

SAN FRANCISCO BAY AREA

A market overview of single family home sales

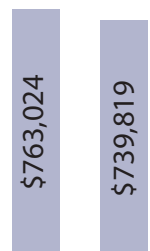
Q1
2007

UNIT SALES



Q1-07 Q1-06

MEDIAN PRICE



Q1-07 Q1-06

Bay Area Housing Market Continues to Contract but Maintains Healthy Activity During the First Quarter

Home sales decreased 14 percent across the Bay Area, year-over-year, according to a first quarter report released by the research division of Prudential California Realty based on an analysis of MLS data. New listings continued to accumulate, growing by ten percent across the region, year-over-year.

Homes also spent 23 days longer on the market than they did in the first quarter of 2006. Median prices remained buoyant amid the downward trends, rising two percent year-over-year.

Sales activity was segmented in the first quarter with mid- to upper-range properties in sought-after neighborhoods selling within two weeks and garnering multiple offers in areas of San Francisco, San Mateo and Santa Clara counties where inventory was tighter. Buyers in these markets lamented the shortage of quality properties as they leveraged their power to cherry pick the best homes and pass over the less desirable.

In contrast, the entry-level segment of the market was struggling in parts of the Bay Area, including Alameda and San Mateo counties where first-time buyers were approaching purchases with caution. The collapse of subprime lending along with tighter underwriting guidelines narrowed options for some first-time buyers and were beginning to have an effect on demand in pockets of areas outside of San Francisco County.

While overall home sales decreased in all counties, there were significant differences between areas. The sharpest downturn occurred in Solano County where unit sales fell 25 percent across all housing types. The Napa and Marin County markets remained relatively unchanged from 2006 activity (-1% and -2%, year-over-year, respectively). Marin County also had the distinction of having the highest median prices in the Bay Area during the first quarter for single-family detached homes (\$1,058,619).

M A R K E T C O M P A R I S O N

County	Homes Sold Q1/07	Homes Sold Q1/06	% Change	Avg DOM Q1/07	Avg DOM Q1/06	Change 07/06 (days)	Median * Price Q1/07	Median Price Q1/06	% Change
Alameda Co.	1,894	2,237	-15	39	26	+13	\$655,542	\$640,322	+2
Contra Costa Co.	1,703	2,093	-19	42	29	+13	\$660,748	\$648,708	+2
Marin Co.	382	371	+3	97	71	+26	\$1,058,619	\$1,070,985	-1
San Francisco Co.	474	509	-7	43	33	+10	\$989,065	\$1,023,727	-3
San Mateo Co.	857	906	-5	52	43	+9	\$1,041,630	\$1,010,156	+3
Santa Clara Co.	2,118	2,463	-14	52	32	+20	\$902,783	\$861,933	+5
Solano Co.	651	850	-23	89	66	+23	\$450,938	\$467,784	-4
Sonoma Co.	759	926	-18	103	72	+31	\$540,905	\$562,617	-4

* The median home price for the entire region is the weighted mean of median home prices of cities within the San Francisco Bay Area.

Days on market (DOM) 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. Data are sourced from multiple listing services and are deemed reliable but not guaranteed.

All percentages rounded to nearest whole number.

Bay Area refers to sales within Alameda County, Contra Costa County, Marin County, San Francisco County, San Mateo County, Santa Clara County, Solano County and Sonoma County

Produced by the Prudential California Realty Research Division.