

FOR IMMEDIATE RELEASE

CONSTRUCTION LENDING ACTIVITY – 1Q 2008

For-Sale Residential Delinquency Rates Now in Double Digits

OAKLAND, Calif., May 29, 2008 - Foresight Analytics has released updated figures on construction lending for 1Q 2008, showing estimates of amounts outstanding and delinquency rates by real estate product type. Some highlights are outlined below.

Outstanding Amounts

- Construction loans outstanding grew by a scant 0.4% during the first quarter, the slowest rate of growth since the first quarter of 2002.
- Residential loans outstanding contracted by a little more than 2% during the first quarter. Despite sharply lower starts and permitting activity, unsold homes are sitting on builders' balance sheets longer. Apartment and condo construction loans outstanding fell slightly as well.
- Commercial construction loans expanded by 4%, well down from the 13.8% average quarterly growth rate during 2006 and 2007.

Delinquencies

- Delinquency rates for construction loans rose to 7.2% during the first quarter, up from 5.0% at year-end 2007, and more than double the 3.2% rate in the third quarter of 2007.
- Single family and condo construction delinquency rates have shot up further, to 10.8% and 13.6% respectively, as lower prices and slower sales volume in the for-sale housing sector has negatively impacted home builders.
- Delinquency rates for apartment and non-residential commercial construction have risen at an accelerated pace, but are significantly below the rates in the for-sale housing sector. It is worth noting however, that the estimate for commercial construction delinquencies is now higher than the nearly 3% rate reached in 2001.

About Foresight Analytics

Foresight Analytics LLC is a California-based provider of real estate market consulting services. Foresight Analytics focuses on real estate market analysis and forecasting, for commercial and residential product types, in both domestic and international markets. Clients are mainly institutional investors, lenders and developers. For more information, visit www.foresightanalytics.com.

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