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February 1, 2013

APS Transmission Line Project
Attention: Joe Incardine
National Project Manager
BLM Phoenix District Office
21605 North 7th Avenue
Phoenix, Arizona 85027

RE: APS Proposed Sun Valley to Morgan 500/230kV Transmission Line Project Draft Environmental Impact Statement (DEIS) and Draft Resource Management Plan Amendment (DRMPA)

Mr. Incardine,

Vistancia Land Holdings LLC (Vistancia) appreciates the opportunity to submit our public comment on the above mentioned DEIS and DRMPA. As a land owner in the area we were heavily involved in the Arizona Corporation Commission (ACC) line sighting efforts that certified the Preferred Alternative route in March of 2009. We appreciate your work on this project and support the approval of the Preferred Alternative (Proposed Action). Furthermore, we oppose the consideration of Alternatives 2, 3, and the Sub Alternative.

The previous work conducted by the ACC found the Preferred Alternative route to be in the public interest of meeting power supply needs, minimizing the environmental and ecological impacts to the state, and best balancing public interests on the matters raised. Similarly, your DEIS asserts that the Preferred Alternative reasonably accomplishes the purpose and need for the federal action, while fulfilling the BLM's statutory mission and responsibilities, giving consideration to environmental, economic, and technical factors.

The following comments are provided for the record, which further substantiate the existing Proposed Action of the DEIS. Most of the points revolve around the inappropriate approach of analyzing the private land impacts of Alternative 3 as simply effecting raw land. In contrast to BLM land that is intended to remain in its current state indefinitely, or other private land with no near-term plans to develop, this land has been planned, entitled, and invested in through past and ongoing infrastructure. According to John Burns Real Estate Consulting (report attached) the 2012 sales pace of this community ranked 29th in the nation, and increased its standing from the previous year's rankings.

Ongoing Vistancia Development
The built portion of the Vistancia community currently stops approximately 1.5 miles south of the Alternative 3 alignment. However, design and infrastructure improvements are underway to advance development to the north. On January 15, 2013, public bids were received to build a $5.5 million bridge, kicking off the next phase of development. This work will commence in February and be completed in the middle of 2013. Current construction schedules anticipate infrastructure being installed within the Alternative 3 alignment in the second half of this year and homes going under construction within 3/4 of a mile from this alignment in early 2014. This next phase of improvements also includes parcels designated for a future public school and park, both located approximately ½ mile from the Alternative 3 alignment.

The National Environmental Policy Act (NEPA) requires the EIS to analyze the impacts of the Alternatives on past, present and reasonably foreseeable future actions RFFA or reasonably foreseeable development RFD. A current impact is defined as one that occurs between the start of construction and 10 years. The Vistancia community is rapidly expanding into the areas deemed as raw land in the DEIS, which must be considered in your analysis of this land.

EMF Exposure
Although page 4-67 states that effects of EMFs are "...equivalent among alternatives, when compared to levels defined by the ICNIRP...", this 2,000 mG exposure limit is not an appropriate benchmark. As noted on page 3-71, the ACGIH provides that individuals with pacemakers should not exceed exposure levels above 1,000 mG. Given the increased level of residential development planned near Alternatives 2 and 3, and the likelihood of those developments containing additional age restricted communities (as Vistancia already does), applying this more restrictive exposure level should be evaluated and could show Alternatives 2 and 3 having a negative public health impact.

Recreational
Page 4-87 mistakenly states that future recreational development is unknown where Alternative 2 crosses land identified for future recreation (and is thus a negligible effect). That land within the Saddleback Heights community is shown as open space / golf course, so this should be stated as a more significant effect as noted on page 4-88 in relation to the Alternative 3 conflicts with the Vistancia golf course.

Home Values
Page 3-102 limits home price values and increases in values to 2009. This focus on pricing in the middle of the recent economic recession, and lack of regard for the record Phoenix area home price appreciation rates experiences in the recent few years, is inconsistent with the intent of this report. According to a December 26, 2012 release on the S&P/Case-Shiller Home Price Indices, the average home price in the Phoenix market in October of 2012 had increased 21.7% from where it was one year prior. A more recent article (also attached), notes that prices have increased annually by nearly 23% in Phoenix. The 2009 pricing data used in the DEIS is already outdated.

Land Values

When looking at land values and property tax generation in Alternatives 2 and 3 (see pages 4-105 and 4-108), the report takes a short term look at today's developed conditions and 2011 tax rates. This generalized impact on raw land values irresponsibly ignores the more sophisticated and long term plans and underwriting of the master plan communities impacted by these routes.

Although there may typically be a relatively small impact on vacant land values, the ripple effect of how decreased home values would limit overall developability in some of these impacted master plan communities has not been captured in the report. In the case of Alternative 3, the impacted land with Vistancia and Saddleback Heights contains drastic topography that significant increases development costs. With the increased impact on home pricing (mentioned on page 4-91), home values would not be expected to justify development for the foreseeable future. This would then force property currently entitled for development to remain vacant indefinitely. In the case of the Vistancia Community, infrastructure and services have been sized and installed for the ultimate build out conditions and this forced reduction in densities would cause us as the developer to more heavily allocate the cost of those improvements to fewer units, inhibiting continued development in general.

