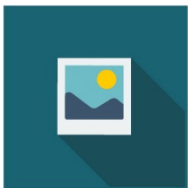
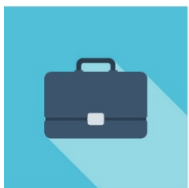
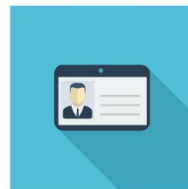
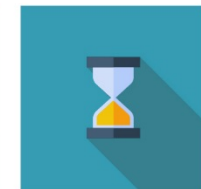
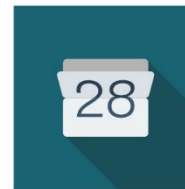
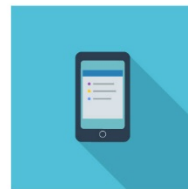
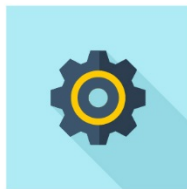
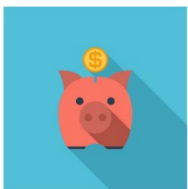
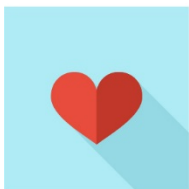
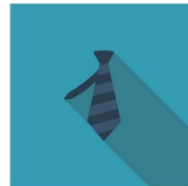
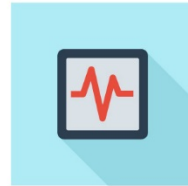
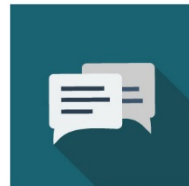
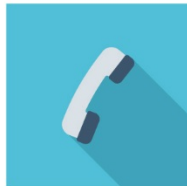
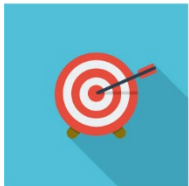
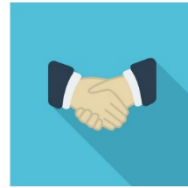
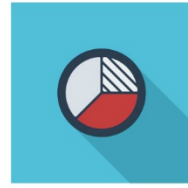
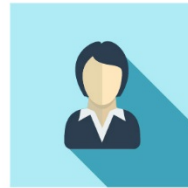
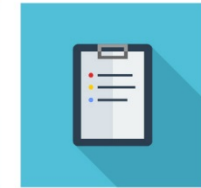
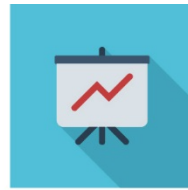
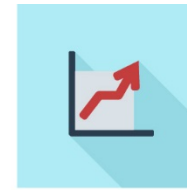
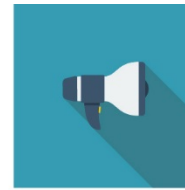
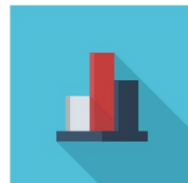
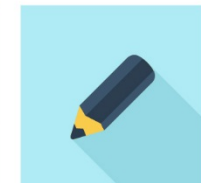
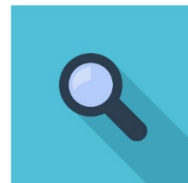
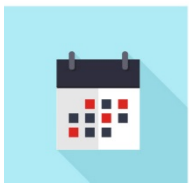


KEEPING CURRENT MATTERS

WWW.KEEPINGCURRENTMATTERS.COM

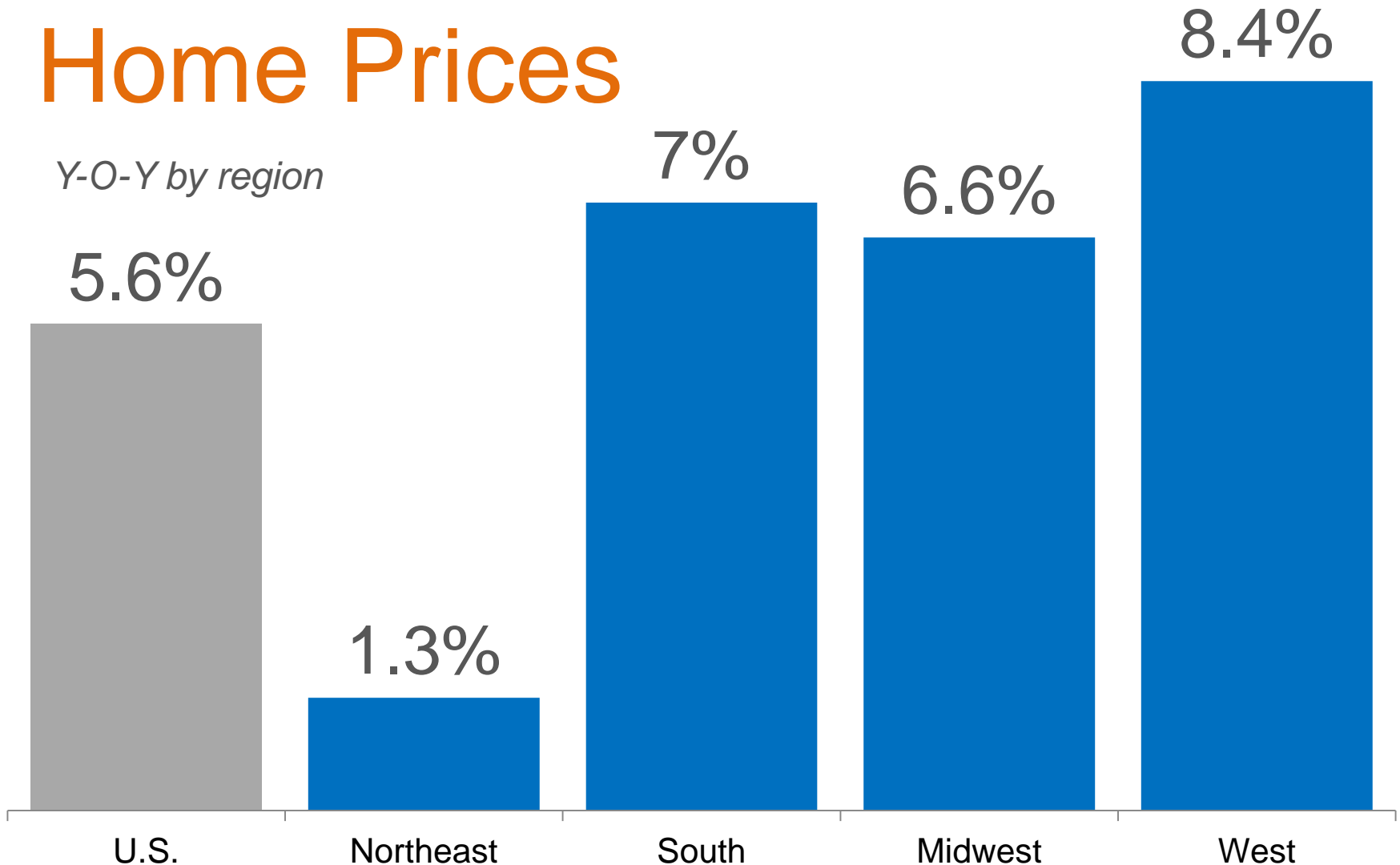


SEPTEMBER 2015

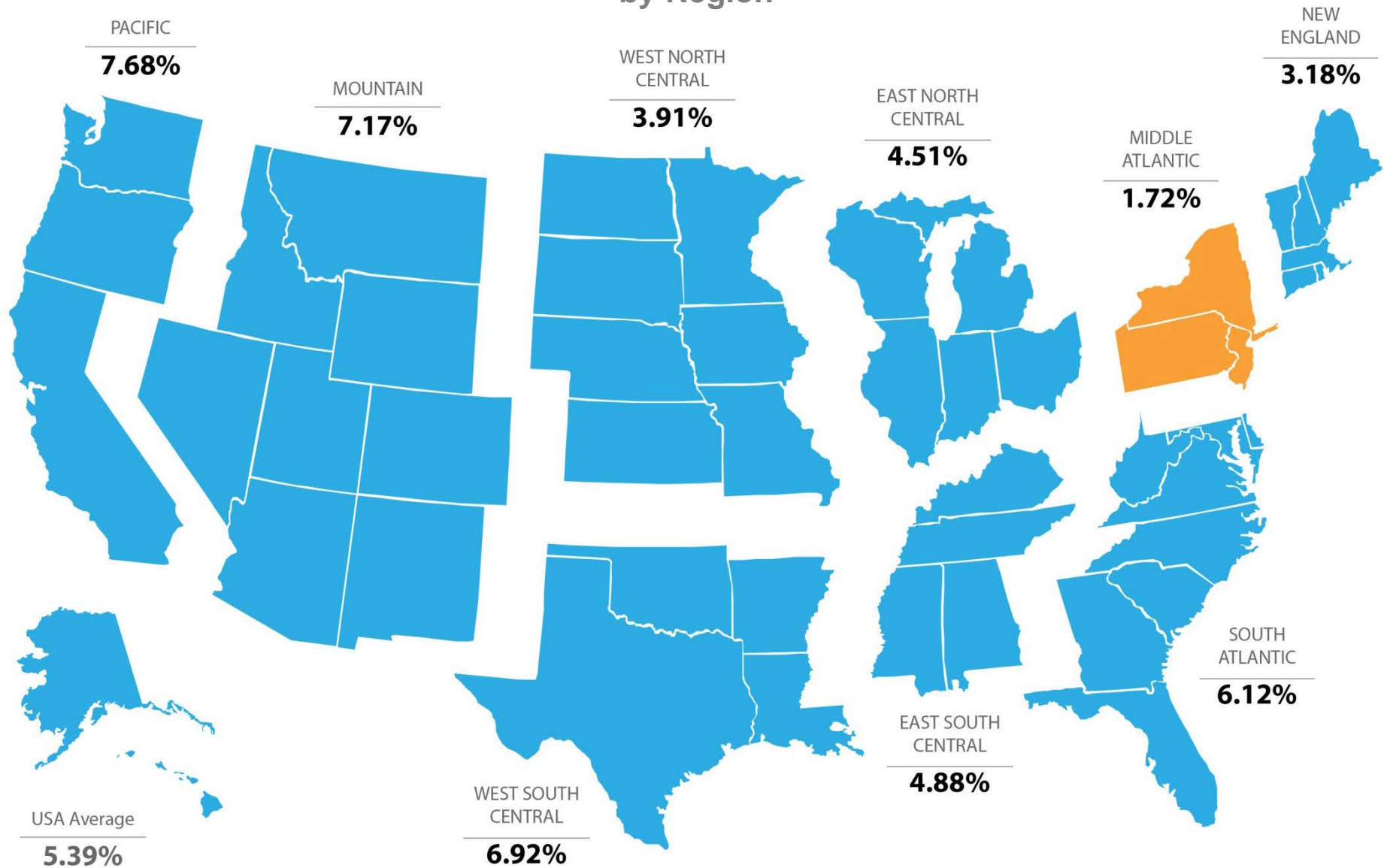


EXISTING Home Prices

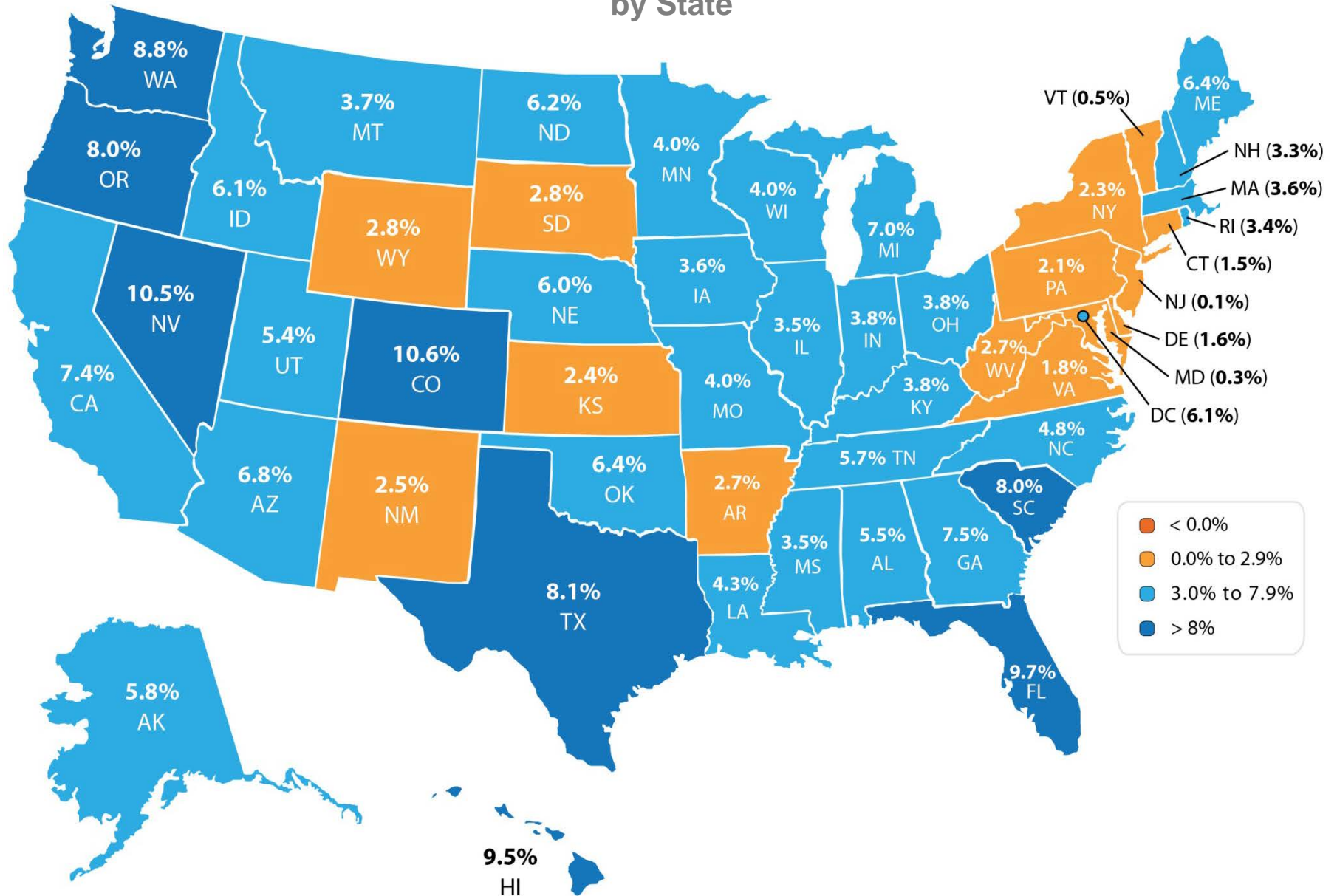
Y-O-Y by region



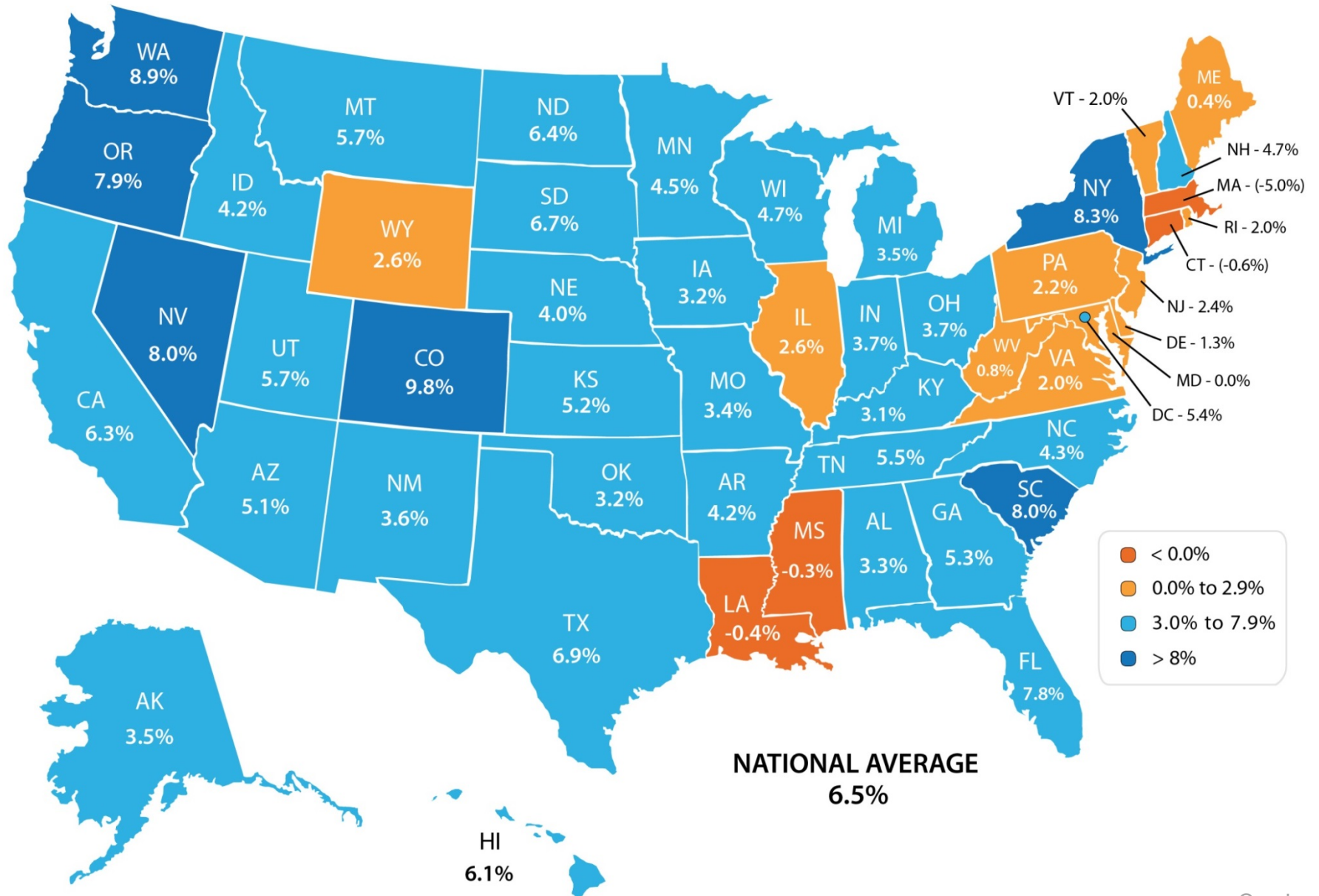
Year-Over-Year Percent Change in Price by Region



