

THE 2006 ANNUAL REAL ESTATE REPORT

LOCAL MARKET TRENDS



Pacific Union

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CONTRA COSTA COUNTY

Average Price for Homes Gains 1.7% in 2006

The average price for single-family homes in Contra Costa County gained 1.7% last year to \$927,476, after rising 17.4% in 2005. The average price peaked in June at \$1,006,058 before falling to its low for the year in December of \$830,902.

Home sales were down for the second year in a row, dropping 14.4%.

The average price for condos rose 0.4% to \$469,626, while sales fell 15.0%.

2007 Forecast

Let's start by examining last year's predictions.

First, the National Association of Realtors:

- national sales to drop 3.7%, 2006 to be second best year ever,
- median home price to increase by 6.1%, and
- mortgage rates to increase, will be 6.6% at the end of 2006.

National sales dropped 9% in 2006, which made it the third best year ever,

the median national home price for 2006 rose 1.4% to \$222,600 and 30-year fixed mortgage rates ended the year at 6.11%, according to Freddie Mac.

Next, the California Association of Realtors:

- California sales to decline by 2% in 2006,
- median home price to increase by 10%, and
- mortgage rates to be in the low- to mid-7%.

Sales plummeted 23% and the median price of a California home gained 7%.

The real estate report predicted:

- sales will decline 2-5%,
- the median home price will gain 5-10%, and
- mortgage rates will approach 7%.

Sales dropped 14.4%, prices rose 1.7% and mortgage rates ended the year near their historical lows.

O.K., let's see what everyone is predicting for this year.

First, the National Association of Realtors:

- national sales will be comparable to 2006,
- median home price to increase by 1%,
- and mortgage rates to increase, will be 6.7% at the end of 2007.

Next, the California Association of Realtors:

- California sales to decline by 7% in 2007,
- median home price to decline by 2%.

Now, what do we think is going to happen in Contra Costa County this year:

- sales will turn around and rise 5-10%,
- the median home price will be flat, and
- mortgage rates will approach 6.5%.

Inside this issue are Annual statistics for:

- CONTRA COSTA COUNTY
- ALAMO
- BLACKHAWK
- CLAYTON
- CONCORD
- DANVILLE
- DIABLO
- LAFAYETTE
- MARTINEZ
- MORAGA
- ORINDA
- PLEASANT HILL
- ROSSMOOR
- SAN RAMON
- WALNUT CREEK

C.A.R.'s California Housing Market Forecast for 2007

Cooling home sales, modest price decrease next year

The rate of home price appreciation will post a modest decline next year following several years of steep increases, while the sales pace will decrease as the market stabilizes throughout 2007, according to the CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) "2007 California Housing Market Forecast" released today. The forecast will be presented this afternoon during the California

REALTOR® EXPO 2006 (www.realtorexpo.org), running from Oct. 17 – 19 at the Long Beach Convention Center in Long Beach, Calif. The trade show attracts more than 12,000 attendees and is the largest state real estate trade show in the nation.

The median home price in California will decline 2 percent to \$550,000 in 2007 compared with a projected median of \$561,000 this year, while sales for 2007 are projected to decrease 7

percent to 447,500 units, compared with 481,200 units (projected) in 2006.

"The housing market clearly downshifted in 2006 from the record-setting sales and robust price gains of the last few years," said C.A.R. President Vince Malta. "The residential real estate market in 2006 was characterized by a gap between buyer and seller expectations. Sellers sensed that the peak of the market was approaching, yet still hoped to obtain the highest possible prices. Buyers' sense of ur

(Continued on page 9)

CONTRA COSTA COUNTY STATISTICS



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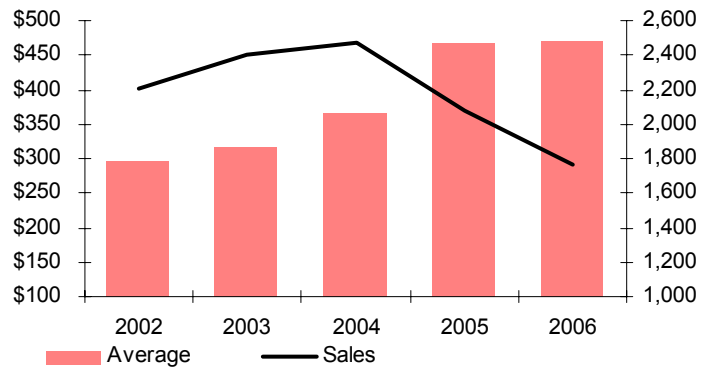
Contra Costa County (Single Family Homes)				
	Units Sold	Average Price	% Change	
			Sales	Price
2002	5,654	\$622,138		
2003	4,250	\$853,270	-24.8%	37.2%
2004	5,905	\$776,929	38.9%	-8.9%
2005	4,909	\$912,377	-16.9%	17.4%
2006	4,204	\$927,476	-14.4%	1.7%

