MULTI-GENERATIONAL MULTI-CULTURAL TIME The Future Of Work – → MOBILE!

February 2013



Regulation & Litigation



Economic Trends



More Short Sales FORECLOSURE Appraisals

Improve

Low Mortgage Rates For Now...



Case-Shiller Reports...

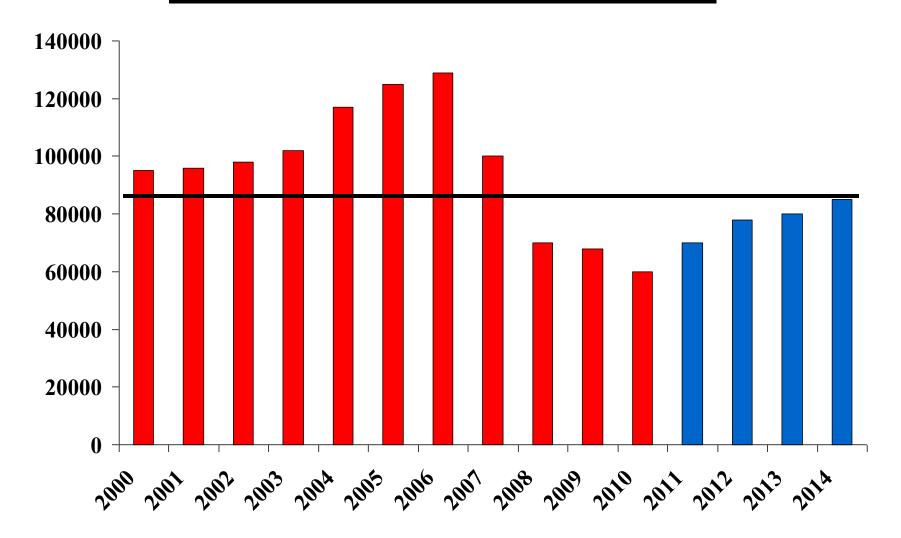
 Home Values **Continue Recovery**

 Still Down From Peak July 2007



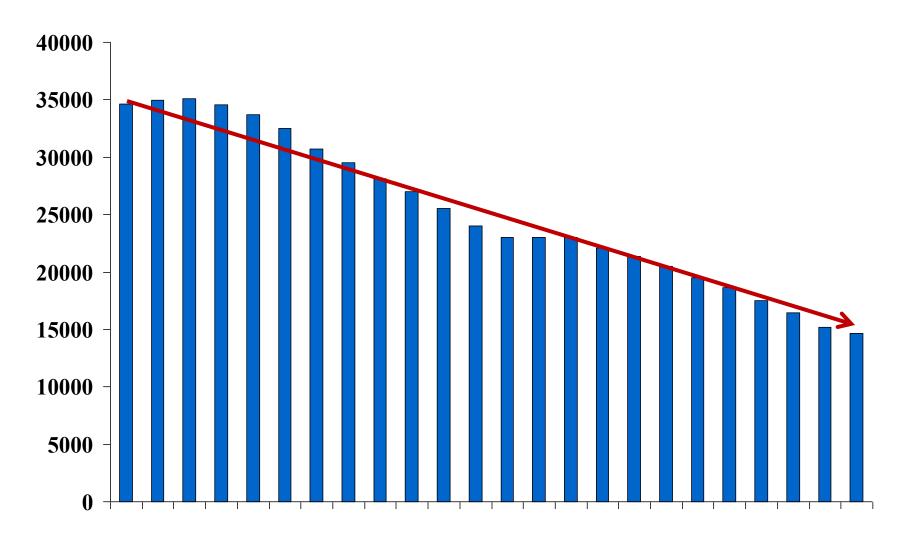


Metro Atlanta Homes Sold



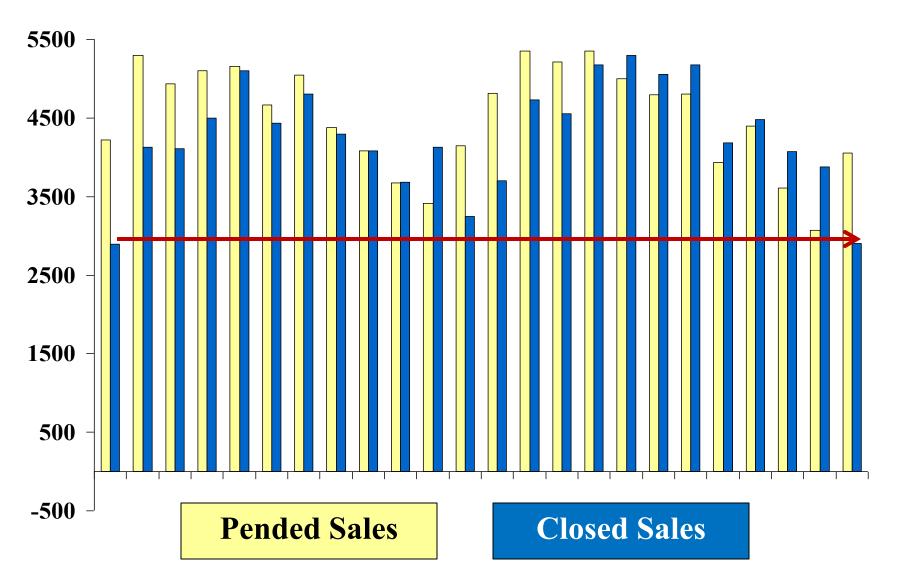
- 125,000 Homes Sold In 2006. 60,000 Homes Sold in 2010.
- SmartNumbers Predicts Normal Market Should Be 80,000 85,000 Sales.
- Expect To See 75,000-80,000 Homes Sold In 2013. Moving Back To Normal.

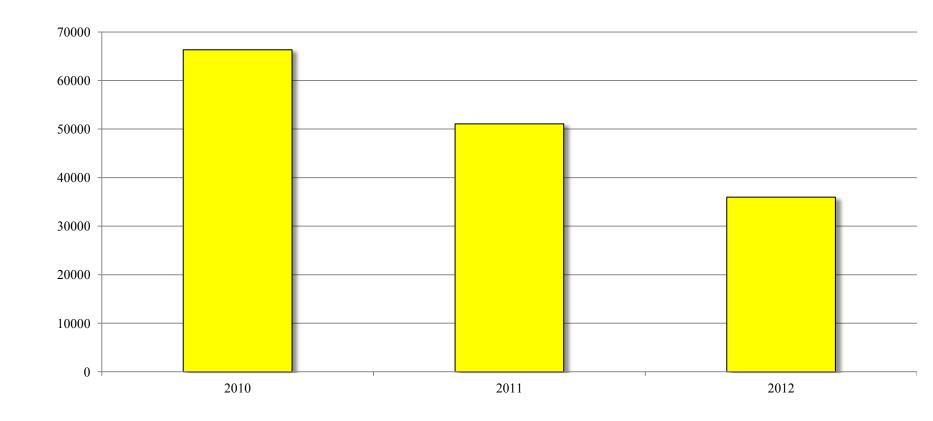
Listed Inventory January 2011 – January 2013 Residential Detached - Metro Atlanta



