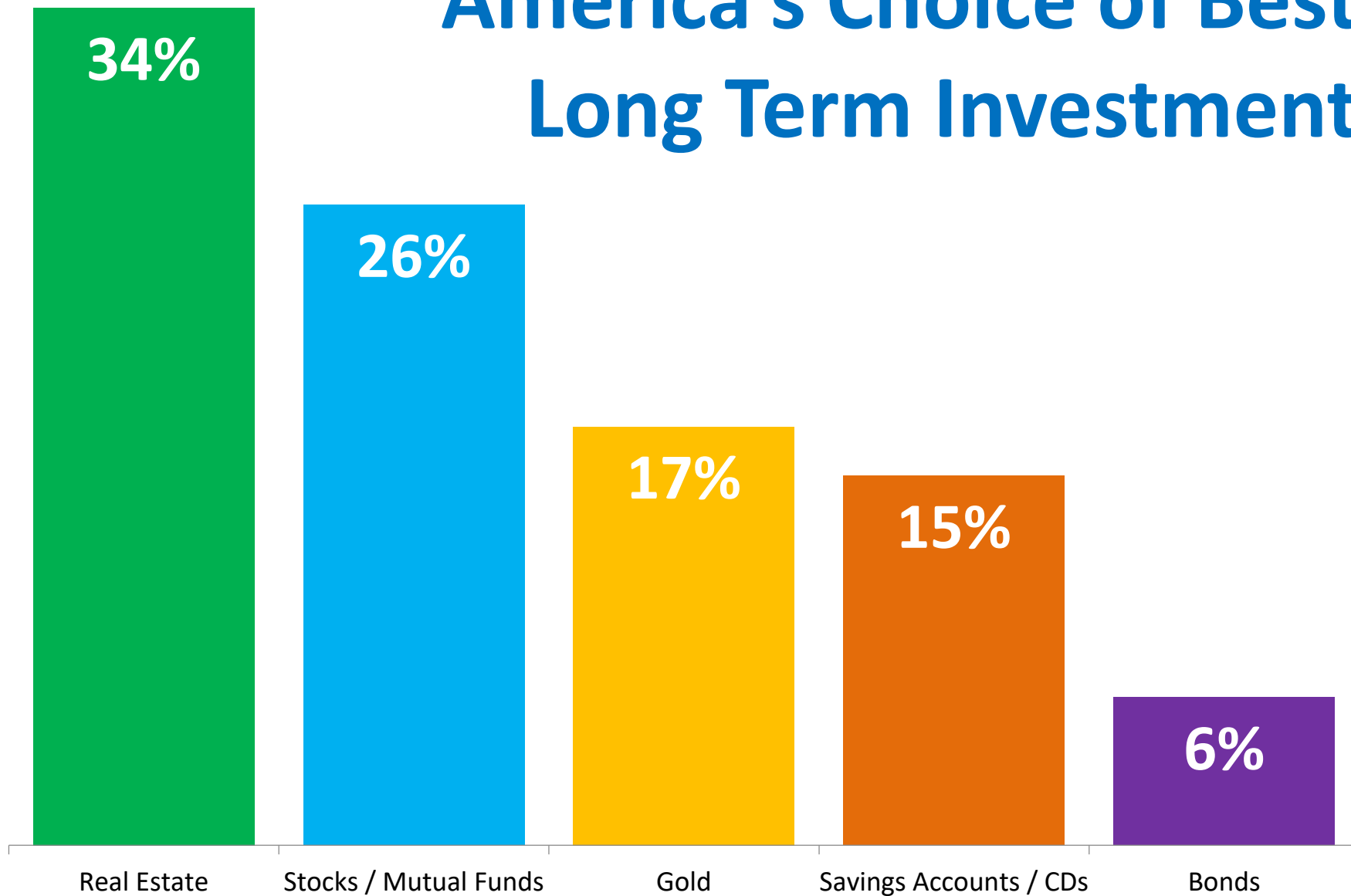


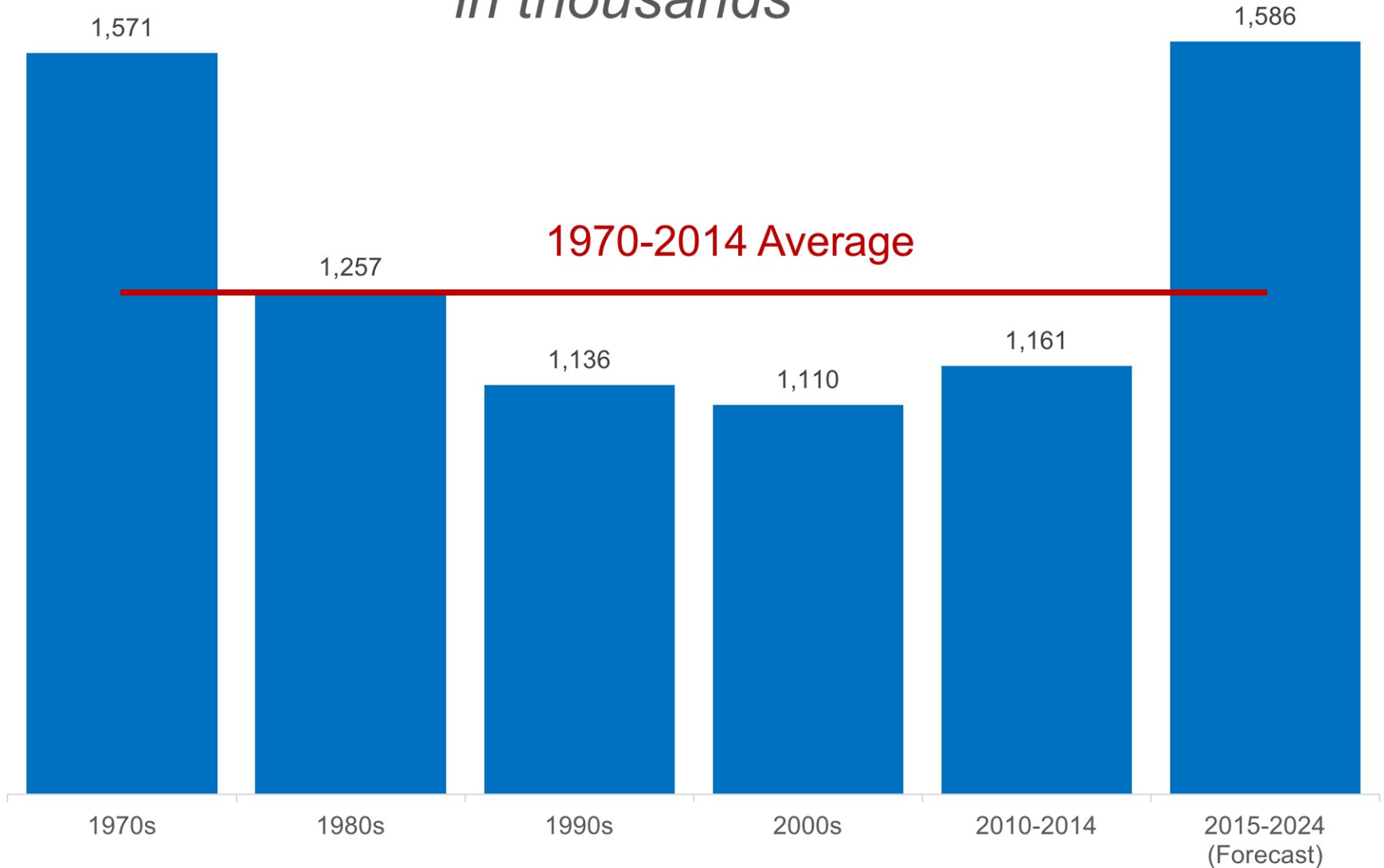
# National Housing Trends

# America's Choice of Best Long Term Investment



# Average Annual Household Formation

*in thousands*

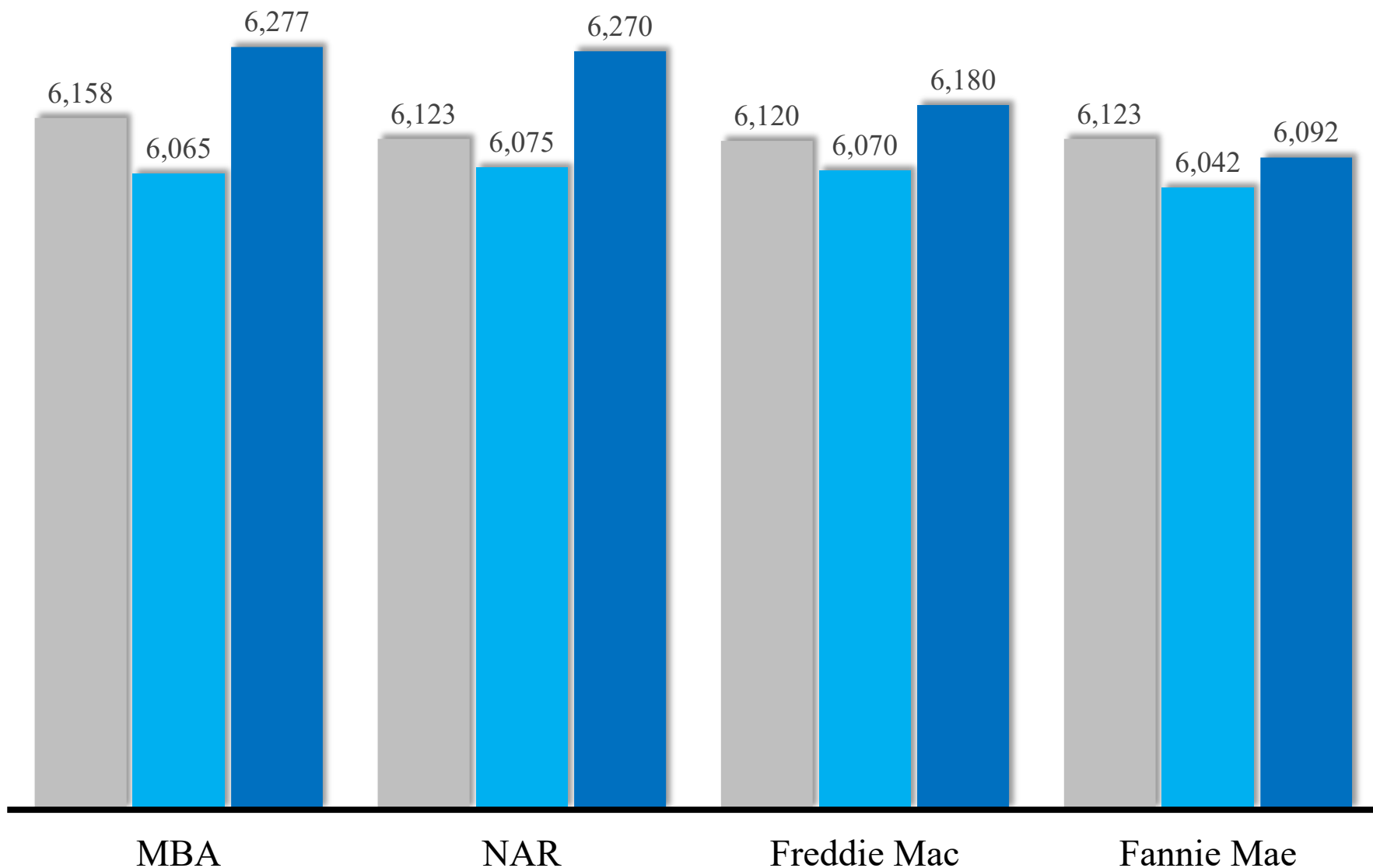


# Home Sales *in thousands*

■ 2017

■ 2018P

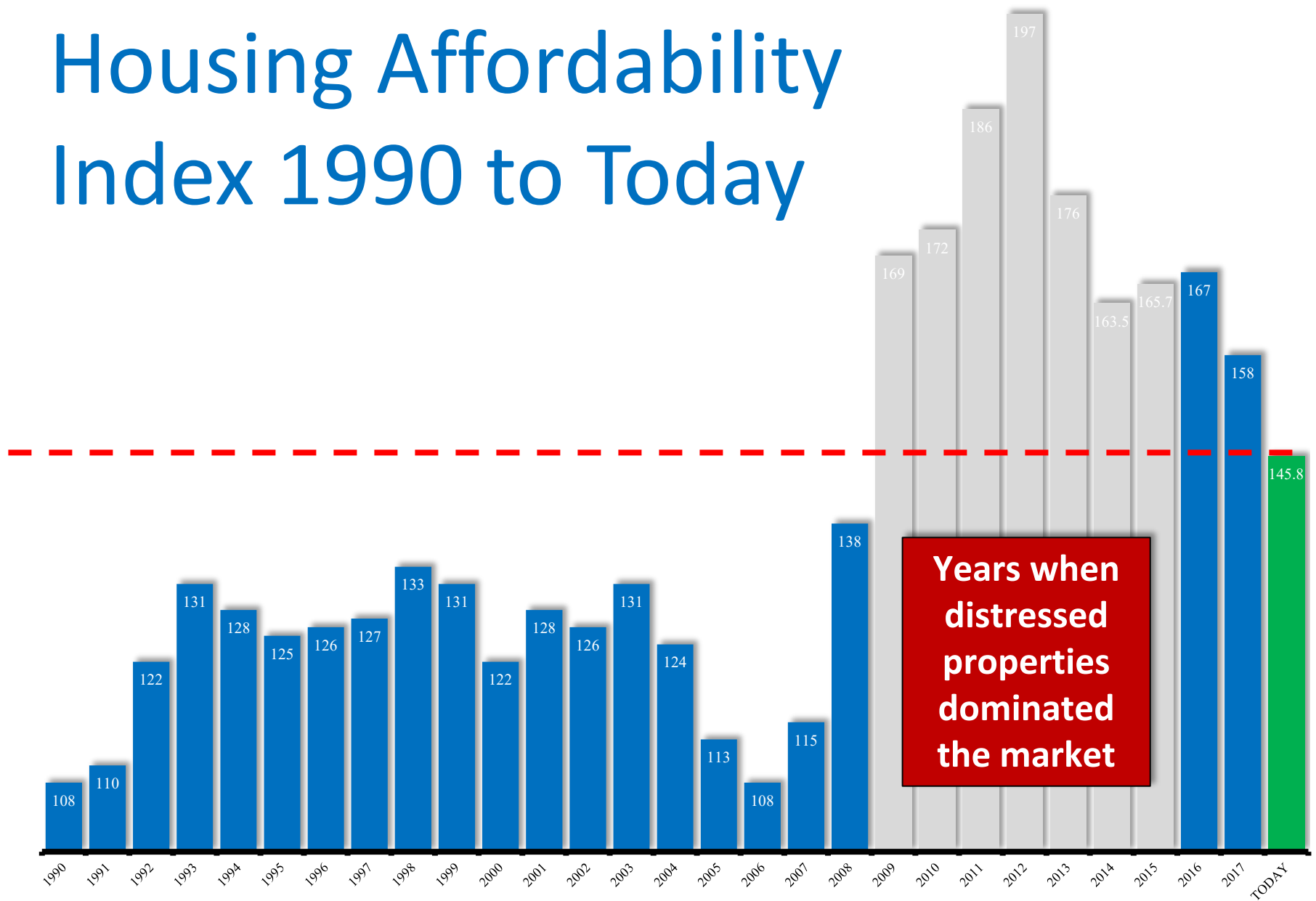
■ 2019P

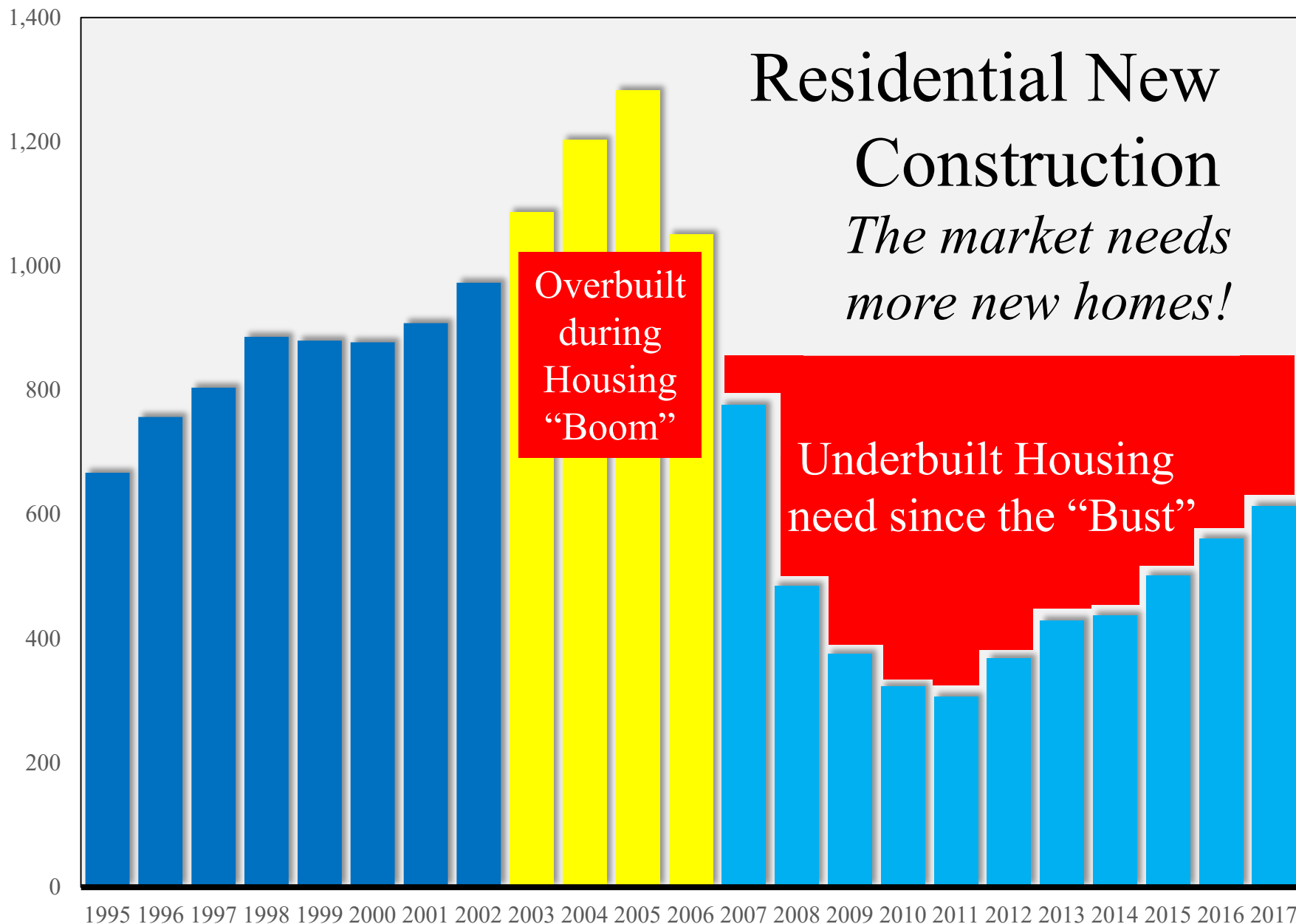


# Projected Home Price % Appreciation Going Forward

Source	2018	2019	2020	2021	2022
