

# The Barclays Real Estate A.G.E.N.T.

(Analyzing, Gauging, & Exploring Neighborhood Trends)

## U.S. Homebuilding & Building Products

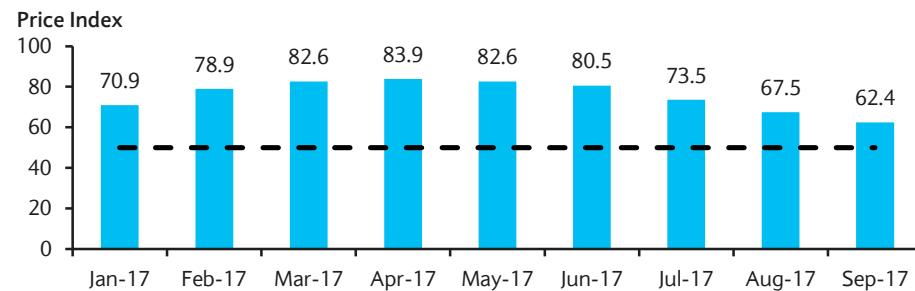
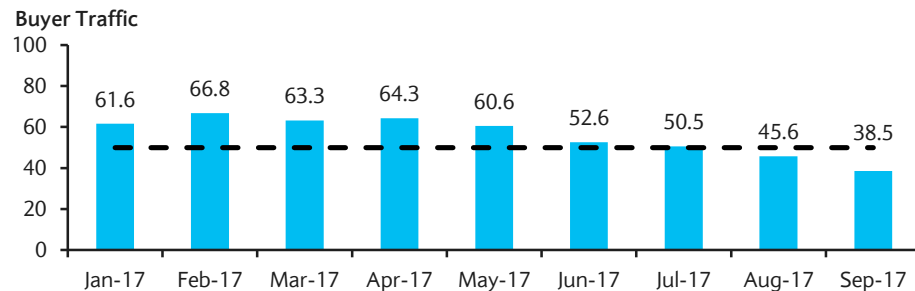
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## Homebuilding & Building Products

October 13, 2017



Source: Barclays Research

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PLEASE SEE ANALYST CERTIFICATIONS AND IMPORTANT DISCLOSURES BEGINNING ON PAGE 46.

# September Real Estate A.G.E.N.T. Survey

## Traffic Challenges Broaden Even Outside of Storm Impacts

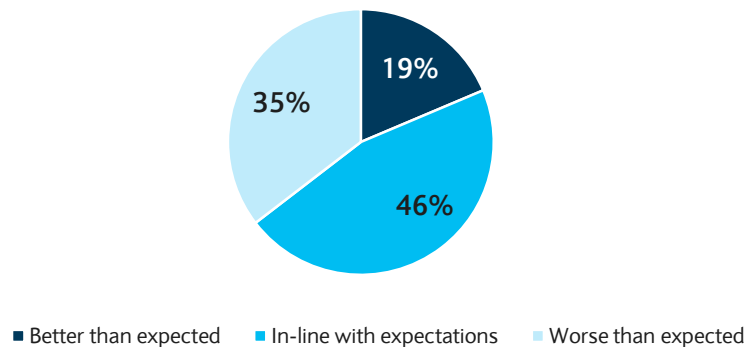
**Traffic Falters in September:** Our Buyer Traffic Index took a meaningful step back in September, falling to 39 from 46 in August and indicating trends were below agents' seasonal expectations. While a portion of the m/m decline can certainly be attributed to recent hurricane challenges, even excluding Houston and Florida our buyer traffic was still down 5 pts m/m to 41. In the weather-impacted regions, agents expect activity to continue to be weighed down indefinitely as properties on the market and existing structures owned by potential buyers undergo repairs. Elsewhere, prospective buyers continue to be deterred by a persistent shortage of affordable inventory. Agents frequently highlighted buyer pushback to rising home prices, but we continue to hear more about sellers holding price instead of discounting. By price-segment, we saw a pullback across product types, with entry-level, move-up and active adult still viewed favorably while the luxury segment remains challenged.

**Majority of markets missing expectations:** In September, only 3 of the 40 markets we survey saw better than expected traffic (8 vs. August), 11 saw traffic in-line (12 in August), and 26 pointed to lower than expected traffic (20 in August). Florida and the Pacific Northwest were the weakest regions this month. Texas also moderated on declines in San Antonio and Dallas. California trends slipped but remain above the national average. The Northeast was solid this month, with traffic trends in Boston and New York both in-line with expectations.

**Breadth of price increases narrows:** Our Home Price Index came in at 62 in September vs. 68 in August. Of the 40 markets we survey, 28 saw higher prices m/m in September (30 in August), 9 markets experienced flat prices (8 in August), and 3 markets saw lower prices m/m (2 in August). The strongest price readings were seen in Orange County, Las Vegas, Raleigh, Kansas City and Boston.

Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	64.3	83.9	48.6	60.1	68.0
May-17	60.6	82.6	47.5	56.9	66.5
Jun-17	52.6	80.5	46.3	55.5	56.9
Jul-17	50.5	73.5	46.6	53.9	50.1
Aug-17	45.6	67.5	45.9	57.6	47.5
Sep-17	38.5	62.4	40.1	56.1	43.2
Change	(7.2)	(5.1)	(5.8)	(1.5)	(4.4)

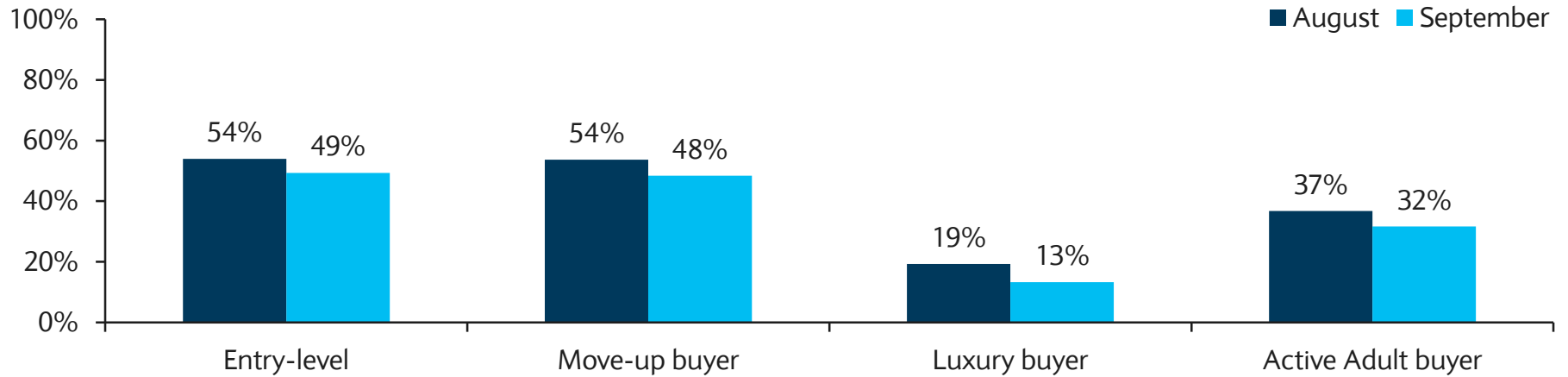
September Buyer Traffic Index of 38.5



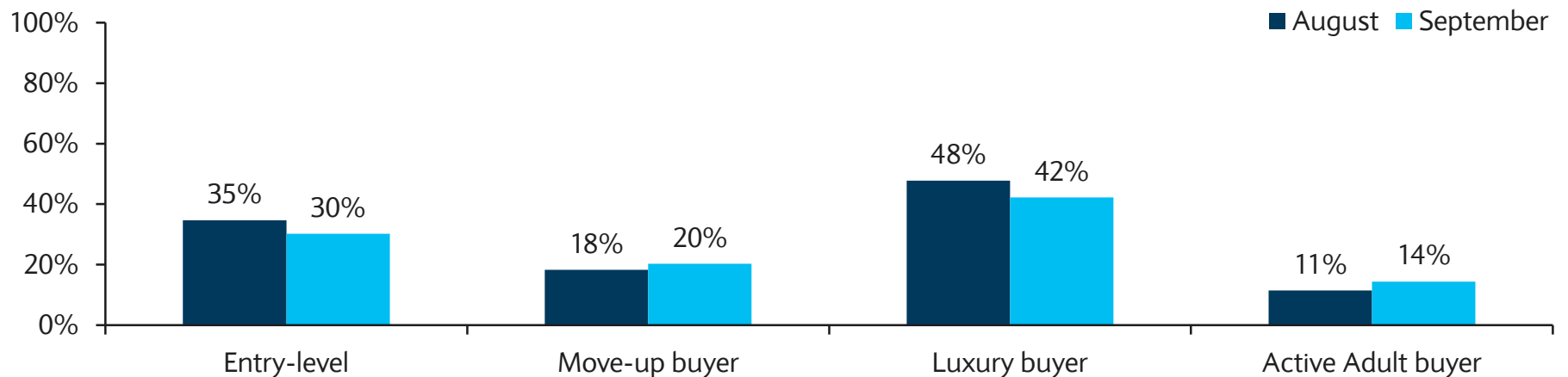
Source: Barclays Research

# Buyer Segment Trends: All Segments Facing Pressure in September

## % of Respondents Seeing Improving Trends by Buyer Segment



## % of Respondents Seeing Worsening Trends by Buyer Segment



Source: Barclays Research

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Source: Barclays Research

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# Atlanta, GA – Lack of Reasonably Priced Inventory Keeps Buyers Sidelined

(22,931 single-family building permits in 2016, 3<sup>rd</sup> largest market in the country)

## Our Take:

- Traffic trends rebounded this month, though remain at levels below agents' expectations. Our Buyer Traffic Index increased to 38 in September, up from 25 in August. Agents commented that the lack of inventory and elevated prices have deterred many buyers. Others noted that demand had been supported by low mortgage rates and stronger trends at lower price points.
- Home prices moved slightly higher this month. Our Home Price Index landed at 56 in September, down from a reading of 75 in August. Agents pointed to a longer time needed to sell a home vs. August.

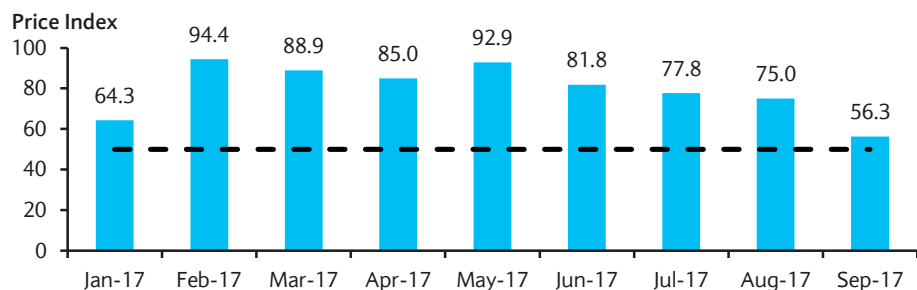
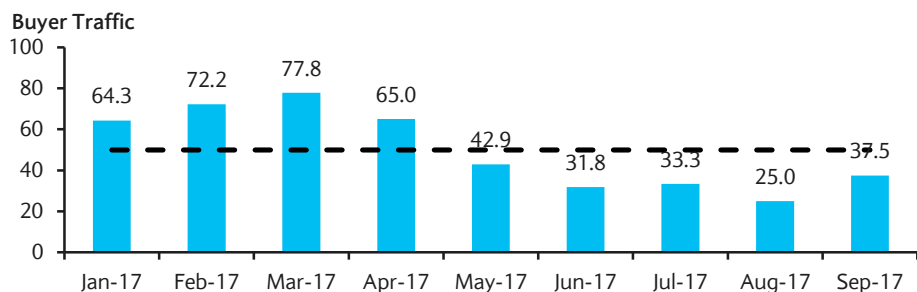
## Traffic Status:



## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	65.0	85.0	50.0	50.0	65.0
May-17	42.9	92.9	57.1	64.3	71.4
Jun-17	31.8	81.8	40.0	63.6	59.1
Jul-17	33.3	77.8	21.4	44.4	27.8
Aug-17	25.0	75.0	38.9	75.0	50.0
Sep-17	37.5	56.3	43.8	50.0	25.0
Change	12.5	(18.8)	4.9	(25.0)	(25.0)



Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau

## Local Real Estate Agent Comments:

- “Weather has been a factor in the recent showings and sales.”
- “Low inventory and prices above buyer expectation.”
- “Low rates.”
- “High-end homes over \$800k sitting on the market. Low-end moving.”

# Austin, TX – Price Cuts Help to Drive Some Activity

(13,609 single-family building permits in 2016, 6<sup>th</sup> largest market in the country)

## Our Take:

- Traffic conditions improved in September but remained below agents' expectations. Our Buyer Traffic Index rose to 31 this month, up from 19 in August. Agents indicated that too many homes are sitting on the market right now, especially at the luxury price points. This helped contribute to some price reduction in the markets.
- Our Home Price Index came in at 46 this month, just below a neutral 50 and pointing to slightly lower prices m/m. We think price may continue to face some pressure given the weak levels of our Listings and Time to Sell Indexes.

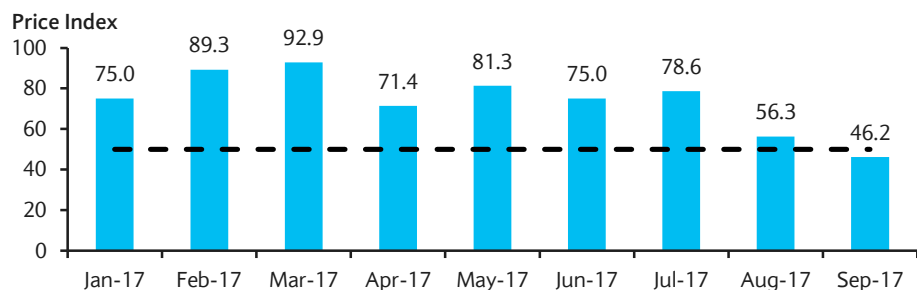
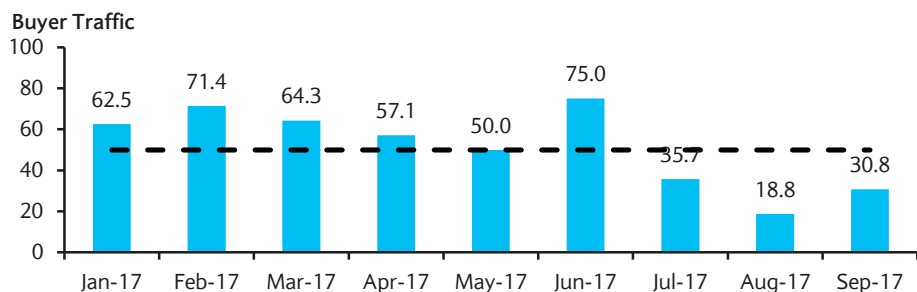
## Traffic Status:



## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	57.1	71.4	42.9	42.9	35.7
May-17	50.0	81.3	18.8	43.8	37.5
Jun-17	75.0	75.0	25.0	31.3	43.8
Jul-17	35.7	78.6	28.6	35.7	35.7
Aug-17	18.8	56.3	31.3	31.3	6.3
Sep-17	30.8	46.2	20.8	26.9	11.5
Change	12.0	(10.1)	(10.4)	(4.3)	5.3



Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau

## Local Real Estate Agent Comments:

- “Too many homes on the market.”
- “Still looking at a sellers’ market if the house is great.”
- “Slow luxury market. Several market segments experiencing unrealistic pricing.”
- “Austin market experiencing price corrections after a robust early summer market.”

# Baltimore, MD – Traffic Settles at Lower Levels

(4,697 single-family building permits in 2016, 37<sup>th</sup> largest market in the country)

## Our Take:

- Traffic worsened this month, with our index falling to levels indicating trends below agents' expectations. Our Buyer Traffic Index came in at 36 in September, down from 50 in August. Agents were focused on home price growth outpacing income growth in the market. Some felt this has contributed to activity cooling following strength in previous months. Others were optimistic that activity improved throughout September.
- Home prices rose slightly in September. Our Home Price Index landed at 57, lower than the reading of 80 in August. Agents indicated that the number of listings on the market edged higher, while it took less time to sell a home.

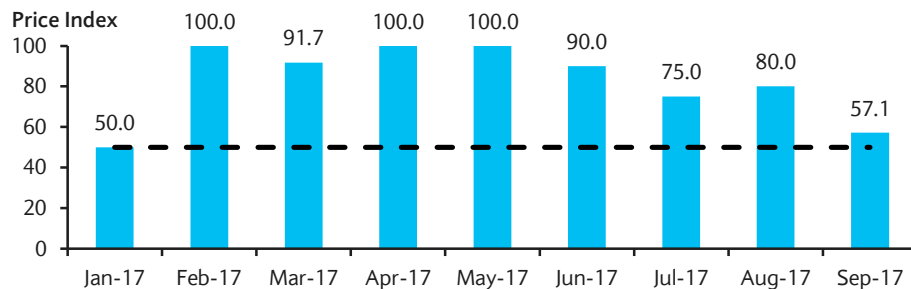
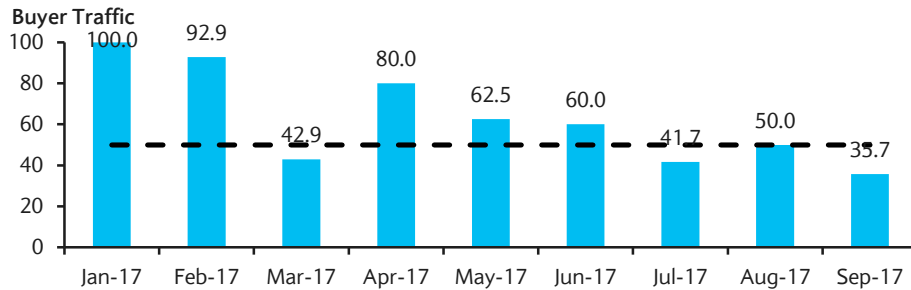
## Traffic Status:



## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	80.0	100.0	50.0	50.0	80.0
May-17	62.5	100.0	50.0	62.5	100.0
Jun-17	60.0	90.0	37.5	60.0	60.0
Jul-17	41.7	75.0	41.7	58.3	41.7
Aug-17	50.0	80.0	40.0	40.0	60.0
Sep-17	35.7	57.1	41.7	42.9	64.3
Change	(14.3)	(22.9)	1.7	2.9	4.3



## Local Real Estate Agent Comments:

- “House price increases have far exceeded income growth. Definite change in past 30 days in buyer demand.”
- “Limited inventory driving prices up beyond income growth.”
- “The spring hysteria wore off and the market is back to normal. Frothiness didn't last.”
- “Right after Labor Day showings picked up noticeably.”
- “It picked back up.”

Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau

# Boston, MA – Traffic In-line as Prices Move Higher

(5,268 single-family building permits in 2016, 31<sup>st</sup> largest market in the country)

## Our Take:

- Activity ticked higher this month, coming in at levels in-line with agents' expectations. Our Buyer Traffic Index landed at 50 in September vs. 46 in August. Agents suggested that the lack of inventory on the market was pressuring trends. This was seen contributing to higher home prices but many agents noted that buyers are unable to afford these higher home values. Broadly many noted buyer fatigue is growing.
- Home prices increased again in September. Our Home Price Index came in at 75 this month, little changed from August. Agents noted slightly fewer listings on the market this month and it took a bit less time to sell a home.

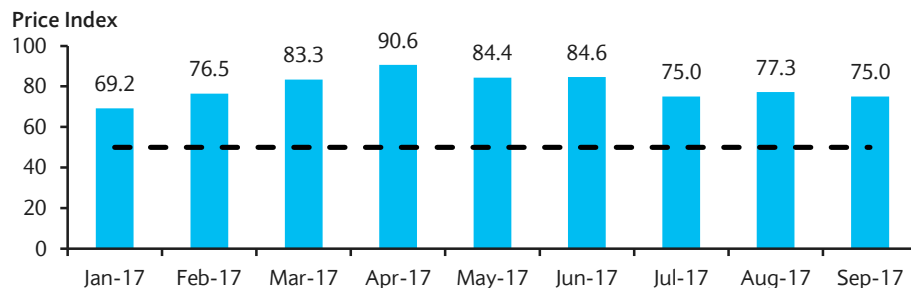
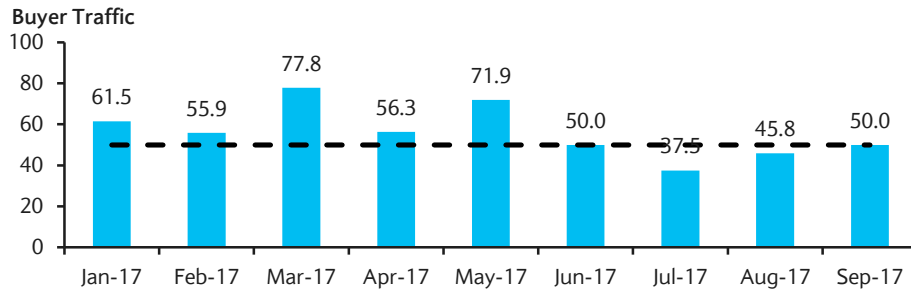
## Traffic Status:



## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	56.3	90.6	60.0	65.6	81.3
May-17	71.9	84.4	57.1	40.6	78.1
Jun-17	50.0	84.6	54.2	57.7	50.0
Jul-17	37.5	75.0	66.7	58.3	54.2
Aug-17	45.8	77.3	55.0	72.7	54.5
Sep-17	50.0	75.0	47.2	55.6	58.3
Change	4.2	(2.3)	(7.8)	(17.2)	3.8



## Local Real Estate Agent Comments:

- “Lack of supply.”
- “Lower inventory and buyer fatigue.”
- “More inventory.”
- “Higher prices depressing demands.”
- “Low inventory and rates.”
- “Much on the market is way overpriced.”
- “High prices are slowing the buyers' ability to pay or accept higher prices.”

Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau



# Charlotte, NC – Traffic Drops as More Move to the Sidelines

(12,989 single-family building permits in 2016, 7<sup>th</sup> largest market in the country)

## Our Take:

- Buyer activity took another step lower this month. Our Buyer Traffic Index dropped to 10 in September, down from 43 in August. Agents indicated that the drop in activity was due to a lack of inventory. Some see this tight supply contributing to more multiple offer situations in the market, which has been discouraging to buyers. Others suggested that buyer confidence may be fading.
- Home prices were seen rising again in September. Our Home Price Index landed at 70 this month little changed from August. Agents pointed to fewer listings on the market, while the time needed to sell a home was generally unchanged.

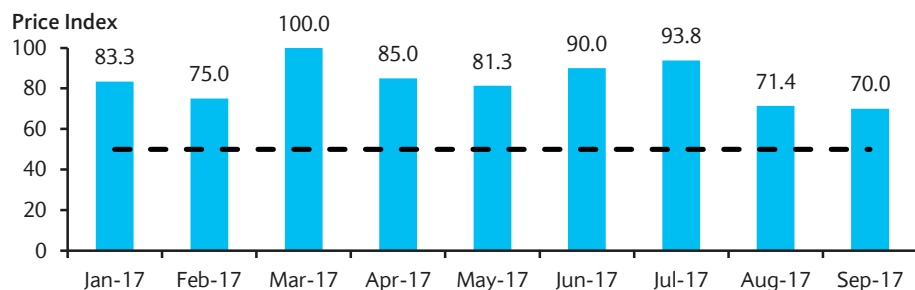
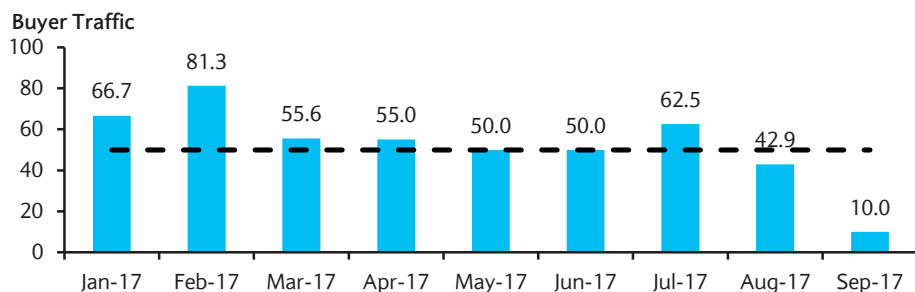
## Traffic Status:



## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	55.0	85.0	55.6	70.0	65.0
May-17	50.0	81.3	50.0	87.5	68.8
Jun-17	50.0	90.0	40.0	70.0	40.0
Jul-17	62.5	93.8	58.3	62.5	42.9
Aug-17	42.9	71.4	57.1	50.0	50.0
Sep-17	10.0	70.0	40.0	90.0	50.0
Change	(32.9)	(1.4)	(17.1)	40.0	0.0



Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau

## Local Real Estate Agent Comments:

- “Low inventory and multiple offers have slowed our buyer interest.”
- “Activity really slowed down.”
- “Growing buyer fear.”

# Chicago, IL – Traffic Steady but at Soft Levels

(8,118 single-family building permits in 2016, 17<sup>th</sup> largest market in the country)

## Our Take:

- Traffic conditions remained weak this month. Our Buyer Traffic Index landed at 32 in September, little changed from 28 last month. Agents noted that buyers backed off this month given the elevated prices and waning buyer confidence. At the same time, inventory levels are tight and buyers feel that the quality of listings don't quite match up with the level of home prices. Others were encouraged by entry-level home activity and the favorable mortgage rates.
- Home prices were flat this month. Our Home Price Index came in at 50, down from 56 in August. Agents indicated it took longer to sell a home vs. August.

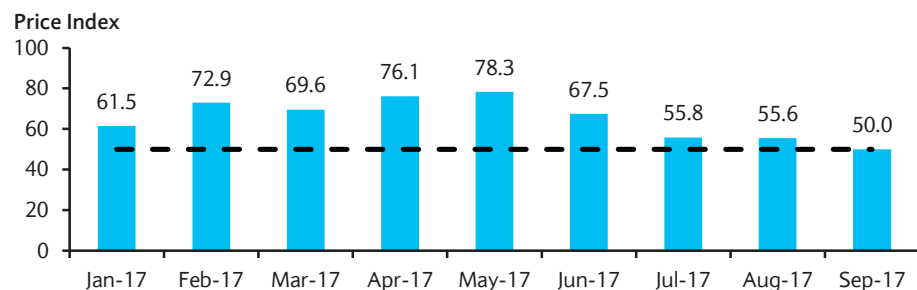
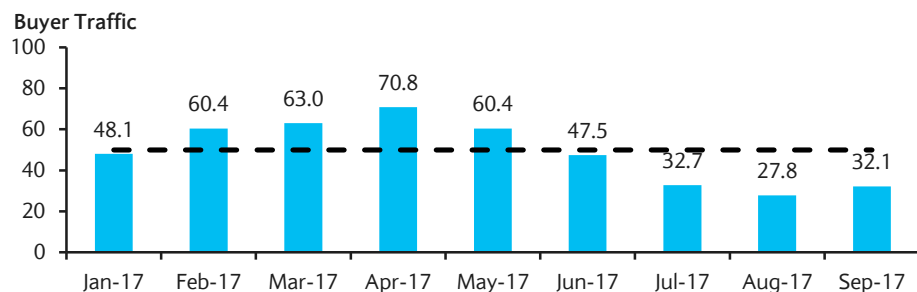
## Traffic Status:



## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	70.8	76.1	43.2	41.3	54.3
May-17	60.4	78.3	43.5	28.3	60.9
Jun-17	47.5	67.5	47.5	62.5	65.0
Jul-17	32.7	55.8	50.0	55.8	38.5
Aug-17	27.8	55.6	40.7	59.3	37.0
Sep-17	32.1	50.0	42.3	50.0	26.8
Change	4.4	(5.6)	1.6	(9.3)	(10.3)



Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau

## Local Real Estate Agent Comments:

- “Buyer confidence waning. Inventory low on entry-level homes. Demand at higher prices still stagnant.”
- “Existing offerings are overpriced.”
- “More supply and not the same level of buyers looking.”
- “The market seems to be moving right now with first-timers and investors. Interest rates appears to be the motivator right now.”
- “Lower interest rates. Escalating rental prices.”
- “Poor quality inventory.”

# Cincinnati, OH – Traffic Slips on a Lack of Supply

(3,932 single-family building permits in 2016, 46<sup>th</sup> largest market in the country)

## Our Take:

- Demand trends moderated in September, slipping to levels below agents' expectations. Our Buyer Traffic Index fell to 38 this month, down from 50 in August. Agents attributed the slowing this month to a lack of inventory on the market. Others more positive pointed to motivation from buyers' expectations of higher home prices and mortgage rates in the future.
- Home prices were generally flat this month. Our Home Price Index came in at 50, down from 100 in August. Agents noted that it took longer to sell a home this month, while the number of listings on the market was essentially unchanged.

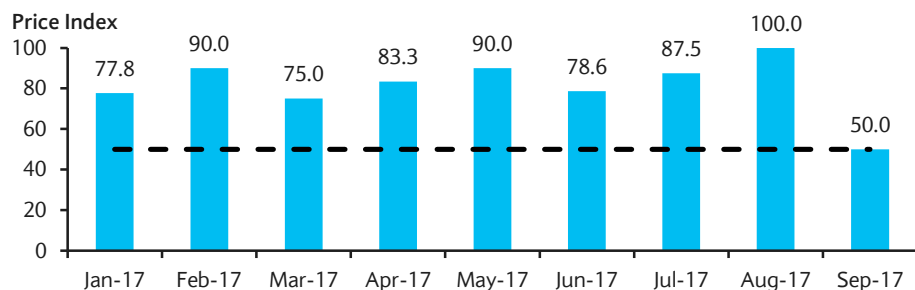
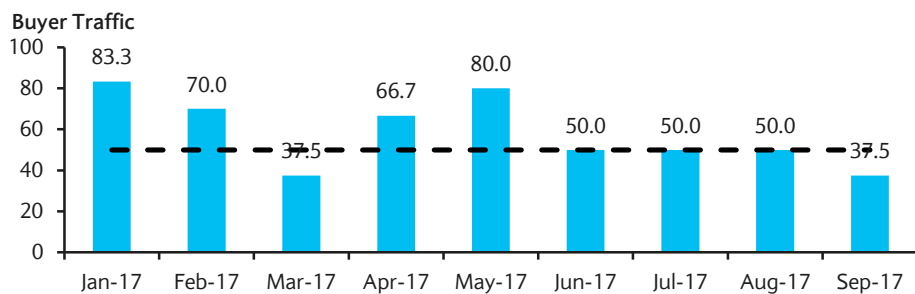
## Traffic Status:



## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	66.7	83.3	33.3	100.0	100.0
May-17	80.0	90.0	37.5	50.0	62.5
Jun-17	50.0	78.6	50.0	71.4	78.6
Jul-17	50.0	87.5	31.3	56.3	81.3
Aug-17	50.0	100.0	40.0	80.0	90.0
Sep-17	37.5	50.0	37.5	37.5	50.0
Change	(12.5)	(50.0)	(2.5)	(42.5)	(40.0)



Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau

## Local Real Estate Agent Comments:

- “Pricing and interest rates.”
- “Good market cooling just a bit but still very active.”
- “No buyers left.”
- “No homes available.”

# Columbus, OH – Luxury Challenges Continue

(4,040 single-family building permits in 2016, 43<sup>rd</sup> largest market in the country)

## Our Take:

- Traffic conditions improved this month, returning to levels in-line with agents' expectations. Our Buyer Traffic Index landed at 50 in September, up from 40 in August. Agents pointed to different trends this month by price point, noting demand for luxury homes was soft while mid and entry-level price points still seem healthy. Solid local economic activity was also seen supporting buyer interest.
- Home prices rose again this month. Our Home Price Index came in at 70 in September, unchanged from August. Agents noted that the number of listings on the market ticked higher this month, while more time was needed to sell a home.

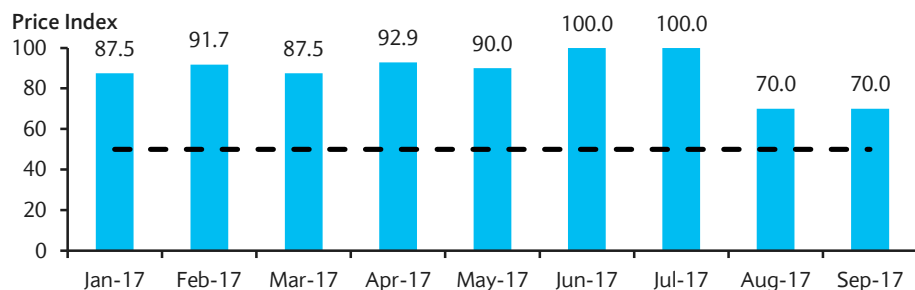
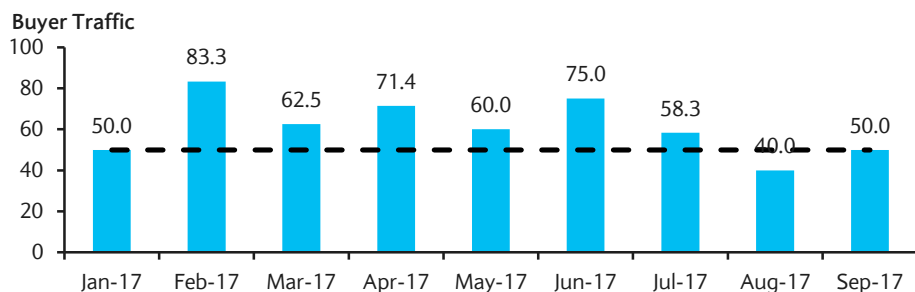
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## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	71.4	92.9	50.0	57.1	78.6
May-17	60.0	90.0	60.0	20.0	80.0
Jun-17	75.0	100.0	50.0	50.0	62.5
Jul-17	58.3	100.0	40.0	60.0	60.0
Aug-17	40.0	70.0	40.0	40.0	50.0
Sep-17	50.0	70.0	50.0	40.0	30.0
Change	10.0	0.0	10.0	0.0	(20.0)



Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau

## Local Real Estate Agent Comments:

- “Time of year. Traffic levels are in-line with expectation.”
- “Upper-end properties moving slower.”
- “Mid and lower have low market time still.”
- “Solid economy.”

# Dallas, TX – Traffic Softens for Second Straight Month

(29,846 single-family building permits in 2016, 2<sup>nd</sup> largest market in the country)

## Our Take:

- Demand conditions worsened this month, with traffic levels coming in below agents' expectations. Our Buyer Traffic Index declined to 34 this month from 47 in June. Agents highlighted the lack of urgency on the market. Some felt that low mortgage rates were supporting trends but the lack of selection limited transactions. Those more positive pointed to healthy economic activity .
- Home prices moved higher this month. Our Home Price Index landed at 58 in September, lower than August. Agents noted that there were more listings on the market this month and that it is taking a bit longer to sell a home.

