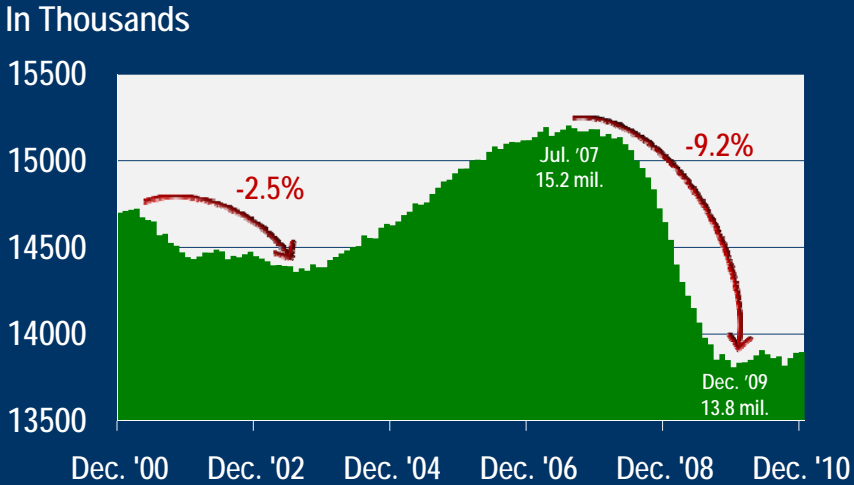


# California Real Estate & Fiscal Crises

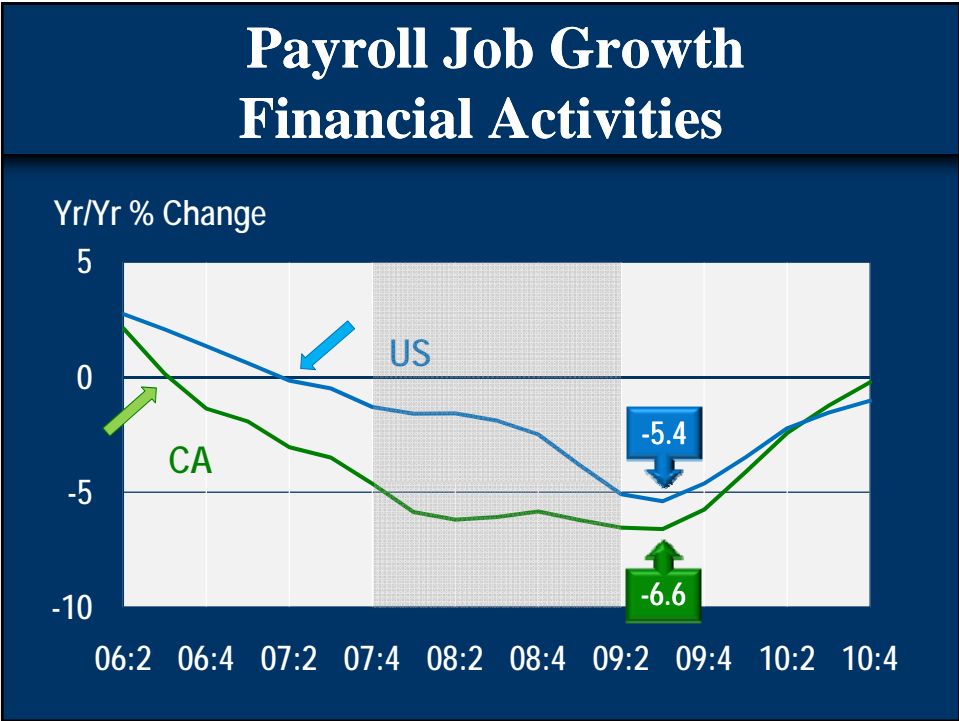


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## California Payroll Employment







### The Most Influential Economic Variables Affecting Job Outlook

	Projected Impact		
	2009	2010	2011
Real GDP	 -2.6%	 +2.9%	 +3.3%
Real Exports	 -9.5%		
Construction Spending	 -26.8%		