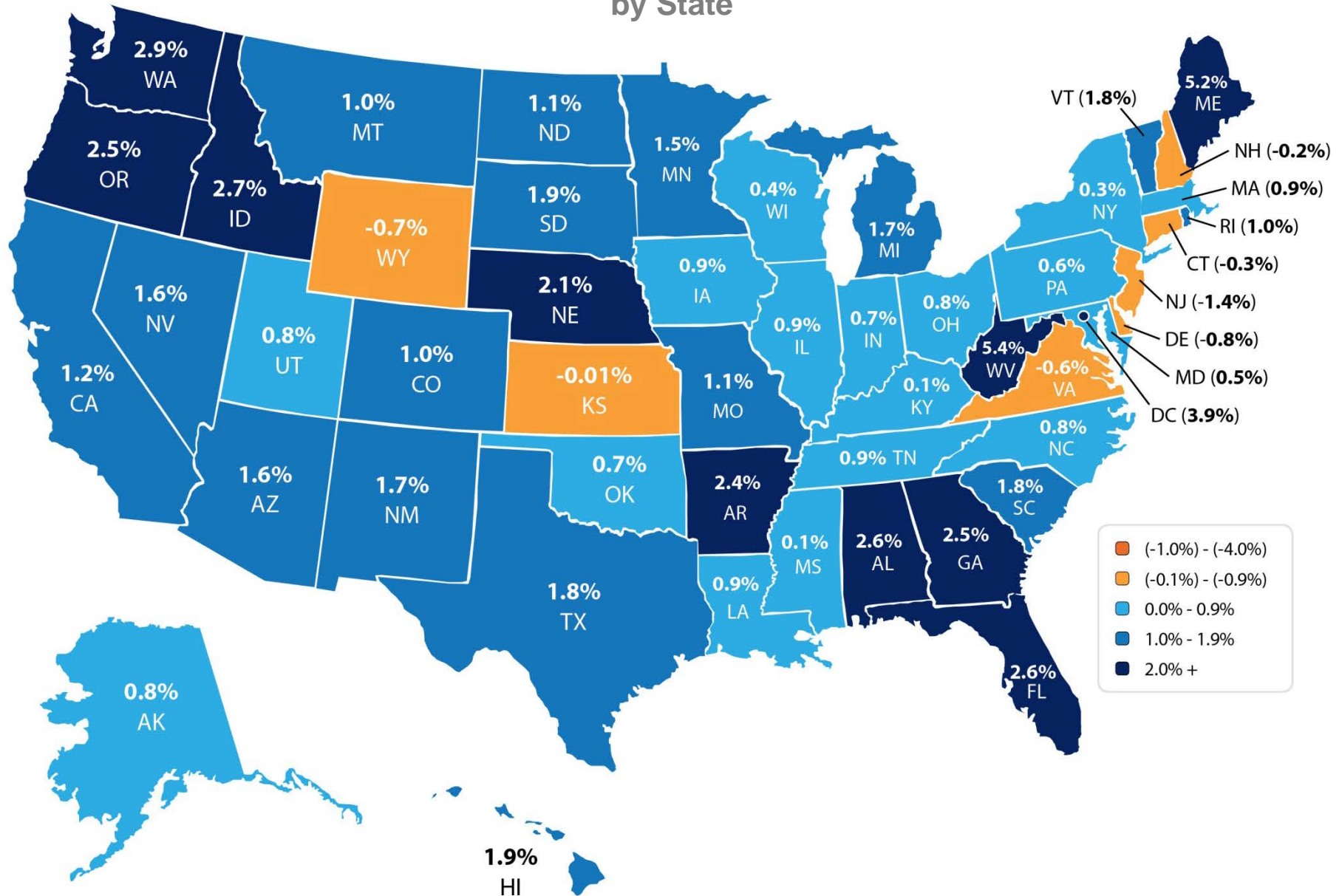
Year-Over-Year Percent Change in Price by State



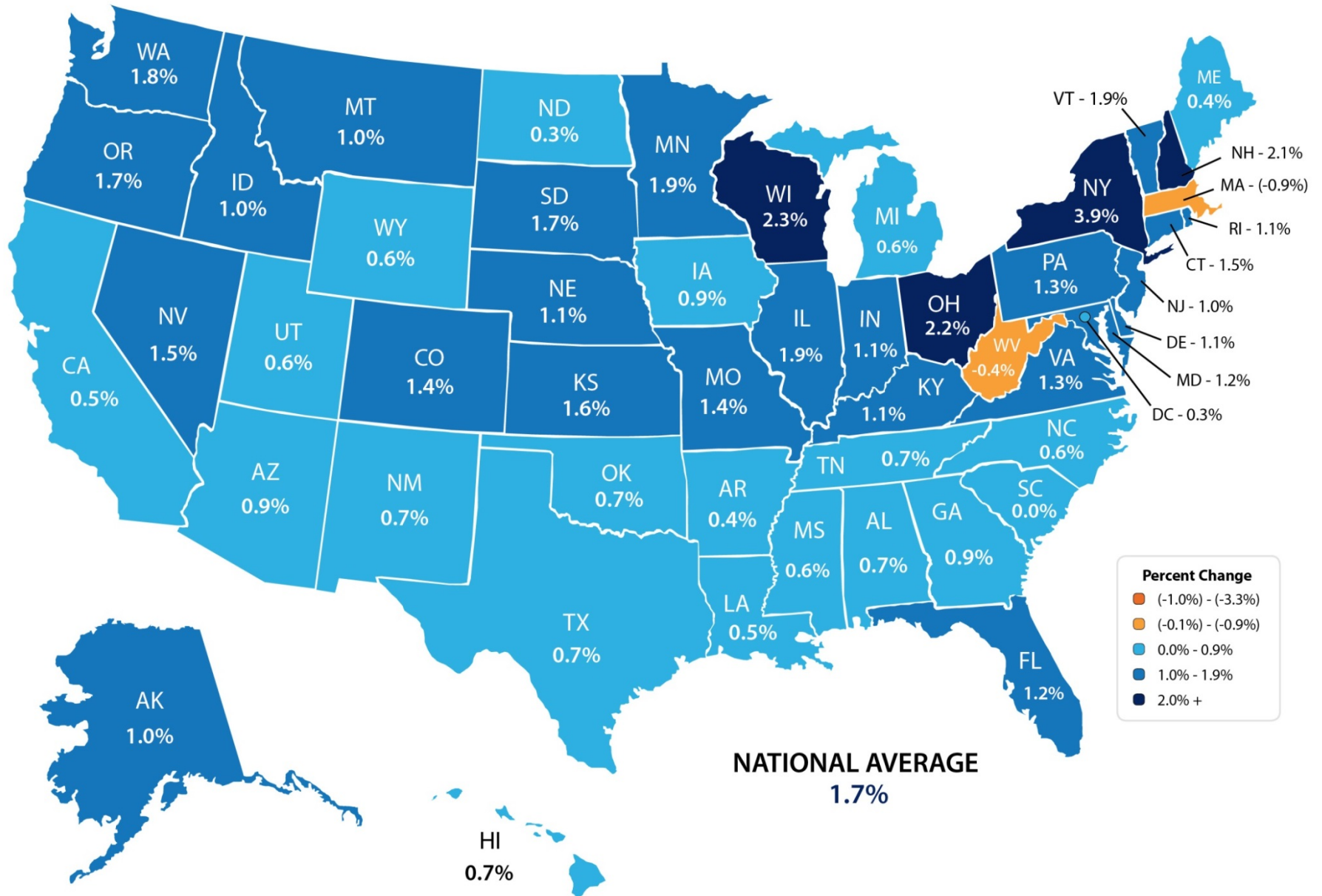
12 Month Price Change



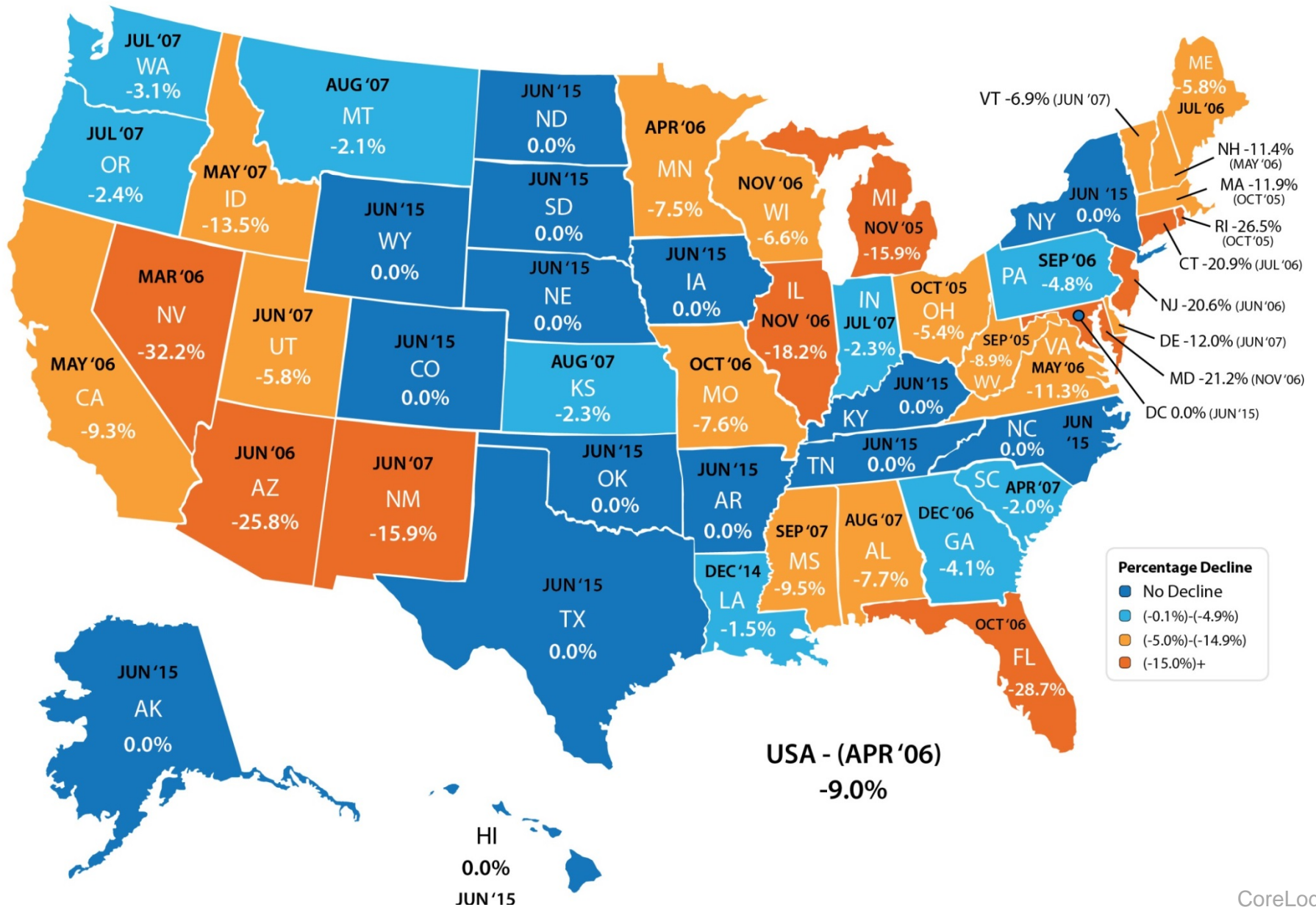
Quarter-Over-Quarter Percent Change in Price by State



1 Month Price Change



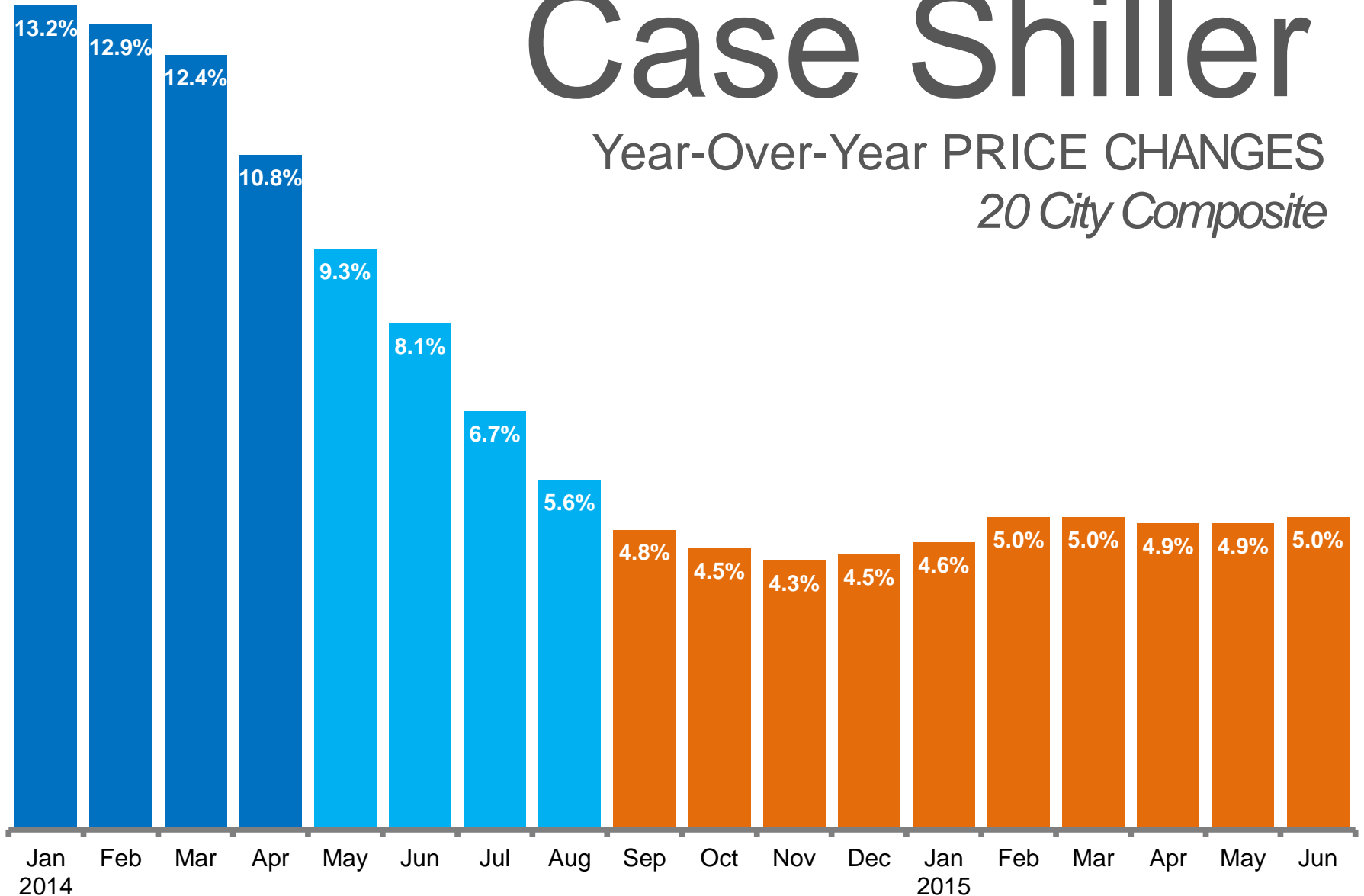
Price & Time Since The Peak



Case Shiller

Year-Over-Year PRICE CHANGES

20 City Composite



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



What Housing Bubble?



Christopher Thornberg, Founder, Beacon Economics:

"The housing market is far from overheated."

Ray Torto, Harvard Lecturer, Retired Chief Economist at CBRE:

"I would not characterize the multi-housing market as in a bubble."

Calvin Schnure, SVP of Research & Economic Analysis, NAREIT:

"Given all the demand and little supply the residential market is FAR from overheated."

Rajeev Dhawan, Director of Economic Forecasting Center at J. Mack Robinson College of Business, Georgia State University:

"To have a bubble, you need to have construction rates higher than the perceived demand, which is what happened in 2003 to 2007. Right now, however, we have the reverse of that."

Victor Calanog, Chief Economist, Reis:

"The housing market has yet to show evidence of systematic runaway asset price inflation characterized by home prices rising much faster than household income."

What Housing Bubble?



Andrew Nelson, US Chief Economist, Colliers International:

"I don't think there is a housing bubble."

Mark Dotzour, Chief Economist, Texas A&M University:

"We are not in a housing bubble. We are in a situation where demand for houses is much higher than supply."

George Raitu, Quantitative & Commercial Research, NAR

"We do not consider the current market conditions to present a bubble."

Robert Bach, Director of Research – Americas, Newmark Grubb Knight Frank:

"I don't think the housing market is overheated based on demand and supply fundamentals."

