

National Association of Home Builders

Housing and Economic Outlook

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CHIEF ECONOMIST

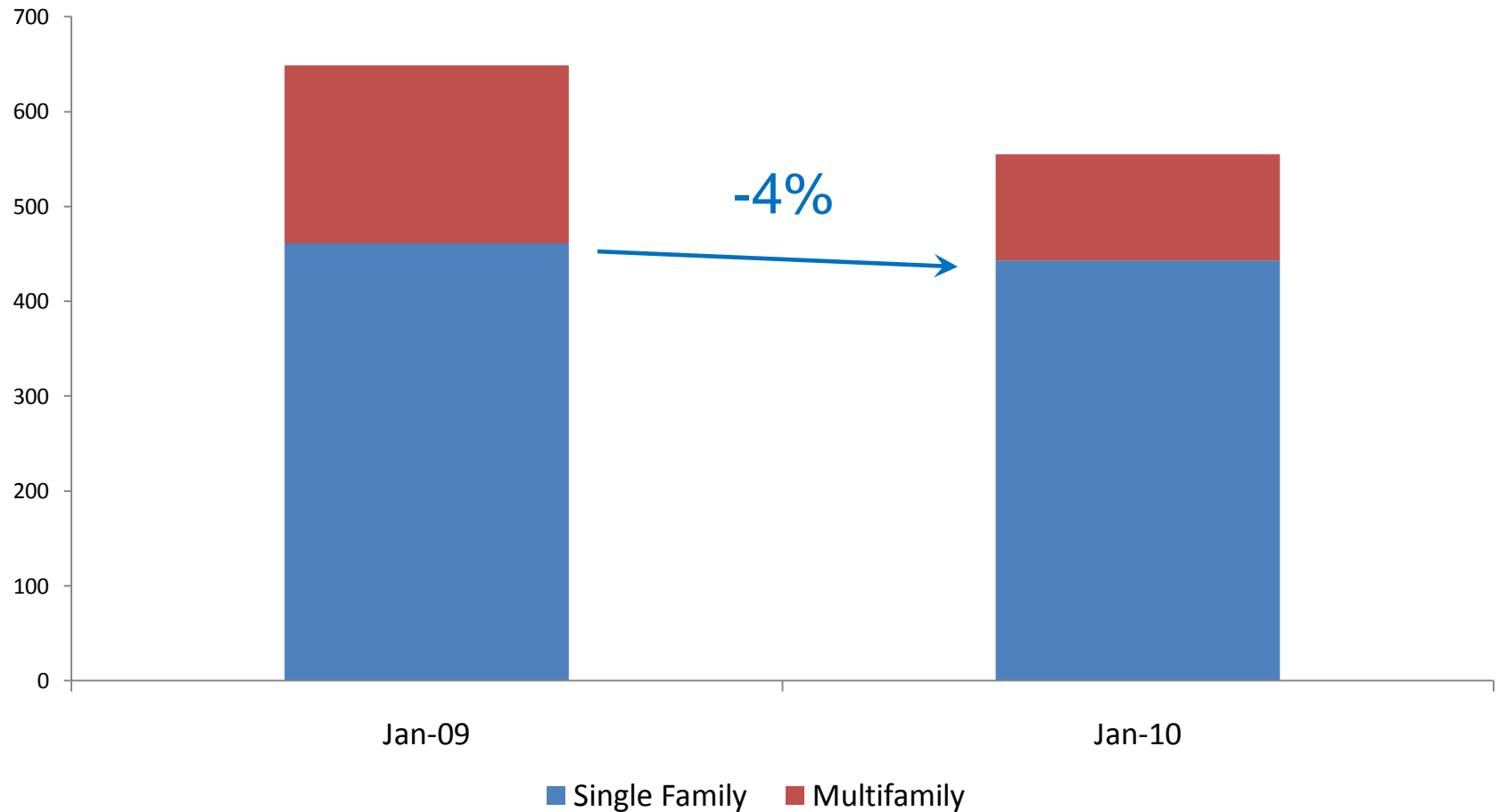


Outline

- **Good News**
- **Not So Good News**
- Markets Are Different

Moment of Accountability

Forecast for 2009



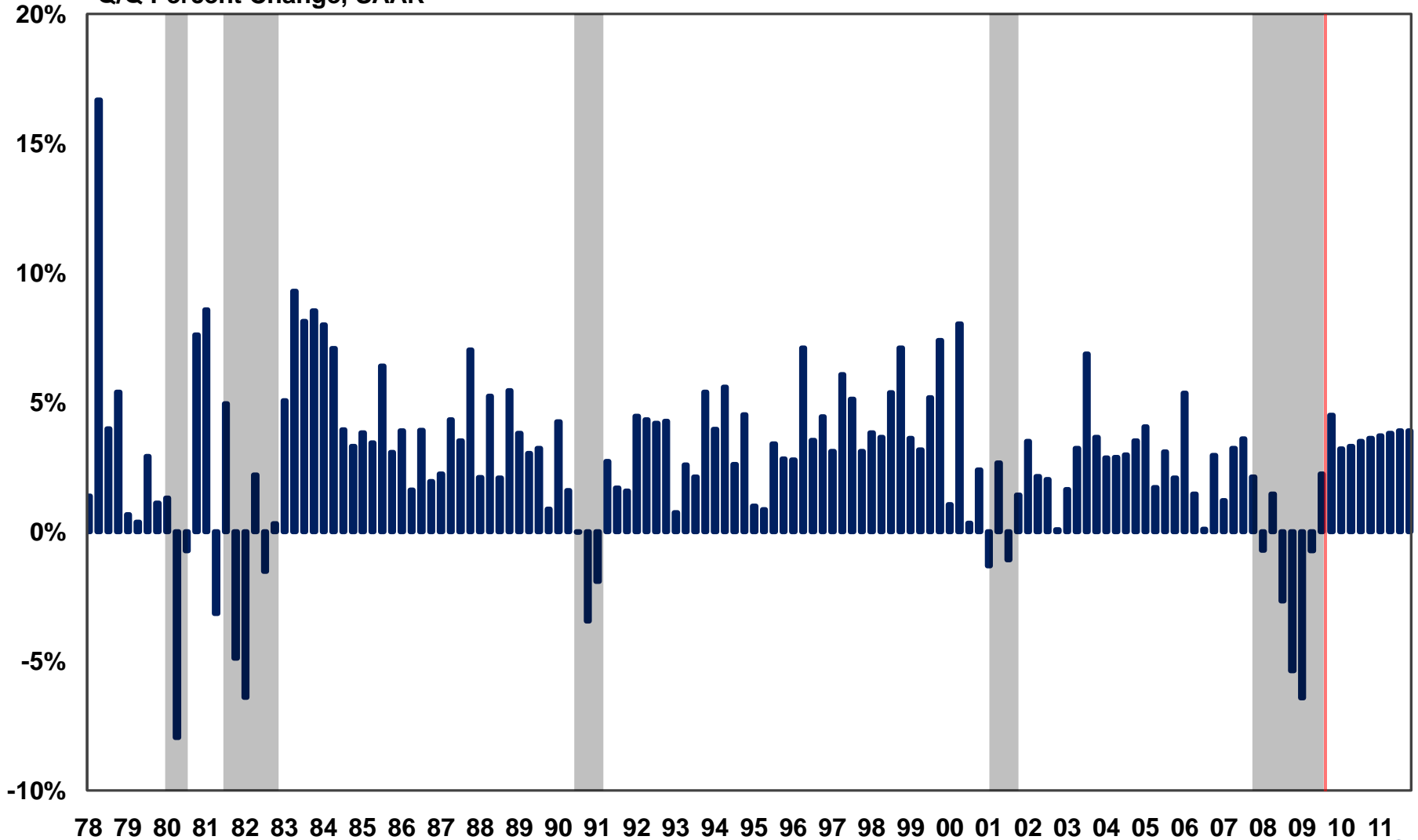


