

Home Price Outlook

Projections for 2017, 2018, and 2019

January 2017

National Home Prices have increased 5.1%, 5.6%, and 7.0% in 2014, 2015, and through November 2016, respectively. Based on Falcon Bridge Capital's ("FBC") proprietary home price model, the pace of appreciation is expected to slow down going forward. FBC's combined average home price projections of the 50 largest Core Based Statistical Areas (CBSAs) are as follows:

- 1.4% to 5.0% in 2017
- 0.5% to 4.2% in 2018
- (0.3%) to 2.4% in 2019

The ranges are based on 1 standard deviation change from the average home price change observed over the 10k per year modeled simulations. See Figure 1 for distribution of home price projections.

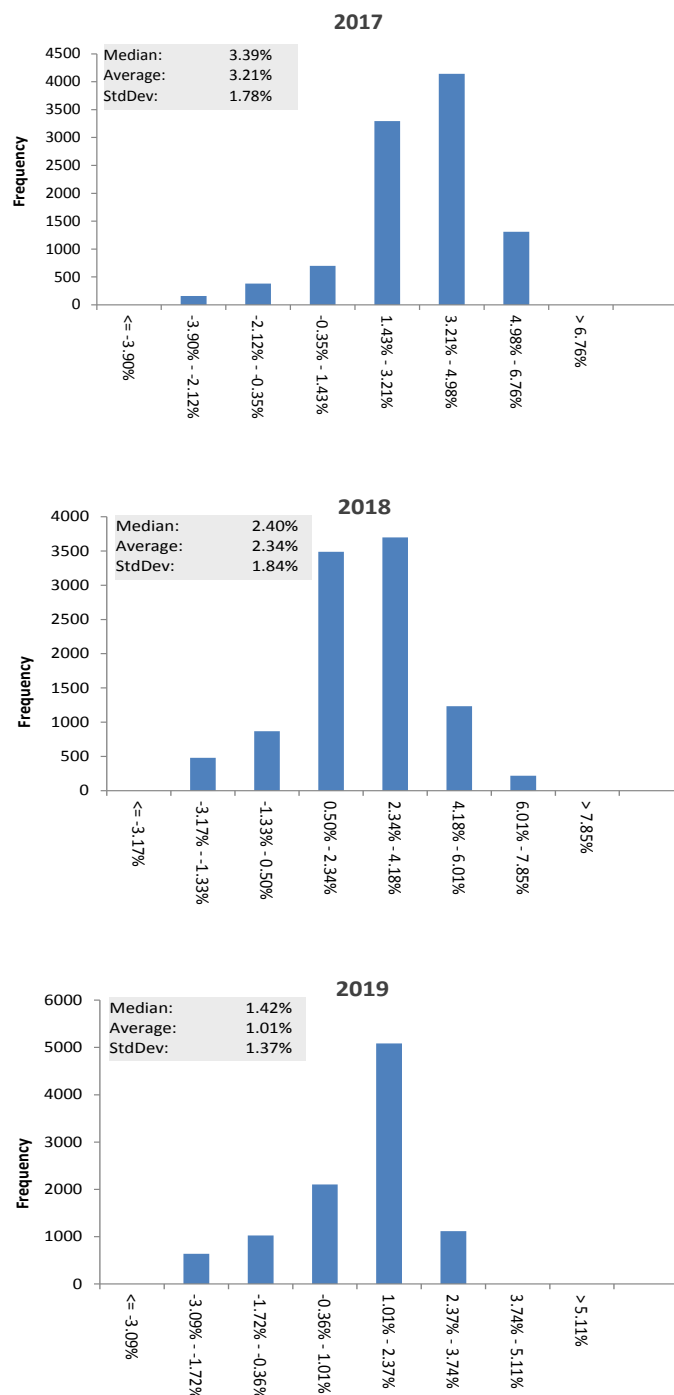
The largest 50 CBSAs represent approximately 50% of the number of U.S. households. The following 3 CBSAs are expected to perform the best over the next 12 months: (1) Santa Barbara-Santa Maria-Goleta, CA (2) Seattle-Bellevue-Everett, WA (3) Tacoma, WA, while (1) Bridgeport-Stamford-Norwalk, CT (2) Virginia Beach-Norfolk-Newport News, VA-NC and (3) Bakersfield-Delano, CA are expected to experience the lowest home price appreciation (or decline) in 2017. **Please reference Appendix A for CBSA level home price projections.**

Methodology Summary

FBC's CBSA level Home Price forecasting model considers multiple factors that affect the housing values in the short run and over the intermediate term: (1) Recent Home Price Momentum (2) Housing Inventory Levels (3) Household Growth Outlook (4) Current/Short-Term Employment Outlook (5) Intermediate-Term Employment Outlook, and (6) Affordability.

