

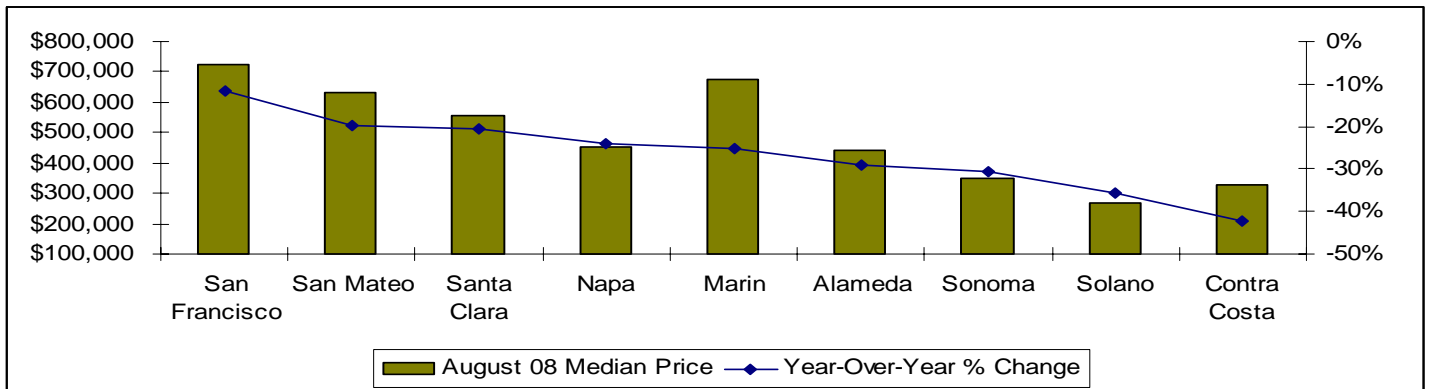


California Market Watch, October 16, 2008

Prices Dive in Affordable Bay Area Markets

According to the latest figures released by DataQuick Information Systems, Bay Area sales dipped in August following an uptick in July, but price trends continue to slide. The region's average price dropped almost 32%, which is heavily influenced by foreclosure activity. The biggest price drop occurred in Contra Costa County, the county with the highest number of foreclosures in the Bay Area. Buyers are looking for deals, so it's no wonder Contra Costa also recorded the largest volume of sales, up an impressive 36%.

Prices are falling most dramatically in the more affordable counties, and higher priced markets are recording smaller declines. Contra Costa's average price dropped \$240,000 and Solano's average price is down \$150,000. Home prices in Sonoma fell \$155,000 and Alameda saw values drop \$179,000 in the last year. Counties that realized smaller declines, under 20%, are the priciest areas to live in the region. San Francisco, San Mateo and Santa Clara Counties' prices have experienced the lowest declines and are also some of the highest priced counties.



SOURCE: DataQuick Information Systems.

NOTE: The price statistics are derived from all types of home sales -- new and existing, condos and single-family.

In Contra Costa County, the more affordable cities are experiencing sharper declines, while some of the pricier cities are only slightly down. The cities which experienced double digit appreciation rates in the run-up are impacted most significantly in the current market. At the market peak, the east and west Contra Costa markets rapidly appreciated, whereas the central Contra Costa market experienced slower appreciation rates. The cities of Walnut Creek and Danville, both Central Contra Costa communities, are currently experiencing the lowest decline, with prices down only 6% and 7%, respectively. Alternatively, Richmond and Pinole are recording the highest declines. Of the top five cities with the strongest declines, four are located in the West Contra Costa and one is located in the East Contra Costa submarket.

	Median Price		Year-Over-Year	
	July 2007	July 2008	# Change	% Change
Richmond	\$408,000	\$178,500	-\$229,500	-56.25%
Pinole	\$592,000	\$325,000	-\$267,000	-45.10%
Pittsburg	\$450,000	\$250,000	-\$200,000	-44.44%
San Pablo	\$450,000	\$263,250	-\$186,750	-41.50%
Antioch	\$425,000	\$250,500	-\$174,500	-41.06%
Concord	\$495,000	\$315,000	-\$180,000	-36.36%
Oakley	\$421,500	\$276,000	-\$145,500	-34.52%
Brentwood	\$546,000	\$374,000	-\$172,000	-31.50%
Hercules	\$535,000	\$368,250	-\$166,750	-31.17%
Moraga	\$1,162,250	\$805,000	-\$357,250	-30.74%
Pleasant Hill	\$615,000	\$475,500	-\$139,500	-22.68%
Martinez	\$485,000	\$404,000	-\$81,000	-16.70%
San Ramon	\$827,500	\$700,500	-\$127,000	-15.35%
Walnut Creek	\$650,000	\$599,000	-\$51,000	-7.85%
Danville	\$990,000	\$930,000	-\$60,000	-6.06%

SOURCE: C.A.R.; DataQuick Information Systems.

NOTE: The price statistics are derived from all types of home sales -- new and existing, condos and single-family.

About Meyers Builder Advisors

Meyers Builder Advisors brings together a talented pool of consultants with a strong understanding of the homebuilding industry and the market dynamics that drive it. Combined, the team boasts over 100 years of market experience, with a wide range of services including site specific analysis, product development, strategic planning and land acquisition services. The group has advised on a wide range of residential product types throughout the United States and has successfully assisted a long list of builders, developers, and financial institutions.

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