



THE LONDON GROUP
REALTY ADVISORS



SAN DIEGO



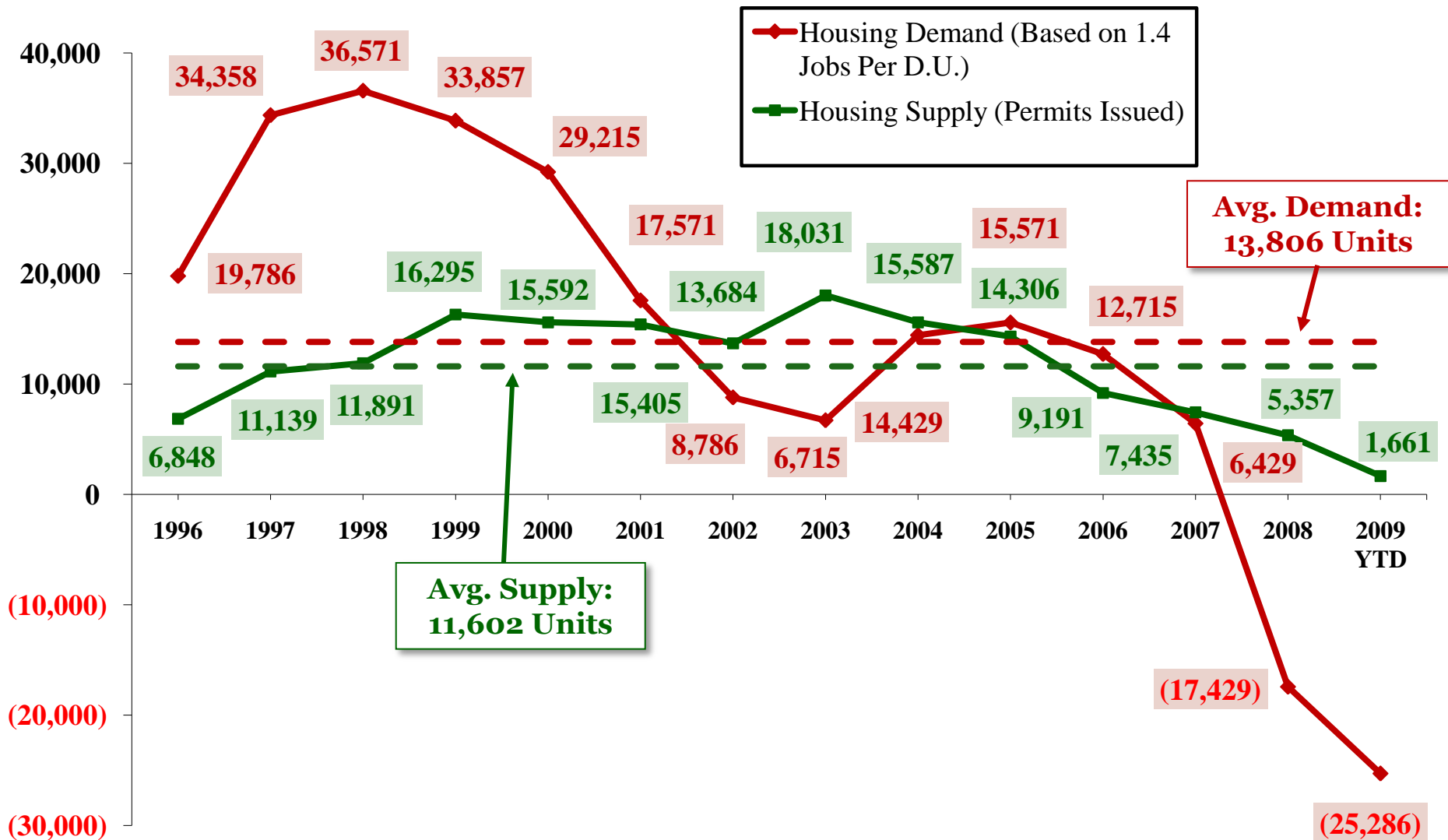
Residential Market Overview

2009



Demographics & Housing Market

Housing Unit Supply & Demand





Demographics & Housing Market

Housing Unit Supply & Demand

