MGIC

Market Trend Analysis

July 2016

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MGIC Market Trend Analysis

The key to success in financial services today is to understand and react to the dominant forces in your markets. To help you in better understanding your market, MGIC continually researches and analyzes the current economic, real estate and employment conditions of select Core Based Statistical Areas (CBSAs). Then we take that information, as well as our observations on each market, and publish it in our Market Trend Analysis on a quarterly basis.

It is our intention that this information will be of assistance to you in making business decisions. Any questions on this material or requests for more information should be directed to your MGIC Account Manager or MGIC's corporate office.

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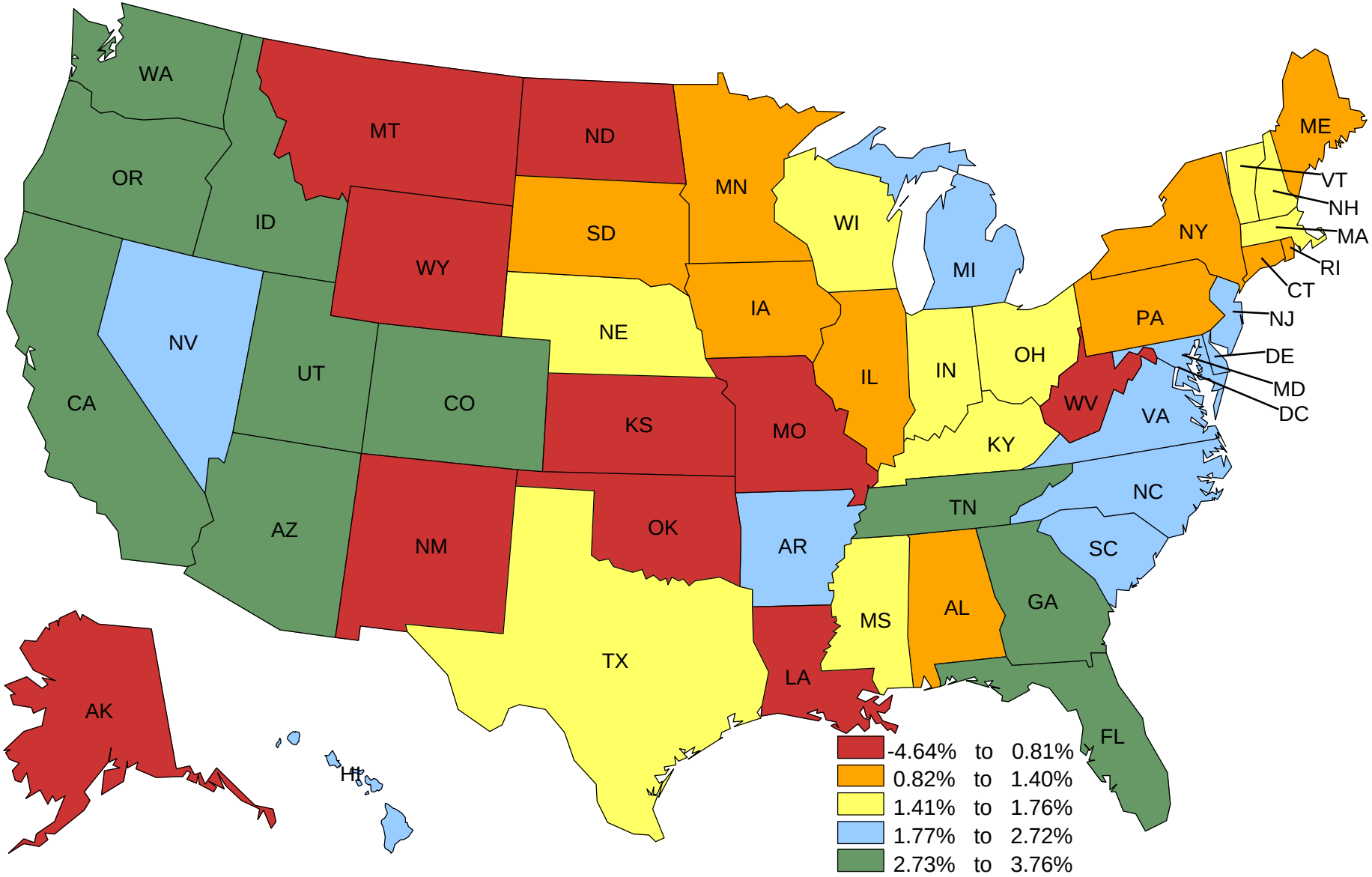
DEFINITIONS

An overall picture of the economic health in each market area is obtained by analyzing major economic variables which are illustrated in the graphs on the following pages. These variables are defined as follows:

Unemployment:	A comparison of the local unemployment rate to the national average.
Employment:	The bars represent the change in the number of jobs by quarter. The line plots the year-to-year percent change in the total number of people employed.
Housing Affordability Index:	Estimate of housing affordability based on the price of the median existing single-family home, median income, mortgage rates and assumptions concerning down payment, property taxes and insurance.
Home Price Index:	The year-to-year percent change in the FHFA/OFHEO Conventional and Conforming Home Price Index. Also, the National Association of Realtors Median Sales Price of an existing single-family home.
Existing Home Sales:	Quarterly estimate of annual existing single-family home sales.
Single Family Permits:	The bar plot shows the actual level of annualized housing permits. The line plots the year-to-year change in number of households.
Income Trend:	The bar plot shows the trend in median household income. The line plots the year-to-year change in median household income.
Industry Employment Share:	The percent of employment by various industries based on average annual employment.
State and MSA Employment Maps:	The percent change in state employment from the same period one year prior.
State and MSA Home Prices Maps:	The year-to-year percent change in home prices utilizing the FHFA/OFHEO House Price Index.
State and MSA Home Sales Maps:	The year-to-year percent change in the sale of existing single-family homes.
State Delinquencies Maps:	The percent of all loans 90 days past due.
State Foreclosures Maps:	The percent of loans in foreclosure at the end of the quarter.

All data, except for home prices, single-family permits, households and the housing affordability index are seasonally adjusted, annual rate data. The data have been "smoothed" to reduce the volatility of quarterly data and to make trends more apparent.

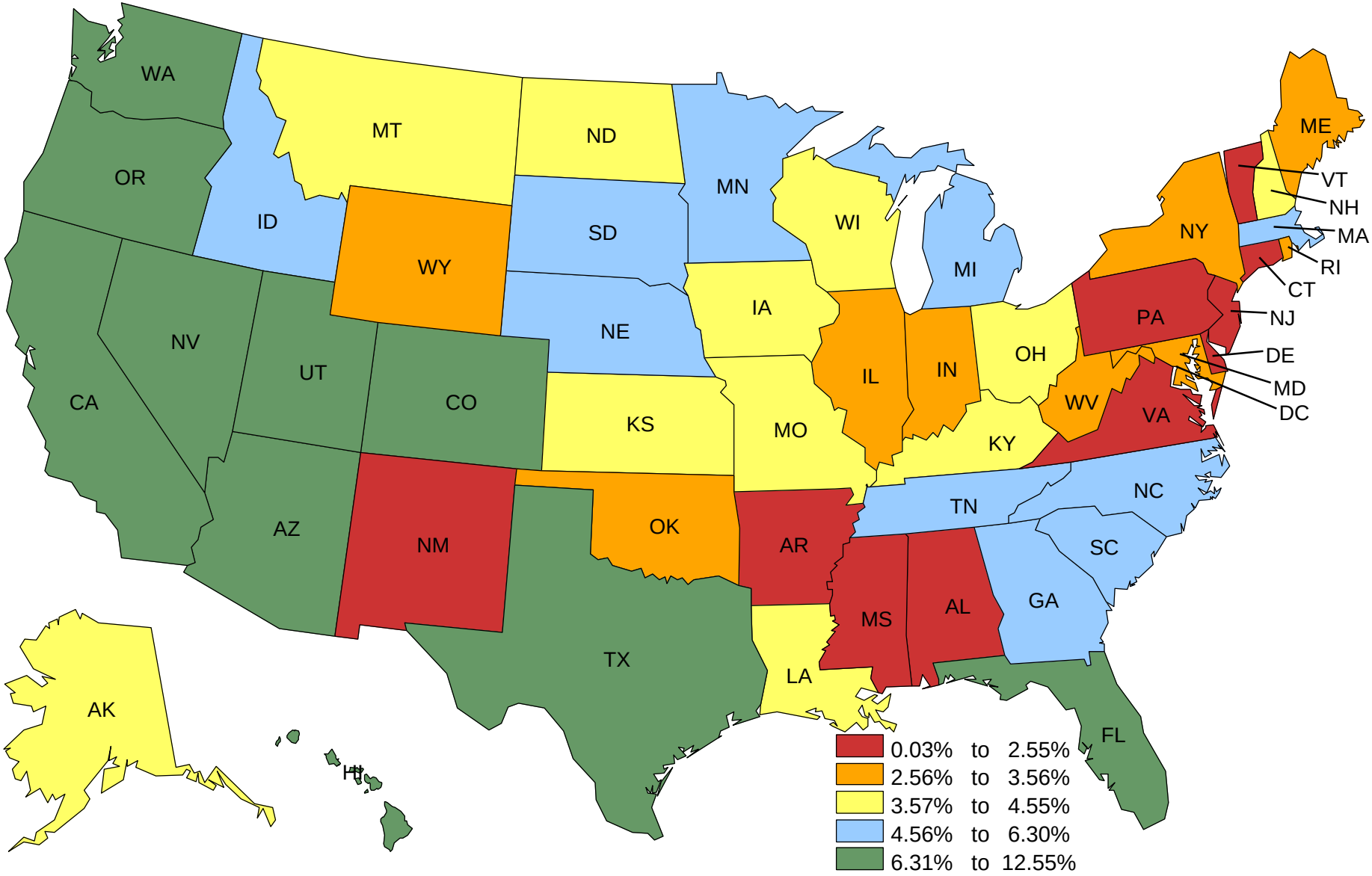
State Employment: Year-Over-Year % Change
2016Q1
U.S.= 1.92



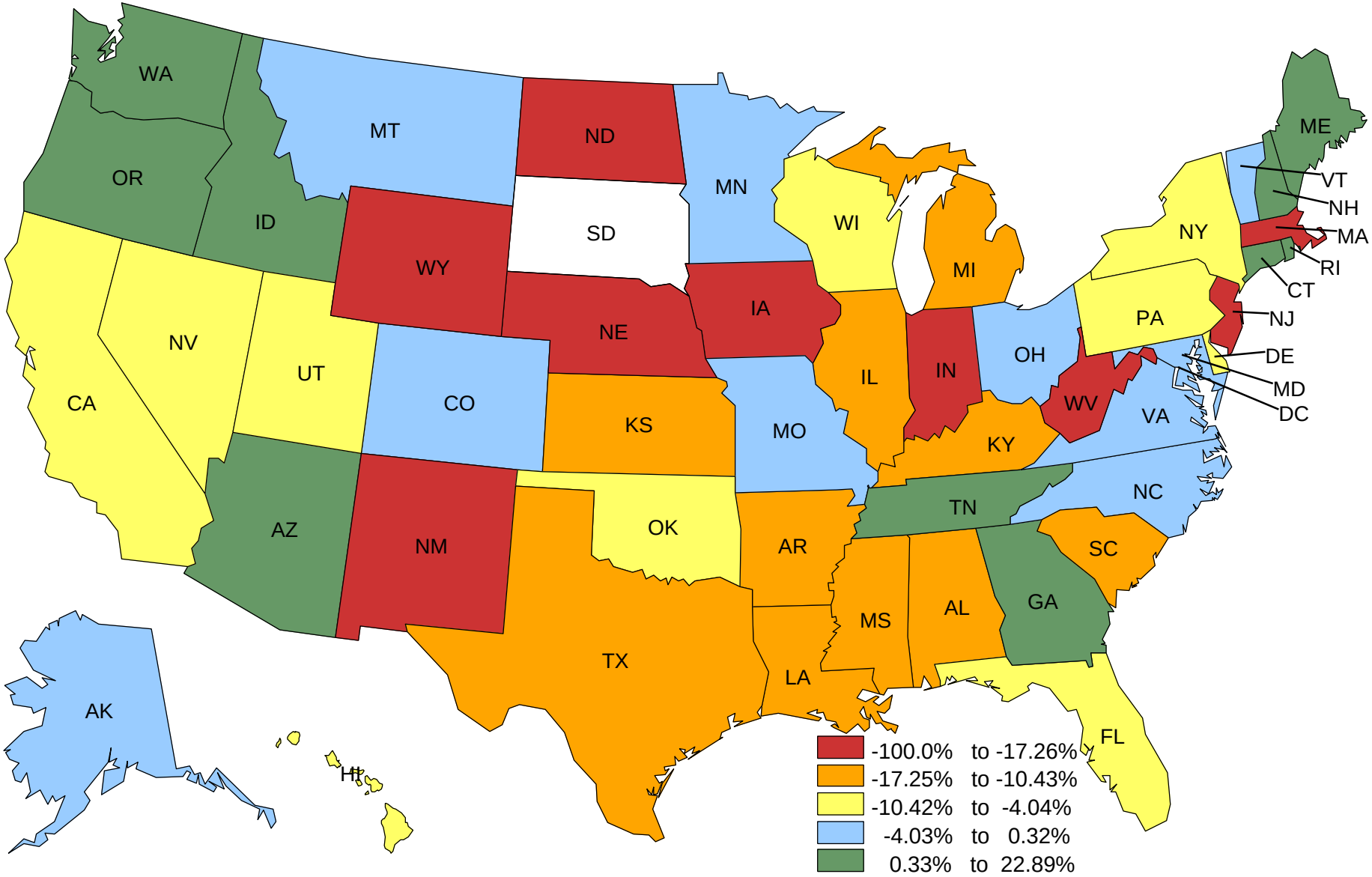
State Home Prices: Year-Over-Year % Change

2016Q1

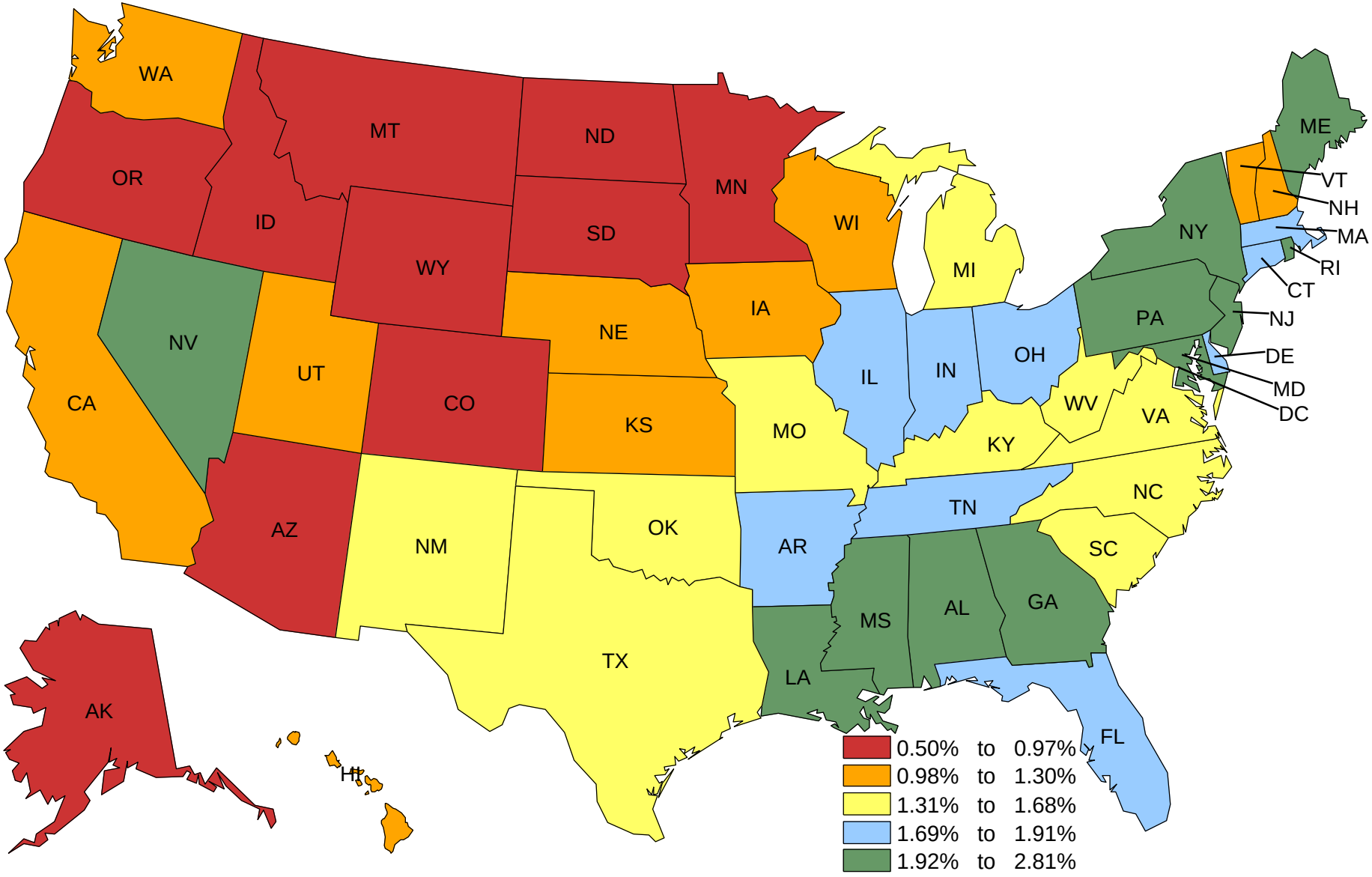
U.S.= 5.39



State Home Sales: Year-Over-Year % Change
2016Q1
U.S.= -7.81



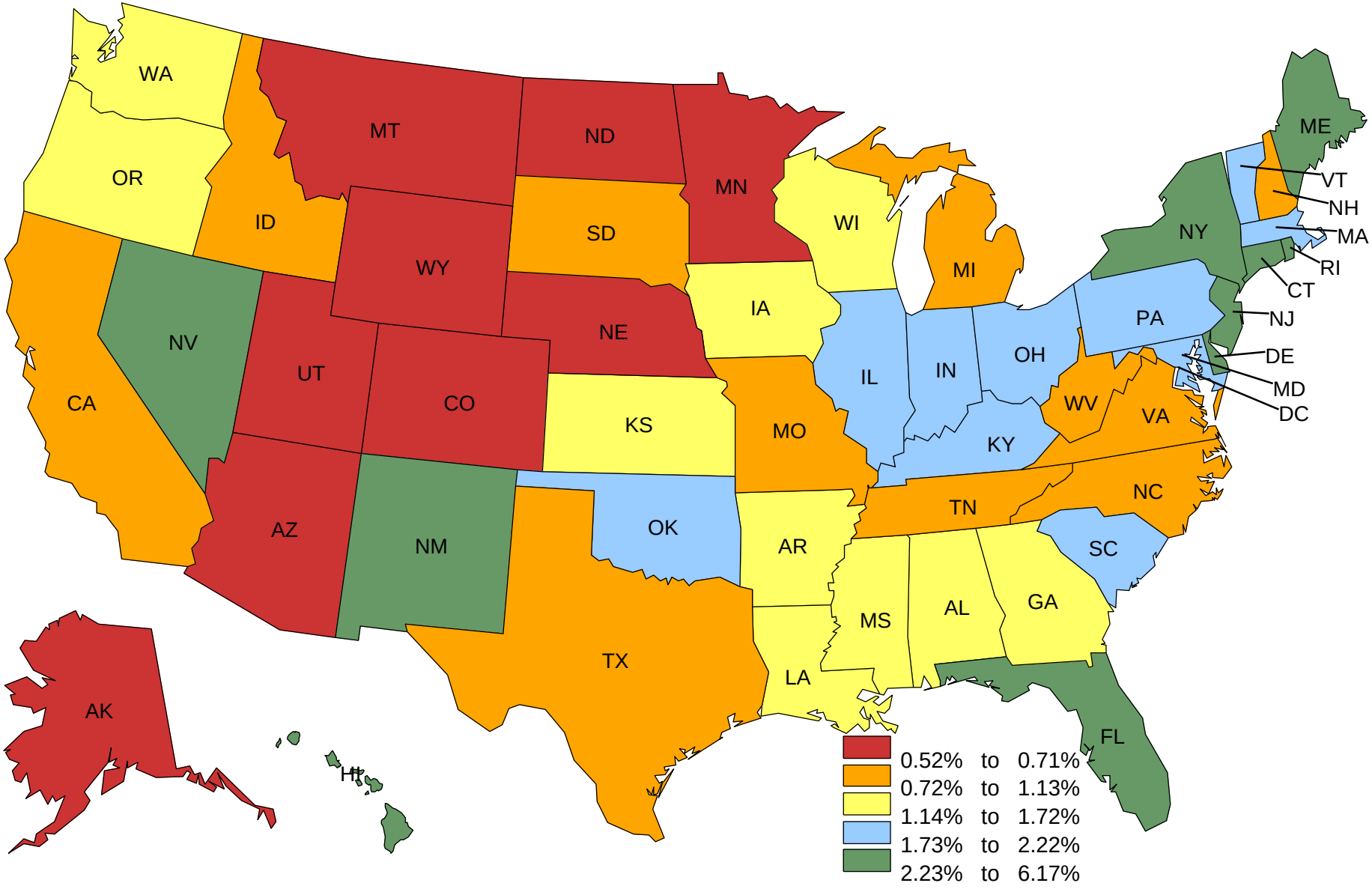
State Delinquencies: % of Loans Past Due 90 Days
2016Q1
U.S.= 1.55



State Foreclosures: % of Loans in Foreclosure at End of Quarter

2016Q1

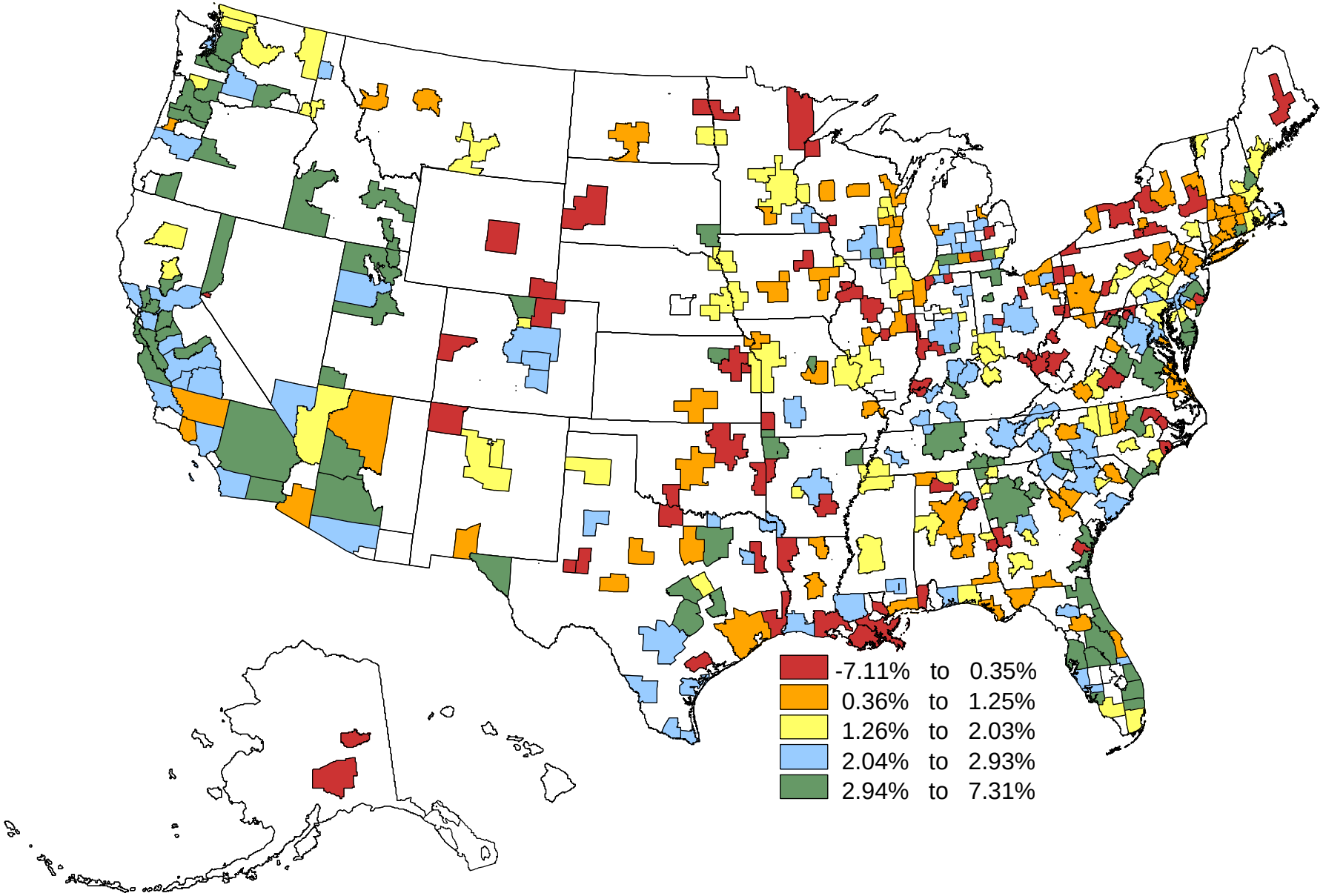
U.S.= 1.74



MSA Employment: Year-Over-Year % Change

2016Q1

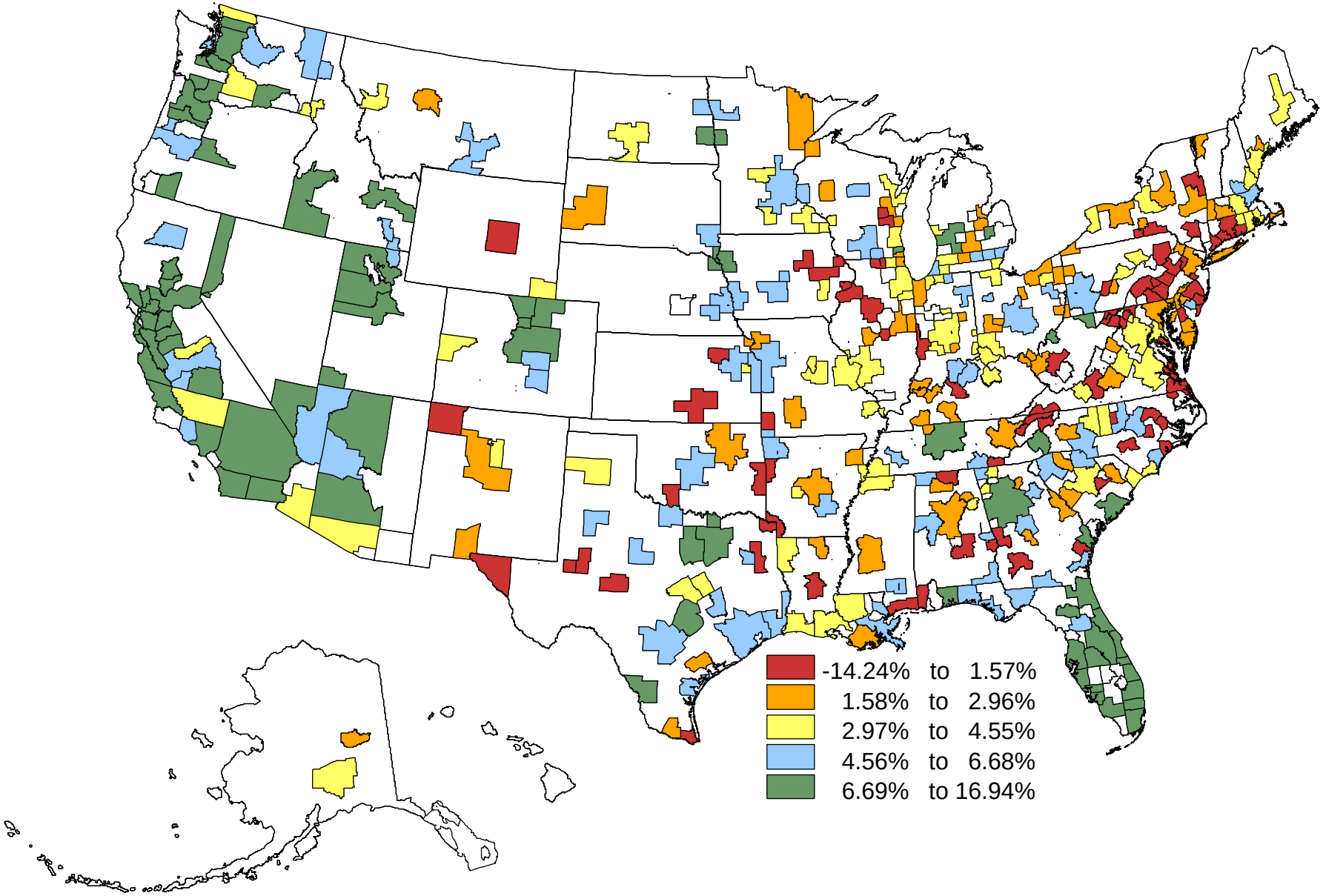
U.S.= 1.92



MSA Home Prices: Year-Over-Year % Change

2016Q1

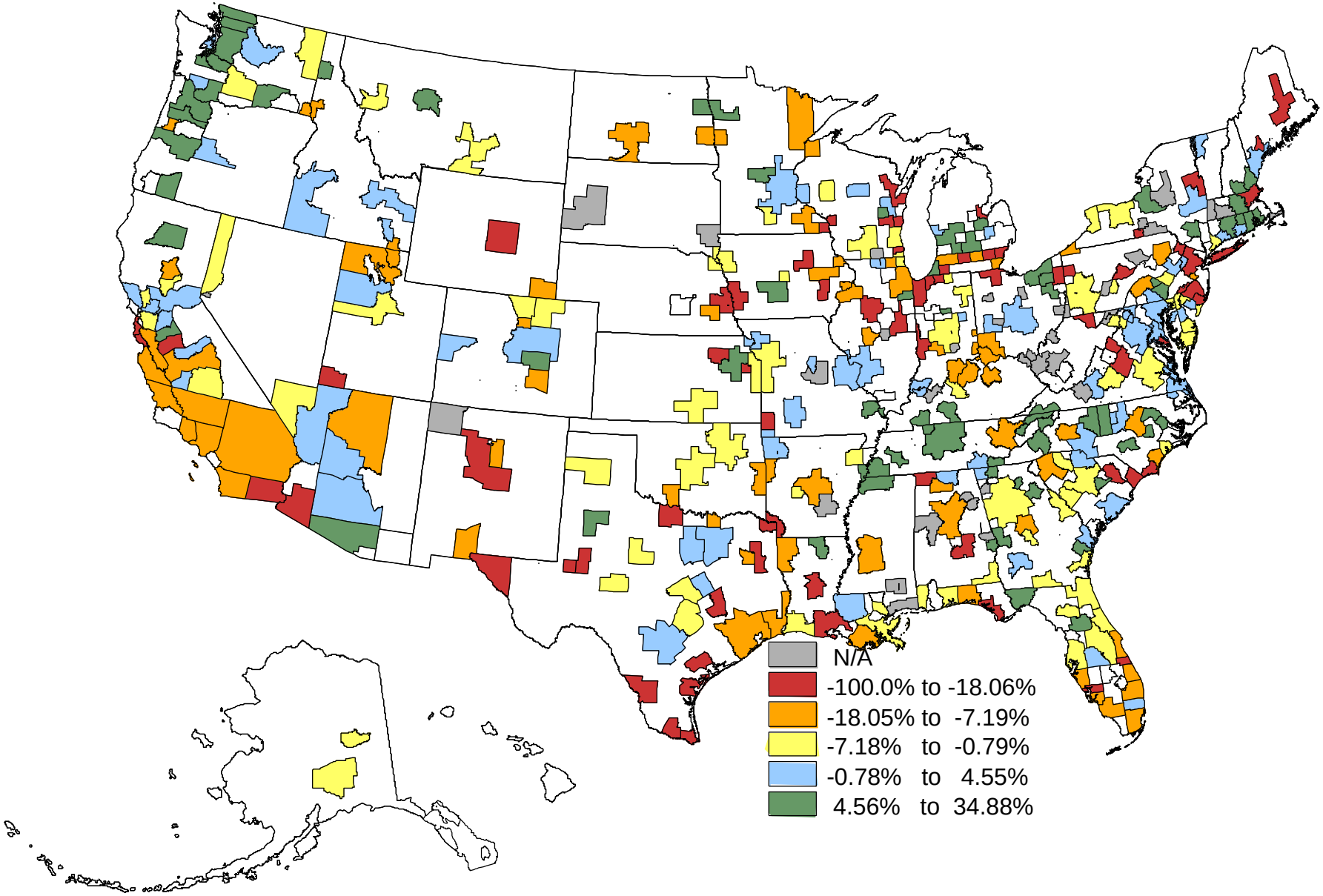
U.S.= 5.39



MSA Home Sales: Year-Over-Year % Change

2016Q1

U.S.= -7.81



7 Years and Still Growing

Despite some slowing the last 2 quarters, the U.S. economy continues to expand at a steady rate. The U.S. is now into its seventh year of economic expansion, one of the longest in history. Even though a number of economists have cut their forecasts of economic growth for 2016, there was still a general consensus that there was room for additional growth resulting in a rebound in 2017. Some of the recent slowing was likely behind the Fed's decision to hold the benchmark interest rate steady, maintaining their cautious position. Overall, there was some economic uncertainty, partially due to global economies and upcoming elections in the U.S. This caused some businesses to closely monitor investments and expansions. Still, the risk of a recession. remains low, the jobless rate is low and wages are growing.

Reminiscent of the past few years, the first quarter of 2016 saw a slowing in GDP. According to the "third" estimate from the Bureau of Economic Analysis, the U.S. economy grew at a 1.1% annualized rate, an improvement from the initial estimate of 0.5%. Over the last 6-month period, growth has been less than 1.5%, the worst 6-month period in 3 years. Consumer spending remains the primary driver, though lower than the previous quarter. Drags on the economy include nonresidential investments, reduced inventory accumulation and weaker exports. The general consensus is that the U.S. economy is actually stronger than the GDP is showing based on the job market and improved wage growth. As has been seen in the past, there is typically a recovery in the second quarter, currently tracking closer to a 2% to 2.5% rate.

Following are some comparisons from the most recent GDP release.

Prepared by MGIC's Credit Policy Department

	16Q1	15Q4	15Q1
Real GDP	1.1%	1.4%	0.6%
Personal Consumption Expenditures	1.0	1.7	1.2
Fixed Residential Investment	0.5	0.3	0.3
Fixed Nonresidential Investment	(0.6)	(0.3)	0.2
Inventories	(0.2)	(0.2)	0.9
Net Exports	0.1	(0.2)	(1.9)
Government	0.2	0.0	0.0

All 4 regions of the country are experiencing some form of economic gain. The strongest growth remains in the West, closely followed by the Southeast. Even though the gains are not as robust, the spread of technology, both in hardware and software, throughout the West has been the stimulus behind the gains in employment, wages and housing. As far as the South, gains in Florida, Georgia and the Carolinas continue to offset the slowing in the Oil Patch states. Tourism is on the rise and strong demographic trends provided a boost to the housing market. The Midwest continues to be impacted by weak commodity prices and global economies. A leveling off in domestic auto sales is starting to show up in the Great Lakes area. The Northeast continues to trail the other 3 regions. Even though it has one of the lowest jobless rates, it is weakest in terms of job growth. This is especially true in the New England area. Unfavorable demographic trends, due to the improving national economy, are limiting the recovery here.

Oil's Roller-Coaster Ride

Last quarter, oil prices were coming off their lows and moving closer to $40 per barrel. More recently, prices have rallied before retreating from a 10-month high of over $50 per barrel. A growing global demand and improving production at refineries, along with disruptions in production in Nigeria, wildfires in Canada and political unrest in Venezuela all contributed to a jump in prices. As prices moved upward, some U.S. oil companies were preparing to bring additional wells online. These would be wells that are drilled-but-not-completed (DUCs), of which there are an estimated 3,800 to 4,000 of these. However, most producers are still looking for more sustained prices of closer to $60 to $65 per barrel. This is due to the fact than many producers are still wary of the oversupply of oil as well as there are fewer firms with the available cash and/or workers.

2016 Job Growth Heading a Little Lower Than 2015 After a strong 2015:Q4, job growth slowed at the start of 2016. Just over 600,000 workers were added to the payrolls during the first 3 months of the year, versus 570,000 and 627,000 in 2015 and 2014, respectively. In as much as the start of the second quarter did not produce a strong rebound in employment, it appears that 2016 will fall short of the 2.08% annual growth in 2015. This would bring job growth to nearly 2 million for the year.

Year-to-date gains were led by California, Florida, Michigan, North Carolina and Washington. These states account for 32% of the national total. Both California and Florida experienced slower year-to-date growth in 2016 than in 2015. On the other end of the scale, North Dakota, Louisiana, Arkansas, Kansas, Wyoming, Alaska and New Mexico all recorded a decline in the number of workers for the year. On a market basis, the largest yearly gains were reported in New York City, Chicago, Atlanta, Dallas and Washington D.C. The improved economic conditions have employers having more difficulties finding workers. There are an estimated 5.8 million job openings. These can be found in almost all industries and all regions of the country. In addition, the number of "quits" continues to rise as employees feel more confident in finding other employment.

Similar to 2015, job gains to start the year were led by professional/business and education/health care services. These 2 industries accounted for just over half of the year-to-date increase. This was followed by hiring in retail trade and leisure/hospitality services. Contrary to last year, job losses were recorded in manufacturing and transportation/utilities. The mining industry continues to shed jobs, which may create a problem when oil producers decide to ramp up production.

The monthly U.S. unemployment rate moved from 5.7% in January 2015 to 5.0% in March 2016. South Dakota, North Dakota and New Hampshire have the lowest rates in the nation, all under 3%. The highest rates can be found in Alaska, Mississippi and Washington D.C., all at 6.5% or higher. Even with the economy approaching full employment, the number of unemployed was estimated at nearly 8 million. This is approximately 600,000 less than a year ago. The number of individuals' unemployed "long-term" (27 weeks or more) was 2.2 million, little changed from a year earlier. These individuals account for 27.6% of the unemployed versus 29.5% the year before. During the year, the number of long-term unemployed fell by 334,000. Under the broadest measure (all persons that are marginally attached to the labor force plus those employed part-time due to economic reasons), the unemployment rate is now at 9.8% versus 10.9% recorded a year ago.

Labor force participation was estimated at 63% at the end of March 2016, which represents a steady increase over the last few months. This percentage is still lower than the long-term average; however, it is the highest percentage since March 2014. The number of workers employed part-time due to economic reasons is estimated at 6.1 million.

The current economic forecast calls for employment growth of just under 2% in 2016 and then slowing a bit more in both 2017 and 2018. As far as the unemployment rate, it should remain just under 5% in 2016, and then fall to the mid-4% range in both 2017 and 2018.

The Outlook for Housing Remains Positive

Even though the housing market's recovery continues at a slow pace, the outlook remains positive. The underlying economic fundamentals bode well for the recovery. These include ongoing job growth, rising wages, improving household finances, more state-to-state migration, low mortgage interest rates and a forecast for improved household formations. Existing home sales are typically running between 5 to 5.5 million on an annual rate. Some of the strongest activity remains in the South; however, there has also been some improvement in the Midwest and Northeast. In contrast, new home construction remains historically low, which continues to put additional pressure on home prices and rents. There appears to be more focus from builders on higher priced homes, as new homes under $200,000 accounted for just 19% of the market in 2015. Activity is expected to improve in 2016 as home builder confidence is on the rise. The estimated supply of existing homes was 4.3 and 4.9 months for single-family homes and condos, respectively, and 4.7 months for new homes. Recent reports show a reduction in foreign buyers due to the strong U.S. dollar and/or deteriorating economic conditions overseas.

This lack of available inventory remains a major contributor to rising home prices. Home values are generally appreciating 5% to 7% during the year. Some of the strongest gains were recorded in Washington, Colorado, Oregon, Florida and New York. As home prices continue to appreciate, there is increased concern surrounding the decline in housing affordability. Some of the least affordable markets were found in the West. These include San Francisco (CA), Santa Cruz (CA), San Jose (CA), Honolulu (HI) and Santa Maria-Santa Barbara (CA). There are still an estimated 4 million homeowners that are in a negative equity position and an additional 1 million homes in a near-negative equity position with less than 5% equity. States with the most homes with negative equity include Nevada, Florida, Illinois, Rhode Island and Maryland.

First-time homebuyers account for about 30% of the home purchases, which represents little change from a year ago. Part of the issue is the shrinking supply of starter homes as prices increase. In addition, many first-time buyers are faced with outstanding student debt as well as the lack of a down payment. As a result, many of these individuals are forced into the rental market, which is still seeing rising rents and lower vacancy rates.

The homeownership rate remains near 64%; however, for those under the age of 35 it drops to 34%. Household formations are on the rise, creating additional demand for housing units. Further, there has been an increase in the number of retirees relocating and more buyers who lost their homes during the recession looking to re-enter the home-buying markets. All of this bodes well for the housing market in 2016.

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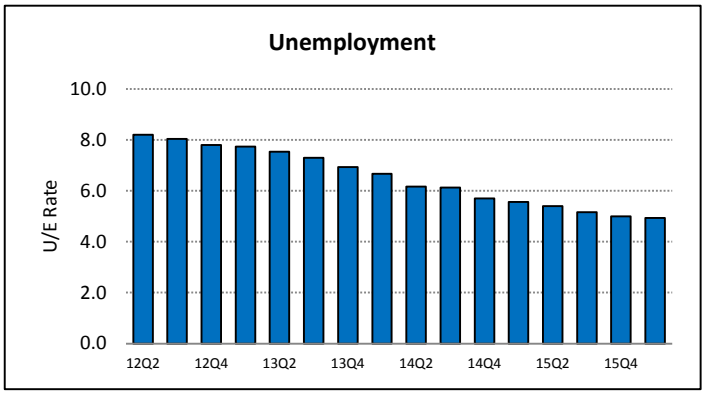
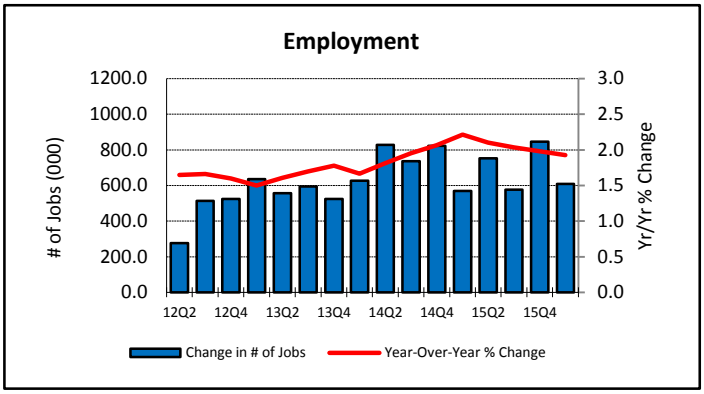
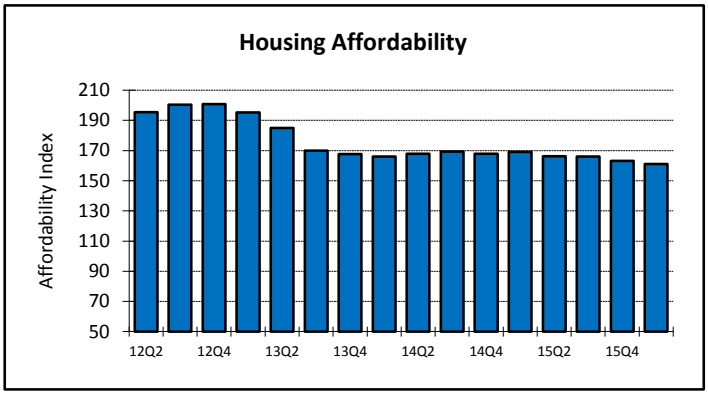
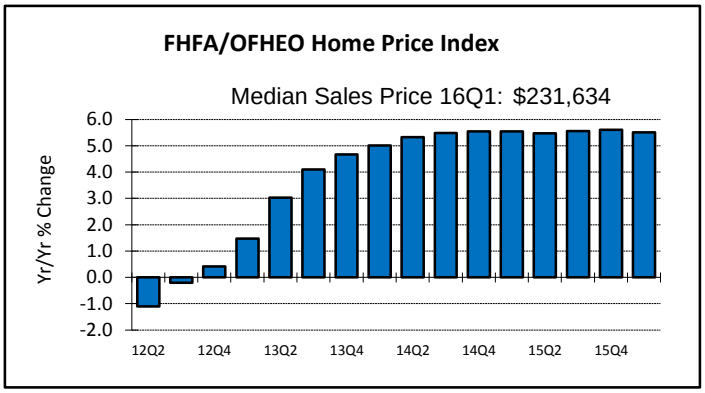
National Overview

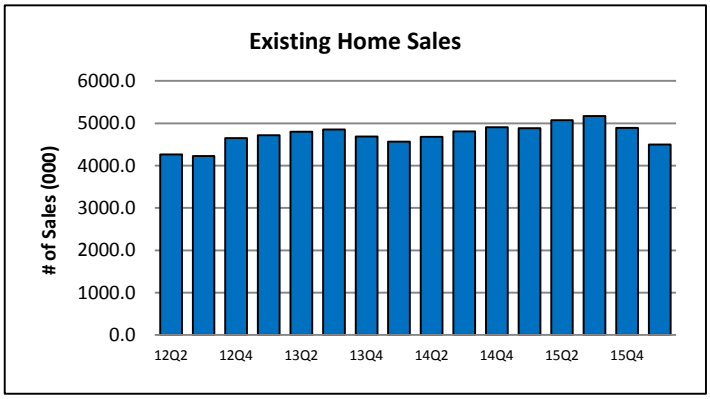
Economic & Housing Indicators

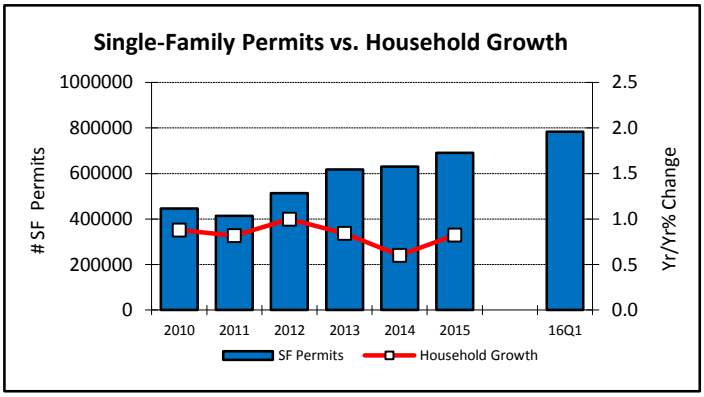


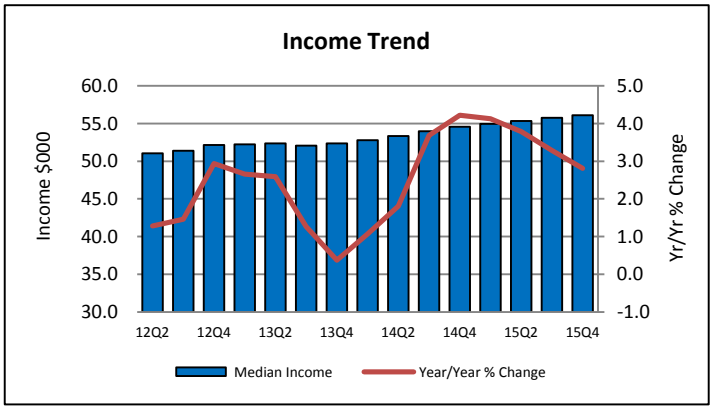


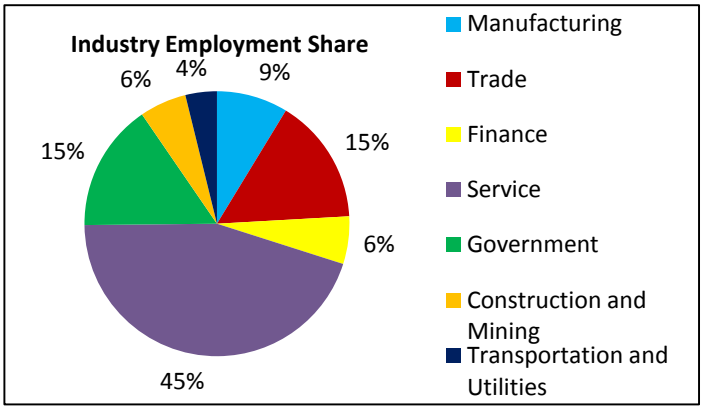










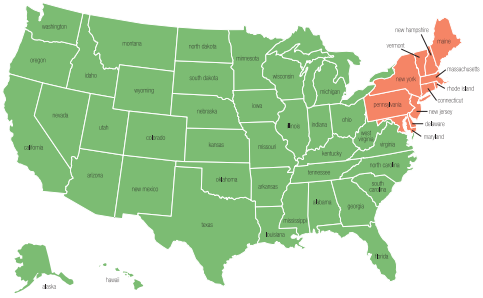


The Northeast, while still facing several issues, saw a few of their negative risks subside, if not totally disappear.

The threat of another harsh winter in 2016 and the corresponding downturn in consumer spending appears to have faded. During the first two months of 2016, single-family housing starts were at their highest levels for that time period since 2008. Multi-family development continues to show signs of weakness as construction starts lagged behind previous years. The predictions for an extended down-turn in the equities market have not come to fruition as the financial sector appears to have stabilized for the time being. While layoffs in the financial industry may not be coming, hiring could remain stagnant and with the region's dependence on the financial/banking sector it could continue to cause harm to the broader economy.

DELAWARE: The fears of major layoffs due to the merger of DuPont and Dow Chemical have been eased a little with the news that 2 of the 3 new companies being created will be headquartered in the state instead of just the one as previously announced. A major bank previously announced long-term plans to add roughly 1,800 employees. Due to the state's strong banking industry base, low business taxes and highly skilled workforce, more financial tech firms may decide to locate in the area. The state's central location in the Northeast, low personal taxes, and affordable housing will continue to attract workers and retirees from the Northeast and keep population growth rates at a national average.

MAINE: The state is a tale of 2 economies. Portland is the leading force of the white-collar economy. The metro area is seeing twice the national rate of hiring in the financial sector as the city's cluster of disability insurance companies ramp up to cover national job gains. The city will also see increased hiring in the low- to medium-paying job range as several call centers located in the city increase staffing. This hiring has allowed the population to increase over the last 5 years. This has led to an increase in construction as housing demand rises. Bangor is the center of the blue-collar economy and the hardships faced by that segment. The city has not recovered 50% of the jobs lost in the recession and does not look like it will recover any time soon. Bangor, and much of rural Maine, depends on the paper/forestry industry and it has been decimated due to a lack of demand for paper products. Several paper



mills have closed and others have announced further reductions in staff. The state has lost close to 30% of its paper jobs since 2013.

MASSACHUSETTS: During the first part of the year, the state saw hiring accelerate, matching the U.S. rate, with Boston leading the way. Most of the hiring is occurring in the technology-producing fields and manufacturing as a whole. The increase was due in part to the rebound in exports to such areas as Mexico and England. The unemployment rate sits at roughly 4.4%, and the labor pool is shrinking. This was further exacerbated by the fact that the neighboring states that Massachusetts usually draws upon for workers have even lower unemployment rates.

NEW YORK: The demographic outlook for areas outside of New York City is looking dim. Several upstate and western metro areas showed declines in population. Some of the declines were the steepest in a decade. In the case of Syracuse, it was the largest number in a century. Upstate New York could also suffer further hardship as several firms announced delays or total withdrawals of development plans in conjunction with the state's Buffalo Billion Program as it comes under federal investigation for corruption. The luxury condo market in New York City is showing further signs of cooling. Units are selling for less than the asking price as the supply of units currently exceed the level of demand as the number of foreign buyers are dwindling.

CALIFORNIA-LEXINGTON PARK (MD): Maryland, as a whole, has seen growth in population slow down, especially in urban areas. It appears that the California-Lexington Park region may be an exception to this trend. This is home to the highly active Naval Air Station Patuxent River, which is at the center of the future of naval aviation and brings in high-paying quality jobs. In fact, it is among the nation's leaders in concentration of high-paying jobs. California also benefits from the fact that much of the area is undeveloped and is affordable compared to other regions such as Silver Spring and Baltimore. The affordability factor is bringing in commuters from Washington DC and the large sections of undeveloped land should allow the growth to continue.

FAIRFIELD COUNTY (CT): The county, unlike the rest of the state, has seen in-migration increase 4 of the last 5 years. This increase caused household formations to grow, with a corresponding growth in housing demand. Building permits are also on the rise. Home prices have been appreciating at a higher rate than the rest of the state since 2010. This trend may continue as the county is in close proximity to New York and Philadelphia. According to a recent survey, at least one-eighth of the county's employed population commutes to New York City.

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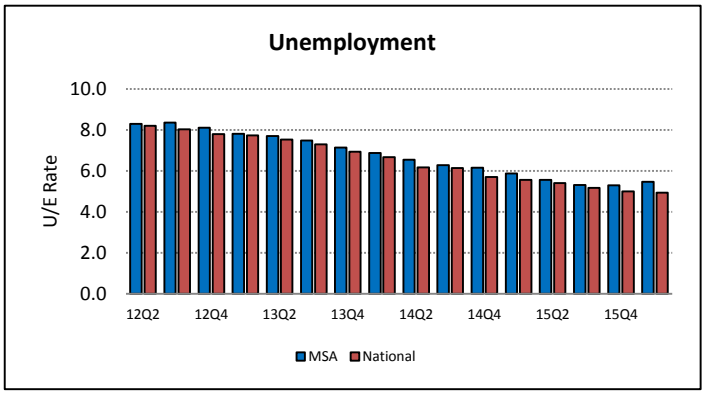
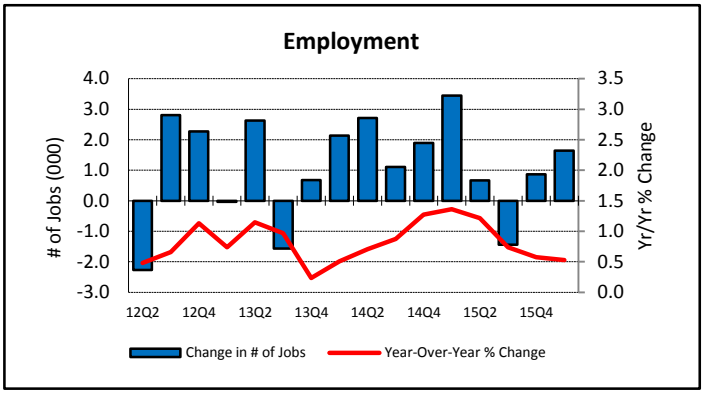
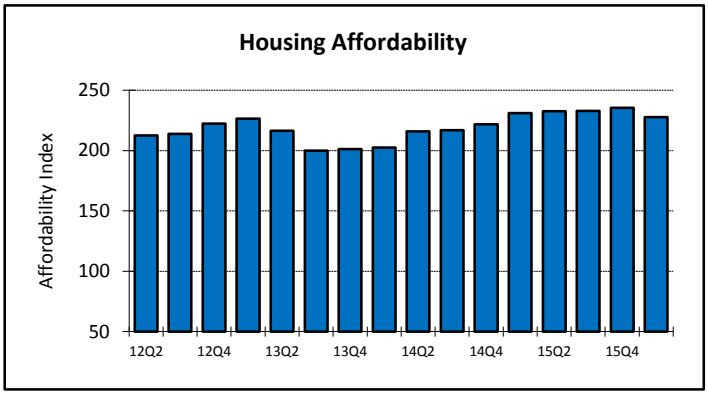
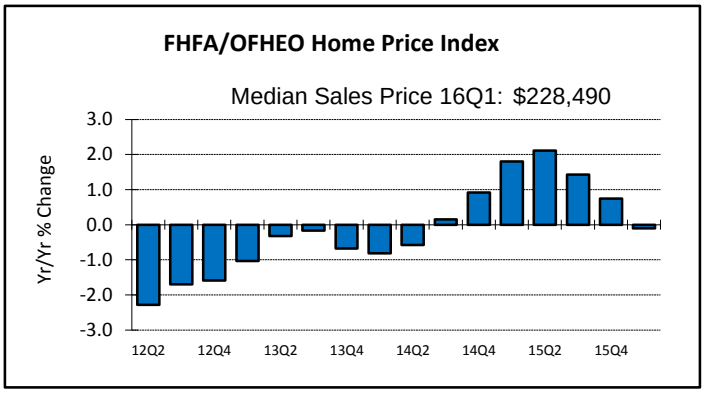
Hartford, CT

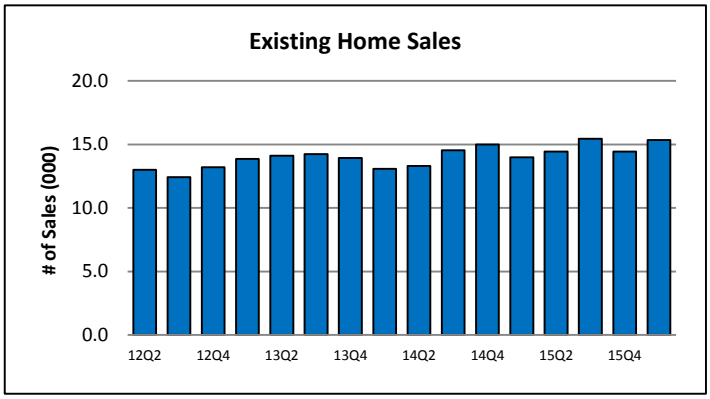
Economic & Housing Indicators

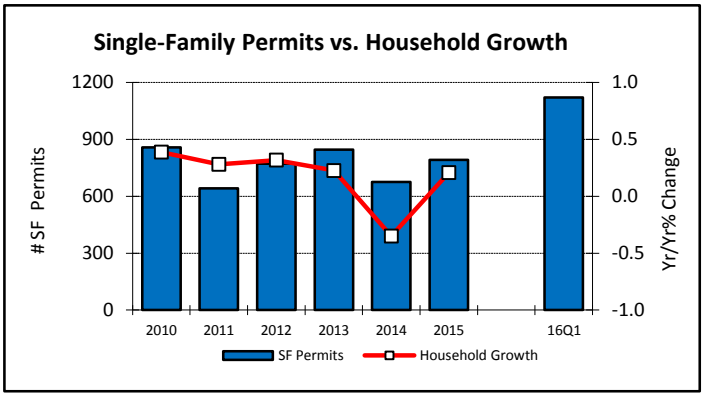


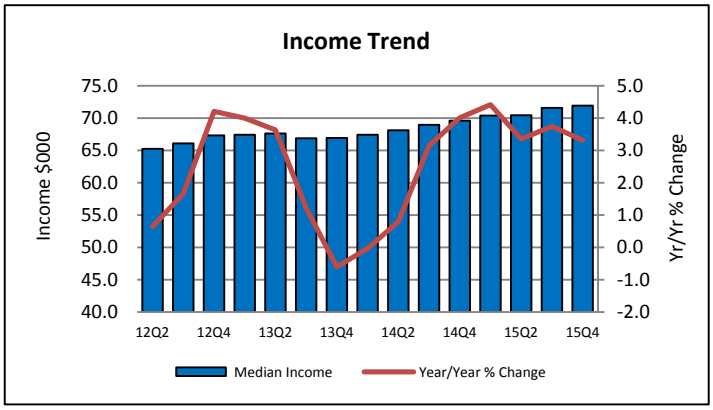


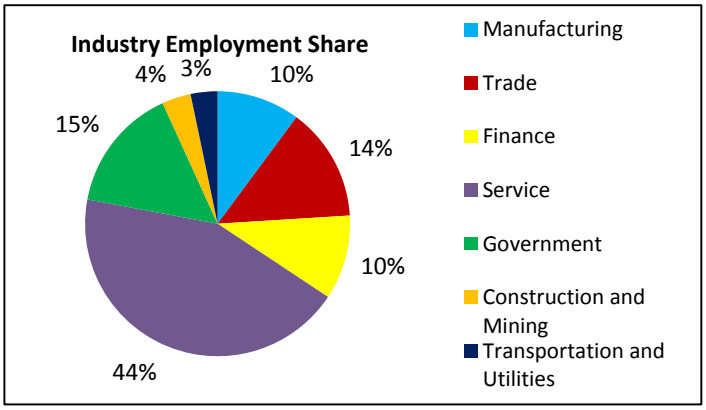








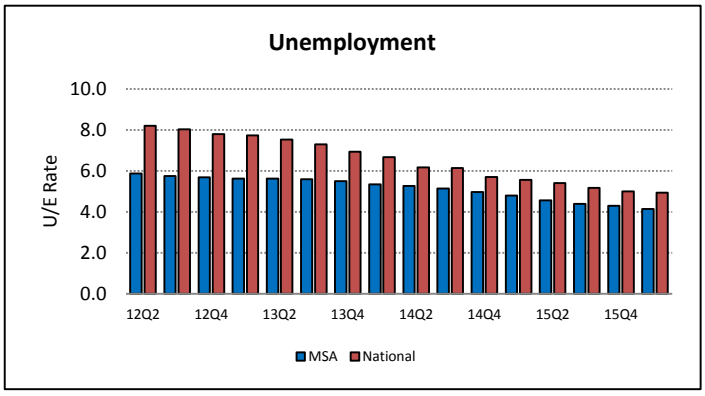


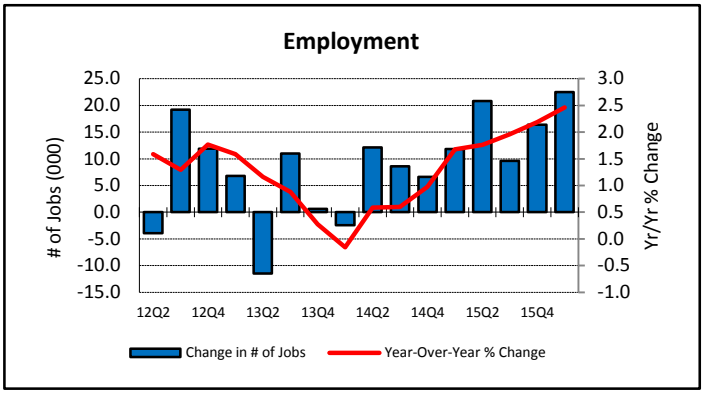


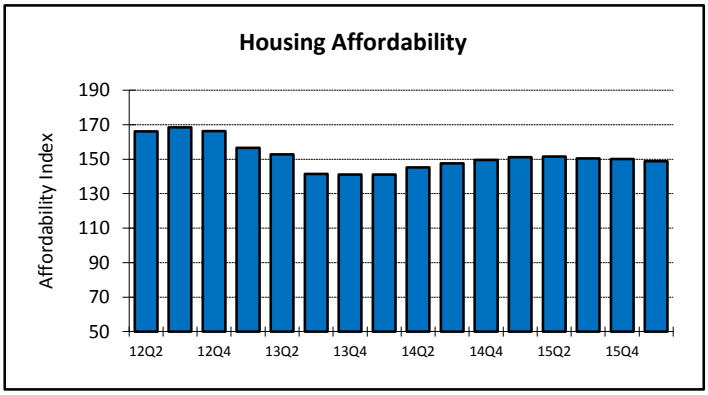
Washington, DC

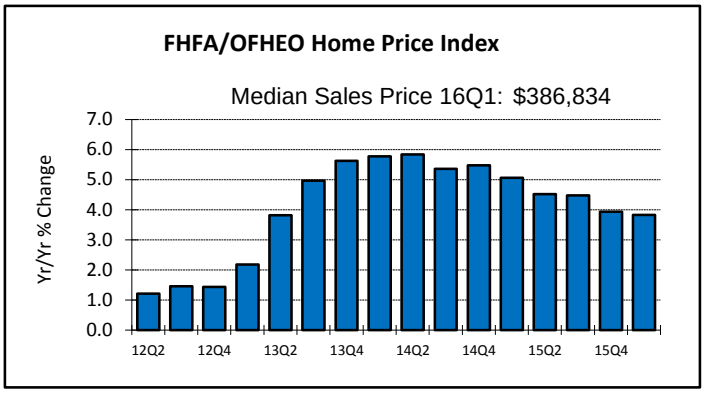
MGIC

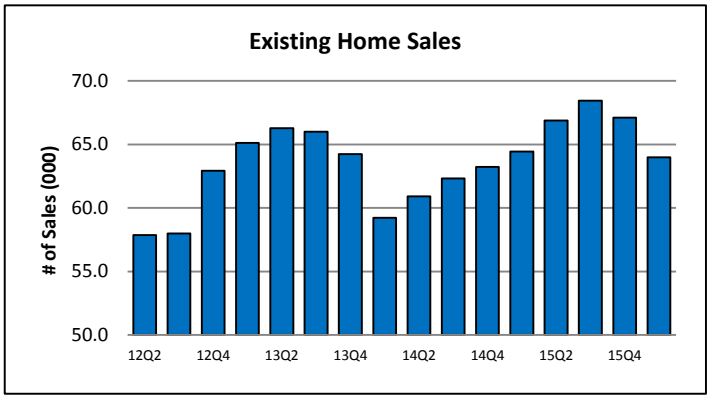
Economic & Housing Indicators

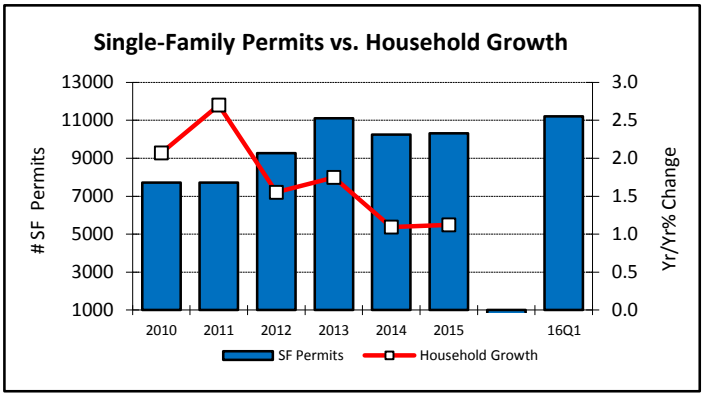


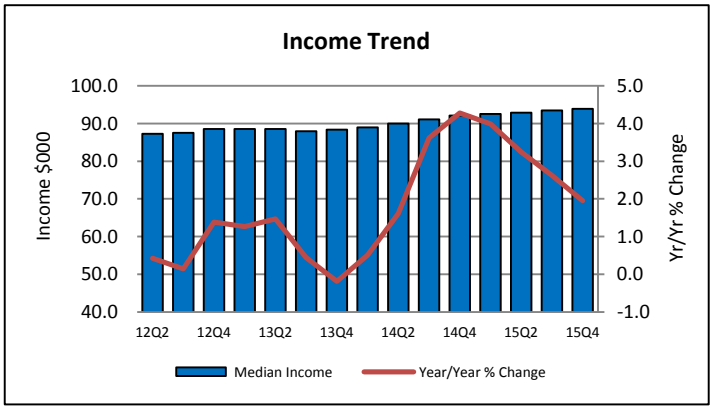


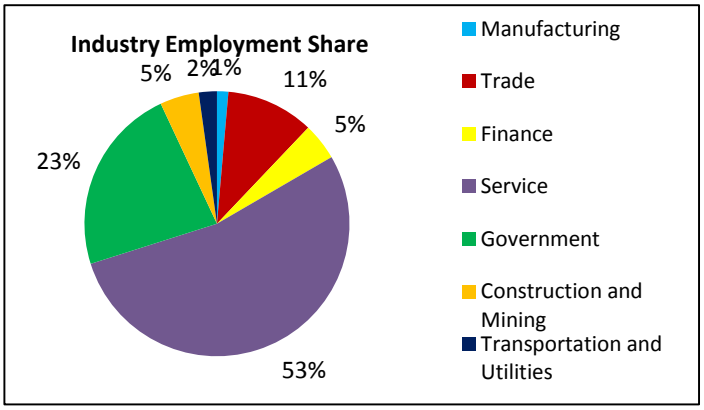












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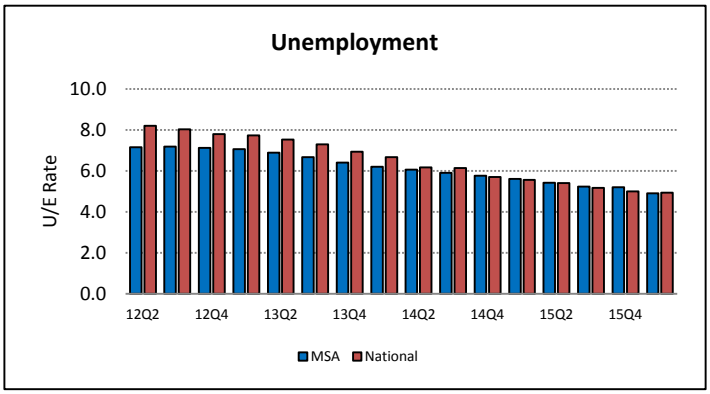
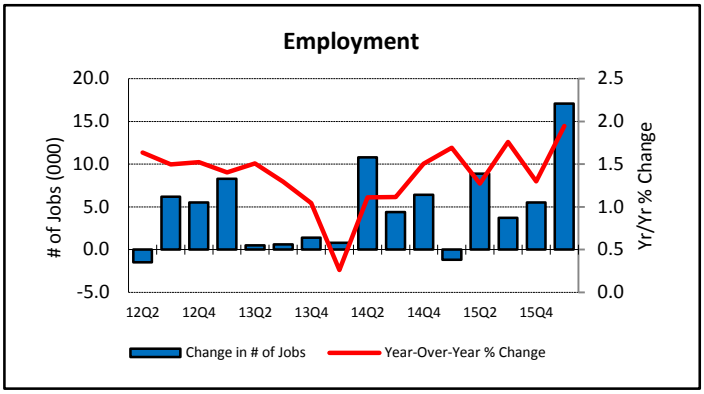
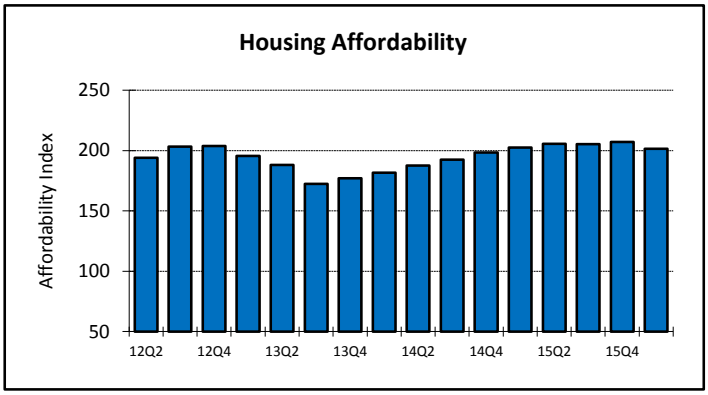
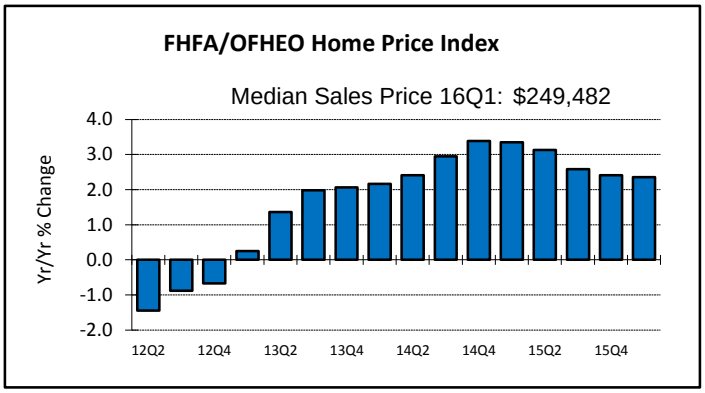
Baltimore, MD

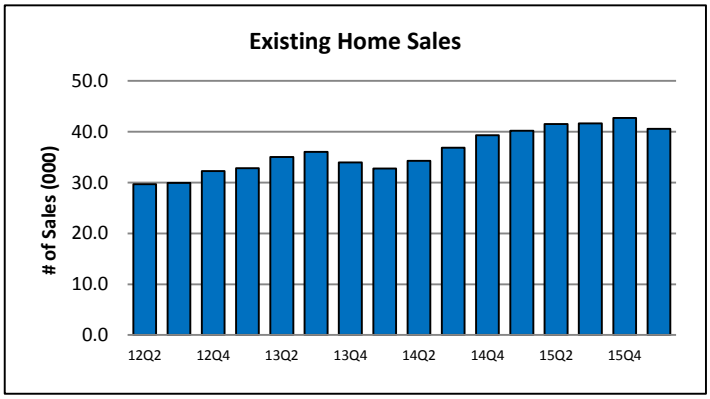
Economic & Housing Indicators

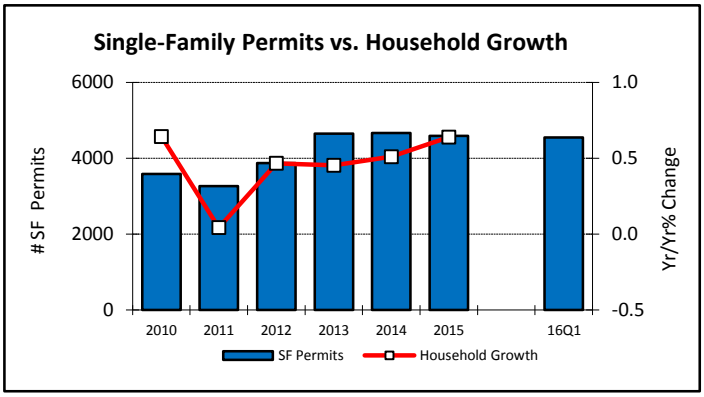


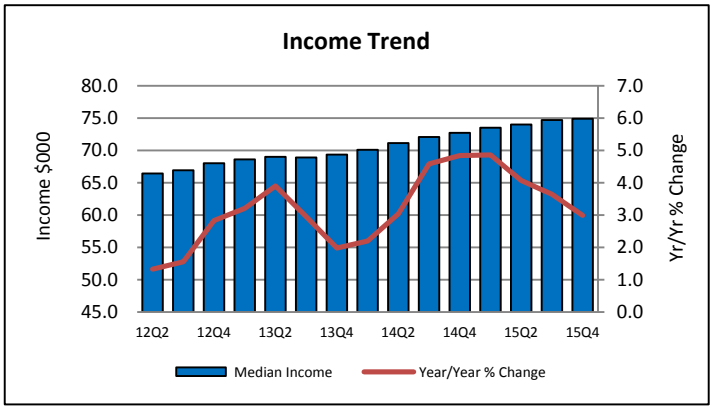


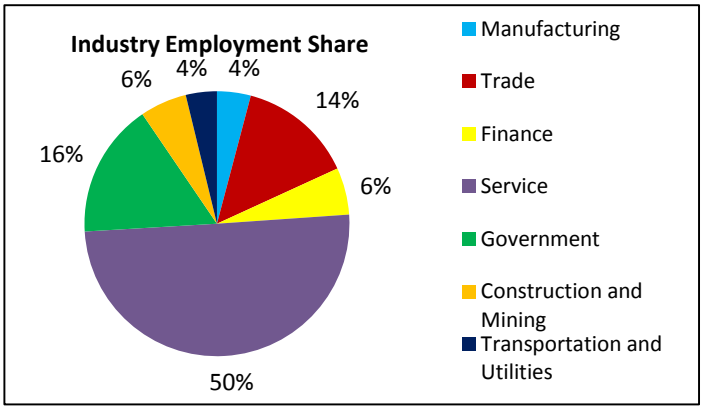












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Boston, MA

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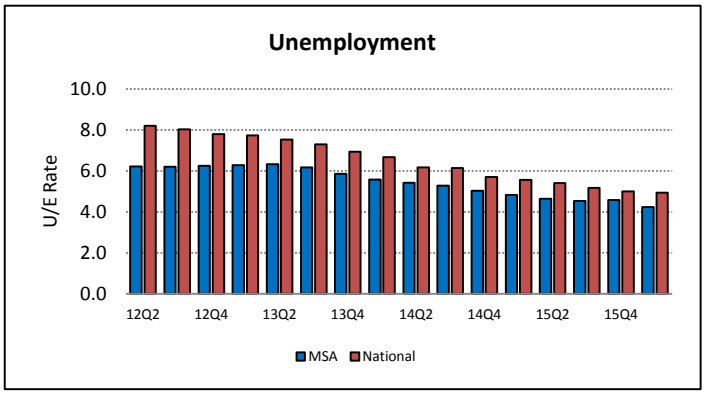
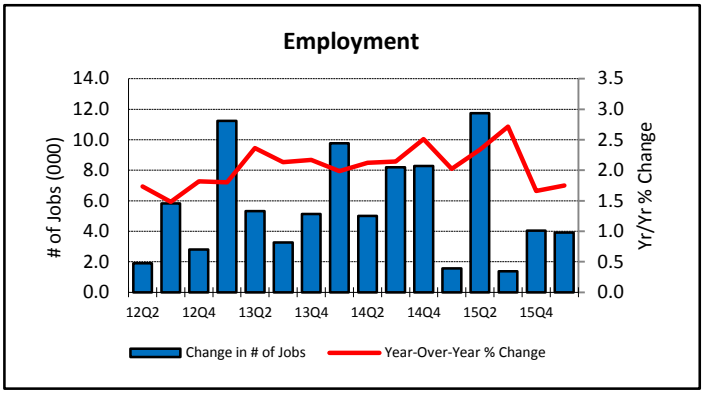
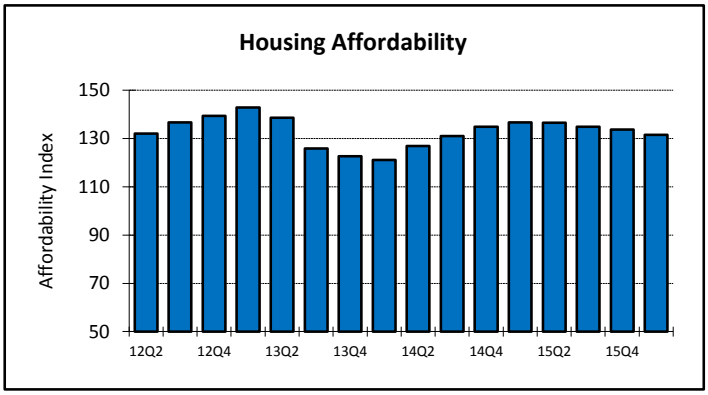
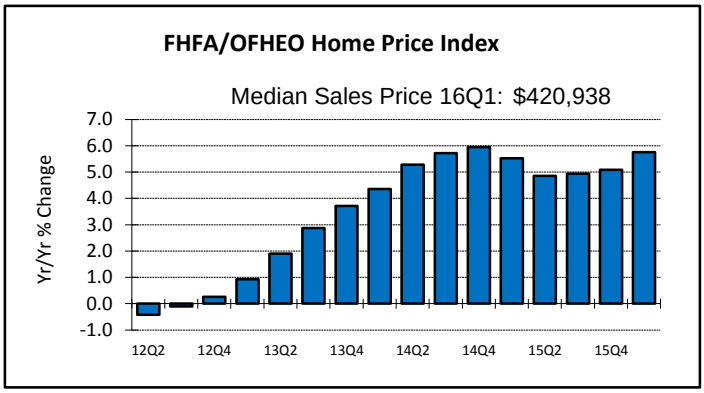
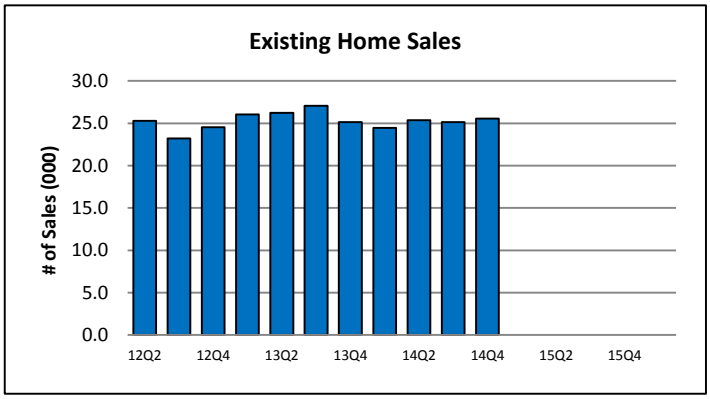
Economic & Housing Indicators

