

# Our Current Markets

## Alabama

Auburn  
Birmingham  
Huntsville  
Montgomery  
Tuscaloosa

## North Carolina

Charlotte  
Raleigh  
Wilmington

## Georgia

Atlanta  
Augusta  
Columbus  
Brunswick/Golden Isles  
Savannah

## Tennessee

Chattanooga  
Memphis  
Nashville

## South Carolina

Beaufort  
Charleston  
Columbia  
Greenville  
Myrtle Beach

## Florida

Jacksonville  
(Other Cities Soon)

# Are We Heading For a Recession??

# America's housing market is raising a 'large red flag' for the economy

Akin Oyedele Jul. 30, 2018, 6:55 PM



**Housing investment and sales have been falling for months.** Robert Galbraith/Reuters

# U.S. Housing-Market Trends Suggest Recession Around Election Time, 2020

Blog Post by Benn Steil and Benjamin Della Rocca

September 18, 2018



**Data sources:** Bureau of Economic Analysis; Federal Housing Finance Agency; National Association of Realtors; Bloomberg

Benn Steil & Benjamin Della Rocca  
[cfr.org/blog/geo-graphics](http://cfr.org/blog/geo-graphics)

Share 

# A red flashing light in the housing market could spell trouble for the economy

Keris Lahiff | [@kerisalison](#)

Published 11 Hours Ago



# Bank of America downgrades homebuilder stocks as Wall Street grows increasingly bearish on housing

- Analyst John Lovallo downgrades Toll Brothers, PulteGroup and NVR to neutral from buy and trims his price targets on them.
- The iShares U.S. Home Construction ETF (ITB) is down more than 11 percent for the month.
- Credit Suisse downgraded the homebuilders and housing-related stocks earlier in the week.

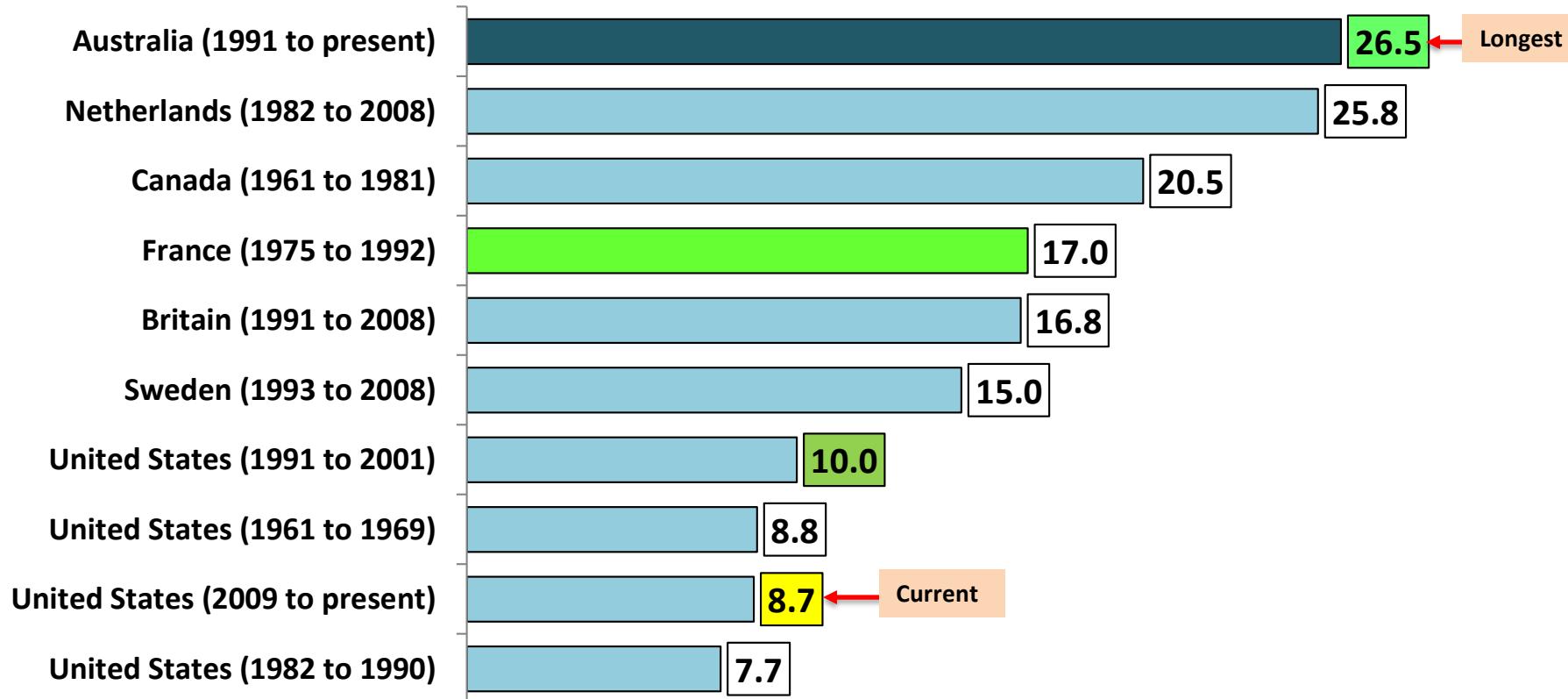
Fred Imbert | [@foimbert](#)

Published 11 Hours Ago | Updated 4 Hours Ago



# Economies Can Expand for a Long Time!

# Duration of Economic Expansion (in years)



Source: *The New York Times*, October 28, 2016; EFC calculations



Expansions Don't Die  
of Old Age.....

They Are Murdered!!!

We Just Saw  
Attempted Murder.....

With Malice!!

US Housing just had  
it's worst 4 Quarters  
since we bottomed in  
2012!!

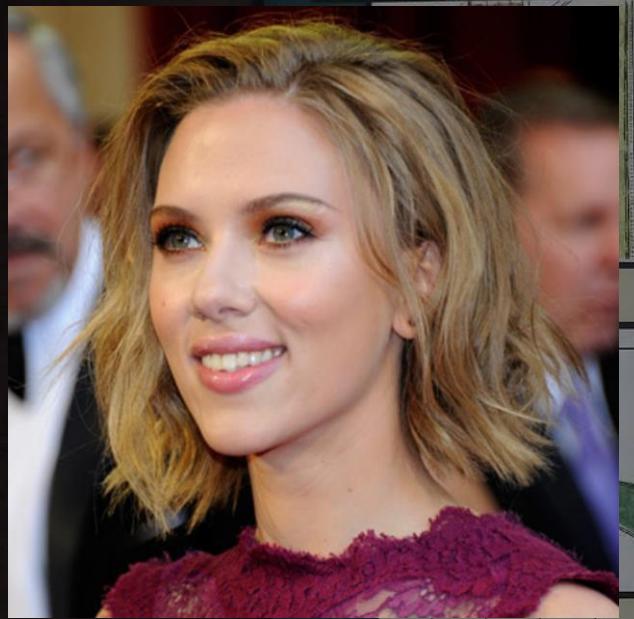
First YTY Negative in  
6 Years!!



# THE VICTIM



**US HOUSING.....  
AND THE ENTIRE ECONOMY!!!!**



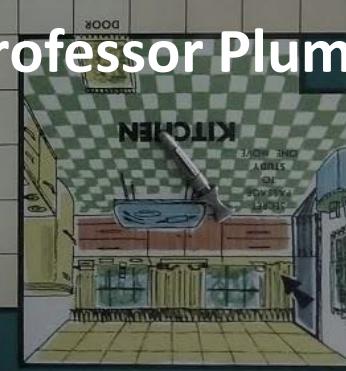
Miss Scarlett?



