

REAL ESTATE ECONOMICS

RESIDENTIAL MARKET OPPORTUNITY/RISK INDEX REPORT

SANTA ANA-ANAHEIM-IRVINE, CA MSA

OCTOBER 2010

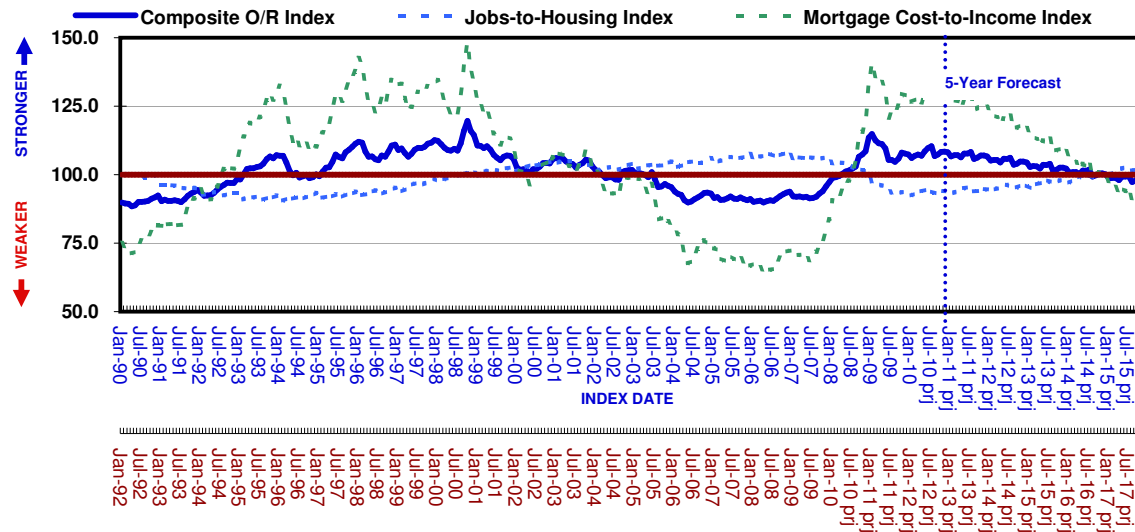


www.realestateeconomics.com

8961 Research Drive, Suite 200
Irvine, CA 92618
Voice (949) 502-5151
Fax (949) 502-5155

EXHIBIT D
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Year	Market is Over/ (Under) Built	Median Home Price	Ann. Price Change	30-Yr. Mtg. Rate	Median HH Income	Market is Under/ (Over) Valued	O/R Index (100=Equil.)	Mkt. Health in 24 Mos.
1990	(1,693) (0.2%) Overbuilt	\$241,100	-	10.13%	\$46,423	(\$58,724) (24.4%) Overvalued	92.6	Weak
1991	(37,799) (4.3%) Overbuilt	\$239,217	(0.8%)	9.25%	\$47,331	(\$35,739) (14.9%) Overvalued	92.5	Weak
1992	(60,848) (6.8%) Overbuilt	\$233,292	(2.5%)	8.40%	\$48,419	(\$5,543) (2.4%) Overvalued	94.5	Weak
1993	(76,875) (8.6%) Overbuilt	\$216,025	(7.4%)	7.33%	\$49,589	\$45,905 21.2% Undervalued	100.4	Stable
1994	(77,313) (8.5%) Overbuilt	\$212,758	(1.5%)	8.36%	\$50,800	\$34,038 16.0% Undervalued	98.8	Stable
1995	(72,232) (7.9%) Overbuilt	\$209,217	(1.7%)	7.96%	\$51,629	\$54,675 26.1% Undervalued	102.3	Stable
1996	(60,939) (6.6%) Overbuilt	\$213,733	2.2%	7.81%	\$53,230	\$65,294 30.5% Undervalued	104.6	Strong
1997	(37,028) (3.9%) Overbuilt	\$230,800	8.0%	7.60%	\$55,338	\$69,014 29.9% Undervalued	106.2	Strong
1998	(3,580) (0.4%) Overbuilt	\$255,442	10.7%	6.94%	\$57,142	\$78,726 30.8% Undervalued	109.0	Strong
1999	15,928 1.6% Underbuilt	\$282,842	10.7%	7.43%	\$58,770	\$48,862 17.3% Undervalued	106.3	Strong
2000	34,641 3.5% Underbuilt	\$319,775	13.1%	8.06%	\$60,577	\$5,763 1.8% Undervalued	103.0	Stable
2001	41,145 4.2% Underbuilt	\$357,000	11.6%	6.97%	\$62,056	\$18,302 5.1% Undervalued	104.4	Strong
2002	24,695 2.5% Underbuilt	\$420,525	17.8%	6.57%	\$63,559	(\$14,551) (3.5%) Overvalued	100.7	Stable
2003	33,685 3.3% Underbuilt	\$499,733	18.8%	5.85%	\$64,668	(\$49,158) (9.8%) Overvalued	99.4	Stable
2004	43,624 4.3% Underbuilt	\$631,758	26.4%	5.84%	\$66,013	(\$166,230) (26.3%) Overvalued	95.1	Weak
2005	60,231 5.9% Underbuilt	\$695,517	10.1%	5.87%	\$67,784	(\$213,335) (30.7%) Overvalued	94.9	Weak
2006	72,285 7.0% Underbuilt	\$707,350	1.7%	6.41%	\$70,507	(\$228,601) (32.3%) Overvalued	95.2	Weak
2007	62,569 6.0% Underbuilt	\$691,683	(2.2%)	6.34%	\$73,030	(\$186,642) (27.0%) Overvalued	96.1	Weak
2008	31,191 3.0% Underbuilt	\$527,250	(23.8%)	6.04%	\$75,076	\$15,003 2.8% Undervalued	103.0	Stable
2009	(53,627) (5.1%) Overbuilt	\$479,358	(9.1%)	5.04%	\$76,017	\$140,001 29.2% Undervalued	105.2	Strong
2010e	(65,801) (6.3%) Overbuilt	\$496,517	3.6%	4.92%	\$76,830	\$145,012 29.2% Undervalued	104.4	Strong
2011prj	(59,218) (5.7%) Overbuilt	\$517,925	4.3%	5.00%	\$77,958	\$133,978 25.9% Undervalued	103.8	Stable
2012prj	(47,981) (4.6%) Overbuilt	\$546,433	5.5%	5.28%	\$79,568	\$105,292 19.3% Undervalued	102.6	Stable
2013prj	(29,990) (2.8%) Overbuilt	\$582,117	6.5%	5.68%	\$81,686	\$64,718 11.1% Undervalued	101.3	Stable
2014prj	(7,074) (0.7%) Overbuilt	\$628,092	7.9%	6.11%	\$84,349	\$16,218 2.6% Undervalued	100.3	Stable
2015prj	18,076 1.7% Underbuilt	\$679,433	8.2%	6.62%	\$87,368	(\$40,357) (6.3%) Overvalued	99.3	Stable



