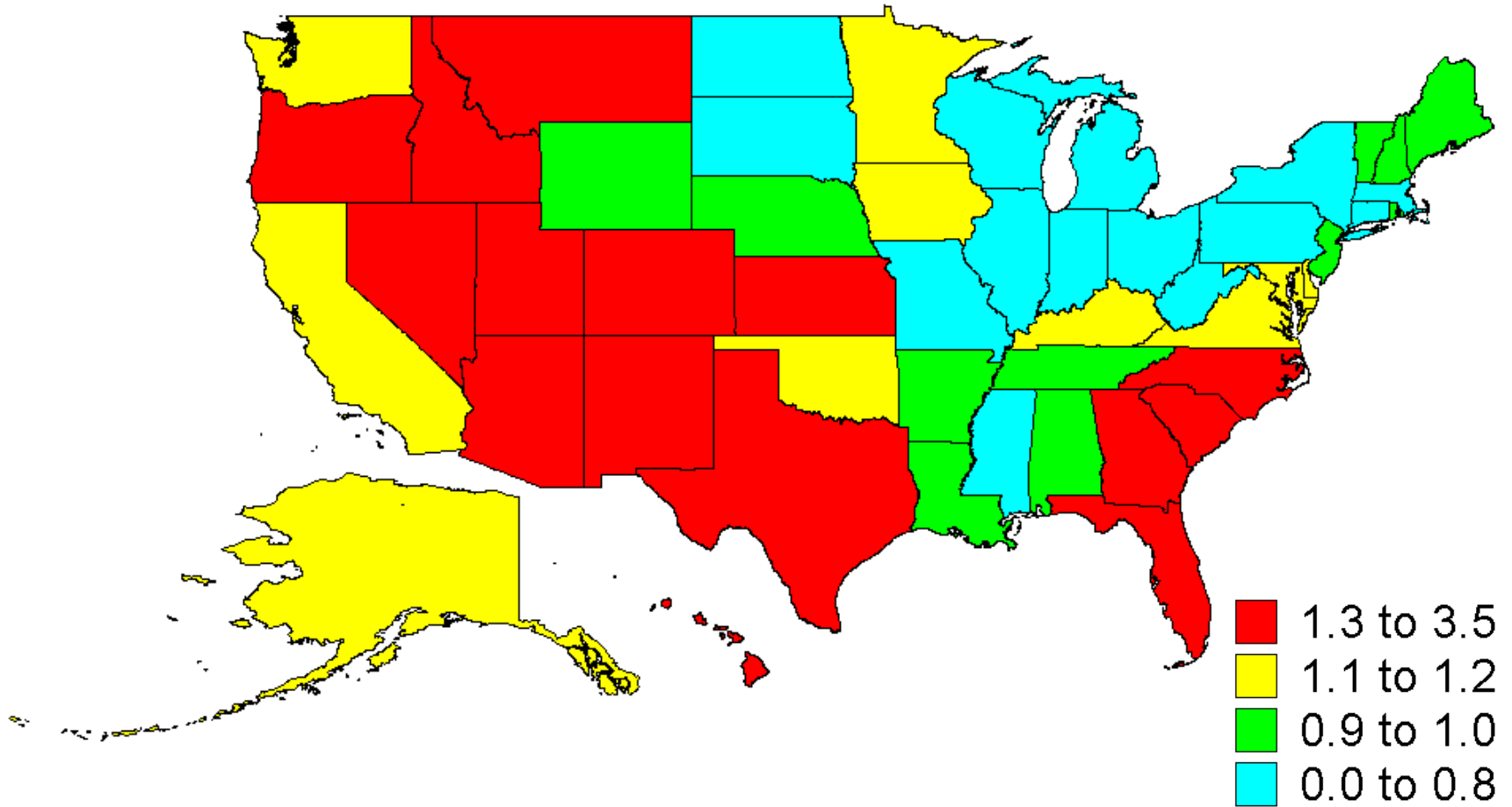


***The Real Estate Market has
Peaked!
What's Next***

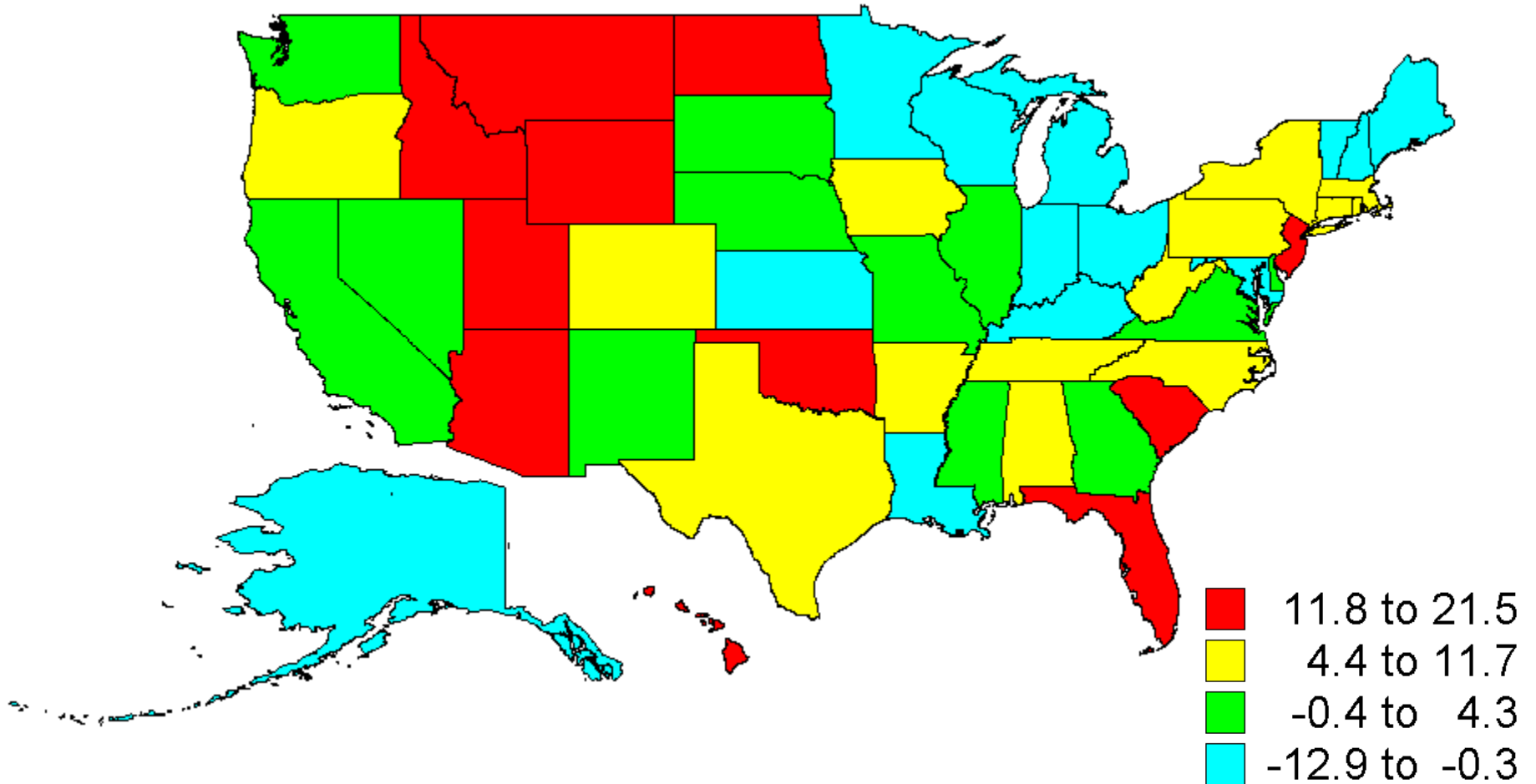
**Presented by:
Jim Diffley
US Regional Services
Global Insight
February 22, 2006**

