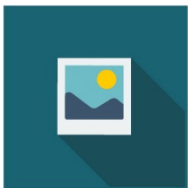
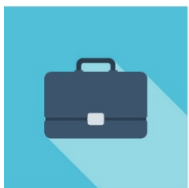
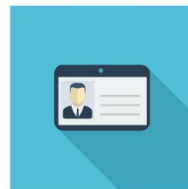
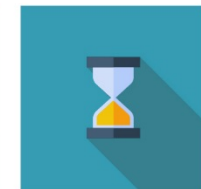
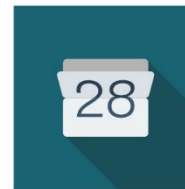
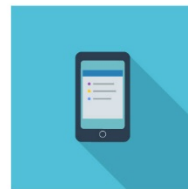
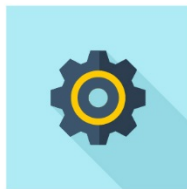
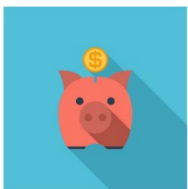
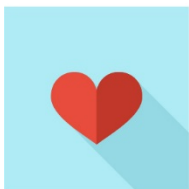
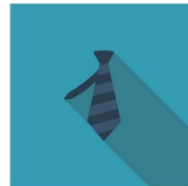
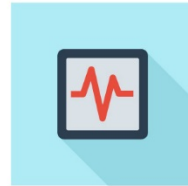
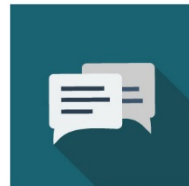
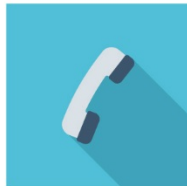
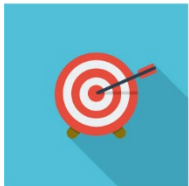
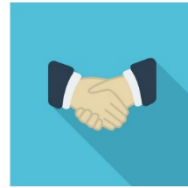
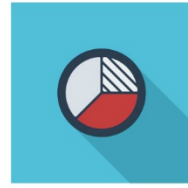
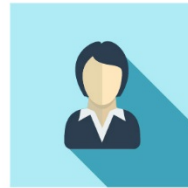
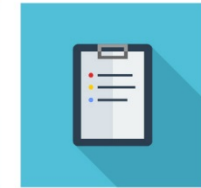
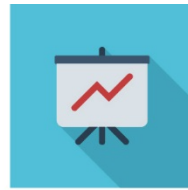
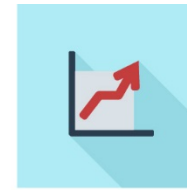
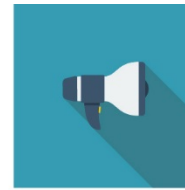
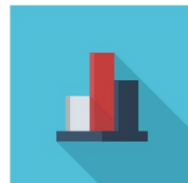
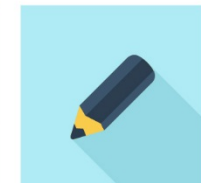
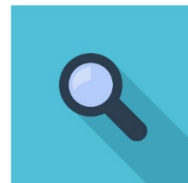
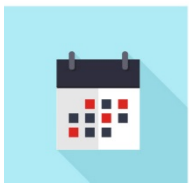


