

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

(Analyzing, Gauging, & Exploring Neighborhood Trends)

U.S. Homebuilding & Building Products

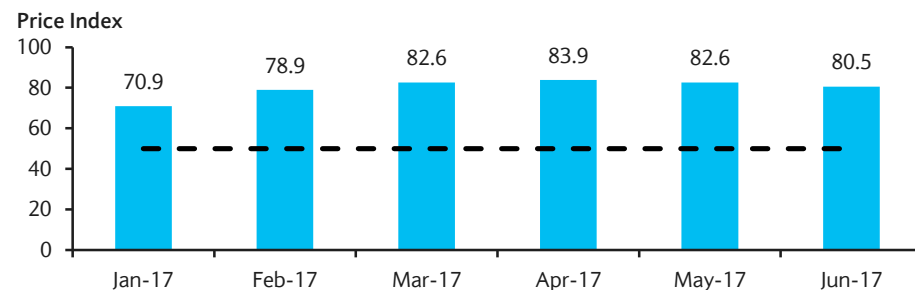
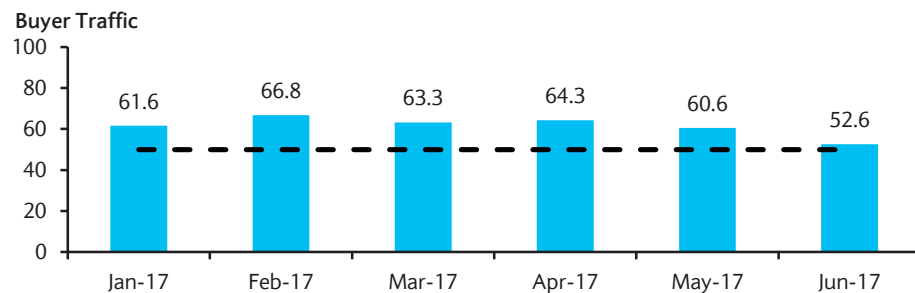
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Homebuilding & Building Products

July 11, 2017



Source: Barclays Research

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

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

Traffic Fades as Affordability Constraints Price Out Marginal Buyer

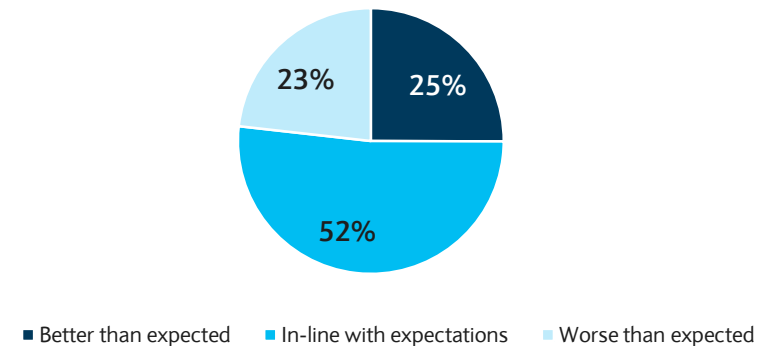
Traffic Index Drops; Affordability Constraints in Focus: Our Buyer Traffic Index declined to 53 in June from 61 in May, falling to levels indicating demand was just in-line with agents' expectations after exceeding expectations during the prior 5 months. The commentary this month was notably less positive. Agents attributed the slowing to the worsening affordability, noting buyers were unsatisfied with the quality and location of listings within their budget constraints. This was most prevalent for entry-level homes, with marginal buyers being pushed out of the market following recent home price gains. However, agents remained encouraged by the fundamental drivers such as strong job growth and local economic activity. Favorable rates are still viewed as supportive for activity but not as much of a motivating factor as recent months. By price point, demand for move-up homes was again strong, entry-level trends took a step lower, and luxury homes continue to face challenges.

More than Half of Markets Now Either Missing or Only Meeting Expectations: In June, 17 of the 40 markets we survey saw better than expected traffic (27 vs. May), 11 saw traffic in-line (4 in May), and 12 pointed to lower than expected traffic (9 in May). The strongest regions were the Southwest, Mid-Atlantic and Southeast. Florida and California deteriorated this month, coming in below agents' expectations, with Miami, Inland Empire, Sacramento, San Francisco and Los Angeles all falling below agents' expectations. Texas was steady this month, as worsening trends in Houston and San Antonio were offset by solid trends in Austin and Dallas.

Prices Move Higher on Tight Supply: Tight supply conditions continue to favor sellers. Our Home Price Index came in at 81 in June vs. 83 in May. Of the 40 markets we survey, 39 saw higher prices m/m in June (36 in May), no markets experienced flat prices (3 in May), and 1 market saw lower prices m/m (same as last month). Particularly strong readings were seen in Las Vegas, Minneapolis, Orlando, and Raleigh. Houston was the only market to see price declines m/m in June.

Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	66.8	78.9	44.7	55.1	63.1
Mar-17	63.3	82.6	49.5	57.0	65.7
Apr-17	64.3	83.9	48.6	60.1	68.0
May-17	60.6	82.6	47.5	56.9	66.5
Jun-17	52.6	80.5	46.3	55.5	56.9
Change	(8.0)	(2.1)	(1.2)	(1.4)	(9.6)

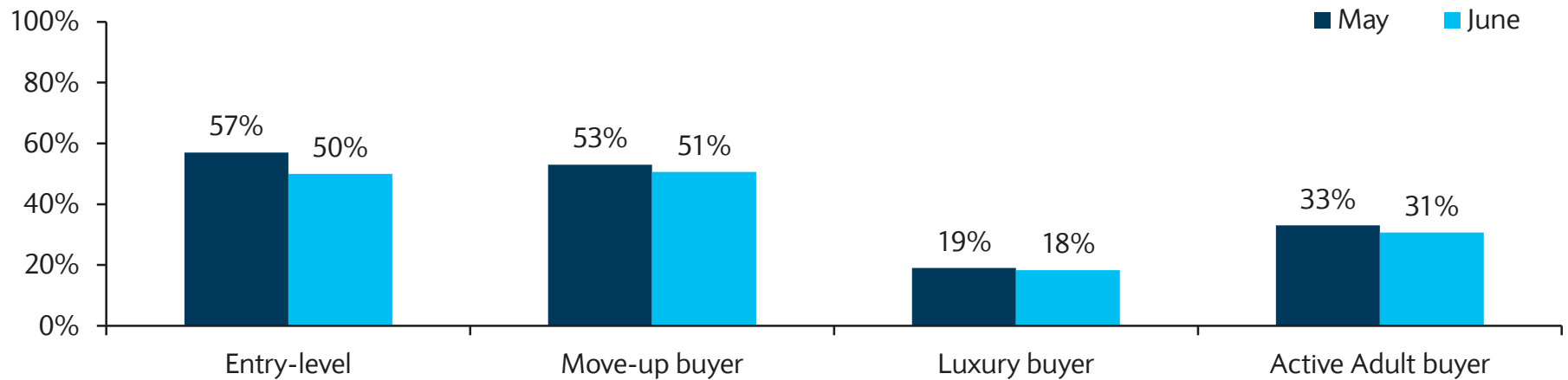
June Buyer Traffic Index of 52.6



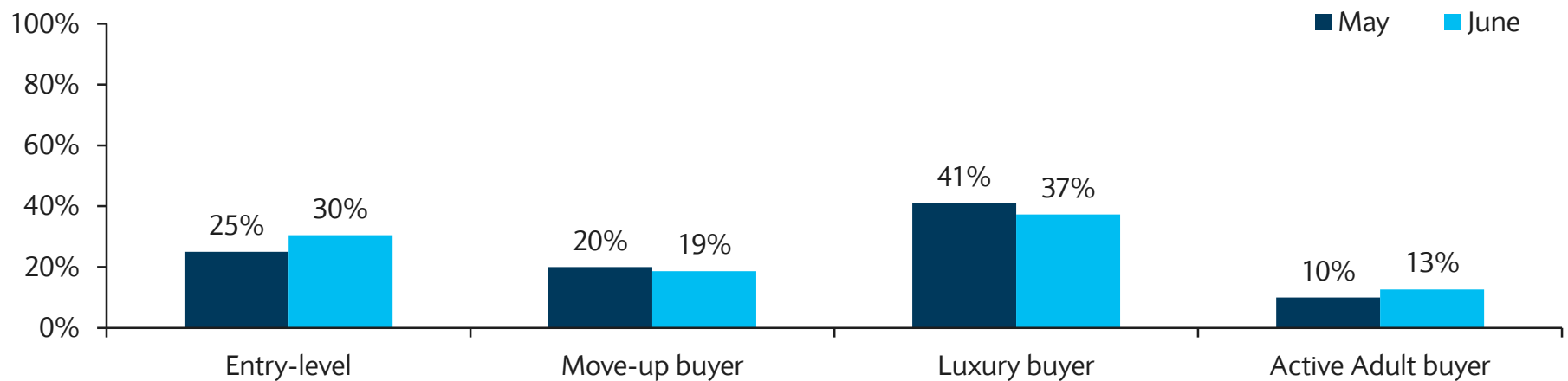
Source: Barclays Research

Buyer Segment Trends: Entry-Level Worsens, Move-Up Steady, Luxury Softness Continues

% of Respondents Seeing Improving Trends by Buyer Segment



% of Respondents Seeing Worsening Trends by Buyer Segment



Source: Barclays Research

Table of Contents

Housing Markets:

- 4 Atlanta, Georgia
- 5 Austin, Texas
- 6 Baltimore, Maryland
- 7 Boston, Massachusetts
- 8 Charlotte, North Carolina
- 9 Chicago, Illinois
- 10 Cincinnati, Ohio
- 11 Columbus, Ohio
- 12 Dallas, Texas
- 13 Denver, Colorado
- 14 Detroit, Michigan
- 15 Fort Myers, Florida
- 16 Houston, Texas
- 17 Inland Empire, California
- 18 Jacksonville, Florida
- 19 Kansas City, Missouri
- 20 Las Vegas, Nevada
- 21 Los Angeles, California
- 22 Miami, Florida
- 23 Minneapolis, Minnesota
- 24 Nashville, Tennessee
- 25 New York, New York-Northern New Jersey

Source: Barclays Research

Housing Markets Continued

- 26 Orange County, California
- 27 Orlando, Florida
- 28 Philadelphia, Pennsylvania-Southern New Jersey
- 29 Phoenix, Arizona
- 30 Portland, Oregon
- 31 Raleigh, North Carolina
- 32 Richmond, Virginia
- 33 Sacramento, California
- 34 San Antonio, Texas
- 35 San Diego, California
- 36 San Francisco, California
- 37 Sarasota, Florida
- 38 Seattle, Washington
- 39 Tampa, Florida
- 40 Tucson, Arizona
- 41 Virginia Beach, Virginia
- 42 Washington, D.C.
- 43 Wilmington, North Carolina

Appendix:

- 44 Index Methodology
- 45 Summary Data

Atlanta, GA – Lack of Selection and Elevated Prices Drives Traffic Slowdown

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

Our Take:

- Traffic trends worsened in June. Our Buyer Traffic Index fell to 32, down from 43 in May. Agents broadly highlighted the lack of inventory on the market. The lack of selection has discouraged buyers from looking and sellers from listing, given the challenges in finding a new home. Others felt that recent price appreciation had stretched affordability too much for the marginal buyer.
- Home prices moved higher in June. Our Home Price Index came in at 82, down from 93 in May but above a neutral 50. Agents indicated that fewer listings were on the market this month and that it took less time to sell a home.

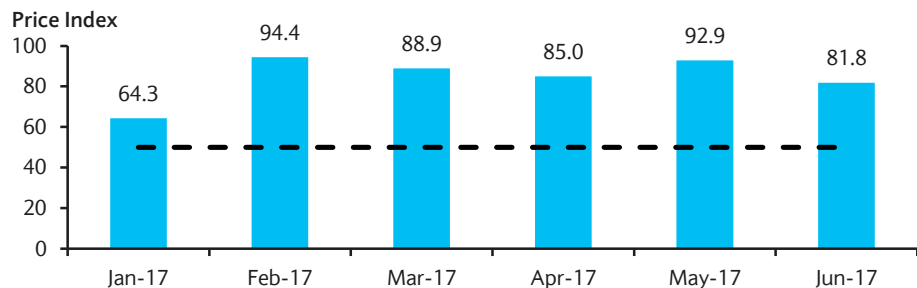
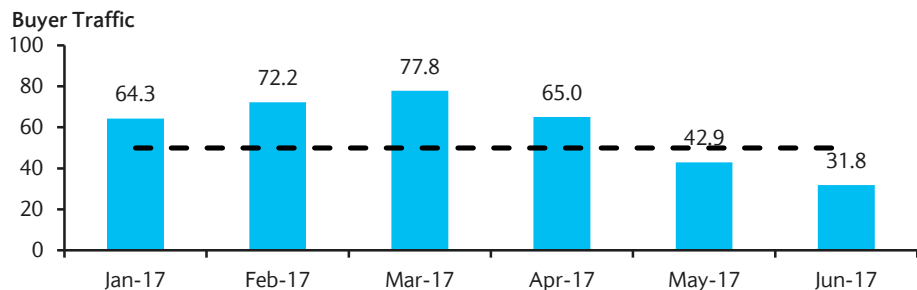
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	72.2	94.4	37.5	72.2	66.7
Mar-17	77.8	88.9	50.0	61.1	83.3
Apr-17	65.0	85.0	50.0	50.0	65.0
May-17	42.9	92.9	57.1	64.3	71.4
Jun-17	31.8	81.8	40.0	63.6	59.1
Change	(11.0)	(11.0)	(17.1)	(0.6)	(12.3)



Local Real Estate Agent Comments:

- “Low inventory and the recent increase in prices have driven a number of buyers away.”
- “Lack of new inventory.”
- “Higher prices. Frustrated with low inventory.”
- “Lack of inventory is hurting the market. Sellers want to sell but cannot find new properties.”
- “Lack of inventory.”
- “Not as many home on the market.”

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

Austin, TX – Solid Economic Activity Lifts Traffic

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

Our Take:

- Traffic conditions improved in June, rising to levels above agents' expectations. Our Buyer Traffic Index landed at 75 this month, up from 50 in May. Agents were positive on the economic fundamentals such as job, wage and population growth. Additionally, inventory levels are tight, driving better traffic per listings and urgency in the market. Those who were less positive pointed to slowing in the luxury segment.
- Home prices increased in June. Our Home Price Index landed at 75 this month, down from 81 in May. We think home price growth could moderate in the coming months, given the soft readings in our Listings and Time to Sell Indexes.

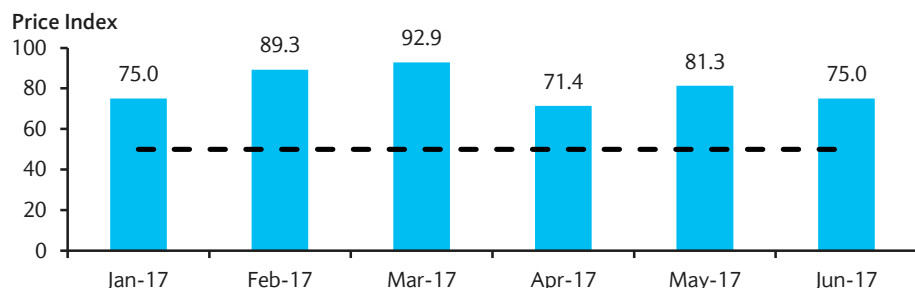
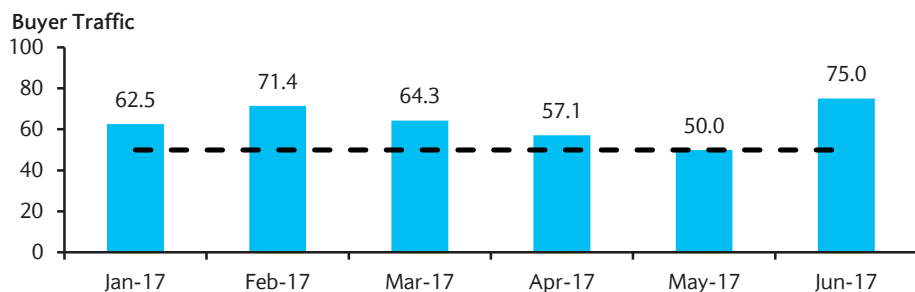
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	71.4	89.3	39.3	39.3	50.0
Mar-17	64.3	92.9	28.6	28.6	57.1
Apr-17	57.1	71.4	42.9	42.9	35.7
May-17	50.0	81.3	18.8	43.8	37.5
Jun-17	75.0	75.0	25.0	31.3	43.8
Change	25.0	(6.3)	6.3	(12.5)	6.3



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

Source: Barclays Research, Census Bureau

Local Real Estate Agent Comments:

- “Prices in the luxury segment have declined.”
- “Limited resale. Inventory often priced above market value.”
- “Most well prepared and fair market priced listings are under contract quickly- under 10 days.”
- “Jobs continue to drive this level of housing demand.”
- “Buyers moving in from out of state.”