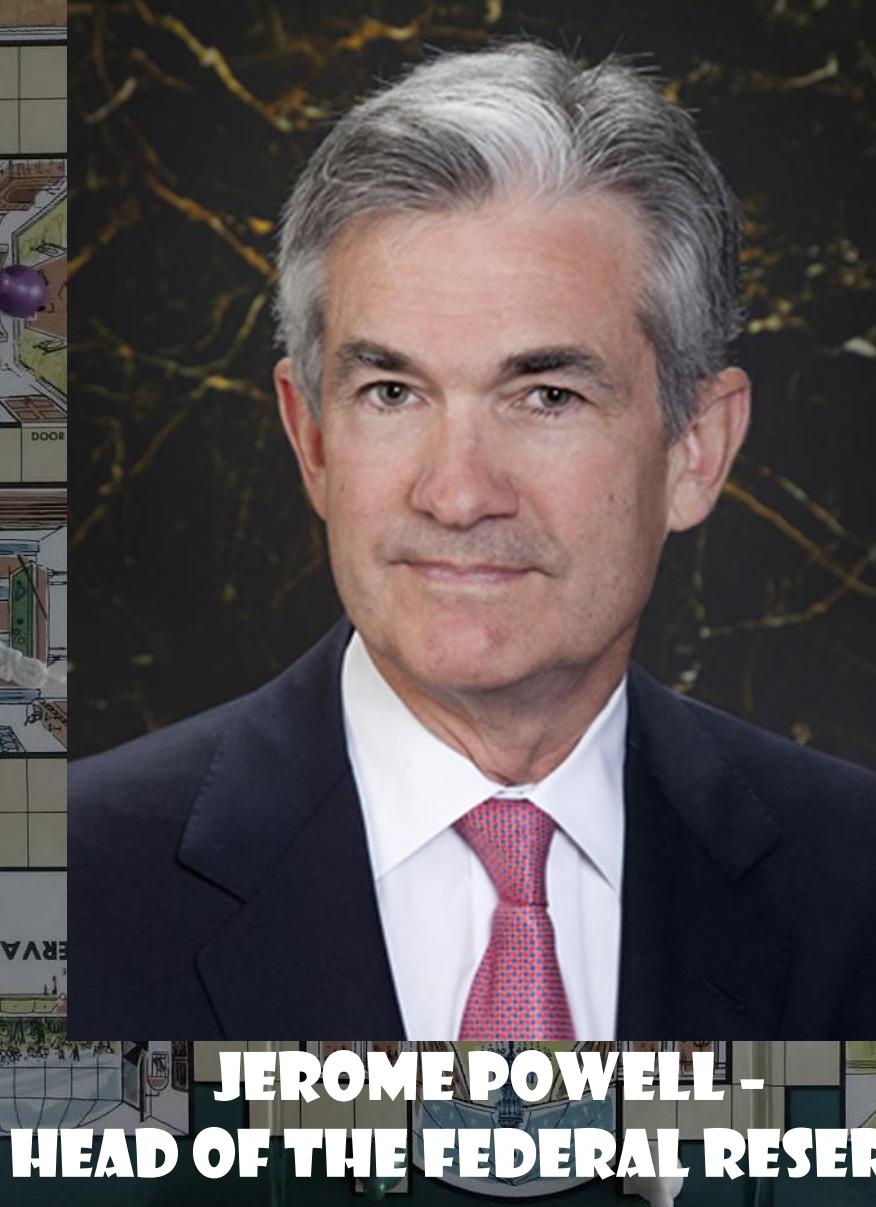
Mrs White?



Professor Plum(mer)?

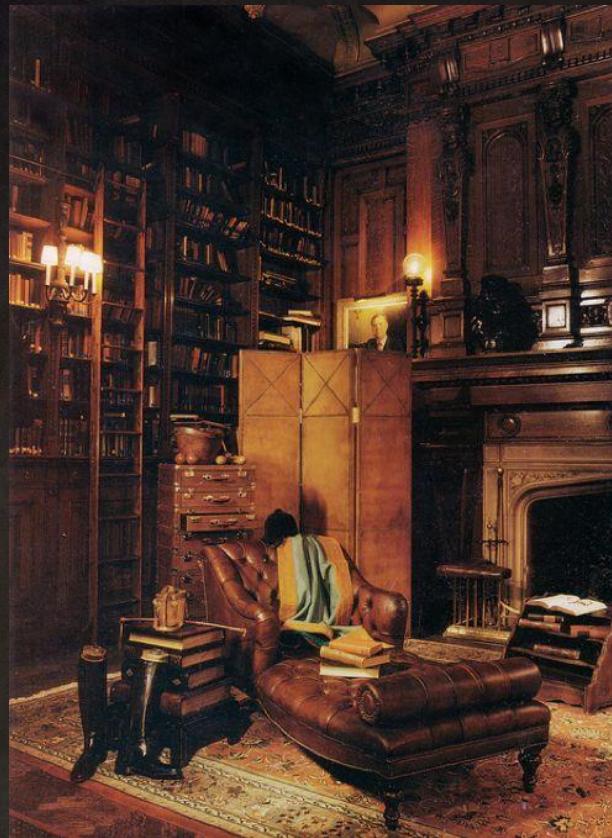


# WHO DID IT?



**JEROME POWELL –  
HEAD OF THE FEDERAL RESERVE**

# WHERE WAS THE MURDER?



In the Study?



In the  
Kitchen?



In the Conservatory?

# WHERE WAS THE MURDER?



**THE FED BOARDROOM!!**

# THE WEAPON



**KNIFE?**



**WRENCH?**

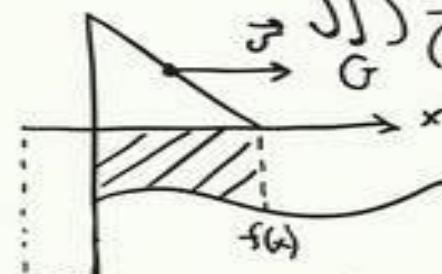


**CANDLESTICK?**

# THE WEAPON

$$\iiint_G f(x, y, z) dx dy dz = \lim_{\Delta \rightarrow 0} \sum_{i=1}^n f(x_i, y_i, z_i) \Delta V_i$$

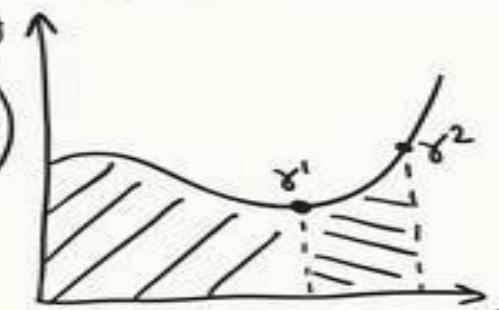
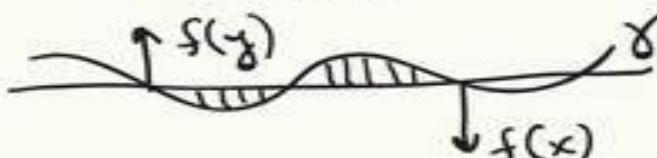
$$\iiint_G \frac{dx dy dz}{(x+y+z+1)^3} = \iint_D dx dy \int_0^{1-x-y} \frac{dz}{(x+y+z+1)^3}$$



$$\sum_{i=1}^n f(x_i) \frac{f(x_i) - z(x_i)}{y(x_i)} - \left( \frac{x_i + (x_i)^2 - f_i}{(n-1)f_i} \right)$$

$$\frac{1}{2} \int_0^1 dx \int_0^{1-x} \left( \frac{1}{(x+y+1)^2} - \frac{1}{2} \right) dy = \frac{1}{2} (\ln 2 - 1)$$

$$\lim_{n \rightarrow \infty} \sum_{i=1}^n f_i = \frac{(x_i - y_i)^2}{f(x_i - y_i)} \left( \frac{y_i - x_i}{1 - n(\cos \alpha)} \right)$$



**FED MONETARY POLICY!!**

# MarketWatch Atlanta

## Everything Old is New Again!

December 12<sup>th</sup>, 2018

With Dr. Rajeev Dhawan of the Georgia State Economic Forecasting Center  
John Hunt of ViaSearch and MarketNsight



# Forecast Summary in 280 Characters!



Skittish stock markets will temper  
post-2016 capex spending boom  
**Fed hikes in December, pauses until  
June 2019 and then cuts in 2020!**  
Oil price fluctuates but remains  
below \$70/barrel.  
**Georgia's 1st half corporate growth  
hiccups don't impede its march  
forward.**

# No Rate Hikes for 2019??

**You Heard it First at the December '18 MarketWatch**

**“I would tell you there would be zero rate hikes in 2019, but you would not believe me!”**

## THE FED

ECONOMY | WORLD ECONOMY | US ECONOMY | **THE FED** | CENTRAL BANKS | JOBS |

### Fed now sees no rate hikes in 2019

Spencer Kimball

Published 2:01 PM ET Wed, 20 March 2019 | Updated 2:18 PM ET Wed, 20 March 2019

**CNBC**



Leah Millis | Reuters

A pedestrian walks past the Federal Reserve building on Constitution Avenue in Washington, March 19, 2019.

The Federal Reserve said Wednesday it expects the benchmark rate to stay near 2.4 percent by the end of 2019, [slashing its forecast](#) from 2 hikes for the year to zero.

# Stocks just had their second best day of the year — Dow rallies more than 500 points

PUBLISHED TUE, JUN 4 2019 • 1:46 AM EDT | UPDATED TUE, JUN 4 2019 • 4:30 PM EDT



Fred Imbert  
@FOIMBERT

SHARE ...

Stocks surged on Tuesday, climbing back from a big rout in the past month, after Federal Reserve Chairman Jerome Powell signaled the central bank was open to easing monetary policy to save the economy and as trade tensions eased amid comments by China and Mexico.

These comments come amid increasing expectations for a Fed rate cut. The CME [FedWatch](#) tool indicated a 90% chance of a September rate cut. Expectations for a second rate cut in December were also above 80%.

## *Fed Cuts Interest Rates for First Time Since 2008 Crisis*

WASHINGTON — The Federal Reserve cut interest rates on Wednesday for the first time in more than a decade, as it tried to keep America's record-long economic expansion going by insulating the economy from mounting global risks.



“The outlook for the U.S. economy remains favorable, and this action is designed to support that outlook,” said the Fed chair.

“The outlook for the U.S. economy remains favorable, and this action is designed to support that outlook,” the Fed chair, Jerome H. Powell, said at a news conference after the decision. The cut, Mr. Powell said, was “intended to ensure against downside risks from weak global growth and trade tensions.”