	2005	2006	2007
Real GDP growth (%)	3.5	3.3	2.7
Federal Funds rate (%)	3.2	4.7	4.8
Oil Prices (\$ barrel)	57	62	59
CPI inflation (%)	3.4	2.5	1.8
Housing Starts (mill)	2.1	1.9	1.8
Unemployment Rate (%)	5.1	4.8	4.9

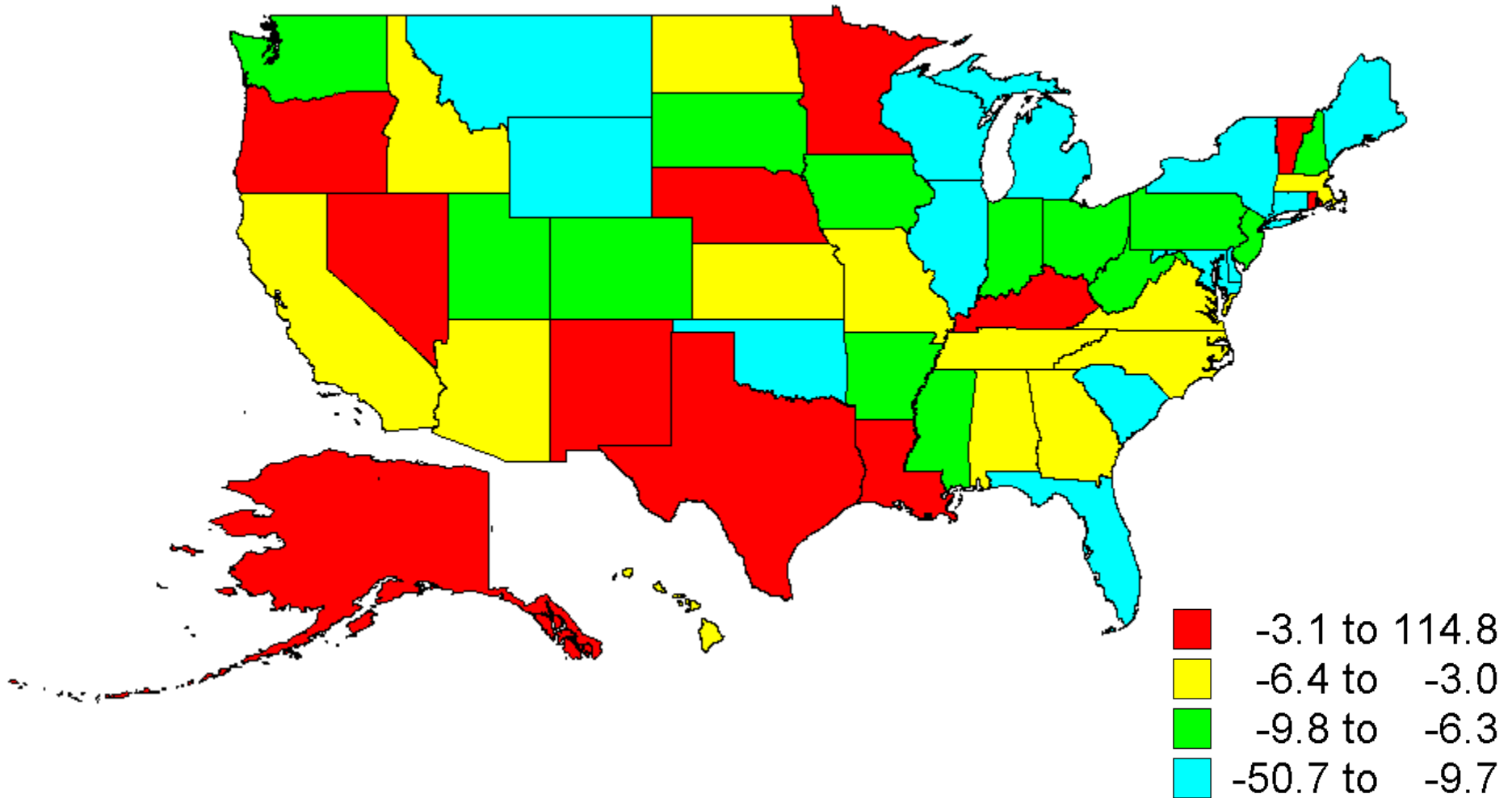
(Average annual growth rate)



