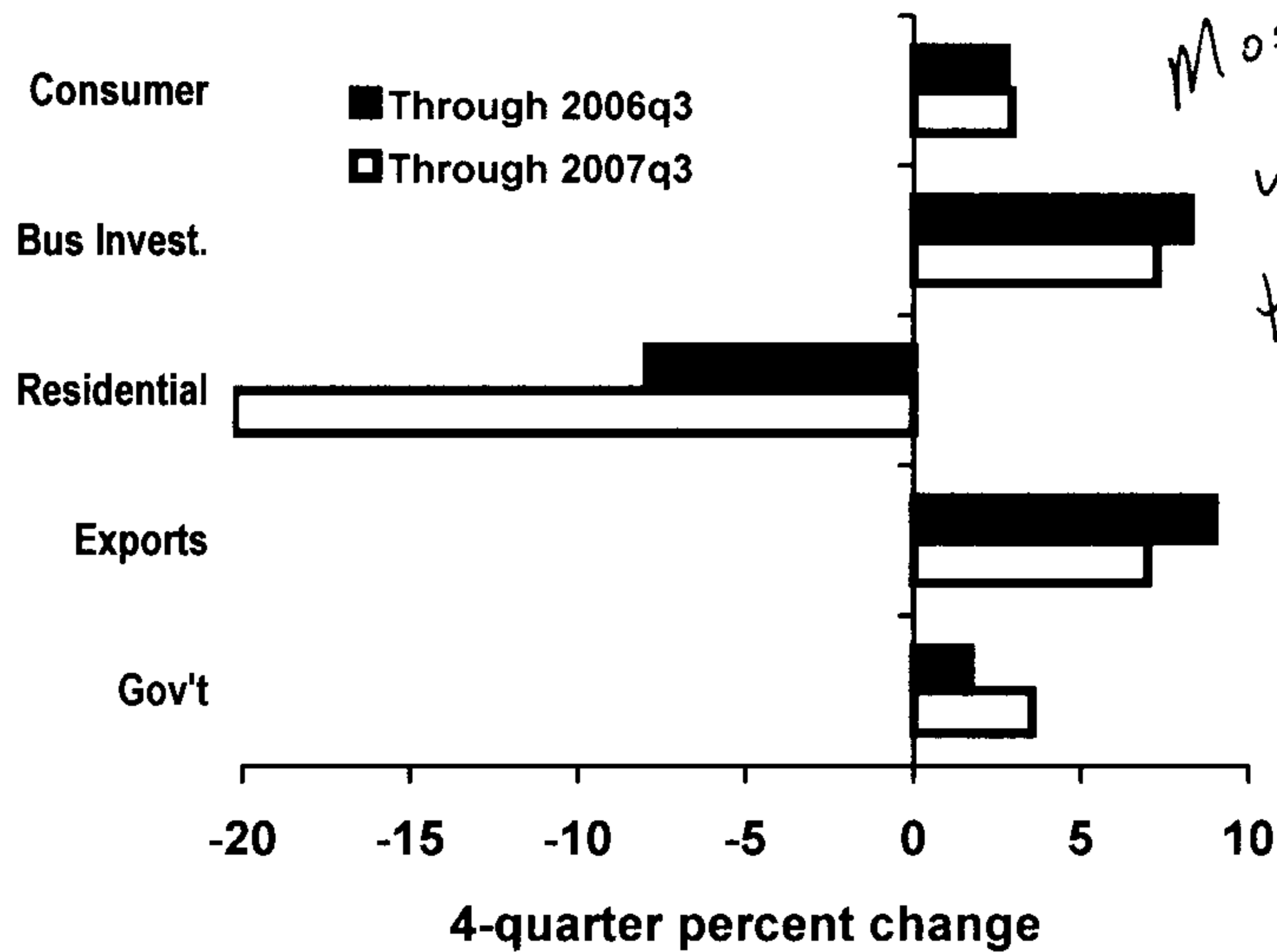
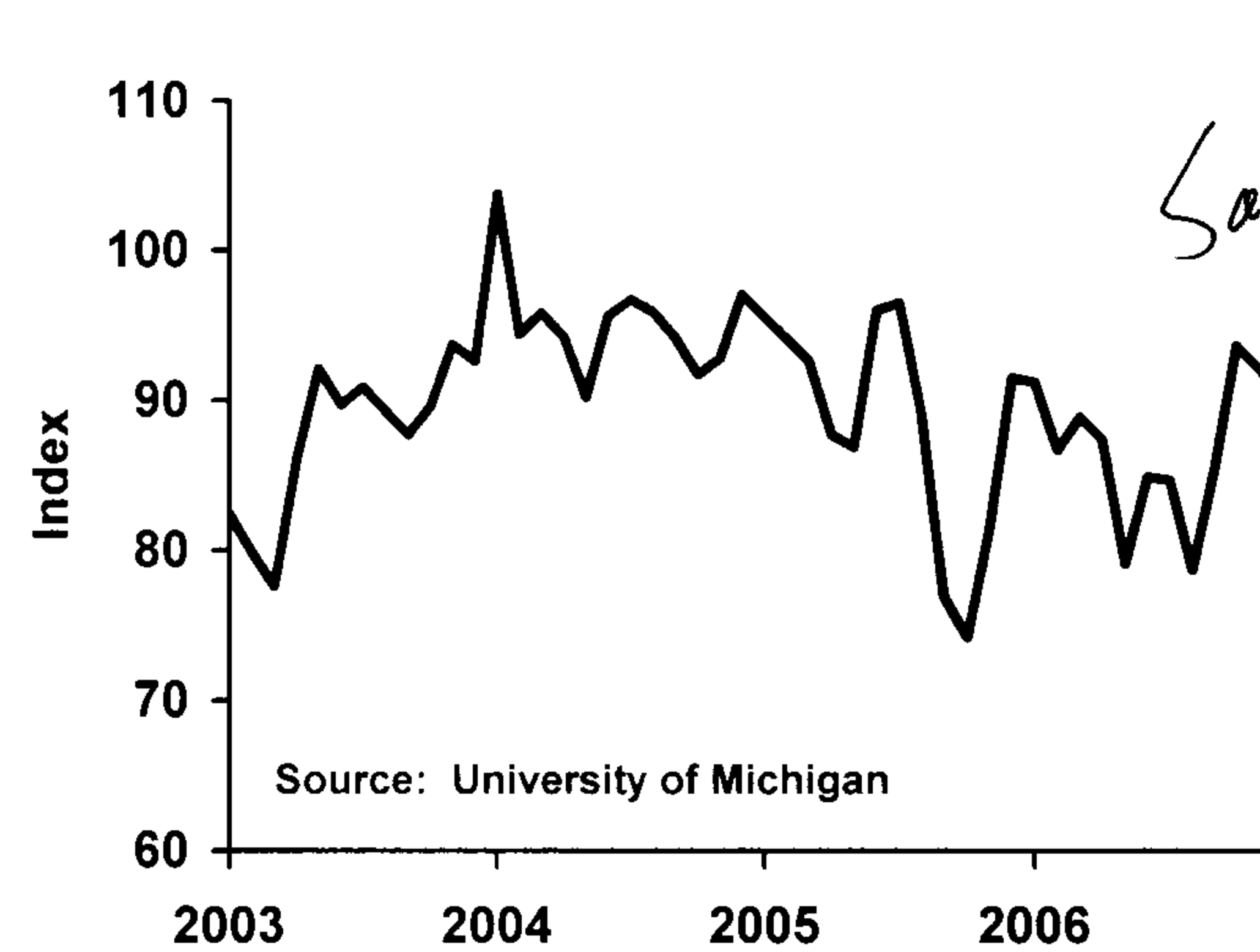


