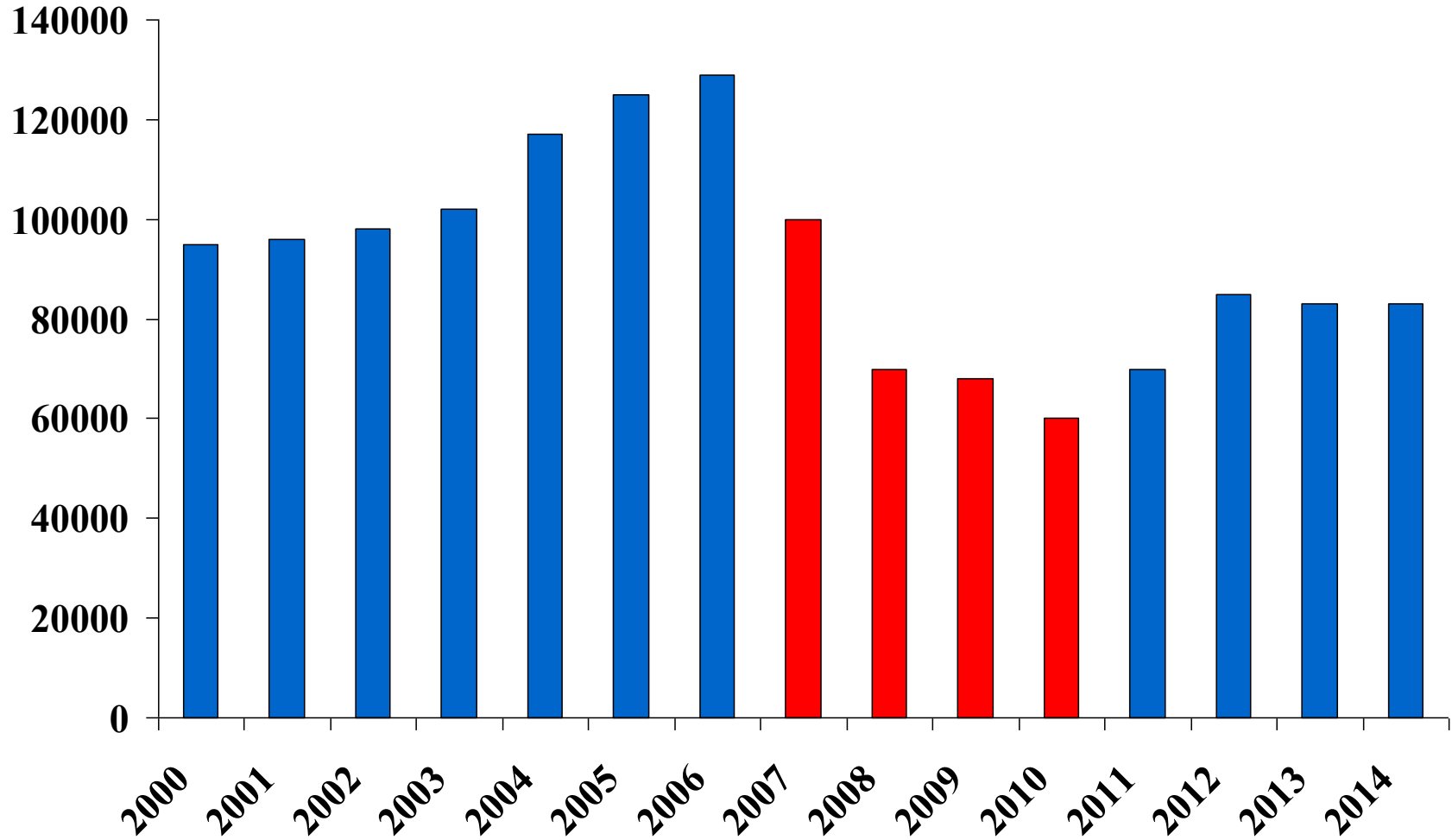


Greater Metro Atlanta Market

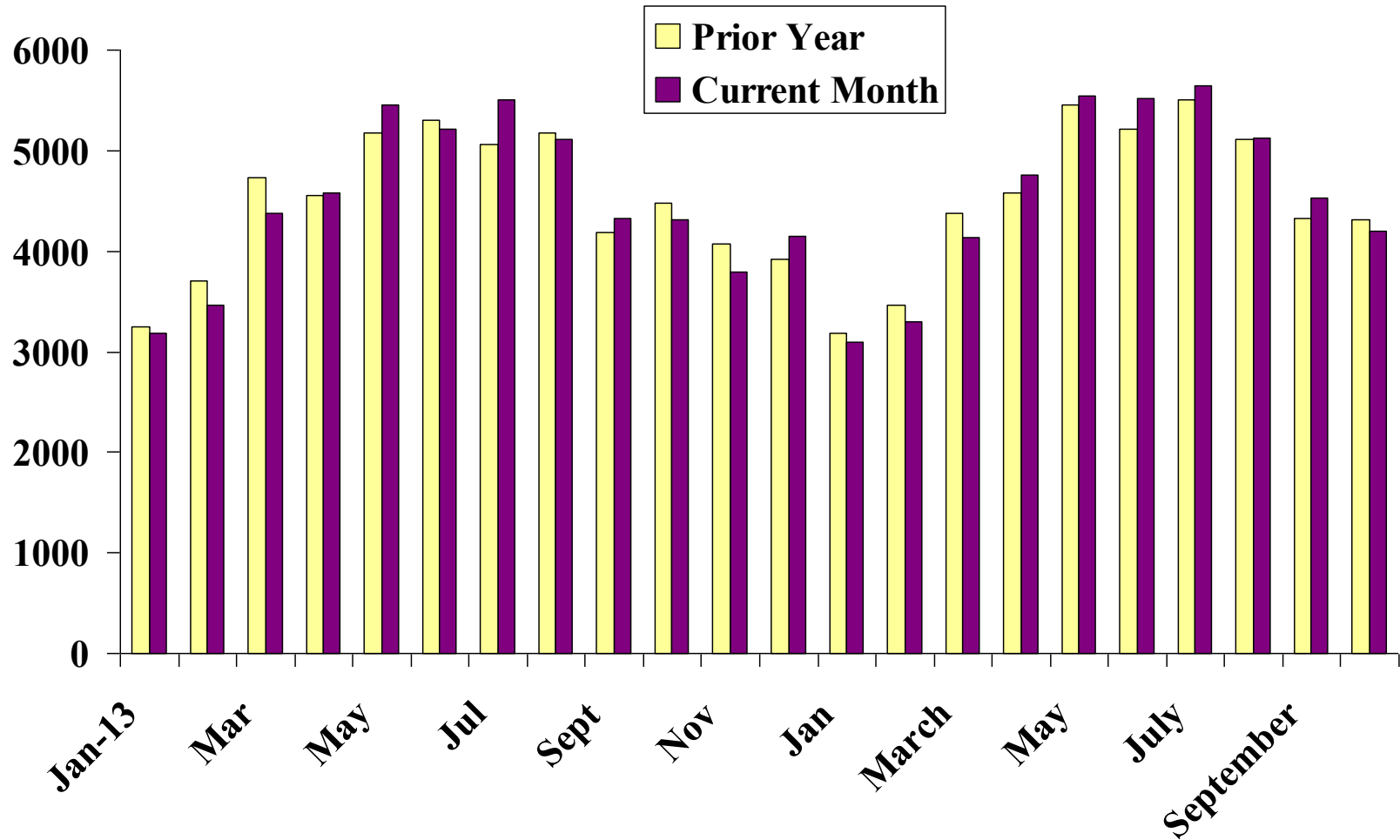
**November 2014 Report
With Results Through October 2014**

Metro Atlanta Homes Sold



125,000 Homes Sold In 2006. 60,000 Homes Sold in 2010.
2014 YTD Closings 305 Units Ahead Of 2013 – Statistically Flat.

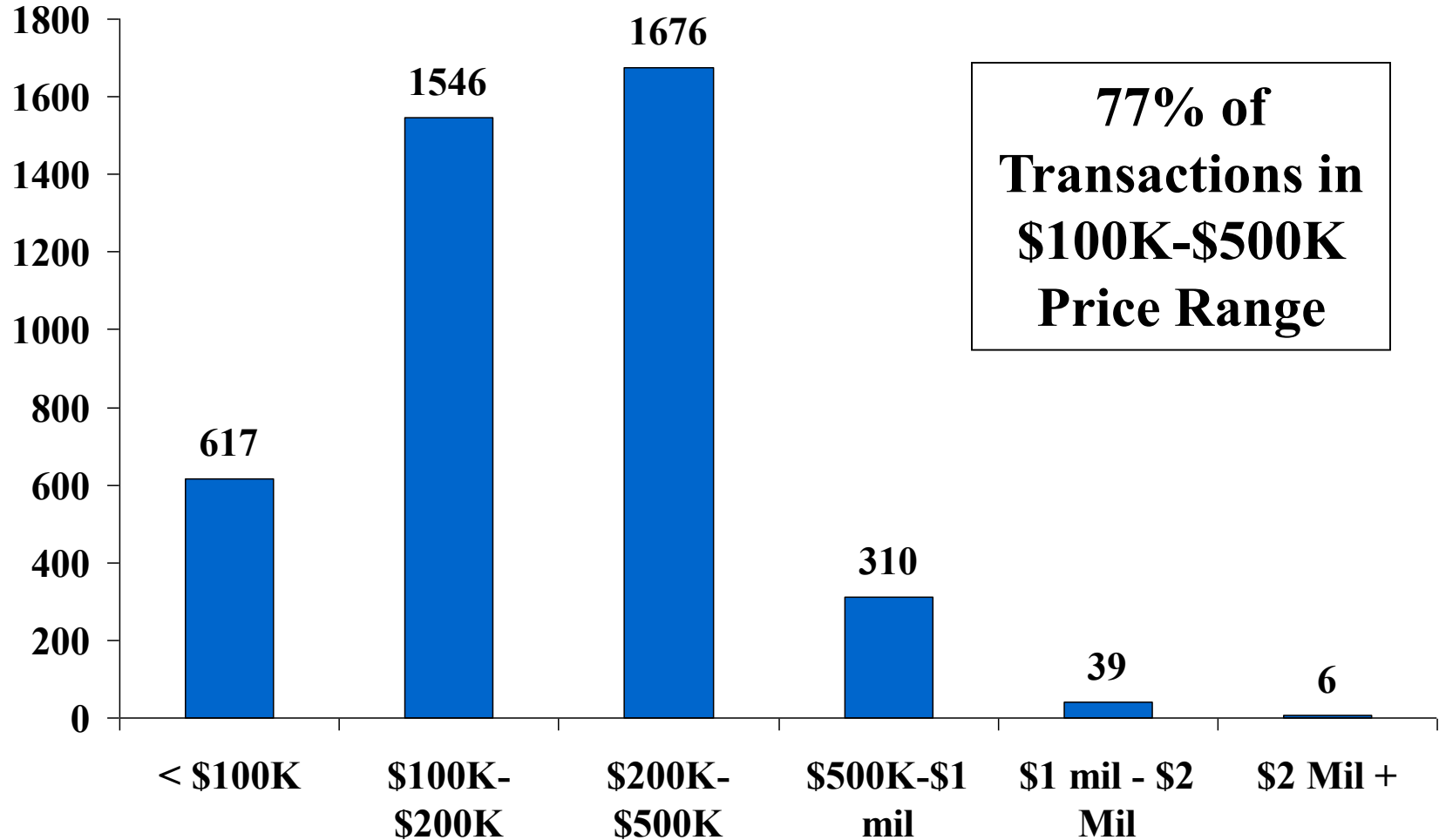
Metro Atlanta 2013-2014 Closings



October Closings Down 7.3% Compared To September Closings.
October 2014 Closings Down 2.6% Compared To October 2013.

