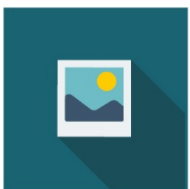
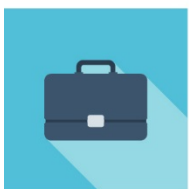
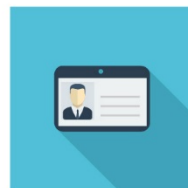
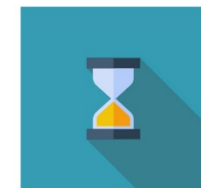
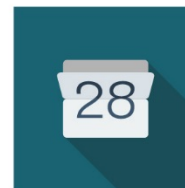
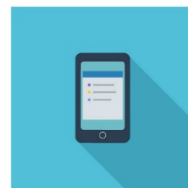
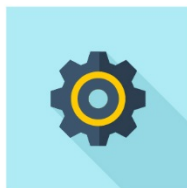
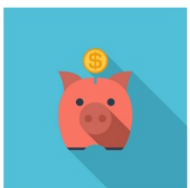
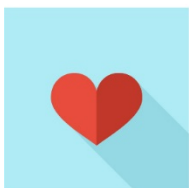
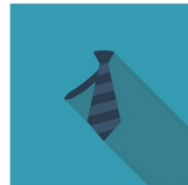
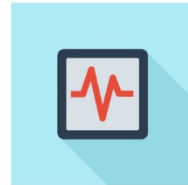
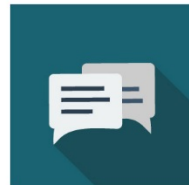
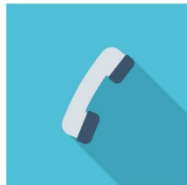
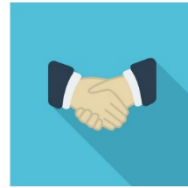
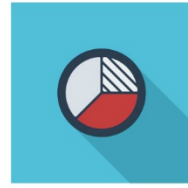
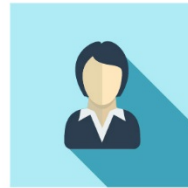
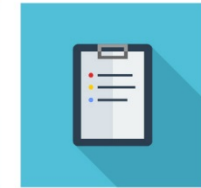
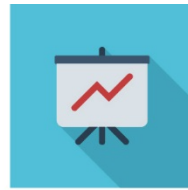
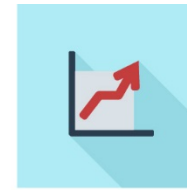
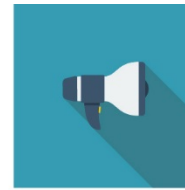
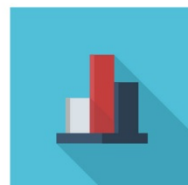
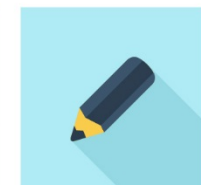
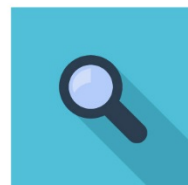
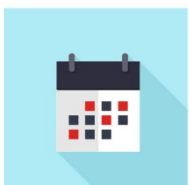


KEEPING CURRENT MATTERS

WWW.KEEPINGCURRENTMATTERS.COM



APRIL 2016



“Despite the challenges facing the housing market, we expect this to be the best year for housing in a decade.

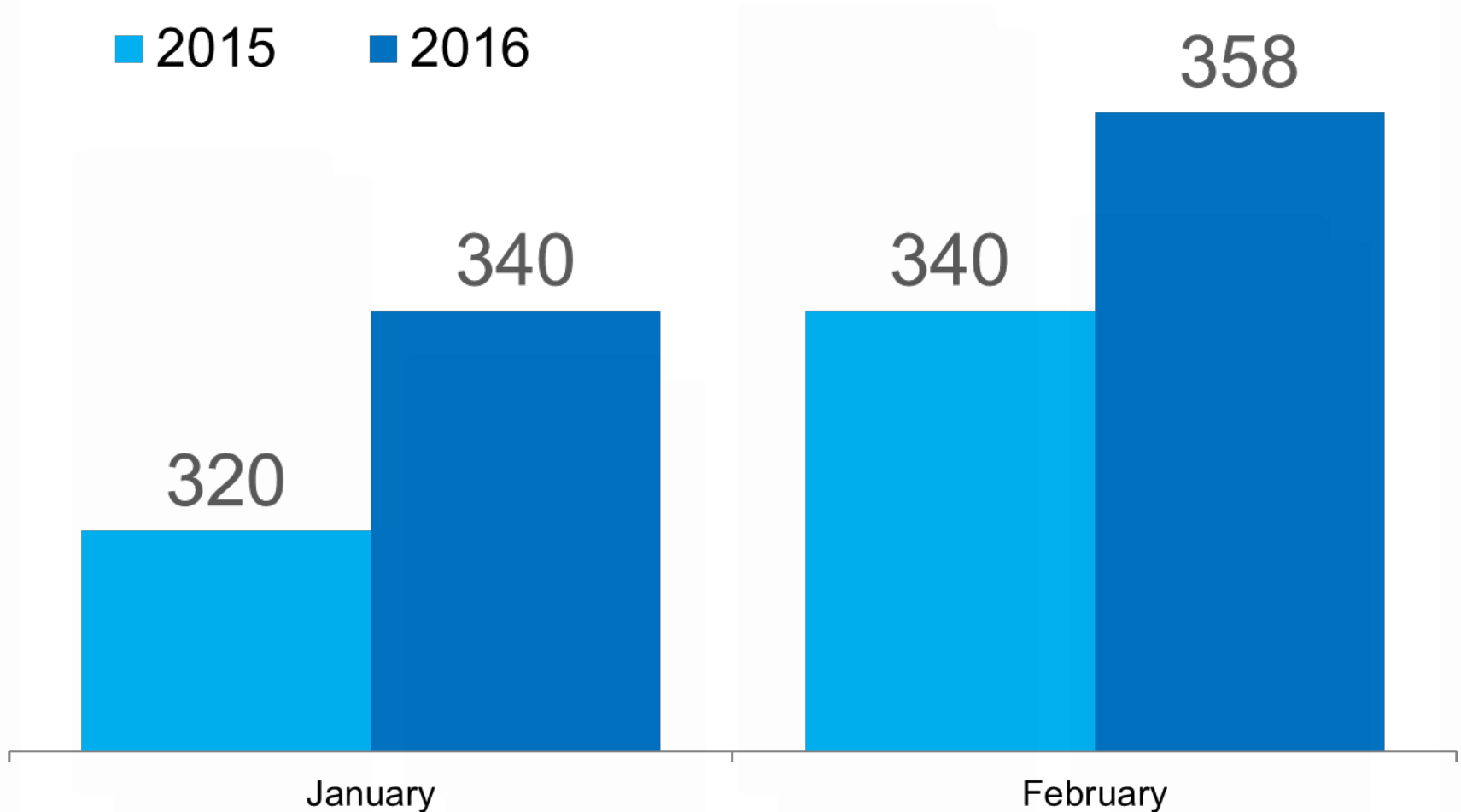
Home sales, housing starts, and house prices will reach their highest level since 2006 according to our latest forecast...

Challenges remain, with low housing supply and declining affordability being a key concern in many markets, but on balance, the housing markets in the U.S. are poised for the best year since 2006.”



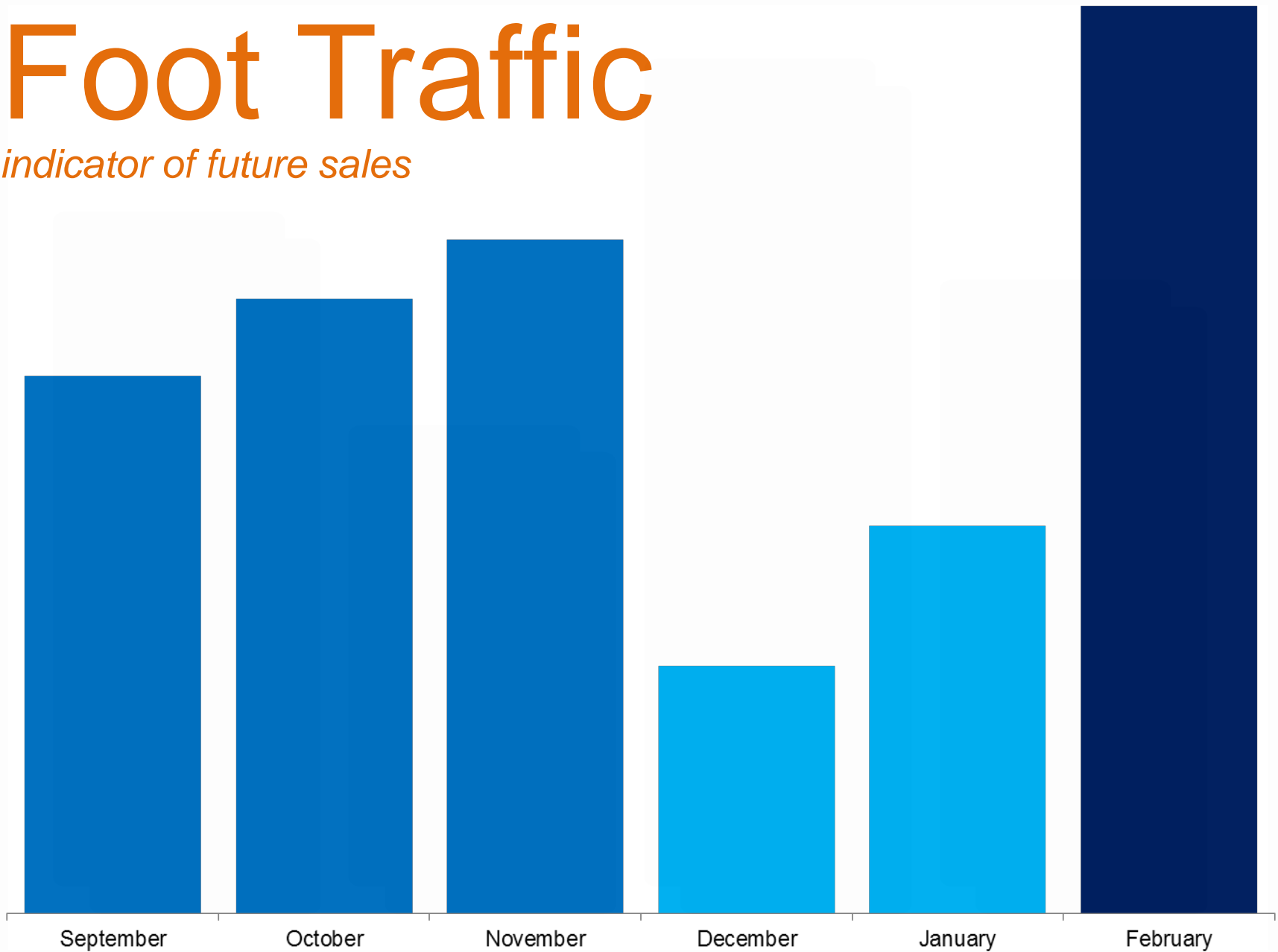
- Freddie Mac

Total Home Sales



Foot Traffic

indicator of future sales



BUYER
DEMAND
37% Greater



What Does Owning a Home Mean to Americans?



A place to raise a family

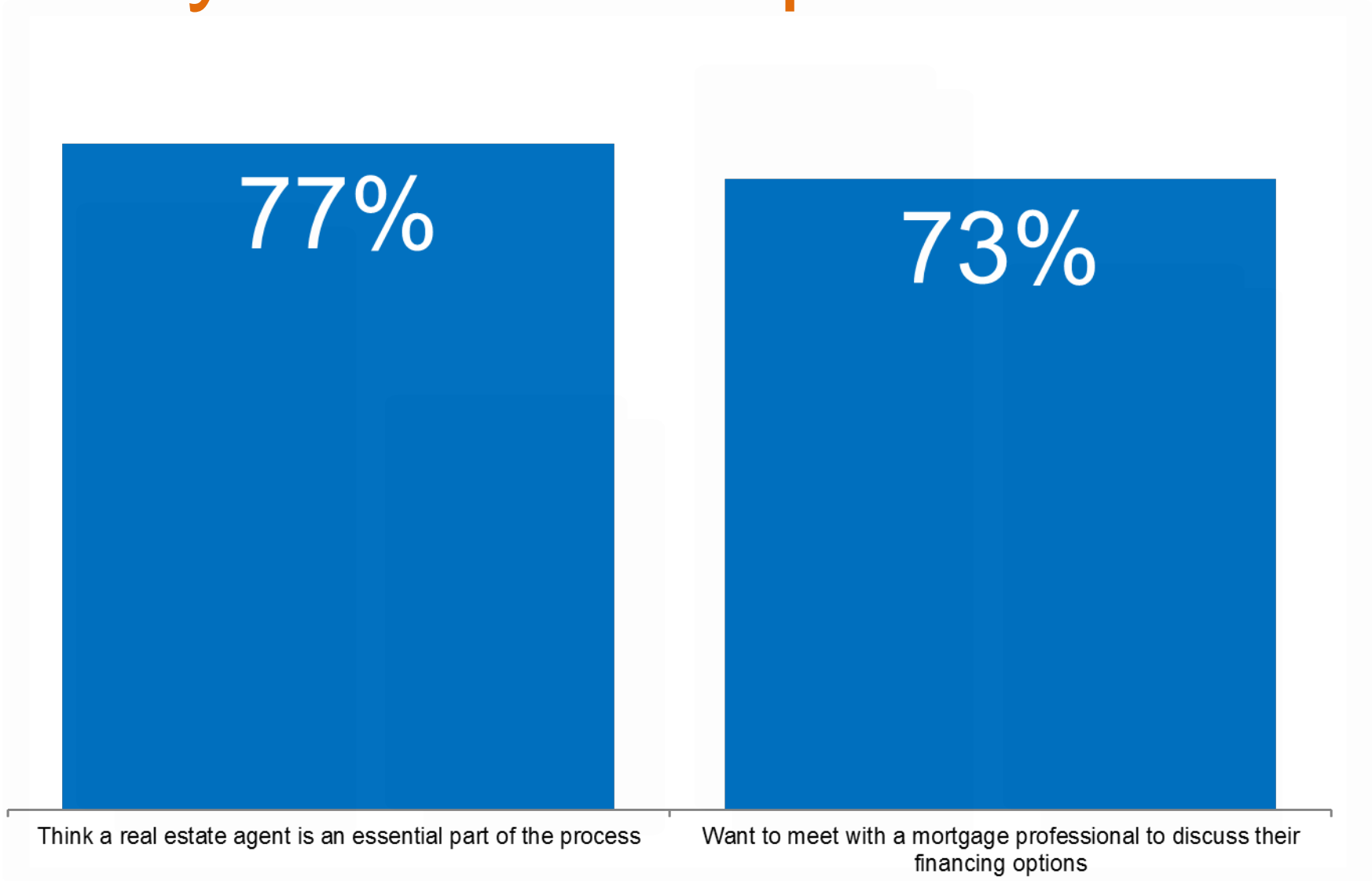


An investment

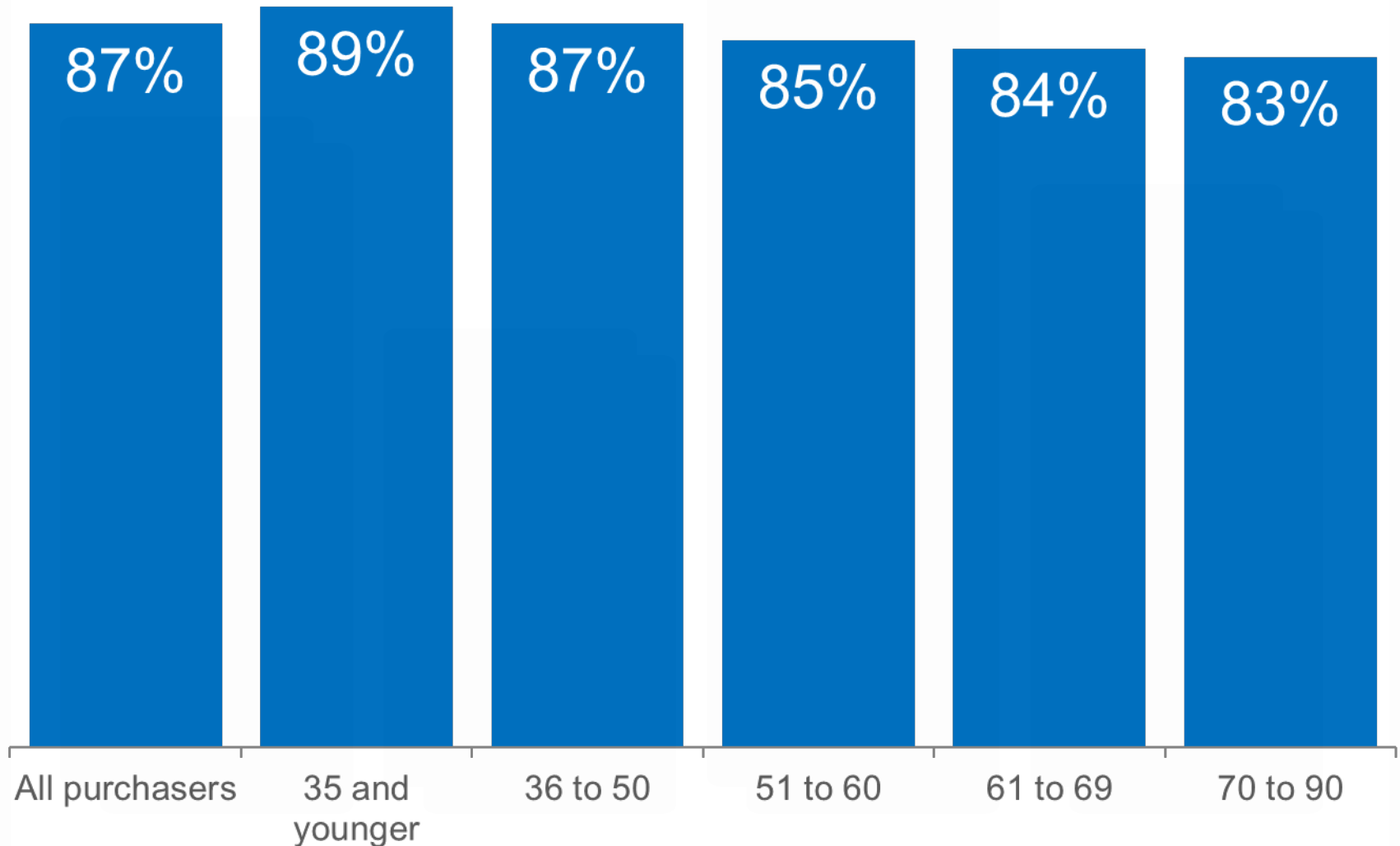


Reaching a life milestone

Buyers Want Expert Advice



Percentage of Home Buyers Who Used an Agent or Broker *by age group*

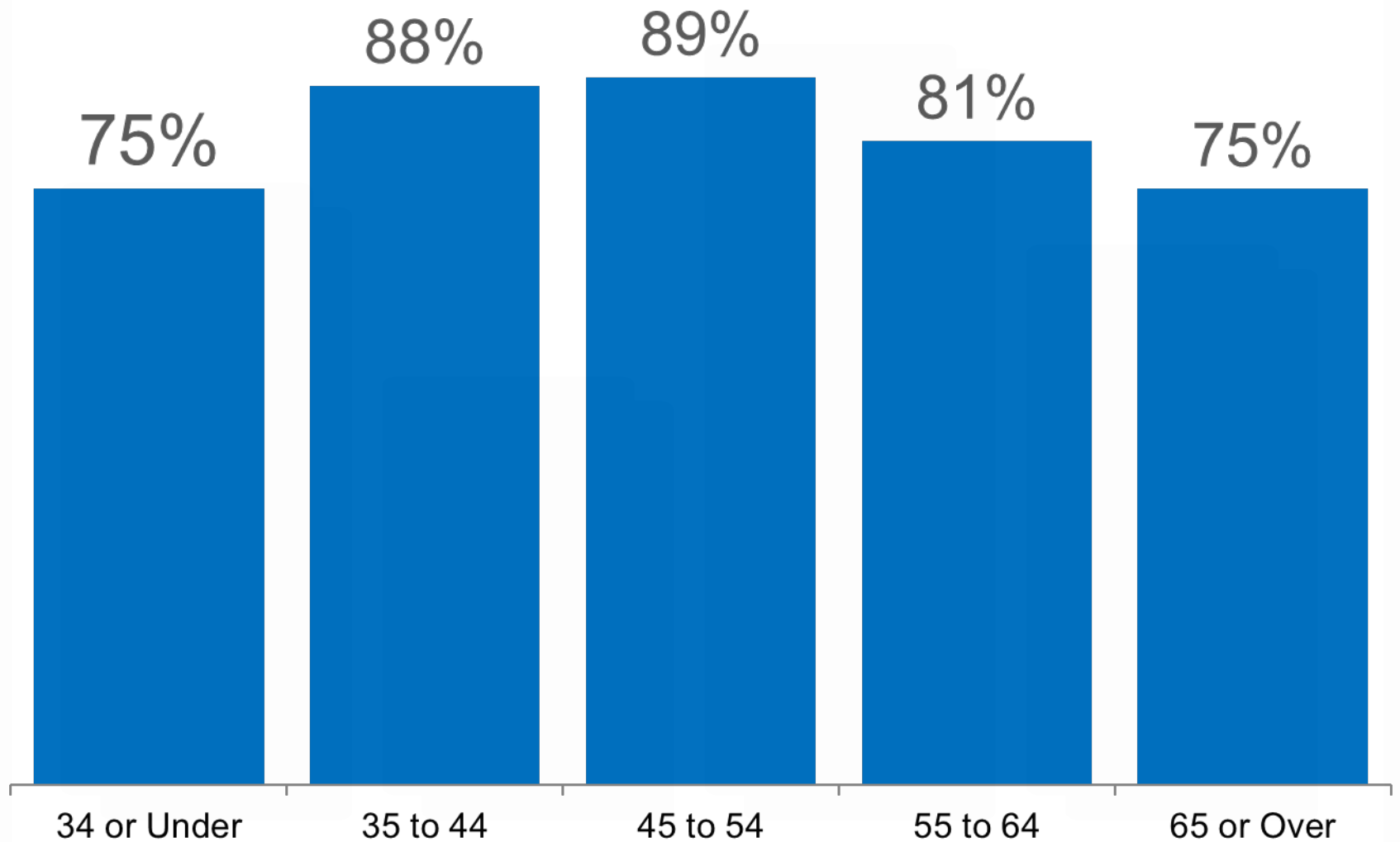


"The American Dream for most consumers is not a cramped, 500-square-foot condo in the middle of the city, but instead a larger home within close proximity to the entertainment and jobs an urban area provides."

