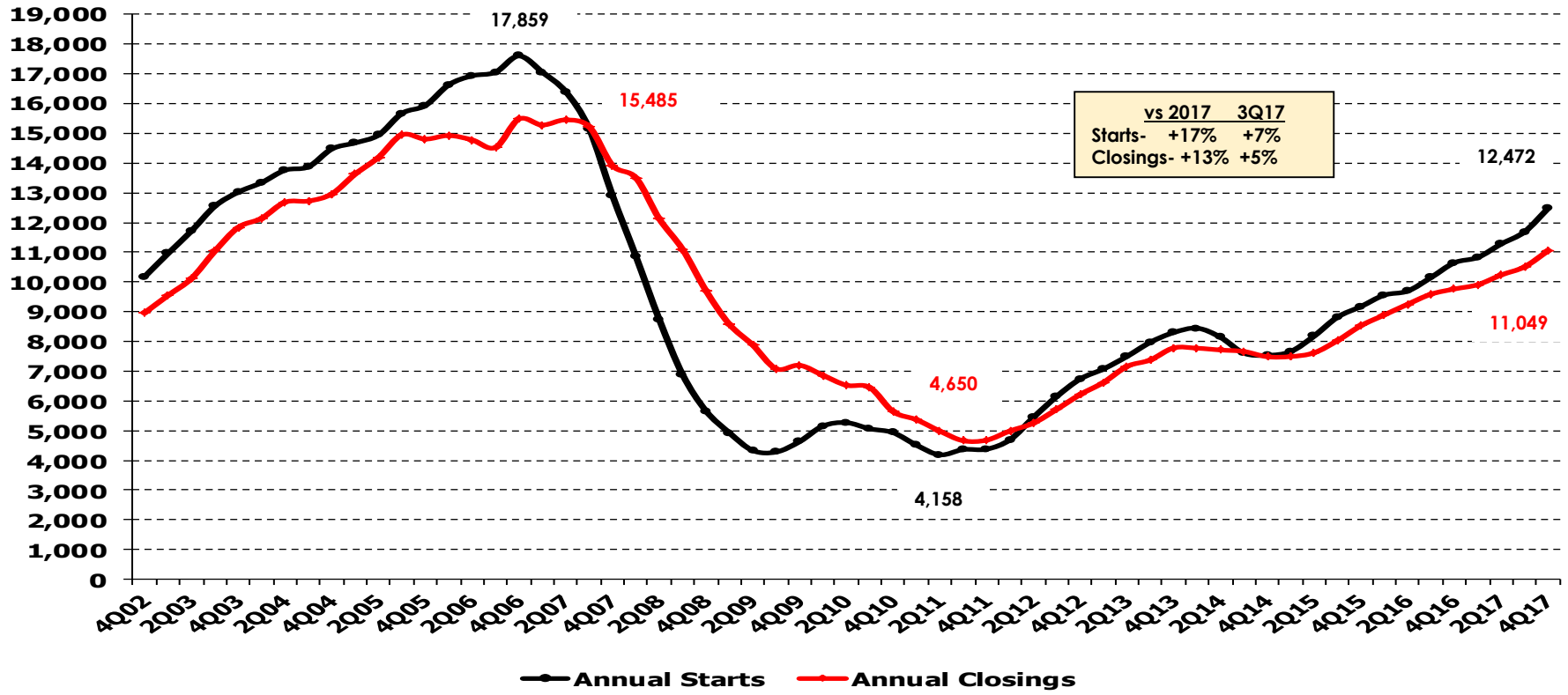


Greater Salt Lake Market Executive Briefing 4Q 2017

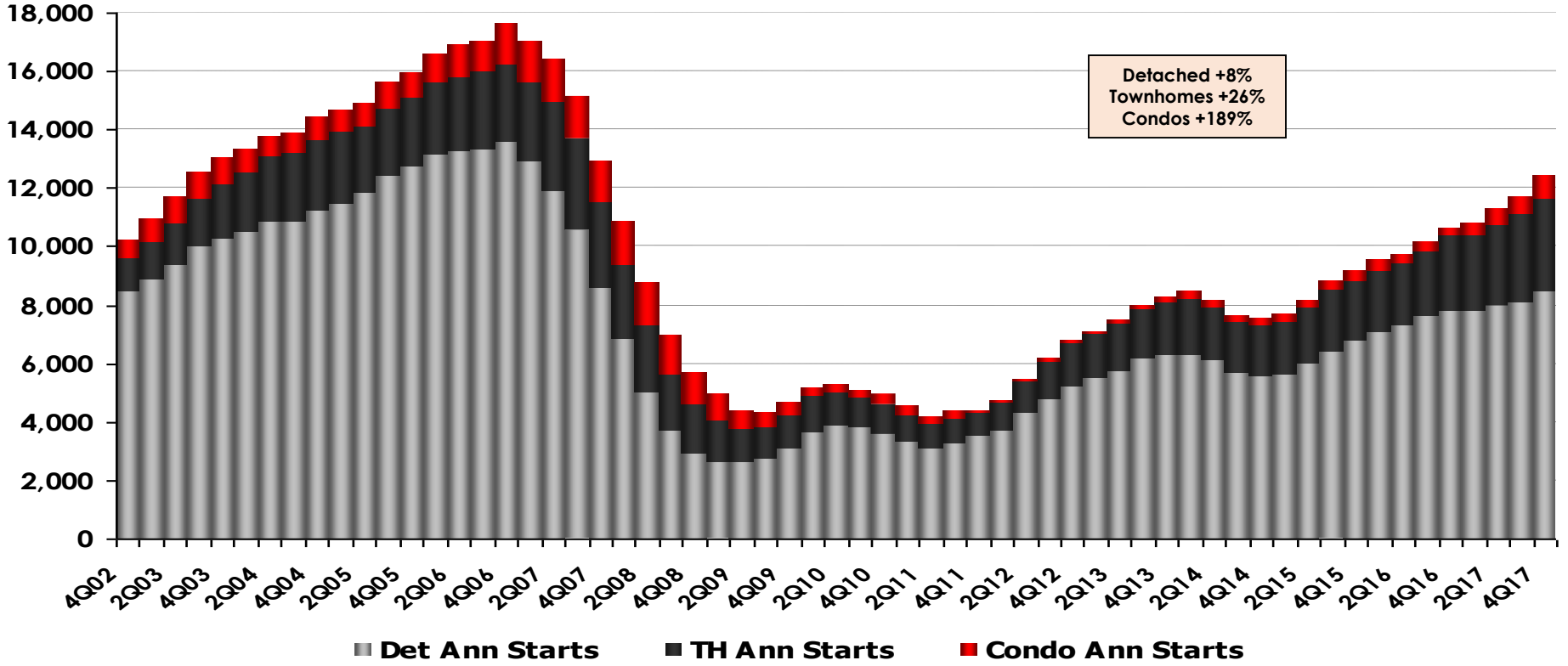
“We count lots...we count houses...we count lots of houses!”