Other Socioeconomic Impacts
While the DEIS attempts to analyze this project's impact on home values and property taxes, it does not look at other economic implications of the home construction process and spending habits of new home owners. Reducing buildable units as described above will eliminate or defer millions of dollars of infrastructure improvements along with the associated permit fees and sales taxes paid for that work. Each single family building permit pulled within the Vistancia community pays an impact fee of $11,657 in addition to several thousand dollars in other building permit and connection fees. Additional jobs and economic benefit is created during the construction process of each home. According to research from the National Association of Home Builders, during the first two years of closing on a house, a typical buyer of a new single-family detached home tends to spend on average $7,400 more than a similar home owner who does not move.

Impacting land that is planned for near-term development as occurs in Alternatives 2 and 3 reduces a number of additional economic benefits to the area including fees to the municipality, job creation, sales tax revenues, and retail sales.

Property Taxes
On page 4-105, the report states that "the net effect on property tax revenue under Alternative 2 would be beneficial, major, and long-term. These benefits would accrue to taxing entities and the beneficiaries of those taxes." Basing the long-term impact on the 2011 tax revenues is inconsistent. Speaking specifically of the Vistancia project, the impacted property is currently taxed under agricultural status, the ultimate build out of residential homes will create an exponentially higher tax base in a long-term analysis. Furthermore, this property is part of a Community Facilities District (CFD), whereby bonds have been issued to fund master utilities

infrastructure improvements, with the repayment source of those bonds being the property's projected tax base at build out.

A proper long-term comparison of build out conditions vs. the assessed value of a power line will likely show a negative impact of property tax revenues and may have a devastating impact on the special taxing district at Vistancia. The lower build out tax rates, potential undermining of the CFD, and fewer homes being built (as mentioned in the previous section) all have a negative impact on taxing entities and the beneficiaries of those taxes.

Visual Impacts

Page 4-162 states that "within the portions of the route unique to Alternative 3, the contrast would be weak and the table on page 4-171 states that the long term visual impact on these portions of the route is Negligible. These conclusions are based upon a view shed analysis containing a majority of Key Observation Points (KOPs) proximate to the Preferred Alternative. Only two KOPs from the view shed analysis were taken to the step of simulated views of the line along the Carefree Highway Alignment, and each of these locations was more than a mile from this alignment.

Although the report makes claims about long term impacts, it has not taken into consideration improvements that have occurred over the past couple years, or those that will be occurring in the next few months/years. Photos used for this analysis were taken in 2008, since which time, additional parcel development has occurred that will already bring Vistancia residents approximately ¼ mile closer to this alignment. Throughout 2013, bridge and roadway construction will bring KOPs nearly adjacent to the Carefree Highway alignment bisecting Vistancia and Saddleback Heights. The long-term claims of this report are unfounded because by 2014, Visual Impact ratings for Alternative 3 will increase to levels experienced by the Preferred Alternative (minor, moderate, and even strong and domineering).

Thank you again for your attention to this matter.

Sincerely,

Mark Hammons
Vice President / General Manager
Vistancia Land Holdings, LLC

Strategic Building Market Intelligence™

JOHN BURNS
REAL ESTATE CONSULTING

January 23, 2013

2012 Top-Selling Master-Planned Communities

Top-Selling Master-Planned Communities Ranked by 2012 Net Sales
John Burns Real Estate Consulting, LLC

rank declined

rank increased

2012 Rank	2011 Rank	Project Name	Location/MSA	Developer	2012 Sales	2011 Sales	YOY % change
1	1	The Villages	The Villages, FL (Central FL)	Villages of Lake Sumter, LLC	2,851	2,307	23.6%
2	4	Irvine Ranch[1]	Orange County, CA	The Irvine Company	1,434	764	87.7%
3	2	The Woodlands	Houston, TX	The Woodlands Development Company	1,007	945	6.6%
4	3	Cinco Ranch	Katy, TX (Houston)	Newland Communities	982	862	13.9%
5	7	Mountain's Edge	Las Vegas, NV	Focus Property Group	948	434	118.4%
6	8	Providence	Las Vegas, NV	Focus Property Group	760	421	80.5%
7	15	Riverstone	Houston, TX	Johnson Development Corp.	605	302	100.3%
8	9	Lakewood Ranch	Sarasota, FL	Schroeder-Manatee Ranch, Inc.	573	391	46.5%
9	21	Otay Ranch[2]	Chula Vista, CA (San Diego)	Otay Ranch New Homes/ Baldwin & Sons	528	441	19.7%
10t	14	Nocatee	Ponte Vedra, FL (Jacksonville)	The PARC Group	508	313	62.3%
10t	11	Stapleton	Denver, CO	Forest City	508	379	34.0%
12	19	Highlands Ranch	Denver, CO	Shea Homes	507	261	94.3%
13	5	Alamo Ranch[3]	San Antonio, TX	Galo Properties	500	500	0.0%
14	30	Summerlin	Las Vegas, NV	The Howard Hughes Corporation	471	221	113.1%
15	6	Brambleton	Washington DC	Soave Enterprises	466	454	2.6%
16	43	Lake Nona	Orlando, FL	Tavistock Group	441	165	167.3%
17	13	Bridgeland	Houston, TX	The Howard Hughes Corporation	421	334	26.0%
18	18	Sienna Plantation	Houston, TX	Johnson Development Corp.	387	267	44.9%
19t	26	FishHawk Ranch	Lithia, FL (Tampa)	Newland Communities	362	229	58.1%
19t	17	Shadow Creek Ranch	Houston, TX	Shadow Creek Ranch Development	362	277	30.7%
21	12	Monterra	Cooper City, FL (Broward)	CC Devco Homes	337	359	-6.1%
22	NA	Mountain House	Tracy, CA (Central Valley)	Shea Homes	333	117	184.6%
23	NA	Ironwood Crossing	Queen Creek, AZ (Phoenix)	Fulton Homes	309	116	166.4%
24	NA	Woodforest	Montgomery, TX (Houston)	Johnson Development Corp.	308	129	138.8%

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2012 Top-Selling Master-Planned Communities

Continued...

