

NEW HOME REPORT

LOS ANGELES COUNTY EDITION

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New Home Report

For over 10 years, Hanley Wood has provided weekly traffic and sales information to the building industry throughout Southern California. In addition to this newsletter and our weekly reports, we offer a variety of custom reports and market research services.

For more information, please call us at (714) 540-8500 to discuss your research needs or visit www.hanleywood.com.

Following is the October 2008 Hanley Wood Weekly Sales and Traffic New Home Report for the Los Angeles County market. Definitions for the categories shown on the tables are provided below.

Definitions

Number of Active Projects: A project is considered active when prices on individual units are published and offers can be made. A project stays open/active through the month that the final home has closed escrow. Afterwards, it is considered inactive. For example, a project that closes its last escrow on November 15 is considered active through November 30, but inactive on December 1.

Traffic: Groups visiting an active project, as reported by the homebuilder.

Traffic per Project: The number of traffic groups for the period divided by the number of active projects.

New Sales: Gross sales contracts written for a project during the period.

Cancellations: Any sales contracts that are cancelled before closing/settlement of escrow.

Net Sales: New sales less cancellations.

Net Sales per Project: Net sales for the period divided by the number of active projects. For example, if there were 15 sales during a month and 5 active projects in that month, the net sales per project would be 3.0.

Cancellation Percentage: The number of cancellations during the period divided by the number of new sales.

Conversion Percentage: The number of sales netted during the period divided by the number of traffic groups.

Conversion Ratio: The conversion ratio measures the percentage of traffic converting to net sales.

Inventory: Unsold housing units that have been released for sale, but have not been sold to a buyer. As a result, inventory figures may change significantly due to large phase releases or projects taken off the market.

Inventory per Project: The number of available inventory for the period divided by the number of active projects.

Months of Inventory: The inventory levels of new homes available based on the current sales rate in the market.

Monthly Market Summary

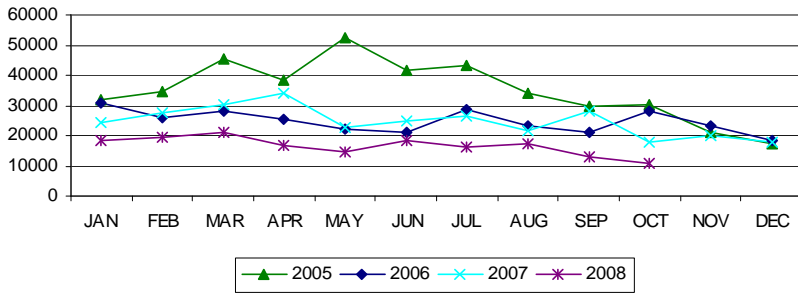
CATEGORY	OCT 08	SEP 08	OCT 07
NO. ACTIVE PROJECTS	331	352	344
TRAFFIC	10,544	12,873	18,100
TRAFFIC/PROJECT	32	37	53
NEW SALES	169	244	312
CANCELLATIONS	56	46	121
NET SALES	113	198	191
NET SALES/PROJECT	0.34	0.56	0.56
CANCELLATION %	33%	19%	39%
CONVERSION %	1.07%	1.54%	1.06%
CONVERSION RATIO	93.31	65.02	94.76
INVENTORY	4,998	4,961	4,050
INVENTORY/PROJECT	15.10	14.09	11.77
MONTHS OF INVENTORY	44.23	25.06	21.20

Submarket Summaries

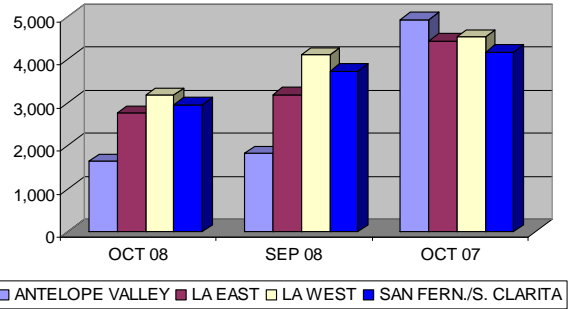
CATEGORY	AV	LAE	LAW	SF
NO. ACTIVE PROJECTS	60	57	123	91
TRAFFIC	1,644	2,764	3,179	2,957
TRAFFIC/PROJECT	27	48	26	32
NEW SALES	36	10	71	52
CANCELLATIONS	16	6	22	12
NET SALES	20	4	49	40
NET SALES/PROJECT	0.33	0.07	0.40	0.44
CANCELLATION %	44%	60%	31%	23%
CONVERSION %	1.22%	0.14%	1.54%	1.35%
CONVERSION RATIO	82.20	691.00	64.88	73.93
INVENTORY	333	698	3,059	908
INVENTORY/PROJECT	5.55	12.25	24.87	9.98
MONTHS OF INVENTORY	16.65	174.50	62.43	22.70

