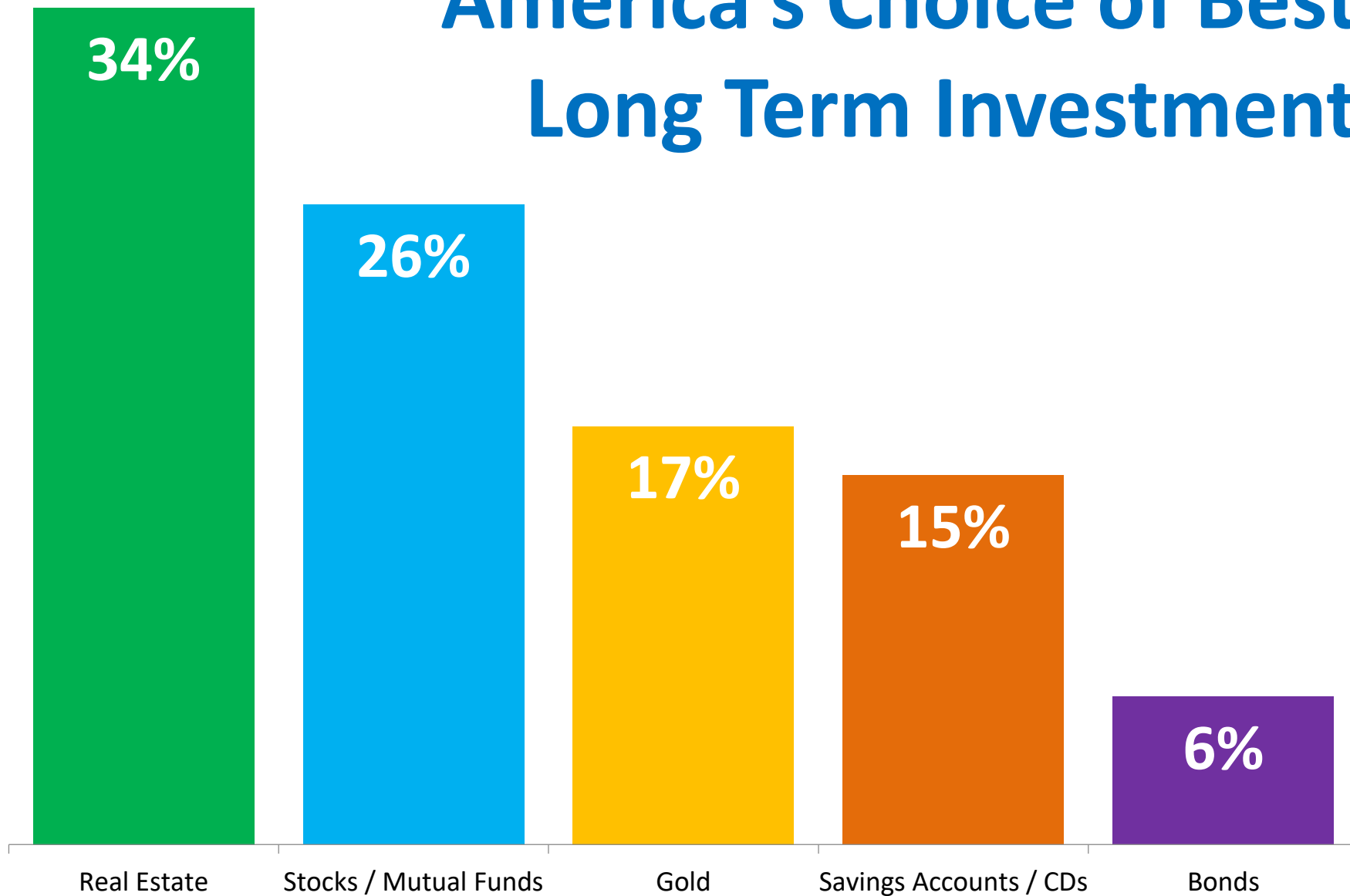


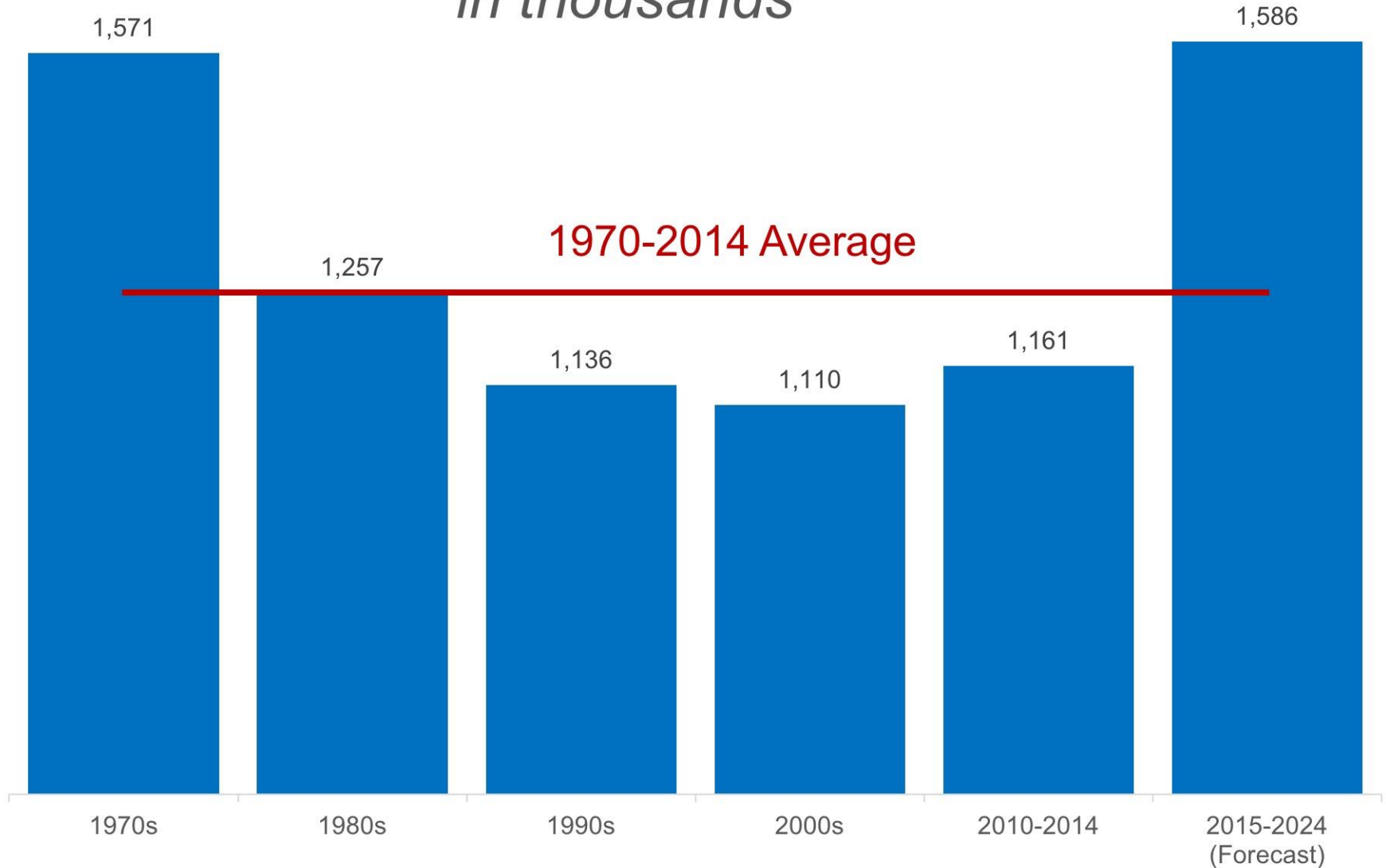
# National Housing Trends

# America's Choice of Best Long Term Investment

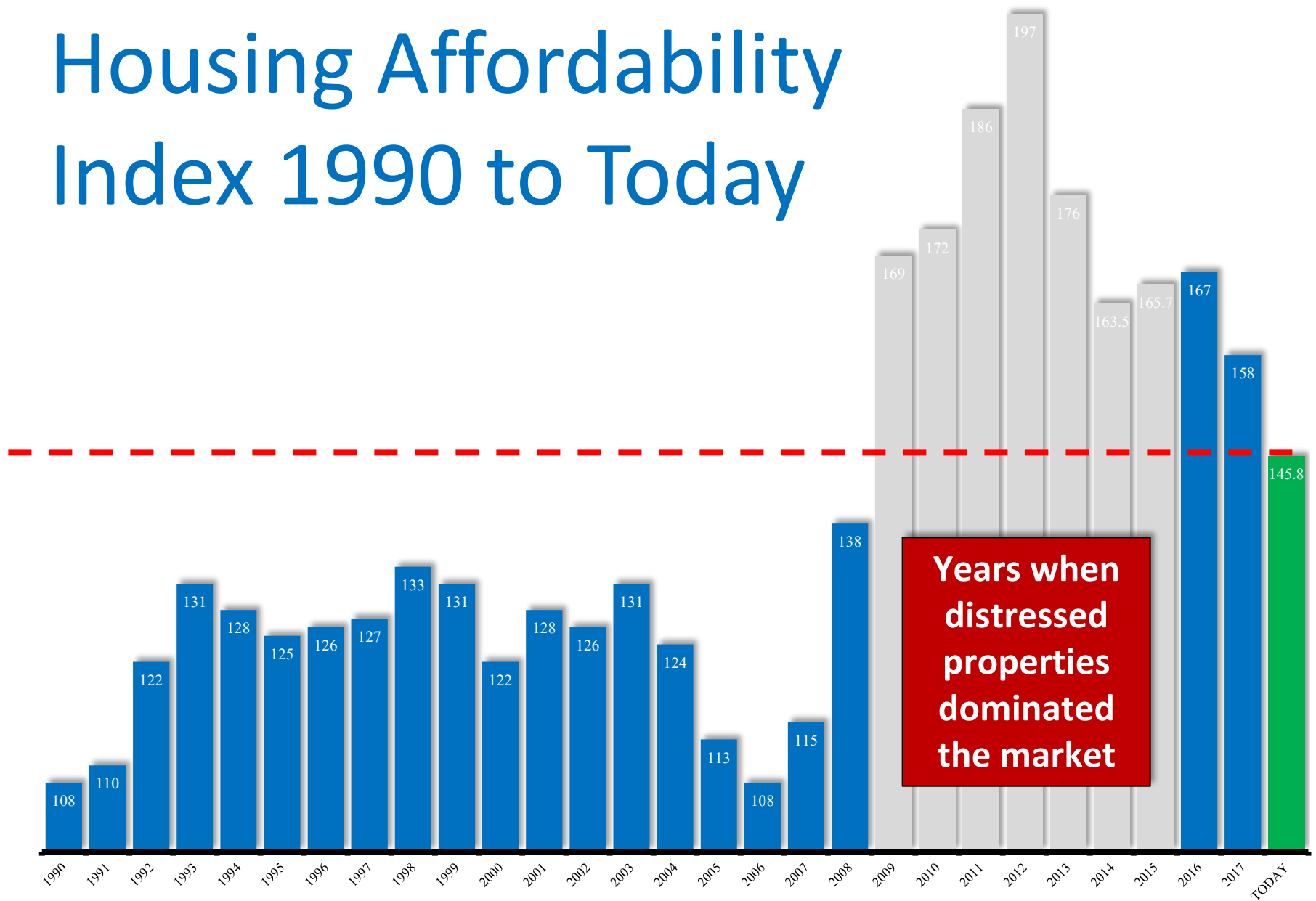


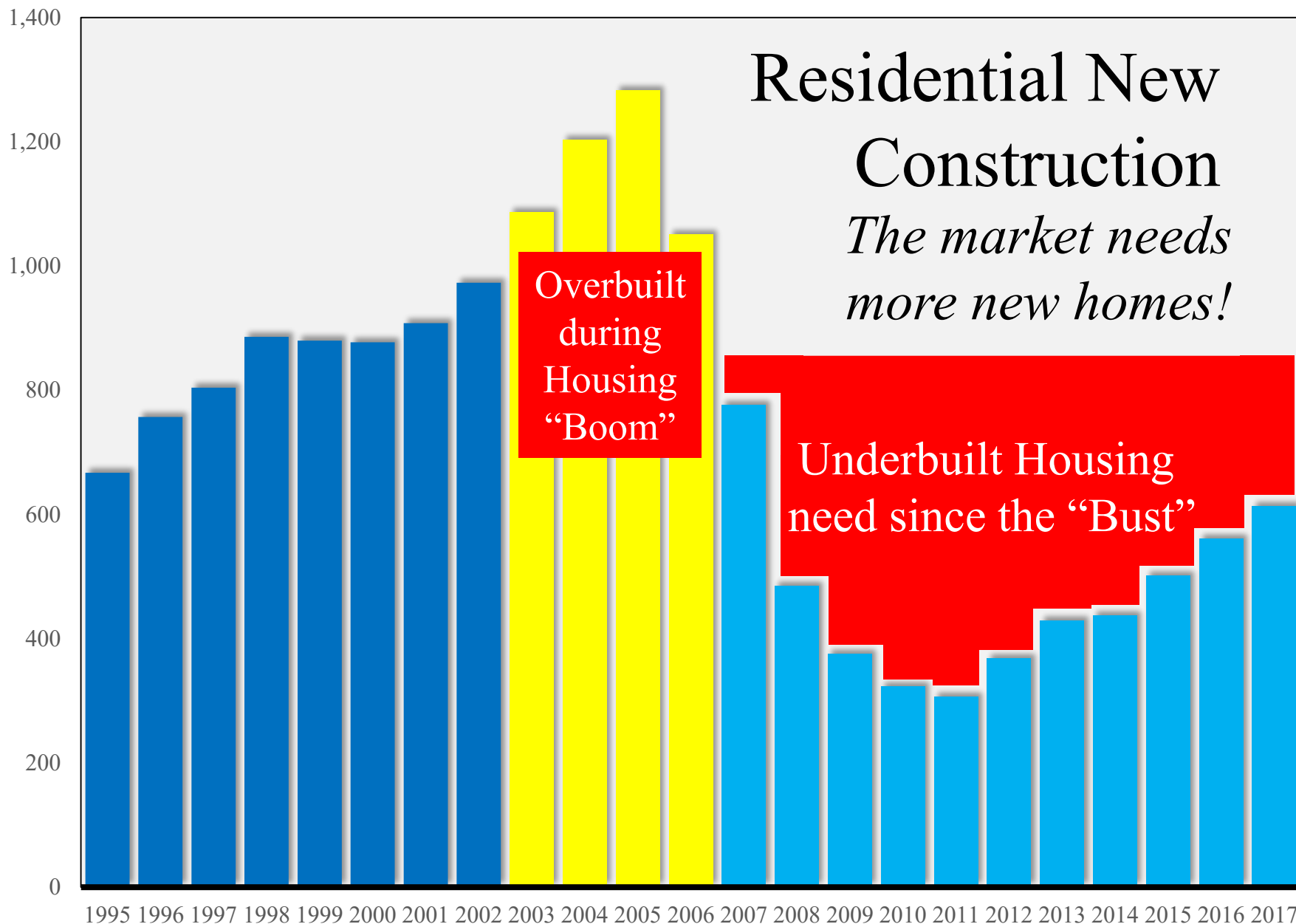
# Average Annual Household Formation

*in thousands*