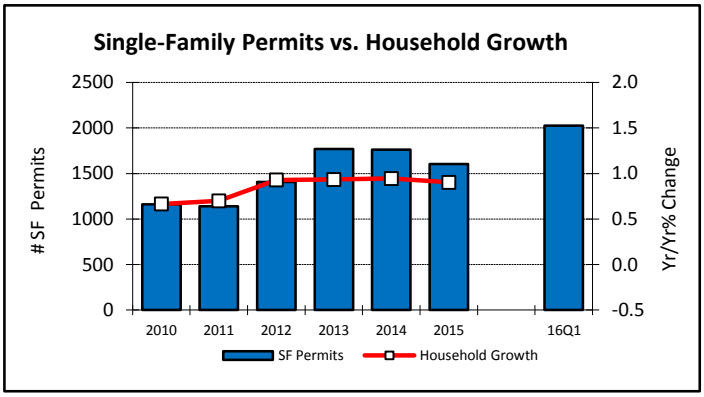


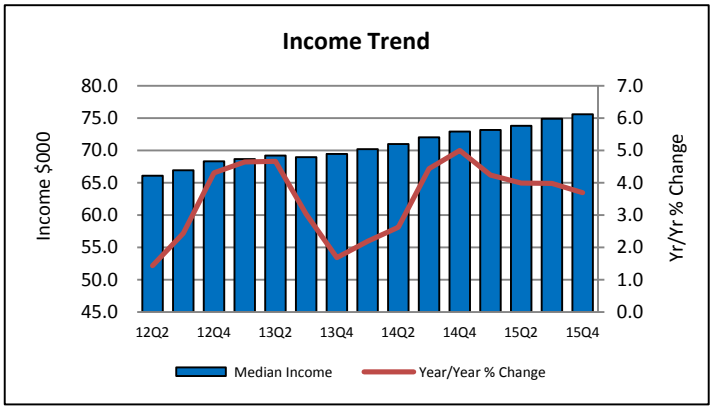


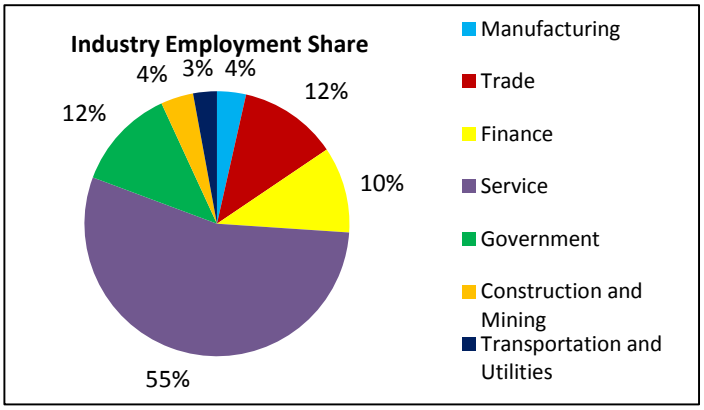












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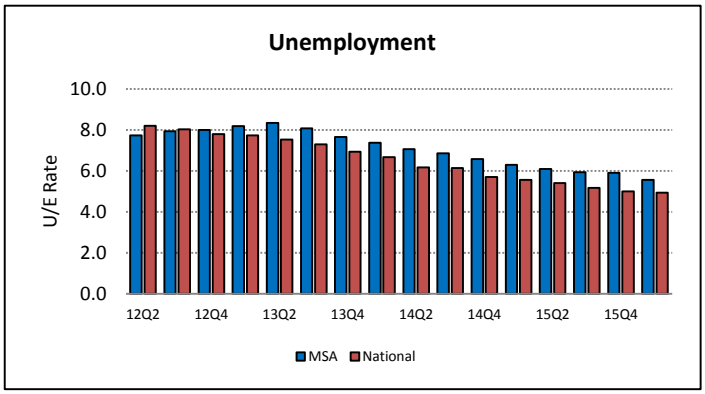
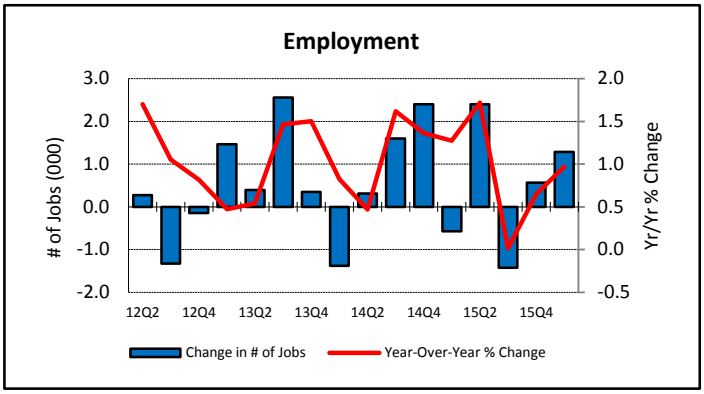
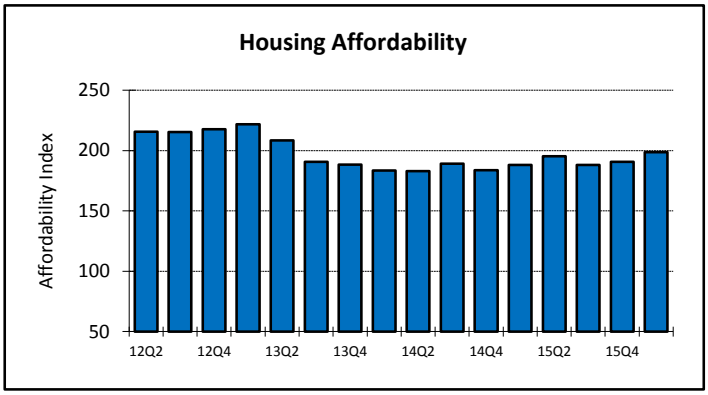
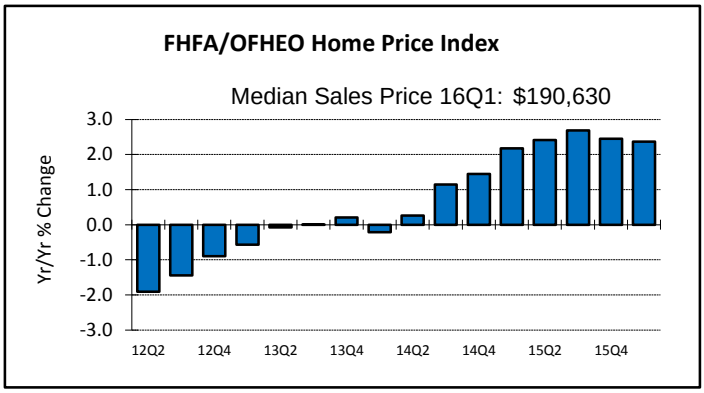
Springfield, MA

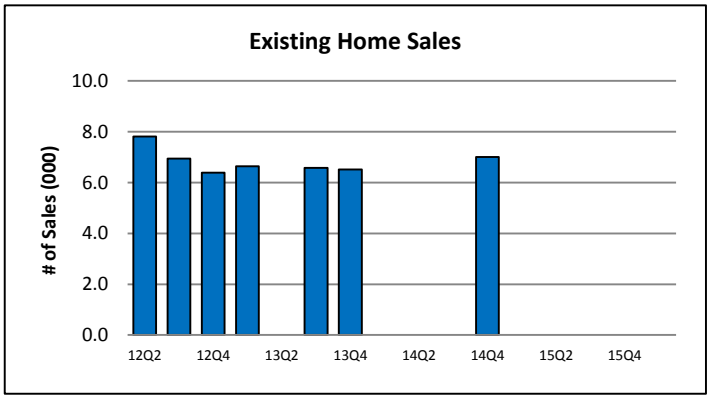
Economic & Housing Indicators

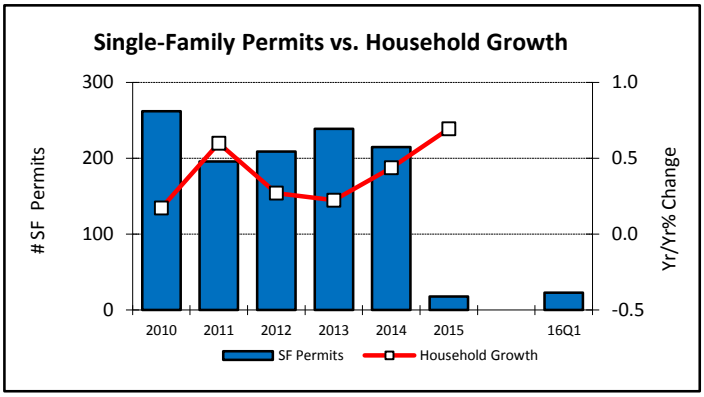


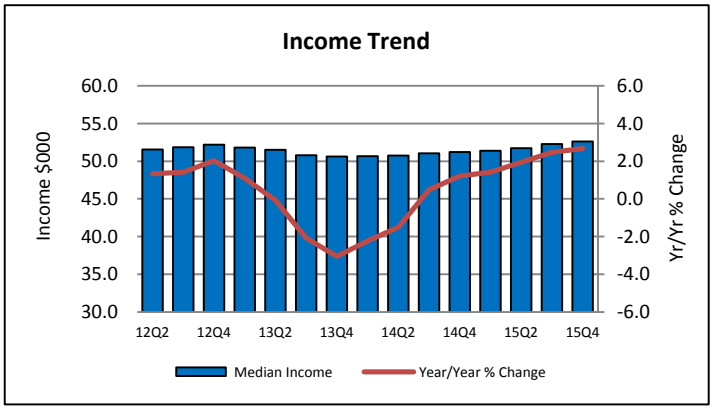


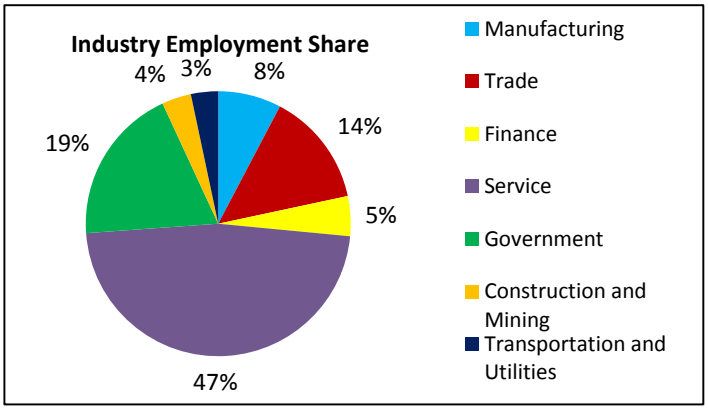








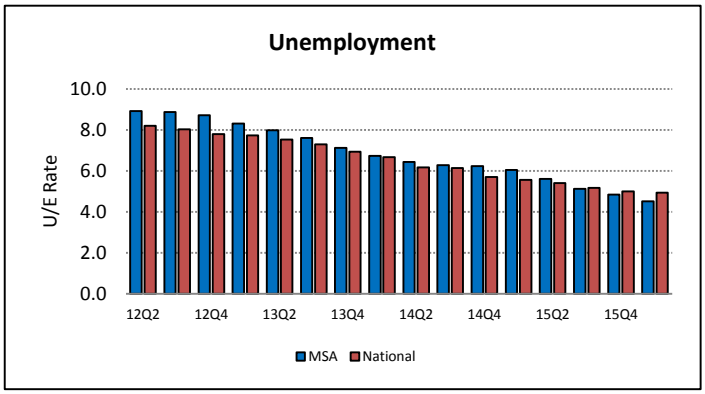


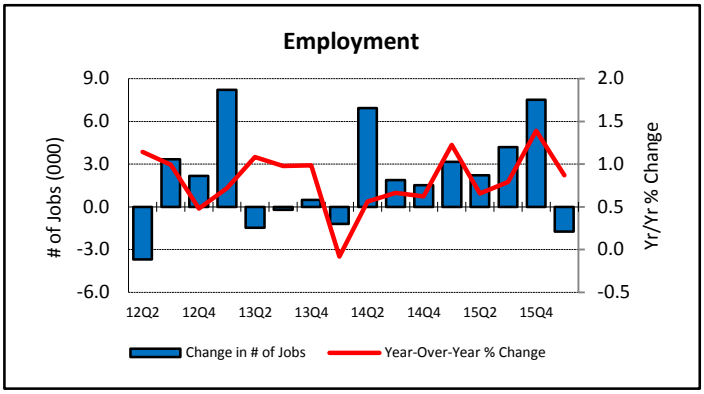


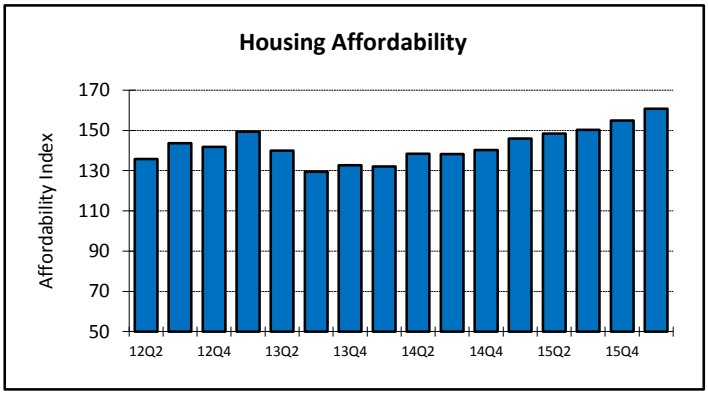
Newark, NJ

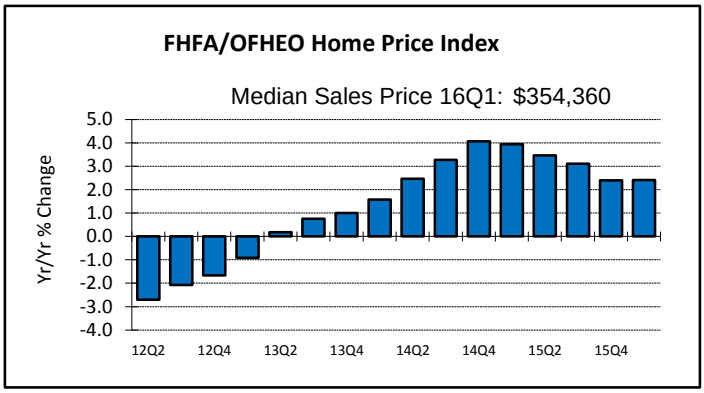
MGIC

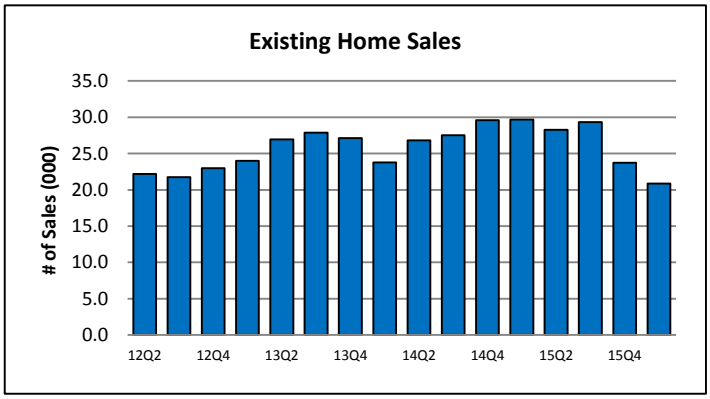
Economic & Housing Indicators

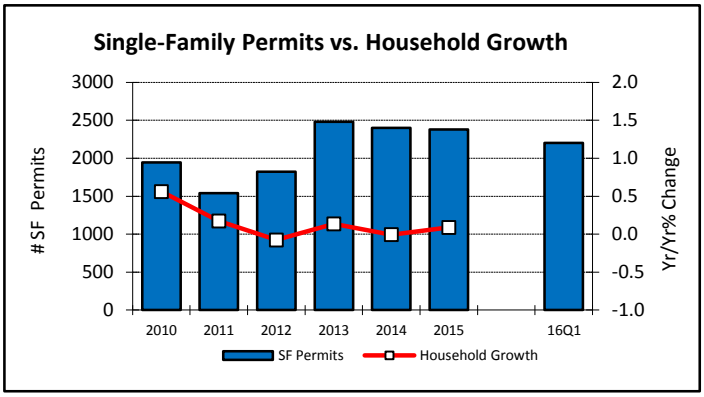


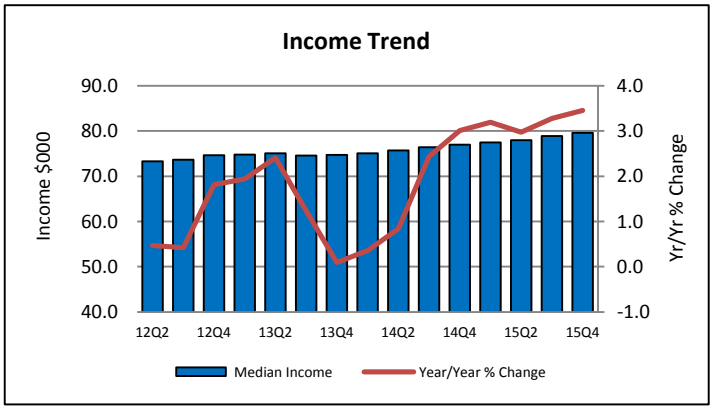


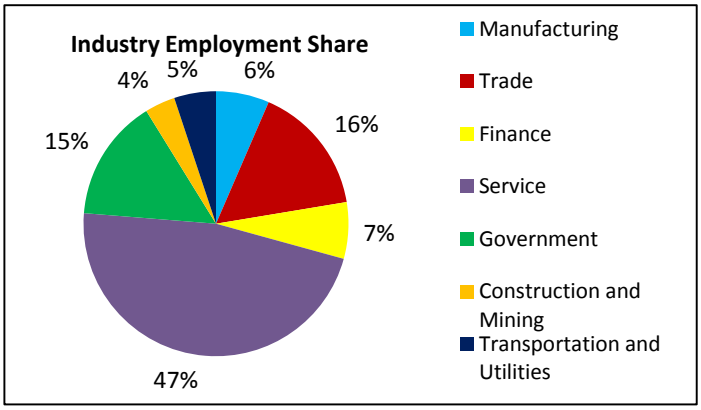












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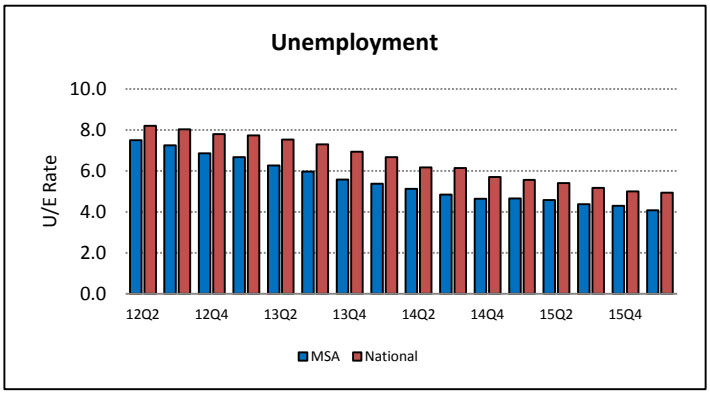
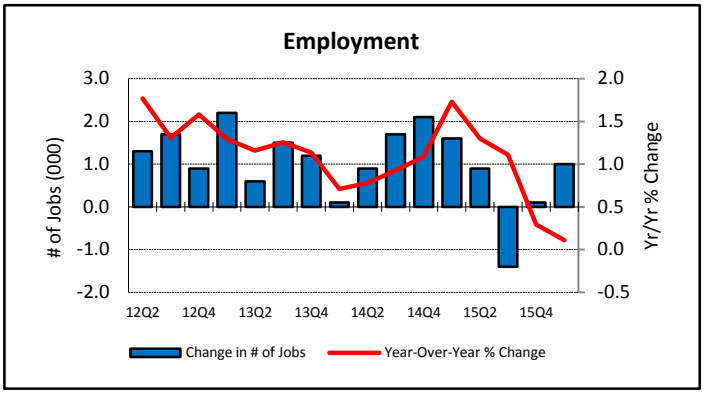
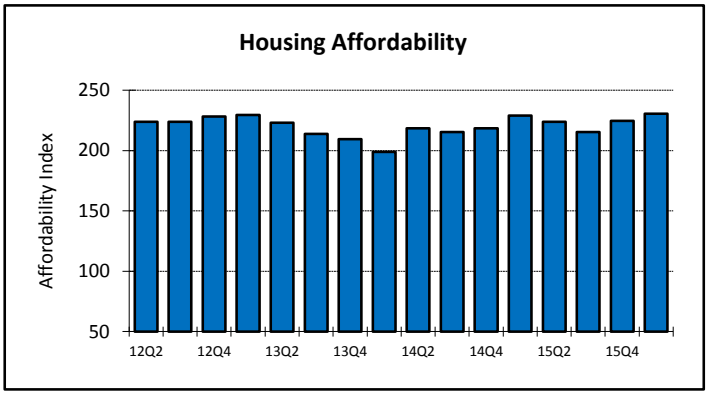
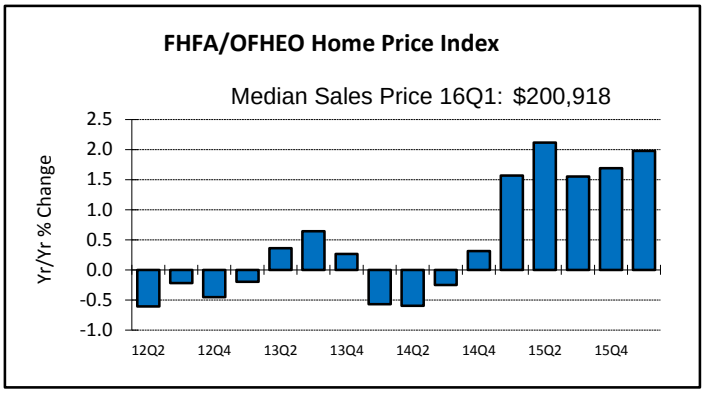
Albany, NY

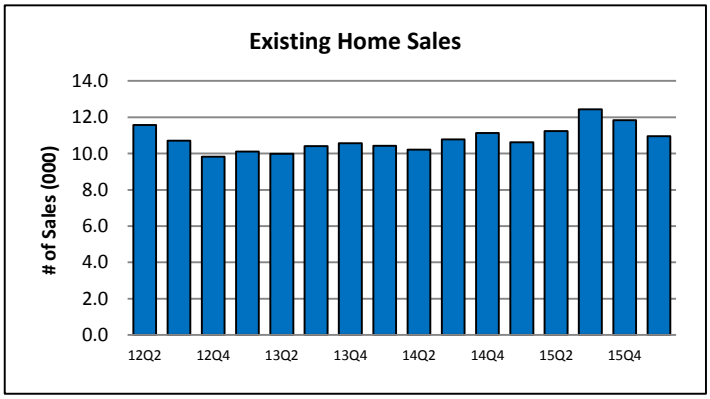
Economic & Housing Indicators

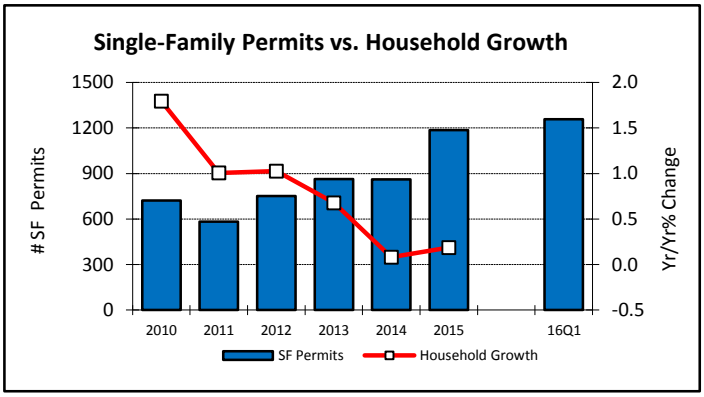


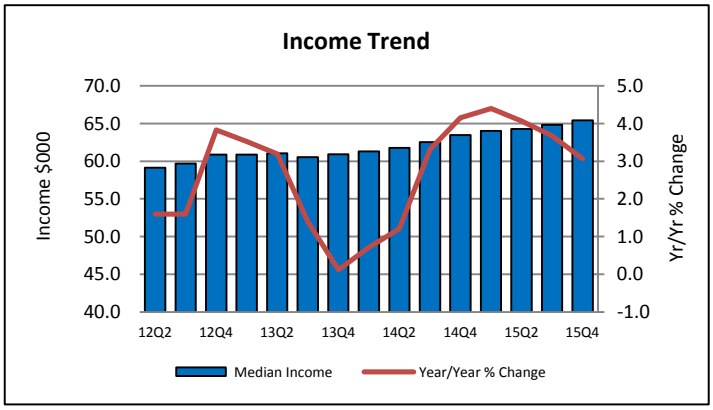


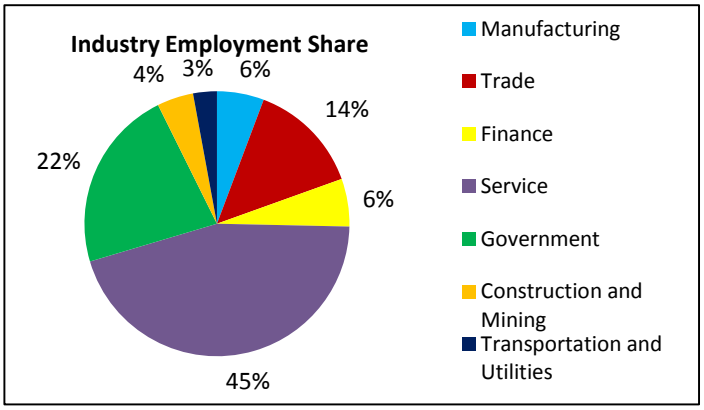












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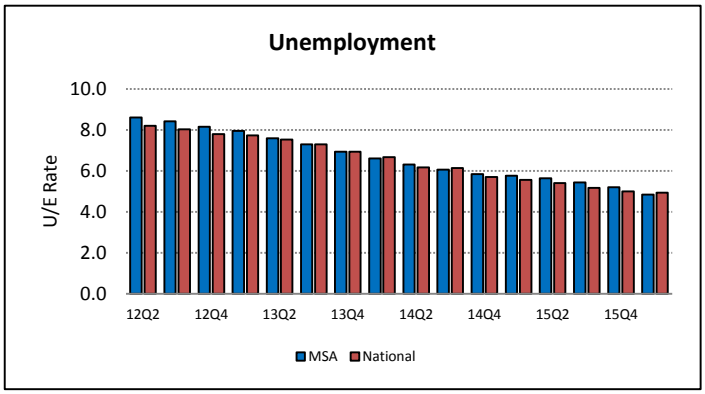
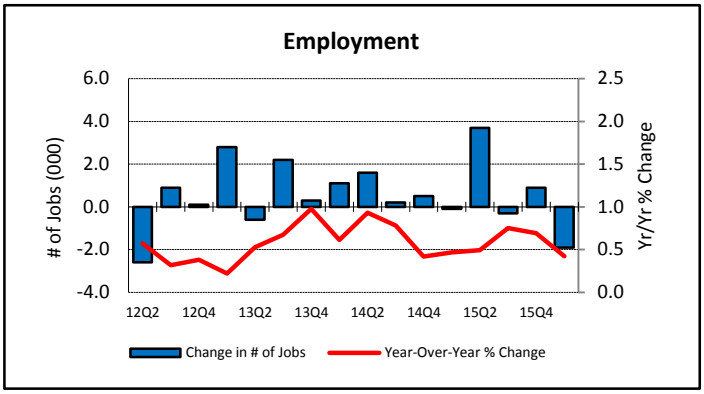
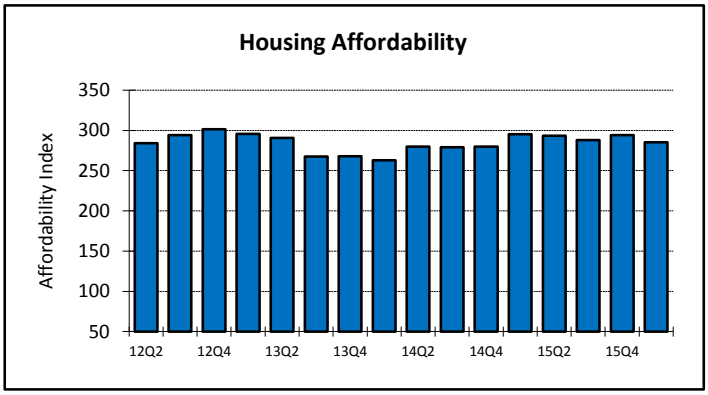
Buffalo, NY

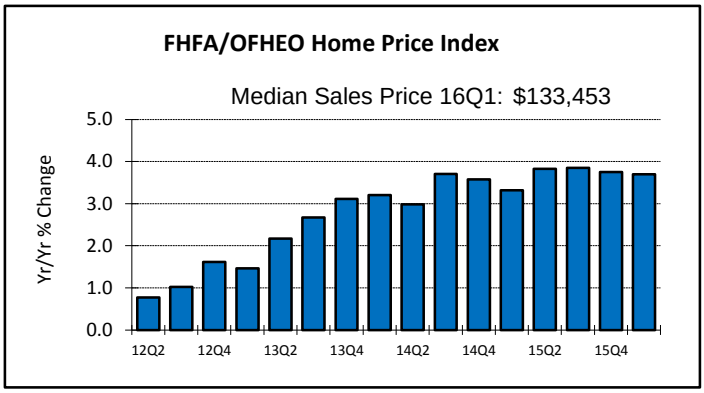
MGIC

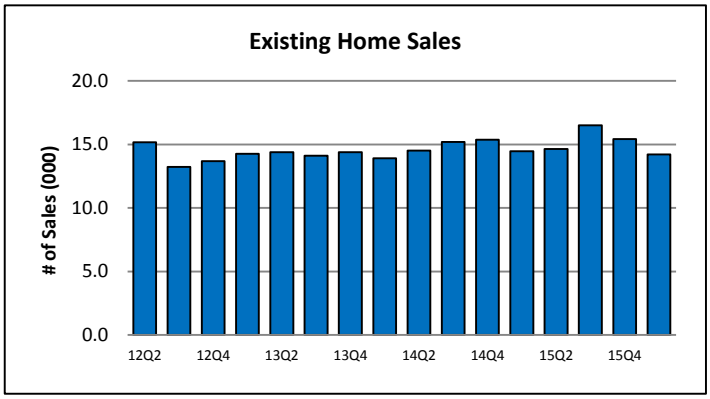
Economic & Housing Indicators

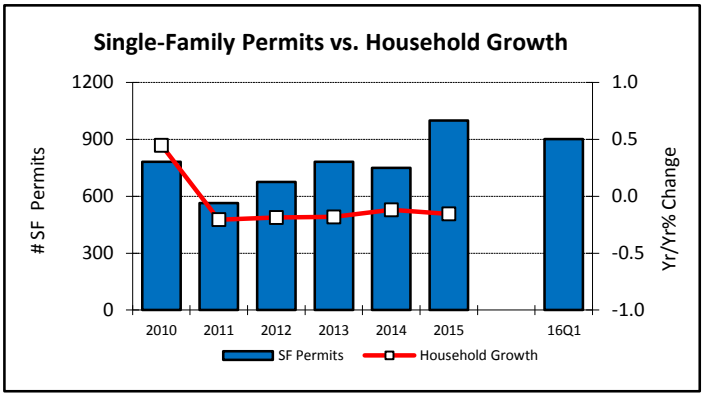


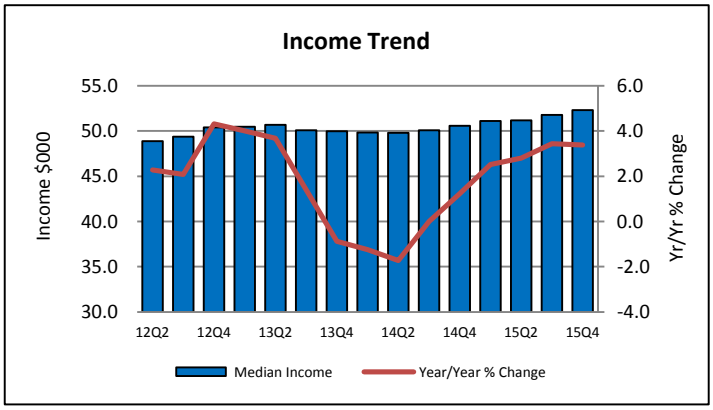


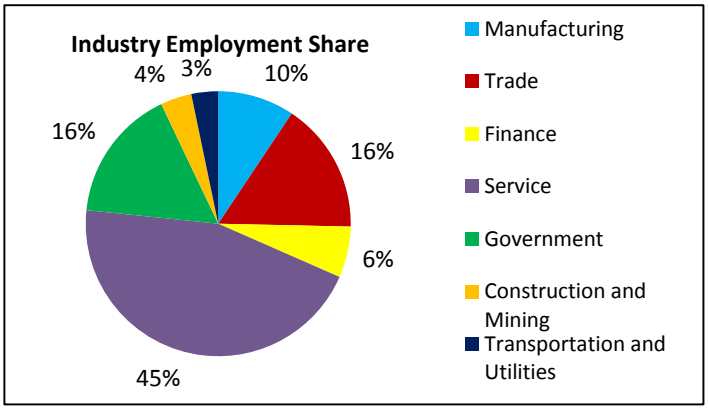












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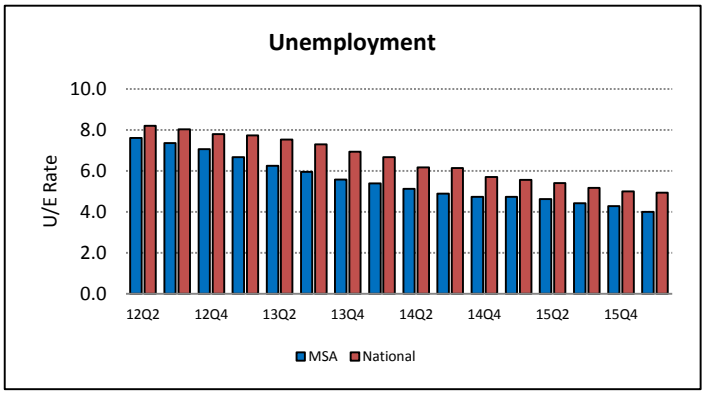
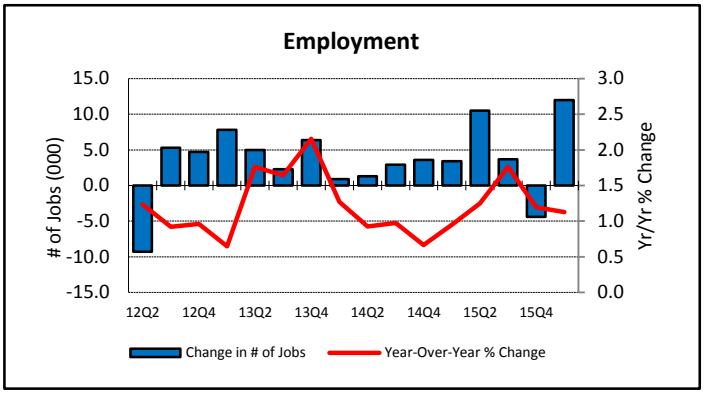
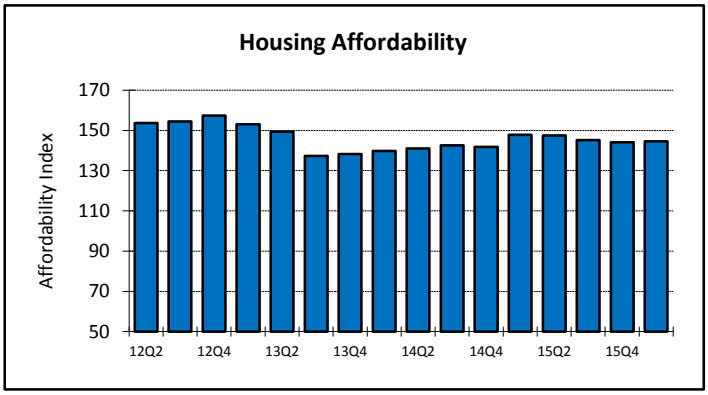
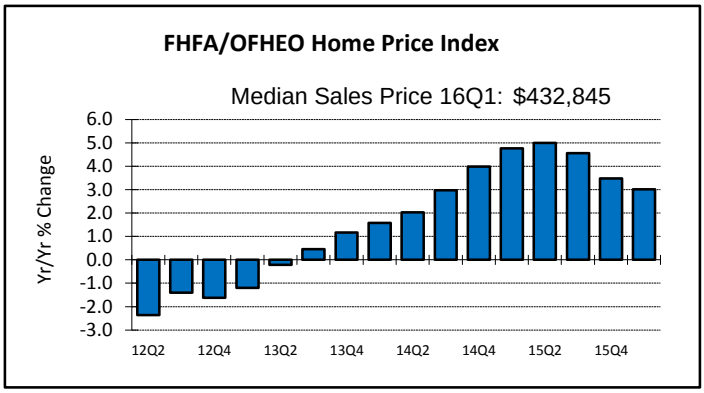
Nassau-Suffolk, NY

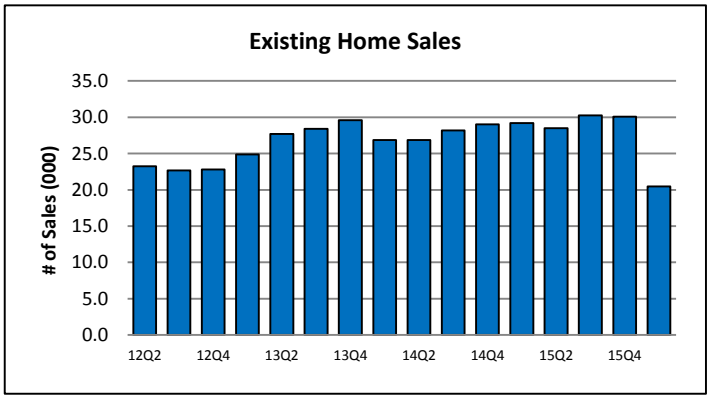
Economic & Housing Indicators

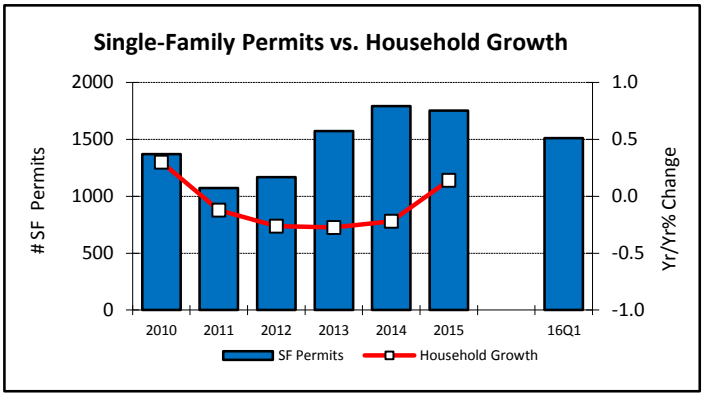


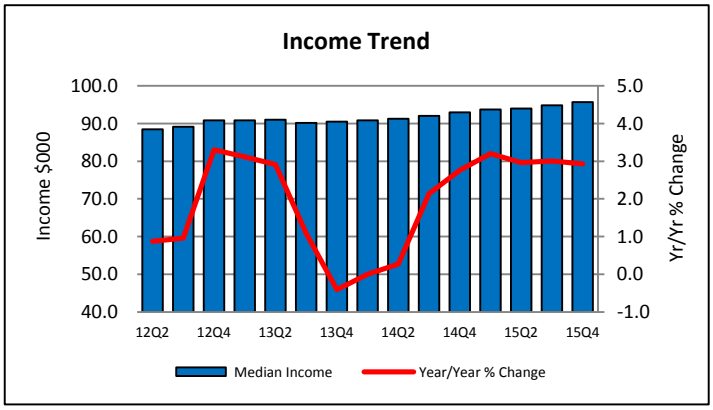


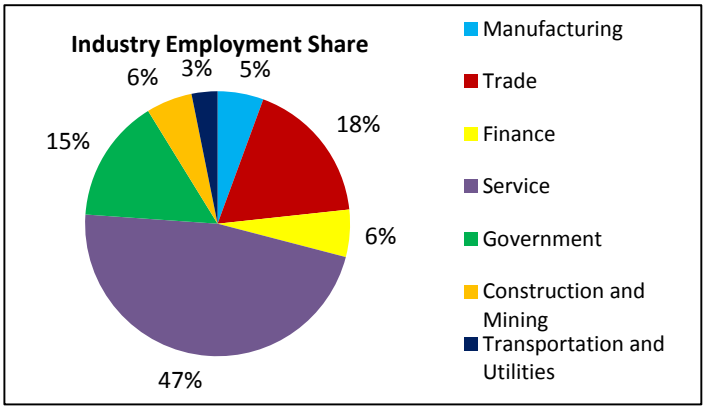












Produced by: MGIC Credit Policy Department - July 2016

New York, NY

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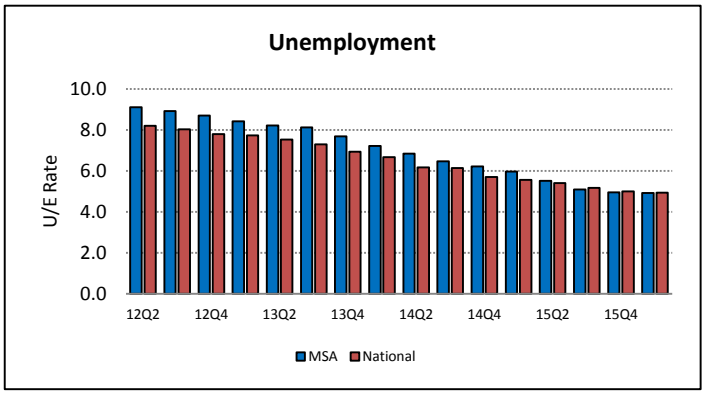

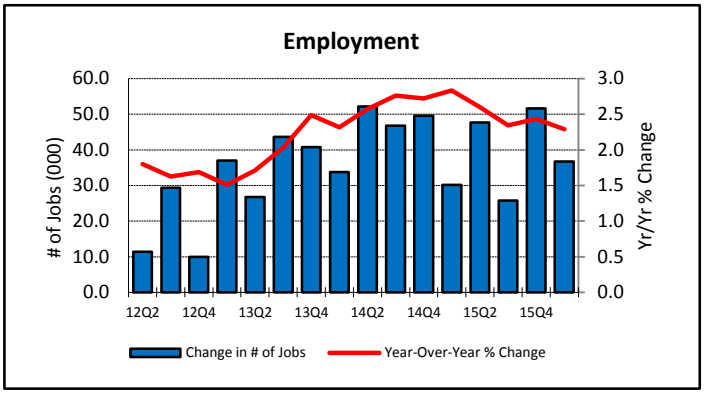

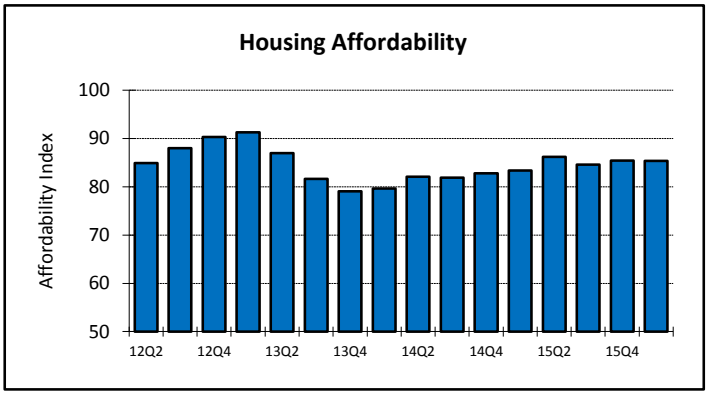

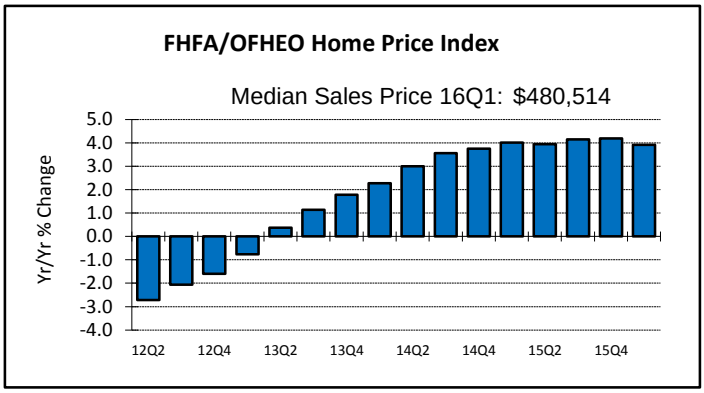

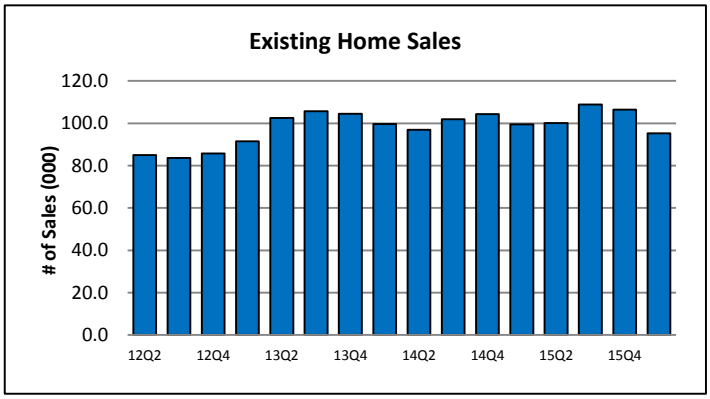

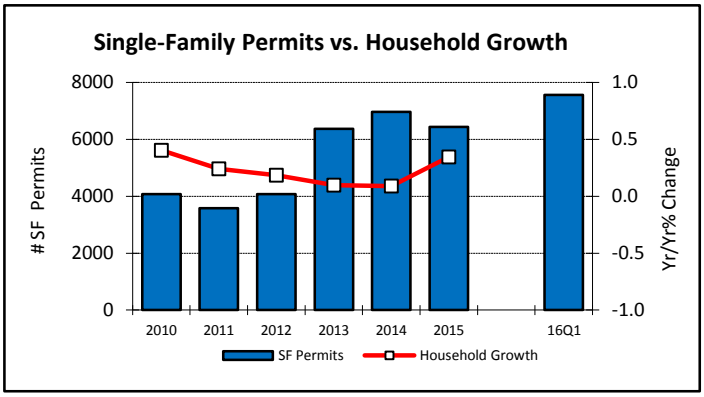

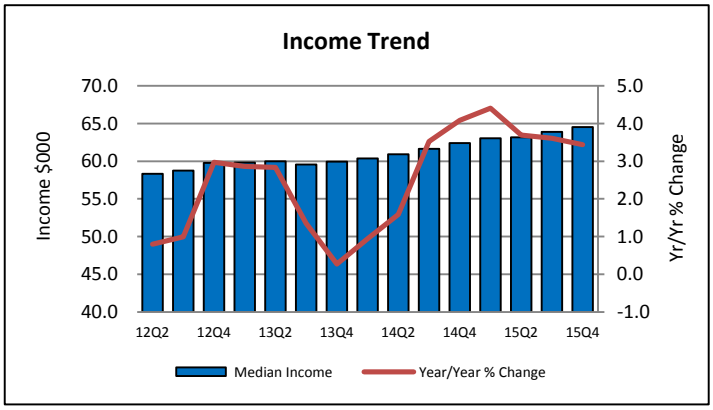

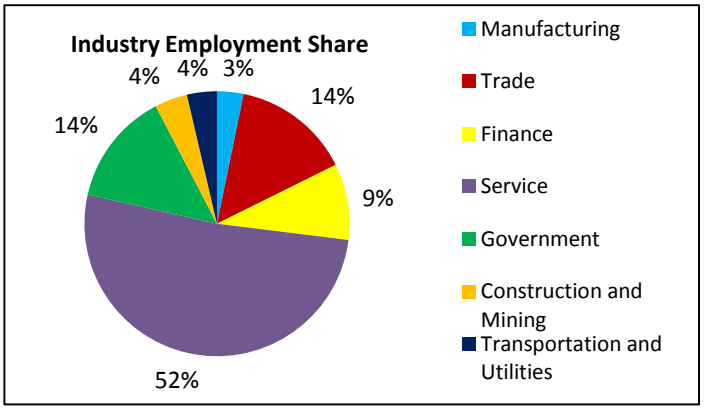

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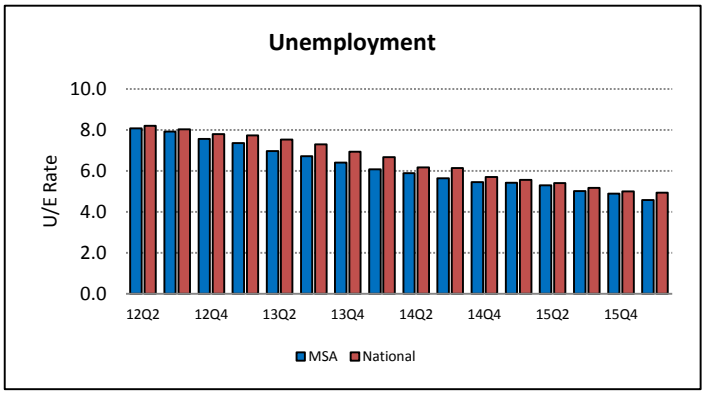
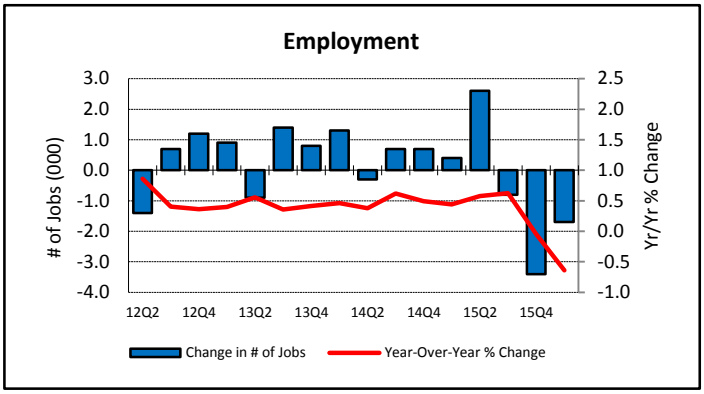
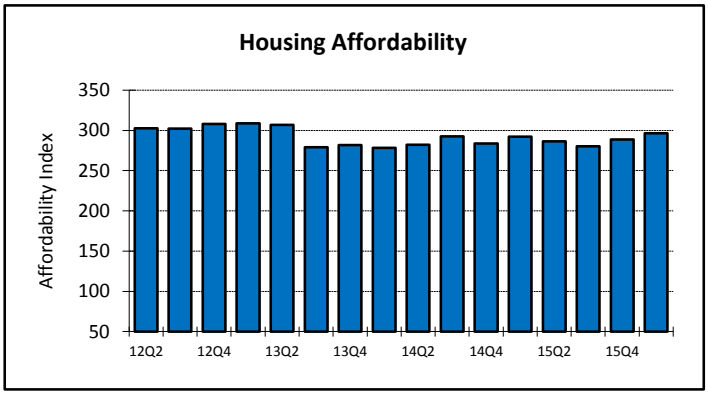
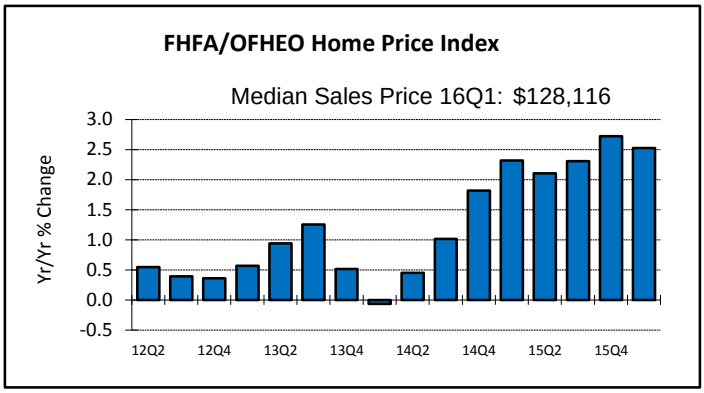
Rochester, NY

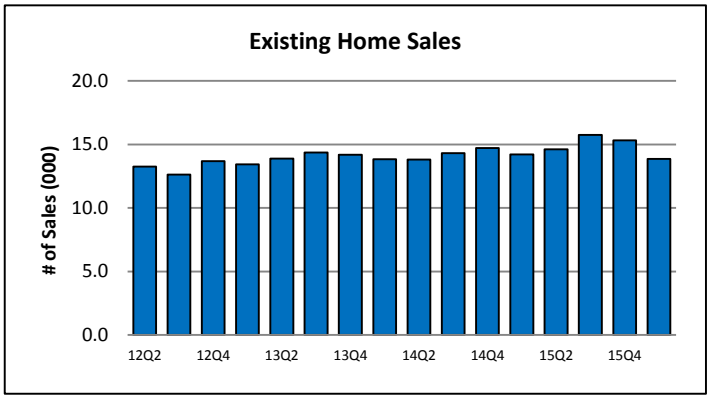
Economic & Housing Indicators

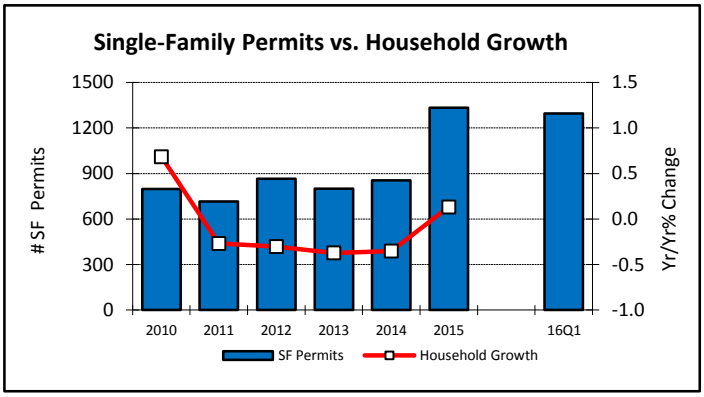


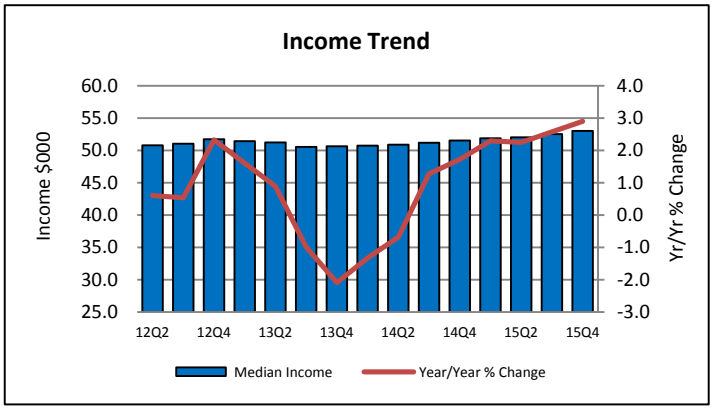


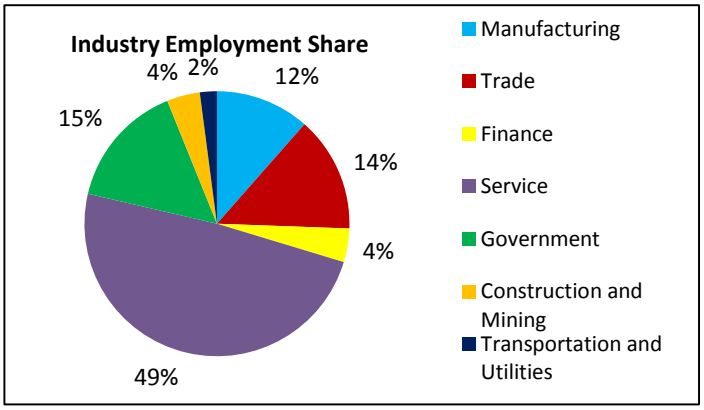












Syracuse, NY

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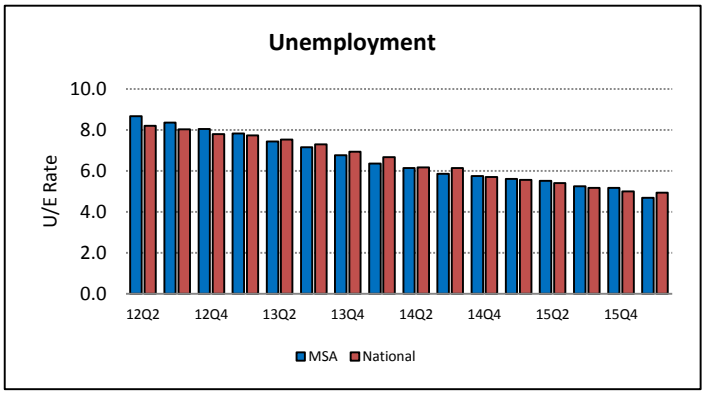
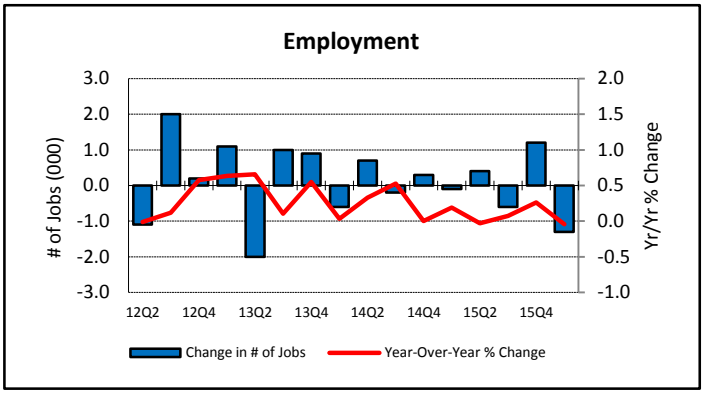
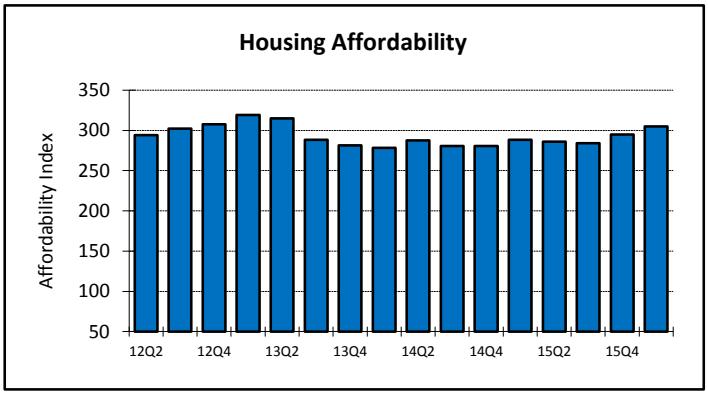
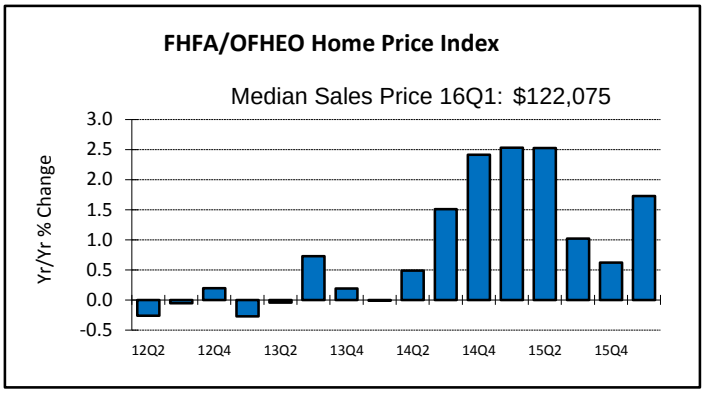
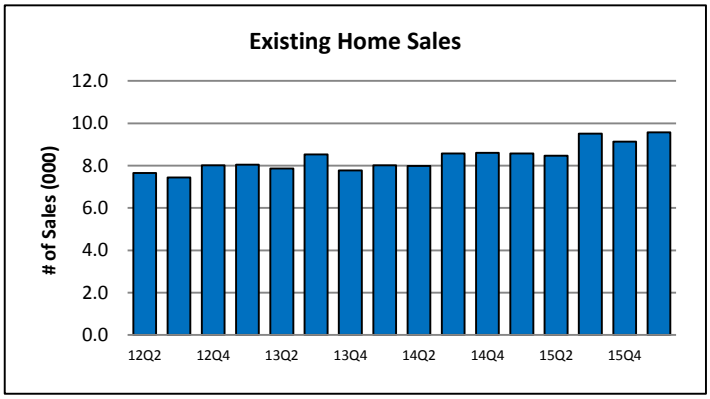
Economic & Housing Indicators

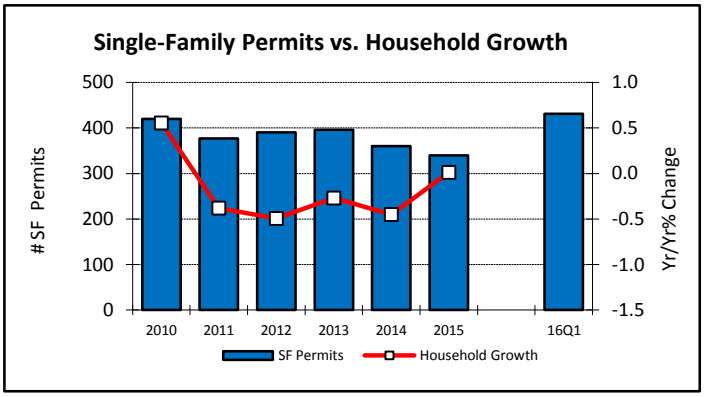


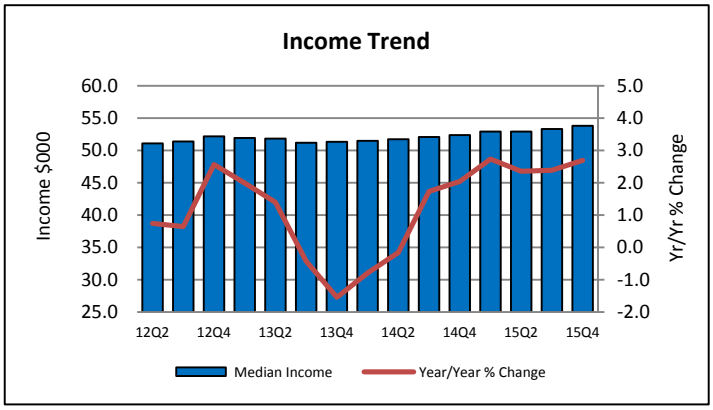


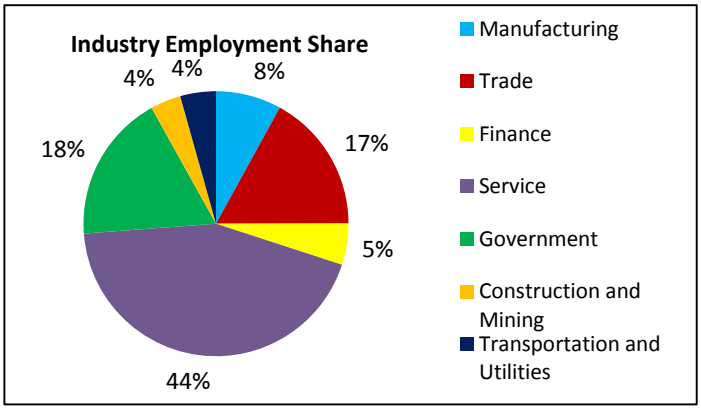












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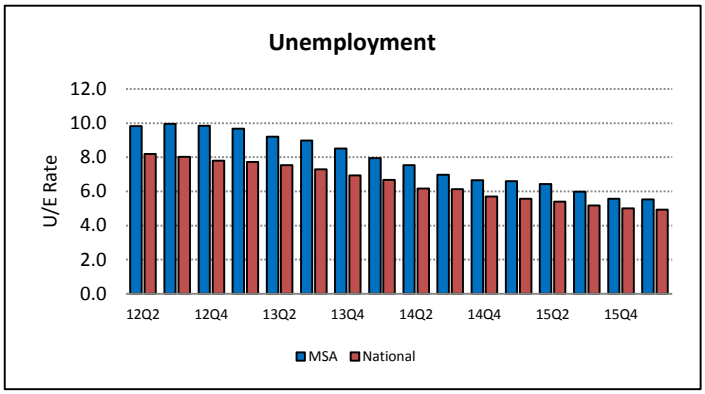
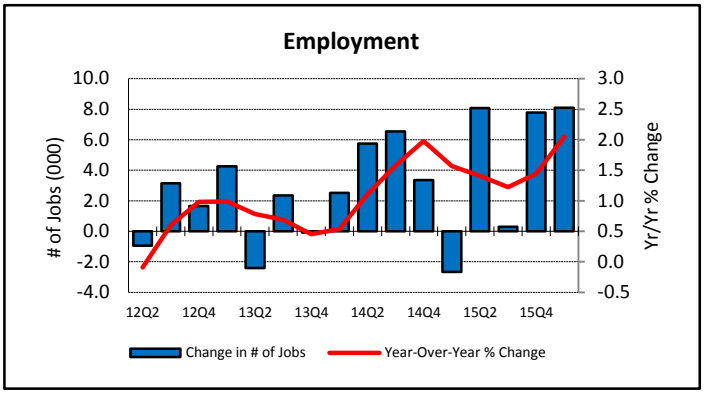
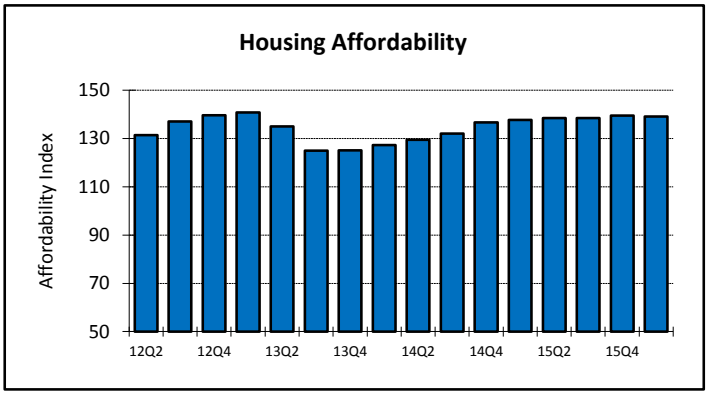
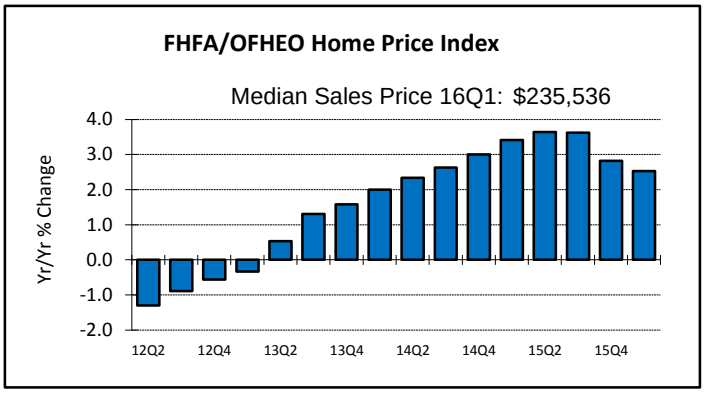
Philadelphia, PA

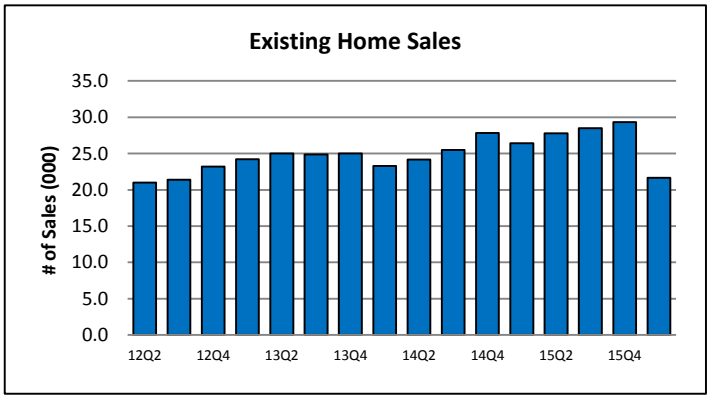
Economic & Housing Indicators

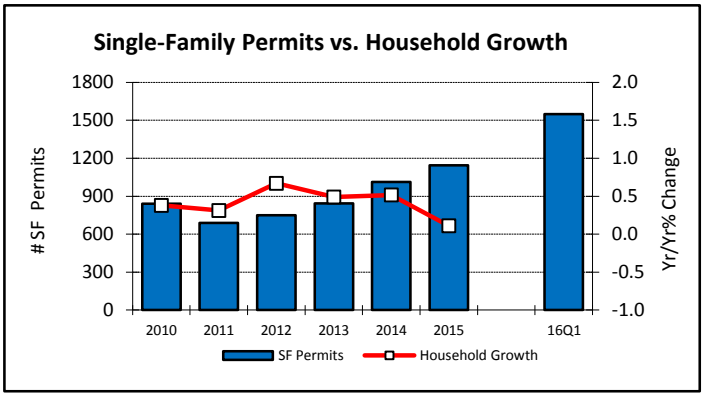


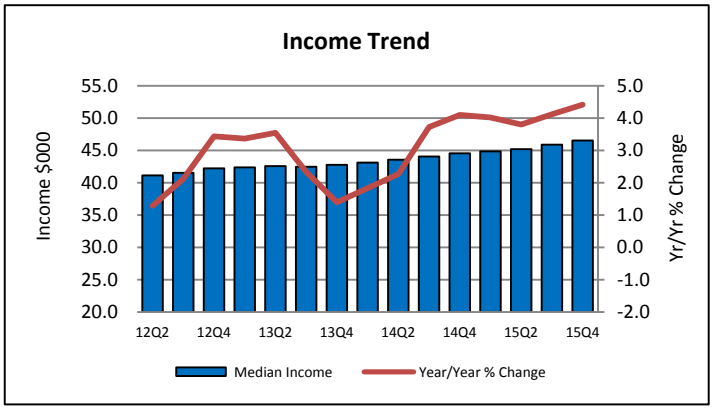


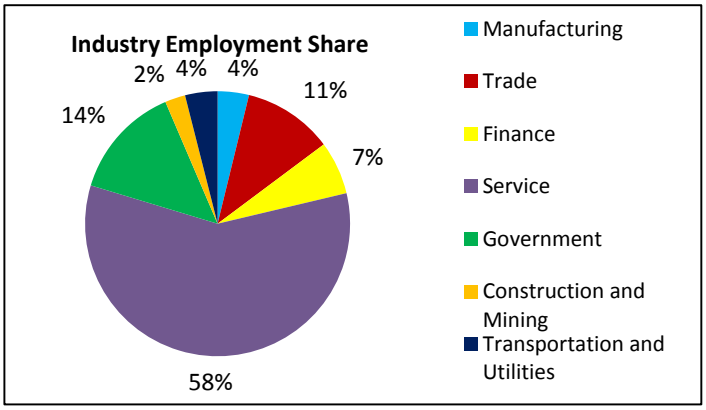












Pittsburgh, PA

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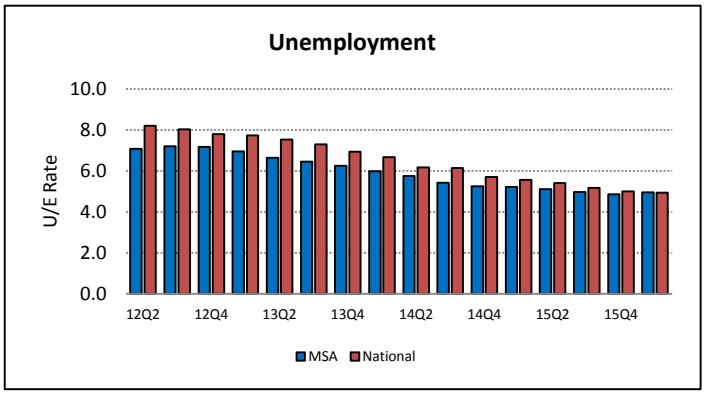
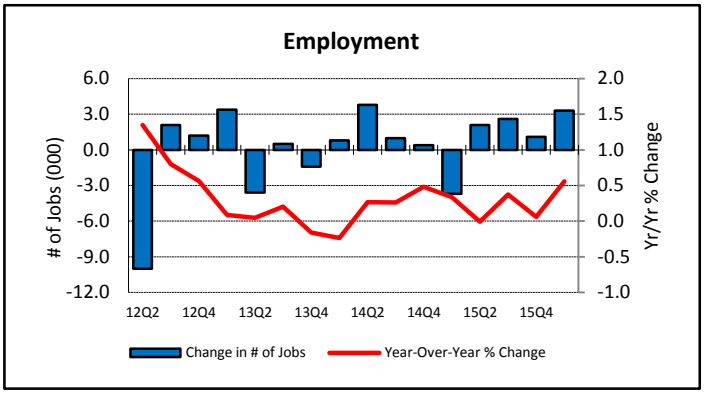
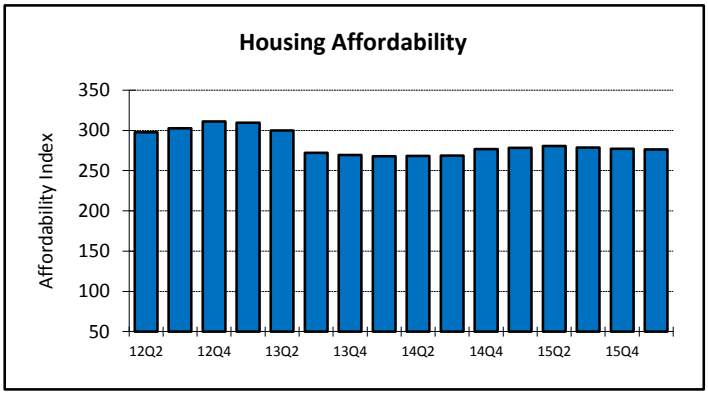
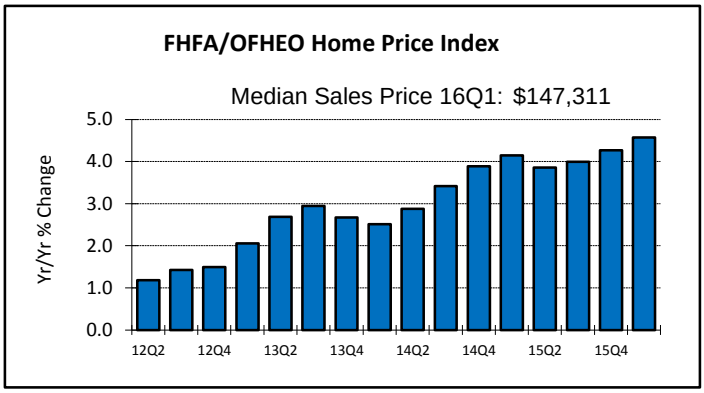
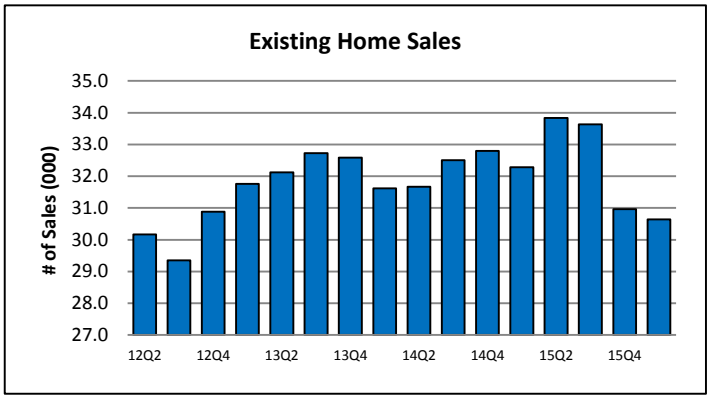
Economic & Housing Indicators

