

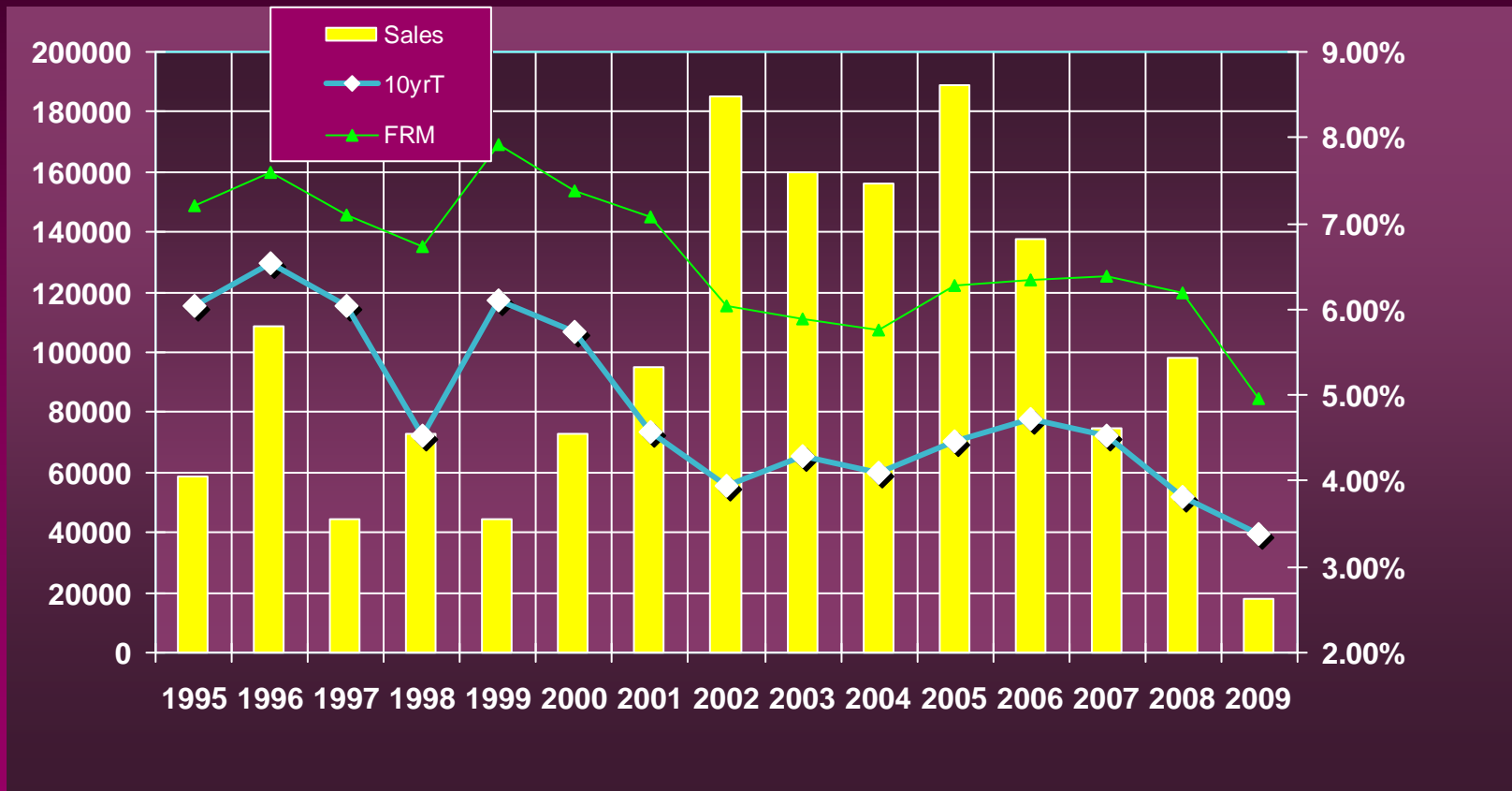
Housing Outlook Fresno MLS

Fresno, California
March 2010

2010 – Fragile Recovery

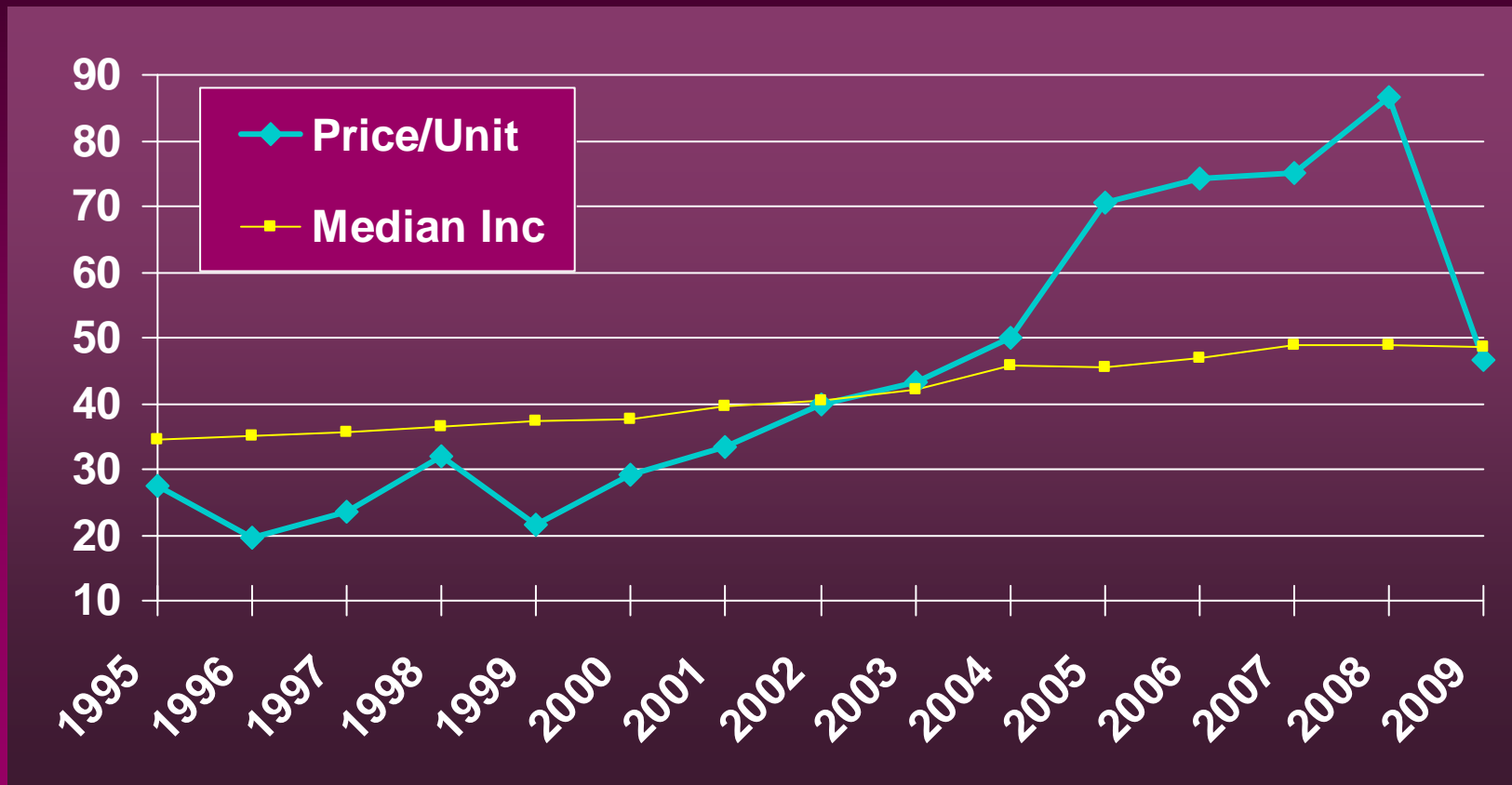
- **From Fear to Hope to ????**
- **Residential- 1st Quarter 09’- “the bottom”**
- **Commercial- 4th Quarter 09’**
 - **2010 setting up to be a big REO year**
 - **Recovery probably not until late 2011**
 - **AFTER Jobs return**

