

# What Has Changed?

## Containment measures

- “Spreading at an unacceptable rate”
- Some stores/restaurants closing either preemptively or due to sick staff
- 130 vaccines in development

## Housing

- Existing sales down 26.6%
- New home continues to show considerable improvement
- PAs up 12%

## Home Sales YOY Percent Change



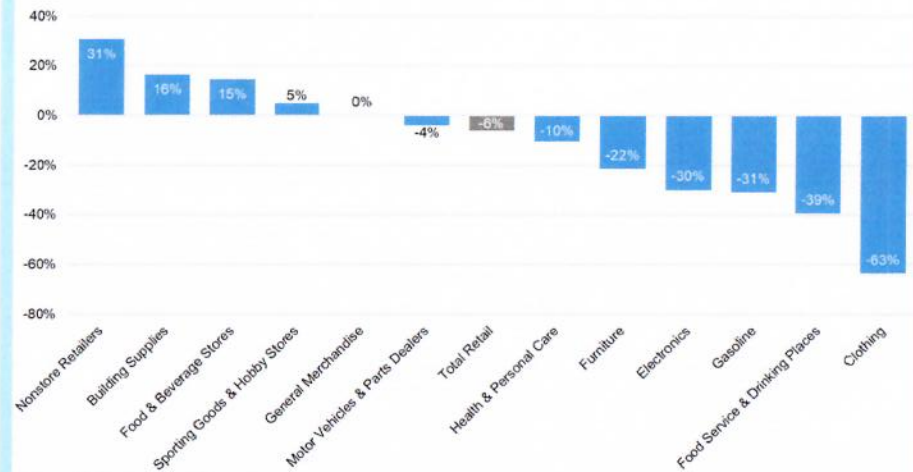
# Clear Winners And Losers

## Retail Sales (YOY)



Source: US Census Bureau, Meyers Research

## Retail Sales by Kind of Business (YOY)



Source: US Census, Meyers Research

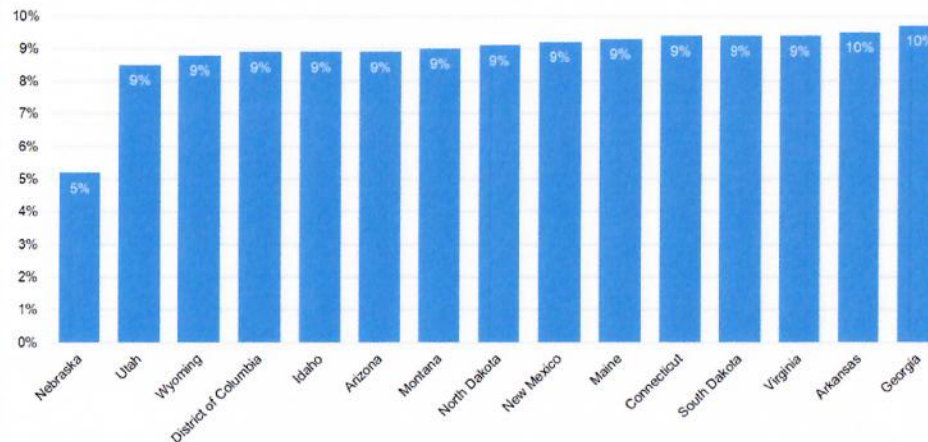
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Lowest May State Unemployment



Source: Bureau of Labor Statistics; Meyers Research

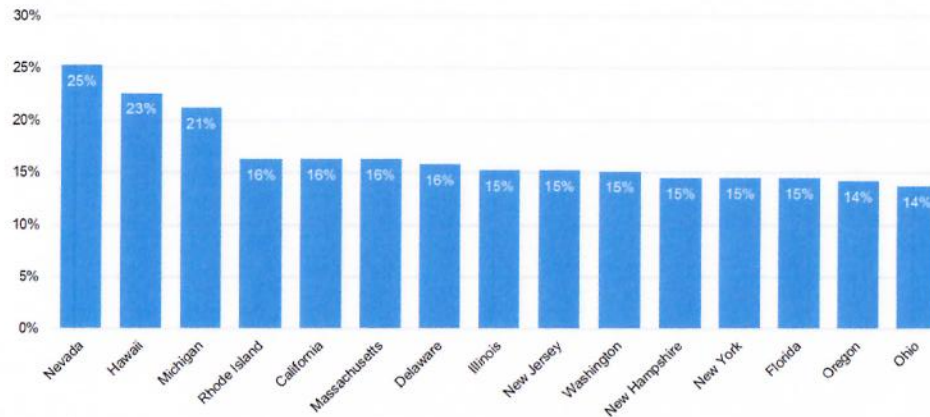
## Markets Where The Unemployment Rate Fell MOM:

Mississippi	-5.7%; 10.6%
Kentucky	-5.6%; 11.0%
Indiana	-5.2%; 12.3%
Nevada	-4.8%; 25.3%
Arizona	-4.5%; 8.9%
Tennessee	-4.2%; 11.3%
Alabama	-3.9%; 9.9%
Ohio	-3.9%; 13.7%
Vermont	-3.8%; 12.7%
Nebraska	-3.5%; 5.2%
Pennsylvania	-3.0%; 13.1%
West Virginia	-3.0%; 12.9%





