

Cleve Gaddis

Gaddis Partners, RE/MAX Center &
USA Management

(a boutique residential property management company)

10475 Medlock Bridge Road, Suite 119
Johns Creek, GA 30097

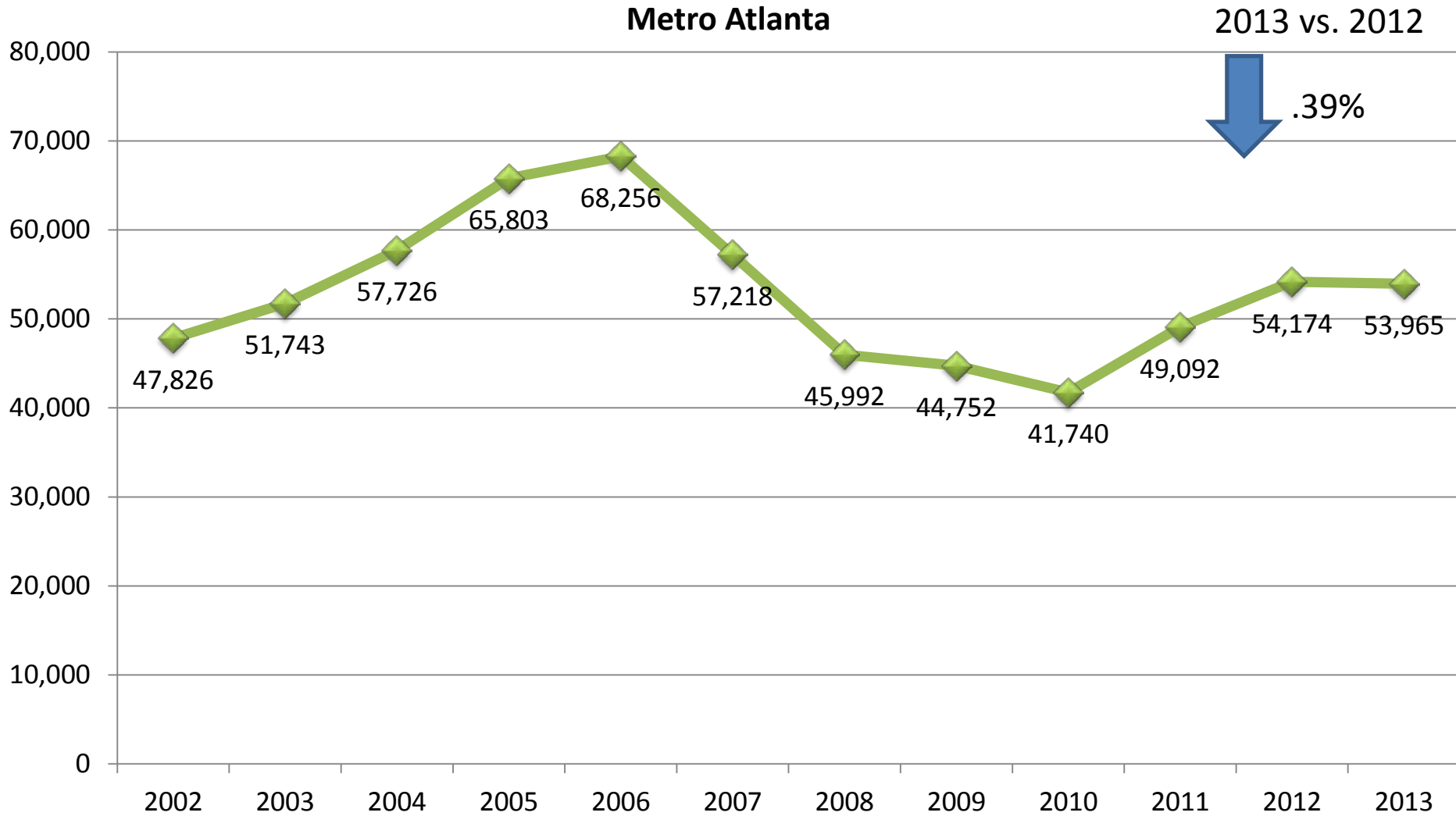
www.GoGaddis.com
770-497-0000



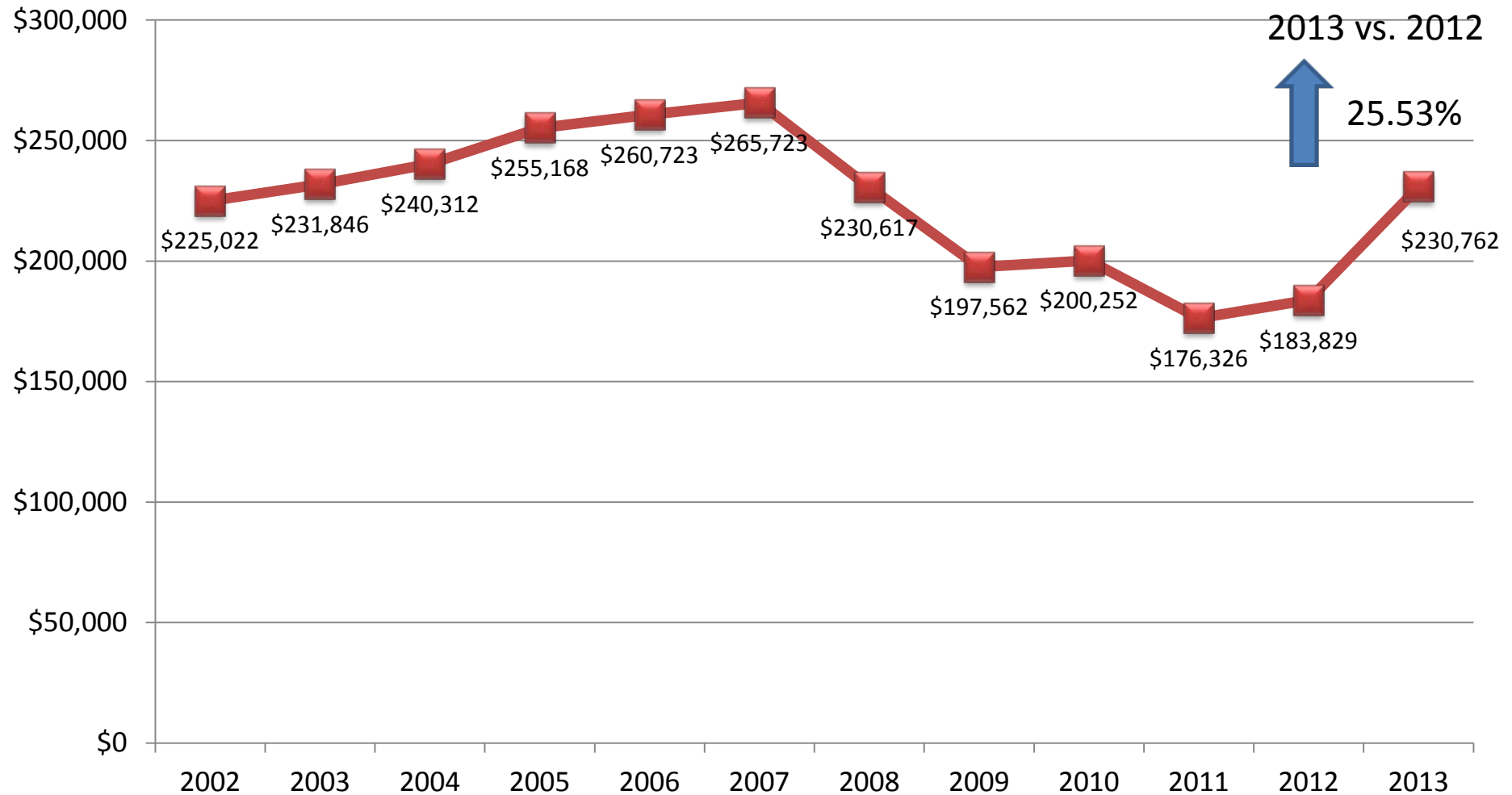
FMLS – Market Charts



Single Family Detached - Closings Metro Atlanta



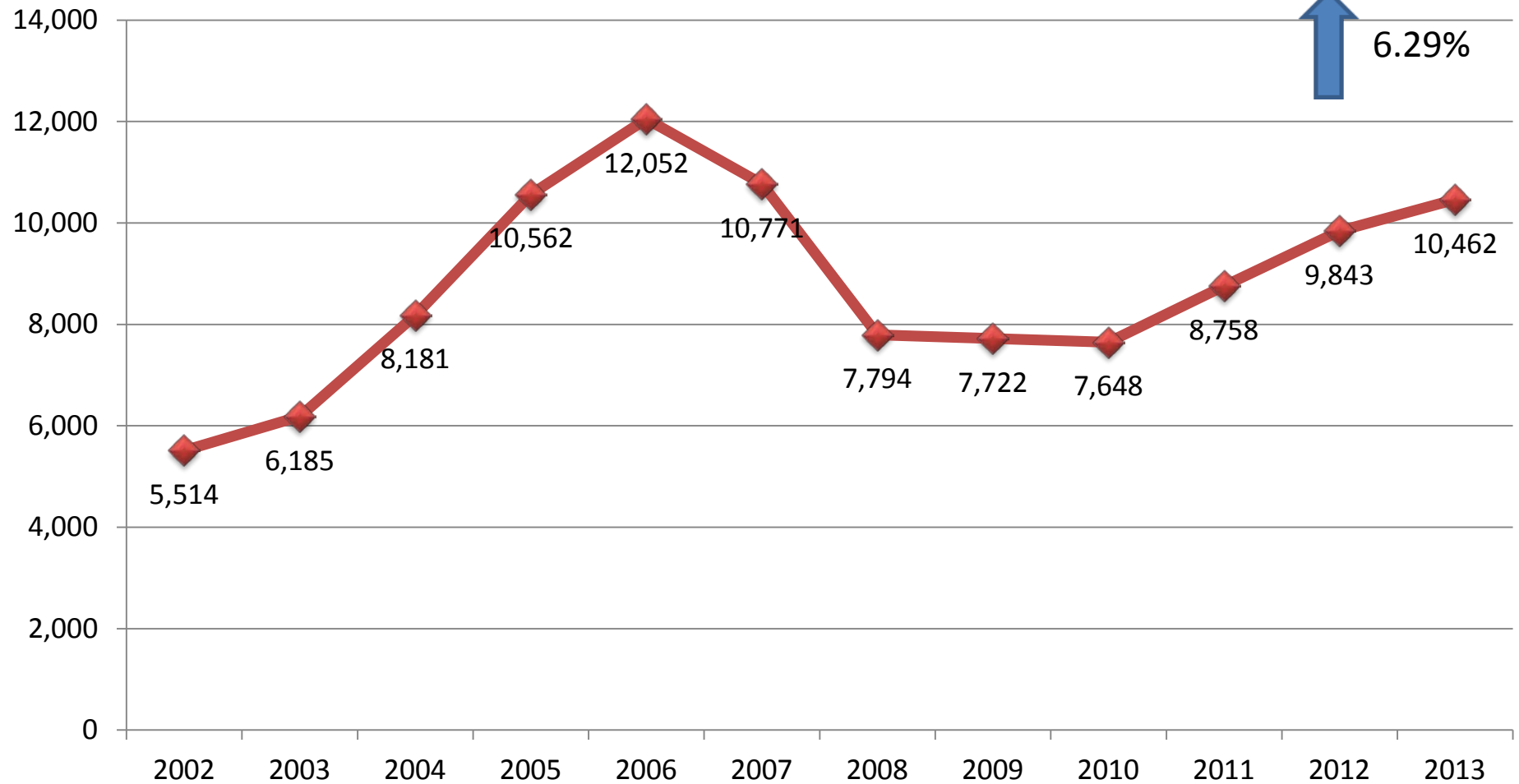
Single Family Detached - Average Sale Price Metro Atlanta



Single Family Attached Closings Metro Atlanta

2013 vs. 2012

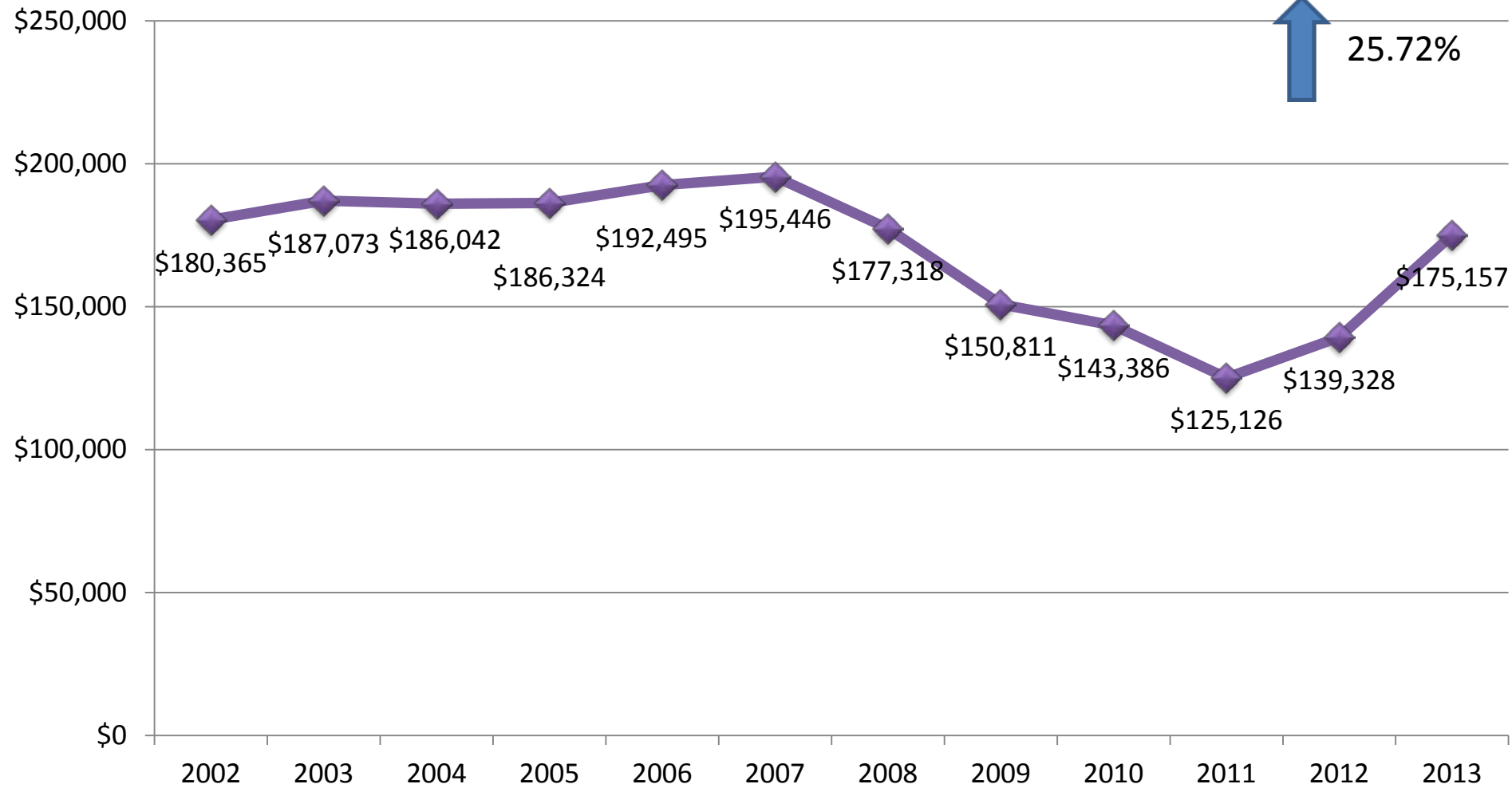
6.29%



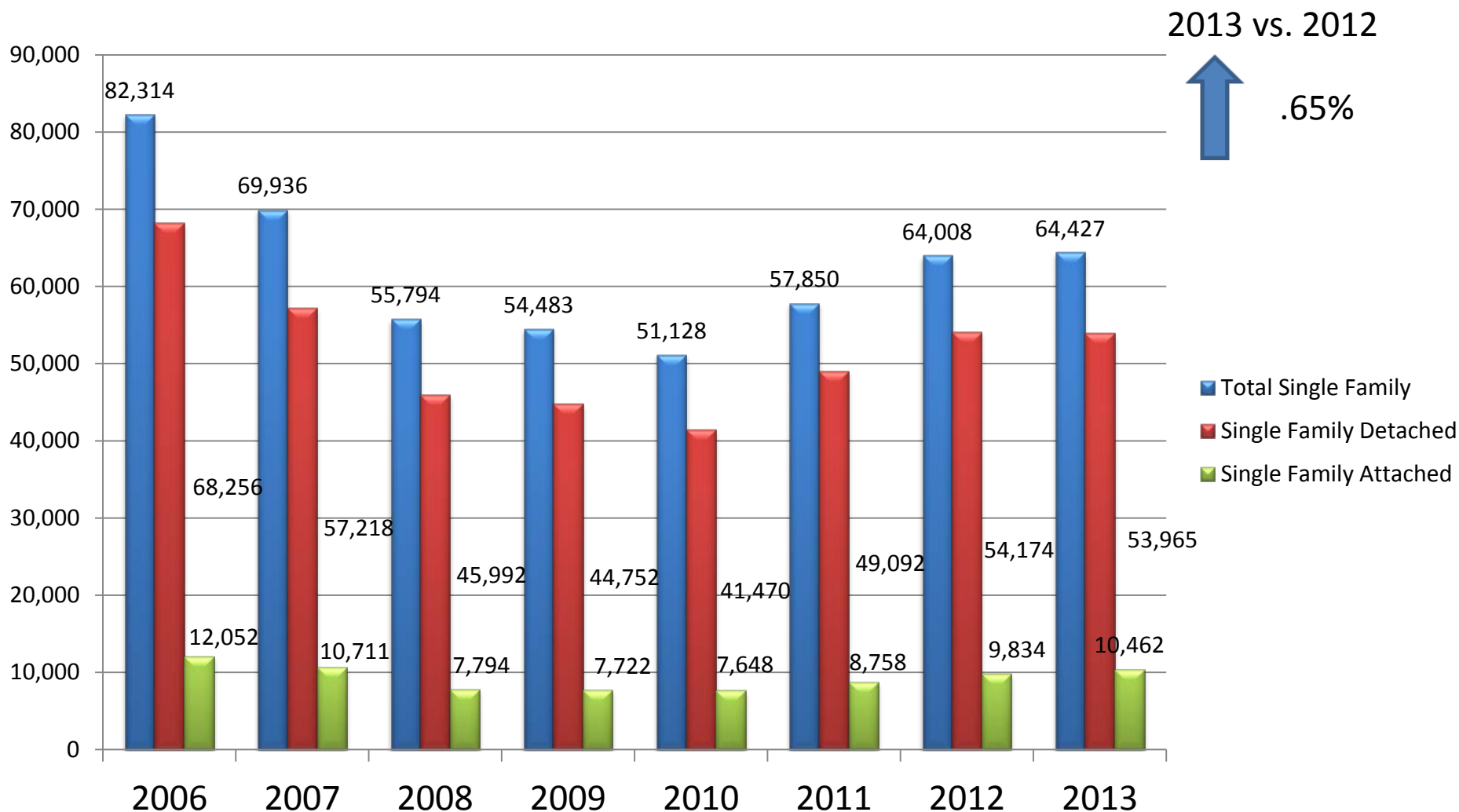
Single Family Attached - Average Sales Price Metro Atlanta

