The Barclays Real Estate A.G.E.N.T.
(Analyzing, Gauging, & Exploring Neighborhood Trends)

Homebuilding & Building Products
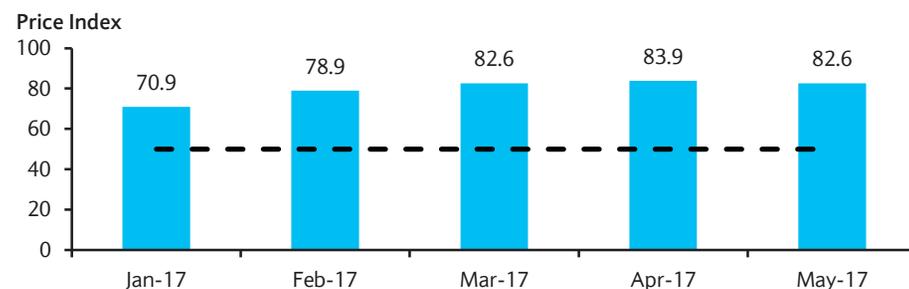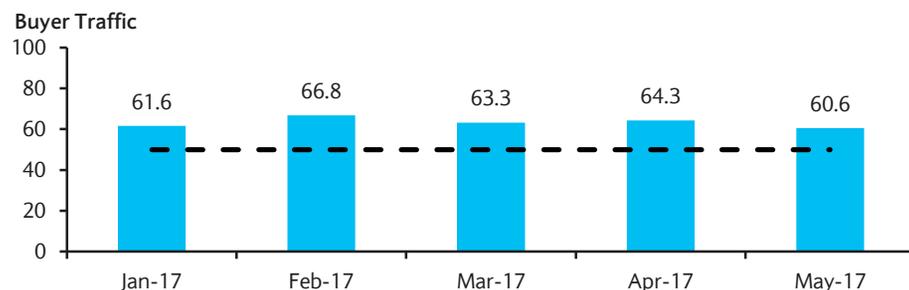
June 5th, 2017

U.S. Homebuilding & Building Products

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Buyer Traffic

Jan-17	Feb-17	Mar-17	Apr-17	May-17
61.6	66.8	63.3	64.3	60.6

Price Index

Jan-17	Feb-17	Mar-17	Apr-17	May-17
70.9	78.9	82.6	83.9	82.6

Source: Barclays Research

May Real Estate A.G.E.N.T. Survey
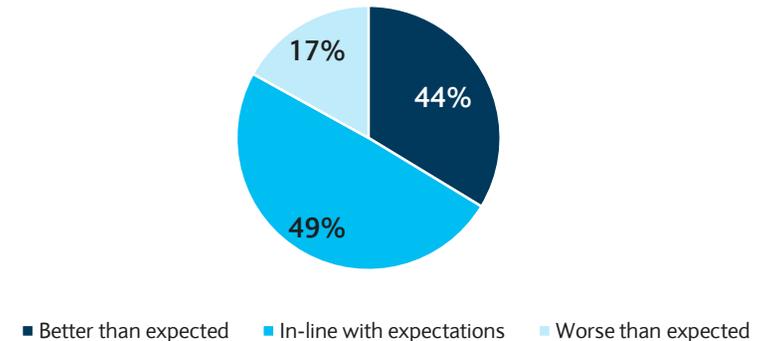# Strength Erodes on Inventory and Affordability Headwinds

Traffic Still Solid, but Modestly Slower and with Widening Disparity Across Markets: Our Buyer Traffic Index slipped to 61 in May from 64 in April but held at levels indicating demand above agents' expectations. Notably, we saw a far greater dispersion of results across markets this month, whereas prior months had shown unusually uniform strength. 9 markets indicated buyer traffic trends below agents' seasonal expectations, up from just 1 in April and the January-April average of 3. Many of the larger markets underperformed, with agents in these markets blaming a combination of lack of inventory and worsening affordability. The former could create opportunities for homebuilders to fill the supply gap in these markets, but the latter is likely to be an ongoing constraint for overall demand for as long as the recent run up in home prices continues. More broadly, agents continue to see support from healthy job growth and favorable rates are still providing motivation. By price point, entry-level trends improved, demand at the move-up segment was solid but moderated vs. April, and luxury continues to face challenges.

Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Jan-17	61.6	70.9	43.5	64.8	54.9
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
Change	(3.8)	(1.2)	(1.0)	(3.2)	(1.5)

Fewer Markets Exceed Expectations: In May, 27 of the 40 markets we survey saw better than expected traffic (33 vs. April), 4 saw traffic in-line (6 in April), and 9 pointed to lower than expected traffic (1 in April). The strongest regions were the Midwest, Mid-Atlantic, and Northeast. Texas, Florida, and California all worsened and came in below the average. Stronger individual markets included KC, Minneapolis, Cincinnati, Philadelphia, Sacramento, Las Vegas, and Boston. Meanwhile, San Diego, Houston, Atlanta, Denver, Miami, Tampa, Orlando and the Inland Empire all fell short of expectations.

Supply Still Driving Prices Higher: Sellers continue to capitalize on the tight inventory conditions. Our Home Price Index came in at 83 in May vs. 84 in April, indicating broad price gains. Of the 40 markets we survey, 36 saw higher prices m/m in May (39 in April), 3 markets were flat (0 in April), and 1 market saw lower prices (same as last month). Particularly strong readings were seen in Atlanta, Dallas, Detroit, Las Vegas, Nashville, Orlando, and Raleigh.

May Buyer Traffic Index of 60.6

- Better than expected: 44%
- In-line with expectations: 49%
- Worse than expected: 17%

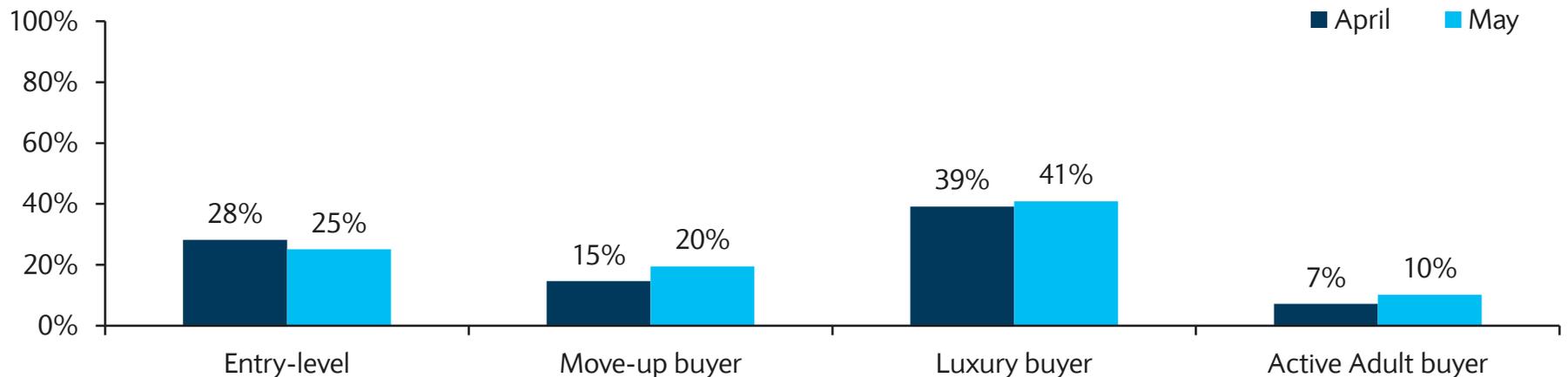**BARCLAYS**

Buyer Segment Trends: Entry-Level Improves, Move-Up Solid, and Luxury Market Worsens

% of Respondents Seeing Improving Trends by Buyer Segment

Legend: ■ April ■ May

Buyer Segment	April	May
Entry-level	51%	57%
Move-up buyer	53%	53%
Luxury buyer	19%	19%
Active Adult buyer	34%	33%
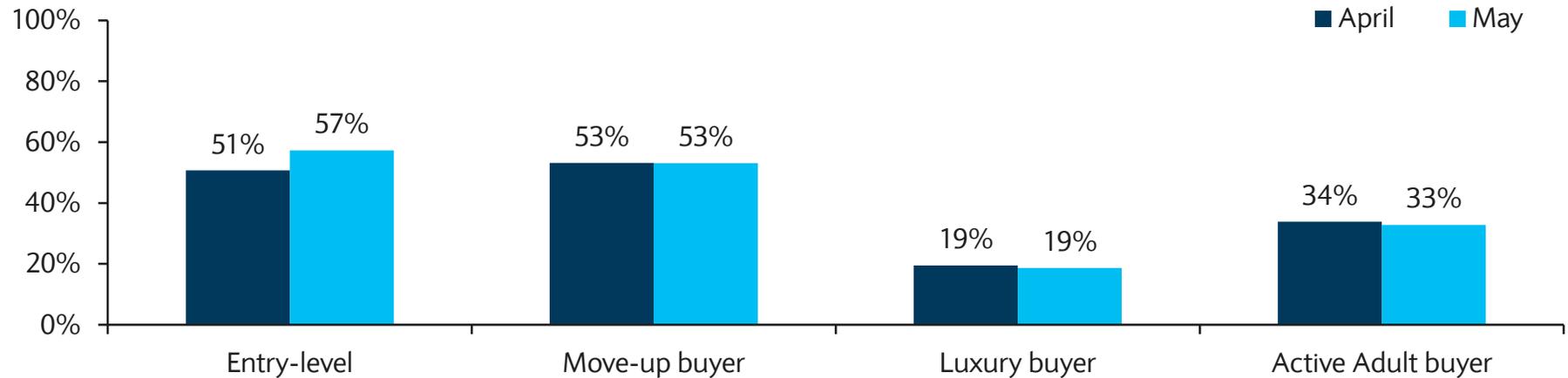
% of Respondents Seeing Worsening Trends by Buyer Segment

Legend: ■ April ■ May

Buyer Segment	April	May
Entry-level	28%	25%
Move-up buyer	15%	20%
Luxury buyer	39%	41%
Active Adult buyer	7%	10%

Source: Barclays Research

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Source: Barclays Research

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Atlanta, GA – Buyers Move to Sidelines Due to Limited Selection

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

Our Take:

- Buyer traffic trends pulled back in May, falling below agents' expectations. Our Buyer Traffic Index dropped to 43 this month, down from 65 in April. Agents attributed the slowing to a lack of supply on the market, which was seen limiting buyers selection and interest in the homes on the market. Others pointed to continued support from low mortgage rates.

- Home prices increased again in May. Our Home Price Index landed at 93, up from 85, and well above a neutral 50. We think prices will continue to move higher given the lack of supply, with our listings index pointing to tighter supply conditions this month.
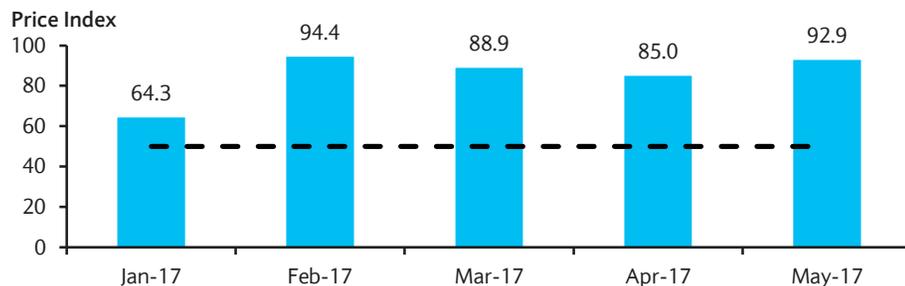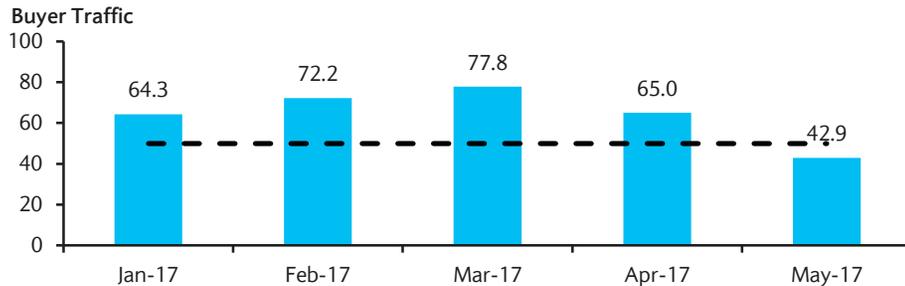
Traffic Status:

Traffic Trend:

Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Jan-17	64.3	64.3	25.0	64.3	42.9
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
Change	(22.1)	7.9	7.1	14.3	6.4

Buyer Traffic

Local Real Estate Agent Comments:

- "Very little inventory in moderate to low price range."

- "Inventory continues to worsen."

- "Continued low interest rates."

- "Slower trends in May."

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

Austin, TX – Sustained Urgency but Luxury Market Softness Continues

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

Our Take:

- Traffic conditions moderated a bit in May. Our Buyer Traffic Index slipped to 50 this month, down from 57 in April. Agents continue to point to a lack of supply on the market. This, along with healthy job growth and buyers anticipating higher prices and rates in the future, has sustained urgency levels. However, a couple agents noted that price and demand trends slowed at the luxury price point.

- Home prices rose again in May. Our Home Price Index came in at 81 up from 71 last month. Agents indicated that the number of listings on the market edged higher this month, while the time needed to sell a home was unchanged.
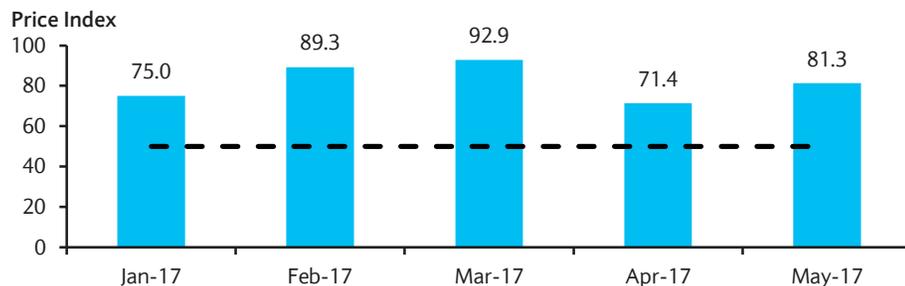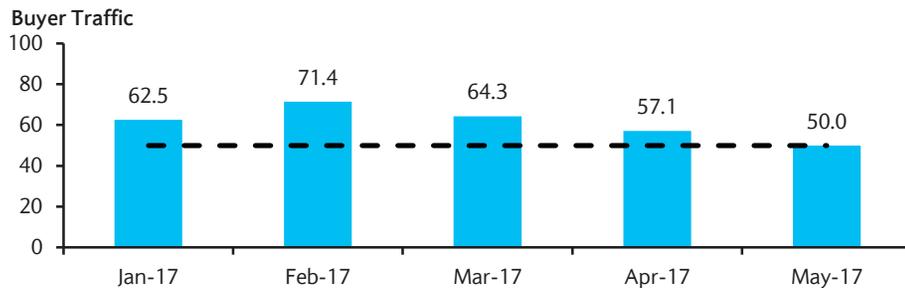
Traffic Status:

Traffic Trend:

Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Jan-17	62.5	75.0	41.7	62.5	37.5
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
Change	(7.1)	9.8	(24.1)	0.9	1.8

Buyer Traffic

Jan-17: 62.5, Feb-17: 71.4, Mar-17: 64.3, Apr-17: 57.1, May-17: 50.0

Price Index

Jan-17: 75.0, Feb-17: 89.3, Mar-17: 92.9, Apr-17: 71.4, May-17: 81.3

Local Real Estate Agent Comments:

- "While list prices continue to rise, prospective buyers still are in the market with hopes of buying before mortgage rates increase again."

- "Prices are going up. Buy now or get left behind."

- "Jobs continue to drive the market."

- "Luxury market has bit of a supply glut."

- "Some price softening in the mid-luxury range."