The framework is based on a multi-step approach including the assessment of individual factor's predictive power, analysis of its historical performance and future expectations, as well as a simulation-based assignment of weighting of the above mentioned factors.

Figure 1. Distribution of Home Price Projections for the composite of 50 largest CBSAs, weighted by number of households. Distributions of possible outcomes will vary by CBSA.



Methodology Description and Factor Discussion

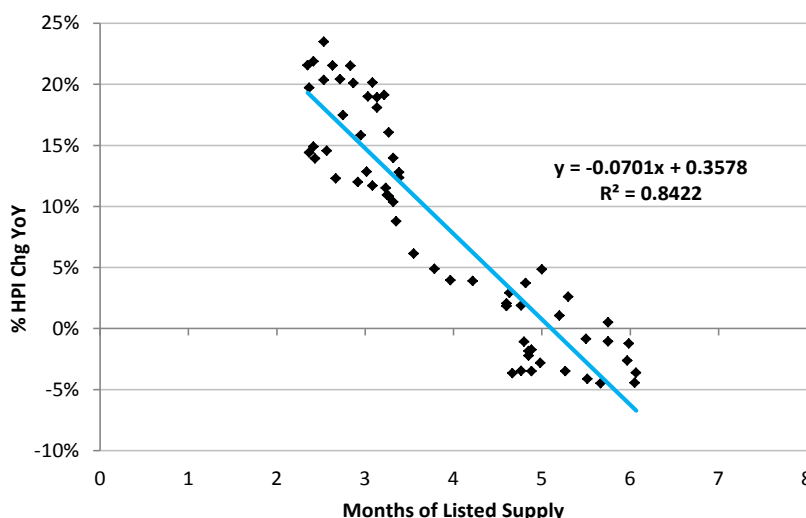
The forecasting framework is designed to independently estimate short-term and intermediate-term changes in home prices. Using various subsets of the six factors previously mentioned, each factor receives a letter grade based on its current trends and outlook relative to long-term historical Compound Annual Growth Rates (“CAGRs”). A composite score of all factor grades is computed using randomly generated weightings of each factor. The composite score is mapped to an annualized home price forecast based on a sliding scale of historical home price changes. The weightings of individual factors on the index values for 2017, 2018, and 2019 are randomly generated by 10k simulations. Figure 1 on the previous page represents the distribution of the home price projections based on these 10k simulations.

Home Price Momentum – Home prices are positively auto-correlated in the short-term. Their grading is assigned at the CBSA level and based on the annualized percentage change in the valuation of homes over the last 6 months, as reported by CoreLogic (value weighted repeat-sales transactions), relative to the long-term CAGRs observed in those specific regions.

Short-Term Inventory Levels – Home prices are negatively correlated with inventory levels (see Figure 2) that represent the available supply in the area. Typically, a balanced absorption rate ranges between 6 and 7 months. Lower supply may indicate a shortage leading to rapid home price appreciation (as witnessed in a number of metro areas, including San Francisco and San Jose), while higher months of inventory may suggest an impending weakness in home valuations.

Household Growth Outlook – The model utilizes CBSA level household growth projections for the next 24 months in its grading in order to assess its potential to affect home prices over the short and intermediate term. Typically, strong household growth ultimately translates into housing demand and provides a lift to the housing market. Unfortunately, the latest crisis and the subsequent recession resulted in a significant slowdown in household formation, a trend that hasn’t fully reverted to long-term normal levels, limiting the pool of potential homebuyers.

Figure 2. Example below illustrates the relationship between home prices and the months of listed supply in San Francisco-San Mateo-Redwood City, CA



Notes: Months of Supply represents 6month average shifted forward by 6months
Sources: John Burns, FBC

Short-Term Employment Outlook – Our regression analysis suggests employment growth is a leading indicator of future home price performance (see Figure 3). Additionally, the lag exhibiting the highest R-squared falls within a 2 year time period (dependent on individual CBSA). The grading of the short-term employment outlook is based on the CBSA level employment growth observed over the past 24 months and compared to long-term CAGRs.

