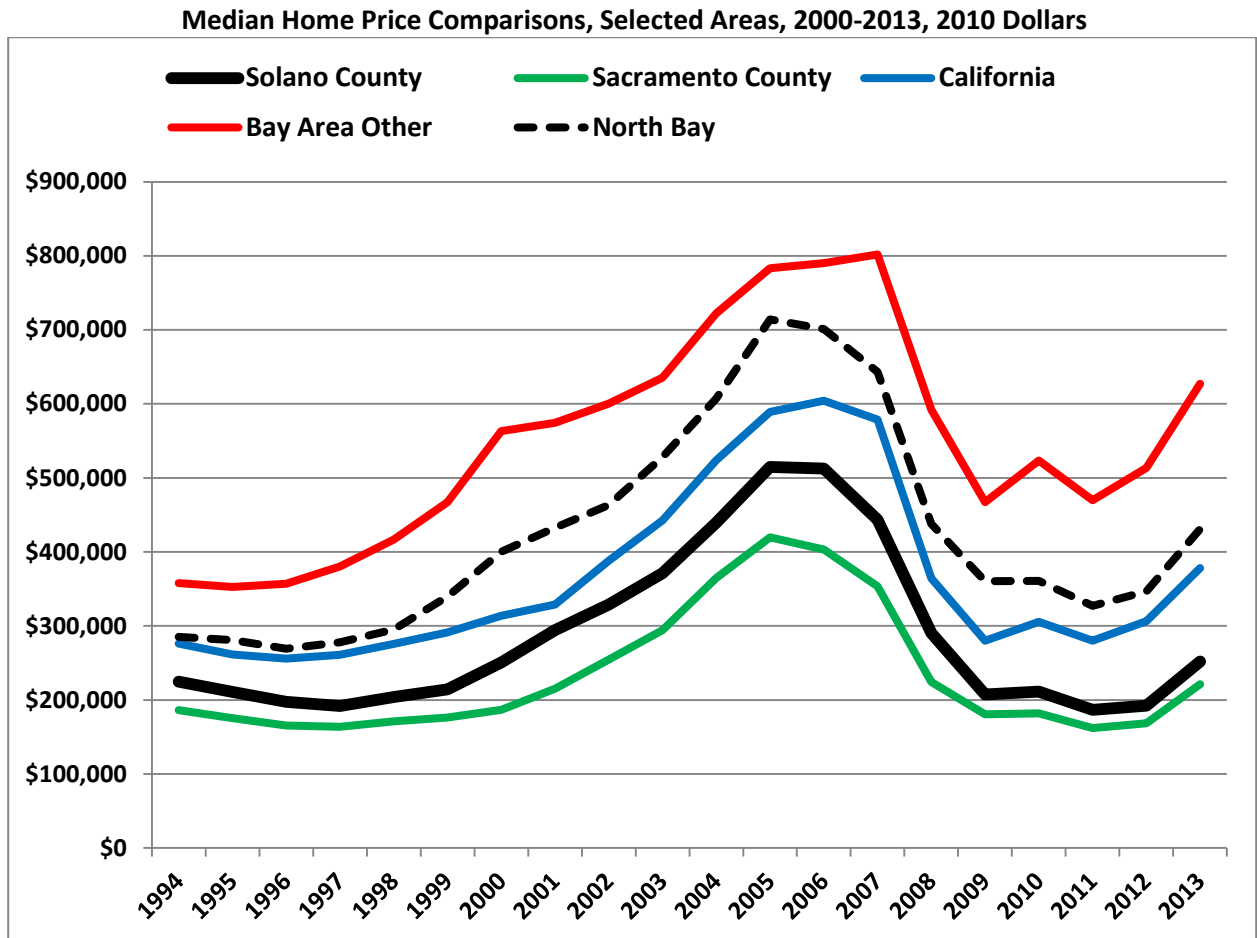


Median Home Prices

2013 was an amazing, comeback year for Solano County and regional housing markets. The entire state of California rebounded in almost every marketplace for housing. With continued income and job growth, Californians are moving back toward homeownership and median home prices rose as a result of this increase in demand. Solano County housing prices began to grow in earnest in 2012 and followed regional and state trends in 2013. The North Bay counties are seen here to be relatively expensive neighbor to Solano County; Sacramento's housing market is less expensive than Solano County's market. Solano County's median home prices are also lower than California on average.