2012 Rank	2011 Rank	Project Name	Location/MSA	Developer	2012 Sales	2011 Sales	YOY % change
25	10	Telfair	Sugar Land, TX (Houston)	Newland Communities	307	381	-19.4%
26	24	Daybreak	Salt Lake City, UT	Kennecott Land	304	236	28.8%
27	NA	Power Ranch	Phoenix, AZ	DMB/Sunbelt Holdings	302	228	32.5%
28	20	Cross Creek Ranch	Houston, TX	Johnson Development Corp.	301	247	21.9%
29t	39	Vistancia	Phoenix, AZ	Sunbelt/Shea Homes	292	175	66.9%
29t	16	Valencia Reserve	Palm Beach, FL	GL Homes	292	281	3.9%
31	NA	Valencia	Los Angeles, CA	Lennar/FivePoint	282	145	94.5%
32t	38	Firethorne	Houston, TX	JDC/Firethorne	280	180	55.6%
32t	NA	Positano	Dublin, CA (Oakland)	Braddock & Logan	280	138	102.9%
34	25	Eagle Springs	Humble, TX (Houston)	Newland Communities	277	234	18.4%
35	NA	Rosedale	Azusa, CA (Los Angeles)	Brookfield/CDG/ Starwood Capital	271	89	204.5%
36	28	Castle Hills	North Dallas, TX	Bright Realty	268	225	19.1%
37	48	The Meadows	Castle Rock, CO (Denver)	Castle Rock Dev Company	250	150	66.7%
38	NA	The Bridges	Delray Beach, FL (West Palm)	GL Homes	245	0	NA
39	NA	Hastings Farms	Queens Creek, AZ (Phoenix)	William Lyon Homes	242	0	NA
40	31	Teravista	Round Rock, TX (Austin)	Newland Communities	238	215	10.7%
41	42	Verrado	Buckeye, AZ (Phoenix)	DMB	233	169	37.9%
42	29	Heritage Wake Forest	Wake Forest, NC (Raleigh)	Ammons Development Group	232	223	4.0%
43	NA	Independence	Orlando, FL	Starwood Land	230	160	43.8%
44	50	Westpark	Roseville, CA (Sacramento)	Westpark, LLC	229	146	56.8%
45	NA	Madeira	Elk Grove, CA (Sacramento)	Reynen & Bardis (original)	228	113	101.8%
46	37	Summerwood	Houston, TX	Newland Communities	227	188	20.7%
47	NA	Canyon Hills	Lake Elsinore, CA (Riverside)	Pardee	223	128	74.2%
48	46	Estrella	Goodyear, AZ (Phoenix)	Newland Communities	222	155	43.2%
49	NA	Freeman Farms	Gilbert, AZ (Phoenix)	Fulton Homes	215	89	141.6%
50t	40	Cane Bay Plantation	Charleston, SC	Gramling Brothers Real Estate & Dev	214	174	23.0%
50t	NA	Fiddyment Farm	Roseville, CA (Sacramento)	Signature Homes	214	142	50.7%
				2012 Total:	22,806		
				2011 Total:		15,599	
				Change:			46%

[1]Irvine includes Portola Springs, Stonegate, Woodbury & Laguna Altura

[2]Otay Ranch includes Montecito Village, Lomas Verde & Winding Walk

[3]Estimate

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50 Top-Selling Master-Planned Communities Up 46% Year-Over-Year

The national housing market is clearly showing signs of recovery and nowhere is the improvement more evident than in the performance of the nation's largest master-planned communities. John Burns Real Estate Consulting surveyed nearly 100 large-scale residential communities across the United States to compile our list of the 50 best-selling communities for 2012. Our consulting team has consulted on or visited the vast majority of these communities.

The following ranking represents the top 50 master-planned communities in the country based on net sales. Together, these communities totaled 22,806 new home sales in 2012, which is a 46% increase over the 15,599 new home sales in these communities in 2011.

Sales improved year-over-year at 48 of the 50 top master planned communities. Virtually every master planned community in this year's survey experienced more sales in 2012 than in 2011. In fact, sales at 11 master-planned communities increased more than 100%, and The Bridges and Hastings Farms communities jumped to 240+ sales in their first year open. Two communities still made the top 50 with lower 2012 sales; Monterra has closed out and Telfair is in its' final phases.