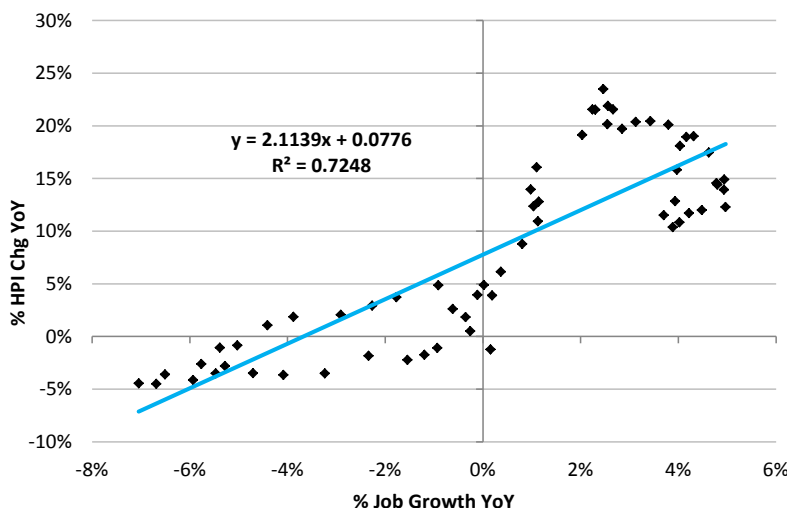
Intermediate-Term Employment Outlook – Provided by Moodys.com and graded using the aforementioned methodology, the employment outlook offers a glimpse into the future changes in regional employment that affect housing demand.

Affordability – Currently, the National Affordability Index stands at 165, above the average of 125 observed between 1970 and 2014 (see Figure 4). It’s important to note however, that the purchasing power has been on a decline as home prices increased over the past 3-4 years, while real median household incomes reported by U.S. Census Bureau remained stagnant. Affordability may drop further if mortgage rates increase in the future.

Additionally, price pressures in local markets suggest many areas are already experiencing low affordability (as shown in Appendix B). The National Association of Home Builders’ Housing Opportunity Index (“HOI”) illustrates the percentage of homes sold in the area deemed affordable, based on the local median income, 10% down-payment, and 28% debt-to-income ratio. As an example, San Francisco-San Mateo-Redwood City, CA remains the nation’s least affordable housing market, with only 9.7% of homes sold recently being affordable to families earning the area’s median income. The current HOI value for this area is also ~40% lower than the historical average, suggesting the possibility of slowing demand. On the other end, Warren-Troy-Farmington Hills, MI is showing HOI of 83.9, in line with historical performance, indicating a broadly affordable housing market.

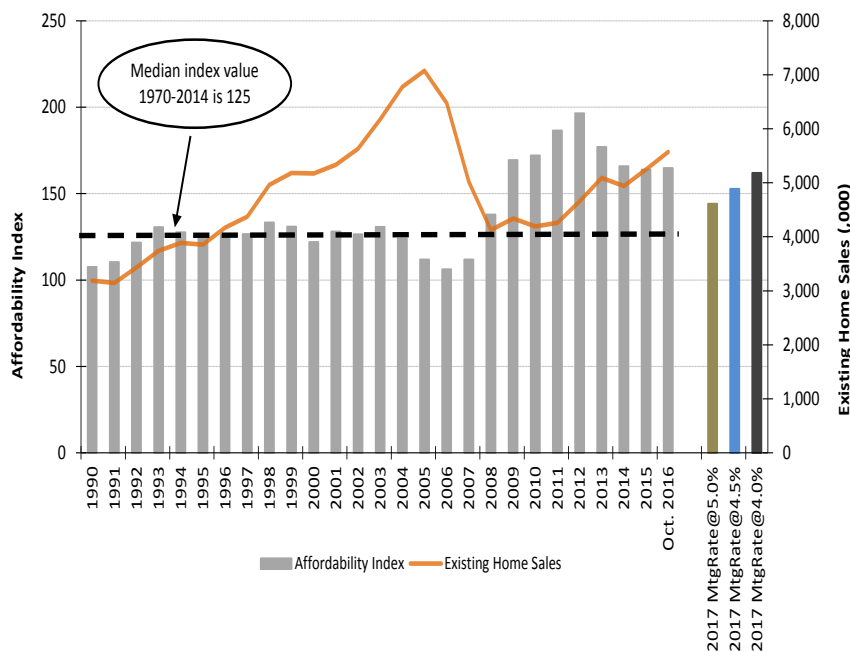
The **Leverage Ratio** between the area’s median home prices and household income is another affordability gauge measuring trends in home valuations from an income perspective (Appendix C). Once again, San Francisco-San Mateo-Redwood City, CA is at the top of the list of areas with the lowest affordability on the absolute and relative basis. The leverage ratio of 10.5x significantly exceeds the 4.5x average for the top 50 CBSAs and is 60% greater than the areas average experienced between 1991 and Q3 of 2016. Bethesda-Rockville-Frederick, MD, on the other hand, is currently showing the leverage ratio of 3.1x, slightly lower than the average of 3.3x.