2013 vs. 2012

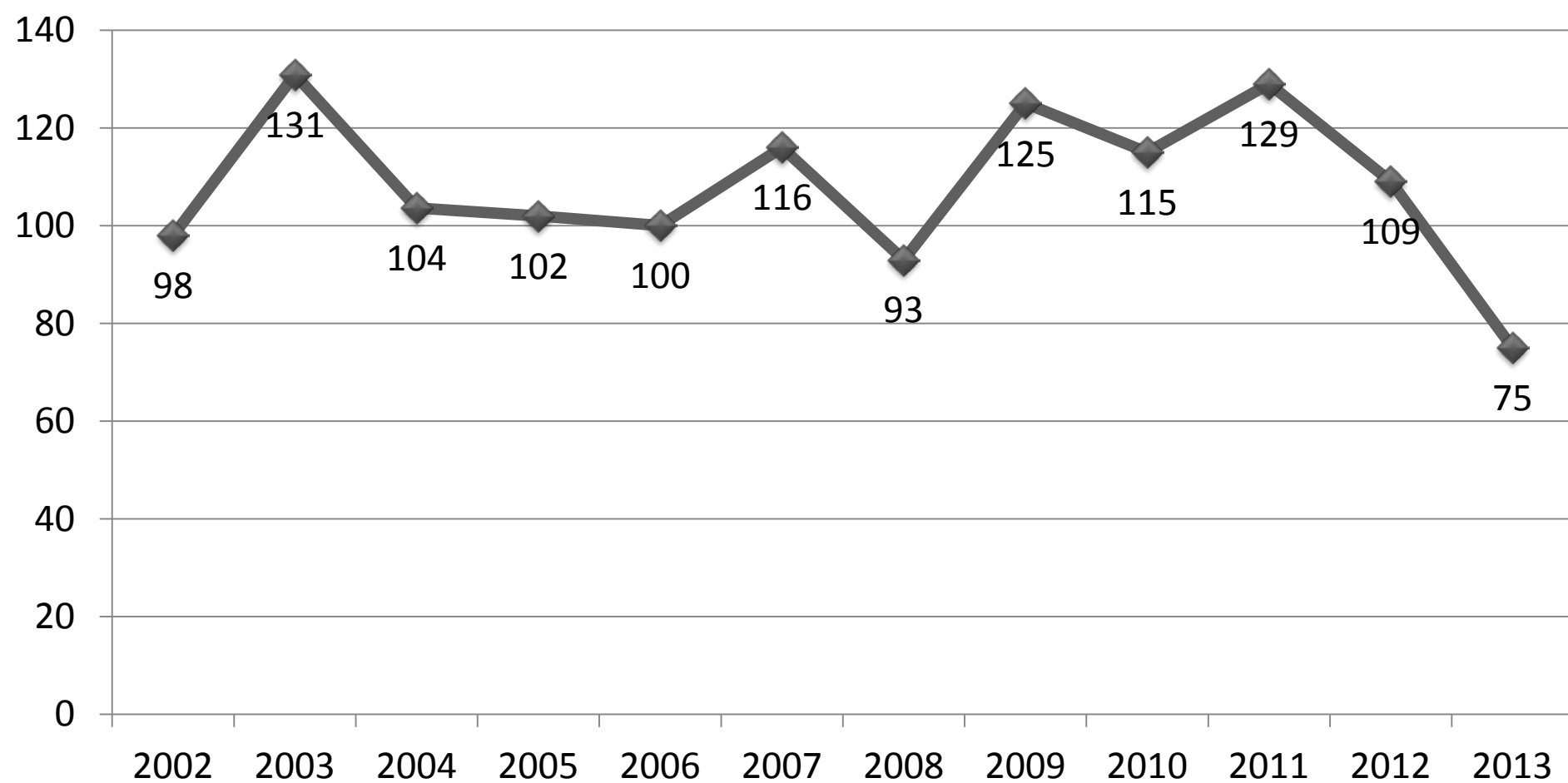
25.72%



2006 to 2013 Total SFD and SFA Closings – Metro Atlanta



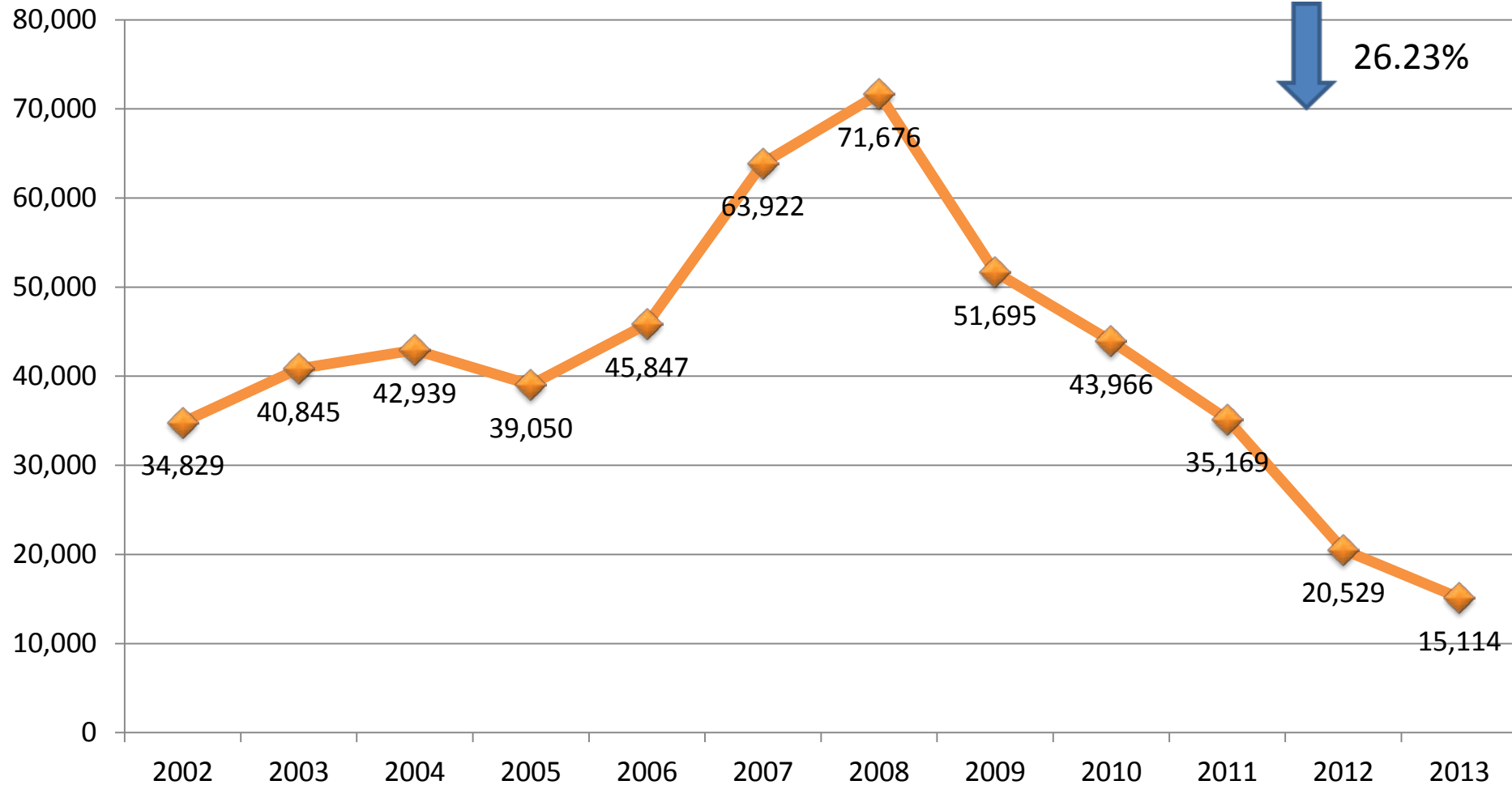
Single Family Detached –Total Days on Market Metro Atlanta



Single Family Detached - Total Expired Listings Metro Atlanta

2013 vs. 2012

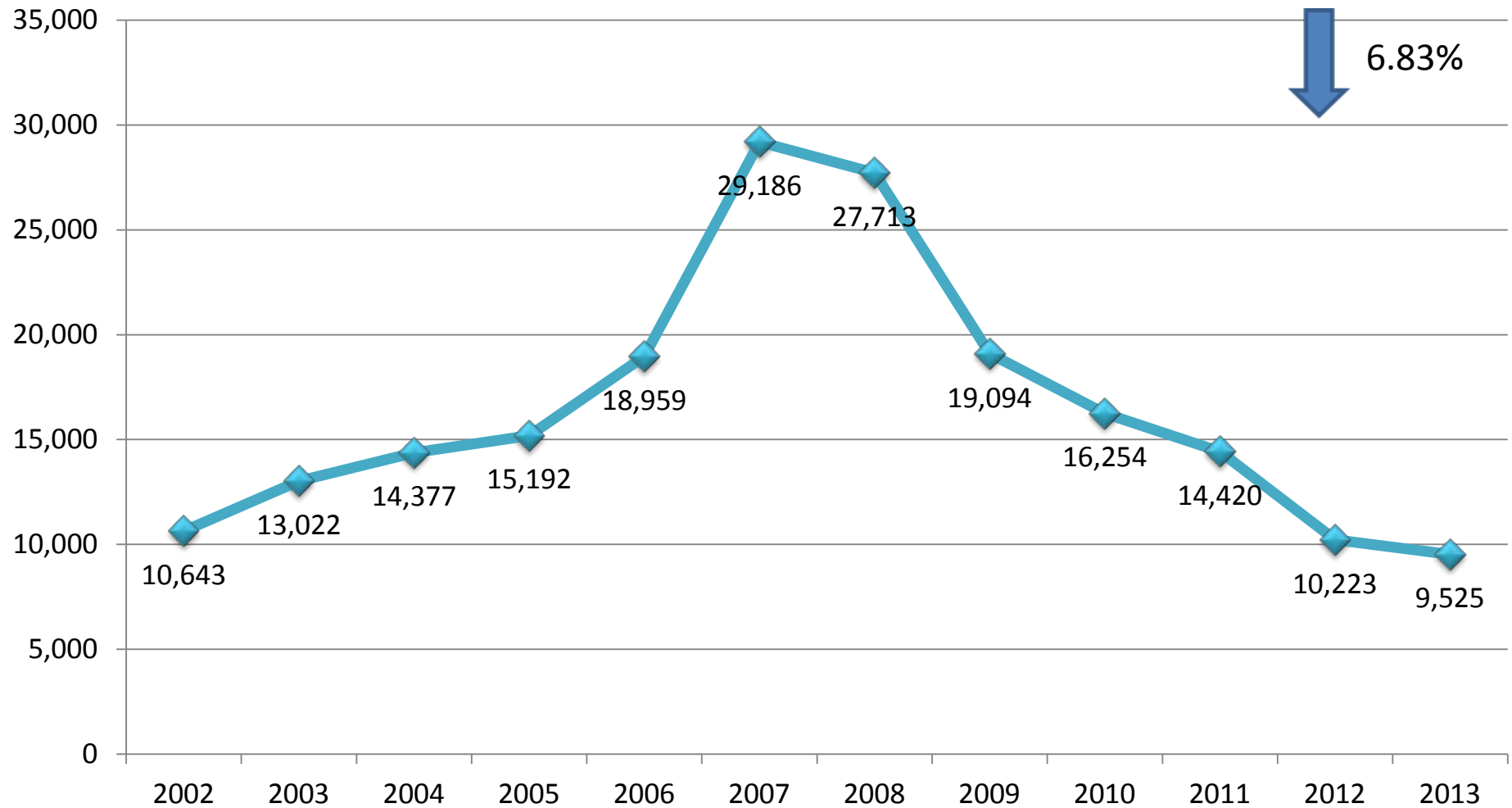
26.23%



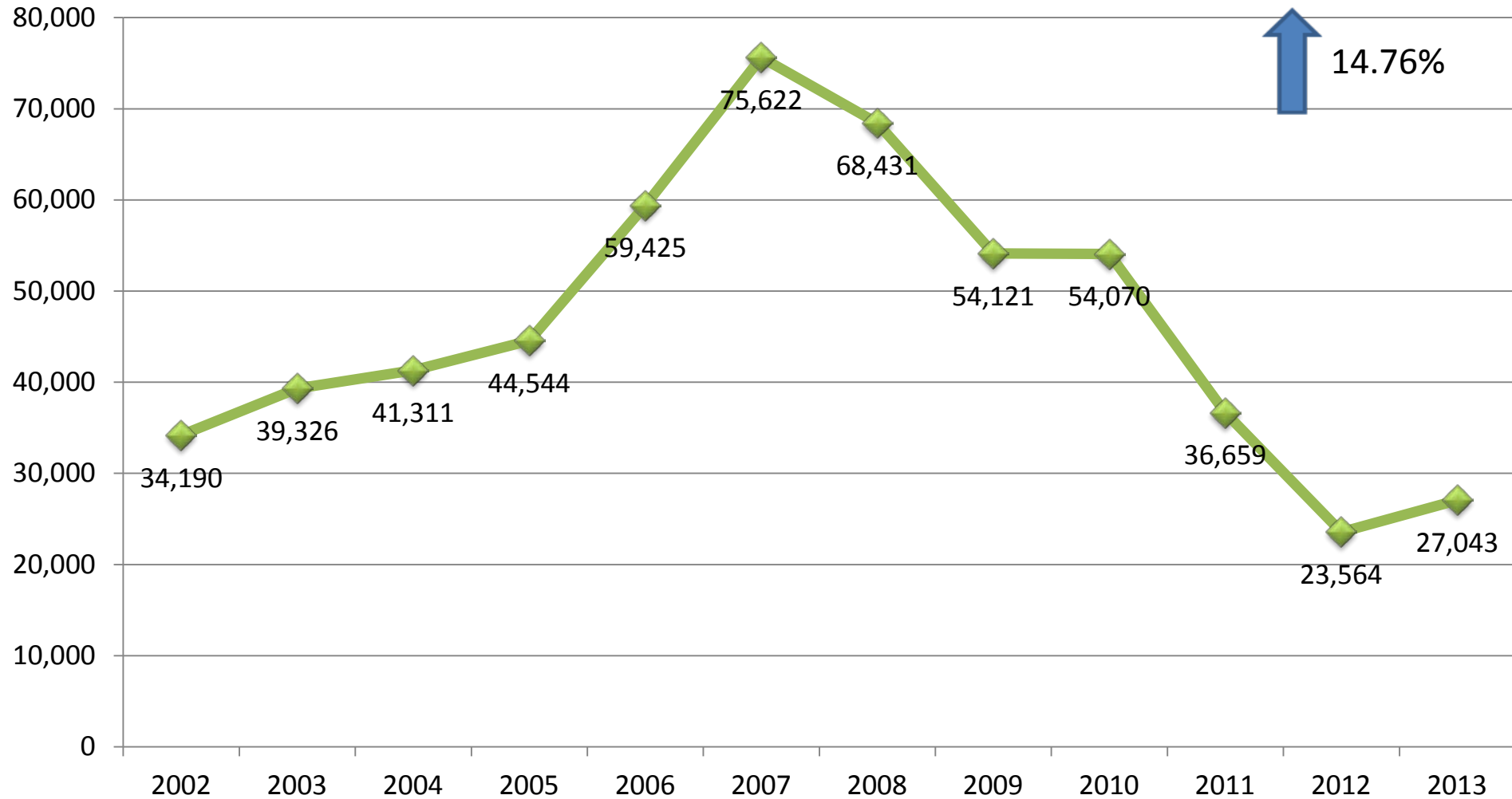
Single Family Detached - Total Withdrawn Listings Metro Atlanta

2013 vs. 2012

6.83%



Total Listing Inventory as of 12/31 Metro Atlanta



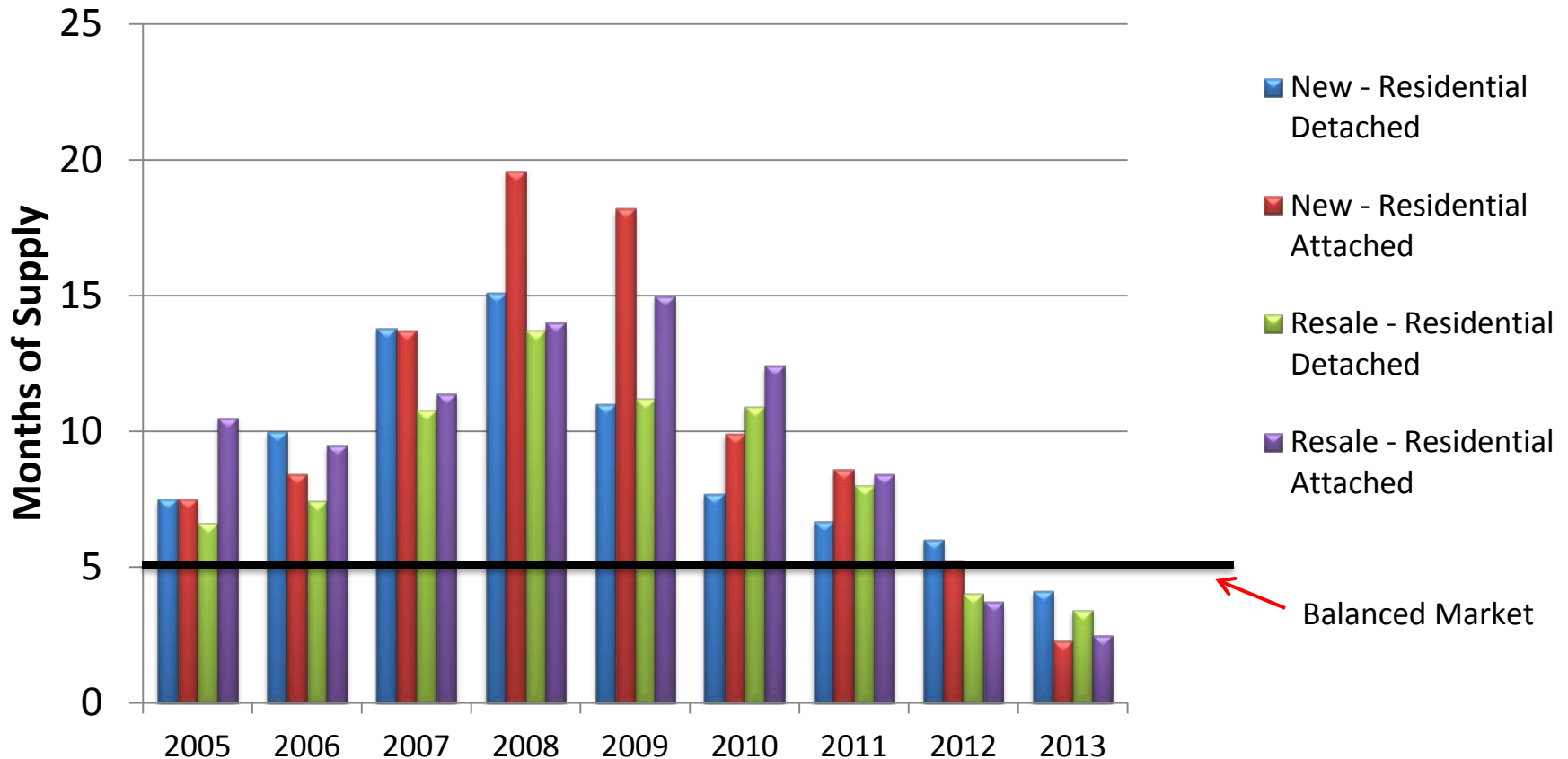
2013 vs. 2012

14.76%



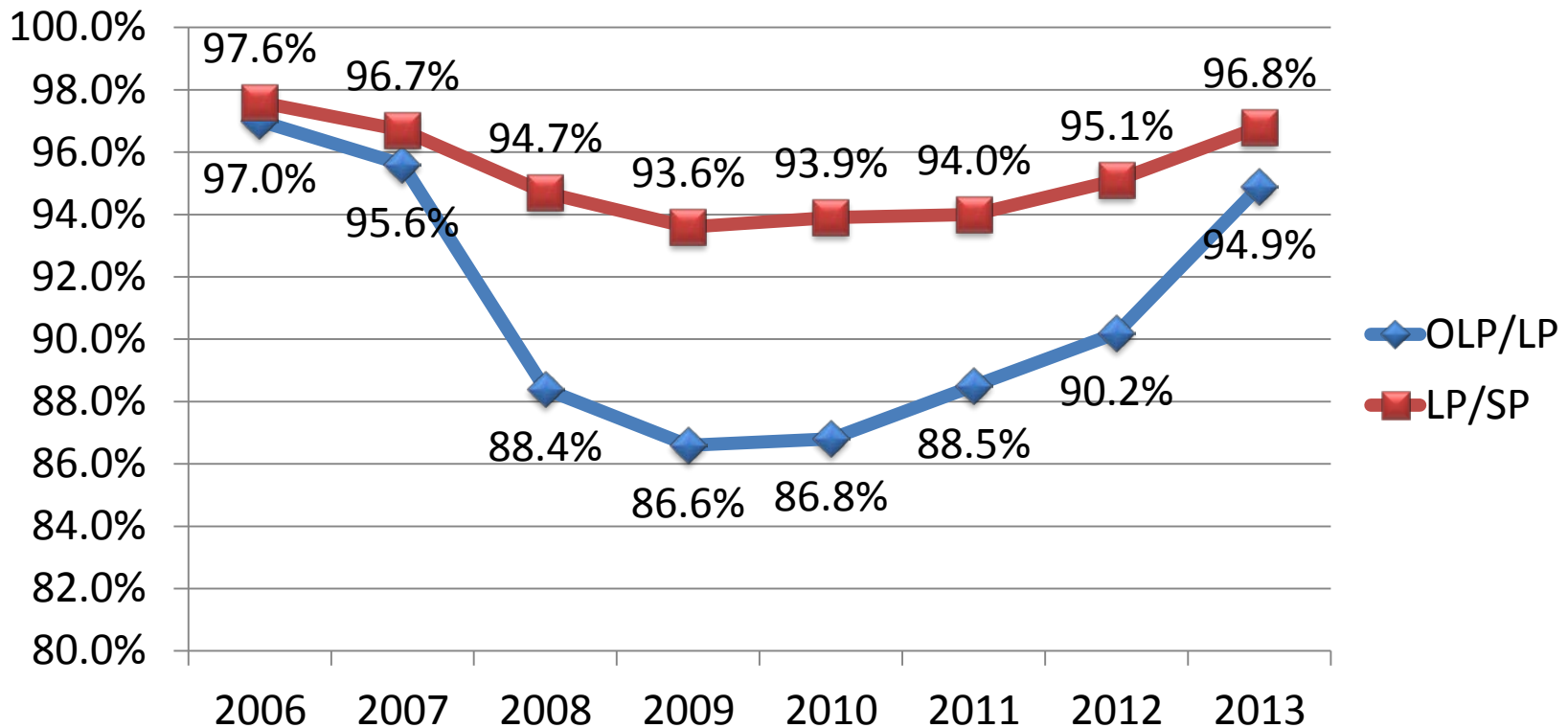
Months of Supply – Metro Atlanta

- Seller's Market – Less than 4 months inventory
- Balanced Market – 4 to 5 months inventory
- Buyer's Market – More than 5 months inventory

