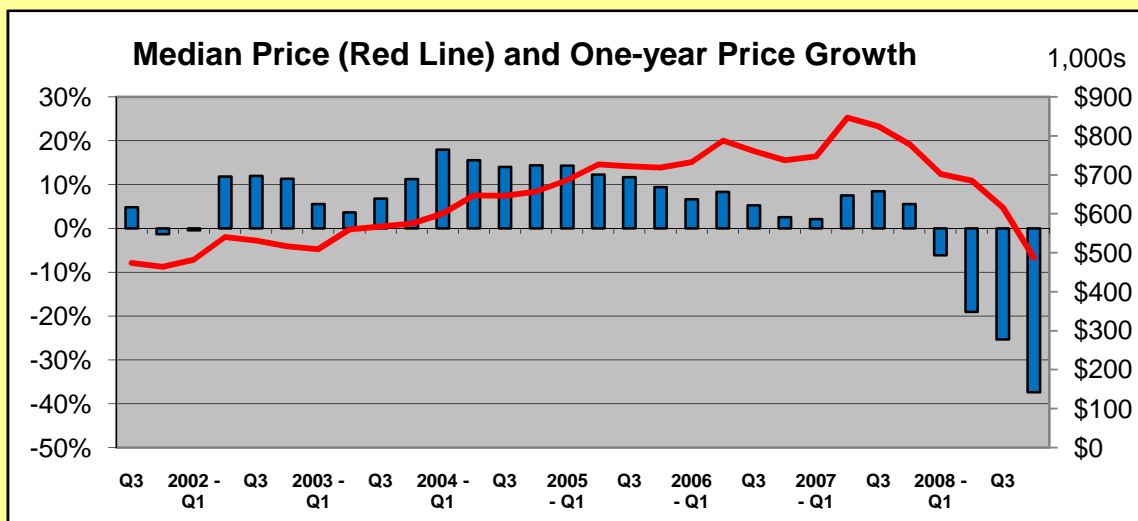


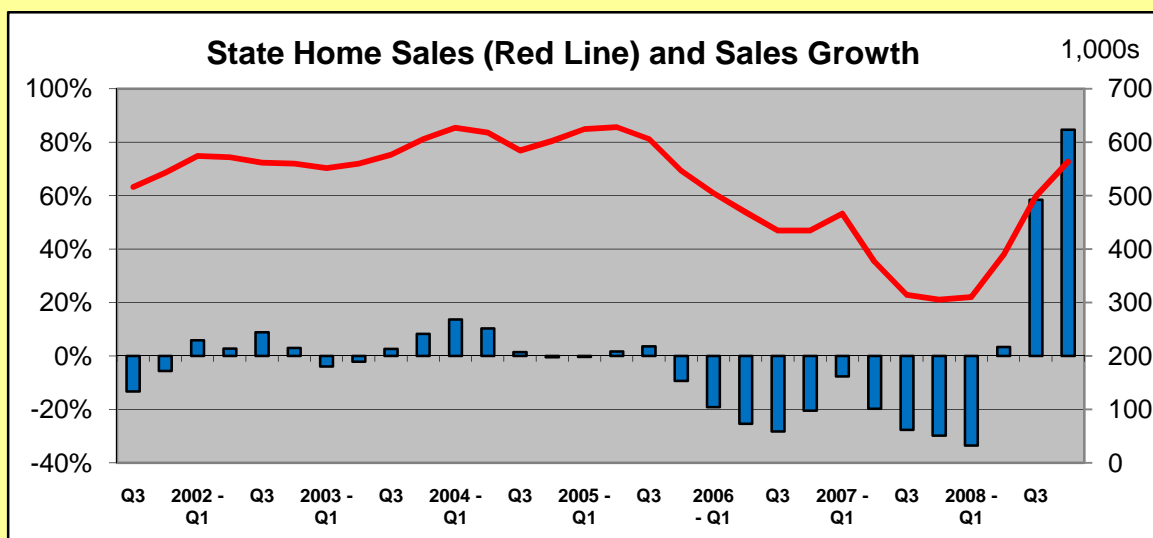


San Francisco-Oakland-Fremont Area Metro Market Report, Fourth Quarter 2008

Today's Market...



