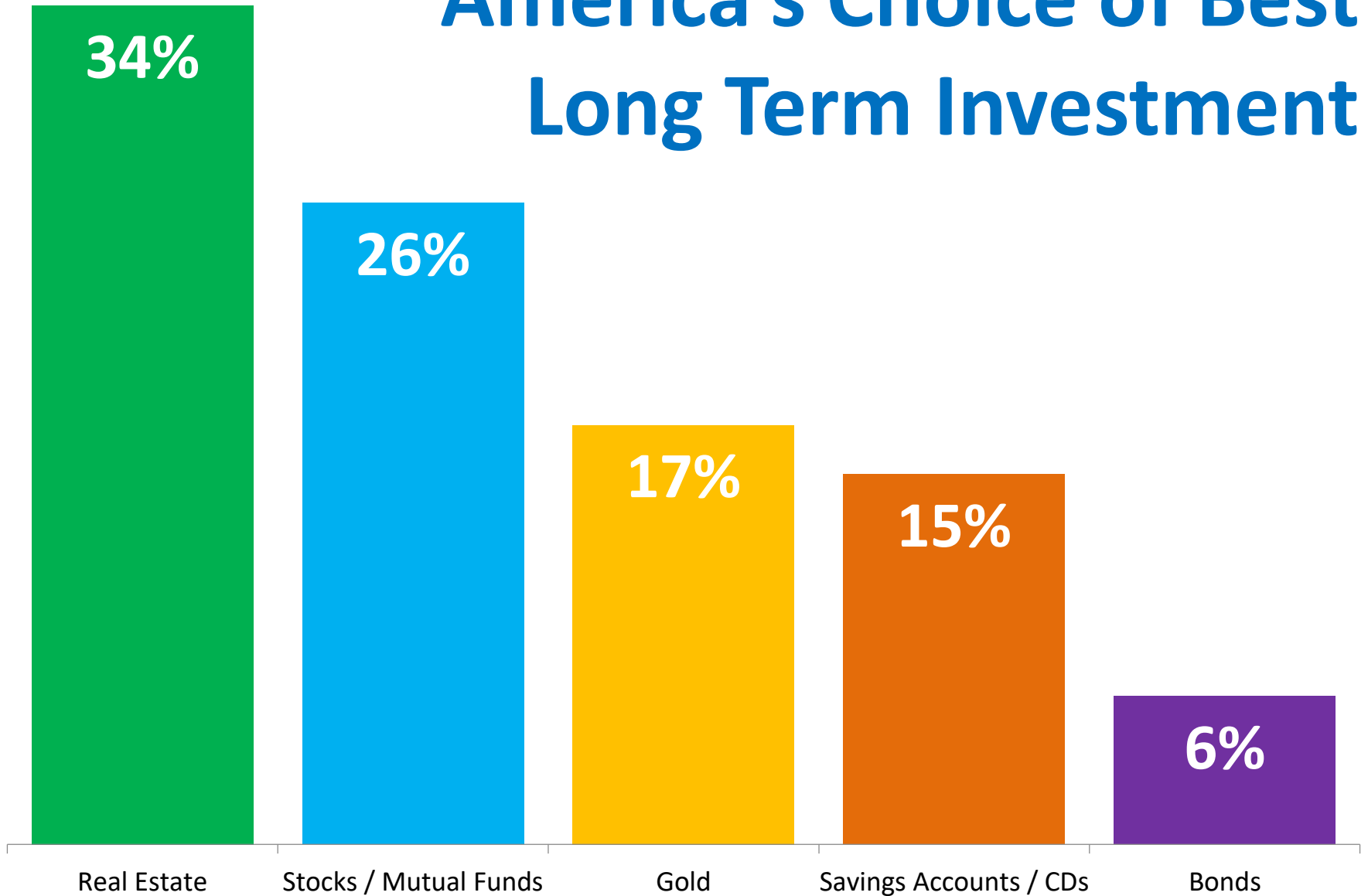


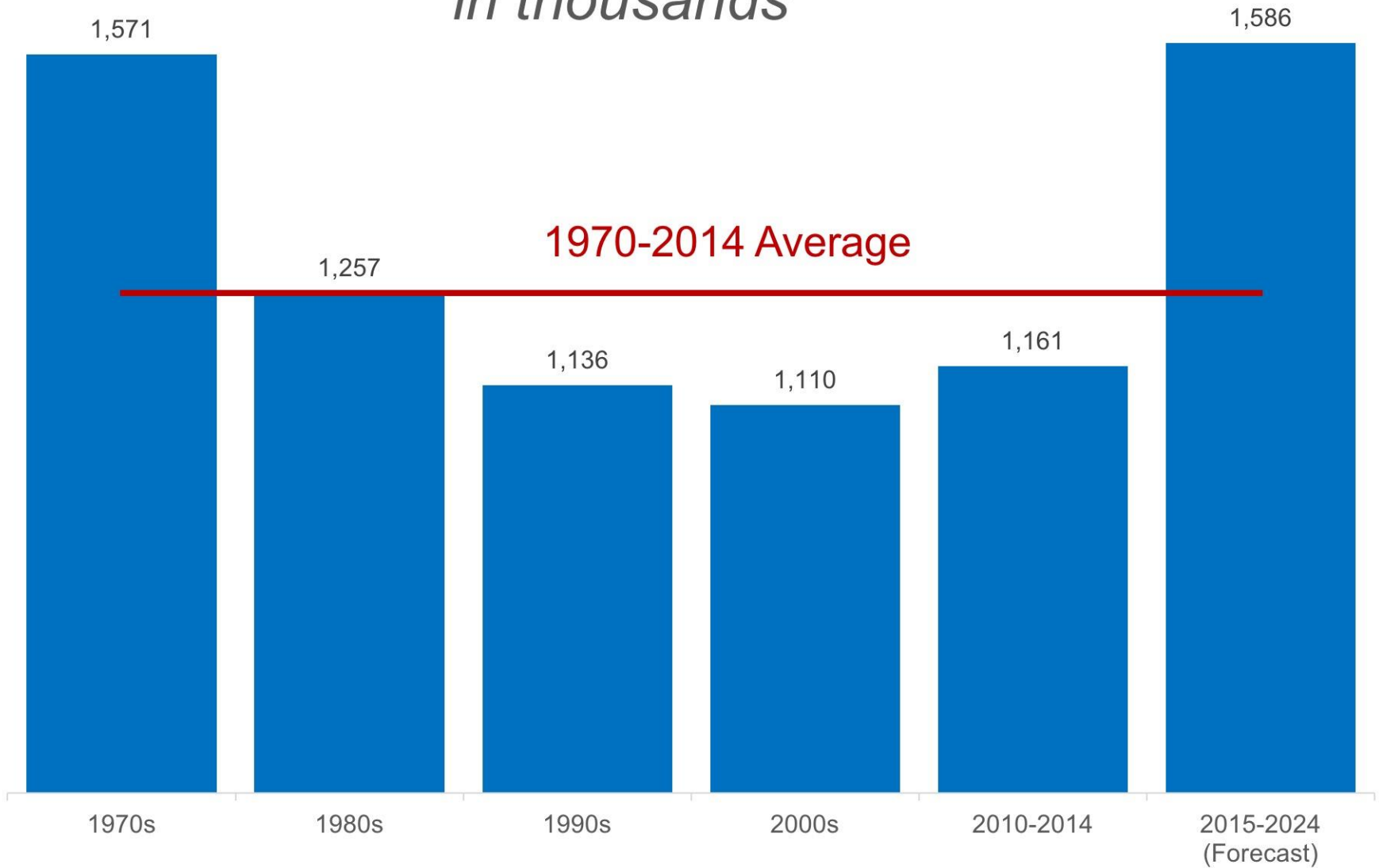


National Housing Trends

America's Choice of Best Long Term Investment



Average Annual Household Formation *in thousands*

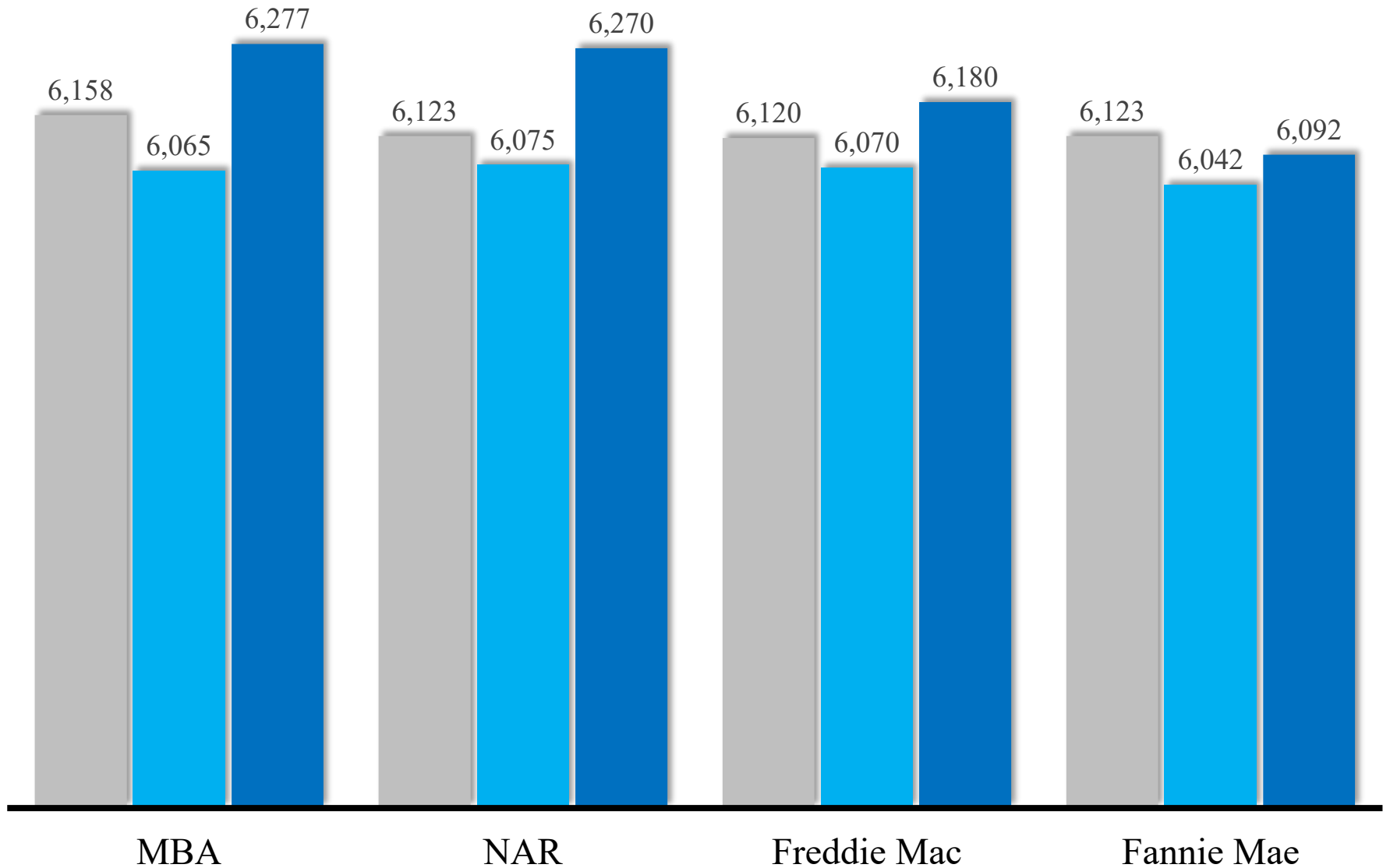


Home Sales *in thousands*

■ 2017

■ 2018P

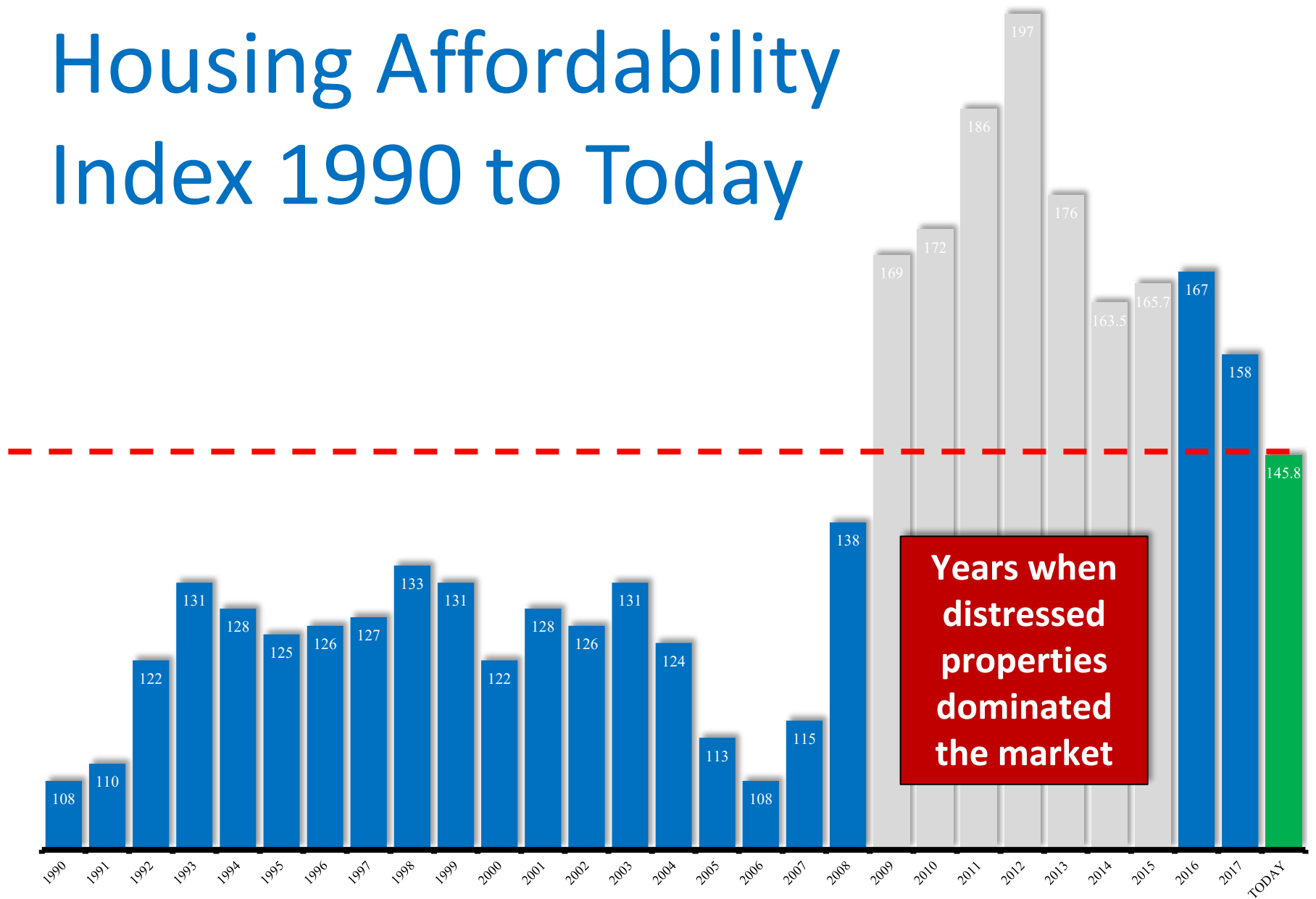
■ 2019P



Projected Home Price % Appreciation Going Forward

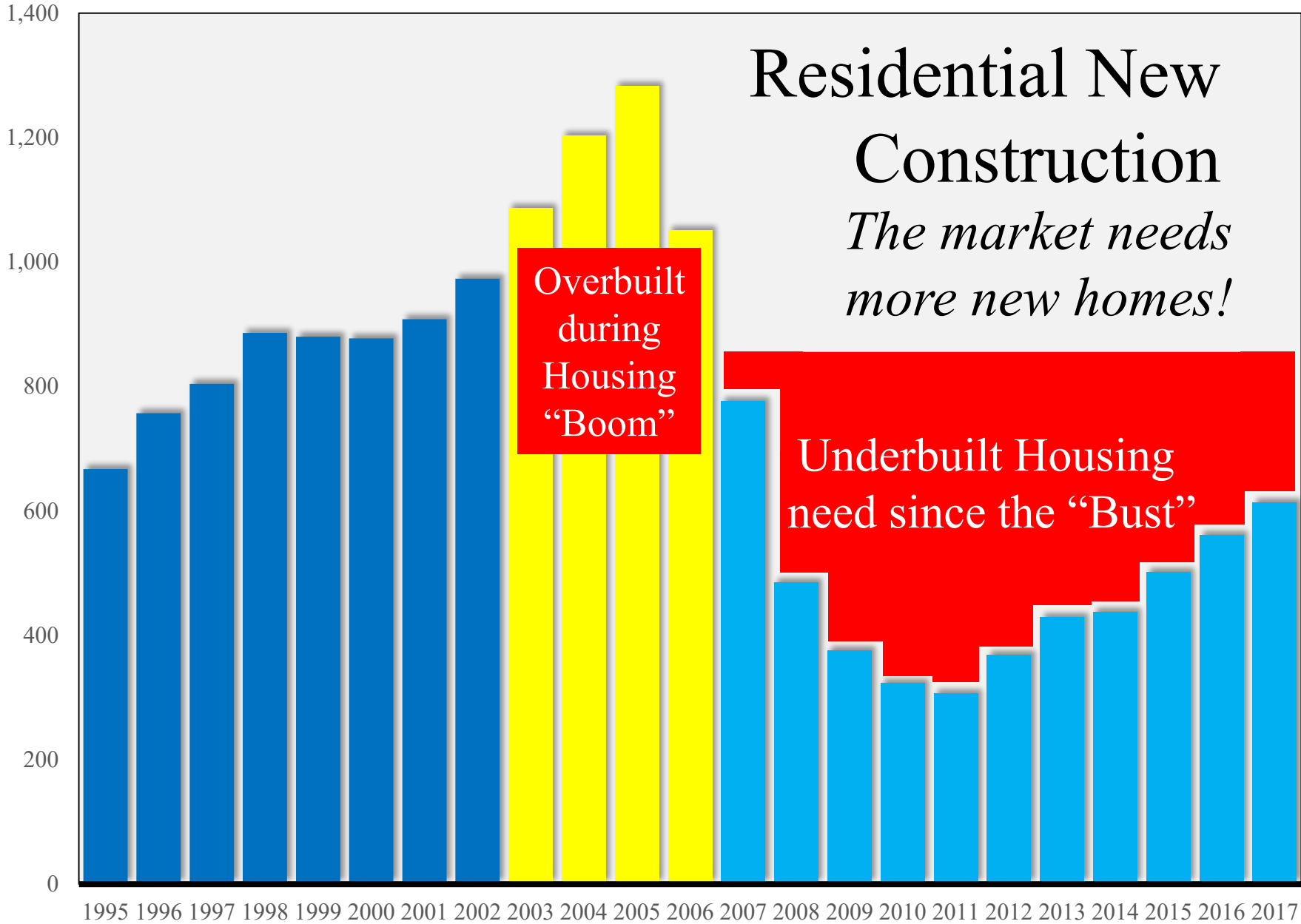
Source	2018	2019	2020	2021	2022
HPES	+5.9	+4.2	+2.9	+2.6	+2.9
Zelman & Assoc.	+5.5	+4.5	+4.1	N/A	N/A
MBA	+5.9	+4.4	+3.1	N/A	N/A