HPES	+5.9	+4.2	+2.9	+2.6	+2.9
Zelman & Assoc.	+5.5	+4.5	+4.1	N/A	N/A
MBA	+5.8	+4.3	+2.9	+1.9	N/A
Freddie Mac	+5.1	+4.3	+2.9	N/A	N/A
NAR	+4.7	+2.5	+3	N/A	N/A
Fannie Mae	+5.4	+4.1	+2.2	N/A	N/A
<b>AVERAGE</b>	<b>+5.4</b>	<b>+3.9</b>	<b>+3</b>	<b>+2.3</b>	<b>+2.9</b>

# Housing Affordability Index 1990 to Today





# Upcoming Recession?

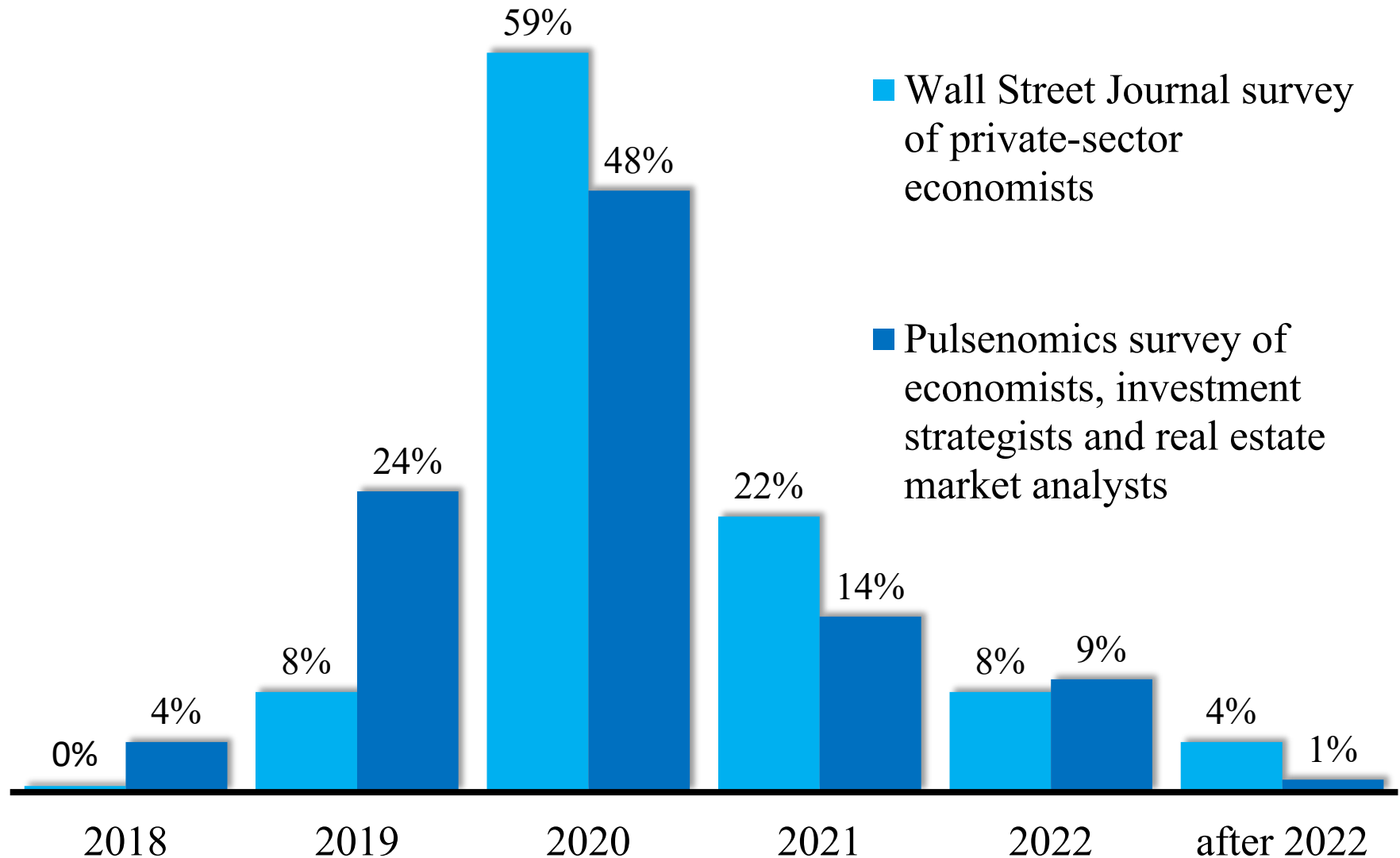
Wall Street Journal  
survey of economists  
predicts a recession  
in 2020