**Growth by Sector**



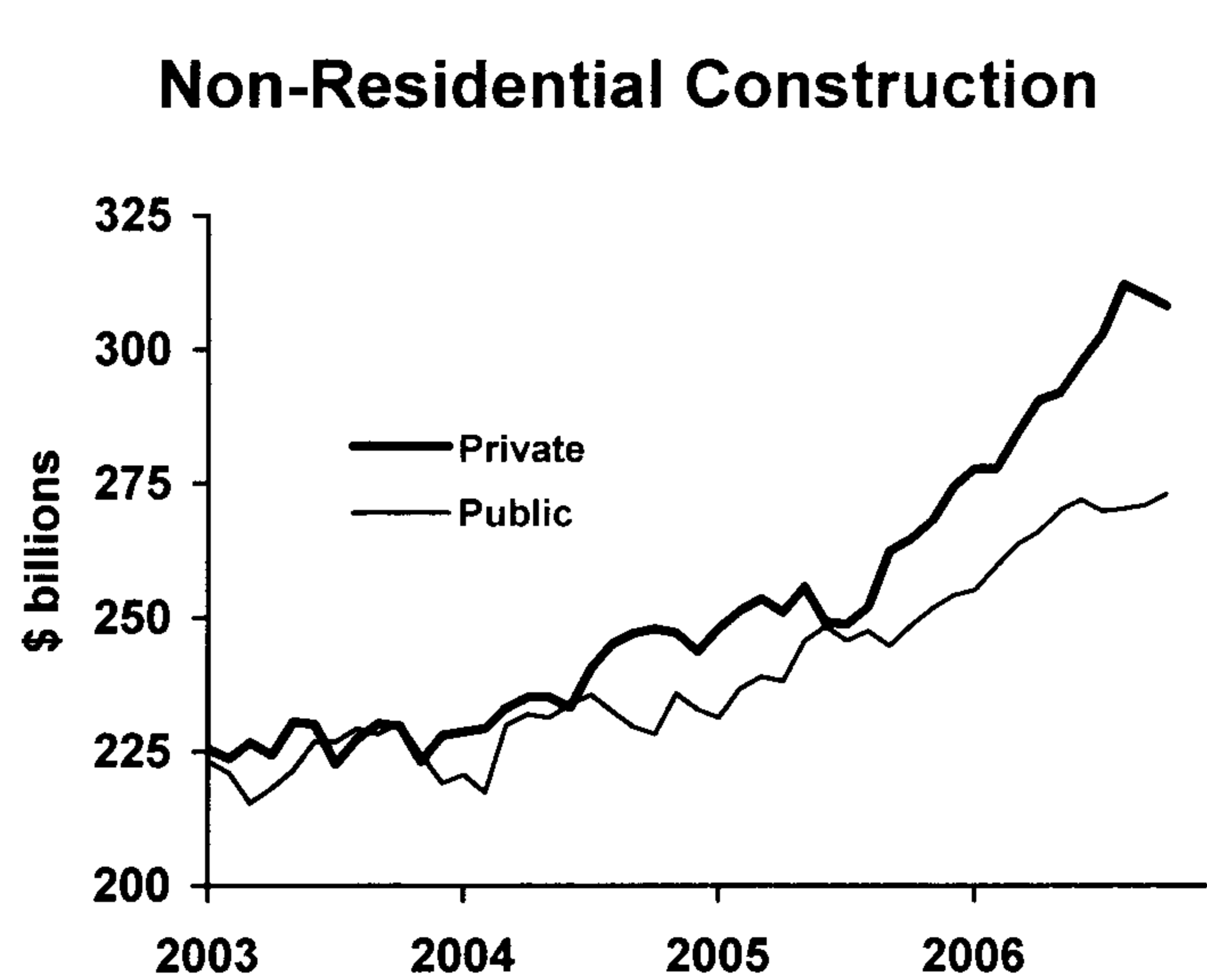
*Most sectors will look about the same next year, but housing is a real problem.*