- "The market is leveling, to a degree. Historic lows on resale inventory help sustain a 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

Baltimore, MD – Traffic Holds at Solid Levels but Lack of Inventory Discourages Some Buyers

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

Our Take:

- Demand trends in Baltimore were once again solid this month and above agents' expectations. Our Buyer Traffic Index came in at 63 in May, down from 80 in April but comfortably above a neutral 50. Most agent comments discussed the lack of inventory, with many seeing it drive buyers to the sidelines and limit activity. However, this did help lift traffic per listing. Those more positive pointed to better consumer confidence.

- Home prices moved higher again this month. Our Home Price Index stayed at 100 this month, indicating all agents saw higher home prices vs. last month. Agents also pointed to fewer listings on the market this month.
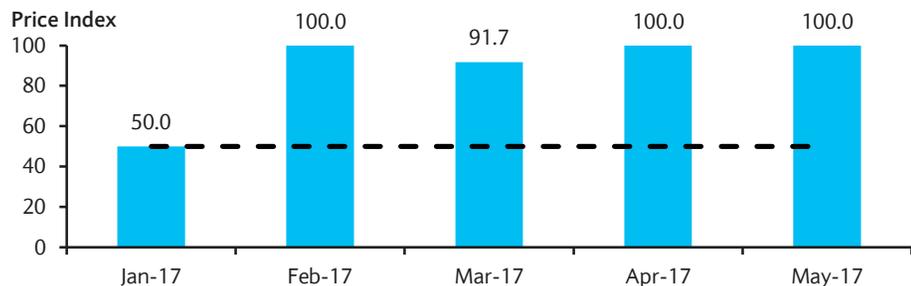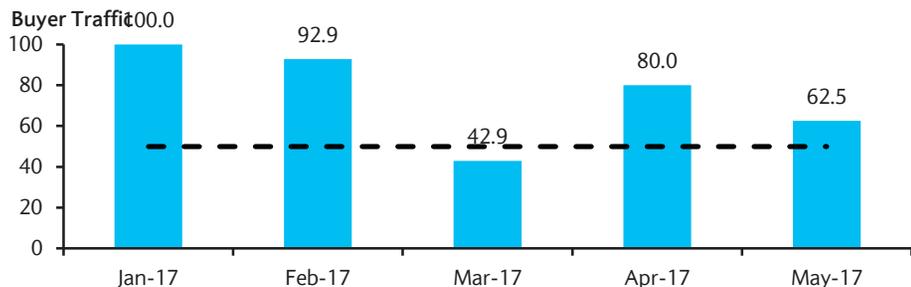
Traffic Status: Traffic Trend:

Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Jan-17	100.0	50.0	30.0	90.0	60.0
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
Change	(17.5)	0.0	0.0	12.5	20.0

Buyer Traffic

(Bar chart: Jan-17: 100.0, Feb-17: 92.9, Mar-17: 42.9, Apr-17: 80.0, May-17: 62.5; dashed line at 50)

Price Index

(Bar chart: Jan-17: 50.0, Feb-17: 100.0, Mar-17: 91.7, Apr-17: 100.0, May-17: 100.0; dashed line at 50)

Local Real Estate Agent Comments:

- "Inventory shortage."

- "Still relatively low rates, and buyer frustration with low inventory, which has sent many buyers to the sidelines."

- "Better consumer confidence."

- "Market is buyer heavy under $400K, but inventory continues to be a limiting factor."

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

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Boston, MA – Traffic Trends Remain Strong, Despite the Lack of Selection

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

Our Take:

- Traffic conditions improved in May, moving above agents' expectations. Our Buyer Traffic Index rose to 72 this month, up from 56 in April. The lack of inventory across the market was frequently cited in agent responses. This continues to support urgency in the market, especially as buyers anticipate higher prices and rates in the future. Others pointed to strong consumer confidence.

- Home prices rose again in May. Our Home Price Index landed at 84 this month, down from 91 in April. Agents indicated that there were a few more listings on the market relative to April. The time to sell contracted again this month.
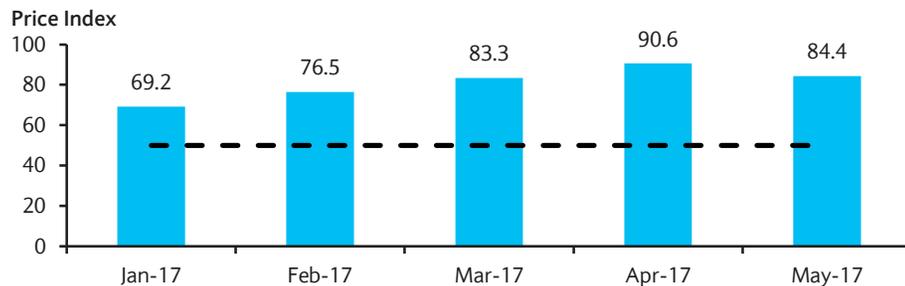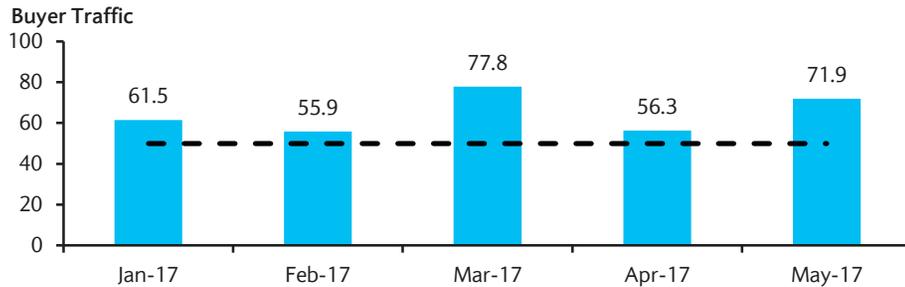
Traffic Status: Traffic Trend:

Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Jan-17	61.5	69.2	38.5	84.6	66.7
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
Change	15.6	(6.3)	(2.9)	(25.0)	(3.1)

Buyer Traffic

Jan-17: 61.5, Feb-17: 55.9, Mar-17: 77.8, Apr-17: 56.3, May-17: 71.9

Price Index

Jan-17: 69.2, Feb-17: 76.5, Mar-17: 83.3, Apr-17: 90.6, May-17: 84.4

Local Real Estate Agent Comments:

- "Low inventory."

- "The limited inventory."

- "Lack of inventory causing hysteria among buyers."

- "Low rates helpful."

- "Lack of inventory, greater competition, and low interest rates."

- "Low interest rates and fears that they will not stay. Consumer confidence in general."

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

Source: Barclays Research, Census Bureau

Charlotte, NC – Traffic Holds In-Line with Expectations; Prices Continue to Move Higher

(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 in May. Our Buyer Traffic Index came in at 50 this month, slightly below the reading of 55 in April. Agents noted that the number of buyers in the market is outpacing the number of listings available. Some indicated that the lack of selection discouraged buyers. Demand seemed strong for entry level homes.

- Home prices rose again in May. Our Home Price Index landed at 81 this month, compared to the reading of 85 in April. We think prices can continue to move higher given the favorable readings in our Listings and Time to Sell Indexes.
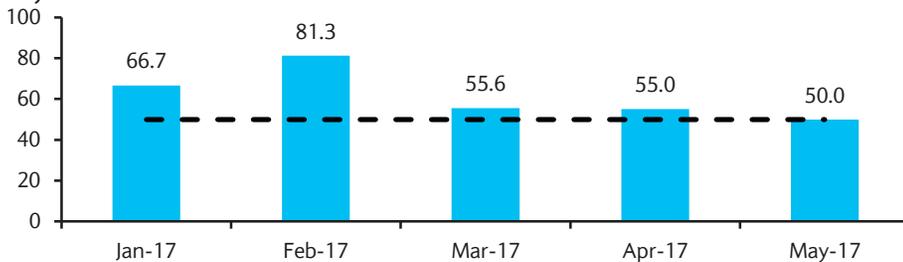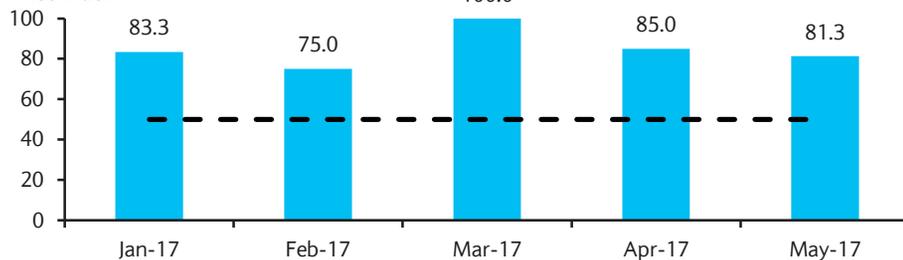
Traffic Status: **Traffic Trend:**

Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Jan-17	66.7	83.3	35.7	60.0	60.0
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
Change	(5.0)	(3.8)	(5.6)	17.5	3.8

Buyer Traffic

Jan-17	Feb-17	Mar-17	Apr-17	May-17
66.7	81.3	55.6	55.0	50.0

Price Index

Jan-17	Feb-17	Mar-17	Apr-17	May-17
83.3	75.0	100.0	85.0	81.3

Local Real Estate Agent Comments:

- "Have more smaller listings this month. More buyers for these."

- "Not enough homes listed to accommodate home buyers."

- "Stronger consumer confidence."

- "More listings would be great."

- "Traffic is starting to slow. I think it is a selection issue."

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

Source: Barclays Research, Census Bureau

Chicago, IL – Upward Climb Continues

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

Our Take:

- Buyers remained active this month in the Chicago area, with traffic trends above agents' expectations. Our Buyer Traffic Index landed at 60 this month, down from 71 in April. Agents attributed the strength to better consumer sentiment and improving local economic conditions. Inventory levels remain tight, especially at lower price points, and agents see this contributing to more multiple bid situations.

- Home prices edged higher again in May. Our Home Price Index landed at 78 this month, little changed from the reading during April. Agents pointed to more listings on the market, though it took less time to sell a home.
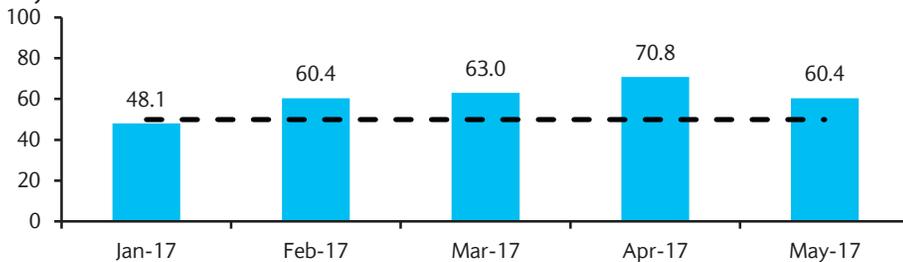
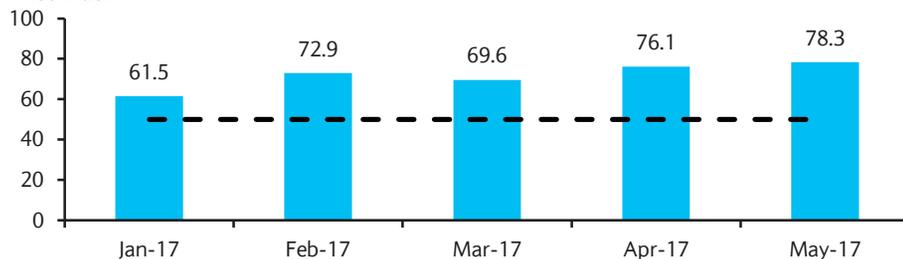**Traffic Status:**

Traffic Trend:

Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Jan-17	48.1	61.5	50.0	60.0	38.0
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
Change	(10.4)	2.2	0.3	(13.0)	6.5

Buyer Traffic

Price Index

Local Real Estate Agent Comments:

- "Low inventory at low and middle prices in the market."

- "Increased demand."

- "There is simply a good number of qualified buyers out looking to purchase, it seems."

- "Lack of inventory and low interest rates that are slightly rising."

- "Consumer confidence better."

- "The economy is improving slowly."

- "Many, many, many multiple offers."

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

Cincinnati, OH – Traffic and Prices Move Higher

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

Our Take:

- Favorable traffic trends continued this month, remaining above agents' expectations. Our Buyer Traffic Index landed at 80 in May, up from 67 in April. Agents discussed that the healthy activity was driven by buyers' desire to take advantage of the favorable mortgage rate environment at current prices. However, others indicated that there is a lack of supply on the market to support this activity.

- Home prices rose again in May. Our Home Price Index lifted to 90 in May, up from 83 in April. Agents pointed to flat listing levels relative to last month, while it took a bit less time to sell a home.
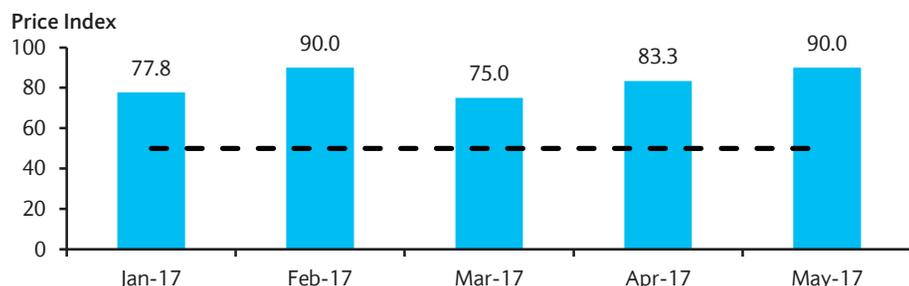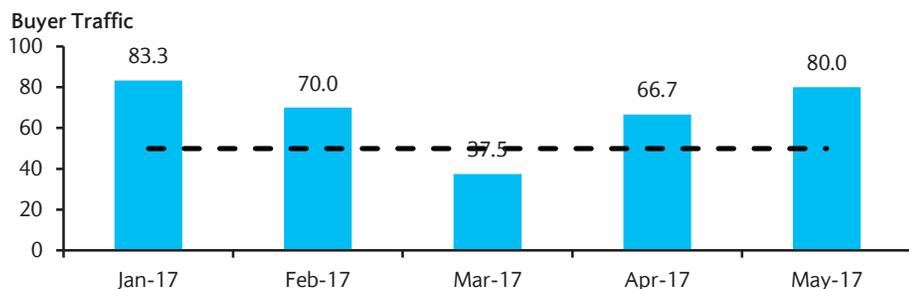
Traffic Status:

Traffic Trend:

Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Jan-17	83.3	77.8	57.1	77.8	88.9
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
Change	13.3	6.7	4.2	(50.0)	(37.5)

Buyer Traffic

Price Index

Local Real Estate Agent Comments:

- "Buyers confident in the future. They desire to buy now while prices and interest rates are so favorable."

- "Low inventory."

- "Listings are not keeping up with buyer demand."

- "Buyer confidence and a desire to take advantage of today's low interest rates and current prices."

- "Lack of houses 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

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Columbus, OH – Healthy Traffic Trends Continue, Aided by Tight Inventory, Drives Urgency

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

Our Take:

- Traffic conditions were once again above agents' expectations in May. Our Buyer Traffic Index came in at 60, down from 71 in April. Agents noted broad urgency in the market, driven by tight inventory conditions and rising home prices. This was also seen contributing to more multiple offer situations.

