

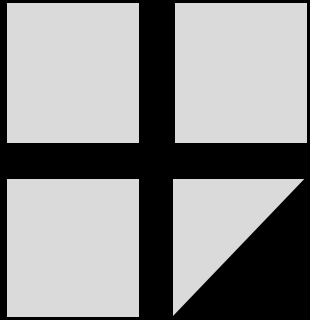
the gregory group

Sacramento Housing

January 2010

*Real Estate Information &
Consulting Services*

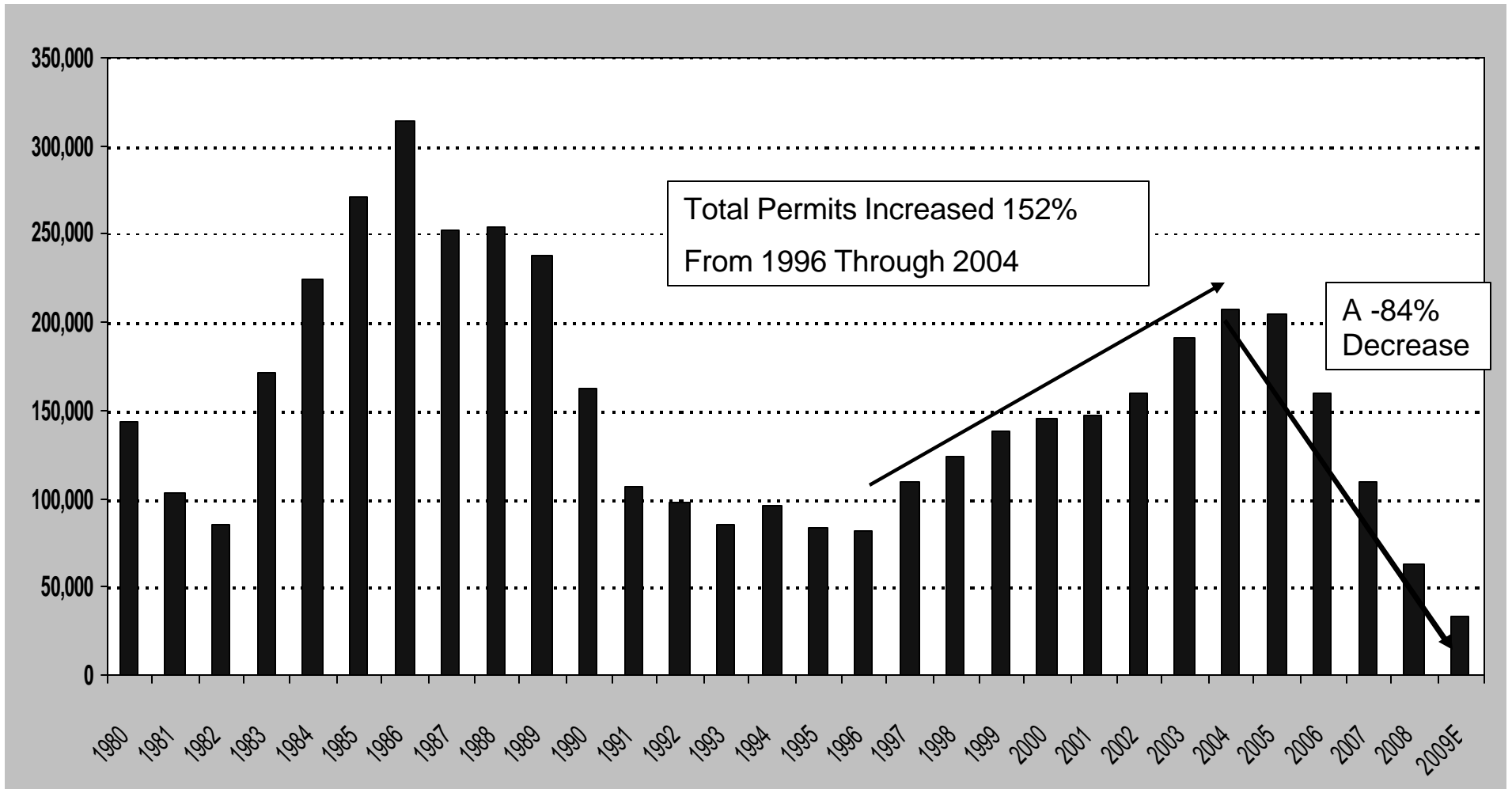
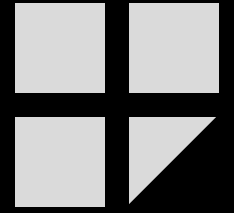
Greg Paquin 916.983.3524



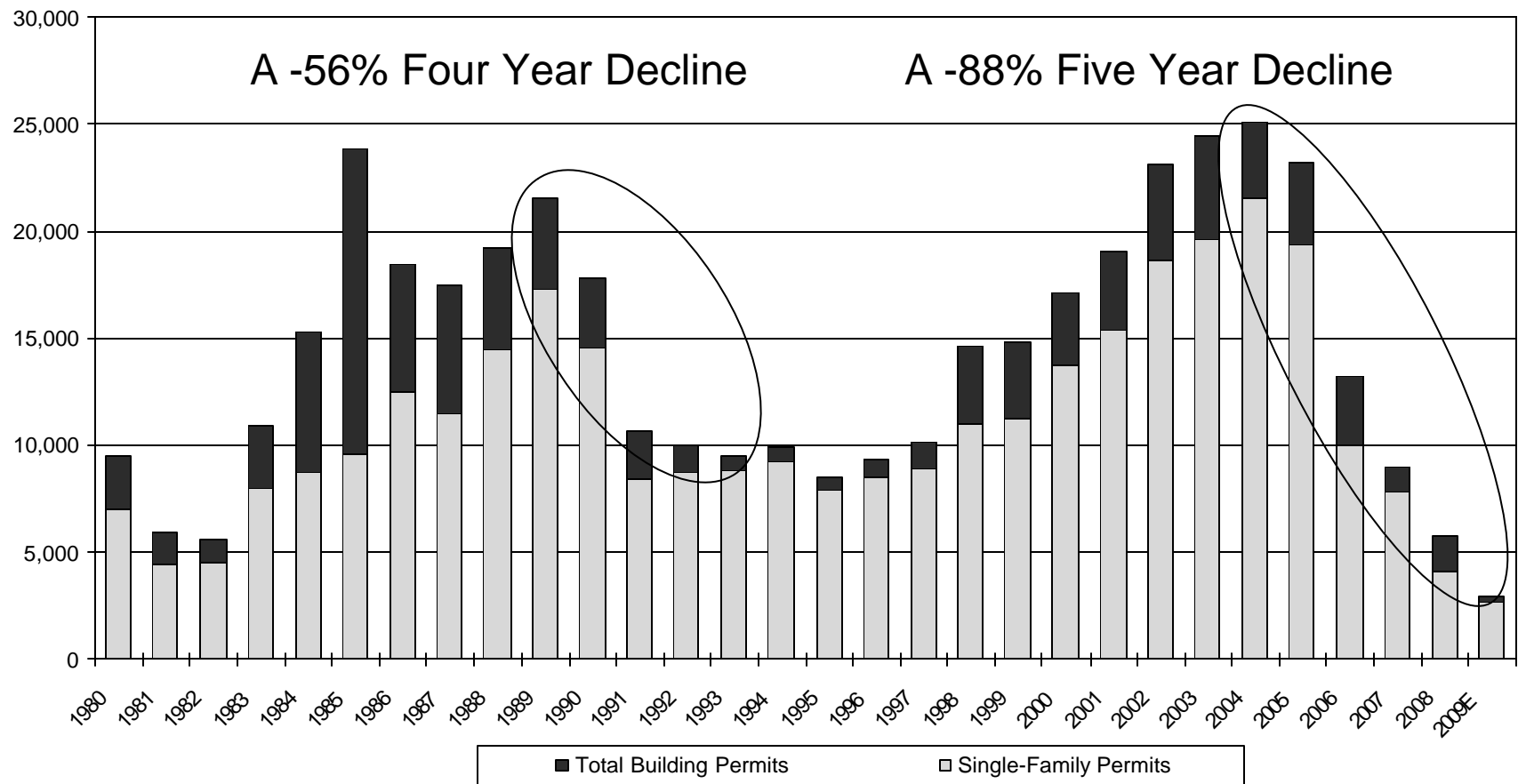
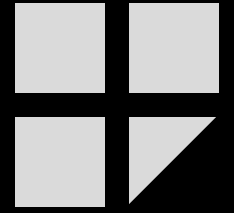
The New Normal

We are heading into what we call the New Normal, which is a period of time in which economies grow very slowly...in which profits are relatively static; in which the government plays a significant role in terms of deficits and reregulation and control of the economy; (and) in which the consumer stops shopping until he drops and begins...saving to the grave.

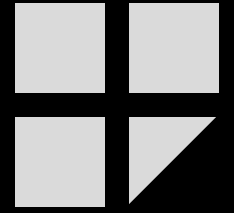
--Bill Gross, PIMCO (Investment Outlook September 2009)