**Consumer Sentiment**



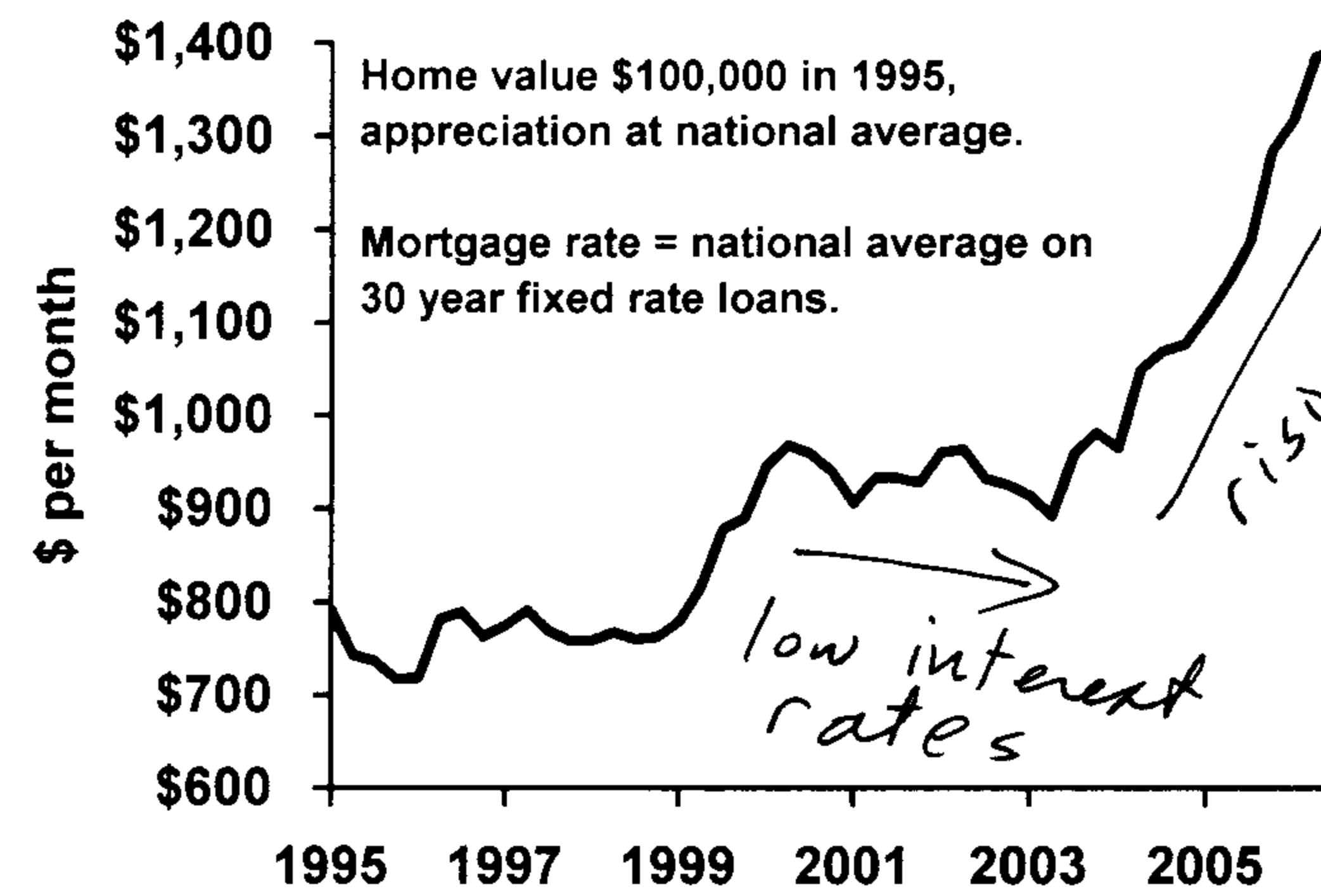
*Santa is on his way.*

**Non-Residential Construction**



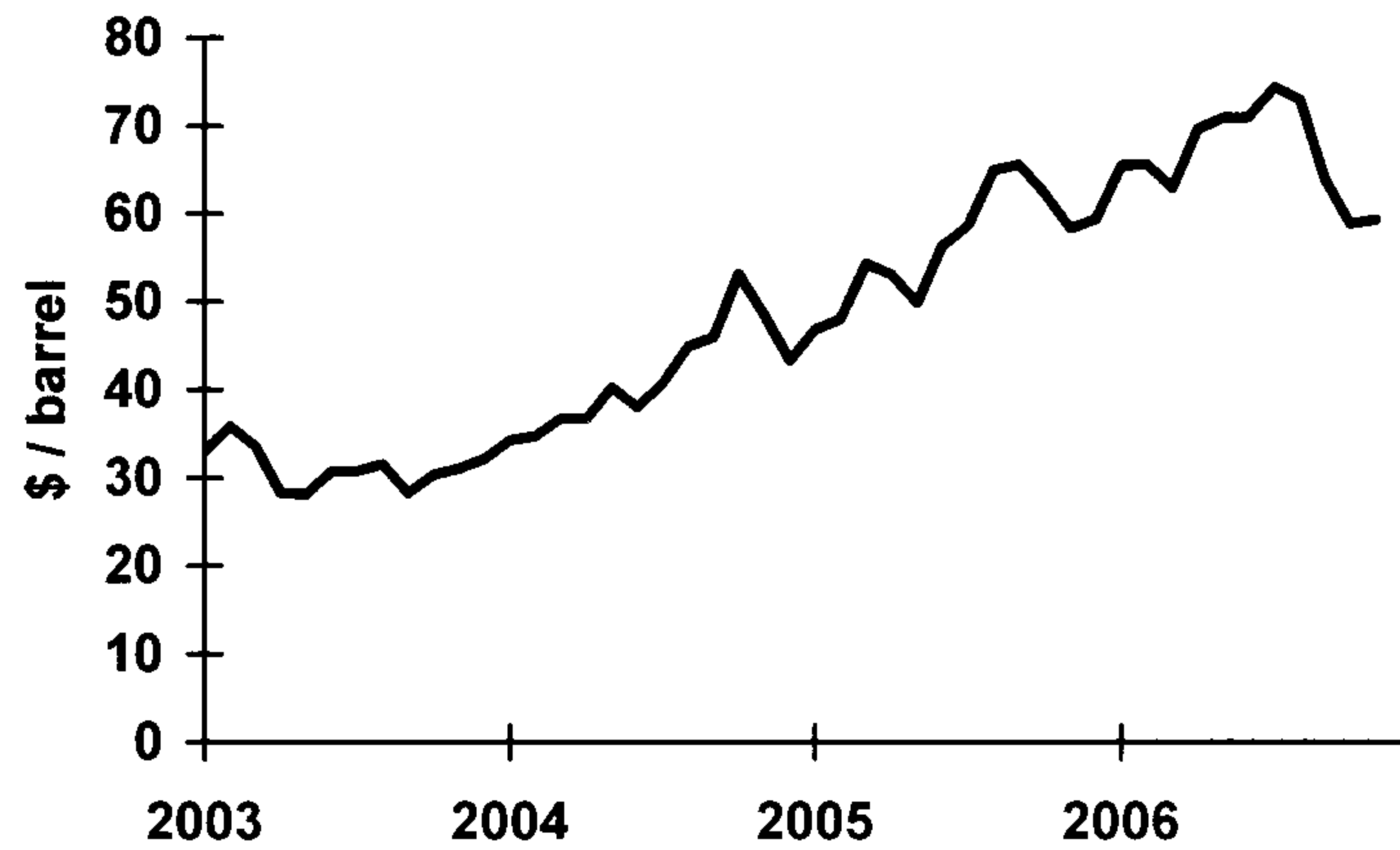
*Commercial building is off-setting some weakness of the housing.*

