

CALIFORNIA HOUSING MARKET FORECAST

June 2014

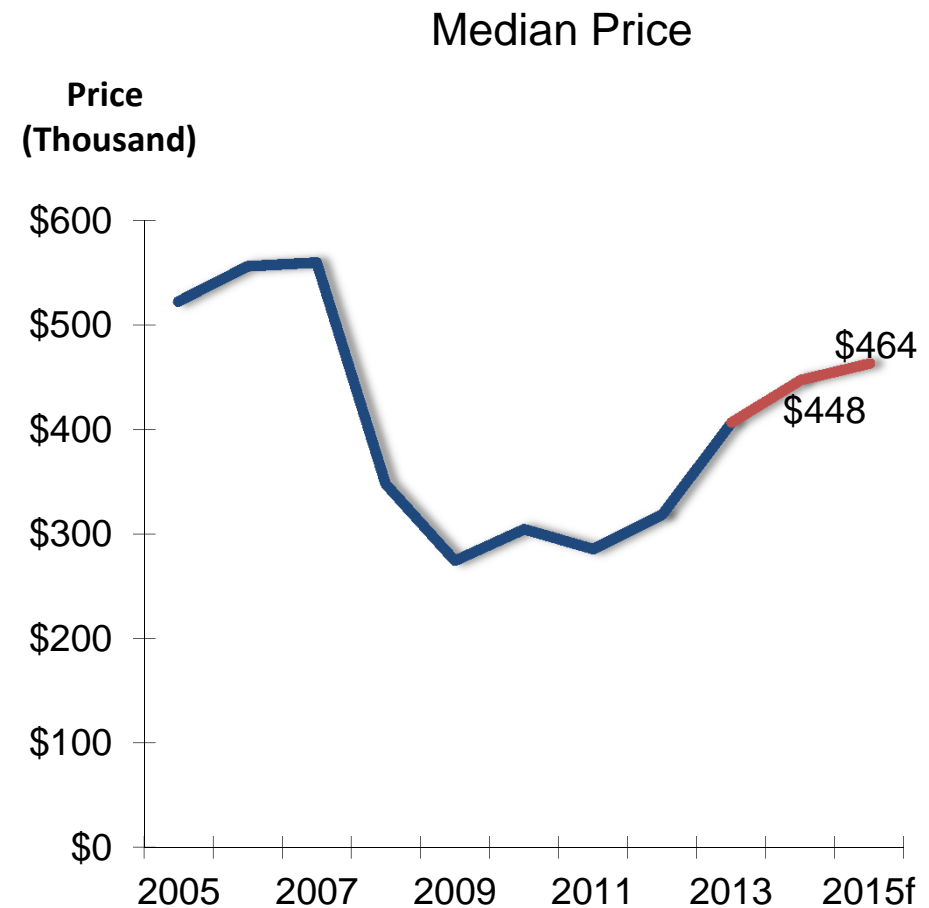
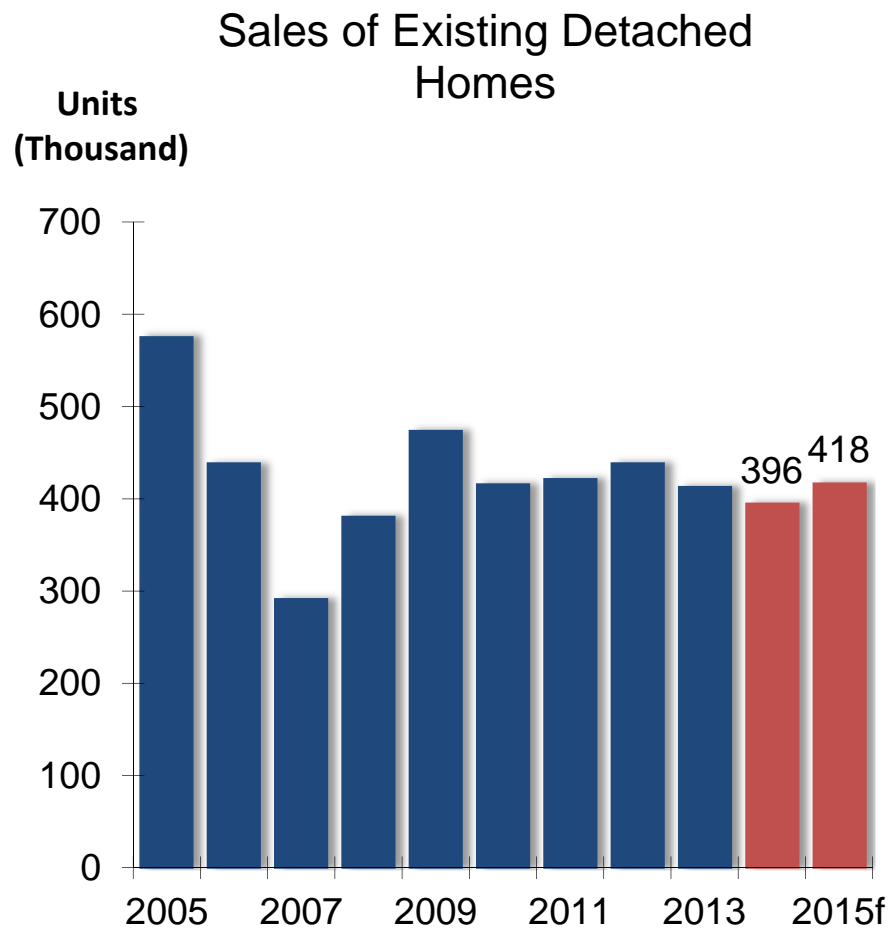
California Housing Market Outlook