2009 Standing Residential Inventory (**SUPPLY**)

Total Unsold	2,983
Total Remaining For Development	5,224
Total Inventory	8,207

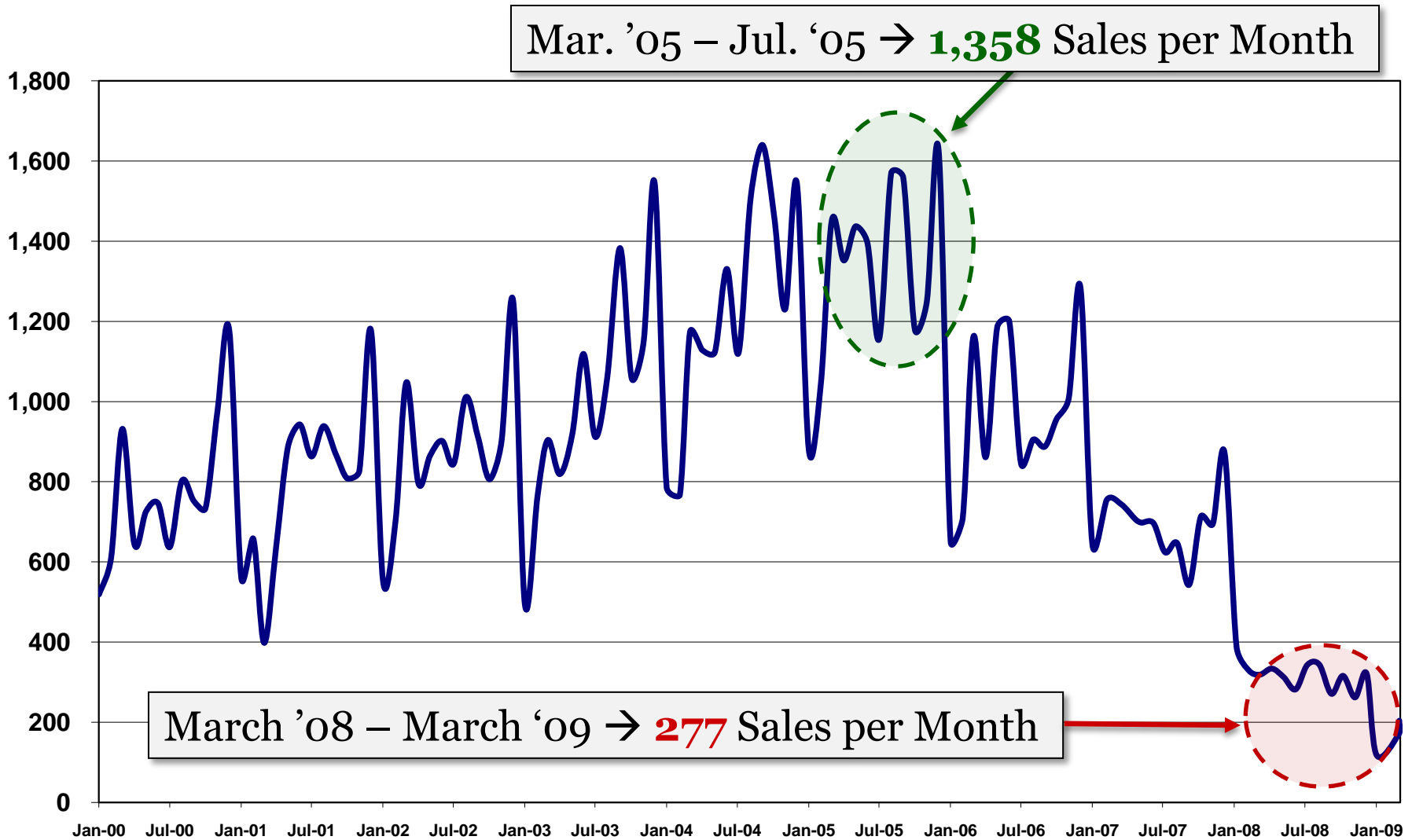
2010 - 2020 Annualized **DEMAND**

SANDAG Av. Annual Job Growth	16,729
Jobs / HH	1.4
SANDAG Av. Annual Housing Units Demanded	12,191