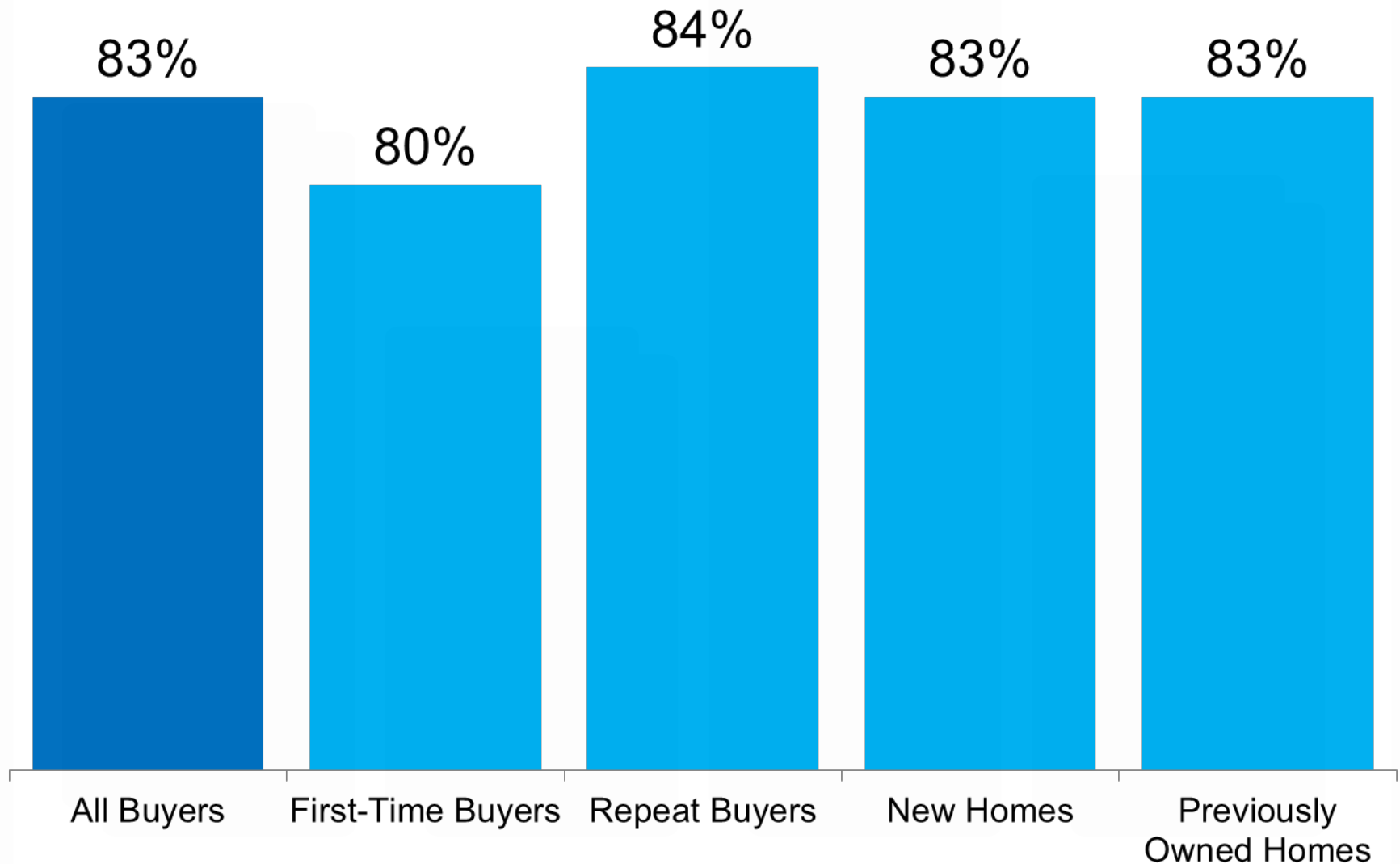


- Lawrence Yun
NAR's Chief Economist

Single Family Home Most Popular

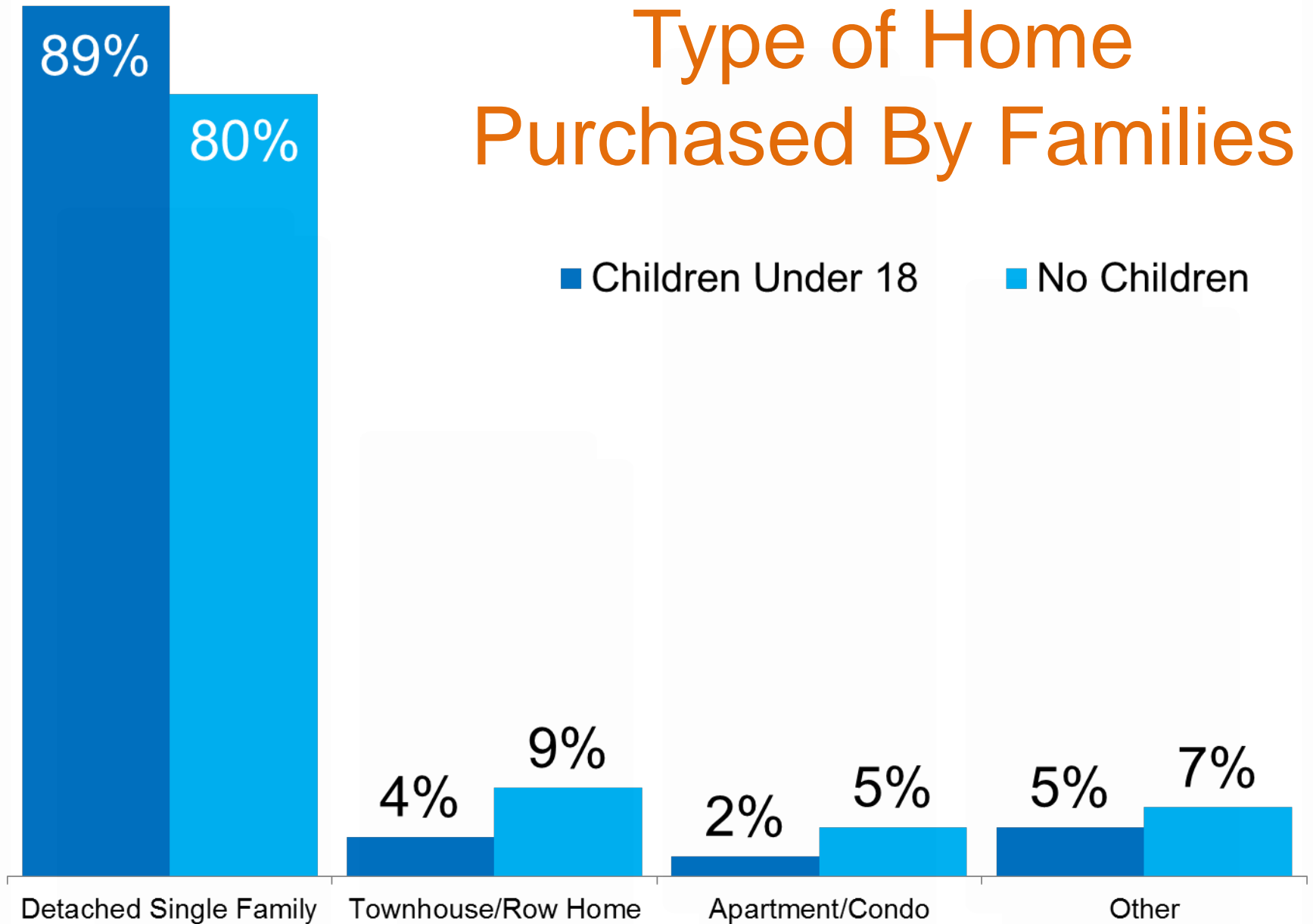


% of Single Family Residences Purchased in 2015



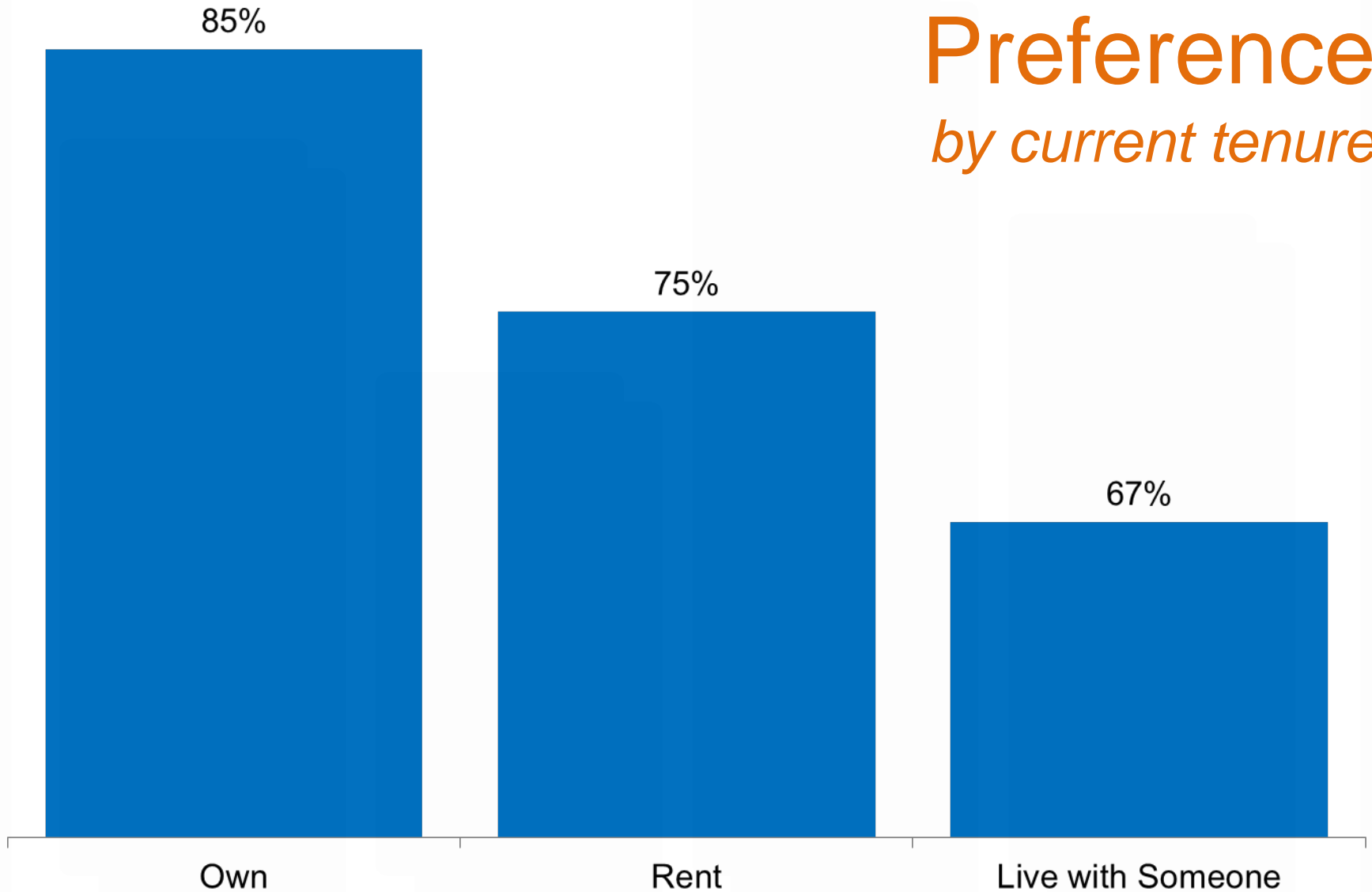
Type of Home Purchased By Families

■ Children Under 18 ■ No Children

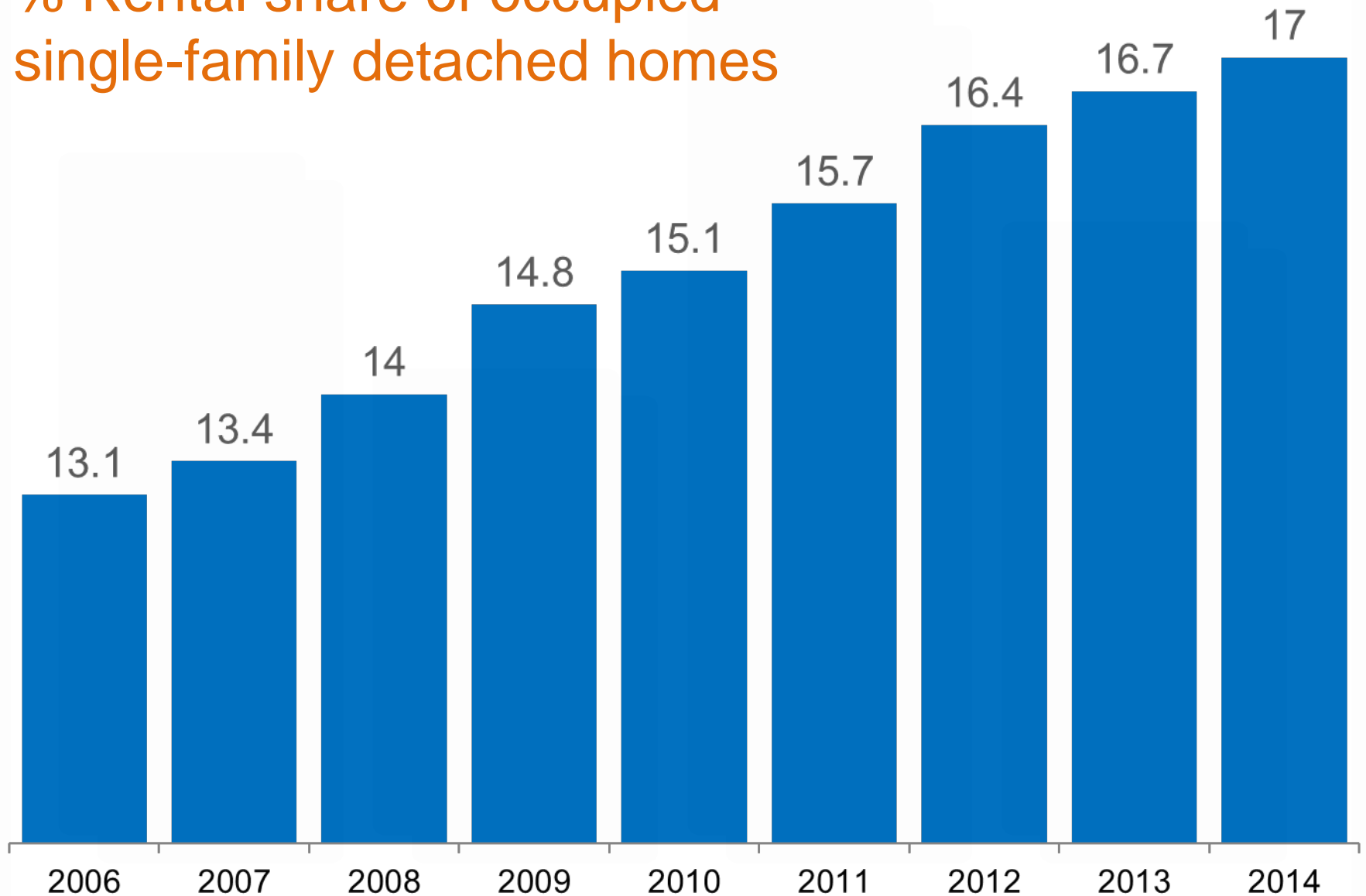


Single Family Home Preference

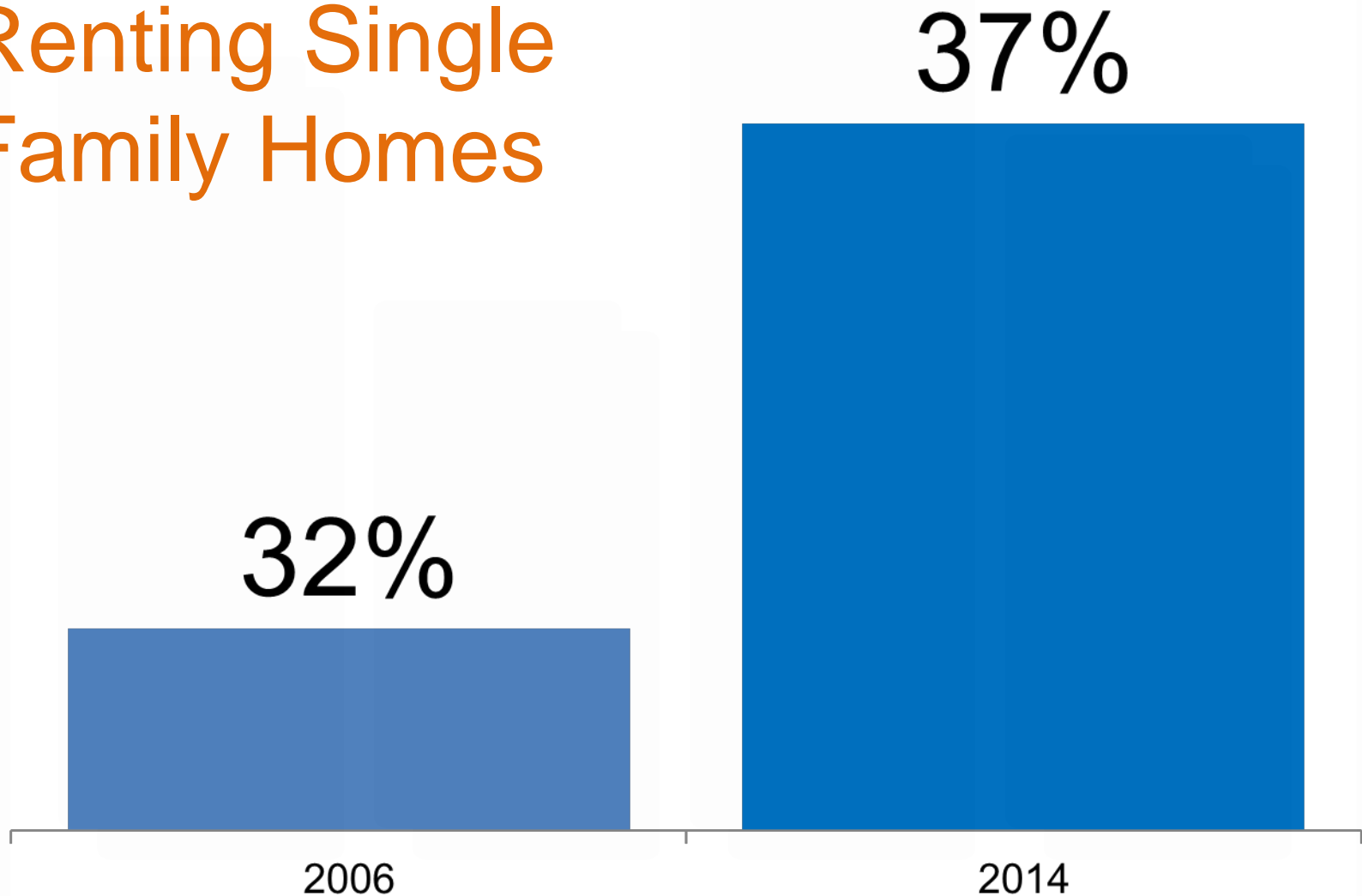
by current tenure



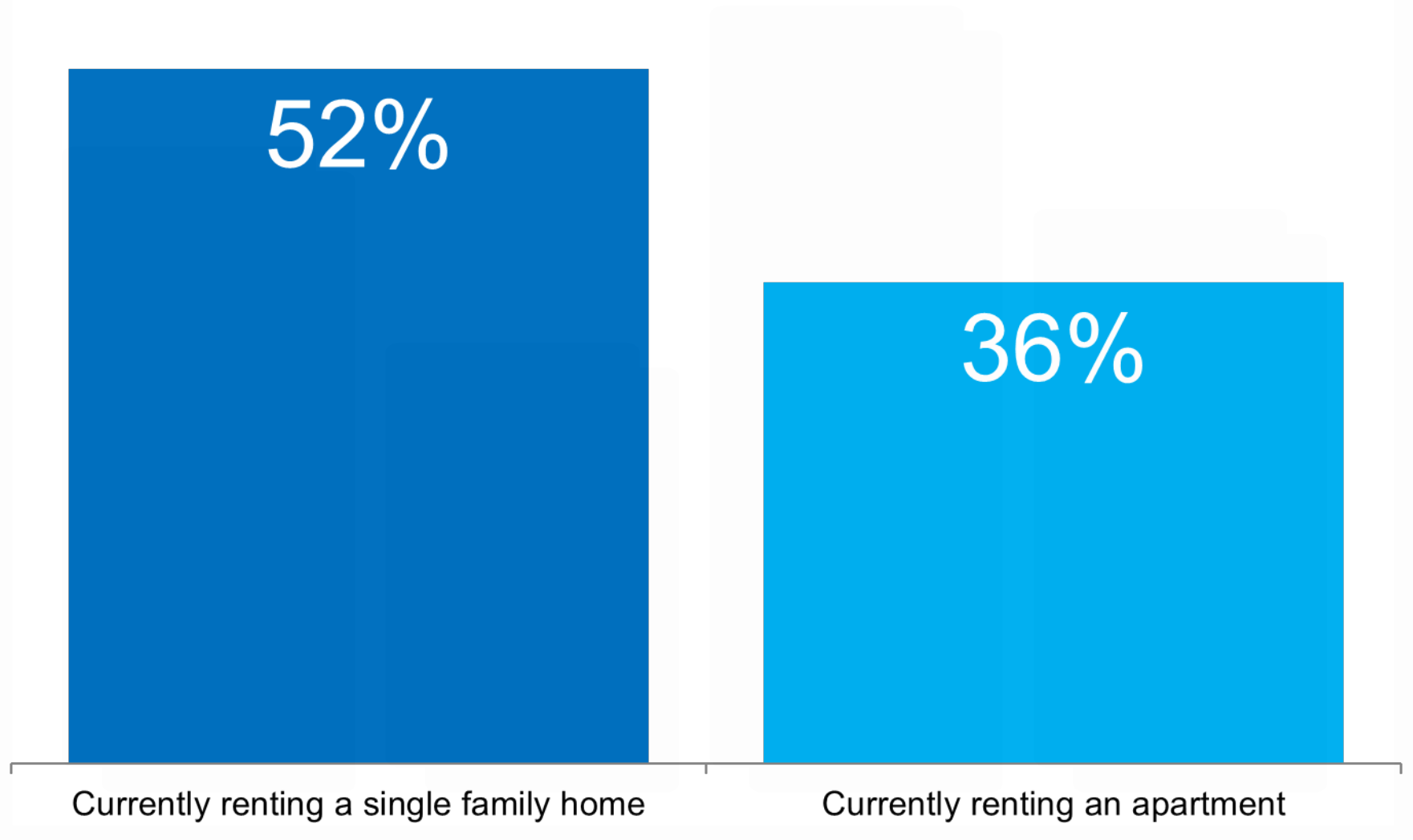
% Rental share of occupied single-family detached homes



Suburban Renters Renting Single Family Homes



Renters who say that they plan to purchase a home in the next three years...



"Investor sales have trended surprisingly higher in recent months after falling to as low as 12% of sales in August 2015.

