

# State of the Market



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# Macro-Economic Perspective

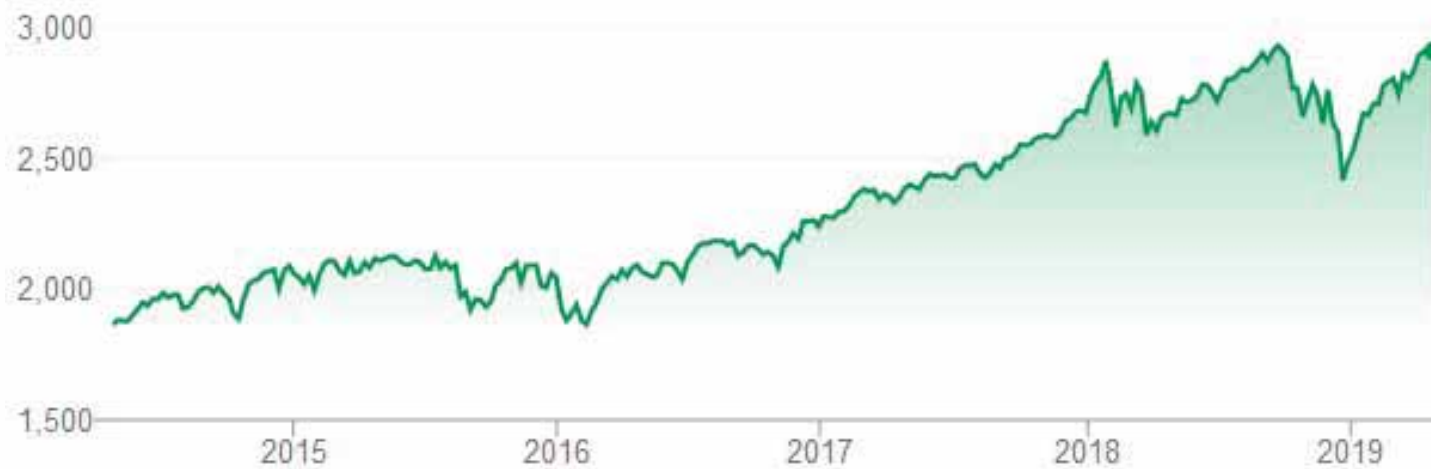


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# Stock Market

## Record Highs



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# Unemployment

 18 Year Low



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# Consumer Confidence

 Near All Time Highs



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# Massive Tax Cut

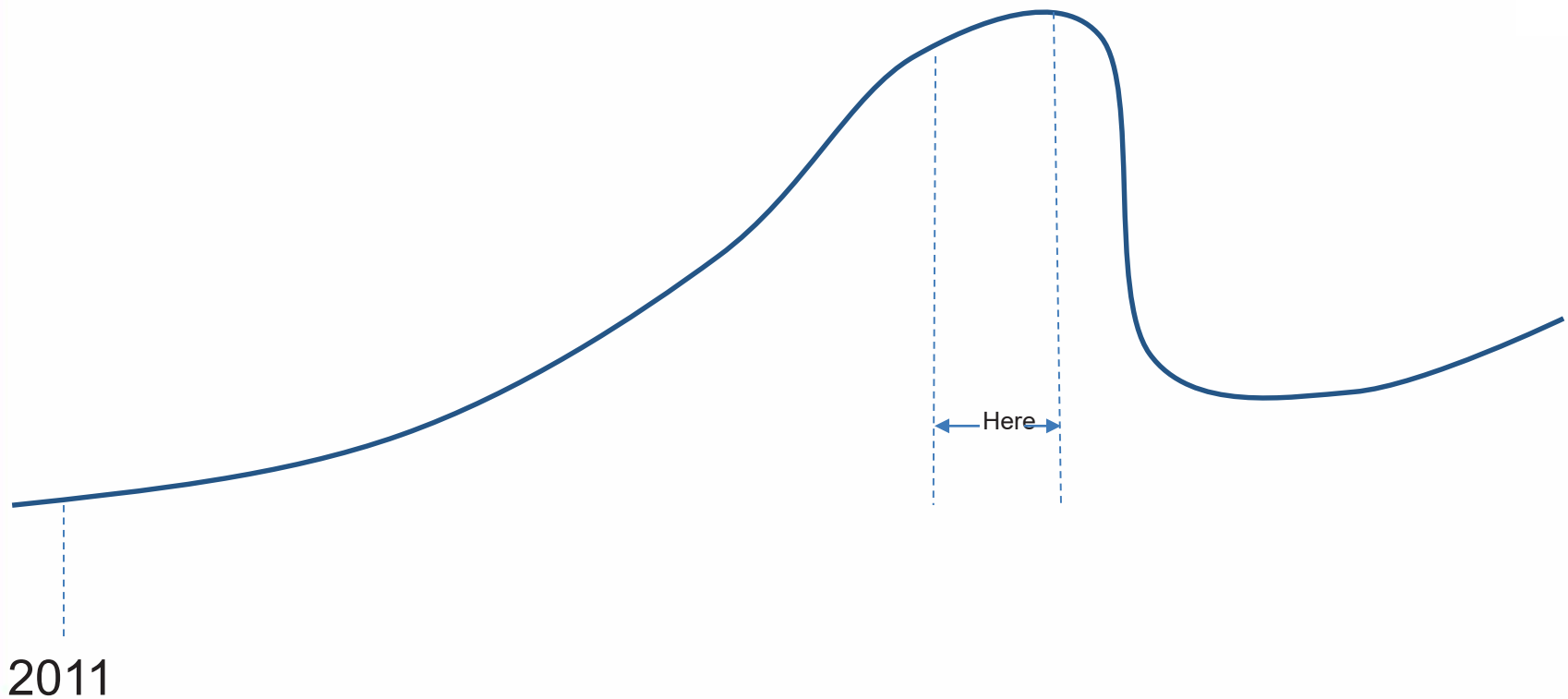