San Diego: New Home and Condo Monthly Sales

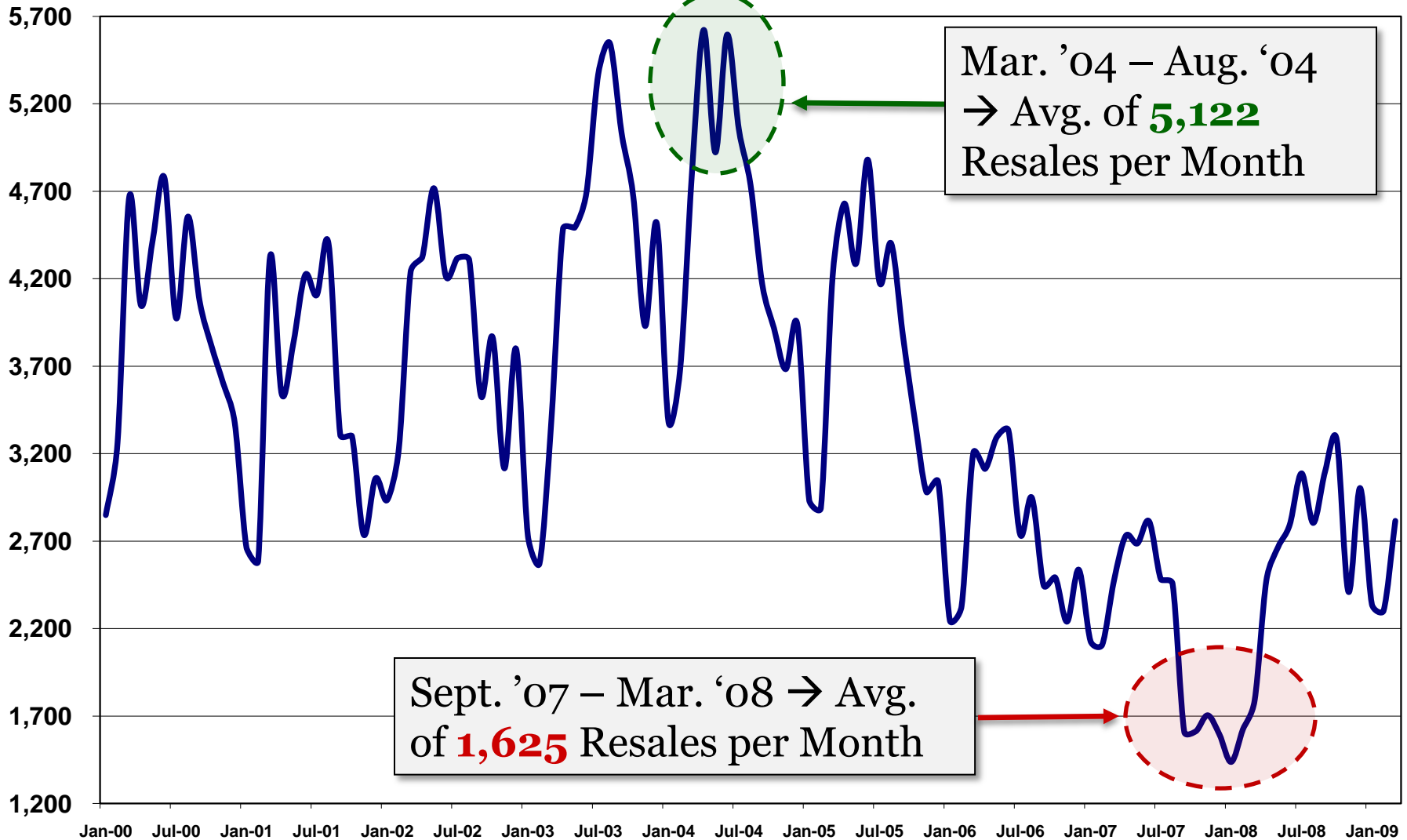
Sales: January 2000 – 2009 YTD





San Diego: Home and Condo Monthly Resales

