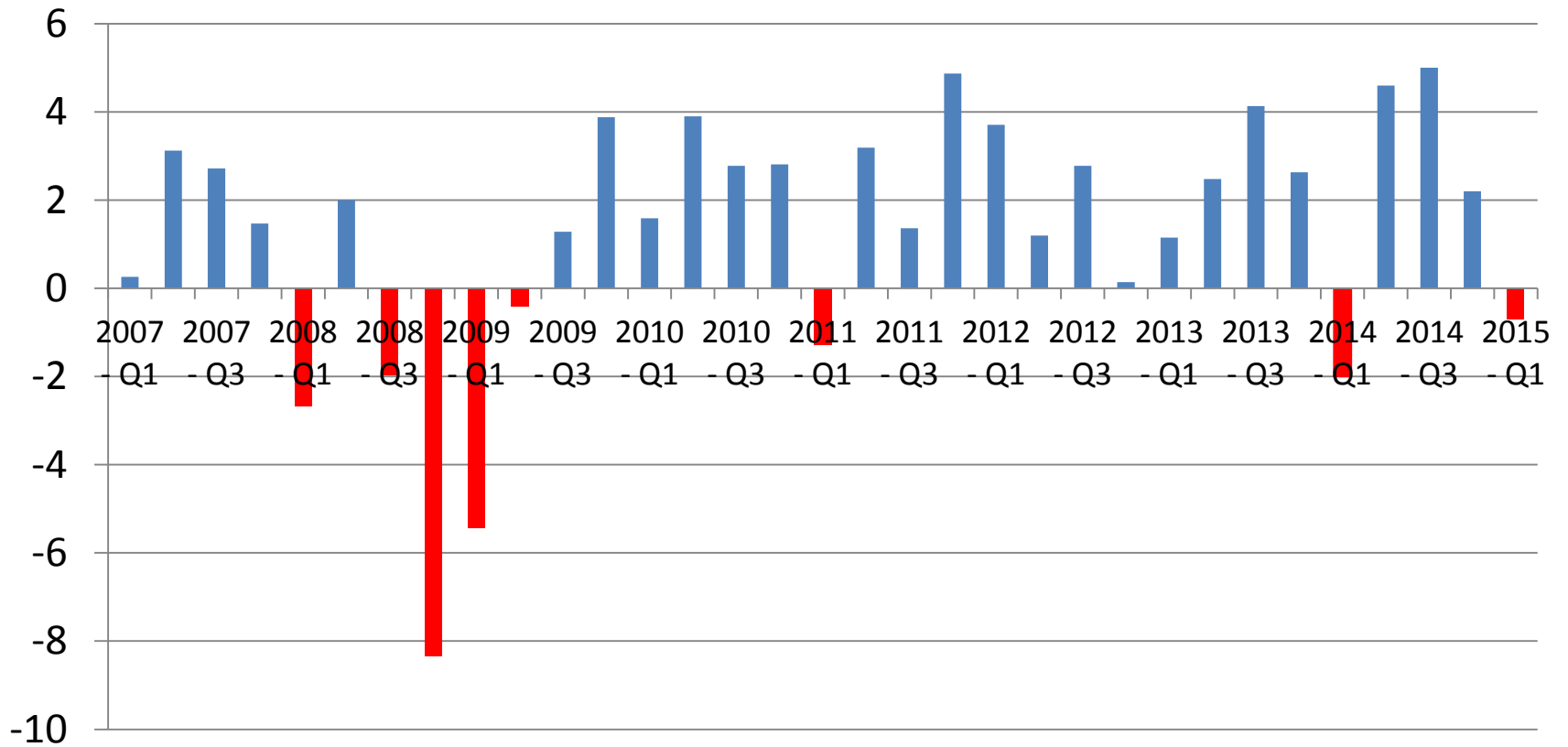


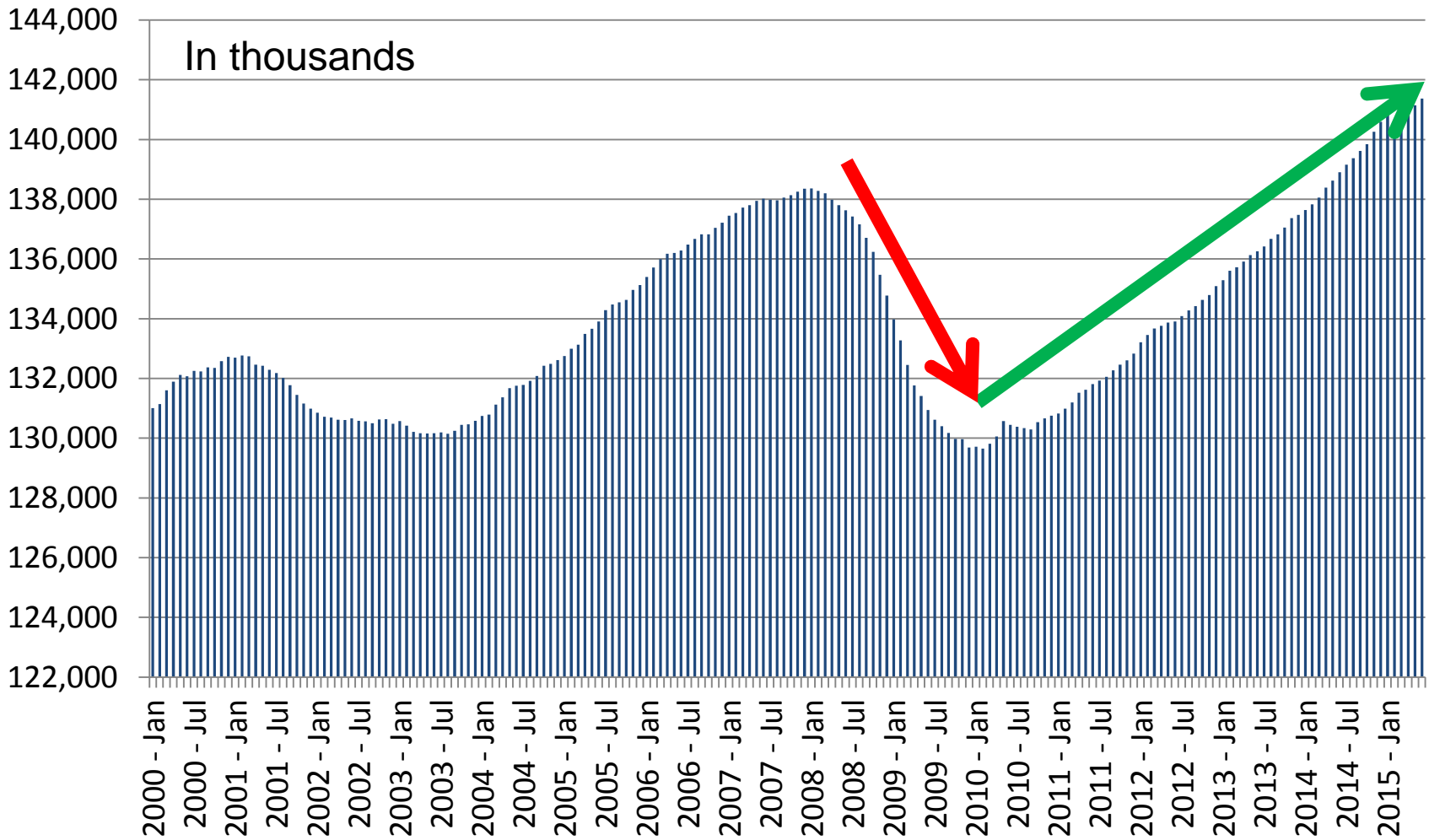
# GDP Quarterly Activity

## Annualized Growth Rate