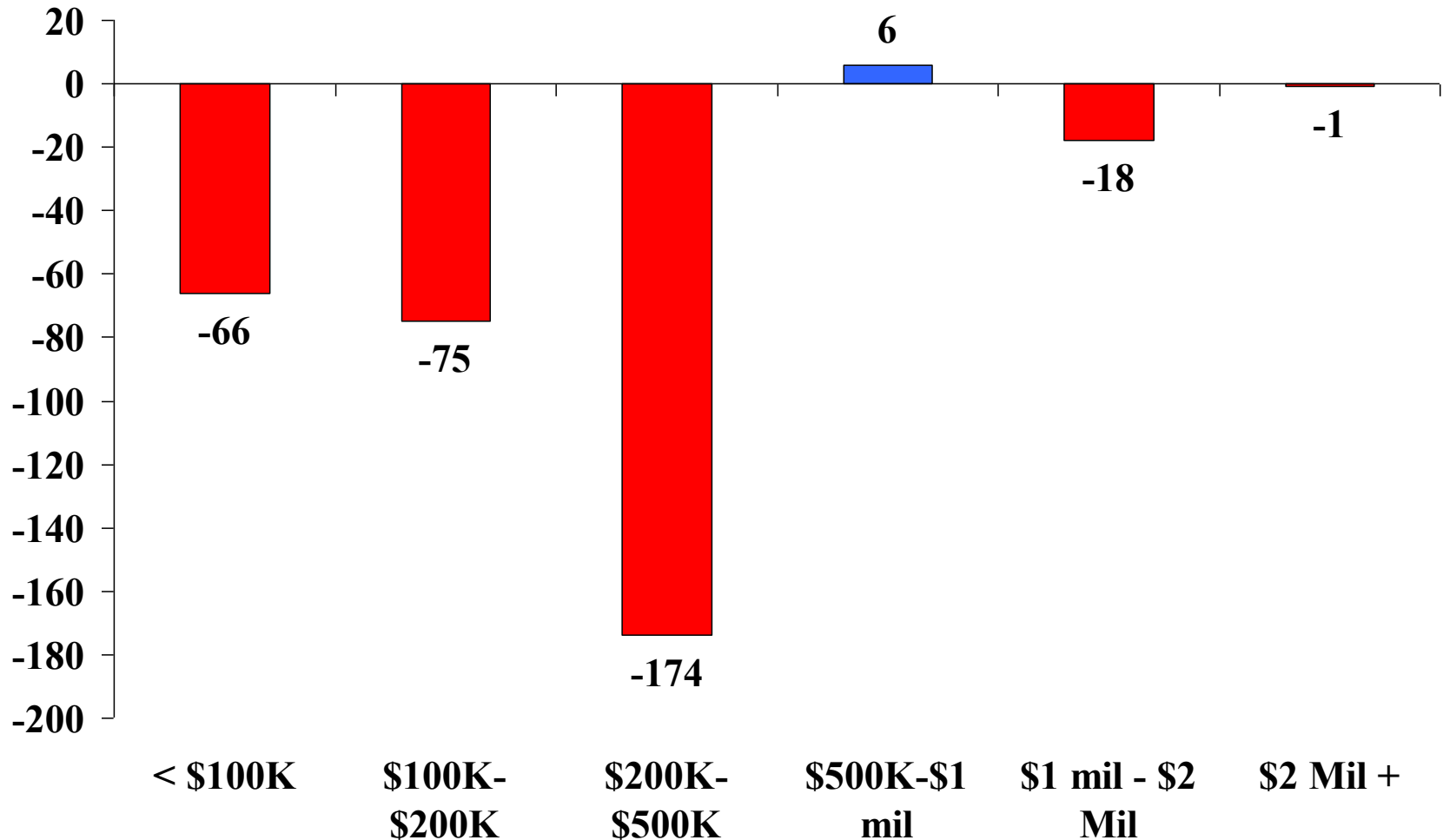
Metro Atlanta Closings – October 2014

(Number Of Transactions By Price Point)



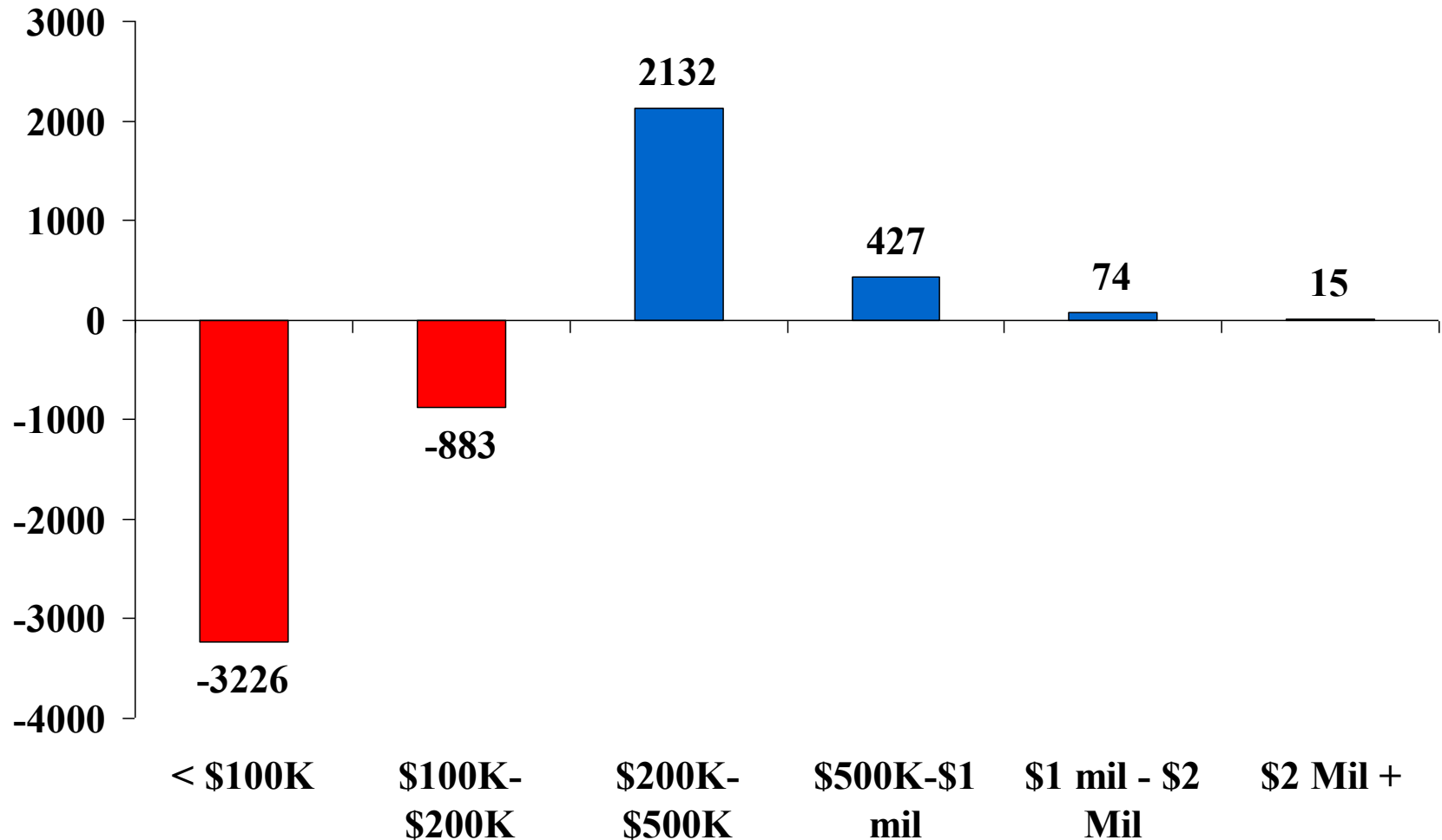
Metro Atlanta Closed Units By Price Point

Oct. 2014 Compared To Sept. 2014



**Fewer Closings In October Due To Normal Seasonality,
World Events And Focus On The November Elections.**

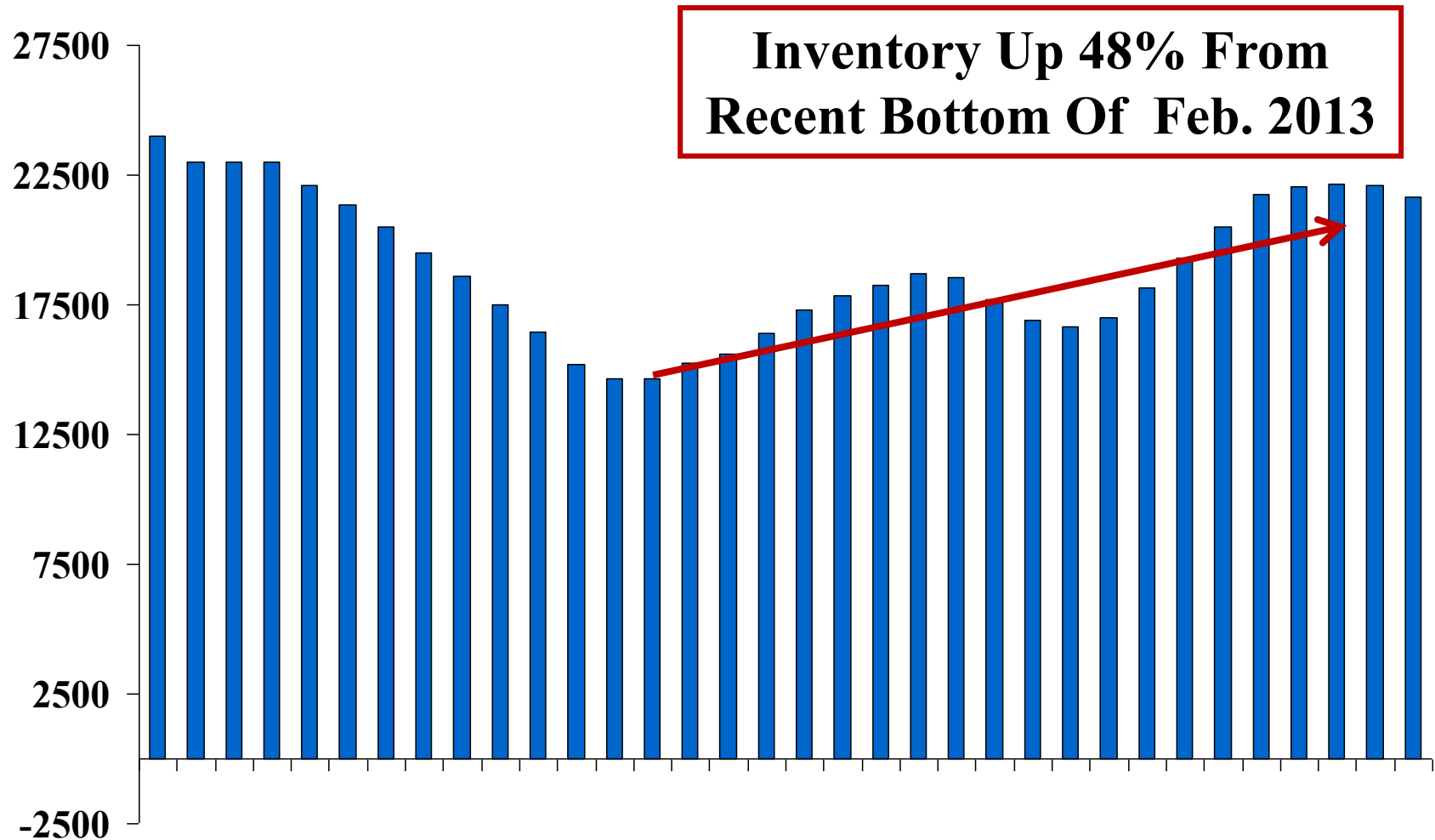
Metro Atlanta Closed Units By Price Point 2014 YTD Compared To 2013 YTD



The Market Above \$200,000 Is Up 13.4% YTD. In Early 2013, Large Investors Were Buying Many Properties Under \$200,000.

