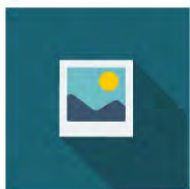
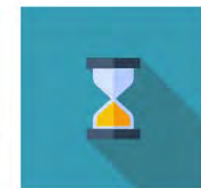
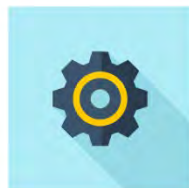
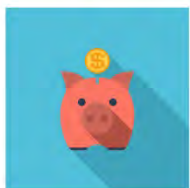
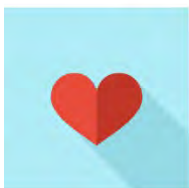
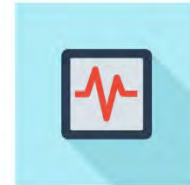
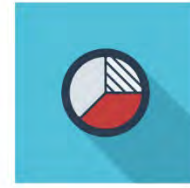
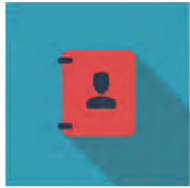
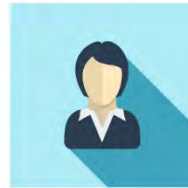
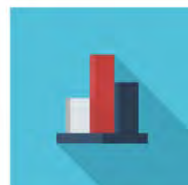
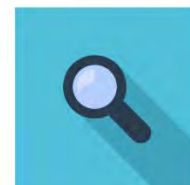


KEEPING CURRENT MATTERS

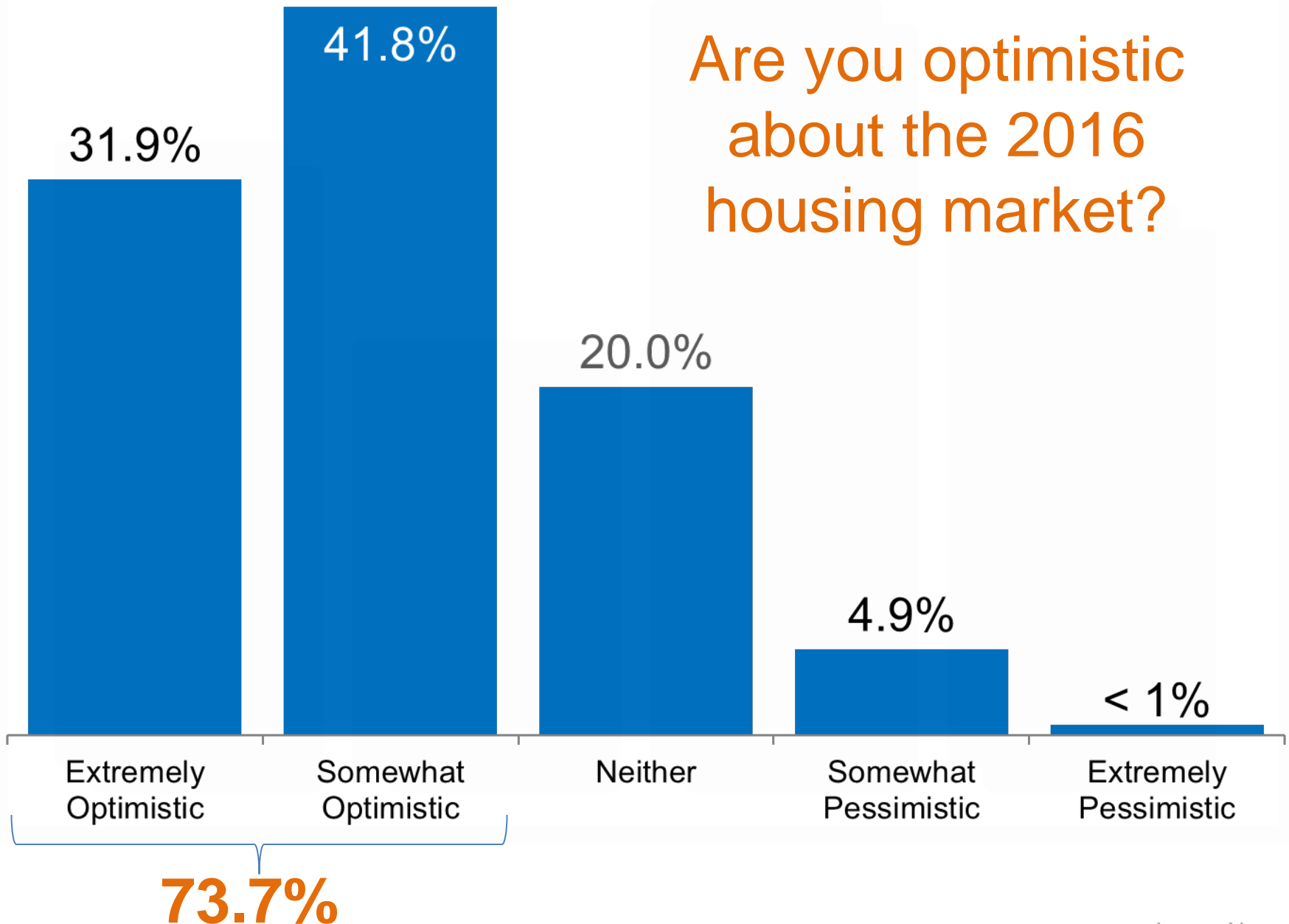
WWW.KEEPINGCURRENTMATTERS.COM



MARCH 2016

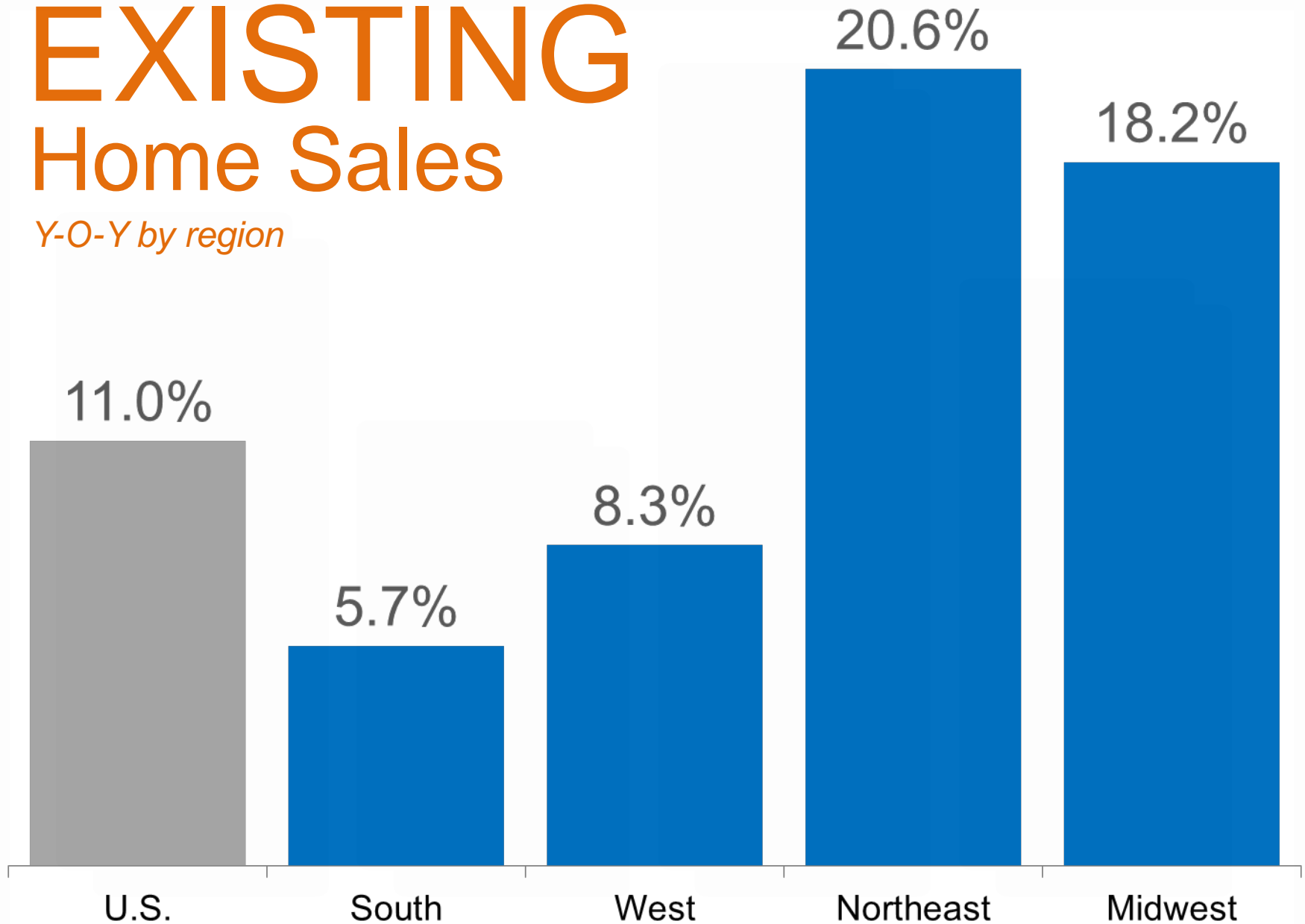


Are you optimistic
about the 2016
housing market?



EXISTING Home Sales

Y-O-Y by region



You can never
forget about cycles,
but the next 24 months
look doggone good for
real estate.



Urban Land Institute

Emerging Trends in Real Estate 2016

HOUSEHOLDS

in the U.S.*

2016-2018



**Urban Land Institute's 2016
Emerging Trends
in Real Estate*

123.9M

Current Households
in the United States

4.8%

Projected Growth over
the Next 3 Years

5.95M

Additional Households
to be Formed

It appears that in a majority of markets, housing has indeed stabilized and is poised to begin a sustained upward trajectory. Another 2015 trend was that peak levels of millennials and baby boomers would be making housing decisions in the next five years.



This could have a significantly positive impact on housing: millennials buying their first homes and baby boomers either downsizing or retiring to a new home or perhaps purchasing a second home.

Urban Land Institute

Emerging Trends in Real Estate 2016

“We expect new household formation to be robust over the next decade as the large millennial generation ages and forms new households of their own.”



Louise Keely

President of The Demand Institute

“Demand for for-sale housing will grow and will continue to be dominated by older millennials, aged 25 to 34. This demographic has the potential to claim a third of home sales in 2016 and represent 2 million home purchases.”

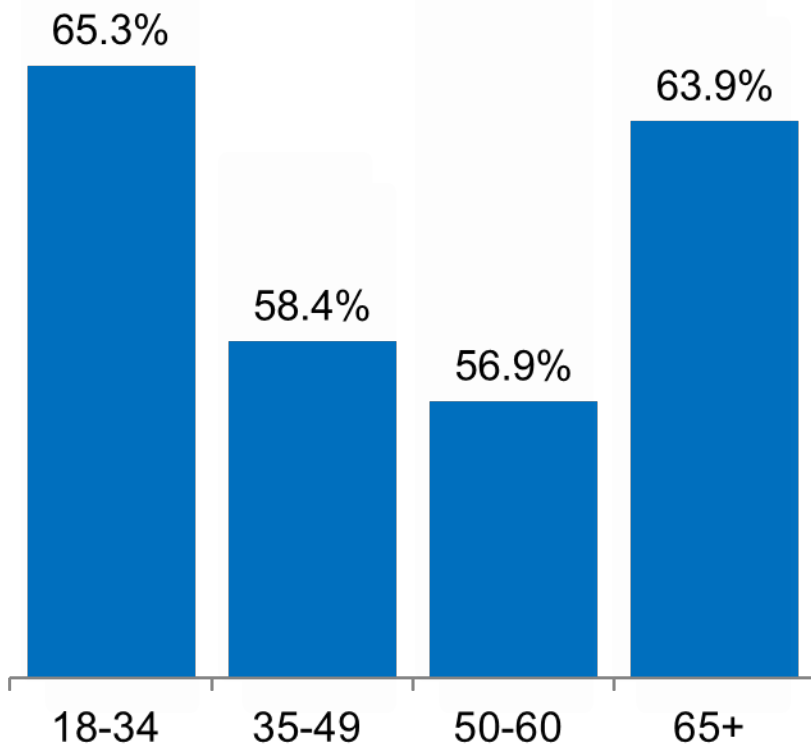


Jonathan Smoke

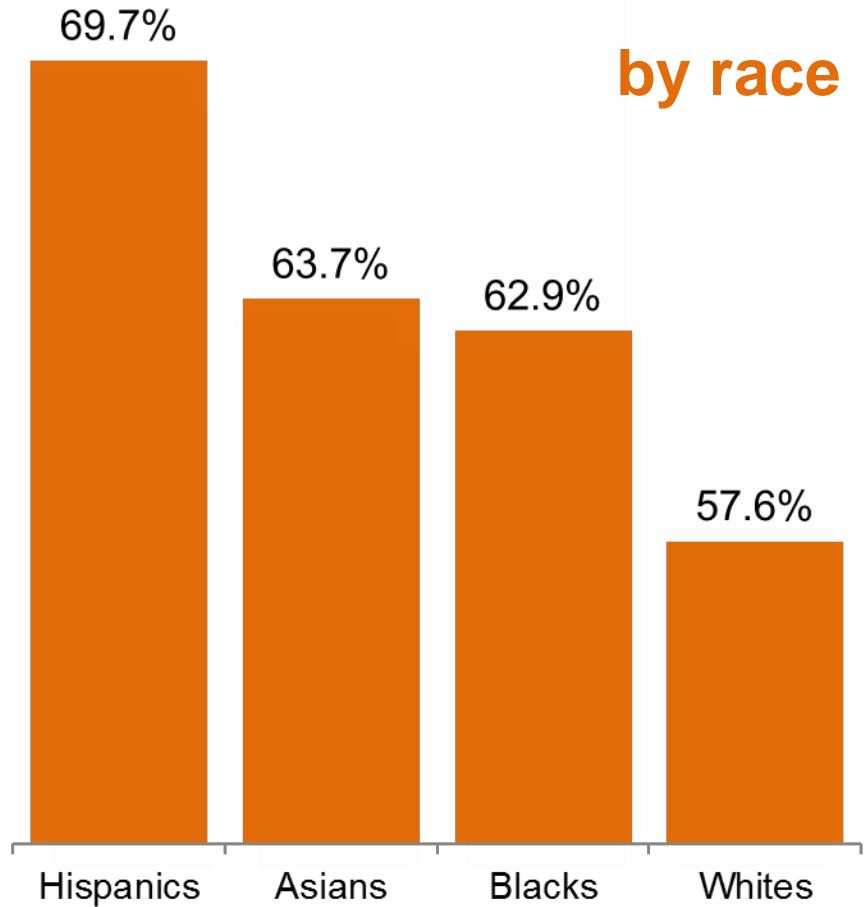
Chief Economist at realtor.com

% Who Associate Homeownership with the American Dream

by age



by race



“The most important housing market trend in 2016 will be the developing housing shortage.



New housing construction has picked up in recent years, but it remains well below that needed to meet demand from newly formed households, second home buyers, and obsolescence of the existing stock of homes.”

Mark Zandi

Chief Economist, Moody's Analytics

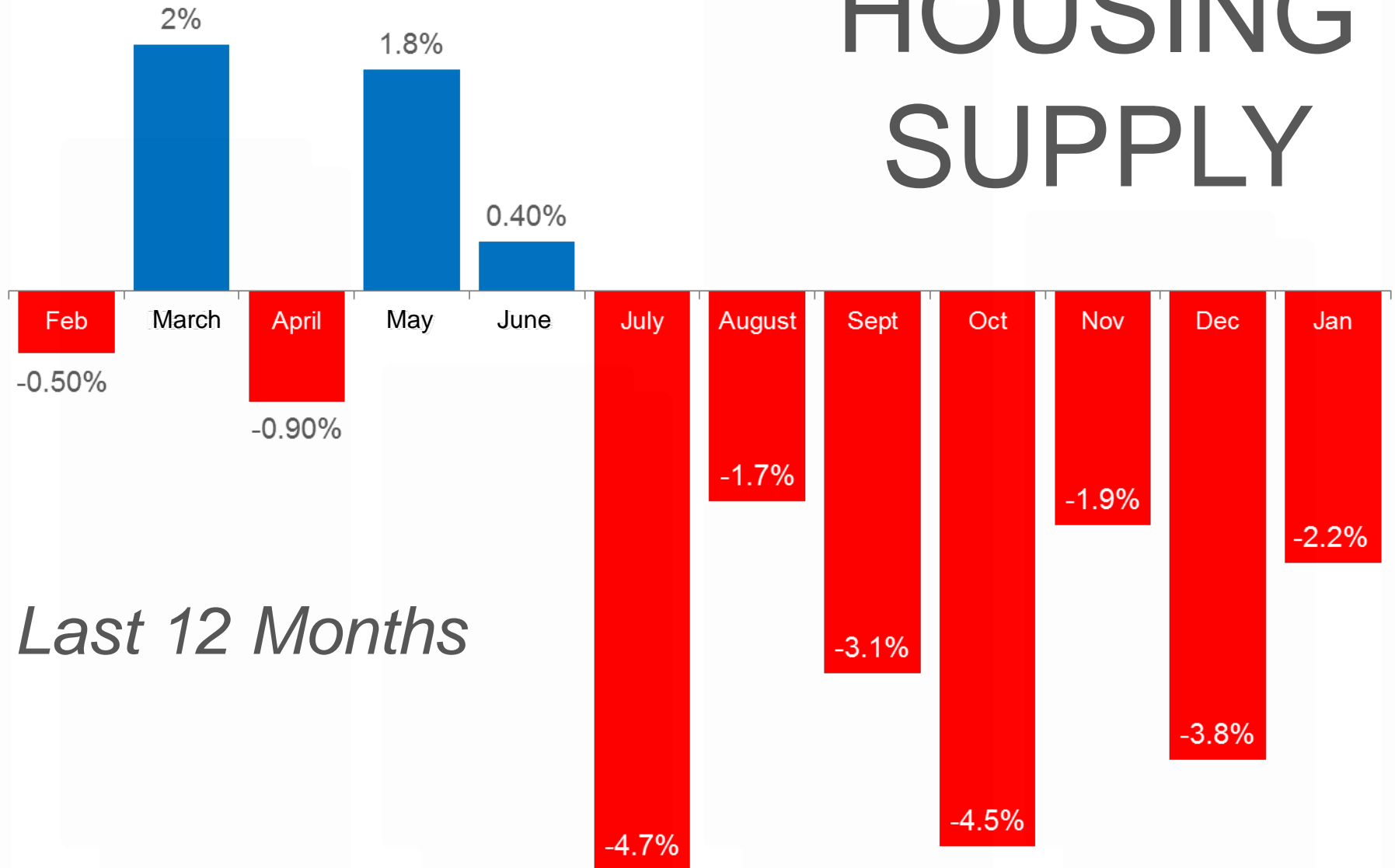
“The spring buying season is right around the corner and current supply levels aren't even close to what's needed to accommodate the subsequent growth in housing demand.”



