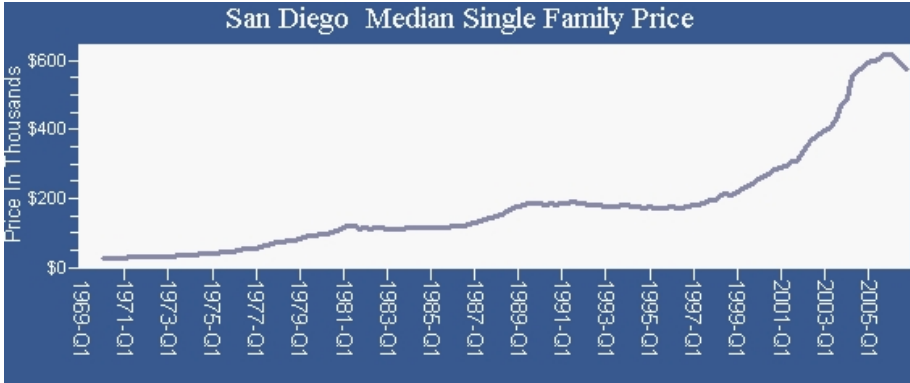
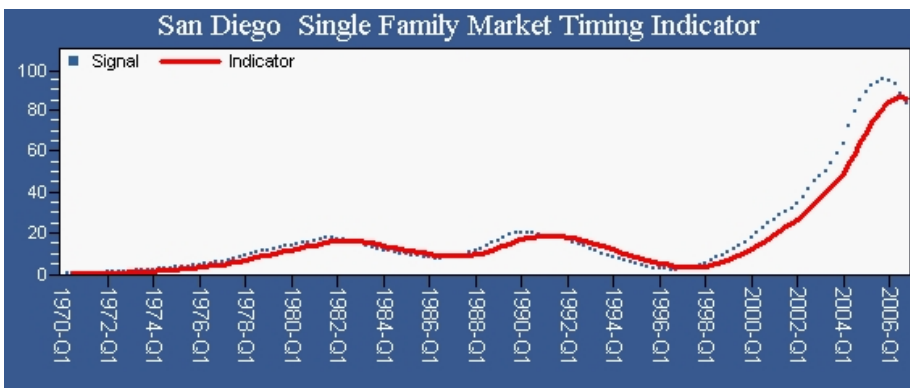


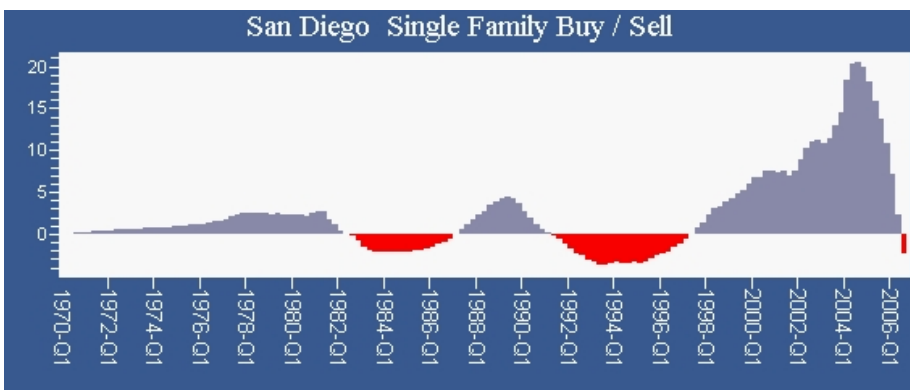
### Technicals for San Diego , CA Area



Real estate prices have historically moved in long waves with peaks occurring approximately every 10 years. Along the way, the current trends tend to be quite persistent - i.e. when prices are flat, they tend to remain flat, while when prices are rising, they tend to continue to rise.



The fact that home prices tend to be relatively smooth and move in longer period waves makes them very amenable to some well known "trend-following" indicators used in the analysis of the financial markets. In this regard, we have developed a proprietary indicator, which consists of both a "Trend" and a "Signal" component and has proven to be quite accurate in identifying optimal points to enter and exit individual real estate markets.



The most straightforward use of this indicator is to enter the market when the Buy/Sell Indicator crosses above the Zero Line (and the color turns from red to blue) and exit the market when the Buy/Sell Indicator crosses below the Zero Line (the color turns from blue to red).