- Almost every single American got a pay raise (even if their tax refund was less)
- More money to spend
- Real estate investors got a YUGE raise
  - 20% Deduction on Pass Through Entity Income
  - 100% depreciation (less than 20 yr useful life)



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# Where Are We in the Short Term Debt Cycle?



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# Macro - Real Estate Market Perspective



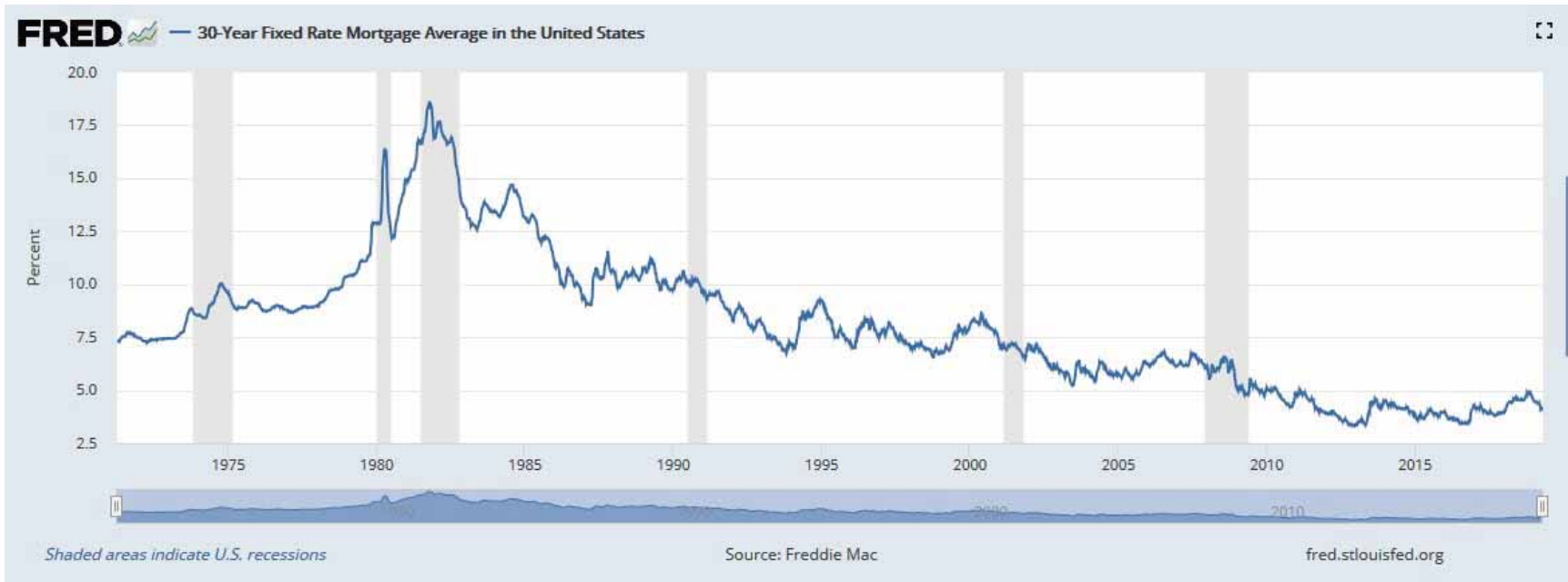
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# Interest Rates