Contra Costa County (Condos/Town Homes)				
	Units Sold	Average Price	% Change	
			Sales	Price
2002	2,210	\$297,963		
2003	2,407	\$318,045	8.9%	6.7%
2004	2,474	\$365,945	2.8%	15.1%
2005	2,080	\$467,851	-15.9%	27.8%
2006	1,768	\$469,626	-15.0%	0.4%

County Homes: Prices & Sales (\$000's)



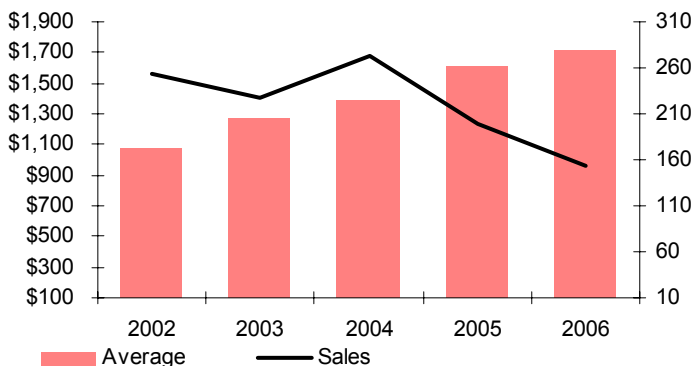
County Condos: Prices & Sales (\$000's)



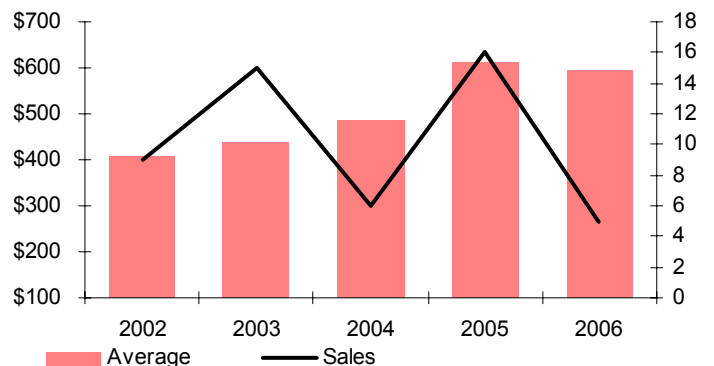
Alamo (Single Family Homes)				
	Units Sold	Average Price	% Change	
			Sales	Price
2002	253	\$1,074,648		
2003	227	\$1,267,942	-10.3%	18.0%
2004	272	\$1,395,250	19.8%	10.0%
2005	199	\$1,612,885	-26.8%	15.6%
2006	154	\$1,719,051	-22.6%	6.6%

Alamo (Condos/Town Homes)				
	Units Sold	Average Price	% Change	
			Sales	Price
2002	9	\$407,183		
2003	15	\$437,427	66.7%	7.4%
2004	6	\$488,158	-60.0%	11.6%
2005	16	\$611,563	166.7%	25.3%
2006	5	\$597,400	-68.8%	-2.3%

Alamo Homes: Prices & Sales (\$000's)



Alamo Condos: Prices & Sales (\$000's)



CONTRA COSTA COUNTY STATISTICS



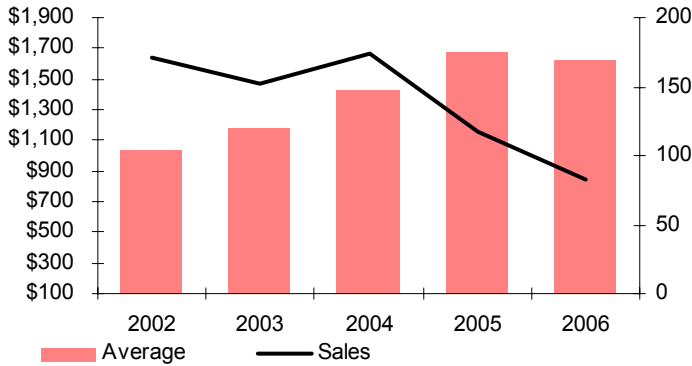
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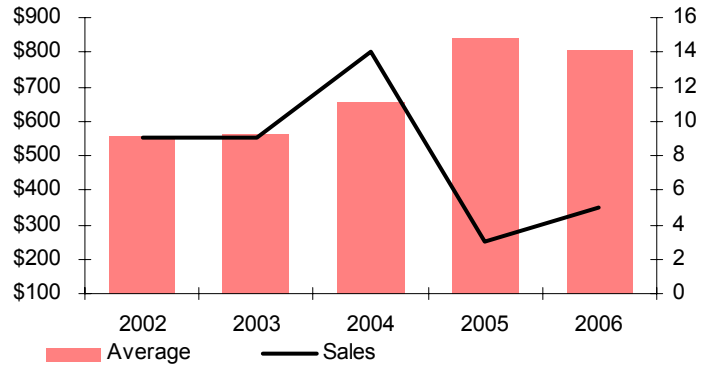
Blackhawk (Single Family Homes)				
	Units Sold	Average Price	% Change	
			Sales	Price
2002	171	\$1,033,870		
2003	152	\$1,186,634	-11.1%	14.8%
2004	174	\$1,432,776	14.5%	20.7%
2005	118	\$1,673,870	-32.2%	16.8%
2006	82	\$1,626,146	-30.5%	-2.9%