Freddie Mac	+6.0	+4.9	N/A	N/A	N/A
NAR	+4.8	+3.5	N/A	N/A	N/A
Fannie Mae	+5.4	+4.1	N/A	N/A	N/A
AVERAGE	+5.6	+4.3	+3.4	+2.6	+2.9

Housing Affordability Index 1990 to Today



Residential New Construction

The market needs more new homes!



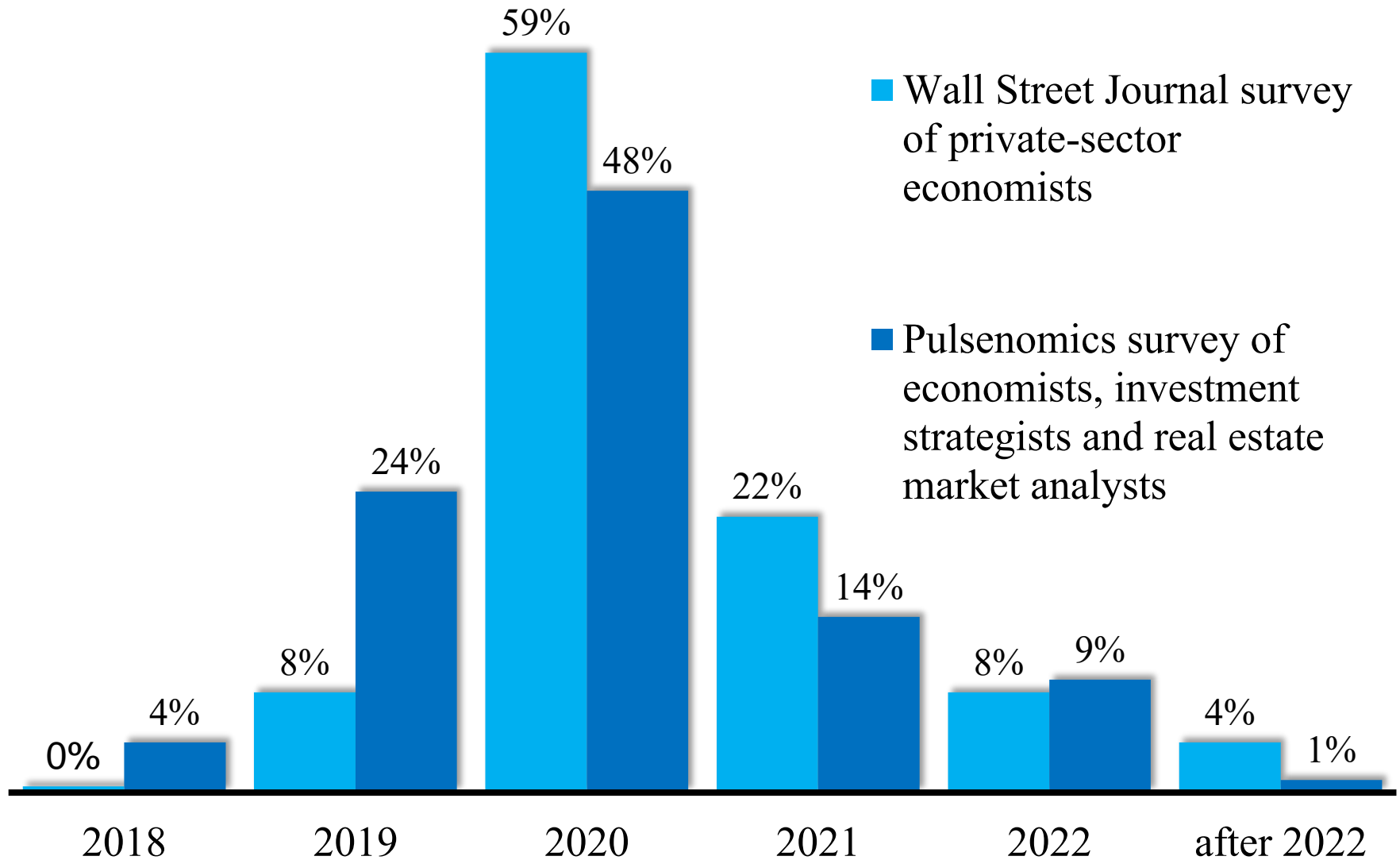
Upcoming Recession?

Wall Street Journal
survey of economists
predicts a recession
in 2020

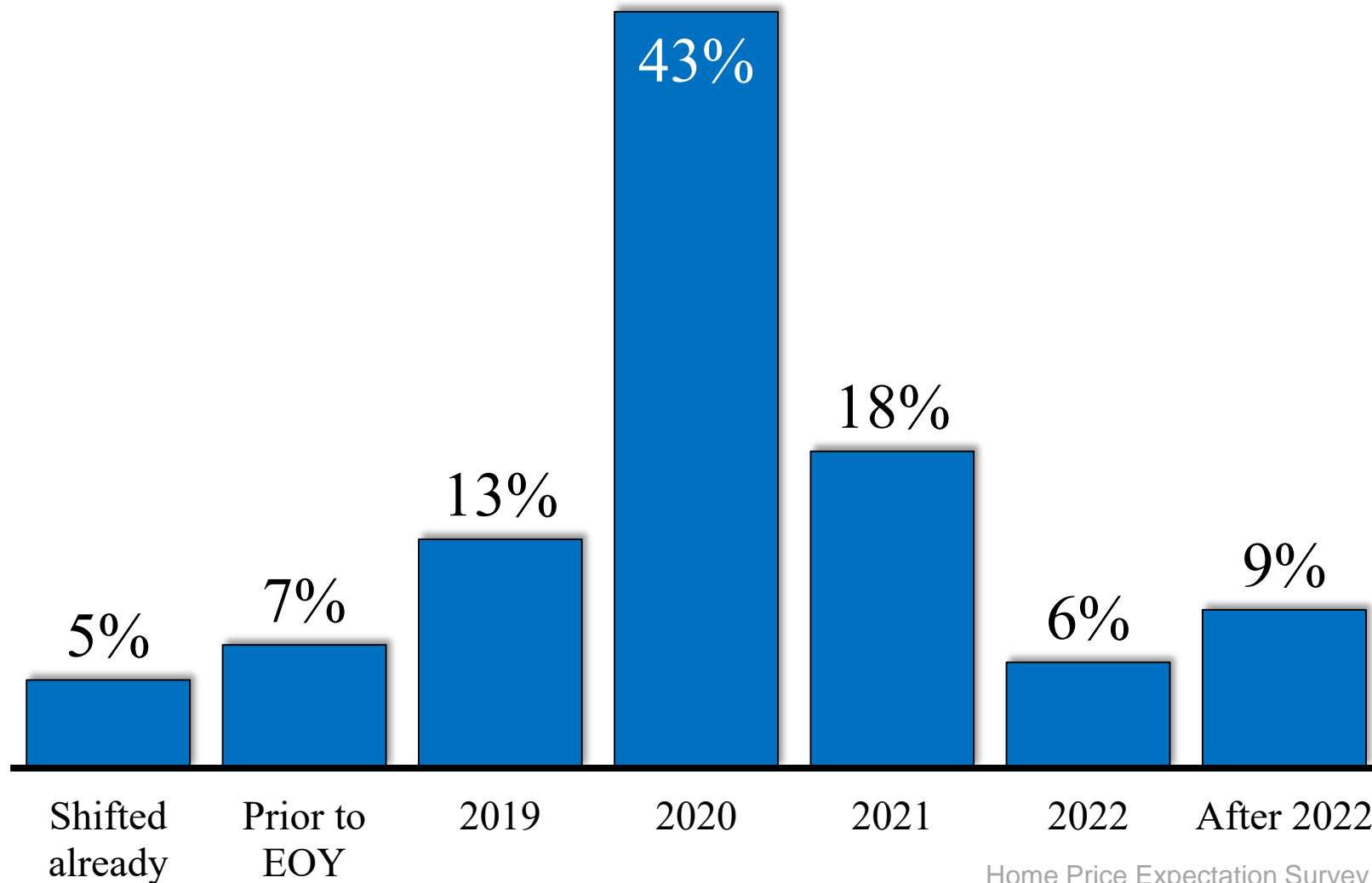
Pulsenomics
survey of economists
and analysts predicts a
recession in 2020

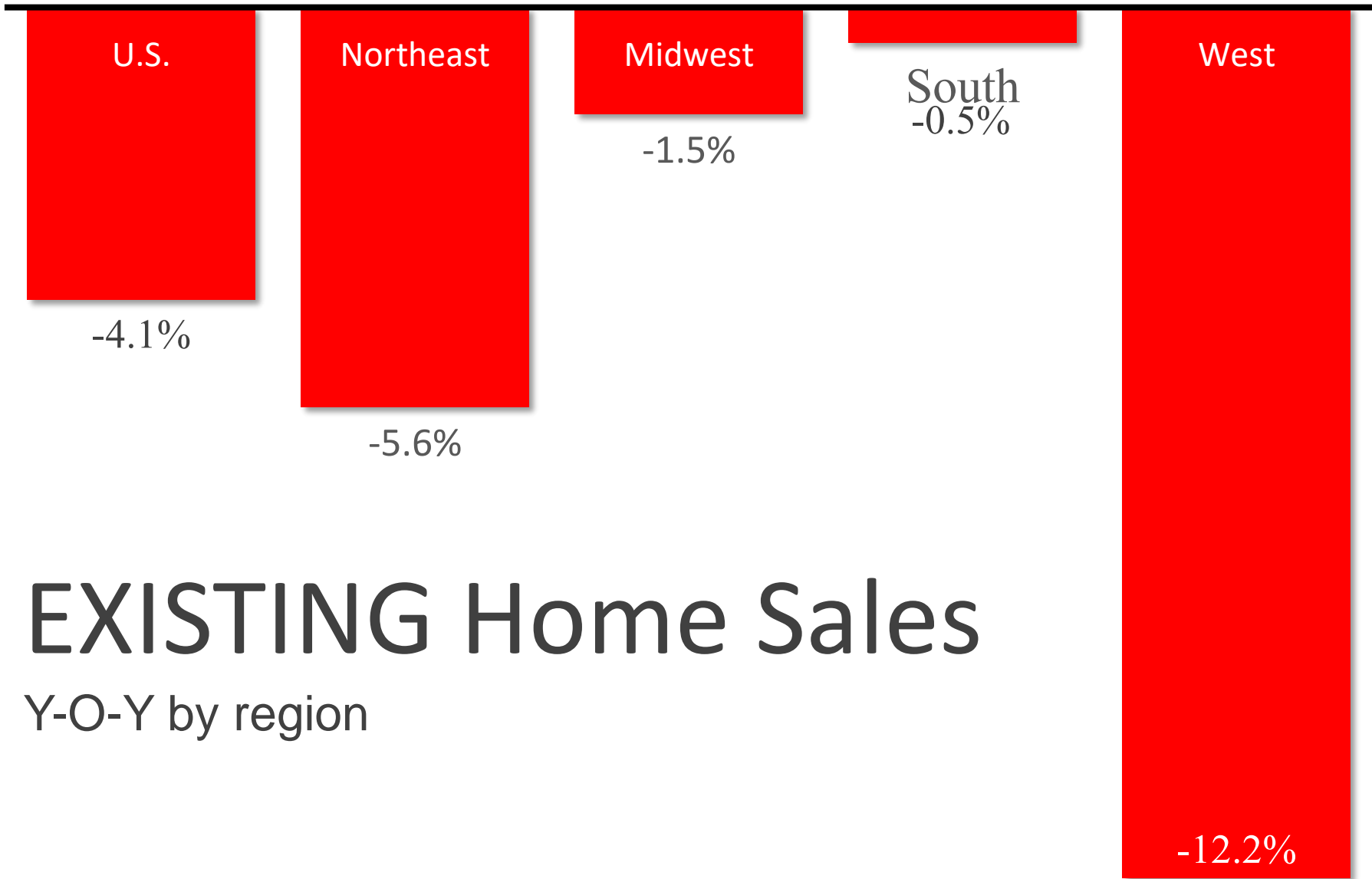
Recession \neq Housing Crisis

When Will Next U.S. Recession Begin?