Pulsenomics  
survey of economists  
and analysts predicts a  
recession in 2020

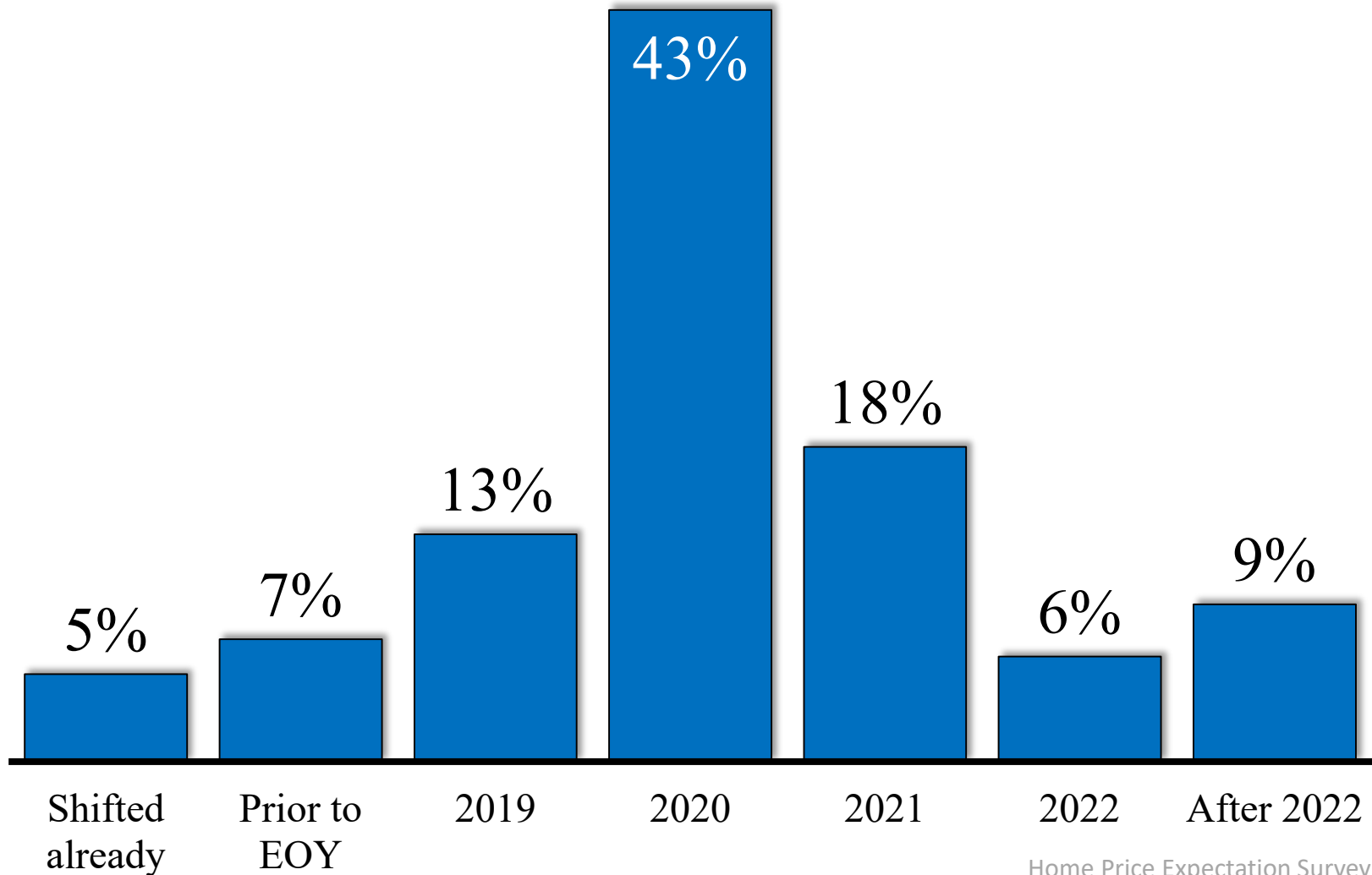
Recession  $\neq$  Housing Crisis

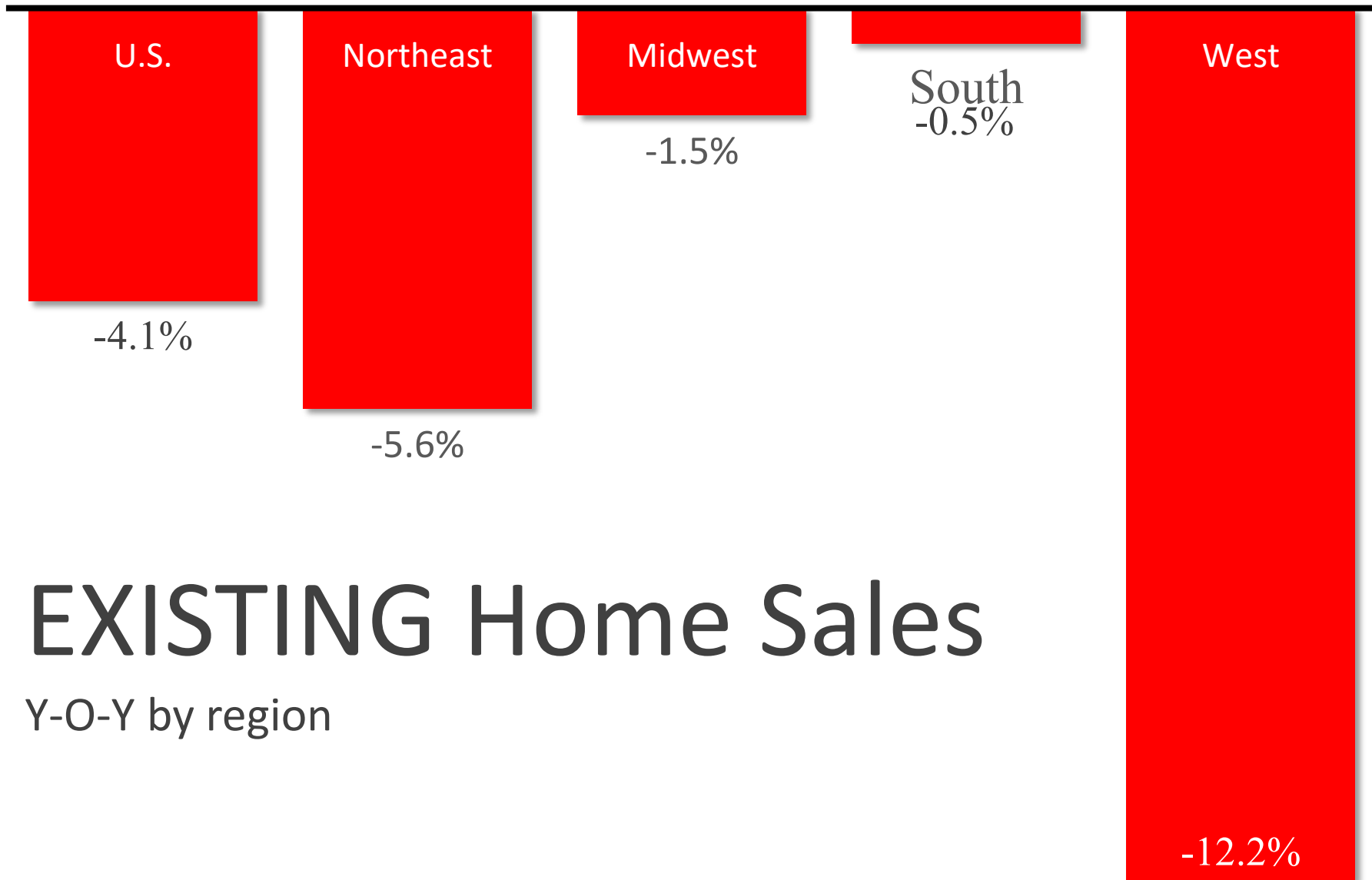


# When Will Next U.S. Recession Begin?



# When do you expect U.S housing market conditions to shift decidedly in favor of home buyers?

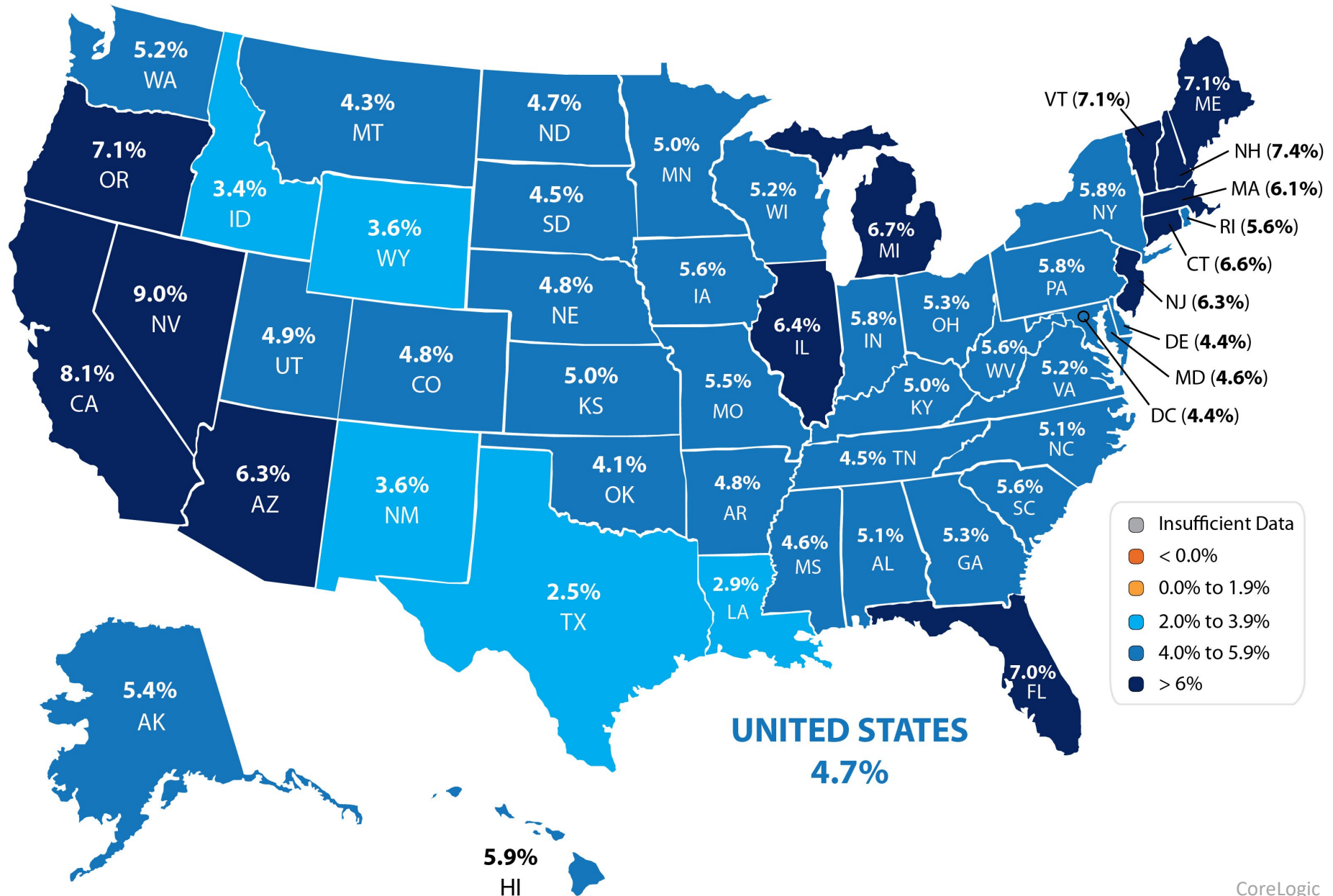




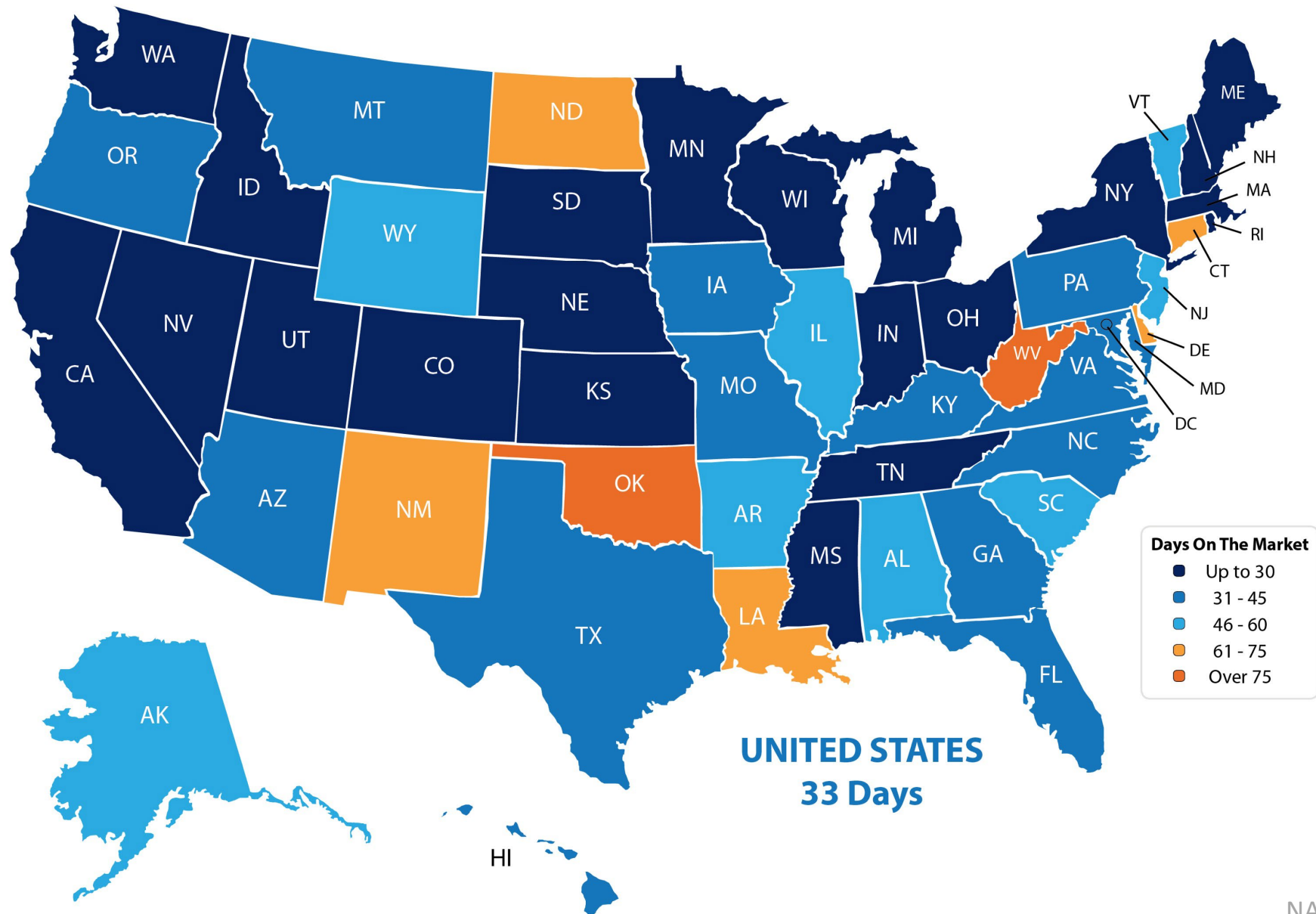
# EXISTING Home Sales

Y-O-Y by region

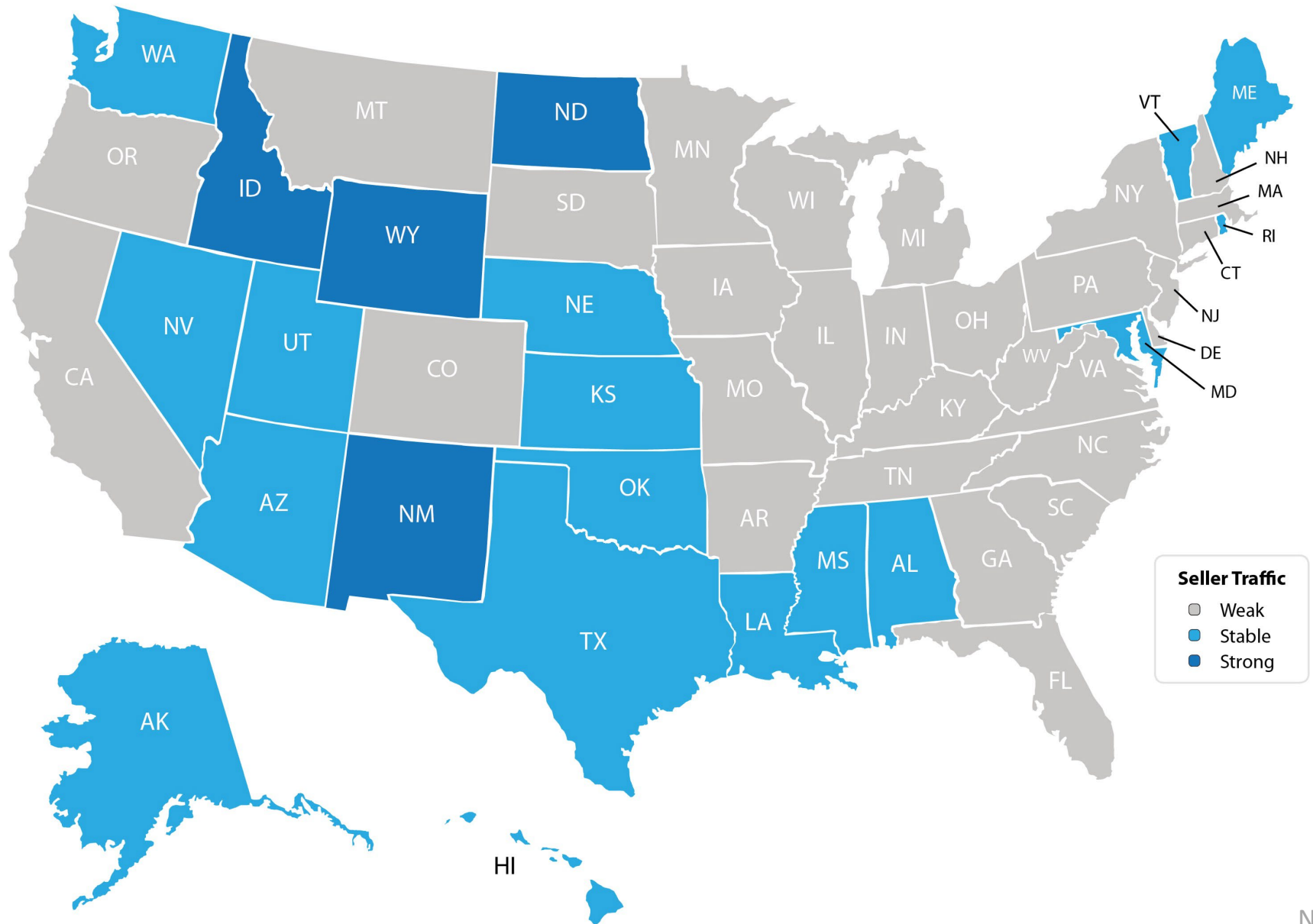
# Forecasted Year-Over-Year % Change in Price



