



JEFF LOSEY

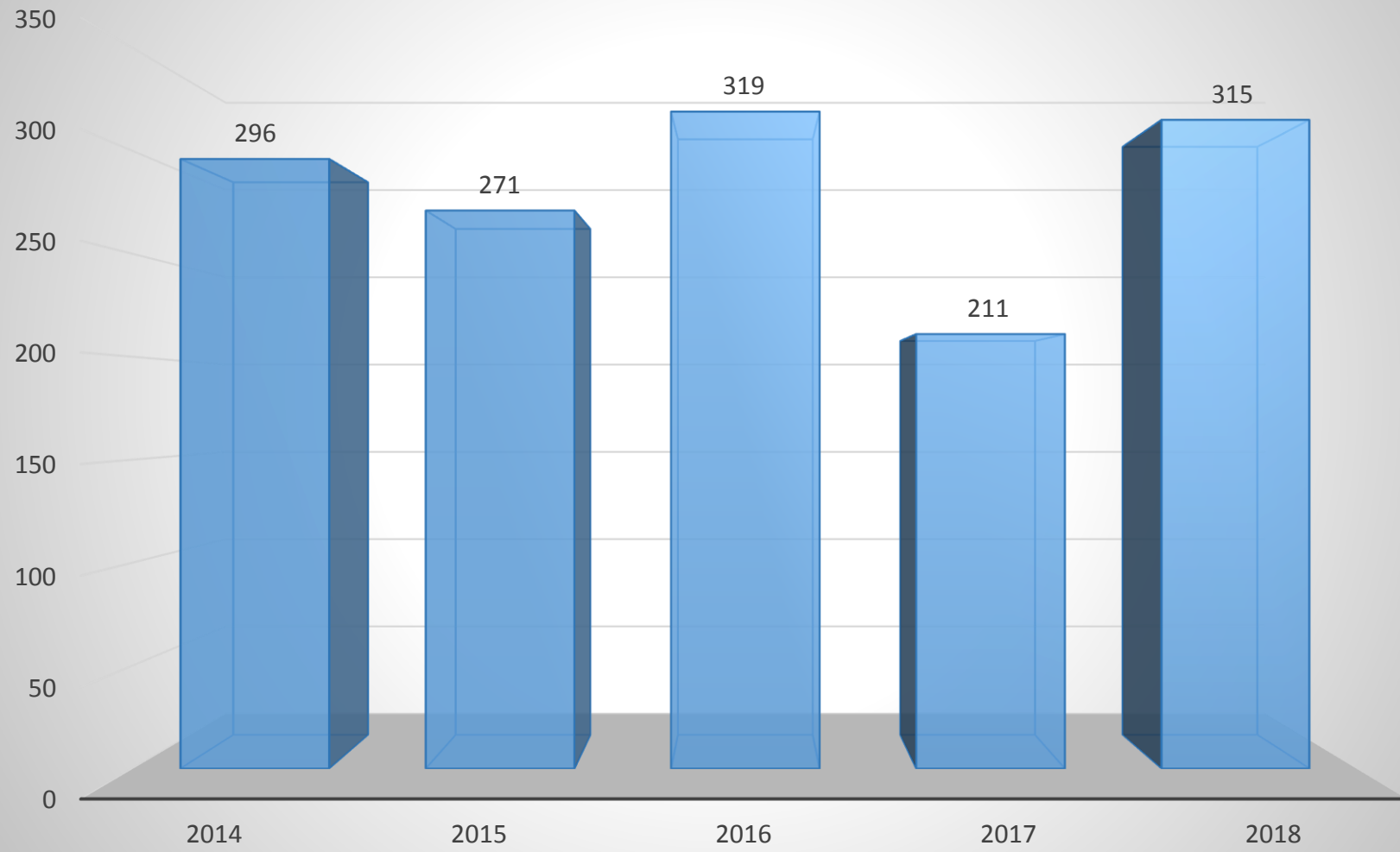
EXECUTIVE DIRECTOR



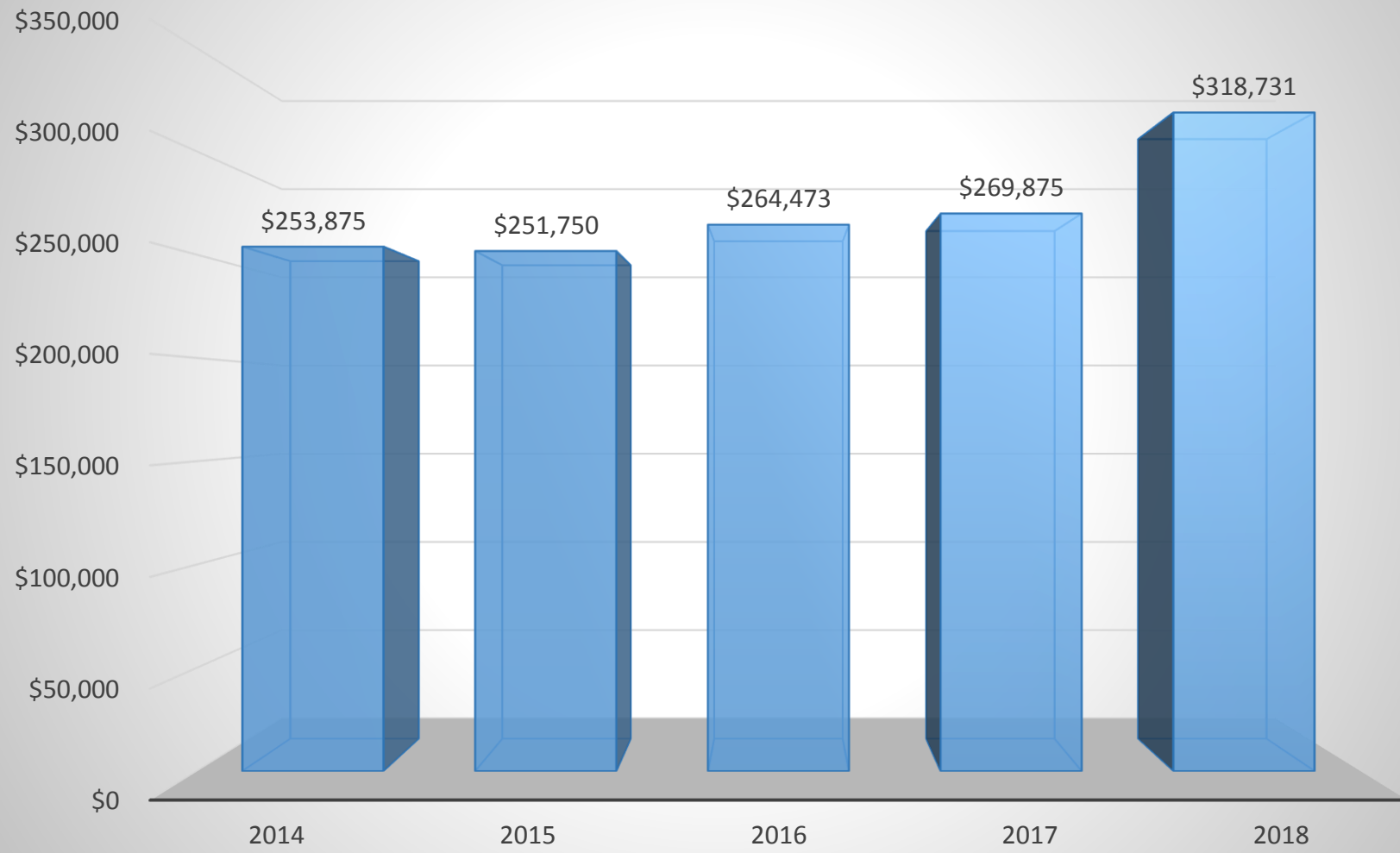
HOUSING STATS



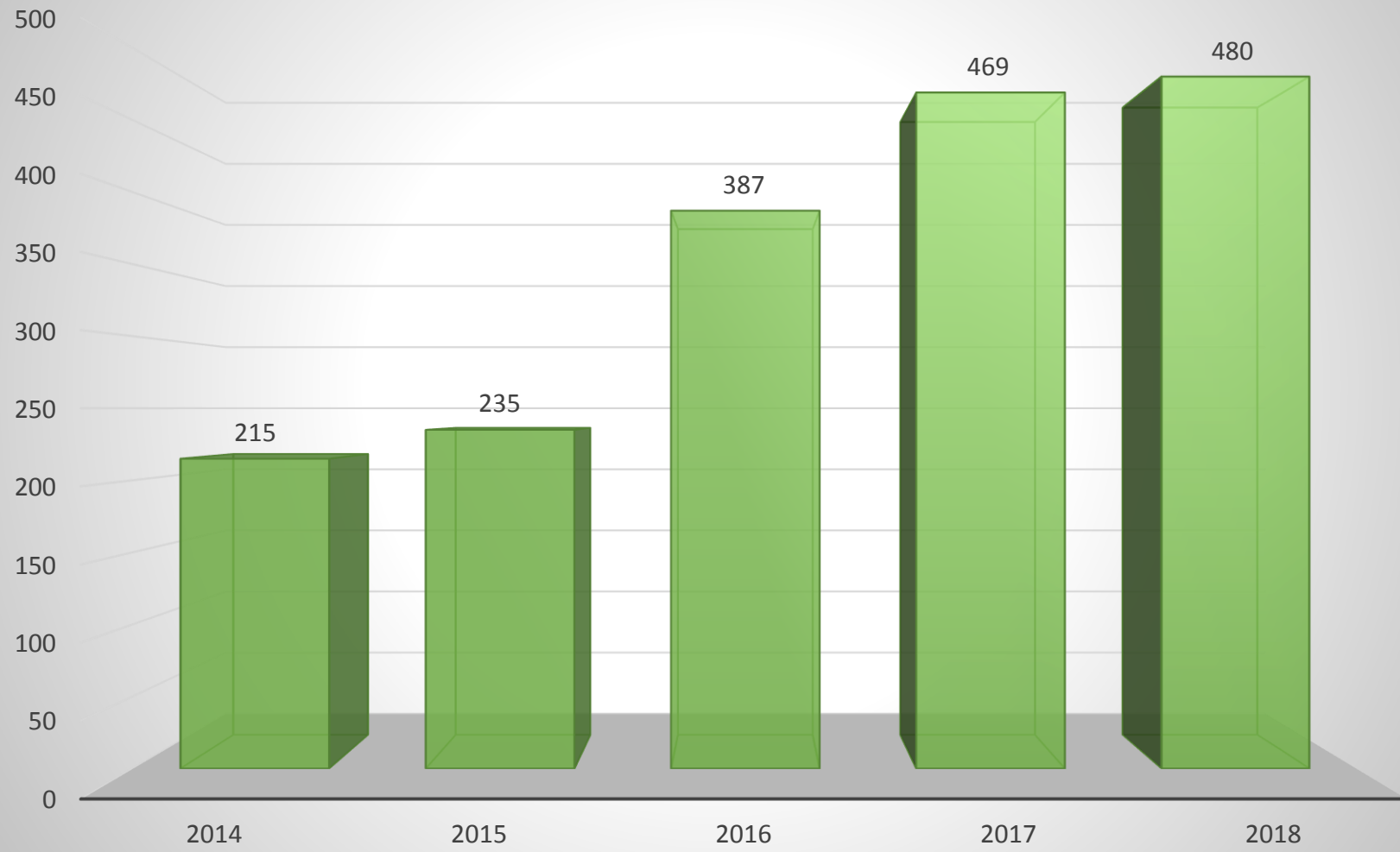
SFR Permits - Kennewick



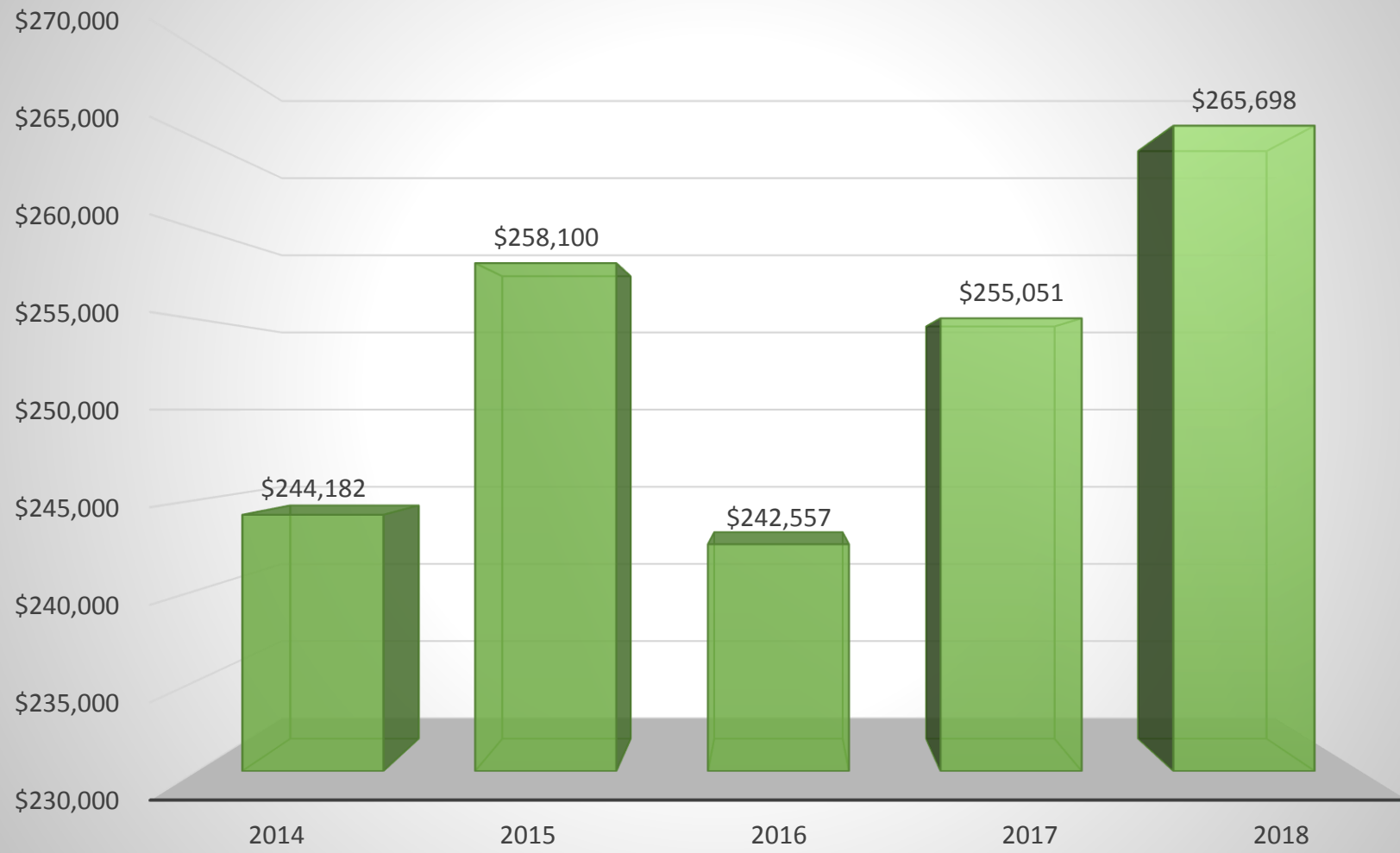