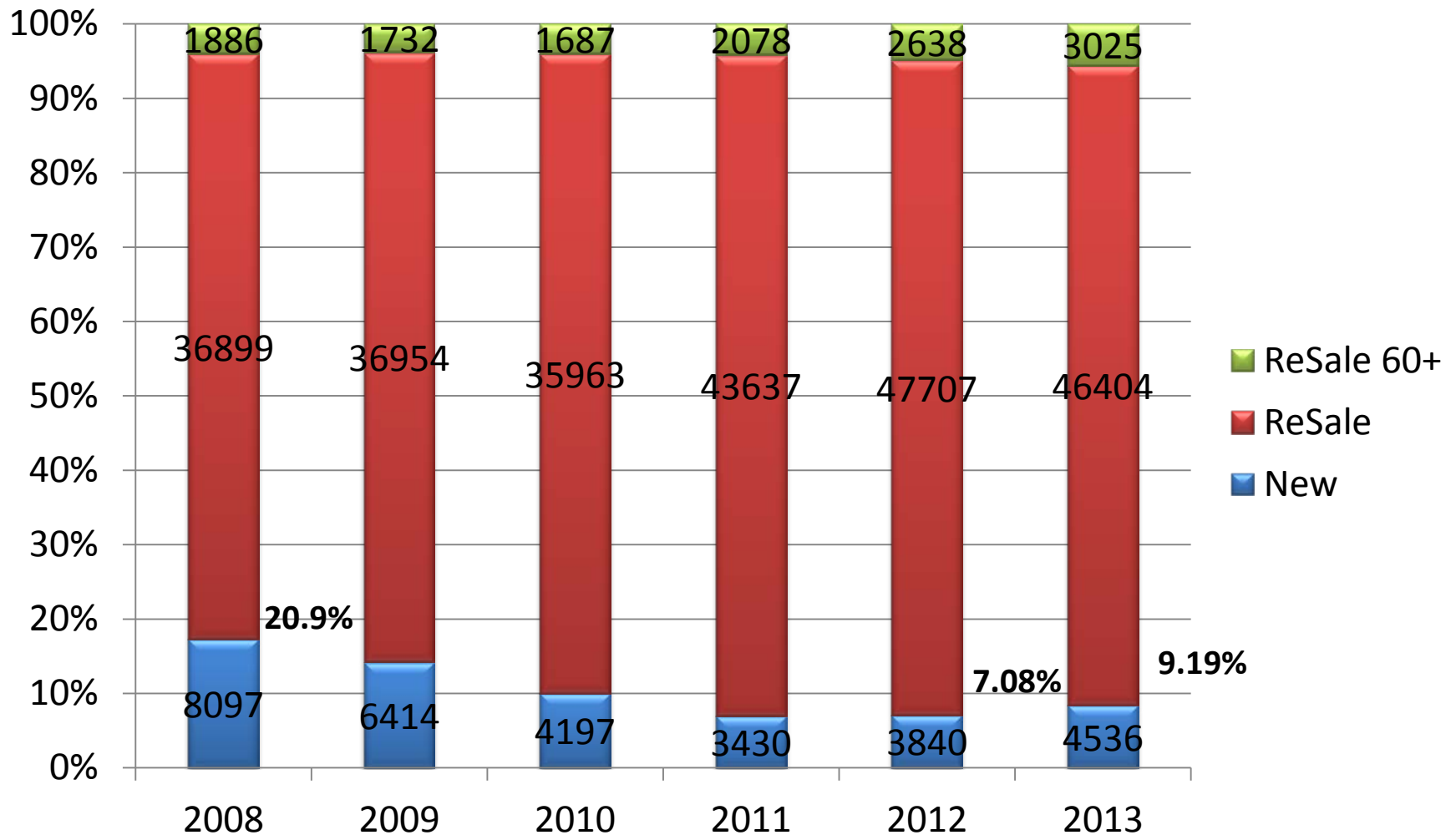


List-Price to Sales-Price Ratios

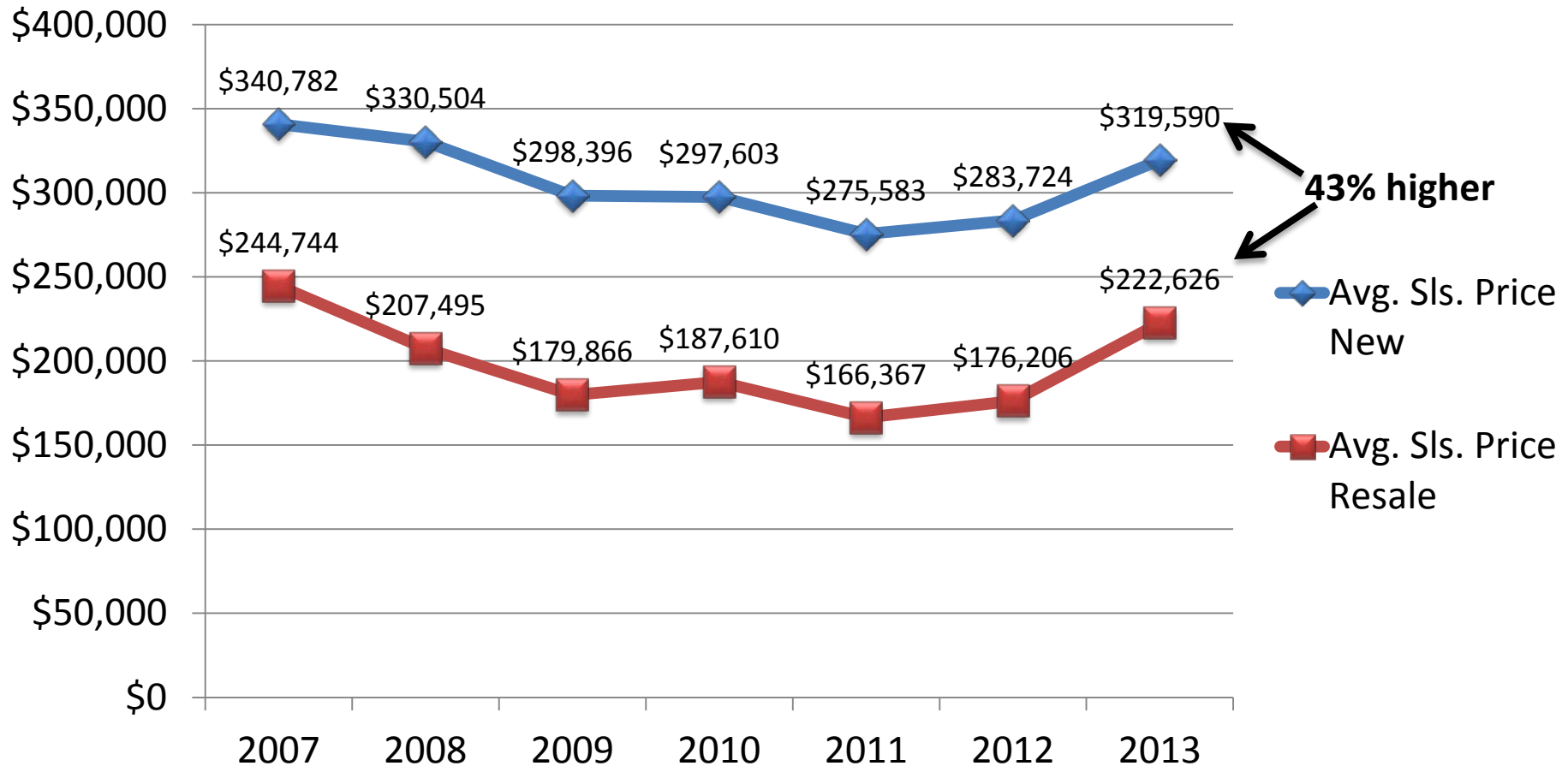
Single Family Detached in Metro Atlanta



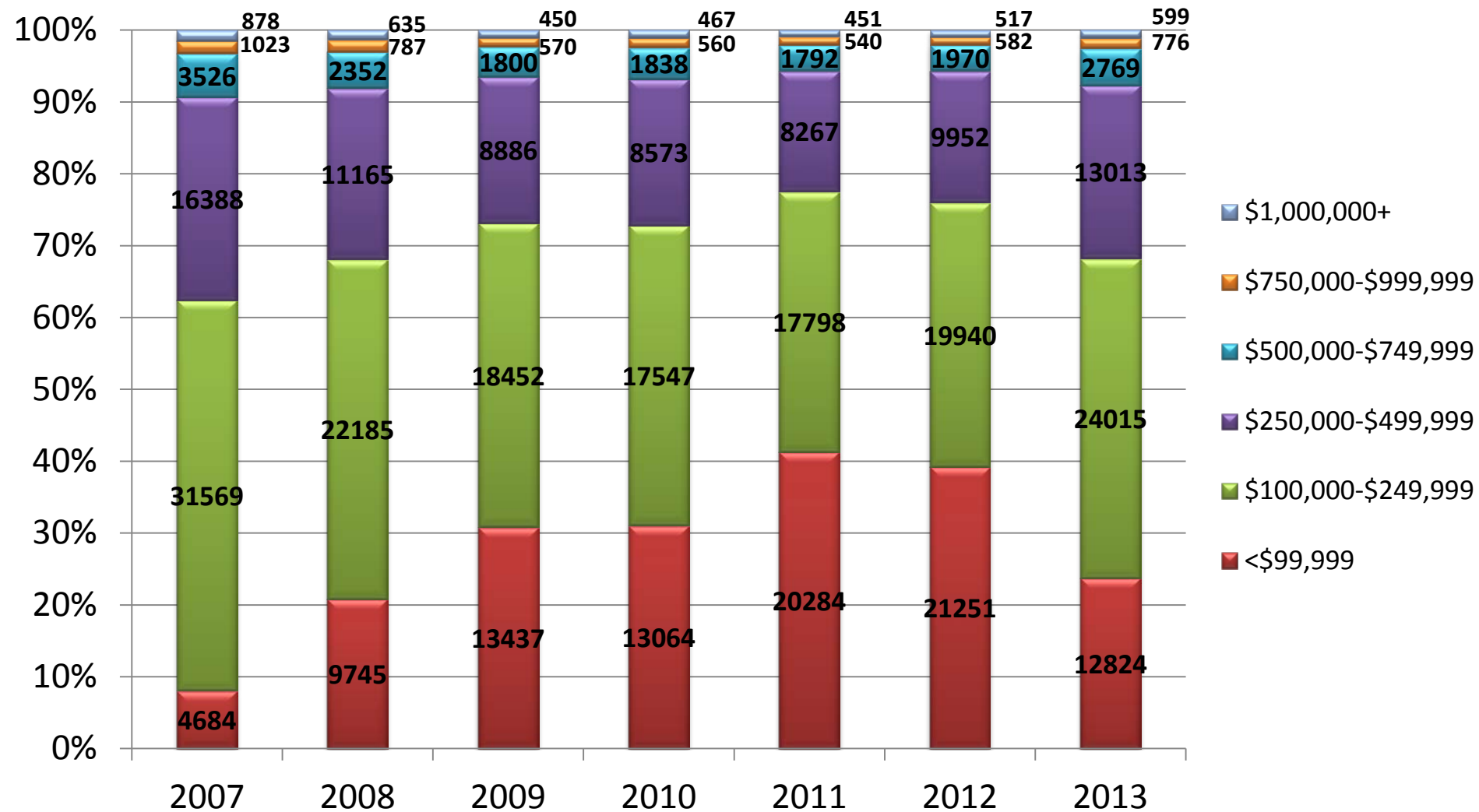
New Construction and Re-Sale Closings in Atlanta



Average Sales Prices of New and Re-Sale Homes Metro Atlanta

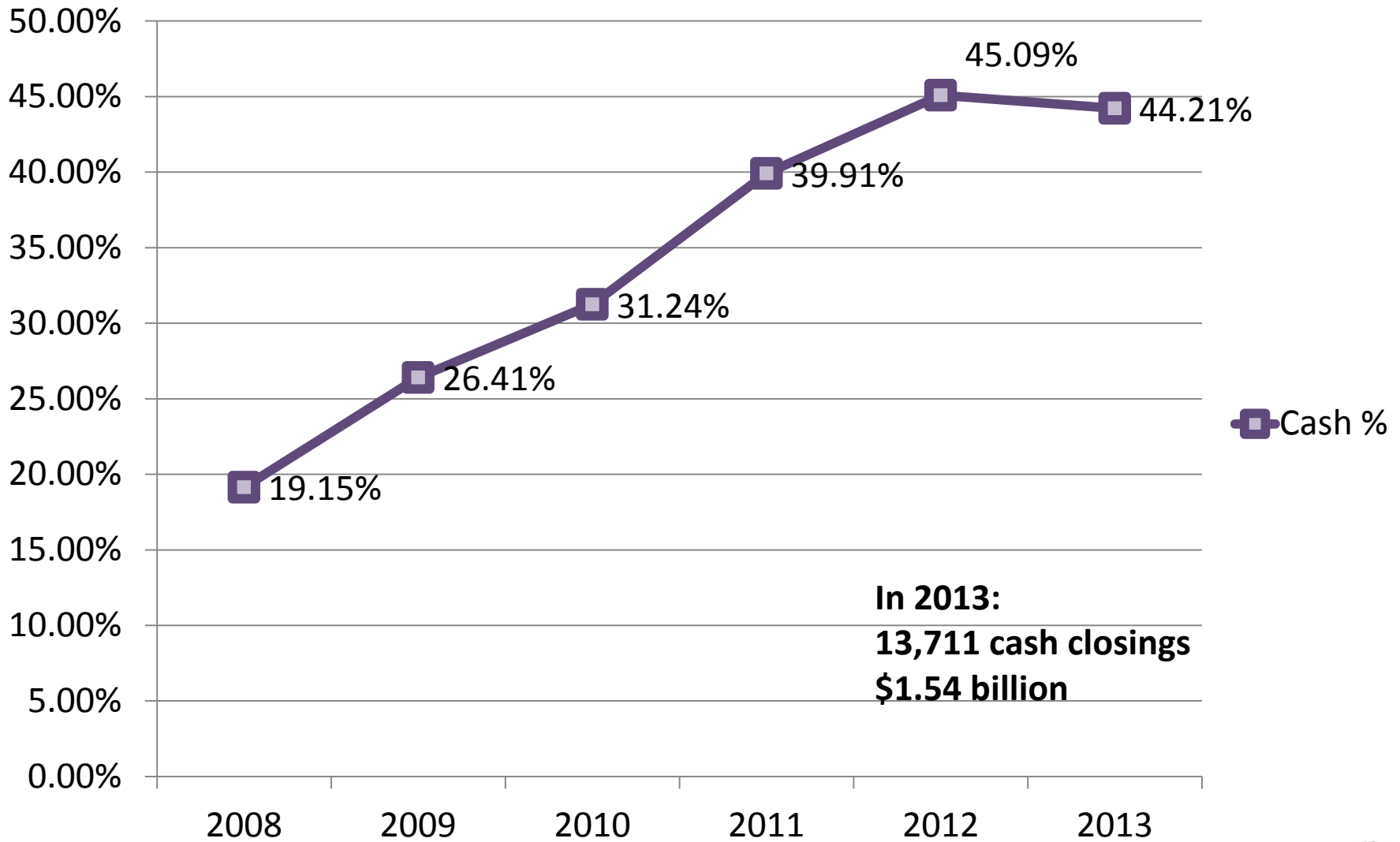


Price Ranges of Single Family Detached Closings in Metro Atlanta



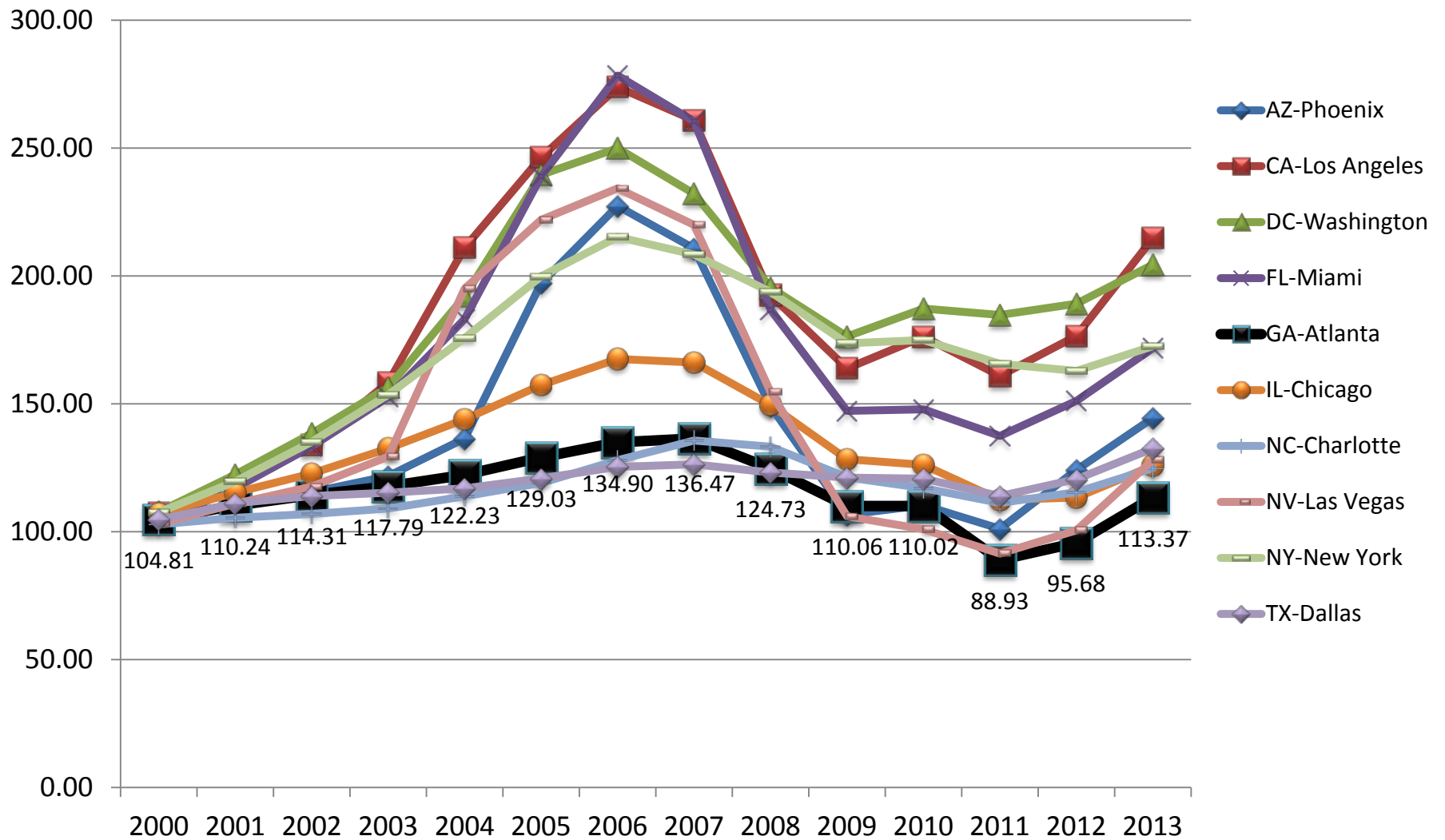
Cash Purchases as Percentage of Total Closings