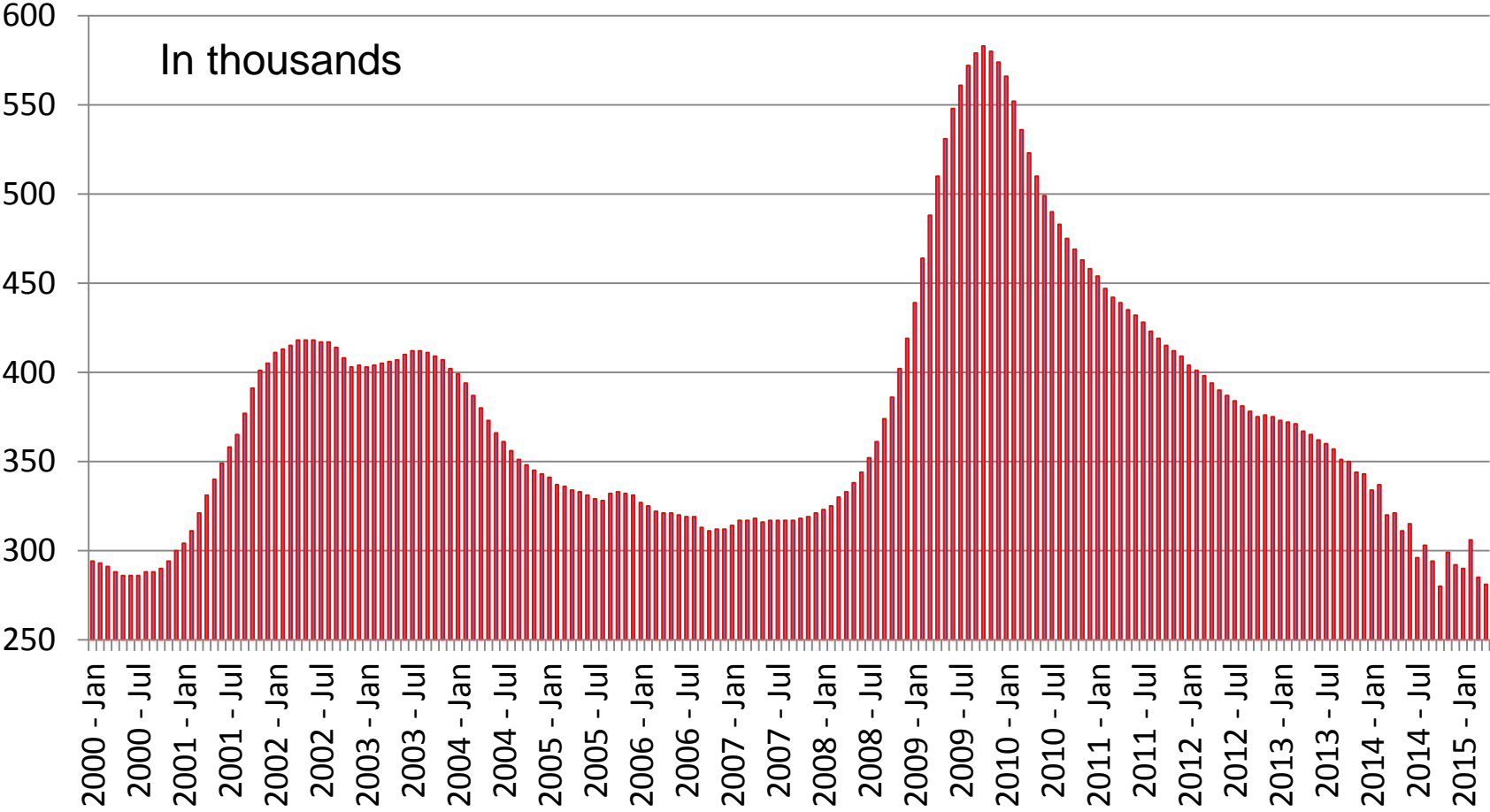


# Jobs

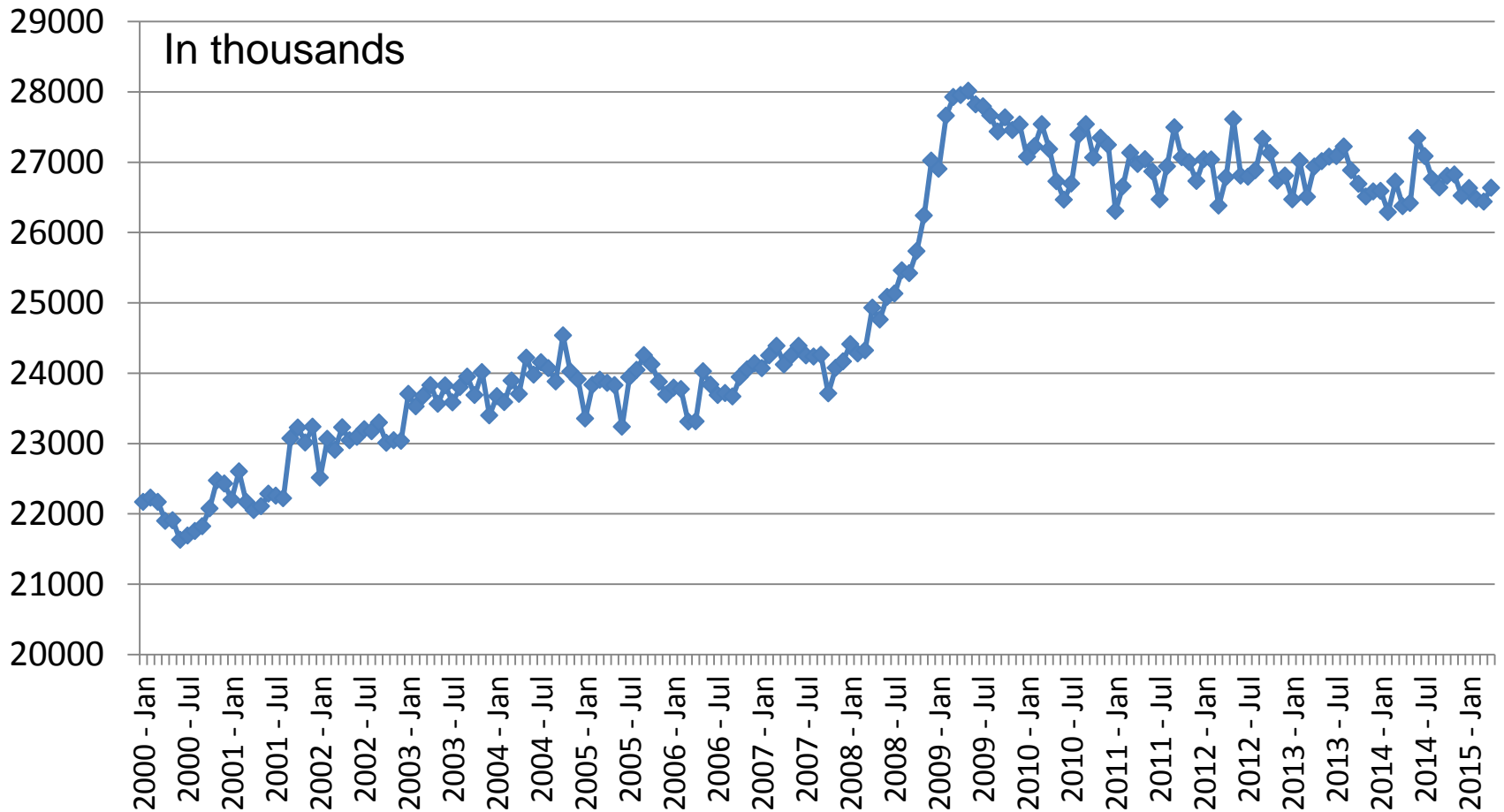
(8 million lost ... 12 million gained)