Home Values as per CoreLogic

6.9%

4.7%

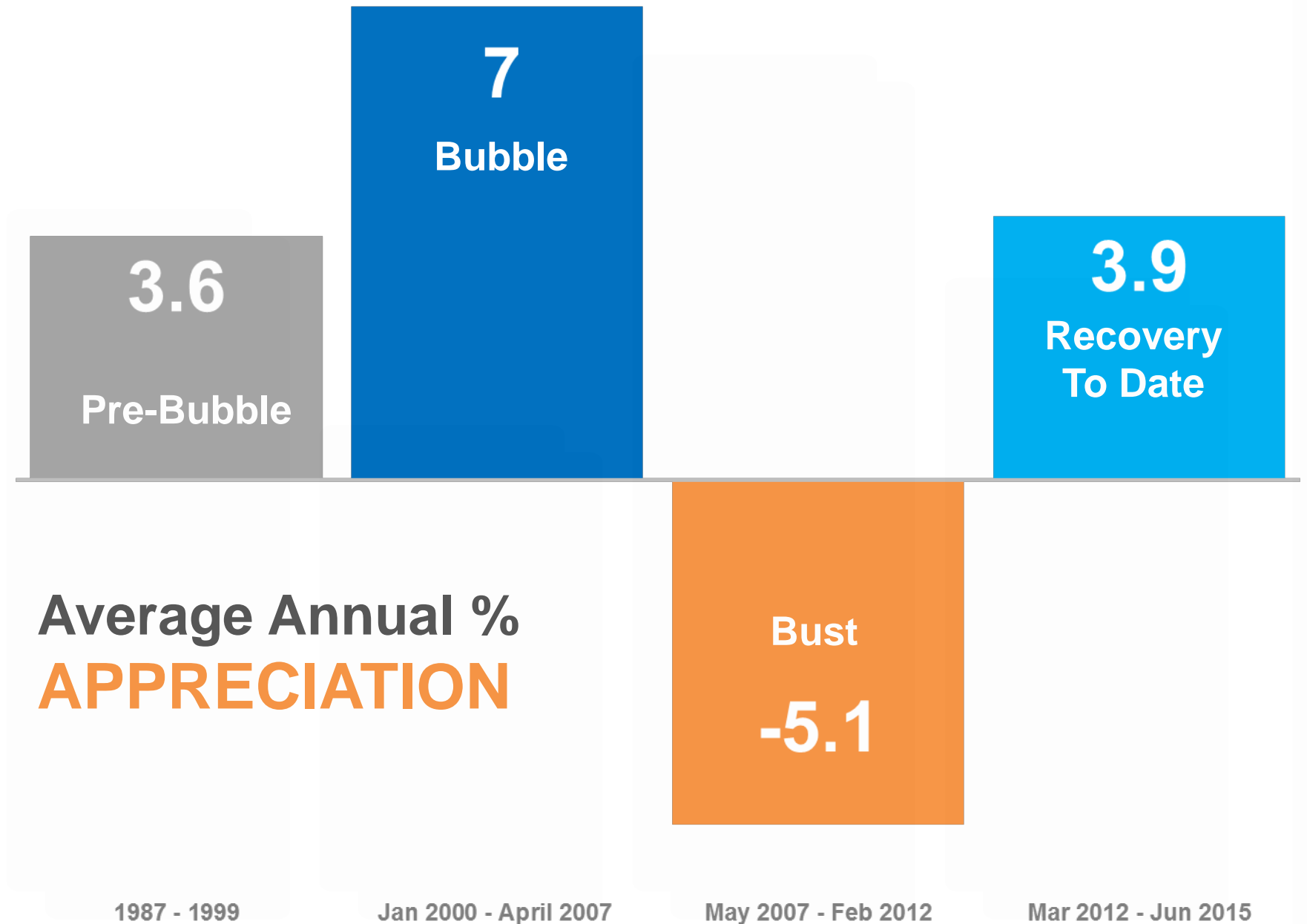
Last 12 months

Next 12 Months

Home Price Expectation Survey

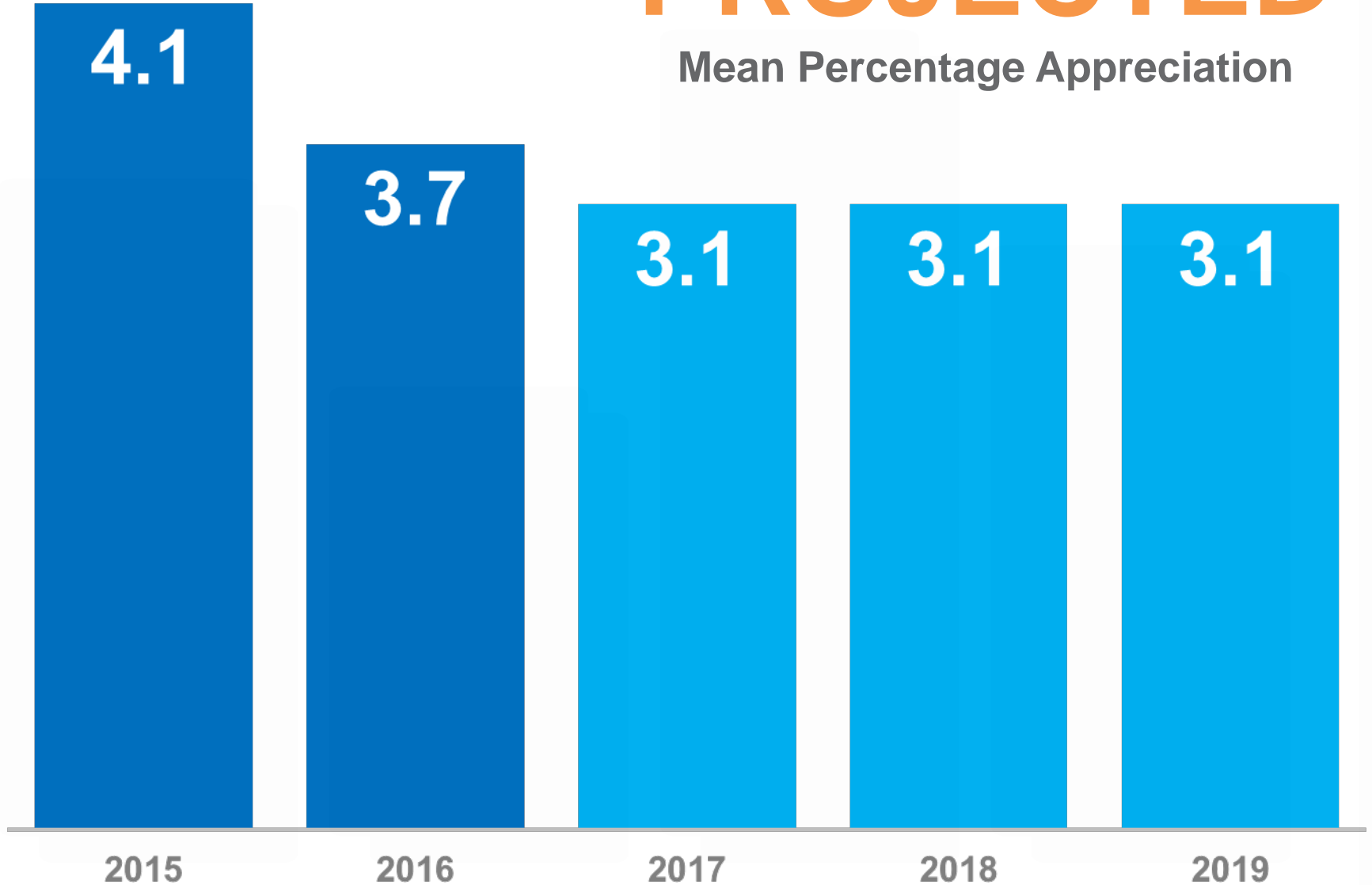


A nationwide panel of
over one hundred
*economists, real
estate experts and
investment & market
strategists.*

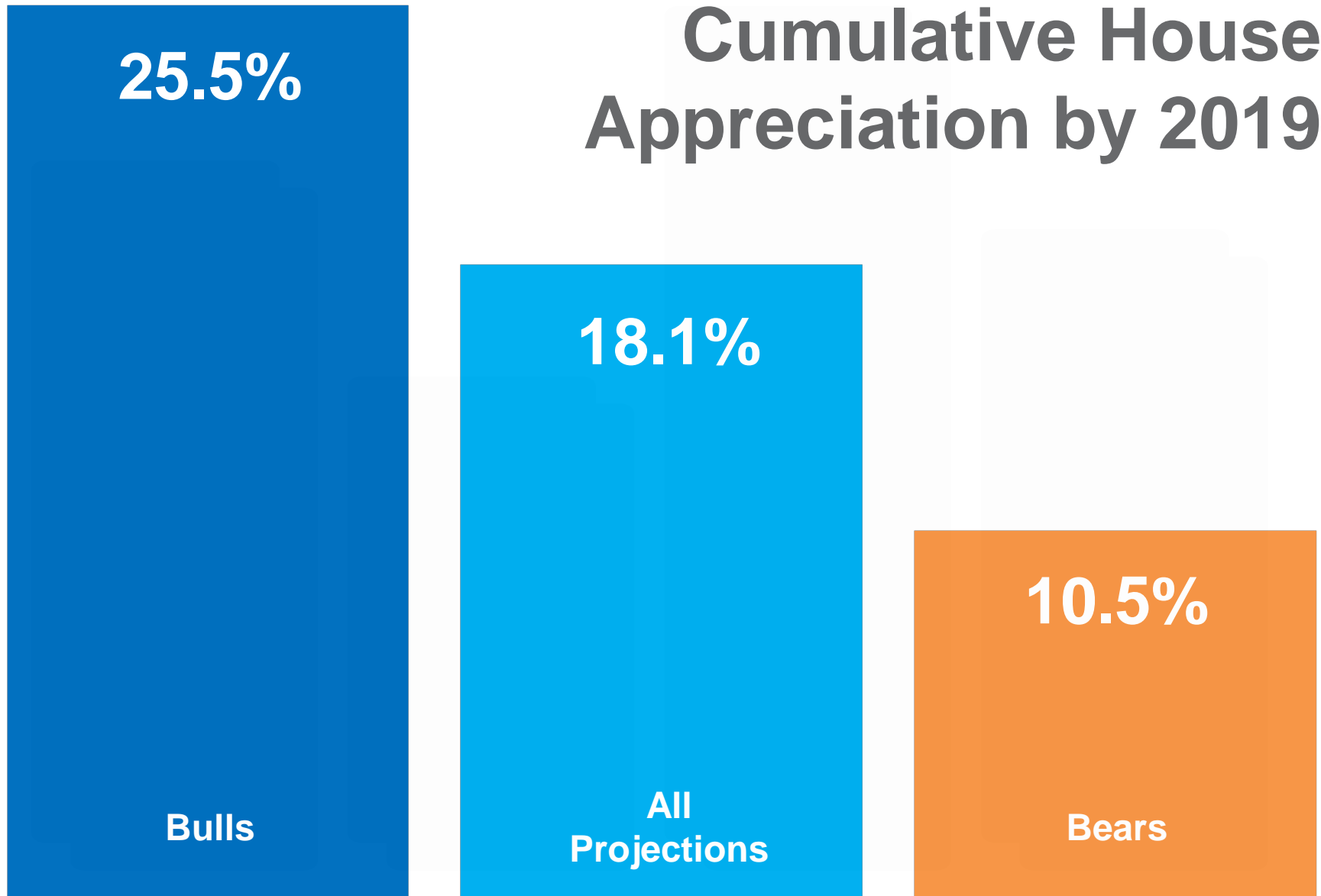


PROJECTED

Mean Percentage Appreciation

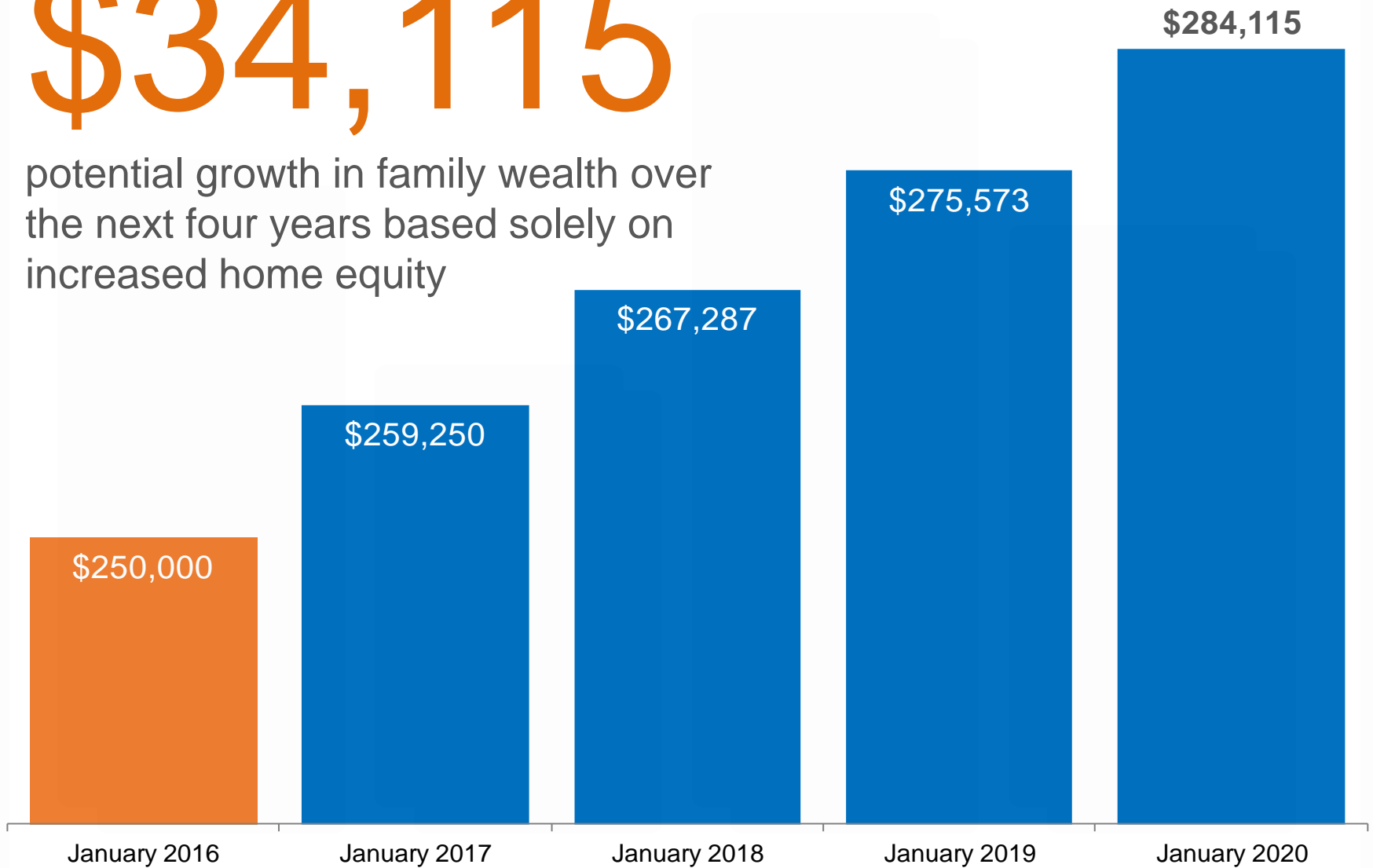


Cumulative House Appreciation by 2019



\$34,115

potential growth in family wealth over
the next four years based solely on
increased home equity



Increased home equity based on price appreciation projected by the Home Price Expectation Survey

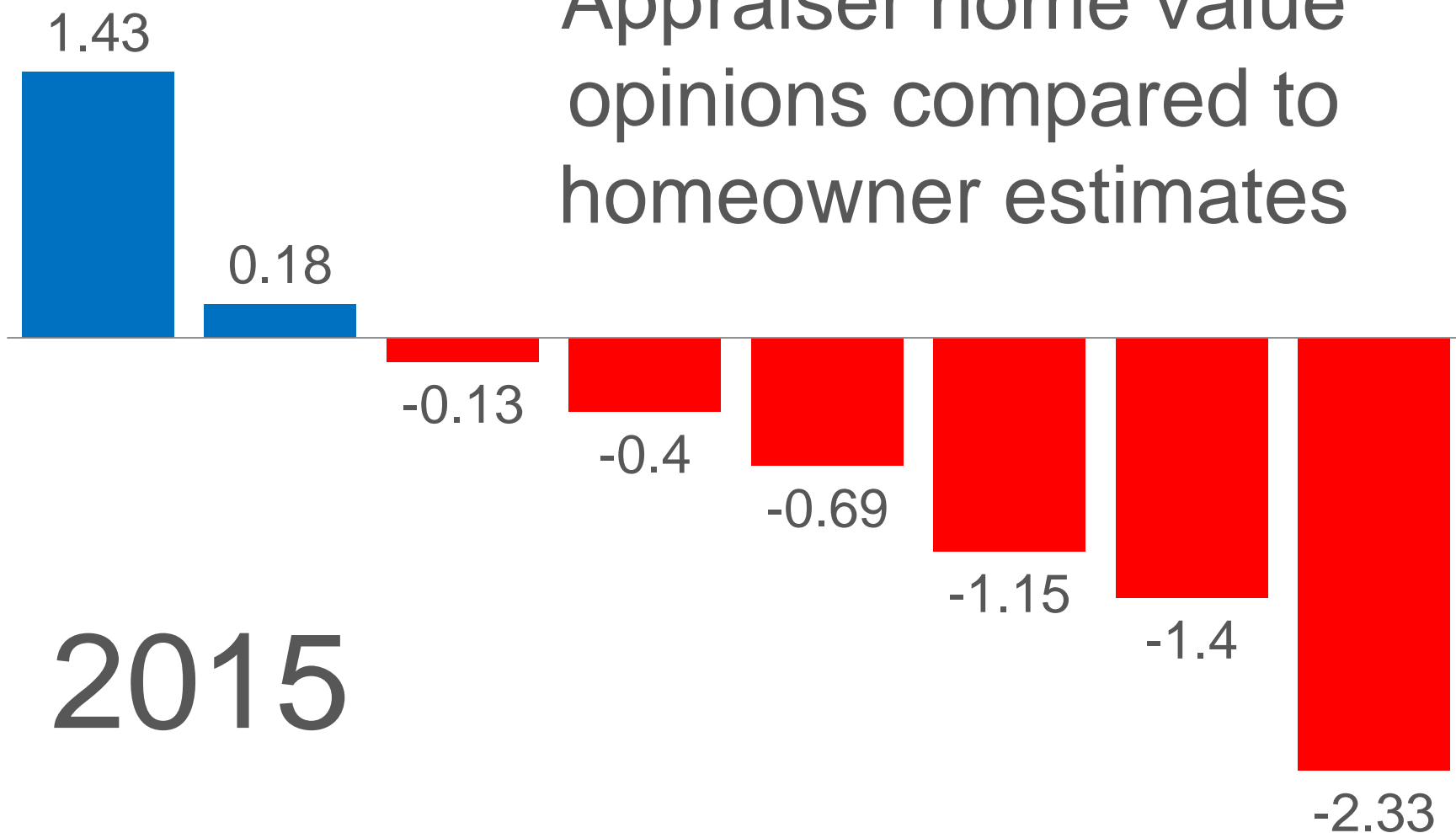
"Many homeowners around the country are seeing the national headlines about home value increases and they are optimistic about their equity increasing. While some areas are seeing the same level of home appreciation, or even more, there are also some areas that have slower home value increases. This can lead to homeowners and appraisers not quite seeing eye-to-eye.



A slowing of home value increases adds to the misunderstanding of local home values. Appraisers are viewing the housing industry every day; they know when home values growth may be slowing. Homeowners may think values are still skyrocketing, when they have instead returned to more healthy appreciation in their area."

Quicken Loans Chief Economist Bob Walters

Appraiser home value opinions compared to homeowner estimates



2015

| | January | February | March | April | May | June | July | August |
|---|---------|----------|-------|-------|-------|-------|------|--------|
| % | 1.43 | 0.18 | -0.13 | -0.4 | -0.69 | -1.15 | -1.4 | -2.33 |

Homeowners may be underestimating their home equity.



...if homeowners believe that large down payments are now required to purchase a home, then widespread, large underestimates of their home equity could be deterring them from applying for mortgages, selling their homes, and buying different homes.

23%

Negative Equity ($>0\%$)

Perceived/Actual

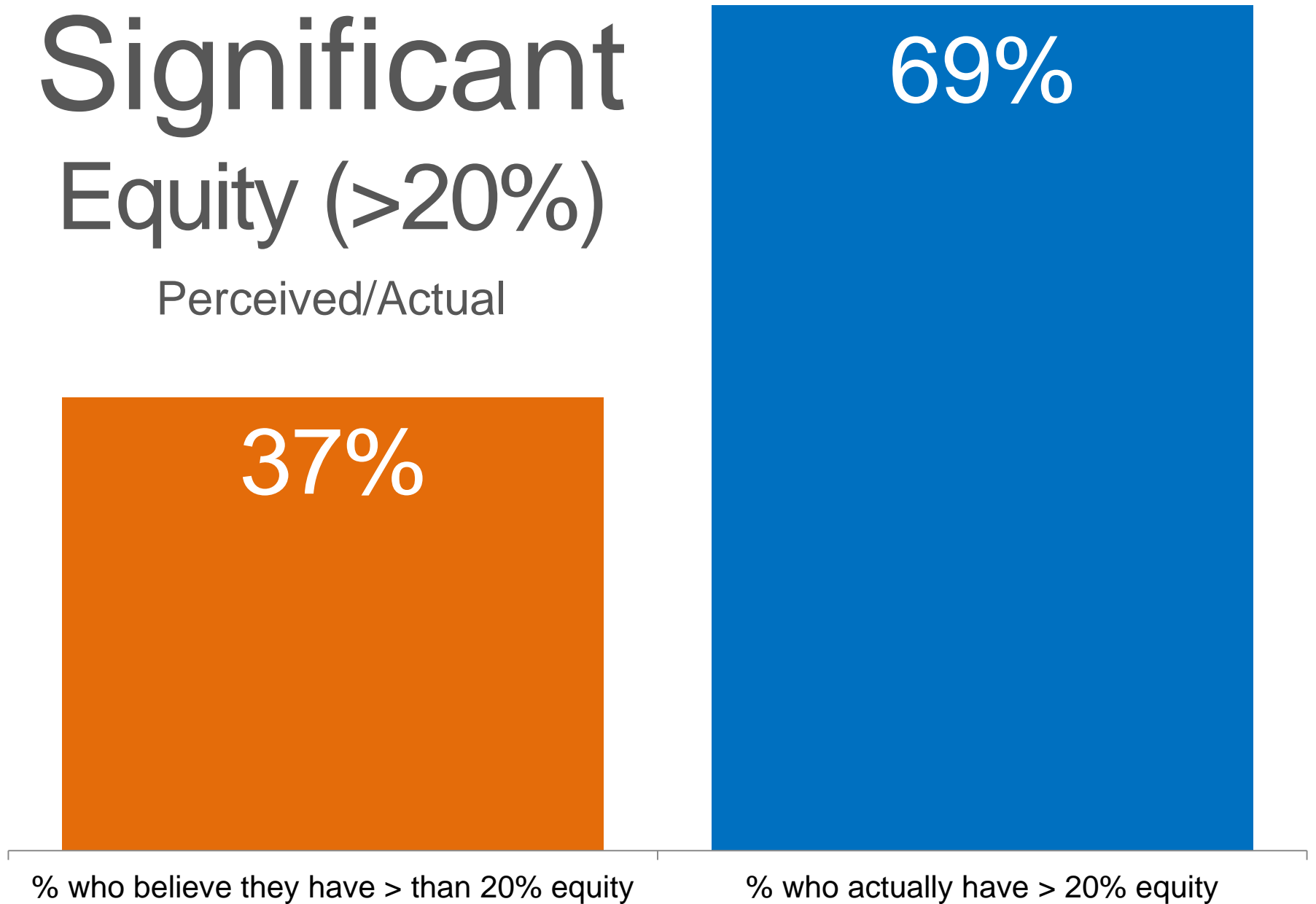
9%

% who believe they are negative in equity

% actually in negative equity

Significant Equity (>20%)

Perceived/Actual



Homeowners who underestimate their homes' values not only underestimate their home equity, they also likely underestimate:



- 1.) How large a down payment they could make with their home equity
- 2.) Their chances of qualifying for mortgages
- 3.) Their opportunities for selling their current homes and for buying different homes

The appreciation gap presents a potential opportunity. It is an opportunity to remove a barrier that may have hindered housing and mortgage market activity. It is an opportunity that does not require changes in laws or regulations. It does not require additional subsidies by business or government. Costs to close the gap can be low.