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

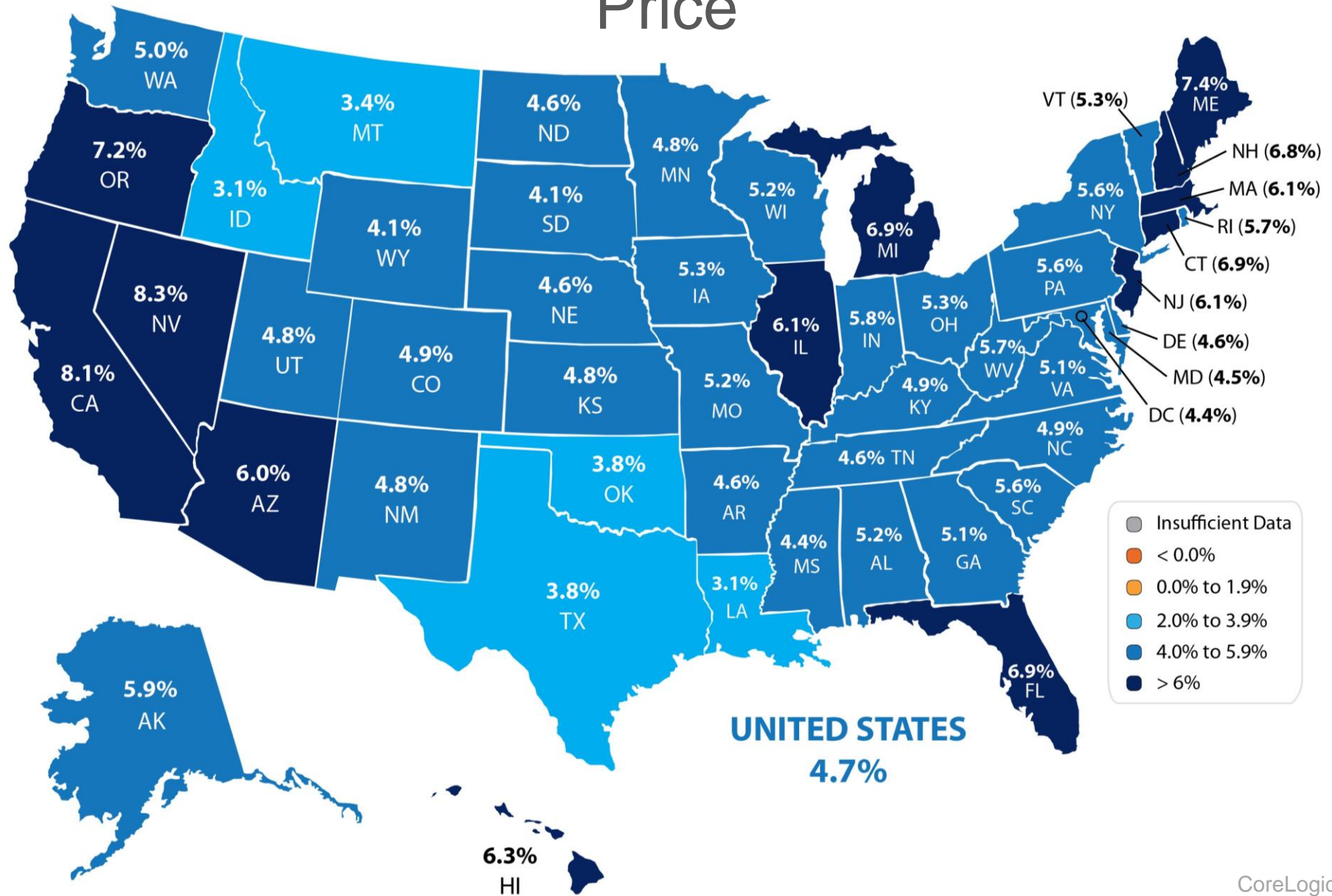




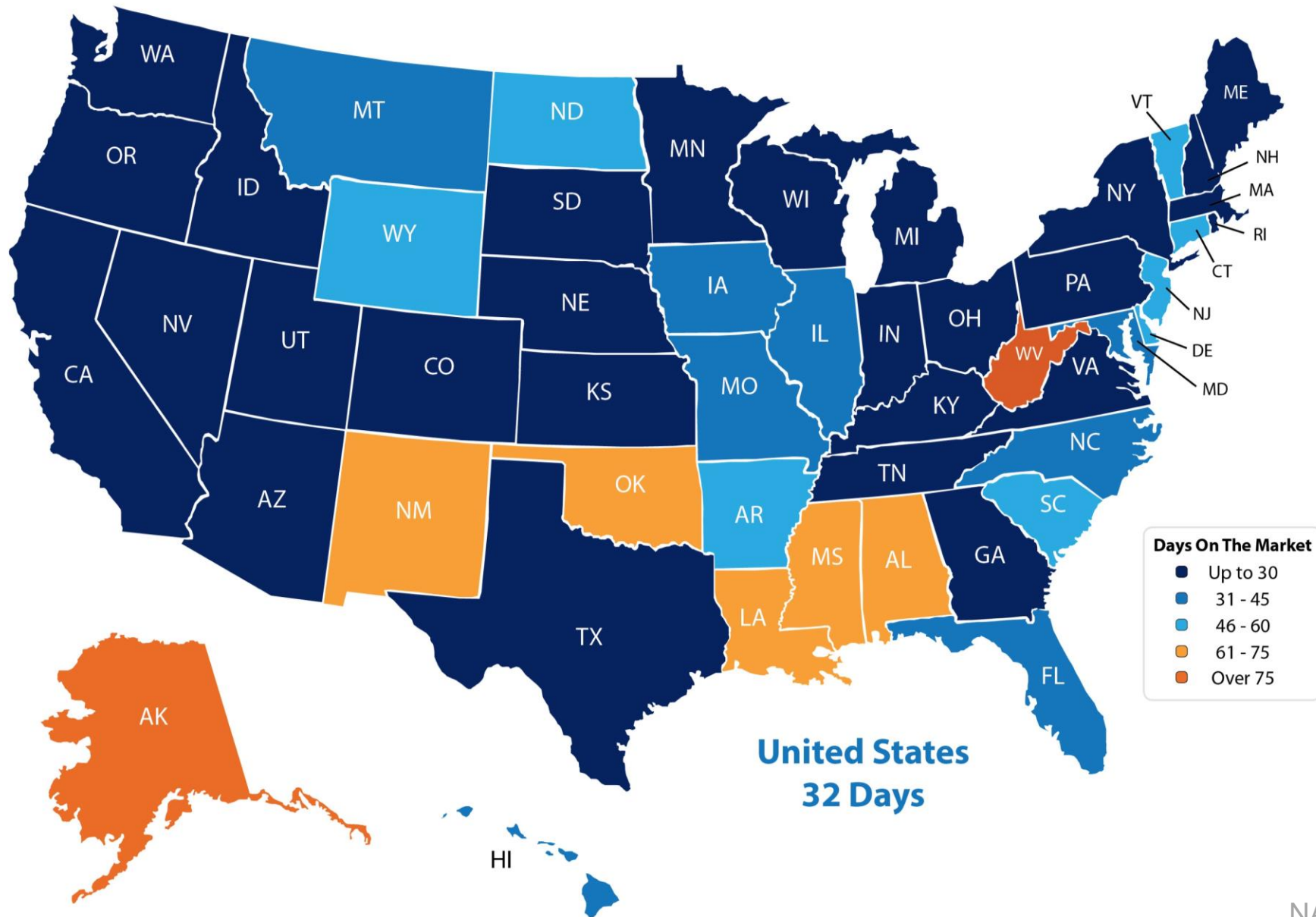
EXISTING Home Sales

Y-O-Y by region

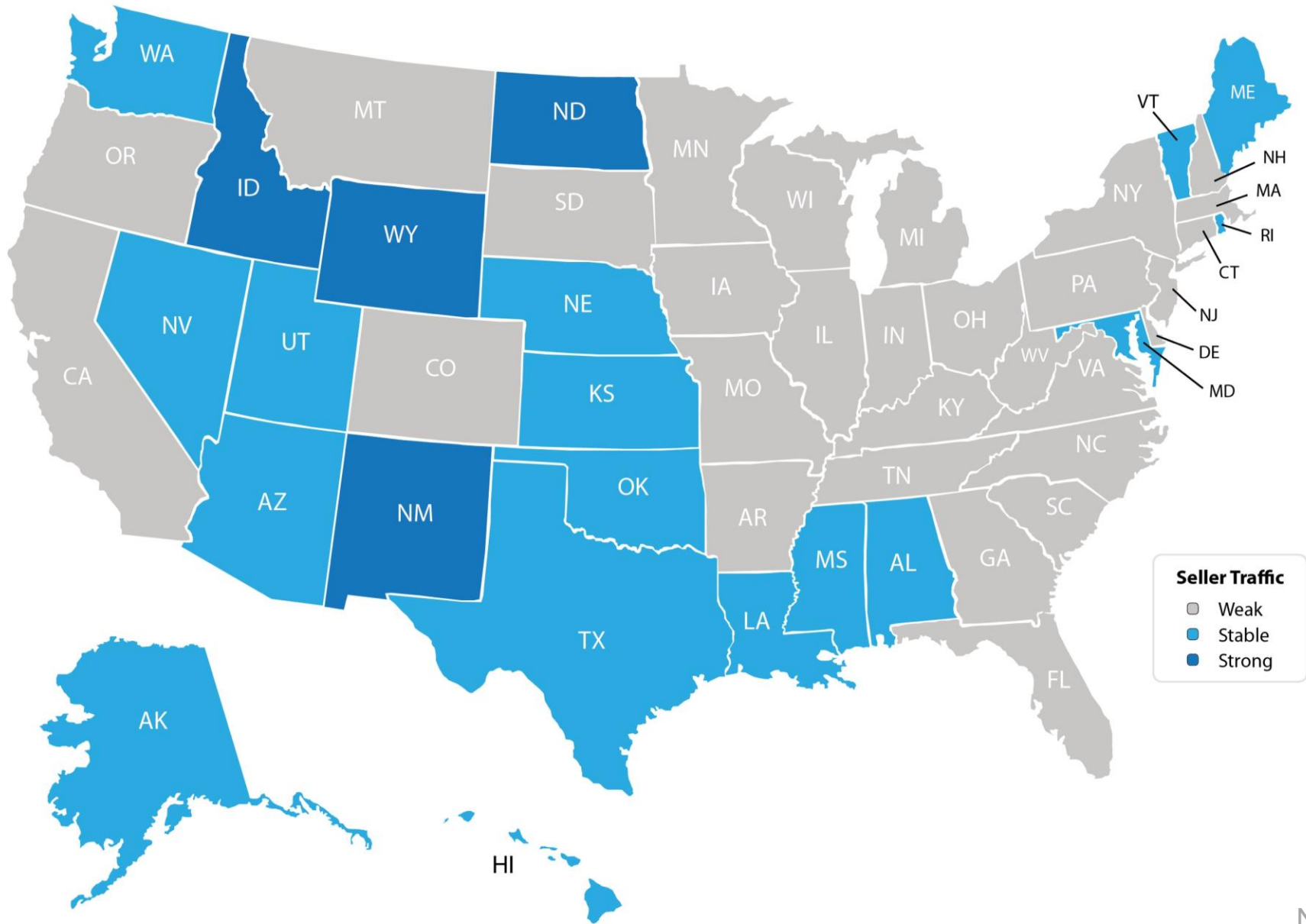
Forecasted Year-Over-Year % Change in Price