# Housing Affordability Index 1990 to Today





# Upcoming Recession?

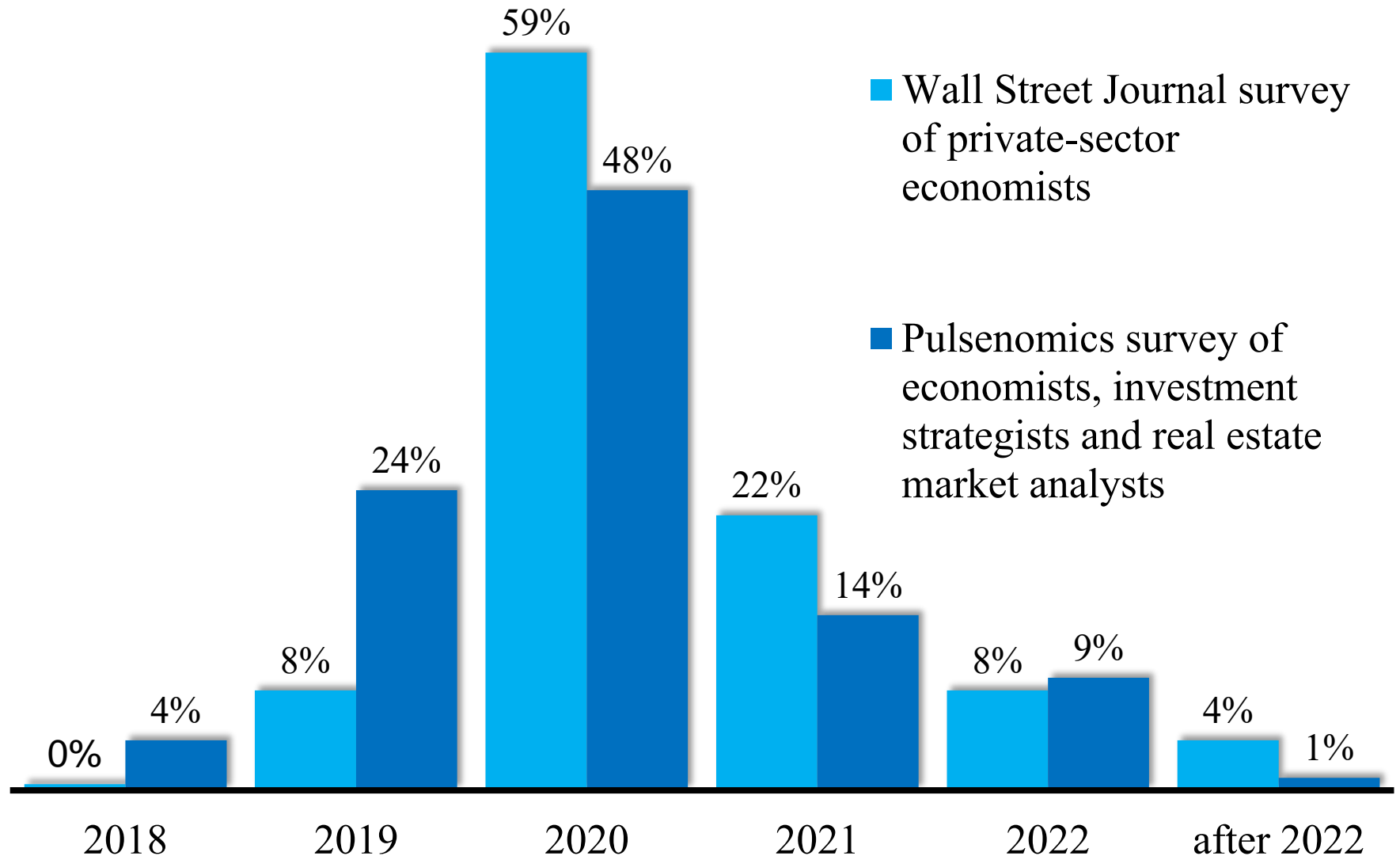


Wall Street Journal  
survey of economists  
predicts a recession  
in 2020

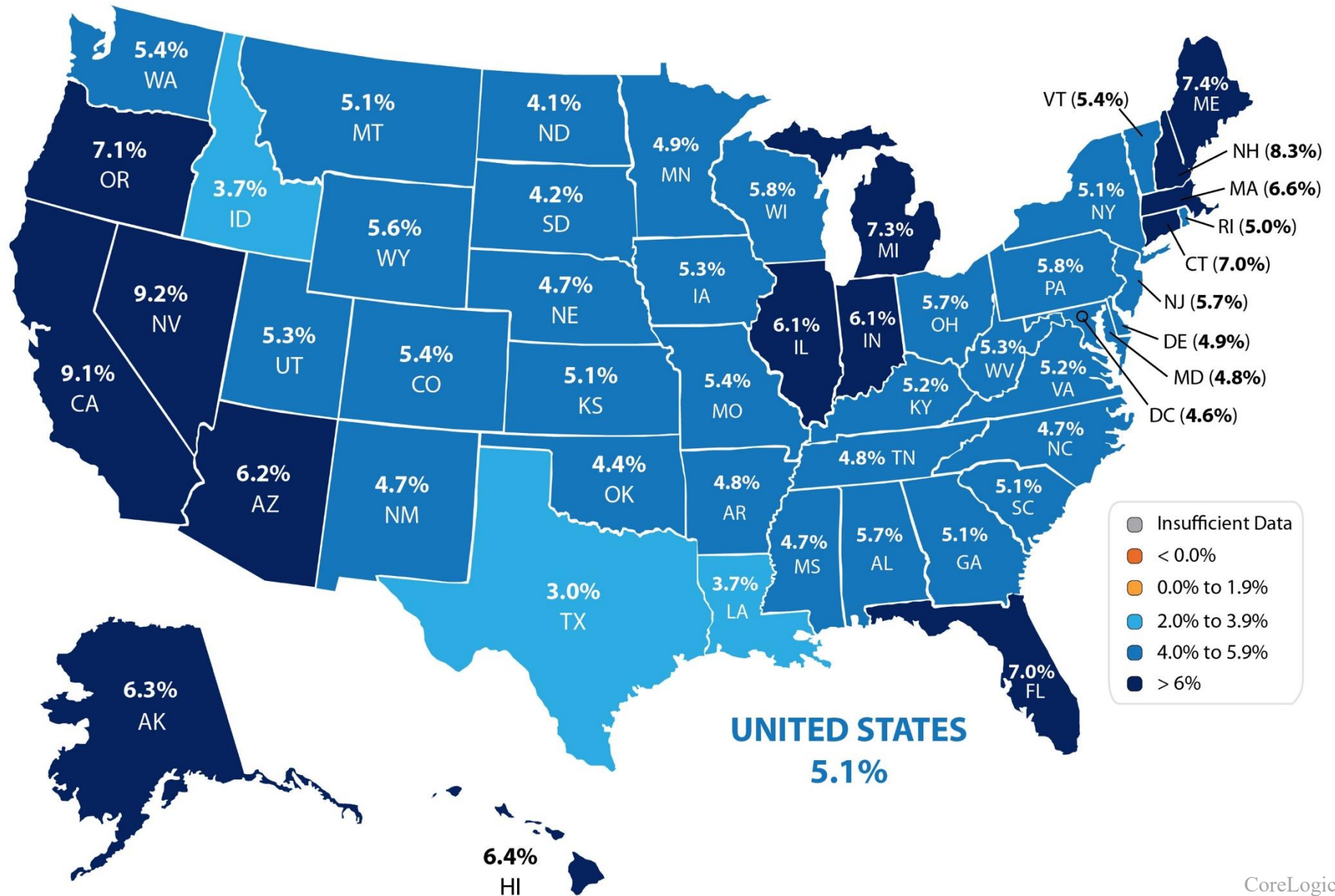
Pulsenomics  
survey of economists  
and analysts predicts a  
recession in 2020