Inventory Levels Down 39% from Jan 2012, 57.6% from Jan 2011

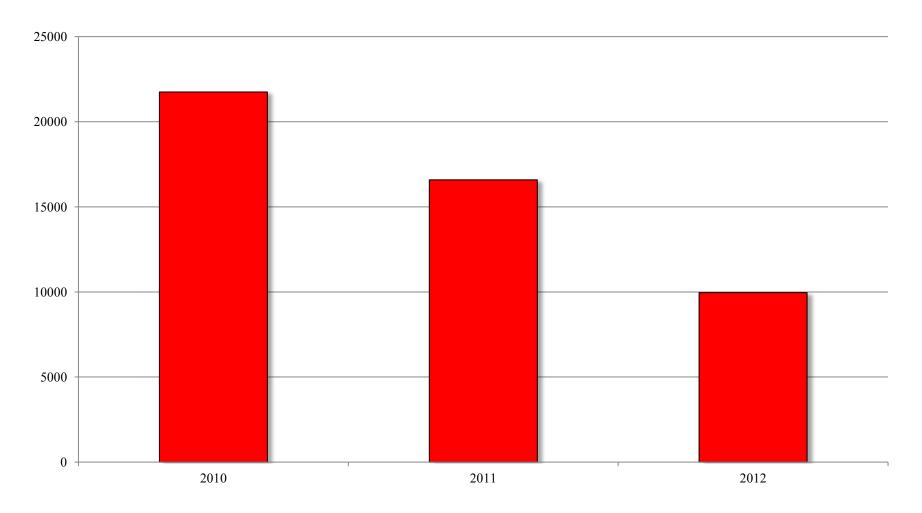
Pended & Closed Sales January 2011 – January 2013 Residential Detached - Metro Atlanta





(Source: RealValuator)

Pre-Foreclosures Dropped 23% in 2011 and 30% in 2012.



(Source: RealValuator)

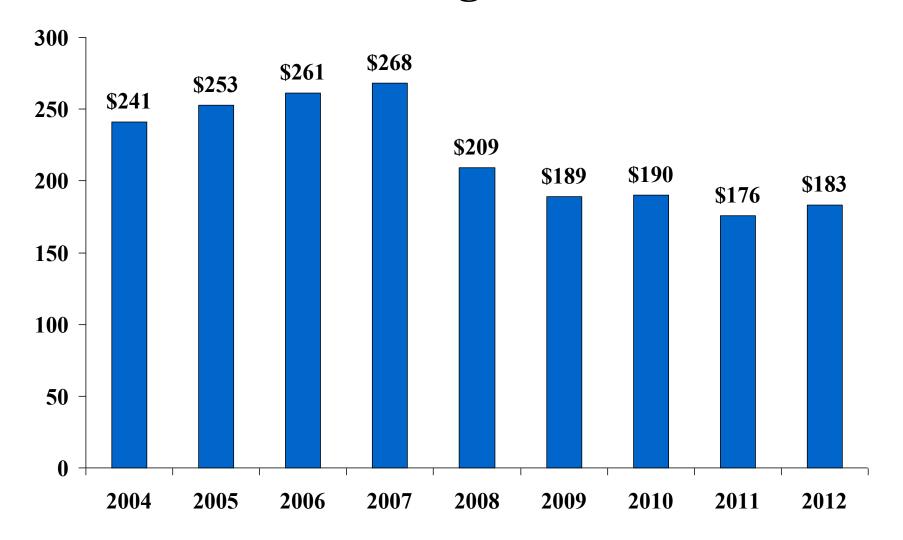
Foreclosures Dropped 40% In 2011 And 24% In 2012.



Source: RealValuator Note: January reflects partial data

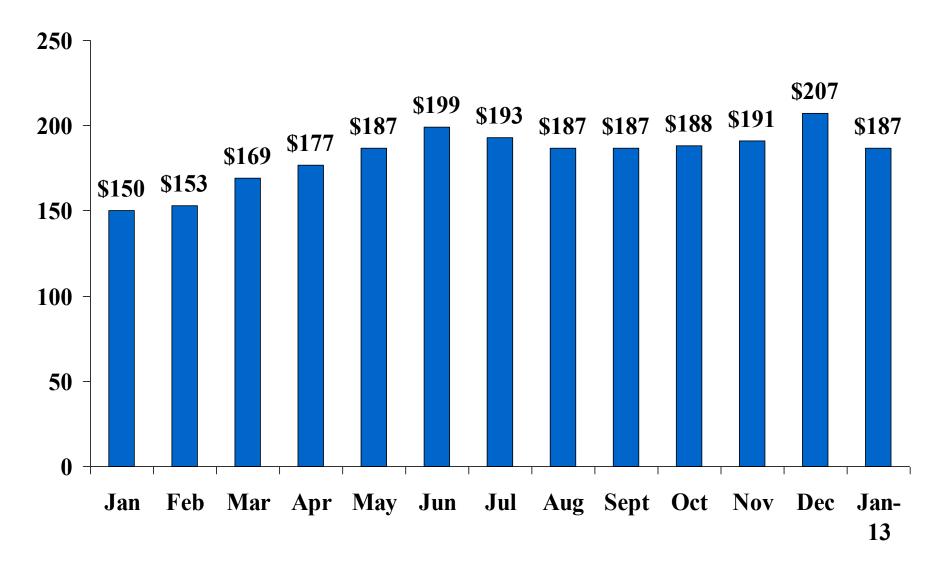
Distressed Properties Continue To Drop From Previous Months

Metro Atlanta Average Sale Price Trend



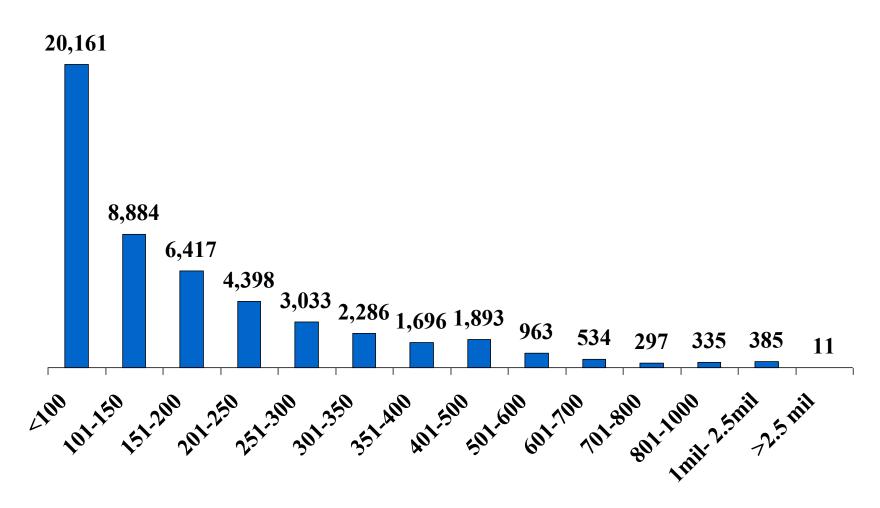
Average Annual Sales Price Down 32% From The Peak.