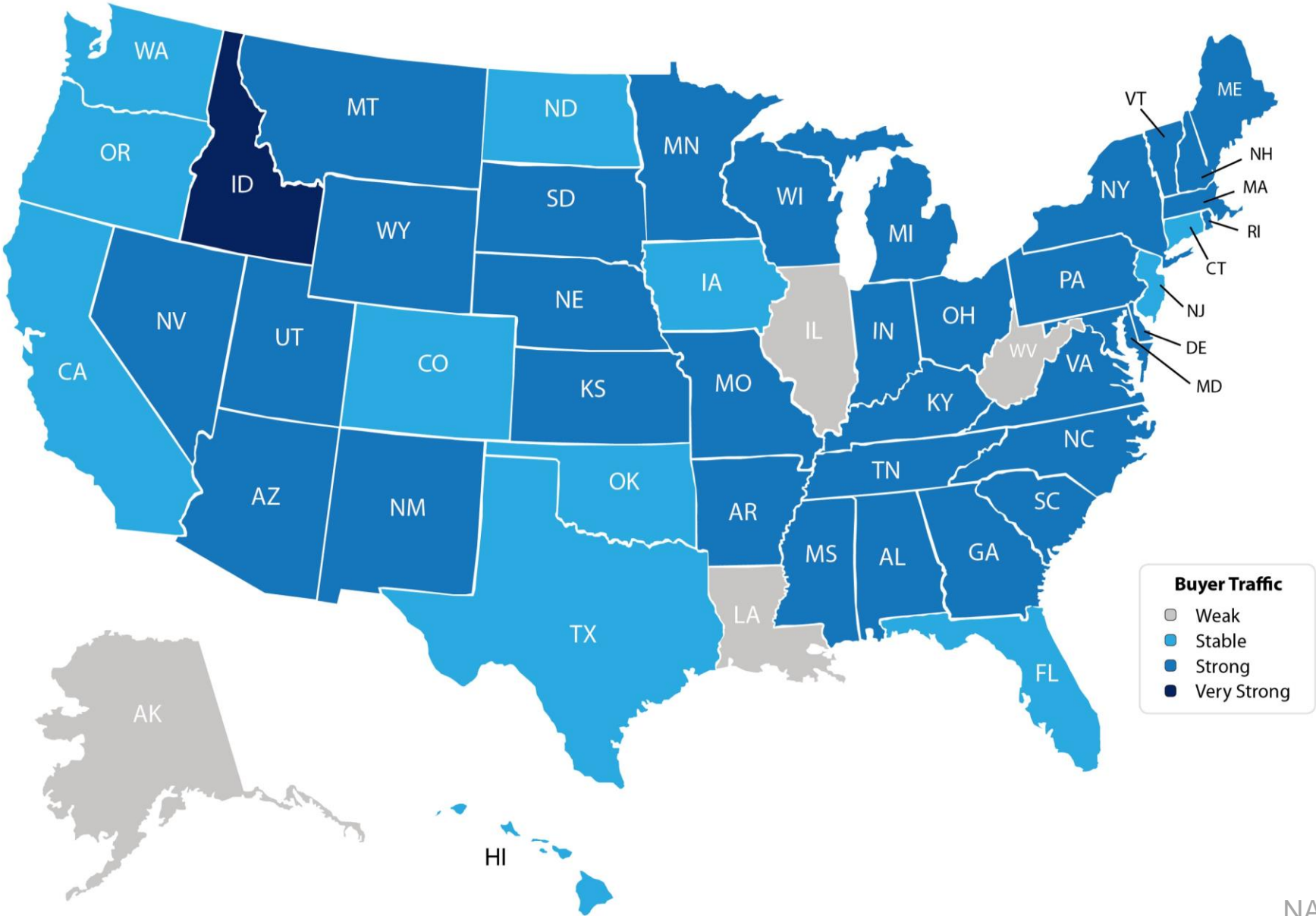
Average Days on the Market



Seller Traffic

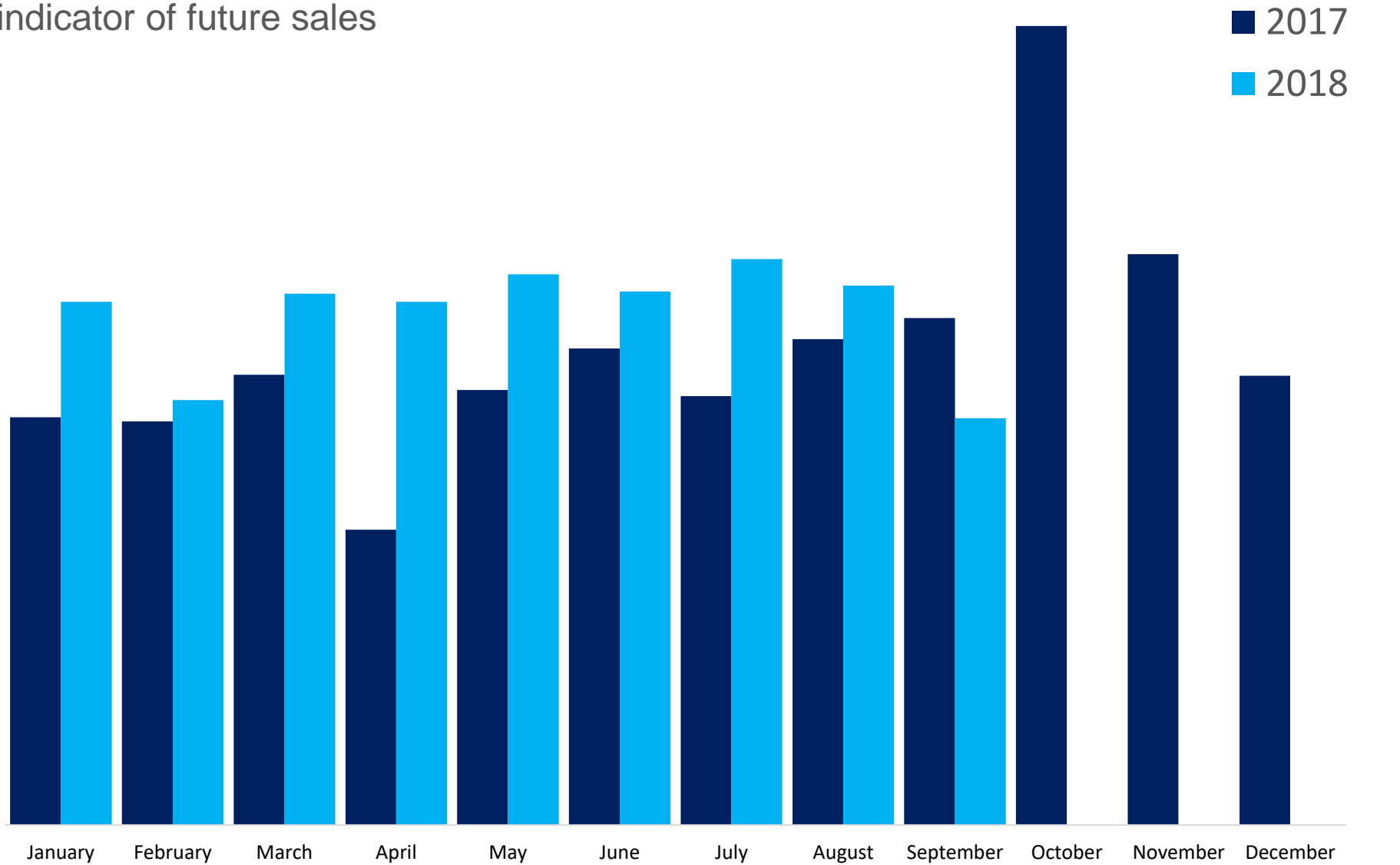


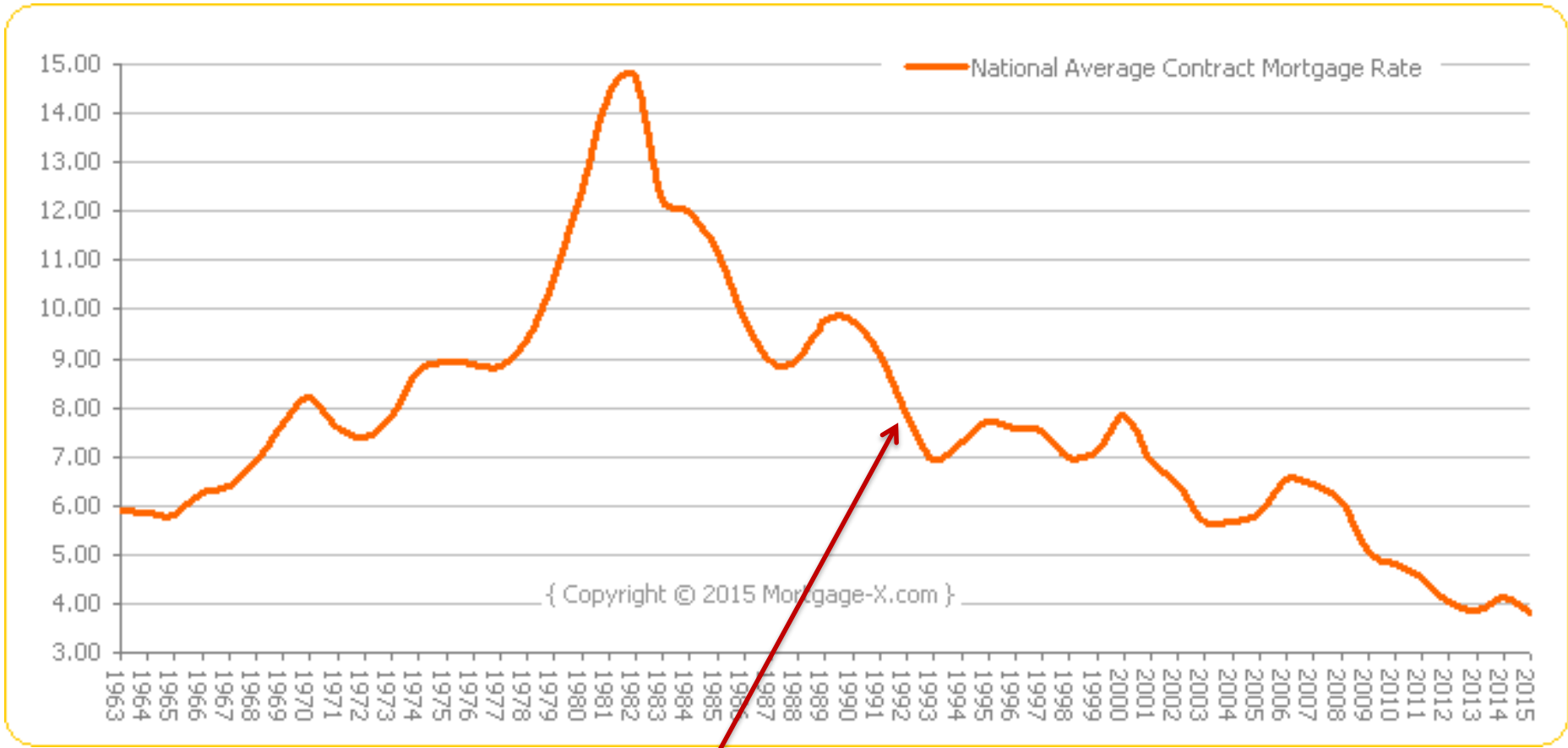
Buyer Traffic



Foot Traffic

indicator of future sales

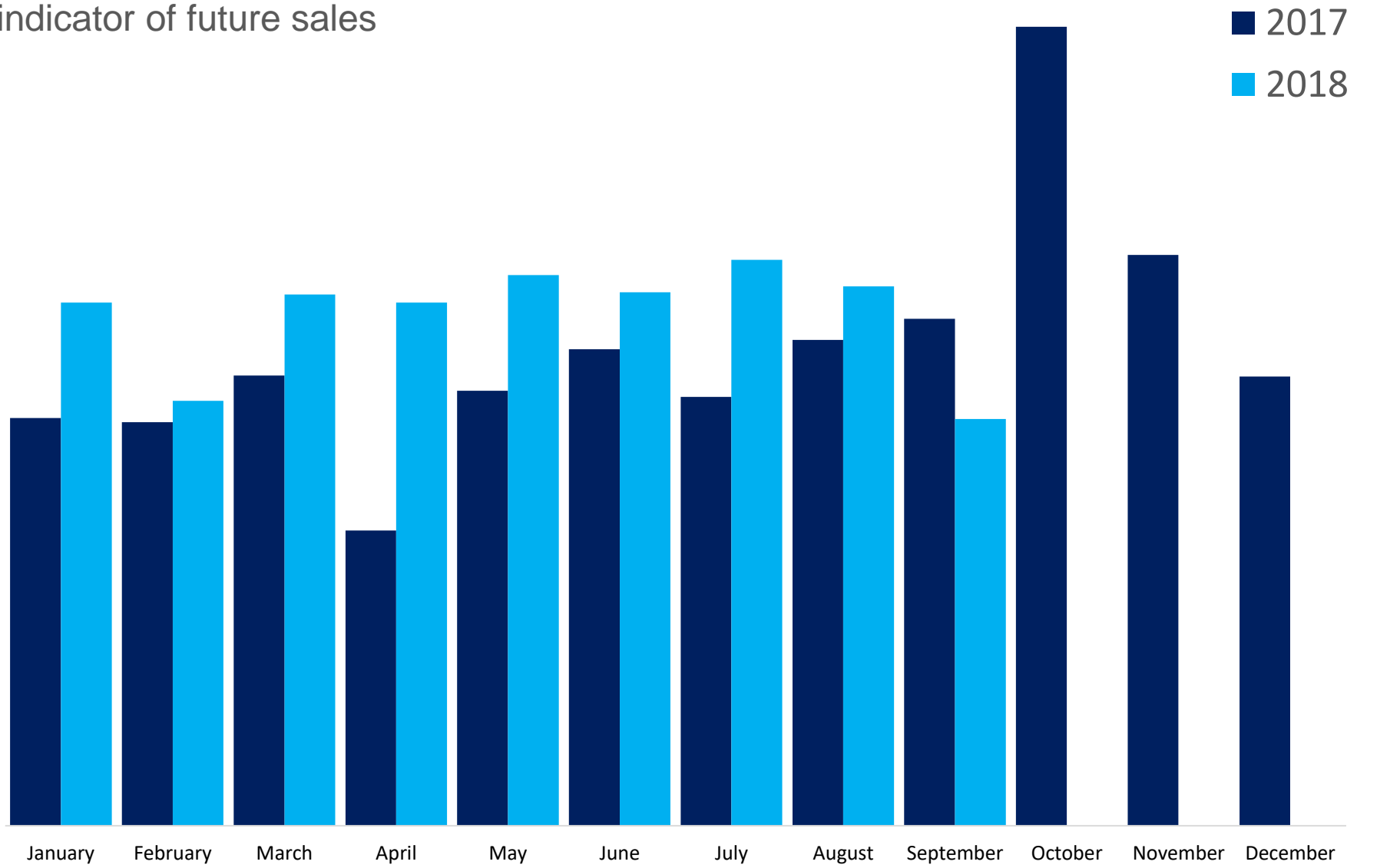




Historical Mortgage Rates Have Averaged Around 8%

Foot Traffic

indicator of future sales



Mortgage Rate Projections

Quarter	Freddie Mac	Fannie Mae	MBA	NAR	Average of All Four
2018 4Q	4.7	4.7	4.9	4.9	4.80
2019 1Q	4.9	4.8	5.0	5.1	4.95
2019 2Q	5.0	4.8	5.1	5.3	5.05
2019 3Q	5.2	4.8	5.1	5.4	5.13

Mortgage Rates

Freddie Mac

30 Year Fixed Rate

2015

2016

2017

2018

2019

- Actual

- Projected

	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q4
Rate	3.7	3.8	4.0	3.9	3.7	3.6	3.5	3.8	4.2	4.0	3.9	3.9	4.3	4.6	4.6	4.7	4.9	5	5.2	5.3

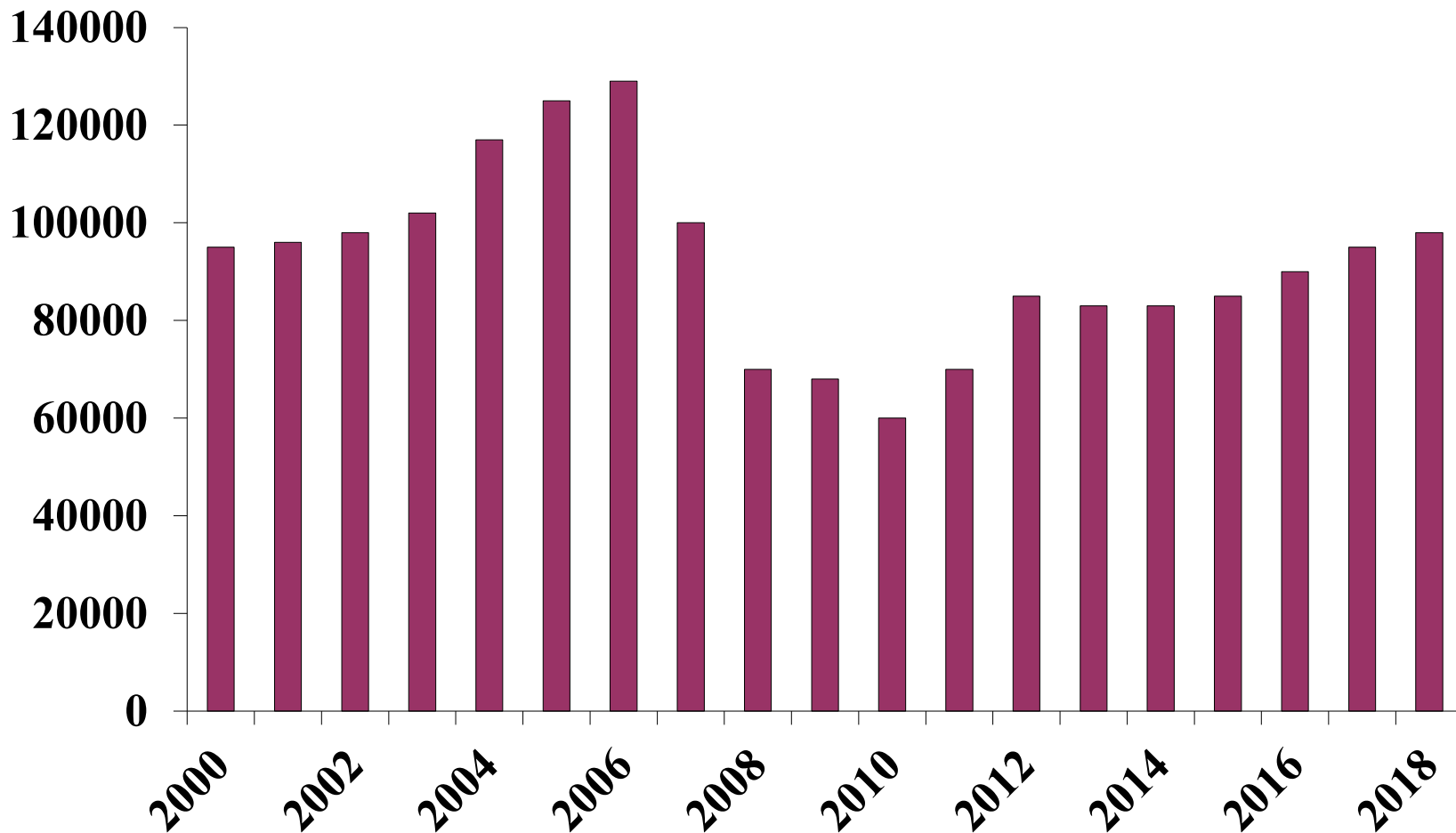
Increasing Mortgage Rates Make A Significant Difference In Home Affordability