Single Family Detached - Priced Under \$200,000 - Metro Atlanta



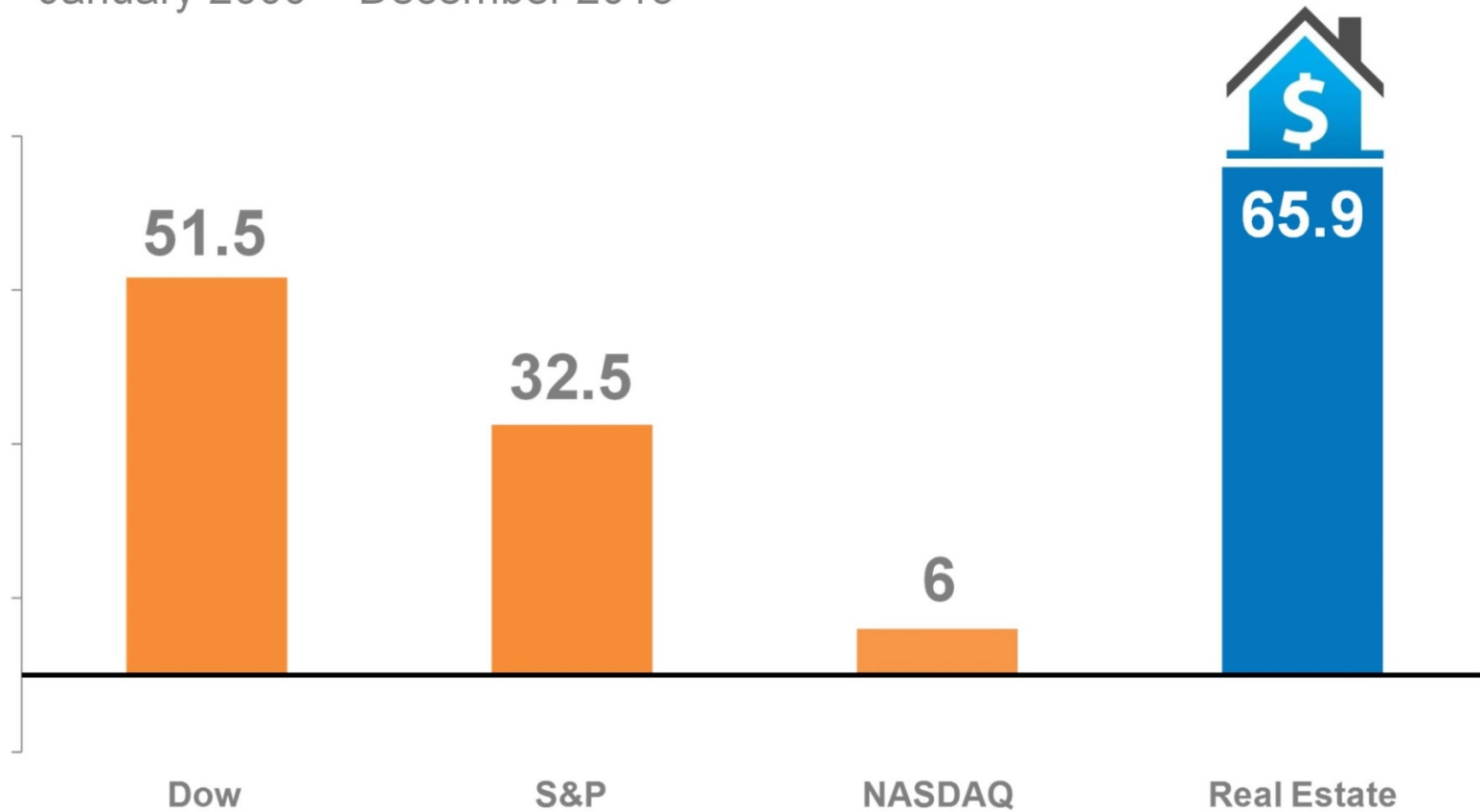
S&P/Case-Shiller Home Price Index

August of Each Year



RETURN ON INVESTMENT

January 2000 – December 2013



MSN Money.com, Case Shiller

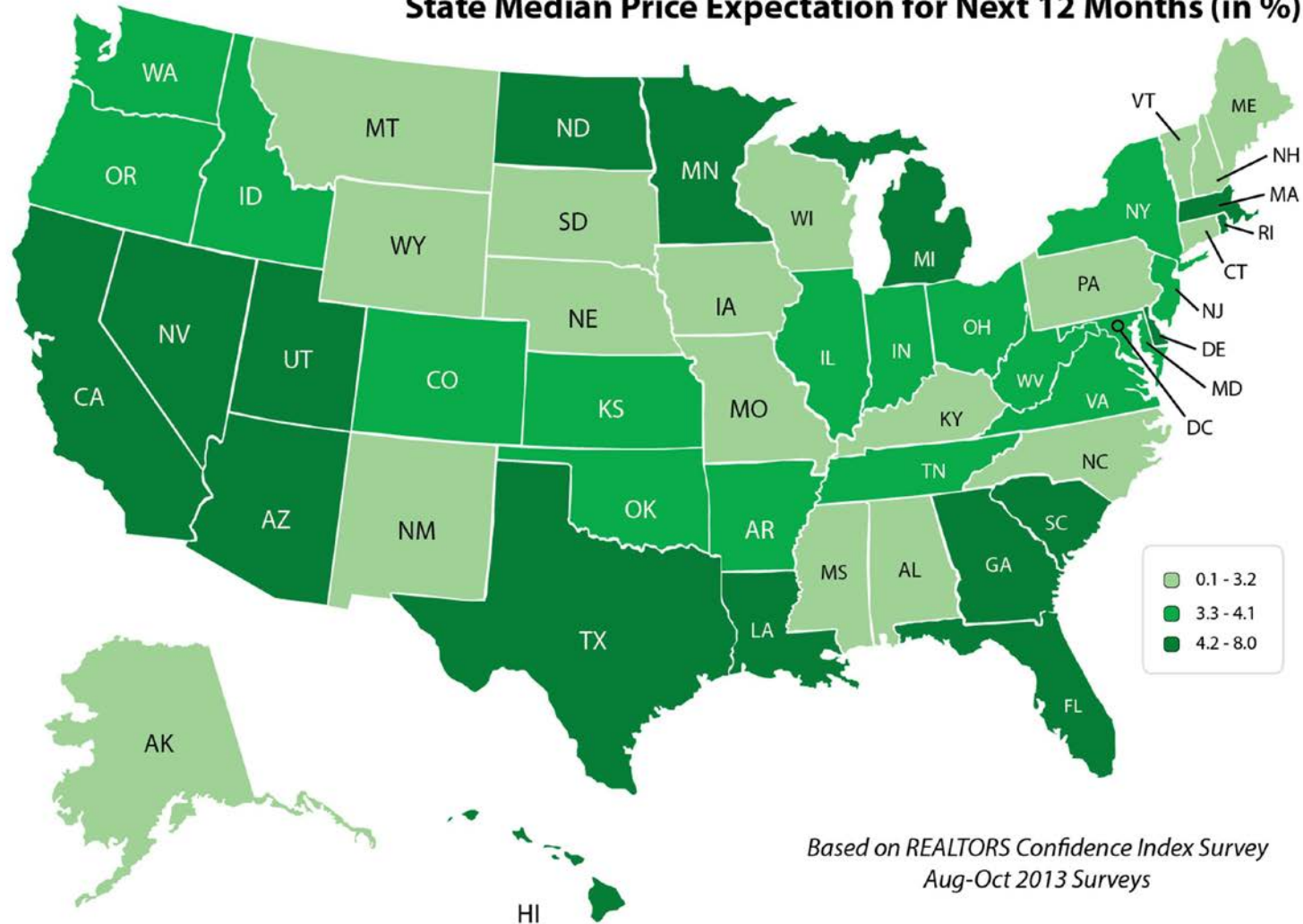


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State Median Price Expectation for Next 12 Months (in %)



