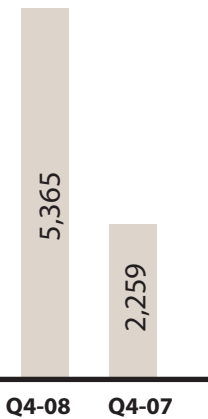


SACRAMENTO COUNTY

A market overview of single-family detached home sales

Q4
2008

UNIT SALES



MEDIAN PRICE



Sacramento County Home Sales Double in Fourth Quarter as Bargain Prices on Bank-Owned Properties Attract Buyers

Favorable interest rates and a large inventory of bargain-priced bank-owned properties brought Sacramento homebuyers back to the real estate market in growing numbers during the fourth quarter of 2008, fueling a second consecutive quarter of triple-digit year-over-year percentage increases in home sales, according to a report by the research division of Prudential California Realty based on an analysis of MLS data.

In Sacramento County, 5,365 homes were sold during the fourth quarter of 2008, a 138 percent increase from 2,259 homes sold during the same quarter of 2007. The Sacramento area's fourth quarter performance follows a 141 percent year-over-year increase in sales in the third quarter of 2008. Local observers estimate that as many as 70 percent of the quarter's closed home sales involved a bank-owned property.

Leading the way with a 264 percent year-over-year increase in home sales was North Highlands, followed by Sacramento (+185%), Elk Grove (+119%), Rancho Cordova (+114 percent) and Wilton (+112%). The most stable real estate market in the county was Folsom, where sales climbed by 3 percent and the

median sales price dropped only 13 percent.

Ironically, the greater the percentage increase in home sales, the greater the corresponding decline in the median home price. Countywide, the median home sales price tumbled 39 percent from \$297,017 in the fourth quarter of 2007 to \$181,383 in the most recent quarter. By city, the fourth quarter median price in Sacramento plunged 47 percent to \$142,000, followed by Wilton (-37%), North Highlands (-29%), Orangevale (-28%) and Citrus Heights (-25%).

Bargain prices in almost every community attracted a growing number of all-cash buyers transitioning from stock market investments to real estate assets. The deep discount in prices also has moved what once were considered move-up properties into the price range of a growing number of first-time buyers, who are attracted by the opportunity to purchase more home for less.

Looking ahead, qualified buyers with top-notch credit and a solid down payment and investors seeking rental properties should look for continued aggressive pricing of bank-owned homes and multiple offers on properties at the most affordable end of the spectrum.

M A R K E T C O M P A R I S O N

City	Homes Sold Q4/08	Homes Sold Q4/07	% Change	Avg DOM * Q4/08	Avg DOM Q4/07	Change 08/07 (days)	Median Price ** Q4/08	Median Price Q4/07	% Change
Antelope	234	118	98	43	62	-19	\$212,750	\$272,000	-22
Carmichael	103	77	34	56	67	-11	\$295,000	\$337,500	-13
Citrus Heights	237	127	87	43	69	-26	\$195,000	\$260,000	-25
Elk Grove	834	381	119	53	68	-15	\$252,250	\$325,000	-22
Fair Oaks	84	72	17	71	77	-6	\$300,500	\$395,150	-24
Folsom	156	151	3	58	60	-2	\$374,250	\$429,000	-13
North Highlands	200	55	264	42	65	-23	\$106,000	\$150,000	-29
Orangevale	82	50	64	39	68	-29	\$230,000	\$319,250	-28
Rancho Cordova	193	90	114	59	74	-15	\$239,000	\$301,000	-21
Sacramento	3,225	1,130	185	53	72	-19	\$142,000	\$270,000	-47
Wilton	17	8	112	76	105	-29	\$505,900	\$800,000	-37