Baltimore, MD – Traffic Still Solid, Supported by Confident Consumers

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

Our Take:

- Traffic conditions held at levels above agents' expectations in June. Our Buyer Traffic Index landed at 60 this month, little changed from the reading of 63 in May. Agents continue to see healthy consumer confidence and favorable mortgage rates supporting activity. On the margin, there was more discussion about how the lack of selection on the market was discouraging buyers.
- Home prices rose again this month. Our Home Price Index landed at 90 this month vs. 100 in May. Agents indicated that the number of listings and time needed to sell a home both declined in June.

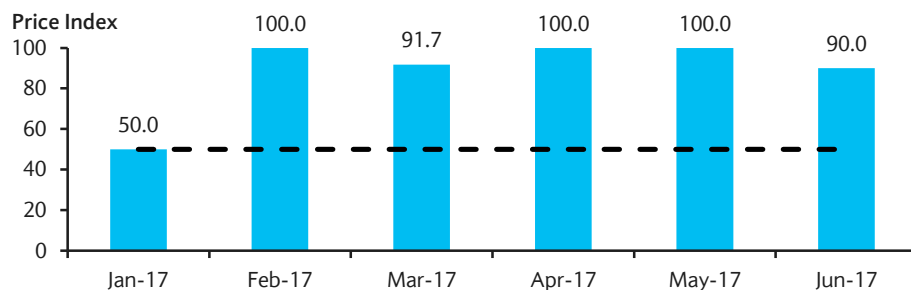
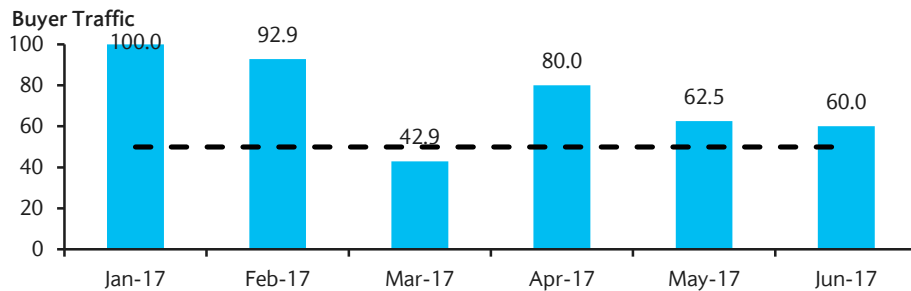
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	92.9	100.0	50.0	71.4	92.9
Mar-17	42.9	91.7	50.0	64.3	66.7
Apr-17	80.0	100.0	50.0	50.0	80.0
May-17	62.5	100.0	50.0	62.5	100.0
Jun-17	60.0	90.0	37.5	60.0	60.0
Change	(2.5)	(10.0)	(12.5)	(2.5)	(40.0)



Local Real Estate Agent Comments:

- “Rates. Consumer confidence.”
- “Market taking a breather.”
- “Beginning to see signs of a typical summer slow down and traffic is slipping.”
- “Buyers are also getting turned-off by the lack of inventory.”
- “Low interest rates helping.”

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 Falls, as Buyer Pushback on Prices Offset Solid Economic Activity

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

Our Take:

- Traffic trends moderated in June, pulling back to levels in-line with agents' expectations. Our Buyer Traffic Index slipped to 50 this month, down from 72 in May. Agents attributed the slowing to growing buyer pushback from escalating home prices. Those who were more positive pointed to solid economic activity, improved consumer confidence, and limited inventories.
- Home prices increased again. Our Home Price Index came in at 85 in June, little changed compared to May. Agents indicated that there were fewer listings on the market this month, while the time needed to sell a home was unchanged.

Traffic Status:

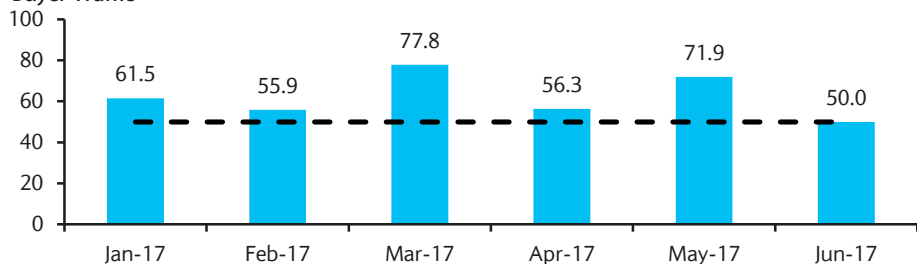


Traffic Trend:

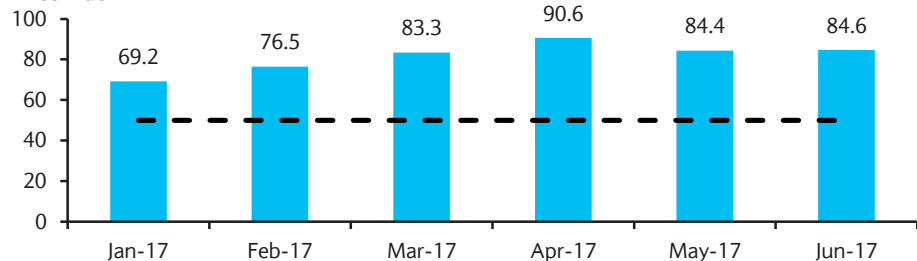


Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	55.9	76.5	47.1	79.4	50.0
Mar-17	77.8	83.3	50.0	72.2	75.0
Apr-17	56.3	90.6	60.0	65.6	81.3
May-17	71.9	84.4	57.1	40.6	78.1
Jun-17	50.0	84.6	54.2	57.7	50.0
Change	(21.9)	0.2	(3.0)	17.1	(28.1)

Buyer Traffic



Price Index



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:

- “High prices regulating demand.”
- “Lack of supply.”
- “The higher listing prices and lack of inventory have started to cause buyer pushback.”
- “Low inventory and low interest rates.”
- “High priced inventory.”
- “Good economy, low interest rates, and consumer confidence levels are high.”

Charlotte, NC – Traffic Unchanged

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

Our Take:

- Buyer traffic trends were in-line with agents' expectations again this month. Our Buyer Traffic Index landed at 50 in June, unchanged vs. May. Many agents highlighted the lack of inventory on the market. Some agents were encouraged by strong trends in the active adult and first-time buyer segments. Others pointed to slowing in the luxury segment.
- Home prices increased in June. Our Home Price Index landed at 90 in June, up from 81 in May. Agents pointed to fewer listings on the market this month, while the time needed to sell a home extended a bit too.

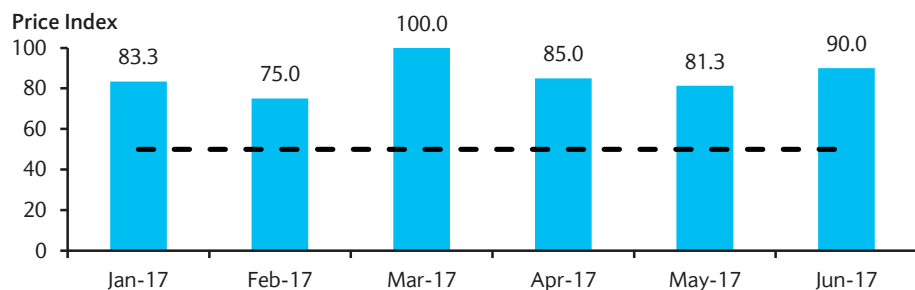
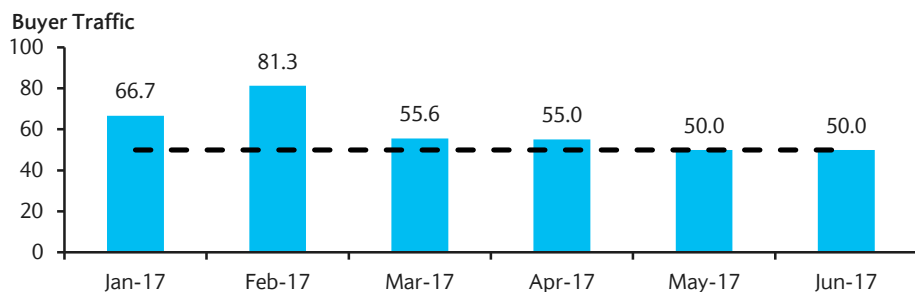
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	81.3	75.0	43.8	62.5	81.3
Mar-17	55.6	100.0	56.3	72.2	72.2
Apr-17	55.0	85.0	55.6	70.0	65.0
May-17	50.0	81.3	50.0	87.5	68.8
Jun-17	50.0	90.0	40.0	70.0	40.0
Change	0.0	8.8	(10.0)	(17.5)	(28.8)



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

Source: Barclays Research, Census Bureau

Local Real Estate Agent Comments:

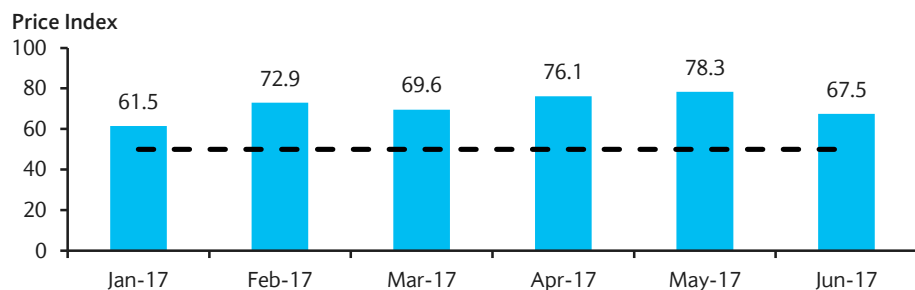
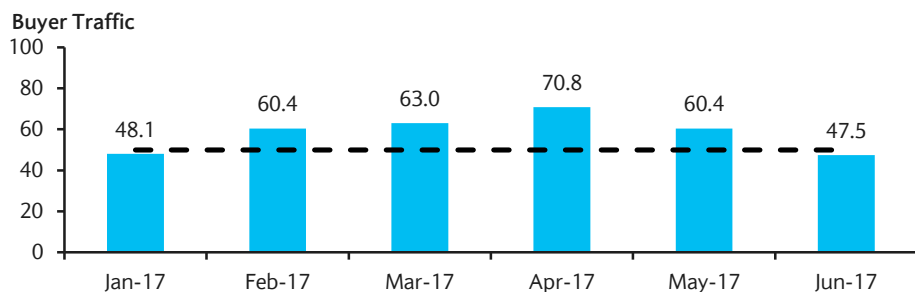
- “Lack of inventory.”
- “We’re starting to see a demand slowdown for higher priced homes.”
- “Seeing a lot of downsizing.”
- “Low inventory.”
- “1st time homebuyers very active.”

Chicago, IL – Traffic Slips; Pricing Moves Higher

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

Our Take:

- Buyer activity moderated in June, with trends slipping to levels in-line with agents' expectations. Our Buyer Traffic Index fell to 48 in June, down from 60 in May. Agents attributed the slowing to growing buyer uncertainty due to concerns around state government instability and budget dispute. Others who were more positive pointed to buyer motivation given fears of higher mortgage rates.
- Home prices increased again in June. Our Home Price Index landed at 68 this month, down from 78 in May. Agents pointed to fewer listings on the market this month and that it took less time to sell a home.



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

Source: Barclays Research, Census Bureau

Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	60.4	72.9	52.3	50.0	70.8
Mar-17	63.0	69.6	52.5	39.1	60.9
Apr-17	70.8	76.1	43.2	41.3	54.3
May-17	60.4	78.3	43.5	28.3	60.9
Jun-17	47.5	67.5	47.5	62.5	65.0
Change	(12.9)	(10.8)	4.0	34.2	4.1

Local Real Estate Agent Comments:

- “Less inventory and less active buyers.”
- “Risk of interest rates going higher.”
- “Instability of state of Illinois government and funding.”
- “The shortage of inventory.”
- “Investors and first time home buyers. Upper-end properties are languishing.”
- “Lower interest rates and lack of inventory.”

Cincinnati, OH – Shortage of Quality Inventory Curbs Activity

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

Our Take:

- Traffic conditions cooled this month. Our Buyer Traffic Index landed at 50 in June, down from 80 in May. Agents attributed the slowing to a lack of quality inventory on the market. Others were encouraged by improving local economic trends. Some felt that the activity was supported by buyer urgency given widespread fears of higher mortgage rates in the future.
- Home prices increased in June. Our Home Price Index landed at 79 this month, little changed from a reading of 90 in May. Agents pointed to fewer listings on the market and a shorter time needed to sell a home relative to last month.

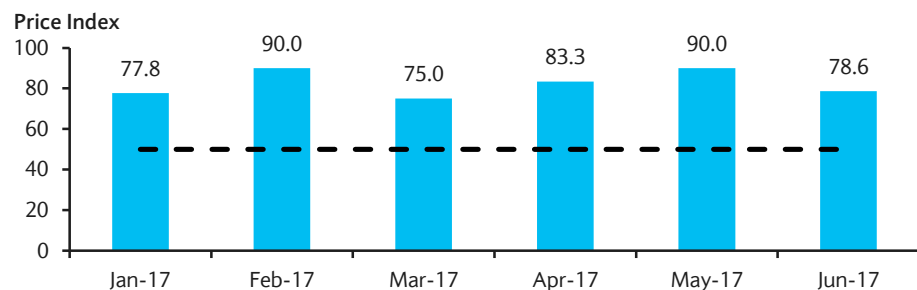
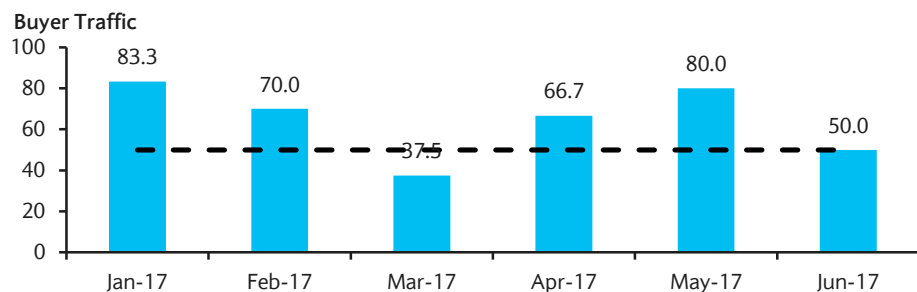
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	70.0	90.0	50.0	60.0	70.0
Mar-17	37.5	75.0	50.0	66.7	83.3
Apr-17	66.7	83.3	33.3	100.0	100.0
May-17	80.0	90.0	37.5	50.0	62.5
Jun-17	50.0	78.6	50.0	71.4	78.6
Change	(30.0)	(11.4)	12.5	21.4	16.1



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:

- “Market is still very brisk but has leveled off.”
- “Low inventory of quality.”
- “Houses sell the day they are listed.”
- “Improving economy.”
- “Buyers want to buy before interest rates increase.”

Columbus, OH – Traffic Trends Still Strong, Aided by Tight Supply

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

Our Take:

- Buyer activity ticked higher this month. Our Buyer Traffic Index rose to 75 in June, up from 60 in May. Agents continue to see the lack of inventory on the market driving buyer urgency. Comments discussed frequent multiple offer situations across markets. Agents have seen the tight supply driving asking prices higher too.
- Home prices moved higher in June. Our Home Price Index landed at 100 this month, indicating every agent saw higher home prices vs. last month. Agents indicated that the number of listings on the market were unchanged vs. last month, while it took less time to sell a home.

