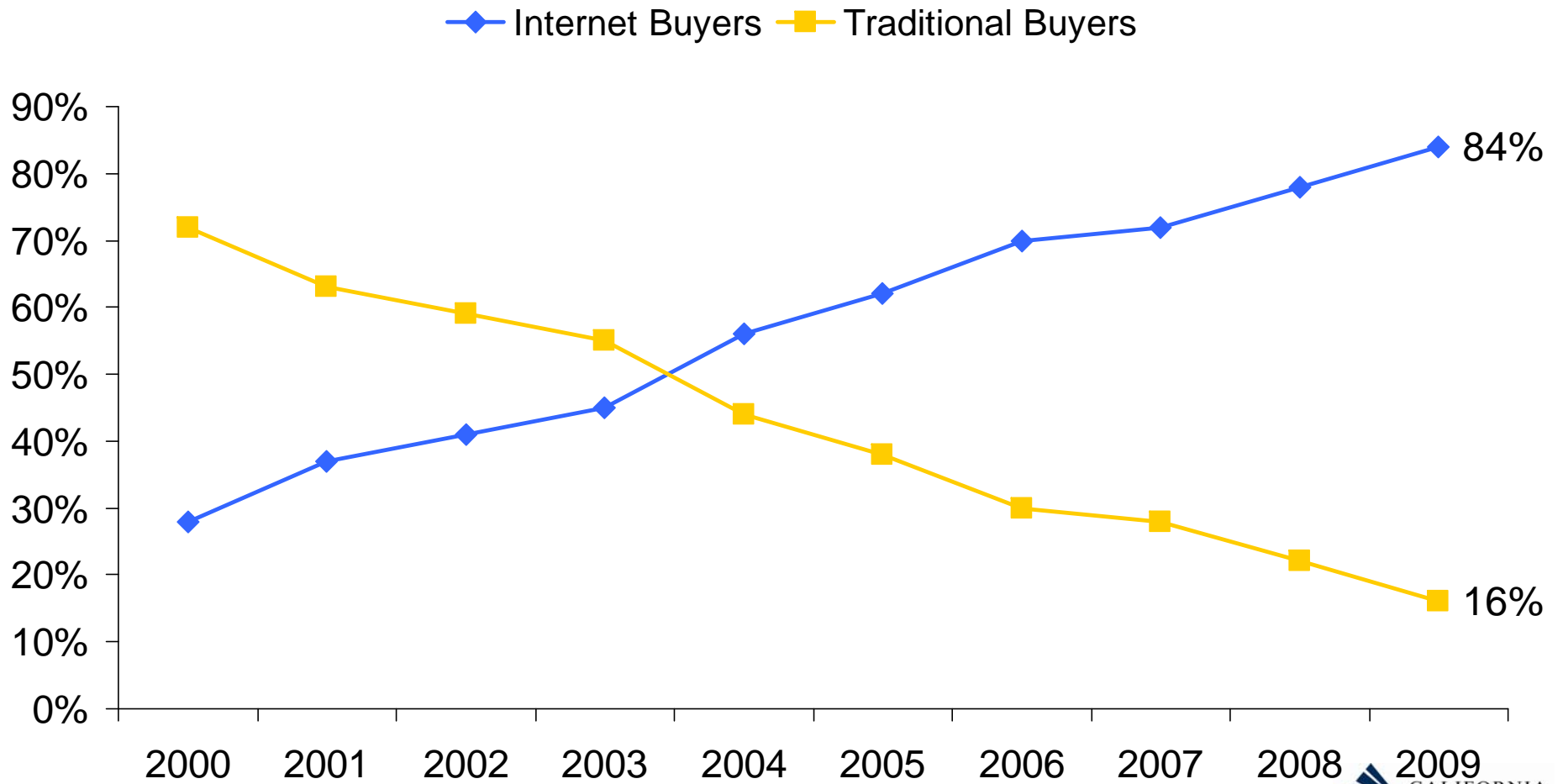
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2009 Survey of California Home Buyers