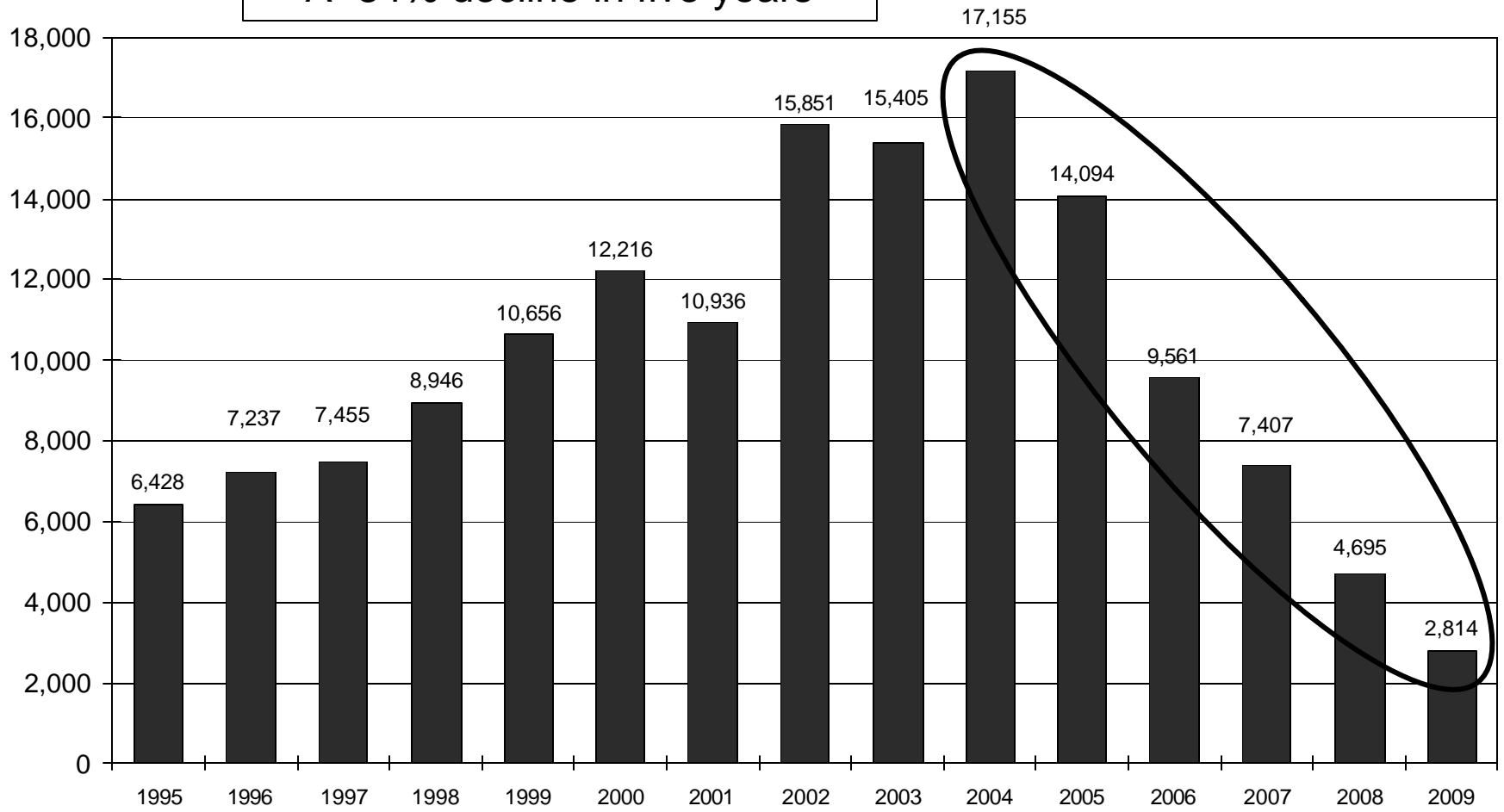
Source: US Census Bureau



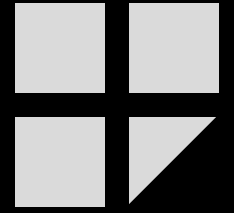
Source: US Census



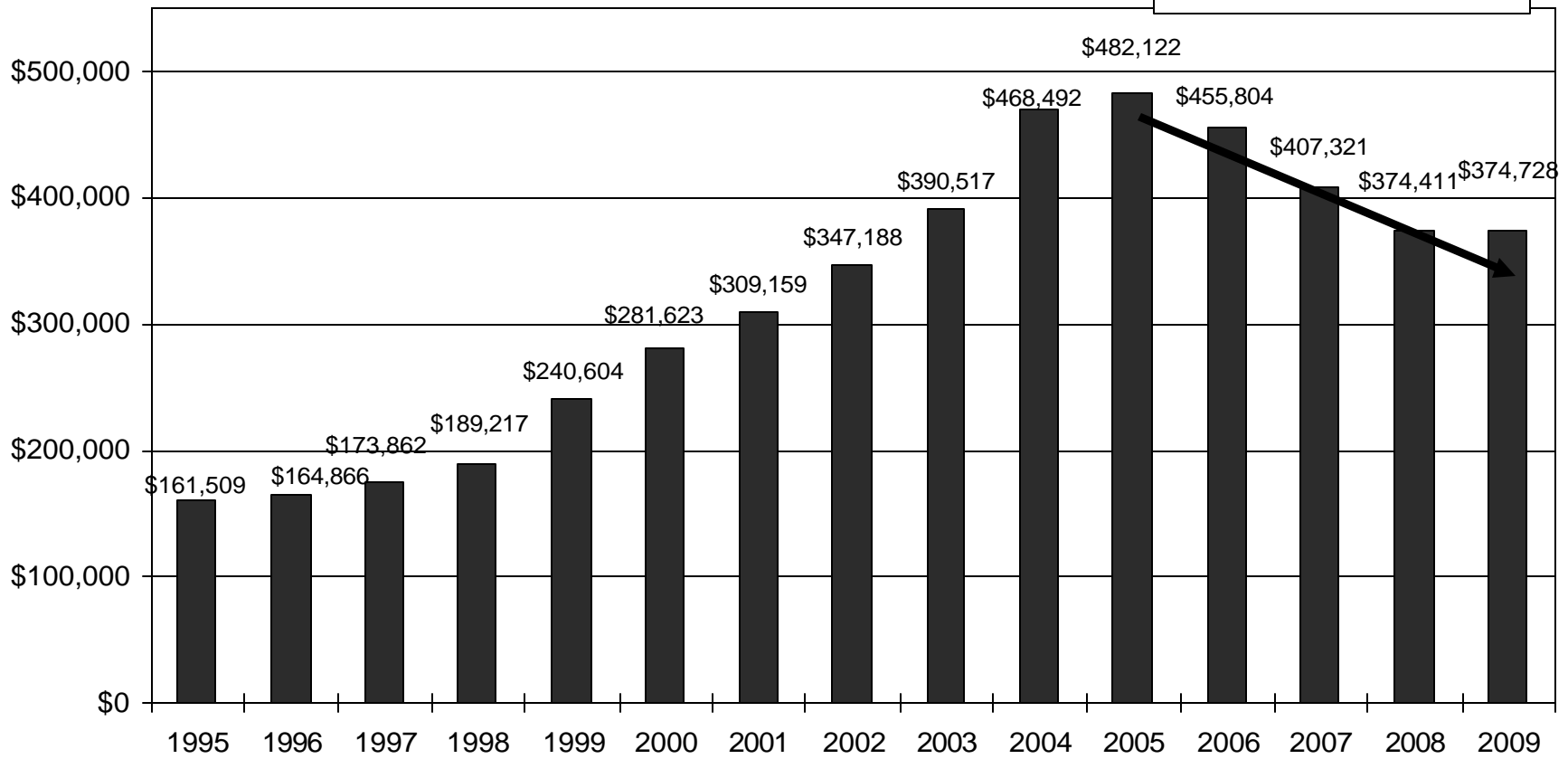
A -84% decline in five years



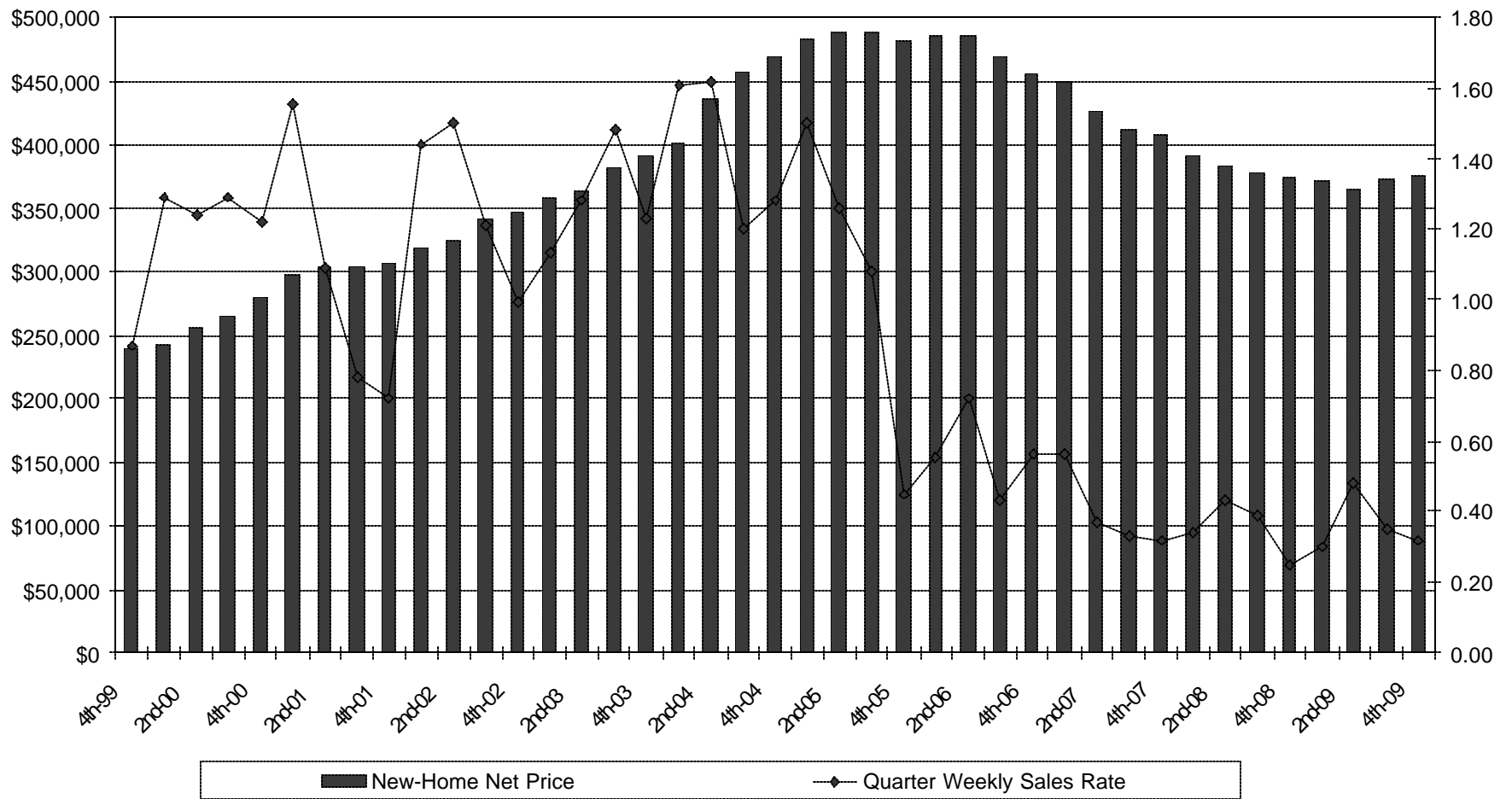
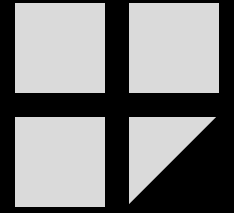
Source: The Gregory Group New Home Database