Average Value - Kennewick



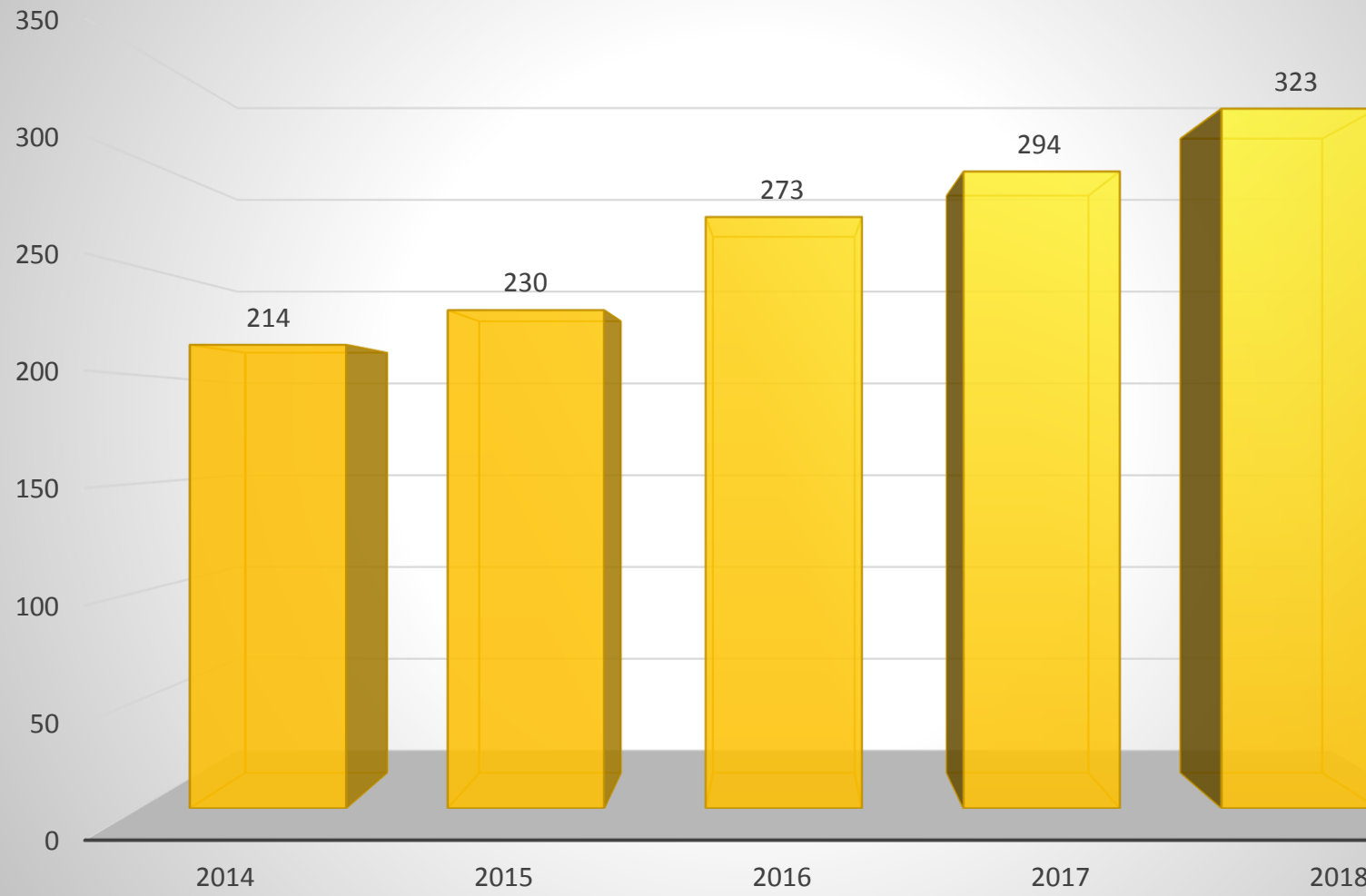
SFR Permits - Pasco



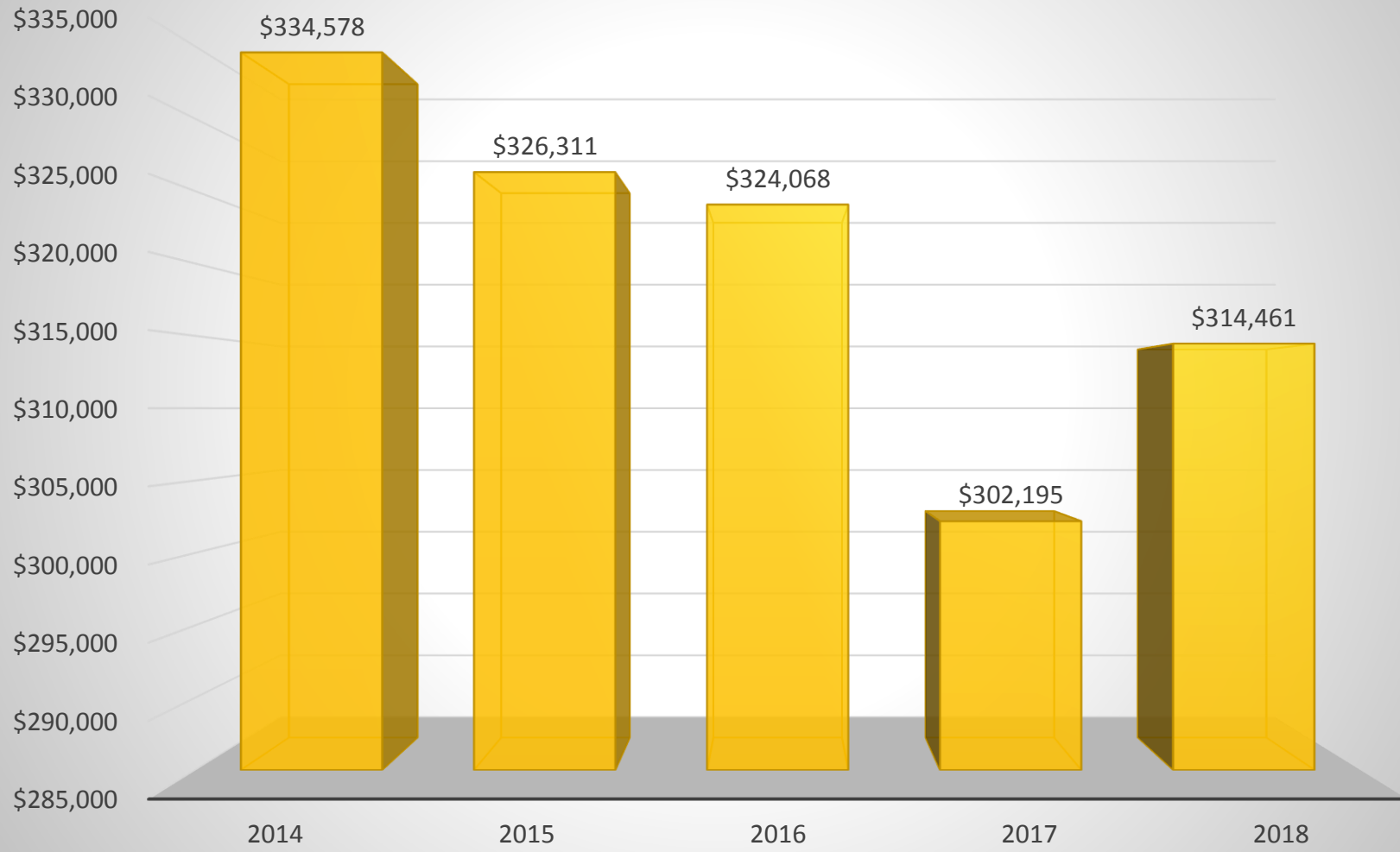
Average Value - Pasco



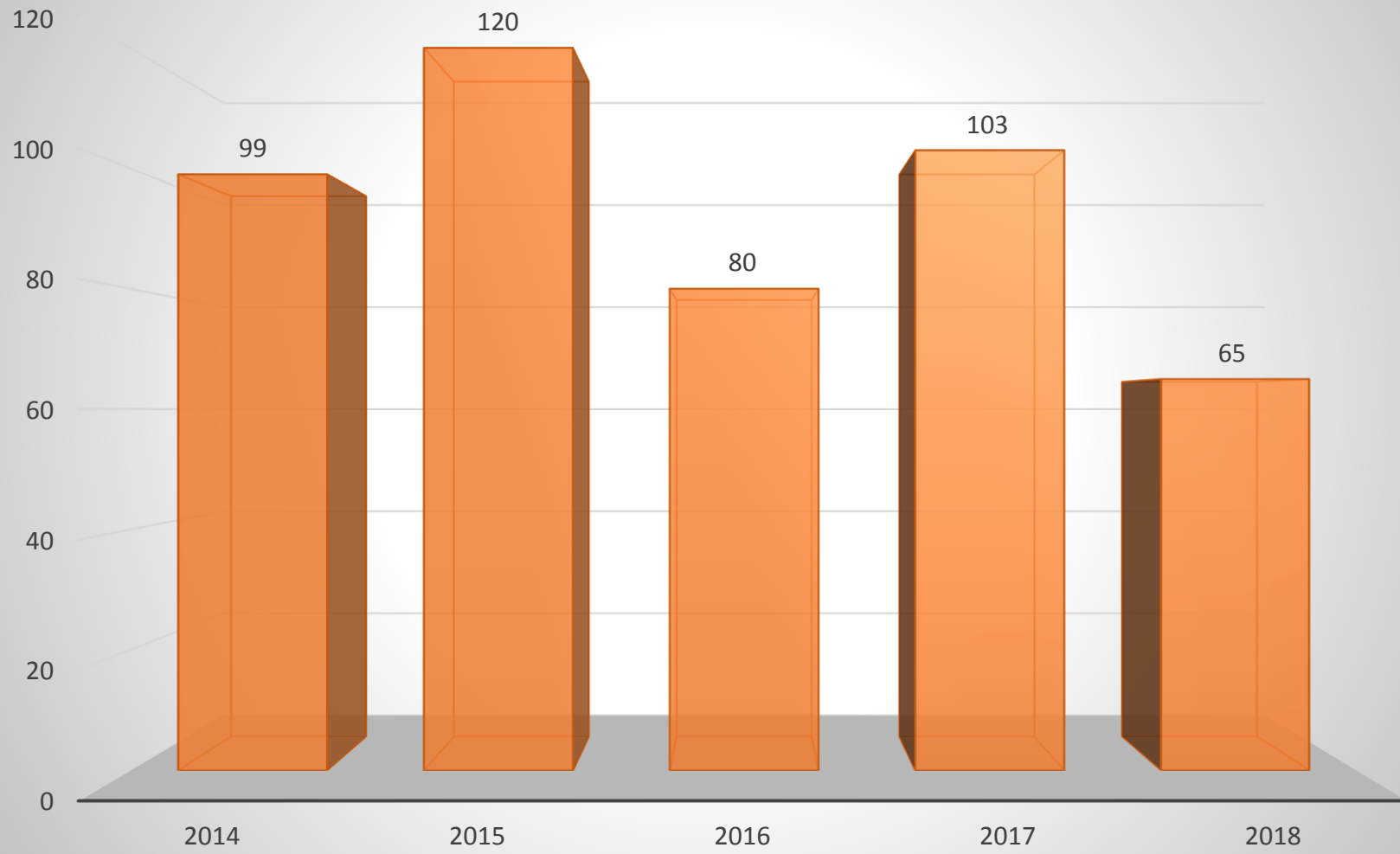
SFR Permits - Richland



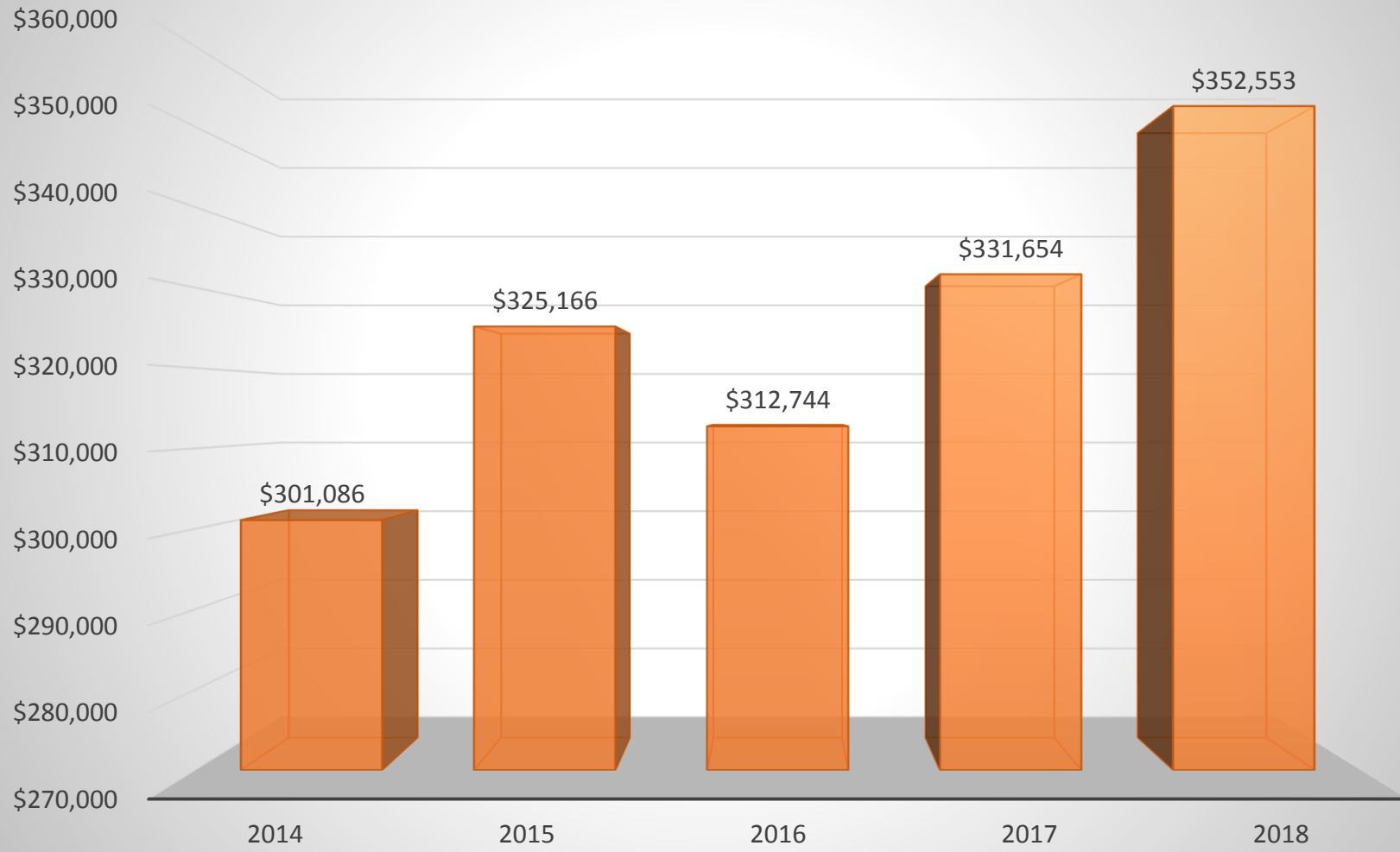