Good News

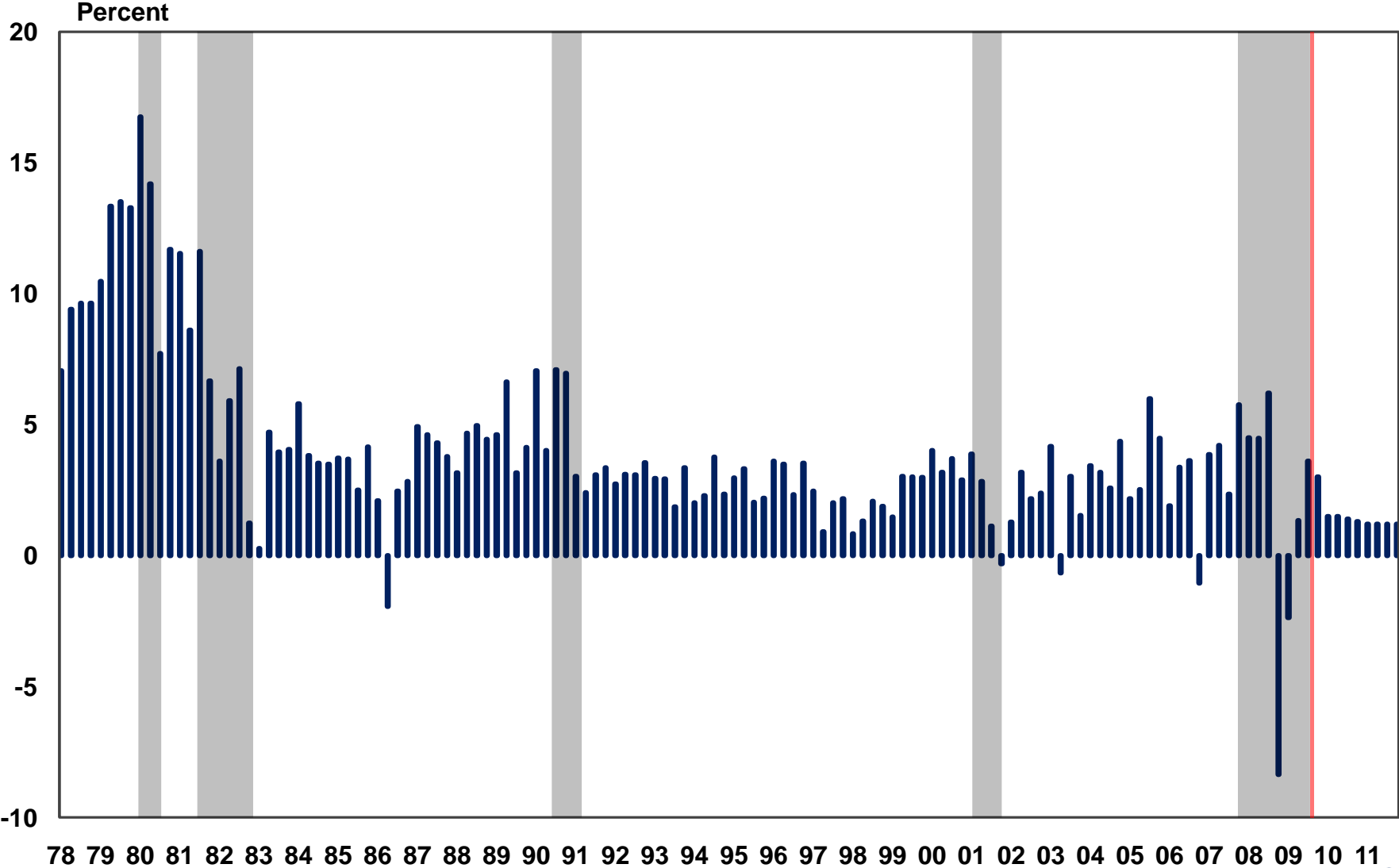
2009 is History

Real GDP Growth

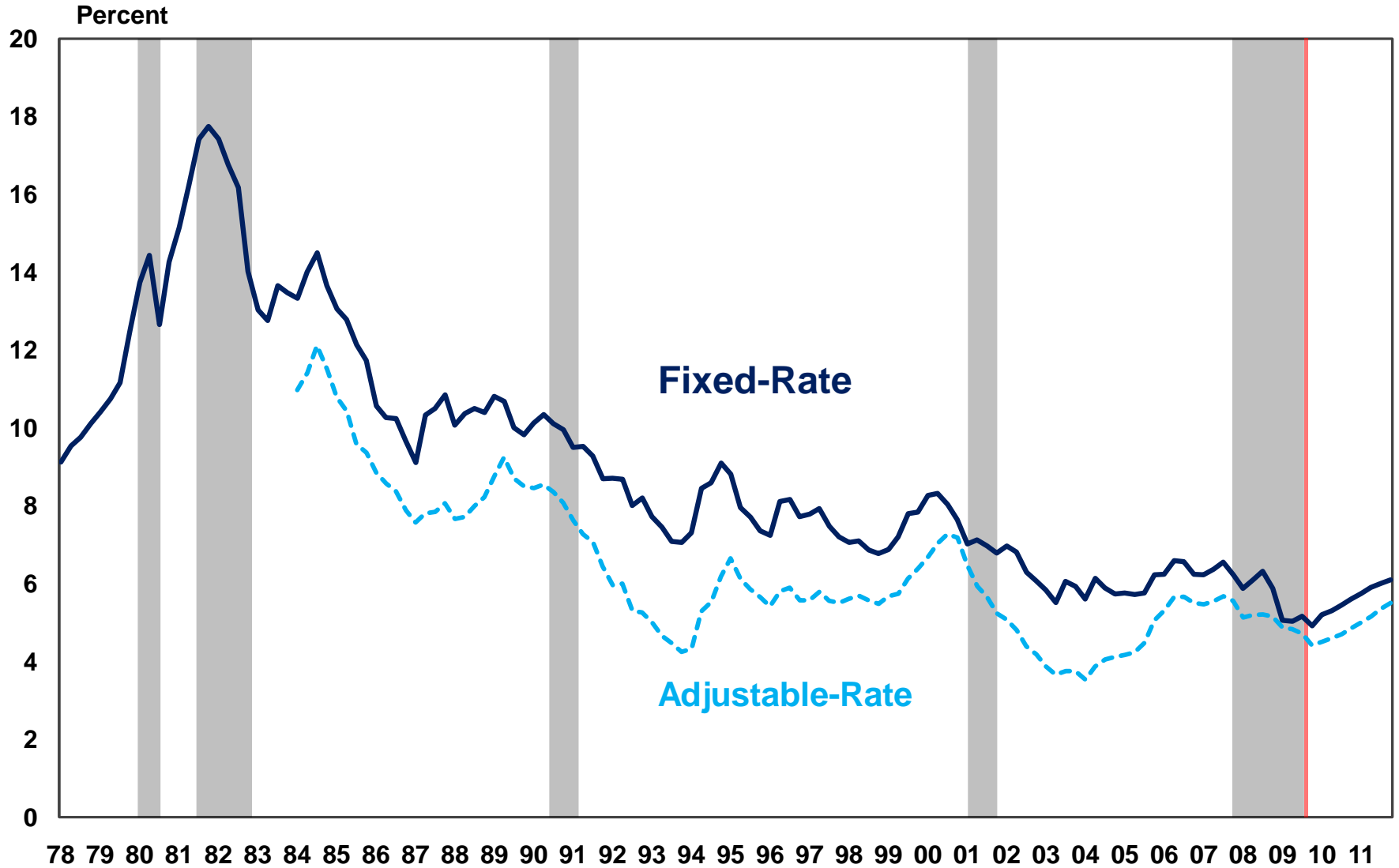
Q/Q Percent Change, SAAR



Inflation - Change in Consumer Price Index

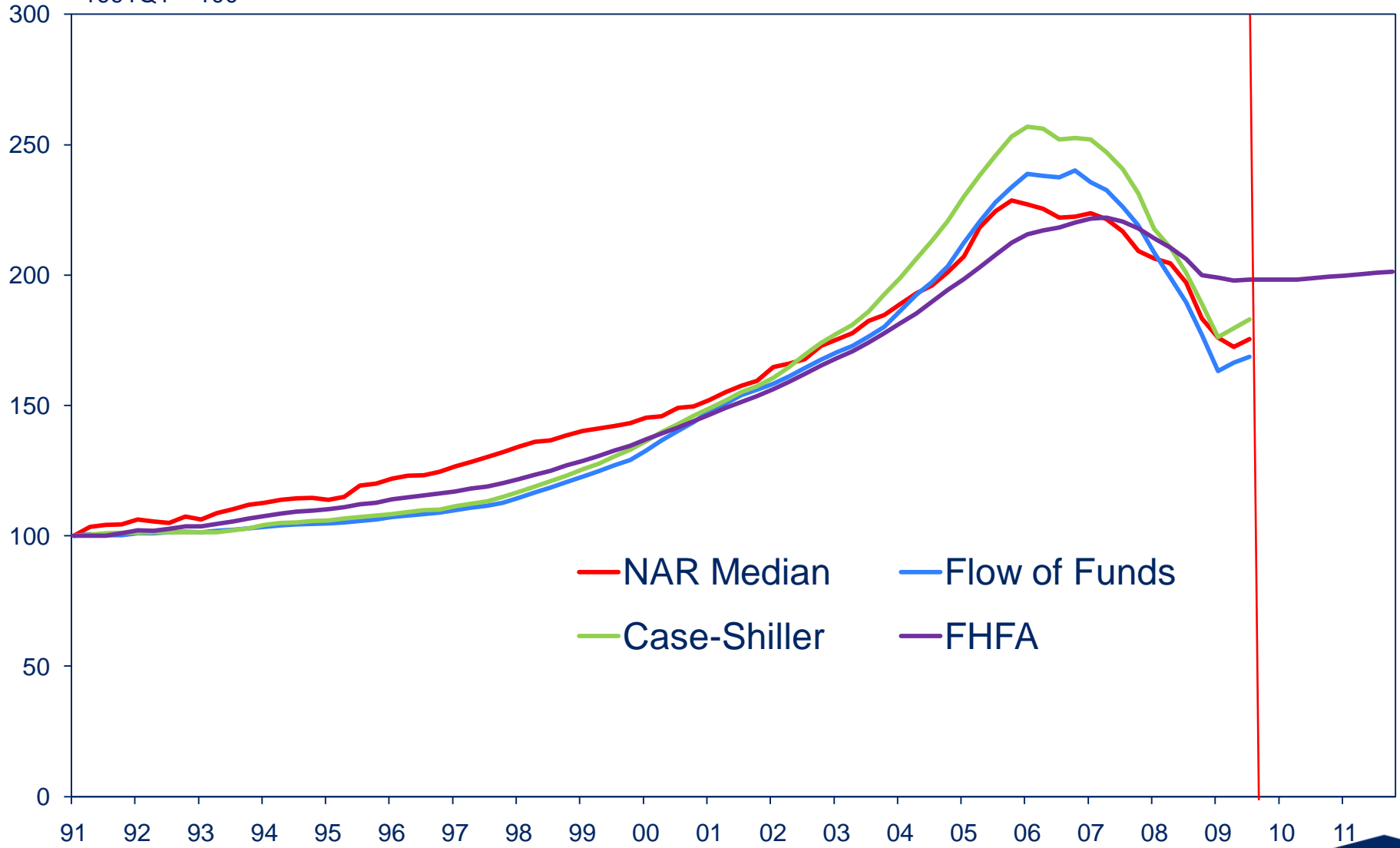


Mortgage Rates



Measures of House Prices

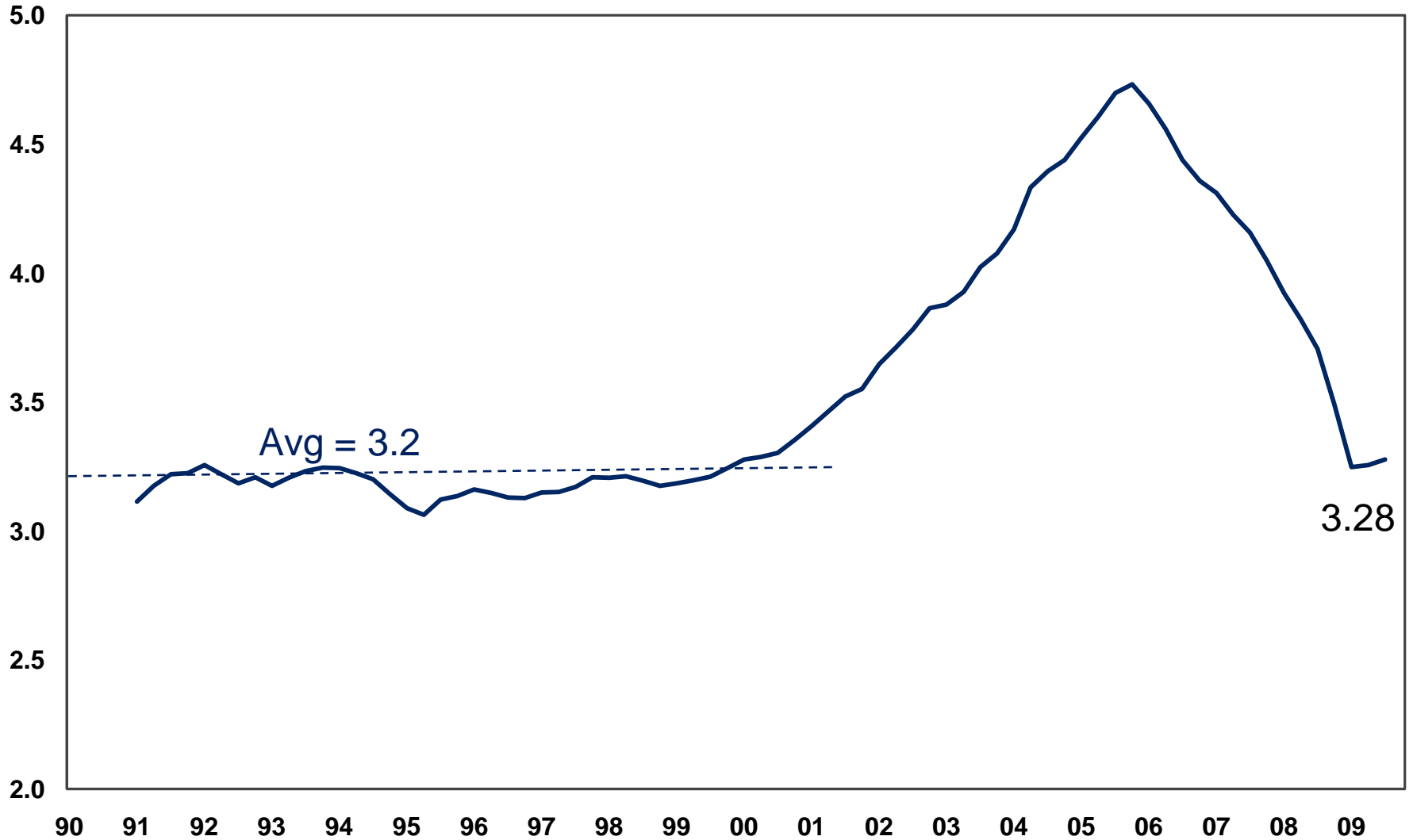