Villages of Lake Sumter retains top sales rank; Irvine Ranch has a bigger increase. The Villages' 2,851 net sales during 2012 are roughly double the sales of the 2nd highest selling community, Irvine Ranch. Mollie Carmichael, Principal Consultant and leader of the company's in-house consumer research program, notes *"The success at **The Villages** is easily understood after conducting focus groups onsite this year. This master plan developer has taken master plan design to an entirely new level. A few attractions worth mentioning include daily live music throughout the community, great restaurants, constant opportunities to meet people through events, and people that are truly smiling everywhere you look."*

However, the **Irvine Ranch** master-plan in Orange County had a whopping 88% increase with 1,431 net sales during 2012, which moved this community to #2 from #4 last year. Nicole Murray, Consulting Vice President and an experienced housing executive, says *"The Irvine Ranch continues to be a desired location by buyers in Orange County and abroad. Its exceptional school system, well-executed amenities, and strong job base makes it a premier area of Orange County. Specifically, the schools attract local and international buyers, which have been awarded California Distinguished School 48 times since 1986 and Blue Ribbon 13 times since 1983."*

Master-plans in Texas and Florida dominate. Fifteen of the top-selling master-planned communities in the country are in Texas, and 12 of those are in the Houston metro area. Ken Perlman, Senior Vice President and our frequent flyer to Texas, adds *"Our recent work in Houston indicates substantially improving market conditions, with builders selling homes just as fast as developers can deliver lots."* Our monthly builder survey confirms that net prices are rising steadily in Houston.

Sales remained very strong in Florida master-plans, despite lagging job growth in several metros. Nine of the 50 top-selling master-planned communities are in the state of Florida. Lesley Deutch, the company's Senior Vice President and busy Florida-based consultant, notes *"The **Lake Nona** master-plan is benefiting immensely from job creation in the submarket; the cluster of medical-related facilities, proximity to the airport, and proximity to other major employment centers have driven strong demand and price appreciation over the last year.* ***Lakewood Ranch*** *also had a stellar year as the master-plan attracted both retirees and families with its varied product offerings and strong amenity base. Additionally, Lakewood Ranch is benefiting from a strong economic base, which continues to attract new residents to the project."*

Rosedale in Azusa saw the biggest sales increase. The master-planned community with the biggest percentage sales increase is Rosedale in Azusa, with a 204% increase to 271 sales from 89 in 2011. Pete Reeb, Senior Vice President and long-time Southern California consultant, adds *"**Rosedale** is a great example of a community where product segmentation, community design, and superior execution come together to create a master-plan that generates excitement in the market. Incorporating a thoughtfully considered "resort" community recreation center, 10 parks, natural open space, and a future Metro Gold Line rail station, Rosedale has emerged as the place to be in the San Gabriel Valley."*

Six master-plans moved into our top 25 group. Shea Homes' Mountain House in Tracy, Fulton Homes' Ironwood Crossing in Phoenix and Johnson Development's

Woodforest in Houston are new to this year's list of top 50 communities. Summerlin in Las Vegas, Lake Nona in Orlando and FishHawk Ranch in Tampa were all in the 26-50 group last year. We revised our methodology for counting Otay Ranch, pushing it into the top 10.

Dean Wehrli, our consulting Vice President based in Northern California, notes *"**Mountain House** was able to gradually squeeze out most of its high level of distressed properties and maintain a very attractive feel. It enjoys tremendous Bay Area demand given its location right across the border from Alameda County, with most of that demand from the jobs powerhouse of the Silicon Valley. **Positano** has done well from the start. Dublin has evolved into the hottest new home node in the East Bay, with improving and now excellent schools, a maturing retail environment, and more limited competition in the surrounding communities like Pleasanton and San Ramon."*

Based in San Diego, Pete Reeb adds *"Since its inception well over a decade ago, **Otay Ranch** has perennially been one of the top-selling master-plans, not only in San Diego County but in all of Southern California. With three concurrent large-scale "villages" underway – Montecito Village, McMillin Lomas Verdes, and Winding Walk (each typically with anywhere from four to eight actively selling neighborhoods) – Otay Ranch is able to offer a broad spectrum of residential products appealing to a wide array of prospective buyers with close proximity to jobs, public transit, public and private schools, and shopping."*

Nine developers had more than one master-plan in the top 50. Newland Communities has seven master-plans in the top 50 that combined for 2,615 new homes sales in 2012, up 15.5% YOY. **Johnson Development** captured 1,601 sales in four different top 50 master-plans, all in Houston, for a 69% increase from 2011. **Shea Homes** has three top sellers: Highlands Ranch in Denver, Mountain House in Tracy, Vistancia in Phoenix with Sunbelt, totaling 1,132 sales in 2012 for a 105% increase. Six developers have two communities each in the top 50: Focus Property Group, Howard Hughes Corporation, DMB, Fulton Homes, Starwood Capital/Land and GL Homes.

Consumers want amenities that most master-planned communities have. In our proprietary survey of over 20,000 consumers nationally, prospects indicate they are looking for amenities such as a pool (44%), a clubhouse (58%), a community recreation center (51%) and water or lake amenity (40%), beyond a good location and nice looking neighborhood. Nationally, only 18% are looking for a golf course in their next community. Most master-planned communities offer these appealing, shared amenities in addition to range of home sizes and prices.

Strong sales are supporting price increases. Finally, Jody Kahn, our Senior Vice President and manager of the study, adds *"It was gratifying to see the strong sales improvements at nearly all of the master-planned communities we considered for this year's ranking. In addition, net prices are increasing in most of these desirable locations, and in some cases builders were intentionally limiting sales in the 2nd half of the year while pursuing better margins."*

For questions, contact Jody at (603) 235-5760 or jkahn@realestateconsulting.com.

***Note:** This ranking may be published without our consent as long as John Burns Real Estate Consulting is sourced.*

We're a team of housing market experts dedicated to helping clients make great decisions.