	San Francisco	U.S.	Local Trend
Price Activity			
Current Median Home Price (2008 - Q4)	\$487,100	\$180,800	
1-year Appreciation (2008 - Q4)	-37.4%	-7.0%	Weak for this metro area
3-year Appreciation (2008 - Q4)	-32.2%	-19.8%	Weak for this market
3-year (12-quarter) Housing Equity Gain	-\$231,600	-\$44,567	
7-year (28 q) Housing Equity Gain	-\$160,200	-\$13,167	
9-year (36 q) Housing Equity Gain	-\$53,400	\$16,967	



Home Sales and Construction Growth	California	U.S.	
*State Existing Home Sales (Q4)	84.7%	-16.4%	Stable

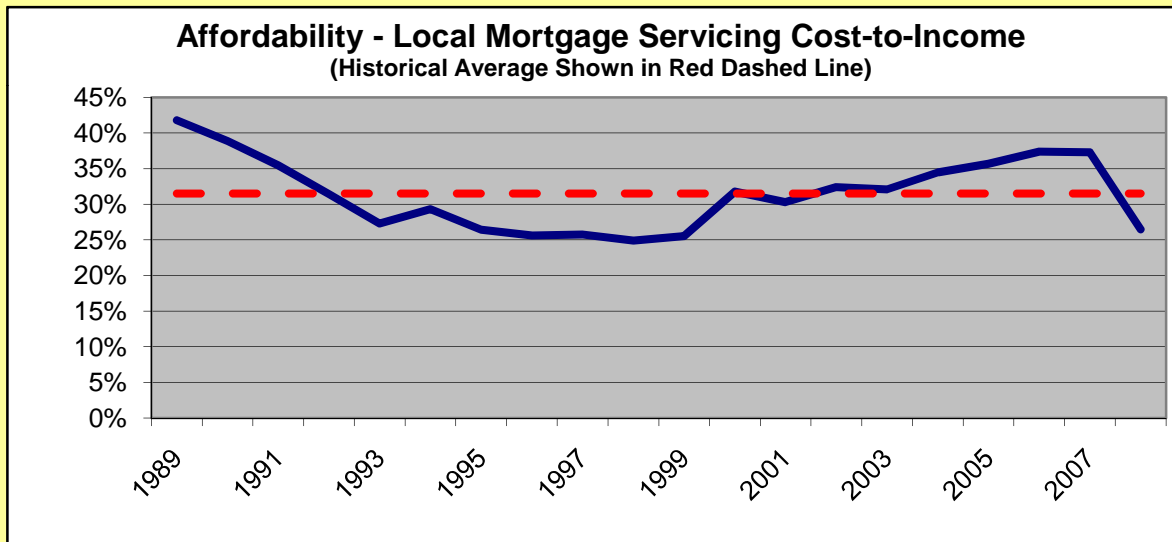
*versus same quarter, year-ago

Local Supply and Demand...

