Impact Forecast Analysis

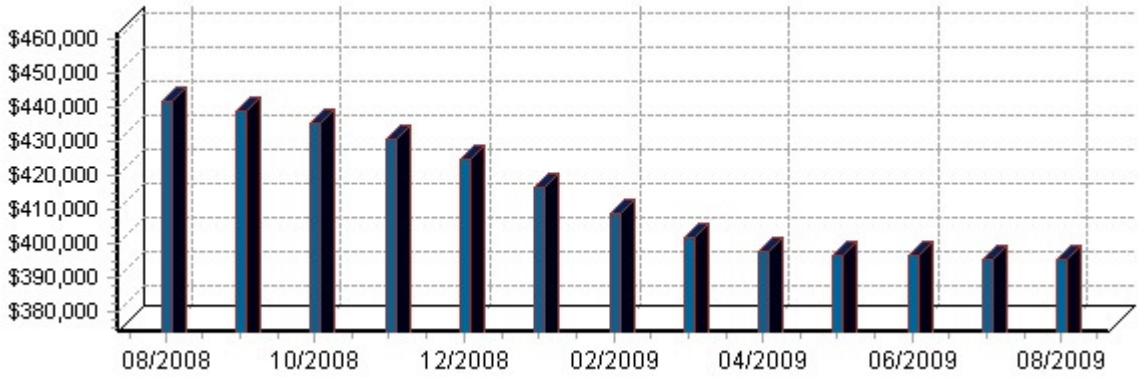
Report ID: **32325488**

Report Date: **13-JUL-2008**

SUBJECT PROPERTY:

2389 N FLANDERS ST, ORANGE, CA 92865

Impact Premium Property Value Forecast



FORECAST RANGE	FORECAST DATE	MARKET CHANGE	MARKET DIRECTION	FORECAST VALUE
--	--	--	--	$440,000
3 months	11/2008	-2.50%	↘	$429,000
6 months	02/2009	-7.50%	↘	$407,000
9 months	05/2009	-10.23%	↘	$395,000
12 months	08/2009	-10.45%	↘	$394,000

Impact Forecast indicates that market conditions for single family residential real estate will be **weak** over the next 12 months with housing prices **decreasing**.

Impact Forecast estimates are based upon an analysis of substantial econometric data on national, regional and local levels. The three most significant indicators in this specific forecast are: **(1) a function of the supply of available housing, (2) population influence, and (3) a function of the Federal Funds rate and the unemployment rate**. The modeling techniques, equations and specific indicators used to obtain the final forecasted estimates are proprietary to Impact Market Data Inc. and will not be released.

Forecast Econometric Data

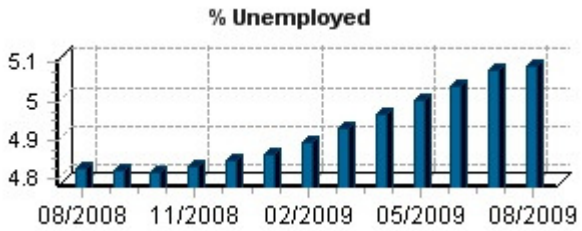
The sections below provide additional information on four metrics that are included in the overall Impact Forecast analysis specific to the subject property's location. The graphs depict future estimates and assumptions on which the final Impact Forecast results are based.

Mortgage Interest Rates

Mortgage rates available to qualified borrowers for a 30 year conforming loan.

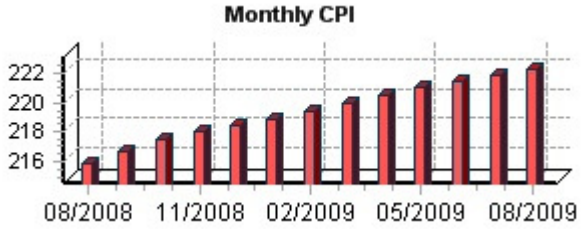
Unemployment Rate: Local

The unemployment rate, provided by the US Dept. of Labor, represents the number unemployed as a percent of the labor force.



Population Trends

Analysis of various local population metrics related to residential real estate.

Consumer Price Index (CPI-U)

The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. Base year (100) is July, 1983.