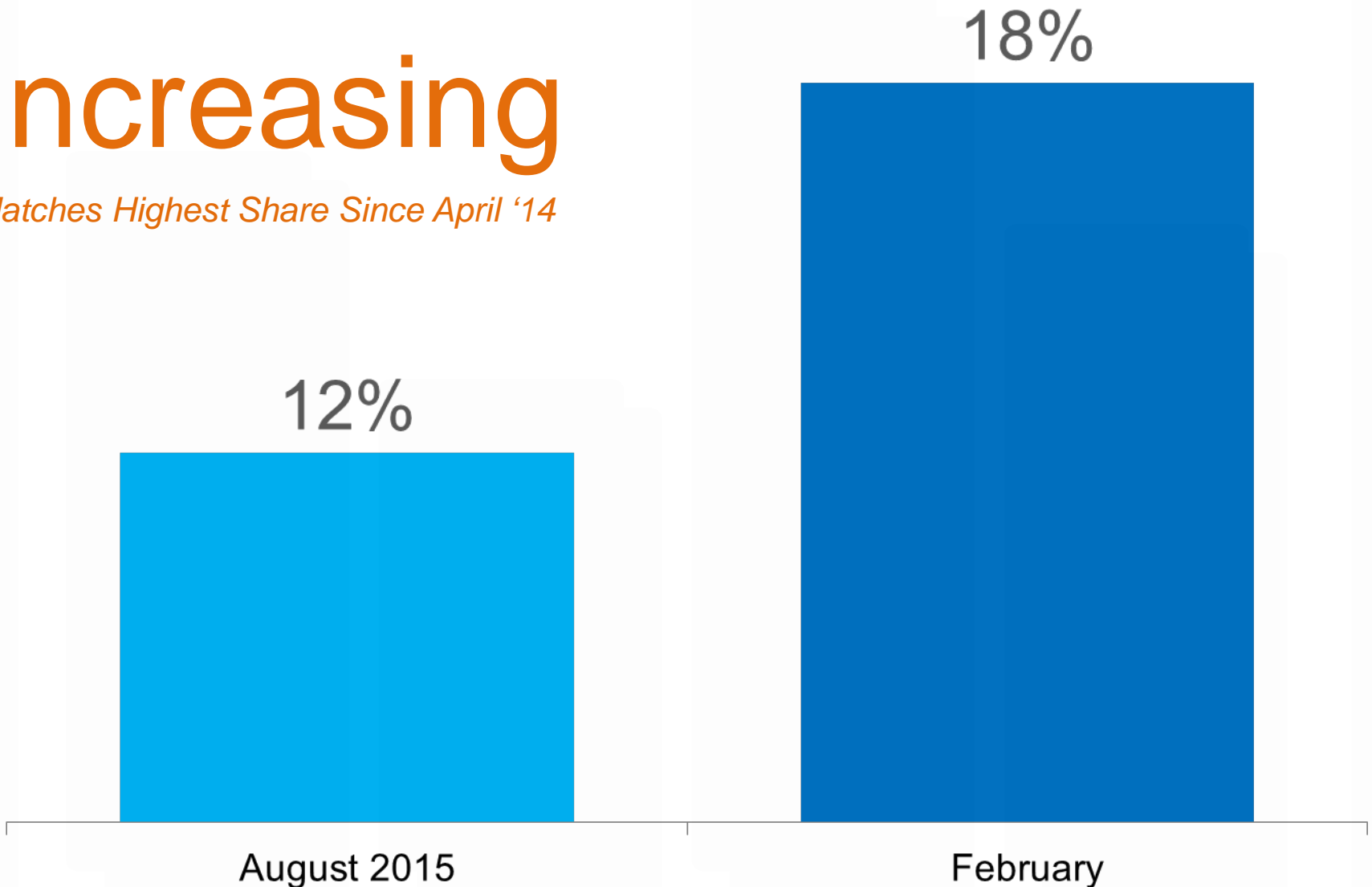
Now that there are fewer distressed homes available, it appears there's been a shift towards investors purchasing lower-priced homes and turning them into rentals."



- Lawrence Yun
NAR's Chief Economist

Investor Sales Increasing

Matches Highest Share Since April '14



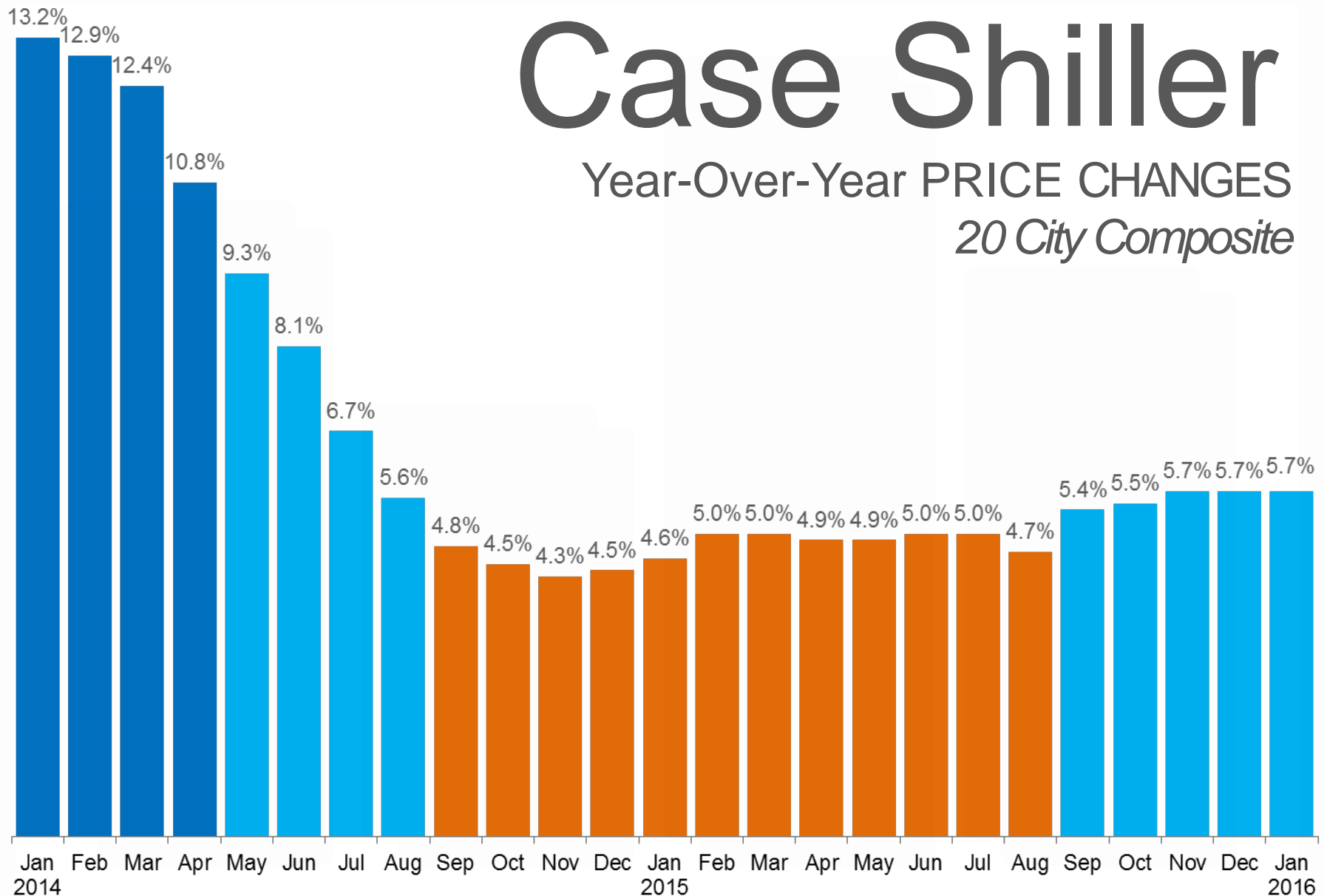
A puzzle of a US dollar bill, specifically the portrait of George Washington. Two red blocks are placed on the puzzle pieces. The text "Home Prices" is overlaid on the right side of the image.

Home Prices

Case Shiller

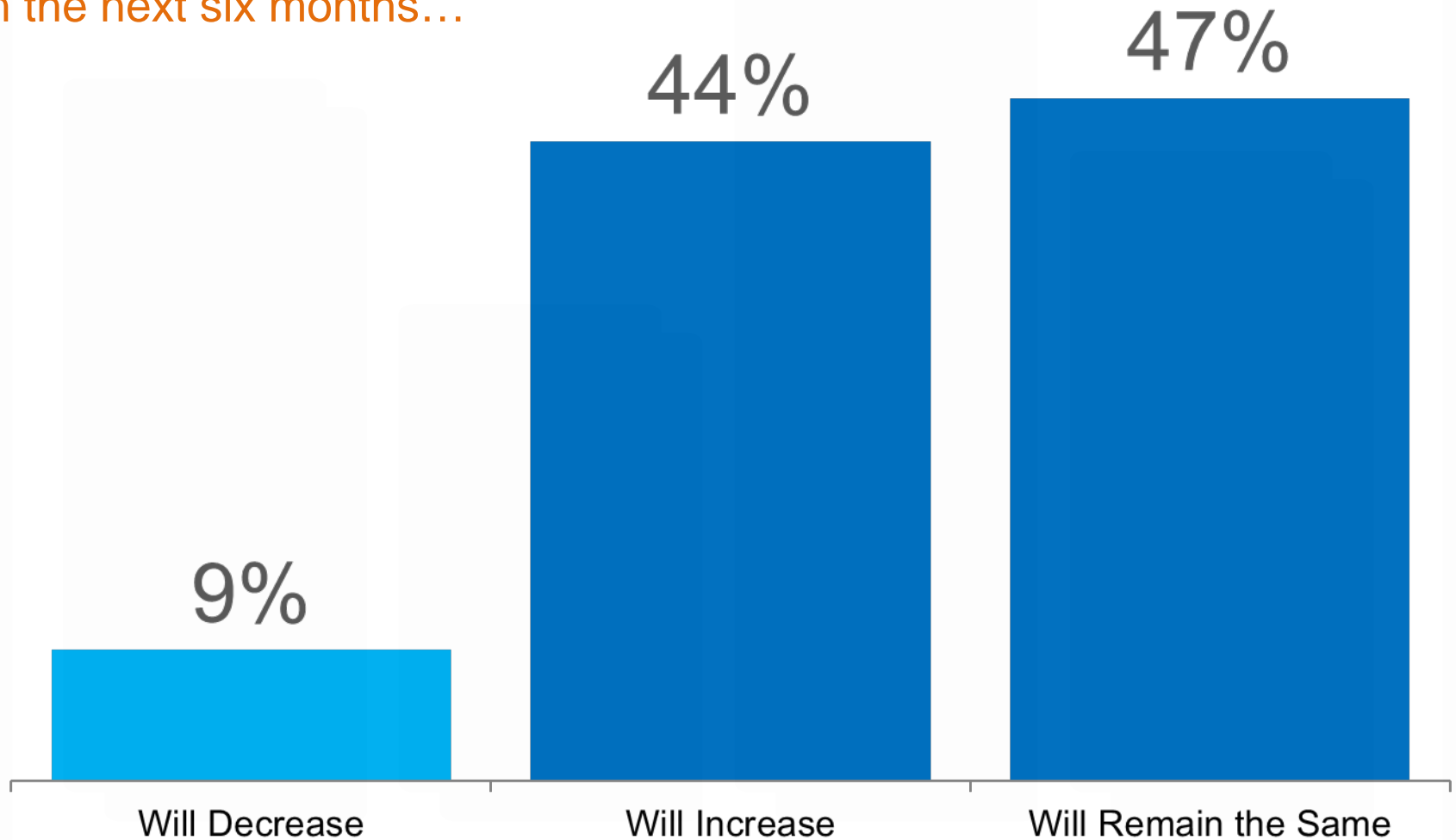
Year-Over-Year PRICE CHANGES

20 City Composite

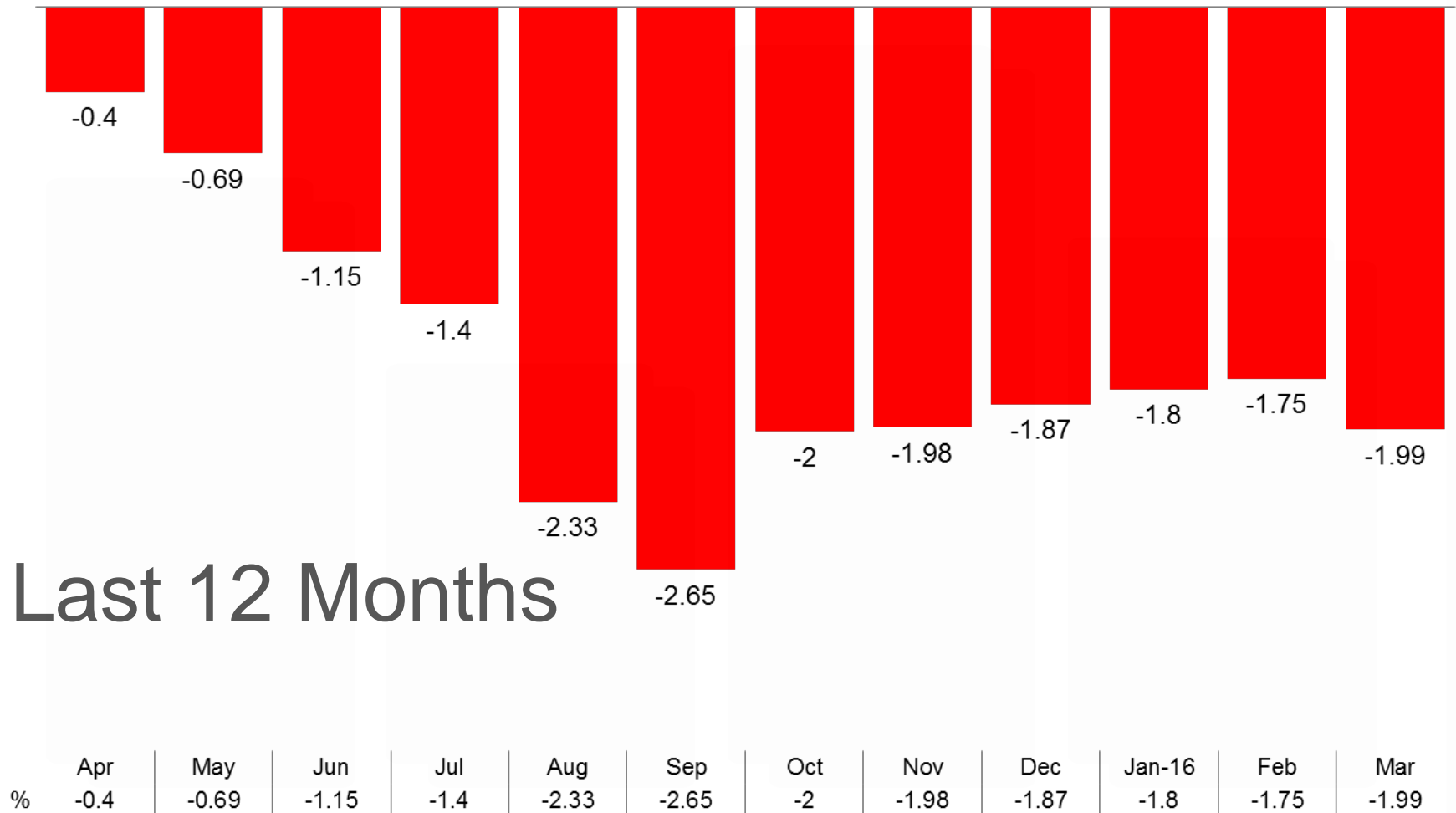


Home Prices

in the next six months...



Appraiser Home Value Opinions Compared to Homeowner Estimates



Is another
HOUSING
BUBBLE
starting to form?



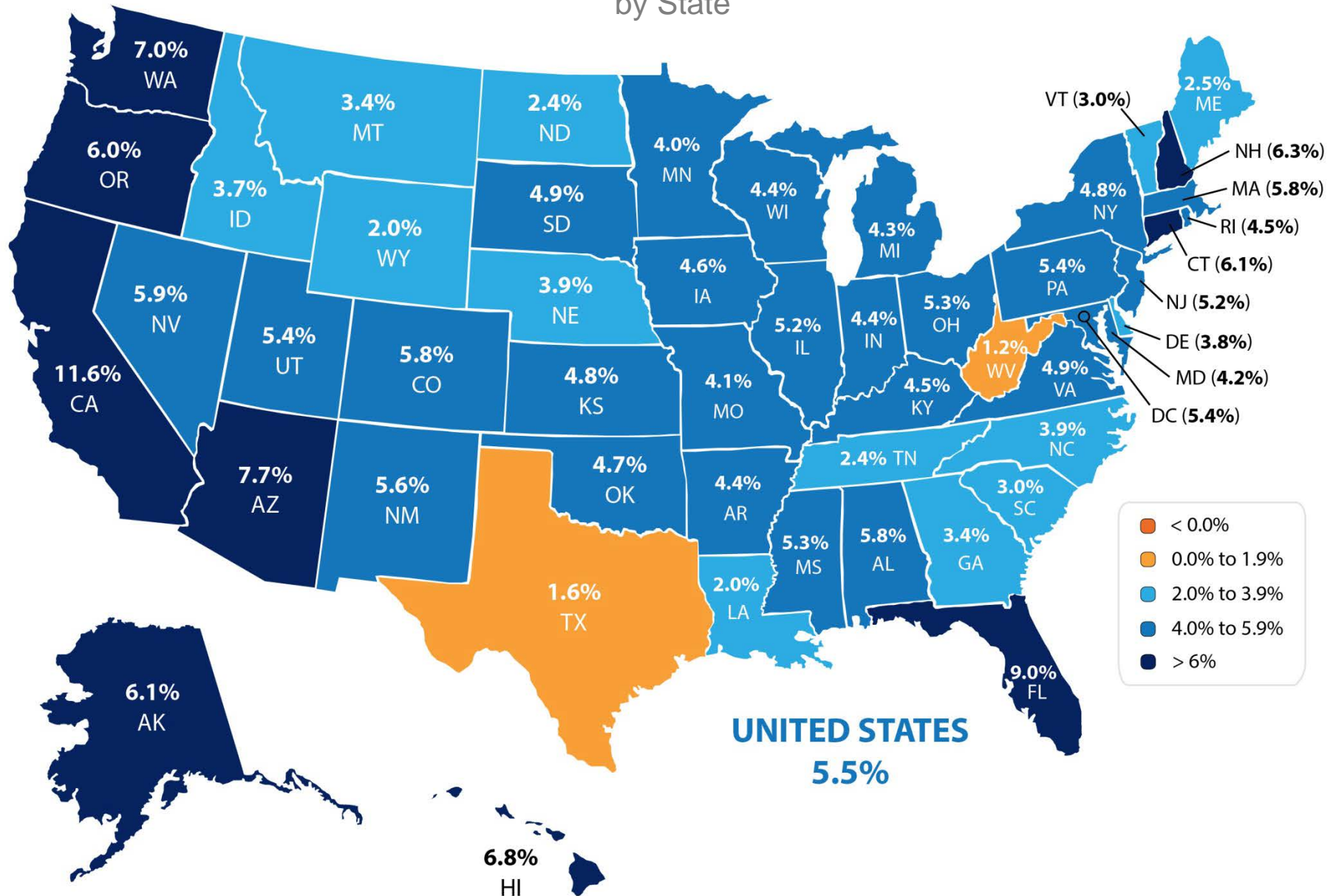
Are We Entering A New Housing Bubble?

Are We Heading Toward Another Housing Bubble?

Housing Bubble 2.0: Here's Why

Is America Facing Another Real Estate Bubble?

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



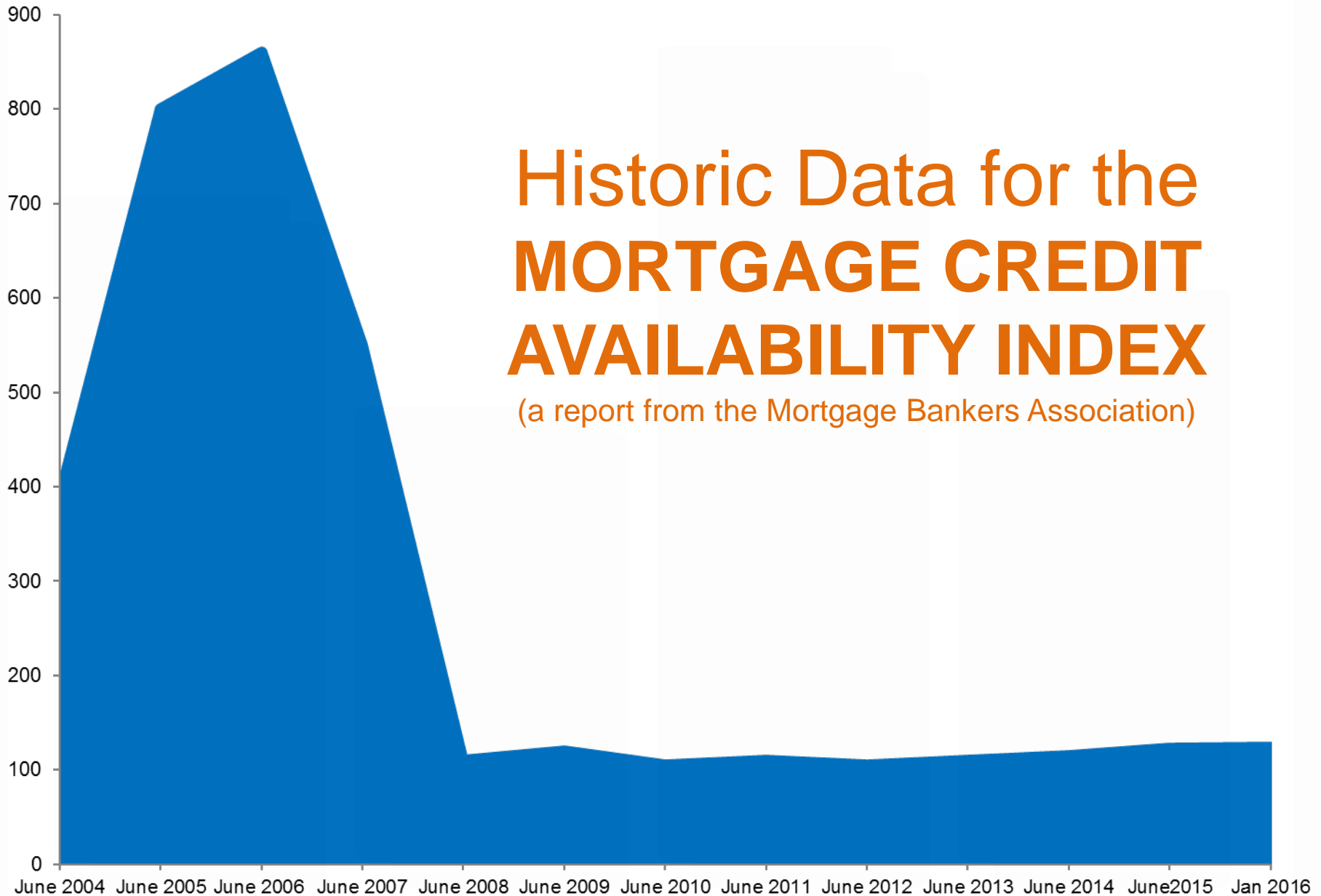
"Even though the credit conditions appear to be easing somewhat, the move is from overly stringent conditions to not-so-overly-stringent conditions. It is a far-fetched view to imply the current mortgage approval process in any way resembles the loosey-goosey, easy subprime mortgage access conditions of a decade ago."