### Highest May State Unemployment



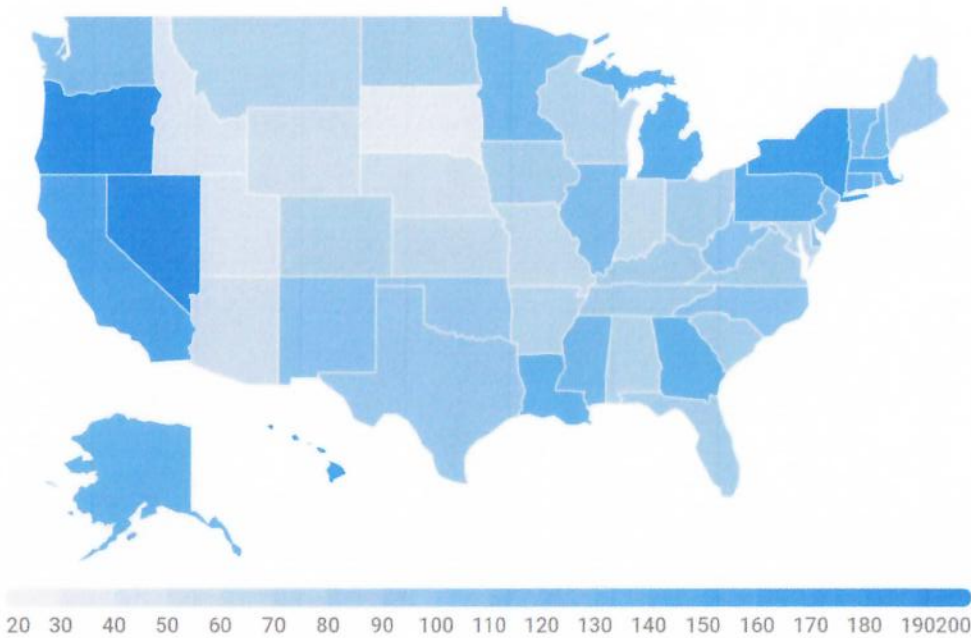
Source: Bureau of Labor Statistics, Meyers Research

## Markets Where The Unemployment Rate Was Flat To Up MOM

Minnesota	1.2%; 9.9%
Connecticut	1.1%; 9.4%
Delaware	0.9%; 15.8%
Florida	0.7%; 14.5%
Massachusetts	0.1%; 16.3%
North Dakota	0.0%; 9.1%
North Carolina	0.0%; 12.9%

# A Check On Continued Claims: 20.5M

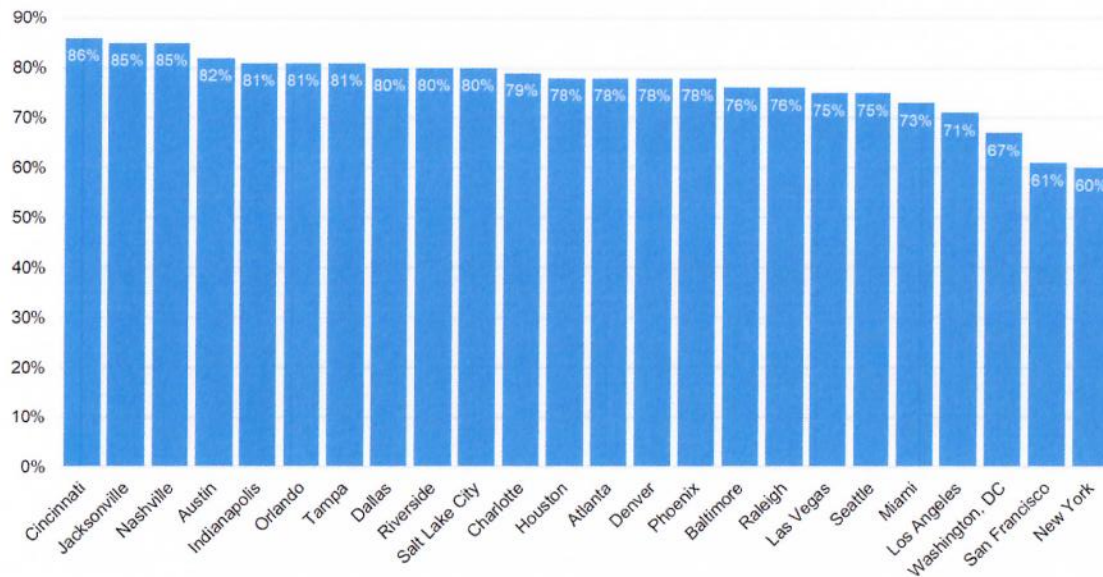
Continued Claims Per 1,000 Workers



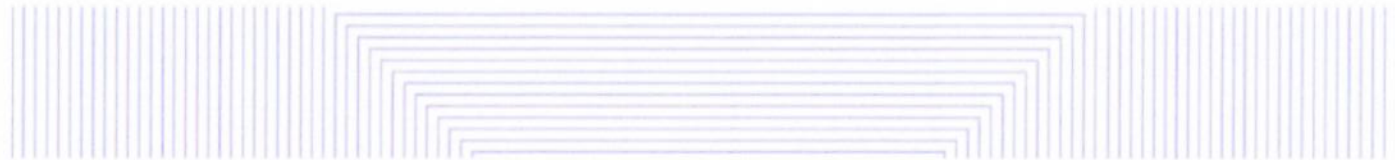
Source: Department of Labor For June 18; Meyers Research