# MarketWatch Atlanta

## Interest Rates Matter!!

December 10<sup>th</sup>, 2019

With Dr. Rajeev Dhawan of the Georgia State Economic Forecasting Center  
John Hunt of ViaSearch and MarketNsight



## Pending Sales and Permits Issued are

- Leading Indicators
- Lagging Indicators

Vote

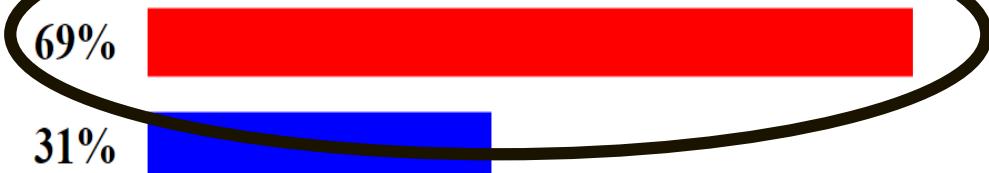
Pending Sales and Permits Issued are

Leading Indicators

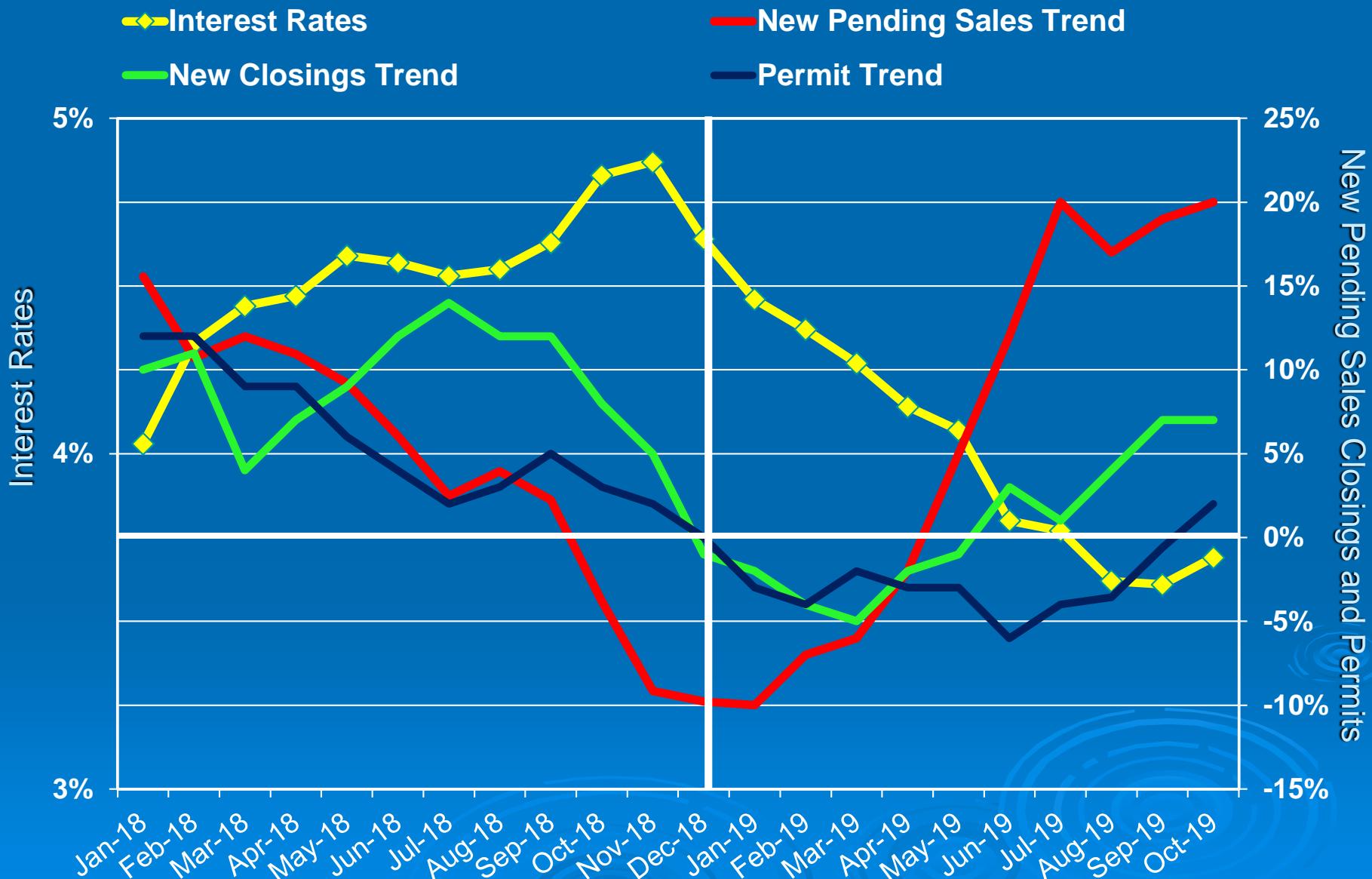
69%

Lagging Indicators

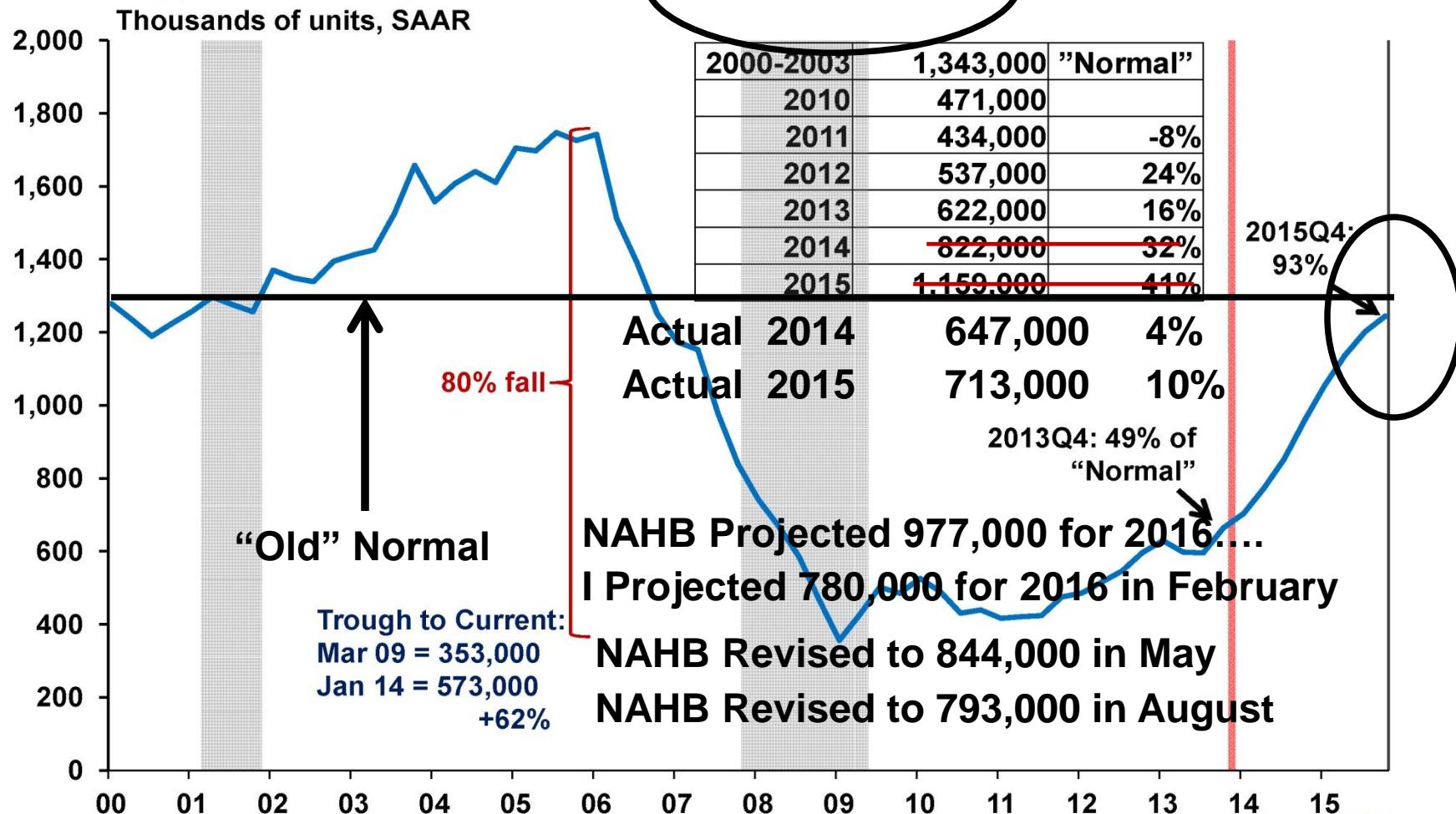
31%



# Interest Rates Plus New Pending Sales Closings and Permits 3 MMA – Atlanta



## Single-Family Starts - Beginning a Recovery ????



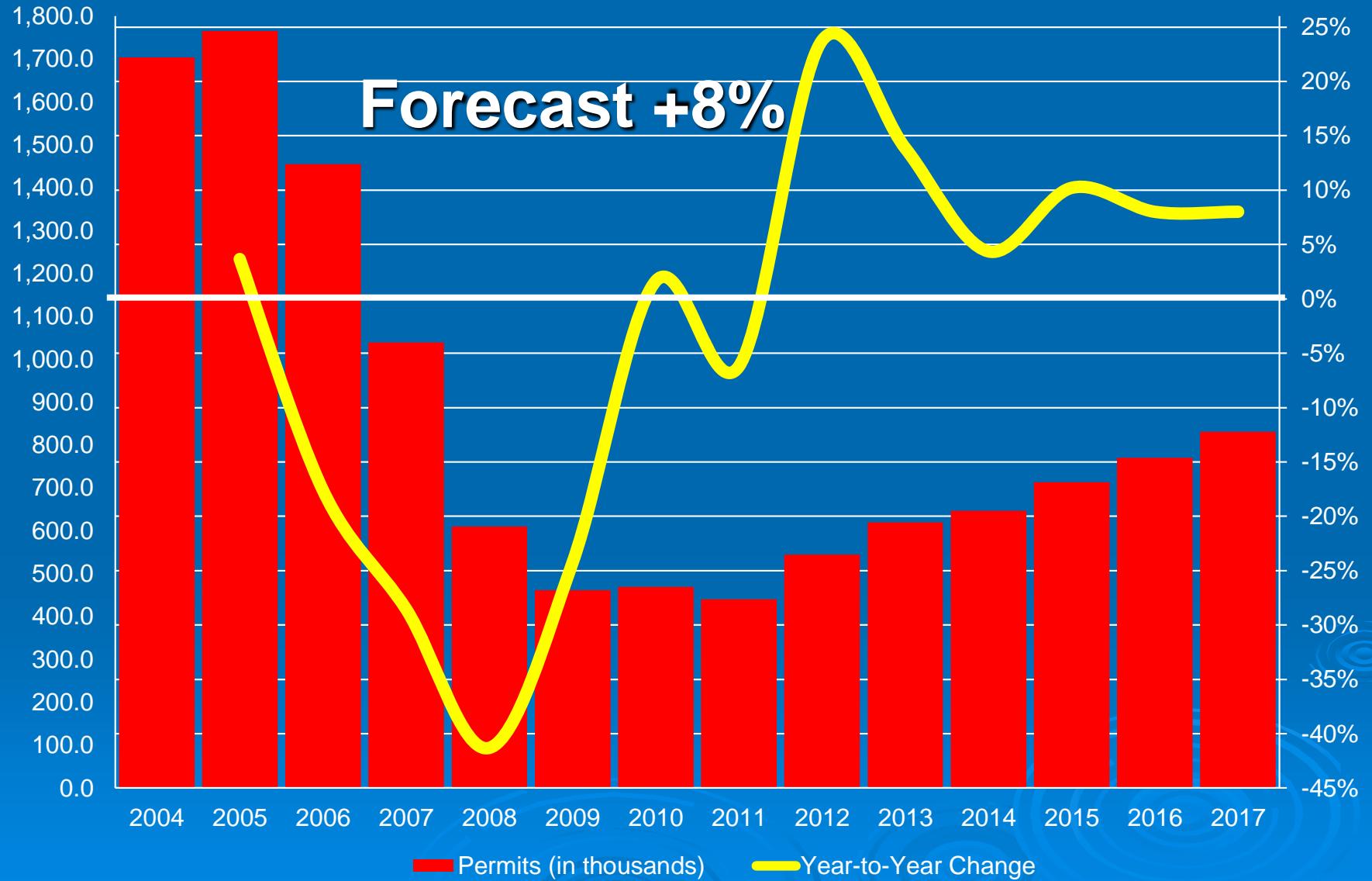
NAHB Projected 30,000 in Atlanta 2016....