KEEPING CURRENT MATTERS

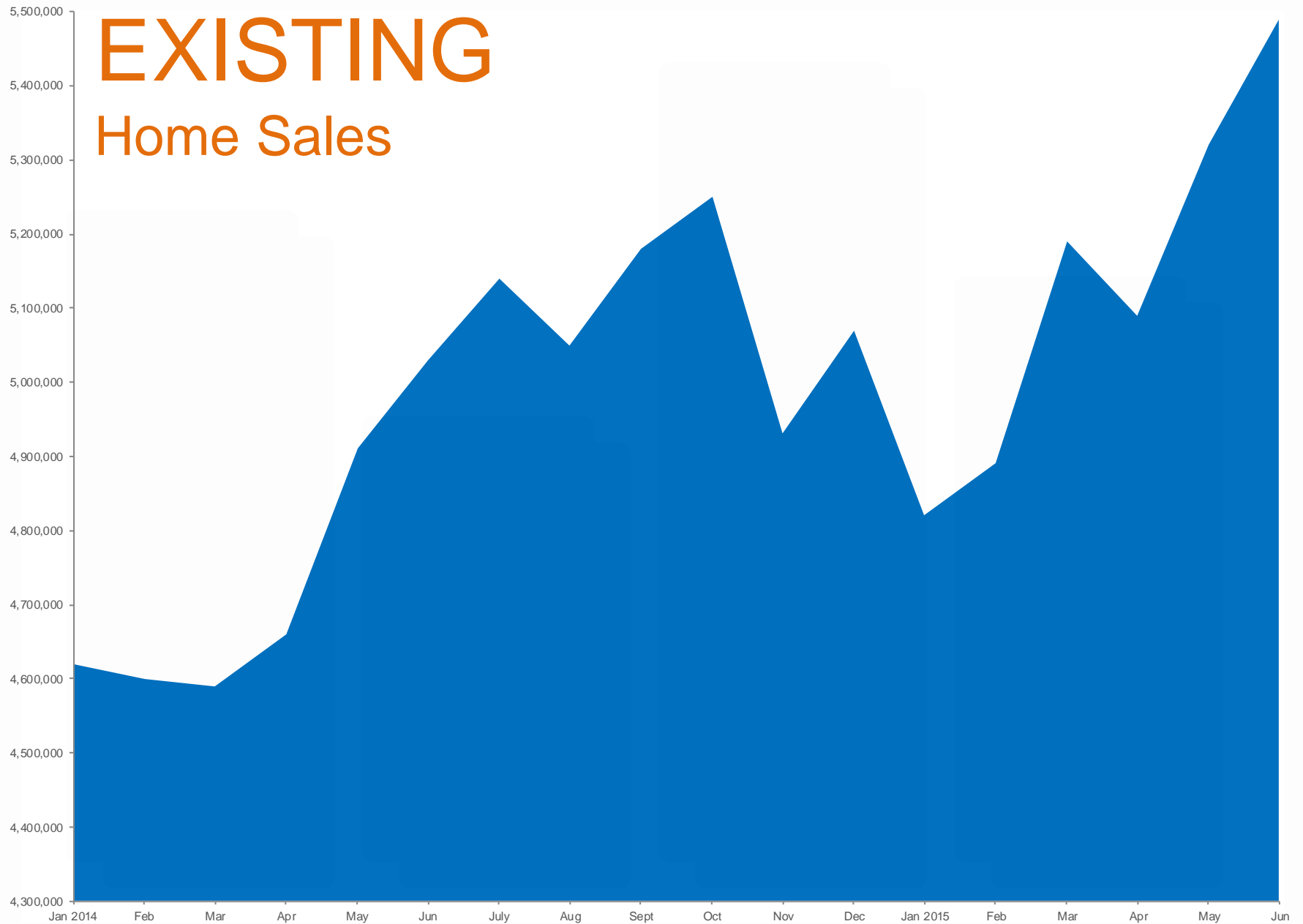
WWW.KEEPINGCURRENTMATTERS.COM



AUGUST 2015

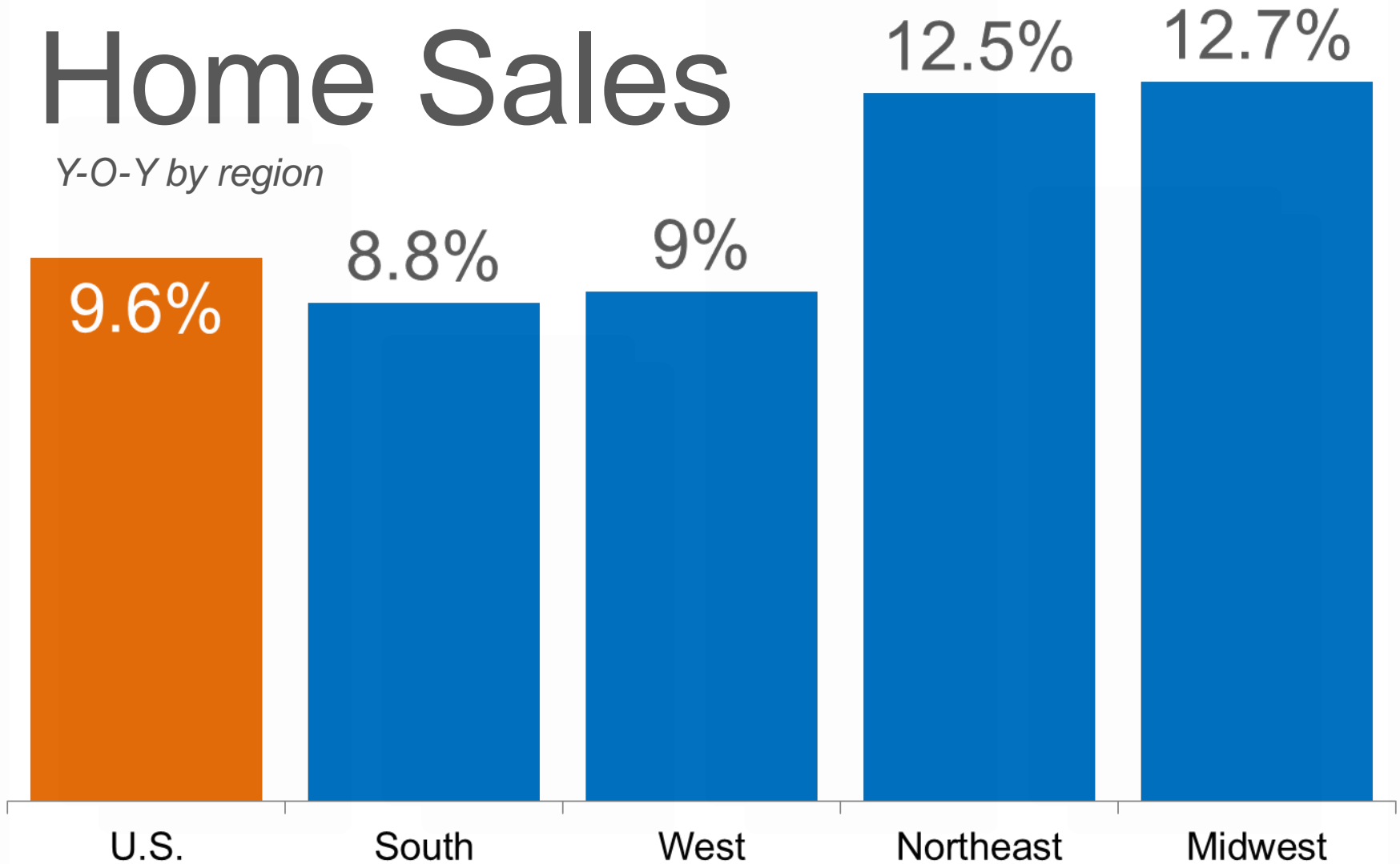


EXISTING Home Sales



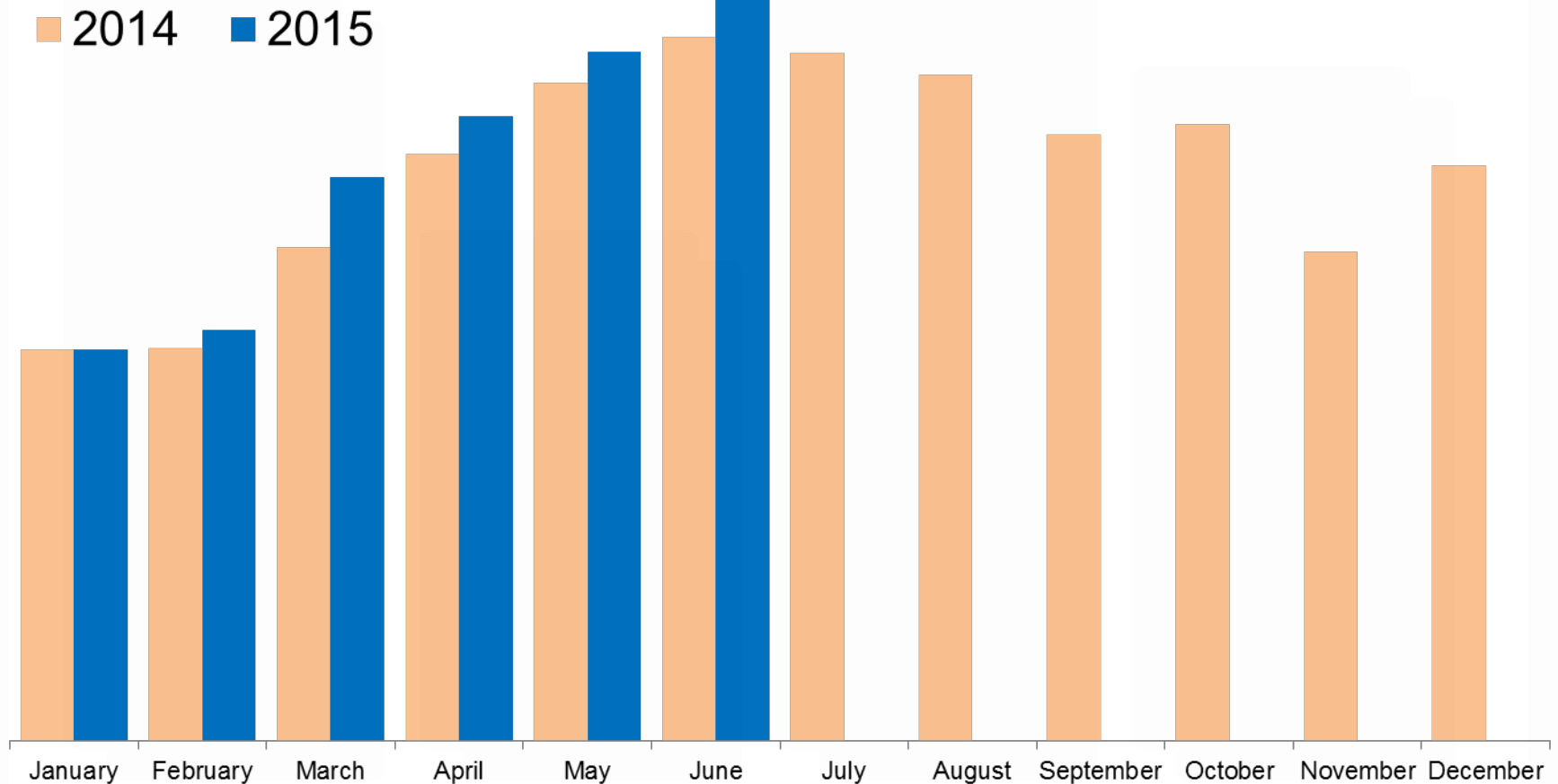
EXISTING Home Sales

Y-O-Y by region



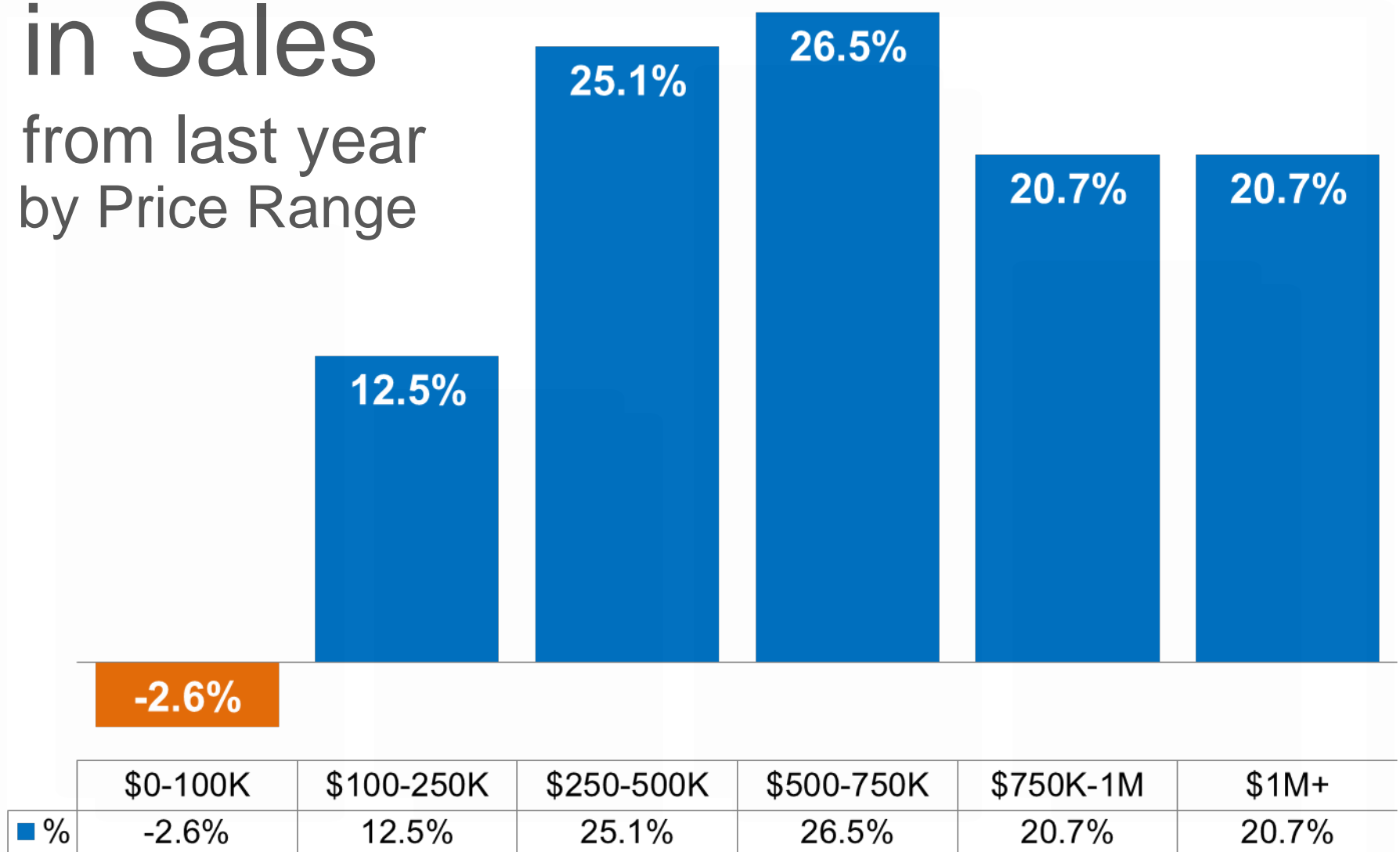
Existing Home Sales

in thousands



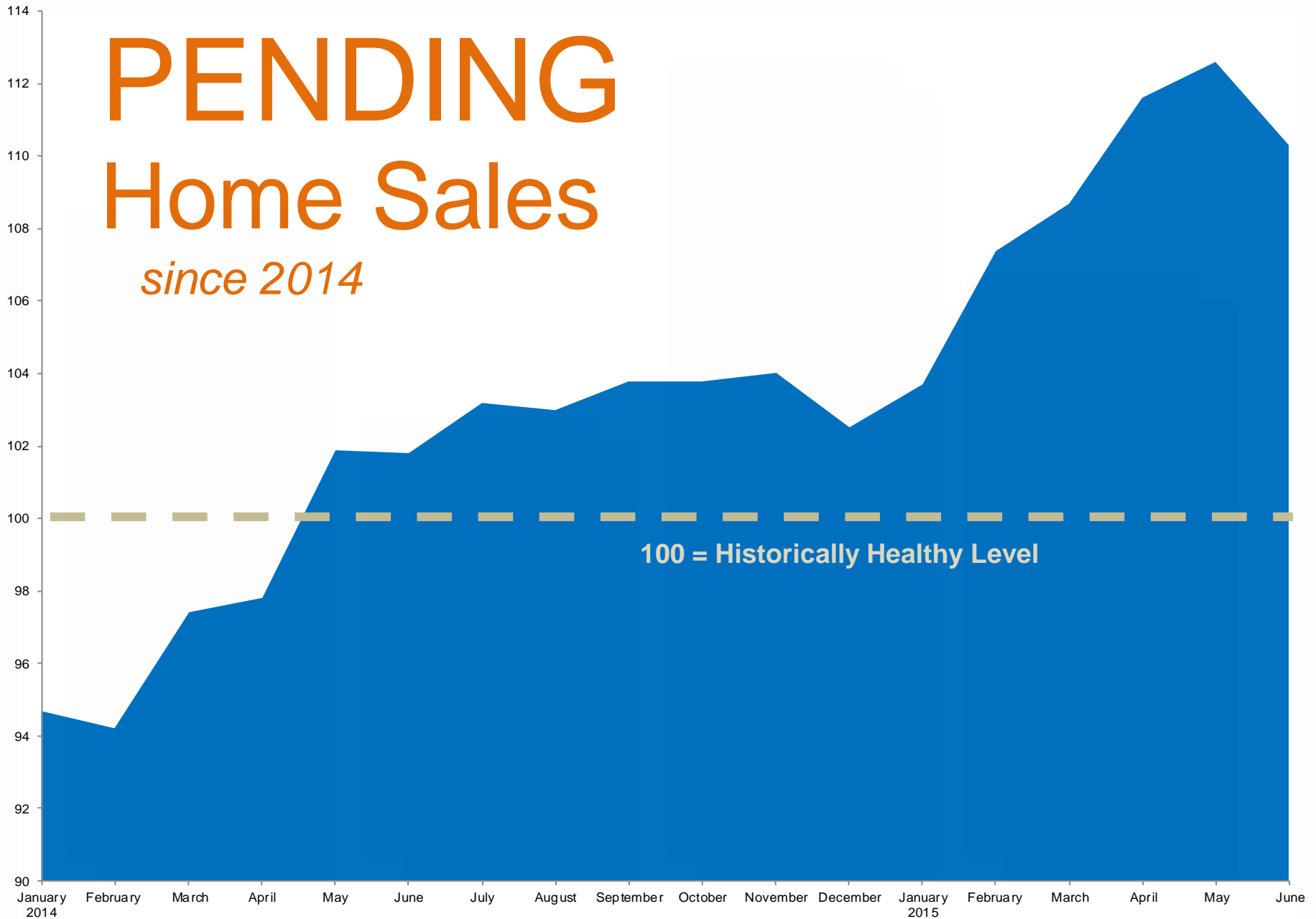
% Change in Sales

from last year
by Price Range



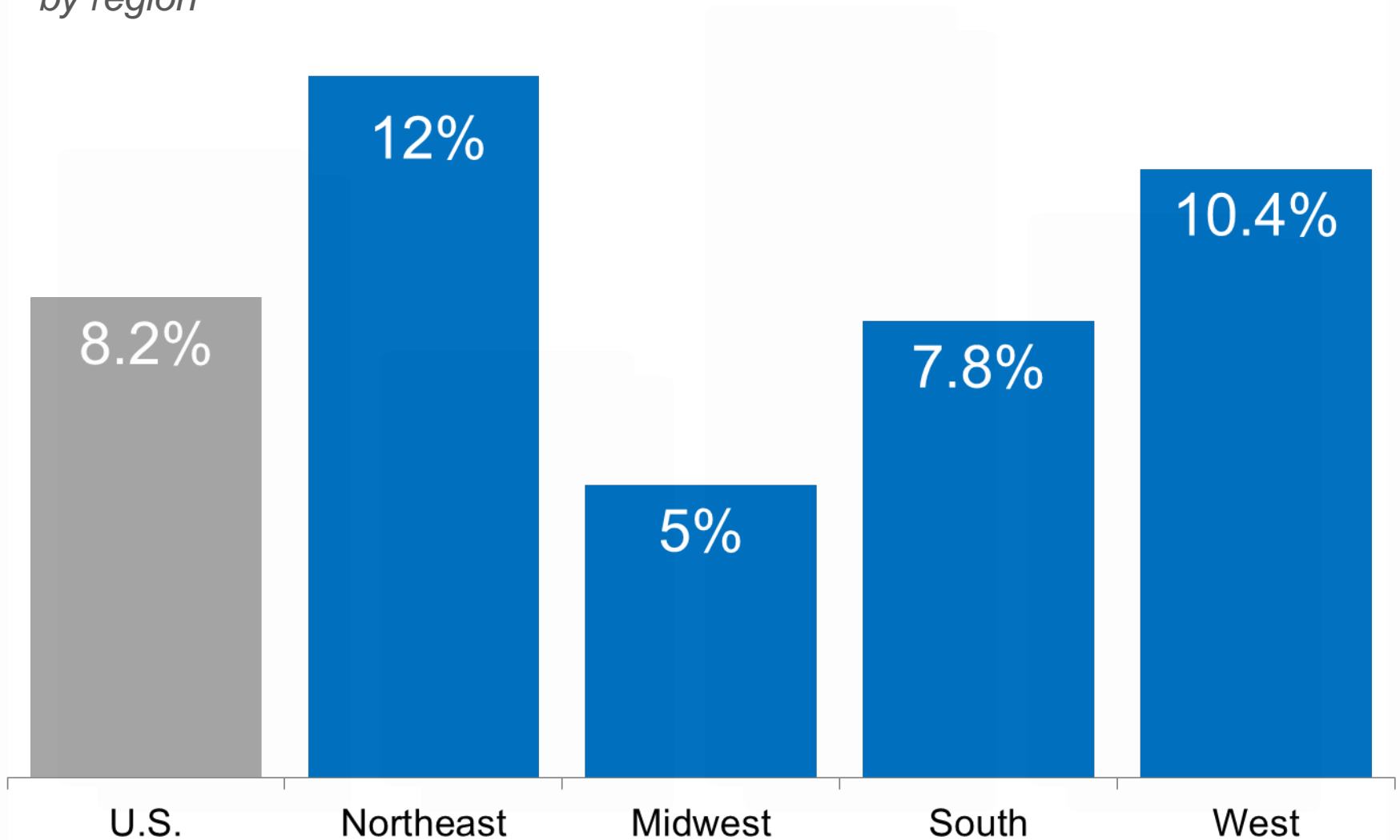
PENDING Home Sales

since 2014



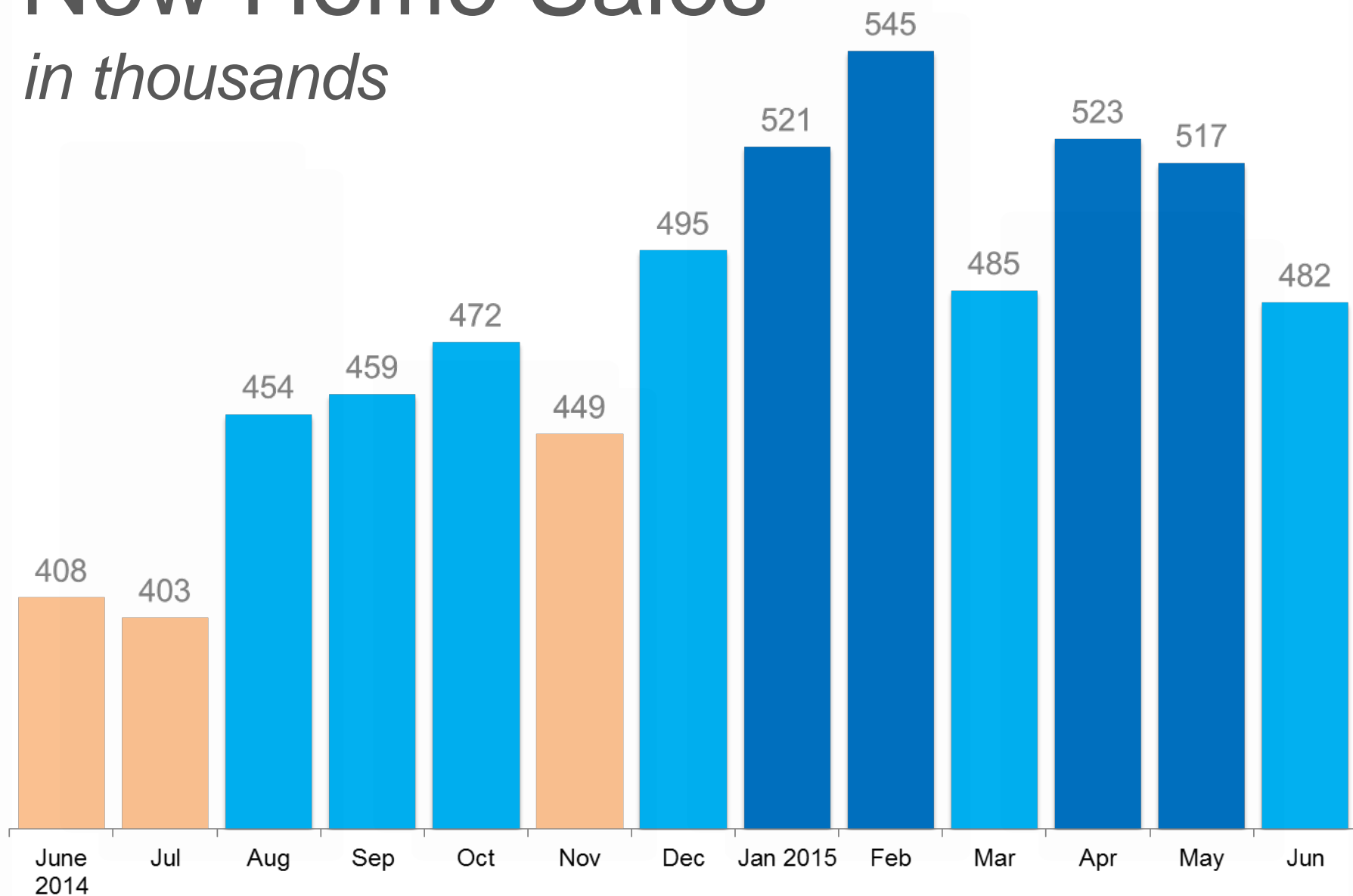
Year-over-Year Pending Home Sales

by region



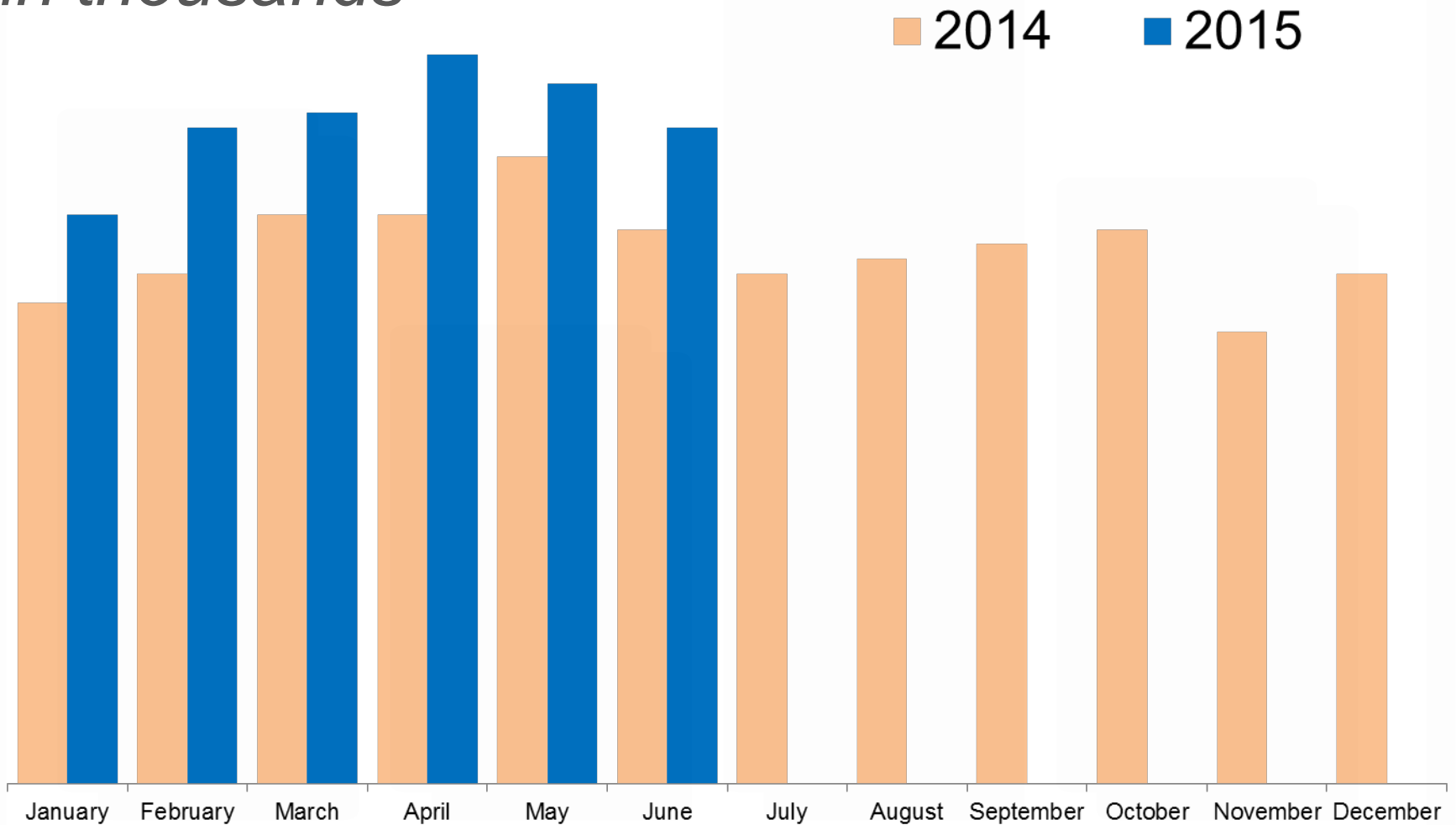
New Home Sales