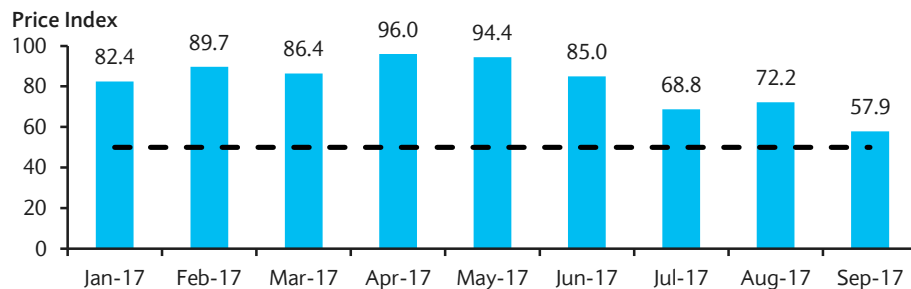
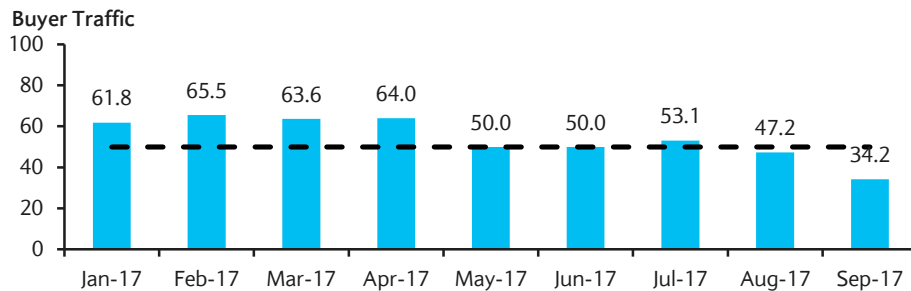
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Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	64.0	96.0	35.4	46.0	72.0
May-17	50.0	94.4	56.3	55.6	85.7
Jun-17	50.0	85.0	47.4	52.5	55.0
Jul-17	53.1	68.8	36.7	75.0	53.1
Aug-17	47.2	72.2	44.1	52.8	50.0
Sep-17	34.2	57.9	26.5	41.7	27.8
Change	(13.0)	(14.3)	(17.6)	(11.1)	(22.2)



## Local Real Estate Agent Comments:

- “Interest rates remaining low keep buyers interested, but low inventory impedes the buying process.”
- “There are a lot of buyers in a very low price range and it's hard to find them homes.”
- “No urgency.”
- “Healthy local economy.”

Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau

# Denver, CO – More Inventory, Just Not the Right Kind

(10,211 single-family building permits in 2016, 11<sup>th</sup> largest market in the country)

## Our Take:

- Traffic conditions edged lower this month and remained at levels short of agents' expectations. Our Buyer Traffic Index landed at 41 in September, down from 43 in August. Agents suggested that more inventory came to market this month but buyer interest didn't initially respond. Some felt that this was because the available homes were not of desirable quality or locations.
- Home prices rose this month. Our Home Price Index came in at 59 in September, up from 46.4 in August. Agents noted it took longer to sell a home this month.

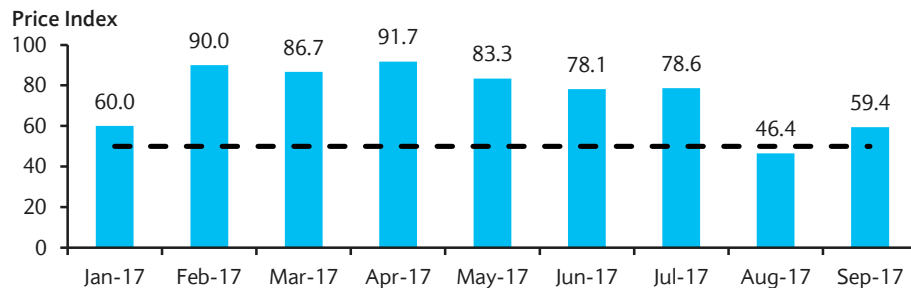
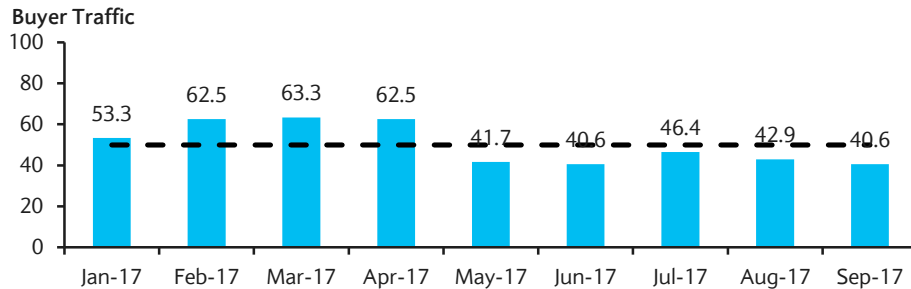
## Traffic Status:



## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	62.5	91.7	62.5	50.0	62.5
May-17	41.7	83.3	58.3	33.3	50.0
Jun-17	40.6	78.1	43.8	21.9	46.7
Jul-17	46.4	78.6	50.0	17.9	32.1
Aug-17	42.9	46.4	39.3	46.4	25.0
Sep-17	40.6	59.4	37.5	50.0	25.0
Change	(2.2)	12.9	(1.8)	3.6	0.0



Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau

## Local Real Estate Agent Comments:

- “It seems that inventory is climbing, even in lower price ranges and fewer buyers are out looking.”
- “Limited available and affordable housing for first-time buyers.”
- “No good inventory. There are a lot of overpriced and run down homes but nothing decent. We need good inventory. It is weird because there are pockets of inventory and neighborhoods with a lot of inventory but nobody wants to live there so they sit on the market.”

# Detroit, MI – Traffic Bounces Back to Neutral

(5,728 single-family building permits in 2016, 26<sup>th</sup> largest market in the country)

## Our Take:

- Demand conditions recovered this month, rising to levels in-line with agents' expectations. Our Buyer Traffic Index rose to 54 this month, up from 40 in August. Agents commented on tight inventory levels, helping to drive better traffic per listing. Broadly there were many comments that the tight supply favored sellers and helped them to offer more aggressive list prices, but buyers have been pushing back aggressively.
- Home prices were generally flat this month. Our Home Price Index landed at 54, down from a reading of 80 in August. Agents indicated fewer listings on the market, while the time needed to sell a home rose.

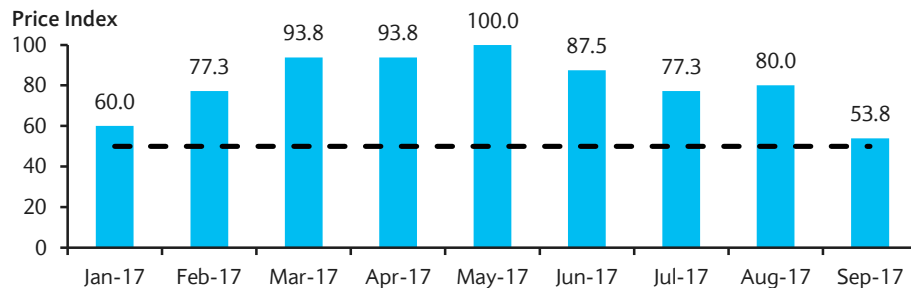
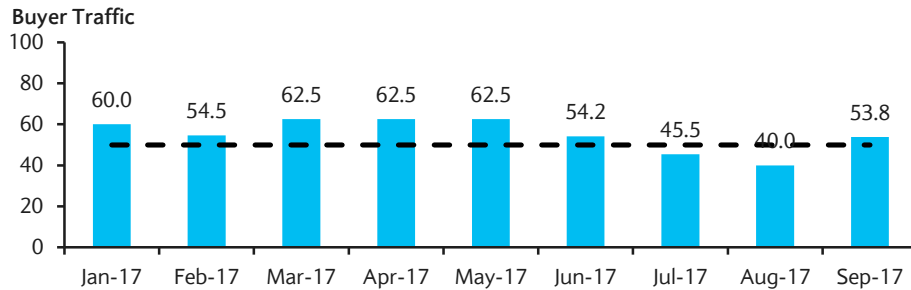
## Traffic Status:



## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	62.5	93.8	37.5	56.3	81.3
May-17	62.5	100.0	50.0	50.0	75.0
Jun-17	54.2	87.5	63.6	54.2	75.0
Jul-17	45.5	77.3	50.0	45.5	36.4
Aug-17	40.0	80.0	40.0	60.0	35.0
Sep-17	53.8	53.8	46.2	57.7	23.1
Change	13.8	(26.2)	6.2	(2.3)	(11.9)



## Local Real Estate Agent Comments:

- “Sellers still have the upper hand.”
- “Overzealous sellers and fed up buyers.”
- “Seeing some price reductions.”
- “Lack of inventory. Lack of options.”
- “Low levels of inventory.”

Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau

# Fort Myers, FL – Storm Activity Disrupts Resale Market

(4,092 single-family building permits in 2016, 42<sup>nd</sup> largest market in the country)

## Our Take:

- Demand trends were below agents' expectations again in September. Our Buyer Traffic Index came in at 20 this month, down from the reading of 25 seen in August. Agents attributed the weakness to the impact of Hurricane Irma on the resale market. Many noted very few potential buyers in the market in the past month. Some expressed some concerns that flood insurance floods could continue the challenges.
- Home prices moved higher this month. Our Home Price Index came in at 70 this month, down slightly from a reading of 75 in August. Agents pointed to fewer listings on the market this month as well.

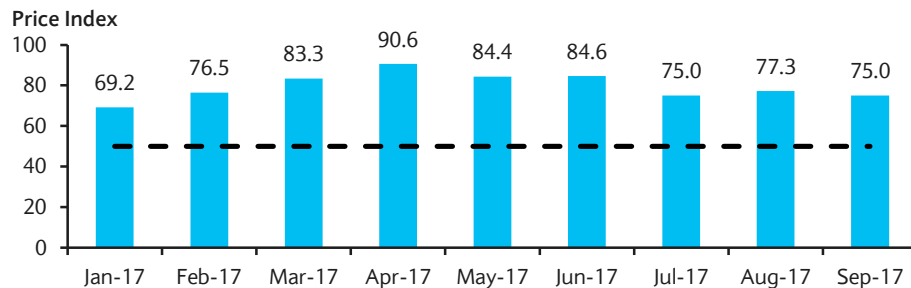
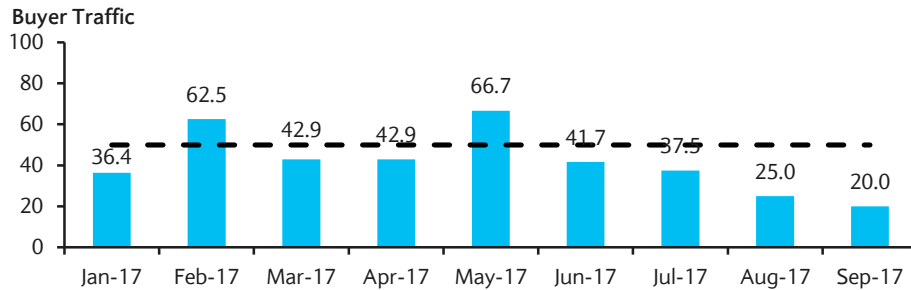
## Traffic Status:



## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	42.9	64.3	28.6	42.9	7.1
May-17	66.7	50.0	25.0	58.3	41.7
Jun-17	41.7	83.3	41.7	75.0	66.7
Jul-17	37.5	62.5	25.0	68.8	25.0
Aug-17	25.0	75.0	41.7	66.7	58.3
Sep-17	20.0	70.0	40.0	70.0	60.0
Change	(5.0)	(5.0)	(1.7)	3.3	1.7



## Local Real Estate Agent Comments:

- “Hurricane Irma prevented home sales.”
- “Concerns over flood insurance.”
- “Severe impact from hurricane Irma.”
- “Hurricane Irma has pretty much eliminated buyers, at least in the short term.”

Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau

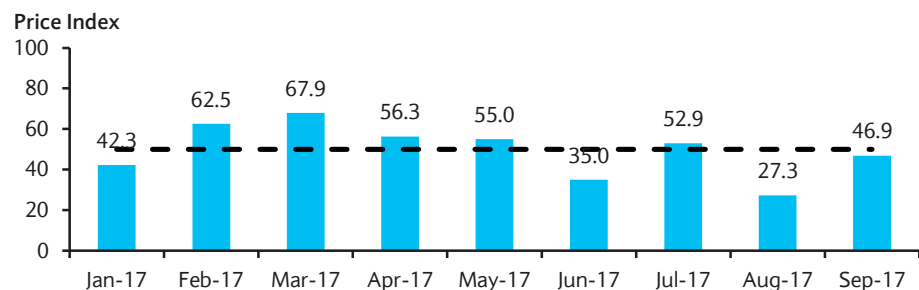
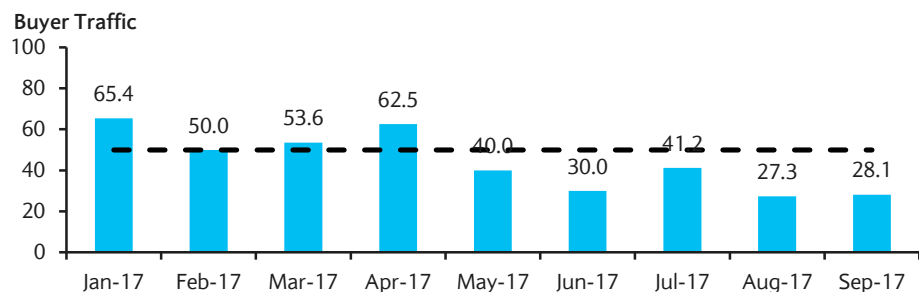


# Houston, TX – Harvey Headwinds Continue to Prevail

(35,397 single-family building permits in 2016, 1<sup>st</sup> largest market in the country)

## Our Take:

- Sluggish traffic trends continued this month in Houston. Our Buyer Traffic Index landed at 28 in September vs. 27 in August. Most agents highlighted the continuing challenges from Hurricane Harvey this month. Some noted that buyers have dropped out of the market as they look to repair an existing home. Others noted that the activity ticked higher as displaced buyers look for new properties.
- Home prices were generally stable this month. Our Home Price Index landed at 47 in September, up from 27 in August. Agents pointed to fewer listings on the market this month, though noted it was taking longer to sell a home.



Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau

## Traffic Status:



## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	62.5	56.3	37.5	25.0	43.8
May-17	40.0	55.0	20.0	20.0	20.0
Jun-17	30.0	35.0	15.0	10.0	22.2
Jul-17	41.2	52.9	25.0	17.6	31.3
Aug-17	27.3	27.3	18.2	13.6	13.6
Sep-17	28.1	46.9	25.0	59.4	28.1
Change	0.9	19.6	6.8	45.7	14.5

## Local Real Estate Agent Comments:

- “Hurricane Harvey.”
- “Many floods.”
- “Harvey wreaked havoc on the real estate market. We saw contingency sales cancel due to buyer's current homes flooded. And we saw new sales due to people looking for homes as a result of being flooded.”
- “Hurricane Harvey has had an impact on activity.”
- “There has been substantial rental biz to handle displaced homeowners.”

# Inland Empire, CA – First-time Market Fades

(7,930 single-family building permits in 2016, 18<sup>th</sup> largest market in the country)

## Our Take:

- Traffic trends worsened in September. Our Buyer Traffic Index fell to 27, down from 43 in August. Agents broadly highlighted slowing in the entry-level segment of the market. There seems to be very little inventory and selection on the market at more affordable price points. Sellers have been seen capitalizing on the situation and raising list prices to levels that stretched the wallet a bit too far for the incremental buyer. Low mortgage rates continue to be viewed as supportive.
- Home prices edged higher this month. Our Home Price Index landed at 59 in September, up from a reading of 57 in August.

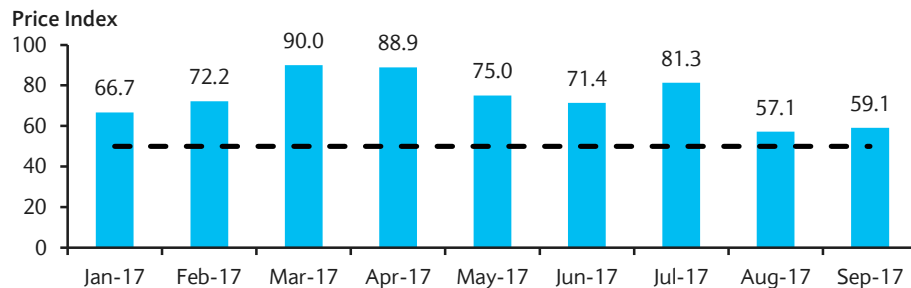
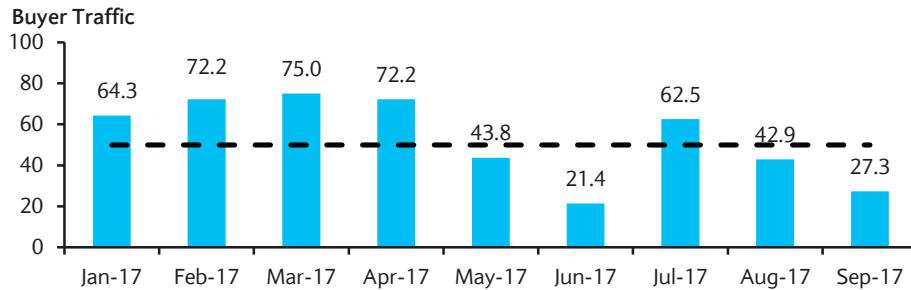
## Traffic Status:



## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	72.2	88.9	42.9	66.7	77.8
May-17	43.8	75.0	57.1	62.5	56.3
Jun-17	21.4	71.4	28.6	71.4	42.9
Jul-17	62.5	81.3	50.0	75.0	75.0
Aug-17	42.9	57.1	50.0	64.3	42.9
Sep-17	27.3	59.1	35.0	40.9	50.0
Change	(15.6)	1.9	(15.0)	(23.4)	7.1



## Local Real Estate Agent Comments:

- “Low priced homes.”
- “Being priced out of the market for first-time buyers.”
- “Lack of inventory at affordable price points.”
- “Fewer first-time buyers.”
- “Low rates supporting traffic.”

Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau

# Jacksonville, FL – Storm Challenges Likely to be Felt for Awhile

(8,499 single-family building permits in 2016, 16<sup>th</sup> largest market in the country)

## Our Take:

- Conditions deteriorated in September, with traffic levels falling below agents' expectations. Our Buyer Traffic Index came in at 39, down from 70 in August. Agents attributed the softness to challenges stemming from hurricane Irma. Some agents expected this to be an overhang in the market for the next 6-12 months. Others noted a near-term pop in activity, driven by those able to purchase a second home while repairs are being conducted to their existing property.
- Home prices rose in September. Our Home Price Index came in at 72 this month, down from a reading of 90 in August. Agents pointed to more listings on the market this month.

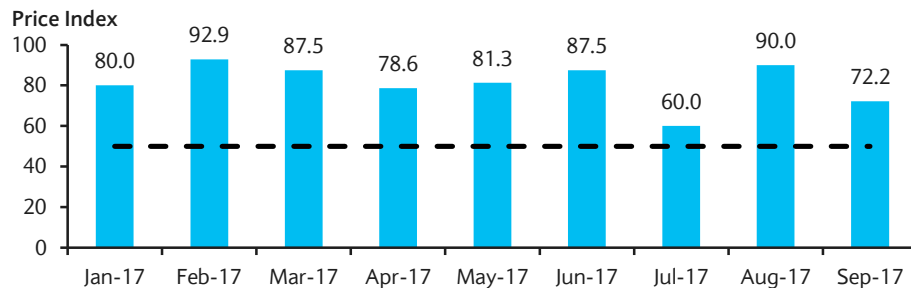
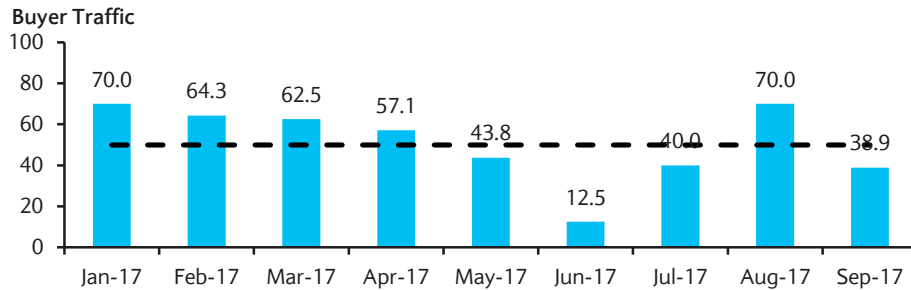
## Traffic Status:



## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	57.1	78.6	21.4	57.1	50.0
May-17	43.8	81.3	37.5	78.6	50.0
Jun-17	12.5	87.5	37.5	37.5	37.5
Jul-17	40.0	60.0	40.0	60.0	50.0
Aug-17	70.0	90.0	40.0	90.0	70.0
Sep-17	38.9	72.2	16.7	44.4	61.1
Change	(31.1)	(17.8)	(23.3)	(45.6)	(8.9)



## Local Real Estate Agent Comments:

- “Storms.”
- “Hurricane Irma.”
- “Hurricanes. This issue will most likely become an issue for 6-12 months. Everyone will need to renovate or rehab their homes.”
- “Some of those homeowners will buy temporary homes until they can rebuild, which may bring new buyers into the market over the next few weeks/months.”

Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau

# Kansas City, MO – Lack of Supply Remains an Issue

(5,248 single-family building permits in 2016, 32<sup>nd</sup> largest market in the country)

## Our Take:

- Traffic trends were disappointing in Kansas City. Our Buyer Traffic Index came in at 38 this month, higher than the reading of 25 in August. The lack of inventory has become a challenge in the market. Agents commented that the lack of selection has pushed buyers to the sidelines. However, rising mortgage rates remain supportive.
- Home prices continue to march higher. Our Home Price Index landed at 75 in September, slightly lower than the reading of 88 in August. We think home prices likely continue to grind higher. Our Listings and Time to Sell index remain favorable.

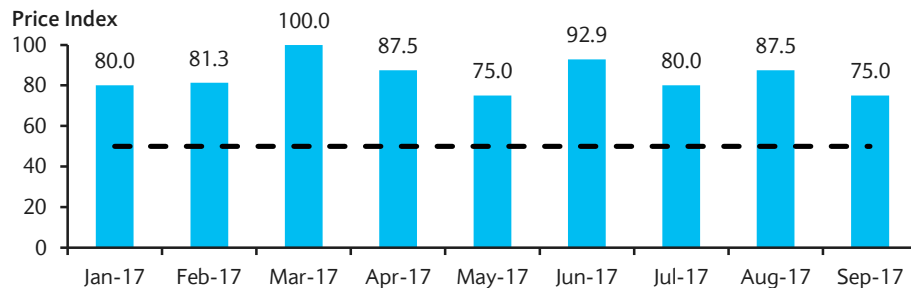
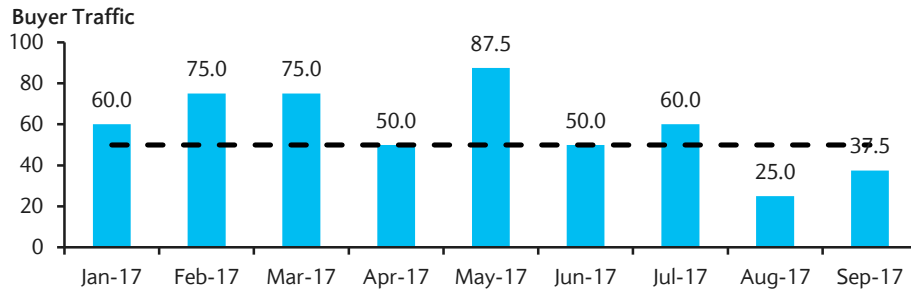
## Traffic Status:



## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	50.0	87.5	60.0	80.0	80.0
May-17	87.5	75.0	62.5	75.0	100.0
Jun-17	50.0	92.9	64.3	57.1	71.4
Jul-17	60.0	80.0	50.0	50.0	50.0
Aug-17	25.0	87.5	50.0	75.0	50.0
Sep-17	37.5	75.0	50.0	87.5	75.0
Change	12.5	(12.5)	0.0	12.5	25.0



## Local Real Estate Agent Comments:

- “Low inventory.”
- “Super low inventory. Sellers don't want to list because there is nowhere for them to go and buy.”
- “Buyers are running very short this year. Normally I have more home buyers than sellers. This year I've had very little home buyers at all and home sellers are also low.”
- “Rates are still helpful.”

Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau

# Las Vegas, NV – Traffic Steady at Fine Levels

(8,805 single-family building permits in 2016, 15<sup>th</sup> largest market in the country)

## Our Take:

- Traffic conditions were little changed in September, remaining in-line with agents' expectations. Our Buyer Traffic Index registered 50 this month, vs. 53 in August. Many comments continue to focus on the lack of inventory across the market. First time buyers seem especially frustrated with the multiple offers in the market, though agents also contend that the current mortgage rate environment is supportive.
- Home prices increased this month. Our Home Price Index landed at 77 vs. 93 in August. The number of listings on the market moved lower, while it took more time to sell a house.

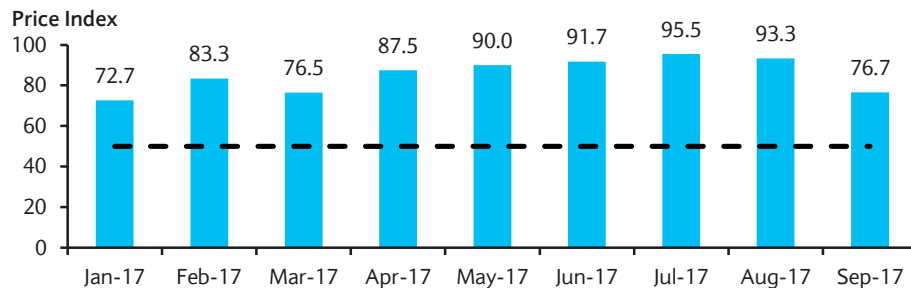
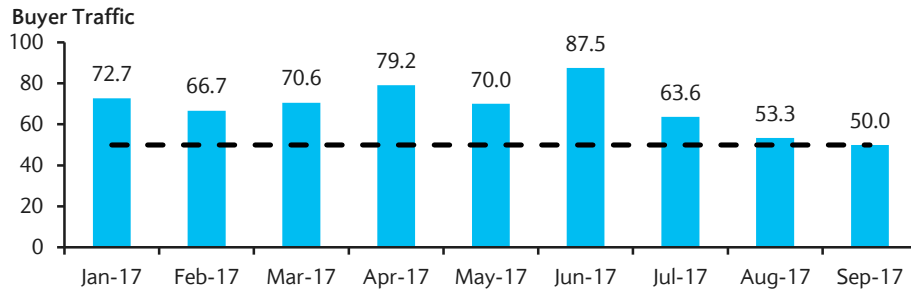
## Traffic Status:



## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	79.2	87.5	40.9	75.0	75.0
May-17	70.0	90.0	50.0	70.0	70.0
Jun-17	87.5	91.7	45.5	63.6	68.2
Jul-17	63.6	95.5	45.0	55.0	65.0
Aug-17	53.3	93.3	53.3	50.0	66.7
Sep-17	50.0	76.7	42.9	60.0	36.7
Change	(3.3)	(16.7)	(10.5)	10.0	(30.0)



## Local Real Estate Agent Comments:

- “Lack of Inventory.”
- “Lots of low and undesirable inventory. These homes still seem to be priced above true value.”
- “Entry level buyer frustration abounds, with multiple offers sidelining many.”
- “Trying to beat interest rates which may or may not rise.”
- “Buyer said that house price had been increased too much.”

Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau

# Los Angeles, CA – Traffic Slips on Poor Selection

(4,936 single-family building permits in 2016, 34<sup>th</sup> largest market in the country)

## Our Take:

- Demand trends slipped to levels below agents' expectations this month. Our Buyer Traffic Index landed at 43, down compared to a reading of 49 seen in August. Agents largely attributed the softness to a lack of quality, affordable inventory on the market. Many felt that the price levels in the market were a bit inflated. Those more positive focused on the favorable mortgage rates.
- Home prices edged slightly higher this month. Our Home Price Index rose to 59 in September, up from 52 in August. Agents pointed to tighter supply this month, while it took longer to sell a home.

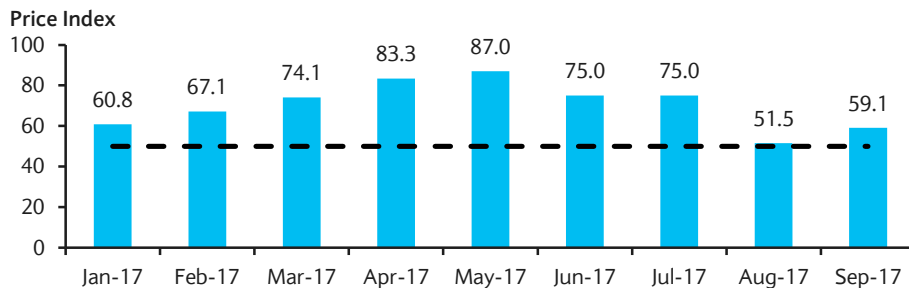
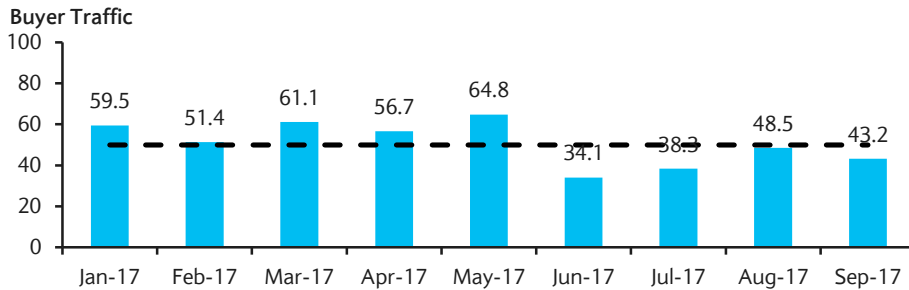
## Traffic Status:



## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	56.7	83.3	46.2	56.7	61.7
May-17	64.8	87.0	47.5	48.0	64.0
Jun-17	34.1	75.0	47.2	50.0	43.2
Jul-17	38.3	75.0	47.9	38.3	40.0
Aug-17	48.5	51.5	42.6	45.3	32.3
Sep-17	43.2	59.1	55.9	57.1	25.0
Change	(5.3)	7.6	13.3	11.8	(7.3)



## Local Real Estate Agent Comments:

- “Low inventory.”
- “Rates and inventory.”
- “High prices.”
- “Unaffordable inventory.”
- “Low quality of homes. Inflated prices.”
- “Low interest rates and low inventory.”

Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau

# Miami, FL – Irma Disrupts Resale Activity

(6,688 single-family building permits in 2016, 22<sup>nd</sup> largest market in the country)

## Our Take:

- While traffic trends have been weak in Miami all year, our Buyer Traffic Index took another step lower this month on Hurricane headwinds. Our Index fell to 15 in September, down from 33 in August, indicating activity was below agents' expectations. Nearly all responses this month highlighted the disruption to activity as a result of Hurricane Irma.
- Home prices declined in September. Our Home Price Index landed at 42 this month, down from 64 in August. Agents indicated it took longer to sell a home this month vs. August, while the number of homes on the market was little changed.

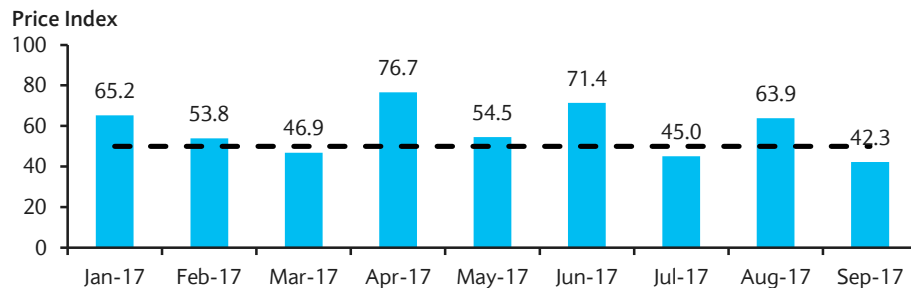
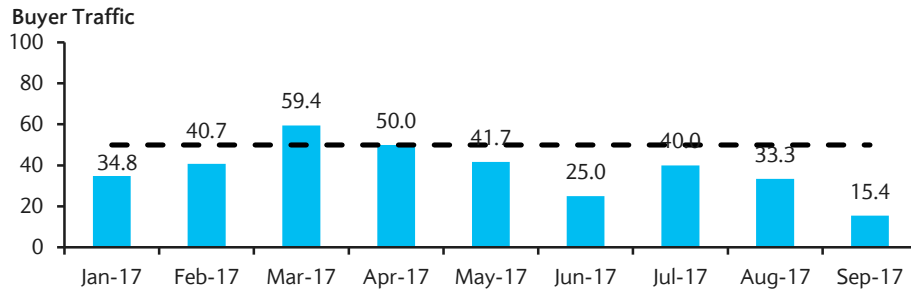
## Traffic Status:



## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	50.0	76.7	29.2	34.6	35.7
May-17	41.7	54.5	30.0	50.0	59.1
Jun-17	25.0	71.4	42.3	57.1	32.1
Jul-17	40.0	45.0	27.8	65.8	30.0
Aug-17	33.3	63.9	41.2	44.4	26.5
Sep-17	15.4	42.3	41.7	50.0	30.8
Change	(17.9)	(21.6)	0.5	5.6	4.3



## Local Real Estate Agent Comments:

- “Uncertainty.”
- “Hurricanes.”
- “Overpriced listings and exhausted buyers giving up. Renters on the sidelines and now distraction from Hurricanes.”
- “Irma.”

Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau



# Minneapolis, MN – Prices Slip this Month

(7,761 single-family building permits in 2016, 19<sup>th</sup> largest market in the country)

## Our Take:

- Traffic trends showed some improvement this month, returning to levels in-line with agents' expectations. Our Buyer Traffic Index landed at 50 in September vs. 43 in August. Agent responses varied this month. Those who were positive pointed to the favorable mortgage rate environment and solid local economic activity. Those who were negative focused on the lack of selection on the market.
- Home prices slipped this month. Our Home Price Index dropped to 38, down from 50 in August. Agents pointed to fewer listings on the market this month, while it took longer to sell a home.