Lawrence Yun

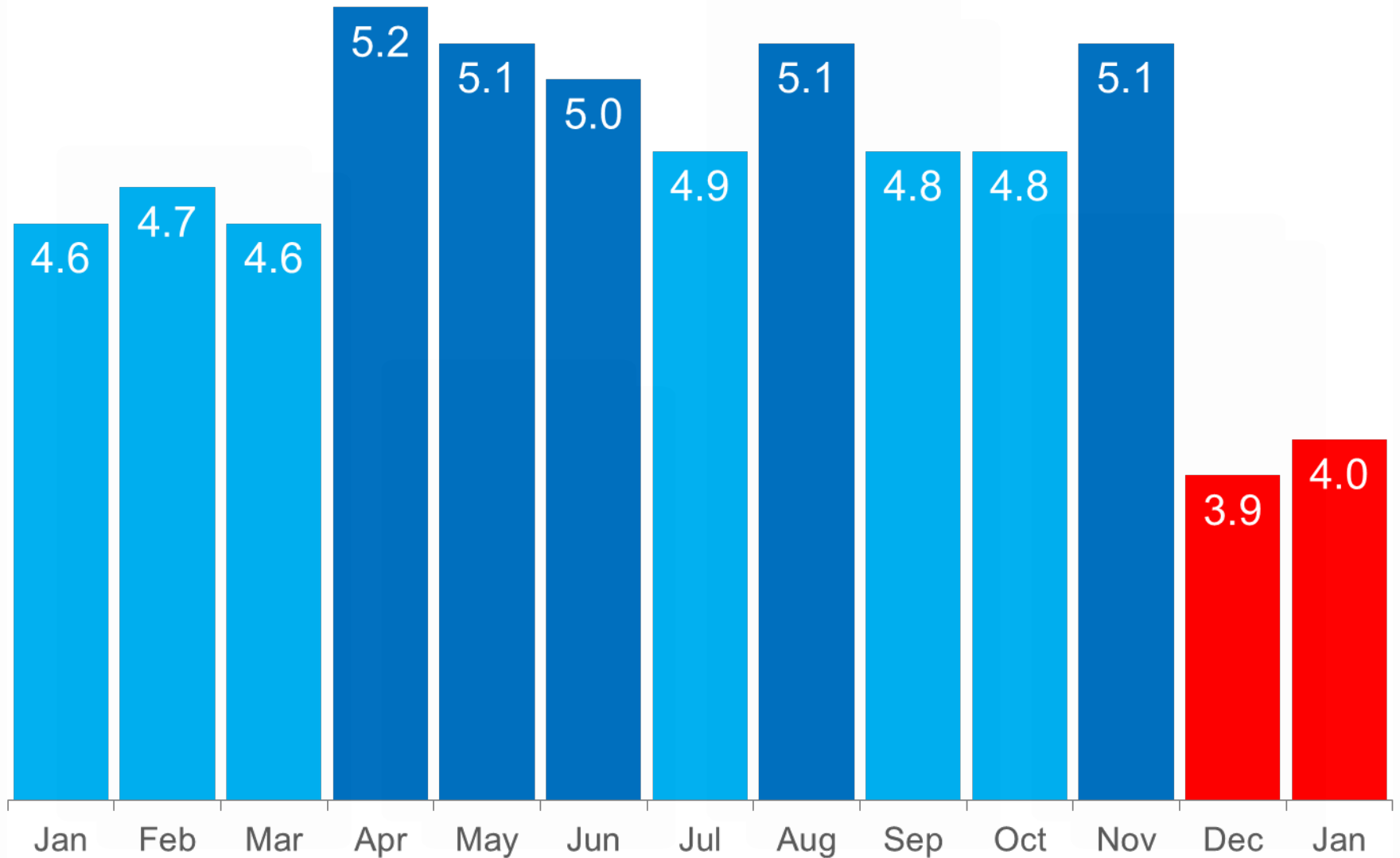
NAR's Chief Economist

HOUSING SUPPLY



Last 12 Months

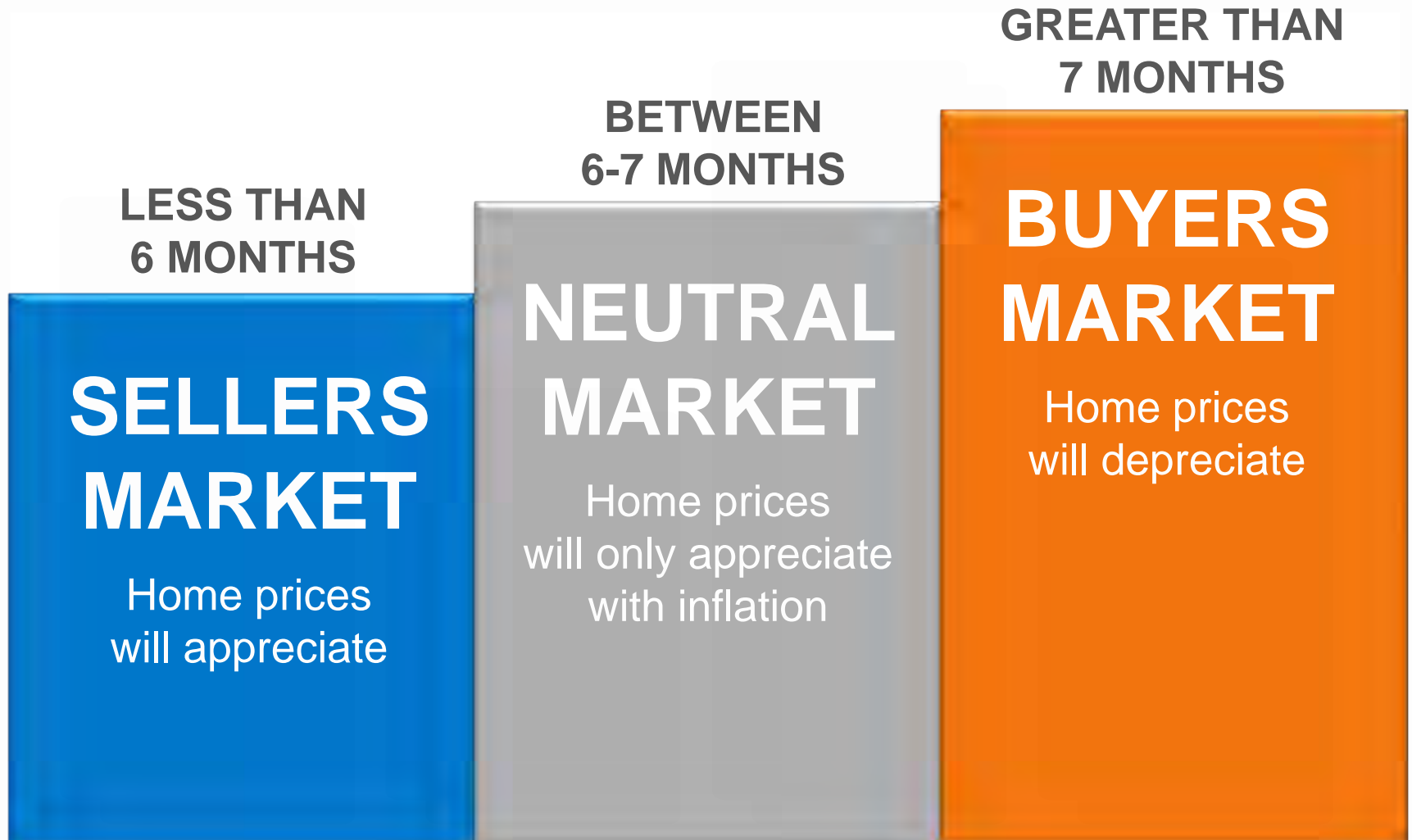
Months Inventory of HOMES FOR SALE



A close-up image of a puzzle made of interlocking pieces. The puzzle depicts a US dollar bill, specifically the portrait of George Washington. Two pieces are missing from the puzzle, and two red puzzle pieces are placed in their respective locations. The background is black.

Home Prices

The Impact of Monthly Housing Inventory on Home Prices



Quarter-Over-Quarter
% Change in U.S.
Median Home Price

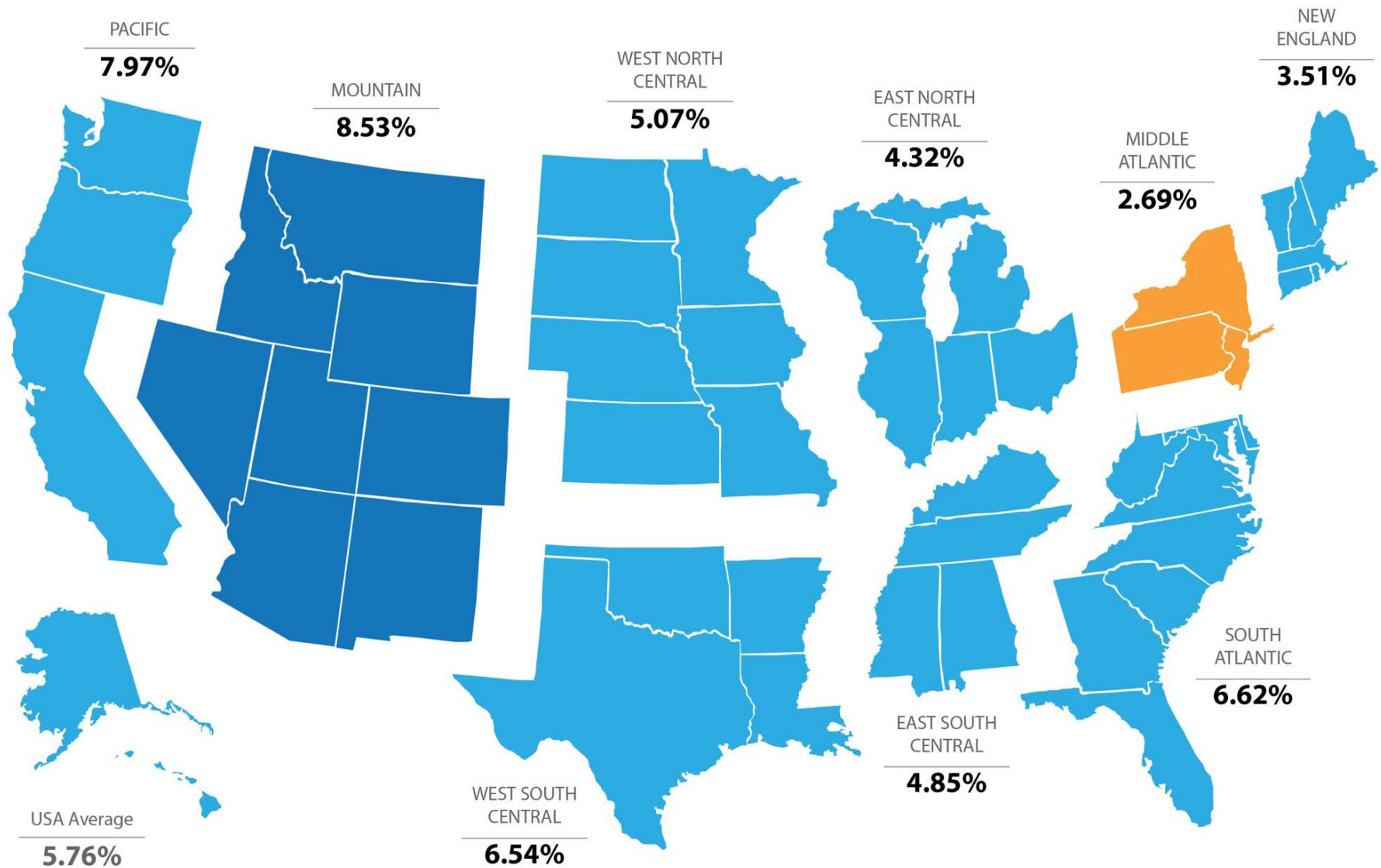
5.5%

%Change Q3 2014-Q3 2015

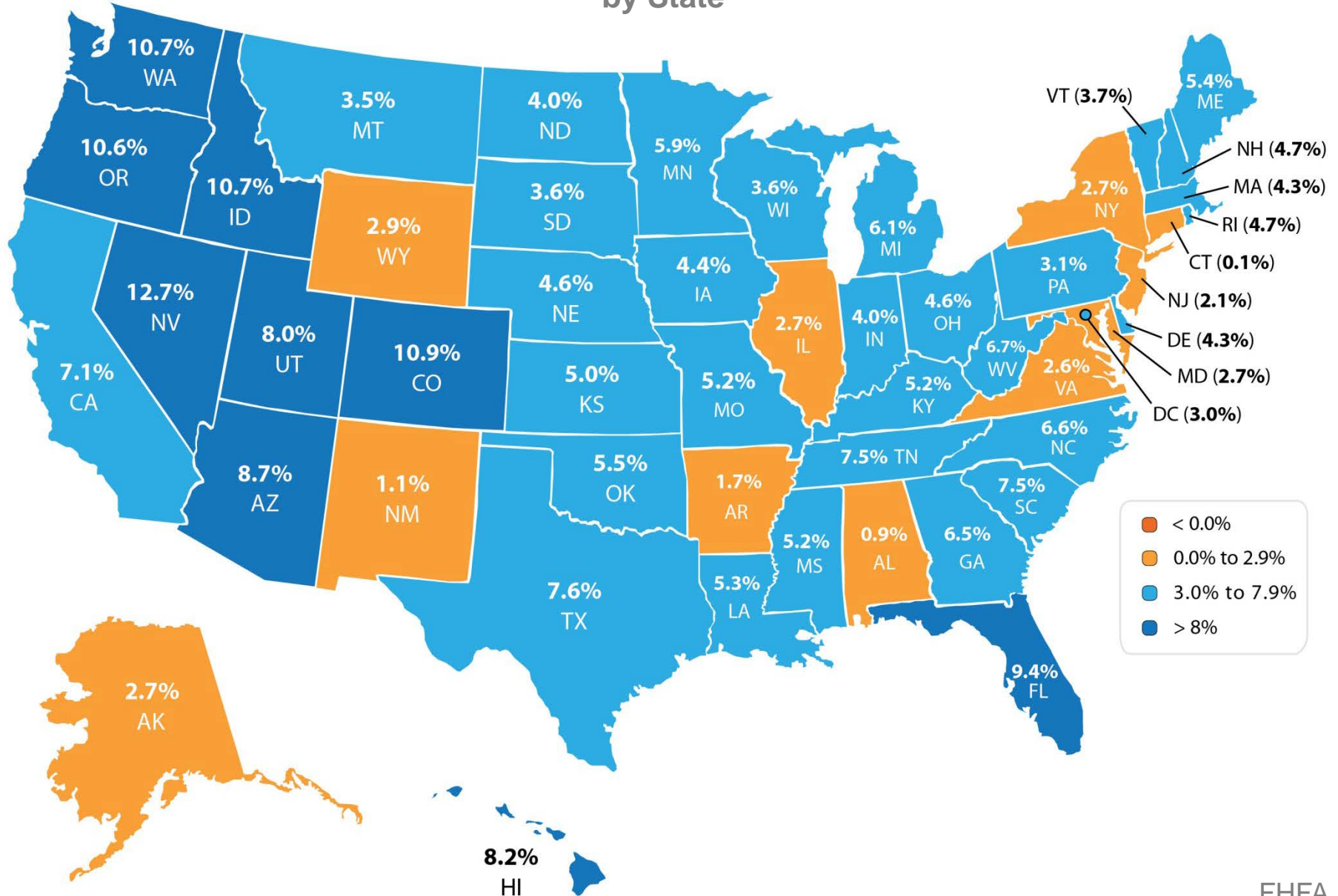
6.9%

%Change Q4 2014-Q4 2015

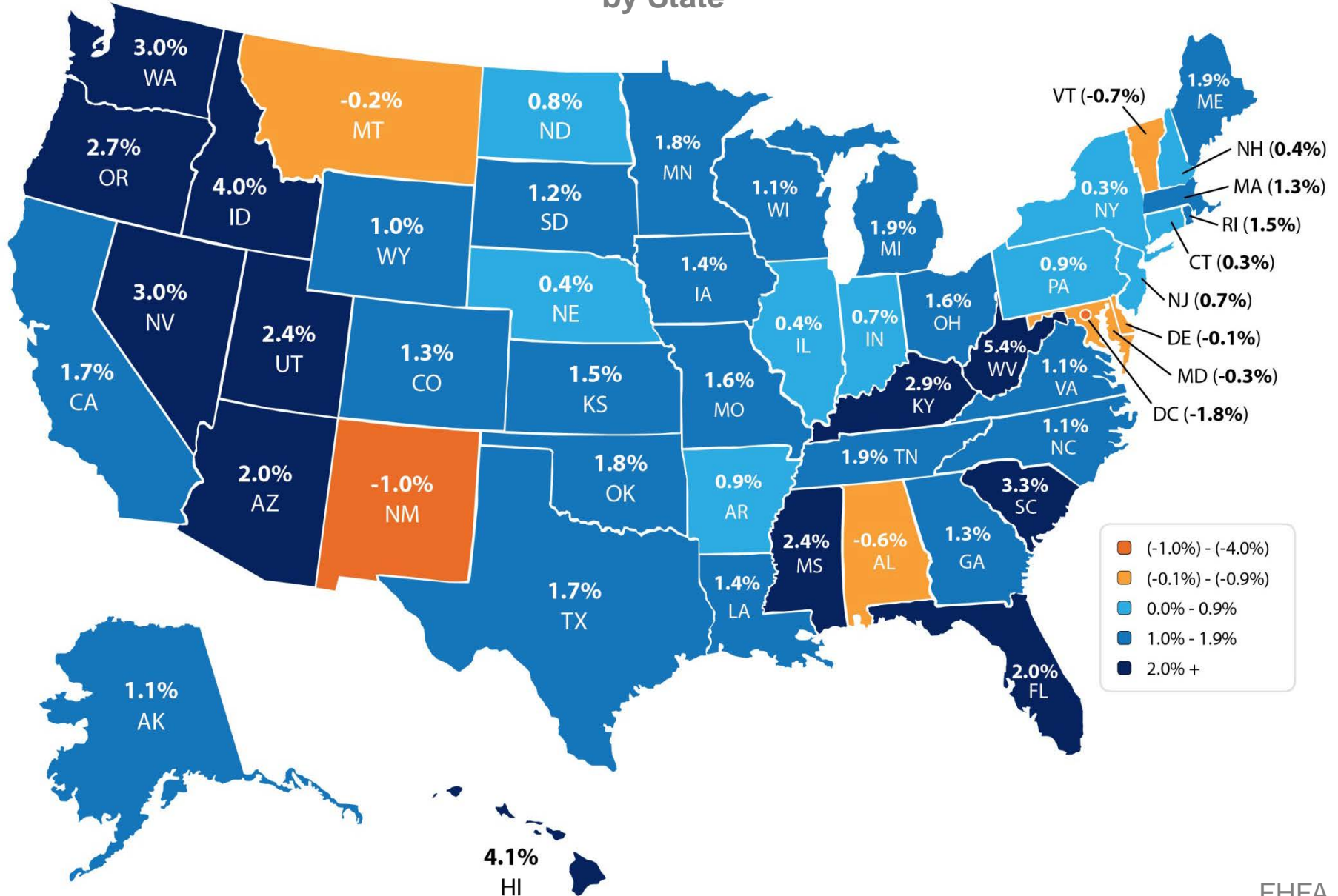
Year-Over-Year Percent Change in Price by Region



Year-Over-Year Percent Change in Price by State



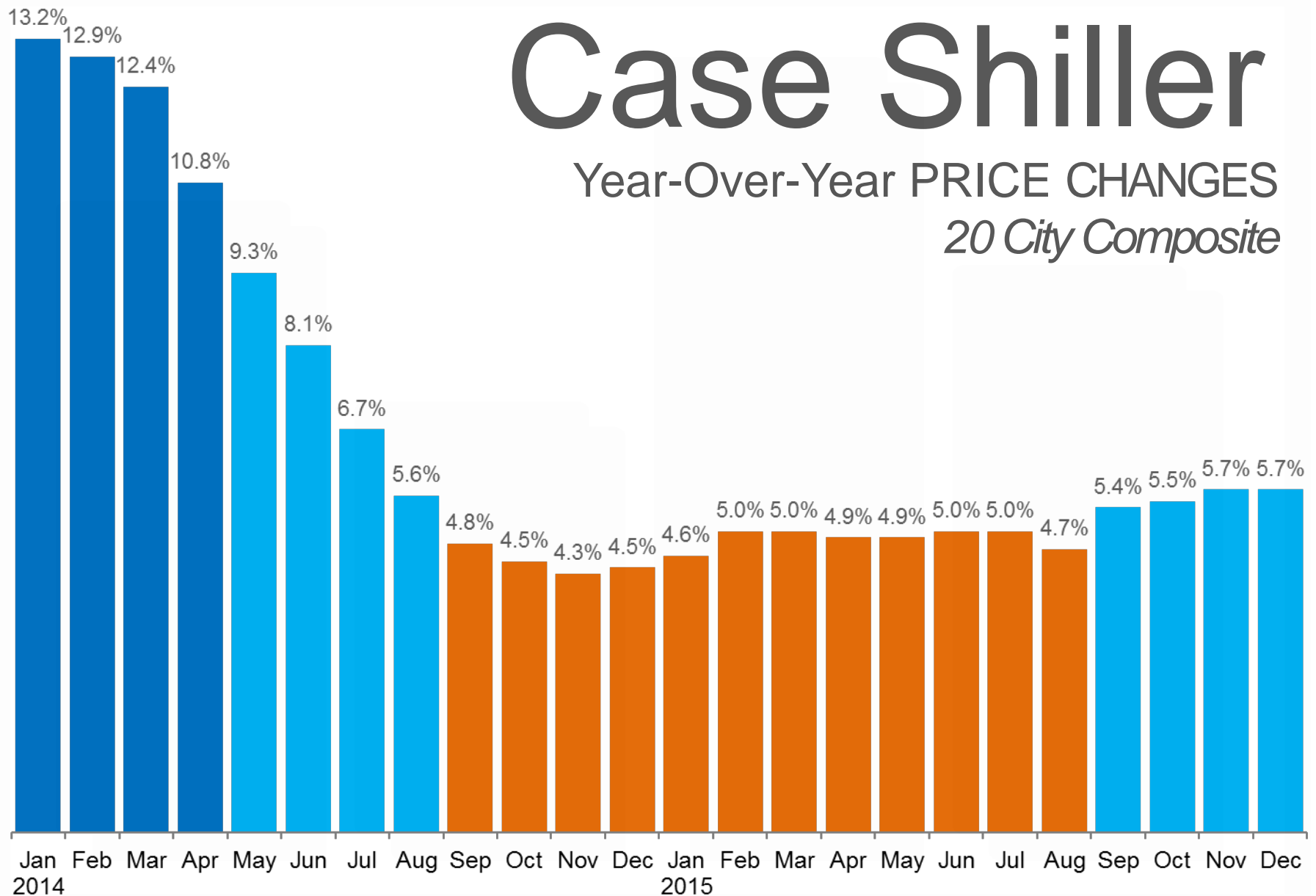
Quarter-Over-Quarter Percent Change in Price by State