**Monthly Payment on Home**



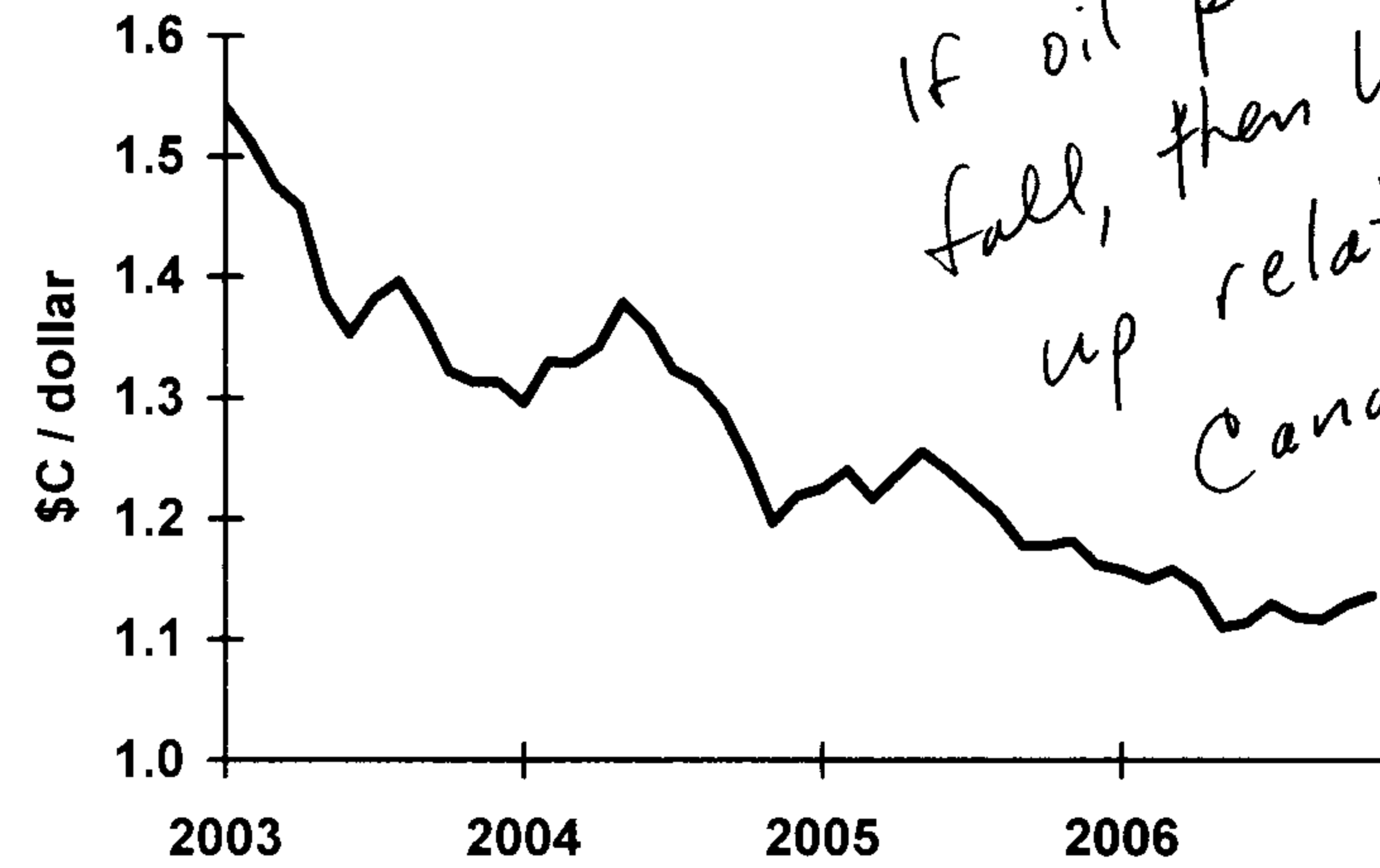
*low interest rates*  
*rising prices*  
*First-time buyers priced out of the market*