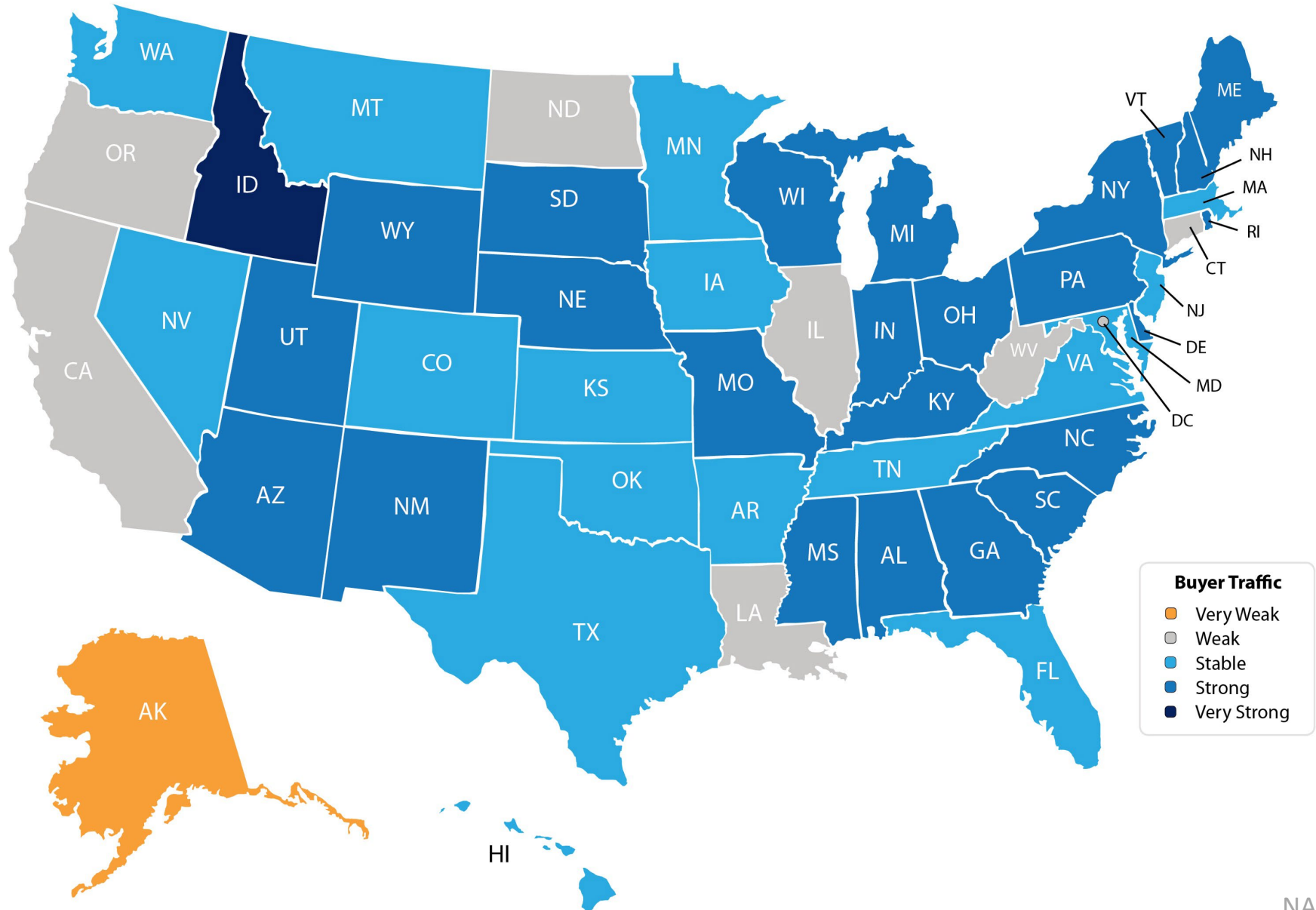
# Average Days on the Market



# Seller Traffic

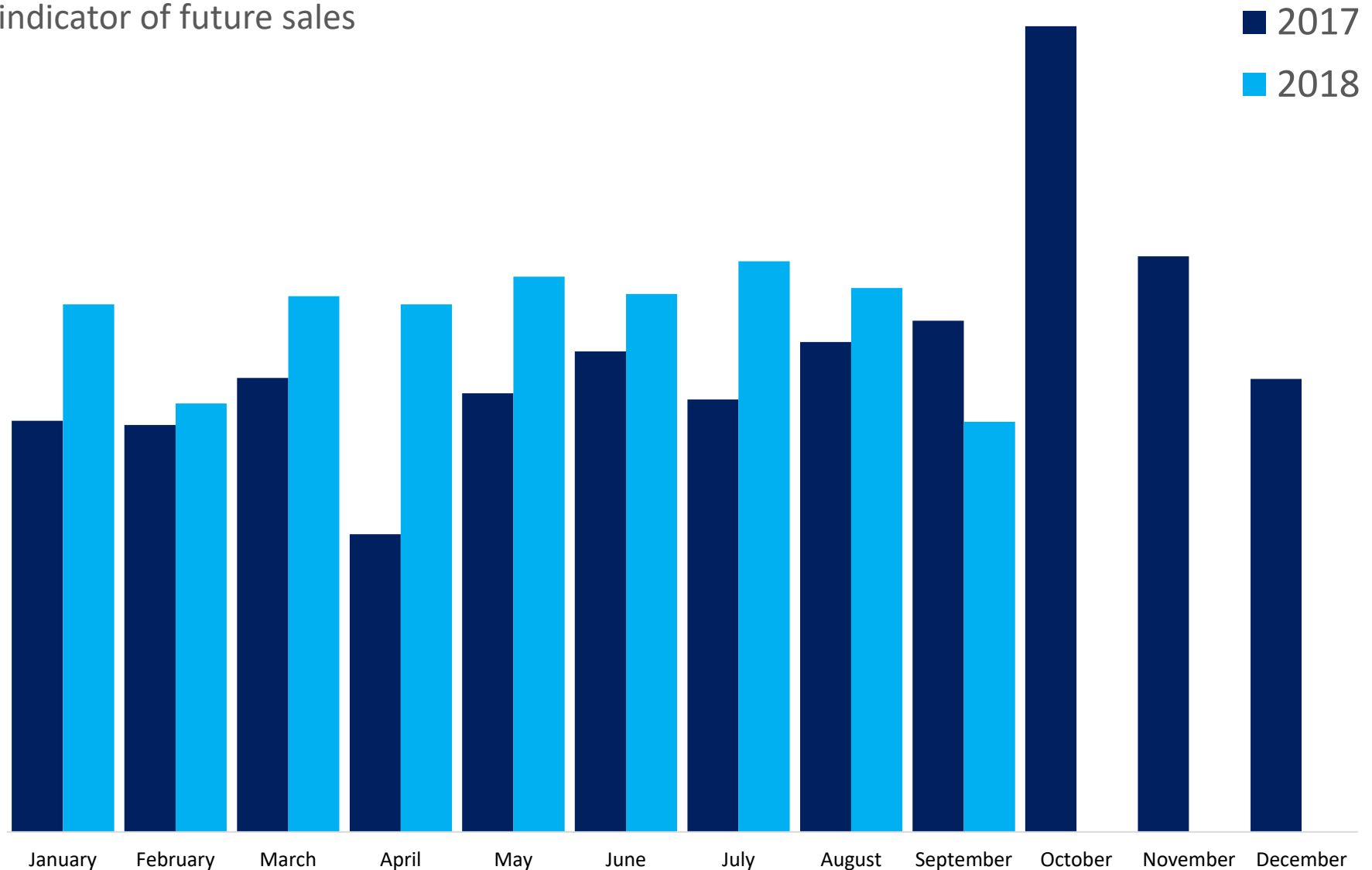


# Buyer Traffic

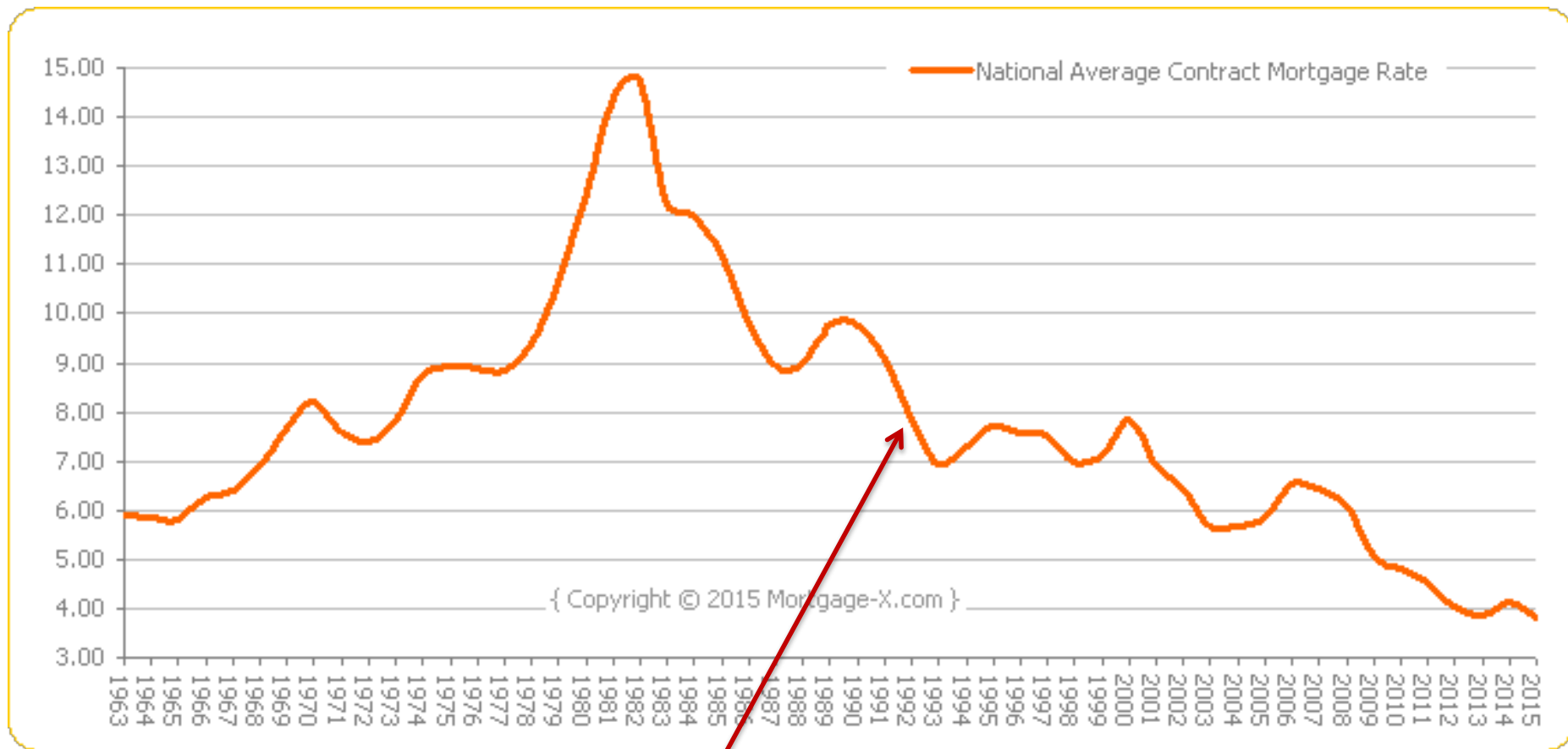


# Foot Traffic

indicator of future sales







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

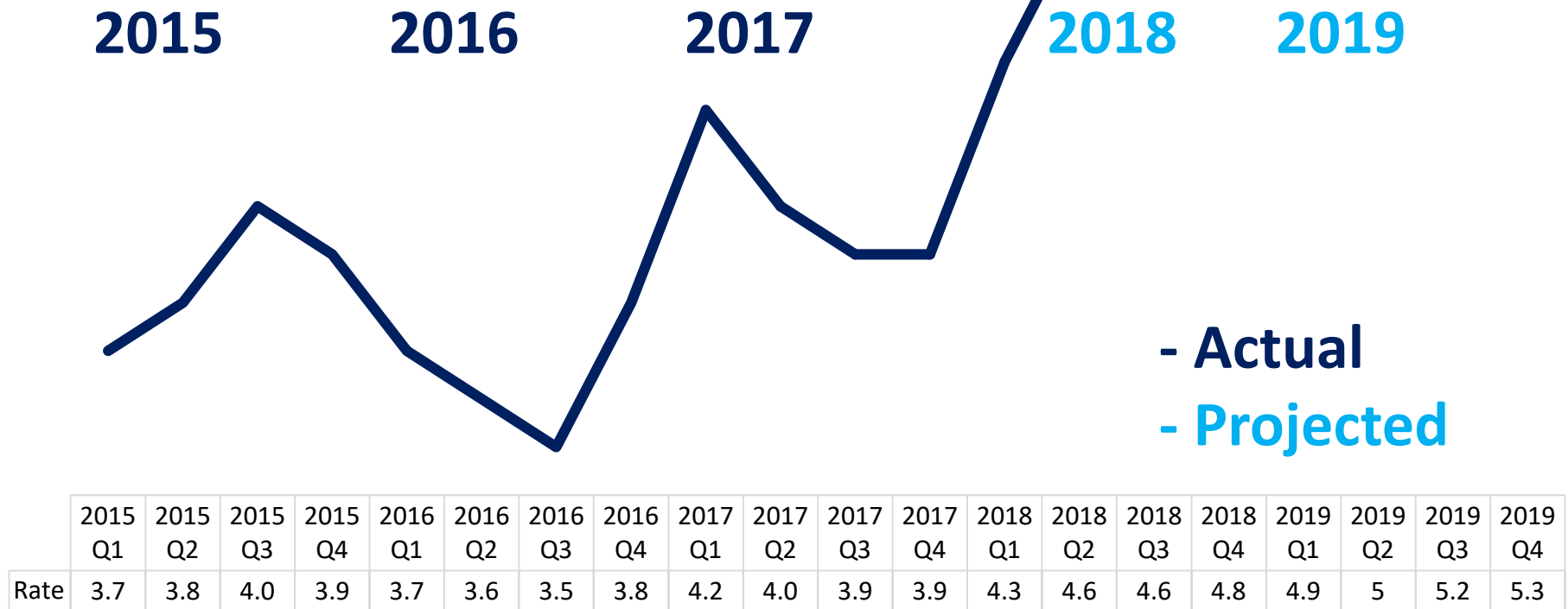
# Mortgage Rate Projections

Quarter	Freddie Mac	Fannie Mae	MBA	NAR	Average of All Four
2019 1Q	4.9	4.9	5.0	5.0	4.95
2019 2Q	5.0	4.9	5.1	5.1	5.03
2019 3Q	5.2	5.0	5.1	5.2	5.13
2019 4Q	5.3	5.0	5.1	5.3	5.18

# Mortgage Rates

## Freddie Mac

### 30-Year Fixed Rate



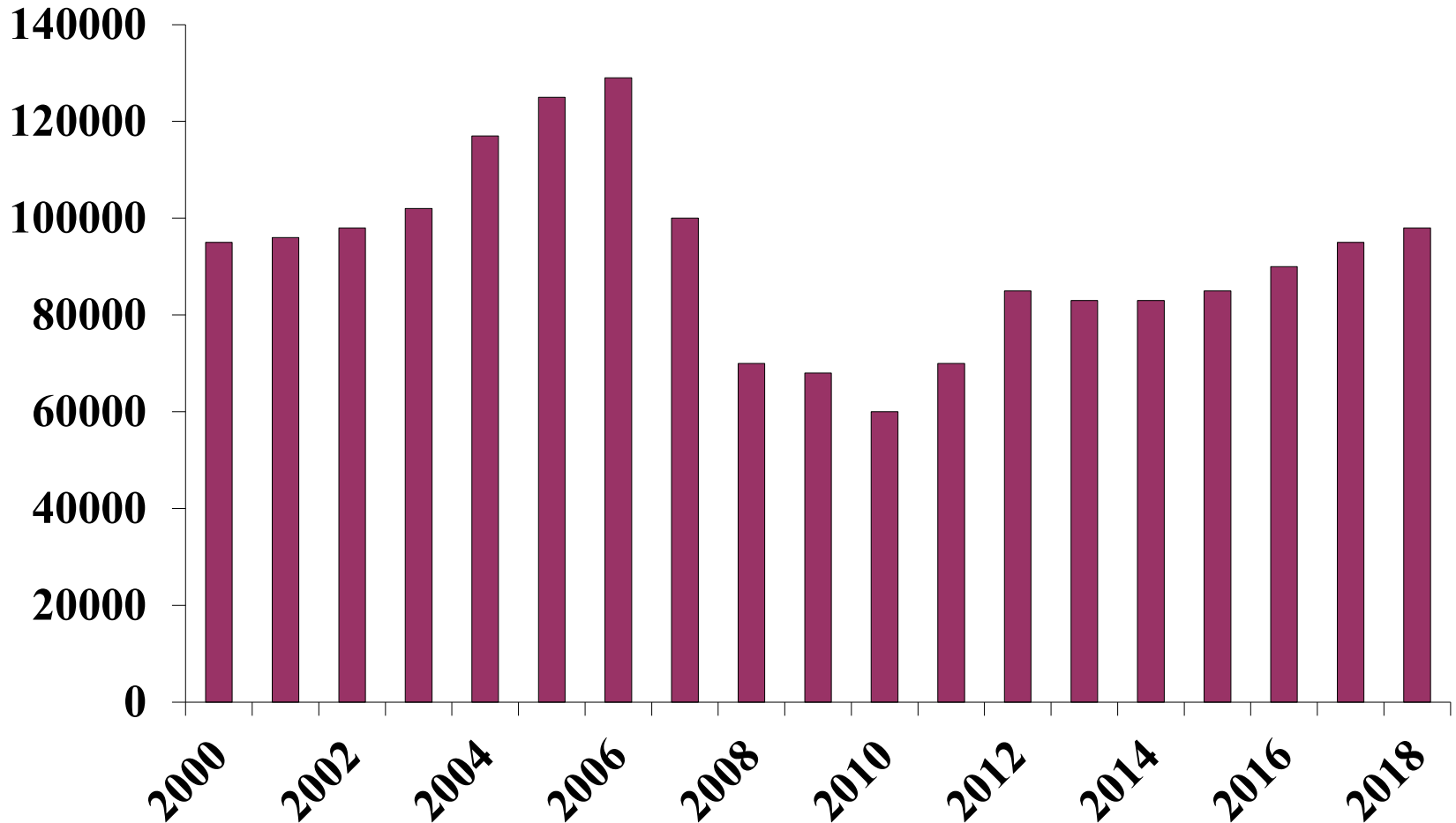
# Increasing Mortgage Rates Make A Significant Difference In Home Affordability

