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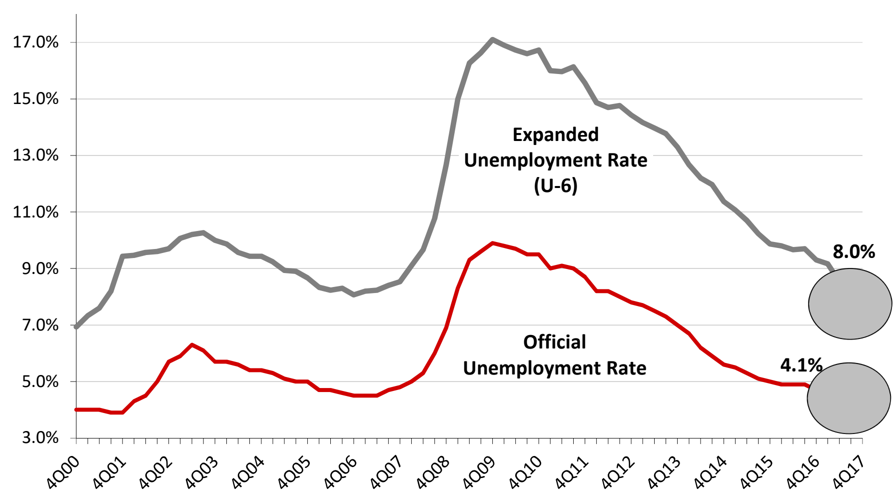
ATLANTA HOUSING MARKET Fourth Quarter 2017

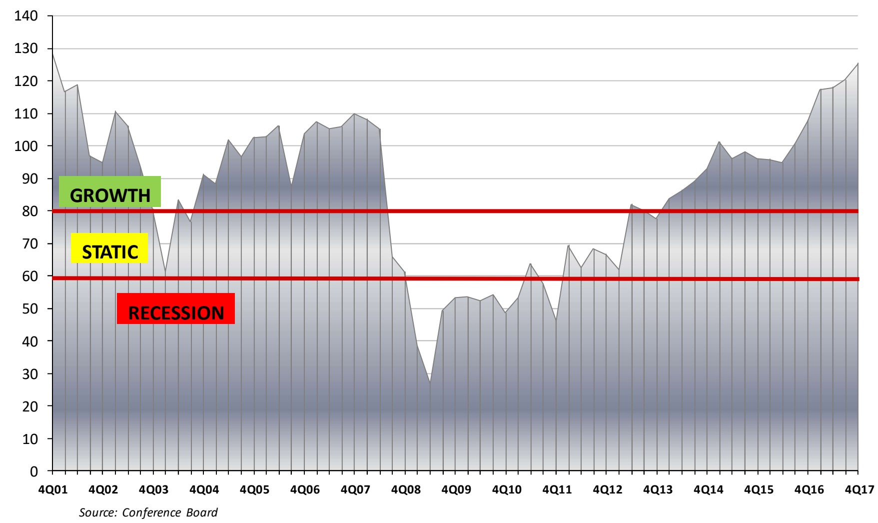
Presentation for HBA Builder Developer Lender Council

U.S. Unemployment Rates 2000-2017



Source: U. S. Bureau of Labor Statistics

Consumer Confidence Index, 2001- Present



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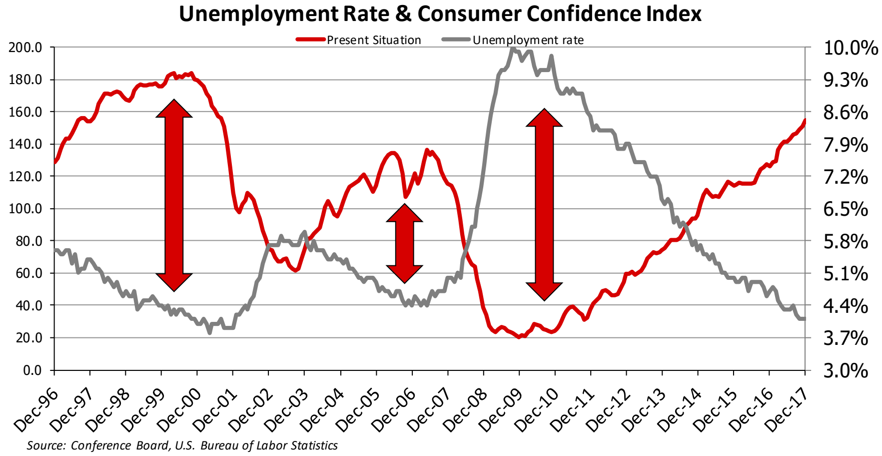
Unemployment Rate & Consumer Confidence Index



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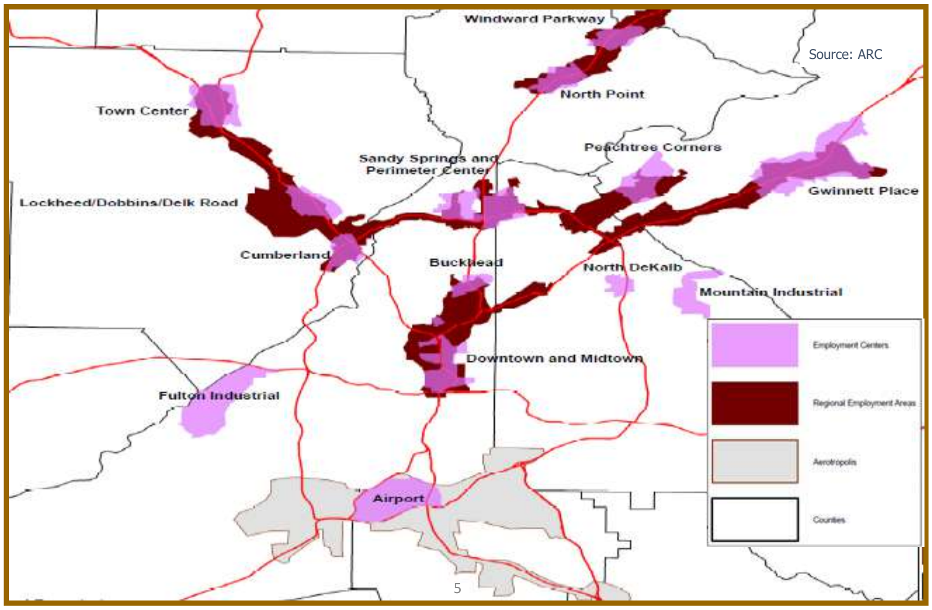
Atlanta Employment



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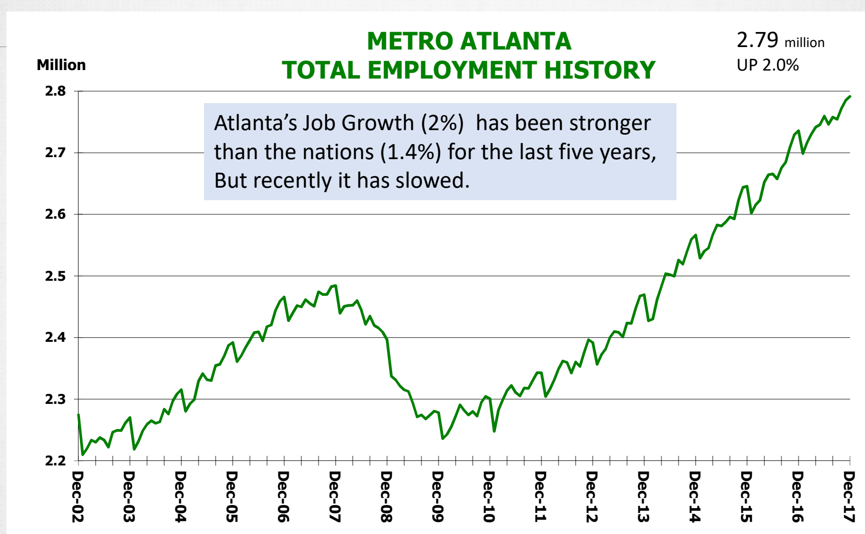