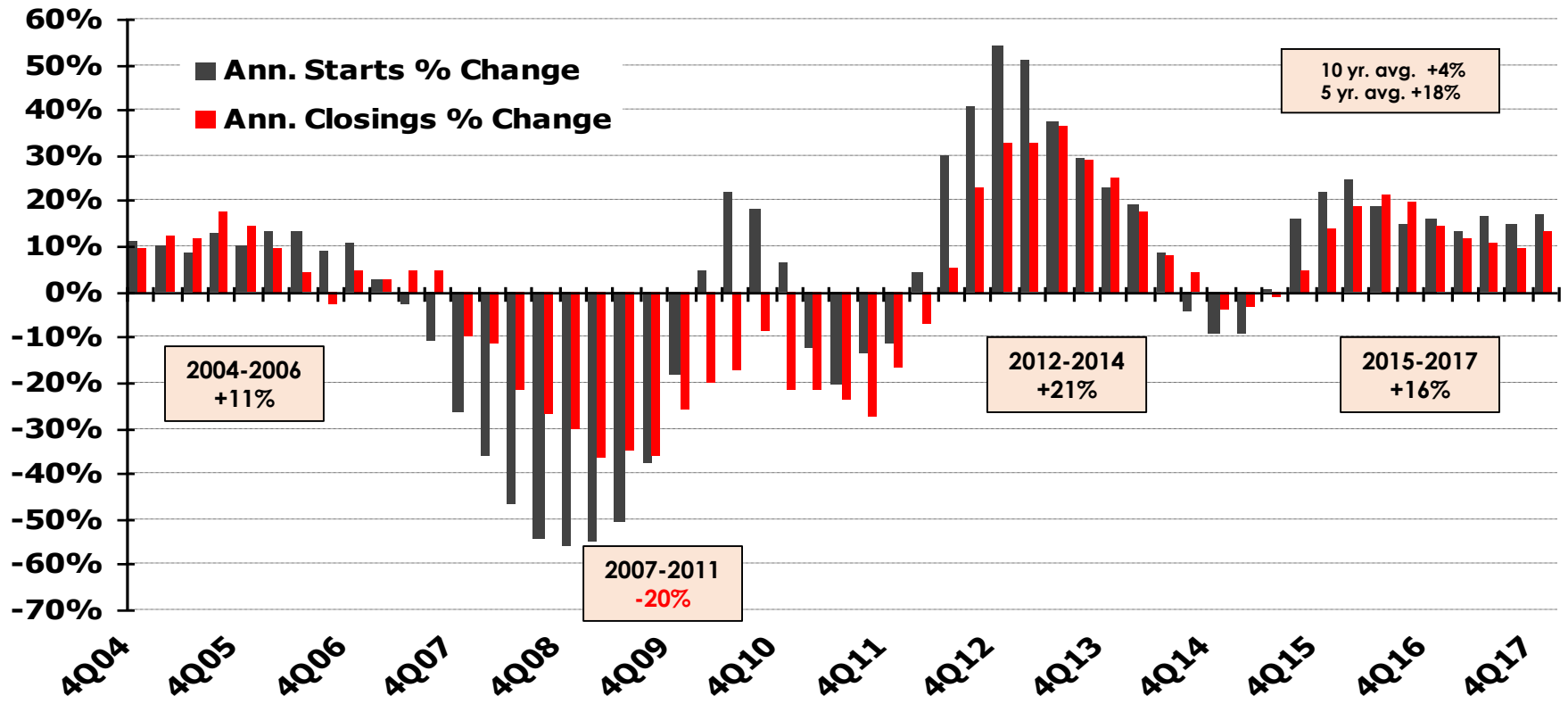
Greater Salt Lake Market Annual New Home Starts & Closings – Att/Det



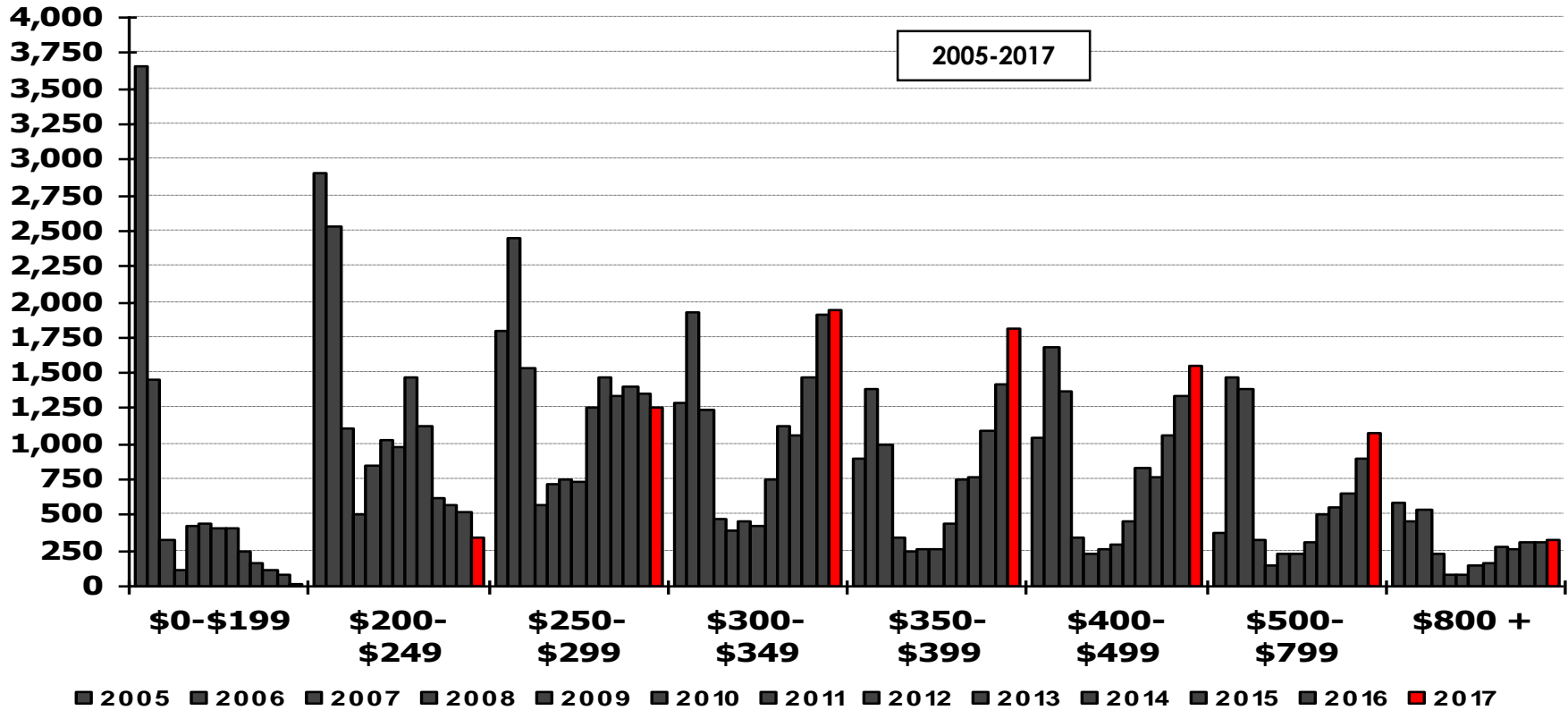
Greater Salt Lake Market Annual New Home Starts – Att/Det



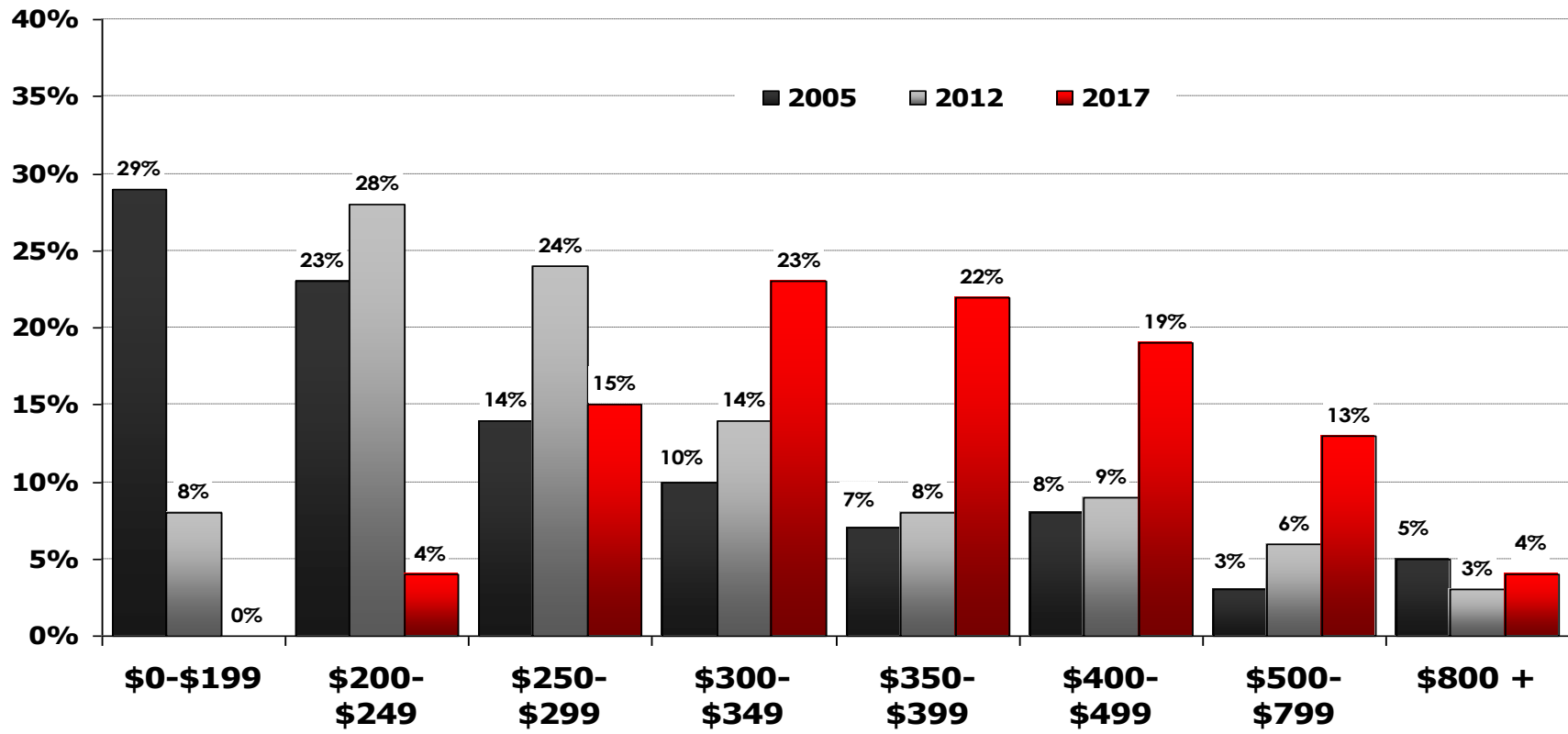
Greater Salt Lake Market % Change in Ann. Starts & Closings Trend – Att/Det