National Association of Home Builders

I Projected 23,000 for Atlanta in February

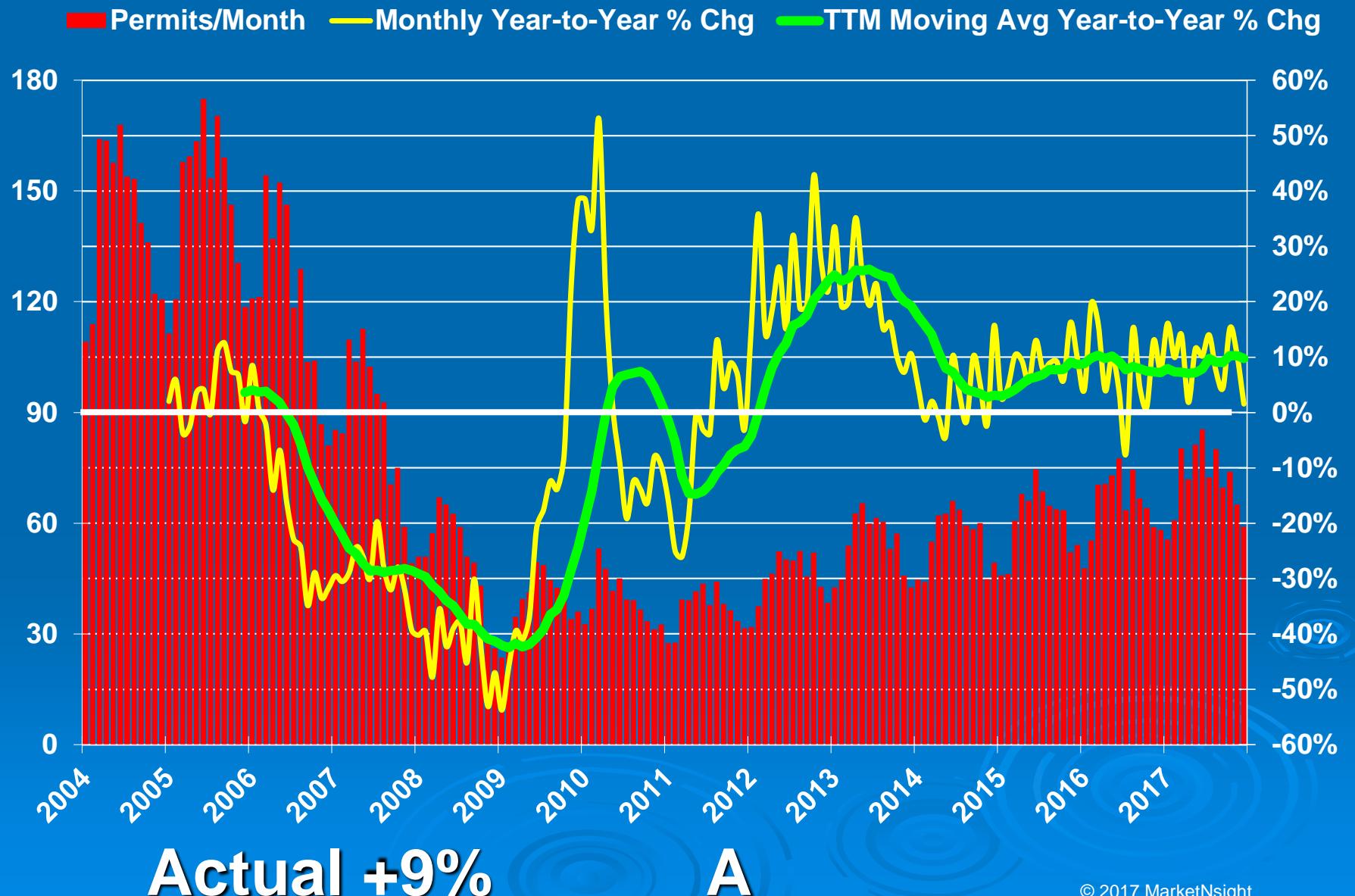


# National Annual Permits (All) 2004-2017

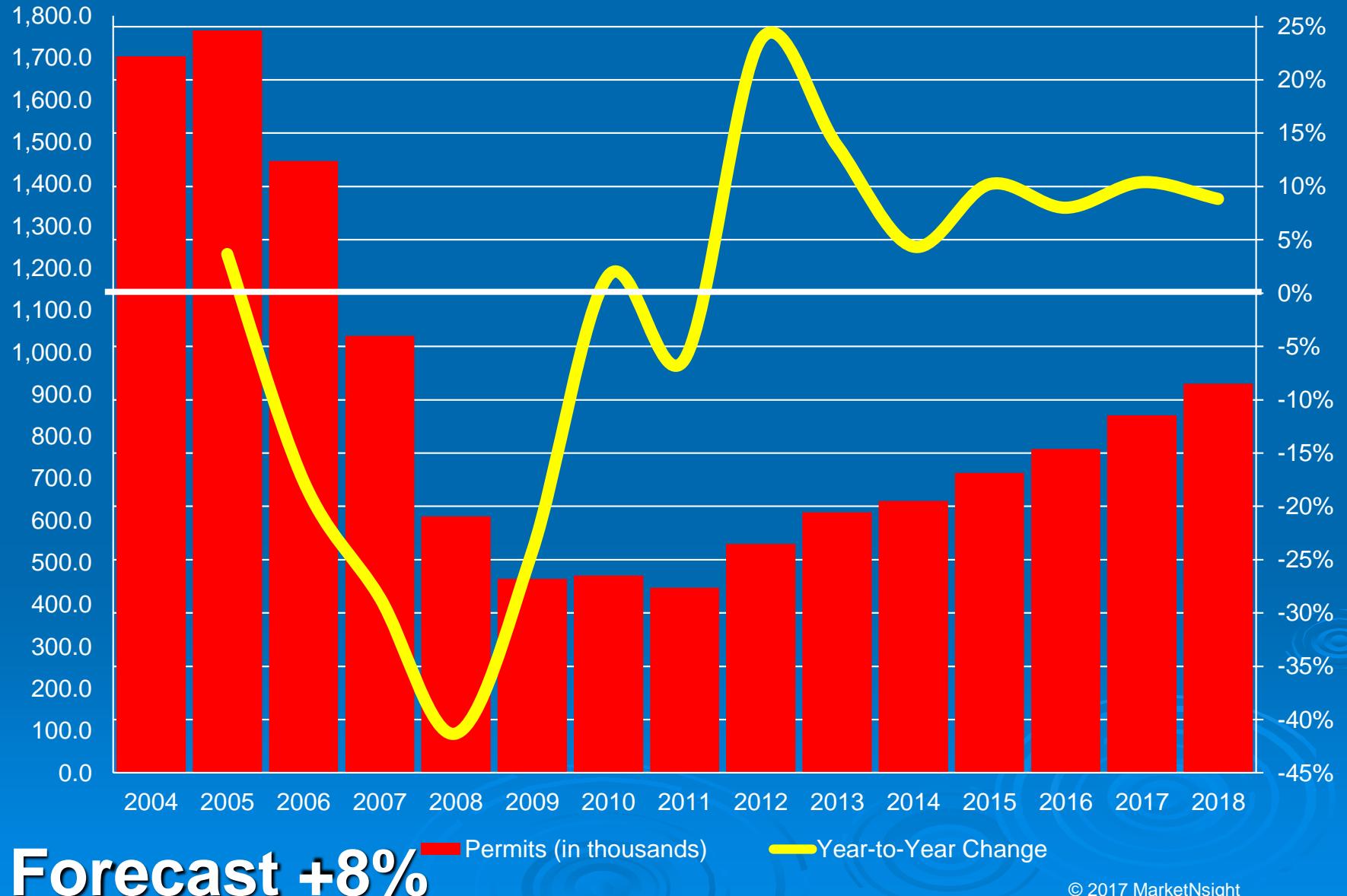


