

U.S. Real Estate Market Outlook

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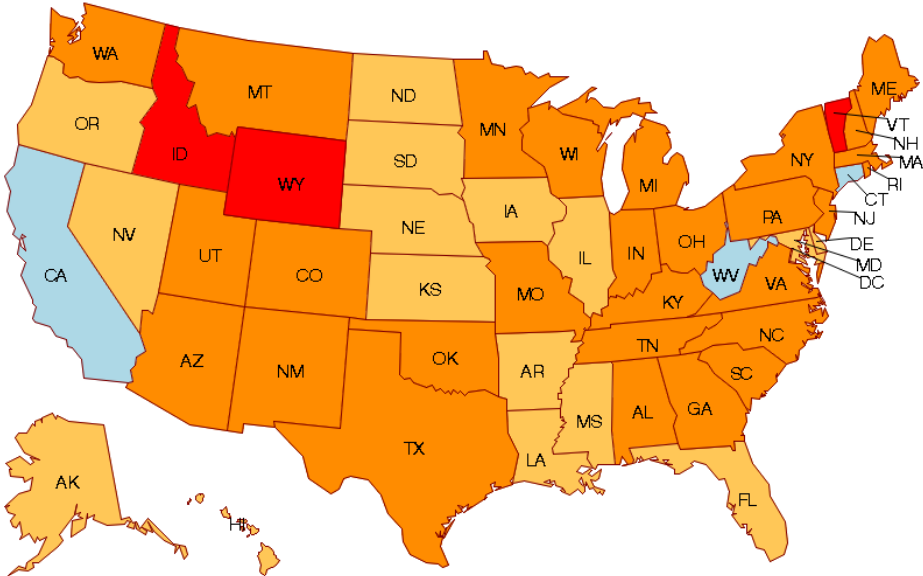
Presentation at SelectUSA Investment Summit
Washington, DC

June 10, 2019

Consumer Confidence Remains High



REALTORS® Buyer Traffic Index



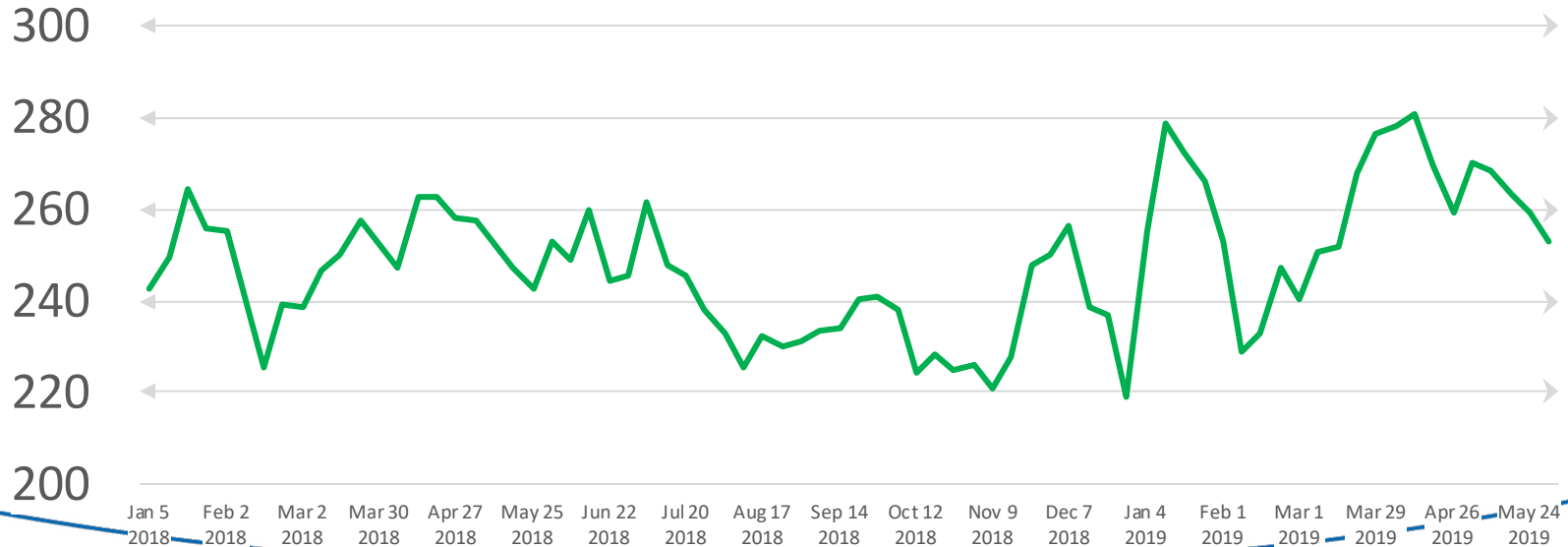
REALTORS® Buyer Traffic Index

Weak (25+ to 45) Stable (45+ to 55) Strong (55+ to 75) Very Strong (75+)

Mortgage Purchase Applications

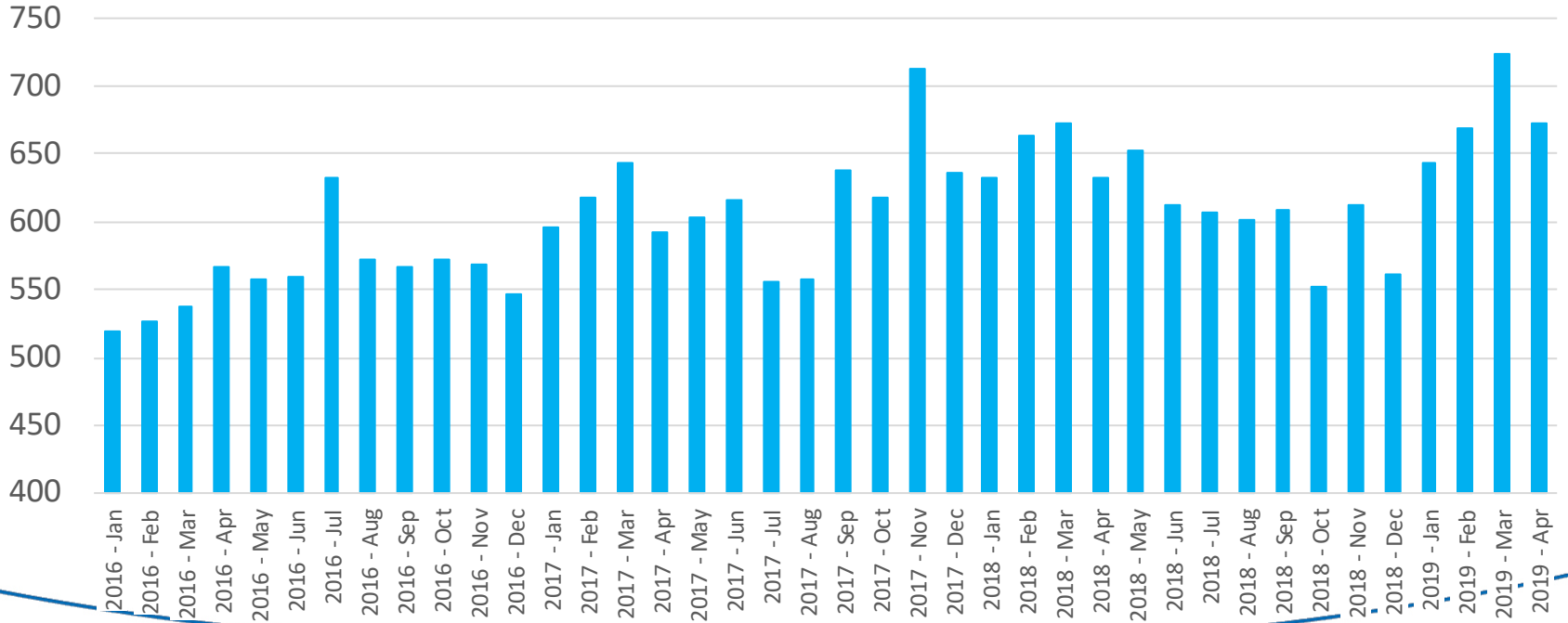
(Higher compared to a year ago)