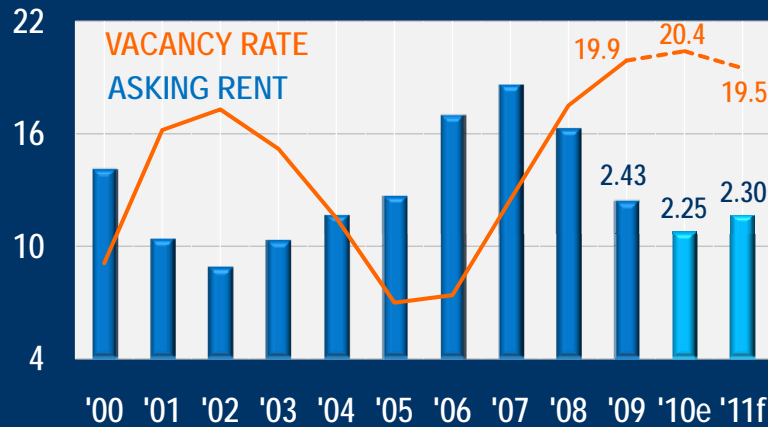


### The Most Influential Economic Variables Affecting Job Outlook

	Projected Impact		
	2009	2010	2011
Real GDP	 -2.6%	 +2.9%	 +3.3%
Real Exports	 -9.5%	 +11.9%	 +10.2%
Construction Spending	 -26.8%		

## Vacancy Rate & Asking Rent Orange County Office Market

Vacancy Rate %




## The Most Influential Economic Variables Affecting Job Outlook

	Projected Impact		
	2009	2010	2011
Real GDP	↓ -2.6%	↑ +2.9%	↑ +3.3%
Real Exports	↓ -9.5%	↑ +11.9%	↑ +10.2%
Construction Spending	↓ -26.8%	↓ -33.8%	↓ -5.3%