Housing Starts Growth, 2003-2005

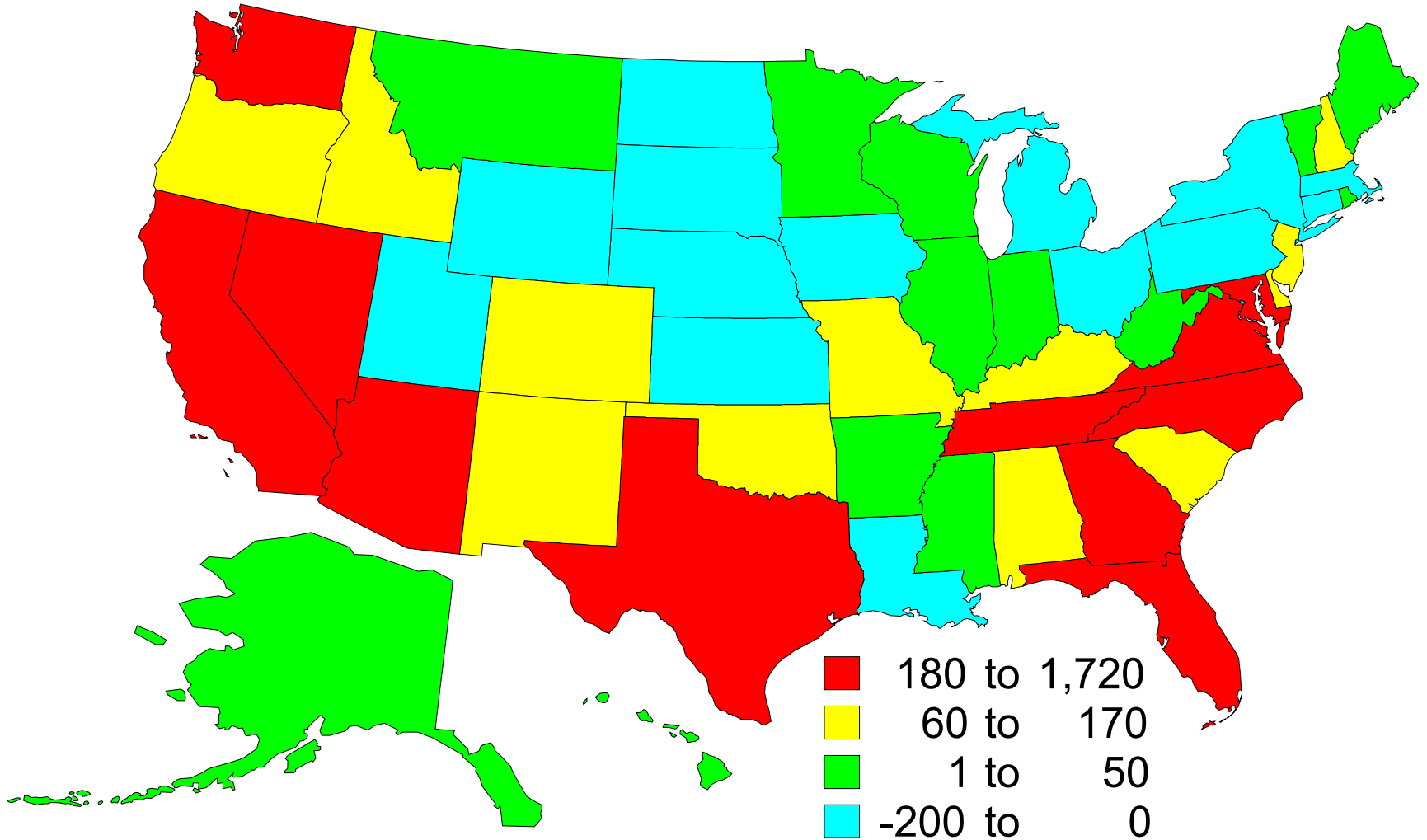


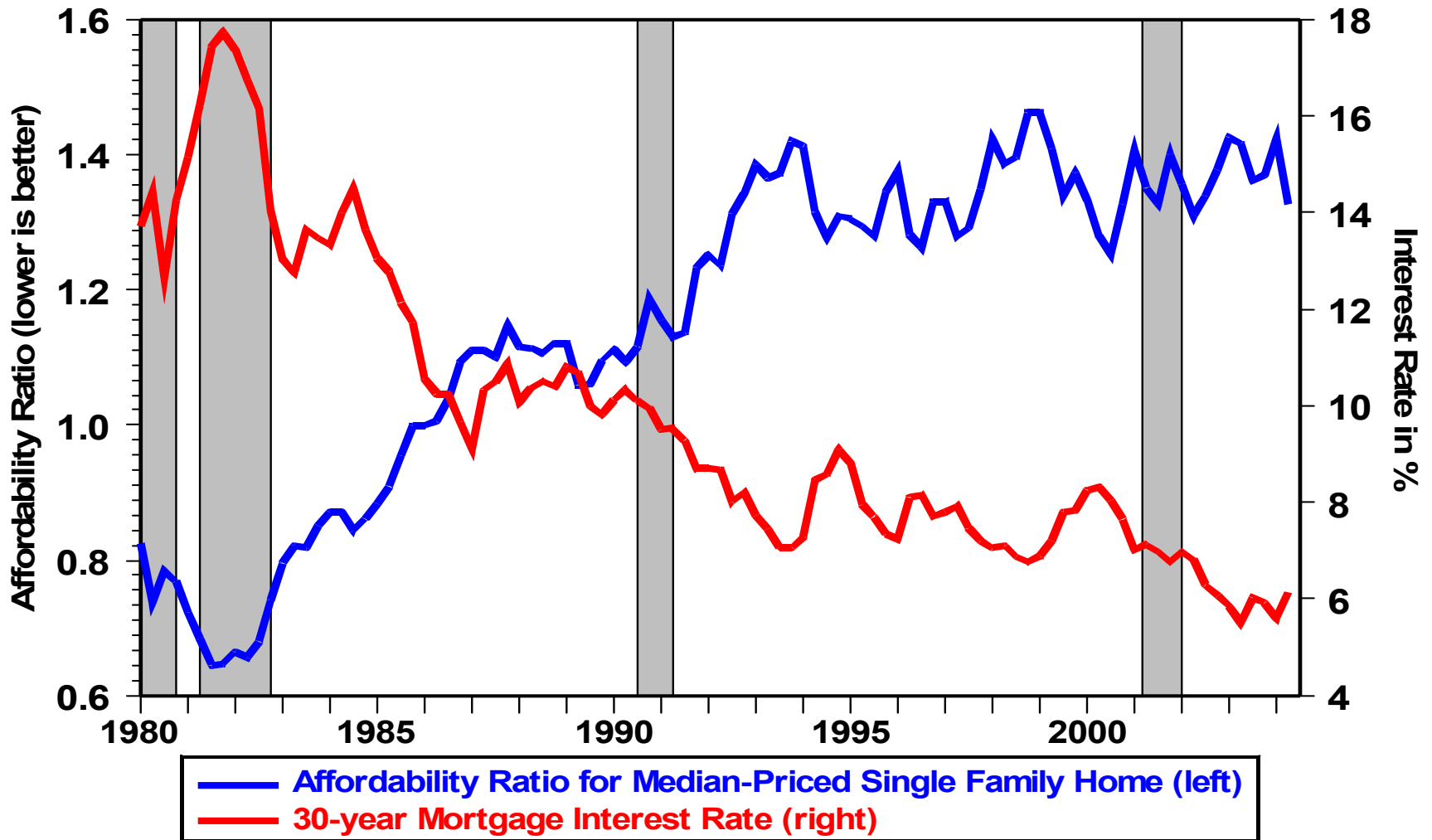