Providing homeowners with information and with tools so they can better estimate their home equity may help shrink the gap.

If you are in a position to sell and have your housing needs covered, your timing is excellent. Prices may not have peaked, but you are in a healthy bargaining position –

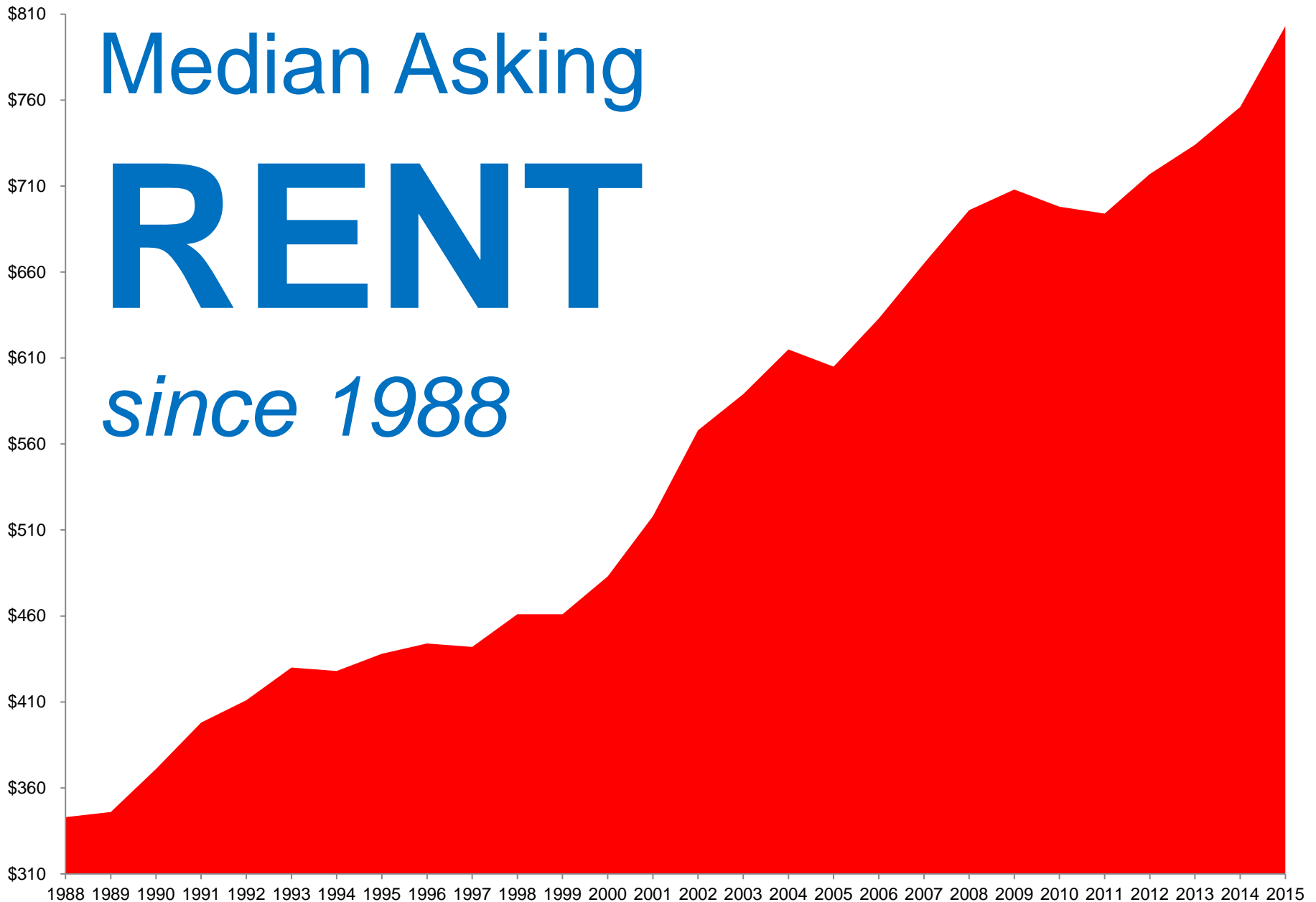


especially if you have a coveted starter home that is priced within reach of first-time buyers.

Demand is there if you have the right supply at the right price.

MoneyTips on CBS Money Watch

Median Asking RENT *since 1988*



As per Freddie Mac...

| \$200,000 Home | 5% Down | 20% Down |
|-----------------------|----------------|-----------------|
| Down Payment | \$10,000 | \$40,000 |
| Loan Amount | \$190,000 | \$160,000 |
| Interest Rate | 4.5% | 4.5% |
| Principal & Interest | \$962.70 | \$810.70 |
| PMI | \$80.75* | \$0 |
| Total Payment | \$1,043.45** | \$810.70** |
| Difference in Payment | | \$232.75 |

Assumes a 30-year-fixed-rate mortgage

**Assuming an insurance rate of 0.51%; this cost can be cancelled from your payment once you reach 20% equity in your home for conventional loans, but not FHA loans*

***Does not include property tax and homeowners insurance payments*

Are you actually saving by waiting?

| | |
|--|-----------------|
| Difference in payment over the next 12 months | \$2,793 |
| Expected appreciation over the next 12 months* | \$9,400 |
| DIFFERENCE | -\$6,607 |

**Based on CoreLogic's projected appreciation of 4.7% over the next 12 months*

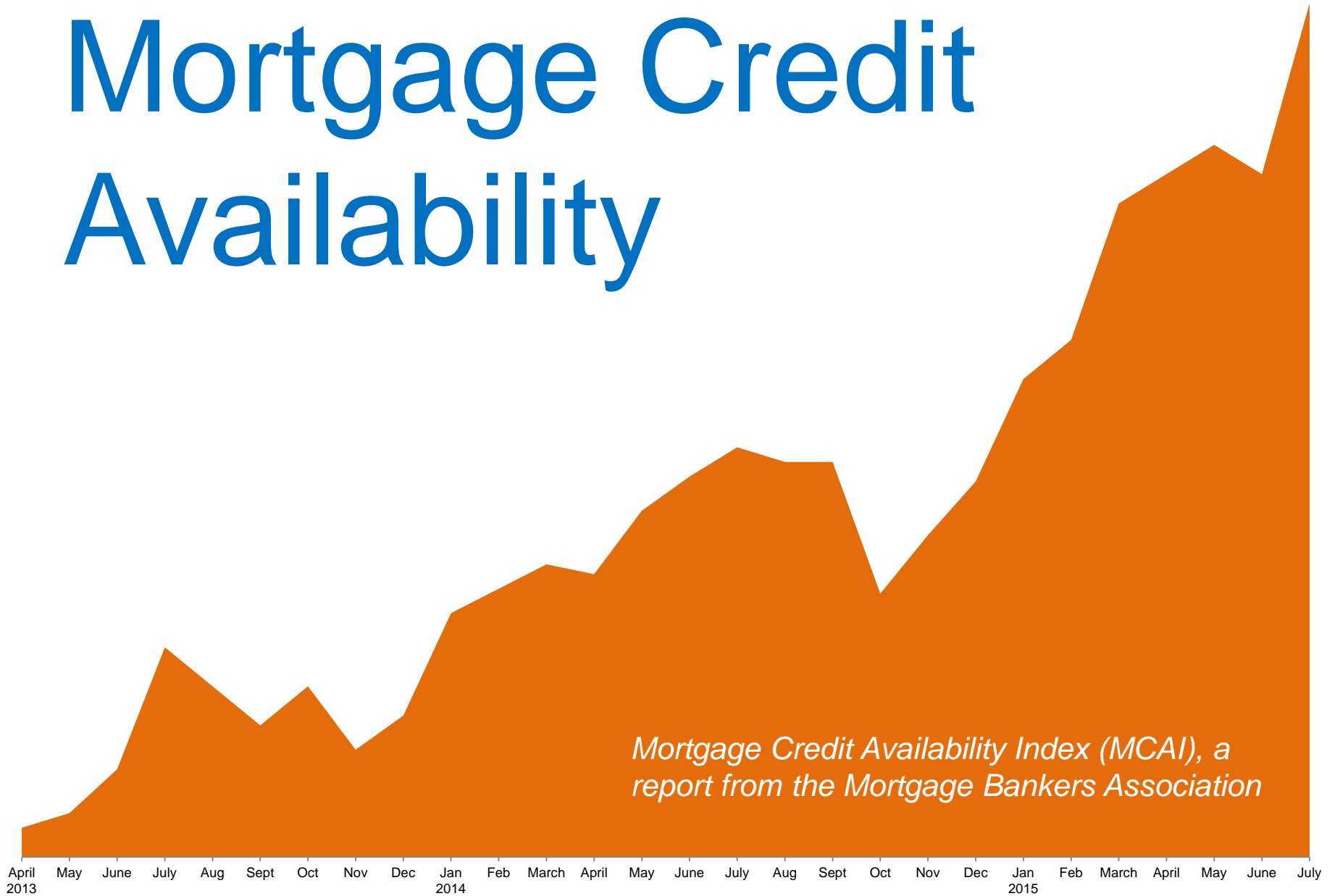


Mortgage Rate Projections



| Quarter | Fannie Mae | Freddie Mac | MBA | NAR | Average of all Four |
|---------|------------|-------------|-----|-----|---------------------|
| 2015 4Q | 4.0 | 4.3 | 4.3 | 4.1 | 4.18 |
| 2016 1Q | 4.1 | 4.5 | 4.6 | 4.3 | 4.38 |
| 2016 2Q | 4.2 | 4.7 | 4.8 | 4.5 | 4.55 |
| 2016 3Q | 4.2 | 5.0 | 5.0 | 4.8 | 4.75 |