4-week moving average

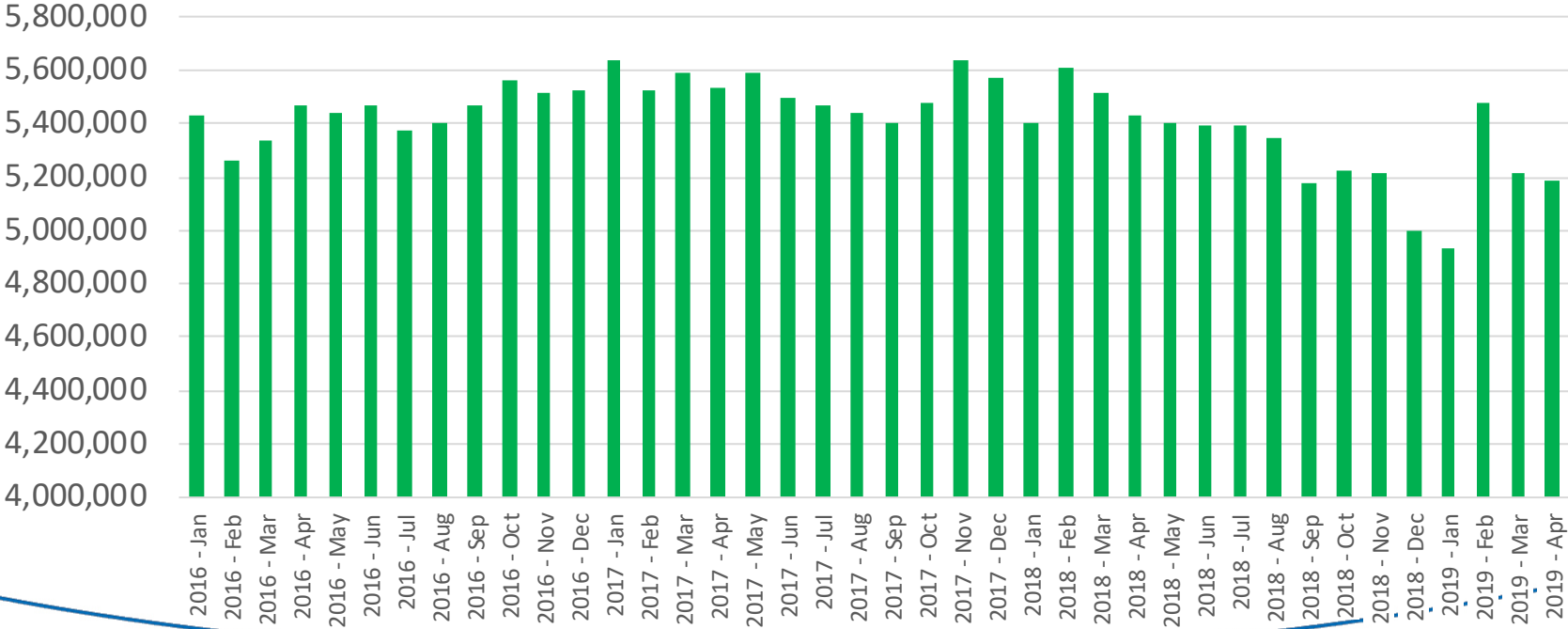


National New Home Sales

(in thousand units)

