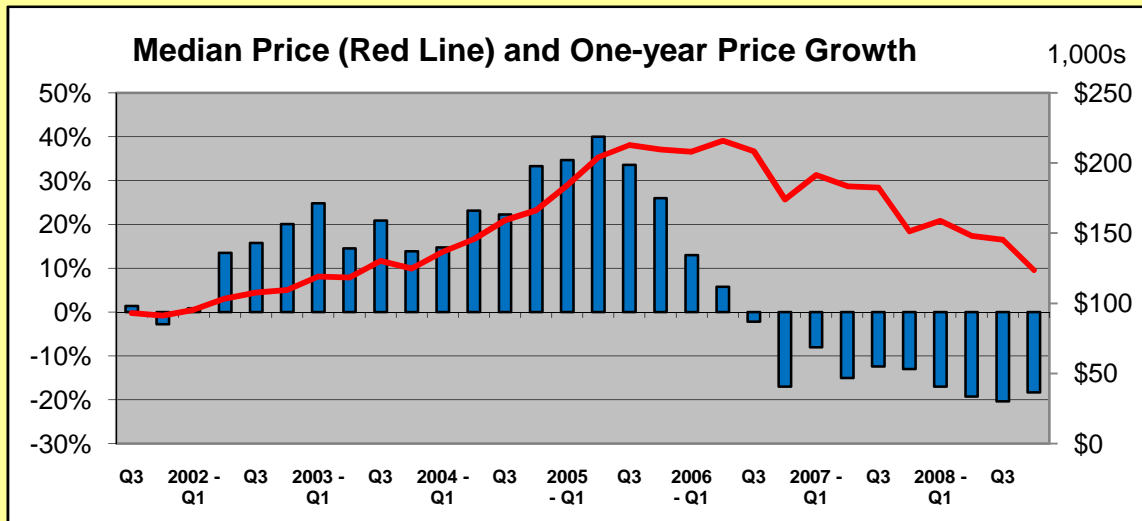


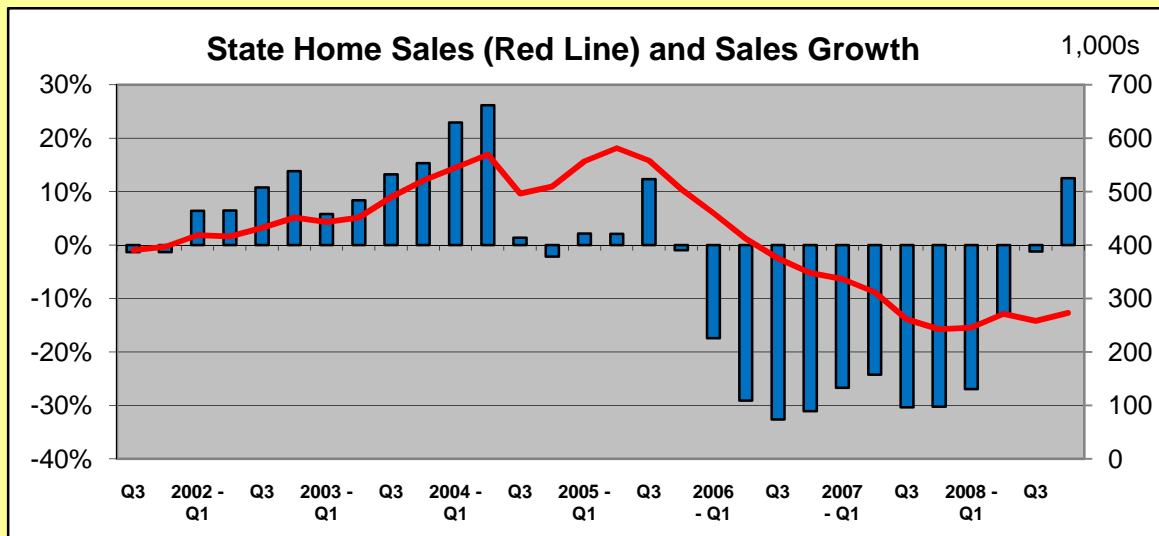


## Palm Bay-Melbourne-Titusville Area Metro Market Report, Fourth Quarter 2008

### Today's Market...



	Palm Bay	U.S.	Local Trend
<b>Price Activity</b>			
Current Median Home Price (2008 - Q4)	\$123,600	\$180,800	
1-year Appreciation (2008 - Q4)	-18.3%	-7.0%	Weak for this metro area
3-year Appreciation (2008 - Q4)	-41.0%	-19.8%	Weak for this market
3-year (12-quarter) Housing Equity Gain	-\$85,900	-\$44,567	
7-year (28 q) Housing Equity Gain	-\$22,100	-\$13,167	
9-year (36 q) Housing Equity Gain	\$20,300	\$16,967	



Home Sales and Construction Growth	Florida	U.S.	
*State Existing Home Sales (Q4)	12.5%	-16.4%	Stable