Traffic Trends

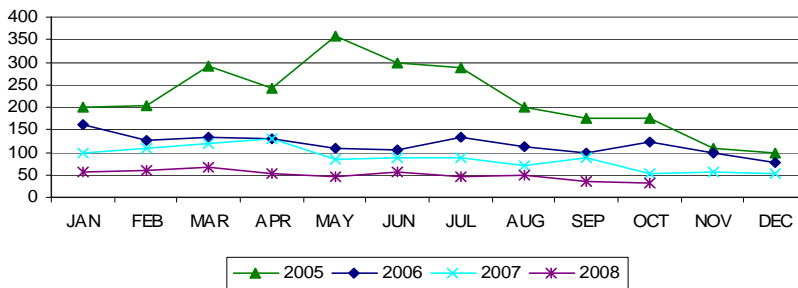
MONTHLY TRAFFIC TRENDS



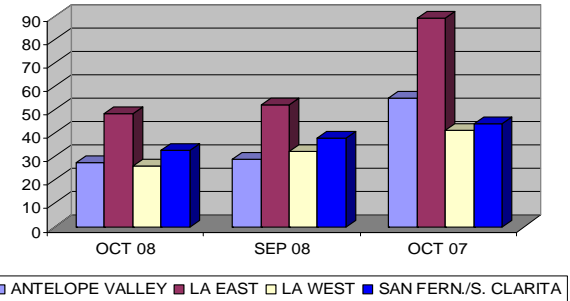
TRAFFIC COUNT COMPARISON BY SUBMARKET



AVERAGE PER-PROJECT TRAFFIC TRENDS



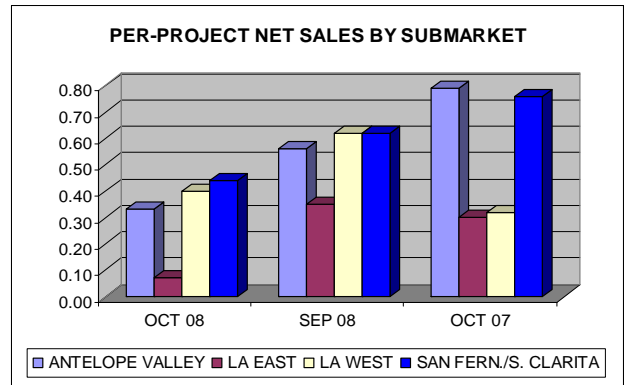
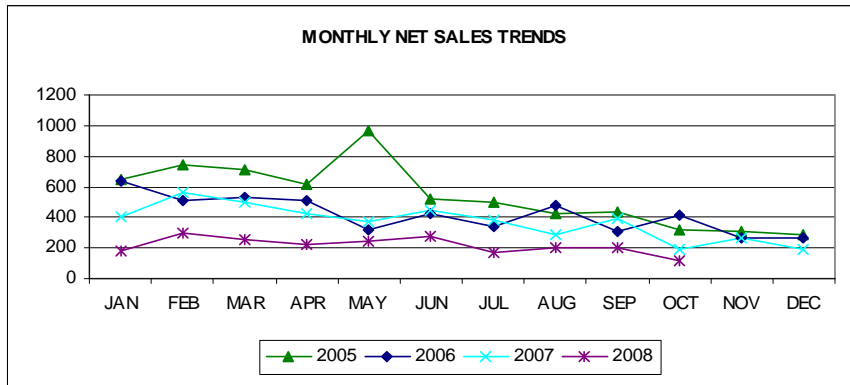
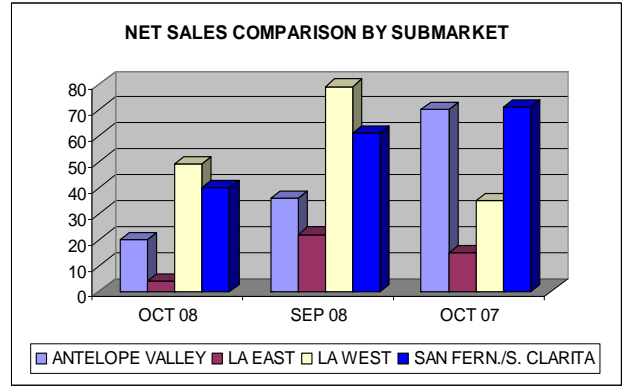
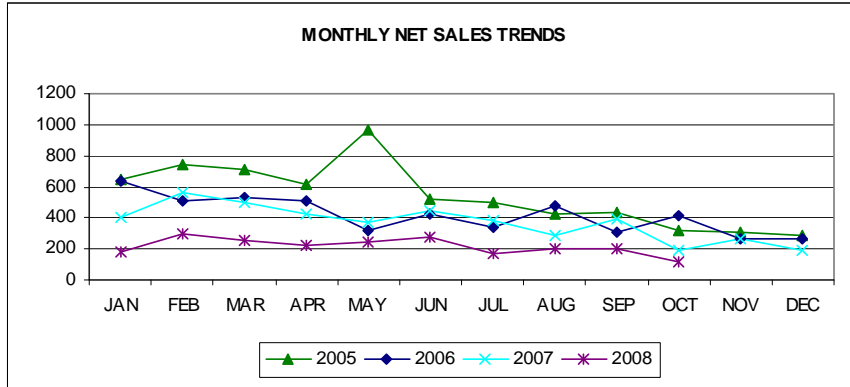
PER-PROJECT TRAFFIC BY SUBMARKET