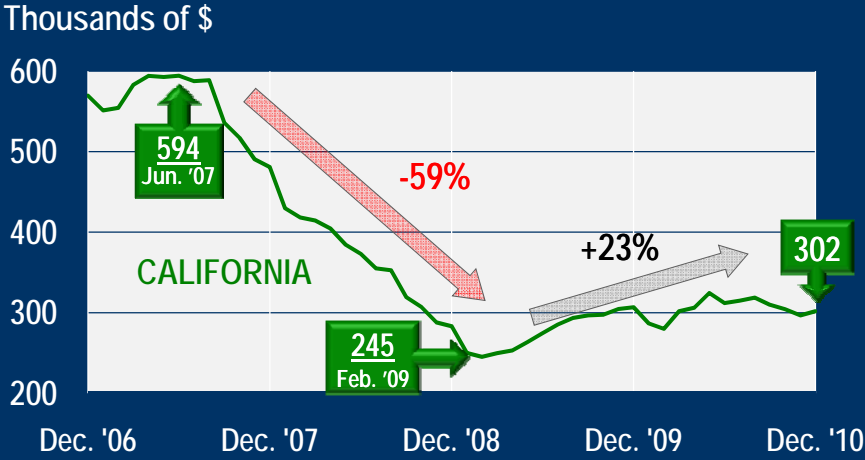


## Will Housing Recovery Follow?

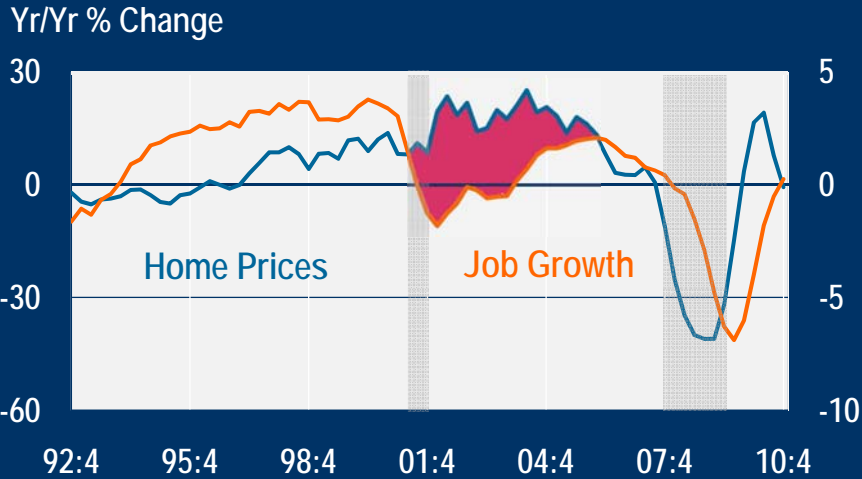


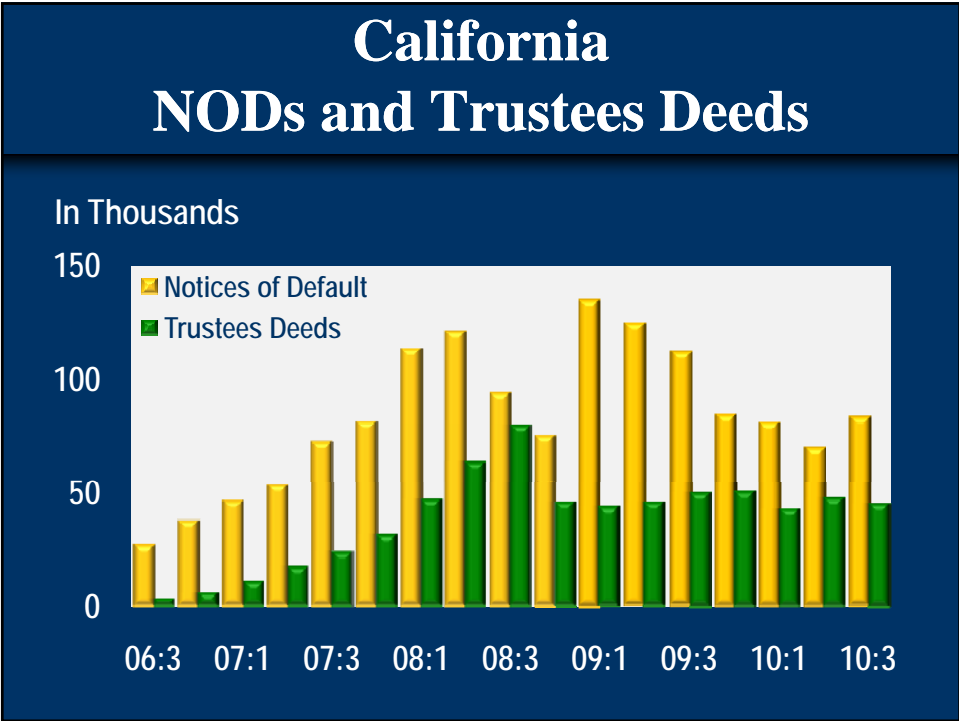
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# Resale Single-Family Housing Prices