Blackhawk (Condos/Town Homes)				
	Units Sold	Average Price	% Change	
			Sales	Price
2002	9	\$560,278		
2003	9	\$565,461	0.0%	0.9%
2004	14	\$653,688	55.6%	15.6%
2005	3	\$844,667	-78.6%	29.2%
2006	5	\$807,780	66.7%	-4.4%

Blackhawk Homes: Prices & Sales (\$000's)



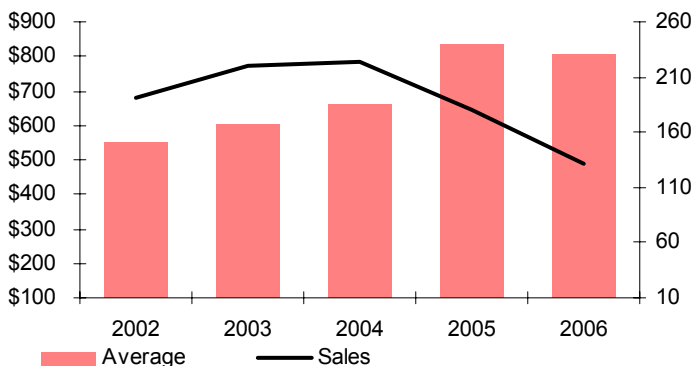
Blackhawk Condos: Prices & Sales (\$000's)



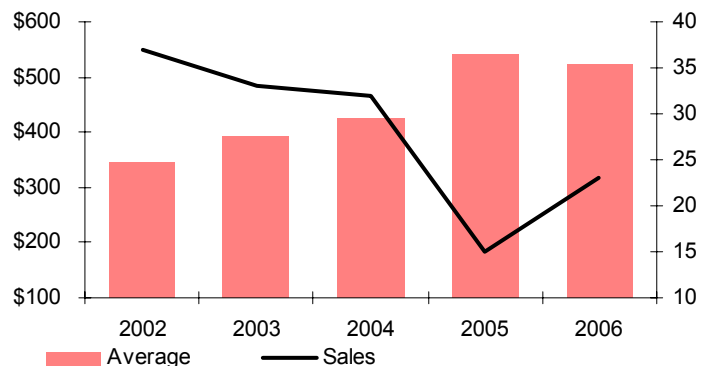
Clayton (Single Family Homes)				
	Units Sold	Average Price	% Change	
			Sales	Price
2002	191	\$551,106		
2003	221	\$604,062	15.7%	9.6%
2004	223	\$660,812	0.9%	9.4%
2005	180	\$837,705	-19.3%	26.8%
2006	131	\$809,865	-27.2%	-3.3%

Clayton (Condos/Town Homes)				
	Units Sold	Average Price	% Change	
			Sales	Price
2002	37	\$345,778		
2003	33	\$394,359	-10.8%	14.0%
2004	32	\$427,737	-3.0%	8.5%
2005	15	\$540,593	-53.1%	26.4%
2006	23	\$522,500	53.3%	-3.3%

Clayton Homes: Prices & Sales (\$000's)



Clayton Condos: Prices & Sales (\$000's)



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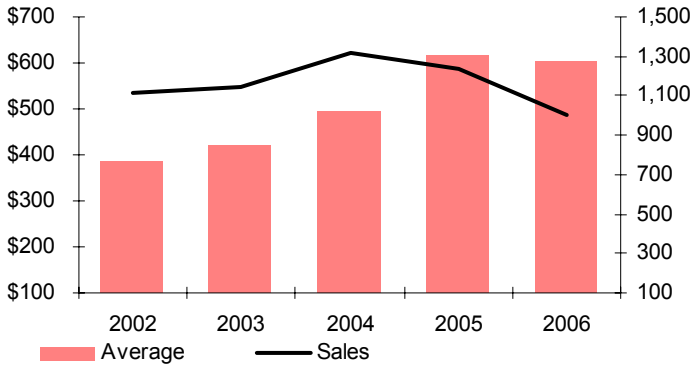
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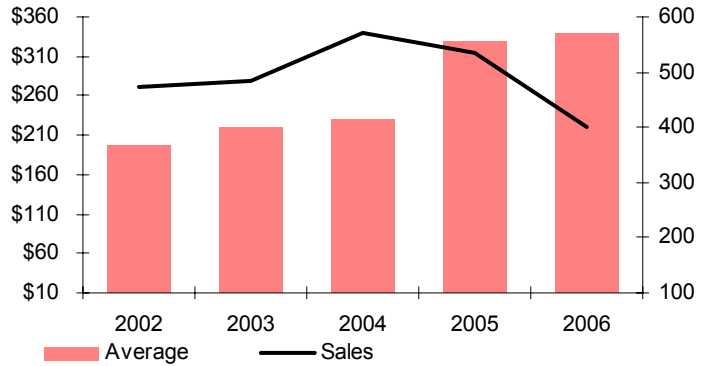
Concord (Single Family Homes)				
	Units Sold	Average Price	% Change	
			Sales	Price
2002	1,114	\$385,086		
2003	1,145	\$421,383	2.8%	9.4%
2004	1,321	\$496,355	15.4%	17.8%
2005	1,232	\$618,270	-6.7%	24.6%
2006	1,001	\$605,956	-18.8%	-2.0%

