

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

(Analyzing, Gauging, & Exploring Neighborhood Trends)

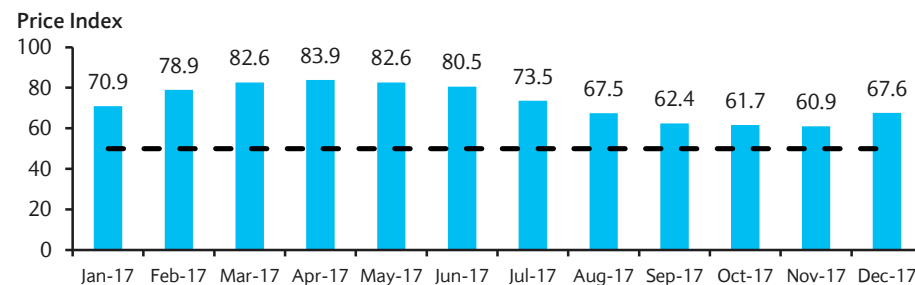
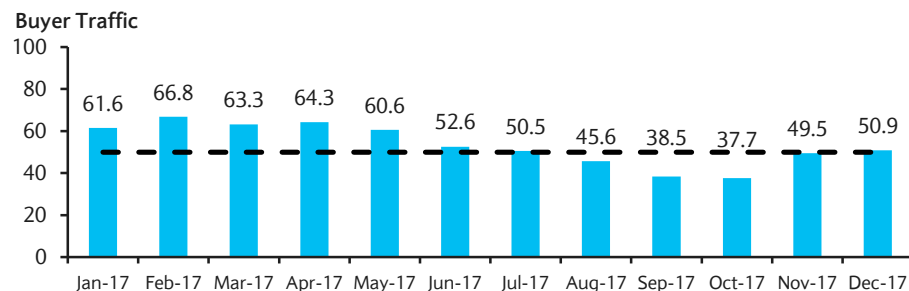
U.S. Homebuilding & Building Products

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Homebuilding & Building Products

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Source: Barclays Research

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December Real Estate A.G.E.N.T. Survey

Economic Growth Stimulates Traffic During Holiday Slowdown

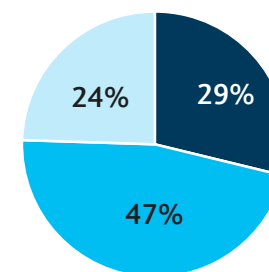
Traffic Normal for December: Our Buyer Traffic Index edged higher to 51 in December, just up from November's reading of 50, indicating traffic remained at levels in-line with agents' seasonal expectations. Although the majority of markets saw typical seasonal moderation around the holidays, agents still observed widespread healthy activity driven most commonly by improved economic prospects, job-driven relocations, and urgency to purchase with interest rates still attractive. The broad-based inventory shortage remained top-of-mind in almost every market, however in some markets agents saw prospective buyers taking advantage of the quieter season to get a jump on any well-priced inventory. Still, agents in markets with higher prices or higher state taxes frequently cited buyers pausing and awaiting greater clarity on the impacts of tax reform on home ownership. By price segment, entry-level remained the most commonly cited segment showing stronger trends, although slightly less so this month, while active-adult buyers showed improvement.

More markets beat expectations: In December, 15 of the 40 markets we survey saw better than expected traffic (12 in November), 11 saw traffic in-line (10 in Nov.), and 14 pointed to lower than expected traffic (18 in Nov.). Trends were still mixed regionally, however. Texas was strong led by San Antonio, as was the Midwest and the Northeast. Florida was weaker led by softness in Tampa, while the Pacific Northwest saw strength in Portland more than offset by a moderation in Seattle.

Wider breadth of price increases: Our Home Price Index came in at 68 in December, up 7 pts from November. Of the 40 markets we survey, 34 saw higher prices m/m in December (24 in Nov.), 3 markets experienced flat prices (10 in Nov.), and 3 markets saw lower prices (6 in Nov.). Strong readings were seen in Charlotte, Columbus, the Inland Empire, Seattle, and Fort Myers. The only markets with sequentially lower prices were Nashville, Virginia Beach, and Chicago.

Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	37.7	61.7	41.9	57.8	35.5
Nov-17	49.5	60.9	37.9	63.6	42.3
Dec-17	50.9	67.6	41.5	70.8	47.9
Change	1.3	6.7	3.6	7.2	5.6

December Buyer Traffic Index of 50.9

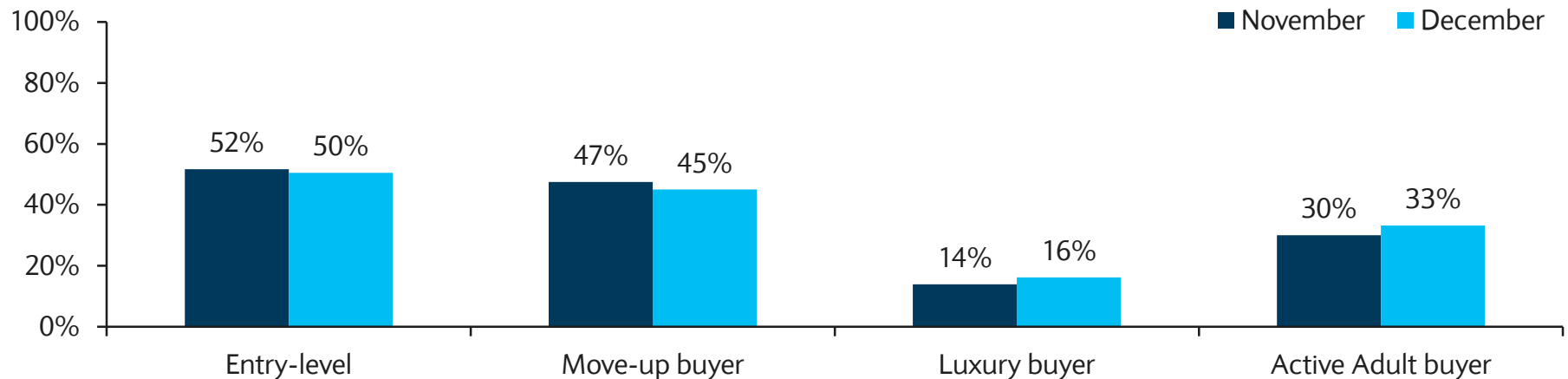


■ Better than expected ■ In-line with expectations ■ Worse than expected

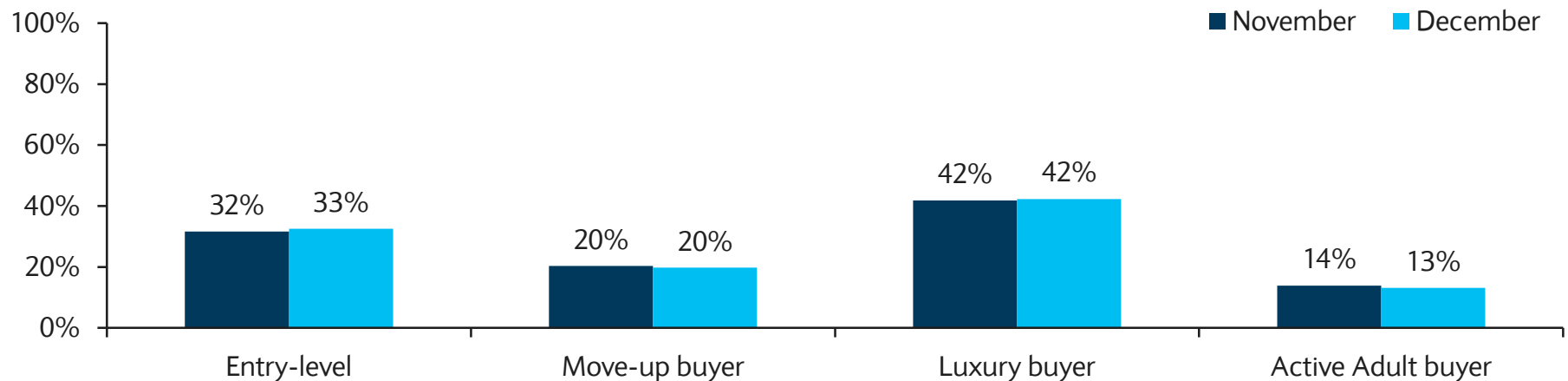
Source: Barclays Research

Buyer Segment Trends: Active Adult and Luxury Edge Higher

% 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 – Buyer Traffic Recedes to Levels Normal for December

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

Our Take:

- Traffic levels subsided in December. Our Buyer Traffic Index dipped to 50, indicating trends in-line with seasonal expectations, and down from 70 in November. Agents observed a normal seasonal slowdown alongside continued low inventory conditions. Some noted economic strength in the region was a boon to demand.
- Home prices remained on an upward trajectory overall in December, with our Price Index reading of 60 unchanged from last month. Home listings continued to decline, though on average the time to sell a home lengthened slightly.

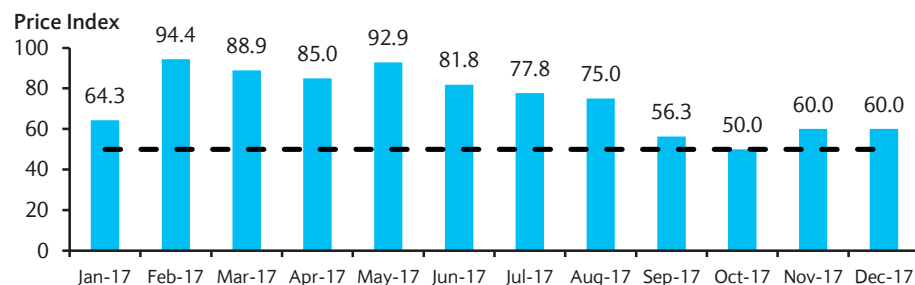
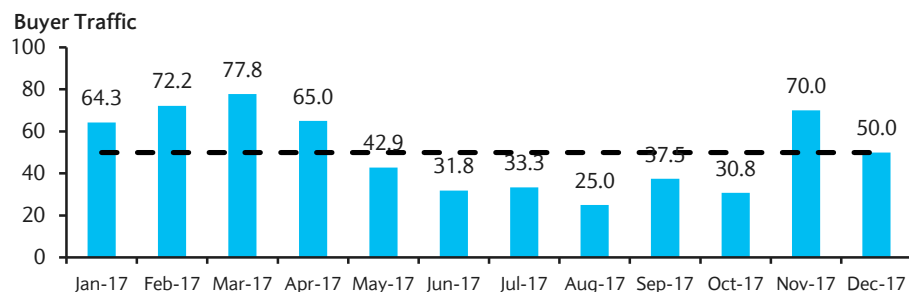
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	30.8	50.0	33.3	69.2	50.0
Nov-17	70.0	60.0	27.8	90.0	75.0
Dec-17	50.0	60.0	25.0	80.0	40.0
Change	(20.0)	0.0	(2.8)	(10.0)	(35.0)



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:

- “The average marketing time for our listings during December has been three days.”
- “The holidays has buyers on the sidelines, waiting till the new year.”
- “Inclement weather; holiday rush, lack of good inventory.”
- “No reason but the economy.”

Austin, TX – Sluggish Traffic Persists

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

Our Take:

- Buyer traffic remained soft in December. Our Traffic Index edged higher to 36 from 33 last month, still suggesting traffic levels below seasonal norms. Agents believed the holiday slowdown was exacerbated by tight supply, with competition around quality inventory pushing buyers to the sidelines. Luxury remained slow. On the other hand, agents did see some relocation traffic from buyers new to the area.
- Our Home Price Index reading of 55 indicated prices were about flat sequentially. Home listings were also roughly unchanged, though the time needed to sell lengthened.

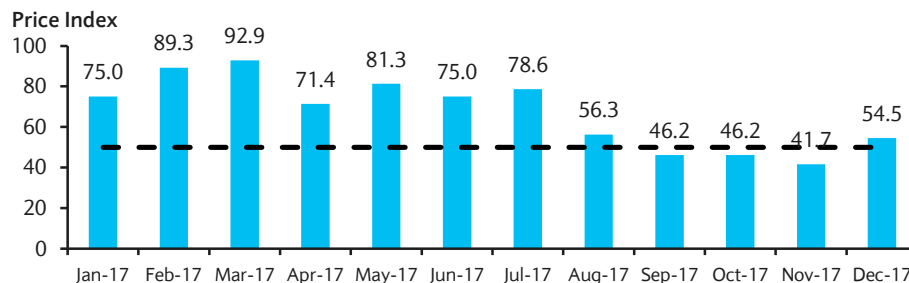
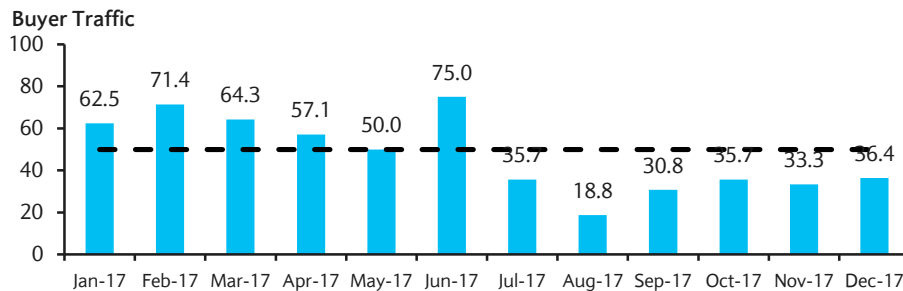
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	35.7	46.2	17.9	21.4	10.7
Nov-17	33.3	41.7	16.7	33.3	8.3
Dec-17	36.4	54.5	22.7	54.5	36.4
Change	3.0	12.9	6.1	21.2	28.0



Local Real Estate Agent Comments:

- “Mint condition homes sell immediately and for over full price. Average homes that are probably overpriced are sitting.”
- “Holiday lull. Slowest pace I've ever seen.”
- “Buyer's are hesitant to pull the trigger in the luxury market.”
- “Low inventory and time of the year equals slower traffic.”
- “Jobs continue to drive the inbound movement of new residents to the MSA.”
- “Low inventory.”
- “The 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

Baltimore, MD – Agents See a Recovery in Traffic

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

Our Take:

- Traffic levels improved in December, with our Buyer Traffic Index rising to 60 from 40 in November. Agents noted general consumer optimism and improving economics as boosting demand. That said, challenges around affordable inventory and disruptions around tax changes likely limited the overall improvement.
- Home price gains broadened this month, with our December Price Index reading of 70 jumping from 50 last month. The price growth occurred alongside a sharp drop in home listings. The time needed to sell a home was unchanged.