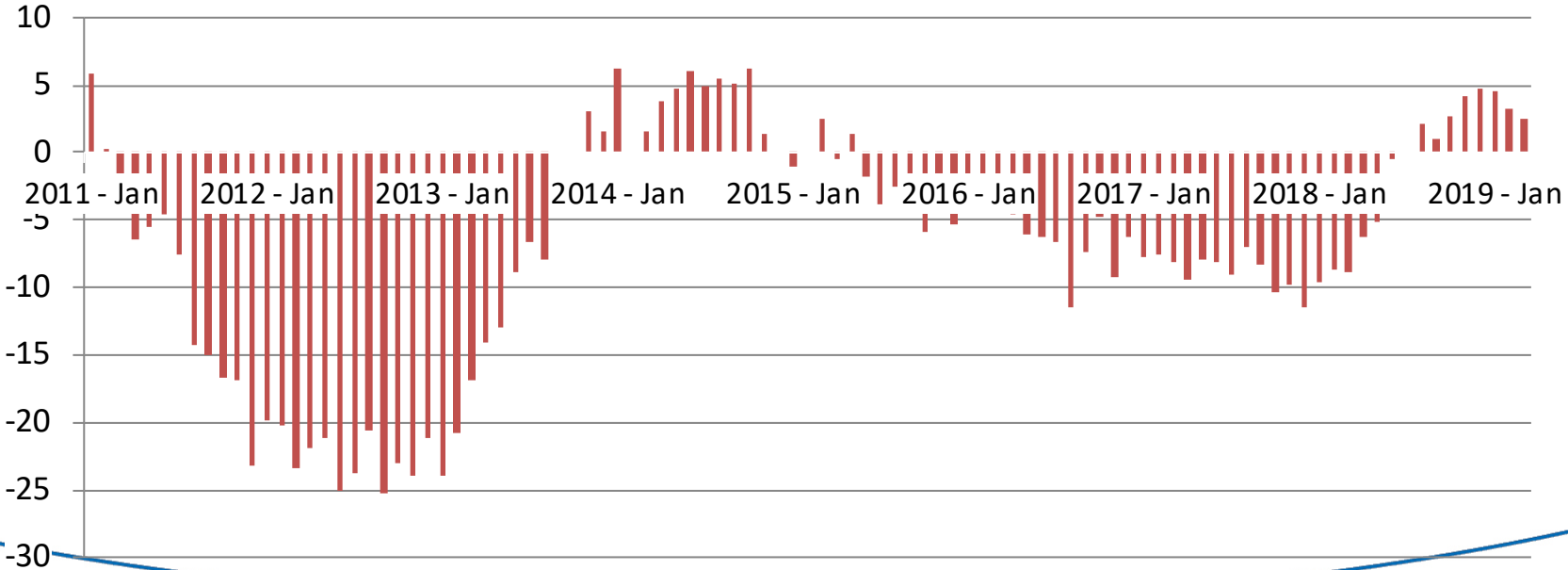


National Existing Home Sales



Inventory Growth:

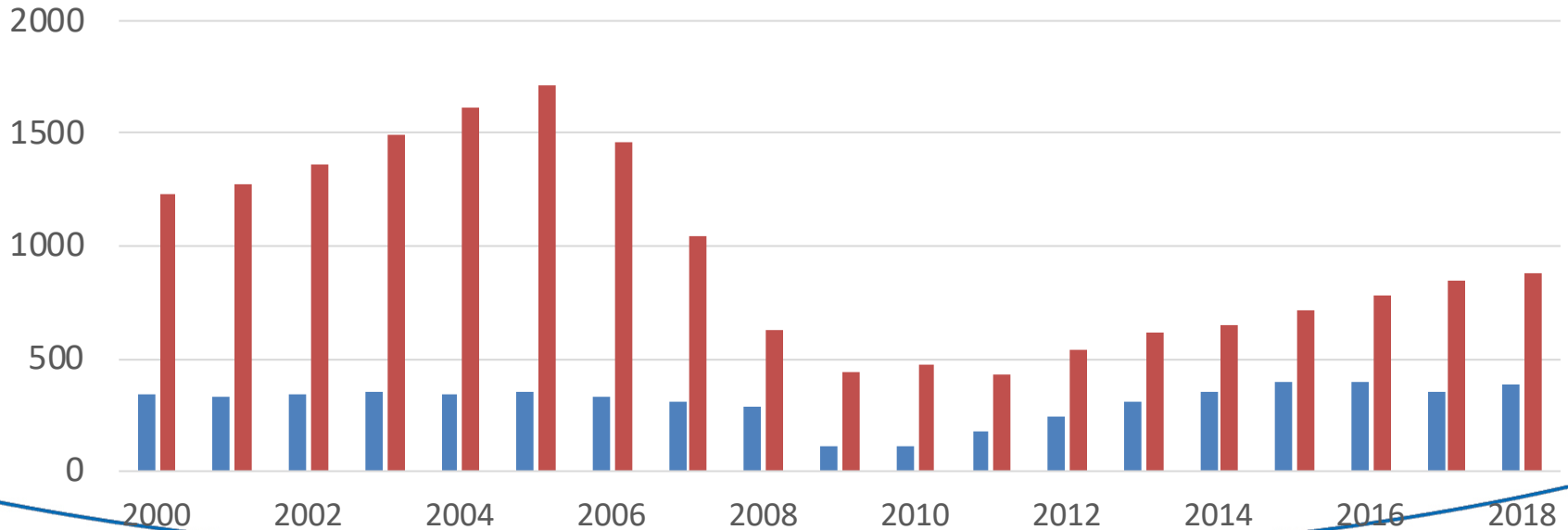
(% change from one year ago)