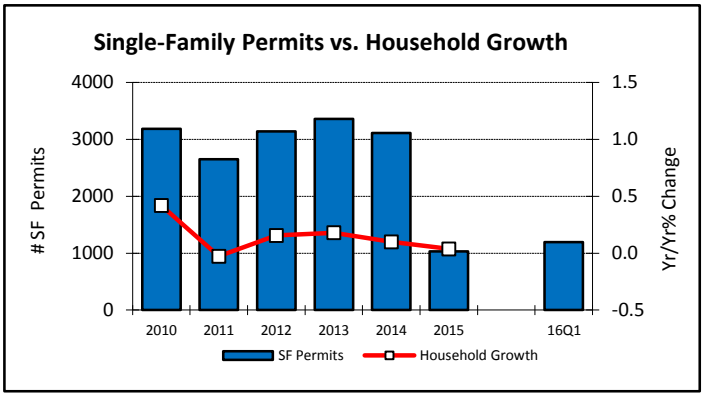


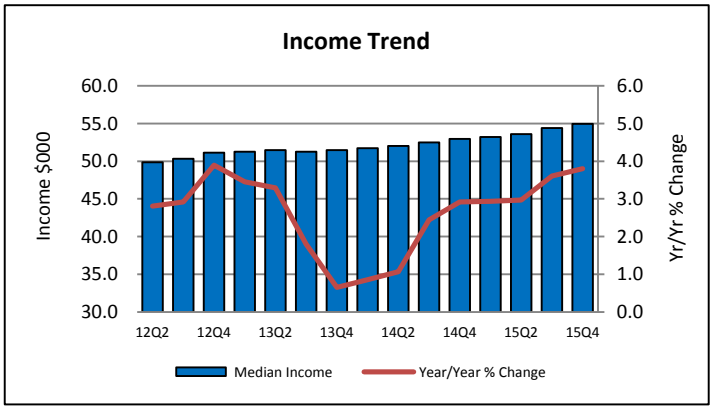


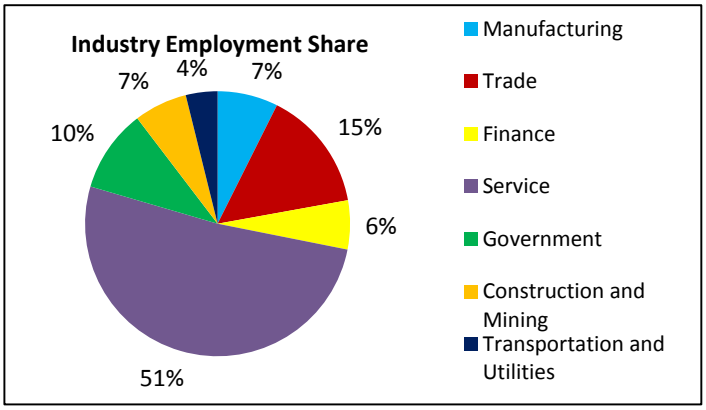












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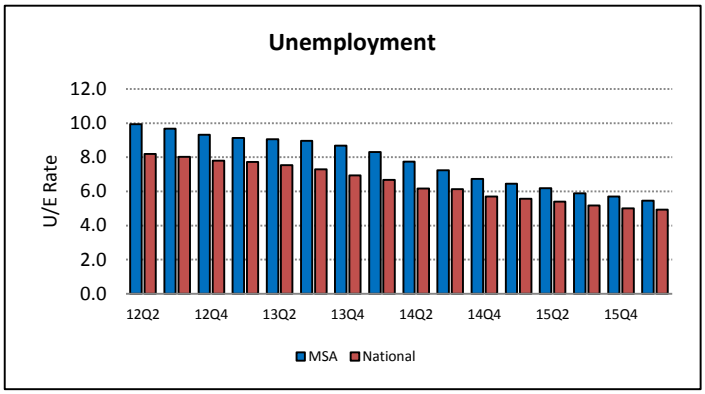
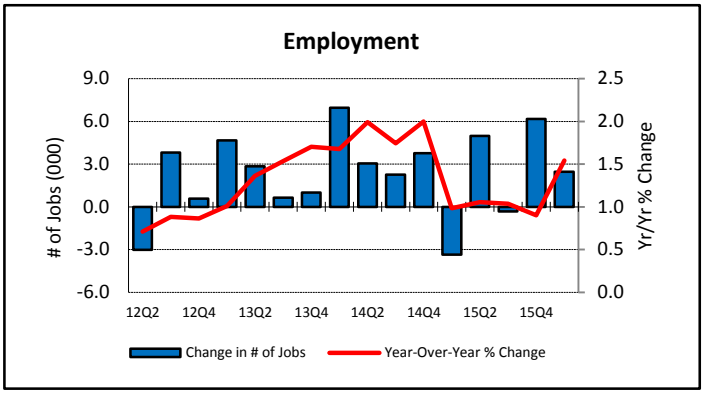
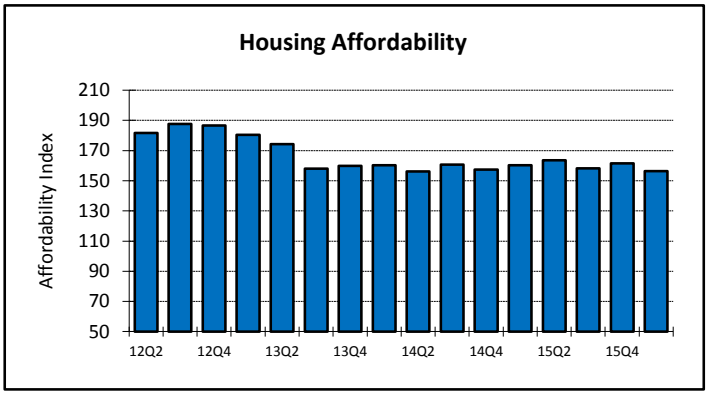
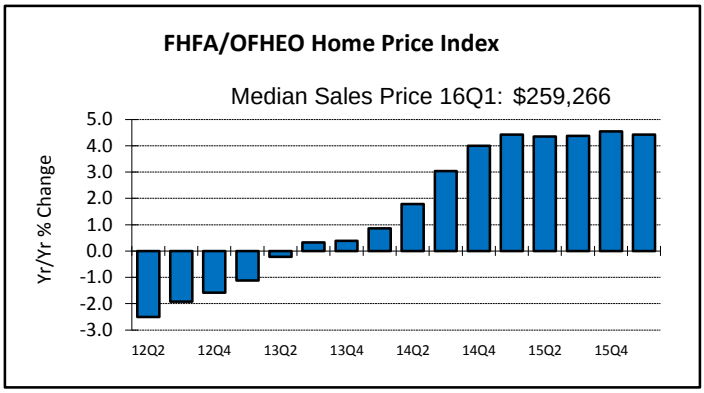
Providence, RI

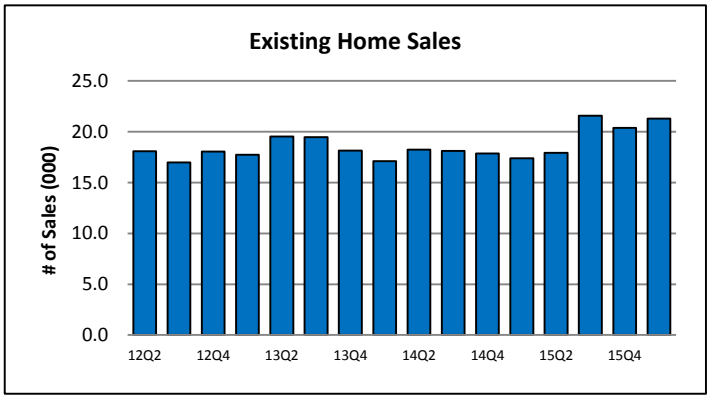
Economic & Housing Indicators

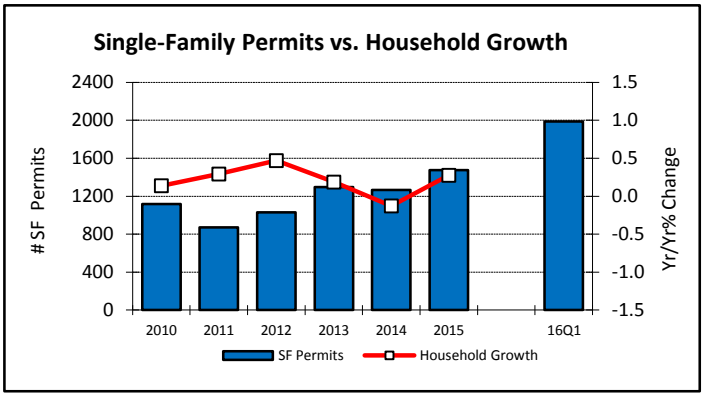


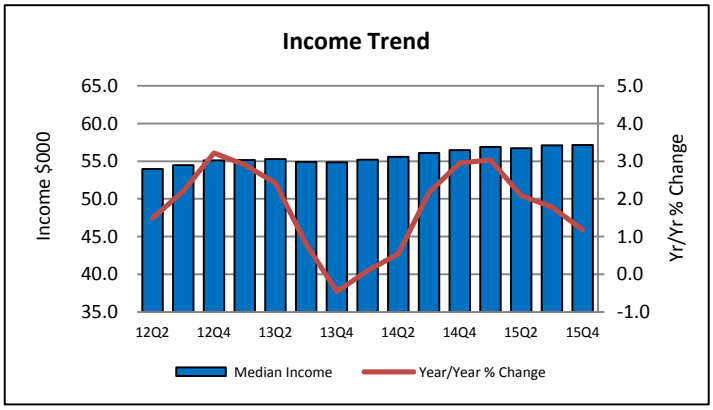


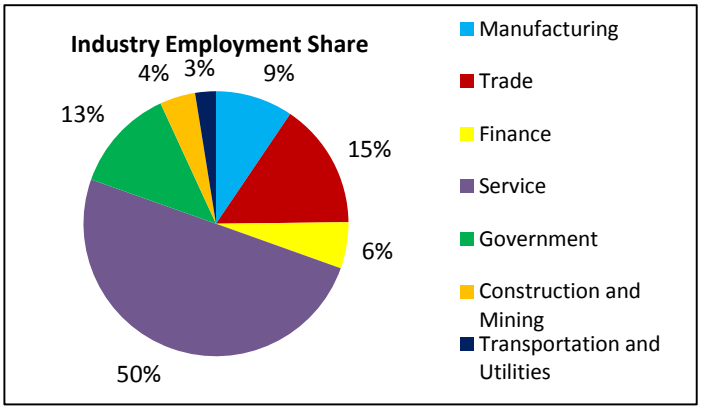












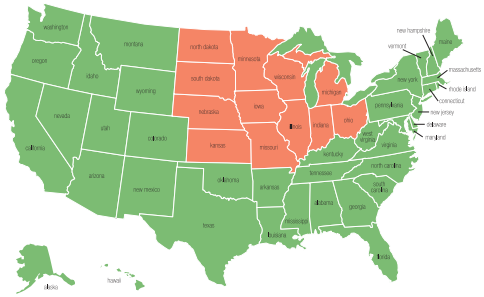
Midwest region economically improved during 2014

A number of Midwest metro areas are reporting a limited inventory of homes on the market with some cities having their lowest housing supply in a decade. States with exposure to both agriculture and mining have seen personal incomes stumble with actual declines in North Dakota. Canada has historically been the largest global user of Midwest manufactured goods, but this has cooled due to the weakening of Canadian currency. While the Great Lakes area remains stable, there are some concerns with the softening in domestic auto sales.

ILLINOIS: The state continues to deal with ongoing budget issues, which now are causing layoffs mainly due to lost contracts. Moody's recently cut the state credit rating to Baa2 with a negative outlook. This rating is just 2 steps above junk status. The state reported declining population in both 2014 and 2015. This out-migration limited the pool of potential homebuyers. In terms of housing, existing sales declined roughly 13% statewide compared to the prior year, while home prices appreciated around 2.7%, roughly half the national average.

KANSAS: The state budget crisis and ensuing struggle over school funding escalated to a State Supreme Court ruling giving Kansas officials until the end of June 2016 before a shutdown of schools. State payroll figures for 2016:Q1 reflected a net loss of 2,500 jobs, while the unemployment rate was around 4%. Although existing sales declined 13% compared to a year ago, home prices appreciated nearly 4% during the same time frame.

MISSOURI: On a state basis, year-to-date home sales were up about 10% as prices appreciated about 5% resulting in an inventory of 6 months. Missouri's median sales price at the end of the quarter was $137,000. The supply of homes on the market in St. Louis is around 3 months, while single-family permits are around 60% of pre-bubble levels. Home price appreciation here remained around 4% on an annual basis. In Kansas City, the supply of homes on the market is around 5 months with marketing times around 75 days. Home price appreciation exceeded the state average the last few quarters, hitting nearly 6% on an annual basis.



OHIO: Existing home sales in all Ohio markets increased compared to a year ago. The statewide supply of homes ranges from 4 months in Columbus to 7 months in Toledo. Cincinnati and Columbus were among the highest metro areas nationally in terms of HELOC originations, while Cincinnati also saw the largest decline in refinances in the country. This increase in HELOCs reflects a recapture in home values and potential uses for home equity.

SOUTH DAKOTA: The state unemployment rate, below 3%, remains one of the lowest in the country even though job growth was well below the U.S. average. Sioux Falls added 5,000 jobs over the past year, while the rest of South Dakota shed 1,000 positions during the same time frame. The state's tourism sites are expected to experience higher visitor rates this summer, due to low gas prices and the 75th anniversary of Mount Rushmore. The median sales price statewide is around $169,000, compared to less than $150,000 in 2014.

WISCONSIN: The state's low housing inventory is causing an increase in prices, while existing sales were up slightly over the prior year. The supply of starter homes as well as those between $300,000 to $500,000 was the most limited. Both Madison and Milwaukee are reporting a supply of homes less than 5 months. The national housing rebound has been beneficial for Wisconsin suppliers from millwork in Wausau to kitchen and bath makers in Sheboygan. The state jobless rate was around 4.5%, which is below the U.S. average.

DES MOINES (IA): The number of properties for sale in Des Moines declined 6% compared to a year ago as the supply of homes on the market was near 4 months. Sales of existing homes increased slightly year-over-year, while marketing times actually expanded during the same time frame. Over 40% of sales were priced between $100,000 and $200,000.

DETROIT (MI): While appraisers are finding comparables hard to come by in some neighborhoods due to the lack of remaining homes, other parts of the city are experiencing revitalization. Some projects in development are luxury apartments on the Detroit River with a private marina as well as a light rail system.

INDIANAPOLIS (IN): While Indianapolis reported a net gain of 25,000 jobs in 2015, this trend reversed in the first quarter of 2016 with a net loss of 6,400 jobs. A portion of this decline can be traced to the relocation of 1,400 Carrier Corporation positions to Mexico. The supply of homes on the market is about 4 months, while housing prices appreciated around 2%.

MINNEAPOLIS (MN): The housing market in the Twin Cities remains strong with existing sales increasing 14% over the prior year. The supply of homes is around 3 months with days on the market dropping 10% compared to a year ago. Hiring in downtown Minneapolis is on the rise with Target looking for 500 IT workers and Amazon hoping to add 100 software engineers and managers. This expansion at Amazon is in addition to the 1,000 jobs to be added at a suburban fulfillment center.

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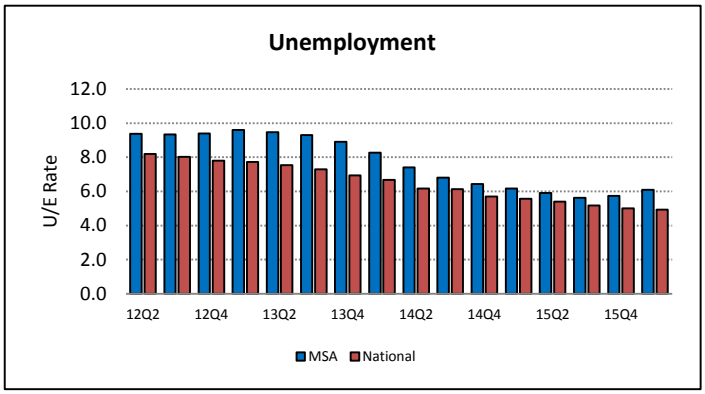
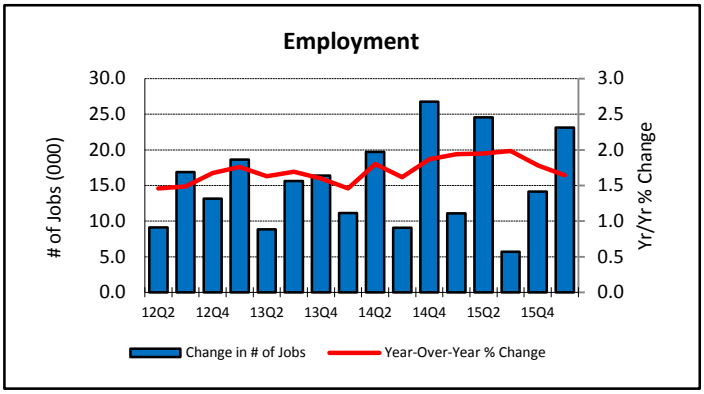
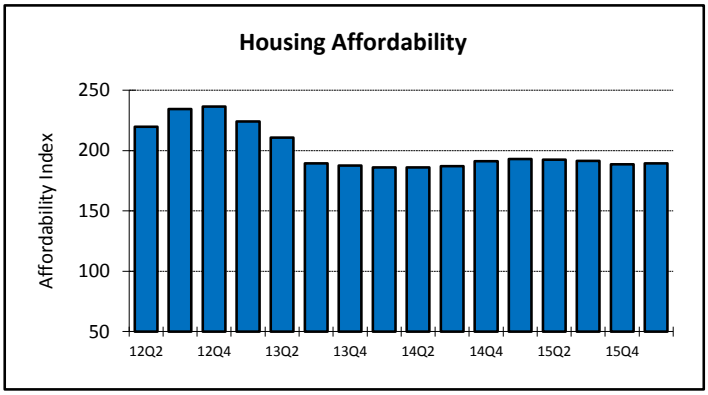
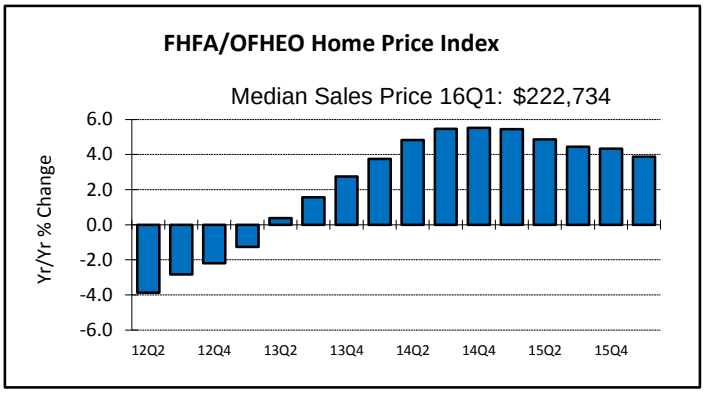
Chicago, IL

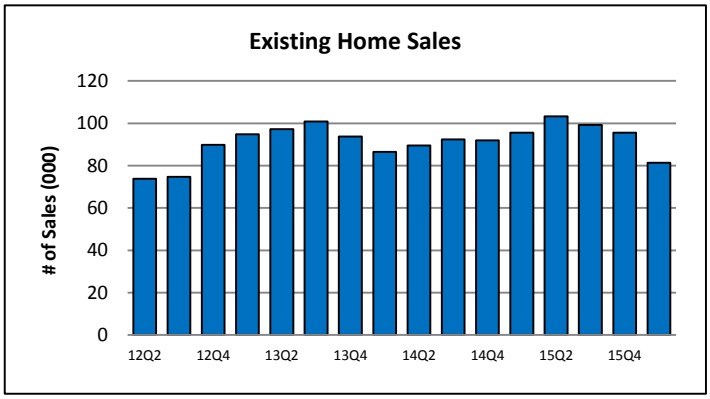
Economic & Housing Indicators

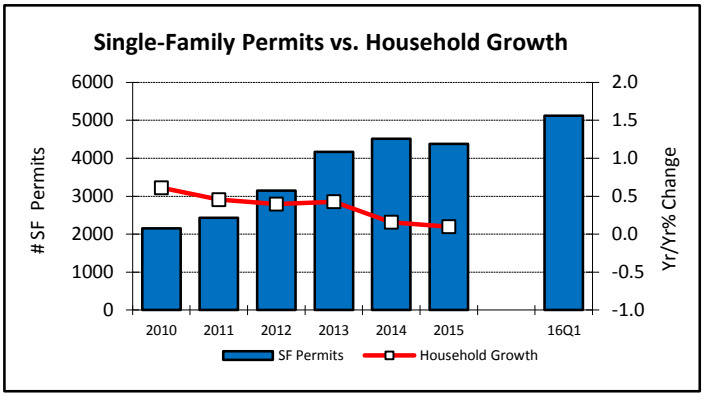


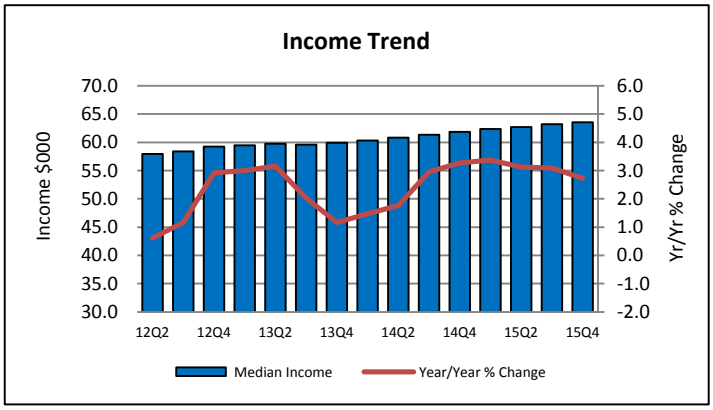


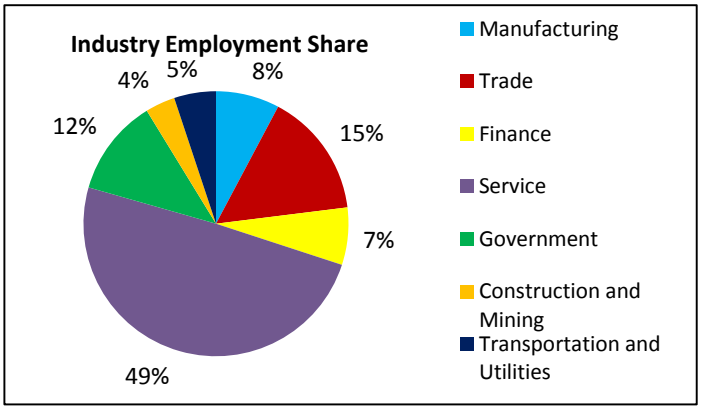












Indianapolis, IN

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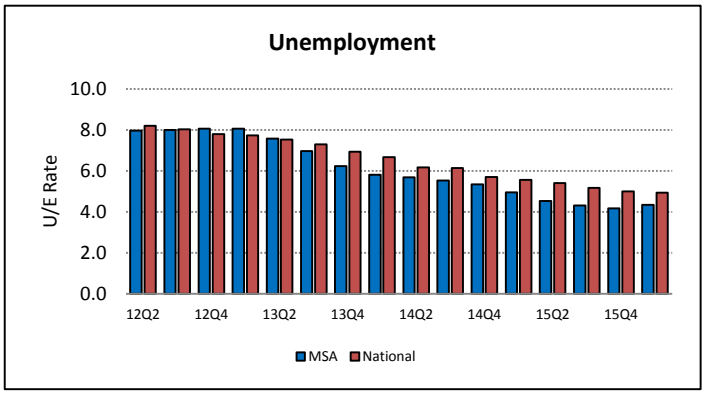
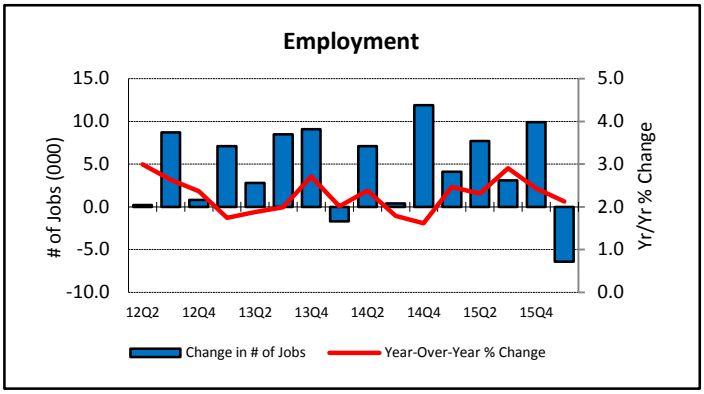
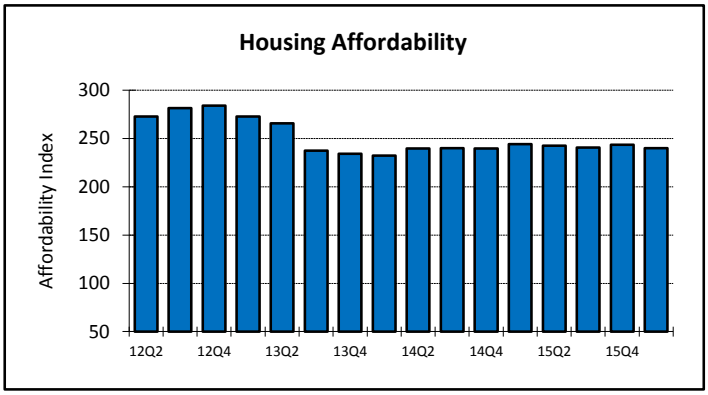
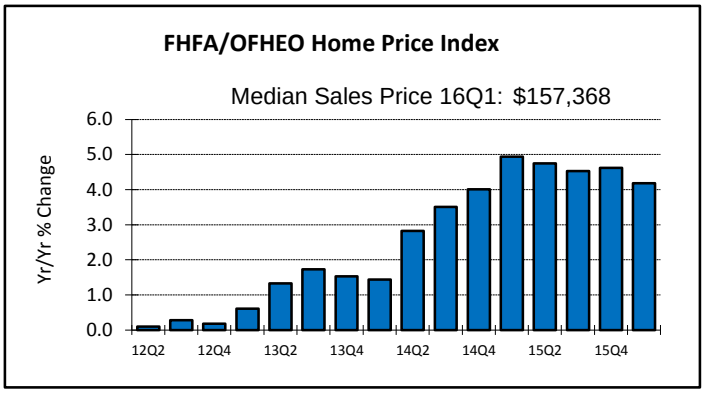
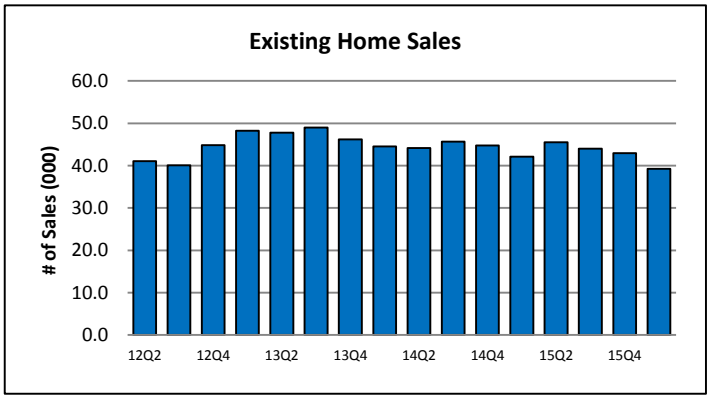
Economic & Housing Indicators

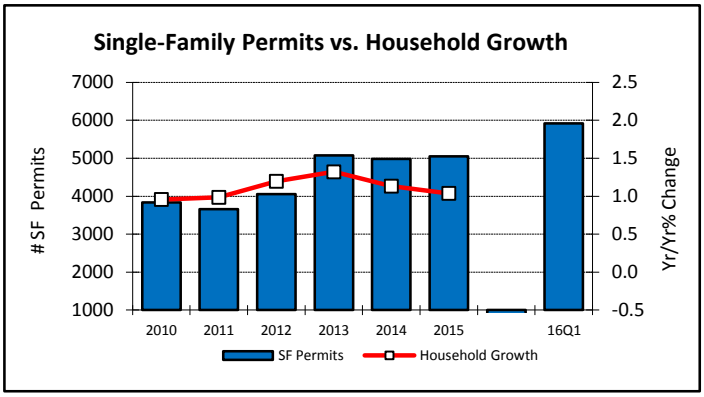


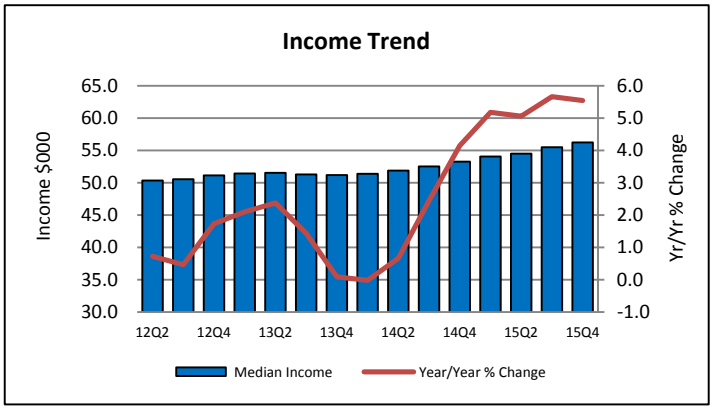


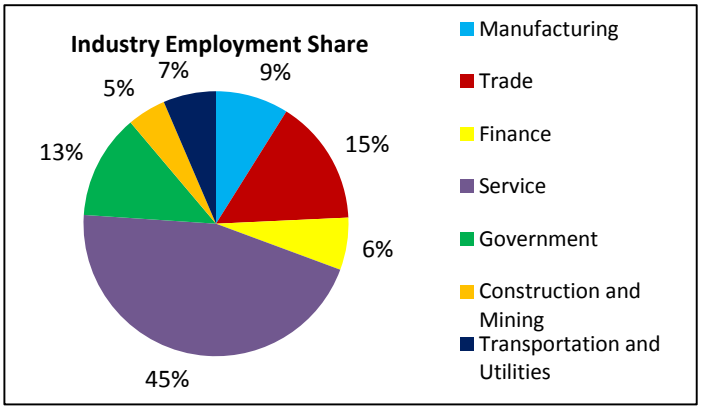












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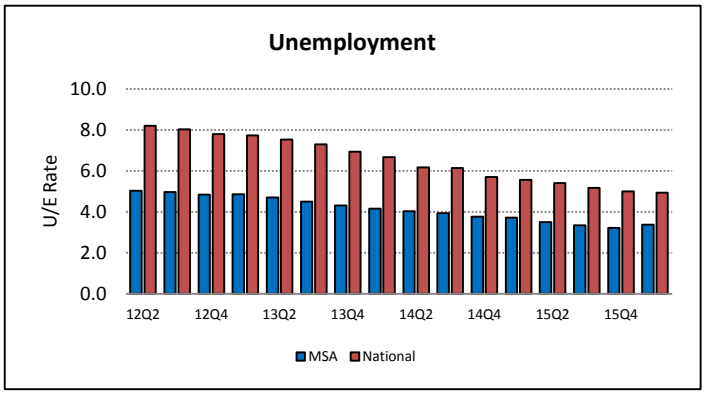
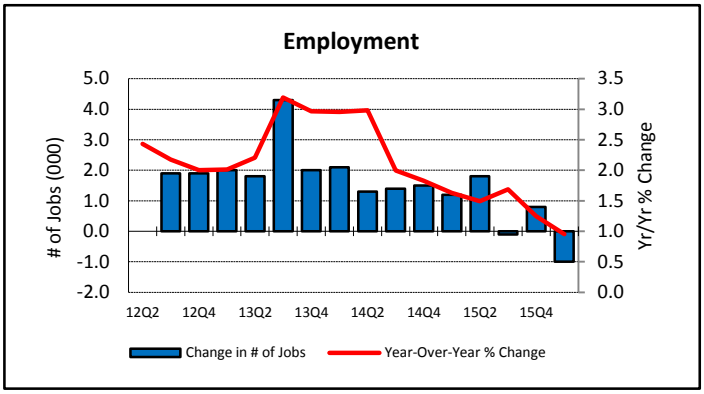
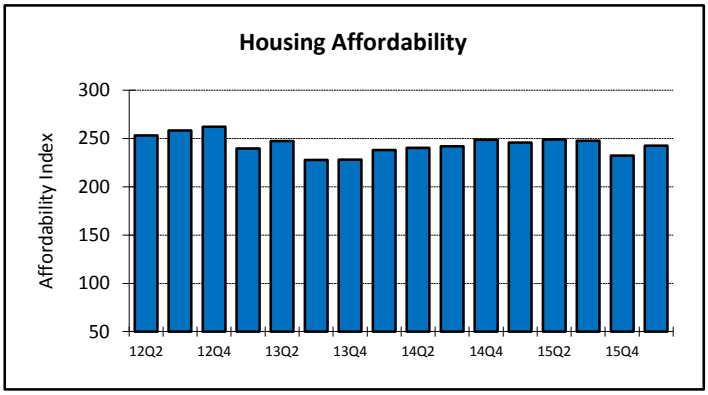
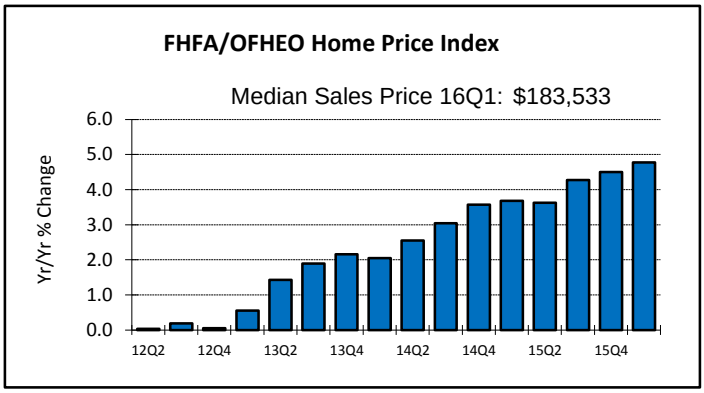
Des Moines, IA

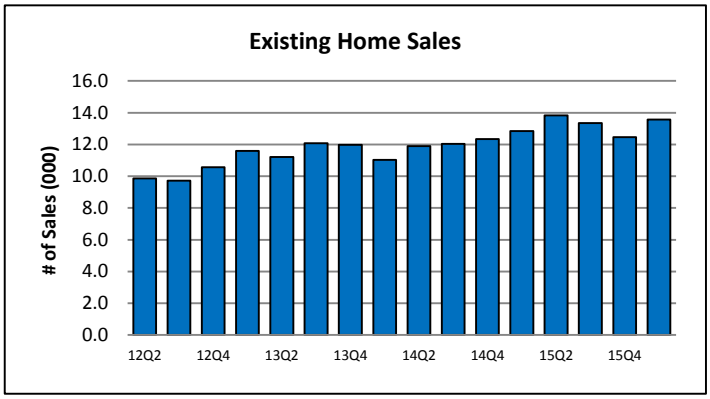
Economic & Housing Indicators

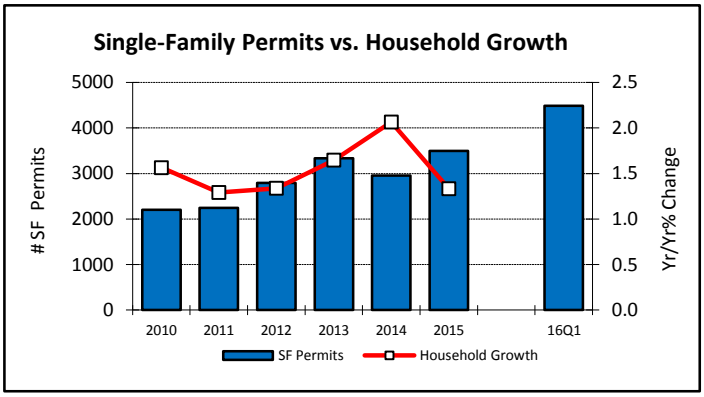


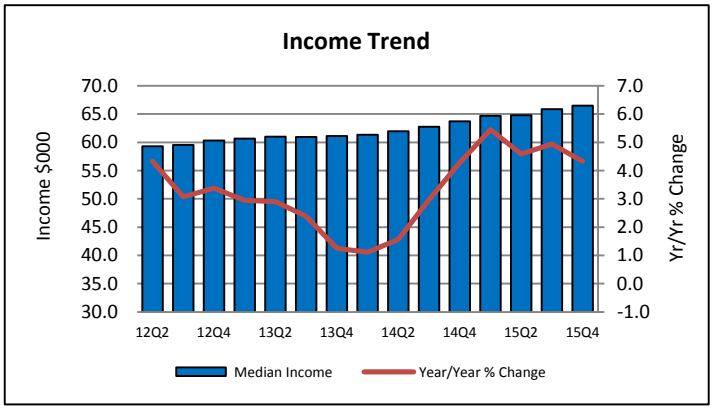


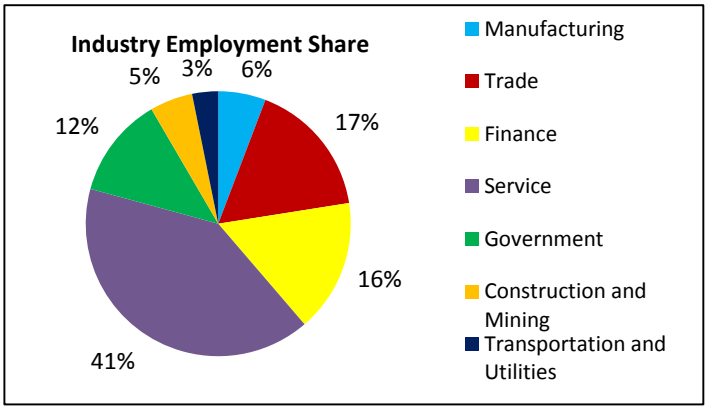












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Kansas City, KS-MO

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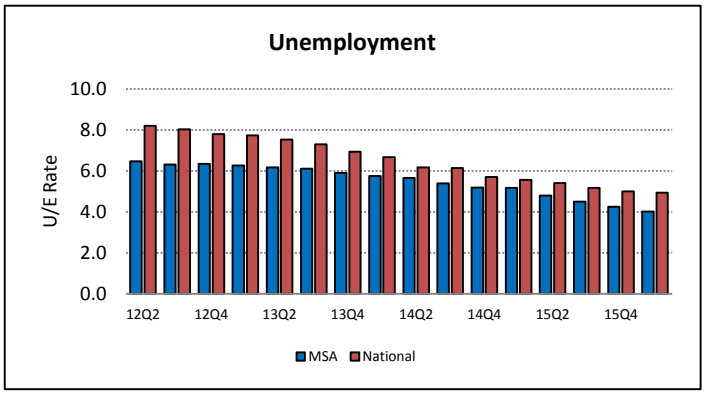
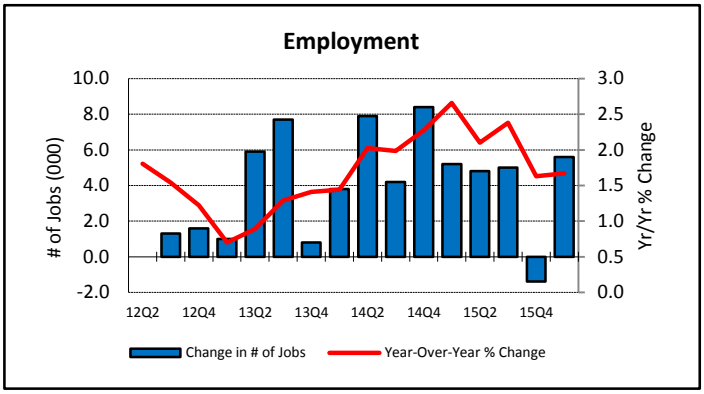
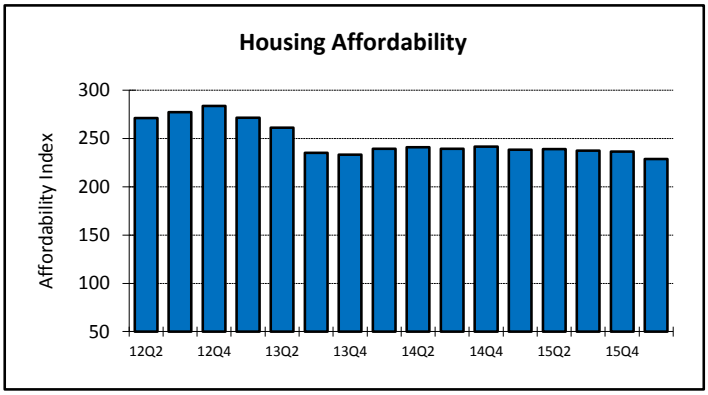
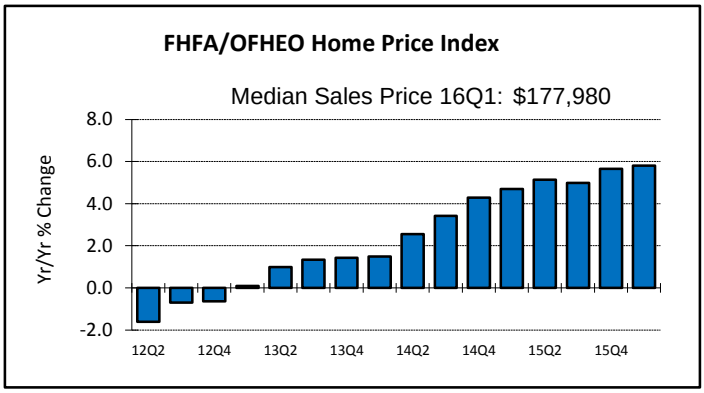
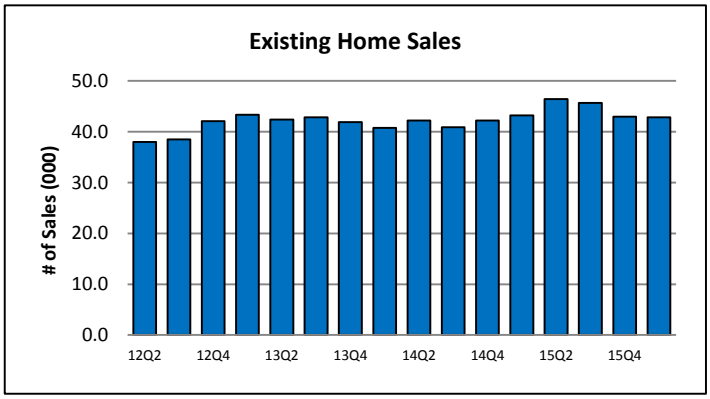
Economic & Housing Indicators

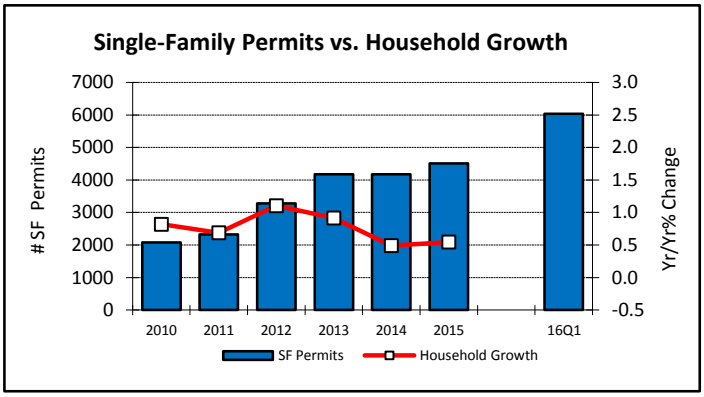


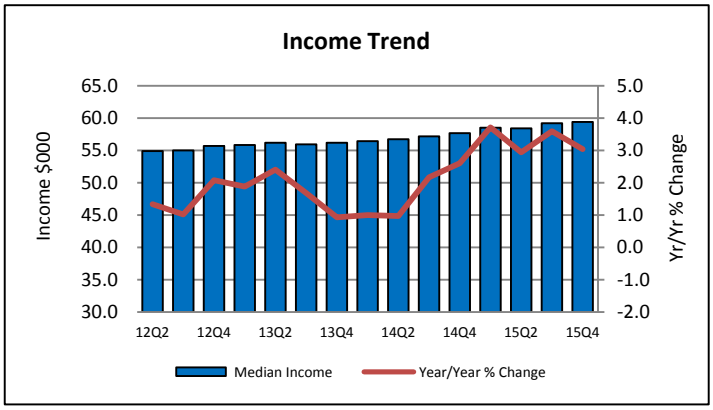


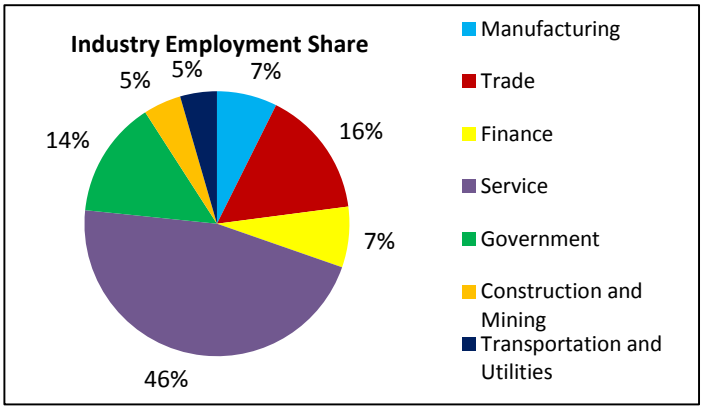












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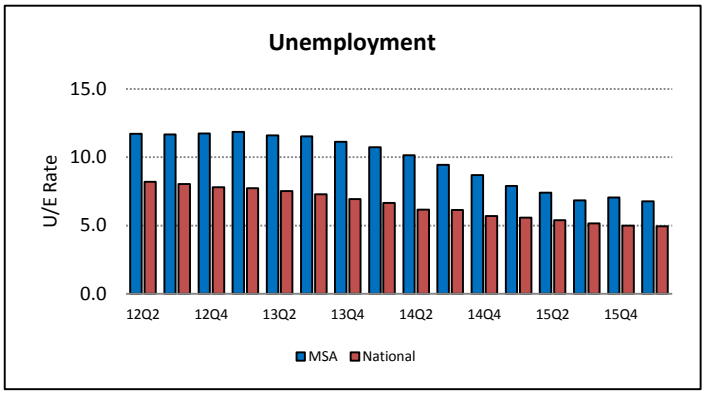
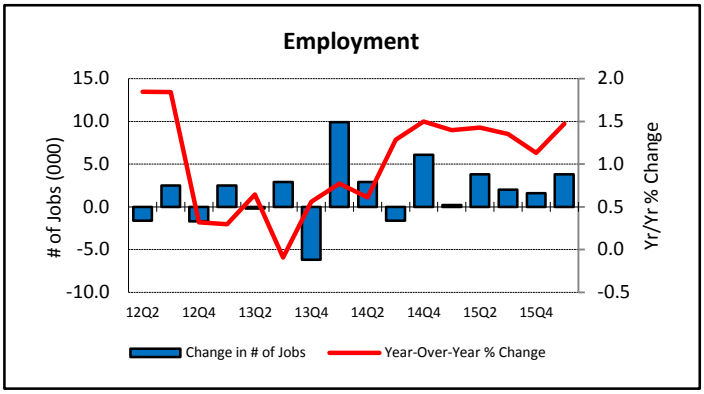
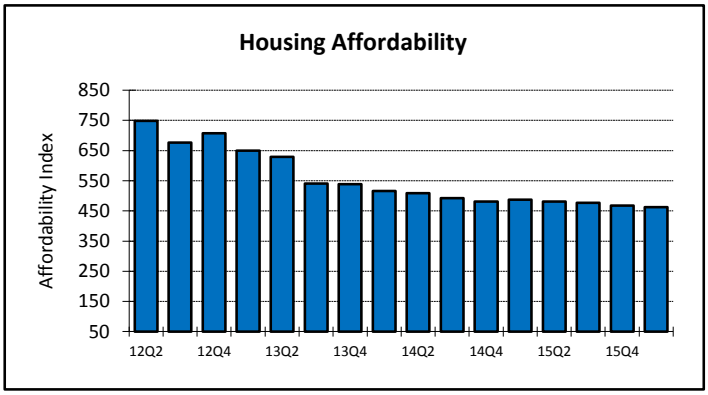
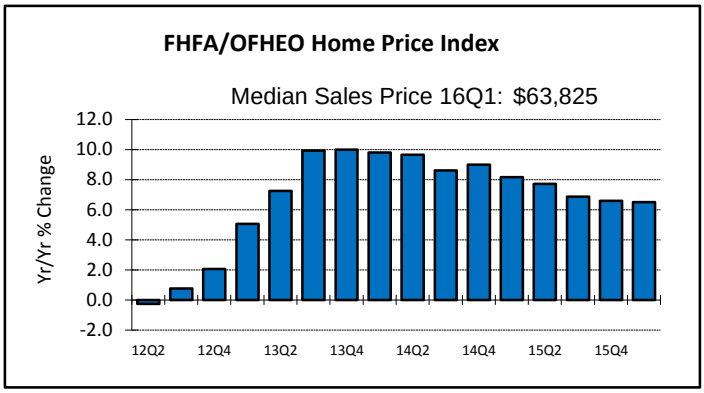
Detroit, MI

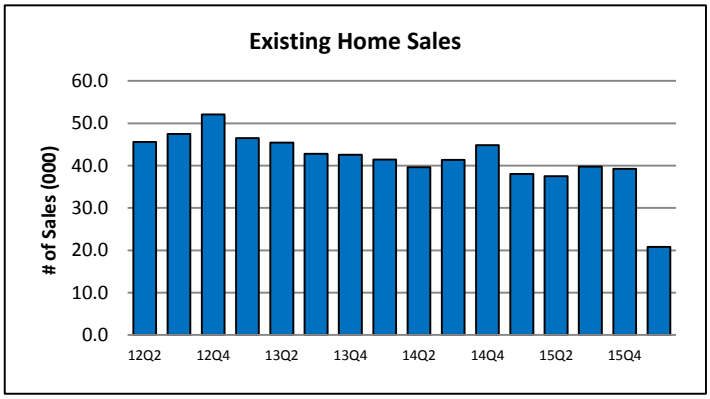
Economic & Housing Indicators

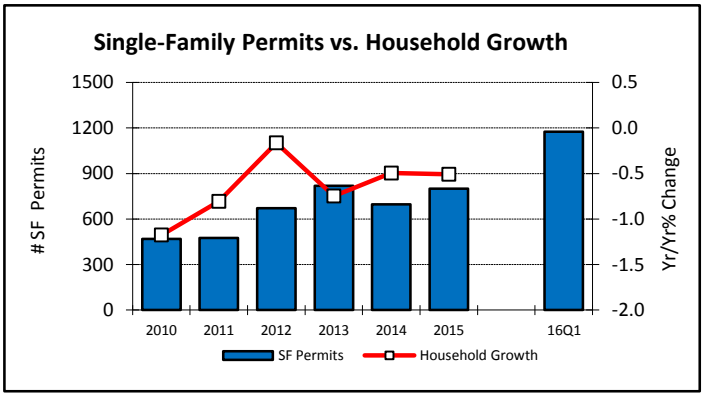


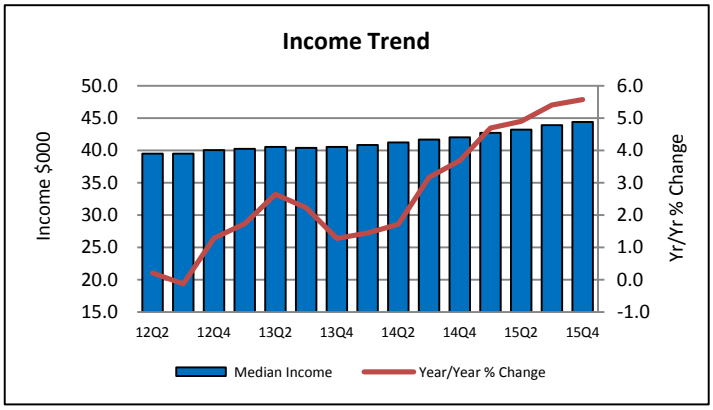


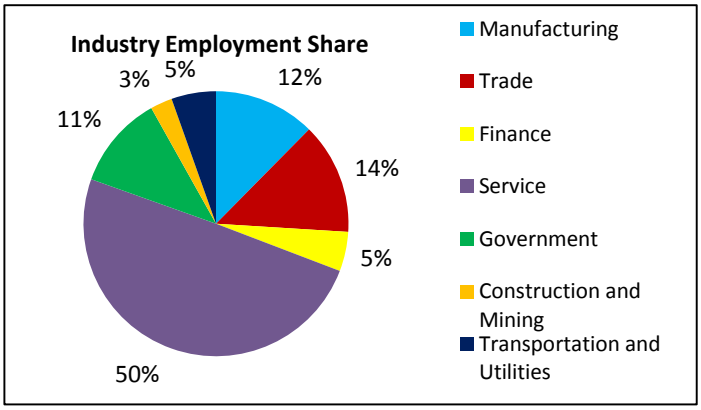












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Grand Rapids, MI

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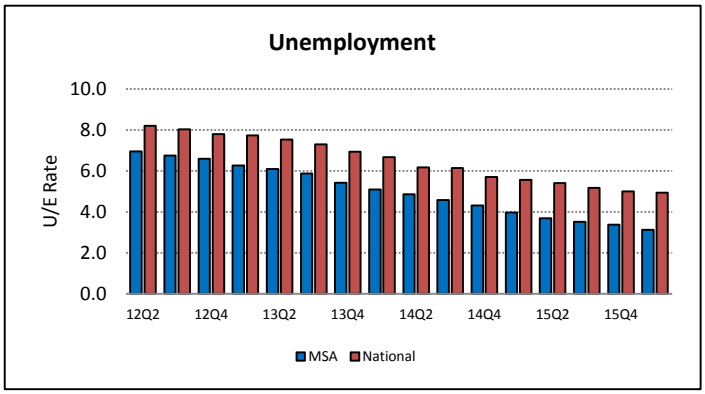
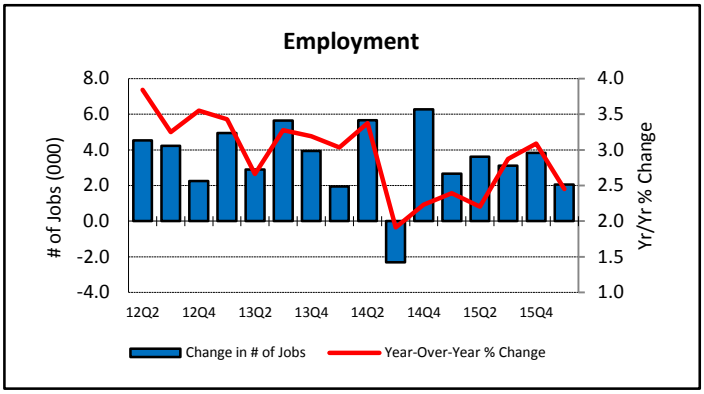
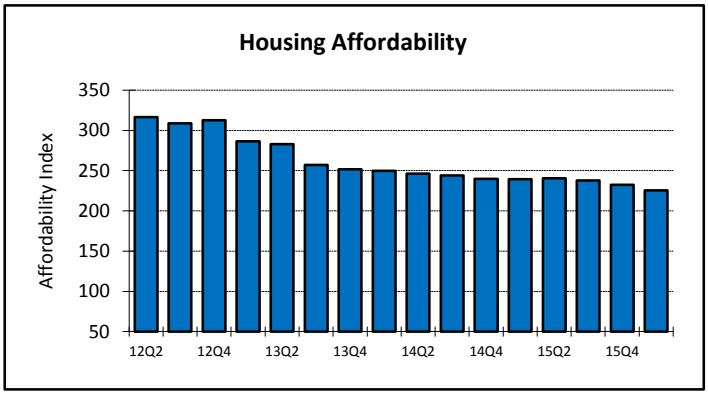
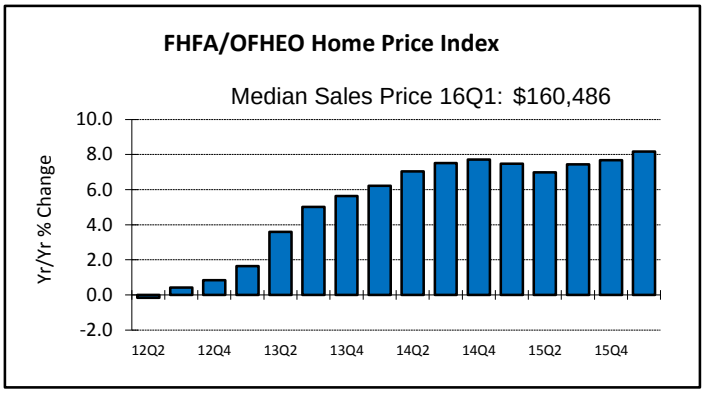
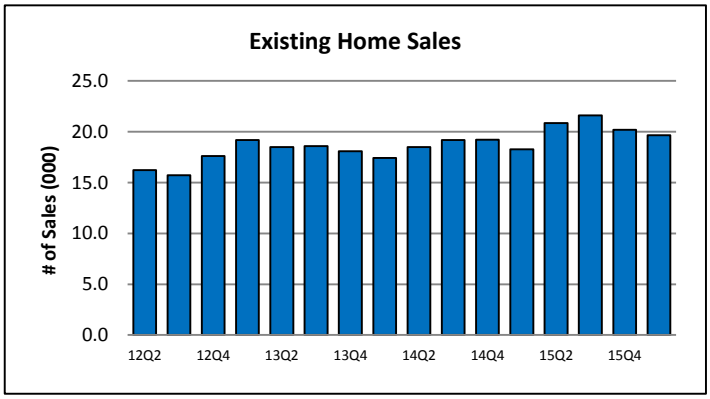
Economic & Housing Indicators

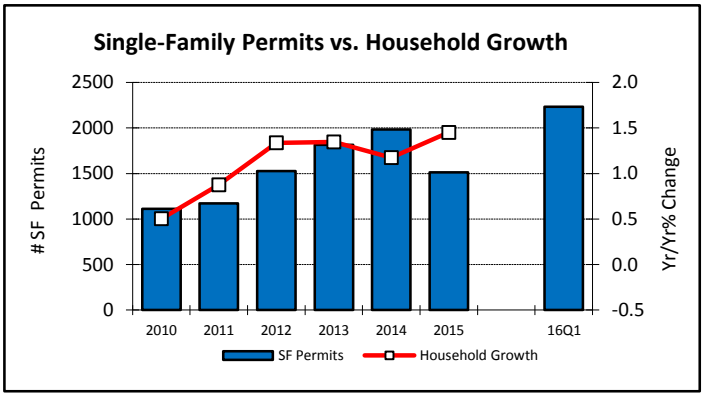


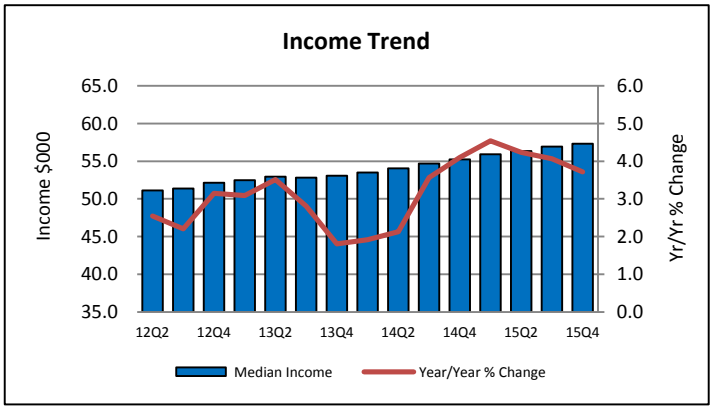


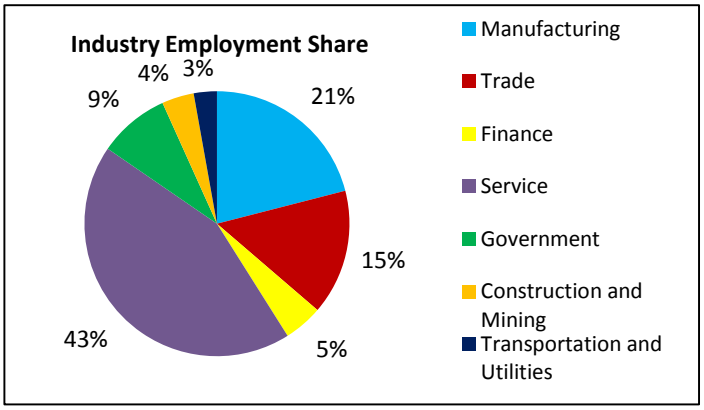












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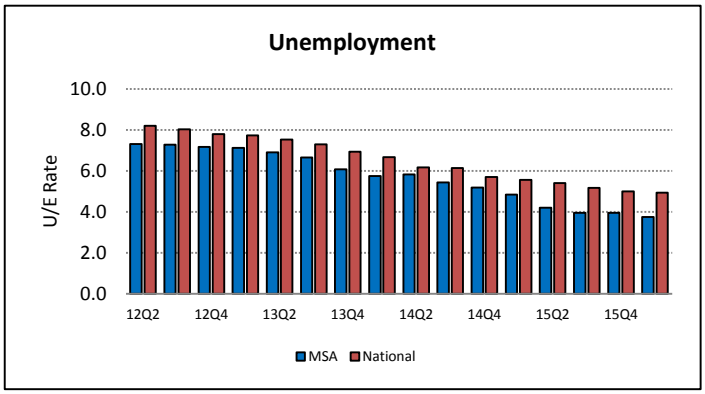
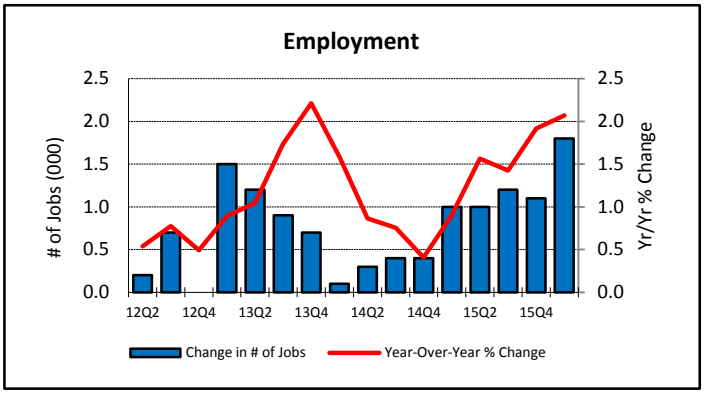
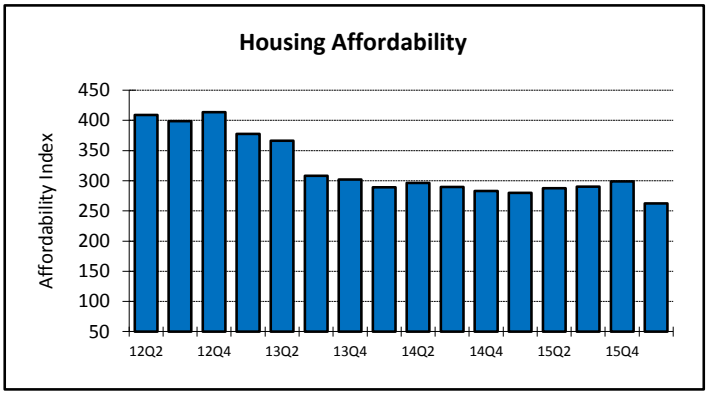
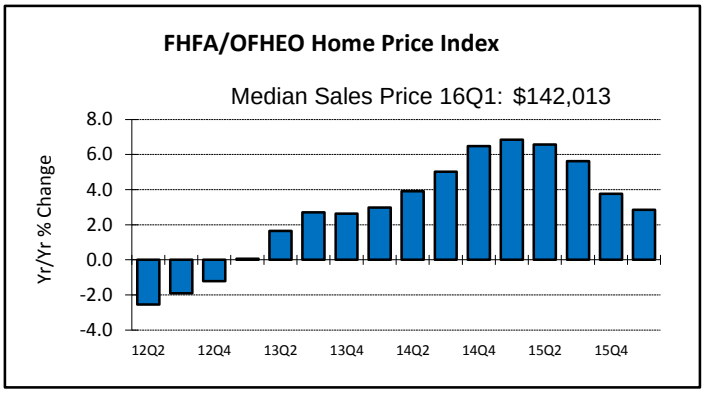
Lansing, MI

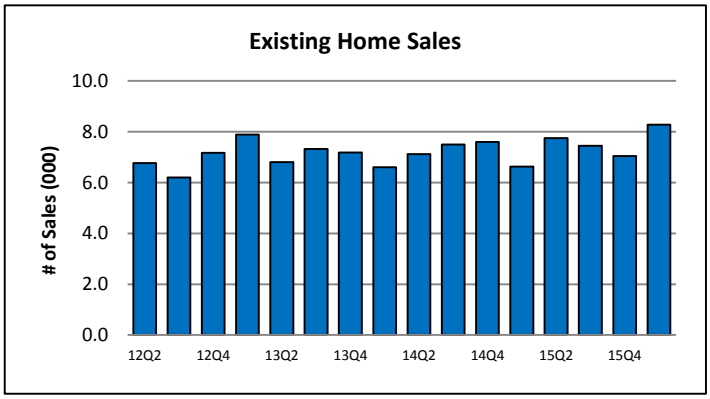
Economic & Housing Indicators

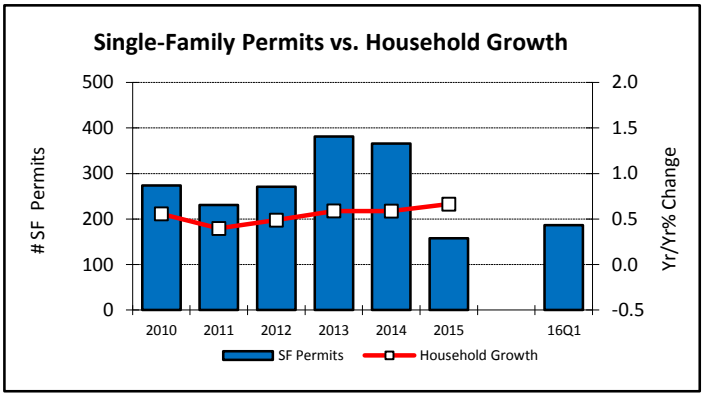


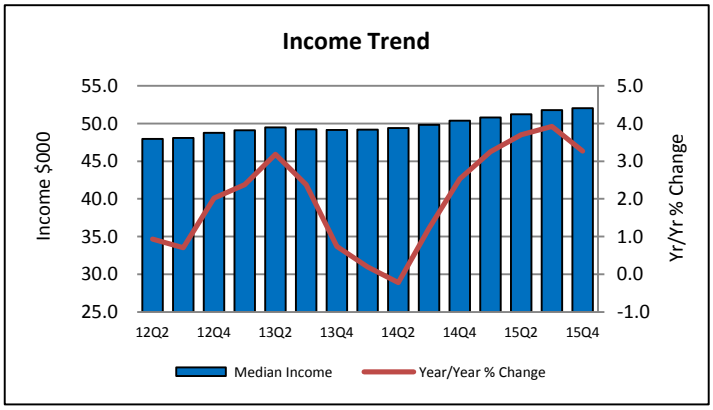


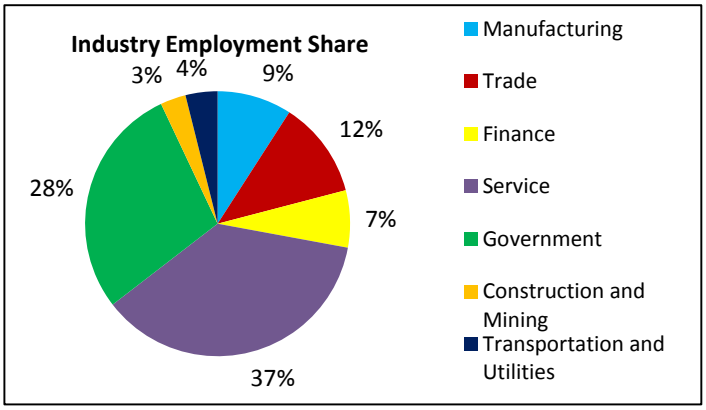








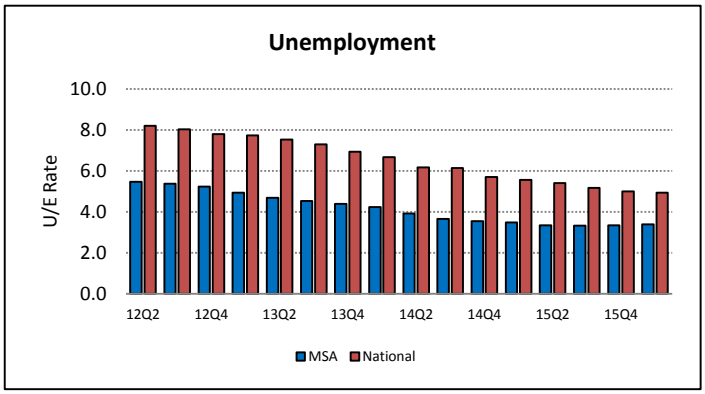


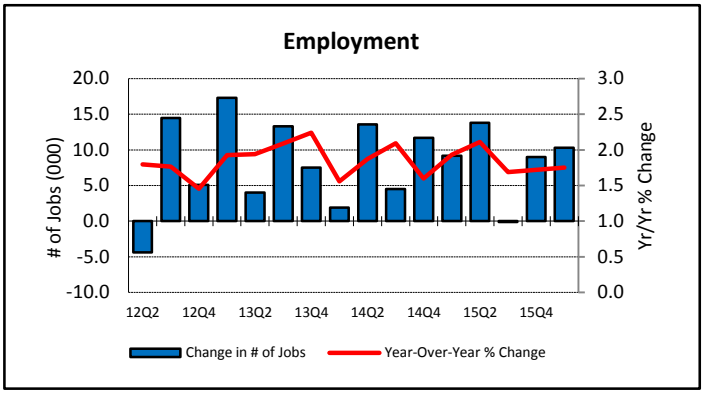


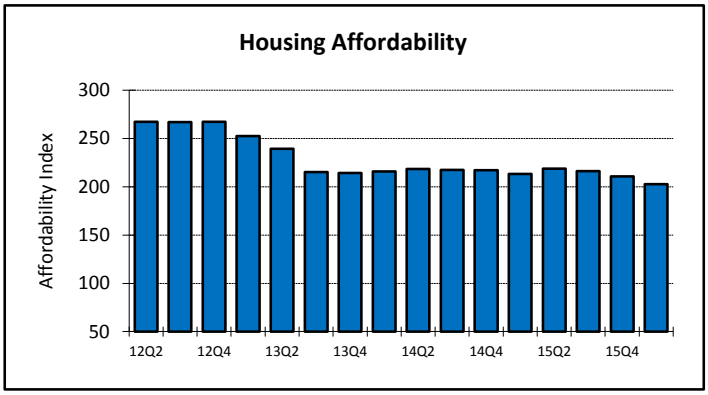
Minneapolis, MN

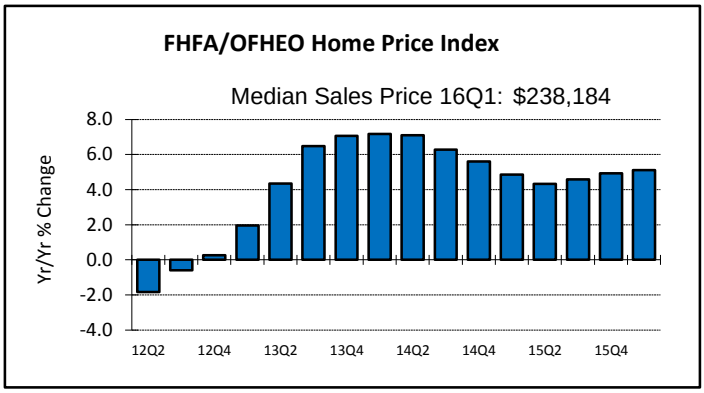
MGIC

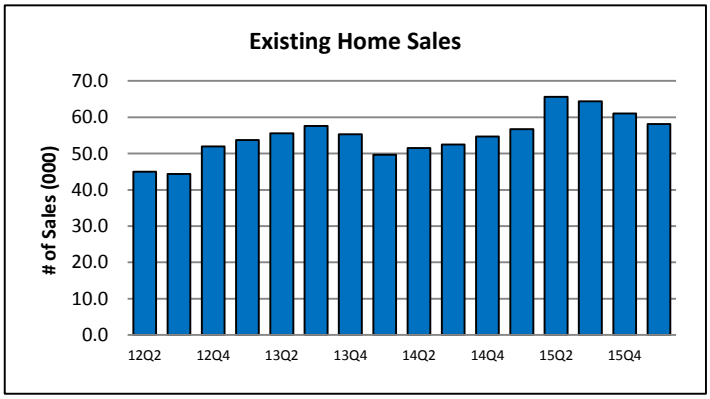
Economic & Housing Indicators

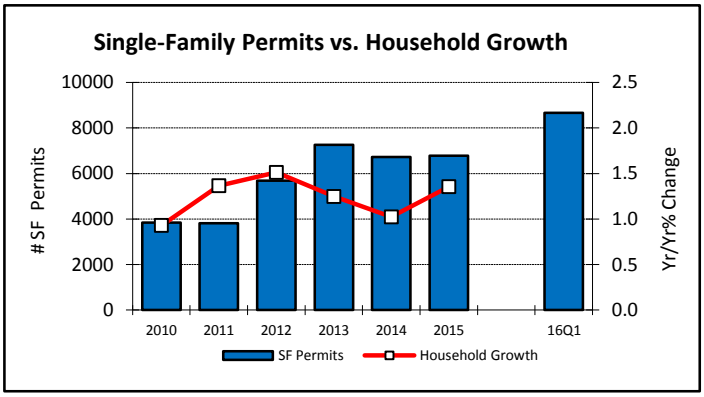


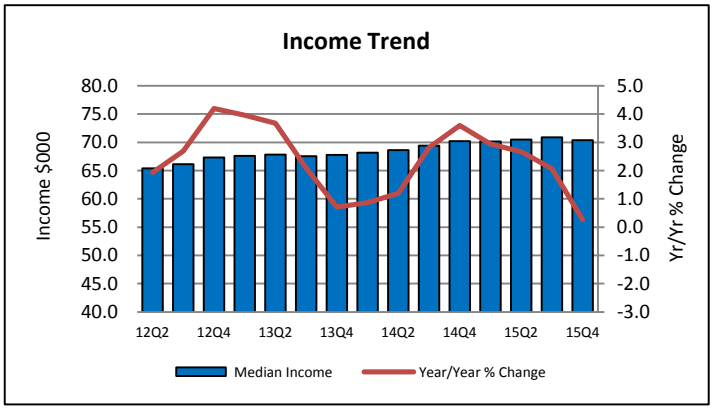


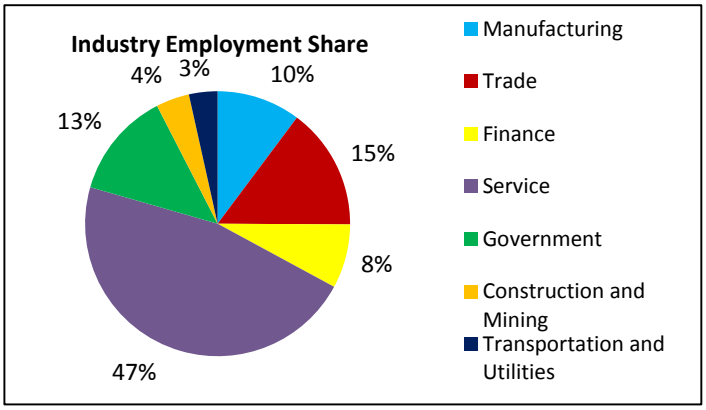












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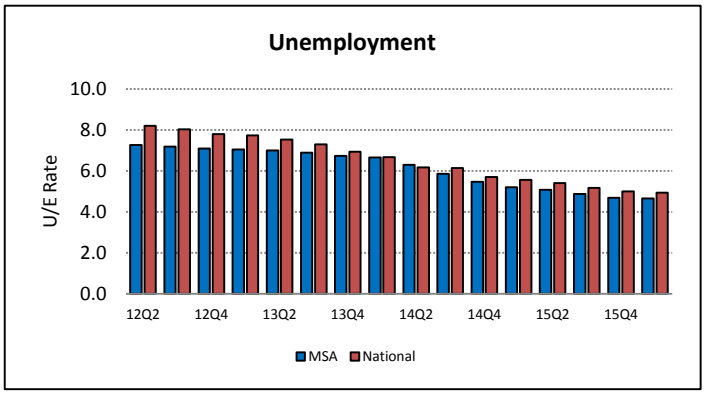
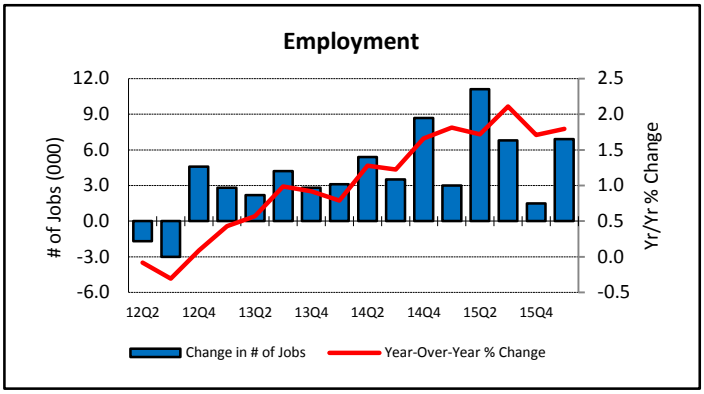
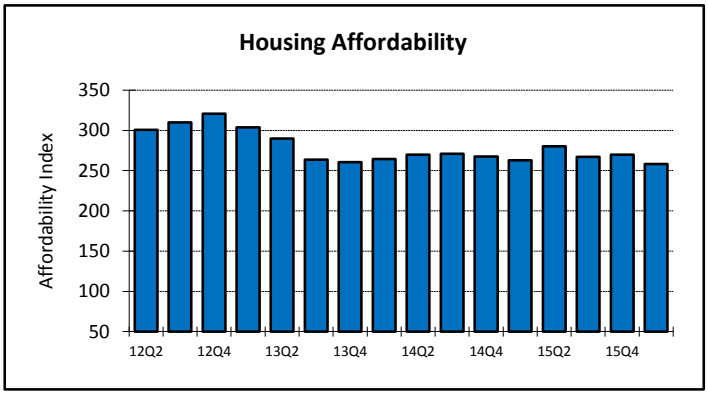
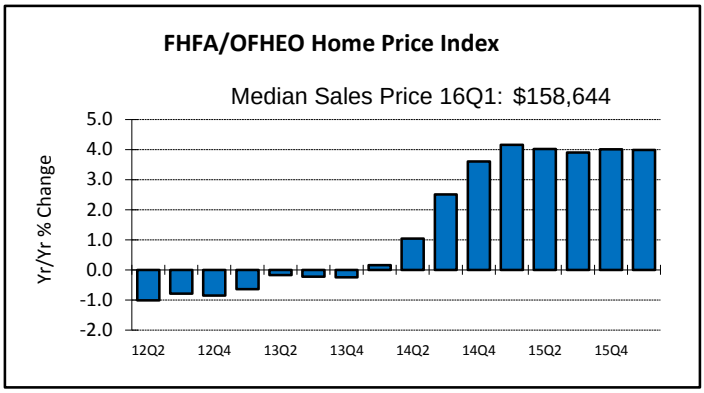
St. Louis, MO