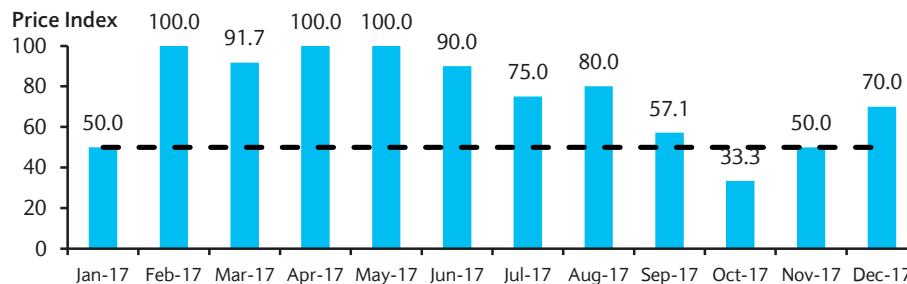
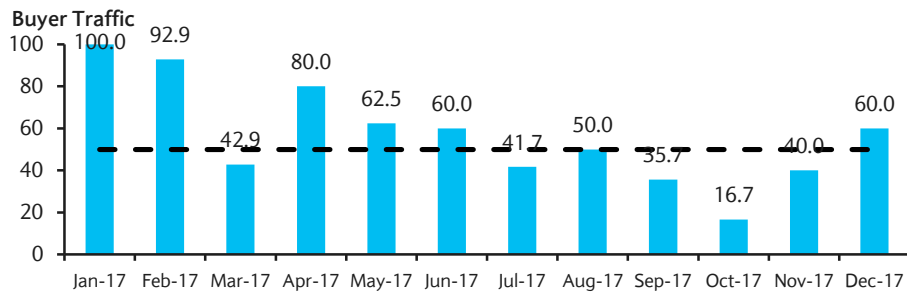
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	16.7	33.3	50.0	33.3	33.3
Nov-17	40.0	50.0	40.0	50.0	30.0
Dec-17	60.0	70.0	50.0	87.5	50.0
Change	20.0	20.0	10.0	37.5	20.0



Local Real Estate Agent Comments:

- “Optimism.”
- “Likely personal business fluctuations.”
- “Changes to the Tax Code on limitations on mortgage interest deduction and state and local taxes deduction.”
- “The holidays, but increasing prices and limited inventory were already impacting buyer interest before the holidays.”
- “Crime is still an issue for Baltimore City.”

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 Conditions Steady Into the Holidays

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

Our Take:

- Traffic levels were in-line with seasonal norms for December. Our Buyer Traffic Index reading of 50 edged higher from 46 last month. Many agents observed a typical slowdown around the holidays. Others believed that limited inventory has kept cautious sellers out of the market, while underlying demand remains healthy due to economic reasons.
- Home prices ticked higher in December. Our Home Price Index level of 68 rose from 59 last month. Home listings continued to decline, and the time to sell a home was approximately unchanged.

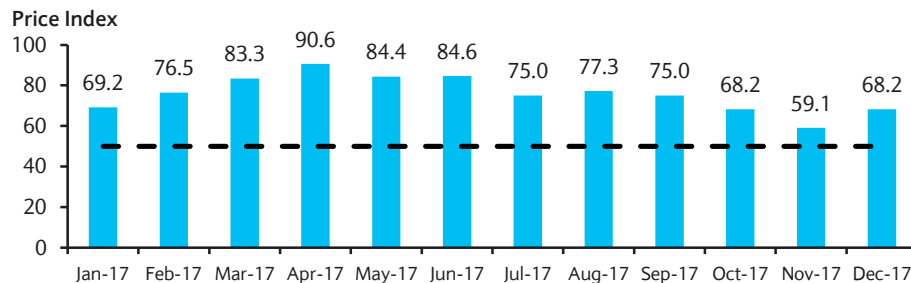
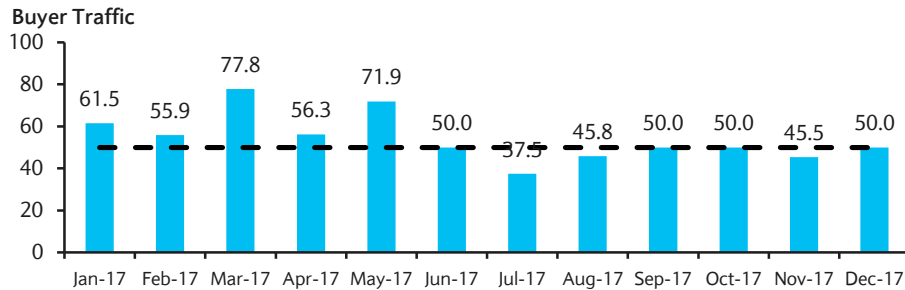
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	50.0	68.2	50.0	63.6	45.5
Nov-17	45.5	59.1	50.0	68.2	40.9
Dec-17	50.0	68.2	50.0	77.3	54.5
Change	4.5	9.1	0.0	9.1	13.6



Local Real Estate Agent Comments:

- “Typical drop off before the holidays.”
- “Limited inventory, interest rates potentially rising soon.”
- “Little to no inventory right now.”
- “Market typically slows a week or prior to Thanksgiving until after the New Year. However still good traffic and deals being closed.”
- “My sellers have no place to go if they sell.”
- “Overall consumer confidence.”
- “Inventory shortage.”

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 Improves Amidst Low Inventory and Rising Prices

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

Our Take:

- Traffic ticked higher again this month, with our Buyer Traffic Index registering 50 in December, up from 42 last month. A reading of 50 indicates demand in-line with agents' seasonal expectations. Agents broadly highlighted the challenged inventory environment in Charlotte as constraining activity even as buyer traffic steadied into the holidays.
- Home prices pushed higher again in December as our Price Index rose to 90 from 75 last month, suggesting broad-based price gains. Home listings declined further alongside a quickening time to sell.

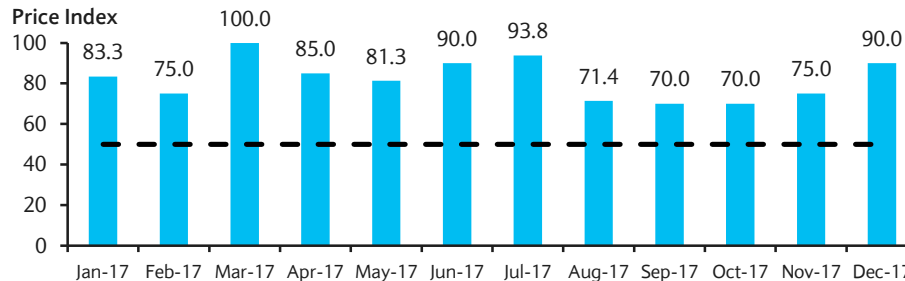
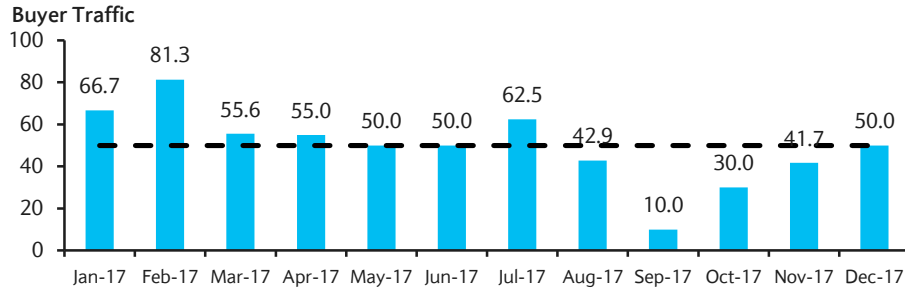
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	30.0	70.0	30.0	50.0	30.0
Nov-17	41.7	75.0	33.3	83.3	66.7
Dec-17	50.0	90.0	40.0	80.0	80.0
Change	8.3	15.0	6.7	(3.3)	13.3



Local Real Estate Agent Comments:

- “No inventory in price ranges below \$300K.”
- “Again it is the lack of quality inventory.”
- “Low inventory and holiday season.”
- “Holidays and low inventory levels.”

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

Chicago, IL – Traffic Recovers Slightly but Remains Soft

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

Our Take:

- Traffic levels improved but remained below agents' seasonal expectations. Our Buyer Traffic Index rose to 39 in December from 28 last month. Several agents observed buyer uncertainty around changes to tax law impacting home ownership, while others highlighted economic and employment concerns. Some saw improving demand at entry-level price points.
- Home prices continued to soften though the pace of decline was less than last month's. Our Price Index registered 44 vs. 38 last month. Home listings were roughly flat and the time needed to sell a home lengthened again.

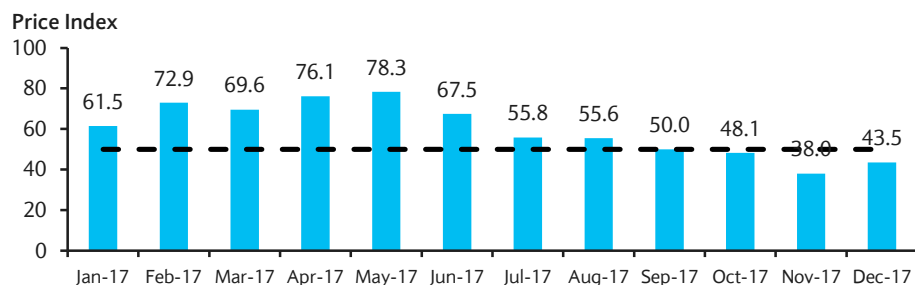
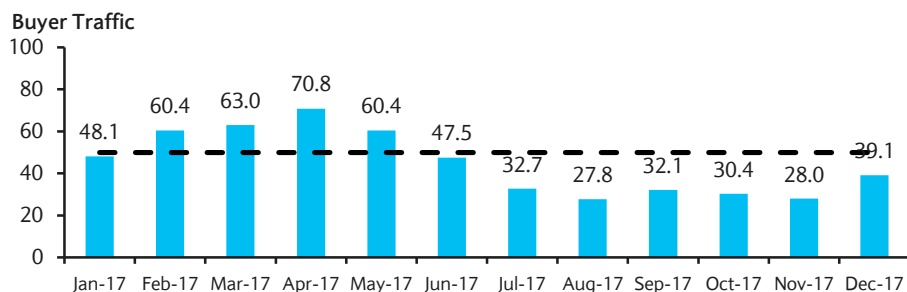
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	30.4	48.1	44.2	51.9	24.1
Nov-17	28.0	38.0	36.0	62.0	28.0
Dec-17	39.1	43.5	40.5	54.3	20.5
Change	11.1	5.5	4.5	(7.7)	(7.5)



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:

- “Lack of desirable inventory. Tax plan impacting deductions.”
- “Cost of health insurance premiums rising, tax reform is causing uncertainty.”
- “Uncertainty over tax plan.”
- “Financial problems of Chicago and Illinois are playing a part as is the glut of apartments soon to hit downtown.”
- “First-timers are out looking. Move-up and luxury buyers.”
- “Holidays, uncertainty of new income tax rules.”
- “Uncertain local job market with layoffs at major corporations.”

Cincinnati, OH – Traffic Back to Slower Levels

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

Our Take:

- Traffic returned to soft levels in December after a strong November. Our Buyer Traffic Index fell to 33 from 75 last month. Inventory conditions appears to be the largest driver among agents who saw worsening trends, with demand at luxury price points deteriorating. Entry-level and move-up trends fared better.
- Home prices regained steam in December as our Price Index rose to 67 from 50 last month. Our home listings index reading of 100 indicated broad-based declines in inventory, and the time needed to sell a home quickened.

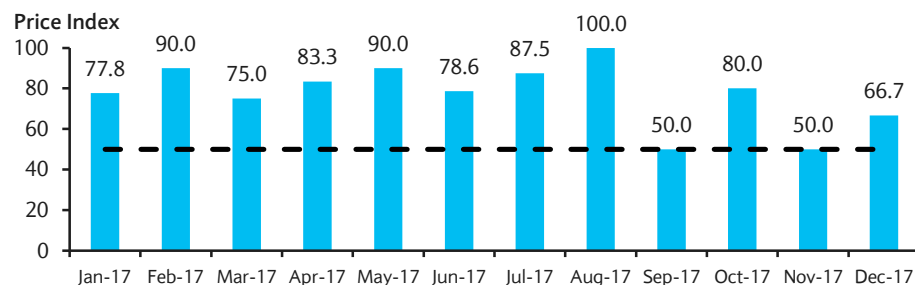
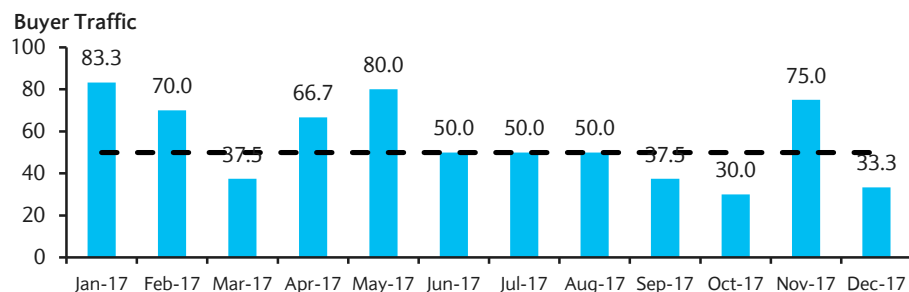
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	30.0	80.0	40.0	70.0	50.0
Nov-17	75.0	50.0	33.3	50.0	33.3
Dec-17	33.3	66.7	33.3	100.0	66.7
Change	(41.7)	16.7	0.0	50.0	33.3



Local Real Estate Agent Comments:

- “Lack of available housing.”
- “Buyer traffic has slowed some, but that's probably seasonal.”
- “Good but tempered slightly due to Christmas in 2nd half of month.”

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

Columbus, OH – Solid Traffic Persists As Price Gains Reappear

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

Our Take:

- Traffic remained above agents' seasonal expectations in December though moderated a touch from November. Our Buyer Traffic Index slipped to 63 from 70 last month. Some agents believed buyers took advantage of the usual holiday slowdown to seek available inventory. Agents are also seeing a bit more inventory at mid-price points and higher.
- Home prices rebounded in December after two softer months, with our Price Index jumping to 88 from 40 last month. Agents observed lower home listings alongside a faster time needed to sell a home.

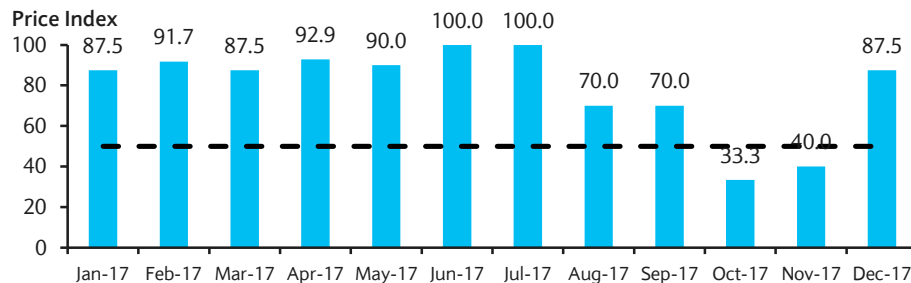
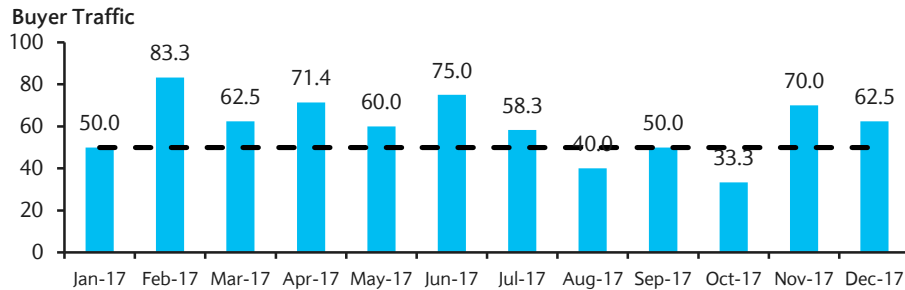
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	33.3	33.3	66.7	50.0	16.7
Nov-17	70.0	40.0	30.0	60.0	50.0
Dec-17	62.5	87.5	50.0	62.5	62.5
Change	(7.5)	47.5	20.0	2.5	12.5



Local Real Estate Agent Comments:

- “Scarcity of inventory seems to be driving buyers to look during what are normally quiet times.”
- “Continued low inventory, except over \$400K where homes are seeing a longer market time.”
- “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

Dallas, TX – Affordability Issues Weigh on Traffic

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

Our Take:

- Traffic levels maintained a modest pace in December. Our Buyer Traffic Index reading of 40 slipped from 44 last month, suggesting trends just below norms. Agents highlighted affordability concerns alongside missing quality inventory, while demand at luxury price points appears to be faring worse. Inbound demand however continued to buoy traffic.
- Home price growth broadened in December as our Price Index rose to 73 from 67 last month, while home listings declined for the second consecutive month. The time needed to sell a home was seen to be lengthening.