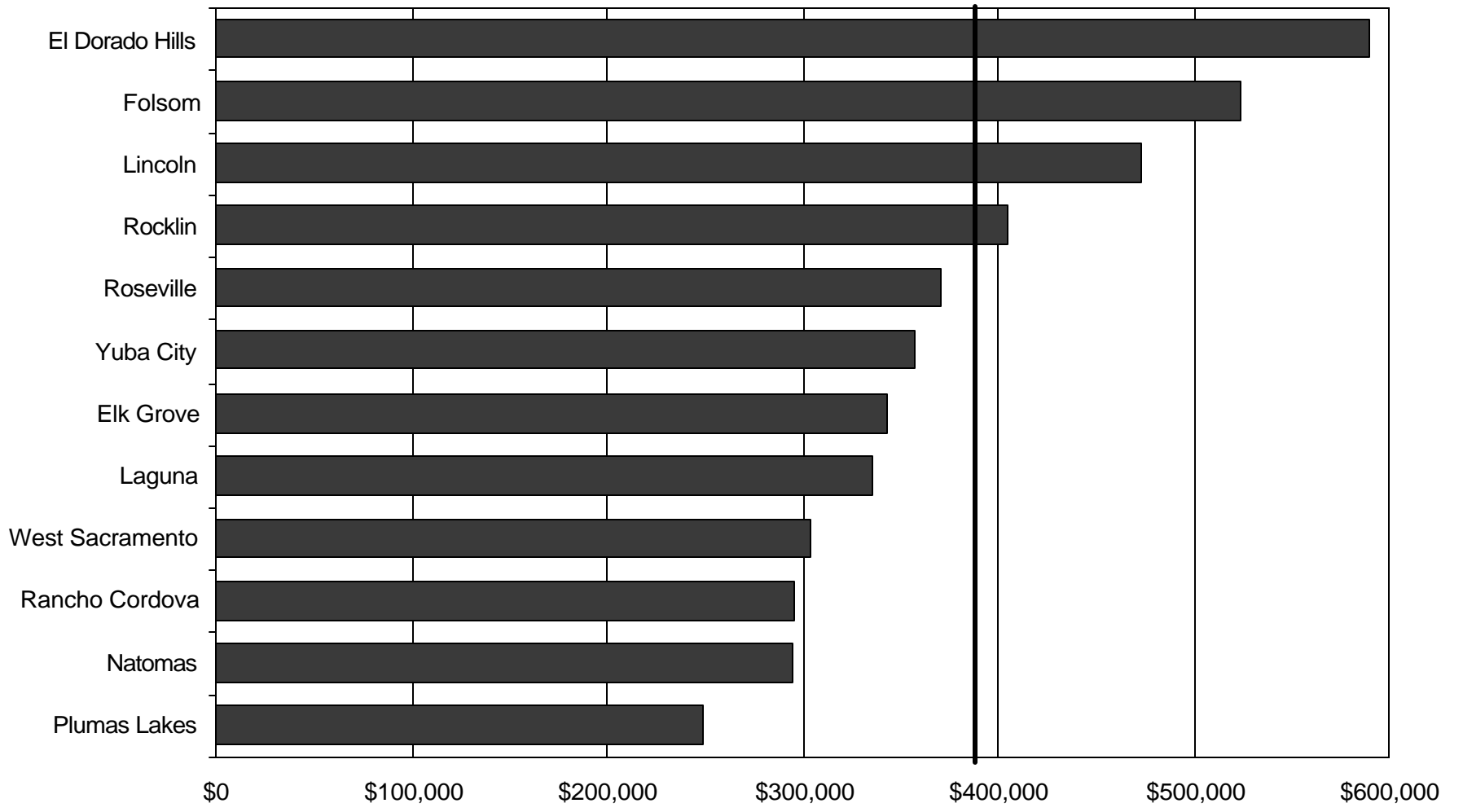
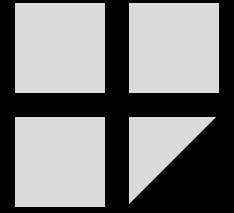
A -22% decrease



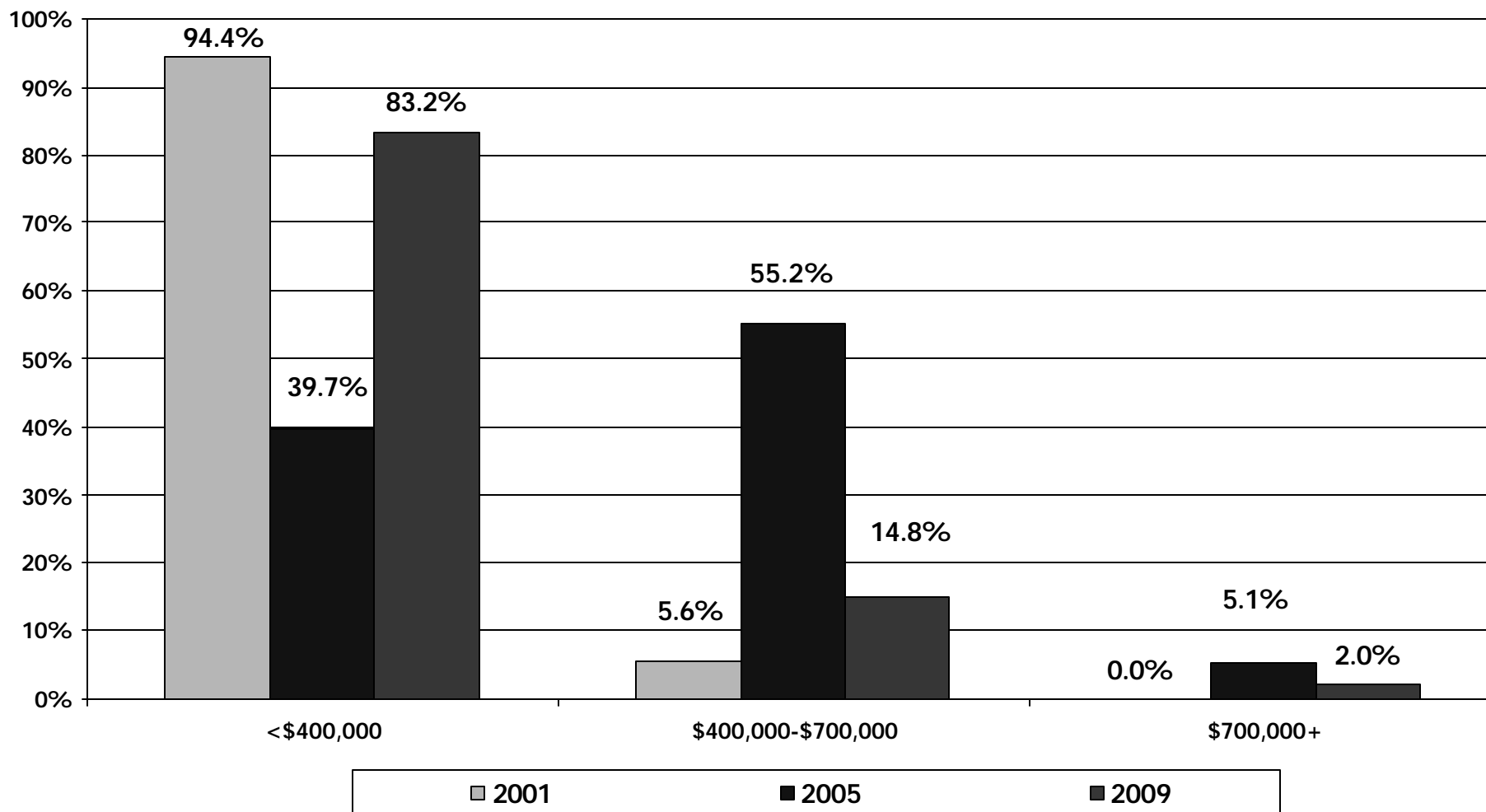
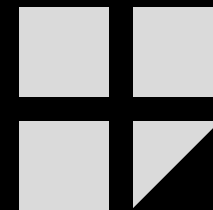
Source: The Gregory Group New Home Database



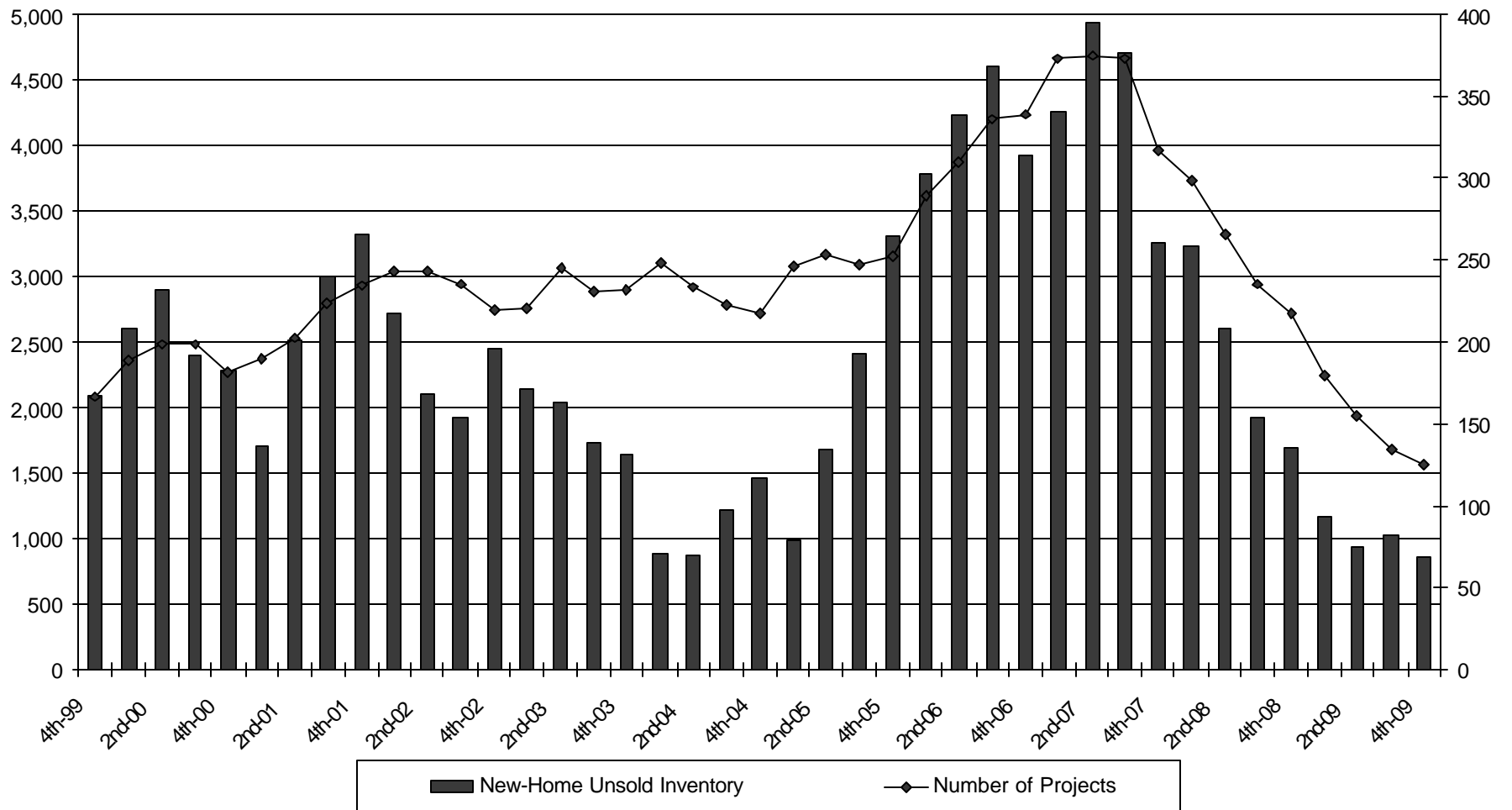
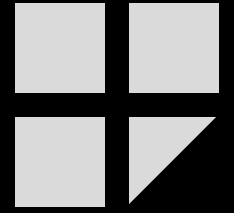
Source: The Gregory Group New Home Database