Traffic Status:

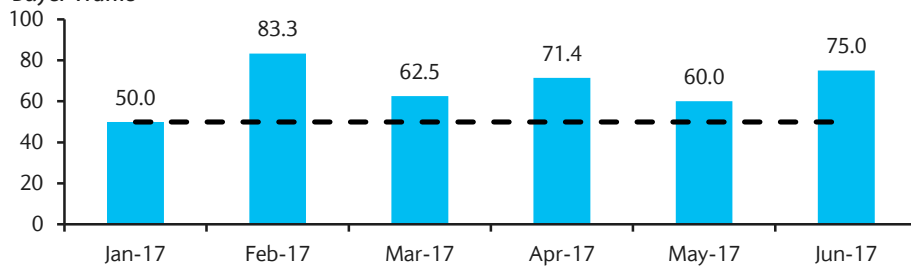


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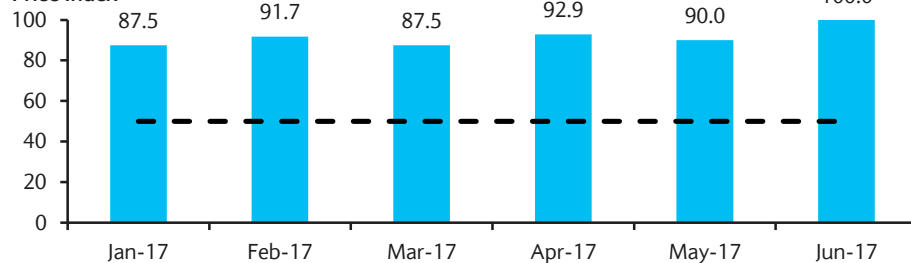


Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	83.3	91.7	41.7	50.0	75.0
Mar-17	62.5	87.5	50.0	62.5	100.0
Apr-17	71.4	92.9	50.0	57.1	78.6
May-17	60.0	90.0	60.0	20.0	80.0
Jun-17	75.0	100.0	50.0	50.0	62.5
Change	15.0	10.0	(10.0)	30.0	(17.5)

Buyer Traffic



Price Index



Local Real Estate Agent Comments:

- “Continued low inventory.”
- “Multi offers and few days on the market.”
- “Values are increasing.”
- “Lack of inventory is causing intense buyer activity quickly after listing for reasonably attractive homes in desirable locations. Such homes generally draw multiple offers.”
- “Pent up demand, lack of inventory causing sense of urgency.”

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 – Local Economic Activity Supports Activity

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

Our Take:

- Traffic conditions held at levels indicating activity was in-line with agents' expectations. Our Buyer Traffic Index landed at 50 in June, unchanged vs. May. Agents continue to see solid local economic activity driving traffic. However, inventory levels have remained tight and home prices have moved higher. Agents continue to see this dynamic pricing out the marginal buyer.
- Home prices increased in June. Our Home Price Index landed at 85 this month, vs. 94 in May. Agents indicated that the number of homes on the market and the time needed to sell a home was unchanged vs. last month.

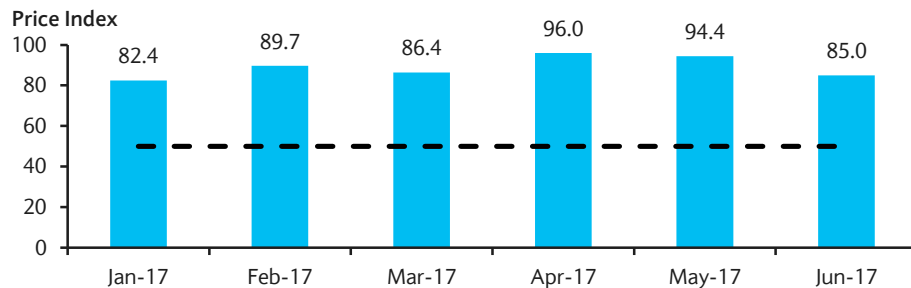
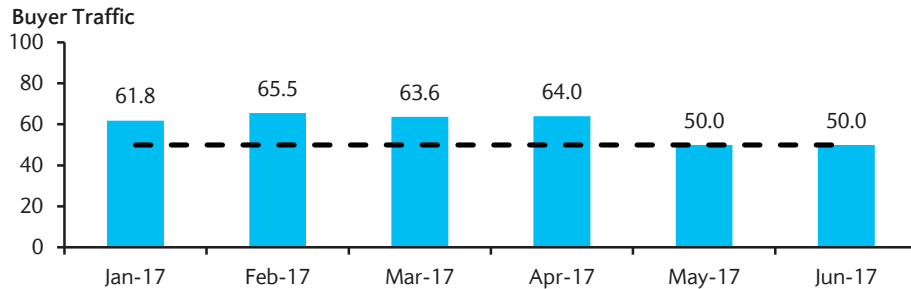
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	65.5	89.7	51.8	60.7	64.3
Mar-17	63.6	86.4	38.6	61.4	63.6
Apr-17	64.0	96.0	35.4	46.0	72.0
May-17	50.0	94.4	56.3	55.6	85.7
Jun-17	50.0	85.0	47.4	52.5	55.0
Change	0.0	(9.4)	(8.9)	(3.1)	(30.7)



Local Real Estate Agent Comments:

- “Great local / state economy and plenty of jobs.”
- “Low inventory and higher prices.”
- “Lack of homes on market.”
- “Large number of corporate relocations.”
- “High employment and job creation.”
- “Higher prices and interest rates.”

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

Source: Barclays Research, Census Bureau

Denver, CO – Traffic Disappoints Again on Stretched Pricing

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

Our Take:

- Traffic trends were below agents' expectations for the second consecutive month in Denver. Our Buyer Traffic Index landed at 41 in June vs. 42 in May. Agents continue to see stretched home prices and affordability driving the slowdown. This has been most problematic for first time homebuyers trying to qualify for a mortgage. Others highlighted the lack of selection across the market as an issue.
- Home prices moved higher in June. Our Home Price Index landed at 78 this month, down slightly from a reading of 83 in May. We think home prices gains should slow given the weak readings in our Listings and Time to Sell Indexes.

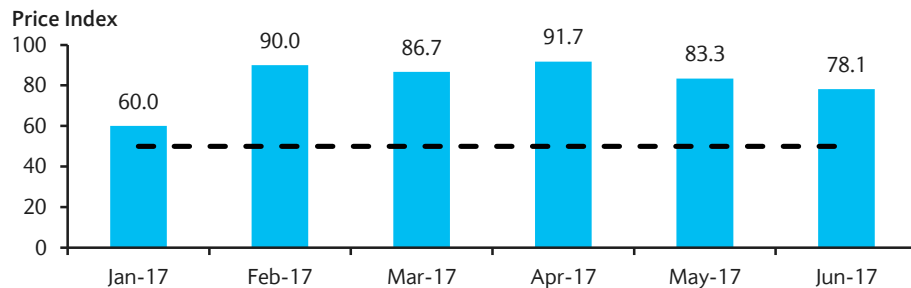
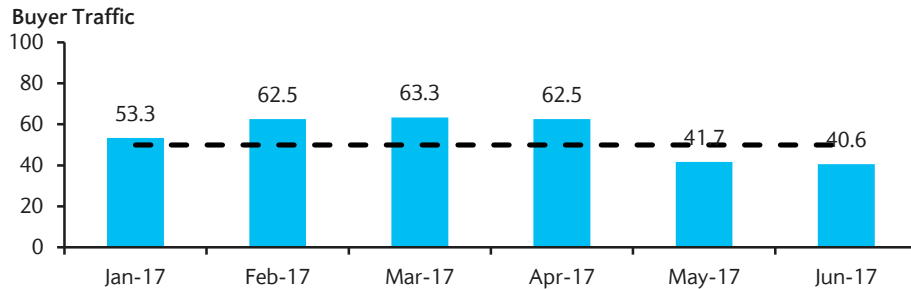
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	62.5	90.0	44.7	60.0	55.0
Mar-17	63.3	86.7	50.0	60.0	66.7
Apr-17	62.5	91.7	62.5	50.0	62.5
May-17	41.7	83.3	58.3	33.3	50.0
Jun-17	40.6	78.1	43.8	21.9	46.7
Change	(1.0)	(5.2)	(14.6)	(11.5)	(3.3)



Local Real Estate Agent Comments:

- “Lack of inventory and higher prices.”
- “Higher prices inhibiting first time homebuyers from being able to qualify.”
- “Inflation of home prices and inventory shortages.”
- “Strong employment, low inventory, but buyers wary of prices and affordability.”
- “Lack of inventory.”
- “Slowing due to 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

Detroit, MI – Traffic Slips but Still Solid

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

Our Take:

- Traffic conditions moderated this month, landing at levels indicating activity was just in-line with agents' expectations. Our Buyer Traffic Index came in at 54, down from 63 in May. Agents were encouraged by local employment growth and buyer motivation due to fears of higher mortgage rates in the future. Many complained about the lack of inventory on the market as well.
- Home prices increased this month. Our Home Price Index landed at 88 in June, down from 100 in May. Agents pointed to fewer homes on the market and a shorter time needed to sell a home.

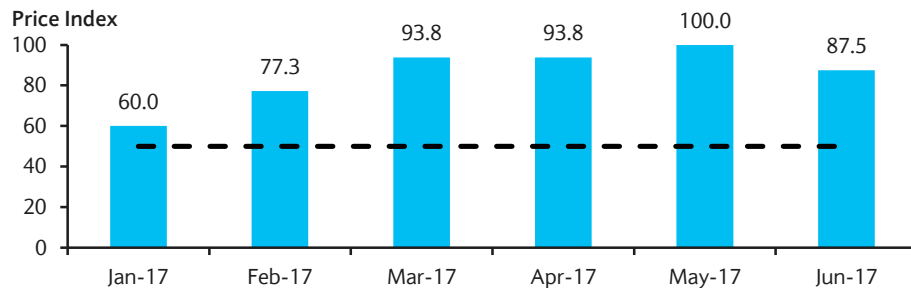
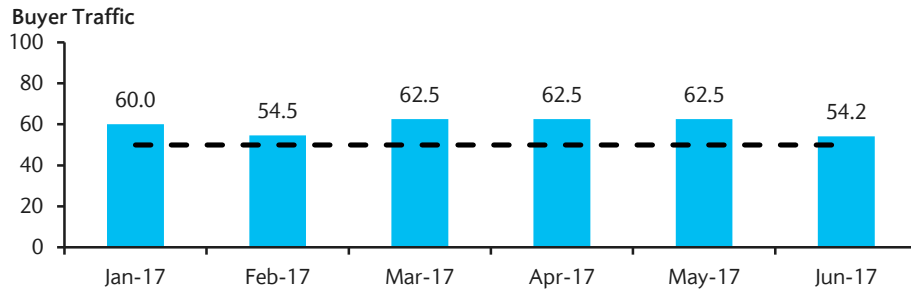
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	54.5	77.3	45.0	45.5	72.7
Mar-17	62.5	93.8	50.0	56.3	56.3
Apr-17	62.5	93.8	37.5	56.3	81.3
May-17	62.5	100.0	50.0	50.0	75.0
Jun-17	54.2	87.5	63.6	54.2	75.0
Change	(8.3)	(12.5)	13.6	4.2	0.0



Local Real Estate Agent Comments:

- “A bit more inventory than we have had recently, but still low. Rising values and a sellers’ market.”
- “Lack of inventory.”
- “Still low inventory.”
- “Fears of rising mortgage rates.”
- “Employment growth.”
- “Multiple offers are all driving consumers to take action now.”

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

Source: Barclays Research, Census Bureau

Fort Myers, FL – Traffic Drops on Stretched Pricing

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

Our Take:

- Buyer traffic trends have been choppy in recent months and that continued in June. Our Buyer Traffic Index dropped to 42 this month, down from 67 in May. Agents attributed the slowing to buyer pushback on home prices. Inventory still remains tight though, which has limited the willingness of sellers to lower asking prices. Trends for entry level homes were seen to be relatively weak.
- Home prices increased this month. Our Home Price Index landed at 82 in June, up from 50 in May. Agents pointed to fewer homes on the market and a shorter time needed to sell a home, which should be supportive for near-term prices.

Traffic Status:

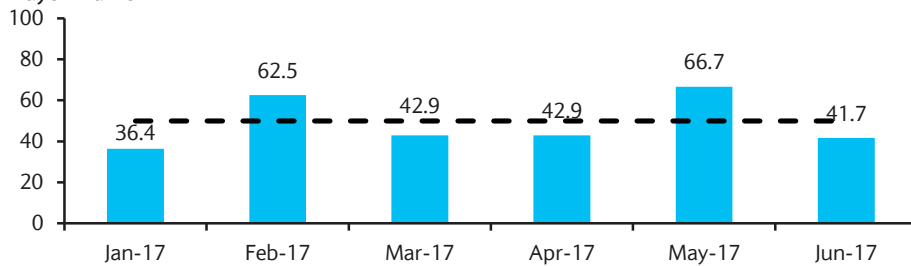


Traffic Trend:

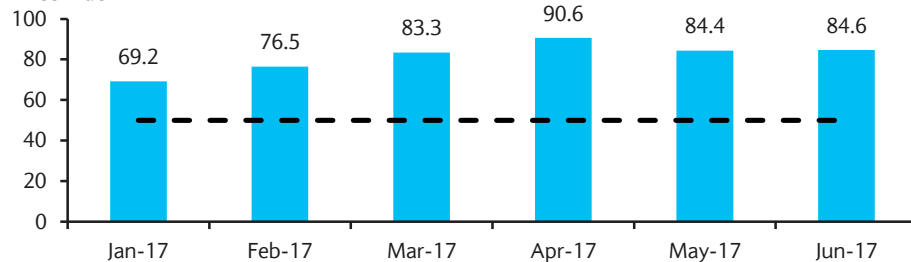


Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	62.5	75.0	50.0	25.0	56.3
Mar-17	42.9	71.4	50.0	33.3	50.0
Apr-17	42.9	64.3	28.6	42.9	7.1
May-17	66.7	50.0	25.0	58.3	41.7
Jun-17	41.7	83.3	41.7	75.0	66.7
Change	(25.0)	33.3	16.7	16.7	25.0

Buyer Traffic



Price Index



Local Real Estate Agent Comments:

- “Buyers are worried about dwindling inventory causing price increases and are hoping to beat them.”
- “Lower price point homes are not selling.”
- “Higher prices are preventing buyers from finding affordable homes.”

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

Source: Barclays Research, Census Bureau

Houston, TX – Traffic and Price Index Decline as Sentiment Worsens

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

Our Take:

- Buyer activity took another step lower this month. Our Buyer Traffic Index declined to 30 in June, down from 40 in May. Agents pointed to the recent declines in oil prices driving a cautious buyer sentiment. Others felt that stretched affordability had discouraged some buyers. Agents noted that homes under \$250k continue to sell well, but higher priced homes are sitting on the market for longer.
- Home prices declined in June. Our Home Price Index landed at 35 in June, down from 55 in May. We think home prices may continue to face pressure given the weak readings in our Listings and Time to Sell Indexes.

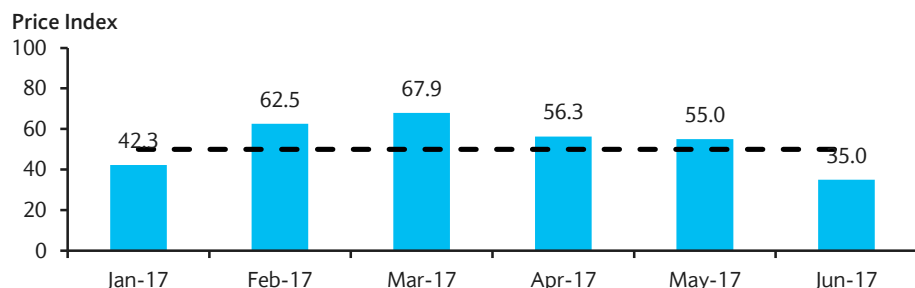
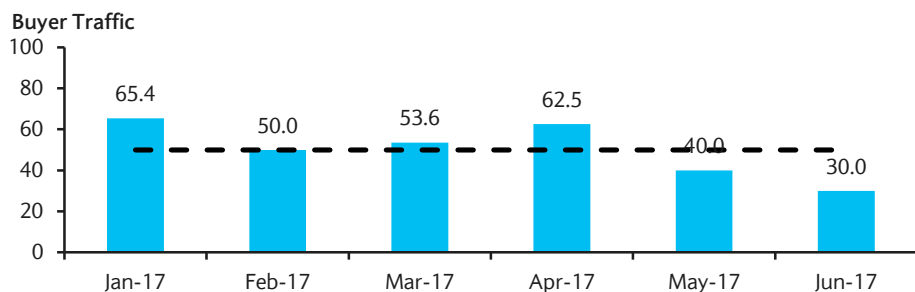
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	50.0	62.5	26.7	34.4	40.6
Mar-17	53.6	67.9	46.4	32.1	38.5
Apr-17	62.5	56.3	37.5	25.0	43.8
May-17	40.0	55.0	20.0	20.0	20.0
Jun-17	30.0	35.0	15.0	10.0	22.2
Change	(10.0)	(20.0)	(5.0)	(10.0)	2.2



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

Source: Barclays Research, Census Bureau

Local Real Estate Agent Comments:

- “Homes below \$250K are moving well. Homes above that are taking longer to sell.”
- “Oil and gas industry downturn.”
- “Weak economy.”
- “Stretched affordability.”
- “The oil slump continues to put a lid on buyer confidence.”
- “Uncertainty.”