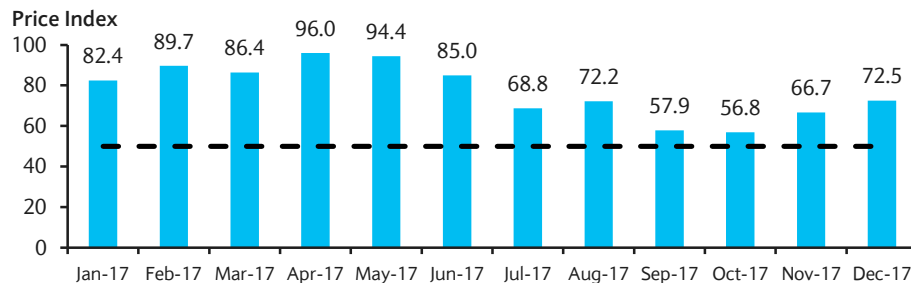
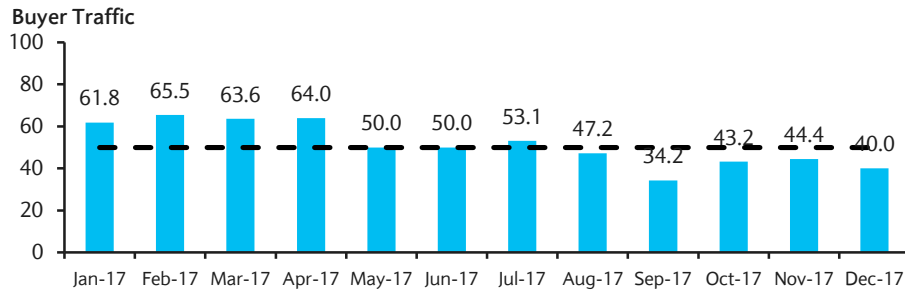
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	43.2	56.8	27.3	43.2	22.7
Nov-17	44.4	66.7	25.0	61.1	41.7
Dec-17	40.0	72.5	21.1	60.0	22.5
Change	(4.4)	5.8	(3.9)	(1.1)	(19.2)



Local Real Estate Agent Comments:

- “Home prices have gone up much faster than incomes.”
- “Holiday season and lack of diverse inventory.”
- “Holiday season, slowing of relocation due to holiday season, fewer low-end buyers, and low inventory.”
- “Buyers planning a summer move into our market visit in December to explore builders, neighborhoods and schools.”
- “Continued job creation in DFW markets.”
- “Incoming relocations are steady this time of year, buyer traffic in luxury is starting to decline, buyer traffic under 500K is still going strong.”

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 – Buyers Continue Searching During the Holidays

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

Our Take:

- Traffic conditions held up through the holidays in Denver. Our Buyer Traffic Index level of 57 was up 1 point from last month. Several agents believed that low inventory conditions drove buyers to look during what is normally a quieter season. Some also saw urgency around purchasing while interest rates remain low. Trends at lower price points appeared healthy.
- Home prices recovered in December as more agents saw rising prices. Our Price Index jumped to 67 from 47 last month. Home listings declined though the time needed to sell a home was seen extending.

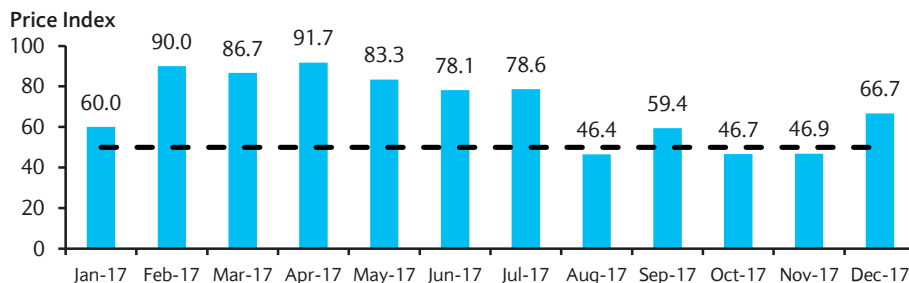
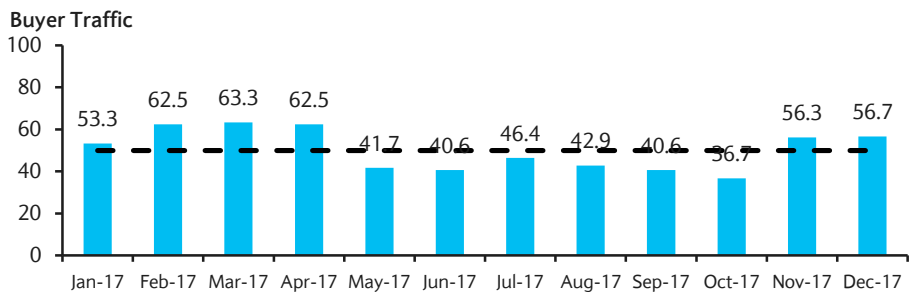
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	36.7	46.7	39.3	56.7	23.3
Nov-17	56.3	46.9	36.7	62.5	31.3
Dec-17	56.7	66.7	36.7	80.0	39.3
Change	0.4	19.8	0.0	17.5	8.0



Local Real Estate Agent Comments:

- “Higher than normal number of buyers in the market at this time, trying to get a jump on next year.”
- “Low inventory drives more buyers to shop in the holiday season.”
- “Low inventory and high prices for first time homebuyers, but have seen an uptick in relocates.”
- “First-time and low-end buyers still in market looking for homes, driven by low inventory.”
- “Buyer perception that rates will rise after New 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

Detroit, MI – Healthy Traffic Conditions Return

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

Our Take:

- Traffic improved to levels above agents' seasonal expectations. Our December Buyer Traffic Index leaped to 59 from 38 in November. Agents observed demand boosted by positive employment trends and more general searching through a tight inventory environment. Better than usual weather may have helped. Most agents saw improved entry-level trends and softer luxury demand.
- Home prices again rose slightly, as our Price Index increased to 59 from 56 last month. The time to sell a home lengthened again although home listings declined.

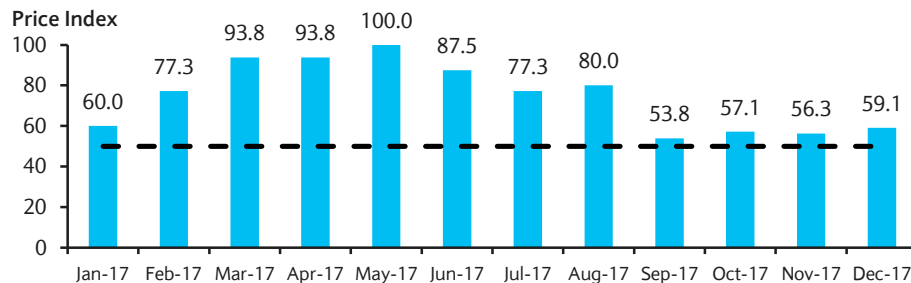
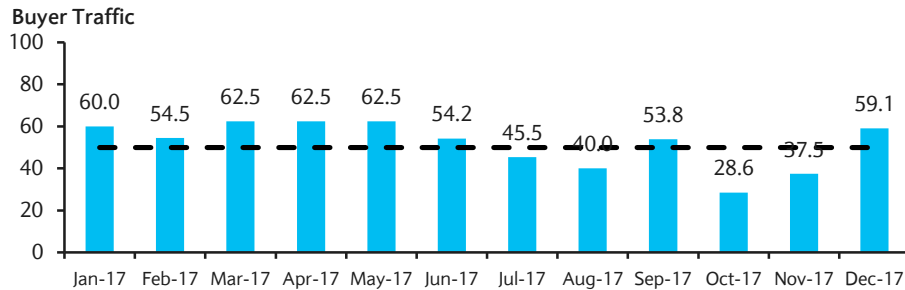
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	28.6	57.1	42.9	42.9	7.1
Nov-17	37.5	56.3	43.8	56.3	12.5
Dec-17	59.1	59.1	40.9	63.6	36.4
Change	21.6	2.8	(2.8)	7.4	23.9



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:

- “Jobs and revival of Detroit.”
- “Maybe better than expected; still some traffic, buying / selling going on.”
- “Seasonal slowdown, but not dead.”
- “Rental market is still brisk. Sales are soft.”
- “Low inventory and weather has been very nice.”
- “General holiday slowdown and not enough new inventory to interest buyers.”

Fort Myers, FL – Demand Ticks Lower As Price Gains Persist

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

Our Take:

- Traffic conditions stepped back in December, as our Buyer Traffic Index slipped to 40 from 50 in November. Agents attributed the slowdown to worsening affordability at the low-end, tight inventory, and demand weakness at higher price points. Agents also noted changes to tax law added an additional layer of hesitation.
- Home price appreciation broadened again in December, with our Price Index reading of 85 suggesting widespread price increases. Our index rose from 80 last month. Still, home listings increased and the time to sell lengthened.

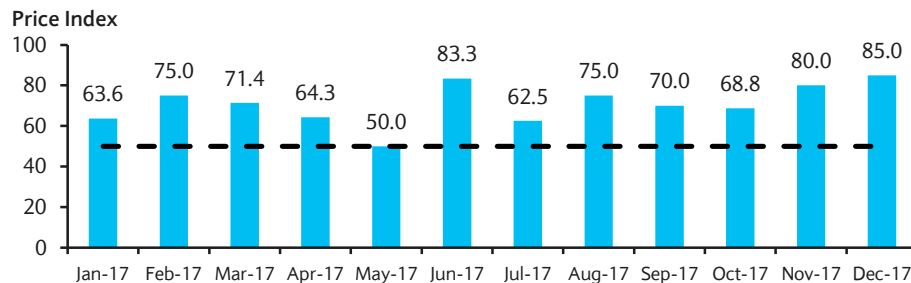
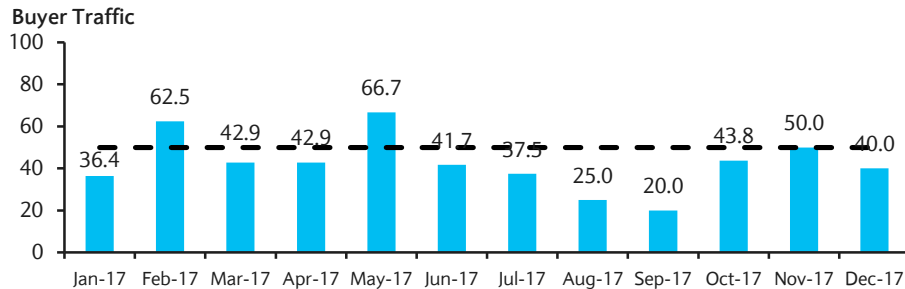
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	43.8	68.8	31.3	56.3	50.0
Nov-17	50.0	80.0	30.0	60.0	50.0
Dec-17	40.0	85.0	45.0	35.0	40.0
Change	(10.0)	5.0	15.0	(25.0)	(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

Local Real Estate Agent Comments:

- “Increased prices, lack of inventory, concerns about cost of insurance.”
- “The aftermath of the hurricane along with the uncertainty about the new tax bill has given buyers pause. Things do seem to be picking up, however.”
- “Increased price on entry-level homes and lack of entry-level inventory.”
- “Buyers are great in homes under \$750K but luxury homes over \$1M are extremely slow.”

Houston, TX – Steady Traffic Helped by Post-Storm Demand

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

Our Take:

- Traffic maintained levels in-line with seasonal norms in December, with our Buyer Traffic Index holding flat at 50. Most agents believed any negative effects from Harvey are gone, with demand from flood victims and those receiving insurance payments helping to bolster activity. Investor demand and relocation traffic were also supportive.
- Our Home Price Index reading of 50 indicated prices were largely flat in December. Our index improved from 44 last month. Home listings were also approximately unchanged while the time needed to sell a home lengthened a bit.

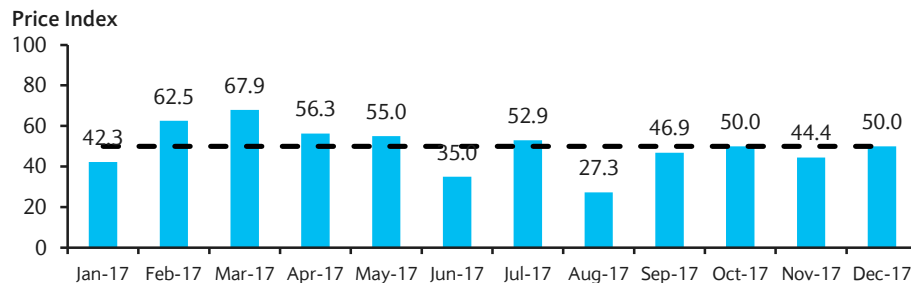
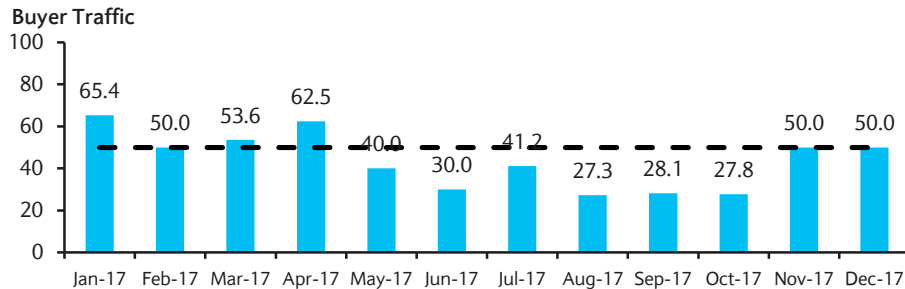
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	27.8	50.0	37.5	77.8	27.8
Nov-17	50.0	44.4	35.0	60.0	30.0
Dec-17	50.0	50.0	50.0	54.5	36.4
Change	0.0	5.6	15.0	(5.5)	6.4



Local Real Estate Agent Comments:

- “The Harvey effect is over. Strong demand has resumed. Buyers still easily getting 4% on 30 year mortgages. Folks are still coming to Houston from out of state.”
- “December was busier than one would expect.”
- “Seems there are still many people looking for new homes after the hurricane. Some are investors looking to use as rentals, some are people who lost their homes in the flood.”
- “Flood victims getting money.”
- “Oil people who dominated the market in my area for the past several years are now far and few between.”

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

Inland Empire, CA – Missing Inventory and Accelerating Prices Pressure Traffic

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

Our Take:

- Sluggish traffic conditions persisted in December, as our Buyer Traffic Index slipped to 31 from 33 last month. The combination of buyer fatigue related to a lack of inventory and challenges with affordability is keeping traffic at bay. Some agents remained optimistic about a post-Holiday rebound.
- Home prices jumped in December with our Price Index reading of 88 rising from 61 last month. The price growth coincided with a decline in home listings and a slightly quicker time to sell.