Figure 3. Example below illustrates the relationship between home prices and employment growth in San Francisco-San Mateo-Redwood City, CA



Notes: % Job Growth YoY is shifted forward by 18 months (18month-lag)
Sources: Moody’s Economy.com, FBC

Figure 4. NAR Affordability Index



Sources: National Association of Realtors, FBC

Conclusion

Multiple factors impact home prices in different geographies across the country. The factors are dynamic and may influence home prices over the short-run and intermediate-run differently. It is extremely difficult to predict how each factor will influence prices over time so the FBC framework simulates the impact of each variable over time and calculates a range of possible outcomes. Investors should use these ranges in their investment evaluation rather than relying on a single projection.

Adverse Risks to Forecasted Ranges:

1. Rising interest rates can adversely impact affordability,
2. Household growth and employment growth are below forecasts resulting in lower than expected demand,
3. Economic fundamentals stagnate resulting in a slowdown in demand,
4. Decline in credit availability due to regulatory changes or structural changes to GSE conservatorship,
5. Regional economic slowdowns could spill over to the broader economy resulting in lower demand,
6. Diminished demand by banks to hold Jumbo mortgage loans due to concern of rising interest rates coupled with a lack of a private label securitization market may result in further tightening of credit,
7. Housing demand in certain CBSAs with higher proportions of international investors (ex. Miami) decline due to the strong dollar.

Positive Risks to Forecasted Ranges:

1. Mortgage rates remain range-bound after the recent increases resulting in no further impact on affordability,
2. Household, employment, or wage growth are above forecast as fiscal spending increases under the new Administration and Congress,
3. Economic fundamentals improve due to expansion of fiscal spending creating new demand,
4. Expansion of credit results in more demand for new and existing homes,
5. Further supply of new affordable homes generates new demand for homeownership,
6. Continued demand from foreign buyers interested in U.S. housing markets,
7. New demand from Millennials who are now beginning to explore housing as a long-term investment,
8. Rental market inflation out paces home price increases thereby making it relatively more affordable to purchase.

Overall, the housing market across the country reflects a stable U.S. economy. Affordability remains a key risk factor for almost half of the CBSAs and could be the biggest driver impacting performance in 2018 and 2019. Based on the distribution of prices observed in the modeled simulations (one standard deviation), approximately half of the CBSAs could have no home price appreciation by 2018. Currently, some areas appear to be relatively expensive based on various factors discussed; however, the overall credit performance should continue to be well above long-term trends across the country given the positive borrower equity built in by recent home price gains and conservative lending standards.

Data Sources:

- *Moody's Economy.com* – Historical and projected household formation and employment numbers
- *John Burns* – Short-term listed inventory
- *CoreLogic* – Historical home price index; CoreLogic Home Price Index tracks changes in the sale price of single family attached and detached properties based on over 40 years of repeat sales transactions at the Zip Code, County, CBSA, and National level.
- *National Association of Realtors* – Affordability Index
- *National Association of Home Builders* – Housing Opportunity Index, CBSA level median income; U.S. Census Bureau
- *Bureau of Labor Statistics* - Employment statistics