- Lawrence Yun
NAR's Chief Economist

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

(a report from the Mortgage Bankers Association)



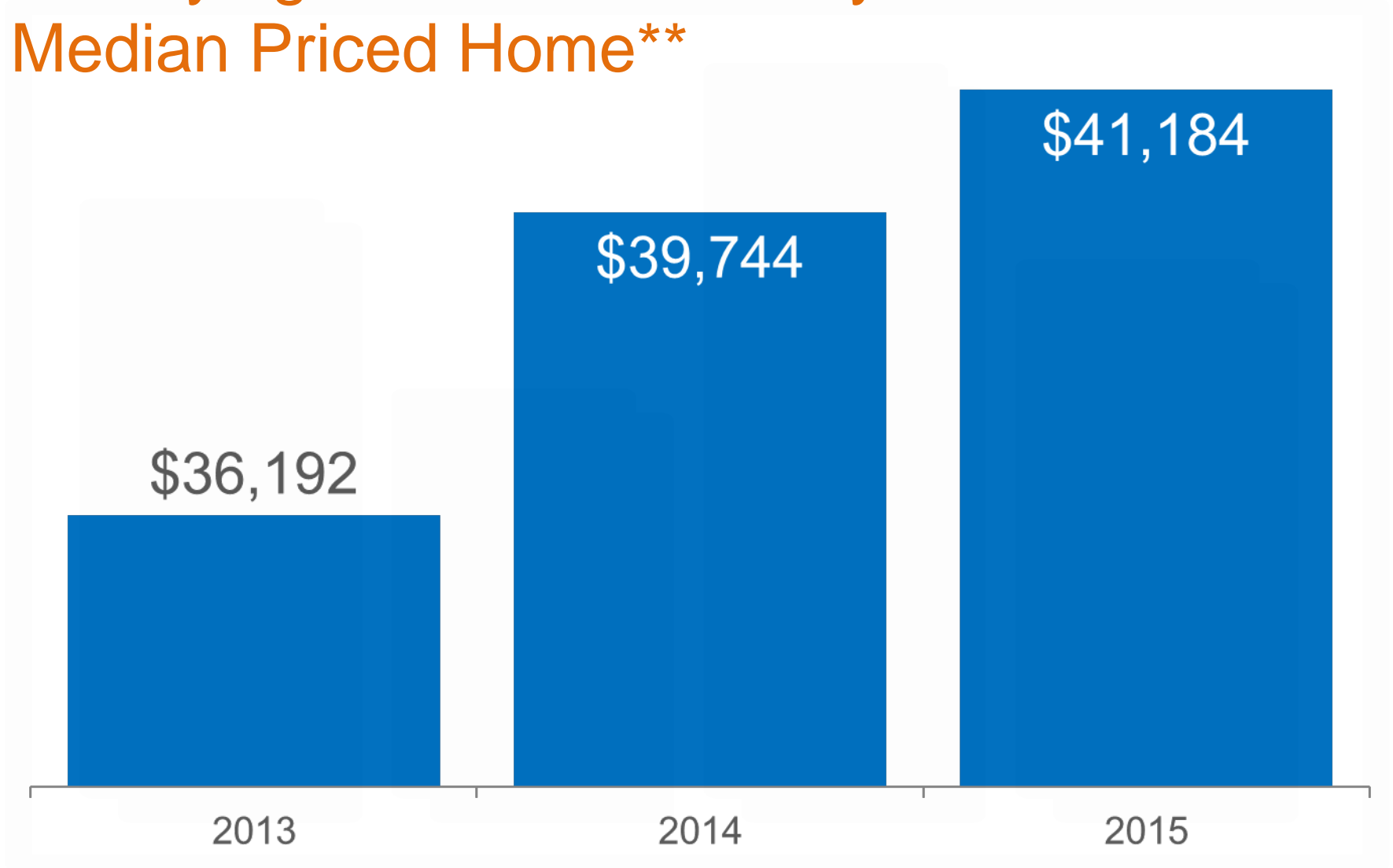
“For someone making a 20% down payment, the monthly mortgage payment at today’s mortgage rates would take up 15% of a person’s gross income. During the bubble years, it was reaching 25% of income. The long-term historical average is around 20%.



Therefore, a middle-income household does not need to overstretch their budget much if at all to buy a typical home."

- Lawrence Yun
NAR's Chief Economist

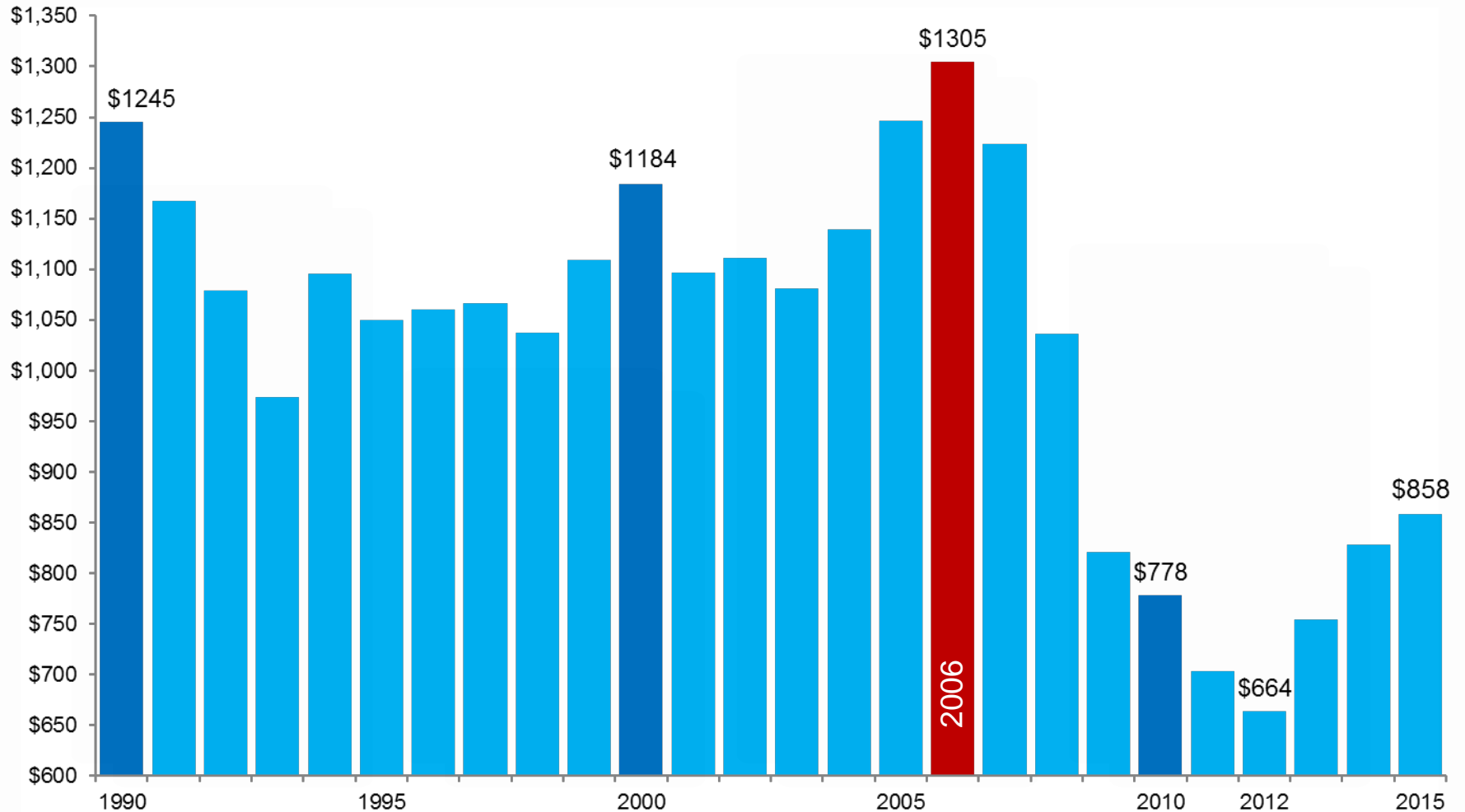
Qualifying Income Necessary to Purchase Median Priced Home**



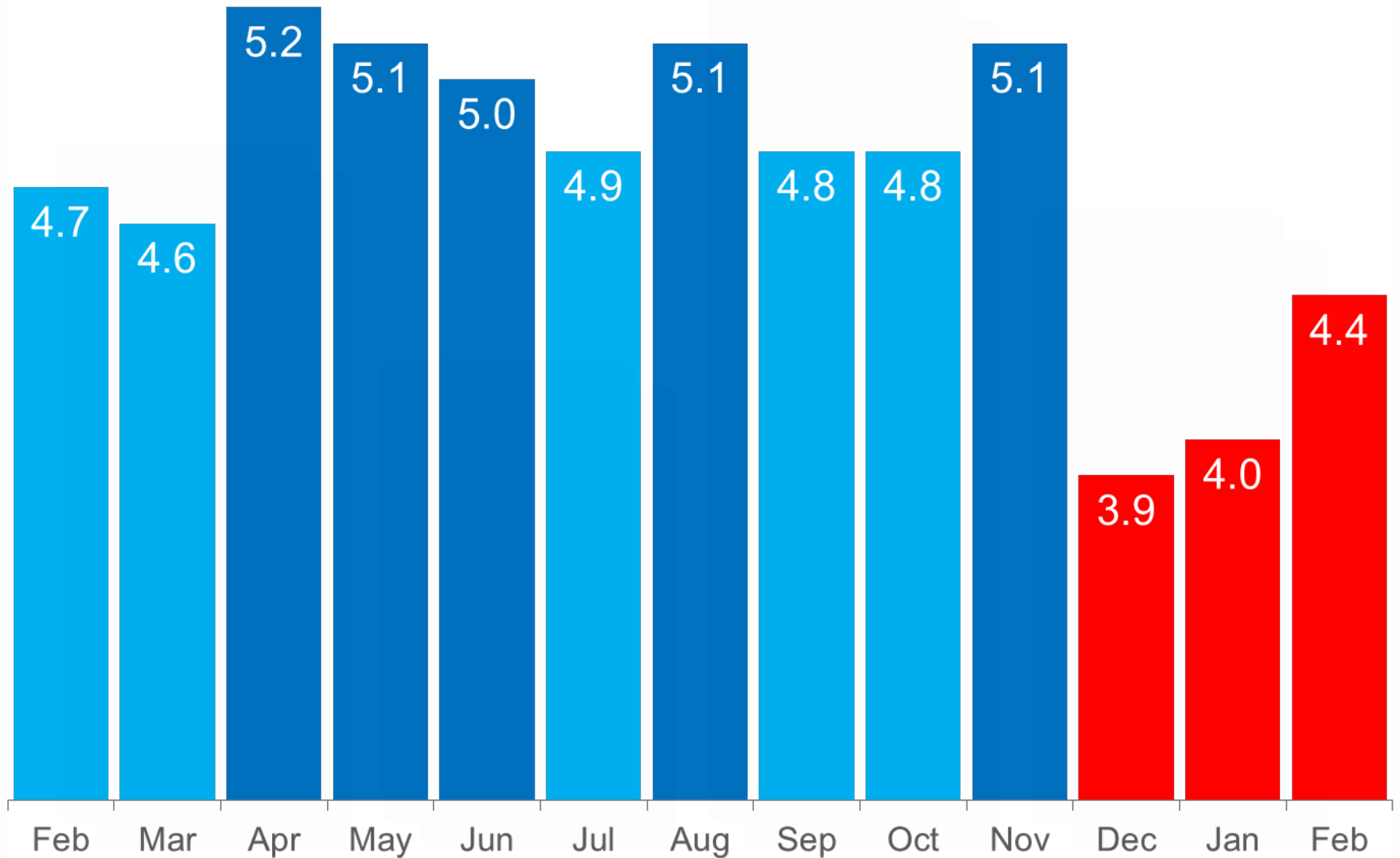
**Based on a 25% qualifying ratio for monthly housing expense to gross monthly income with a 20% down payment.

Monthly Mortgage Payment

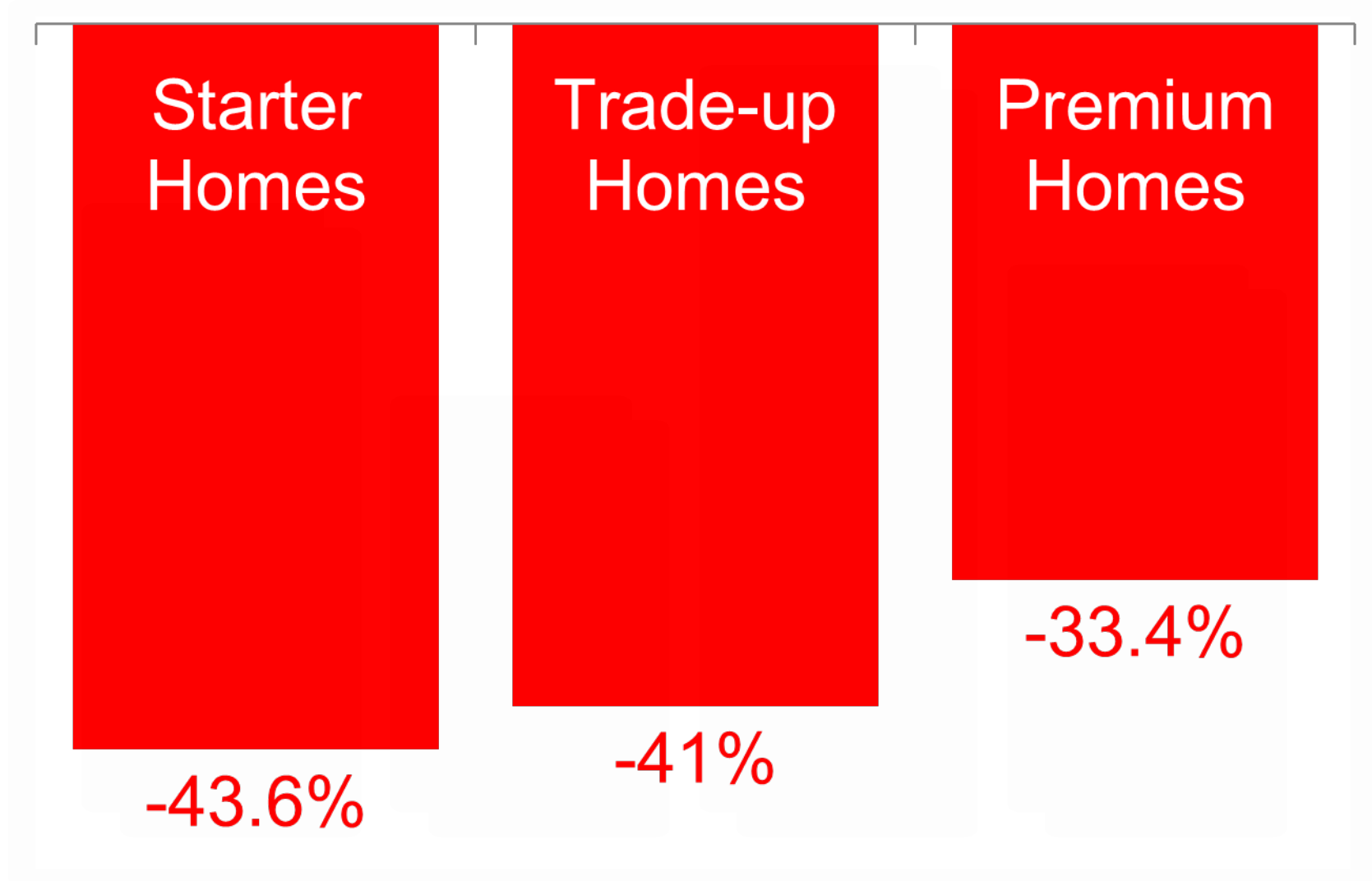
on Median Priced Home in the U.S. 1990–2015



Months Inventory of HOMES FOR SALE



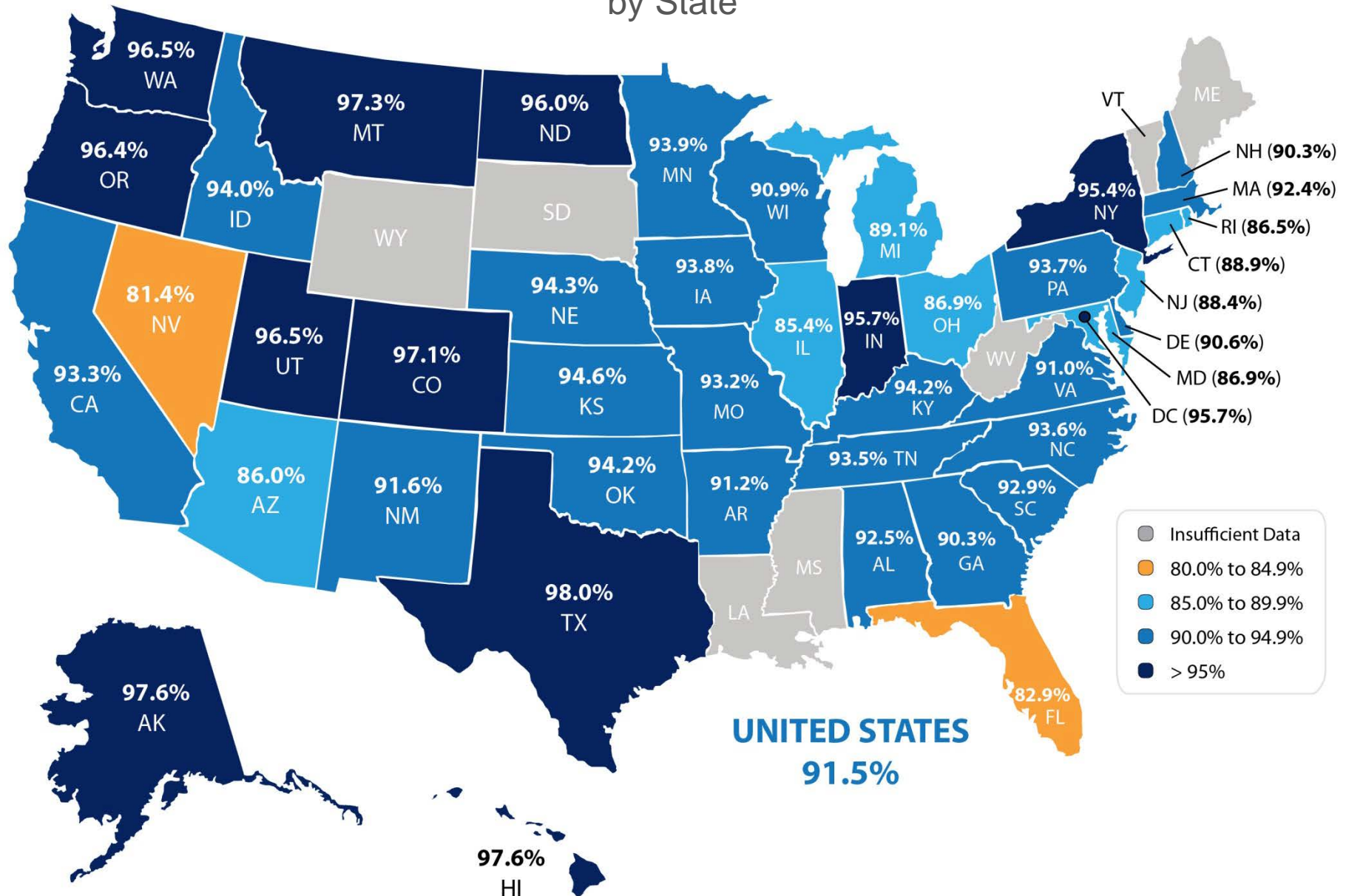
Drop-off in Housing Inventory over the Last 4 Years



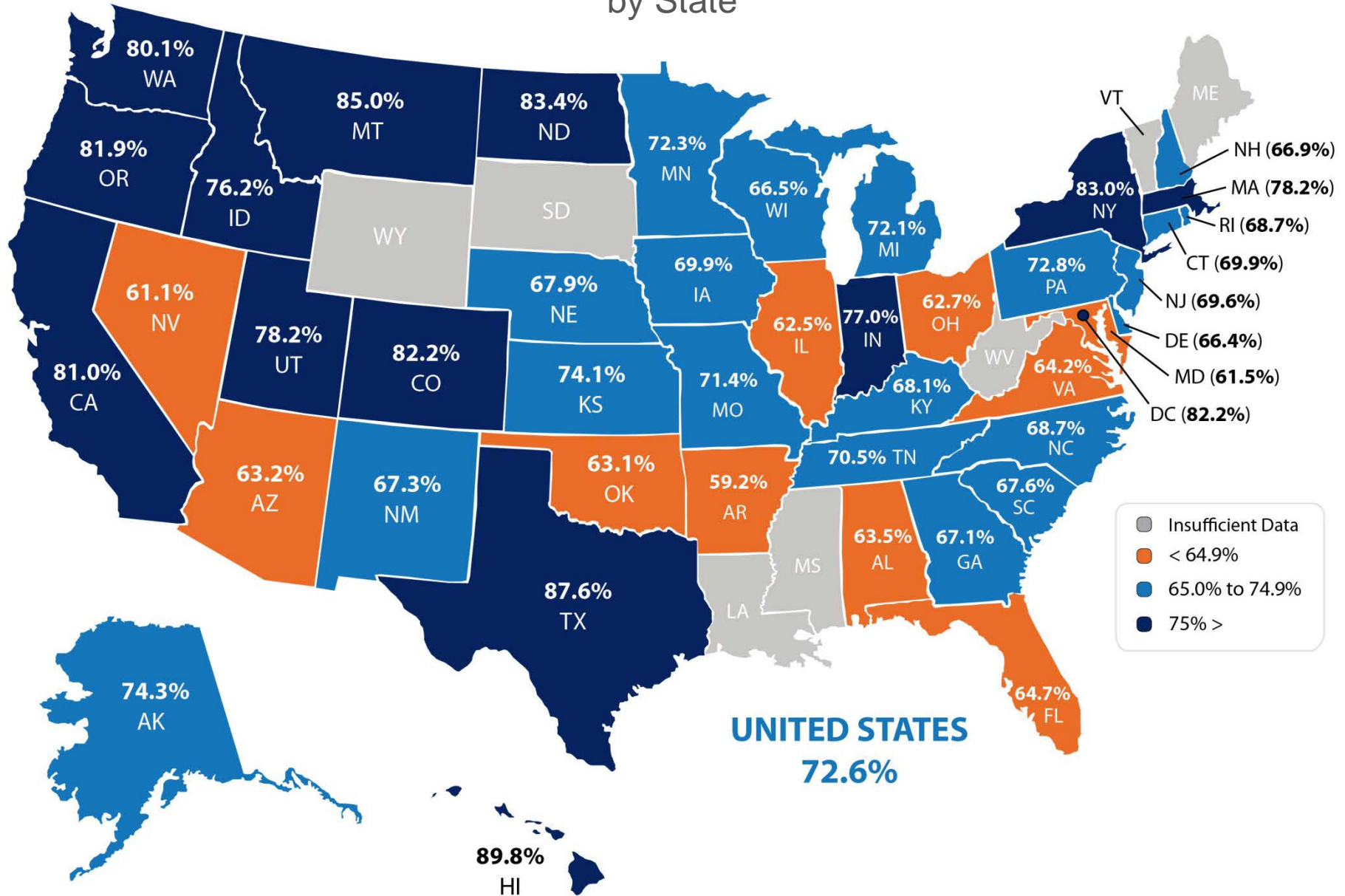
Professional Equity Analysis Review



Percentage of Homes with Positive Equity by State



Percentage of Homes with Significant Equity by State



Significant Equity (>20%)