Inland Empire, CA – Limited Affordable Inventory Hurts Demand

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

Our Take:

- Traffic conditions worsened this month. Our Buyer Traffic Index dropped to 21 this month, down from a reading of 44 in May. Agents attributed the slowing to a lack of affordable inventory on the market. Some indicated that sellers of luxury homes were willing to reduce asking prices. However, at lower price points sellers have been willing to wait vs. negotiate, especially given the tight inventory levels.
- Home prices moved higher. Our Home Price Index came in at 71 this month, down from 75 in May. If disappointing traffic trends continue, we would expect to see home prices start to flatten out.

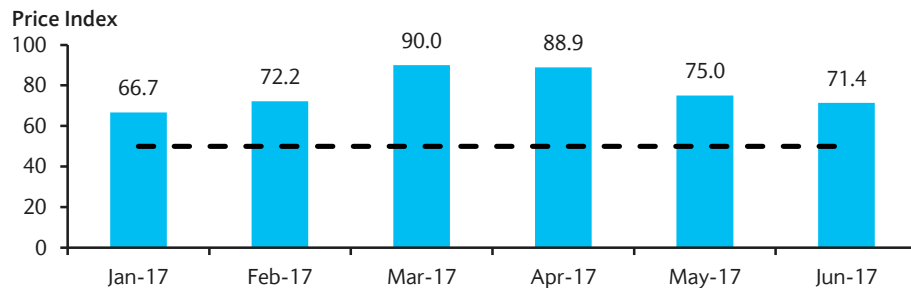
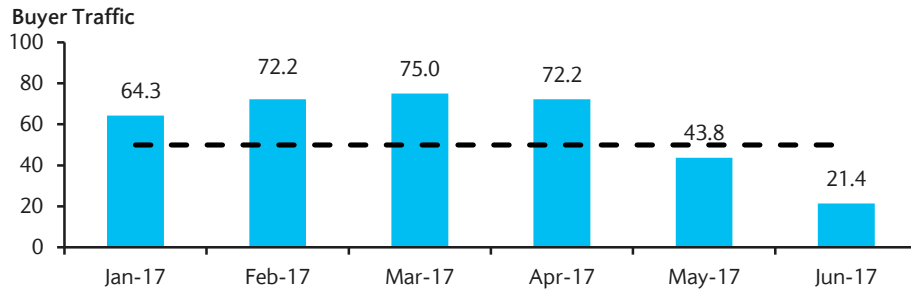
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	72.2	72.2	43.8	50.0	50.0
Mar-17	75.0	90.0	50.0	66.7	61.1
Apr-17	72.2	88.9	42.9	66.7	77.8
May-17	43.8	75.0	57.1	62.5	56.3
Jun-17	21.4	71.4	28.6	71.4	42.9
Change	(22.3)	(3.6)	(28.6)	8.9	(13.4)



Local Real Estate Agent Comments:

- “Not seeing a lot of buyers since mortgage rates increased.”
- “Luxury market is glutted with inventory and prices continue to drop in order to sell.”
- “Lack of inventory.”
- “No affordable inventory.”
- “Low inventory - expectation of higher rates.”
- “No or low inventory driving up 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

Jacksonville, FL – Traffic Drops Lower

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

Our Take:

- Buyer activity took another step lower this month. Our Buyer Traffic Index dropped to 13 in June, down from 44 in May. Agents indicated that the drop in activity was due to a combination of lower inventory levels and higher monthly housing costs. The agents who were more positive pointed to better demand trends for homes under \$300k.
- Home prices rose in June. Our Home Price Index came in at 88 this month, up from 81 in May. Agents indicated that the number of homes on the market and the time needed to sell a home both extended a bit this month, which could curb further pricing gains.

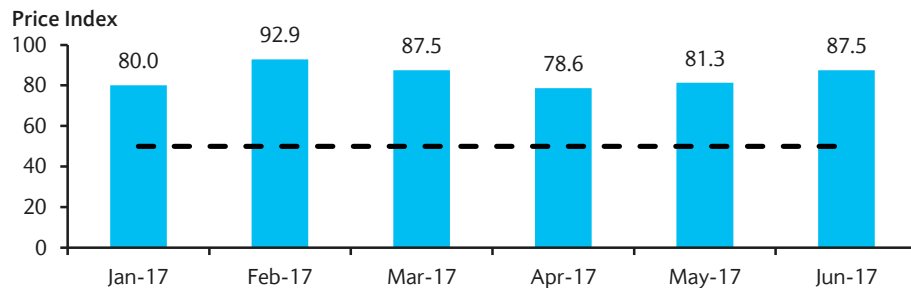
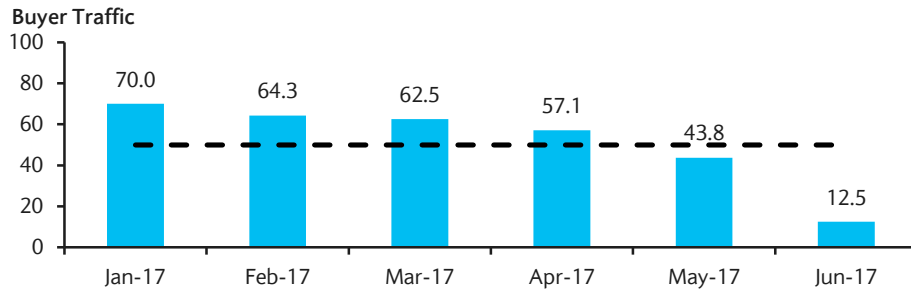
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	64.3	92.9	42.9	42.9	71.4
Mar-17	62.5	87.5	37.5	43.8	31.3
Apr-17	57.1	78.6	21.4	57.1	50.0
May-17	43.8	81.3	37.5	78.6	50.0
Jun-17	12.5	87.5	37.5	37.5	37.5
Change	(31.3)	6.3	0.0	(41.1)	(12.5)



Local Real Estate Agent Comments:

- “Seen a drop in activity due to decreased inventory and rising costs.”
- “More buyers bought earlier this year, causing even higher comps.”
- “Under 300k is dramatically more in demand than higher price ranges.”
- “Many buyers got pulled into a wintertime market already at historically 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

Kansas City, MO – Traffic Fades, While Prices Push Higher

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

Our Take:

- Buyer activity moderated this month, falling to levels in-line with agents' expectations. Our Buyer Traffic Index fell to 50 in June, down from 88 in May. Comments from agents were rather mixed this month. Those positive pointed to stable mortgage rates, while those more negative highlighted the lack of affordable inventory on the market. Agents continue to see frequent multiple bidding situations.
- Home prices moved higher in June. Our Home Price Index rose to 93 this month, up from 75 in May. Agents pointed to fewer listings on the market this month and that it took less time to sell a home.

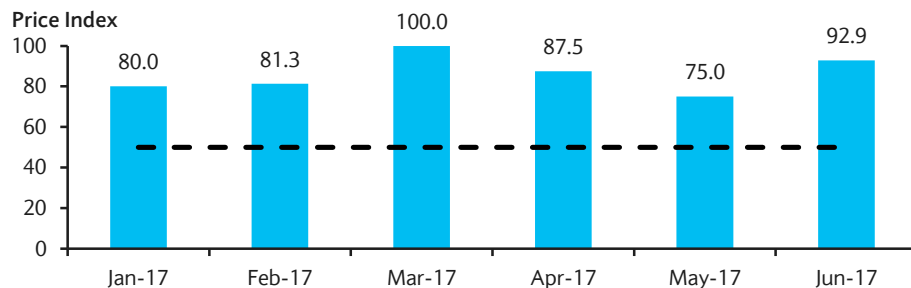
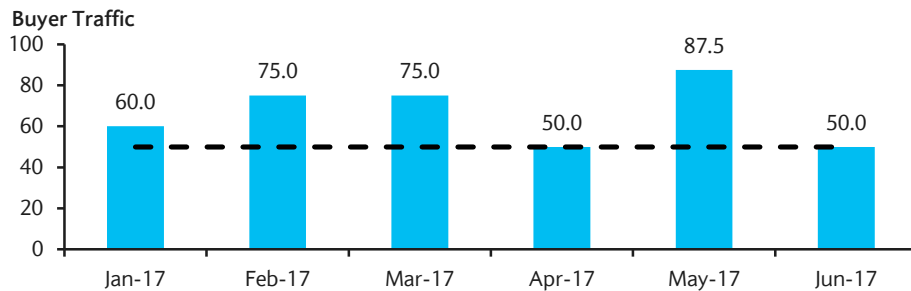
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	75.0	81.3	42.9	75.0	81.3
Mar-17	75.0	100.0	58.3	50.0	83.3
Apr-17	50.0	87.5	60.0	80.0	80.0
May-17	87.5	75.0	62.5	75.0	100.0
Jun-17	50.0	92.9	64.3	57.1	71.4
Change	(37.5)	17.9	1.8	(17.9)	(28.6)



Local Real Estate Agent Comments:

- “Interest rates have remained stable.”
- “Not enough homes for sale.”
- “Buyers being outbid by those paying way over ask.”
- “Unable to find affordable housing.”
- “Low interest rates.”
- “People unable to move because there is no place to move to.”

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 – Strong Trends Continue

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

Our Take:

- Traffic conditions remained solid in the Las Vegas market this month. Our Buyer Traffic Index rose to 88 in June, up from 70 in May. Agents remained encouraged by local job and population growth. Others pointed to changes in foreclosure disclosures helping some to return to the market. Once again, agents complained about the lack of inventory being a constraint on market activity.
- Home prices increased in June. Our Home Price Index rose to 92 in June, little changed from a reading of 90 in May. Both our Listings and Time to Sell Indexes were favorable this month.

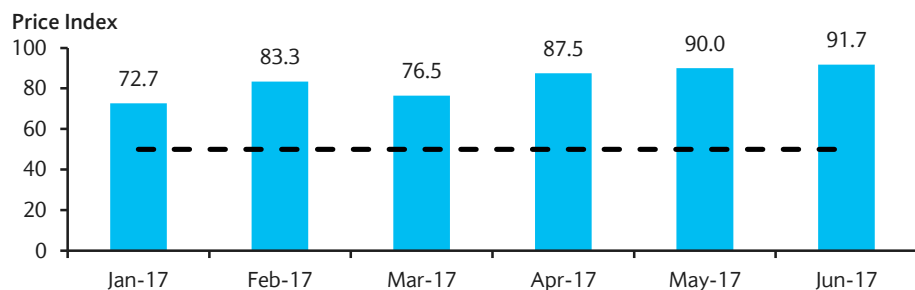
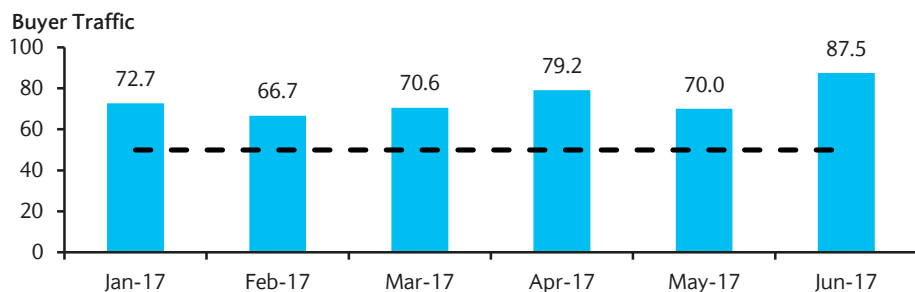
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	66.7	83.3	33.3	55.6	50.0
Mar-17	70.6	76.5	38.2	73.5	73.5
Apr-17	79.2	87.5	40.9	75.0	75.0
May-17	70.0	90.0	50.0	70.0	70.0
Jun-17	87.5	91.7	45.5	63.6	68.2
Change	17.5	1.7	(4.5)	(6.4)	(1.8)



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

Source: Barclays Research, Census Bureau

Local Real Estate Agent Comments:

- “Low inventory. Rising List Pricing.”
- “Low inventory.”
- “Interest rates are going up. House prices seem to be going higher.”
- “Changes to foreclosure disclosures help.”
- “Job growth, inventory constraint market and low interest rates.”
- “People moving to Vegas.”

Los Angeles, CA – Traffic Drops as Prices Reach Breaking Point for Buyers

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

Our Take:

- Traffic deteriorated this month, falling to levels indicating trends were below agents' expectations. Our Buyer Traffic Index landed at 34 this month, down from a reading of 65 in May. Agents focused on elevated home prices this month. Many feel that there are not enough high paying jobs that can afford the expensive homes on the market. Agents indicated that demand for homes over \$1 million seemed the softest.
- Many agents discussed a lack of inventory on the market, which was seen driving prices higher despite buyer pushback. We think price gains will likely slow near-term, given the readings in our Listings and Time to Sell Indexes.

Traffic Status:

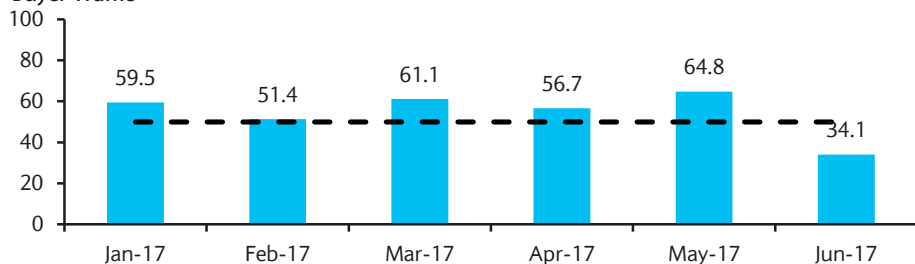


Traffic Trend:

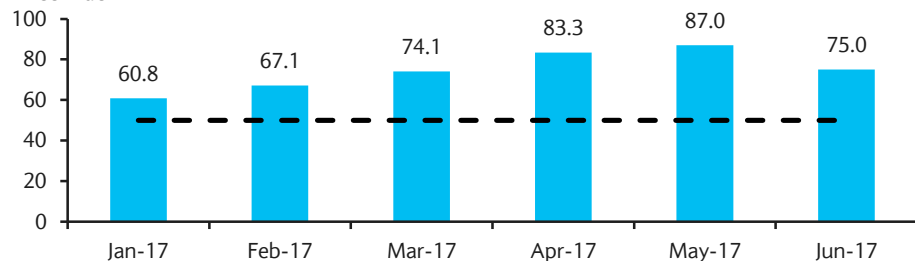


Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	51.4	67.1	53.4	58.3	52.9
Mar-17	61.1	74.1	47.8	48.1	55.6
Apr-17	56.7	83.3	46.2	56.7	61.7
May-17	64.8	87.0	47.5	48.0	64.0
Jun-17	34.1	75.0	47.2	50.0	43.2
Change	(30.7)	(12.0)	(0.3)	2.0	(20.8)

Buyer Traffic



Price Index



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:

- “Market for lower-priced homes (under \$750,000) is very strong. Market for higher priced homes (over \$1 million) is a little soft.”
- “Buyer displeasure with ongoing resale market.”
- “Not enough jobs that generate incomes that can afford expensive homes.”
- “High prices.”
- “Prices skyrocketing.”
- “Low inventory.”

Miami, FL – Little Buyer Interest in Luxury Homes

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

Our Take:

- Traffic trends worsened again in June. Our Buyer Traffic Index fell to 25 this month, down from 42 in May. The negativity this month was squarely focused on home prices being too high. The luxury market has few buyers, with foreign investors not yet returning to the market. Those buyers that are out looking are unable to afford what is available.
- Home prices were seen increasing again in June. Our Home Price Index landed at 71 this month, up from 55 in May. Agents indicated it took longer to sell a home this month, while the number of homes on the market was little changed vs. last month.