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**

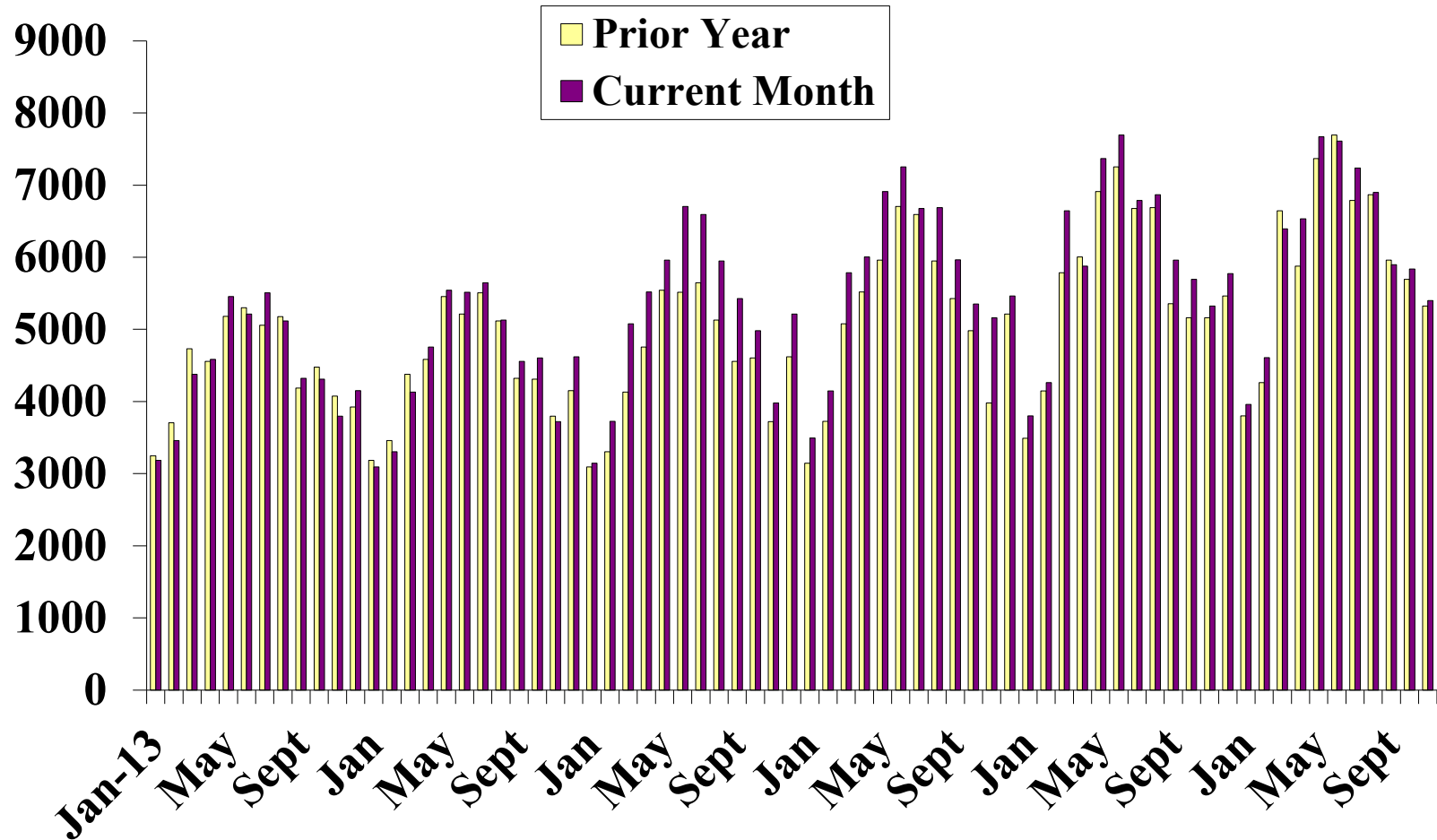
**December 2018 Report  
With Results Through November 2018**

# Metro Atlanta Homes Sold



**2018 YTD Closed Units 2.3% Higher Than 2017.  
Pending Units Up 2.1%. Closed Volume Up 9%.**

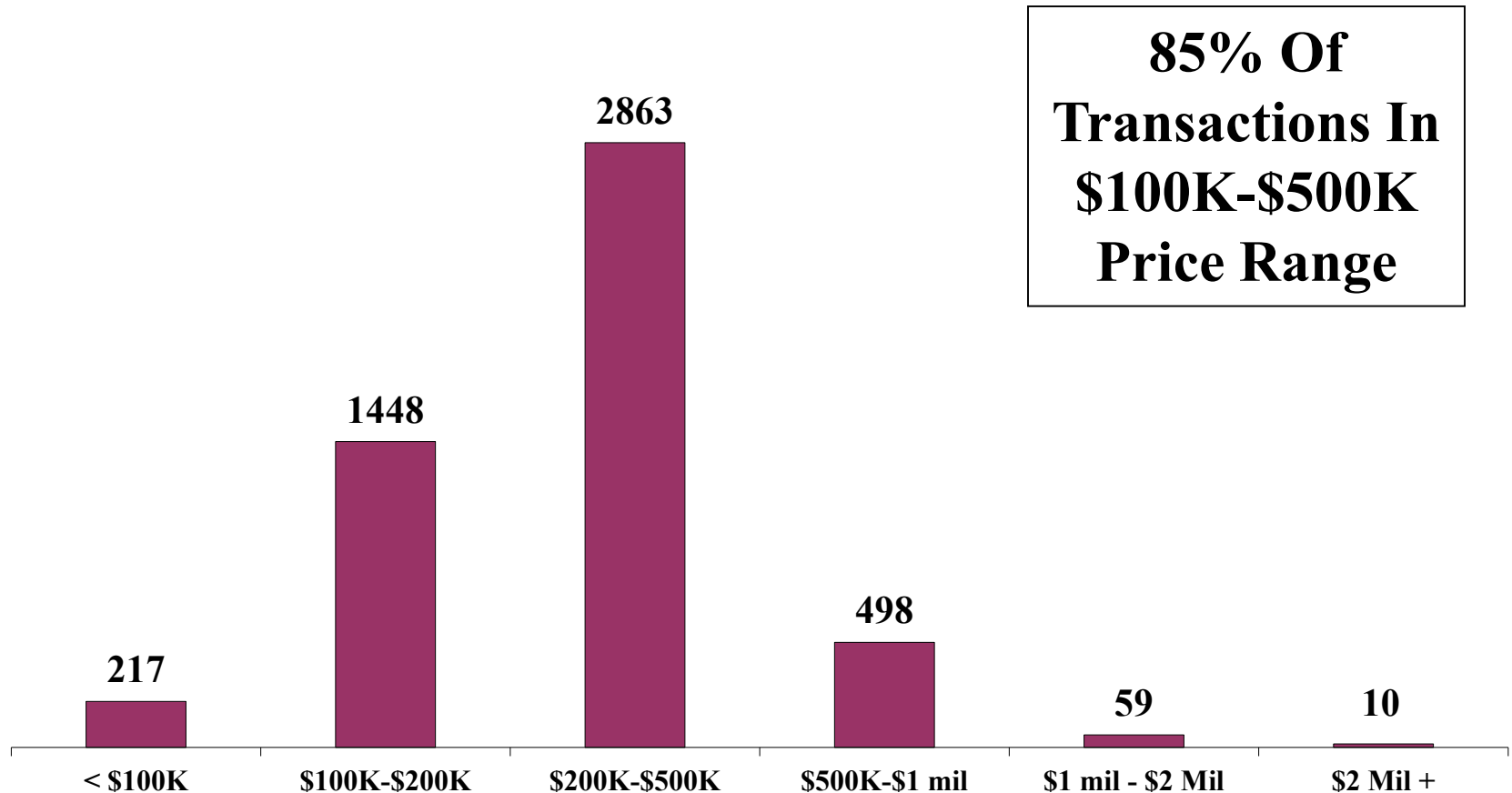
# Metro Atlanta 2013-2018 Closings



**November Closings Down 7.5% Compared To October Closings**  
**November 2018 Closings Up 1.4% Compared To November 2017**

# Metro Atlanta Closings – November 2018

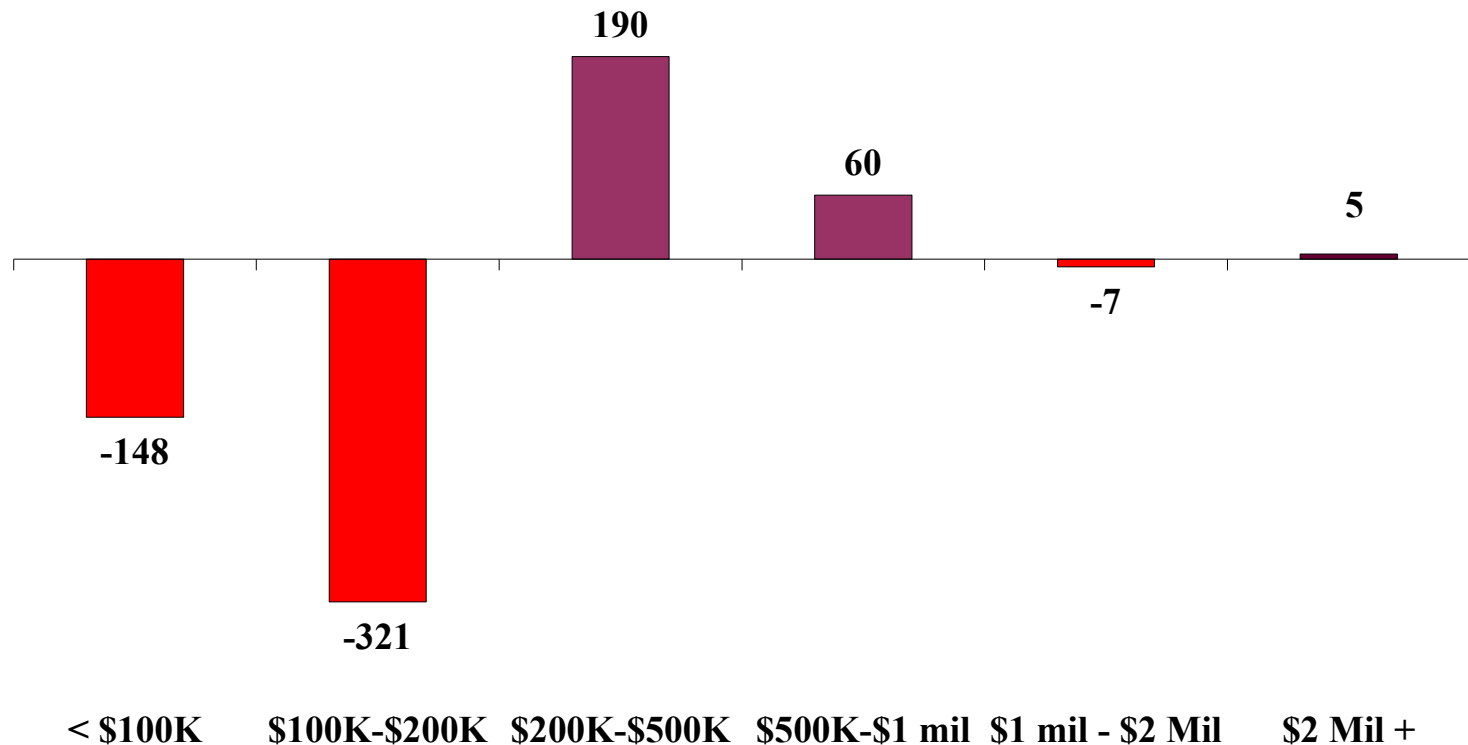
## (Number Of Transactions By Price)





# Metro Atlanta Closed Units By Price Point

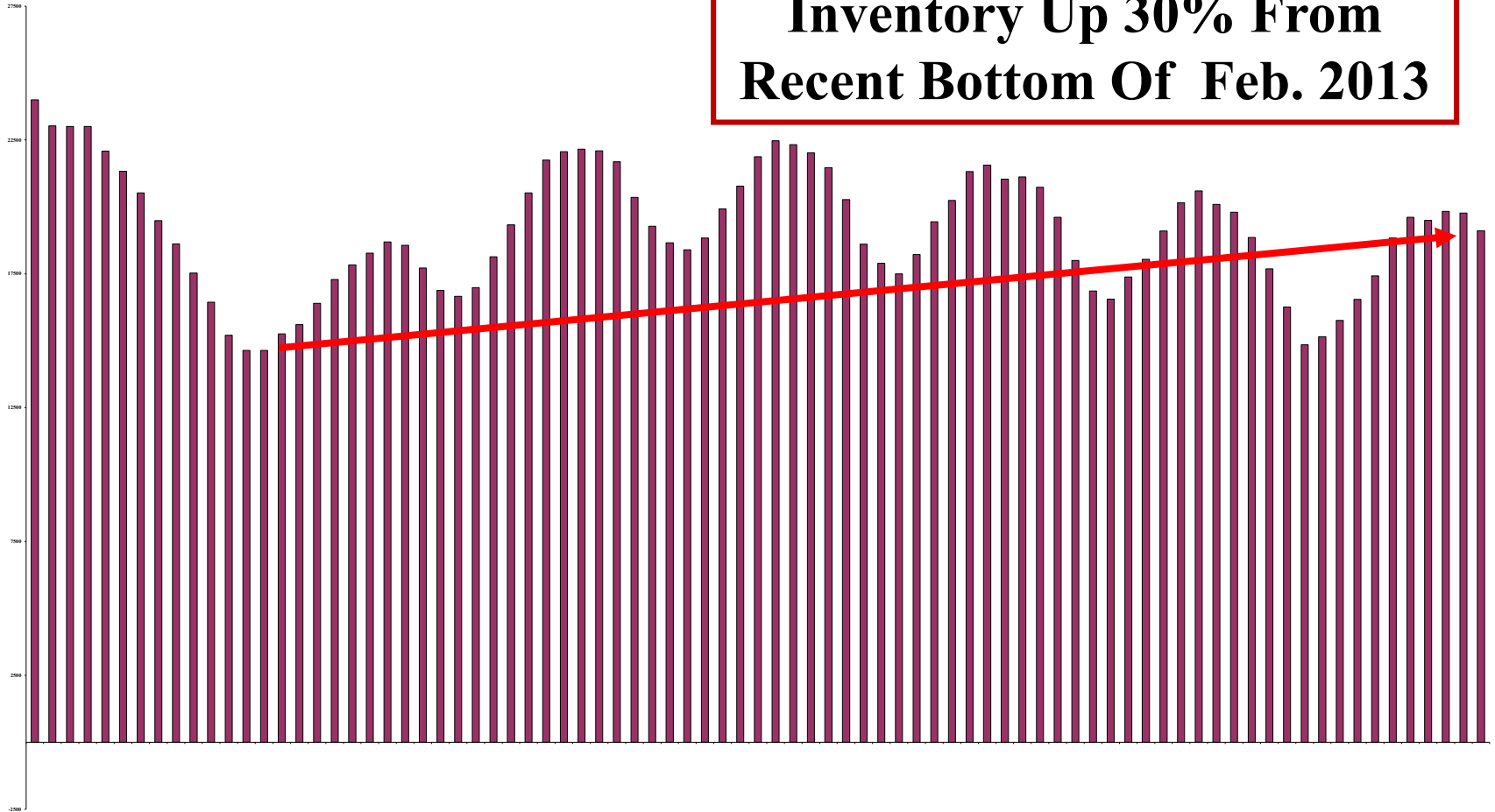
## November 2018 Compared To November 2017