Concord (Condos/Town Homes)				
	Units Sold	Average Price	% Change	
			Sales	Price
2002	474	\$196,485		
2003	483	\$221,260	1.9%	12.6%
2004	572	\$231,058	18.4%	4.4%
2005	534	\$329,069	-6.6%	42.4%
2006	400	\$338,492	-25.1%	2.9%

Concord Homes: Prices & Sales (\$000's)



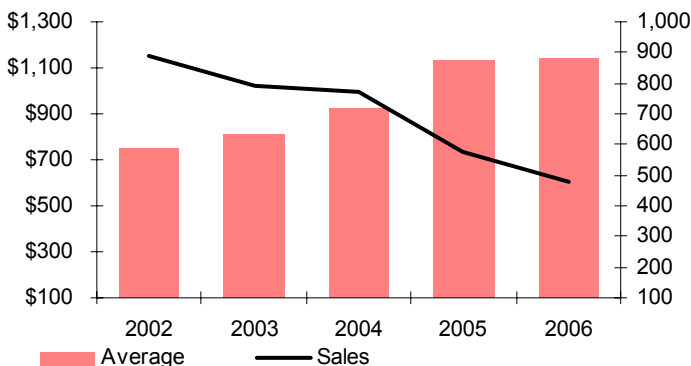
Concord Condos: Prices & Sales (\$000's)



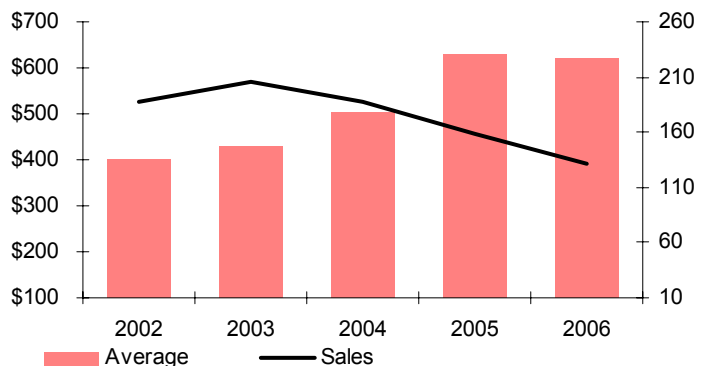
Danville (Single Family Homes)				
	Units Sold	Average Price	% Change	
			Sales	Price
2002	889	\$754,109		
2003	790	\$813,389	-11.1%	7.9%
2004	774	\$926,047	-2.0%	13.9%
2005	578	\$1,135,562	-25.3%	22.6%
2006	480	\$1,143,267	-17.0%	0.7%

Danville (Condos/Town Homes)				
	Units Sold	Average Price	% Change	
			Sales	Price
2002	187	\$398,456		
2003	205	\$429,559	9.6%	7.8%
2004	188	\$505,109	-8.3%	17.6%
2005	158	\$630,485	-16.0%	24.8%
2006	131	\$622,254	-17.1%	-1.3%

Danville Homes: Prices & Sales (\$000's)



Danville Condos: Prices & Sales (\$000's)



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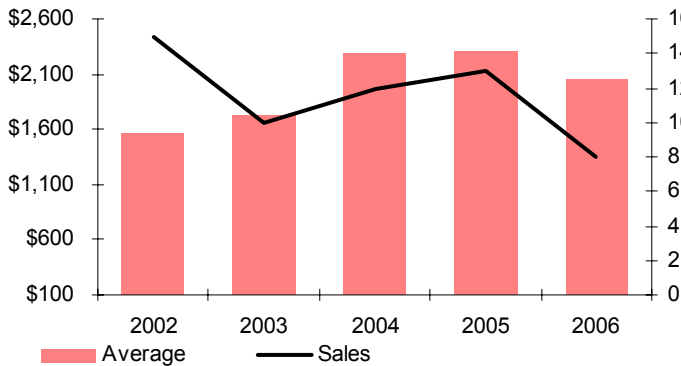
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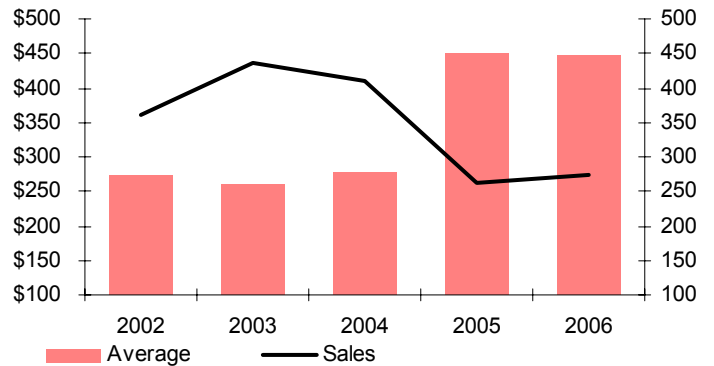
Diablo (Single Family Homes)				
	Units Sold	Average Price	% Change	
			Sales	Price
2002	15	\$1,571,334		
2003	10	\$1,725,900	-33.3%	9.8%
2004	12	\$2,289,792	20.0%	32.7%
2005	13	\$2,315,250	8.3%	1.1%
2006	8	\$2,049,688	-38.5%	-11.5%