Housing Starts Growth, 2005-2007

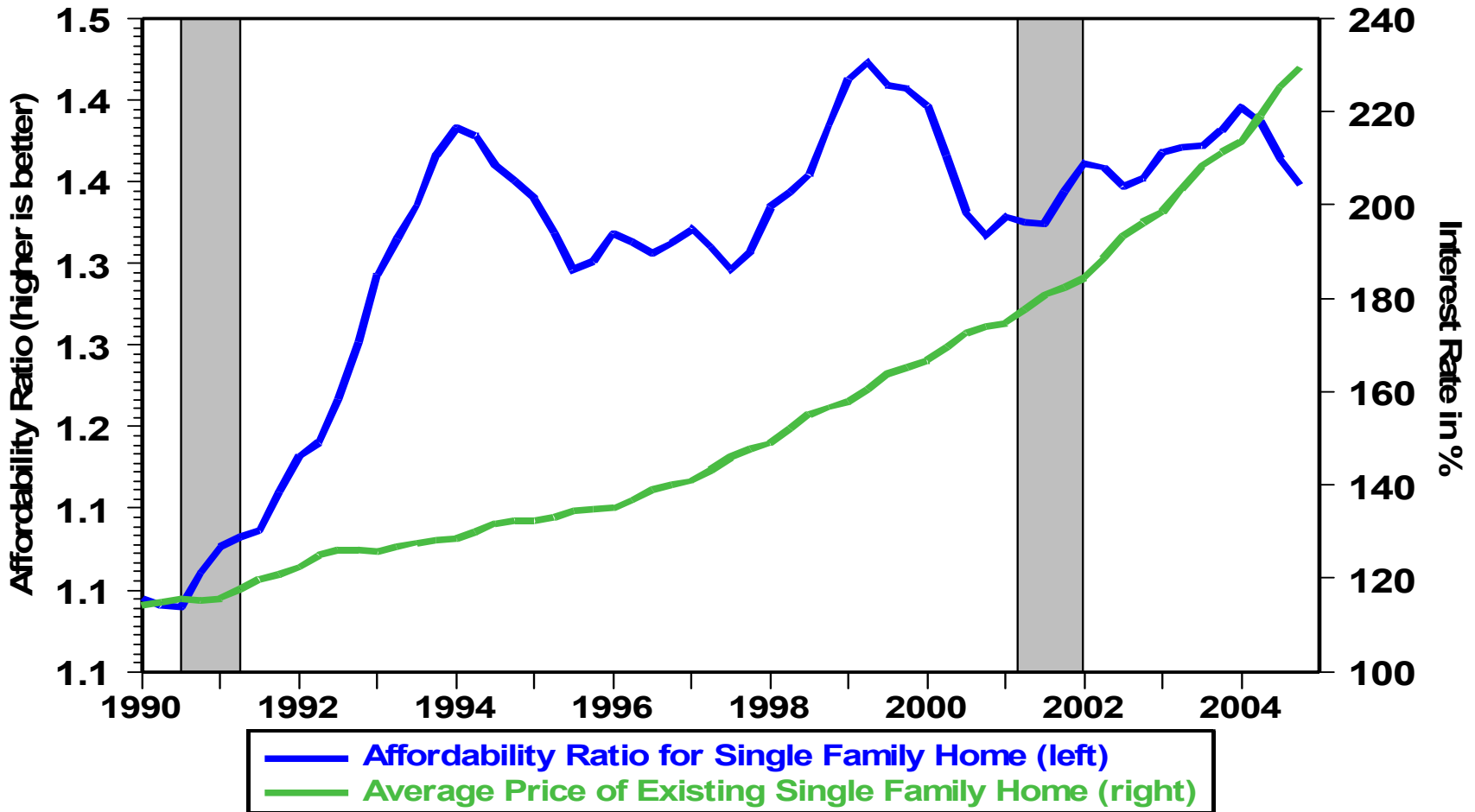


Net Migration 2005-2010

(thousands)