Perceived/Actual

37%

% who believe they have > than 20% equity

72.6%

% who actually have > 20% equity

INTEREST RATES



Mortgage Rate Projections

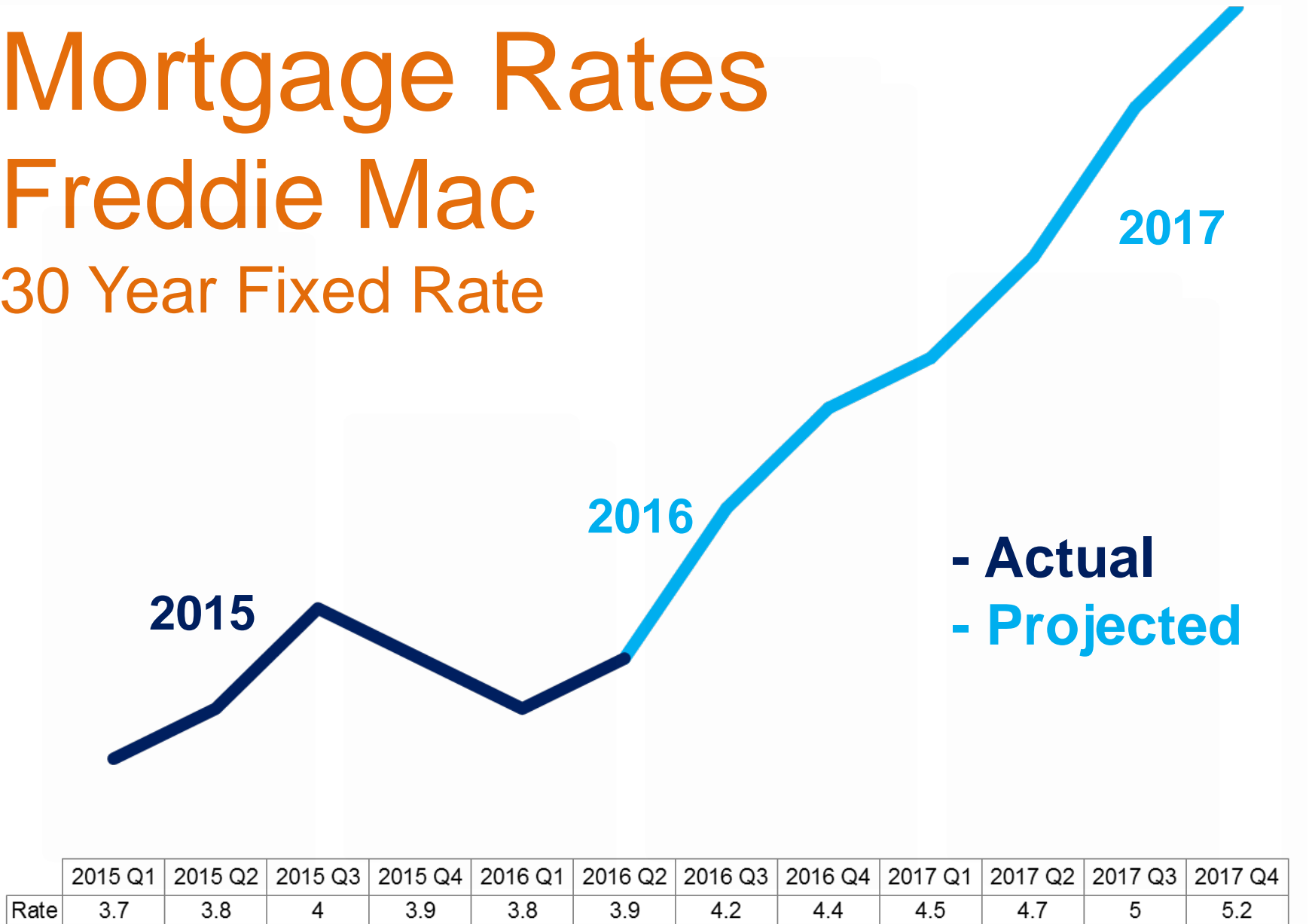


Quarter	Fannie Mae	Freddie Mac	MBA	NAR	Average of all four
2016 2Q	3.6	3.9	4.0	3.9	3.85
2016 3Q	3.7	4.2	4.1	4.1	4.03
2016 4Q	3.7	4.4	4.3	4.3	4.18
2017 1Q	3.7	4.5	4.4	4.5	4.28

Mortgage Rates

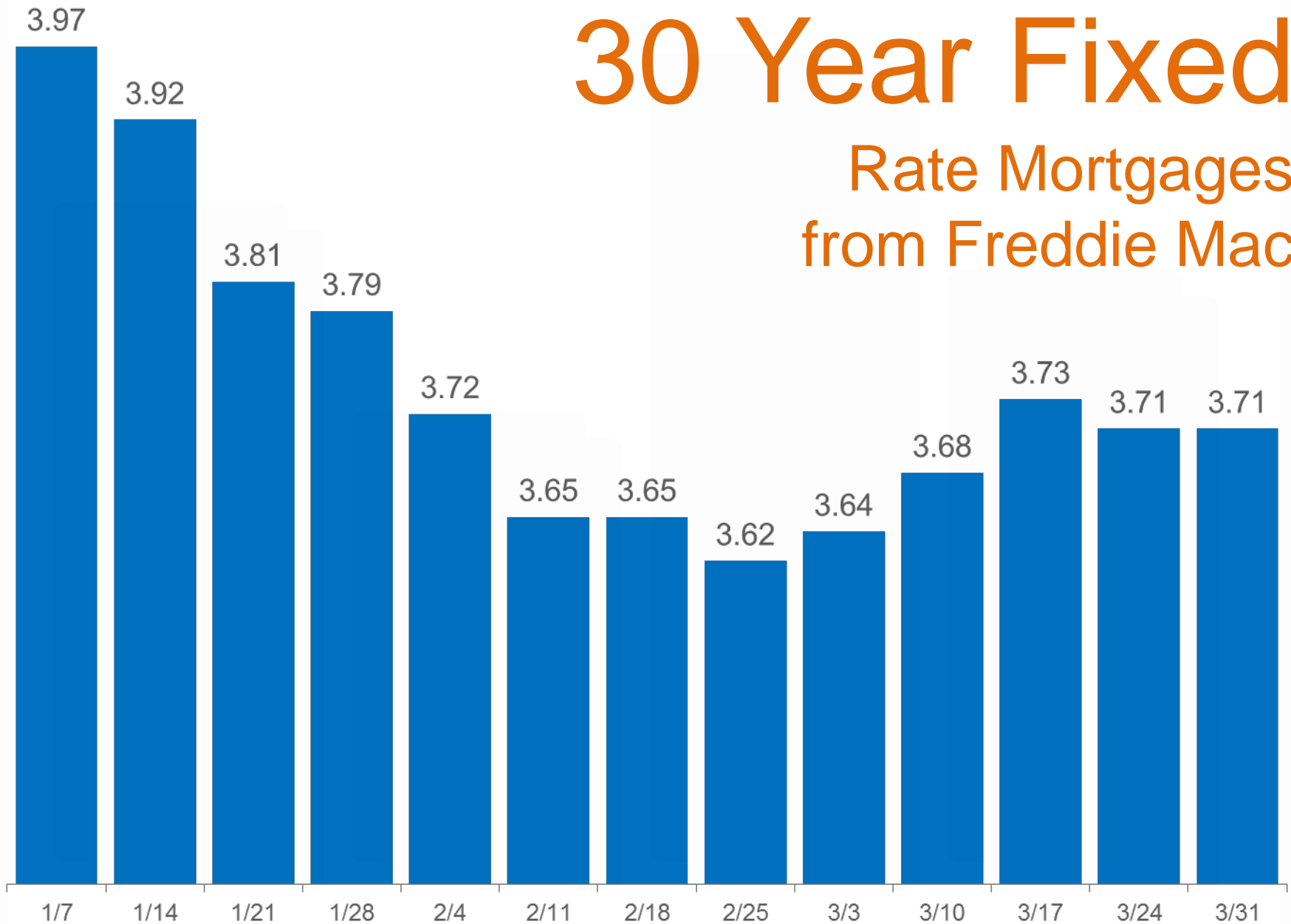
Freddie Mac

30 Year Fixed Rate



30 Year Fixed

Rate Mortgages
from Freddie Mac



“As an industry, we have to drive a stake through a few stubborn myths that are draining life out of the market.

These familiar myths lead potential buyers to overestimate the credit, income and down payment savings they need for an affordable mortgage.”