Case Shiller

Year-Over-Year PRICE CHANGES

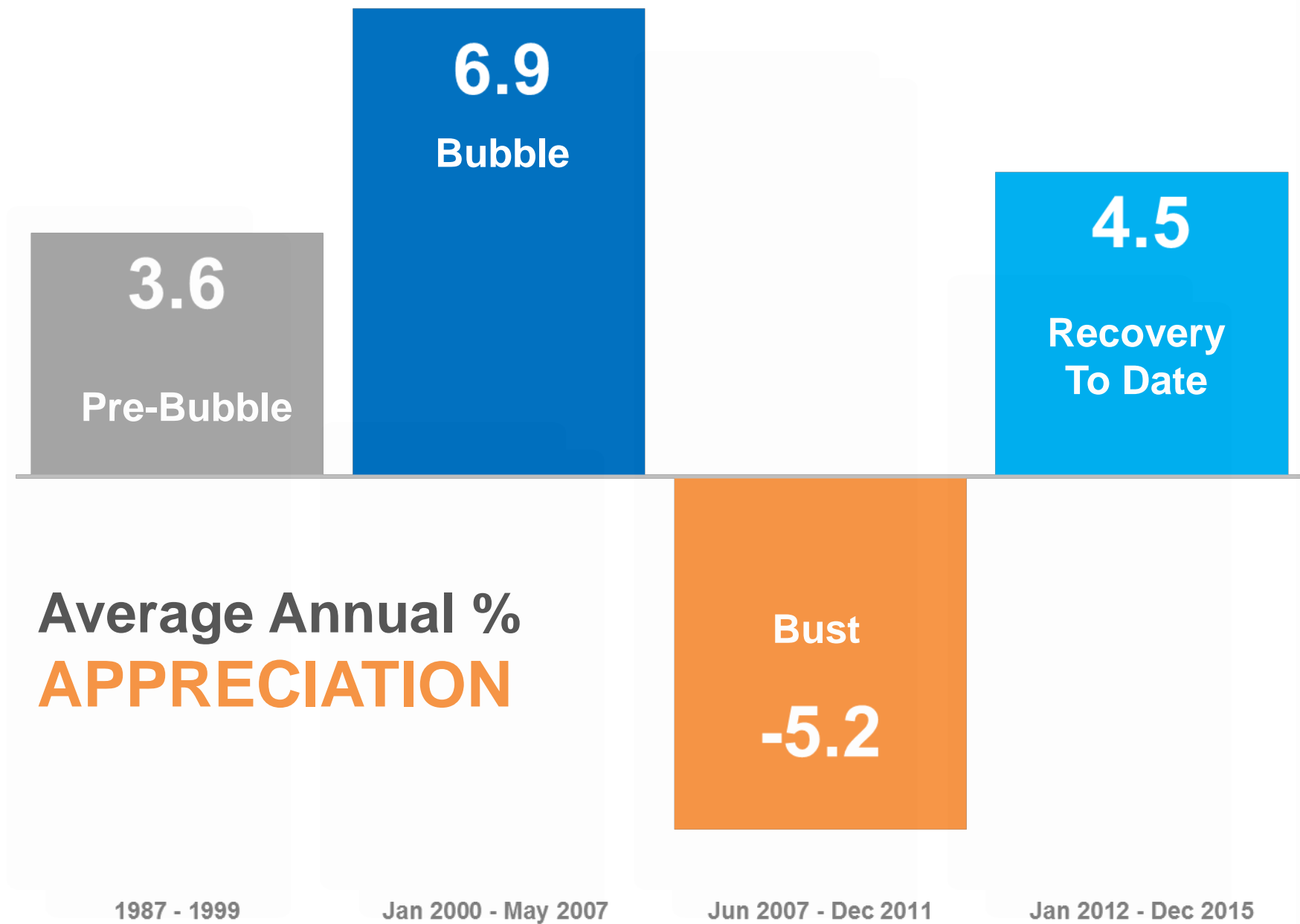
20 City Composite



Home Price Expectation Survey

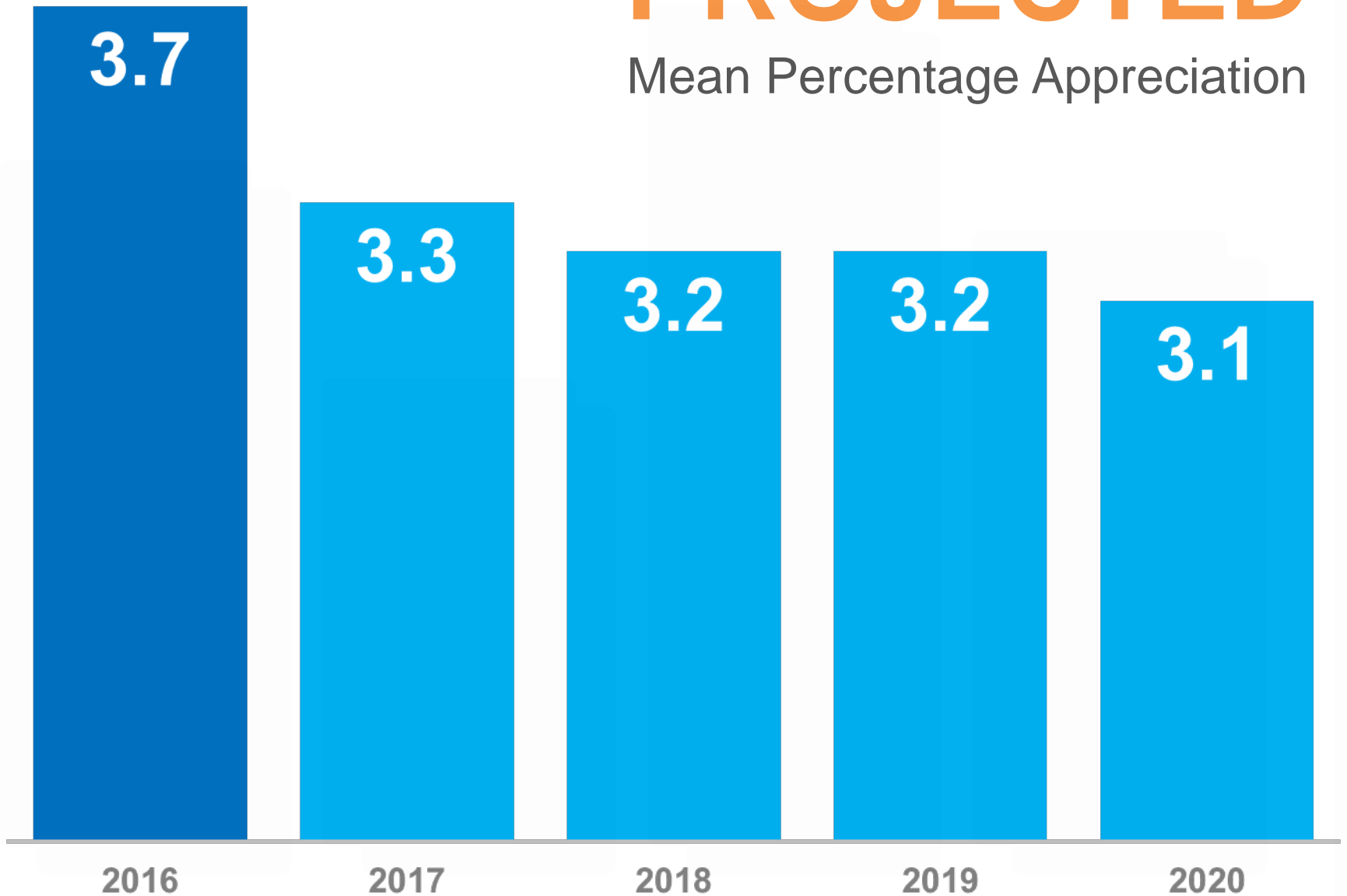


A nationwide panel of
over one hundred
economists, real estate
experts and investment
& market strategists.

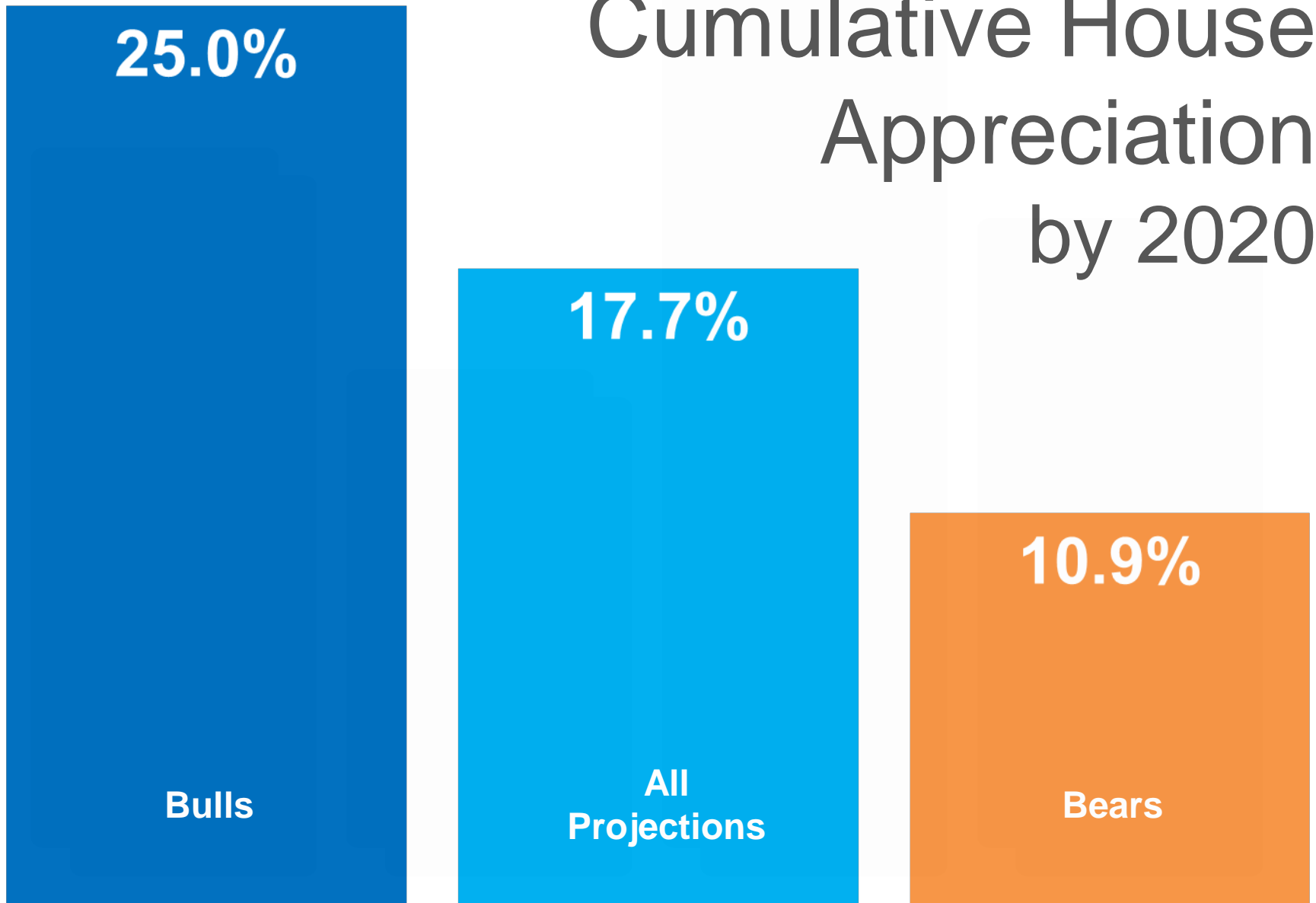


PROJECTED

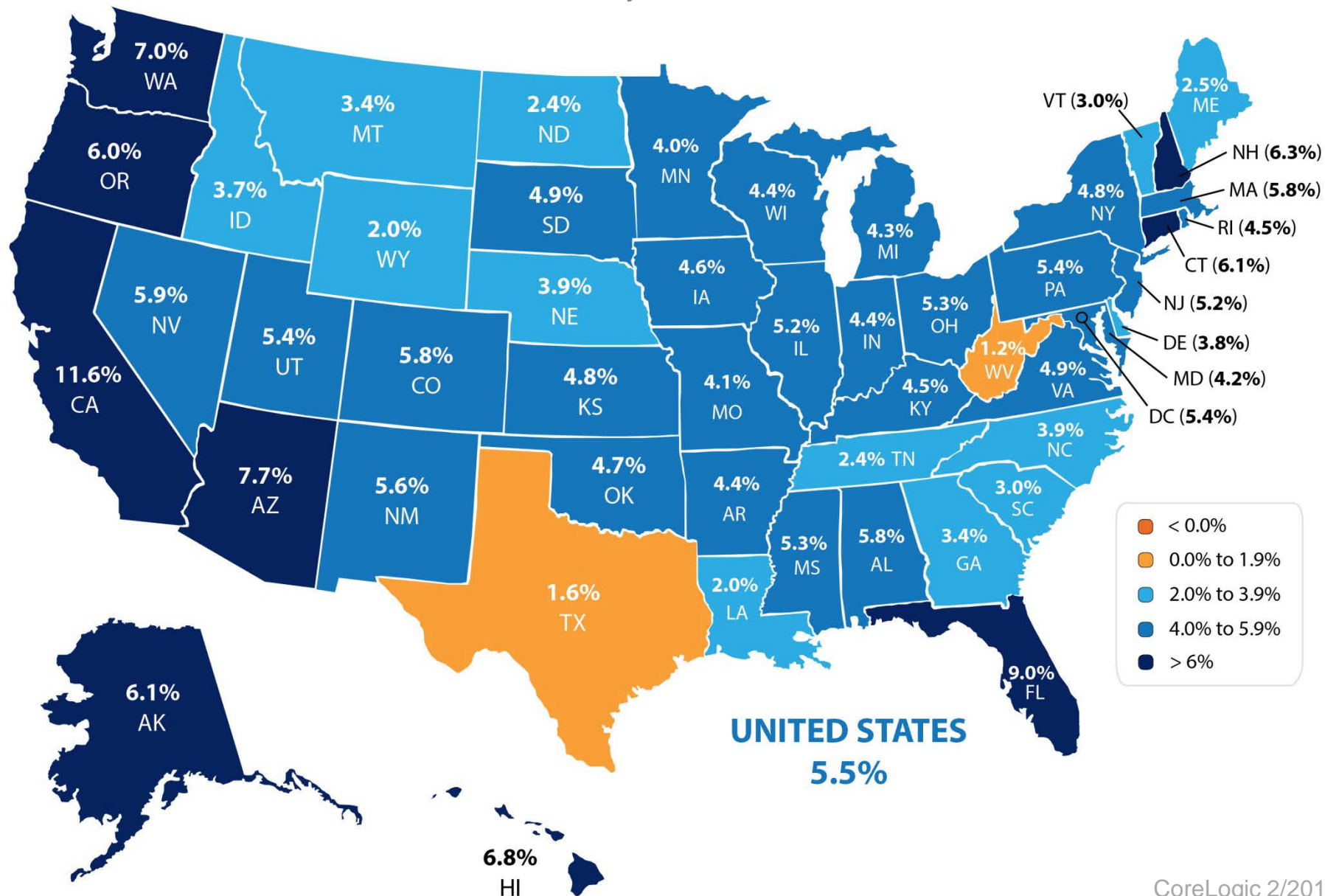
Mean Percentage Appreciation



Cumulative House Appreciation by 2020



Forecasted Year-Over-Year % Change in Price by State



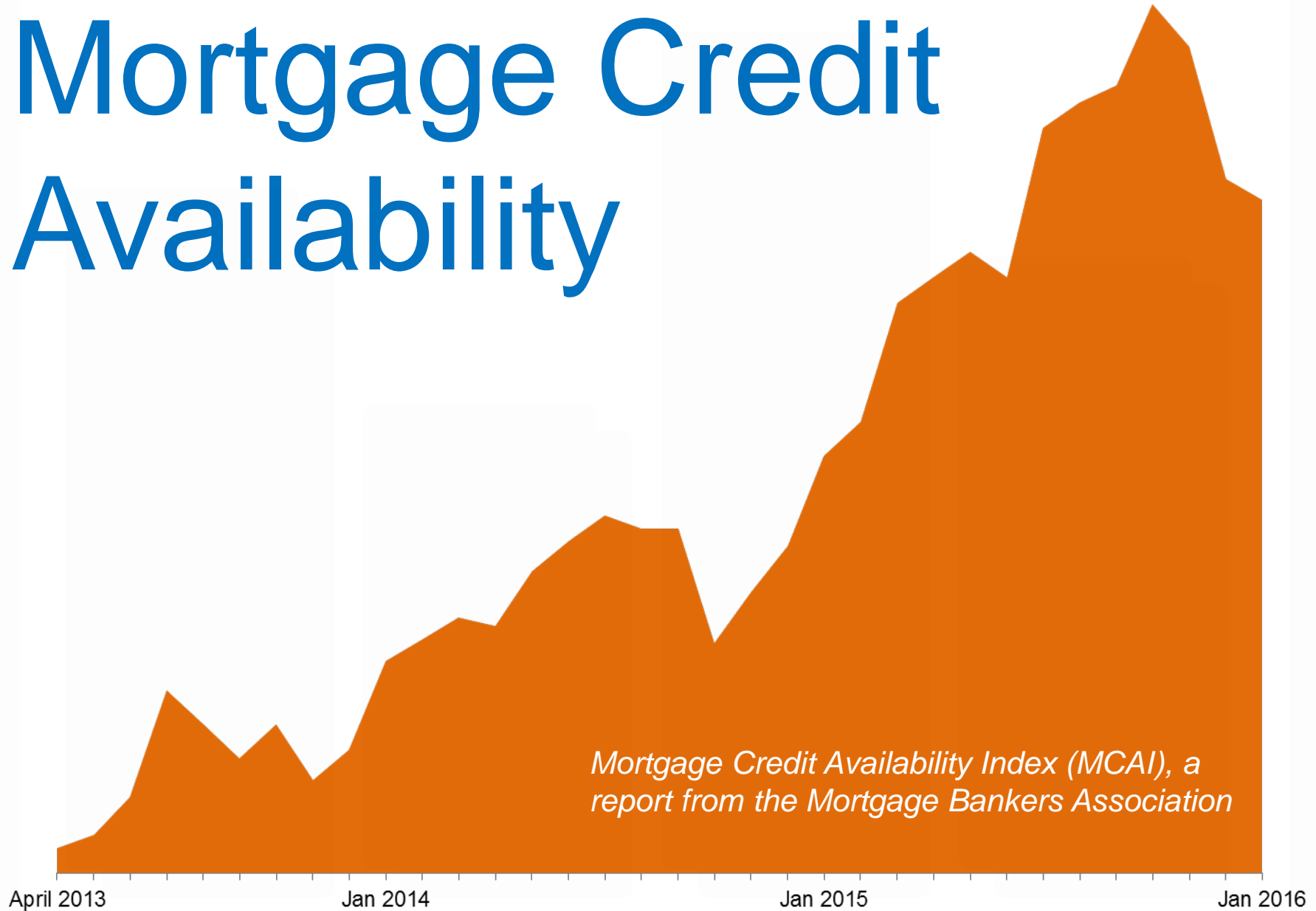
**Is another
HOUSING
BUBBLE
about to take place?**



Mortgage Credit Availability

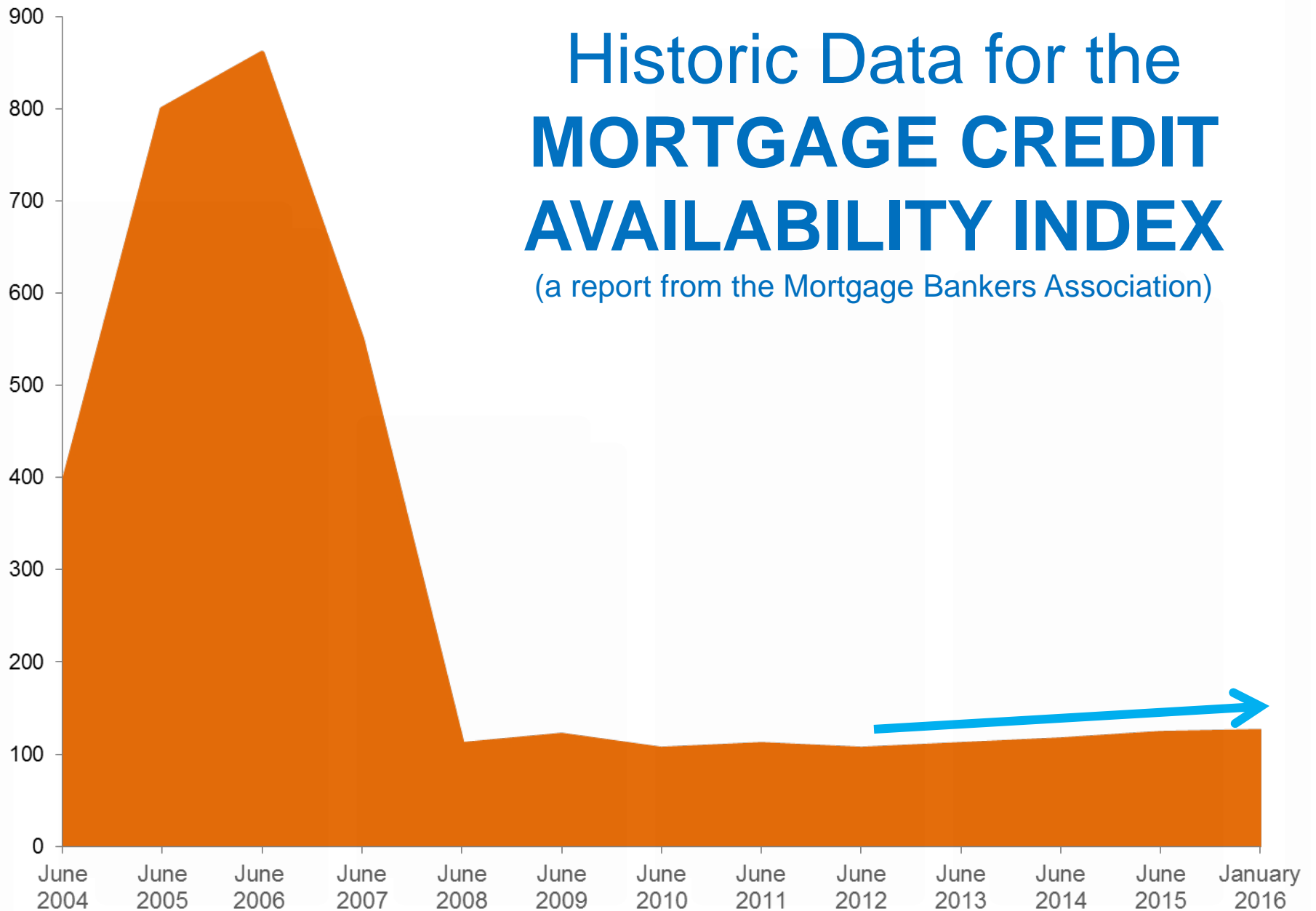


Mortgage Credit Availability



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

(a report from the Mortgage Bankers Association)



Housing was one of the few bright spots in the economy last year, and we expect continued improvement in 2016.