Recession  $\neq$  Housing Crisis

# When Will Next U.S. Recession Begin?

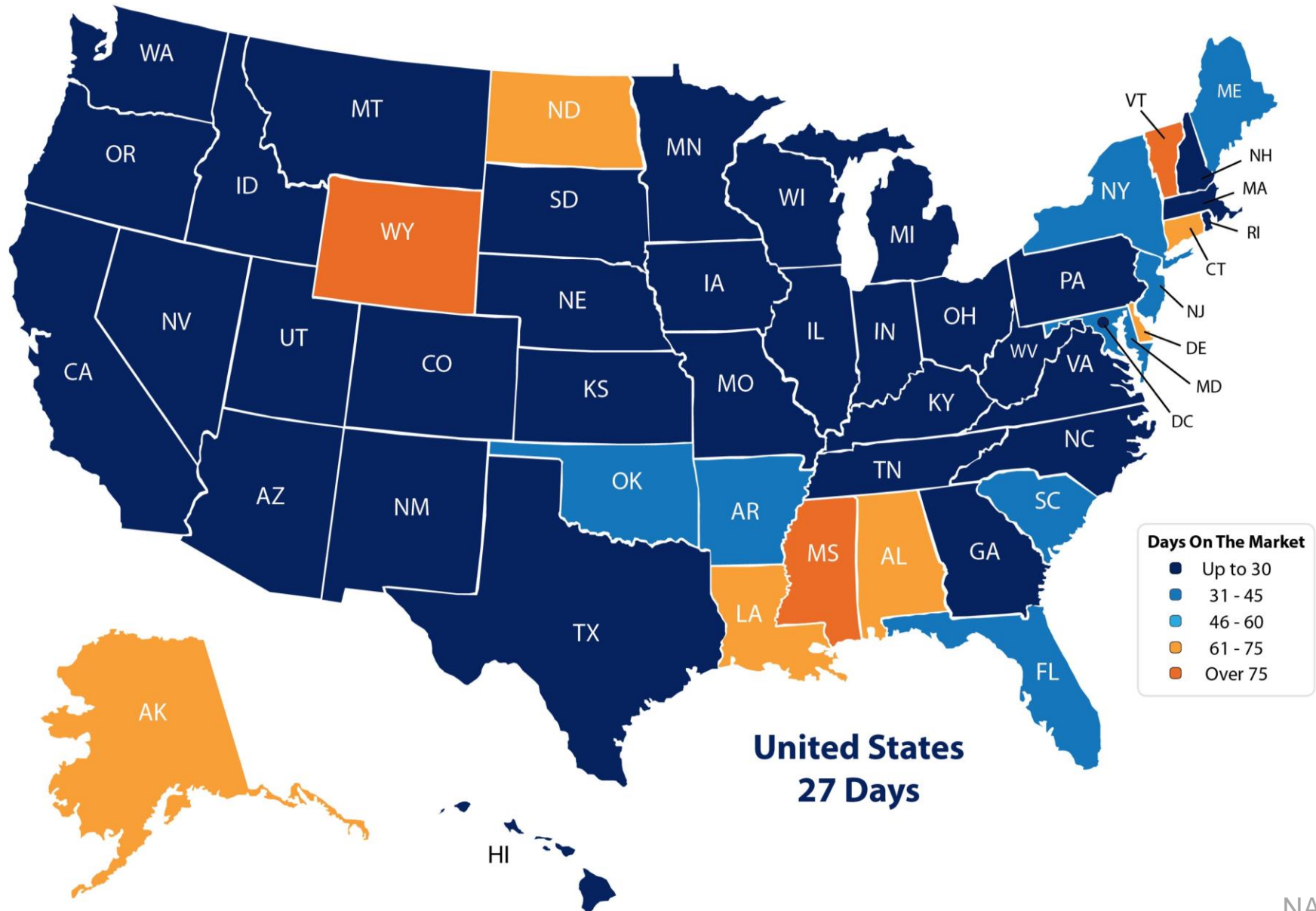


# Forecasted Year-Over-Year % Change in Price

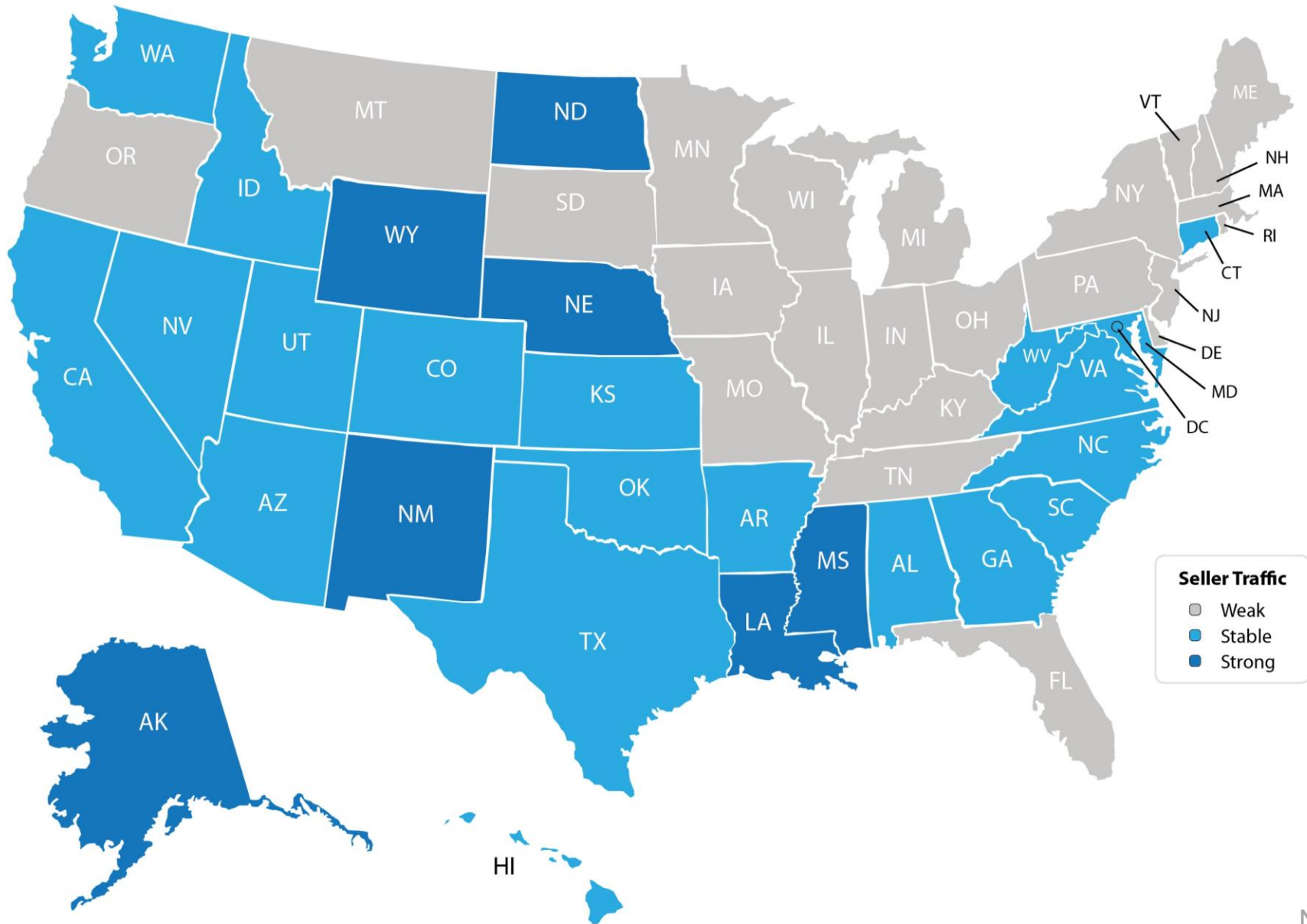




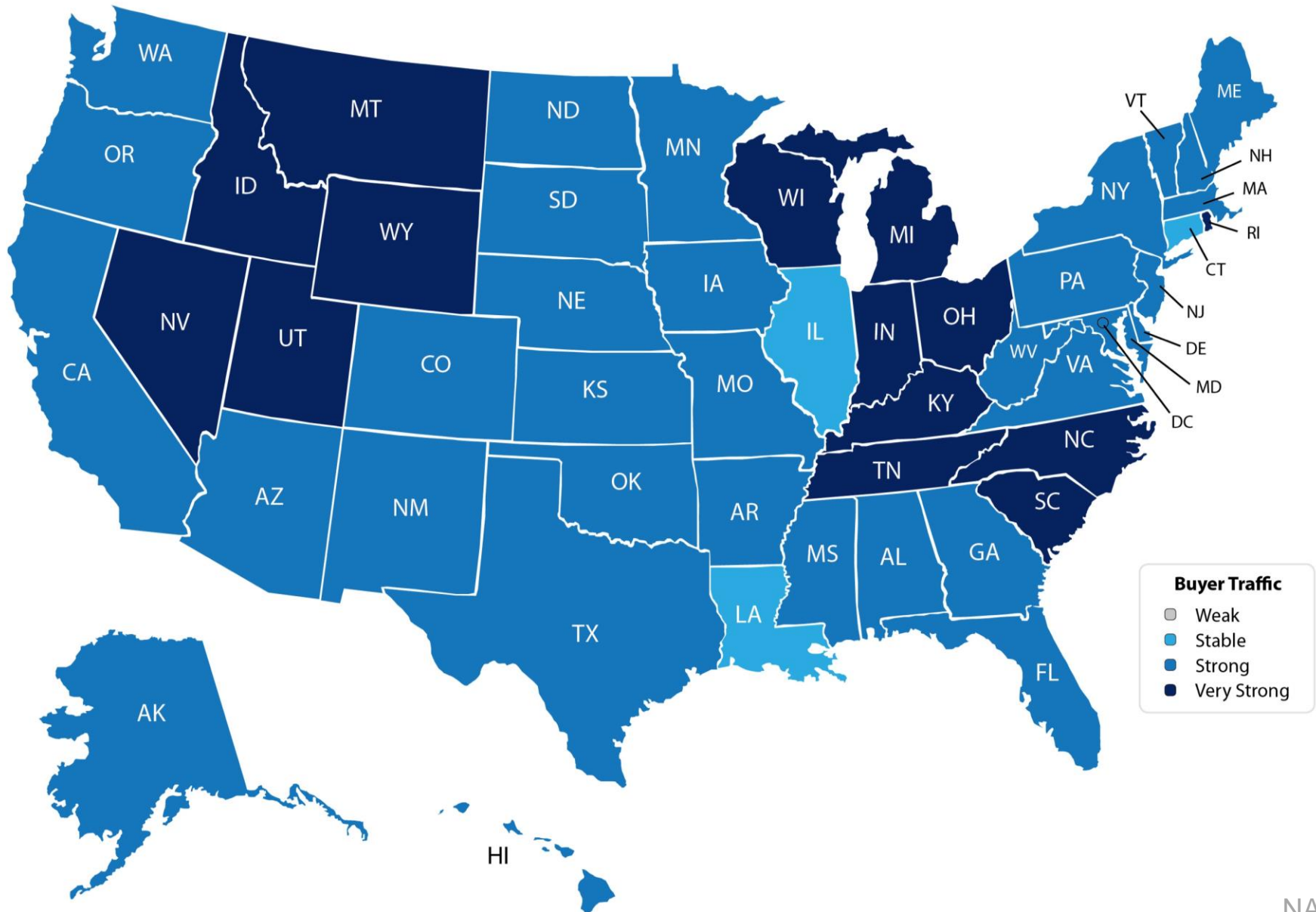
# Average Days on the Market



# Seller Traffic

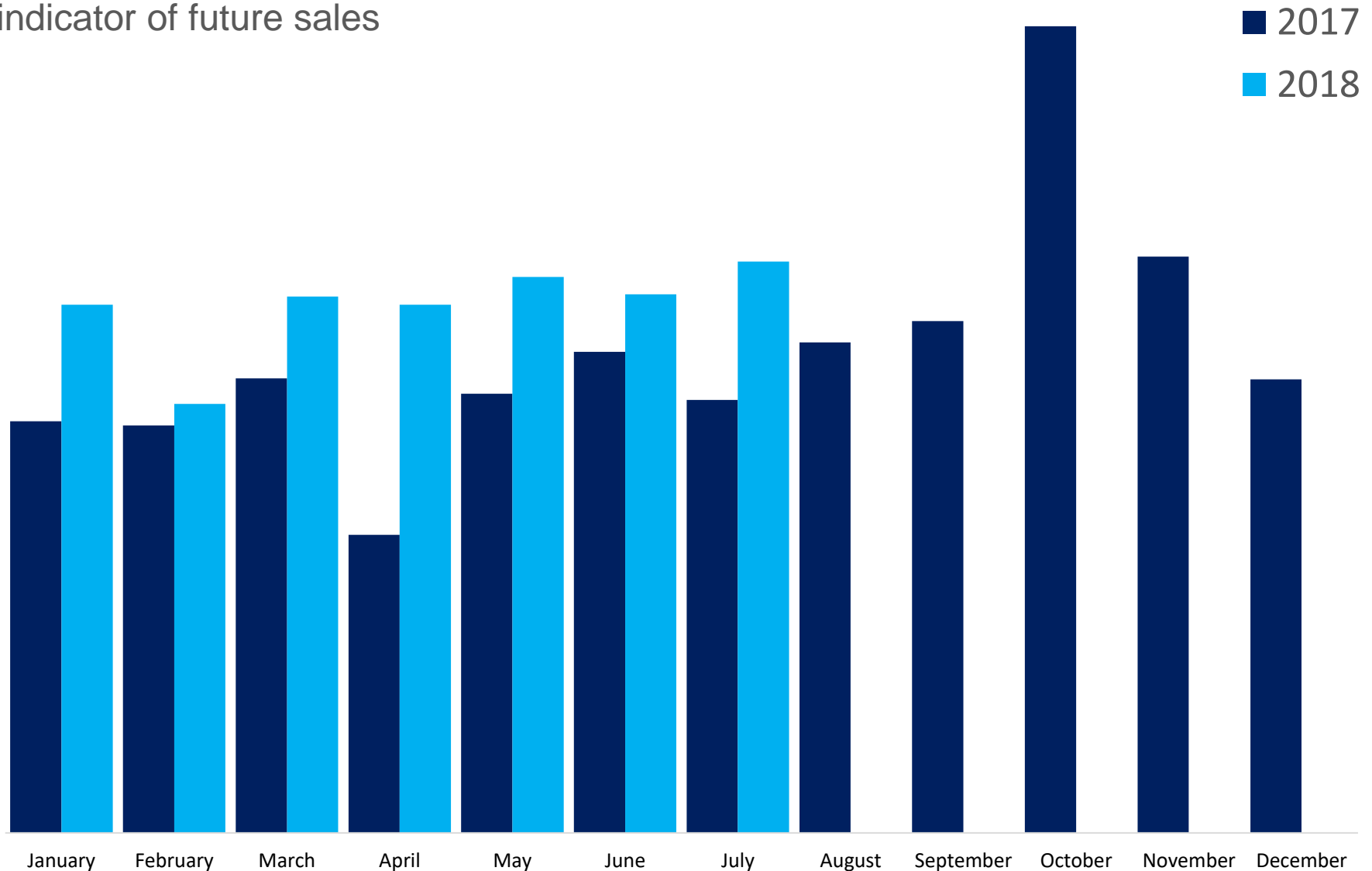


# Buyer Traffic



# Foot Traffic

indicator of future sales



# SOUTH REGION HEATS UP AS BUYER DEMAND REMAINS STEADY IN MANY U.S. REAL ESTATE MARKETS

*ShowingTime Showing Index® records year-over-year consecutive gains for key U.S. markets*

## Key Points:

- South Region (3.8 percent) exhibits biggest increase in showings for the fourth consecutive month, while the Midwest (1.7 percent) also experiences an increase
- West Region (-6.9 percent) sees year-over-year decrease for fifth consecutive month; moderate inventory buildup occurring in some western markets
- ShowingTime combines showing data with findings from its MarketStats division to provide a set of benchmarks that track demand for active listings throughout the country

ShowingTime Chief Analytics Officer Daniil Cherkasskiy said that many U.S. real estate markets were just as busy in June as they were during an intense 2017, with buyers going on more showings in the South and Midwest regions of the country than they did at the same time last year.

Data compiled for the ShowingTime Showing Index® reveals that homebuyer interest overall remains strong, with the South experiencing the highest year-over-year increase in showing activity for the fourth consecutive month at 3.8 percent while the Midwest posted a year-over-year increase of 1.7 percent.

The West (-6.9 percent) and Northeast (-2 percent), however, experienced year-over-year decreases; nationally, the combined index indicated showing activity for all regions was up 0.2 percent.