Solano County's housing prices seem to follow Sacramento's housing market most closely. Notice the shape of change for both those markets since 2000 in the figure. The rapid increase in housing prices between 2000 and 2007 is seen in this figure also, where all regions showed relatively rapid change. The figure below shows real housing prices (with inflation removed) back to 1994 for Solano County and other selected areas.



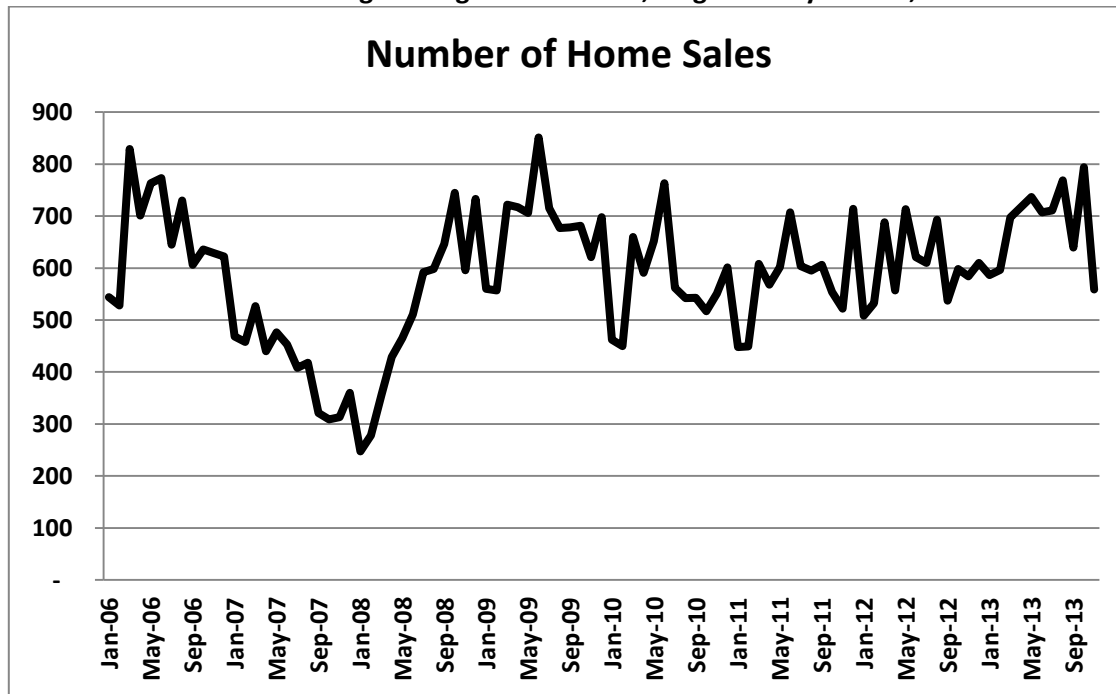
Sources: DataQuick and California Association of Realtors

Note: Sacramento County is shown here alone because there is not similar data over time for Yuba, Yolo, and Sutter counties.

Median Home Prices (cont.)

Since 2010, Solano County’s median home price grew by 31.5 percent; the lowest, monthly price – according to the California Association of Realtors – was in February 2012 at \$179,020. The median home price is now \$280,360, a 56.6 percent increase as of November 2013. For the state of California, the bottom was hit in February 2009, and median prices have grown 72 percent since that date. In Napa County, housing prices have gone up 72 percent since the trough was hit in April 2011. In Sacramento, the bottom was hit in January 2012 and prices have gone up 53 percent since.

Year on Year Percentage Change in Unit Sales, Single-Family Homes, 2006-2013



Sources: DataQuick and California Association of Realtors

TAKEAWAY: 2013 was a breakout year for residential real estate in Solano County and California, which further suggests Solano County continues to emerge from the housing recession.

WHAT IS IMPORTANT: Home prices rising are both a blessing and curse. Rising home prices increase wealth of homeowners but also reduce housing affordability.