Based on REALTORS Confidence Index Survey
Aug-Oct 2013 Surveys

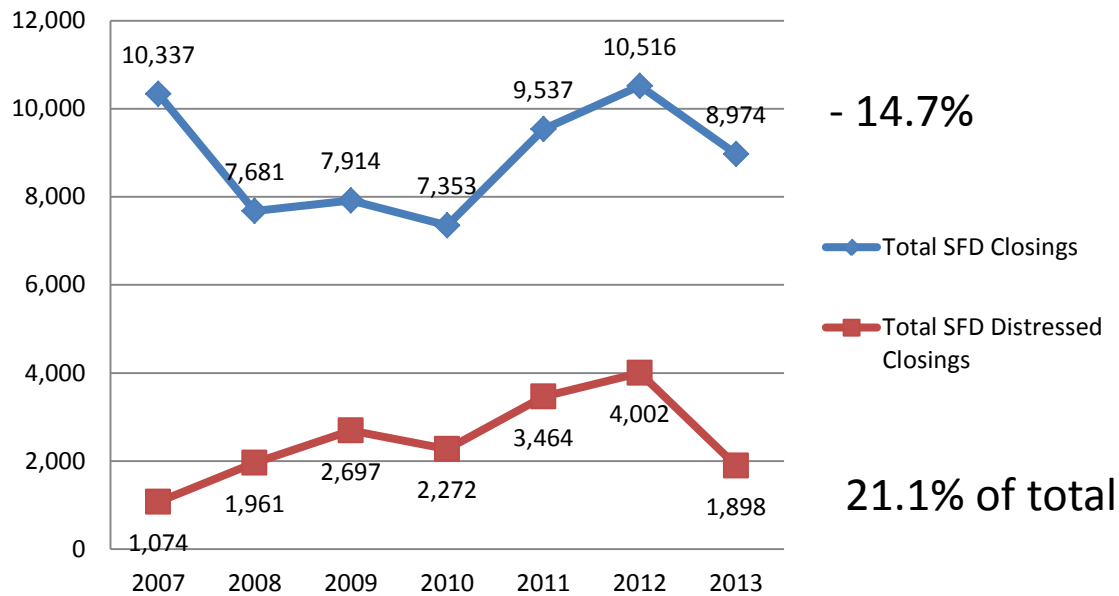


Metro Atlanta County Charts

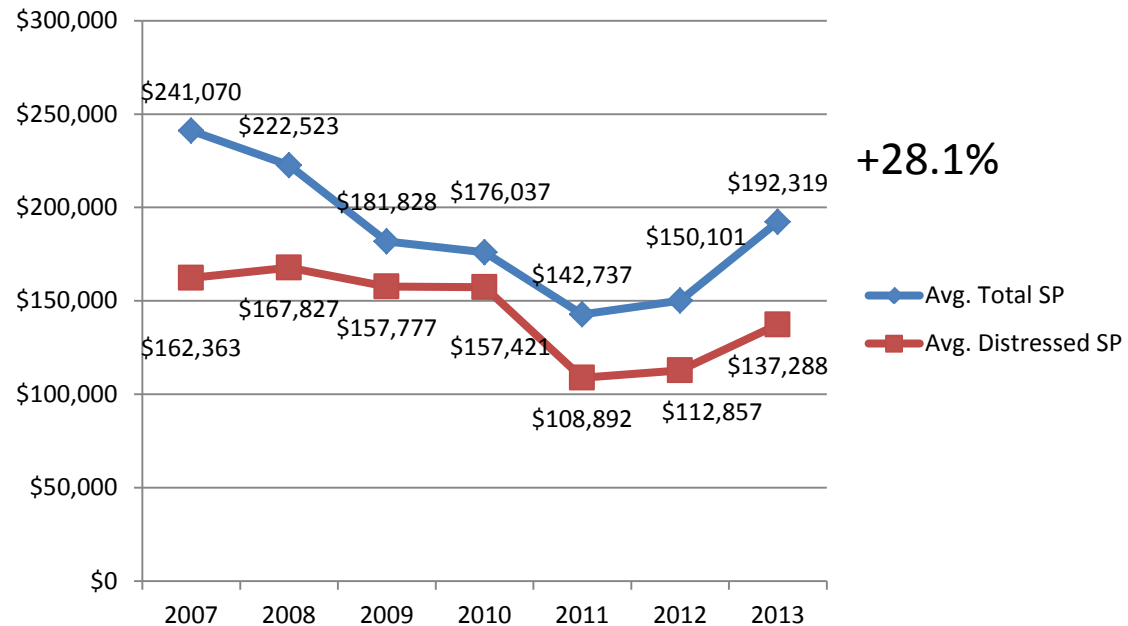


Gwinnett County

Source: First Multiple Listing Service

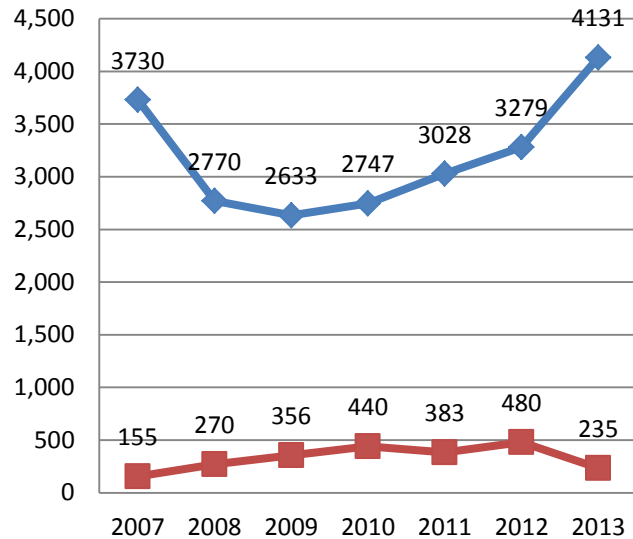


Gwinnett County



North Fulton County

Source: First Multiple Listing Service

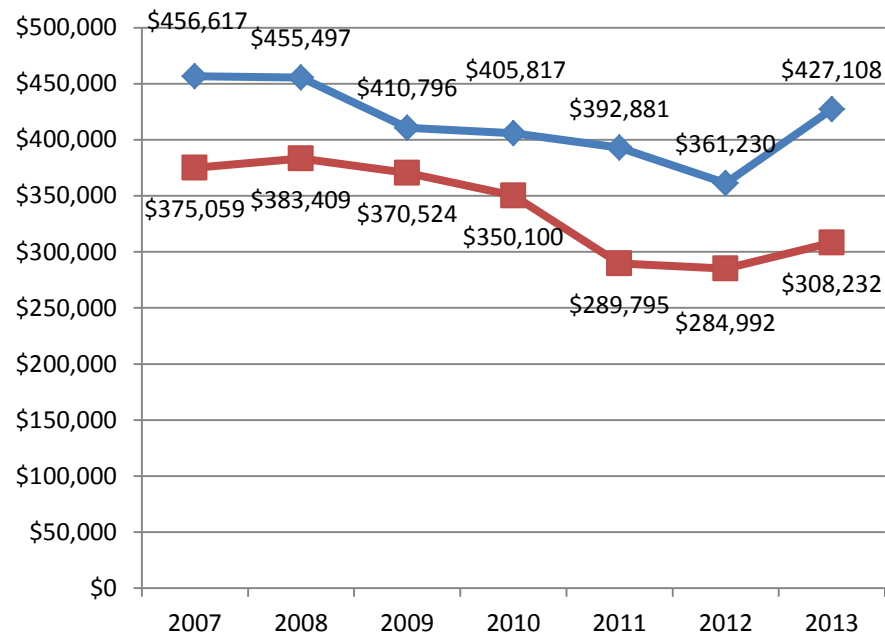


+25.9%

—◆— Total SFD Closings
—■— Total SFD Distressed Closings

5.7 % of total

North Fulton County

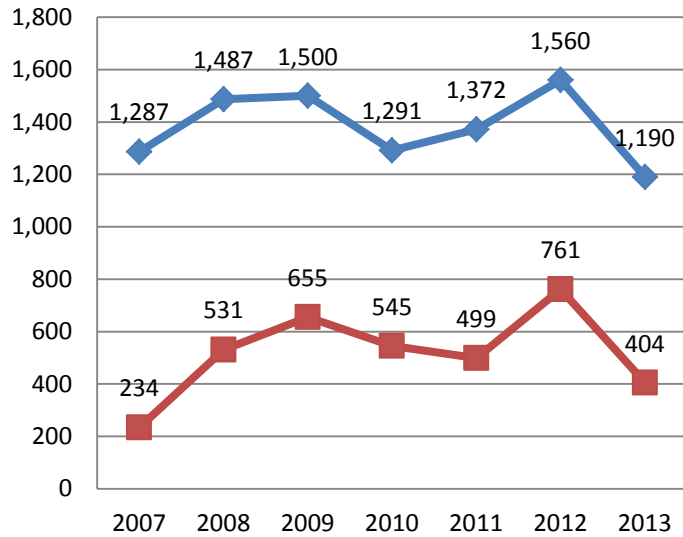


+18.2%

—◆— Avg. Total SP
—■— Avg. Distressed SP

South Fulton County

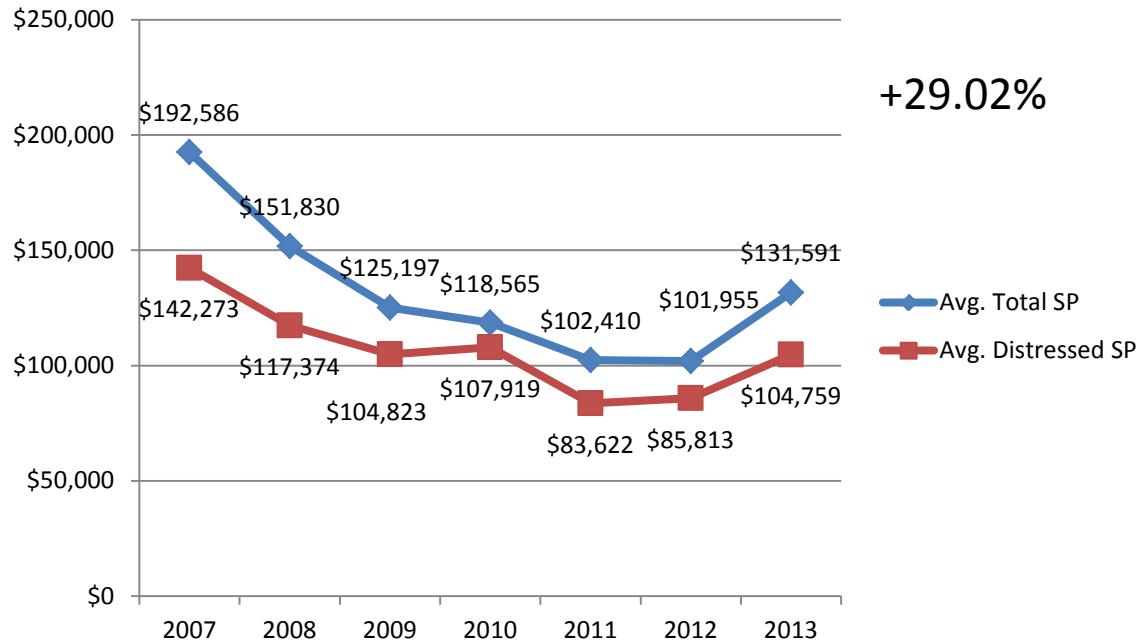
Source: First Multiple Listing Service



-23.7%

33.9 % of total

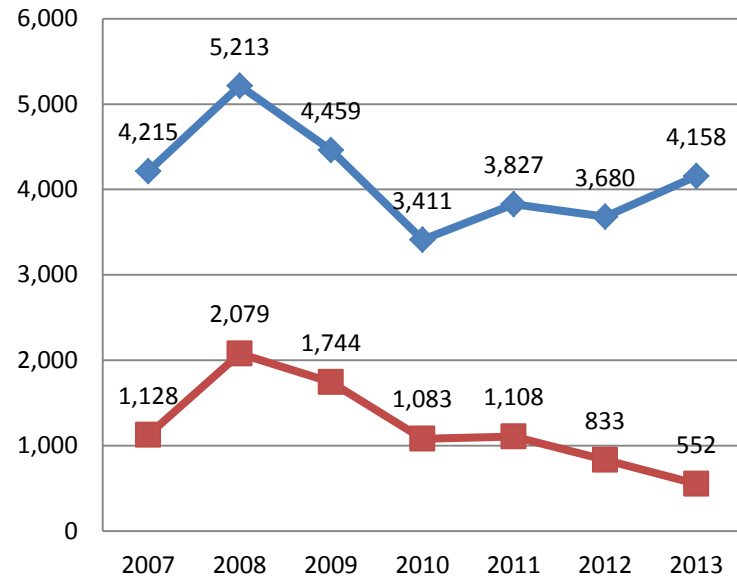
South Fulton County



+29.02%

City of Atlanta

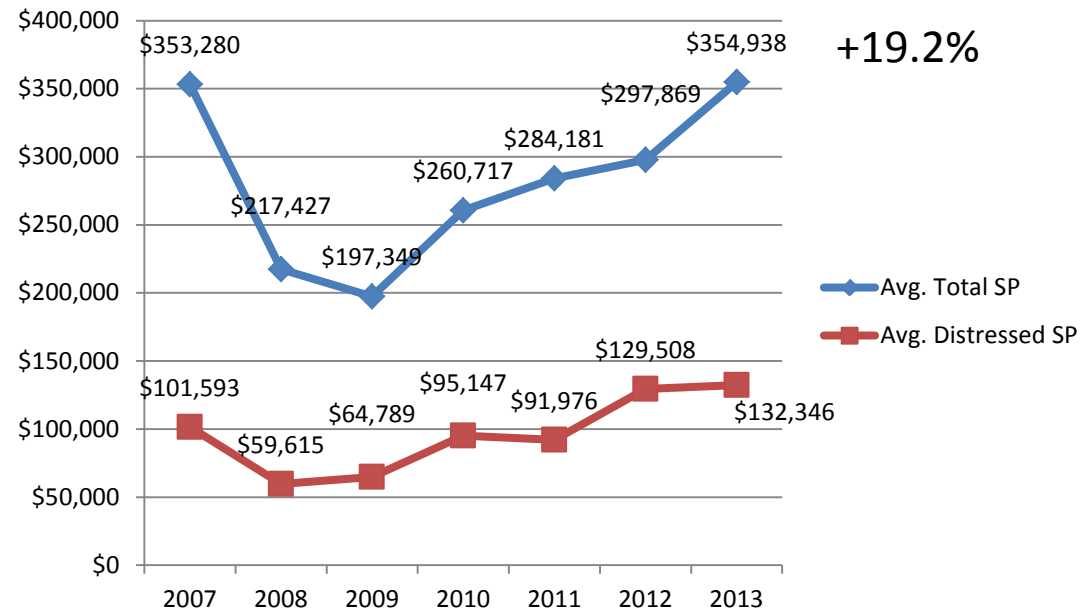
Source: First Multiple Listing Service



+12.9%

13.2 % of total

City of Atlanta



+19.2%

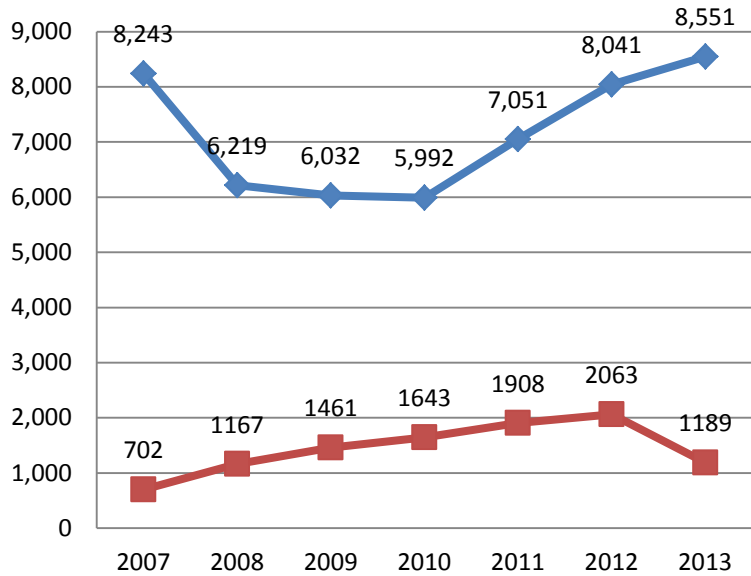
Cobb County

Source: First Multiple Listing Service

+12.9%

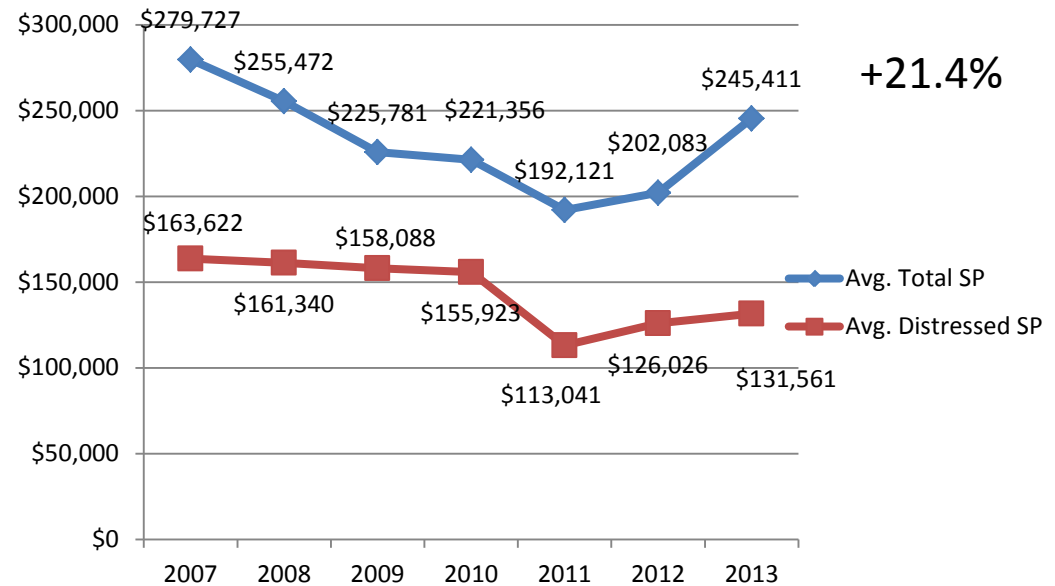
◆ Total SFD Closings
■ Total SFD Distressed Closings

13.2 % of total



Cobb County

+21.4%



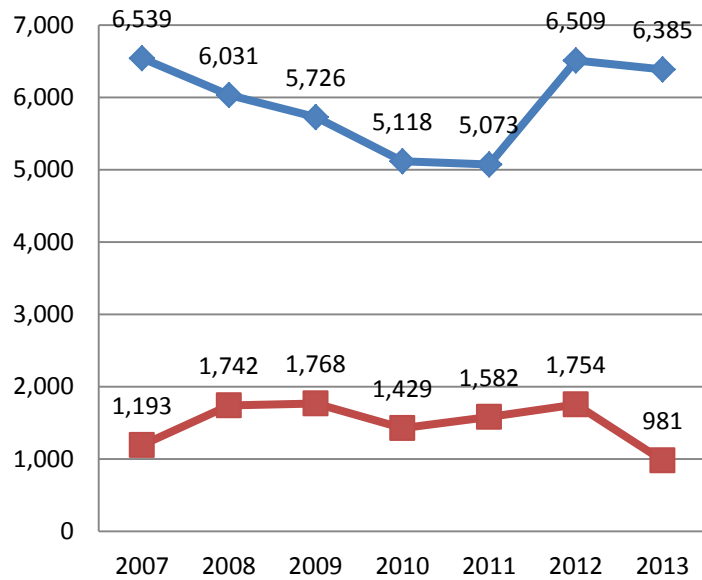
Dekalb County

Source: First Multiple Listing Service

-1.9%

◆ Total SFD Closings
■ Total SFD Distressed Closings

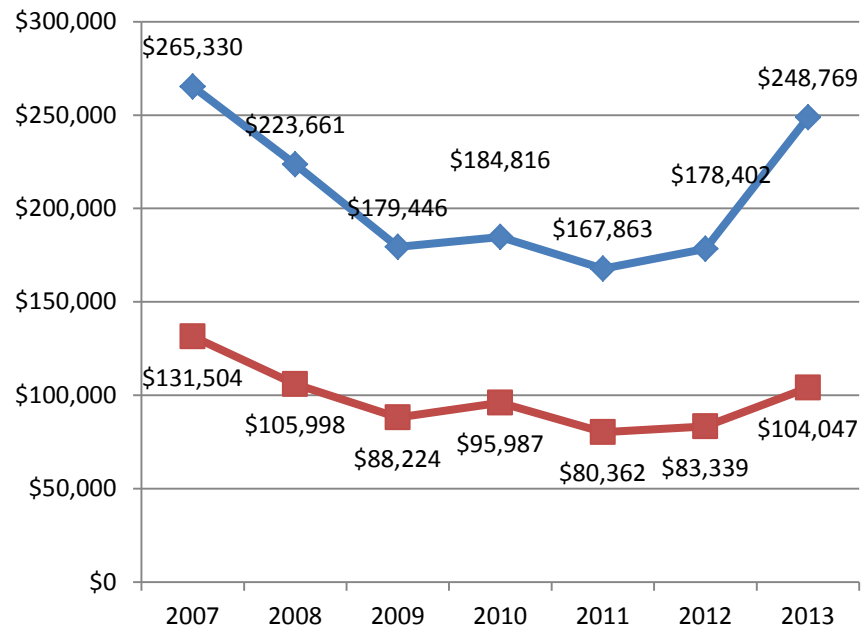
15.4 % of total



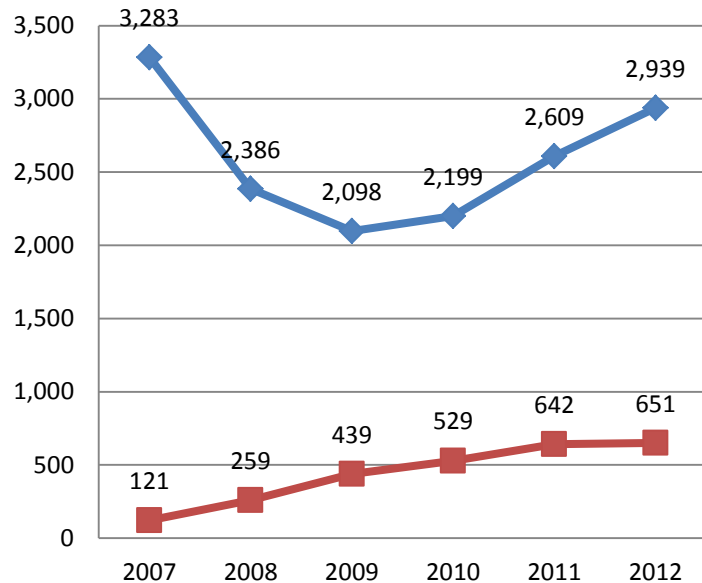
Dekalb County

+39.45 %

◆ Avg. Total SP
■ Avg. Distressed SP



Forsyth County

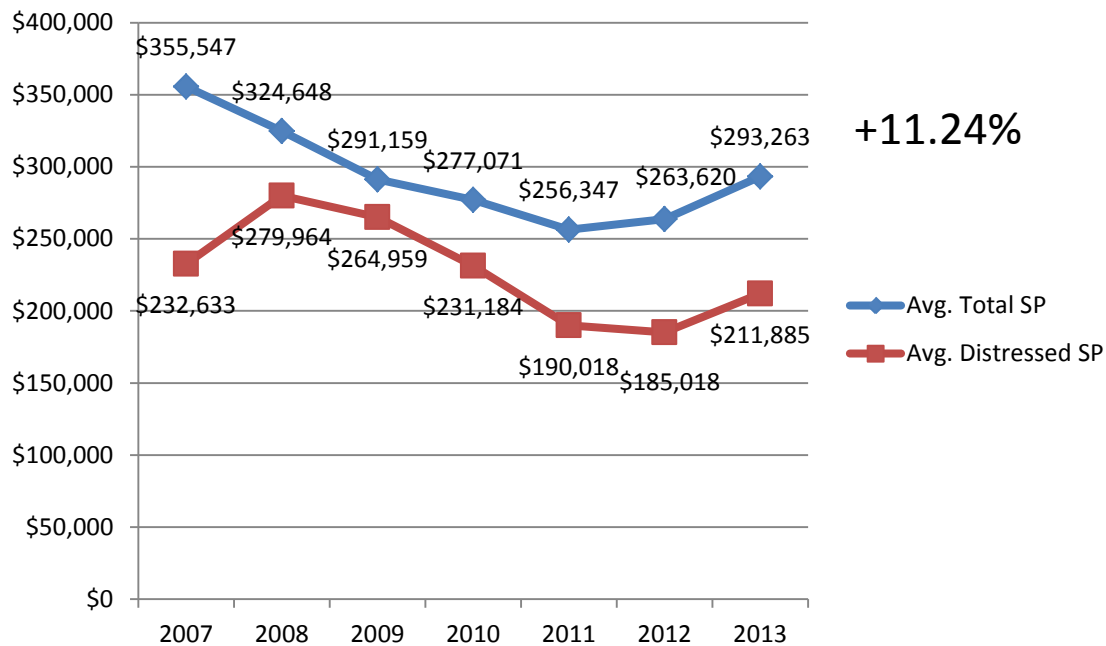


+12.6%

22.1 % of total

Source: First Multiple Listing Service

Forsyth County



+11.24%

Source: First Multiple Listing Service

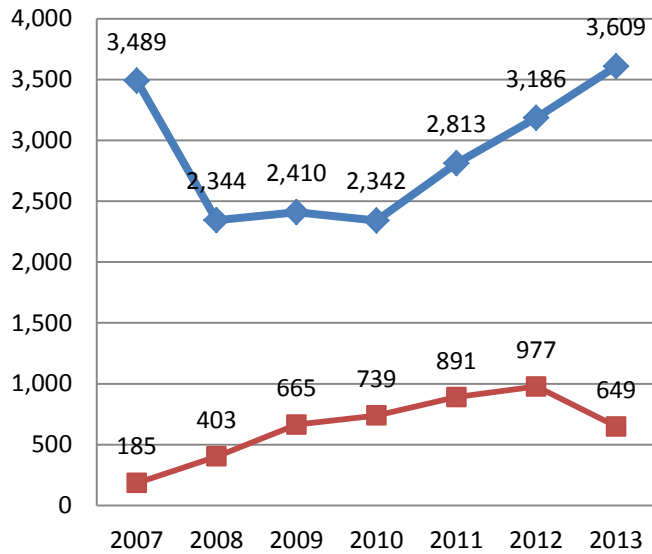
Cherokee County

Source: First Multiple Listing Service

+13.3%

◆ Total SFD Closings
■ Total SFD Distressed Closings

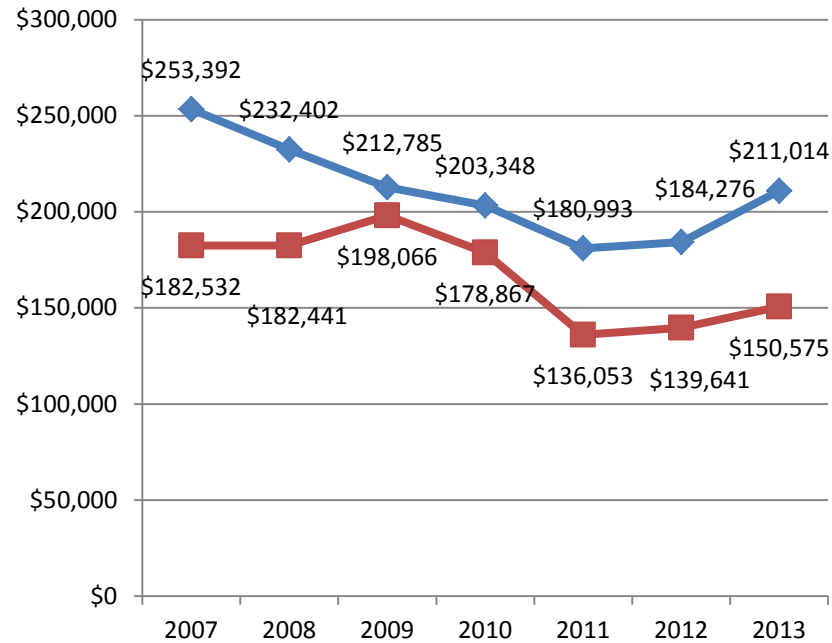
17.9 % of total



Cherokee County

+14.5%

◆ Avg. Total SP
■ Avg. Distressed SP

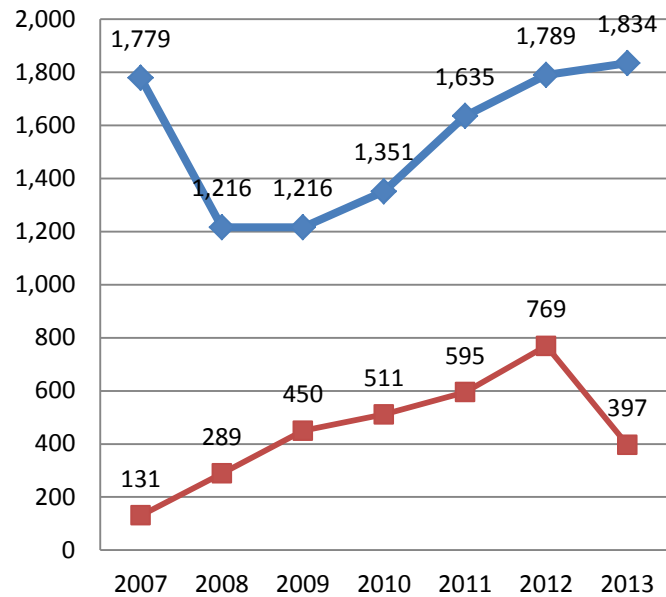


Hall County

Source: First Multiple Listing Service

+2.5%

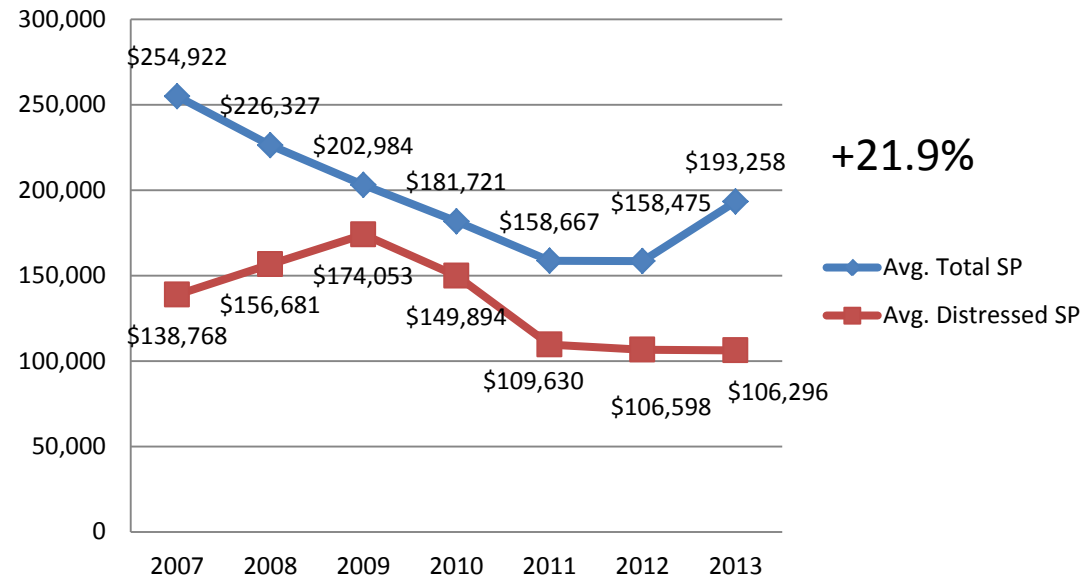
21.6 % of total



—◆— Total SFD Closings
—■— Total SFD Distressed Closings

Hall County

+21.9%



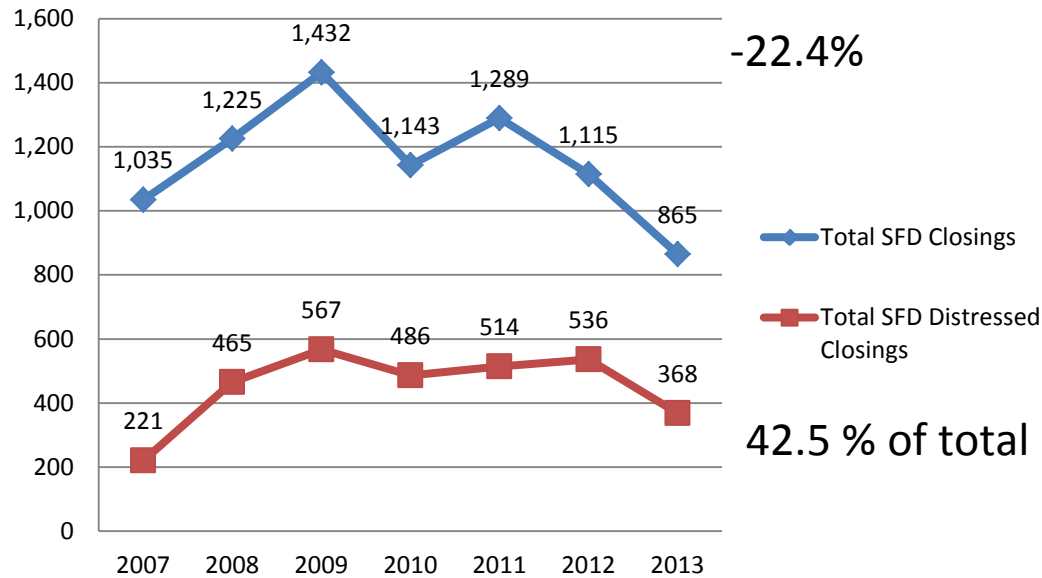
—◆— Avg. Total SP
—■— Avg. Distressed SP