2.79 million people employed in Atlanta. Represents 62% of all Georgia employment (4.5 million employed in the State)

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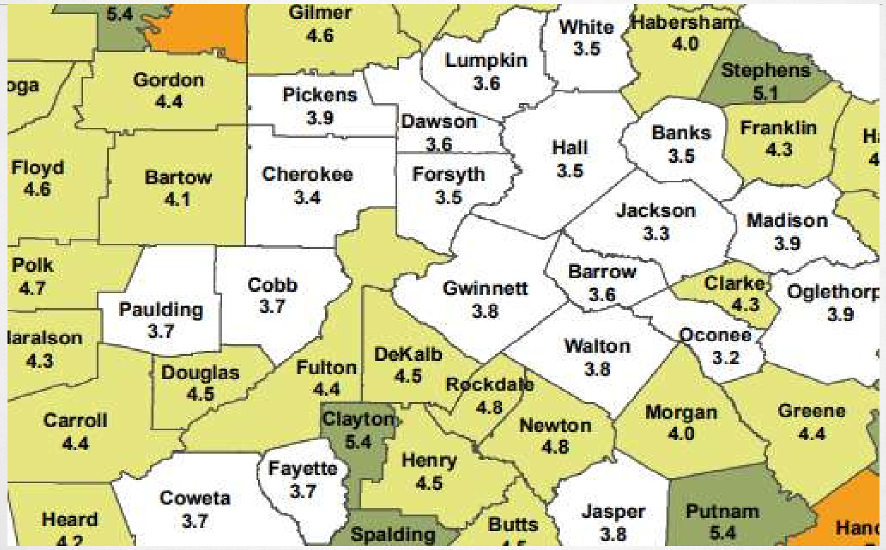
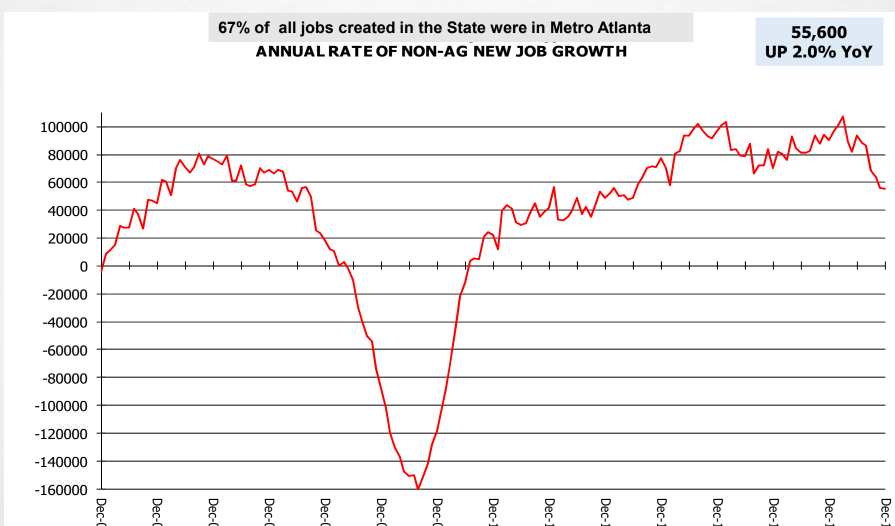
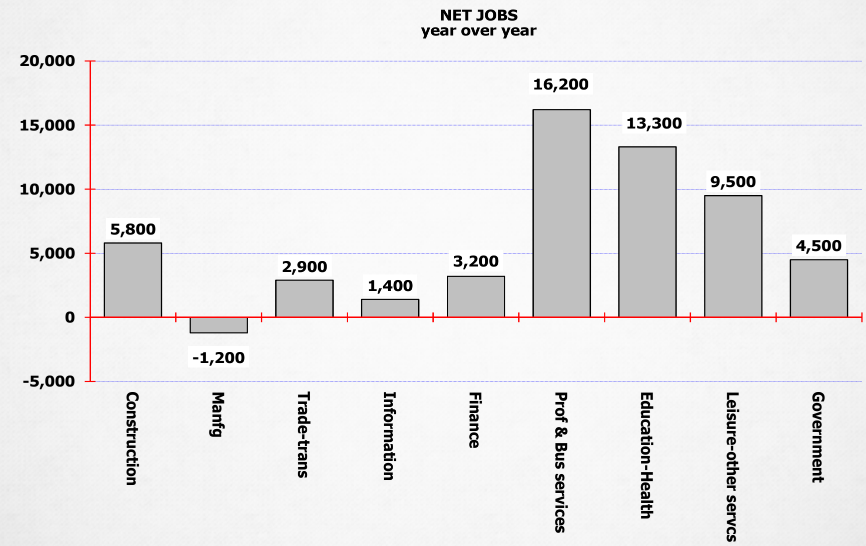
Metro Atlanta Unemployment rate is 4.2% (Dec 2017)



Atlanta Annual Job Growth



ATLANTA EMPLOYMENT by Sector YoY



4.9% -0.7% 0.5% 1.4% 1.9% 3.2% 3.9% 2.5% 1.4%

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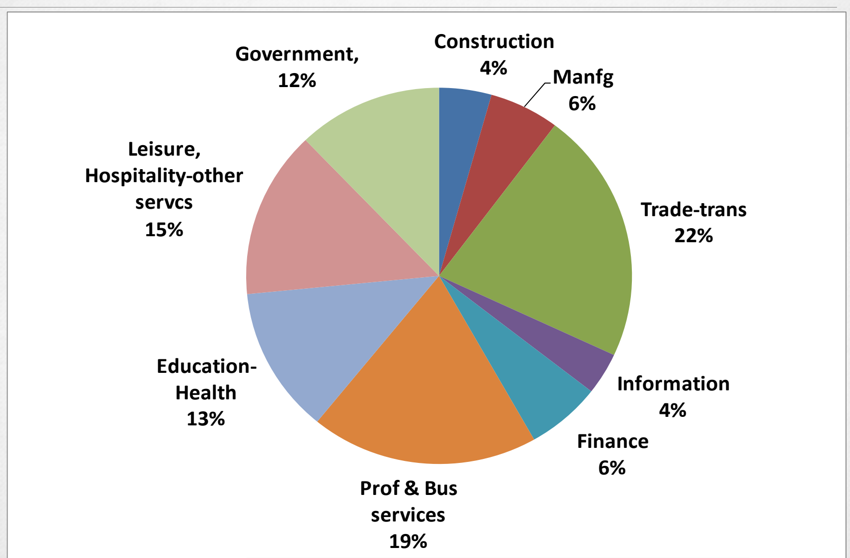
Percent of Jobs by Sector 12/31/2017



2,791,400 million jobs in Metro Atlanta. Up 2.0%

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Source: US Bureau of Labor Statistics

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Atlanta Apartment Market

Growing population (including millennial growth) and thriving employment keeping the multifamily market healthy, But its starting to slow

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Top MSAs – Ranked by Annual Multi-Family Permits as of Dec 2017

