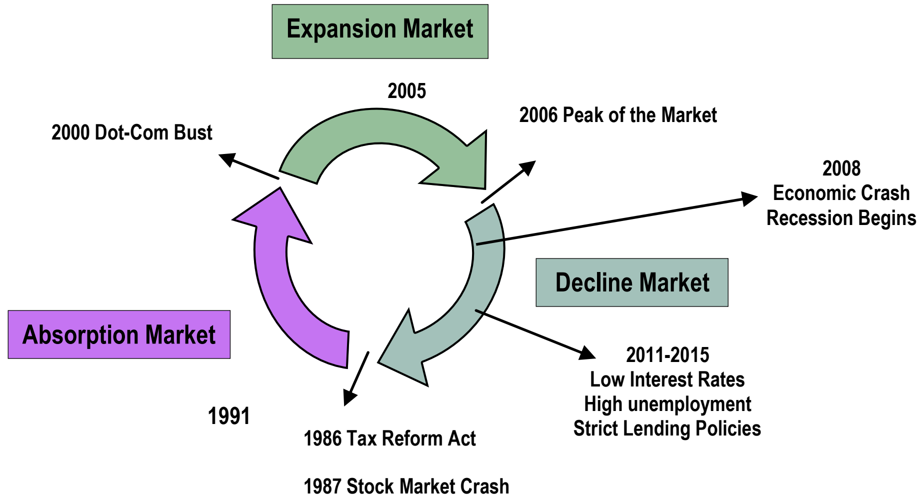
A Historical Look at The Real Estate Market Cycle and It's Implications for Market Timing



1. Start of Absorption Phase: Best time to buy a property.
2. Start of Expansion Phase: Best (safest) time to sell a property for the most return on your investment.
3. The Highest Point of Expansion before downturn and Decline Phase: The worst time to buy.

Absorption Phase: The number of properties for sale slowly decrease during this time period. The Government may start to offer incentives to stimulate buying during this phase. Unemployment stabilizes. Near the end of this phase lenders may ease some of their lending practices (i.e. lower down payments required; more flexible lending practices).

Expansion Phase: Can be characterized by a decreasing inventory of homes; competitive offers; low standards to obtain financing; low interest rates; low unemployment; frenzy of purchasing; good economy.

Decline Phase: Can be characterized by an increasing inventory of homes; banks tightening up lending practices; increased foreclosures; or unemployment rising. Economic factors: interest rates, tax law changes, catastrophic events could have an effect on depth of duration of this period.

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