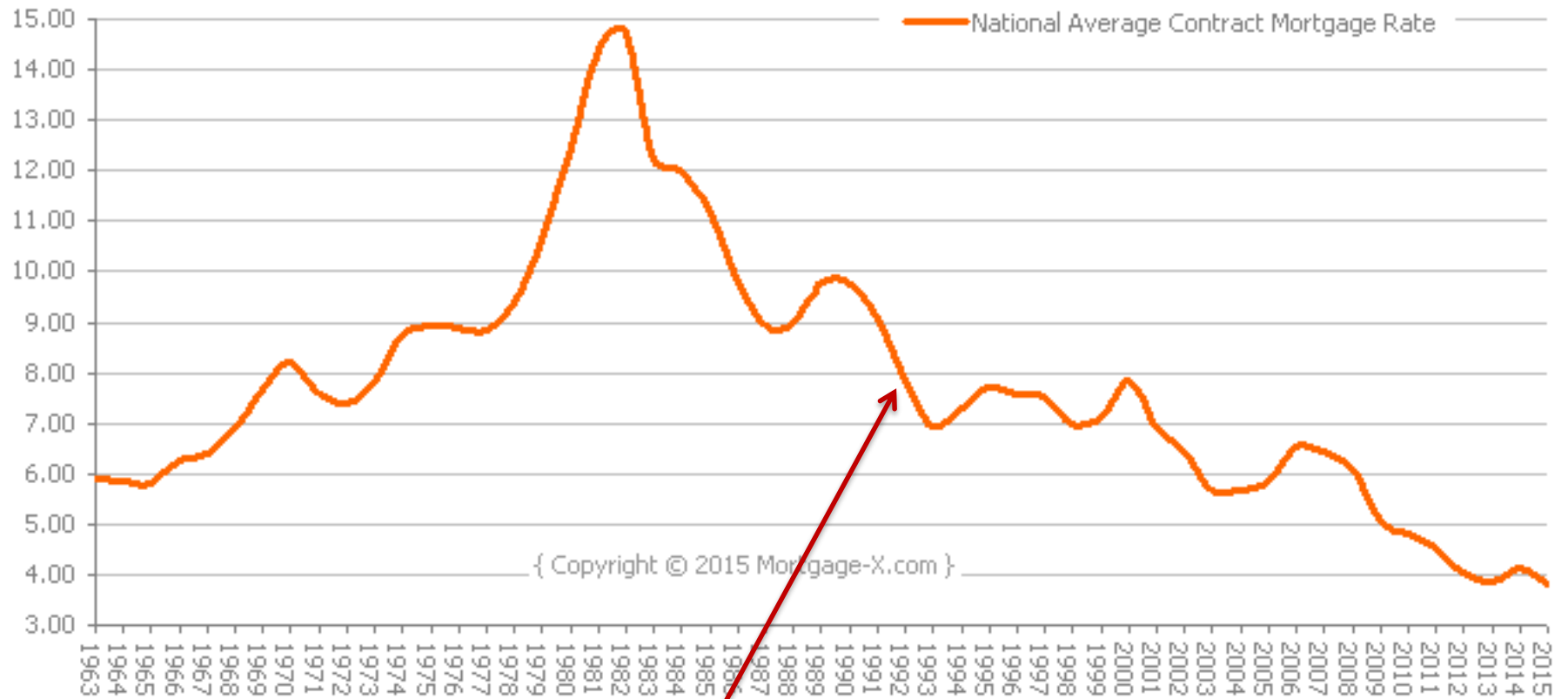
“We’ve now seen five consecutive months of year-over-year decreases in the West Region and are also seeing a moderate buildup of inventory in some western markets,” Cherkasskiy said. “These two factors point to a potential slowdown in demand in the West while real estate prices stay at historically elevated levels.”

**WEST REGION:**  
- 6.9%

**MIDWEST  
REGION: + 1.7%**

**SOUTH REGION:**  
+ 3.8%

**NORTHEAST  
REGION: - 2.0%**



**Historical Mortgage Rates Have Averaged Around 8%**

# Mortgage Rate Projections

Quarter	Fannie Mae	MBA	NAR	Average of All Three
2018 3Q	4.6	4.6	4.7	4.63
2018 4Q	4.6	4.8	4.8	4.73
2019 1Q	4.7	4.9	4.9	4.83
2019 2Q	4.7	5.0	5.0	4.90

# Increasing Mortgage Rates Make A Significant Difference In Home Affordability

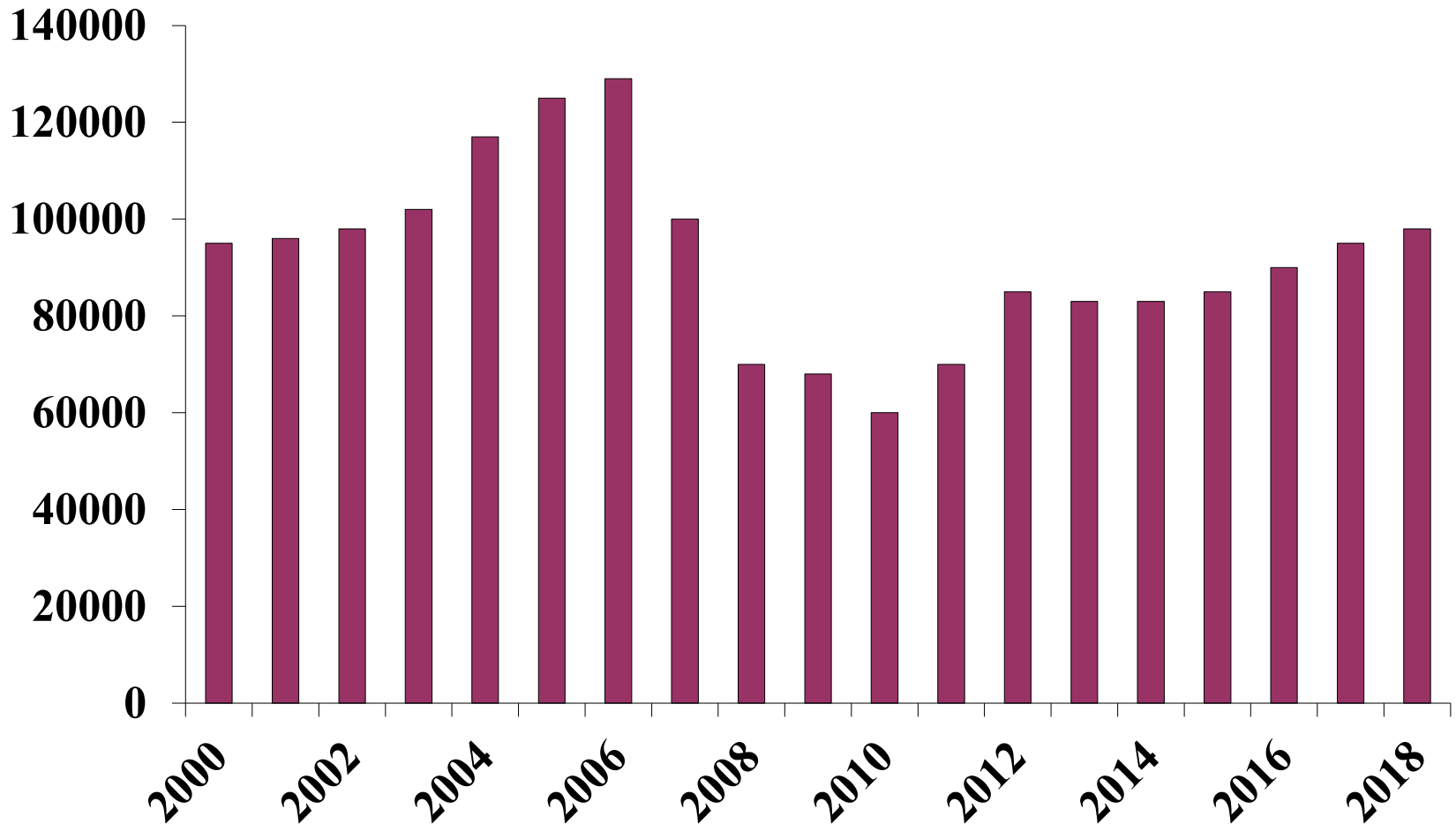
Amount Of Mortgage	3.5% Mortgage	30-Year Cost	5% Mortgage	30-Year Cost	8% Mortgage	30-Year Cost
\$200,000	\$898	\$323,280	\$1,073	\$386,280	\$1,467	\$528,120
\$300,000	\$1,347	\$484,920	\$1,610	\$579,600	\$2,201	\$792,360
\$400,000	\$1,796	\$646,560	\$2,147	\$772,920	\$2,935	\$1,056,600
\$500,000	\$2,245	\$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



# **Greater Metro Atlanta Market**

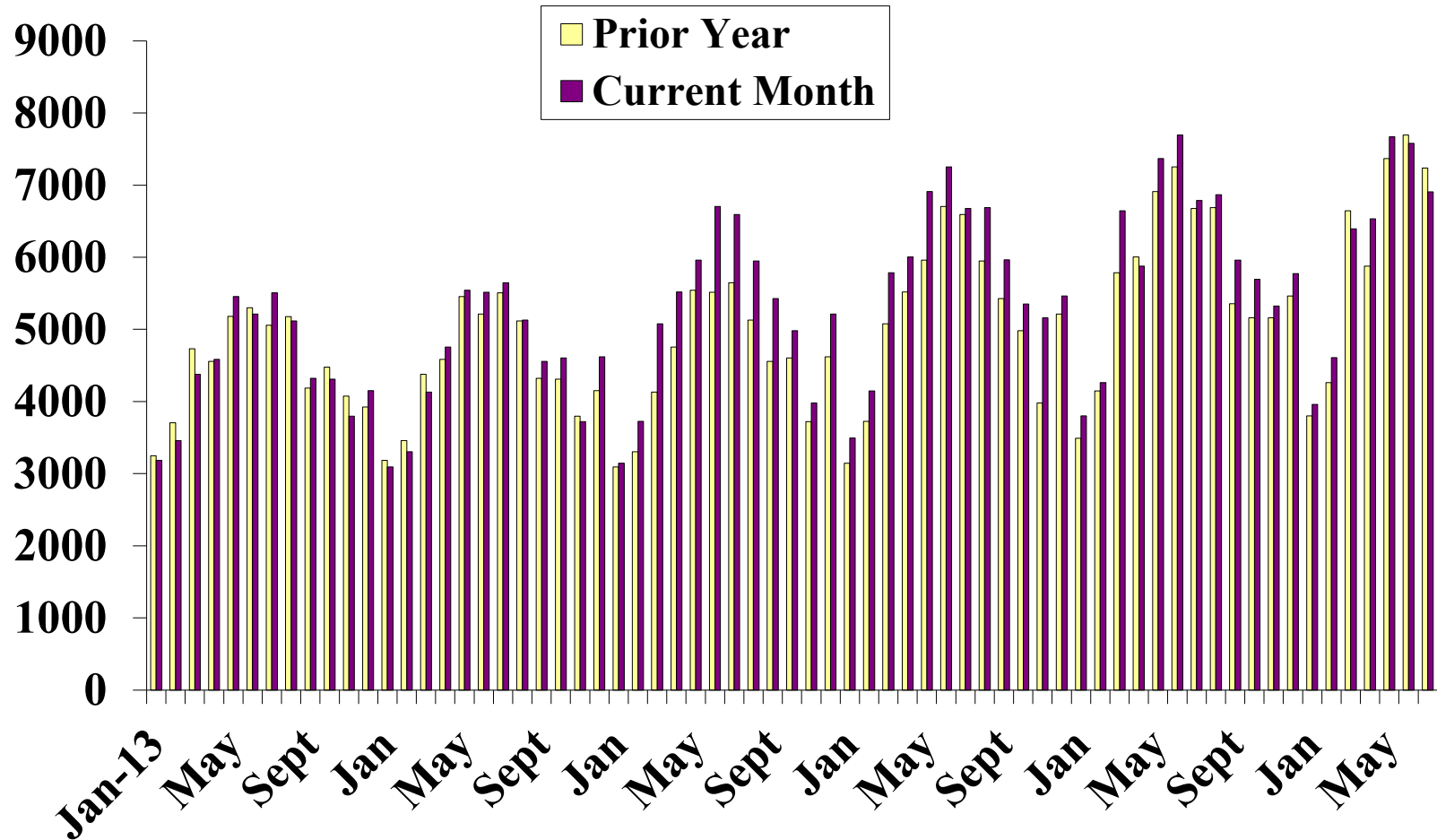
**September 2018 Report  
With Results Through August 2018**

# Metro Atlanta Homes Sold



**125,000 Homes Sold In 2006. 60,000 Homes Sold In 2010.  
2018 YTD Closings 2.2% Higher Than 2017. Pendings Up 4.6%.**

# Metro Atlanta 2013-2018 Closings



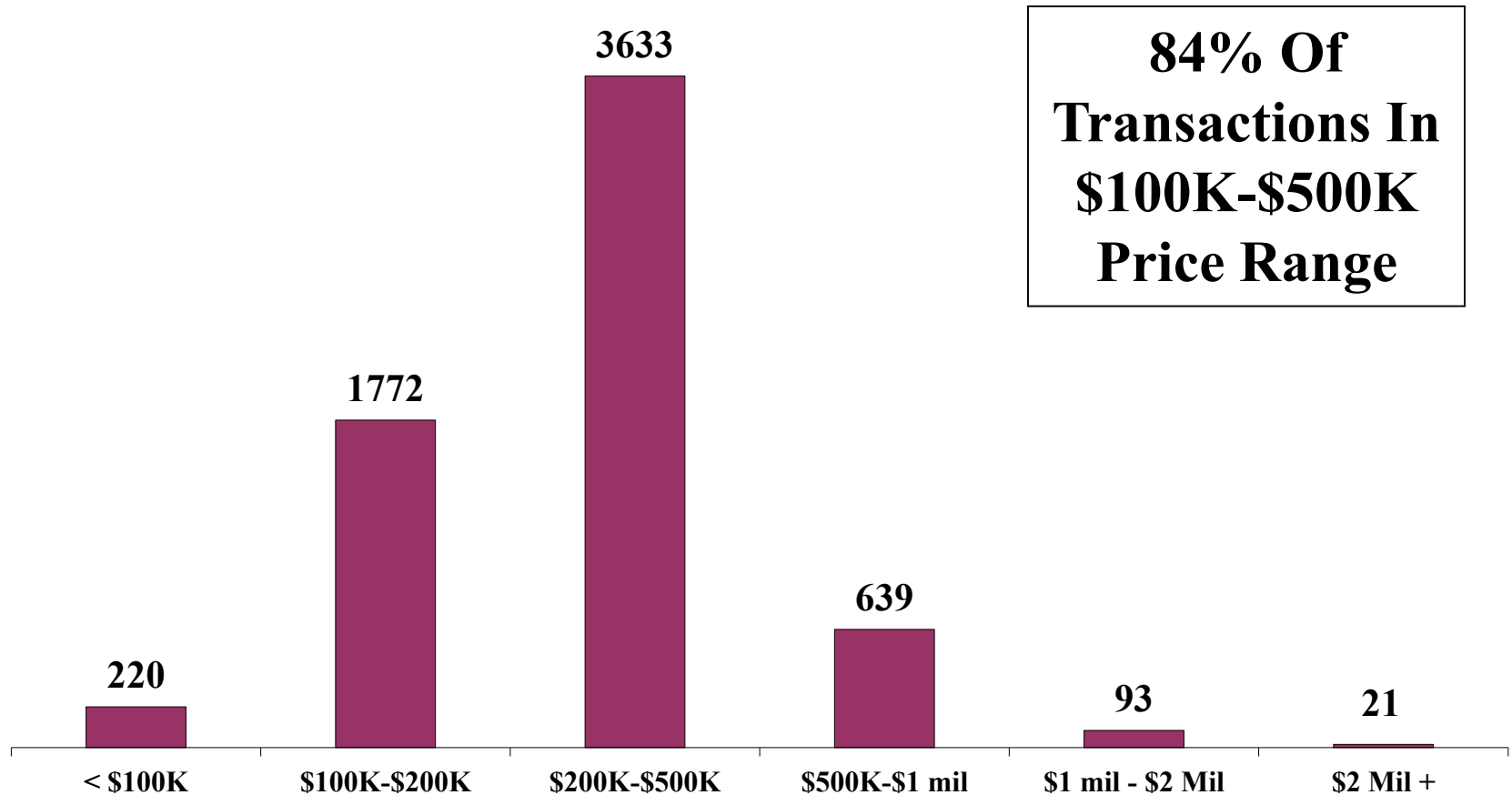
**August Closings Down 11.9% Compared To July Closings**