Appendix A: CBSA Level Home Price Projections

Sorted by FBC home price projection for 2017

	Actuals		Projections					
	Last 24m	Last 12m	2017		2018		2019	
			Average	StdDev	Average	StdDev	Average	StdDev
Santa Barbara-Santa Maria-Goleta, CA	12.53%	6.22%	6.10%	2.64%	4.95%	2.76%	2.66%	1.15%
Seattle-Bellevue-Everett, WA	21.61%	10.53%	6.02%	3.09%	4.80%	3.10%	2.82%	2.43%
Tacoma, WA	19.14%	10.25%	5.49%	2.14%	4.14%	1.95%	2.66%	1.12%
Orlando-Kissimmee-Sanford, FL	14.50%	7.23%	5.24%	2.65%	4.61%	2.97%	3.58%	3.12%
Cape Coral-Fort Myers, FL	20.07%	8.27%	5.19%	2.66%	5.70%	2.69%	4.69%	2.74%
Portland-Vancouver-Hillsboro, OR-WA	22.03%	10.75%	4.94%	2.58%	3.93%	2.59%	2.29%	2.07%
Sacramento--Arden-Arcade--Roseville, CA	16.27%	8.43%	4.89%	3.10%	3.31%	3.11%	1.24%	2.59%
North Port-Bradenton-Sarasota, FL	16.98%	7.41%	4.81%	2.05%	4.83%	2.34%	3.82%	2.29%
Jacksonville, FL	12.15%	7.06%	4.51%	2.89%	4.06%	3.28%	2.45%	3.16%
San Francisco-San Mateo-Redwood City, CA	15.96%	3.24%	4.51%	4.79%	3.52%	4.60%	0.36%	3.47%
Tampa-St. Petersburg-Clearwater, FL	16.58%	8.99%	4.46%	1.85%	3.62%	1.94%	2.44%	1.60%
Phoenix-Mesa-Glendale, AZ	12.45%	5.68%	4.40%	1.39%	4.15%	1.57%	3.42%	1.49%
Oakland-Fremont-Hayward, CA	17.20%	6.21%	4.30%	3.78%	3.69%	3.51%	1.13%	2.58%
Santa Rosa-Petaluma, CA	18.10%	7.59%	4.28%	4.17%	2.54%	4.03%	-0.20%	3.47%
New York-White Plains-Wayne, NY-NJ	8.82%	4.79%	4.26%	2.17%	2.81%	1.93%	1.38%	1.34%
Denver-Aurora-Broomfield, CO	22.16%	9.95%	4.21%	3.15%	2.45%	3.03%	0.64%	2.44%
Las Vegas-Paradise, NV	11.94%	6.10%	4.11%	1.34%	3.95%	1.46%	3.47%	1.52%
Warren-Troy-Farmington Hills, MI	12.31%	5.85%	3.76%	1.95%	2.47%	1.69%	1.23%	1.19%
San Diego-Carlsbad-San Marcos, CA	12.84%	6.16%	3.76%	3.14%	2.48%	3.35%	0.21%	2.83%
Washington-Arlington-Alexandria, DC-VA-MD-WV	4.85%	3.40%	3.70%	1.62%	3.03%	1.52%	1.80%	0.78%
Santa Ana-Anaheim-Irvine, CA	10.04%	4.43%	3.63%	3.32%	2.96%	3.66%	0.42%	2.95%
San Jose-Sunnyvale-Santa Clara, CA	17.37%	5.19%	3.53%	5.97%	3.01%	5.41%	-0.82%	4.31%
Bethesda-Rockville-Frederick, MD	2.64%	1.98%	3.41%	1.75%	4.93%	1.37%	5.16%	1.53%
Atlanta-Sandy Springs-Marietta, GA	13.57%	6.41%	3.40%	2.79%	2.92%	3.17%	1.48%	3.17%