in thousands



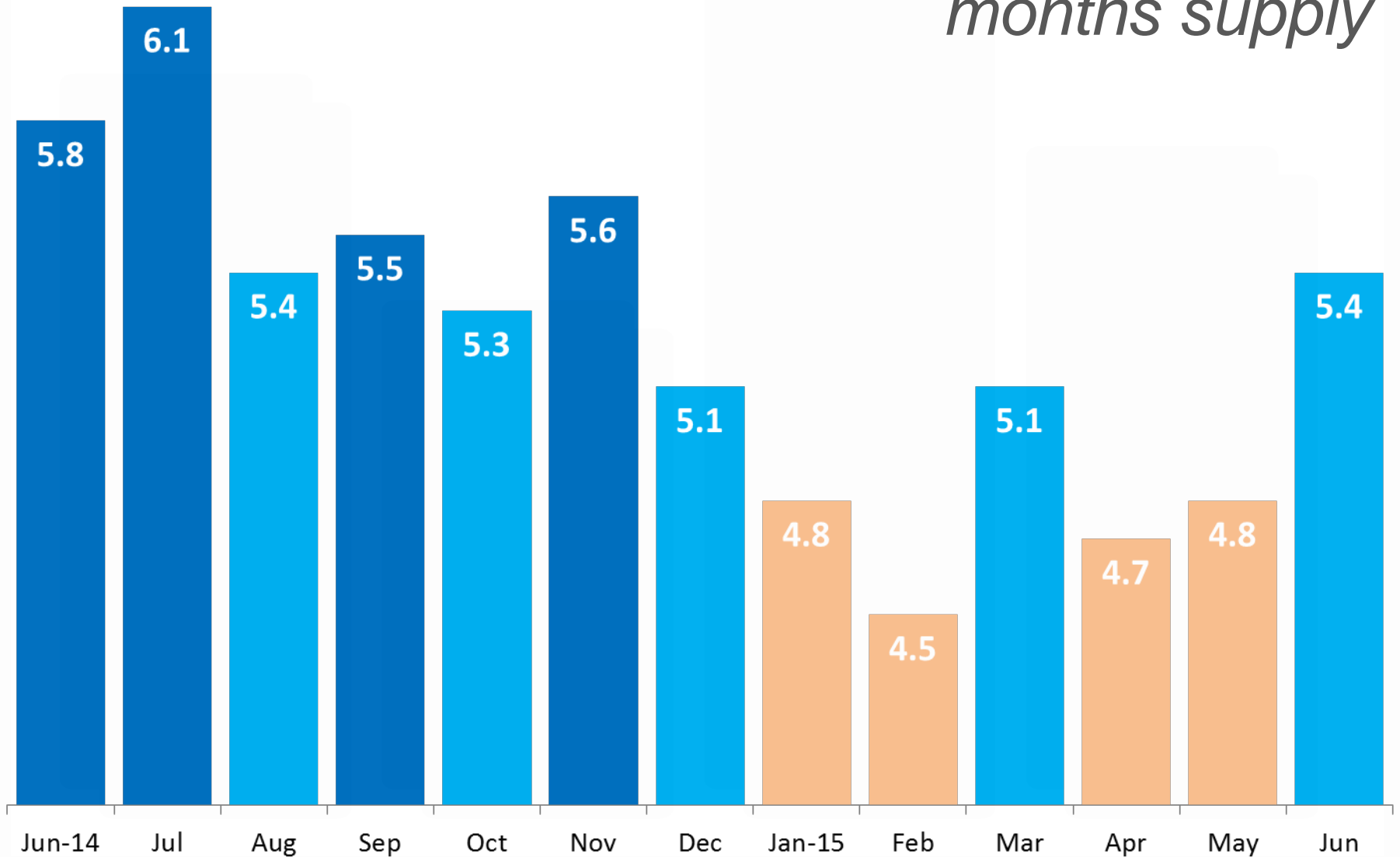
New Home Sales

in thousands

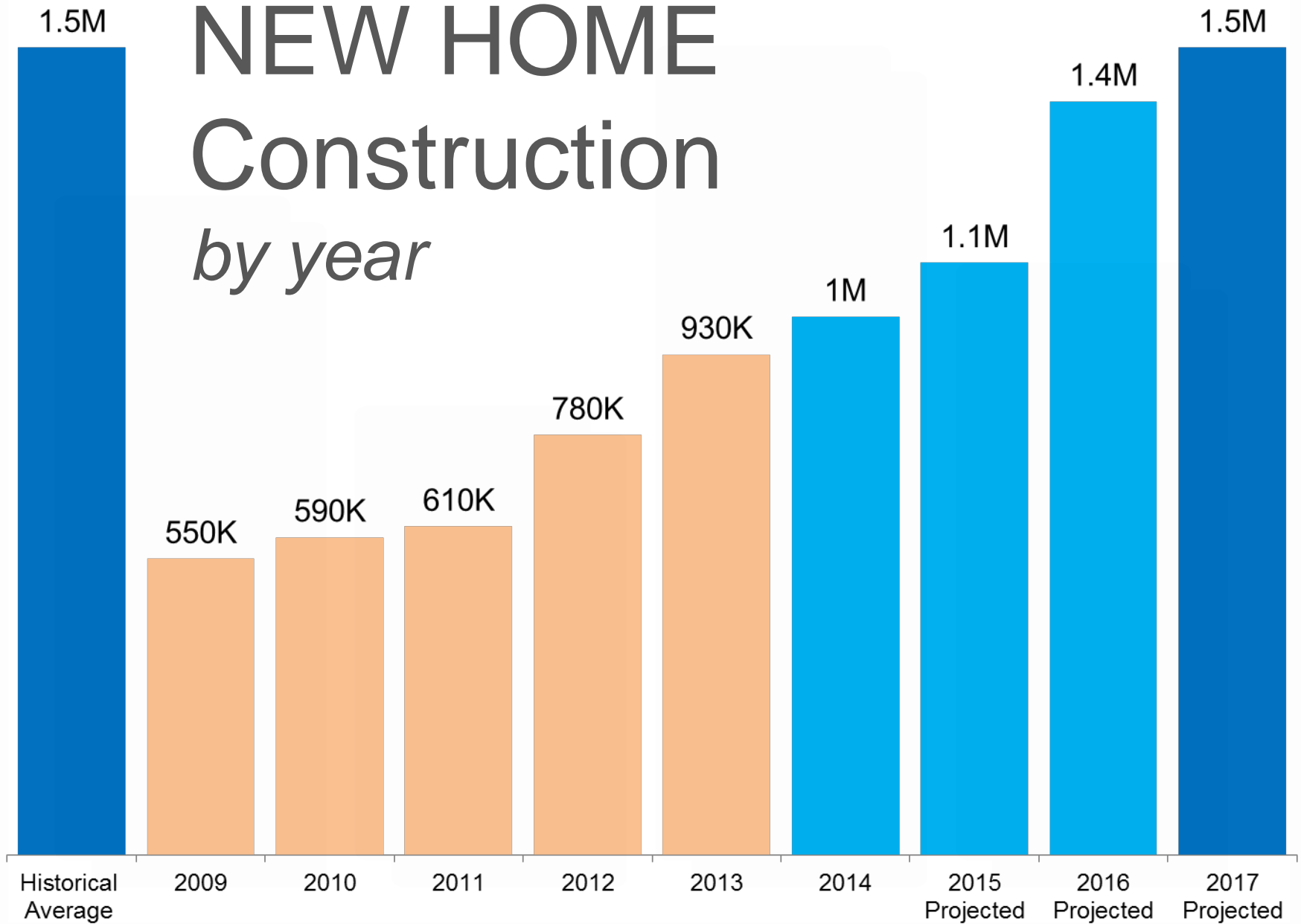


New Home Inventory

months supply

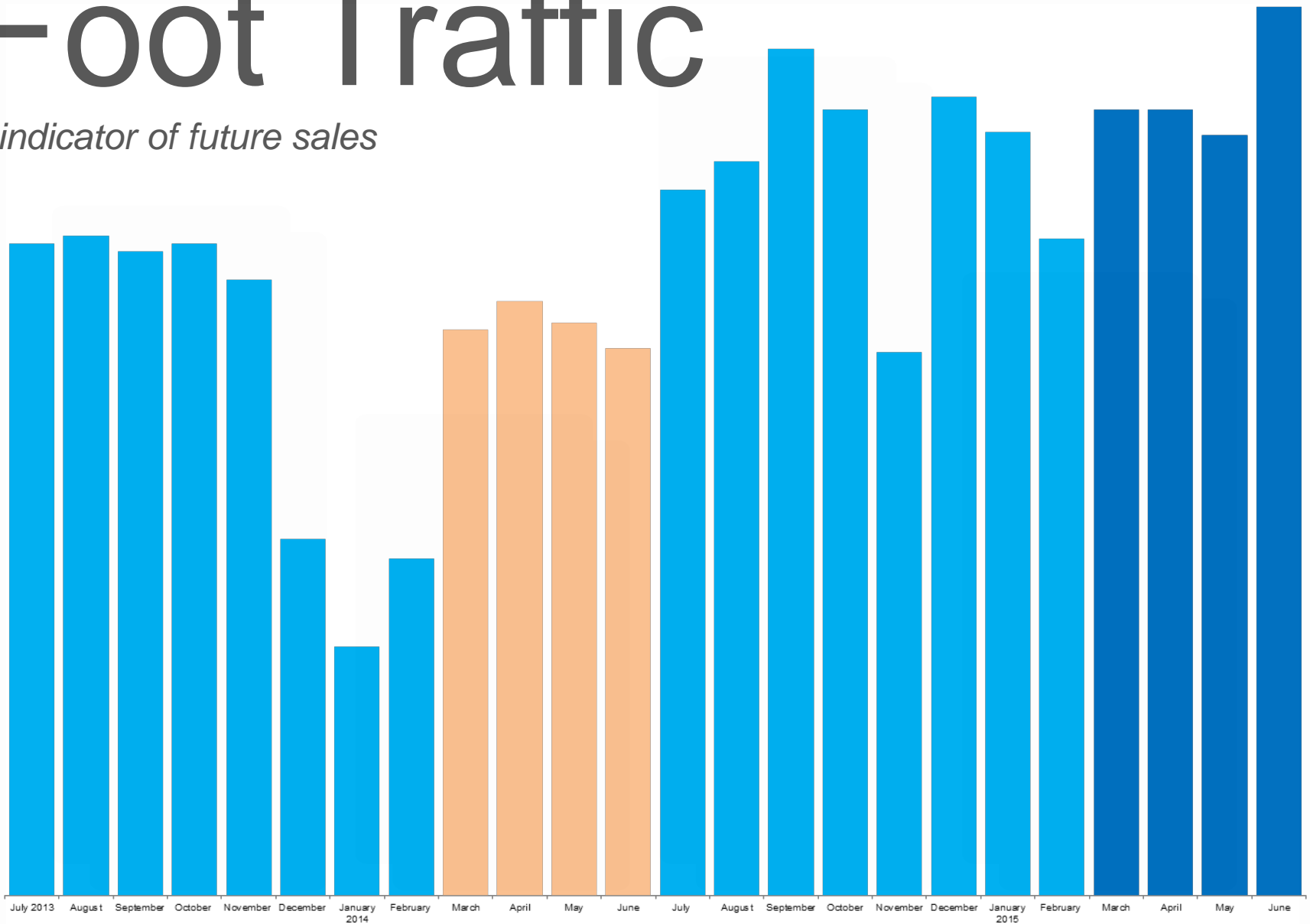


NEW HOME Construction *by year*

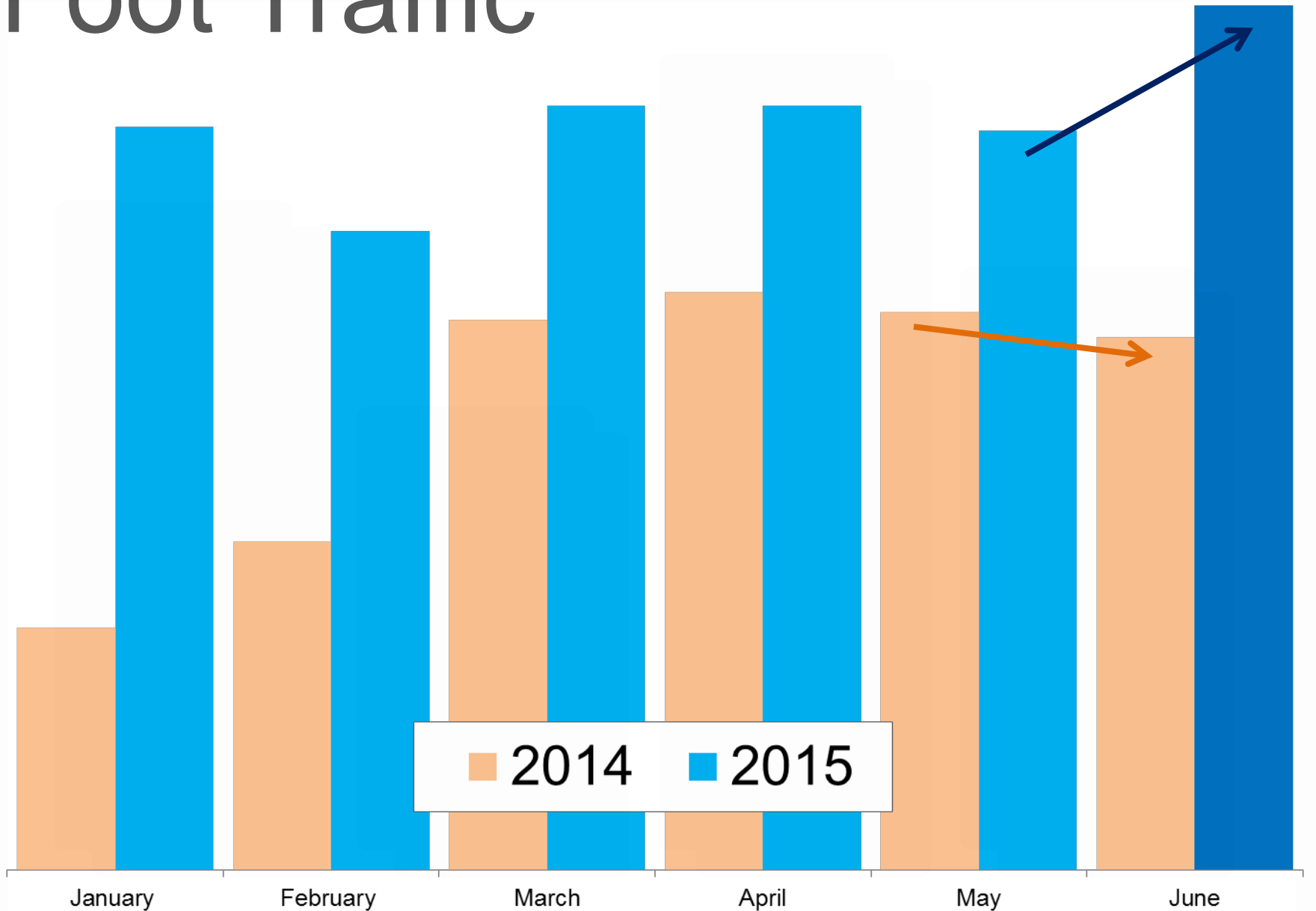


Foot Traffic

indicator of future sales

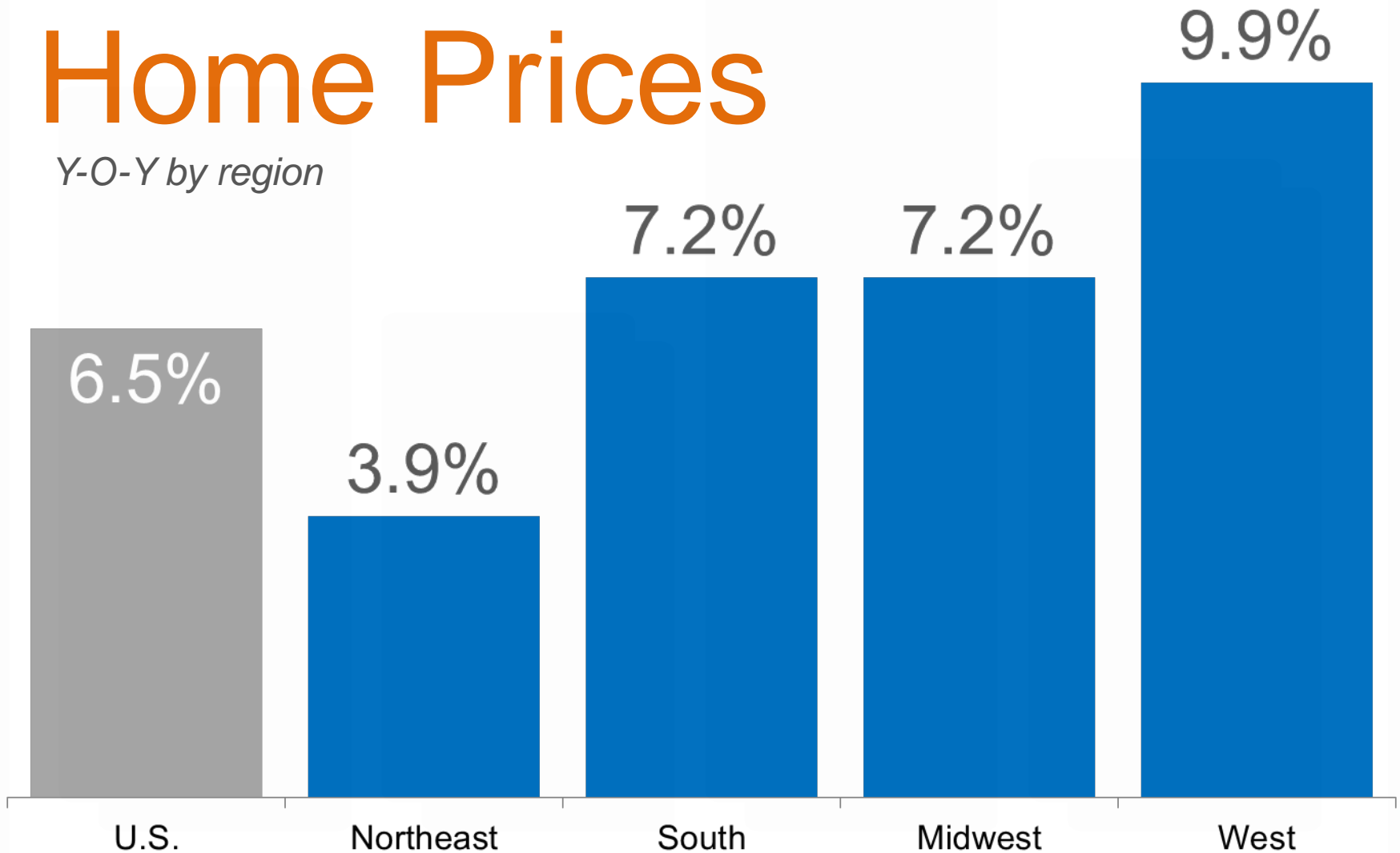


Foot Traffic

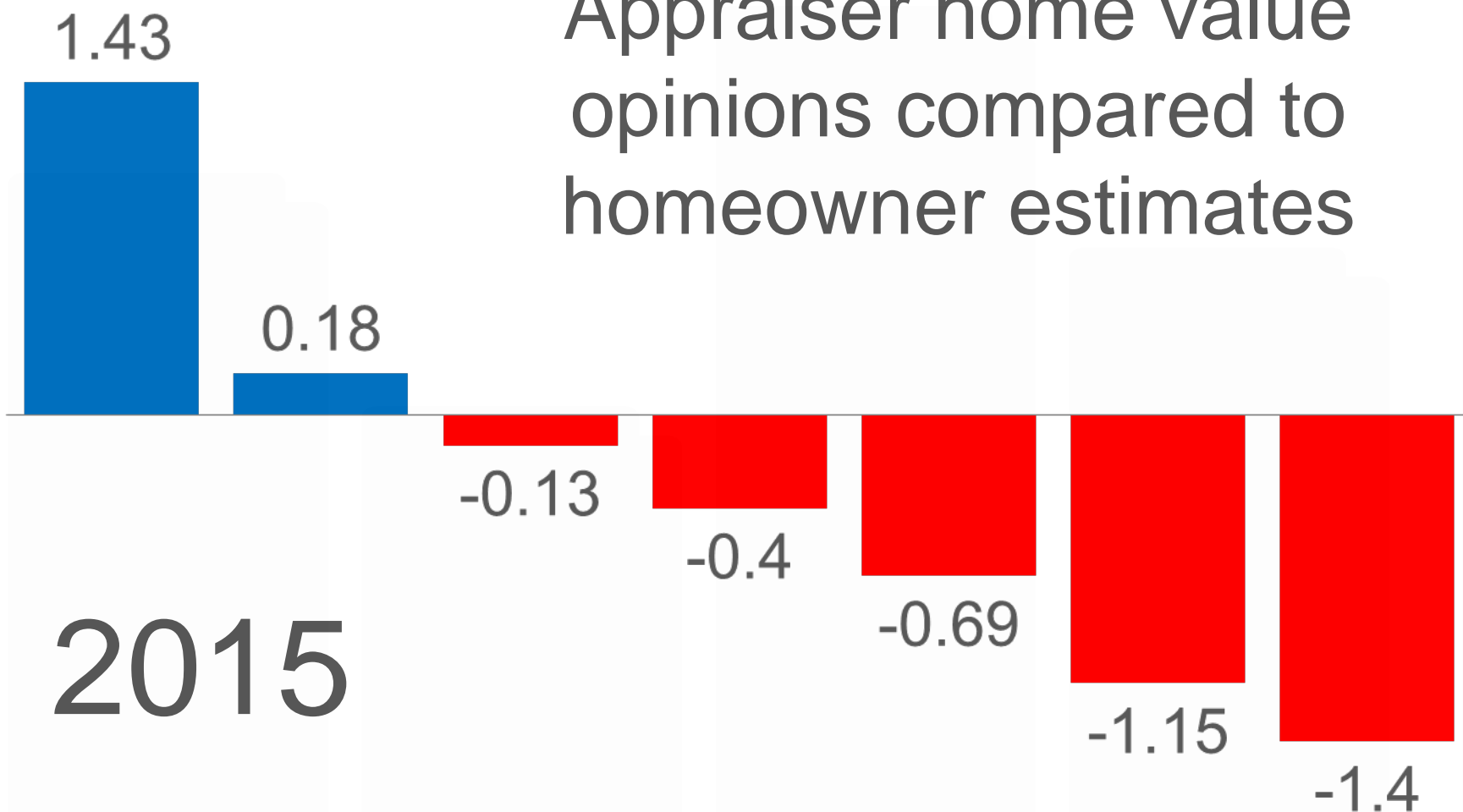


EXISTING Home Prices

Y-O-Y by region



Appraiser home value opinions compared to homeowner estimates

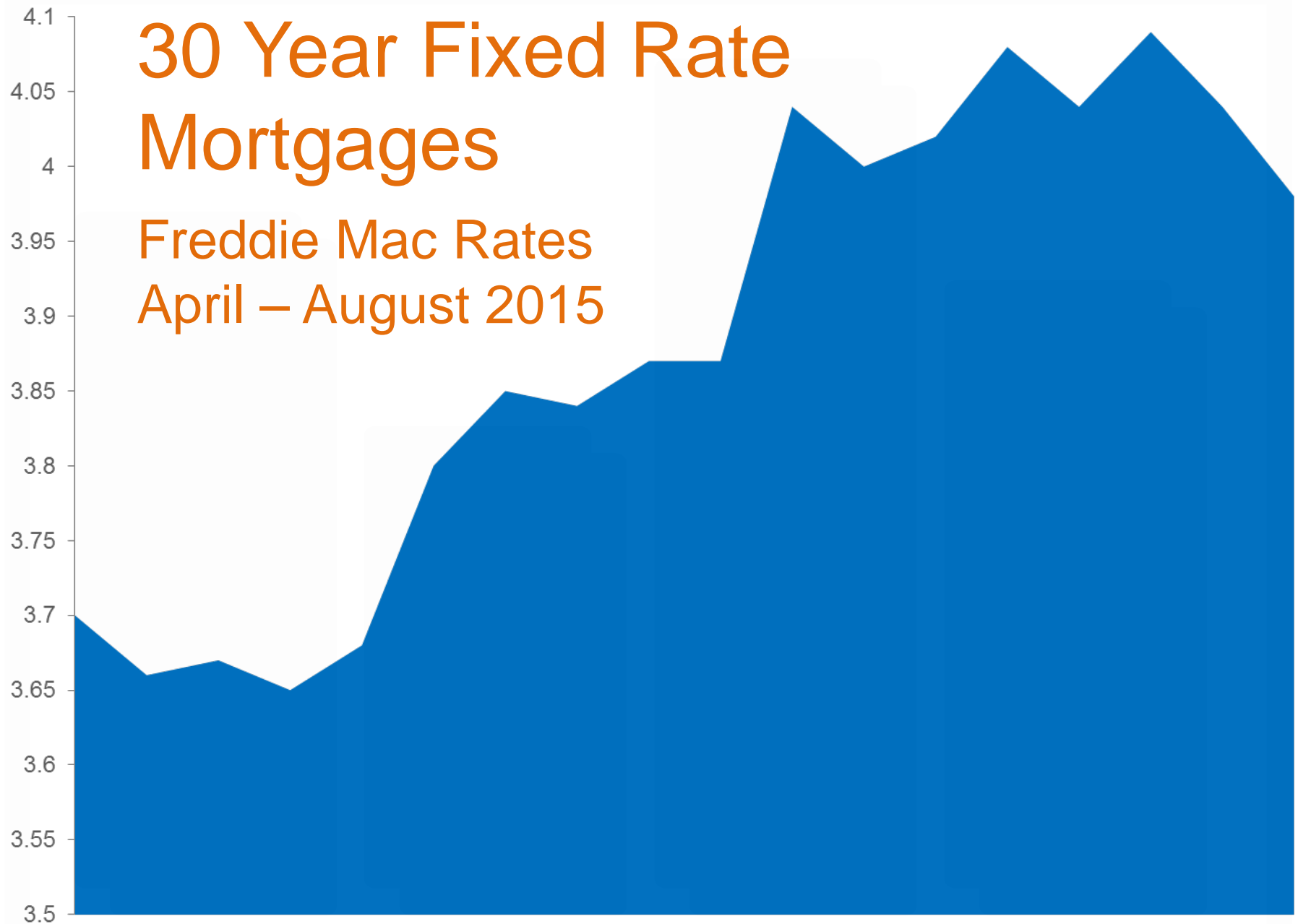


2015

	January	February	March	April	May	June	July
%	1.43	0.18	-0.13	-0.4	-0.69	-1.15	-1.4