**August 2018 Closings Down 7.1% Compared To August 2017**

**All 2018 Months Exceeded Prior Year Except March, June, August**

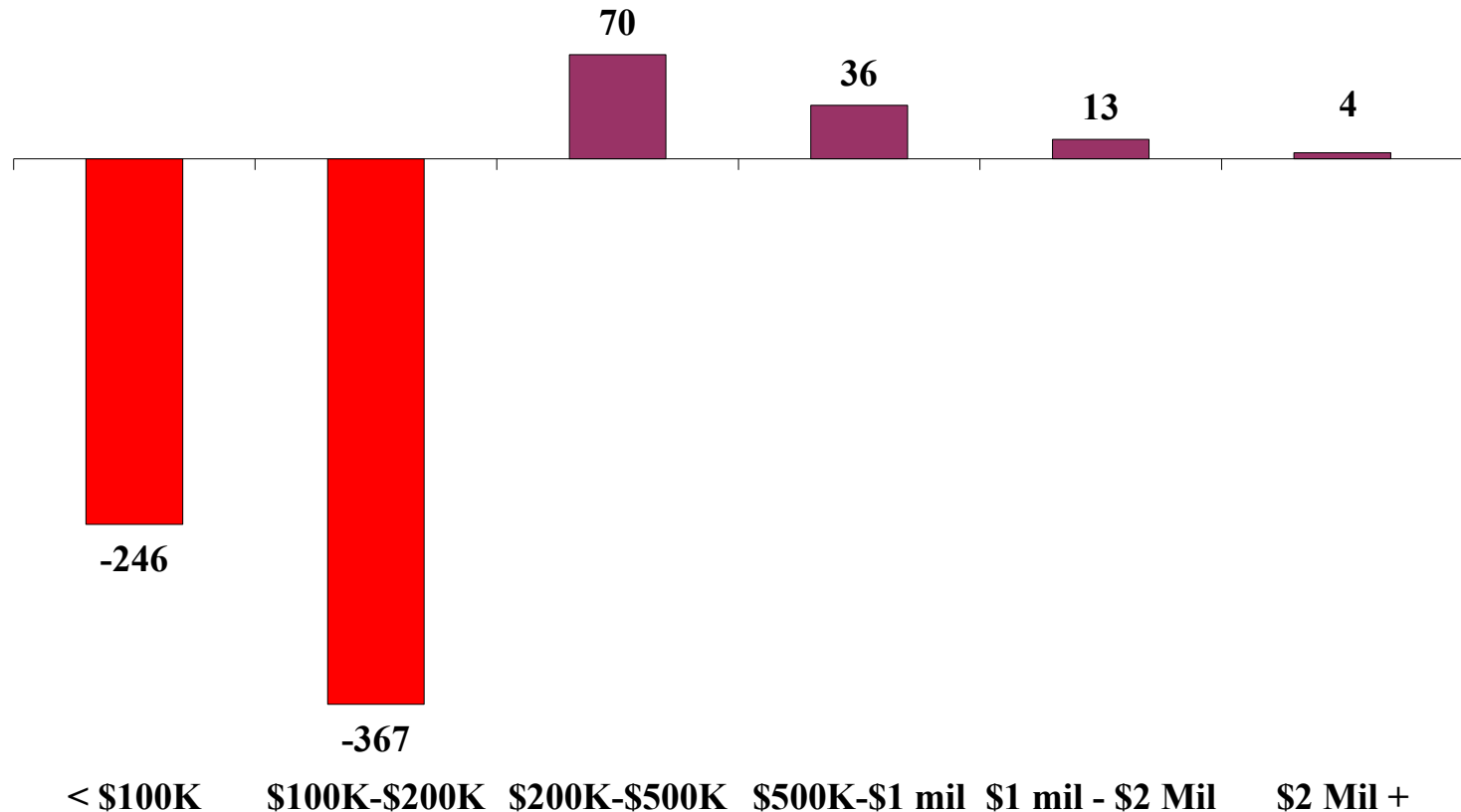
# Metro Atlanta Closings – August 2018

## (Number Of Transactions By Price)



# Metro Atlanta Closed Units By Price Point

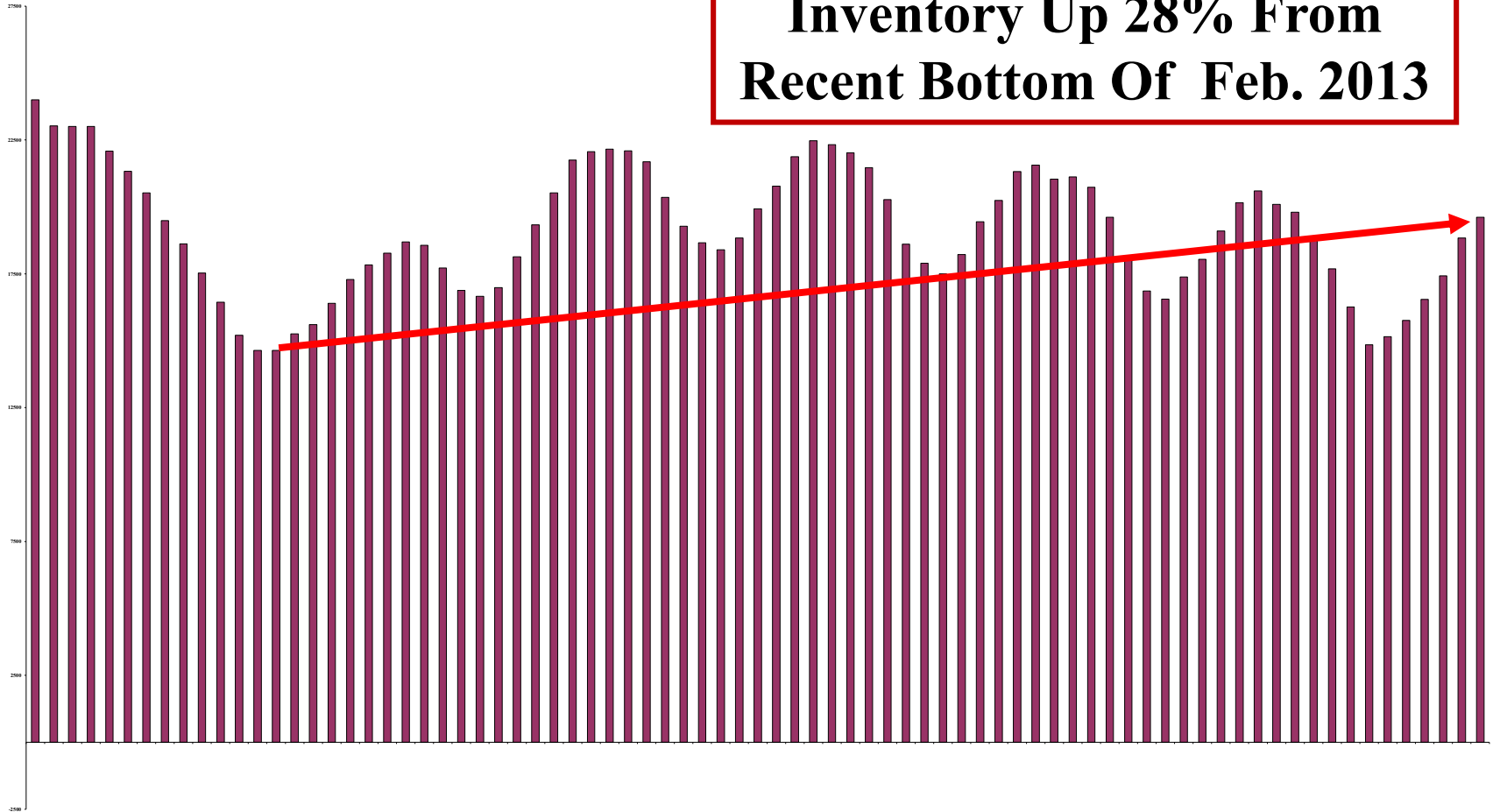
## August 2018 Compared To August 2017



# Listed Inventory January 2012 – August 2018

## Residential Detached, Metro Atlanta

**Inventory Up 28% From  
Recent Bottom Of Feb. 2013**



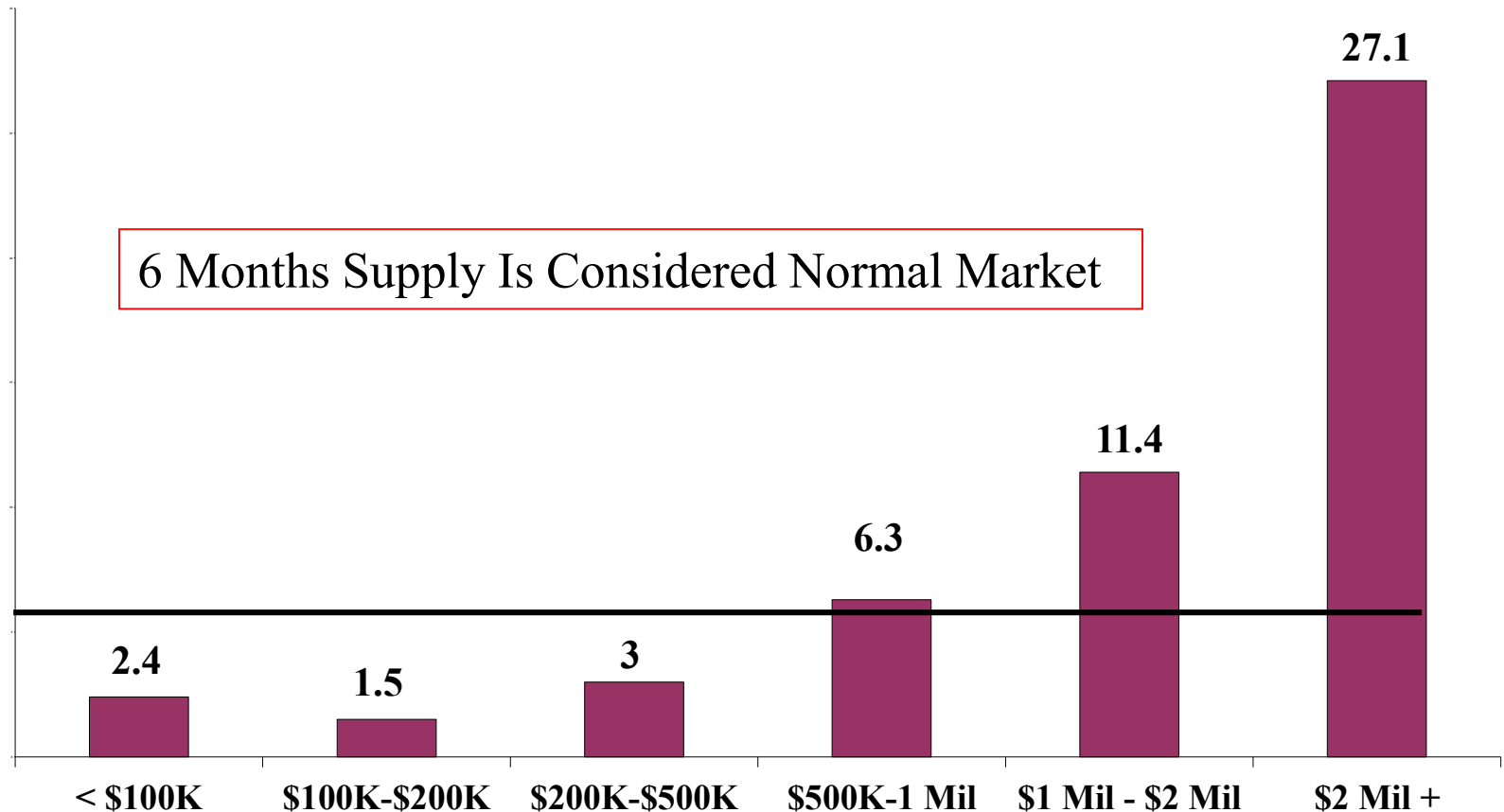
**Inventory Down .6% From Last Month,  
Down 3% Compared To Last Year**