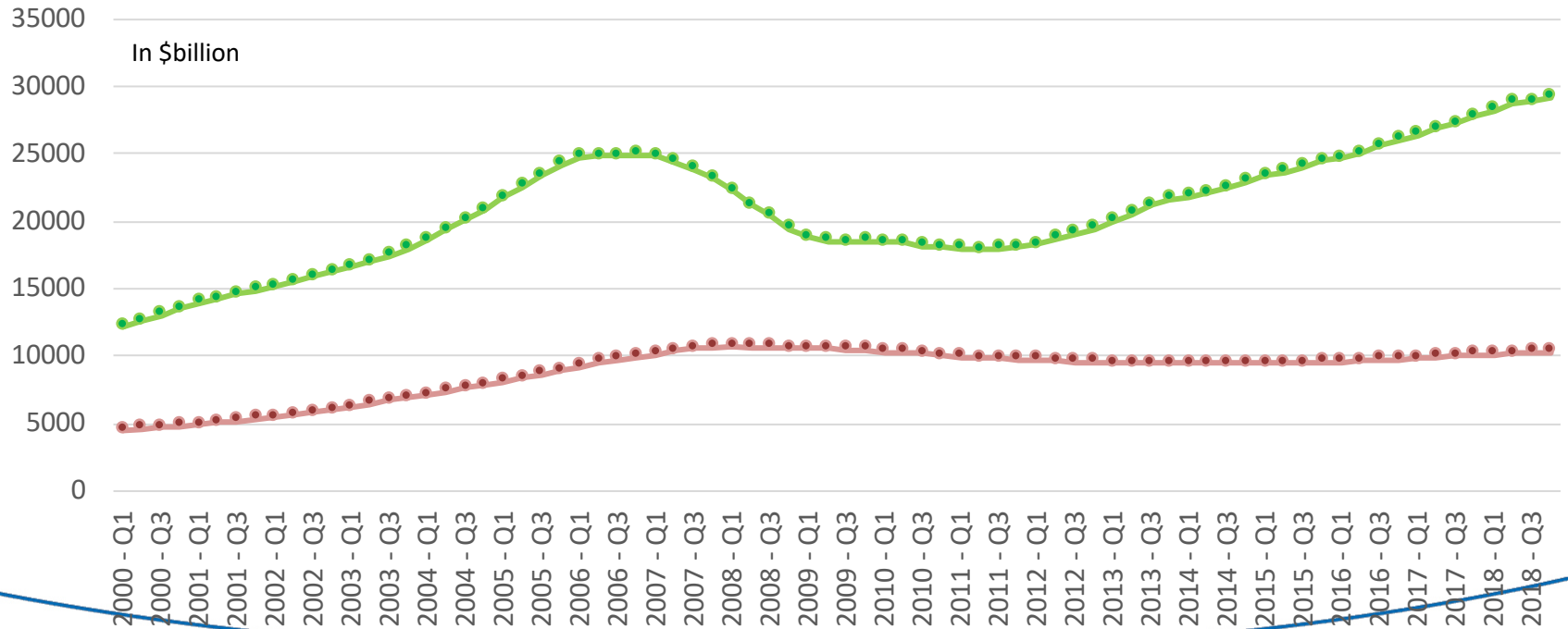
Source: NAR

U.S. Housing Starts ... Not Enough Short by 5 to 6 million units

■ Multifamily ■ Single-Family

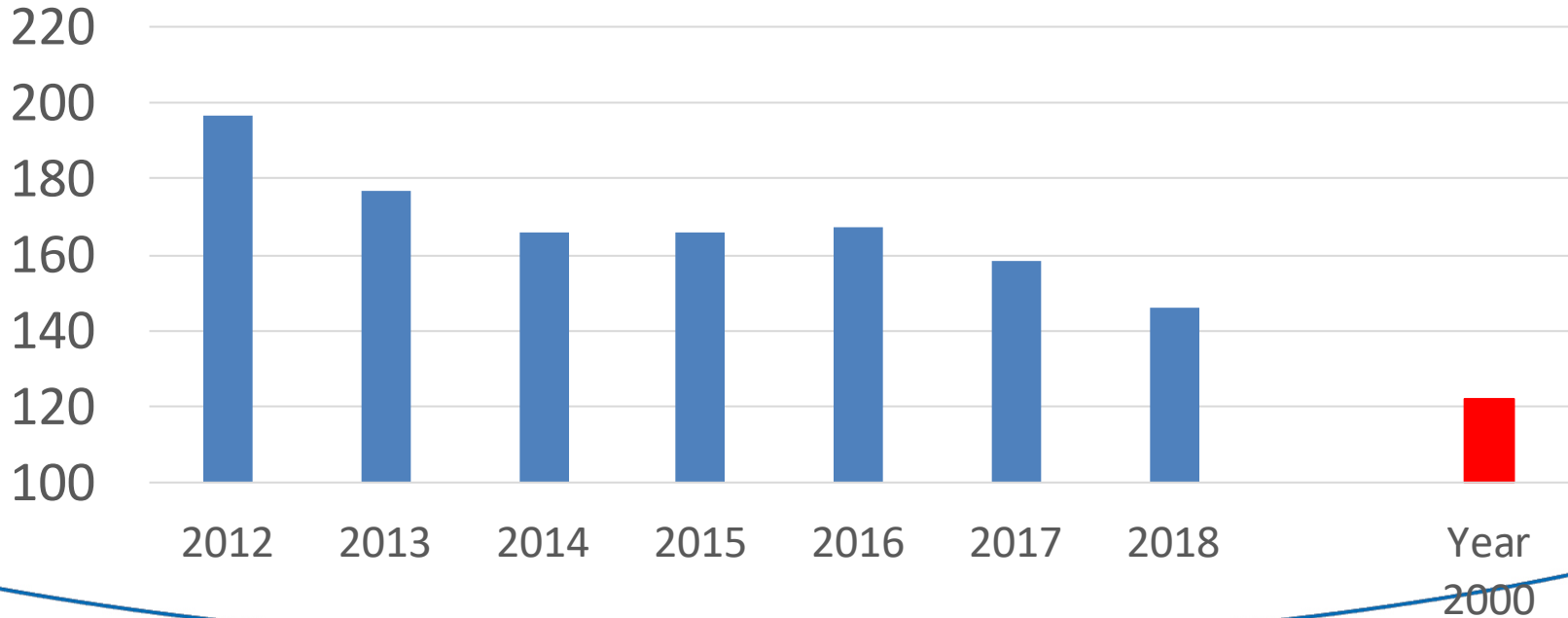


Rising Home Price means Rising Real Estate Wealth (Total Asset – Outstanding Mortgage)



Sinking Housing Affordability Index

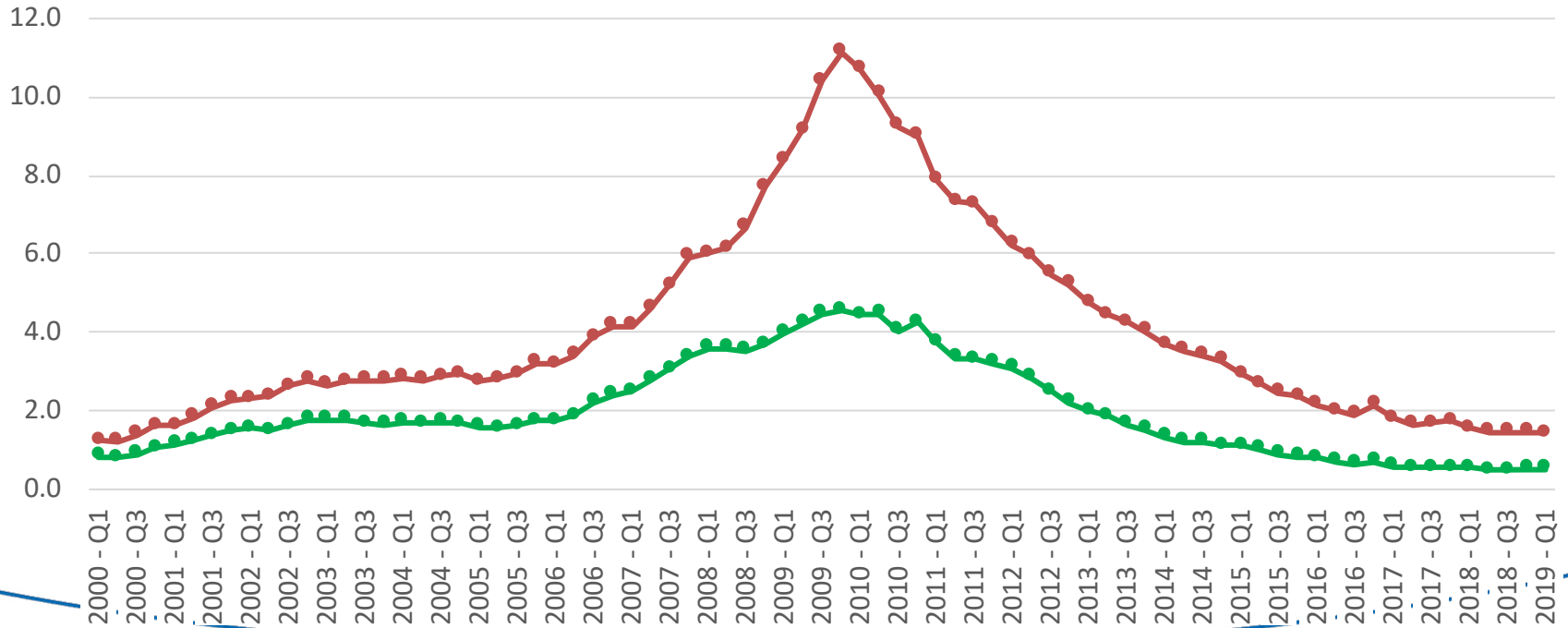
– though still above the level set in 2000