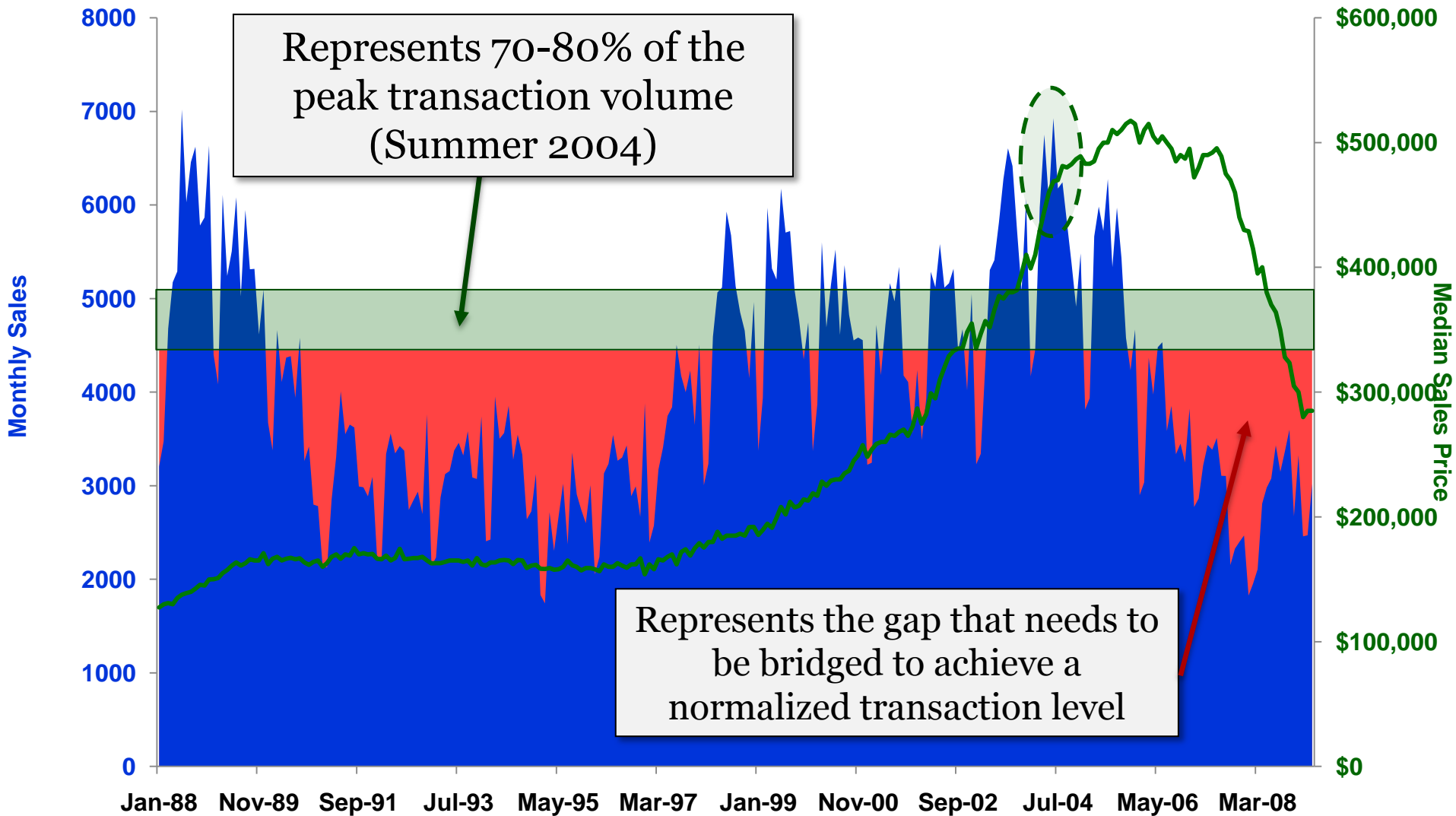
Sales: January 2000 – March 2009





Closing the Gap of Transaction Volume

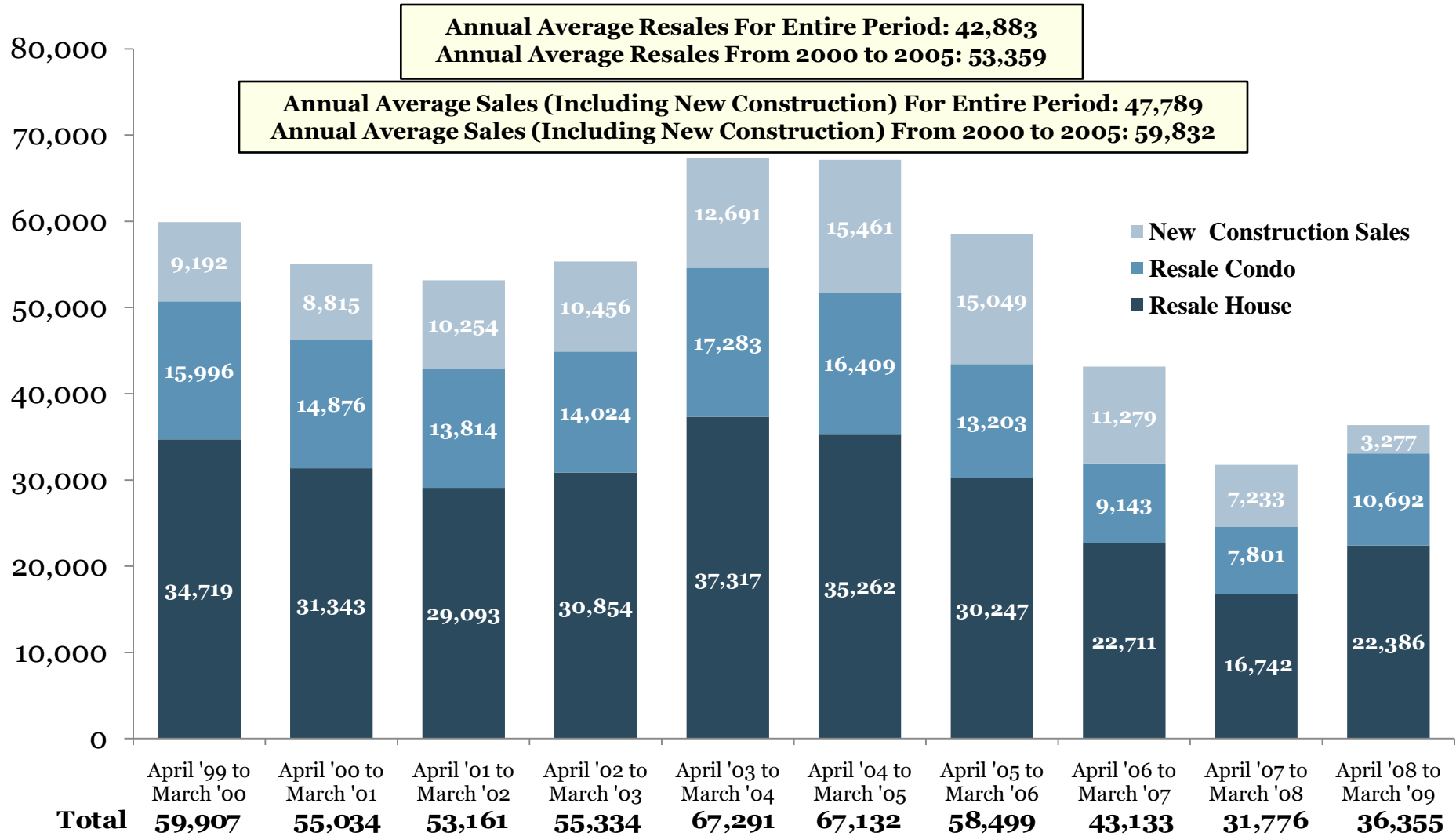
San Diego Monthly Sales and Median