



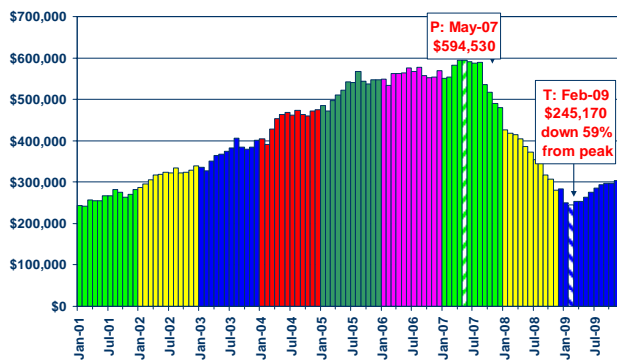
# California's Median Price: First Year-to-Year Gain in Two Years

The median price of a home in California experienced its first year-to-year gain in over two years during the month of November, as the California housing market continued recent trends in terms of prices, supply, and sales. California's housing market has also led the US housing market.

## Median Price Has Seen An Improving Situation

### Median Price of Existing Detached Homes

California, November 2009: \$304,520, UP 5.8% YTY



SOURCE: California Association of REALTORS®

The monthly median price crossed the \$300,000 threshold in November with a median of \$304,520, up 2.4 percent from the October median price of \$297,500 and up 5.8 percent from \$287,880 a year earlier. The situation has improved greatly from a year ago during the worst of the financial crisis, when the median price had registered 41.3 percent year-to-year decline.

After a 59 percent peak-to-trough decline, the California median price has increased 24.1 percent from a trough of \$245,170 that occurred in February 2009. The increase in price has been sustained by a combination of lean supply and high demand, the latter triggered by historically high affordability. By comparison, the NAR national median price for existing single family homes, which experienced a 29 percent peak-to-trough decline, has increased by 4.7 percent from its trough of \$164,200 in January 2009.

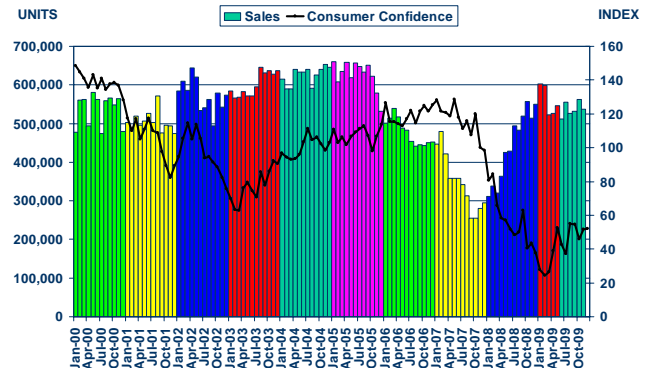
## Sales Also in Healthy Territory

Nine consecutive month-to-month increases in the California median price have been the result of the lean inventory conditions throughout the year. The MLS-based unsold inventory index for California has averaged 4.8 months since the start of the year, well below the 7 month long run average. By comparison, the national unsold inventory index for single family homes has averaged 8.4 months over the year. Inventory levels in both California and the US have trended down for most of the year.

As for sales, California returned to pre-peak levels of sales in late 2008 and sustained them throughout 2009. With sales of 536,720 homes in November, the market was 4.6 percent lower than the October sales figure of 562,400, but 4.7 percent above the November 2008 figure of 512,840. Sales throughout the year have averaged 545,600, compared with the pre-peak monthly average over the 2000-2002 period of 537,300 homes.

### Sales of Existing Detached Homes and Pacific West Consumer Confidence

California, November 2009 Sales: 536,720 Units, Up 26.7% YTD, Up 4.7% YTY



SOURCE: California Association of REALTORS®; The Conference Board

\*Sales are seasonally adjusted and annualized



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