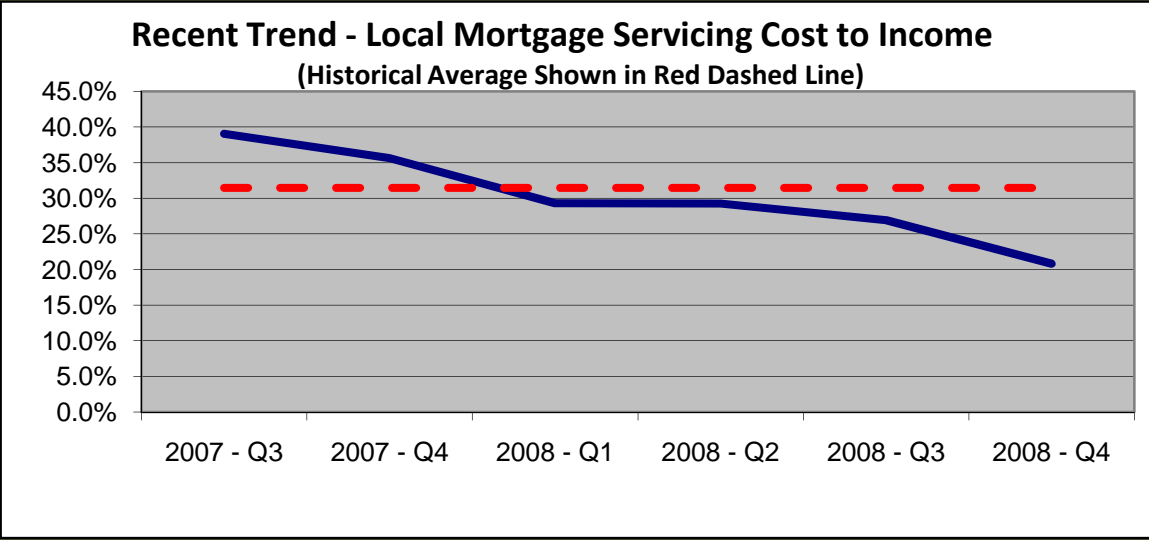
Local Economic Outlook	San Francisco	U.S.	
1-year Job Additions (2008 - Dec)	-41,400	Not Comparable	Soft for this market
3-year Job Additions (2008 - Dec)	13,900	Not Comparable	Weaker than local average
State Economic Activity Index	California	U.S.	
12-month change (2008 - Dec)	-1.0%	-0.9%	Weak compared with nation
36-month change (2008 - Dec)	3.7%	4.5%	Respectable relative to the nation

Local Fundamentals	San Francisco	U.S.	
1-year (12 month) Job Growth Rate	-2.0%	-0.4%	Weak compared to other markets
3-year (36 month) Job Growth Rate	0.7%	2.5%	Weaker than most metro areas
1-year Job Gain to New Single-Family Homes	-6.0	0.0	Weak compared to the national average
3-year Job Gain to New Single-Family Homes	0.5	13.9	Weak compared to the nation
** Single-Family Housing Permits (2008 - Dec)	-50.0%	-41.3%	Important to reduce supply