Metro Atlanta - Average Sale Price Trend



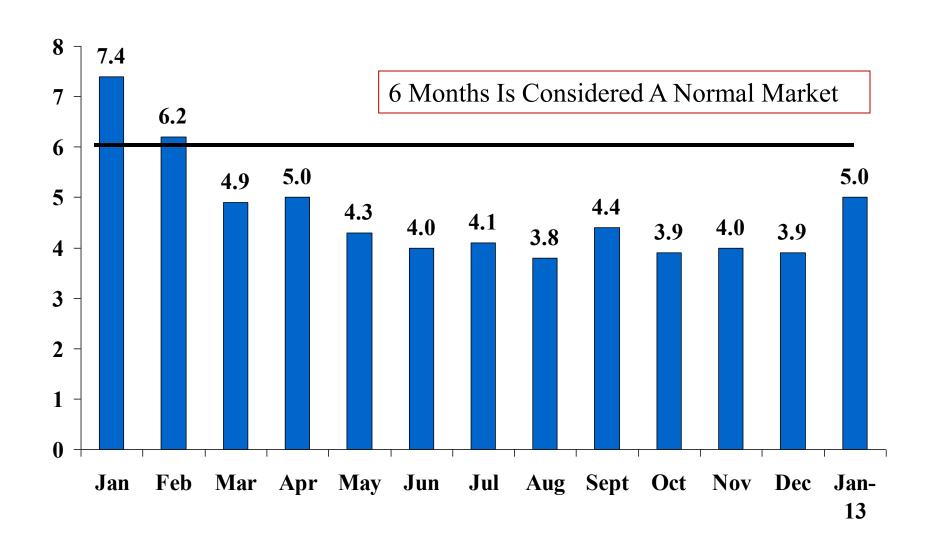
Average Sales Price Up 25% From January 2012.

January 2013 Price Distribution (Trailing 12 Months)

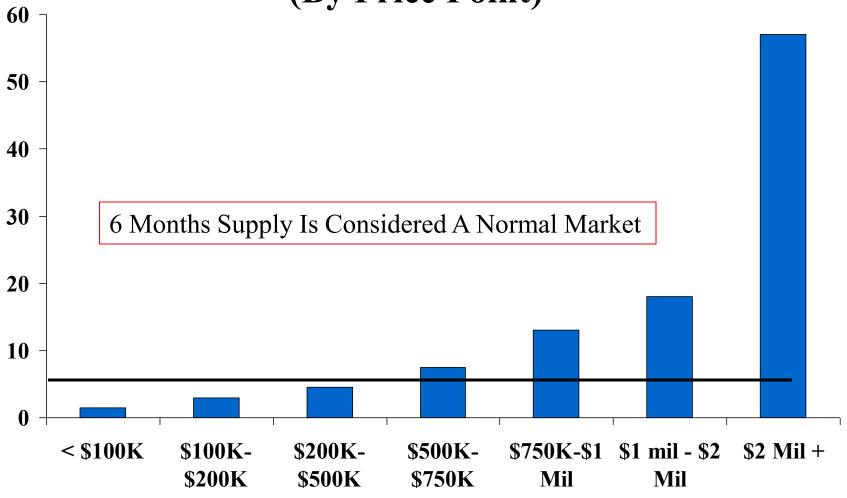


• January 2013 – 39% Of Closings Under \$100,000. In 2010, This Was 55%. Normal Distribution For Sales Under \$100,000 Is 15%-20%.

Metro Atlanta – Months Of Supply (Based Upon Closed Sales)

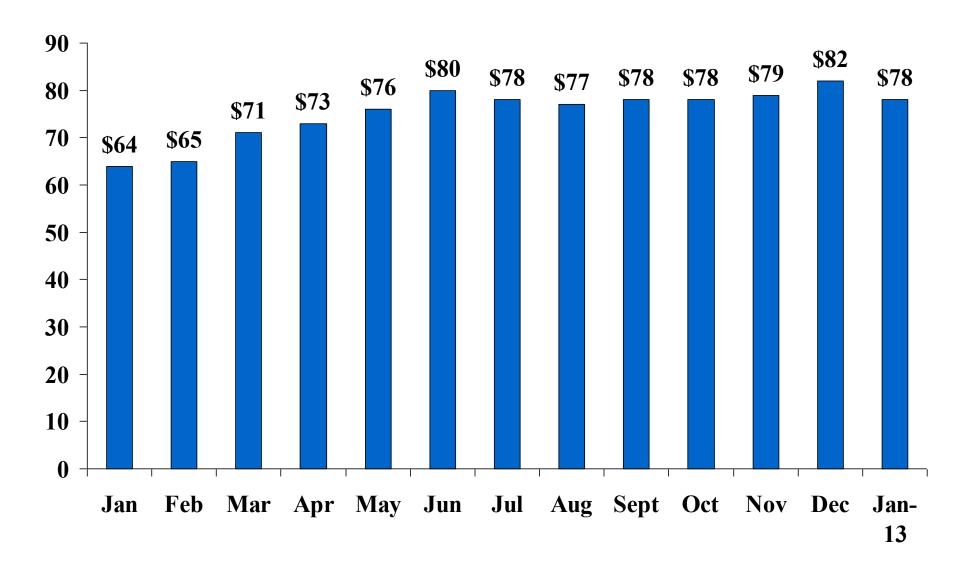


Metro Atlanta Months of Inventory (By Price Point)



It Is A Sellers Market Below \$500K In Most Areas. Still A Buyers Market Above \$500K In Most Areas.