Rossmoor (Condos/Town Homes)				
	Units Sold	Average Price	% Change	
			Sales	Price
2002	361	\$273,245		
2003	435	\$259,853	20.5%	-4.9%
2004	409	\$277,745	-6.0%	6.9%
2005	262	\$449,724	-35.9%	61.9%
2006	274	\$446,644	4.6%	-0.7%

Diablo Homes: Prices & Sales (\$000's)



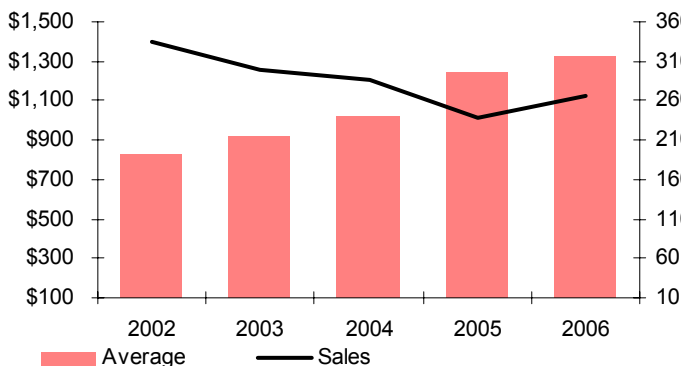
Rossmoor Condos: Prices & Sales (\$000's)



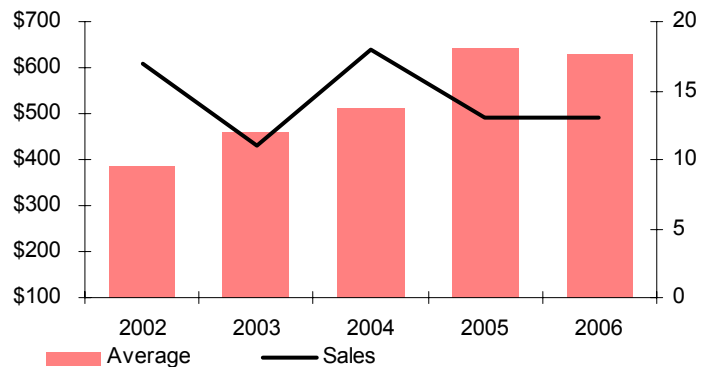
Lafayette (Single Family Homes)				
	Units Sold	Average Price	% Change	
			Sales	Price
2002	335	\$833,093		
2003	299	\$920,718	-10.7%	10.5%
2004	287	\$1,026,158	-4.0%	11.5%
2005	238	\$1,245,254	-17.1%	21.4%
2006	267	\$1,329,525	12.2%	6.8%

Lafayette (Condos/Town Homes)				
	Units Sold	Average Price	% Change	
			Sales	Price
2002	17	\$389,088		
2003	11	\$458,848	-35.3%	17.9%
2004	18	\$511,275	63.6%	11.4%
2005	13	\$644,369	-27.8%	26.0%
2006	13	\$630,115	0.0%	-2.2%

Lafayette Homes: Prices & Sales (\$000's)



Lafayette Condos: Prices & Sales (\$000's)



CONTRA COSTA COUNTY STATISTICS



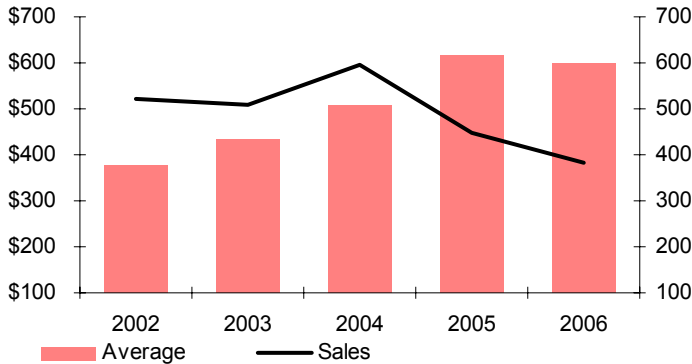
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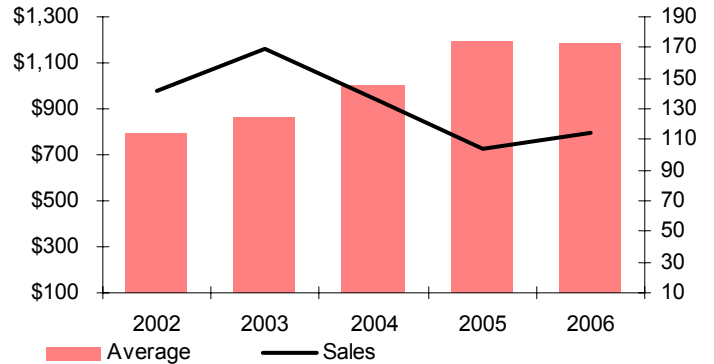
Martinez (Single Family Homes)				
	Units Sold	Average Price	% Change	
			Sales	Price
2002	521	\$376,510		
2003	509	\$434,133	-2.3%	15.3%
2004	595	\$508,810	16.9%	17.2%
2005	446	\$615,828	-25.0%	21.0%
2006	384	\$601,922	-13.9%	-2.3%