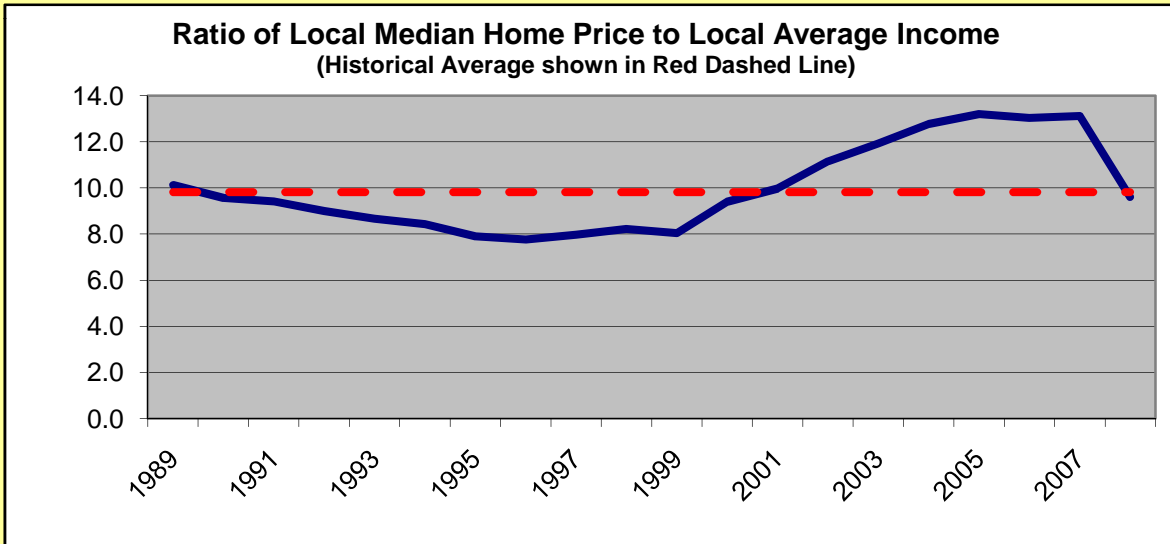
**Rolling 12-month sum vs. a year ago



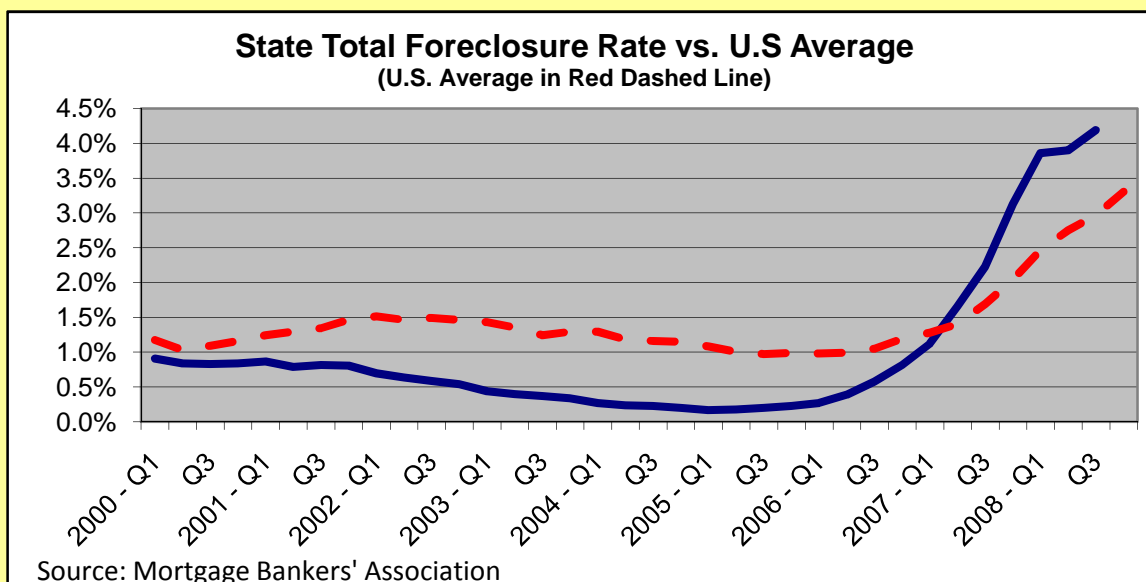
Monthly Mortgage Payment to Income	San Francisco	U.S.	
Ratio for all of 2008	31.8%	21.4%	Weak affordability
Ratio for 2008 - Q4	20.8%	20.6%	Improving and historically strong
Historical Local Average	31.5%	23.2%	Weak relative to the nation



Median Home Price to Income	San Francisco	U.S.	
Ratio for 2008	10.9	7.4	Weak Relative to Local History
Historical Local Average	9.8	7.2	Weak Compared to Nation Average



Looking Deeper....



Monthly Market Data - October 2008	San Francisco	U.S.	
PRIME Market Share	80.0%	84.2%	Higher subprime exposure than average
SUBPRIME and Alt-A Market Share	20.0%	15.8%	Worrisome
TOTAL Foreclosure + REO Rate	1.2%	1.2%	There has been a large local increase versus a year ago
TOTAL Foreclosure + REO Rate (same period, 1-year earlier)	0.3%	0.5%	Compared to the national average, today's local rate is low
SUBPRIME Foreclosure + REO Rate	23.0%	14.0%	There has been a large local increase versus a year ago
SUBPRIME Foreclosure + REO Rate (same period, 1-year earlier)	9.1%	7.2%	The current local rate is high given the current U.S. average
ALT-A Foreclosure + REO Rate	9.0%	9.0%	A large local increase occurred compared to a year ago
ALT-A Foreclosure + REO Rate (same period, 1-year earlier)	1.9%	2.5%	The current local rate is high compared with the up-to-date U.S. average

Monthly Foreclosure data provided by First American CoreLogic, LoanPerformance data

The Mortgage Market