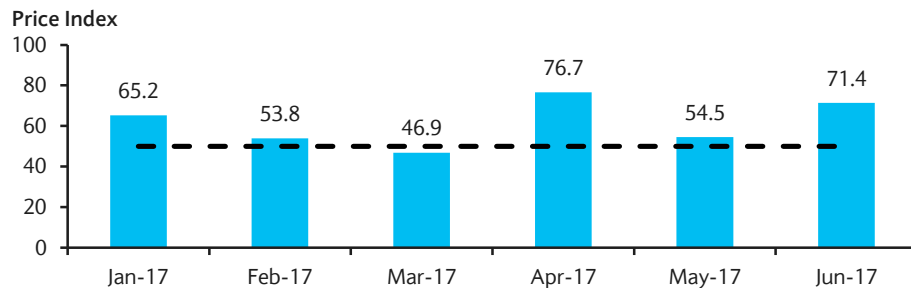
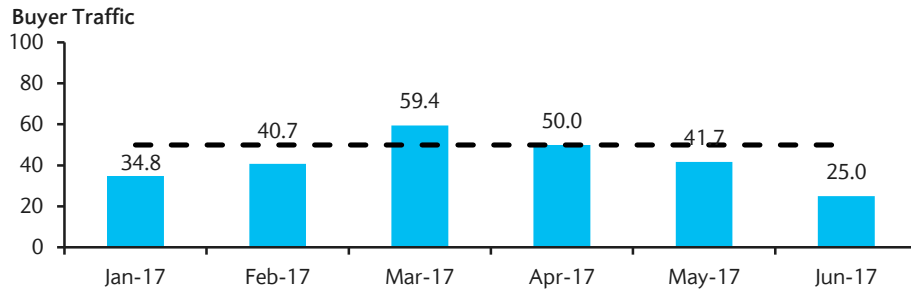
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	40.7	53.8	34.8	30.0	16.0
Mar-17	59.4	46.9	26.9	60.0	23.3
Apr-17	50.0	76.7	29.2	34.6	35.7
May-17	41.7	54.5	30.0	50.0	59.1
Jun-17	25.0	71.4	42.3	57.1	32.1
Change	(16.7)	16.9	12.3	7.1	(26.9)



Local Real Estate Agent Comments:

- “The prices are too high.”
- “Affordability has decreased.”
- “Lack of foreign investors and price resistance.”
- “It’s champagne taste and beer pocketbooks for single family home buyers.”
- “Early summer indicates a small dip. Add to that the previous month woes of high prices, issues with loans, small inventory etc.”

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 – Buyers Still Looking to Lock in Favorable Rates

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

Our Take:

- Our Buyer Traffic Index came in at 64 this month, below a reading of 83 in May but still indicating trends were above agents' expectations. Agents continue to see buyer urgency as some look to lock in favorable mortgage rates. Some noted that after the recent pricing gains, more sellers have come to the market. Quality inventory is still seen as a constraint for activity though, driving multiple bidding situations.
- Home prices jumped higher this month. Our Home Price Index landed at 92 in June, up from a reading of 88 in May. Agents indicated it took less time to sell a home this month vs. May.

Traffic Status:

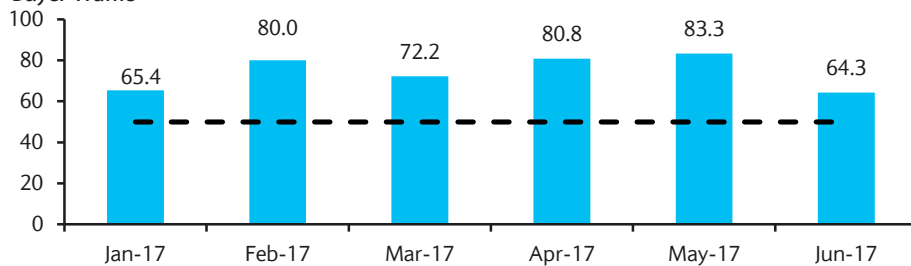


Traffic Trend:

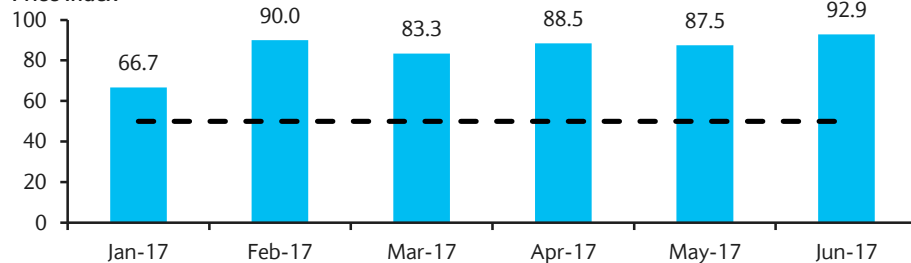


Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	80.0	90.0	31.3	65.0	85.0
Mar-17	72.2	83.3	50.0	72.2	72.2
Apr-17	80.8	88.5	50.0	40.9	83.3
May-17	83.3	87.5	56.3	87.5	87.5
Jun-17	64.3	92.9	41.7	50.0	71.4
Change	(19.0)	5.4	(14.6)	(37.5)	(16.1)

Buyer Traffic



Price Index



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:

- “Listings keep coming on with what feels like a second wave of sellers wanting to give this market a try.”
- “Urgency to buy with low mortgage rates.”
- “A lack of sufficient inventory. Multiple offers on properties have created a mixed market.”
- “Some have given up after not having an offer selected. Others have been more aggressive.”

Nashville, TN – Solid Activity Continues, Supported by Local Economic Activity

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

Our Take:

- Demand trends continue to be strong in Nashville. Our Buyer Traffic Index rose to 67 this month, up from 60 in May, indicating trends were above agents' expectations. Agents attributed the strength to strong local job growth and healthy consumer confidence. Some noted that the market could use more inventory, and that this was constraining incremental activity.
- Home prices edged higher this month. Our Home Price Index came in at 67 in June, down from a reading of 90 in May. Agents pointed to fewer listings on the market this month and that it took less time to sell a home.

Traffic Status:

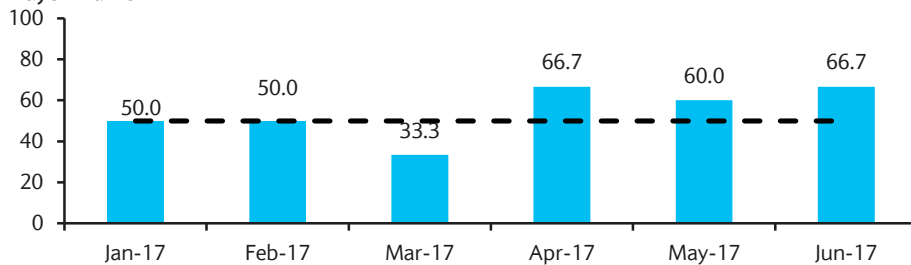


Traffic Trend:

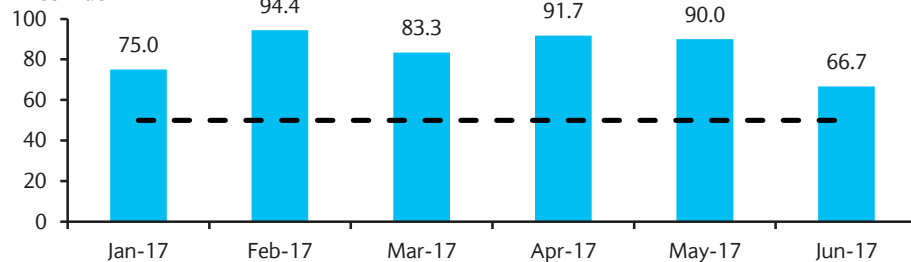


Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	50.0	94.4	77.8	61.1	66.7
Mar-17	33.3	83.3	66.7	66.7	66.7
Apr-17	66.7	91.7	58.3	91.7	83.3
May-17	60.0	90.0	60.0	50.0	70.0
Jun-17	66.7	66.7	66.7	83.3	66.7
Change	6.7	(23.3)	6.7	33.3	(3.3)

Buyer Traffic



Price Index



Local Real Estate Agent Comments:

- “Solid traffic trends.”
- “Would like to see more inventory.”
- “Job growth.”
- “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

New York-Northern NJ – Traffic Still Healthy but Starting to Level Out

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

Our Take:

- Traffic conditions moderated this month, coming in at levels suggesting trends were in-line with agents' expectations. Our Buyer Traffic Index fell to 54 in June, from 62 in May. Agents highlighted motivation across the market as buyers looked to lock in favorable rates, while inventories are still tight. Some felt that the combination of rising home prices and rates had priced out some prospective buyers.
- Home prices moved higher this month. Our Home Price Index rose to 83 in June, up from 75 in May. Agents pointed to lower listings and less time to sell relative to May.

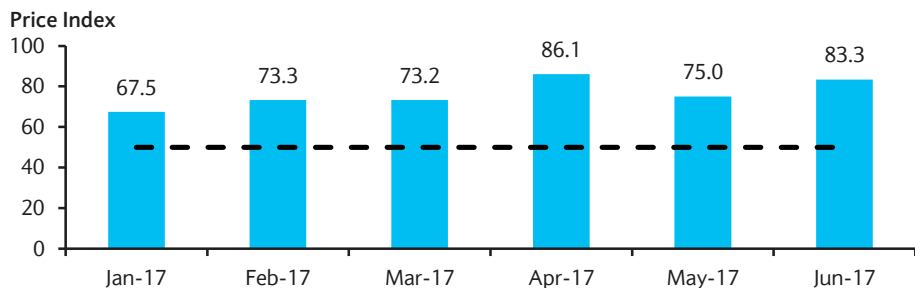
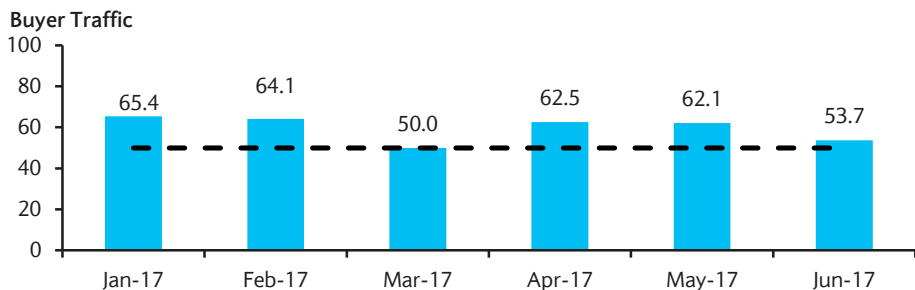
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	64.1	73.3	48.5	65.6	58.9
Mar-17	50.0	73.2	54.2	62.5	61.1
Apr-17	62.5	86.1	56.3	60.0	72.1
May-17	62.1	75.0	53.8	51.6	58.1
Jun-17	53.7	83.3	54.3	64.8	63.0
Change	(8.4)	8.3	0.5	13.2	4.9



Local Real Estate Agent Comments:

- “Lack of inventory.”
- “Lots of investor demand.”
- “Interest rates and consumer confidence driving traffic.”
- “1st time buyers aplenty. No inventory though.”
- “Buyers are afraid of missing out. Also concerns over rising interest rates.”
- “Rising interest rates along with rising home prices is just too much.”

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

Source: Barclays Research, Census Bureau

Orange County, CA – Traffic Improves as Buyers Look to Lock in Favorable Rates

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

Our Take:

- Traffic trends improved a bit this month, moving further above agents' expectations. Our Buyer Traffic Index rose to 67 in June, up from 56 in May. Agents continue to point to a lack of inventory on the market. At the same time, buyers are attempting to lock in current favorable mortgage rates, adding to the urgency.
- Home prices increased again this month. Our Home Price Index came in at 75, unchanged compared to May. Agents pointed to more listings on the market this month. It also took slightly longer to sell a home than last year.

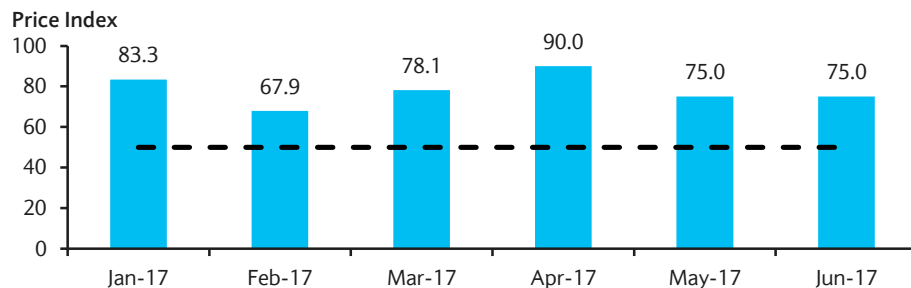
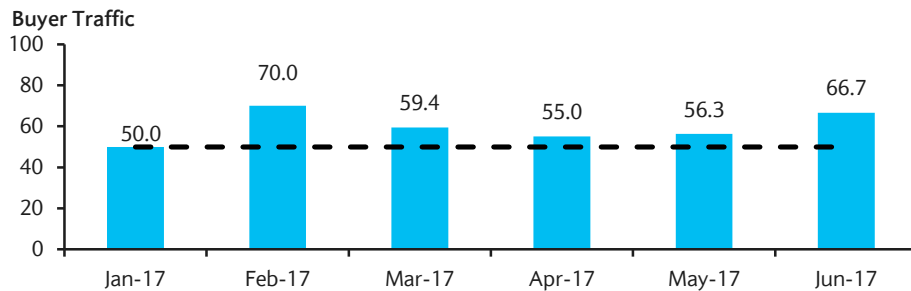
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	70.0	67.9	40.9	57.7	69.2
Mar-17	59.4	78.1	43.3	53.3	66.7
Apr-17	55.0	90.0	50.0	55.0	60.0
May-17	56.3	75.0	50.0	50.0	62.5
Jun-17	66.7	75.0	50.0	40.0	40.0
Change	10.4	0.0	0.0	(10.0)	(22.5)



Local Real Estate Agent Comments:

- “Rising interest rates and limited inventory.”
- “Shortage of property for sale.”
- “There is a housing shortage and rates are great so buyers are looking at anything they can get.”

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 – Traffic Steady as Buyers Continue to Look to Lock in Rates

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

Our Take:

- Traffic trends showed some improvement this month, coming in in-line with agents' expectations. Our Buyer Traffic Index landed at 50 in June vs. 44 in May. Agent responses varied this month. Those who were positive pointed to the favorable mortgage rate environment and tight supply which drove better traffic per listing. Those negative focused on buyer concerns that prices were too high.
- Home prices rose again this month. Our Home Price Index came in at 94, unchanged vs. May. Agents pointed to fewer listings on the market this month and a shorter time needed to sell a home.

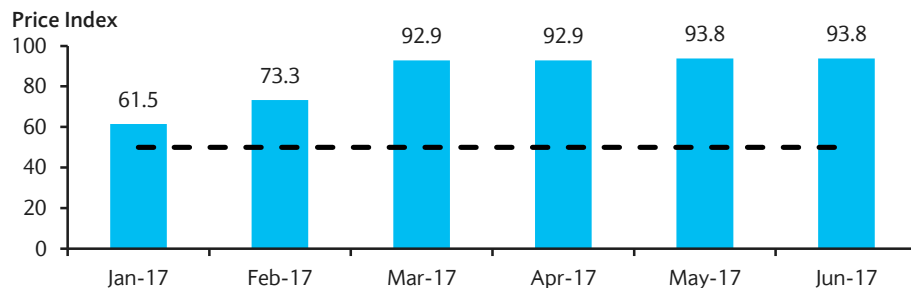
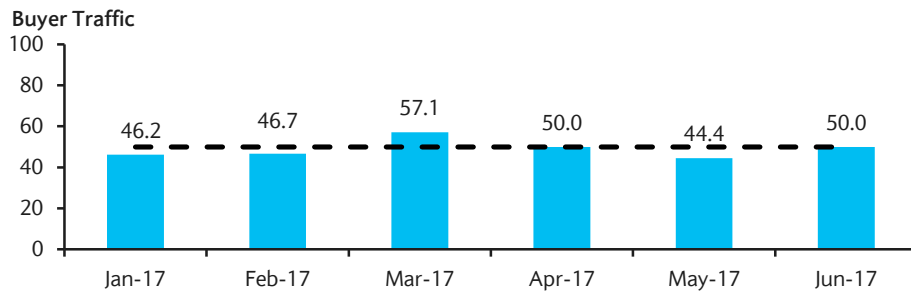
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	46.7	73.3	36.7	56.7	50.0
Mar-17	57.1	92.9	42.9	71.4	42.9
Apr-17	50.0	92.9	50.0	78.6	71.4
May-17	44.4	93.8	37.5	68.8	68.8
Jun-17	50.0	93.8	50.0	81.3	68.8
Change	5.6	0.0	12.5	12.5	0.0



Local Real Estate Agent Comments:

- “Limited supply that is reasonably priced.”
- “Short inventory, rising prices and rising interest rates.”
- “Concerns about prices too high.”
- “Low mortgage rates and limited 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

Philadelphia, PA-Southern NJ – Solid Traffic Trends but Agents Desire More Inventory

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

Our Take:

- Traffic trends moderated a bit this month, pulling back to levels only slightly above agents' expectations. Our Buyer Traffic Index dropped 19 points to 56 in June. Agents were still encouraged by local job growth driving demand, and noted that entry level demand is much better than last year. On the other hand, many blamed the poor selection of homes on the market at this point in the season for the slowing activity.
- Home prices rose again in June. Our Home Price Index came in at 78 in June, up slightly from a reading of 75 in May. Agents pointed to fewer homes on the market this month and that it took less time to sell a home.