1991Q1 = 100



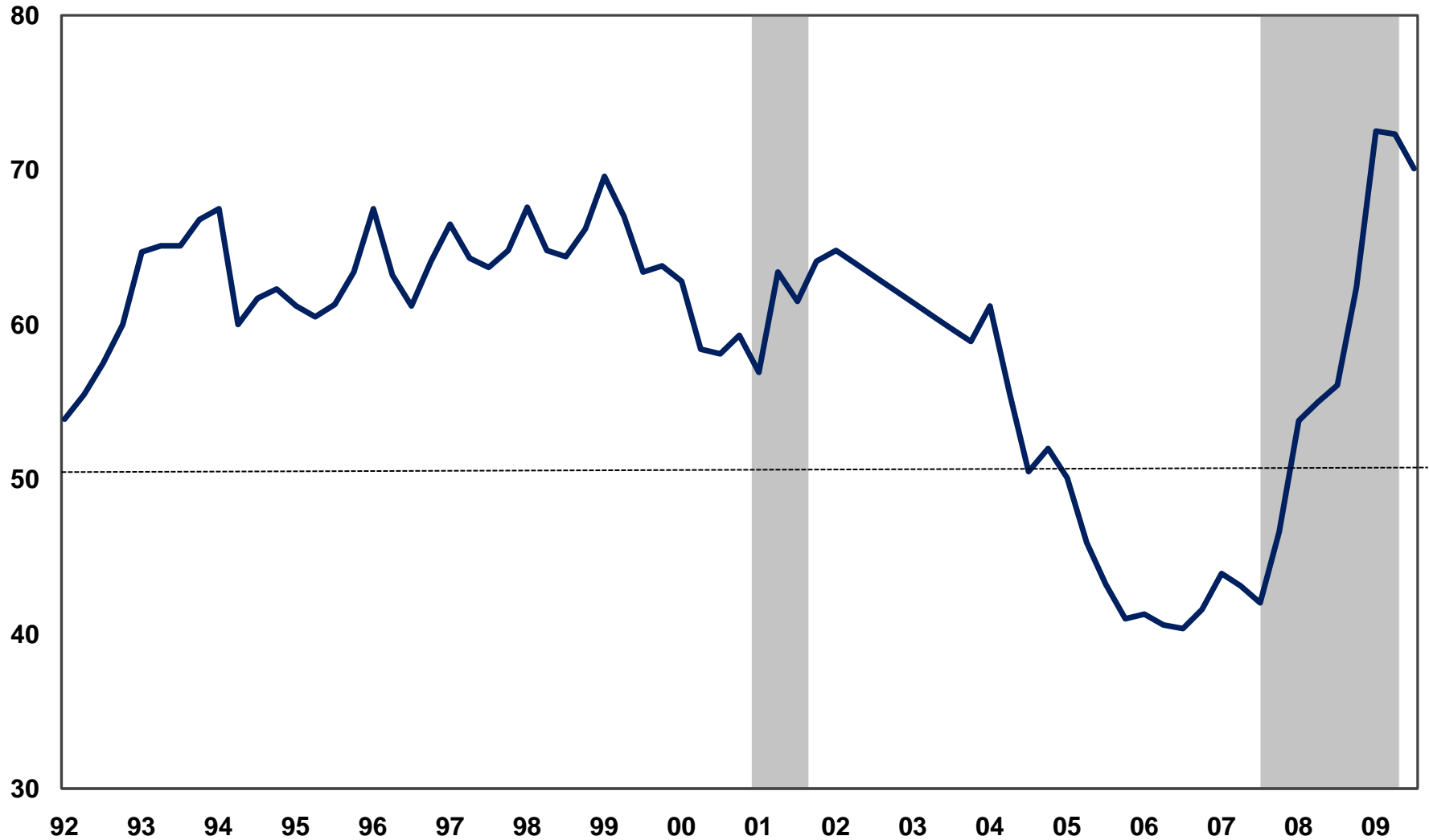
Sources: National Association of Realtors, Federal Reserve Board, S&P Case-Shiller, FHFA

House Prices Relative to Income

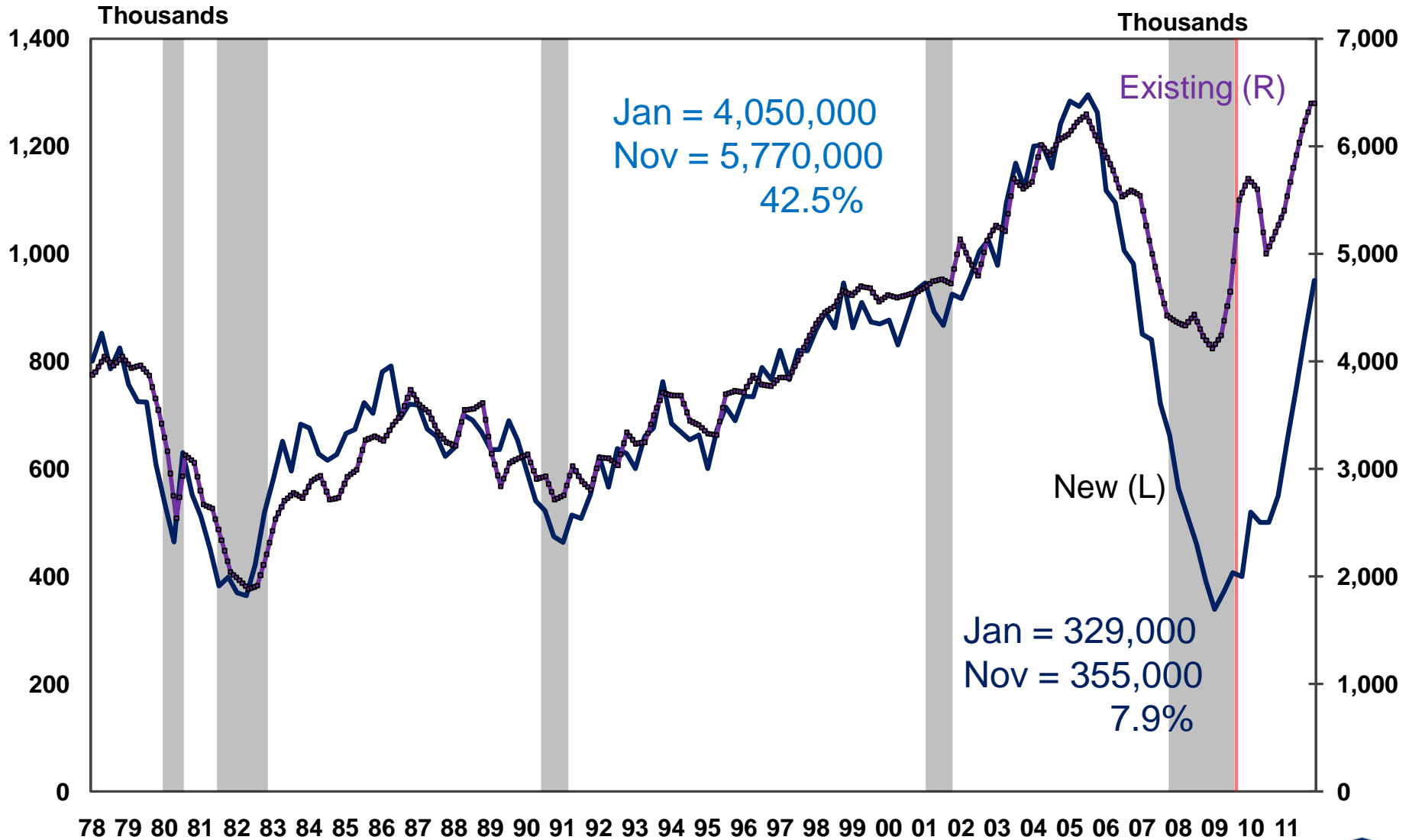
Median House Price / Median Income



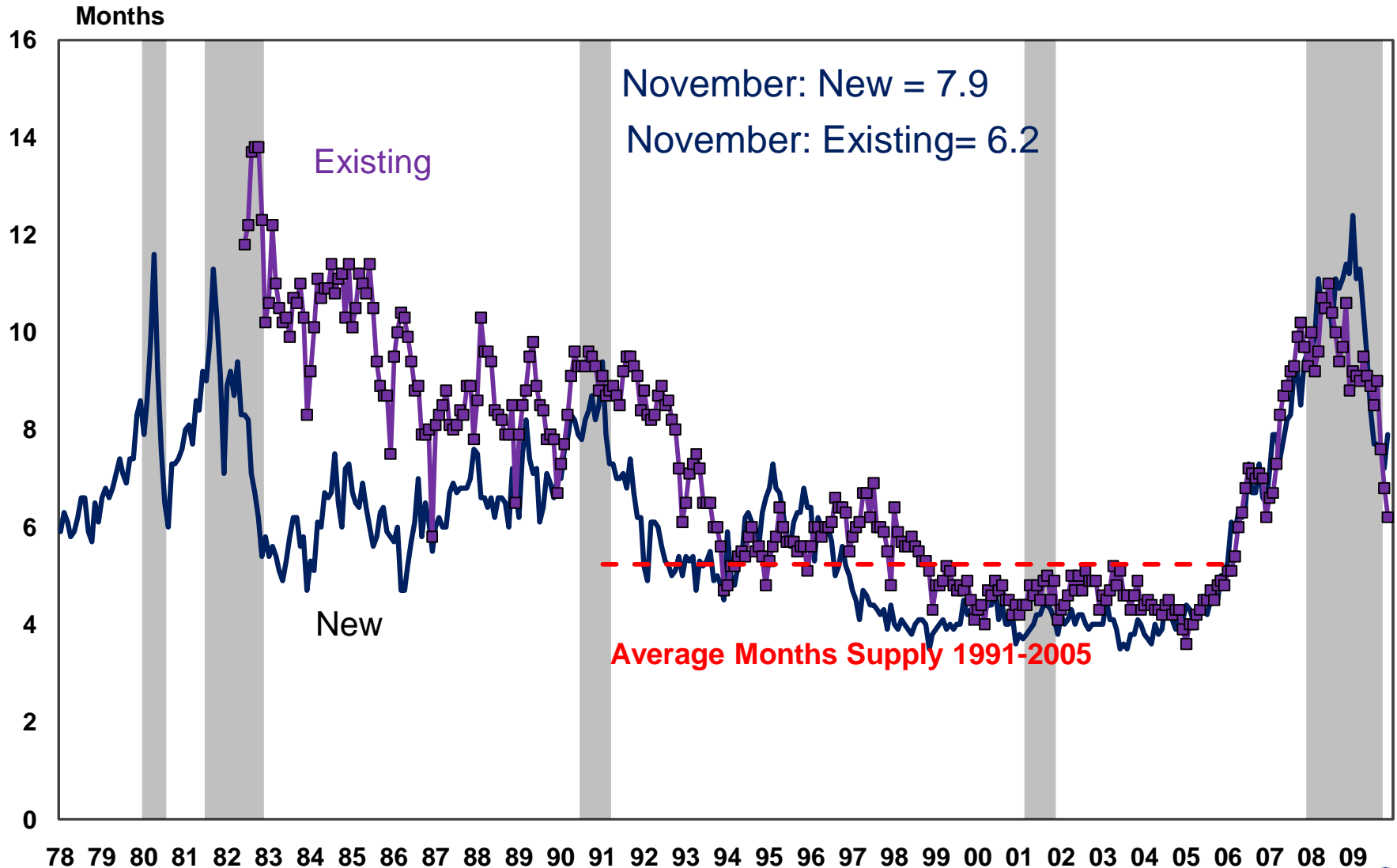
NAHB/Wells Fargo Housing Opportunity Index