 Still at Historical Lows



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# Interest Rates

 Dropped in past year?



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# Mortgage Market

- 3% down payment conventional loans are beating out FHA loans for first time
- FHA loans still very prevalent
- FHA 203(k) & FannieMae HomeStyle Renovation Loans more popular than ever
- Fannie Mae MH Advantage (conventional financing for eligible mobile homes)
- Pre-Tax First Time Home Buyer Savings Accounts in many states



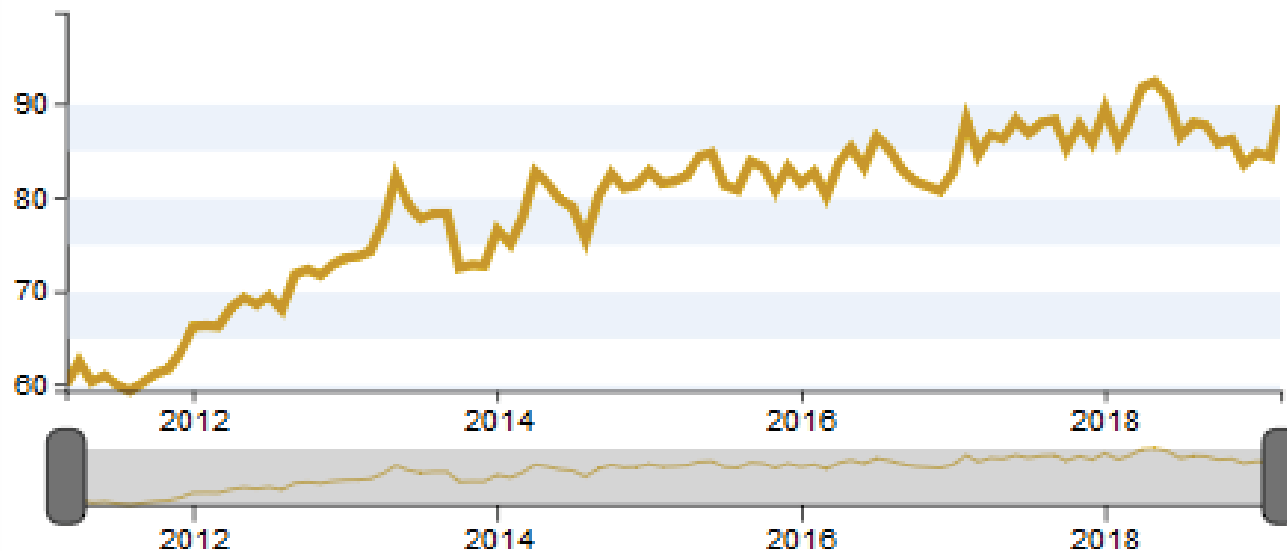
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# House Buying Confidence