CALIFORNIA ASSOCIATION OF REALTORS®

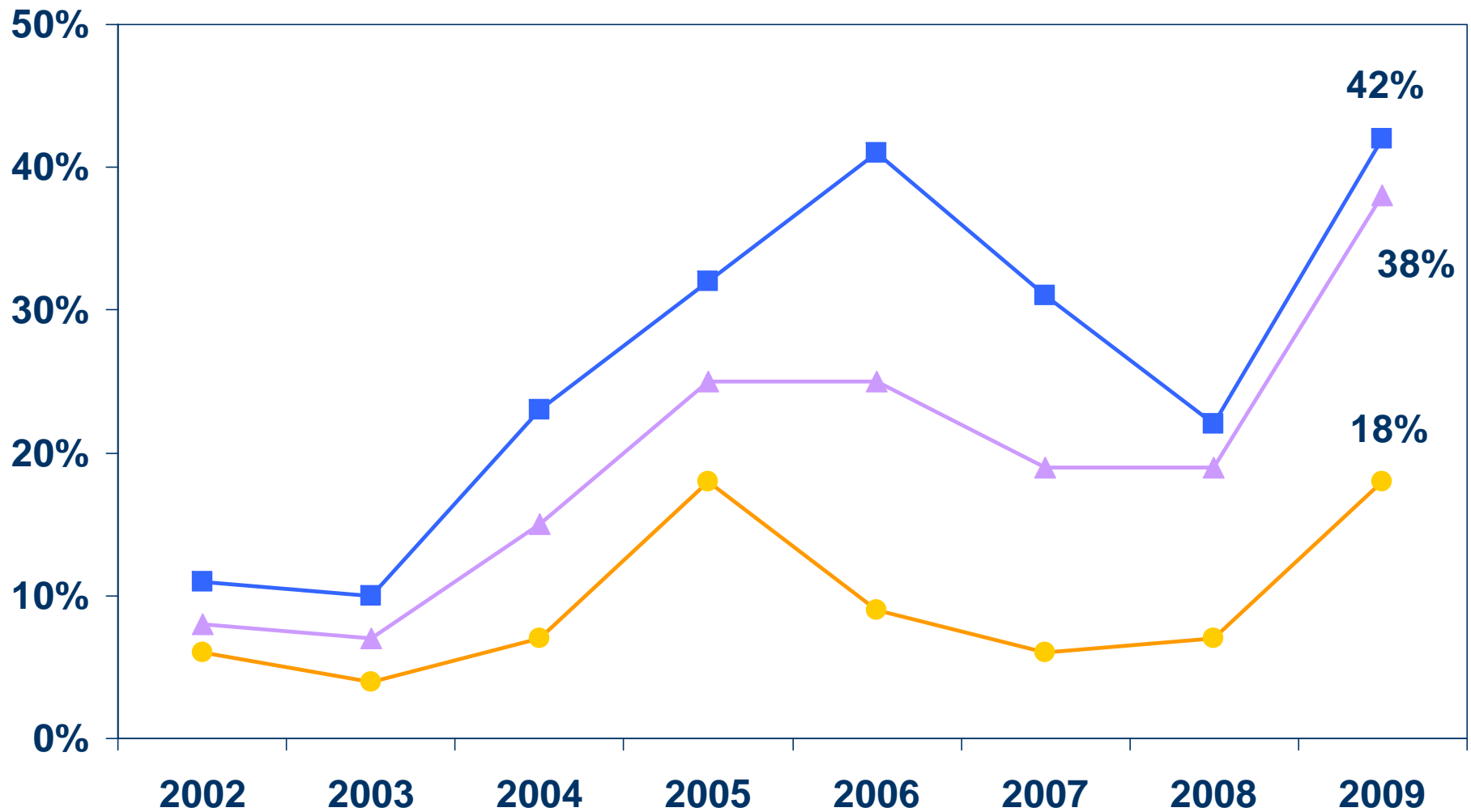
Internet Buyers Vs. Traditional Buyers

Percentage of All Homebuyers Surveyed



Percent Of First-Time Homebuyers

■ Internet Buyers ● Traditional Buyers ▲ All Buyers

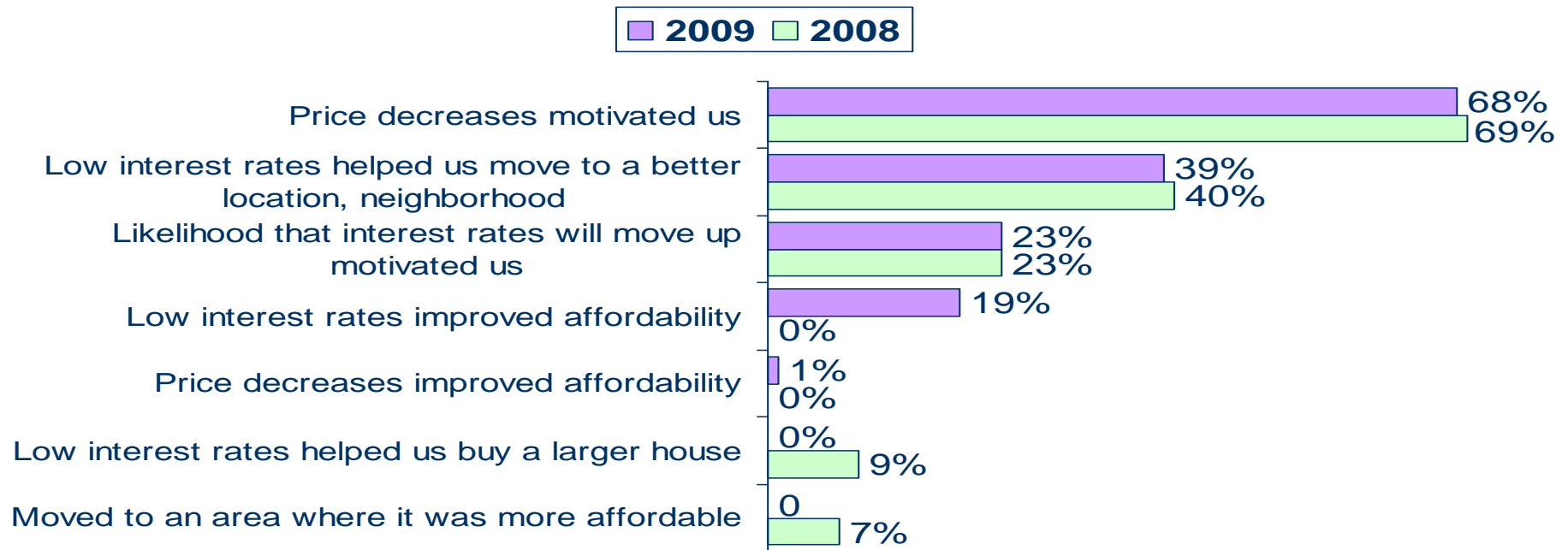


Primary Reason For Buying Your Home

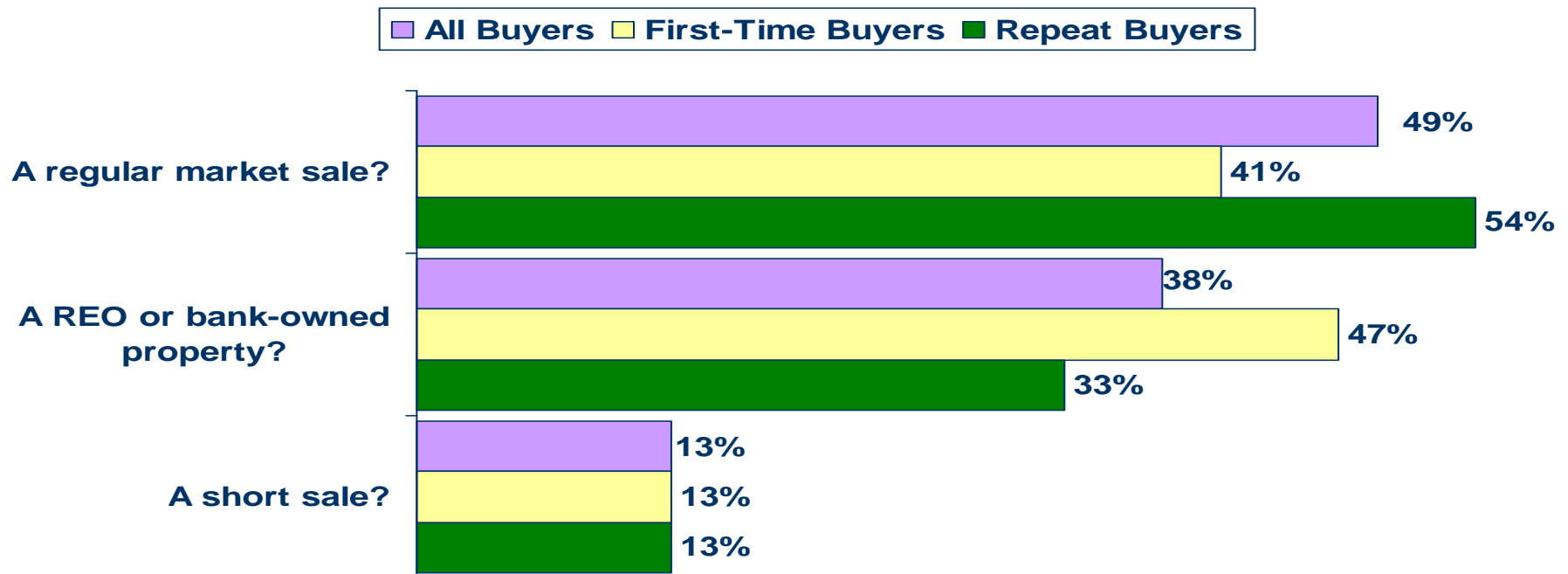
	All Buyers	First-Time Buyers	Repeat Buyers
Price decreases allowed us to buy	37%	25%	44%
Desired better/other location	15%	13%	17%
Obtained favorable price/ financing	12%	13%	12%
Job promotion, pay raise	11%	11%	12%
Change in family status	10%	11%	10%
Tired of renting	8%	21%	0%
Investment/Tax advantages	7%	7%	6%