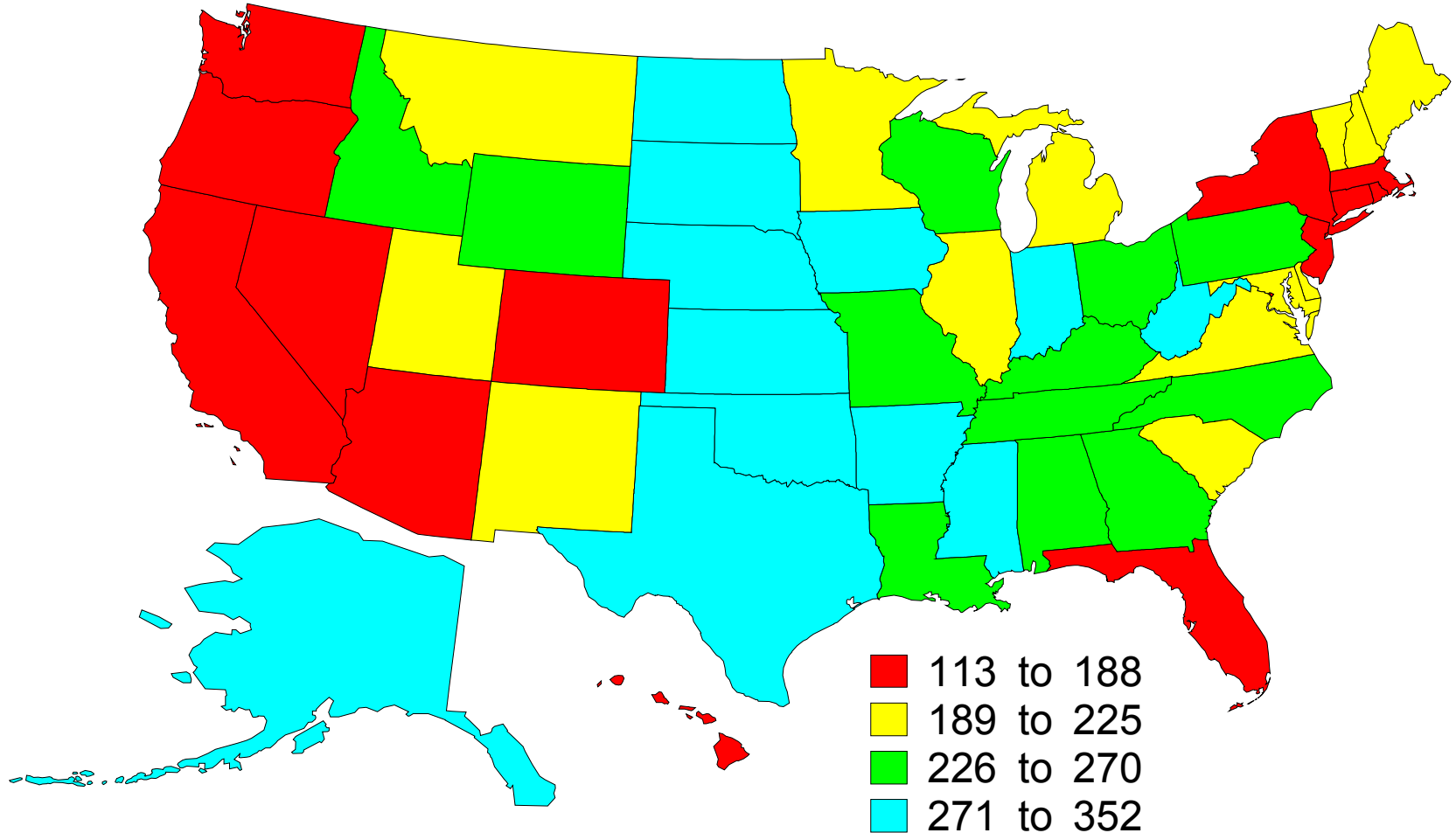




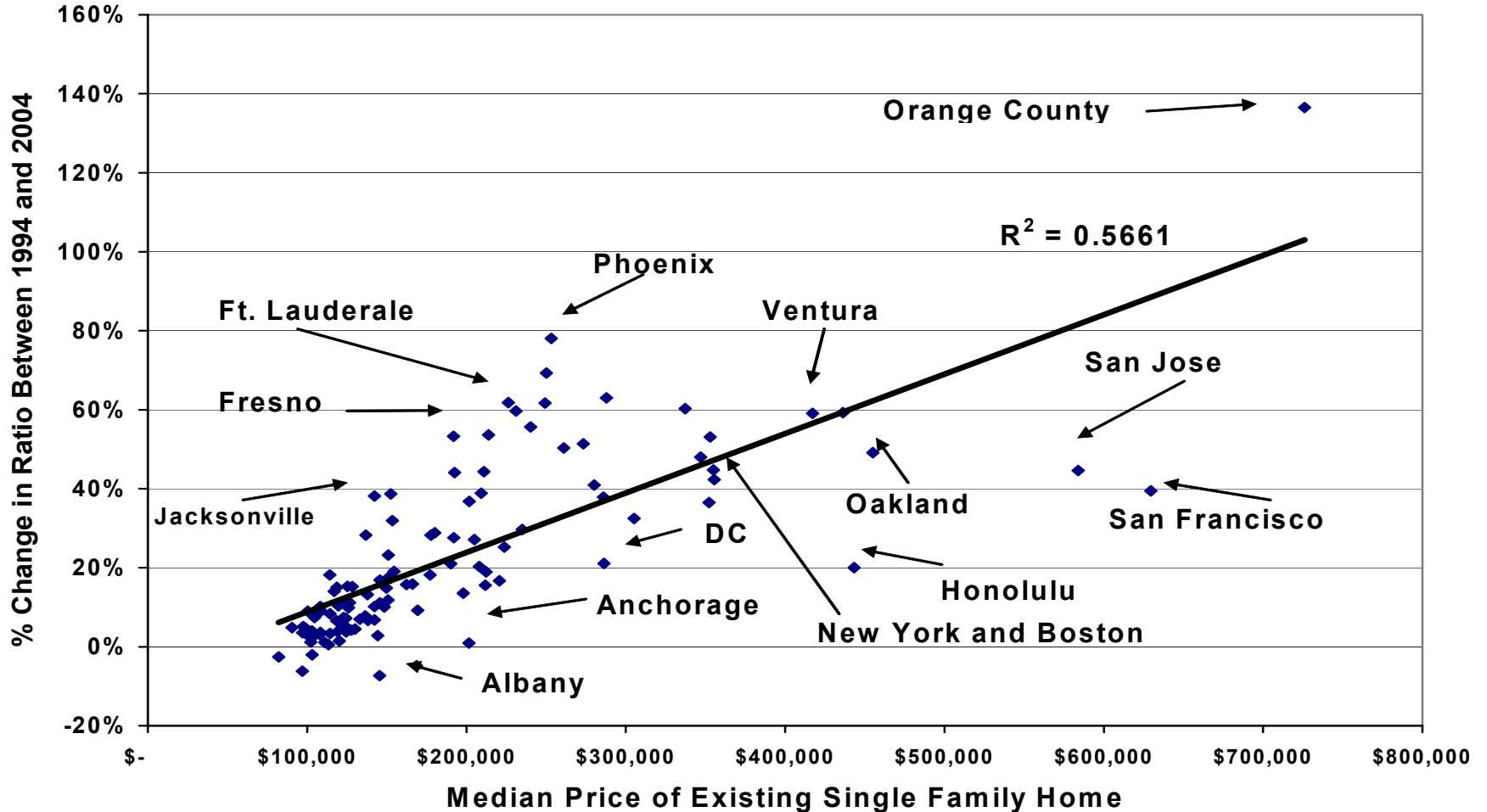


Housing Affordability

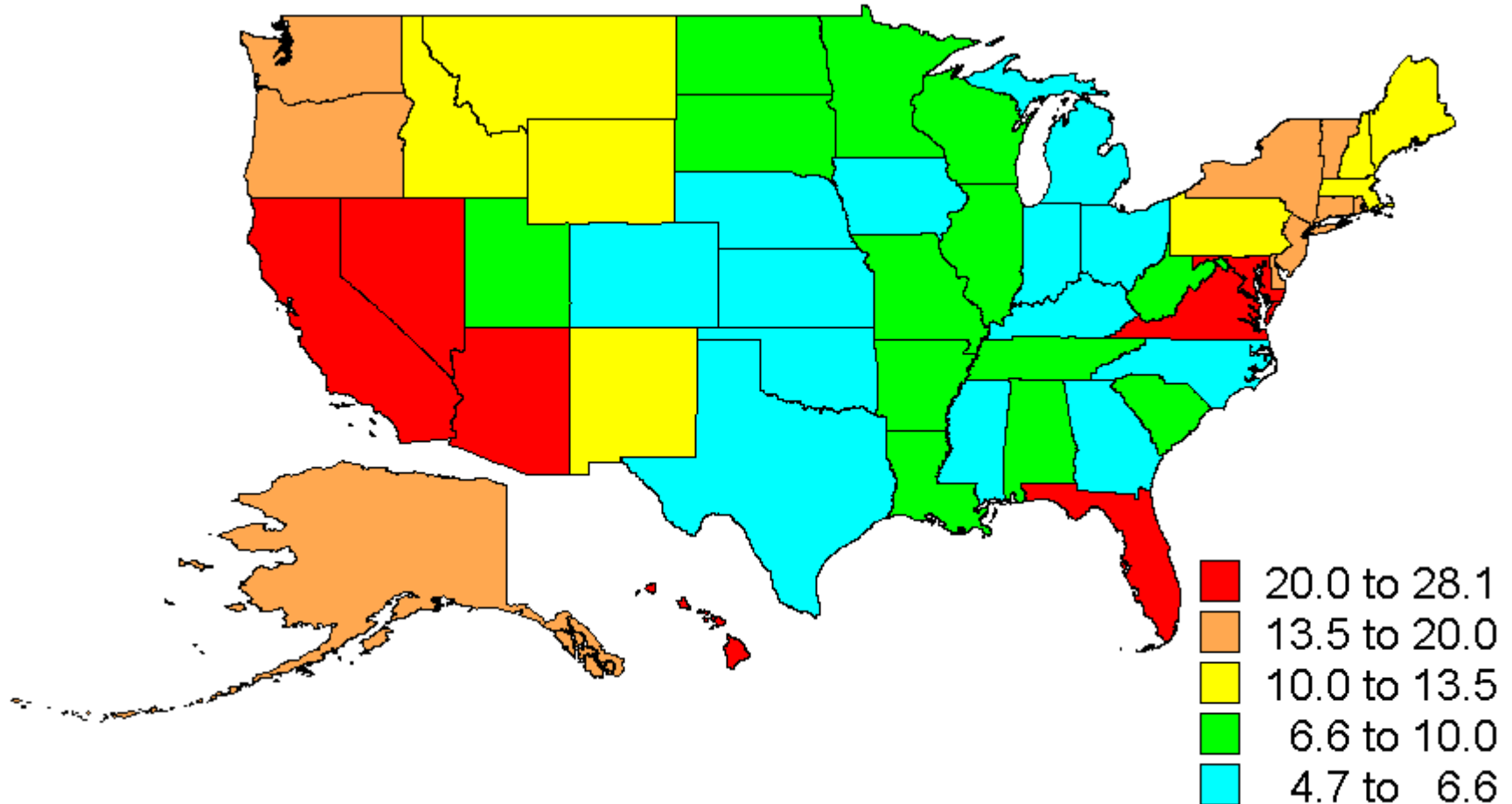
(higher is more affordable)



Increase in Ratio of Housing Sales Price over Avg. Household Income 1999 to 2004



(Percent change from a year earlier)

