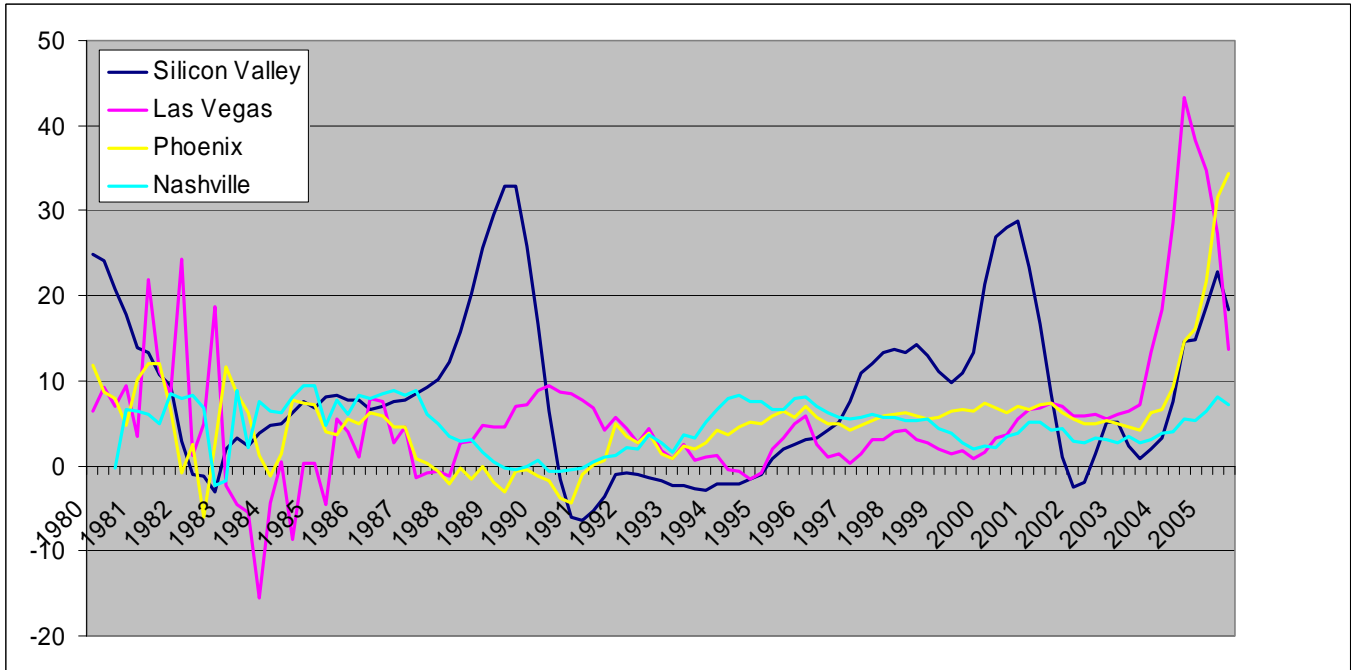


# Real Estate Investor Corner

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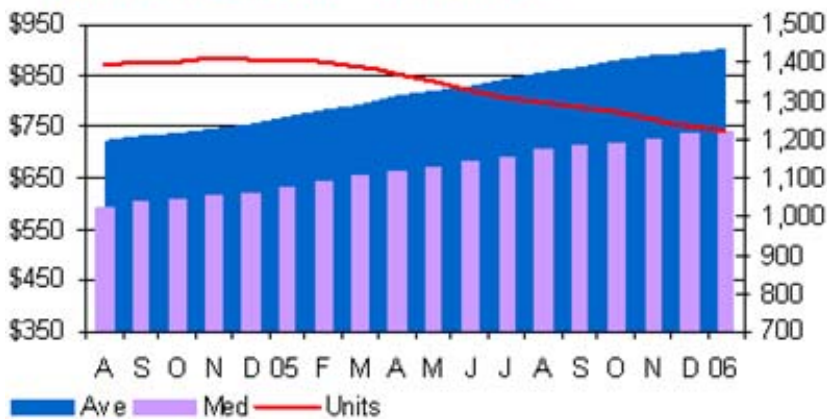
## Quarter-to-quarter Home Price Index\* in Selected Ares



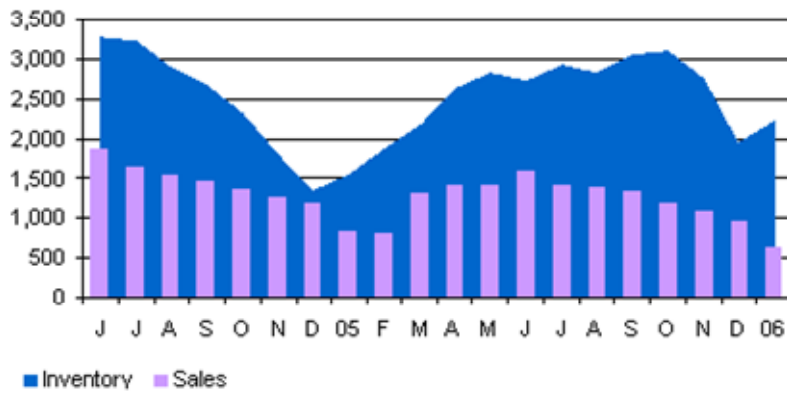
## the year Santa Clara County Market Trend at a glance

### Silicon Valley Homes: Prices vs. Sales

(12-month moving average — price in 000's)



### Silicon Valley Homes: Inventory vs. Sales



## Home Sales in 2006 to be Slower but Sustainable

WASHINGTON (February 7, 2006) – Home sales this year are expected to stay below the peak levels in 2005 but will remain historically strong, according to the National Association of Realtors®.

David Lereah, NAR's chief economist, said the sales slowdown has already occurred. "Right now, home sales are a little lower than projected, but they can be sustained around current levels," Lereah said. "Sometimes people lose sight of the fact that real estate is cyclical. Even so, sales will continue at a historically high pace with modestly higher interest rates as

progresses, and 2006 is forecast to be the third strongest year on record."

The 30-year fixed-rate mortgage should rise to 6.9 percent by the end of the year. Home sales in Santa Clara County declined by 18.5 percent on a year-over-year basis for the tenth month in a row in January, as prices eased back from their November peak.

"Demand still seems to be there, but the sense of urgency seems to be a thing of the past. We don't expect the market to tumble, but we do expect price increases to level off between now and spring," said Marshall Prentice, DataQuick president.

The median price paid for a Santa Clara County home was \$734,950 last month. That was down 1.3 percent from December, and up 11.4 percent from January a year ago.