Mortgage Credit Availability



FIRST TIME BUYERS

in July

71%

had down payments of 5% or less

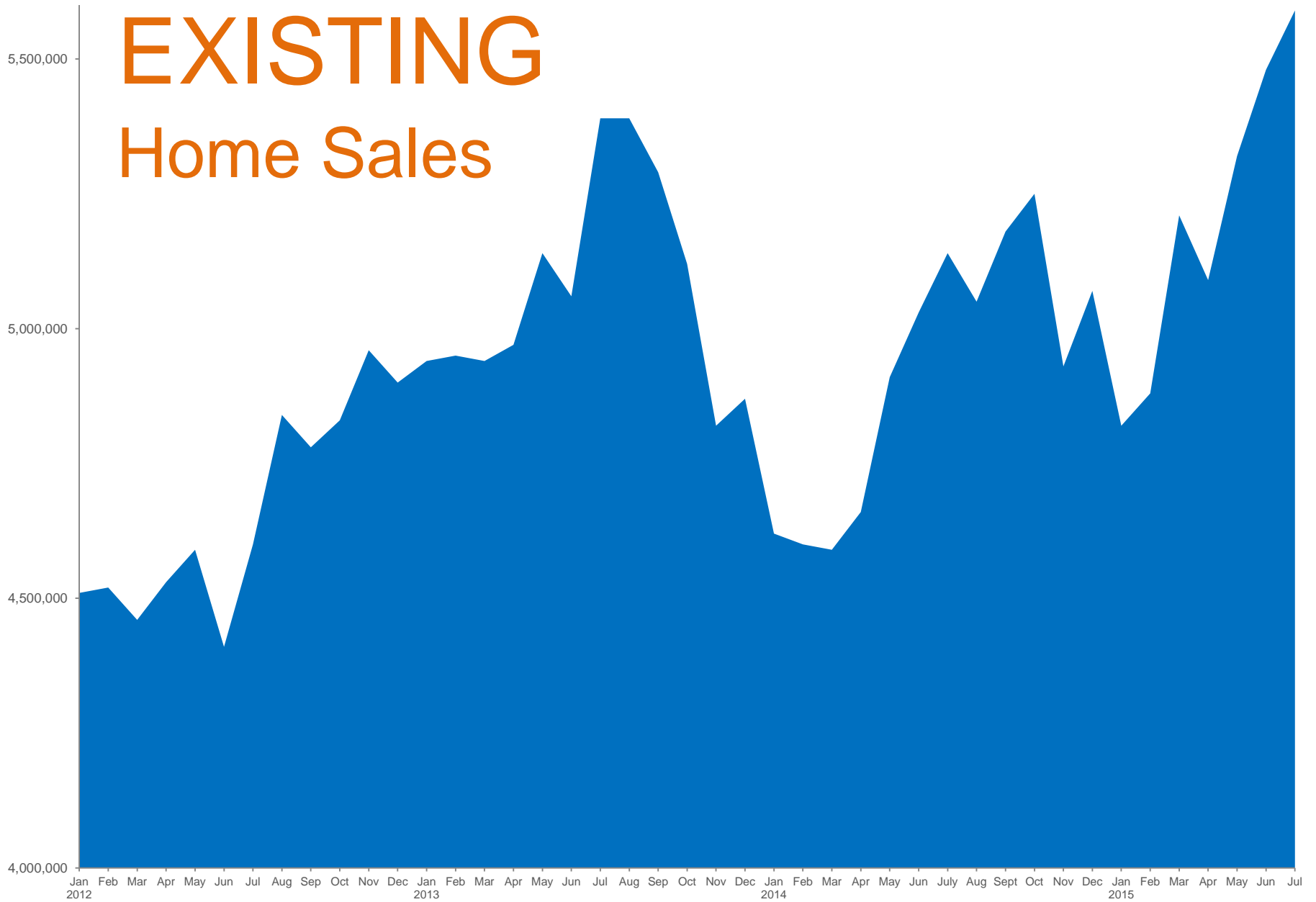
709

was the median FICO score

20.7%

had a FICO score below 660

EXISTING Home Sales

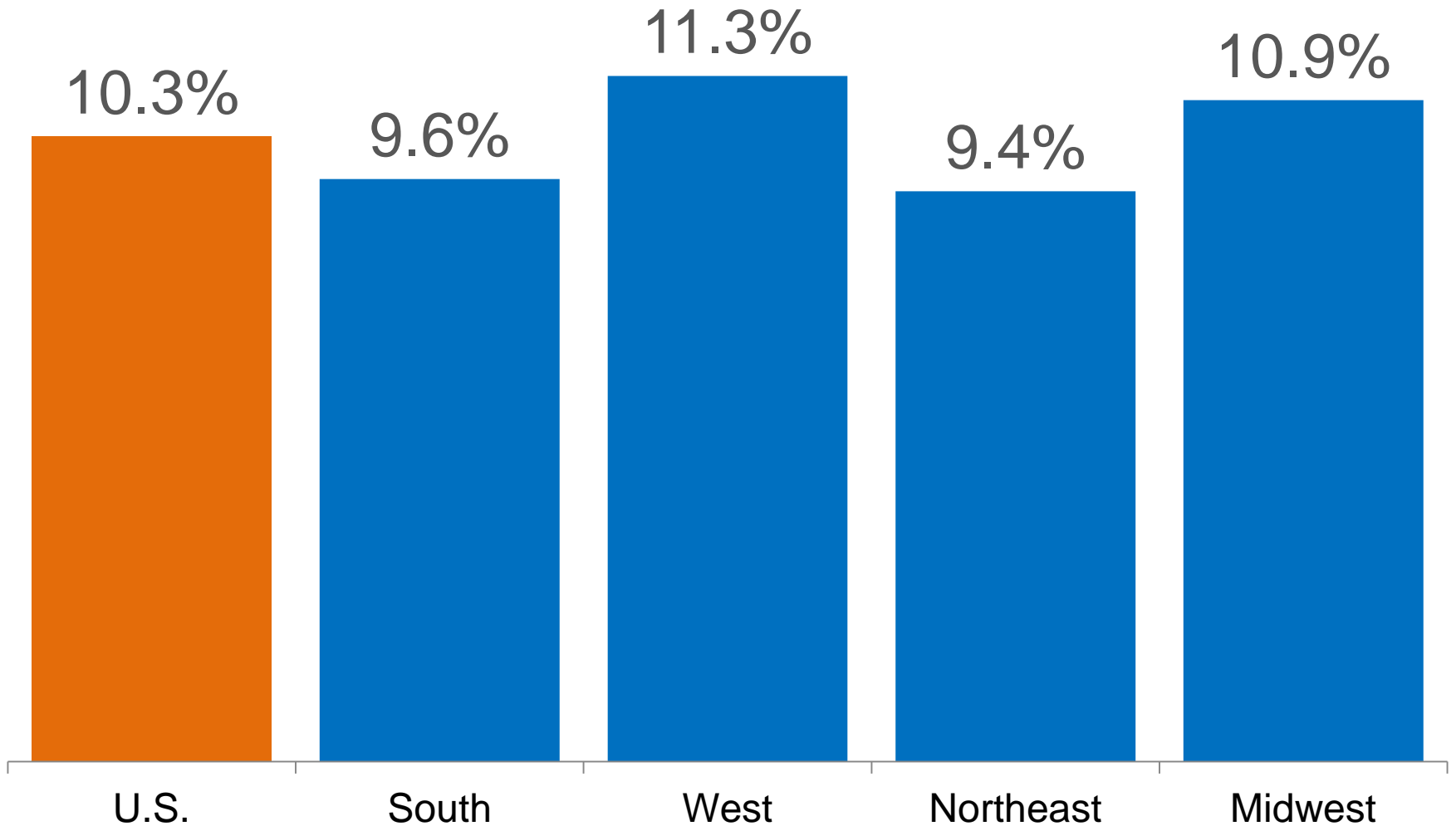


EXISTING Home Sales



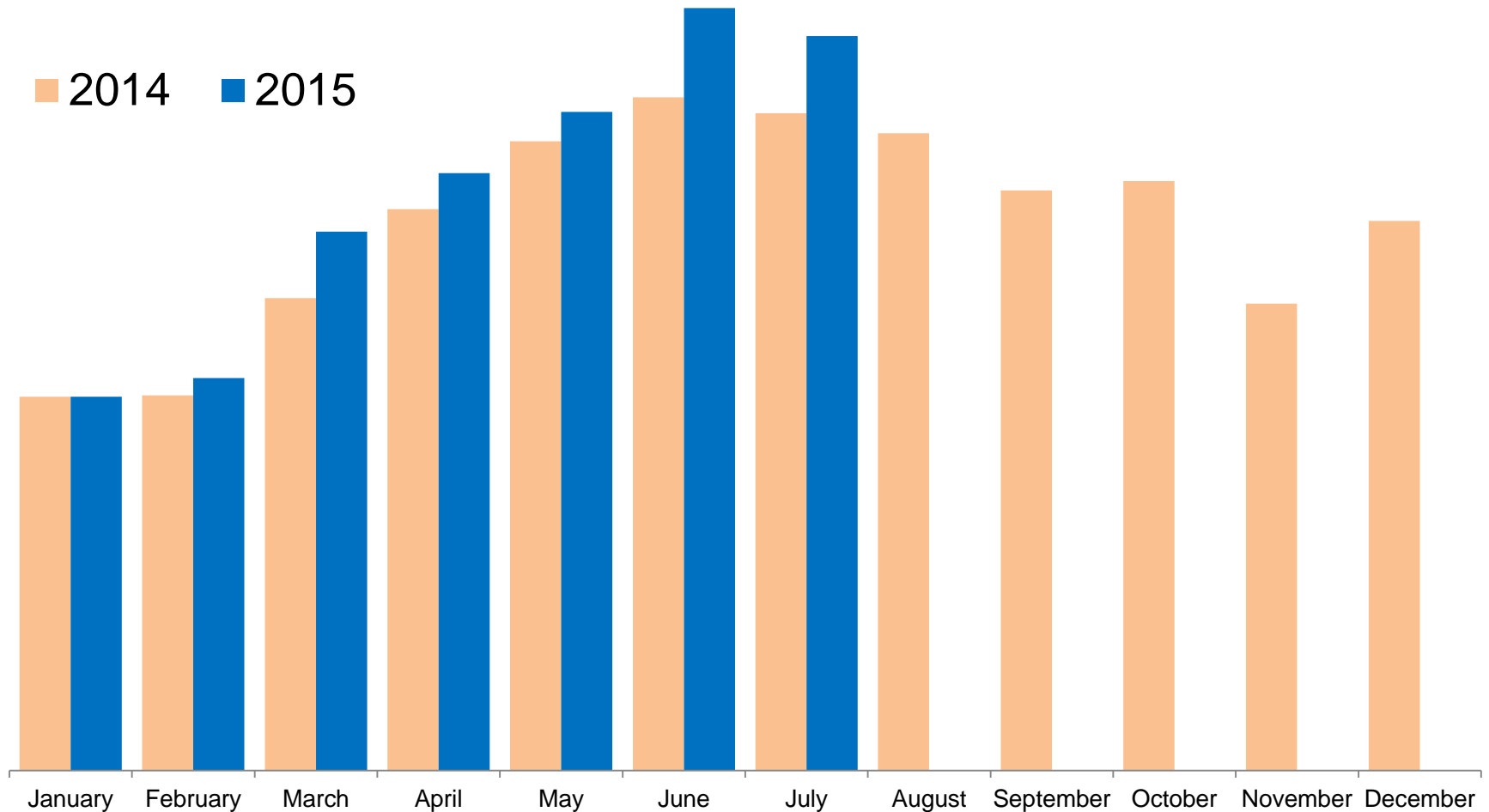
EXISTING Home Sales

Y-O-Y by region



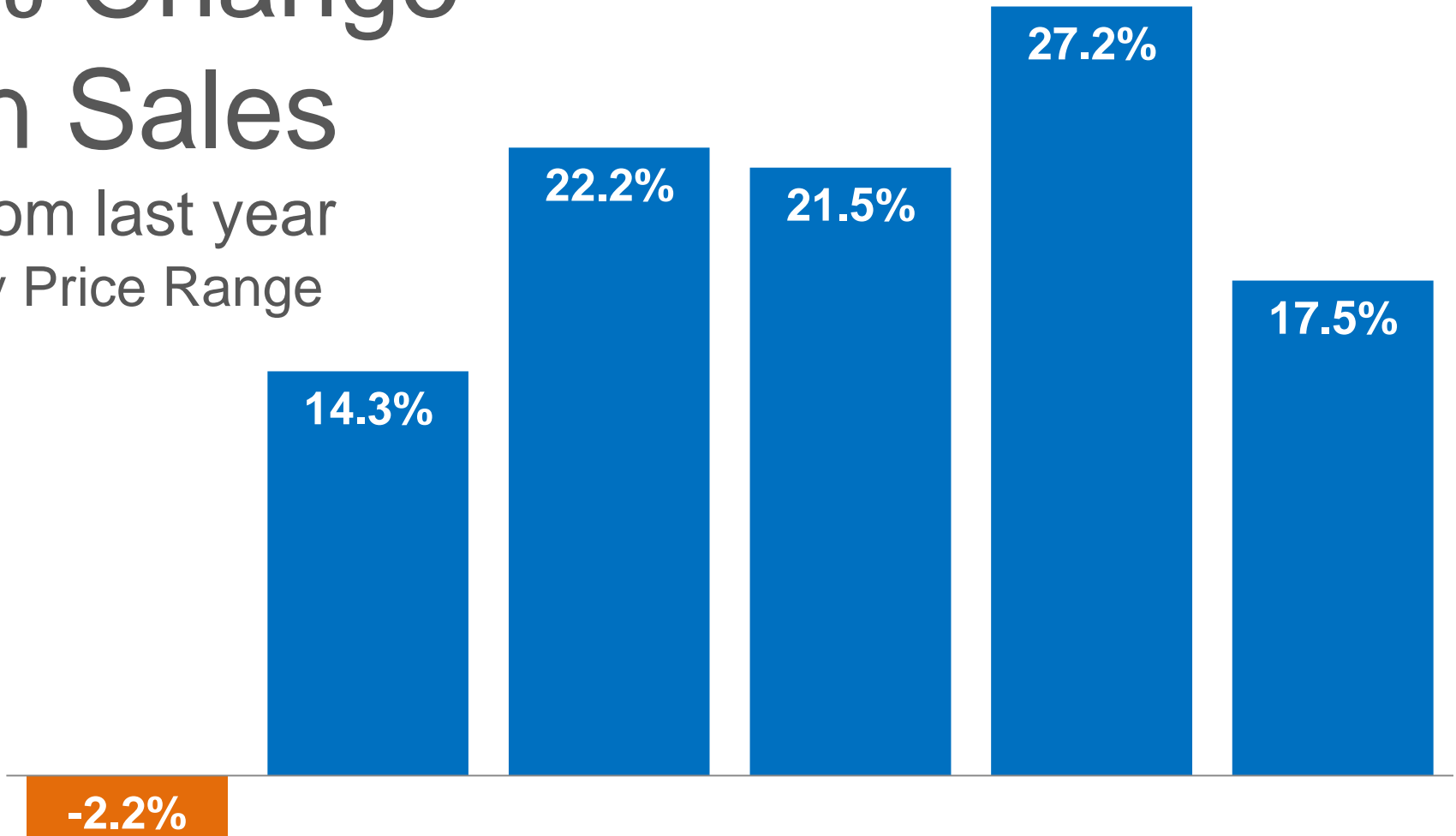
Existing Home Sales

in thousands



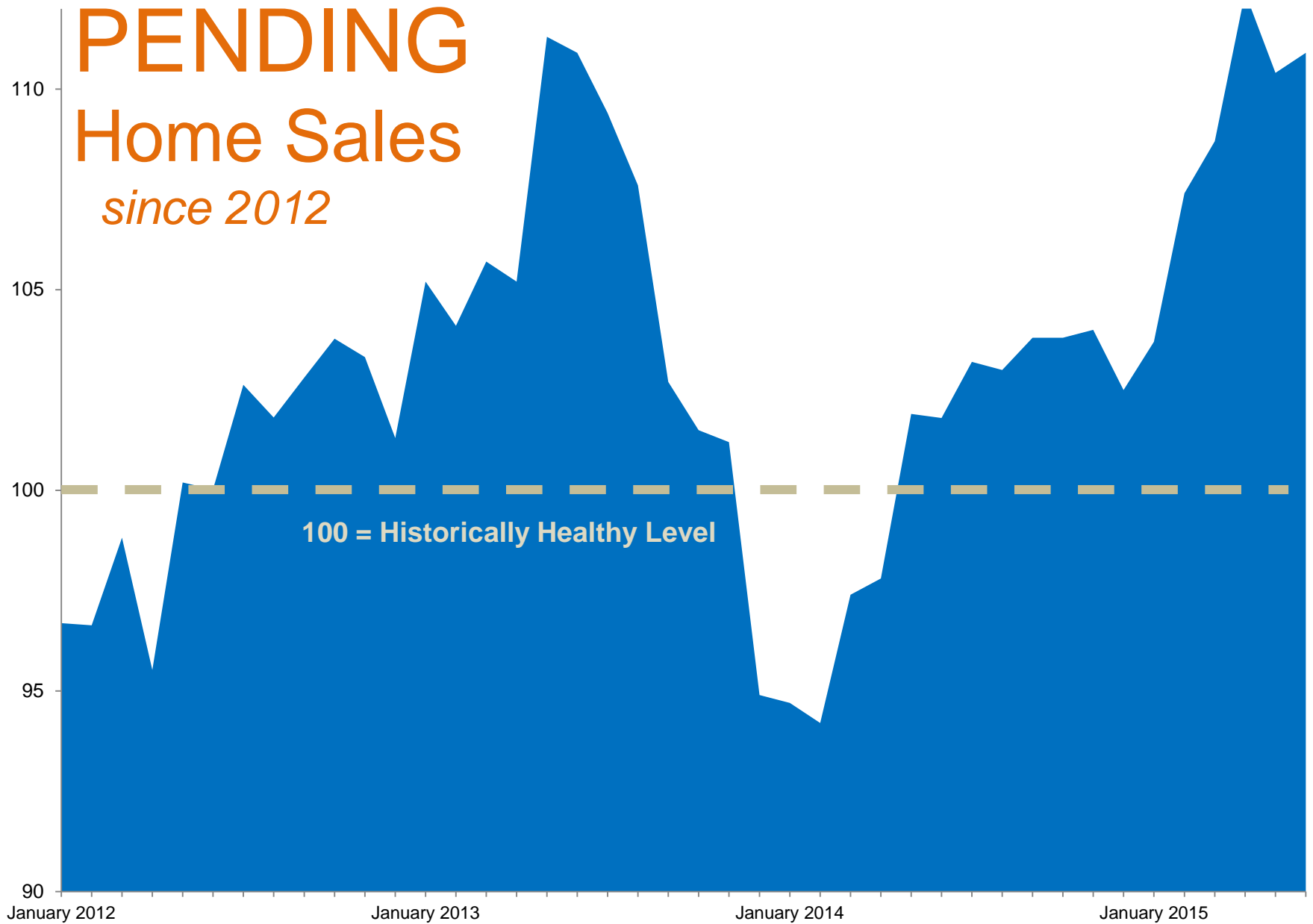
% Change in Sales

from last year
by Price Range



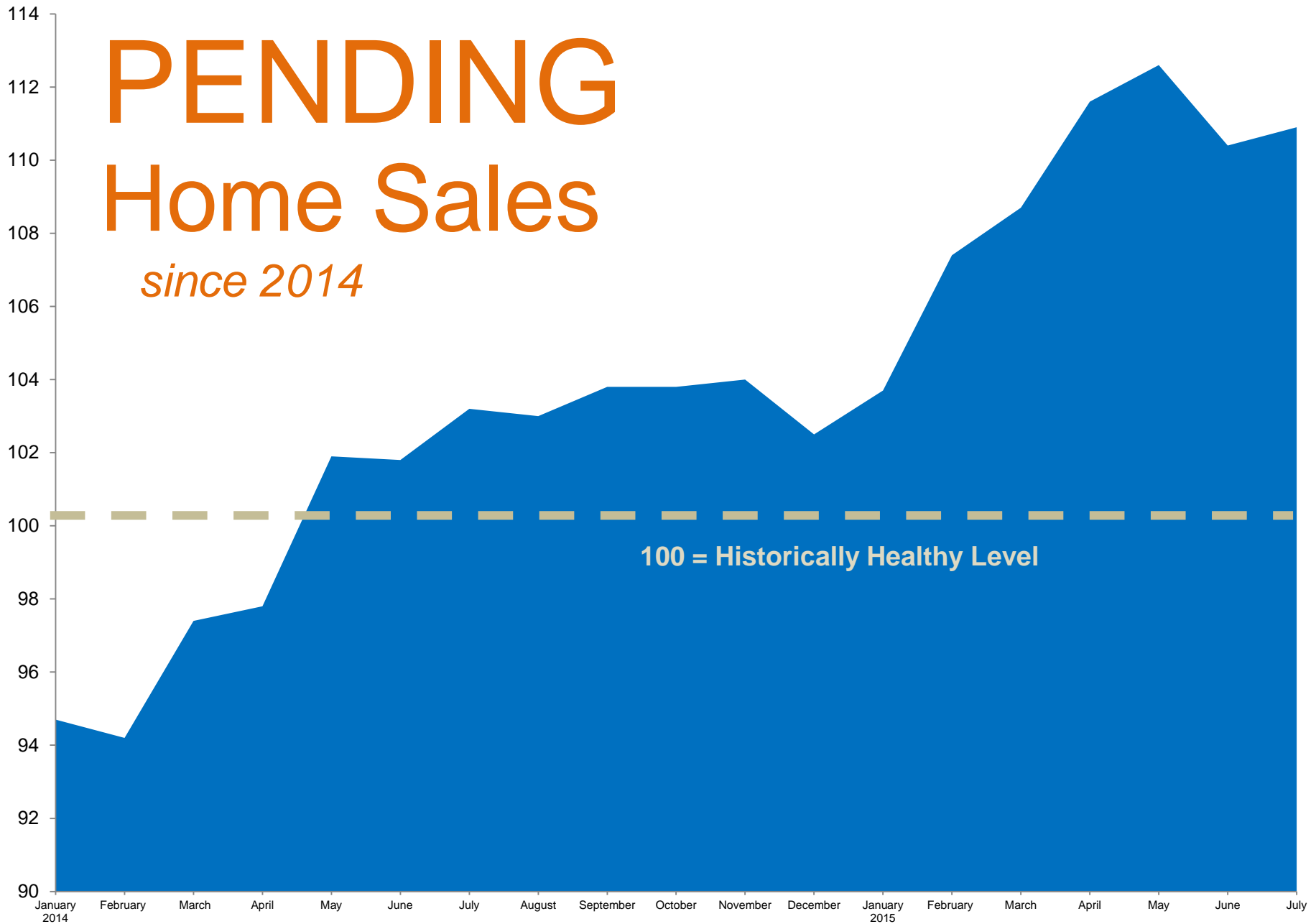
| | \$0-100K | \$100-250K | \$250-500K | \$500-750K | \$750K-1M | \$1M+ |
|---|----------|------------|------------|------------|-----------|-------|
| % | -2.2% | 14.3% | 22.2% | 21.5% | 27.2% | 17.5% |