# Local Differences Persist

## Businesses Open Compared To January 2020



Source: Homebase; Meyers Research – Data through June 17<sup>th</sup>



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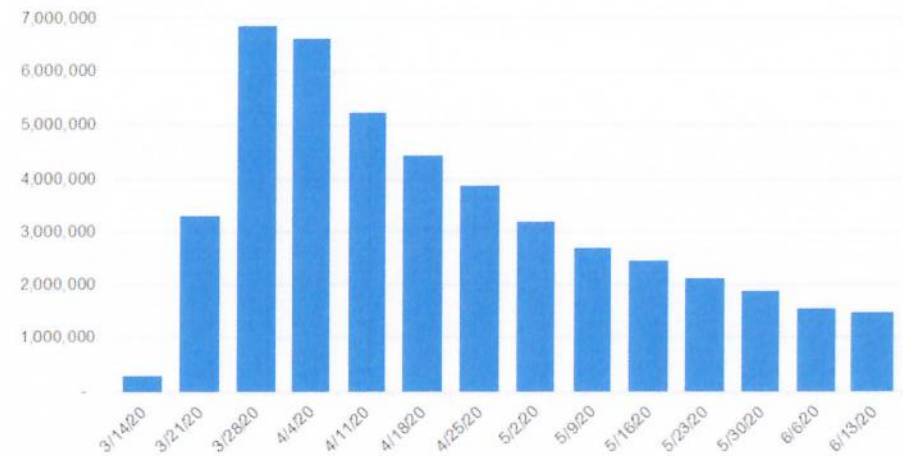
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# IJC's Still Stubbornly High

## Initial Jobless Claims



Source: Department of Labor; Meyers Research



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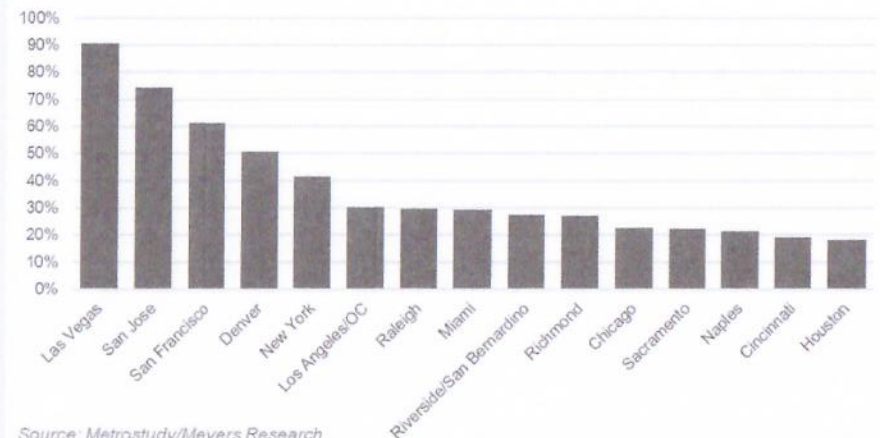
# MOM Improvement In Nearly Every Single

New Home Pending Sales Index (MOM Change)



Source: Zonda by Meyers Research

New Home PSI (MOM Change)



Source: Metrostudy/Meyers Research





# Some Markets Had Cycle High Sales In May

New Home Pending Sales Index (YOY Change)