Indicator	2009	2010	2011	2012	2013	2014p	2015f
SFH Resales (000s)	474.9	416.5	422.6	439.8	413.9	395.7	417.9
% Change	24.5%	-12.3%	1.4%	4.1%	-5.9%	-4.4%	5.6%
Median Price (\$000s)	\$275.0	\$305.0	\$286.0	\$319.3	\$407.2	\$447.8	\$463.7
% Change	-21.1%	10.9%	-6.2%	11.6%	27.5%	10.0%	3.5%
30-Yr FRM	5.0%	4.7%	4.5%	3.7%	4.0%	4.6%	5.3%
1-Yr ARM	4.7%	3.8%	3.0%	2.7%	2.6%	2.5%	3.0%

SERIES: CA Housing Market Outlook
 SOURCE: CALIFORNIA ASSOCIATION OF REALTORS®



Sales Down for 2014 but Improve in 2015; Price Continues to Grow this Year and Next Year

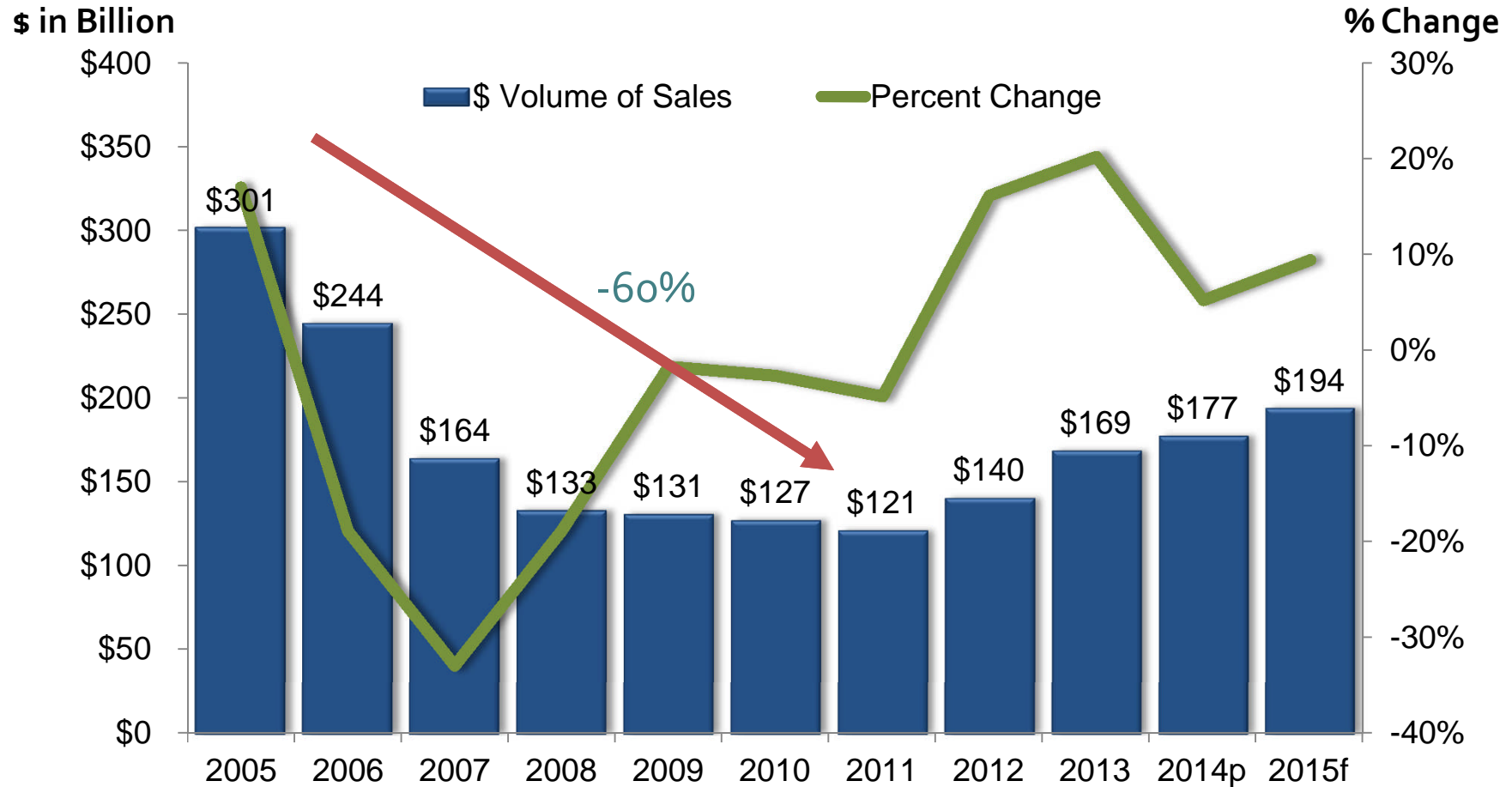


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CA: Dollar Volume Steadily Improving

Up 5.2% in 2014, Up 9.3% in 2015



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U.S. Economic Outlook 2014