The imbalance between demand for housing and the supply of both houses and apartments has supported rapid growth in both house prices and rents.

The gap between demand and supply will not be closed any time soon, thus we project continued house price appreciation in 2016. Rent growth will remain above long-term averages this year.



Freddie Mac

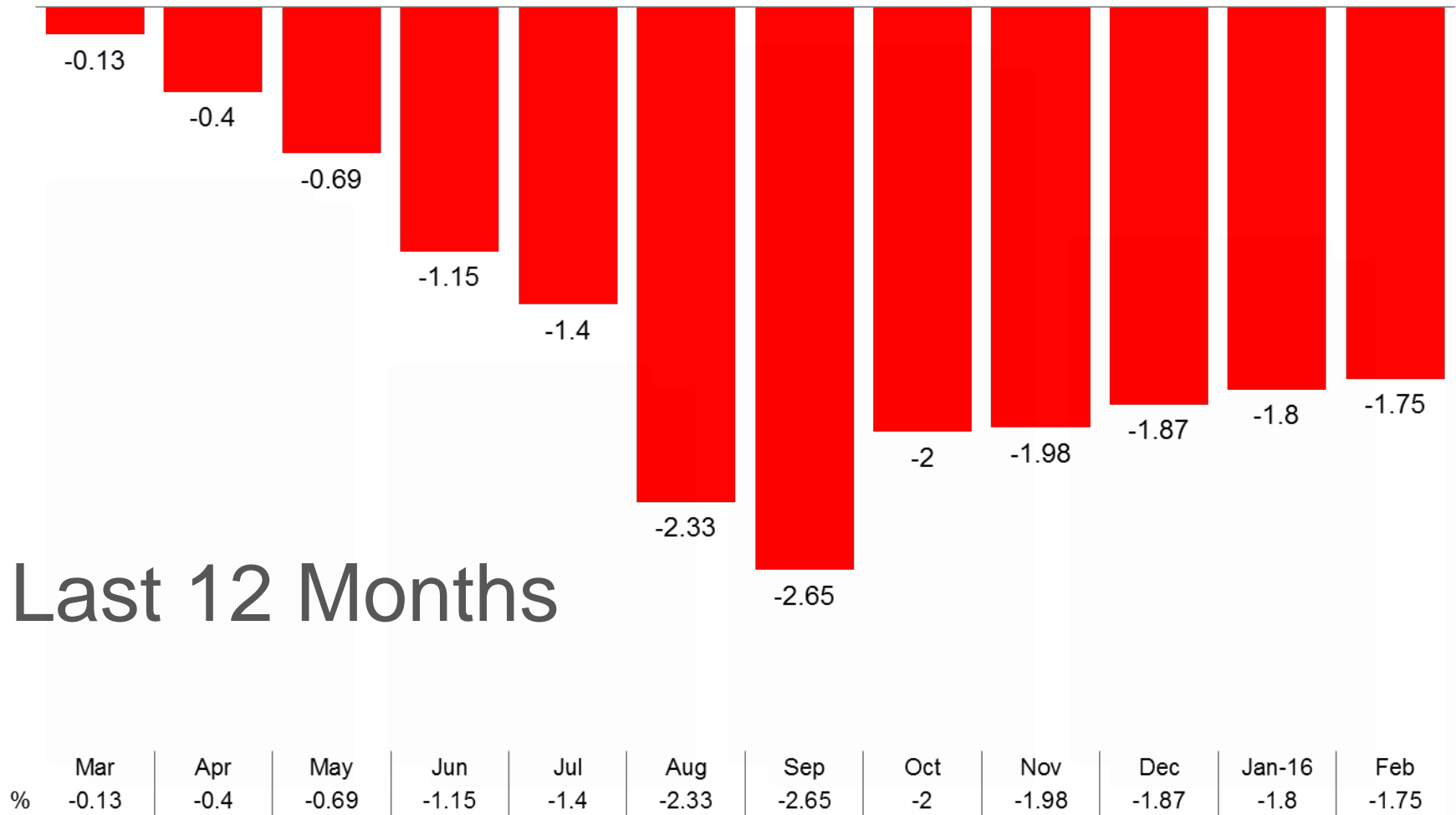
The Challenge



Our Responsibility



Appraiser Home Value Opinions Compared to Homeowner Estimates



“Homeowners who bought during the housing boom are regaining equity many thought was lost forever, yet **too many are not aware of the equity they have gained or they are unclear about how to determine changes in their equity.**”



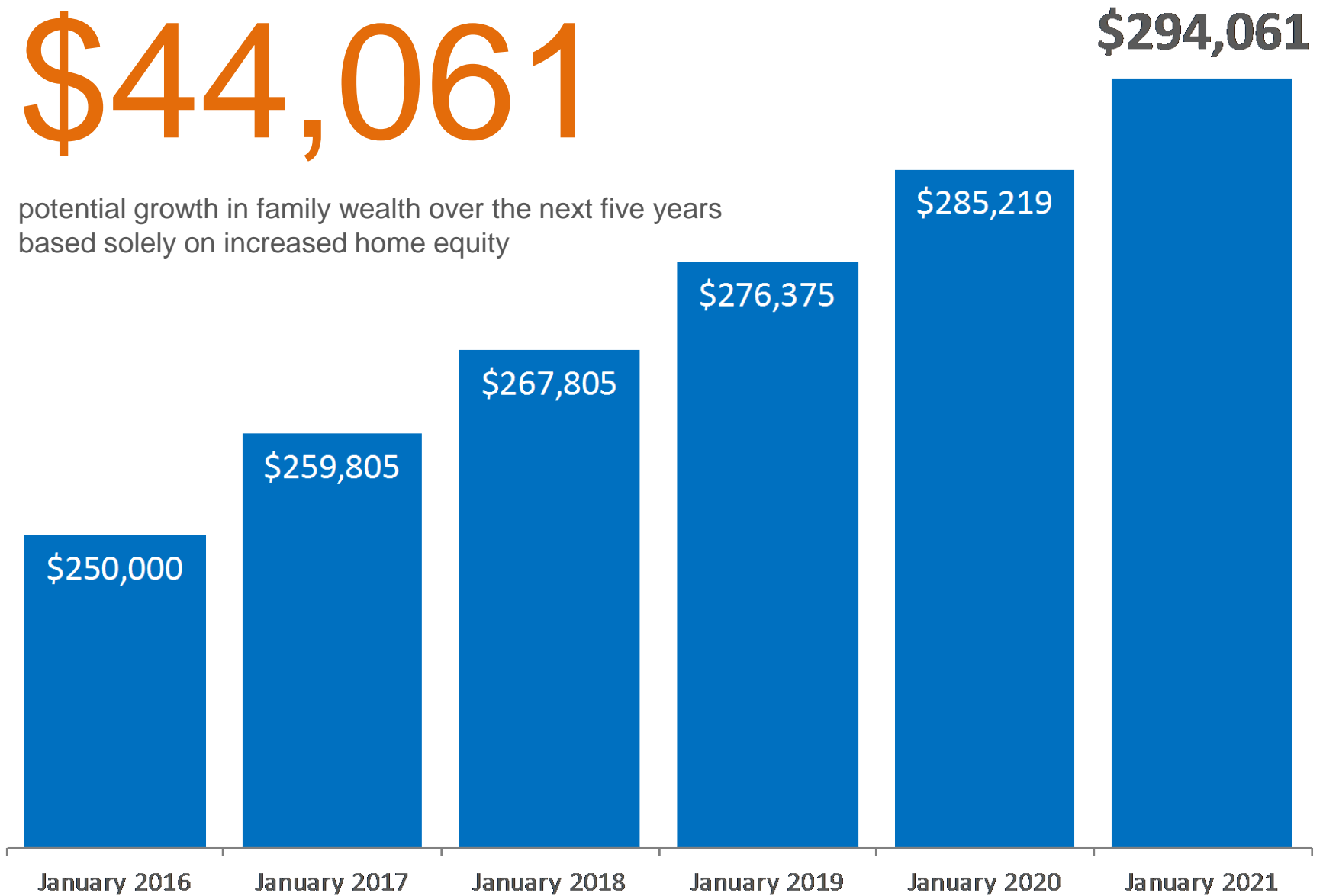
Bryan Sullivan
CFO of loanDepot

Median Asking RENT *since 1988*



\$44,061

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



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

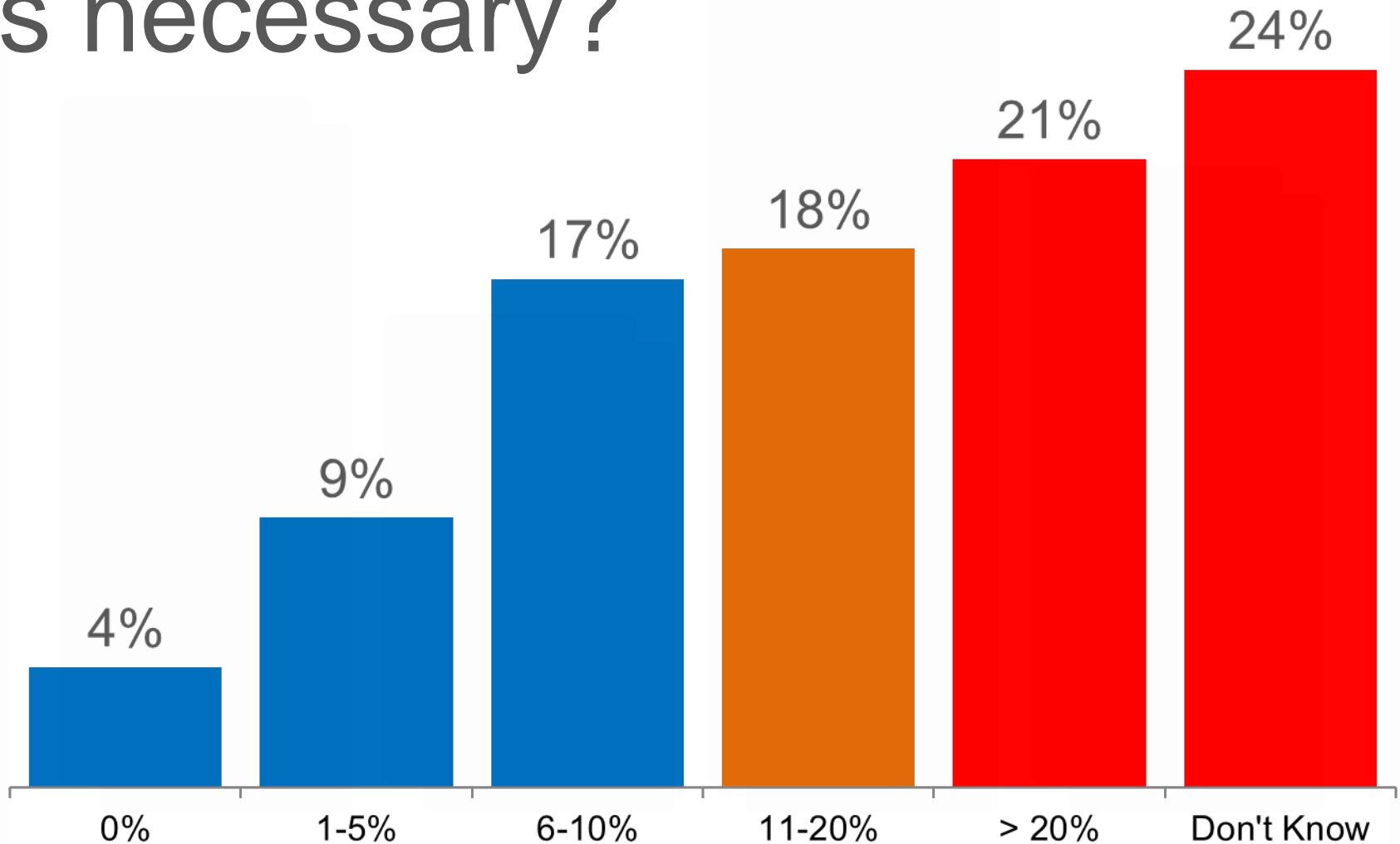
"A lot of people make assumptions that they can't afford to buy based on just some perceptions, and many have not taken the step to figure out how mortgage-ready they are."



Marietta Rodriguez

*Vice President of National Homeownership Programs
NeighborWorks America*

What size down payment is necessary?



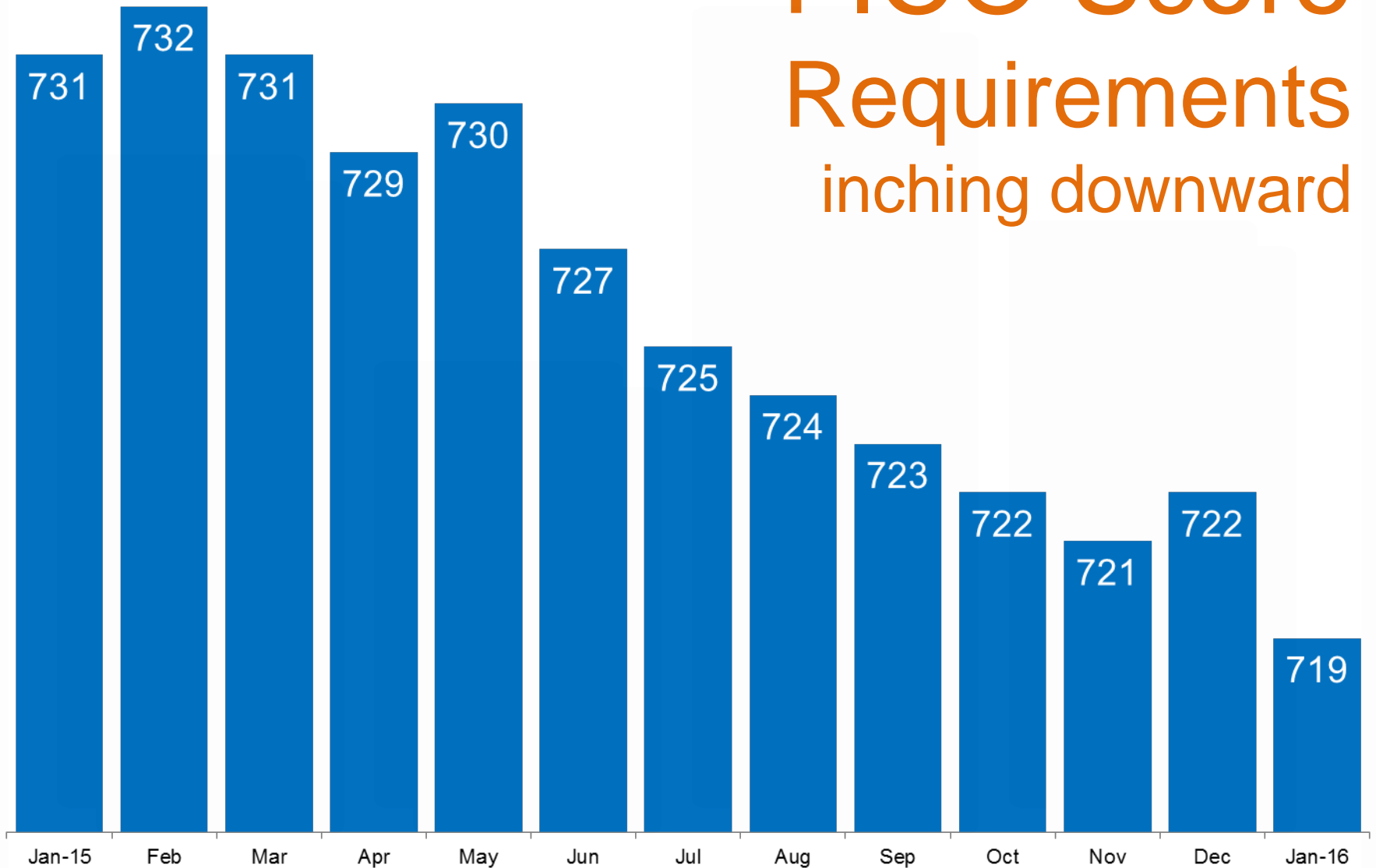
Apparently, consumers find buying a home even more complicated and confusing than we thought...



The bottom line-consumers need more education on qualifying for mortgages, and **agents can play a key role in that effort.**

Fannie Mae

FICO Score Requirements inching downward



All closed loans as per Ellie Mae

Our study also showed that consumers are very confused about pretty much all the criteria to qualify for a mortgage...

Only 5-16% percent of respondents chose the right criteria, with almost half of consumers answering, "Don't know".

Educating consumers and addressing misconceptions about the purchase and mortgage process is critical to responsibly expand the pool of homebuyers...
and agents are key to this process.