Oil Price



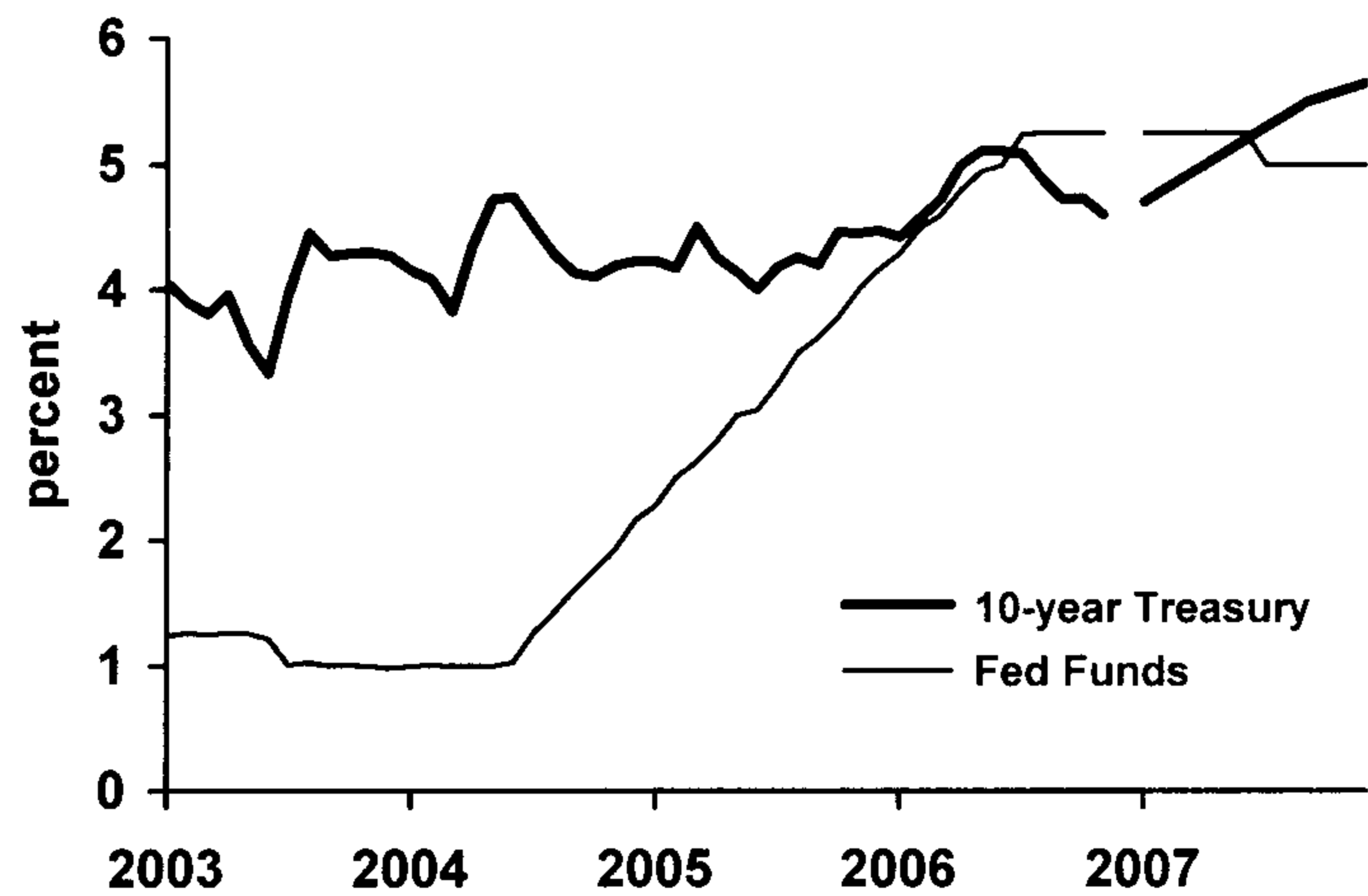
Still room for more decline.

Value of the Dollar vs \$C



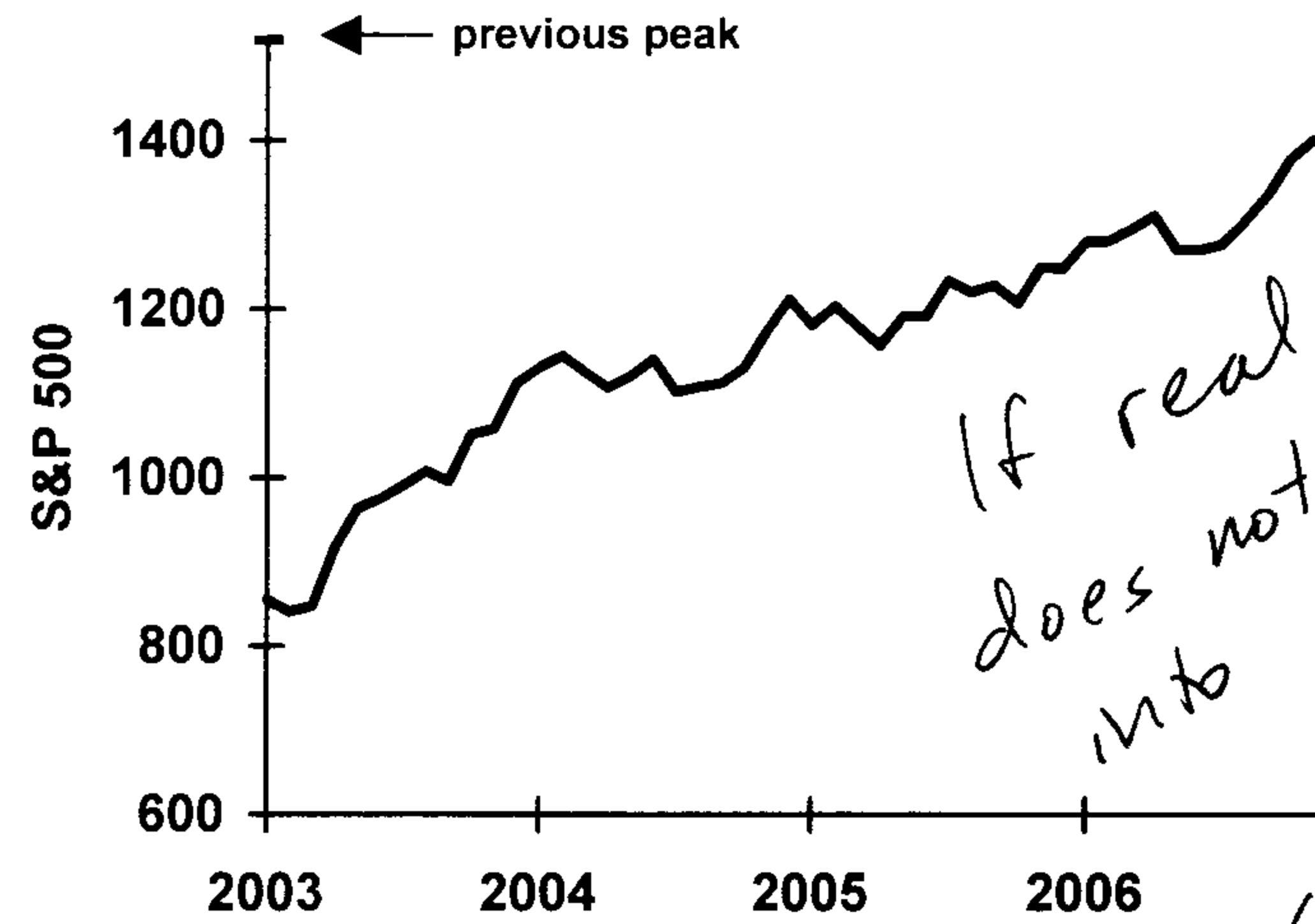
If oil prices do fall, then U.S. \$ up relative to Canadian \$.