Clayton County

Source: First Multiple Listing Service

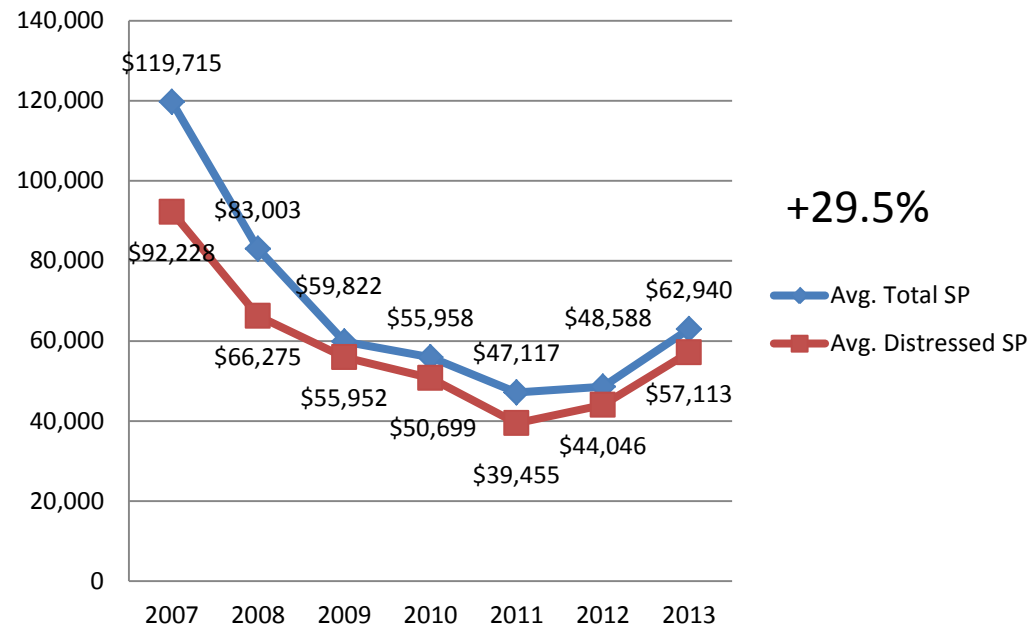
-22.4%

42.5 % of total



Clayton County

+29.5%



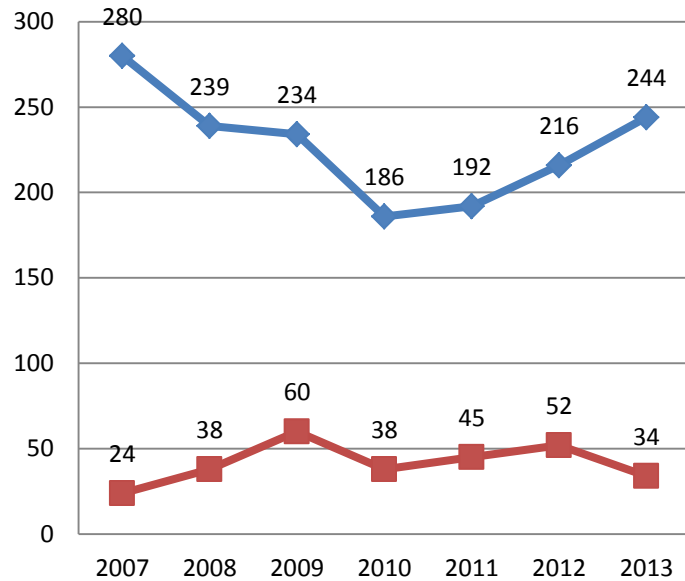
Fayette County

Source: First Multiple Listing Service

+13.0%

Total SFD Closings
Total SFD Distressed
Closings

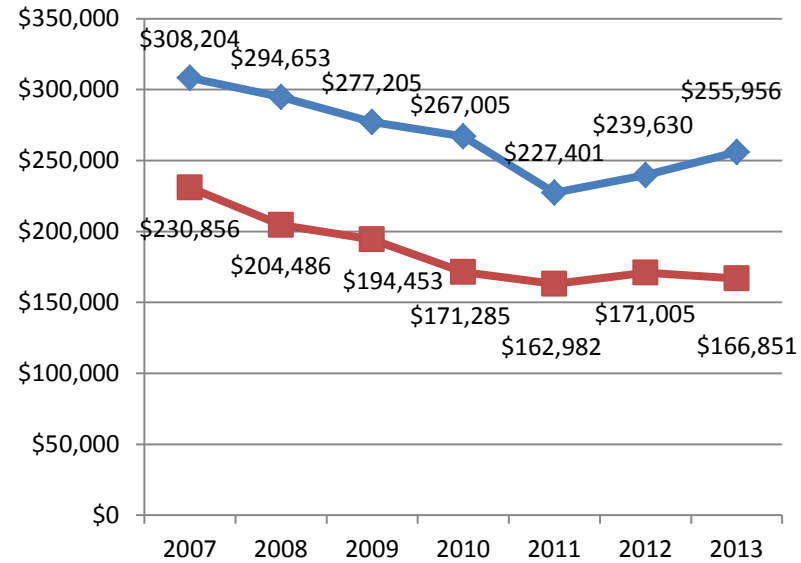
13.9 % of total



Fayette County

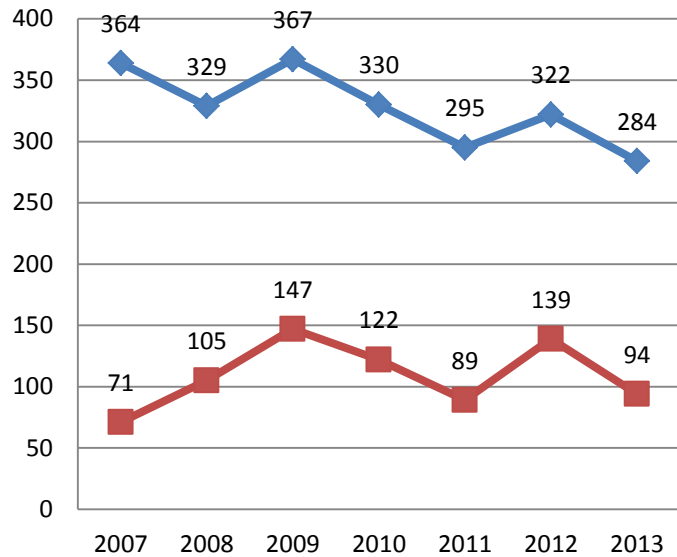
+6.8%

Avg. Total SP
Avg. Distressed SP



Rockdale County

Source: First Multiple Listing Service

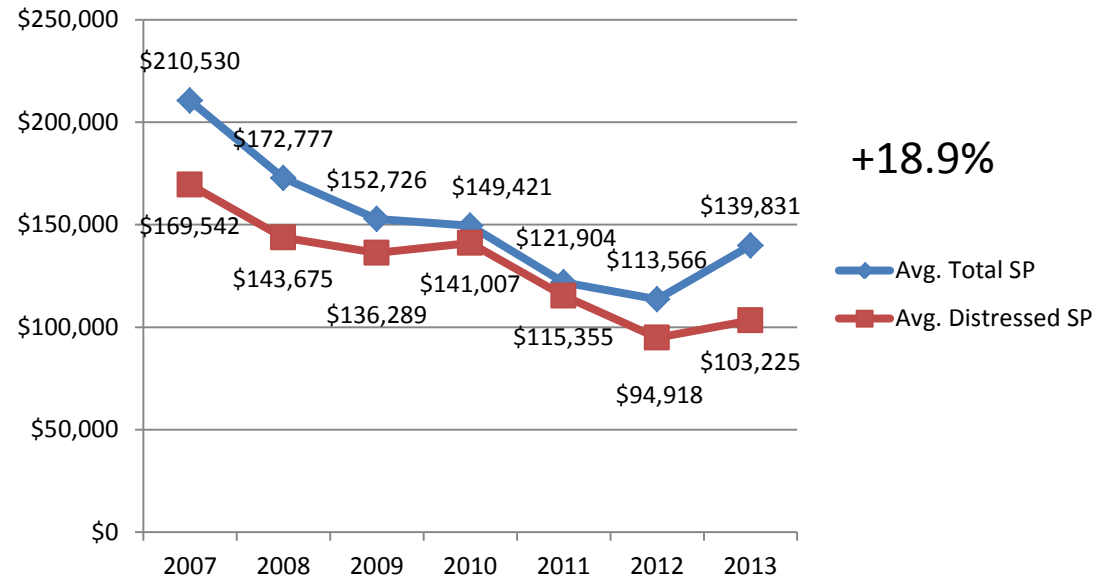


-11.8%

Total SFD Closings
Total SFD Distressed
Closings

33.0% of total

Rockdale County



+18.9%

Avg. Total SP
Avg. Distressed SP

The Effect of Distressed Property Sales on Single Family Sales Prices in 2012 in Metro Atlanta

Average Sales Price (Non-Distressed) Single Family Detached	\$220,930	
Average Sales Price (Distressed Closings) Single Family Detached	\$110,676	-16.7%
Average Sales Price (All Closings) Single Family Detached	\$183,827	
<hr/>		
Average Sales Price (Non-Distressed) Single Family Attached	\$166,180	
Average Sales Price (Distressed Closings) Single Family Attached	\$82,250	-15.9%
Average Sales Price (All Closings) Single Family Attached	\$139,729	



The Effect of Distressed Property Sales on Single Family Sales Prices in 2013 in Metro Atlanta

Average Sales Price (Non-Distressed) Single Family Detached	\$258,683	
Average Sales Price (Distressed Closings) Single Family Detached	\$120,509	-10.81%
Average Sales Price (All Closings) Single Family Detached	\$230,731	
<hr/>		
Average Sales Price (Non-Distressed) Single Family Attached	\$194,596	
Average Sales Price (Distressed Closings) Single Family Attached	\$92,310	-9.99%
Average Sales Price (All Closings) Single Family Attached	\$175,189	



Savings on Short Sales and Foreclosures vs. Market Sales Metro Atlanta 2013

Single Family Detached

Non Distressed Avg. Sales Price
\$258,683

Short Sales Avg. Sales Price
\$142,731 (44% less)

Foreclosures Avg. Sales Price
\$107,386 (58% less)

Single Family Attached

Non Distressed Avg. Sales Price
\$194,596

Short Sales Avg. Sales Price
\$92,157 (52% less)

Foreclosures Avg. Sales Price
\$92,518 (52% less)

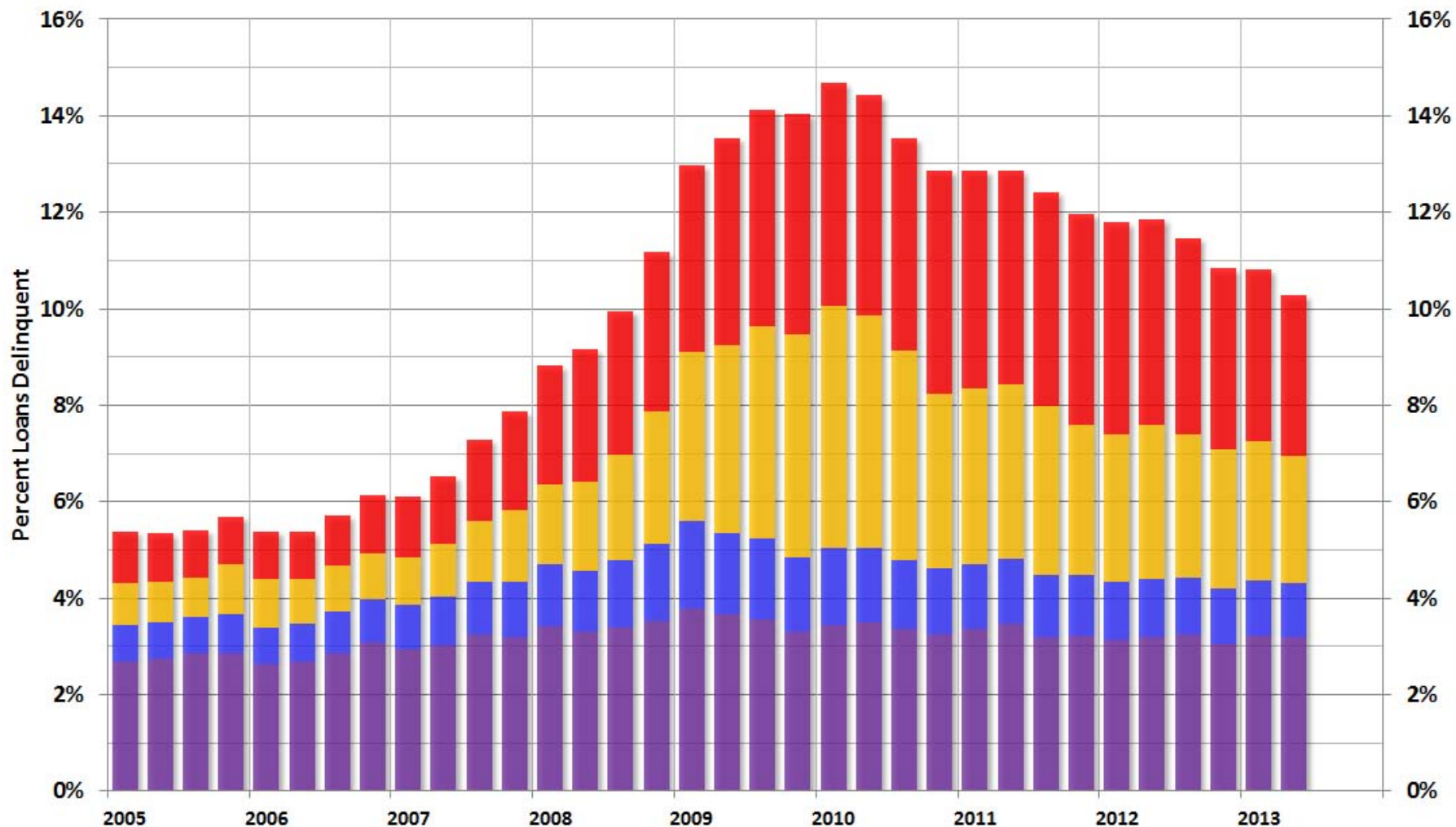


Mortgage Delinquencies



Mortgage Delinquencies and Foreclosures by Period Past Due, All Loans

30 Day (SA) 60 Day (SA) 90 Day (SA) Foreclosure Process



Source: MBA

<http://www.calculatedriskblog.com/>



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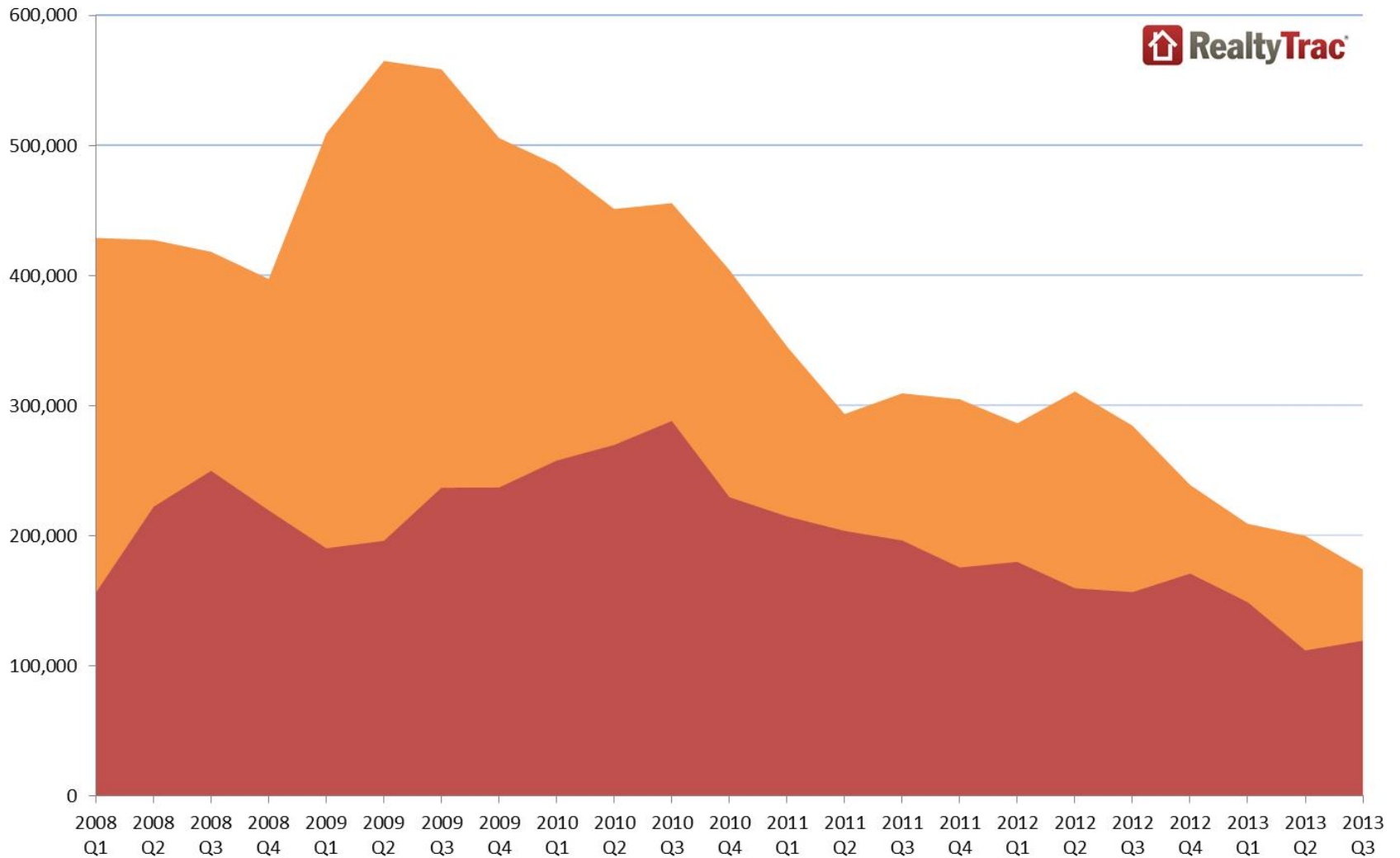
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Source: Mortgage Bankers Association