Total Apt Sales 1995-2009 (w/ 10 Yr T & 30yrFRM)



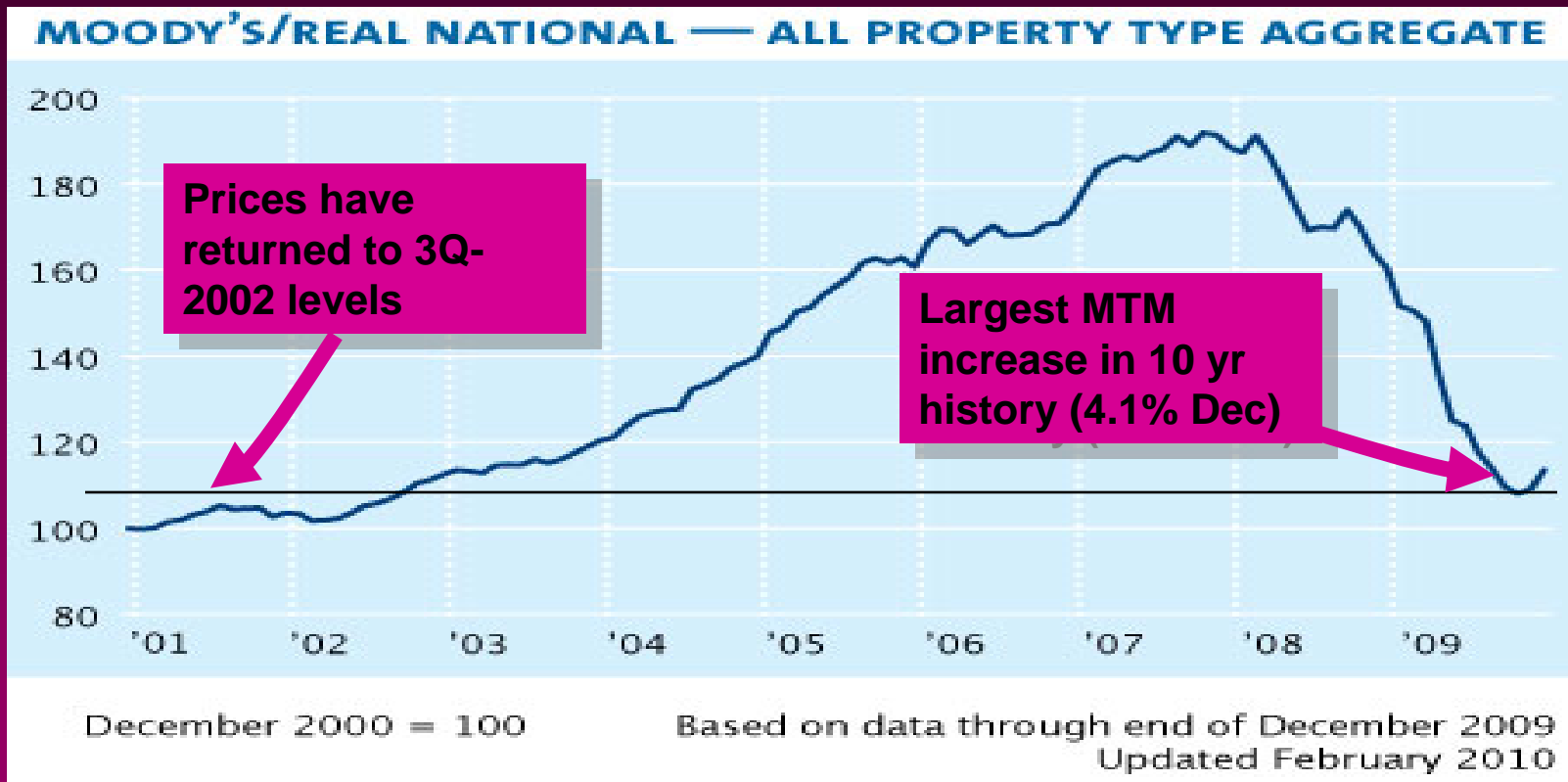
Source: RCK ORGANIZATION, FSU Housing Study, FHLMC