Average Value - Richland



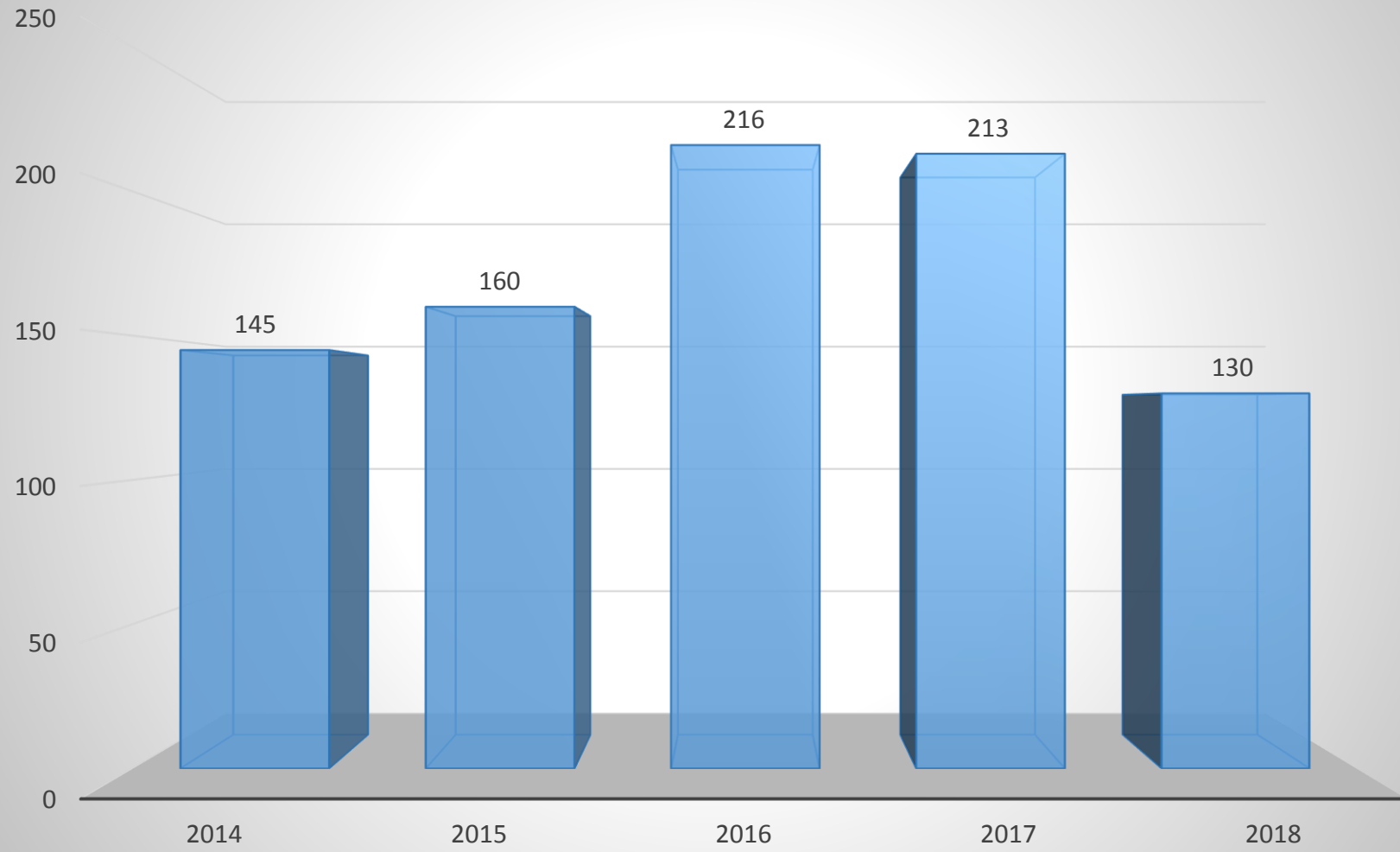
SFR Permits - West Richland



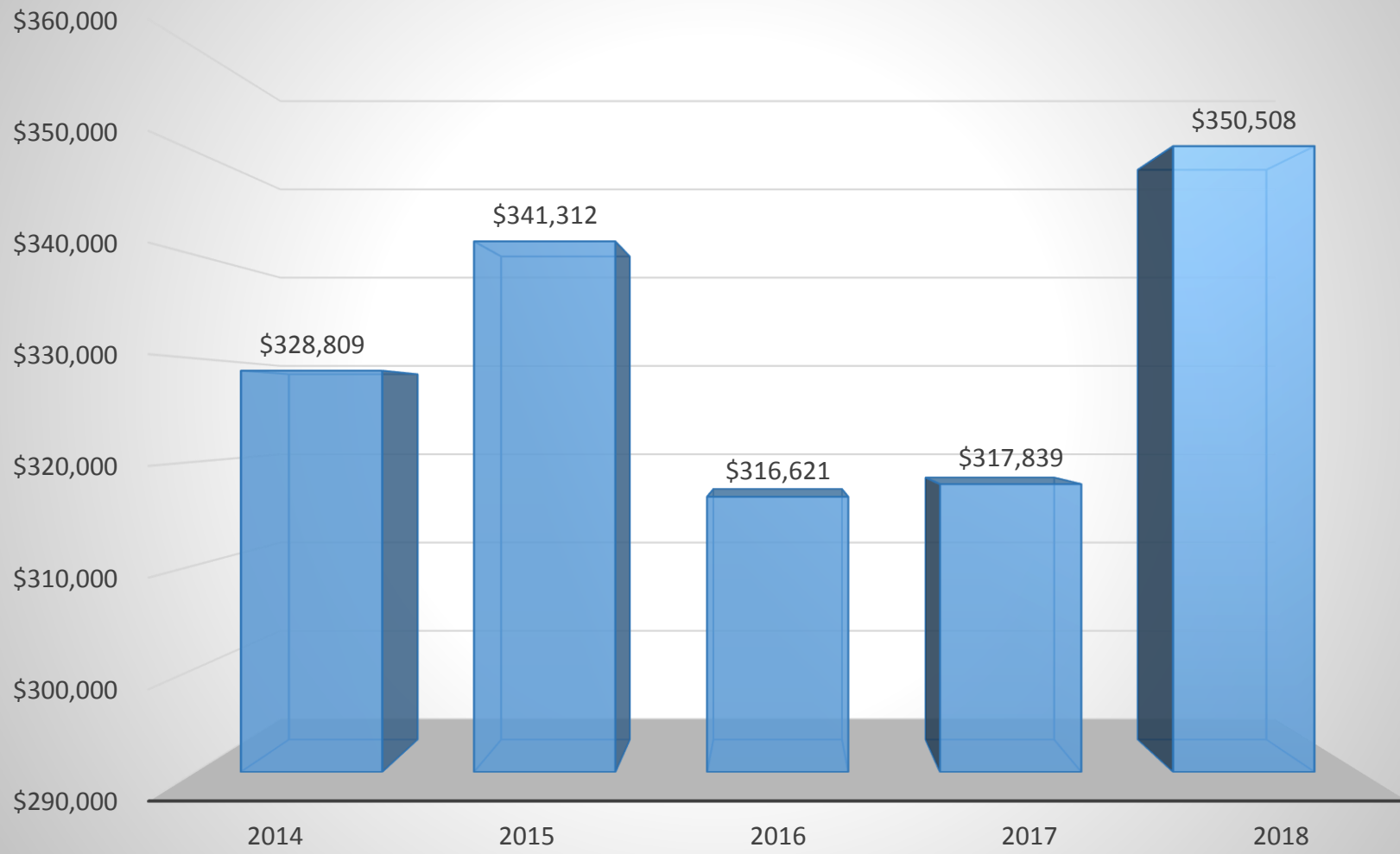
Average Value - West Richland



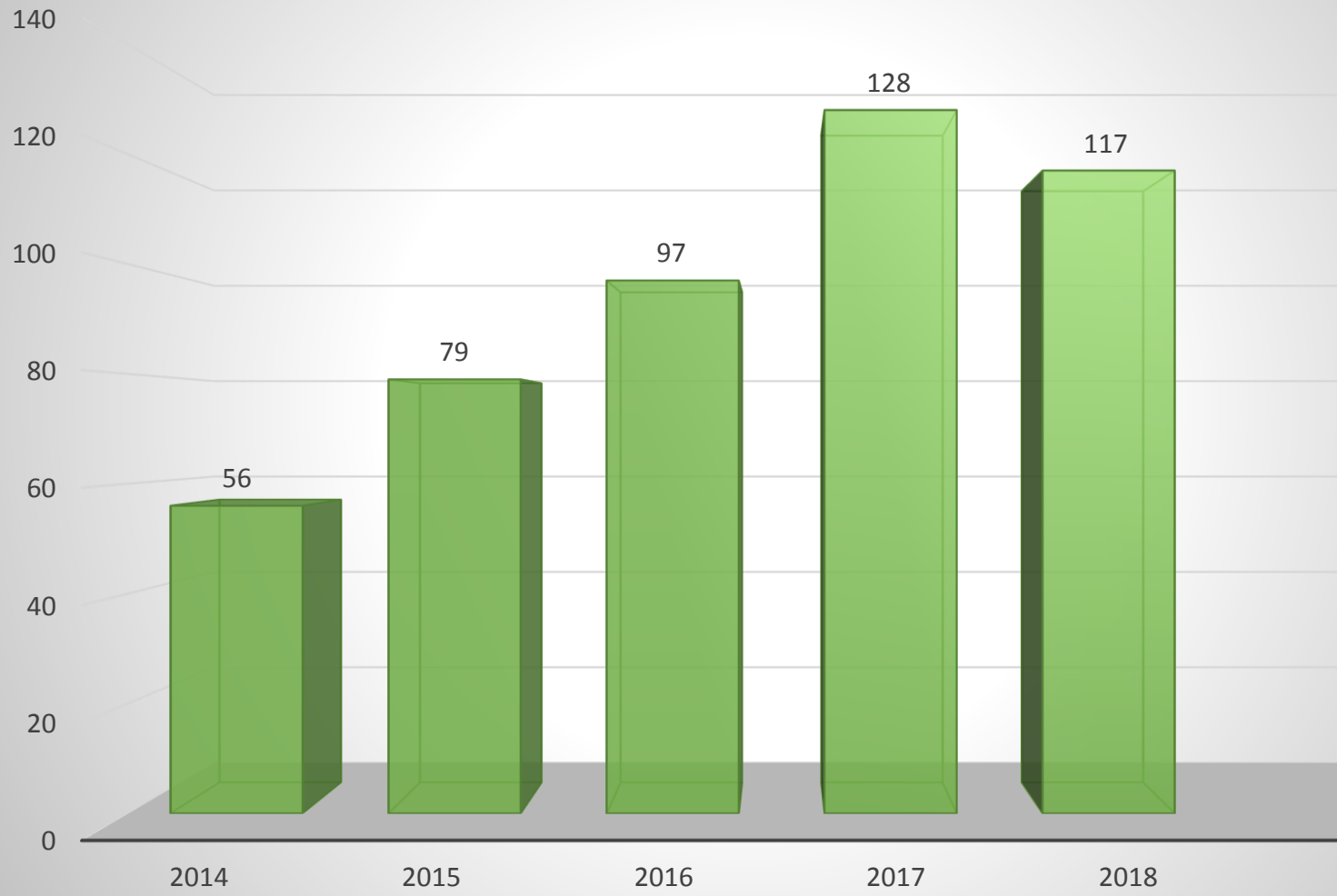
SFR Permits - Benton County



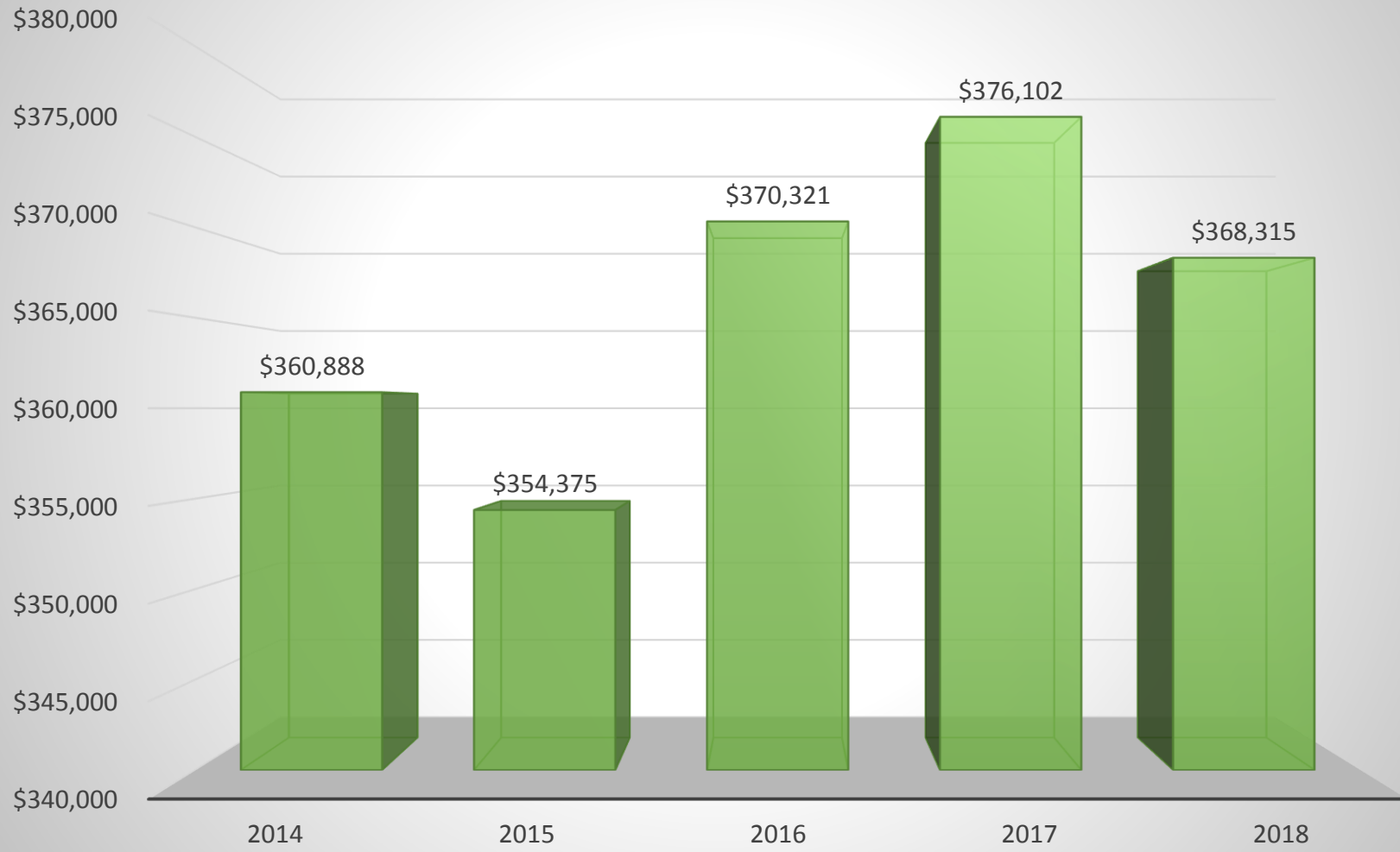