Listed Inventory January 2012 - October 2014

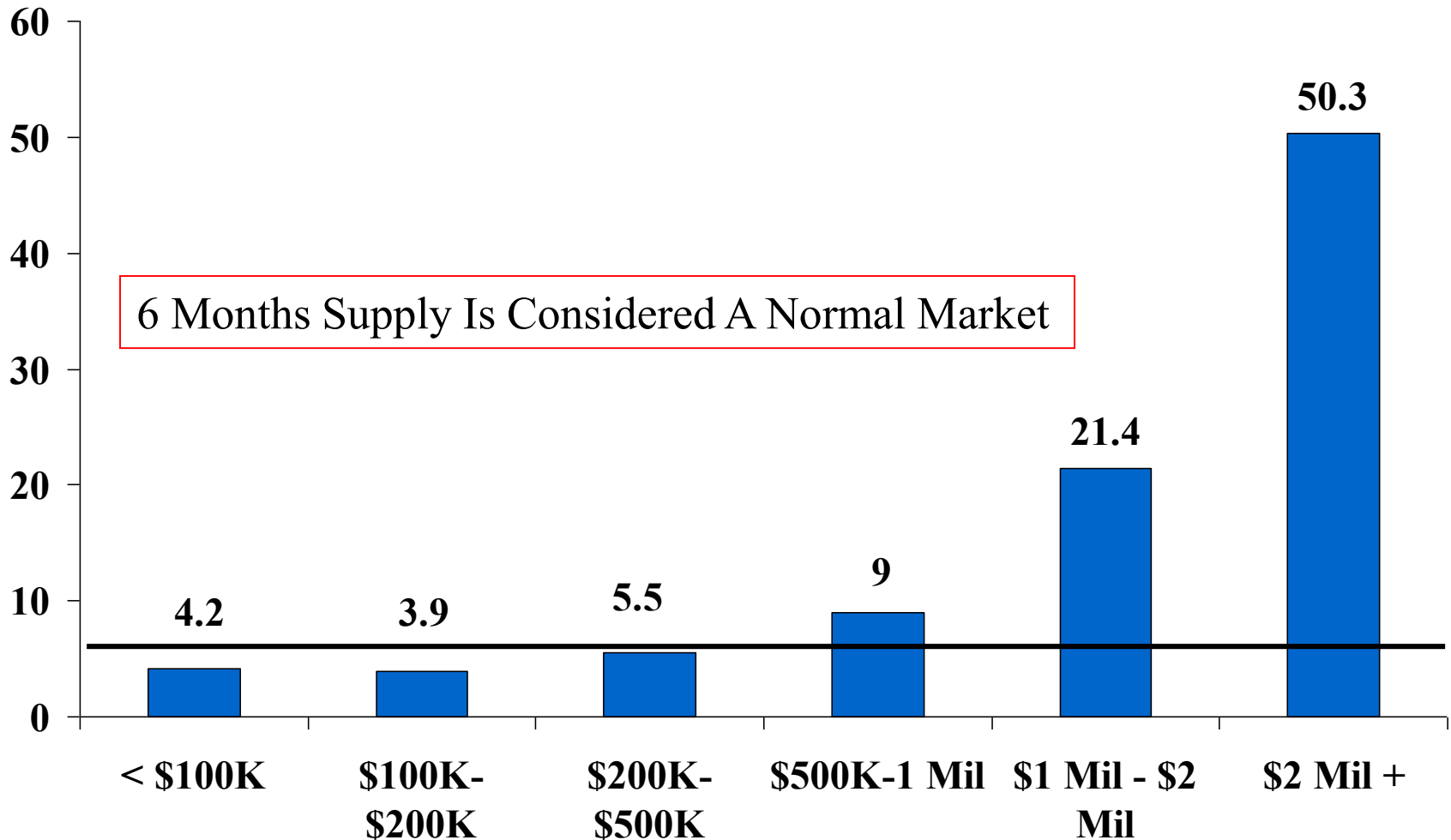
Residential Detached, Metro Atlanta



Inventory Down 1.9% from September 2014, Up 16.7% from October 2013

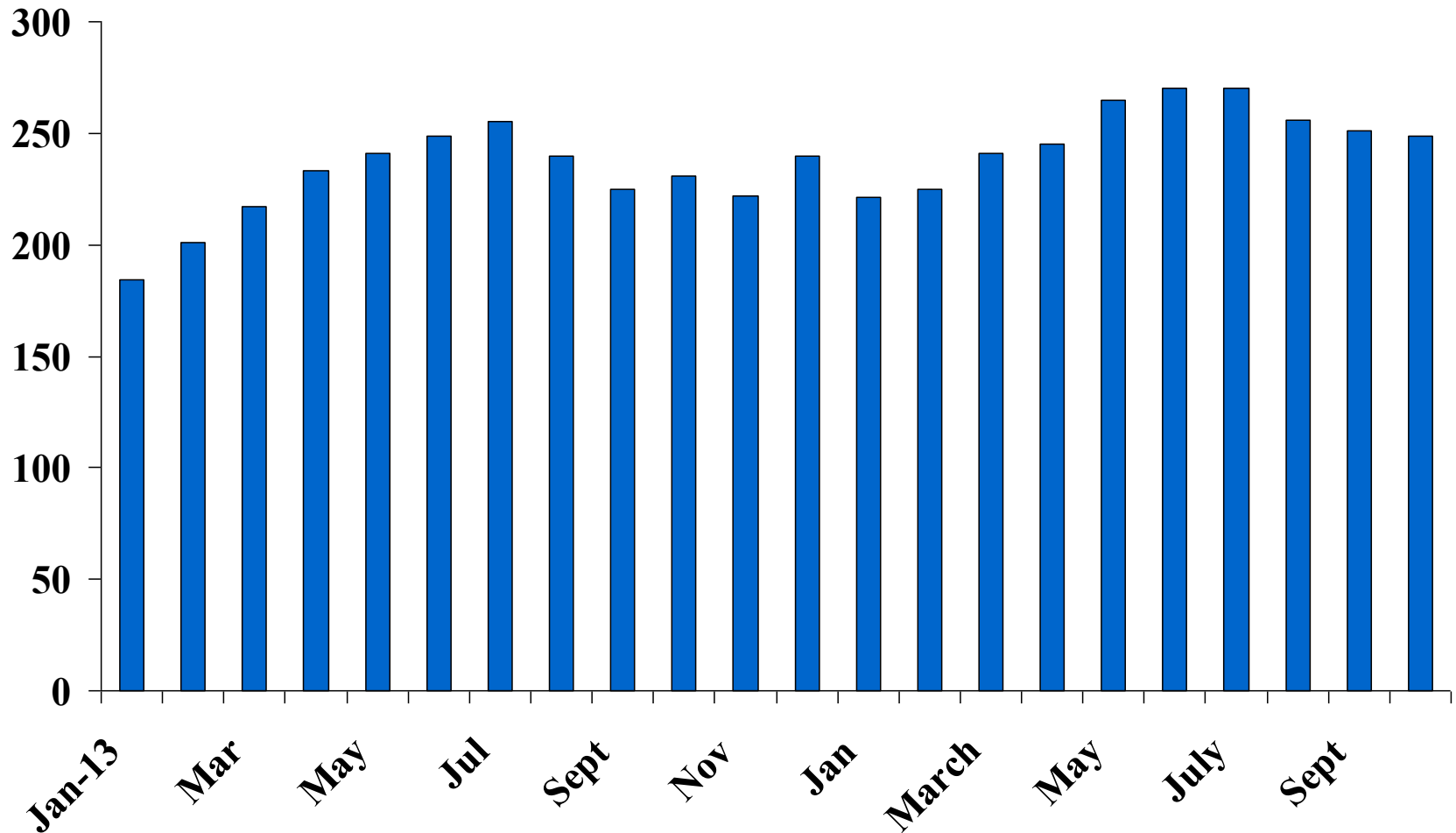
Metro Atlanta Months of Inventory

(October 2014, Based On Closed Sales)



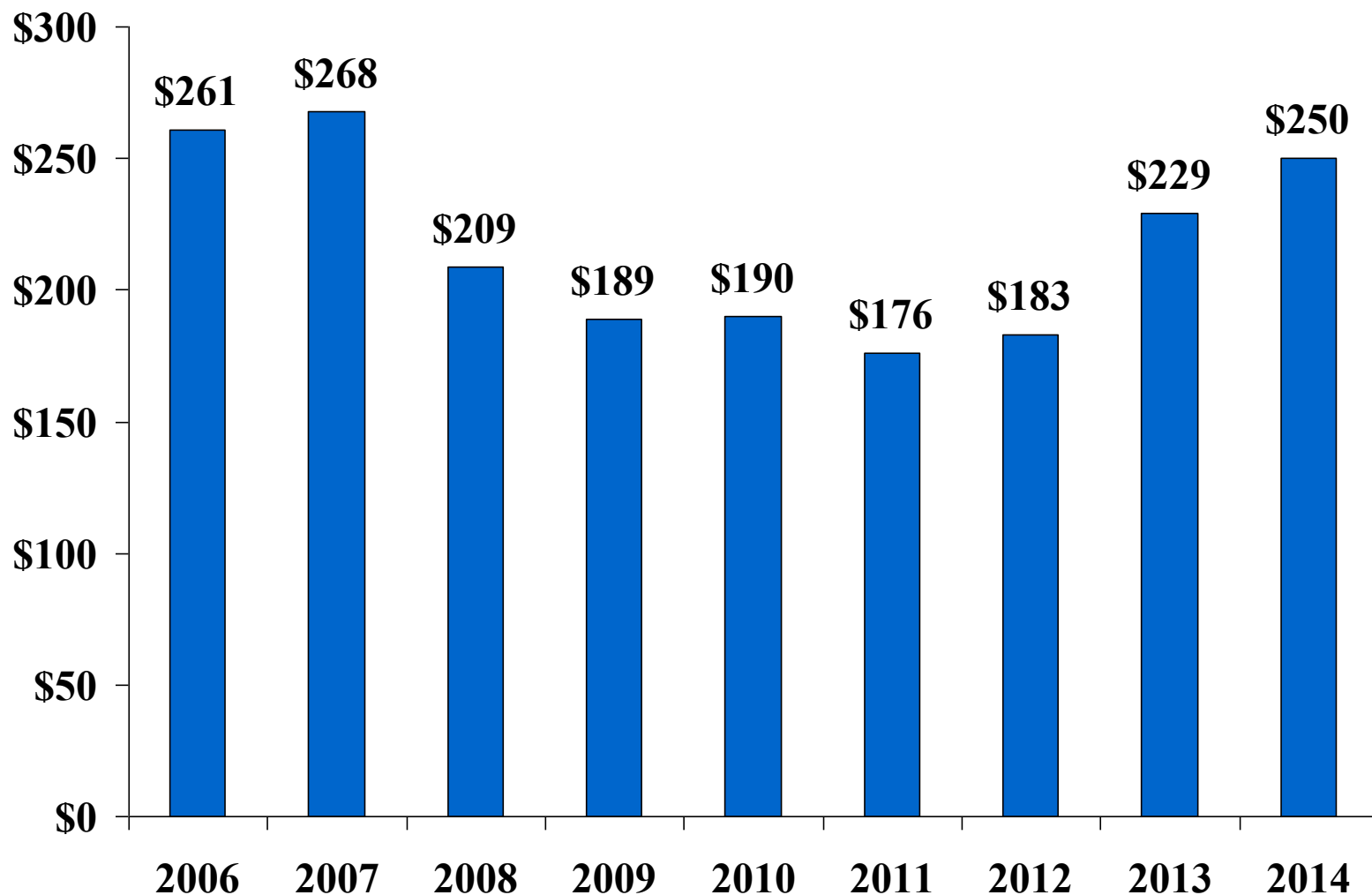
Metro “Months Of Inventory” Is 5.2 Months Vs. 4.9 Last Month

Metro Atlanta Monthly Average Sale Prices



**ASP Is \$249,000 in October. ASP Was \$251,000 in September.
Down .8% From Last Month. Up 7.8% From Last October.**




Metro Atlanta Annual Average Sale Prices



Annual ASP Up 42% From Bottom Of 2011

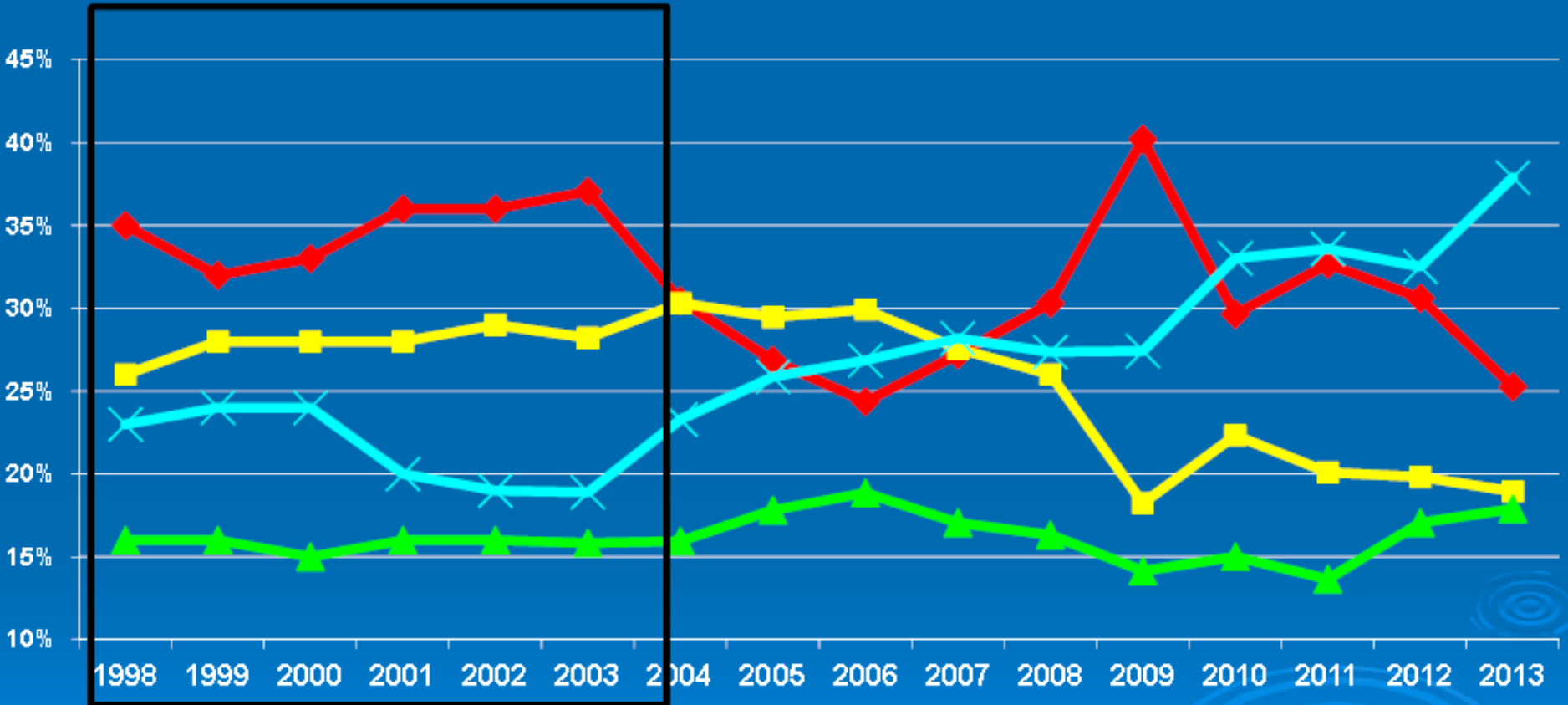
Metro Atlanta Foreclosure Comparisons

(Data by RealValuator)