Traffic Status:

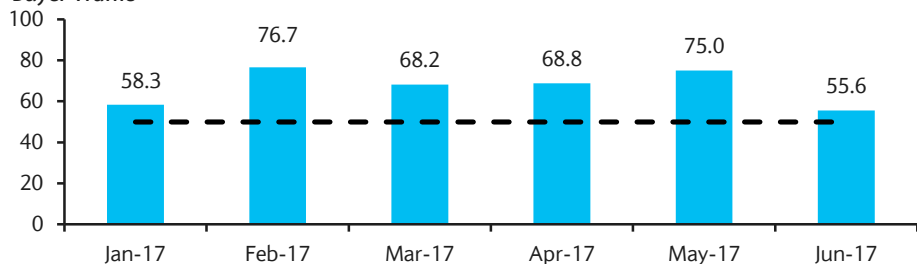


Traffic Trend:

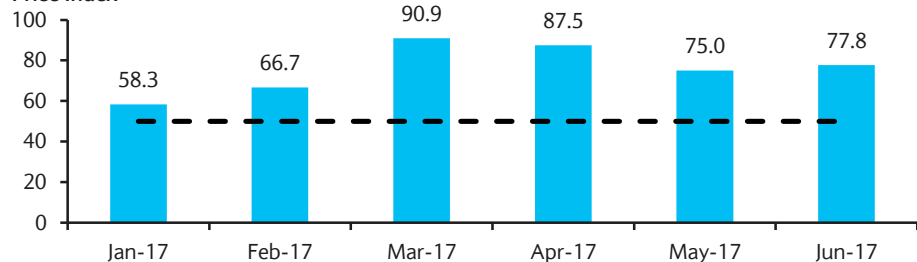


Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	76.7	66.7	34.6	60.0	66.7
Mar-17	68.2	90.9	35.0	54.5	77.3
Apr-17	68.8	87.5	50.0	62.5	81.3
May-17	75.0	75.0	40.9	62.5	83.3
Jun-17	55.6	77.8	56.3	83.3	77.8
Change	(19.4)	2.8	15.3	20.8	(5.6)

Buyer Traffic



Price Index



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:

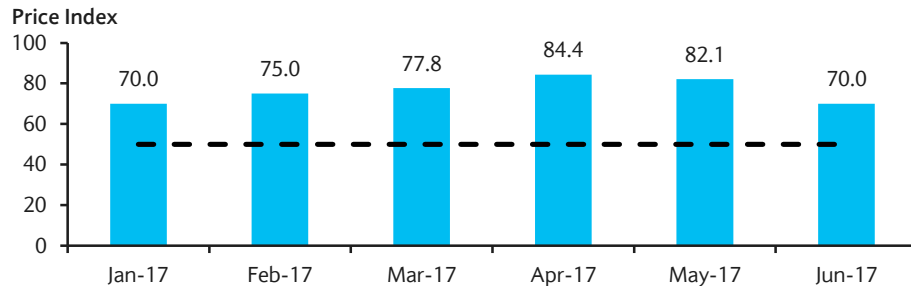
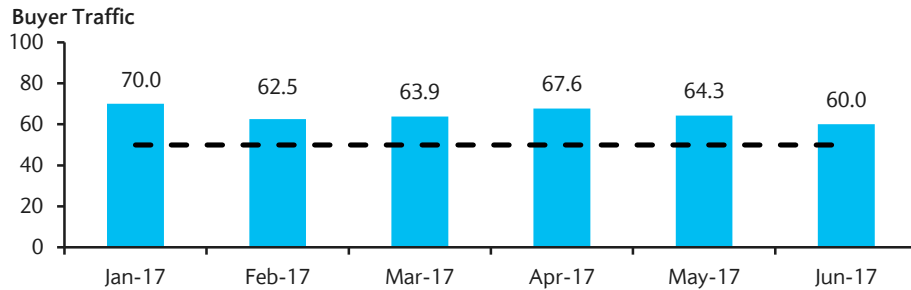
- “Shortage of inventory has motivated many buyers to take action now, rather than missing out entirely.”
- “1st time buyer traffic much higher than last year.”
- “Lack of inventory.”
- “Low inventory.”
- “Job growth.”

Phoenix, AZ – Economic Confidence Supports Trends

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

Our Take:

- Buyer activity remained solid this month, with traffic trends holding above agents' expectations. Our Buyer Traffic Index came in at 60 in June, down from 64 in May. Agents continue to see better buyer confidence in the economy supporting activity. Favorable financial market activity has also been supportive. Some pointed to better urgency as buyers are chasing homes in a tight inventory market.
- Home prices moved higher in June. Our Home Price Index came in at 70 vs. 82 in May. Agents pointed to fewer homes on the market this month, while the time needed to sell a home was little changed.



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

Source: Barclays Research, Census Bureau

Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	62.5	75.0	50.0	77.1	64.6
Mar-17	63.9	77.8	47.1	72.2	66.7
Apr-17	67.6	84.4	43.8	75.0	75.0
May-17	64.3	82.1	46.4	75.0	60.7
Jun-17	60.0	70.0	46.7	70.0	46.7
Change	(4.3)	(12.1)	0.2	(5.0)	(14.0)

Local Real Estate Agent Comments:

- “Lower than normal supply of inventory. Depending on price range, of course.”
- “Low inventory is creating urgency among buyers.”
- “Strong economy and stock market help.”
- “Higher levels of inventory.”
- “Feeling a little better about the economy.”

Portland, OR – Market Fades as Price Concerns Grow

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

Our Take:

- Traffic conditions worsened this month. Our Buyer Traffic Index declined to 40 in June from 58 in May, indicating trends were below agents' expectations. Agents attributed the slowing to rising prices pushing buyers out of the market. Some pointed to the glut of luxury inventory on the market, while homes at prices buyers can afford were scarce.
- Home prices continue to move higher in June. Our Home Price Index landed at 83 this month, little changed vs. the reading of 82 in May. We think pricing gains will likely slow, given the soft readings in our Listings and Time to Sell Indexes.

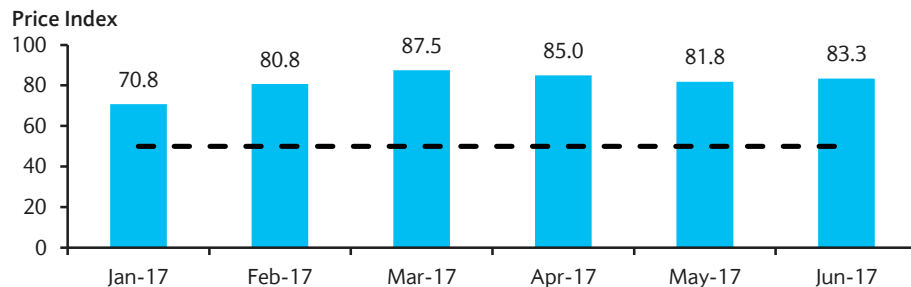
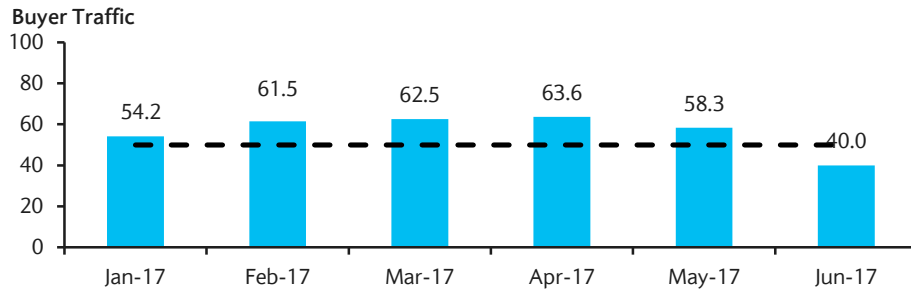
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	61.5	80.8	50.0	37.5	54.2
Mar-17	62.5	87.5	50.0	43.8	68.8
Apr-17	63.6	85.0	45.0	65.0	60.0
May-17	58.3	81.8	50.0	50.0	54.5
Jun-17	40.0	83.3	50.0	33.3	30.8
Change	(18.3)	1.5	0.0	(16.7)	(23.8)



Local Real Estate Agent Comments:

- “Our activity seems to be leveling off a bit, with more inventory especially in the luxury market.”
- “Low inventories with fears that they will go lower. Concerns that higher rates are coming.”
- “No entry level inventory.”
- “Many buyers are priced out of the market, harder to qualify for financing.”
- “Prices going up makes it harder for first time buyers.”

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 – Strong Local Economy Fuels Activity

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

Our Take:

- Traffic trends were healthy again this month, holding at levels above agents' expectations. Our Buyer Traffic Index came in at 64 this month, down from a reading of 69 in May. Agents seemed encouraged about local economic strength and that they are continuing to see people move to the area. Comments did point to a lack of inventory on the market though and that this was constraining sales activity as well.
- Home prices moved up again in June. Our Home Price Index came in at 96 this month, up from 94 in May. Agents pointed to fewer listings on the market and requiring less time to sell a home.

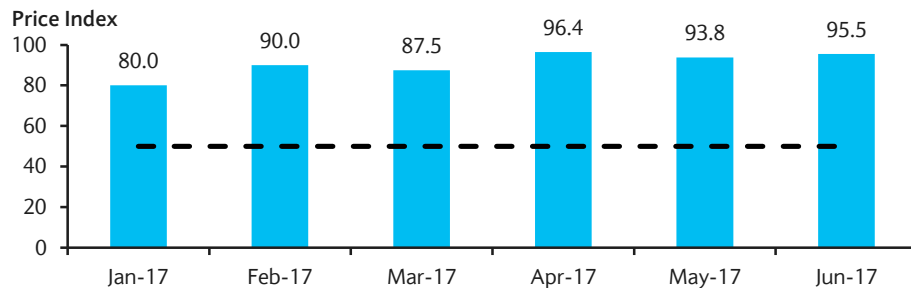
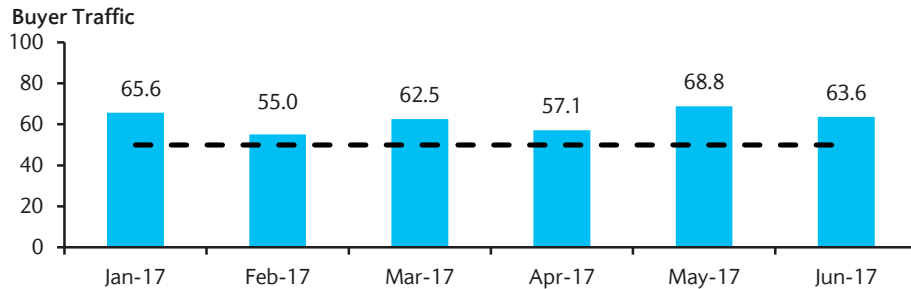
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	55.0	90.0	55.0	70.0	70.0
Mar-17	62.5	87.5	68.8	81.3	81.3
Apr-17	57.1	96.4	60.7	67.9	89.3
May-17	68.8	93.8	56.3	75.0	93.8
Jun-17	63.6	95.5	60.0	77.3	90.9
Change	(5.1)	1.7	3.8	2.3	(2.8)



Local Real Estate Agent Comments:

- “People are moving to this area in droves.”
- “Belief in the ability for prices to keep going higher, so buyers are confident and jumping into the market.”
- “Local economies.”
- “Low inventory.”
- “Demand outstripping supply. May finally have resulted in some buyers getting out of the market.”

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

Source: Barclays Research, Census Bureau

Richmond, VA – Strong Traffic and Price Trends Continue

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

Our Take:

- Buyers remain active in the Richmond market. Our Buyer Traffic Index came in at 67 this month. This was down vs. the reading of 80 in May but still indicates activity was above agents' expectations. Agents remain encouraged by local job growth fueling activity. However, inventory levels are still tight driving urgency and prices higher. Agents were most encouraged about the trends for entry level homes.
- Home prices move higher again in June. Our Home Price Index landed at 100 in June, unchanged vs. May. Relative to last month, agents indicated that there were fewer listings on the market.

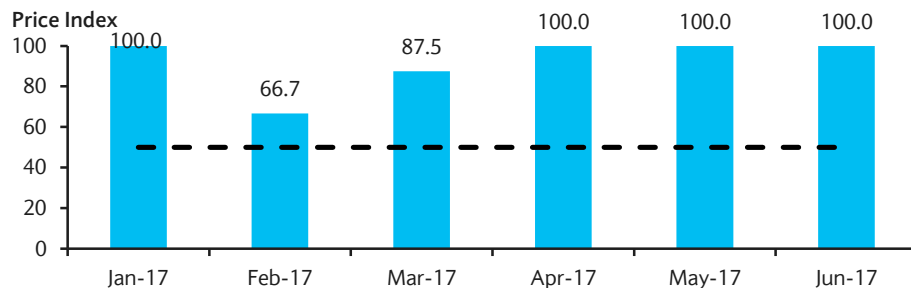
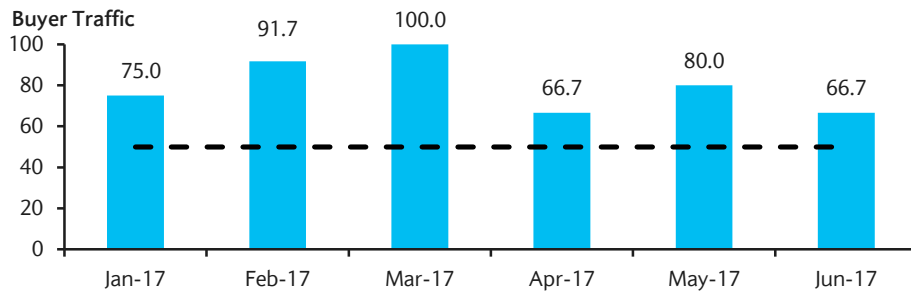
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	91.7	66.7	25.0	66.7	83.3
Mar-17	100.0	87.5	62.5	50.0	66.7
Apr-17	66.7	100.0	100.0	100.0	100.0
May-17	80.0	100.0	50.0	62.5	87.5
Jun-17	66.7	100.0	50.0	75.0	50.0
Change	(13.3)	0.0	0.0	12.5	(37.5)



Local Real Estate Agent Comments:

- “Jobs.”
- “Low inventory”
- “Many entry-level buyers.”

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

Source: Barclays Research, Census Bureau

Sacramento, CA – Traffic Drops as Inventory and Price Headwinds Grow

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

Our Take:

- Traffic trends worsened in June. Our Buyer Traffic Index fell to 30 this month, down from 73 in May, indicating trends were below agents' expectations. Agents attributed the slowing to a lack of quality inventory on the market. This lack of selection was seen discouraging buyers. Others felt that recent home prices increases, had resulted in buyers being forced to choose homes in worse quality that they could afford.
- Home prices moved higher again this month. Our Home Price Index landed at 90 in June vs. 100 in May. Agents pointed to fewer listings on the market this month vs. May. The time needed to sell a home was a bit longer as well.

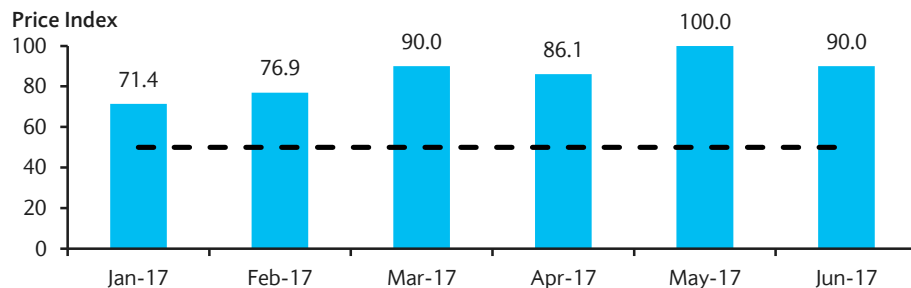
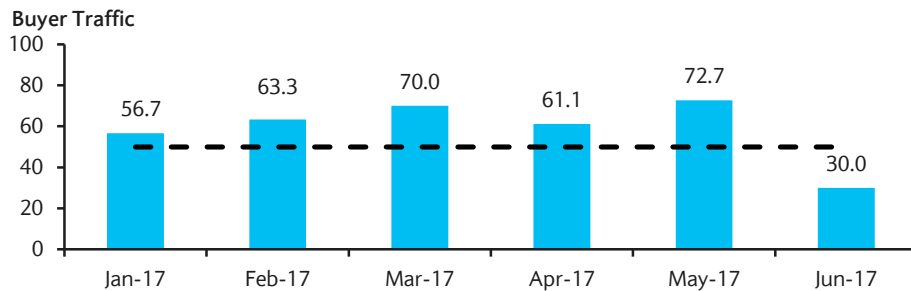
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	63.3	76.9	37.5	50.0	75.0
Mar-17	70.0	90.0	44.4	60.0	75.0
Apr-17	61.1	86.1	55.9	55.9	64.7
May-17	72.7	100.0	62.5	40.0	75.0
Jun-17	30.0	90.0	50.0	70.0	40.0
Change	(42.7)	(10.0)	(12.5)	30.0	(35.0)



Local Real Estate Agent Comments:

- “Low inventory, increasing prices and uncertainty about interest rates.”
- “Lack of quality inventory.”
- “Lack of inventory.”
- “Prices rising. Inventory low.”