Dallas-Plano-Irving, TX	18.64%	8.98%	3.39%	3.00%	2.02%	3.13%	0.50%	3.04%
Fresno, CA	10.87%	5.92%	3.25%	1.77%	2.13%	1.64%	0.88%	1.13%
Philadelphia, PA	9.84%	9.07%	3.11%	1.96%	2.05%	1.62%	1.06%	1.32%
Edison-New Brunswick, NJ	8.82%	4.79%	3.08%	2.15%	2.81%	1.93%	1.38%	1.34%
West Palm Beach-Boca Raton-Boynton Beach, FL	15.79%	6.37%	3.01%	1.41%	3.14%	1.59%	2.48%	1.57%
Riverside-San Bernardino-Ontario, CA	12.89%	6.07%	2.98%	2.59%	2.16%	2.81%	0.29%	2.60%
Baltimore-Towson, MD	5.11%	4.38%	2.88%	1.05%	2.15%	0.80%	1.43%	0.29%
Vallejo-Fairfield, CA	18.22%	10.70%	2.84%	2.60%	0.21%	1.58%	-1.46%	1.20%
Minneapolis-St. Paul-Bloomington, MN-WI	10.73%	5.76%	2.71%	1.40%	1.75%	1.24%	0.96%	1.06%
St. Louis, MO-IL	8.69%	4.36%	2.70%	1.66%	1.66%	1.48%	0.31%	0.25%
Boston-Quincy, MA	10.46%	5.33%	2.63%	2.82%	1.95%	2.06%	0.51%	1.57%
Los Angeles-Long Beach-Glendale, CA	14.66%	6.79%	2.46%	3.56%	0.82%	3.88%	-1.29%	3.96%
Fort Lauderdale-Pompano Beach-Deerfield Beach, FL	14.29%	6.88%	2.40%	1.76%	1.78%	1.92%	0.90%	2.01%
Oxnard-Thousand Oaks-Ventura, CA	11.05%	5.52%	2.40%	1.98%	1.35%	2.04%	0.93%	2.27%
Stockton, CA	17.90%	9.31%	2.30%	3.34%	-0.62%	3.03%	-3.25%	2.68%
Newark-Union, NJ-PA	3.03%	1.62%	2.02%	1.83%	1.34%	1.98%	-0.54%	0.44%
Honolulu, HI	10.20%	6.61%	1.84%	1.25%	0.92%	0.94%	0.10%	0.55%
Providence-New Bedford-Fall River, RI-MA	11.46%	6.53%	1.84%	2.43%	-0.34%	1.84%	-2.07%	0.98%
Miami-Miami Beach-Kendall, FL	15.32%	6.33%	1.71%	3.05%	1.84%	3.37%	0.85%	3.77%
Chicago-Joliet-Naperville, IL	7.75%	4.30%	1.67%	1.22%	0.70%	1.03%	-0.16%	0.70%
Houston-Sugar Land-Baytown, TX	9.59%	3.93%	1.57%	2.25%	0.69%	2.40%	0.96%	2.65%
Cambridge-Newton-Framingham, MA	10.77%	5.61%	1.48%	1.21%	1.10%	0.97%	0.98%	1.07%
Nassau-Suffolk, NY	8.52%	5.99%	1.40%	3.18%	-0.75%	1.41%	-2.04%	0.42%
Bakersfield-Delano, CA	7.79%	3.62%	1.27%	1.15%	0.43%	1.03%	0.66%	1.04%
Virginia Beach-Norfolk-Newport News, VA-NC	3.61%	1.40%	0.62%	0.71%	1.20%	0.48%	1.59%	0.26%
Bridgeport-Stamford-Norwalk, CT	0.25%	-2.12%	-1.26%	1.29%	-0.94%	1.22%	-0.63%	1.30%
50 CBSAs (weight by households)	11.96%	5.89%	3.21%	1.78%	2.34%	1.84%	1.01%	1.37%