| | |  Pre-Foreclosures | |  Foreclosures | |  REO Sales | |
|-------------|--------|---|----------------|---|----------------|--|----------------|
| | Date | Activity | Average Amount | Activity | Average Amount | Activity | Average Amount |
| 7-12 Mos | Nov-13 | 3,977 | \$254,480 | 1,401 | \$304,524 | 521 | \$113,701 |
| | Dec-13 | 4,183 | \$220,830 | 1,093 | \$192,375 | 559 | \$142,504 |
| | Jan-14 | 3,440 | \$254,180 | 1,192 | \$175,730 | 464 | \$119,499 |
| | Feb-14 | 3,230 | \$254,803 | 865 | \$130,181 | 480 | \$114,359 |
| | Mar-14 | 3,086 | \$247,299 | 918 | \$199,972 | 496 | \$136,573 |
| | Apr-14 | 3,461 | \$244,183 | 814 | \$195,472 | 445 | \$106,576 |
| 4-6 Mos | May-14 | 3,284 | \$221,009 | 1,045 | \$145,860 | 400 | \$166,619 |
| | Jun-14 | 2,785 | \$216,588 | 838 | \$145,946 | 310 | \$205,927 |
| | Jul-14 | 3,305 | \$219,602 | 795 | \$132,581 | 340 | \$123,403 |
| 1-3 Mos | Aug-14 | 2,997 | \$255,894 | 816 | \$122,123 | 284 | \$491,149 |
| | Sep-14 | 3,254 | \$214,605 | 638 | \$175,119 | 284 | \$130,483 |
| | Oct-14 | 2,941 | \$195,552 | 287 | \$157,488 | 176 | \$114,851 |
| Grand Total | | 39,943 notices 22,360 properties | \$233,252 | 10,702 | \$173,114 | 4,759 | \$163,804 |

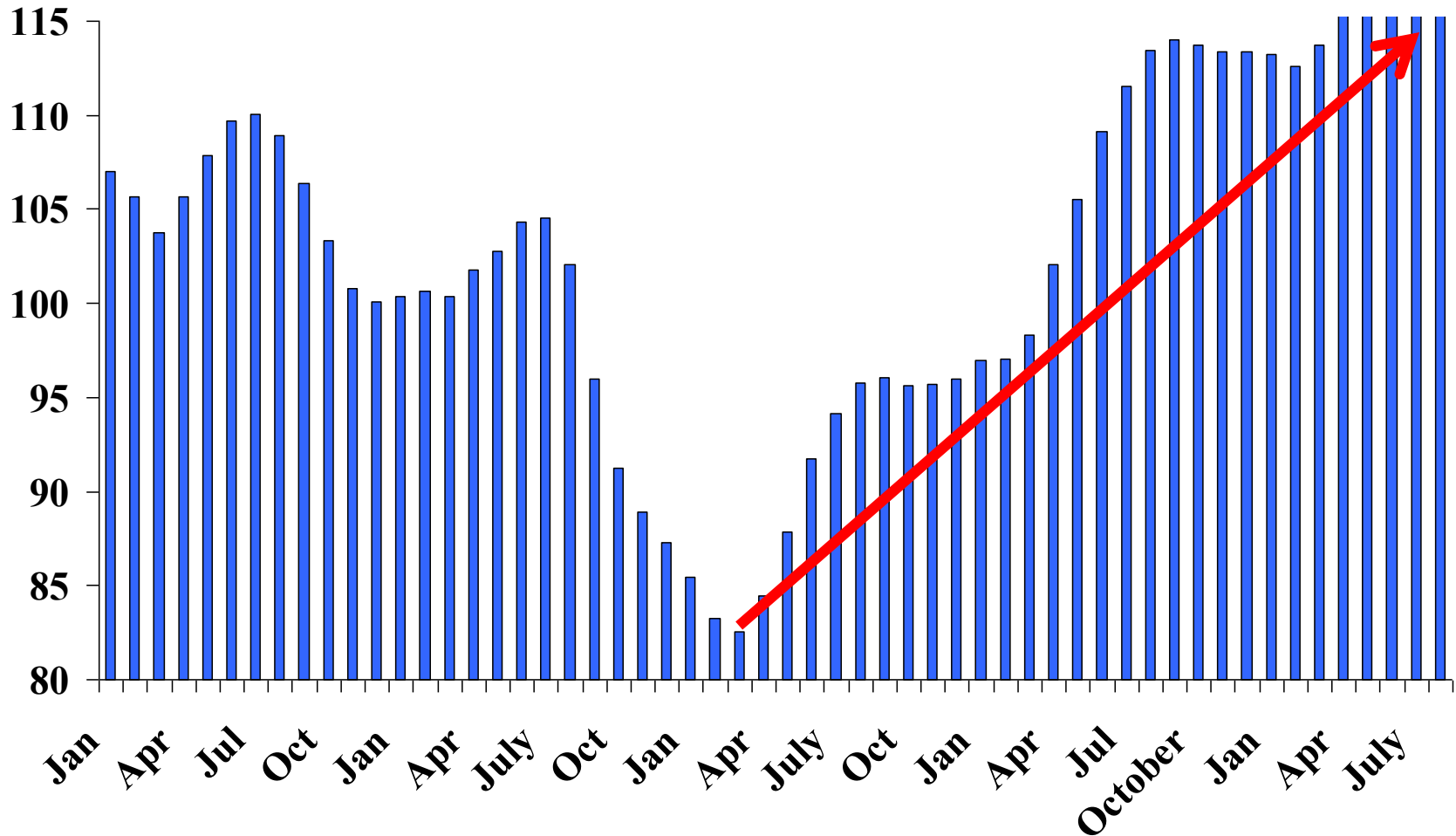
Baby Boomers Are #1 Buyer Segment

FIRST TIME **FIRST MOVE UP**
SECOND MOVE UP **THIRD OR HIGHER**



"Normal"
Atlanta

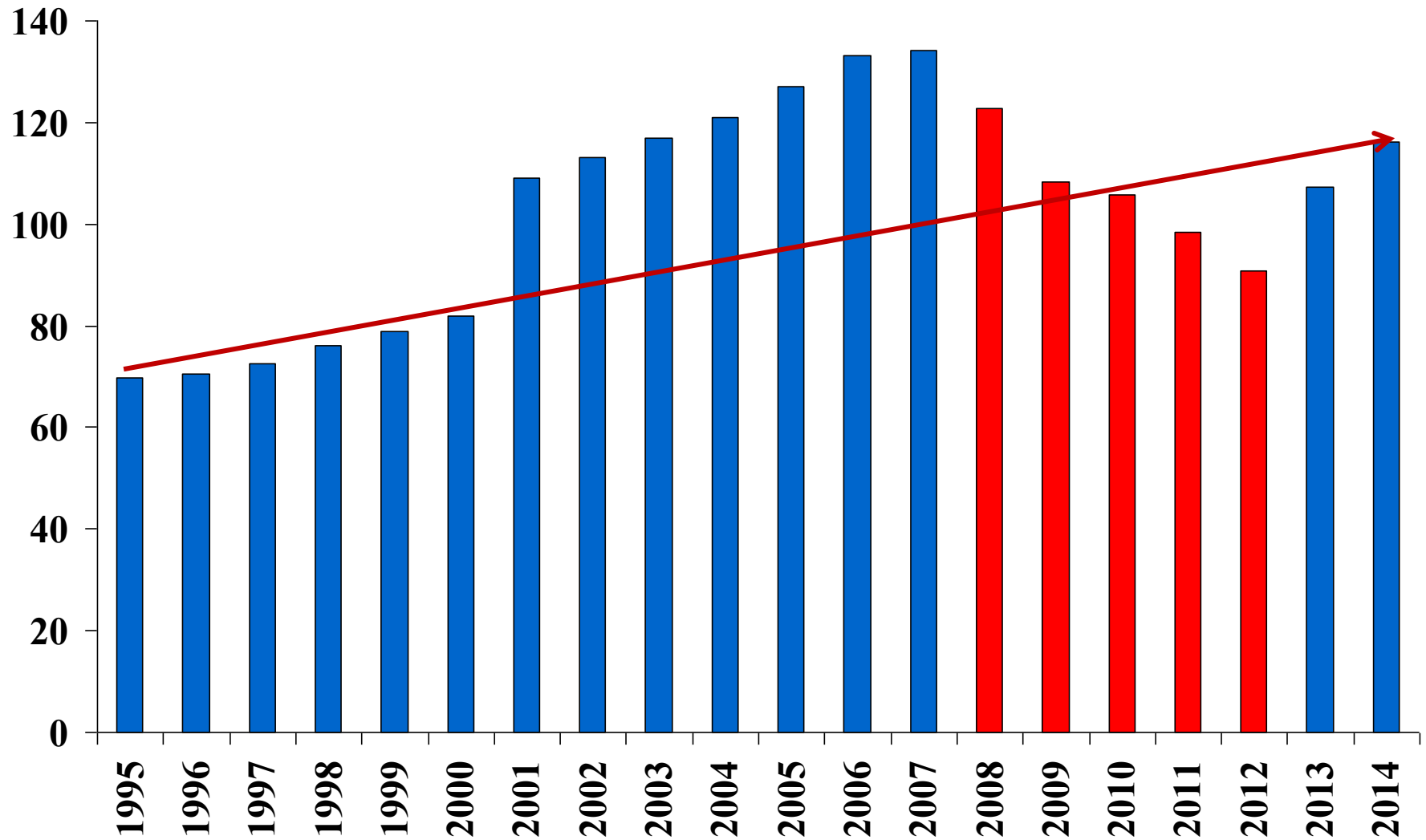
Case-Shiller Index For Metro Atlanta



January 2010 Through Aug 2014 (Reported Oct 28, 2014)

Home Values Up 44% From Bottom of March 2012.