Sales Price: January 2003 – March 2009





San Diego Home and Condo Sales Trends

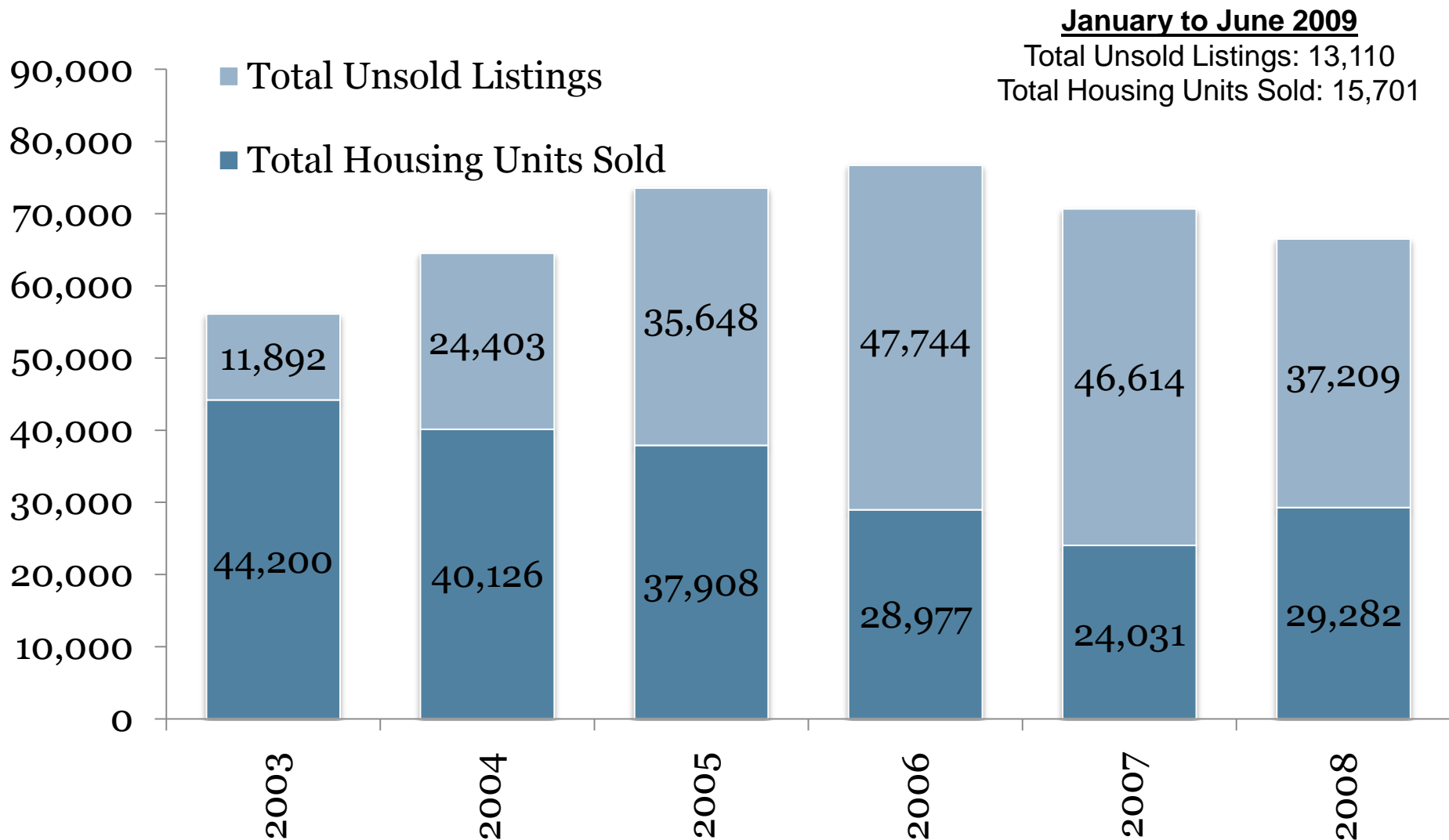
New Construction and Resales: 1999 – 2009 YTD