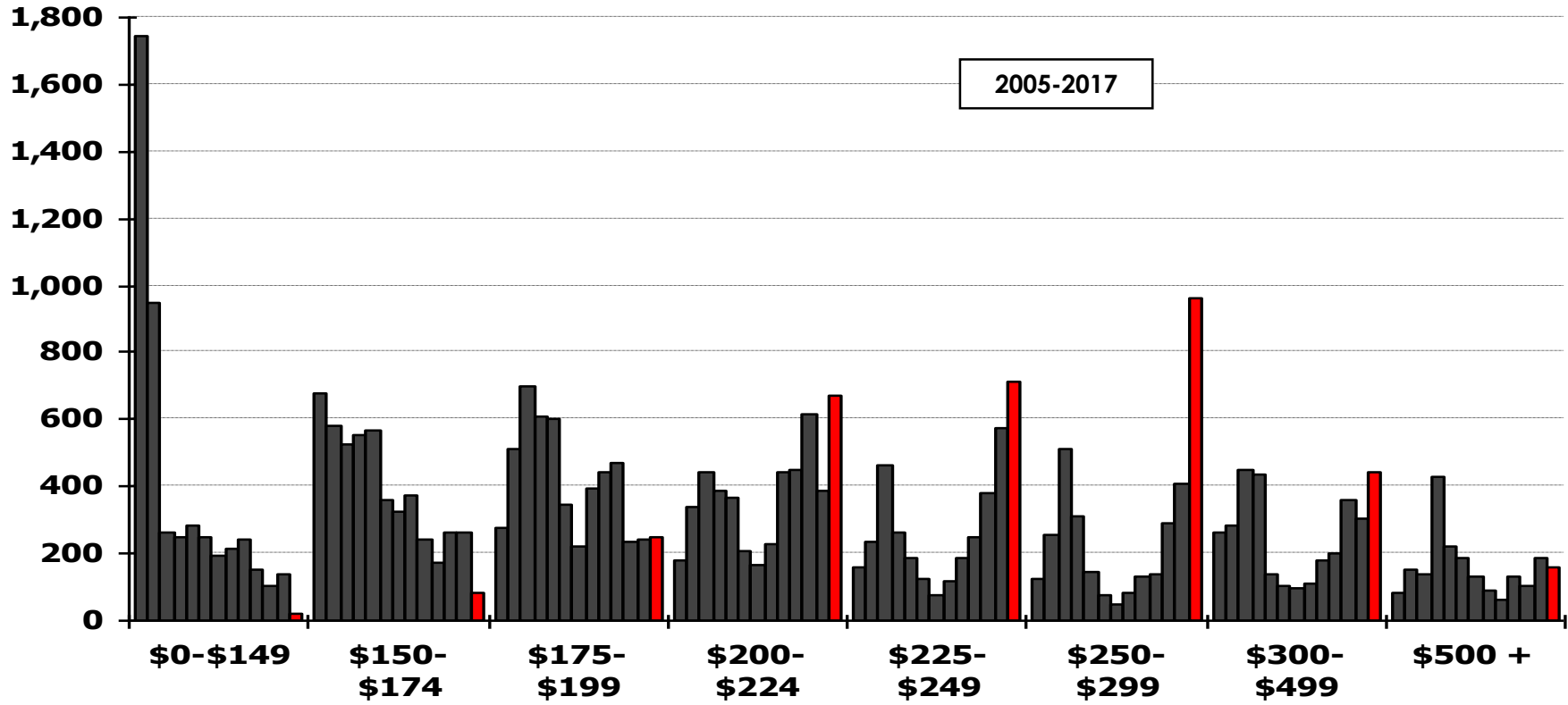
Greater Salt Lake Market Annual Starts by Price Range / 13 yr. History – Detached



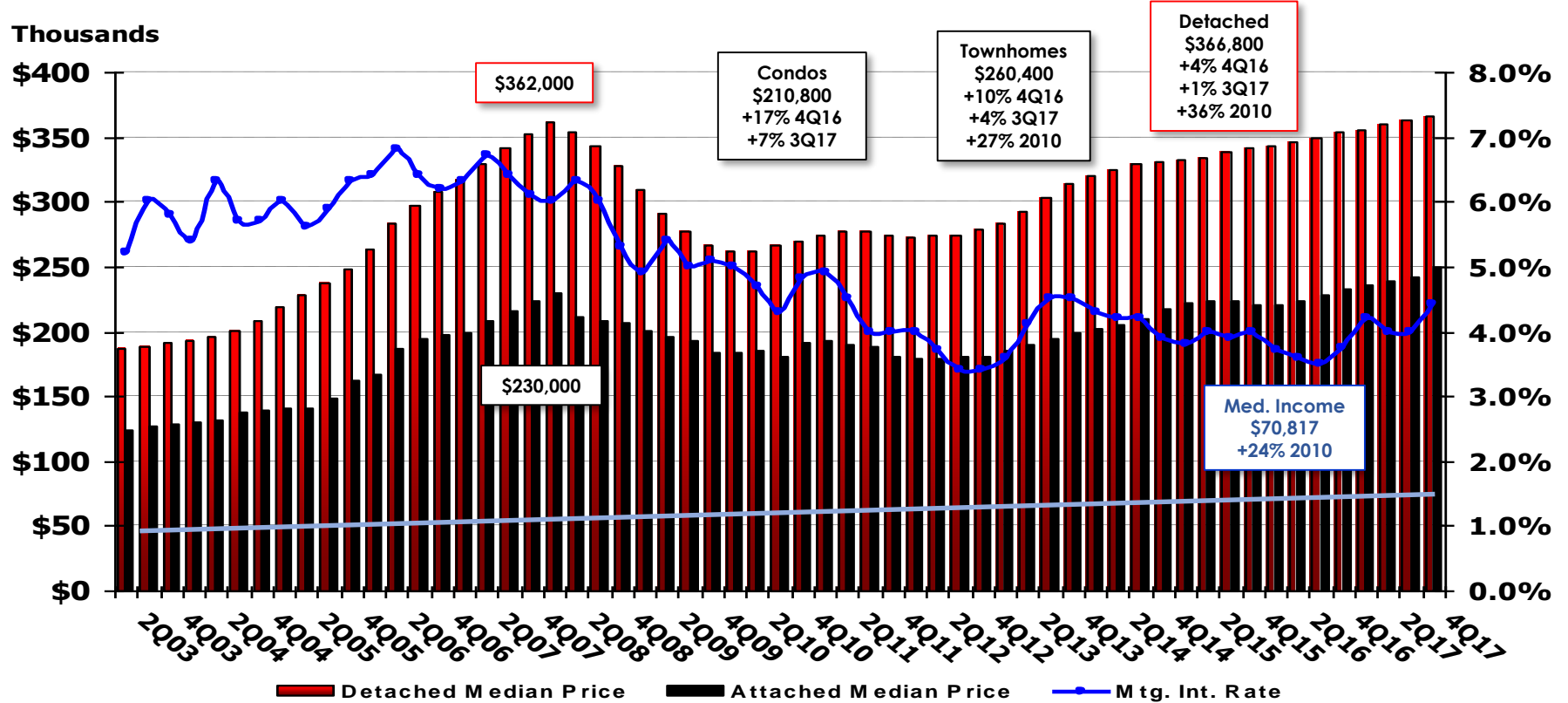
Greater Salt Lake Market Annual Starts Market Share by Price Range – Detached