TRAFFIC SUMMARY

SUBMARKET	OCT 08	% TOTAL	TRAF/PR	SEP 08	CHG	% CHG	OCT 07	CHG	% CHG
ANTELOPE VALLEY	1,644	16%	27	1,825	-181	-10%	4,937	-3,293	-67%
LA EAST	2,764	26%	48	3,195	-431	-13%	4,444	-1,680	-38%
LA WEST	3,179	30%	26	4,112	-933	-23%	4,538	-1,359	-30%
SAN FERN./S. CLARITA	2,957	28%	32	3,741	-784	-21%	4,181	-1,224	-29%
TOTALS	10,544	100%	32	12,873	-2,329	-18%	18,100	-7,556	-42%

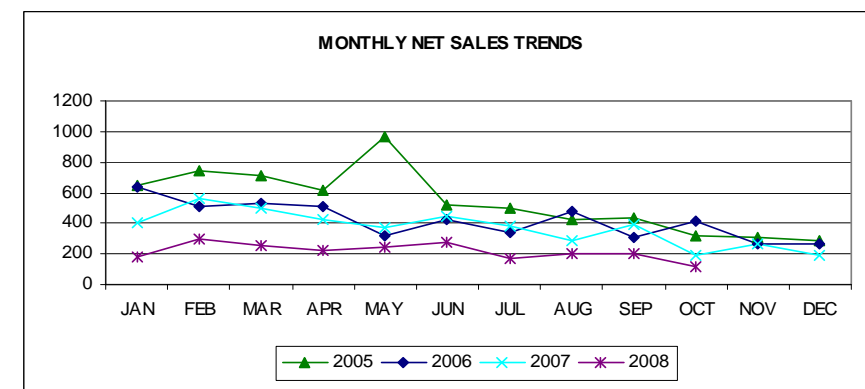
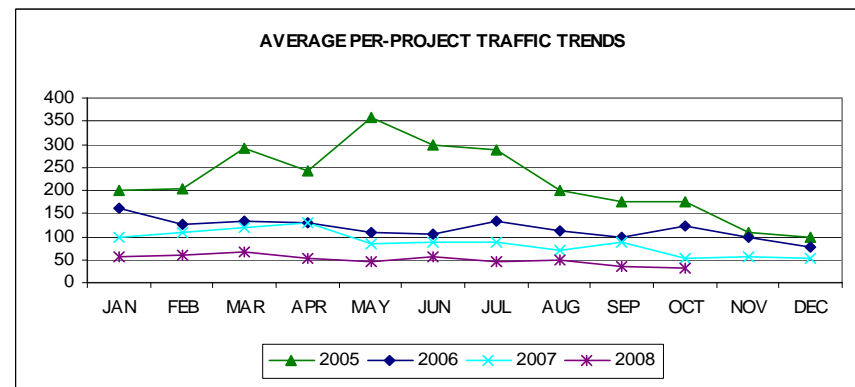
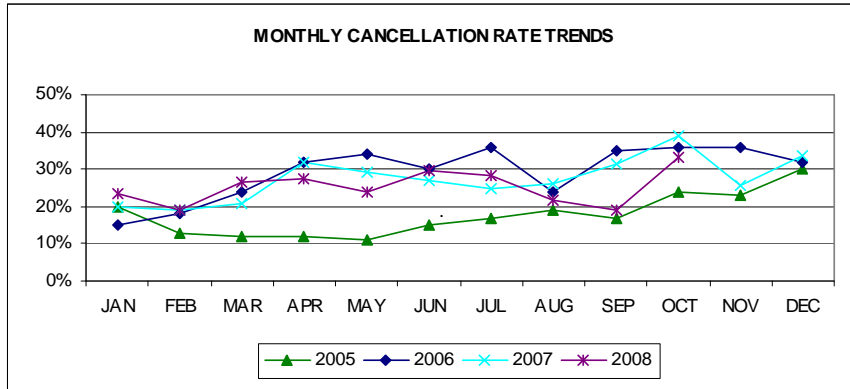
Net Sales Trends