Martinez (Condos/Town Homes)				
	Units Sold	Average Price	% Change	
			Sales	Price
2002	153	\$259,590		
2003	179	\$295,399	17.0%	13.8%
2004	175	\$352,644	-2.2%	19.4%
2005	144	\$432,392	-17.7%	22.6%
2006	89	\$434,217	-38.2%	0.4%

Martinez Homes: Prices & Sales (\$000's)



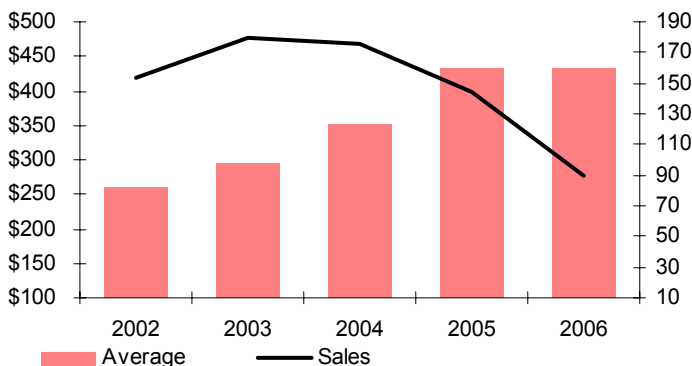
Moraga Homes: Prices & Sales (\$000's)



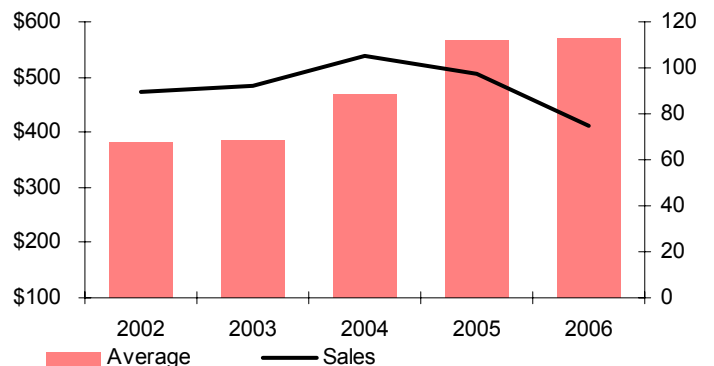
Moraga (Single Family Homes)				
	Units Sold	Average Price	% Change	
			Sales	Price
2002	142	\$794,855		
2003	169	\$864,028	19.0%	8.7%
2004	137	\$1,001,775	-18.9%	15.9%
2005	104	\$1,192,274	-24.1%	19.0%
2006	114	\$1,186,602	9.6%	-0.5%

Moraga (Condos/Town Homes)				
	Units Sold	Average Price	% Change	
			Sales	Price
2002	90	\$383,507		
2003	92	\$386,416	2.2%	0.8%
2004	105	\$469,756	14.1%	21.6%
2005	97	\$568,706	-7.6%	21.1%
2006	75	\$571,455	-22.7%	0.5%

Martinez Condos: Prices & Sales (\$000's)



Moraga Condos: Prices & Sales (\$000's)



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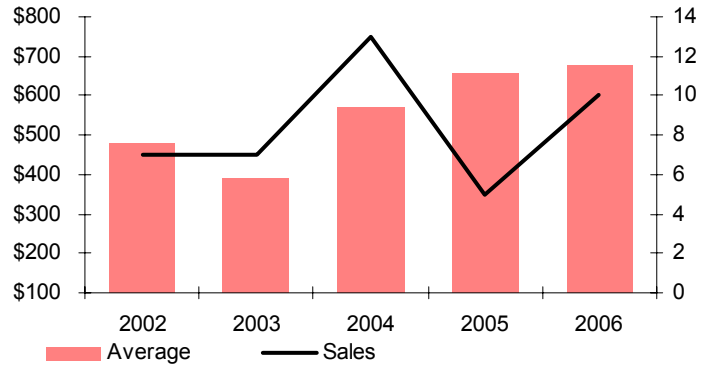
Orinda (Single Family Homes)				
	Units Sold	Average Price	% Change	
			Sales	Price
2002	248	\$848,290		
2003	283	\$1,009,453	14.1%	19.0%
2004	287	\$1,155,392	1.4%	14.5%
2005	216	\$1,268,263	-24.7%	9.8%
2006	175	\$1,368,328	-19.0%	7.9%