The Role Of Market Conditions In The Decision To Purchase A Home

All Buyers

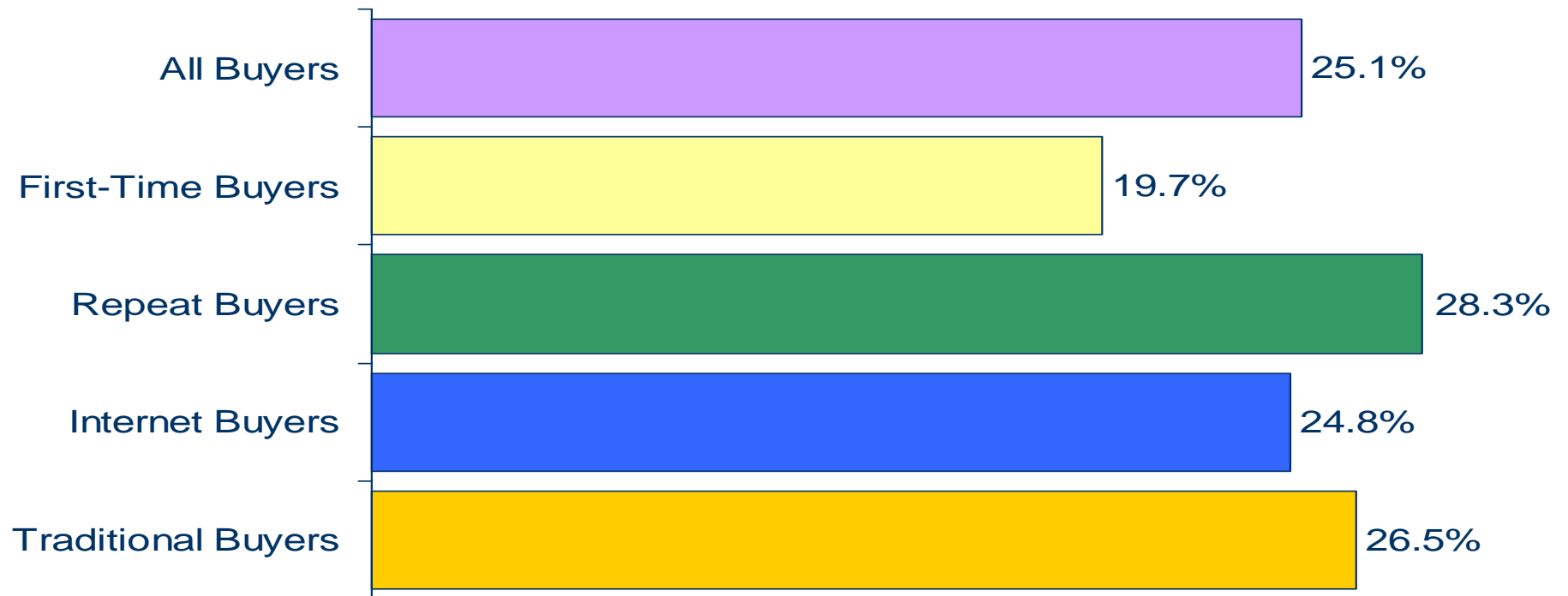


Share of Distressed Sales

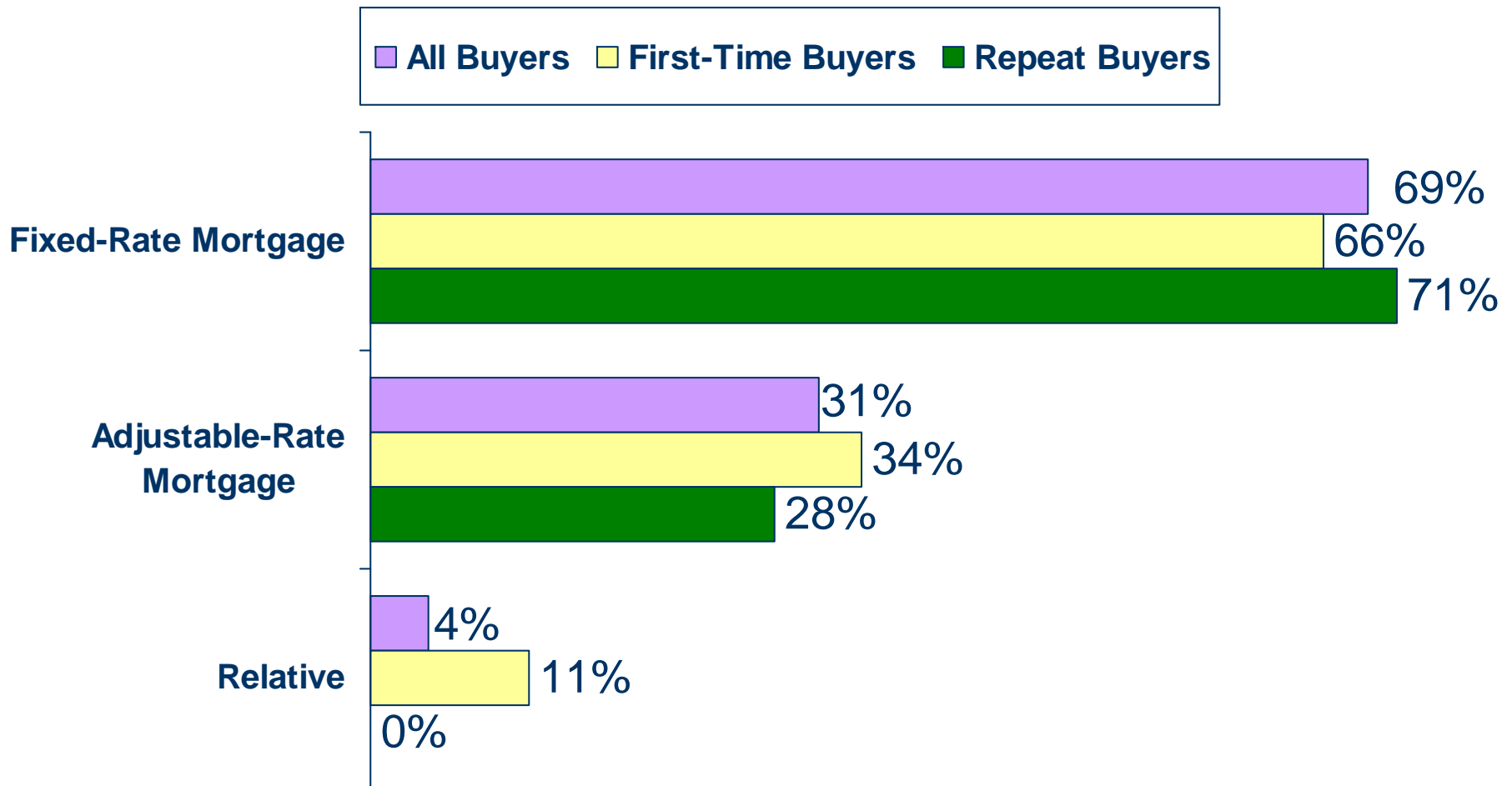


Q. Was the home you bought a regular market sale, a REO or bank-owned property, a short sale, or other?

Down Payment As a Percent of Home Price



Financing Options