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Phoenix leads nation in home price jump

A metro Phoenix home that is for sale.

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By Christopher S. Rugaber
Associated Press
Tue Jan 29, 2013 9:10 AM

WASHINGTON — U.S. home prices accelerated in November compared with a year ago, pushed higher by rising sales and a tighter supply of available homes. And the largest gain was in Phoenix, where prices jumped nearly 23 percent.

The Standard & Poor's/Case-Shiller 20-city home price index rose 5.5 percent in November compared with the same month a year ago. That's the largest year-over-year gain in six years.

All but one of the cities in the index posted annual gains. Phoenix led the pack, followed by San Francisco, where prices rose 12.7 percent, and Detroit, where they increased 11.9 percent.

New York was the only city to report a drop from a year ago.

Prices also rose in 10 of the cities measured by the index in November from October. That's up from seven in October from September. The biggest monthly gains were in San Francisco, Phoenix and Minneapolis.

Monthly prices are not seasonally adjusted and frequently decline over the winter. The 20-city index dipped in November from the previous month.

Steady price increases should help fuel the housing recovery. They encourage more people to buy before prices rise further. Higher prices also build homeowners' wealth, which can spur more spending and economic growth.

The data "show a broad-based recovery in housing activity and prices across the country," said Michael Gapen, an economist at Barclays Capital. "We expect this housing recovery to continue in the coming years."

The S&P/Case-Shiller index covers roughly half of U.S. homes. It measures prices compared with those in January 2000 and creates a three-month moving average. The November figures are the latest available.

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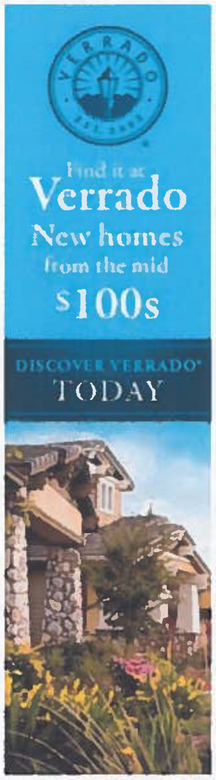


The index began to show annual gains in June and have been larger each month since. Prior to that, the index had fallen for 20 straight months.

Despite the increases, prices nationwide are still about 30 percent below the peak they reached at the height of the housing bubble in the summer of 2006. They are now at the same level as in the fall of 2003.

Purchases of previously occupied homes rose last year to their highest level in five years. The National Association of Realtors forecasts that sales will rise 9 percent this year. Independent economists have similar forecasts.

Sales of new homes also rose in 2012, although they remain near depressed levels.

Stable job gains and record-low mortgage rates have encouraged more people to buy homes. And the limited inventory of homes for sale has made builders more confident to step up construction. The number of previously occupied homes has fallen to an 11-year low.

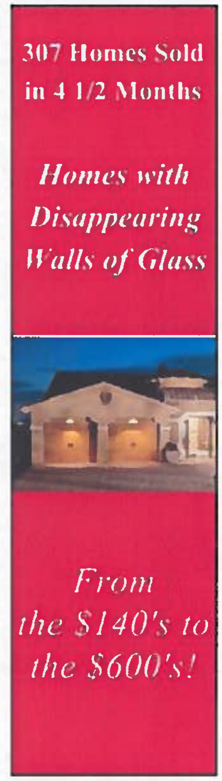
Millions of homeowners still owe more on their mortgages than their homes are worth, making it difficult for them to sell. That's one reason the supply of homes is so tight. But higher home values are lowering the number of those "under water" and should encourage more homeowners to put their homes on the market.

More people are also moving out on their own after living with friends and relatives in the recession. That's driving a big gain in apartment construction and also pushing up rents. Higher rents are encouraging investors to buy homes and rent them.

The tighter supply of homes pushed builders in December to start work on the most homes in 4 ½ years. Last year was the best year for residential construction 2008, just after the recession started.

Home builders are also benefiting from the rebound. D.R. Horton Inc. said Tuesday that its profit in the three months ended in December more than doubled and orders jumped 39 percent.

"D.R. Horton is the best positioned it has been in its 35-year history," chief executive Donald Horton said. "We are looking forward to the spring selling season with optimism."



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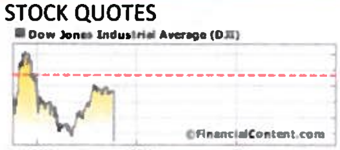
STOCK QUOTES