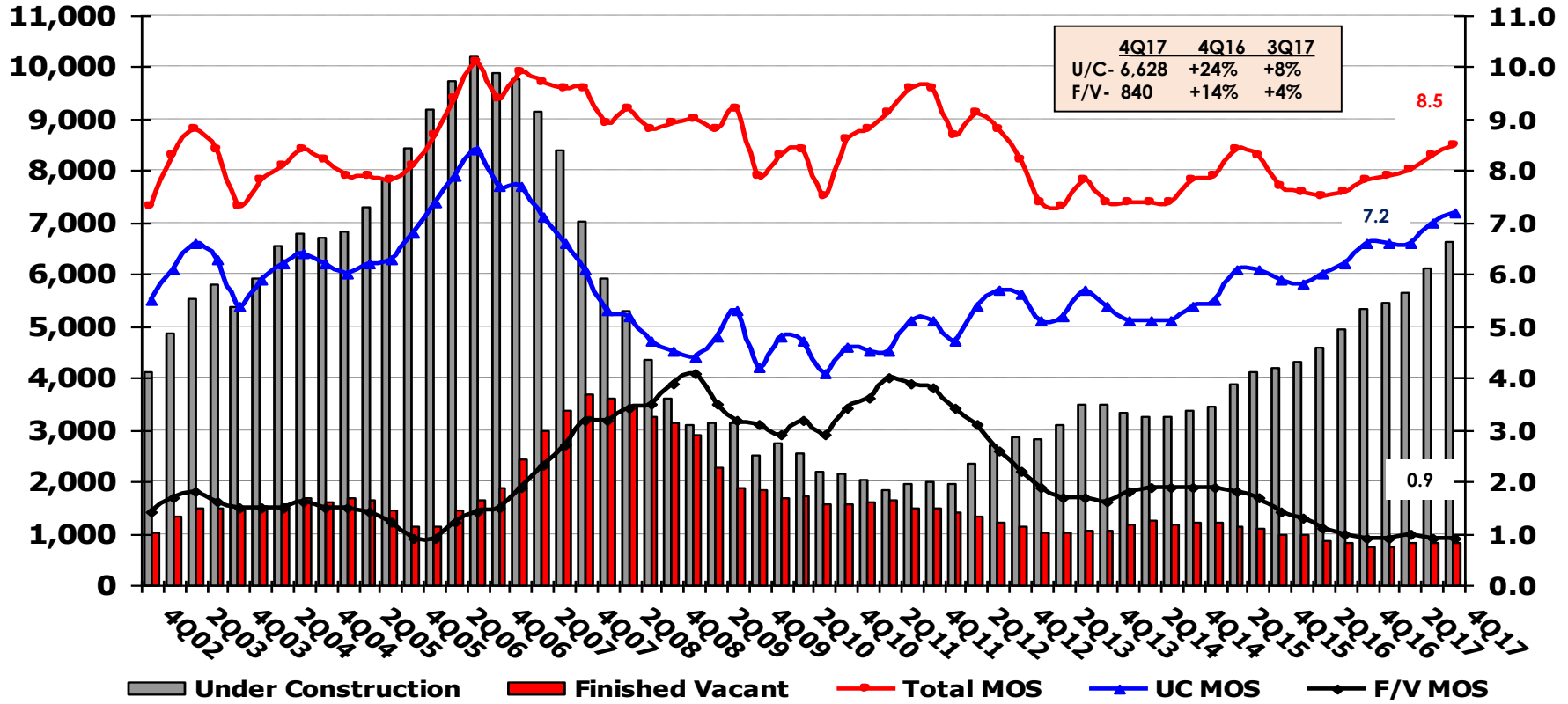
Greater Salt Lake Market Annual Starts by Price Range / 13 yr. History – Attached



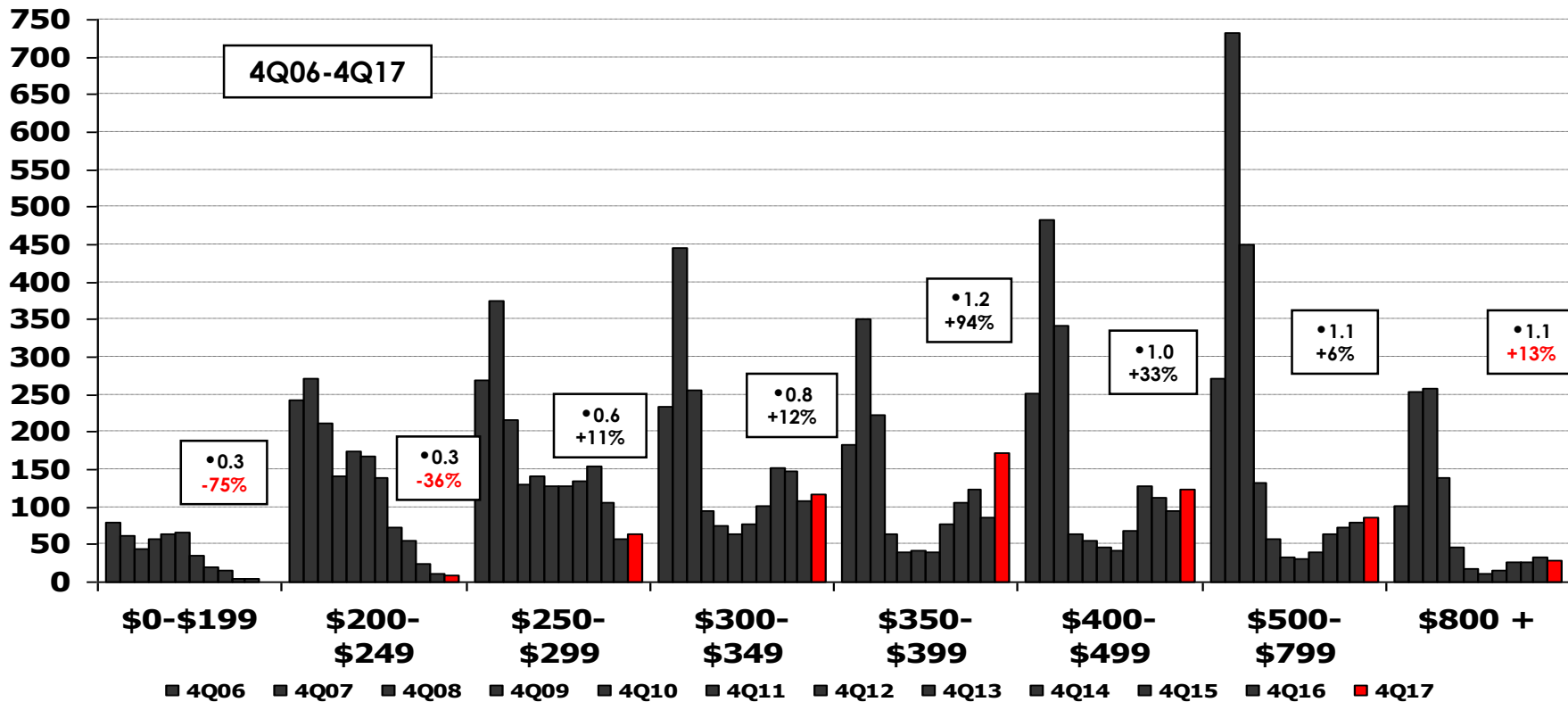
Greater Salt Lake Market Median New Home Price – Att/Det



