

ARE YOU READY FOR THE NEXT HOUSING BOOM?

More wealth is created when you buy at the bottom of a real estate cycle instead of at the top.

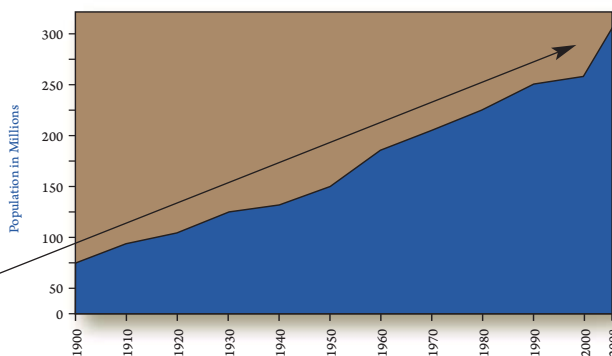
The market has shifted from its peak a few years back, and there is strong evidence that we are now at the bottom of the cycle. In looking toward the future and at certain economic indicators, you can see that now is the time to get ready for the next housing boom.

HERE ARE SOME FACTS YOU SHOULD KNOW...

HOUSEHOLDS CONTINUE TO

INCREASE

The population in America continues to rise and with it the creation of new households with housing needs. **According to conservative estimates, the number of households is expected to increase by 1.25 million annually over the next decade.**

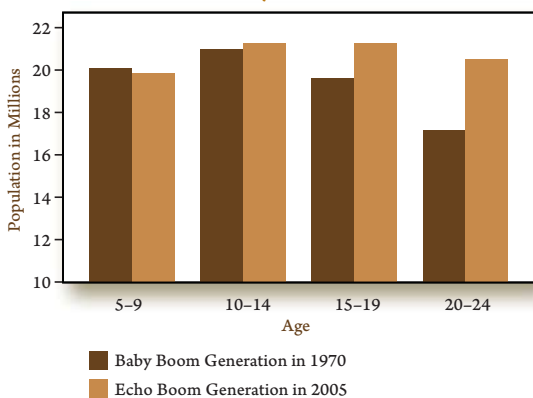


HERE COME THE ECHO BOOMERS

Echo Boomers Are Entering the Housing Market.

They are primarily the offspring of the nation's largest generation, the baby boomers ... and there are a lot of them. The echo boomers are entering their peak household formation years with close to 6 million more people than the baby boomers had during the 1970s.

The Echo Boom Generation Is Even Larger Than the Baby Boom Generation



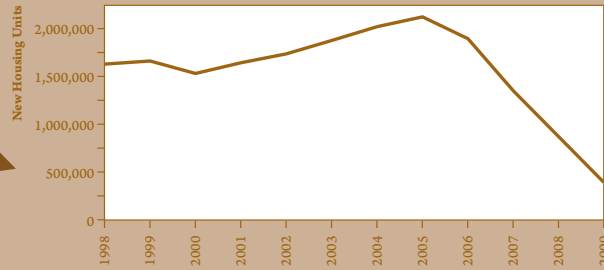
... The number of echo boomers will increase and maintain a strong demand for housing in the years to come.

WHEN SUPPLY IS LOW, DEMAND IS HIGH.

Builders have cut back on building new homes to record lows. Based on annual household formations and approximately 300,000 home demolitions, we need between 1.3–1.7 million new homes built every year. In 2008, developers only built 892,800 units. The actual numbers for 2009 have not yet been released, but the estimate appears to be in the 500,000s ...



Builders have cut back, reducing housing supply

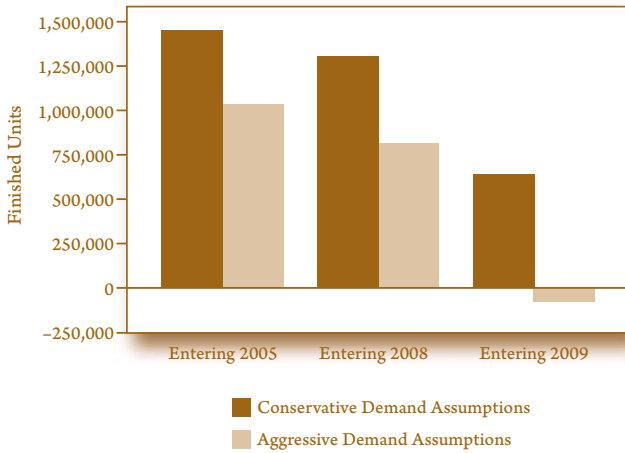


... THIS CUT BACK ON BUILDING, COUPLED WITH THE COMING DEMAND, POINTS TO A SHORTAGE IN THE NUMBER OF HOMES THAT WILL BE AVAILABLE IN THE NEXT FEW YEARS.

CONSIDER THESE BOOMING FACTORS—

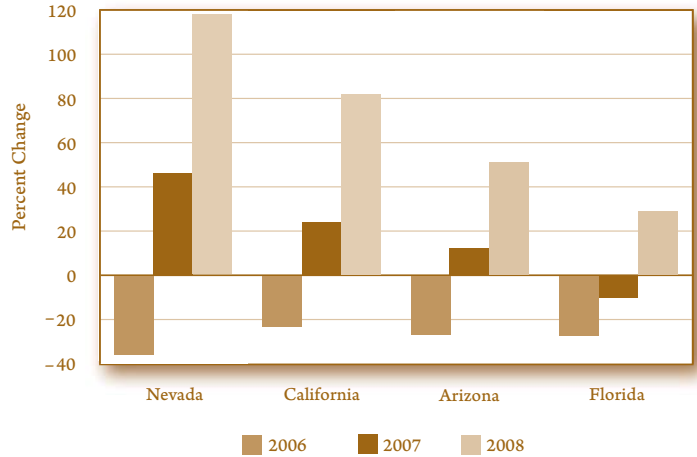
FACTOR #1. Markets are currently much closer to balance.

Production Cuts Have Moved Markets Closer to Balance



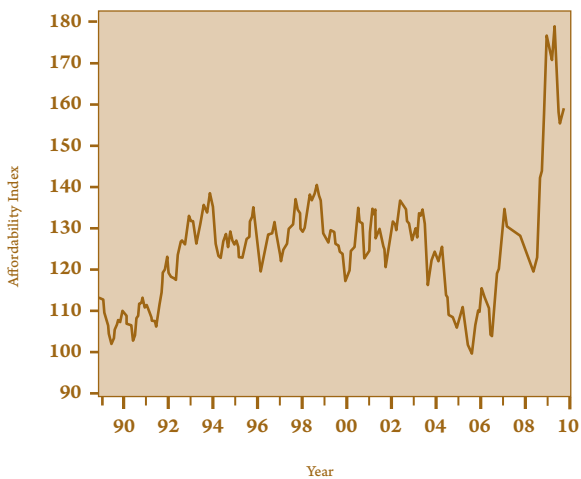
FACTOR #2. Existing home sales are improving in the hardest hit states.

Change in Existing Single-family Home Sales



Source: National Association of REALTORS®, Existing Single-family Home Sales

FACTOR #3. Housing affordability is still at record highs.



Source: National Association of REALTORS®



Over the last 10 years, the population has grown by 30 million, but the same number of homes were sold in 2008 as in 1998. The demand is pent up. Many are still waiting to be sure the market is at bottom; however, with inflation possibly looming and the chance

for interest rates to increase, now is the best time to reap the rewards that will come with the next housing boom!