Sources: CoreLogic, FBC

Appendix B: CBSA Level Housing Opportunity Index

Sorted by FBC home price projection for 2017

	Lastest (Q3 2016)	Average HOI (Q1 1991 - Q3 2016)	% Above/Below the Average
Santa Barbara-Santa Maria-Goleta, CA	37.9	35.4	7.0%
Seattle-Bellevue-Everett, WA	45.7	51.8	-11.8%
Tacoma, WA	65.0	60.1	8.1%
Orlando-Kissimmee-Sanford, FL	63.7	68.8	-7.5%
Cape Coral-Fort Myers, FL	63.8	66.2	-3.6%
Portland-Vancouver-Hillsboro, OR-WA	46.5	52.0	-10.5%
Sacramento--Arden-Arcade--Roseville, CA	40.4	50.4	-19.8%
North Port-Bradenton-Sarasota, FL	61.2	63.7	-4.0%
Jacksonville, FL	69.2	74.5	-7.2%
San Francisco-San Mateo-Redwood City, CA	9.7	16.3	-40.3%
Tampa-St. Petersburg-Clearwater, FL	70.3	70.8	-0.7%
Phoenix-Mesa-Glendale, AZ	66.7	66.7	0.0%
Oakland-Fremont-Hayward, CA	29.3	38.0	-22.9%
Santa Rosa-Petaluma, CA	19.5	30.8	-36.7%
New York-White Plains-Wayne, NY-NJ	35.8	29.1	22.8%
Denver-Aurora-Broomfield, CO	55.4	67.5	-18.0%
Las Vegas-Paradise, NV	68.7	61.5	11.6%
Warren-Troy-Farmington Hills, MI	83.9	84.9	-1.1%
San Diego-Carlsbad-San Marcos, CA	20.1	31.8	-36.7%
Washington-Arlington-Alexandria, DC-VA-MD-WV	67.6	65.5	3.3%
Santa Ana-Anaheim-Irvine, CA	14.9	23.9	-37.7%
San Jose-Sunnyvale-Santa Clara, CA	19.4	31.1	-37.7%
Bethesda-Rockville-Frederick, MD	76.4	62.4	22.4%
Atlanta-Sandy Springs-Marietta, GA	70.8	75.3	-6.0%
Dallas-Plano-Irving, TX	52.0	64.6	-19.4%
Fresno, CA	46.3	51.8	-10.7%
Philadelphia, PA	70.4	62.2	13.2%
Edison-New Brunswick, NJ	35.8	29.1	22.8%
West Palm Beach-Boca Raton-Boynton Beach, FL	58.9	62.8	-6.2%
Riverside-San Bernardino-Ontario, CA	41.7	51.1	-18.5%
Baltimore-Towson, MD	74.1	69.1	7.2%
Vallejo-Fairfield, CA	46.8	46.9	-0.1%
Minneapolis-St. Paul-Bloomington, MN-WI	78.0	78.1	-0.2%
St. Louis, MO-IL	80.1	78.1	2.5%
Boston-Quincy, MA	49.0	52.8	-7.2%
Los Angeles-Long Beach-Glendale, CA	12.8	28.8	-55.6%
Fort Lauderdale-Pompano Beach-Deerfield Beach, FL	57.1	65.4	-12.7%
Oxnard-Thousand Oaks-Ventura, CA	31.1	36.4	-14.6%
Stockton, CA	37.7	45.0	-16.2%
Newark-Union, NJ-PA	55.4	47.9	15.7%
Honolulu, HI	39.9	40.2	-0.7%
Providence-New Bedford-Fall River, RI-MA	68.9	61.8	11.5%
Miami-Miami Beach-Kendall, FL	36.3	51.4	-29.4%
Chicago-Joliet-Naperville, IL	60.5	62.5	-3.3%
Houston-Sugar Land-Baytown, TX	60.1	65.5	-8.2%
Cambridge-Newton-Framingham, MA	53.7	53.5	0.4%
Nassau-Suffolk, NY	49.7	50.2	-1.0%
Bakersfield-Delano, CA	60.9	62.1	-2.0%
Virginia Beach-Norfolk-Newport News, VA-NC	75.6	70.9	6.6%
Bridgeport-Stamford-Norwalk, CT	50.3	45.4	10.9%
50 CBSAs (Average)	51.7	54.2	-4.7%