Total Sales in San Diego County

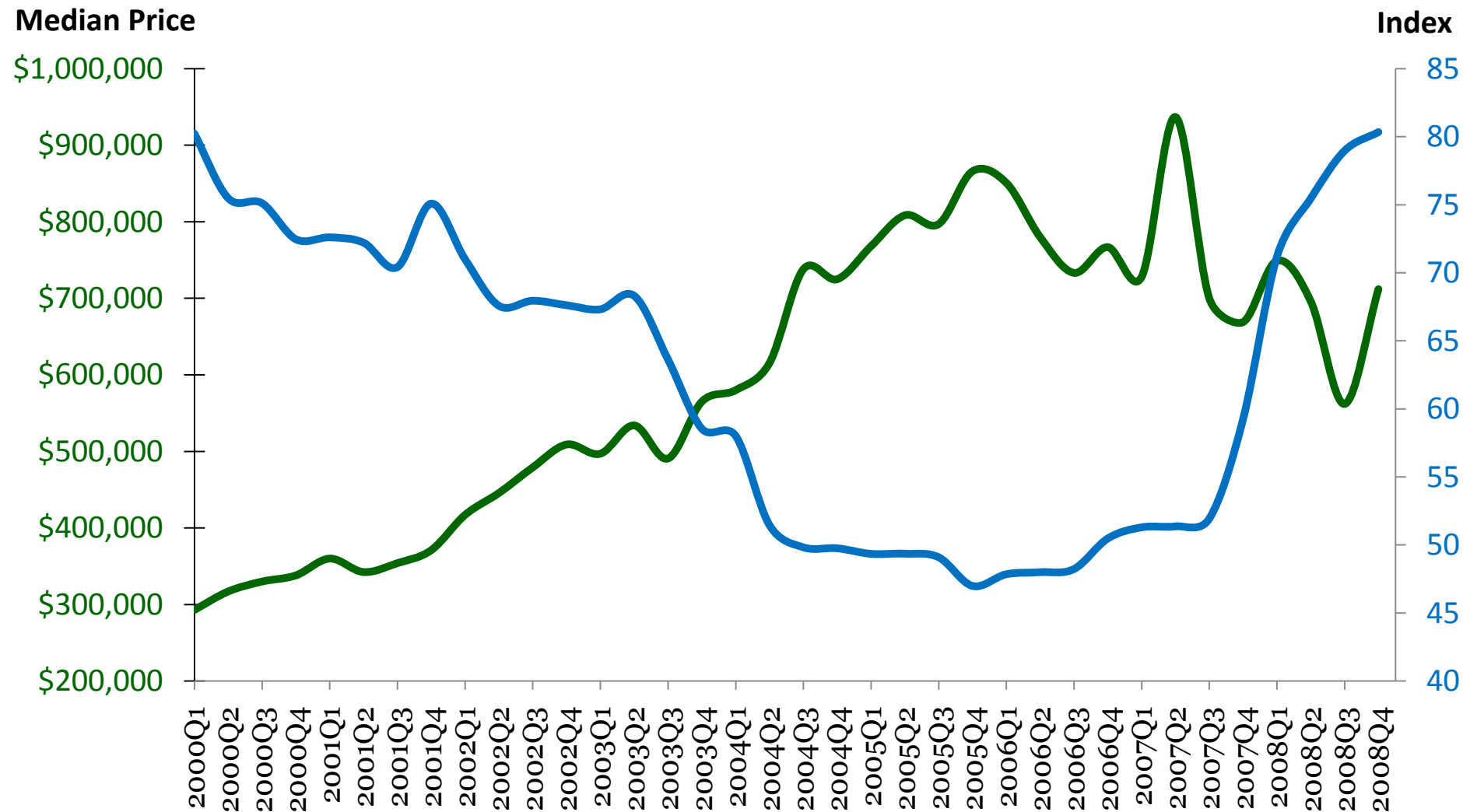
Sales & Unsold Units





Housing Affordability

San Diego County SFR Median Price & Housing Affordability Index

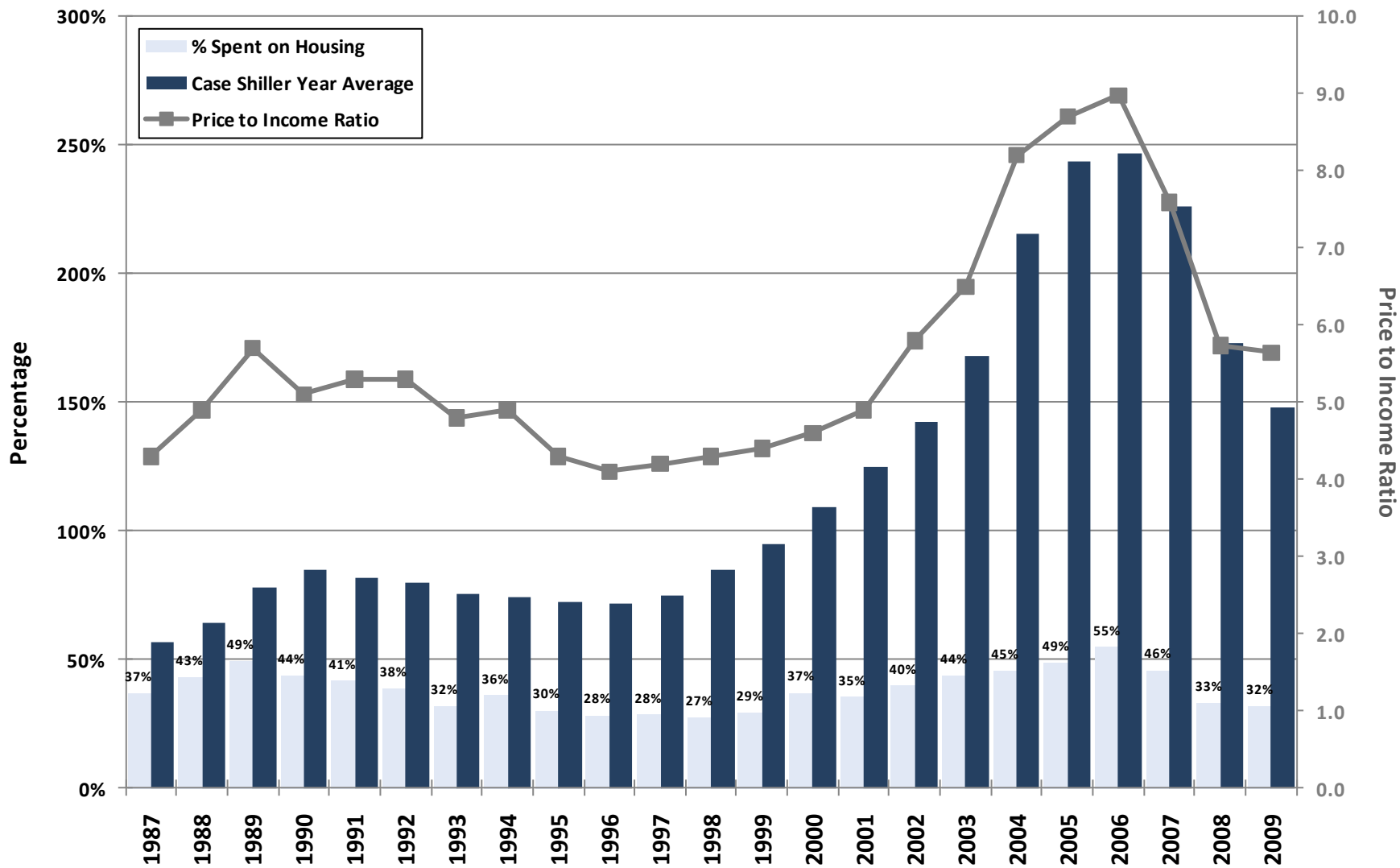


Source: The London Group Realty Advisors, California Building Industry Association, NAR, BOC, BEA