Metro Atlanta - \$ Per Square Feet



Case-Shiller Index For Metro Atlanta

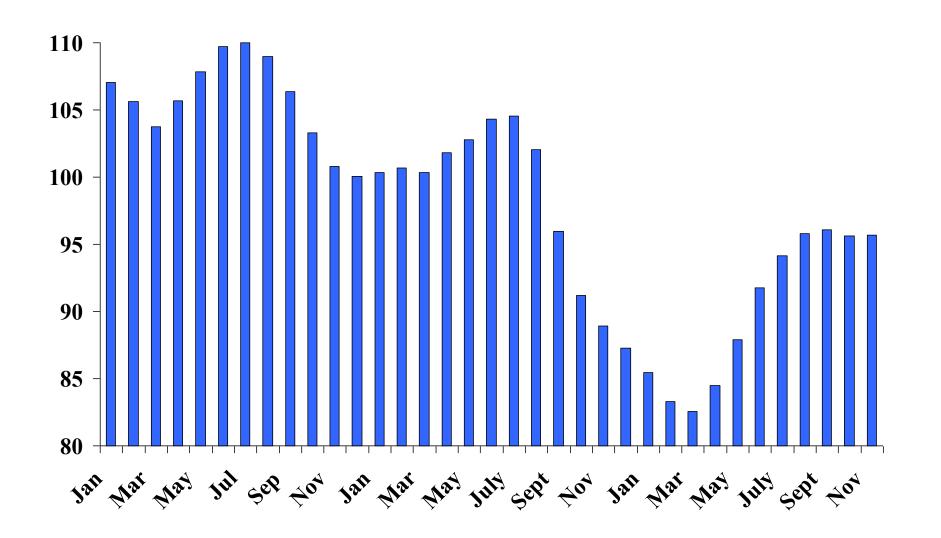
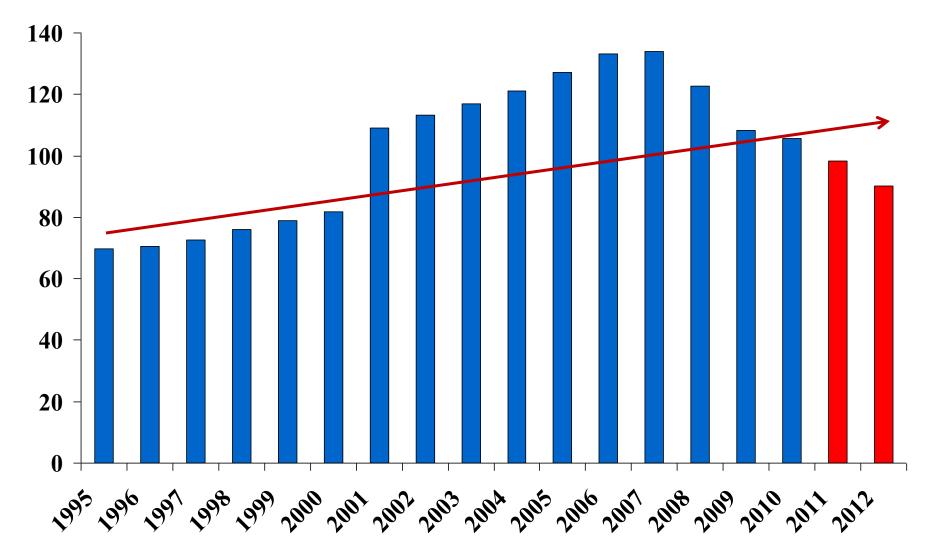


Chart Shows Index Results January 2010 Through November 2012 (As Reported January 2013)

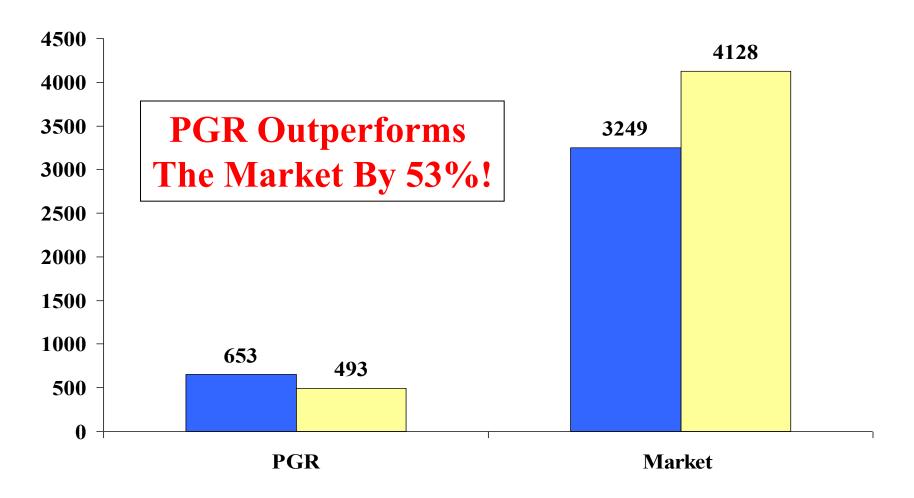
Case-Shiller Home Values For Metro Atlanta