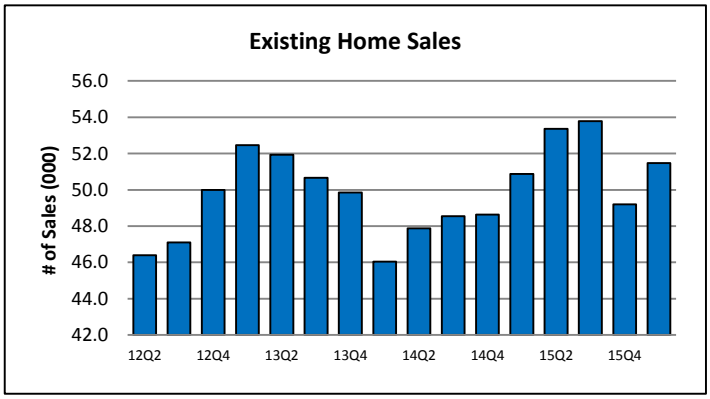
Economic & Housing Indicators

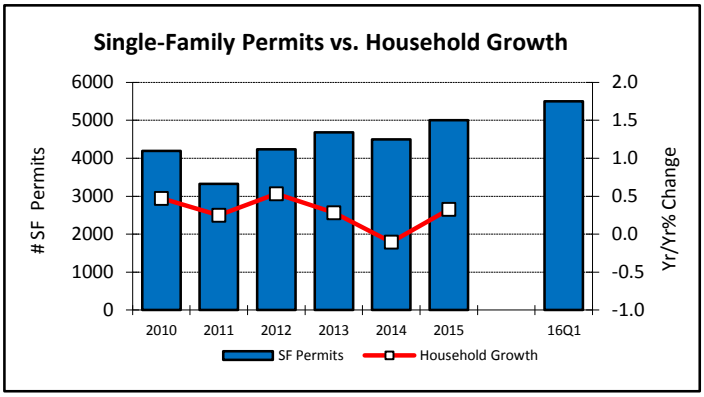


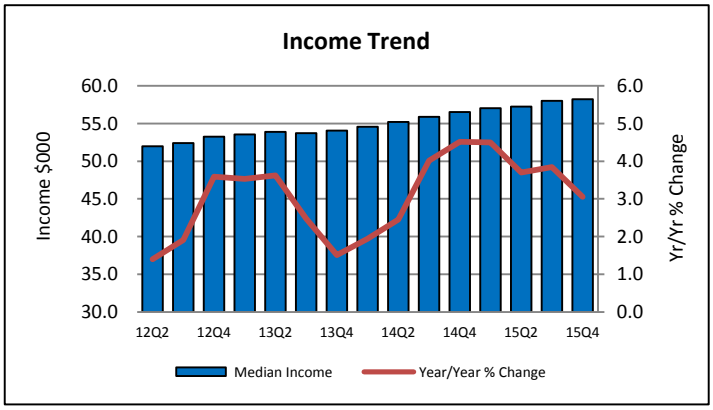


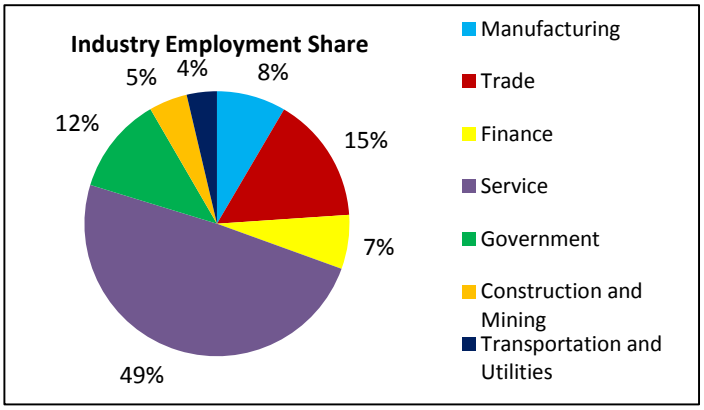












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Omaha, NE

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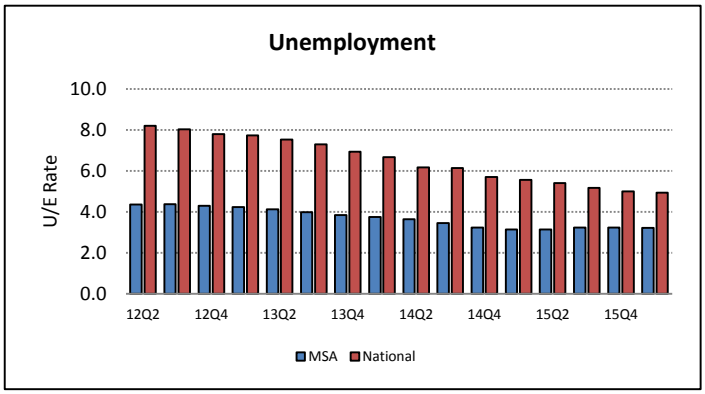
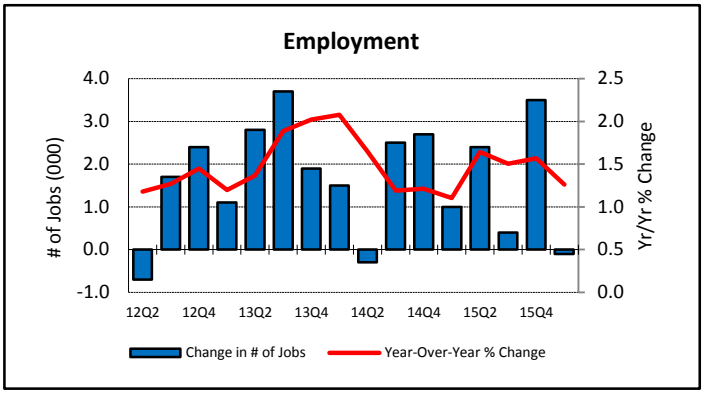
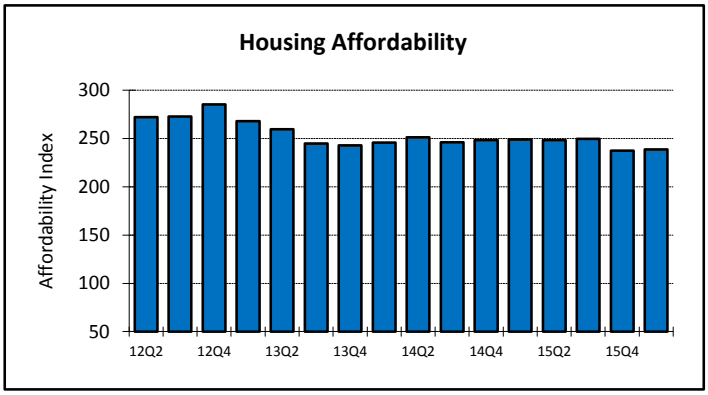
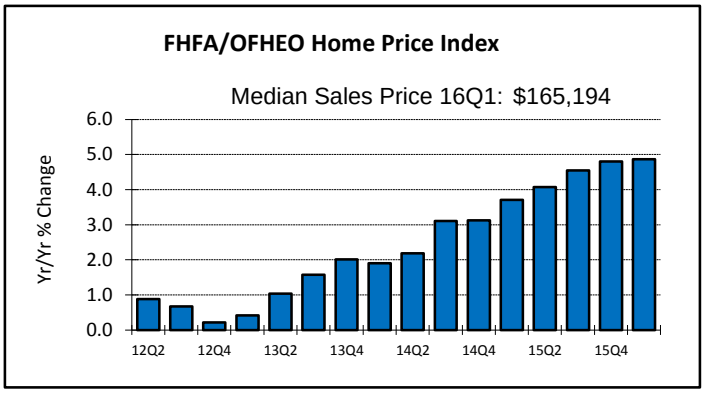
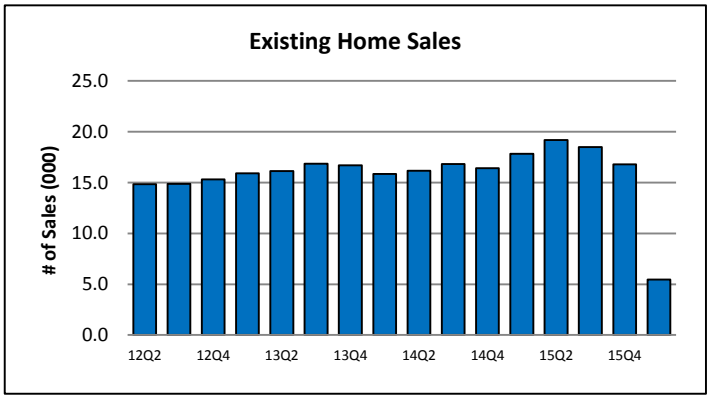
Economic & Housing Indicators

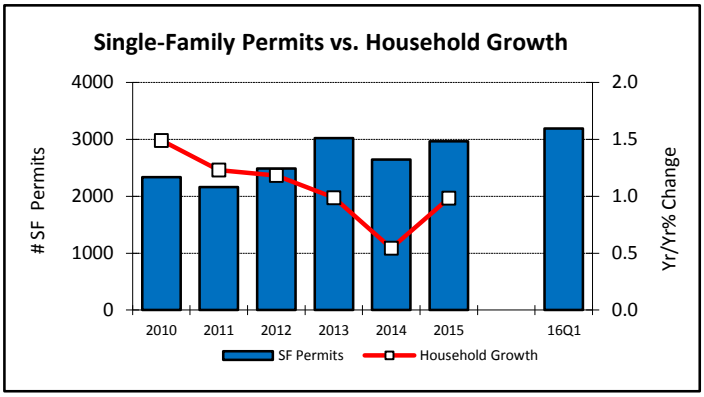


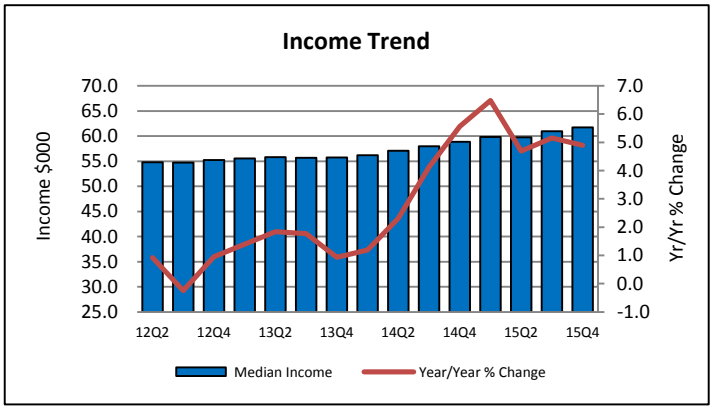


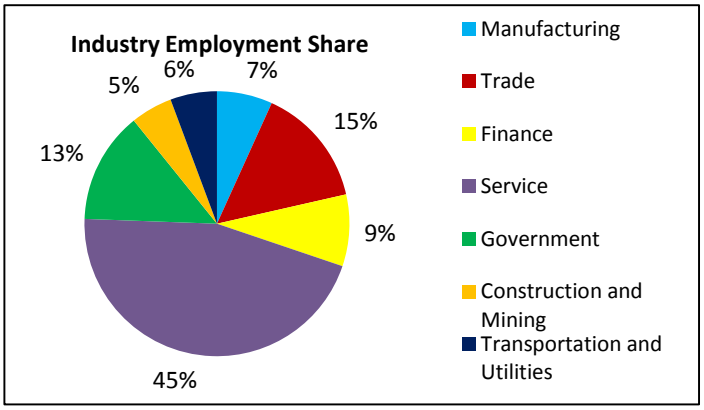












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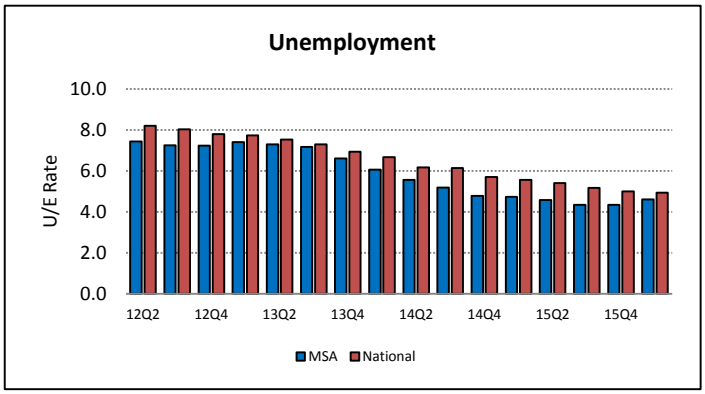
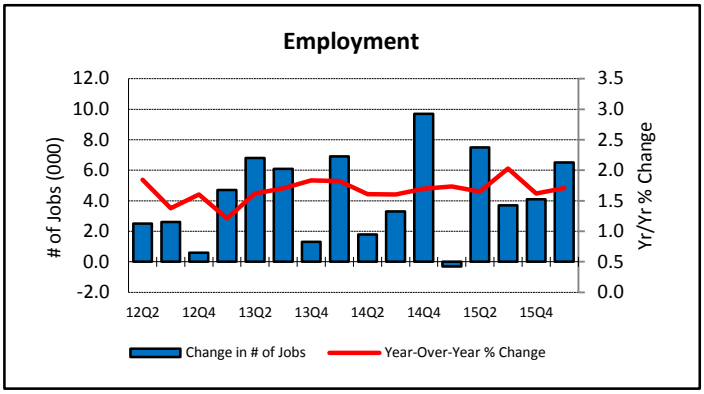
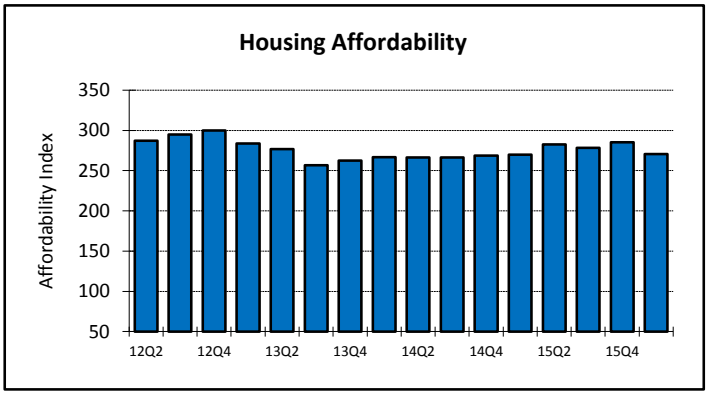
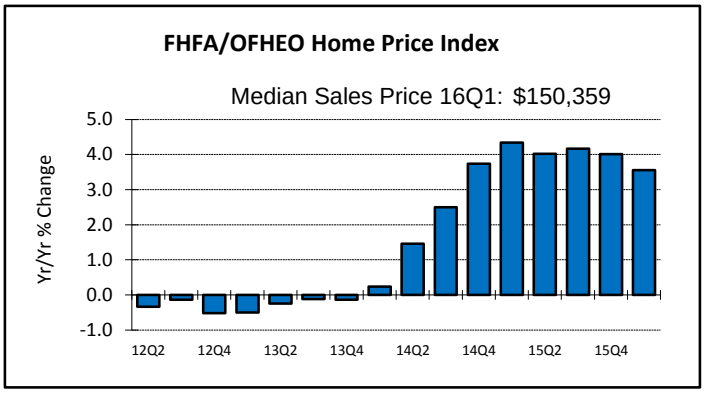
Cincinnati, OH

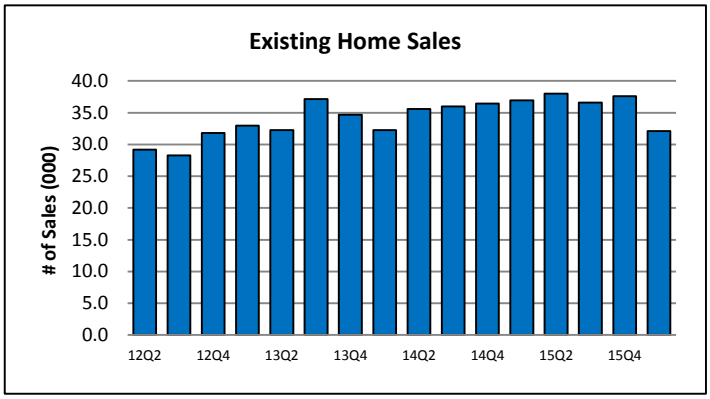
Economic & Housing Indicators

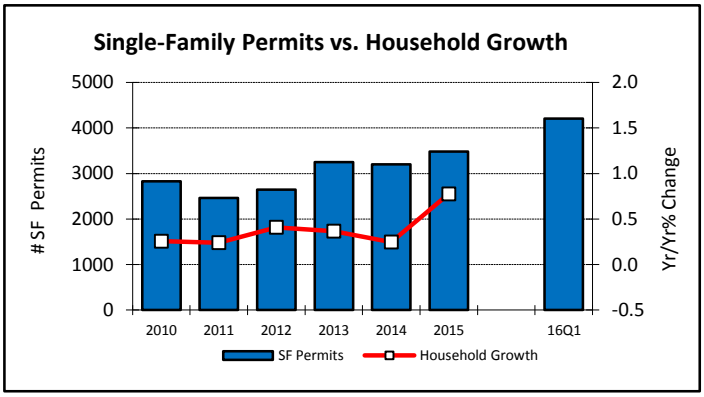


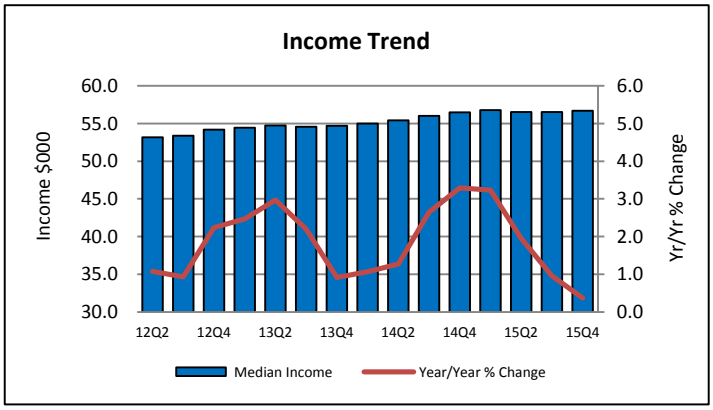


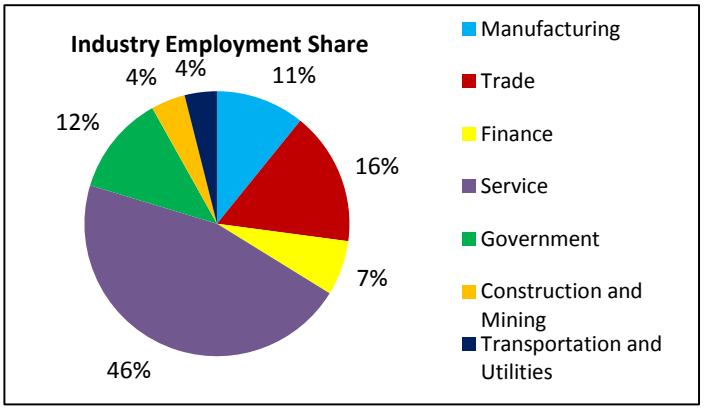












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Cleveland, OH

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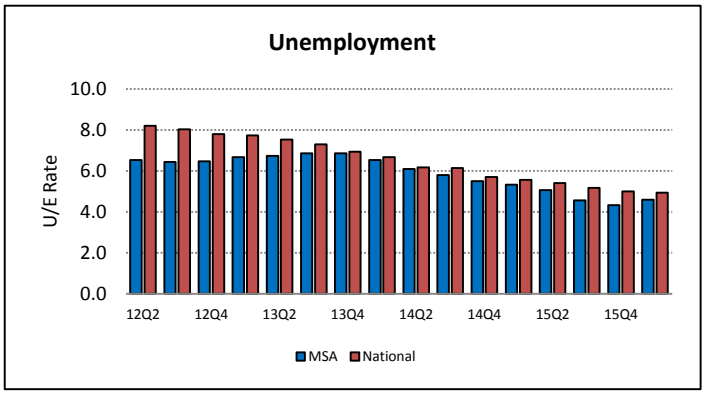
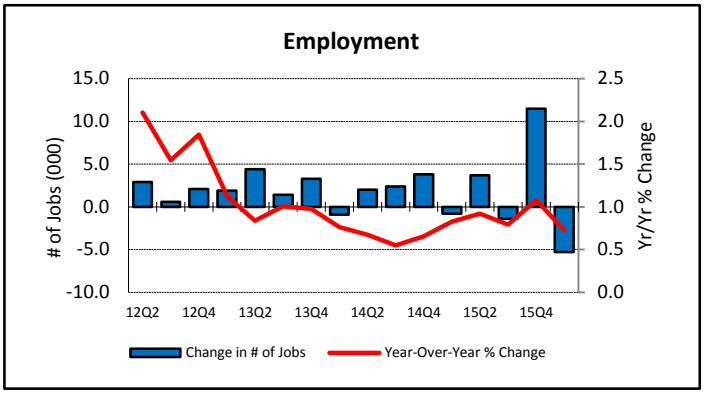
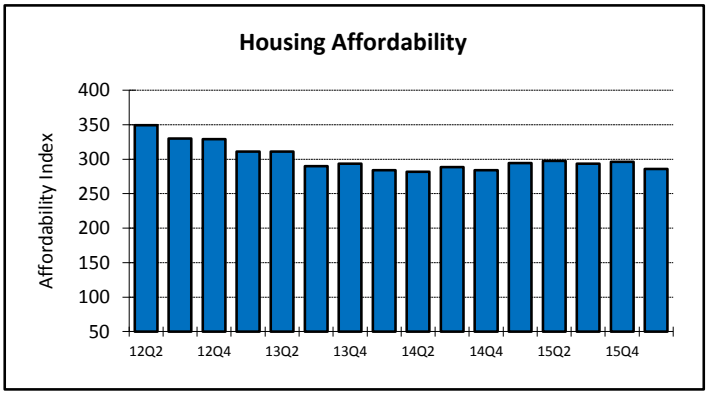
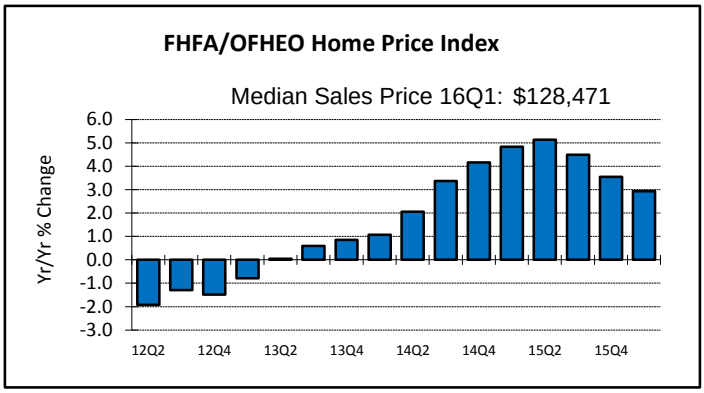
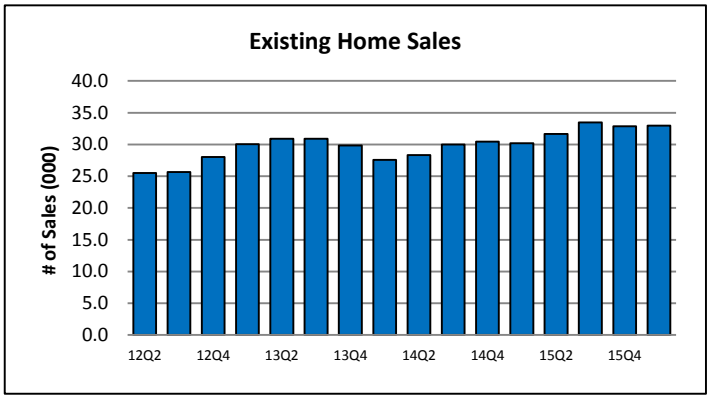
Economic & Housing Indicators

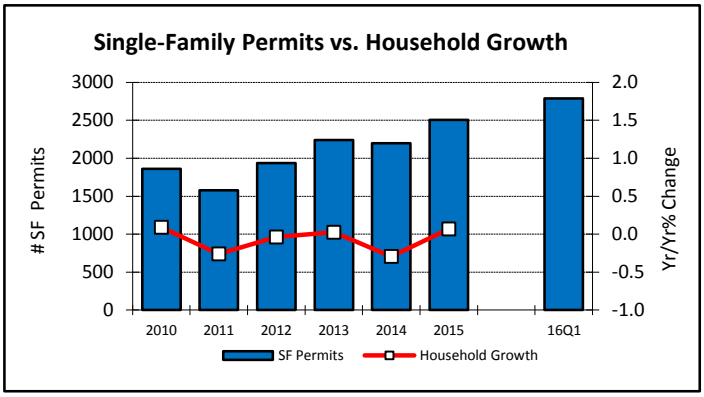


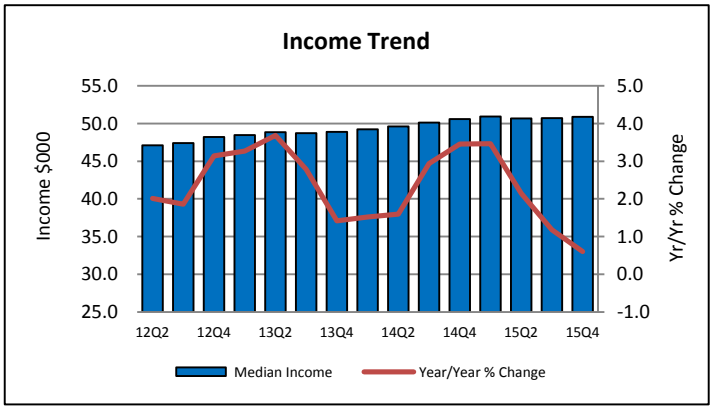


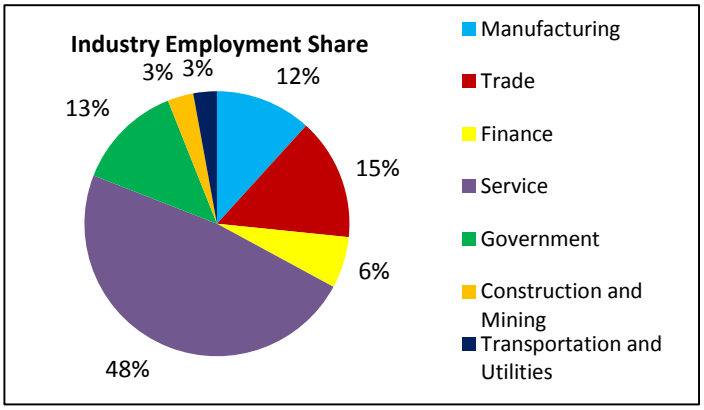












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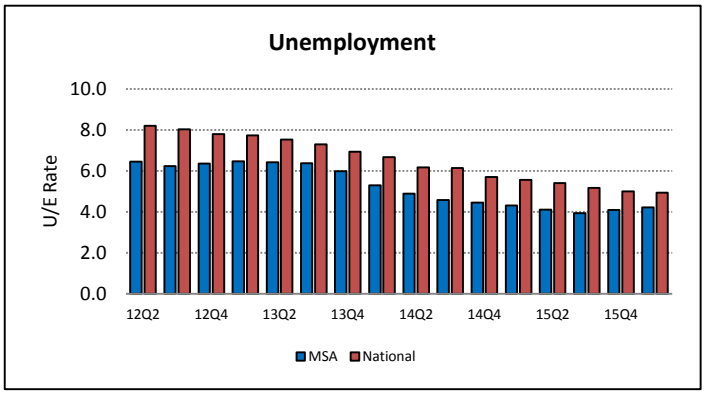
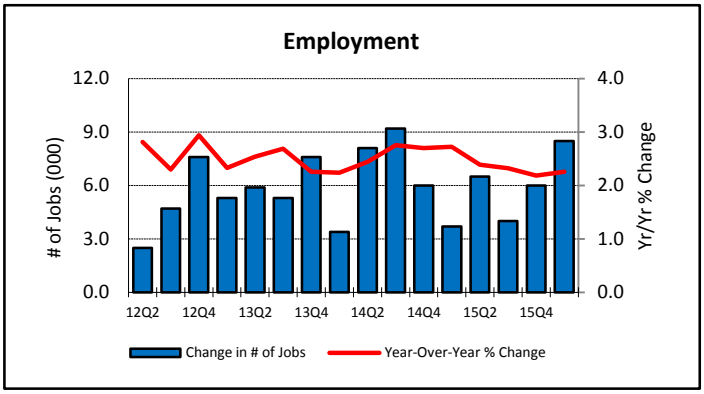
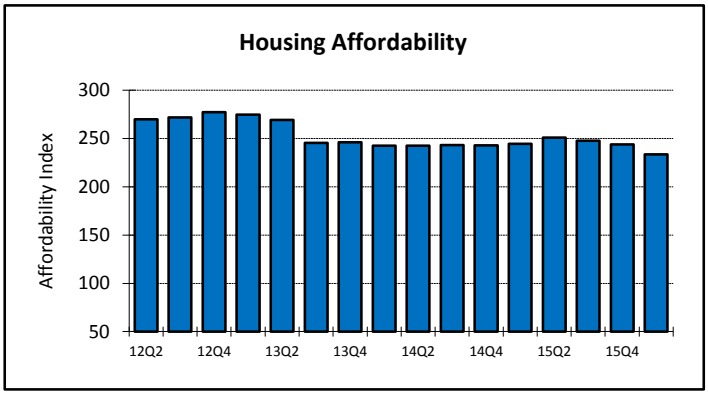
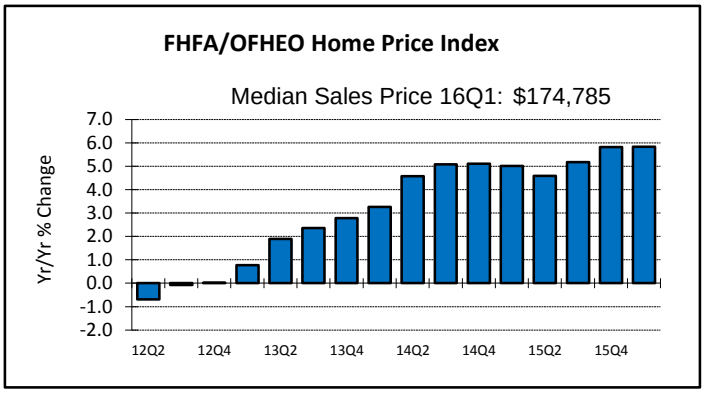
Columbus, OH

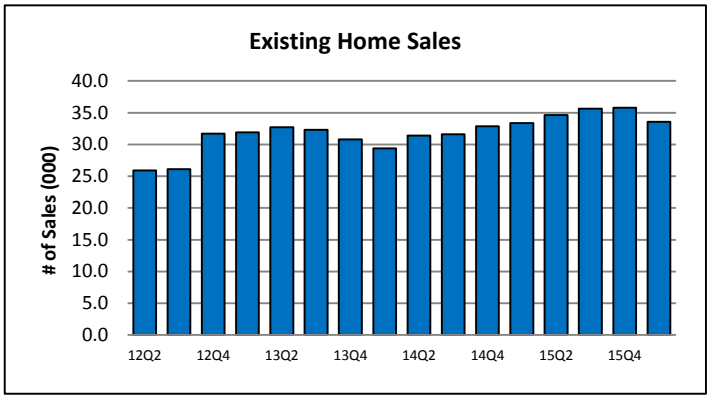
Economic & Housing Indicators

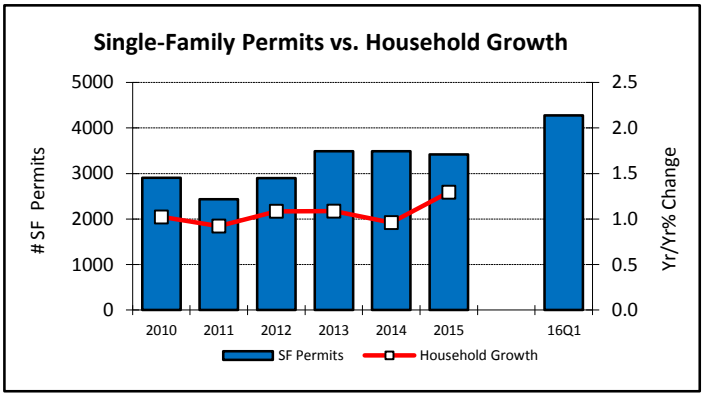


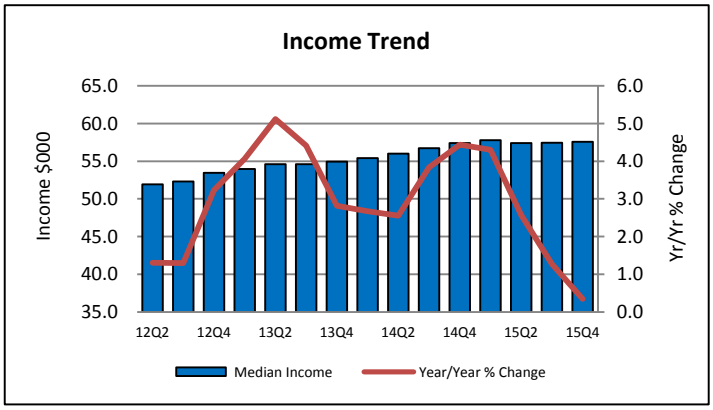


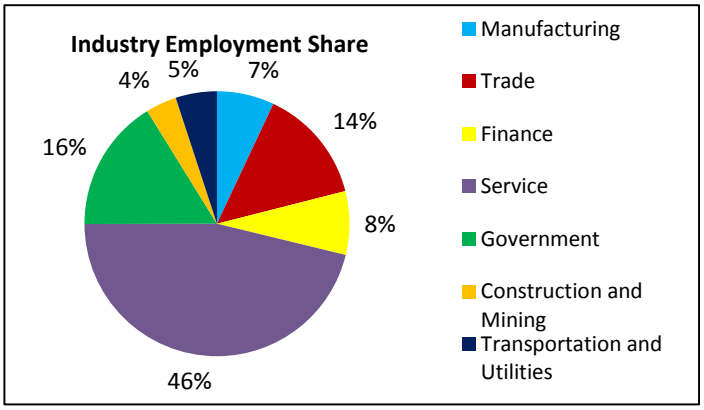












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Dayton, OH

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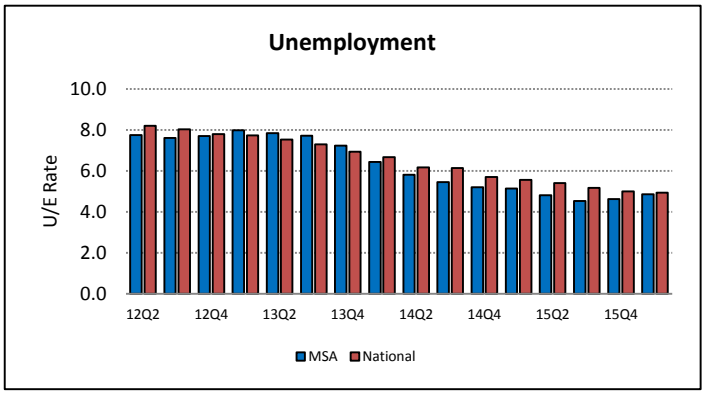
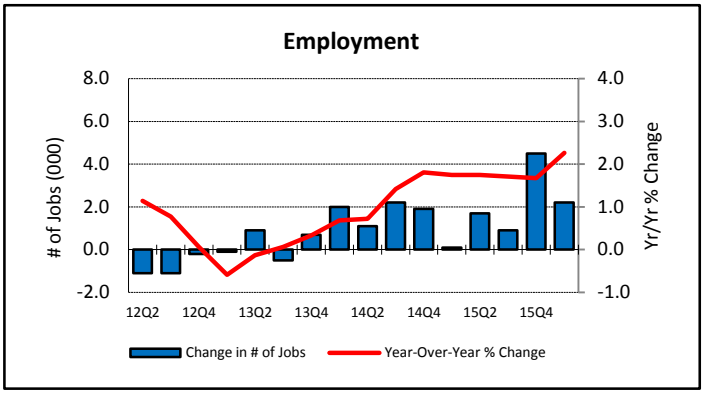
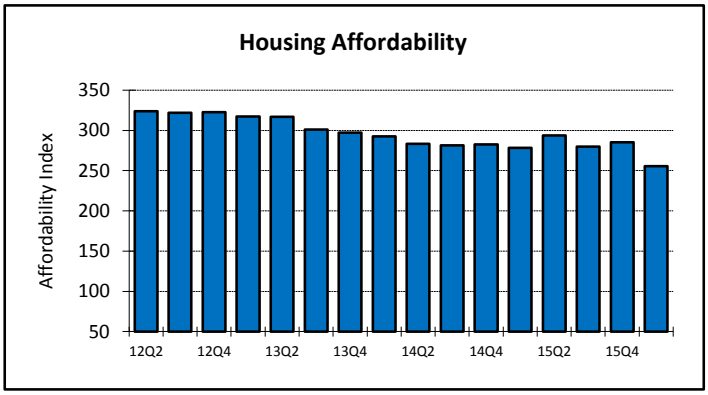
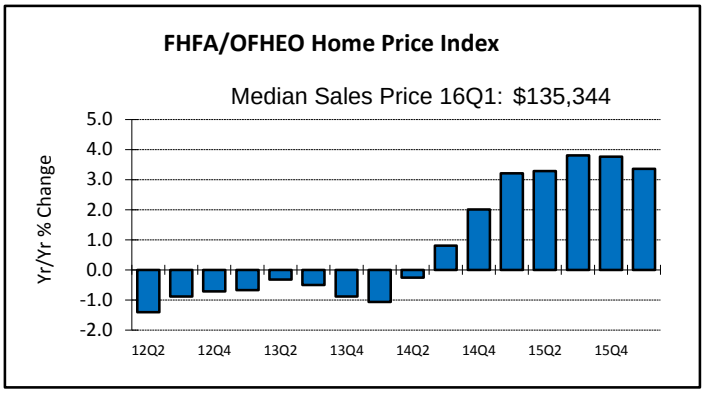
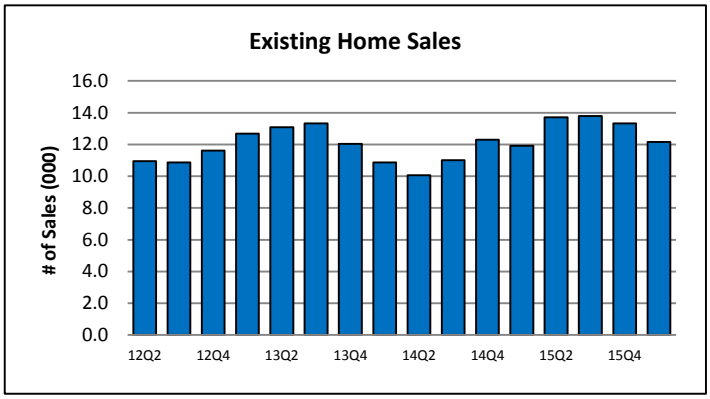
Economic & Housing Indicators

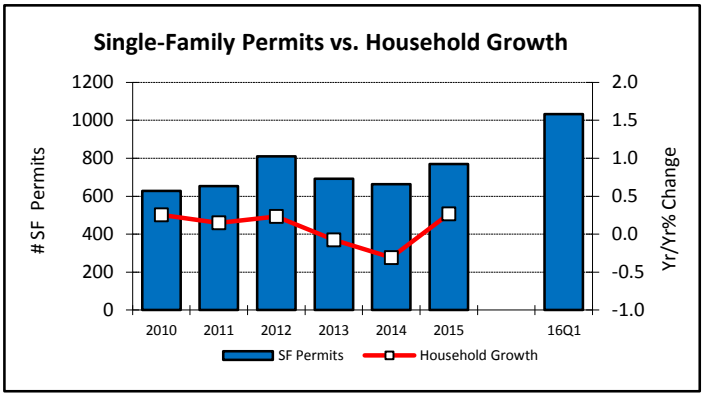


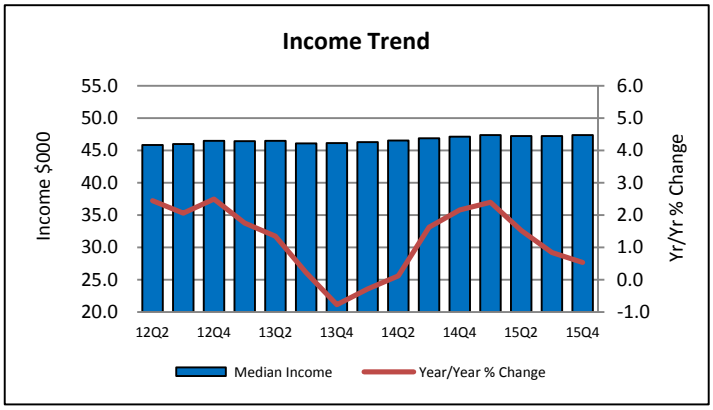


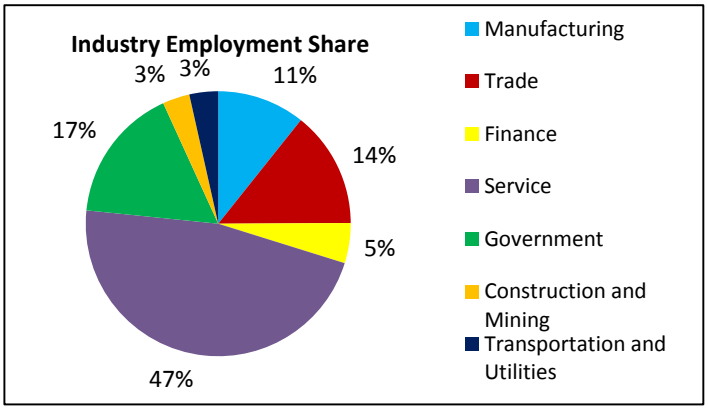












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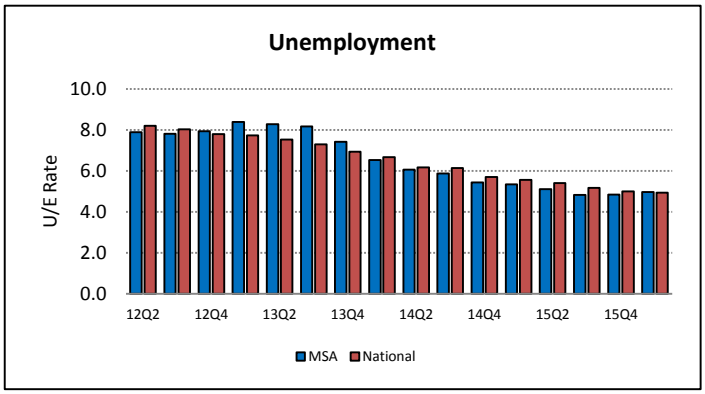
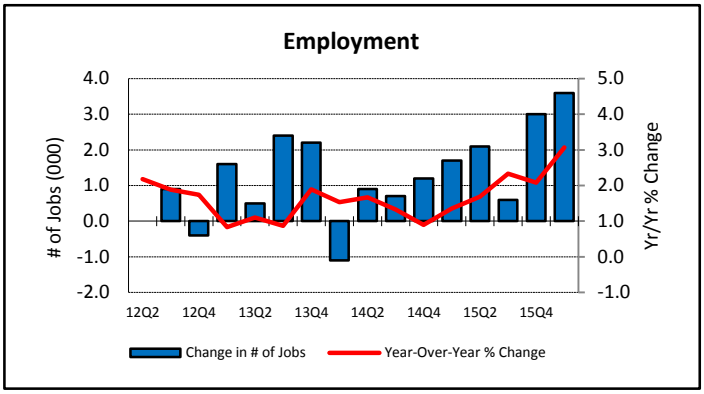
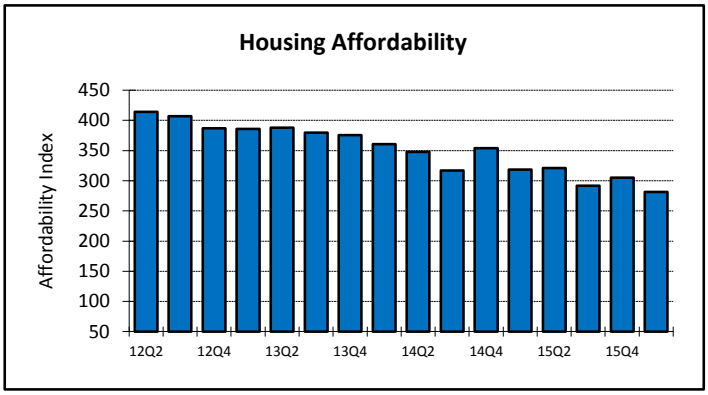
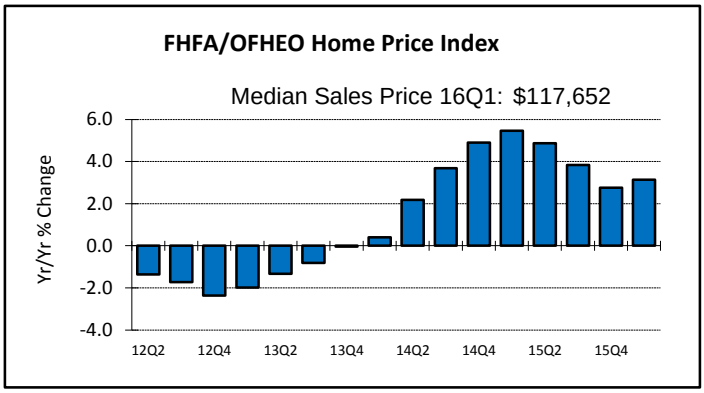
Toledo, OH

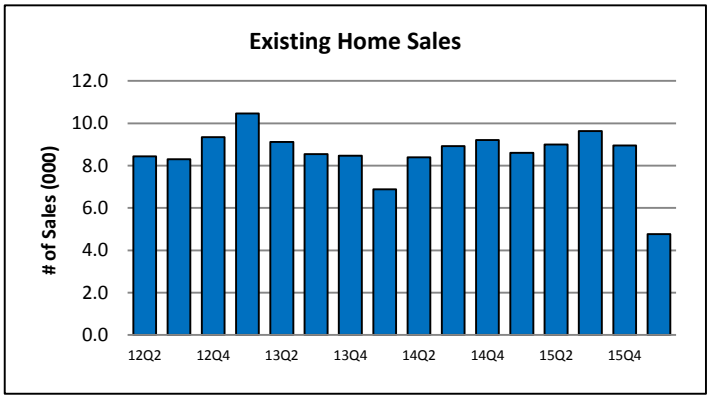
Economic & Housing Indicators

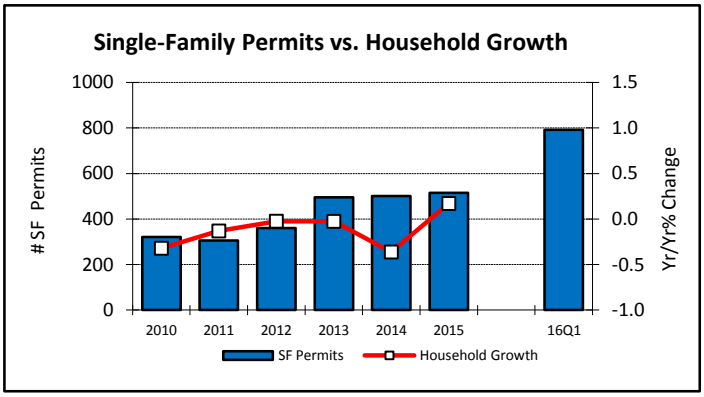


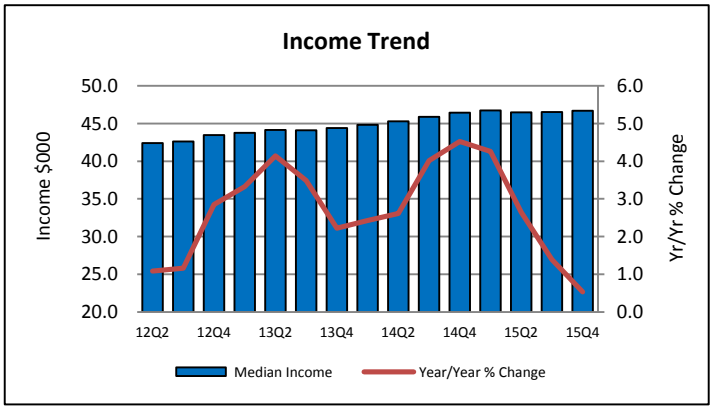


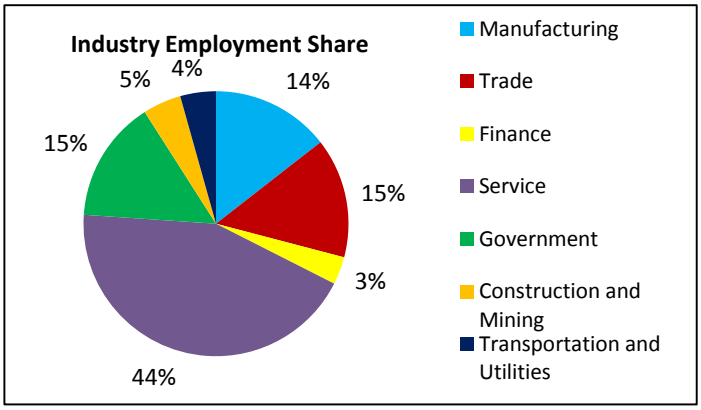












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Milwaukee, WI

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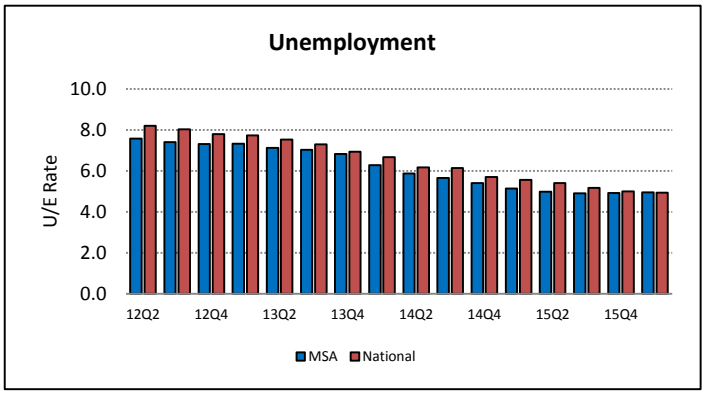
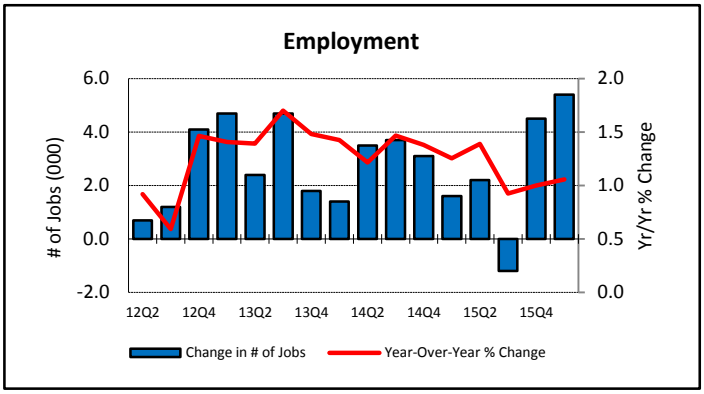
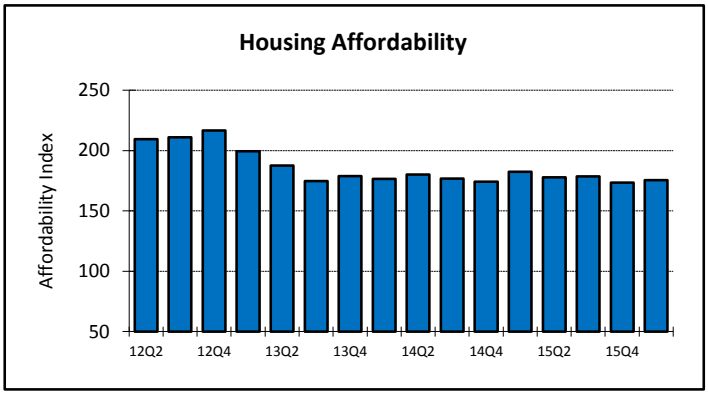
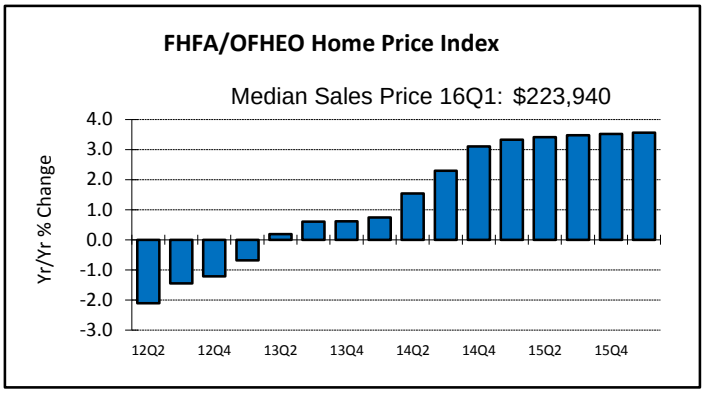
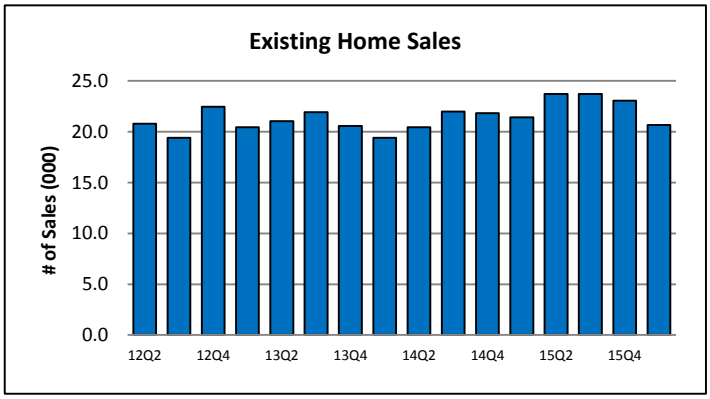
Economic & Housing Indicators

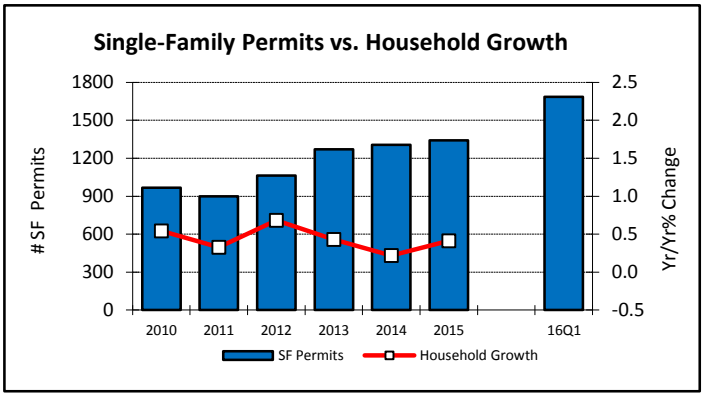


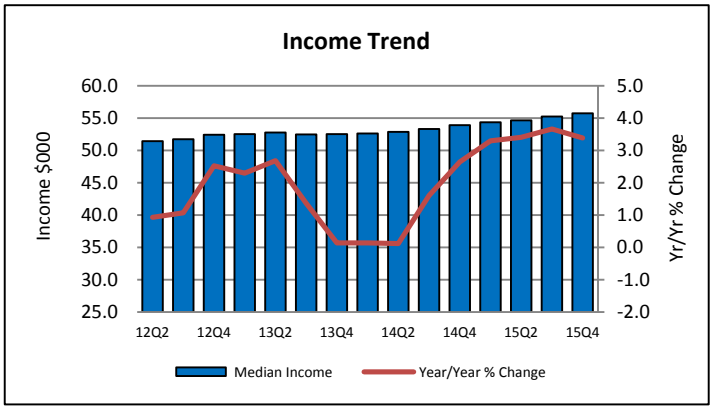


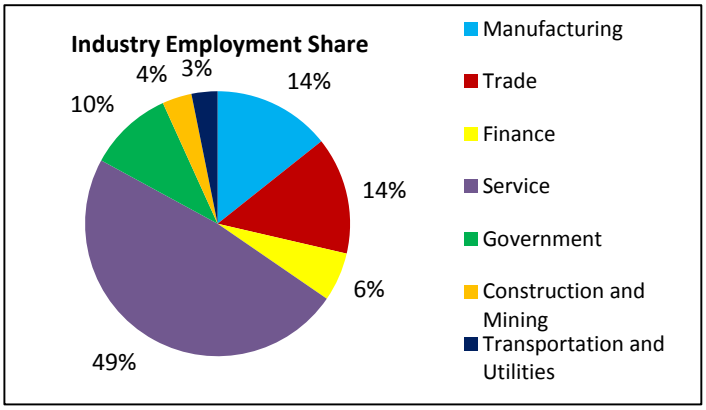












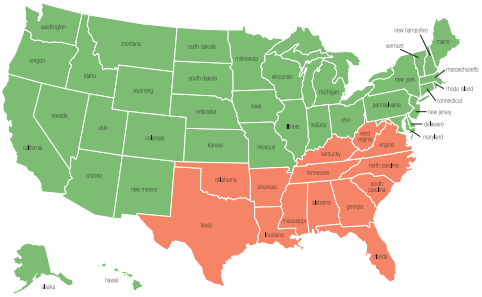
Southern region enters the year with strong momentum as well as numerous question marks

Job growth in the South has continued to gain traction, nearly matching the pace in the leading West region. Manufacturing is primarily increasing due to high demand in motor vehicle sales and plant expansions - Volvo in South Carolina and General Motors in Texas. The underperformance that characterized the South in 2015 should diminish in 2016 as the energy sectors begin to stabilize. Longer term, the South should reclaim its position as an above-average performer, supported by a rebound in energy, demographics, relatively low business costs, and a desirable climate.

LOUISIANA: Louisiana is struggling to overcome weakness in its energy industry, and recession odds are about twice those nationally. Industries involved with fossil fuels have been hardest hit with mining down a staggering 21% on a year-over-year basis. The state government's fiscal situation has taken a turn for the worse with public sector payrolls at a multi-decade low. As the state attempts to rein in its budget deficit, state government will drag down growth. The state anticipates a $750 million deficit for fiscal 2015-2016 and a $2.8 billion shortfall by 2019-2020. Much of this gap is attributable to shrinking revenues from lost oil tax revenue. Low energy prices will hamper Louisiana's economy in the short-term.

CHARLOTTE (NC): Charlotte's economy has been on a roll the past 2 years, with employment rising at a healthy 2.6% year-over-year and the metro population adding over 40,000 residents in both 2014 and 2015. The influx of Millennials downtown and neighborhoods nearby helped support nearly 3,200 new apartment units completed in 2015. Economic diversity continues with the recent arrival of specialty chemicals company Albermarle Corporation and automated bill payment company Avid Exchange. Charlotte's year-over-year pending sales are up a robust 14.1% with the median price increasing 4.3% to $191,900. The housing supply stands at 2.4 months.

ORLANDO (FL): Orlando's economy continued to expand at a solid pace; considered one of the fastest growing metro areas in the nation. Approximately 11,500



jobs were added during the first quarter of the year, which represents 28% of the state's total. The only downside is that many of these were lower-wage positions, keeping income well below the state level. Meanwhile, the jobless rate fell to 4.5%, its lowest point since the end of 2007. There are a number of infrastructure projects that should benefit the construction industry. These include a 21-mile renovation of I-4, $1.1 billion airport expansion and Phase 2 of SunRail. The market is registering strong demographic trends. This bodes well for the housing market. Year-to-date sales were unchanged, primarily due to a low inventory of units; 3.5 months. Nearly 48% of the single-family homes had a sales price between $160,000 and $300,000, while 57% of the condo transactions fell under $100,000.

PENSACOLA (FL): The military and tourism are the 2 principal economic drivers of this market. It is estimated that the Naval Air Stations Pensacola and Whiting Field account for about 10% of the area's employment. This percentage is even greater when considering the various supporting industries. There are some risks if there are further cuts to defense spending. Pensacola should remain a popular tourist destination. During the year, 1,200 workers were added to the payrolls, which is higher than a year ago. The unemployment rate dipped below 5% for the first time since early 2008. Housing supply stands at 5.5 months and sales increased 9% from a year ago. About 42% of the transactions had a purchase price between $100,000 and $200,000.

SAN ANTONIO (TX): The unemployment rate remains at 3.7%, near its low of 3.5% 2 months earlier. Help-wanted advertising suggests labor supply remains tight. Growth in professional and business services help to offset the continued fall in mining jobs. Single-family homes sold 2016:Q1 increased 13.0% while the median home price increased 4.4% year-over-year. The single-family inventory continues its downward trend with a current supply at 3.2 months and 67-day average on the market.

TALLAHASSEE (FL): Typically, the combination of state government and a major university is a recipe for success. However, that does not appear to be the case in Tallahassee where the public sector continues to struggle. State government employment to total population ranks lowest among all states and FSU is experiencing weaker enrollment numbers. During the first quarter, 1,300 jobs were created. The jobless rate remains less than 5%. Sales of both single-family homes and condos increased during the year as home prices appreciated almost 6%. Housing supply is 7 months.

Birmingham, AL

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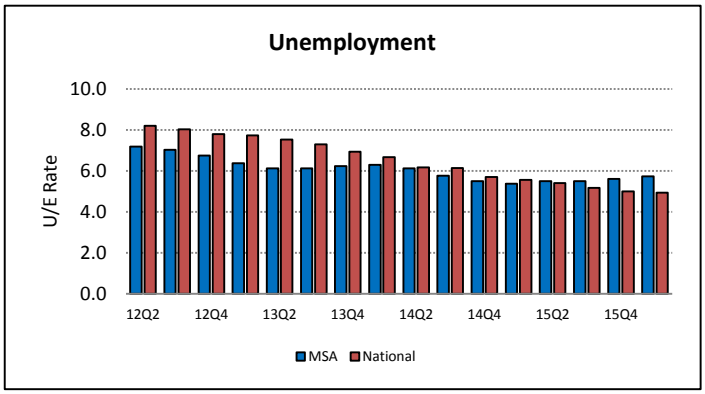
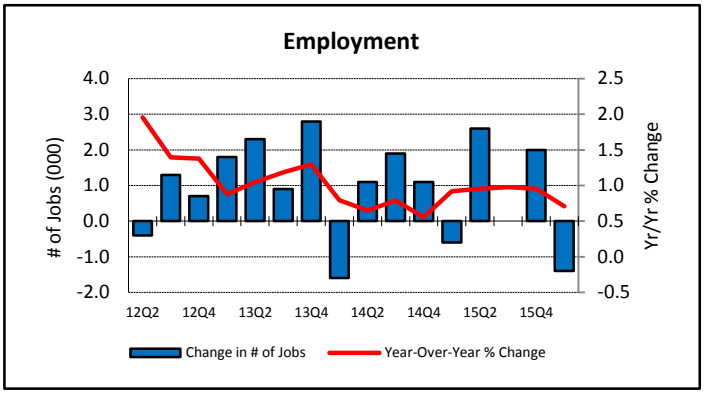
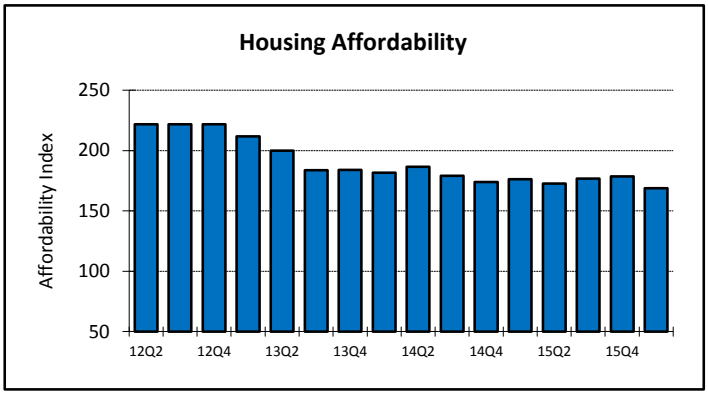
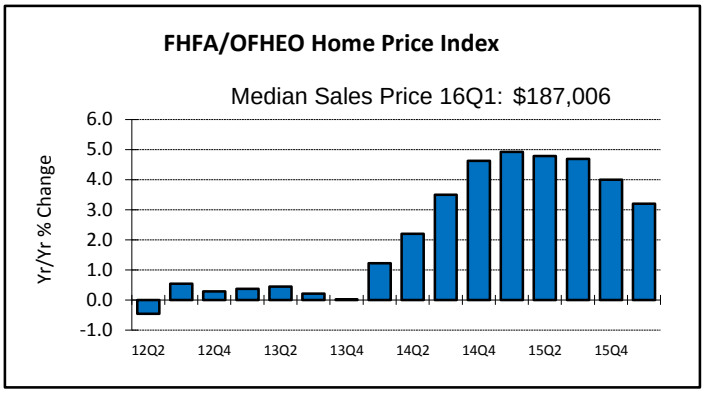
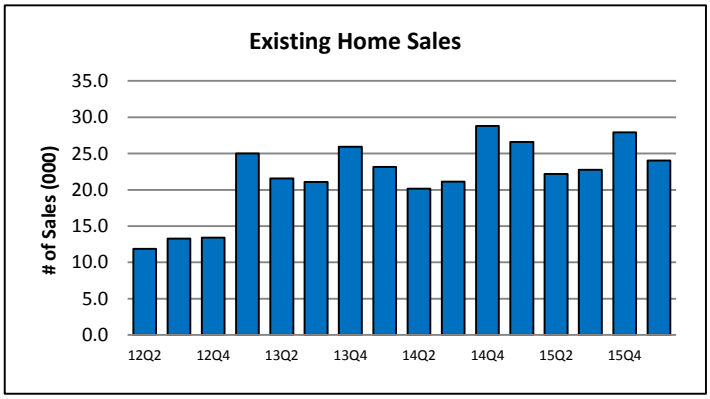
Economic & Housing Indicators

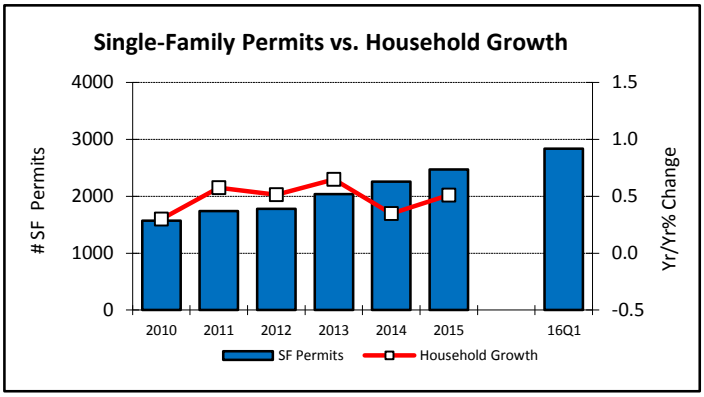


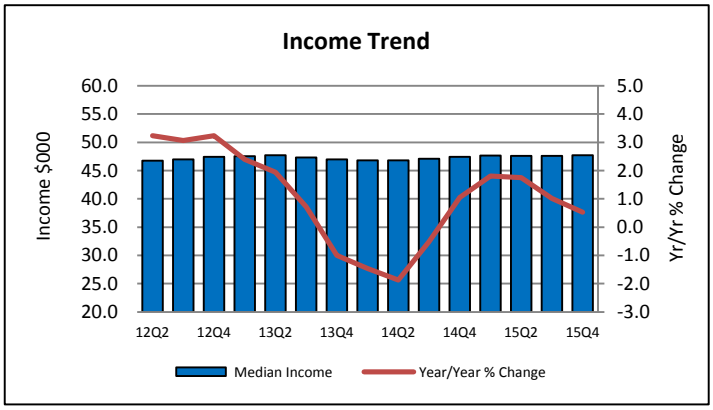


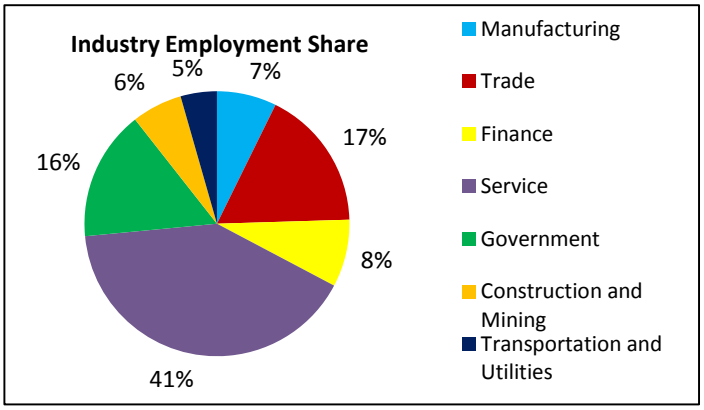












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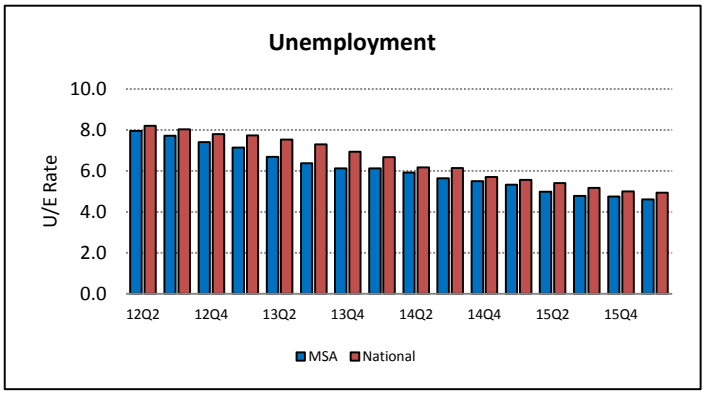
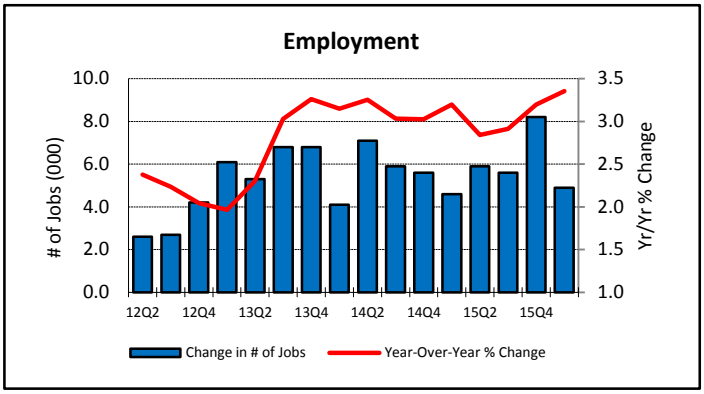
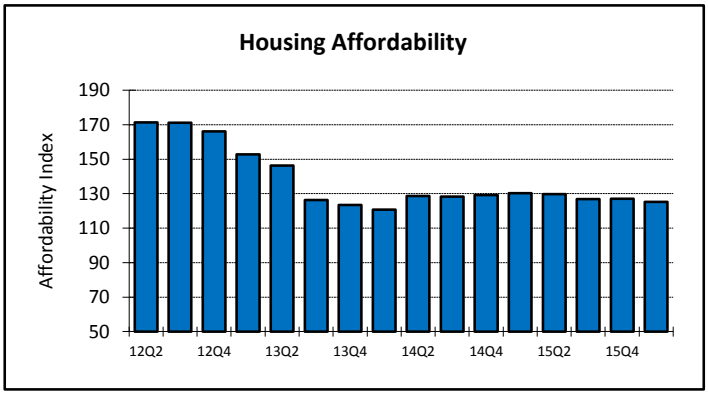
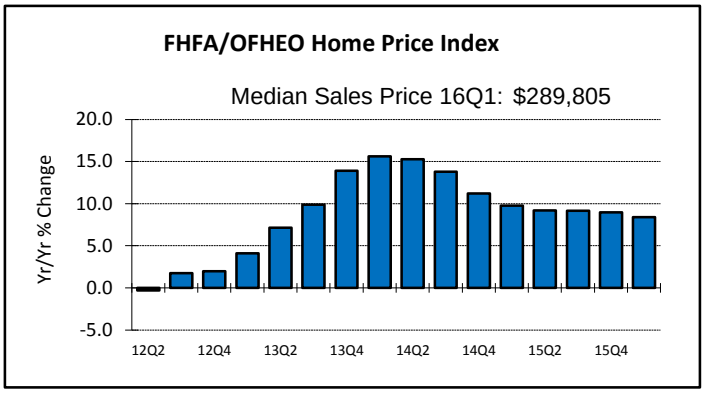
Fort Lauderdale, FL