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

**November 2018 Report
With Results Through October 2018**

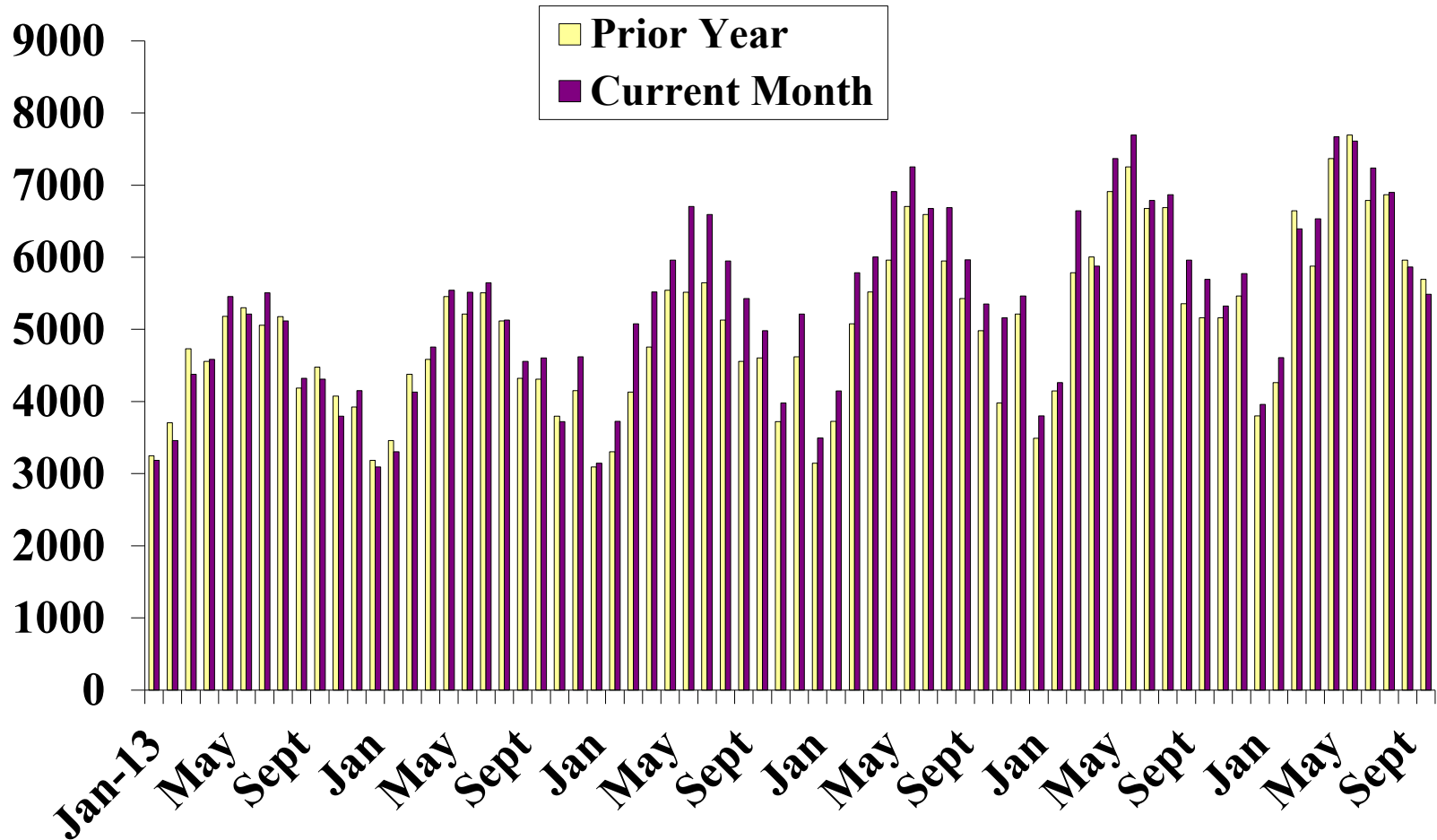
Metro Atlanta Homes Sold



125,000 Homes Sold In 2006. 60,000 Homes Sold In 2010.

2018 YTD Closings 2.2% Higher Than 2017. Pendings Up 3.2%.

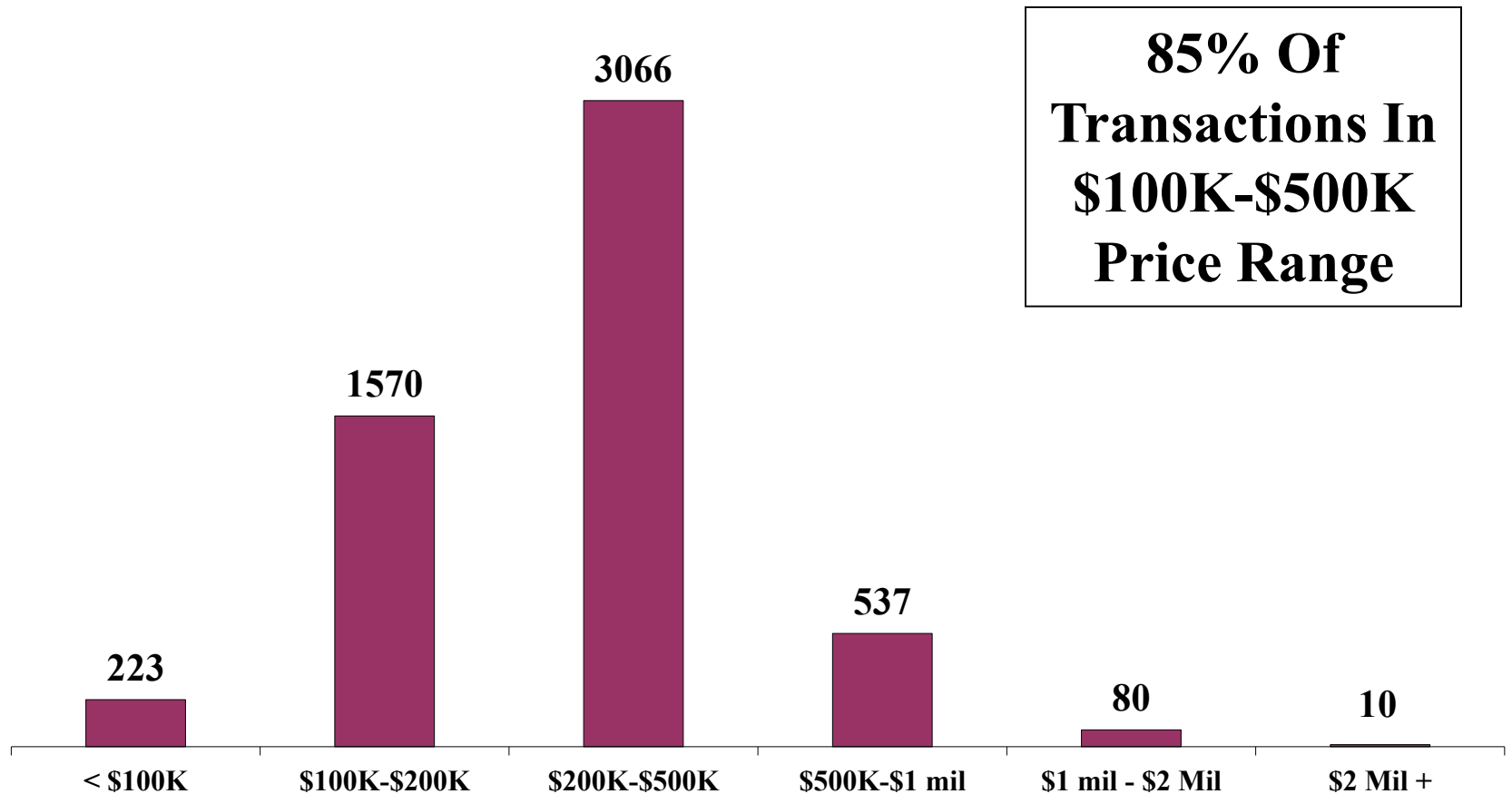
Metro Atlanta 2013-2018 Closings



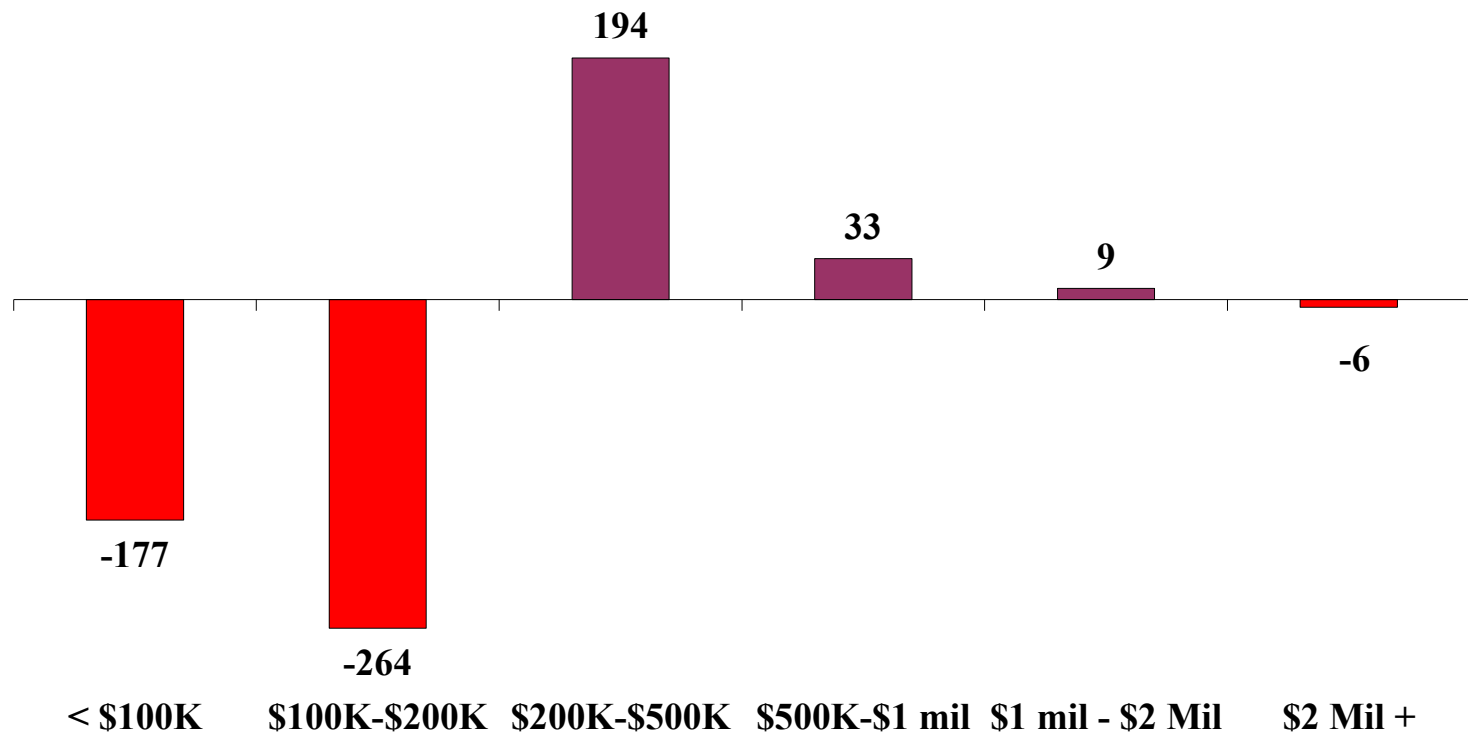
October Closings Down 6.5% Compared To September Closings
October 2018 Closings Down 3.6% Compared To October 2017
All 2018 Months Exceeded Prior Year Except Mar, Jun, Sept, Oct

Metro Atlanta Closings – October 2018

(Number Of Transactions By Price)



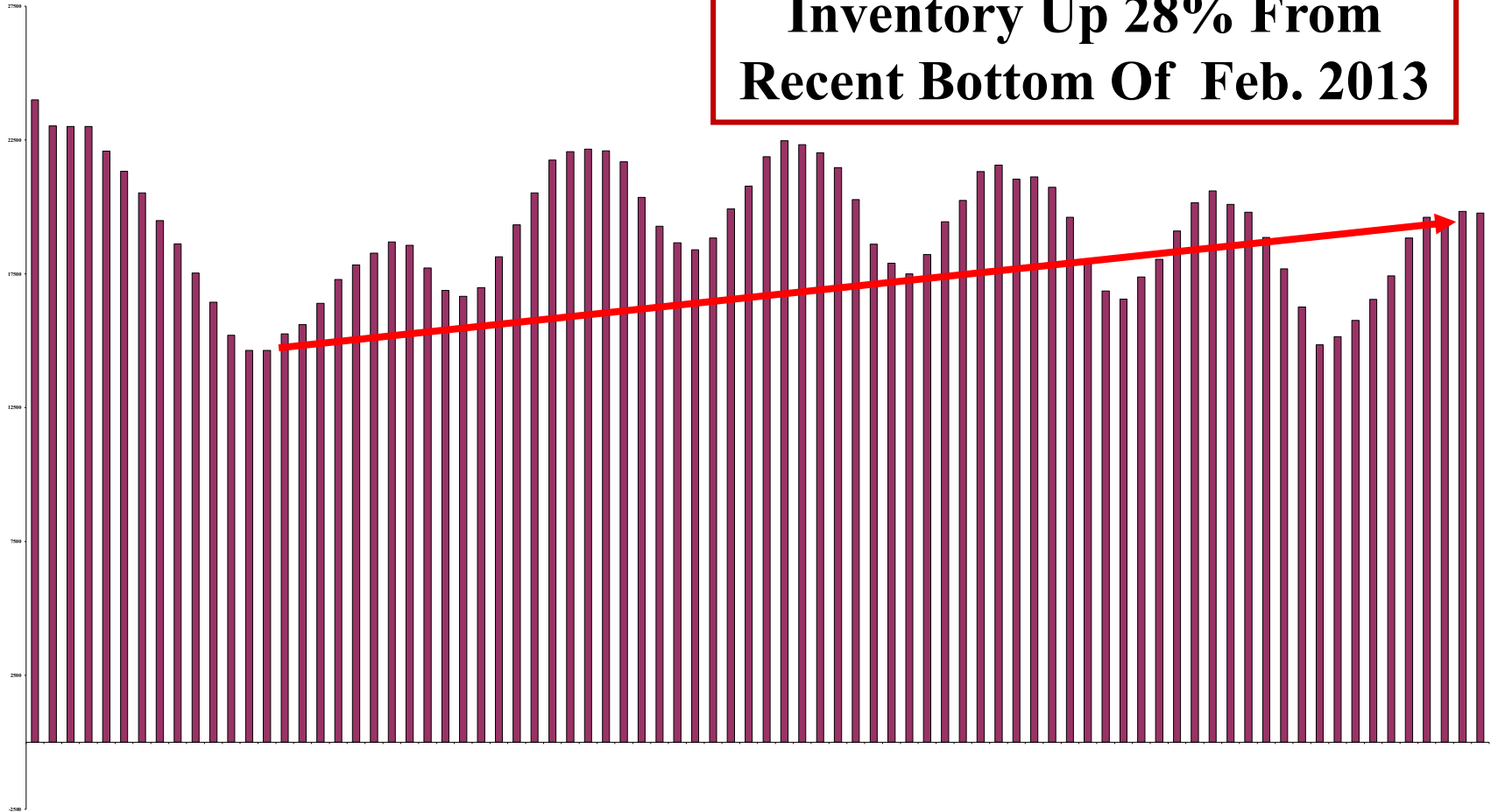
Metro Atlanta Closed Units By Price Point October 2018 Compared To October 2017