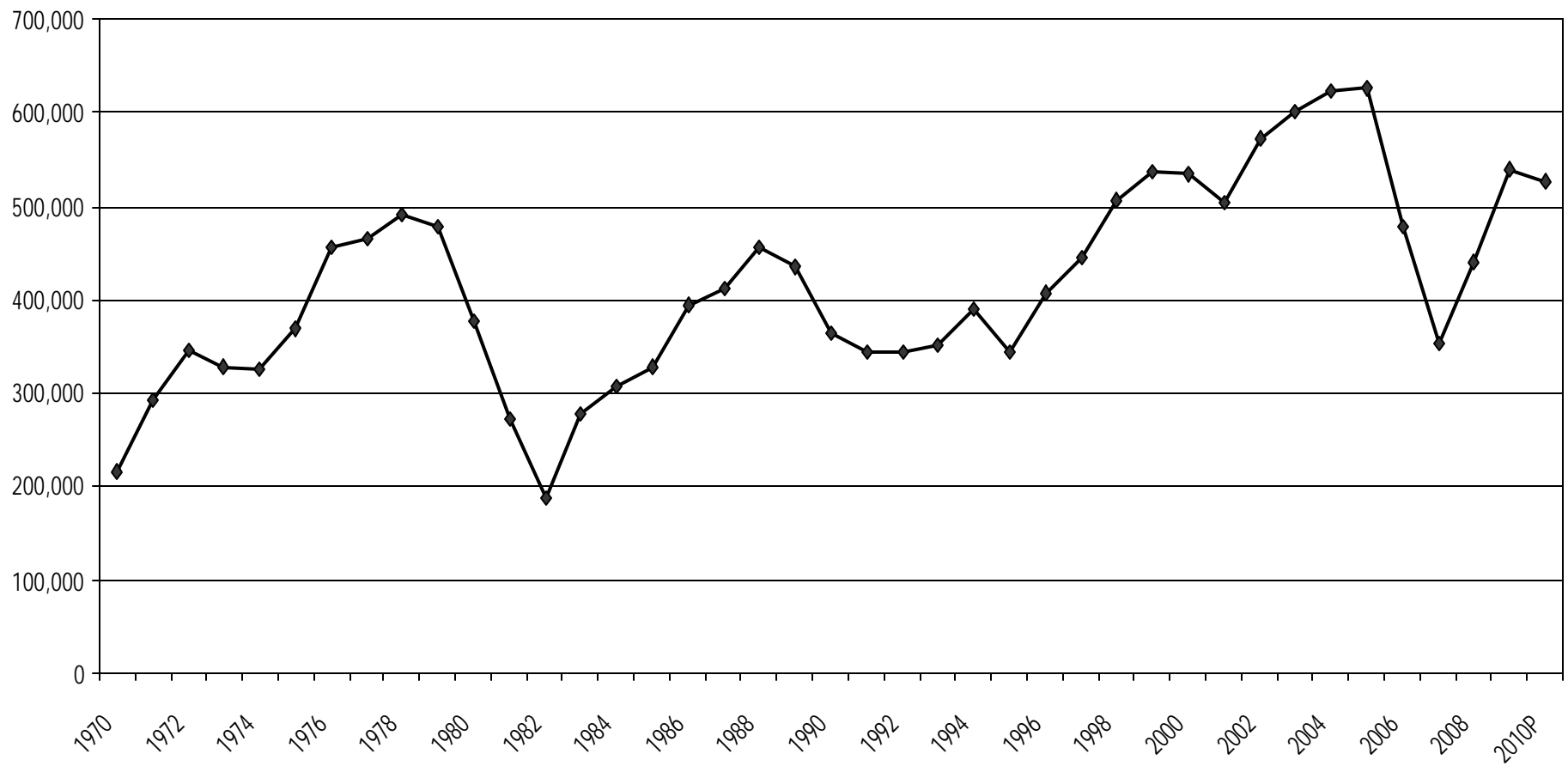
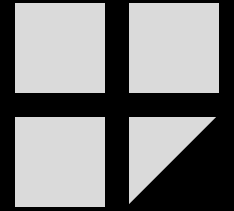
Source: The Gregory Group New Home Database



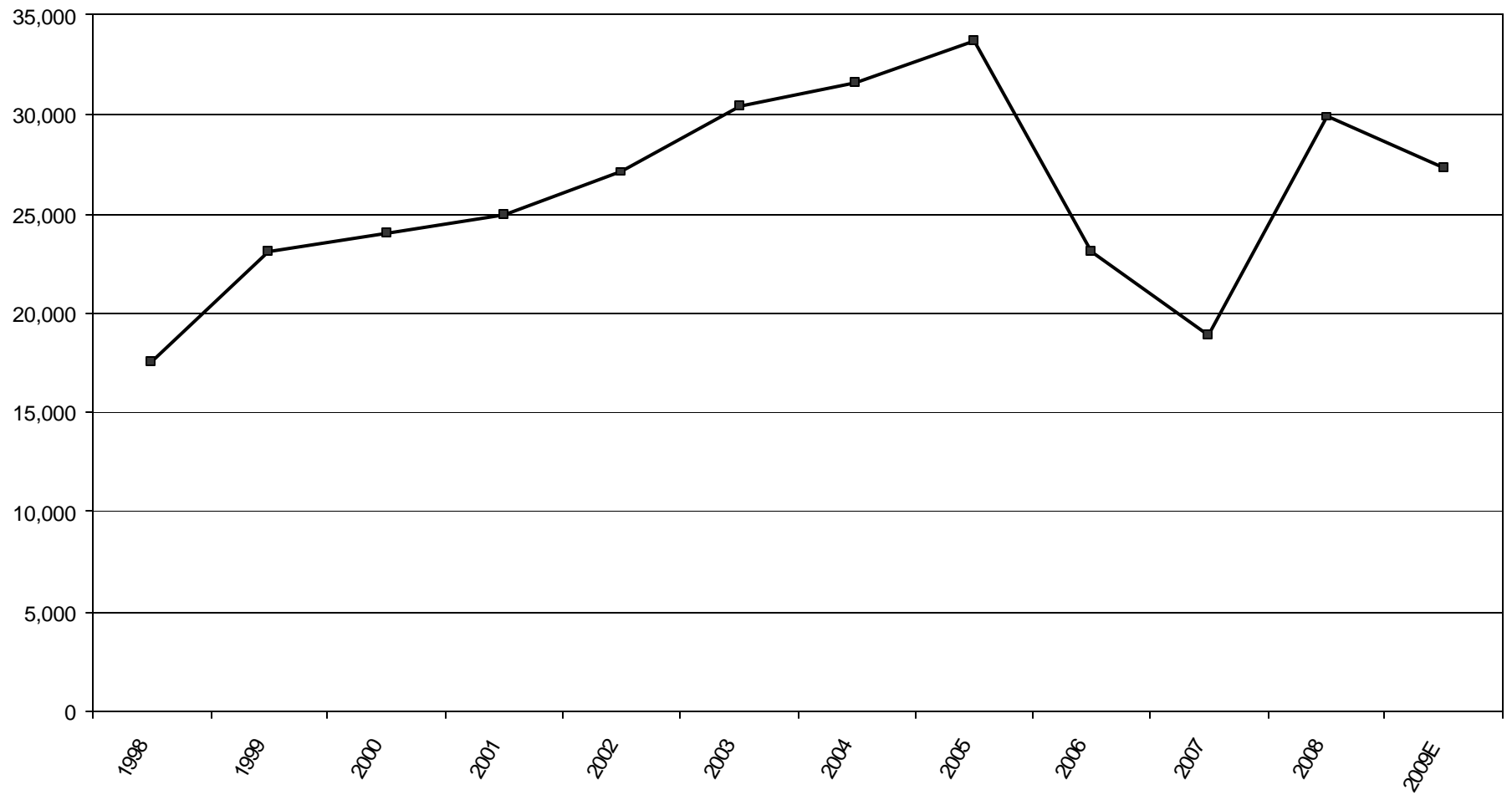
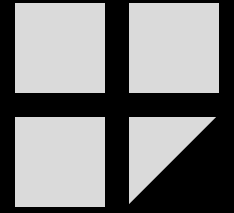
Source: The Gregory Group New Home Database



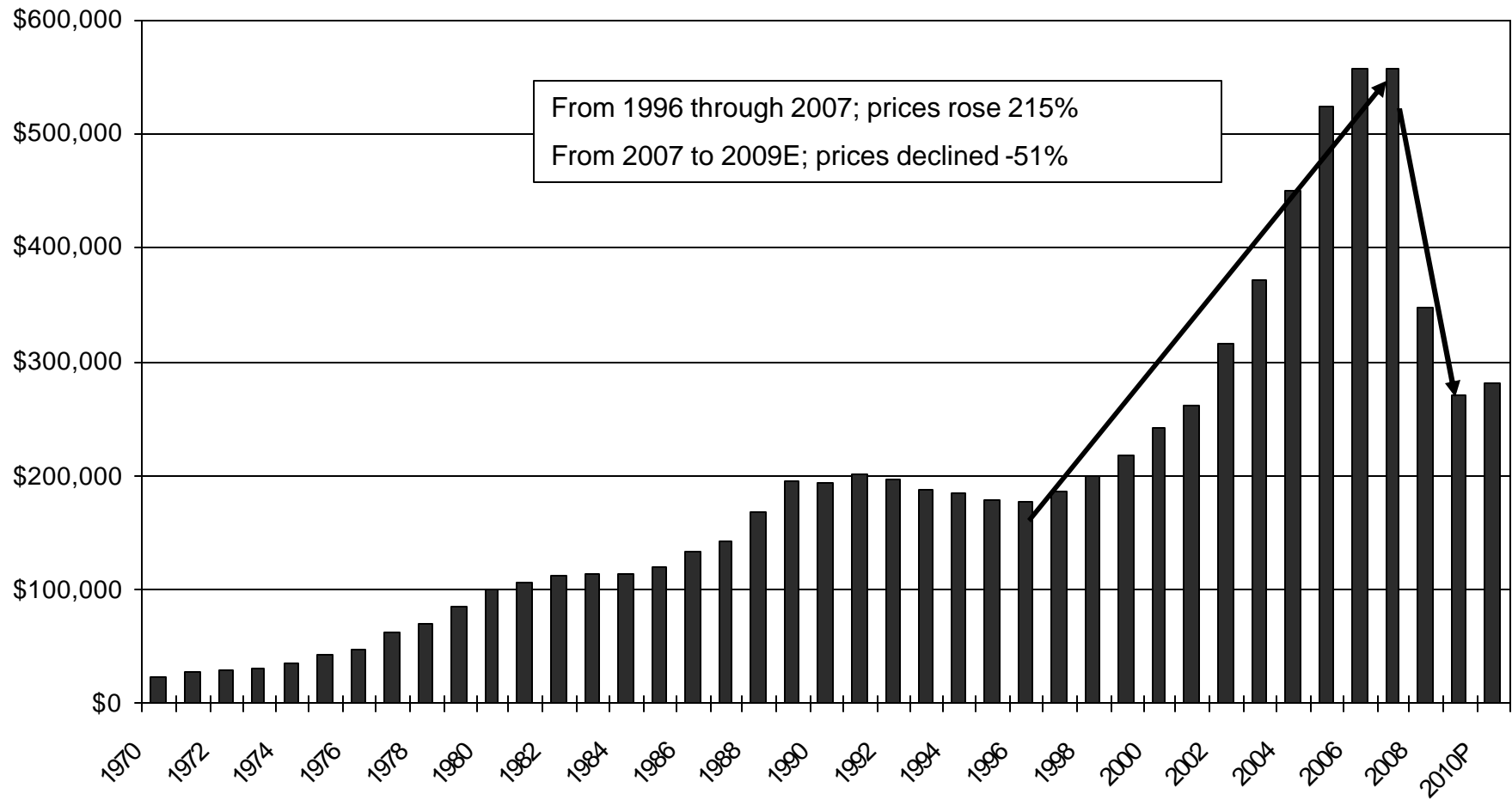
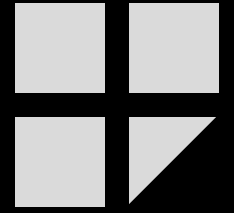
Source: The Gregory Group New Home Database