# California Job Growth and Housing Prices



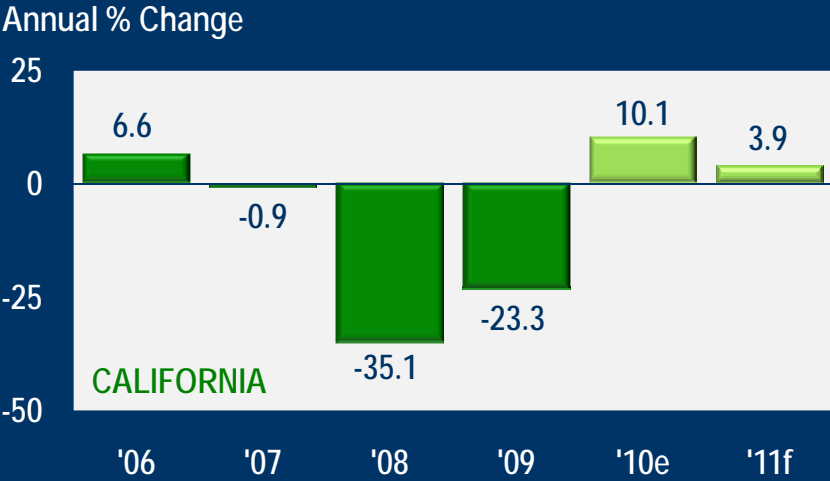


### Factors Affecting Home Prices

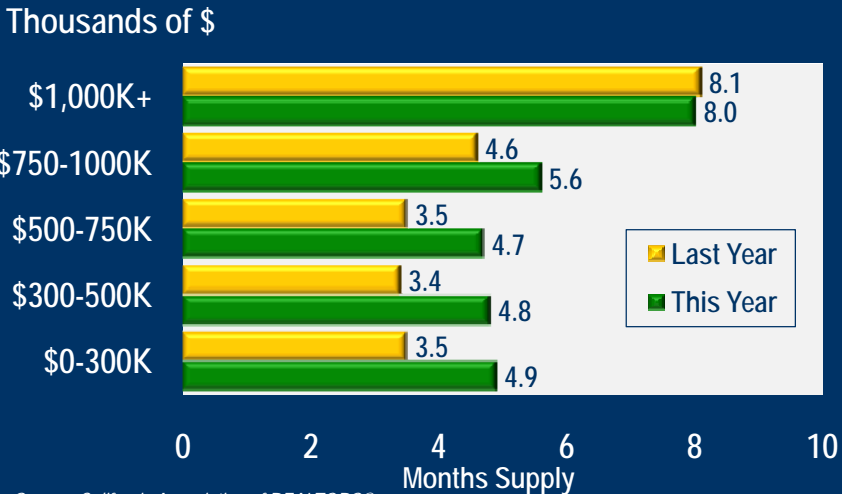
	Very Unfavorable	Unfavorable	Favorable	Very Favorable
<b>DEMAND:</b>				
Jobs			✓	
Income			✓	
Mortgage rate				✓
<b>SUPPLY:</b>				
Permits		✓		
Unsold inventory	✓			



# Resale Single-Family Housing Prices



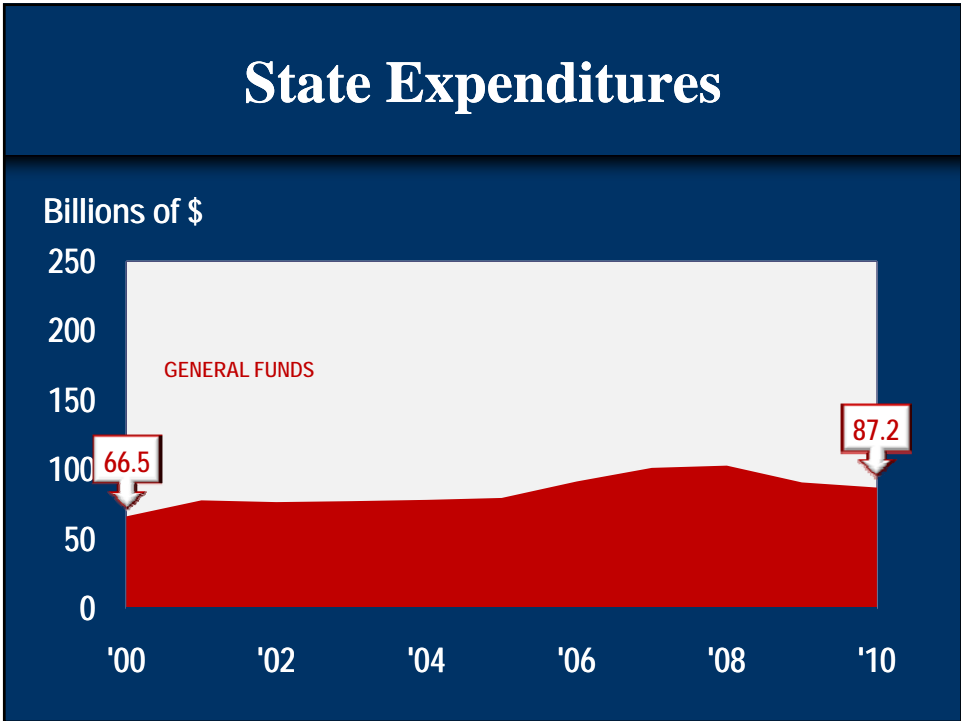
# Unsold Inventory By Price Range CA Existing Homes Dec. '10 vs. Dec. '09