Source: Bureau of Labor Statistics; Census Bureau; National Assoc. of Realtors; Real Estate Economics
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The Composite Opportunity/Risk (O/R) Index is defined as a composite index of the Jobs-to-Housing Index and the Mortgage Cost-to-Income Index. A Composite Index of 100.0 = Equilibrium. Indexes above 100.0 represent strong overall market opportunity 12 to 18 months after the 100.0+ index occurs. Indexes below 100.0 denote the opposite case. The Composite Index leads actual market changes by 12 to 18 months. For example, the Composite Index for July '06 describes conditions in the Jobs-to-Housing Index is defined as an index of a ratio between the total measure of nonfarm jobs and the total measure of housing of all types in a given region for a given month, as it compares to REE's measure of long-term equilibrium. For example, a total jobs-to-total housing ratio of 1.2-to-1.0 (1.2 jobs for every house in the region) would generate a Jobs-to-Housing Index of 109.1 if the long-term jobs-to-housing equilibrium point was defined as 1.1-to-1.0 (1.2 divided by 1.1 x 100 equals an Index of 109.1). Indexes above 100.0 define periods where there are excess jobs relative to homes (strong demand). Indexes below 100.0 denote the opposite.

The mortgage cost-to-household income index is defined as an index of a ratio between estimated annual mortgage costs and median household income for a given region in a given month, as it compares to REE's measure of long-term equilibrium. For example, a total cost-to-income ratio of \$0.25-to-\$1.0 (\$0.25 of mortgage cost for every dollar of income) would generate a Cost-to-Income Index of 112.0 if the long-term cost-to-income equilibrium point was defined as \$0.28-to-\$1.0 (\$0.28 divided by \$0.25 x 100 equals an Index of 112.0). Indexes above 100.0 define periods where there are housing is under valued relative to incomes. Indexes below 100.0 denote the opposite (over valuation).

Job Change is defined as the change in Nonfarm jobs measured by the US Department of Labor, with 12-month forecasts defined by Real Estate Economics.

Housing Construction is defined as the change in total housing as measured by the US Bureau of the Census, with estimates and forecasts defined by Real Estate Economics.

30-Year Fixed Mortgage Interest Rate is defined as the contract rate on 30-year, fixed rate conventional home mortgage commitments from FHLMC, with forecasts defined by Real Estate Economics.

Median Price is defined as the median price of housing, measured by the National Association of Realtors, with estimates and forecasts defined by Real Estate Economics.

Median Household Income is defined as the median household income for a given region, measured by the US Bureau of the Census, with estimates and forecasts defined by Real Estate Economics.



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