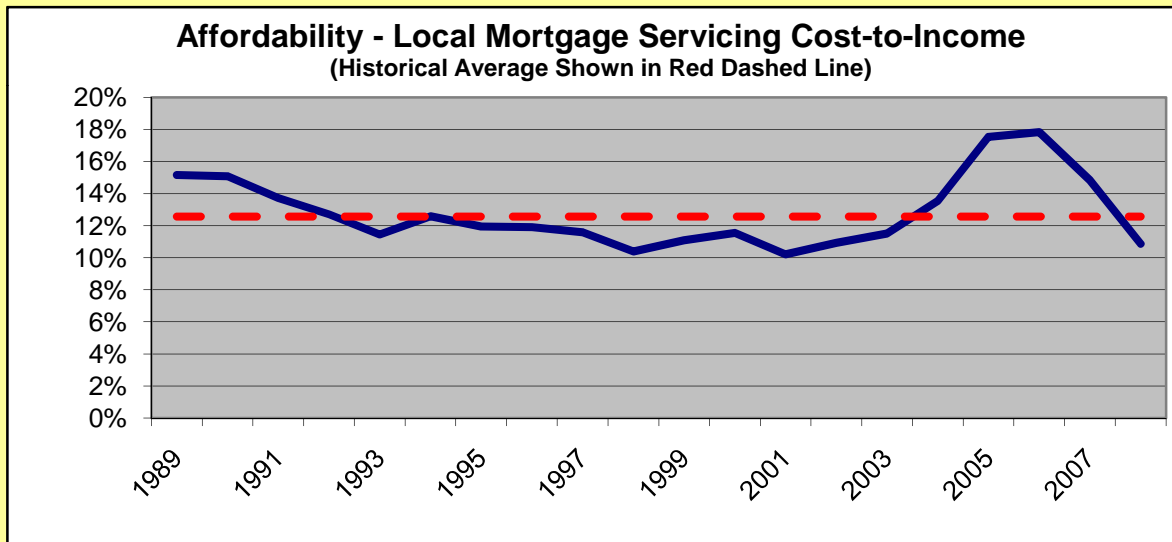
\*versus same quarter, year-ago

# Local Supply and Demand...

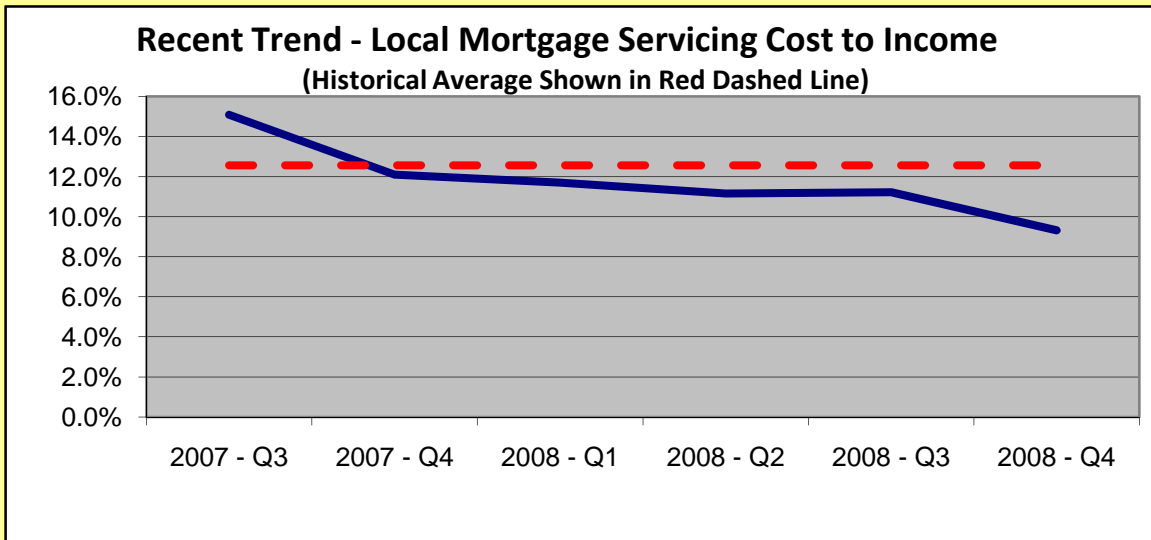
Local Economic Outlook	Palm Bay	U.S.	
1-year Job Additions (2008 - Dec)	-5,700	Not Comparable	Soft for this market
3-year Job Additions (2008 - Dec)	-9,800	Not Comparable	Weaker than local average
State Economic Activity Index	Florida	U.S.	
12-month change (2008 - Dec)	-3.9%	-0.9%	Weak compared with nation
36-month change (2008 - Dec)	-1.4%	4.5%	Weak relative to the nation

Local Fundamentals	Palm Bay	U.S.	
1-year (12 month) Job Growth Rate	-2.7%	-0.4%	Weak compared to other markets
3-year (36 month) Job Growth Rate	-4.5%	2.5%	Weaker than most metro areas
1-year Job Gain to New Single-Family Homes	-3.4	0.0	Weak compared to the national average
3-year Job Gain to New Single-Family Homes	-1.0	13.9	Weak compared to the nation
** Single-Family Housing Permits (2008 - Dec)	-43.7%	-41.3%	Important to reduce supply