Home Price Affordability

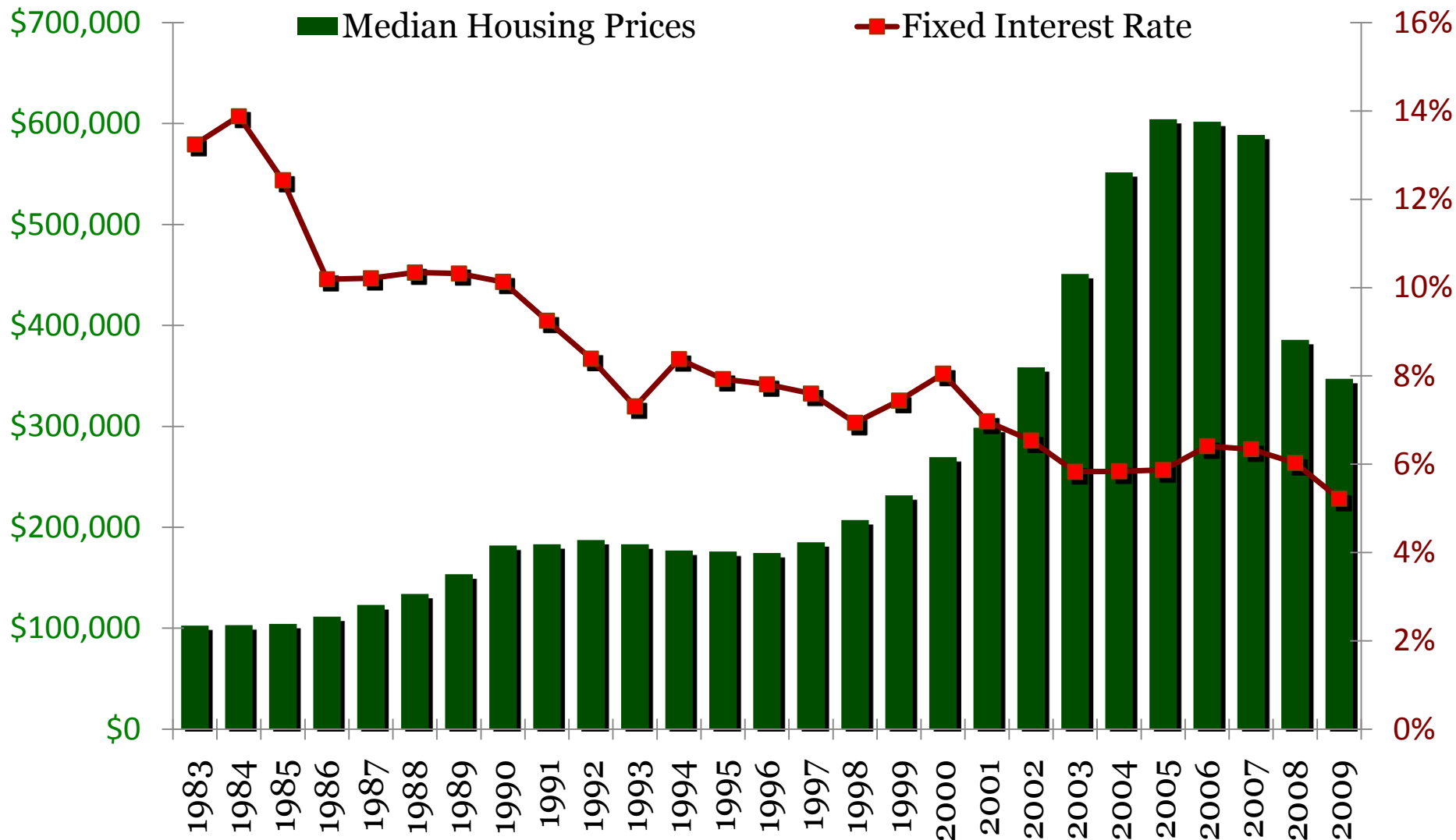
Housing Costs & Income





End of the Stated Income Era

Median SFR Sale Prices v. 30 Year Fixed Interest Rates

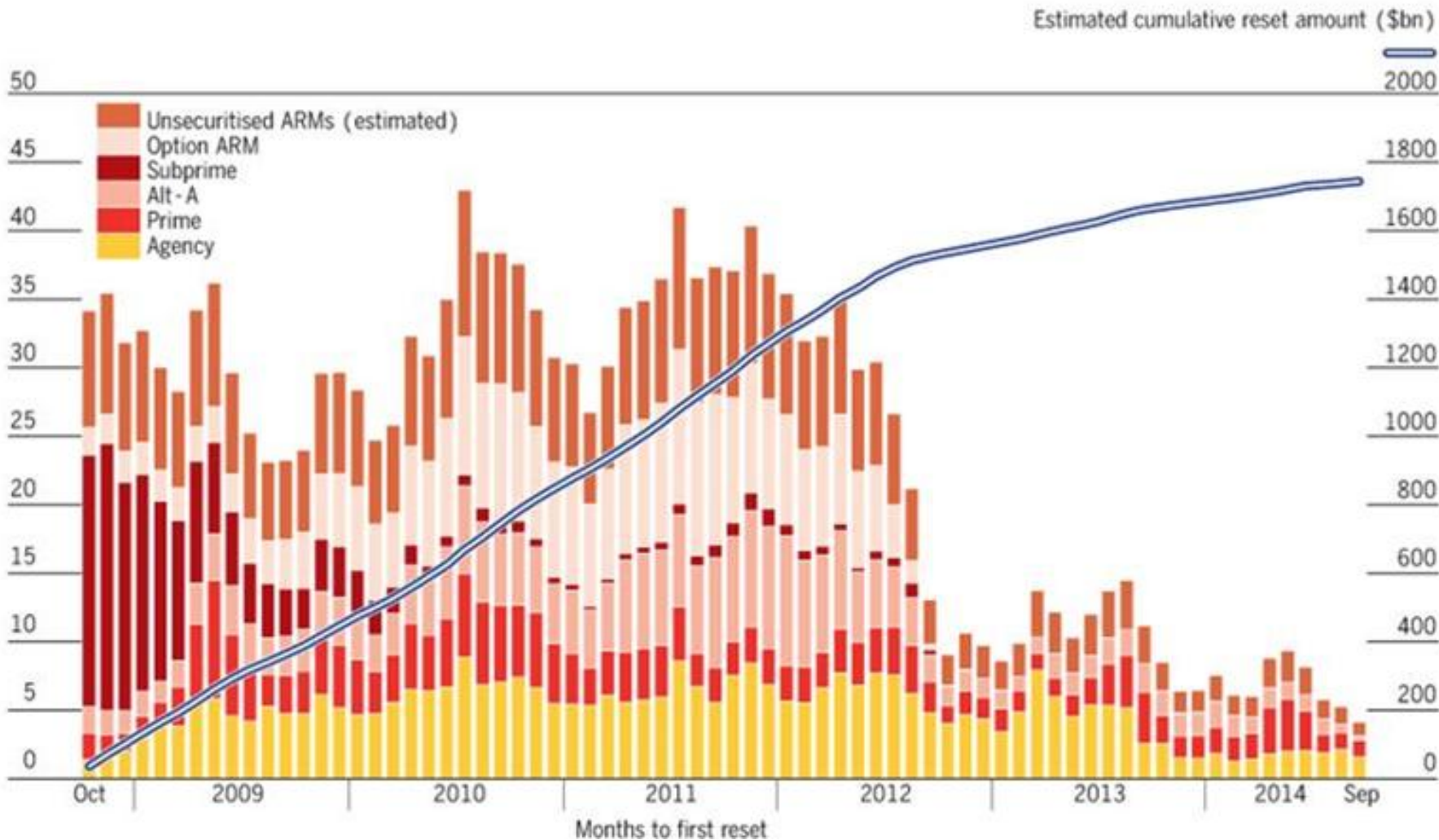


Source: The London Group Realty Advisors, National Association of Realtors, Freddie Mac



Next Wave of US Mortgage Defaults

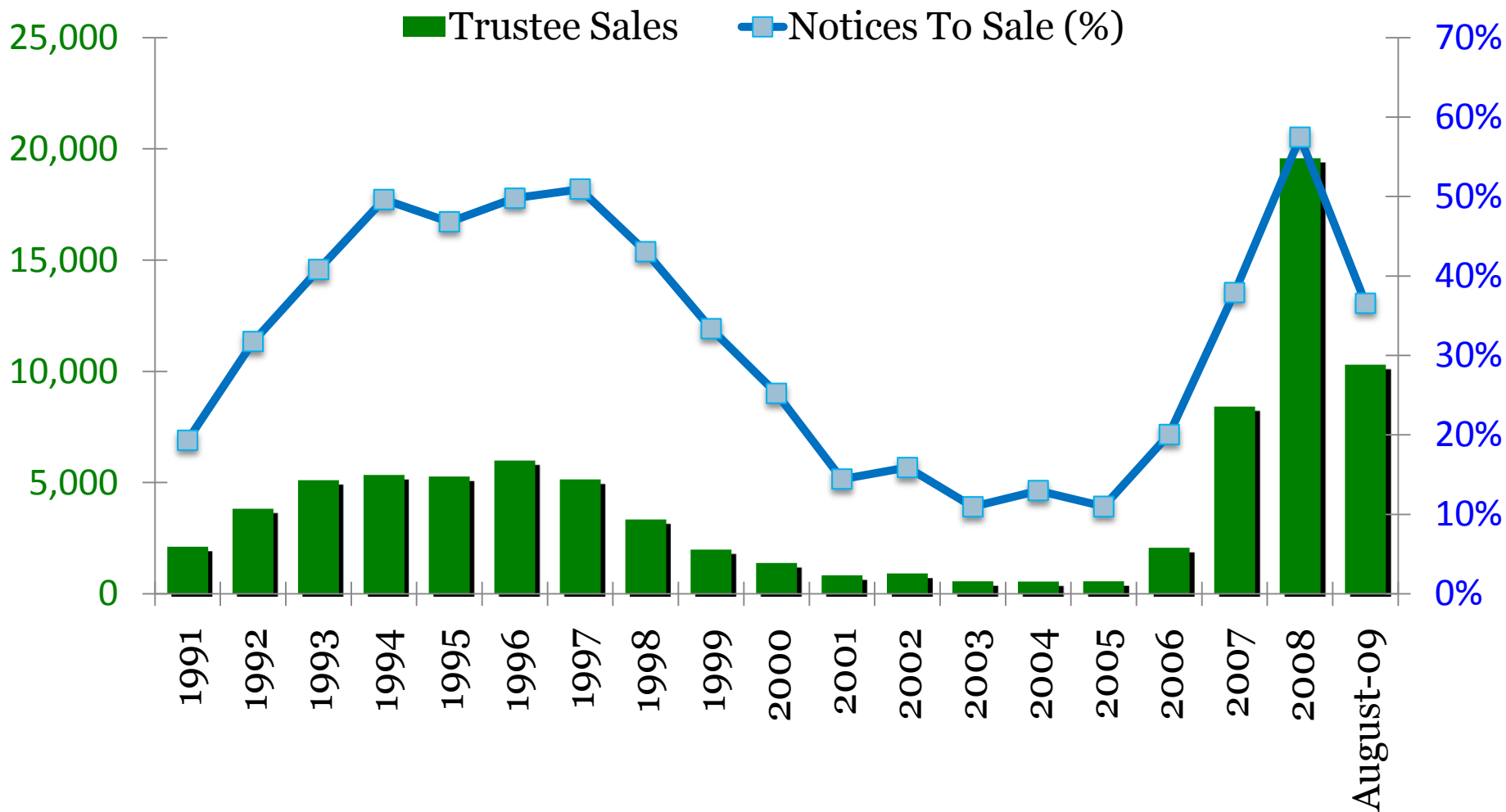
Mortgage Default Overview 2009 to 2014





San Diego County Trustee Sales

Percent of Notices of Default that Eventually Sold at Trustee Auction



THE LONDON GROUP
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Providing strategic vision, analysis, capital and deal access to developers, investors, lenders, attorneys and public agencies for over 25 years

**We are analysts...and deal packagers.
We study projects...then we find the capital.
We provide strategies, in new opportunities and in distress.**

We answer these questions:

- What is the salvageable value of your real property assets?
- What is a defensible strategy to take your property out of distress?
- What type of project should we invest in at the market bottom?
- Where should we concentrate our financial resources and development efforts?
- Where are the opportunities?
- How do we access capital?



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