NET SALES SUMMARY

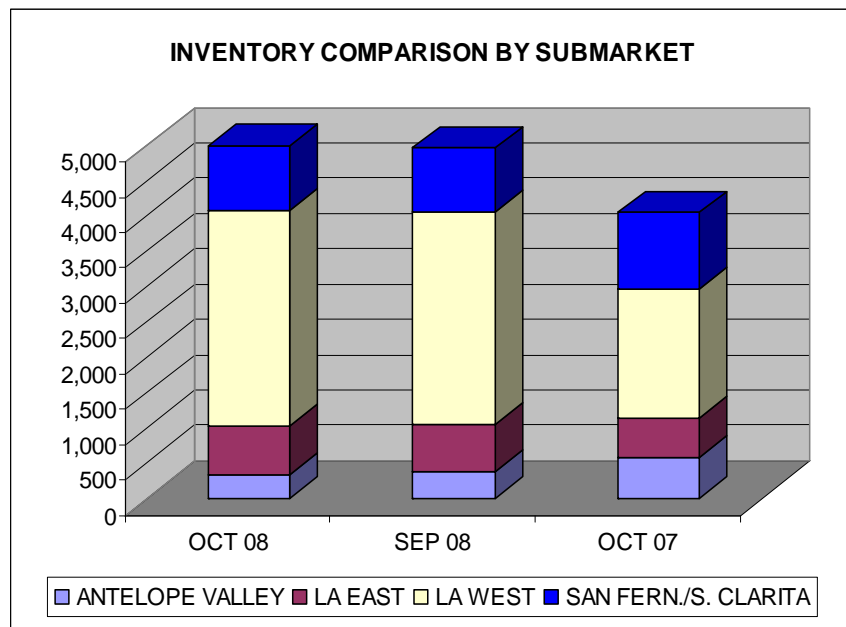
SUBMARKET	OCT 08	% TOTAL	SLS/PR	SEP 08	CHG	% CHG	OCT 07	CHG	% CHG
ANTELOPE VALLEY	20	18%	0.33	36	-16	-44%	70	-50	-71%
LA EAST	4	4%	0.07	22	-18	-82%	15	-11	-73%
LA WEST	49	43%	0.40	79	-30	-38%	35	14	40%
SAN FERN./S. CLARITA	40	35%	0.44	61	-21	-34%	71	-31	-44%
TOTALS	113	100%	0.34	198	-85	-43%	191	-78	-41%

Key Statistics Summary



KEY STATISTICS	CANCELLATION %			CONVERSION RATE			MONTHS OF INVENTORY		
	OCT 08	SEP 08	OCT 07	OCT 08	SEP 08	OCT 07	OCT 08	SEP 08	OCT 07
ANTELOPE VALLEY	44%	27%	44%	1.22%	1.97%	1.42%	16.65	10.56	8.33
LA EAST	60%	19%	21%	0.14%	0.69%	0.34%	174.50	30.50	36.80
LA WEST	31%	12%	58%	1.54%	1.92%	0.77%	62.43	38.15	52.57
SAN FERN./S. CLARITA	23%	22%	17%	1.35%	1.63%	1.70%	22.70	14.69	15.14
TOTALS	33%	19%	39%	1.07%	1.54%	1.06%	44.23	25.06	21.20

Inventory Trends



INVENTORY SUMMARY									
SUBMARKET	OCT 08	% TOTAL	INV/PR	SEP 08	CHG	% CHG	OCT 07	CHG	% CHG
ANTELOPE VALLEY	333	7%	5.55	380	-47	-12%	583	-250	-43%
LA EAST	698	14%	12.25	671	27	4%	552	146	26%
LA WEST	3,059	61%	24.87	3,014	45	1%	1,840	1,219	66%
SAN FERN./S. CLARITA	908	18%	9.98	896	12	1%	1,075	-167	-16%
TOTALS	4,998	100%	15.10	4,961	37	1%	4,050	948	23%