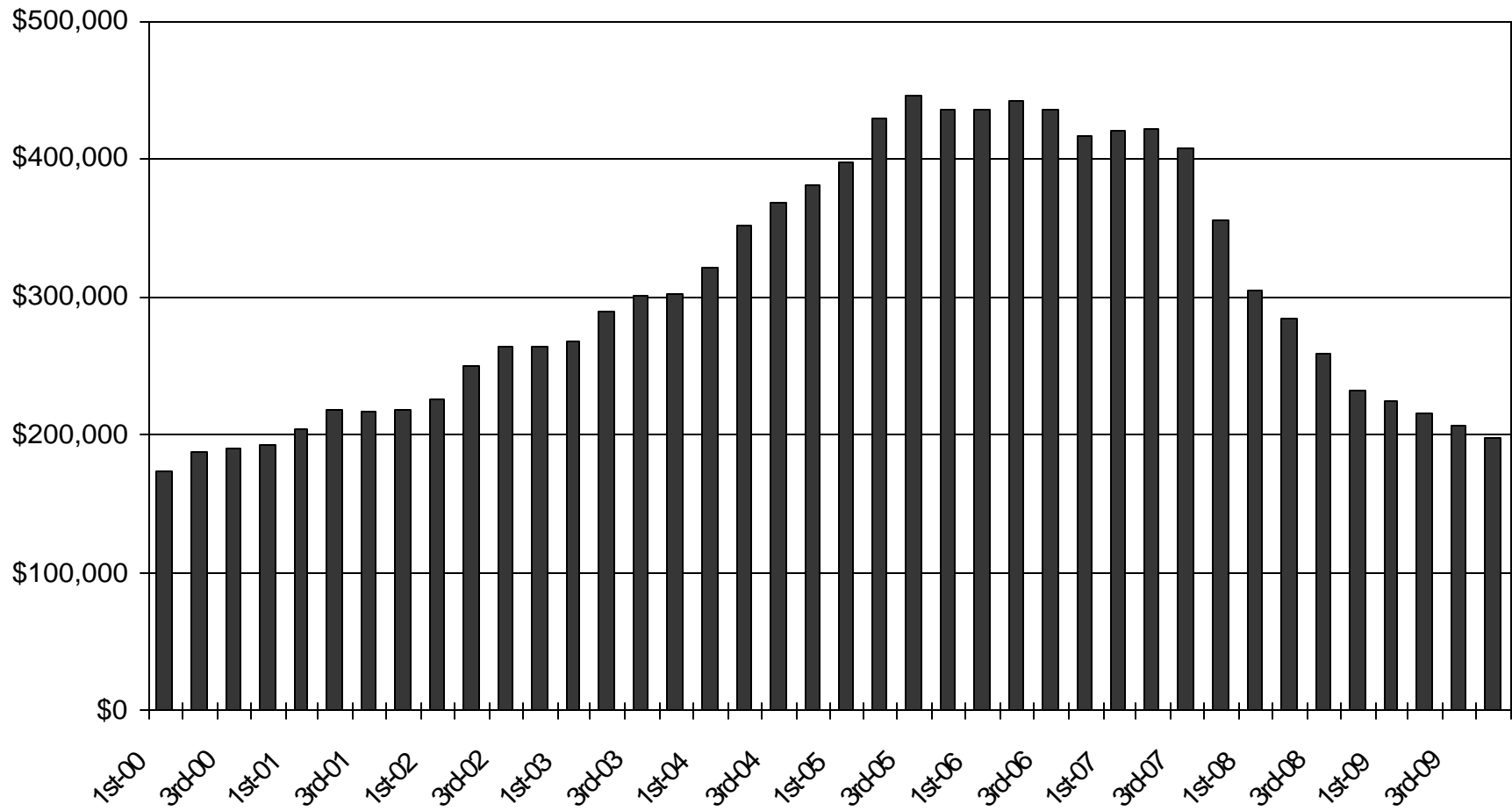
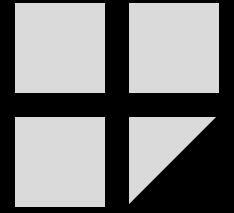
Source: California Association of Realtors



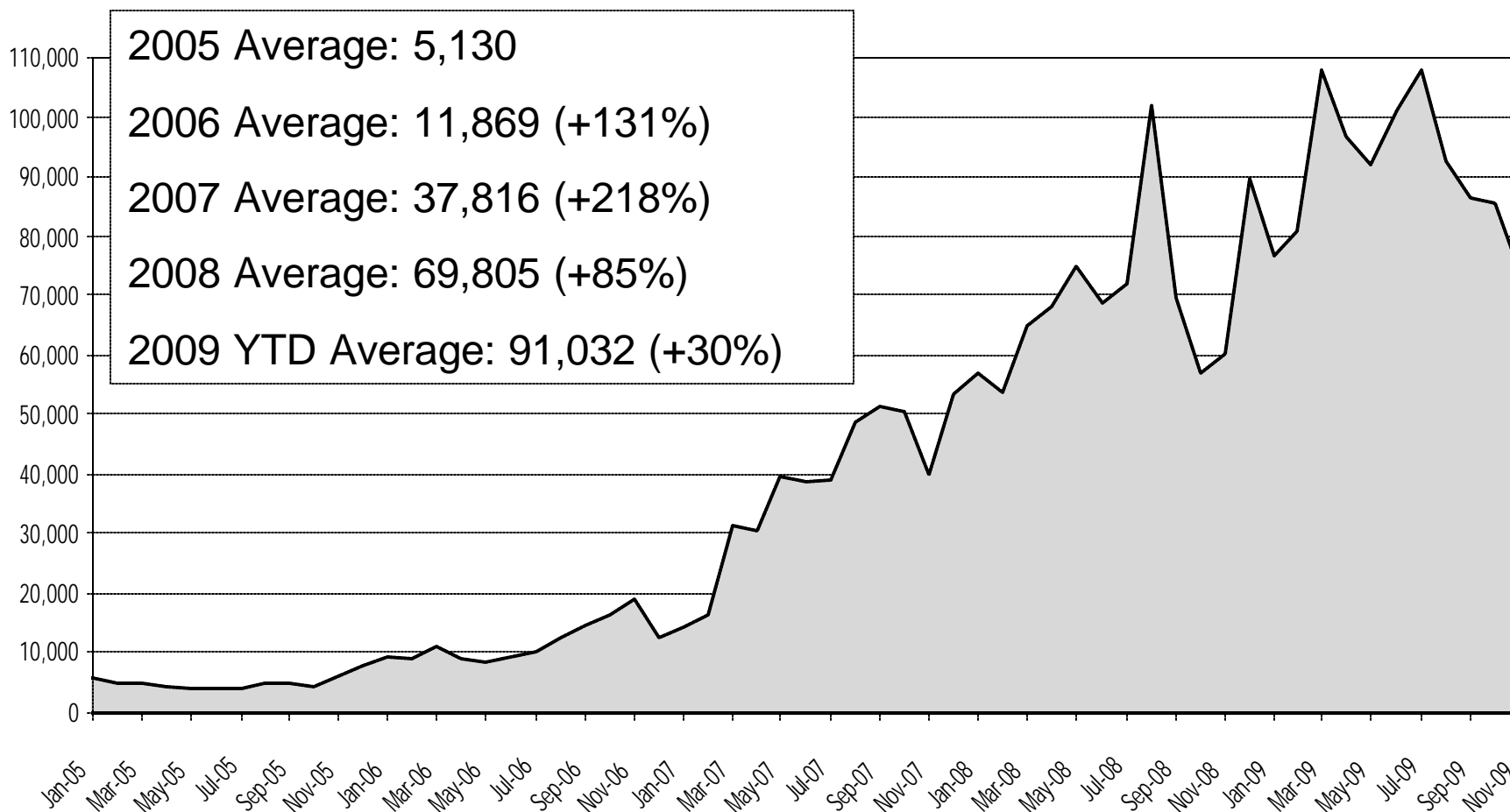
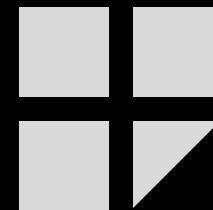
Source: MLS



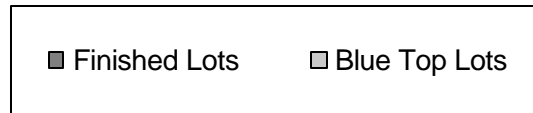
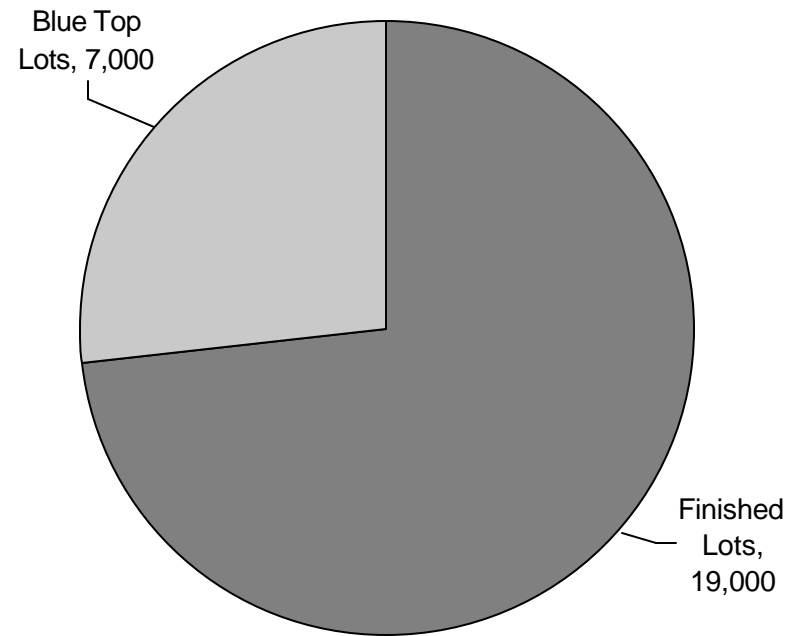
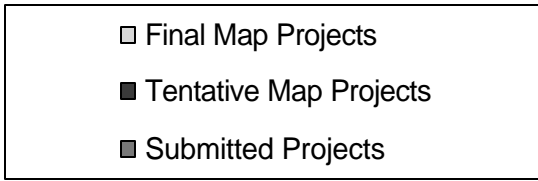
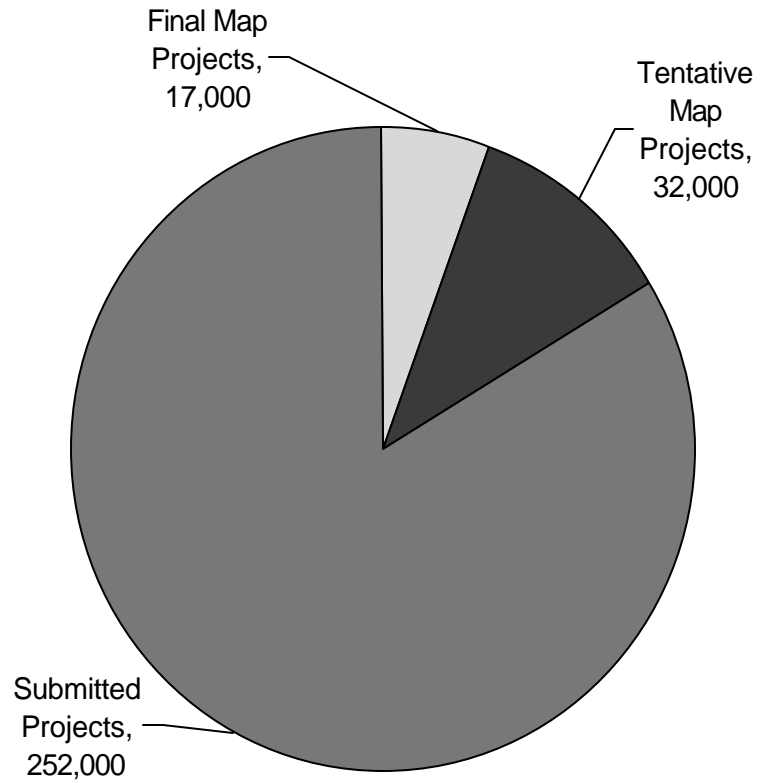
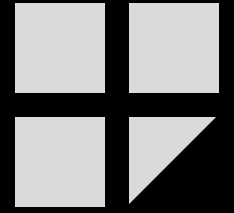
Source: California Association of Realtors