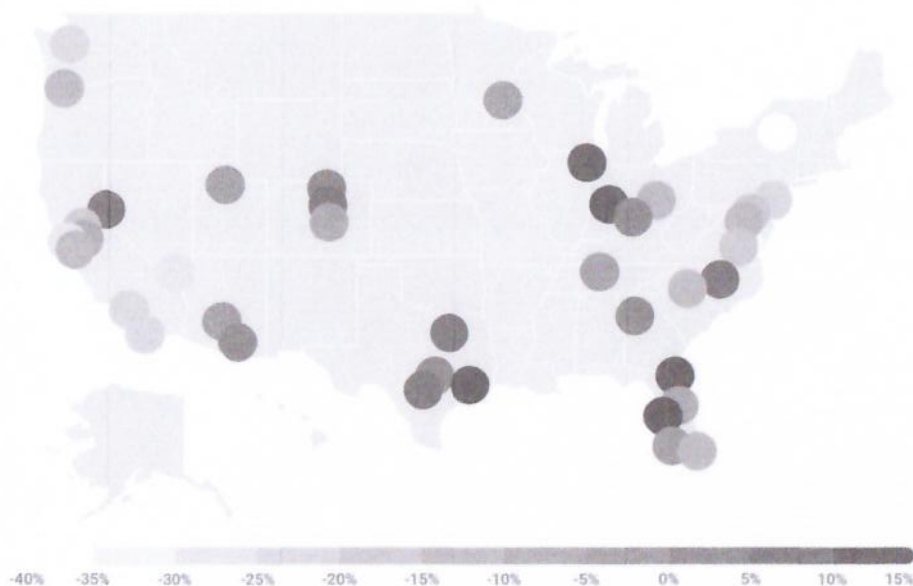


Source: Zonda by Meyers Research



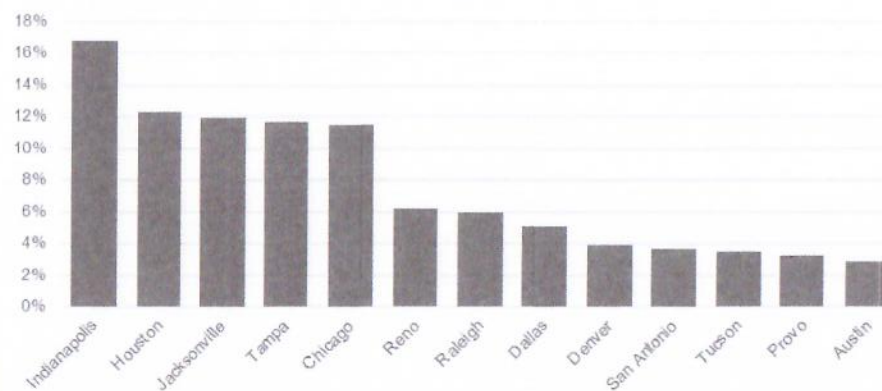
# Some Markets Had Cycle High Sales In May

New Home Pending Sales Index (YOY Change)



Source: Zonda by Meyers Research

New Home PSI (YOY Change)



Source: Metrostudy/Meyers Research



## Watch For Markets Where Demand Has Accumulated For Years

### Positive Domestic Net Migration

Rank	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
1	Austin	Austin	Austin	Austin	Las Vegas	Austin
2	Raleigh	Tampa	Tampa	Las Vegas	Austin	Phoenix
3	Nashville	Raleigh	Raleigh	Tampa	Jacksonville	Las Vegas
4	Denver	Orlando	Jacksonville	Raleigh	Phoenix	Raleigh
5	San Antonio	Jacksonville	Las Vegas	Jacksonville	Raleigh	Jacksonville
6	Charlotte	Las Vegas	Charlotte	Charlotte	Tampa	Tampa
7	Houston	Nashville	Orlando	Phoenix	Charlotte	Charlotte
8	Las Vegas	Denver	Nashville	San Antonio	San Antonio	San Antonio
9	Orlando	Charlotte	Phoenix	Nashville	Nashville	Tucson
10	Tampa	San Antonio	San Antonio	Orlando	Tucson	Nashville

Source: U.S. Census Bureau; Meyers Research





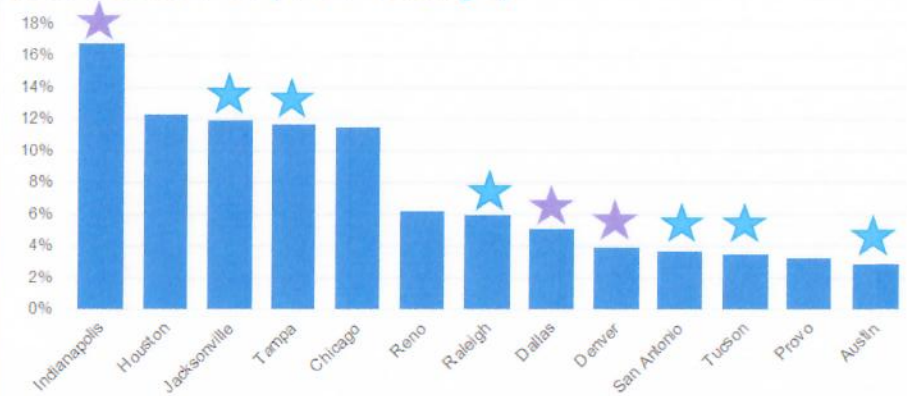
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3	Nashville	Raleigh	Raleigh	Tampa	Jacksonville	Las Vegas
4	Denver	Orlando	Jacksonville	Raleigh	Phoenix	Raleigh
5	San Antonio	Jacksonville	Las Vegas	Jacksonville	Raleigh	Jacksonville
6	Charlotte	Las Vegas	Charlotte	Charlotte	Tampa	Tampa
7	Houston	Nashville	Orlando	Phoenix	Charlotte	Charlotte
8	Las Vegas	Denver	Nashville	San Antonio	San Antonio	San Antonio
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Source: U.S. Census Bureau, Meyers Research