30 Year Fixed Rate Mortgages

Freddie Mac Rates
April – August 2015



Mortgage Rate Projections

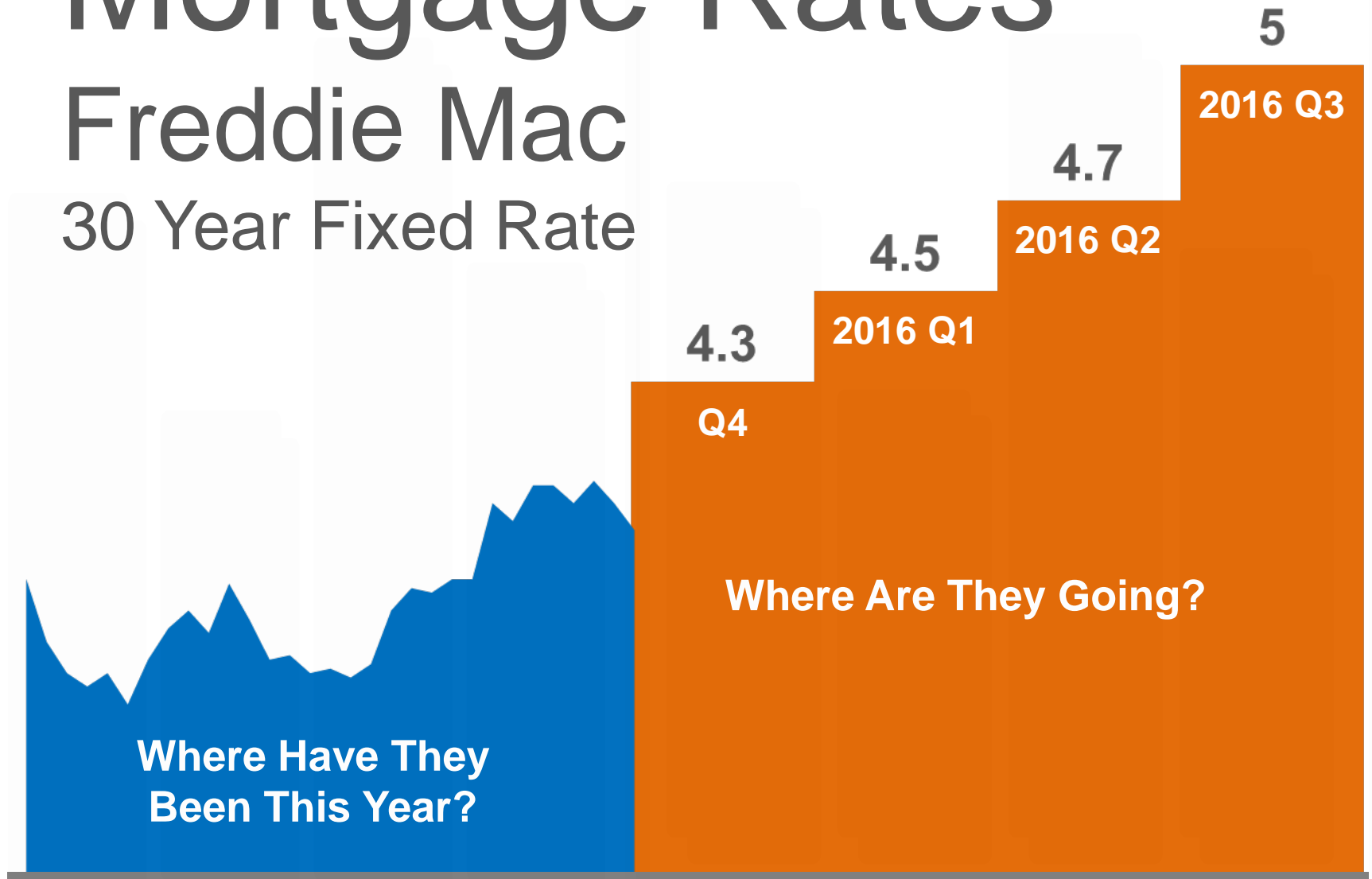


Quarter	Fannie Mae	Freddie Mac	MBA	NAR	Average of all Four
2015 4Q	4.1	4.3	4.4	4.2	4.25
2016 1Q	4.2	4.5	4.7	4.4	4.45
2016 2Q	4.3	4.7	4.9	4.6	4.63
2016 3Q	4.4	5	5.1	4.9	4.85

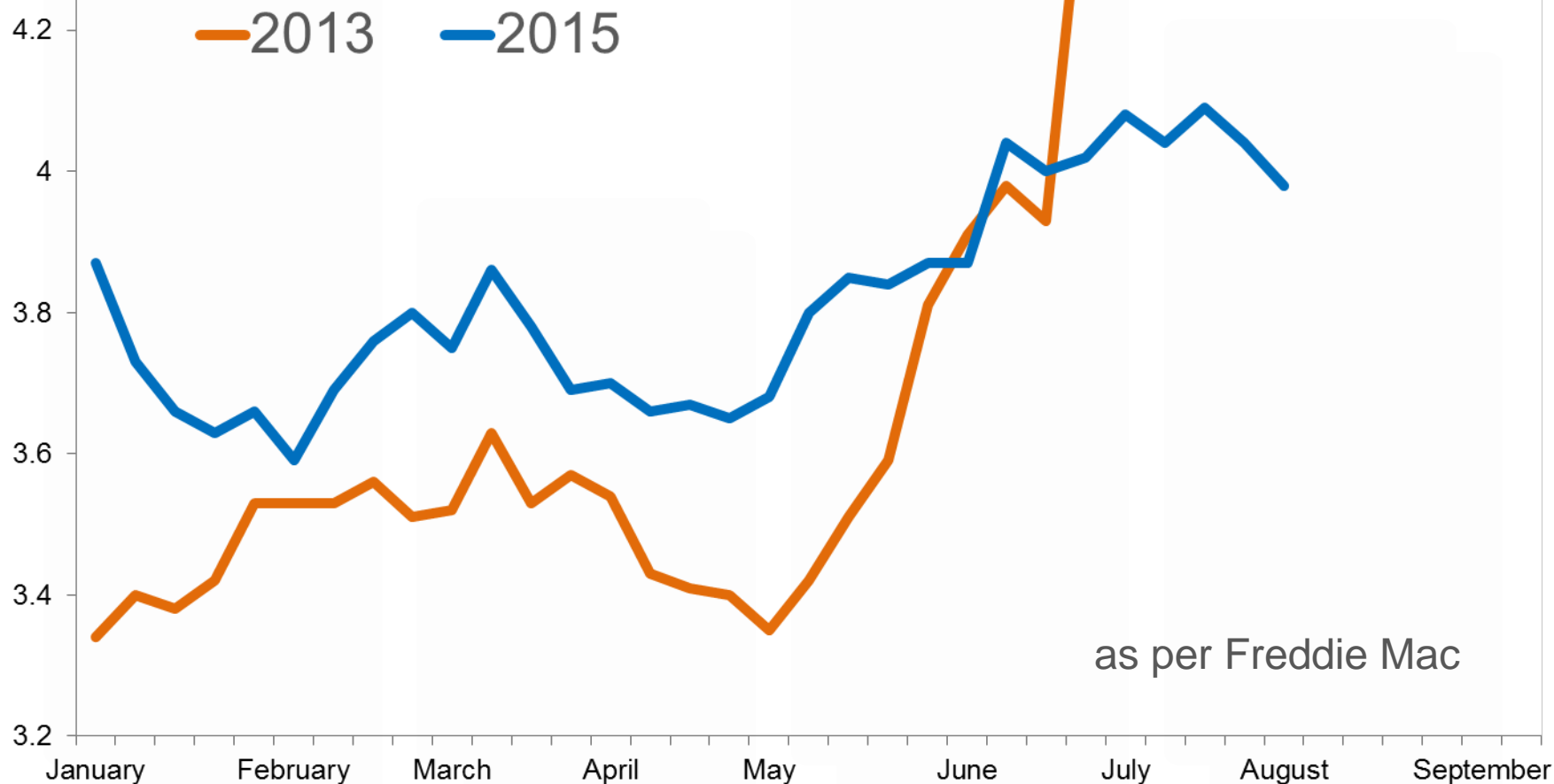
Mortgage Rates

Freddie Mac

30 Year Fixed Rate

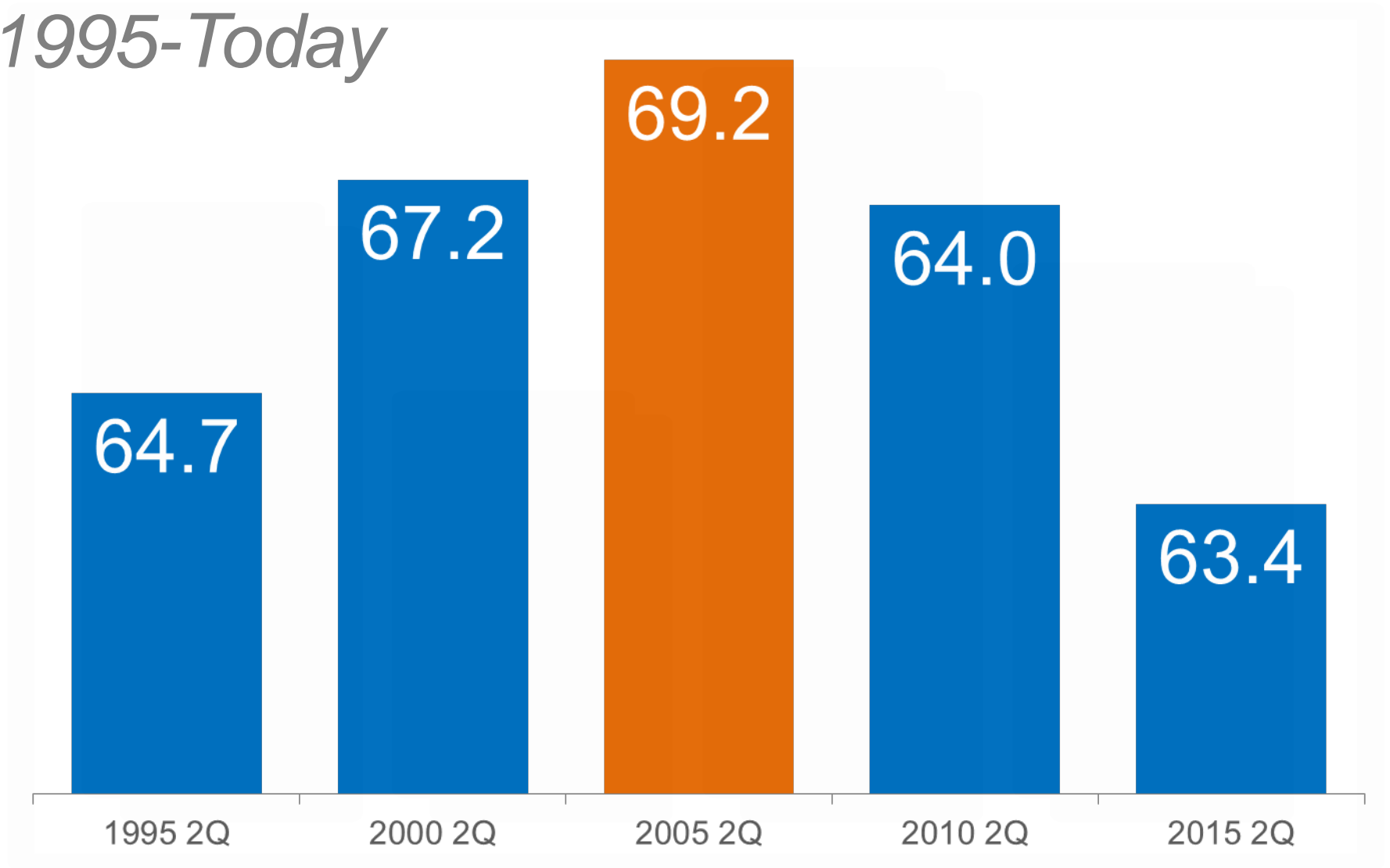


MORTGAGE RATE Spike Comparison



Homeownership Rates

1995-Today

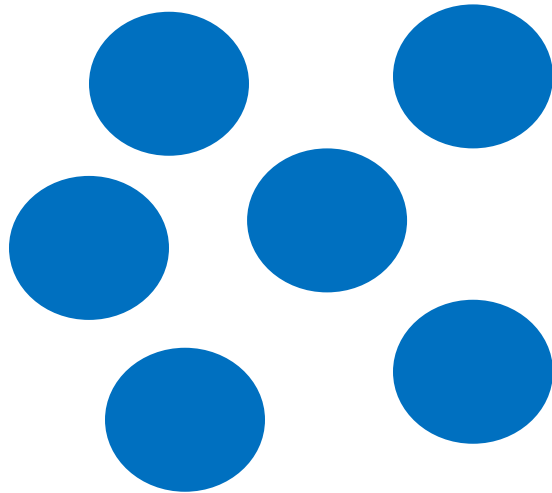


Number of Households

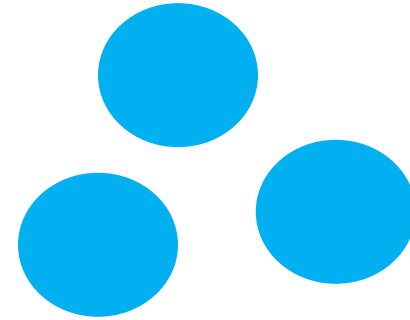
in millions



Homeowners

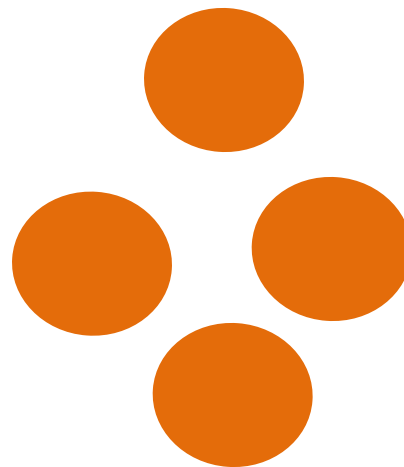


Renters

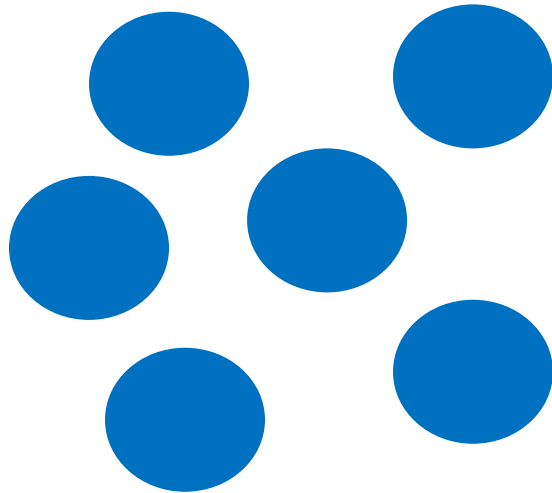


67%

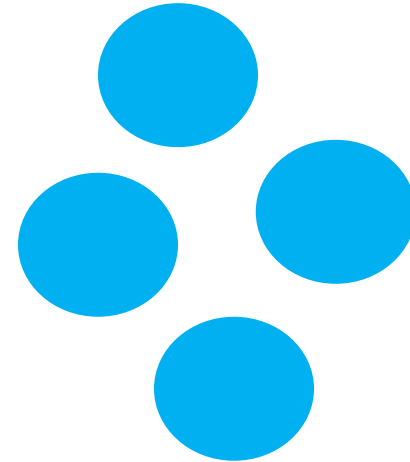
Living with
Parents



Homeowners

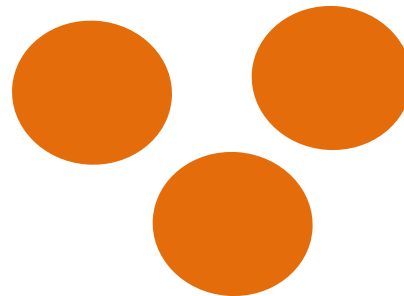


Renters

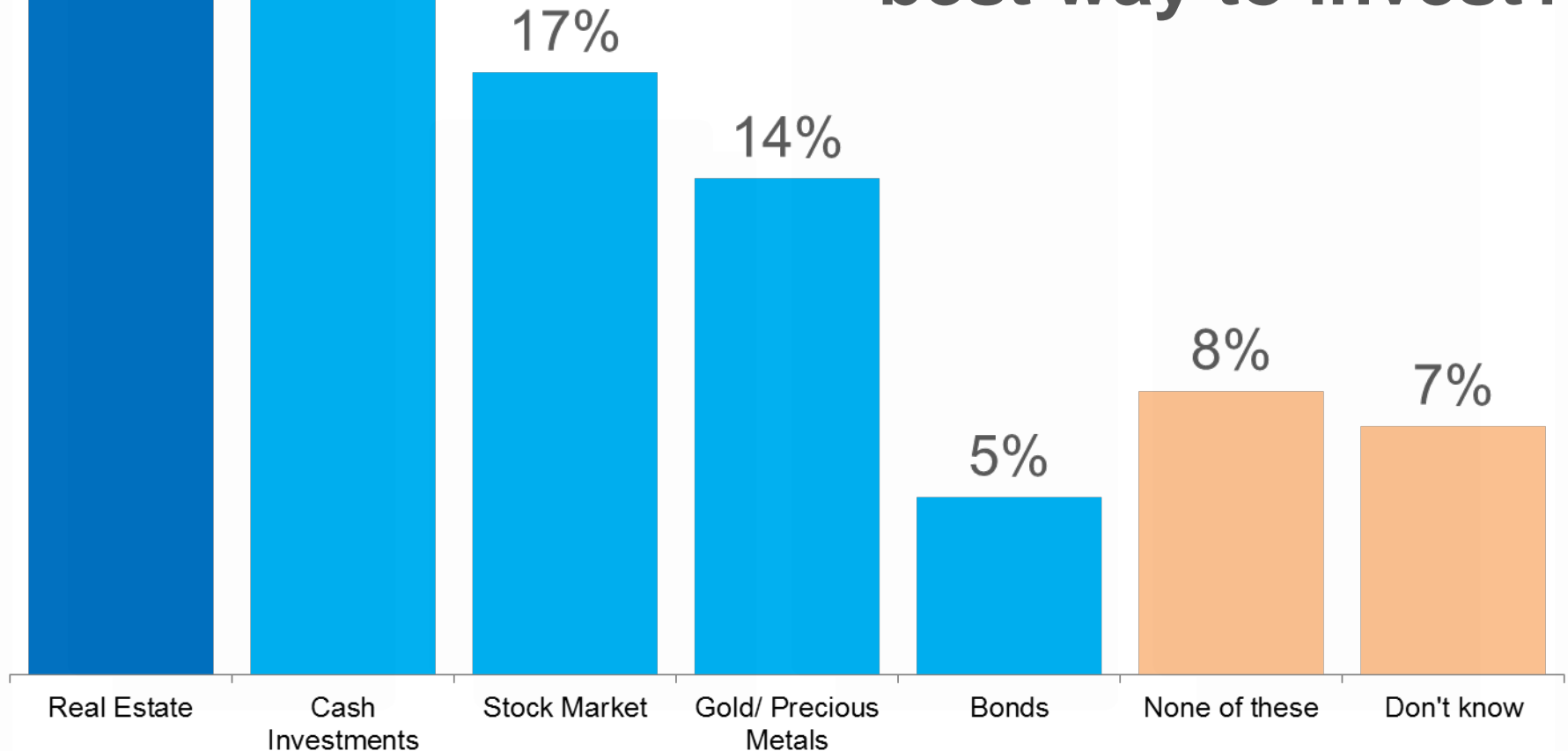


60%

Living with
Parents



For money you wouldn't need
for more than 10 years,
which one of the following
do you think would be the
best way to invest?