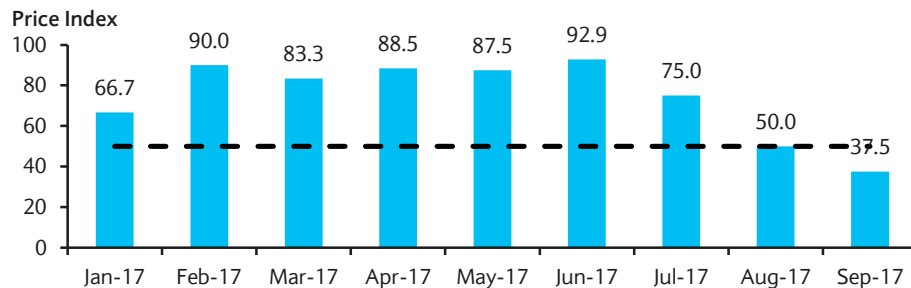
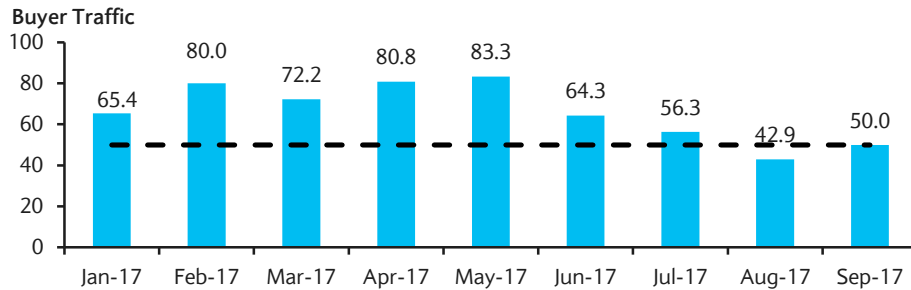
## Traffic Status:



## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	80.8	88.5	50.0	40.9	83.3
May-17	83.3	87.5	56.3	87.5	87.5
Jun-17	64.3	92.9	41.7	50.0	71.4
Jul-17	56.3	75.0	28.6	71.4	71.4
Aug-17	42.9	50.0	42.9	71.4	64.3
Sep-17	50.0	37.5	56.3	56.3	31.3
Change	7.1	(12.5)	13.4	(15.2)	(33.0)



## Local Real Estate Agent Comments:

- “Decreased inventory as we come in to the seasonally slower time of the year.”
- “Many of the potential move-up buyers I’ve been talking to have decided to upgrade existing properties given the lack of selection on the market.”
- “Economic activity.”
- “Rates.”

Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau



# Nashville, TN – Inventory Challenges Persist

(12,014 single-family building permits in 2016, 9<sup>th</sup> largest market in the country)

## Our Take:

- Demand trends remained weak this month. Our Buyer Traffic Index dropped to 25 in September, down from 33 in August, indicating trends were below agents' expectations. Entry-level homes continue to be in demand, but there doesn't appear to be much inventory on the market causing activity to slow. Others complained about the high price levels across the market.
- Home prices moved higher again this month. Our Home Price Index landed at 63 in September, up from 50 in August. Agents noted listing levels were generally stable while it took a bit longer to sell a home.

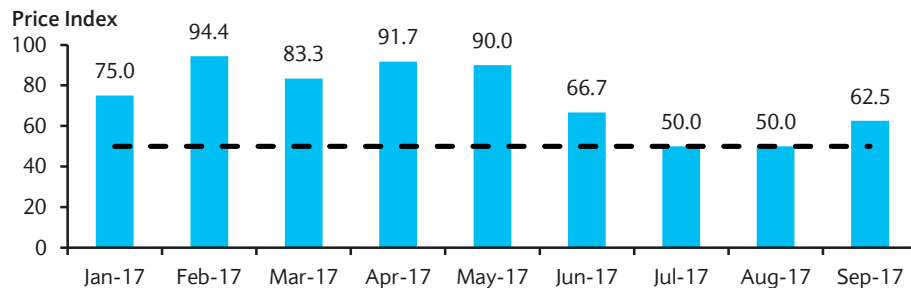
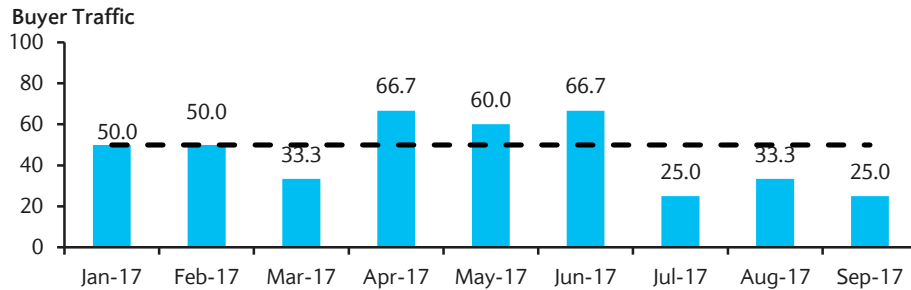
## Traffic Status:



## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	66.7	91.7	58.3	91.7	83.3
May-17	60.0	90.0	60.0	50.0	70.0
Jun-17	66.7	66.7	66.7	83.3	66.7
Jul-17	25.0	50.0	75.0	50.0	50.0
Aug-17	33.3	50.0	33.3	66.7	66.7
Sep-17	25.0	62.5	25.0	50.0	37.5
Change	(8.3)	12.5	(8.3)	(16.7)	(29.2)



Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau

## Local Real Estate Agent Comments:

- “Lack of inventory.”
- “Very low supply of entry-level homes and high prices.”
- “Inventory levels for first-time homes remain very low.”
- “The current buyer traffic is steady but slower than the last couple of years when our market was heated and values were increasing daily. The most noticeable evidence of this is the steady stream of price reductions coming through the MLS. Sellers have been over-optimistic and are now having to adjust to a new reality.”

# New York-Northern NJ – Traffic Holds In-line

(9,987 single-family building permits in 2016, 12<sup>th</sup> largest market in the country)

## Our Take:

- Demand trends continue to chug along broadly consistent with agents' expectations. Our Buyer Traffic Index came in at a neutral 50 this month, down from a reading of 53 in August. Agents noted the limited supply of inventory on the market was a challenge. Others felt that favorable rates, solid buyer confidence and good local economic activity continue to support trends.
- Home prices moved higher again this month. Our Home Price Index came in at 68, unchanged from August. Agents pointed fewer listings on the market this month, and indicated it took a bit less time to sell a home this month.

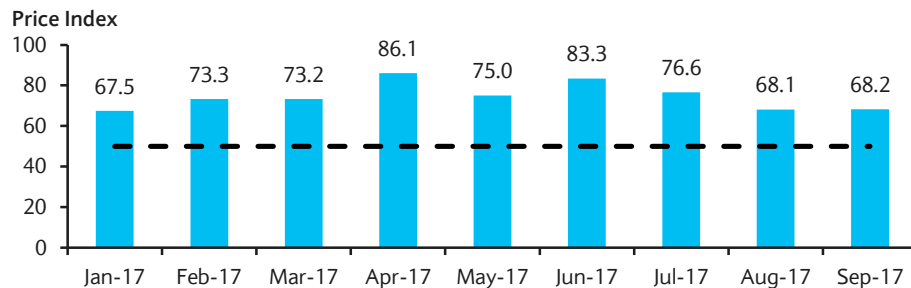
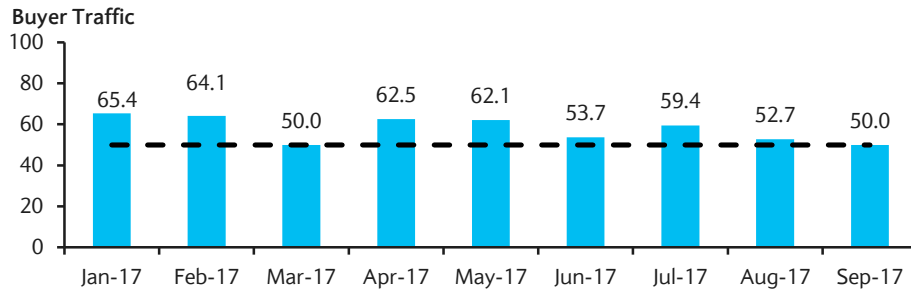
## Traffic Status:



## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	62.5	86.1	56.3	60.0	72.1
May-17	62.1	75.0	53.8	51.6	58.1
Jun-17	53.7	83.3	54.3	64.8	63.0
Jul-17	59.4	76.6	60.7	53.1	57.8
Aug-17	52.7	68.1	59.7	66.7	47.1
Sep-17	50.0	68.2	46.3	61.8	56.1
Change	(2.7)	0.1	(13.4)	(4.9)	8.9



## Local Real Estate Agent Comments:

- “No good inventory.”
- “Rates, confidence in market, and low inventory.”
- “Solid economic trends.”
- “Low interest rates still.”
- “Very little inventory.”
- “Lack of inventory.”

Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau

# Orange County, CA – Local Economic Strength Drives Activity

(4,371 single-family building permits in 2016, 39<sup>th</sup> largest market in the country)

## Our Take:

- Buyer activity remains strong in the Orange County market, with traffic levels once again coming in above agents' expectations. Our Buyer Traffic Index landed at 75 this month, up from 58 in August. The strength was attributed solid local economic activity. Many agents continue to see steady buyer interest in this desirable California location.
- Home prices rose this month. Our Home Price Index increased to 100 in September, up from 75 in August. The number of listings on the market contracted this month, while it took about the same amount of time to sell a home.

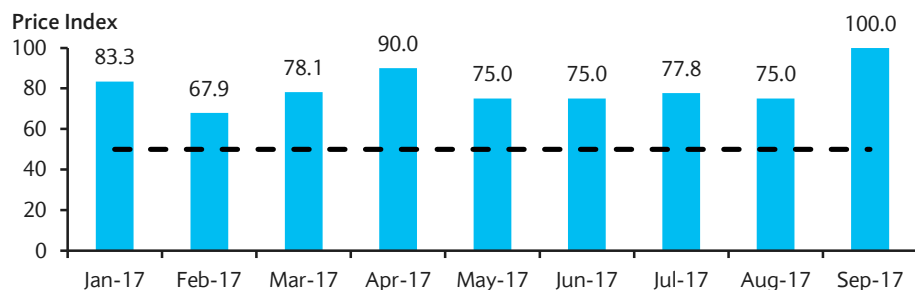
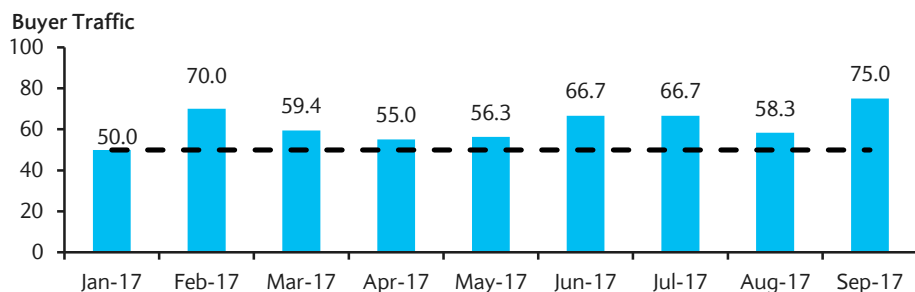
## Traffic Status:



## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	55.0	90.0	50.0	55.0	60.0
May-17	56.3	75.0	50.0	50.0	62.5
Jun-17	66.7	75.0	50.0	40.0	40.0
Jul-17	66.7	77.8	44.4	27.8	44.4
Aug-17	58.3	75.0	41.7	25.0	33.3
Sep-17	75.0	100.0	25.0	75.0	50.0
Change	16.7	25.0	(16.7)	50.0	16.7



Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau

## Local Real Estate Agent Comments:

- “Business in full swing.”
- “People want to live here from all around the world.”
- “Economic activity.”

# Orlando, FL – Traffic Drops Lower

(14,208 single-family building permits in 2016, 5<sup>th</sup> largest market in the country)

## Our Take:

- Demand trends worsened in September, falling to levels suggesting traffic was below agents' expectations. Our Buyer Traffic Index declined to 33 this month vs. 55 in August. Hurricane Irma was heavily discussed this month in agent responses and was seen driving the slowing. Other comments highlighted the tight supply on the market and buyers trying to capitalize on the favorable mortgage rate environment.
- Home prices broadly moved higher again this month. Our Home Price Index came in at 67 vs. 68 in August. Agents pointed to fewer listings on the market this month and it took a bit less time to sell a home.

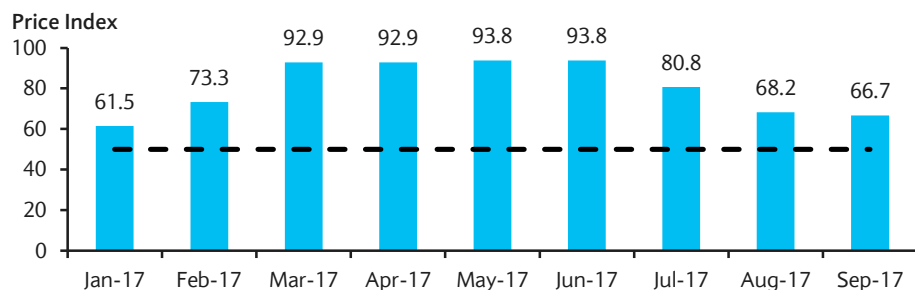
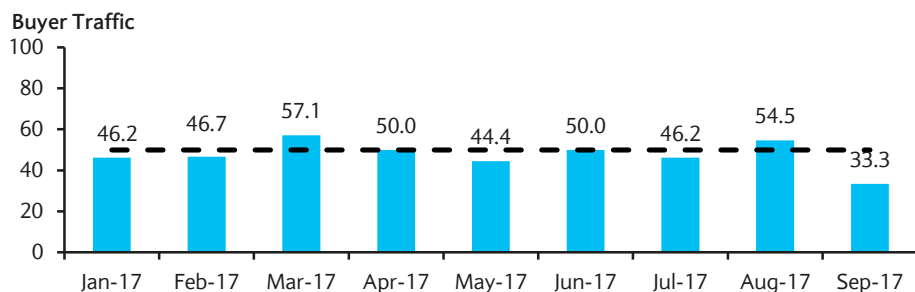
## Traffic Status:



## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	50.0	92.9	50.0	78.6	71.4
May-17	44.4	93.8	37.5	68.8	68.8
Jun-17	50.0	93.8	50.0	81.3	68.8
Jul-17	46.2	80.8	57.7	65.4	50.0
Aug-17	54.5	68.2	50.0	45.0	40.0
Sep-17	33.3	66.7	44.4	66.7	55.6
Change	(21.2)	(1.5)	(5.6)	21.7	15.6



Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau

## Local Real Estate Agent Comments:

- “Continued low interest rates and rising rental rates.”
- “Hurricanes have put a lid on buyer traffic.”
- “Short inventory, rising prices, and lower mortgage rates.”
- “Hurricane Irma hit our area.”

# Philadelphia, PA-Southern NJ – Entry Level Continues to Drive the Market

(6,820 single-family building permits in 2016, 21<sup>st</sup> largest market in the country)

## Our Take:

- Demand moderated a bit this month, slipping to levels in-line with agents' expectations. Our Buyer Traffic Index landed at 55 this month, down from 75 in August. Comments from agents varied quite a bit depending on price points. Agents continue to discuss slow demand in the luxury market. However, more affordable inventory seems to be selling quickly.
- Home prices rose again this month. Our Home Price Index came in at 73, down from a reading of 88 in August. We think home price gains can continue given the favorable readings in our Listings and Time to Sell Indexes.

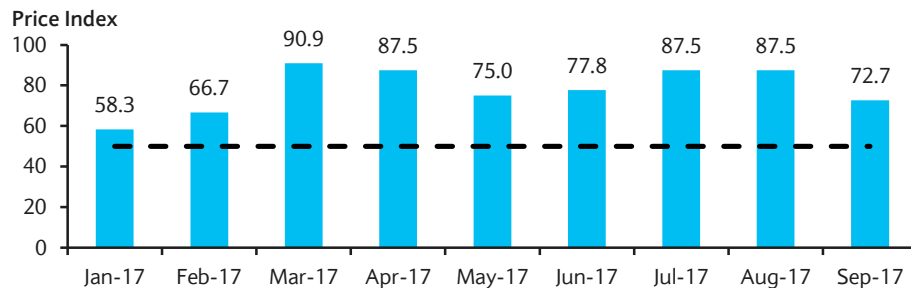
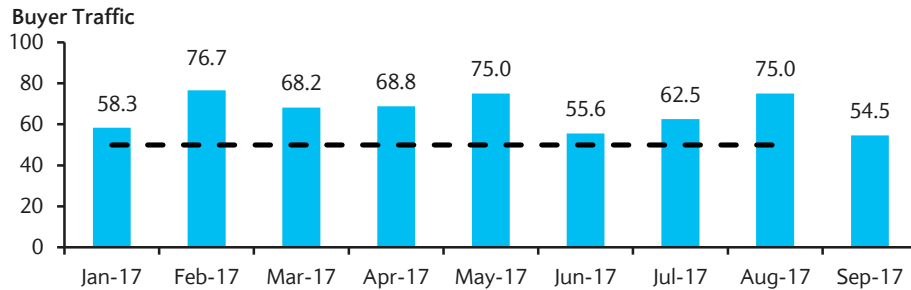
## Traffic Status:



## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	68.8	87.5	50.0	62.5	81.3
May-17	75.0	75.0	40.9	62.5	83.3
Jun-17	55.6	77.8	56.3	83.3	77.8
Jul-17	62.5	87.5	54.5	58.3	79.2
Aug-17	75.0	87.5	57.1	68.8	56.3
Sep-17	54.5	72.7	44.4	75.0	70.0
Change	(20.5)	(14.8)	(12.7)	6.3	13.8



## Local Real Estate Agent Comments:

- “Strong raw demand.”
- “Low inventory.”
- “Buying traffic is mixed depending upon price point. Not many higher end (over \$700k) buyers.”
- “Still have very limited inventory. Multiple offers on pristine properties making it difficult for buyers to find and secure homes. This has a tendency to frustrate the buyers.”
- “Affordability.”

Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau

# Phoenix, AZ – Traffic Cools as Buyers Digest Higher Prices

(18,577 single-family building permits in 2016, 4<sup>th</sup> largest market in the country)

## Our Take:

- Traffic took a step back this month, falling to levels in-line with agents' expectations. Our Buyer Traffic Index landed at 50 in September, down from 65 in August. Agents continue to see urgency in the market driven by the limited supply. Favorable mortgage rates and solid local economic activity both seem to be supporting activity. Those more cautious noted that some buyers were pausing and taking time to digest the recent price increases.
- Home prices increased in September. Our Home Price Index came in at 65 this month vs. 77 in August. Agents pointed to fewer listings on the market this month.

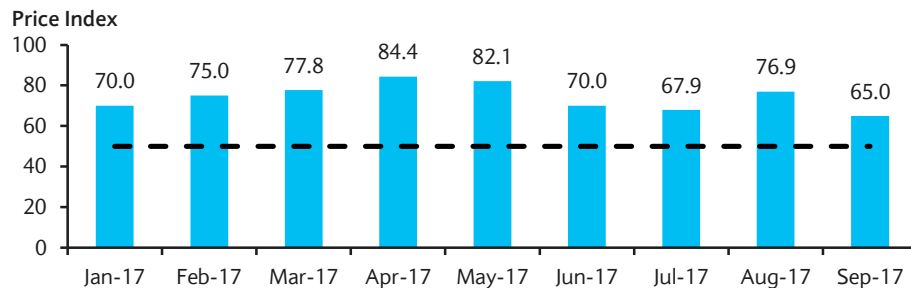
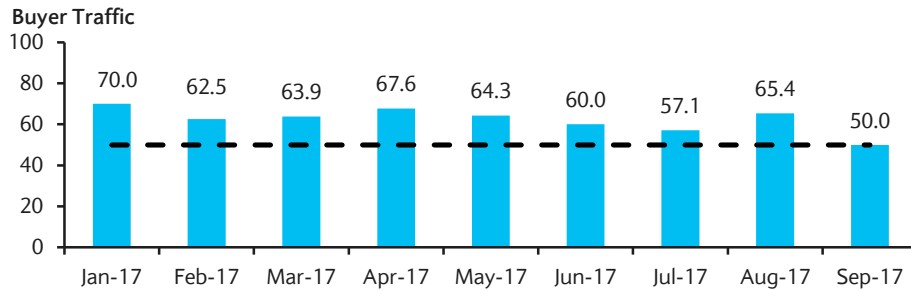
## Traffic Status:



## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	67.6	84.4	43.8	75.0	75.0
May-17	64.3	82.1	46.4	75.0	60.7
Jun-17	60.0	70.0	46.7	70.0	46.7
Jul-17	57.1	67.9	53.8	71.4	50.0
Aug-17	65.4	76.9	50.0	88.5	70.8
Sep-17	50.0	65.0	42.1	72.5	67.5
Change	(15.4)	(11.9)	(7.9)	(16.0)	(3.3)



## Local Real Estate Agent Comments:

- “Low supply driving a sense of desperation among buyers.”
- “Strong local economy and job growth along with reasonable interest rates.”
- “Great listed properties that are well priced.”
- “Low inventory and higher housing values.”

Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau

# Portland, OR – Another Step Lower for Traffic

(7,344 single-family building permits in 2016, 20<sup>th</sup> largest market in the country)

## Our Take:

- Demand trends continue to disappoint relative to agents' expectations. This month our Buyer Traffic Index landed at 20, down from 28 in August and well below a neutral 50. Agents attributed the slowing to softer buyer confidence and rapid price increases. Agents pointed to weak trends from investors, first-time buyers and luxury buyers.
- Home prices increased in September. Our Home Price Index landed at 70 this month, up from 39 in August. We think home prices may begin to decline given weak traffic readings in recent months. Agents pointed to more listings on the market this month and needing more time to sell a home.

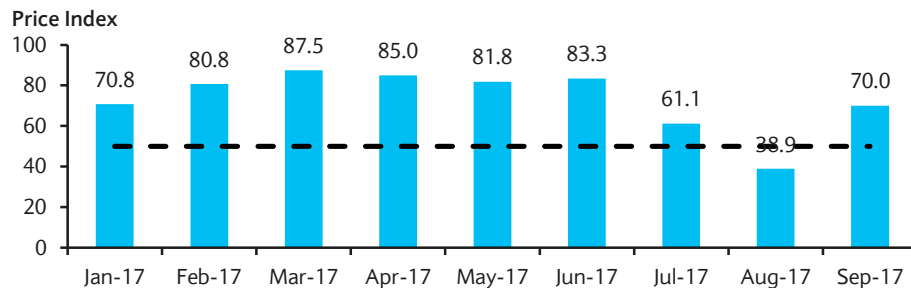
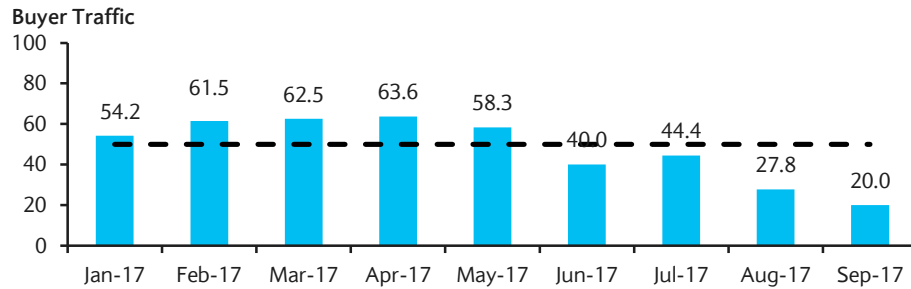
## Traffic Status:



## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	63.6	85.0	45.0	65.0	60.0
May-17	58.3	81.8	50.0	50.0	54.5
Jun-17	40.0	83.3	50.0	33.3	30.8
Jul-17	44.4	61.1	38.9	33.3	38.9
Aug-17	27.8	38.9	38.9	38.9	22.2
Sep-17	20.0	70.0	45.0	35.0	25.0
Change	(7.8)	31.1	6.1	(3.9)	2.8



## Local Real Estate Agent Comments:

- “Investors and first-time buyers have been priced out of the market.”
- “Market slowed down in the \$450k+ range.”
- “Fearful buyers.”
- “Price increases have exceeded buyers' ability to finance homes.”

Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau



# Raleigh, NC – Affordability Remains a Challenge

(9,435 single-family building permits in 2016, 13<sup>th</sup> largest market in the country)

## Our Take:

- Traffic levels were below agents' expectations again this month. Our Buyer Traffic Index came in at 36 in September, down slightly from 39 in August. Agents see affordability as a challenge in the market. Most see the less favorable conditions as a byproduct of tight supply helping to lift prices. Those more positive focused on the favorable mortgage rate environment.
- Home prices increased this month. Our Home Price Index landed at 79, down slightly from a reading of 83 in August. Agents saw fewer listings on the market this month, while the time needed to sell a home was little changed.

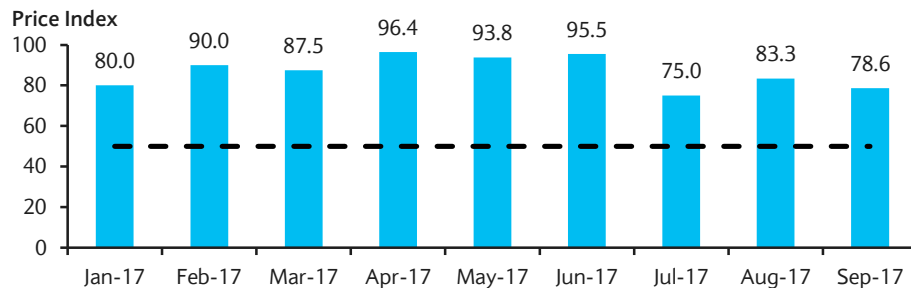
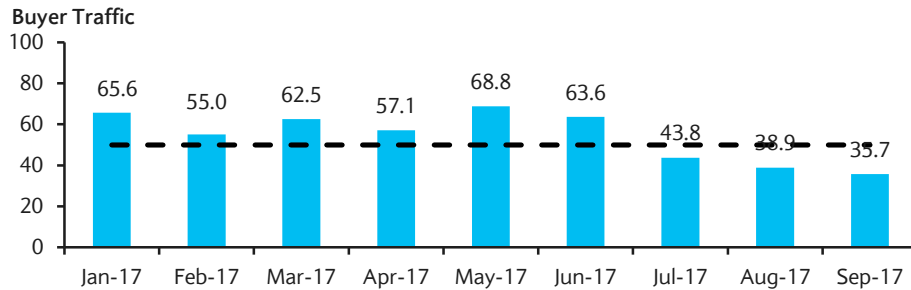
## Traffic Status:



## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	57.1	96.4	60.7	67.9	89.3
May-17	68.8	93.8	56.3	75.0	93.8
Jun-17	63.6	95.5	60.0	77.3	90.9
Jul-17	43.8	75.0	50.0	81.3	56.3
Aug-17	38.9	83.3	50.0	83.3	66.7
Sep-17	35.7	78.6	64.3	92.9	50.0
Change	(3.2)	(4.8)	14.3	9.5	(16.7)



## Local Real Estate Agent Comments:

- “Lack of inventory and multiple offers.”
- “Limited inventory along with rising prices have decreased affordability.”
- “Low inventory and buyers are getting tired of multiple offers .”
- “Continued low interest rates.”

Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau



# Richmond, VA – Traffic Reverses on Lack of Supply

(3,955 single-family building permits in 2016, 45<sup>th</sup> largest market in the country)

## Our Take:

- Traffic trends pulled back this month. Our Buyer Traffic Index dropped down to 25 this month vs. 75 in August, marking the first-time levels came in below agents' expectations this year. Agents have noted that the lack of inventory and selection on the market has locked up the market.
- Home prices increased in September. Our Home Price Index landed at 50, unchanged from August. Agents pointed to flat listings m/m, while the time needed to sell a home expanded relative to August.

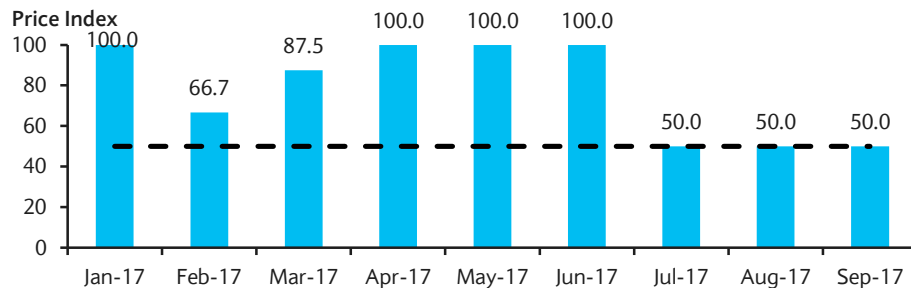
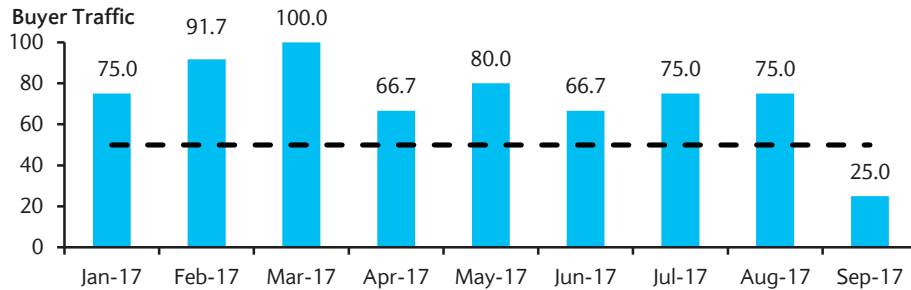
## Traffic Status:



## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	66.7	100.0	100.0	100.0	100.0
May-17	80.0	100.0	50.0	62.5	87.5
Jun-17	66.7	100.0	50.0	75.0	50.0
Jul-17	75.0	50.0	75.0	50.0	50.0
Aug-17	75.0	50.0	25.0	50.0	50.0
Sep-17	25.0	50.0	25.0	50.0	25.0
Change	(50.0)	0.0	0.0	0.0	(25.0)



## Local Real Estate Agent Comments:

- “The market always has highs and lows and this is one of the slower times. Hard to say what it was.”
- “Limited inventory.”
- “No selection.”

Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau

# Sacramento, CA – Traffic Slips to In-Line

(6,148 single-family building permits in 2016, 24<sup>th</sup> largest market in the country)

## Our Take:

- Traffic conditions moderated this month, coming in at levels suggesting trends were in-line with agents' expectations. Our Buyer Traffic Index fell to 53 in September, from 60 in August. Agents felt that the lack of inventory on the market and the continued march higher in home prices contributed to the slowing. Those more positive focused on support continued inbound relocation.
- Home prices increased again this month. Our Home Price Index came in at 72, up compared to August. Agents indicated listing levels were relatively unchanged this month. It also took slightly longer to sell a home than last year.

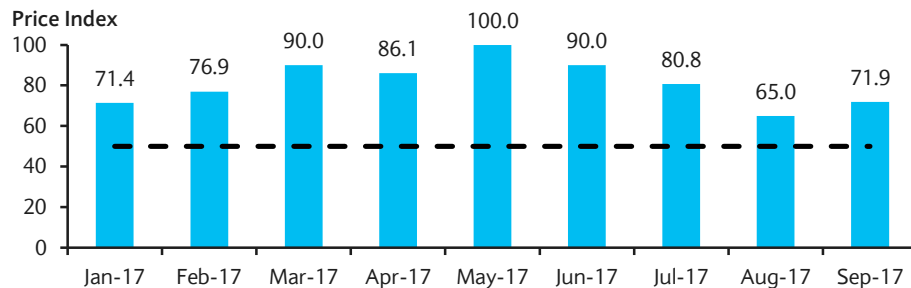
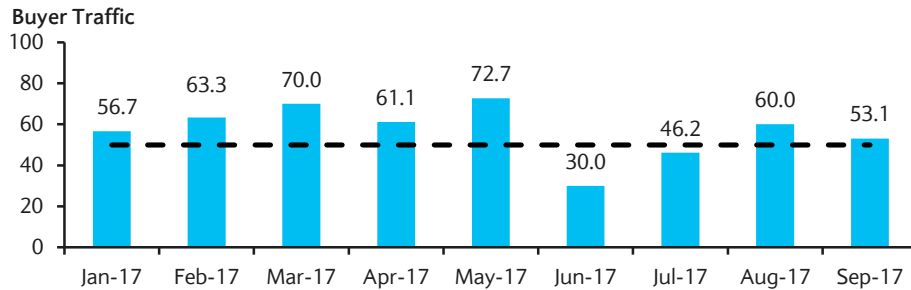
## Traffic Status:



## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	61.1	86.1	55.9	55.9	64.7
May-17	72.7	100.0	62.5	40.0	75.0
Jun-17	30.0	90.0	50.0	70.0	40.0
Jul-17	46.2	80.8	45.0	57.7	54.2
Aug-17	60.0	65.0	40.0	30.0	50.0
Sep-17	53.1	71.9	35.7	46.4	39.3
Change	(6.9)	6.9	(4.3)	16.4	(10.7)



## Local Real Estate Agent Comments:

- “Lack of inventory.”
- “Continued relocations.”
- “Short supply of housing.”
- “Higher priced homes.”
- “Higher interest rates. Higher prices demanded by sellers. Fall doldrums came early.”
- “Prices too high and buyer confidence has weakened.”

Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau

# San Antonio, TX – Traffic Dips Below Expectations

(6,441 single-family building permits in 2016, 23<sup>rd</sup> largest market in the country)

## Our Take:

- Traffic took another step lower this month, falling to levels below agents' expectations. Our Buyer Traffic Index landed at 38 this month, down from 50 in August. Agents pointed to issues from the lack of inventory on the market, as well as the poor weather this month. Those more positive focused on solid local economic activity.
- Home prices rose again this month. Our Home Price Index landed at 69 in September, down from 75 in August. Agents pointed to flat listings this month, while the time needed to sell a home was a bit longer.