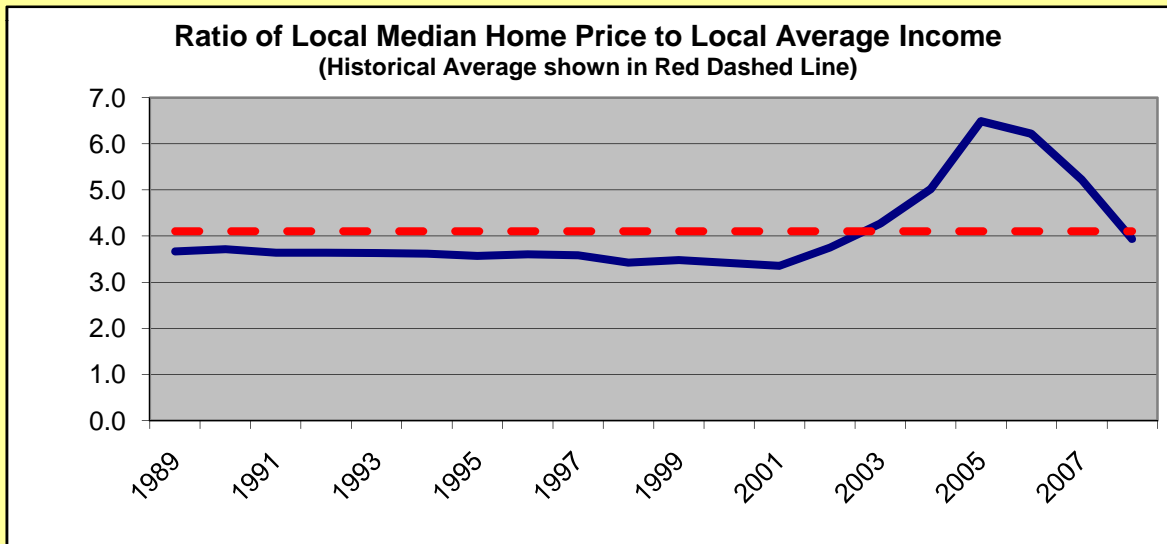
\*\*Rolling 12-month sum vs. a year ago



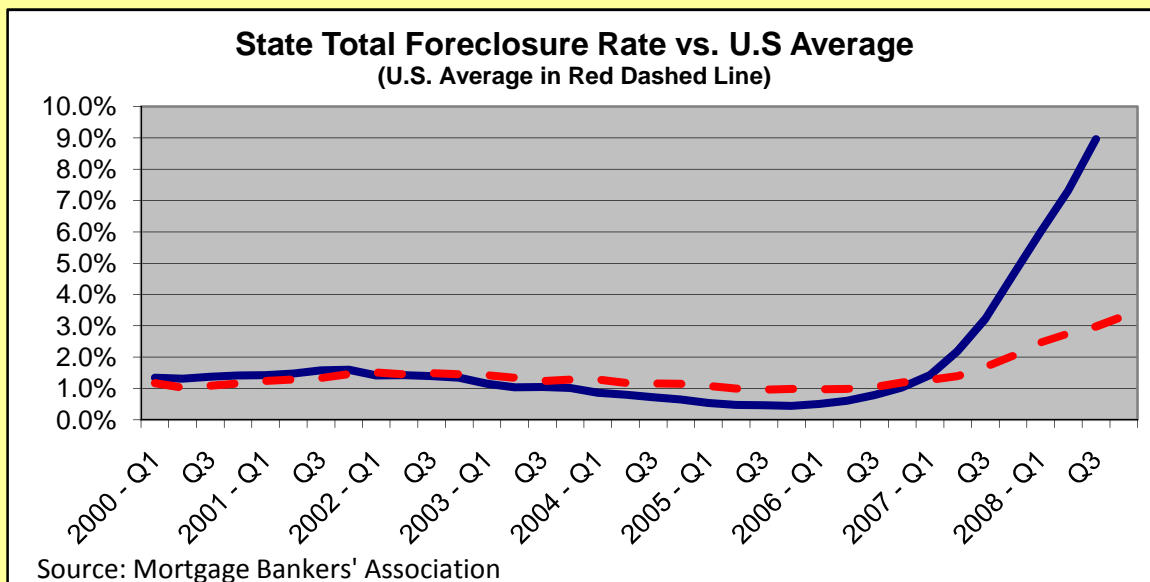
Monthly Mortgage Payment to Income	Palm Bay	U.S.	
Ratio for all of 2008	12.2%	21.4%	Good local affordability
Ratio for 2008 - Q4	9.3%	20.6%	Improving and historically strong
Historical Local Average	12.6%	23.2%	Good relative to the nation



Median Home Price to Income	Palm Bay	U.S.	
Ratio for 2008	4.2	7.4	Weak Relative to Local History
Historical Local Average	4.1	7.2	Good Compared to Nation Average



# Looking Deeper....



Monthly Market Data - October 2008	Palm Bay	U.S.	
<b>PRIME</b> Market Share	83.9%	84.2%	Higher subprime exposure than average
<b>SUBPRIME</b> and <b>Alt-A</b> Market Share	16.1%	15.8%	Worrisome
<b>TOTAL</b> Foreclosure + REO Rate	2.9%	1.2%	There has been a large local increase versus a year ago
<b>TOTAL</b> Foreclosure + REO Rate (same period, 1-year earlier)	0.6%	0.5%	The current local rate is high compared with the current U.S. average
<b>SUBPRIME</b> Foreclosure + REO Rate	22.2%	14.0%	There has been a large local increase versus a year ago
<b>SUBPRIME</b> Foreclosure + REO Rate (same period, 1-year earlier)	8.3%	7.2%	The current local rate is high given the current U.S. average
<b>ALT-A</b> Foreclosure + REO Rate	15.7%	9.0%	A large local increase occurred compared to a year ago
<b>ALT-A</b> Foreclosure + REO Rate (same period, 1-year earlier)	3.4%	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