- Home prices rose again May. Our Home Price Index came in at 90 in May, little changed from the reading of 93 in April. Agents indicated that more listings came to market this month. If this continues, we think this could curb pricing gains. Agents suggested it took less time to sell a home this month, compared to April.
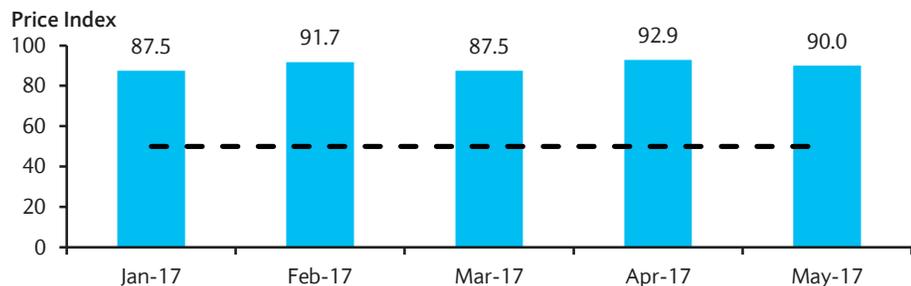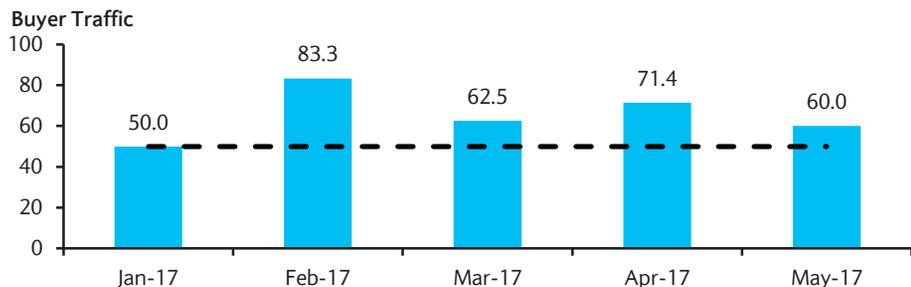
Traffic Status:

Traffic Trend:

Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Jan-17	50.0	87.5	50.0	87.5	75.0
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
Change	(11.4)	(2.9)	10.0	(37.1)	1.4

Buyer Traffic

	Jan-17	Feb-17	Mar-17	Apr-17	May-17
	50.0	83.3	62.5	71.4	60.0

Local Real Estate Agent Comments:

- "Scarcity of inventory and escalating prices causing fence sitters and move-up buyers to act."

- "Lack of inventory."

- "Continued low inventory. We are seeing low market time and multi-offers become the norm."

Price Index

	Jan-17	Feb-17	Mar-17	Apr-17	May-17
	87.5	91.7	87.5	92.9	90.0

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

Dallas, TX – Jobs Still Helpful but Affordability Has its Limits

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

Our Take:

- Traffic trends fell and were only in-line with agents' expectations in May. Our Buyer Traffic Index came in at 50, down from 64 in April. Agent comments were rather mixed. Those positive focused on the strong local economy and continued job growth. Those more negative highlighted the lack of inventory and selection on the market as well as some concerns that affordability has become too stretched.

- Home prices rose again. Our Home Price Index came in at 94 in May, slightly lower than the reading of 96 in April. Agents pointed to generally stable inventory levels, while it took less time to sell a home.
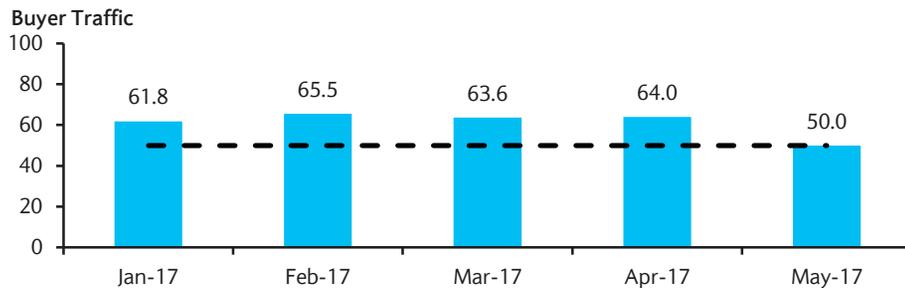
Traffic Status:

Traffic Trend:

Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Jan-17	61.8	82.4	37.5	70.3	63.5
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
Change	(14.0)	(1.6)	20.8	9.6	13.7

Buyer Traffic

Price Index
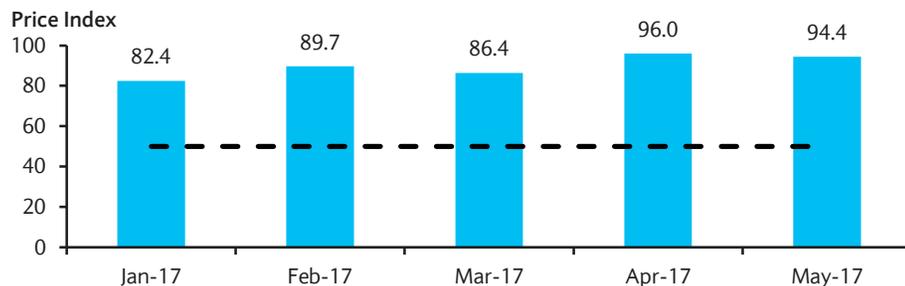
Local Real Estate Agent Comments:

- "Lack of supply and increased population have pushed the market."

- "Jobs in the area. Companies relocating to area."

- "Very low inventory. Properties values have soared to record levels."

- "Continued influx of jobs."

- "Good work prospects."

- "Job growth."

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

BARCLAYS

Denver, CO – Traffic Drops as High Home Prices Take a Toll

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

Our Take:

- Traffic conditions worsened this month, with our index falling to levels indicating trends below agents' expectations. Our Buyer Traffic Index came in at 42 in May, down from 63 in April. Agents continue to see strong economic and employment trends in the market. However, most attributed the softness to home prices running up too much for what potential buyers can afford at this point.

- Home prices rose again in May. Our Home Price Index came in at 83 this month, still strong but below the reading of 92 in April. We think pricing gains could moderate given the soft traffic trends and signs that inventory may be picking up.
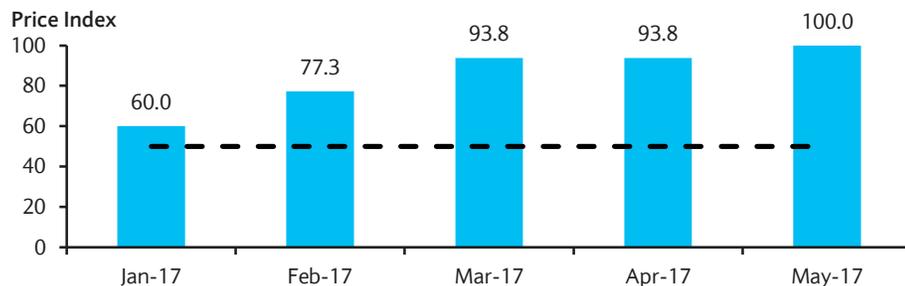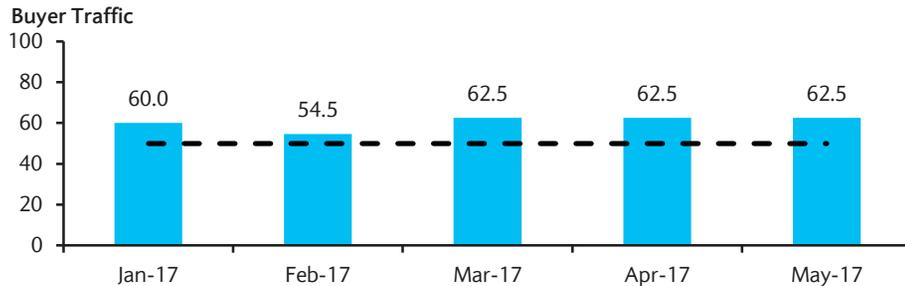
Traffic Status: **Traffic Trend:**

Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Jan-17	53.3	60.0	50.0	80.0	53.3
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
Change	(20.8)	(8.3)	(4.2)	(16.7)	(12.5)

Buyer Traffic

Price Index
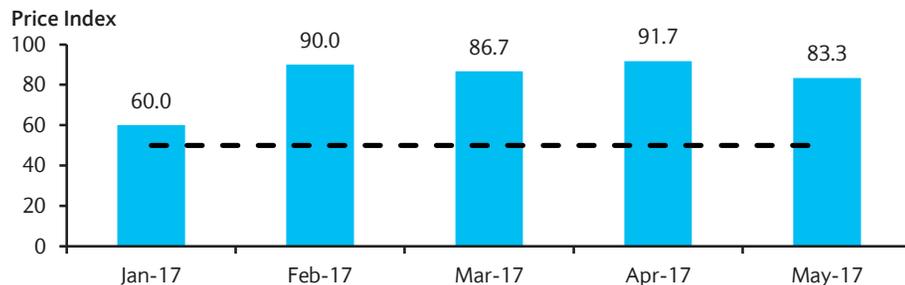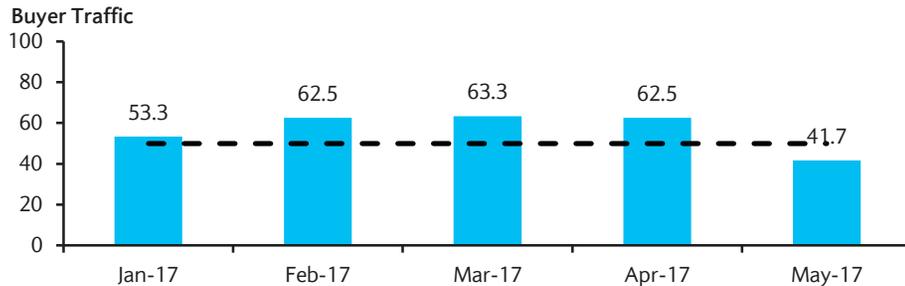
Local Real Estate Agent Comments:

- "My leads are down. I think prices are a big factor."

- "Low interest rates and buyers eager to find a house."

- "Continuing strong employment."

- "Few homes on the market under $300k."

- "Favorable interest rates, lack of inventory."

- "Home prices too high."

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

BARCLAYS

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Detroit, MI – Strong Price Momentum on Healthy Traffic

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

Our Take:

- Traffic trends remained above agents' expectations this month. Our Buyer Traffic Index came in at 63 in May, unchanged compared to April. Agents discussed that buyers are complaining more about stretched affordability; however, buyers still expect conditions to get worse in the future. This has been the driving force behind the urgency in the market.

- Home prices moved higher this month. Our Home Price Index came in at 100 in May, up from 94 in April. Agents noted that the number of listings on the market was generally unchanged compared to last month, though 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
Jan-17	60.0	60.0	55.0	85.0	55.0
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
Change	0.0	6.3	12.5	(6.3)	(6.3)

Buyer Traffic

Jan-17	Feb-17	Mar-17	Apr-17	May-17
60.0	54.5	62.5	62.5	62.5

Price Index

Jan-17	Feb-17	Mar-17	Apr-17	May-17
60.0	77.3	93.8	93.8	100.0

Local Real Estate Agent Comments:

- "Sellers are starting to become way over-confident and pushing price too much. Buyer resistance is growing."

- "Pent up demand."

- "Low inventory has created a supply and demand imbalance and driving prices higher. People are still trying to beat future price increases though."

- "Still not too much inventory. Homes selling well and prices higher."

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 Bounces Back; Pricing Flat

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

Our Take:

- Traffic trends bounced back this month, reaching levels above agents' expectations. Our Buyer Traffic Index came in at 67 in May, up from 43 in April. Agent expectations seemed to move lower as they exited their busy selling season. Others attributed the improvement to more interest from Canadian buyers and healthy housing activity in other areas of the country driving better demand from retiree buyers.

- Home prices were relatively flat this month. Our Home Price Index landed at 50 in May, down from a reading of 64 in April. Agents indicated that there were fewer listings on the market this month, while it took a bit longer to sell a home.
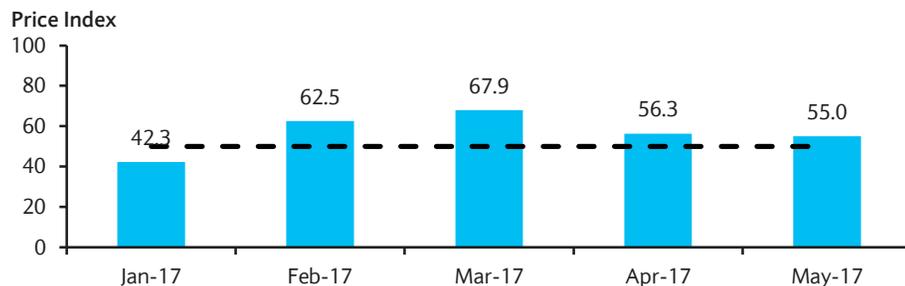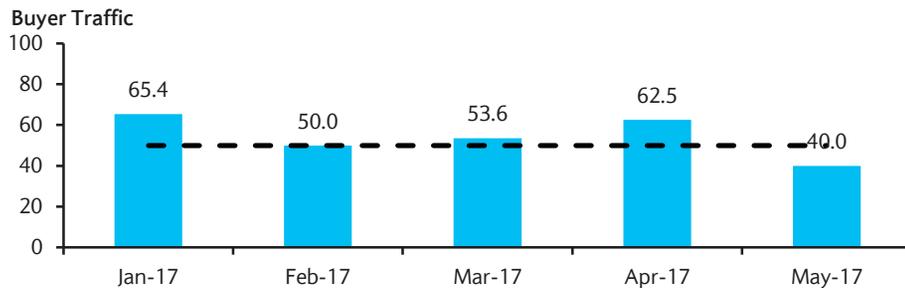
Traffic Status:

Traffic Trend:

Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Jan-17	36.4	63.6	40.9	31.8	36.4
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
Change	23.8	(14.3)	(3.6)	15.5	34.5

Buyer Traffic
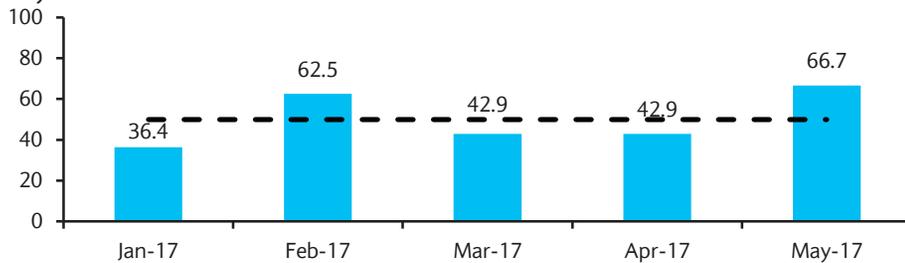
Price Index
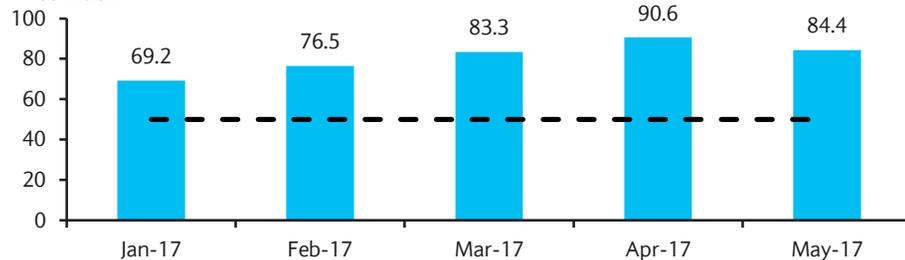
Local Real Estate Agent Comments:

- "We are seeing a normal decrease in traffic as snowbirds head back north."

- "Canadians tired of waiting for exchange rate to improve."

- "Higher prices in other areas of the country make retiring to Florida easier."

- "This season was great. Now things are slower as expected."

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

BARCLAYS

Houston, TX – Choppy Trends Resume As Confidence Wanes

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

Our Take:

- Traffic pulled back this month, falling to levels below agents' expectations. Our Buyer Traffic Index dropped to 40 in May, down from 63 in April. Agents mentioned that the recent volatility in oil prices has driven a more cautious buyer sentiment, even though there hasn't been an uptick in layoffs. Others noted that rate-driven urgency moderated, though homes at lower price points are still selling well.

- Home prices were relatively stable this month. Our Home Price Index came in at 55, little changed from April's reading. We think pricing will remain choppy near-term, given the unfavorable 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
Jan-17	65.4	42.3	23.1	34.6	38.5
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
Change	(22.5)	(1.3)	(17.5)	(5.0)	(23.8)

Buyer Traffic

Jan-17: 65.4, Feb-17: 50.0, Mar-17: 53.6, Apr-17: 62.5, May-17: 40.0

Price Index

Jan-17: 42.3, Feb-17: 62.5, Mar-17: 67.9, Apr-17: 56.3, May-17: 55.0

Local Real Estate Agent Comments:

- "$45 oil prices are putting a wet blanket on the market."

