

U.S. REAL ESTATE OUTLOOK: The Strongest & Weakest Markets 2018

September 1, 2018 to September 1, 2019

Domination Continues in Western States

VEROFORECAST PROJECTIONS

+4.5%

Nationwide Home Price Appreciation Over 12 Months

Only 3% of U.S. Markets Expected to Depreciate

Top 10

Western states continue to hold all of the Top 10 MSA spots. 7 of the Top 10 are in WA and NV.

Bottom 10

Illinois is forecast to do very poorly.

Metro Areas
Covered

358

Counties
Covered

1,008

Zip Codes
Covered

13,946

25th Quarter in a row of forecast nationwide home price appreciation.



TOP 10 MARKETS

VEROFORECAST Projections

+9.3% TO +11.7%

Home Price Appreciation Over 12 Months

BRIGHT SPOTS IN EVERY REGION

The Western Region of the U.S. dominates the appreciating markets, showing continued growth and extremely tight housing supply. In the South, North Carolina is projected to perform well, as are the Midwest states of Michigan and Indiana, especially the Indianapolis-Carmel, IN MSA, where property values are projected to appreciate at 8.5 percent.

- DRIVERS**
- Population Growth
 - Low Unemployment
 - Low Inventory

TOP 5 MARKETS: FORECAST APPRECIATION OVER NEXT 12 MONTHS

1

+11.7%
Bremerton, WA

2

+11.2%
Boise City, ID

3

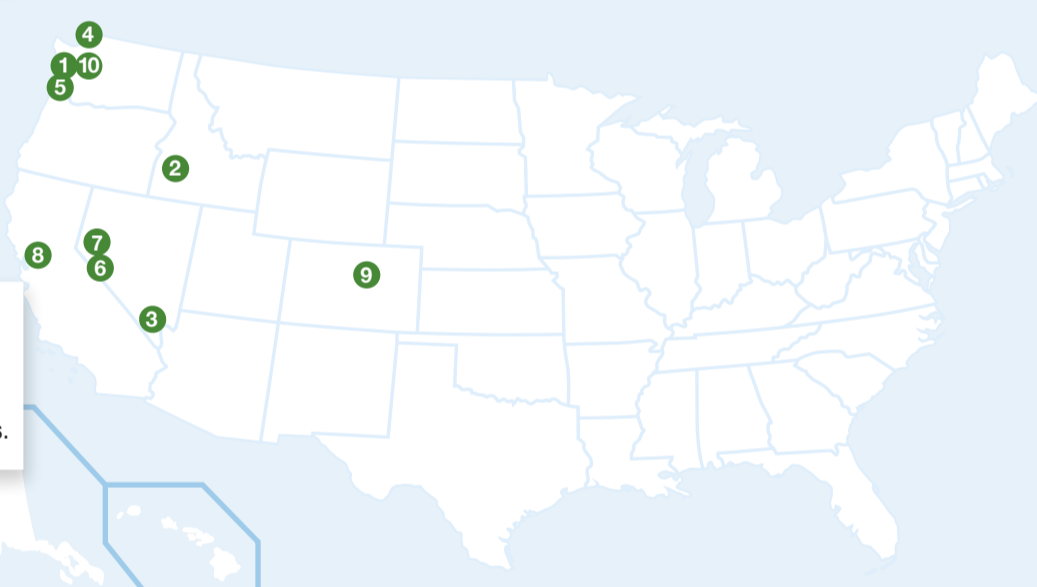
+10.8%
Las Vegas, NV

4

+10.6%
Bellingham, WA

5

+10.3%
Olympia, WA



TREND
Higher populated markets on average forecast to perform best in next 12 months.