Average Value - Benton County



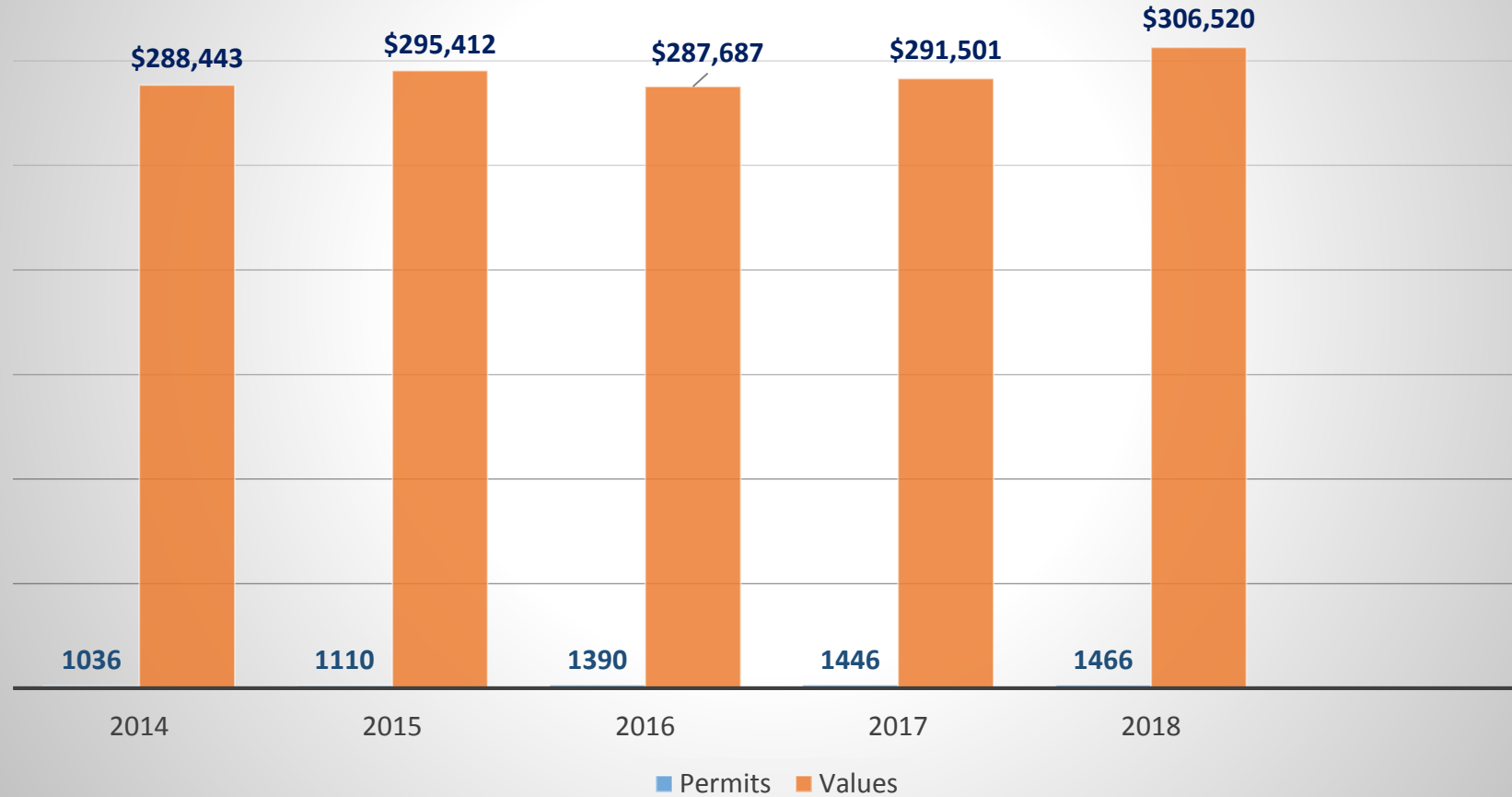
SFR Permits - Franklin County



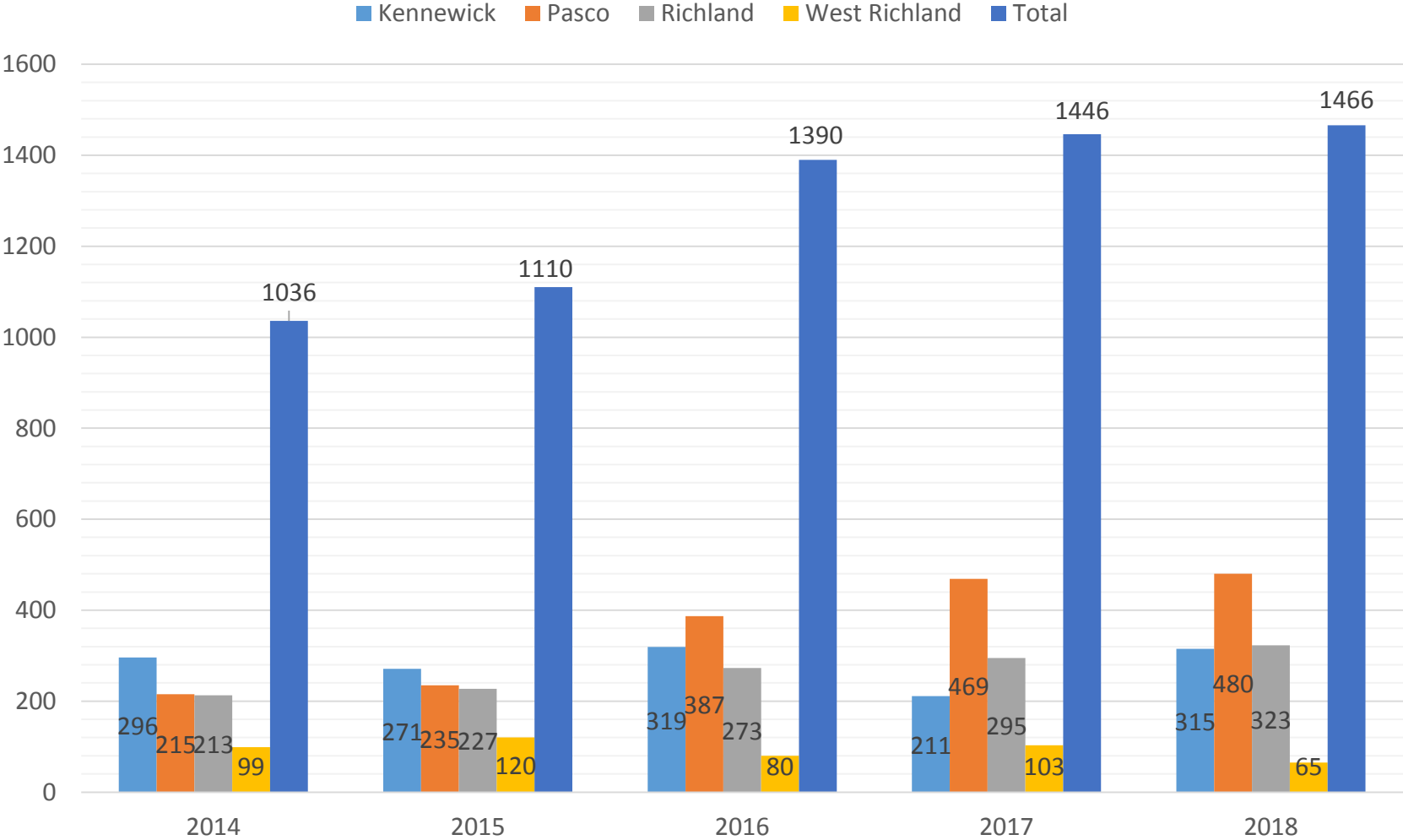
Average Value - Franklin County



SFR Total Permits and Average Values 2012-2016