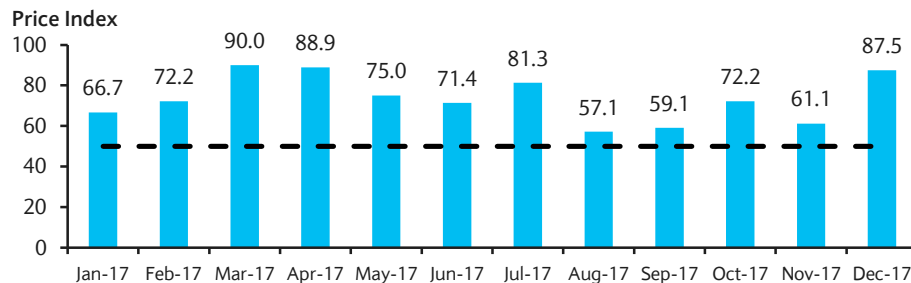
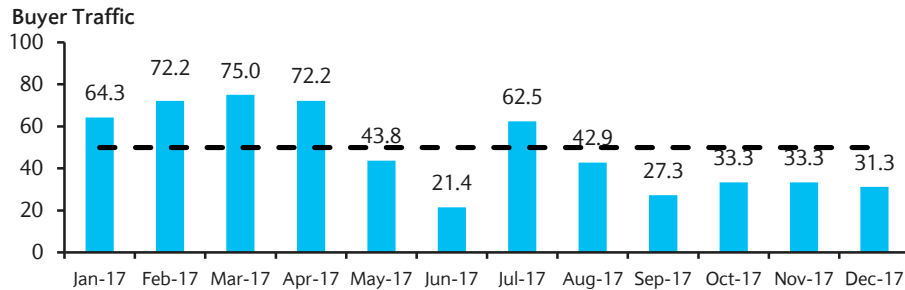
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	33.3	72.2	33.3	72.2	55.6
Nov-17	33.3	61.1	33.3	83.3	55.6
Dec-17	31.3	87.5	42.9	68.8	56.3
Change	(2.1)	26.4	9.5	(14.6)	0.7



Local Real Estate Agent Comments:

- “Buyer traffic is still subdued due to disillusionment with lack of inventory.”
- “Affordable housing.”
- “Affordability.”
- “Price.”
- “Buyers that had to move.”
- “Seasonal market expectations.”
- “Lower 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

Jacksonville, FL – Traffic Still Slow but Recovering

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

Our Take:

- Traffic levels improved in December but were still below seasonal norms. Our Buyer Traffic Index rose to 42 from 17 last month. Agent commentary was mixed this month, with those seeing worsening trends pointing to expectations that inventories will become more available in the future. Others who saw more positive trends highlighted a boost from consumer economic strength.
- Home prices rose again in December though the breadth of appreciation diminished vs. November. Our Price Index reading of 58 fell from 83 last month. Home listings fell further while the time to sell shortened slightly.

Traffic Status:

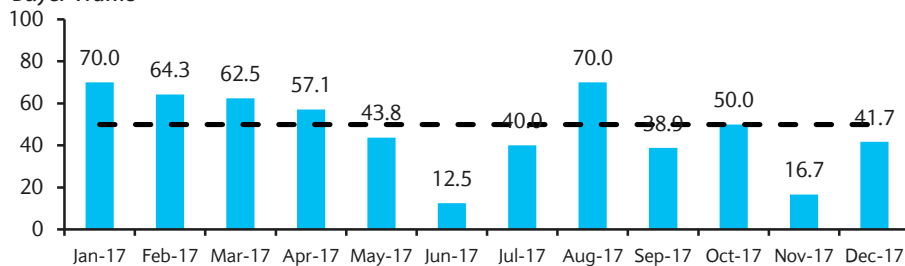


Traffic Trend:

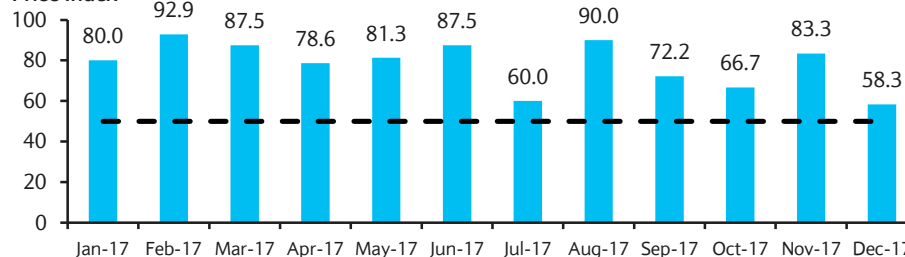


Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Jul-17	40.0	60.0	40.0	60.0	50.0
Aug-17	70.0	90.0	40.0	90.0	70.0
Sep-17	38.9	72.2	16.7	44.4	61.1
Oct-17	50.0	66.7	66.7	58.3	58.3
Nov-17	16.7	83.3	25.0	75.0	75.0
Dec-17	41.7	58.3	33.3	75.0	58.3
Change	25.0	(25.0)	8.3	0.0	(16.7)

Buyer Traffic



Price Index



Local Real Estate Agent Comments:

- “Word is out that inventory is likely to creep up versus last year. Days on market overall is only down by about 5 days but over \$300K has risen to 110 days. 80% of all sales are under \$300K, and the impact of rising rates and loss of some of the first time home buyer bond programs is yet to be determined.”
- “Holidays and less homes on the market.”
- “Still rolling along with a good economy and consumer confidence.”

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 – Strong Traffic Levels as Prices Push Higher

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

Our Take:

- Traffic levels accelerated in December. Our Buyer Traffic Index reading of 100 indicated broad-based traffic observations above seasonal expectations. The most positive trends were observed at move-up and active-adult price points, while trends at luxury prices were relatively softer.
- Our Home Price Index maintained a level of 100 in December, indicated widespread price increases. Both listings and the time needed to sell a home were flat this month.

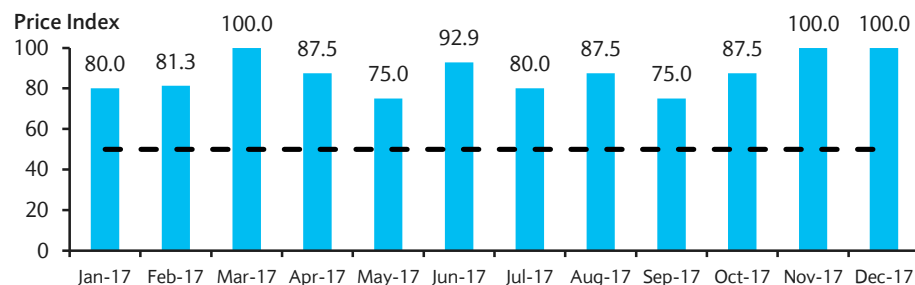
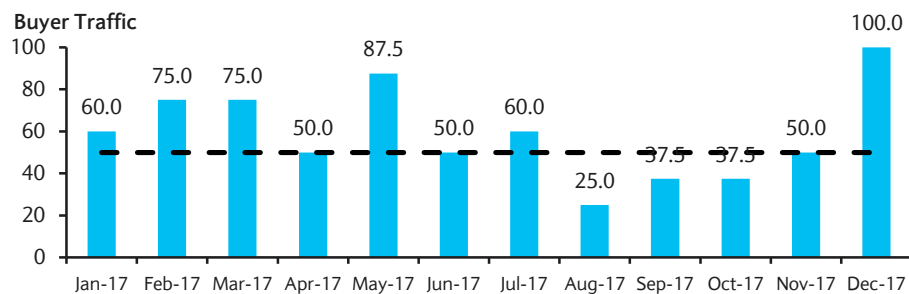
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	37.5	87.5	50.0	87.5	50.0
Nov-17	50.0	100.0	25.0	75.0	50.0
Dec-17	100.0	100.0	0.0	50.0	50.0
Change	50.0	0.0	(25.0)	(25.0)	0.0



Local Real Estate Agent Comments:

- “Move-up, active adult buyer.”

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 – Demand Persists Despite Low Inventory and Rising Prices

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

Our Take:

- Traffic levels increased further above agents' seasonal expectations in December. Our Buyer Traffic Index increased to 75 from 72 last month. Most agents pointed to the short supply environment as pushing up prices, but underlying demand appears to be strong enough such that buyers remain active.
- Home prices continued on an upward path in December, though observations of price increases were less broad than in November. Our Price Index slipped to 75 from 89. Home listings were seen declining, while the time to sell was nearly flat.

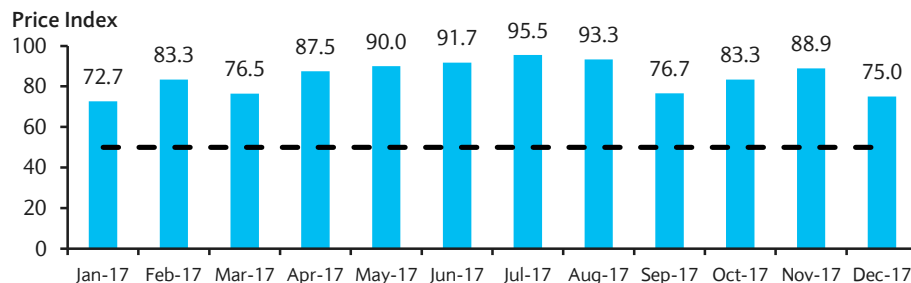
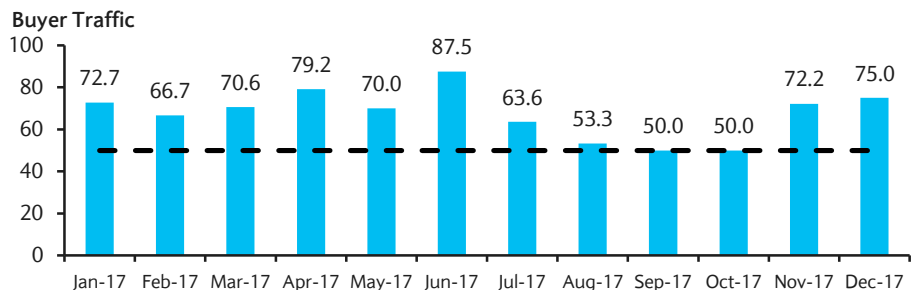
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	50.0	83.3	37.5	66.7	54.2
Nov-17	72.2	88.9	27.8	50.0	33.3
Dec-17	75.0	75.0	43.8	75.0	43.8
Change	2.8	(13.9)	16.0	25.0	10.4



Local Real Estate Agent Comments:

- “Traffic is brisk, inventory low, weather is great. Buyers are ready to purchase.”
- “Seller’s market due to low inventory. New construction pricing continuing to increase which places the majority of prospective purchasers beyond their affordability.”
- “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

Los Angeles, CA – Demand Progresses into Year-End

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

Our Take:

- Traffic conditions improved again in December. Our Buyer Traffic Index registered 61 this month, up from 52 in November, indicating traffic nicely above seasonal norms. Agents cited general underlying demand strength alongside activity from first-time homebuyers. Others pointed to demand from investors. On the other hand, low inventory continued to exert overall pressure on market dynamics.
- Home prices ticked higher in December as our Price Index increased to 64 from 55 in November. Home listings were seen declining significantly. On the other hand, the time to sell a home increased.

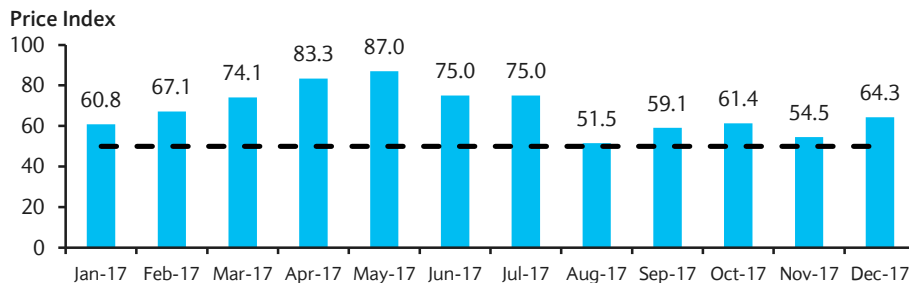
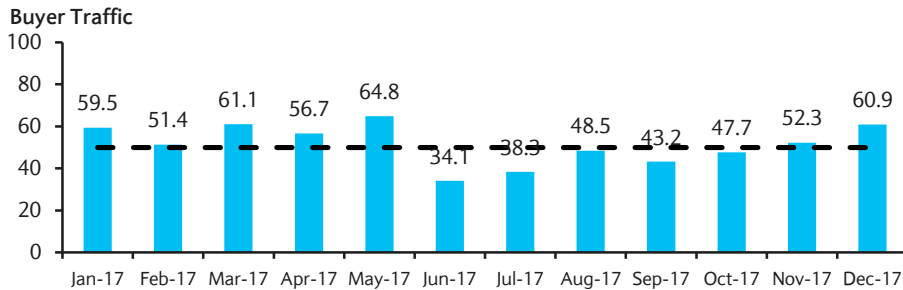
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	47.7	61.4	50.0	54.8	35.7
Nov-17	52.3	54.5	31.3	54.5	28.6
Dec-17	60.9	64.3	42.3	81.6	40.0
Change	8.6	9.7	11.1	27.0	11.4



Local Real Estate Agent Comments:

- “Low inventory and strong buyer demand.”
- “First-time buyer.”
- “Housing shortage.”
- “Low inventory and appreciating prices has driven many owner occupants from the market. The market is currently investor driven.”
- “Frustrated buyers are most of the market and the balance is made up of prospective sellers looking for a home they can get into escrow on before they sell.”

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 – Tax Changes Drive a Pause at the High-End

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

Our Take:

- Traffic levels fell further in December to levels well below agents' expectations. Our Buyer Traffic Index landed at 27, down from 35 last month. Low levels of quality inventory were exacerbated by uncertainty around tax changes particularly at higher price points. Several agents still believed that there are lingering disruptions from Irma as well.
- Home prices ticked higher on balance in December, after three months of flat or slightly lower prices. Our Price Index rose to 58 from 46. Inventories rose slightly, while the time to sell a home was seen to be lengthening.

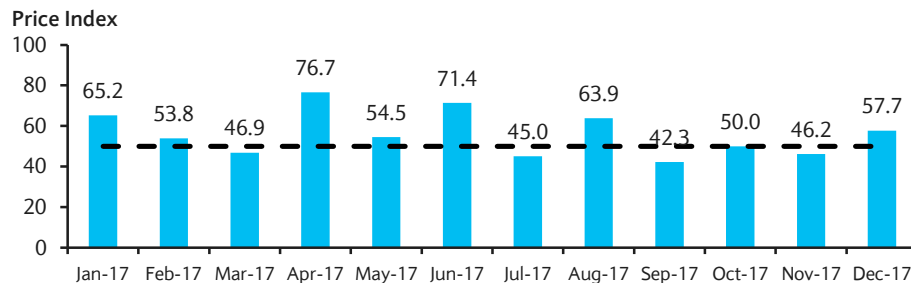
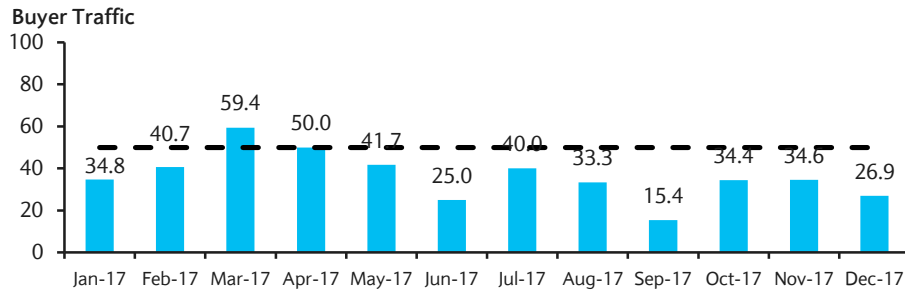
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	34.4	50.0	36.7	53.1	12.5
Nov-17	34.6	46.2	37.5	50.0	34.6
Dec-17	26.9	57.7	42.3	42.3	19.2
Change	(7.7)	11.5	4.8	(7.7)	(15.4)



Local Real Estate Agent Comments:

- “Tax law changes in flux with limitation on deductions confusing upper-end buyers. Still slow due to Irma.”
- “Wait and see attitude; Tax implications for luxury homes.”
- “Buyers are waiting for prices to come down; Sellers won't reduce prices enough to sell or accept good offers; Holiday distractions; Tax changes are an excuse to sit and wait; Limited good quality inventory.”
- “Low inventory.”
- “Hurricane Irma.”
- “Holidays.”