Mortgage Rate



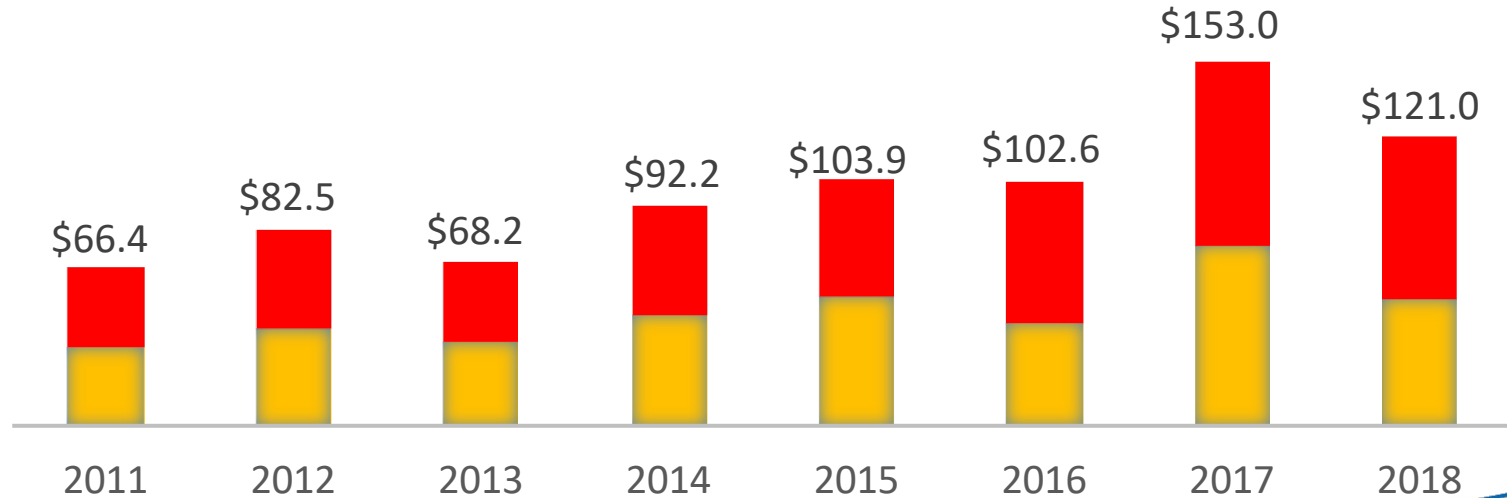
Mortgages Performance in Michigan Foreclosure and Seriously Delinquent (%)



2000 versus 2019 comparison

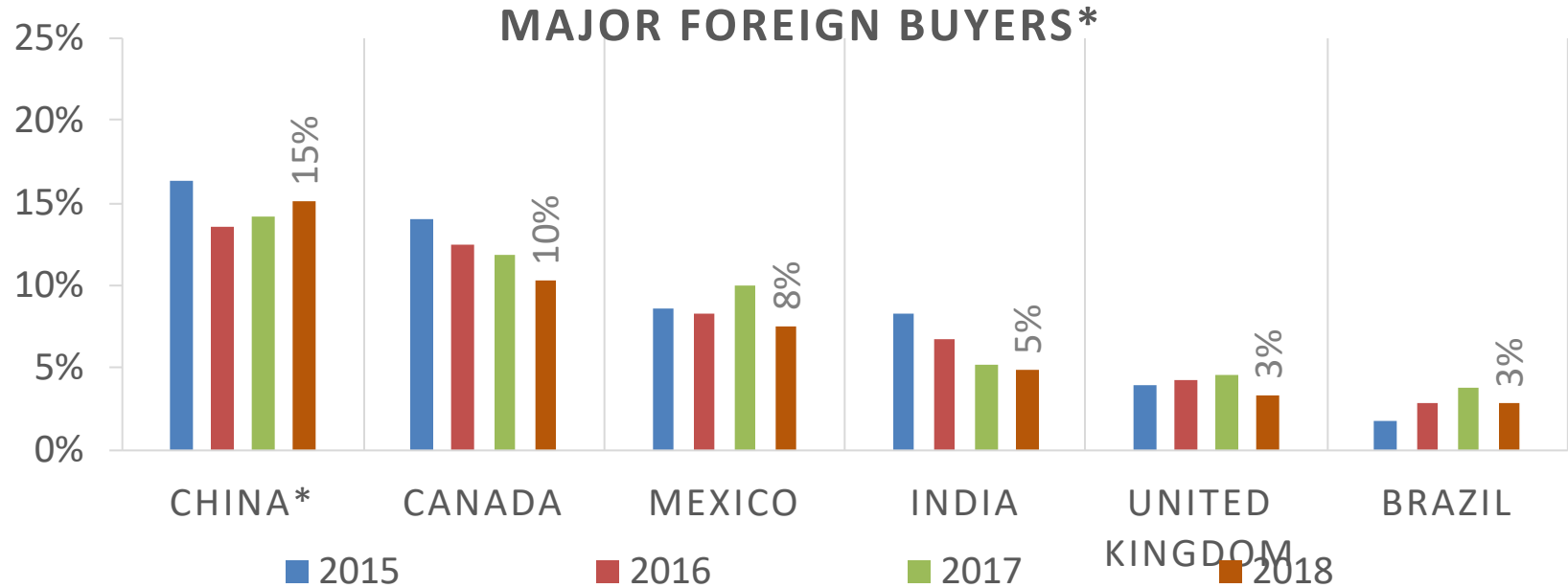
	2000	2019	Comment
Housing Affordability	122	146	Better
30-year mortgage rate	8.1%	4.5%	Better
Population	282 million	329 million	Better
Population (16 yrs old and over)	218 million	263 million	Better
Households	103 million	122 million	Better
Jobs	132 million	152 million	Better
Total Home Sales (New + Existing)	6.1 million	5.9 million	Worse

Global Dimension of Home Buyers in the U.S. (Foreigners and Recent Immigrants in \$billion)



Note: Based on transactions in the 12 months ending March of each year.