# Fresh Unemployment Insurance Claims

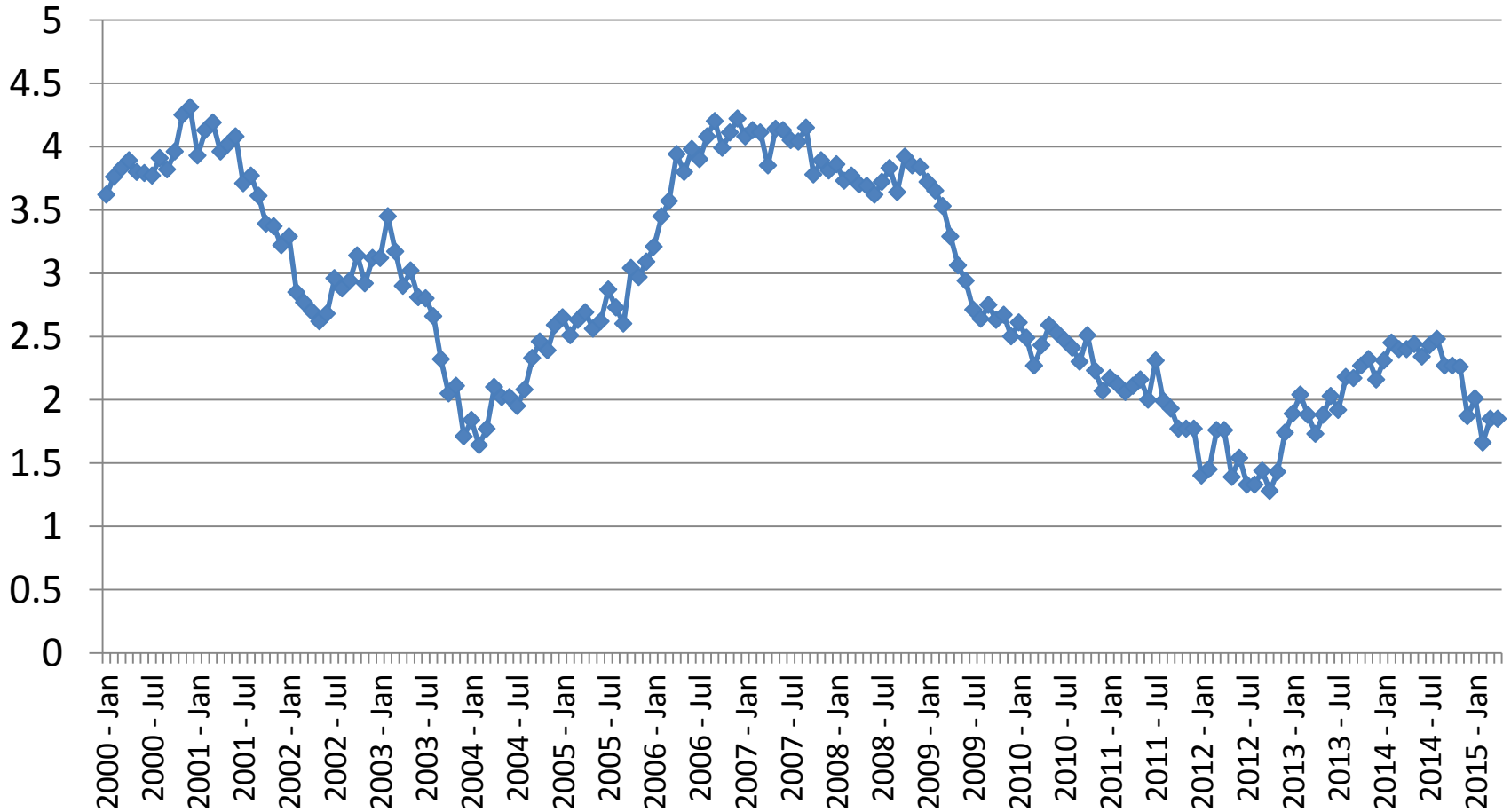


# Part-time Workers

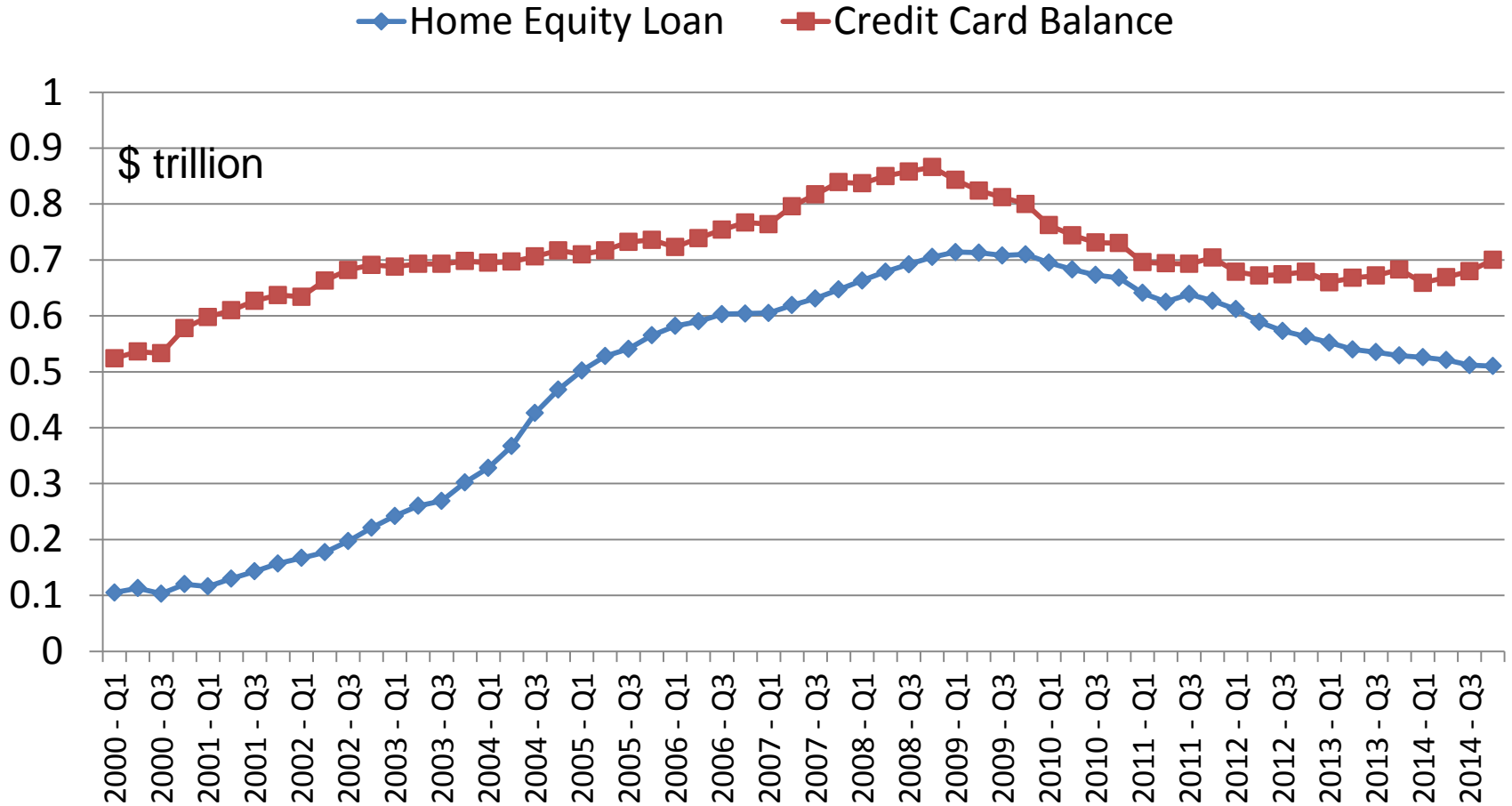


# Wage Growth

(% change from one year ago)