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 – Positive Demand Trend Continues

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

Our Take:

- Demand improved in December to stronger than expected levels. Our Buyer Traffic Index rose to 67 from 44 in November. Agents attributed the strength to a better employment environment, both new businesses in the area and rising wages. Urgency to purchase with interest rates still low was another factor.
- Home prices were just higher sequentially in December. Our Home Price Index level of 56 matched last month's reading. Home listings were seen to be declining and the time to sell lengthened just slightly.

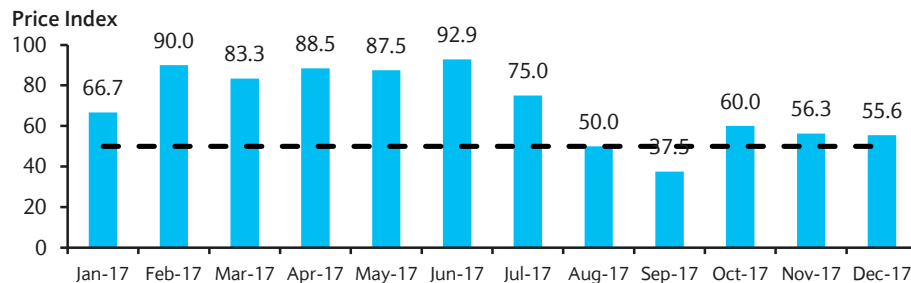
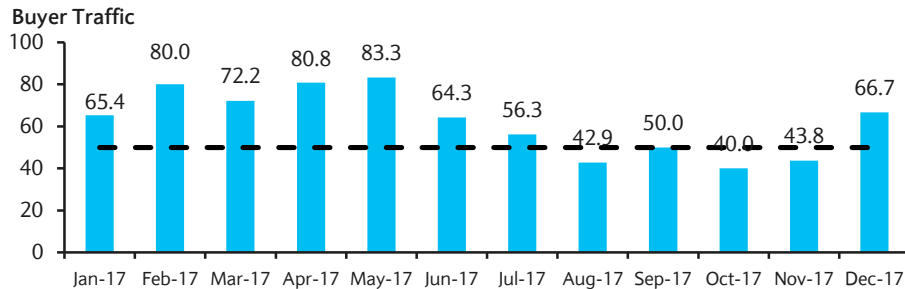
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	40.0	60.0	38.9	70.0	35.0
Nov-17	43.8	56.3	56.3	62.5	25.0
Dec-17	66.7	55.6	50.0	77.8	44.4
Change	22.9	(0.7)	(6.3)	15.3	19.4



Local Real Estate Agent Comments:

- “Seasonal wind down with a slightly better than average push to get something done by year's end.”
- “Medical business development.”
- “Maintained low interest rates, some higher wage earners, optimism in long-term life of profession.”
- “Fear of increased rates.”
- “Low interest rates.”
- “Lack of supply.”

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 – Sluggish Traffic as Prices Falter

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

Our Take:

- Traffic levels declined in December and remains below normal seasonality. Our Buyer Traffic Index dipped to 25 from 38 last month. Agents continued to cite a disconnect between buyers and sellers on home prices, although the lighter demand appears to be now driving some level of price adjustments. Supply remains constrained.
- Home prices dipped again in December after recovering in November, likely driven by continued choppy demand. Our Price Index fell to 25 from 63 last month. Home listings were about unchanged but the time to sell was broadly observed to be lengthening.

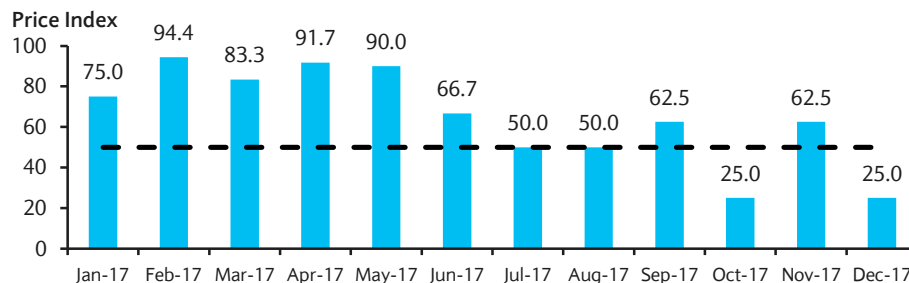
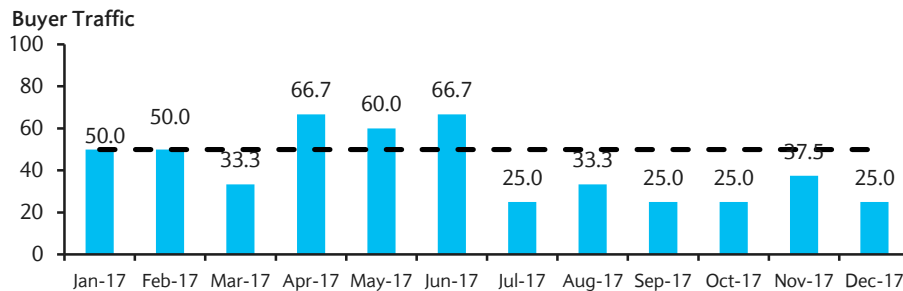
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	25.0	25.0	25.0	0.0	0.0
Nov-17	37.5	62.5	37.5	50.0	37.5
Dec-17	25.0	25.0	25.0	50.0	0.0
Change	(12.5)	(37.5)	(12.5)	0.0	(37.5)



Local Real Estate Agent Comments:

- “Typical seasonal slowdown with traffic. However, prices are beginning to correct in certain areas of town.”
- “Low supply and 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

New York-Northern NJ – Demand Modestly Above Agents’ Expectations

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

Our Take:

- Demand conditions were stable in December as traffic came in about in-line with seasonal norms. Our Buyer Traffic Index edged higher to 55 from 50 last month. Agents cited general economic health and confidence as supporting activity. Many saw better trends at entry-level price points and slower trends at higher price points. Tax reform uncertainty did result in some additional disruption.
- Home prices ticked higher although the pace of appreciation continues to decelerate. Our Price Index fell to 59 from 63 last month. Agents did see lower listings vs. last month, while the time to sell was unchanged.

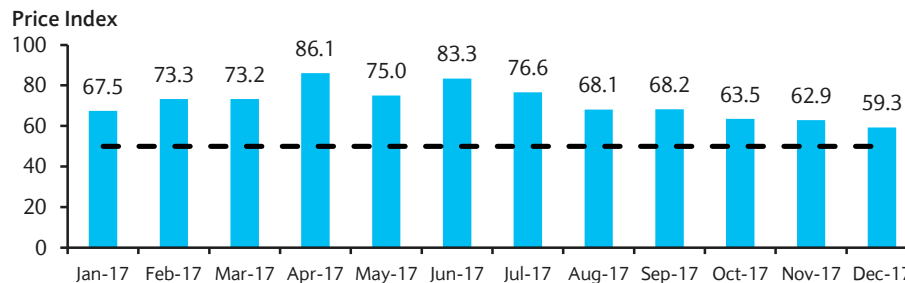
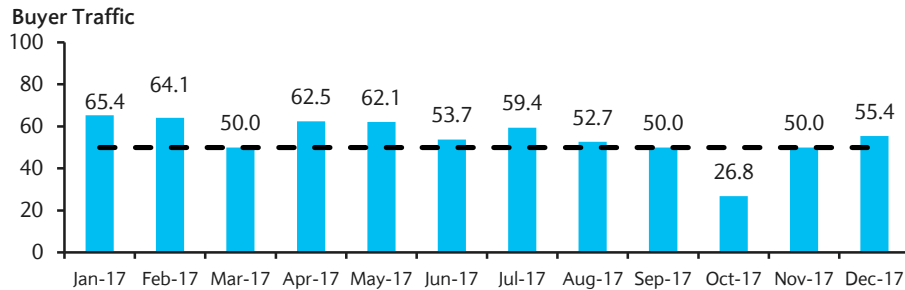
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	26.8	63.5	52.3	51.9	34.6
Nov-17	50.0	62.9	53.8	66.1	46.8
Dec-17	55.4	59.3	50.0	66.7	53.6
Change	5.4	(3.6)	(3.8)	0.5	6.8



Local Real Estate Agent Comments:

- “Consumer confidence in the real estate market.”
- “Clients waiting for tax reform implications on real estate.”
- “Affordability and a good economy.”
- “Good stock market and real estate inventory remains tight.”
- “\$700K-\$1.3M has been a cold market.”
- “Lookers, but limited inventory at high prices are limiting contracts.”
- “Low inventory and high prices have dampened buyer enthusiasm.”

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 – Traffic Still Better Than Usual Though Trends Lower vs. Last Month

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

Our Take:

- Traffic levels remained healthy through December although moderated a touch from November. Our Buyer Traffic Index landed at 60 from 88 last month. Agents saw buyers persistently searching through limited inventory while foreign buyers remained active in the region. Others cited challenges with affordability and financing as weighing on traffic.
- Our Home Price Index reading of 80 suggested continued price appreciation in December, although the level fell from a reading of 100 last month indicating price increases were less broad-based. Home listings declined and the time to sell shortened.

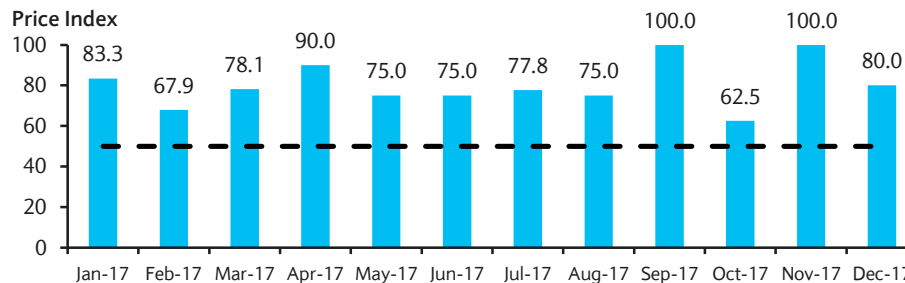
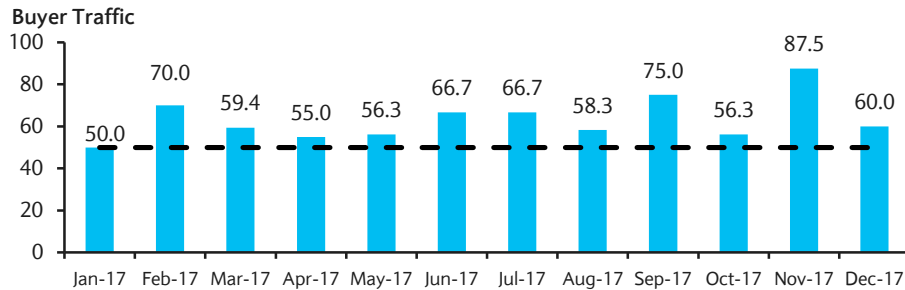
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	56.3	62.5	42.9	85.7	42.9
Nov-17	87.5	100.0	50.0	33.3	83.3
Dec-17	60.0	80.0	40.0	100.0	60.0
Change	(27.5)	(20.0)	(10.0)	66.7	(23.3)



Local Real Estate Agent Comments:

- “Low inventory continues to drive traffic and prices.”
- “International economy investing in high-end U.S.”
- “High home prices, holidays, buyers unable to qualify.”

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

Orlando, FL – Low Inventory Weighs on Activity

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

Our Take:

- Traffic conditions remained lower than usual for December although showed modest improvement vs. November. Our Buyer Traffic Index rose to 36 from 29. Agents indicated missing inventories as keeping potential sellers out of the market. On the other hand, foreign buyers and a healthy mortgage environment were seen as supportive.
- Home prices pushed higher in December as our Price Index rose to 71 from 61 in November. Home listing declines were widespread, and time to sell shortened a bit.

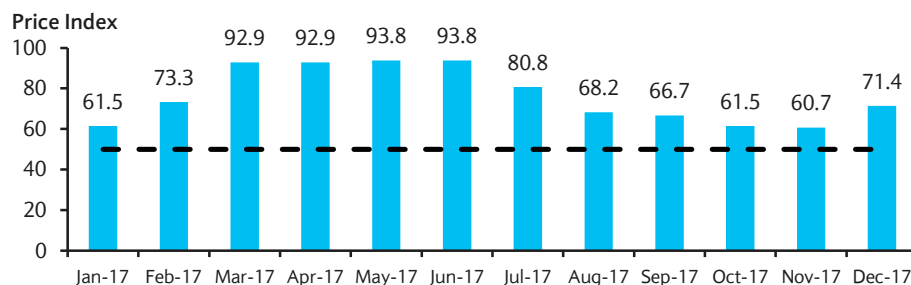
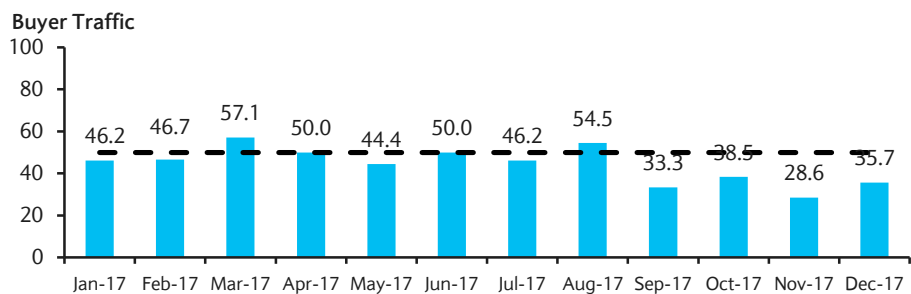
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	38.5	61.5	55.0	72.7	36.4
Nov-17	28.6	60.7	42.9	57.1	50.0
Dec-17	35.7	71.4	42.9	92.9	57.1
Change	7.1	10.7	0.0	35.7	7.1



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:

- “Favorable finance conditions.”
- “There are a lot of positive economic signs. The stock market is up, job market is improving, and tax reform is almost done.”
- “Sellers are not selling because of limited options available for the next home, plus higher rates than they have now. Also, tax implications are muddying the waters.”
- “Influx of immigrants and low inventory of homes available.”
- “Typical holiday traffic declines.”
- “Very slow period. Active inventories are very low.”

Philadelphia, PA-Southern NJ – Slightly Better Traffic But Tax Uncertainty and Low Inventories Pressure Activity

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

Our Take:

- Traffic was nearly in-line with seasonal expectations for December and improved vs. November. Our Buyer Traffic Index rose to 45 from 36. Agents saw healthy underlying demand as offset by disruption related to tax changes alongside weak inventory levels, particularly at lower price points.
- Home price appreciation increased in December. Our Home Price Index rose to 61 from 55 in November. The price increases coincided with a decline in home listings and modestly shorter time needed to sell a home.