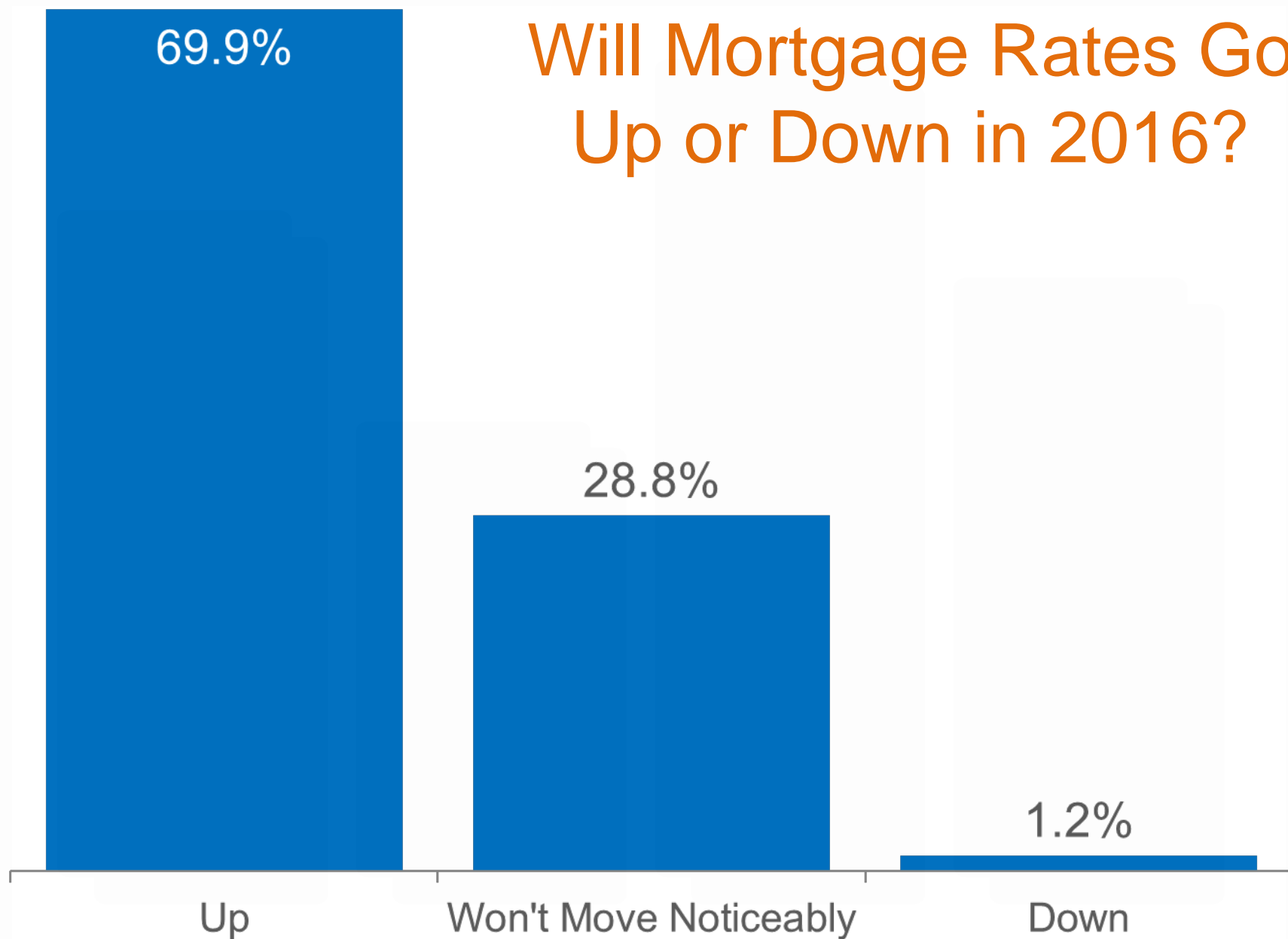
Fannie Mae



INTEREST RATES

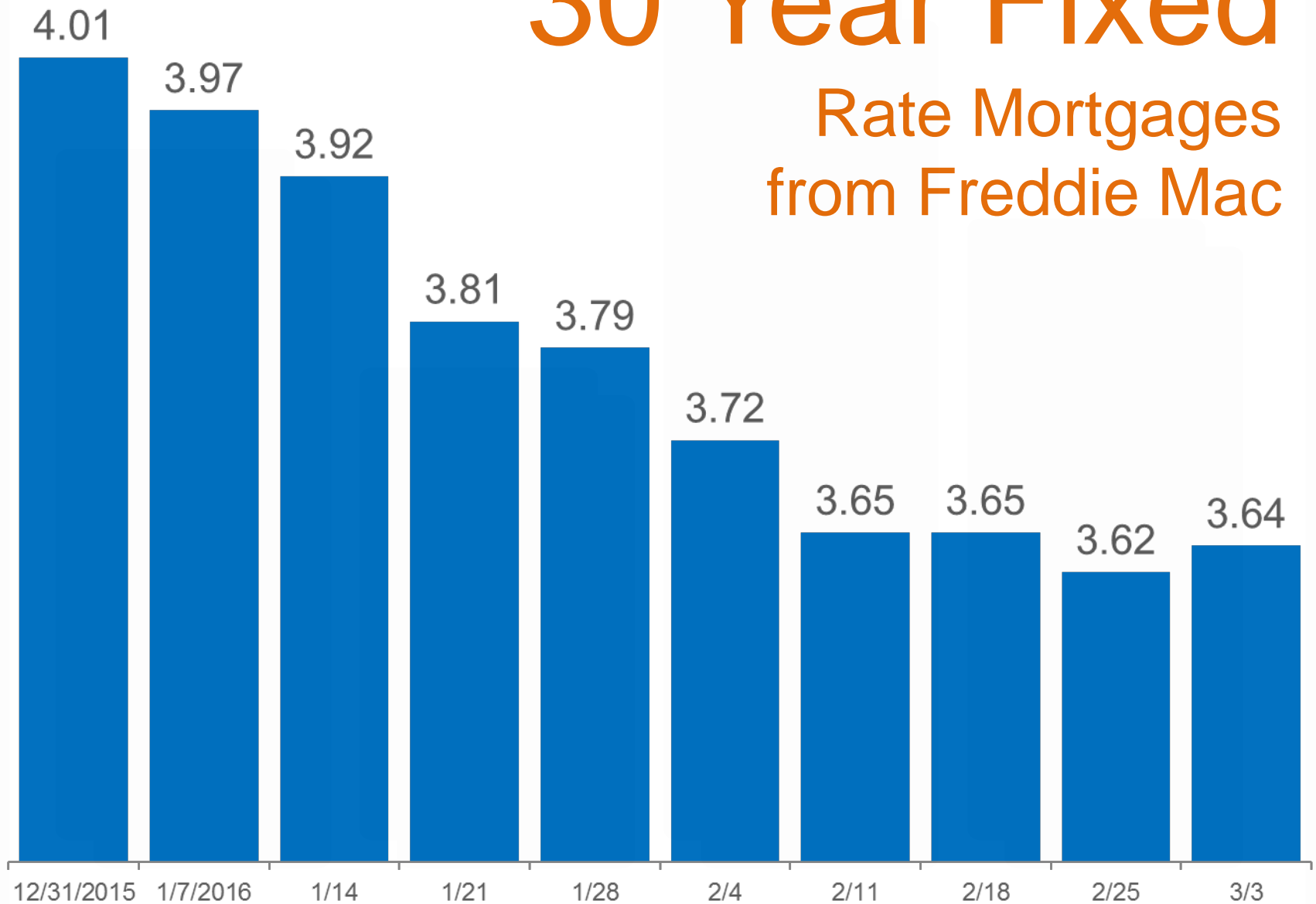


Will Mortgage Rates Go Up or Down in 2016?



30 Year Fixed

Rate Mortgages
from Freddie Mac



Mortgage Rate Projections

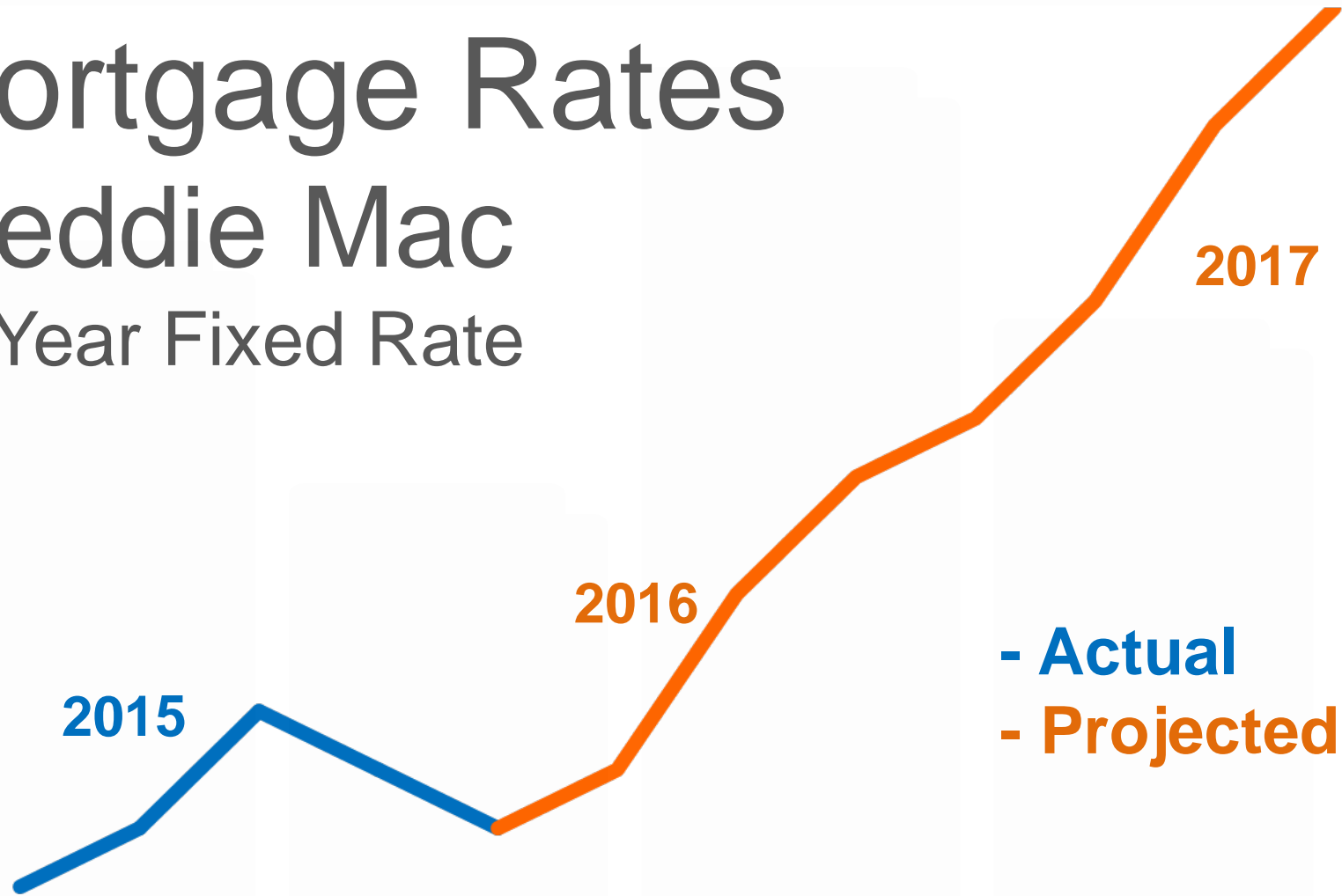


Quarter	Fannie Mae	Freddie Mac	MBA	NAR	Average of all four
2016 2Q	3.8%	3.9%	4.0%	4.0%	3.93%
2016 3Q	3.8%	4.2%	4.1%	4.2%	4.08%
2016 4Q	3.8%	4.4%	4.3%	4.4%	4.23%
2017 1Q	3.9%	4.5%	4.4%	4.5%	4.33%

Mortgage Rates

Freddie Mac

30 Year Fixed Rate



	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4
Rate	3.7	3.8	4	3.9	3.8	3.9	4.2	4.4	4.5	4.7	5	5.2

UPDATE

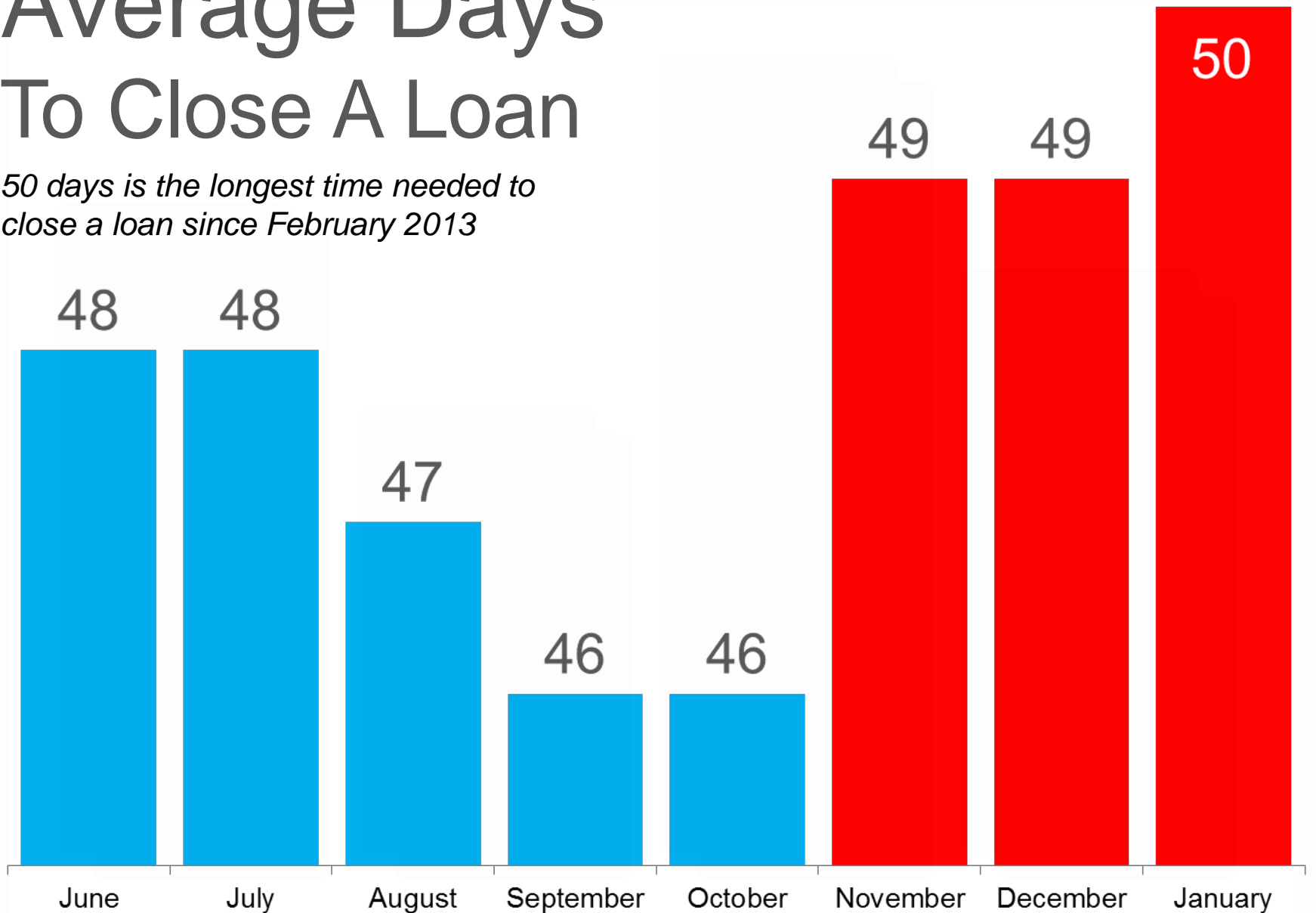
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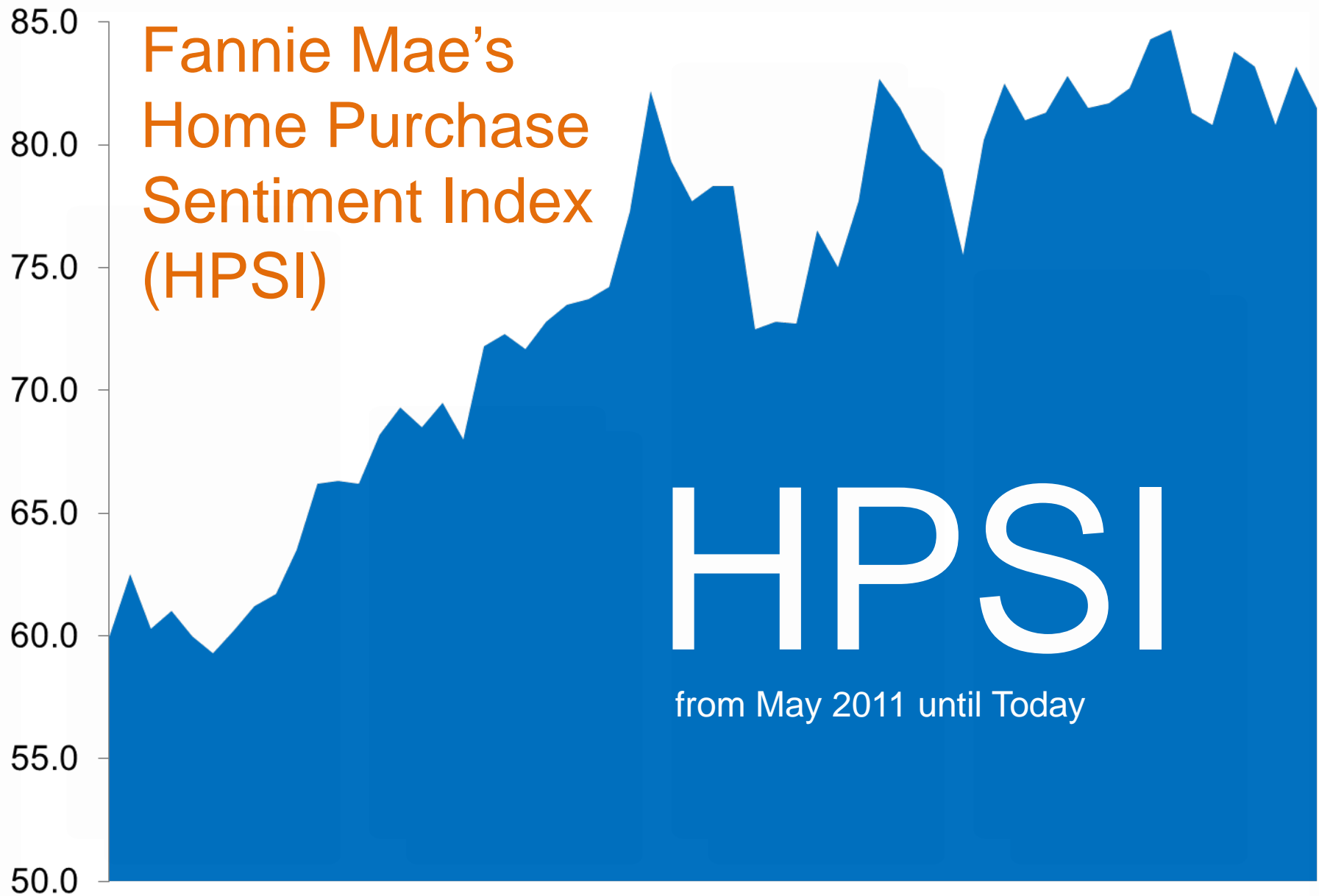
/

4

Average Days To Close A Loan

50 days is the longest time needed to close a loan since February 2013





Fannie Mae's Home Purchase Sentiment Index (HPSI)

HPSI

from May 2011 until Today

The HPSI distills results from Fannie Mae's consumer-focused National Housing Survey into a single, monthly, predictive indicator.