- "More inventory."

- "Confidence in the local economy has improved as oil prices have stabilized, albeit at lower levels than are necessary for robust job growth."

- "The prevailing feeling is that layoffs are over with for the foreseeable future. The bump in demand we saw in the first quarter, likely due to interest rate concerns, seems to have evaporated."

- "Entry level is in high demand."

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

Source: Barclays Research, Census Bureau

BARCLAYS

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Inland Empire, CA – Traffic Drops as Inventory Problems Build

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

Our Take:

- Conditions deteriorated in May, with traffic levels falling below agents' expectations following 4 months of stronger than expected levels. Our Buyer Traffic Index came in at 44, down from 72 in April. Agents attributed the softness to inventory issues. There seems to be very little selection across the market. Also, what is available is much larger and at a higher price point relative to the potential buyers in the market.

- Home prices rose again in May. Our Home Price Index landed at 75 this month, slightly lower than the reading of 89 in April. Agents pointed to fewer listings on the market, while the time needed to sell a home was generally unchanged.

Traffic Status:

Traffic Trend:

Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Jan-17	64.3	66.7	45.0	66.7	50.0
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
Change	(28.5)	(13.9)	14.3	(4.2)	(21.5)
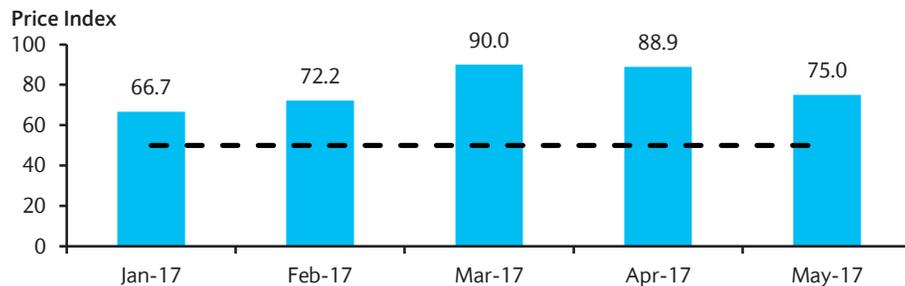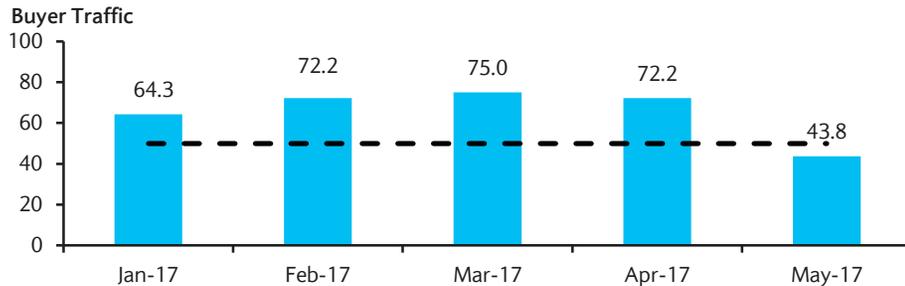
Buyer Traffic

Local Real Estate Agent Comments:

- "Inventory too big for the buyers most active."

- "Interest rates."

- "Rising stock market prices and people having more money."

- "Still people looking but for the most part. No inventory."

- "Interest rates."

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.

BARCLAYS

Jacksonville, FL – Traffic Trends Cool

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

Our Take:

- Traffic conditions worsened this month, slipping to levels just below agents' expectations. Our Buyer Traffic Index came in at 44 in May, down from 57 in April. Agents still seemed encouraged about the inbound buyer interest from corporate relocations into the area. However, inventory remains tight, leading sellers and buyers to disagree about price and stall transaction activity.

- Prices moved higher in May. Our Home Price Index landed at 81 this month, little changed from the reading in April. Agents pointed to 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
Jan-17	70.0	80.0	50.0	40.0	60.0
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
Change	(13.4)	2.7	16.1	21.4	0.0

Buyer Traffic

Price Index
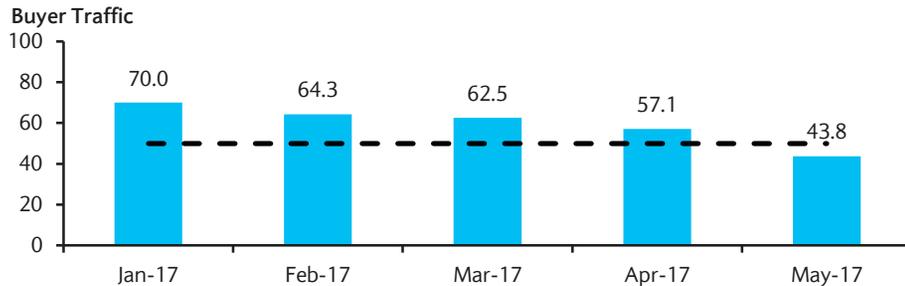
Local Real Estate Agent Comments:

- "Stronger traffic. We're getting lots of corporate relocations."

- "New companies opening up shop here."

- "Buyers are more choosy and sellers are holding out for the highest price."

- "Lower inventory."

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

Source: Barclays Research, Census Bureau

Kansas City, MO – Traffic Index Bounces Back

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

Our Take:

- Traffic conditions improved in May, returning to levels above agents' expectations. Our Buyer Traffic Index rose to a reading of 88 this month, up from 50 in April. Agents noted broad urgency in the market, as buyers desire to purchase a home before rates or prices go up. At the same time, rising rental rates have also been a motivating factor.

- Home prices increased again this month. Our Home Price Index landed at 75 in May, slightly lower than the reading of 88 in April. We think prices can continue to grind higher 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
Jan-17	60.0	80.0	50.0	75.0	40.0
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
Change	37.5	(12.5)	2.5	(5.0)	20.0

Buyer Traffic

Price Index
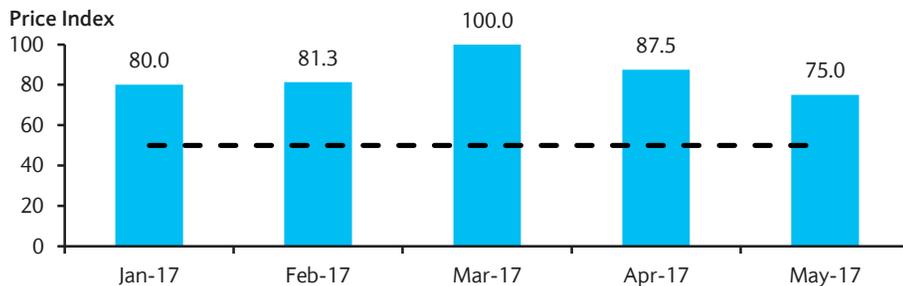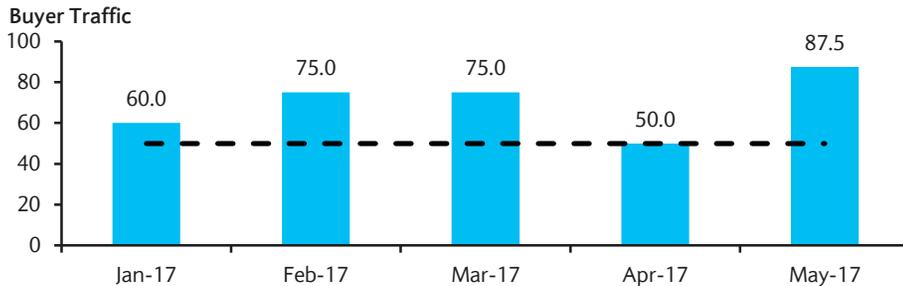
Local Real Estate Agent Comments:

- "Interest rates help."

- "Urgency to own vs. rent before rates go up and buyers trading up."

- "Low inventory."

- "Stable rates and rising rents."

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 – Buyers Look to Beat Future Cost Increases

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

Our Take:

- Strong traffic trends continued through May. Our Buyer traffic Index came in at 70 this month, down a bit from the reading of 79 last month but still at levels indicating trends above agents' expectations. Agents pointed to broad activity in the market, driven by urgency given the concerns that price and costs will continue to rise. Others highlighted that sentiment has improved as well.

- Home prices rose in May. Our Home Price Index came in at 90 this month, up a bit from a reading of 88 in April. Both our Listings and Time to Sell Index were favorable this month, supportive for future pricing gains.

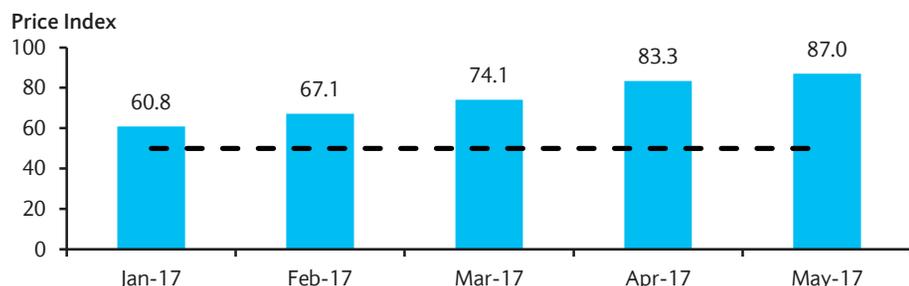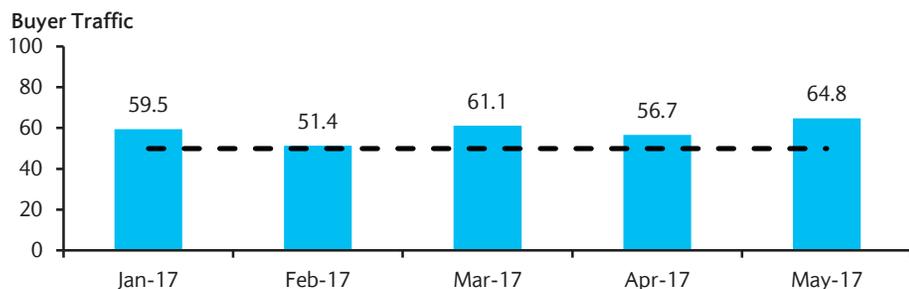### Traffic Status: Traffic Trend:

Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Jan-17	72.7	72.7	27.8	33.3	55.6
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
Change	(9.2)	2.5	9.1	(5.0)	(5.0)
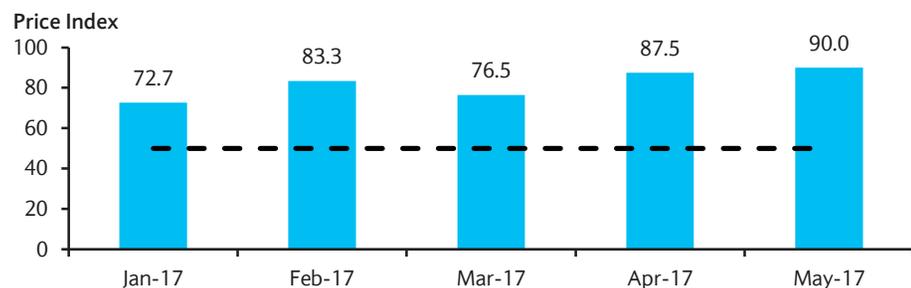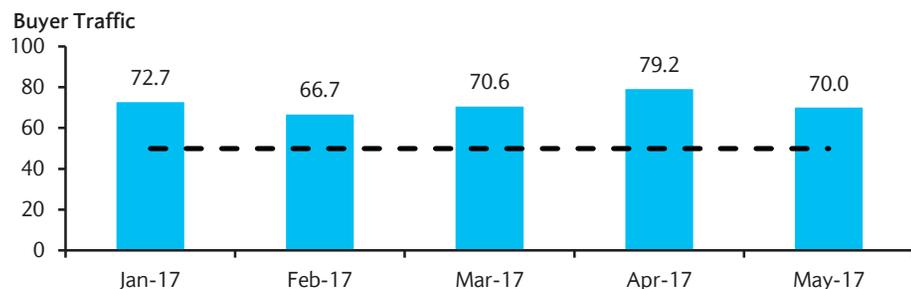
Buyer Traffic

Price Index

Local Real Estate Agent Comments:

- "Buyers are still concerned that interest rates and home prices will continue to rise, effectively eliminating their ability to afford a home."

- "Sentiment has improved."

- "New homes popping up everywhere."

- "Low inventory and higher prices."

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

Source: Barclays Research, Census Bureau

Los Angeles, CA – Activity is Buzzing but Prices May be Getting Out of Hand

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

Our Take:

- Traffic trends ticked up this month, rising to levels above agents' expectations. Our Buyer Traffic Index came in at 65, up from 57 in April. Agents attributed the pick up to local economic growth. At the same time, inventories remain very tight, driving more multiple offer situations and home prices higher. Some indicated that affordability had become incrementally more stretched.

- Home prices moved higher in May. Our Home Price Index came in at 87 this month, up from 83 in April. Agents pointed to flat listings this month, while the time to sell a home declined.
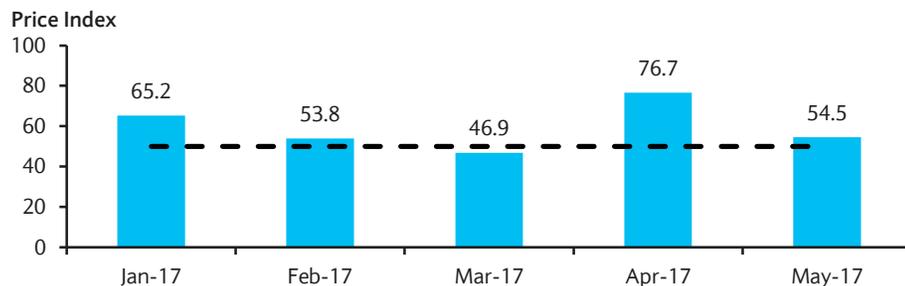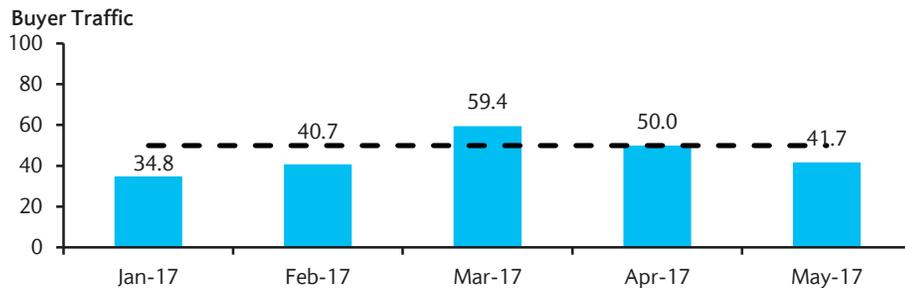
Traffic Status:

Traffic Trend:

Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Jan-17	59.5	60.8	48.2	64.5	37.8
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
Change	8.1	3.7	1.3	(8.7)	2.3

Buyer Traffic

(Bar chart with values: Jan-17: 59.5, Feb-17: 51.4, Mar-17: 61.1, Apr-17: 56.7, May-17: 64.8)

Price Index

(Bar chart with values: Jan-17: 60.8, Feb-17: 67.1, Mar-17: 74.1, Apr-17: 83.3, May-17: 87.0)

Local Real Estate Agent Comments:

- "Low inventory."

- "Rising interest rates and lack of inventory."

- "The market has been very active with multiple offers on properties that are priced competitively. The overbidding is significant."

- "The economy is stronger."

- "Low inventory coupled with low interest rates."

- "Limited inventory levels."

- "Prices too high for many 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

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Miami, FL – Traffic Trends Worsen as Challenges Spread

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

Our Take:

- Traffic conditions worsened this month, slipping to levels below agents' expectations. Our Buyer Traffic Index came in at 42 in May, down from 50 in April. Comments this month were rather negative. Agents focused on local economic uncertainty, price levels being too high, and too much inventory on the market. Some sellers were more willing to negotiate on price, according to agents, which should start to help transaction activity.