Case-Shiller Home Values For Metro Atlanta



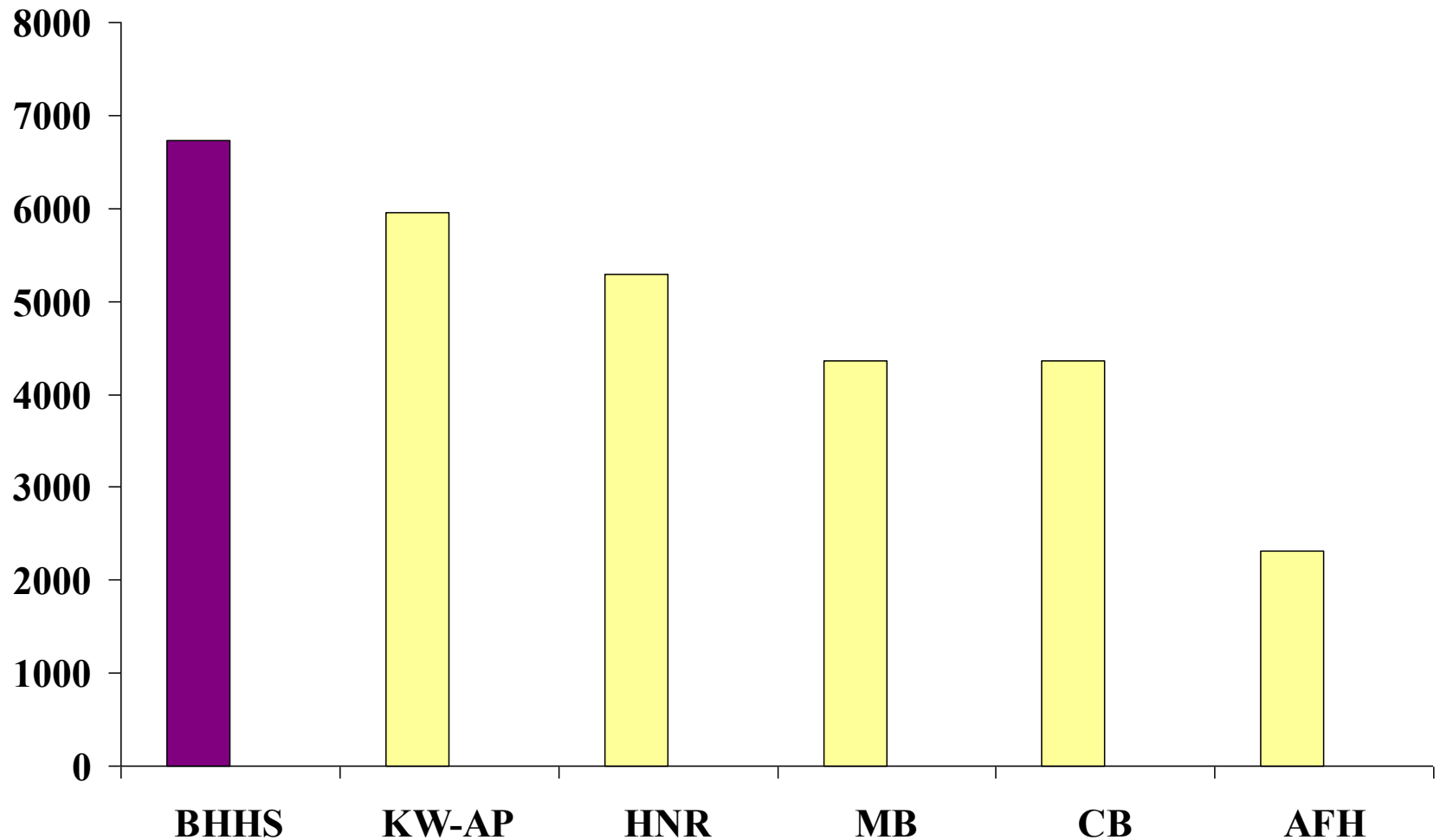
Peak For Values Was July 2007. Recent Bottom Was March 2012.

Current Home Values Moving Back To Normal Trend Line.

**Berkshire Hathaway
HomeServices
Georgia Properties**

YTD Transactions

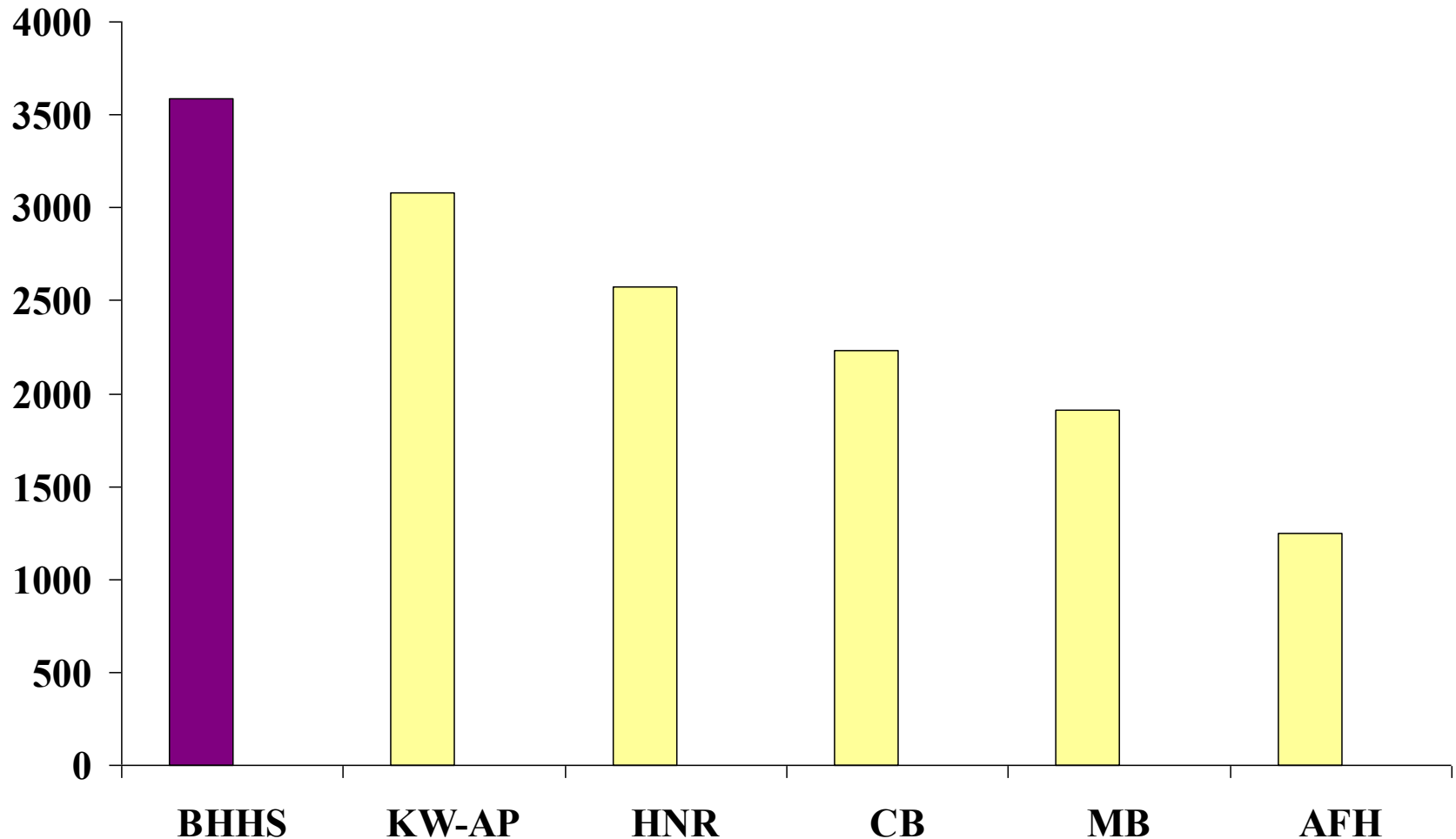
Oct. 2014 - Metro Atlanta



Information Provided By Trendgraphix.

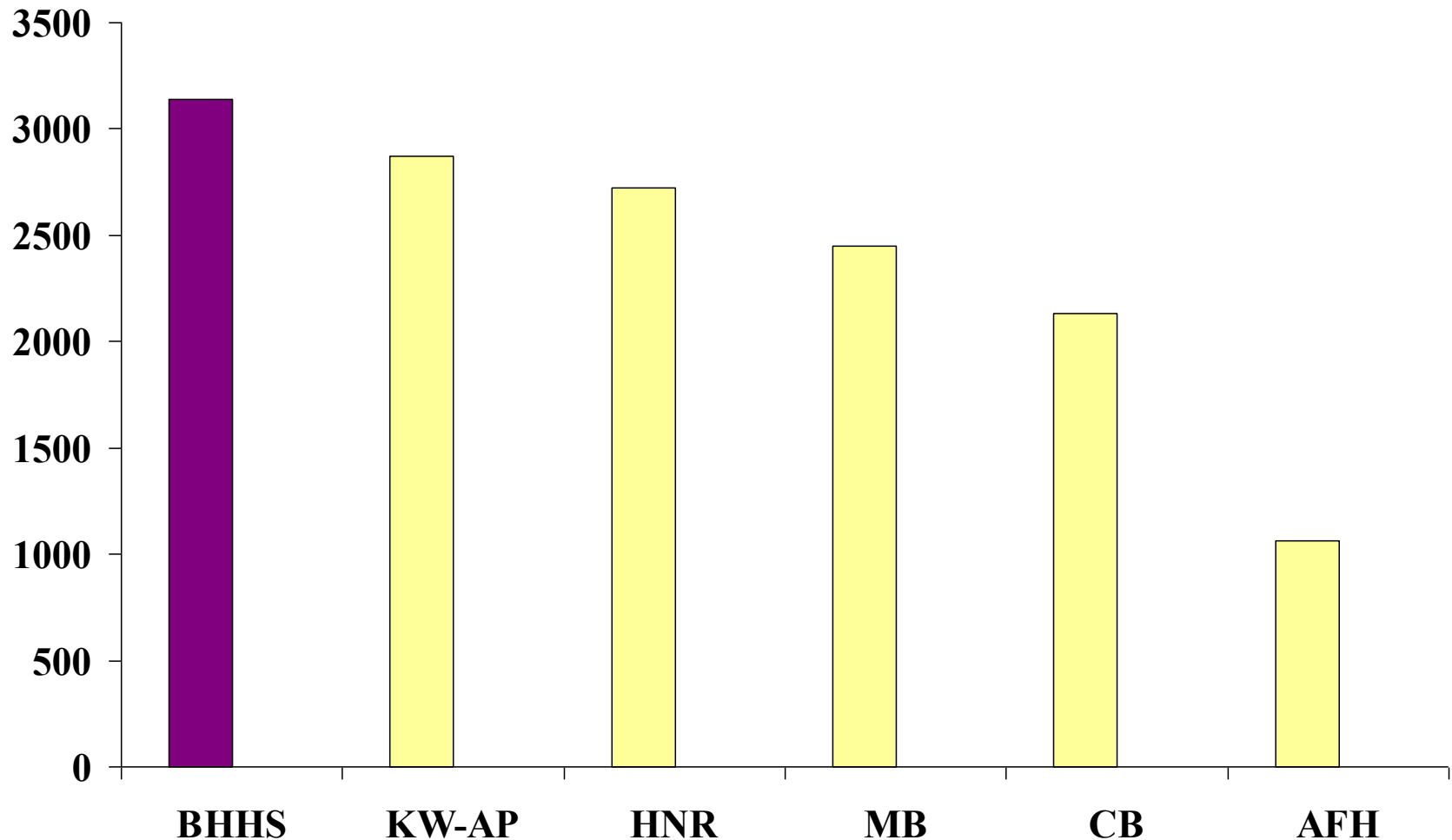
YTD Listing Sales

October 2014 - Metro Atlanta



Information Provided By Trendgraphix.