New Home PSI (YOY Change)

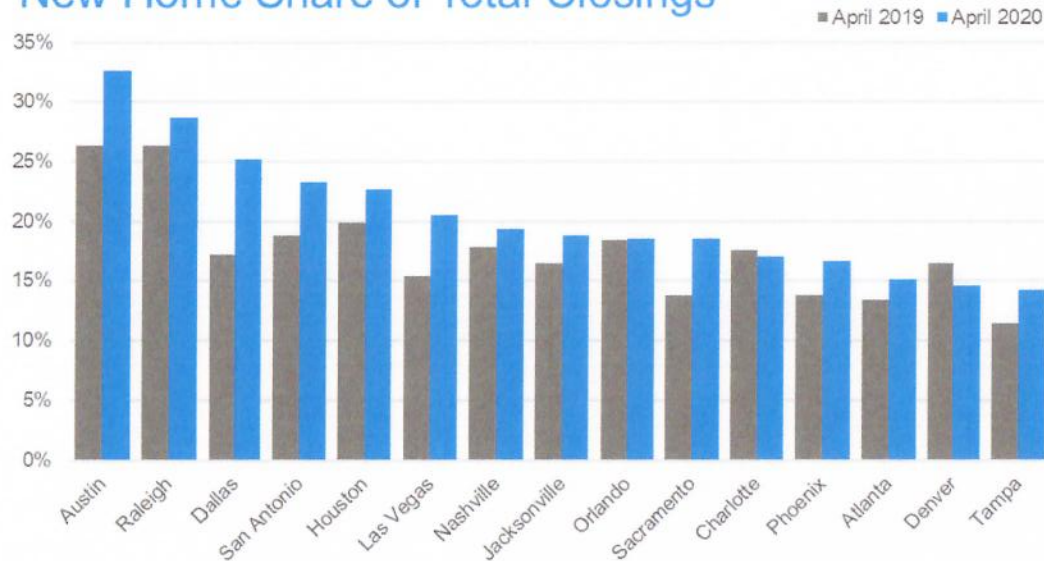


Source: Metrostudy/Meyers Research

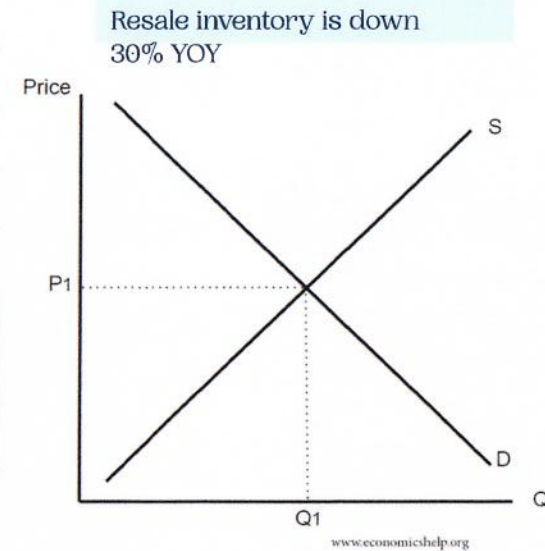


## In Many Cases, Builders Are The Only Game In Town

### New Home Share of Total Closings



Source: Metrostudy/Meyers Research



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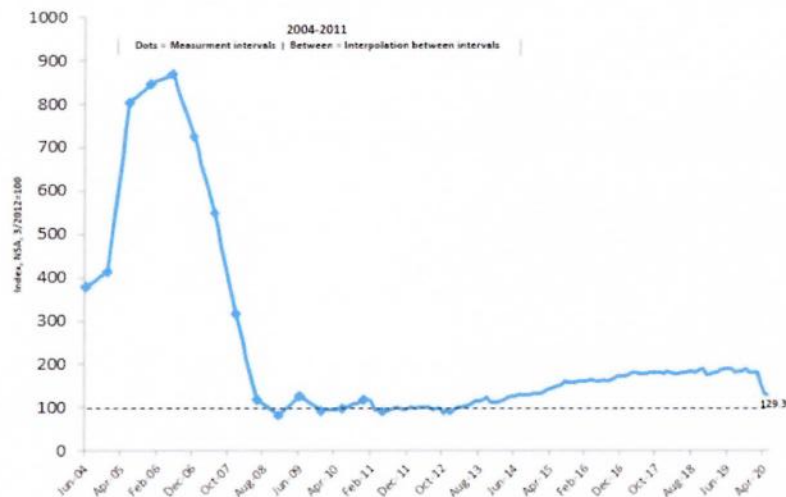
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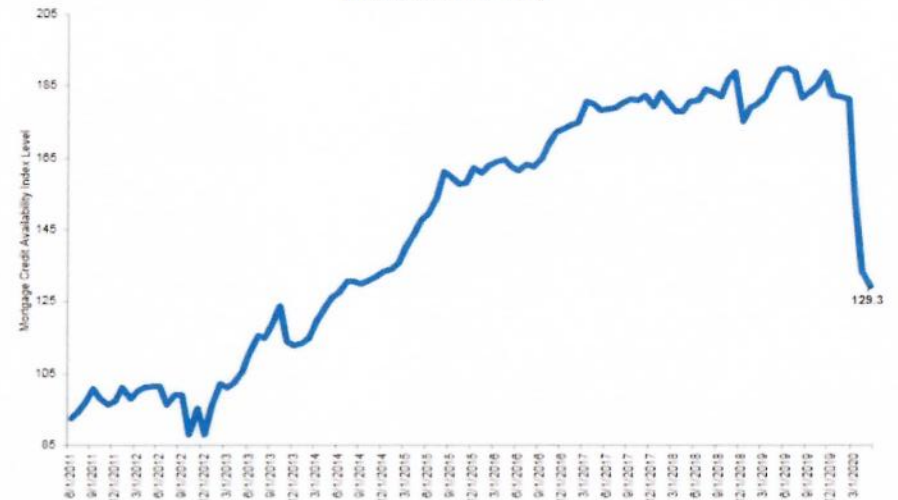
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# Lending Standards Back To 2014 Levels, But Sales Are Still Robust