Permits Issued by Jurisdiction – 2012-2016

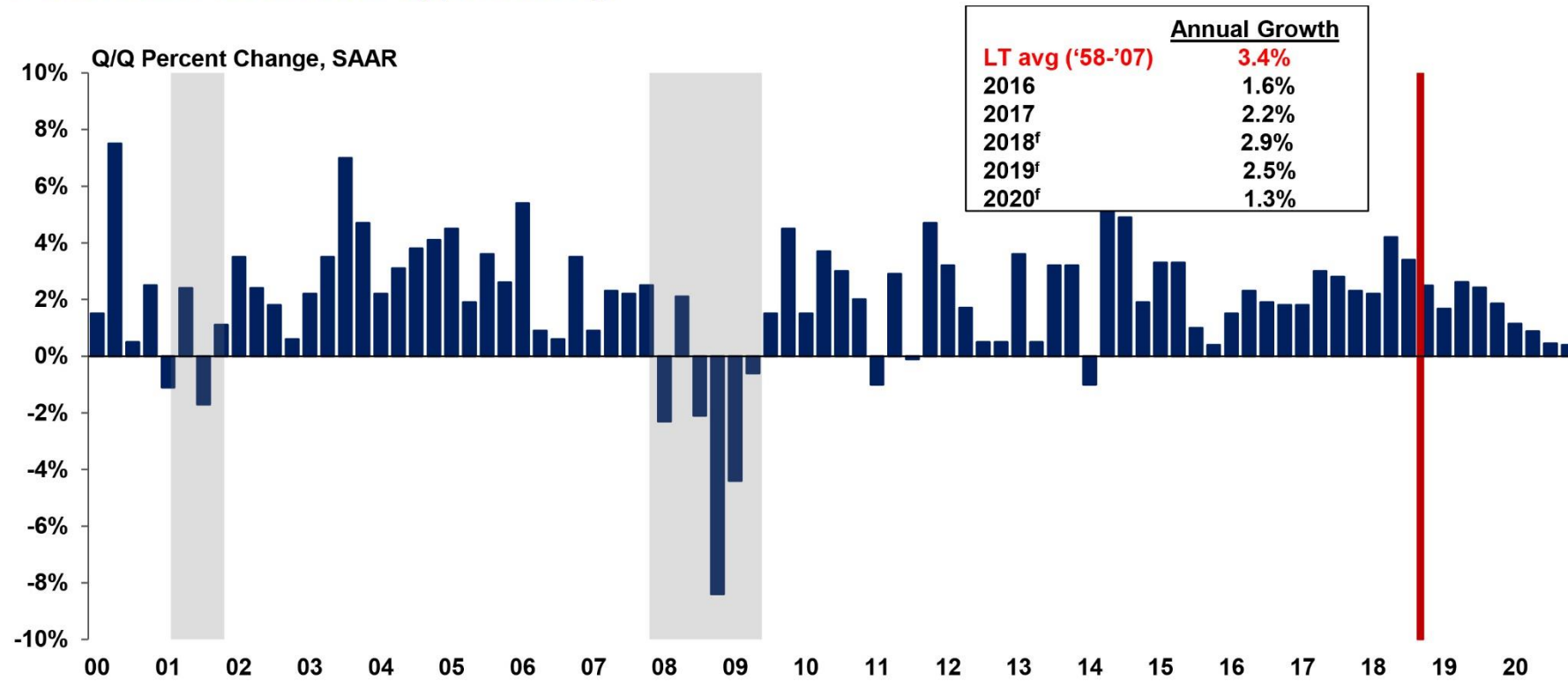


Economic Slowdown Ahead



GDP Growth

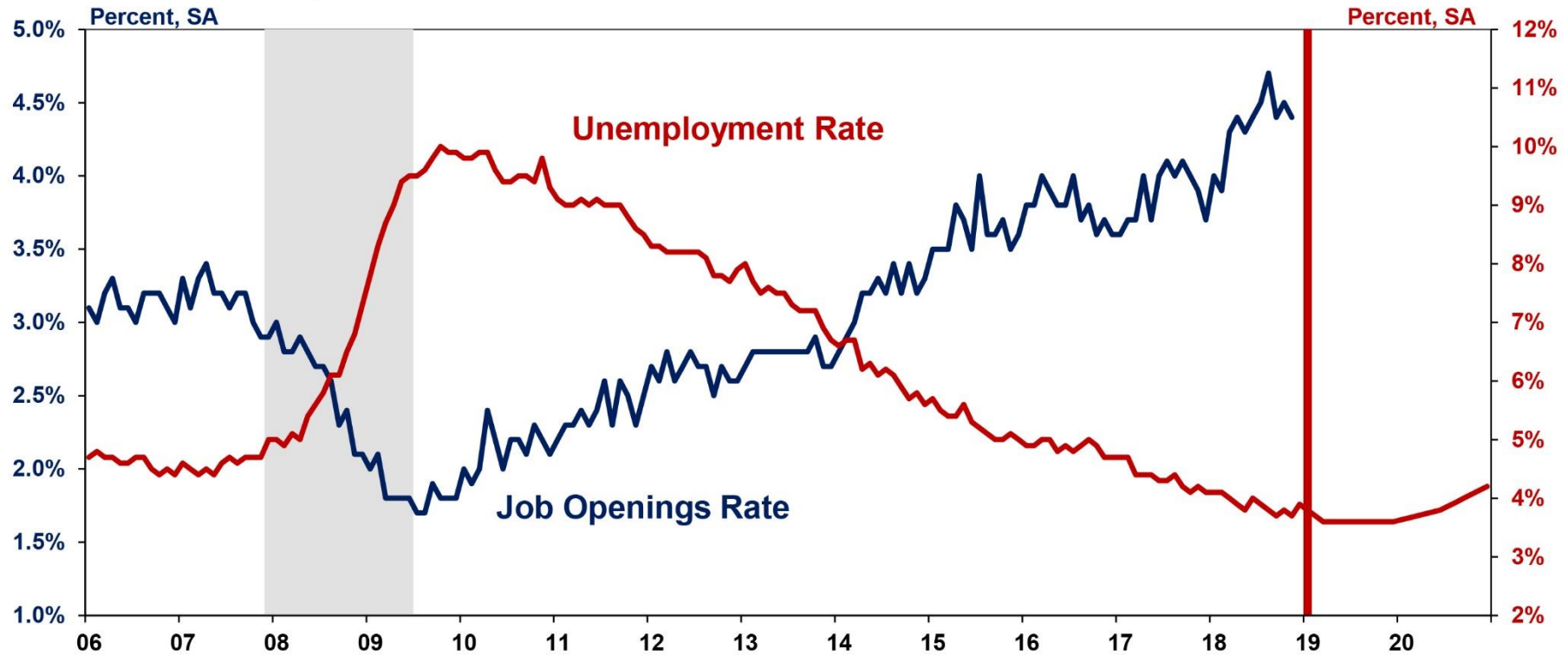
Economic slowdown approaching



Source: U.S. Bureau of Economic Analysis (BEA) and NAHB forecast.