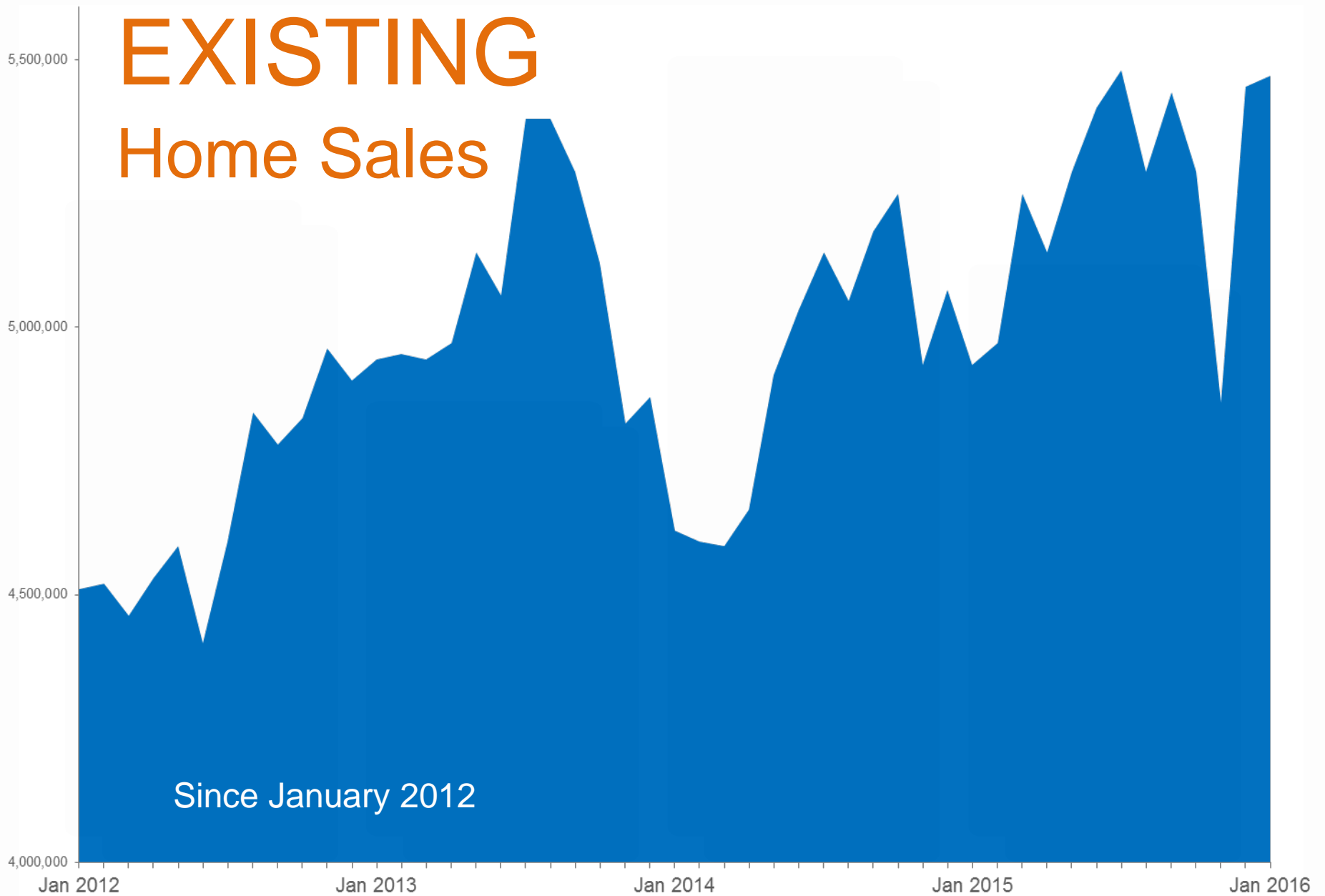
EXISTING Home Sales



Since January 2014

EXISTING Home Sales

Since January 2012



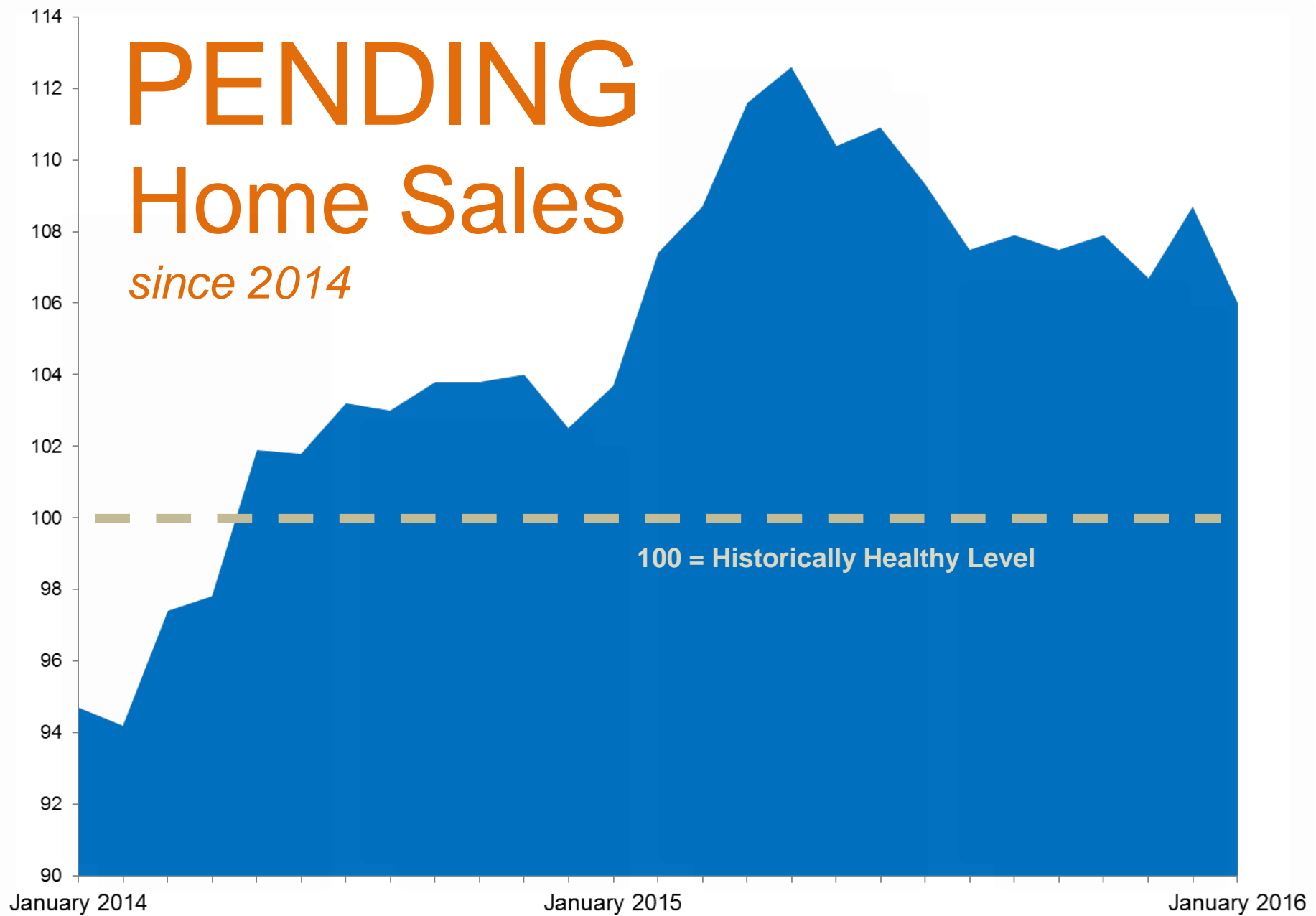
PENDING Home Sales

since 2012



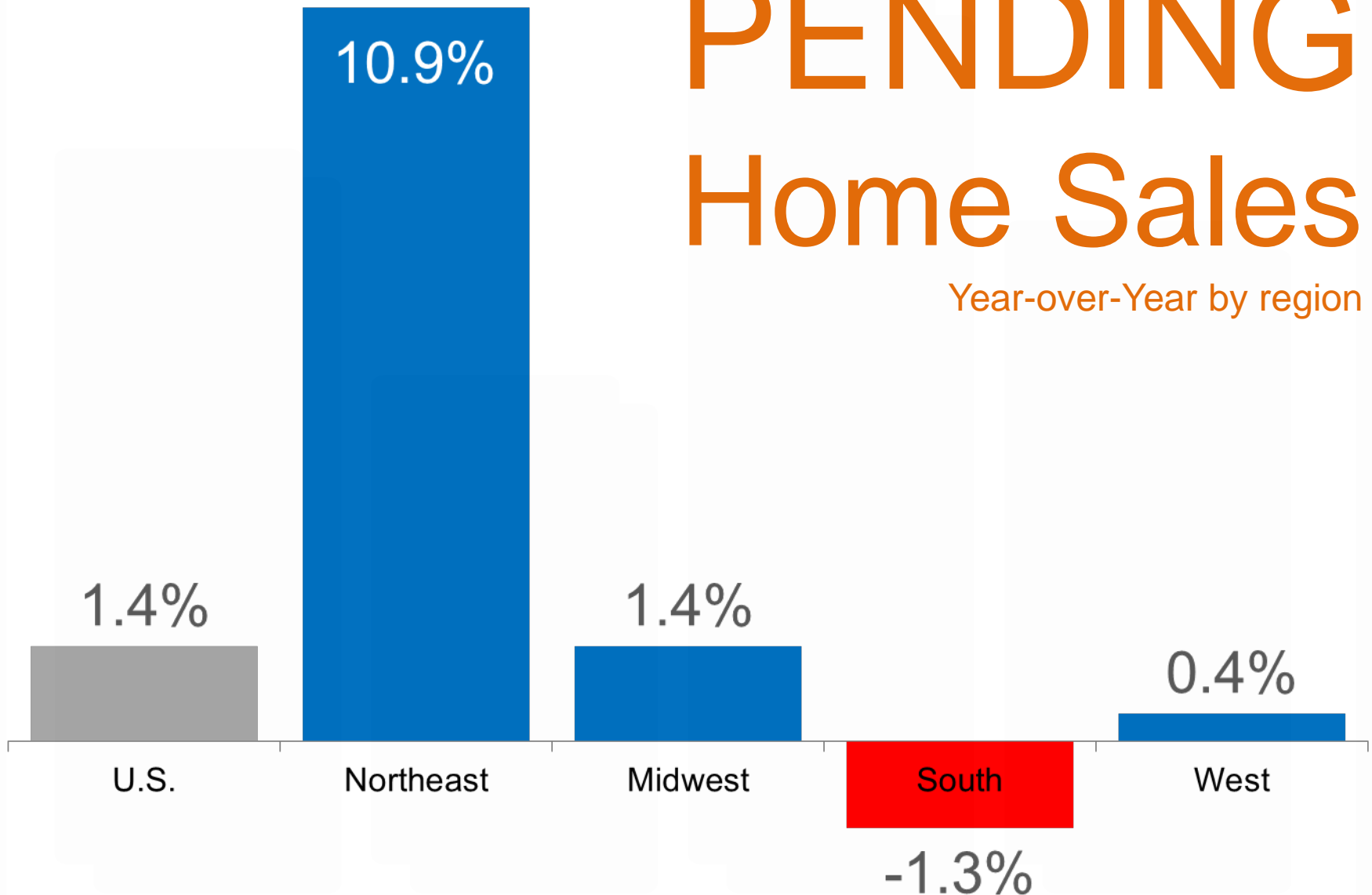
PENDING Home Sales

since 2014



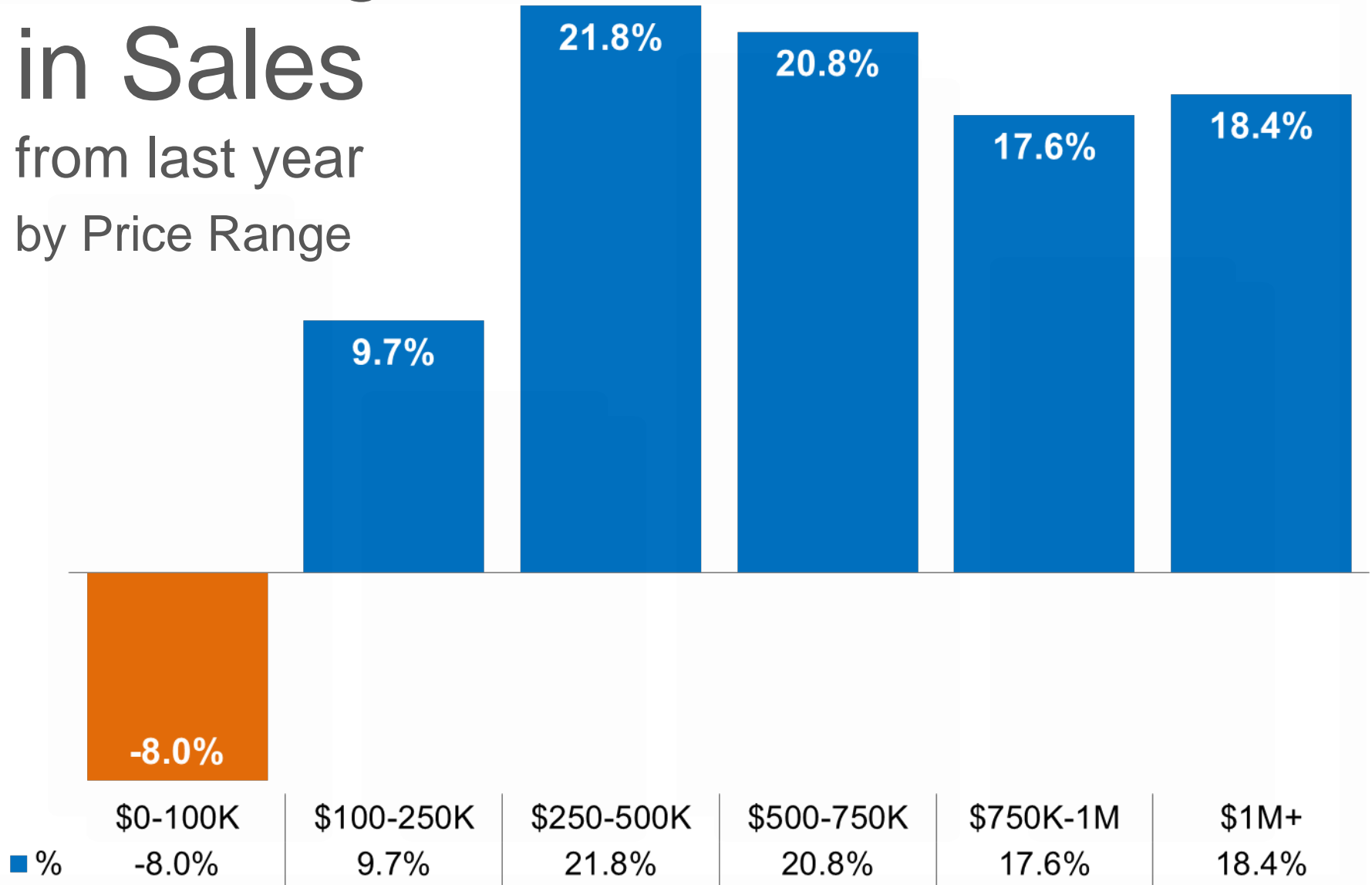
PENDING Home Sales

Year-over-Year by region



% Change in Sales

from last year
by Price Range



Percentage of Distressed Property Sales

35%

11%

9%

January 2012 - Today

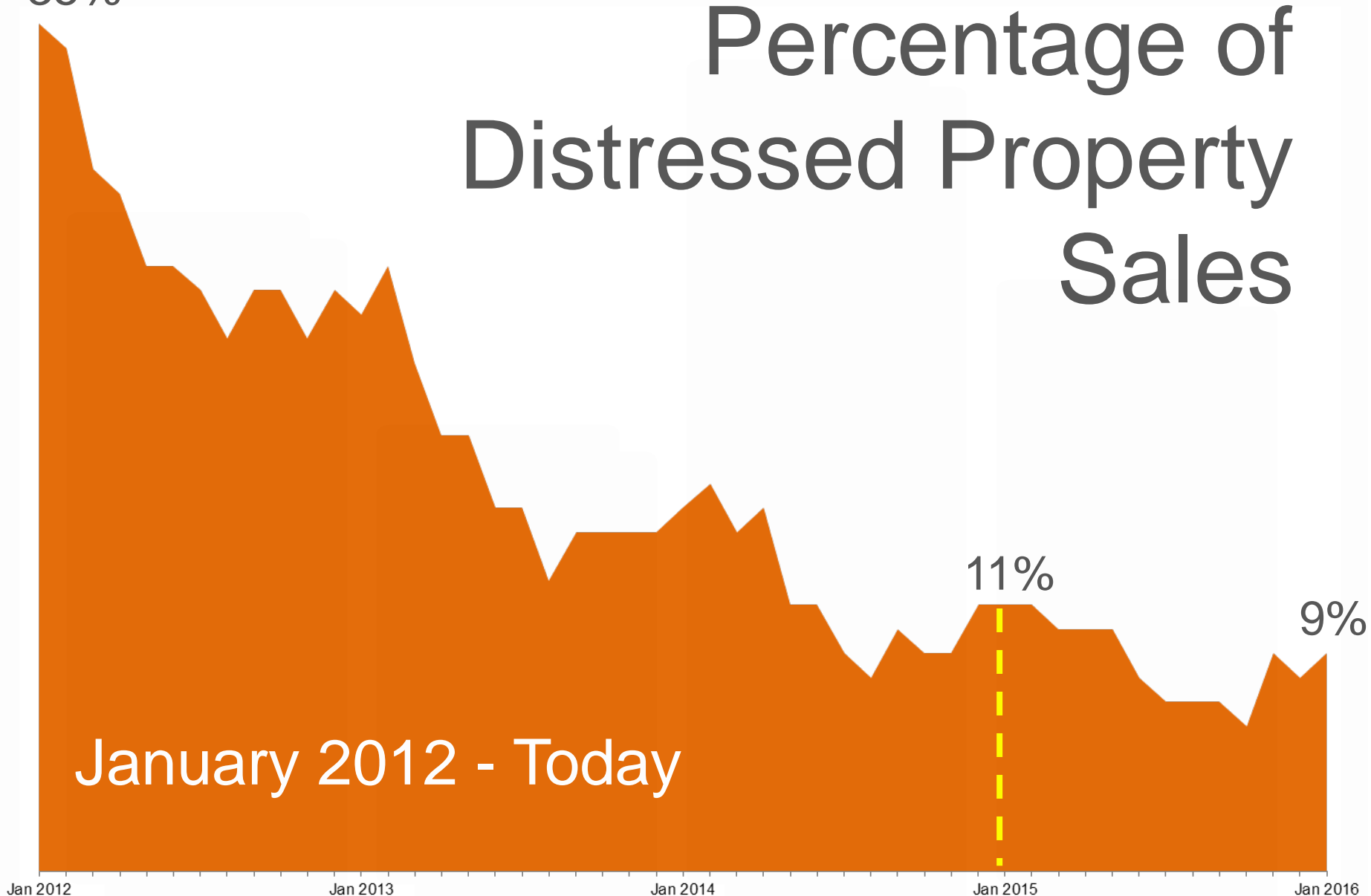
Jan 2012

Jan 2013

Jan 2014

Jan 2015

Jan 2016



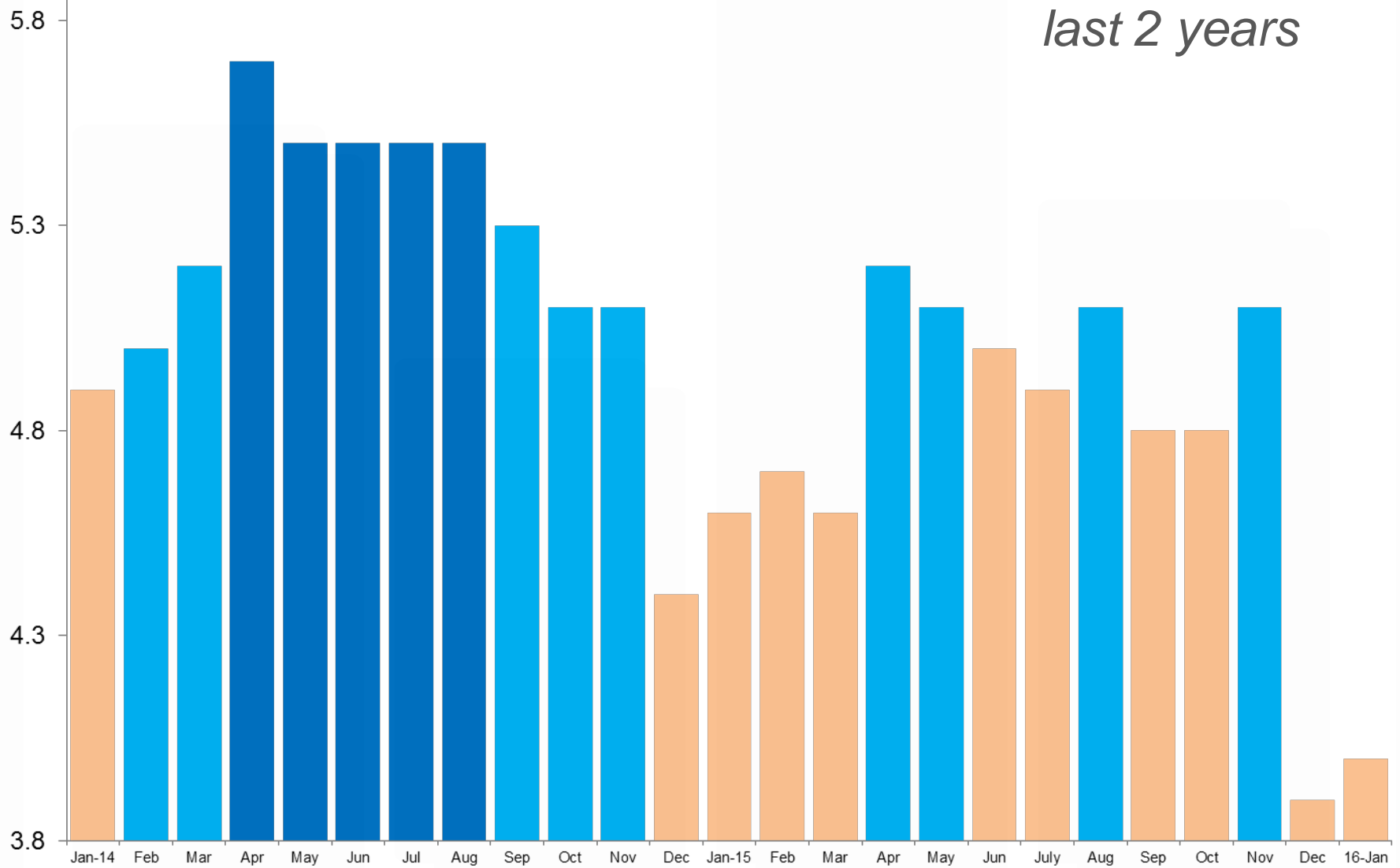
Months Inventory of **HOMES FOR SALE**

2011 - Today

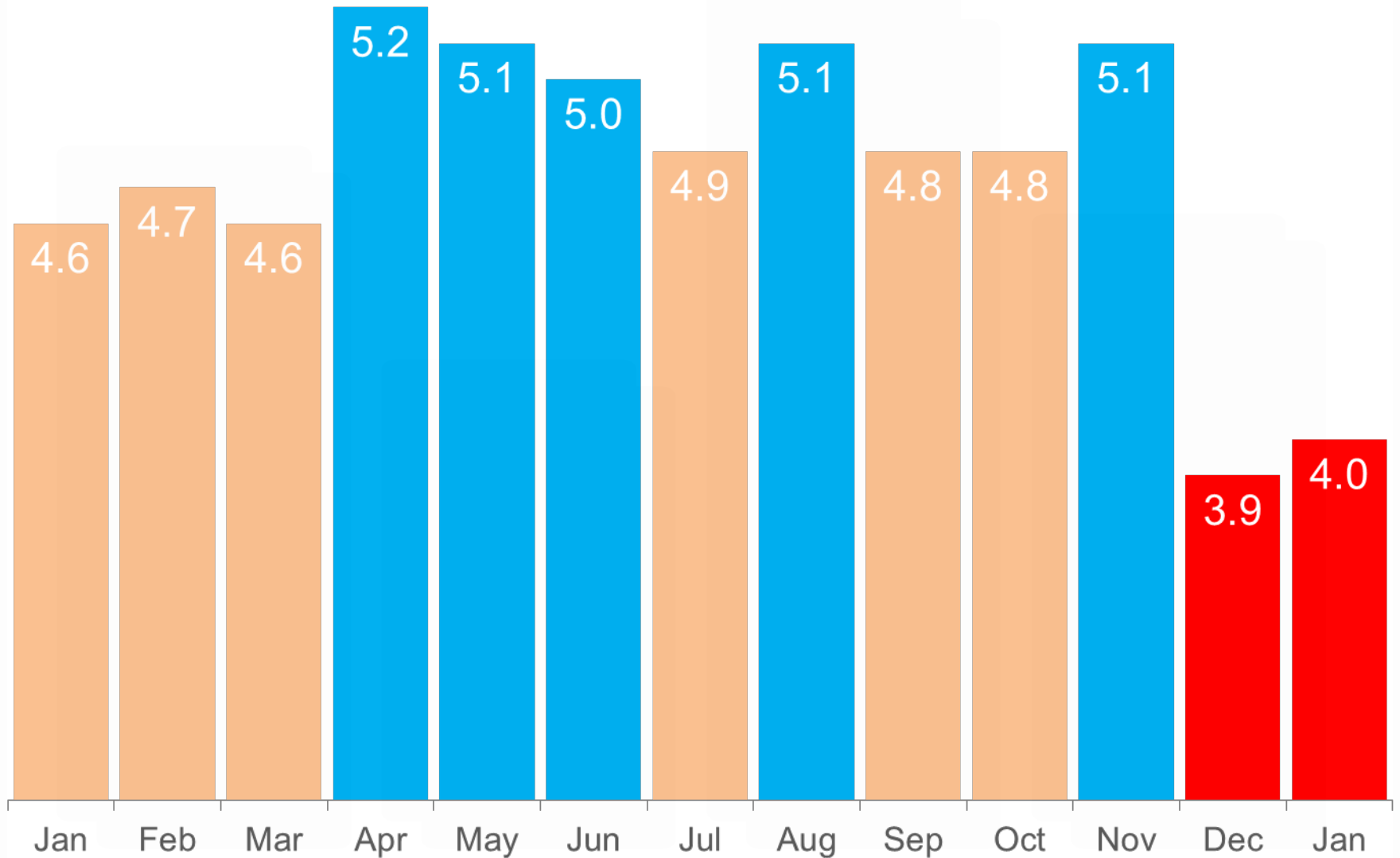