# Months of Inventory Change The Market Strategy



# Metro Atlanta Months of Inventory

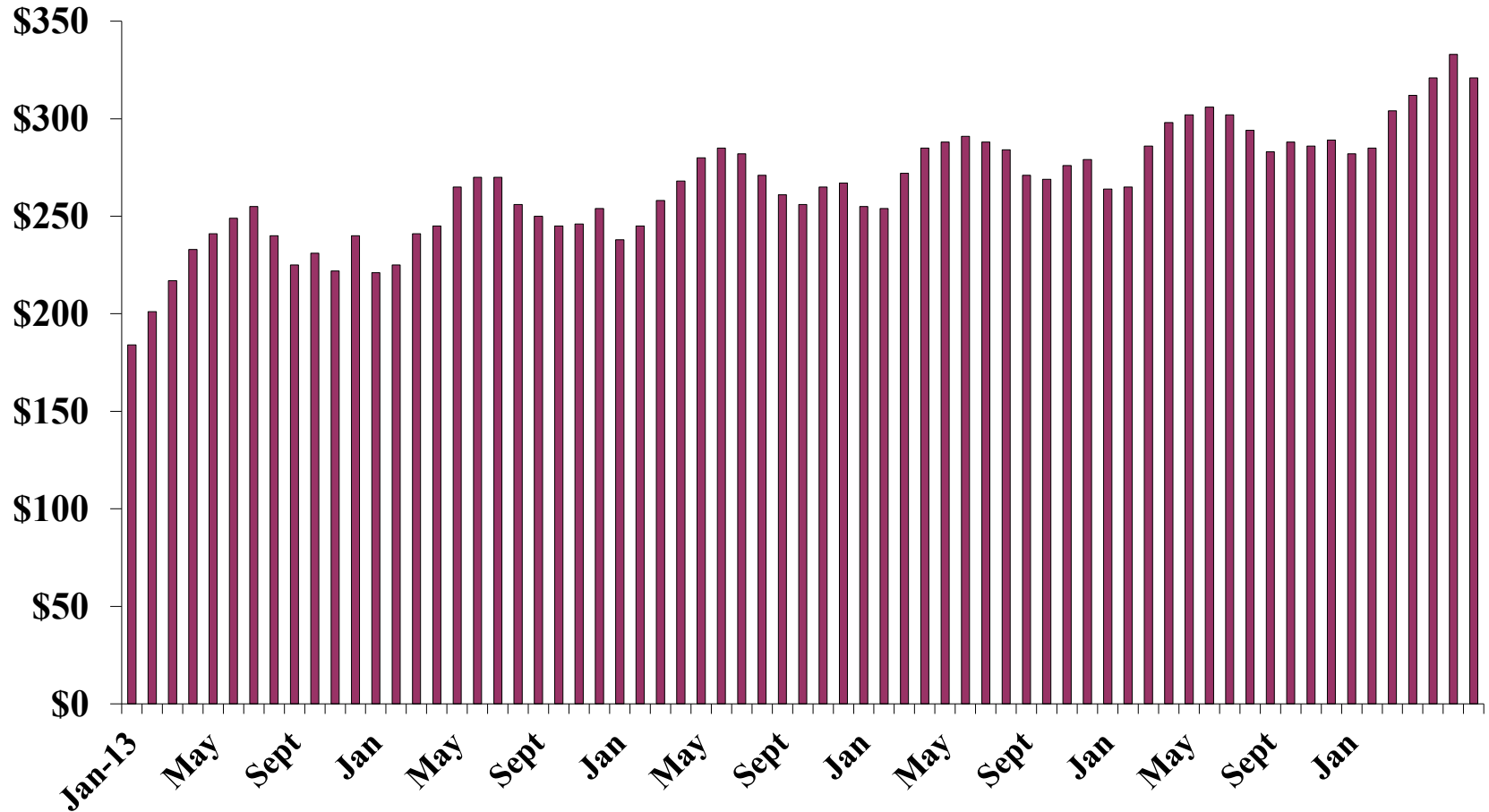
## (August 2018, Based On Closed Sales)



**Total Metro Atlanta “Months Of Inventory” Is 3.1 Months**



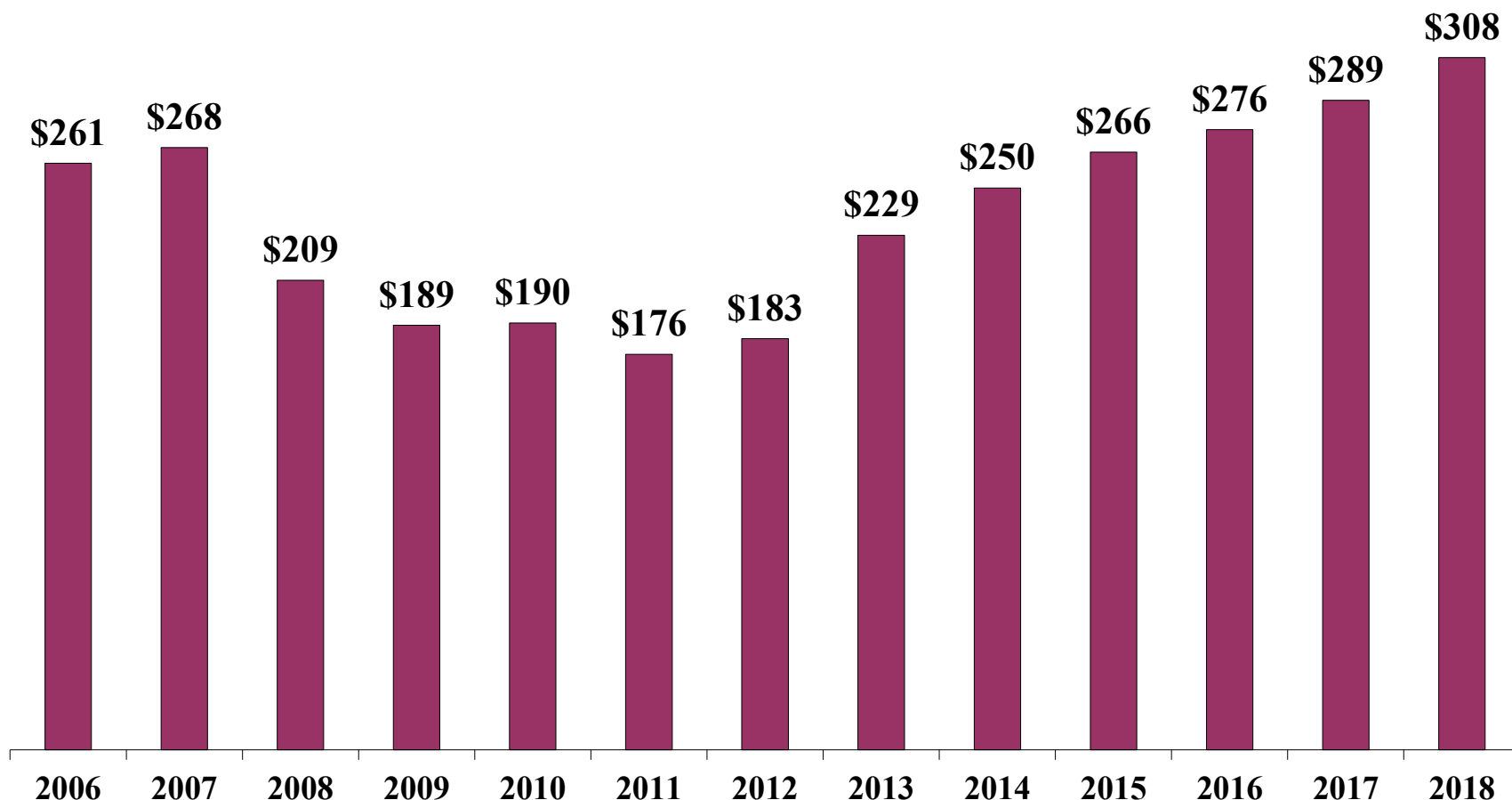
# Metro Atlanta Monthly Average Sale Prices



**ASP \$313,000 In August. ASP \$320,000 Last Month.**

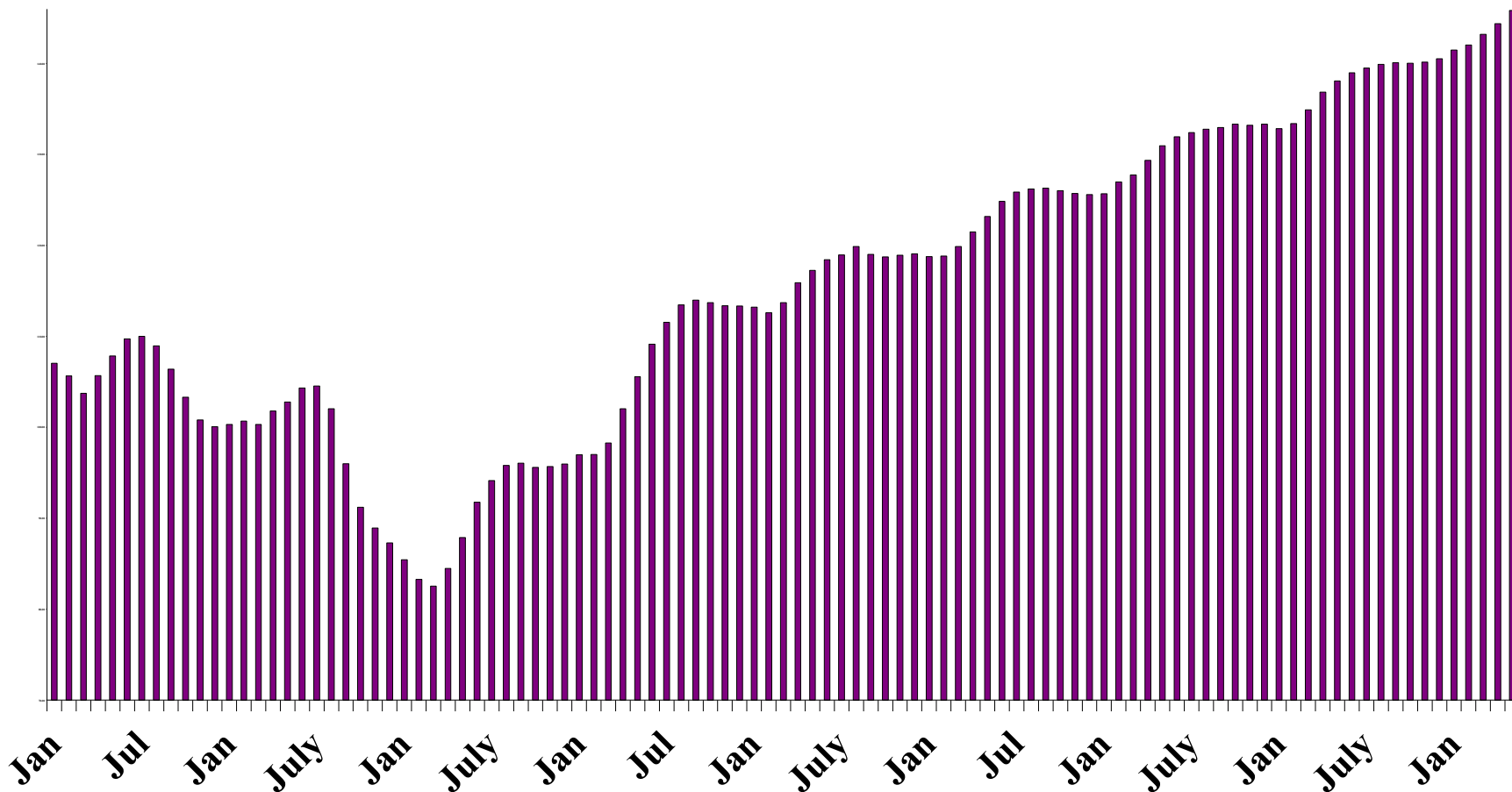
**Down 2.2% From Last Month. Up 7.6% From Last August.**

# Metro Atlanta Annual Average Sale Prices



**Annual ASP Up 75% From Bottom Of 2011**

# Case-Shiller Index For Metro Atlanta



**Jan 2010 Through June 2018 (Reported August 28, 2018)**  
**Home Values Up 75% From Recent Bottom Of March 2012.**

# **Case-Shiller Gain/ Loss For Metro Atlanta**

Comparisons Based On The Latest Case Shiller Index Compared To The Average Index For The Year Property Was Purchased.