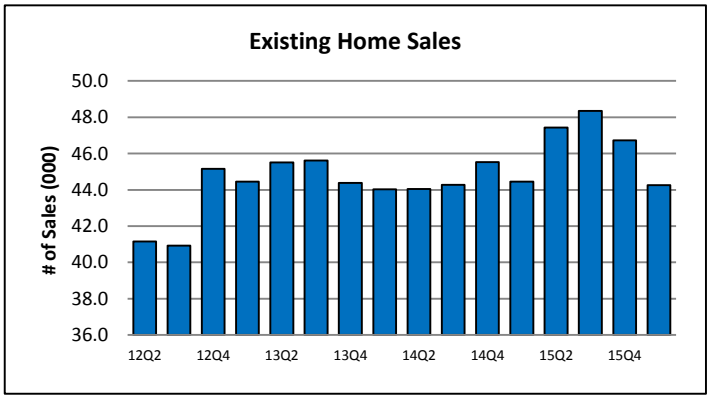
Economic & Housing Indicators

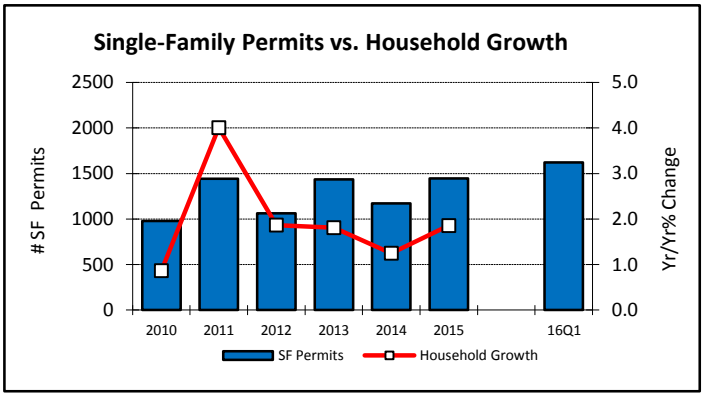


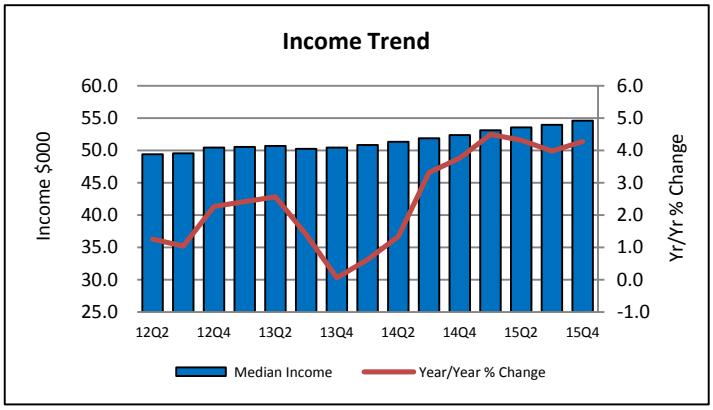


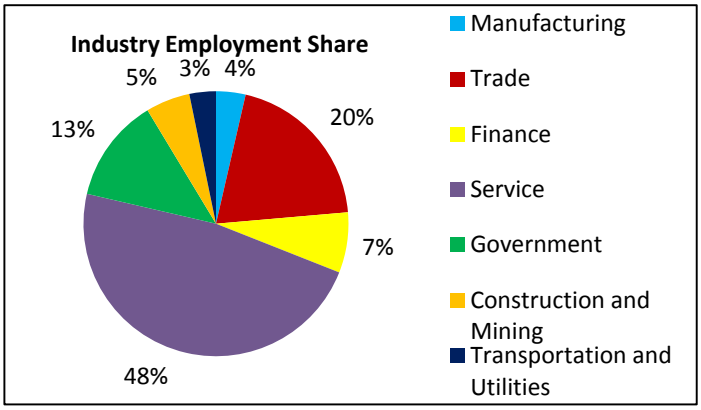












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Jacksonville, FL

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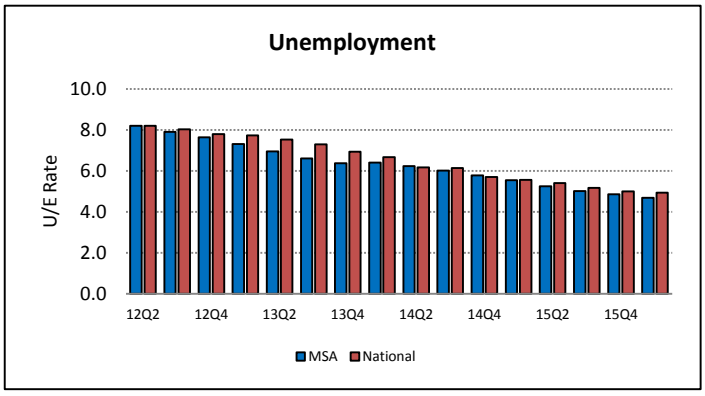
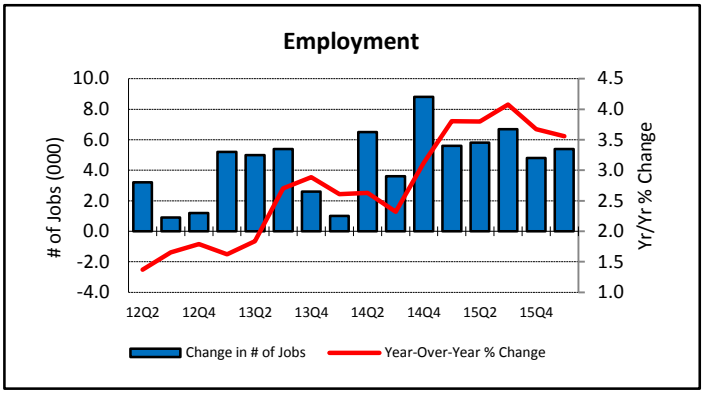
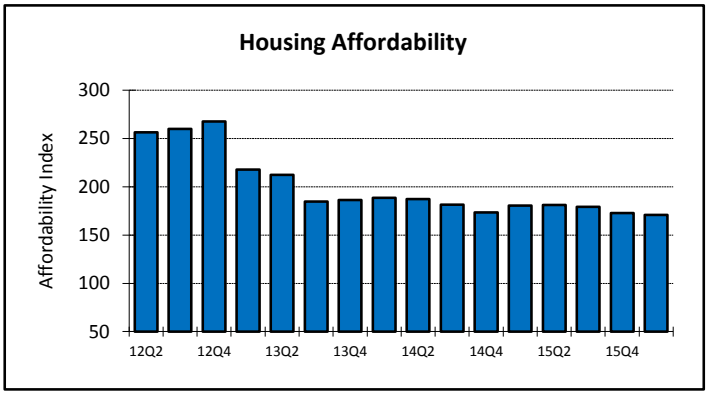
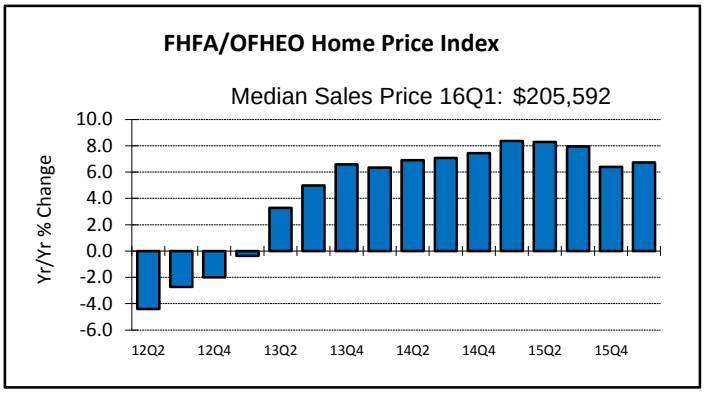
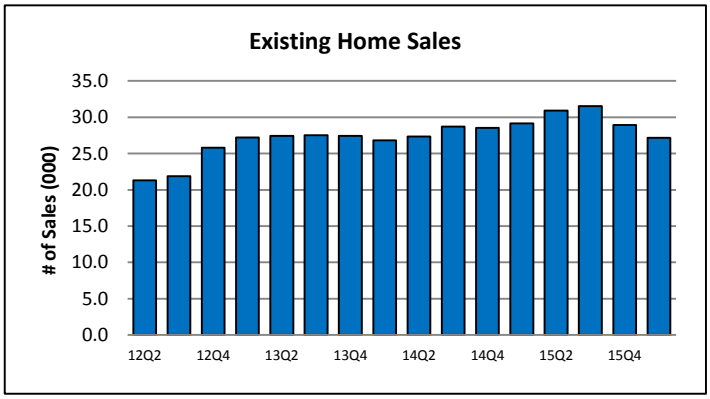
Economic & Housing Indicators

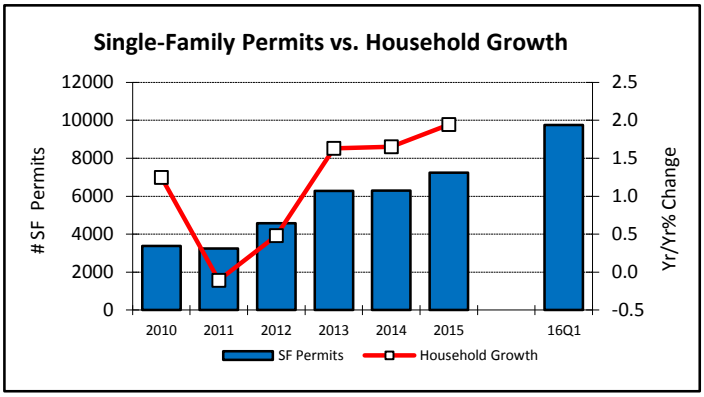


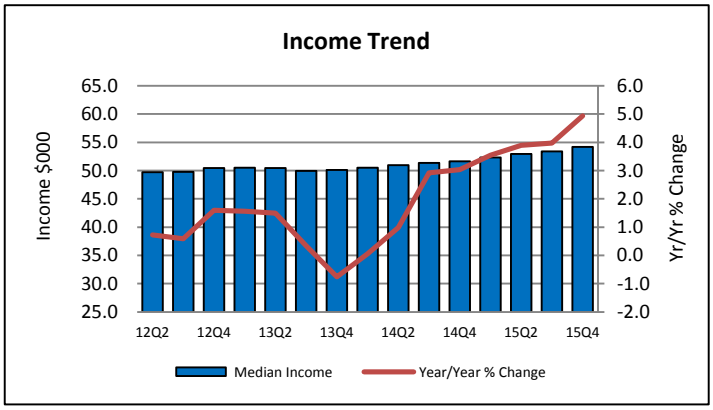


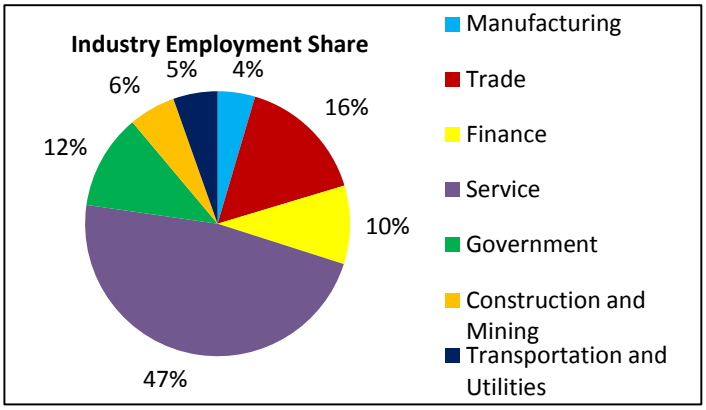












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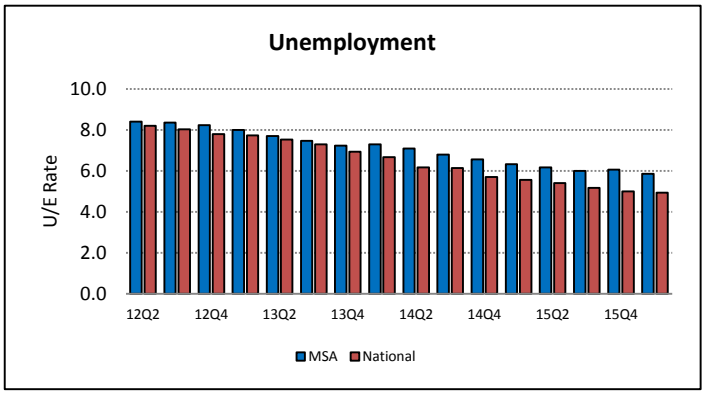
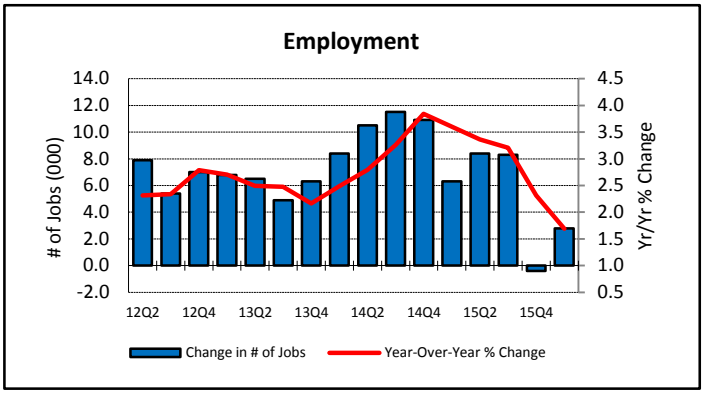
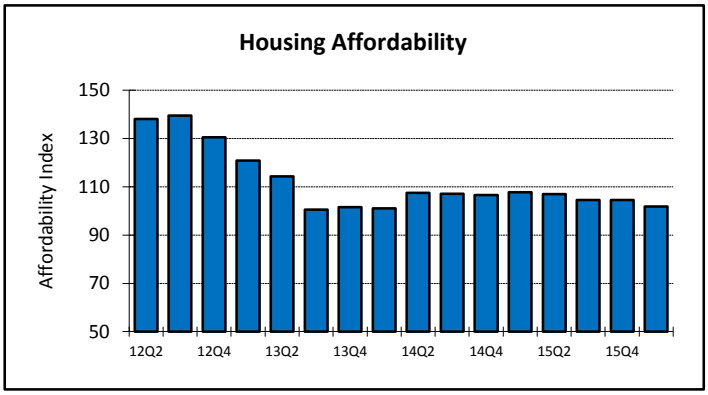
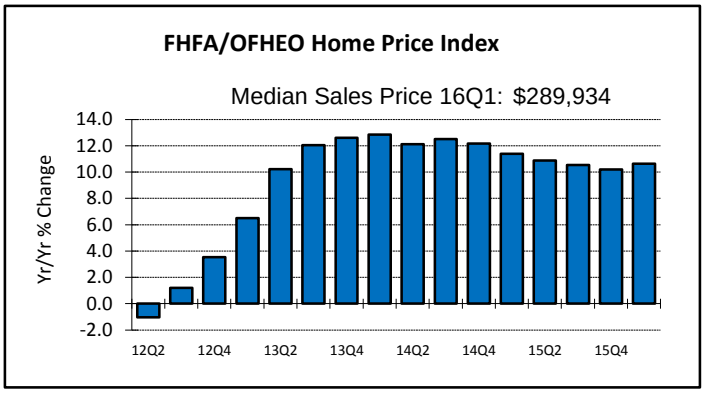
Miami, FL

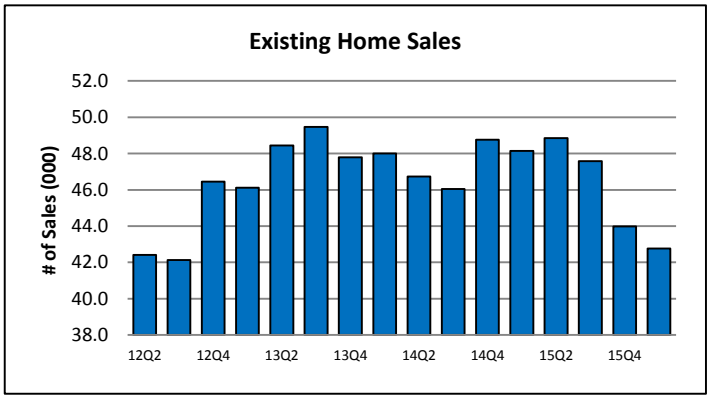
Economic & Housing Indicators

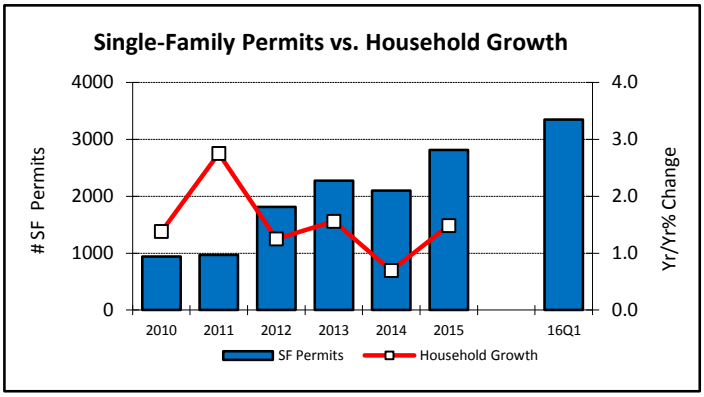


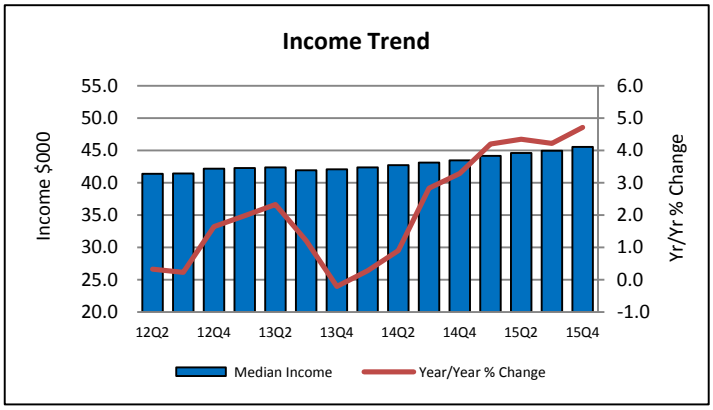


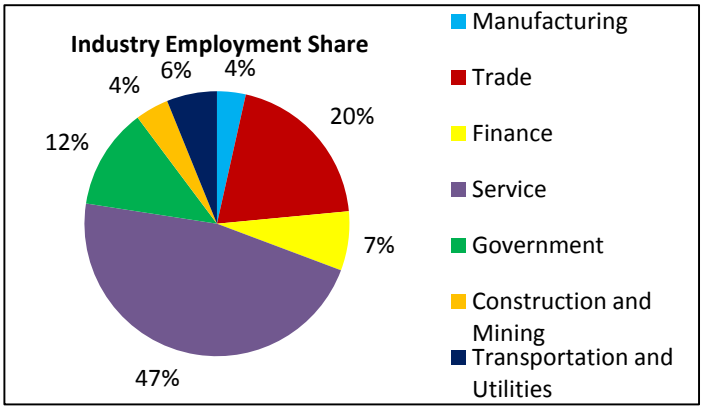












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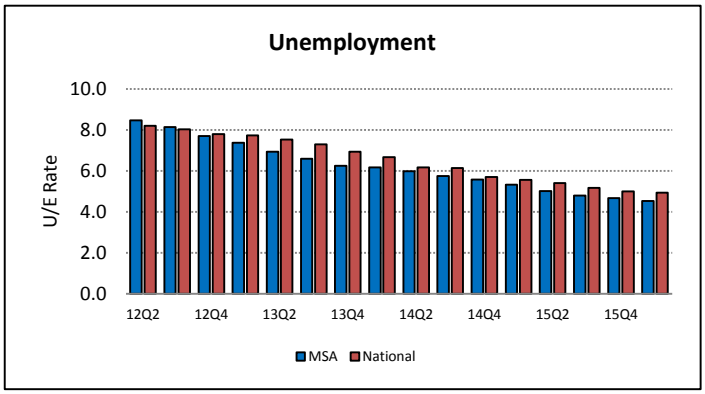
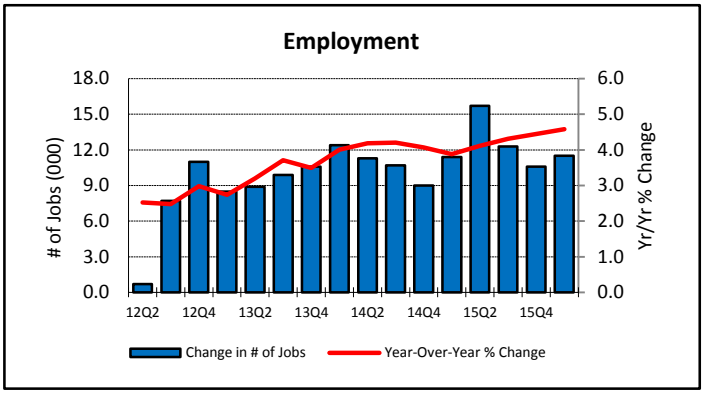
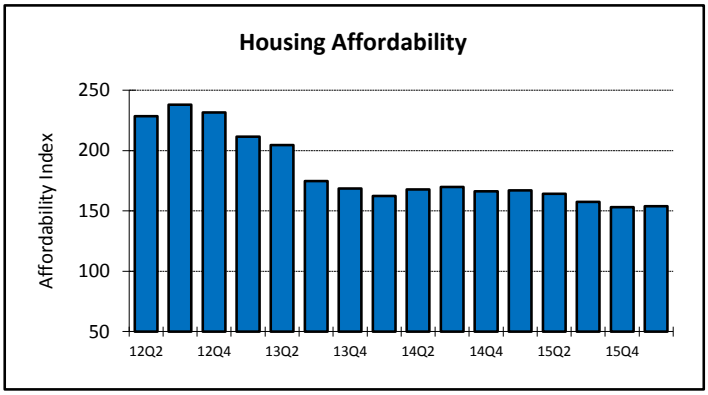
Orlando, FL

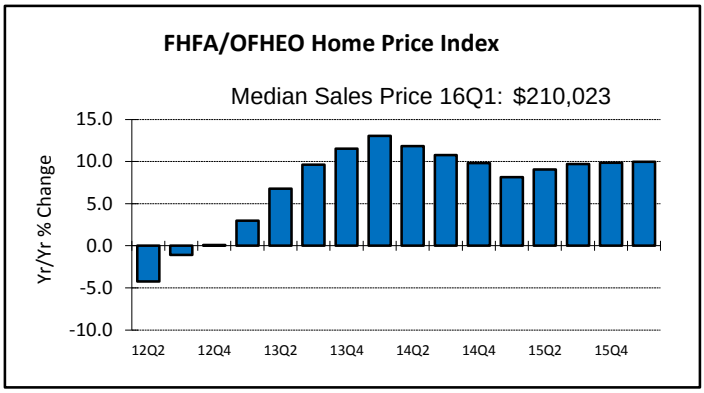
MGIC

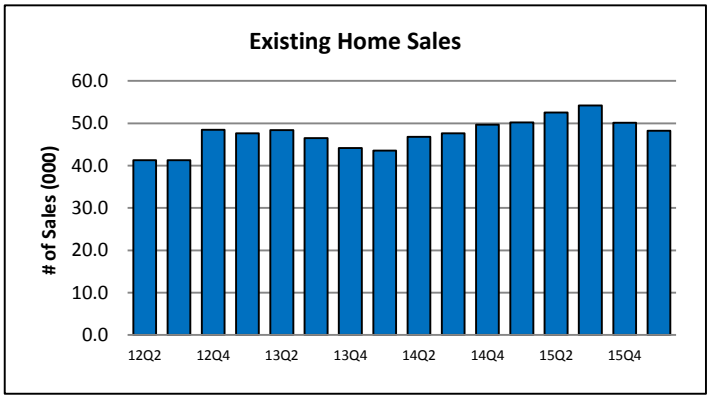
Economic & Housing Indicators

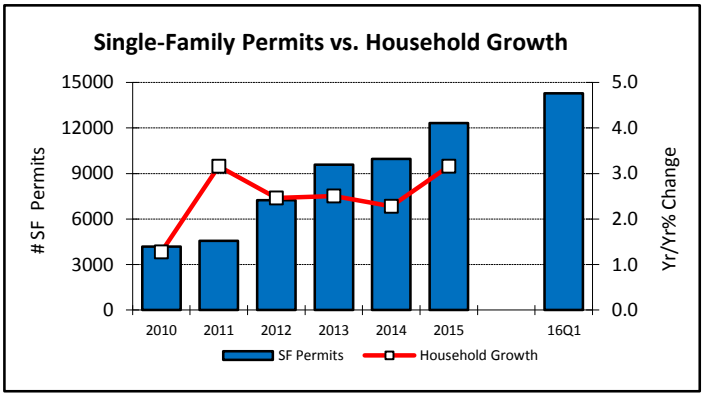


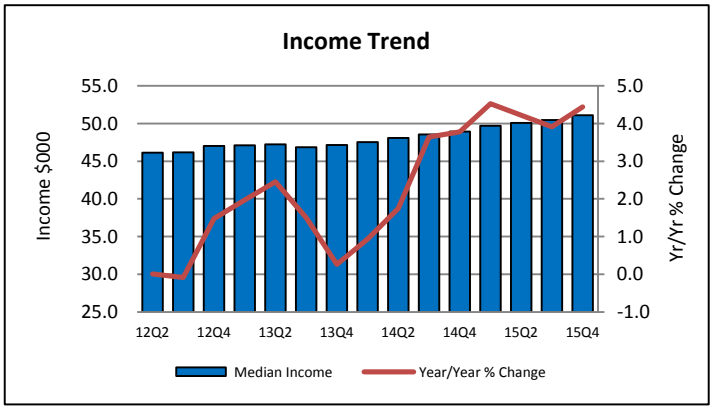


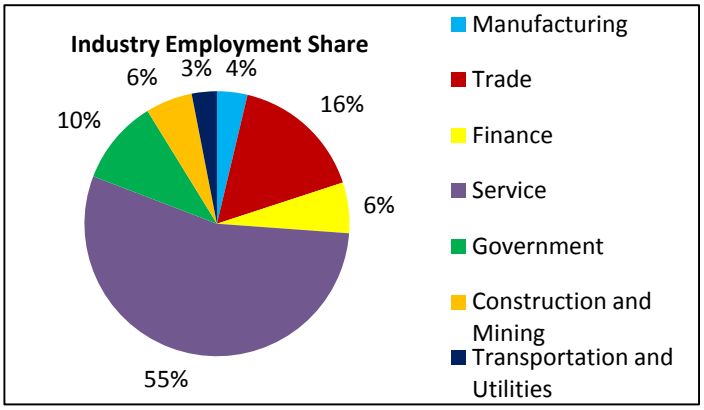












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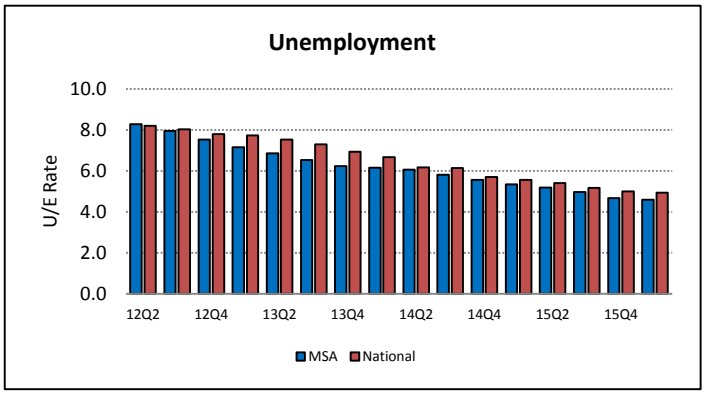
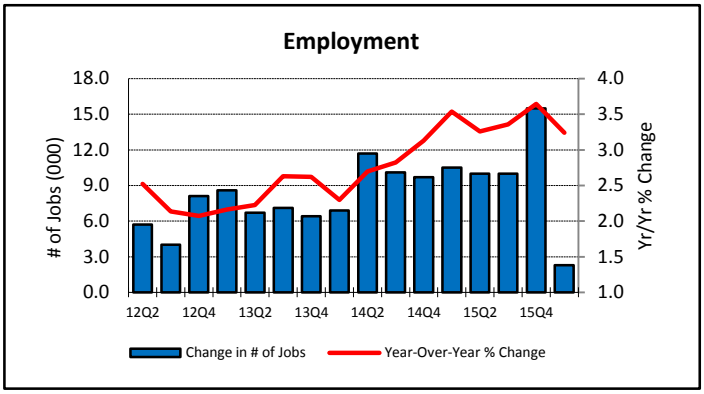
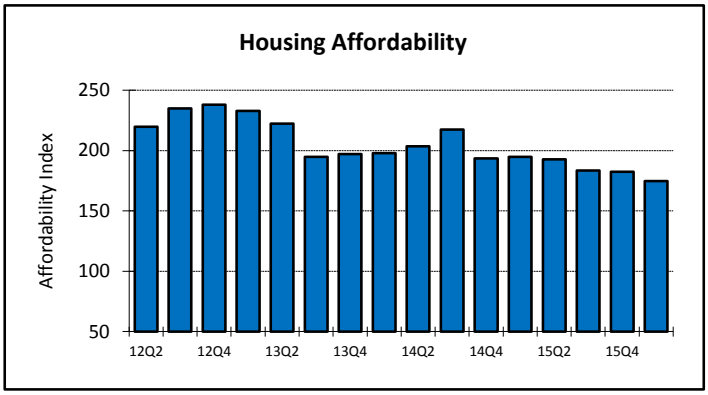
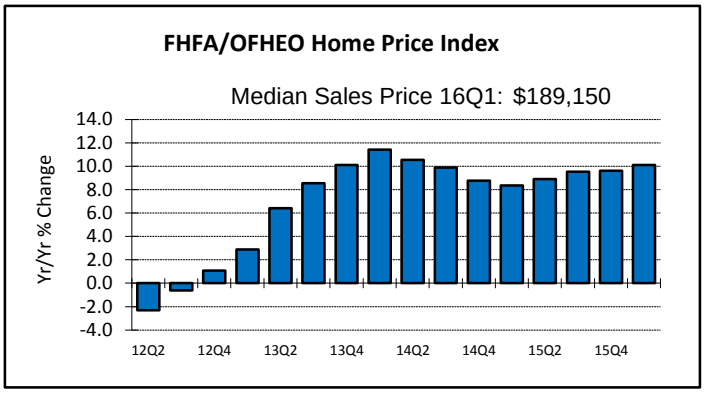
Tampa, FL

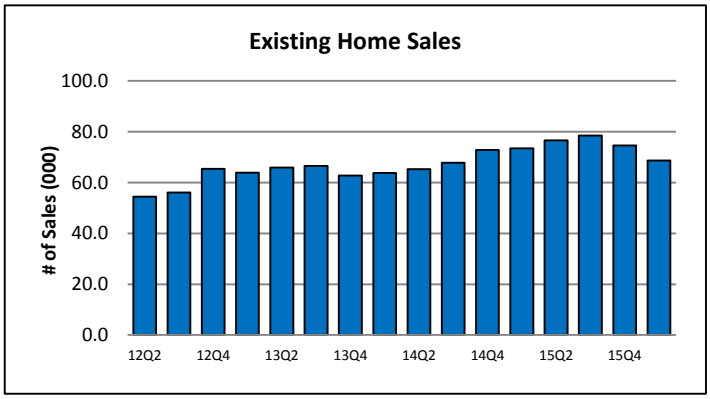
Economic & Housing Indicators

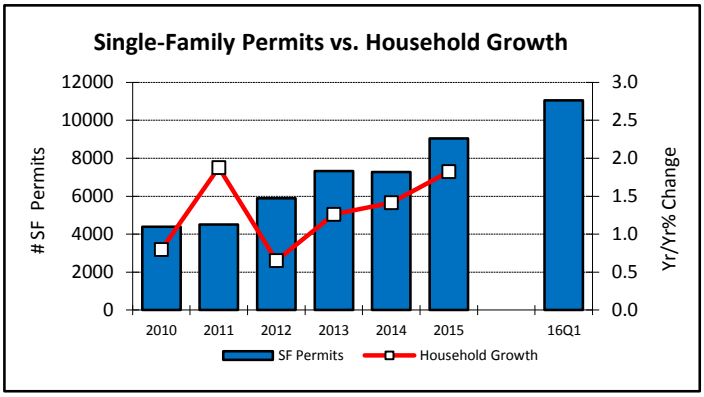


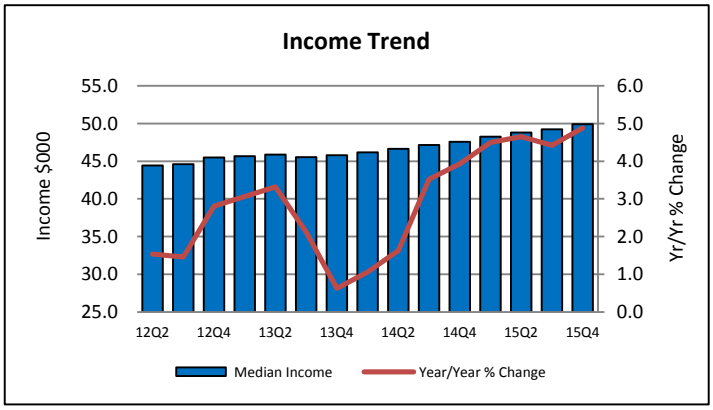


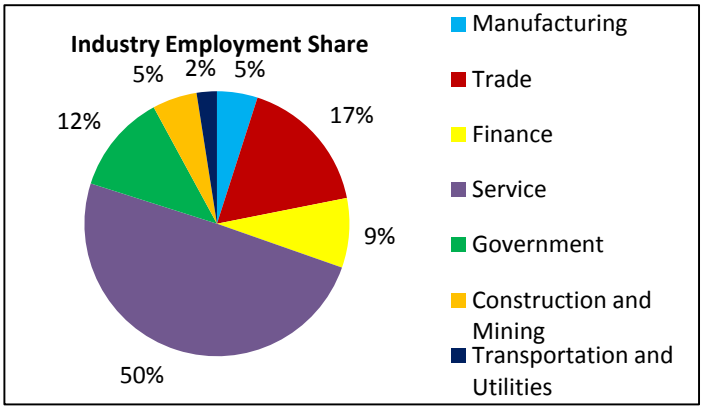












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West Palm Beach, FL

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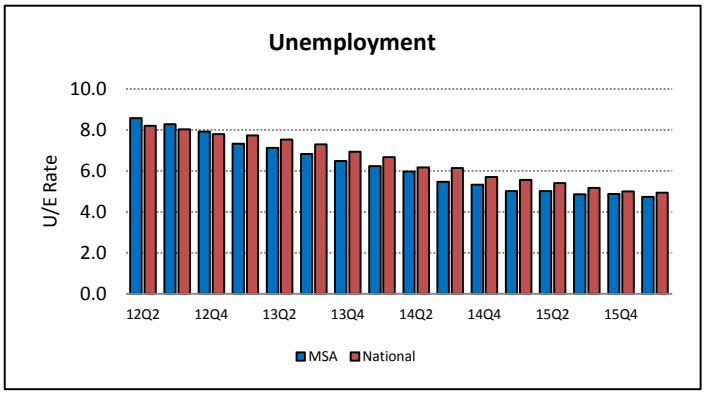
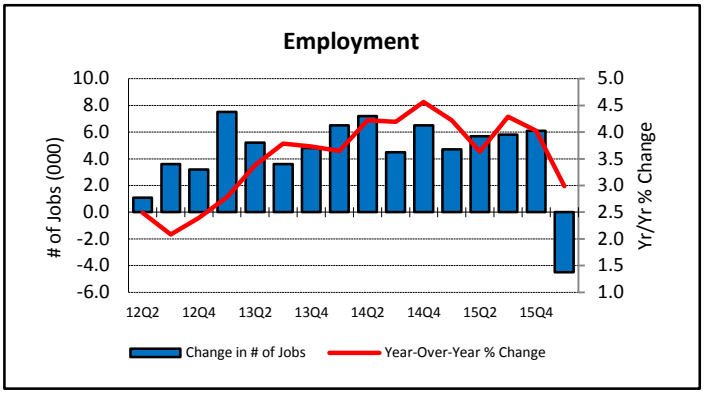
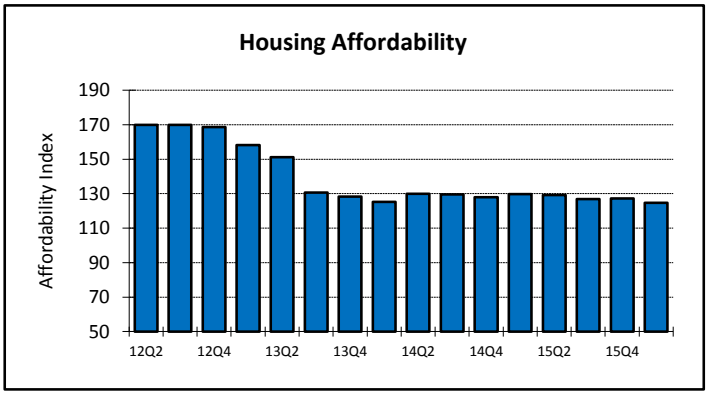
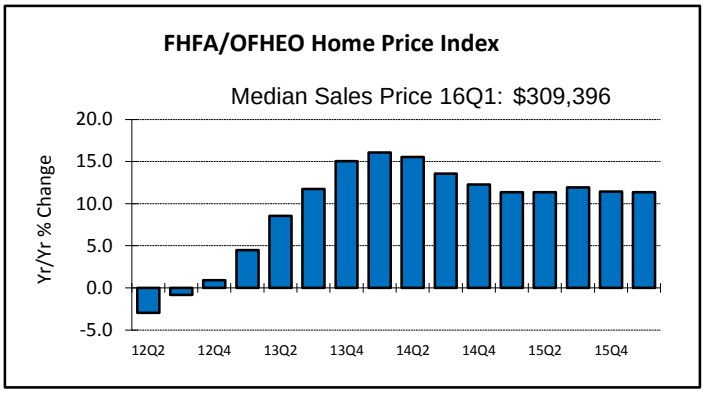
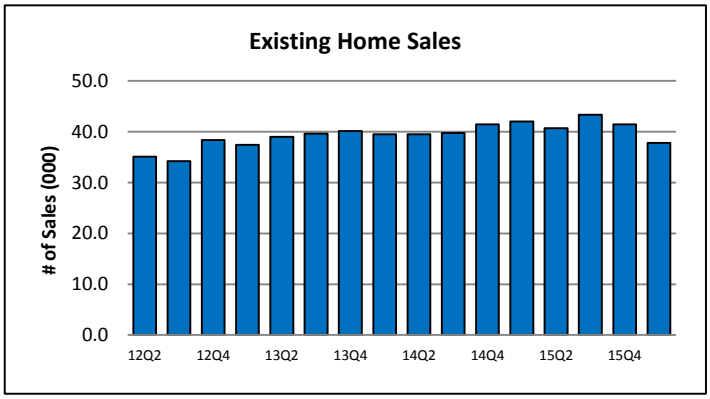
Economic & Housing Indicators

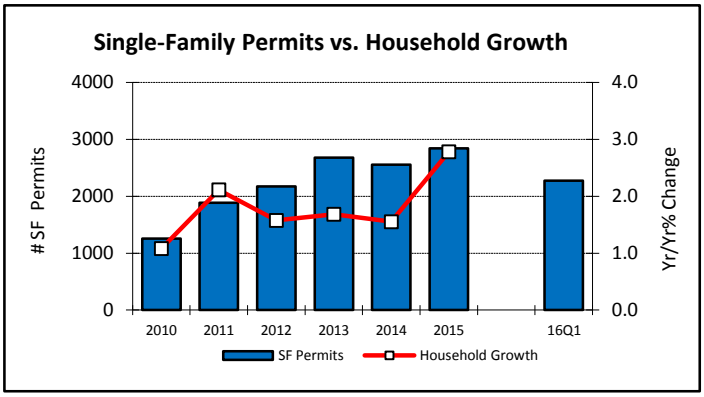


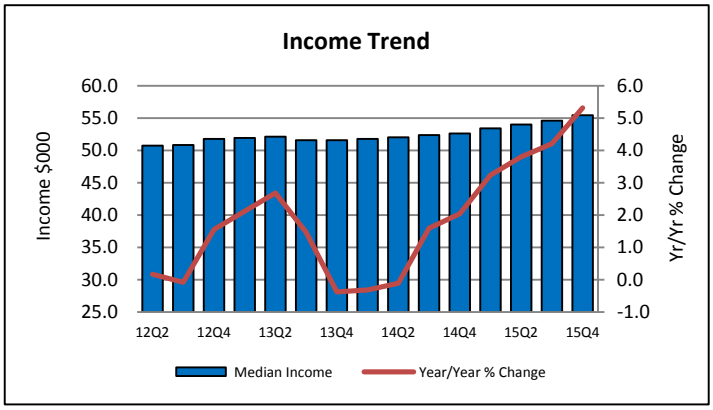


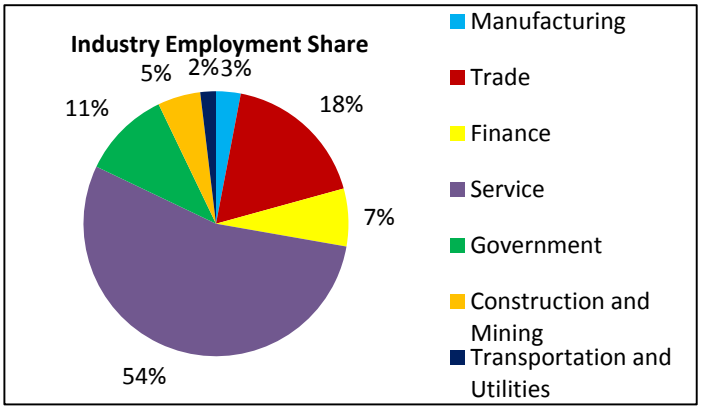












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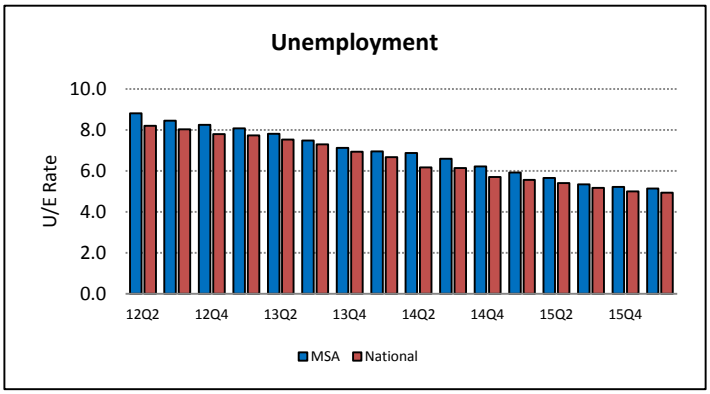
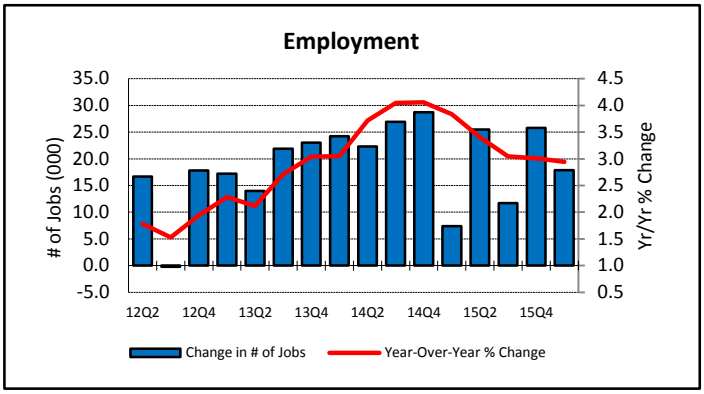
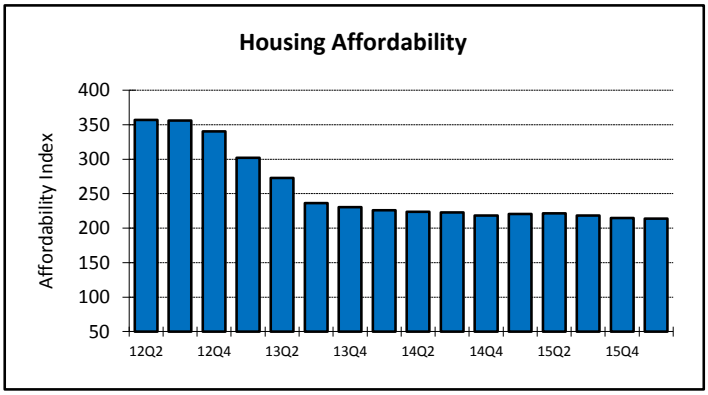
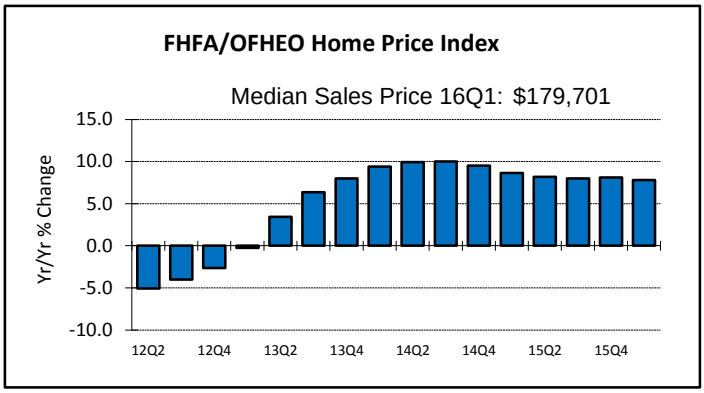
Atlanta, GA

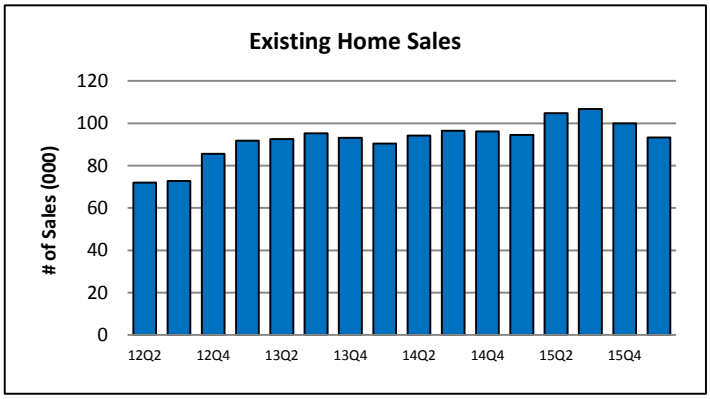
Economic & Housing Indicators

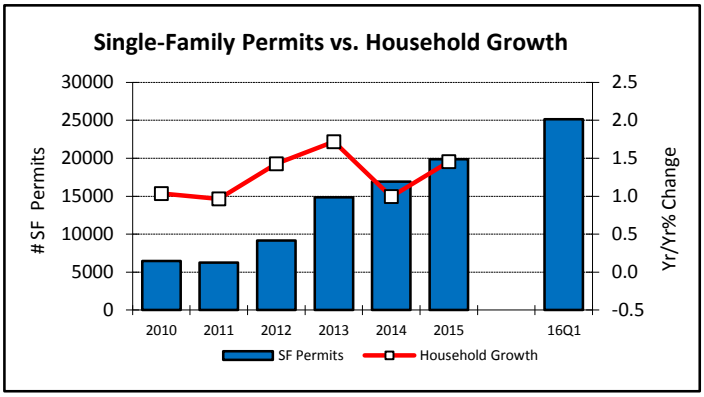


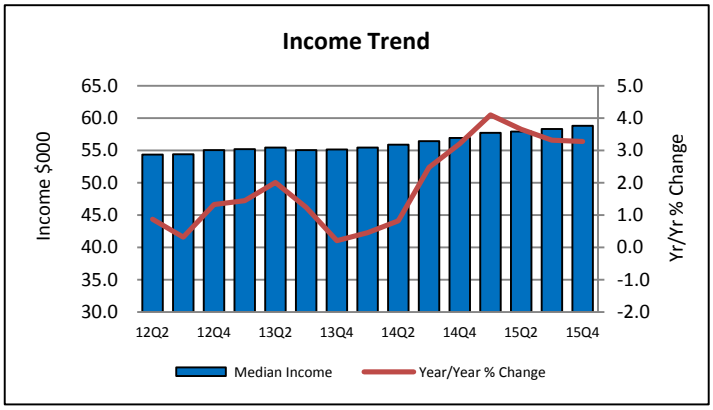


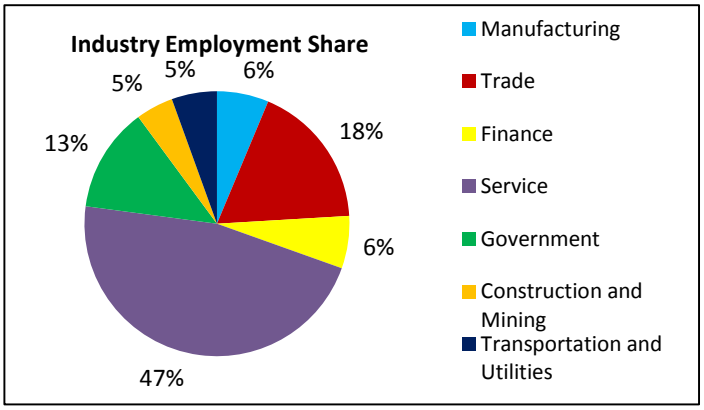












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Louisville, KY

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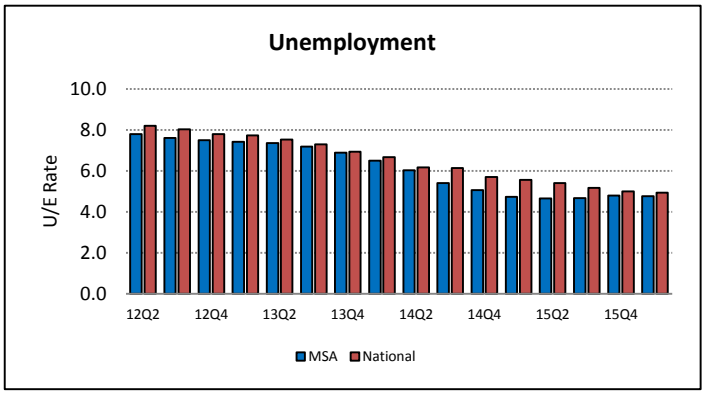
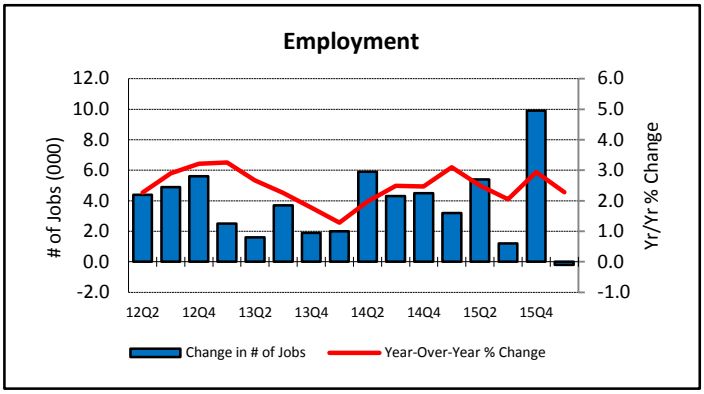
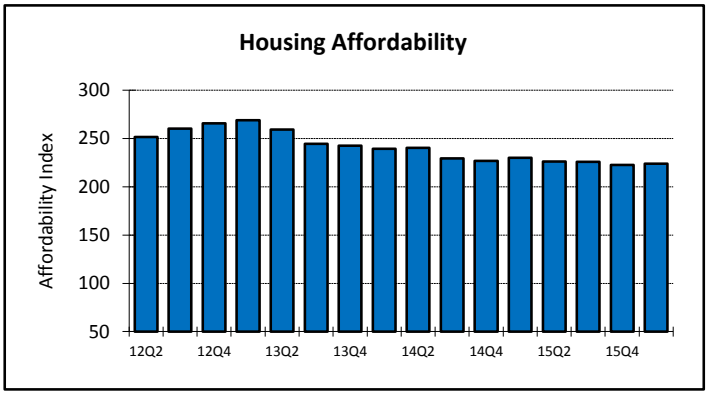
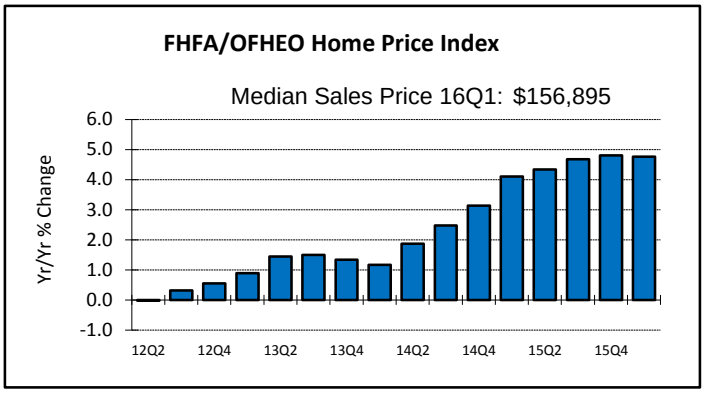
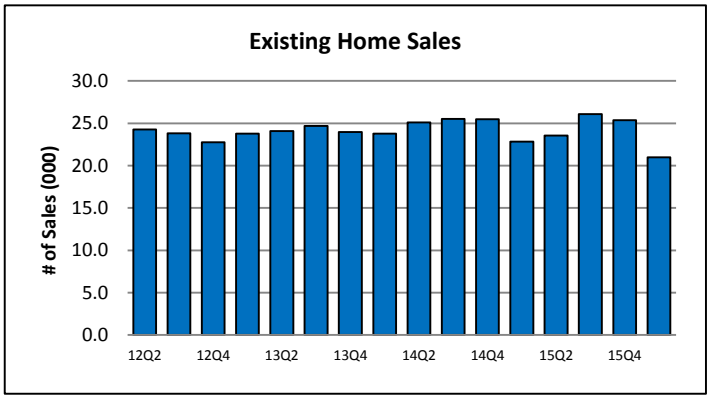
Economic & Housing Indicators

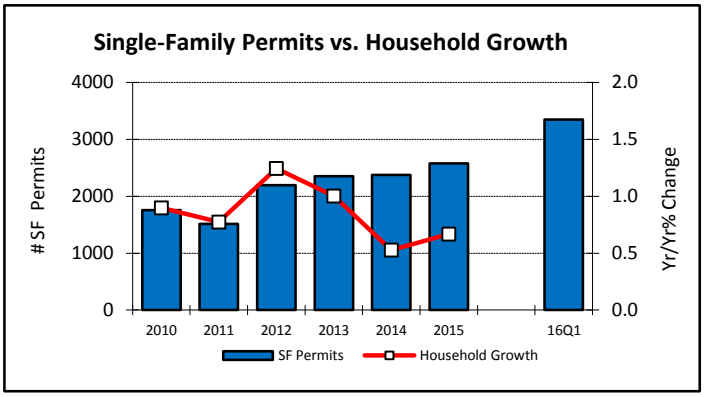


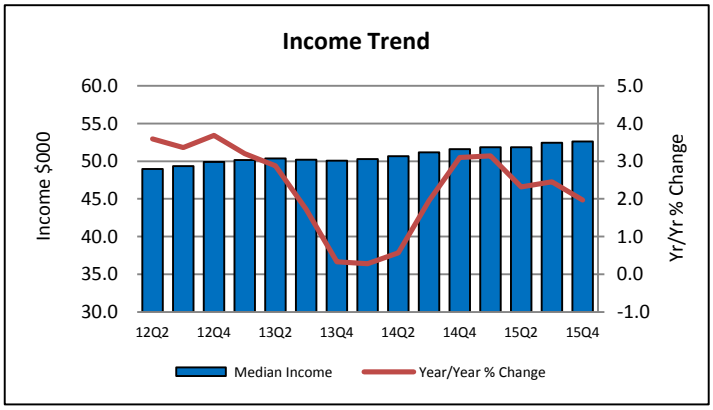


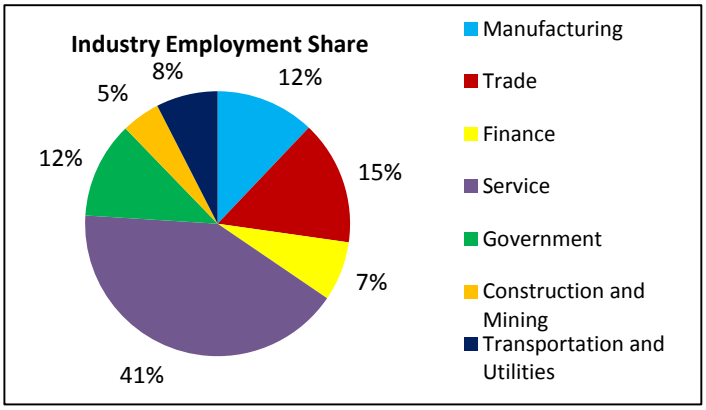












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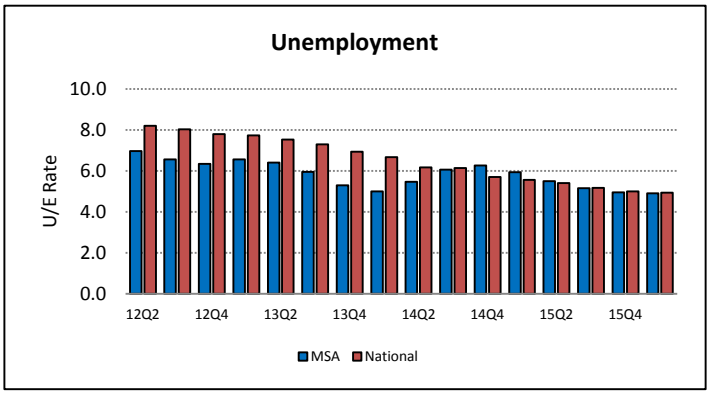
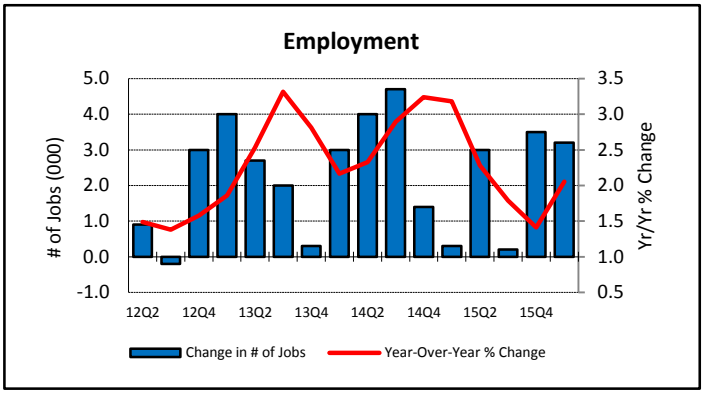
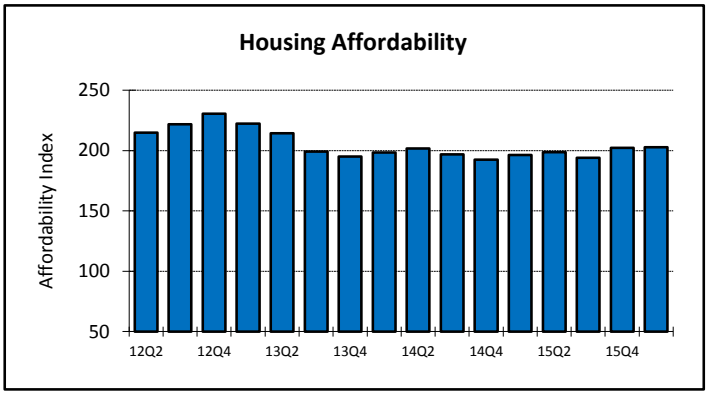
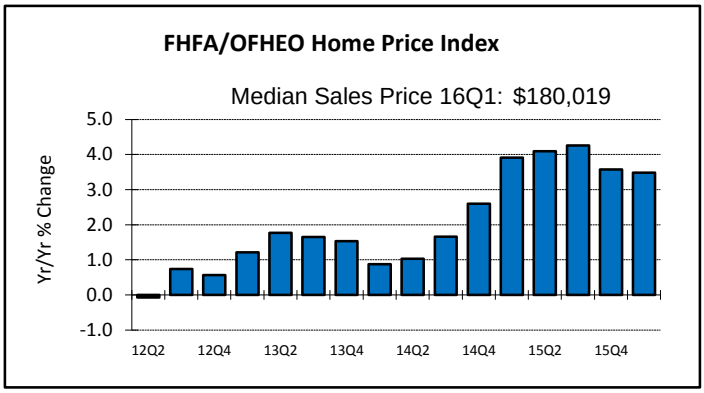
Baton Rouge, LA

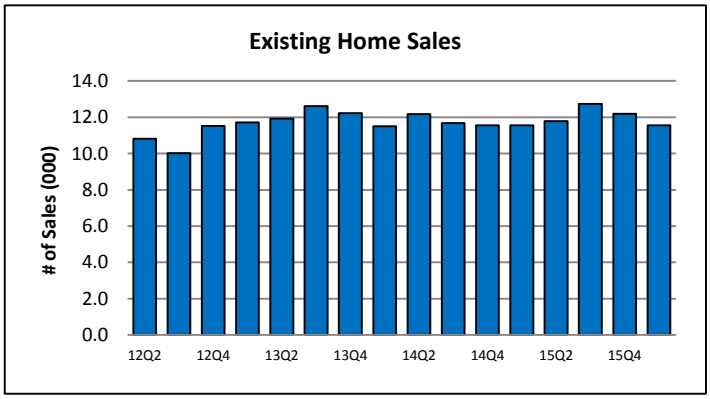
Economic & Housing Indicators

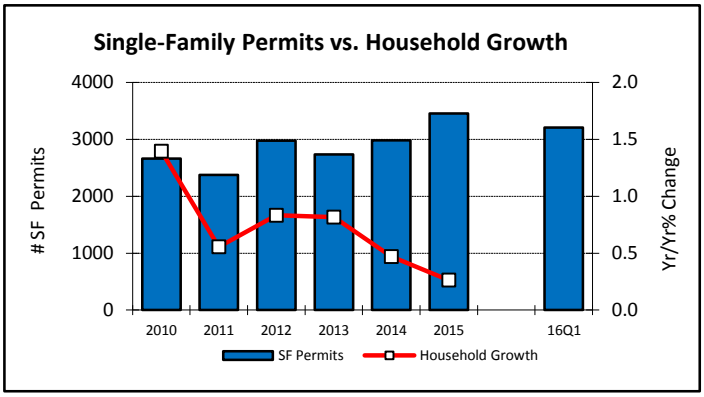


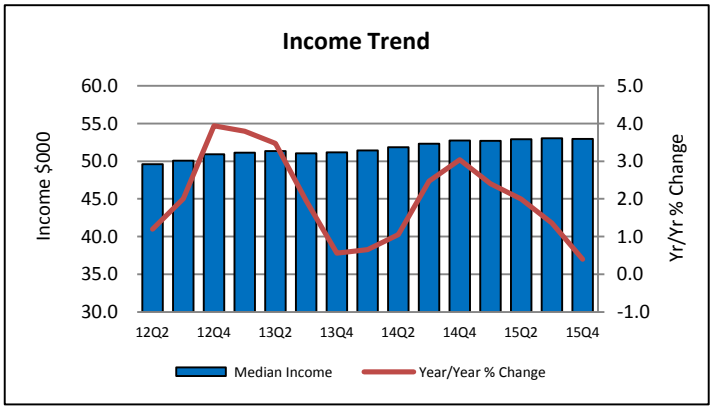


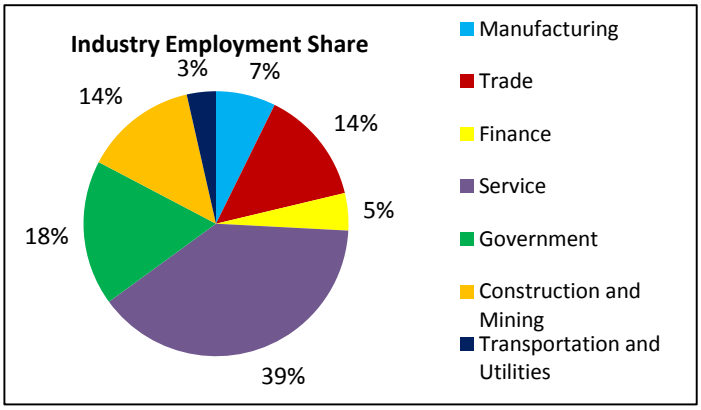












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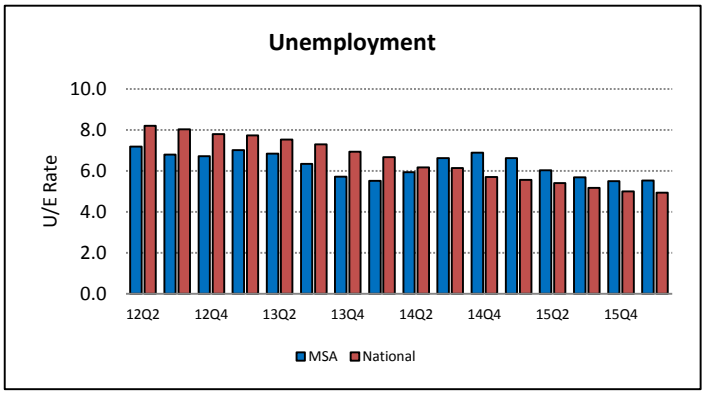
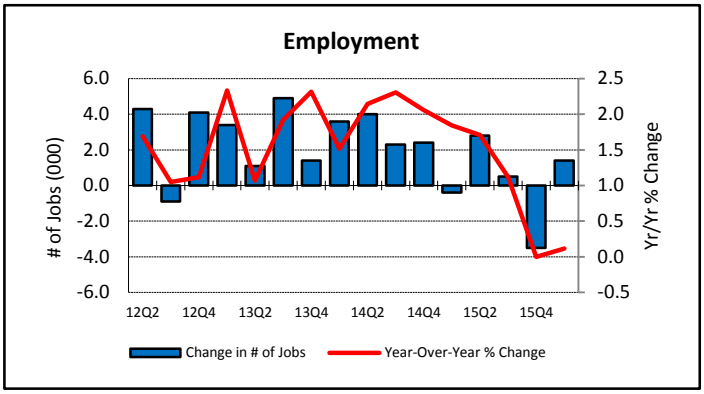
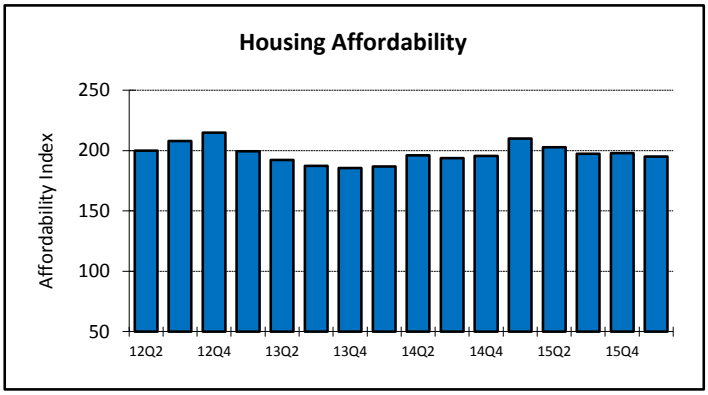
New Orleans, LA

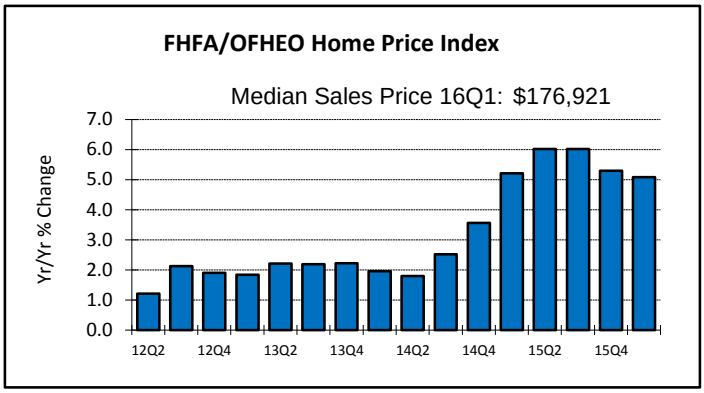
MGIC

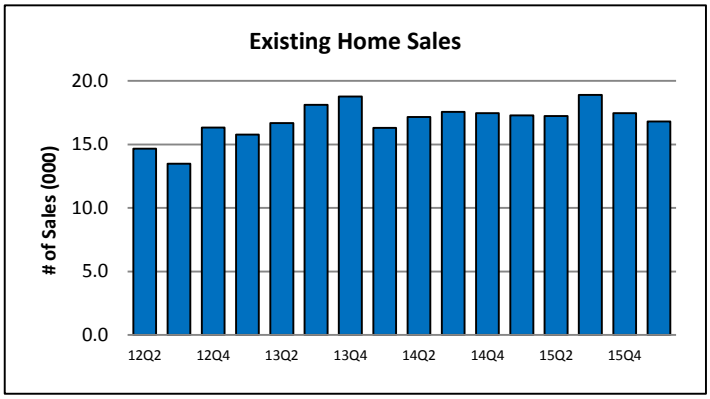
Economic & Housing Indicators

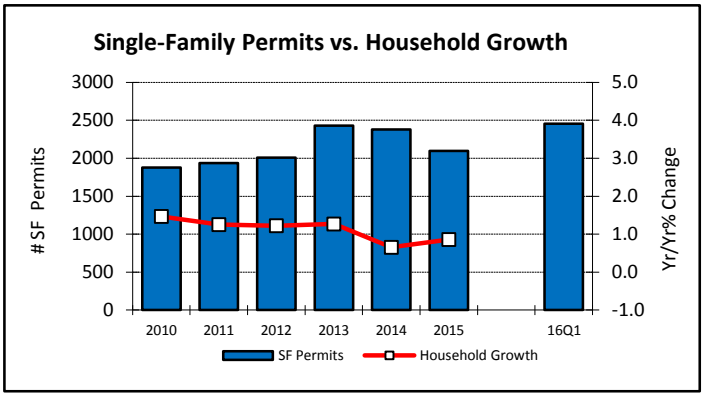


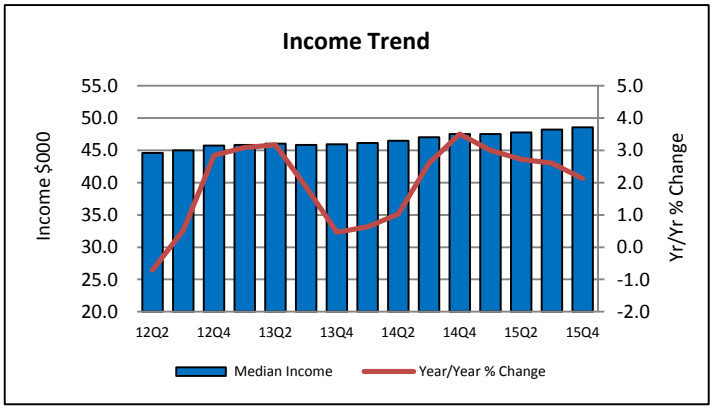


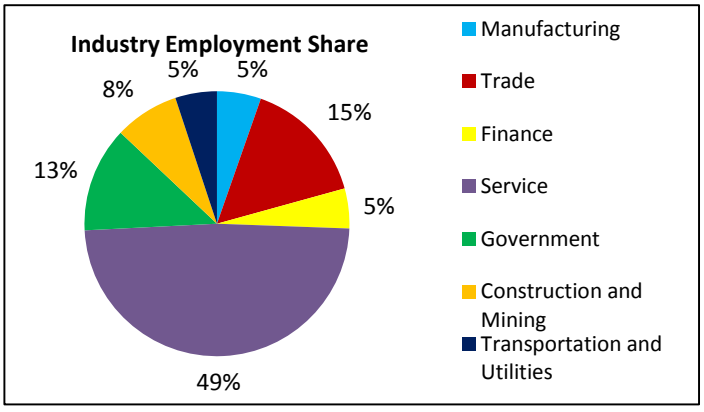












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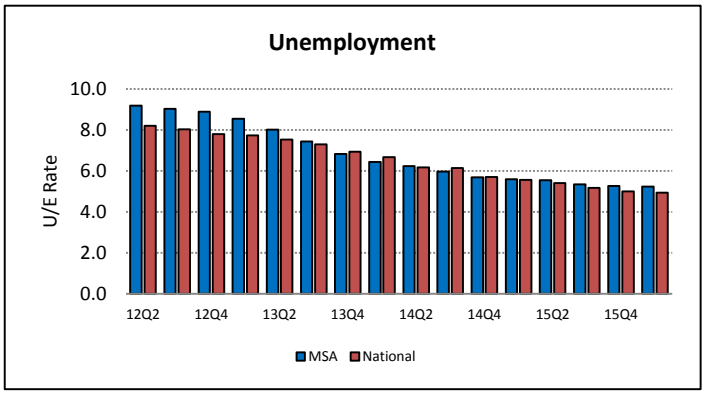
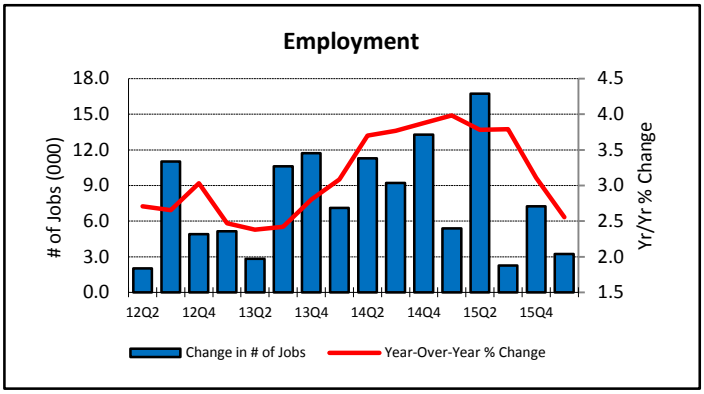
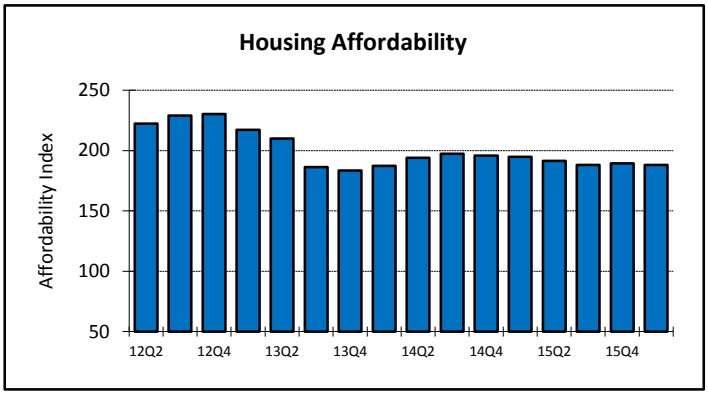
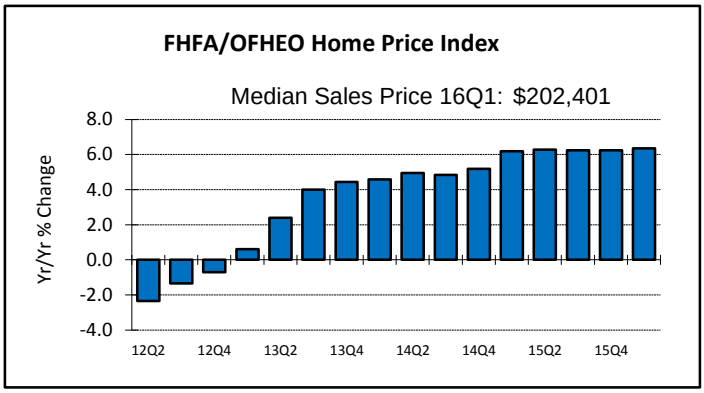
Charlotte, NC