- Peak was July 2007.
- Current Home Values Remain Below The Normal Trend Line

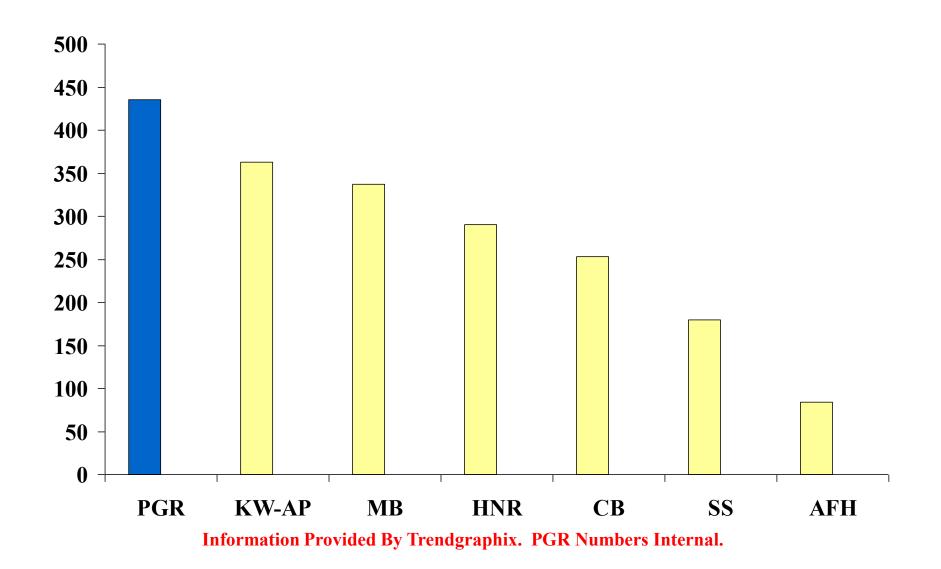
Prudential Georgia Realty

December 2012 Closings Vs. December 2011

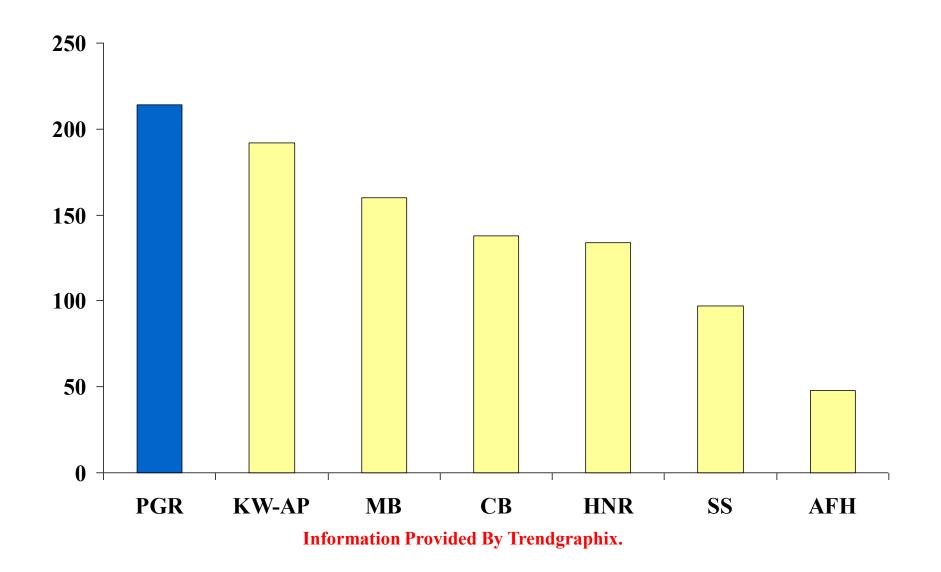


PGR Up 32.5%. The Market Was Down 21.3%.

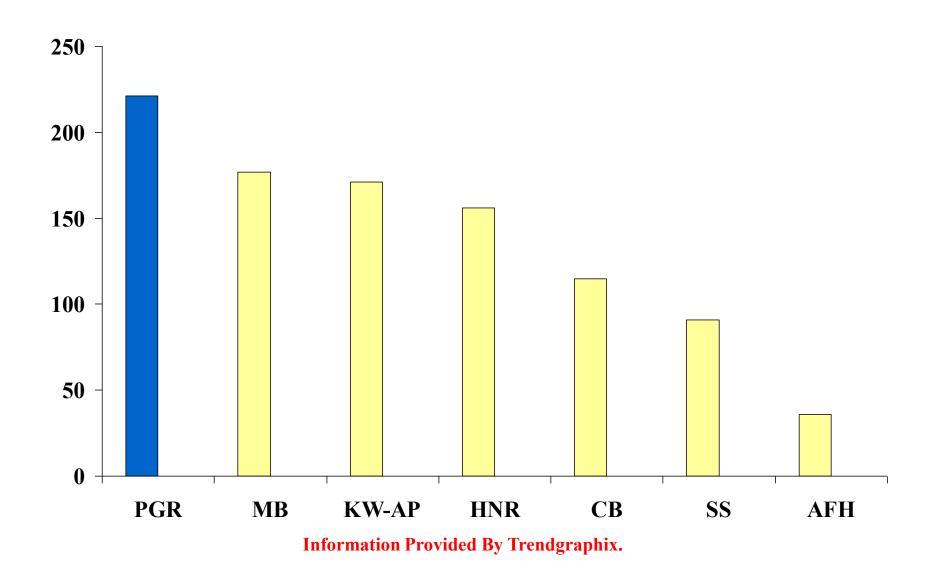
YTD Transactions – January 2013 FMLS Counties + Southern Crescent



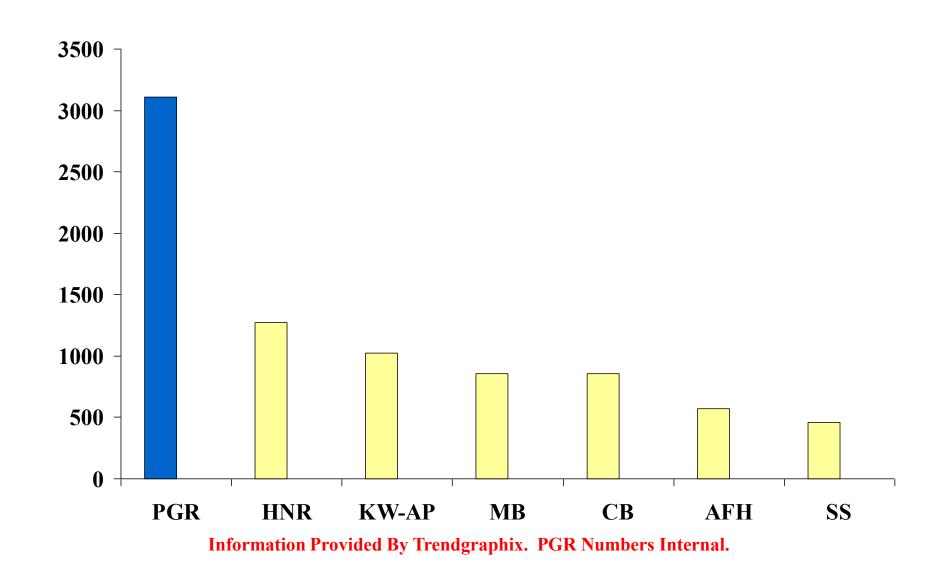
YTD Listing Sales – January 2013 FMLS Counties + Southern Crescent



Buyer Sales Units – January 2013 FMLS Counties + Southern Crescent



Current Listing Inventory – January 2013 FMLS Counties + Southside



Economic Trends

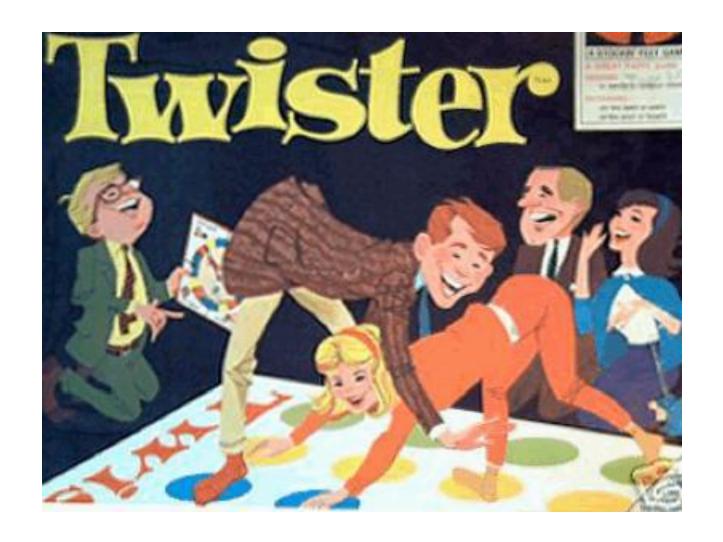


Firs We Had QE1 & QE2



Quantitative Easing! Otherwise Know As Printing Money

Then, We Had Operation TWIST.