Listed Inventory January 2012 – October 2018

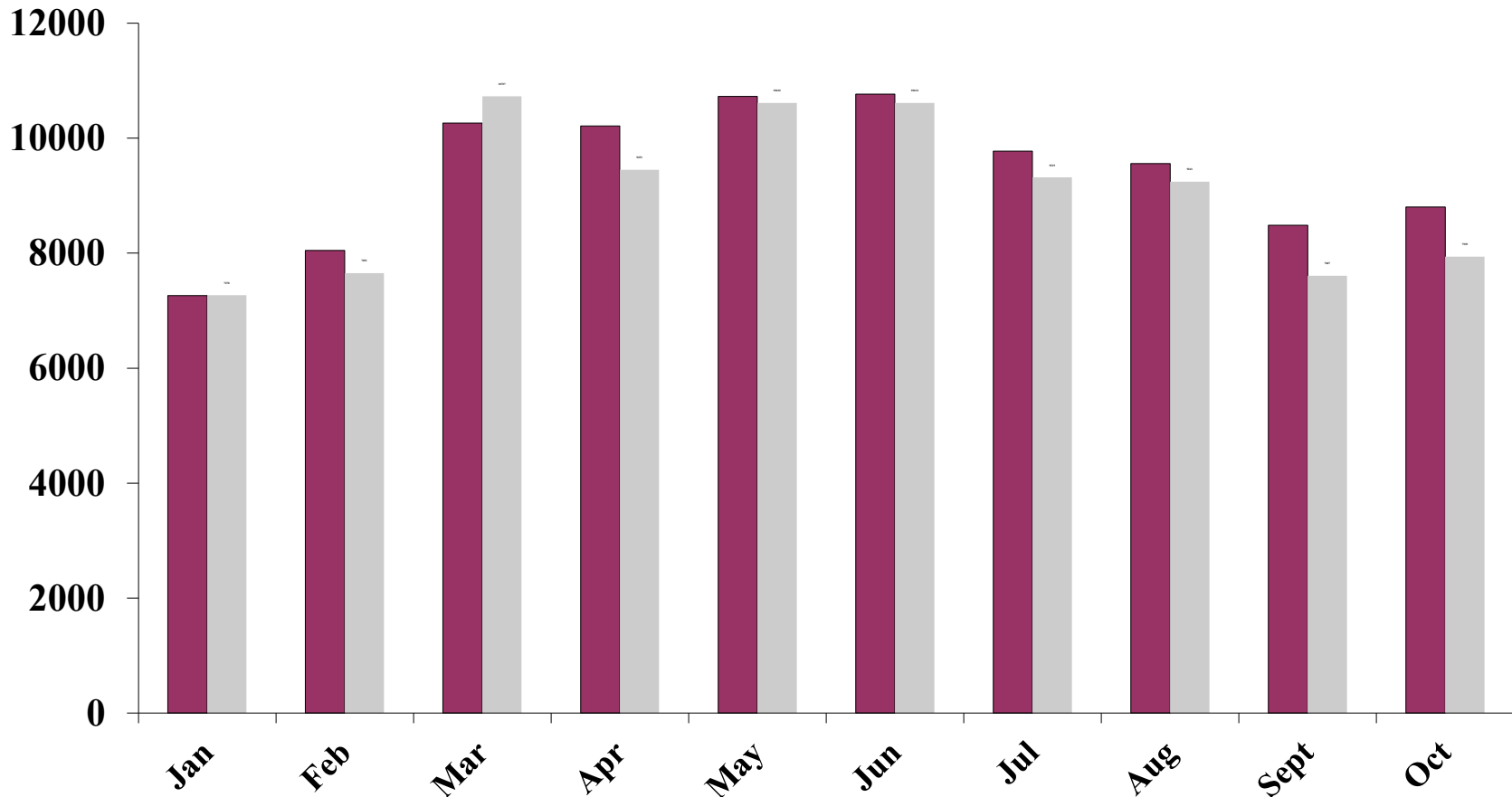
Residential Detached, Metro Atlanta

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



**Inventory Down .3% From Last Month,
Up 4.8% Compared To Last Year**

Metro Atlanta New Listings



**New Listings up 11% Compared to Last Year.
Up 3.7% From Last Month. Up 3.8% YTD.**

Months of Inventory Change The Market Strategy



LESS THAN
6 MONTHS

**SELLERS
MARKET**

Home prices
will appreciate

BETWEEN
6-7 MONTHS

**NEUTRAL
MARKET**

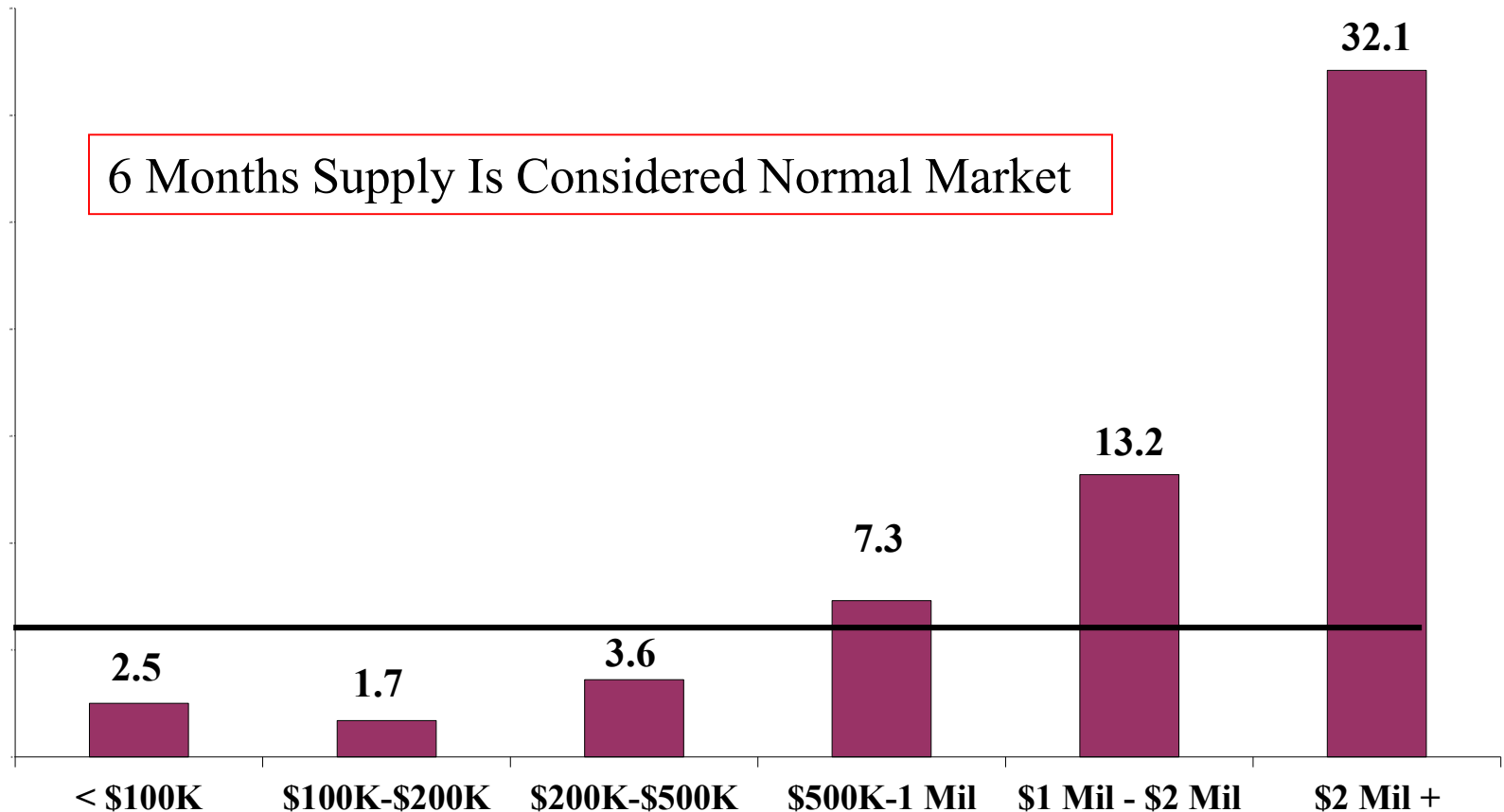
Home prices
will only
appreciate with
inflation

GREATER THAN
7 MONTHS

**BUYERS
MARKET**

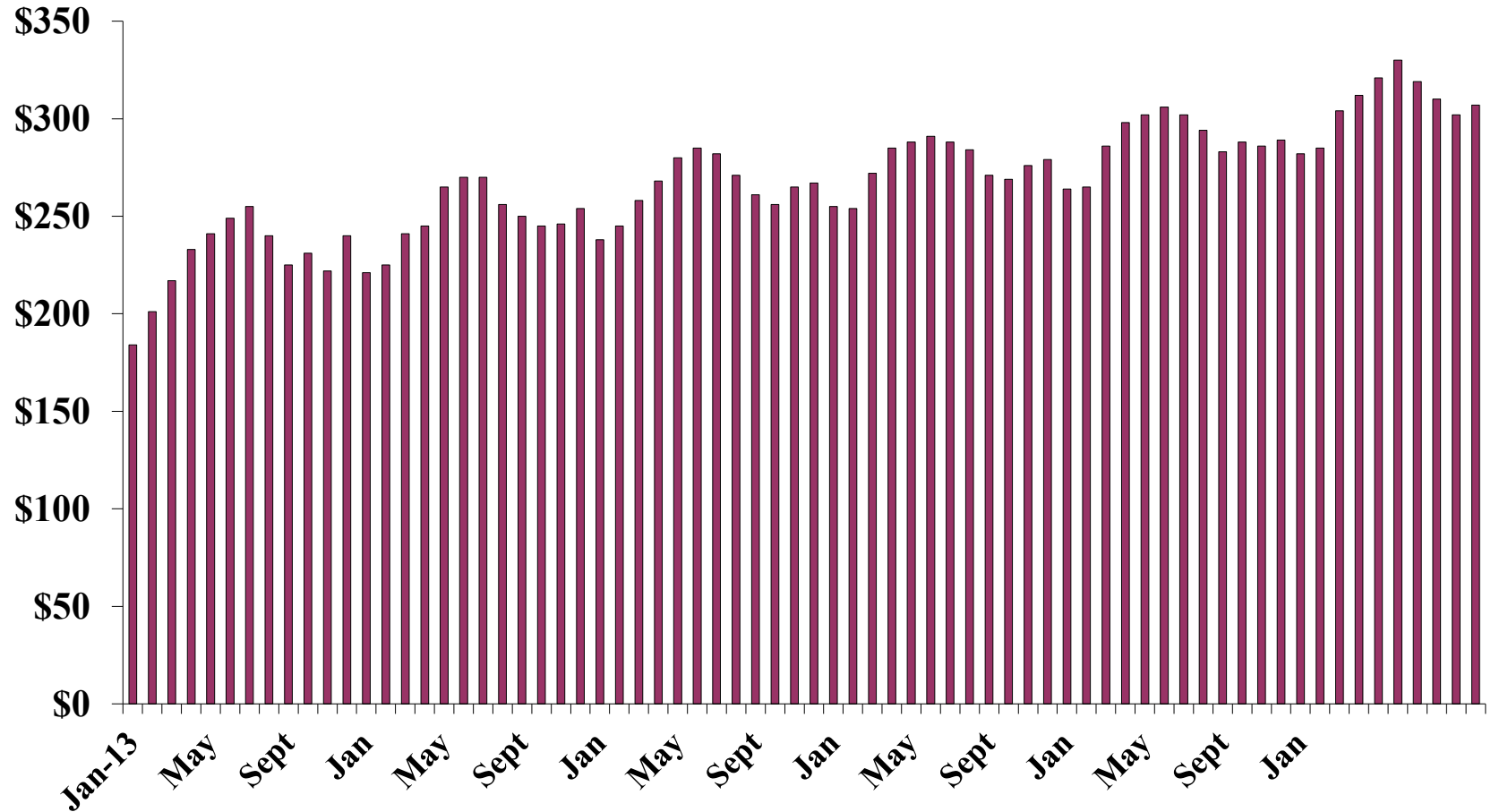
Home prices
will depreciate

Metro Atlanta Months of Inventory (October 2018, Based On Closed Sales)



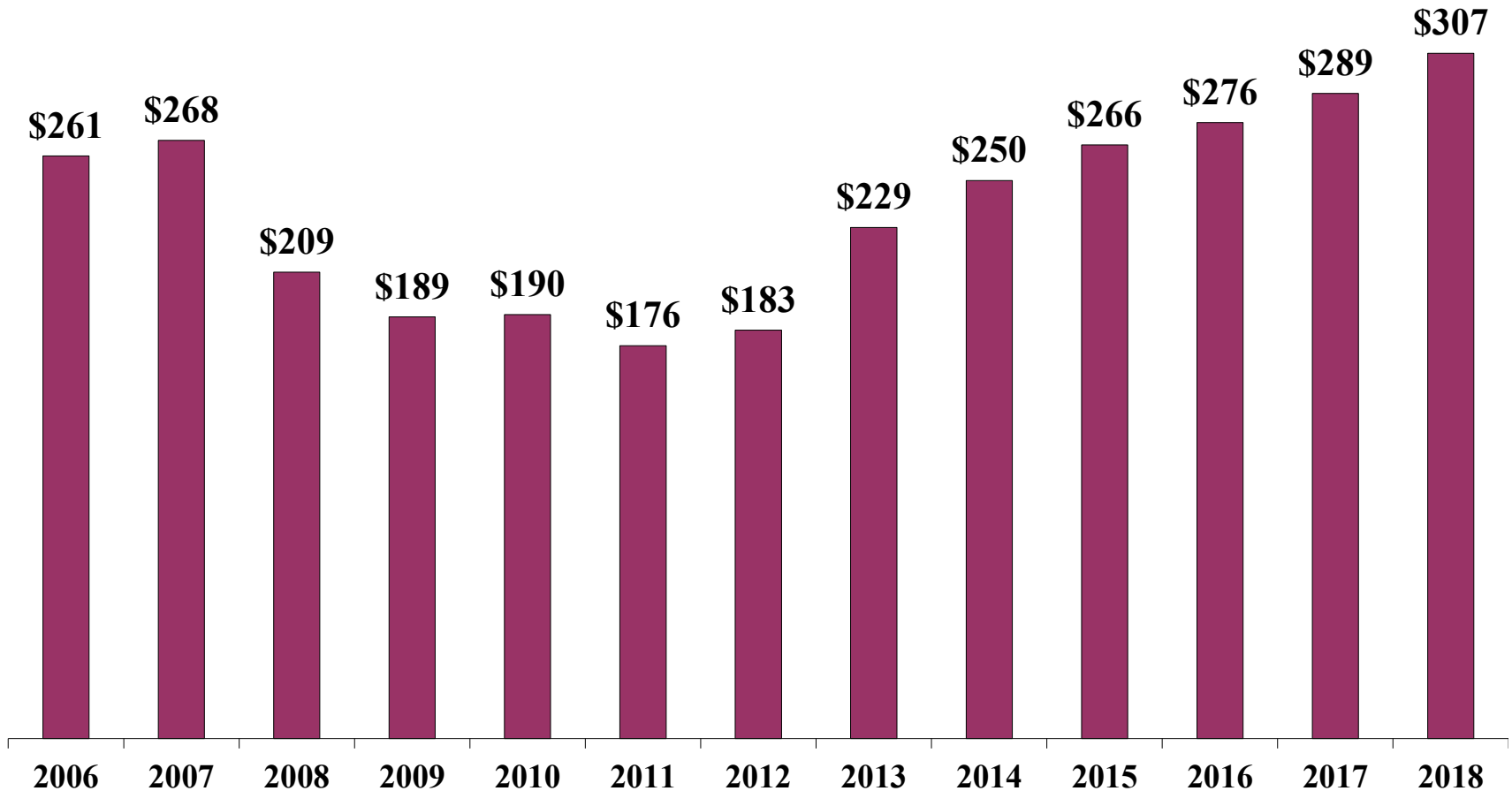
Total Metro Atlanta “Months Of Inventory” Is 3.6 Months