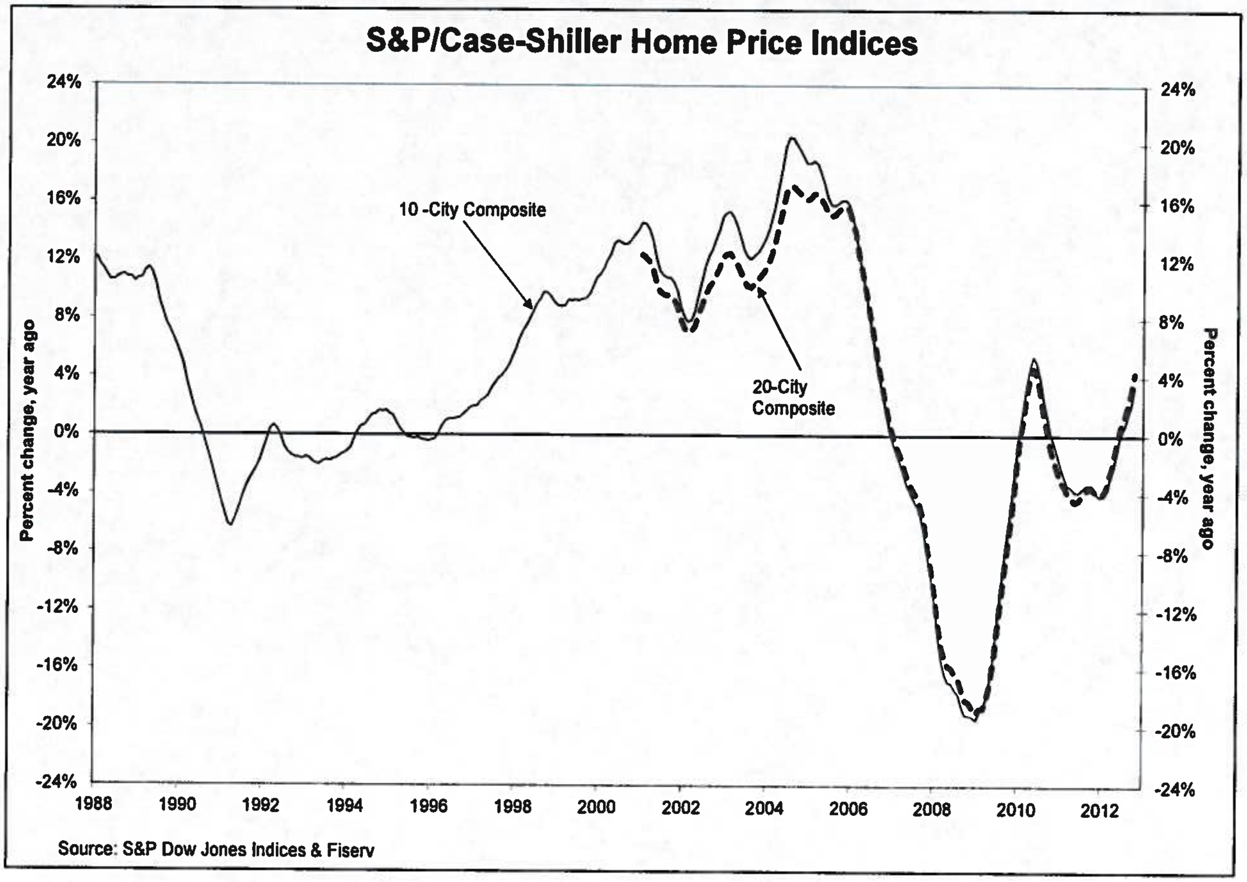
S&P DOW JONES INDICES

PRESS RELEASE

Sustained Recovery in Home Prices According to the S&P/Case-Shiller Home Price Indices

New York, December 26, 2012 – Data through October 2012, released today by S&P Dow Jones Indices for its S&P/Case-Shiller[1] Home Price Indices, the leading measure of U.S. home prices, showed home prices rose 4.3% in the 12 months ending in October in the 20-City Composite, out-distancing analysts' forecasts. Anticipated seasonal weakness appeared as twelve of the 20 cities and both Composites posted monthly declines in home prices in October.

The 10- and 20-City Composites recorded respective annual returns of +3.4% and +4.3% in October 2012 – larger than the +2.1% and +3.0% annual rates posted for September 2012. In nineteen of the 20 cities, annual returns in October were higher than September. Chicago and New York were the only two cities with negative annual returns in October. Phoenix home prices rose for the 13th month in a row. San Diego was second best with nine consecutive monthly gains.



The chart above depicts the annual returns of the 10-City Composite and the 20-City Composite Home Price Indices. In October 2012, the 10- and 20-City Composites recorded respective annual increases of 3.4% and 4.3%, and monthly declines of 0.1% each.

[1] Case-Shiller® and Case-Shiller Indexes® are registered trademarks of Fiserv, Inc.