# National Permit Trend 1/2004 - 12/2017

(Permits in Thousands)

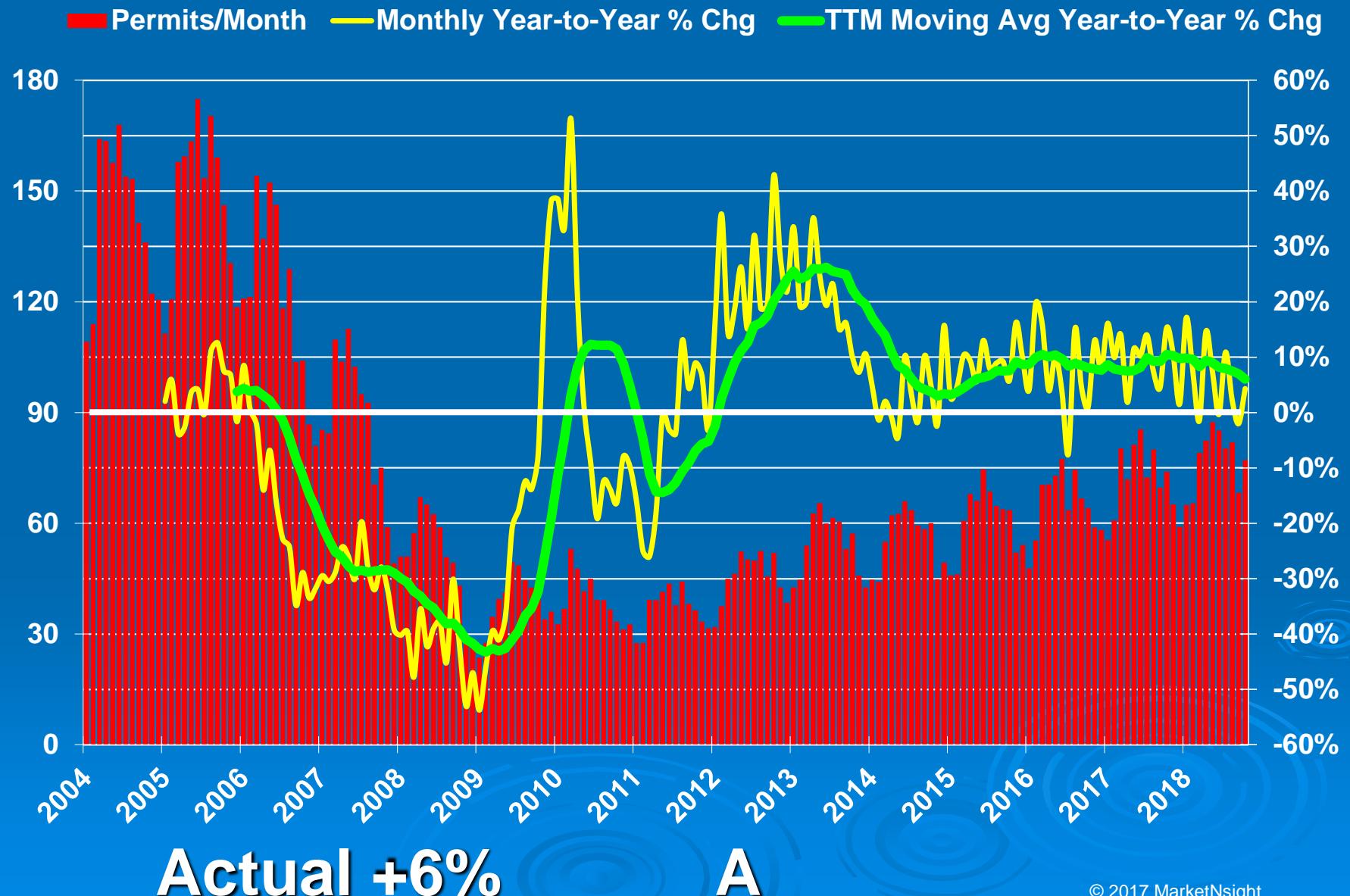


# National Annual Permits (All) 2004-2018

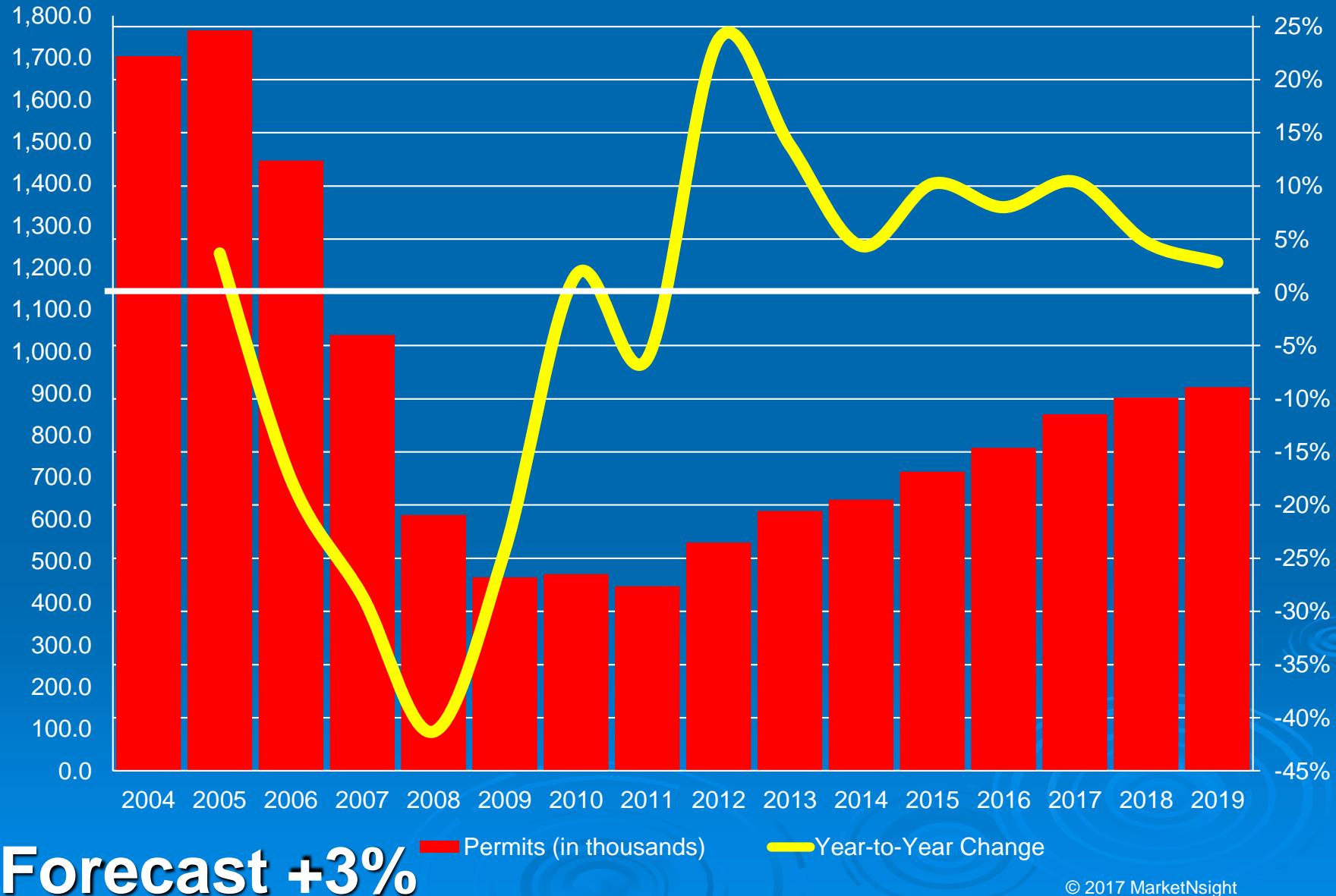


# National Permit Trend 1/2004 - 10/2018

(Permits in Thousands)