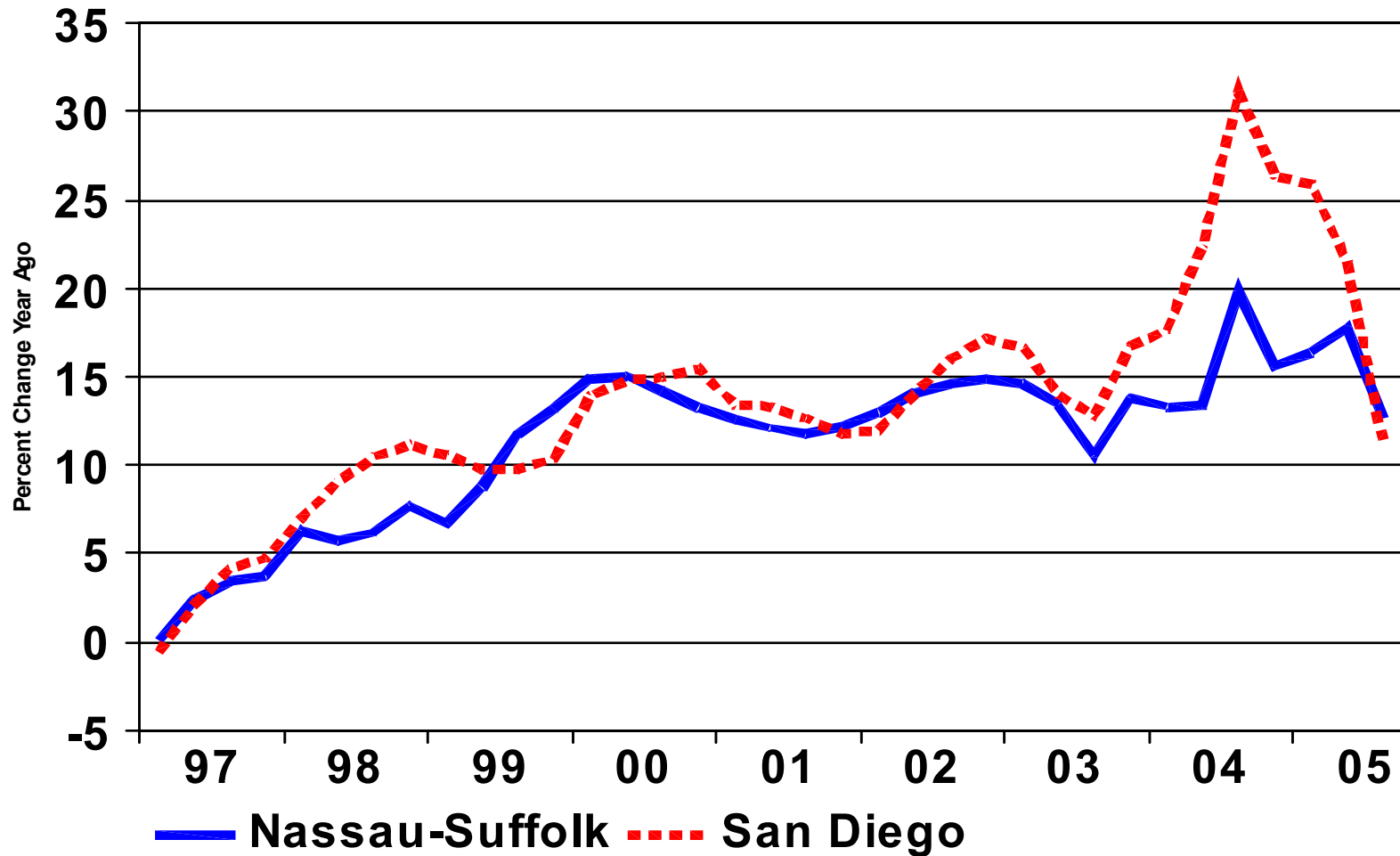


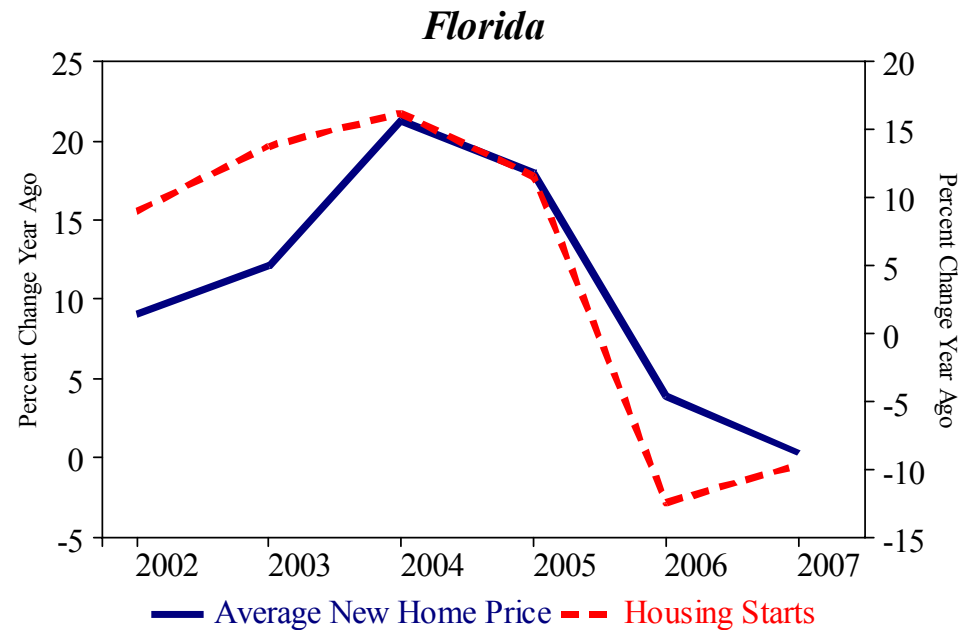
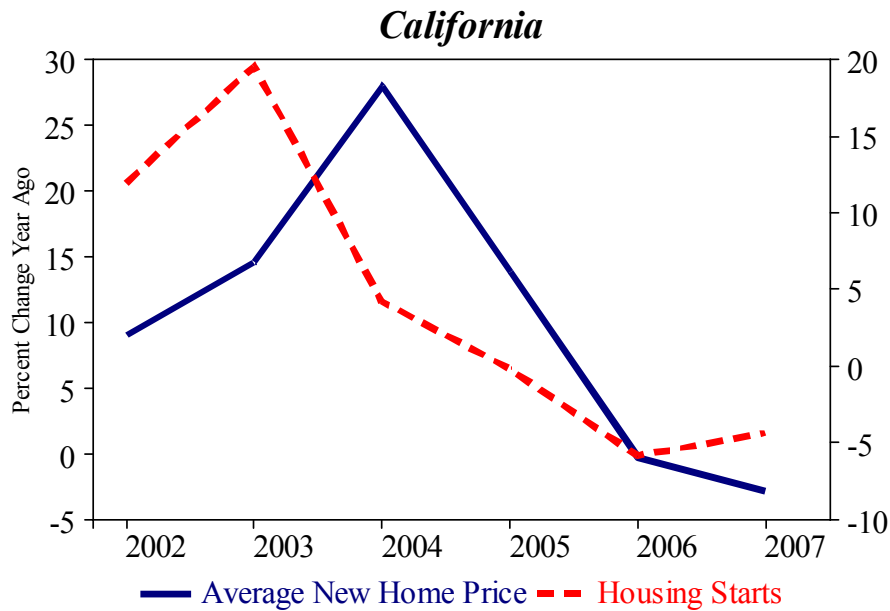
Metro Area Price Appreciation

Percent Change Year-Over-year

	2004Q3	2004Q4	2005Q1	2005Q2	2005Q3
Las Vegas, NV	43.3	38.2	34.7	27.3	13.8
Riverside, CA	34.6	30.9	29.8	27.0	19.8
Reno-Sparks, NV	33.2	30.7	32.8	32.9	22.3
Oxnard, CA	32.4	25.8	25.0	22.4	14.3
Santa Ana-Anaheim, CA	32.2	26.8	25.5	23.1	15.7
Bakersfield, CA	31.9	32.0	34.8	34.2	27.1
Los Angeles, CA	31.9	26.7	27.0	25.8	18.8
San Diego, CA	31.1	26.4	25.9	21.5	11.4
Carson City, NV	30.7	30.2	27.5	29.0	23.9
Salinas, CA	30.6	29.2	32.0	29.4	21.0

Where are the Bubbles ?





	Period	Decline
Austin	1986-1990	27%
Boston	1989-1991	11%
Dallas	1986-1989	14%
Denver	1986-1989	12%
Houston	1985-1987	27%
Los Angeles	1991-1995	21%
New Orleans	1985-1991	17%
Northern NJ	1989-1991	14%
Riverside	1992-1995	19%
Sacramento	1990-1996	12%
San Antonio	1985-1989	20%
San Francisco Bay Area	1990-1994	11%

