

# 2008 Forecast



CALIFORNIA ASSOCIATION OF REALTORS®

# U.S. Economic Forecast

	2003	2004	2005	2006	2007p	2008f
<b>US GDP</b>	2.5%	3.6%	3.1%	2.9%	2.0%	2.7%
<b>Nonfarm Job Growth</b>	-0.3%	1.1%	1.7%	1.8%	1.3%	1.0%
<b>Unemployment</b>	6.0%	5.5%	5.1%	4.6%	4.6%	4.9%
<b>CPI</b>	2.3%	2.7%	3.4%	3.2%	2.9%	2.3%
<b>Real Disposable Income</b>	2.4%	3.4%	1.2%	2.6%	3.4%	3.2%

SOURCE: California Association of REALTORS®



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# California Economic Forecast

	2003	2004	2005	2006	2007p	2008f
<b>Nonfarm Job Growth</b>	-0.5%	1.0%	1.8%	1.9%	1.3%	0.9%
<b>Unemployment Rate</b>	6.8%	6.2%	5.4%	4.9%	5.2%	5.7%
<b>Population Growth</b>	1.7%	1.5%	1.3%	1.3%	1.2%	1.1%
<b>Real Disposable Income, % Change</b>	2.1%	4.1%	1.0%	2.5%	2.6%	2.6%

SOURCE: California Association of REALTORS®

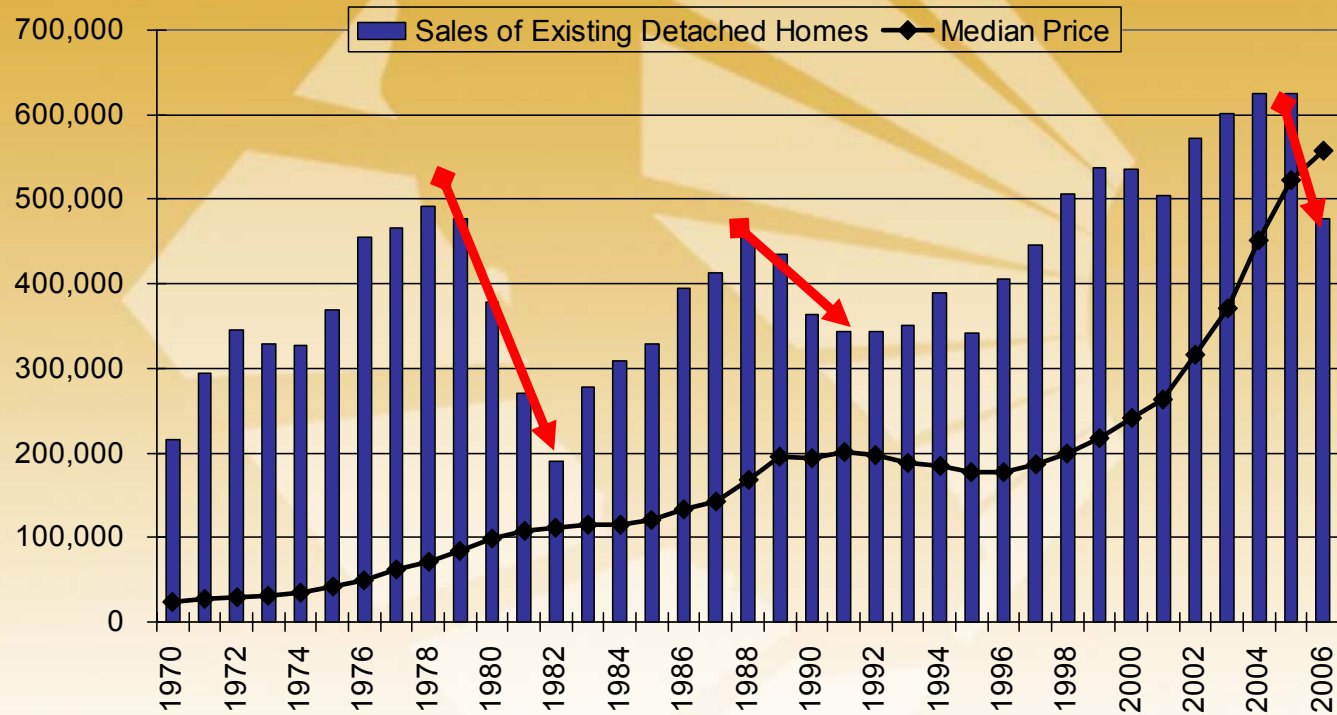


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# Sales More Volatile Than Prices

Price Stickiness in Down Market ...Most Owners Don't Sell

UNITS/MEDIAN PRICE \$



SOURCE: California Association of REALTORS®



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# California Housing Market Forecast

	2003	2004	2005	2006	2007p	2008f
<b>SFH Resales (thousands)</b>	601.8	624.7	625.0	477.5	367.5	334.5
<b>% Change</b>	5.1%	3.8%	0.04%	-23.6%	-23.0%	-9.0%
<b>Median Price (\$ thousands)</b>	\$372.7	\$450.8	\$524.0	\$556.6	\$576.0	\$553.0
<b>% Change</b>	17.9%	20.9%	16.2%	6.2%	3.5%	-4.0%
<b>30-Yr FRM</b>	5.8%	5.8%	5.9%	6.4%	6.5%	6.5%
<b>1-Yr ARM</b>	3.8%	3.9%	4.5%	5.5%	5.5%	5.2%

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