PENDING Home Sales *since 2012*



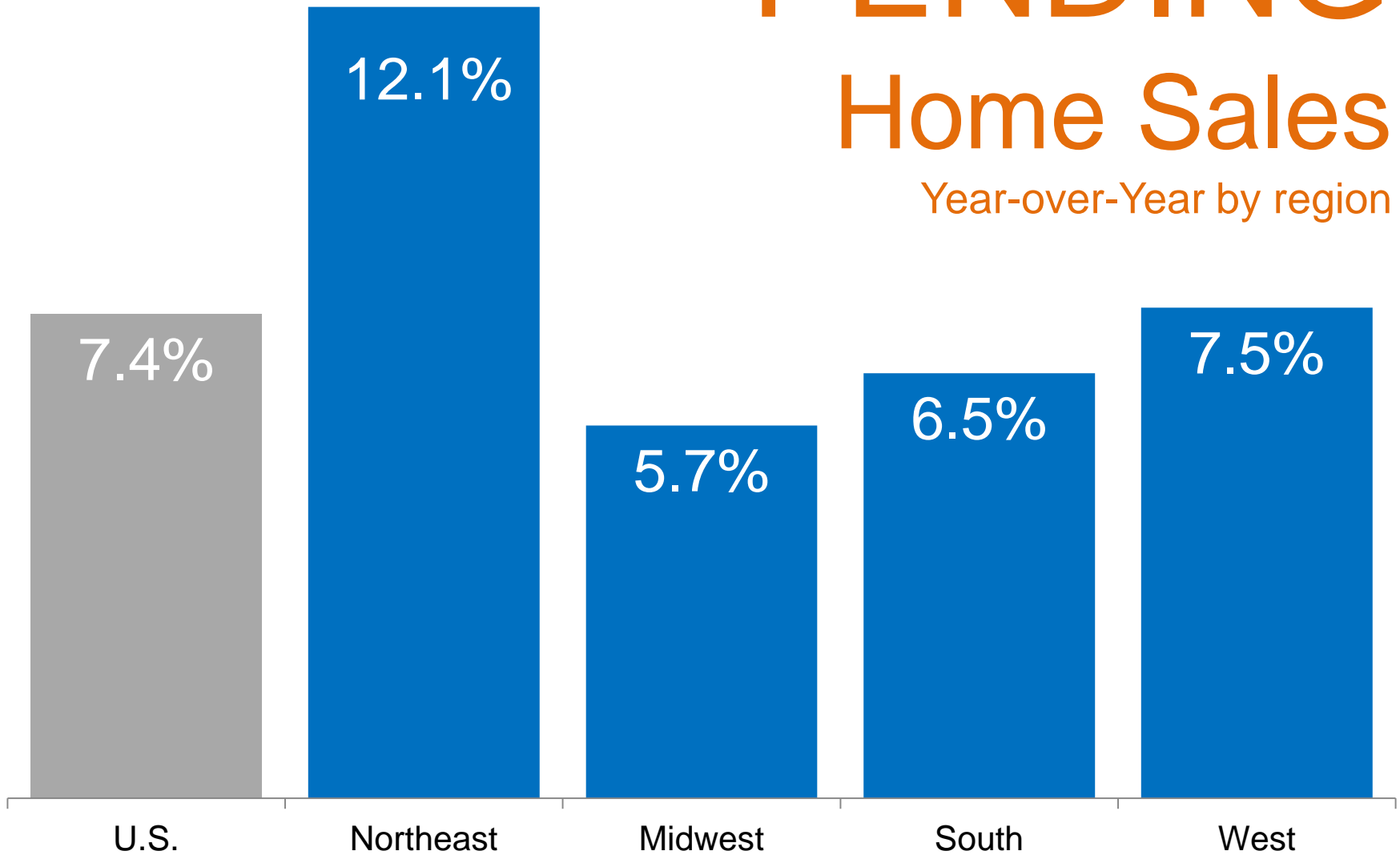
PENDING Home Sales

since 2014



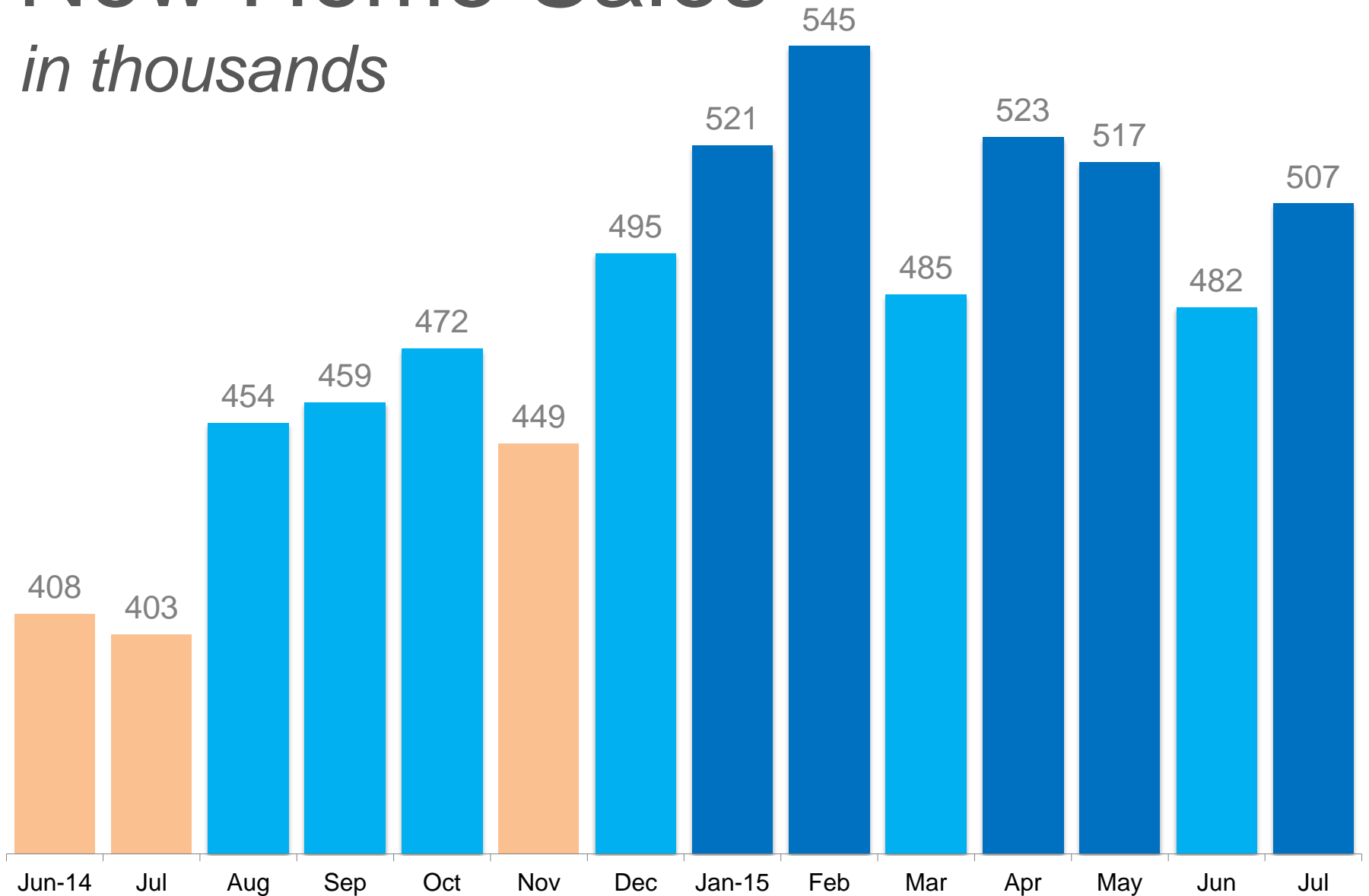
PENDING Home Sales

Year-over-Year by region



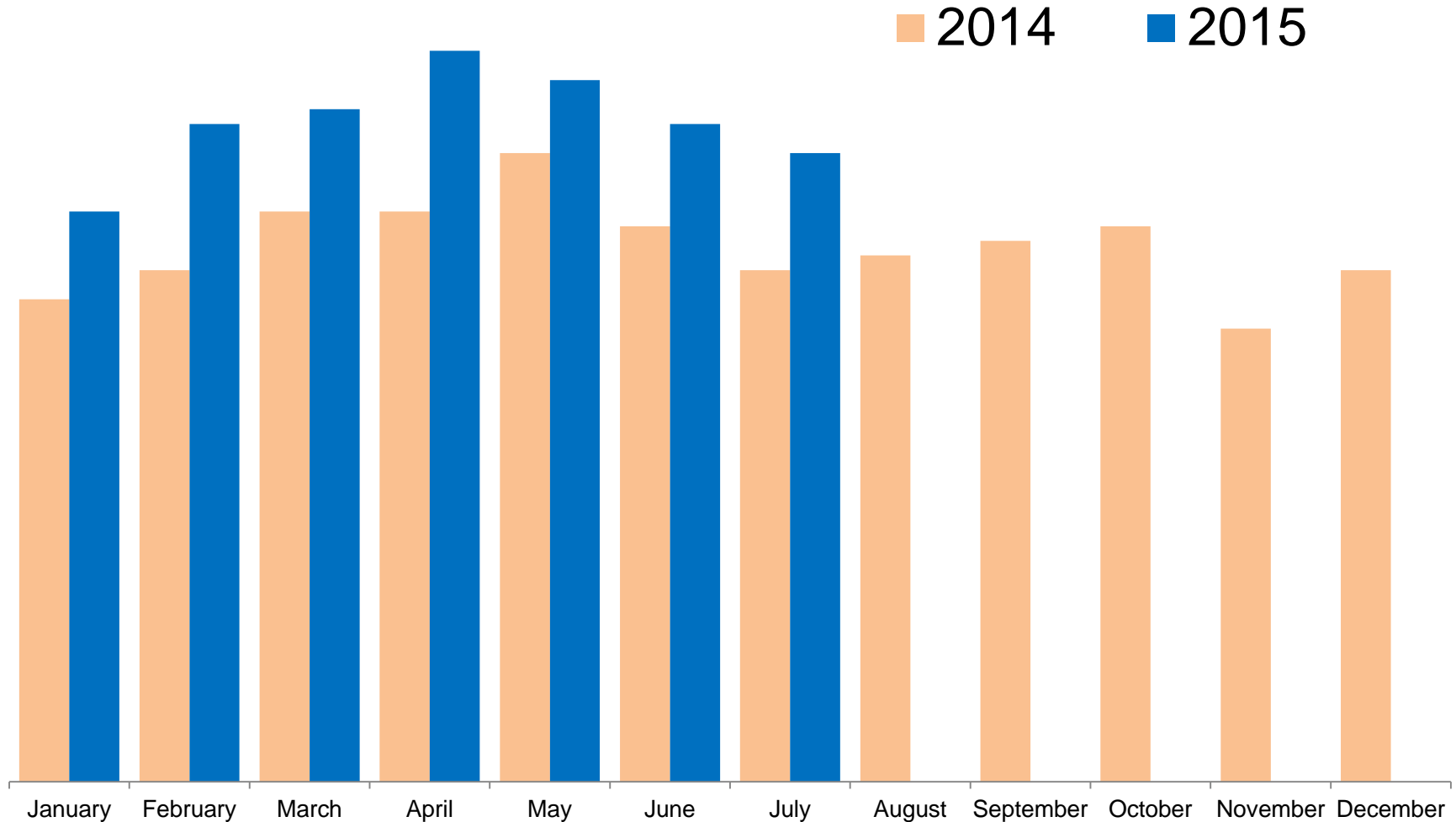
New Home Sales

in thousands



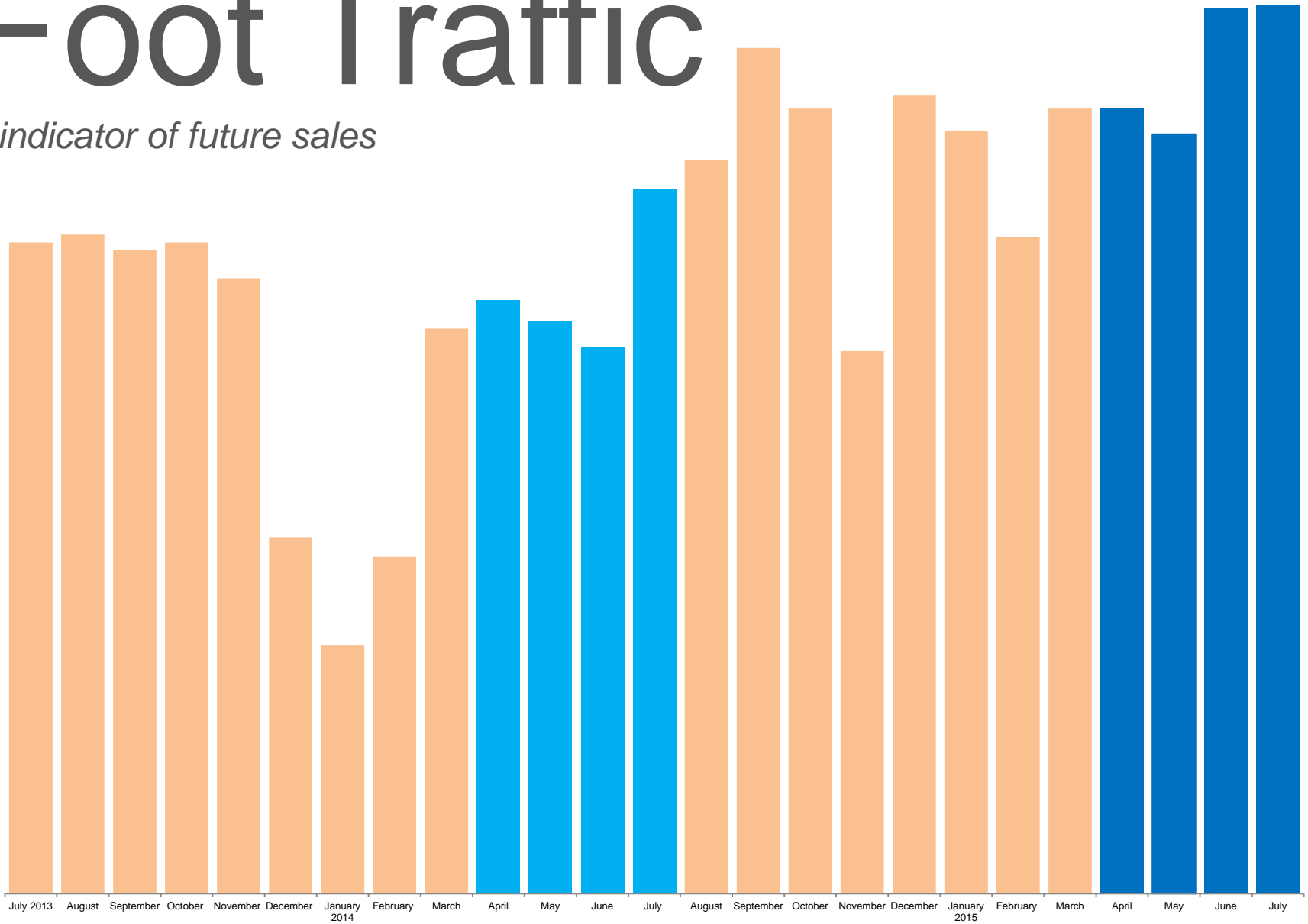
New Home Sales

in thousands



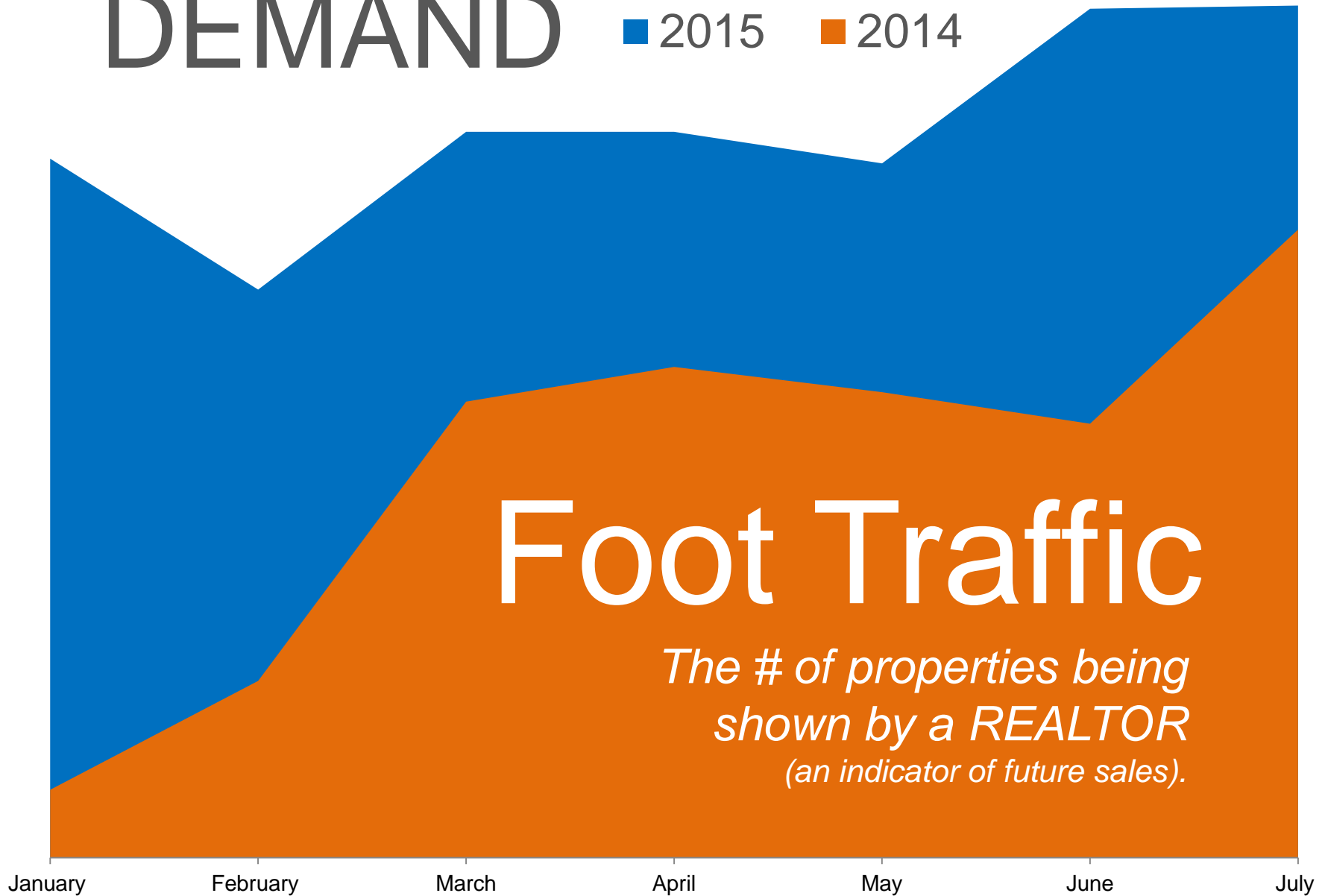