- Danny Gardner
VP, Freddie Mac

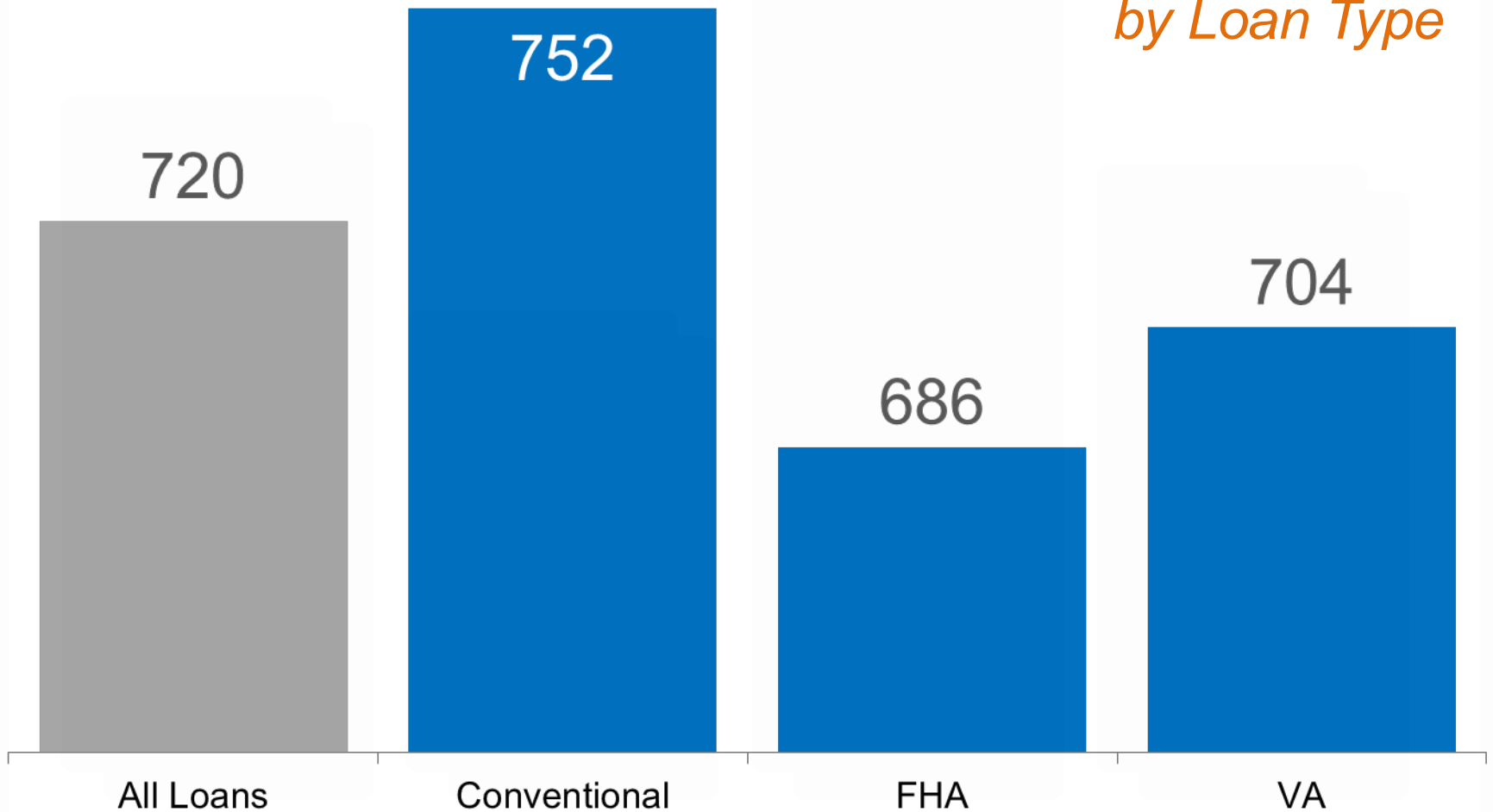
FICO Score Requirements

Last 12 months



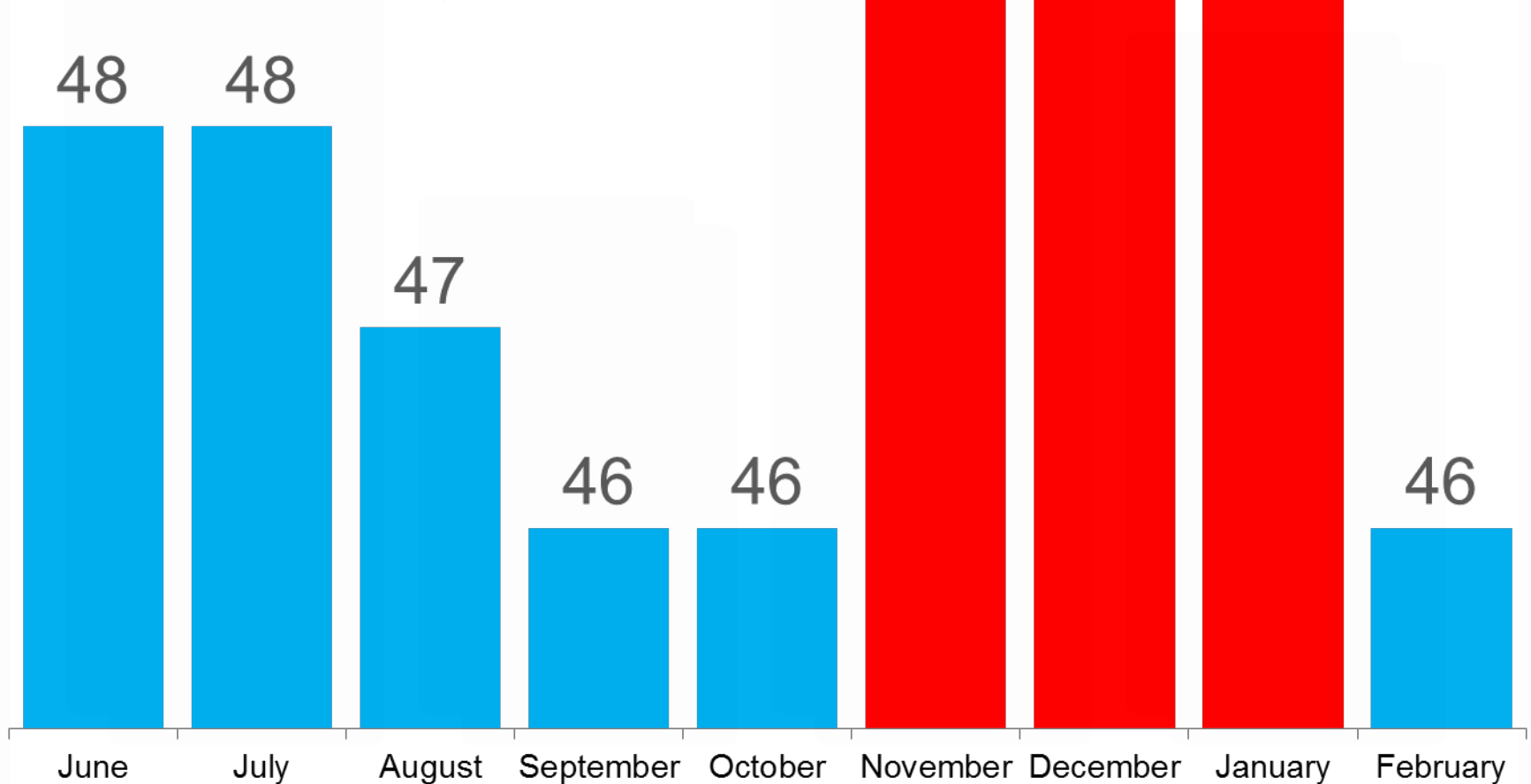
Average FICO Score

for Closed Purchase Loans
by Loan Type



Average Days To Close A Loan

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

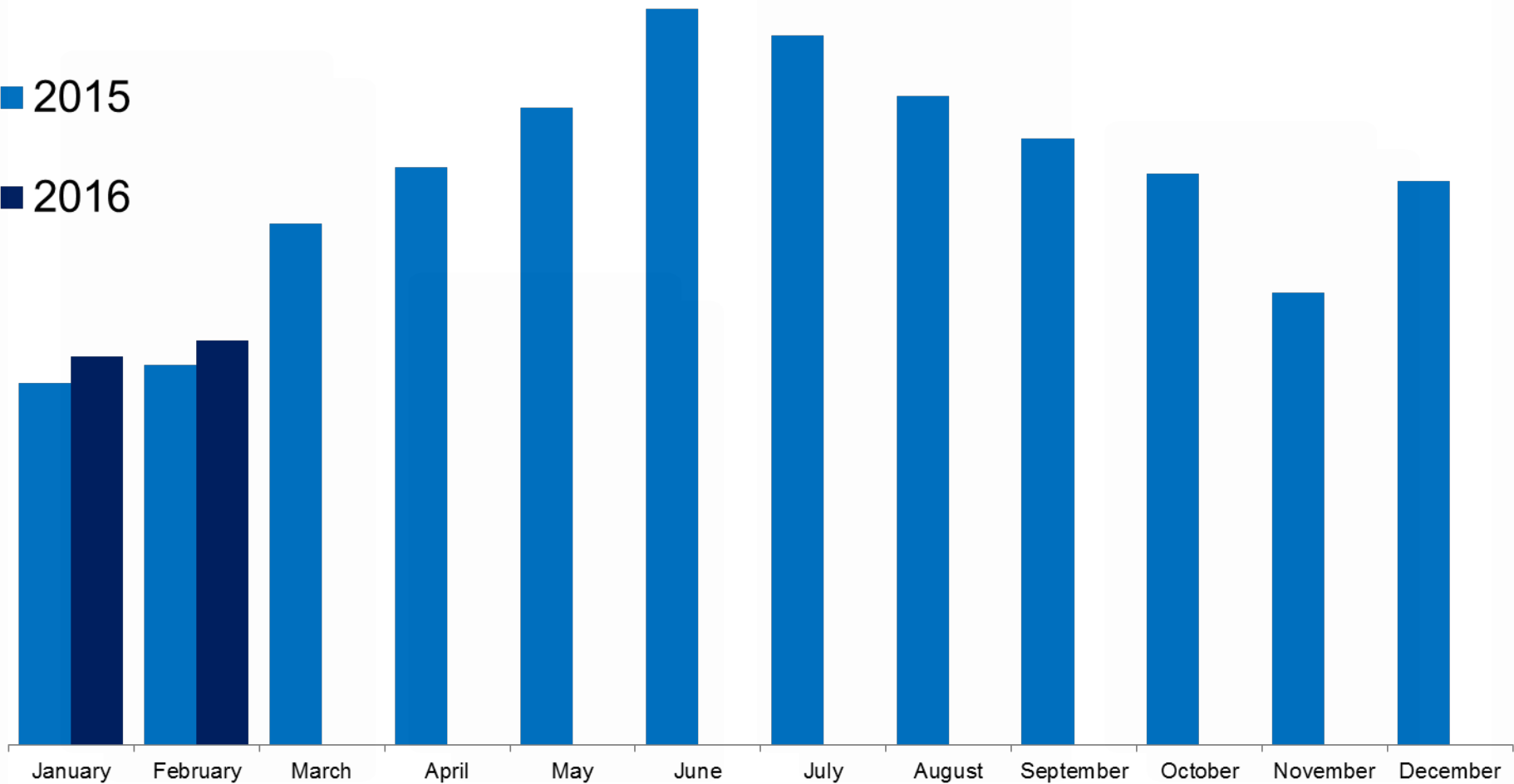


Existing Home Sales

in thousands

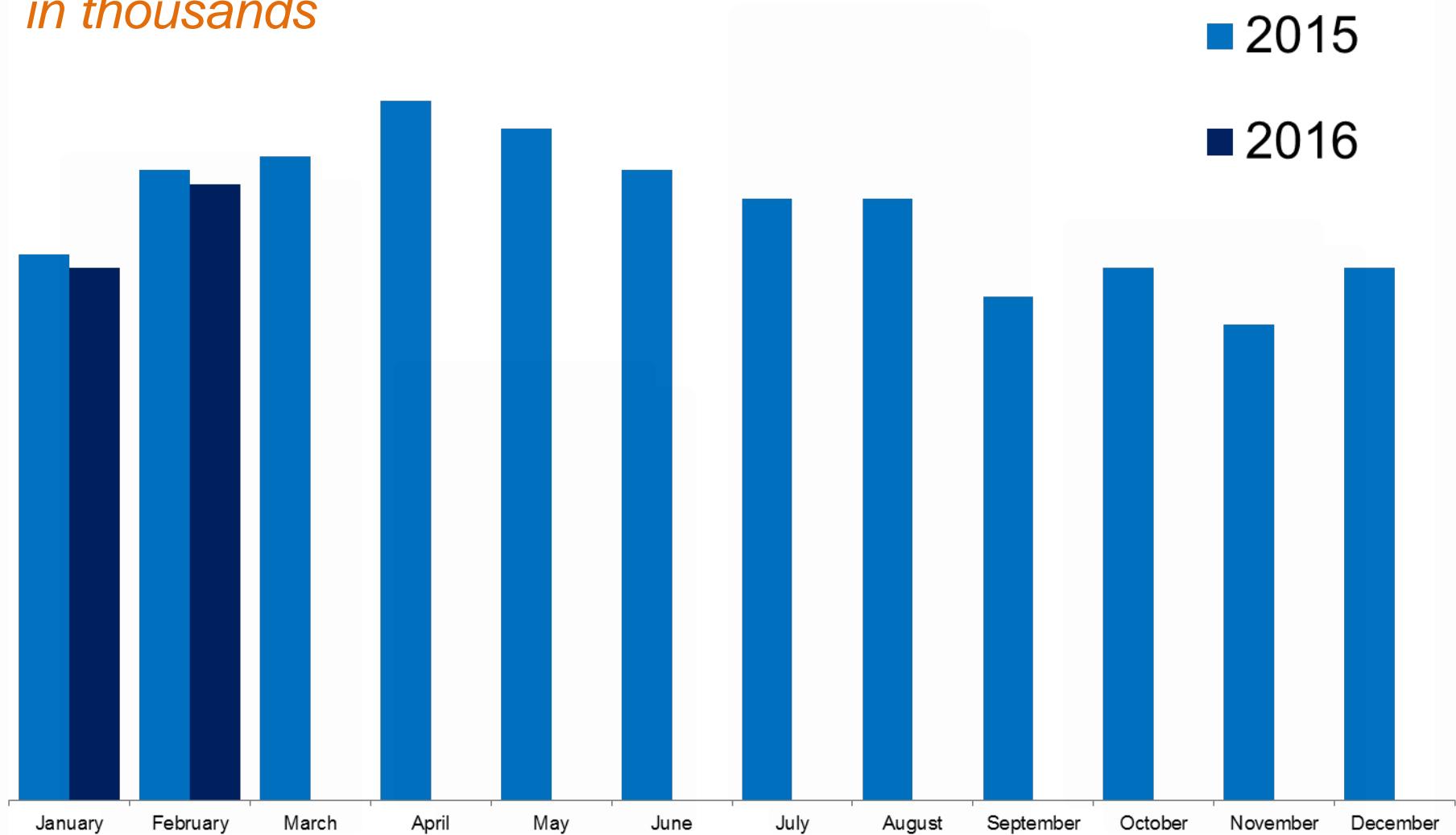
■ 2015

■ 2016



New Home Sales

in thousands



EXISTING Home Sales



Since January 2014

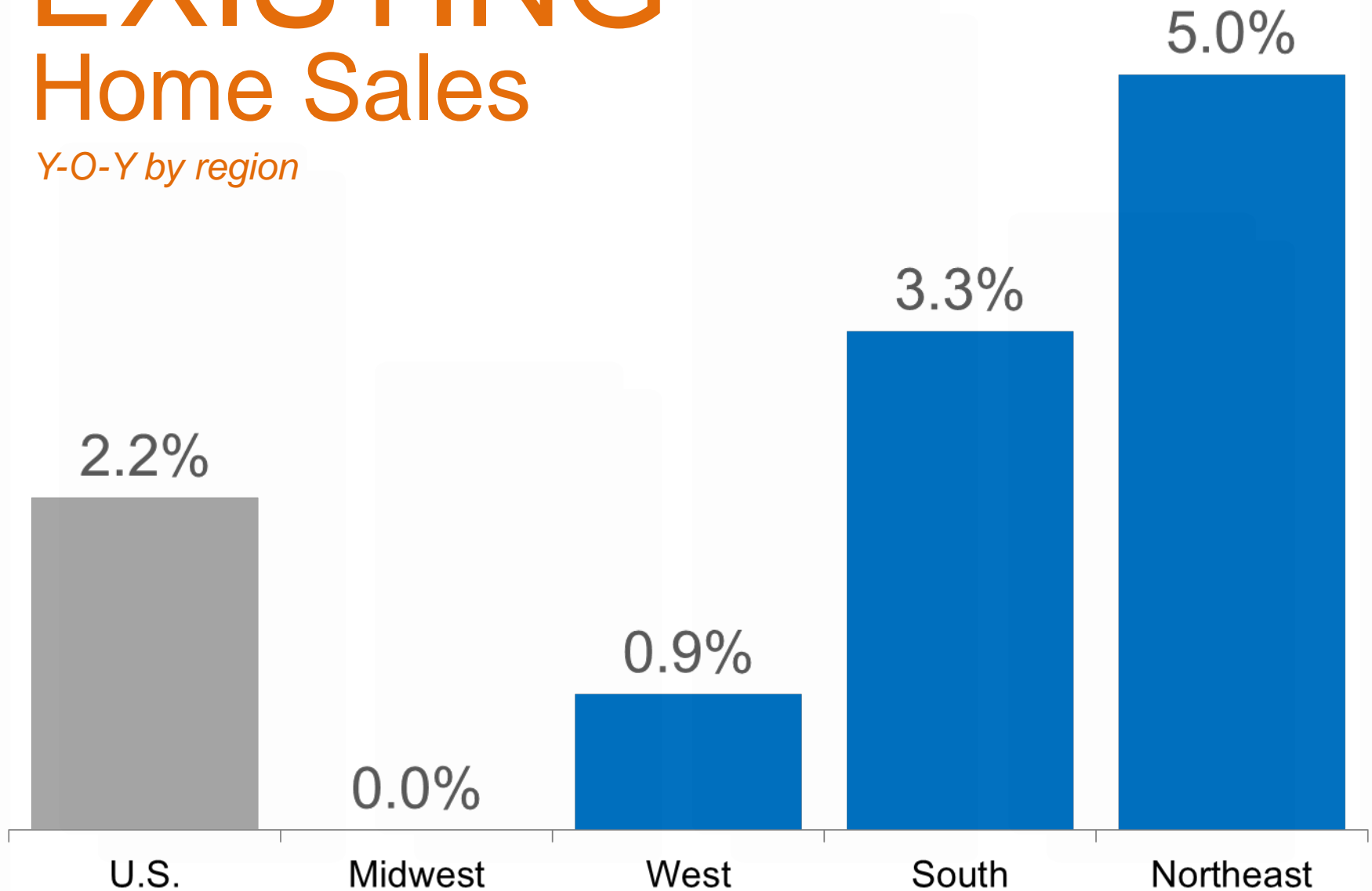
EXISTING Home Sales

Since January 2012



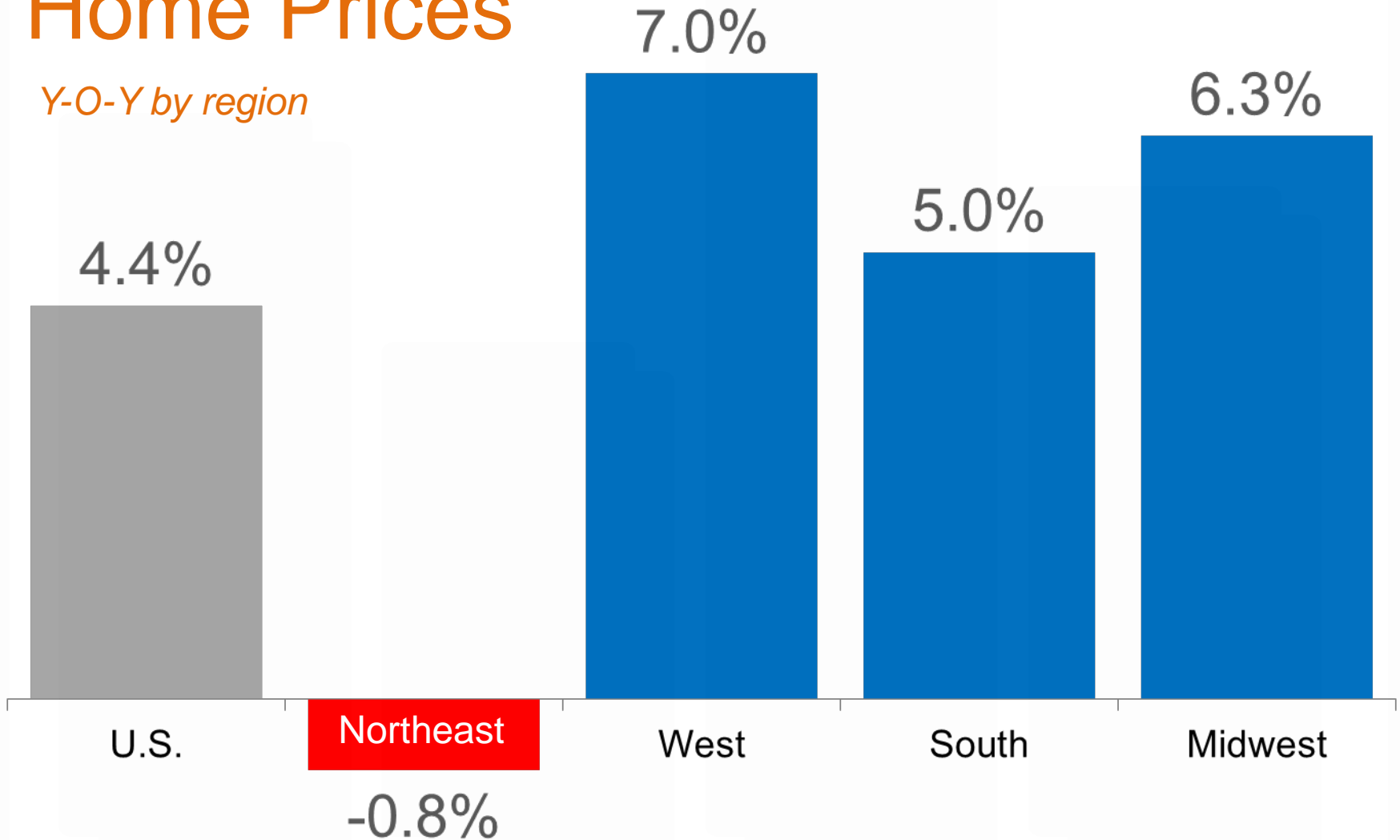
EXISTING Home Sales

Y-O-Y by region

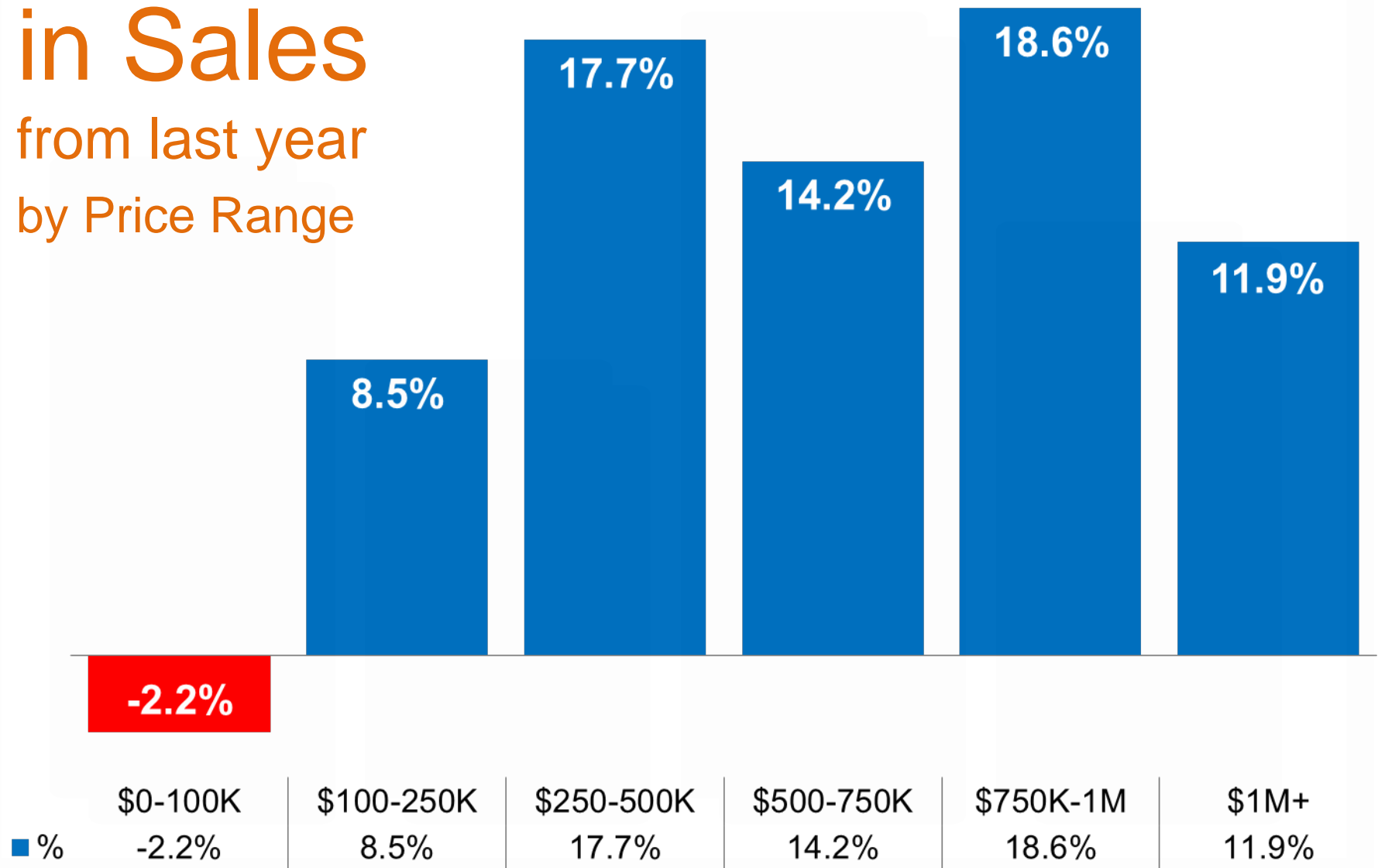


EXISTING Home Prices

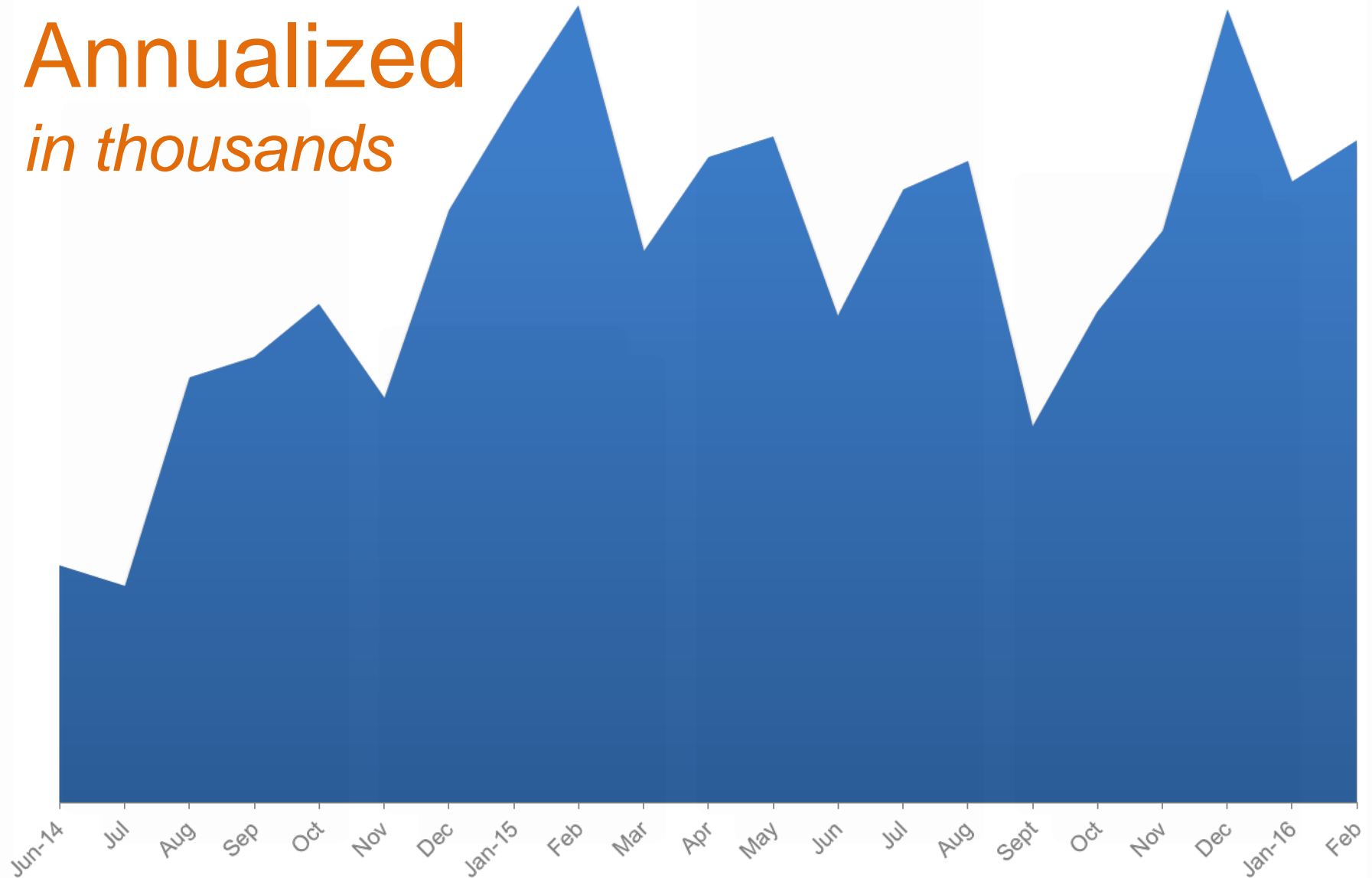
Y-O-Y by region



% Change in Sales from last year by Price Range

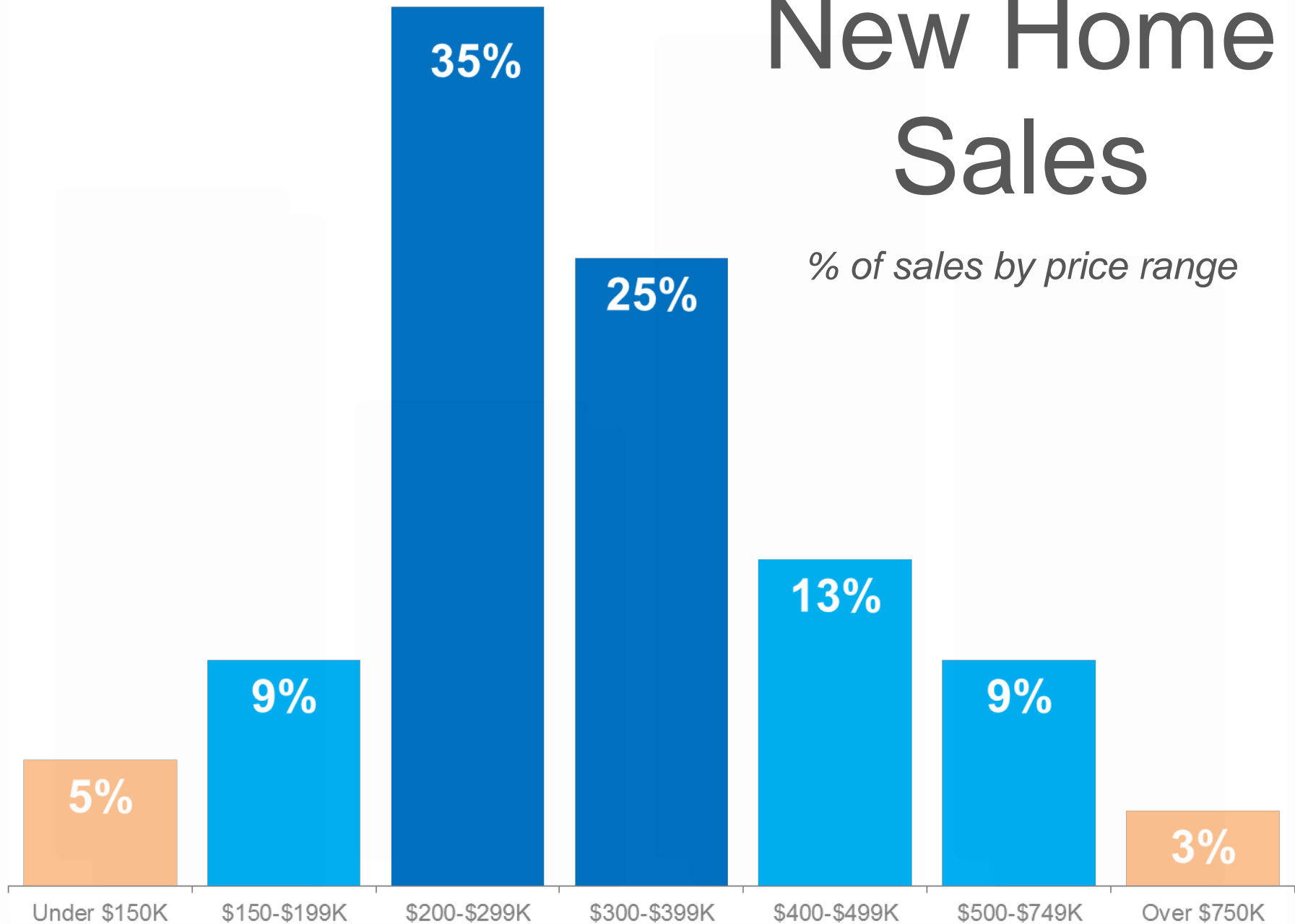


New Home Sales Annualized *in thousands*



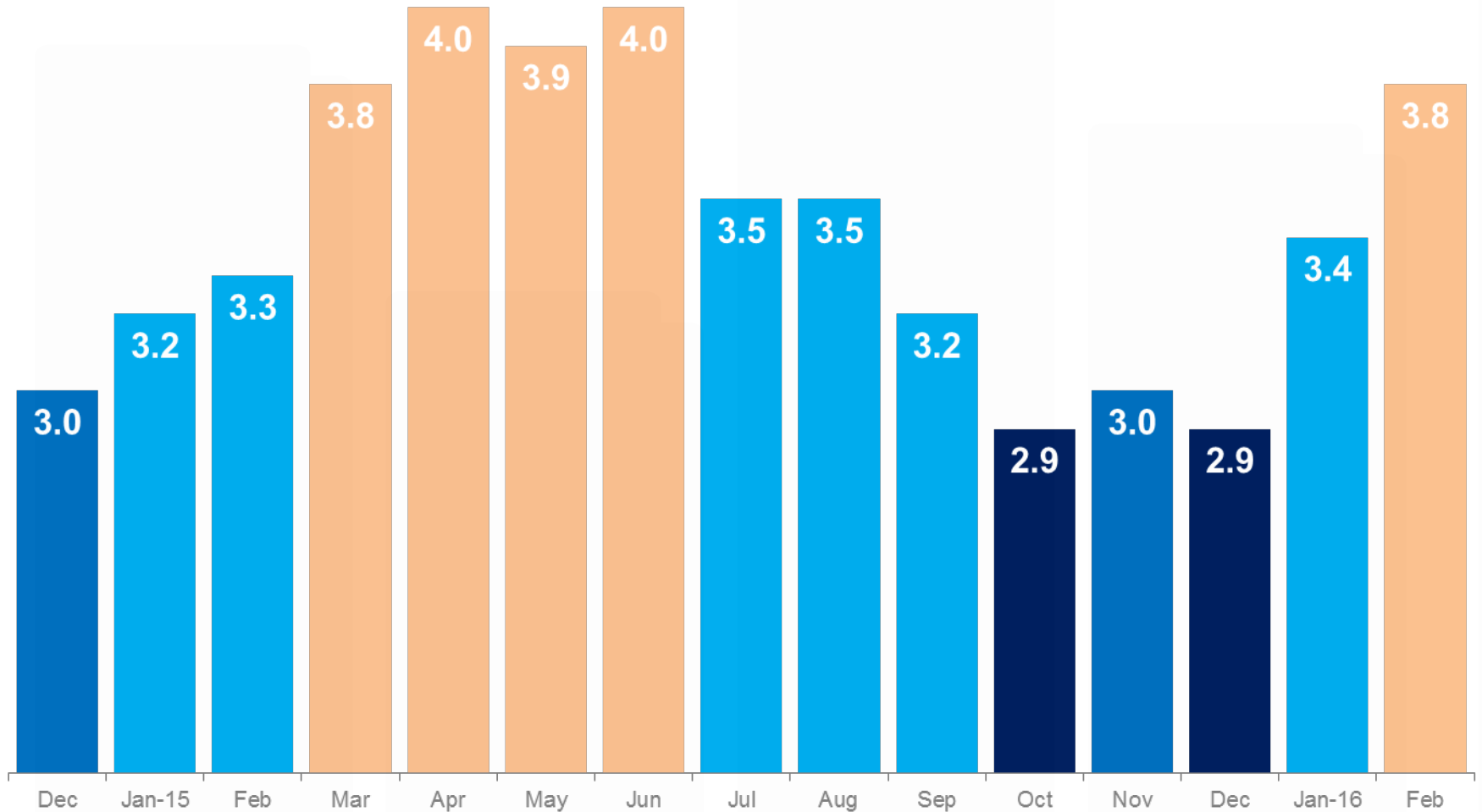
New Home Sales

% of sales by price range



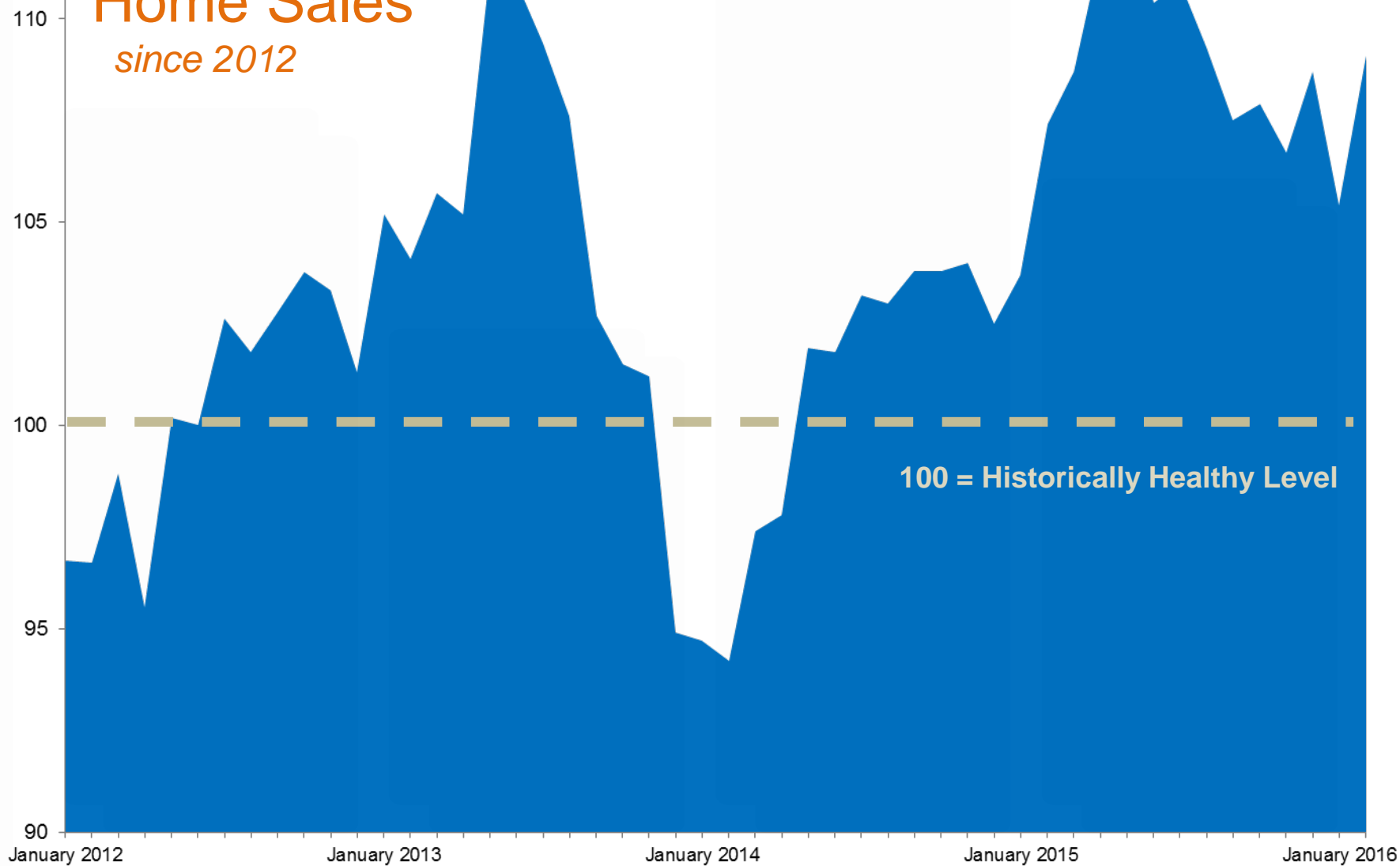
New Homes Selling Fast

(median months from completion to sold)