Interest Rates



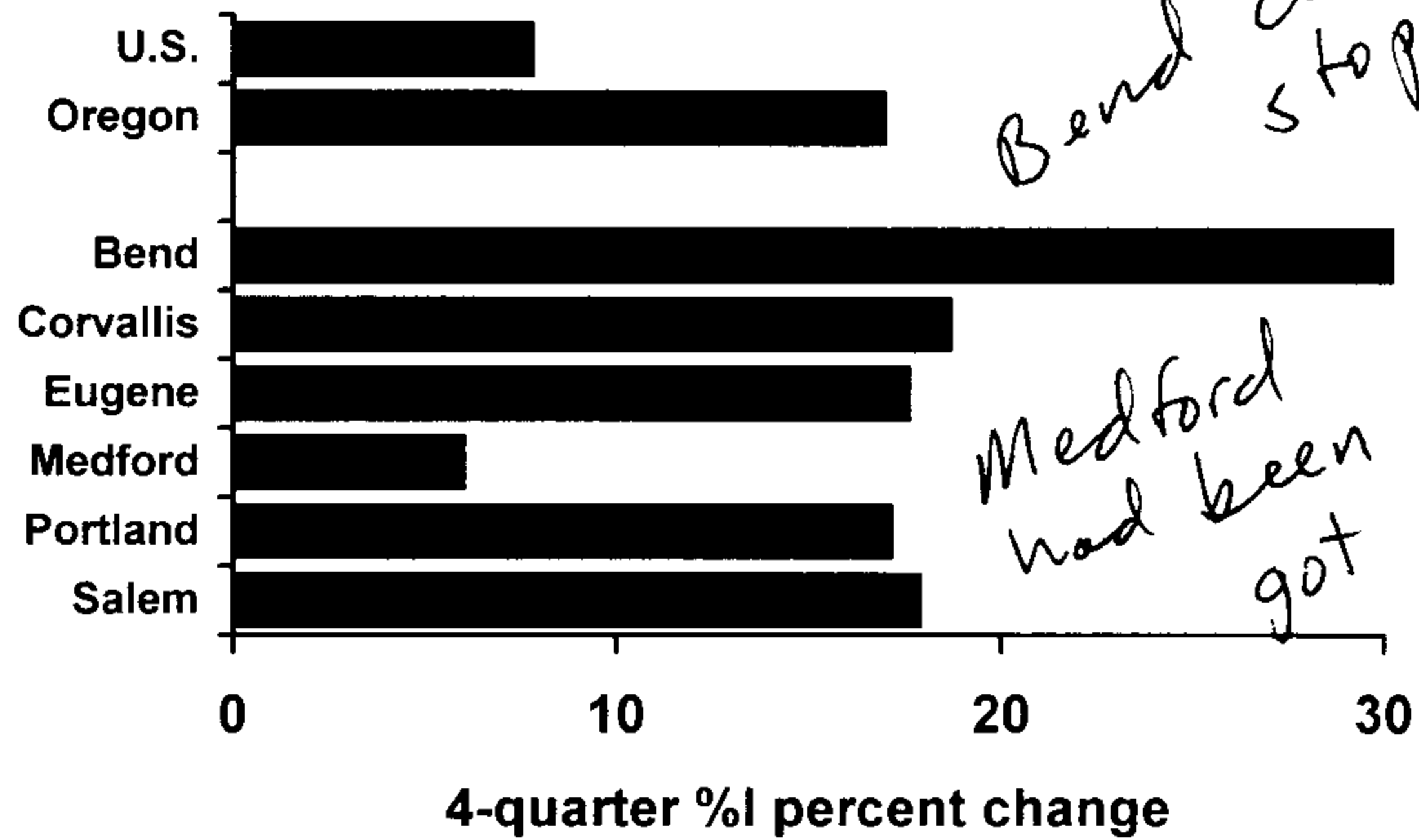
Long rates staying low for a surprisingly long time