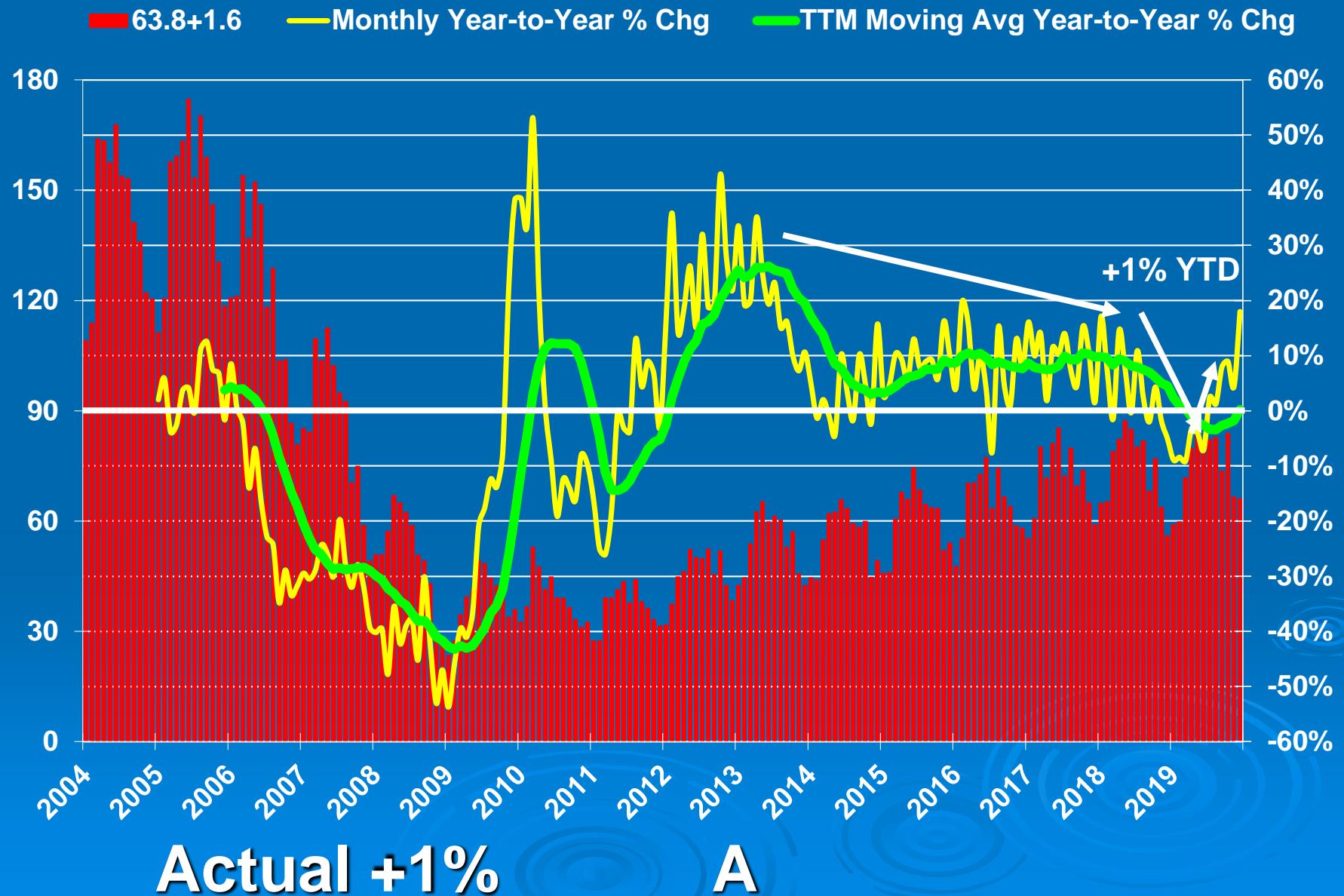


# National Annual Permits (All) 2004-2019

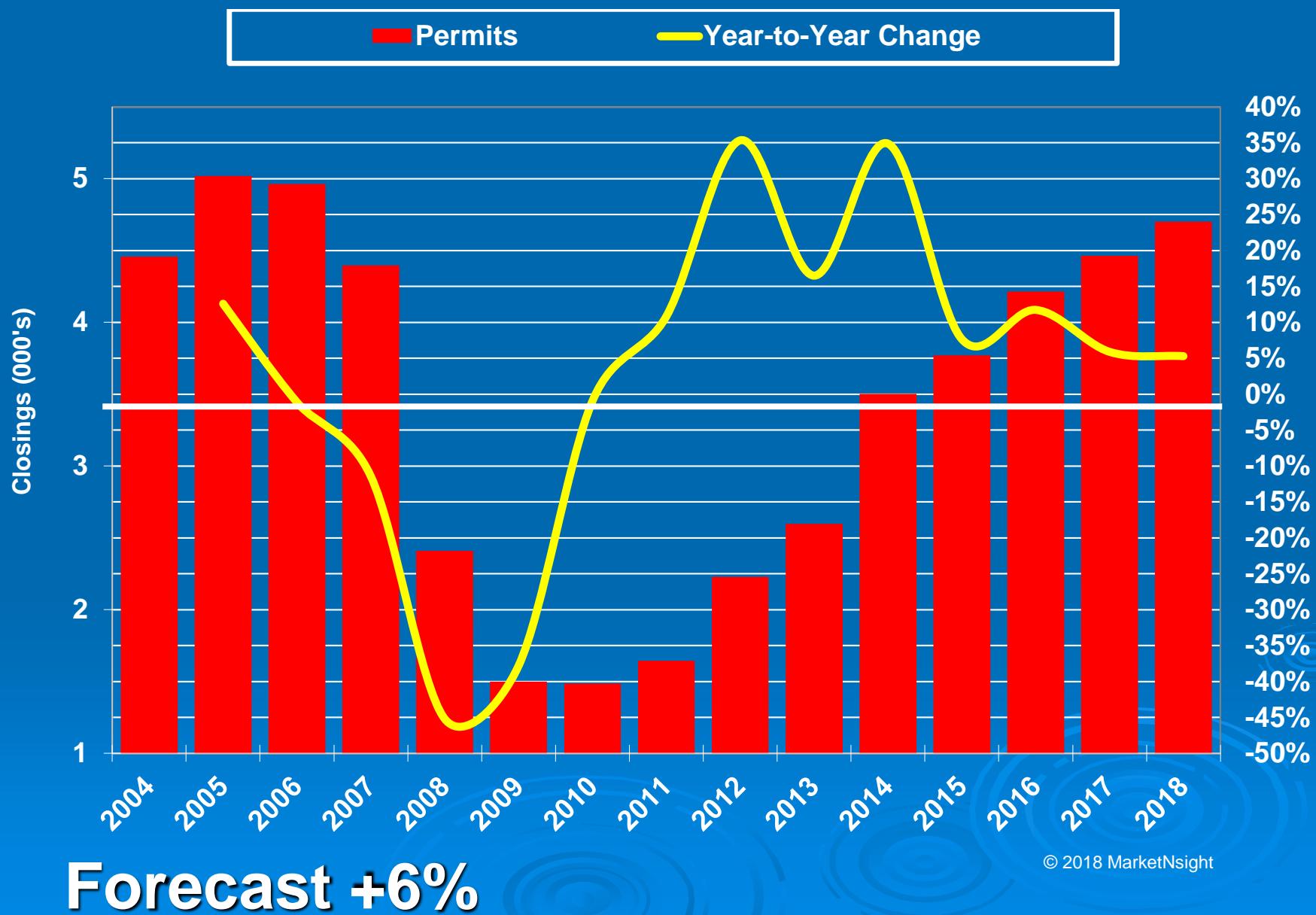


# National Permit Trend 1/2004 – 12/2019

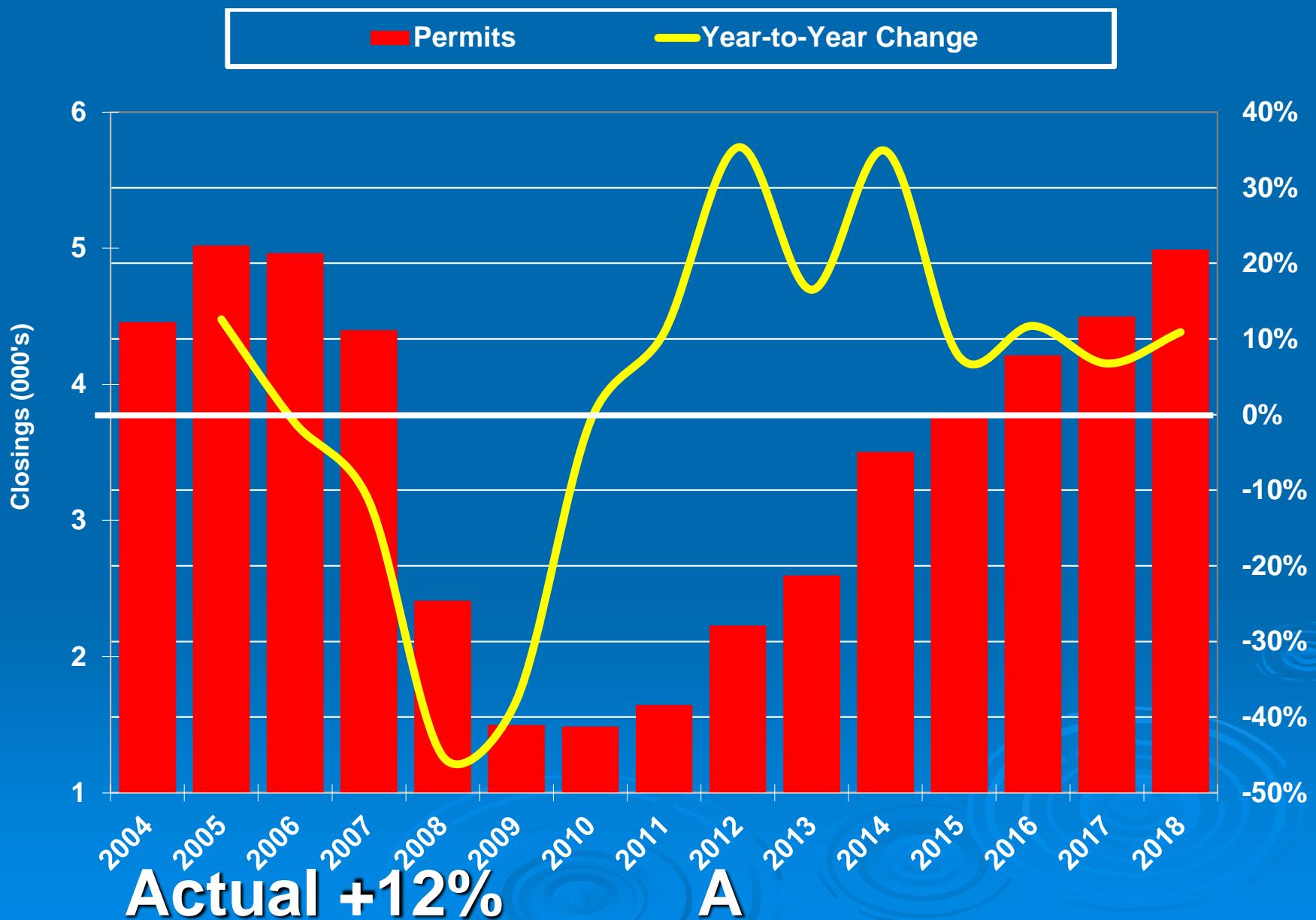