Sources: National Association of Home Builders, FBC

Appendix C: CBSA Level “Leverage Ratio” (Median Home Price/Median Income) January 2017

Sorted by FBC home price projection for 2017

	Latest (Q3 2016)	Max	Max Period	Min	Min Period	Average (1991-Q3 2016)	Housing Boom (2005-2007)	Prior 3 Years (2014 to Q3 2016)
Santa Barbara-Santa Maria-Goleta, CA	6.2	8.8	Q1_06	3.4	Q2_96	4.9	7.9	6.1
Seattle-Bellevue-Everett, WA	4.8	5.1	Q2_07	2.8	Q1_94	3.6	4.6	4.4
Tacoma, WA	3.7	4.5	Q2_07	2.4	Q1_91	3.1	4.1	3.3
Orlando-Kissimmee-Sanford, FL	3.5	4.5	Q1_07	1.8	Q1_11	2.7	4.1	3.0
Cape Coral-Fort Myers, FL	3.5	4.8	Q4_06	1.4	Q3_10	2.6	4.5	3.1
Portland-Vancouver-Hillsboro, OR-WA	4.6	4.6	Q3_16	2.1	Q1_91	3.3	3.9	4.0
Sacramento--Arden-Arcade--Roseville, CA	5.0	6.5	Q4_05	2.3	Q1_12	3.7	5.7	4.5
North Port-Bradenton-Sarasota, FL	3.7	4.6	Q2_06	2.0	Q1_10	2.8	4.3	3.2
Jacksonville, FL	3.1	3.3	Q3_06	1.8	Q1_11	2.4	3.1	2.5
San Francisco-San Mateo-Redwood City, CA	10.5	11.3	Q2_16	4.5	Q1_97	6.6	8.5	9.6
Tampa-St. Petersburg-Clearwater, FL	2.9	3.7	Q1_07	1.7	Q1_11	2.4	3.5	2.4
Phoenix-Mesa-Glendale, AZ	3.8	4.4	Q2_06	1.9	Q3_11	2.8	4.1	3.4
Oakland-Fremont-Hayward, CA	6.3	6.9	Q3_05	2.7	Q1_12	4.4	6.5	5.8
Santa Rosa-Petaluma, CA	6.9	7.7	Q3_05	3.4	Q1_12	4.8	7.0	6.2
New York-White Plains-Wayne, NY-NJ	5.8	8.8	Q3_07	2.7	Q2_98	5.5	8.2	6.8
Denver-Aurora-Broomfield, CO	4.4	4.4	Q2_16	2.0	Q1_91	2.9	3.2	3.9
Las Vegas-Paradise, NV	3.7	5.3	Q4_06	1.8	Q1_12	3.1	4.9	3.5
Warren-Troy-Farmington Hills, MI	2.2	2.3	Q3_14	1.4	Q3_09	1.9	2.1	2.1
San Diego-Carlsbad-San Marcos, CA	6.7	7.9	Q4_05	3.4	Q1_97	4.8	7.2	6.2
Washington-Arlington-Alexandria, DC-VA-MD-WV	3.6	4.9	Q2_06	2.0	Q1_99	2.9	4.4	3.4
Santa Ana-Anaheim-Irvine, CA	7.6	8.1	Q3_05	4.2	Q1_09	6.2	7.7	7.2
San Jose-Sunnyvale-Santa Clara, CA	7.7	7.9	Q2_16	3.5	Q1_95	5.0	6.7	7.1
Bethesda-Rockville-Frederick, MD	3.1	4.3	Q3_06	2.6	Q1_10	3.3	4.0	3.1
Atlanta-Sandy Springs-Marietta, GA	3.0	3.0	Q2_16	1.8	Q1_12	2.3	2.6	2.7
Dallas-Plano-Irving, TX	3.8	3.8	Q2_16	2.2	Q1_97	2.6	2.8	3.4
Fresno, CA	4.6	6.6	Q4_05	2.4	Q1_12	3.6	6.0	4.4
Philadelphia, PA	2.7	4.2	Q3_06	1.5	Q1_02	2.8	3.4	2.8
Edison-New Brunswick, NJ	5.8	8.8	Q3_07	2.7	Q2_98	5.5	8.2	6.8
West Palm Beach-Boca Raton-Boynton Beach, FL	3.6	4.7	Q4_05	1.8	Q1_11	2.8	4.4	3.1
Riverside-San Bernardino-Ontario, CA	5.0	6.8	Q3_06	2.5	Q1_97	3.7	6.4	4.6
Baltimore-Towson, MD	3.1	3.8	Q2_06	2.0	Q2_00	2.7	3.4	2.7
Vallejo-Fairfield, CA	4.6	6.4	Q3_05	2.2	Q1_12	3.8	5.8	4.2
Minneapolis-St. Paul-Bloomington, MN-WI	2.7	3.1	Q3_05	1.8	Q4_94	2.3	3.0	2.5
St. Louis, MO-IL	2.3	2.4	Q2_92	1.6	Q4_04	2.1	2.0	2.1
Boston-Quincy, MA	4.5	5.0	Q3_05	2.4	Q1_97	3.5	4.6	4.3
Los Angeles-Long Beach-Glendale, CA	8.5	9.3	Q4_06	3.3	Q1_97	5.4	8.7	7.7
Fort Lauderdale-Pompano Beach-Deerfield Beach, FL	3.5	4.7	Q3_07	1.5	Q1_11	2.6	4.2	2.8
Oxnard-Thousand Oaks-Ventura, CA	5.9	7.8	Q4_05	3.6	Q1_12	5.2	7.1	5.5
Stockton, CA	5.2	8.0	Q4_05	2.2	Q1_12	4.0	6.9	4.6
Newark-Union, NJ-PA	3.6	4.9	Q3_07	2.6	Q2_01	3.4	4.6	3.4
Honolulu, HI	6.0	8.0	Q4_07	3.1	Q1_02	4.7	5.9	5.8
Providence-New Bedford-Fall River, RI-MA	3.2	4.3	Q2_06	2.2	Q1_12	2.9	4.0	2.9
Miami-Miami Beach-Kendall, FL	5.3	6.4	Q2_07	2.2	Q1_91	3.4	5.7	4.4
Chicago-Joliet-Naperville, IL	3.3	3.8	Q3_07	2.0	Q1_12	2.8	3.5	2.9
Houston-Sugar Land-Baytown, TX	3.3	3.3	Q3_16	2.0	Q1_95	2.5	2.8	3.1
Cambridge-Newton-Framingham, MA	4.2	4.5	Q3_05	2.9	Q1_12	3.8	4.2	4.0
Nassau-Suffolk, NY	4.0	5.2	Q1_06	1.9	Q1_98	3.4	4.9	3.6
Bakersfield-Delano, CA	3.8	5.7	Q3_06	2.1	Q1_12	3.1	5.3	3.6
Virginia Beach-Norfolk-Newport News, VA-NC	3.0	3.8	Q3_06	2.2	Q1_91	2.7	3.4	2.8
Bridgeport-Stamford-Norwalk, CT	4.4	5.1	Q3_07	2.8	Q1_91	3.9	4.6	4.3
50 CBSAs (Average)	4.5	5.6		2.4		3.5	5.0	4.2

Sources: National Association of Home Builders, FBC

For questions or additional information, please contact:

Sunil Chowdry, CFA

schowdry@falconbridgecapital.com

(925) 979-4280

Aga Linsky

alinsky@falconbridgecapital.com

(925) 979-4291

Guey-Mei You, Ph.D.

gyou@falconbridgecapital.com

(925) 979-4257

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