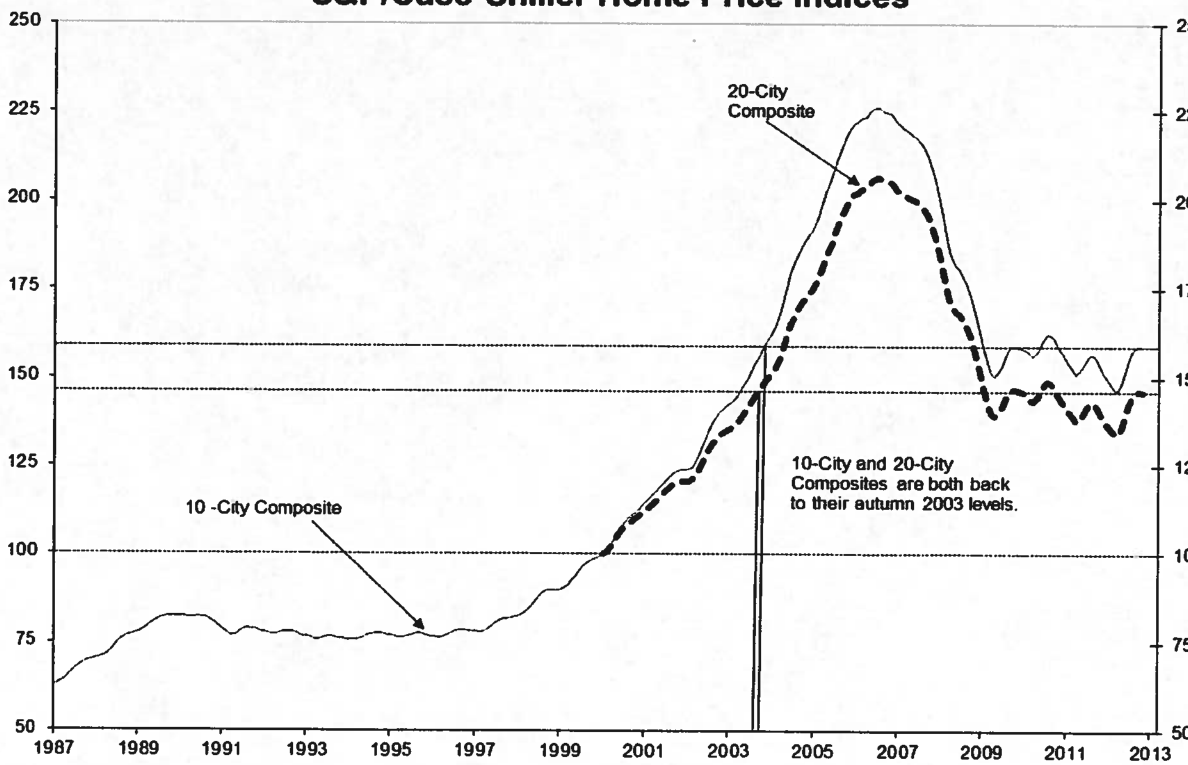
"The October monthly numbers were weaker than September as 12 cities saw prices drop compared to seven the month before." says David M. Blitzer, Chairman of the Index Committee at S&P Dow Jones Indices. "The five which turned down in October but not in September, were Atlanta, Dallas, Miami, Minneapolis and Seattle. Among all 20 cities, Chicago was the weakest with prices dropping 1.5%, followed by Boston where prices fell 1.4%. Las Vegas saw the strongest one-month gain with prices up 2.8%.

"Annual rates of change in home prices are a better indicator of the performance of the housing market than the month-over-month changes because home prices tend to be lower in fall and winter than in spring and summer. Both the 10- and 20-City Composites and 19 of 20 cities recorded higher annual returns in October 2012 than in September. The impact of the seasons can also be seen in the seasonally adjusted data where only three cities declined month-to-month. The 10-City Composite annual rate of +3.4% in October was lower than the 20-City Composite annual figure of +4.3% because the two weaker cities – Chicago and New York – have higher weights in the 10-City Composite.

"Looking over this report, and considering other data on housing starts and sales, it is clear that the housing recovery is gathering strength. Higher year-over-year price gains plus strong performances in the southwest and California, regions that suffered during the housing bust, confirm that housing is now contributing to the economy. Last week's final revision to third quarter GDP growth showed that housing represented 10% of the growth while accounting for less than 3% of GDP.

"One indication of the rebound is the gains from the bottom. The largest rebound is 24.2% in Detroit even though prices there are still about 20% lower than 12 years ago. San Francisco and Phoenix have also rebounded from recent lows by 22.5% and 22.1% with prices comfortably higher than 12 years ago. The smallest recoveries are seen in Boston and New York, two cities in the northeast which suffered smaller losses in the housing bust than the Sunbelt or California."

S&P/Case-Shiller Home Price Indices



Source: S&P Dow Jones Indices and Fiserv

The chart on the previous page shows the index levels for the 10-City and 20-City Composite Indices. As of October 2012, average home prices across the United States are back to their autumn 2003 levels for both the 10-City and 20-City Composites. Measured from their June/July 2006 peaks, the decline for both Composites is approximately 30% through October 2012 and approximately 35% from the June/July 2006 peak values to their recent lows in early 2012. The October 2012 levels for both Composites are about 8.4 to 9% above their early 2012 lows.

In October 2012, 12 MSAs and both Composites posted negative month-over-month returns. Detroit, Las Vegas, Los Angeles, Phoenix, Portland, San Diego and San Francisco were the only seven cities that recorded positive monthly returns. Denver remained flat.

After 22 consecutive months, the Las Vegas index, at 100.14, finally recovered to a level above its January 2000 figure. Atlanta and Detroit remain the only two cities with average home prices below their January 2000 levels.

More than 25 years of history for these data series are available, and can be accessed in full by going to www.homeprice.standardandpoors.com. Additional content on the housing market may also be found on S&P Dow Jones Indices' housing blog: www.housingviews.com.

The table below summarizes the results for October 2012. The S&P/Case-Shiller Home Price Indices are revised for the 24 prior months, based on the receipt of additional source data.