Rank	MSA	Annual Multi Family Permits	Annual Change	Population Estimate
1	New York-Newark-Jersey City, NY-NJ-PA	38,503	8,518	20,257,610
2	Dallas-Fort Worth-Arlington, TX	26,923	3,729	7,125,239
3	Los Angeles-Long Beach-Anaheim, CA	20,911	-2,386	13,432,332
4	Seattle-Tacoma-Bellevue, WA	16,822	891	3,737,408
5	Miami-Fort Lauderdale-West Palm Beach, FL	12,375	436	6,032,325
6	San Francisco-Oakland-Hayward, CA	12,108	2,004	4,673,188
7	Chicago-Naperville-Elgin, IL-IN-WI	12,083	1,374	9,581,253
8	Denver-Aurora-Lakewood, CO	11,234	981	2,830,748
9	Washington-Arlington-Alexandria, DC-VA-MD-WV	10,699	-103	6,145,027
10	Austin-Round Rock, TX	10,607	2,111	2,006,327
11	Portland-Vancouver-Hillsboro, OR-WA	10,437	3,332	2,387,287
12	Boston-Cambridge-Newton, MA-NH	9,911	3,639	4,790,344
13	Phoenix-Mesa-Scottsdale, AZ	8,887	-963	4,606,379
14	Atlanta-Sandy Springs-Roswell, GA	7,786	-4,940	5,736,343
15	Charlotte-Concord-Gastonia, NC-SC	7,539	1,322	2,436,209
16	Nashville-Davidson--Murfreesboro--Franklin, TN	7,055	215	1,840,320
17	San Diego-Carlsbad, CA	6,406	-1,368	3,311,903
18	Minneapolis-St. Paul-Bloomington, MN-WI	6,283	160	3,547,539
19	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	6,232	1,083	6,077,137
20	Houston-The Woodlands-Sugar Land, TX	5,865	-4,054	6,677,340

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Apartment Supply Hit 30-Year High in 2017 New Units Delivered (in 2017)

Metro Supply Leaders in 2017

Rank	Metro	Annual Supply
1	Dallas	27,974
2	New York	23,207
3	Houston	21,404
4	Washington, DC	15,816
5	Atlanta	13,980
6	Los Angeles	13,447
7	Seattle	12,008
8	Nashville	11,203
9	Austin	10,907
10	Chicago	10,559

2017 is expected to be the peak for apartment deliveries as the market works on absorbing these new units.

Nationally rent growth slowed to 2.6%. That's down from roughly 4% to 5% increases from 2014 through 2016.

Healthy economy helps with absorption

axiometrics

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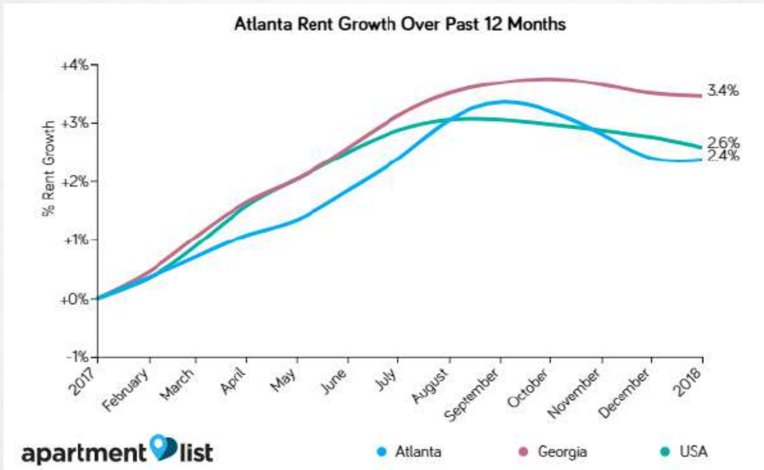
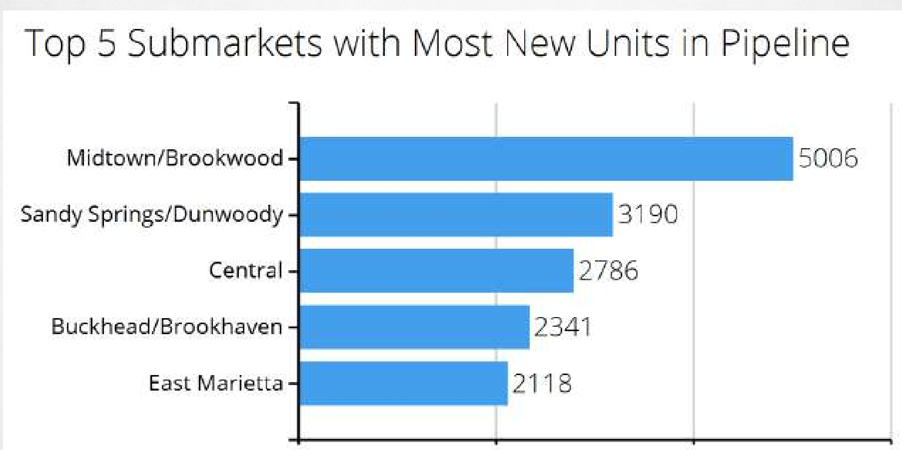
Rent Growth beginning to cool down



More Apartments expected to be delivered



Source: ALN

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Atlanta Resale Market
Single Family, Townhouse and Condo

Strong fundamentals and favorable market demographics
Keep the Atlanta housing market healthy

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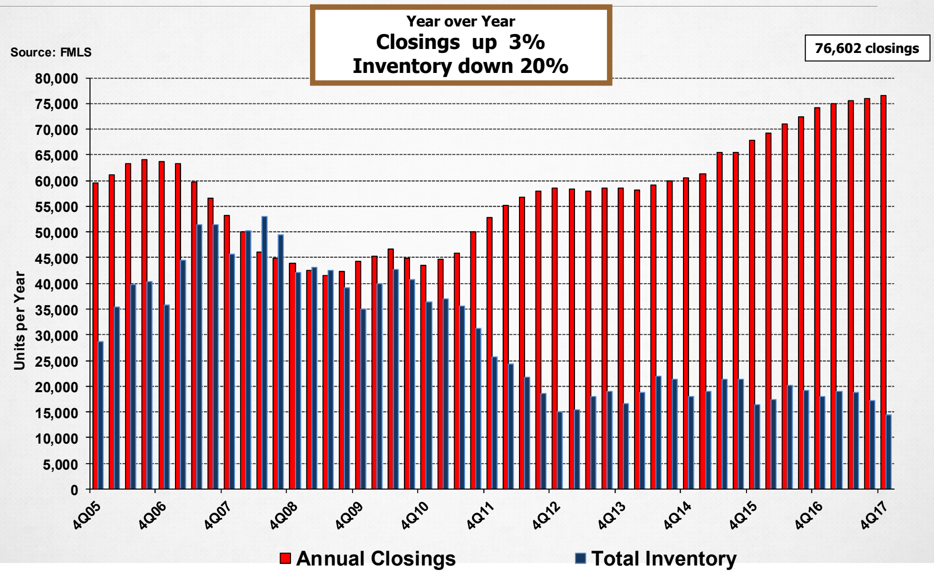
ATLANTA RESALE MARKET TRENDS - CLOSINGS AND INVENTORY
INCLUDES DETACHED, ATTACHED AND CONDOS