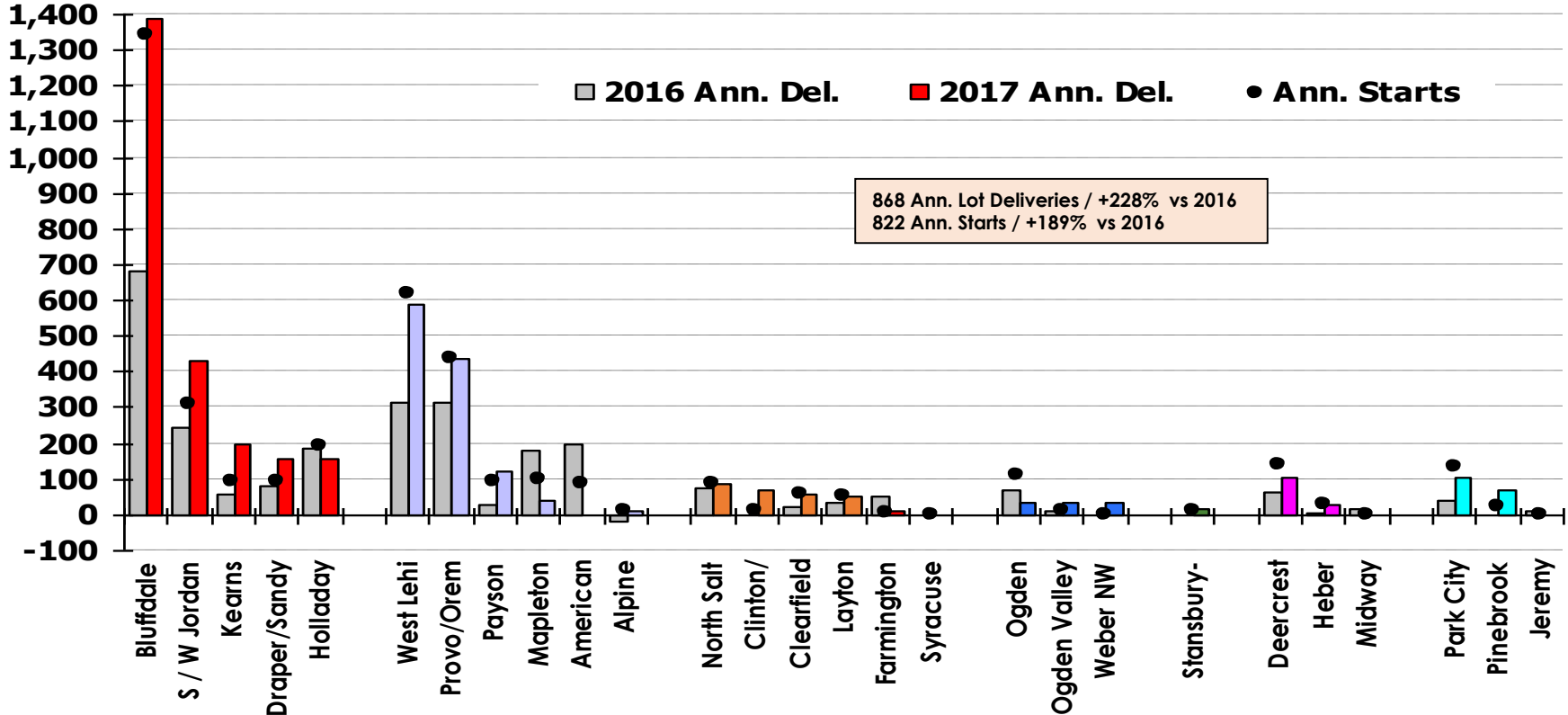
Greater Salt Lake Market New Home Inv. / Months of Supply – Att/Det



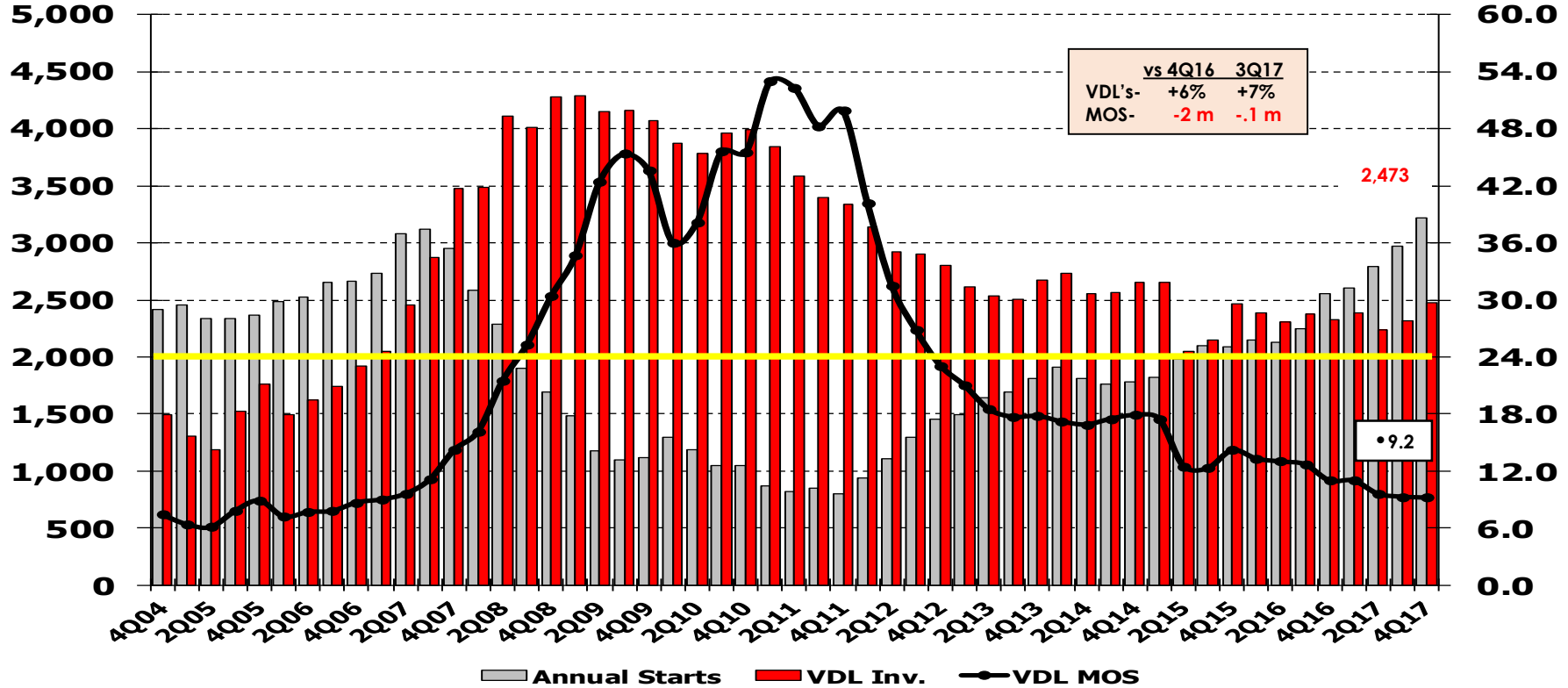
Greater Salt Lake Market Finished Vacant Inv. by Price Range / 12 yr. History – Att/Det



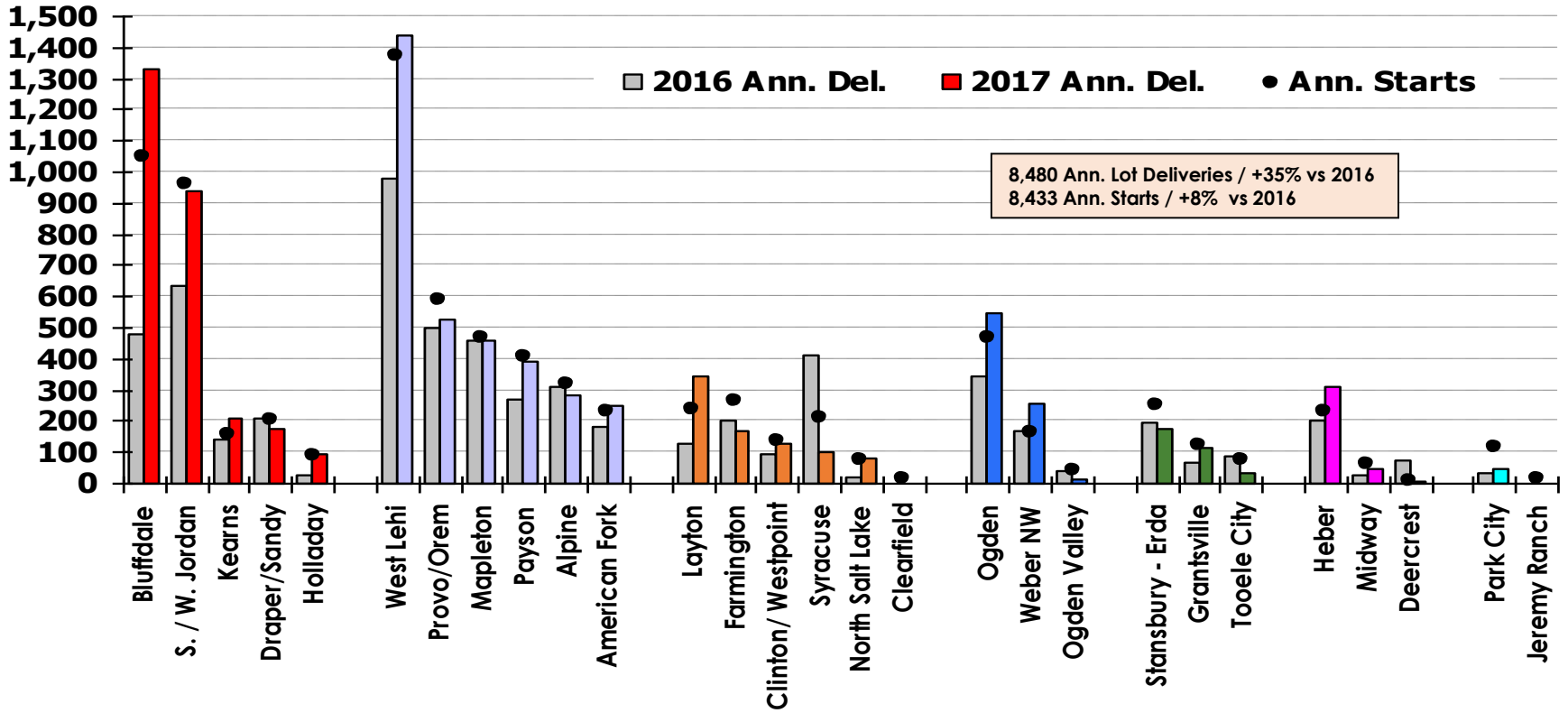
Greater Salt Lake Market Ann. Lot Deliveries / Starts / 2016 vs 2017 by Submarket – Attached