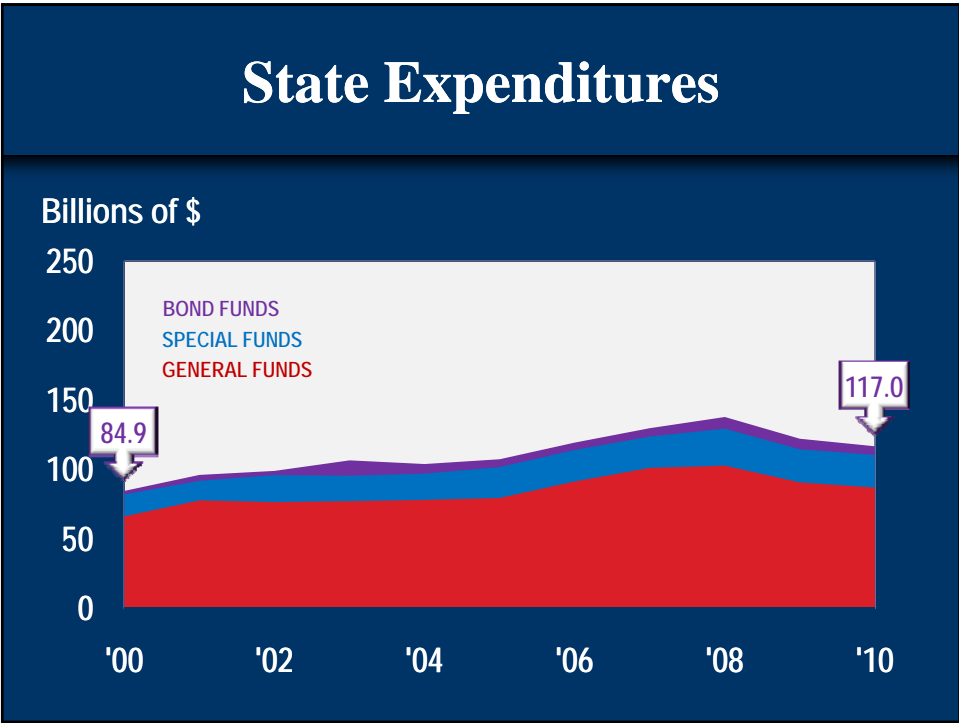
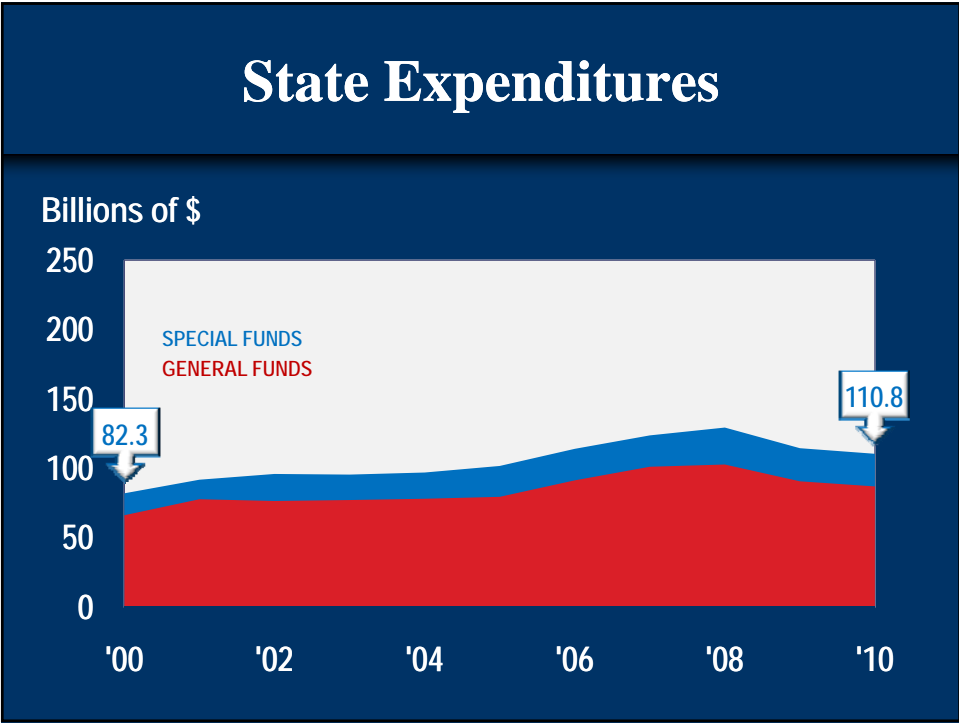