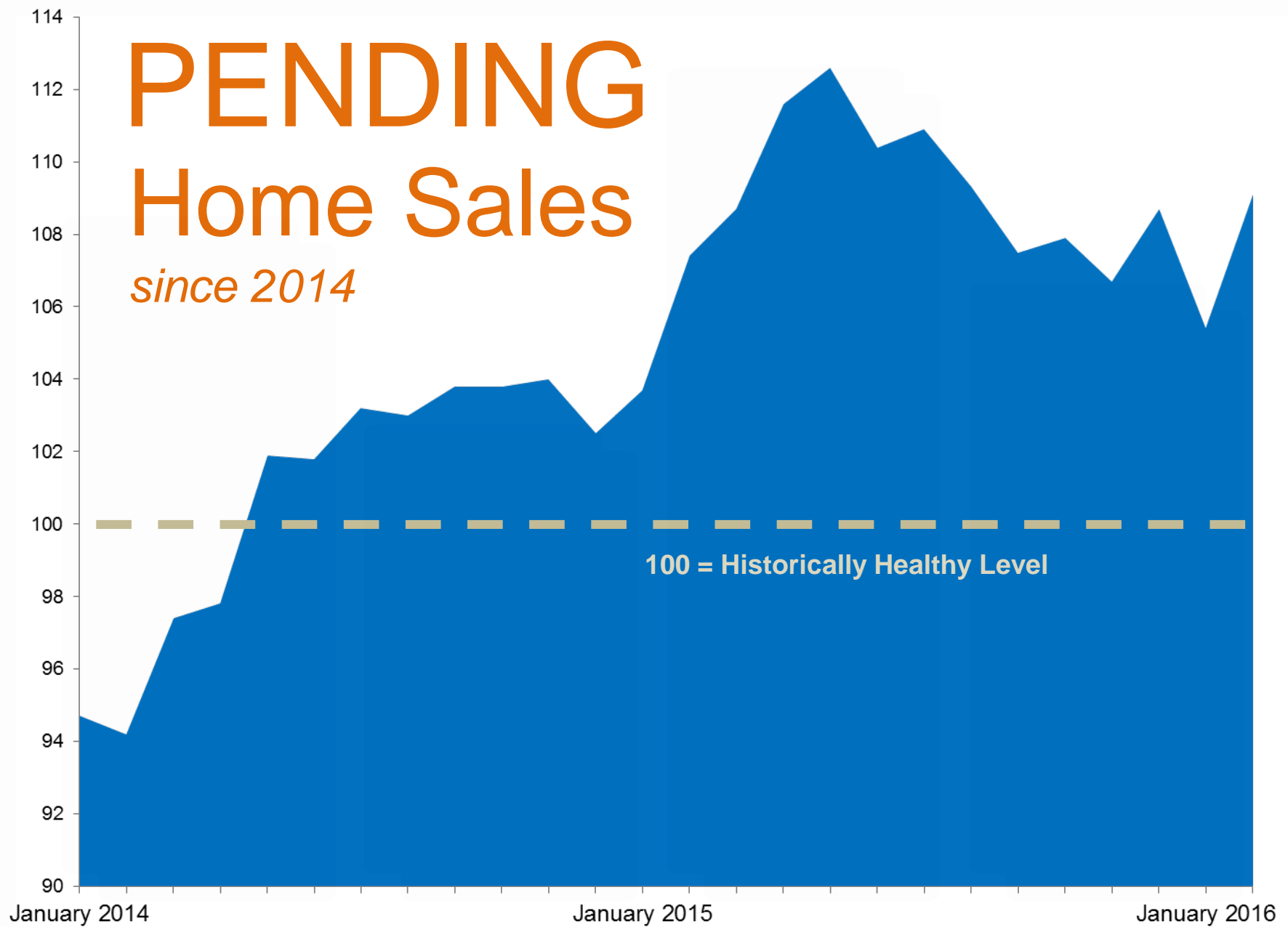
PENDING Home Sales

since 2012



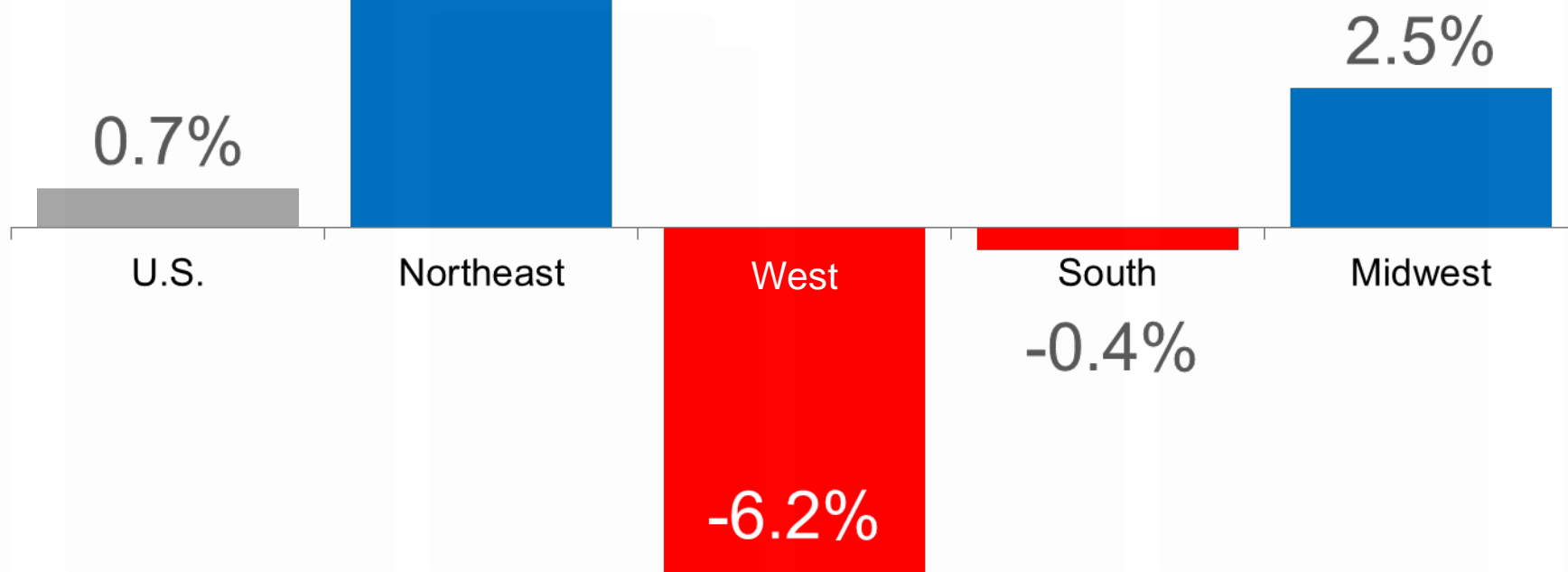
PENDING Home Sales

since 2014



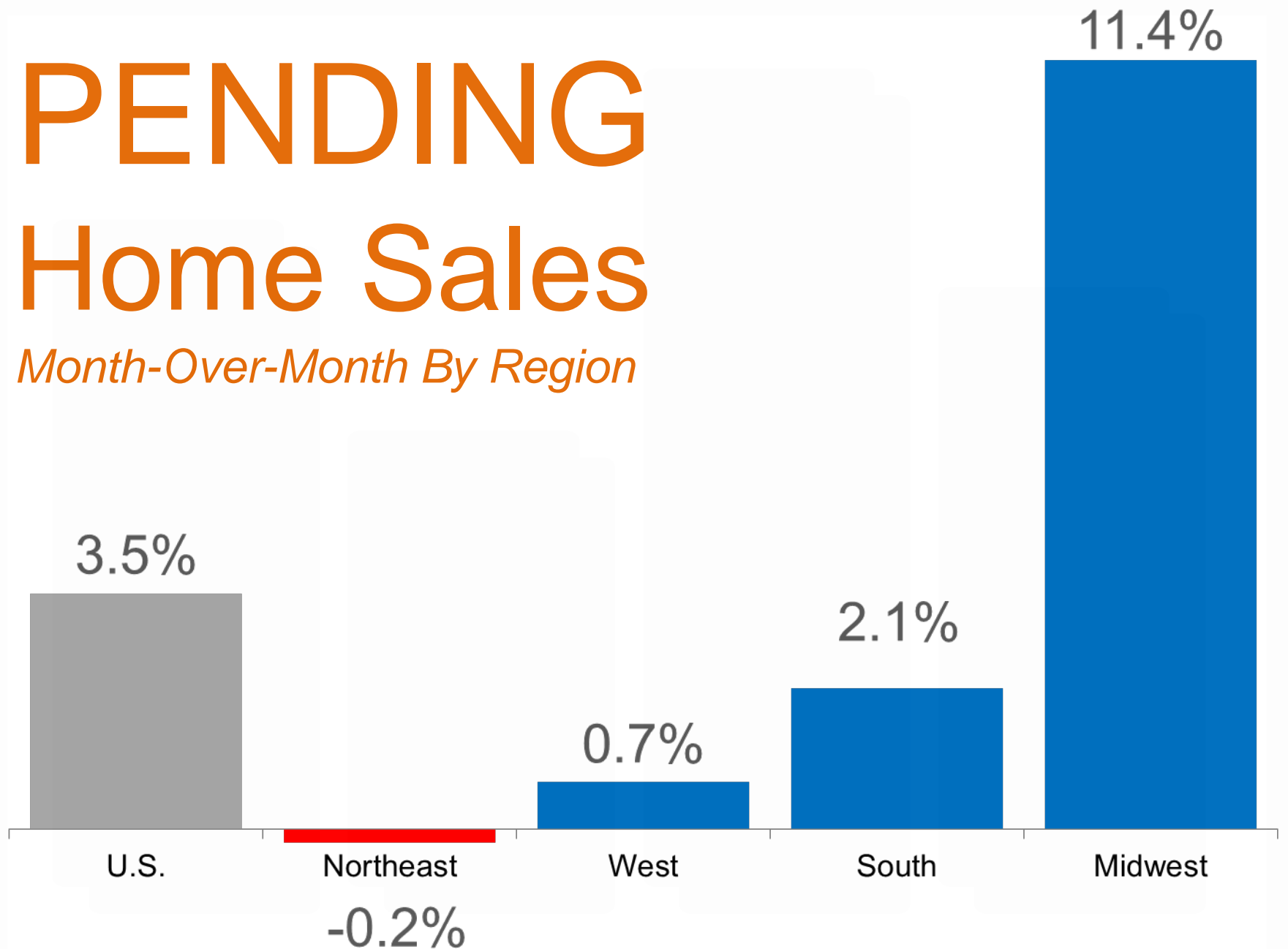
PENDING Home Sales

Year-Over-Year By Region



PENDING Home Sales

Month-Over-Month By Region



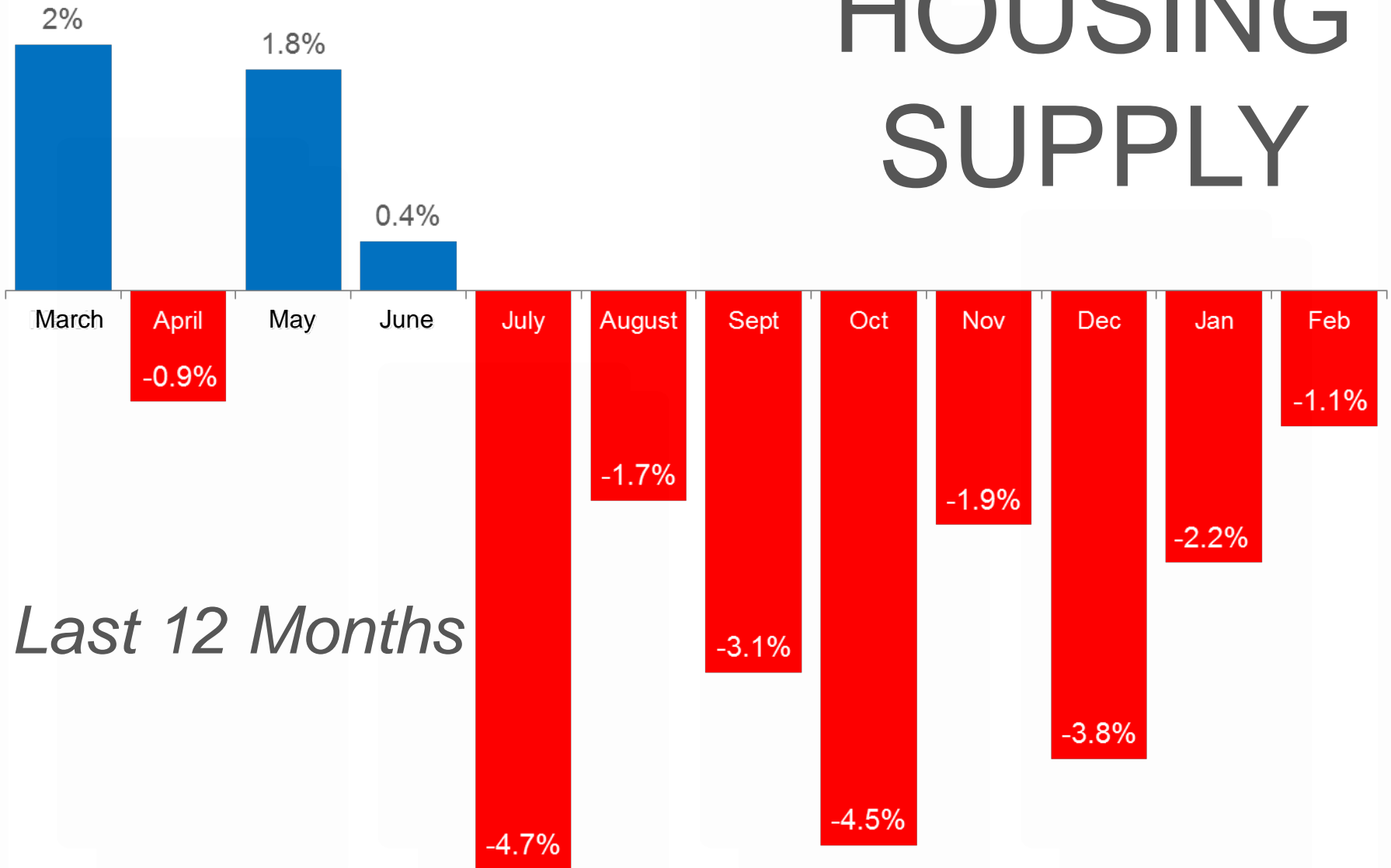
Percentage of Distressed Property Sales



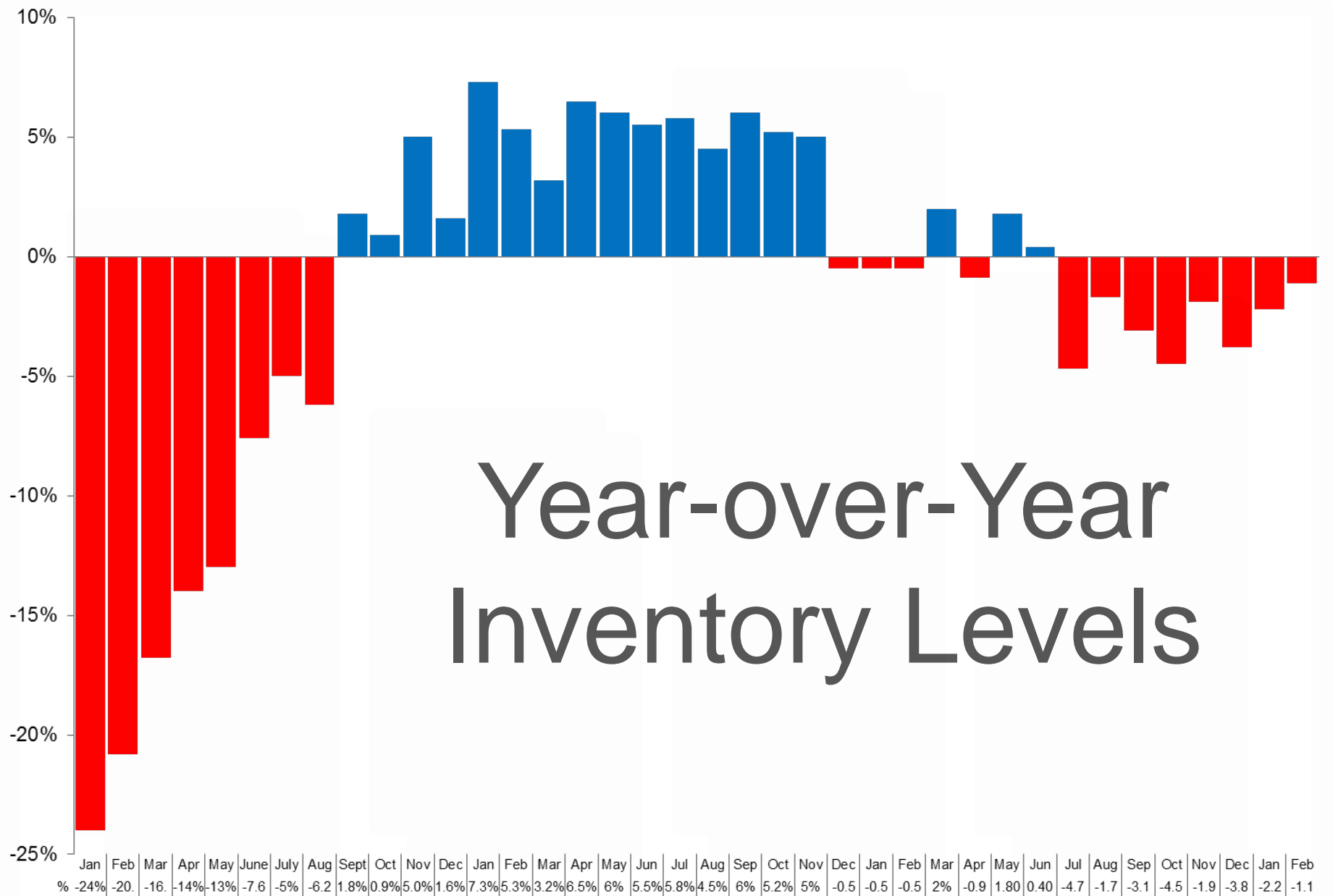
HOUSING INVENTORY



HOUSING SUPPLY



Last 12 Months



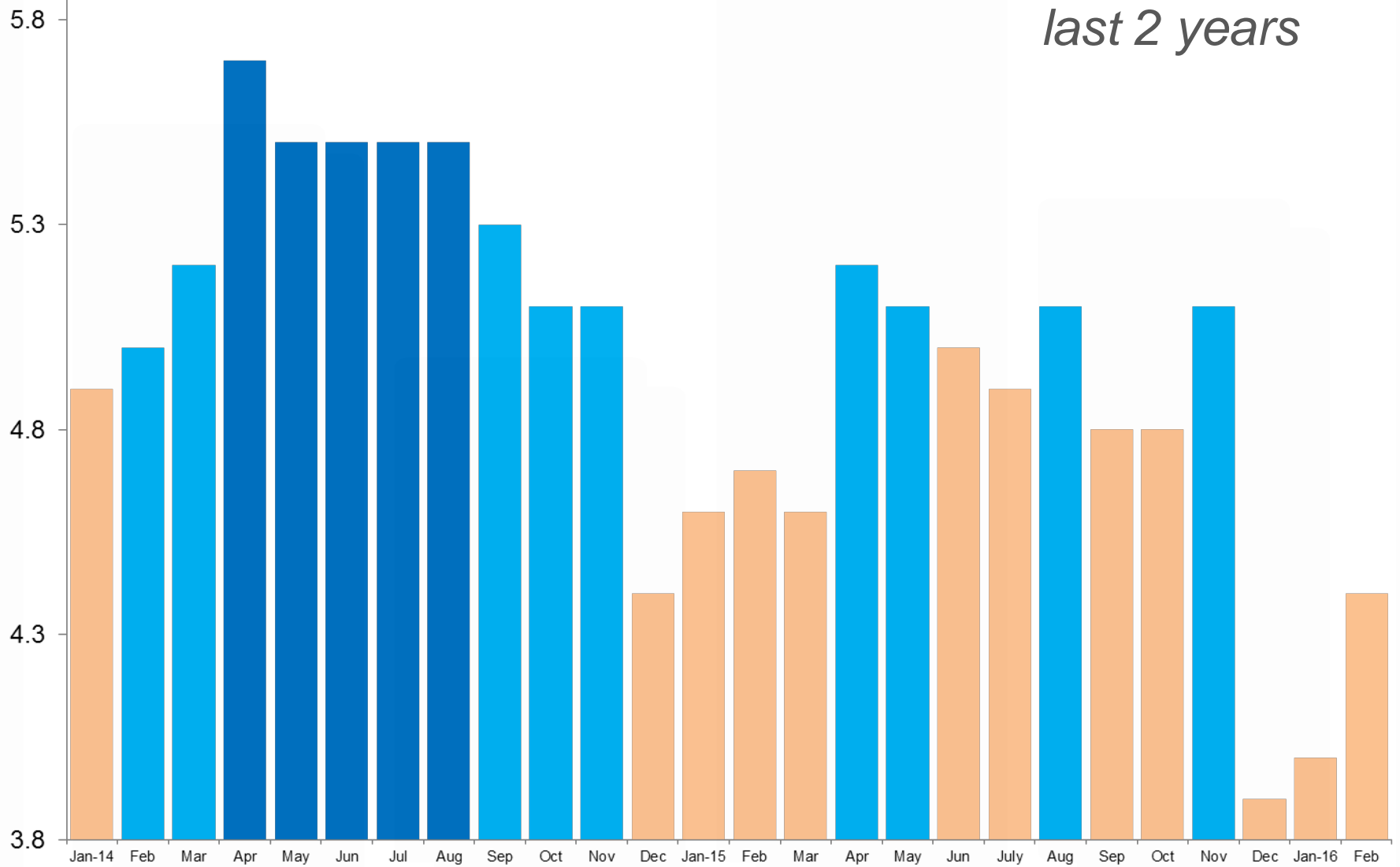
Months Inventory of **HOMES FOR SALE**

2011 - Today



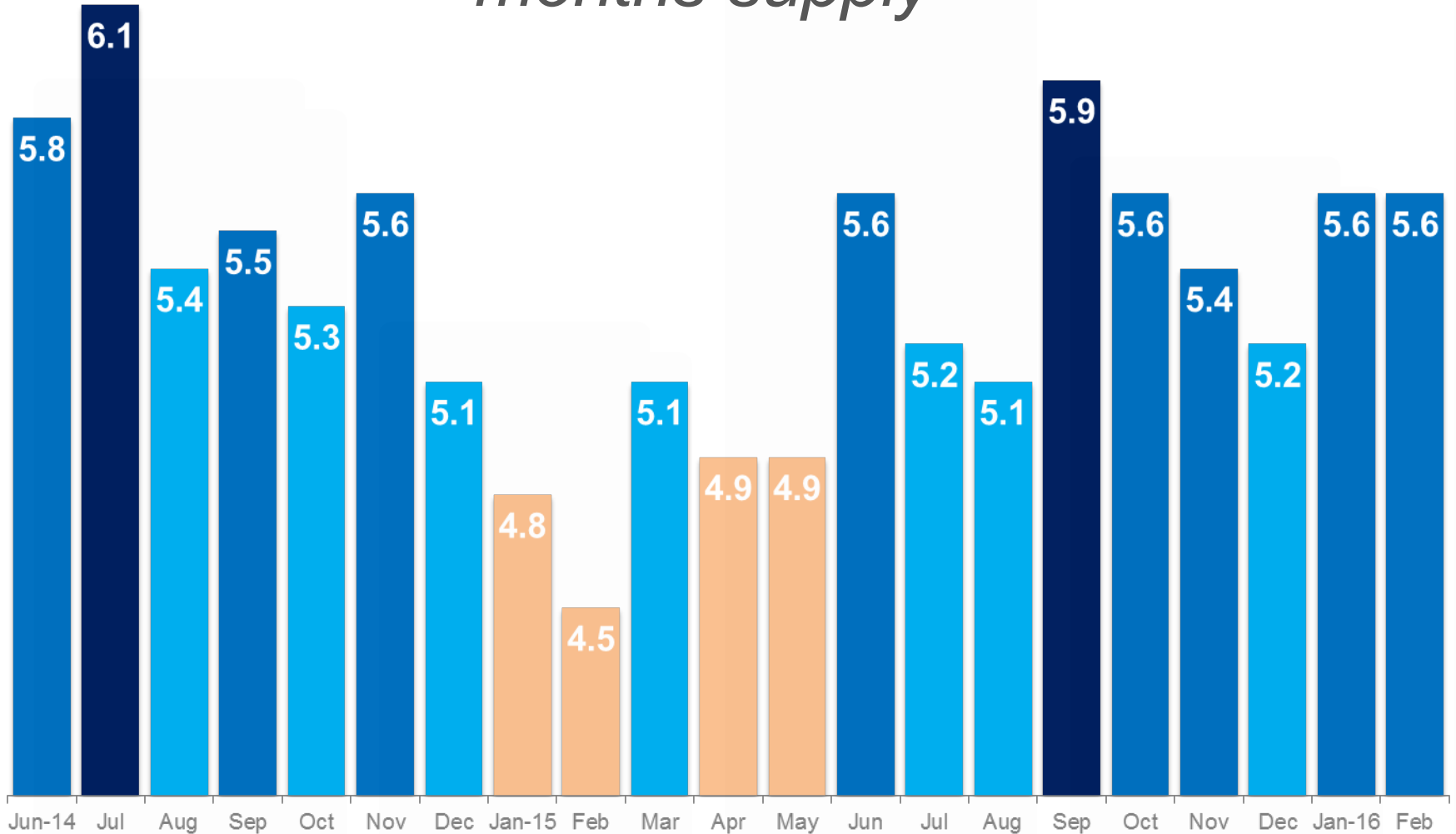
Months Inventory of HOMES FOR SALE

last 2 years



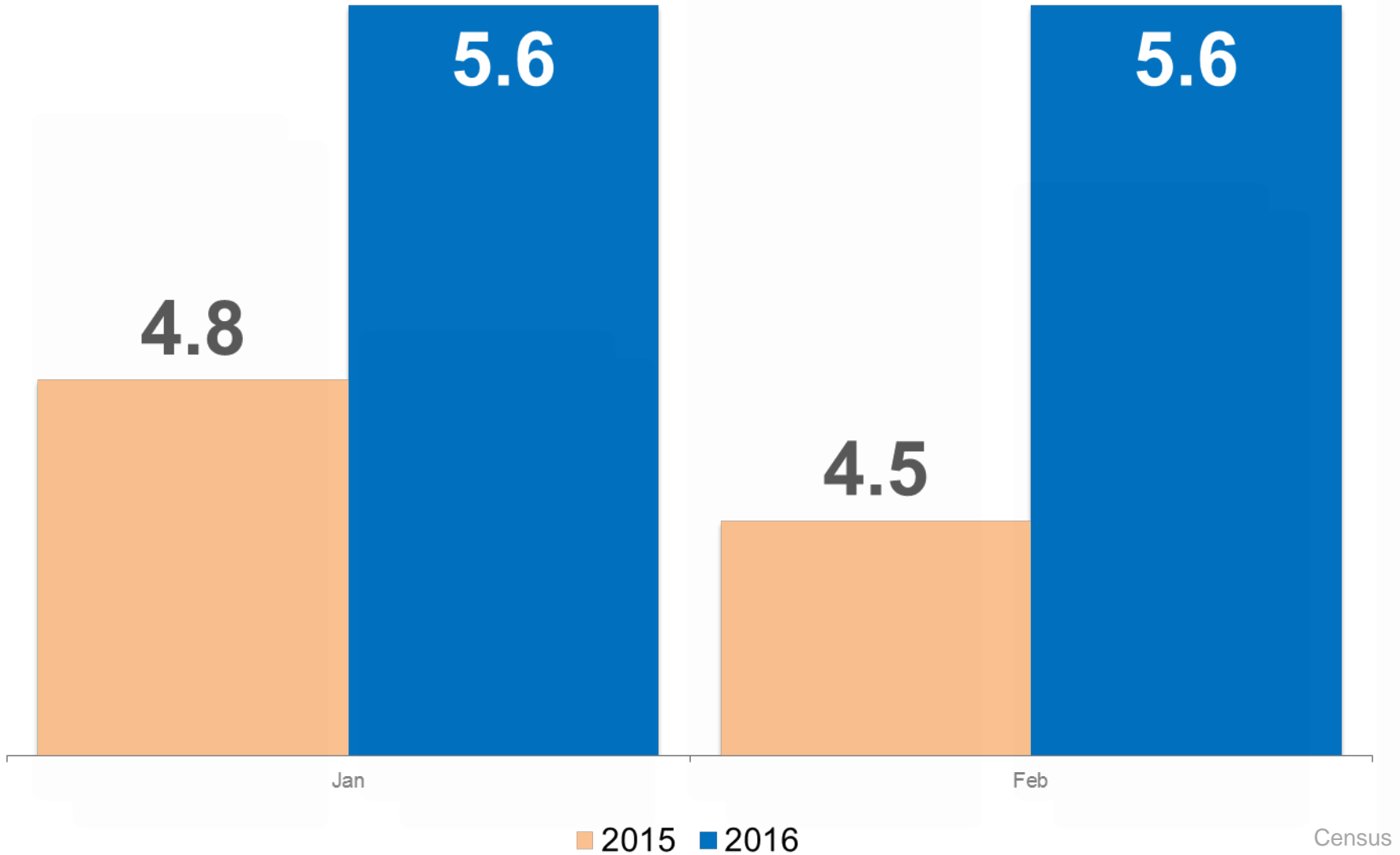
New Home Inventory

months supply



New Home Inventory

months supply

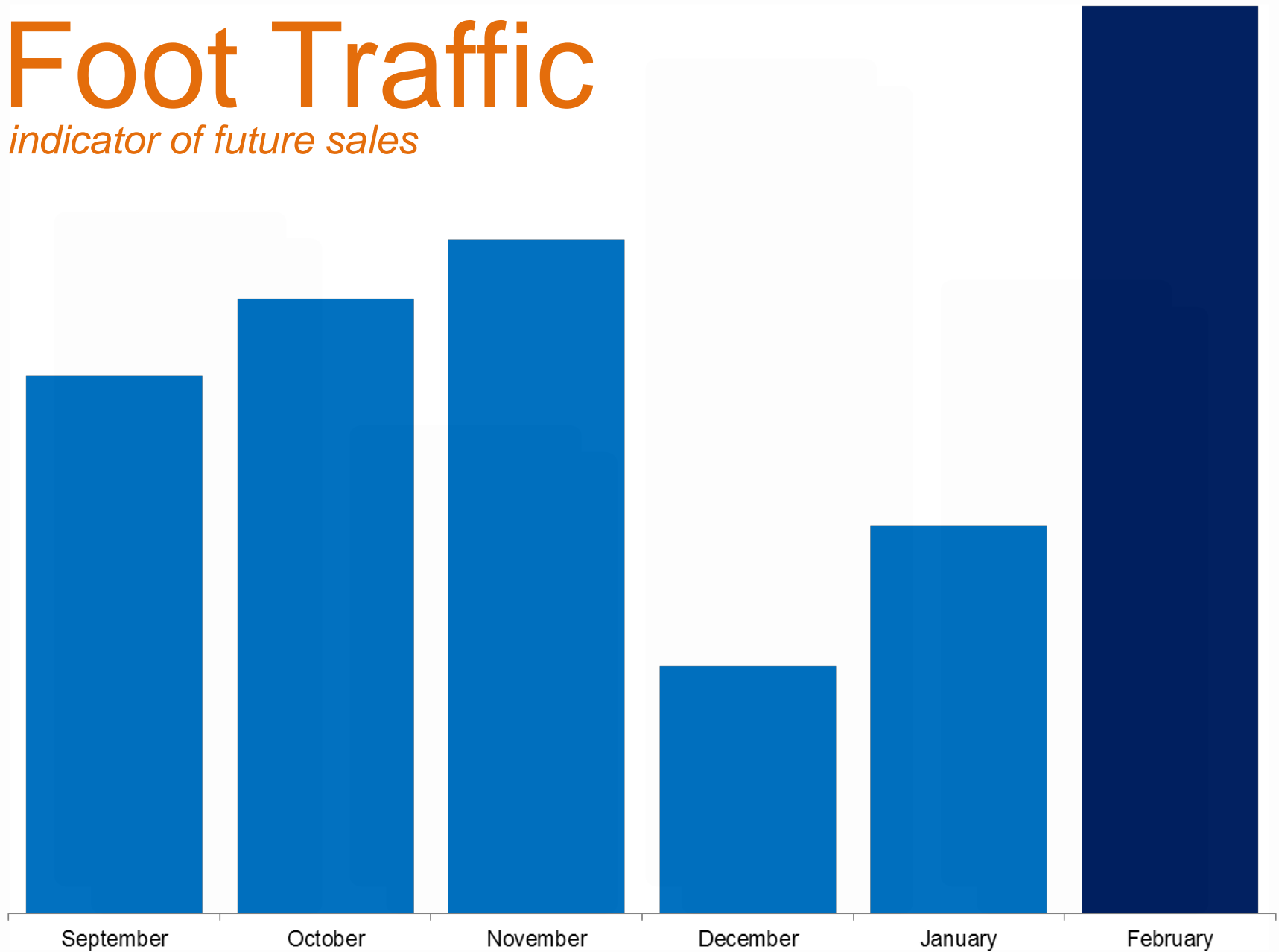


BUYER DEMAND



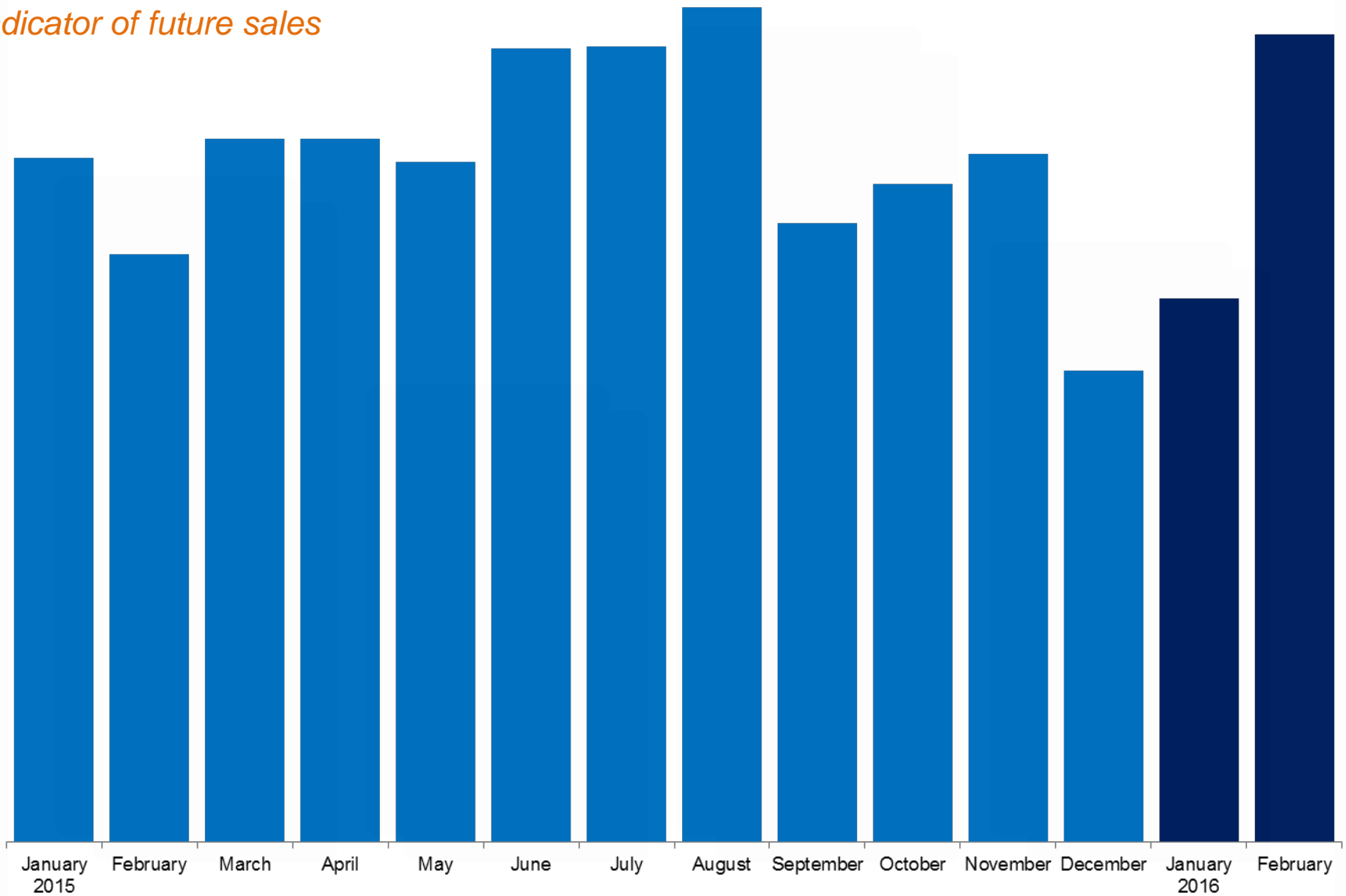