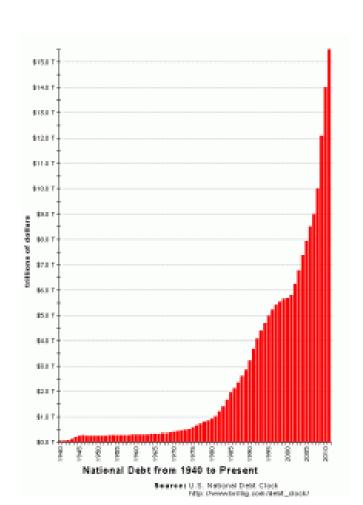


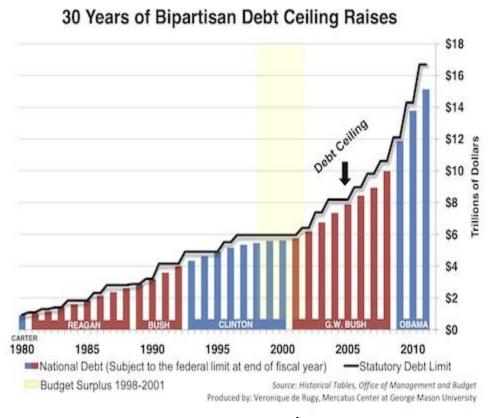
Then Came QE3 With \$40 Billion Purchases Of Mortgage-Backed Securities Each Month.



AMERICAN TAXPAYER RELIEF ACT OF 2012

\$16,400,000,000,000+





U.S. Debt Ceiling \$16.4 Trillion

• The "Grand Compromise" Over Spending Is Unlikely.



• Kicking The Can Down The Road Is Most Likely!





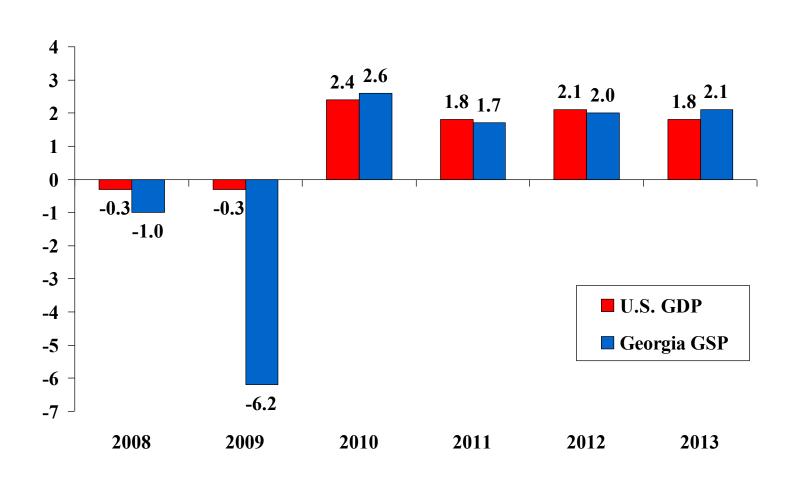
- The Fed Is Committed To Buying \$85 Billion Per Month In Bonds & Mortgage Securities Until Unemployment Reaches 6.5%.
- ECB Pledges Unlimited Support For Spain & Italy. Greece, Ireland & Portugal Are Less Impactful.
- The Bank Of Japan Is Expected To Commit Aggressive Asset Purchases Until Inflation Reaches 2%.
- The Major Central Banks Are "All In" With Their Most Powerful Monetary Tools. Now It Is Predictable!



Improving Economy in Georgia!

Georgia Economy Outperforming The National Economy In 2013

(Terry College of Business – University of Georgia)

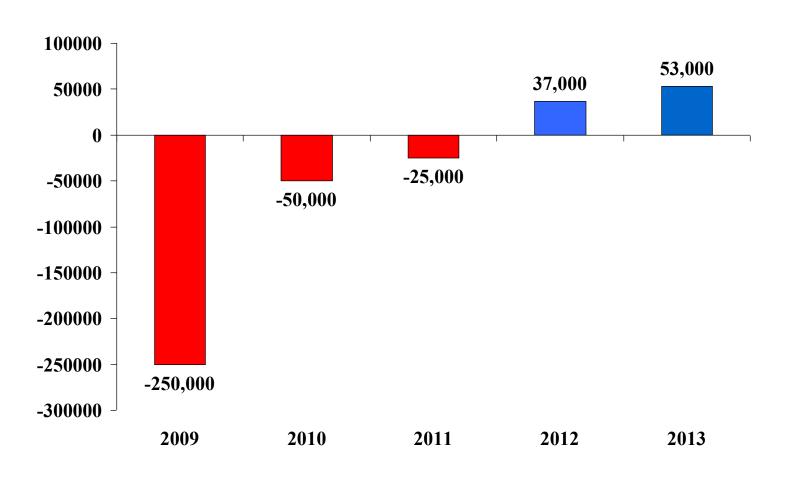




More Jobs In Georgia!

More Jobs In Georgia

(Terry College of Business – University of Georgia)



- Georgia Lost 325,000 Jobs In The Great Recession.
- 2012 Restarted Positive Job Growth Trend!