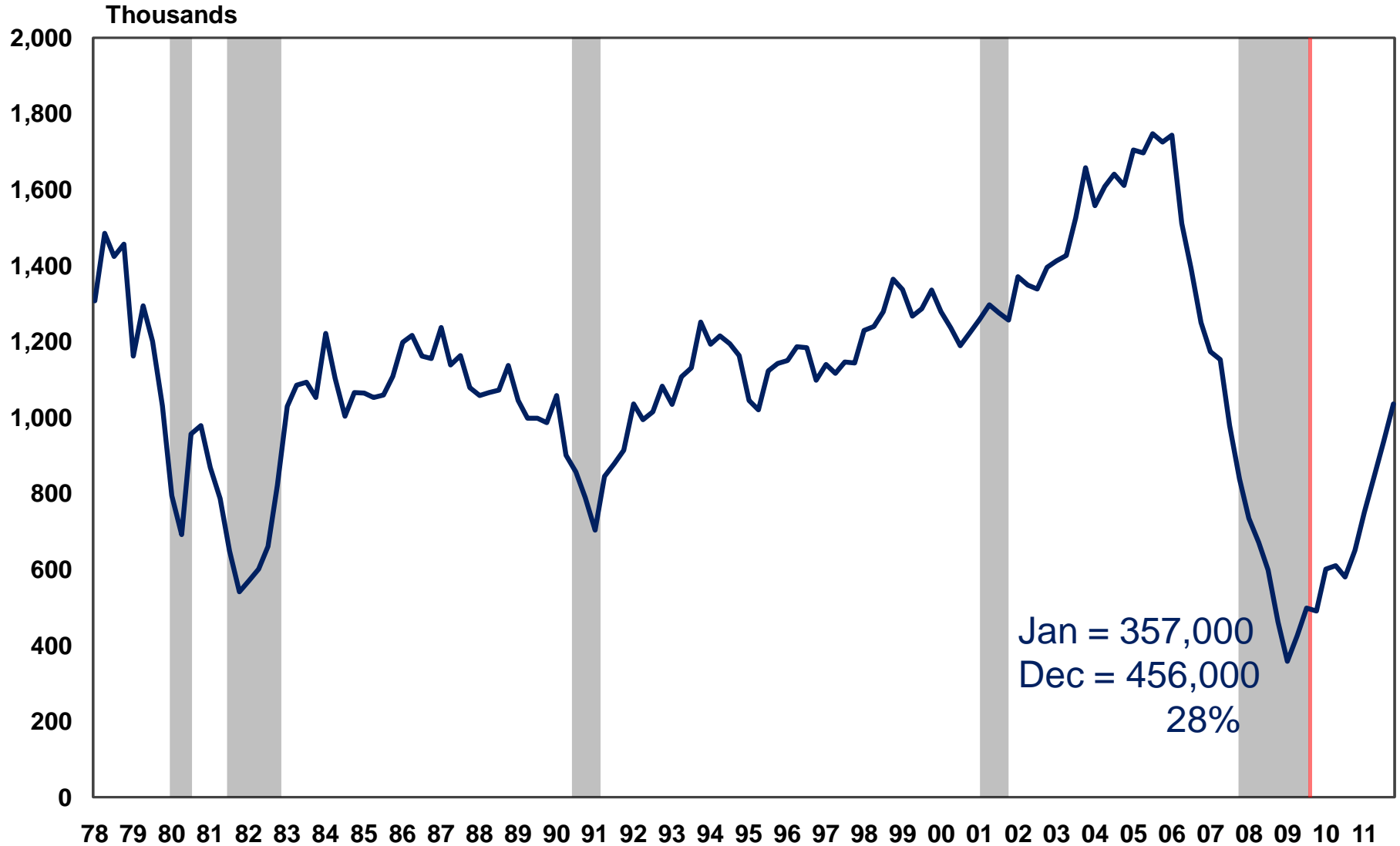
New and Existing Single-Family Home Sales



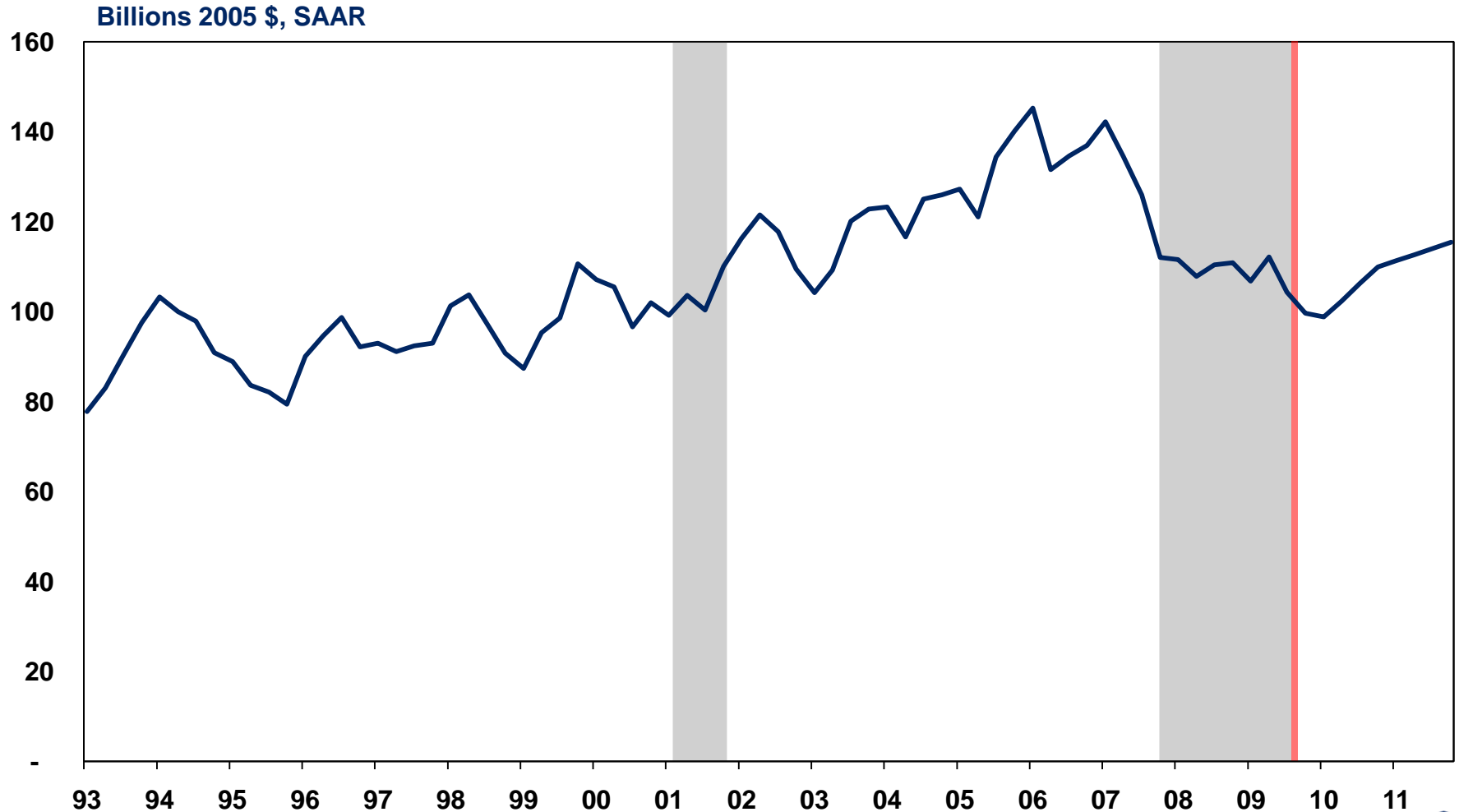
Months Supply of New and Existing Single-Family Homes