Freddie Mac talks Home Equity

After 7 Years...		\$\$
Amount Borrowed		\$135,000
Principal Paid		\$17,515
Amount Outstanding (\$135,000-\$17,515)		\$117,485
Appraised Value		\$185,003
Amount Outstanding		-\$117, 485
Equity in Home		\$67,518

Scenario according to Freddie Mac: You bought your home for \$150,000 with a down payment of 10%, resulting in a loan amount of \$135,000. You secured a 30-year fixed-rate mortgage at 4.5% with a monthly mortgage payment of \$684.03 (not including taxes and insurance). After 7 years of making your mortgage payments, assuming 3% per year home appreciation (based on the national average).

First Time Home Buyers

52.9% of all buyers were first time buyers last month

...according to the **First-Time Buyer Mortgage Share Index** by AEI's International Center on Housing Risk

Number of primary
owner-occupied,
first-time buyer
purchase mortgages

107K

June 2014

120K

20% *increase*

June 2015

MILLENNIALS *between the ages of 18 and 34*

Are you currently
a homeowner?

28.2%

71.8%

Yes

No

Older MILLENNIALS *between the ages of 25 and 34*

Intend to purchase a home in
the next 3 months

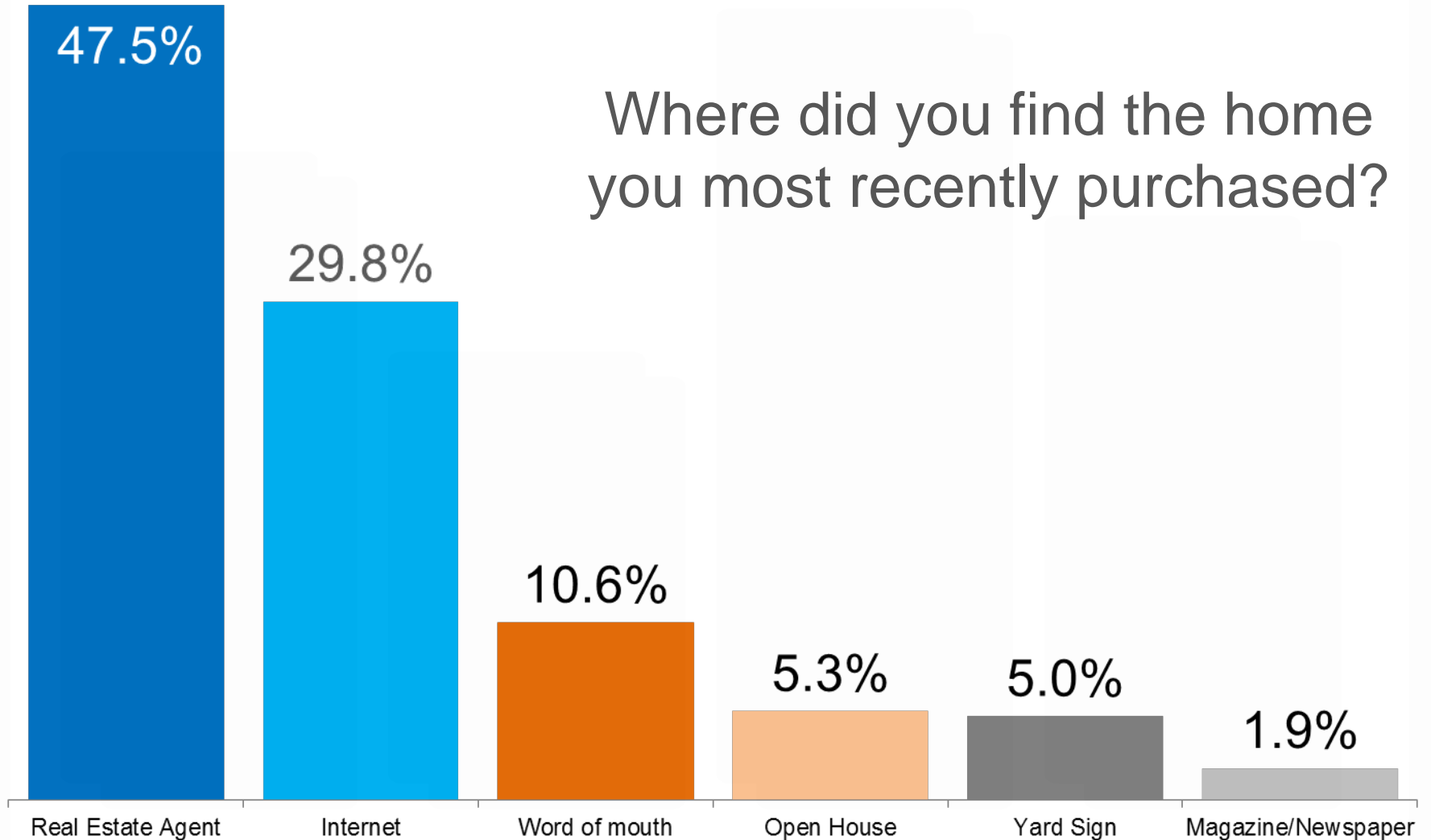
53%

2014

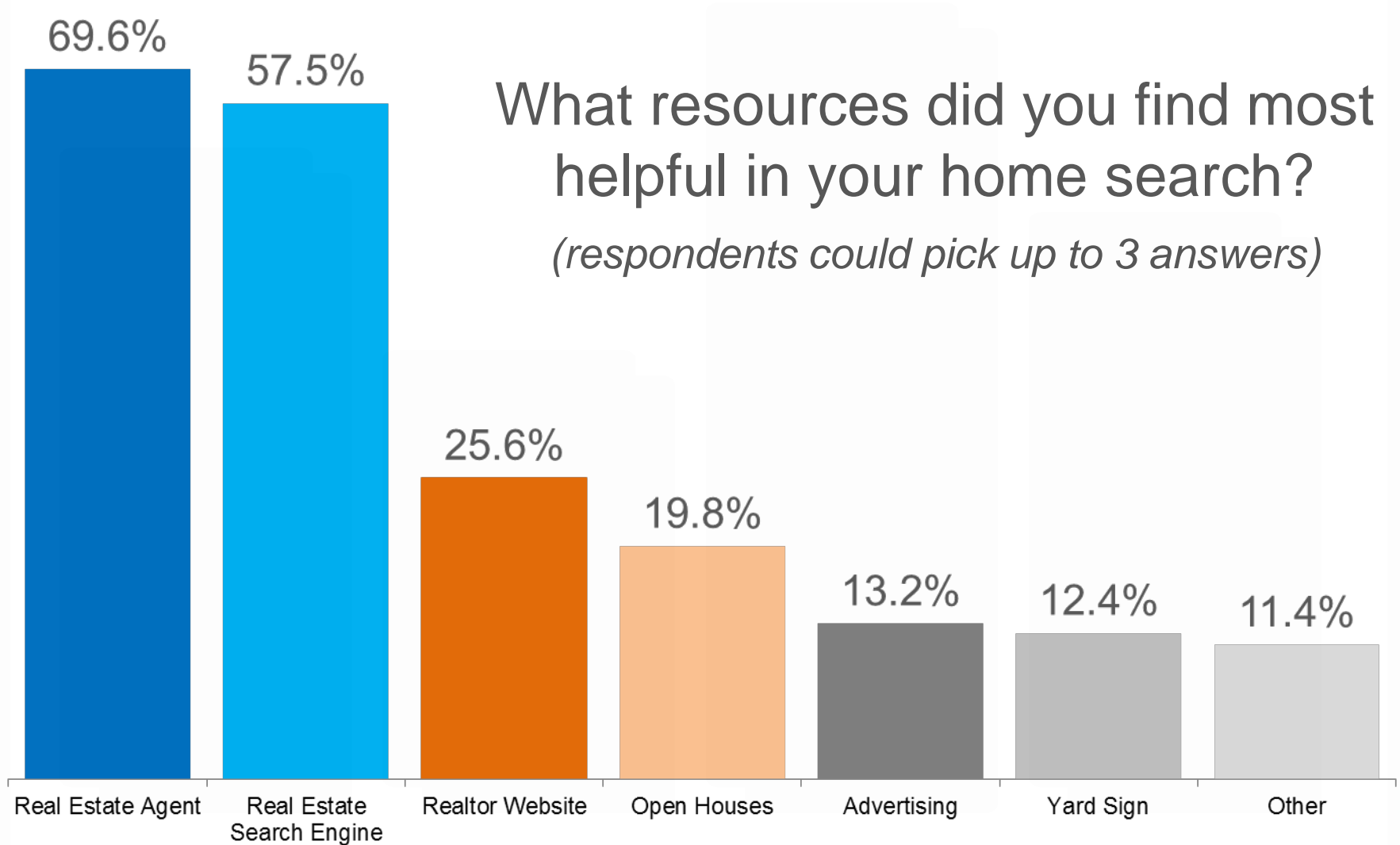
65%

2015

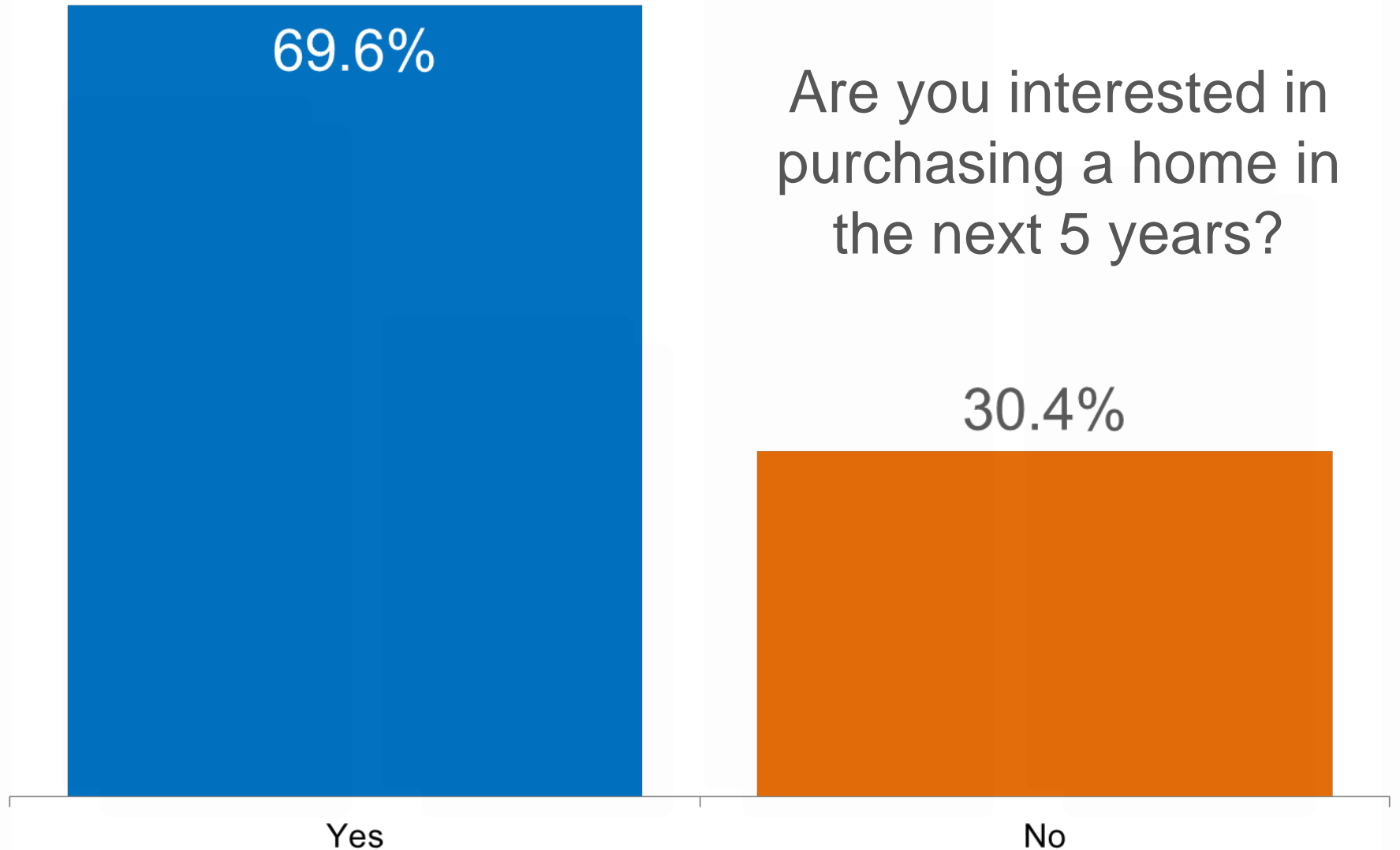
MILLENNIALS *between the ages of 18 and 34*



MILLENNIALS *between the ages of 18 and 34*



MILLENNIALS *between the ages of 18 and 34*



MILLENNIALS *between the ages of 18 and 34*

56.7%

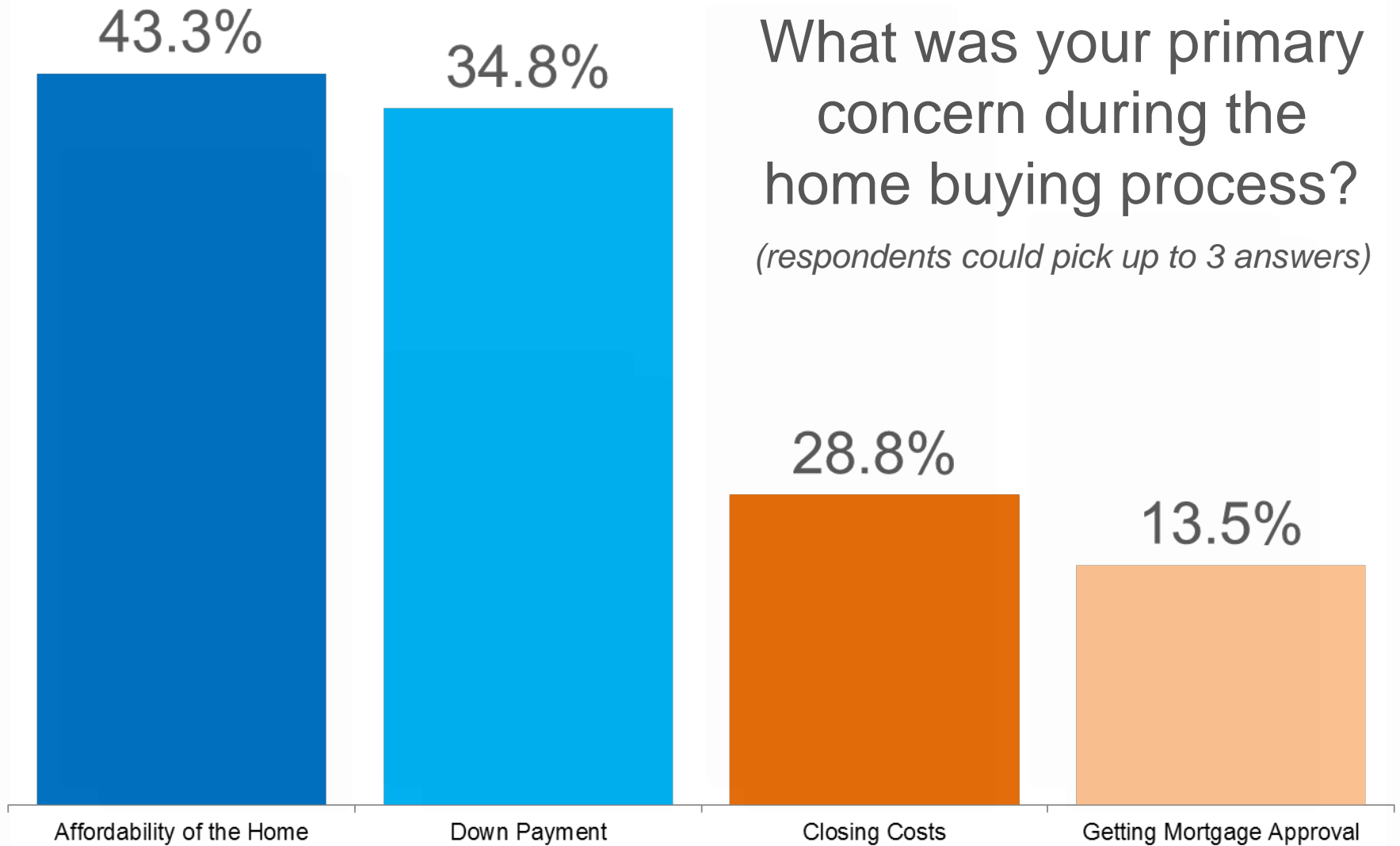
Would you prefer to search for a home through a real estate agent or on your own?

42.3%

Real Estate Agent

Independently

MILLENNIALS *between the ages of 18 and 34*



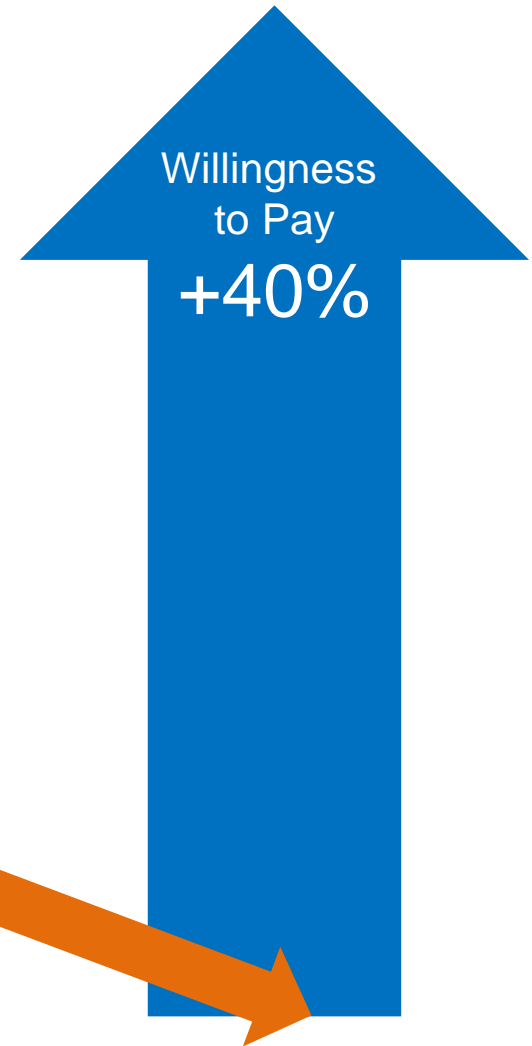
The 1% point rise in mortgage interest rates will not be enough to cause a significant deterioration in affordability. We estimate that the average monthly mortgage payment equates to around 15% of median family income. We expect this to rise to no more than 18% by the end of next year.