Apt. Price/Unit & FC HH Med. Inc. 1995-2009



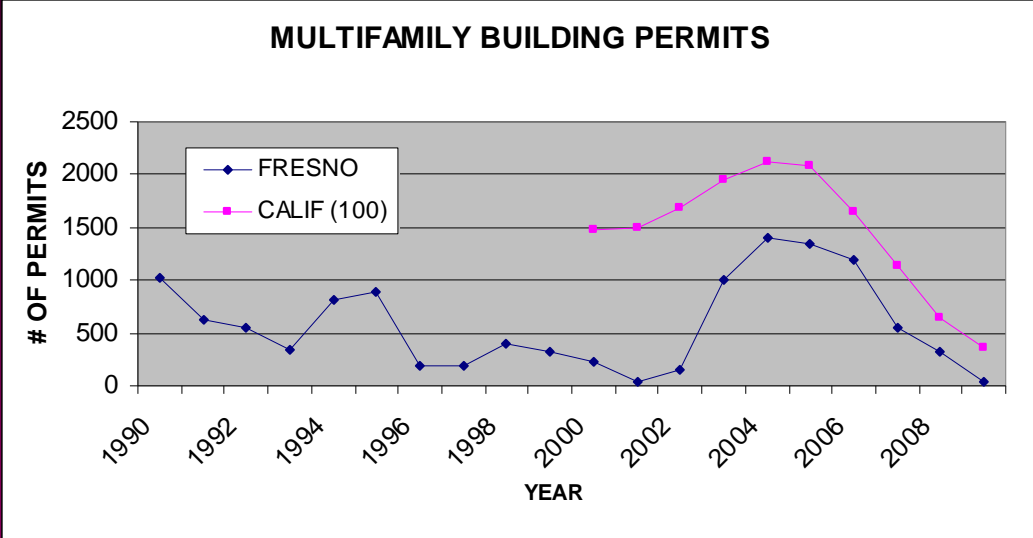
Source: RCK ORGANIZATION, California DOF

National - Moodys/REAL Commercial Property Price Index (2001-2009)