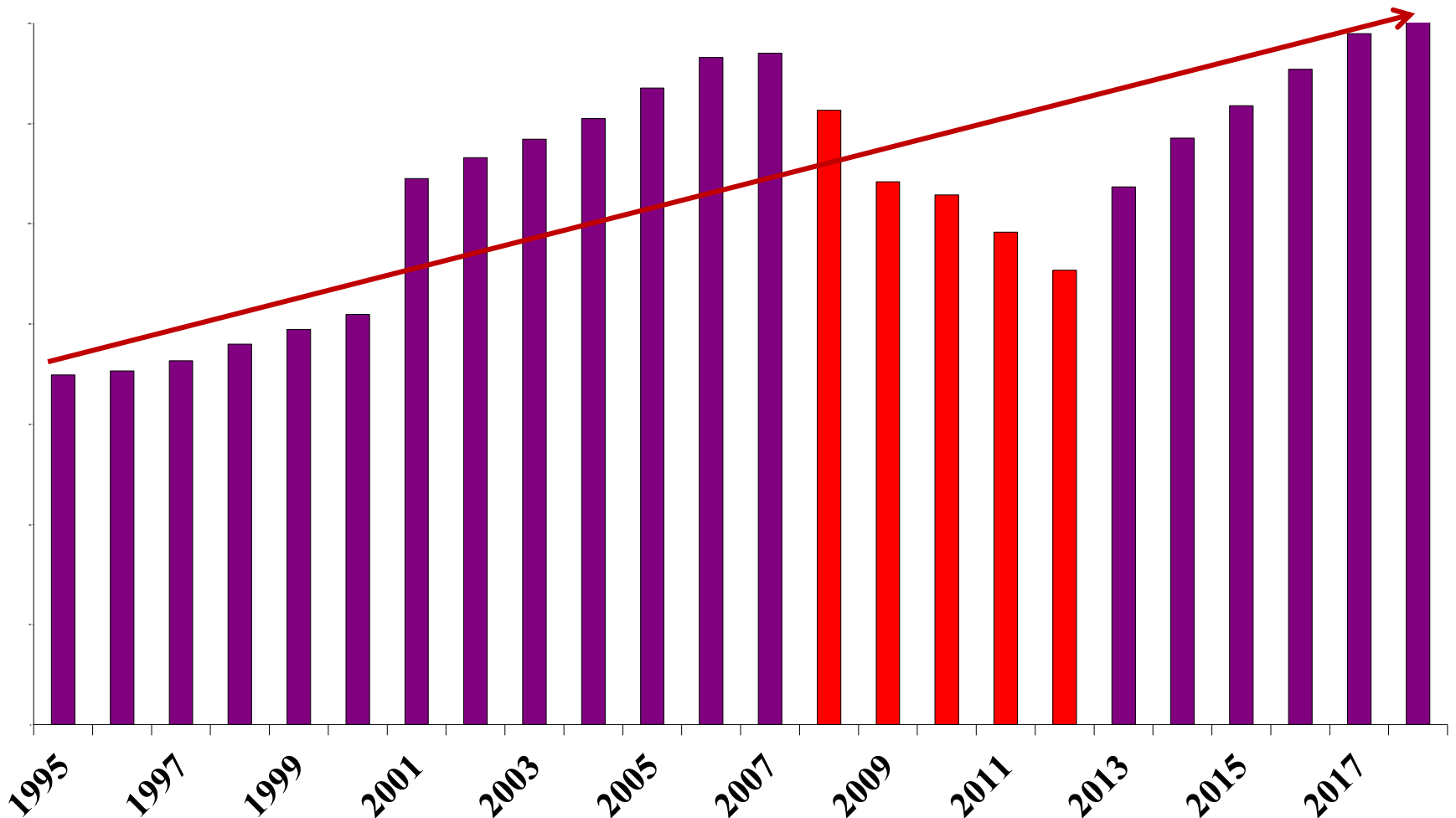
<b>Year Property Bought</b>	<b>Gain/ Loss</b>
2001	34.68%
2002	29.69%
2003	26.60%
2004	21.33%
2005	15.50%
2006	10.24%
2007	9.52%
2008	19.71%

<b>Year Property Bought</b>	<b>Gain/ Loss</b>
2009	35.44%
2010	38.81%
2011	49.27%
2012	61.85%
2013	36.75%
2014	25.37%
2015	18.81%
2016	12.22%

Case Shiller Index For Metro Atlanta - June 2018 As Reported August 28, 2018.

Local Markets And Price Points May Have Significantly Different Outcomes.

# Case-Shiller Home Values For Metro Atlanta



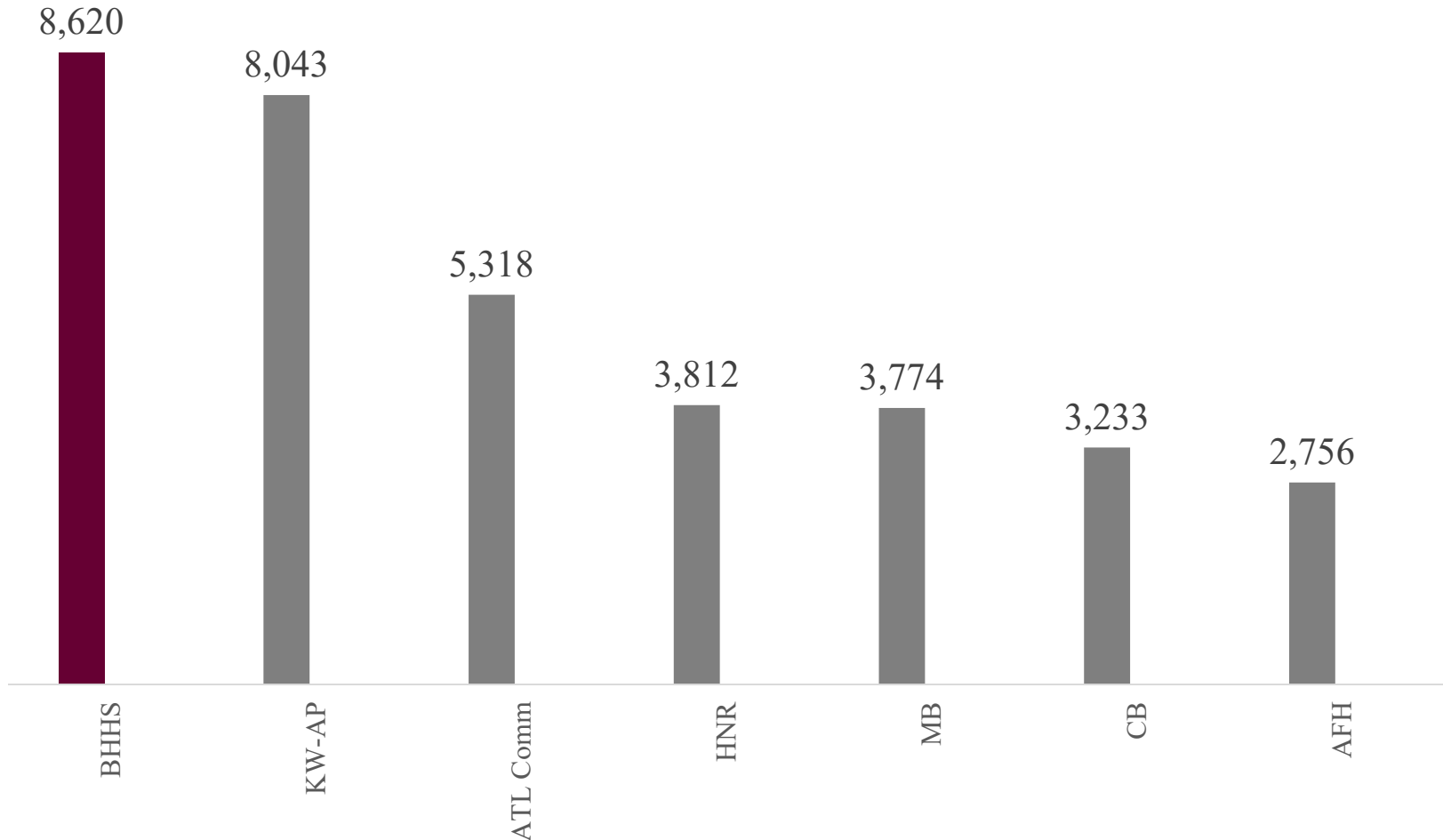
Recent Bottom Was March 2012.

Metro Average Home Values Back To Normal Trend Line.

# Berkshire Hathaway HomeServices Georgia Properties

# YTD Closed Units – August 2018

## FMLS Counties + Southern Crescent

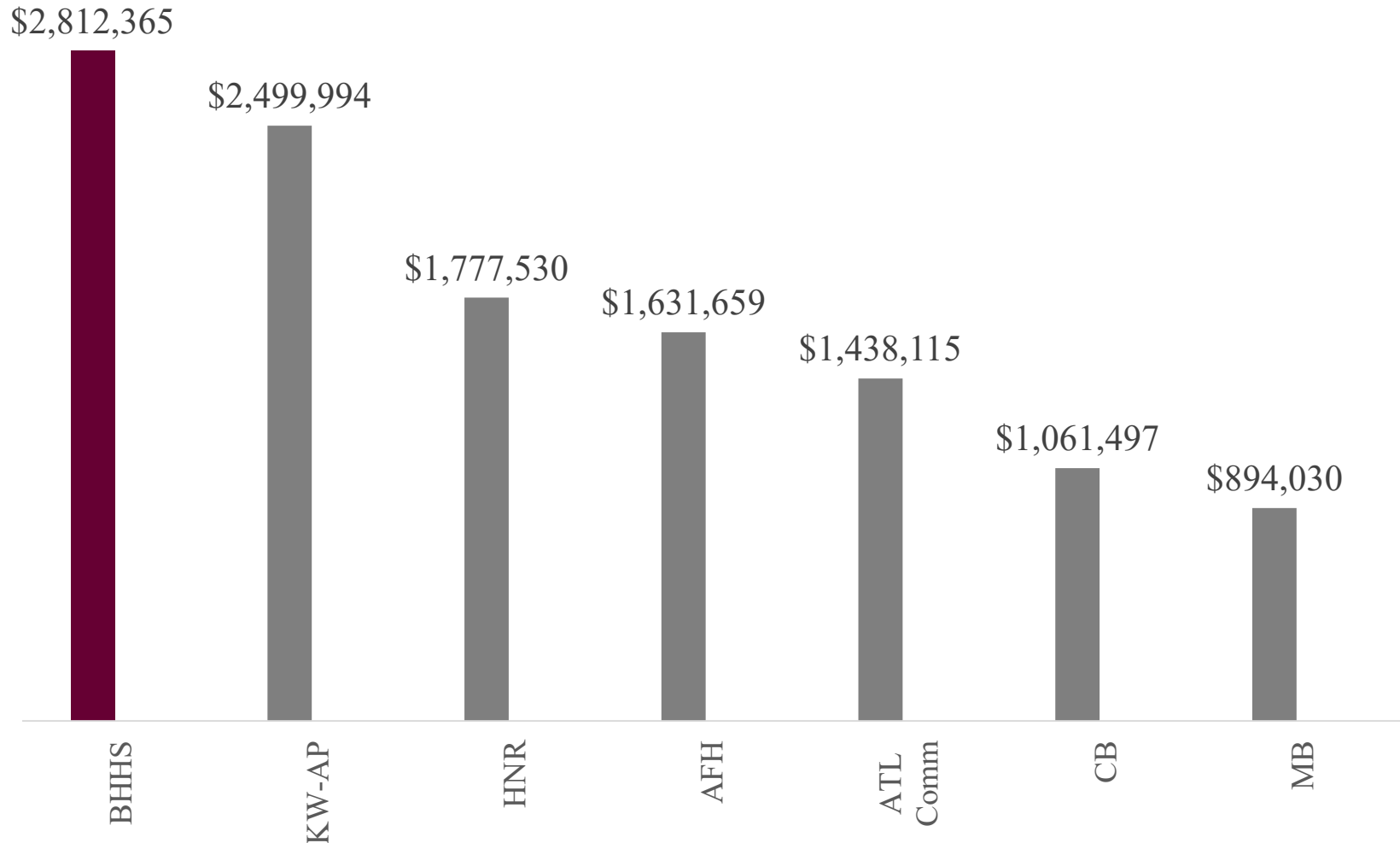


Information Provided By Trendgraphix and BHHS GP Internal Reports.

# YTD Closed Volume – August 2018

## FMLS Counties + Southern Crescent

(\$ Volume in Thousands)



Information Provided By Trendgraphix and BHHS GP Internal Reports.



# Georgia Economic & Housing Trends

# Top States For Business

## CNBC Survey

VIEW RANKINGS: [Data Table](#) | [Chart](#) | [Maps](#)

Overall	State	Workforce	Cost of Doing Business	Infra-structure	Economy	Quality of Life	Technology and Innovation	Education	Business Friendliness	Cost of Living	Access to Capital
1	Utah	12	19	13	3	13	16	23	10	22	24
2	Texas	8	23	2	1	37	10	40	18	21	7
3	Colorado	1	37	29	2	12	8	25	9	32	8
4	Minnesota	15	35	5	17	2	9	2	27	27	21
5	North Carolina	9	18	30	11	30	7	28	15	18	2
6	Washington	11	30	39	6	8	1	24	30	37	10
7	Michigan	29	12	27	7	32	6	19	30	10	4
8	Georgia	7	31	4	9	37	13	33	14	17	6
9	Iowa	37	2	16	29	9	23	17	15	12	40
10	Florida	14	32	10	4	26	17	26	22	28	14

# Buyers Moving To Atlanta!

Here is the Top 10 List including previous rank:

1. Atlanta (1)

2. Phoenix (4)

3. Tampa/Sarasota (2)

4. Dallas/Fort Worth (3)

5. Orlando (5)

6. Denver (7)

7. Houston (8)

8. Seattle (6)

9. Las Vegas (10)

10. Chicago (9)

Penske Truck Rental published their latest moving destination list and **Atlanta was ranked #1 for the 6<sup>th</sup> year in a row.** The trend of moving to the sunbelt has returned. Desirable attributes that help Metro Atlanta include a business friendly environment, low cost of living for a metro area, airport, moderate weather with 4 seasons and a high quality of life.

