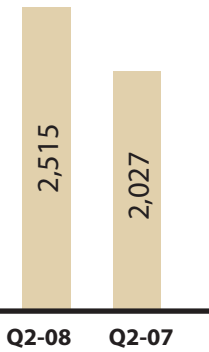


CONTRA COSTA COUNTY

A market overview of single-family detached home sales

Q2
2008

UNIT SALES



MEDIAN PRICE



Bank-owned Transactions Help Revitalize Market Activity in Contra Costa County During the Second Quarter

Contra Costa County experienced a dramatic surge in market activity (+24%) for single-family detached homes during the second quarter of 2008, largely due to a steady decline in median prices (-34%), year-over-year, according to a report by the research division of Prudential California Realty based on an analysis of MLS data.

During the second quarter, motivated buyers and savvy investors - increasingly aware of optimal buying conditions - helped revive the county's residential housing market. More importantly, the burst of activity indicates an impending market equilibrium, as strong buyer demand helped to unload the existing oversupply of housing inventory.

Home to communities with multiple price points and purchasing options, Contra Costa County continued to exhibit a wide range of housing market activity during the second quarter. Large, urban entry-level communities experienced rare, triple-digit growth in year-over-year market activity (Antioch +122%; Brentwood +125%; Oakley

+186%; and Pittsburg +127%). Meanwhile, market activity in Bay Point soared by 286 percent due to intense demand for well-priced bank-owned properties. Accordingly, interest from first-time homebuyers in these communities often resulted in multiple offers. Conversely, the county's high-end communities appeared to have missed out on the quarter's foreclosure-driven market activity. Most notably, the million-dollar markets of Alamo, Lafayette, Moraga and Orinda all experienced moderate decreases in both market activity and median prices for single-family detached homes.

Bargain-hunter and investor activity became increasingly evident during the second quarter. Some first-time homebuyers even chose to buy multi-units as their first home, in order to lease space to foreclosure-displaced renters and help cover portions of their mortgage payments. Leading the Bay Area in terms of inventory uptake this quarter, Contra Costa County appears poised for a market recovery in the third and fourth quarters.

M A R K E T C O M P A R I S O N									
City	Homes Sold Q2/08	Homes Sold Q2/07	% Change	Avg DOM* Q2/08	Avg DOM Q2/07	Change 08/07 (days)	Median Price** Q2/08	Median Price Q2/07	% Change
Alamo	33	57	-42	61	23	+38	\$1,360,000	\$1,600,000	-15
Antioch	418	188	+122	69	43	+26	\$285,000	\$454,000	-37
Bay Point	54	14	+286	48	35	+13	\$183,390	\$435,000	-58
Brentwood	288	128	+125	66	50	+16	\$395,500	\$525,000	-25
Clayton	33	34	-3	76	31	+45	\$698,000	\$761,750	-8
Concord	218	190	+15	62	34	+28	\$385,000	\$550,000	-30
Crockett	8	14	-43	109	28	+81	\$386,000	\$494,500	-22
Danville	104	156	-33	54	29	+25	\$977,500	\$1,075,000	-9
Discovery Bay	74	48	+54	88	60	+28	\$395,000	\$630,000	-37
El Cerrito	37	74	-50	40	20	+20	\$560,000	\$656,500	-15
El Sobrante	27	25	+8	62	35	+27	\$320,000	\$469,000	-32
Hercules	46	35	+31	71	53	+18	\$451,000	\$654,000	-31
Lafayette	76	97	-22	38	18	+20	\$1,170,000	\$1,150,000	+2
Martinez	71	70	+1	57	34	+23	\$438,900	\$566,450	-23
Moraga	31	31	0	52	17	+35	\$1,038,000	\$1,145,000	-9
Oakley	163	57	+186	66	46	+20	\$270,000	\$450,000	-40
Orinda	47	66	-29	30	24	+6	\$1,325,000	\$1,247,035	+6
Pacheco	0	2	n/a	n/a	28	n/a	n/a	\$537,500	n/a
Pinole	35	29	+21	85	45	+40	\$360,000	\$522,500	-31
Pittsburg	159	70	+127	68	55	+13	\$250,000	\$443,000	-44
Pleasant Hill	67	87	-23	58	25	+33	\$539,000	\$690,000	-22
Richmond	192	143	+34	54	45	+9	\$270,000	\$450,000	-40
Rodeo	13	11	+18	45	72	-27	\$320,000	\$452,900	-29
San Pablo	66	41	+61	66	35	+31	\$222,500	\$420,000	-47
San Ramon	152	214	-29	58	30	+28	\$787,000	\$850,000	-7
Walnut Creek	103	146	-29	52	21	+31	\$775,000	\$879,950	-12

* Days on market is the number of days a property was listed on the market until it went under contract at its final listing price. This may not reflect previous listings.
**The median home price for the entire county is the weighted mean of median home prices of cities within Contra Costa County.
Data are sourced from multiple listing services and are deemed reliable but not guaranteed. All percentages rounded to nearest whole number.