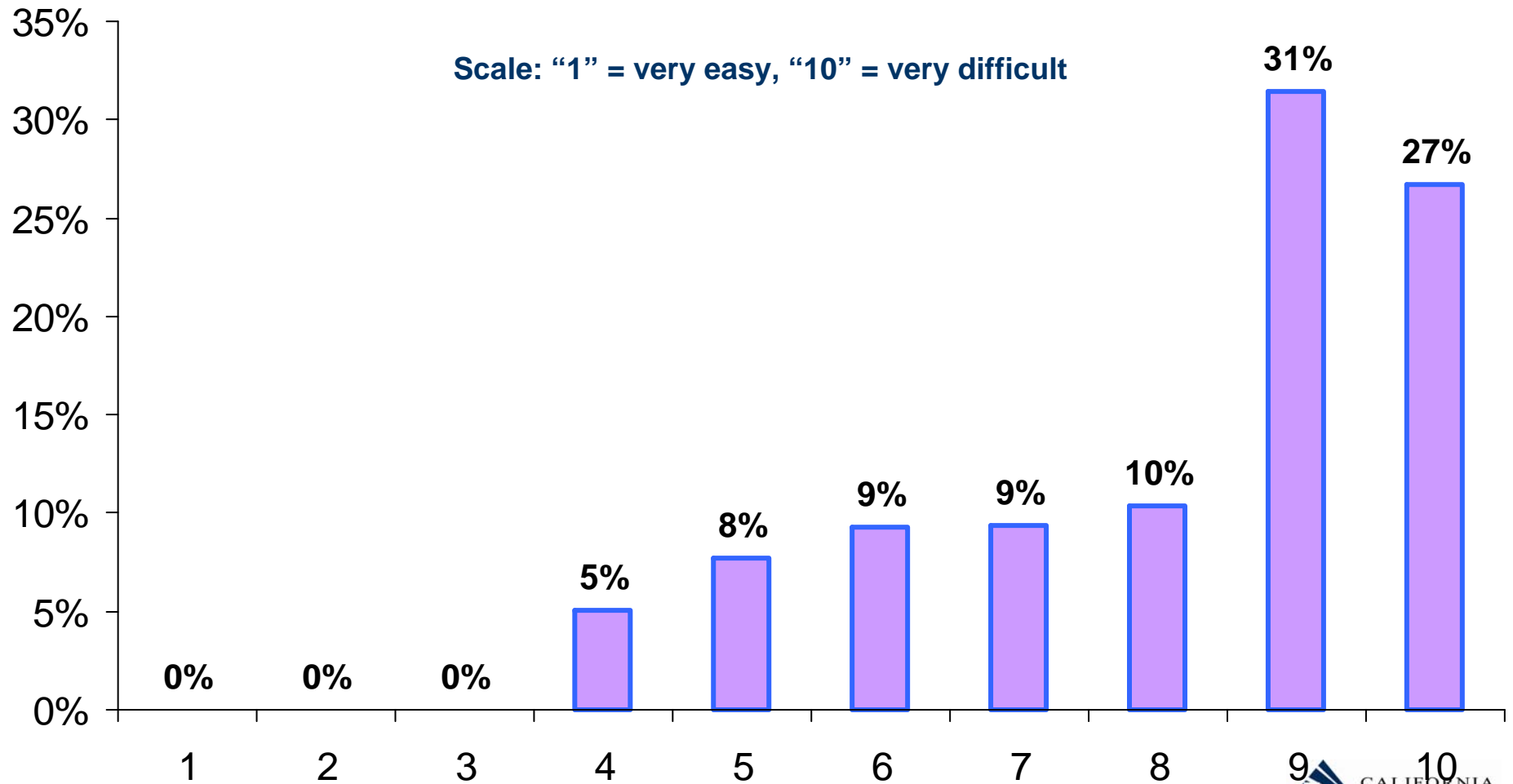


Q. Did you finance your home purchase through:

- 1) A fixed-rate mortgage
- 2) An Adjustable-rate mortgage
- 3) Relative

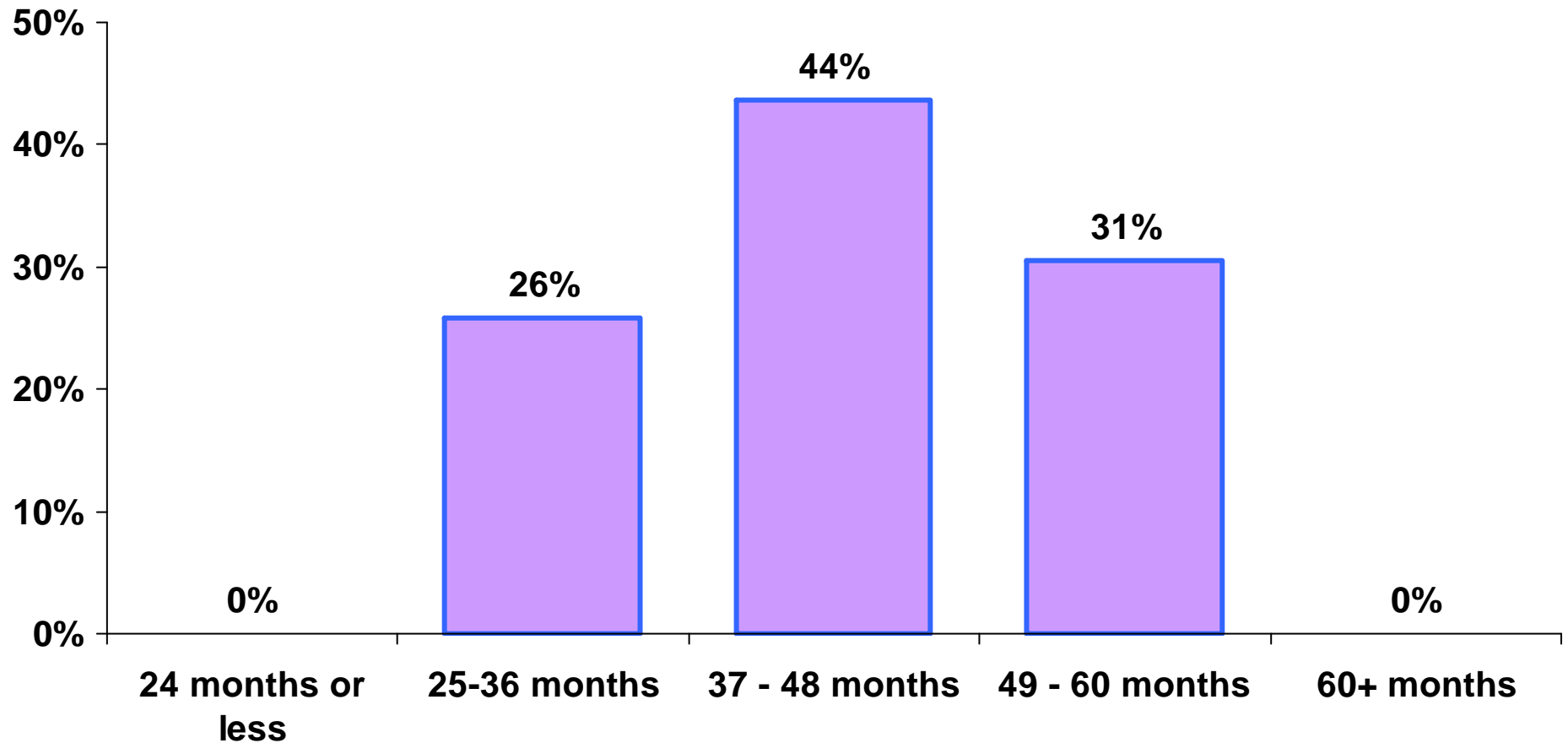
Level of Difficulty to Obtain Financing (All Buyers)

Mean = 8.13 Median = 9



Time Planned to Stay at Current Home Before Selling It (All Buyers)