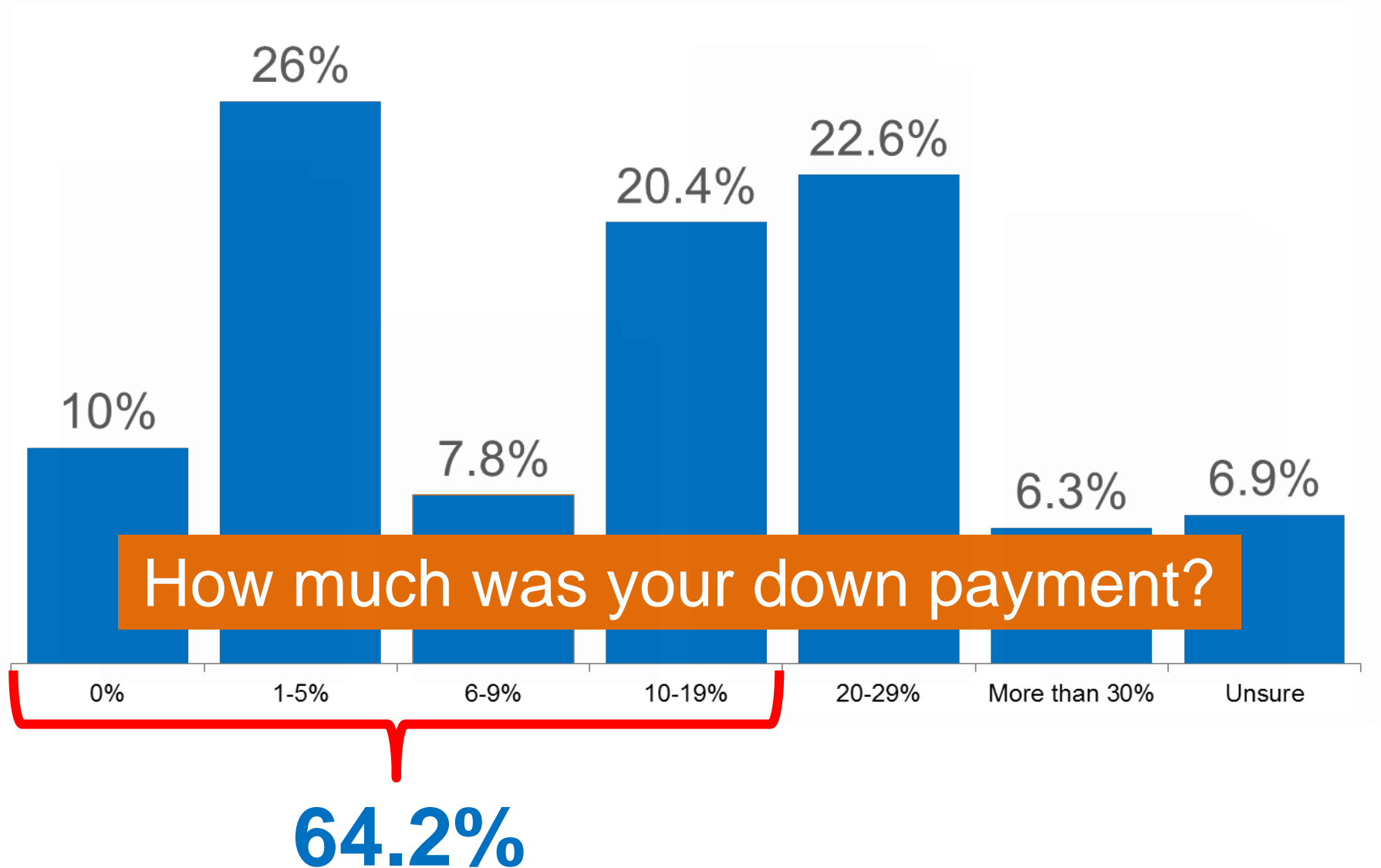
Ed Stansfield, Chief Property Economist for *Capital Economics*

Willingness to Pay (WTP)

Renters WTP increases by 40% if down payment goes from 20% to 5%



MILLENNIALS *between the ages of 18 and 34*

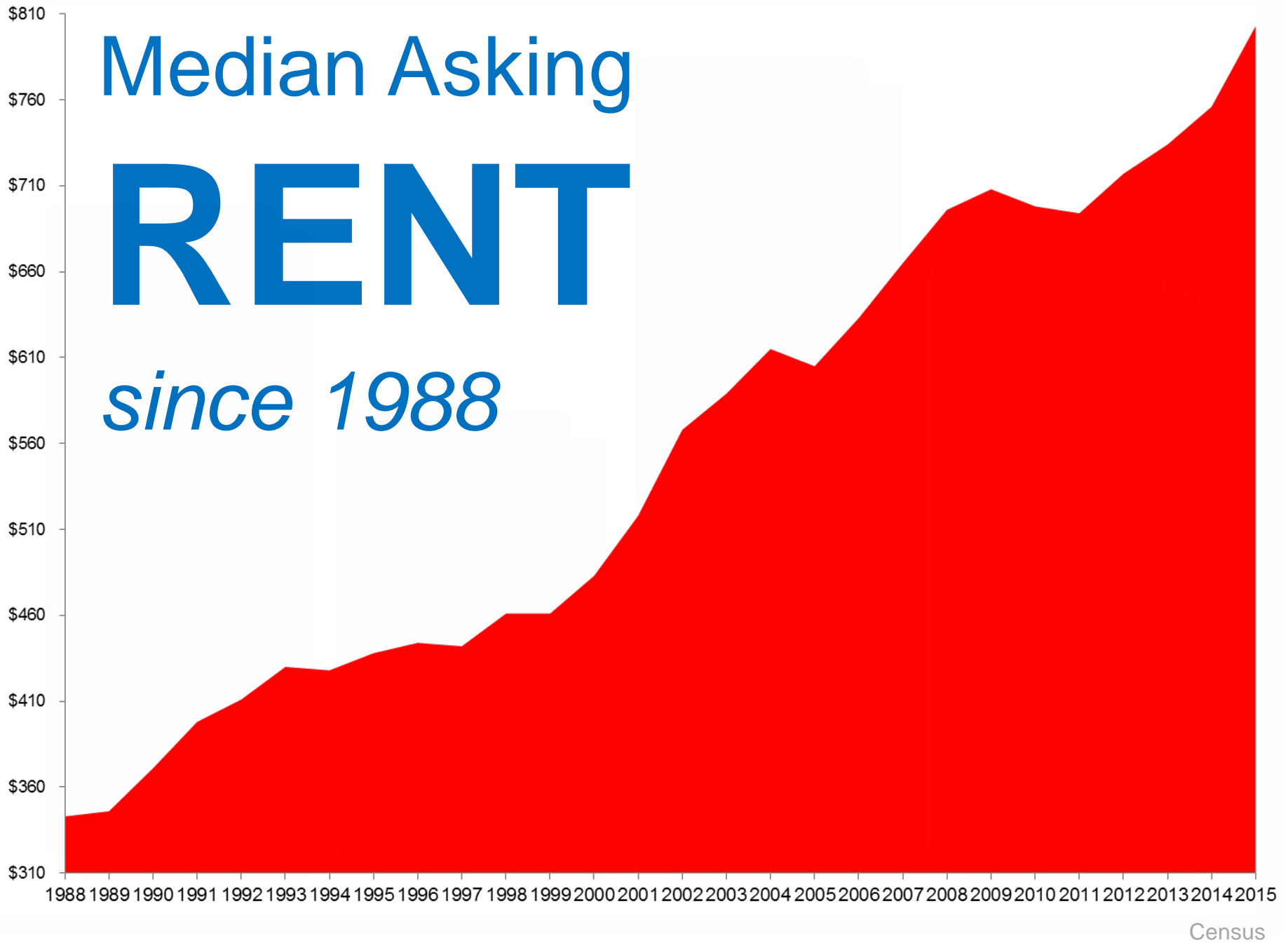


If you are thinking of buying a home and have the financial means to do so, this could be a good time to take a look at the neighborhoods you are interested in. We expect home prices in our national index to be up about 5% in the next 12 months, and mortgage rates are also likely to increase over the next year.



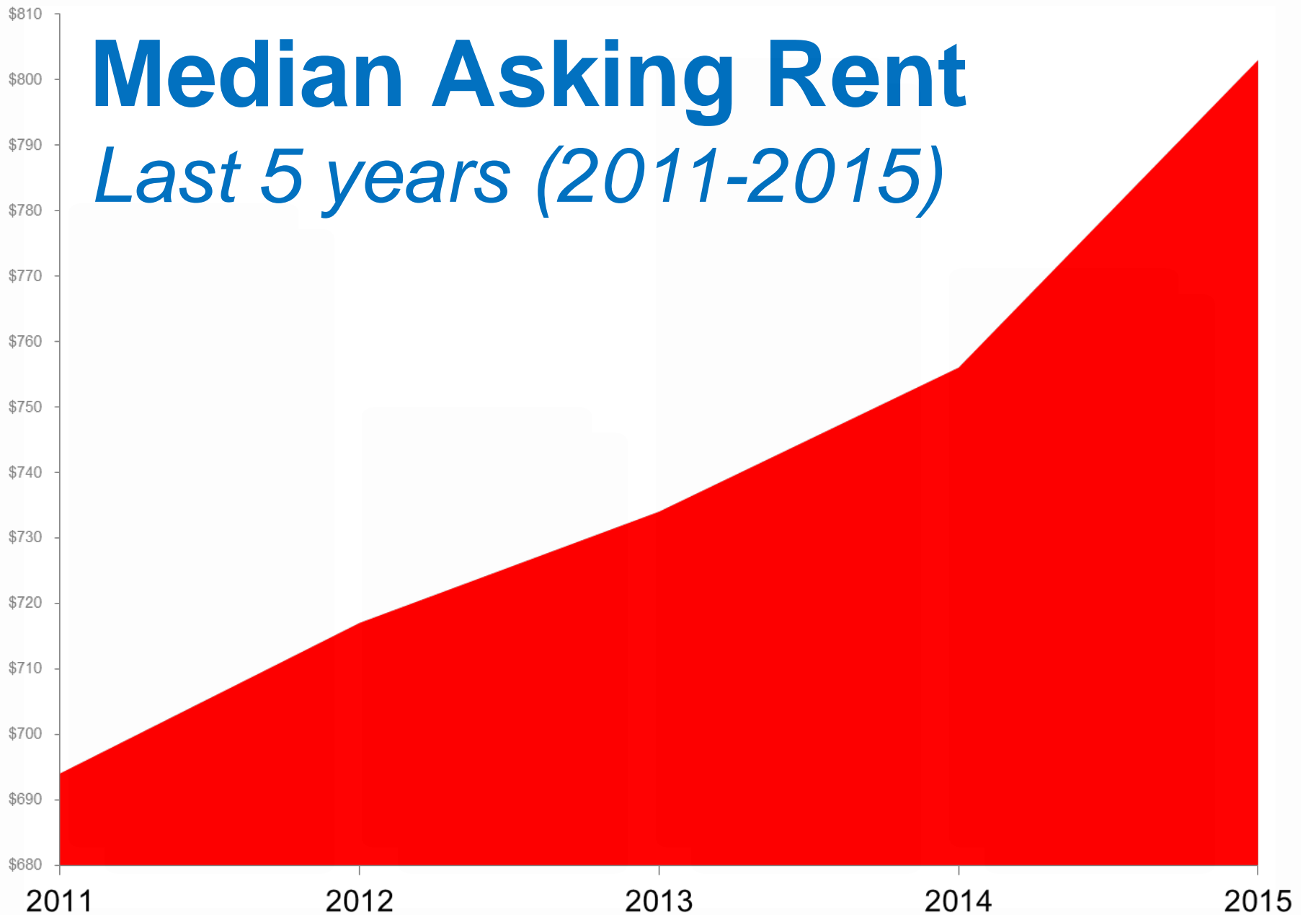
Dr. Frank Nothaft, SVP & Chief Economist, *CoreLogic*

Median Asking RENT *since 1988*



Median Asking Rent

Last 5 years (2011-2015)



The demand for apartments is still strong, despite the record number of new units being delivered this year.

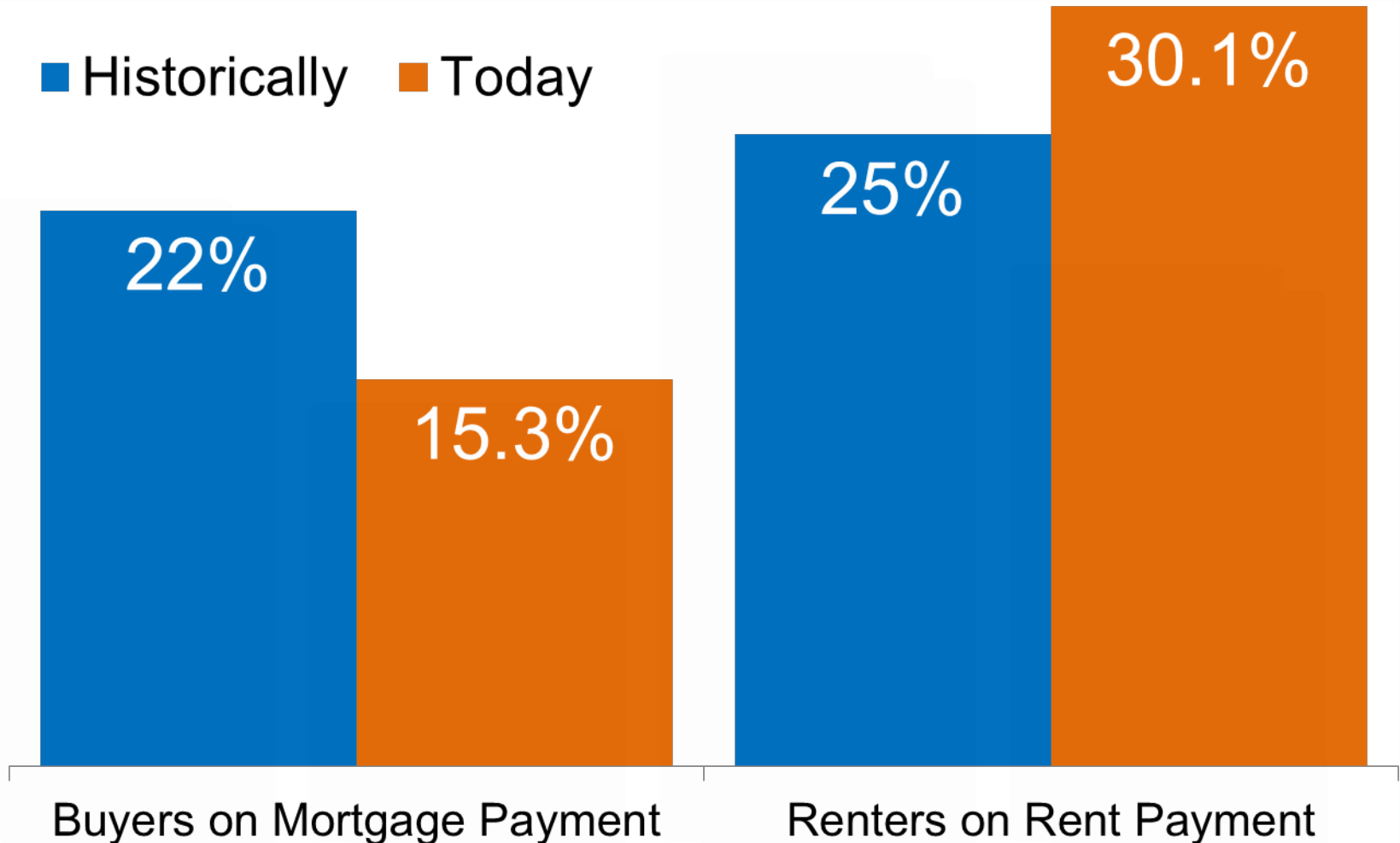


Tight occupancy is why landlords can push rents higher.

Stephanie McCleskey, Axiometrics Vice President of Research

The percentage of your monthly income you can expect to pay on your housing cost...

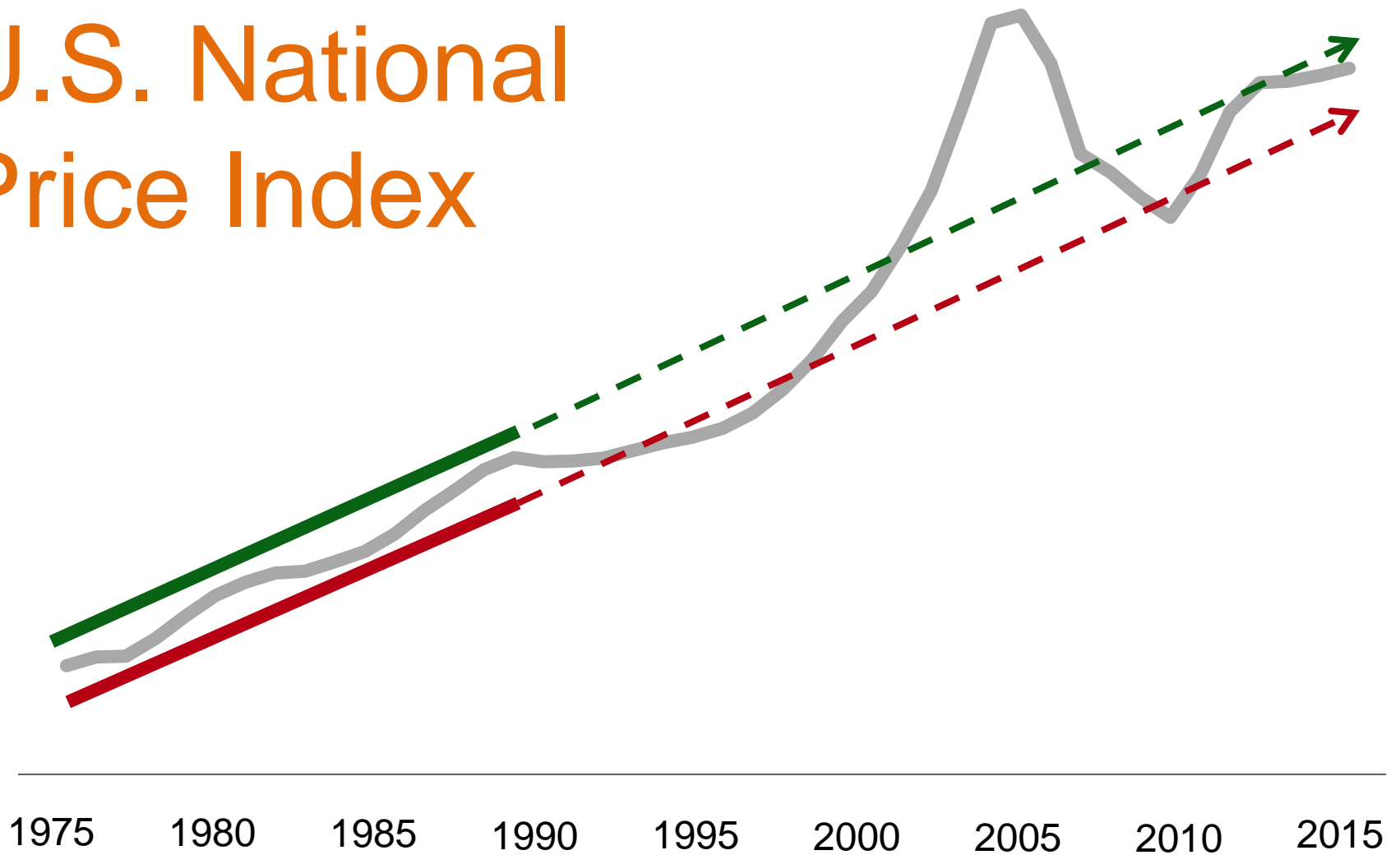
■ Historically ■ Today



**Is another
HOUSING
BUBBLE
about to take place?**

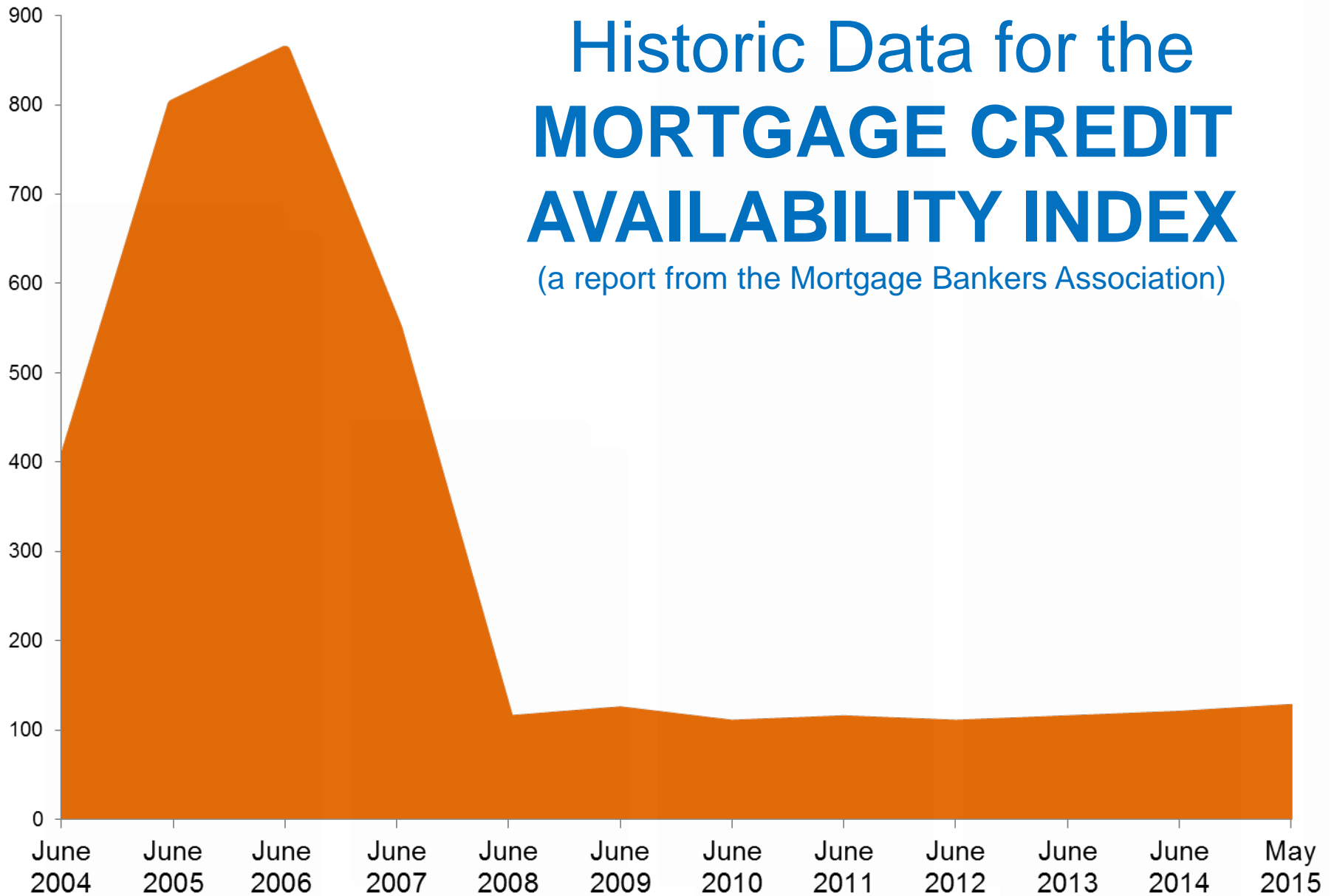


S&P Case Shiller U.S. National Price Index



Historic Data for the **MORTGAGE CREDIT AVAILABILITY INDEX**

(a report from the Mortgage Bankers Association)



What has changed with 3% down programs?