Ingredients for MF Recovery- Minimal Construction & Aging Inventory

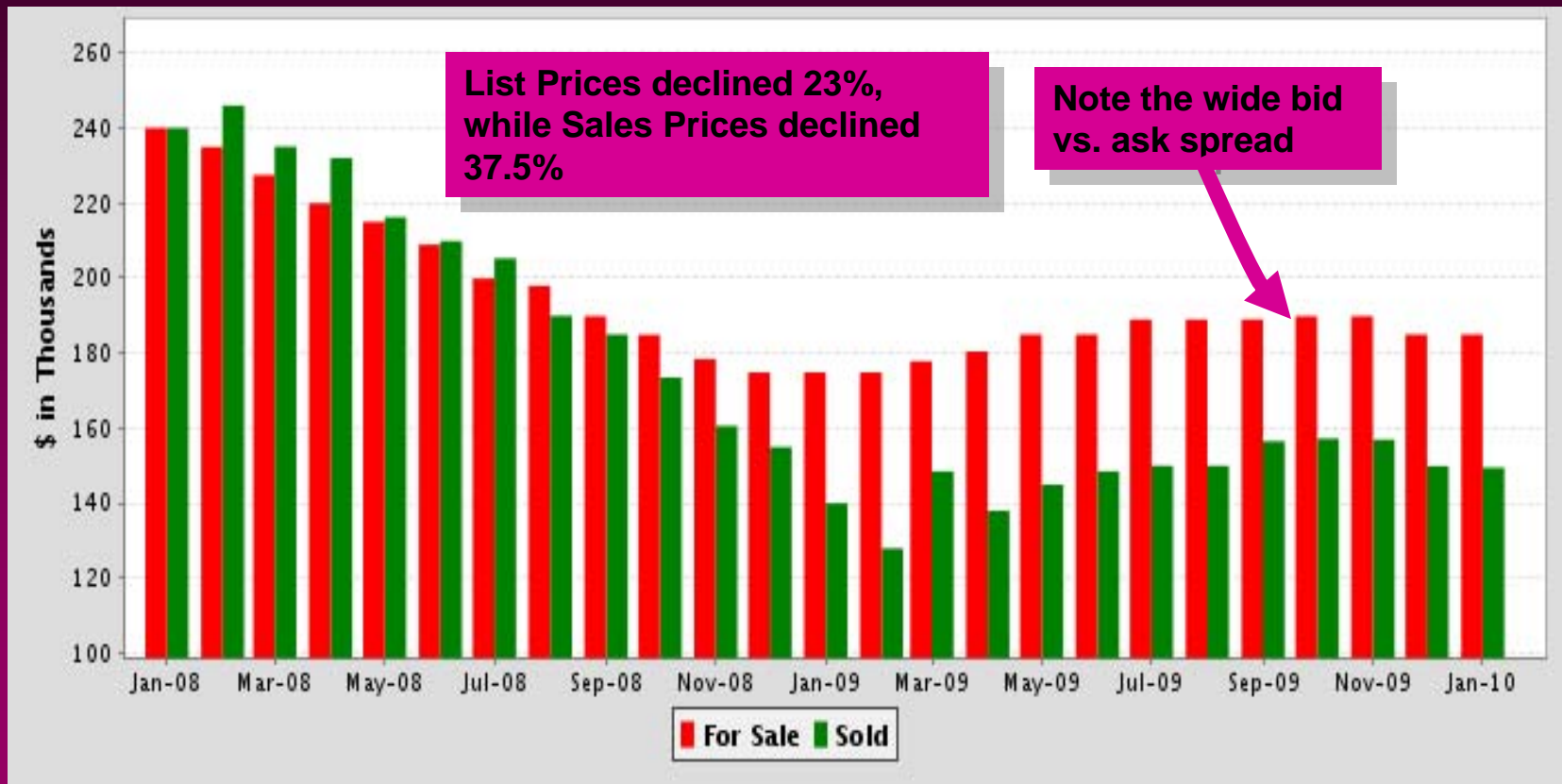
**Only 33 Units
were built
In 2009**



**More than 80% of
Fresno Apts is over
20 years old**