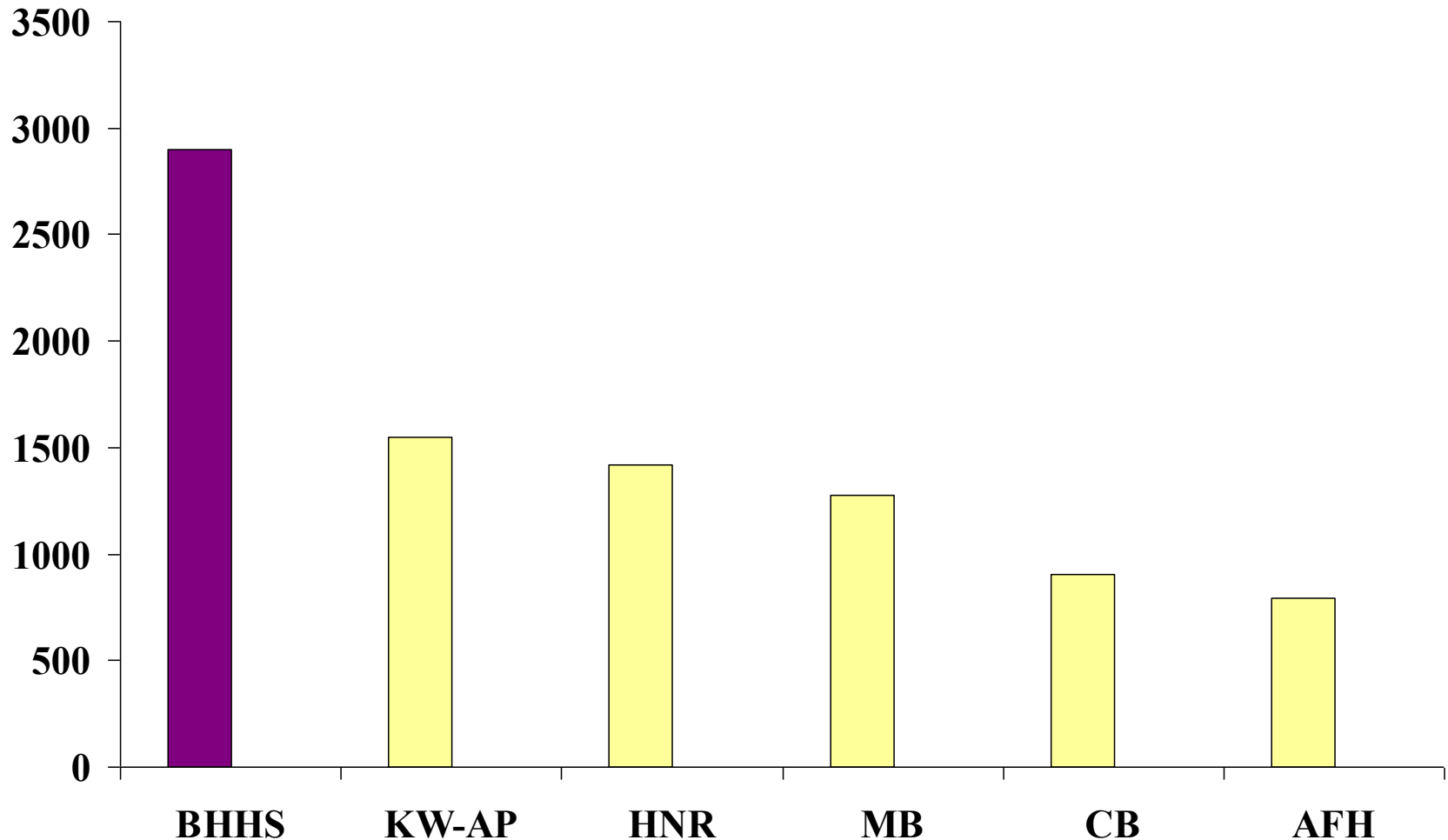
YTD Buyers Represented October 2014 - Metro Atlanta



Information Provided By Trendgraphix.

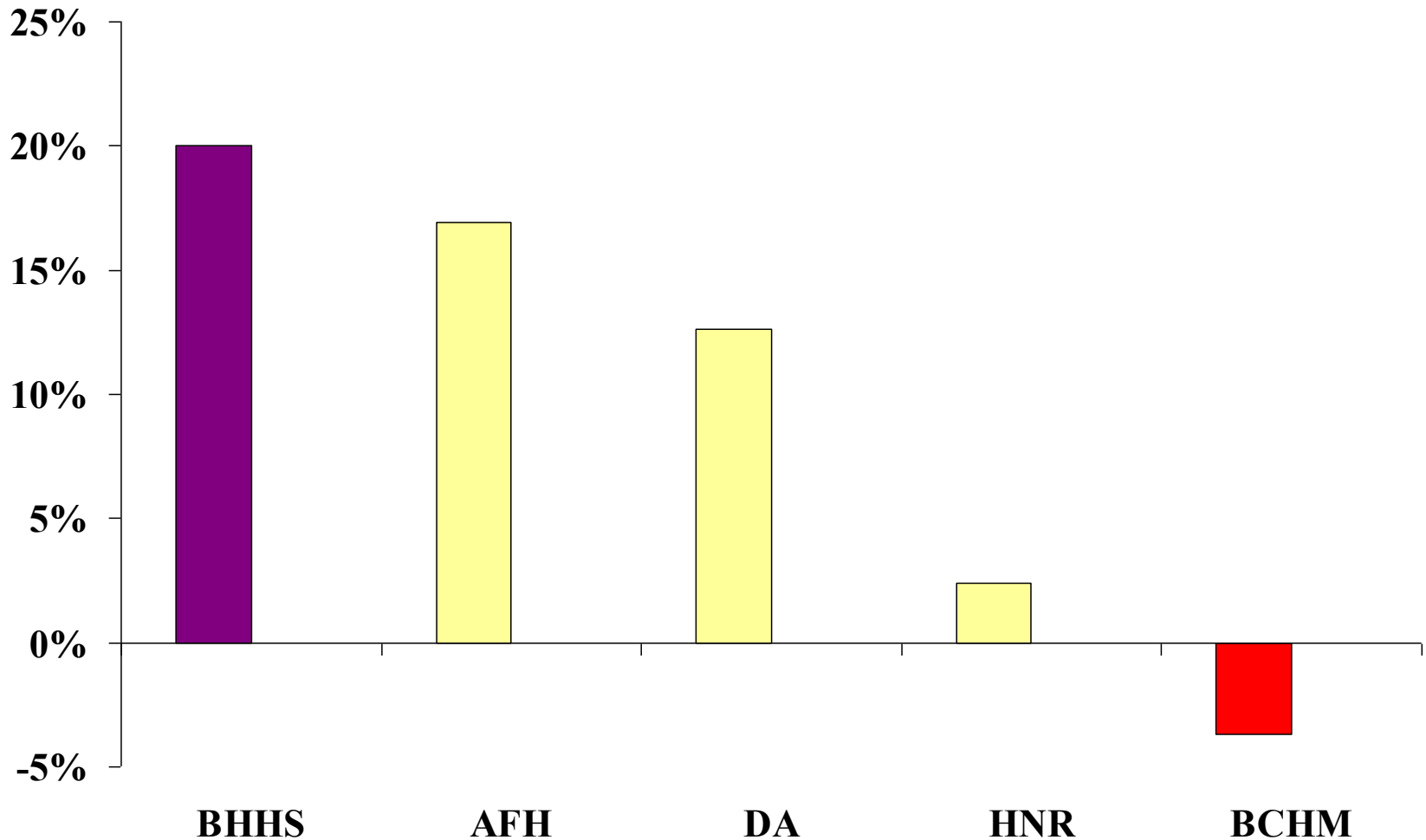
YTD Listing Inventory

October 2014 - Metro Atlanta



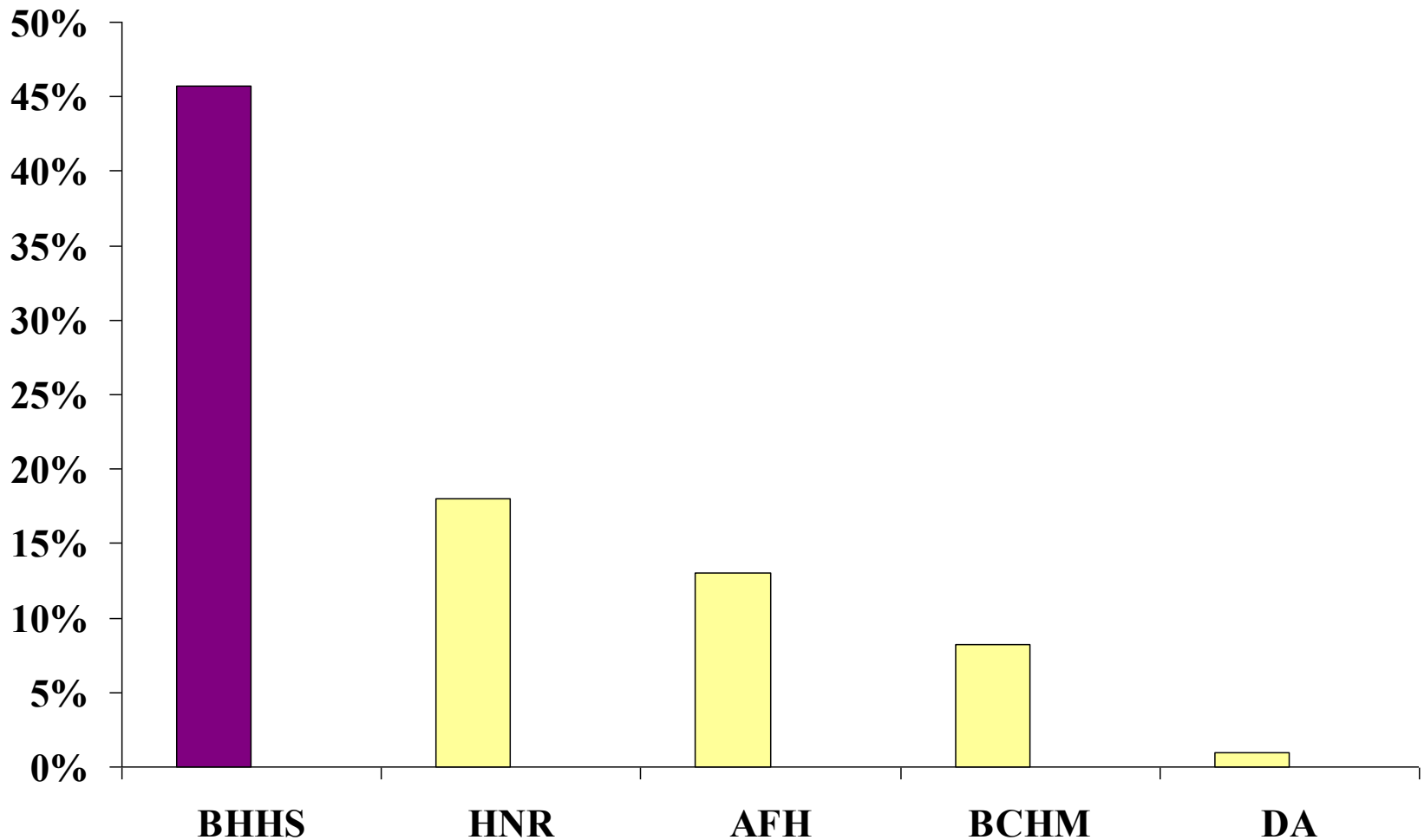
Information Provided By Trendgraphix and BHHS GP Internal Reports.

YTD Luxury Growth \$500K+ Oct. 2014 - Metro Atlanta



Information Provided By Trendgraphix.

YTD Luxury Growth \$1 Mil+ Oct. 2014 - Metro Atlanta

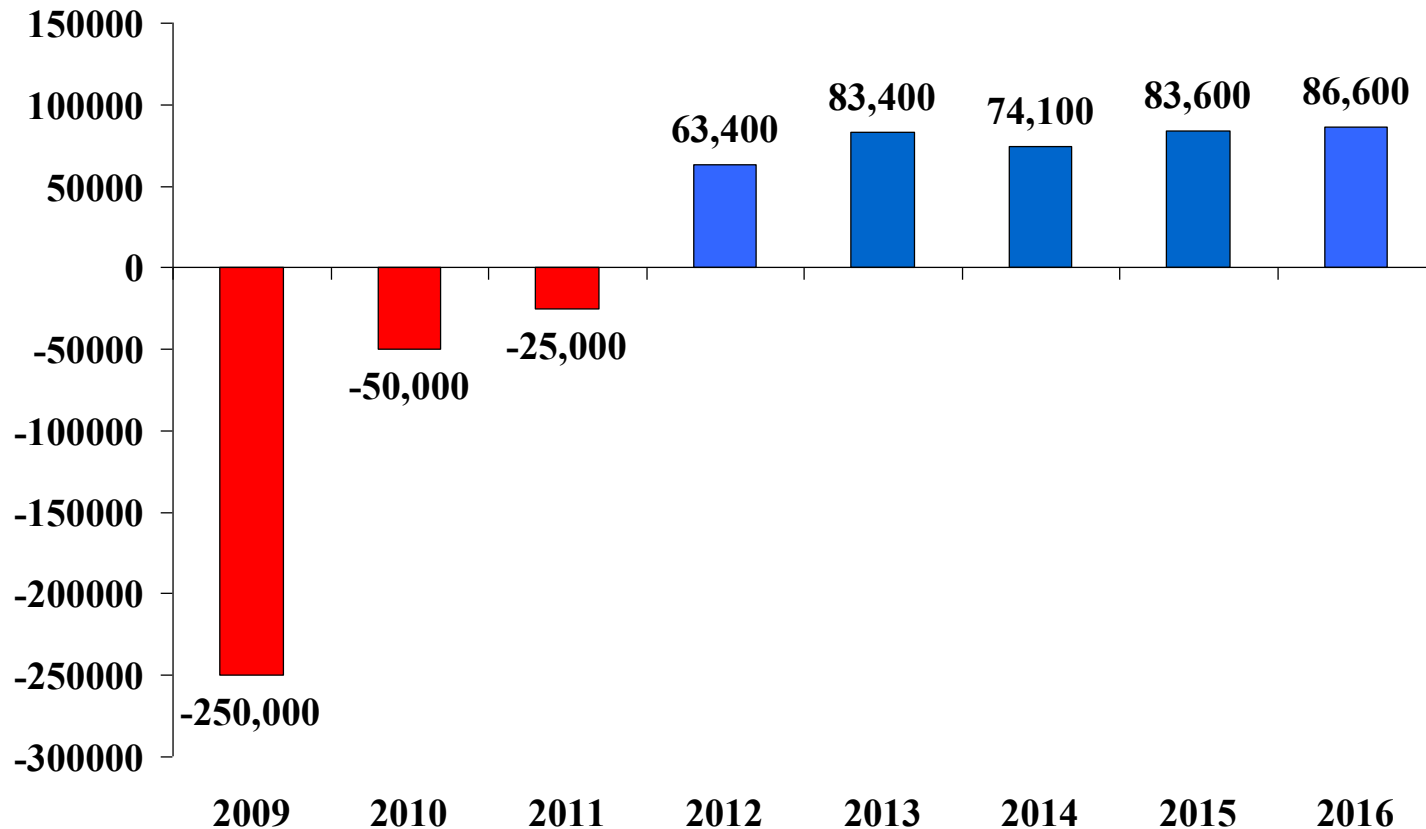


Information Provided By Trendgraphix.