Months Inventory of HOMES FOR SALE

last 2 years



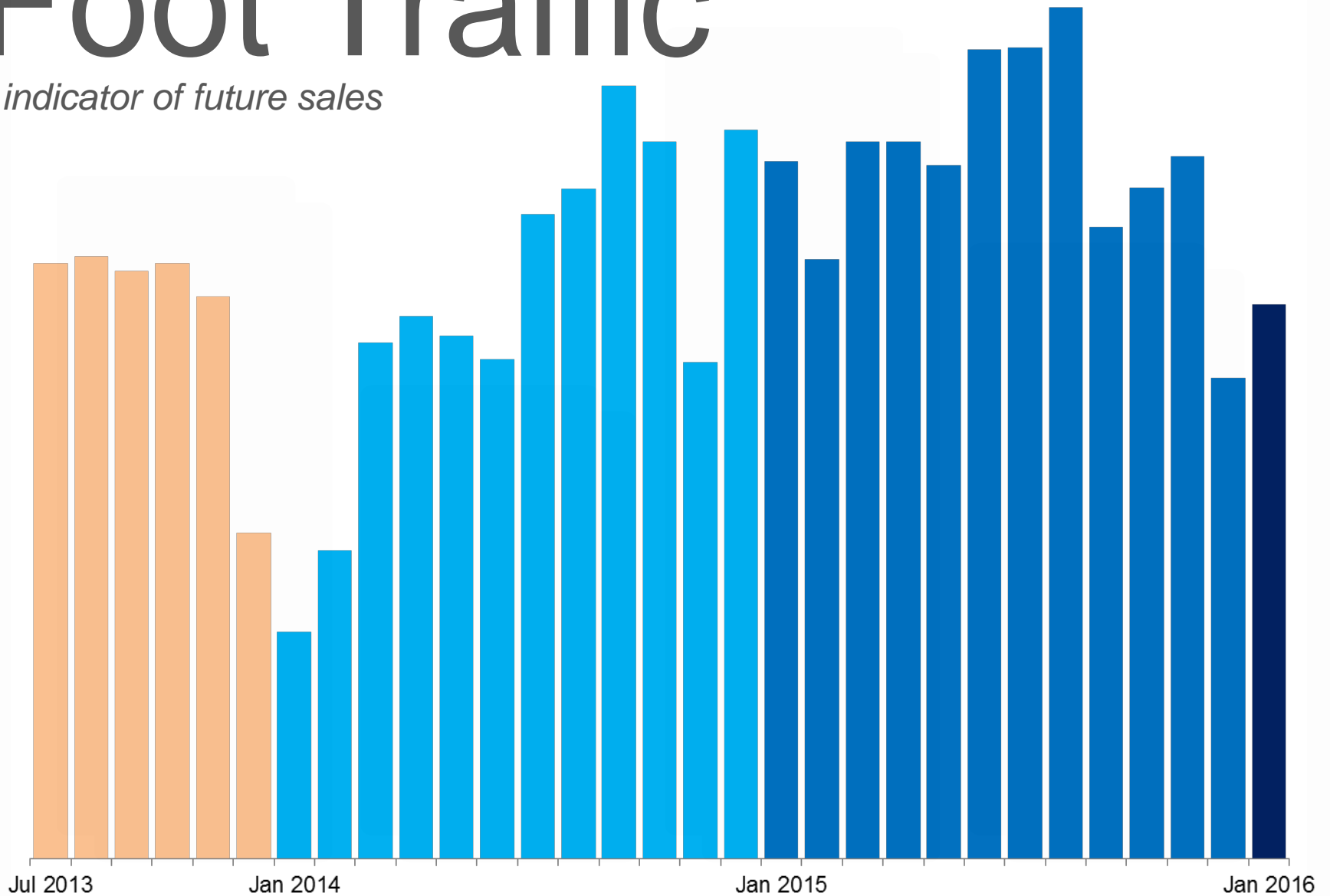
Months Inventory of HOMES FOR SALE





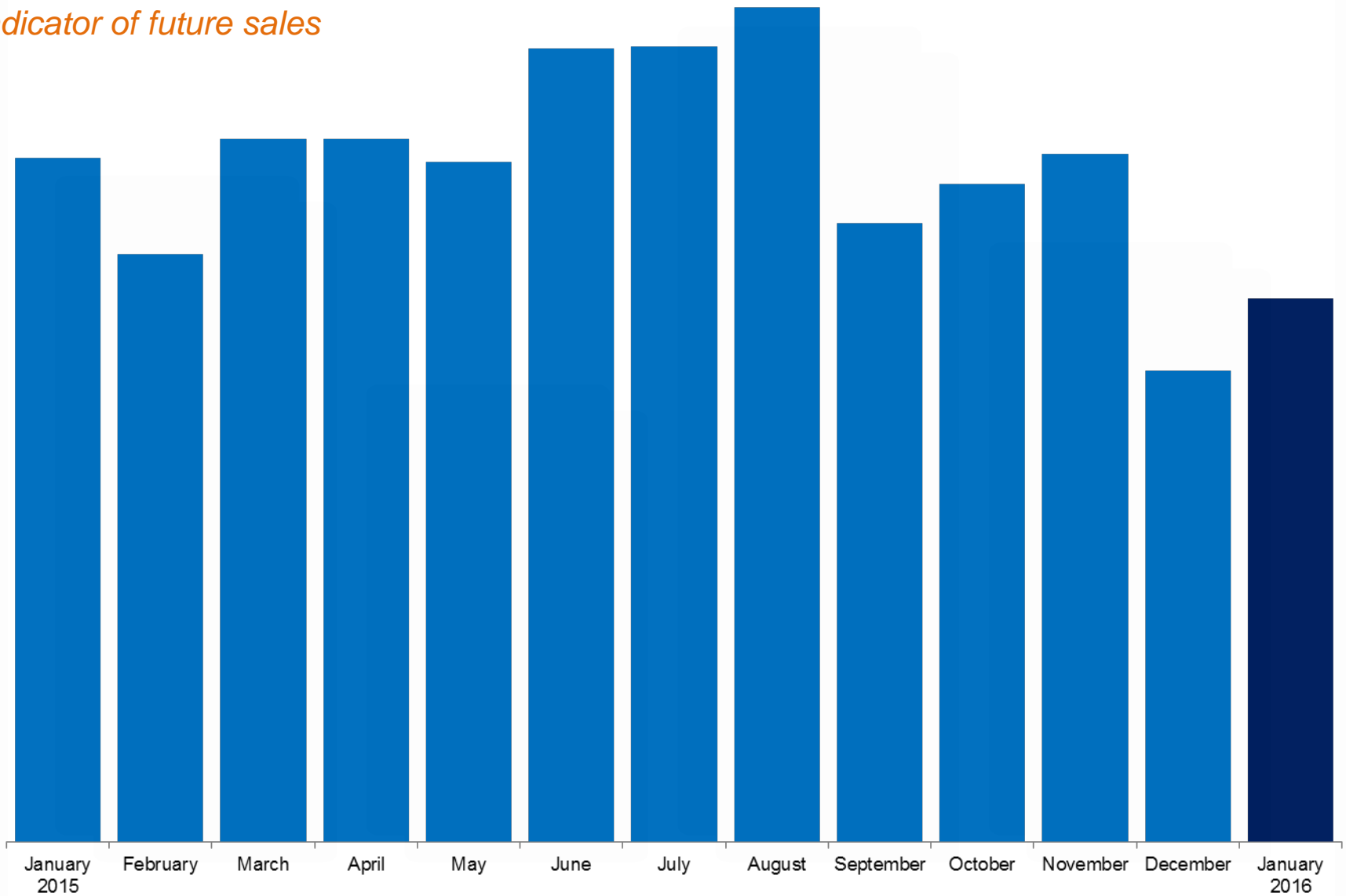
Foot Traffic

indicator of future sales



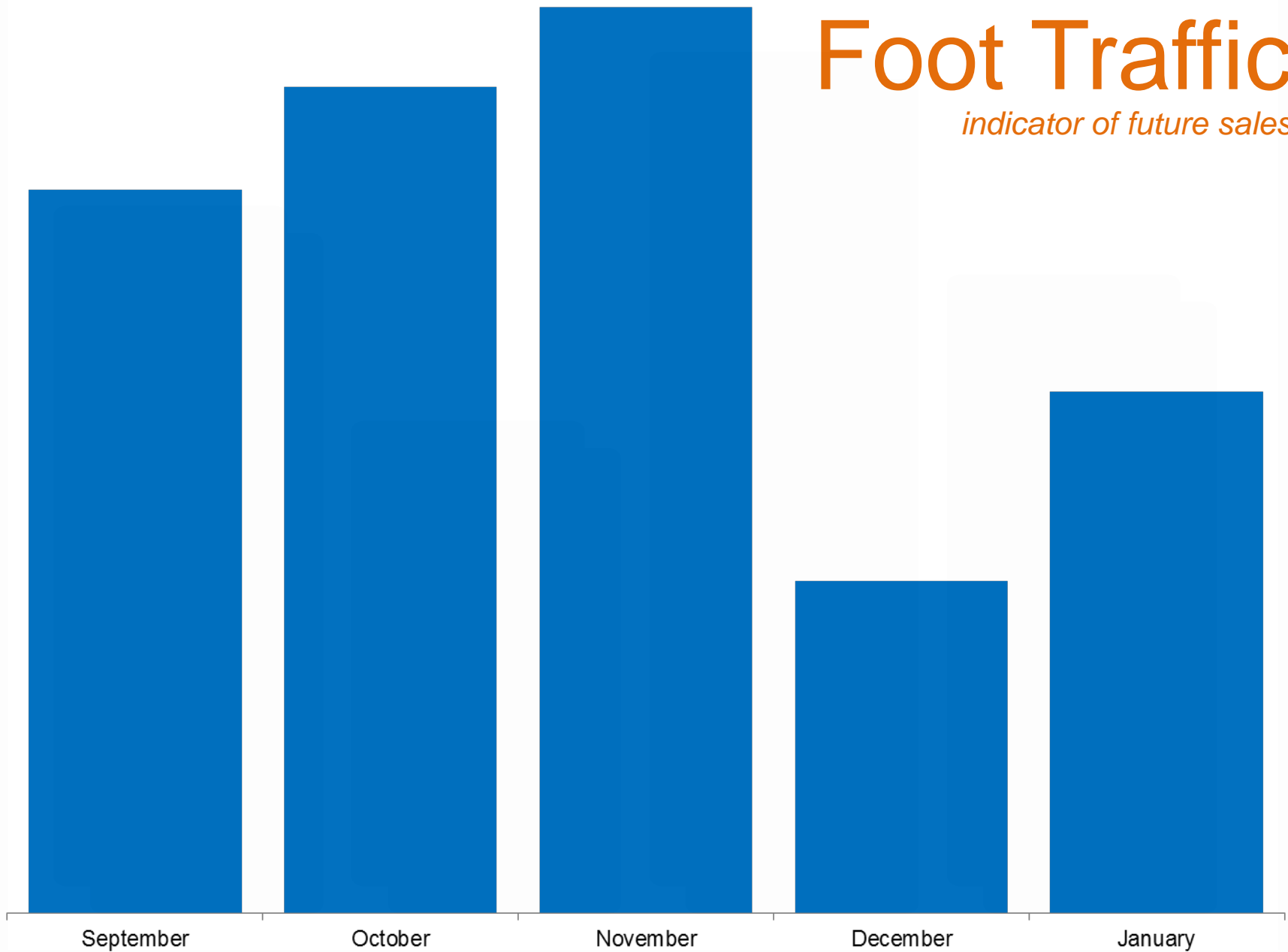
Foot Traffic

indicator of future sales



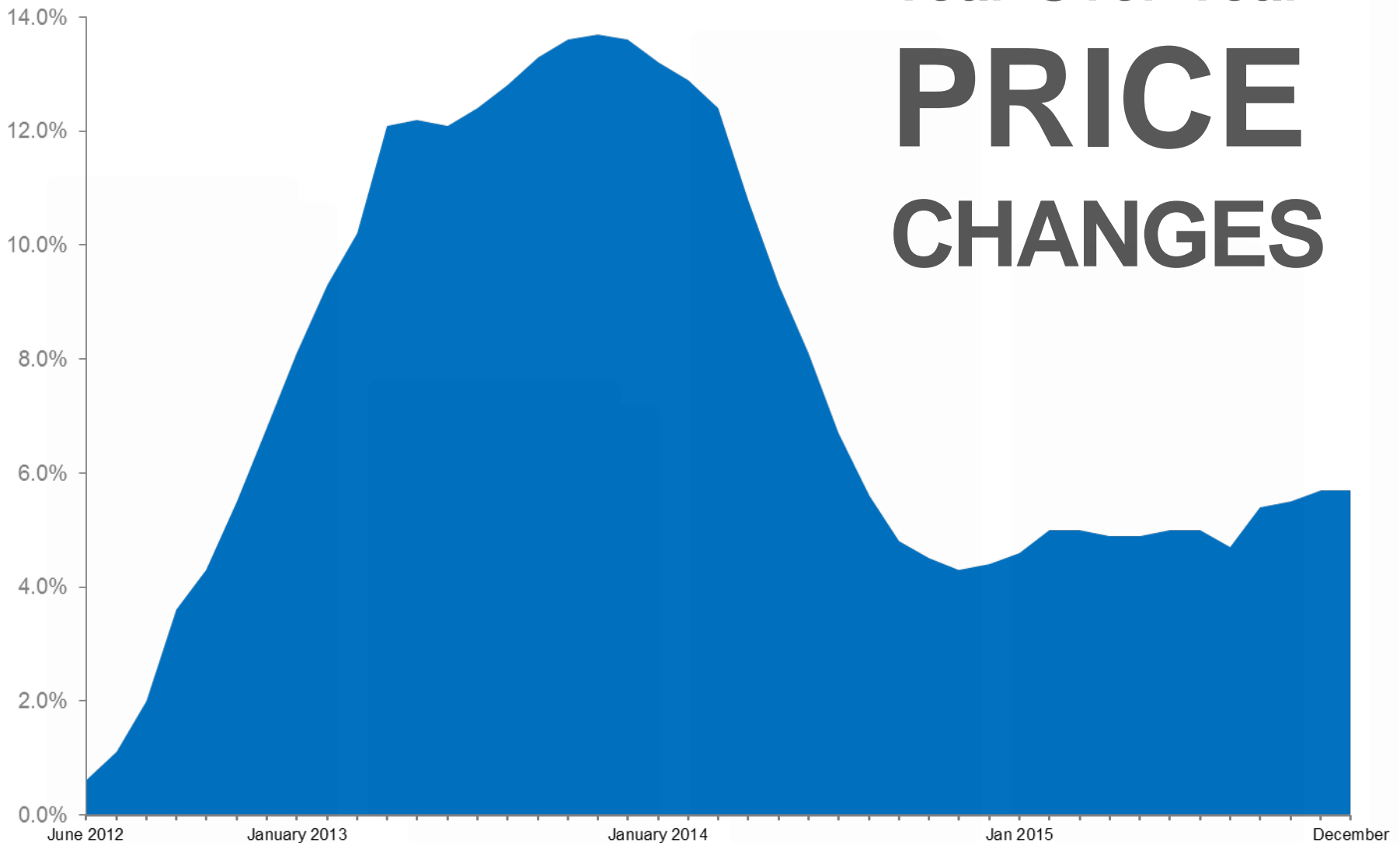
Foot Traffic

indicator of future sales



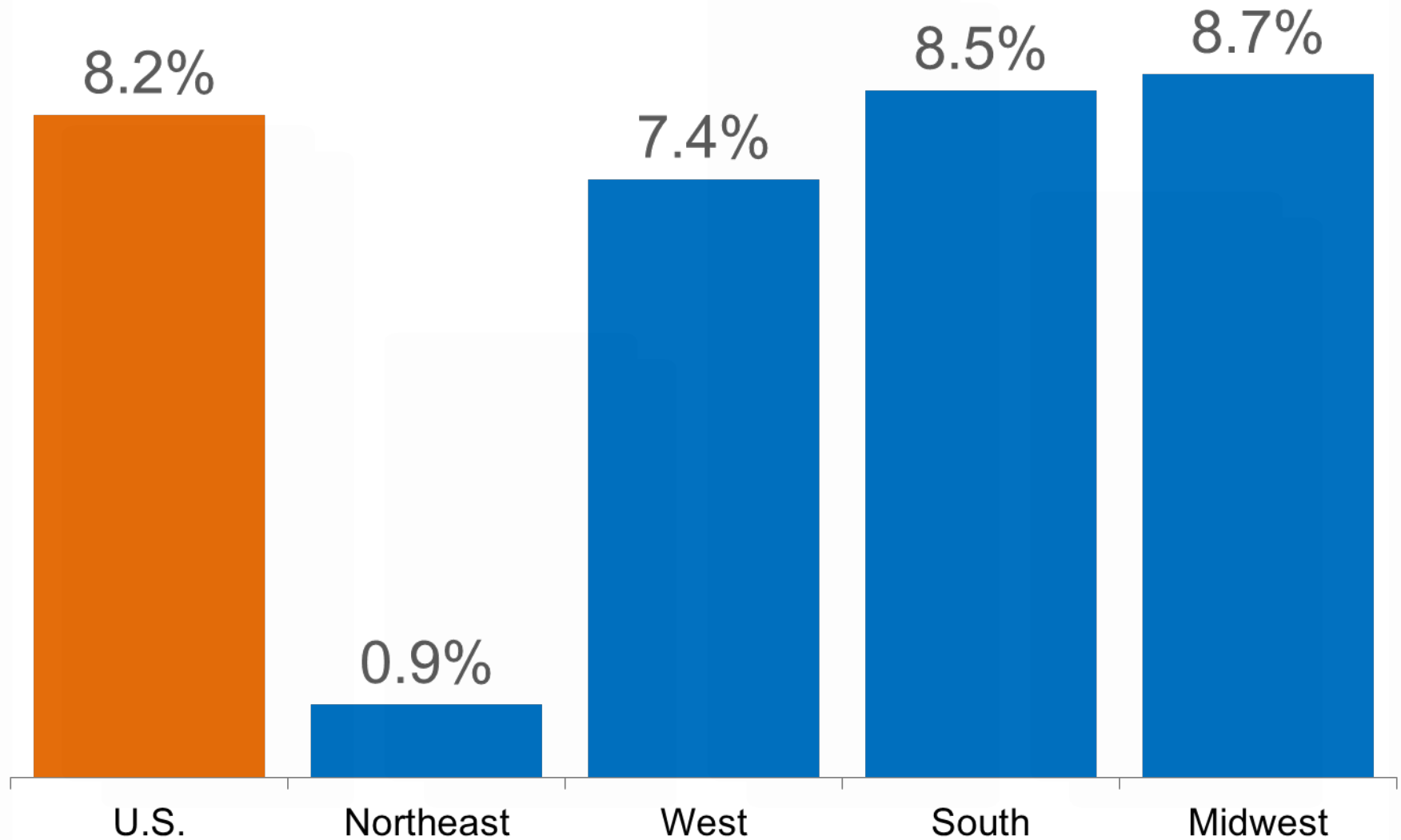
Case Shiller

Year-Over-Year **PRICE CHANGES**



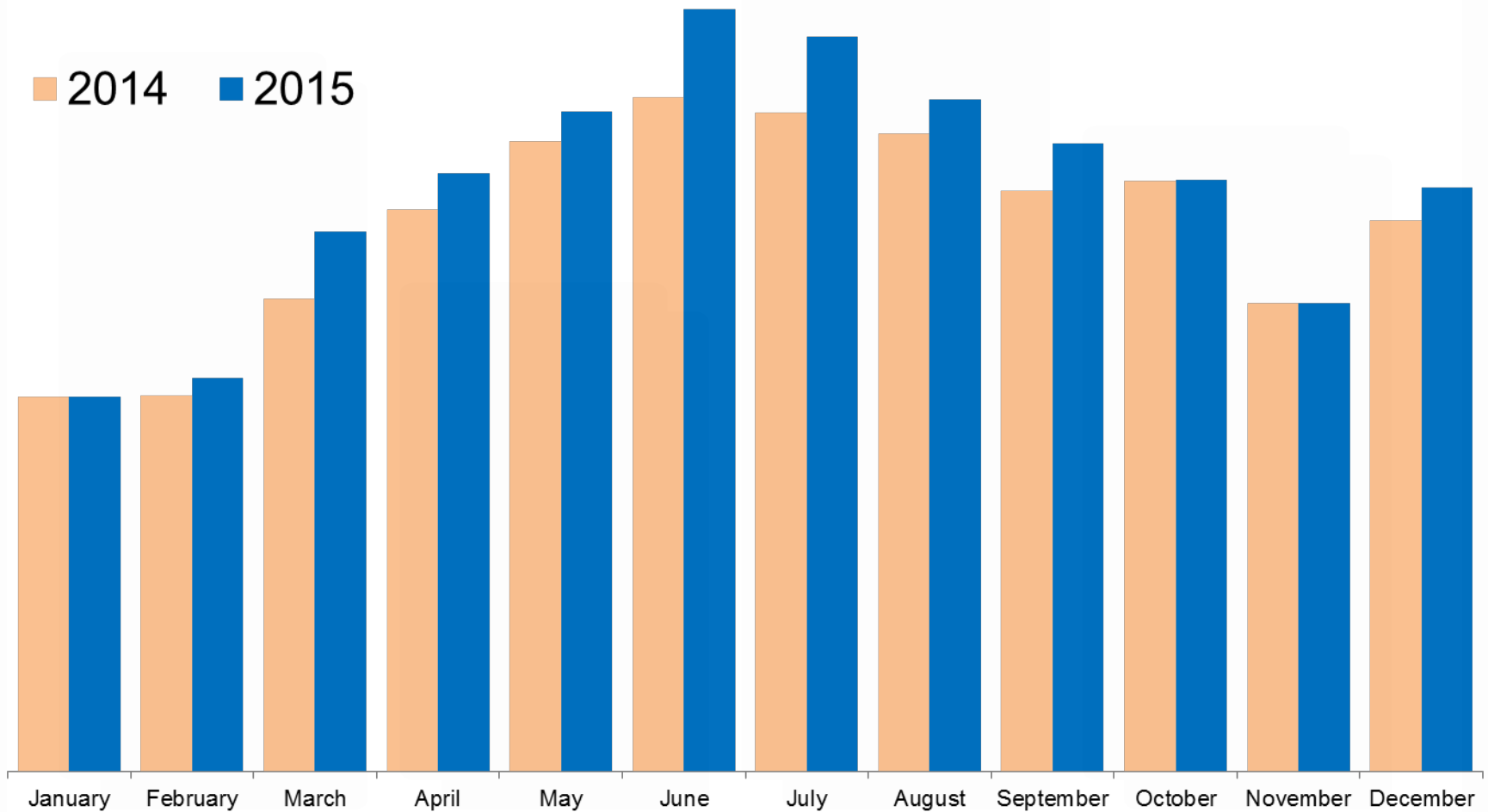
EXISTING Home Prices

Y-O-Y by region

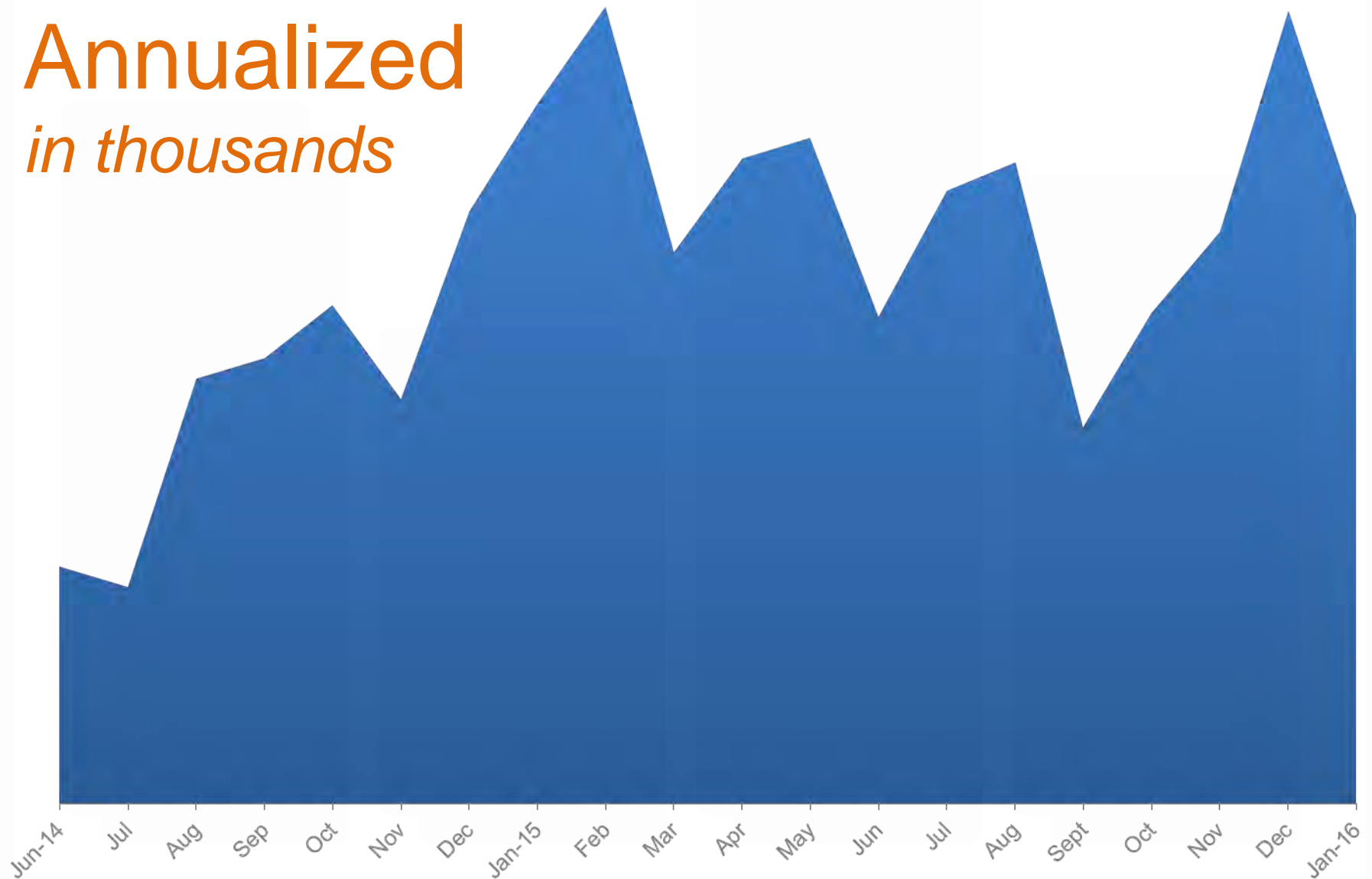


Existing Home Sales

in thousands

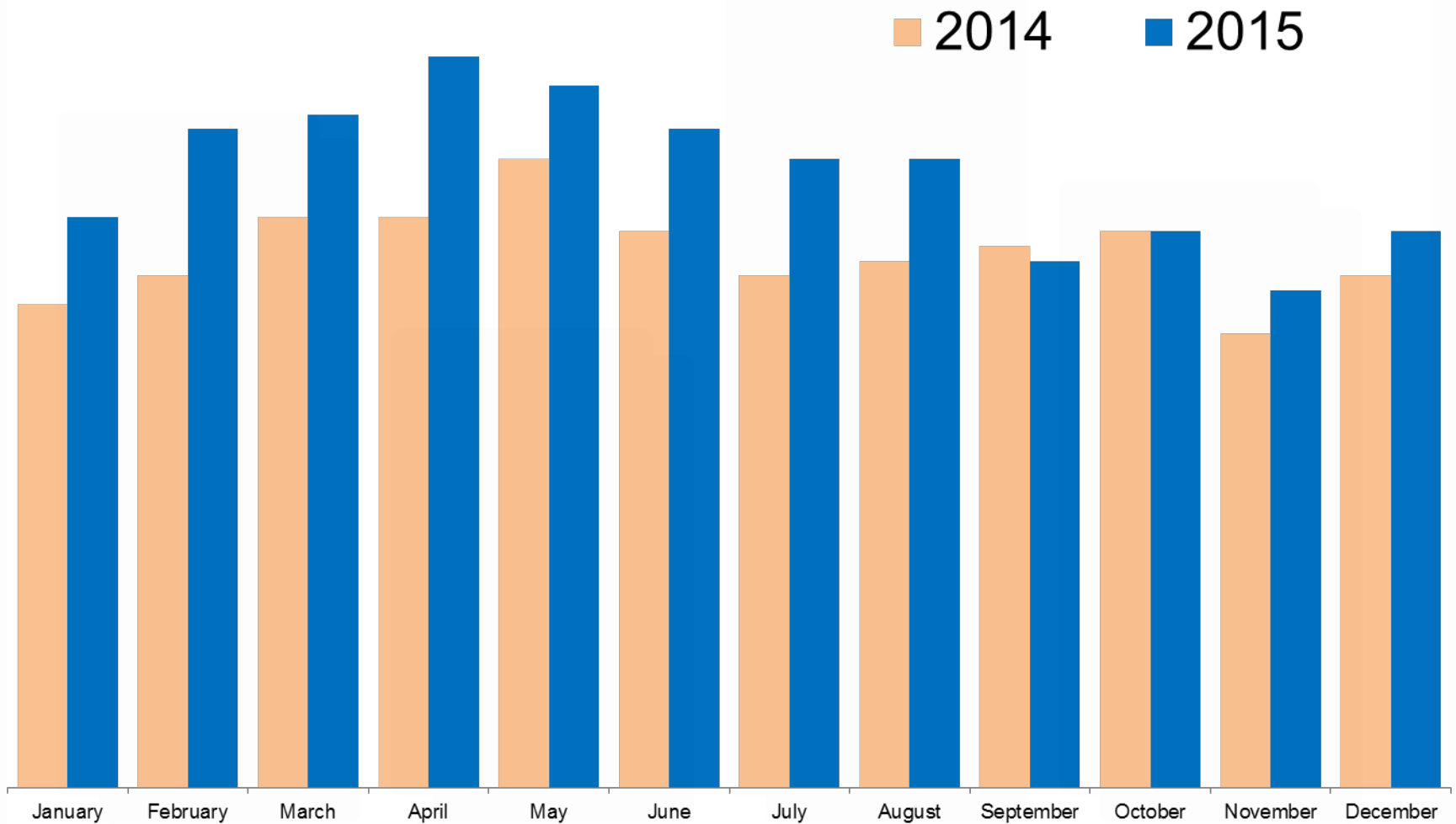


New Home Sales Annualized *in thousands*