Metro Atlanta Monthly Average Sale Prices



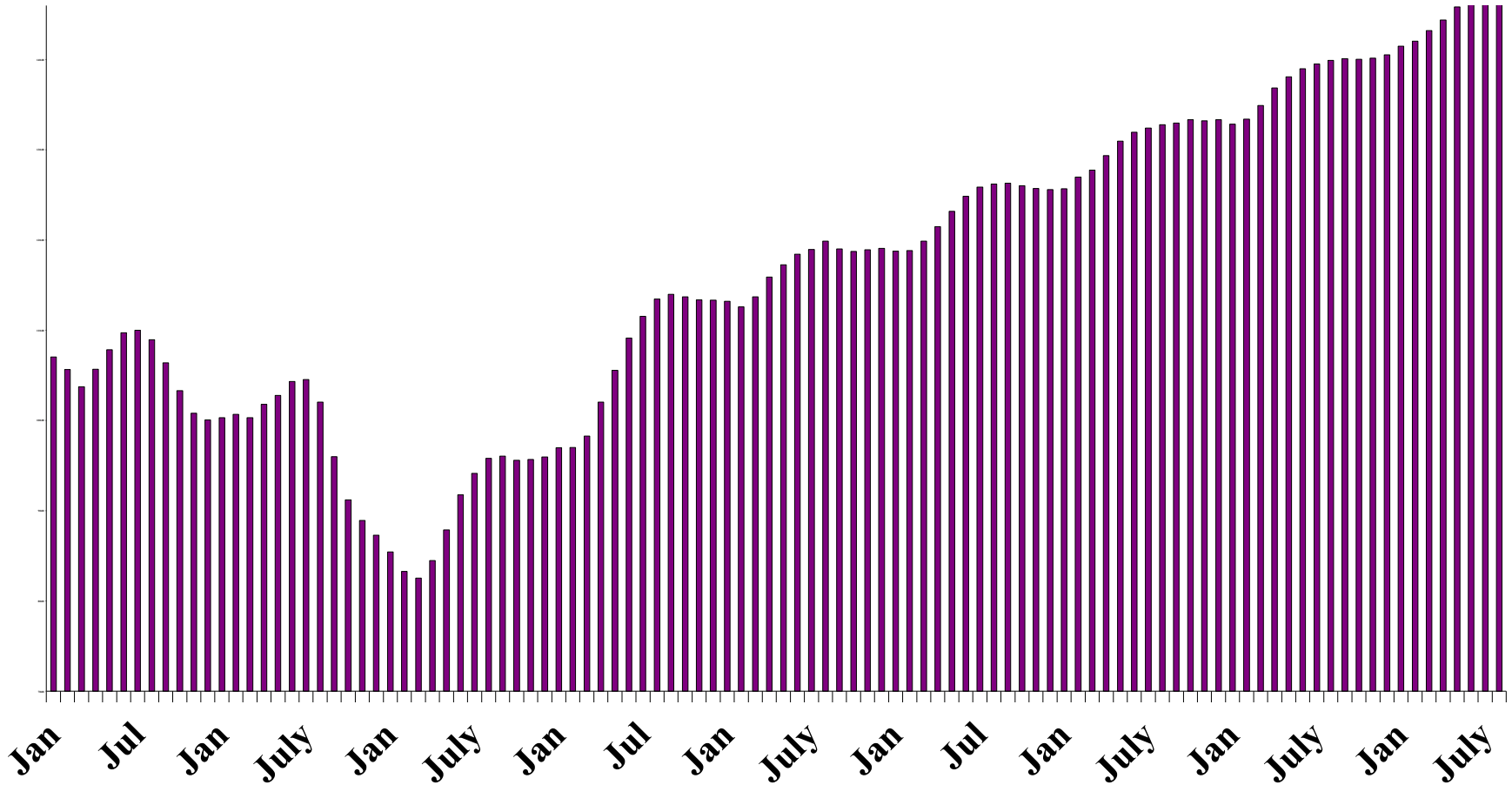
**ASP \$307,000 In October. ASP \$302,000 Last Month.
Up 1.6% From Last Month. Up 7% From Last October.**

Metro Atlanta Annual Average Sale Prices



Annual ASP Up 74% From Bottom Of 2011

Case-Shiller Index For Metro Atlanta



**Jan 2010 Through August 2018 (Reported October 30, 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.

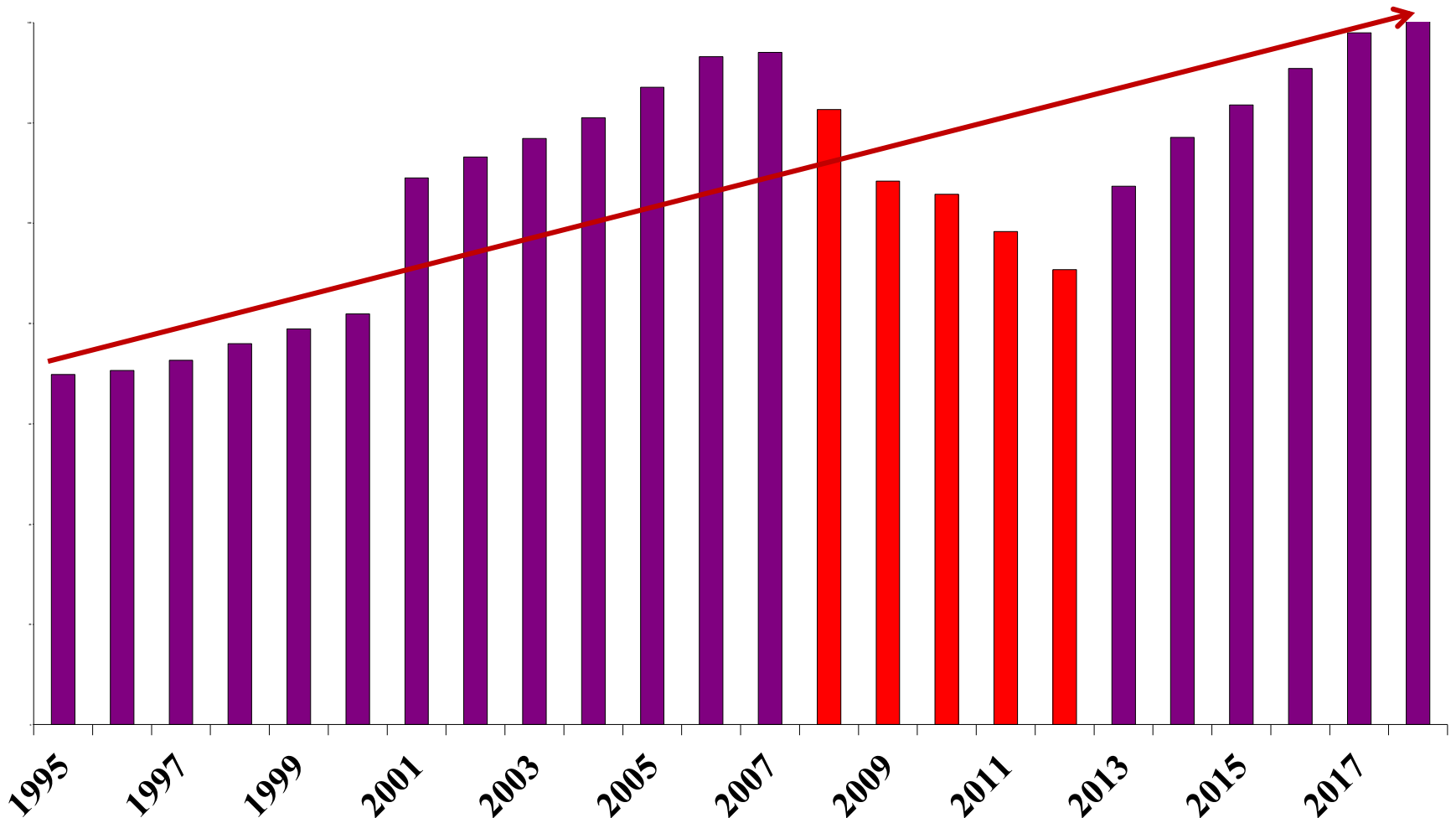
Year Property Bought	Gain/ Loss
2001	35.74%
2002	30.71%
2003	26.59%
2004	22.28%
2005	16.42%
2006	11.11%
2007	10.39%
2008	20.62%
2009	36.51

Year Property Bought	Gain/ Loss
2010	39.91%
2011	50.45%
2012	63.12%
2013	37.83%
2014	26.36%
2015	19.75%
2016	13.11%
2017	7.27%
2018 YTD	2.13%

Case Shiller Index For Metro Atlanta - Augusty 2018 As Reported October 30, 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.

FTB 25 Years Old

Buyer Type Yearly

FTB 33 Years Old

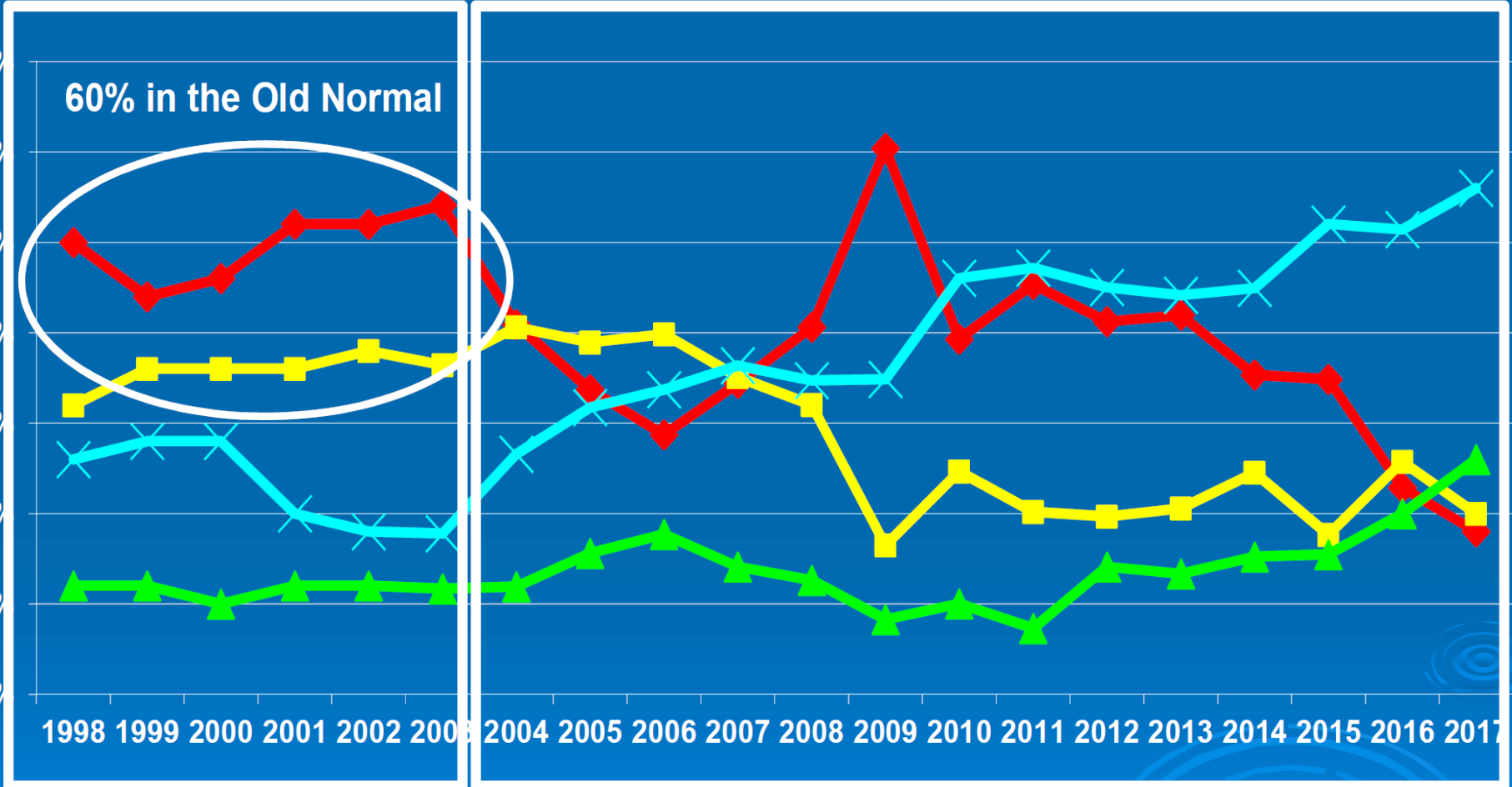
FMU 32 Years Old

FIRST TIME

FIRST MOVE UP

SECOND MOVE UP

THIRD OR HIGHER



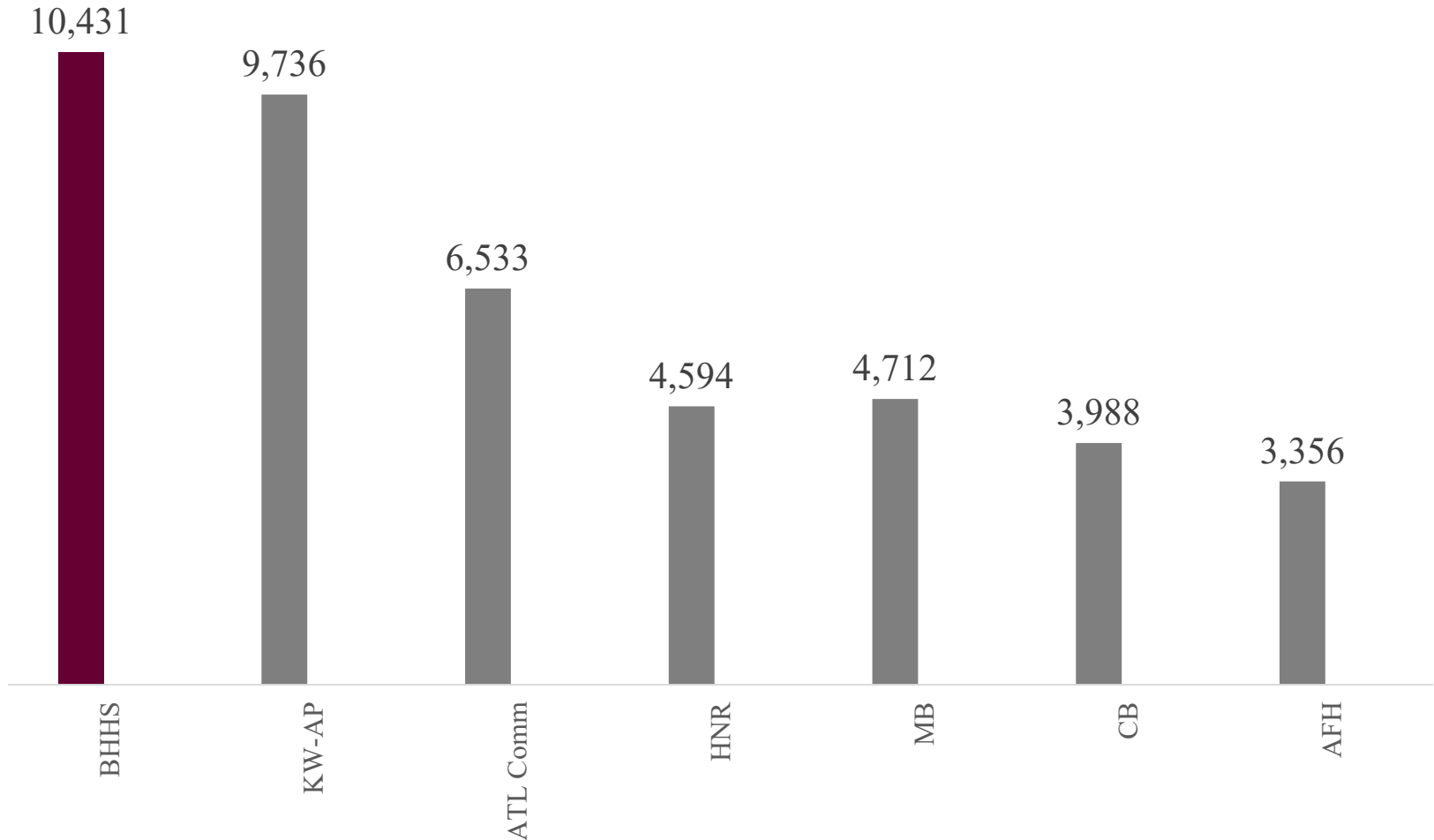
“Old Normal”