U.S. Foreclosure Starts & Completions by Quarter

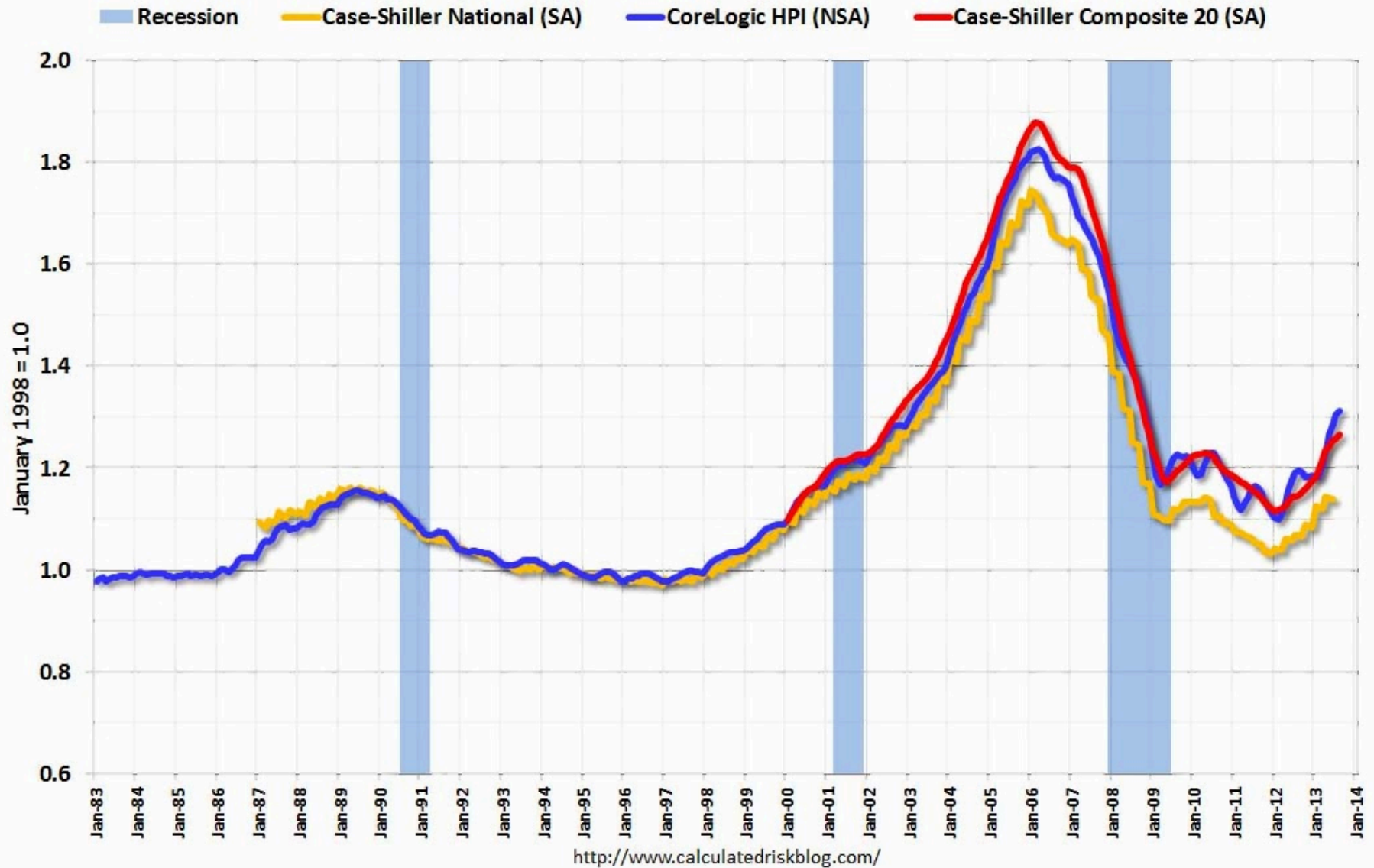
Foreclosure Starts Bank Repossessions



Price-to-Rent Ratios



Price-to-Rent: Case-Shiller and CoreLogic House Prices



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Looking Ahead



Home prices jump 13.6%

By Chris Isidore @CNNmoney December 31, 2013 9:41 AM ET

CNNMoney

Most Popular

Silicon Valley investor Tim Draper:
Split California into 6 states



Los Angeles Times | BUSINESS

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TRACKING THE MARKET AND ECONOMIC
TRENDS THAT SHAPE YOUR FINANCES

Home price increases slow

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longtime girlfriend in Facebook post
86 people recommend this.



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The ECONOMY

Coincident indexes constructed from state employment data. From the Federal Reserve Bank of Philadelphia:

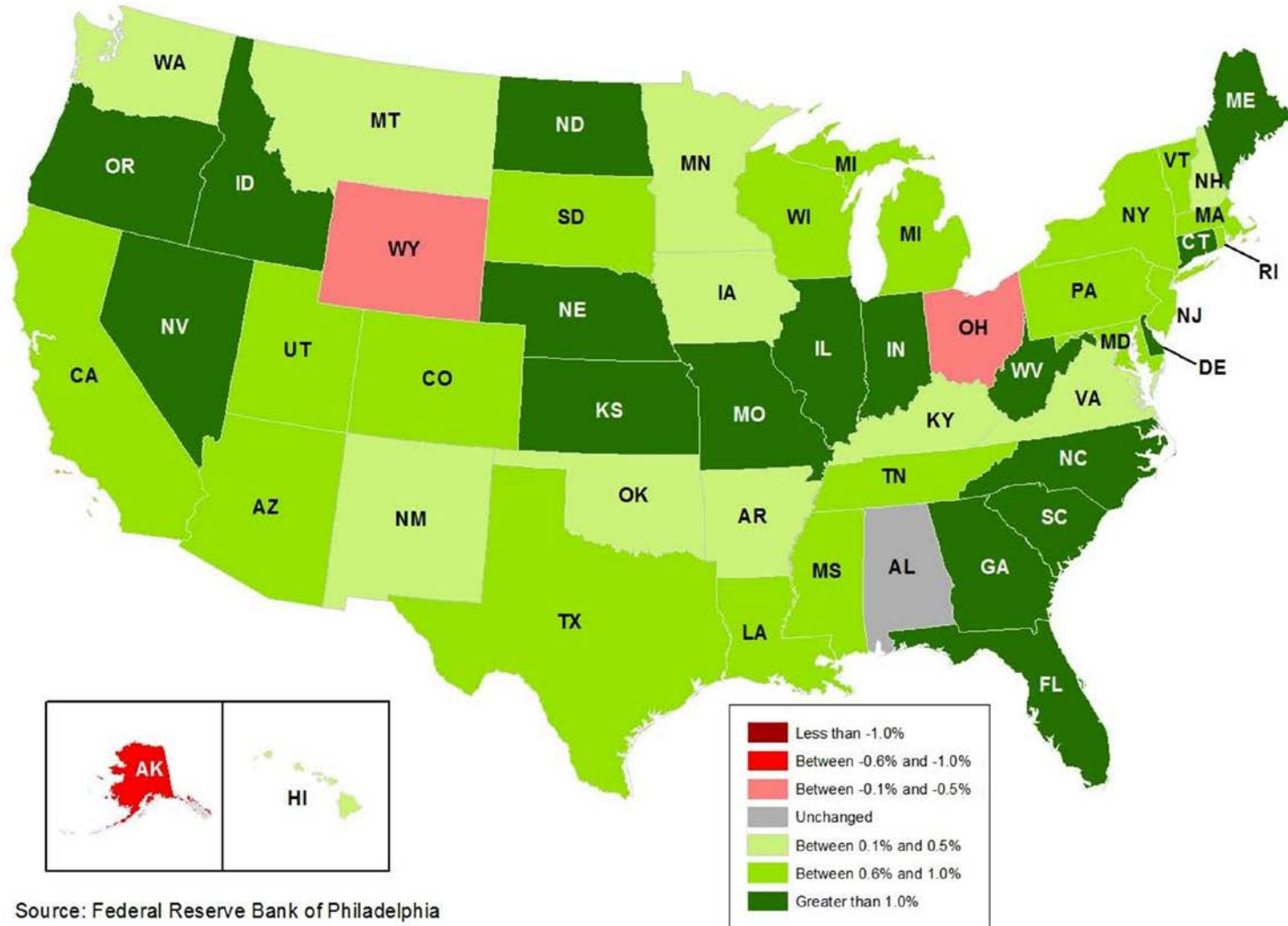
“The coincident indexes combine four state-level indicators to summarize current economic conditions in a single statistic. The four state-level variables in each coincident index are nonfarm payroll employment, average hours worked in manufacturing, the unemployment rate, and wage and salary disbursements deflated by the consumer price index (U.S. city average).”

The trend for each state’s index is set to the trend of its gross domestic product (GDP), so long-term growth in the state’s index matches long-term growth in its GDP.”



Calculated Risk 12/2013

November 2013 State Coincident Indexes: Three-Month Change



Calculated Risk 12/2013





Federal Reserve 12/2013



"I think it is very likely that QE3 will be completed by the end of 2014. There are 8 meetings during the year, and I expect the Fed to reduce the pace of asset purchases at about \$10 billion per meeting.

It appears they will only slow the taper if inflation declines sharply - or if the economy stalls (I think both are unlikely)."

Bill McBride

Calculated Risk



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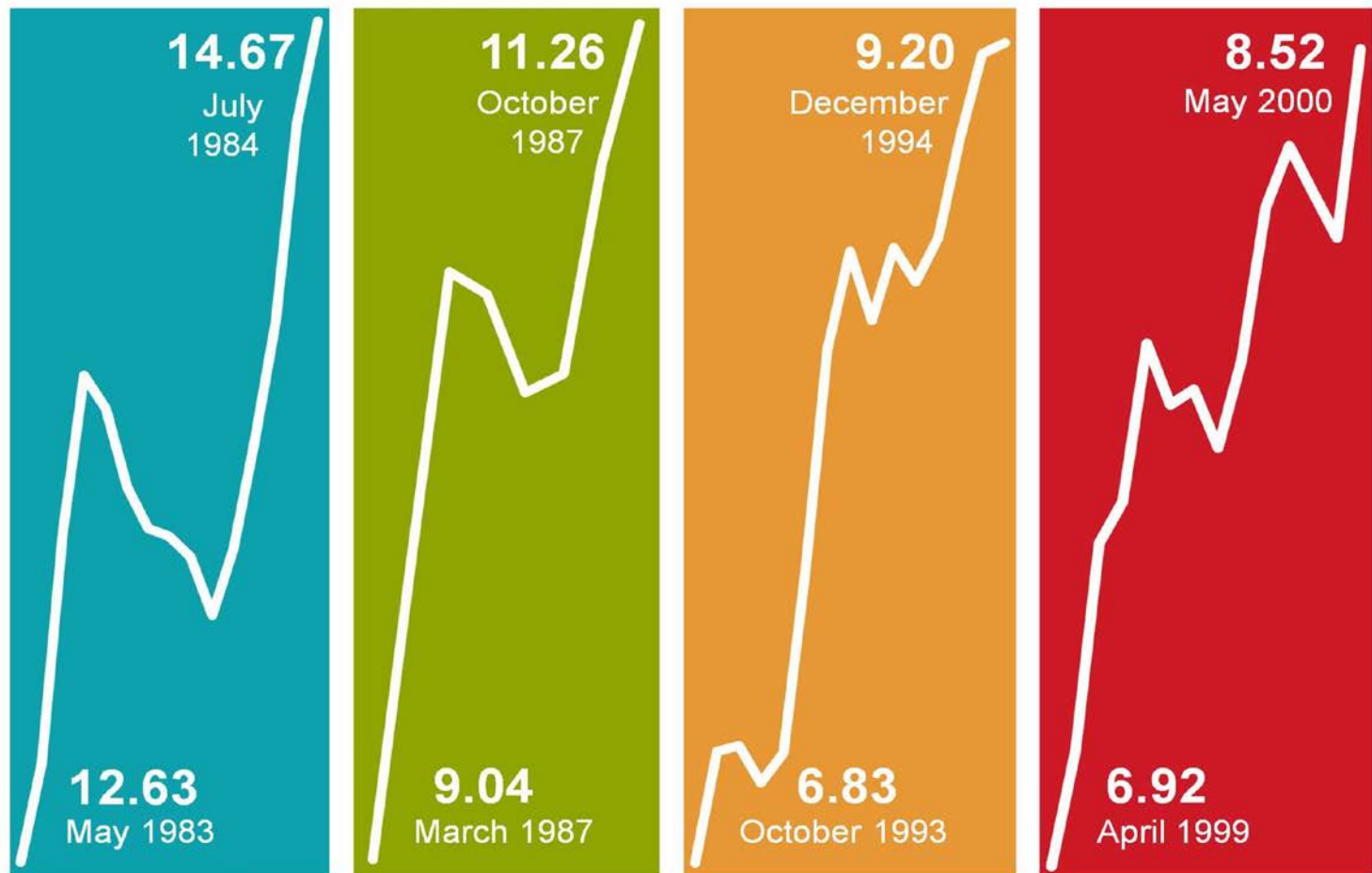
Mortgage Rate Projections



Analyst	Projected Rate 1Q 2015
National Assoc of Realtors	5.4%
Mortgage Bankers Assoc	5.3%



Dramatic Mortgage Rate Increases



Real Estate Value Change During Each Time Period

+6.6%

+5.2%

+1.2%

+10.9%

Calculated Risk 7/2013



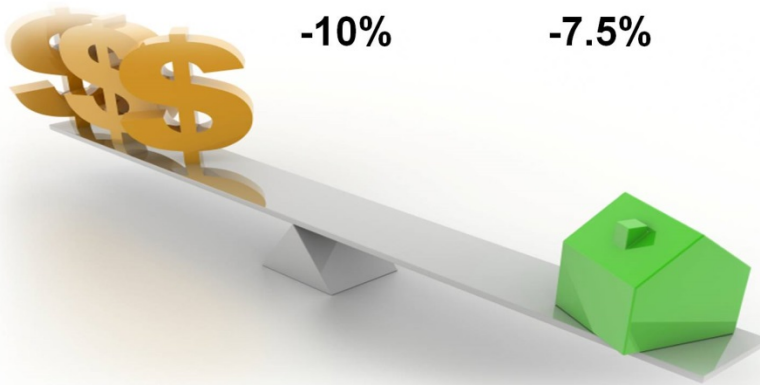
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Buyer's Purchasing Power

RATE	6.00	\$ 2,158	\$ 2,218	\$ 2,278	\$ 2,338	\$ 2,398
	5.75	\$ 2,100	\$ 2,160	\$ 2,218	\$ 2,276	\$ 2,334
	5.50	\$ 2,044	\$ 2,100	\$ 2,158	\$ 2,214	\$ 2,272
	5.25	\$ 1,988	\$ 2,044	\$ 2,098	\$ 2,154	\$ 2,208
	5.00	\$ 1,932	\$ 1,986	\$ 2,040	\$ 2,094	\$ 2,148
	4.75	\$ 1,878	\$ 1,930	\$ 1,982	\$ 2,034	\$ 2,086
	4.50	\$ 1,824	\$ 1,874	\$ 1,926	\$ 1,976	\$ 2,026
		\$ 360,000	\$ 370,000	\$ 380,000	\$ 390,000	\$ 400,000
		-10%	-7.5%	-5%	-2.5%	



Principal and Interest Payments
rounded to the nearest dollar amount.



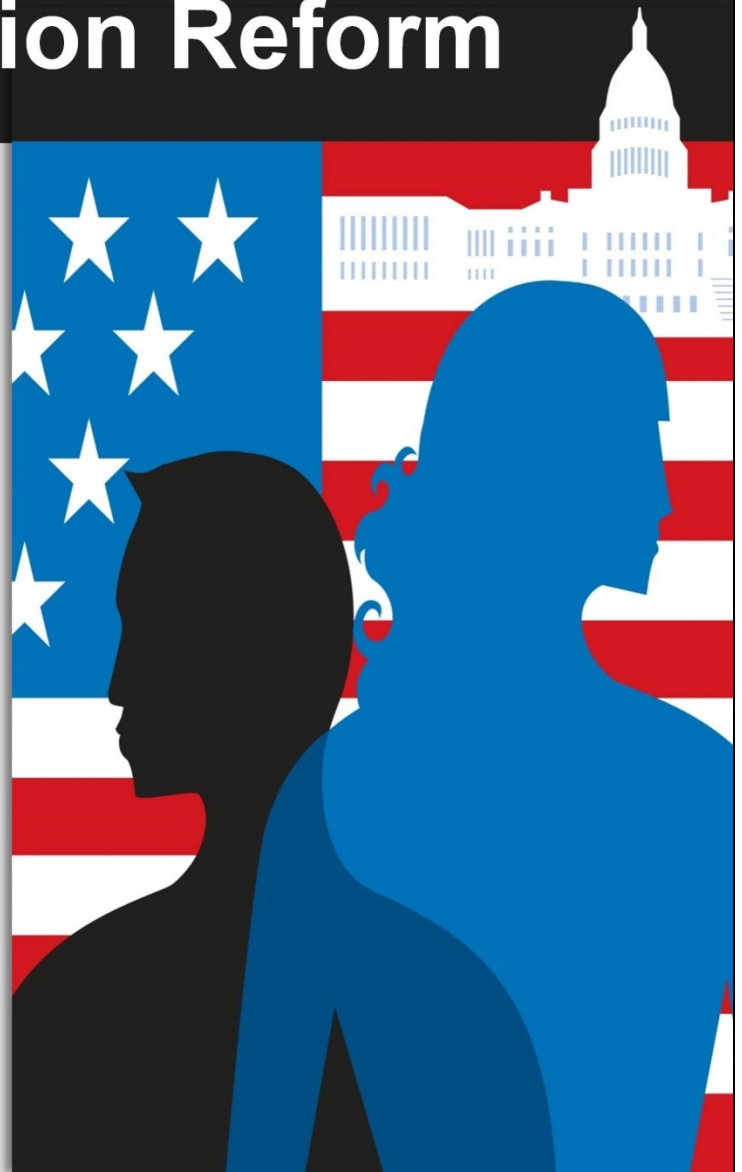
Impact of Immigration Reform

“Demand for housing units increases as new immigrants enter the economy and form households, accelerating the current housing recovery and fueling growth in this sector of the economy.”