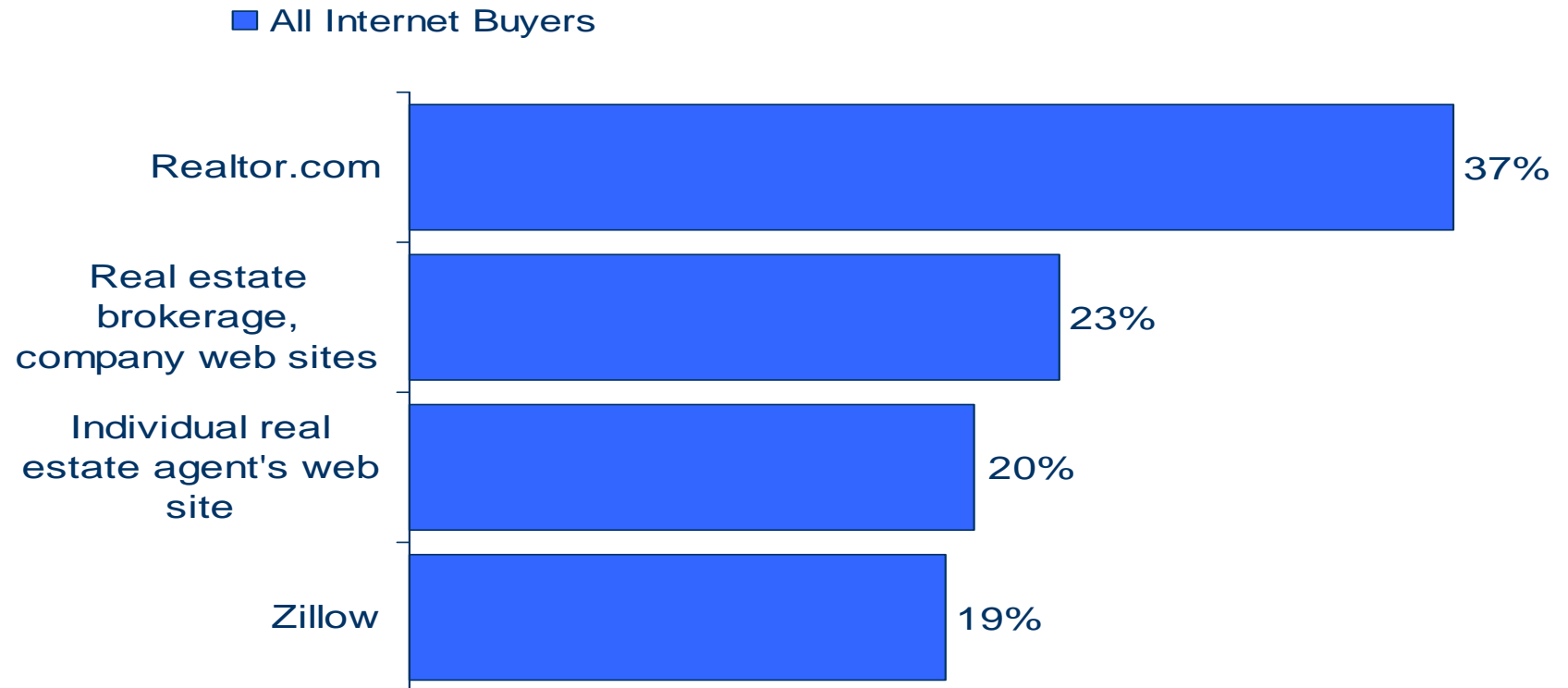
Mean = 48.5 months; Median = 48 months



Homebuyers Who Looked at Newspaper/Magazine Ads to Search for a Home

	2006	2007	2008	2009
All buyers	20%	12%	13%	13%
First-time buyers	14%	12%	10%	10%
Repeat buyers	21%	12%	14%	14%
Internet buyers	15%	13%	10%	10%
Traditional buyers	35%	11%	24%	24%

Most Useful Web Site Visited During the Home Buying Process

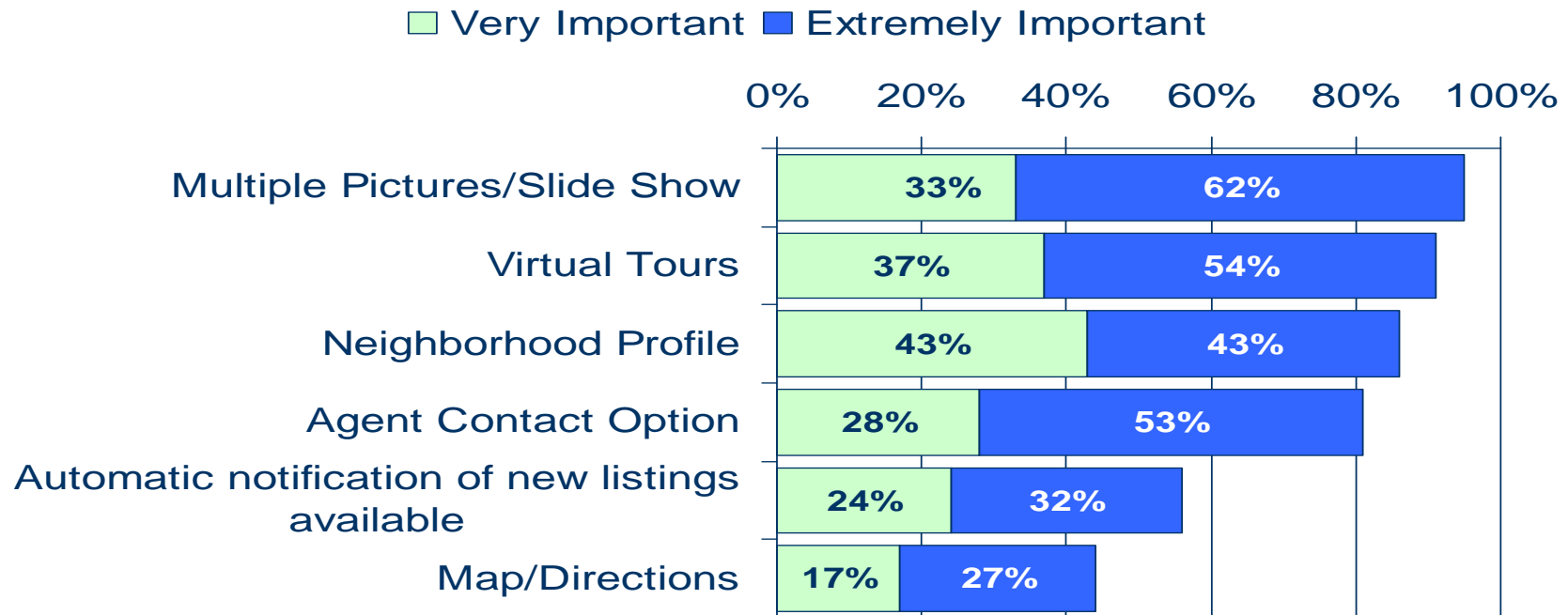


Activities The Internet Was Used For As Part Of Home Buying Process



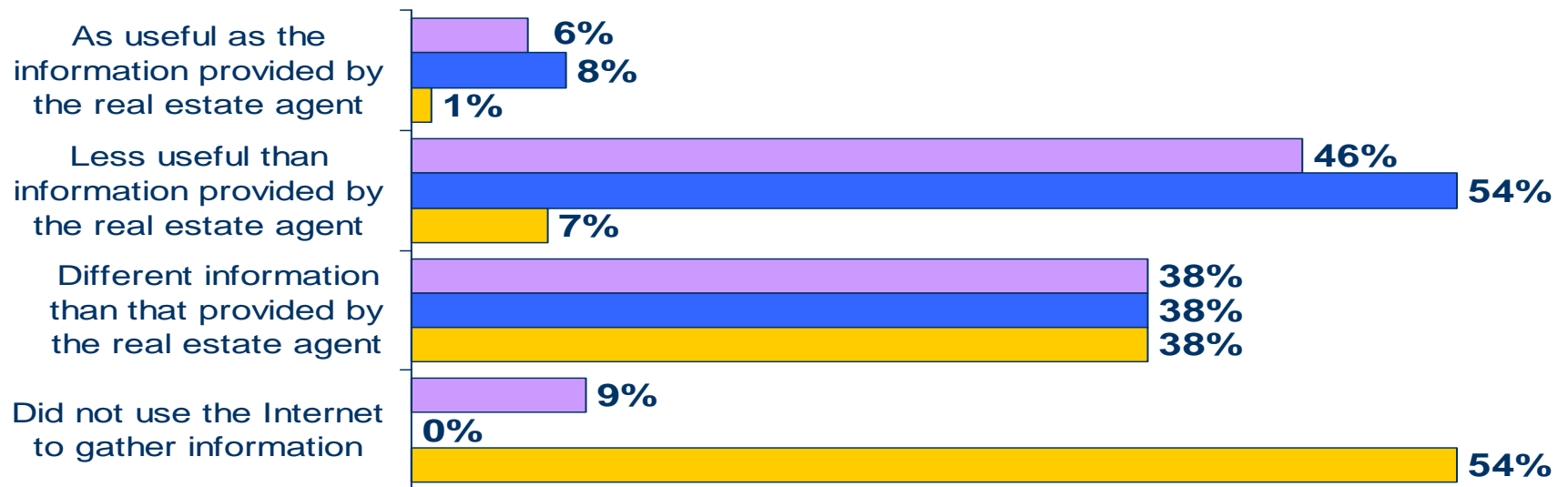
Importance Of Online Features For Home Buyers In The Home Viewing Process