BUILT BEFORE 1970	5%
1970- 1979	36%
1980-1989	40%
1990-1999	15%
AFTER 1999	4%

Fresno Median Home Price (for sale vs. sold) Jan 08 - Jan 10



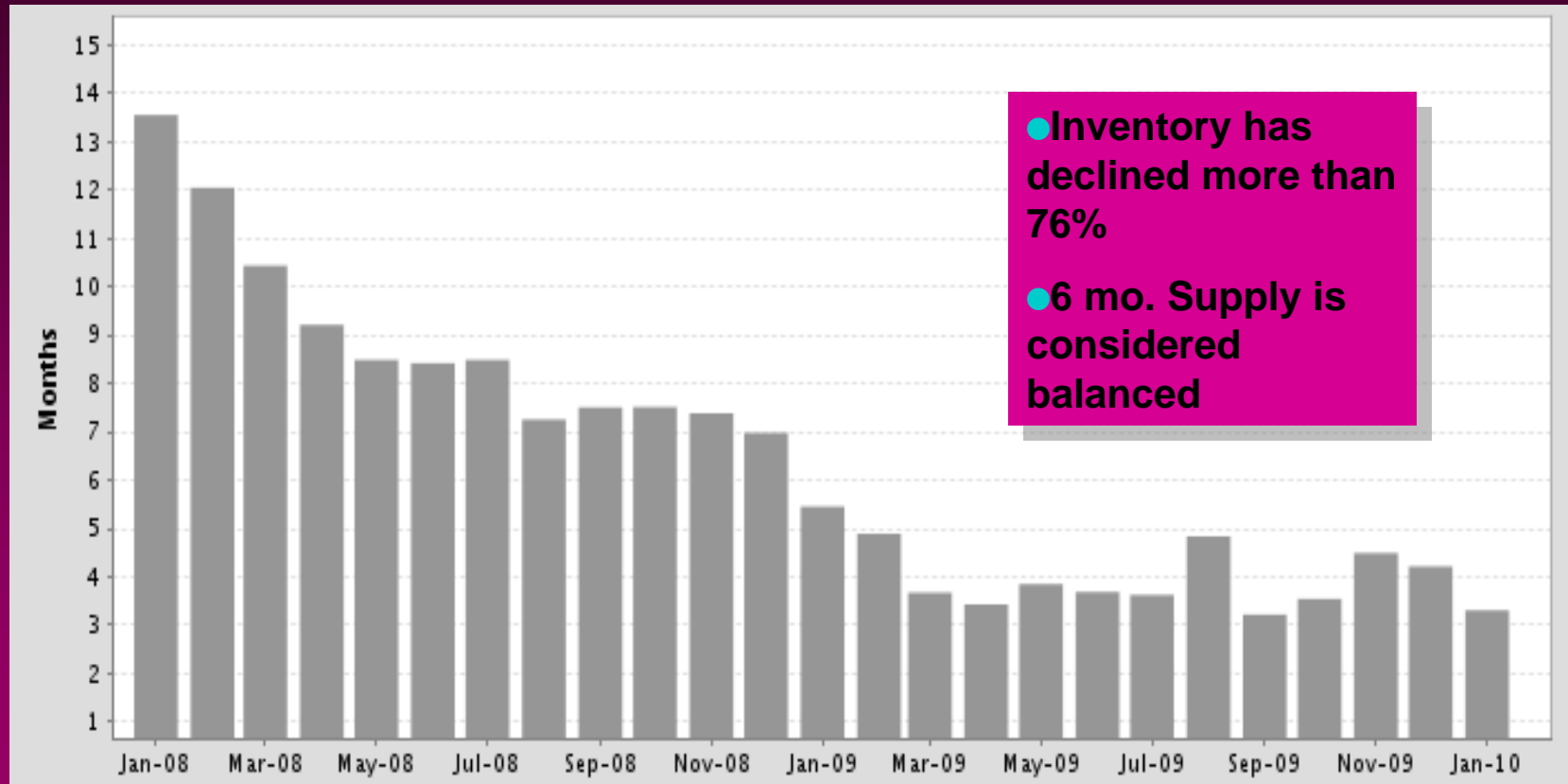
Source: Clarus MarketMetrics, Fresno MLS