\$68B

Projected annual increase in spending on residential construction

Bipartisan Policy Center 12/2013



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*1978-2000



MILLENNIALS*



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HOUSEHOLDS

in the U.S.*

2014-2017



**Urban Land Institute's 2014
Emerging Trends
in Real Estate*

121M

Current Households
in the United States

3.7%

Projected Growth over
the Next 3 Years

4.48M

Additional Households
to be Formed



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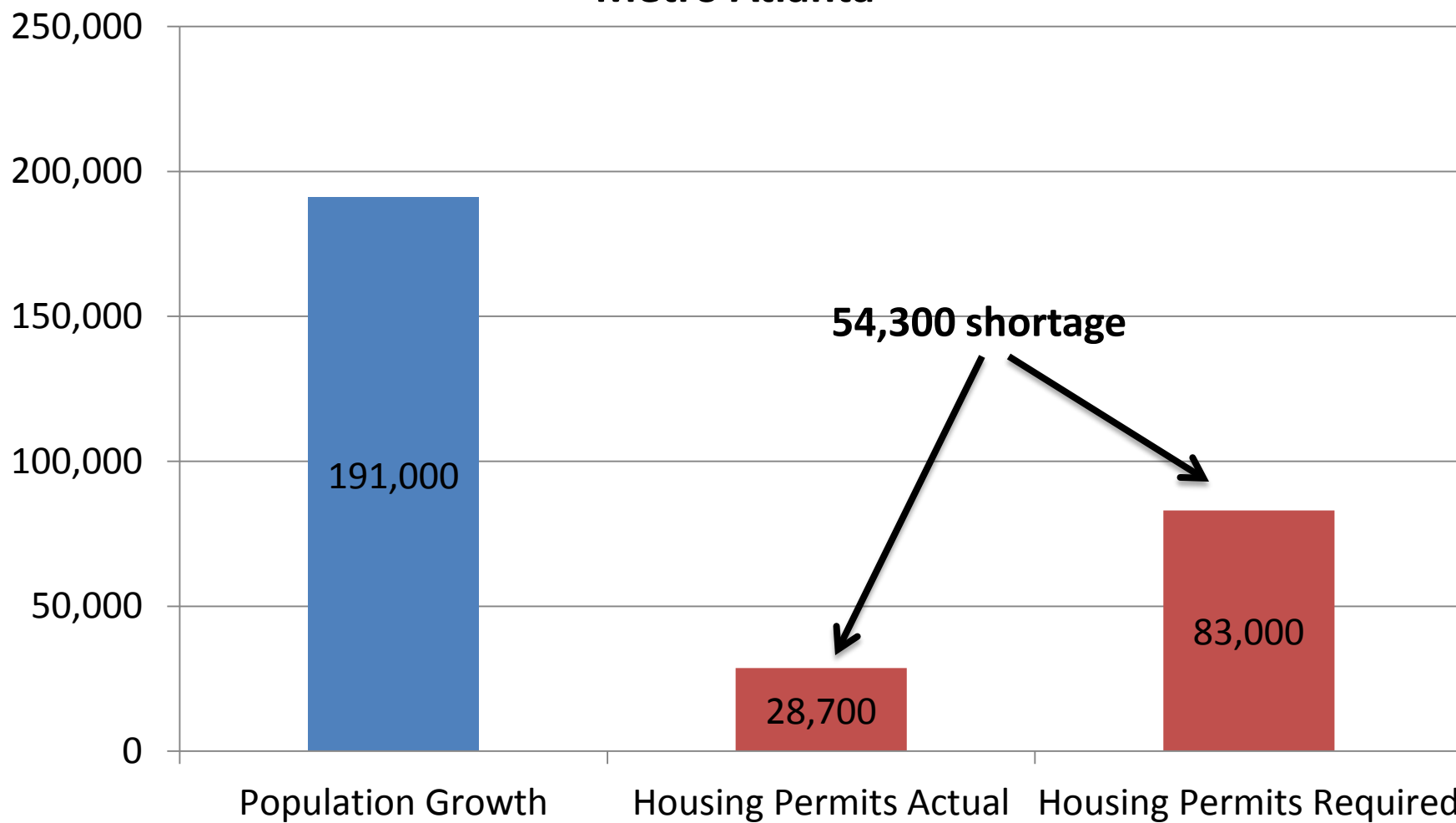


88,800

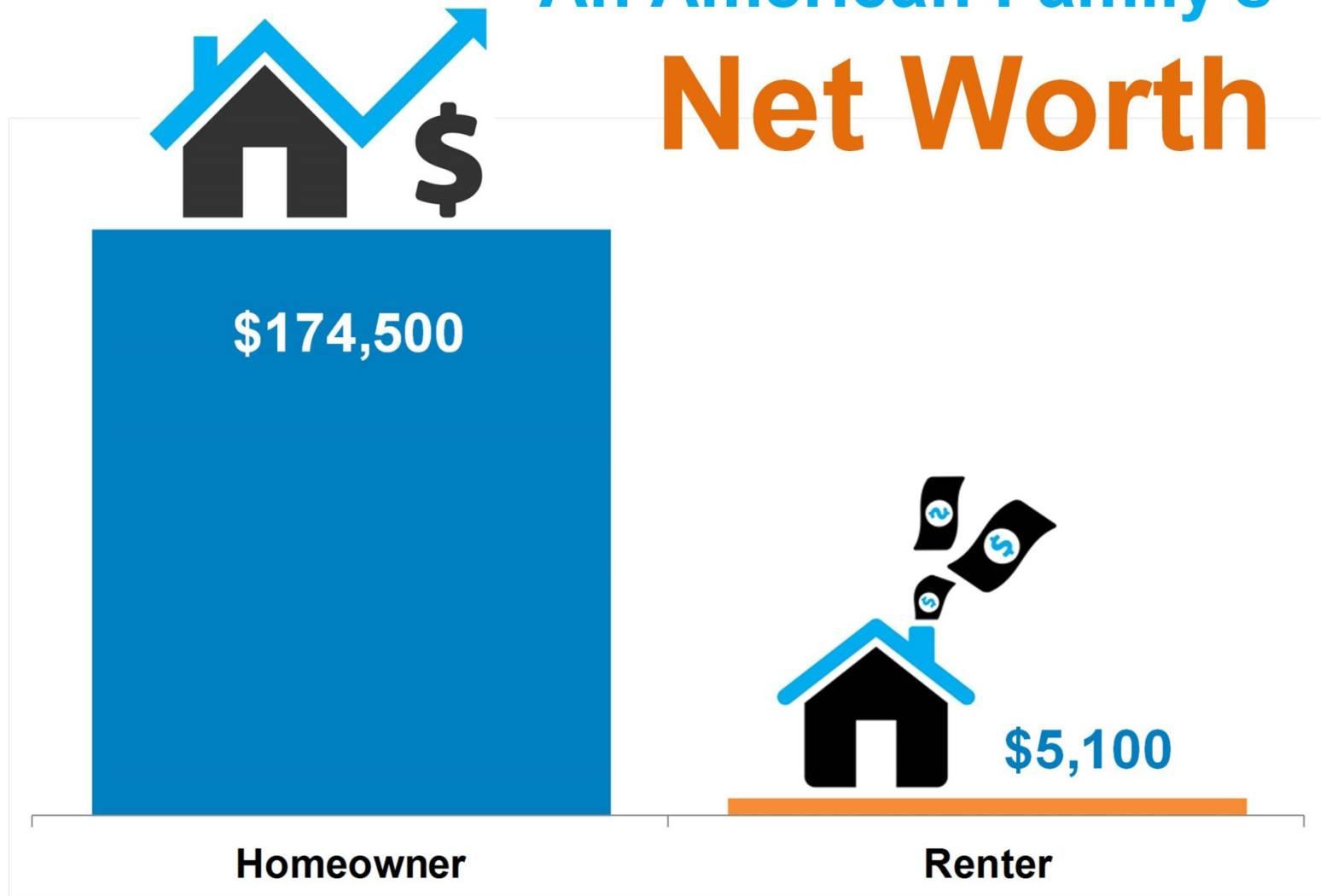
New households forming in Metro Atlanta in the next 3 years*



2008-2012 Population and Housing Growth Metro Atlanta



An American Family's Net Worth








Federal Reserve



5

Financial Reasons to Buy

	Reason	Quote from Harvard Report
	Housing is the one leveraged investment available	<i>"Homeownership allows households to amplify any appreciation on the value of their homes by a leverage factor."</i>
	You're paying for housing whether you own or rent	<i>"Homeowners pay debt service to pay down their own principal while households that rent pay down the principal of a landlord."</i>
	Owning is usually a form of "forced savings"	<i>"Having to make a housing payment one way or the other, owning a home can overcome people's tendency to defer savings."</i>
	There are substantial tax benefits to owning	<i>"Homeowners are able to deduct mortgage interest and property taxes from income."</i>
	Owning is a hedge against inflation	<i>"Housing costs and rents have tended over most time periods to go up at or higher than the rate of inflation, making owning an attractive proposition."</i>

Joint Center for Housing Studies, Harvard University 12/2013

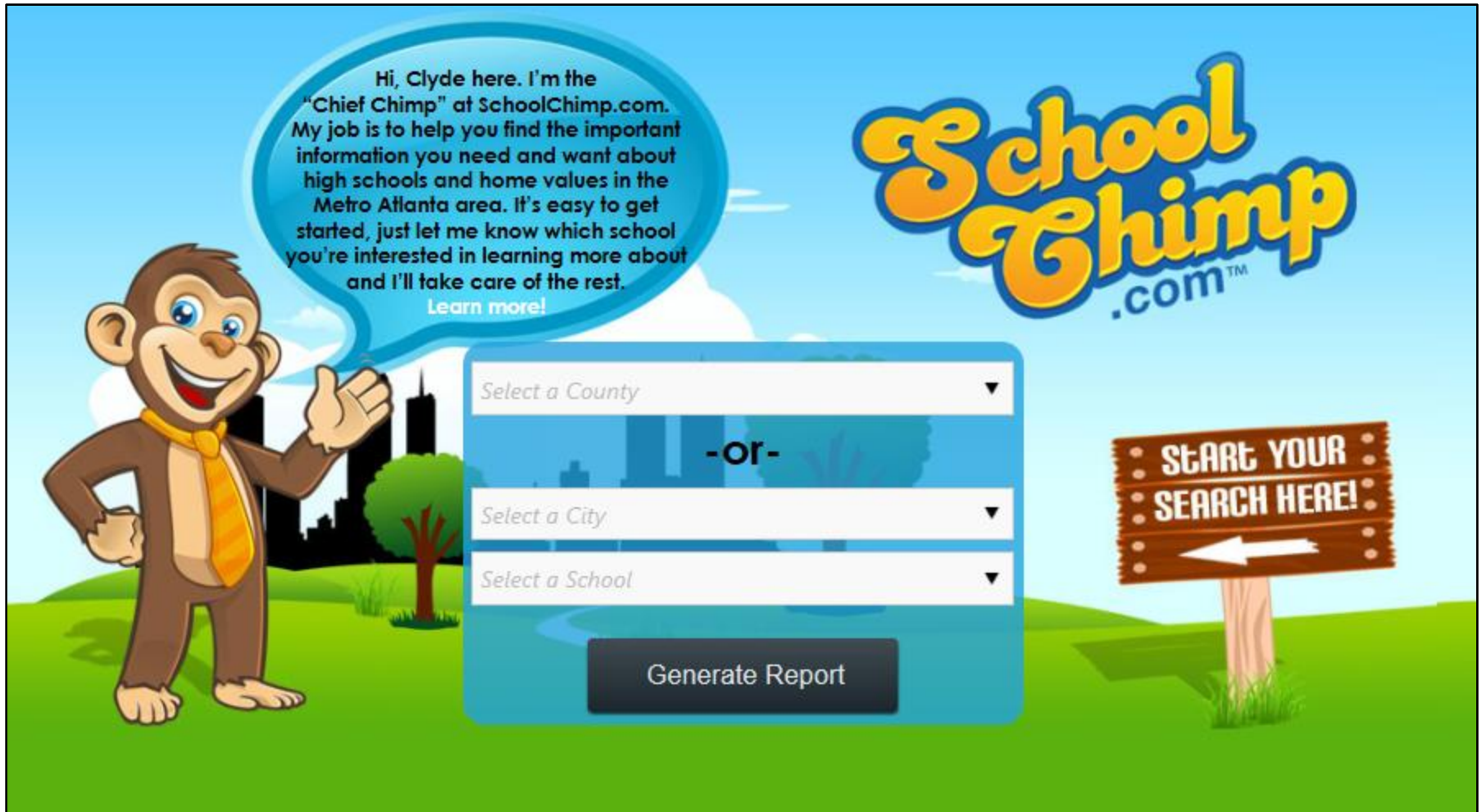


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Visit SchoolChimp.com and obtain Metro Atlanta high school ratings as well as other valuable real estate information and demographics for each high school district.



Hi, Clyde here. I'm the "Chief Chimp" at SchoolChimp.com. My job is to help you find the important information you need and want about high schools and home values in the Metro Atlanta area. It's easy to get started, just let me know which school you're interested in learning more about and I'll take care of the rest. [Learn more!](#)

SchoolChimp.com™

Select a County ▼

-or-

Select a City ▼

Select a School ▼

Generate Report

START YOUR SEARCH HERE!



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Atlanta's Exclusive Provider of the:

SURE Home Selling™ System

&

SURE Home Buying™ System



Tune In

All Things Real Estate
with Cleve Gaddis
newstalk 1160
WCFO-AM
The Talk of the Town!
Fridays at 1 PM



Atlanta Will Continue to Grow




- By 2040

<u>Year</u>	<u>Population</u>	<u>Employment</u>
2010	5,473,846	2,699,950
2040	8,256,323	4,472,563

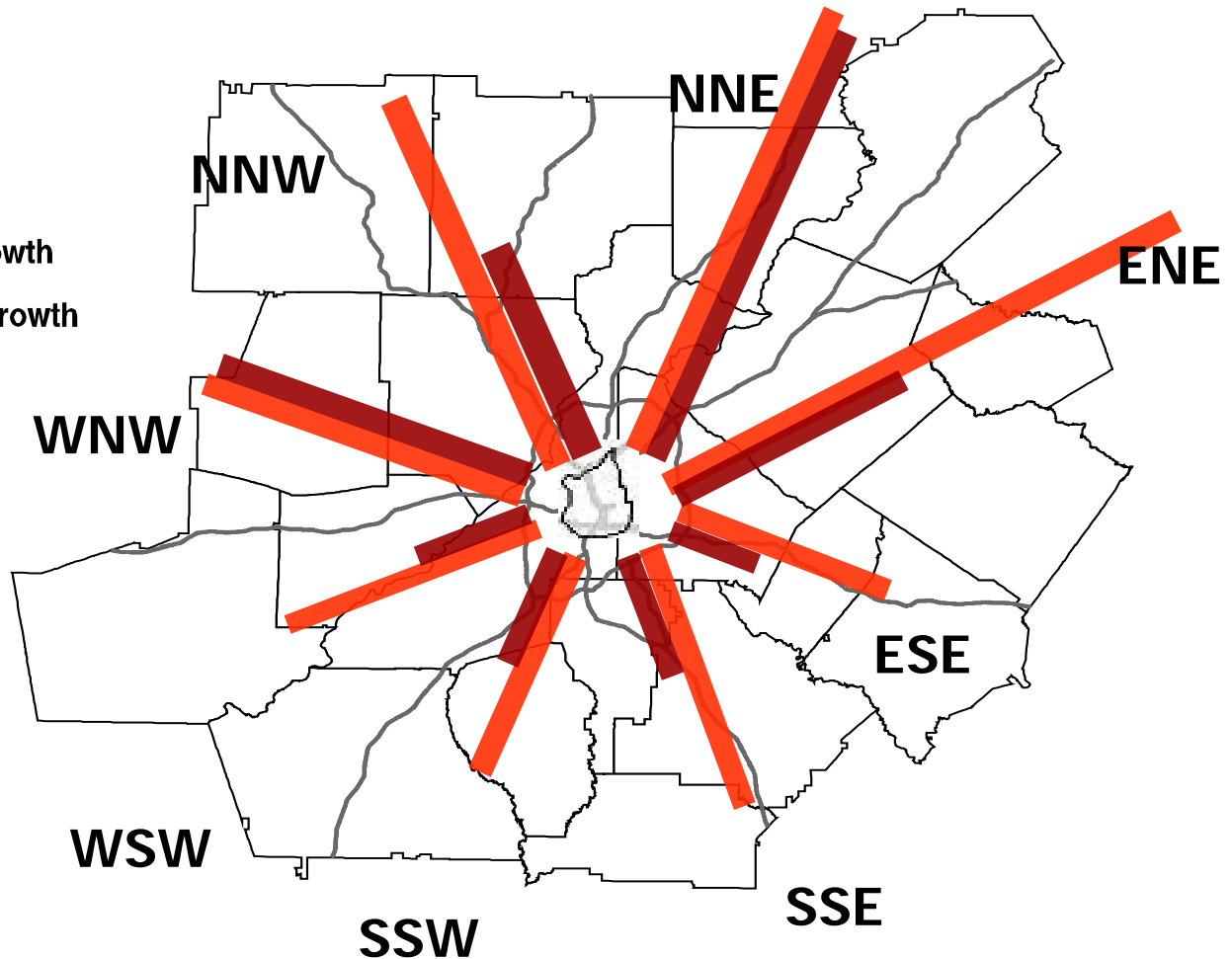


Where Will Growth Take Place in Metro Atlanta?

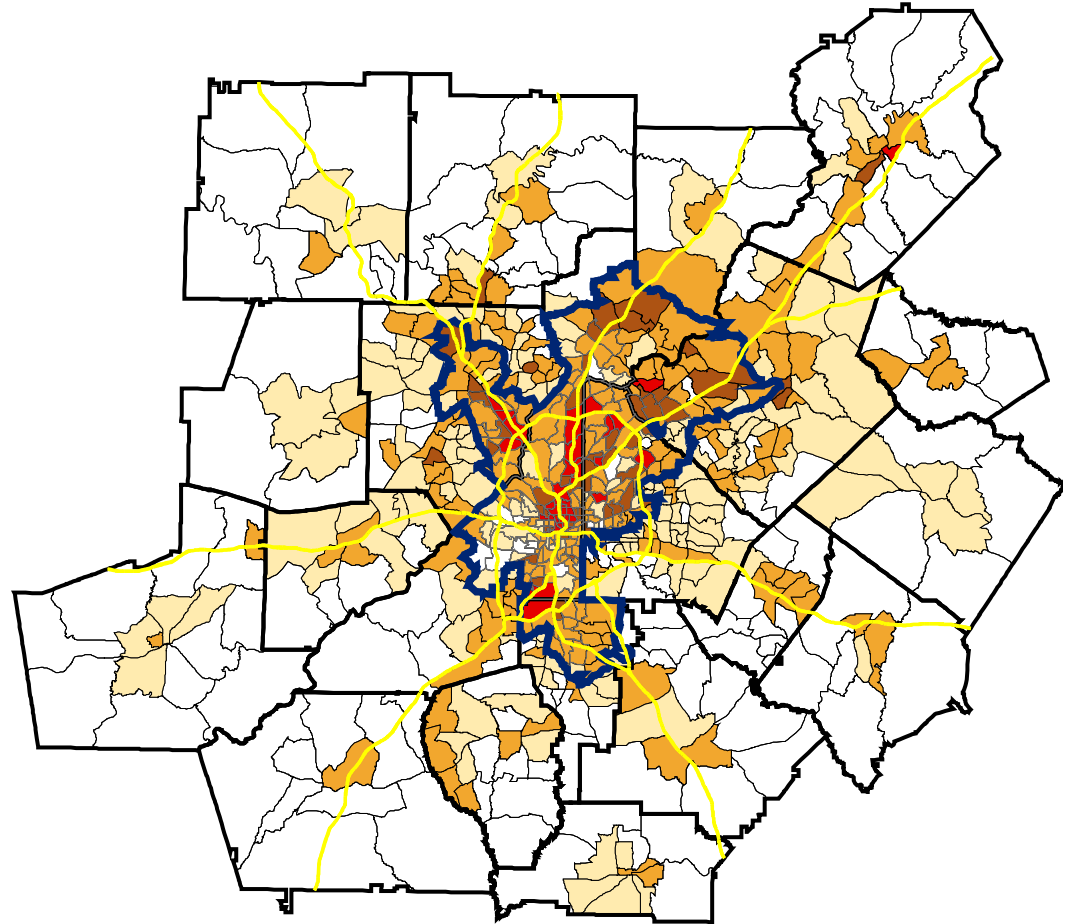
For 20 Counties

-  2000–2030 Population Growth
-  2000–2030 Employment Growth
-  Interstate System

The “Core” is not depicted by a “growth bar”, but increases by 77,024 persons and 65,562 jobs between 2000 and 2030



Metro Atlanta Employment Density - 2030



50 percent
of 20-county jobs
is inside the blue outline

1.32 = median jobs per acre for
census tracts



Feel free to contact me with any questions.

Cleve Gaddis

Gaddis Partners, RE/MAX Center &
USA Management

(a boutique residential property management company)

10475 Medlock Bridge Road, Suite 119
Johns Creek, GA 30097

www.GoGaddis.com

Office: 770-497-0000