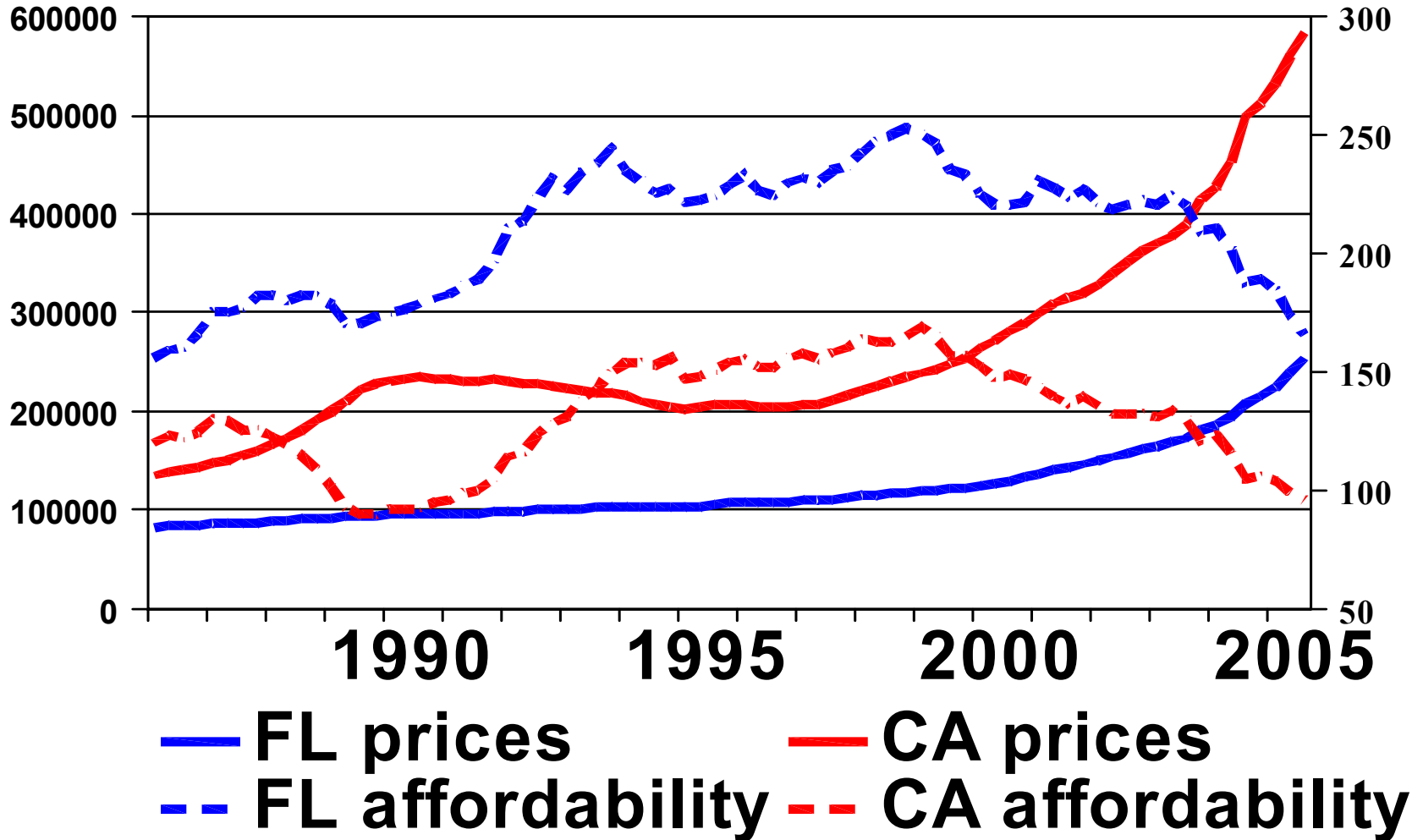
'Excess' Valuation

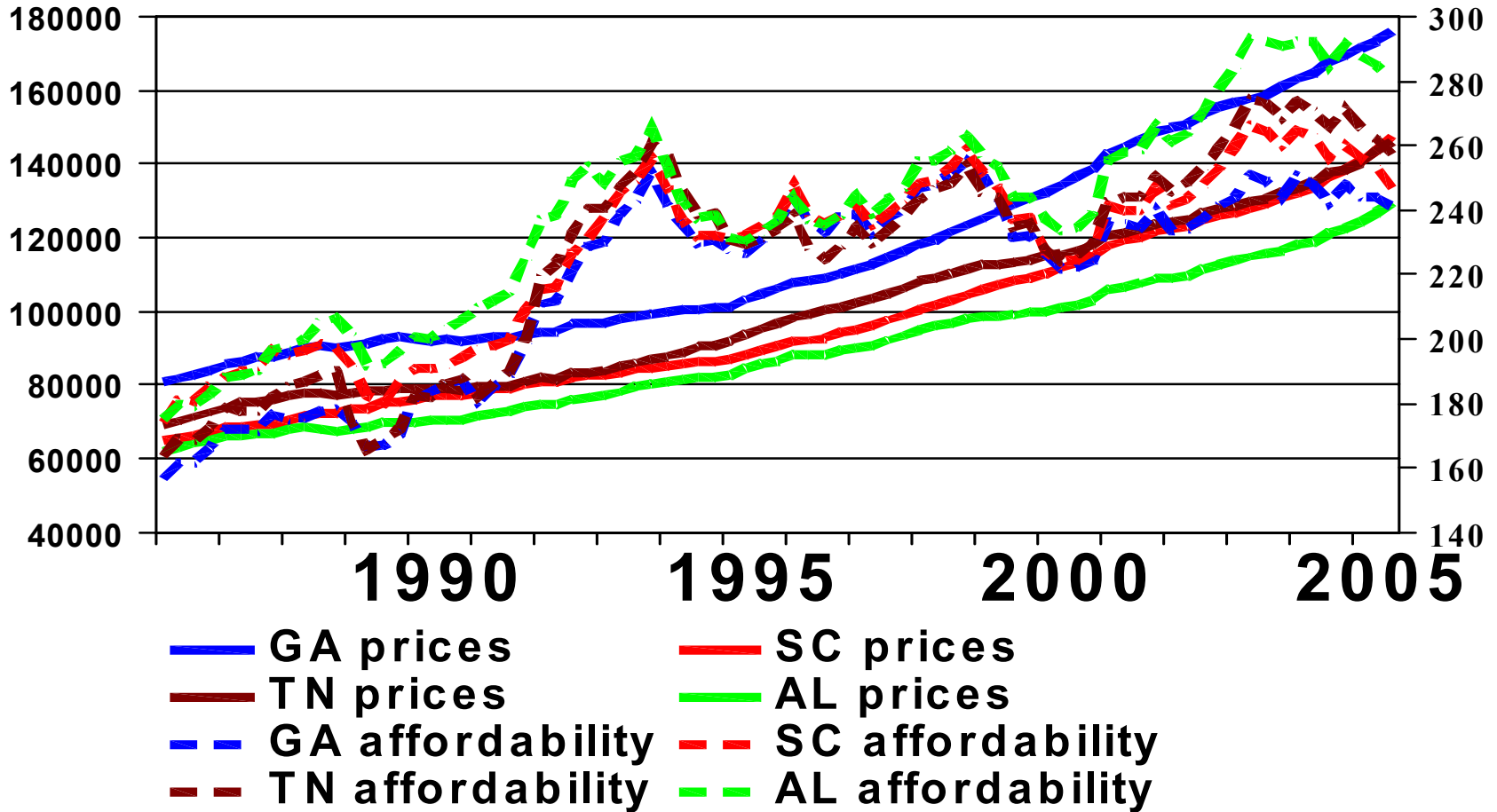
Global Insight / National City

Naples, FL	84%
Merced, CA	77%
Medford, OR	64%
Atlantic City, NJ	59%
Barnstable, MA	48%
Prescott, AZ	46%
Bellingham, WA	43%
Nassau-Suffolk, NY	43%
Reno, NV	38%
Washington, DC	37%

(1st in each state)

65 metros >30% including 14 in FL, 25 in CA





-5 to -12%:	Charlotte, Decatur, Huntsville, Macon, Montgomery, Warner-Robins
0 to -5%:	Albany, Augusta, Birmingham, Columbus, Florence, Nashville, Mobile, Spartanburg
0 to 5%:	Athens, Atlanta, Columbia, Chattanooga, Greenville, Knoxville
5% to 20%	Dalton, Hickory, Gainesville
20% to 30%	Brunswick, Charleston, Jacksonville, Savannah, Tallahassee



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