- Our Home Price Index came in at 55 this month, indicating price trends were flat this month. Listings were flat this month, while 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
Jan-17	34.8	65.2	38.1	34.8	28.3
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
Change	(8.3)	(22.1)	0.8	15.4	23.4

Buyer Traffic

Jan-17: 34.8, Feb-17: 40.7, Mar-17: 59.4, Apr-17: 50.0, May-17: 41.7

Price Index

Jan-17: 65.2, Feb-17: 53.8, Mar-17: 46.9, Apr-17: 76.7, May-17: 54.5

Local Real Estate Agent Comments:

- "High pricing and uncertainty in the economy."

- "Young professionals often do not have the down payment for a single family house."

- "Sellers are finally beginning to reduce prices."

- "Market overpriced and inventory becoming saturated."

- "More new homes."

- "Price stabilization."

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 – Healthy Trends Continue; Traffic and Price Index Move Higher

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

Our Take:

- Robust traffic trends continued this month. Our Buyer Traffic Index landed at 83 in May, up from 81 in April, indicating activity was above agents' expectations. Agents pointed to broad demand strength, driven by buyers looking to lock in favorable mortgage rates. At the same time inventory is still tight across the market, driving better traffic per listing.

- Home prices moved higher in May. Our Home Price Index came in at 88 compared to 89 in April. We think home prices can continue to move higher, 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
Jan-17	65.4	66.7	45.0	68.2	50.0
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
Change	2.6	(1.0)	6.3	46.6	4.2

Buyer Traffic

Price Index
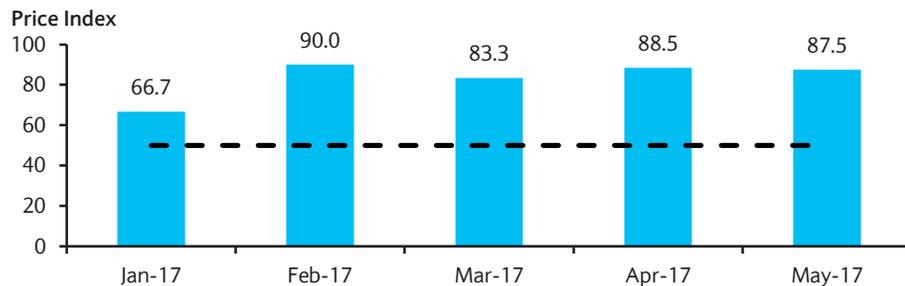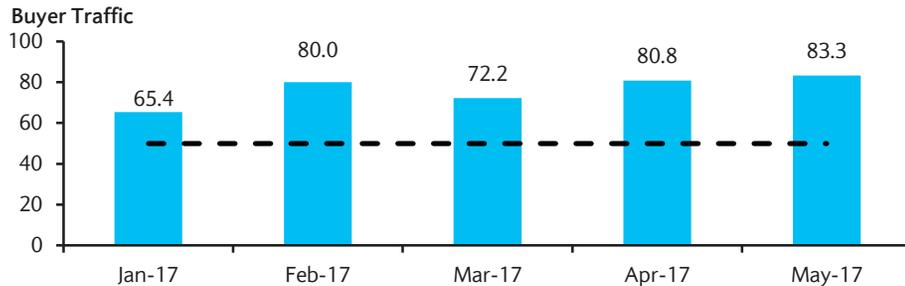
Local Real Estate Agent Comments:

- "Good inventory is selling quickly."

- "Lack of inventory and rates."

- "Low interest rates."

- "Good demand and limited supply."

- "Shortage of listings."

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.

BARCLAYS

Nashville, TN – Traffic Topping Expectations, Aided by Strong Local Economic Trends

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

Our Take:

- Demand activity remained solid this month. Our Buyer Traffic Index came in at 60 in May, down slightly from 67 in April but continuing to indicate levels above agents' expectations. Agents attributed the strength to improving local economic trends, job growth and retirees moving to the area. Some noted that activity had slowed at the luxury price point, as too much inventory has come on the market in that segment.

- Home prices moved higher this month. Our Home Price Index landed at 90 in May, compared to 92 in April. Agents noted that the number of listings on the market was flat this month, while it took less time to sell a home.

Traffic Status:

Traffic Trend:

Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Jan-17	50.0	75.0	60.0	65.0	45.0
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
Change	(6.7)	(1.7)	1.7	(41.7)	(13.3)

Buyer Traffic

50.0	50.0	33.3	66.7	60.0
Jan-17	Feb-17	Mar-17	Apr-17	May-17

Price Index

75.0	94.4	83.3	91.7	90.0
Jan-17	Feb-17	Mar-17	Apr-17	May-17
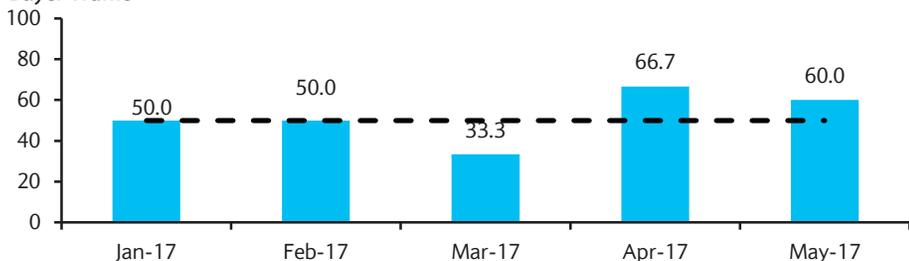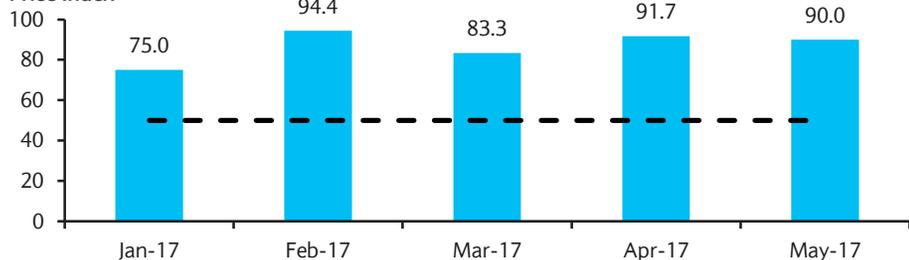
Local Real Estate Agent Comments:

- "Job transfer and inbound retirees helping."

- "The lower the price the higher the traffic. Starting to see a bit of slowdown in the upper end re-sale market. Too much supply there."

- "Improving economy."

- "Lack of inventory."

- "Rising prices."

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

Source: Barclays Research, Census Bureau

New York-Northern NJ – Traffic Still Solid, but as Prices Run More Shoppers Move to the Sidelines

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

Our Take:

- Traffic trends held at levels above agents' expectations this month. Our Buyer Traffic Index came in at 62 in May, unchanged compared with April. Most agents were encouraged about the local demand levels, but inventory remains tight. This was seen driving more multiple bid situations. Some thought prices had pushed too high, pushing some potential buyers to the sidelines.

- Home prices moved higher in May. Our Home Price Index landed at 75, down from 86 in April. Agents noted that the number of listings on the market was relatively flat compared to April, while it took less time to sell a home.

Traffic Status: Traffic Trend:

Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Jan-17	65.4	67.5	47.0	58.7	50.8
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
Change	(0.4)	(11.1)	(2.4)	(8.4)	(14.0)

Buyer Traffic

Price Index
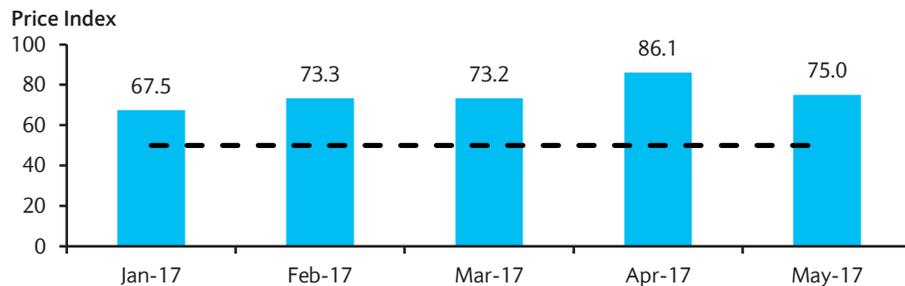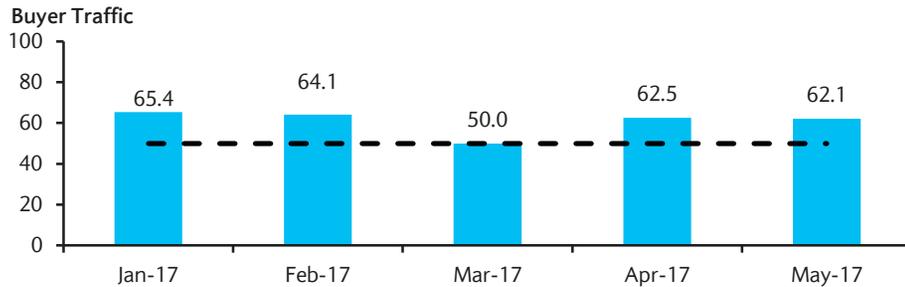
Local Real Estate Agent Comments:

- "Low inventory."

- "Multiple offers on few good values."

- "Shortage of available inventory, coupled with near record high demand."

- "Still low inventory and some buyers have taken a step back."

- "Price too high."

- "Low interest rates and positive economic forecasts appear to be key factors in current market conditions."

- "Shortage of inventory."

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

Source: Barclays Research, Census Bureau

Orange County, CA – Buyers Looking to Capitalize on Low Mortgage Rates

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

Our Take:

- Traffic trends were stable this month, remaining just above agents' expectations. Our Buyer Traffic Index landed at 56 in May, little changed compared to April. Agents noted that low mortgage rates and fears of increases in the future have driven traffic. However, with inventory tight, buyers have become incrementally more frustrated as they've lost out on more deals.

- Home prices rose in May. Our Home Price Index landed at 75, lower than the reading of 90 in April. Agents indicated that the number of listings on the market was flat compared to last month, while it took less time to sell a home.

Traffic Status:

Traffic Trend:

Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Jan-17	50.0	83.3	22.2	66.7	33.3
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
Change	1.3	(15.0)	0.0	(5.0)	2.5

Buyer Traffic

Price Index
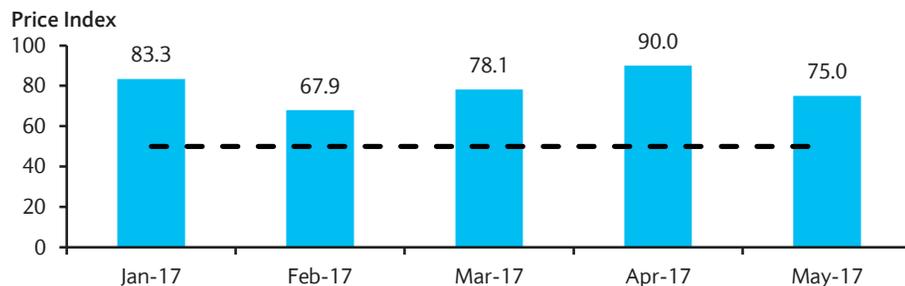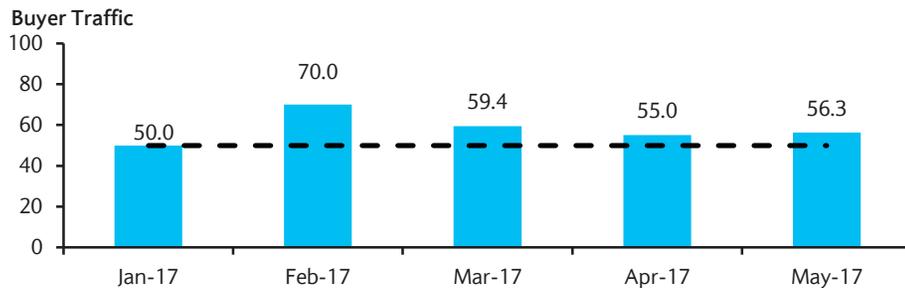
Local Real Estate Agent Comments:

- "Lots of buyers with low interest rates."

- "Listings, pending sales and closed sales all down vs. last year."

- "Fear of higher interest rates coming drive traffic."

- "Backlog of buyers frustrated due to losing out on offers."

- "Low inventory."

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

Source: Barclays Research, Census Bureau

Orlando, FL – Higher Prices and Tight Inventories Discourage Buyers

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

Our Take:

- Buyer traffic trends took another step lower this month. Our Buyer Traffic Index slipped to 44 in May, down from 50 in April, indicating activity was slightly below agents' expectations. Agents attributed the sluggishness to both higher home prices and tight inventory discouraging potential buyers. Those more positive highlighted that low mortgage rates have helped.

- Home prices pushed higher again this month. Our Home Price Index came in at 94, little changed from April. Agents noted that listings and the time needed to sell a home both contracted compared to April.
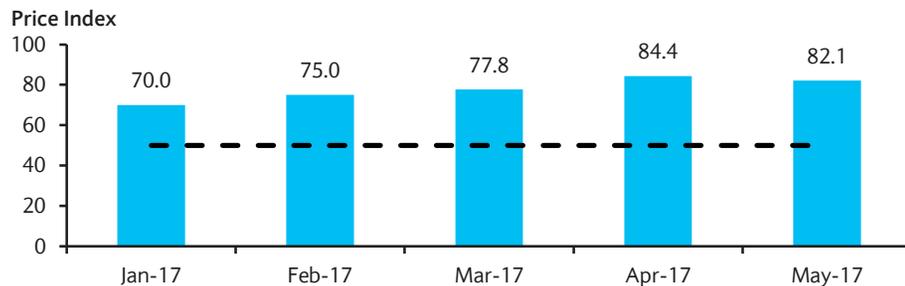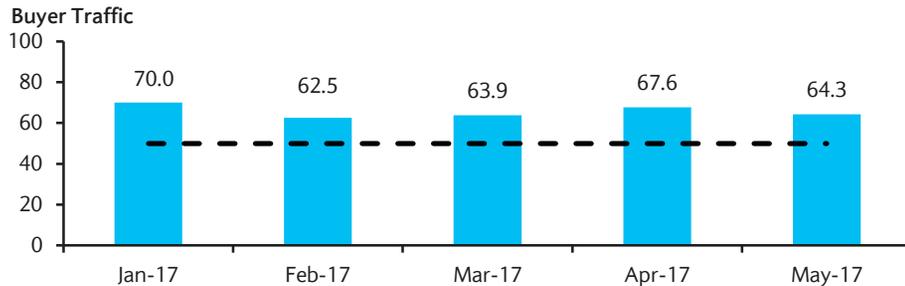
Traffic Status: *Traffic Trend:*

Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Jan-17	46.2	61.5	37.5	66.7	45.8
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
Change	(5.6)	0.9	(12.5)	(9.8)	(2.7)

Buyer Traffic

Price Index
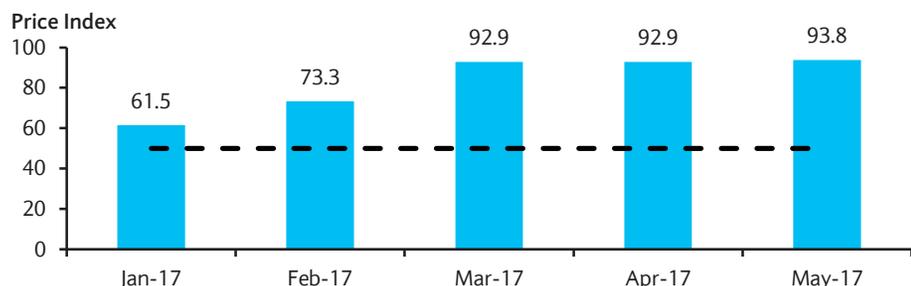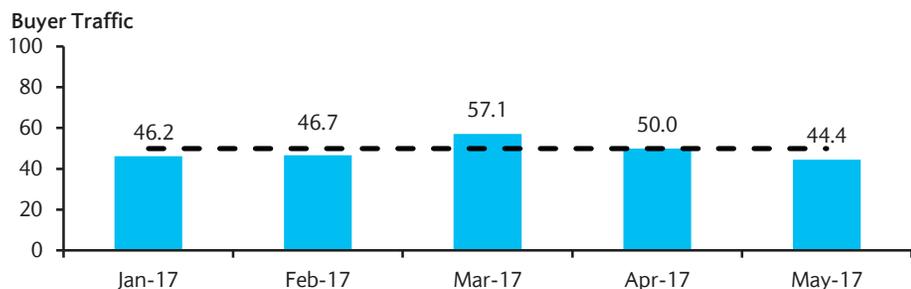
Local Real Estate Agent Comments:

- "High prices and limited inventory."