Metropolitan Area	October 2012 Level	October/September Change (%)	September/August Change (%)	1-Year Change (%)
Atlanta	95.68	-0.4%	0.3%	4.9%
Boston	155.13	-1.4%	-0.6%	1.6%
Charlotte	115.67	-0.5%	-0.3%	4.1%
Chicago	114.90	-1.5%	-0.6%	-1.3%
Cleveland	101.50	-0.6%	-0.9%	1.8%
Dallas	120.71	-0.7%	0.2%	4.6%
Denver	134.03	0.0%	0.4%	6.9%
Detroit	80.07	0.3%	0.7%	10.0%
Las Vegas	100.14	2.8%	1.4%	8.4%
Los Angeles	175.85	0.6%	1.0%	6.2%
Miami	149.97	-0.2%	0.1%	8.5%
Minneapolis	124.96	-0.7%	1.0%	9.2%
New York	165.30	-0.4%	-0.3%	-1.2%
Phoenix	122.39	1.4%	1.1%	21.7%
Portland	142.44	0.9%	0.2%	5.2%
San Diego	162.10	1.3%	1.4%	6.0%
San Francisco	144.15	0.7%	0.5%	8.9%
Seattle	141.82	-0.2%	0.3%	5.7%
Tampa	134.08	-0.5%	-0.1%	5.9%
Washington	191.01	-0.5%	-0.3%	4.4%
Composite-10	158.77	-0.1%	0.2%	3.4%
Composite-20	146.08	-0.1%	0.2%	4.3%

Source: S&P Dow Jones Indices and Fiserv
Data through October 2012

Since its launch in early 2006, the S&P/Case-Shiller Home Price Indices have published, and the markets have followed and reported on, the non-seasonally adjusted data set used in the headline indices. For analytical purposes, S&P Dow Jones Indices publishes a seasonally adjusted data set covered in the headline indices, as well as for the 17 of 20 markets with tiered price indices and the five condo markets that are tracked.

A summary of the monthly changes using the seasonally adjusted (SA) and non-seasonally adjusted (NSA) data can be found in the table below.

	October/September Change (%)		September/August Change (%)	
Metropolitan Area	**NSA**	**SA**	**NSA**	**SA**
Atlanta	-0.4%	1.4%	0.3%	1.7%
Boston	-1.4%	-0.3%	-0.6%	0.1%
Charlotte	-0.5%	0.3%	-0.3%	0.3%
Chicago	-1.5%	-0.7%	-0.6%	-1.2%
Cleveland	-0.6%	0.3%	-0.9%	0.6%
Dallas	-0.7%	0.3%	0.2%	0.9%
Denver	0.0%	0.5%	0.4%	1.0%
Detroit	0.3%	1.2%	0.7%	0.4%
Las Vegas	2.8%	2.4%	1.4%	1.2%
Los Angeles	0.6%	1.2%	1.0%	0.9%
Miami	-0.2%	0.4%	0.1%	0.3%
Minneapolis	-0.7%	0.3%	1.0%	0.8%
New York	-0.4%	-0.2%	-0.3%	0.2%
Phoenix	1.4%	1.3%	1.1%	1.3%
Portland	0.9%	0.9%	0.2%	0.7%
San Diego	1.3%	1.7%	1.4%	1.8%
San Francisco	0.7%	1.1%	0.5%	1.1%
Seattle	-0.2%	0.2%	0.3%	0.5%
Tampa	-0.5%	0.1%	-0.1%	-0.1%
Washington	-0.5%	0.4%	-0.3%	0.0%
Composite-10	-0.1%	0.6%	0.2%	0.3%
Composite-20	-0.1%	0.7%	0.2%	0.4%

Source: S&P Dow Jones Indices and Fiserv

Data through October 2012

About S&P Dow Jones Indices

S&P Dow Jones Indices LLC, a subsidiary of The McGraw-Hill Companies is the world's largest, global resource for index-based concepts, data and research. Home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average℠, S&P Dow Jones Indices LLC has over 115 years of experience constructing innovative and transparent solutions that fulfill the needs of institutional and retail investors. More assets are invested in products based upon our indices than any other provider in the world. With over 830,000 indices covering a wide range of assets classes across the globe, S&P Dow Jones Indices LLC defines the way investors measure and trade the markets. To learn more about our company, please visit www.spdji.com.

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S&P Dow Jones Indices has introduced a new blog called HousingViews.com. This interactive blog delivers real-time commentary and analysis from across the Standard & Poor's organization on a wide-range of topics impacting residential home prices, homebuilding and mortgage financing in the United States. Readers and viewers can visit the blog at www.housingviews.com, where feedback and commentary is certainly welcomed and encouraged.

The S&P/Case-Shiller Home Price Indices are published on the last Tuesday of each month at 9:00 am ET. They are constructed to accurately track the price path of typical single-family homes located in each metropolitan area provided. Each index combines matched price pairs for thousands of individual houses from the available universe of arms-length sales data. The S&P/Case-Shiller

National U.S. Home Price Index tracks the value of single-family housing within the United States. The index is a composite of single-family home price indices for the nine U.S. Census divisions and is calculated quarterly. The S&P/Case-Shiller Composite of 10 Home Price Index is a value-weighted average of the 10 original metro area indices. The S&P/Case-Shiller Composite of 20 Home Price Index is a value-weighted average of the 20 metro area indices. The indices have a base value of 100 in January 2000; thus, for example, a current index value of 150 translates to a 50% appreciation rate since January 2000 for a typical home located within the subject market.

These indices are generated and published under agreements between S&P Dow Jones Indices and Fiserv, Inc.

The S&P/Case-Shiller Home Price Indices are produced by Fiserv, Inc. In addition to the S&P/Case-Shiller Home Price Indices, Fiserv also offers home price index sets covering thousands of zip codes, counties, metro areas, and state markets. The indices, published by S&P Dow Jones Indices, represent just a small subset of the broader data available through Fiserv.

For more information about S&P Dow Jones Indices, please visit www.spindices.com.