Stock Market



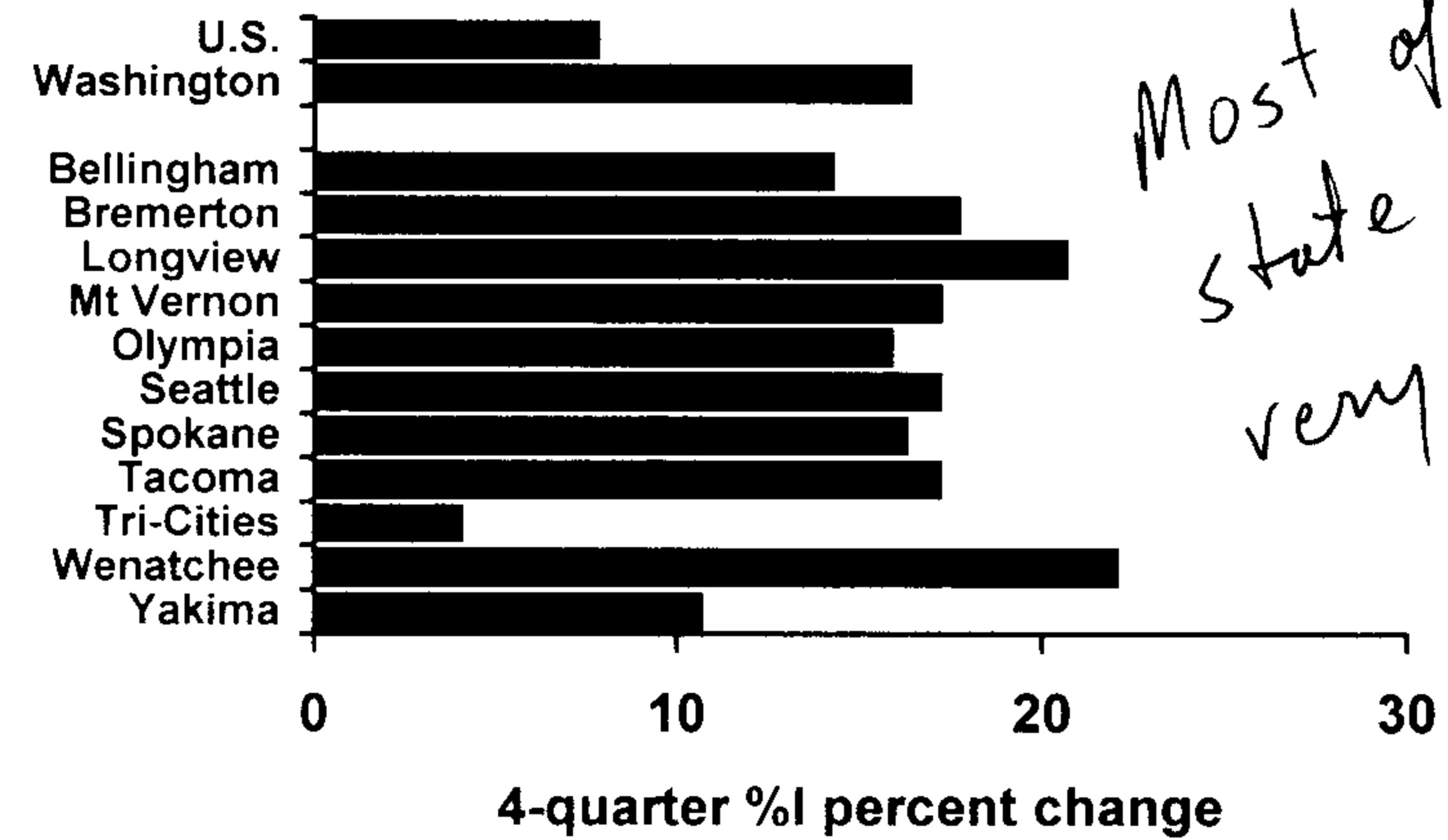
If real estate does not pull economy into recession, then stocks should rise in 2007

**Home Price Appreciation**  
through 3rd quarter 2006



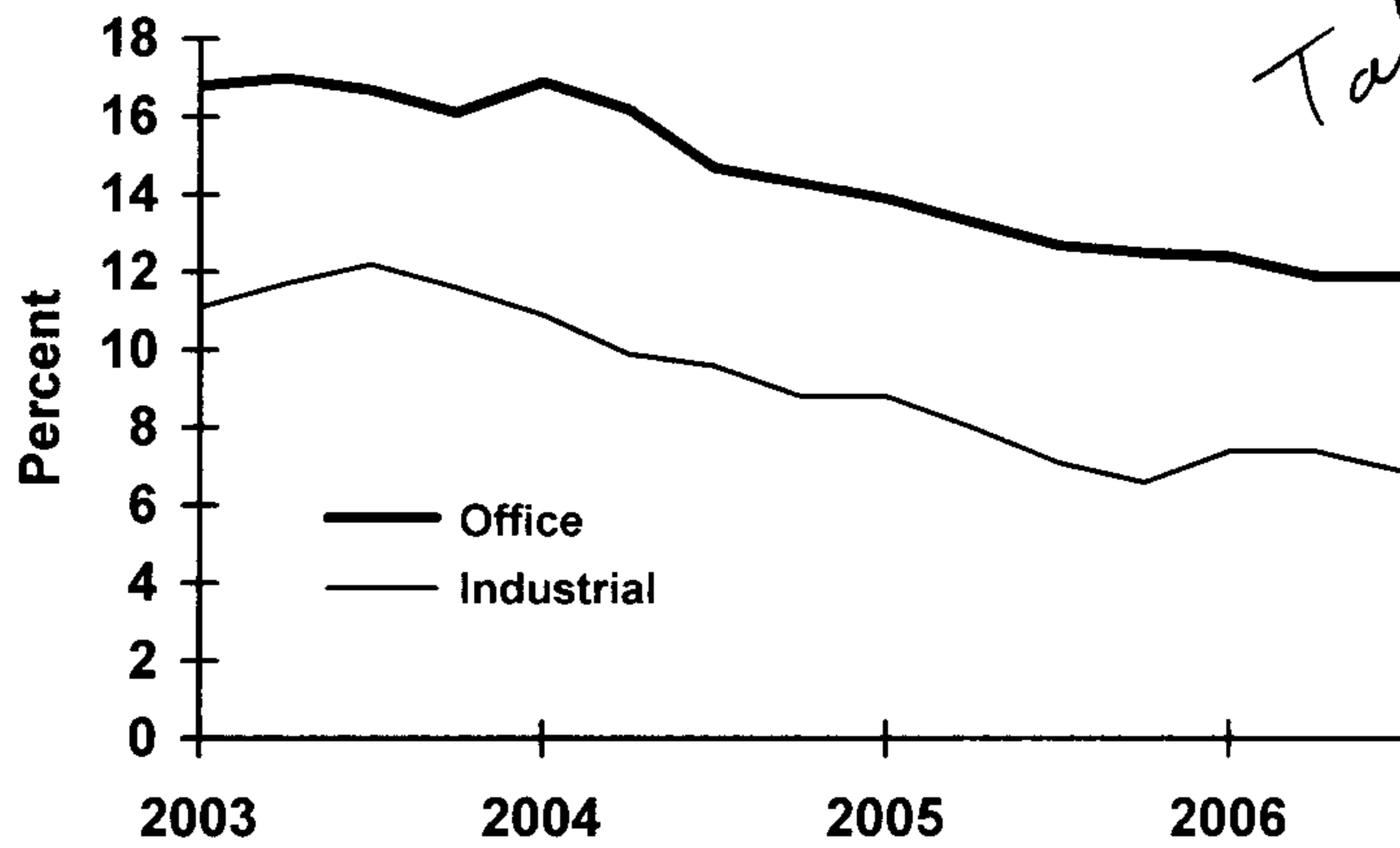
*Bend can't be stopped?*  
*Medford had been strong, but got overpriced.*