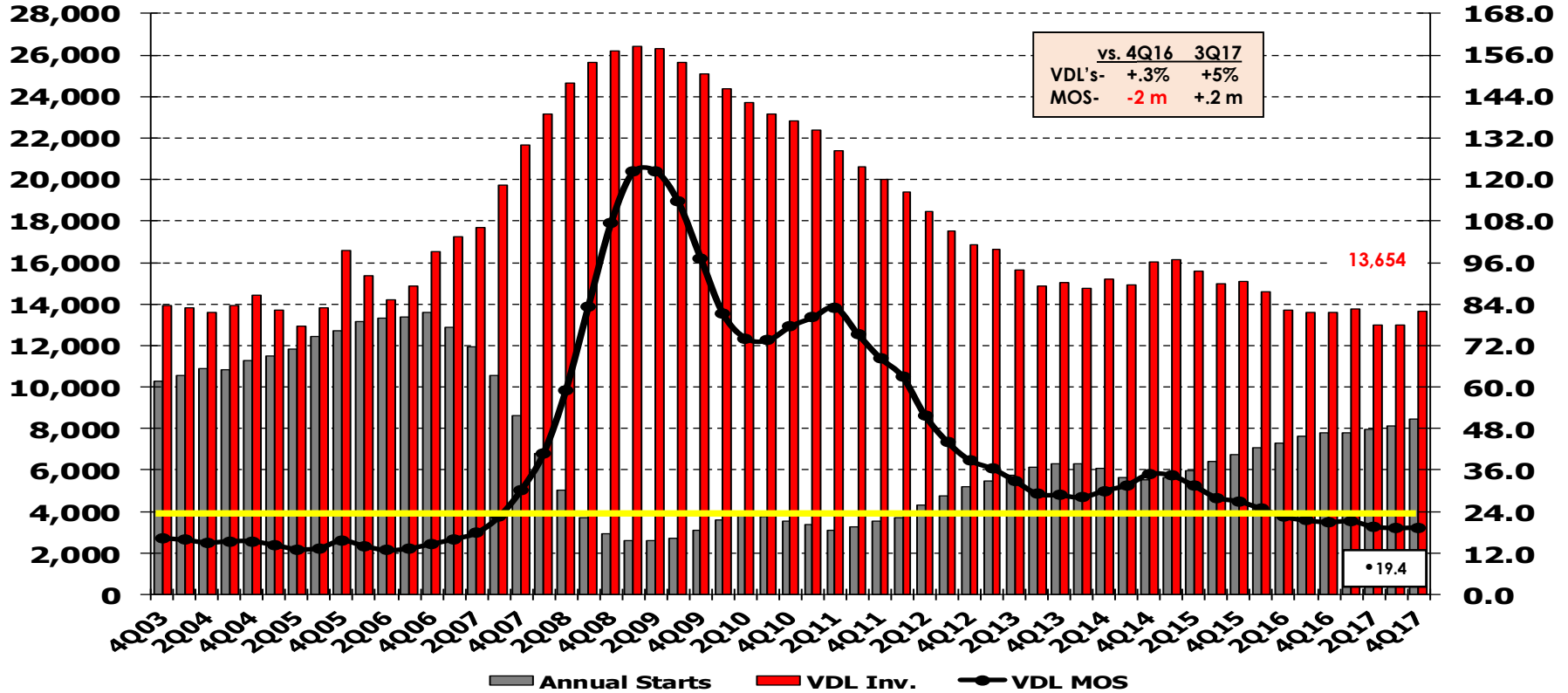
Greater Salt Lake Market VDL Inv. / MOS / Ann. Starts – Townhome/Duplex



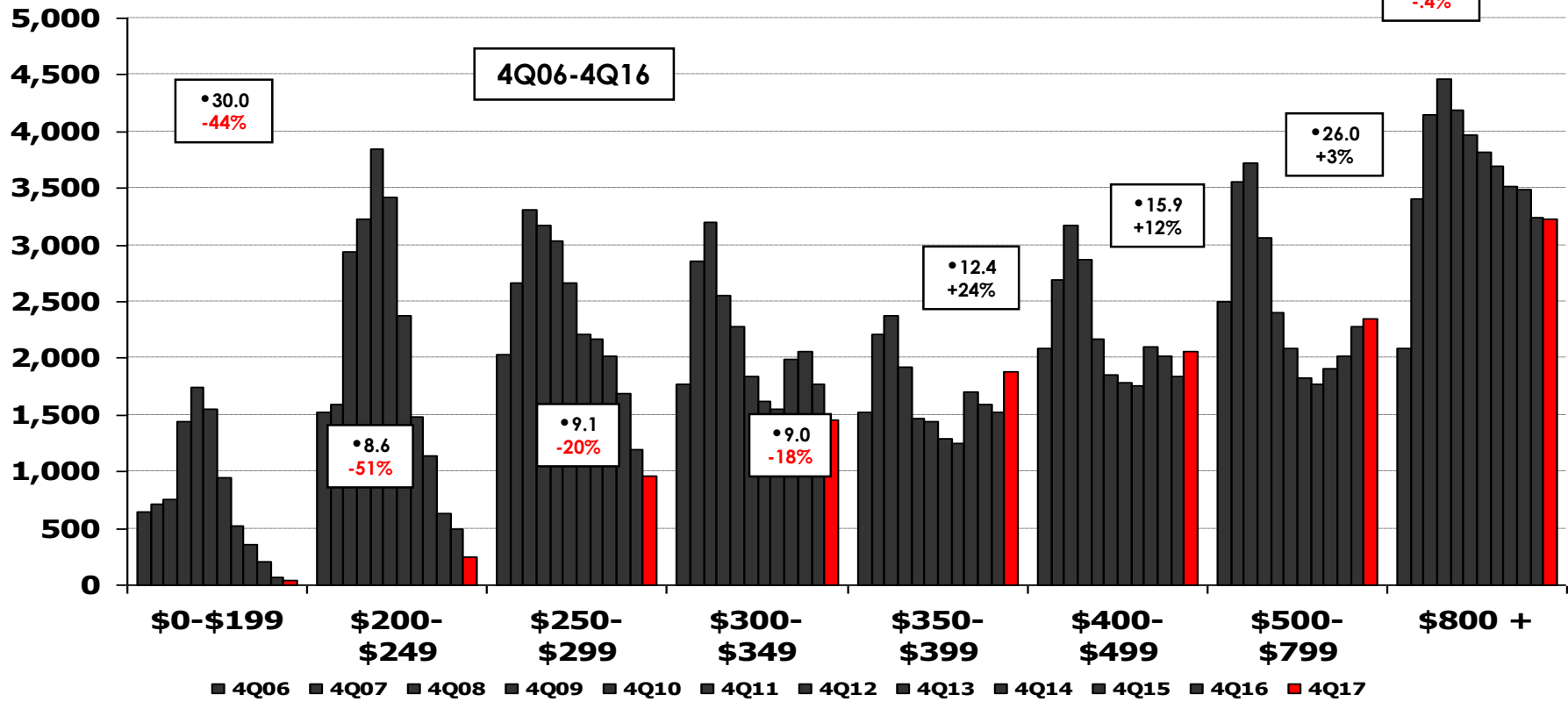
Greater Salt Lake Market Ann. Lot Deliveries / Starts 2016 vs 2017 by Submarket – Detached