Foot Traffic

indicator of future sales



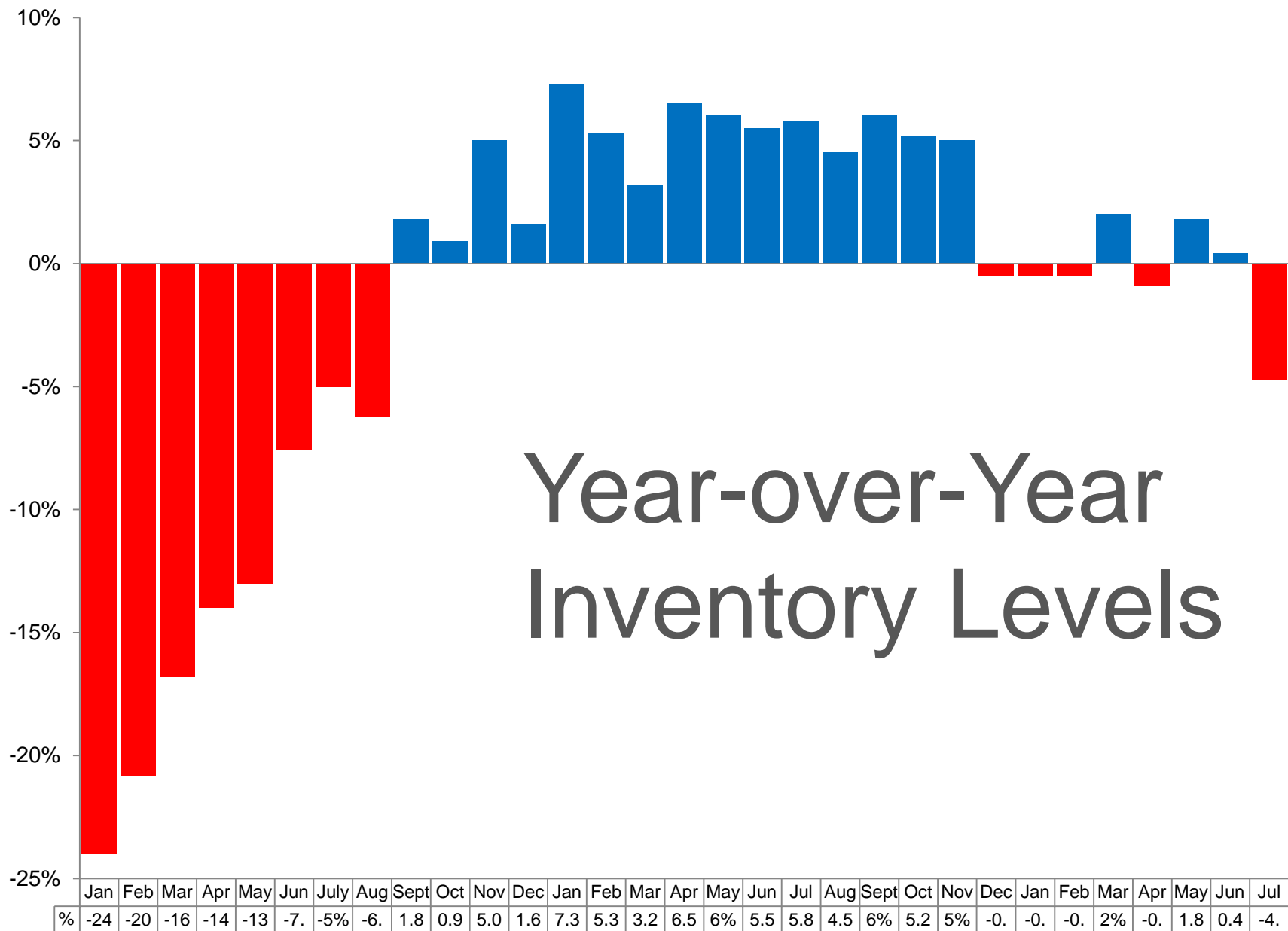
DEMAND

■ 2015 ■ 2014

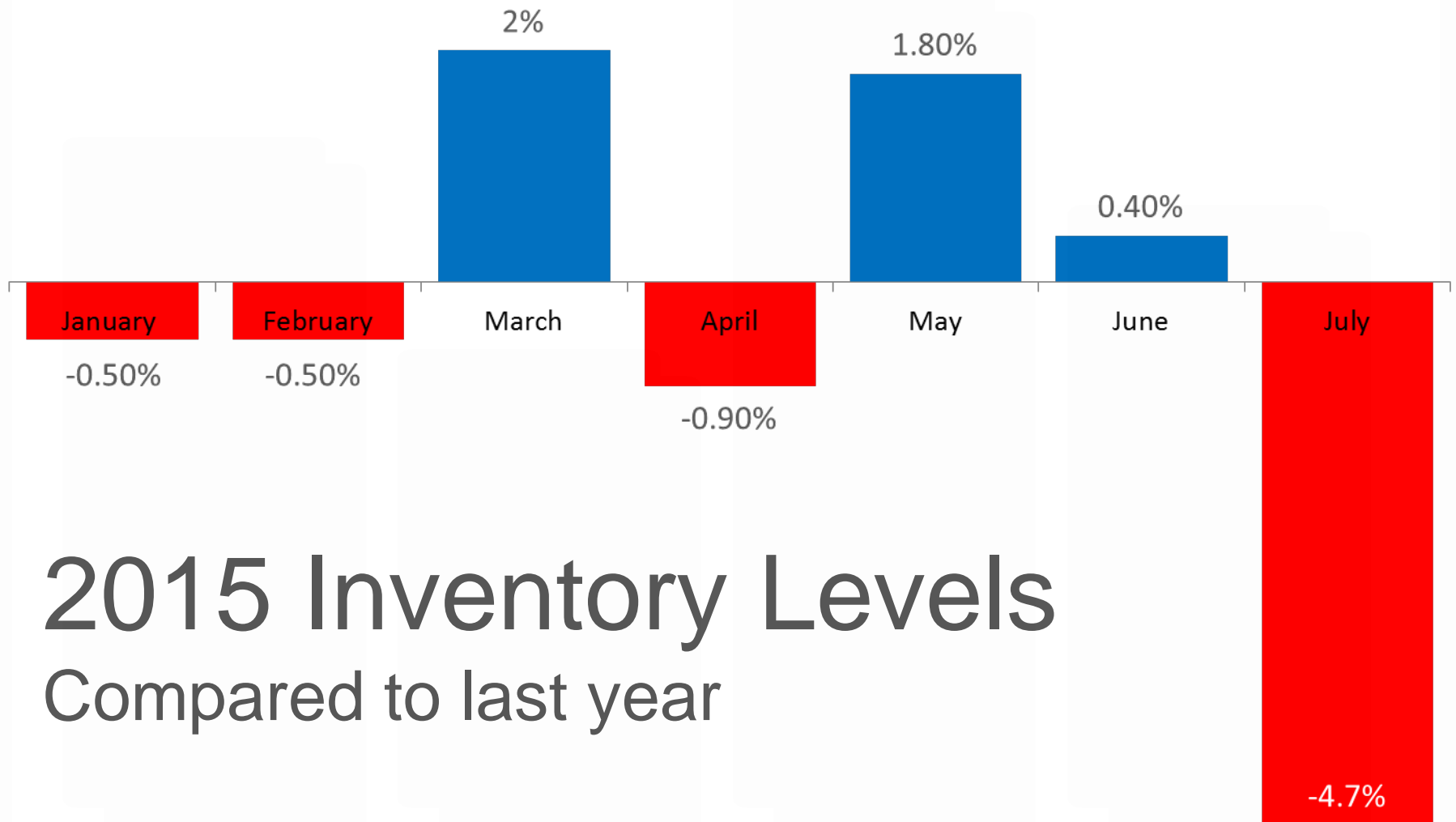


Foot Traffic

*The # of properties being
shown by a REALTOR
(an indicator of future sales).*

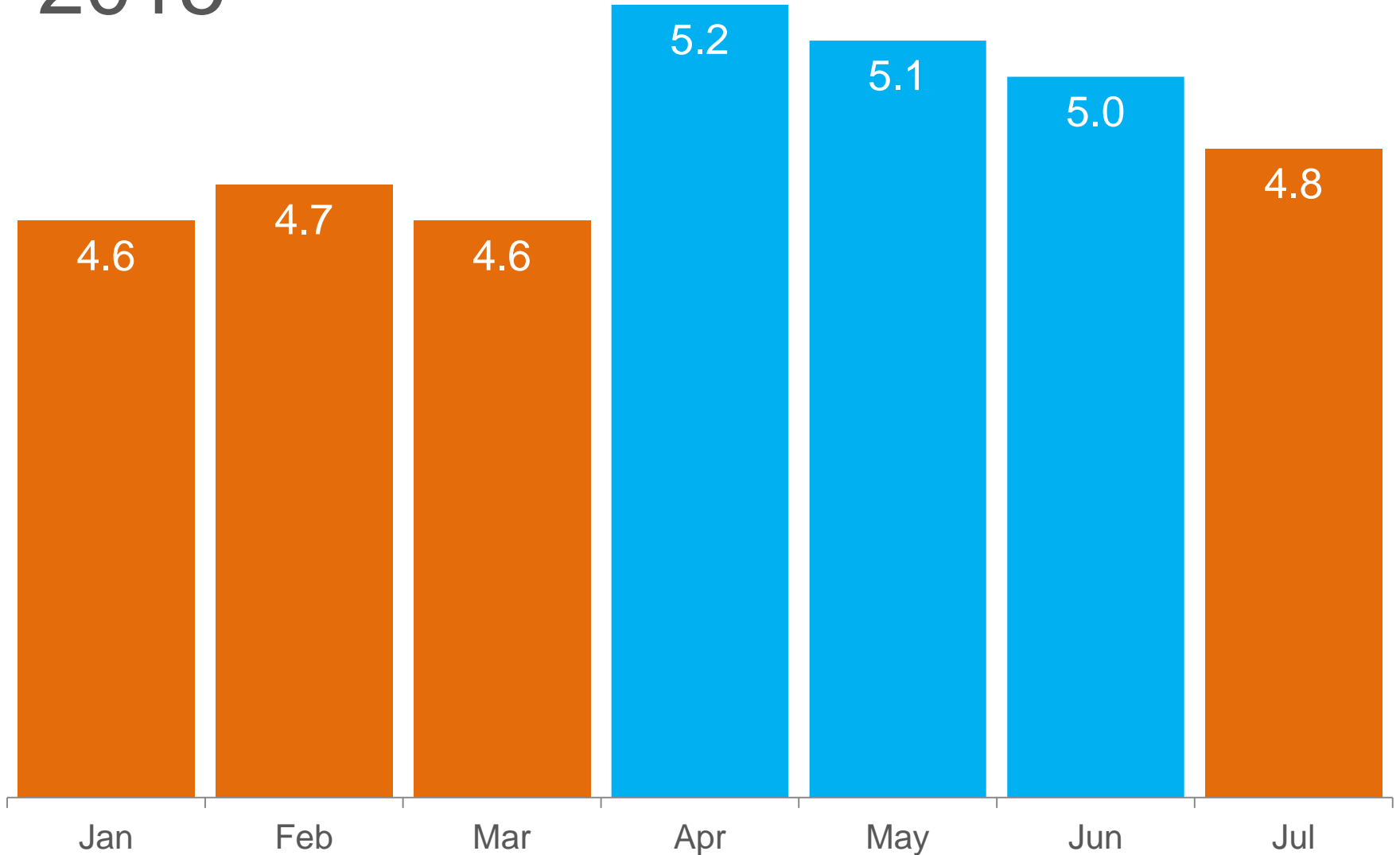


SUPPLY



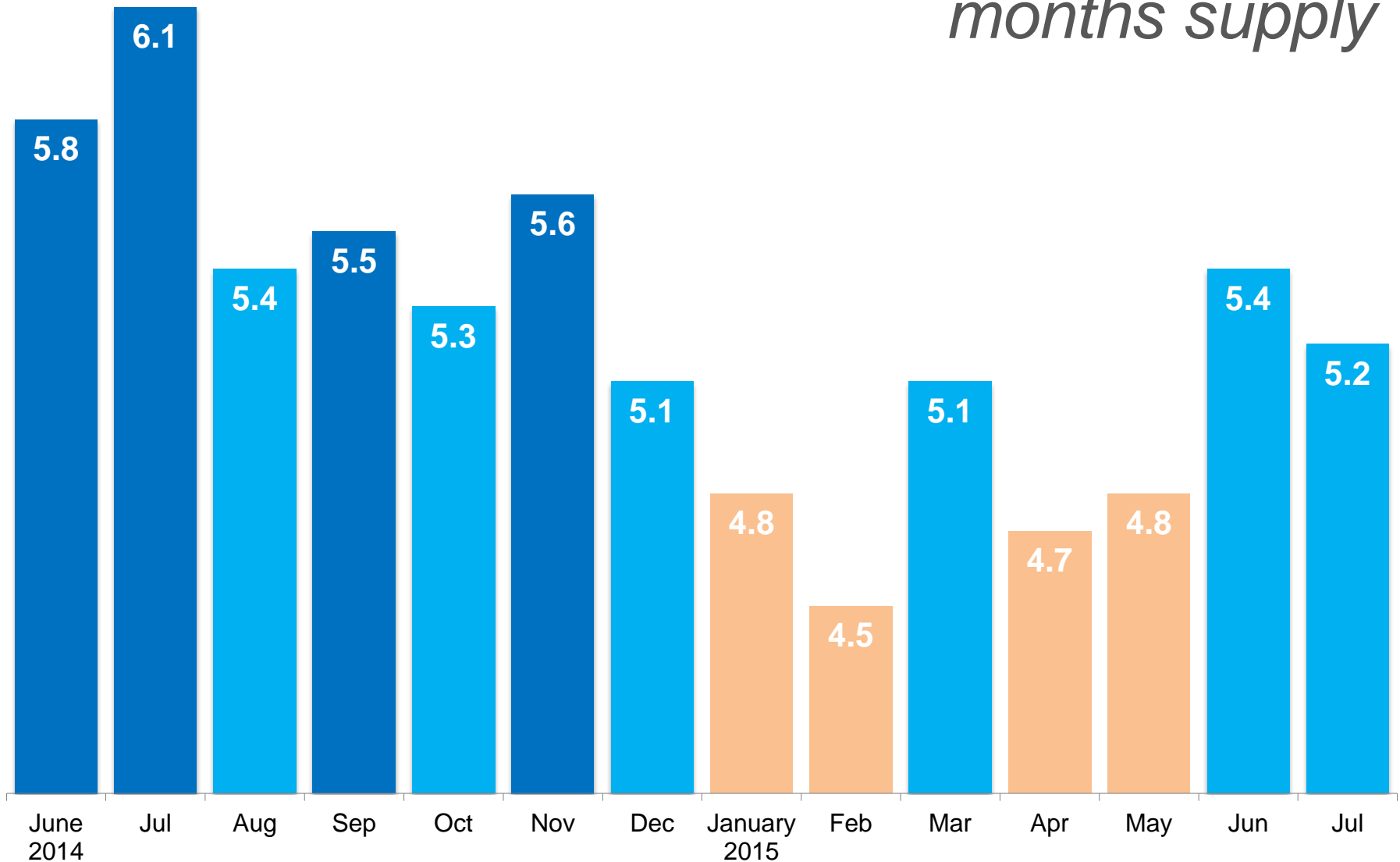
2015 Inventory Levels
Compared to last year