Orinda (Condos/Town Homes)				
	Units Sold	Average Price	% Change	
			Sales	Price
2002	7	\$480,571		
2003	7	\$389,857	0.0%	-18.9%
2004	13	\$573,077	85.7%	47.0%
2005	5	\$659,800	-61.5%	15.1%
2006	10	\$679,200	100.0%	2.9%

Orinda Homes: Prices & Sales (\$000's)



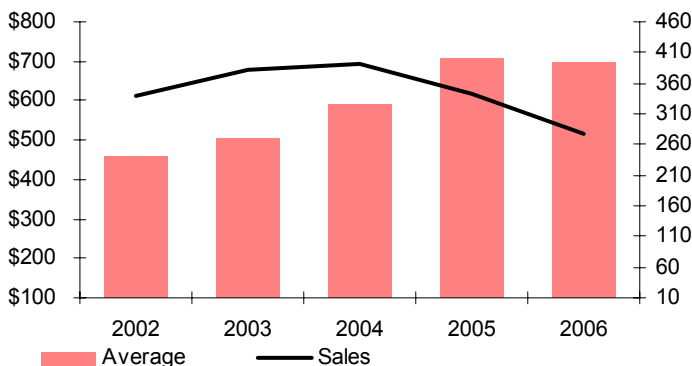
Orinda Condos: Prices & Sales (\$000's)



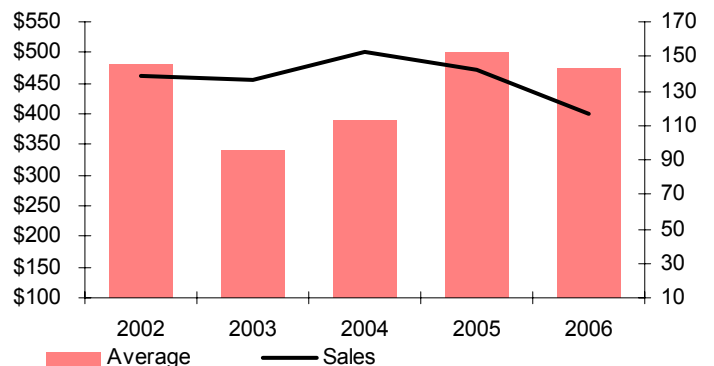
Pleasant Hill (Single Family Homes)				
	Units Sold	Average Price	% Change	
			Sales	Price
2002	339	\$458,619		
2003	381	\$505,574	12.4%	10.2%
2004	393	\$590,211	3.1%	16.7%
2005	344	\$710,863	-12.5%	20.4%
2006	277	\$700,732	-19.5%	-1.4%

Pleasant Hill (Condos/Town Homes)				
	Units Sold	Average Price	% Change	
			Sales	Price
2002	139	\$480,571		
2003	136	\$340,585	-2.2%	-29.1%
2004	153	\$391,654	12.5%	15.0%
2005	142	\$500,555	-7.2%	27.8%
2006	117	\$474,149	-17.6%	-5.3%

Pleasant Hill Homes: Prices & Sales (\$000's)



Pleasant Hill Condos: Prices & Sales (\$000's)



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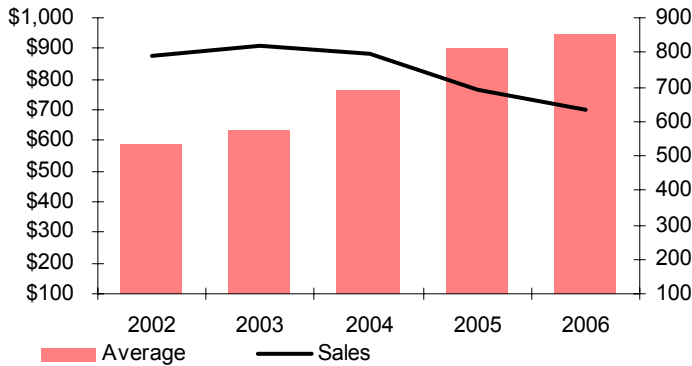
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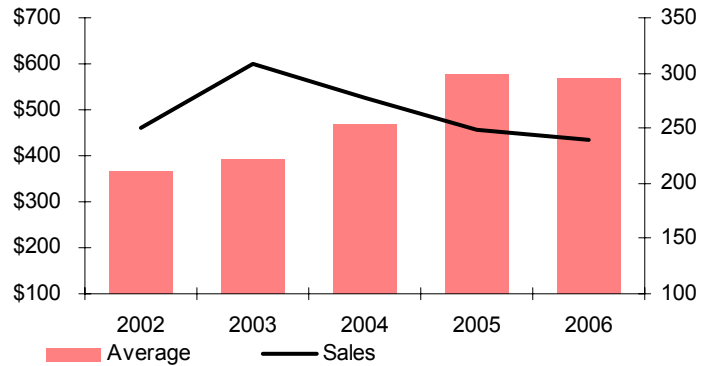
San Ramon (Single Family Homes)				
	Units Sold	Average Price	% Change	
			Sales	Price
2002	788	\$592,184		
2003	816	\$637,153	3.6%	7.6%
2004	793	\$767,072	-2.8%	20.4%
2005	690	\$902,282	-13.0%	17.6%
2006	634	\$946,150	-8.1%	4.9%