Single-Family Housing Starts



Residential Remodeling: Owner-Occupied Improvements

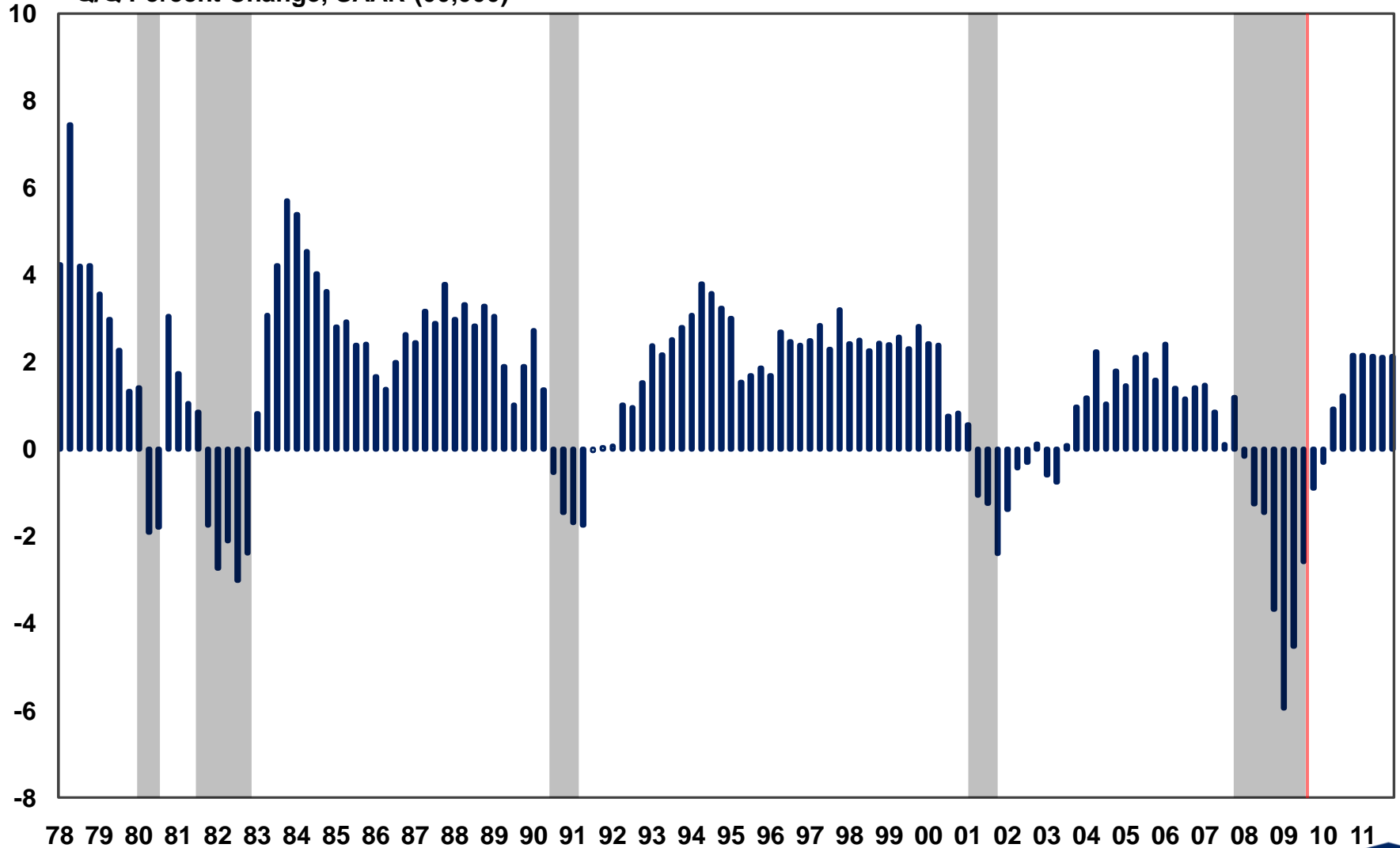




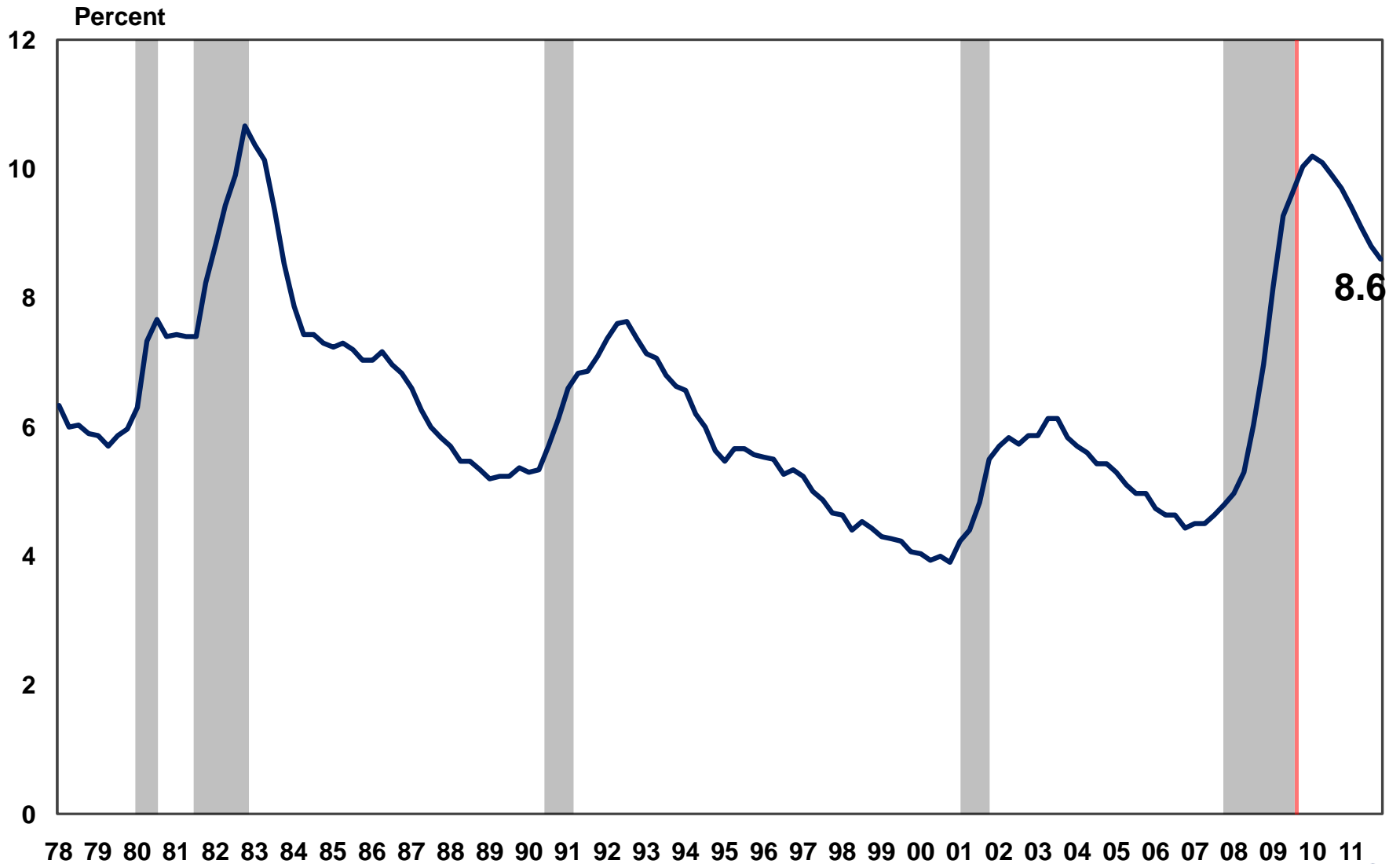
Not So Good News

Employment Change

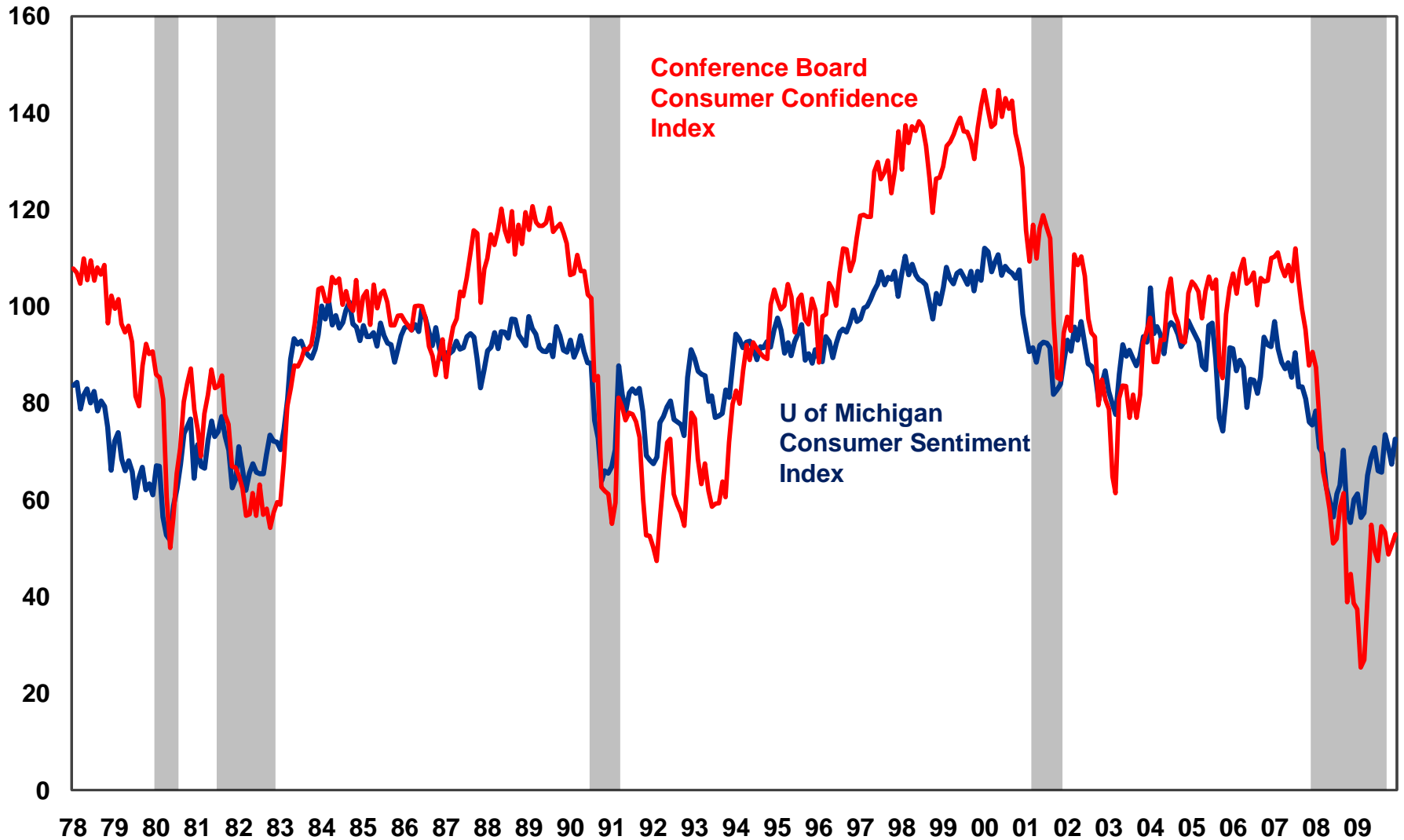
Q/Q Percent Change, SAAR (00,000)