Tight Labor Market

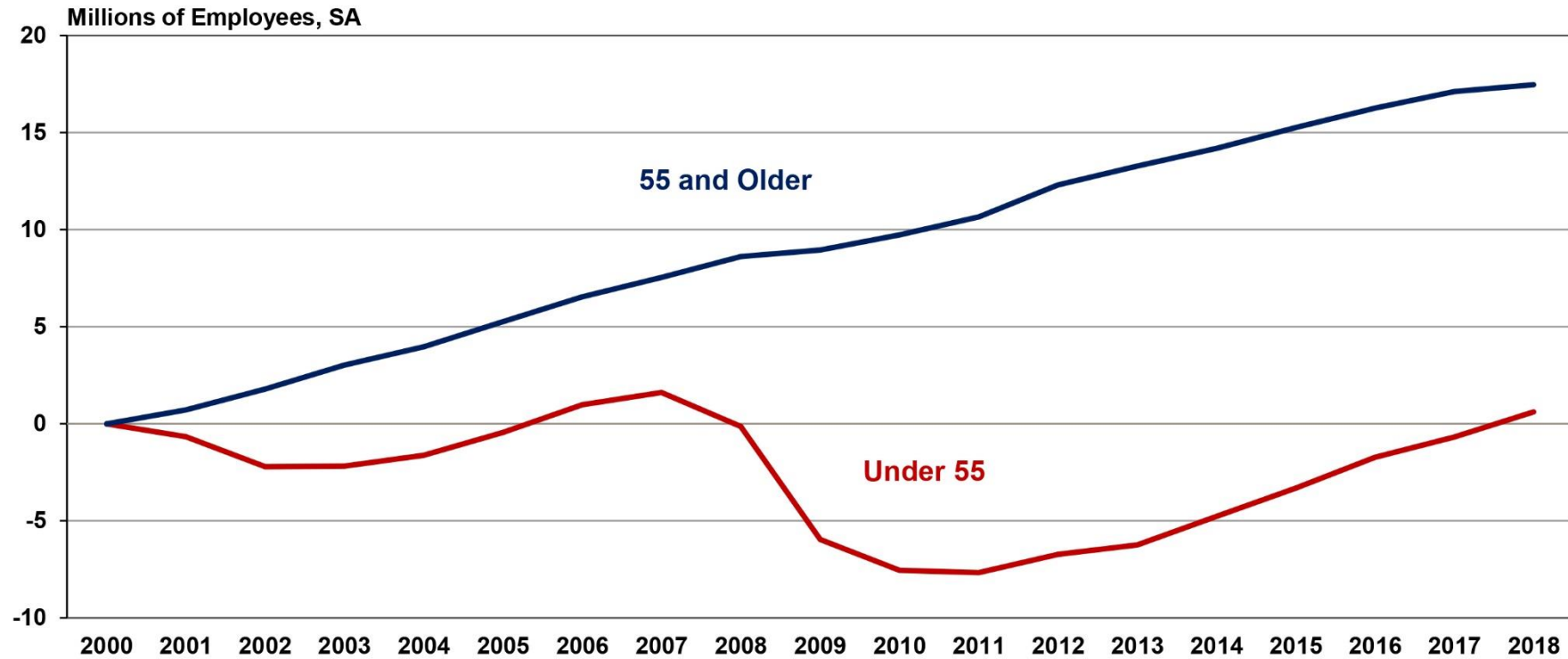
Lack of labor represents a macro risk



Source: U.S. Bureau of Labor Statistics (BLS) and NAHB forecast.

Cumulative Change in Employment by Age Group

Mind the Gen-X gap



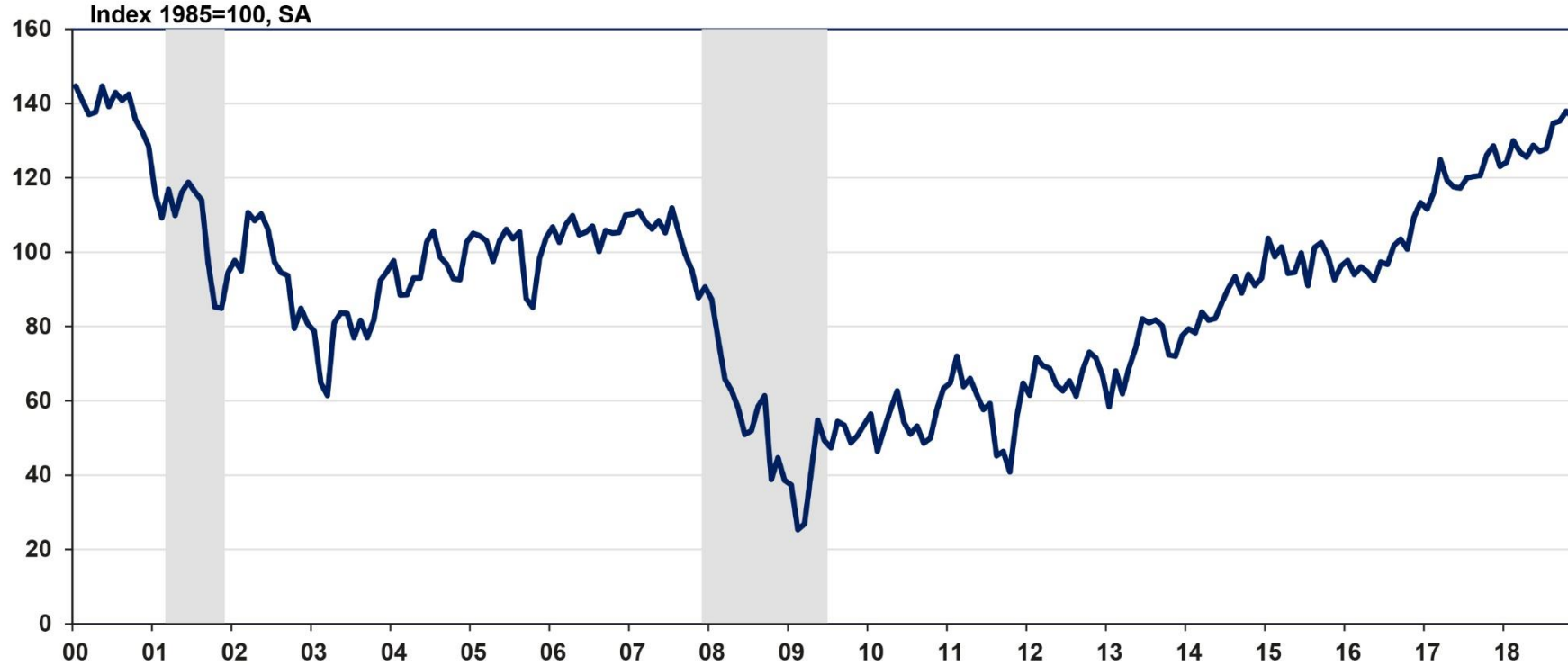
Source: U.S. Bureau of Labor Statistics (BLS).

Housing Demand and Affordability



Consumer Confidence Continues Positive Run

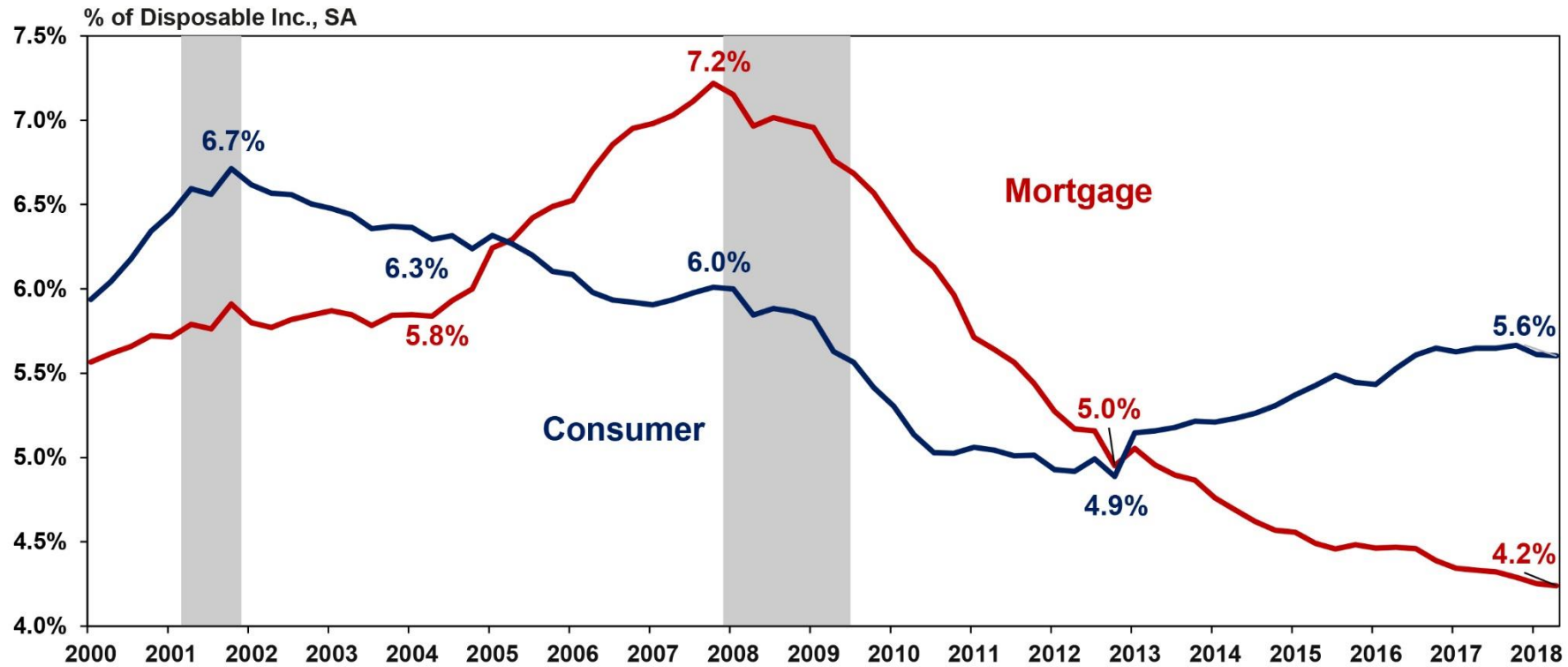
Near two-decade high but stock market declines took a toll at end of year



Source: The Conference Board.