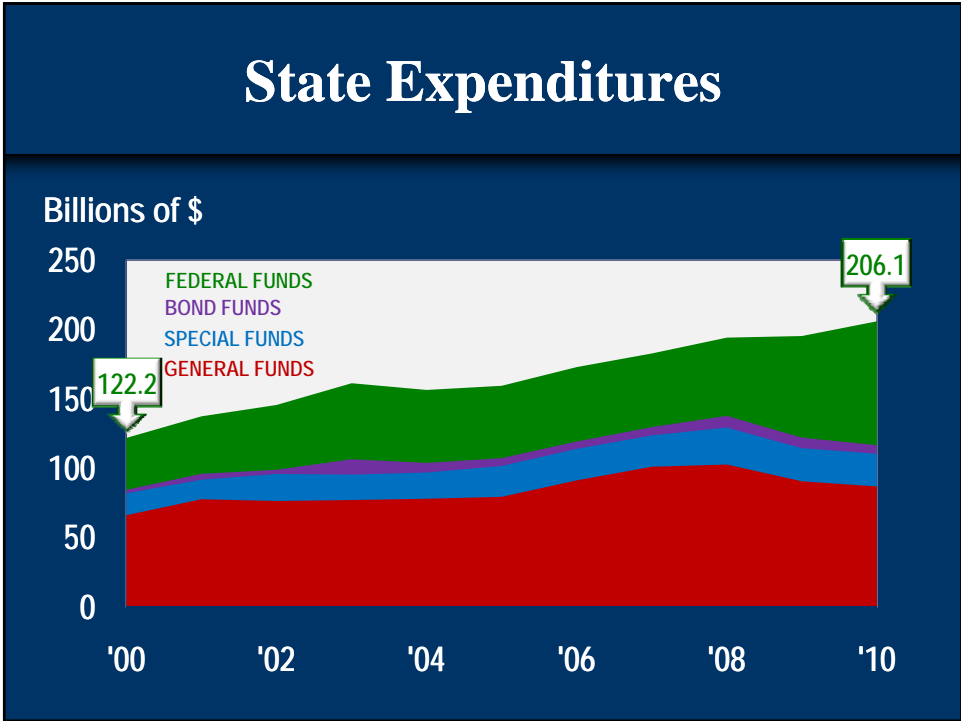
# State Budget Outlook



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### General Fund Revenues & Expenditures

Billions of \$	'10 -'11	'11 -'12	'11 -'12 Tax Extension & Cuts
Prior year FBA	-5.4	-1.9	-1.9
Income, Sales & Corporate Taxes	80.1	81.7	81.7
Other Taxes & Revenue	7.4	5.2	5.2
Temporary Tax Increases	8.5	0.2	9.8
Total Revenue	90.6	85.2	94.8
Total Expenditures	92.5	102.8	93.8
<b>Deficit</b>	<b>-1.9</b>	<b>-17.6</b>	<b>+1.0</b>

*Change in benefits notification letter  
issued by The Department of Social Services*

**"Your food stamps will be stopped effective March..... because we received notice that you passed away. May God bless you.**

**You may reapply if there is a change in your circumstances."**

**California  
Real Estate  
&  
Fiscal Crises**



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