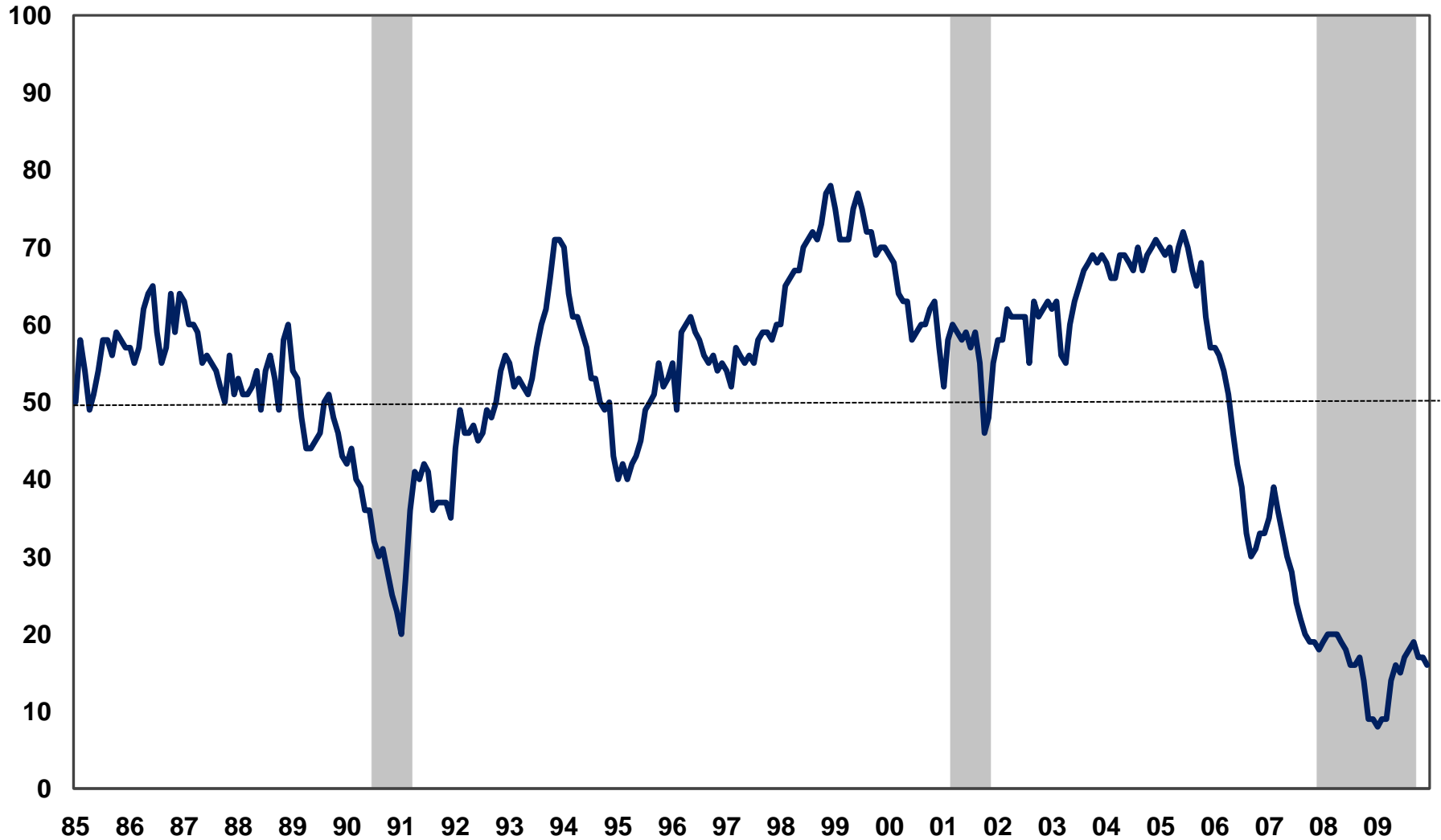
Unemployment Rate



Consumer Confidence/Sentiment



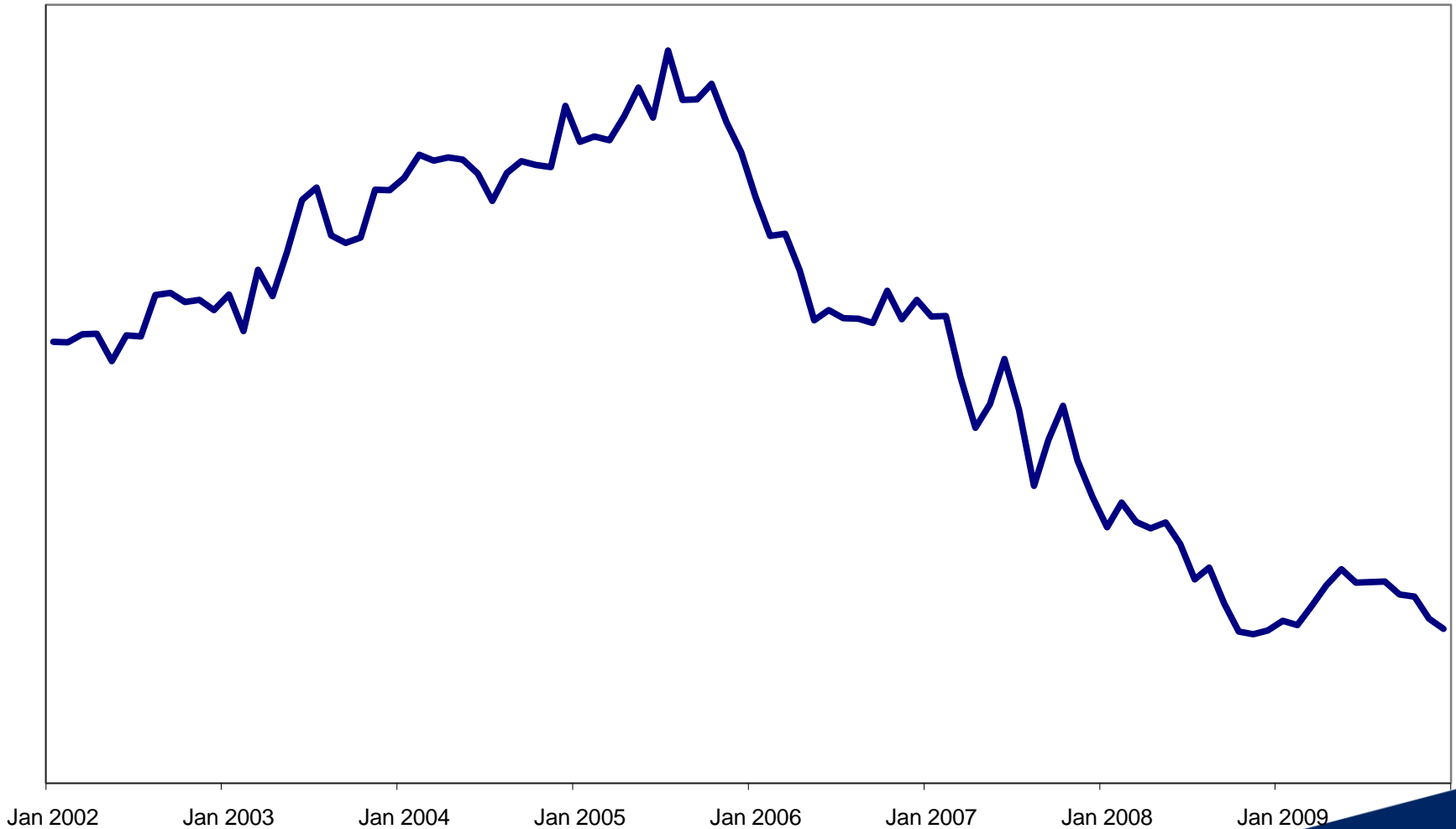
NAHB/Wells Fargo Housing Market Index



Large Home Builder Net Sales

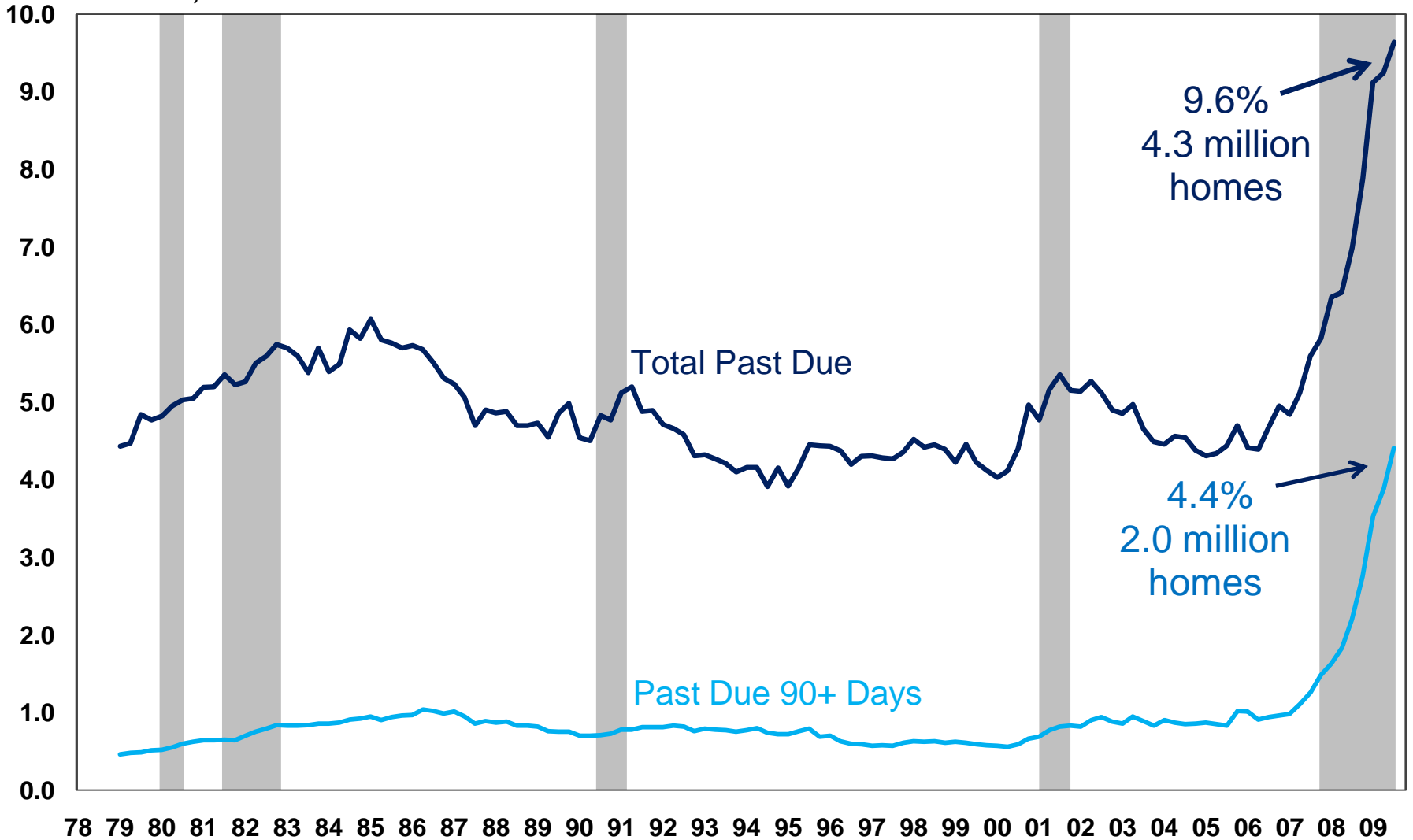
Units

Seasonally Adjusted Net Sales

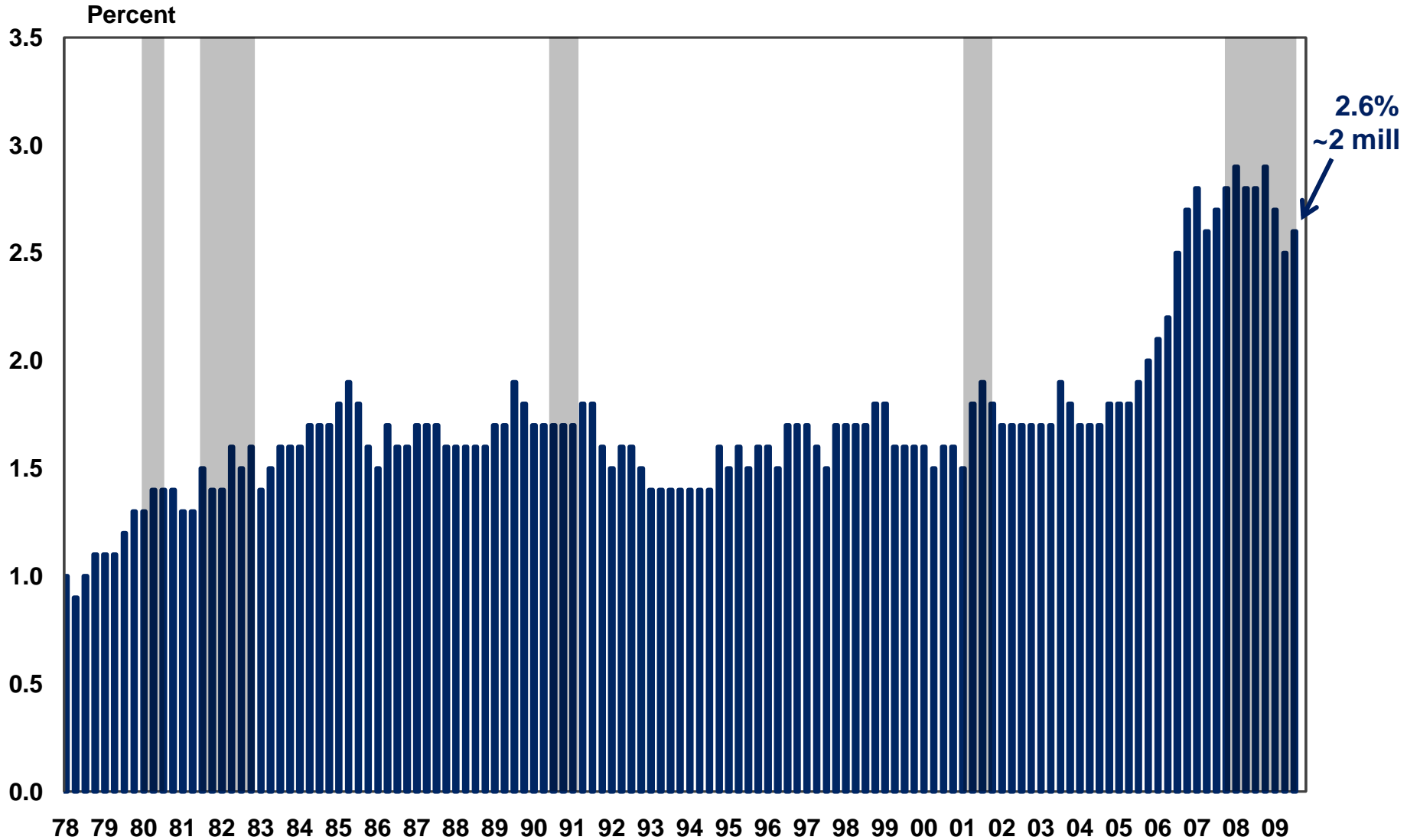


Mortgages Past Due

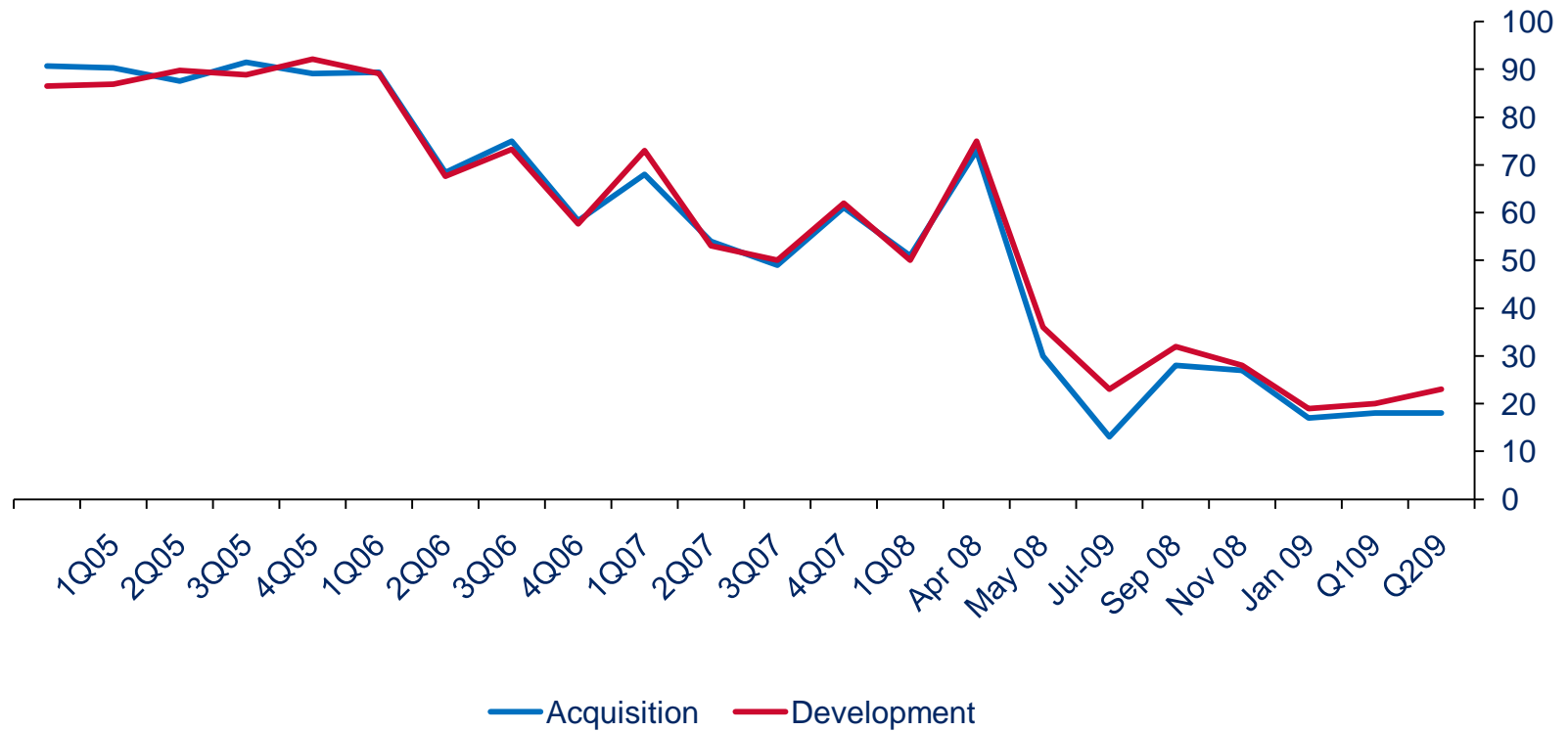
Percent, SA



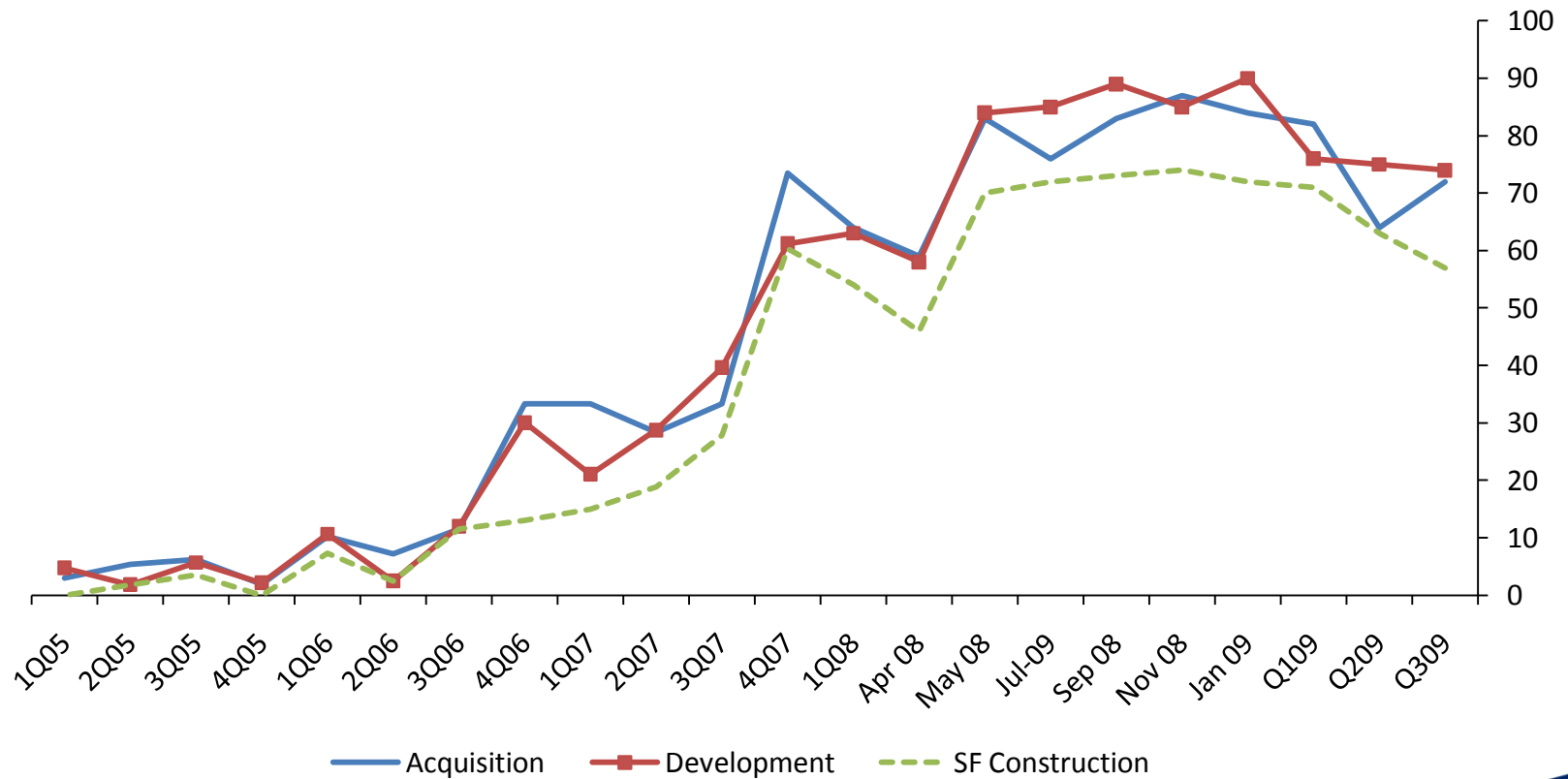
Share of Owner Occupied Vacant Units For Sale