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

Source: Barclays Research, Census Bureau

San Antonio, TX – Traffic Tumbles

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

Our Take:

- Traffic trends worsened in June, falling to levels below agents' expectations. Our Buyer Traffic Index dropped to 33 this month, down from 57 in May. Responses from agents were mixed this month. Agents discussed some worsening demand trends for luxury homes. On the other hand, some were encouraged by the growing economy and buyers still viewing San Antonio as a less expensive place to live vs. elsewhere in Texas.
- Home prices moved up in June. Our Home Price Index came in at 67 vs. 69 in May. Agents indicated the number of listings on the market was relatively stable vs. last month.

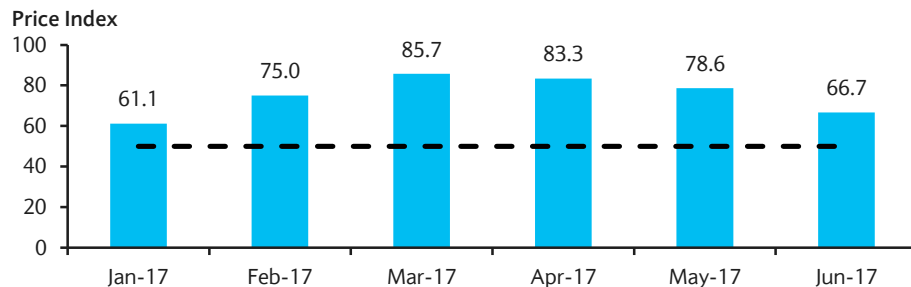
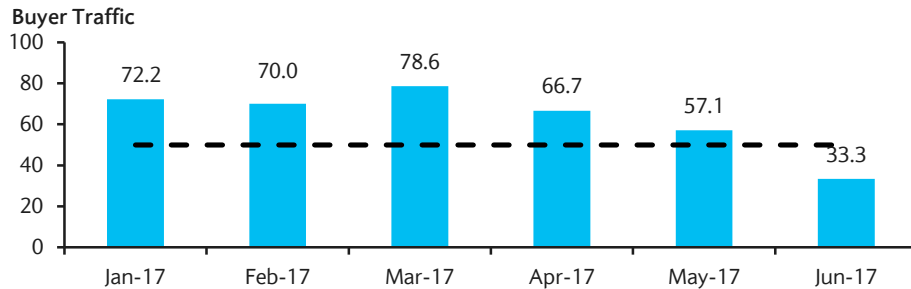
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	70.0	75.0	55.0	65.0	45.0
Mar-17	78.6	85.7	42.9	50.0	71.4
Apr-17	66.7	83.3	43.8	50.0	68.8
May-17	57.1	78.6	35.7	64.3	64.3
Jun-17	33.3	66.7	25.0	50.0	33.3
Change	(23.8)	(11.9)	(10.7)	(14.3)	(31.0)



Local Real Estate Agent Comments:

- “Luxury market challenges.”
- “Relatively low housing prices.”
- “Strong local economy.”

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

Source: Barclays Research, Census Bureau

San Diego, CA – Traffic Rebounds; Prices Still Move Higher

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

Our Take:

- Traffic trends bounced back this month. Our Buyer Traffic Index rose to 58 in June, up from 33 in May and indicating trends were just above agents' expectations. Comments from agents varied quite a bit depending on price points. Agents continue to discuss slow demand in the luxury market. However, homes priced under \$1 million seem to be selling very quickly, though there is a lack of affordable inventory.
- Home prices broadly increased again this month. Our Home Price Index rose to 88 in June, up from 75 in May. Agents indicated that there were slightly more listings on the market this month relative to May.

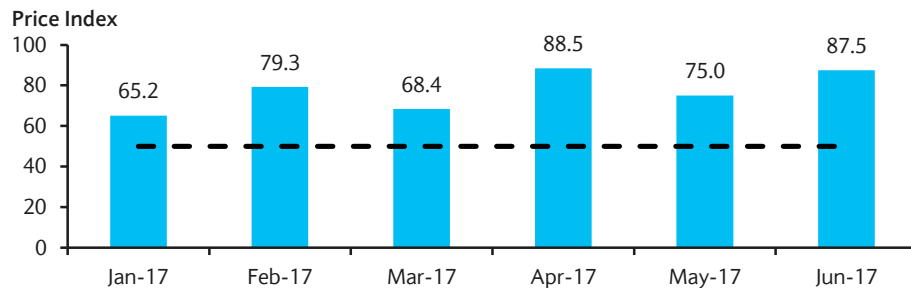
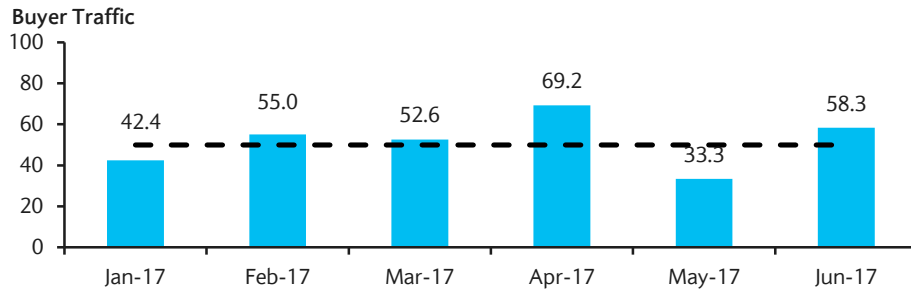
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	55.0	79.3	46.0	51.7	61.1
Mar-17	52.6	68.4	50.0	60.5	58.3
Apr-17	69.2	88.5	46.2	54.2	73.1
May-17	33.3	75.0	40.9	66.7	62.5
Jun-17	58.3	87.5	50.0	41.7	70.8
Change	25.0	12.5	9.1	(25.0)	8.3



Local Real Estate Agent Comments:

- “The upper end has slowed.”
- “Prices are going up and so are interest rate. Supply is low.”
- “Fewer homes priced well and available.”
- “Increasing rates and increasing rents.”
- “Low valued property under one million has received substantial traffic but above three million the market is extremely slow.”
- “Pricier homes.”

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

Source: Barclays Research, Census Bureau

San Francisco, CA – Traffic Takes Another Step Lower

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

Our Take:

- Buyer activity worsened this month, with trends now coming in below agents' expectations. Our Buyer Traffic Index fell to 40, down from 52 in May. Agents discussed the significant buyer pushback on current prices, and how this was constraining activity. Many still pointed to the lack of inventory on the market though, which was still led to many multiple-bidding situations.
- Home prices rose again this month. Our Home Price Index landed at 78 in June, little changed vs. the reading of 80 in May. We think pricing gains are likely to slow given the weak readings in our Listings and Time to Sell Indexes.

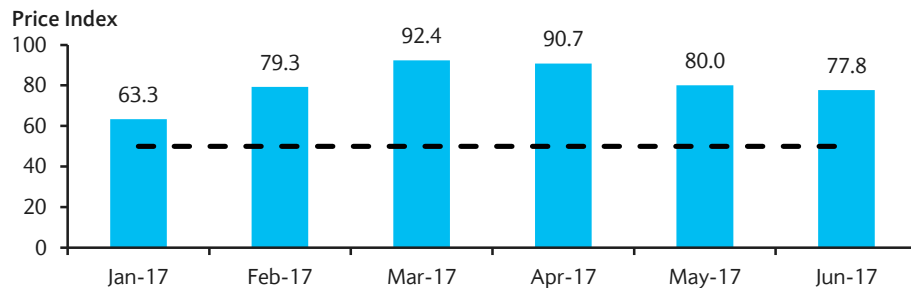
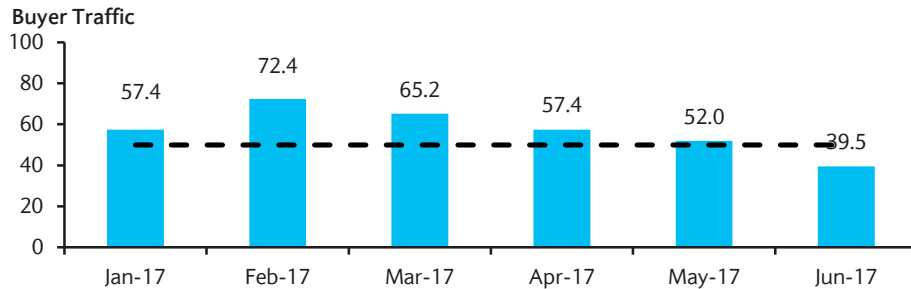
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	72.4	79.3	61.4	50.0	55.6
Mar-17	65.2	92.4	53.7	45.3	65.6
Apr-17	57.4	90.7	60.4	46.2	57.7
May-17	52.0	80.0	56.8	36.0	36.0
Jun-17	39.5	77.8	53.3	38.9	42.1
Change	(12.5)	(2.2)	(3.5)	2.9	6.1



Local Real Estate Agent Comments:

- “Buyers exhausted from multiple offers and some greedy sellers.”
- “Significant buyer price pushback.”
- “Uncertainty in the economy.”
- “Rate increase and low inventory.”
- “Buyers still willing to compete in multiple offer situations; knowing interest rates likely to rise want to get in before priced out of the market.”
- “Lack of single family 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

Sarasota, FL – Strong Active Adult Trends Lead to Solid Traffic

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

Our Take:

- Traffic trends were again slightly better than agents' expectations in June. Our Buyer Traffic Index came in at 60 this month, unchanged vs. May. Agents did discuss some sequential slowing in demand vs. last month but noted this was expected after a busy selling season. Some pointed to better trends for active adult buyers in the market.
- Home prices bounced back this month. Our Home Price Index rose to 80, up from 40 in June. Agents indicated that more listings came to market this month but noted that the time needed to sell a home declined.

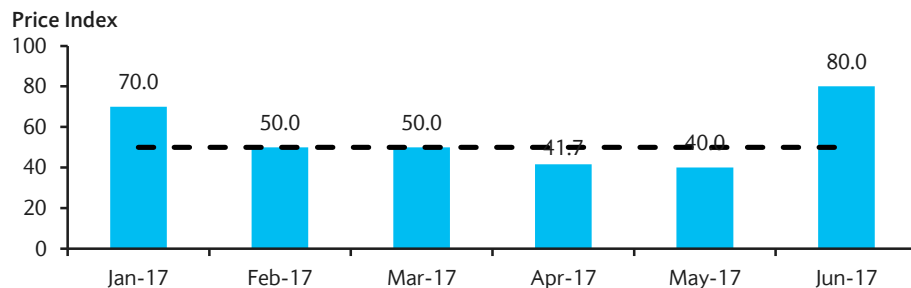
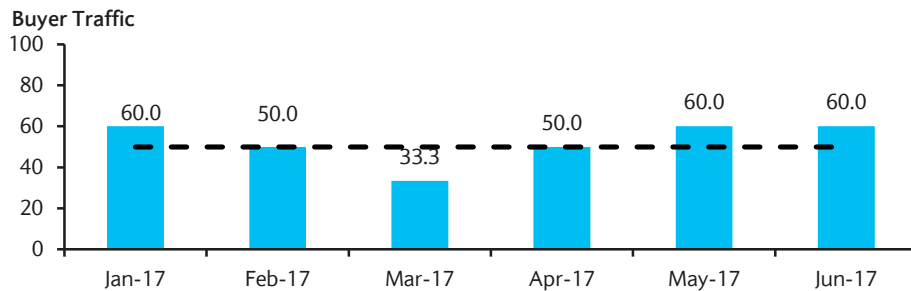
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	50.0	50.0	25.0	0.0	0.0
Mar-17	33.3	50.0	33.3	0.0	16.7
Apr-17	50.0	41.7	33.3	8.3	33.3
May-17	60.0	40.0	40.0	10.0	20.0
Jun-17	60.0	80.0	40.0	30.0	60.0
Change	0.0	40.0	0.0	20.0	40.0



Local Real Estate Agent Comments:

- “Slight after season downturn.”
- “Slow down but consistent with prior years.”
- “Retirees still moving to the area.”

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

Source: Barclays Research, Census Bureau

Seattle, WA – Job and Population Growth Support Traffic

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

Our Take:

- Traffic conditions held just above agents' expectations this month. Our Buyer Traffic Index came in at 57 in June, down from 63 in May. Agents remained encouraged by job and population growth supporting activity. While home prices have moved higher, this has also occurred with monthly rental rates. Agents continue to see the lack of inventory weighing on activity.
- Home prices moved higher again this month. Our Home Price Index came in at 86 in June, down from 93 in May. Agents saw more listings come to the market this month, but the time needed to sell a home edged lower.

Traffic Status:

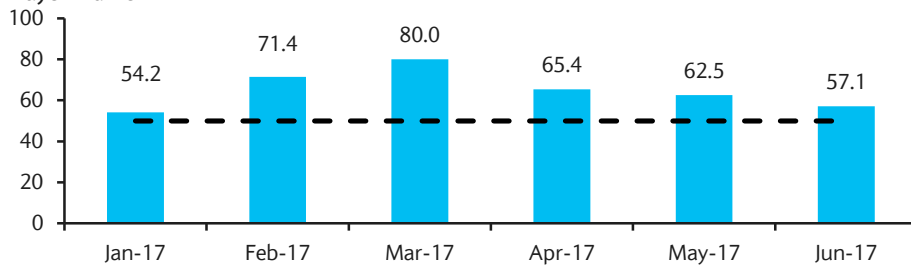


Traffic Trend:

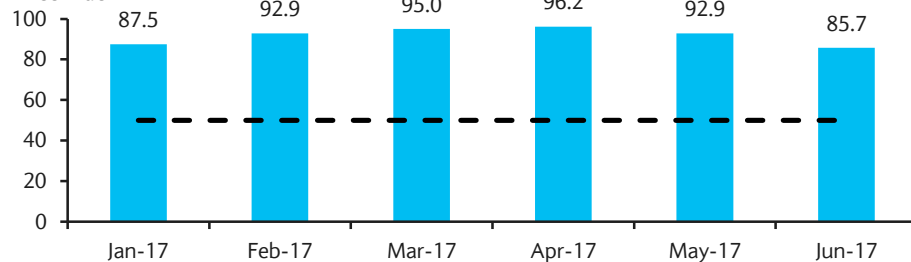


Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	71.4	92.9	41.7	71.4	64.3
Mar-17	80.0	95.0	75.0	60.0	95.0
Apr-17	65.4	96.2	57.7	53.8	73.1
May-17	62.5	92.9	42.9	57.1	64.3
Jun-17	57.1	85.7	71.4	28.6	57.1
Change	(5.4)	(7.1)	28.6	(28.6)	(7.1)

Buyer Traffic



Price Index



Local Real Estate Agent Comments:

- “Rental rates are increasing and inventory is low for most price ranges.”
- “Continued lack of inventory and a very heated market.”
- “New job hires.”
- “People moving here because of jobs, relocation.”

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 Stabilizes

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

Our Take:

- Demand trends improved slightly during June. Our Buyer Traffic Index rose to 45, up from 42 in May and indicating trends were once again broadly in-line with agents' expectations. Agents seem marginally more constructive on local economic activity. Still many would like to see more inventory on the market, particularly entry homes. Agents noted that prospective buyers have been priced out based on what is available.
- Home prices moved higher once again. Our Home Price Index came in at 80 in June, little changed from a reading of 83 in May.