(Percent 'Very Important' or 'Extremely Important')

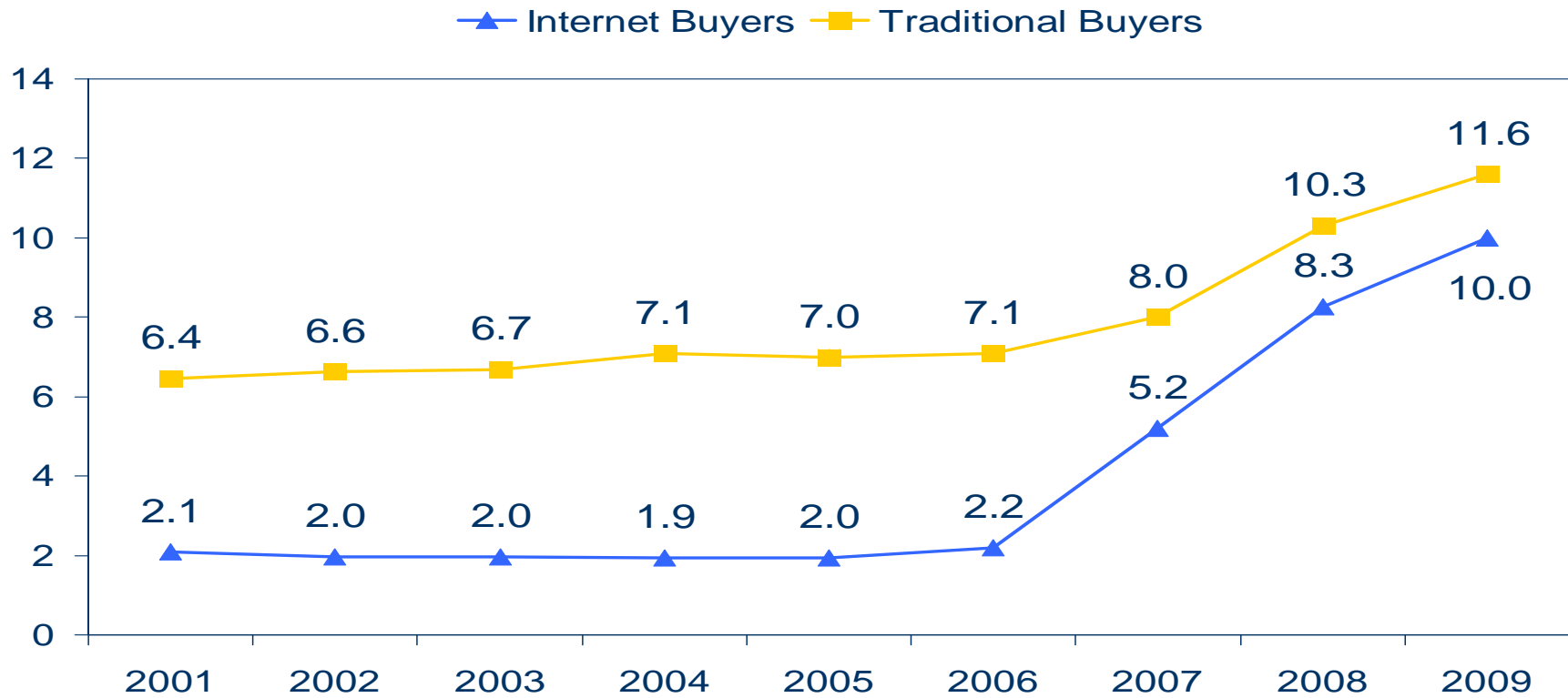


Usefulness Of Information Gathered On The Internet

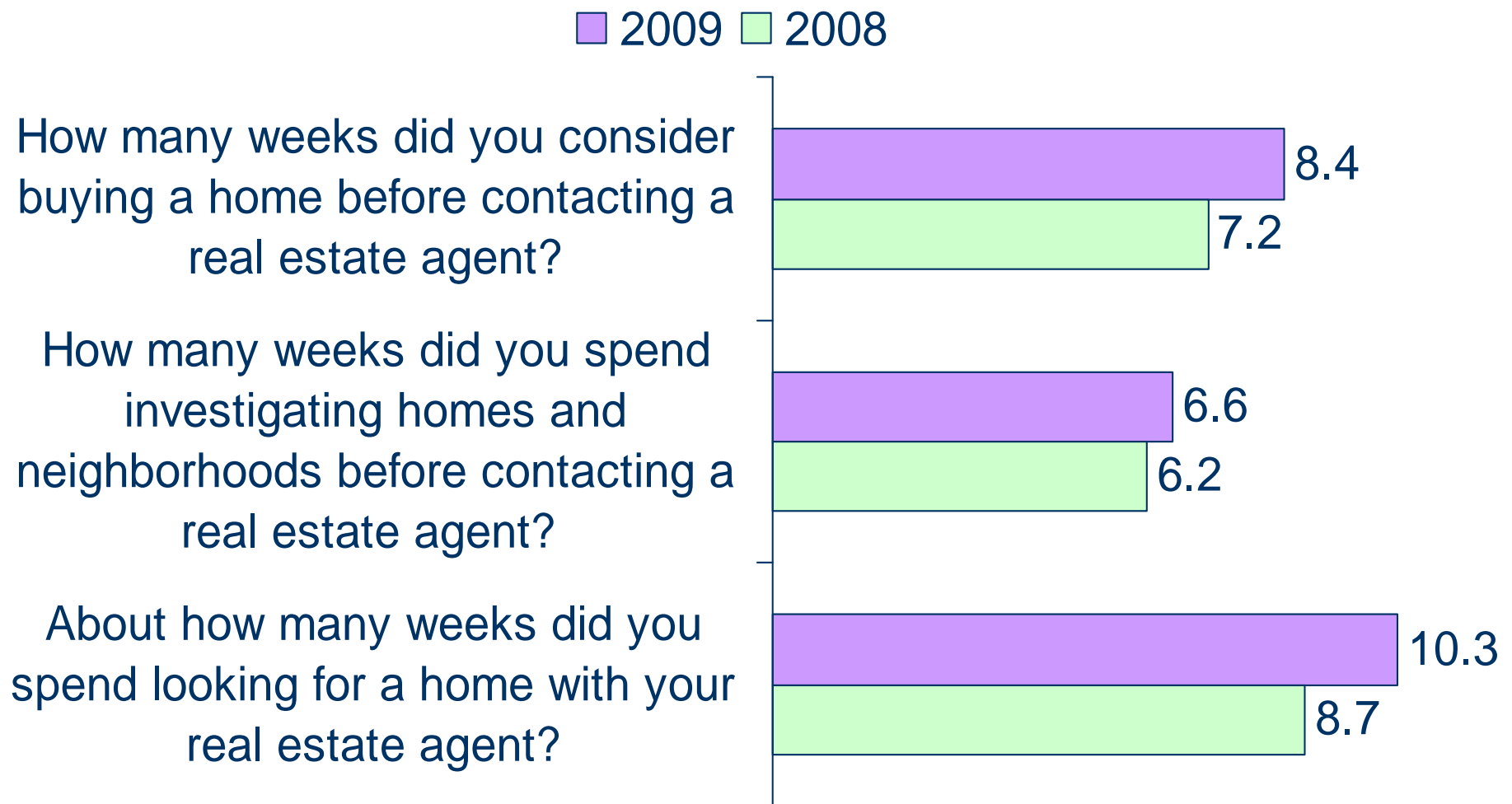
■ All Buyers ■ Internet Buyers ■ Traditional Buyers