Category	Before Crisis	Today
<i>Payments</i>	Variable	Predictable
<i>Underwriting</i>	Property-Based	Borrower-Based
<i>Appraisals</i>	Questionable	Improved
<i>Borrower Expectations</i>	Overly Optimistic	Realistic

Mortgage Credit Access over the Next 12 Months*

Will ease, but remain at sustainable and sensible levels 67%

20% Will remain about the same

4% Will tighten, but remain at sustainable and sensible levels

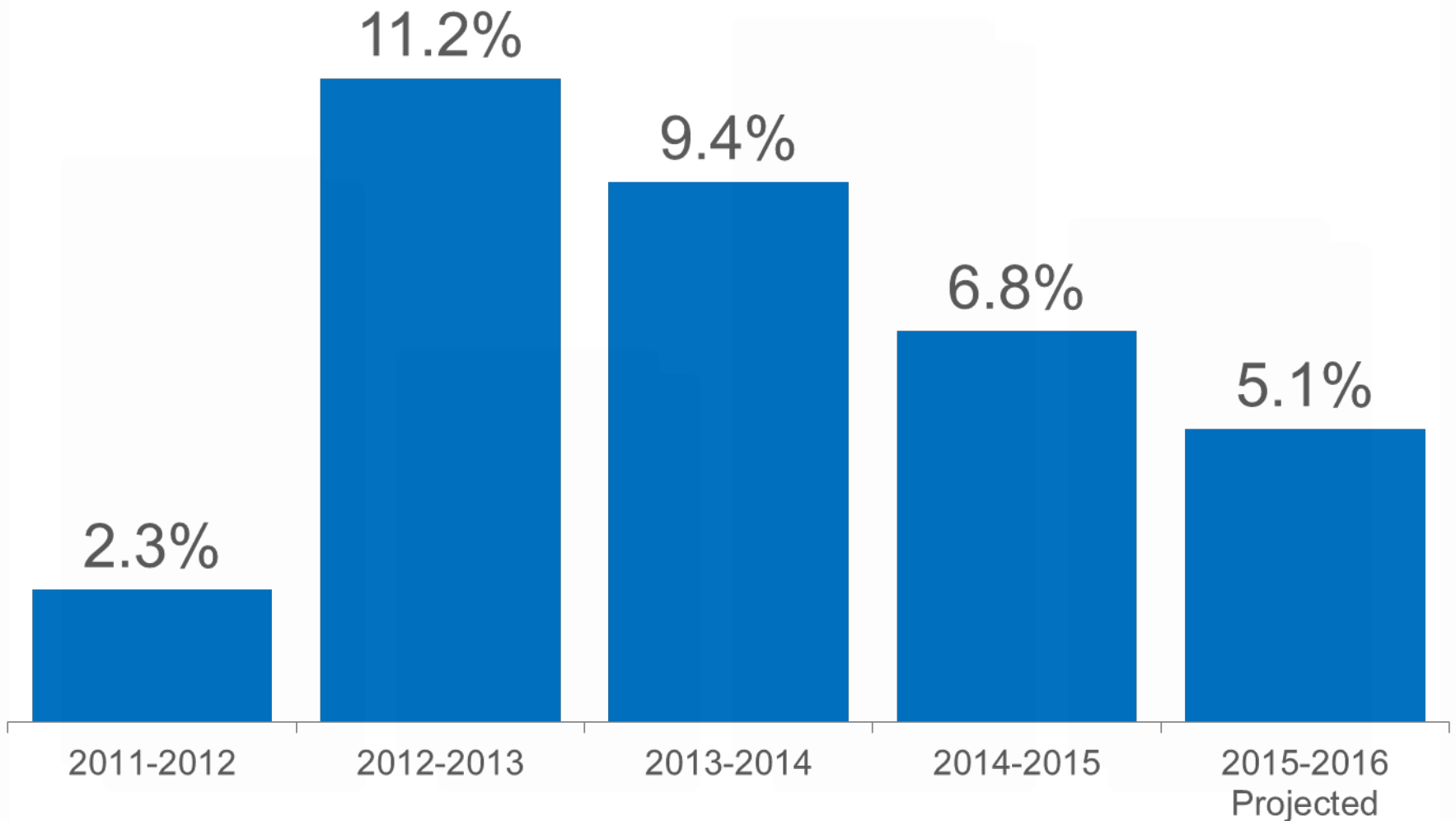
4% Will tighten too much, becoming too restrictive

4% Will ease too much, becoming too lax

1% Not sure

**Based on a survey of a distinguished panel of over 100 economists, investment strategists, and housing market analysts conducted by Pulsenomics.*

Home Values as per CoreLogic



Does this mean we have another problem on our hands? Not really... There may be other reasons to worry about housing affordability by comparing prices with incomes or prices with rents for a given market.



But crude comparisons of nominal home prices with their 2006 and 2007 levels shouldn't be used to make cavalier claims about a new bubble.