- "Low inventory and rising prices."

- "See pent up demand coming out, especially with rates low again."

- "Extremely low listing inventory."

- "Due to low inventory we are not getting as much traffic."

- "Low inventories have remained for two years. Demand is very strong."

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

Source: Barclays Research, Census Bureau

BARCLAYS

Philadelphia, PA-Southern NJ – Enthusiasm Continues

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

Our Take:

- Strong demand trends continued. Our Buyer Traffic Index improved to 75 this month, up from 69 in April, indicating activity was above agents' expectations. Some agents attributed the strength to improved buyer sentiment and consumer confidence. Others were encouraged by trends for entry level homes and retiree buyers. Low mortgage rates were also helpful.

- Home prices increased in May. Our Home Price Index landed at 75 this month, down from in 88 in April. Agents noted that there were fewer listings on the market this month, while it took less time to sell a home.

Traffic Status:

Traffic Trend:

Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Jan-17	58.3	58.3	47.2	72.2	66.7
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
Change	6.3	(12.5)	(9.1)	0.0	2.1
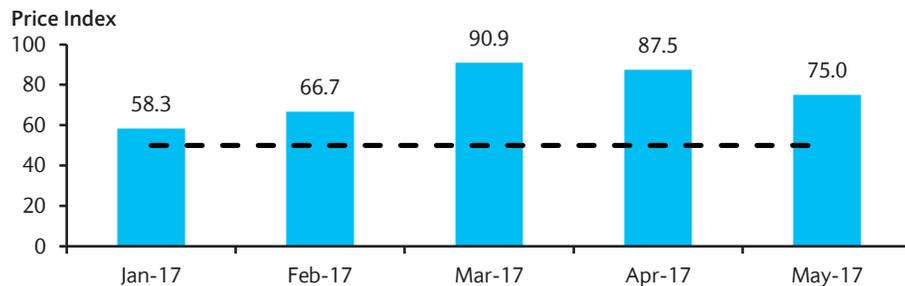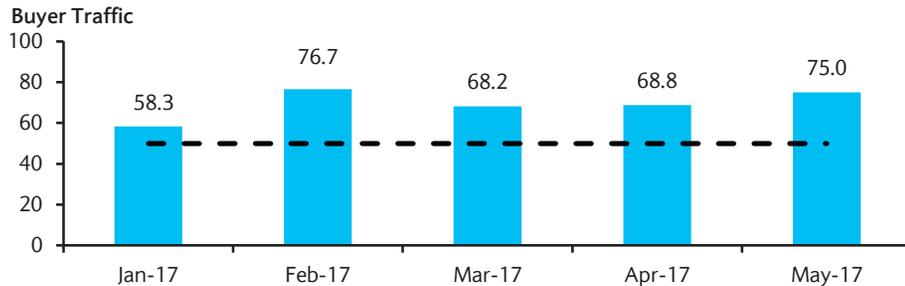
Buyer Traffic

Local Real Estate Agent Comments:

- "Built up demand."

- "Increase in consumer confidence."

- "Low inventory and low priced mortgages."

- "Prices still low and interest rates rising."

- "First timers and some retirement buyers."

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

Phoenix, AZ – Strong Traffic and Prices Trends

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

Our Take:

- Buyers remain active in Phoenix, with traffic trends still beating expectations through May. Our Buyer Traffic Index landed at 64 this month, down from 68 in April. Agents see demand being supported by steady economic growth and a perception that rates will increase in the future. Some comments noted incrementally more caution given buyers' concern that home values were becoming too stretched.

- Home prices increased in May. Our Home Price Index hit 82 this month, down from 84 in April. Listings and the time needed to sell a home contracted this month, supportive for pricing near-term.

Traffic Status:

Traffic Trend:

Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Jan-17	70.0	70.0	50.0	46.7	46.7
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
Change	(3.4)	(2.2)	2.7	0.0	(14.3)

Buyer Traffic

Jan-17	Feb-17	Mar-17	Apr-17	May-17
70.0	62.5	63.9	67.6	64.3

Price Index

Jan-17	Feb-17	Mar-17	Apr-17	May-17
70.0	75.0	77.8	84.4	82.1

Local Real Estate Agent Comments:

- "Second home buyers starting to look again."

- "Steady economy."

- "Buyer feel very uncertain about the economy and if home values are climbing too high."

- "Population growth."

- "Increase in buyer demand and lower inventory has spurred builder starts. Also resulted in an increase in pricing."

- "Fear of increasing 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

BARCLAYS

Portland, OR – Fears of Higher Future Costs Drive Urgency

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

Our Take:

- Traffic trends came in above agents' expectations in May. Our Buyer Traffic Index hit 58 this month, down from 64 in April. Agents attributed the solid buyer activity to favorable mortgage rates and fears that this won't last forever. At the same time inventory remains very tight, driving prices even higher.

- Home prices pushed higher again this month. Our Home Price Index landed at 82, little changed from the reading of 85 in April. Agents noted that listings levels and the time needed to sell a home both were generally stable this month compared to trends in April.

Traffic Status: **Traffic Trend:**

Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Jan-17	54.2	70.8	45.8	62.5	33.3
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
Change	(5.3)	(3.2)	5.0	(15.0)	(5.5)

Buyer Traffic

Price Index
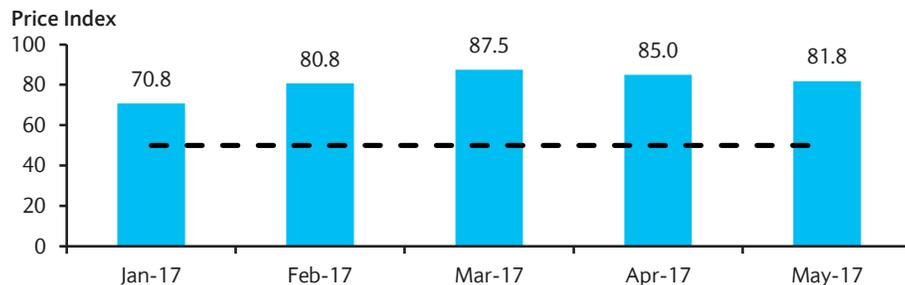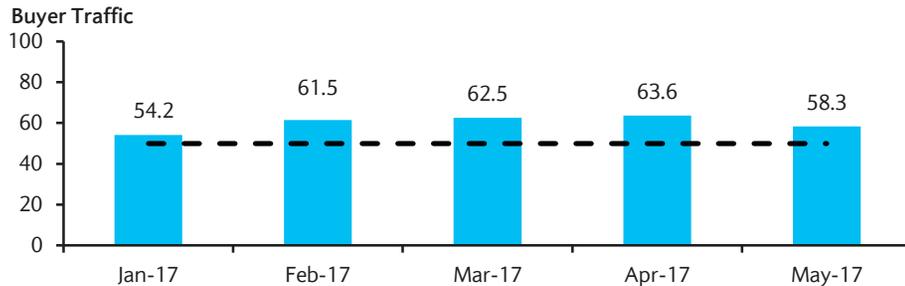
Local Real Estate Agent Comments:

- "Low inventory is causing buyers to be very active and move quickly on new listings."

- "Buyers feel prices will continue upward a while longer."

- "Fear of rising prices and interest rates."

- "Lack of inventory, low rates."

- "Tight inventory and 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

Raleigh, NC – Healthy Trends Continue

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

Our Take:

- Traffic trends ticked higher this month, at levels above agents' expectations. Our Buyer Traffic Index rose to 69 in May, up from 57 in April. Agents attributed the strong demand trends to low rates, solid economic activity and continued inbound relocations. Low inventory continues to be a widespread problem in the market.

- Home prices pushed higher again this month, and we think this trend can continue in the coming months. Agents noted that the number of listings on the market contracted in May and that it took less time to sell a home relative to April.

### Traffic Status: Traffic Trend:

Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Jan-17	65.6	80.0	42.9	73.3	66.7
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
Change	11.6	(2.7)	(4.5)	7.1	4.5

Buyer Traffic

Price Index
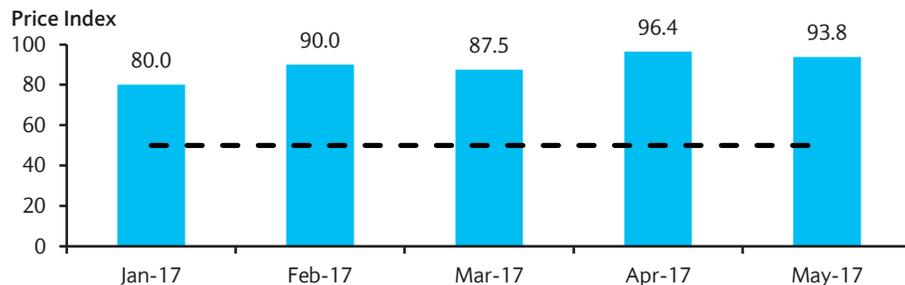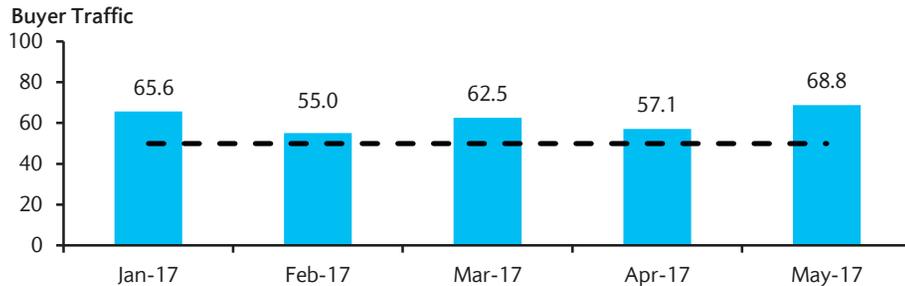
Local Real Estate Agent Comments:

- "No inventory in Raleigh."

- "Inbound relocation. Still reasonable prices but growing, low rates, and good economy."

- "Great place to live."

- "Low inventory is the biggest problem for buyers."

- "Low interest rates."

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

Richmond, VA – Traffic and Prices Move Higher

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

Our Take:

- Strong demand trends continued in May. Our Buyer Traffic Index improved to 80 this month, up from 67 in April and indicating trends were above agents' expectations. Agents were encouraged by the strong demand trends across the market, which they attributed to better confidence in the economy. Lack of inventory is still seen as a constraint to closings levels.

- Home prices jumped higher again in May. Our Home Price Index came in at 100 this month, unchanged vs. April's reading. Agents indicated that the number of listings and the time needed to sell a home contracted this month.

### Traffic Status: Traffic Trend:

Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Jan-17	75.0	100.0	75.0	100.0	100.0
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
Change	13.3	0.0	(50.0)	(37.5)	(12.5)

Buyer Traffic

| Jan-17 | Feb-17 | Mar-17 | Apr-17 | May-17 |
| 75.0 | 91.7 | 100.0 | 66.7 | 80.0 |
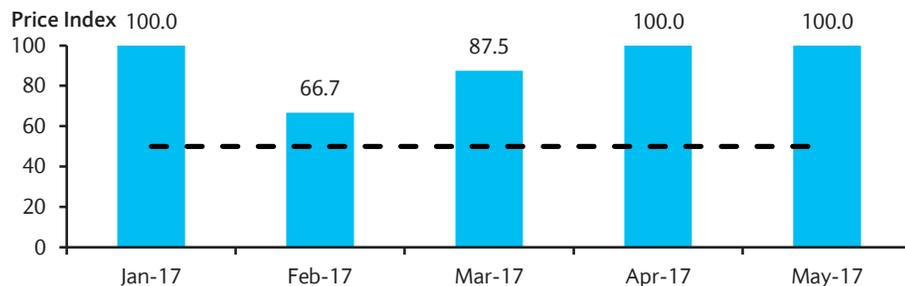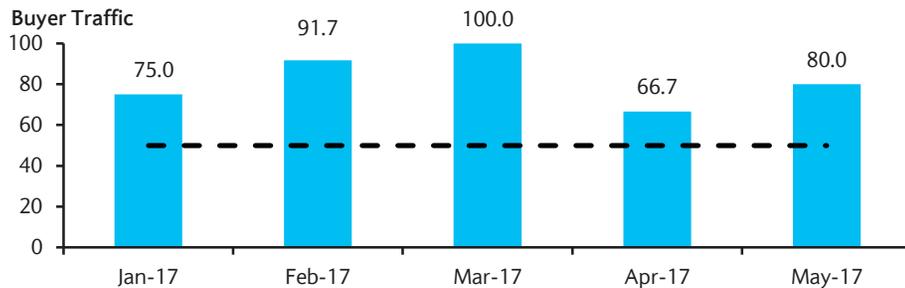
Local Real Estate Agent Comments:

- "Lots of buyers and a lack of inventory."

- "Low inventory."

- "Confidence in the economy."

Price Index

| Jan-17 | Feb-17 | Mar-17 | Apr-17 | May-17 |
| 100.0 | 66.7 | 87.5 | 100.0 | 100.0 |

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

Source: Barclays Research, Census Bureau

Sacramento, CA – Favorable Environment Continues

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

Our Take:

- Traffic trends came in above agents' expectations again in May. Our Buyer Traffic Index rose to 73 this month, up from 61 in April. Agents attributed the strength to favorable mortgage rates, concerns that the low cost environment may prove to be temporary, and steady employment growth. The lack of inventory on the market continues to limit selection and be a challenge for activity.

- Home prices pushed higher this month. Our Home Price Index landed at 100 in May, up from 86 last month. Agents pointed to more listings on the market this month, while the time needed to sell a home contracted.

Traffic Status: *Traffic Trend:*

Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Jan-17	56.7	71.4	45.5	78.6	64.3
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
Change	11.6	13.9	6.6	(15.9)	10.3

Buyer Traffic

Price Index
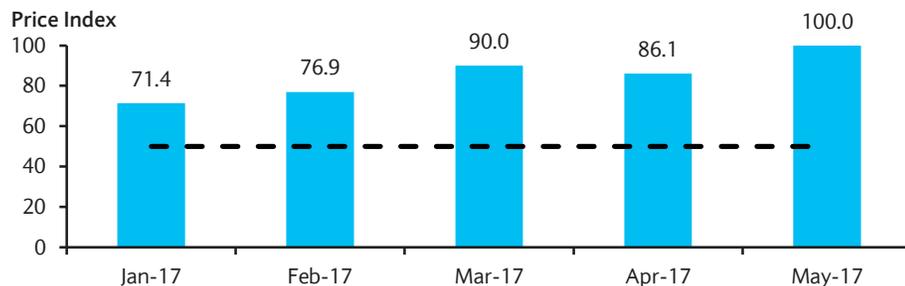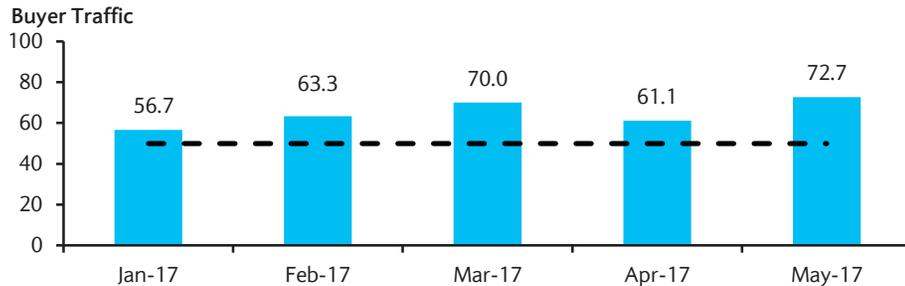
Local Real Estate Agent Comments:

- "Low interest rates, price appreciation, pent up buyer demand, steady employment growth, and rising rental rates."