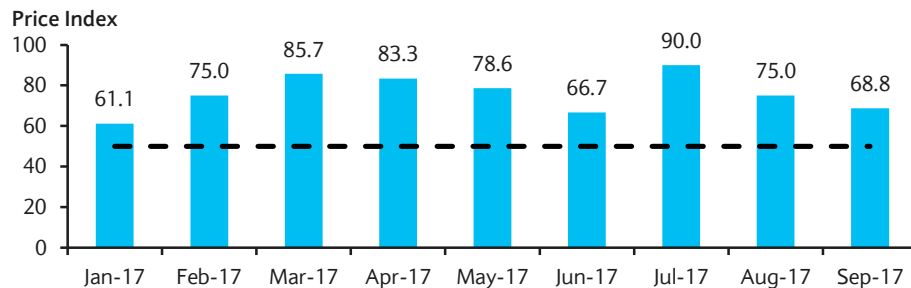
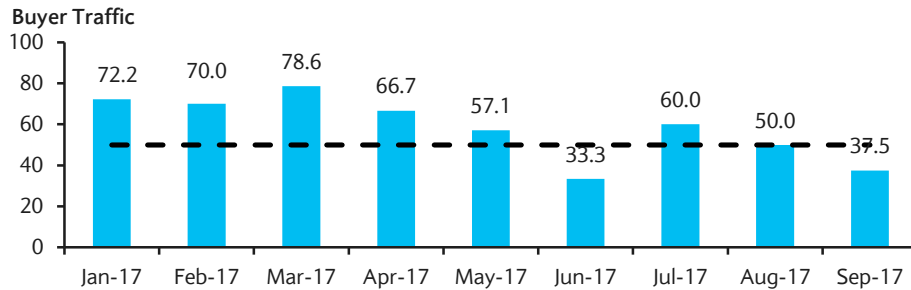
## Traffic Status:



## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	66.7	83.3	43.8	50.0	68.8
May-17	57.1	78.6	35.7	64.3	64.3
Jun-17	33.3	66.7	25.0	50.0	33.3
Jul-17	60.0	90.0	50.0	30.0	70.0
Aug-17	50.0	75.0	50.0	62.5	62.5
Sep-17	37.5	68.8	14.3	50.0	42.9
Change	(12.5)	(6.3)	(35.7)	(12.5)	(19.6)



## Local Real Estate Agent Comments:

- “Low inventory.”
- “Hurricanes caused bad weather here.”
- “Solid demand.”
- “Good local economy.”

Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau

# San Diego, CA – Traffic Declines as Entry-Level Strength Fades

(2,341 single-family building permits in 2016, 67<sup>th</sup> largest market in the country)

## Our Take:

- Buyer traffic trends took another step lower in September. Our Buyer Traffic Index fell to 25 this month, down from 43 in August, indicating activity was below agents' expectations. Agent comments on buyer interest varied by price point, with the luxury market sluggish and entry-level consistent. However, some noted that entry-level buyers have been discouraged by the extent recent home price appreciation has stretched affordability.
- Home prices were generally flat this month. Our Home Price Index dropped to 50, down from 70 in August. Agents indicated it is taking longer to sell a home.

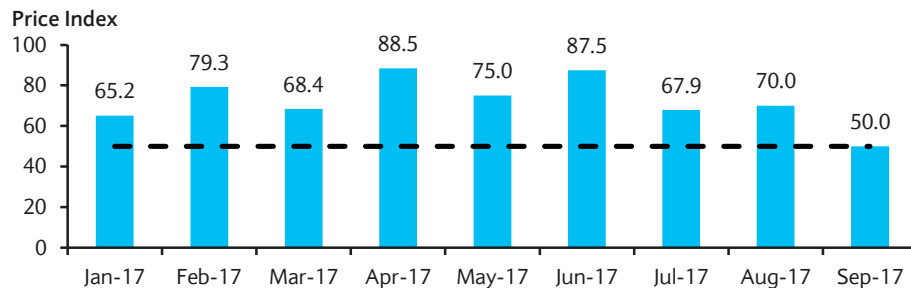
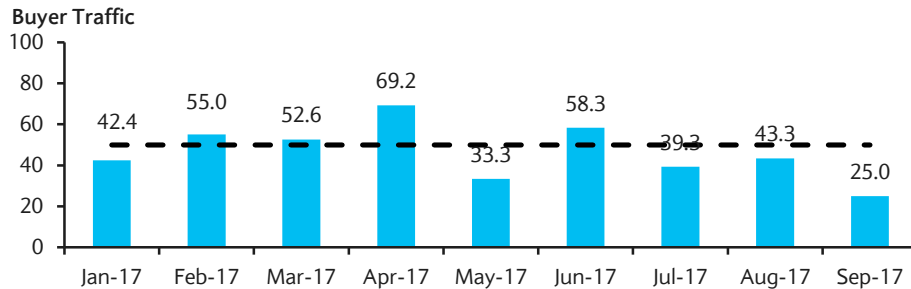
## Traffic Status:



## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	69.2	88.5	46.2	54.2	73.1
May-17	33.3	75.0	40.9	66.7	62.5
Jun-17	58.3	87.5	50.0	41.7	70.8
Jul-17	39.3	67.9	62.5	50.0	46.4
Aug-17	43.3	70.0	61.5	53.3	40.0
Sep-17	25.0	50.0	50.0	50.0	25.0
Change	(18.3)	(20.0)	(11.5)	(3.3)	(15.0)



## Local Real Estate Agent Comments:

- “Discouraged first-time buyers unable to afford their desired home.”
- “General apathy toward the housing market.”
- “Very low inventory and very high pricing.”
- “Lower market pricing has experienced strong demand but in our luxury market above 3 million it is quite quiet.”

Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau

# San Francisco, CA – Traffic Slips as Price Levels Drive Some to the Sidelines

(4,927 single-family building permits in 2016, 35<sup>th</sup> largest market in the country)

## Our Take:

- Traffic has been choppy in recent months and this continued through September. Our Buyer Traffic Index landed at 52 this month, down from 63 in August and indicating activity was in-line with agents' expectations. Agents remain encouraged by strong local economic trends driving wage and job growth. The pause seems to be driven by recent price increases driving some potential incremental buyers to the sidelines.
- Home prices moved higher again this month. Our Home Price Index came in at 71, down from a reading of 82 in August. Agents pointed to generally flat inventory levels and time needed to sell a home this month.

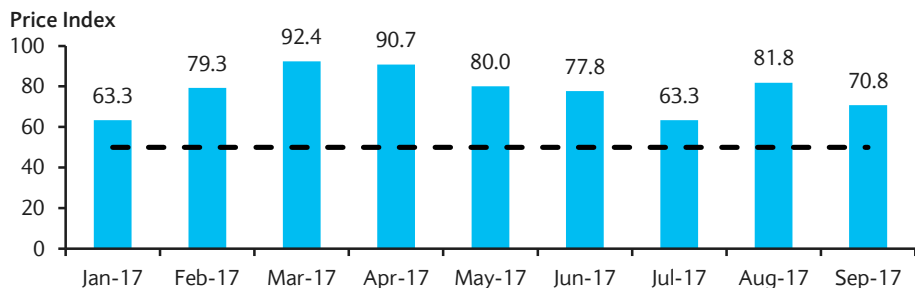
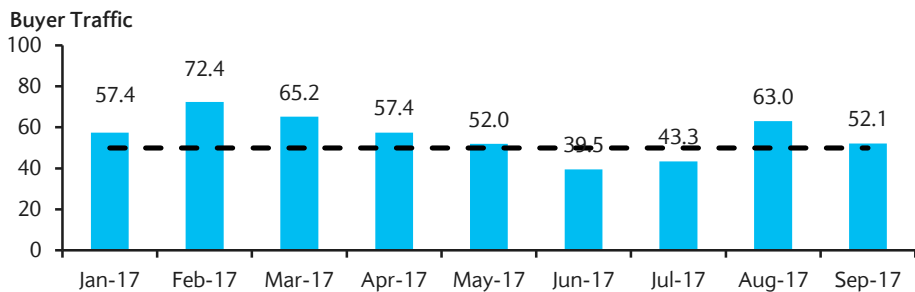
## Traffic Status:



## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	57.4	90.7	60.4	46.2	57.7
May-17	52.0	80.0	56.8	36.0	36.0
Jun-17	39.5	77.8	53.3	38.9	42.1
Jul-17	43.3	63.3	41.7	42.9	35.7
Aug-17	63.0	81.8	47.7	63.6	56.8
Sep-17	52.1	70.8	47.2	50.0	54.3
Change	(11.0)	(11.0)	(0.5)	(13.6)	(2.5)



## Local Real Estate Agent Comments:

- “Job security and good incomes. Desire to not miss the boat may be waning.”
- “Getting a jump on the potential for more price increases in the fall or even early spring of 2018.”
- “Strong wage growth.”
- “High prices, extreme low inventory, and continued high competition with multiple offers.”
- “High prices.”

Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau

# Sarasota, FL – Weather Challenges Activity

(5,821 single-family building permits in 2016, 25<sup>th</sup> largest market in the country)

## Our Take:

- Demand trends worsened in September, coming in below agents' expectations. Our Buyer Traffic Index dropped to 25 this month vs. 50 in August. Agent commentary overwhelmingly focused on challenges from Hurricane Irma. Many saw buyer interest and sales activity slow this month as a result of the weather.
- Home prices edged higher this month vs. the flat trends in August. Our Home Price Index reached 67 in September, up from 50 last month. Agents indicated that listings and the time needed to sell were fairly consistent with levels seen last month.

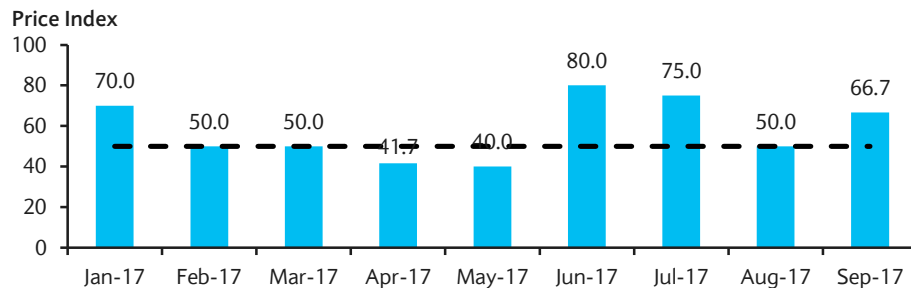
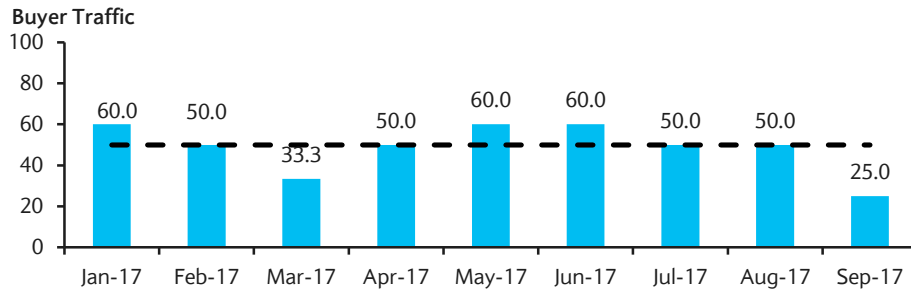
## Traffic Status:



## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	50.0	41.7	33.3	8.3	33.3
May-17	60.0	40.0	40.0	10.0	20.0
Jun-17	60.0	80.0	40.0	30.0	60.0
Jul-17	50.0	75.0	50.0	0.0	50.0
Aug-17	50.0	50.0	75.0	25.0	0.0
Sep-17	25.0	66.7	33.3	50.0	50.0
Change	(25.0)	16.7	(41.7)	25.0	50.0



## Local Real Estate Agent Comments:

- “Hurricane Irma.”
- “We had a little weather issue here in Southwest Florida.”
- “Slow end to summer.”

Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau

# Seattle, WA – Traffic Takes Another Step Lower

(9,396 single-family building permits in 2016, 14<sup>th</sup> largest market in the country)

## Our Take:

- Traffic trends worsened in September. Our Buyer Traffic Index fell to 35, down from 40 in August. Agents noted that the current tight supply and escalating price environment has created a growing sense of buyer frustration and fatigue in the market. Those more positive still see buyers willing to pay what agents consider to be elevated prices in order to lock in the current favorable mortgage rate environment.
- Home prices were flat in September. Our Home Price Index landed at 55, down from 80 in August. We think home price growth could moderate in the coming months, given the soft readings in our Listings and Time to Sell Indexes.

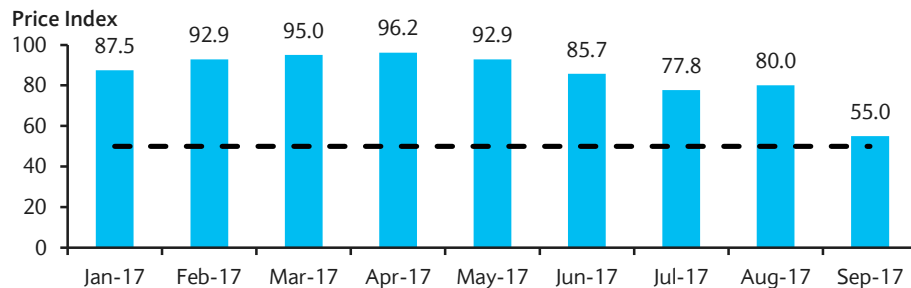
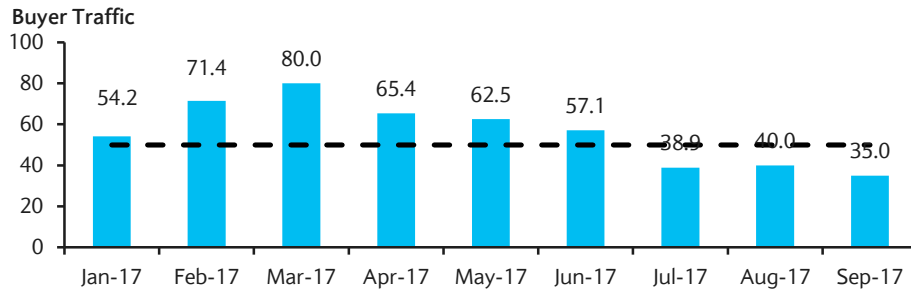
## Traffic Status:



## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	65.4	96.2	57.7	53.8	73.1
May-17	62.5	92.9	42.9	57.1	64.3
Jun-17	57.1	85.7	71.4	28.6	57.1
Jul-17	38.9	77.8	55.6	50.0	44.4
Aug-17	40.0	80.0	61.1	30.0	45.0
Sep-17	35.0	55.0	33.3	27.8	16.7
Change	(5.0)	(25.0)	(27.8)	(2.2)	(28.3)



## Local Real Estate Agent Comments:

- “Low inventory combined with low buyer interest.”
- “High prices.”
- “Buyer skepticism seems to be increasing, especially with overall fears of the economy.”
- “Still urgency to buy.”
- “Lack of inventory and expected increases in interest rates drove buyers to offer above market price.”
- “Buyer fatigue.”

Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau

# Tampa, FL – Hurricane Exacerbates Challenging Traffic Conditions

(10,683 single-family building permits in 2016, 10<sup>th</sup> largest market in the country)

## Our Take:

- Traffic trends worsened in September with our Buyer Traffic Index dipping to 20, down from 33 last month. Hurricane Irma was noted by several agents as playing a role in the demand shortfall. However, traffic was also pressured by similar factors as prior months – largely limited inventory and affordability challenges.
- Home prices pushed higher in September although the breadth of appreciation decelerated, as our index fell to 60 from 72 last month. Home inventories continued to tighten while the time needed to sell a home quickened.

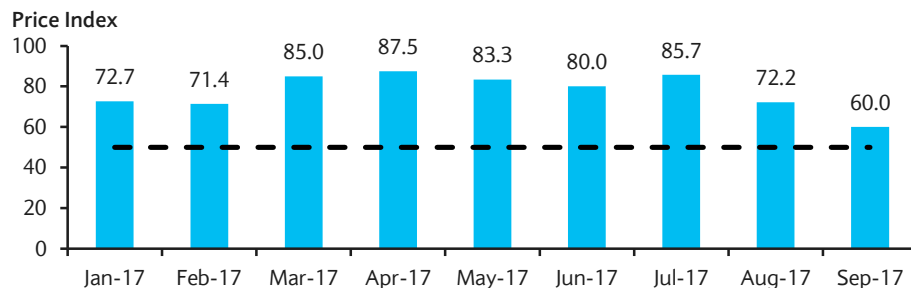
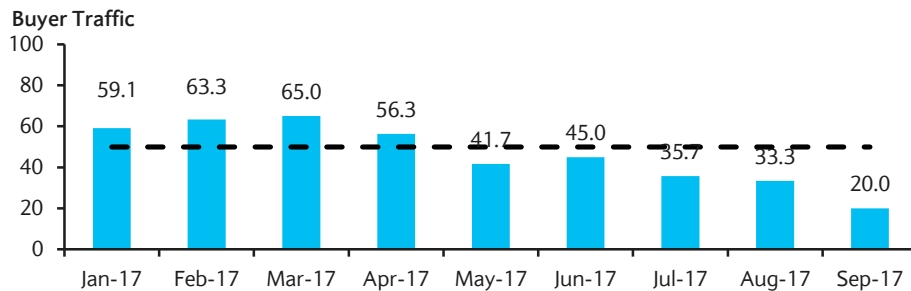
## Traffic Status:



## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	56.3	87.5	58.3	93.8	81.3
May-17	41.7	83.3	40.0	91.7	50.0
Jun-17	45.0	80.0	50.0	80.0	55.0
Jul-17	35.7	85.7	28.6	85.7	42.9
Aug-17	33.3	72.2	55.6	72.2	55.6
Sep-17	20.0	60.0	40.0	70.0	60.0
Change	(13.3)	(12.2)	(15.6)	(2.2)	4.4



## Local Real Estate Agent Comments:

- “Due to the hurricane things have slowed up dramatically.”
- “Weather.”
- “Prices too high, inventory too low.”
- “Inventory.”
- “Slow season here.”

Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau



# Tucson, AZ – Traffic Stumbles in September

(2,164 single-family building permits in 2016, 72<sup>nd</sup> largest market in the country)

## Our Take:

- Traffic conditions continued to moderate in Tucson, this month falling to levels below agents' expectations. Our Buyer Traffic Index fell to 31 in September from 50 in August. Several agents noted worsening conditions particularly at the move-up price point, though entry-level buyers are still holding up.
- Home prices recovered in September. Our Home Price Index jumped to 69 from 50 last month, indicating broad price appreciation. Inventory conditions showed some signs of loosening, with our listings index dropping to 56 from 90. The time needed to sell a home slightly quickened.

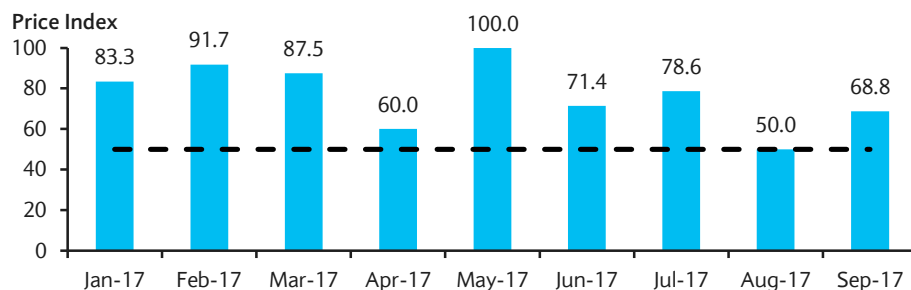
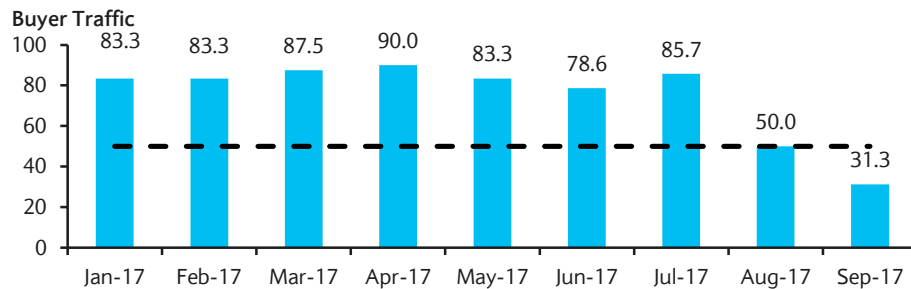
## Traffic Status:



## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	90.0	60.0	25.0	75.0	50.0
May-17	83.3	100.0	50.0	83.3	91.7
Jun-17	78.6	71.4	50.0	78.6	64.3
Jul-17	85.7	78.6	35.7	92.9	71.4
Aug-17	50.0	50.0	40.0	90.0	50.0
Sep-17	31.3	68.8	50.0	56.3	57.1
Change	(18.8)	18.8	10.0	(33.8)	7.1



## Local Real Estate Agent Comments:

- “Last minute vacations, start of school and the winter visitors are not back yet.”
- “It looks like more inventory is coming to the market.”
- “Typical market trends year over year.”

Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau

# Virginia Beach, VA – Traffic Recovers to Normal Seasonal Levels

(4,011 single-family building permits in 2016, 44<sup>th</sup> largest market in the country)

## Our Take:

- Traffic conditions recovered in September to levels in-line with agents' seasonal expectations. Our Buyer Traffic Index of 50 rose from 33 in August. Agents attributed the rebound to a moderation in interest rates along with some well-priced inventory. That said, inventory levels remain low in Virginia Beach, while geopolitical uncertainty may be contributing further pressure to buyer enthusiasm.
- Home prices gains accelerated in September. Our Home Price Index rose to 75, up from 67 in August. Meanwhile home listings shrunk while the time needed to sell a home quickened, both supportive of continue price appreciation.

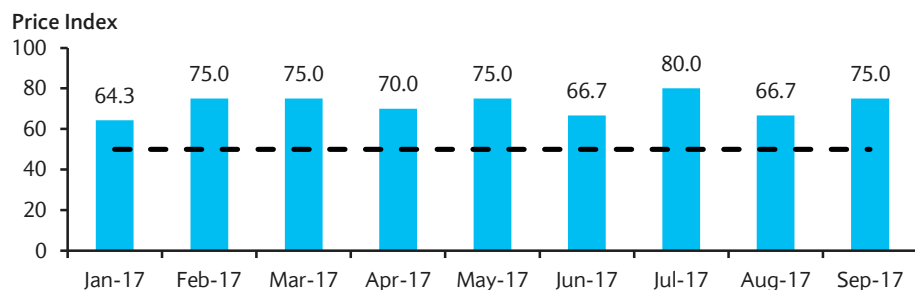
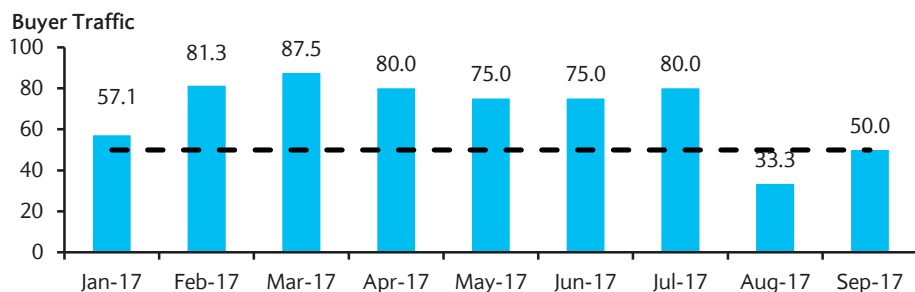
## Traffic Status:



## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	80.0	70.0	62.5	80.0	70.0
May-17	75.0	75.0	50.0	50.0	75.0
Jun-17	75.0	66.7	41.7	50.0	66.7
Jul-17	80.0	80.0	60.0	75.0	70.0
Aug-17	33.3	66.7	50.0	83.3	50.0
Sep-17	50.0	75.0	50.0	62.5	62.5
Change	16.7	8.3	0.0	(20.8)	12.5



Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau

## Local Real Estate Agent Comments:

- “Interest rates dropped a little.”
- “Low interest rates, good prices, inventory getting low.”
- “Lack of good inventory; uncertainty in our geopolitical world; still not a great job market.”

# Washington, D.C. – Traffic Remains on Solid Footing

(12,974 single-family building permits in 2016, 8<sup>th</sup> largest market in the country)

## Our Take:

- Demand ticked up slightly in September, exceeding agents' seasonal expectations. Our Buyer Traffic Index came in at 58, up from 53 last month. Agents cited a healthy economy and reasonable inventory conditions as behind the improvement, though others noted inventory levels do vary by affordability characteristics. Agents are also beginning to see the normal seasonal slowdown.
- Home prices remained about flat in September. Our Home Price Index of 53 was just above the August reading of 50. Inventories were also approximately flat in September, while the time needed to sell a home lengthened.

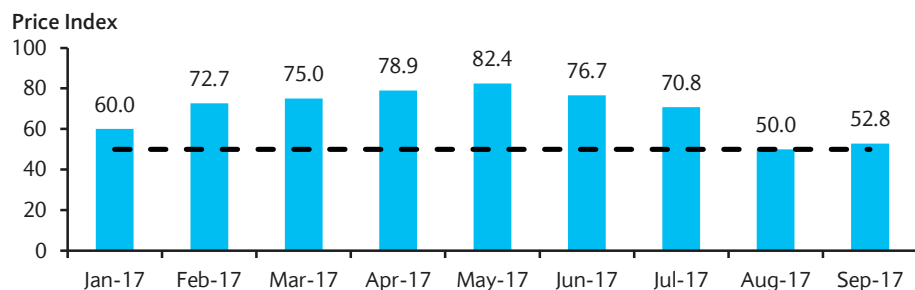
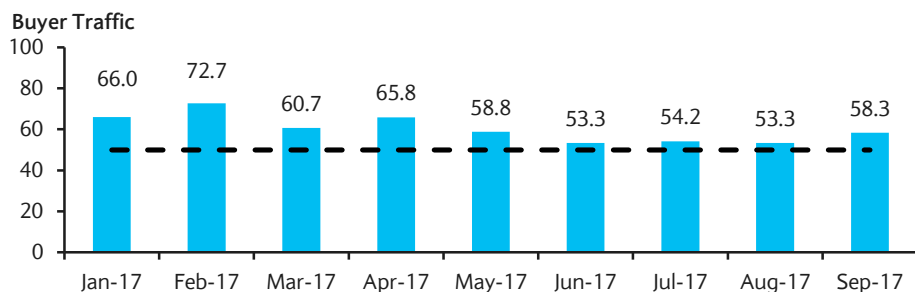
## Traffic Status:



## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	65.8	78.9	58.3	44.7	65.8
May-17	58.8	82.4	47.1	47.1	61.8
Jun-17	53.3	76.7	50.0	53.3	60.0
Jul-17	54.2	70.8	50.0	50.0	41.7
Aug-17	53.3	50.0	43.3	63.3	36.7
Sep-17	58.3	52.8	41.2	55.6	32.4
Change	5.0	2.8	(2.2)	(7.8)	(4.3)



Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau

## Local Real Estate Agent Comments:

- “Improving economy. Improving consumer confidence. Confidence in economic and tax plans of new administration.”
- “Interest rates.”
- “More buyers, and slightly more inventory. Still a shortage of inventory in affordable price points.”
- “The buying trend slows this time of year with children back in school.”
- “School has started and its getting cold, sales slowed down.”
- “Weather and tornado damage to our specific market.”

# Wilmington, NC – Traffic Healthy but Prices Decline

(1,145 single-family building permits in 2016, 116<sup>th</sup> largest market in the country)

## Our Take:

- Demand trends remained favorable in September, although decelerated slightly. Our Buyer Traffic Index came in at 60, down from 70 in August. Traffic in Wilmington has been supported by healthy trends in tourism and seasonal activity. Multiple agents also highlighted the low interest rate environment.
- Home prices declined this month. Our Home Price Index landed at 38, falling from a reading of 60 in August. However, home listings declined again in September while the time to sell quickened, indicating price trends could recover from here.

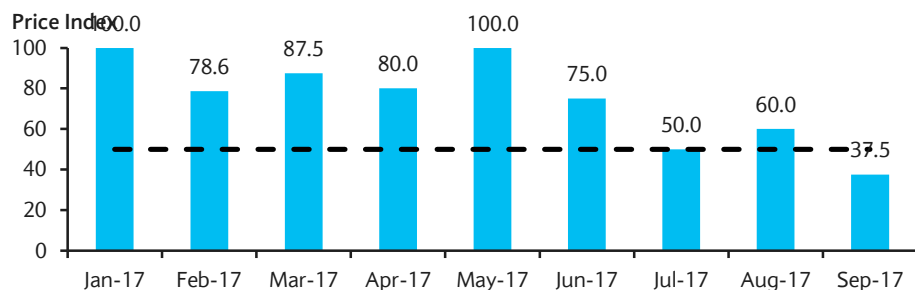
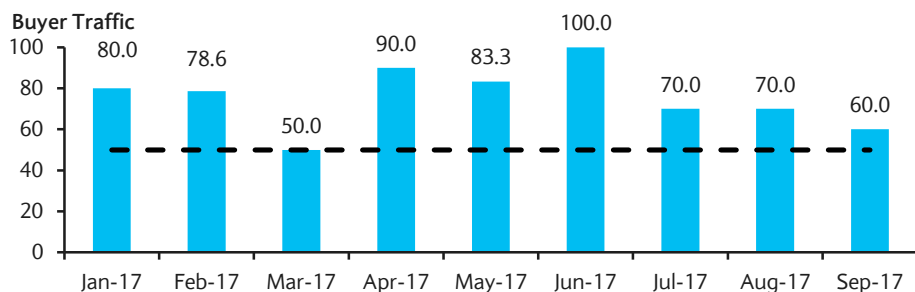
## Traffic Status:



## Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Apr-17	90.0	80.0	50.0	80.0	100.0
May-17	83.3	100.0	66.7	100.0	100.0
Jun-17	100.0	75.0	25.0	25.0	100.0
Jul-17	70.0	50.0	60.0	60.0	60.0
Aug-17	70.0	60.0	60.0	70.0	70.0
Sep-17	60.0	37.5	50.0	80.0	60.0
Change	(10.0)	(22.5)	(10.0)	10.0	(10.0)



Note: Buyer Traffic: <50 – worse than expected; =50 in-line; >50 – better than expected. Home Price: <50 – decreased m/m; =50 flat m/m; >50 – increased m/m. Incentive, Listings, Time to Sell: <50 – increased m/m; =50 flat m/m; >50 – decreased m/m.

Source: Barclays Research, Census Bureau

# Index Methodology

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We survey real estate agents, as we believe agents provide an accurate assessment of local housing market trends in both the new and existing home markets. We view trends in the existing home market as crucial to homebuilders as it represents over 90% of total sales, and trends in the existing home market often dictate trends in the new home market.

Each month, we survey agents about trends in buyer traffic levels, home prices, incentives, inventory levels, and the length of time needed to sell a home. In September, we received responses from 600 real estate agents across the country. We review responses and calculate a diffusion index for each of the questions, with a level above 50 indicating positive trends, a level below 50 indicating worsening trends, and a level of 50 indicating neutral trends.

**1) Are traffic levels in-line, better, or worse than your expectations for this time of year?** Traffic tends to be seasonal - generally more traffic in Spring and less in Fall/Winter, so we ask about traffic relative to expectations for this time of year rather than vs. last month. A Buyer Traffic Index above 50 means that traffic was better than agents' expectations, a Buyer Traffic Index of 50 means that traffic was in-line with expectations, and a Buyer Traffic Index below 50 means that traffic was worse than expectations.

**2) Have prices remained the same, increased, or decreased over the past 30 days?** A Home Price Index above 50 indicates that prices increased over the past 30 days, a Home Price Index of 50 indicates that prices were flat, and a Home Price Index below 50 indicates that prices decreased.

**3) Have incentives remained the same, increased, or decreased over the past 30 days?** An incentive index above 50 indicates that incentives decreased over the past 30 days, an incentive index of 50 indicates that incentives were unchanged, and an incentive index below 50 indicates that incentives increased.

**4) Do you see the same, more, or fewer listings as compared with 30 days ago?** An inventory (listings) index above 50 indicates that the inventory of homes for sale decreased over the past 30 days, an inventory index of 50 indicates that inventories were unchanged, and an inventory index below 50 indicates that inventories increased.

**5) Does it take the same, more, or less time to sell a house?** A time to sell index above 50 indicates that the time needed to sell a home decreased over the past 30 days, a time to sell index of 50 indicates that the time needed to sell a home was unchanged, and a time to sell index below 50 indicates that the time needed to sell a home increased.

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Source: Barclays Research

# September A.G.E.N.T. Survey Data

September, 2017	Buyer Traffic Index	Home Price Index	Incentive Index	Listings Index	Time to Sell Index
Atlanta, GA	37.5	56.3	43.8	50.0	25.0
Austin, TX	30.8	46.2	20.8	26.9	11.5
Baltimore, MD	35.7	57.1	41.7	42.9	64.3
Boston, MA	50.0	75.0	47.2	55.6	58.3
Charlotte, NC	10.0	70.0	40.0	90.0	50.0
Chicago, IL	32.1	50.0	42.3	50.0	26.8
Cincinnati, OH	37.5	50.0	37.5	37.5	50.0
Columbus, OH	50.0	70.0	50.0	40.0	30.0
Dallas, TX	34.2	57.9	26.5	41.7	27.8
Denver, CO	40.6	59.4	37.5	50.0	25.0
Detroit, MI	53.8	53.8	46.2	57.7	23.1
Fort Myers, FL	20.0	70.0	40.0	70.0	60.0
Houston, TX	28.1	46.9	25.0	59.4	28.1
Inland Empire, CA	27.3	59.1	35.0	40.9	50.0
Jacksonville, FL	38.9	72.2	16.7	44.4	61.1
Kansas City, MO	37.5	75.0	50.0	87.5	75.0
Las Vegas, NV	50.0	76.7	42.9	60.0	36.7
Los Angeles, CA	43.2	59.1	55.9	57.1	25.0
Miami, FL	15.4	42.3	41.7	50.0	30.8
Minneapolis, MN	50.0	37.5	56.3	56.3	31.3
Nashville, TN	25.0	62.5	25.0	50.0	37.5
New York, NY	50.0	68.2	46.3	61.8	56.1
Orange County, CA	75.0	100.0	25.0	75.0	50.0
Orlando, FL	33.3	66.7	44.4	66.7	55.6
Philadelphia, PA	54.5	72.7	44.4	75.0	70.0
Phoenix, AZ	50.0	65.0	42.1	72.5	67.5
Portland, OR	20.0	70.0	45.0	35.0	25.0
Raleigh, NC	35.7	78.6	64.3	92.9	50.0
Richmond, VA	25.0	50.0	25.0	50.0	25.0
Sacramento, CA	53.1	71.9	35.7	46.4	39.3
San Antonio, TX	37.5	68.8	14.3	50.0	42.9
San Diego, CA	25.0	50.0	50.0	50.0	25.0
San Francisco, CA	52.1	70.8	47.2	50.0	54.3
Sarasota, FL	25.0	66.7	33.3	50.0	50.0
Seattle, WA	35.0	55.0	33.3	27.8	16.7
Tampa, FL	20.0	60.0	40.0	70.0	60.0
Tucson, AZ	31.3	68.8	50.0	56.3	57.1
Virginia Beach, VA	50.0	75.0	50.0	62.5	62.5
Washington, D.C.	58.3	52.8	41.2	55.6	32.4
Wilmington, NC	60.0	37.5	50.0	80.0	60.0
Total Index Level	38.5	62.4	40.1	56.1	43.2

Source: Barclays Research

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