Nick Timiraos, in the *Wall Street Journal*

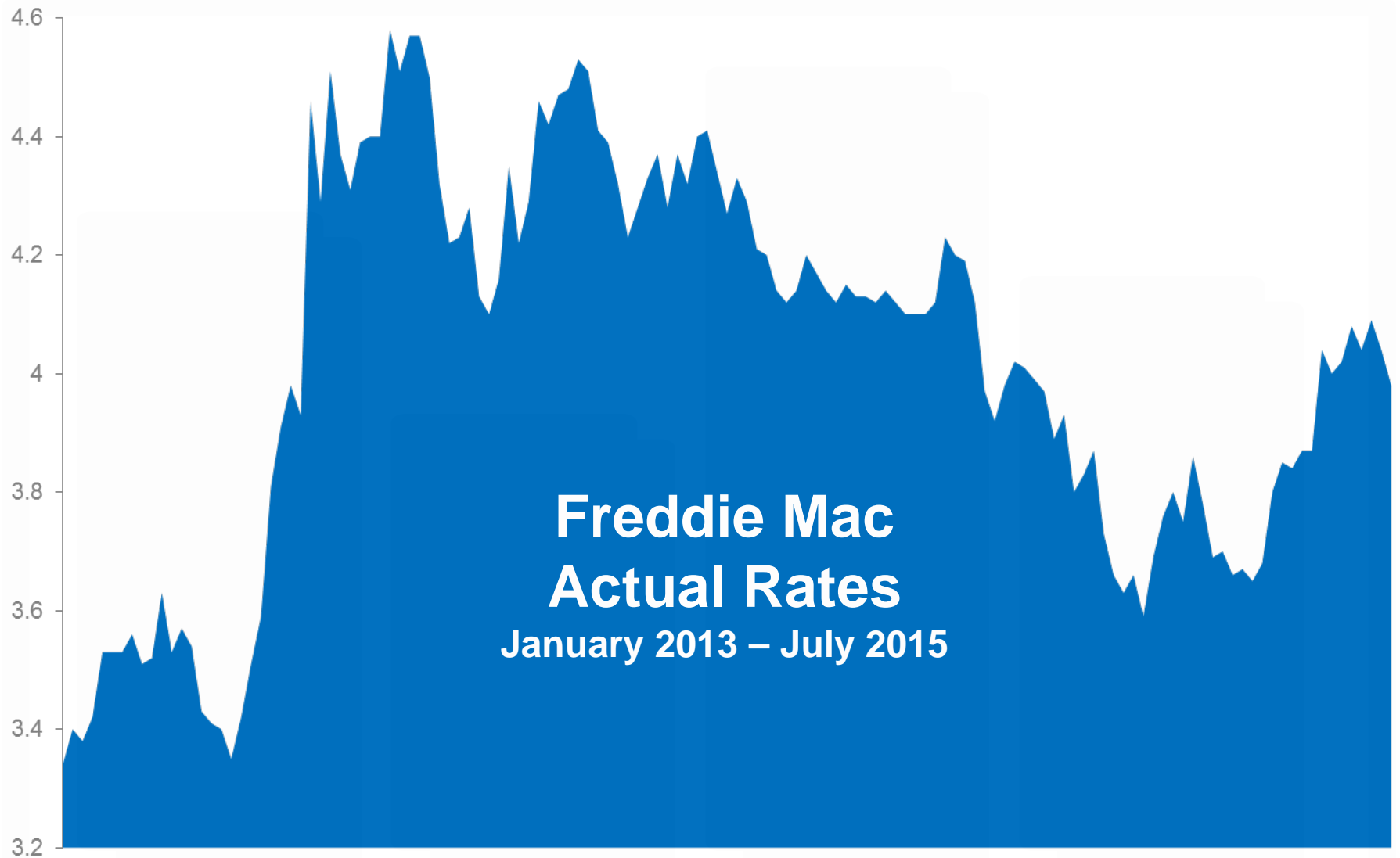
UPDATE

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4

30 Year Fixed Rate Mortgages



Case Shiller

Year-Over-Year PRICE CHANGES

20 City Composite

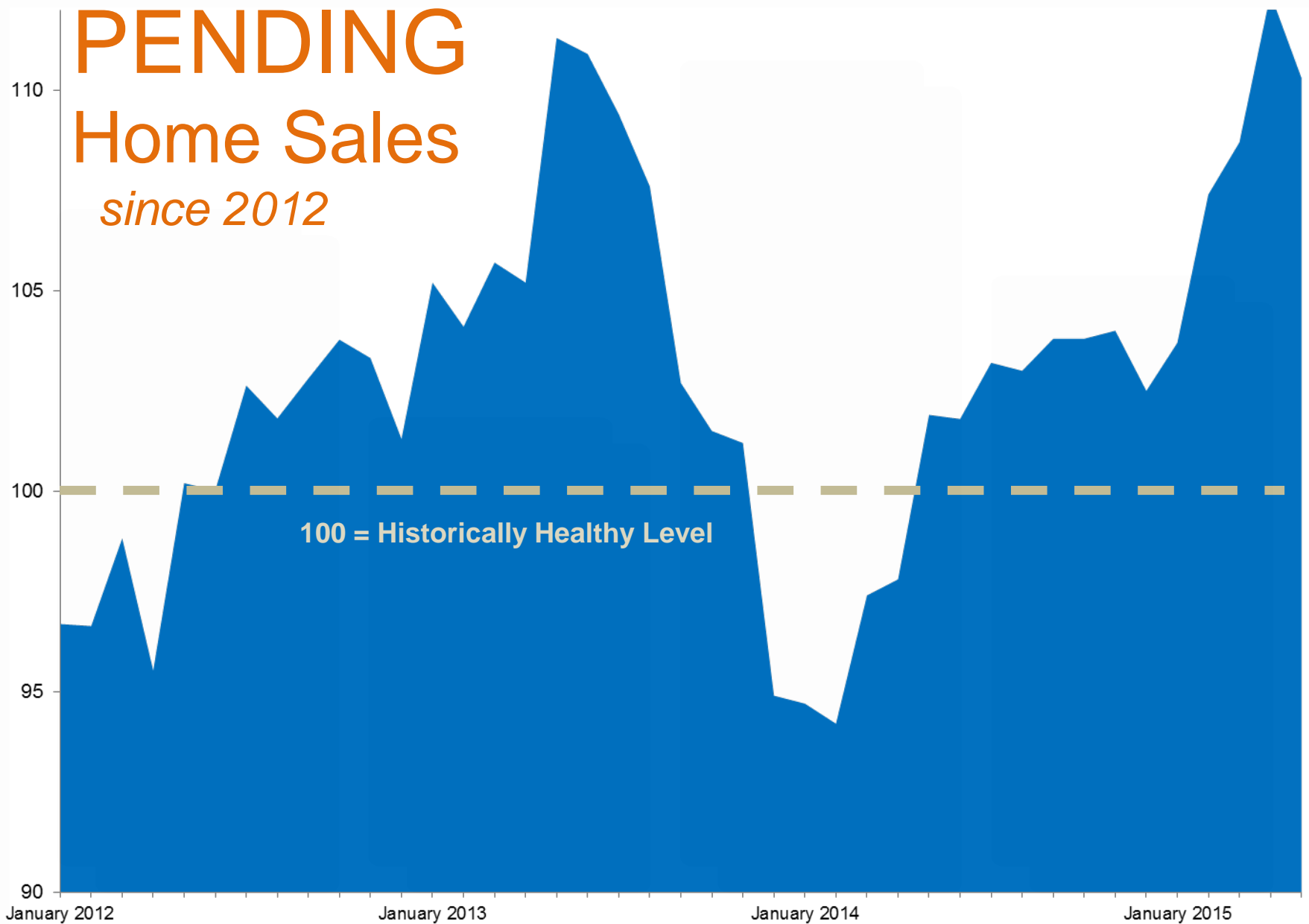


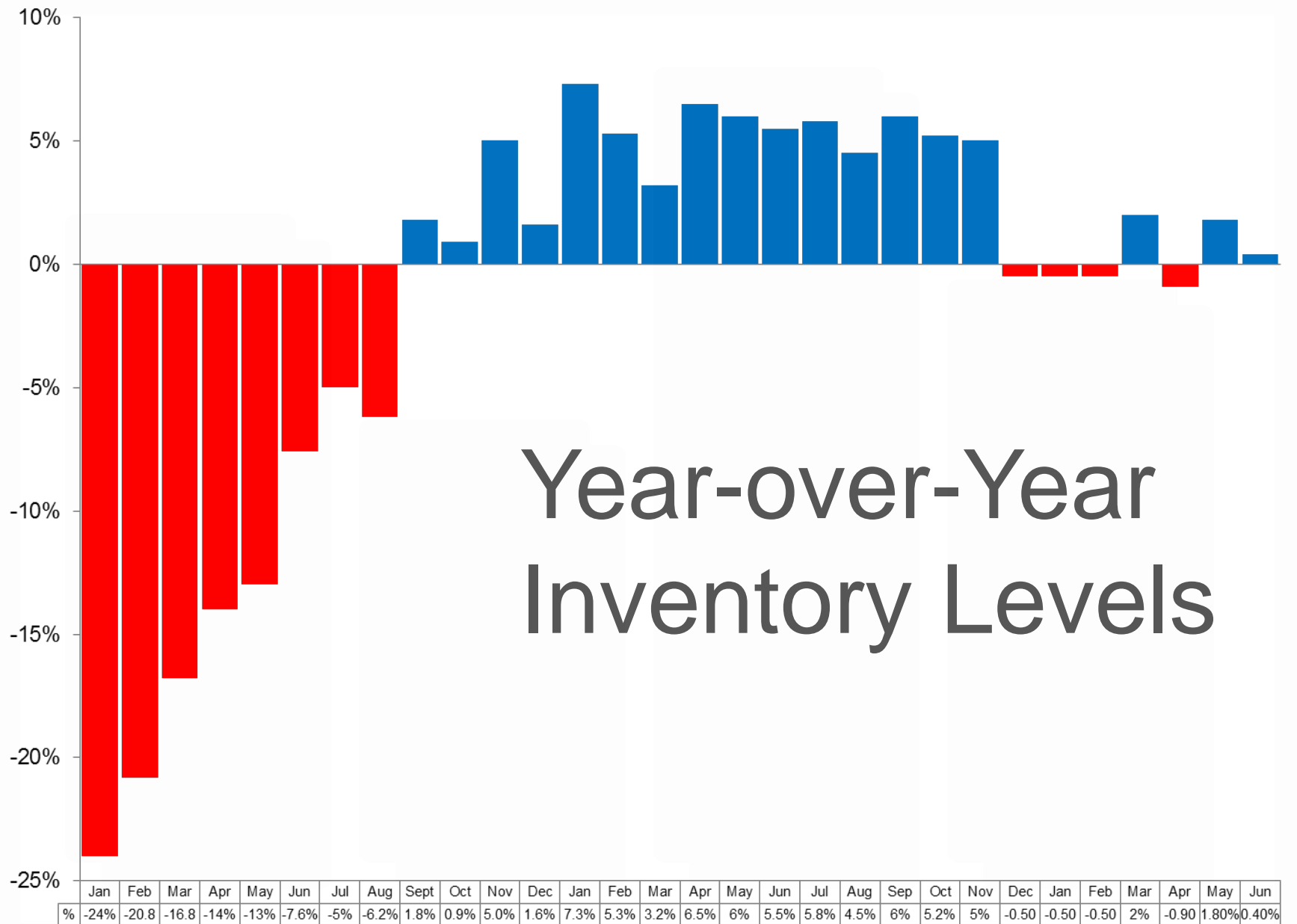
EXISTING

Home Sales



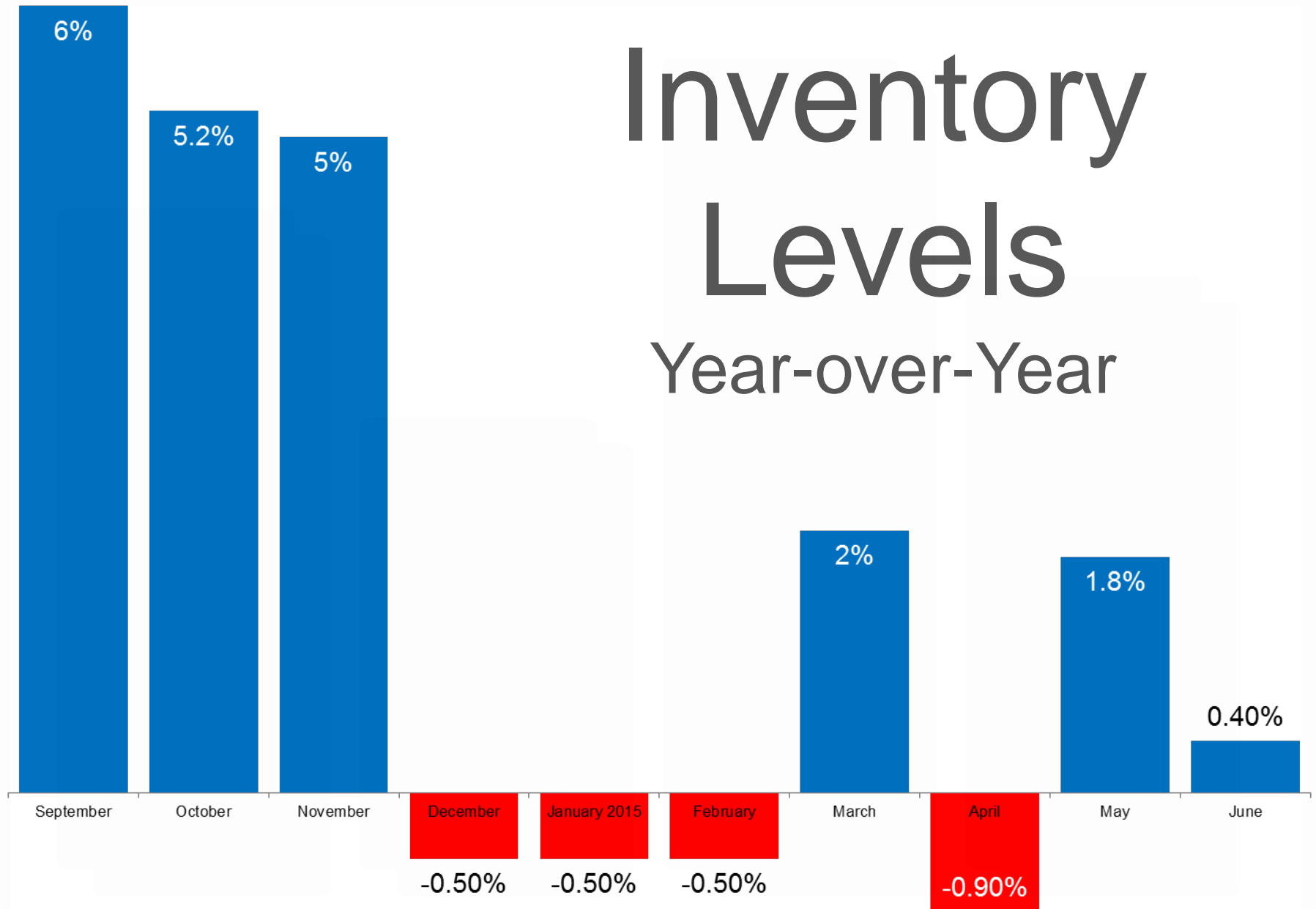
PENDING Home Sales *since 2012*





Inventory Levels

Year-over-Year

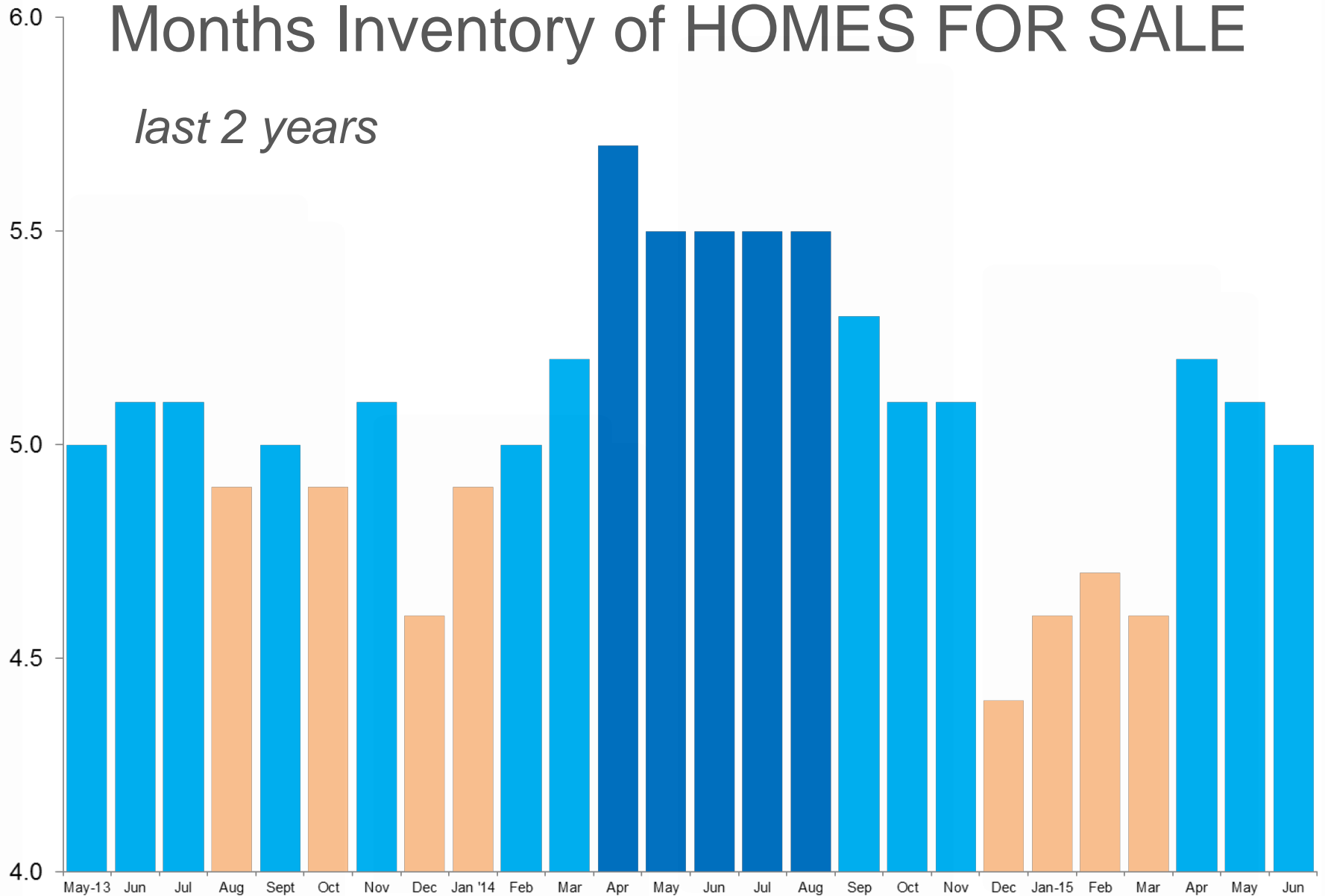


Months Inventory of **HOMES FOR SALE** *2011 - Today*



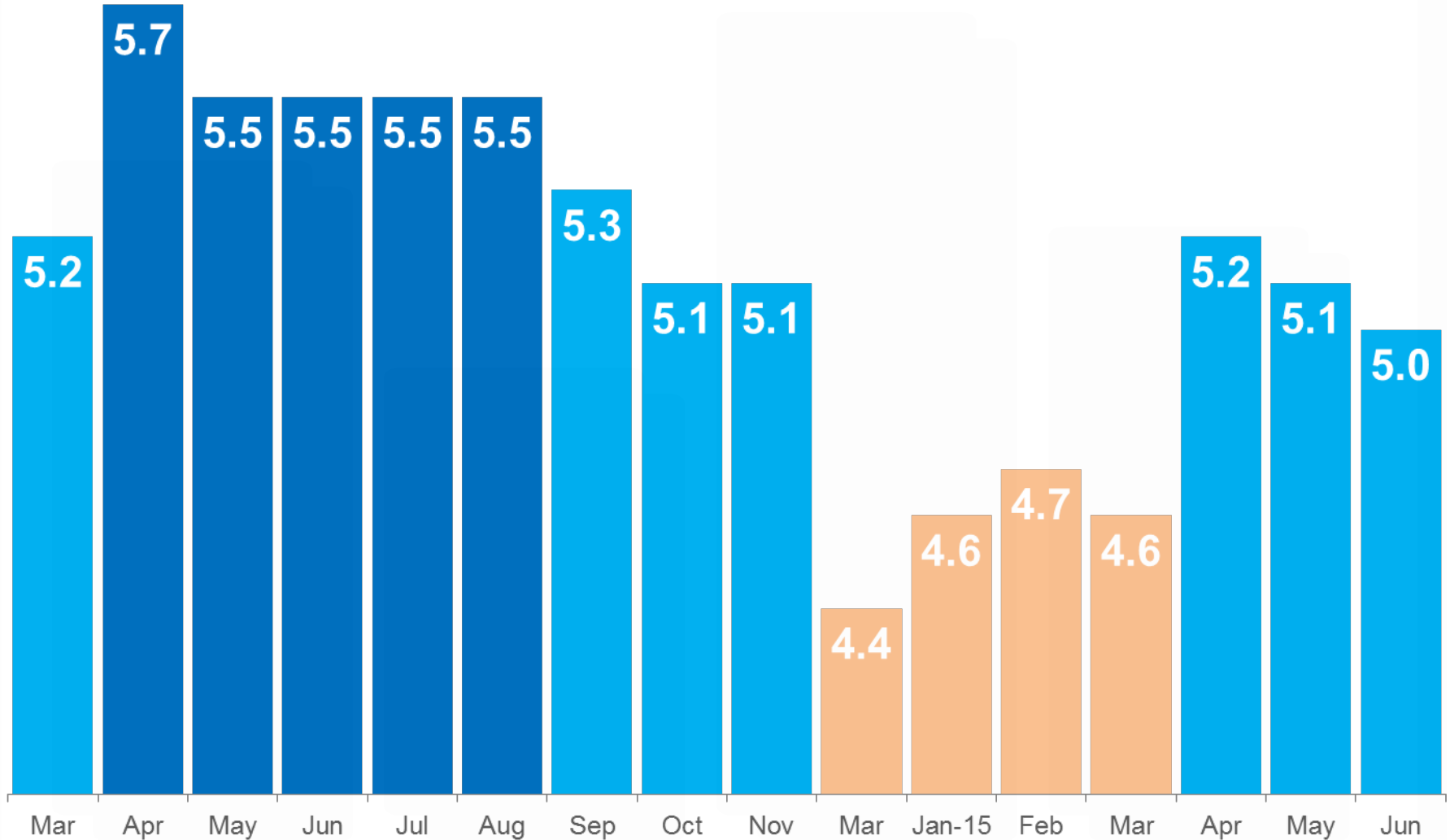
Months Inventory of HOMES FOR SALE

last 2 years



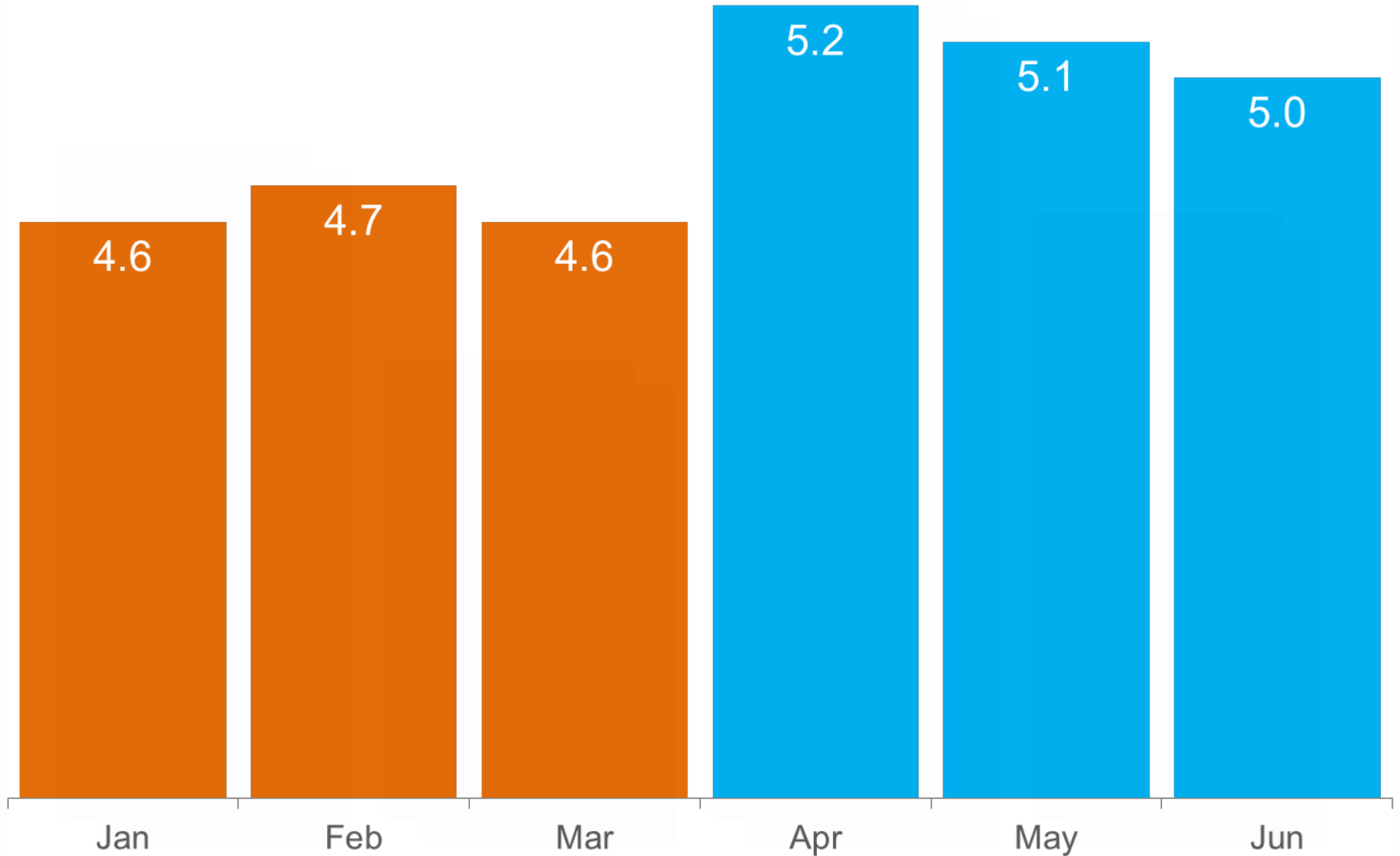
Months Inventory of HOMES FOR SALE

last 12 months



Months Inventory of HOMES FOR SALE

last 6 months



Percentage of Distressed Property Sales

35%

11%

8%

January 2012 - Today

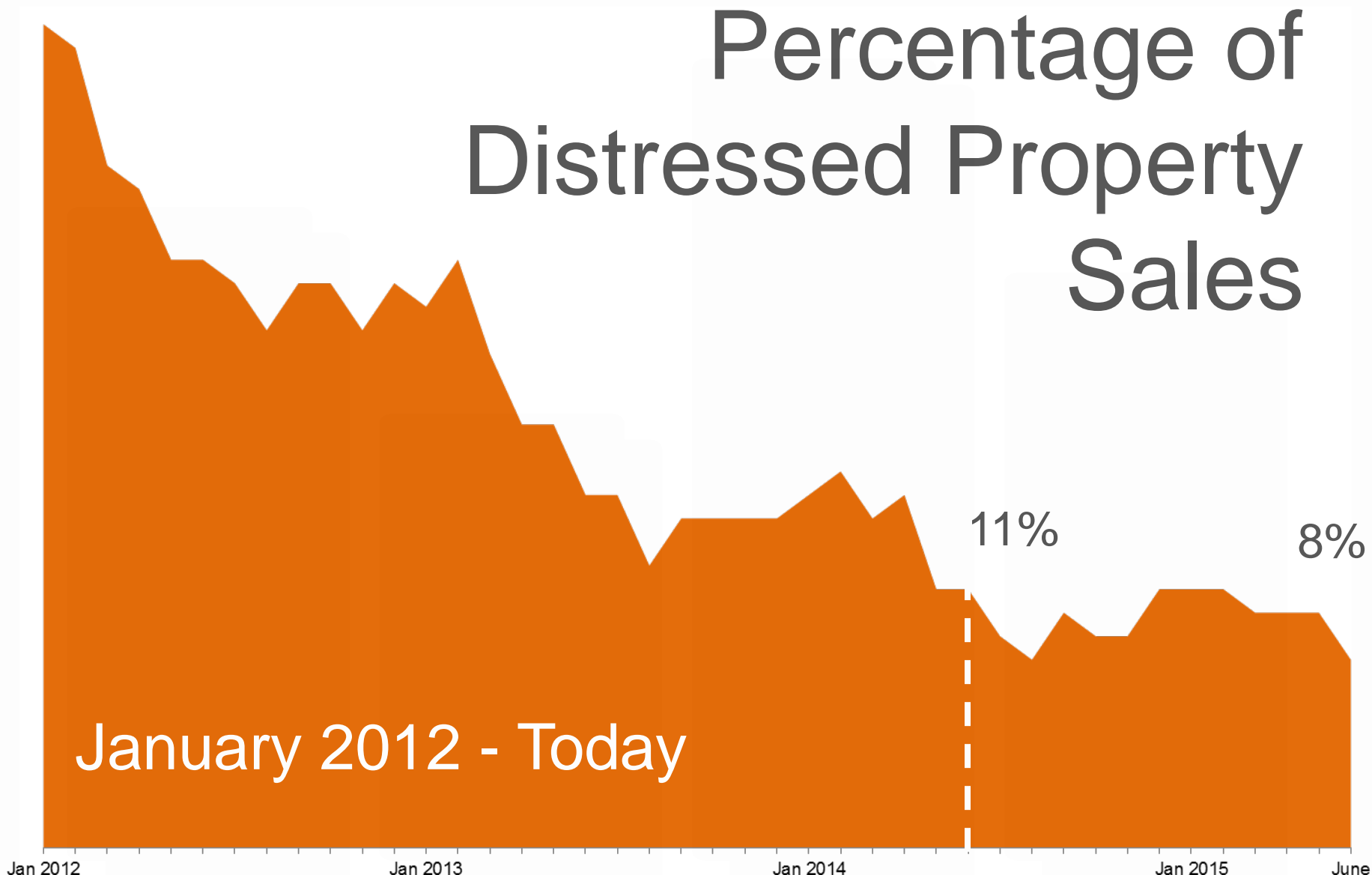
Jan 2012

Jan 2013

Jan 2014

Jan 2015

June

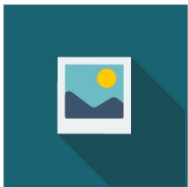
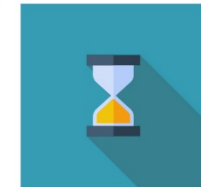
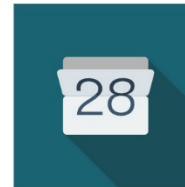
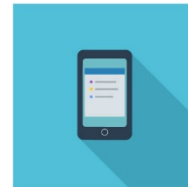
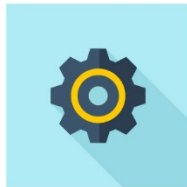
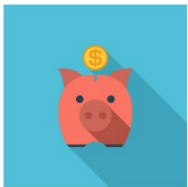
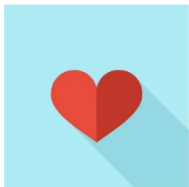
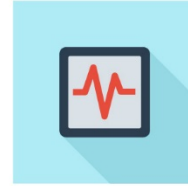
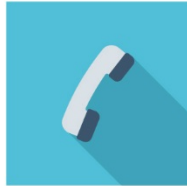
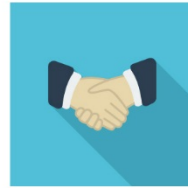
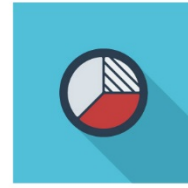
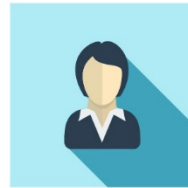
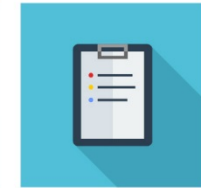
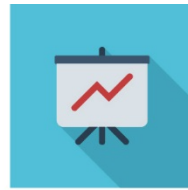
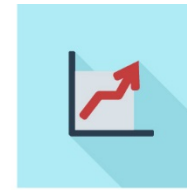
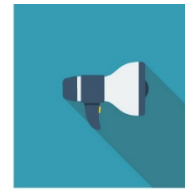


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