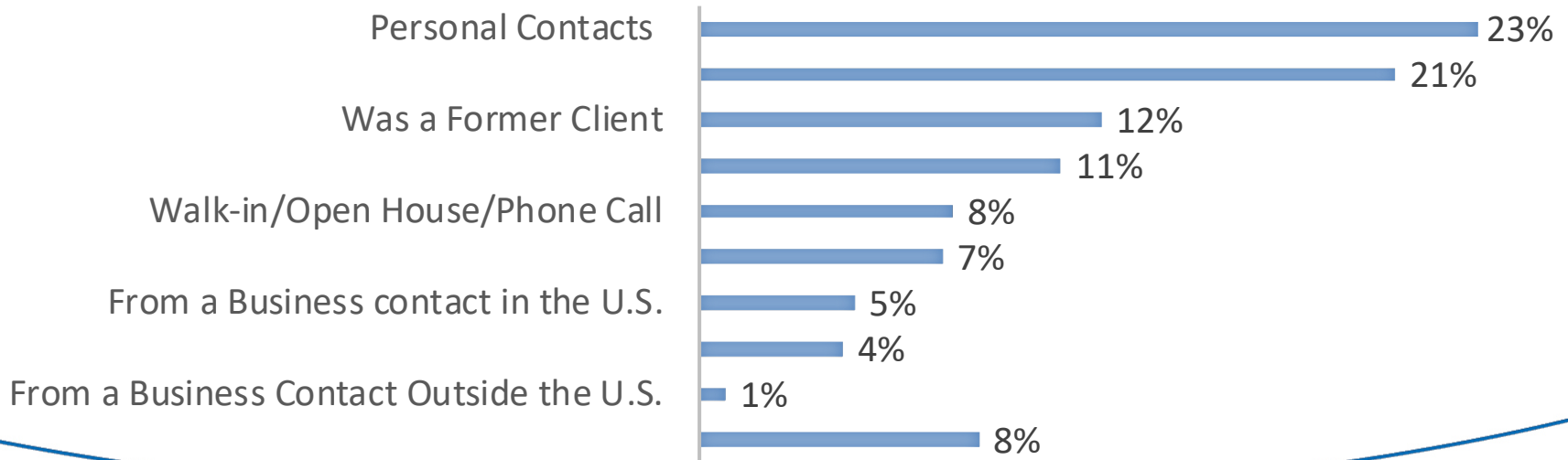
Top Foreign Buyers From: China, Canada, Mexico, India, U.K., Brazil



*China includes People's Republic of China, Hong Kong, and

62 percent of leads/referrals were personal or business contacts and former clients

SOURCE OF REFERRALS OR LEADS ON FOREIGN RESIDENTIAL BUYERS



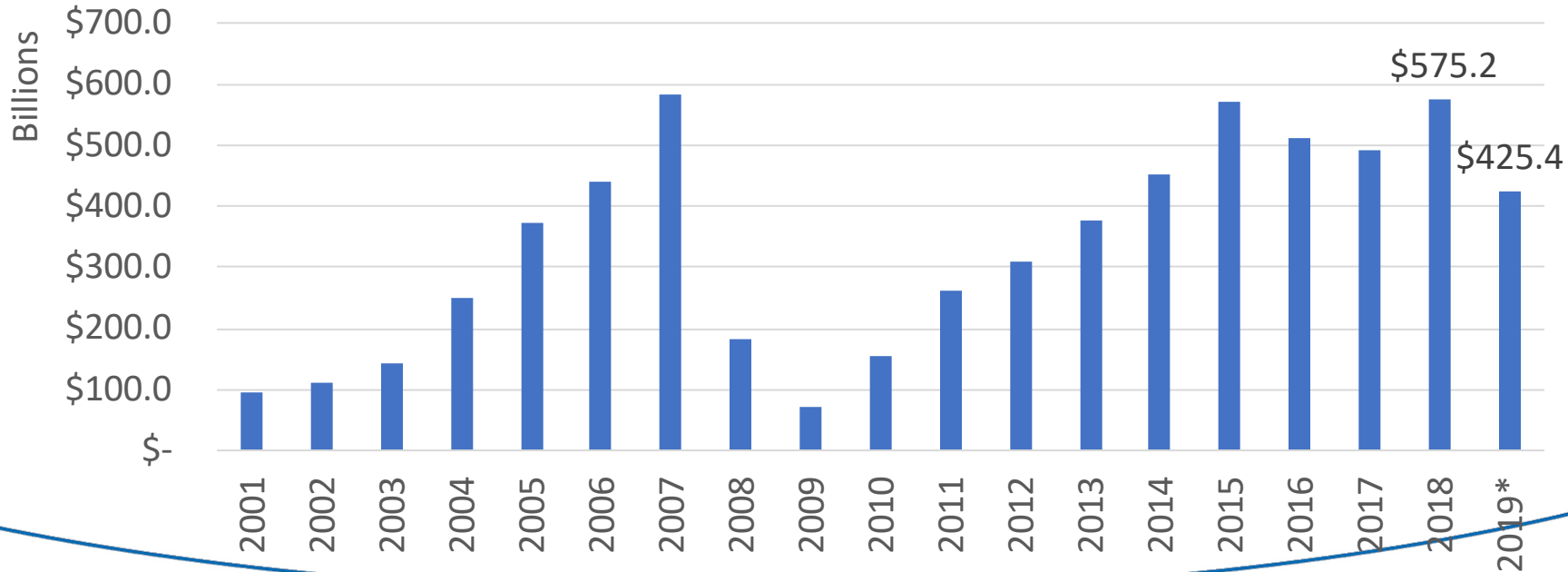
Commercial Economic Issues and Trends Forum