(Permits in Thousands)



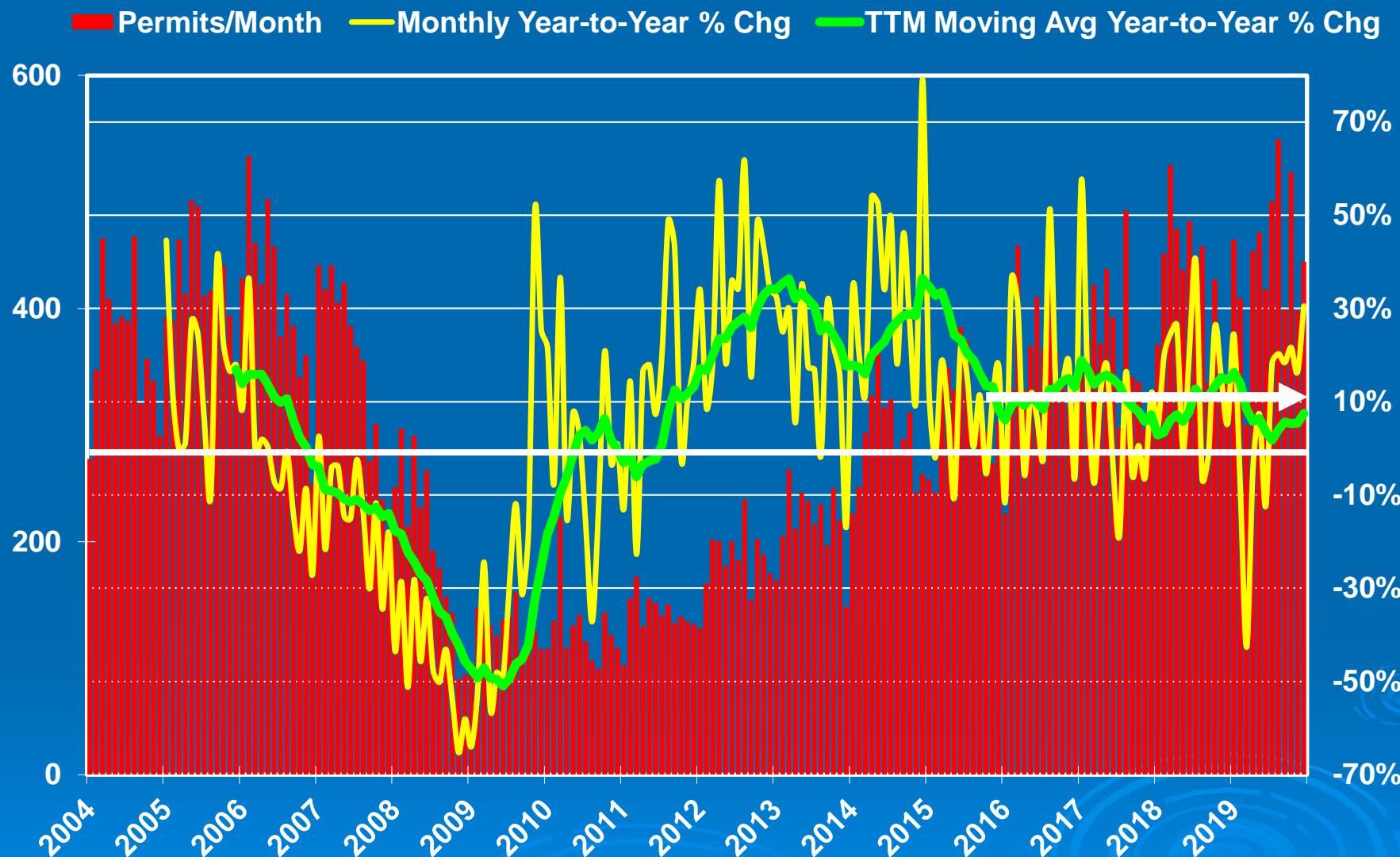
# Greenville Permit Forecast (All) 2004-2018



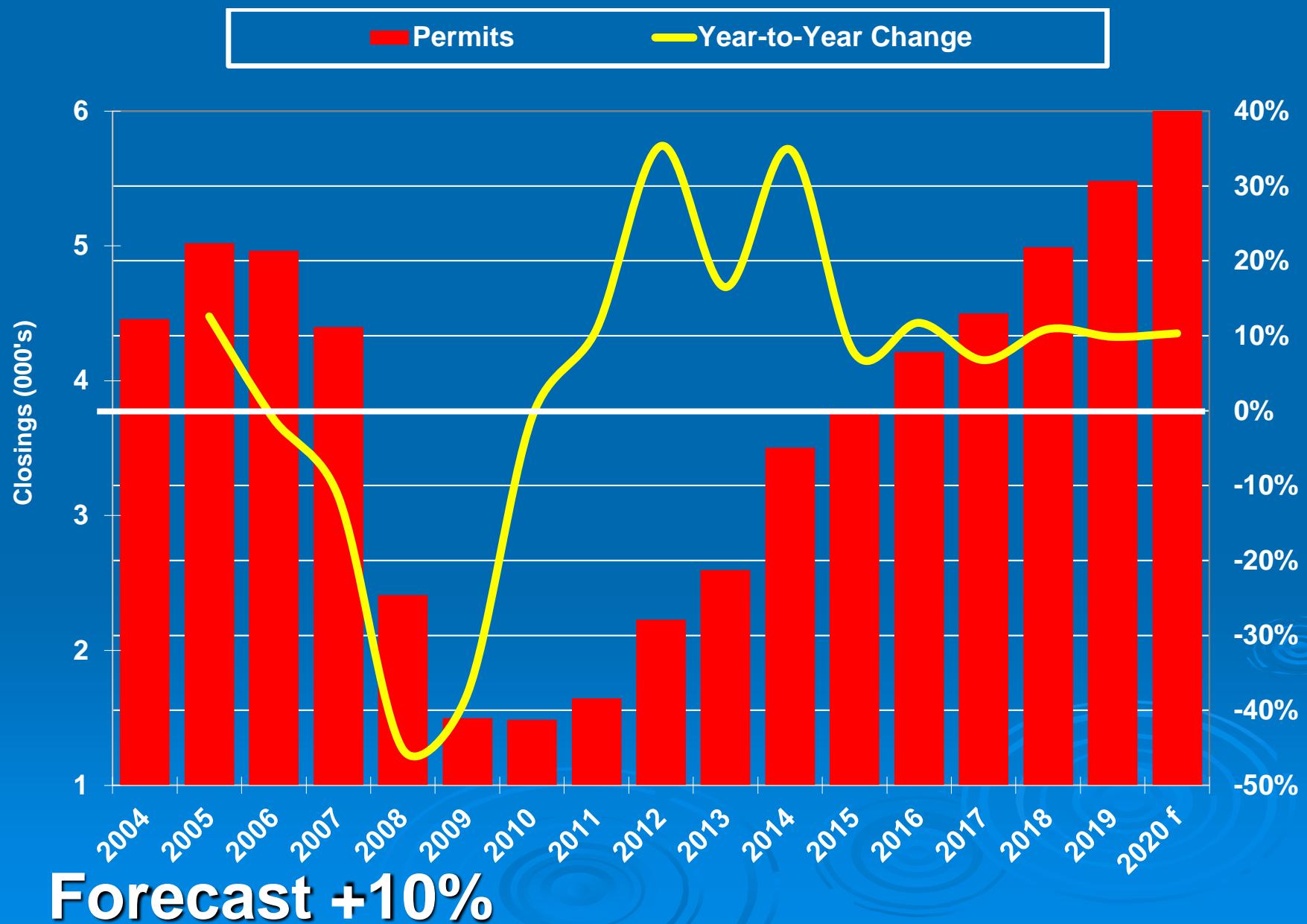
# Greenville Annual Permits (All) 2004-2018