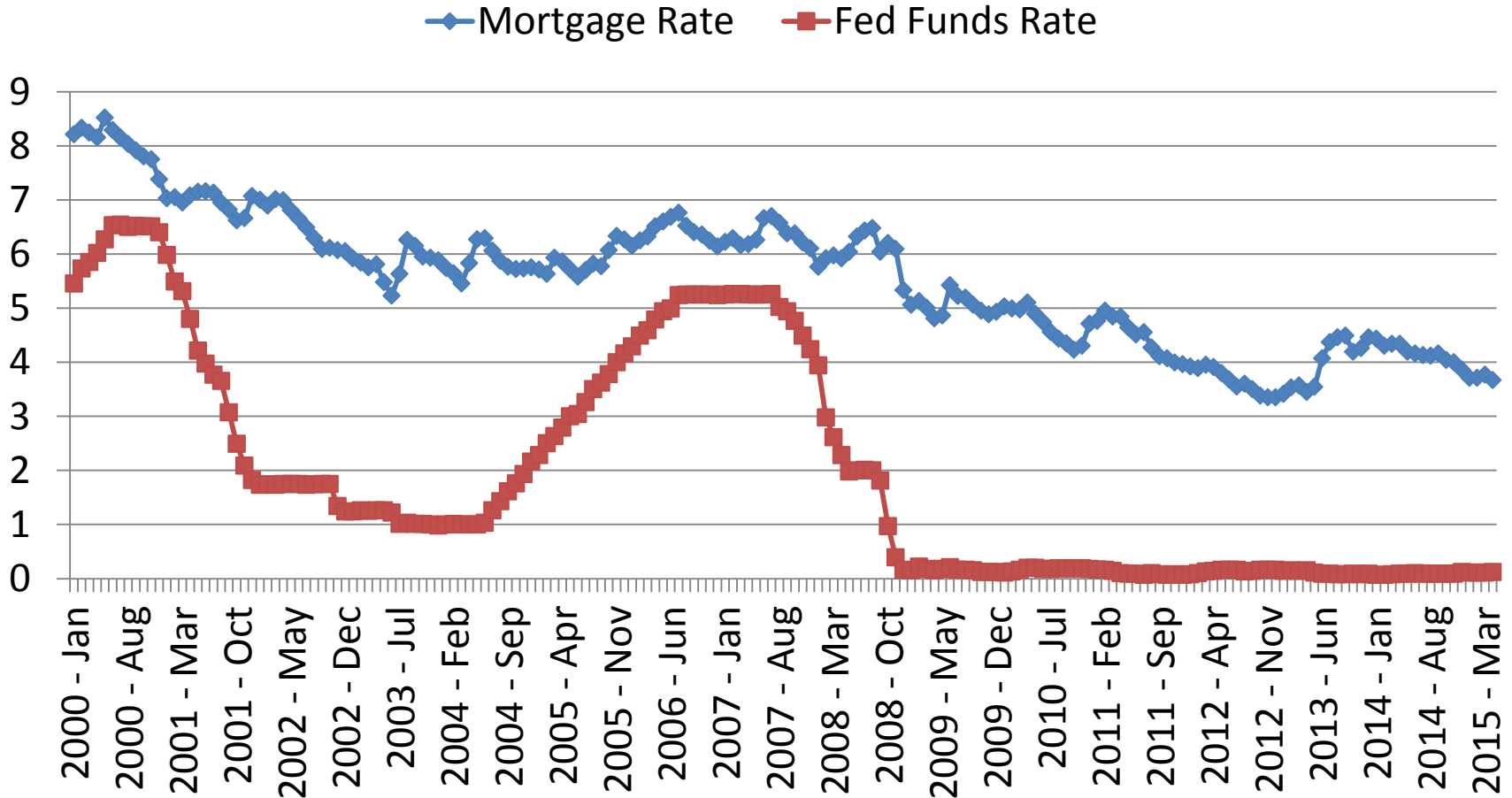


# Manageable Consumer Debt



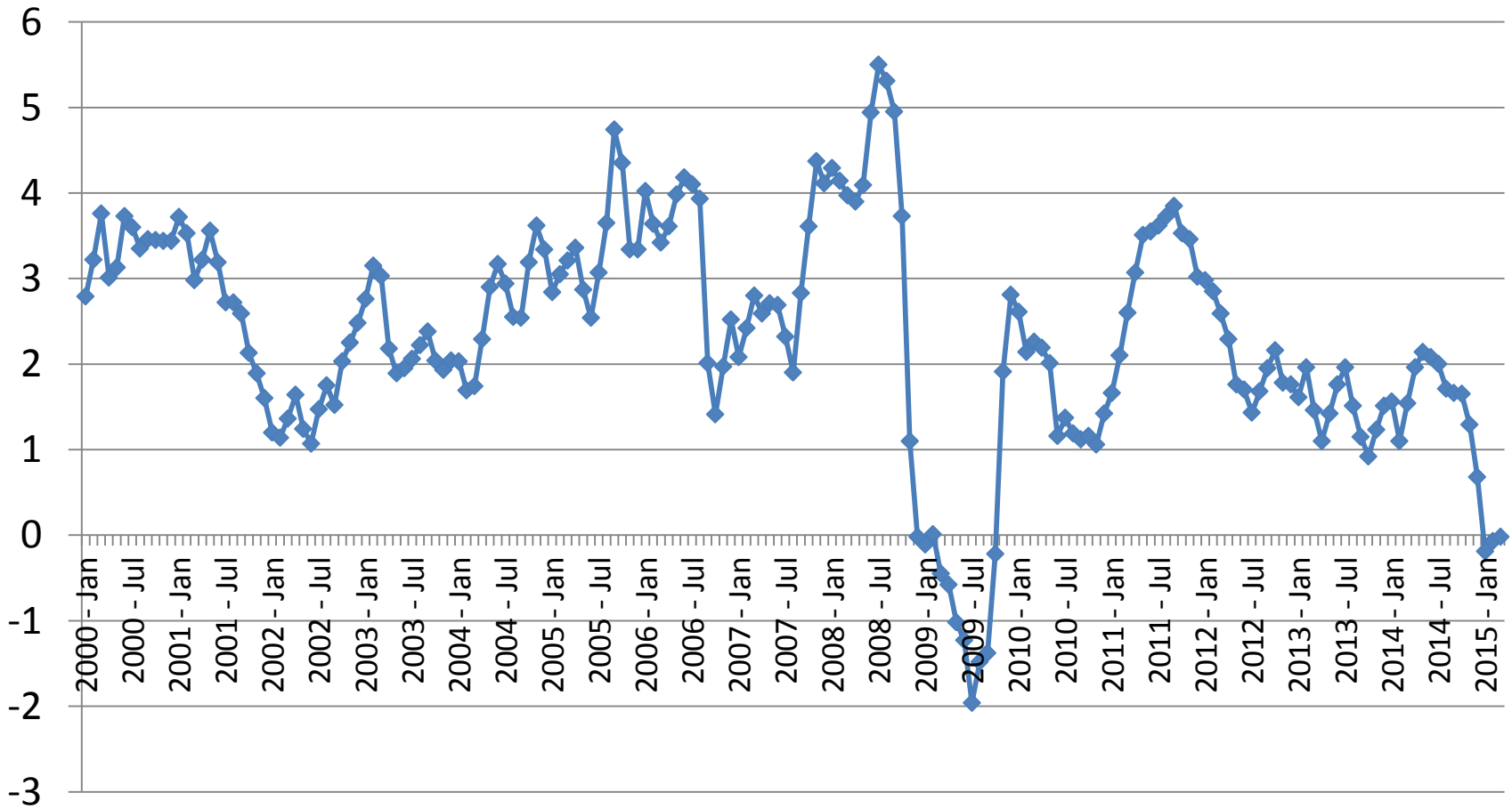
# Monetary Policy

# Fed Policy and Mortgage Rate

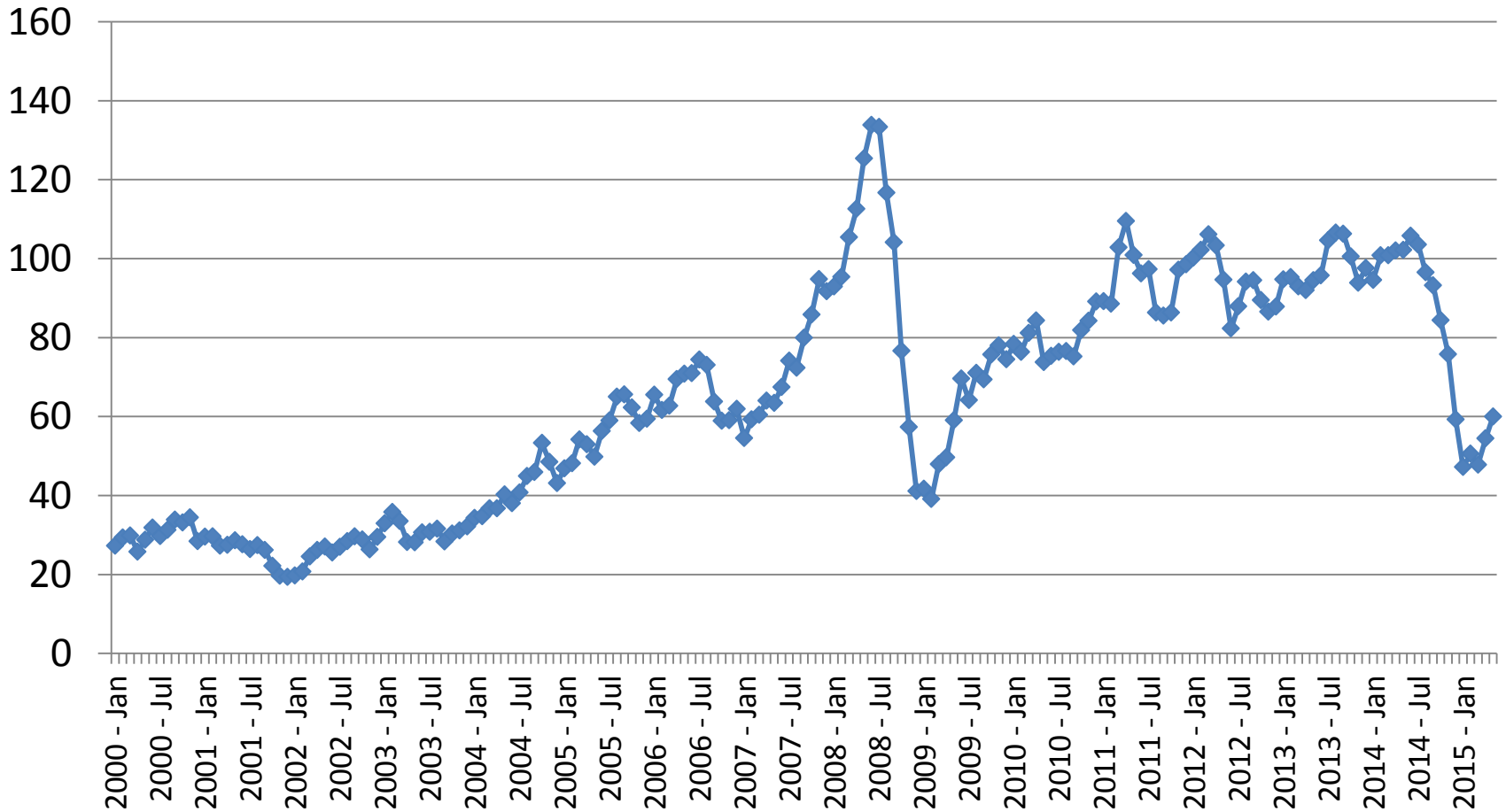




# No CPI Inflation – Yet

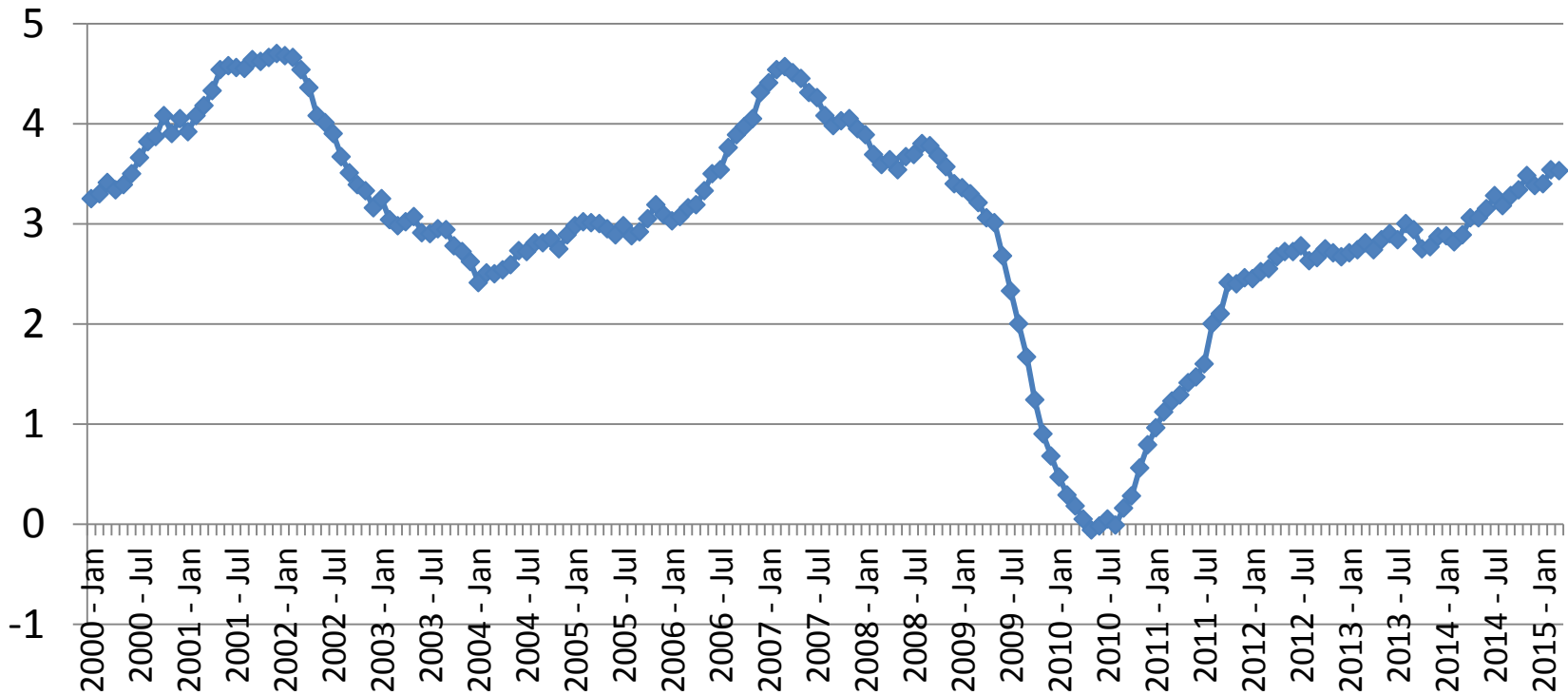