Year over Year
Closings up 3%
Inventory down 20%



18% TH/Condo Closings
11% TH/Condo Inventory

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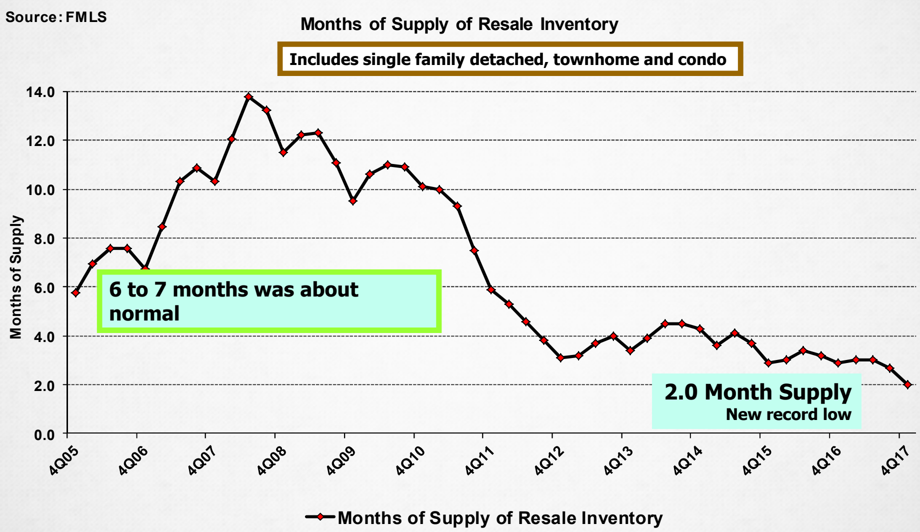
ATLANTA RESALE MONTHS OF SUPPLY

INCLUDES DETACHED, ATTACHED AND CONDOS



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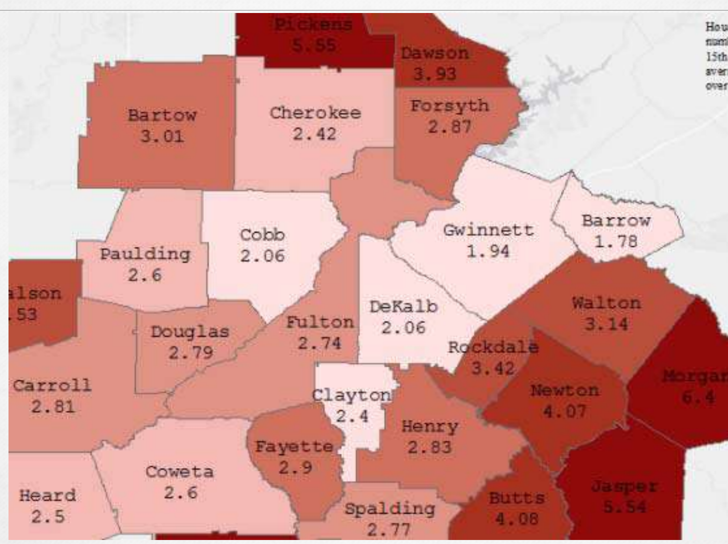
MLS Months Supply of total inventory 12/31/2017



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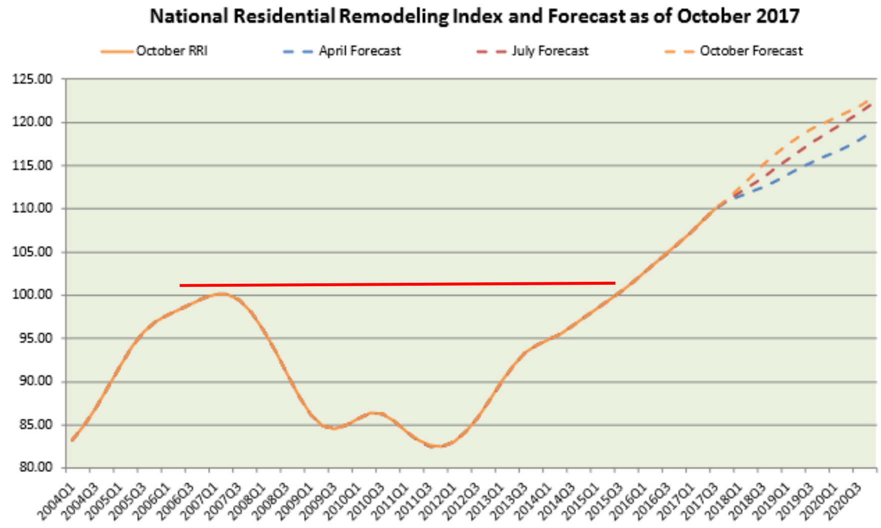
NOT ENOUGH INVENTORY MEANS MUCH MORE REMODELING ACTIVITY



Source: Metrostudy, October 2017 RRI Report

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Low Supply – Cause and Effect on the region

- Not enough home building
- Investor Buyers suppressing availability
- Owners can't find a suitable replacement home
- Affordable

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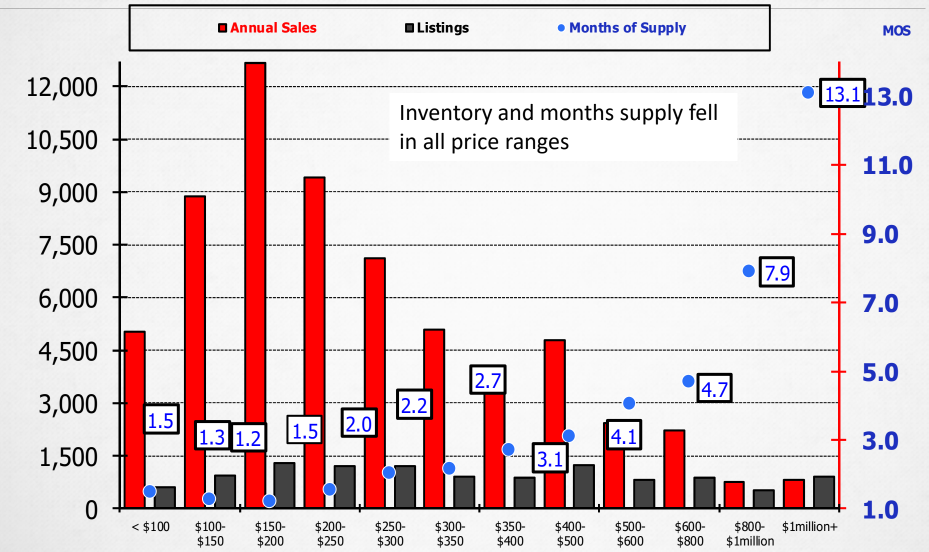
Resale Single Family Detached

Listings v. Annual Sales
By Price Range – Dec 2017



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Atlanta Resale Price Trends
All Counties Detached only

Median Closing Prices with REO Transactions

Median size = 1,916 SF or $97 PSF (up 4%YoY)

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4Q16	4Q17*	%diff
$183,000	**$187,000**	**+ 2%**
15% REO	**8% REO**	
$193,600 without REO	**$190,000 without REO**	

Average price was $252,700

*** All closings within a 3 month moving average**

Source: Metrosearch

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Larger Homes Resale Price Trends
2,000+ Square Feet Houses

Median Closing Prices with REO Transactions

Average size = 2,700 SF or $99 PSF (up 4.1% YoY)

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Housing Starts Here

4Q16	4Q17*	%diff
$265,000	**$275,000**	**+ 4%**
10% REO	**5% REO**	
$275,000 without REO	$285,000 without REO	