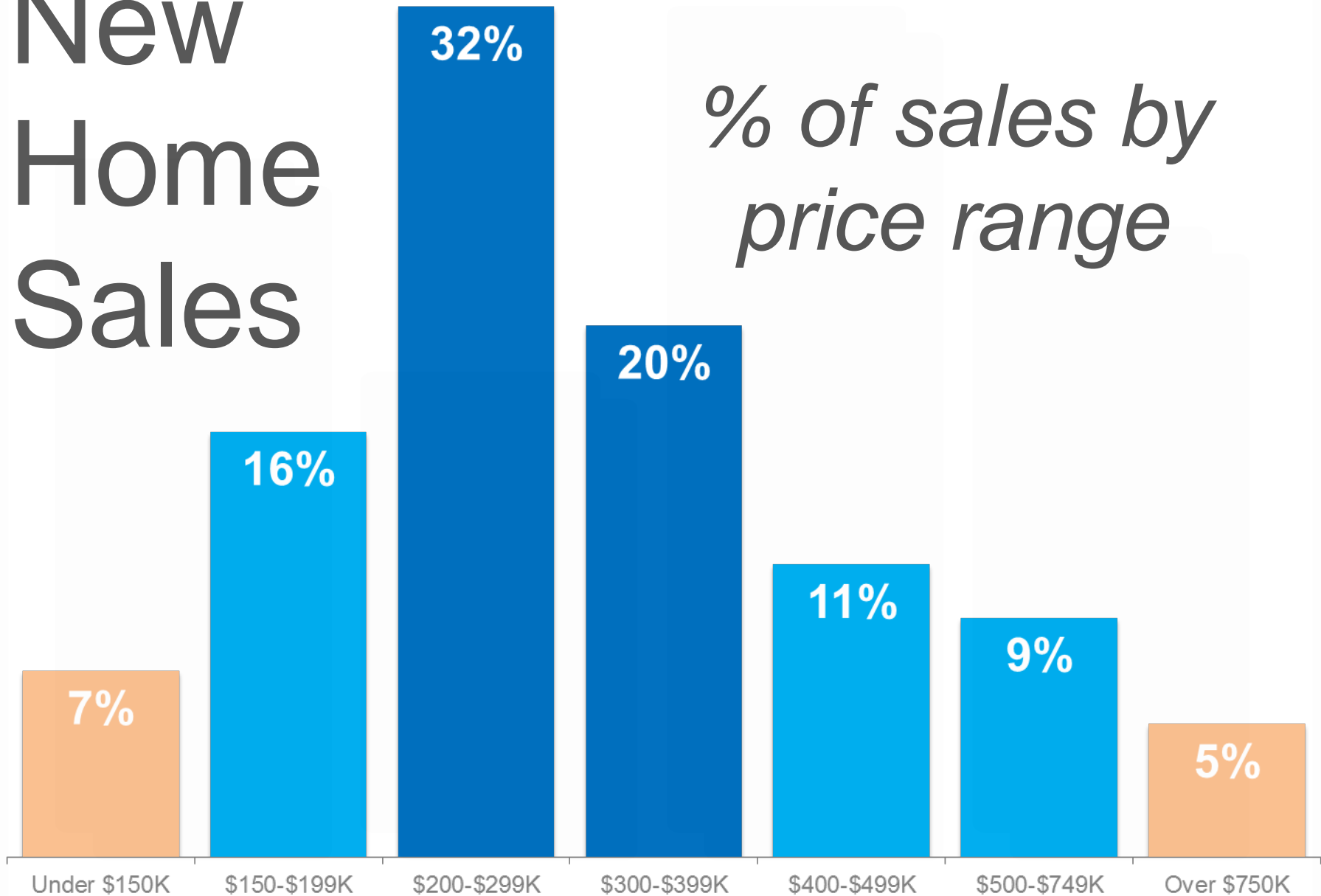
New Home Sales

in thousands



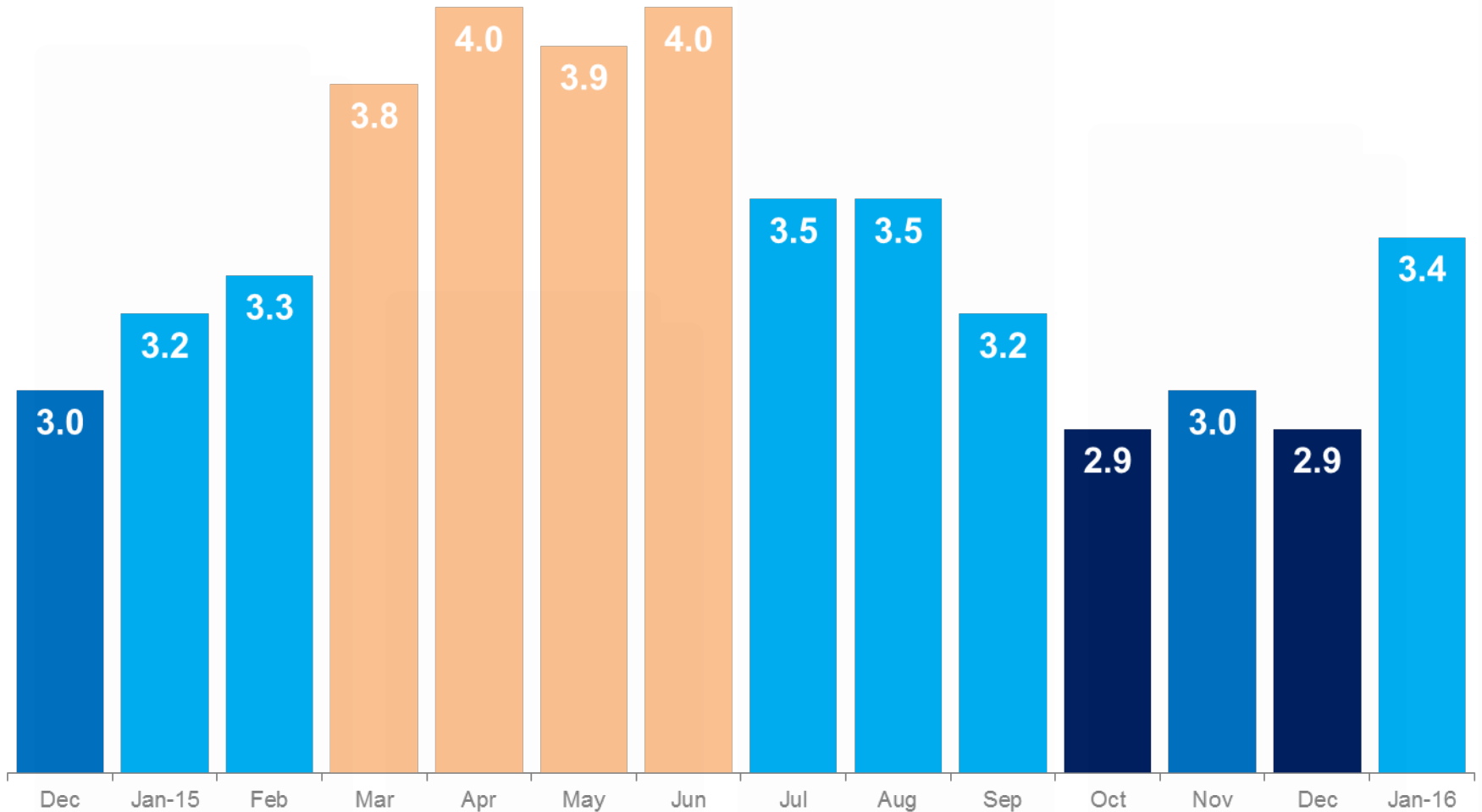
New Home Sales

% of sales by price range



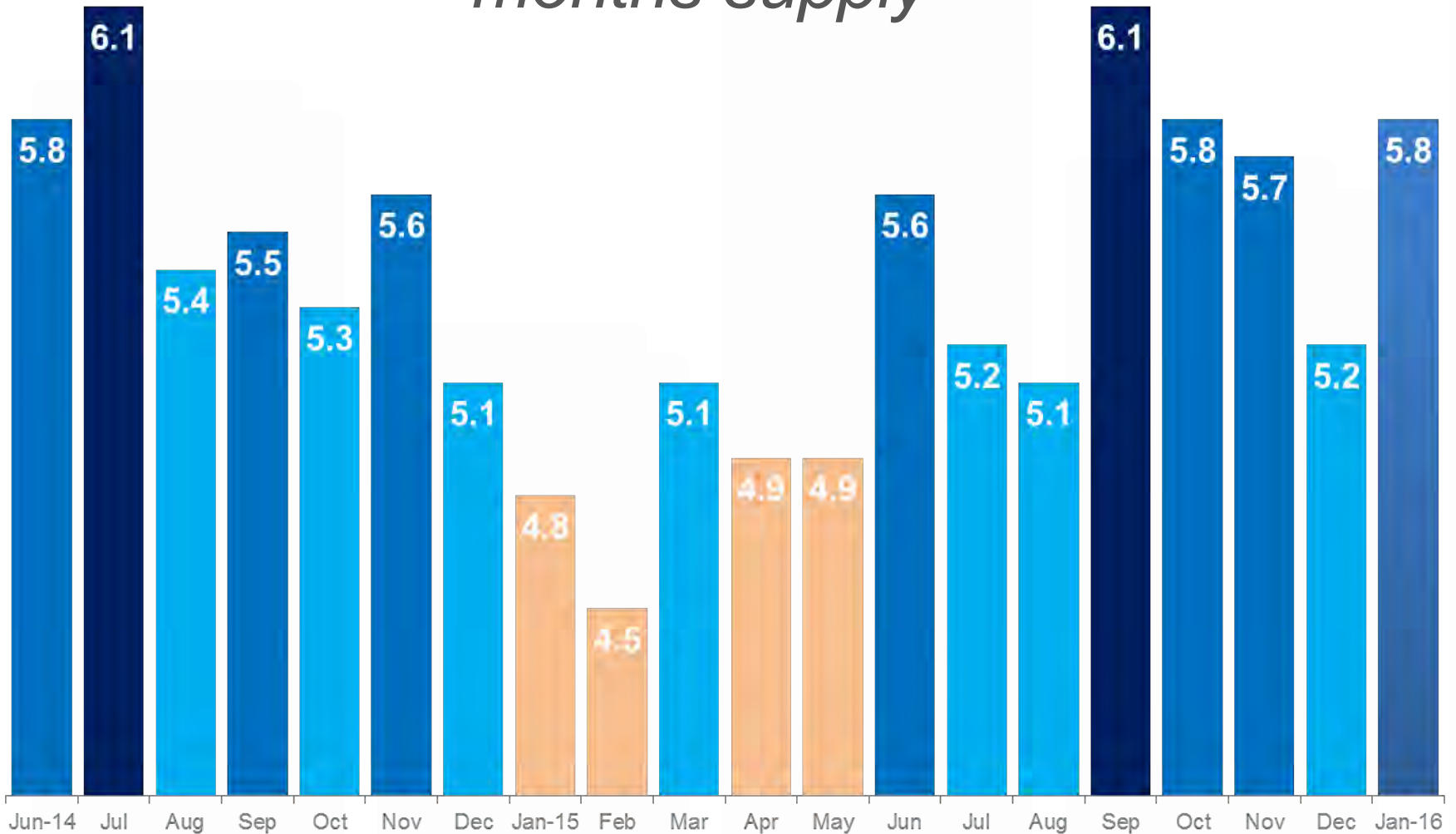
New Homes Selling Fast

(median months from completion to sold)



New Home Inventory

months supply



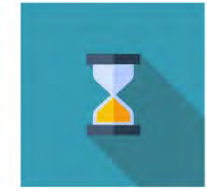
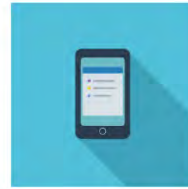
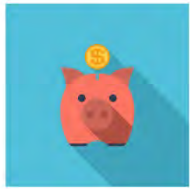
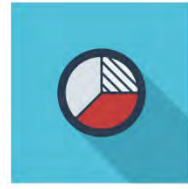
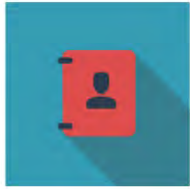
First Time Home Buyers

56% of all buyers
were first time
buyers this
month

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

KEEPING CURRENT MATTERS

WWW.KEEPINGCURRENTMATTERS.COM



MARCH 2016