# Oil Price



# Rents Rising at 7-year high

## Renters' Rent



# Monetary Policy

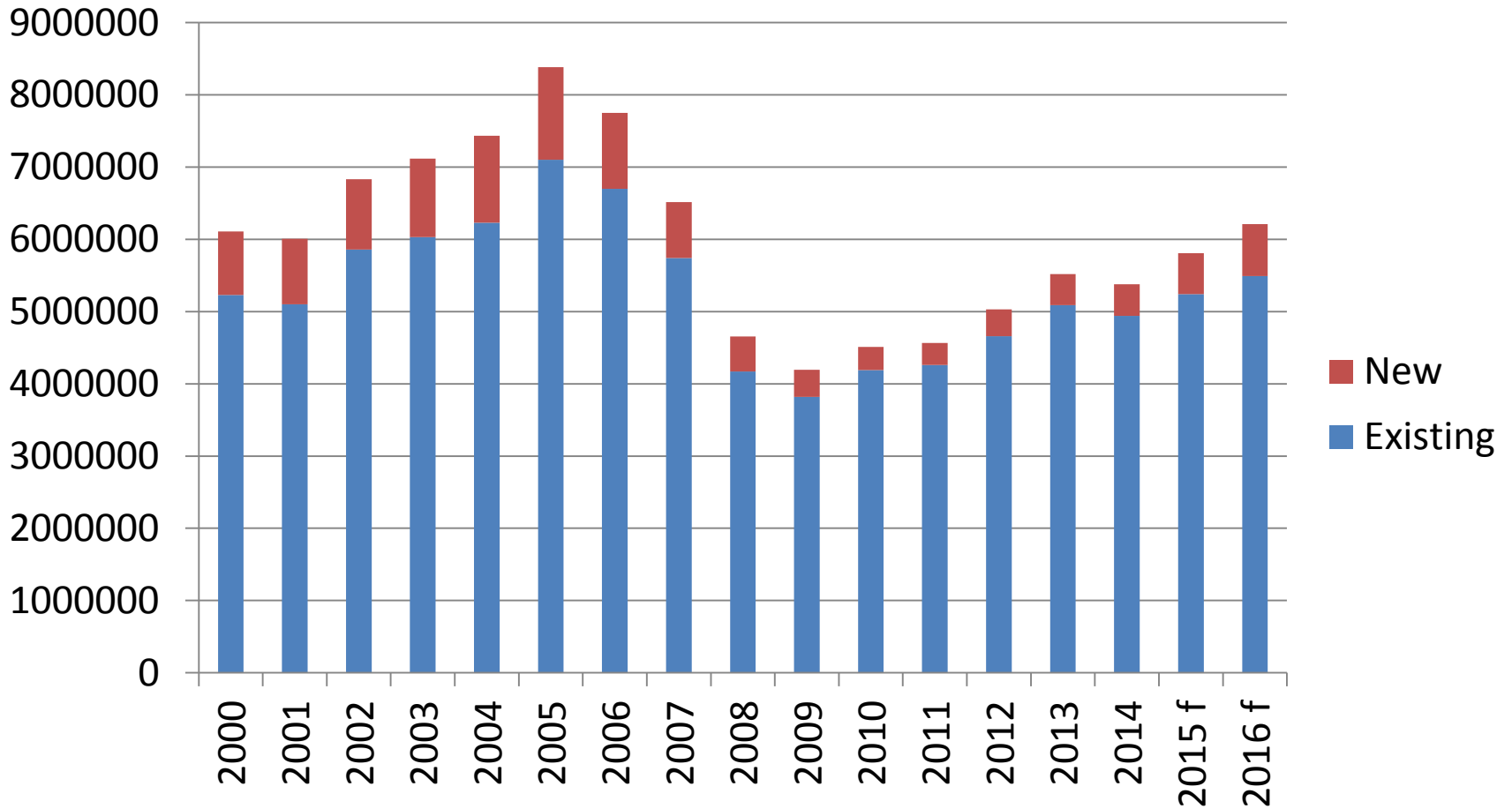
- Quantitative Easing ... Finished
- Fed Funds Rate hike ... October 2015
- 30-year Mortgage Rate
  - 4.3% by end of 2015
  - 5.3% by end of 2016

# Credit Box Opens?

- FICO New Method
- Fannie/Freddie
  - Lower down payment products
- FHA premiums ... lowered
- Portfolio Lending ... historic low mortgage default rates on recent vintages (2010-2014)