42% of all closings were > 2000sf

Source: Metrosearch

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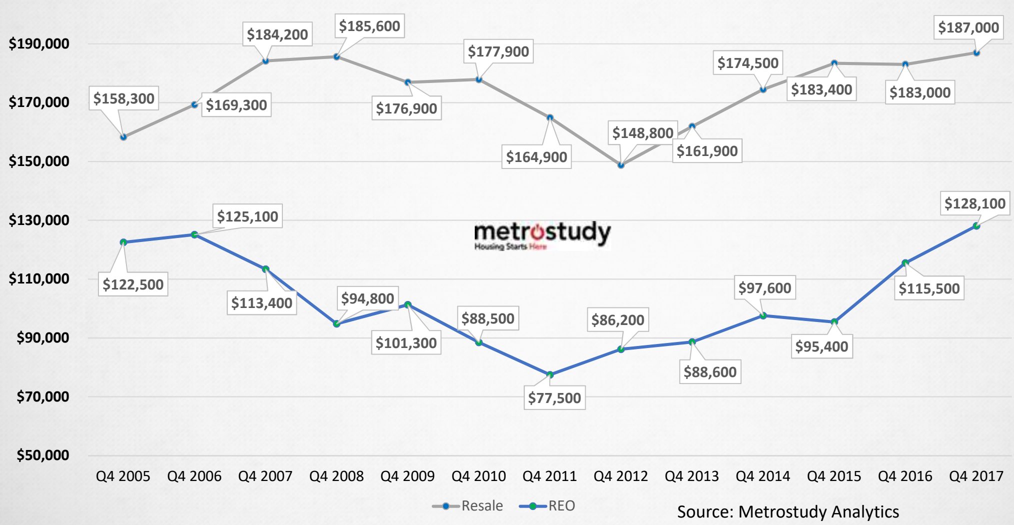
Atlanta Median Resale and REO Price Trends (detached only)



Source: Metrostudy Analytics

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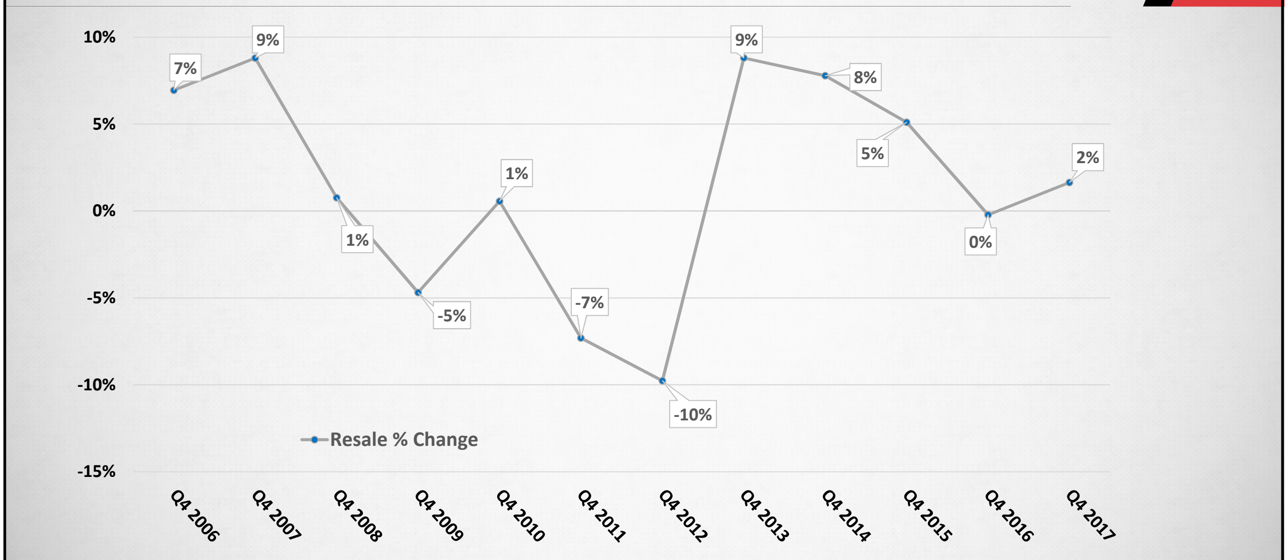
Atlanta Median Price % Change YoY (detached only)



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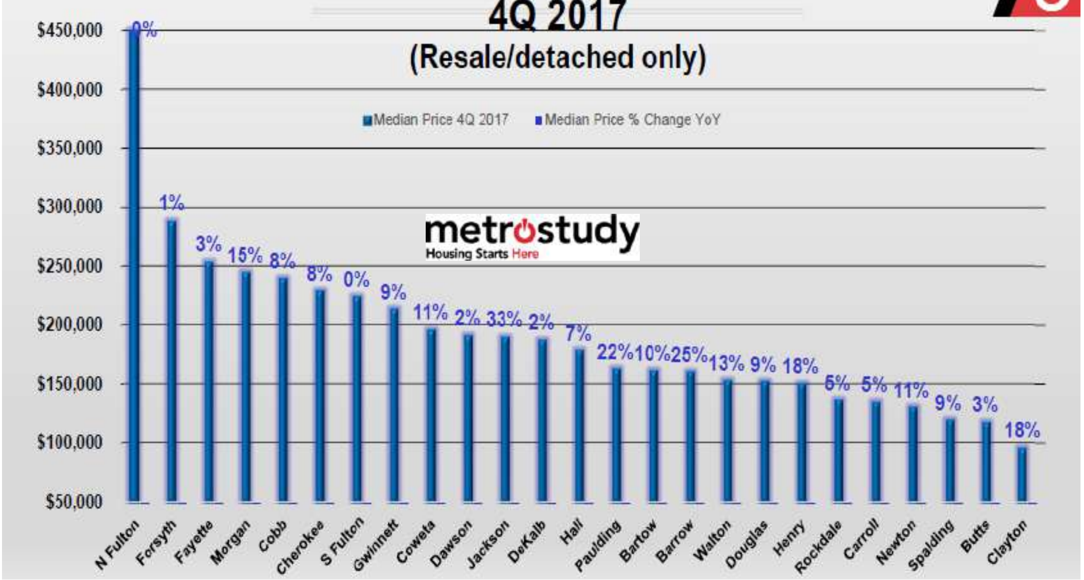
Median Price by County 4Q 2017 (Resale/detached only)



Source: Metrostudy Analytics

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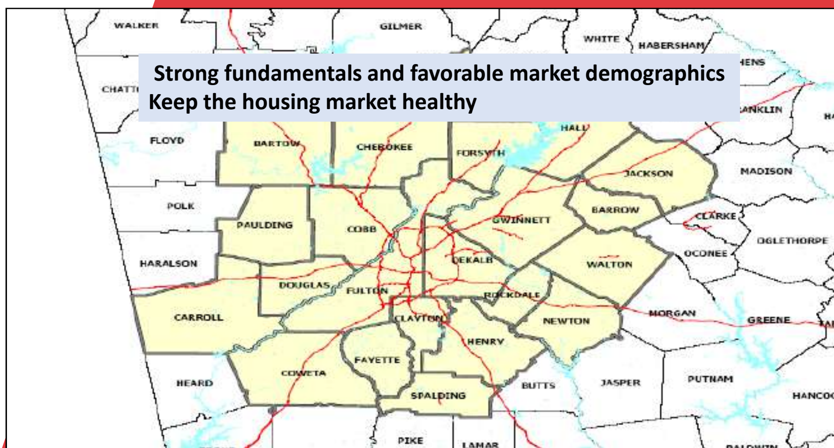
ATLANTA HOUSING MARKET