# Permit Trend 1/2004 – 12/2019 Greenville



# Greenville Annual Permits Forecast 2004-2020



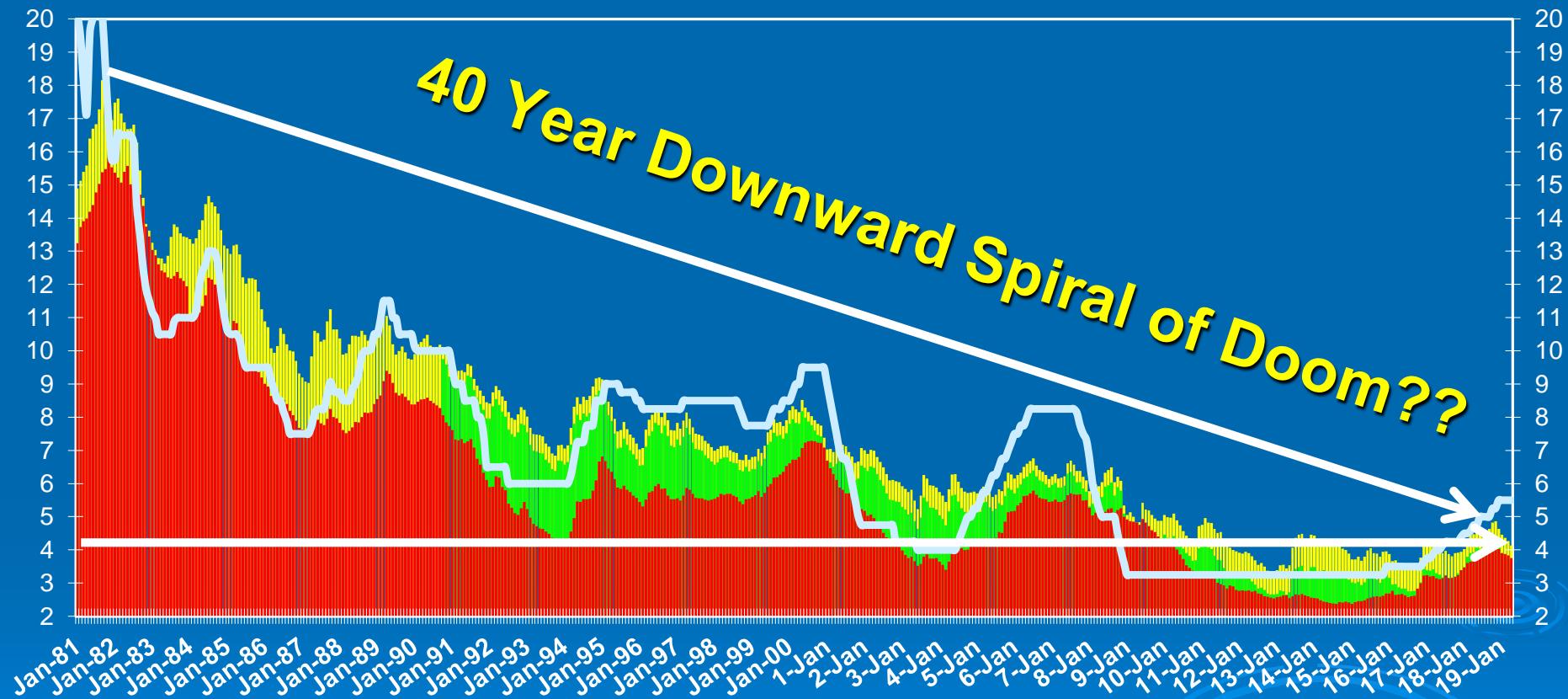
# Long Term Forecast???

# Interest Rate Trending



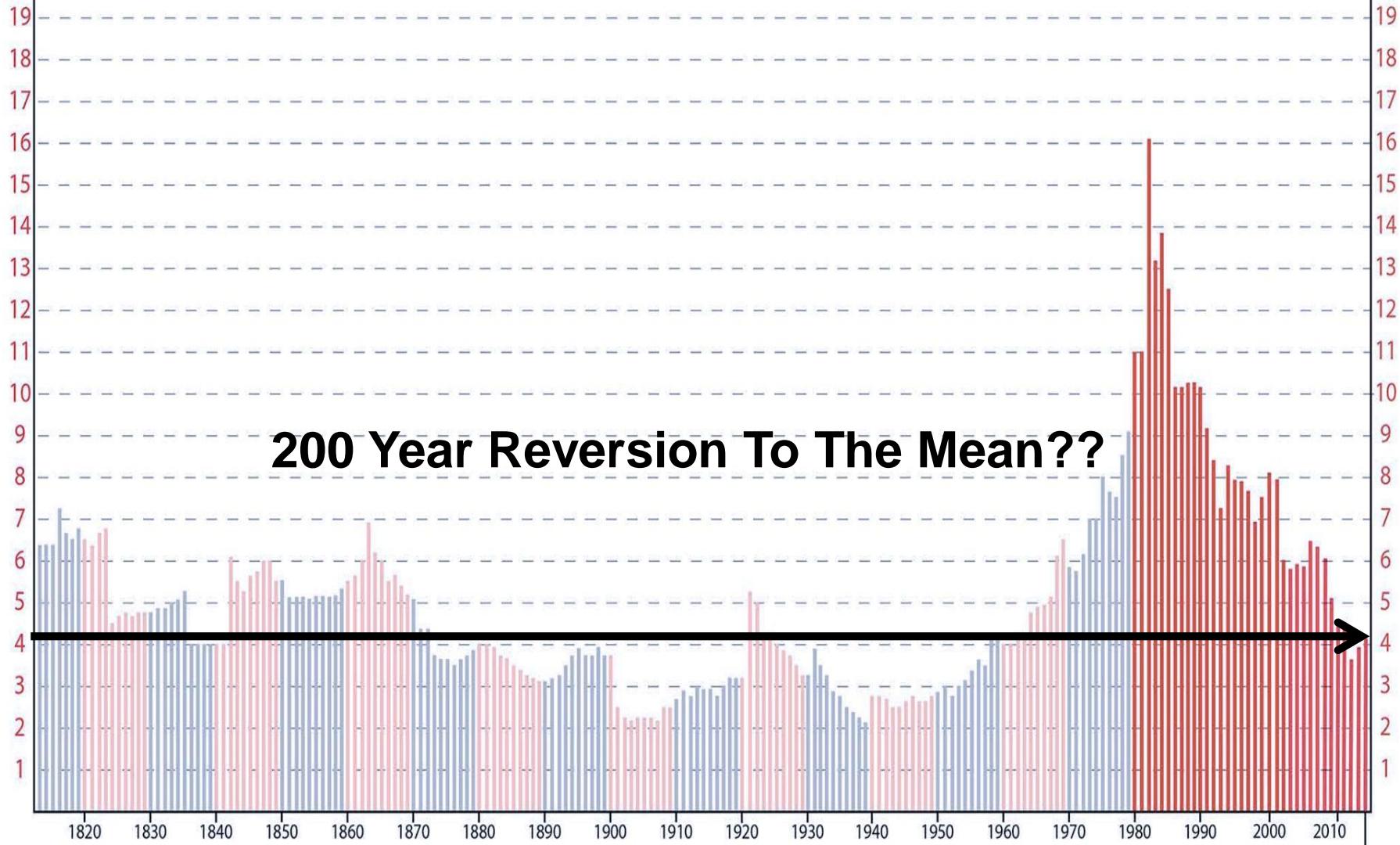
# Interest Rate Trending

Thirty      Fifteen      ARM      Prime



# 200 Year Historical Interest Rate Chart

Interest  
Rate



**200 Year Reversion To The Mean??**

Year

Source: Freddie Mac

2014  
4.13%  
(Thru 3rd Qtr.)