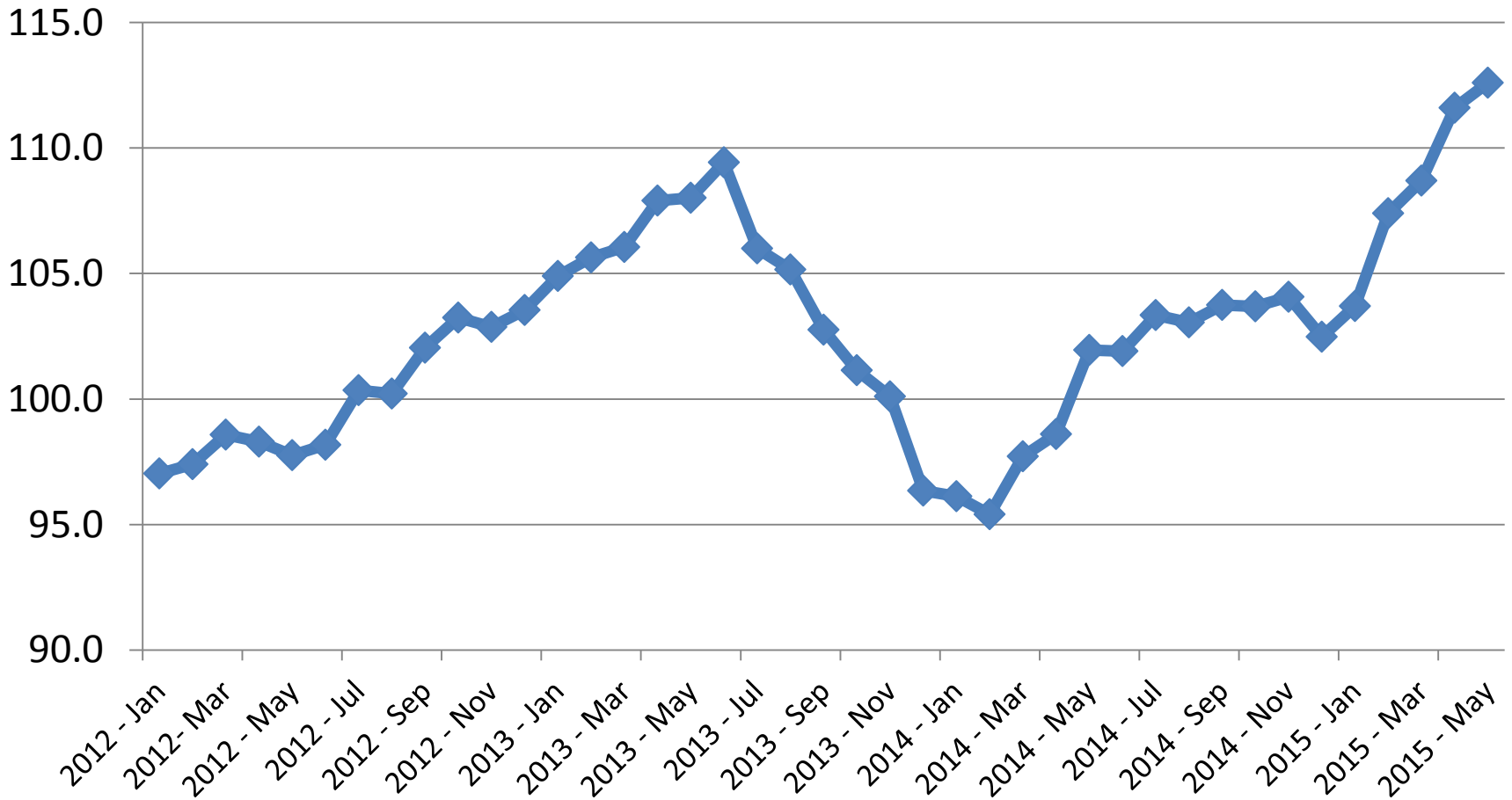
Real Estate Market?

# Annual Home Sales



# Monthly Pending Sales Index

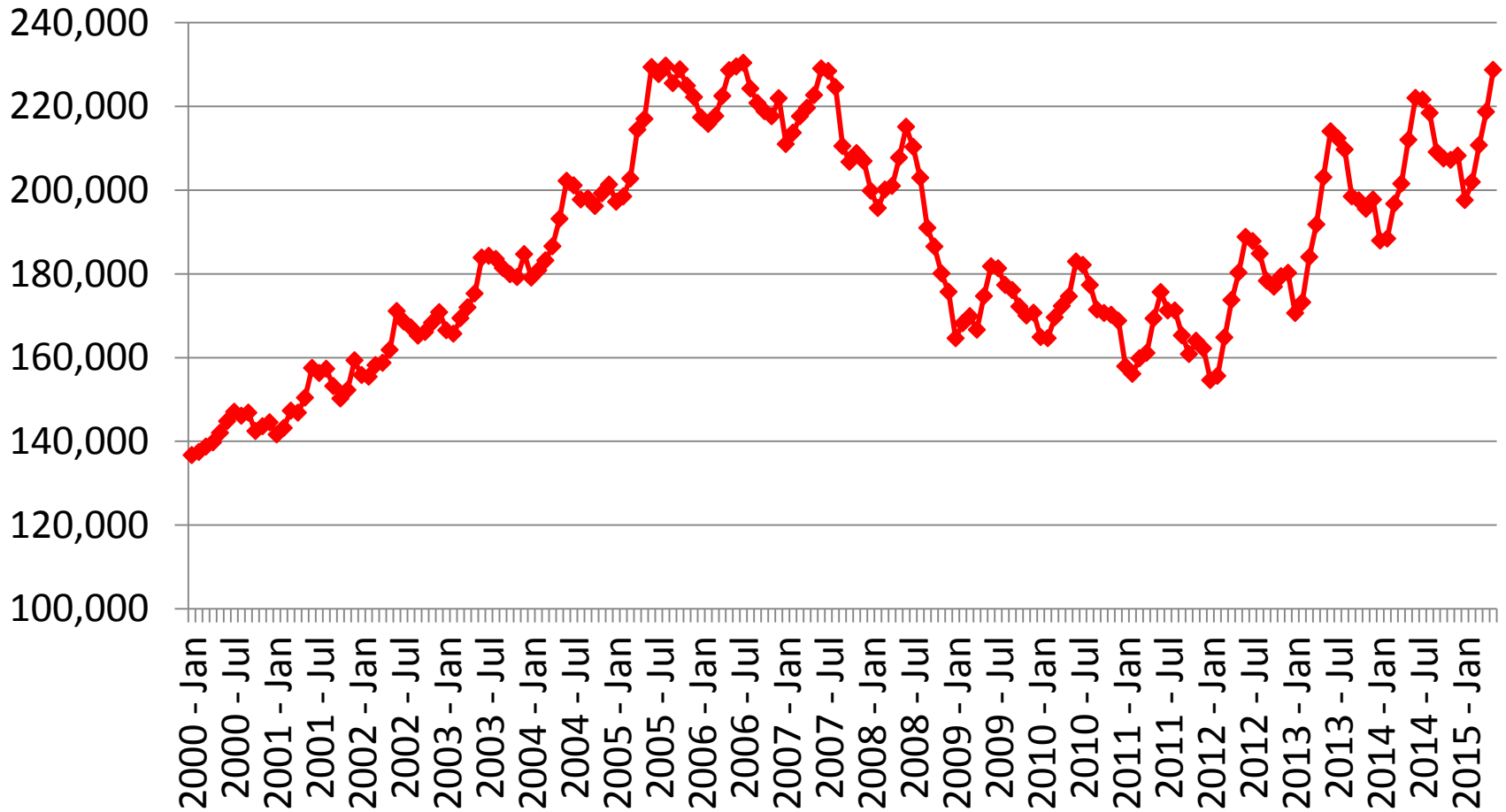
(Seasonally Adjusted)