Buyer Demand Will Be Higher

Major Group Moves













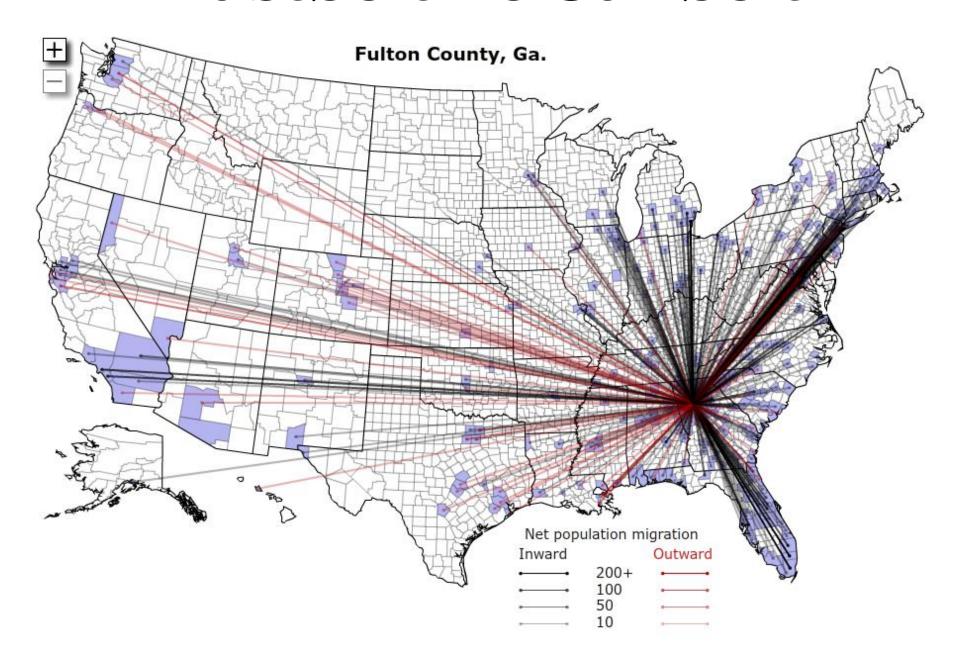






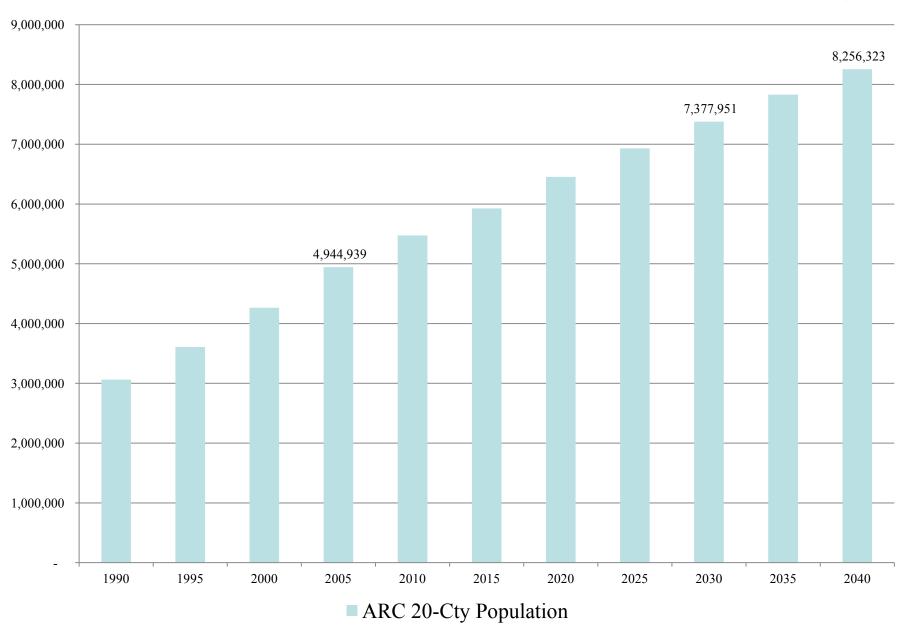
And More Coming ...

Rustbelt To Sunbelt

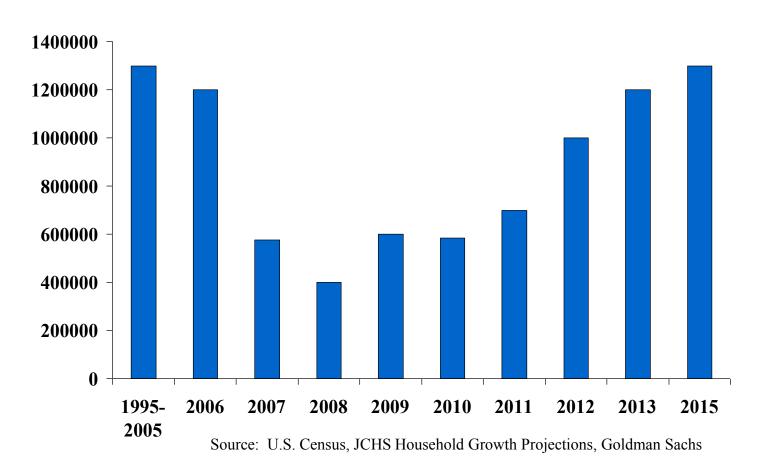


Forecast Population Growth

20-County Forecast Area



U. S. Household Formation Trends Demand For 1st Time Buyers Will Be Strong!

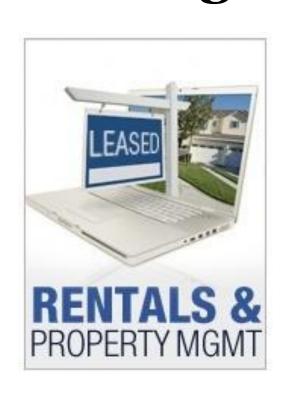


- New Household Formation Dropped From 1.2 Mil (2006) To 400,000 (2008)
- Growing To 1.2 Million In 2013. Lots Of Pent-Up Demand.
- 4 Million Students Per Year Graduate From College For Next 10 Years!

Baby Boomers Are Coming To Be Close To Their Children & Grandchildren.

	Rank of Share					
	Total Population	Under 20	20-64	65+	25-39	45-59
Dallas	6,144,489	3	9	25	1	24
Atlanta	5,271,550	5	6	27	2	19
Phoenix	4,179,427	4	24	15		26
Denver	2,466,591	11	5	24	4	12
Riverside	4,081,371	1	27	22	5	27
Houston	5,629,127	2	10	26	6	21
Portland	2,174,631	19		19	7	7
Seattle	3.309.347	22	1	20	8	3
Sacramento		A A 1	4			
Washington	Metro Atlanta Has The:					
Los Angeles						
San Diego		milatio	$\mathbf{n} \wedge \mathbf{n}$	75	30	
San Francisco		Julativ			ン フ	
Orlando						
Minneapolis	•#5 Pop	Mulatio	n Mr	dar ?		
Chicago	$\pi J I U$	Julatio		IUCI 2		
New York						
Boston	4,482,857	23	8	9	18	
Cincinnati						10
	2,134,864	9	19	13	19	10
Baltimore	2,134,864 2,668,056	9 17	19 11	13 11	19 20	
	<u> </u>				+	14
Detroit	2,668,056	17	11	11	20	14
Detroit Philadelphia	2,668,056 4,467,592	17 13	11 18	11 12	20 21	14 9 5
Baltimore Detroit Philadelphia St. Louis Miami	2,668,056 4,467,592 5,827,962	17 13 16	11 18 21	11 12 5	20 21 22	14 9 5 13
Detroit Philadelphia St. Louis	2,668,056 4,467,592 5,827,962 2,802,282	17 13 16 15	11 18 21 20	11 12 5 7	20 21 22 23	14 9 5 13 8
Detroit Philadelphia St. Louis Miami	2,668,056 4,467,592 5,827,962 2,802,282 5,413,212	17 13 16 15 24	11 18 21 20 26	11 12 5 7 3	20 21 22 23 24	14 9 5 13 8 17 16

Investors See The Opportunity To Buy Low, Lease & Sell High For Single Family Properties!