Economic & Housing Trends

More Jobs In Georgia!

(Reports From UGA Terry College of Business/
Georgia State Economic Forecasting Center)



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

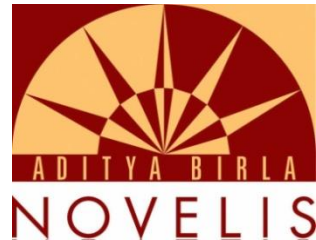
Best Place for Business!

1. **GEORGIA**
2. **TEXAS**
3. **SOUTH CAROLINA**
4. **ALABAMA**
5. **TENNESSEE**
6. **LOUISIANA**
7. **INDIANA**
8. **NORTH CAROLINA**
9. **OHIO**
10. **MISSISSIPPI**

It's difficult to beat Texas on any list of economic development power states these days, but Georgia did exactly that in the Area Development survey of site consultants, nudging Texas down into the No. 2 spot. Georgia's accomplishment was especially impressive because of the breadth of its strong performances over most of the 18 categories voted on by the consultants, including top-three finishes in 12 of them.

The Area Development honor follows other recent recognition of Georgia's rise in the ranks, which included its choice by a CNBC study as the No. 1 place for business in America. Such rankings "are a testament to the commitment from Georgia businesses, communities, economic development partners, and the people of Georgia," Gov. Nathan Deal said in a statement, indicating his confidence that "more businesses will consider expanding or relocating here."

Major Group Moves



Baxter

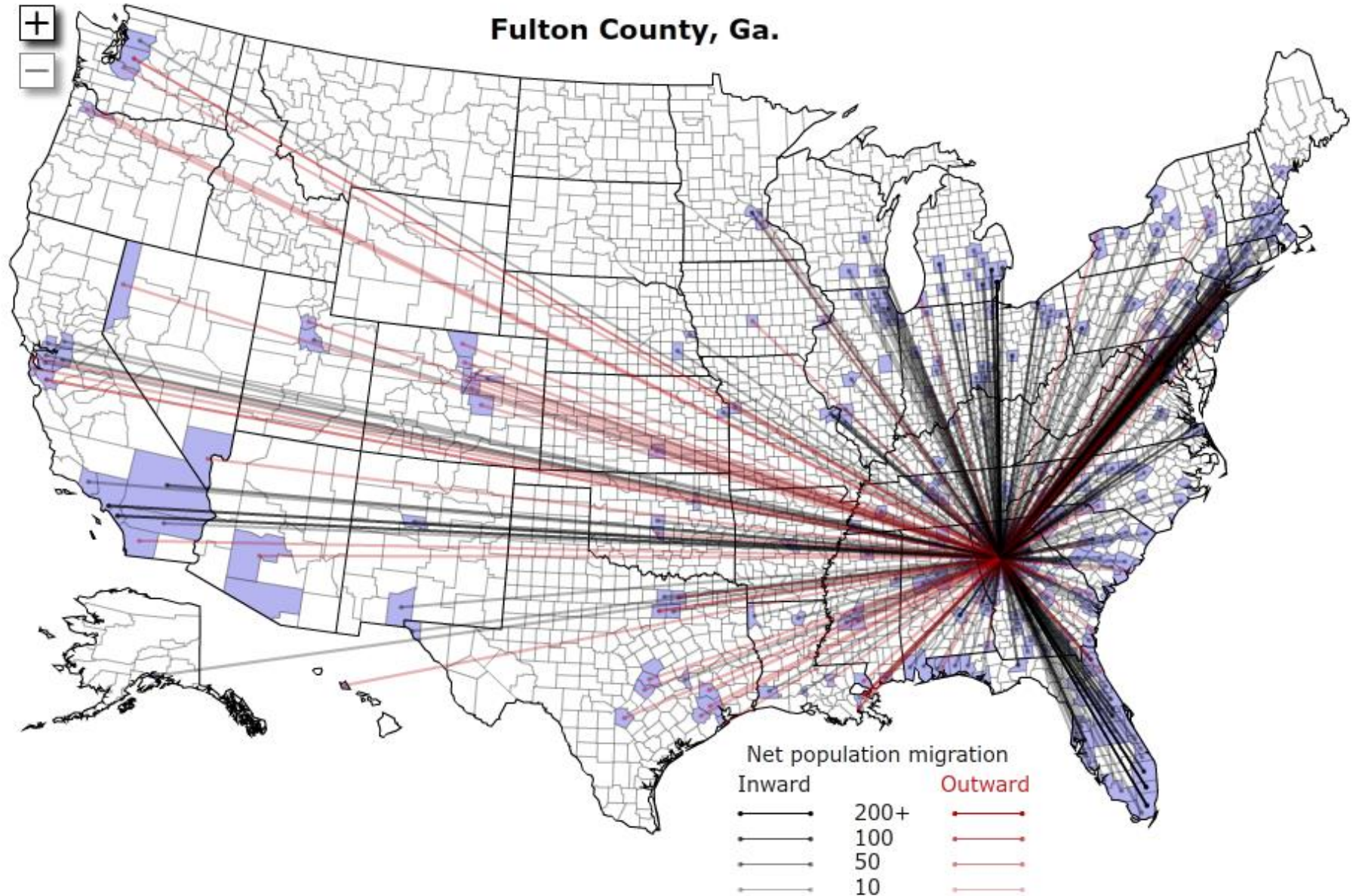


PORSCHE



And More Coming ...

Rustbelt To Sunbelt



Top Destination For Moves

Top Metro Areas To Move To:

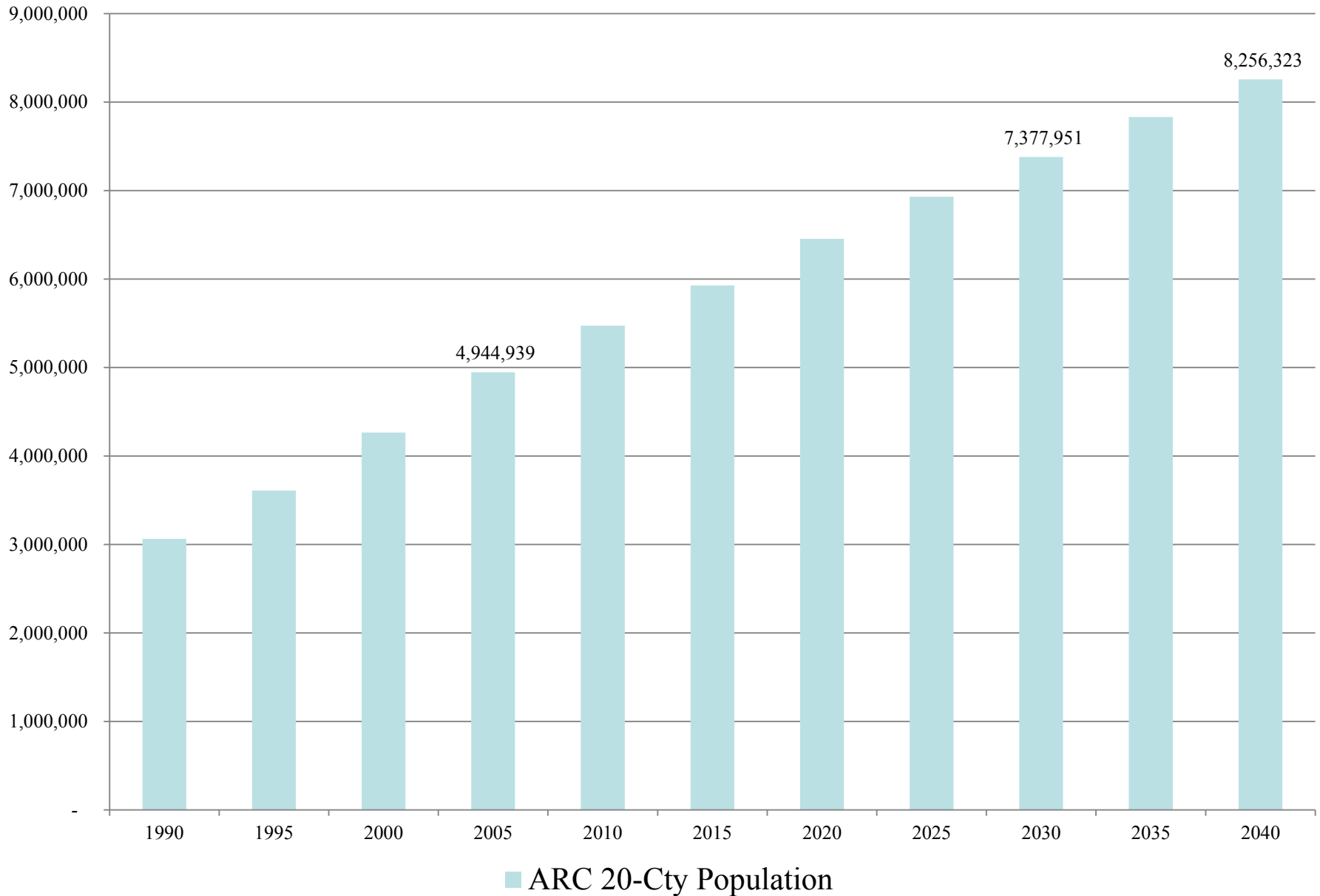
1. Chicago
2. Washington D.C.
3. Atlanta
4. Boston
5. Los Angeles
6. Dallas
7. Phoenix
8. New York
9. Minneapolis
10. San Diego
11. Houston
12. Philadelphia
13. Denver
14. Seattle
15. St. Louis

Top Metro Areas To Move From:

1. Washington, D.C.
2. Dallas
3. Atlanta
4. Houston
5. Phoenix
6. Chicago
7. Seattle
8. Los Angeles
9. Denver
10. San Jose, California
11. Portland
12. Charlotte, N.C.
13. Minneapolis
14. Boston
15. San Diego