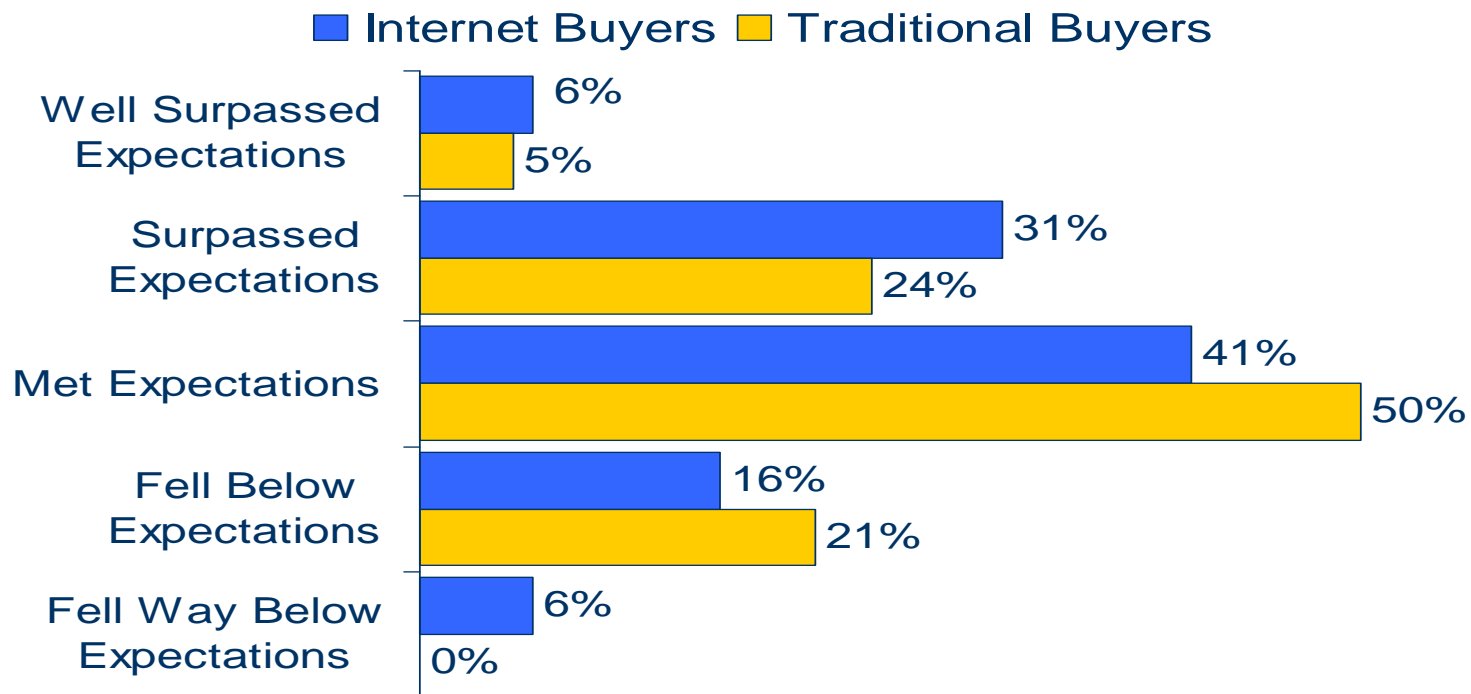
Weeks Spent Looking For Home With Agent



Time Spent Before and After Contacting Agent



Satisfaction With Real Estate Agent's Response Time



Satisfaction With Home Buying Process

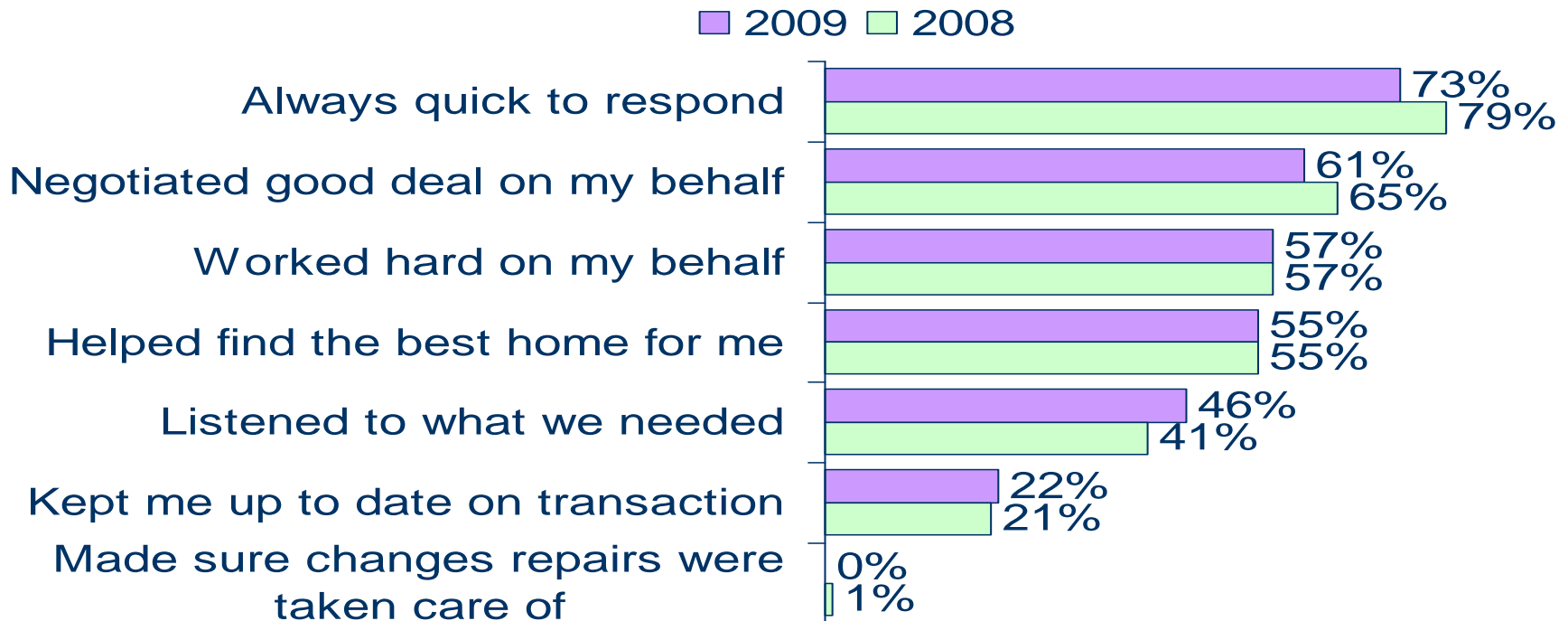
All Buyers

Mean Score On A 5-point Scale

5 Is “Most Satisfied” And 1 Is “Most Dissatisfied”

	2005	2006	2007	2008	2009
Overall process of finding home	4.5	4.3	4.2	3.3	3.2
Overall satisfaction with agent	4.6	4.2	4.1	3.3	3.3
Value received for amount paid	4.3	4.1	4.0	3.4	3.4
Information on neighborhood	4.5	4.5	4.4	3.5	3.6
Information on housing market conditions that your agent provided	NA	NA	3.7	3.1	2.9
Understanding home buying process	4.4	4.5	4.4	4.2	3.9
Agent's negotiating skills	4.4	4.2	4.1	3.3	3.2
Agent's aid in finding home	4.4	4.2	4.2	3.3	3.2
How well agent kept client informed	4.3	4.1	4.0	3.2	3.2