Acquisition, Development and Construction Financing (AD&C) – Seeking New Loans

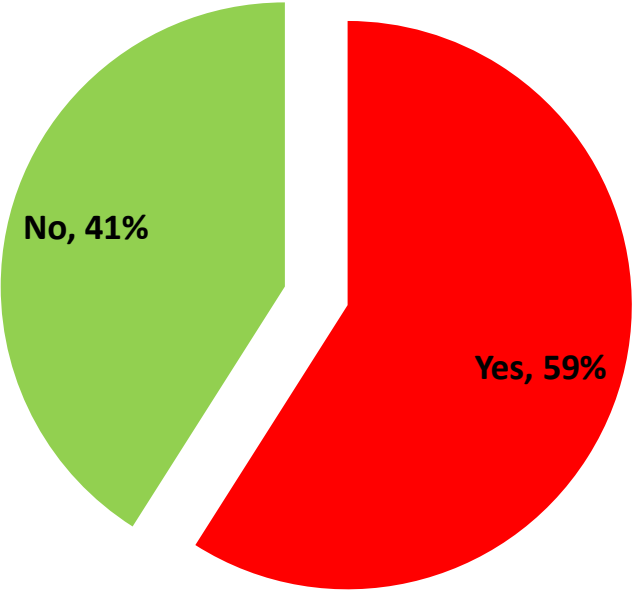


Acquisition, Development and Construction Financing (AD&C) – *‘Worse’ Availability of New Credit*



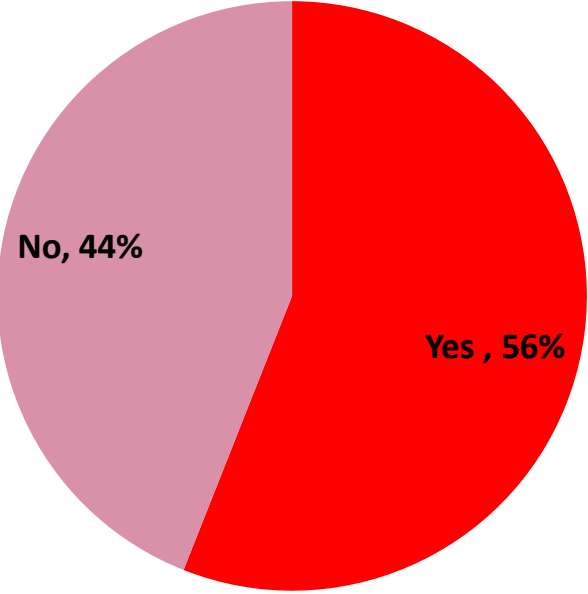
Have you experienced appraisals:

Below sales price?



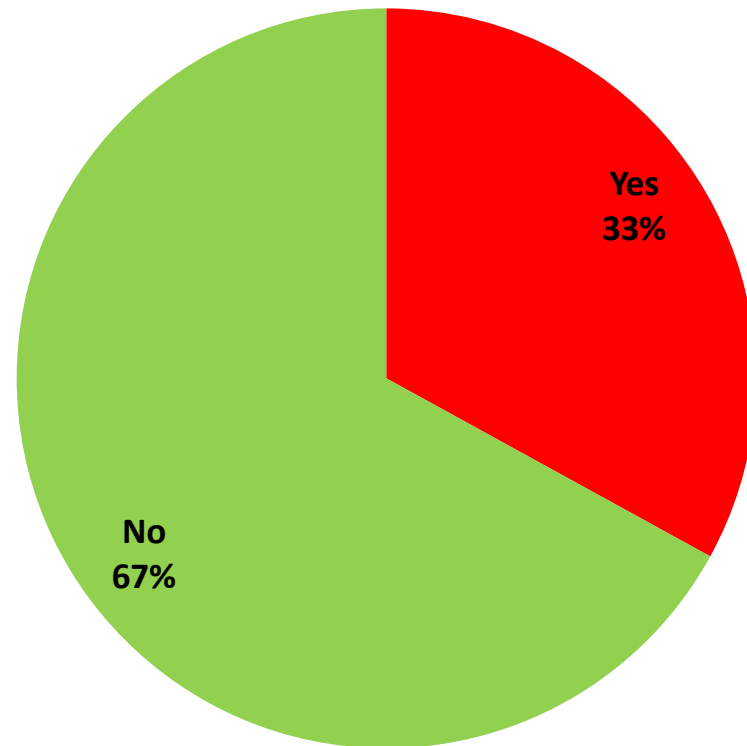
■ Yes ■ No

Below cost?

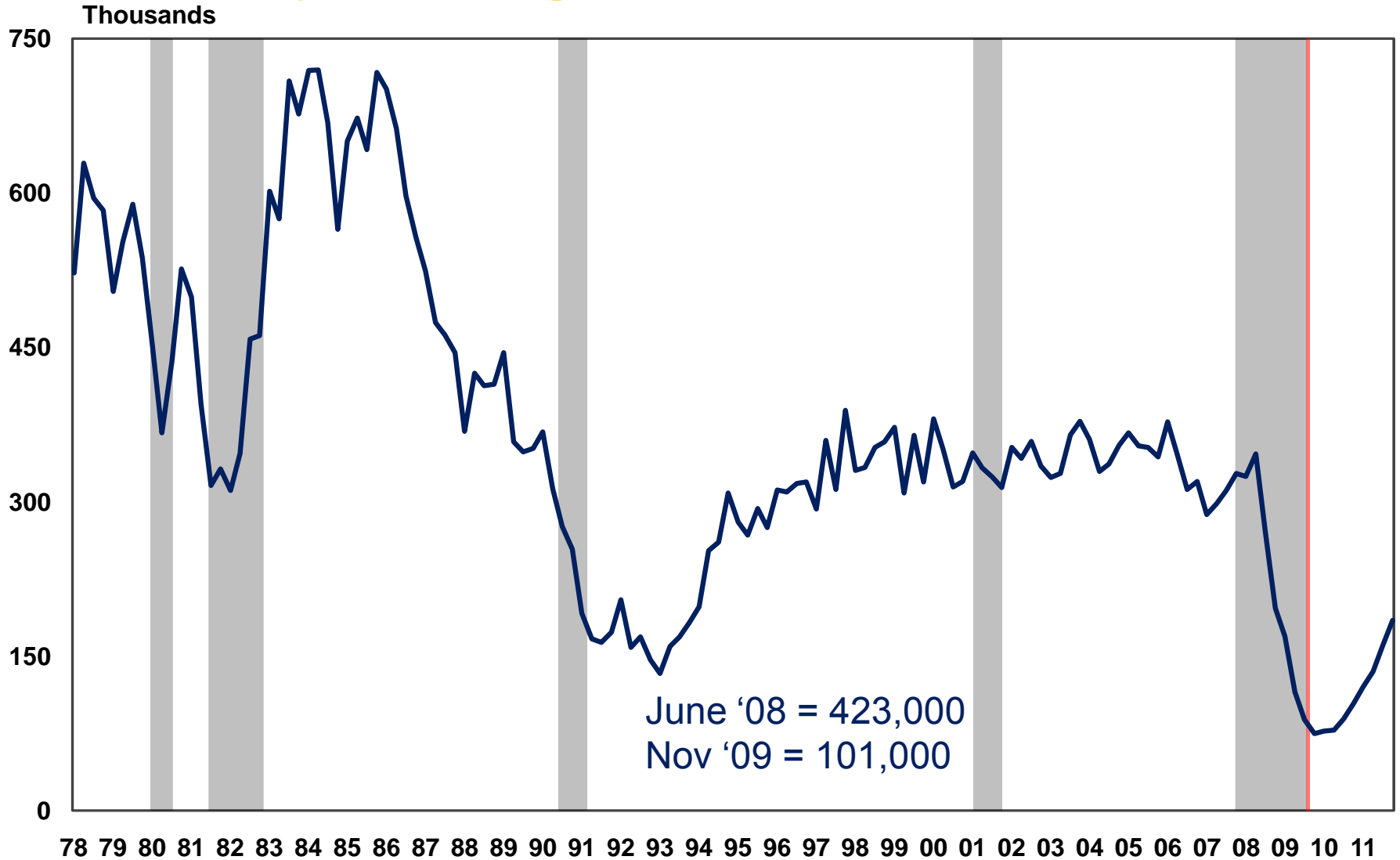


■ Yes ■ No

Have you lost sales because of a low appraisal?