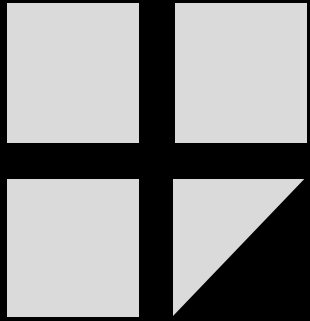
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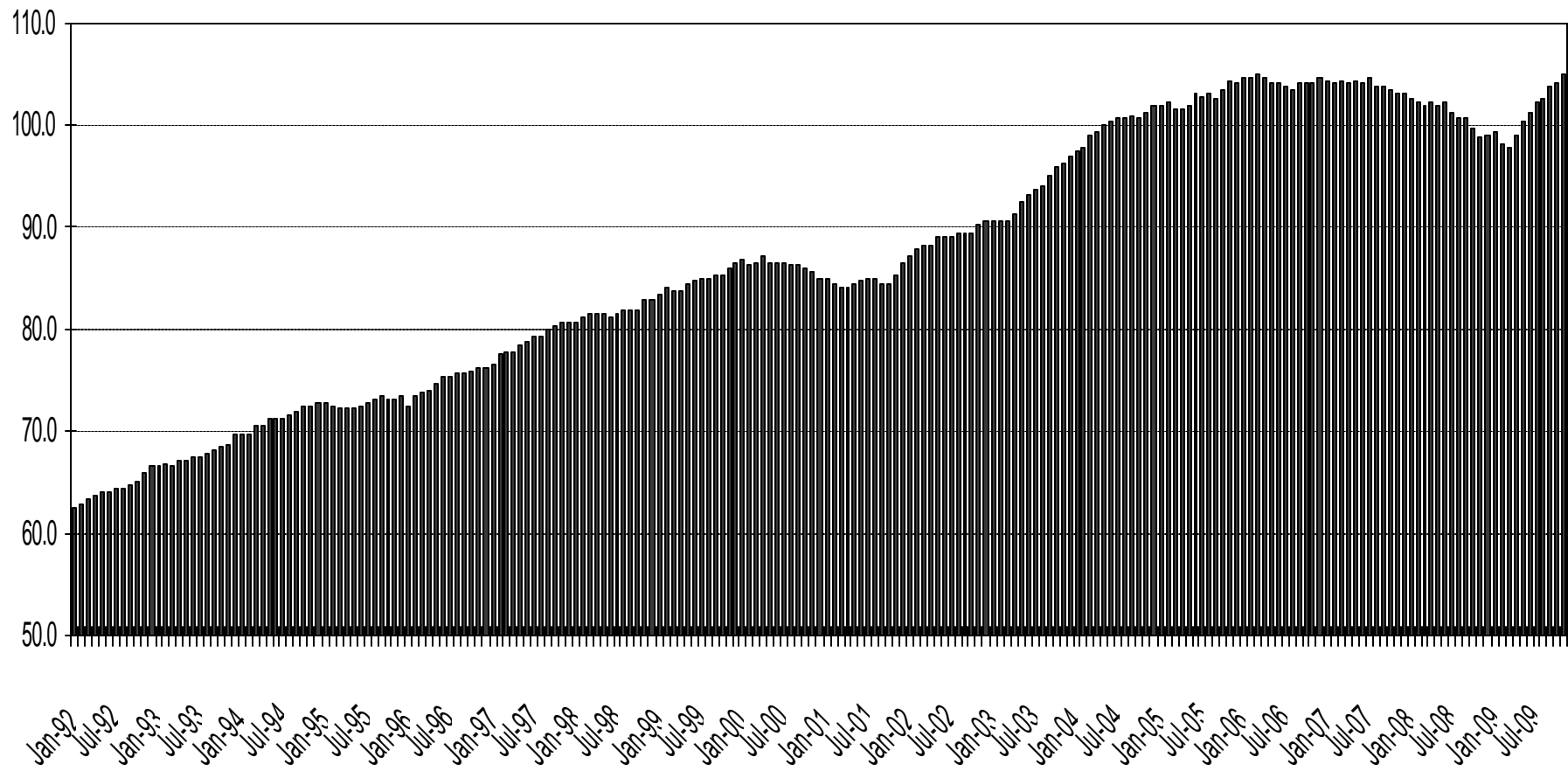
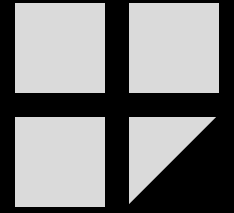
Source: Realtytrac.com



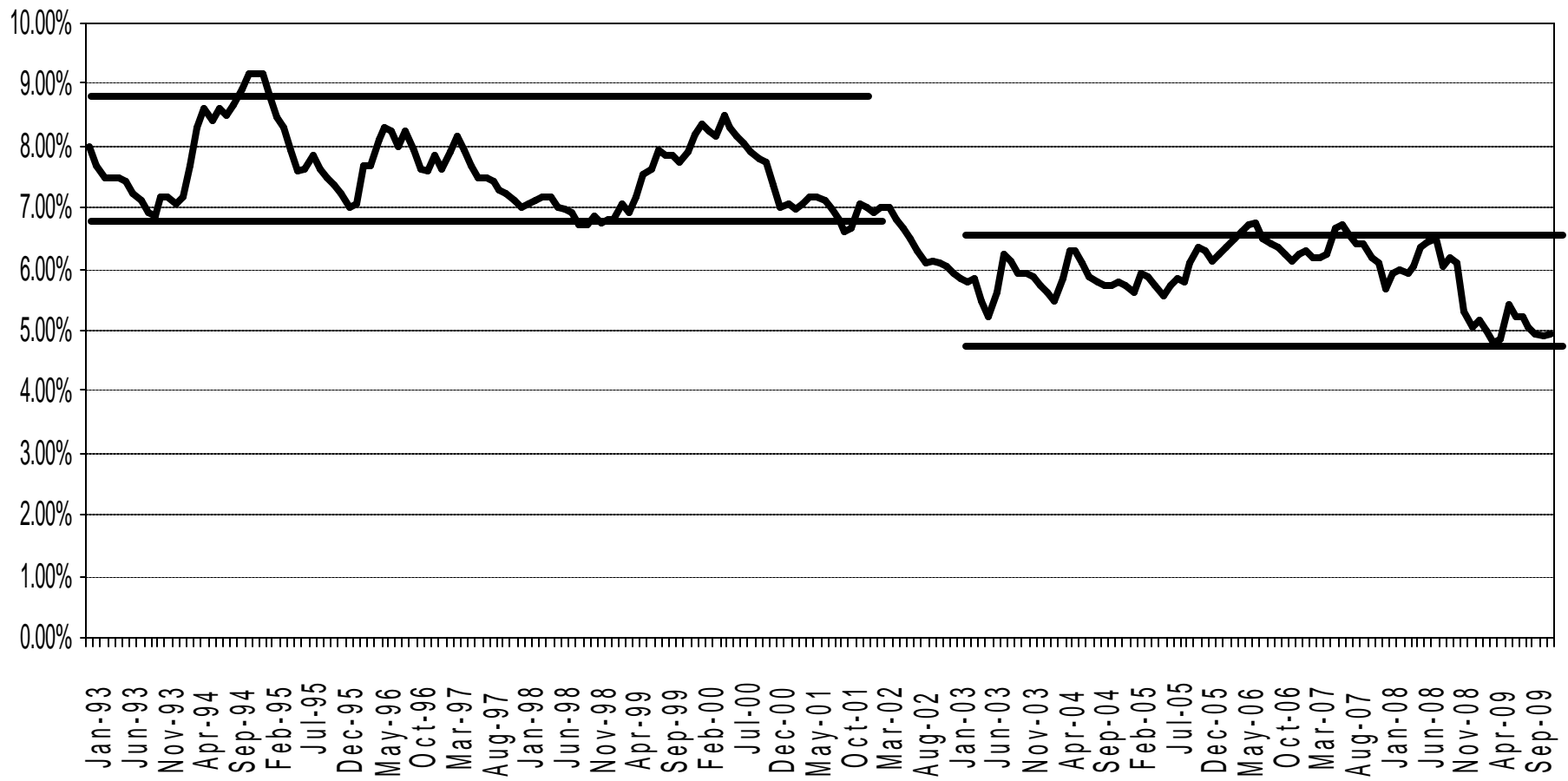
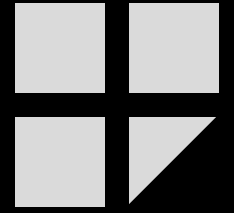
Source: The Gregory Group Finished Lot Analysis



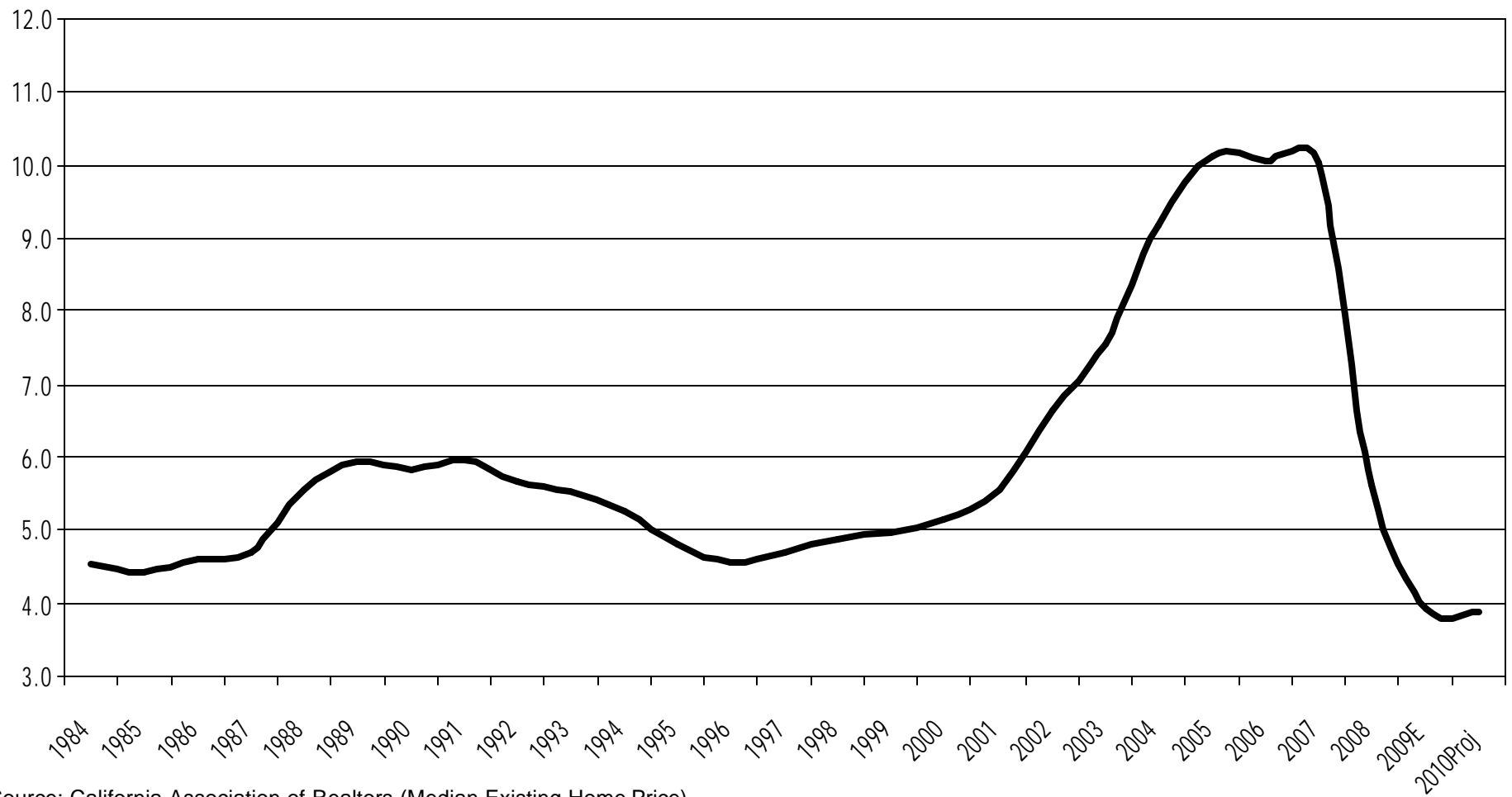
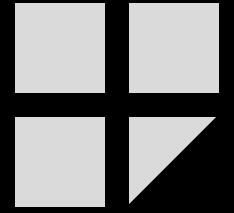
Good Times Ahead...