Fresno- # of Sold Homes Jan 08 - Jan 10



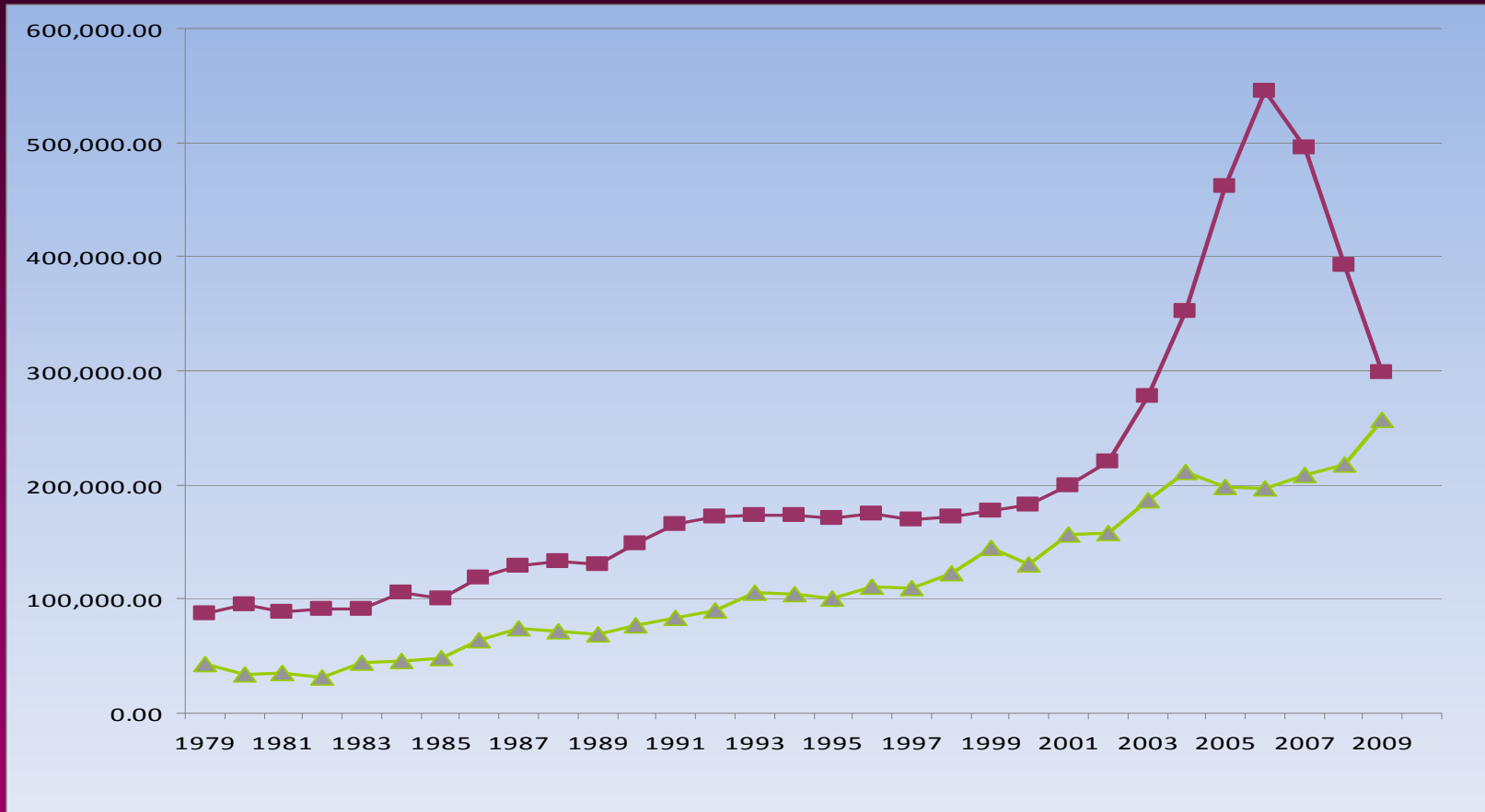
Source: Clarus MarketMetrics, Fresno MLS