San Ramon (Condos/Town Homes)				
	Units Sold	Average Price	% Change	
			Sales	Price
2002	250	\$364,467		
2003	308	\$389,189	23.2%	6.8%
2004	278	\$469,327	-9.7%	20.6%
2005	248	\$578,067	-10.8%	23.2%
2006	240	\$571,139	-3.2%	-1.2%

San Ramon Homes: Prices & Sales (\$000's)



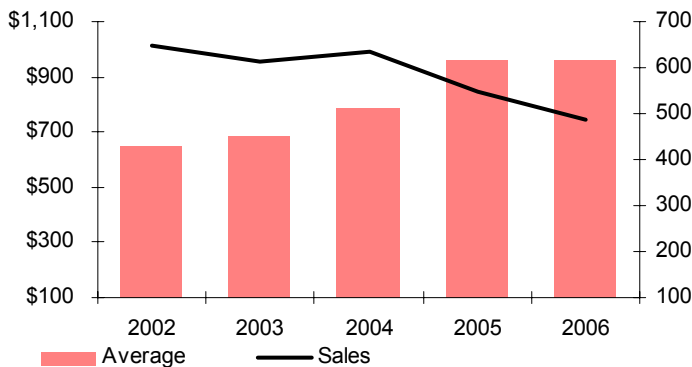
San Ramon Condos: Prices & Sales (\$000's)



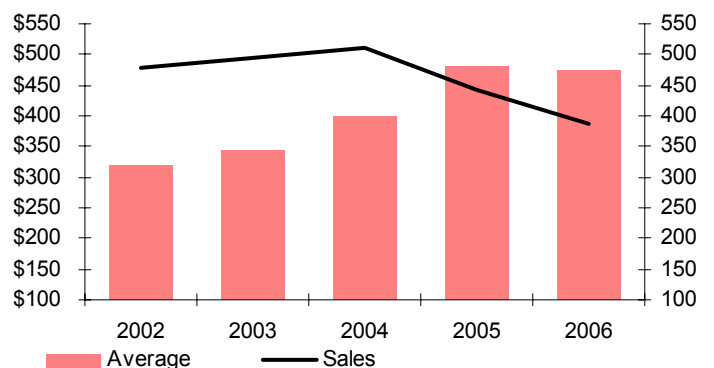
Walnut Creek (Single Family Homes)				
	Units Sold	Average Price	% Change	
			Sales	Price
2002	647	\$647,352		
2003	614	\$684,731	-5.1%	5.8%
2004	635	\$789,173	3.4%	15.3%
2005	549	\$961,404	-13.5%	21.8%
2006	485	\$965,708	-11.7%	0.4%

Walnut Creek (Condos/Town Homes)				
	Units Sold	Average Price	% Change	
			Sales	Price
2002	477	\$319,358		
2003	493	\$343,338	3.4%	7.5%
2004	511	\$401,201	3.7%	16.9%
2005	443	\$482,127	-13.3%	20.2%
2006	386	\$473,902	-12.9%	-1.7%

Walnut Creek Homes: Prices & Sales (\$000's)



Walnut Creek Homes: Prices & Sales (\$000's)



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Go online to see the full report
with the city by city breakdown:

<http://www.pacunion.com>

C.A.R.'s California Housing Market Forecast for 2007

(Continued from page 1)

gency waned as the number of homes on the market grew and they took longer to identify and subsequently purchase a home.

"Although the 2007 sales decline is not expected to be as steep as what we experienced this year, the psychology of the market -- matching the differing expectations of sellers and buyers -- will continue to be a factor as REALTORS® help consumers navigate their way through a changing market.

"While we're projecting a modest decline in the median price of a home, over the long term, residential real estate in California has been and will continue to be a solid investment.

Since 1968, the long-term average price appreciation is 9.1 percent," he said.

"While we recognized that the frenetic sales pace of the past four years could not continue indefinitely, the housing market in 2006 did not fare as well as we initially expected," said C.A.R. Vice President and Chief Economist Leslie Appleton-Young. "The anticipated slowdown that began in October 2005 was heightened by dual natural disasters in the Gulf Coast, a significant drop in consumer confidence, rising energy and raw materials costs, and a series of Federal Reserve interest rate hikes that began in June 2004. Fixed-rate mortgages also hit and passed the psychological threshold of 6 percent, while adjustable rate mortgages

passed 5 percent, ultimately causing a decline in affordability. Affordability concerns also will continue to constrain sales for many households in California throughout 2007, especially for first-time home buyers.

"Looking to 2007, we expect that some regions of the state, including the Central Valley, San Diego and Riverside/San Bernardino regions, will experience sales declines greater than the state as a whole," she said. "That also holds true for several second-home markets, including the desert areas of Southern California and the Wine Country."