Source: The Conference Board

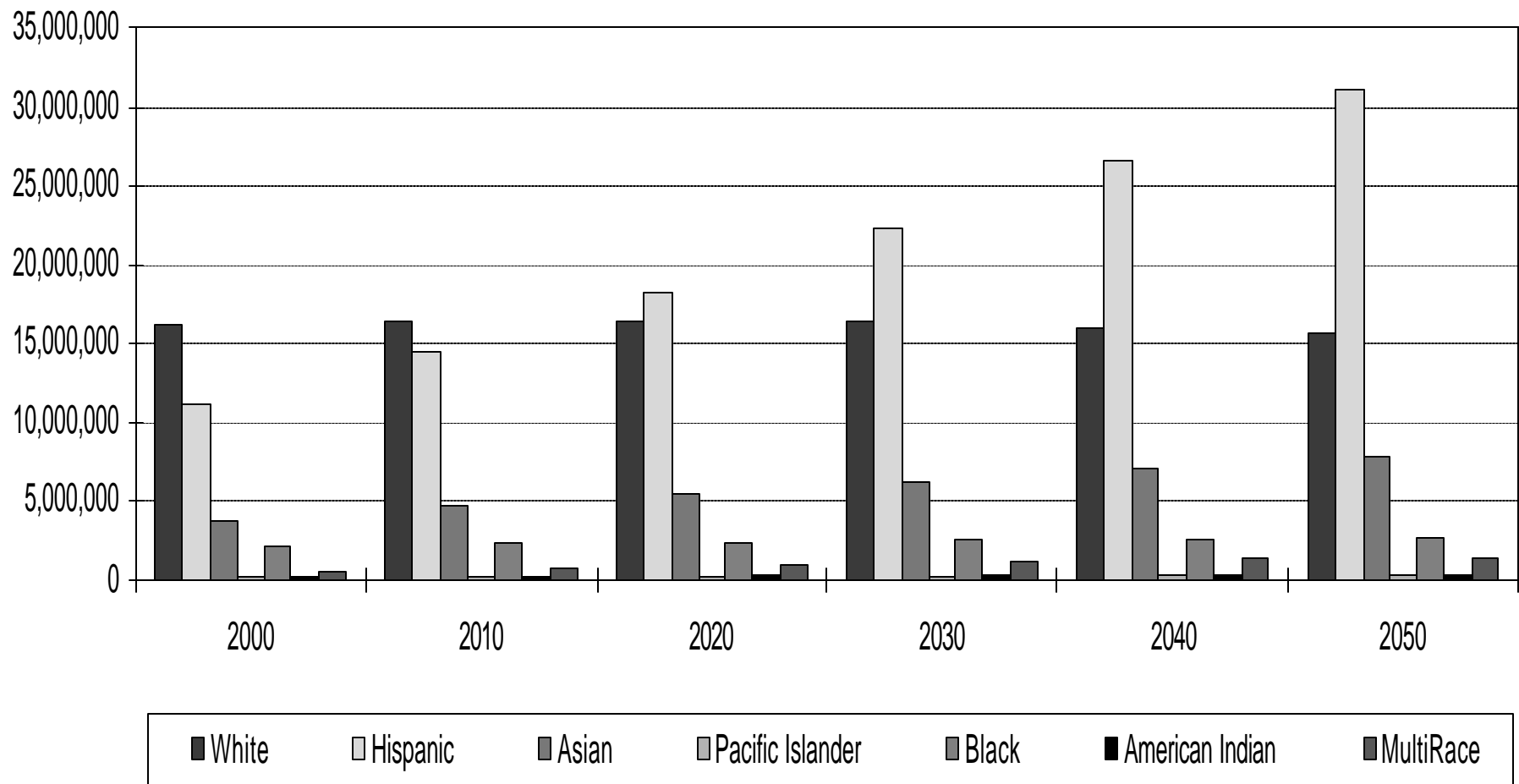
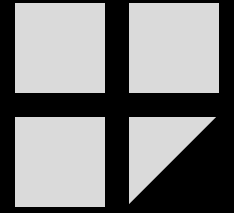


Source: The Federal Home Loan Mortgage Corp.

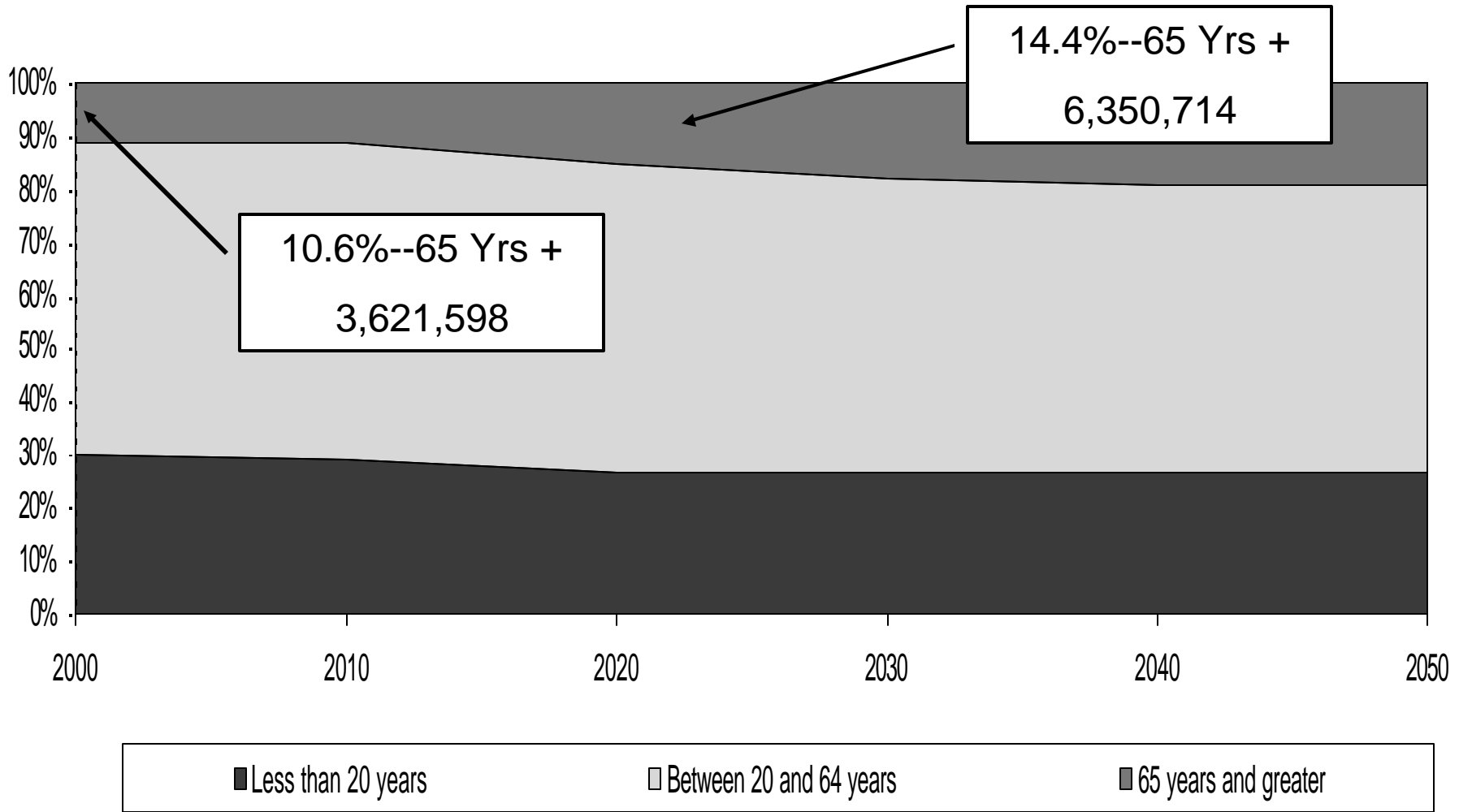
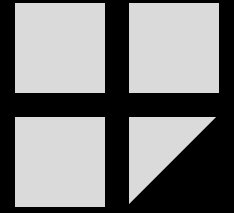


Source: California Association of Realtors (Median Existing Home Price)