Household Balance Sheets

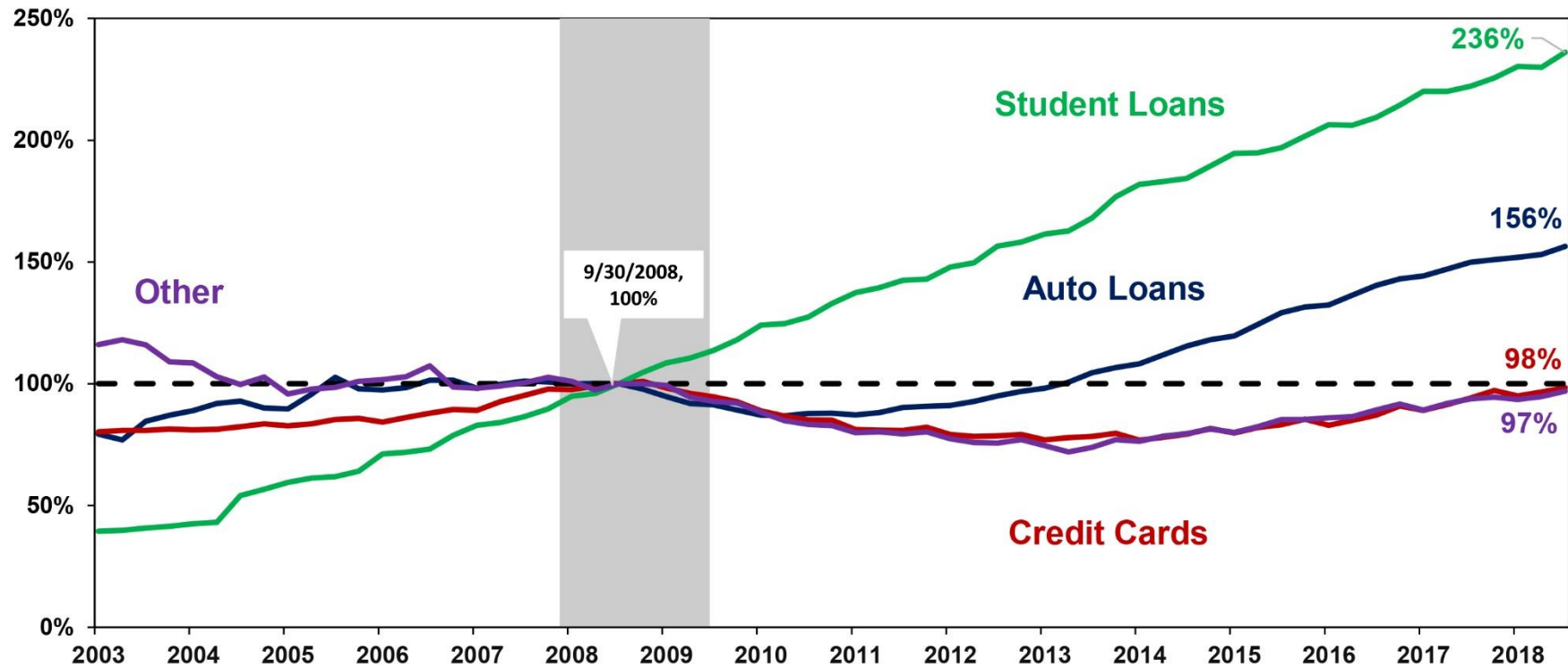
A shift in debt away from mortgages



Source: U.S. Board of Governors of the Federal Reserve System (FRB).

Consumer Debt

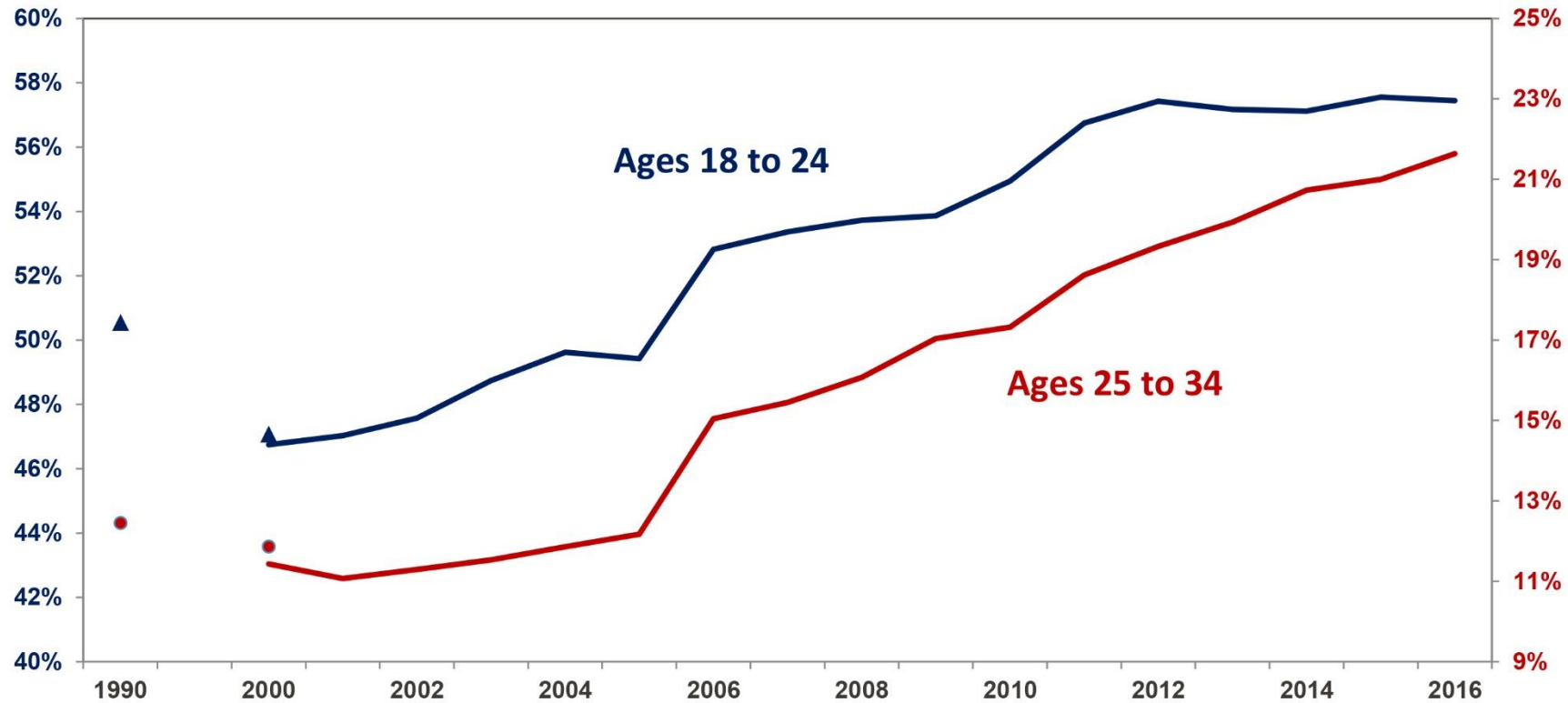
Rise in student and auto loans



Source: Federal Reserve Bank of New York.

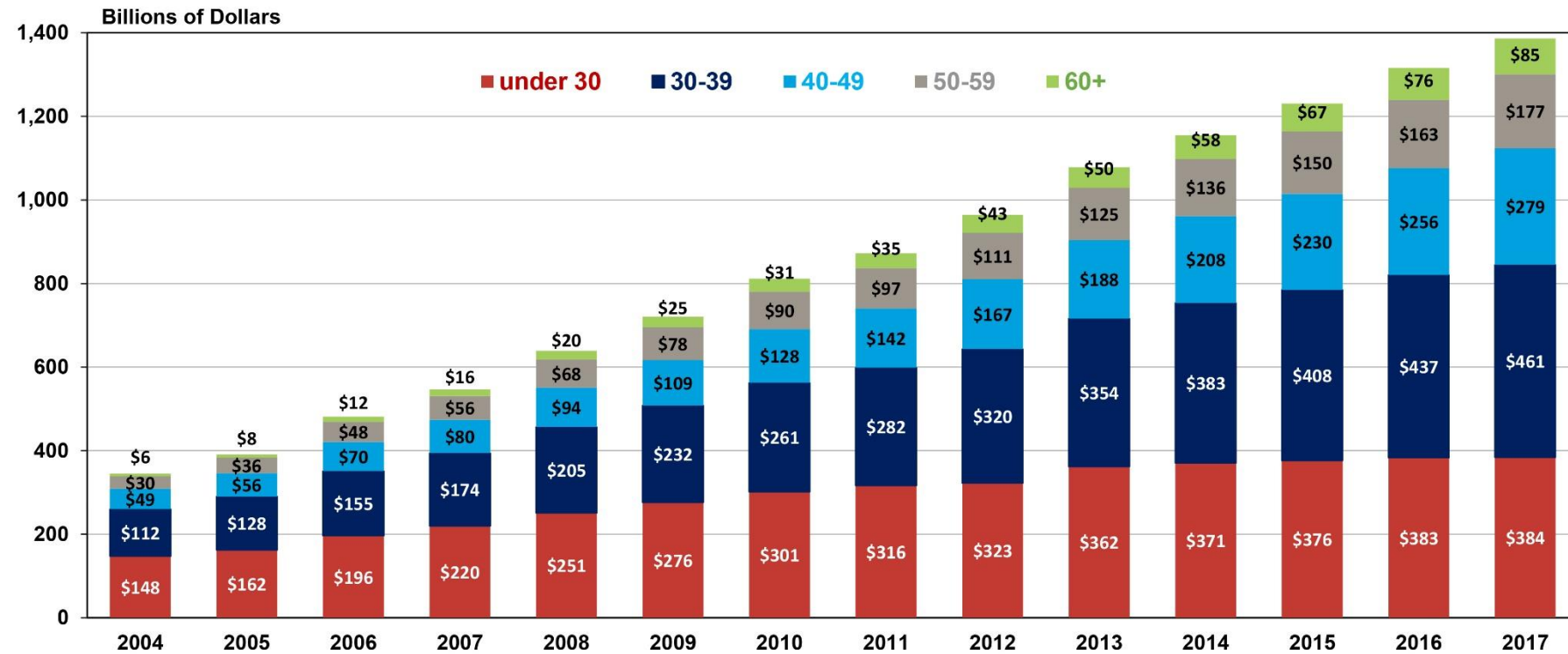
Share of Young Adults Living with Parents

Almost doubled



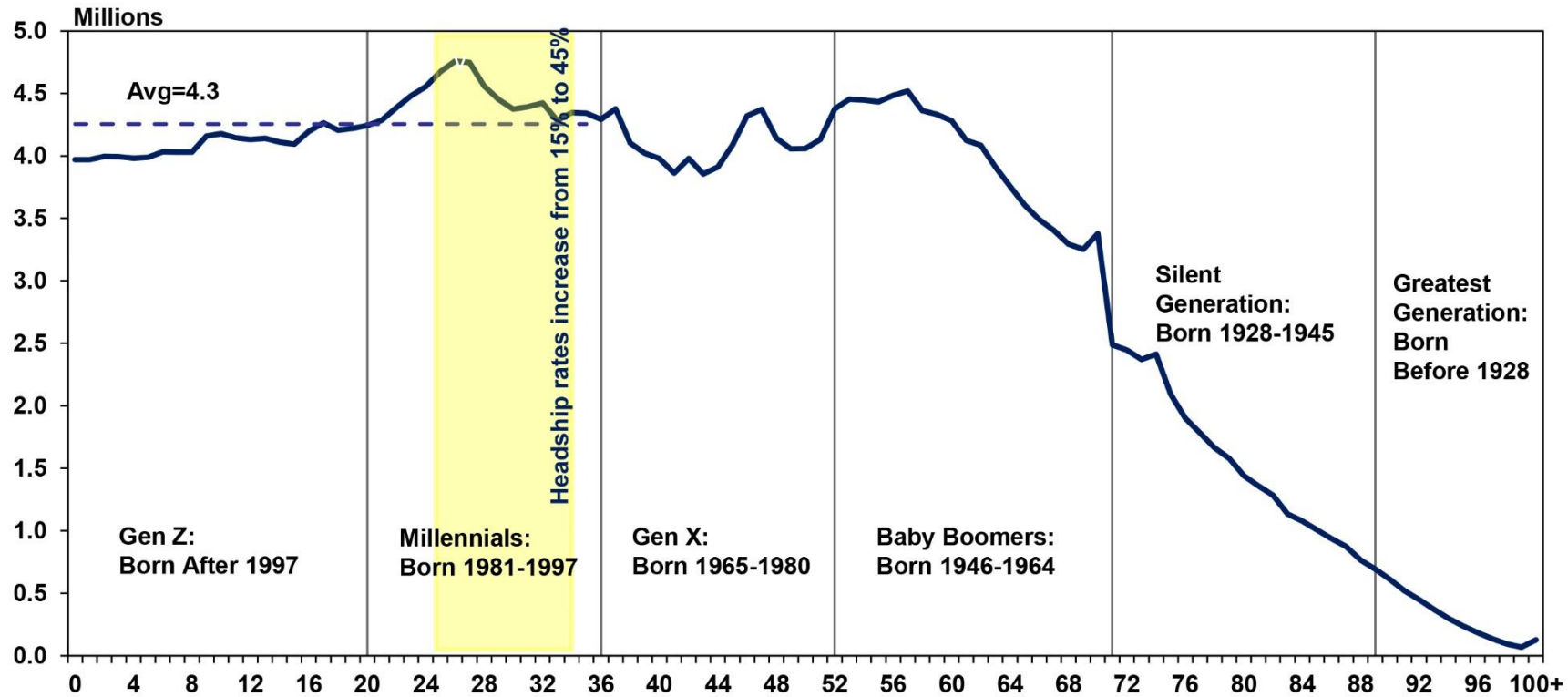
Source: US Census 1990, 2000, PUMS, 2000-2016 ACS, PUMS, NAHB Estimates.