We conduct field research on 22 Counties each quarter



Atlanta Housing Market

Single Family and Townhome Combined

22 counties combined 4Q17

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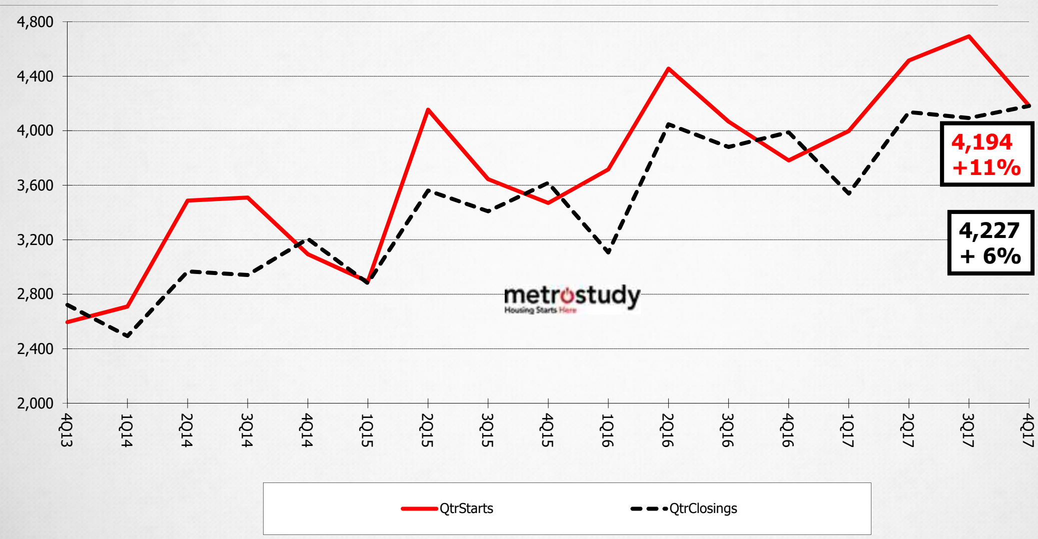
NORTH ATLANTA SINGLE FAMILY MARKET

QUARTERLY STARTS AND CLOSINGS



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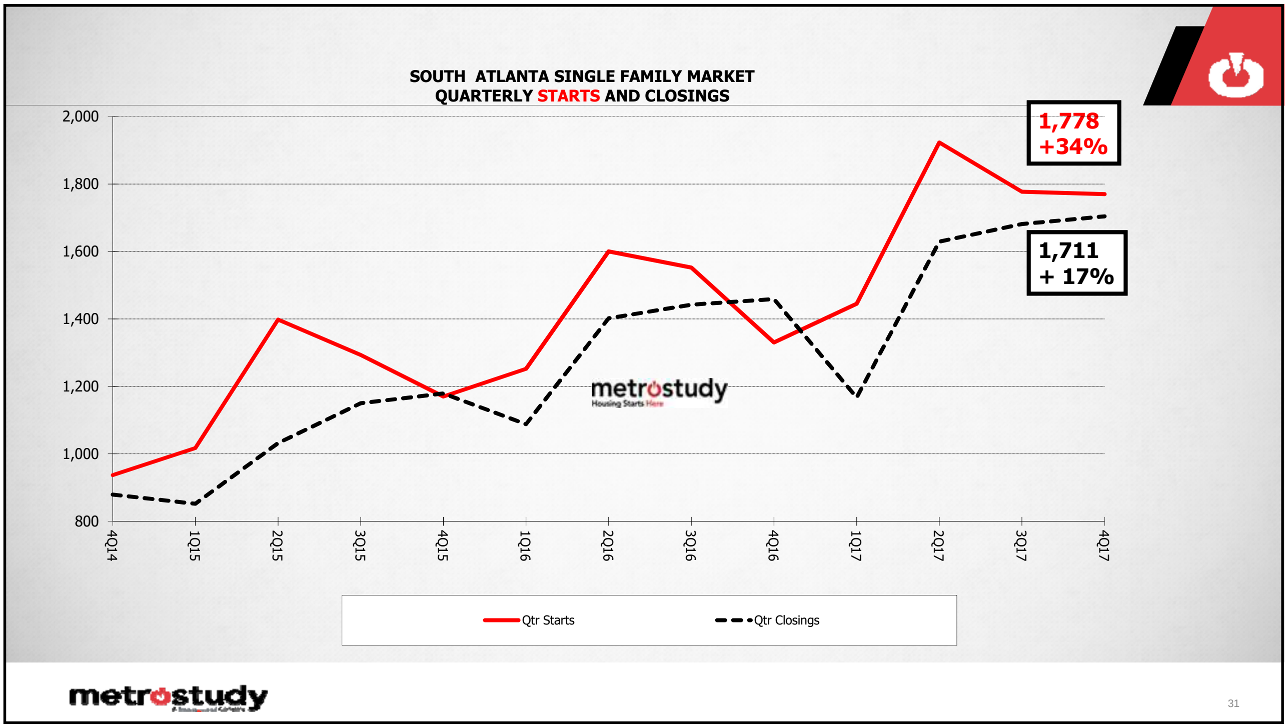
SOUTH ATLANTA SINGLE FAMILY MARKET
QUARTERLY STARTS AND CLOSINGS
2,000
1,800
1,600
1,400
1,200
1,000
800
4Q14
1Q15
2Q15
3Q15
4Q15
1Q16
2Q16
3Q16
4Q16
1Q17
2Q17
3Q17
4Q17
1,778
+34%
1,711
+ 17%
metrostudy
Housing Starts Here
Qtr Starts
Qtr Closings
metrostudy
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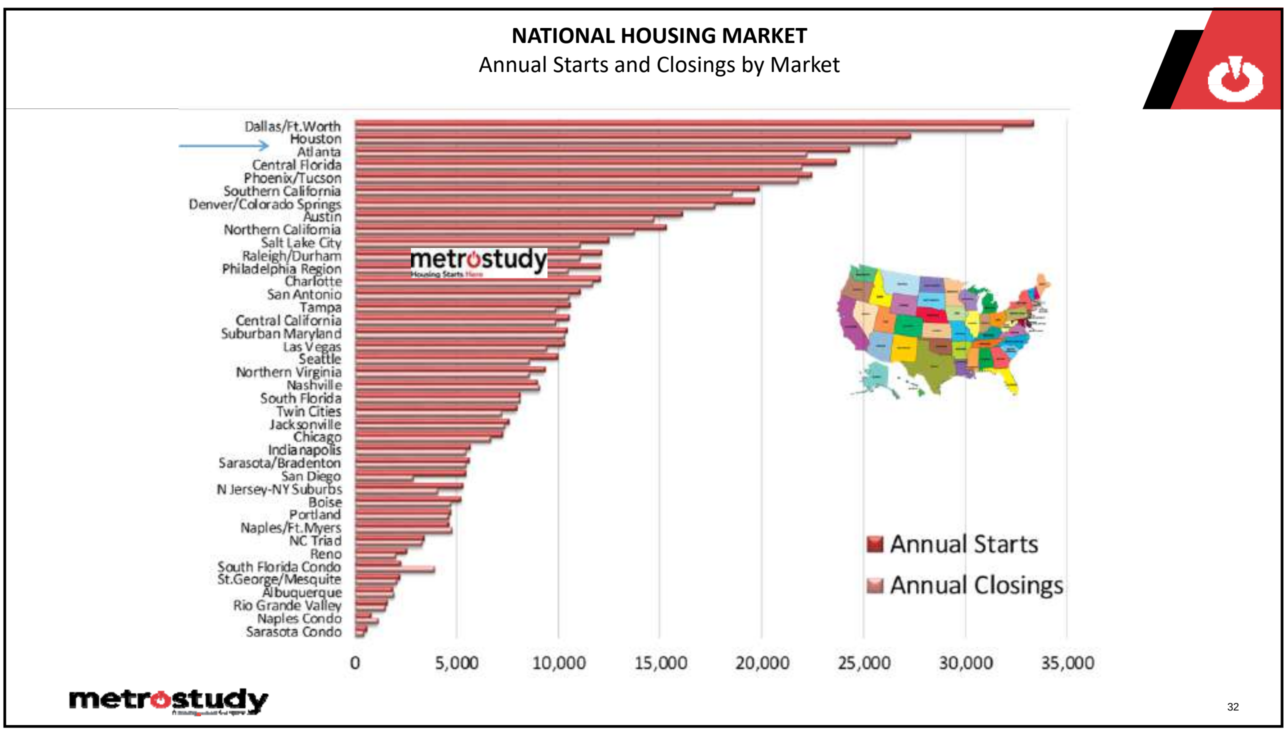
NATIONAL HOUSING MARKET
Annual Starts and Closings by Market
Dallas/Ft.Worth
Houston
Atlanta
Central Florida
Phoenix/Tucson
Southern California
Denver/Colorado Springs
Austin
Northern California
Salt Lake City
Raleigh/Durham
Philadelphia Region
Charlotte
San Antonio
Tampa
Central California
Suburban Maryland
Las Vegas
Seattle
Northern Virginia
Nashville
South Florida
Twin Cities
Jacksonville
Chicago
Indianapolis
Sarasota/Bradenton
San Diego
N Jersey-NY Suburbs
Boise
Portland
Naples/Ft.Myers
NC Triad
Reno
South Florida Condo
St.George/Mesquite
Albuquerque
Rio Grande Valley
Naples Condo
Sarasota Condo
0
5,000
10,000
15,000
20,000
25,000
30,000
35,000
metrostudy
Housing Starts Here
Annual Starts
Annual Closings
metrostudy
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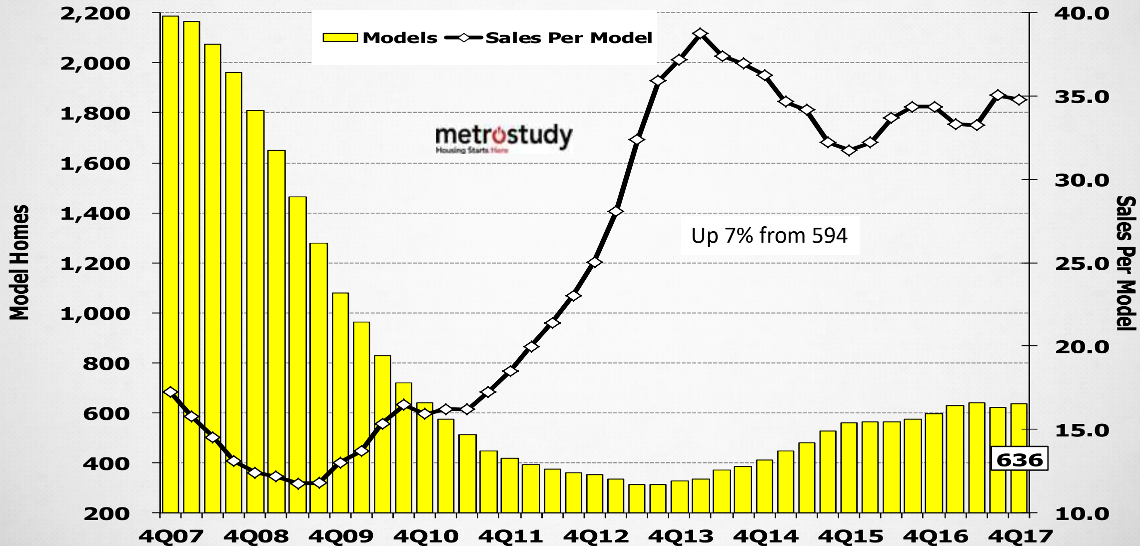
Sales Per Model Home