- "Concern about interest rates rising."

- "Limited supply of existing homes and limited supply of new construction."

- "No inventory."

- "Expectations of higher interest rates. Limited 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

San Antonio, TX – Job Growth Drives Traffic

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

Our Take:

- Traffic trends took a step back this month but remained above agents' expectations. Our Buyer Traffic Index landed at 57 in May, down a bit from a reading of 67 in April. Agents were encouraged about local economic trends, noting that job growth is bringing more buyers into the market. Others highlighted that the favorable mortgage rate environment has driven buyers to look, but selection is still limited.

- Home prices moved higher in May. Our home price index landed at 78 this month down from 83 in April. Agents indicated that the number of listings on the market and the time needed to sell contracted this month.

Traffic Status:

Traffic Trend:

Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Jan-17	72.2	61.1	22.2	61.1	72.2
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
Change	(9.5)	(4.8)	(8.0)	14.3	(4.5)

Buyer Traffic
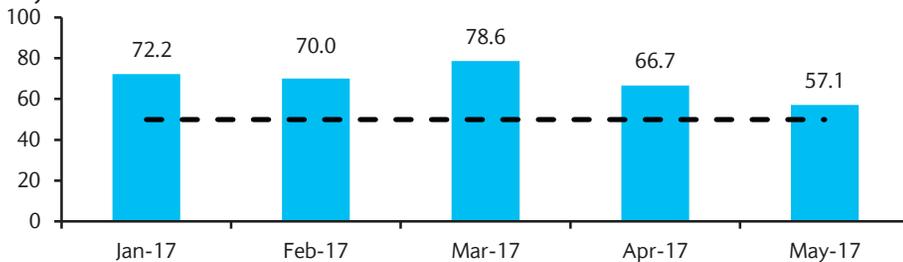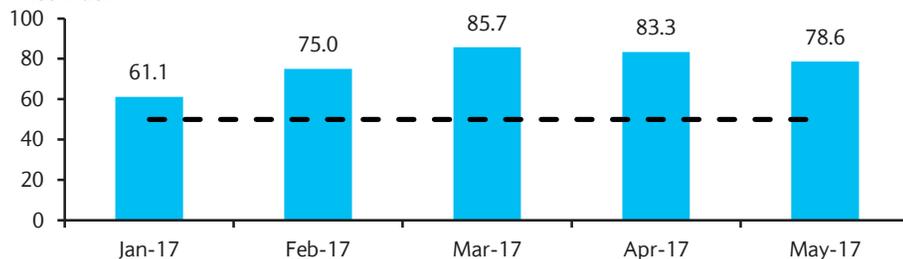
Local Real Estate Agent Comments:

- "There is healthy demand here. Great economy and affordable housing."

- "Shortage of homes listed for sale."

- "Active job market."

- "Low interest rates, and good employment numbers."

- "Great local economy."

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

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San Diego, CA – Traffic Drops as Prices Get Too High

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

Our Take:

- Our Buyer Traffic index has been rather choppy in recent months, and this continued in May. This month our index pulled back to 33, from 69 in April, and indicated trends were below agents' expectations. Agents attributed the weakness to escalating home prices, limited selection in the market, and moderating consumer sentiment. Most still pointed to lots of shoppers in the market, albeit hesitant ones.

- Home prices moved higher again this month. Our Home Price Index landed at 75 in May, down from 89 in April. Agents indicated that the number of listings on the market contracted this month, as did the 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
Jan-17	42.4	65.2	48.3	66.7	43.8
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
Change	(35.9)	(13.5)	(5.2)	12.5	(10.6)

Buyer Traffic

Price Index
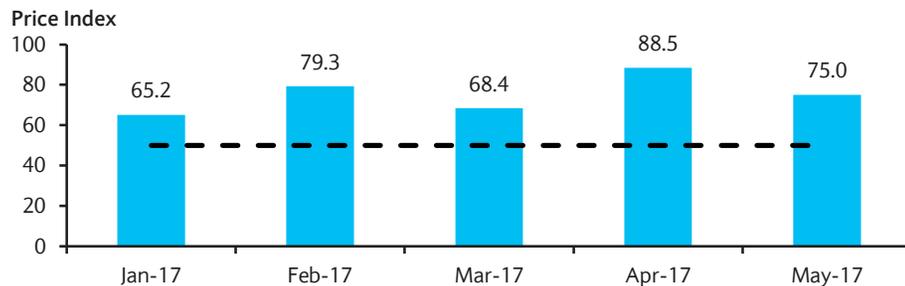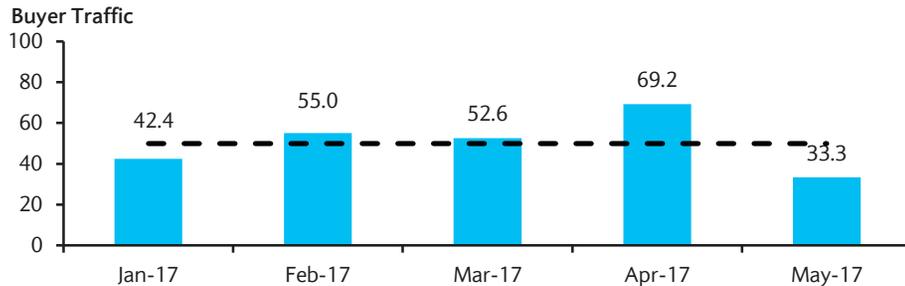
Local Real Estate Agent Comments:

- "Inventory tight and prices too high."

- "Buyer traffic is good."

- "Limited inventory and desirable place to live which has driven prices up and there are still a lot of buyers out in the marketplace."

- "Lots of new construction in upper end market."

- "Buyers showing concerns for economy."

- "Low supply and high demand."

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

Source: Barclays Research, Census Bureau

San Francisco, CA – Traffic Cools as Buyer Fatigue Kicks In

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

Our Take:

- Traffic slipped a bit more this month, coming in at levels in-line with agents' expectations. Our Buyer Traffic Index landed at 52 in May vs. 57 in April. Agents suggested that buyers' fears of higher future mortgage rates helped to drive interest. However, selection remains limited driving prices higher. Some noted that buyer fatigue was starting to kick in as home values continued to move higher.

- Nonetheless, home prices increased again this month. Our Home Price Index landed at 80 in May. We think home price trends could become more choppy, following the weak trends 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
Jan-17	57.4	63.3	42.1	76.7	45.5
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
Change	(5.4)	(10.7)	(3.6)	(10.2)	(21.7)

Buyer Traffic

Price Index
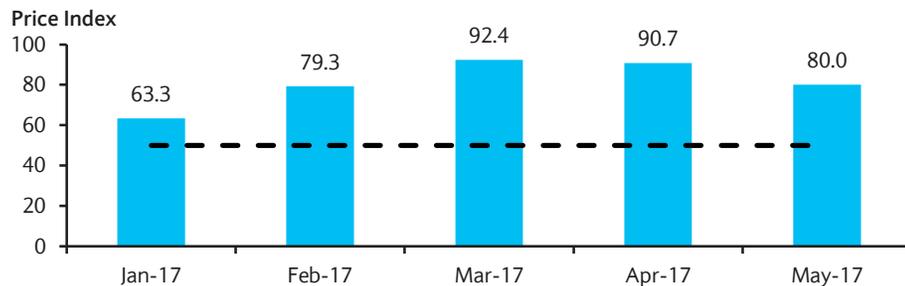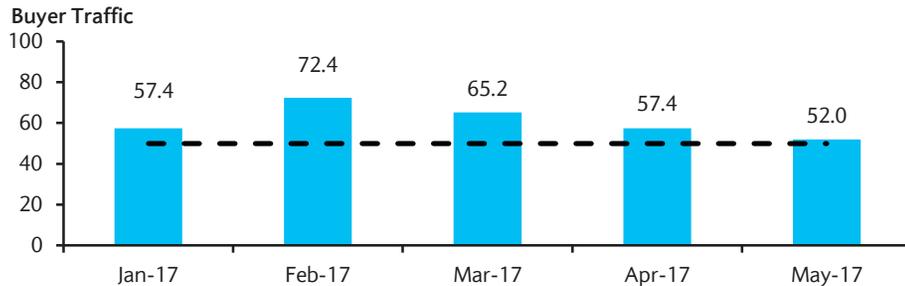
Local Real Estate Agent Comments:

- "Lack of inventory."

- "Potential for higher mortgage rates."

- "Low inventory."

- "Lower price points active."

- "Low interest rates, and large demand."

- "Buyer fatigue regarding rising prices."

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

Source: Barclays Research, Census Bureau

Sarasota, FL – Sellers Lower Price to Drive Activity

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

Our Take:

- Traffic conditions improved this month, moving up to levels just above agents' expectations. Our Buyer Traffic Index hit 60 in May, up from 50 in April. Some agents were encouraged by better demand trends for luxury and move-up price point. Others noted that some sellers had been willing to reduce price in order to drive activity. More new construction product has come to the market, curbing resale activity.

- Home prices slipped this month. Our Home Price Index came in at 40, little changed from April's reading of 42. We expect pricing to remain choppy given the weak readings in our Listings and Time to Sell Indexes.
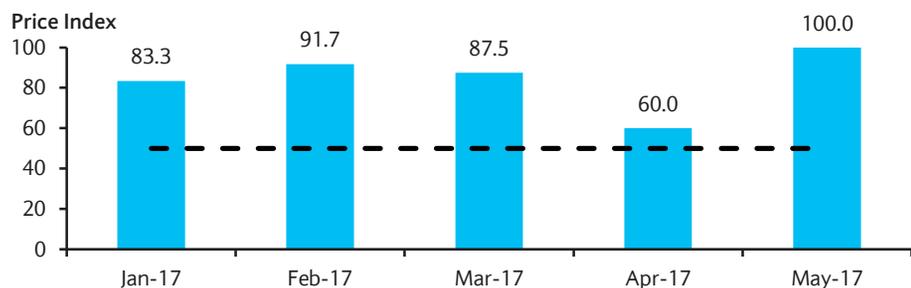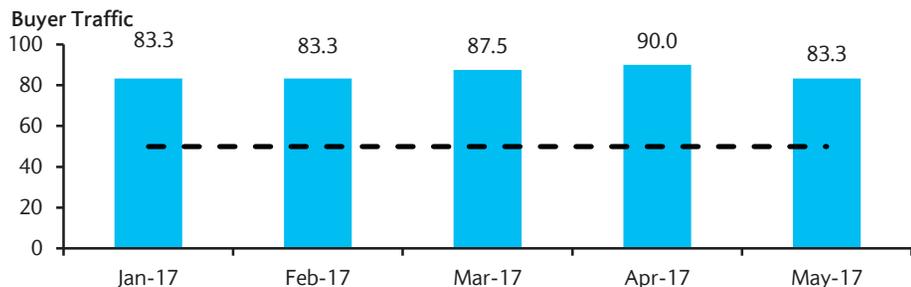
Traffic Status: Traffic Trend:

Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Jan-17	60.0	70.0	40.0	10.0	50.0
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
Change	10.0	(1.7)	6.7	1.7	(13.3)
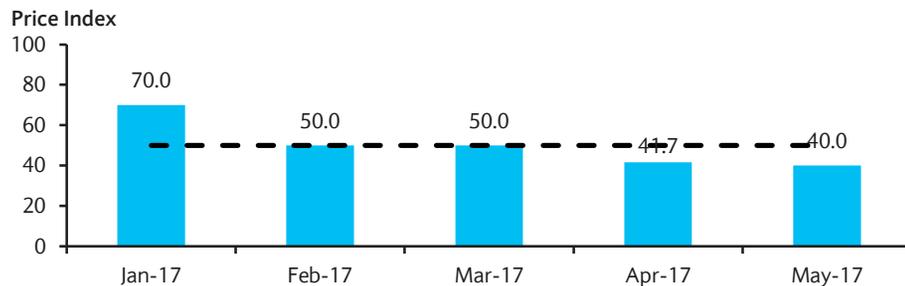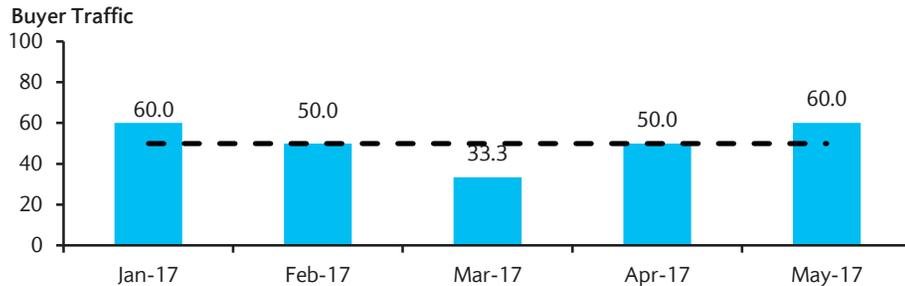
Buyer Traffic

Local Real Estate Agent Comments:

- "Recent price adjustments at the end of our snowbird season."

- "Competition with new home."

- "Better trends from higher price points."

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

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Seattle, WA – Demand Healthy but Lack of Inventory Limiting Closing Activity

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

Our Take:

- Seattle experienced solid traffic conditions again in May, with trends coming in above agents' expectations. Our Buyer Traffic Index landed at 63 vs. 65 in April. Agents were positive about the activity driven by a healthy local economy but broadly cited the lack of inventory. This has caused elevated urgency, higher home prices, and pushed more buyers further away from the city center.

- Home prices rose again in May. Our Home Price Index landed at 93 this month, indicating widespread price increases. Agents pointed to slightly lower listing levels vs. April, while the time needed to sell a home contracted.

Traffic Status: *Traffic Trend:*

Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Jan-17	54.2	87.5	54.2	83.3	62.5
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
Change	(2.9)	(3.3)	(14.8)	3.3	(8.8)
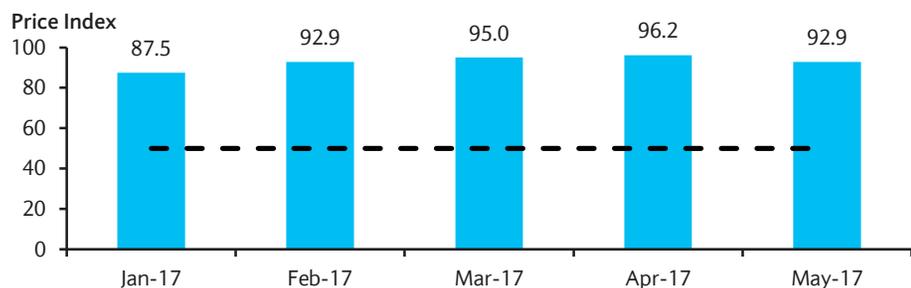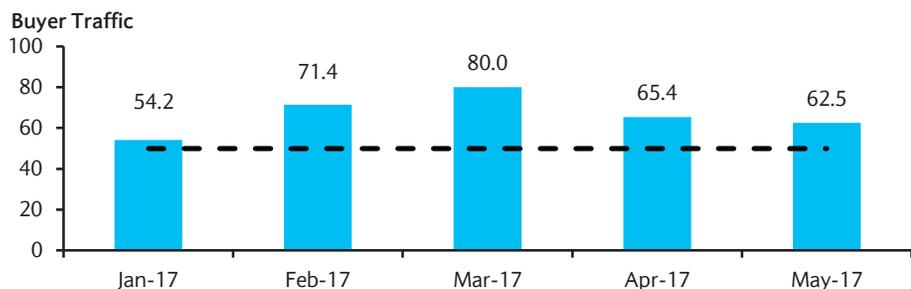
Buyer Traffic

Price Index

Local Real Estate Agent Comments:

- "Little to no inventory, causing buyer frustration, home prices are increasing rapidly. Rental rates are increasing pushing renters to buy farther away from downtown."

- "Lack of inventory."

- "Panic over lack of inventory."

- "Very low inventory. Fear of rising rates."

- "Solid employment."

- "Low inventory and strong job sector."