# Listed Inventory January 2012 – November 2018

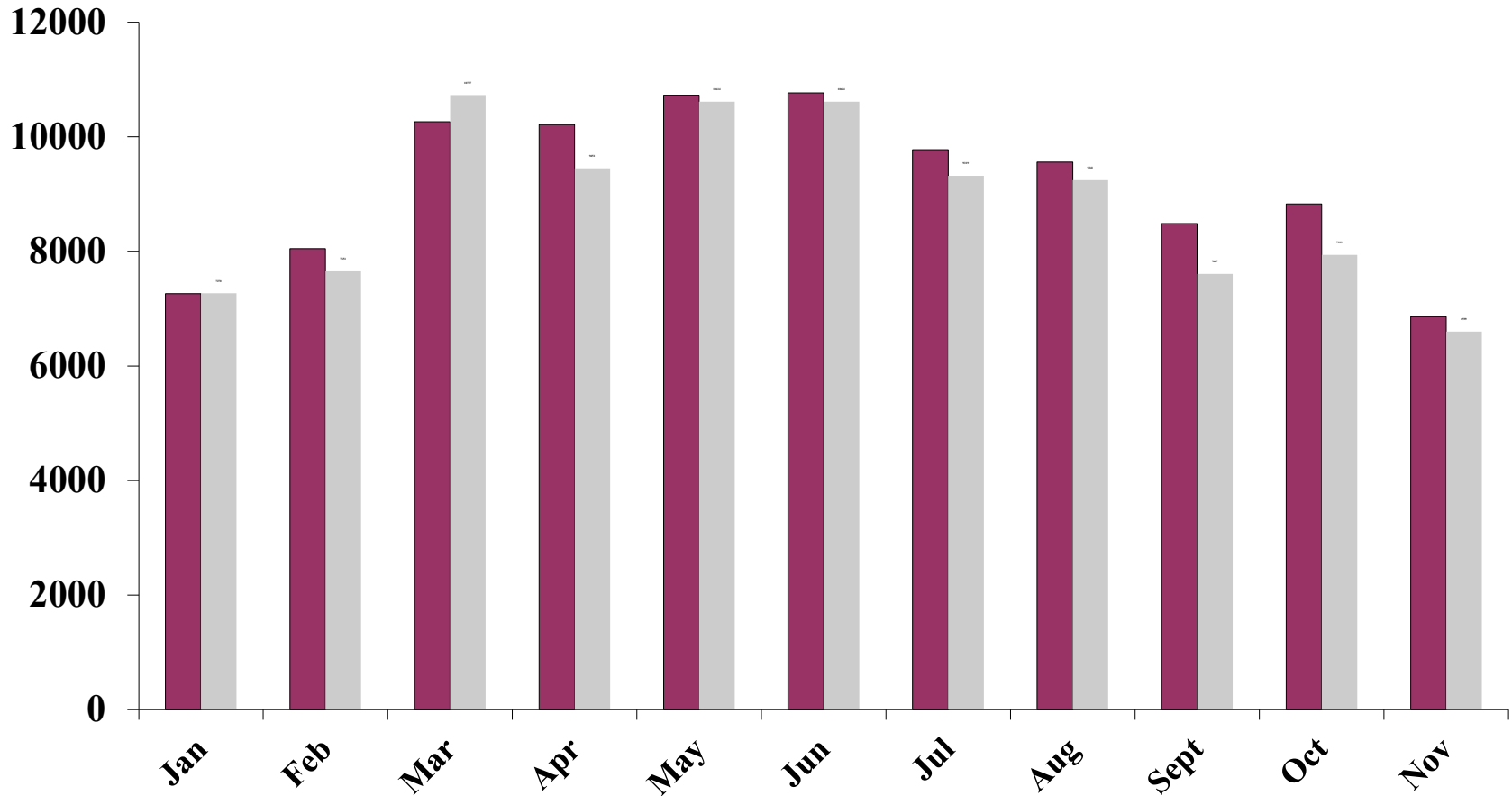
## Residential Detached, Metro Atlanta

**Inventory Up 30% From  
Recent Bottom Of Feb. 2013**



**Inventory Down 3.8% From Last Month,  
Up 7.5% Compared To Last Year**

# Metro Atlanta New Listings



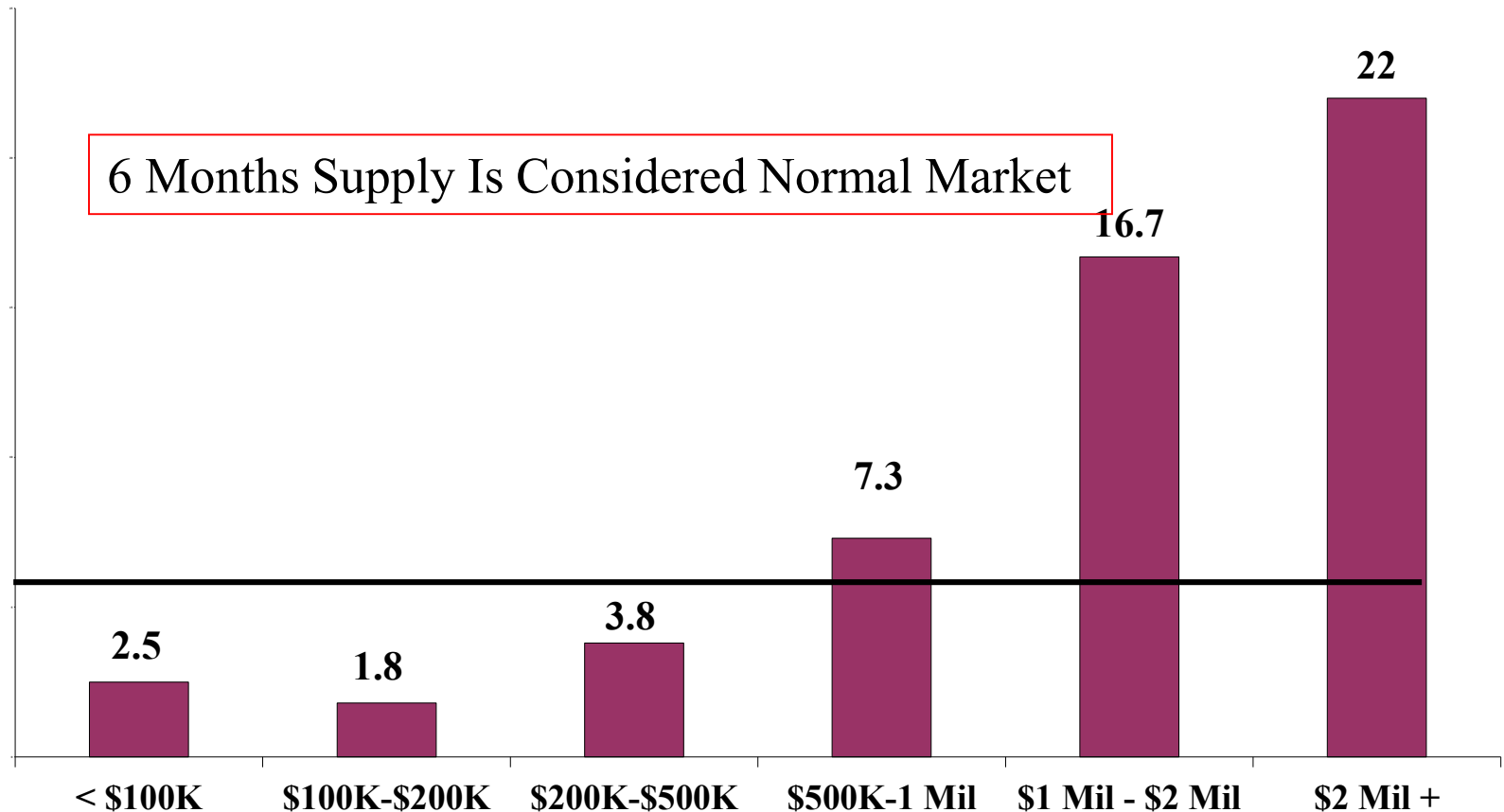
**New Listings up 3.9% Compared to Last Year.  
Down 22.3% From Last Month.**