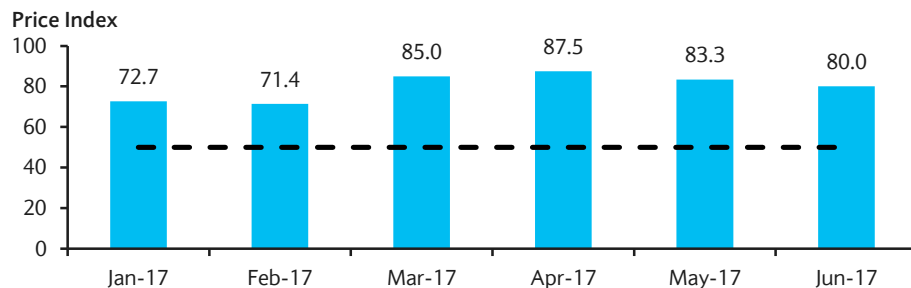
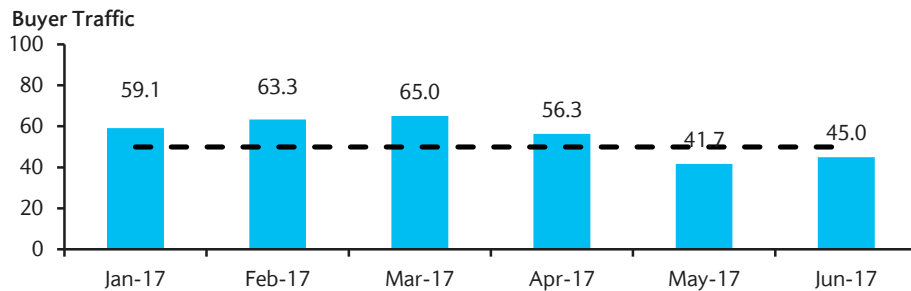
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	63.3	71.4	39.3	39.3	53.6
Mar-17	65.0	85.0	45.0	70.0	70.0
Apr-17	56.3	87.5	58.3	93.8	81.3
May-17	41.7	83.3	40.0	91.7	50.0
Jun-17	45.0	80.0	50.0	80.0	55.0
Change	3.3	(3.3)	10.0	(11.7)	5.0



Local Real Estate Agent Comments:

- “More jobs in the area.”
- “No inventory.”
- “More investors are in the market this year. Also more qualified buyers are in the market place.”
- “Low end homes are not on the market. Buyer's are priced out.”
- “Inventory is light. Some buyers just waiting.”

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 – Confidence Continues to Drive Traffic

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

Our Take:

- Buyers remain very active in the Tucson market. Our Buyer Traffic Index came in at 79 this month, down slightly from May's reading of 83. Agents see activity underpinned by strong buyer confidence. Many would like to see more inventory on the market. Others noted that entry level homes were selling very quickly.
- Home prices rose again this month. Our Home Price Index came in at 71, down from a reading of 100 in May. We think home price gains can continue given the favorable readings in our Listings and Time to Sell Indexes.

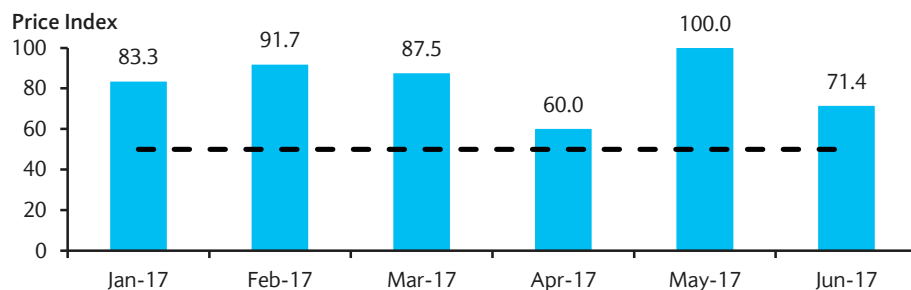
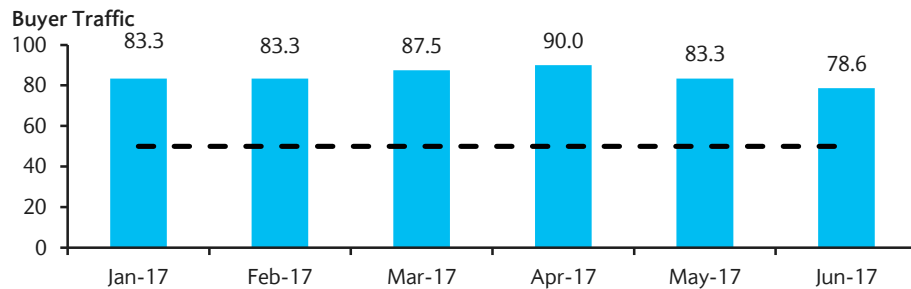
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	83.3	91.7	50.0	66.7	91.7
Mar-17	87.5	87.5	50.0	62.5	87.5
Apr-17	90.0	60.0	25.0	75.0	50.0
May-17	83.3	100.0	50.0	83.3	91.7
Jun-17	78.6	71.4	50.0	78.6	64.3
Change	(4.8)	(28.6)	0.0	(4.8)	(27.4)



Local Real Estate Agent Comments:

- “At the lower end of the market buyers are in a buying frenzy, making sight unseen offers.”
- “Upbeat about the future.”
- “Low inventory.”
- “Slow in the second home market for snow-birds.”

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 and Price Index Still Strong

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

Our Take:

- Traffic trends were once again solid this month and above agents' expectations. Our Buyer Traffic Index came in at 75, unchanged vs. May. Agents continue to point to the tight inventory levels across the market but see this to be more of urgency driver vs. limiting buyer selection. Many continue to see buyers moving to the area. Interestingly, agents did note increased interest from investors.
- Home prices pushed higher this month. Our Home Price Index landed at 67, down from a reading of 75 in May. Agents noted that listing levels were relatively flat, while it took a bit less time to sell a home.

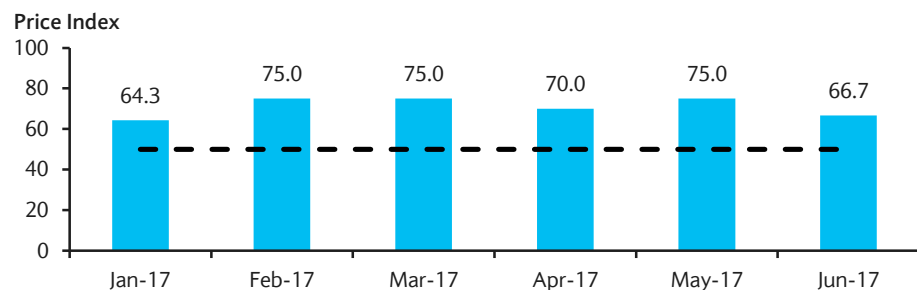
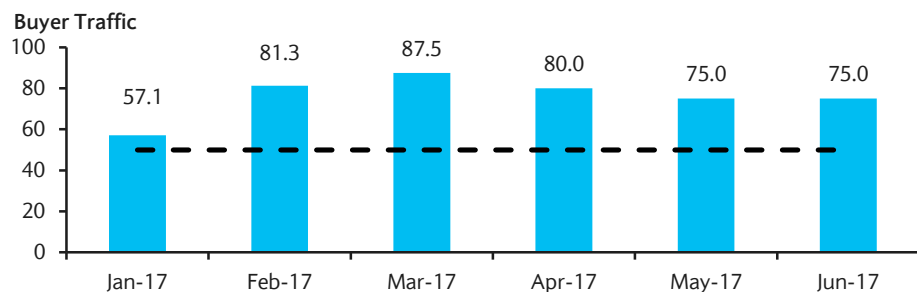
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	81.3	75.0	58.3	75.0	100.0
Mar-17	87.5	75.0	50.0	37.5	62.5
Apr-17	80.0	70.0	62.5	80.0	70.0
May-17	75.0	75.0	50.0	50.0	75.0
Jun-17	75.0	66.7	41.7	50.0	66.7
Change	0.0	(8.3)	(8.3)	0.0	(8.3)



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

Source: Barclays Research, Census Bureau

Local Real Estate Agent Comments:

- “Inventory is short so listings are moving quickly.”
- “Transfers.”
- “Economy is getting better and rates are still good.”
- “90% investment properties buyers.”

Washington, D.C. – Buyer Hesitation Builds

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

Our Take:

- Traffic took another step lower this month, falling to levels in-line with agents' expectations. Our Buyer Traffic Index landed at 53 this month, down from 59 in May. Agents pointed to broad hesitation amongst buyers. Rates are still having a mixed impact on the market, driving some to the sidelines and driving urgency in others. Many would like to see more supply of lower price point homes.
- Home prices rose again this month. Our Home Price Index landed at 77 in June, down from 82 in May. Agents pointed to flat listings this month, while the time needed to sell a home was a bit shorter.

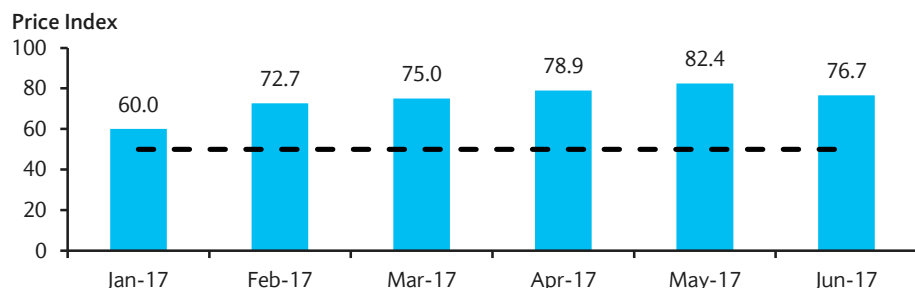
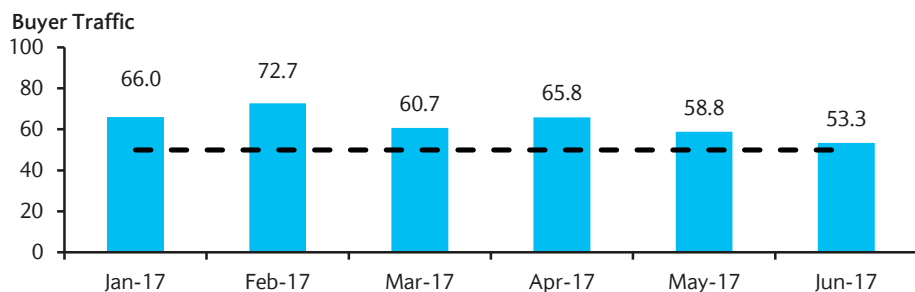
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	72.7	72.7	42.9	52.3	72.7
Mar-17	60.7	75.0	50.0	53.6	71.4
Apr-17	65.8	78.9	58.3	44.7	65.8
May-17	58.8	82.4	47.1	47.1	61.8
Jun-17	53.3	76.7	50.0	53.3	60.0
Change	(5.5)	(5.7)	2.9	6.3	(1.8)



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:

- “Increases in interest rates are now keeping people that were on the fences active in the market once again.”
- “Lower supply in the affordable price points.”
- “Still low interest rates.”
- “Most buyers seem to be staying on the sidelines.”
- “Uncertainty in local economy.”

Wilmington, NC – More Inventory Helps Traffic

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

Our Take:

- Traffic trends were strong again this month. Our Buyer Traffic Index rose to 100 in June, up from 83 in May and indicating trends were above agents' expectations. Agents continue to point to a lack of inventory on the market. However, more new construction units have come to market this month. Others pointed to help from the favorable mortgage rate environment.
- Home prices also moved higher this month. Our Home Price Index came in at 75 vs. 100 in May. Agents pointed to more listings on the market this month and indicated that it took less time to a sell a home than in May.

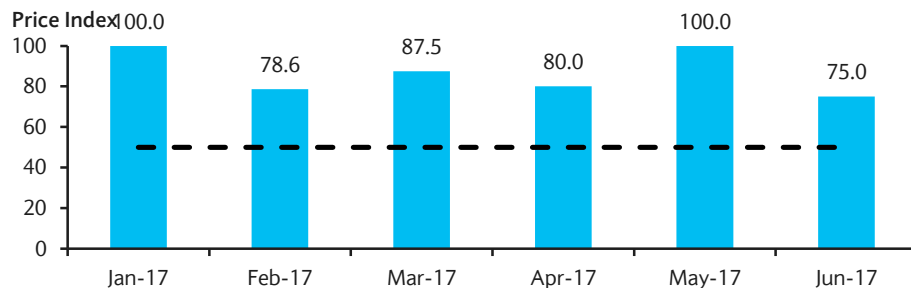
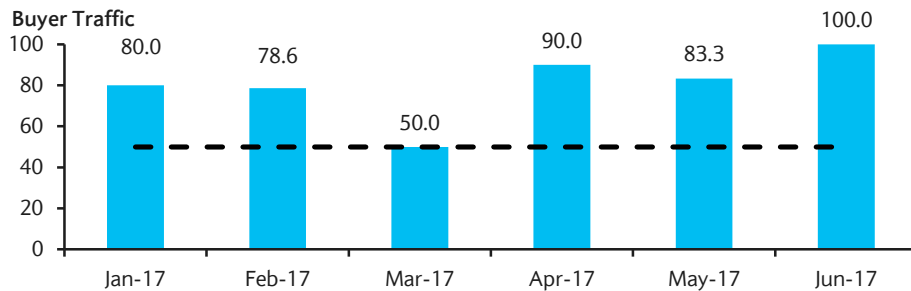
Traffic Status:



Traffic Trend:



Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Feb-17	78.6	78.6	50.0	42.9	71.4
Mar-17	50.0	87.5	83.3	100.0	83.3
Apr-17	90.0	80.0	50.0	80.0	100.0
May-17	83.3	100.0	66.7	100.0	100.0
Jun-17	100.0	75.0	25.0	25.0	100.0
Change	16.7	(25.0)	(41.7)	(75.0)	0.0



Local Real Estate Agent Comments:

- “Increased luxury home starts in communities.”
- “A lack of inventory.”
- “Great rates.”

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

Source: Barclays Research, Census Bureau

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 June, 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

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

June, 2017	Buyer Traffic Index	Home Price Index	Incentive Index	Listings Index	Time to Sell Index
Atlanta, GA	31.8	81.8	40.0	63.6	59.1
Austin, TX	75.0	75.0	25.0	31.3	43.8
Baltimore, MD	60.0	90.0	37.5	60.0	60.0
Boston, MA	50.0	84.6	54.2	57.7	50.0
Charlotte, NC	50.0	90.0	40.0	70.0	40.0
Chicago, IL	47.5	67.5	47.5	62.5	65.0
Cincinnati, OH	50.0	78.6	50.0	71.4	78.6
Columbus, OH	75.0	100.0	50.0	50.0	62.5
Dallas, TX	50.0	85.0	47.4	52.5	55.0
Denver, CO	40.6	78.1	43.8	21.9	46.7
Detroit, MI	54.2	87.5	63.6	54.2	75.0
Fort Myers, FL	41.7	83.3	41.7	75.0	66.7
Houston, TX	30.0	35.0	15.0	10.0	22.2
Inland Empire, CA	21.4	71.4	28.6	71.4	42.9
Jacksonville, FL	12.5	87.5	37.5	37.5	37.5
Kansas City, MO	50.0	92.9	64.3	57.1	71.4
Las Vegas, NV	87.5	91.7	45.5	63.6	68.2
Los Angeles, CA	34.1	75.0	47.2	50.0	43.2
Miami, FL	25.0	71.4	42.3	57.1	32.1
Minneapolis, MN	64.3	92.9	41.7	50.0	71.4
Nashville, TN	66.7	66.7	66.7	83.3	66.7
New York, NY	53.7	83.3	54.3	64.8	63.0
Orange County, CA	66.7	75.0	50.0	40.0	40.0
Orlando, FL	50.0	93.8	50.0	81.3	68.8
Philadelphia, PA	55.6	77.8	56.3	83.3	77.8
Phoenix, AZ	60.0	70.0	46.7	70.0	46.7
Portland, OR	40.0	83.3	50.0	33.3	30.8
Raleigh, NC	63.6	95.5	60.0	77.3	90.9
Richmond, VA	66.7	100.0	50.0	75.0	50.0
Sacramento, CA	30.0	90.0	50.0	70.0	40.0
San Antonio, TX	33.3	66.7	25.0	50.0	33.3
San Diego, CA	58.3	87.5	50.0	41.7	70.8
San Francisco, CA	39.5	77.8	53.3	38.9	42.1
Sarasota, FL	60.0	80.0	40.0	30.0	60.0
Seattle, WA	57.1	85.7	71.4	28.6	57.1
Tampa, FL	45.0	80.0	50.0	80.0	55.0
Tucson, AZ	78.6	71.4	50.0	78.6	64.3
Virginia Beach, VA	75.0	66.7	41.7	50.0	66.7
Washington, D.C.	53.3	76.7	50.0	53.3	60.0
Wilmington, NC	100.0	75.0	25.0	25.0	100.0
Total Index Level	52.6	80.5	46.3	55.5	56.9

Source: Barclays Research

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In addition to the stock rating, we provide industry views which rate the outlook for the industry coverage universe as Positive, Neutral or Negative (see definitions below). A rating system using terms such as buy, hold and sell is not the equivalent of our rating system. Investors should carefully read the entire research report including the definitions of all ratings and not infer its contents from ratings alone.

Stock Rating

Overweight - The stock is expected to outperform the unweighted expected total return of the industry coverage universe over a 12-month investment horizon.

Equal Weight - The stock is expected to perform in line with the unweighted expected total return of the industry coverage universe over a 12-month investment horizon.

Underweight - The stock is expected to underperform the unweighted expected total return of the industry coverage universe over a 12-month investment horizon.

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Industry View

Positive - industry coverage universe fundamentals/valuations are improving.

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