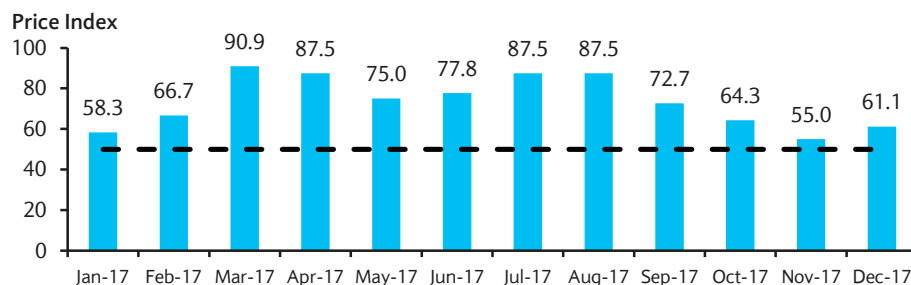
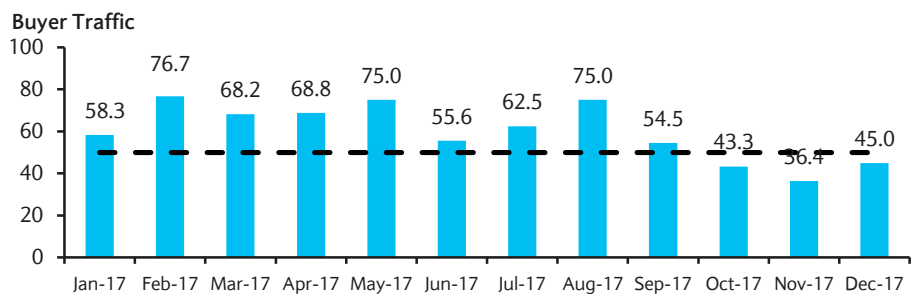
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	43.3	64.3	50.0	69.2	62.5
Nov-17	36.4	55.0	55.0	85.0	40.0
Dec-17	45.0	61.1	50.0	80.0	55.6
Change	8.6	6.1	(5.0)	(5.0)	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:

- “Latent buyer demand countered by holiday related pause.”
- “Questions about tax reform and deducting real estate taxes.”
- “Standard holiday slow down, exacerbated by lower inventory in lower price ranges.”
- “Uncertainty about upcoming tax and interest changes.”
- “Holiday season.”
- “Things have slowed down, which is expected at the end-of-year holiday period.”
- “Lack of good inventory.”

Phoenix, AZ – Consistent Traffic Into December

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

Our Take:

- Demand conditions remained at levels about in-line with normal seasonal trends for the fourth consecutive month. Our Buyer Traffic Index edged higher to 46 from 43 last month. Demand from inbound snowbirds along with urgency to purchase with interest rates still attractive helped foster activity. Still, elevated prices and the resulting affordability issues ultimately capped buyer traffic.
- Home prices remained on an upward trajectory in December, as our Home Price Index registered 73, up from 64 in November. Agents also saw home listings decline, though on average the time to sell a home lengthened.

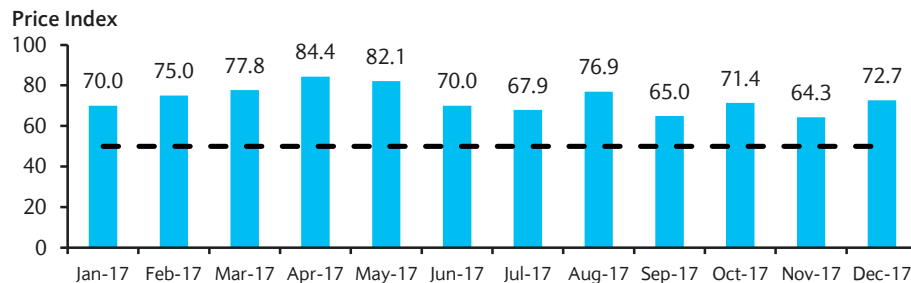
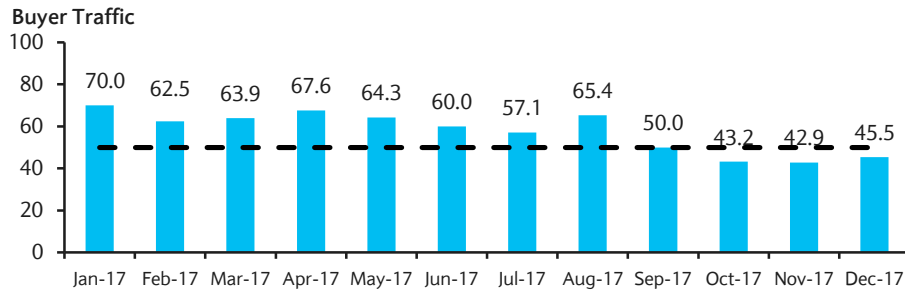
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	43.2	71.4	47.7	59.1	50.0
Nov-17	42.9	64.3	46.4	64.3	60.7
Dec-17	45.5	72.7	45.5	63.6	40.9
Change	2.6	8.4	(1.0)	(0.6)	(19.8)



Local Real Estate Agent Comments:

- “People are feeling better about their finances and the economy in general.”
- “Short supply and overpricing.”
- “Many retirees moving here for the mild winter.”
- “Financial and political climates and increased housing values.”
- “Seasonally we expect a slow down as the holidays approach.”
- “Still low interest rates and buyer fear of them rising.”

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 – Traffic Trending Closer to Expectations

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

Our Take:

- Traffic improved again in December though remained just below seasonal expectations. Our Buyer Traffic Index increased to 43 from 36 last month. Agents were conflicted on their views on inventory levels in Portland, with some seeing loosening into year-end helping to alleviate pressure on buyers, while several others still observed a tight environment.
- Home prices were unchanged in December with our Price Index registering 50. Agents observed lower listings month-on-month, and the time to sell increased just slightly.

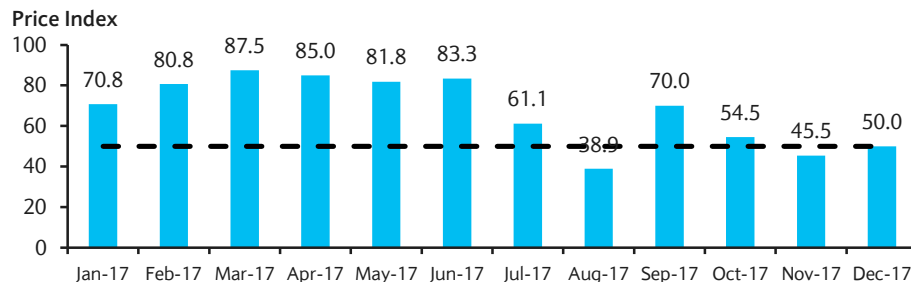
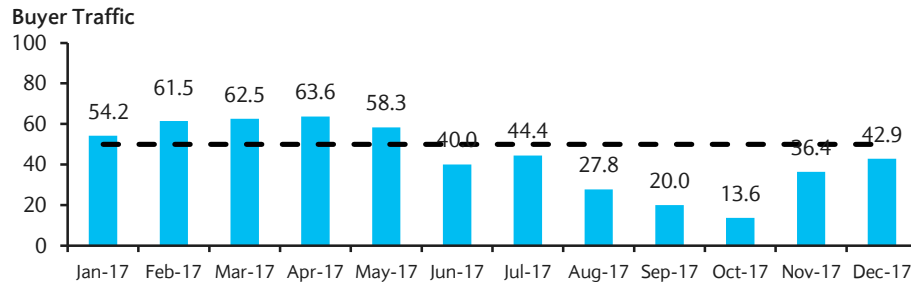
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	13.6	54.5	36.4	45.5	9.1
Nov-17	36.4	45.5	40.9	68.2	18.2
Dec-17	42.9	50.0	50.0	64.3	42.9
Change	6.5	4.5	9.1	(3.9)	24.7



Local Real Estate Agent Comments:

- “Much more inventory on the market compared to a year ago. Consequently buyers do not feel pressured to make a fast decision.”
- “Low inventories.”

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 – Traffic Rebounds, Still a Modest Pace

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

Our Take:

- Traffic reversed trend in December and increased to levels approaching seasonal expectations. Our Buyer Traffic Index rose to 44 from 31, following seven consecutive months of decline. Agents continued to note the affordability challenges in Raleigh as impacting activity, though this month some saw support from relocation demand and pockets of available inventory.
- Home prices remained on the uptrend in Raleigh, with our Price Index landing at 69. The level came down from November's reading of 81, suggesting a bit less widespread appreciation. Home listings declined this month.

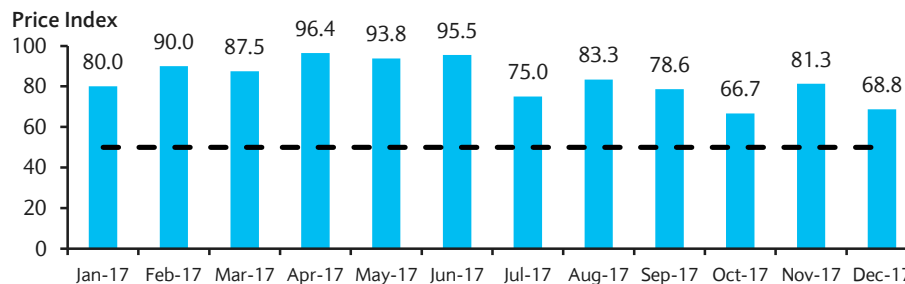
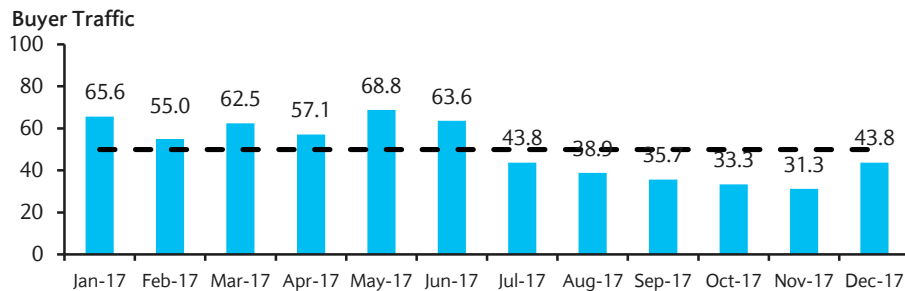
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	33.3	66.7	44.4	72.2	38.9
Nov-17	31.3	81.3	43.8	68.8	50.0
Dec-17	43.8	68.8	64.3	85.7	42.9
Change	12.5	(12.5)	20.5	17.0	(7.1)



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 inbound relocation and housing demand greater than supply.”
- “We have a good deal of inventory in an overall market that has very low available homes.”
- “Buyer traffic has slowed during the past 30 days, which is consistent with historical trends.”
- “Lack of affordable inventory.”
- “Continued low inventory and holiday season slow down.”
- “Low interest rates.”

Richmond, VA – Trends Fall Back to Average

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

Our Take:

- Traffic returned to average levels this month after better activity last month. Our Buyer Traffic Index fell back to 50 in December from 100 in November. Agents still saw improved trends from entry-level and active-adult buyers this month, though move-up buyer trends worsened.
- Home price growth accelerated in December alongside lower home listings and a quicker time to sell. Our Home Price Index rose to 100 from 50 last month.

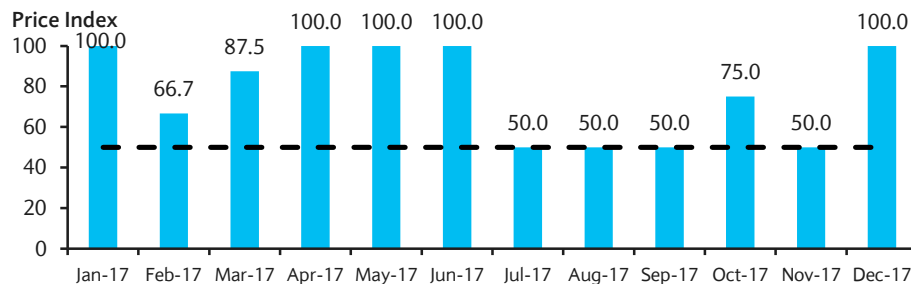
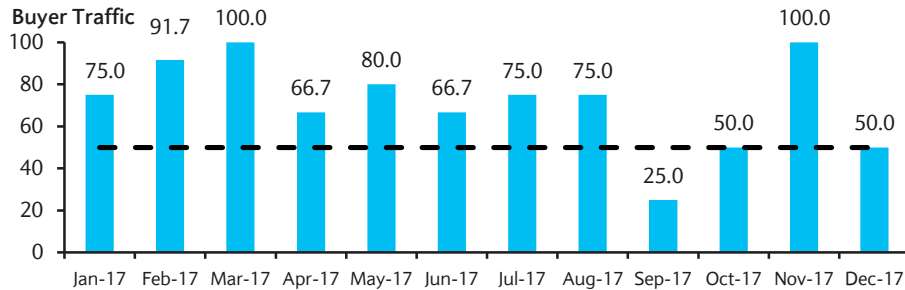
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	50.0	75.0	50.0	75.0	50.0
Nov-17	100.0	50.0	0.0	100.0	50.0
Dec-17	50.0	100.0	50.0	100.0	100.0
Change	(50.0)	50.0	50.0	0.0	50.0



Local Real Estate Agent Comments:

- “In-line with expectations.”

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 – Challenging Supply Environment Keeps Traffic at Bay

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

Our Take:

- Traffic dipped back in December to levels below seasonal norms. Our Buyer Traffic Index fell to 38 from 64 last month. Most agents who saw slower activity cited buyer frustration with limited quality inventory. Others however continue to see demand strength from investors in the area.
- Home price appreciation was a bit stronger in December vs. November, as our Price Index increased to 63 from 57. Home listings were seen to be somewhat lower and the time to sell a home shortened a touch.

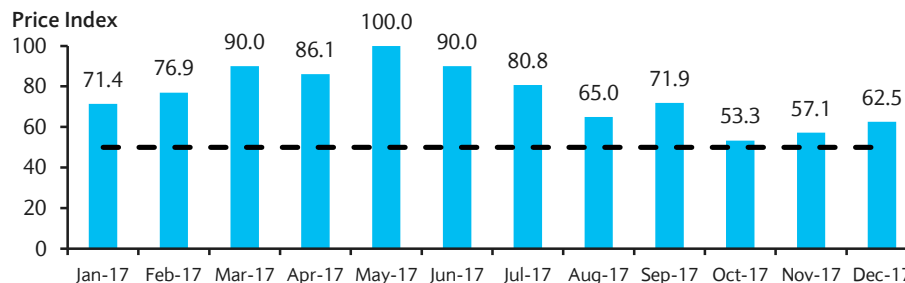
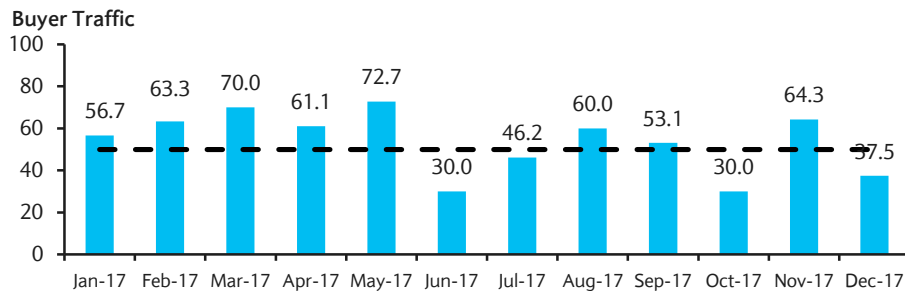
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	30.0	53.3	50.0	53.3	23.3
Nov-17	64.3	57.1	61.5	69.2	23.1
Dec-17	37.5	62.5	50.0	62.5	56.3
Change	(26.8)	5.4	(11.5)	(6.7)	33.2



Local Real Estate Agent Comments:

- “Seasonal changes although buyers are still having trouble because of low inventory.”
- “A slow down due to season and lack of bay area buyers looking during the holidays.”
- “Interest rates still low, but rising, low inventory, millennials now buying, investors sense the top of the stock market and rising rents so continuing to buy rentals.”
- “Low inventory.”
- “Seasonal slow down.”