Top 10 Markets

- | | |
|---|---|
| 1. Bremerton-Silverdale, WA + 11.7% | 6. Carson City, NV + 10.1% |
| 2. Boise City-Nampa, ID + 11.2% | 7. Reno-Sparks, NV + 10.0% |
| 3. Las Vegas-Paradise, NV + 10.8% | 8. San Francisco-Oakland-Fremont, CA + 9.6% |
| 4. Bellingham, WA + 10.6% | 9. Denver-Aurora-Broomfield, CO + 9.5% |
| 5. Olympia, WA + 10.3% | 10. Seattle-Tacoma-Bellevue, WA + 9.3% |

BOTTOM 10 MARKETS

VEROFORECAST Projections

+0.3% TO -2.2%

Home Price Appreciation & Depreciation Over 12 Months

IN SLOW GROWTH METROS, HOUSING SUPPLY IS PROJECTED TO REMAIN HIGH

The Eastern Region of the U.S. remains weaker with key factors of long-term flat or declining population and higher unemployment. Illinois is forecast to do very poorly, with three of its MSAs in VeroFORECAST's Bottom 10.

- DRIVERS**
- Flat/Declining Population
 - Higher Unemployment
 - High Inventory

WEAKEST 5 MARKETS: FORECAST DEPRECIATION OVER NEXT 12 MONTHS

1

-2.2%
Farmington, NM

2

-1.6%
Vineland, NJ

3

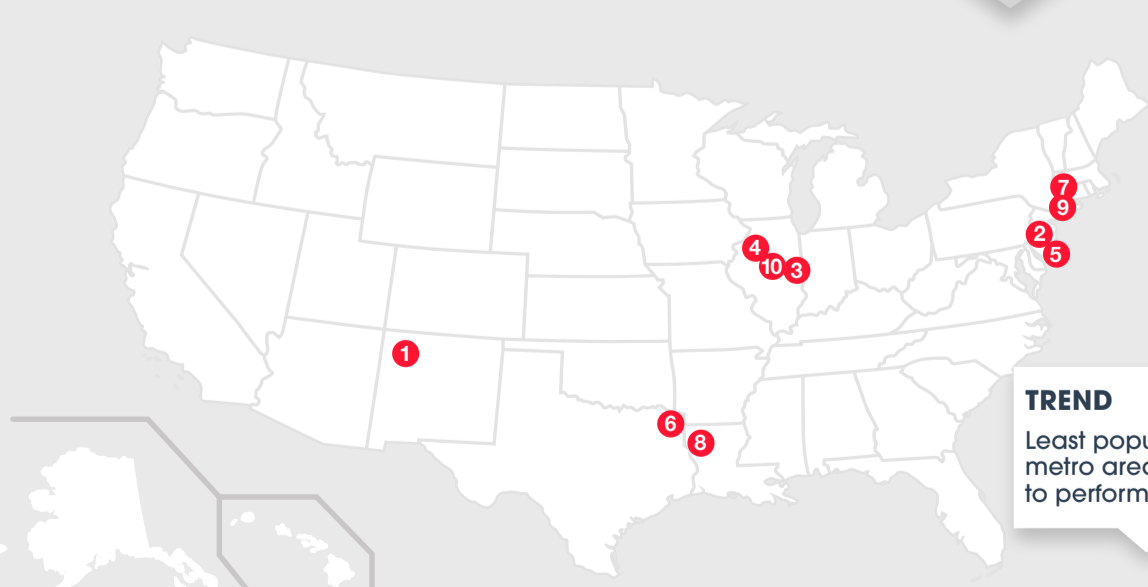
-1.2%
Danville, IL

4

-0.7%
Peoria, IL

5

-0.4%
Ocean City, NJ



TREND
Least populated metro areas forecast to perform worst.

Bottom 10 Markets

- | | |
|--|---|
| 1. Farmington, NM - 2.2% | 6. Texarkana, TX - 0.2% |
| 2. Vineland-Millville-Bridgeton, NJ - 1.6% | 7. Torrington, CT - 0.2% |
| 3. Danville, IL - 1.2% | 8. Shreveport-Bossier City, LA + 0.2% |
| 4. Peoria, IL - 0.7% | 9. Bridgeport-Stamford-Norwalk, CT + 0.2% |
| 5. Ocean City, NJ - 0.4% | 10. Bloomington-Normal, IL + 0.3% |