“New Normal”

**Berkshire Hathaway
HomeServices
Georgia Properties**

YTD Closed Units – October 2018

FMLS Counties + Southern Crescent

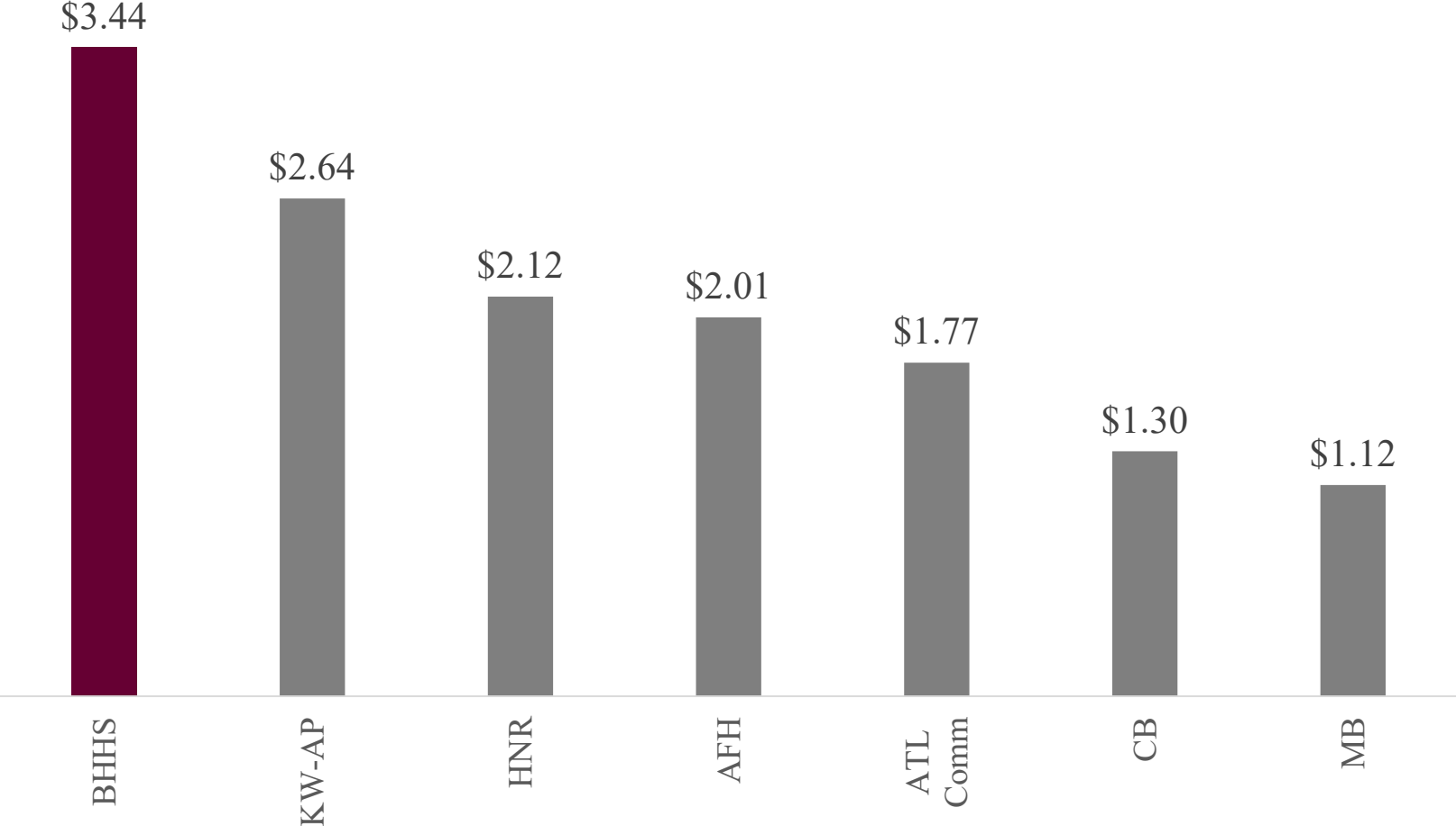


Information Provided By Trendgraphix and BHHS GP Internal Reports.

YTD Closed Volume – October 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 6th 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.

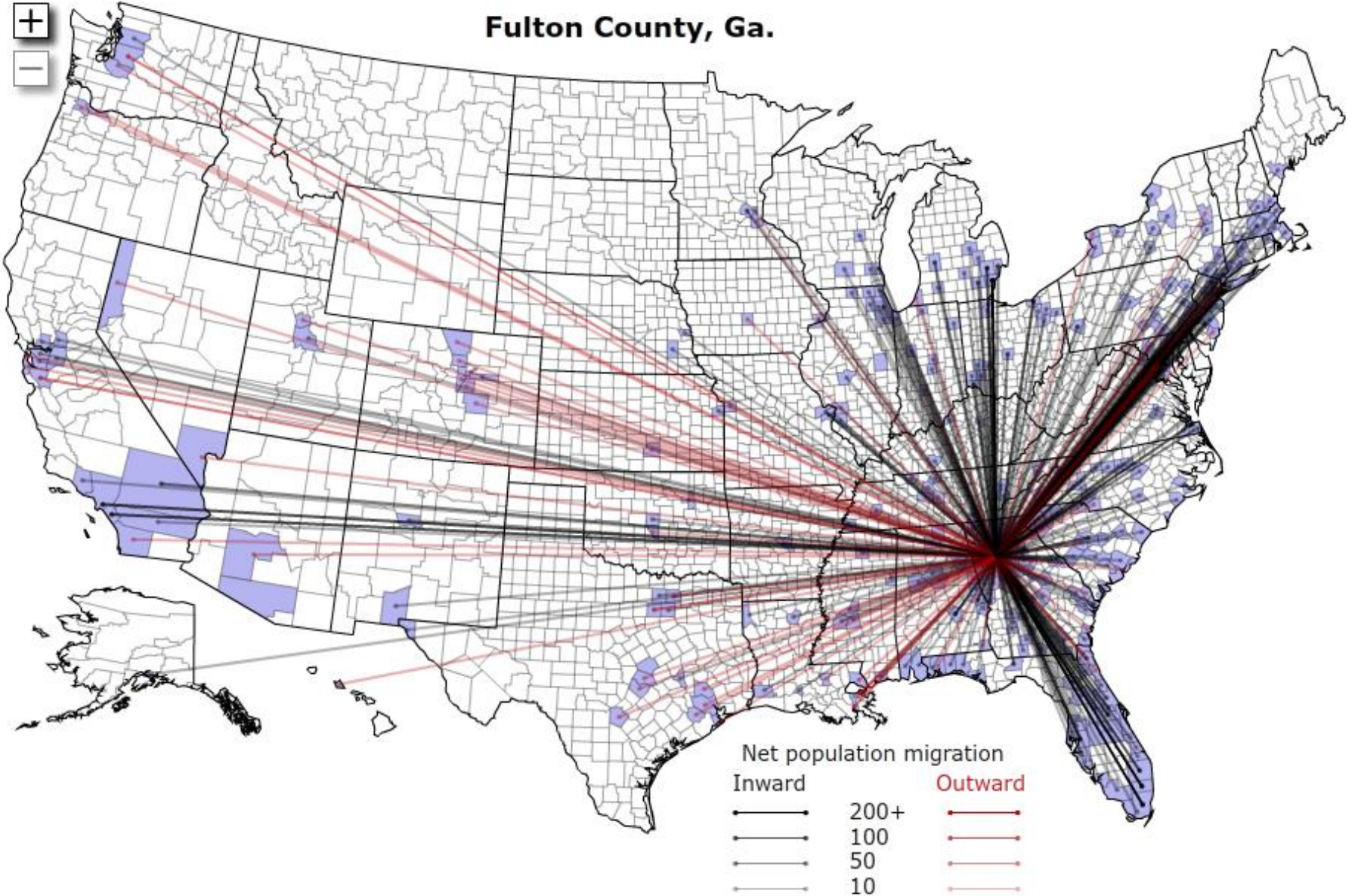
	Total Population	Rank of Share				
		Under 20	20-64	65+	25-39	45-59
Dallas	6,144,489	3	9	25	1	24
Atlanta	5,271,550	5	6	27	2	19
Phoenix	4,179,427	4	24	15	4	26
Denver	2,466,591	11	5	24	4	12
Riverside	4,081,371	1	27	22	5	27
Houston	5,629,127	2	10	26	6	21
Portland	2,174,631	19	1	19	7	7
Seattle	3,309,347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

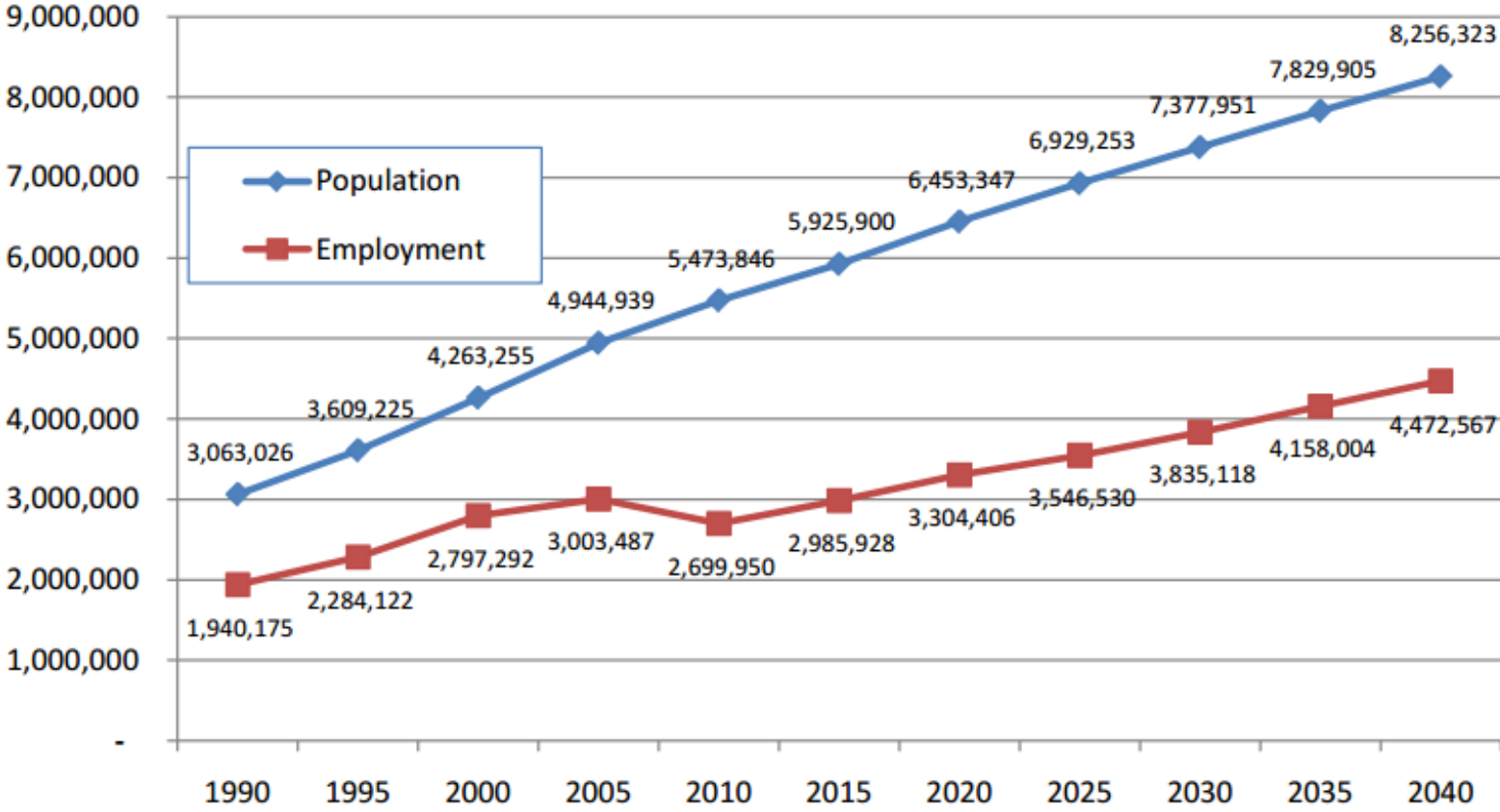
Source: Census Bureau

Rustbelt To Sunbelt



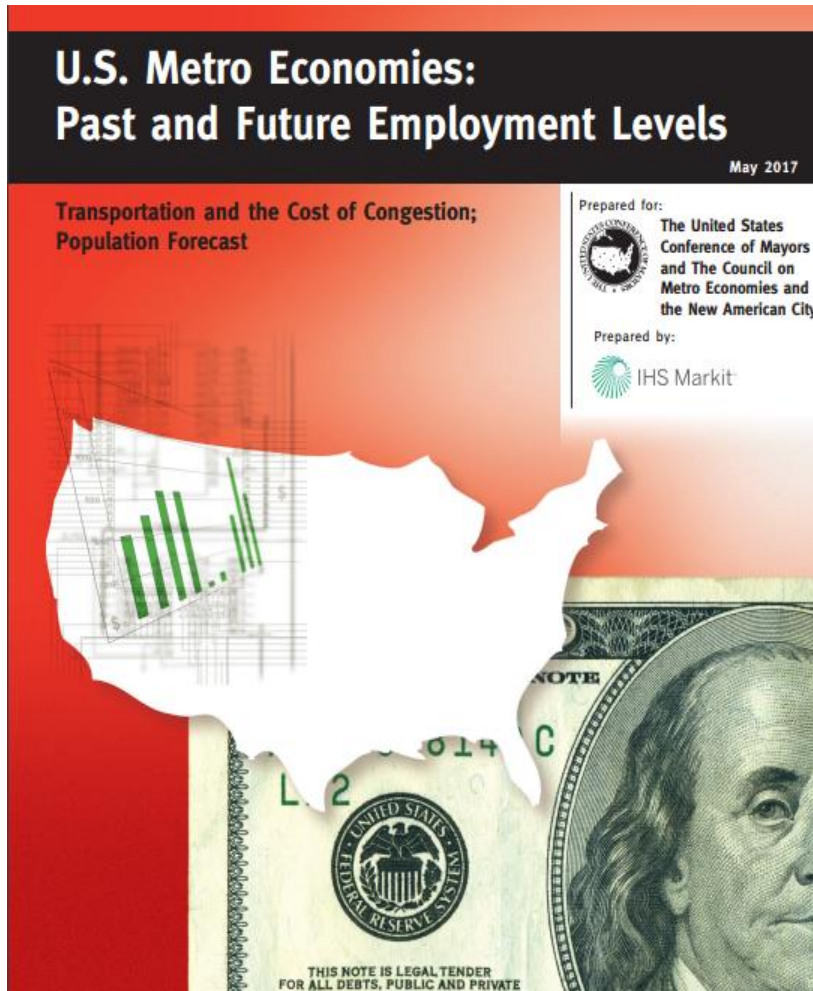
Population & Employment Growth Trends

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 6th 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!