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 – Sharp Rebound in Activity

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

Our Take:

- Traffic returned noticeably in December after a quiet fall season. Our Buyer Traffic Index jumped to 71 from a reading of 25 seen for two consecutive months. Most agents commented on the economic health of the region and general attractiveness of San Antonio to retired buyers. Agents also observed urgency to purchase during a low-rate environment.
- Home price growth regained steam alongside the uptick in traffic. Our Price Index rose to 79 from 42 last month. Agents noted home listings declined slightly though the time to sell a home continued to lengthen.

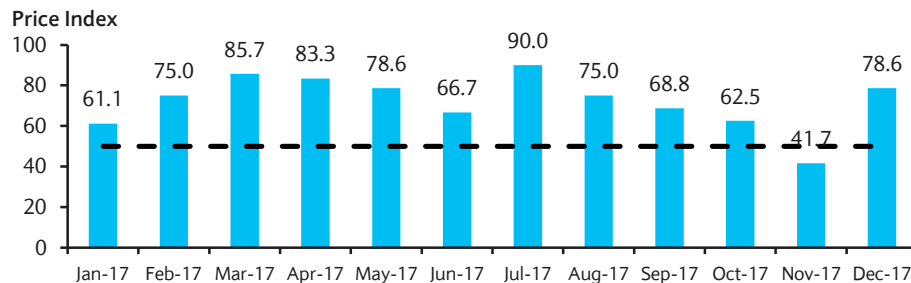
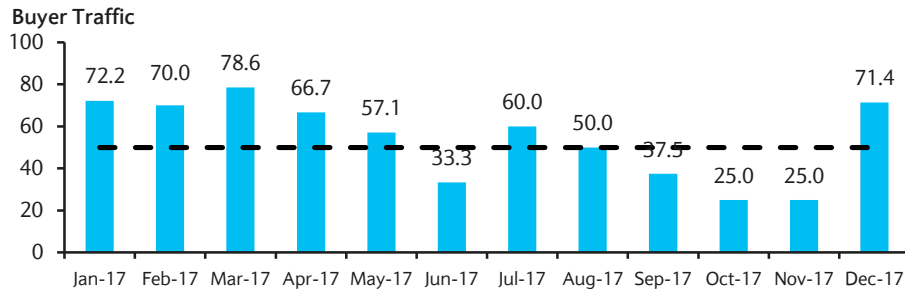
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	25.0	62.5	12.5	62.5	12.5
Nov-17	25.0	41.7	10.0	50.0	33.3
Dec-17	71.4	78.6	14.3	57.1	21.4
Change	46.4	36.9	4.3	7.1	(11.9)



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:

- “Strong local and regional economy. Late shoppers expressing concerns about possibility of rising mortgage interest rates.”
- “Thriving local economy.”
- “We stay steady. San Antonio has a very good local economy, attracts retirees, and we have never been a peaks and valleys type of market.”
- “The hot market has slowed down to a nice market.”
- “Job growth and fairly low inventory.”
- “Economy, number of listings available.”

San Diego, CA – Jobs and Low Rates Help Traffic Return

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

Our Take:

- Buyer traffic ticked higher in December and achieved levels in-line with agents' seasonal expectations. Our Buyer Traffic Index rose to 54 from 35 last month. Agents highlighted continued low interest rates as keeping potential buyers active and persistently searching through limited inventory. The healthy job market was also cited. Some agents noted demand at higher-price points as weakening into year-end.
- Home prices pushed higher again in December as our Price Index rose to 71 from 68. Broad-based declines in home listings coincided with higher prices. The time to sell a home was about flat.

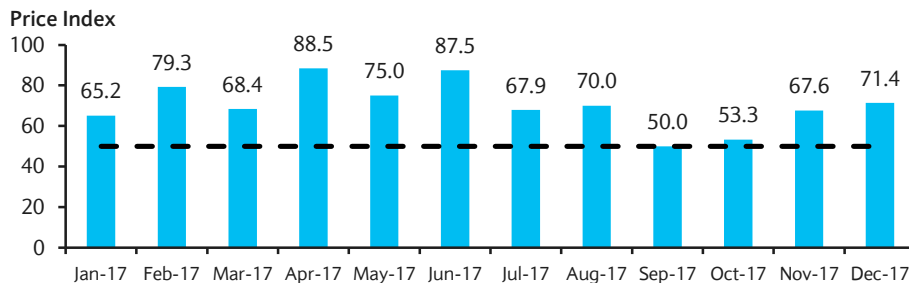
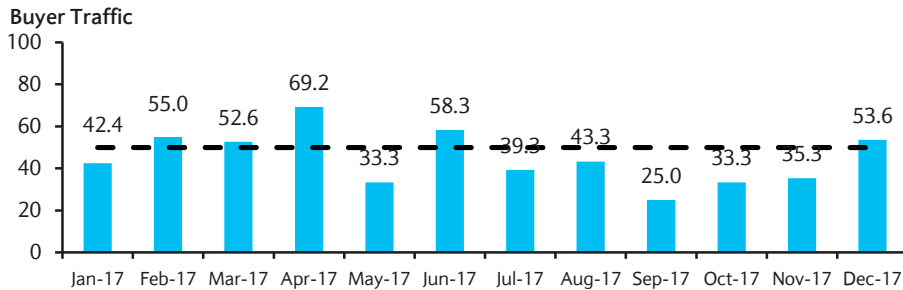
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	33.3	53.3	40.9	50.0	16.7
Nov-17	35.3	67.6	46.4	94.1	41.2
Dec-17	53.6	71.4	53.8	89.3	50.0
Change	18.3	3.8	7.4	(4.8)	8.8



Local Real Estate Agent Comments:

- “Still low inventory with buyers interested in seeing what is new and available on the market.”
- “Inventory has remained tight, buyers are looking (but not necessarily finding) suitable properties. We have quite a few active buyer clients watching the MLS closely for new listings.”
- “Low rates. Good employment adding desire and confidence to become homeowners or upgrade into a large home.”
- “Low inventory, fear of new tax law.”
- “People wanting to take advantage of low interest rates before they go away.”

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 – Demand Activity Trending Upwards

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

Our Take:

- Demand levels continued their upward trend in December with traffic hitting levels above agents' seasonal expectations. Our Buyer Traffic Index increased to 64 from 50 last month. A strong wage environment and support from first-time buyers is helping demand in San Francisco. Others saw demand post the wildfires in Napa/Sonoma.
- Home prices growth broadened in December. Our Home Price Index rose to 79 from 67 in November. Home listings appeared to decline sharply during the month, and time to sell shortened, both indicative of more price gains to come.

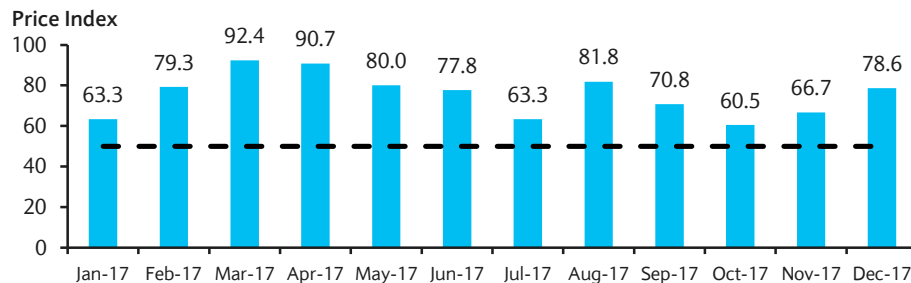
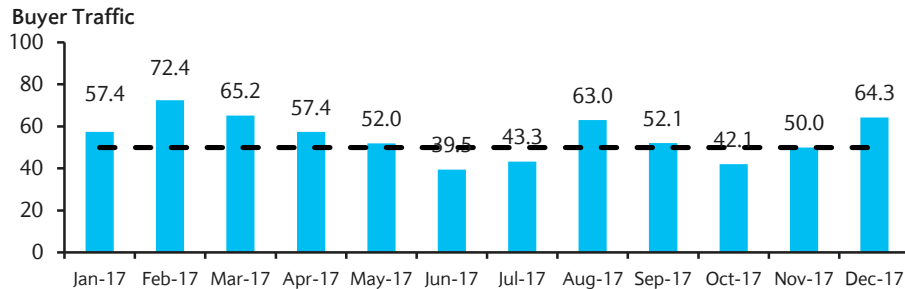
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	42.1	60.5	45.5	72.2	33.3
Nov-17	50.0	66.7	45.5	75.0	35.7
Dec-17	64.3	78.6	59.1	91.7	65.4
Change	14.3	11.9	13.6	16.7	29.7



Local Real Estate Agent Comments:

- “Severely low inventory in all price points, but, especially in the first time buyer market.”
- “Possibly a sudden urgency to get into contract ahead of the new tax bill or maybe just the huge recent surge in tech stocks.”
- “Large fires in wine country.”
- “We had a lull in the summer, and then in November and December it got busy again.”
- “Very low inventory, high rents, high salaries.”

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 – Typical Holiday Slowdown

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

Our Take:

- Traffic levels fell back to average in December, as our Buyer Traffic Index reading of 50 indicated traffic in-line with seasonal expectations. Our index fell from 67 last month. Most agents saw a normal softening amidst the holiday season, with some optimism expressed for activity in the New Year. Active-adult buyer trends improved, with trends mixed amongst other buyer categories.
- Home prices continued to increase in December though the breadth of increases modestly narrowed. Our Price Index slipped to 67 from 83 last month. Both home listings and the time to sell were unchanged this month.

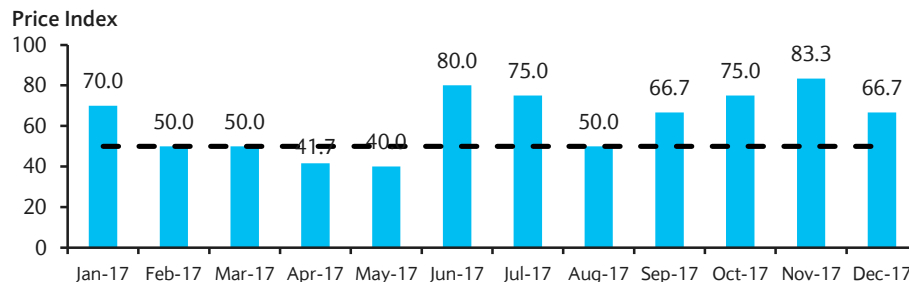
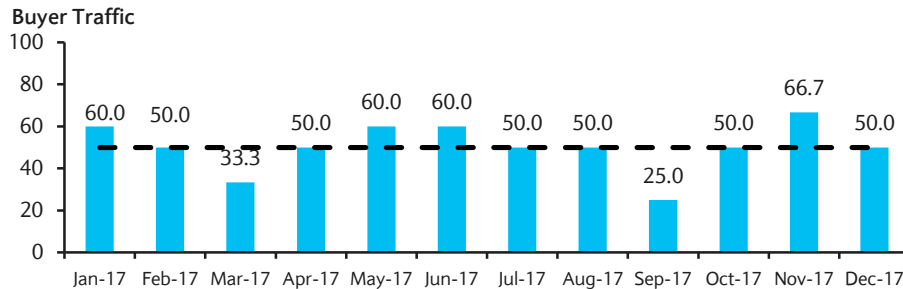
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	50.0	75.0	25.0	62.5	37.5
Nov-17	66.7	83.3	50.0	50.0	33.3
Dec-17	50.0	66.7	33.3	50.0	50.0
Change	(16.7)	(16.7)	(16.7)	0.0	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:

- “Seasonal decline of buyers between Thanksgiving and New Year. Sellers anticipating season and getting their properties ready to go on the market in January.”
- “Post hurricane and holidays has slowed traffic (both buyers & sellers).”

Seattle, WA – Quieter December for Traffic but Prices Regain Strength

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

Our Take:

- Demand activity receded a bit during December though traffic was still normal for December. Our Buyer Traffic Index fell to 50 from 63 seen in November. Underlying demand, low rates, and relocation activity continues to lend support. On the other hand, a few agents discussed buyer frustration with a widespread shortage of inventory.
- Home price appreciation increased during December as our Price Index jumped to 85 from 54. Agents highlighted a decline in home listings alongside a shortening in the time needed to sell a home as well.

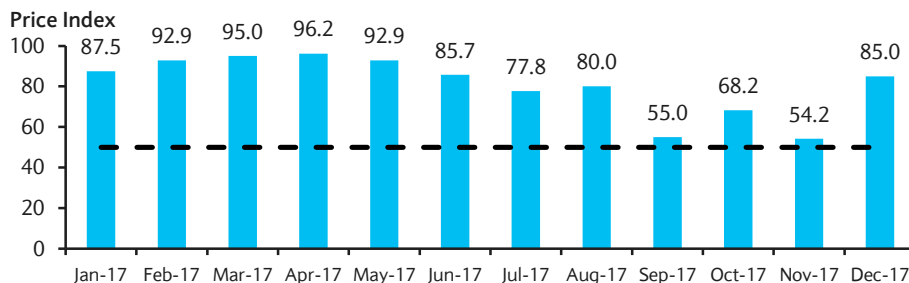
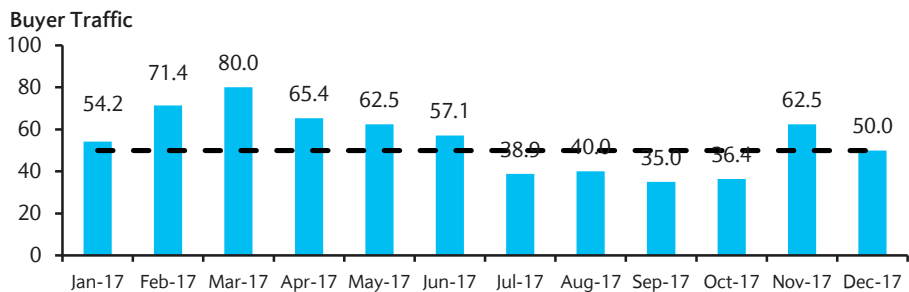
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	36.4	68.2	50.0	77.3	45.5
Nov-17	62.5	54.2	40.9	70.8	25.0
Dec-17	50.0	85.0	50.0	83.3	61.1
Change	(12.5)	30.8	9.1	12.5	36.1



Local Real Estate Agent Comments:

- “Seasonal trends, uncertainty over political climate and possible tax changes. Some uncertainty over Amazon's proposed headquarters is also causing nervousness throughout the Seattle area.”
- “Pent up buyer demand.”
- “More people moving into the area than moving out.”
- “Holiday season, the only big group I have right now are renters.”
- “Low inventory plus low interest rates are creating high demand.”

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 – Traffic Deteriorates into Year-End

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

Our Take:

- Traffic receded in December to levels well-below agents' seasonal expectations. Our Buyer Traffic Index dropped to 17 from 50 in November. Inventory issues were paramount amongst agents along with elevated prices, which caused affordability challenges particularly at the entry-level. Other agents noted diminishing investor activity.
- Our Home Price Index reading of 67 indicated higher prices sequentially, although the breadth of price increases narrowed given November's reading of 80. Agents saw lower home listings relative to last month and the time to sell was flat.