Reasons For Satisfaction With The Real Estate Agent You Used



Advice to Give to Real Estate Agents to Improve Their Service

	Regular Market Sale	REO/Bank-Owned Property	Short Sale
Improve the speed of communications	35%	27%	47%
Provide references for lenders who will perform	32%	31%	38%
Have more expertise about how to deal with banks REOs, short sales and other distressed sales	33%	32%	25%
Show how you can negotiate aggressively for the buyer	21%	49%	18%
Provide references for lenders who will recommend the best product for me	37%	14%	38%
Listen to my needs better	26%	27%	19%
Provide quality information on where the market is going and why	18%	17%	16%
Provide more support, assistance in getting a mortgage	13%	17%	3%
Improve the quality of communications	13%	13%	12%
Find out about listings before the buyer do	13%	9%	11%
Have more expertise about how to handle purchase of foreclousres	13%	8%	15%
Prequalify homes before showing them	9%	10%	8%
Provide "buyer" references	8%	5%	12%
Provide information on where intest rates are going	6%	8%	5%
Have more expertise about how to handle purchase of short sales or distressed sales	4%	4%	5%



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California Housing Market Outlook

CALIFORNIA ASSOCIATION OF REALTORS®

California Housing Market Summary

	2003	2004	2005	2006	2007	2008	2009F
SFH Resales (000s)	601.8	624.7	625.0	477.5	346.9	439.8	550.0
% Change	5.1%	3.8%	0.03%	-23.6%	-27.3%	26.8%	25.0%
Median Price (\$000s)	\$371.5	\$450.8	\$522.7	\$556.4	\$560.3	\$346.4	\$248.0
% Change	17.5%	21.3%	16.0%	6.5%	0.7%	-38.2%	-28.4%
30-Yr FRM	5.8%	5.8%	5.9%	6.4%	6.3%	6.1%	5.1%
1-Yr ARM	3.8%	3.9%	4.5%	5.5%	5.5%	5.2%	4.8%

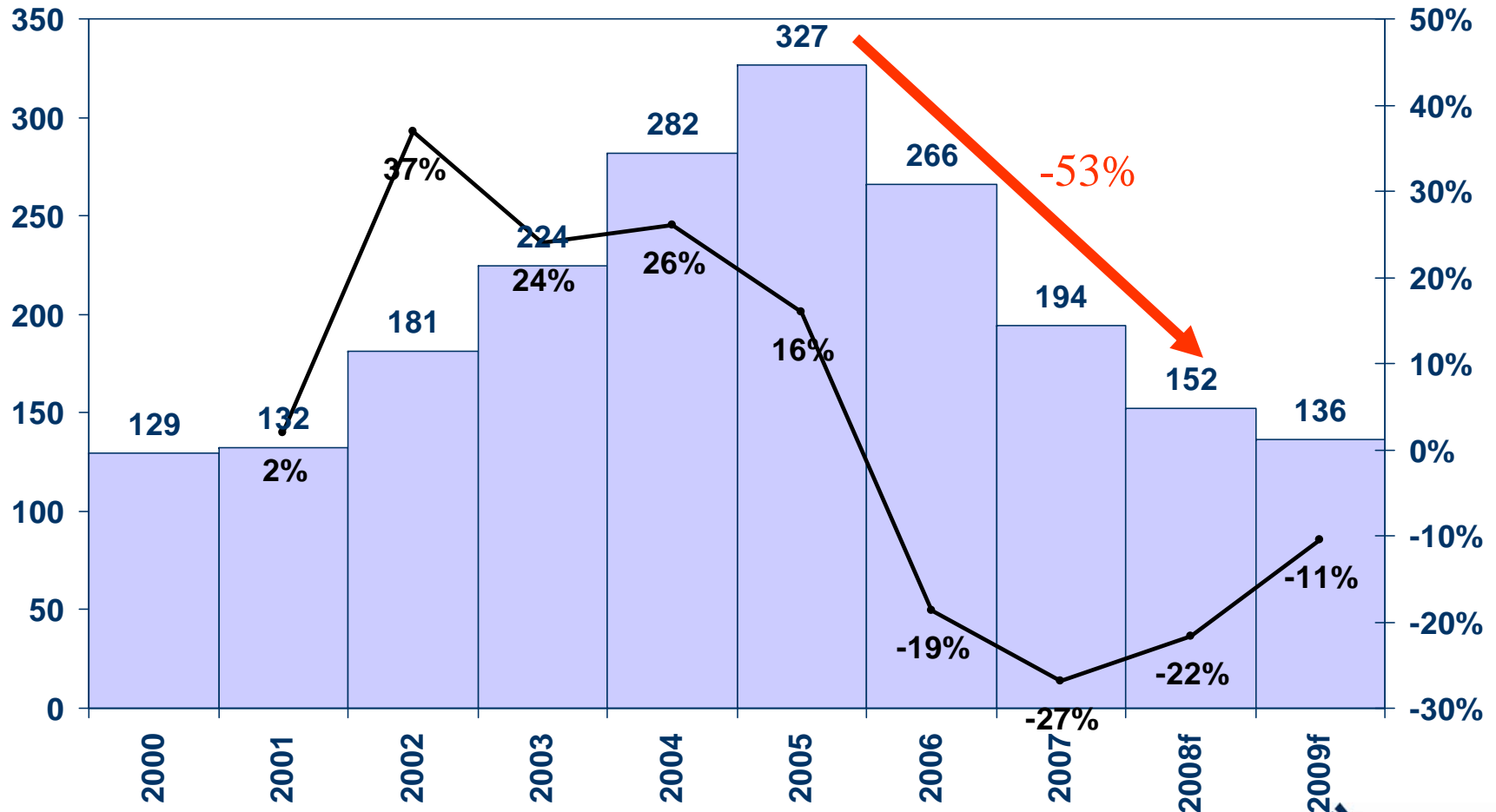
April 2009

Dollar Volume of Sales Peaked in '05 Down 53% Thru '08

\$ in Billion

% Change

■ \$ Volume of Sales — Percent Change



SOURCE: California Association of REALTORS®



Market Opportunities

- **Buyers**
 - First-Time Buyers in Driver's Seat
 - Repeat Buyers: More for Money
- **Financing**
 - Know Fannie/Freddie terms
 - FHA for first time buyers
 - Qualifying is Key
 - FRM-ARM Spread Narrow
- **REOs/Loan Mods**
 - REOs in play through rest of year
 - Multiple Loan Mod programs

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