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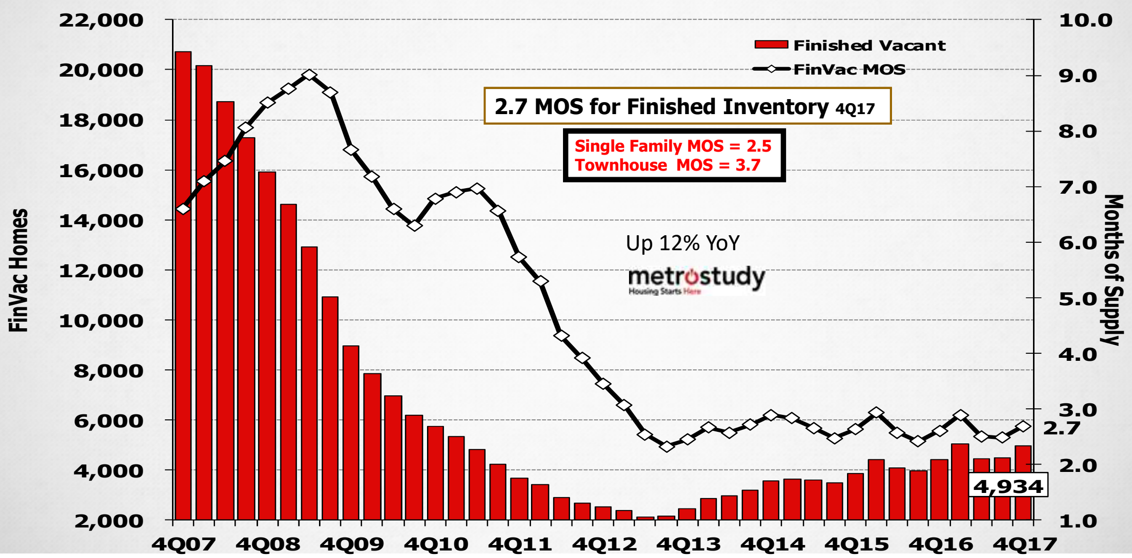
Finished Inventory and Months Supply



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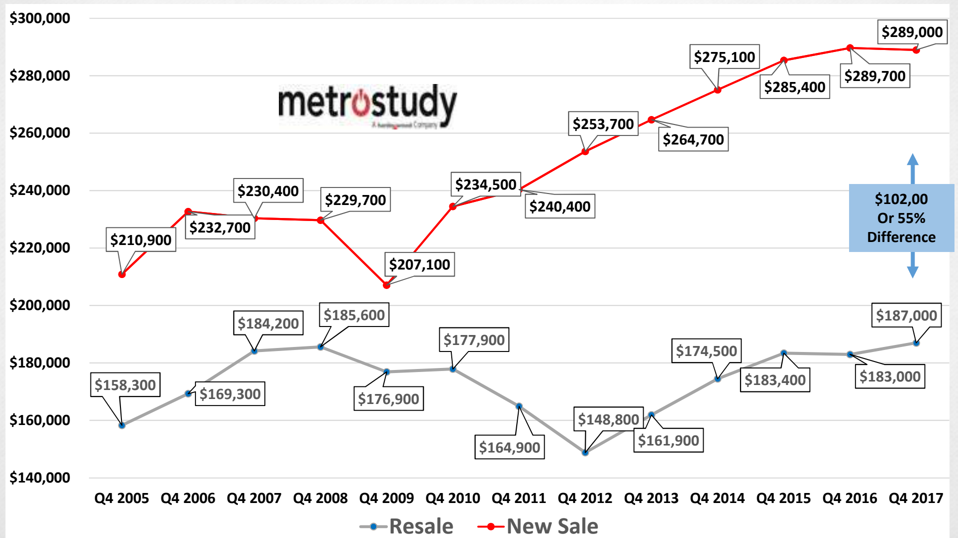
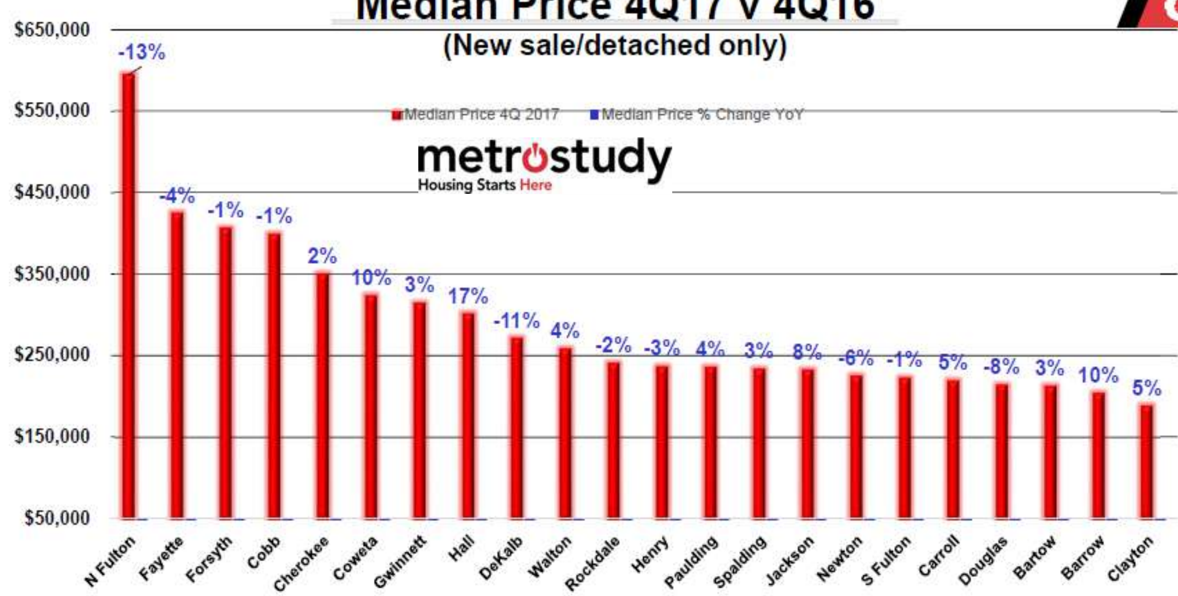
Atlanta Median New and Resale Price Trends (detached only)