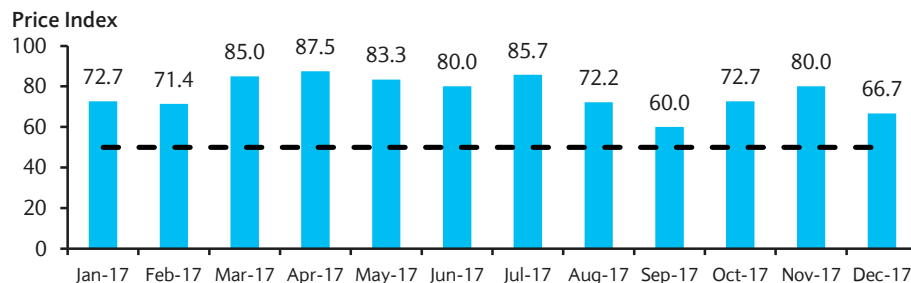
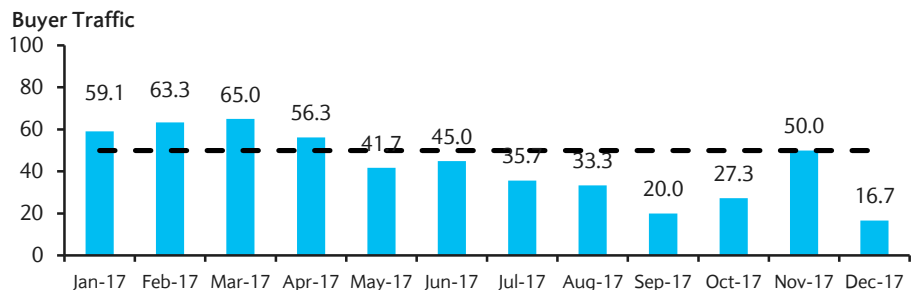
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	27.3	72.7	38.9	77.3	40.9
Nov-17	50.0	80.0	33.3	65.0	55.0
Dec-17	16.7	66.7	33.3	83.3	50.0
Change	(33.3)	(13.3)	0.0	18.3	(5.0)



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

Tucson, AZ – Prices Rising with Demand on Upward Trajectory

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

Our Take:

- Traffic conditions continued to beat expectations in December. Our Buyer Traffic Index rose to 75 from 70 in November. Agents cited urgency to purchase during a low interest rate environment driving demand, with better trends seen at move-up and active-adult price points. Entry-level trends were seen to be softening however.
- Home prices rose again in December. Our Home Price Index ticked higher to 83 from 70 in November, indicating more widespread observations of price increases. Home listings appeared to be unchanged, and the time to sell shortened.

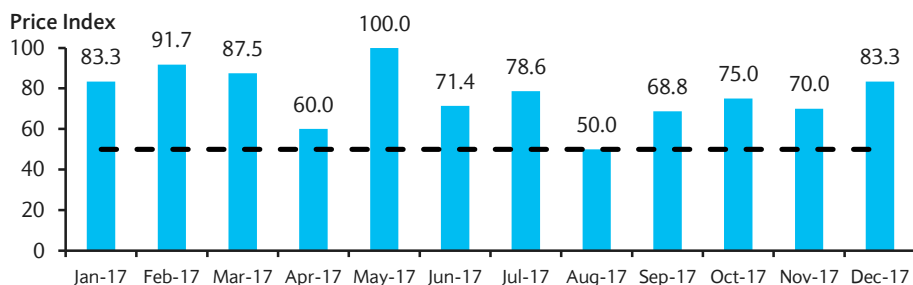
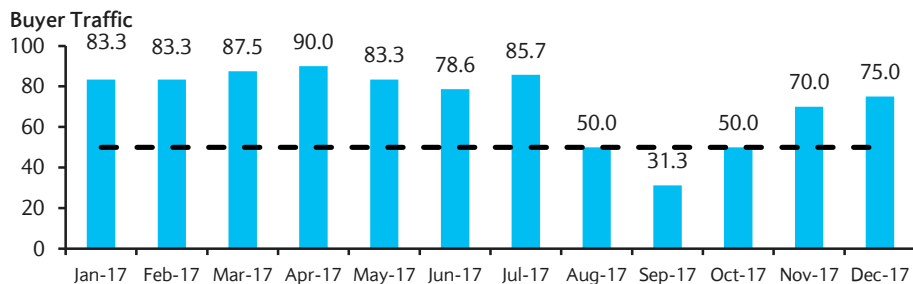
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	50.0	75.0	50.0	37.5	56.3
Nov-17	70.0	70.0	50.0	50.0	70.0
Dec-17	75.0	83.3	50.0	50.0	66.7
Change	5.0	13.3	0.0	0.0	(3.3)



Local Real Estate Agent Comments:

- “Buyers looking to beat the interest increase.”
- “Holiday season normal slowdown.”
- “Holidays affect both buyers and sellers.”

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 Slow but Average for December

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

Our Take:

- Demand remained at a stable pace in December with our Buyer Traffic Index registering a fourth consecutive month at 50, indicating traffic in-line with agents' expectations. Agents cited normal holiday time seasonality as dictating activity this month. Trends among different price points were mixed.
- Our Home Price Index level of 25 fell from 50 last month and indicated more agents saw declining prices this month. Still, both home listings and the time to sell were unchanged.

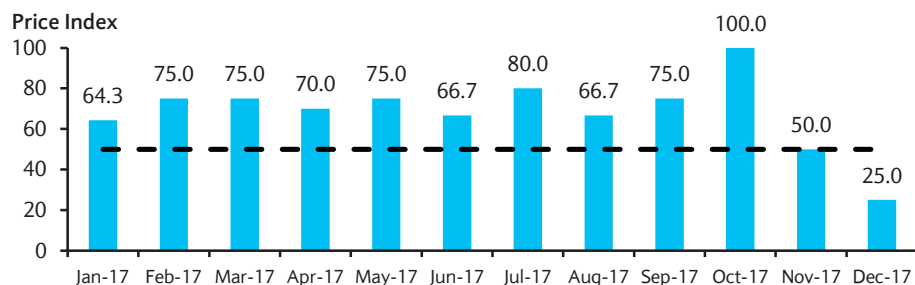
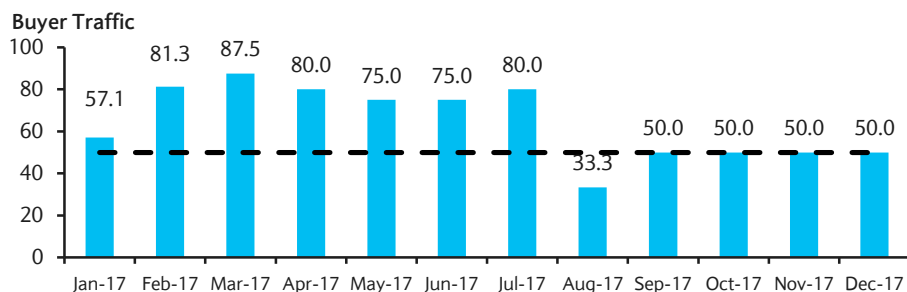
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	50.0	100.0	50.0	50.0	50.0
Nov-17	50.0	50.0	50.0	50.0	50.0
Dec-17	50.0	25.0	50.0	50.0	50.0
Change	0.0	(25.0)	0.0	0.0	0.0



Local Real Estate Agent Comments:

- “Traffic and sales typically pick up in the early spring.”
- “Slow time of 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

Washington, D.C. – Prices Recover as Economic Activity Supports Improving Traffic

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

Our Take:

- Traffic continued its recovery into December and reached levels nicely ahead of agents' seasonal expectations. Our Buyer Traffic Index rose to 67 from 46 last month. Several agents observed buyers optimistic about economic activity and job security, and buyers continued to look even through the holiday season. Better traffic appeared to halt the recent decline in home prices.
- Home prices improved following four consecutive months of flat or down trends. Our Home Price Index rose to 60 from 29 in November. More agents saw home listings shrink, and the time to sell lengthened just slightly.

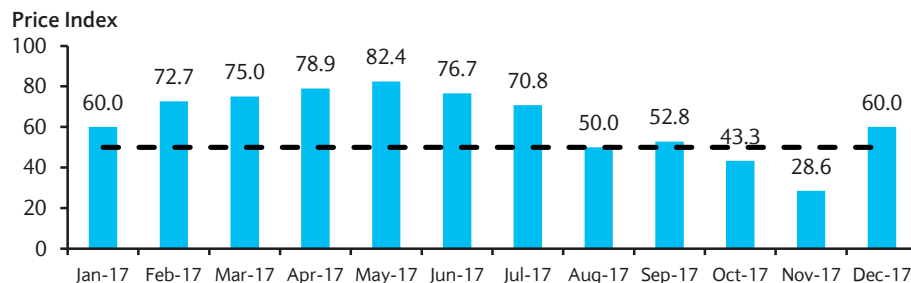
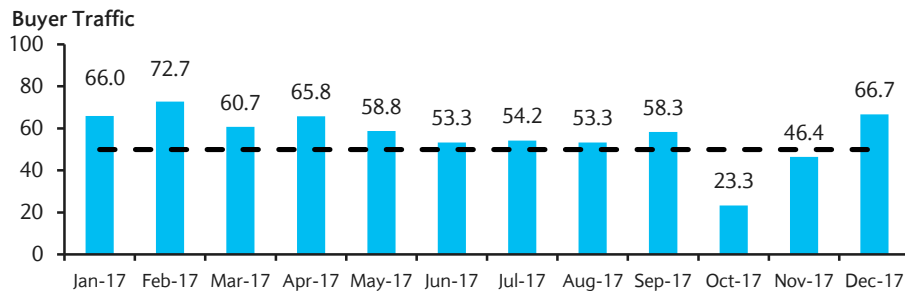
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	23.3	43.3	46.4	40.0	16.7
Nov-17	46.4	28.6	26.9	71.4	21.4
Dec-17	66.7	60.0	40.0	66.7	43.3
Change	20.2	31.4	13.1	(4.8)	21.9



Local Real Estate Agent Comments:

- “Best economy in 10 plus years. High consumer confidence.”
- “The holidays are slowing traffic a bit, but the market is still in place and homes are selling.”
- “The market has had a small uptick and December numbers seem to be quite good.”
- “Limited inventory has played a role in my market areas. It is still very price sensitive.”
- “There are buyers looking for new inventory, ready to move in homes and listings have been slow in coming.”
- “Lack of good inventory that is affordable.”

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

Wilmington, NC – Healthy Traffic Holds Up Through Holidays

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

Our Take:

- Traffic maintained its run of higher-than-expected levels into December. Our Buyer Traffic Index held steady at a reading of 67 this month, the same level as November. Market health continues to be driven by the low-rate environment, with slightly better trends seen at luxury price points. Entry-level activity was more mixed.
- Home prices picked up in December as our Price Index registered a level of 67, rising from 58 in November. Agents observed a decline in home listings this month alongside higher prices, and the time to sell was unchanged.

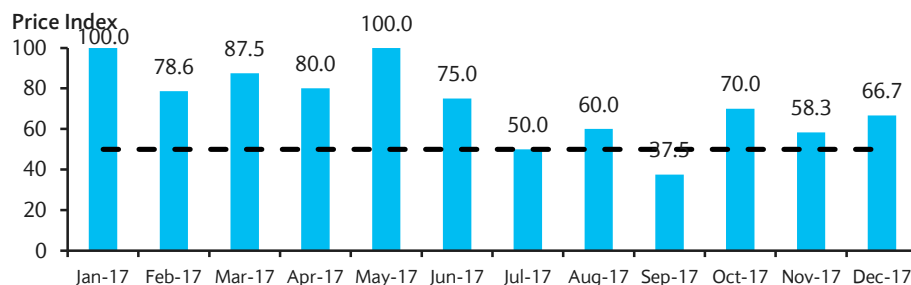
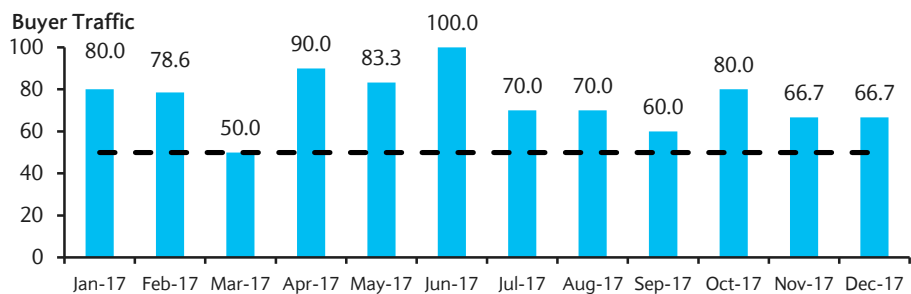
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
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
Oct-17	80.0	70.0	40.0	50.0	70.0
Nov-17	66.7	58.3	58.3	58.3	66.7
Dec-17	66.7	66.7	50.0	83.3	50.0
Change	0.0	8.3	(8.3)	25.0	(16.7)



Local Real Estate Agent Comments:

- “Low inventory & low interest rates.”
- “Seasonal.”
- “End of 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

Index Methodology

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 December, we received responses from 500 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.

Source: Barclays Research

December A.G.E.N.T. Survey Data

Dec, 2017	Buyer Traffic Index	Home Price Index	Incentive Index	Listings Index	Time to Sell Index
Atlanta, GA	50.0	60.0	25.0	80.0	40.0
Austin, TX	36.4	54.5	22.7	54.5	36.4
Baltimore, MD	60.0	70.0	50.0	87.5	50.0
Boston, MA	50.0	68.2	50.0	77.3	54.5
Charlotte, NC	50.0	90.0	40.0	80.0	80.0
Chicago, IL	39.1	43.5	40.5	54.3	20.5
Cincinnati, OH	33.3	66.7	33.3	100.0	66.7
Columbus, OH	62.5	87.5	50.0	62.5	62.5
Dallas, TX	40.0	72.5	21.1	60.0	22.5
Denver, CO	56.7	66.7	36.7	80.0	39.3
Detroit, MI	59.1	59.1	40.9	63.6	36.4
Fort Myers, FL	40.0	85.0	45.0	35.0	40.0
Houston, TX	50.0	50.0	50.0	54.5	36.4
Inland Empire, CA	31.3	87.5	42.9	68.8	56.3
Jacksonville, FL	41.7	58.3	33.3	75.0	58.3
Kansas City, MO	100.0	100.0	0.0	50.0	50.0
Las Vegas, NV	75.0	75.0	43.8	75.0	43.8
Los Angeles, CA	60.9	64.3	42.3	81.6	40.0
Miami, FL	26.9	57.7	42.3	42.3	19.2
Minneapolis, MN	66.7	55.6	50.0	77.8	44.4
Nashville, TN	25.0	25.0	25.0	50.0	0.0
New York, NY	55.4	59.3	50.0	66.7	53.6
Orange County, CA	60.0	80.0	40.0	100.0	60.0
Orlando, FL	35.7	71.4	42.9	92.9	57.1
Philadelphia, PA	45.0	61.1	50.0	80.0	55.6
Phoenix, AZ	45.5	72.7	45.5	63.6	40.9
Portland, OR	42.9	50.0	50.0	64.3	42.9
Raleigh, NC	43.8	68.8	64.3	85.7	42.9
Richmond, VA	50.0	100.0	50.0	100.0	100.0
Sacramento, CA	37.5	62.5	50.0	62.5	56.3
San Antonio, TX	71.4	78.6	14.3	57.1	21.4
San Diego, CA	53.6	71.4	53.8	89.3	50.0
San Francisco, CA	64.3	78.6	59.1	91.7	65.4
Sarasota, FL	50.0	66.7	33.3	50.0	50.0
Seattle, WA	50.0	85.0	50.0	83.3	61.1
Tampa, FL	16.7	66.7	33.3	83.3	50.0
Tucson, AZ	75.0	83.3	50.0	50.0	66.7
Virginia Beach, VA	50.0	25.0	50.0	50.0	50.0
Washington, D.C.	66.7	60.0	40.0	66.7	43.3
Wilmington, NC	66.7	66.7	50.0	83.3	50.0
Total Index Level	50.9	67.6	41.5	70.8	47.9

Source: Barclays Research

Analyst Certification and Important Disclosures

Analyst(s) Certification(s):

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