Total student loan balances by age group



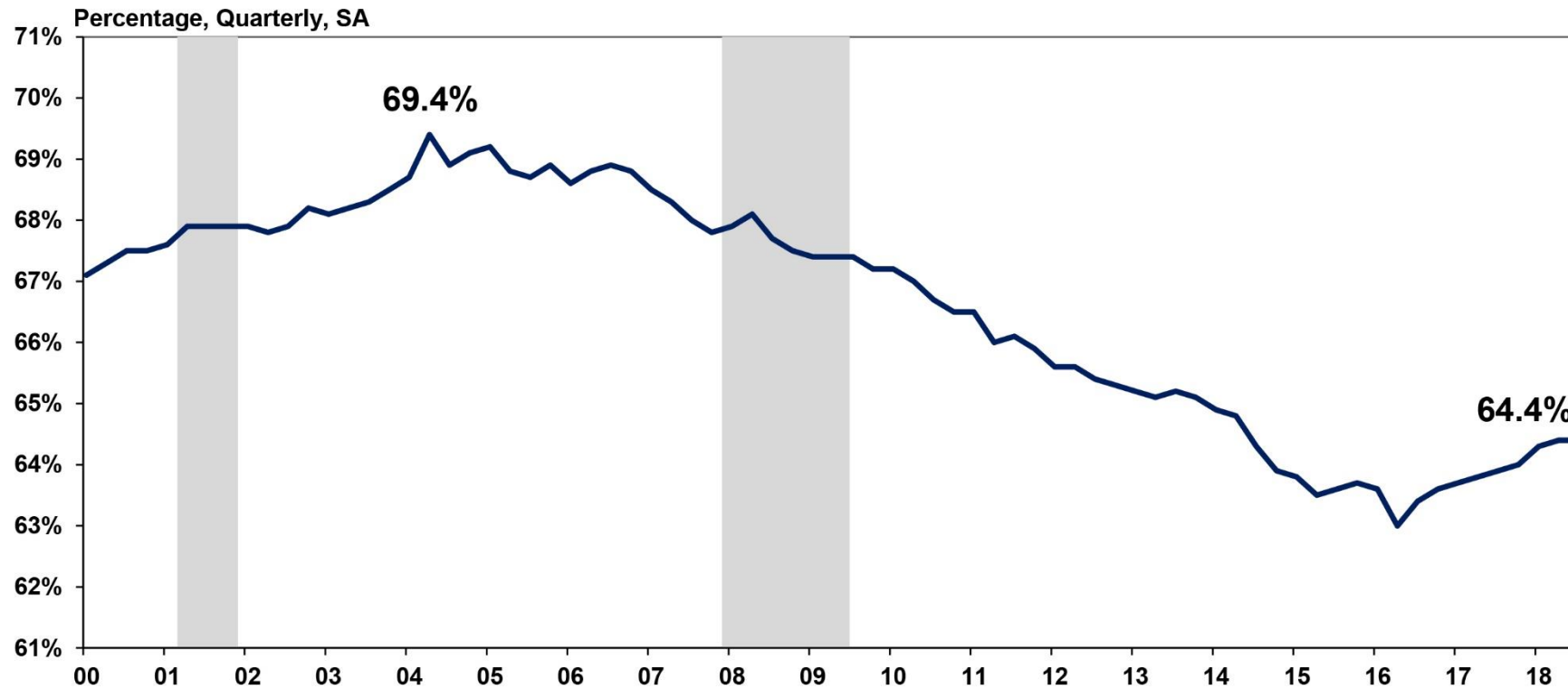
Source: New York Fed Consumer Credit Panel / Equifax

Rising Population Entering Housing Demand Years



Homeownership Rate

Nine quarters of growth



Source: U.S. Census Bureau (BOC): Housing Vacancies & Homeownership.

Supply Side Factors



Building Materials – Lumber Prices

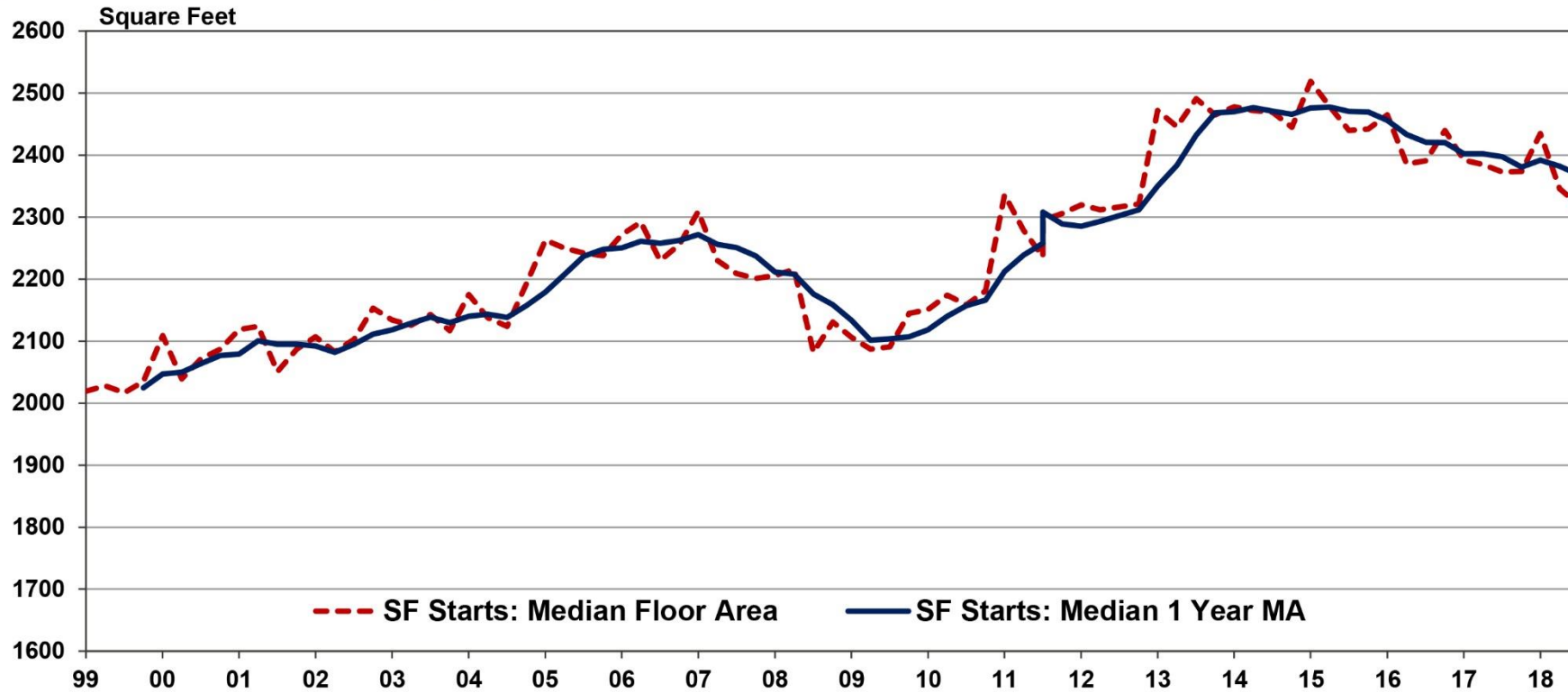
Since January 2017, lumber prices decreased 8%; 63% at peak



Source: NAHB Analysis; Random Lengths Composite Index.

Typical New Home Size

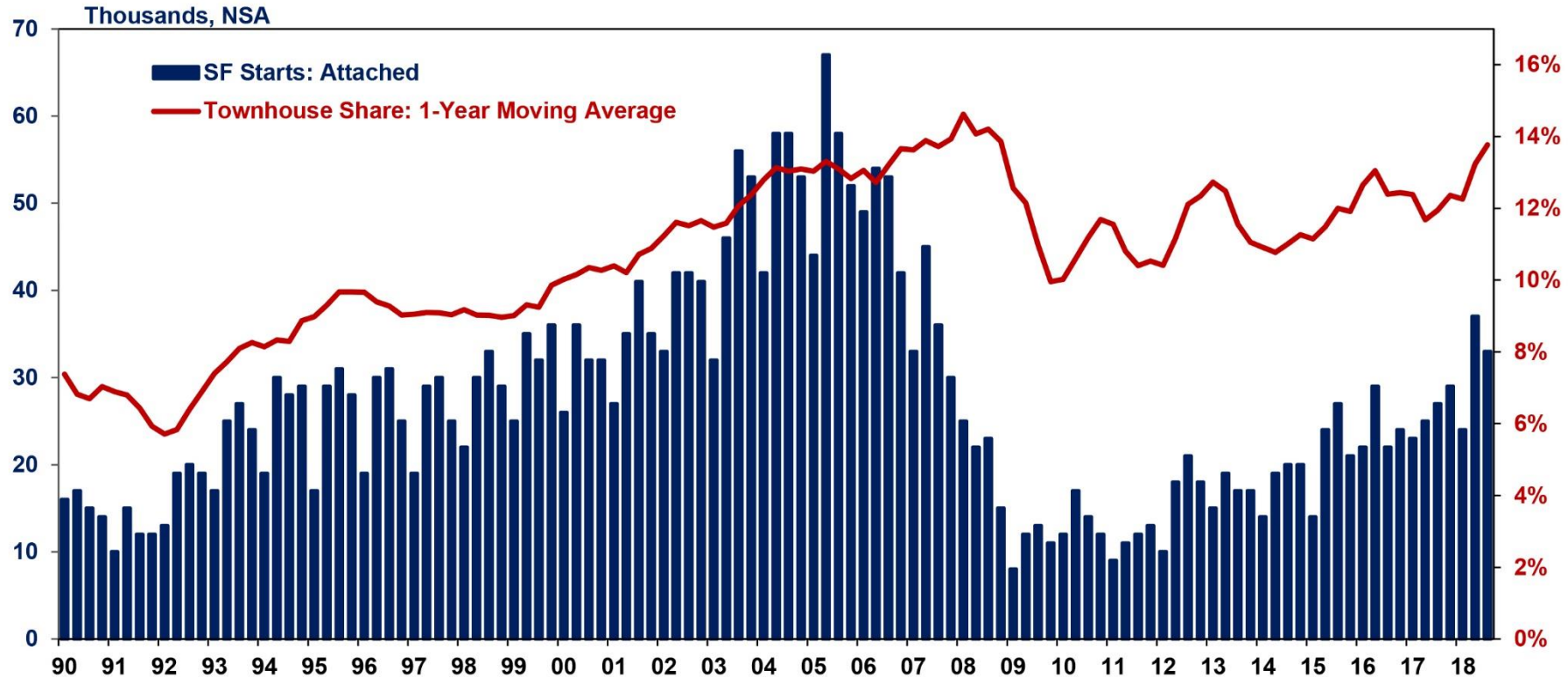
Decline after market shift



Source: U.S. Census Bureau (BOC).

Townhouse Market Expanding

24% annualized growth rate



Source: U.S. Census Bureau (BOC).

National & Tri- Cities Forecasts



Questions?

Jeff Losey

jeff@hbatc.com

509.735.2745