Commercial Real Estate Trends

2019 a Good Year for \$2.5M+ Market, But Slowdown in 2019 Q1

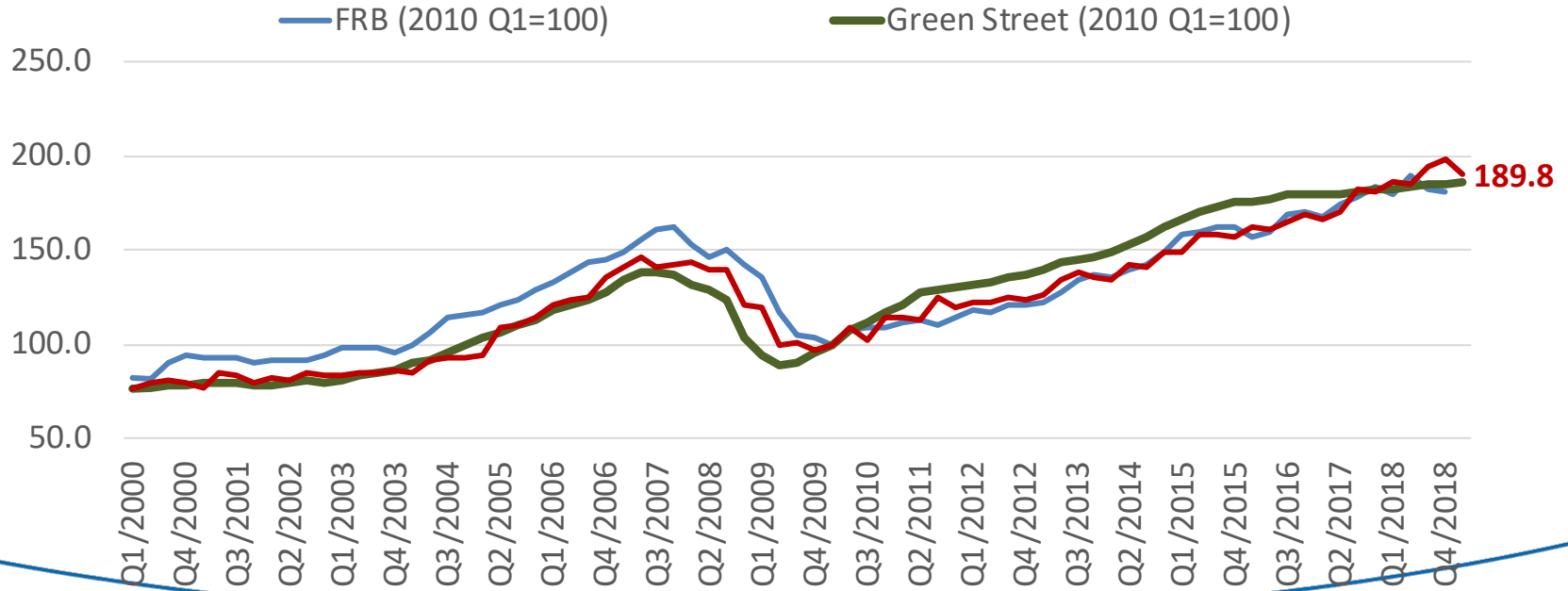
Dollar Volume of Transactions



*For \$2.5M and above. 2019 figure is annualized figure based on 2019 Q1 of \$106.35Bn

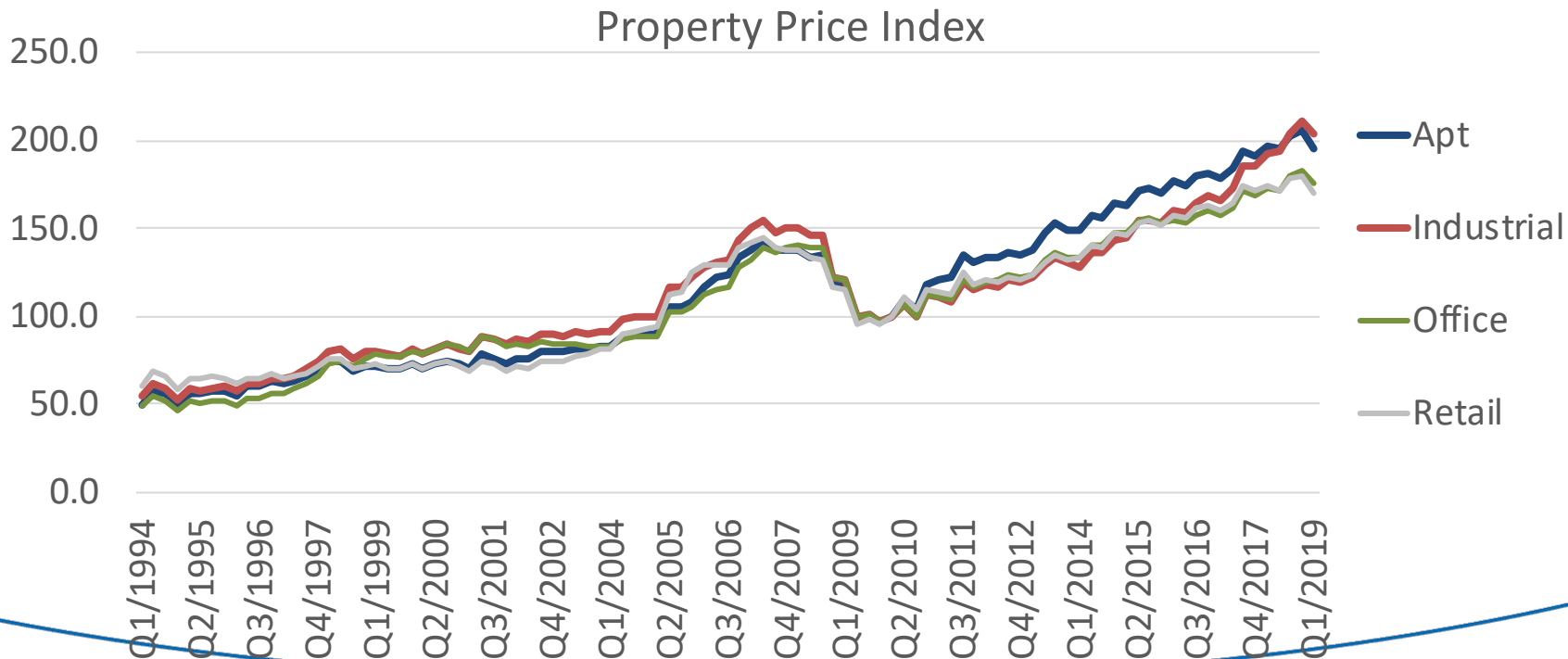
Commercial Prices Still Trending Up

(90% gain since 2010 Q1 based on NCREIF)



Apartment and Industrial: Best Asset Classes

(NCREIF Index- Industrial up 103.7% and apartment 96% since 2009 Q1)