➤ Near All Time Highs

Home Purchase Sentiment Index®

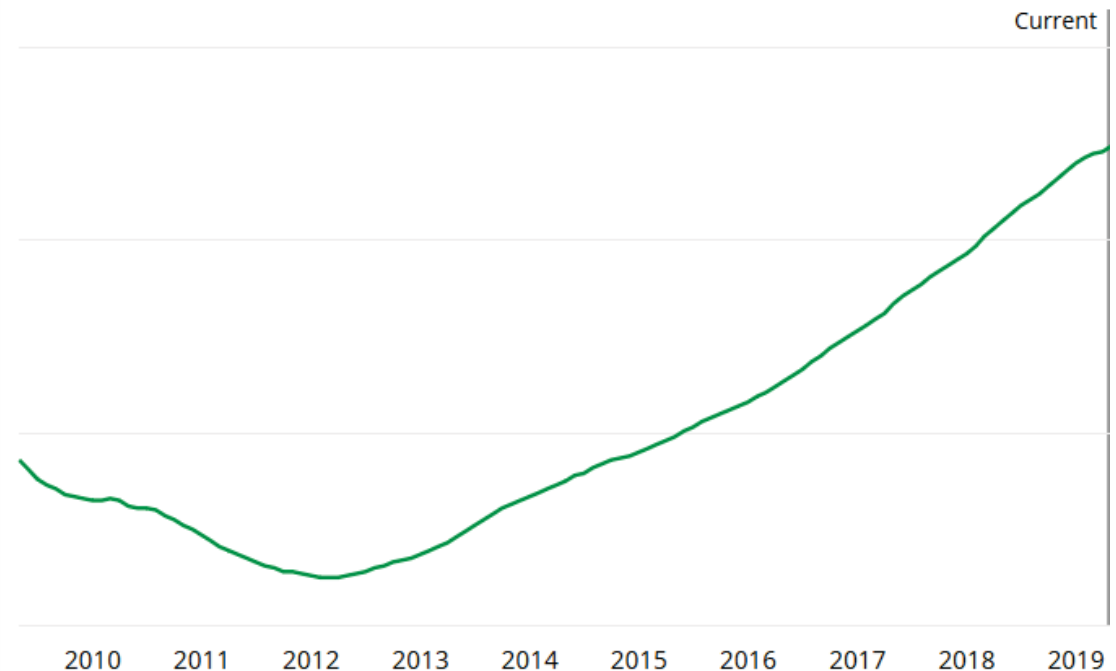


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# Real Estate Values

- 6.6% Appreciation in past 12 months
- Predicted to be 4.1% Appreciation in next 12 months



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# Micro - Real Estate Market Perspective



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# Great Affordability Divide



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# Inventory Levels

- Growing for Median Price Points and above
  - Builders are building above median price point houses
  - Baby Boomers are moving out of McMansions
- All Time Lows in Entry Level Homes
- Most builders can't make money building entry level houses anymore
- Very low foreclosure levels



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# Affordable Housing Crisis

- National Median List Price: \$295,000
  - [www.Zillow.com/home-values/](http://www.Zillow.com/home-values/)
- Half of all House Buyers are looking for houses under \$200,000 right now
- Rule of Thumb: At least 20% less than the median list price in your area is where the huge buying pool begins.



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# Entry Level Home Buyers

## Millennials

- Moving out of parents basement and apartments and into houses

## Baby Boomers Downsizing

## Foreclosure Recovery Buyers



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# Investor Buyers

- There are far more investors buyers than deals in today's market
- Some of the most successful real estate investors are doing very few major rehabs right now and instead, wholesaling to sucker investor buyers.
- When to build a sucker investor buyer list
- Investor Buyers of Today:  
[https://www.youtube.com/watch?v=2qhXQ\\_eXt9I](https://www.youtube.com/watch?v=2qhXQ_eXt9I)



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## Conclusions

- The perfect time for us:
  - We generate off-market leads
  - Most off-market leads are well below median list price levels
  - Tons of Retail & Investor Buyers for our deals
- The absolute worst time to be a traditional investor



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