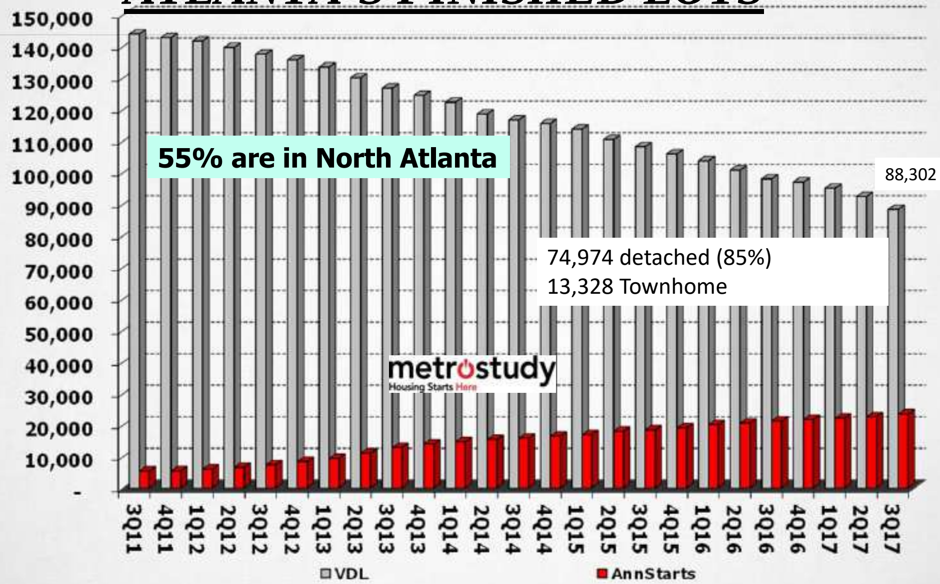


Median Price 4Q17 v 4Q16

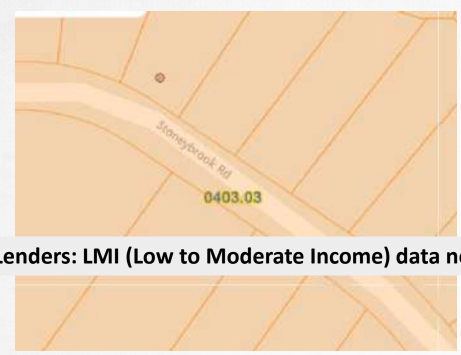
(New sale/detached only)



ATLANTA'S FINISHED LOTS



Atlanta Mortgage Lenders



Lenders: LMI (Low to Moderate Income) data now available in Metrosearch!

63% of all loans had a mortgage (37% paid all cash)
25% of all loans were FHA loan types 12/31/17

The following reports (and many others) can currently be run in the Metrosearch Property Analysis System. Go to reports, Lender Analysis, Lender and Loan Summary, sort by number of loans

Top Mortgage Lenders as of 4Q17
Atlanta MSA (annual)

Rank	Lender	Number of Loans	Volume	Loan Type: Conv	FHA	VA	Other
1	HOMESTAR FINANCIAL CORP	4,307	$757,892,188	1,554	2,450	293	10
2	FIDELITY BANK	4,153	$1,114,211,372	2,861	747	218	327
3	WELLS FARGO HOME MORTGAGE	3,169	$952,139,137	2,444	65	118	542
4	QUICKEN HOME LOANS	3,017	$649,846,576	2,025	708	223	61
5	FAIRWAY INDEPENDENT MORTGAGE COMPANY	2,485	$555,448,418	1,604	683	148	50
6	SUPREME LENDING	2,344	$527,062,414	1,508	690	107	39
7	NEW AMERICAN FUNDING	2,028	$407,425,657	744	1,093	187	4
8	SOUTHEAST MORTGAGE	1,883	$401,175,035	774	905	184	20
9	BANK SOUTH MORTGAGE	1,798	$463,796,442	1,166	459	101	72
10	SUNTRUST	1,692	$674,171,435	1,007	109	41	535
11	UNITED WHOLESALE MORTGAGE	1,687	$381,977,734	1,475	150	37	25
12	BRAND MORTGAGE GROUP LLC	1,661	$406,664,547	995	520	68	78

AVERAGE LOAN AMOUNT = $233,900

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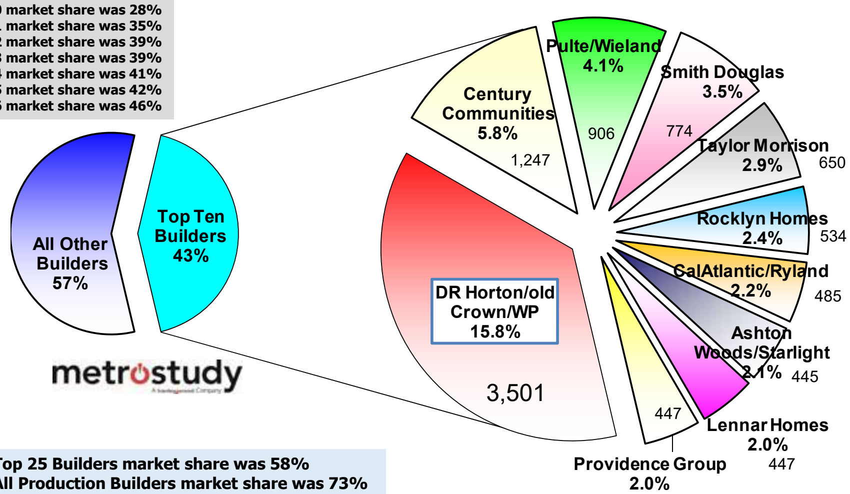
Atlanta Region: 4Q17
Top Ten Builders Market Share of Annual Closings

2009 market share was 22%
2010 market share was 28%
2011 market share was 35%
2012 market share was 39%
2013 market share was 39%
2014 market share was 41%
2015 market share was 42%
2016 market share was 46%



Top 25 Builders market share was 58%
All Production Builders market share was 73%

Total Annual Closings as of 4Q 2017 = 22,182

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