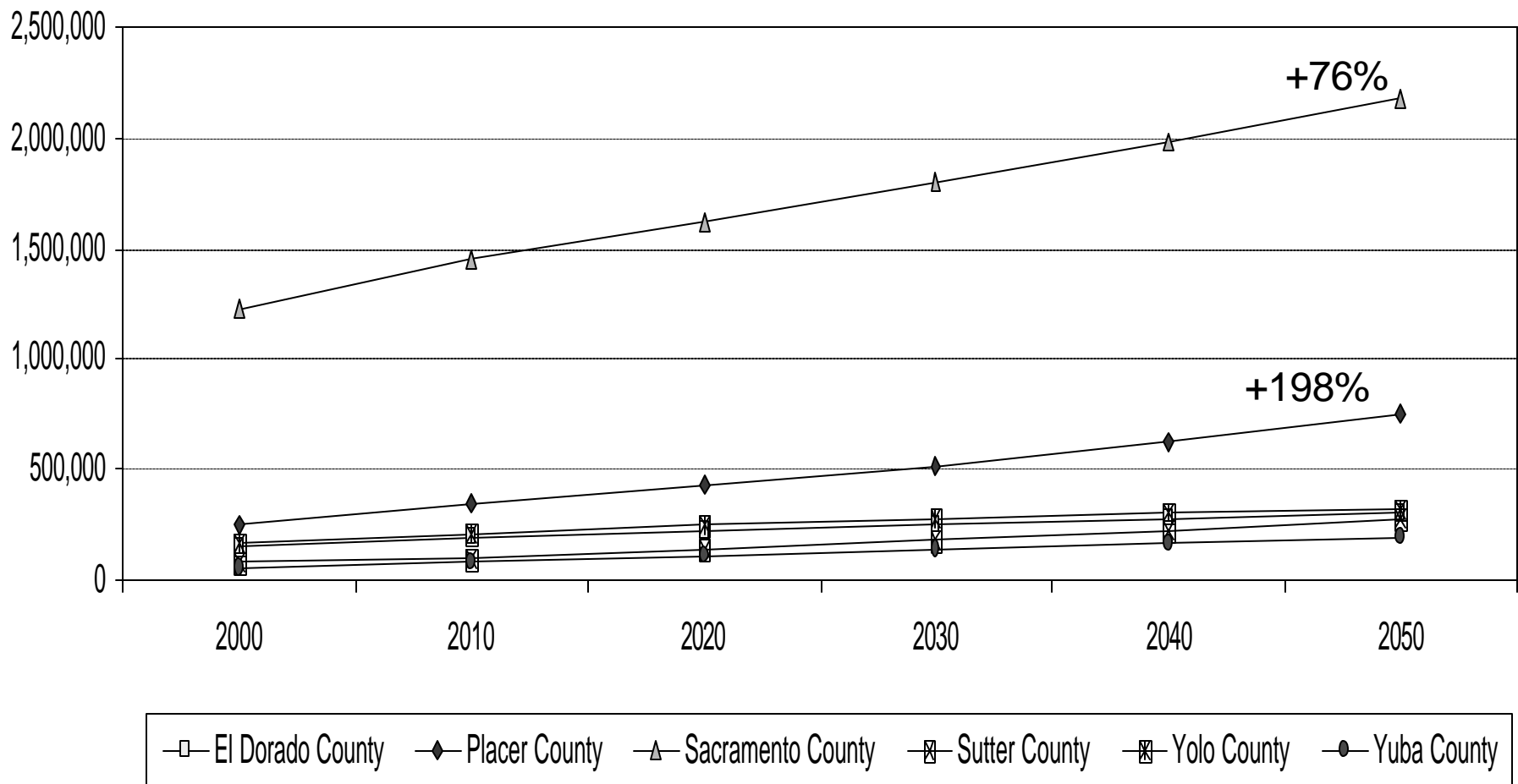
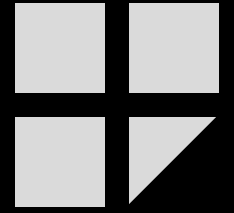
US Census Bureau (Median Household Income)



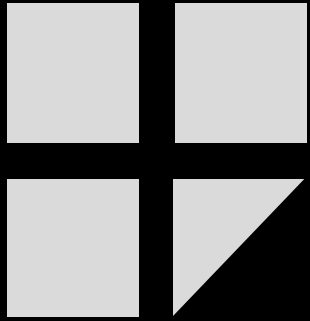
Source: California Department of Finance



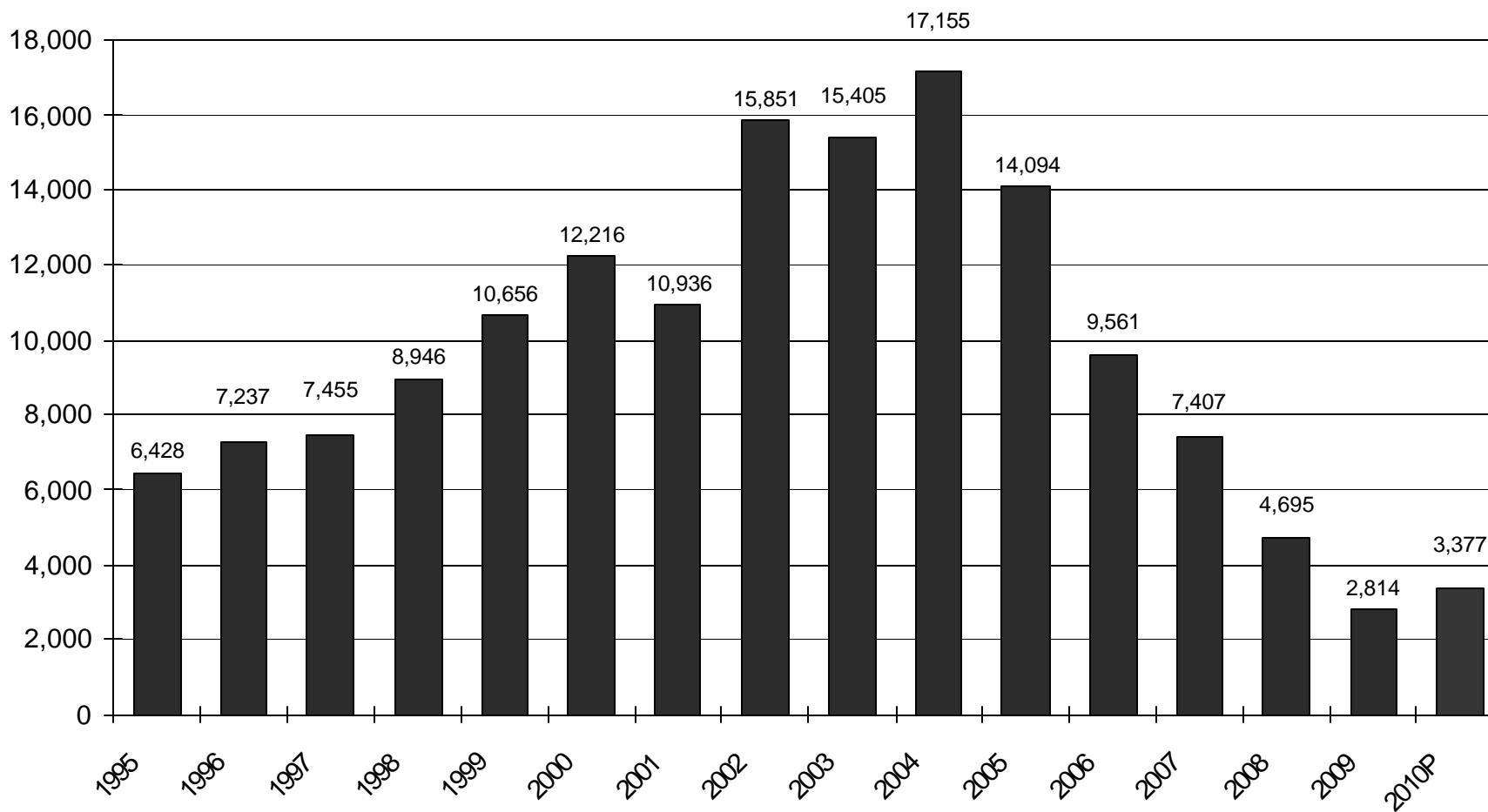
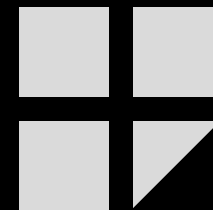
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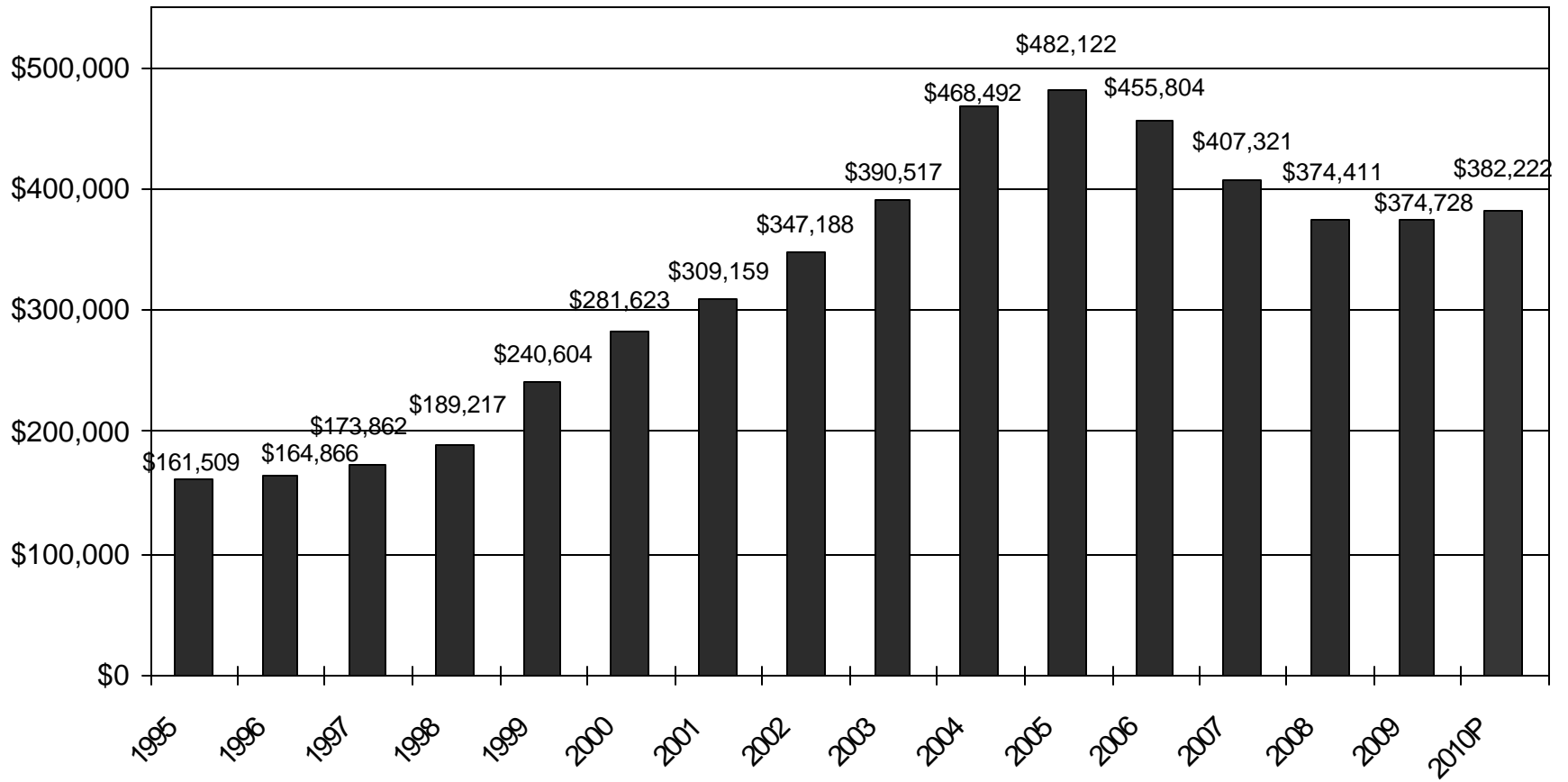
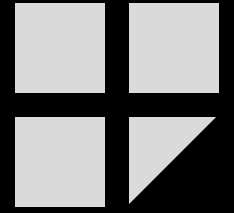
Source: California Department of Finance



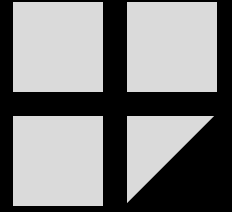
Looking Forward



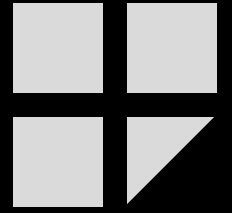
Source: The Gregory Group New Home Database



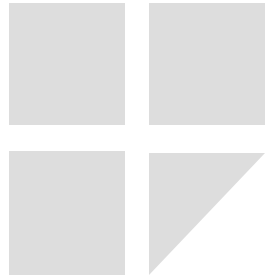
Source: The Gregory Group New Home Database



- 2009 was the bottom of the housing market
- Affordability is very good
- Economy is improving (despite the state of California)
- Significant demographic changes are coming
- Housing designs will evolve, but more importantly, land plans will become more innovative and compelling



EMPLOYMENT



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