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

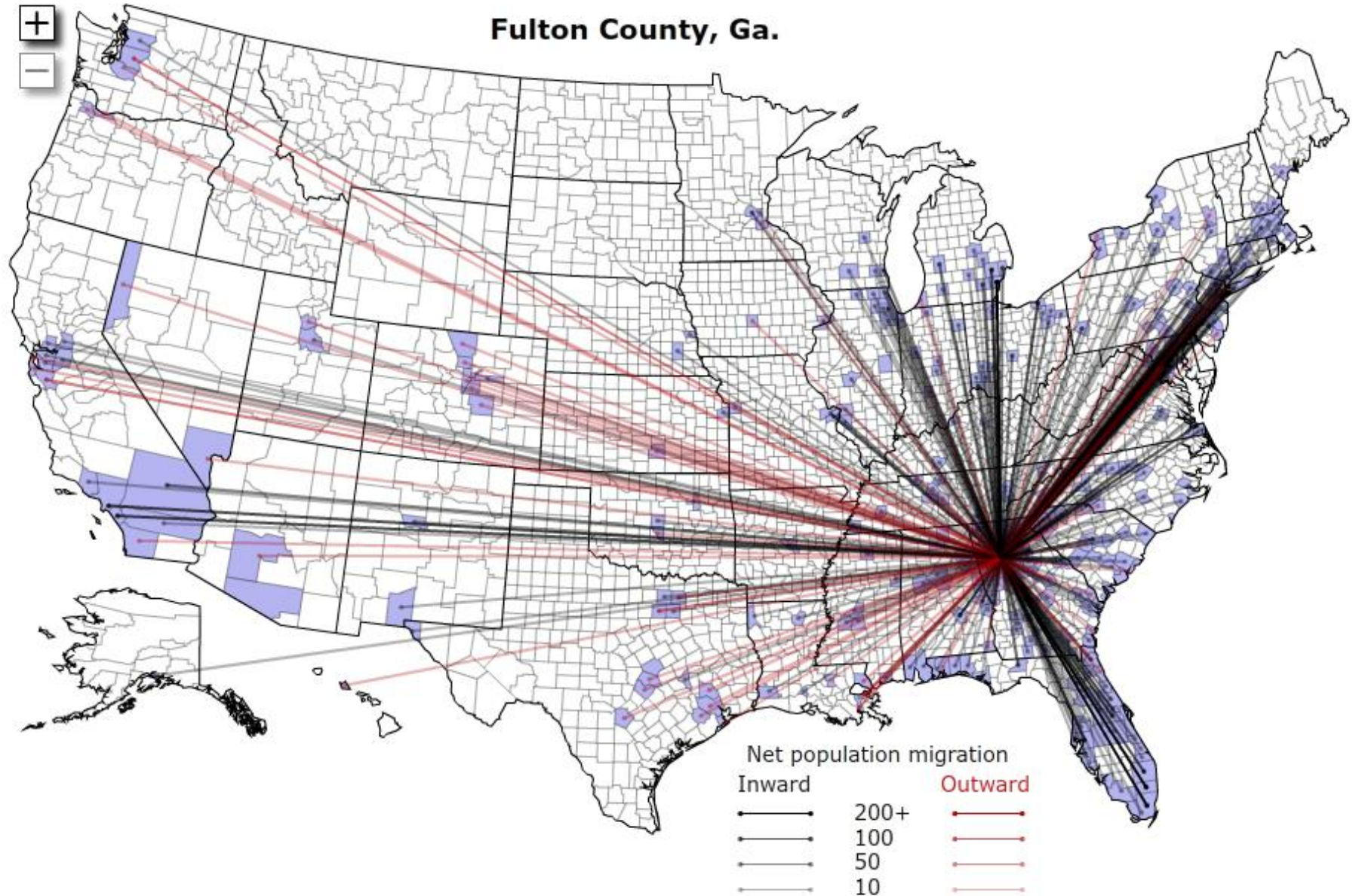
	Total Population	Rank of Share				
		Under 20	20-64	65+	25-39	45-59
Dallas	6,144,489	3	9	25	1	24
Atlanta	5,271,550	5	6	27	2	19
Phoenix	4,179,427	4	24	15	4	26
Denver	2,466,591	11	5	24	4	12
Riverside	4,081,371	1	27	22	5	27
Houston	5,629,127	2	10	26	6	21
Portland	2,174,631	19	2	19	7	7
Seattle	3,309,347	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

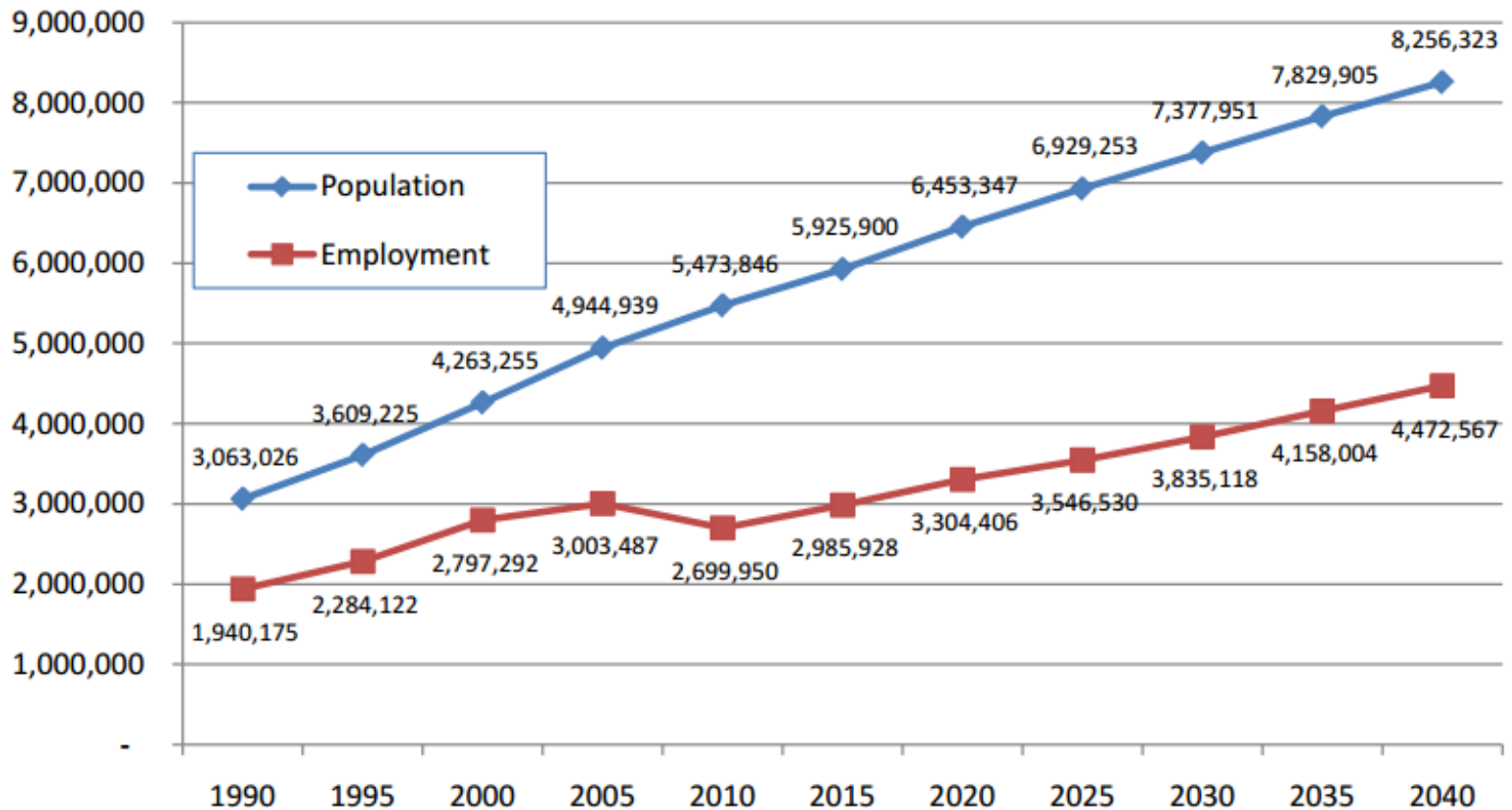
Source: Census Bureau

# Rustbelt To Sunbelt



# Population & Employment Growth Trends

Figure 1: ARC's Population and Employment Forecasts (1990 - 2040) – 20-County Region



Source: ARC



FTB 25 Years Old

# Buyer Type Yearly

FTB 33 Years Old

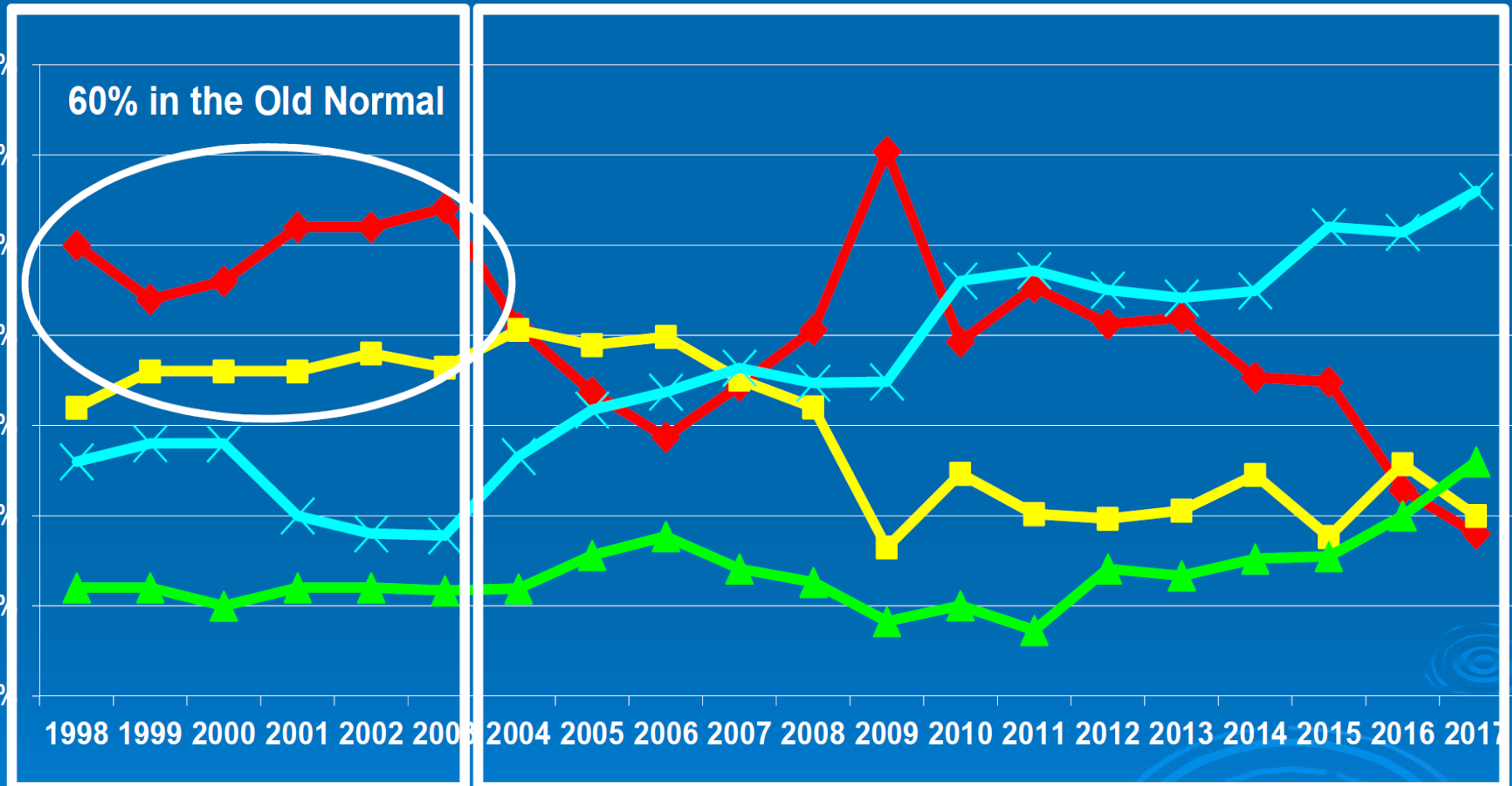
FMU 32 Years Old

FIRST TIME

FIRST MOVE UP

SECOND MOVE UP

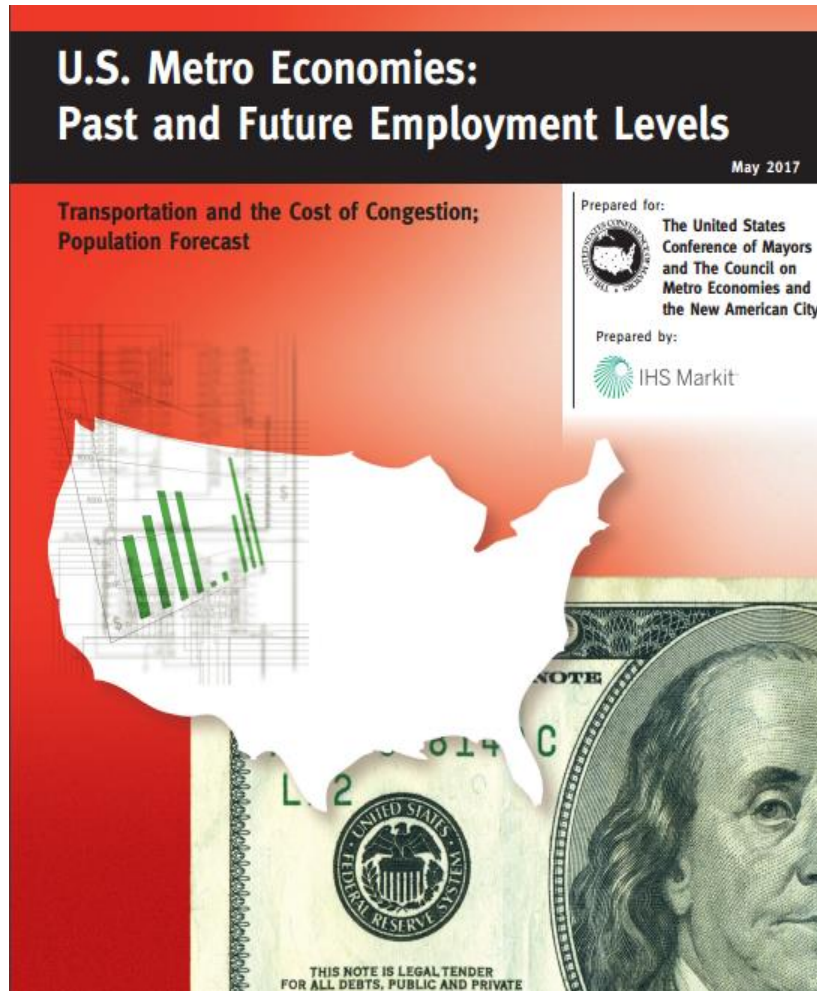
THIRD OR HIGHER



“Old Normal”

“New Normal”

# Population & Employment Growth Trends



- U.S. Conference of Mayors Report predicts that Metro Atlanta will be the 6<sup>th</sup> largest city in the nation by 2046.
- Metro Atlanta will grow from 5.8 million residents to 8.6 million residents.
- That means 2.8 million people will move to our area!
- This is great news for our long-term real estate values!