**Mortgage Credit Availability Index (NSA, 3/2012 = 100)**  
Expanded Historical Series



**Mortgage Credit Availability Index, Index Level by Month**  
(NSA, 3/2012=100)



Source: Mortgage Bankers Association; Ellie Mae; Meyers Research



## Can The Vs Be Sustainable With All The Swooshes and Ls?

Sector	Recovery Shape*
Housing	V
Autos	V
Online Retail	V
In-Person Retail	Swoosh
Manufacturing	Swoosh
Air Traffic	Swoosh
Restaurants	Swoosh
Hotels	Swoosh
Agriculture	Swoosh

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# Can The Vs Be Sustainable With All The Swooshes and Ls?

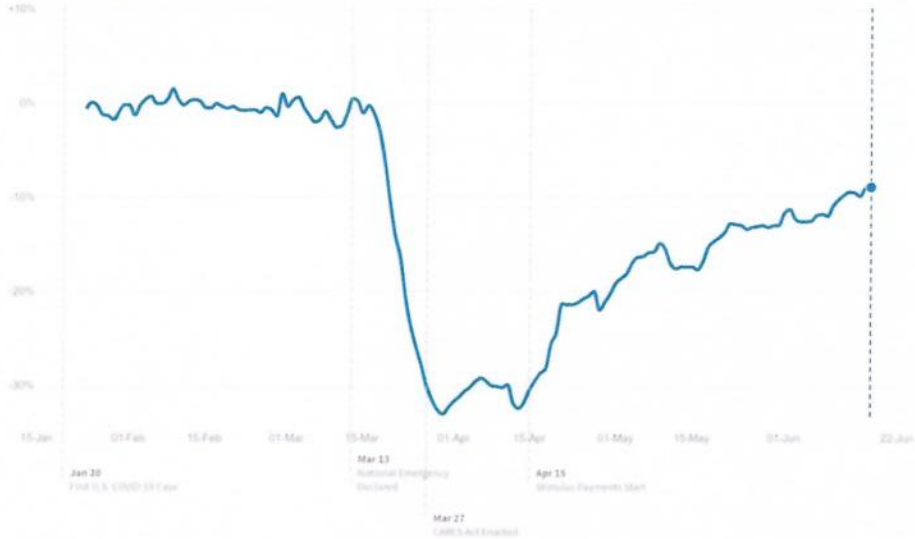
*“Recently, some indicators have pointed to a **stabilization**, and in some areas a **modest rebound**, in economic activity,” Federal Reserve Chairman Jerome Powell said Tuesday in testimony to a Senate committee. Yet “until the public is confident that the disease is contained, a full recovery is unlikely.”*

Sector	Recovery Shape*
Housing	V
Autos	V
Online Retail	V
In-Person Retail	Swoosh
Manufacturing	Swoosh
Air Traffic	Swoosh
Restaurants	Swoosh
Hotels	Swoosh
Agriculture	Swoosh
Concerts	L
Sporting Events	L

Source: Meyers Research \*So far



**Percent Change in All Consumer Spending\***  
In the United States, as of June 17 2020, total spending by all consumers decreased by **8.9%** compared to January 2020.