Multifamily Housing Starts





Markets Are Different

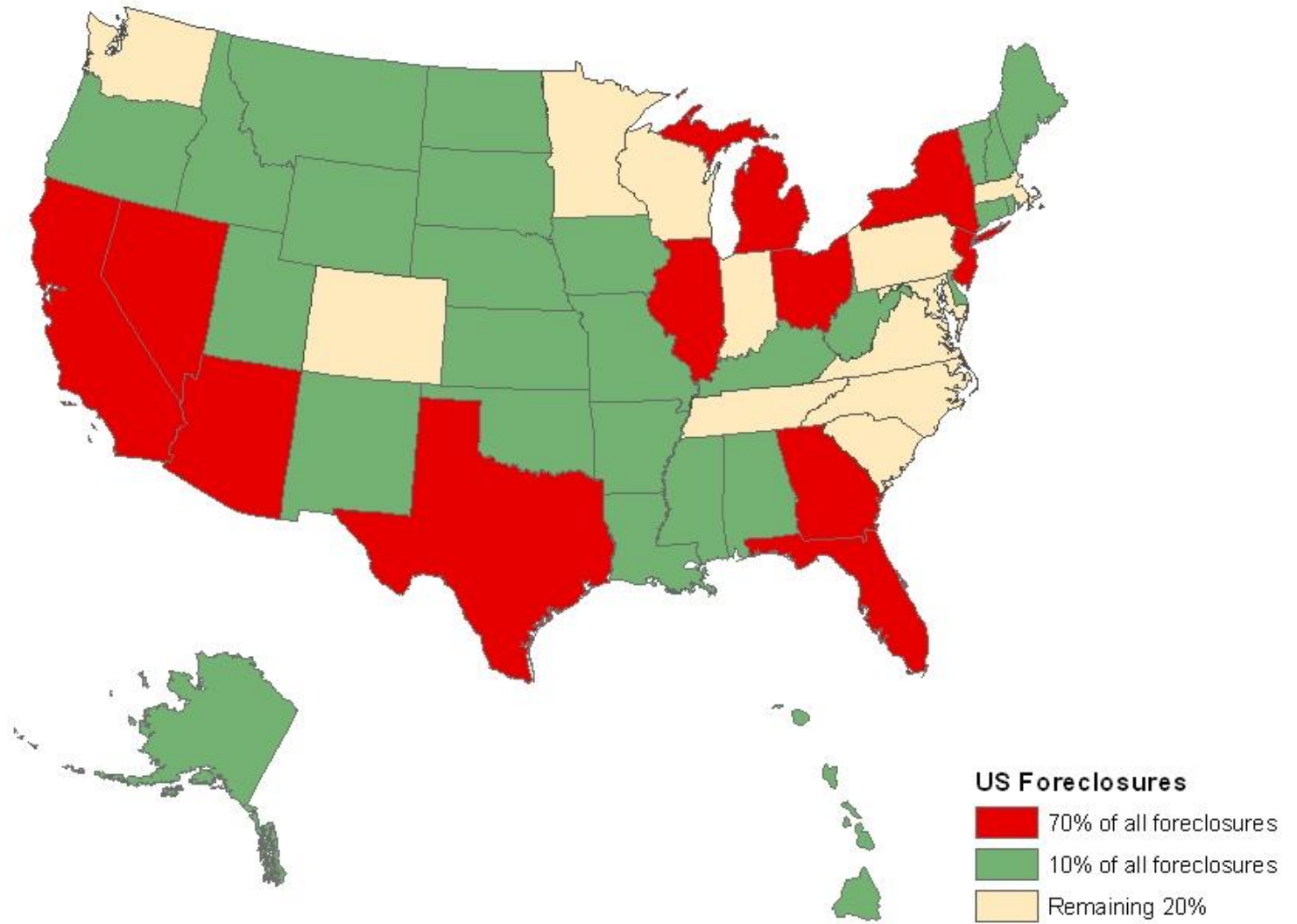
Mortgage Stress is Concentrated

- **70 % of foreclosures are in 11 states:**

- Florida
- California
- Illinois
- New York
- Arizona
- New Jersey
- Ohio
- Michigan
- Texas
- Georgia
- Nevada

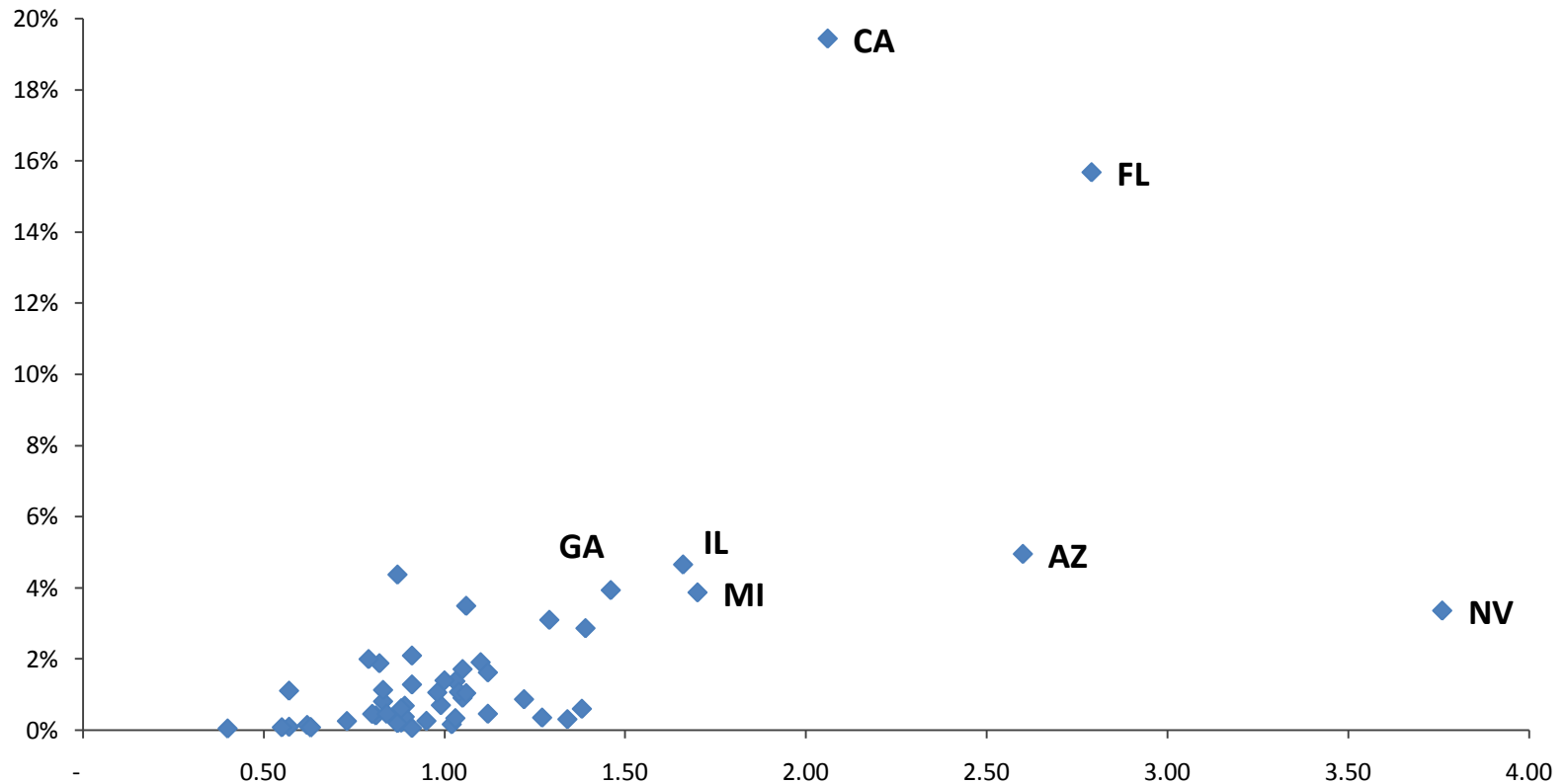
-

US Share of Foreclosures

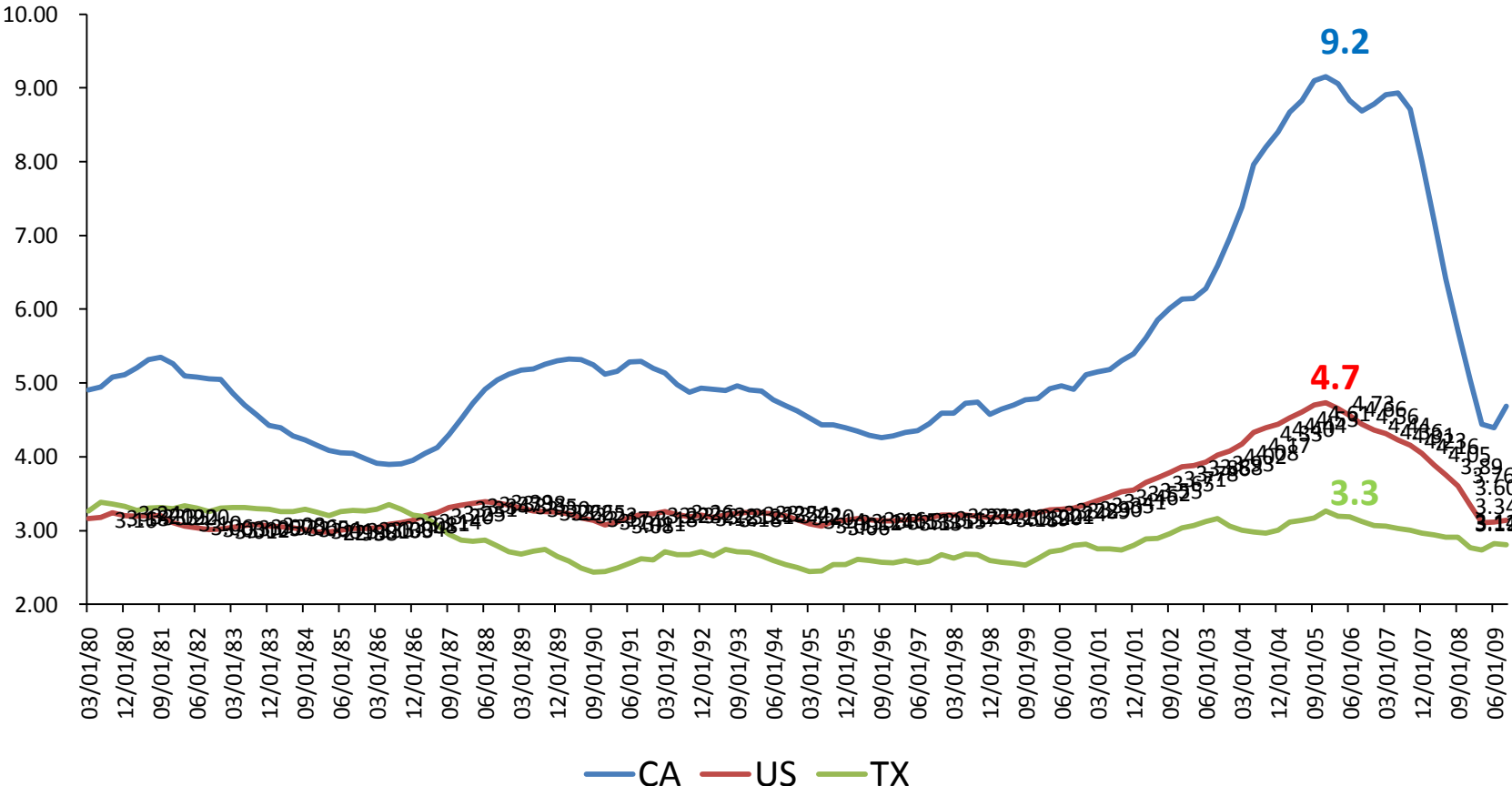


In Foreclosure Process

State Share of US vs Proportion of Mtgs in State



House Price-to-Income Ratio





Questions?

Answers:

www.housingeconomics.com