# Months of Inventory Change The Market Strategy



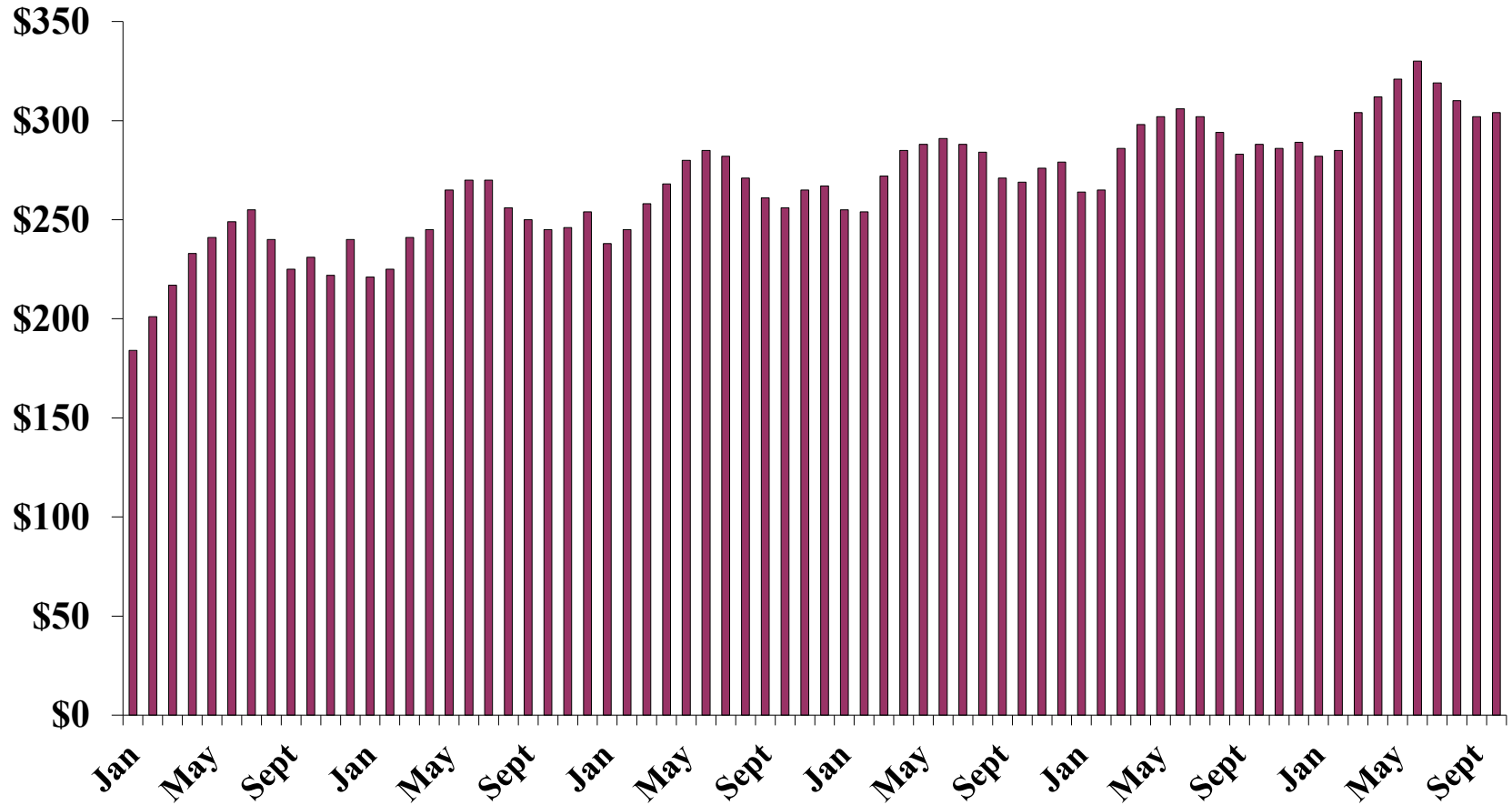
# Metro Atlanta Months of Inventory

## (November 2018, Based On Closed Sales)



**Total Metro Atlanta “Months Of Inventory” Is 3.7 Months**

# Metro Atlanta Monthly Average Sale Prices 2013 - 2018



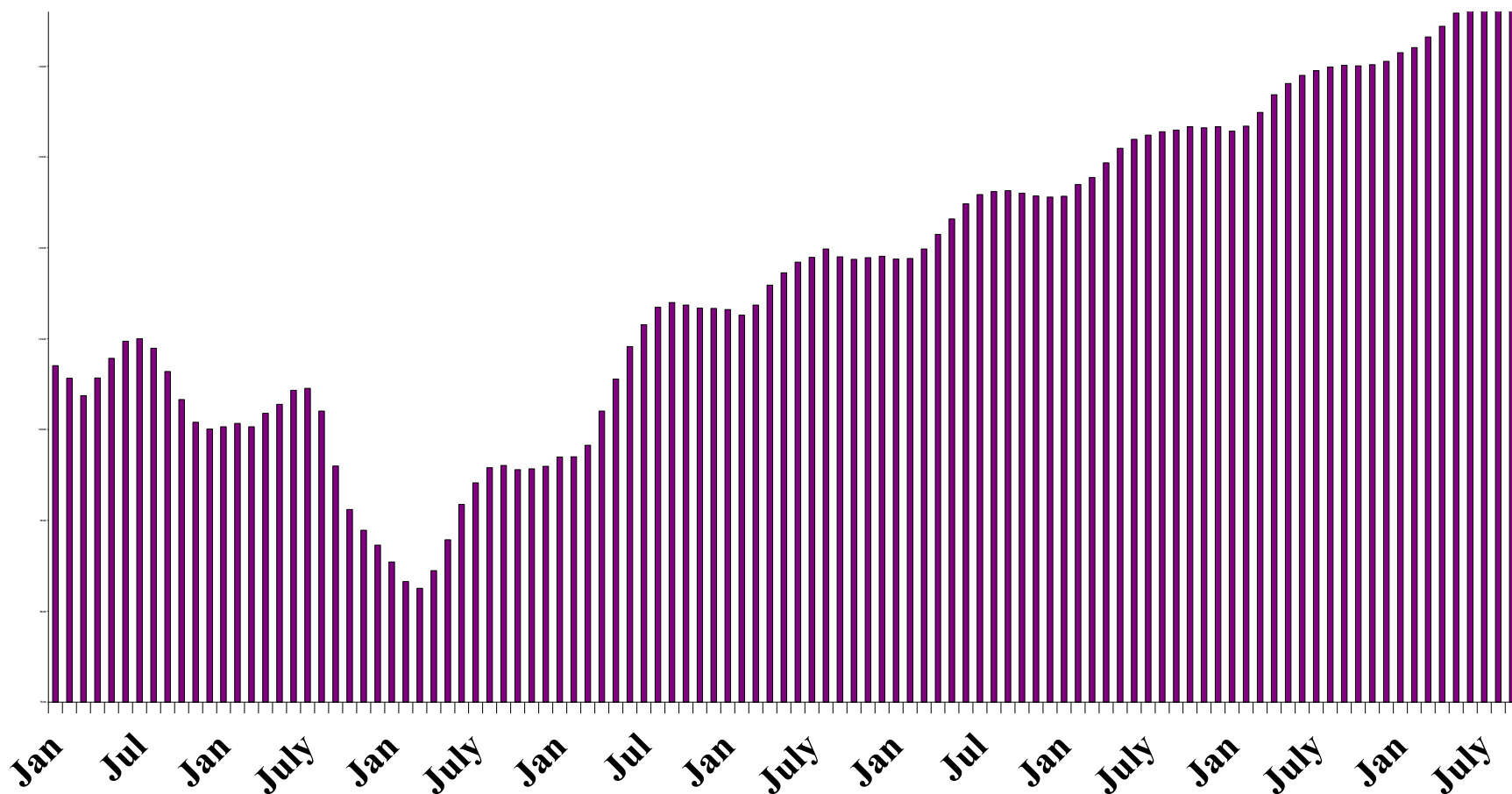
**ASP \$308,000 In October. ASP \$304,000 Last Month.**  
**Up 1.3% From Last Month. Up 7.6% From Last November.**

# Metro Atlanta Annual Average Sale Prices



**Annual ASP Up 74% From Bottom Of 2011**

# Case-Shiller Index For Metro Atlanta





# **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.

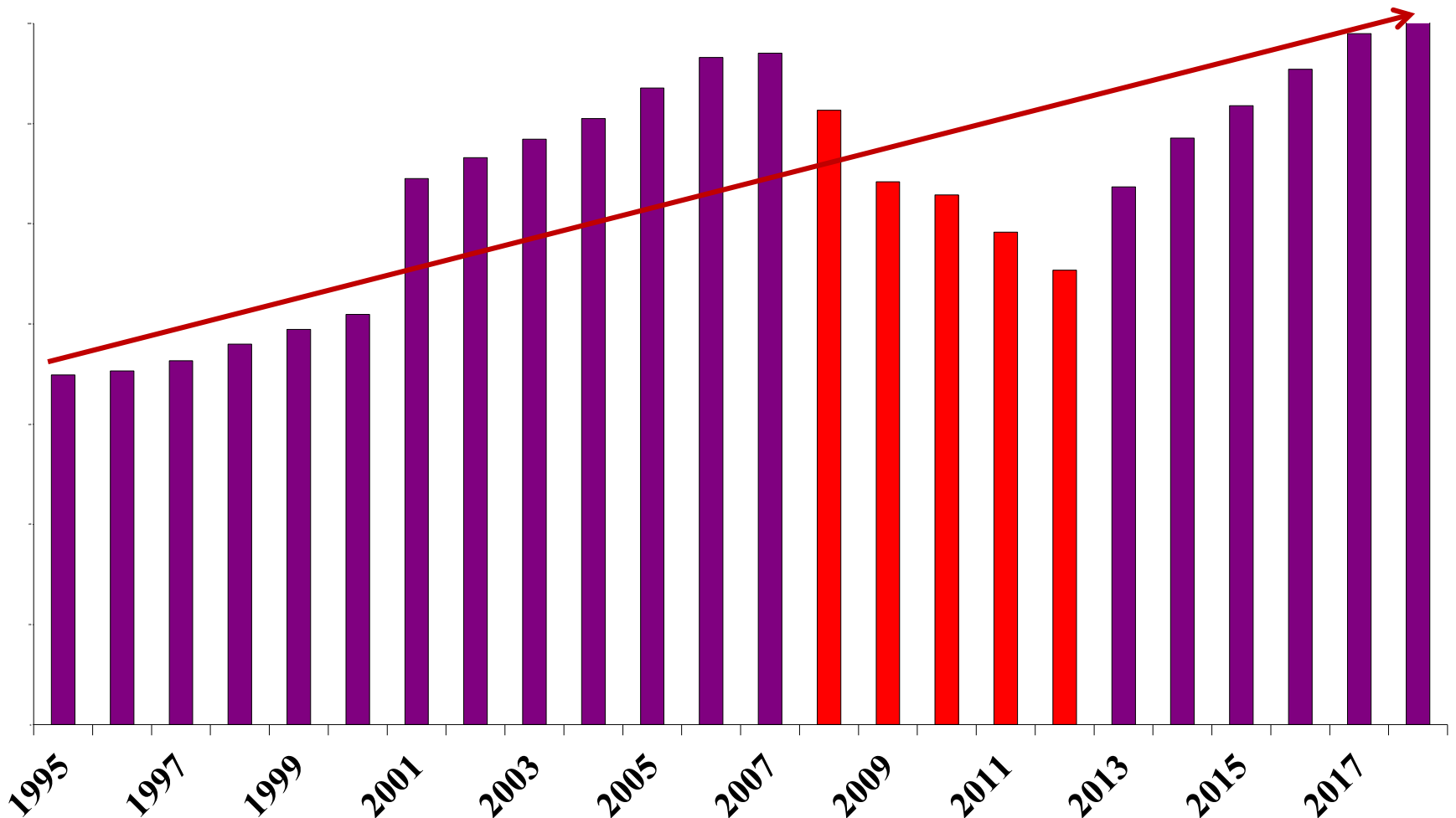
<b>Year Property Bought</b>	<b>Gain/ Loss</b>
2001	35.97%
2002	30.93%
2003	26.81%
2004	22.49%
2005	16.61%
2006	11.29%
2007	10.57%
2008	20.86%
2009	36.74%

<b>Year Property Bought</b>	<b>Gain/ Loss</b>
2010	40.15%
2011	50.71%
2012	63.40%
2013	38.06%
2014	26.57%
2015	19.95%
2016	13.30%
2017	7.45%
2018 YTD	2.04%

Case Shiller Index For Metro Atlanta - September 2018 As Reported November 27, 2018.

Micro 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.

FTB 25 Years Old

# Buyer Type Yearly

FTB 33 Years Old

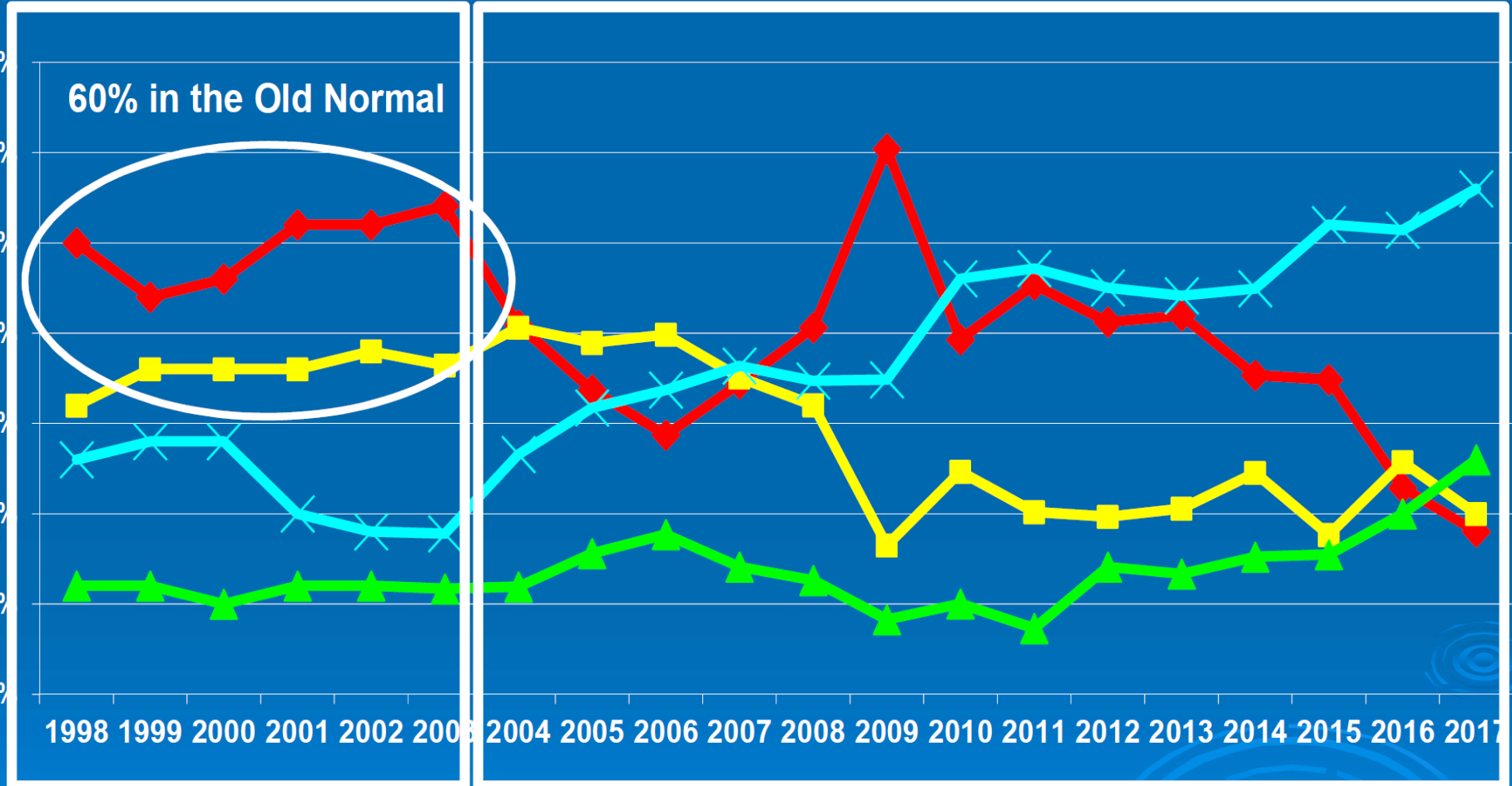
FMU 32 Years Old

FIRST TIME

FIRST MOVE UP

SECOND MOVE UP

THIRD OR HIGHER



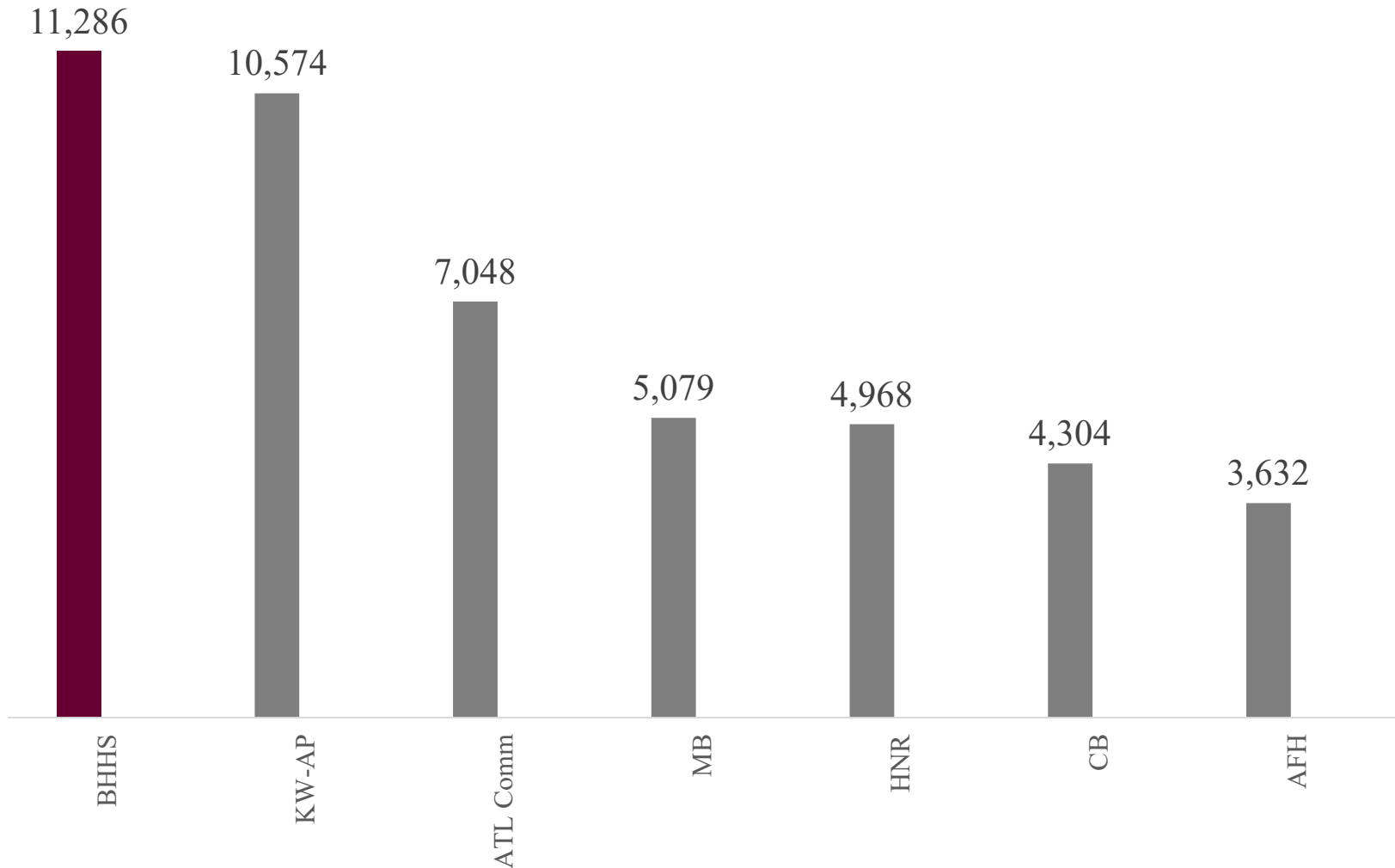
“Old Normal”

“New Normal”