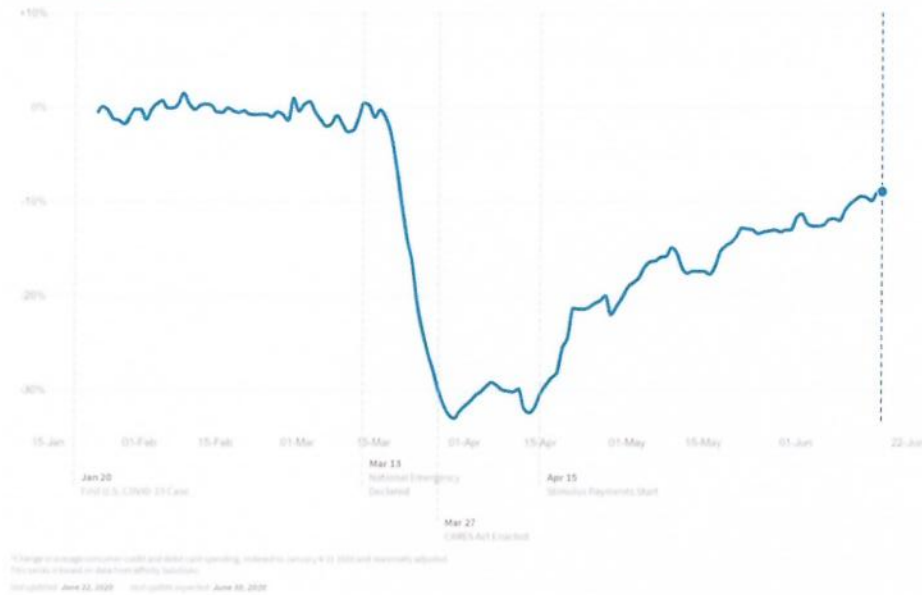
\*Change in average consumer credit and debit card spending, indexed to January 15, 2020 and seasonally adjusted.  
This data is based on data from Affinity Networks.  
Last updated: June 22, 2020. Next update expected: June 26, 2020.

We Have To  
Watch This. High-  
Income Earners  
The Most  
Important  
Consumers



### Percent Change in All Consumer Spending\*

In the United States, as of June 17, 2020, total spending by all consumers decreased by **8.9%** compared to January 2020.



**National** -8.9% compared to Jan; **Low-Income** -2.8% ; **High-income** -13.3%

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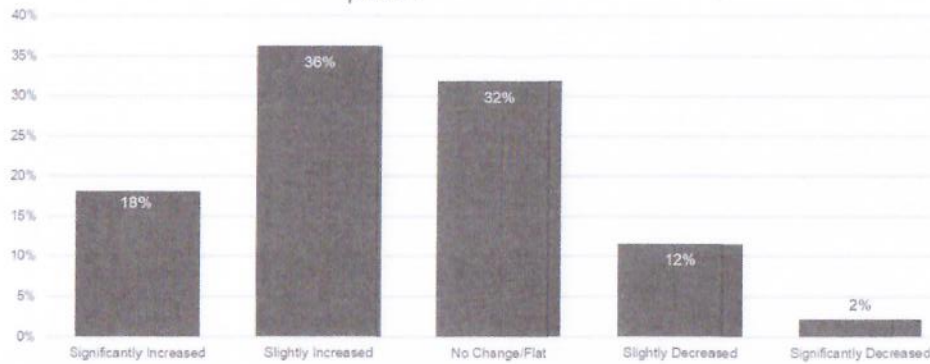
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## Heard On The Street

- Less frenzied of a home pace but still very strong sales in June
- Out-of-towners are keeping their eyes on COVID cases of cities they are considering moving to
- Some land acquisition teams are full steam ahead
- Outside builders are continuing to eye expansion markets
- Inventory is the only thing holding back sales



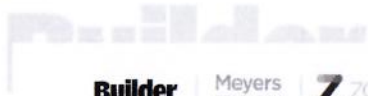
How has NET CONTRACT VOLUME been for your local operation over the past week in comparison to the week prior?



Source: Metrostudy/Meyers Research

54% Of Builders  
Still Report  
Improving  
Contract Volume



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# Lower Cancellations Than Most Expected

**41%**

Of builders kept base  
prices flat week-over-  
week

(59% increased prices)