Fresno- # Months Supply Jan 08 - Jan 10



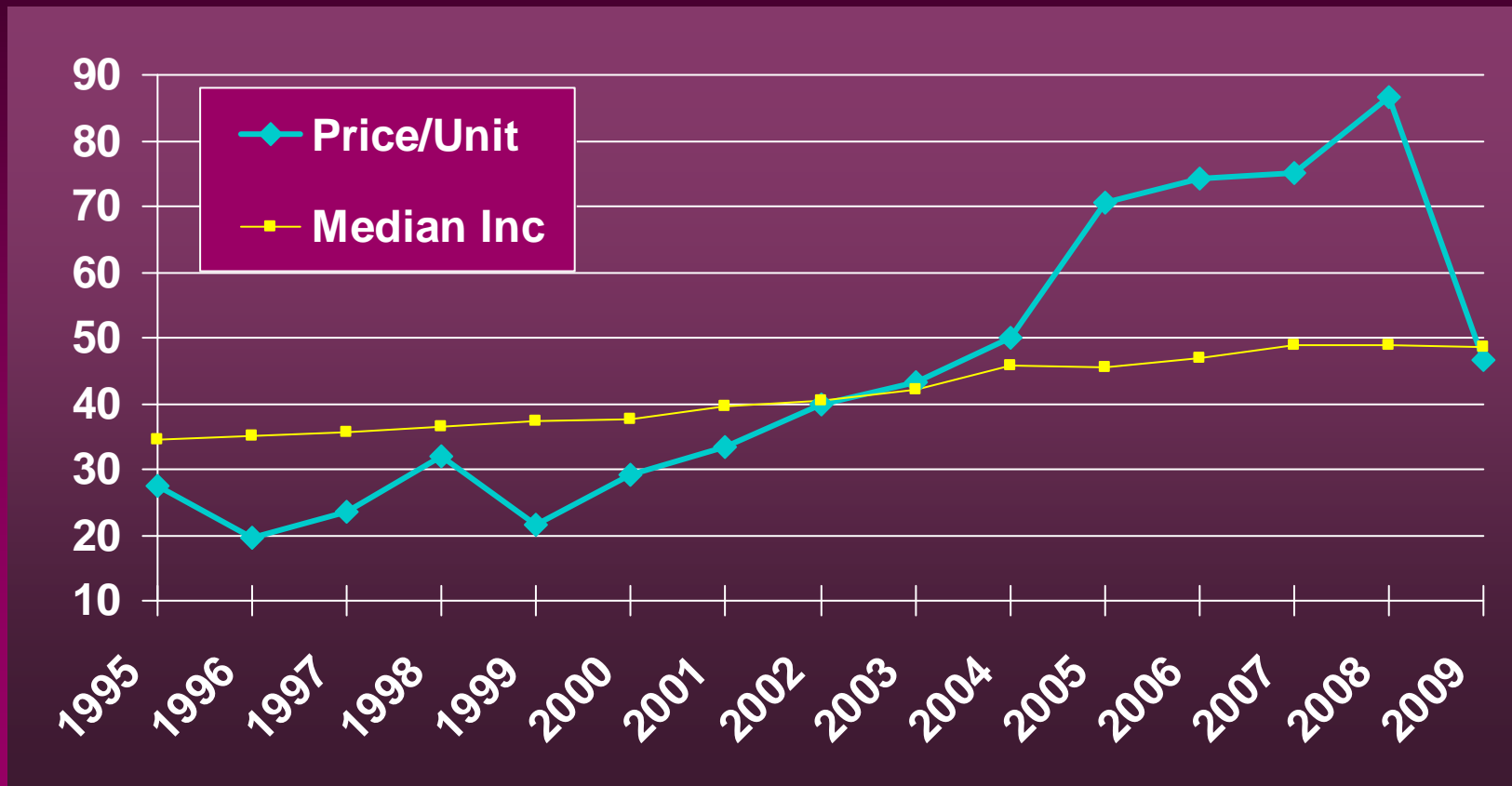
Source: Clarus MarketMetrics, Fresno MLS

Median Price Listing & Median HH Income (1979-2009)



● Source: US Census, Fresno MLS, RCK Organization

Apt. Price/Unit & FC HH Med. Inc. 1995-2009



Source: RCK ORGANIZATION, California DOF

Signposts to watch

- Watch Unemployment, Job Growth numbers
- # of NOD filings in the Fresno Bee
- Reduction of Rental Concessions by multifamily and commercial landlords
- % Rates will NOT rise until after Feds withdraw from market
- Prices won't rise until ALL of the above do
- **BOTTOMLINE:** It will get better sooner BUT not as good as we would wish for

WHAT'S IN & WHAT'S OUT

OUT

- What props sold for
- Leverage & Debt
- Market Growth
 - Wait for glass to fill
- DOWN sizing
- Return, Re-visit & Restore

IN

- What's the Net?
- Cash is King
- Market Share
 - Take a bigger Gulp!
- RIGHT sizing
- Reset, Re-price & Restart