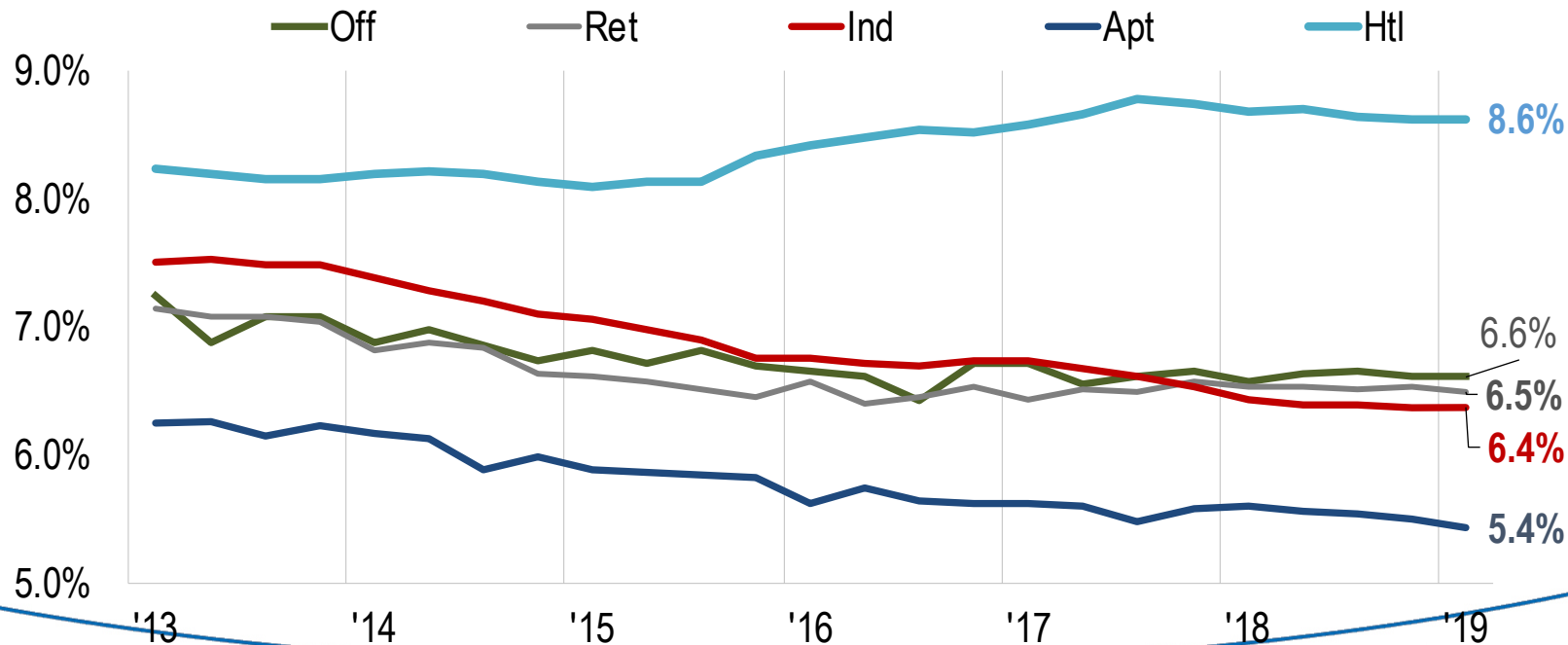


Source: Real Capital Analytics Commercial Real Estate Price Index



Cap Rates Falling for all Property Types

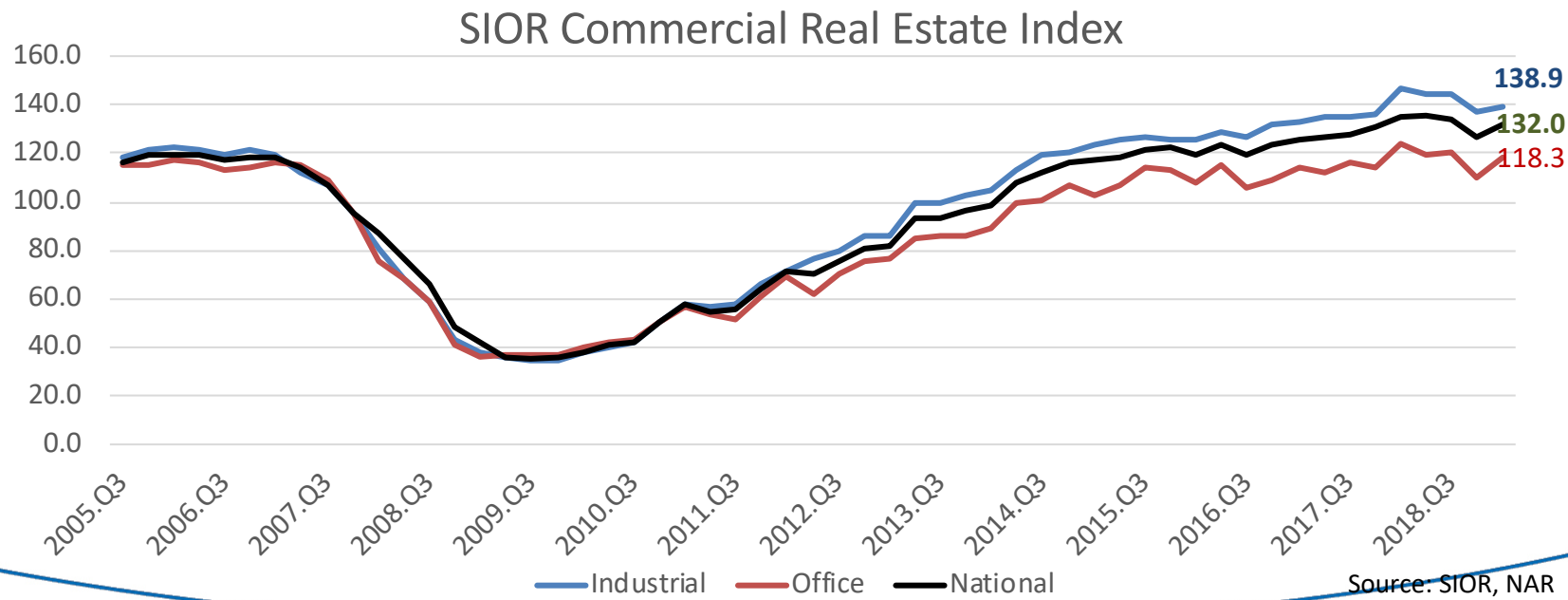
(as of 2019 Q1; \$2.5 M + Transactions)



Source: Real Capital Analytics Commercial Real Estate Price Indices



SIOR Members Reported Stronger Conditions in Industrial and Office Market from One Year Ago



NAR's U.S. Economic Outlook: No Recession

(as of May 2019)

	2017	2018	2019	2020
GDP Growth	2.2	2.9	2.5	2.0
Unemployment rate	4.4	3.9	4.0	4.1
30-yr mortgage rate	4.0	4.5	4.3	4.6
Housing Starts ('000)	1,203	1,250	1,266	1,400
Single-family	849	876	910	1,010
Multi-family	354	374	356	390

Thank You !