# Berkshire Hathaway HomeServices Georgia Properties

# YTD Closed Units – November 2018

## FMLS Counties + Southern Crescent

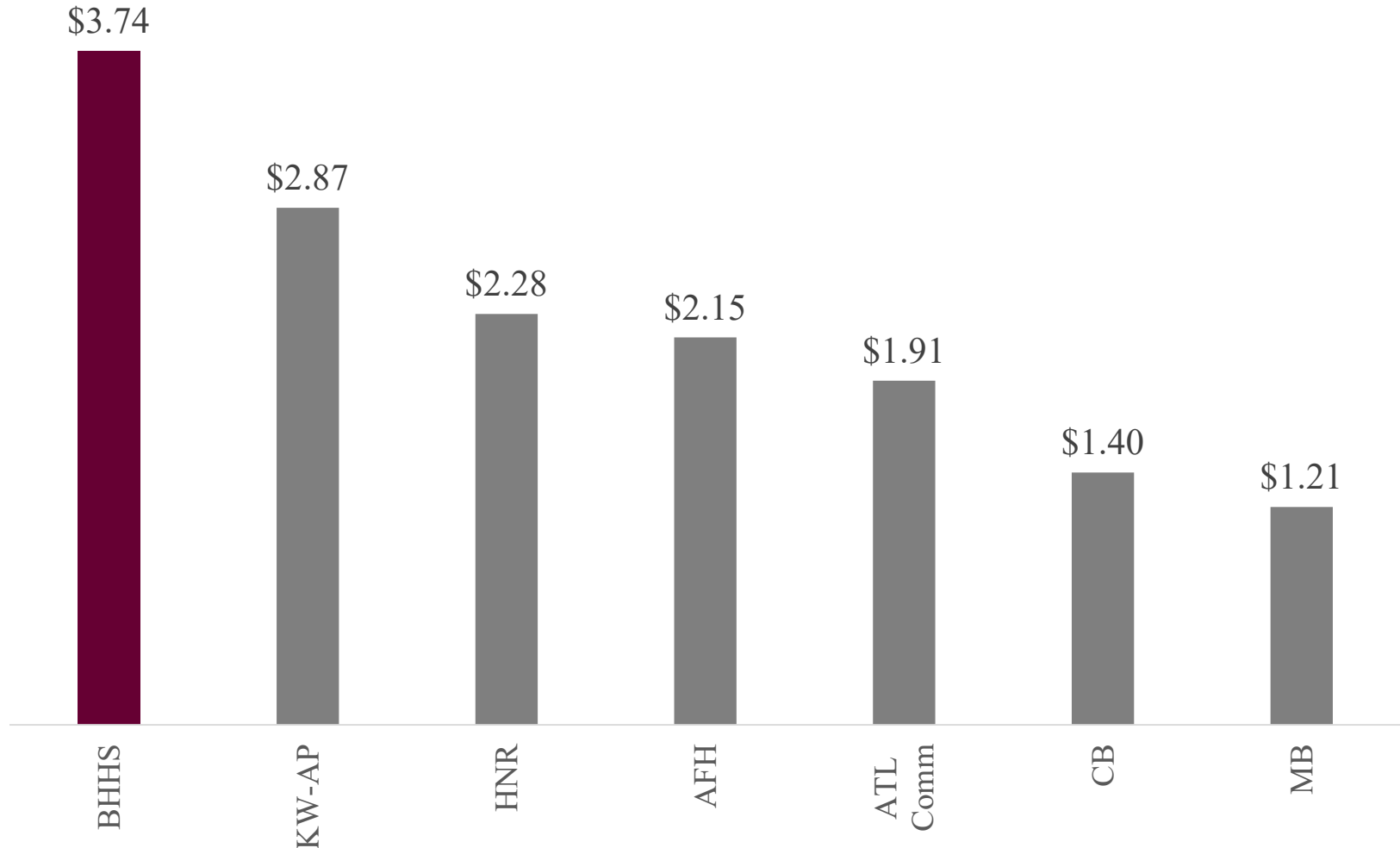


Information Provided By Trendgraphix and BHHS GP Internal Reports.

# YTD Closed Volume – November 2018

## FMLS Counties + Southern Crescent

(\$ Volume in Billions)



Information Provided By Trendgraphix and BHHS GP Internal Reports.

# Georgia Economic & Housing Trends

# Top State For Business

Site Selection Magazine



6 Years in a Row!

2018

2017

2016

2015

2014

2013



# 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.

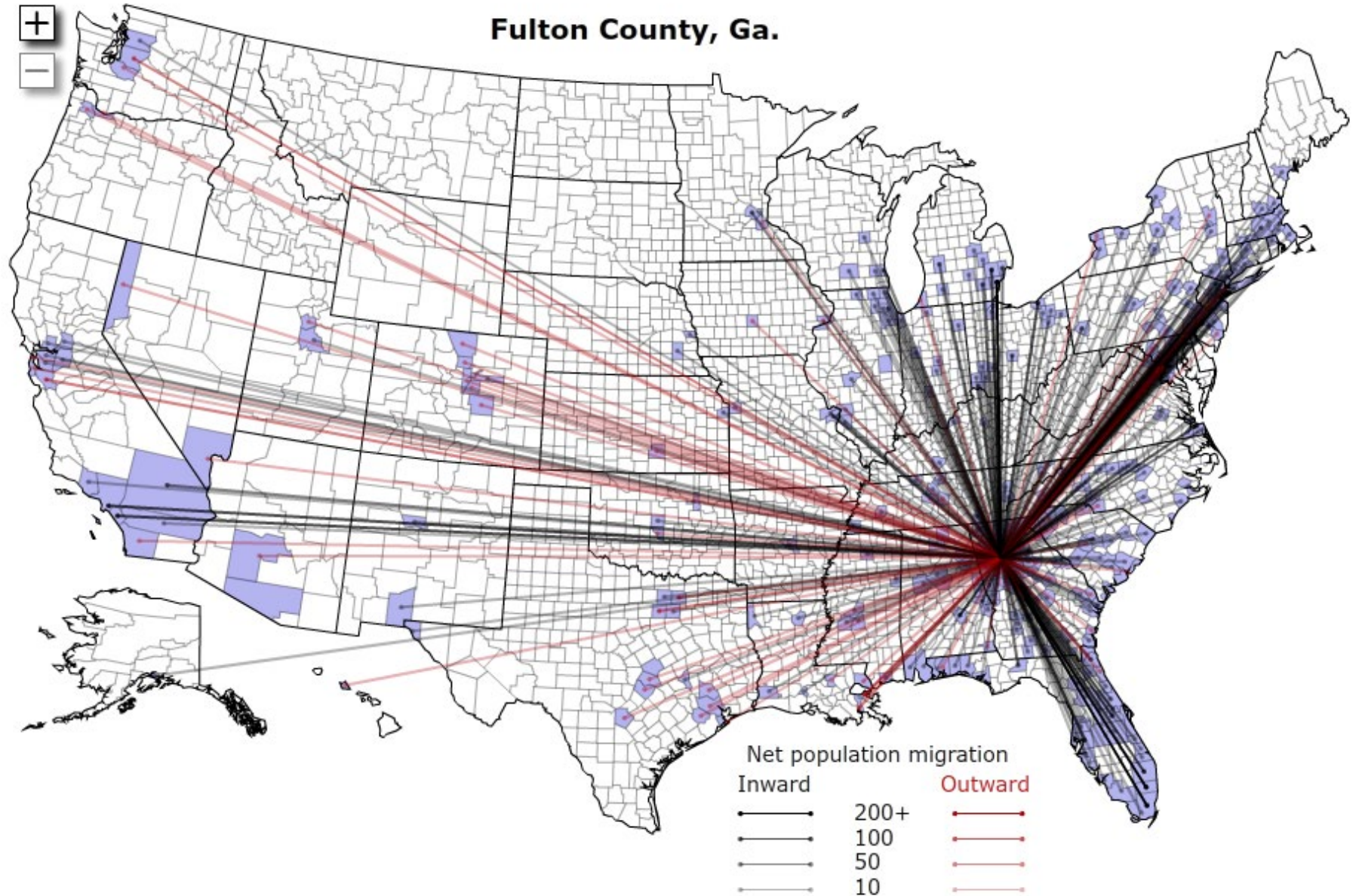
	Total Population	Rank of Share				
		Under 20	20-64	65+	25-39	45-59
Dallas	6,144,489	3	9	25	1	24
Atlanta	5,271,550	5	6	27	2	19
Phoenix	4,179,427	4	24	15	4	26
Denver	2,466,591	11	5	24	4	12
Riverside	4,081,371	1	27	22	5	27
Houston	5,629,127	2	10	26	6	21
Portland	2,174,631	19	2	19	7	7
Seattle	3,309,347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

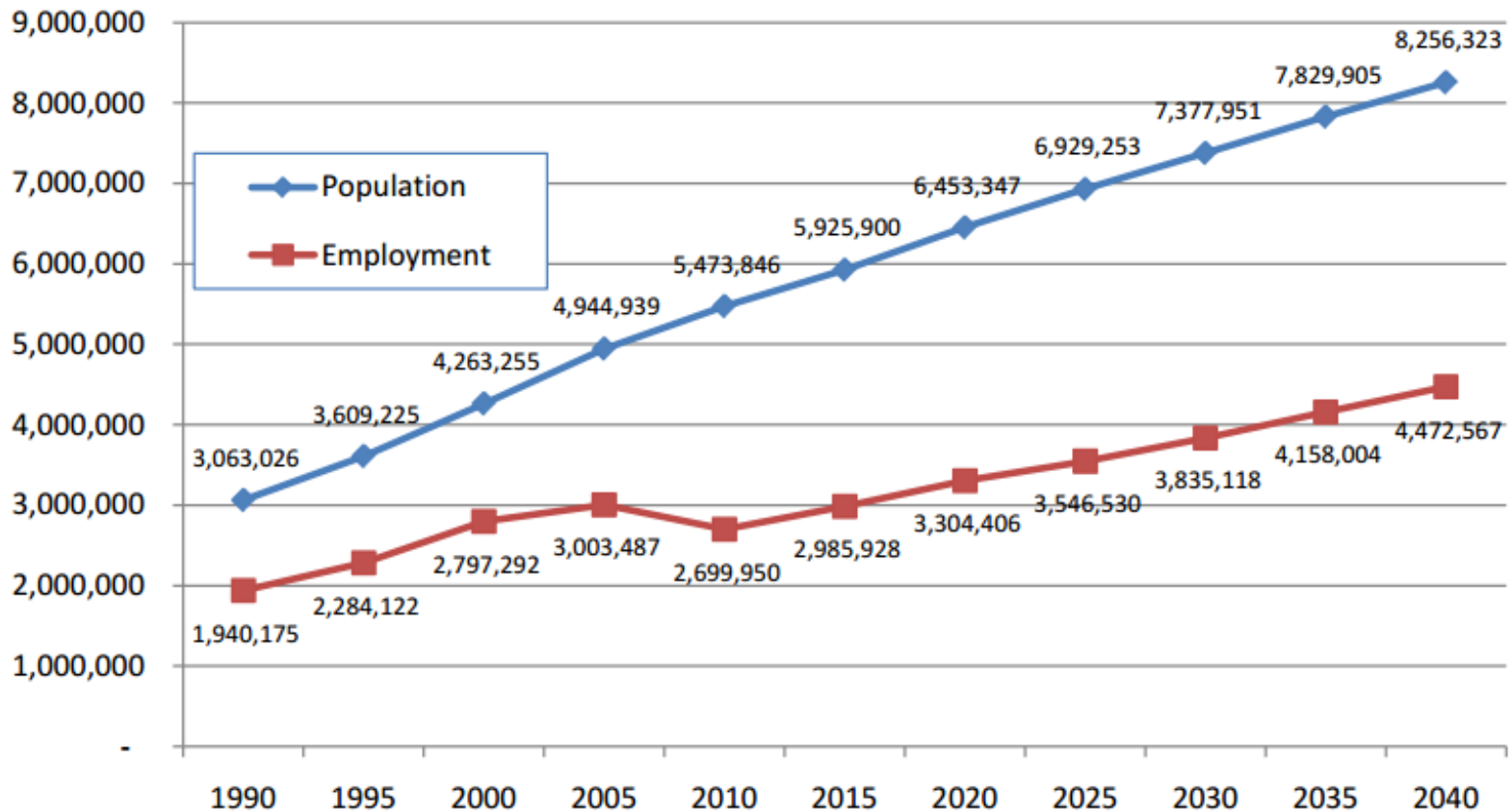
Source: Census Bureau

# Rustbelt To Sunbelt



# Population & Employment Growth Trends

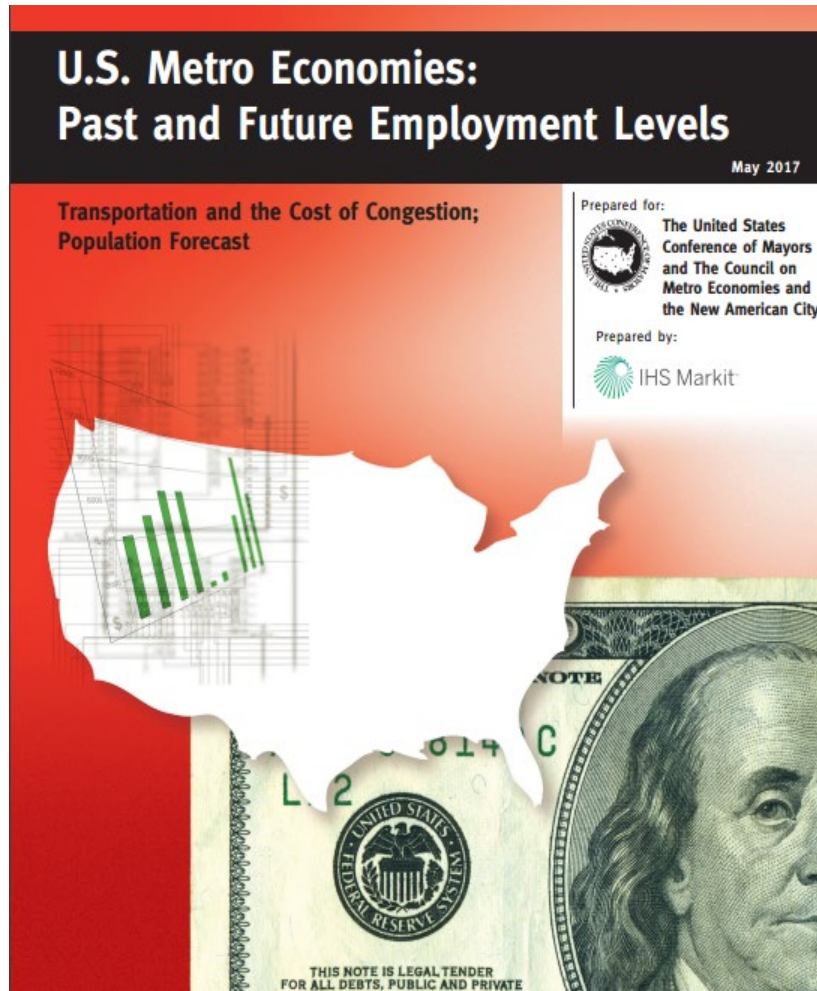
Figure 1: ARC's Population and Employment Forecasts (1990 - 2040) – 20-County Region



Source: ARC



# 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!