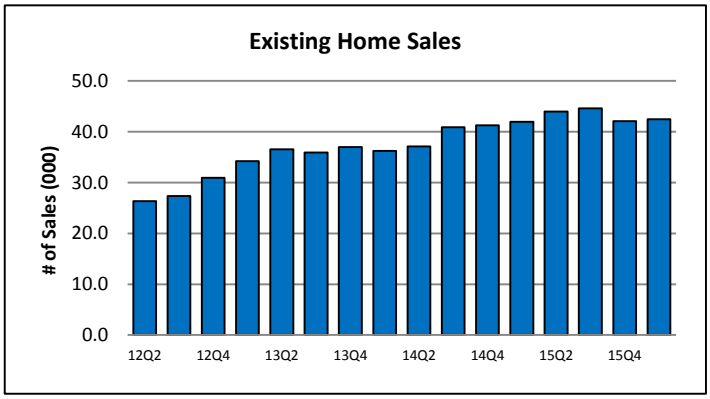
Economic & Housing Indicators

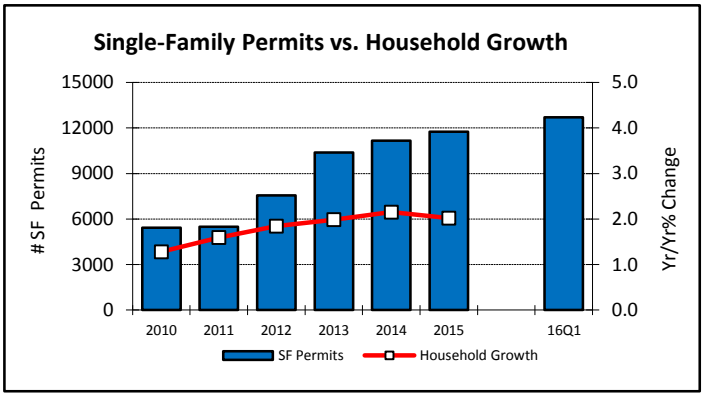


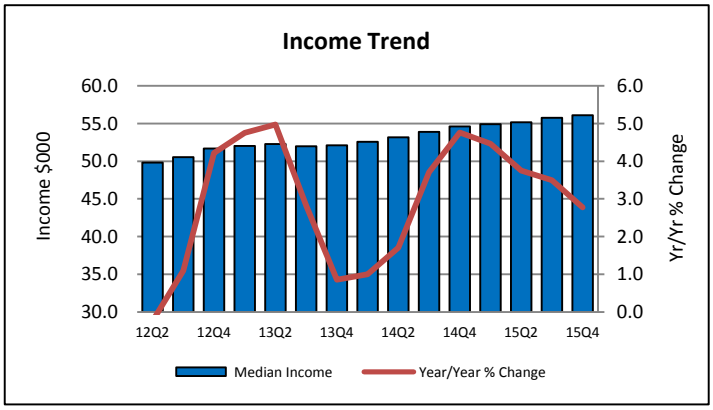


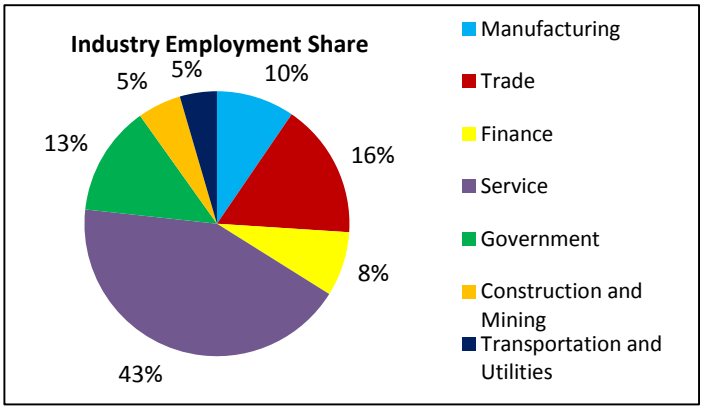












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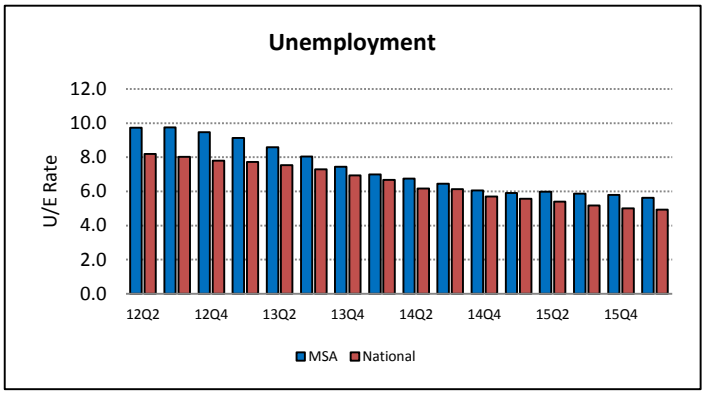
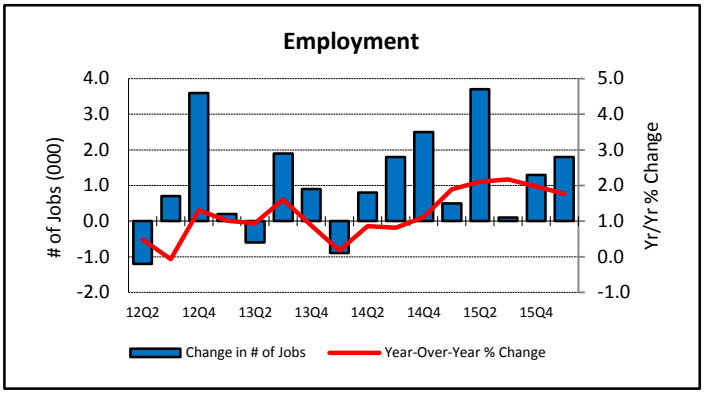
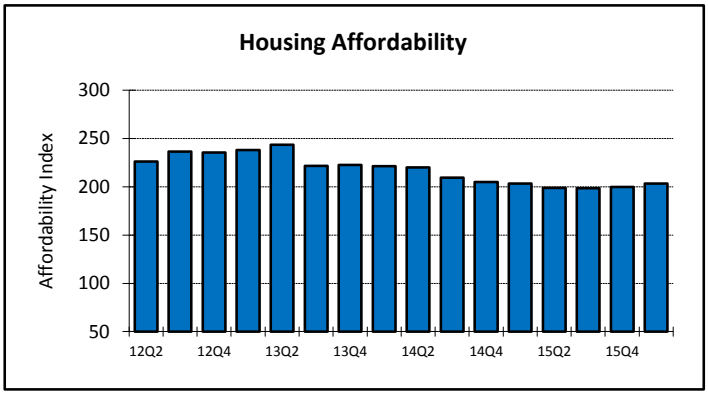
Greensboro, NC

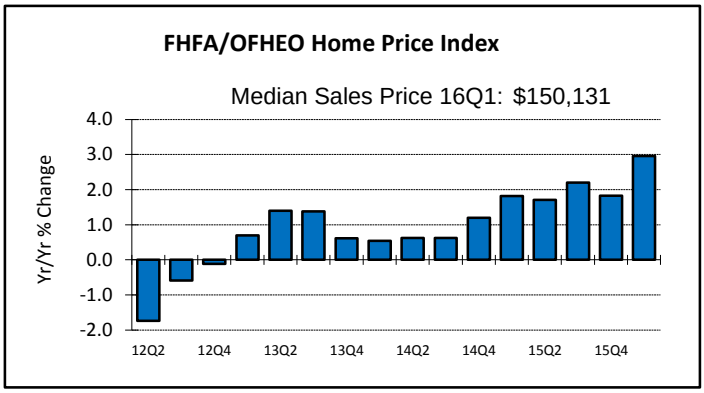
MGIC

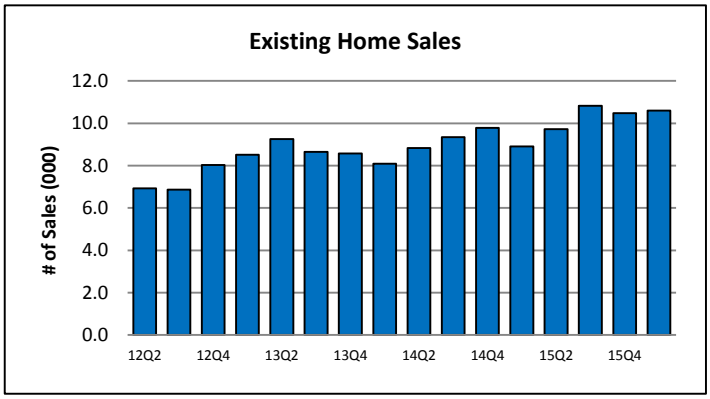
Economic & Housing Indicators

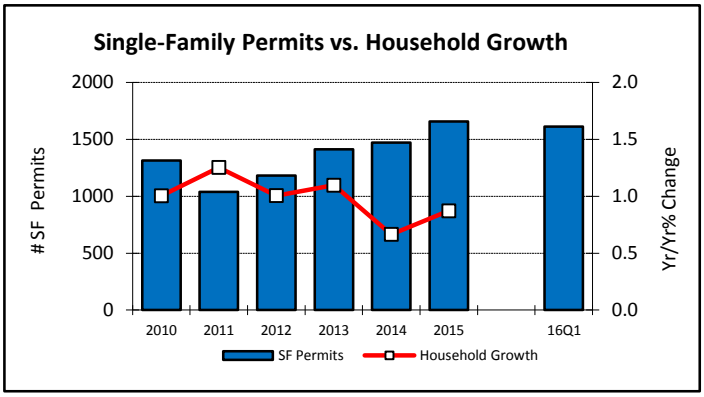


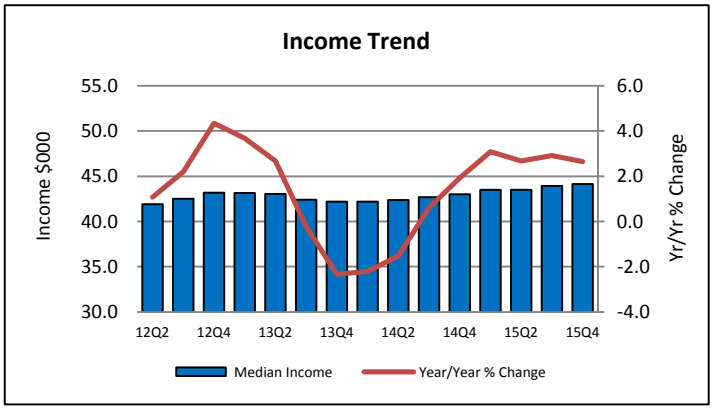


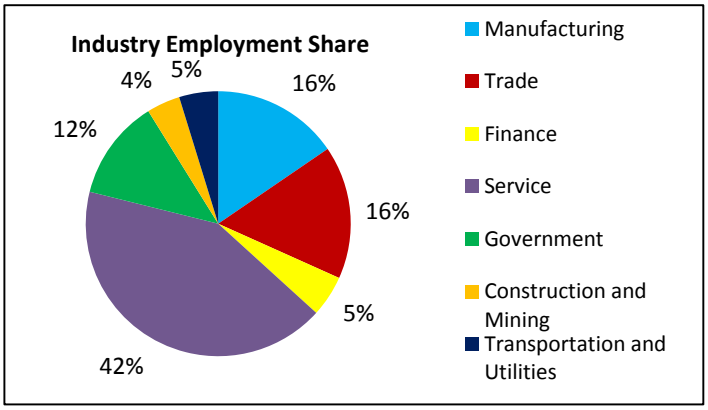












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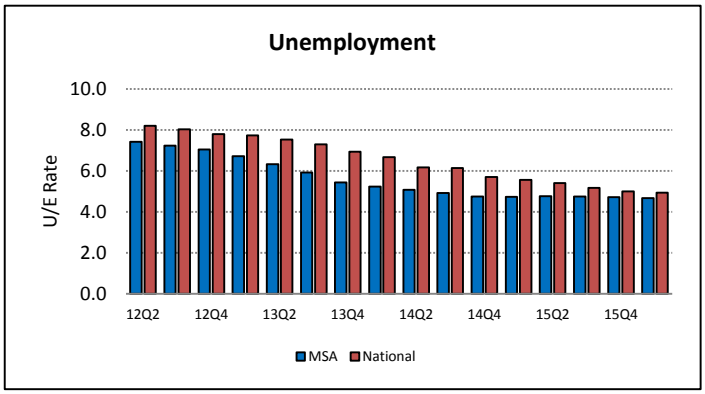
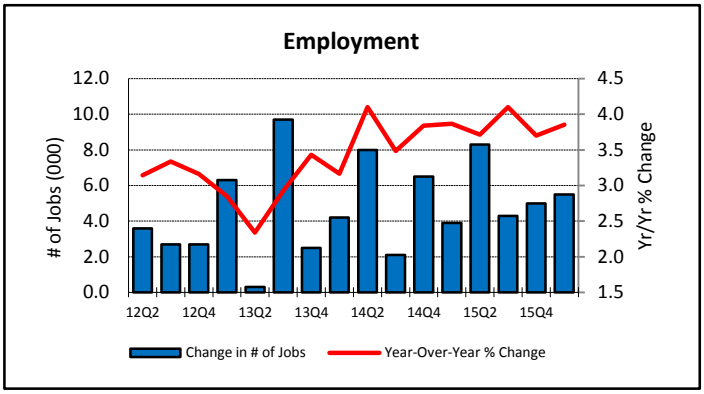
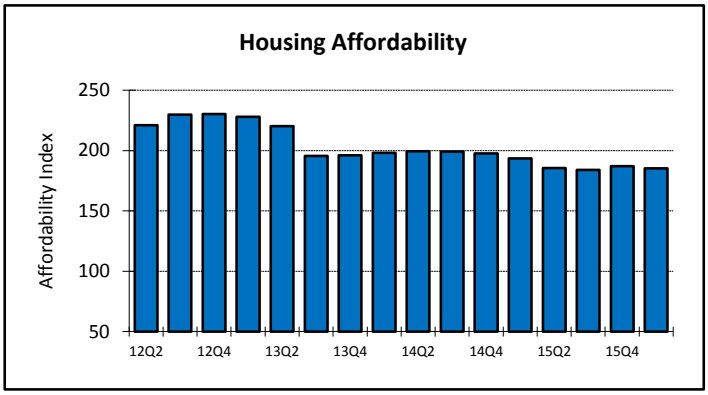
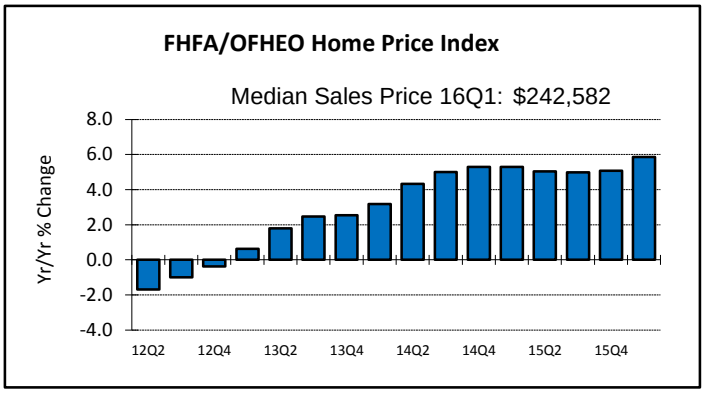
Raleigh, NC

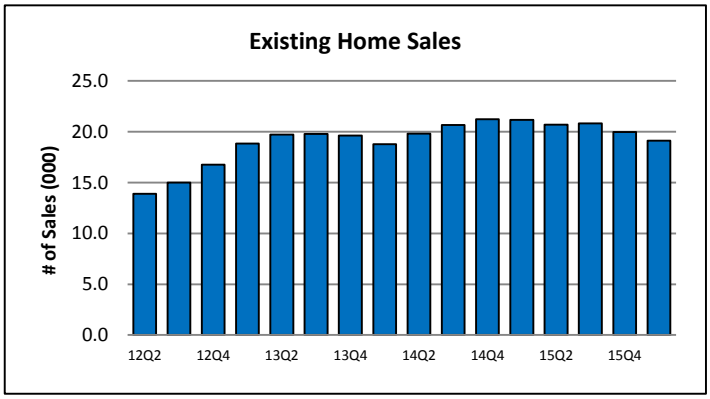
Economic & Housing Indicators

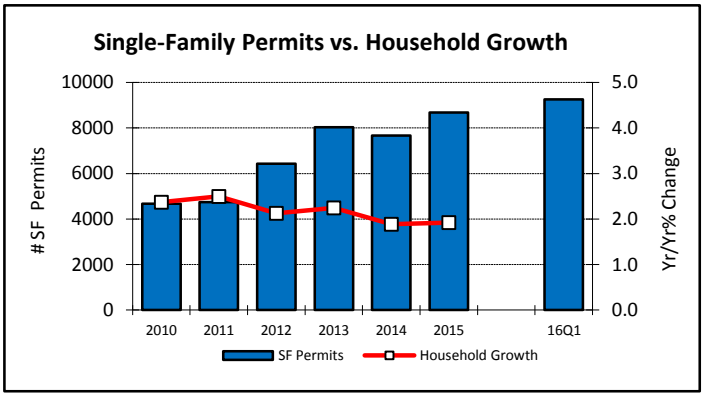


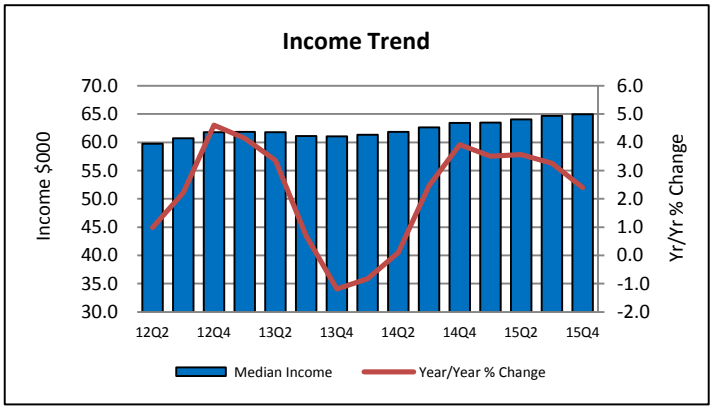


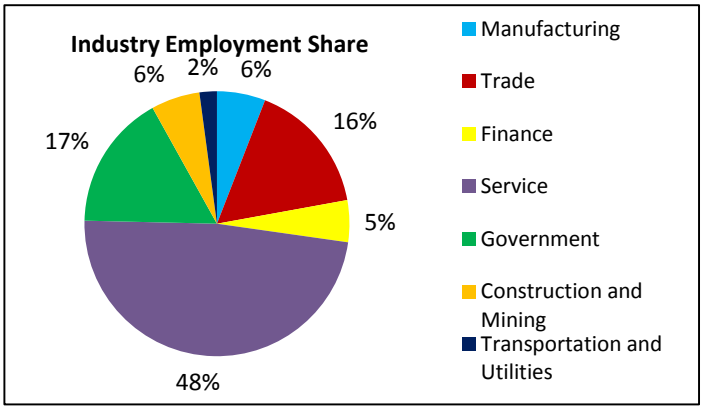








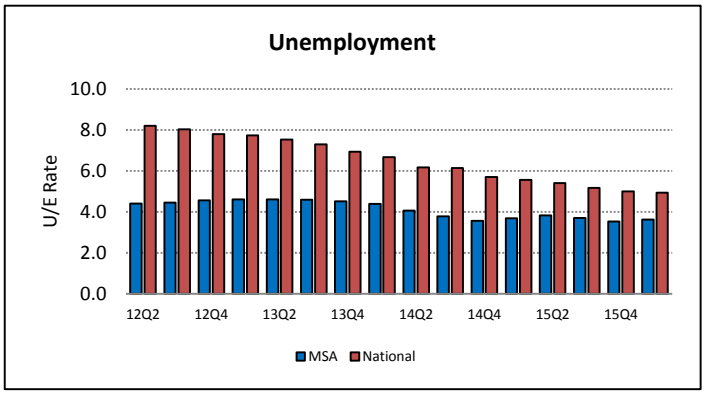


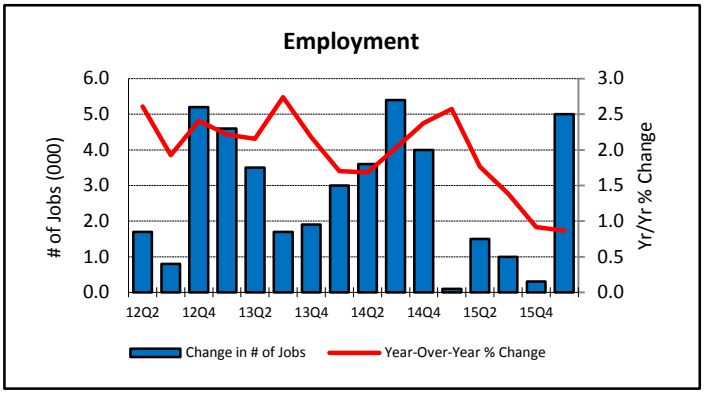


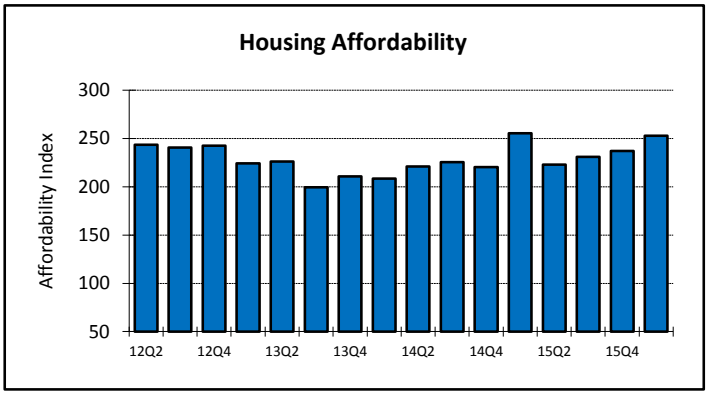
Oklahoma City, OK

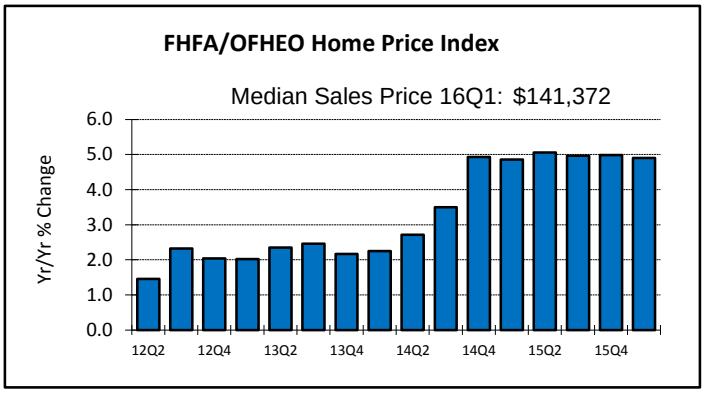
MGIC

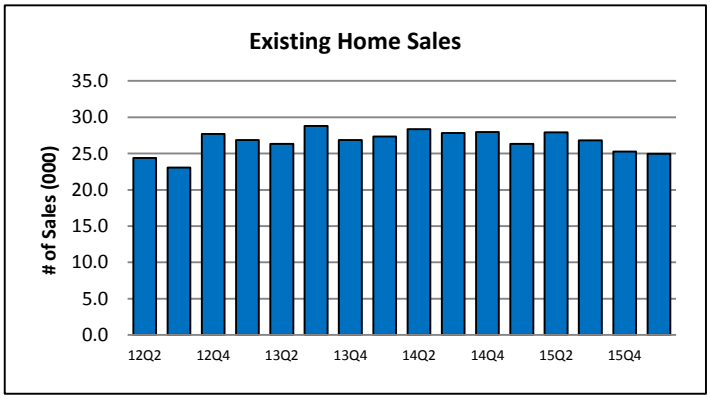
Economic & Housing Indicators

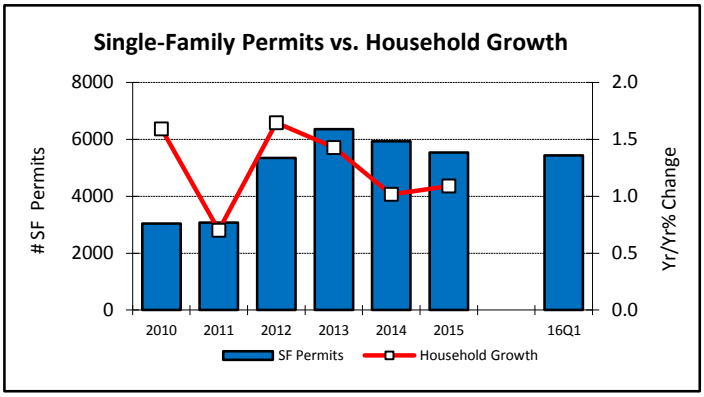


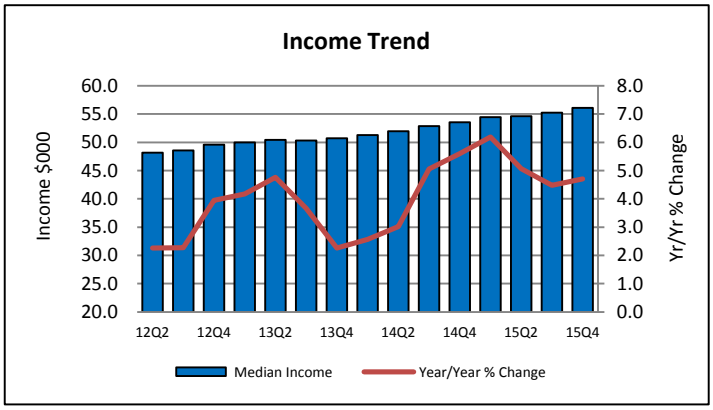


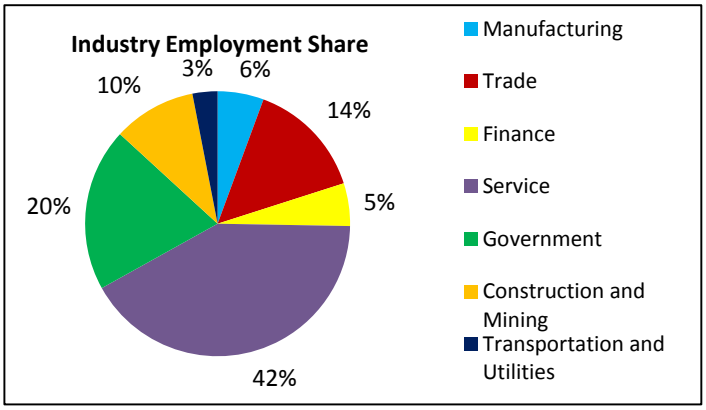












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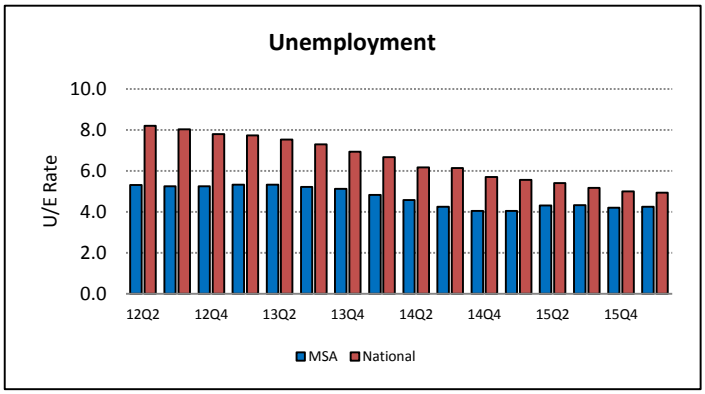
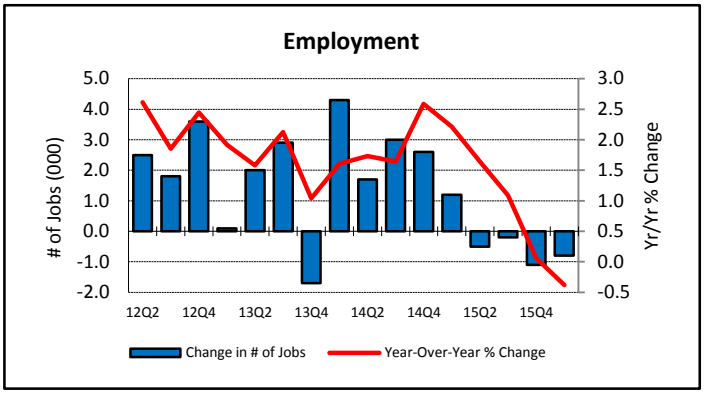
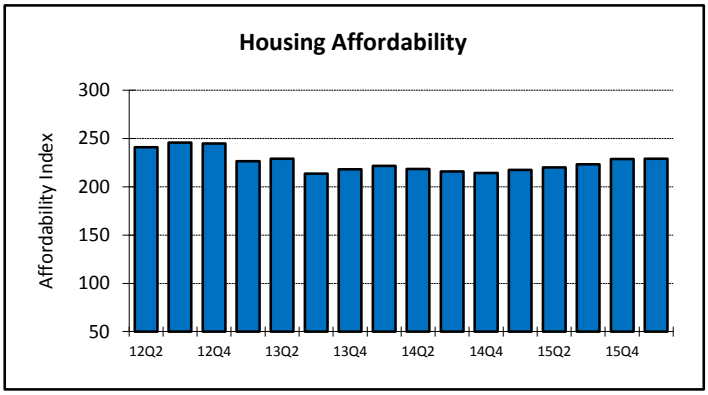
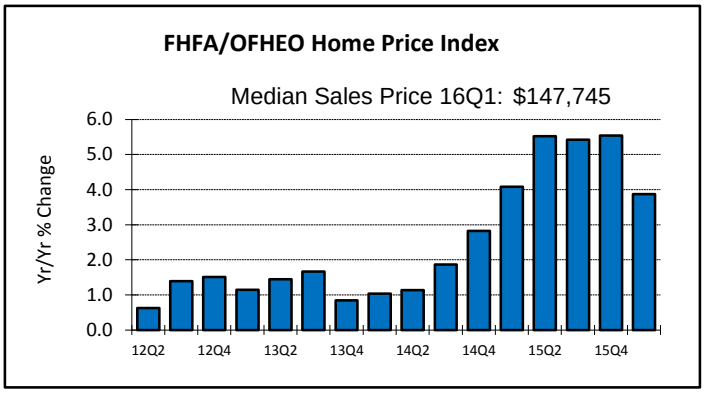
Tulsa, OK

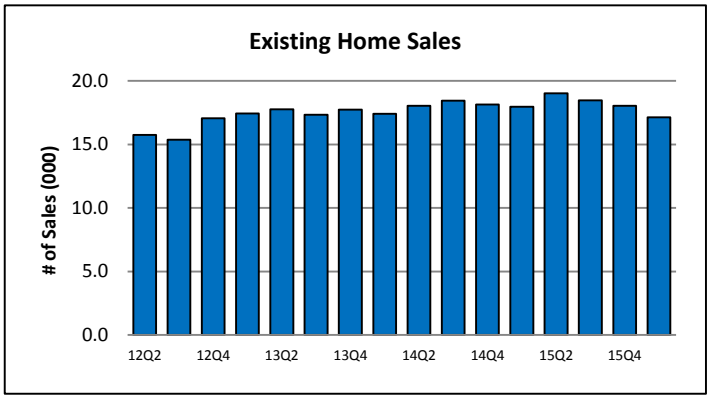
Economic & Housing Indicators

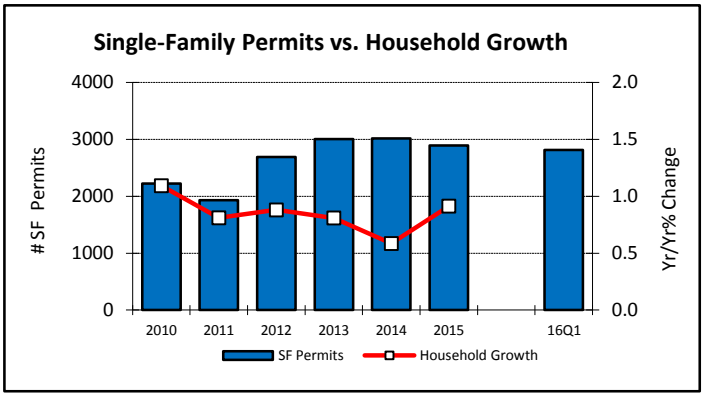


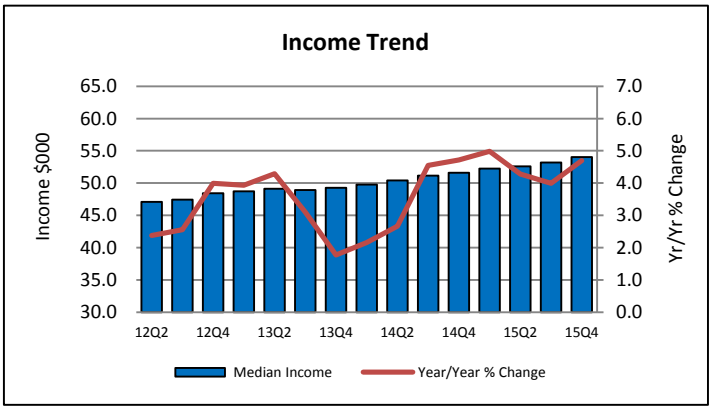


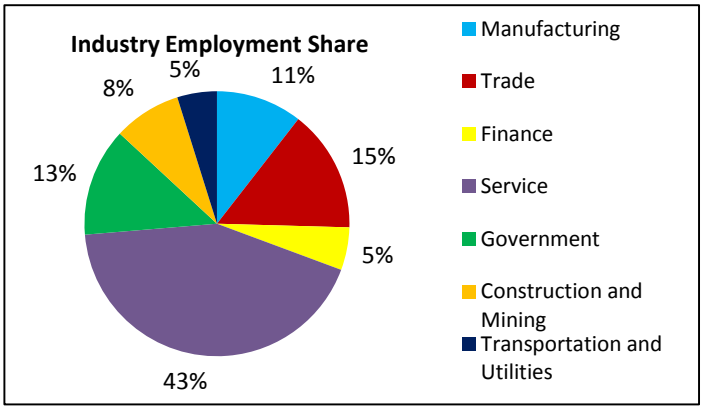












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Charleston, SC

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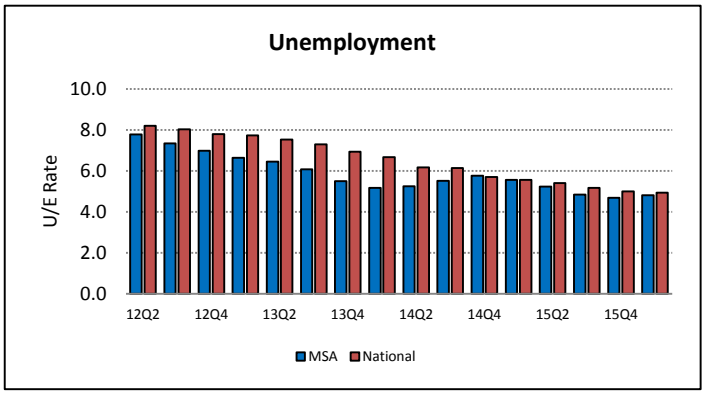
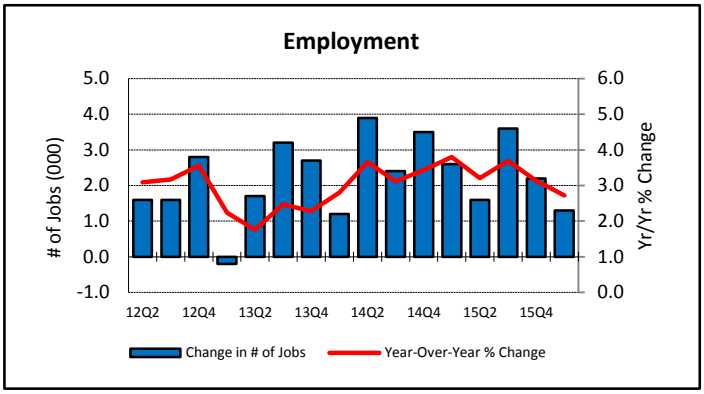
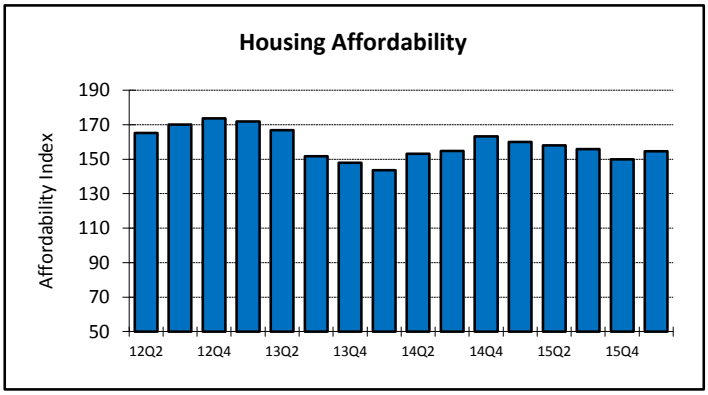
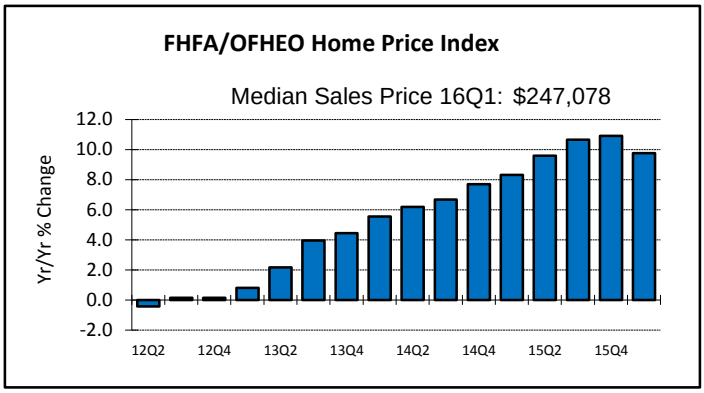
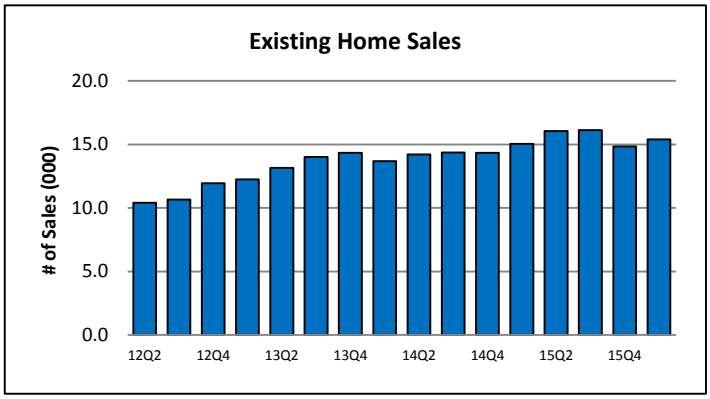
Economic & Housing Indicators

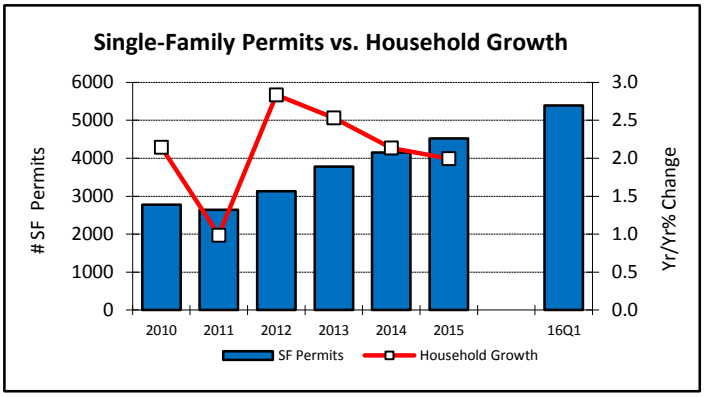


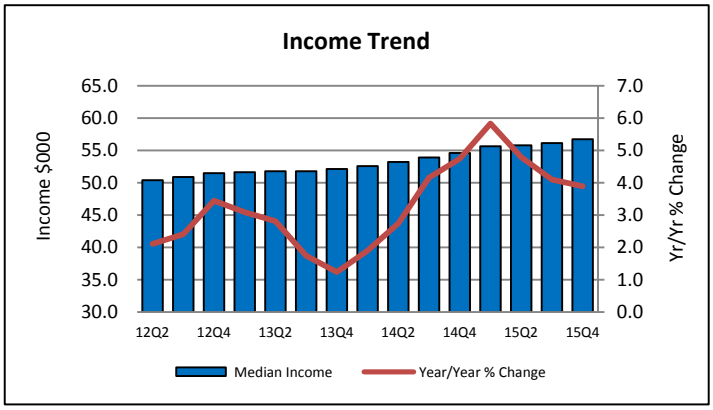


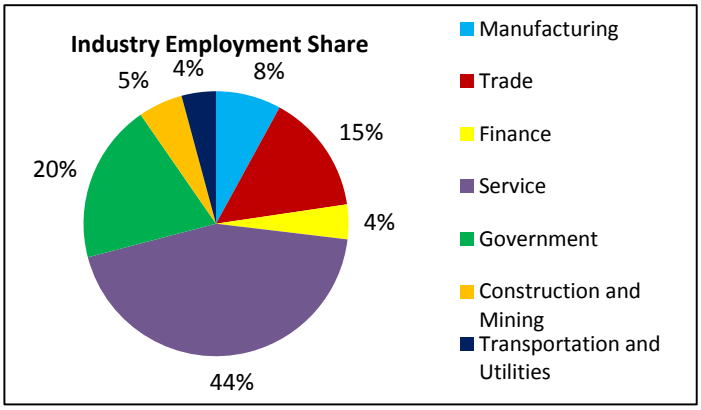












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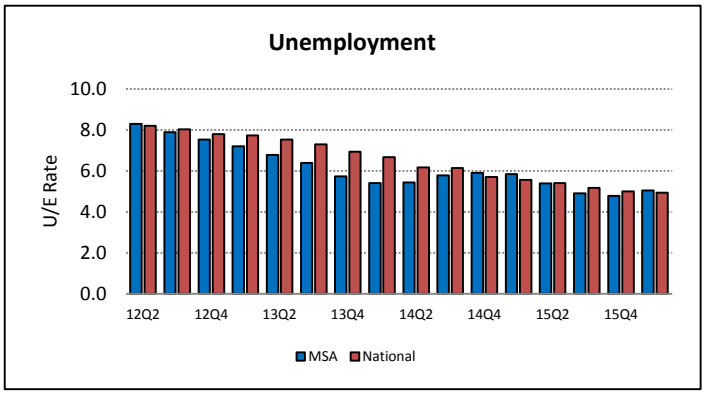
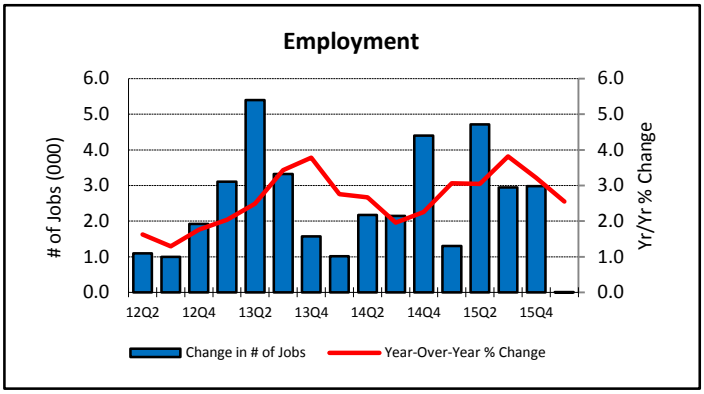
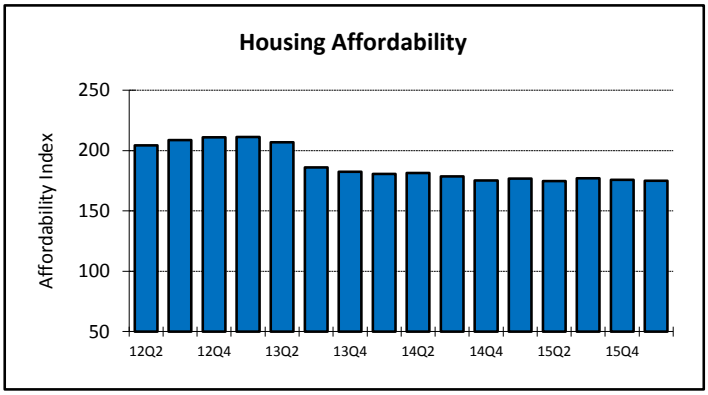
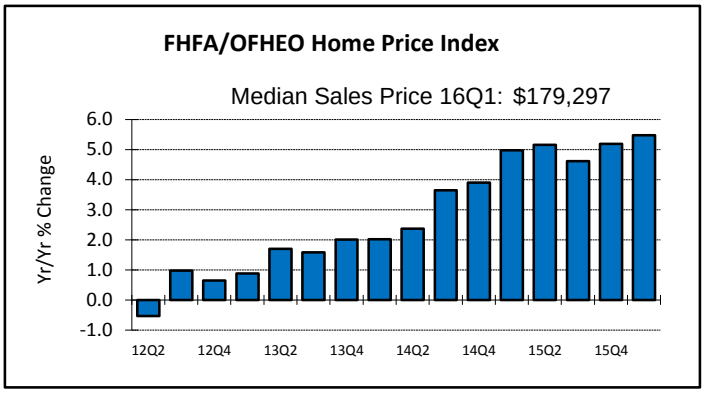
Greenville, SC

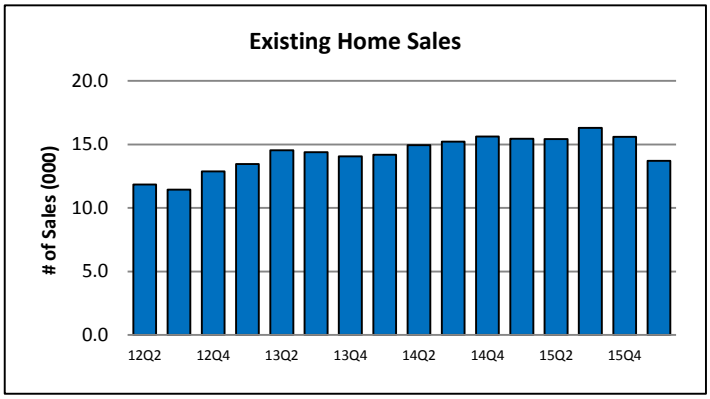
Economic & Housing Indicators

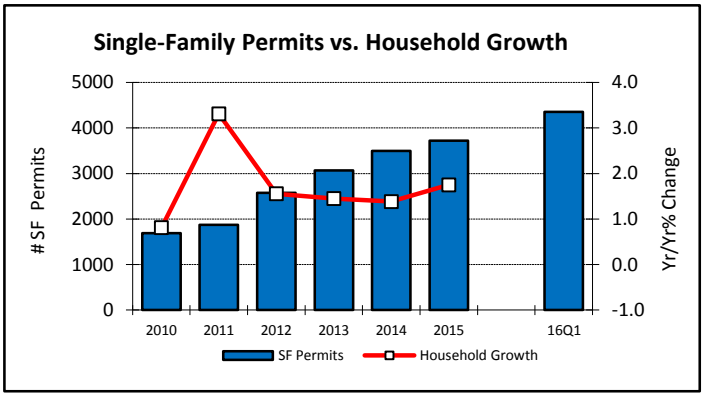


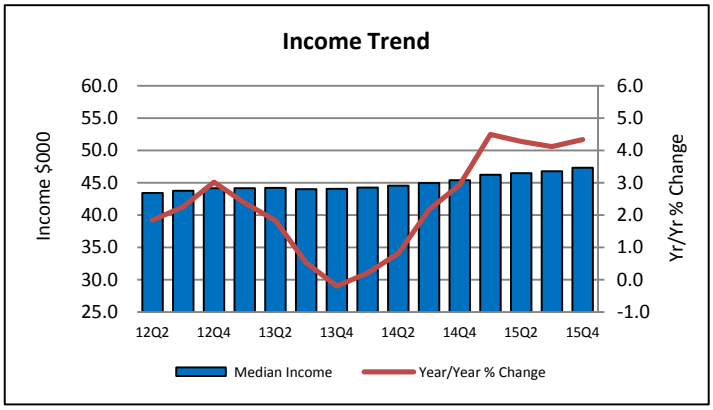


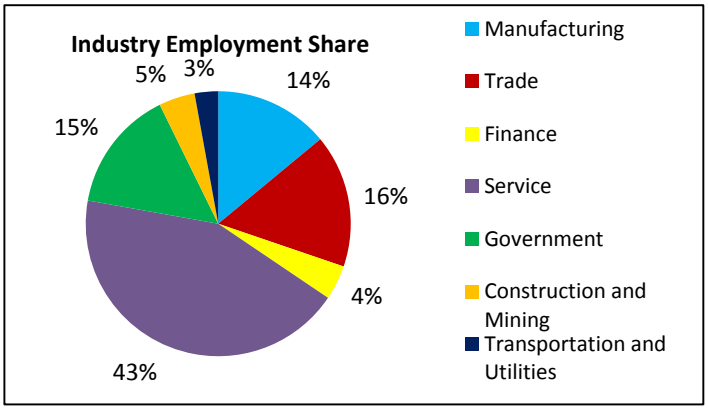












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Memphis, TN

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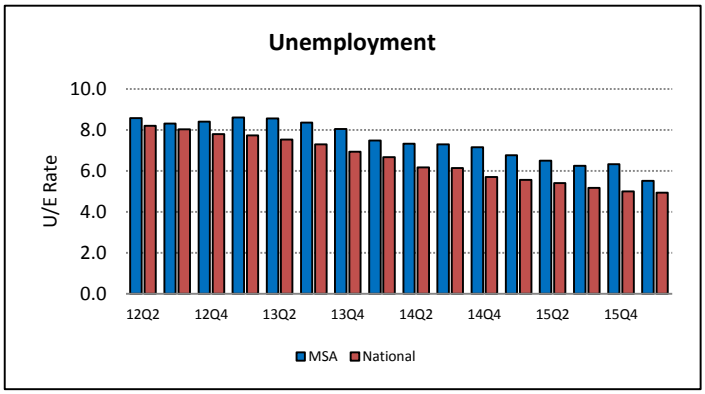
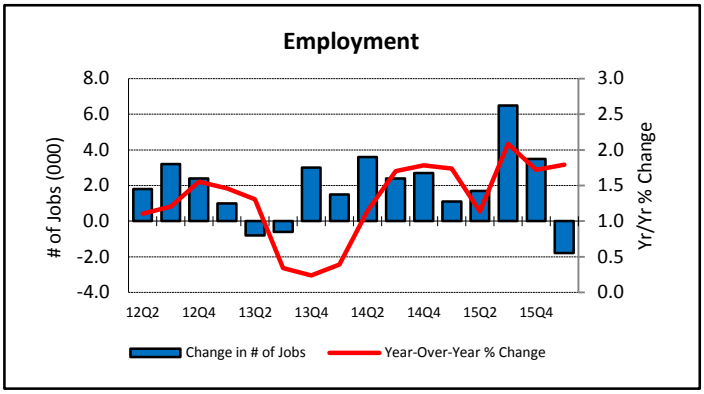
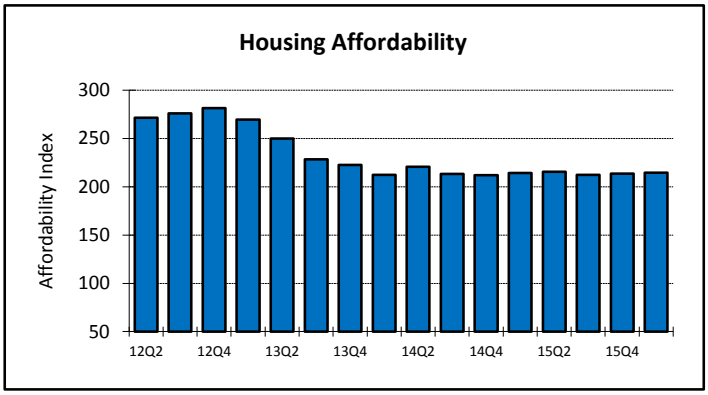
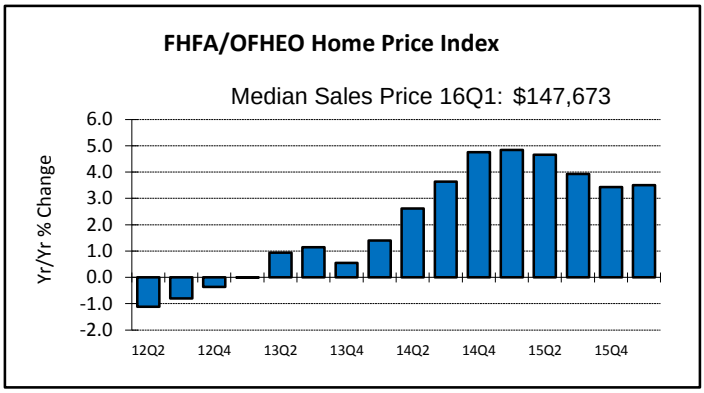
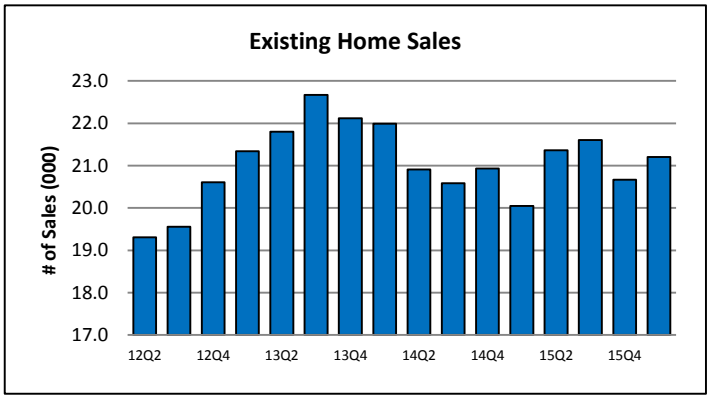
Economic & Housing Indicators

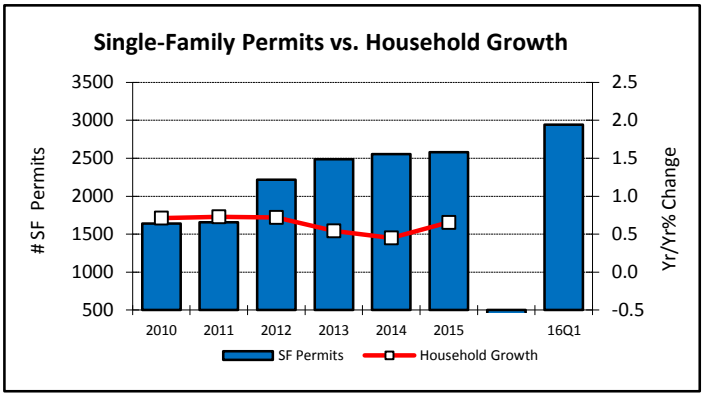


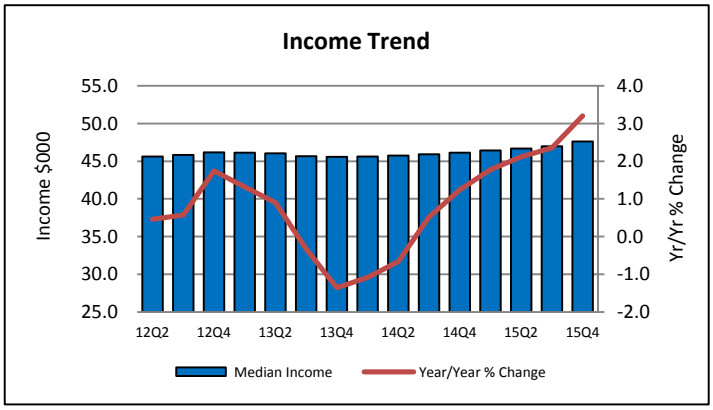


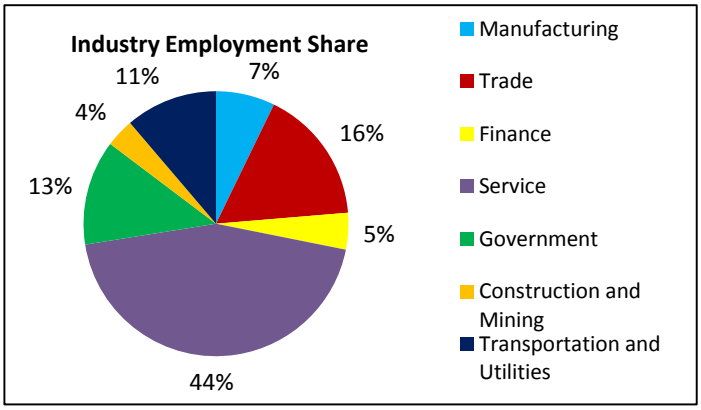












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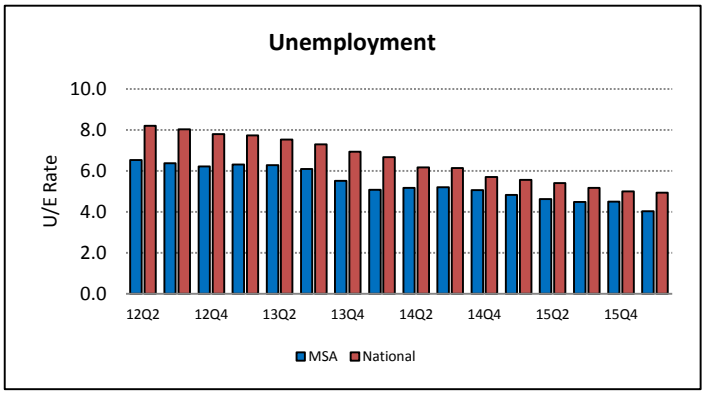
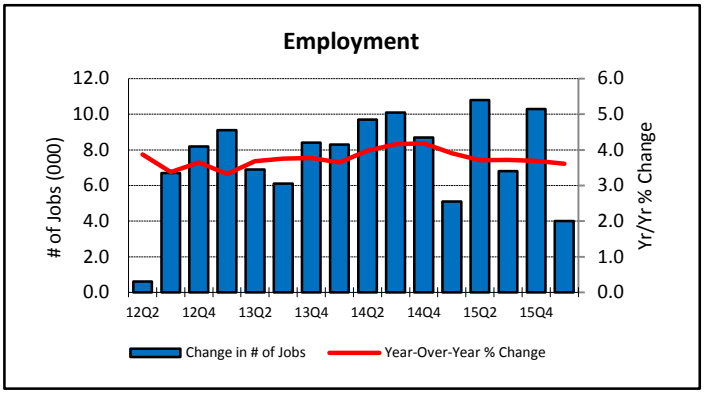
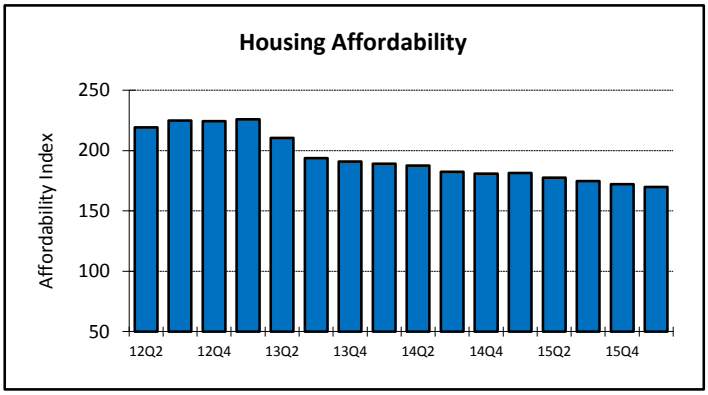
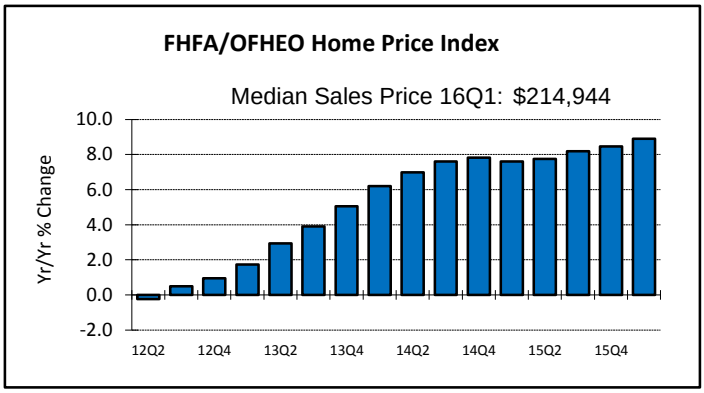
Nashville, TN

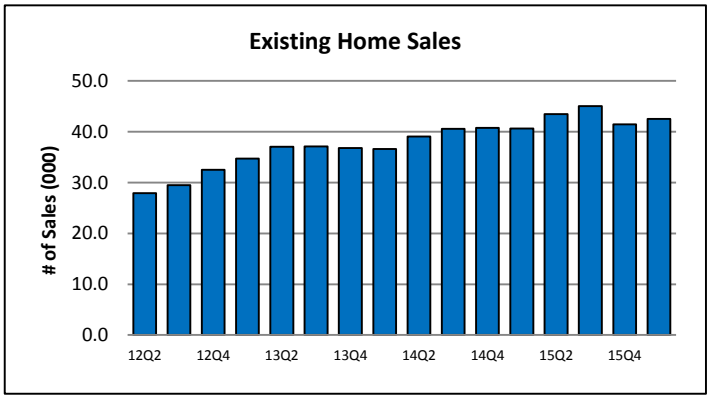
Economic & Housing Indicators

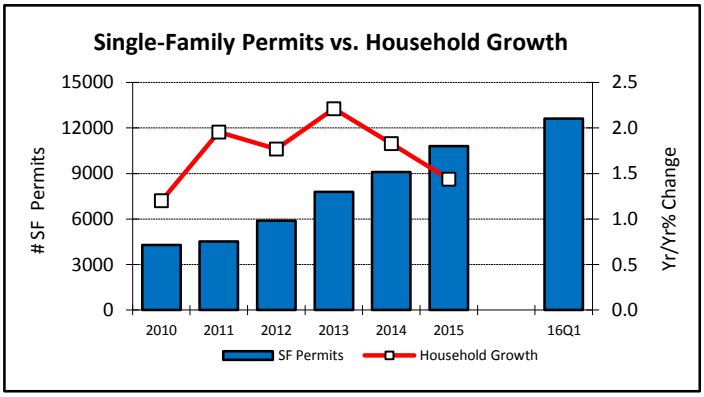


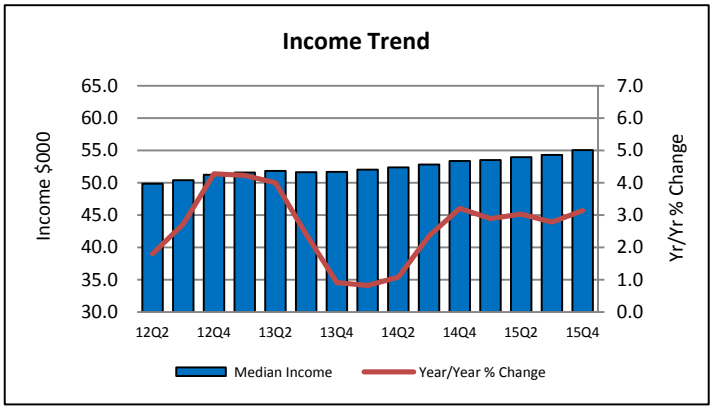


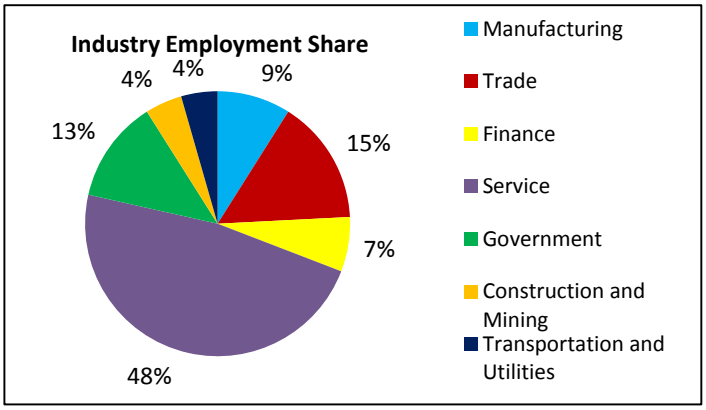








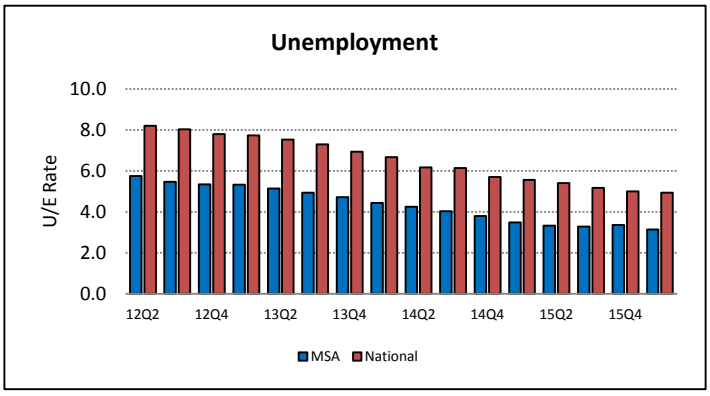


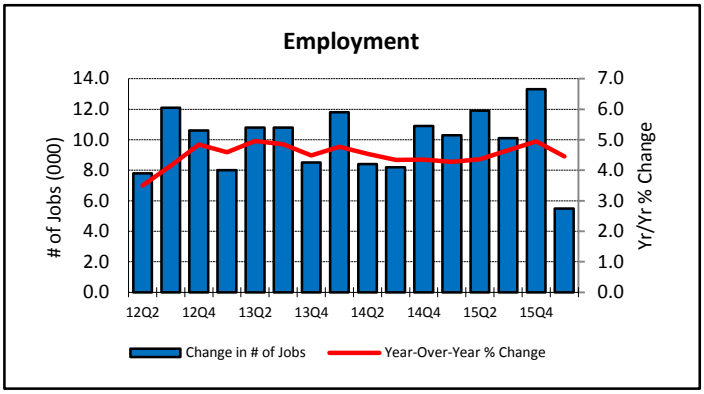


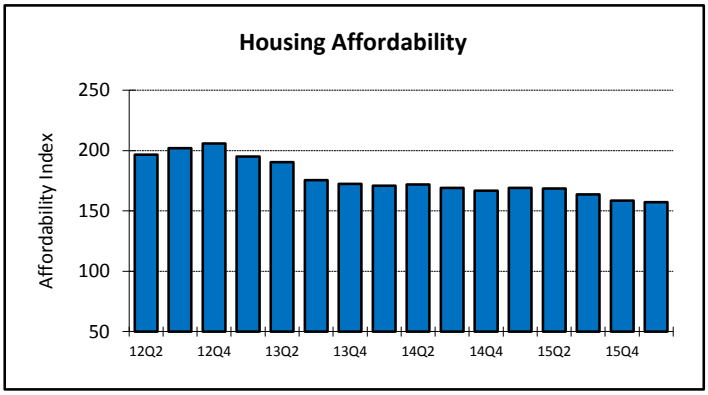
Austin, TX

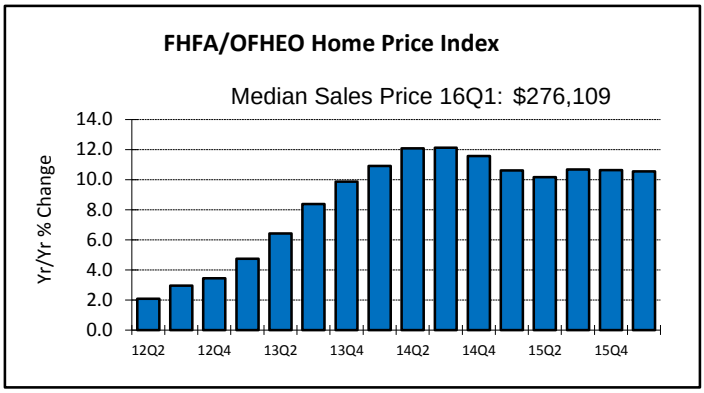
MGIC

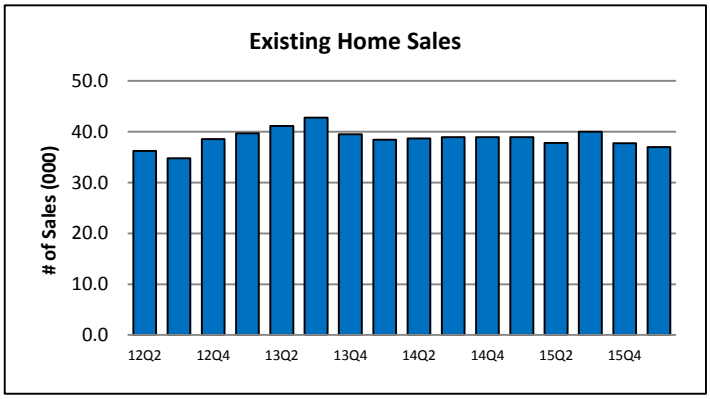
Economic & Housing Indicators

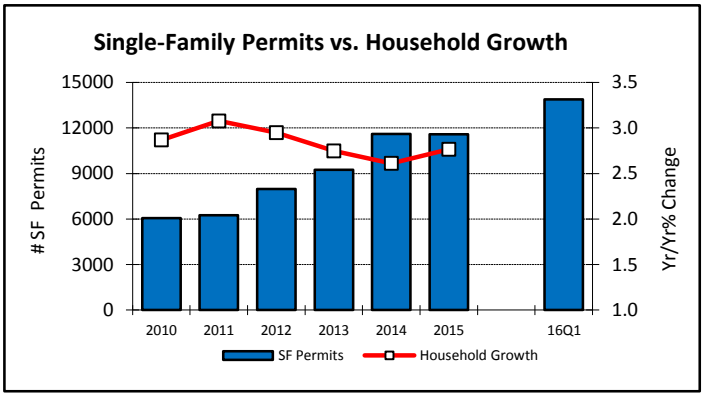


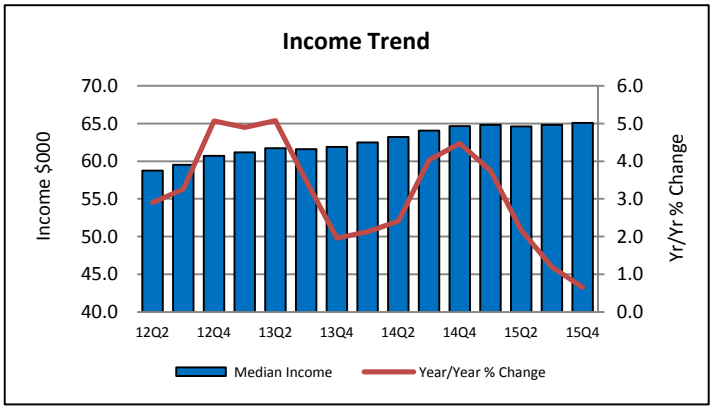


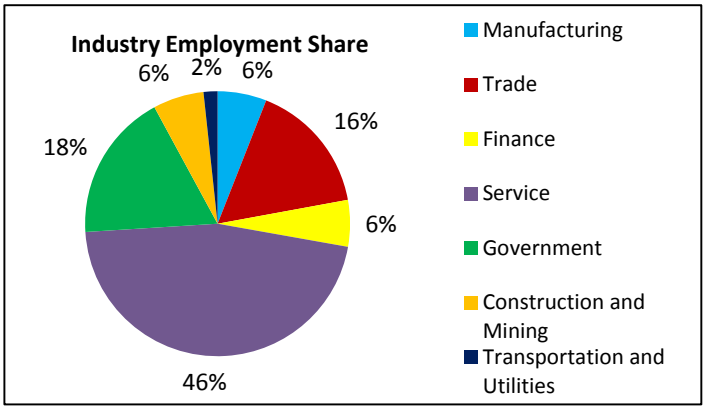












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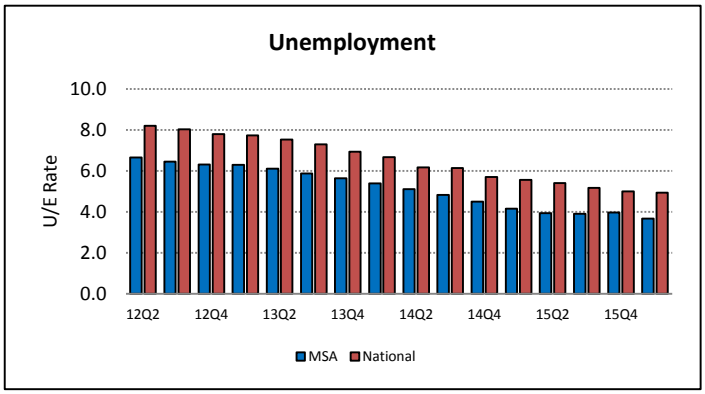
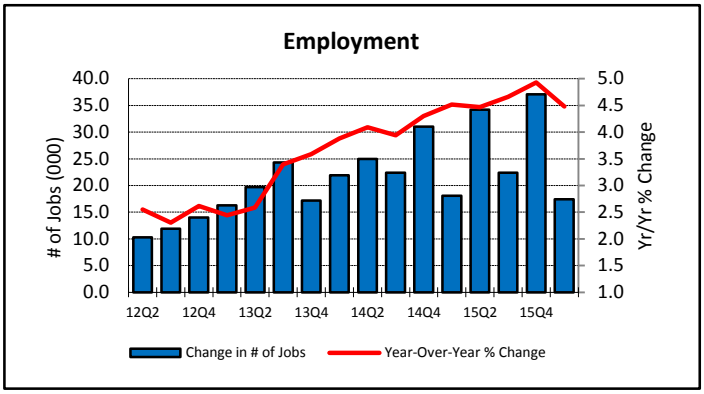
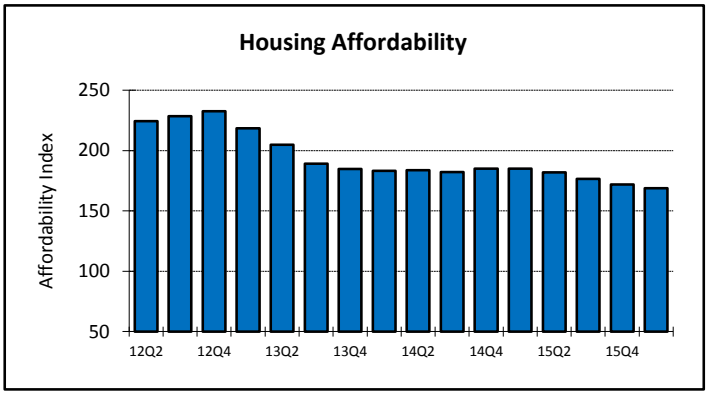
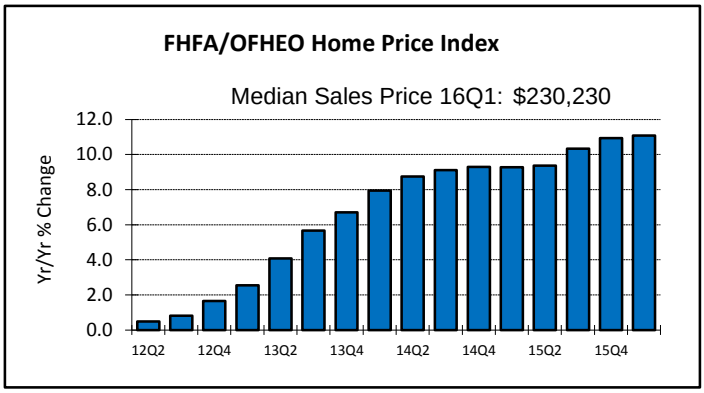
Dallas, TX

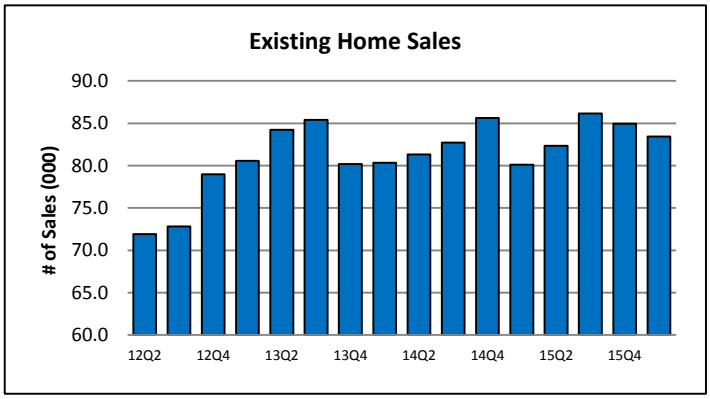
Economic & Housing Indicators

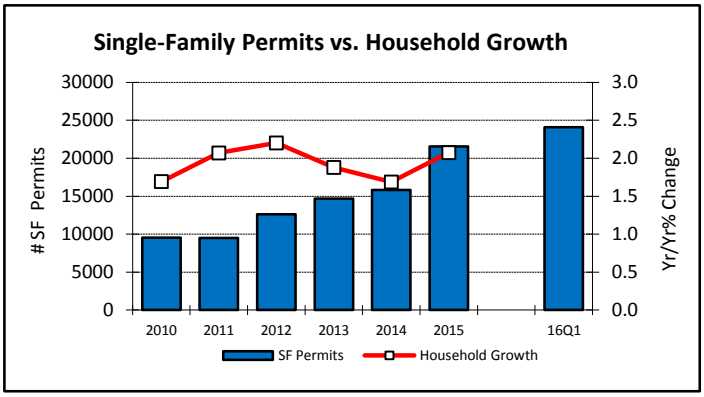


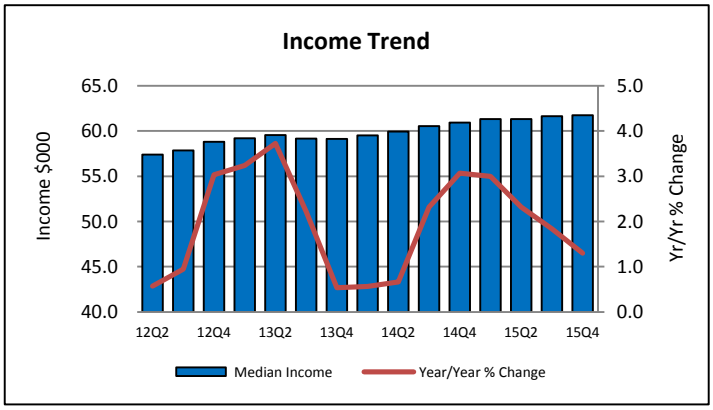


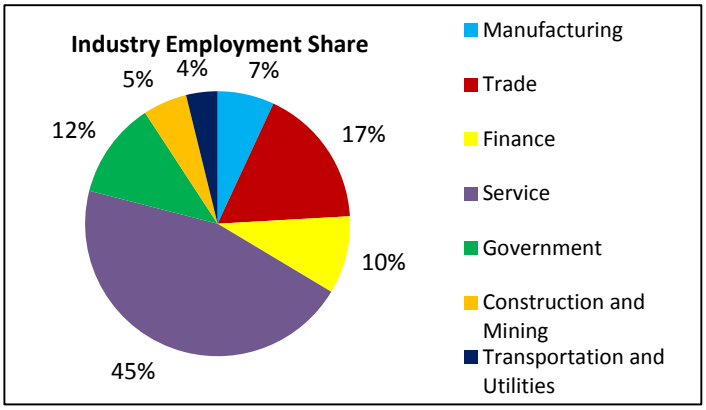












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Houston, TX

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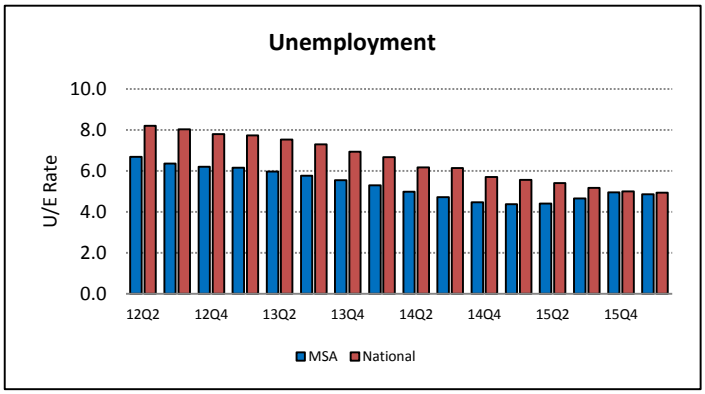
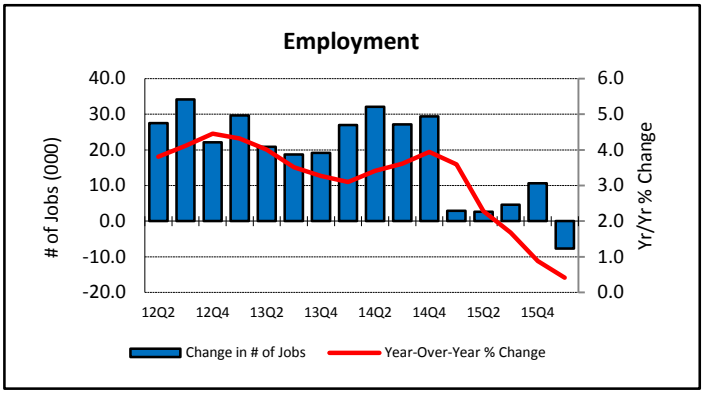
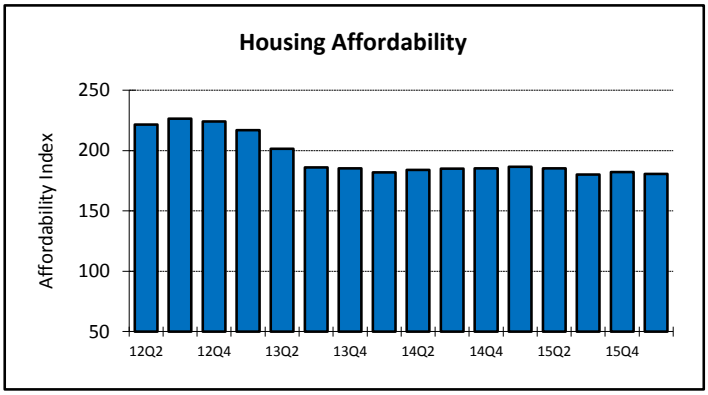
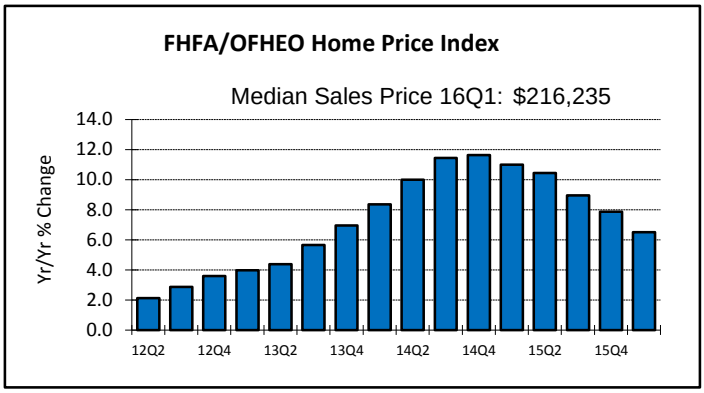
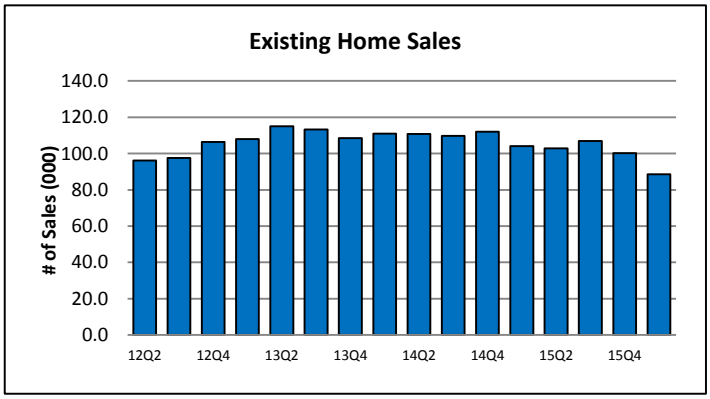
Economic & Housing Indicators