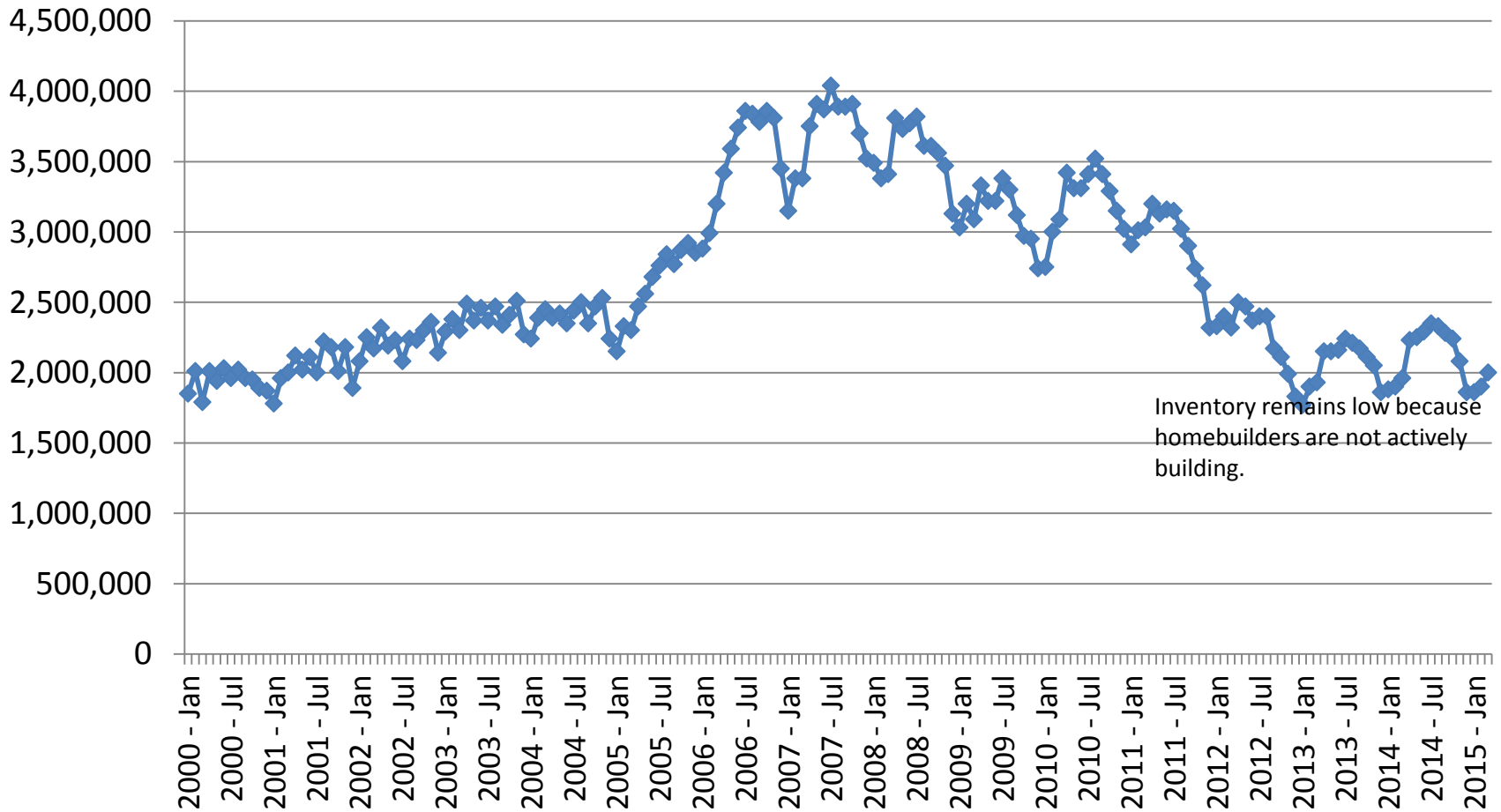
Source: NAR



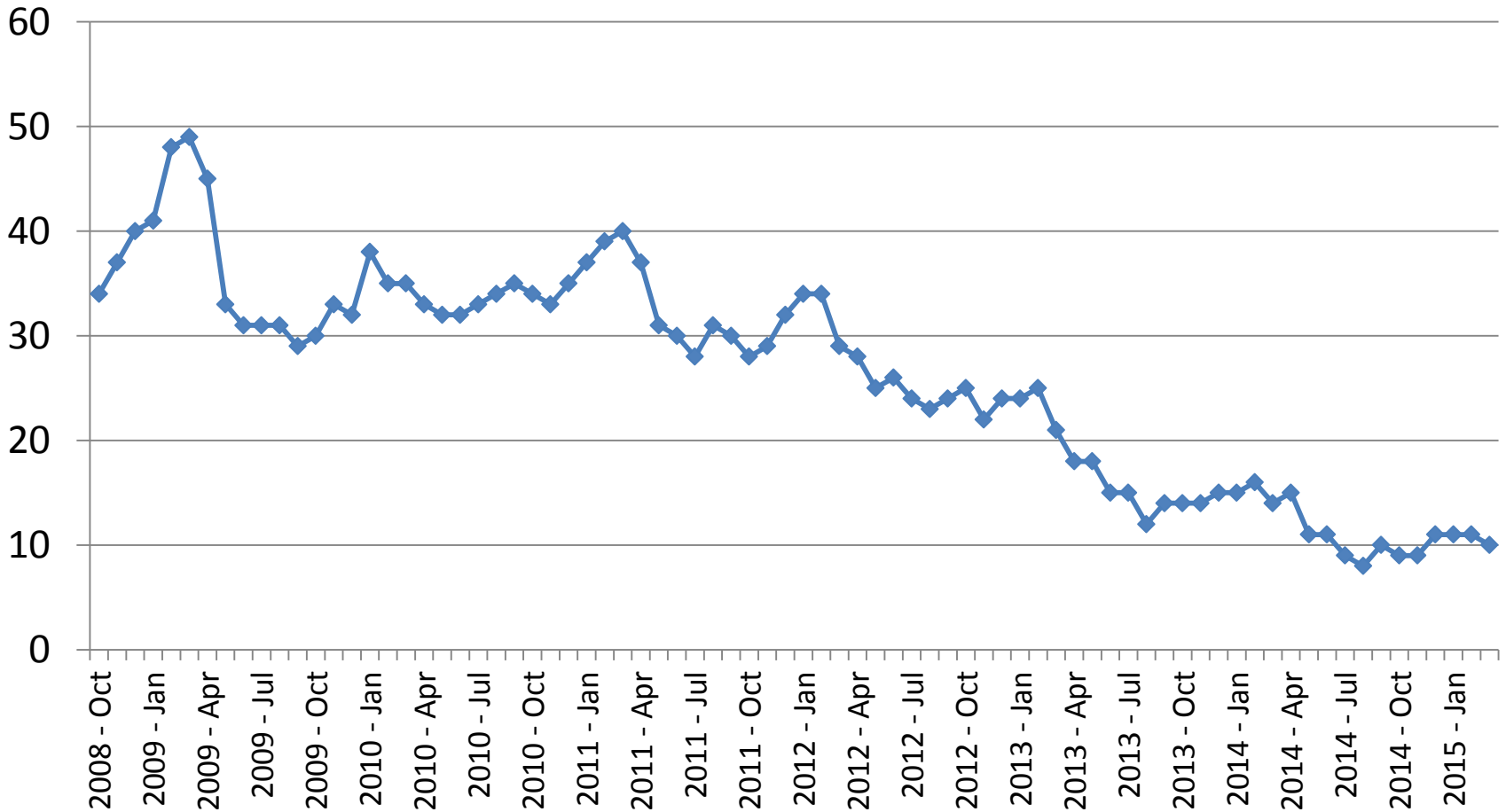
# Median Home Price



# Inventory of Homes For Sale



# Distressed Property Sales (% of total sales)



Forecast

# New Price Bubble?

## 2005-2006

- 7.2 m existing home sales
- 1.3 m new home sale
- 2.1 m housing starts
- Loose Credit
- 280 m population

## 2015 Expectations

- 5.3 m existing home sales
- 0.6 m new home sales
- 1.1 m housing starts
- Tight Credit and all-cash
- 307 m population

# Forecast

- Unit Sales ... up 7%
- Median Price ... up 7%
- Dollar Volume ... up 14% ... in 2015
- Dollar Volume ... up 7% to 10% ... in 2016