Months Inventory of HOMES FOR SALE 2015



New Home Inventory

months supply

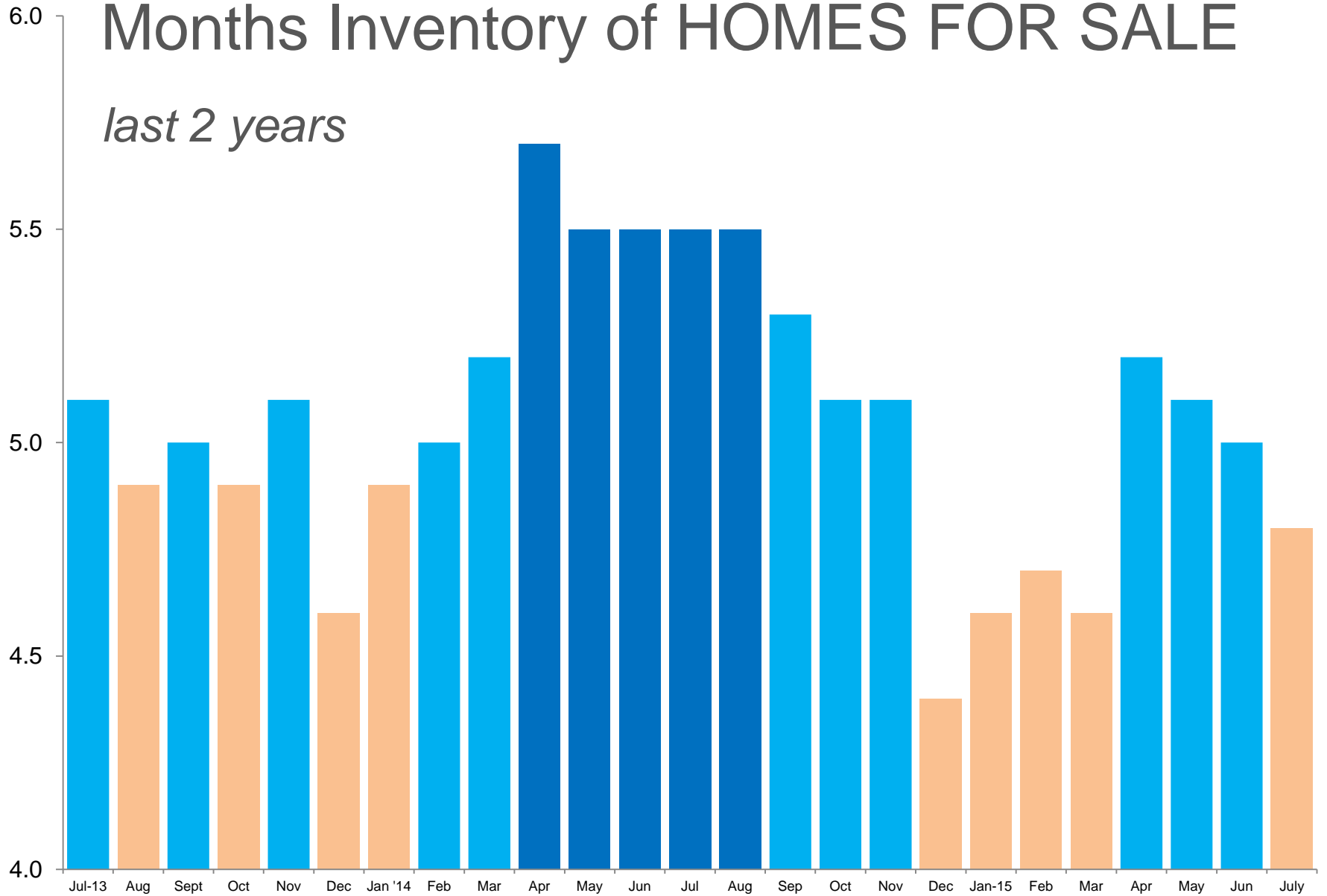


Months Inventory of **HOMES FOR SALE** *2011 - Today*



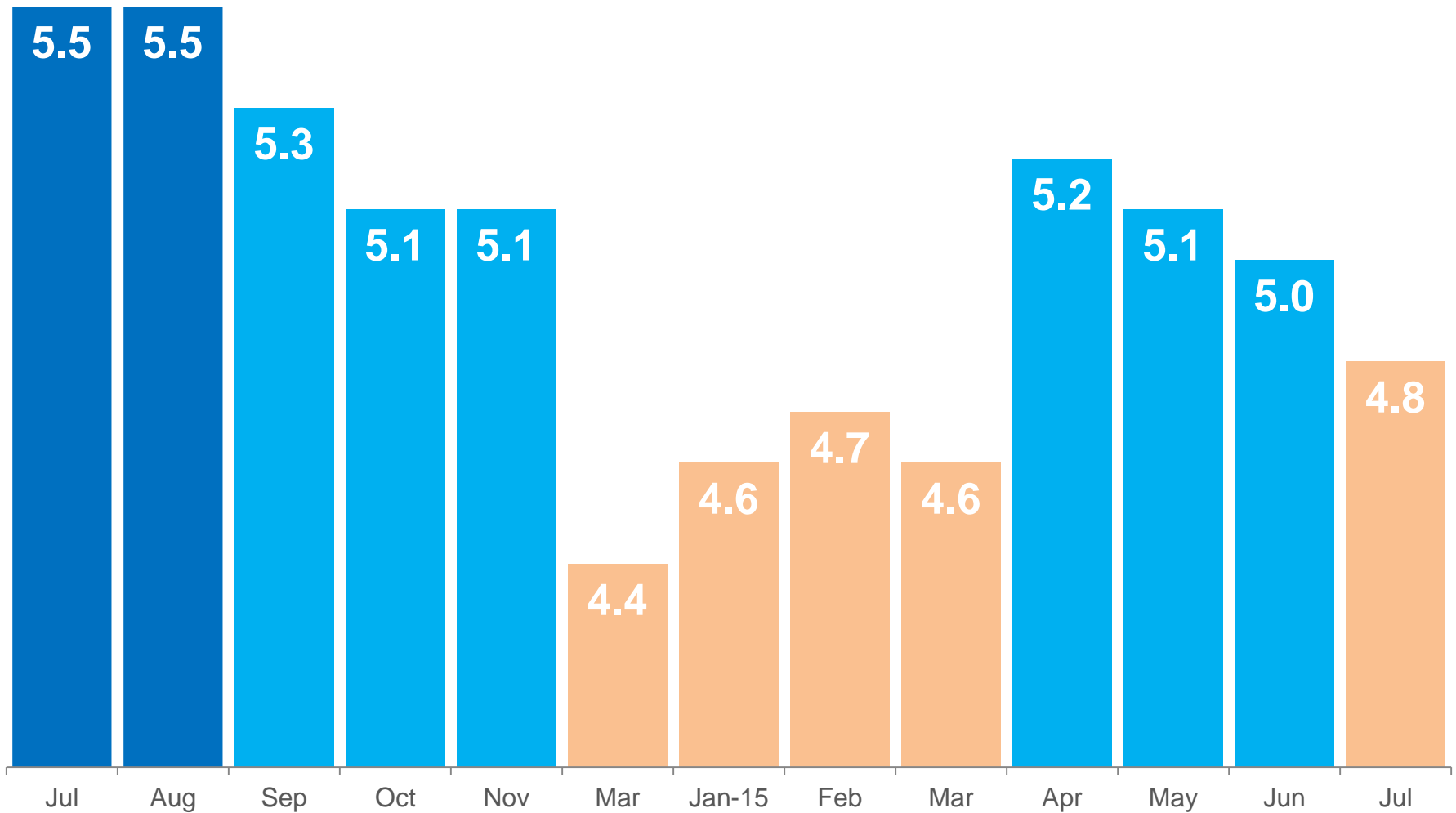
Months Inventory of HOMES FOR SALE

last 2 years

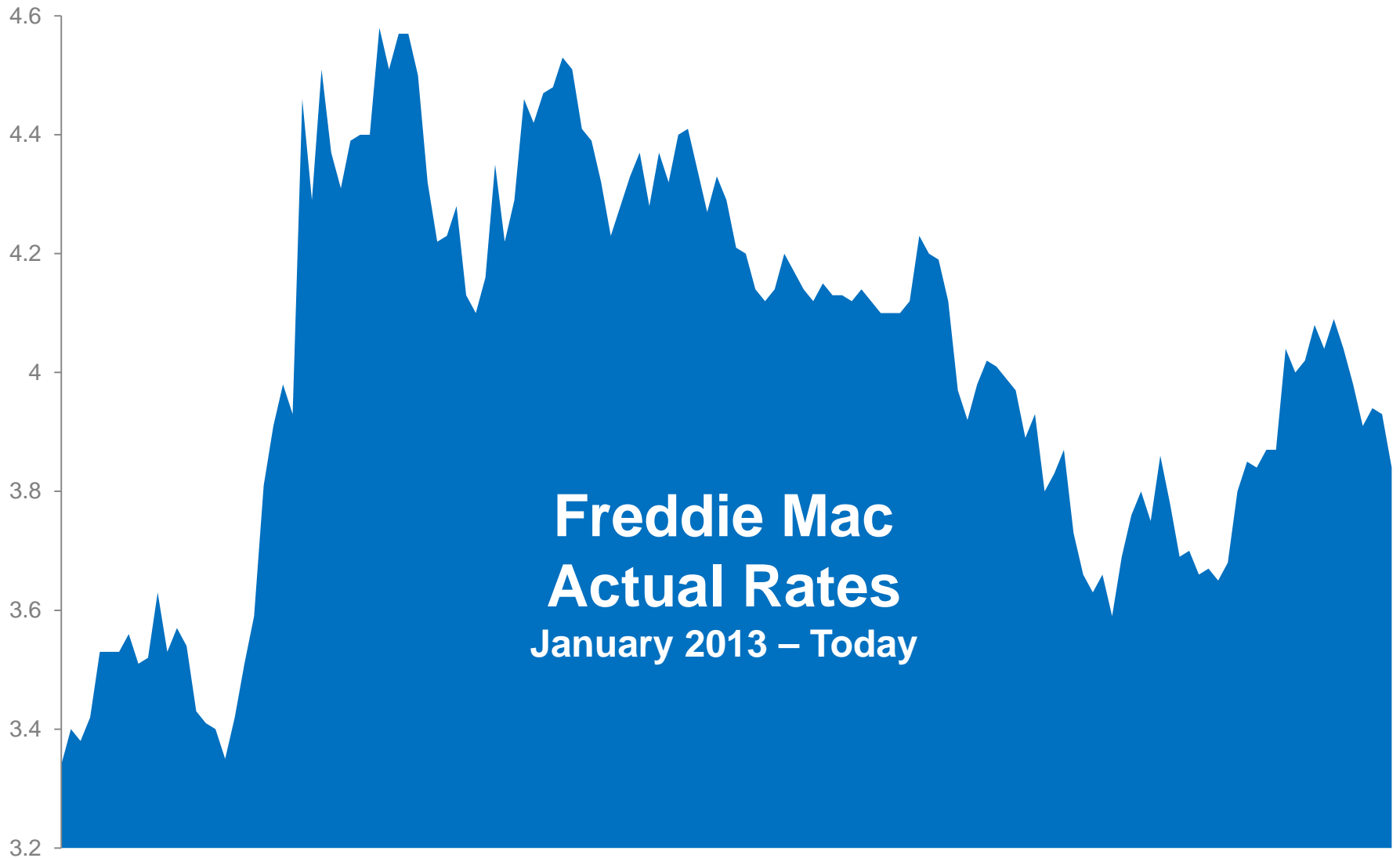


Months Inventory of HOMES FOR SALE

last 12 months

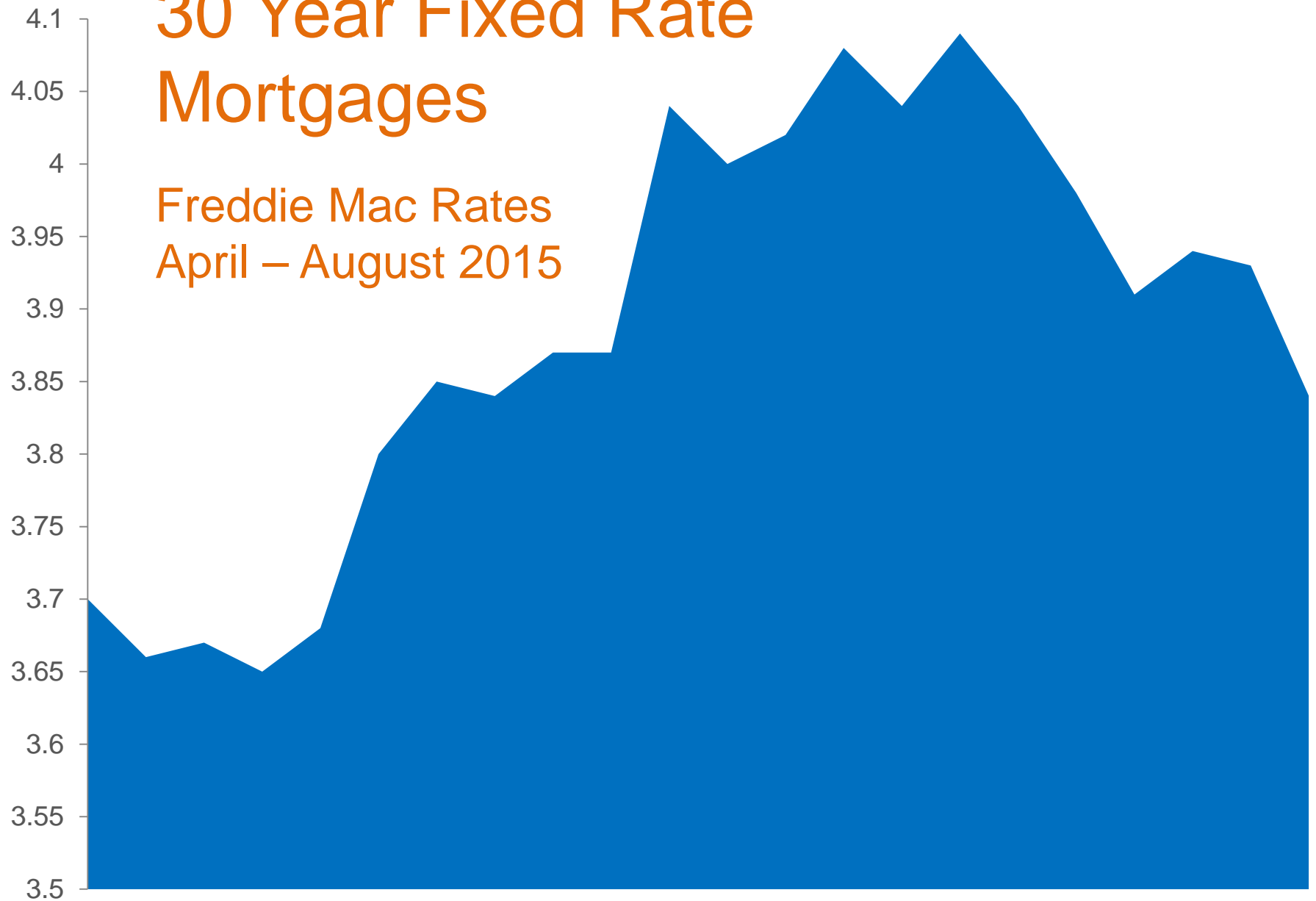


30 Year Fixed Rate Mortgages



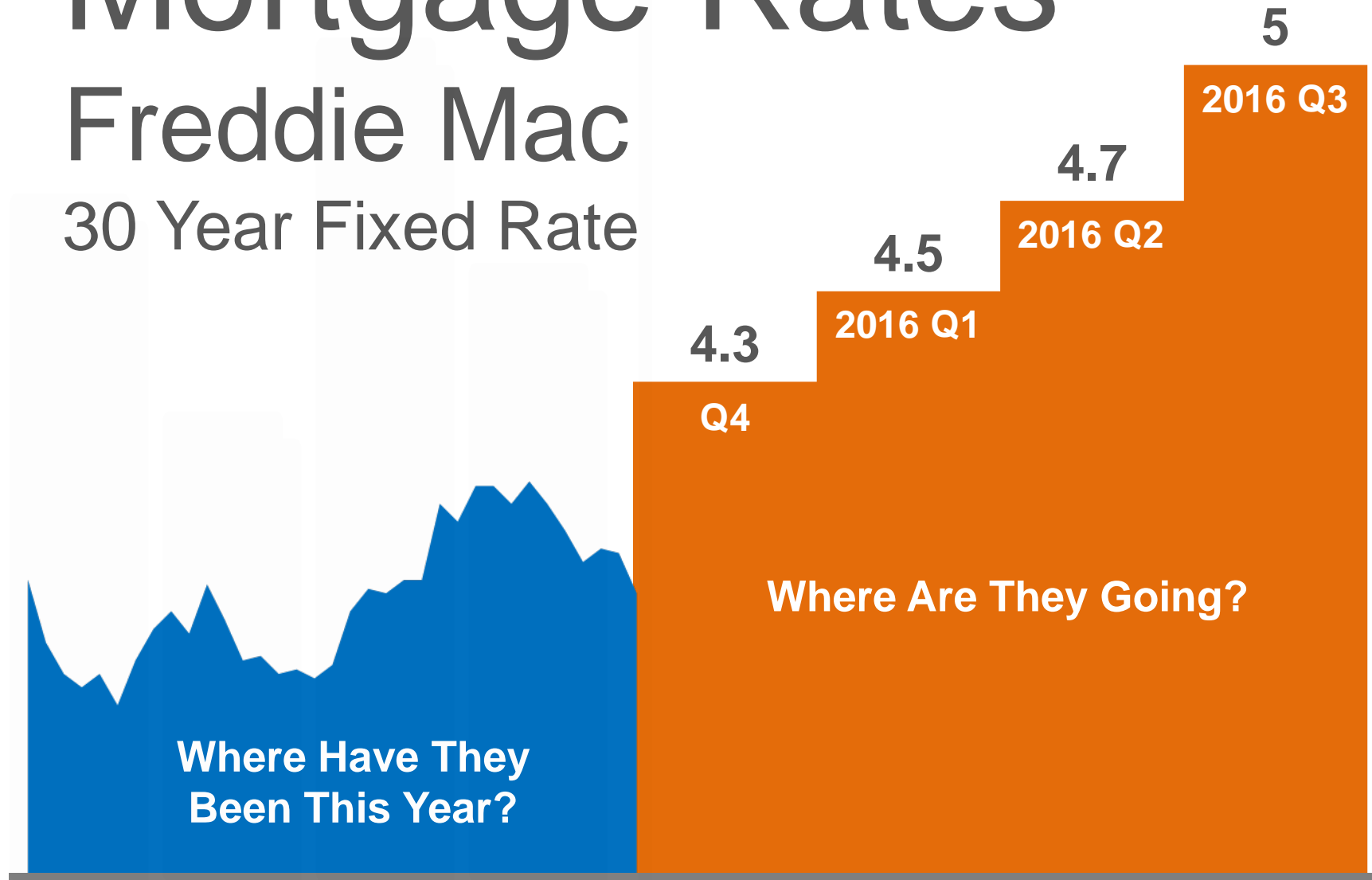
30 Year Fixed Rate Mortgages

Freddie Mac Rates
April – August 2015

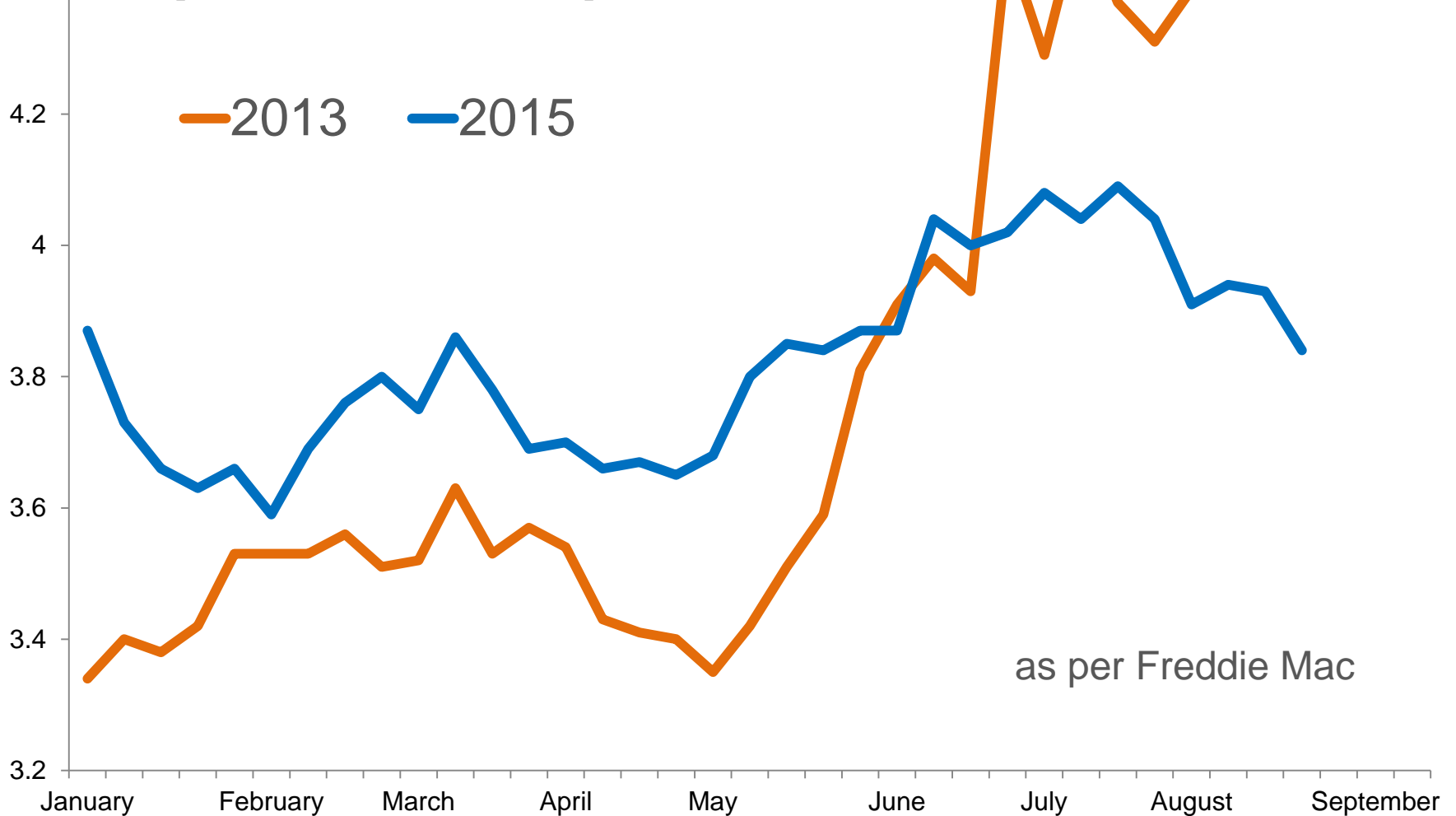


Mortgage Rates

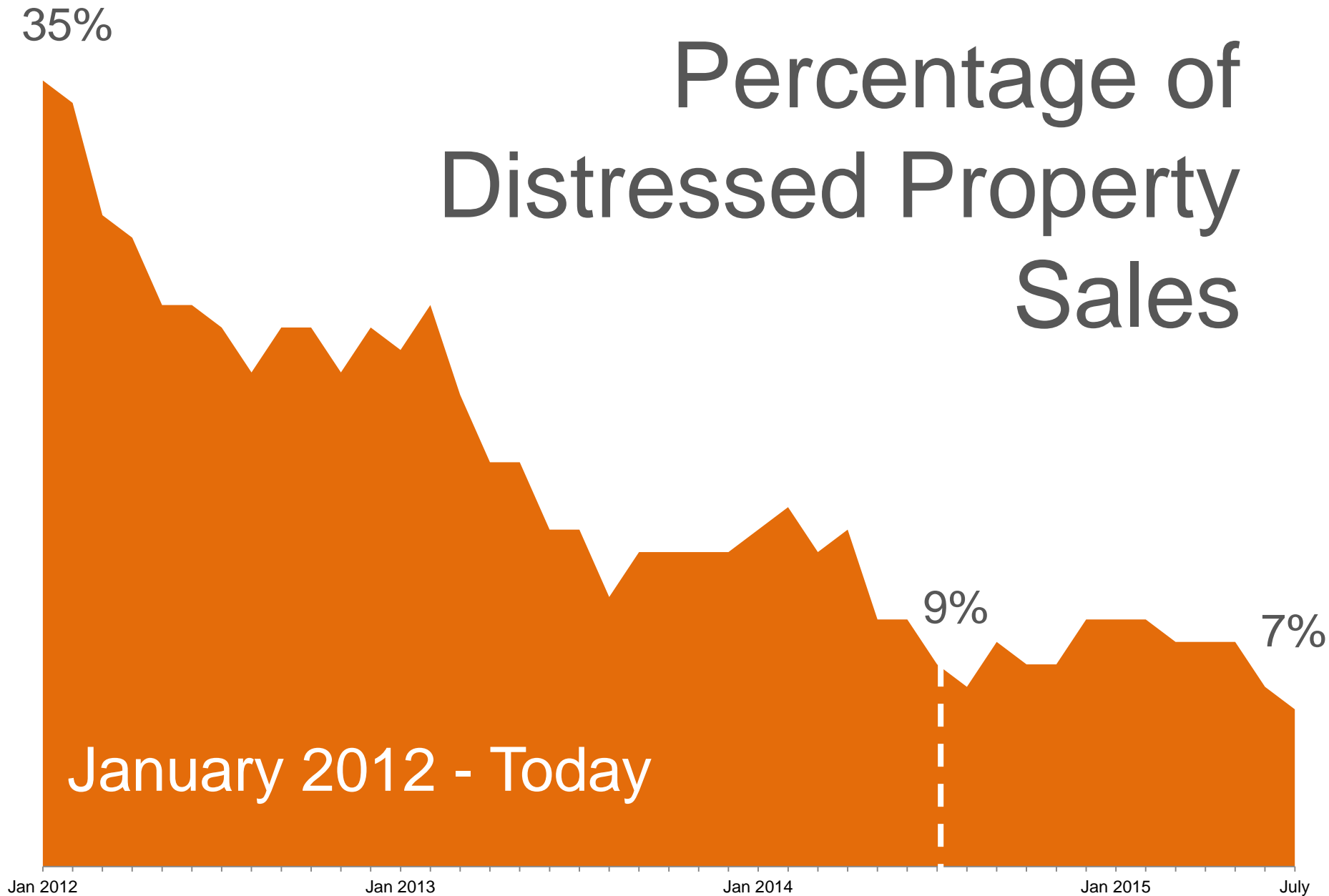
Freddie Mac
30 Year Fixed Rate



MORTGAGE RATE Spike Comparison



Percentage of Distressed Property Sales

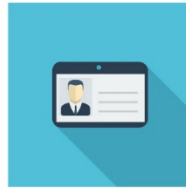
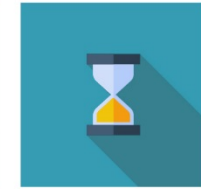
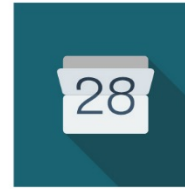
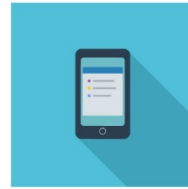
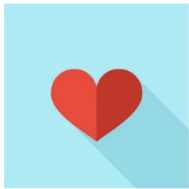
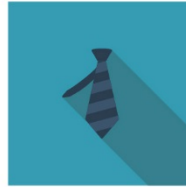
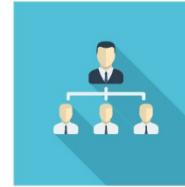
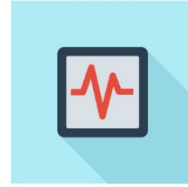
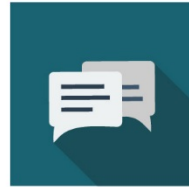
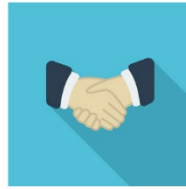
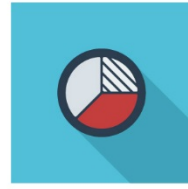
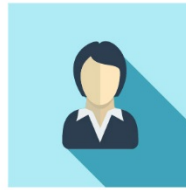
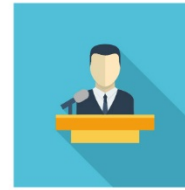
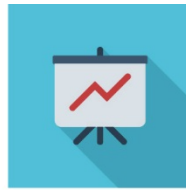
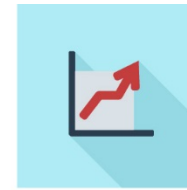
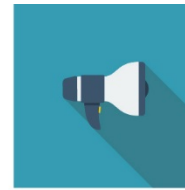


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