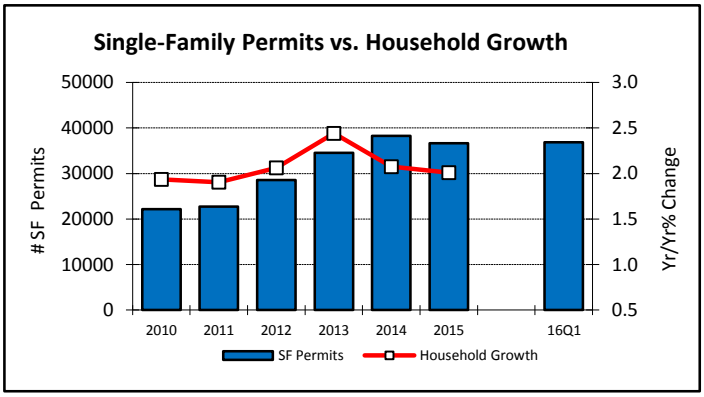


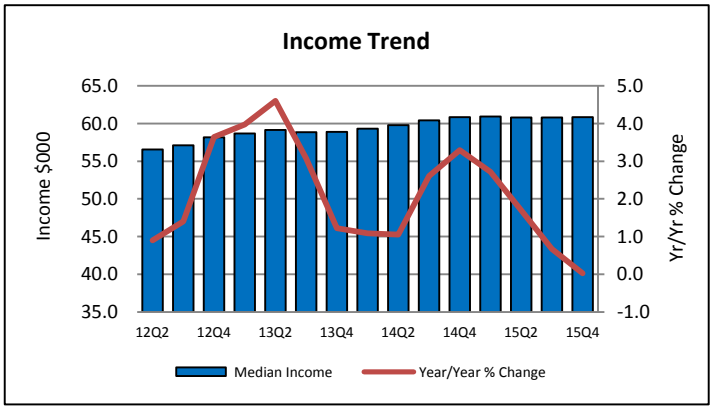


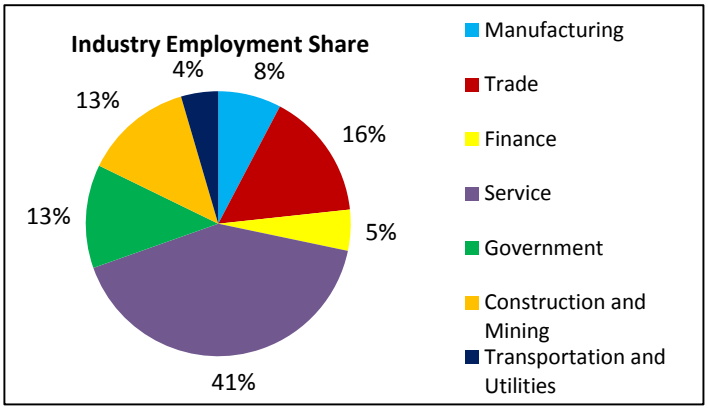












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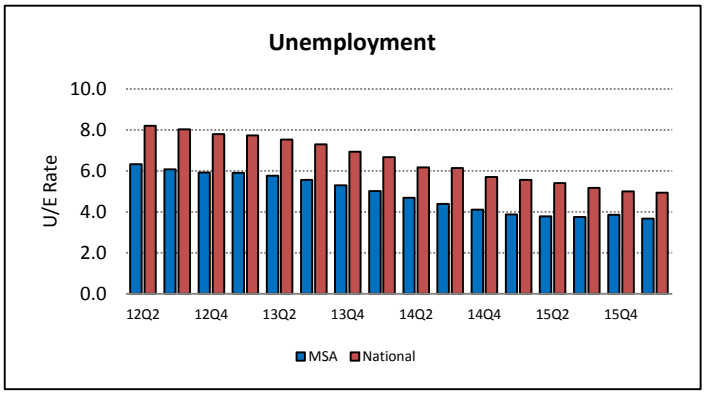
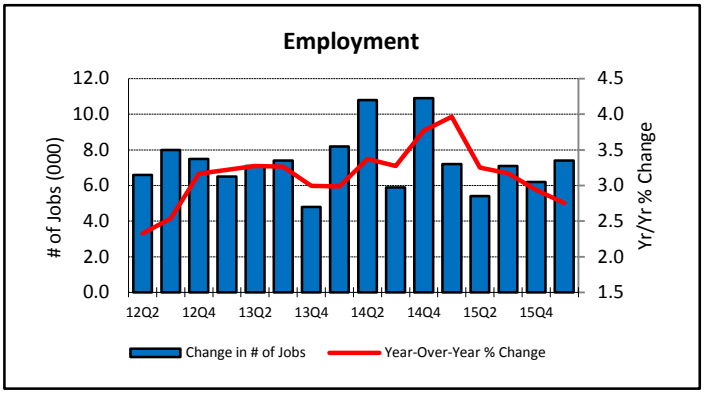
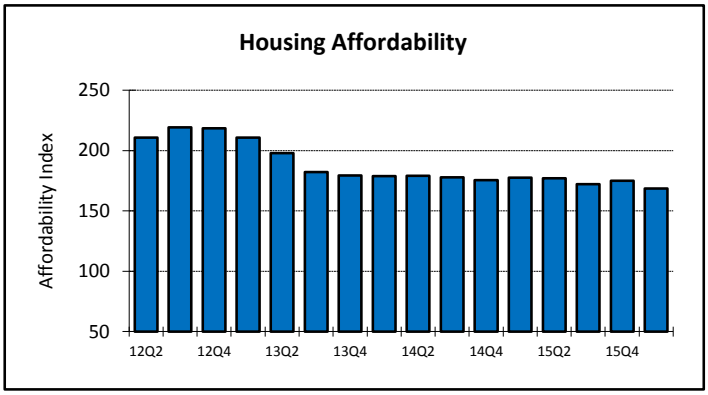
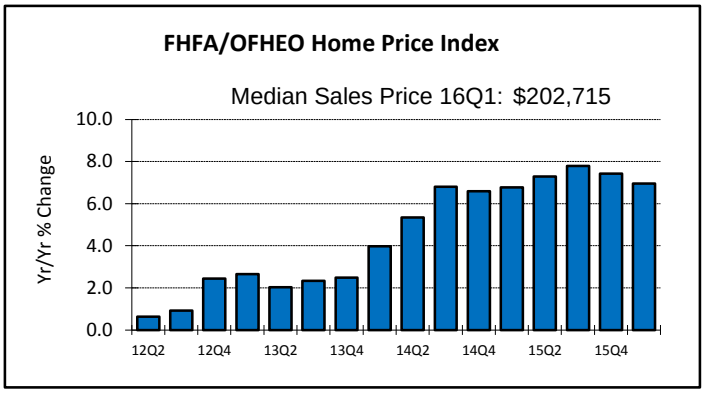
San Antonio, TX

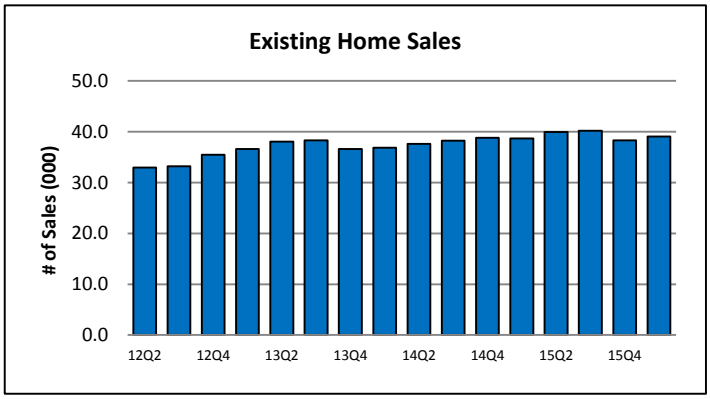
Economic & Housing Indicators

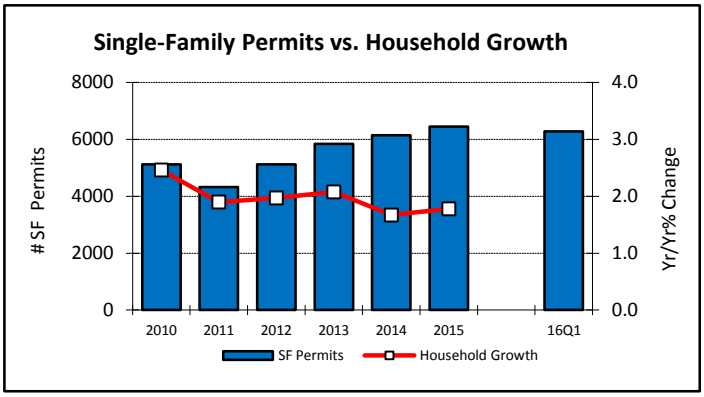


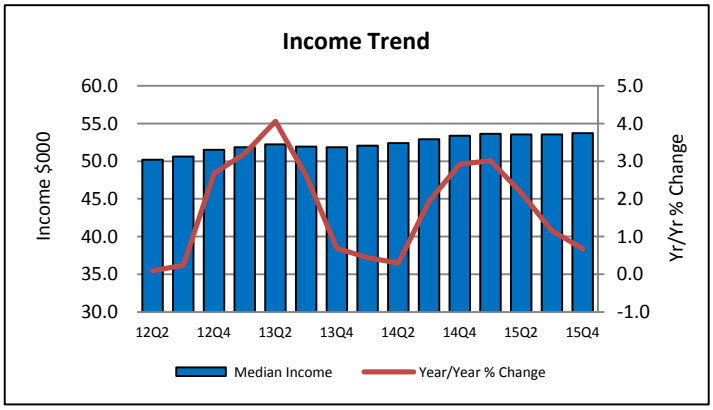


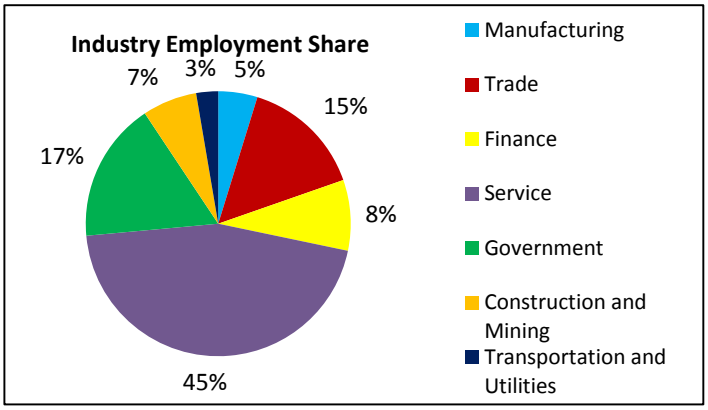












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Richmond, VA

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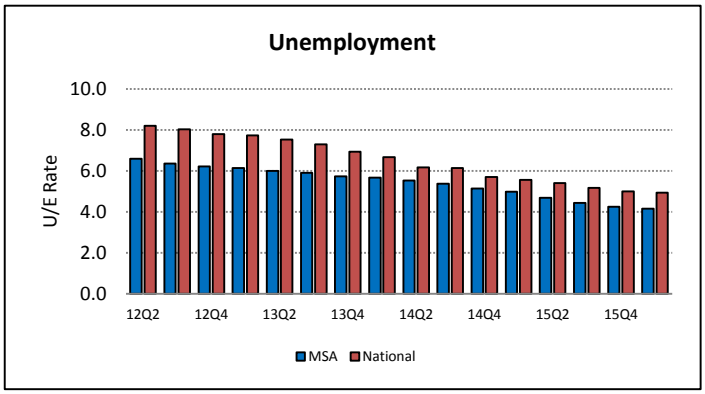
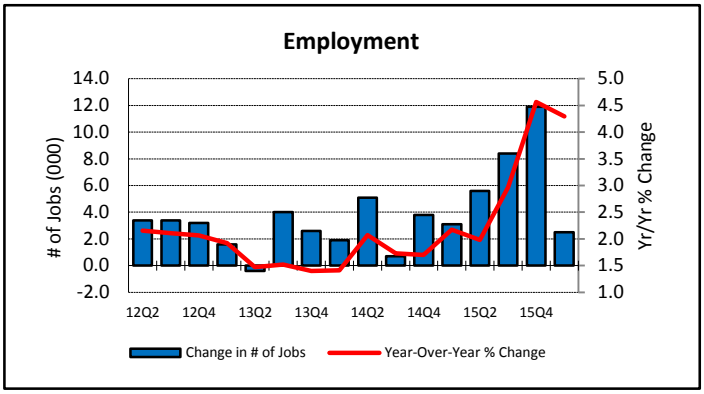
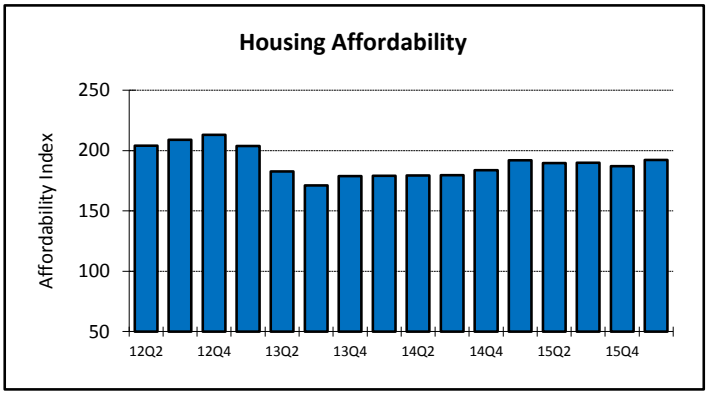
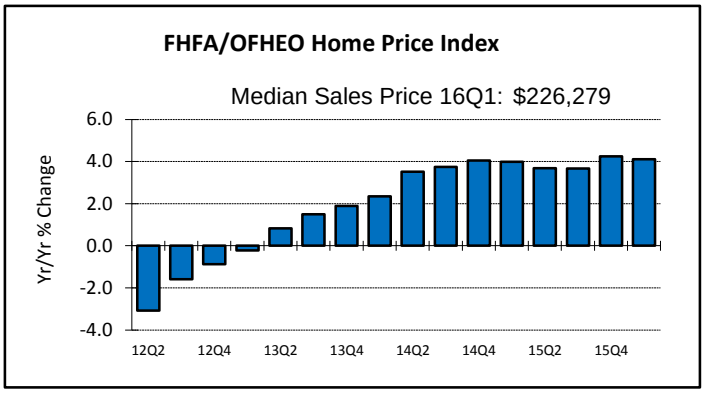
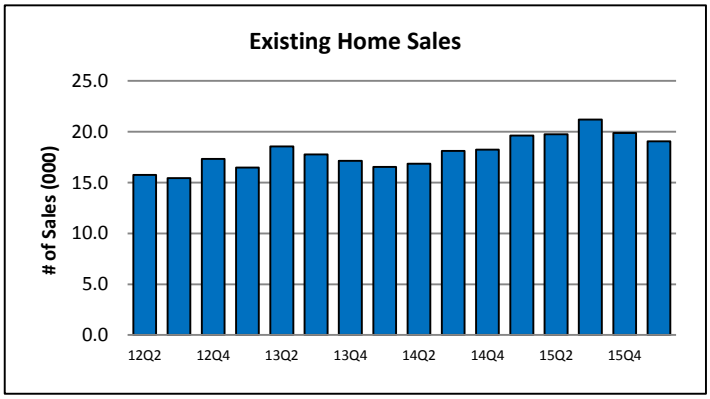
Economic & Housing Indicators

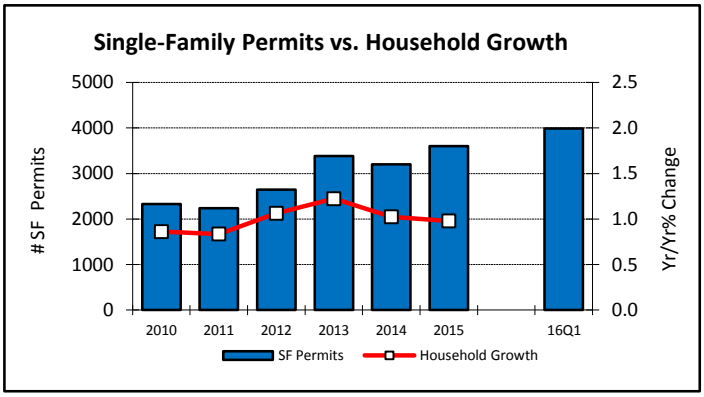


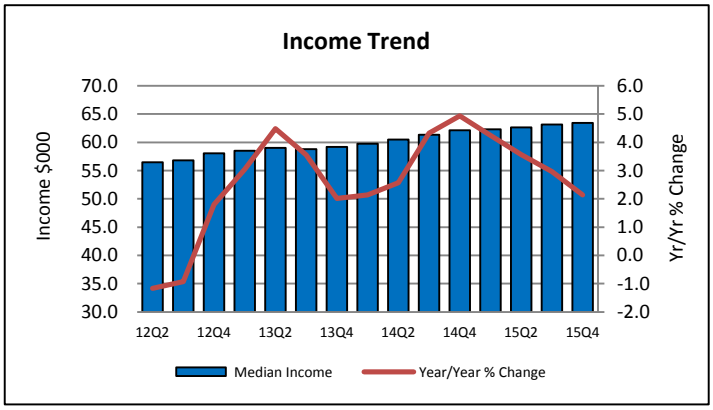


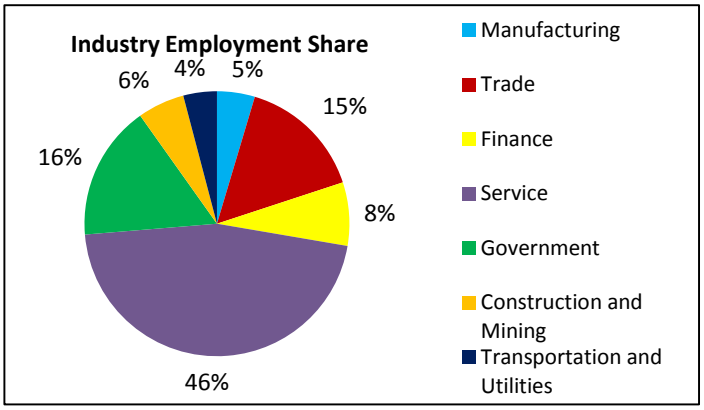












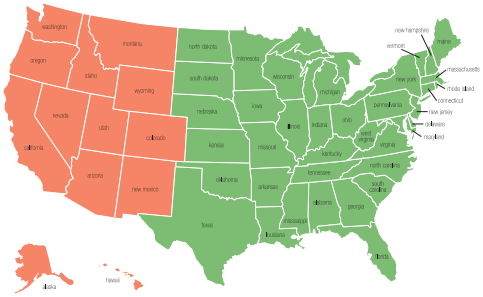
The West remains the fastest growing of the 4 regions.

The economic gains have been widespread, across most of the states, as employment growth is well above the national average. A continual expansion in technology is creating more mid- and high-wage positions. This trend is not only occurring in the coastal areas, but also in the mountain states. As a result, the region continues to attract new workers to the area, pushing the need for additional housing units – both purchase and rental. During the first quarter of the year, Colorado, Nevada, Oregon and Washington all posted double-digit home price appreciation rates. On the flip side, exports have slowed due to the strong dollar and weaker economies overseas. The local economy is not as rosy in Alaska, New Mexico and Wyoming, all impacted by lower energy prices. The West is expected to maintain its lead position for the remainder of 2016.

MONTANA: After a somewhat dismal 2015, Montana's economy is starting to improve. The oil-related industries remain a risk as prices are still too low to encourage new drilling. The outlook for coal is even worse due to a movement towards cleaner energy resources. Tourism is likely to be the major economic driver, especially with the state having 8 national parks. These had nearly a $500 million impact on the state's economy last year. Approximately 3,500 jobs were created during the first quarter of 2016, with most of these were created outside the major metropolitan markets. For all of 2015, single-family home sales increased 11%, with home prices appreciating between 4% and 5%.

PORTLAND (OR): Portland is considered one of the better performing economies in the West and nationally. Much of this is driven by technology, which accounts for 7.7% of total employment. A major risk is that Intel, the market's largest employer, recently announced a restructuring plan; however, the local impact is still unknown. The labor market is expanding at a healthy pace adding 8,500 jobs this year, which represents 44% of the state's total. Correspondingly, the jobless rate dipped below 5% for the first time since early 2007. Solid population and household growth provided a boost to the housing market as both existing home sales and single-family permits are on the rise.

RENO (NV): The decision by Tesla to build their Gigafactory here had a major positive economic impact on the market. Even though gaming and entertainment continue to dominate the economy, the area is attracting



more technology-based industries, especially with its proximity to northern California. Just over 2,000 jobs were created during the first quarter of the year. Some of the strongest job gains have been in construction, transportation/warehousing and professional/business services. These changes to the economic base are resulting in strong in-migration trends. As a result, home prices have posted double-digit appreciation rates in each quarter since early 2013. The supply of housing units is now down to 2.8 months.

SAN DIEGO (CA): Economic growth in San Diego cooled a bit as job losses were posted in construction and education/health care services. Still, the 2.7% year-over-year gain in employment is well above the national average. A strong military presence and the operations that support it continue to sustain the economy. Qualcomm is going through a transition, which is resulting in cutting costs and jobs. San Diego's housing market is showing some improvement as home prices are rising versus previous quarters. Home sales are up for the year, leaving the supply of homes at 3.4 months.

SAN JOSE (CA): It appears the economy took a step back at the start of 2016. Approximately 4,400 jobs were added in the first quarter, less than half the number created a year earlier. Some of this may be due to the tight labor market, as the jobless rate was under 5% in each of the last six quarters. Technology remains the focal point of San Jose's growth as it accounts for almost 27% of all jobs, over 5 times the national rate. Home prices have appreciated at a double-digit rate over the last 3 years. This resulted in only 22% of the households being able to afford to purchase a median priced home, versus 60% nationally. Still, existing home sales are steady, with the average days on the market near 20 and the inventory of units at a low 2.4 months.

TUCSON (AZ): Tucson's economy appears to be picking up steam. Almost 2,600 jobs were created during the first quarter of the year, well above the 200 added a year earlier. Meanwhile, unemployment continued to decline, now at 5.1%. The improving state budget should benefit the local market, due to its higher concentration of government employment. An ongoing risk is further cuts to the defense budget that could impact Raytheon Missile Systems and Davis-Monthan AFB, both major employers in the area. Tucson's housing market continued to show improvement as year-to-date home sales increased 16%, moving the supply of units to 4 months. Just over 40% of the purchases had a transaction price between $140,000 and $250,000. Home prices remained 27% below their previous peak as property values grew about 4% during the year.

Phoenix, AZ

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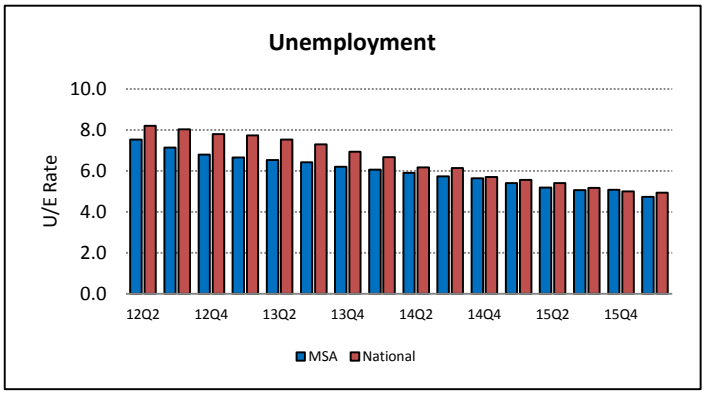
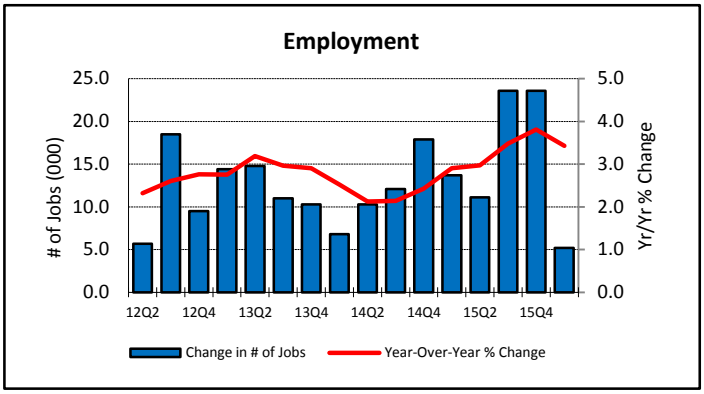
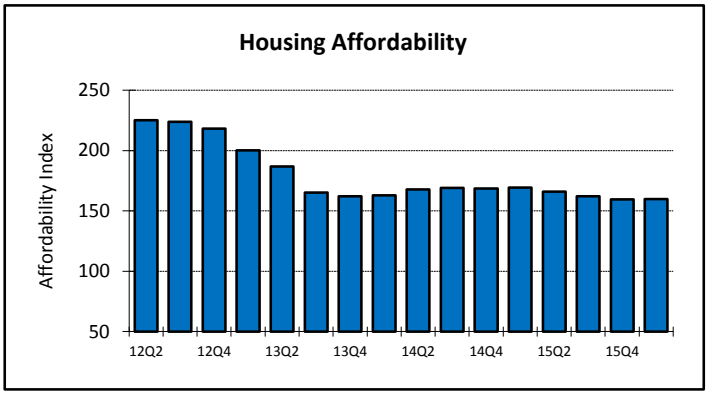
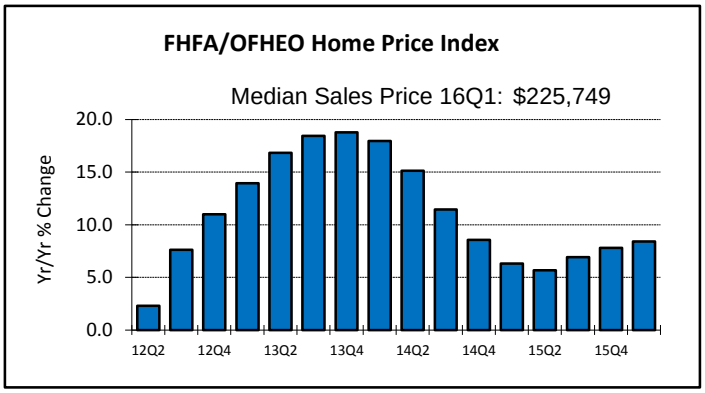
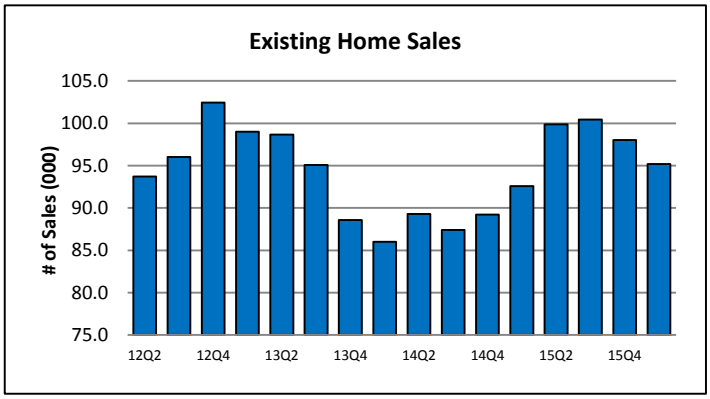
Economic & Housing Indicators

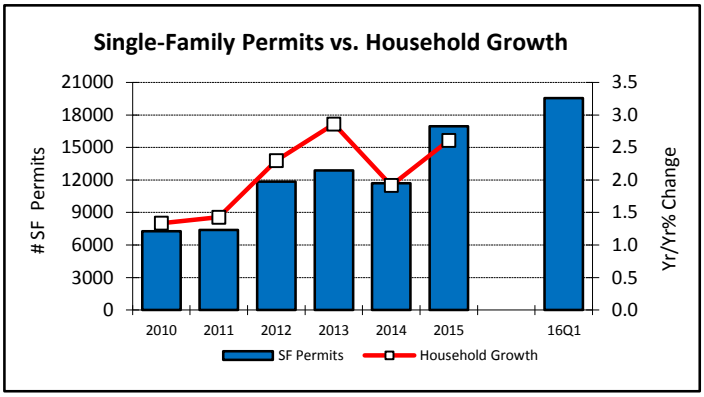


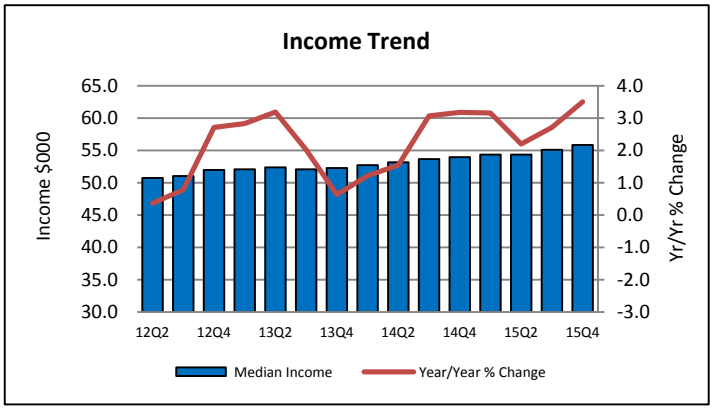


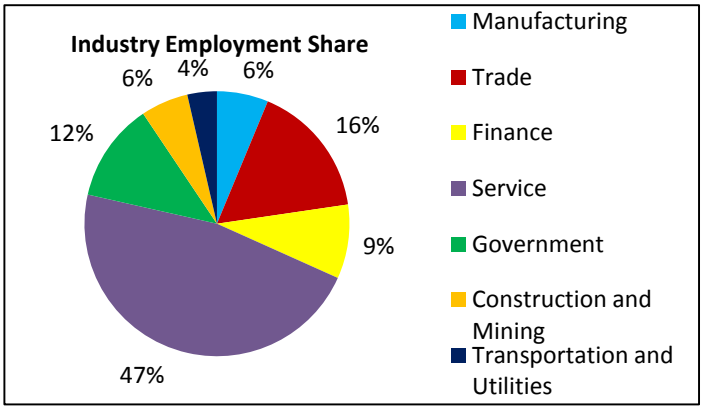












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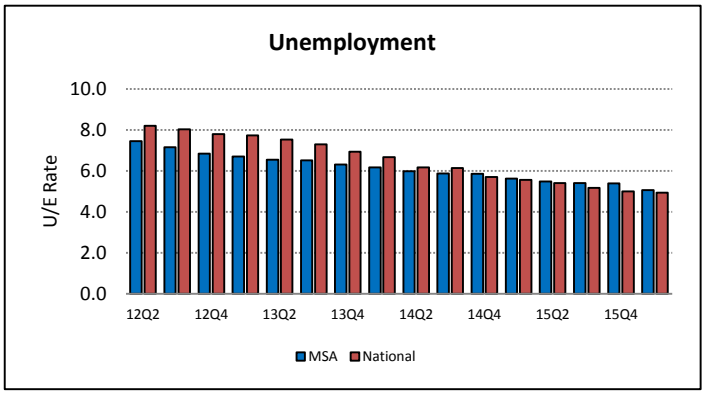
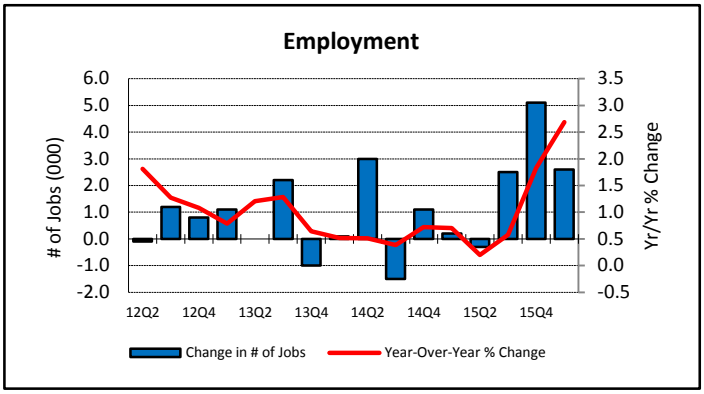
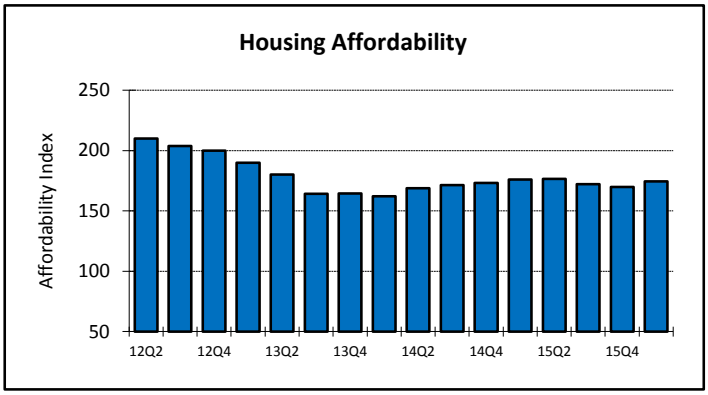
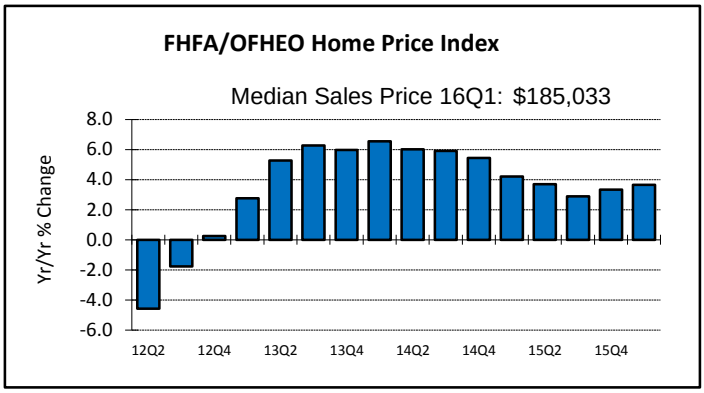
Tucson, AZ

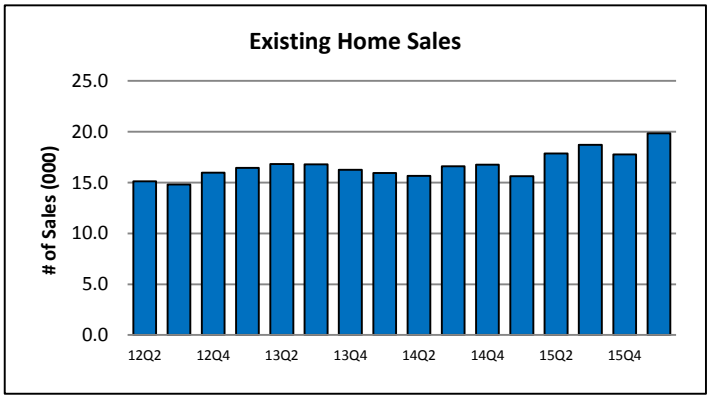
Economic & Housing Indicators

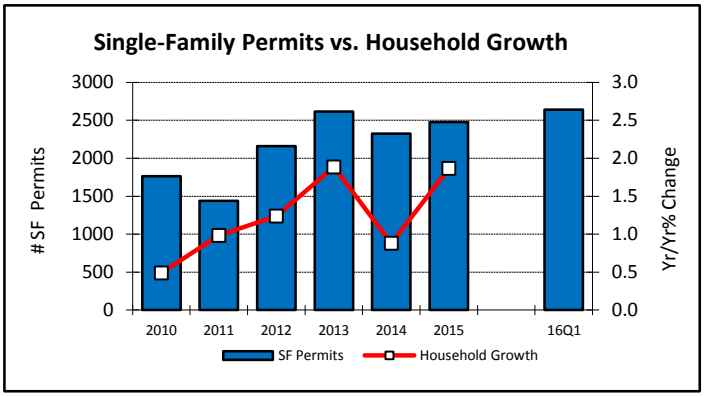


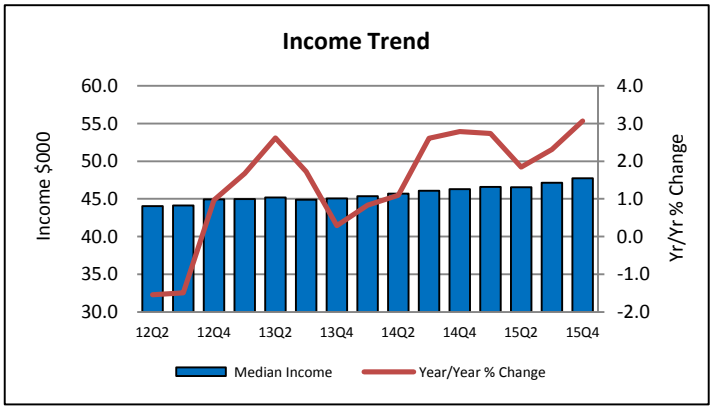


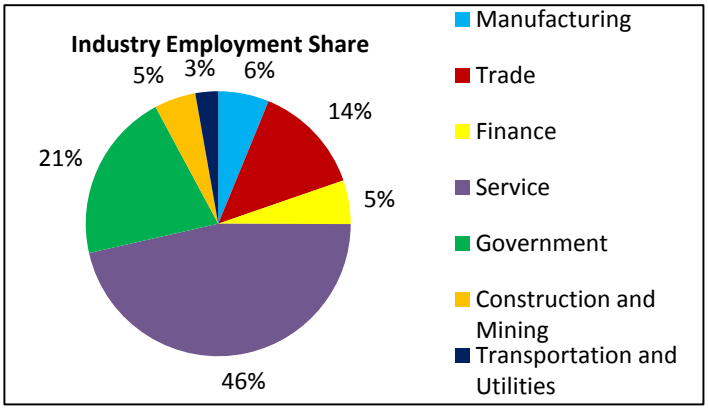












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Los Angeles, CA

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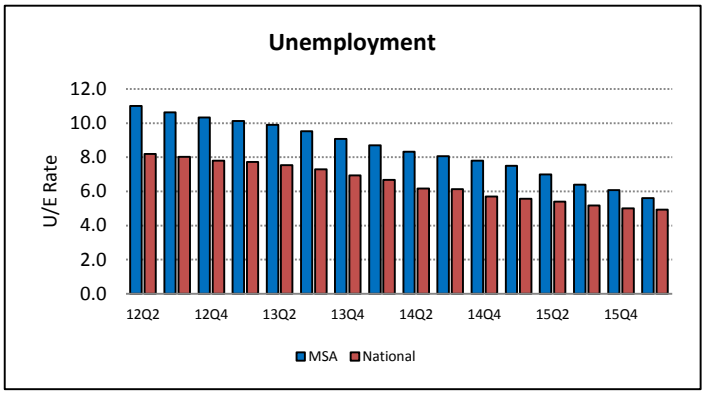
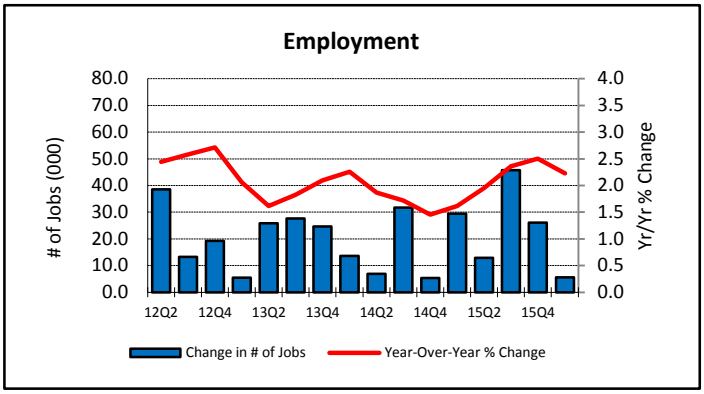
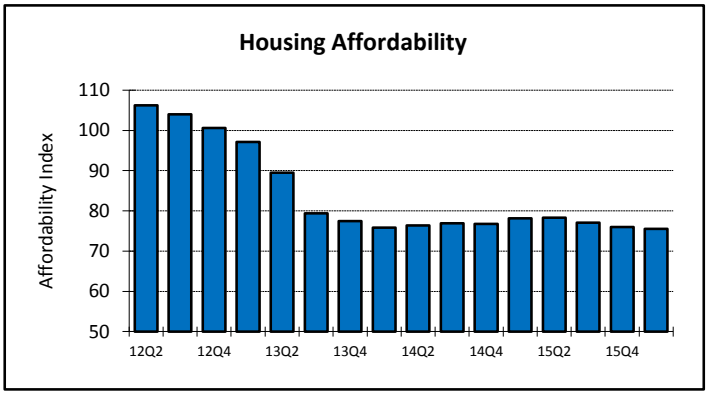
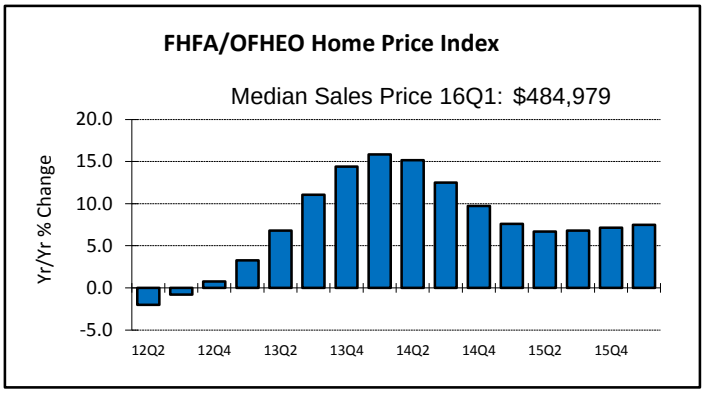
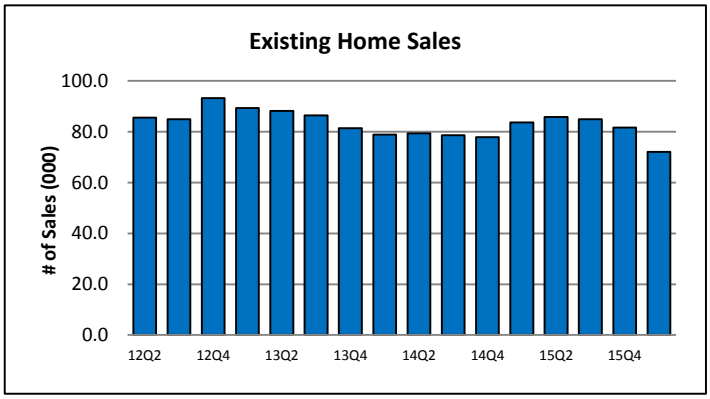
Economic & Housing Indicators

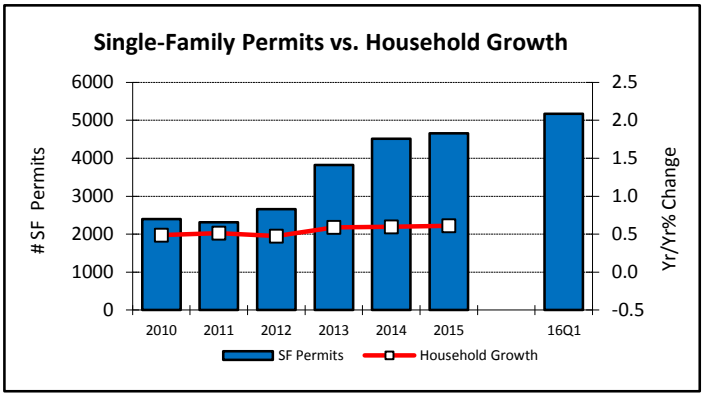


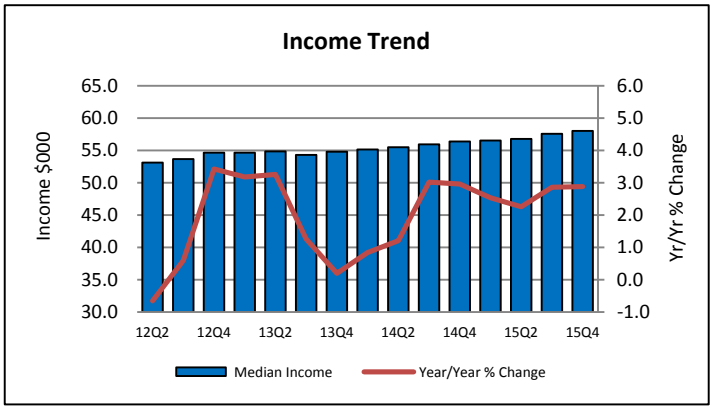


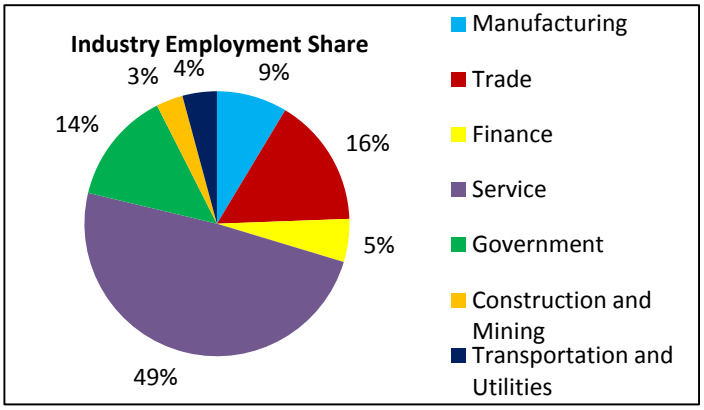












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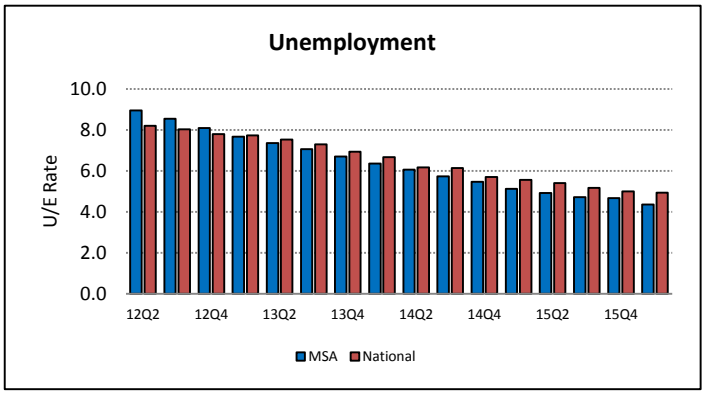
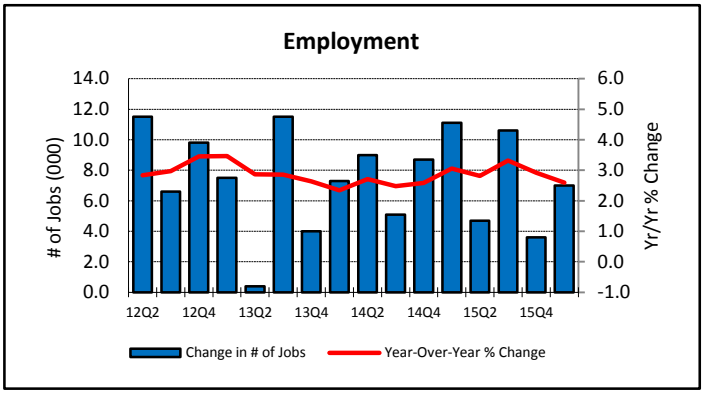
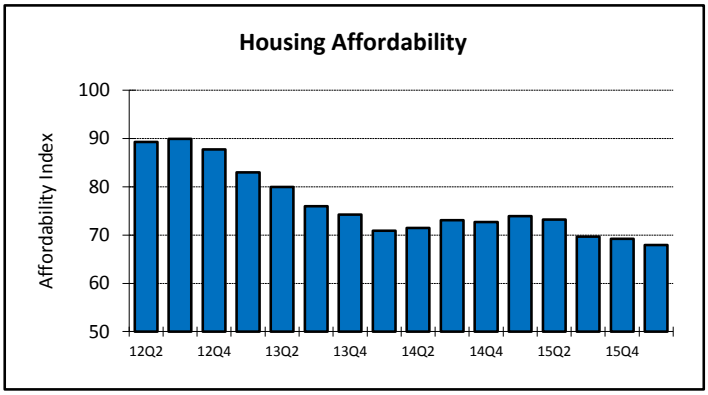
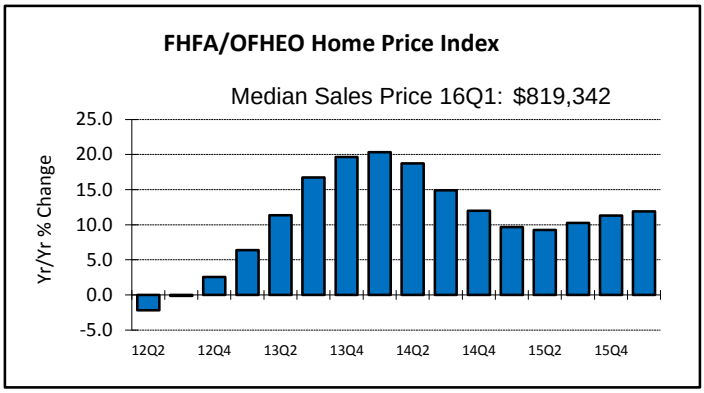
Oakland, CA

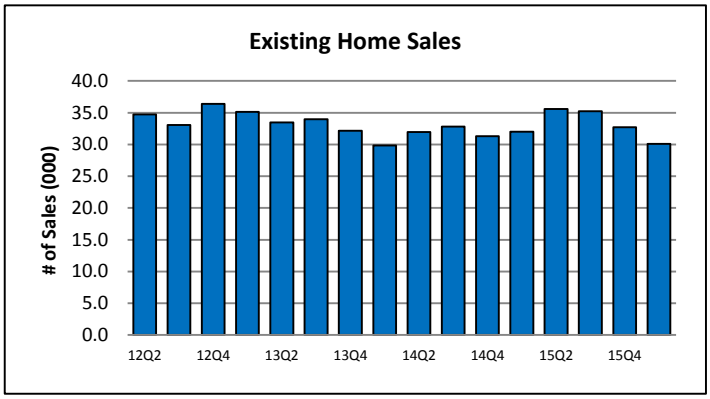
Economic & Housing Indicators

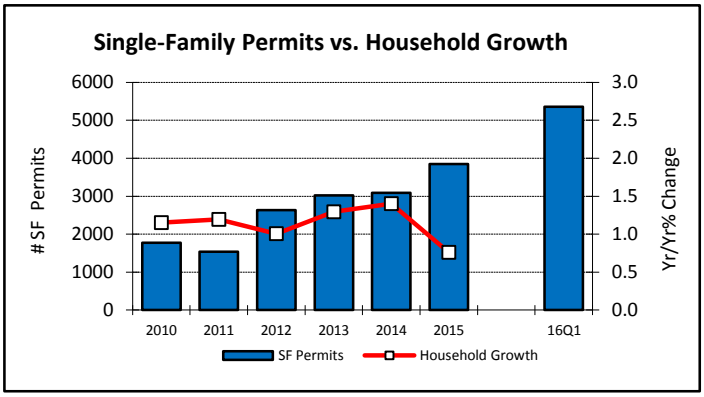


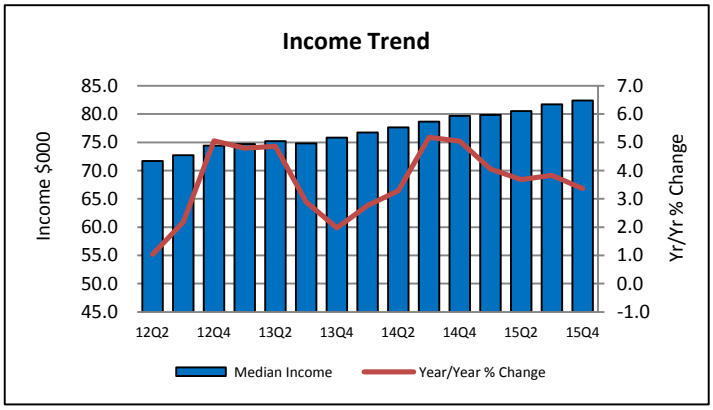


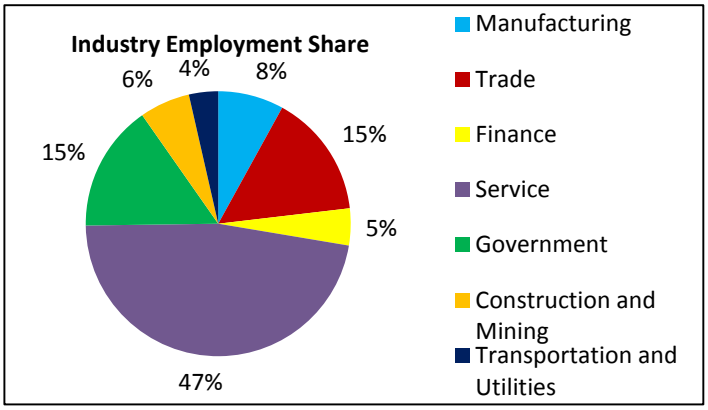












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Riverside-San Bernardino, CA

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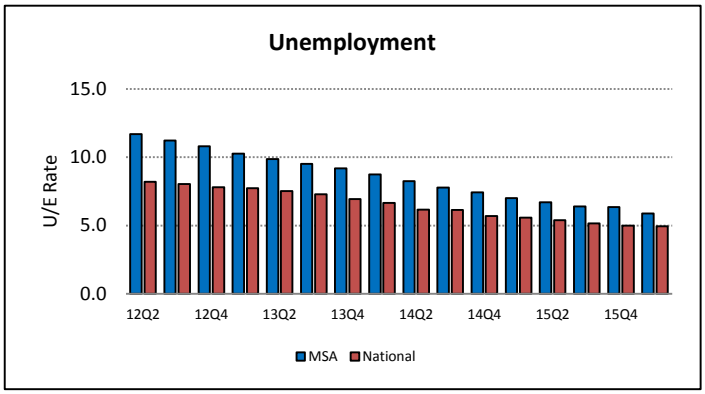
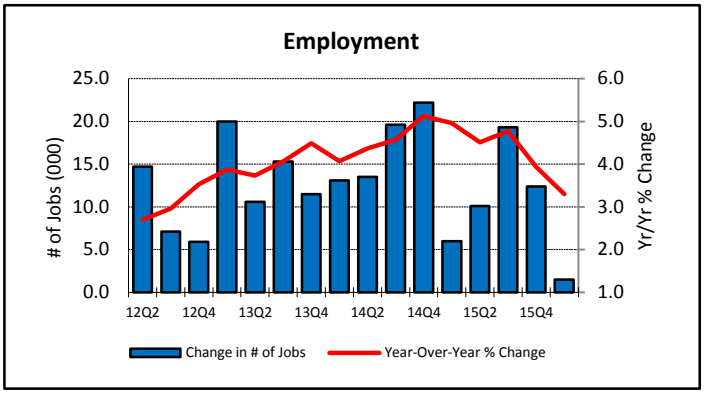
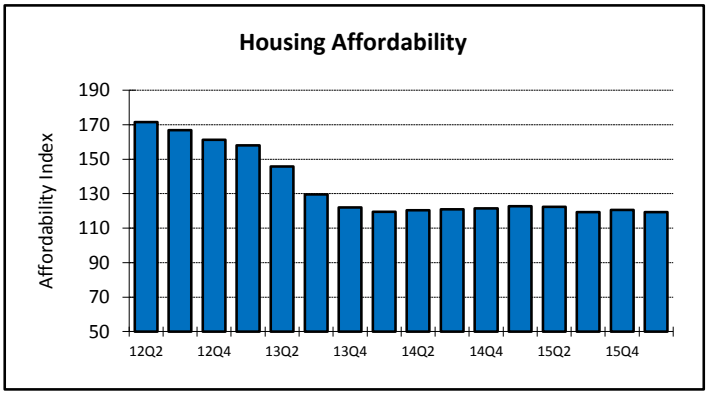
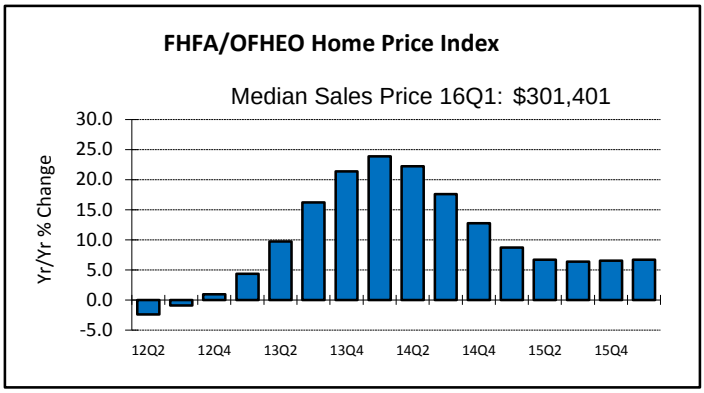
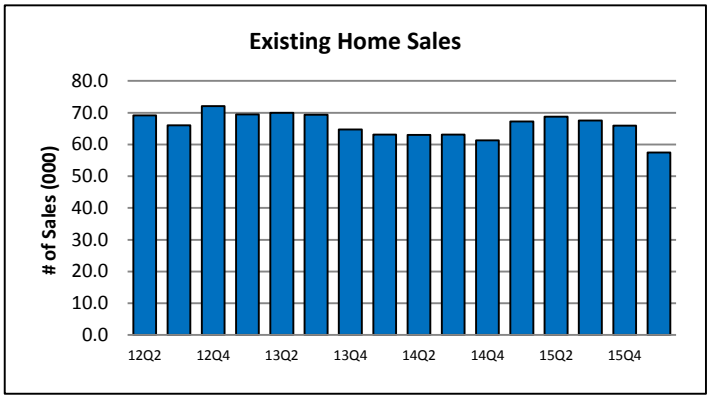
Economic & Housing Indicators

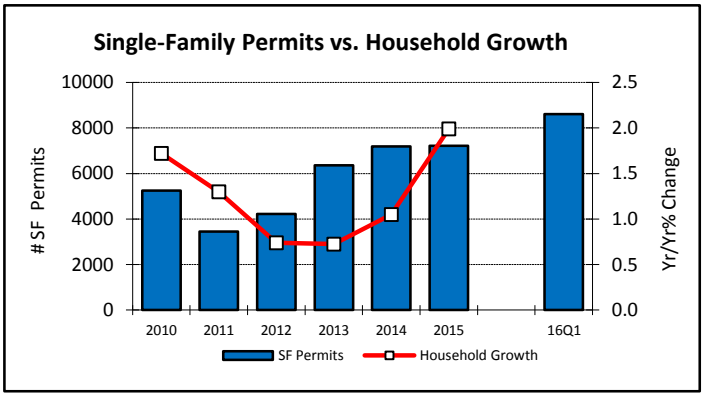


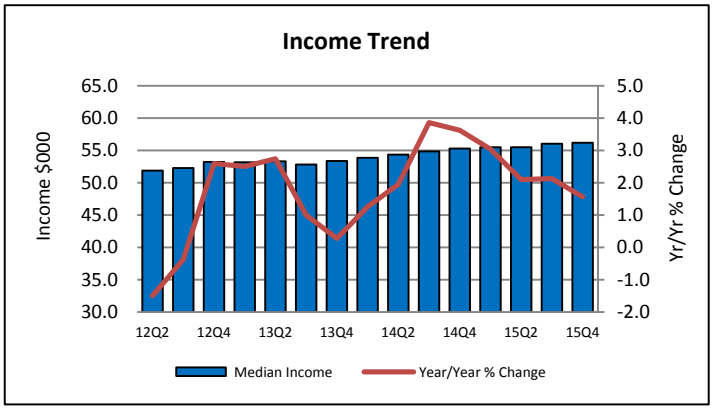


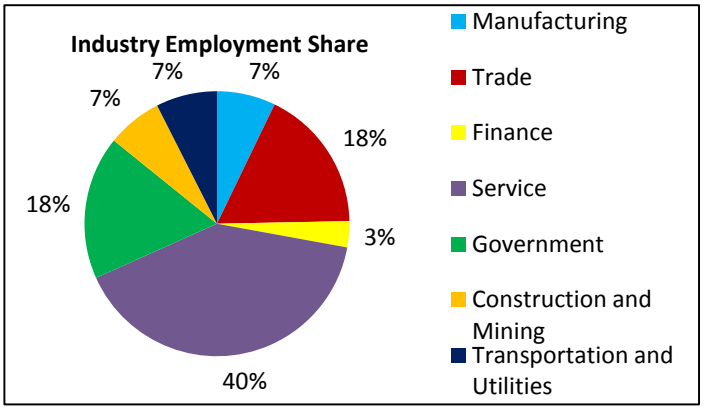












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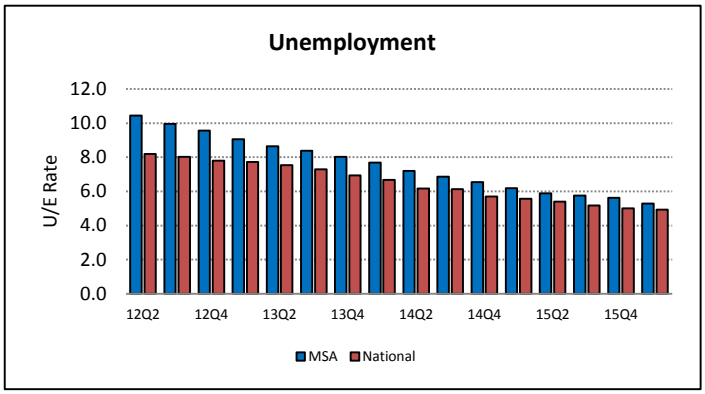
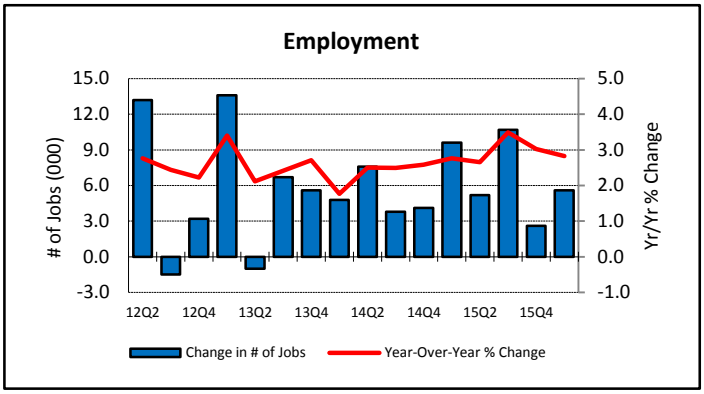
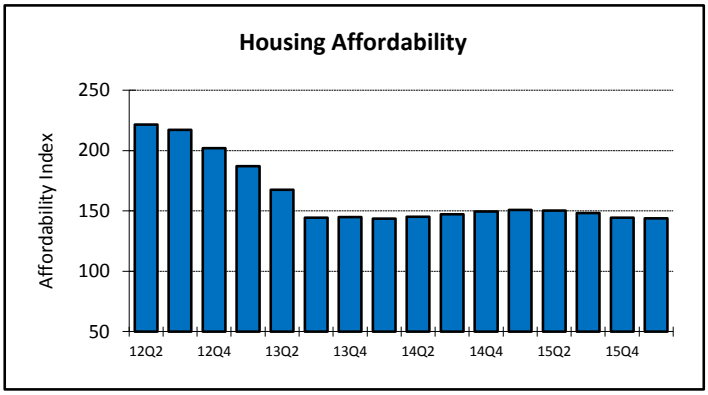
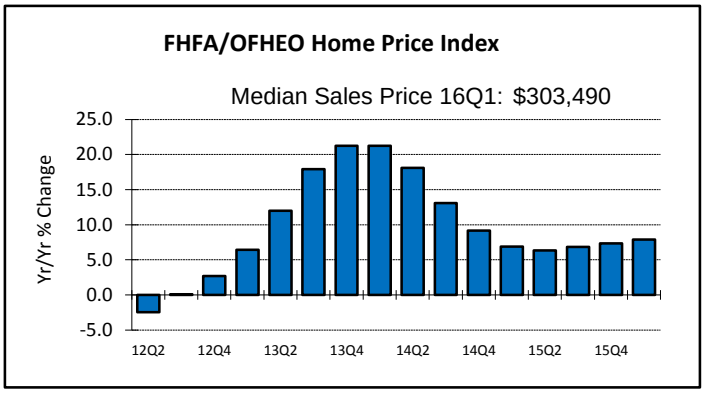
Sacramento, CA

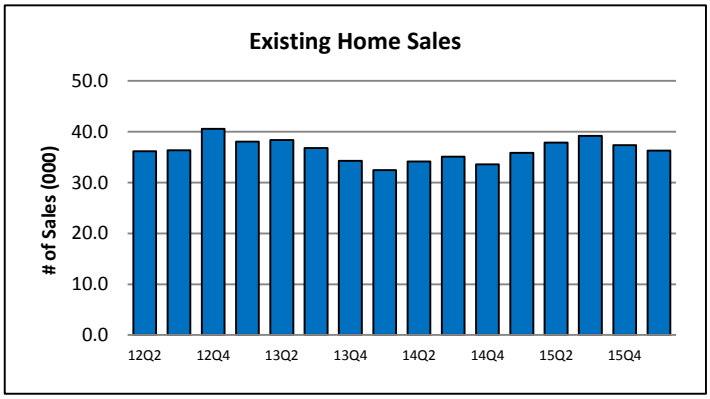
Economic & Housing Indicators

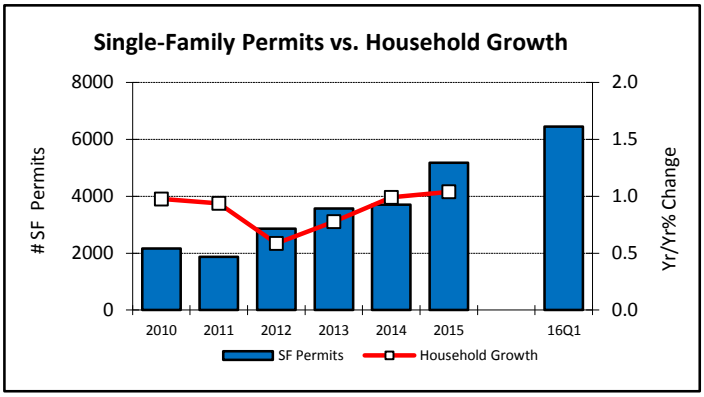


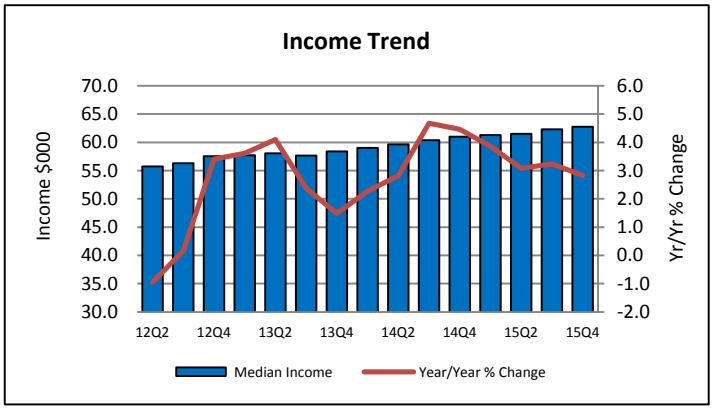


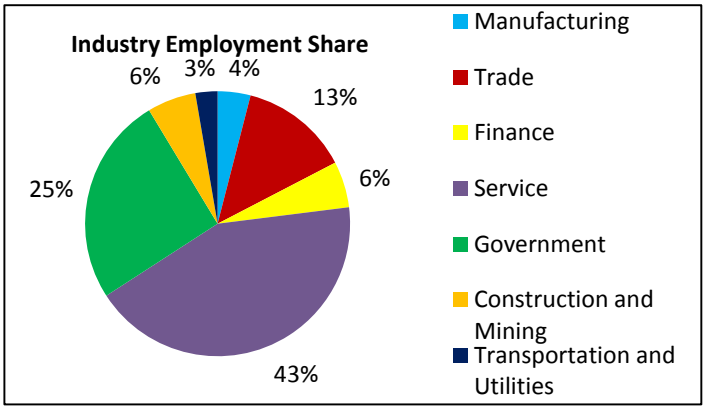












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San Diego, CA

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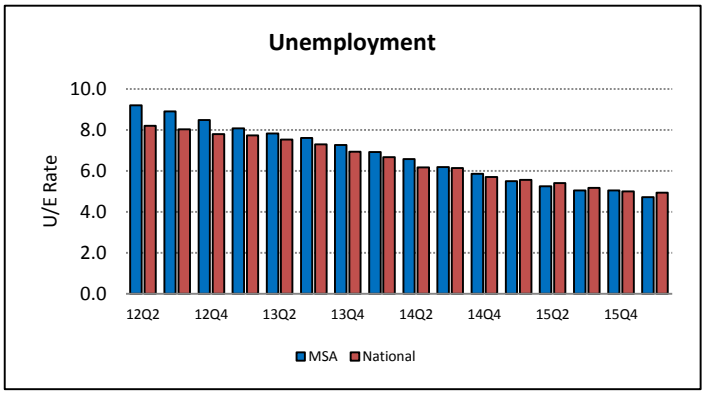
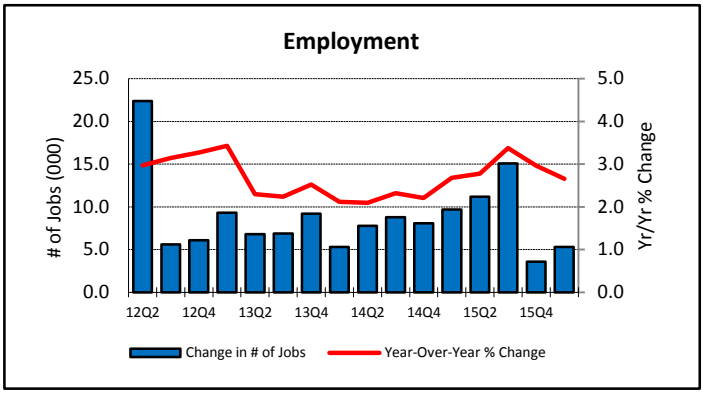
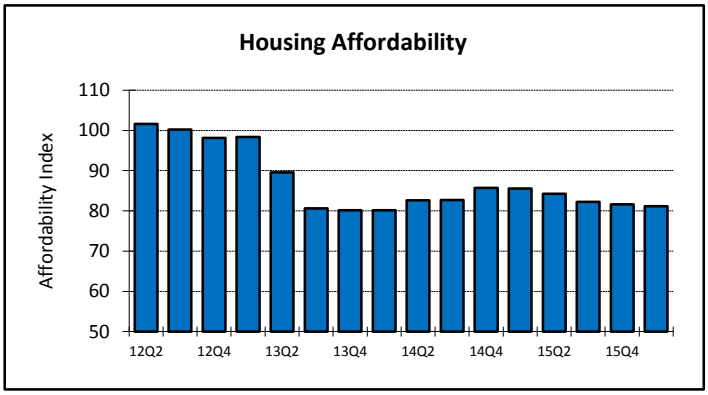
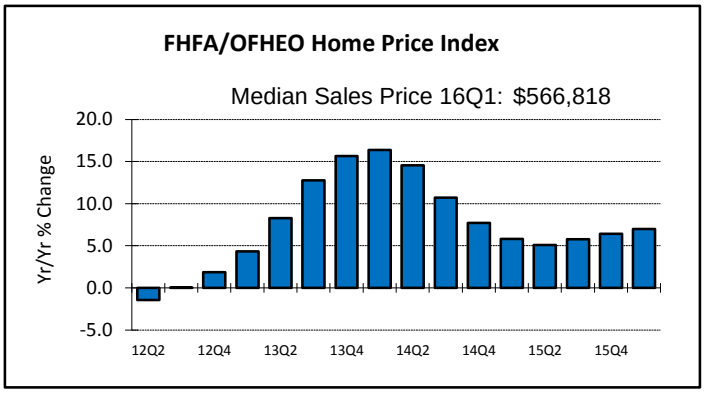
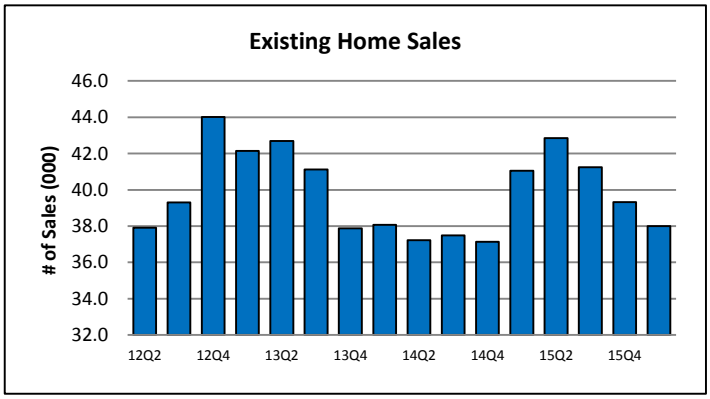
Economic & Housing Indicators