Best Sellers & New Projects for the Month

OCTOBER 2008 BEST SELLERS

PROJECT	OCT SALES	PRICE	SQ FT	\$/SQ FT	LOT/DENSITY
BUILDER	YTD SALES	RANGE	RANGE	RANGE	LOCATION
ANTELOPE VALLEY					
SONOMA RANCH	5	\$394,000	3,096	\$127	13,000
PULTE RANCH	24	\$434,000	3,604	\$120	PALMDALE
TIERRA DEL SOL	4	\$185,490	1,350	\$137	6,700
KB HOME	50	\$221,490	1,945	\$114	LANCASTER
CENTRAL LA/SOUTH BAY					
LAKEWOOD ESTATES AT GORDON RANCH	21	\$649,900	2,267	\$287	4,000
ARCIERO & SONS	27	\$699,900	2,580	\$271	LAKEWOOD
BREAKWATER VILLAGE	5	\$309,900	819	\$378	N/A
ANASTASI DEVELOPMENT	62	\$499,900	1,243	\$402	REDONDO BEACK
SAN FERNANDO/SANTA CLARITA					
LAS BRISAS AT ALDEA	7	\$320,470	1,249	\$257	N/A
S&S CONSTRUCTION/SHAPELL INDUSTRIES	14	\$476,300	1,641	\$290	NORTHRIDGE
ESPERTO	5	\$319,000	1,219	\$262	N/A
LENNAR HOMES	11	\$414,000	1,626	\$255	VALENCIA
SAN GABRIEL/POMONA VALLEY					
FAIR OAKS WALK	3	\$289,990	1,548	\$187	2,000
OLSON COMPANY, THE	26	\$320,000	1,741	\$184	POMONA
COBBLESTONE	1	\$299,900	1,616	\$186	N/A
WATT COMMUNITIES	10	\$350,000	1,684	\$208	POMONA
LOS ANGELES COUNTY NEW PROJECTS					
PROJECT	OCT SALES	PRICE	SQ FT	\$/SQ FT	LOT/DENSITY
BUILDER	YTD SALES	RANGE	RANGE	RANGE	LOCATION

Year-to-Date Best Sellers

2008 BEST SELLERS					
PROJECT	YTD SALES	PRICE	SQ FT	\$/SQ FT	LOT/DENSITY
BUILDER	OCT SALES	RANGE	RANGE	RANGE	LOCATION
ANTELOPE VALLEY					
VINEYARDS (THE)	71	\$180,490	1,516	\$119	N/A
KB HOME	1	\$206,990	2,044	\$101	PALMDALE
TIERRA DEL SOL	50	\$185,490	1,350	\$137	6,700
KB HOME	4	\$221,490	1,945	\$114	LANCASTER
CENTRAL LA/SOUTH BAY					
RITZ-CARLTON RESIDENCES AT LA LIVE	138	\$1,400,000	1,026	\$1,365	N/A
AEG	0	\$4,400,000	2,242	\$1,963	LOS ANGELES
BREAKWATER VILLAGE	62	\$309,900	819	\$378	N/A
ANASTASIC DEVELOPMENT	5	\$499,900	1,243	\$402	REDONDO BEACH
SAN FERNANDO/SANTA CLARITA					
CORTILE	32	\$385,900	928	\$416	1,500
S&S CONSTRUCTION/SHAPELL INDUSTRIES	0	\$476,900	1,374	\$347	PORTER RANCH
MILESTONE	31	\$399,000	1,520	\$263	3,000
CENTEX HOMES	2	\$520,786	2,321	\$224	SANTA CLARITA
SAN GABRIEL/POMONA VALLEY					
VERANDA CREST	36	\$349,900	1,771	\$198	1,000
COMSTOCK HOMES	0	\$394,900	1,805	\$219	PICO RIVERA
ENTOURAGE	34	\$264,900	410	\$646	N/A
SILVERSTONE COMMUNITIES	0	\$499,900	768	\$651	BURBANK

The New Home Report is published monthly for the counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Ventura, as well as for Southern California overall. All data is proprietary and is derived from weekly surveys conducted by Hanley Wood. All text, tables, and graphs are the property of Hanley Wood and may not be copied, scanned or otherwise duplicated or distributed without the express written consent of the publishers. The information contained herein has been obtained from sources we deem reliable. While we have no reason to doubt its accuracy, we do not guarantee it.

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