**Home Price Appreciation**  
through 3rd quarter 2006



*Most of the state doing very well*

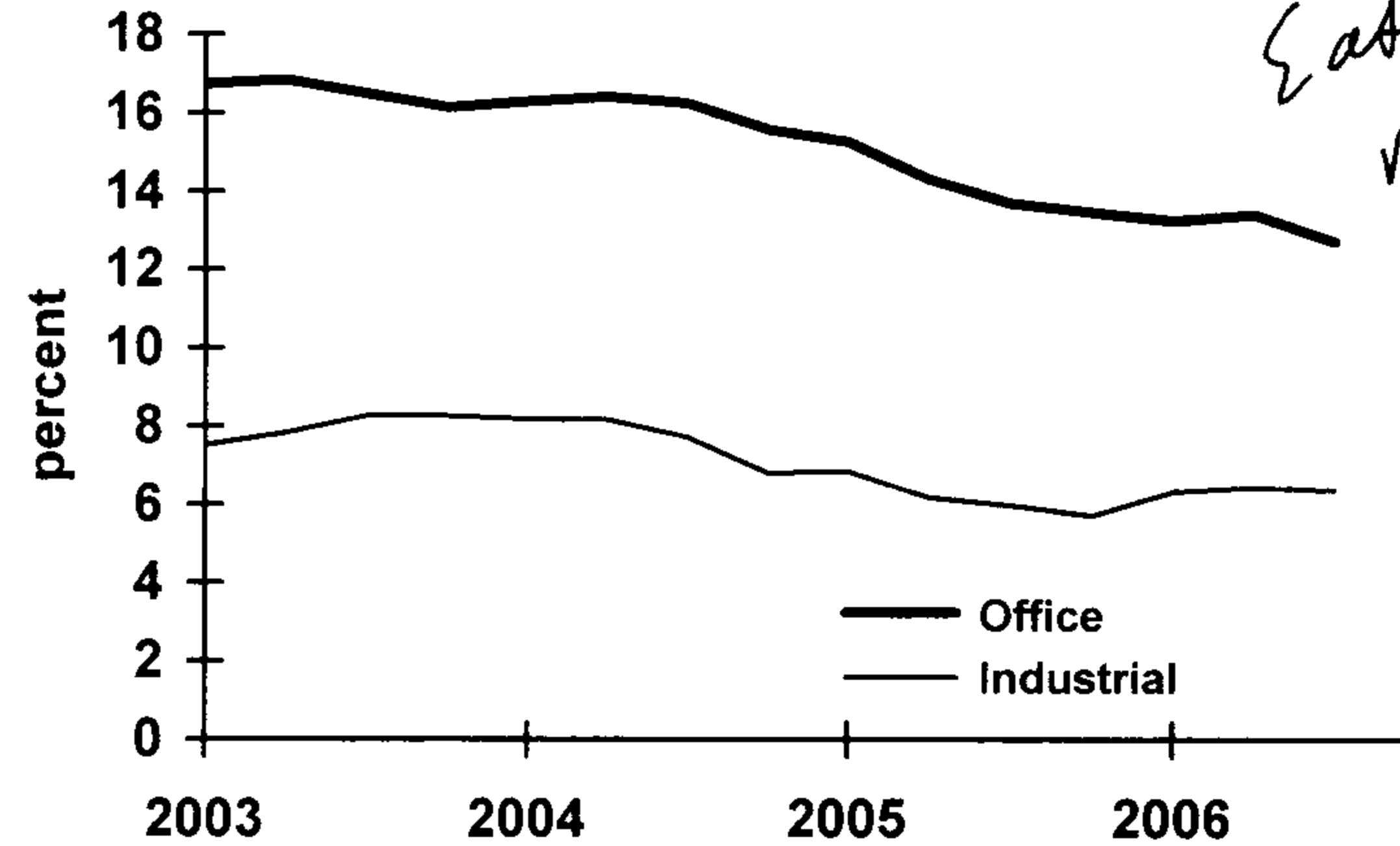
**Portland Vacancy Rates**



*Talk about new office towers*

Source: Grubb & Ellis

**Seattle Vacancy Rates**



*East side market tight*

Source: CB Richard Ellis