Foot Traffic

indicator of future sales



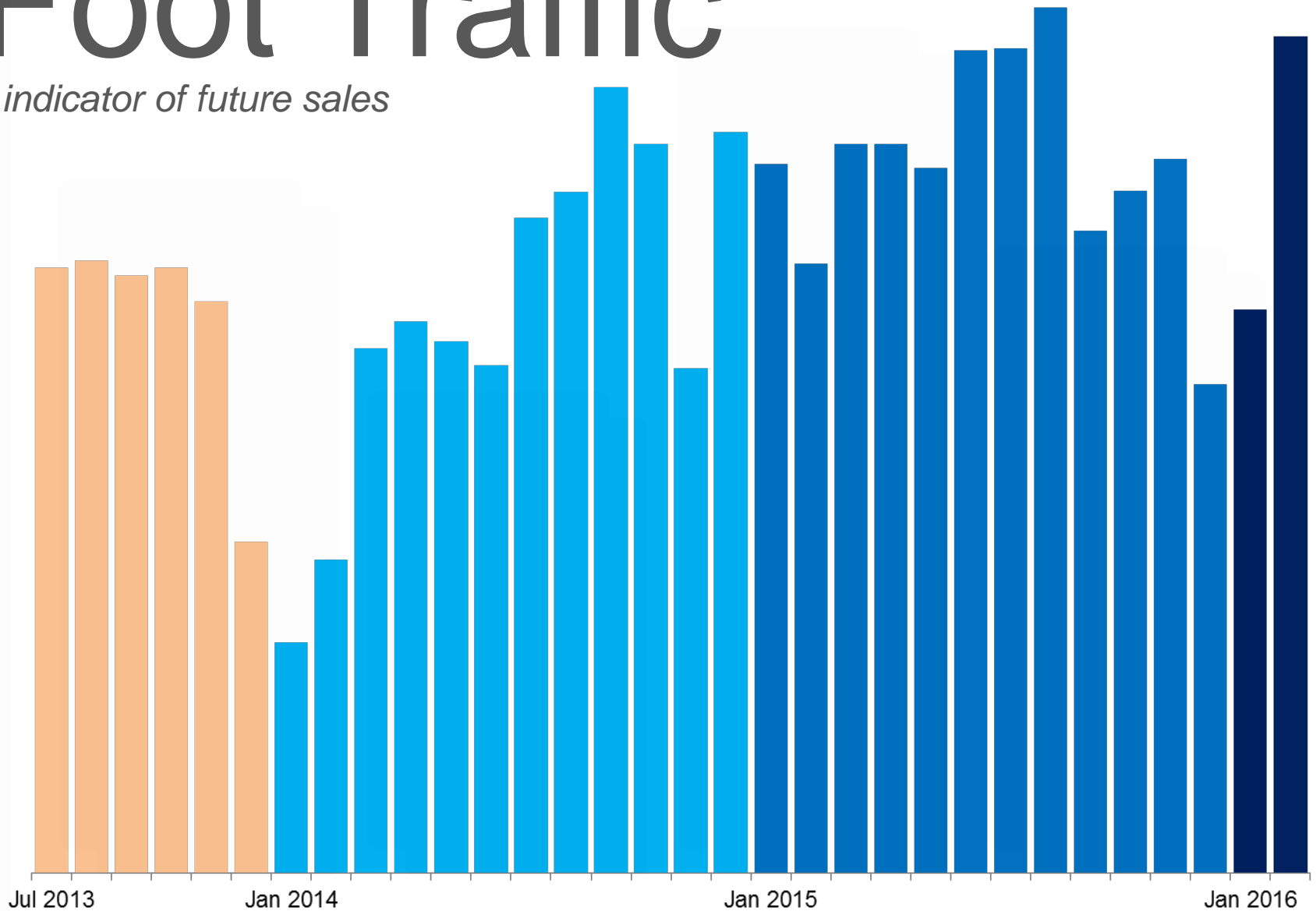
Foot Traffic

indicator of future sales



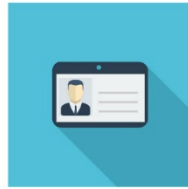
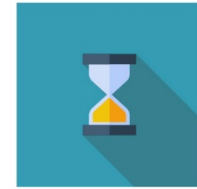
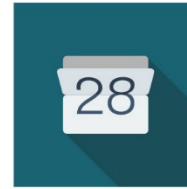
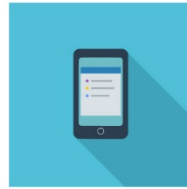
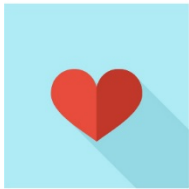
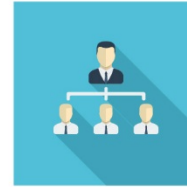
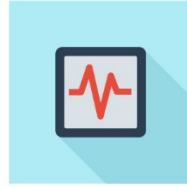
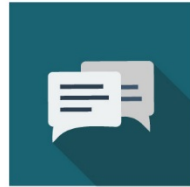
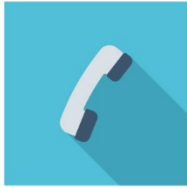
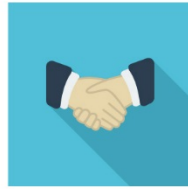
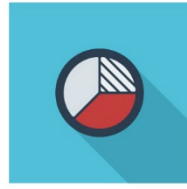
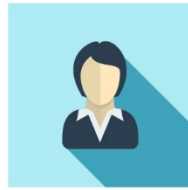
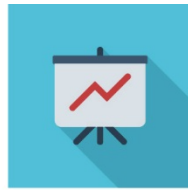
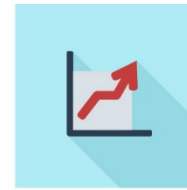
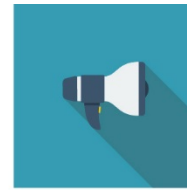
Foot Traffic

indicator of future sales



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