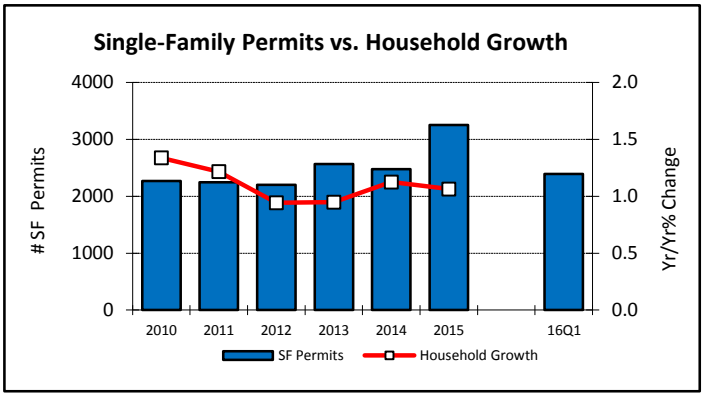


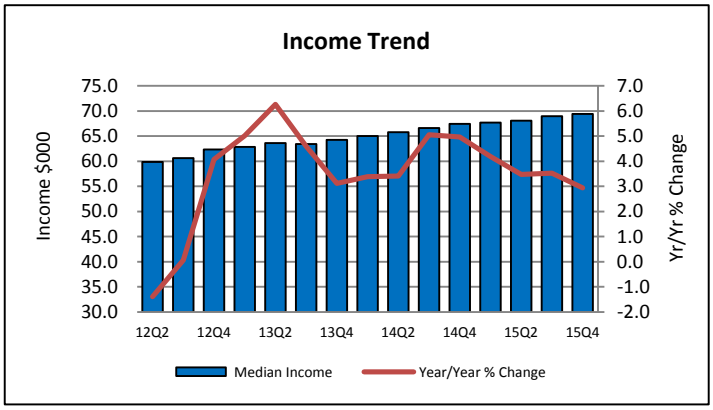


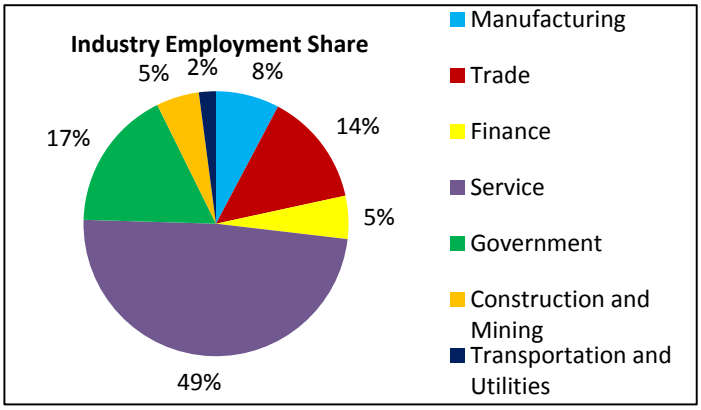












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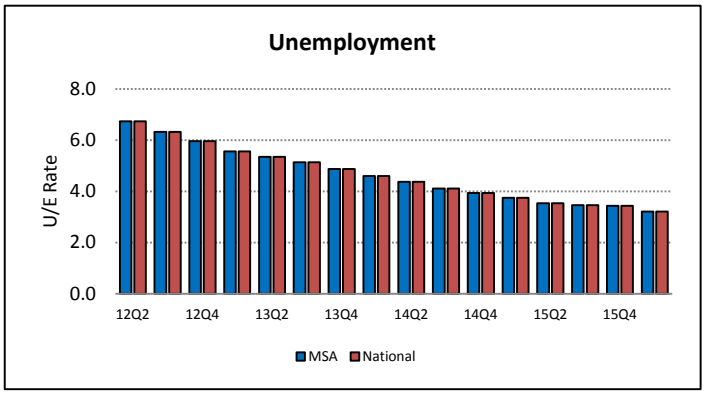
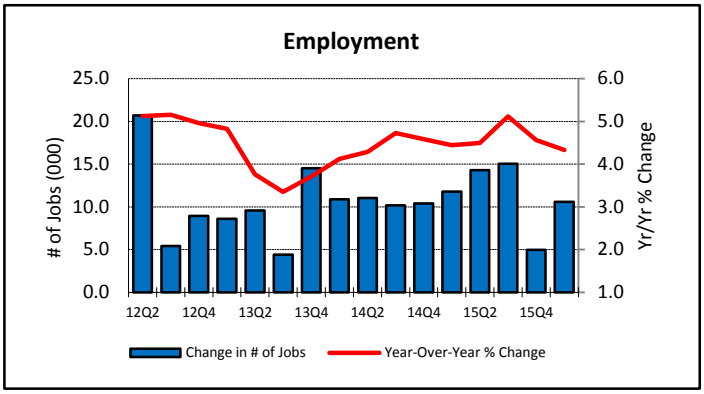
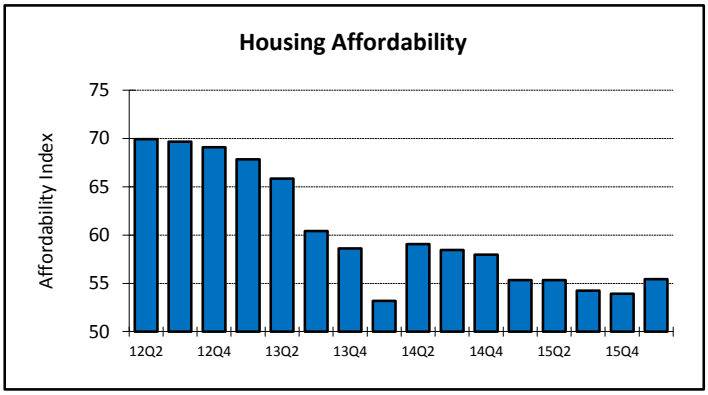
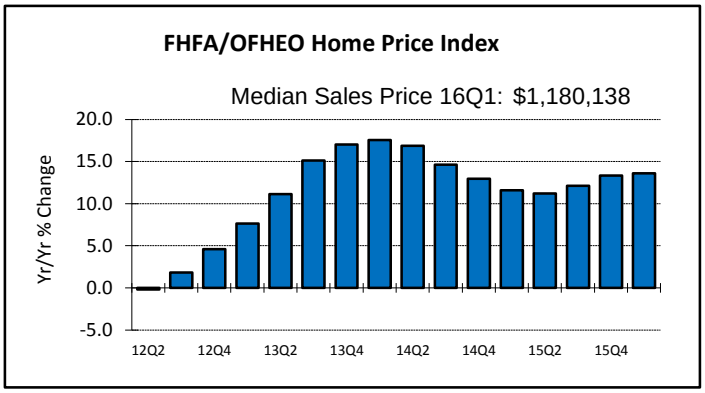
San Francisco, CA

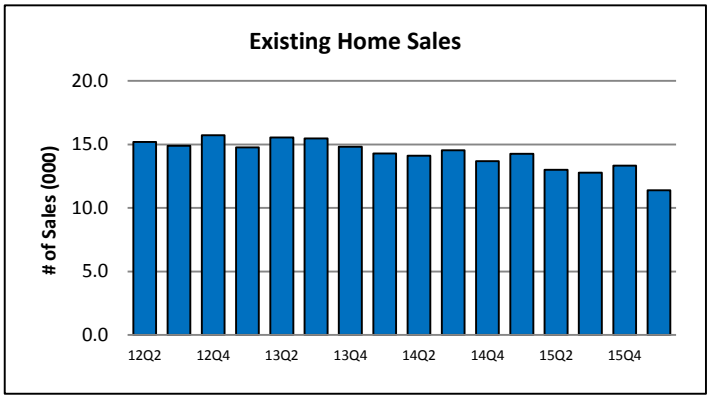
Economic & Housing Indicators

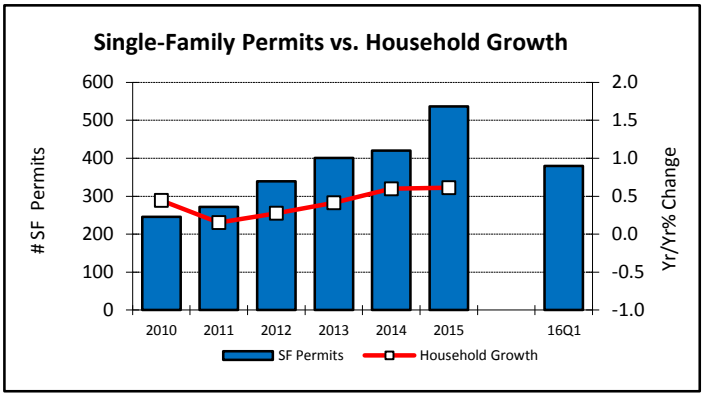


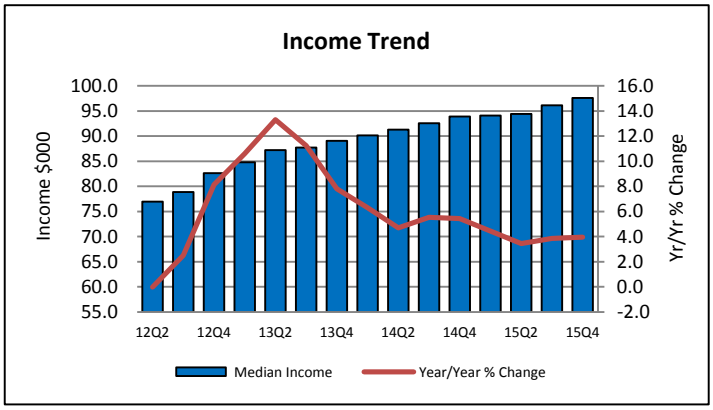


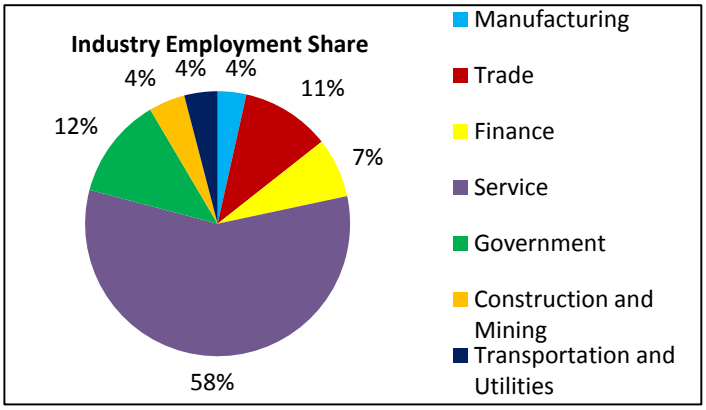












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San Jose, CA

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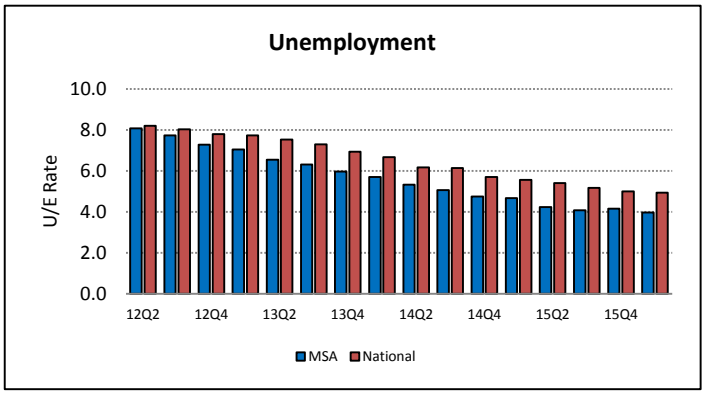
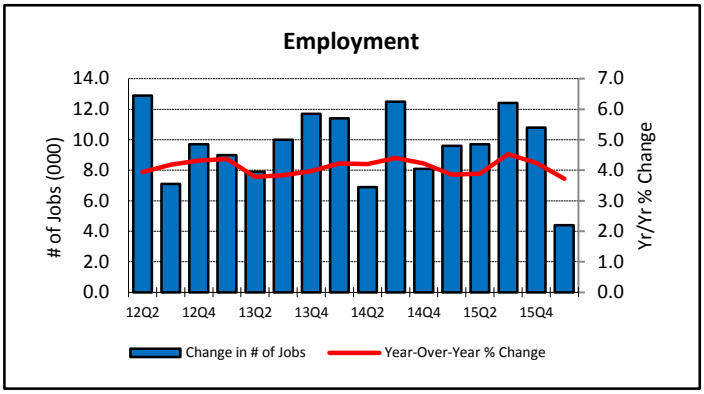
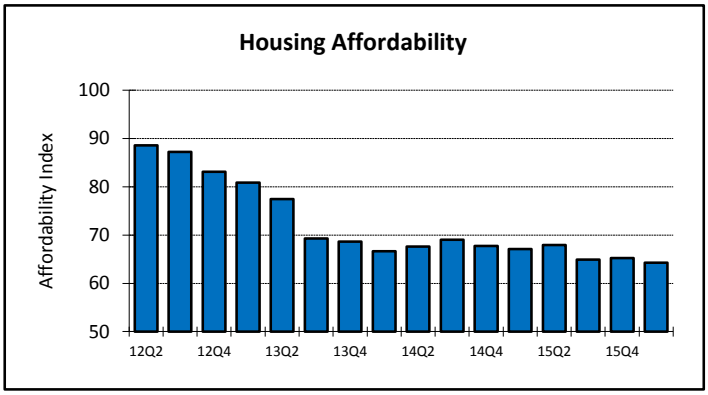
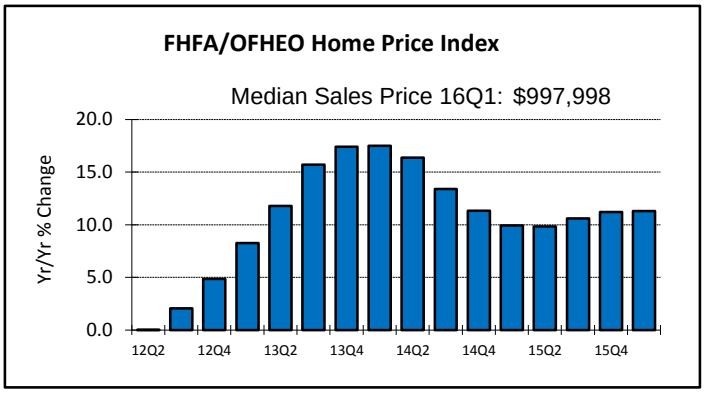
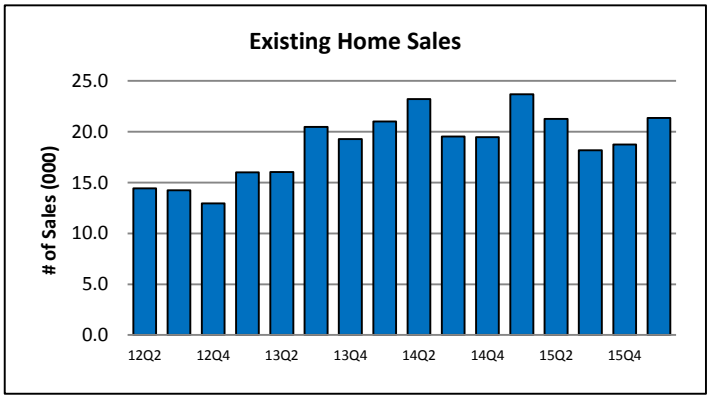
Economic & Housing Indicators

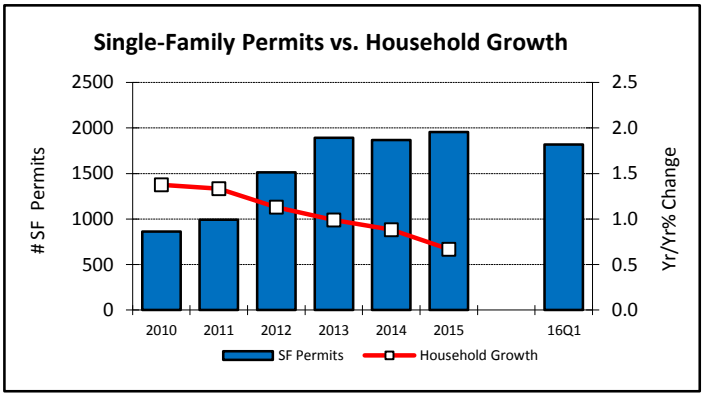


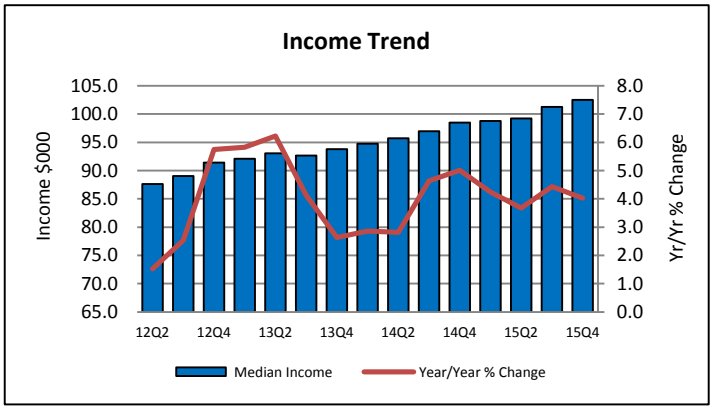


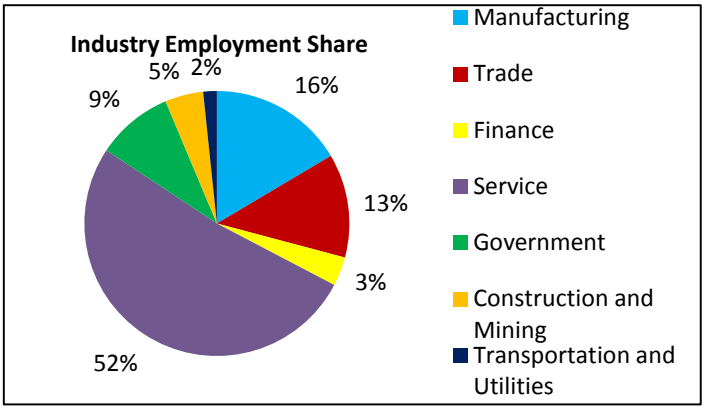












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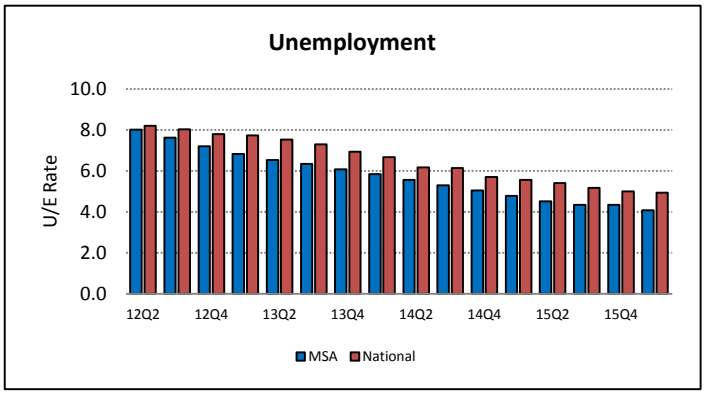
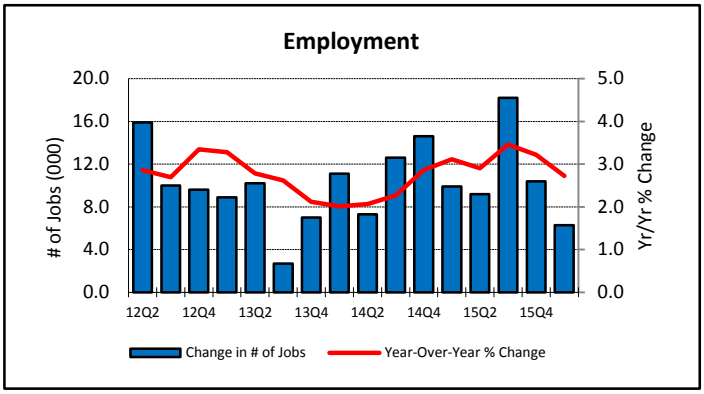
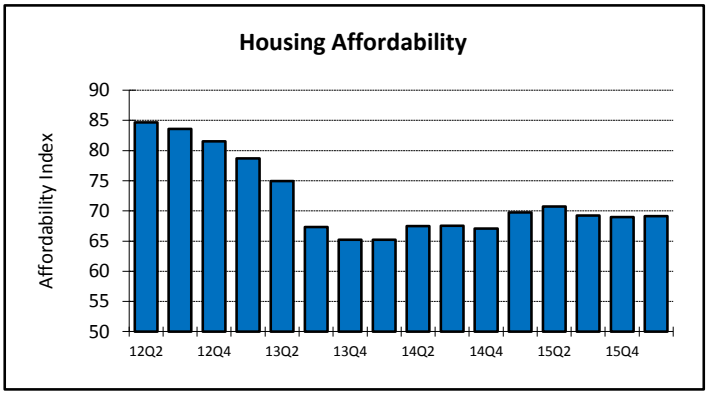
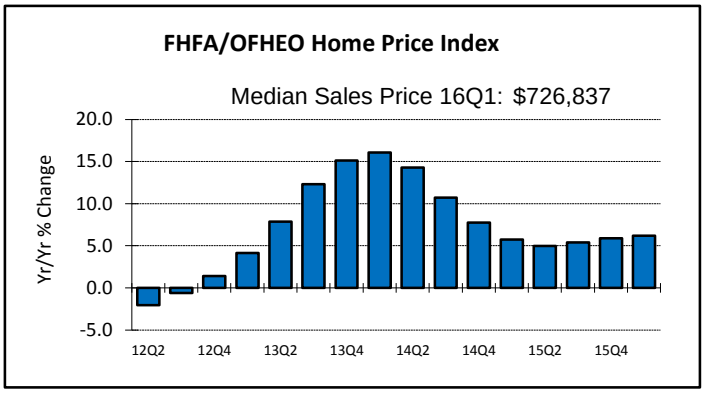
Santa Ana-Anaheim, CA

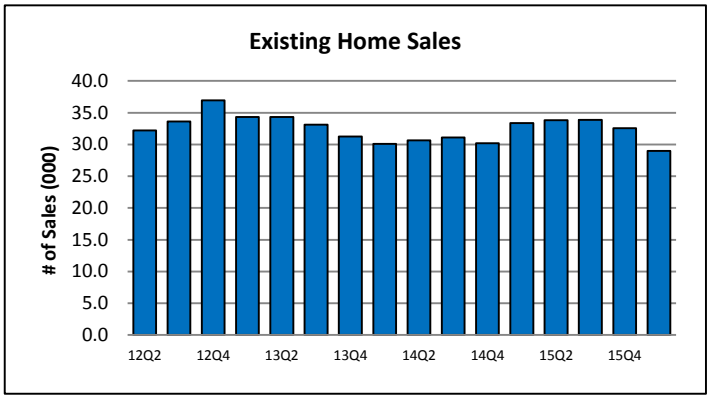
Economic & Housing Indicators

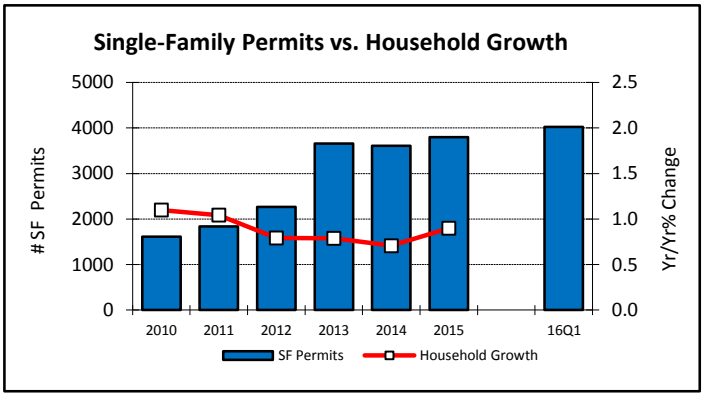


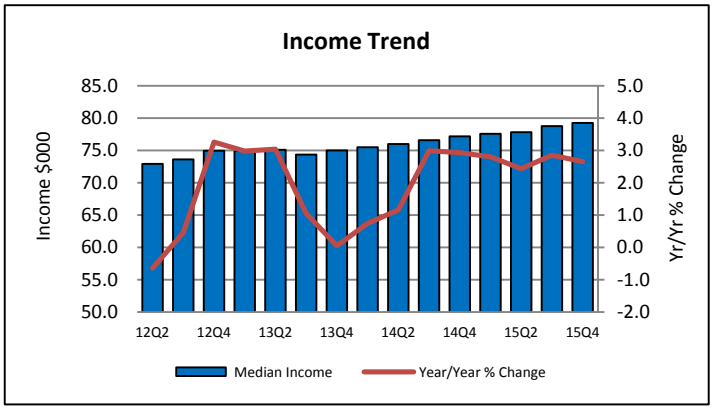


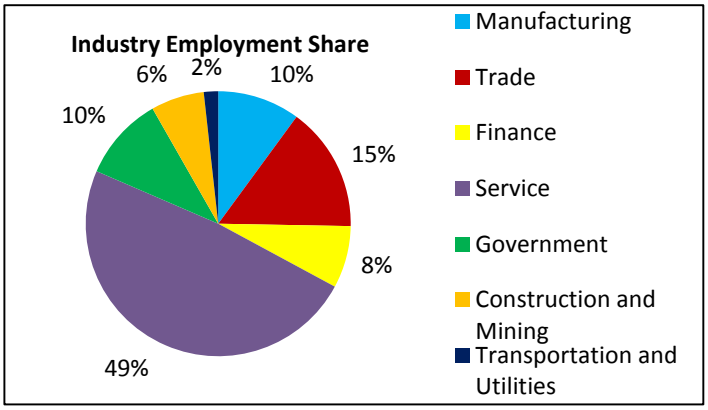












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Denver, CO

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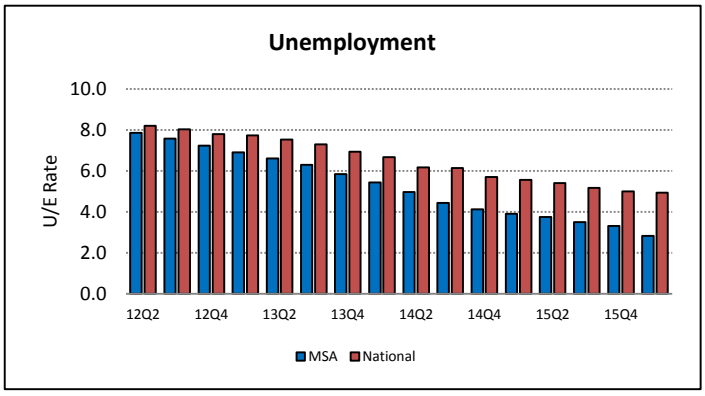
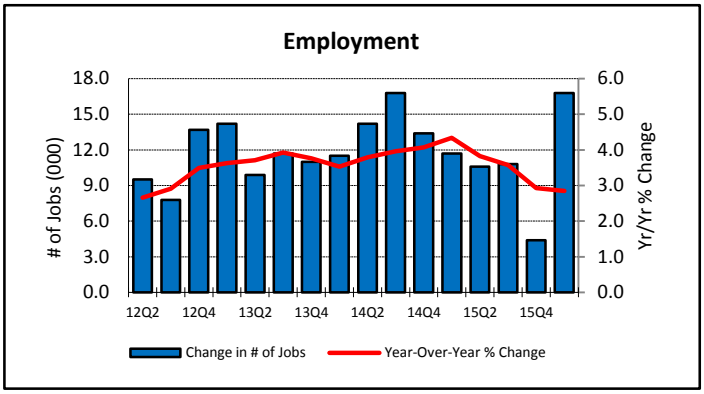
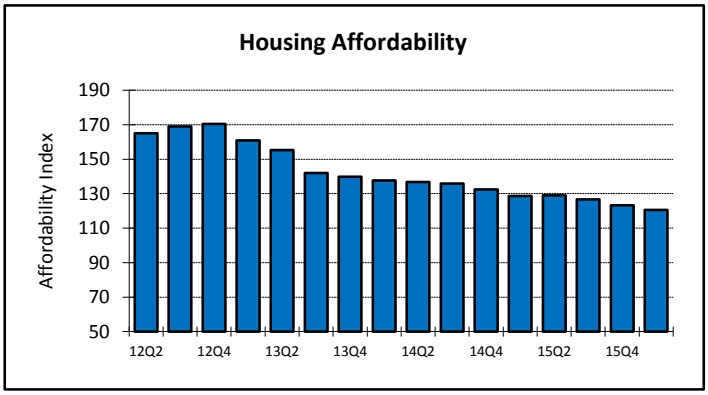
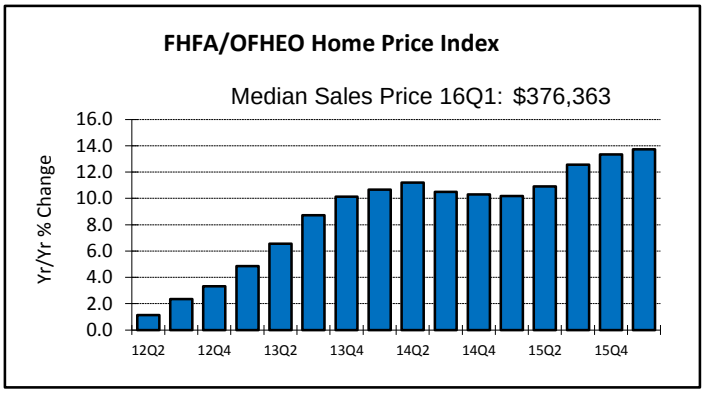
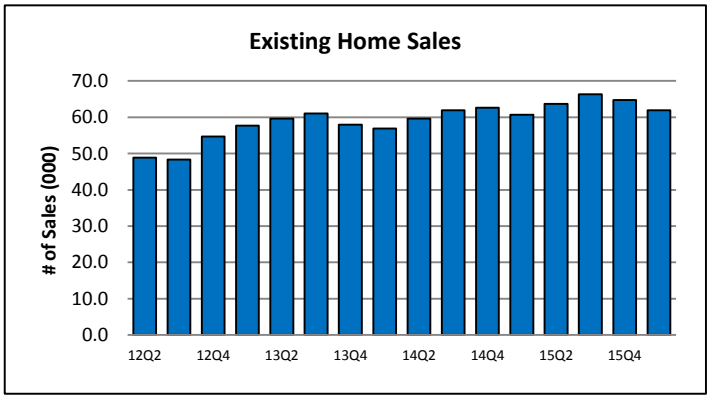
Economic & Housing Indicators

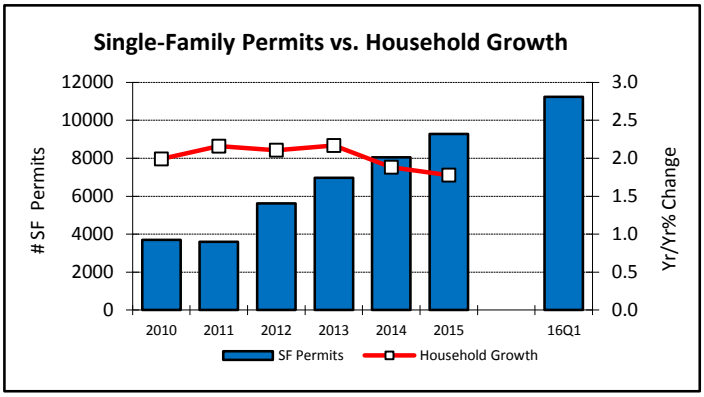


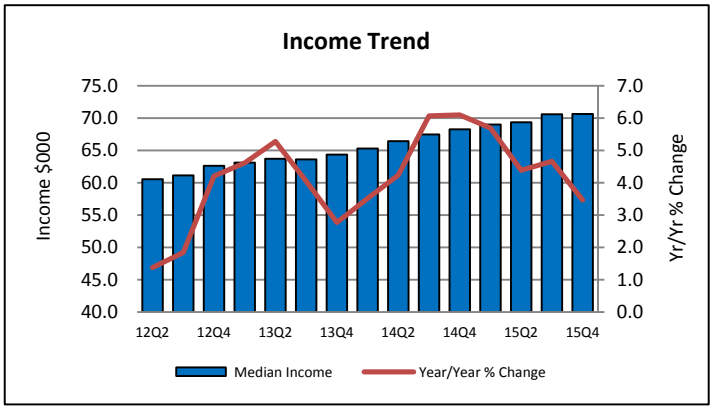


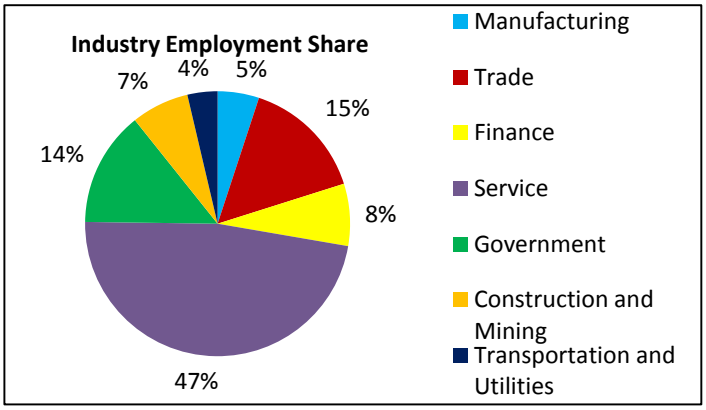












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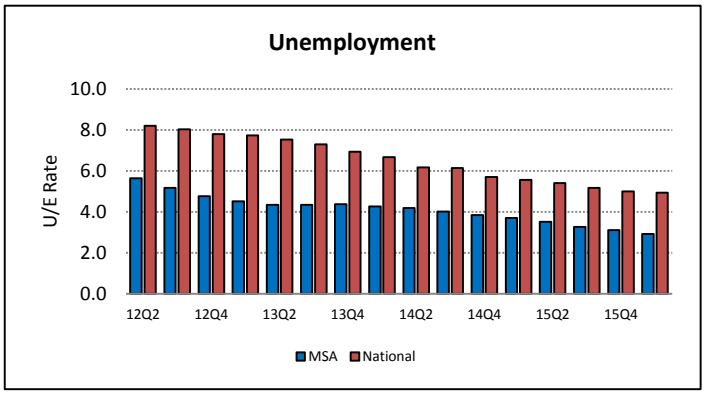
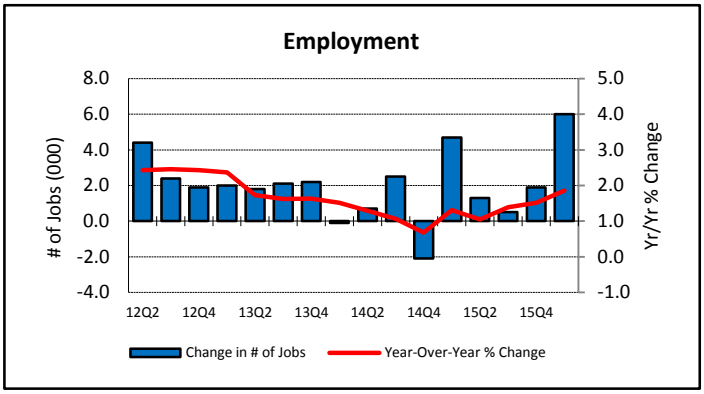
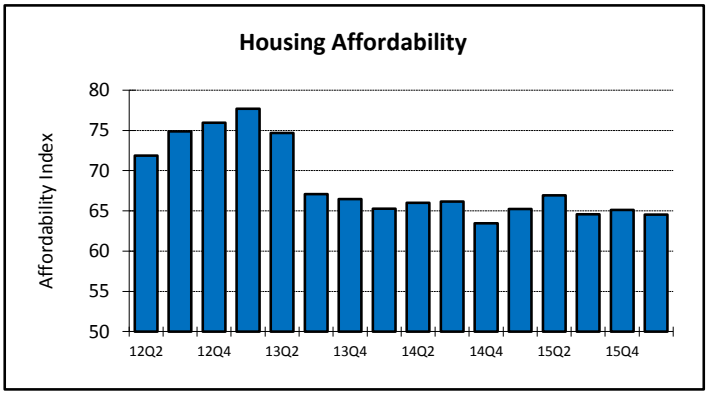
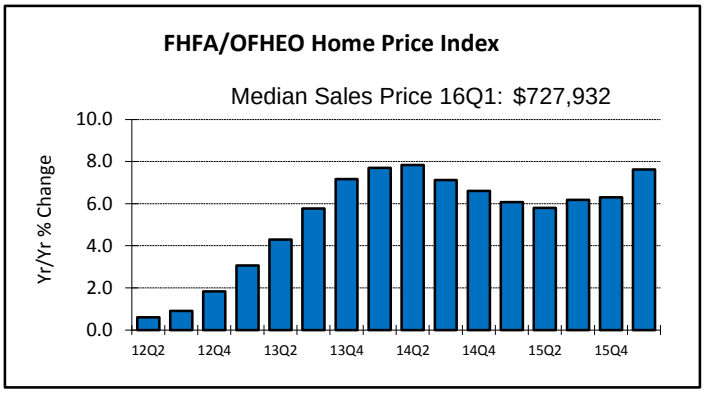
Honolulu, HI

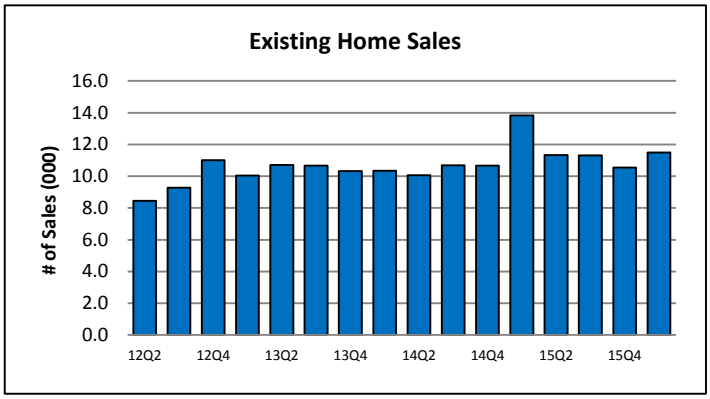
Economic & Housing Indicators

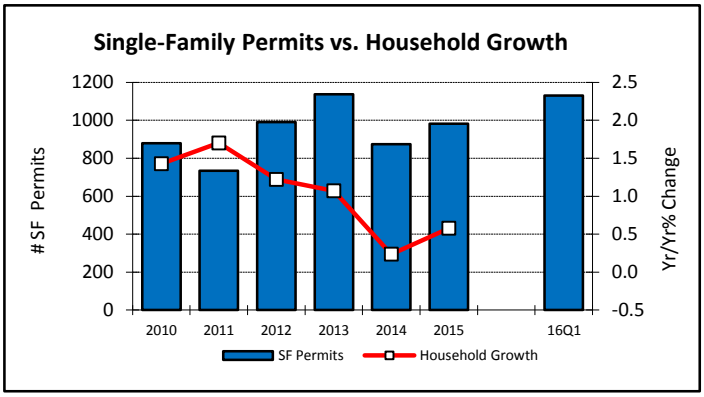


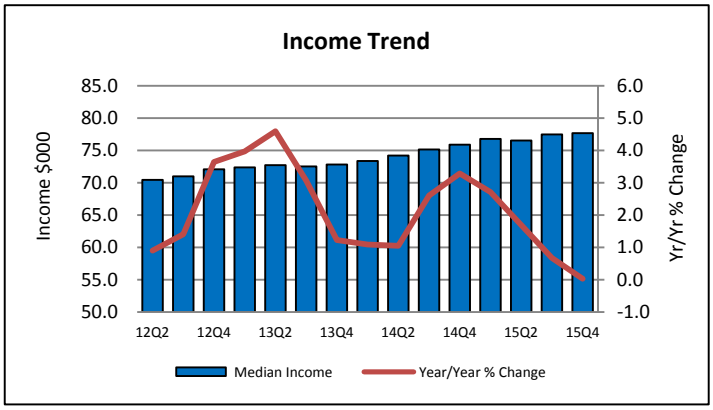


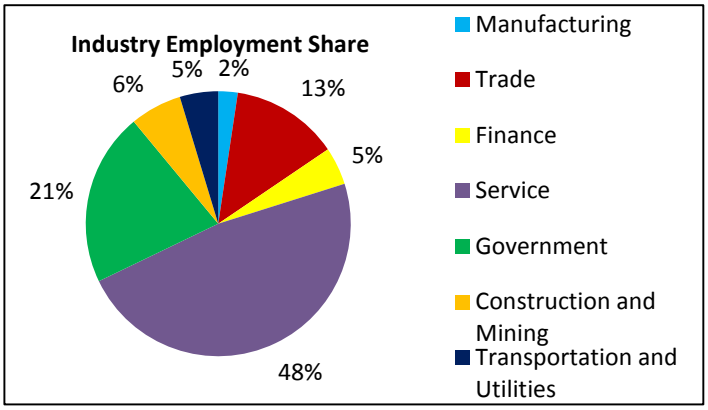












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Las Vegas, NV

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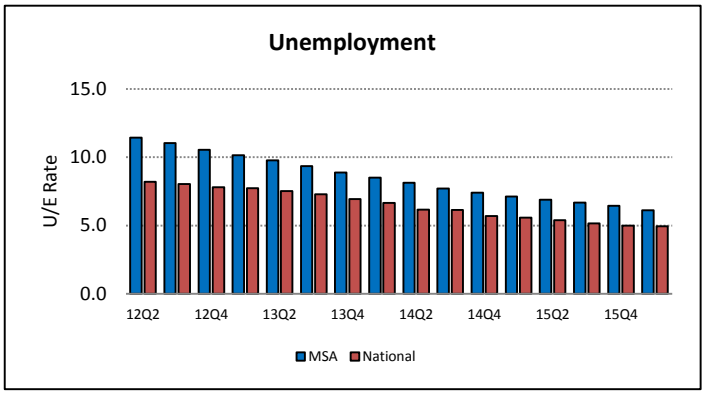
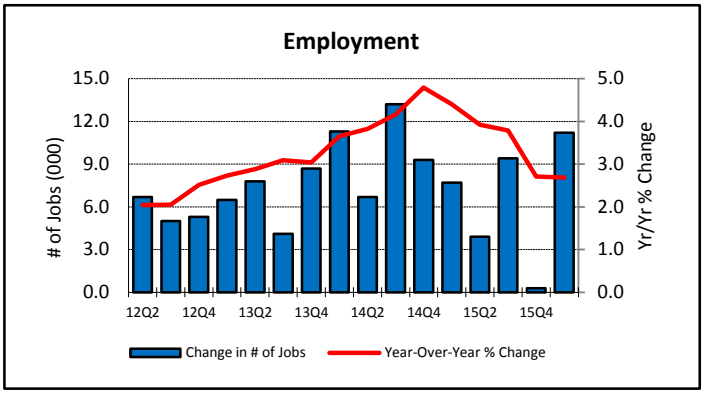
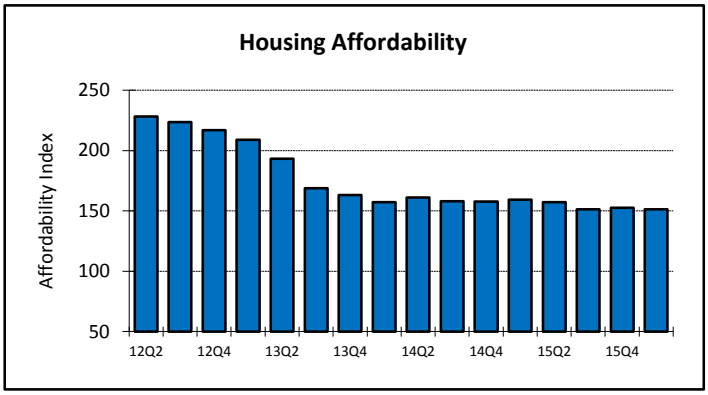
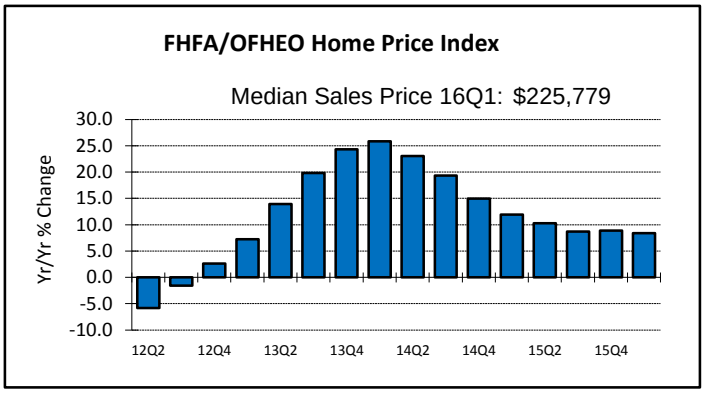
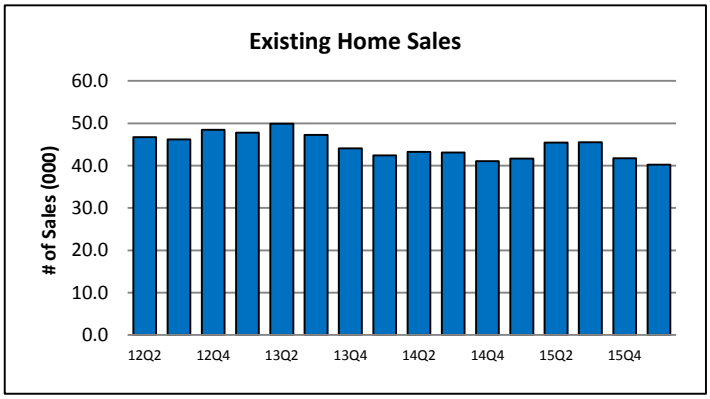
Economic & Housing Indicators

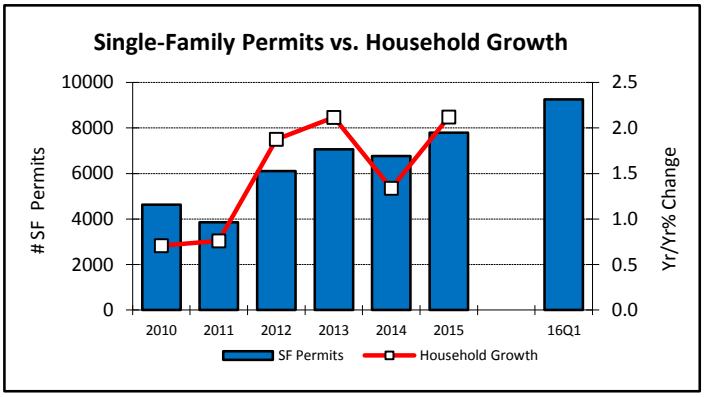


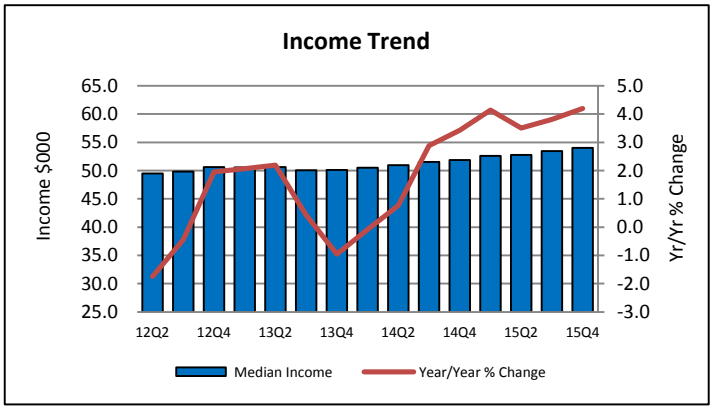


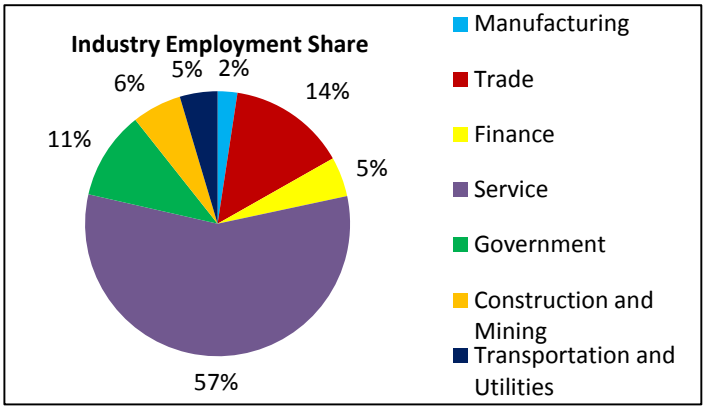












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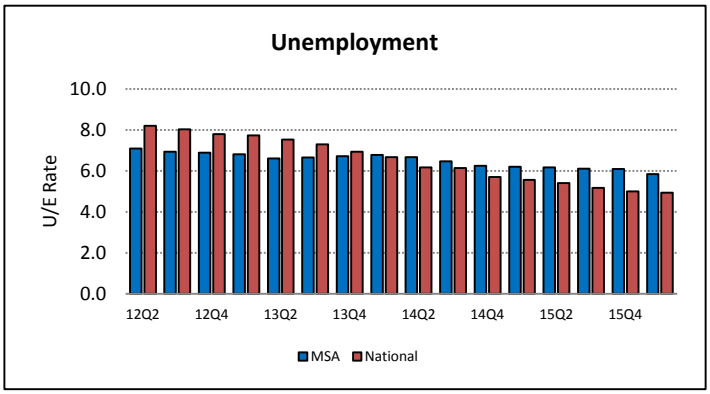
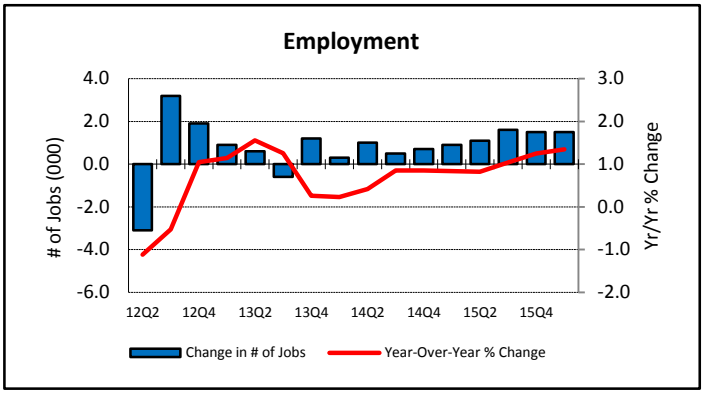
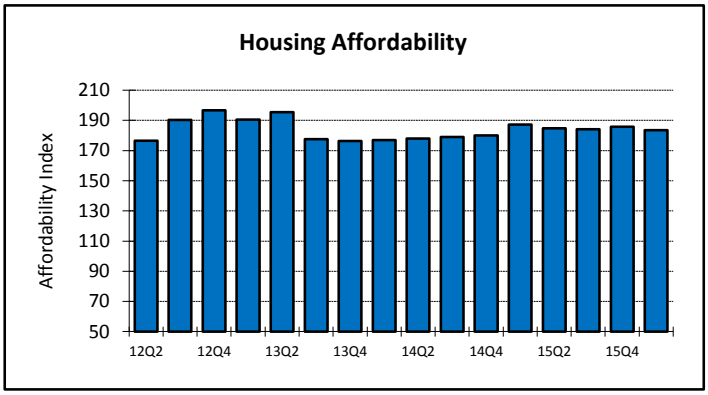
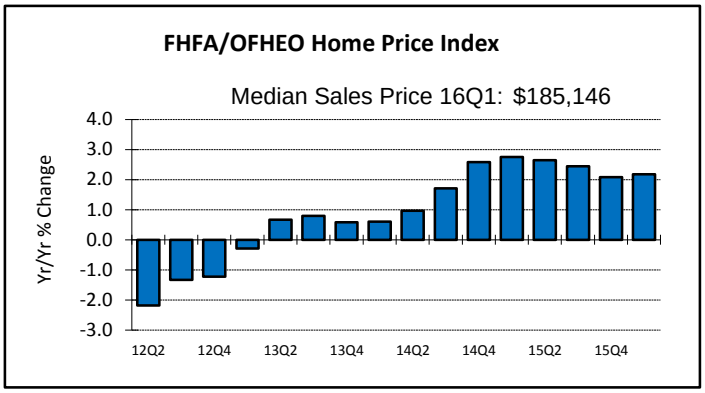
Albuquerque, NM

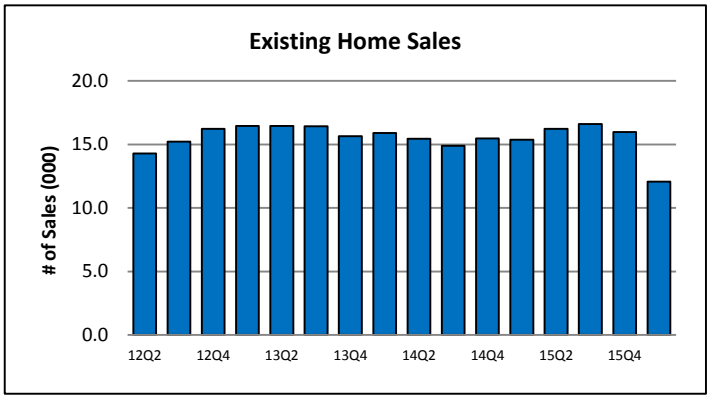
Economic & Housing Indicators

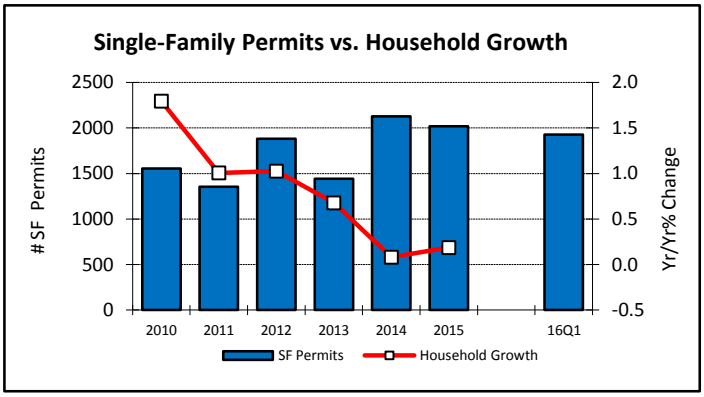


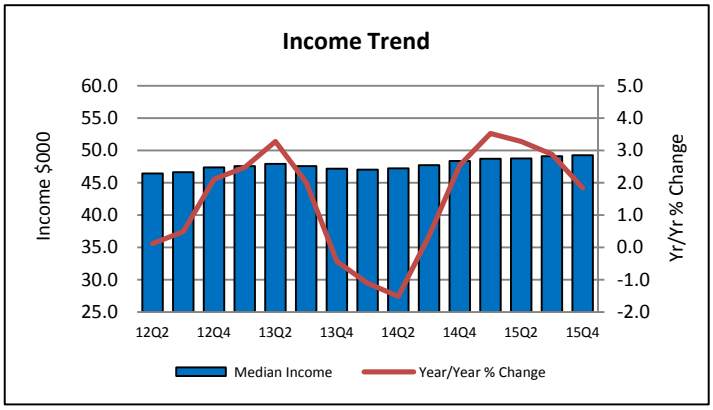


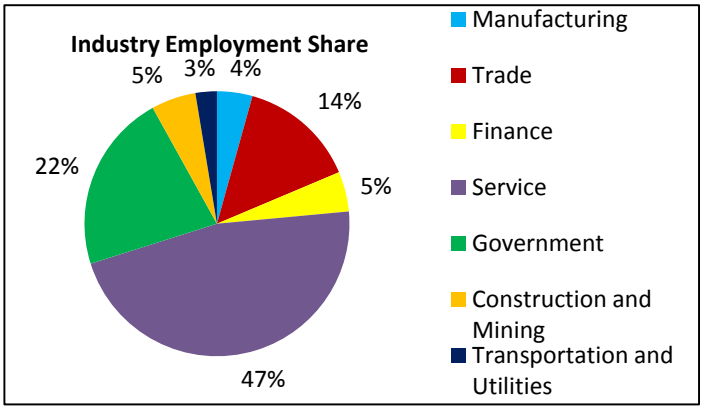












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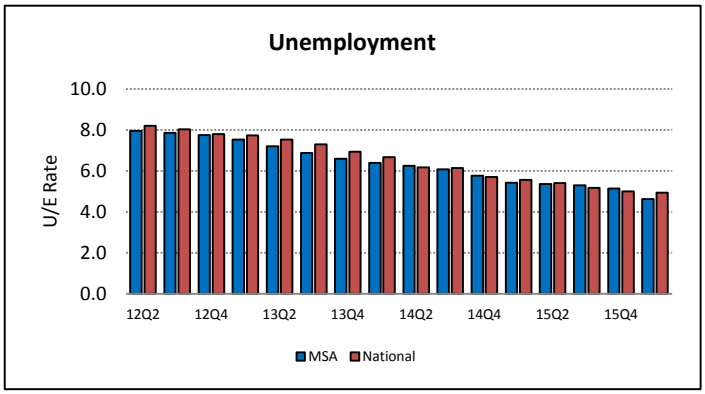
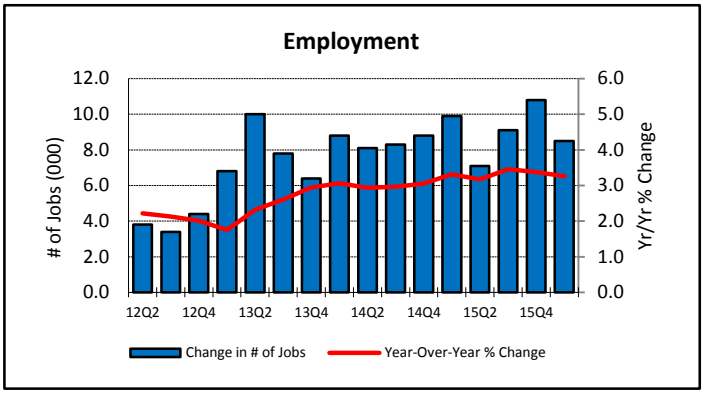
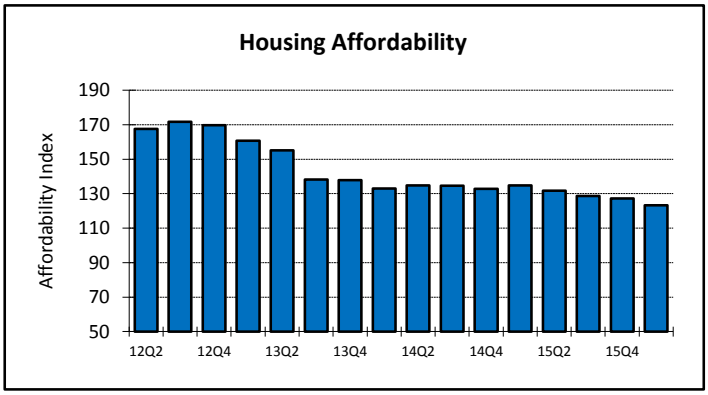
Portland, OR

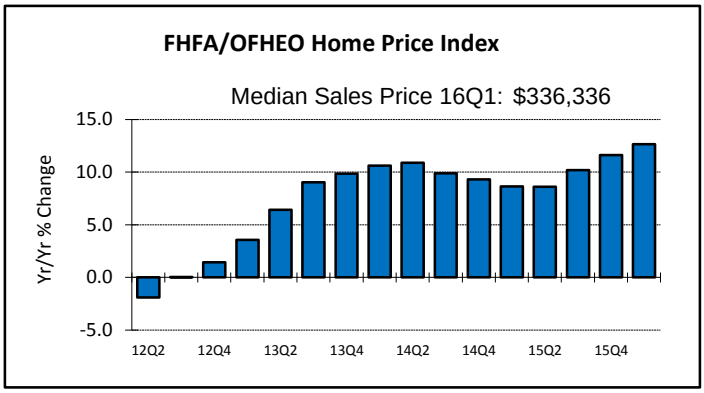
MGIC

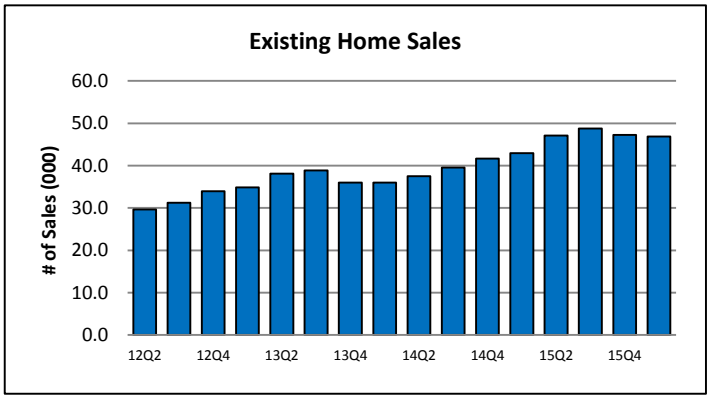
Economic & Housing Indicators

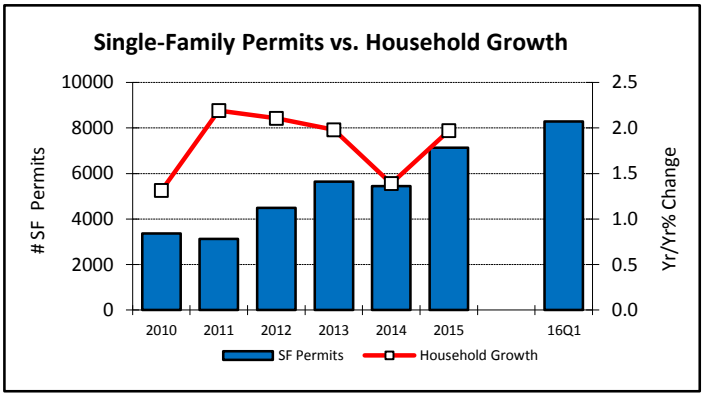


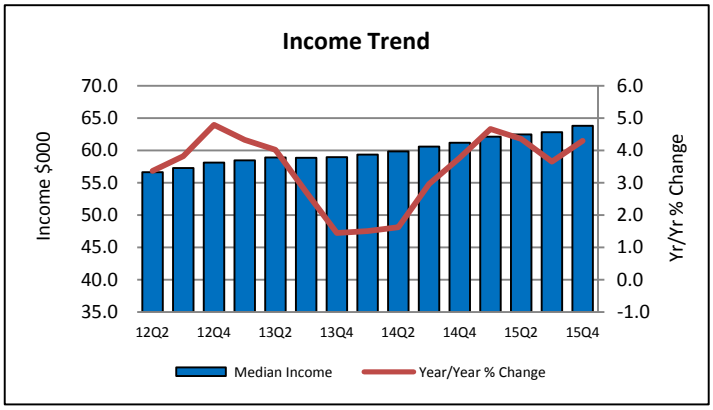


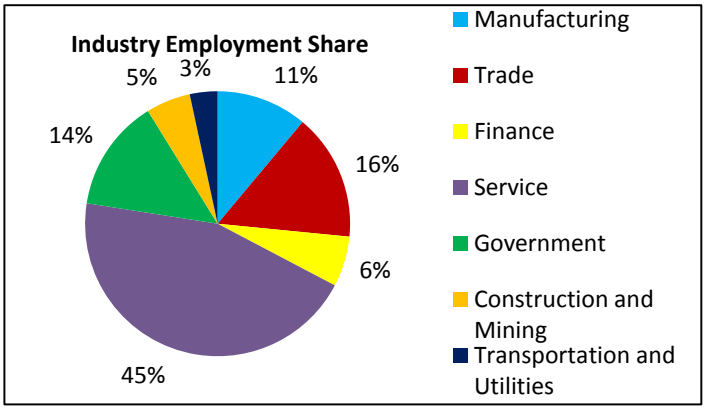








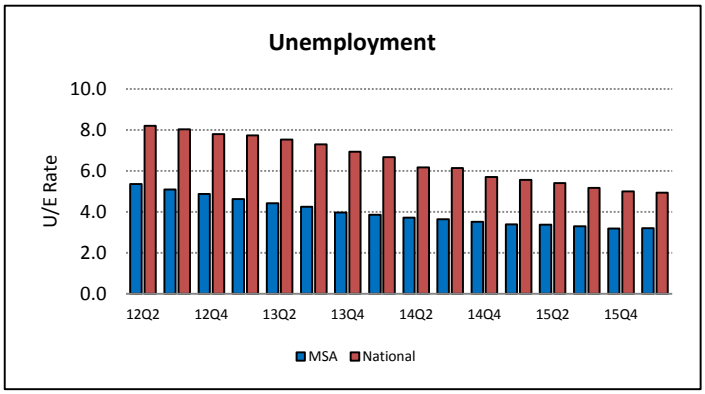


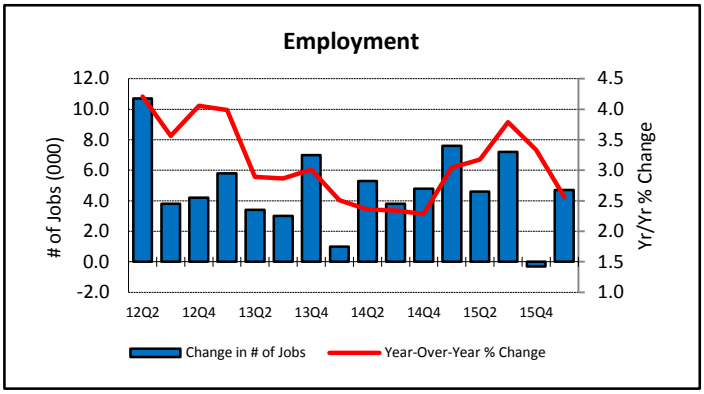


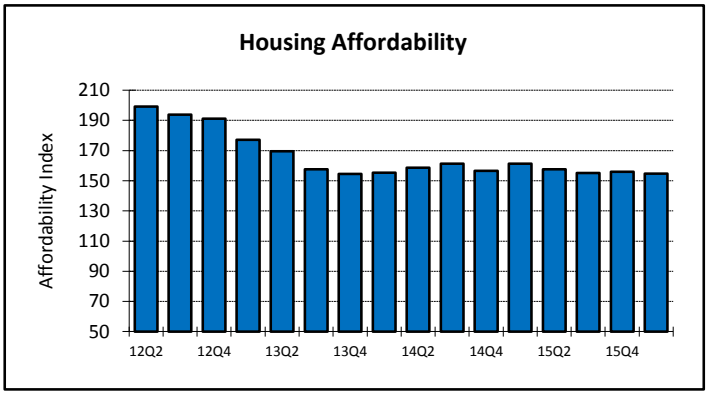
MGIC

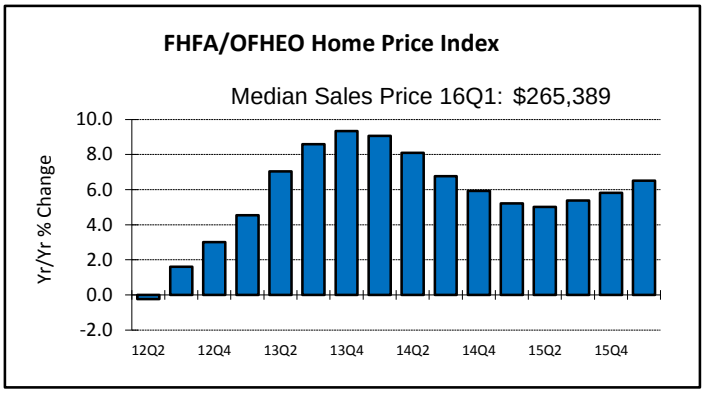
Salt Lake City, UT

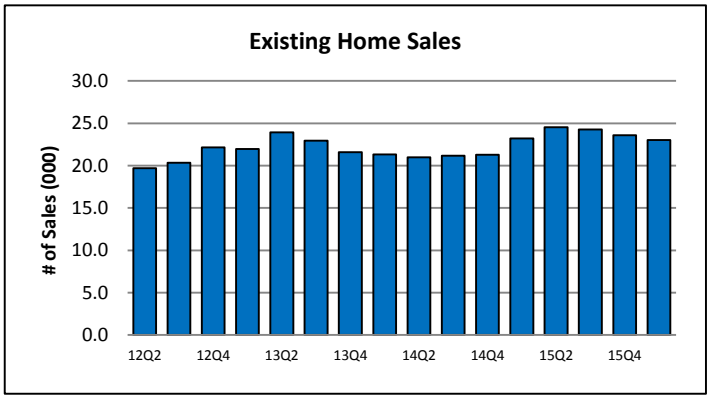
Economic & Housing Indicators

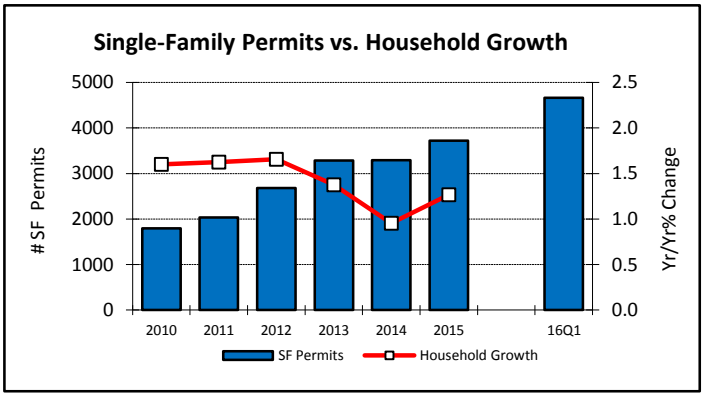


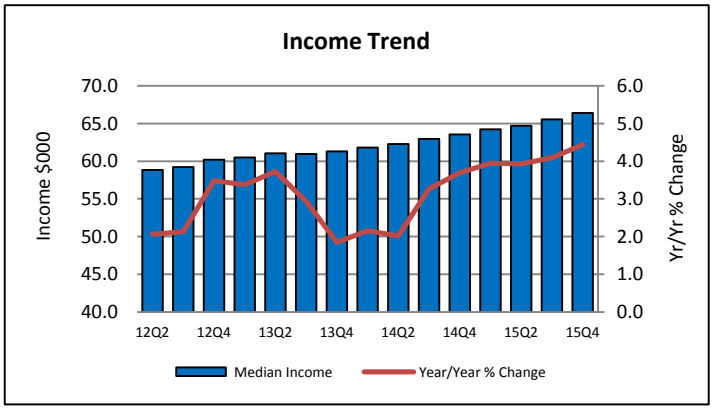


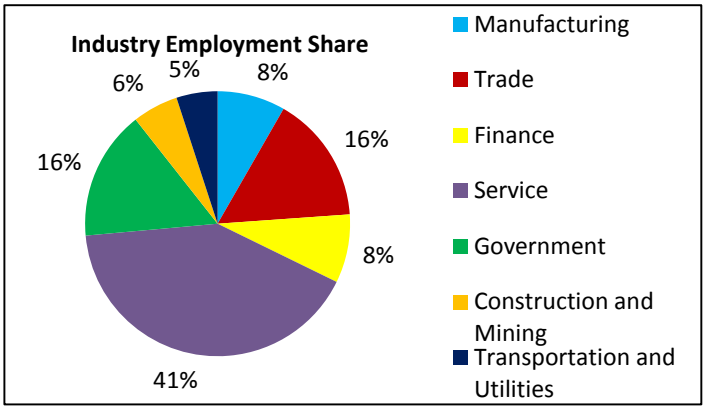












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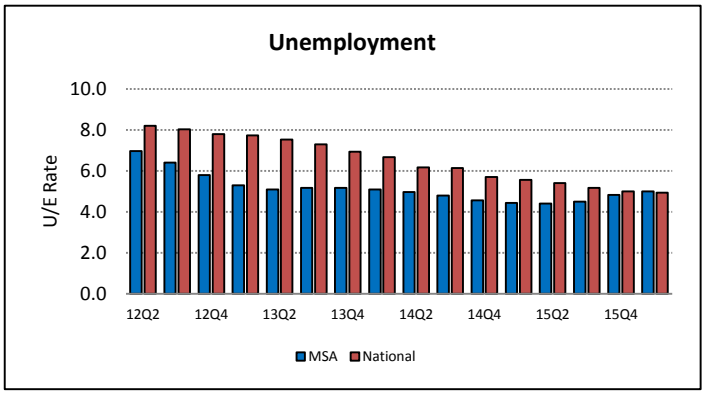
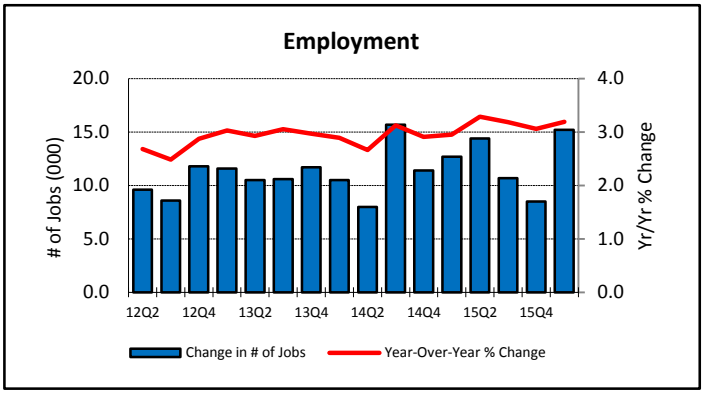
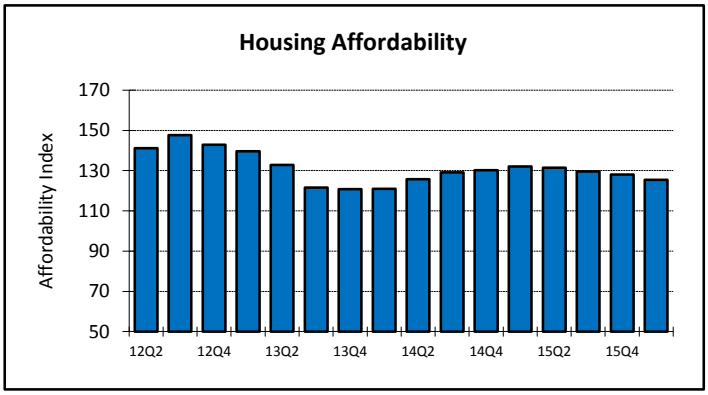
Seattle, WA

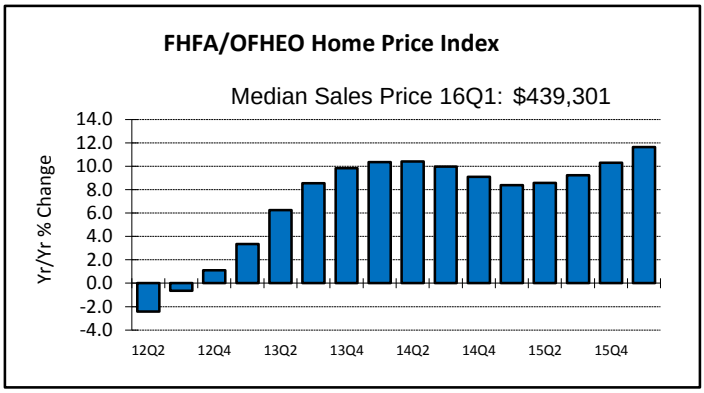
MGIC

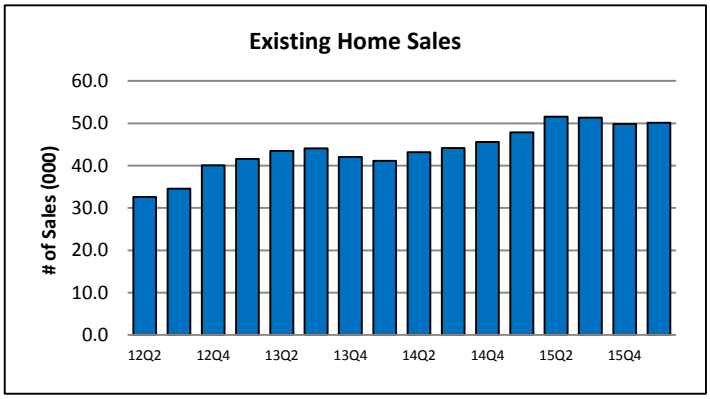
Economic & Housing Indicators

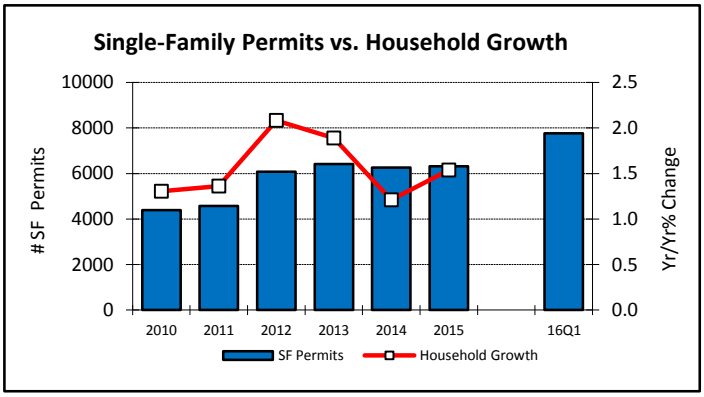


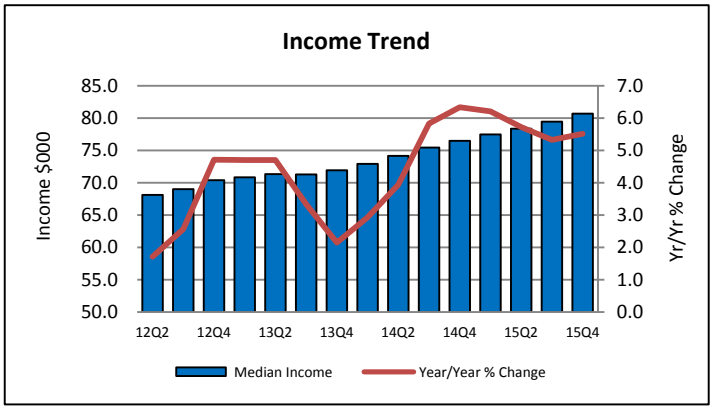


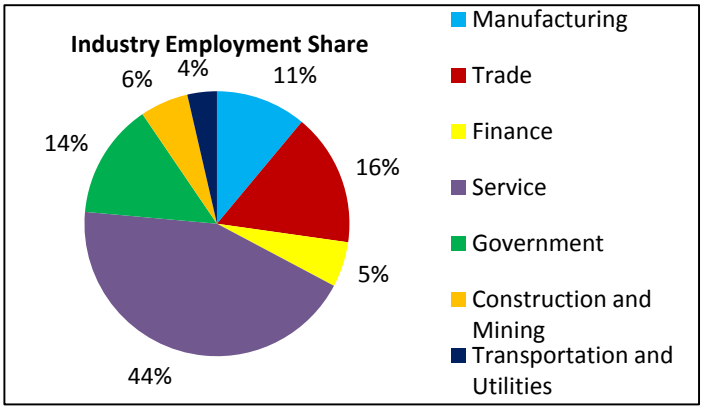












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