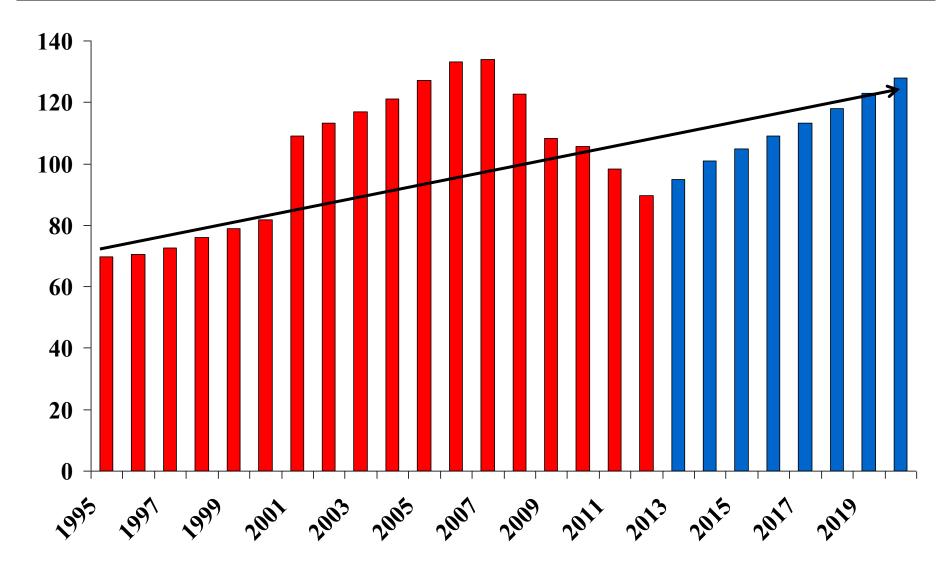


This Is Causing A Shortage Of Inventory Under \$200,000.



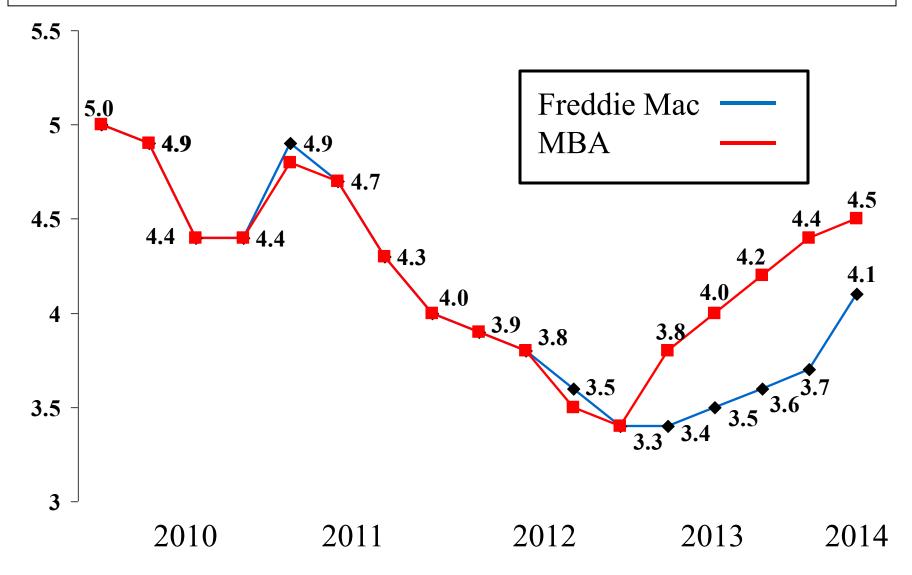
Home Affordability (Prices + Mortgage Rates)

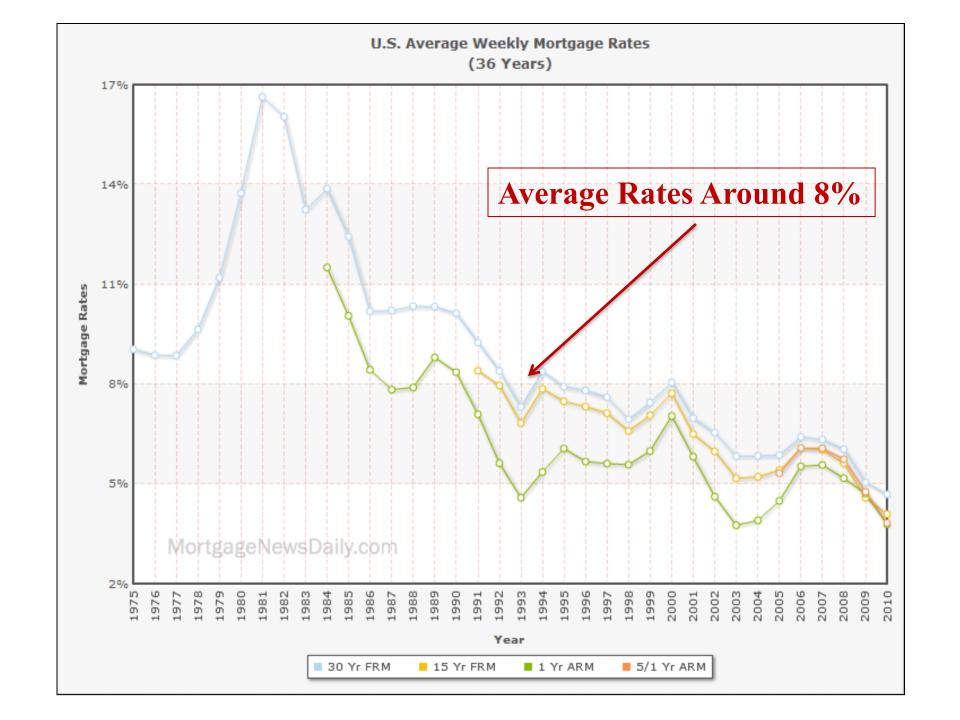
Case-Shiller Home Values For Metro Atlanta



Peak was July 2007. Current Home Values Remain Below The Normal Trend Line. This Is Why Real Estate Is A Great Opportunity!

Freddie Mac & Mortgage Bankers Association 30-Year Fixed Rate Forecast – January 2013 2010 – 2014 Quarterly Averages





For Many Sellers... Now Is The Time To Act! Home Prices & Mortgage Rates Will Continue To Rise. If They Wait Too Long, The Home They Really Want May Be Too Expensive!