Indicator	2009	2010	2011	2012	2013	2014p	2015f
US GDP	-3.4%	2.4%	1.8%	2.8%	1.9%	2.0%	3.0%
Nonfarm Job Growth	-4.4%	-0.7%	1.2%	1.7%	1.7%	1.7%	2.0%
Unemployment	9.3%	9.6%	8.9%	8.1%	7.4%	6.4%	6.0%
CPI	-0.4%	1.6%	3.1%	2.1%	1.5%	1.9%	2.3%
Real Disposable Income, % Change	0.9%	1.8%	1.3%	1.5%	0.7%	2.3%	3.2%

SERIES: U.S. Economic Outlook
SOURCE: CALIFORNIA ASSOCIATION OF REALTORS®



California Economic Outlook 2014

Indicator	2009	2010	2011	2012	2013	2014p	2015f
Nonfarm Job Growth	-6.0%	-1.1%	1.1%	2.4%	3.0%	2.2%	2.4%
Unemployment Rate	11.3%	12.3%	11.8%	10.4%	8.9%	7.7%	6.8%
Population Growth	0.6%	0.7%	0.7%	0.7%	0.9%	0.9%	1.0%
Real Disposable Income, % Change	-3.9%	1.0%	1.9%	1.1%	0.9%	3.0%	3.8%

SERIES: CA Economic Outlook
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