Greater Salt Lake Market Vacant Developed Lot Inv. / MOS / Ann. Starts – Detached

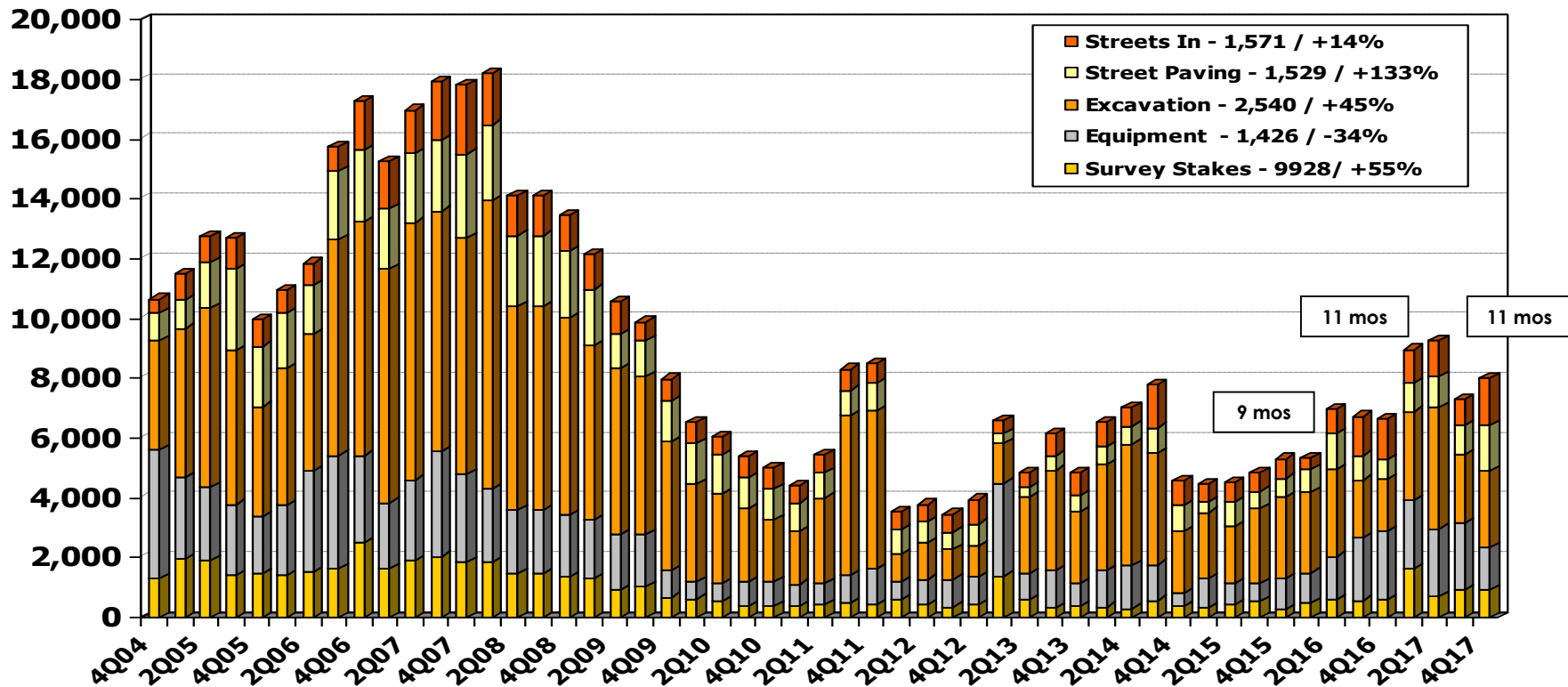


Greater Salt Lake Market VDL Inv. by New Home Price 12 yr. History – Detached



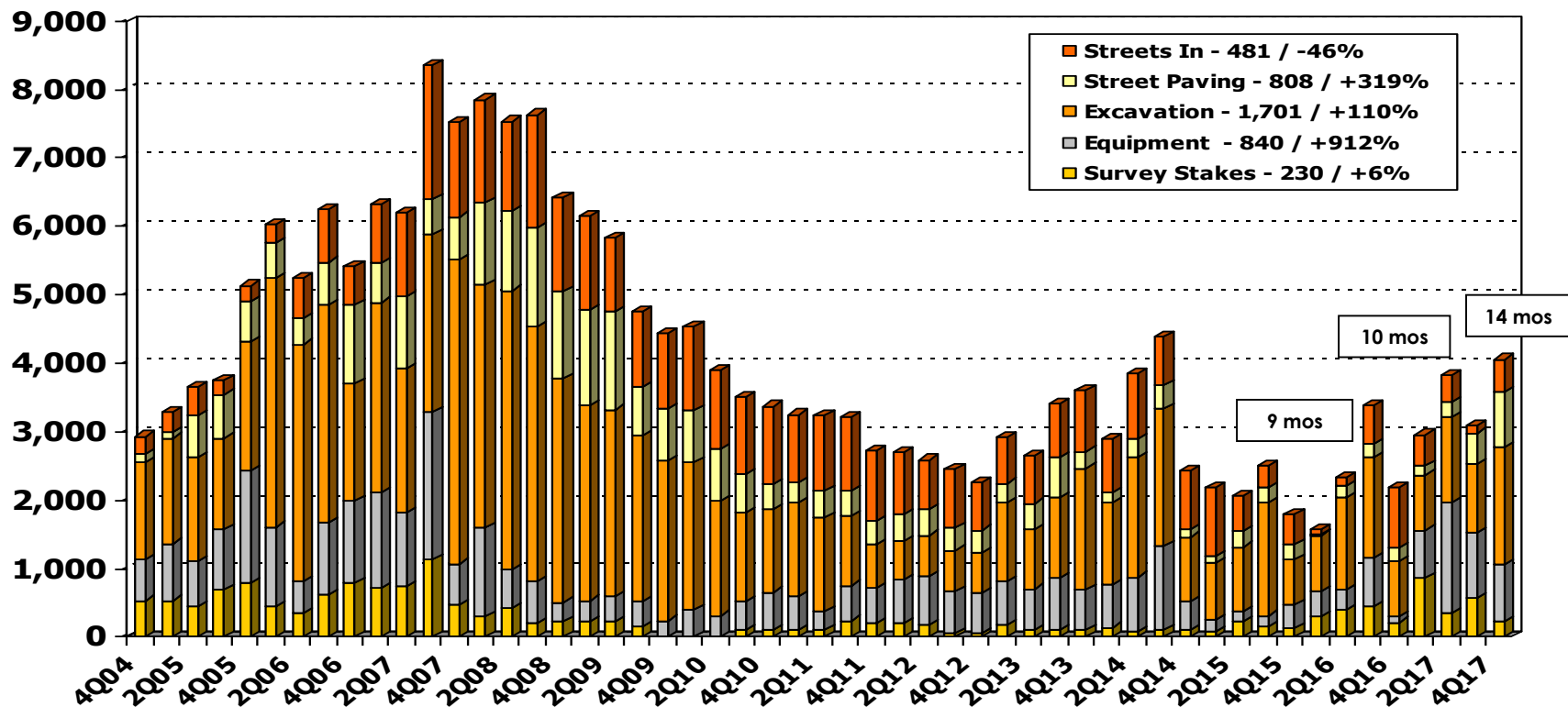
Greater Salt Lake Market

Future Lot Inventory: Current Pipeline 7,994 / 11.4 MOS – Detached



Greater Salt Lake Market

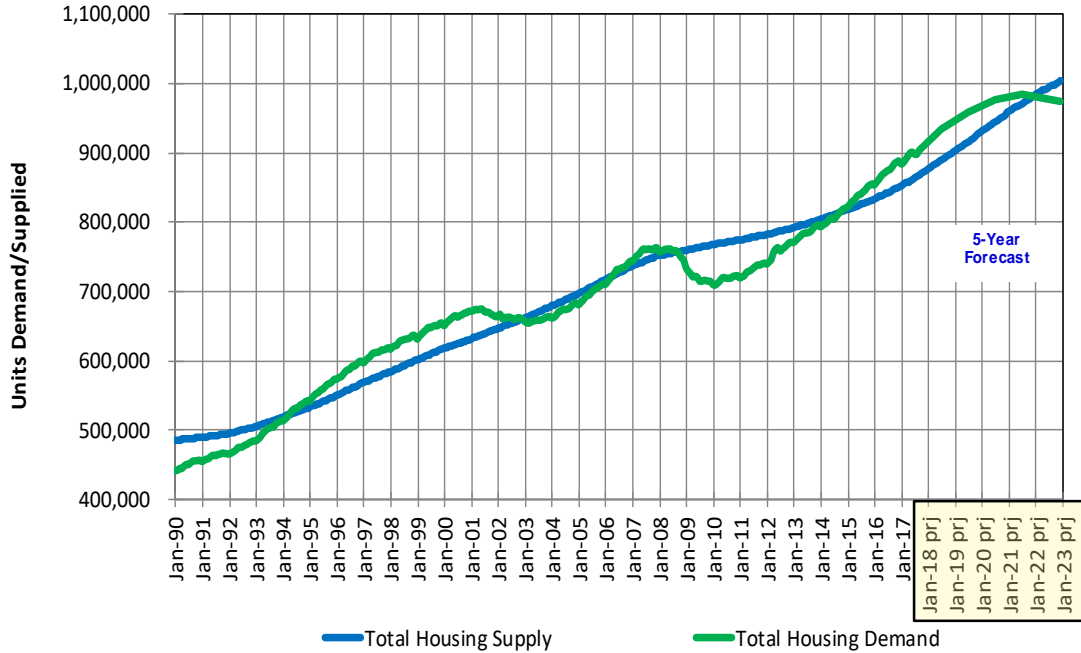
Future Lot Inventory: Current Pipeline 4,060 / 13.7 MOS – Attached



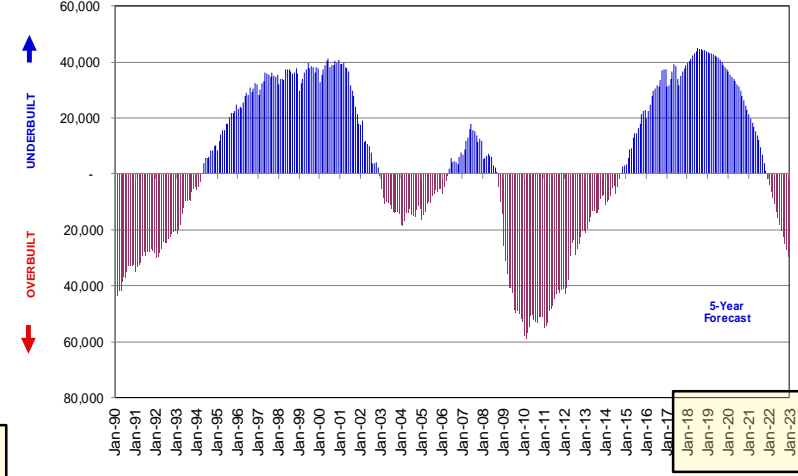
Greater Salt Lake Market Conclusions...Housing Demand & Supply



HOUSING DEMAND AND SUPPLY PATTERNS
Salt Lake City Market



HOUSING OVER/UNDERSUPPLY PATTERNS
Salt Lake City Market



* Over/Undersupply measures based on current jobs-to-housing relationship relative to long-term relationship between jobs and housing.
Source: Bureau of Labor Statistics; Moody's Analytics; Real Estate Economics

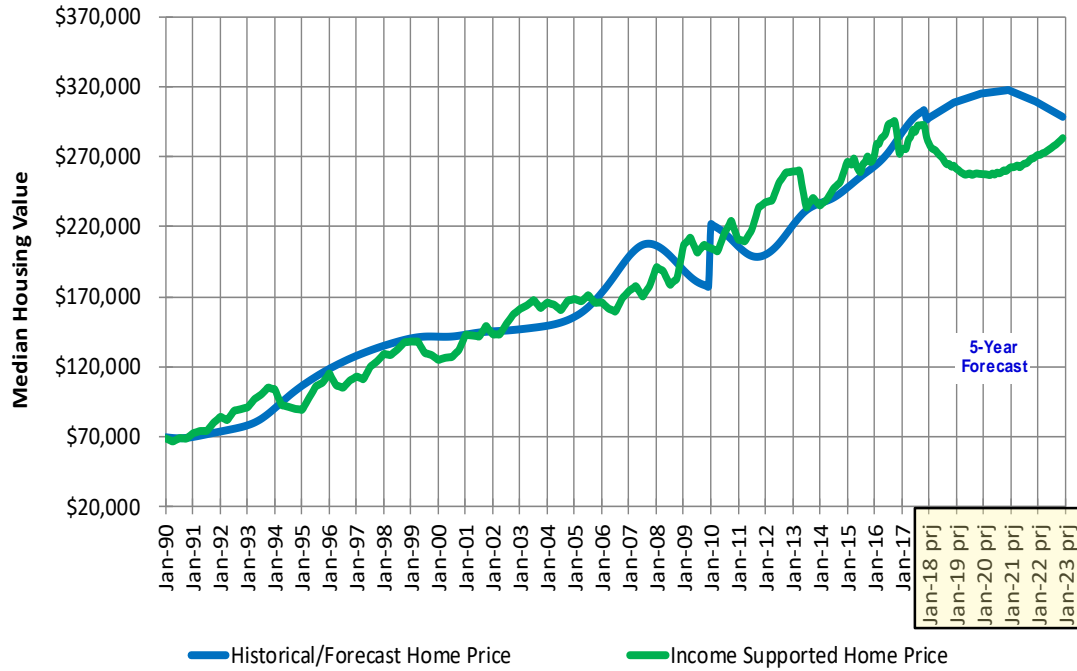
Source: Bureau of Labor Statistics; Moody's Analytics; Real Estate Economics
www.realestateconomics.com



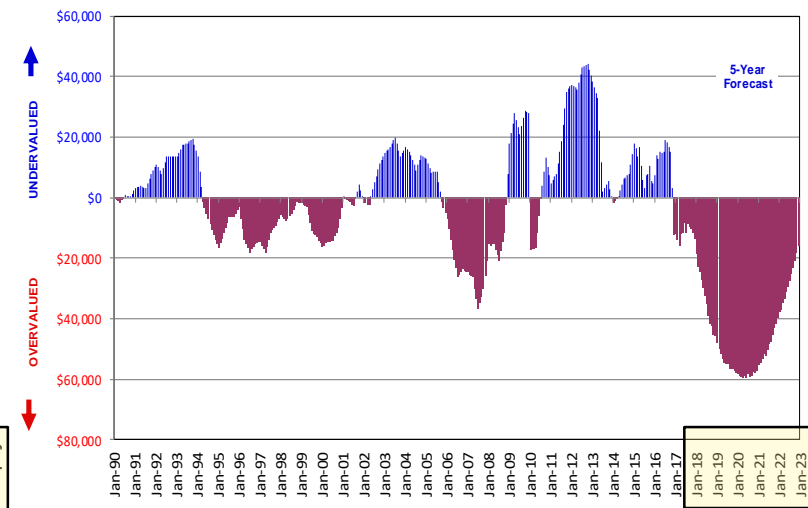
Greater Salt Lake Market Conclusions...Housing Valuation



HOUSING VALUATION PATTERNS
Salt Lake City Market



HOUSING OVER/UNDERVALUATION PATTERNS
Salt Lake City Market



* Over/Undervaluation based on value of housing (inclusive of mortgage rates) relative to long-term relationship between housing value & household incomes.
Source: Bureau of Labor Statistics; Moody's Analytics; Real Estate Economics
www.realestateeconomics.com

Source: Bureau of Labor Statistics; Moody's Analytics; Real Estate Economics
www.realestateeconomics.com



Greater Salt Lake Market Conclusions 4Q17...



- **Despite the slower growth in jobs, the fundamentals for the economy remain strong with the addition of 25,900 new jobs in 2017, and a 2.1% total employed growth rate.**
- **Used home market continues to tighten, making new homes more attractive, but only if builders have inventory available and at affordable prices.**
- **New home production remains very robust and is expected to remain strong through 2018. However, prices will continue to put pressure on buyer affordability and eventually those buyers will get pushed out altogether.**
- **New home inventory is significantly under supplied and is not showing any signs of changing in the near future. However, as the market becomes overvalued, finished inventory will start to increase, particularly those in the higher price segments.**
- **Despite the increased lot deliveries during 2017, nearly half of those lots have already been absorbed, therefore new lots will be in high demand for the near future. However, remain cautions about land prices, especially those lots that may not get delivered for another 2-3 years.**

...now you know