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 Softens as Prices Push Higher

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

Our Take:

- Demand conditions worsened in May, with traffic trends falling to levels below agents' expectations. Our Buyer Traffic Index landed at 42 this month, down from 56 in April. Agents were encouraged that the local economy remains healthy driving job growth in the area. However, inventory remains tight, driving prices higher and ultimately curbing sales activity.

- Home prices increased again in May. Our Home Price Index came in at 83 this month, down from 88 in April. Agents noted that there were fewer listings on the market this month. As long as inventory remains tight, this is likely to support higher home prices, in our view.
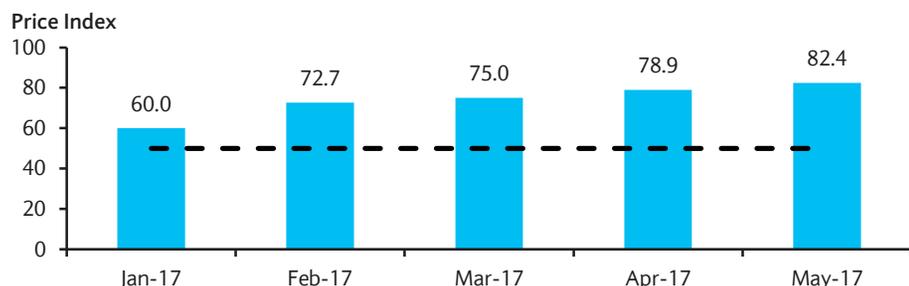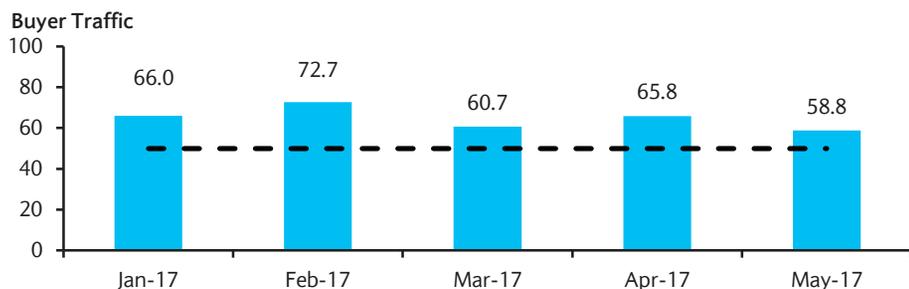
Traffic Status:

Traffic Trend:

Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Jan-17	59.1	72.7	40.0	25.0	55.0
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
Change	(14.6)	(4.2)	(18.3)	(2.1)	(31.3)

Buyer Traffic

Jan-17: 59.1
Feb-17: 63.3
Mar-17: 65.0
Apr-17: 56.3
May-17: 41.7
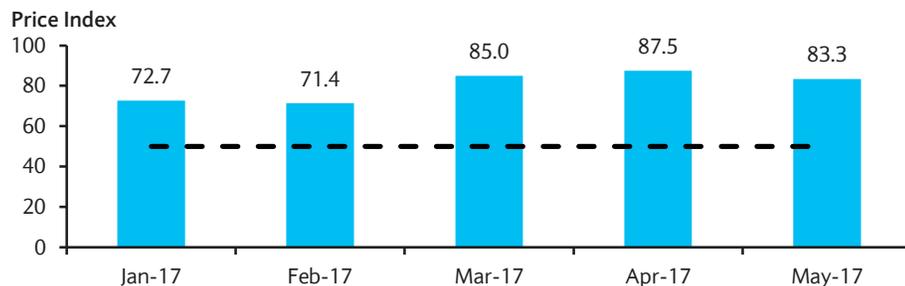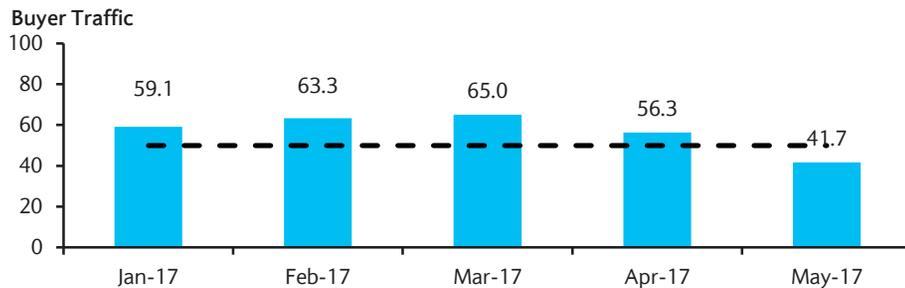
Local Real Estate Agent Comments:

- "More positive outlook for jobs."

- "Prices too high."

- "No inventory."

- "Inbound job locations."

Price Index

Jan-17: 72.7
Feb-17: 71.4
Mar-17: 85.0
Apr-17: 87.5
May-17: 83.3

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.

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Tucson, AZ – Strong Traffic Trends Continues

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

Our Take:

- Strong traffic trends continued in May, coming in well above agents' expectations. Our Buyer Traffic Index landed at 83 this month, down from 90 in April. Agents continue to see buyers' fears of higher mortgage rates in the future driving activity in the market today. Others pointed to better trends in the active adult segment.

- Home prices increased this month. Our Home Price Index landed at 100 in May, up from 60 in April. We think home prices can continue to move higher given the favorable readings in our Listings and Time to Sell Indexes.
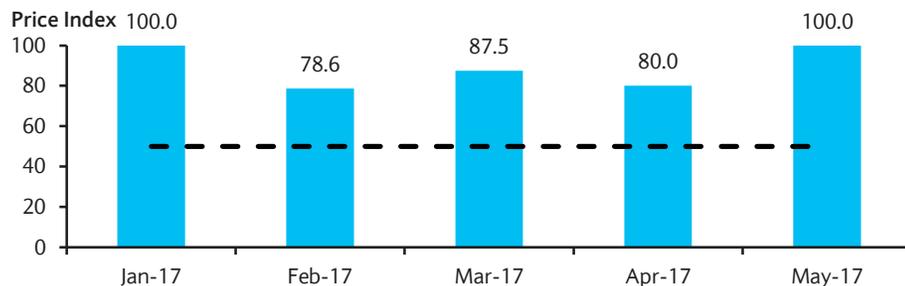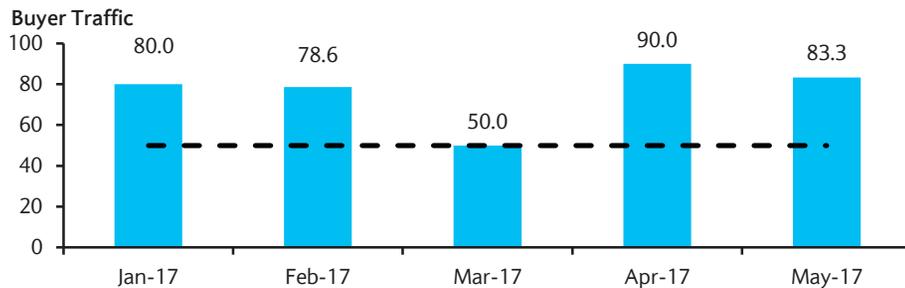
Traffic Status:

Traffic Trend:

Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Jan-17	83.3	83.3	40.0	83.3	91.7
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
Change	(6.7)	40.0	25.0	8.3	41.7

Buyer Traffic

	Jan-17	Feb-17	Mar-17	Apr-17	May-17
	83.3	83.3	87.5	90.0	83.3

Price Index

	Jan-17	Feb-17	Mar-17	Apr-17	May-17
	83.3	91.7	87.5	60.0	100.0

Local Real Estate Agent Comments:

- "Retirees coming into the market."

- "More buyers for fewer homes."

- "Higher rates in the future drive traffic."

- "Sales are snowballing, as more homes sell more buyers are motivated to get off the fence and buy."

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

BARCLAYS

Virginia Beach, VA – Traffic Solid, Led by Lower Price Points

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

Our Take:

- Traffic trends remained strong, at levels well above agents' expectations. Our Buyer Traffic Index came in at 75 this month, down a bit from 80 in April. Agents indicated demand was better at lower price points. Some highlighted that the lack of inventory was a challenge given the limited selection but helped to drive better traffic per listing.

- Home prices moved higher again this month. Our Home Price Index landed at 75 in May, up from 70 in April. Agents noted that the number of listings on the market was flat relative to last month. It also took less time to sell a home this month.

Traffic Status:

Traffic Trend:

Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Jan-17	57.1	64.3	41.7	64.3	35.7
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
Change	(5.0)	5.0	(12.5)	(30.0)	5.0
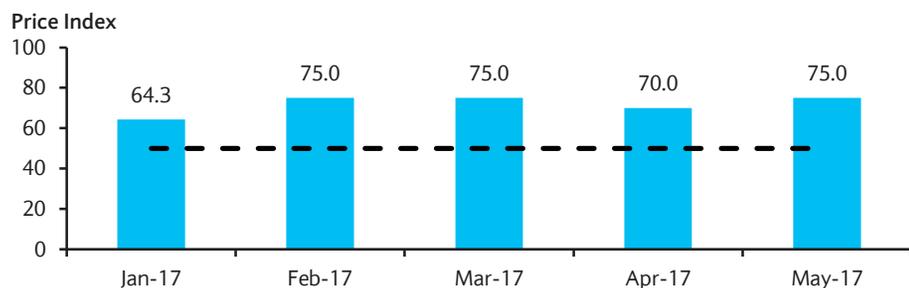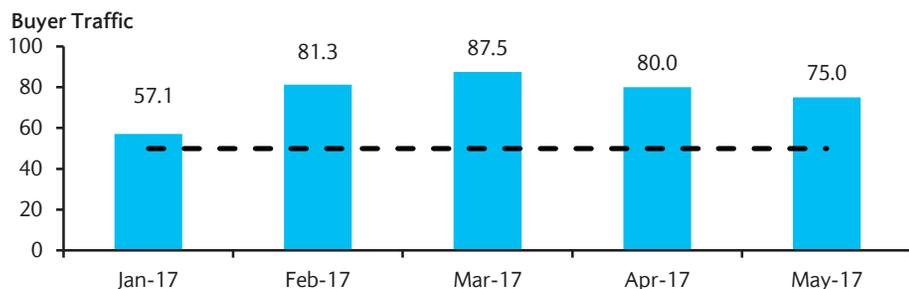
Buyer Traffic

Local Real Estate Agent Comments:

- "Trends slowing down."

- "Not yet strong. Maybe this summer will be better."

- "Lower price points doing well."

- "No inventory."

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

Washington, D.C. – Traffic Remains Better than Expected

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

Our Take:

- Traffic cooled a bit this month but remained just above agents' expectations. Our Buyer Traffic Index came in at 59 in May, down from 66 in April. Agents attributed the solid activity to a healthy local economy, favorable mortgage rates and solid consumer confidence. Some felt the lack of inventory was a challenge.

- Home prices increased this month. Our Home Price Index rose to 82 in May, little changed from April's reading of 79. Agents indicated that the number of listings on the market were relatively unchanged compared to April, while it took less time to sell a home.

Traffic Status:

Traffic Trend:

Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Jan-17	66.0	60.0	41.3	69.6	58.3
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
Change	(7.0)	3.4	(11.3)	2.3	(4.0)

Buyer Traffic

	Jan-17	Feb-17	Mar-17	Apr-17	May-17
	66.0	72.7	60.7	65.8	58.8

Price Index

	Jan-17	Feb-17	Mar-17	Apr-17	May-17
	60.0	72.7	75.0	78.9	82.4

Local Real Estate Agent Comments:

- "Healthy local economy and low interest rates."

- "Low inventory and sellers market."

- "Anticipate increases in mortgage rates."

- "Low quality inventory."

- "Good local economy. Positive consumer confidence."

- "People not moving up causing a shortage of inventory."

- "Economic strength and 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

BARCLAYS

Wilmington, NC – Buyers Attempt to Lock in Favorable Rates

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

Our Take:

- Traffic trends were above expectations again in May. Our Buyer Traffic Index came in at 83 this month, down from 90 in April. Agents attributed the strength to the favorable mortgage rate environment and buyers' concerns that it wouldn't last forever. The lack of inventory on the market is also adding to the urgency.

- Home prices rose again this month. Our Home Price Index landed at 100 in May vs. 80 in April. We think home prices can continue to trend higher in the near-term. Both the number of listings on the market and the time needed to sell a home contracted this month.

Traffic Status:

Traffic Trend:

Month	Buyer Traffic Index	Home Price Index	Incentive Index	Home Listings Index	Time to Sell Index
Jan-17	80.0	100.0	60.0	90.0	90.0
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
Change	(6.7)	20.0	16.7	20.0	0.0

Buyer Traffic

	Jan-17	Feb-17	Mar-17	Apr-17	May-17
	80.0	78.6	50.0	90.0	83.3

Price Index

	Jan-17	Feb-17	Mar-17	Apr-17	May-17
	100.0	78.6	87.5	80.0	100.0

Local Real Estate Agent Comments:

- "Lack of properties in the mid ranges."

- "Low interest rates."

- "Low inventory driving buyers not to wait."

- "Better demand."

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

Source: Barclays Research, Census Bureau

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 May, 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.

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

May, 2017	Buyer Traffic Index	Home Price Index	Incentive Index	Listings Index	Time to Sell Index
Atlanta, GA	42.9	92.9	57.1	64.3	71.4
Austin, TX	50.0	81.3	18.8	43.8	37.5
Baltimore, MD	62.5	100.0	50.0	62.5	100.0
Boston, MA	71.9	84.4	57.1	40.6	78.1
Charlotte, NC	50.0	81.3	50.0	87.5	68.8
Chicago, IL	60.4	78.3	43.5	28.3	60.9
Cincinnati, OH	80.0	90.0	37.5	50.0	62.5
Columbus, OH	60.0	90.0	60.0	20.0	80.0
Dallas, TX	50.0	94.4	56.3	55.6	85.7
Denver, CO	41.7	83.3	58.3	33.3	50.0
Detroit, MI	62.5	100.0	50.0	50.0	75.0
Fort Myers, FL	66.7	50.0	25.0	58.3	41.7
Houston, TX	40.0	55.0	20.0	20.0	20.0
Inland Empire, CA	43.8	75.0	57.1	62.5	56.3
Jacksonville, FL	43.8	81.3	37.5	78.6	50.0
Kansas City, MO	87.5	75.0	62.5	75.0	100.0
Las Vegas, NV	70.0	90.0	50.0	70.0	70.0
Los Angeles, CA	64.8	87.0	47.5	48.0	64.0
Miami, FL	41.7	54.5	30.0	50.0	59.1
Minneapolis, MN	83.3	87.5	56.3	87.5	87.5
Nashville, TN	60.0	90.0	60.0	50.0	70.0
New York, NY	62.1	75.0	53.8	51.6	58.1
Orange County, CA	56.3	75.0	50.0	50.0	62.5
Orlando, FL	44.4	93.8	37.5	68.8	68.8
Philadelphia, PA	75.0	75.0	40.9	62.5	83.3
Phoenix, AZ	64.3	82.1	46.4	75.0	60.7
Portland, OR	58.3	81.8	50.0	50.0	54.5
Raleigh, NC	68.8	93.8	56.3	75.0	93.8
Richmond, VA	80.0	100.0	50.0	62.5	87.5
Sacramento, CA	72.7	100.0	62.5	40.0	75.0
San Antonio, TX	57.1	78.6	35.7	64.3	64.3
San Diego, CA	33.3	75.0	40.9	66.7	62.5
San Francisco, CA	52.0	80.0	56.8	36.0	36.0
Sarasota, FL	60.0	40.0	40.0	10.0	20.0
Seattle, WA	62.5	92.9	42.9	57.1	64.3
Tampa, FL	41.7	83.3	40.0	91.7	50.0
Tucson, AZ	83.3	100.0	50.0	83.3	91.7
Virginia Beach, VA	75.0	75.0	50.0	50.0	75.0
Washington, D.C.	58.8	82.4	47.1	47.1	61.8
Wilmington, NC	83.3	100.0	66.7	100.0	100.0
Total Index Level	60.6	82.6	47.5	56.9	66.5

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