Forecast Population Growth

20-County Forecast Area



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

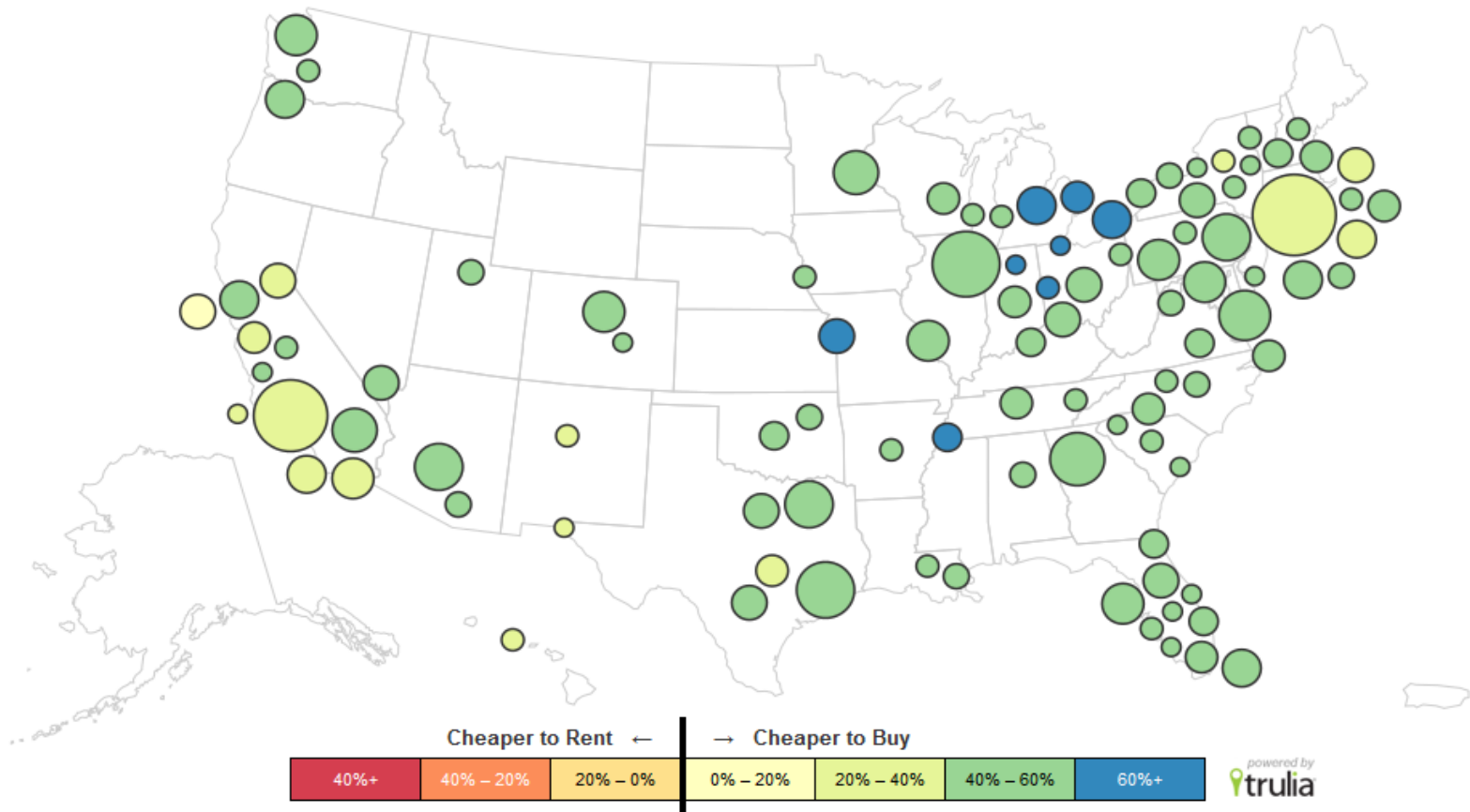
| | Total Population | Rank of Share | | | | |
|---------------|------------------|---------------|-------|-----|-------|-------|
| | | Under 20 | 20-64 | 65+ | 25-39 | 45-59 |
| Dallas | 6,144,489 | 3 | 9 | 25 | 1 | 24 |
| Atlanta | 5,271,550 | 5 | 6 | 27 | 2 | 19 |
| Phoenix | 4,179,427 | 4 | 24 | 15 | 4 | 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 | 7 | 19 | 7 | 7 |
| Seattle | 3,309,347 | 22 | 1 | 20 | 8 | 3 |
| Sacramento | | | | | | |
| Washington | | | | | | |
| Los Angeles | | | | | | |
| San Diego | | | | | | |
| San Francisco | | | | | | |
| Orlando | | | | | | |
| Minneapolis | | | | | | |
| Chicago | | | | | | |
| New York | | | | | | |
| Boston | 4,482,857 | 23 | 8 | 9 | 18 | 10 |
| Cincinnati | 2,134,864 | 9 | 19 | 13 | 19 | 14 |
| Baltimore | 2,668,056 | 17 | 11 | 11 | 20 | 9 |
| Detroit | 4,467,592 | 13 | 18 | 12 | 21 | 5 |
| Philadelphia | 5,827,962 | 16 | 21 | 5 | 22 | 13 |
| St. Louis | 2,802,282 | 15 | 20 | 7 | 23 | 8 |
| Miami | 5,413,212 | 24 | 26 | 3 | 24 | 17 |
| Tampa | 2,723,949 | 25 | 25 | 1 | 25 | 16 |
| Cleveland | 2,096,471 | 20 | 23 | 4 | 26 | 2 |
| Pittsburgh | 2,355,712 | 27 | 22 | 2 | 27 | 1 |

Metro Atlanta Has The:

- #2 Population Age 25-39
- #5 Population Under 20

Source: Census Bureau

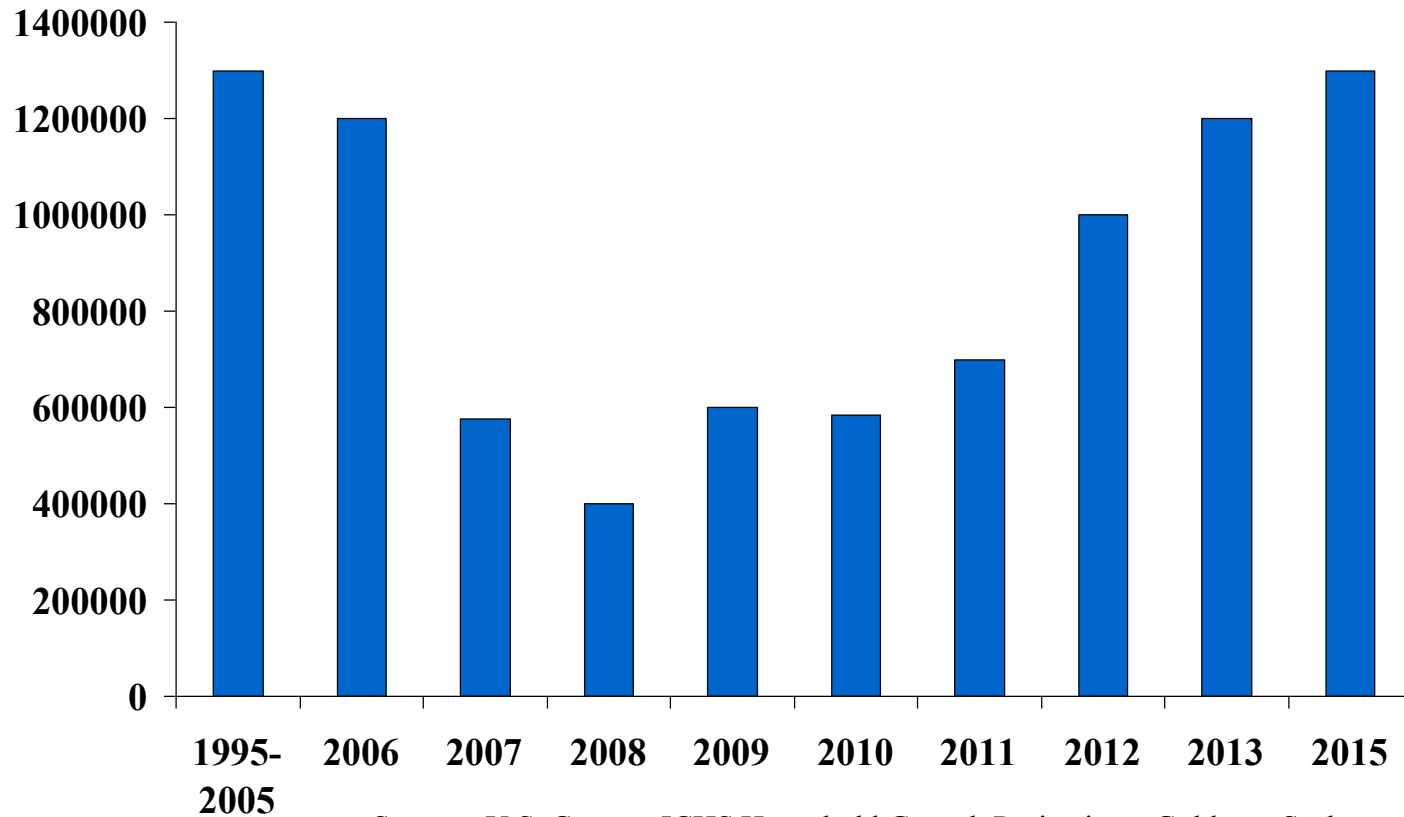
Metro Atlanta Is 56% Better To Buy Than Rent



Rental Bubble May Be Looming With Over 13,000 Multi-Family Rental Units Under Construction Or Proposed

U. S. Household Formation Trends

Demand For 1st Time Buyers Will Be Strong!



Source: U.S. Census, JCHS Household Growth Projections, Goldman Sachs

- **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!**

Mortgage Bankers Association

30-Year Fixed Rate Forecast (October 2014)

| | 2014 | | | | 2015 | | | | 2016 | | | | | | | |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | 2013 | 2014 | 2015 | 2016 |
| Housing Measures | | | | | | | | | | | | | | | | |
| Housing Starts (SAAR, Thous) | 925 | 985 | 1,040 | 1,040 | 1,060 | 1,100 | 1,120 | 1,150 | 1,170 | 1,200 | 1,250 | 1,290 | 930 | 998 | 1,108 | 1,228 |
| Single-Family | 602 | 630 | 655 | 670 | 690 | 720 | 740 | 760 | 790 | 820 | 860 | 900 | 621 | 638 | 728 | 843 |
| Two or More | 323 | 368 | 385 | 370 | 370 | 380 | 380 | 390 | 380 | 380 | 390 | 390 | 309 | 359 | 380 | 385 |
| Home Sales (SAAR, Thous) | | | | | | | | | | | | | | | | |
| Total Existing Homes | 4,603 | 4,867 | 5,207 | 4,983 | 5,059 | 5,154 | 5,201 | 5,237 | 5,248 | 5,333 | 5,498 | 5,626 | 5,073 | 4,915 | 5,163 | 5,426 |
| New Homes | 431 | 430 | 456 | 461 | 480 | 500 | 508 | 522 | 529 | 546 | 572 | 592 | 432 | 444 | 503 | 560 |
| FHFA US House Price Index (YOY % Change) | 4.4 | 4.4 | 4.3 | 4.0 | 3.6 | 3.3 | 3.2 | 3.0 | 2.5 | 2.4 | 2.8 | 2.9 | 4.8 | 4.0 | 3.0 | 2.9 |
| Median Price of Total Existing Homes (Thous \$) | 191.0 | 211.8 | 211.9 | 197.9 | 194.6 | 212.3 | 215.5 | 199.5 | 206.9 | 212.5 | 203.2 | 203.8 | 195.7 | 203.2 | 205.5 | 206.6 |
| Median Price of New Homes (Thous \$) | 273.5 | 280.4 | 279.0 | 274.0 | 277.5 | 288.7 | 286.0 | 279.5 | 282.9 | 284.5 | 285.8 | 287.5 | 265.1 | 277.0 | 282.9 | 285.2 |
| Interest Rates | | | | | | | | | | | | | | | | |
| 30-Year Fixed Rate Mortgage (%) | 4.4 | 4.2 | 4.1 | 4.3 | 4.6 | 4.7 | 5.0 | 5.1 | 5.2 | 5.3 | 5.5 | 5.8 | 4.0 | 4.3 | 5.0 | 5.4 |
| 10-Year Treasury Yield (%) | 2.8 | 2.6 | 2.5 | 2.5 | 2.8 | 2.9 | 3.1 | 3.2 | 3.3 | 3.4 | 3.6 | 3.9 | 2.4 | 2.6 | 3.0 | 3.5 |
| Mortgage Originations | | | | | | | | | | | | | | | | |
| Total 1- to 4-Family (Bil \$) | 247 | 297 | 300 | 262 | 270 | 328 | 318 | 272 | 251 | 319 | 316 | 284 | 1,845 | 1,106 | 1,188 | 1,170 |
| Purchase | 124 | 179 | 185 | 147 | 142 | 204 | 211 | 174 | 154 | 224 | 221 | 192 | 734 | 635 | 731 | 791 |
| Refinance | 123 | 118 | 115 | 115 | 128 | 124 | 107 | 98 | 97 | 95 | 95 | 92 | 1,111 | 471 | 457 | 379 |
| Refinance Share (%) | 50 | 40 | 38 | 44 | 47 | 38 | 34 | 36 | 39 | 30 | 30 | 32 | 60 | 43 | 38 | 32 |

Increasing Mortgage Rates Make A Significant Difference In Home Affordability

| Amount Of Mortgage | 3.5% Mortgage | 30-Year Cost | 5% Mortgage | 30-Year Cost | 8% Mortgage | 30-Year Cost |
|--------------------|---------------|--------------|-------------|--------------|-------------|--------------|
| \$200,000 | \$898 | \$323,280 | \$1,073 | \$386,280 | \$1,467 | \$528,120 |
| \$300,000 | \$1,347 | \$484,920 | \$1,610 | \$579,600 | \$2,201 | \$792,360 |
| \$400,000 | \$1,796 | \$646,560 | \$2,147 | \$772,920 | \$2,935 | \$1,056,600 |
| \$500,000 | \$2,245 | \$808,200 | \$2,684 | \$966,240 | \$3,668 | \$1,320,480 |
| \$1 million | \$4,490 | \$1,616,400 | \$5,368 | \$1,932,480 | \$7,337 | \$2,641,320 |