**5%**

Of builders increased  
incentives week-over-  
week

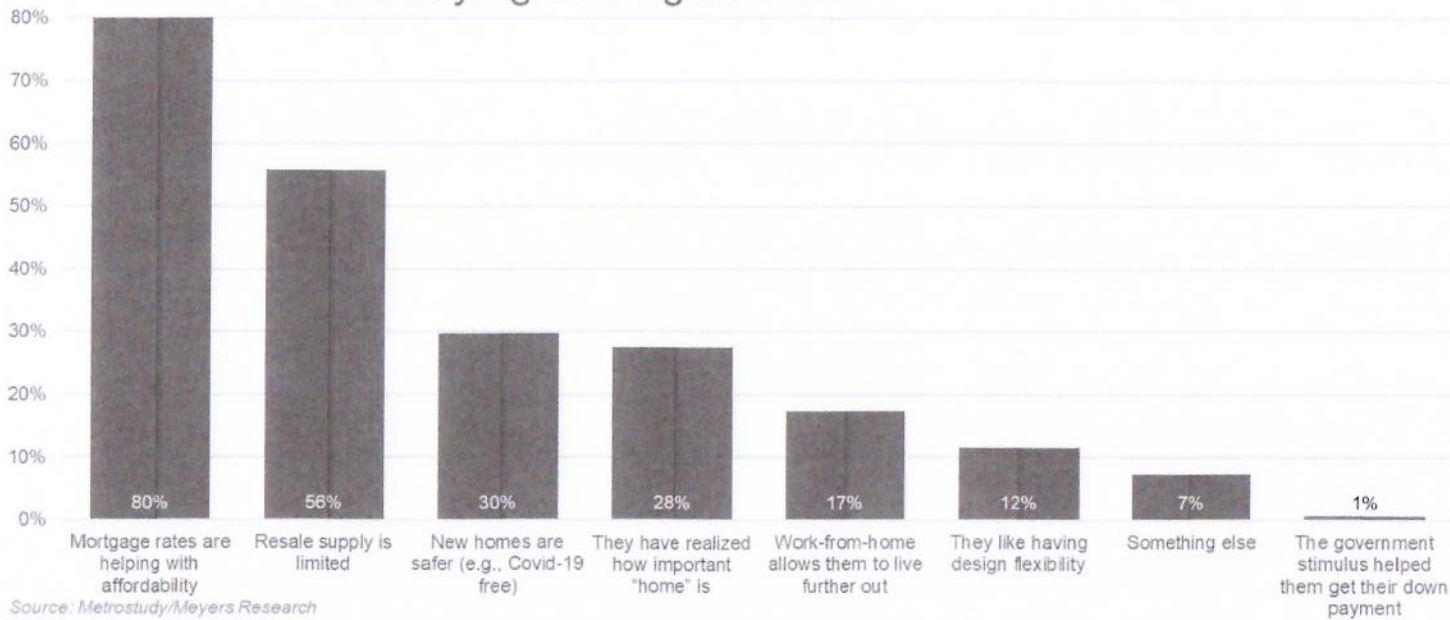
**11%**

Of builders reported an  
increase in cancellation  
week-over-week



# Thank You Mortgage Rates

Which of the following describes why you believe consumers are buying new right now?

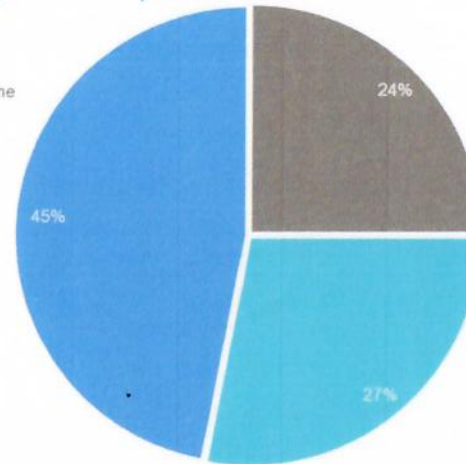




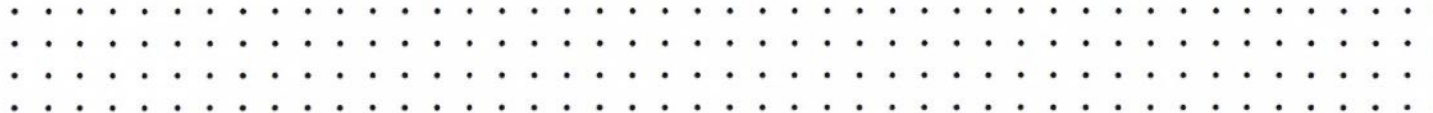
## Mixed Expectations For The Future

What are your expectations for new home sales over the next three months (e.g., July, August, and September) for your local operation?

- New home sales will decrease
- New home sales will increase
- New home sales will remain at the same level



Source: Metrostudy/Meyers Research





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## Las Vegas Housing Market Showing Signs Of Rebound

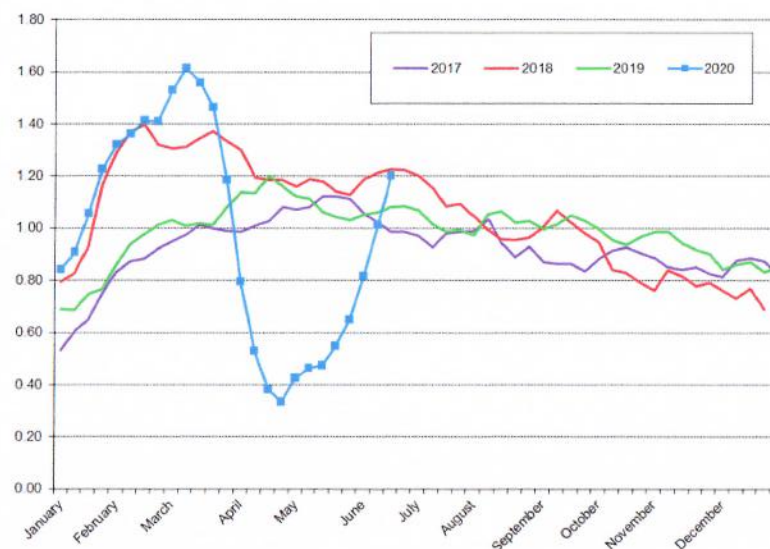
### Weekly Sales Per Subdivision in 2020

Early March  
1.6sls/week

Late April  
0.3sls/week

Mid June  
1.2sls/week

Weekly Sales per Subdivision







Builder

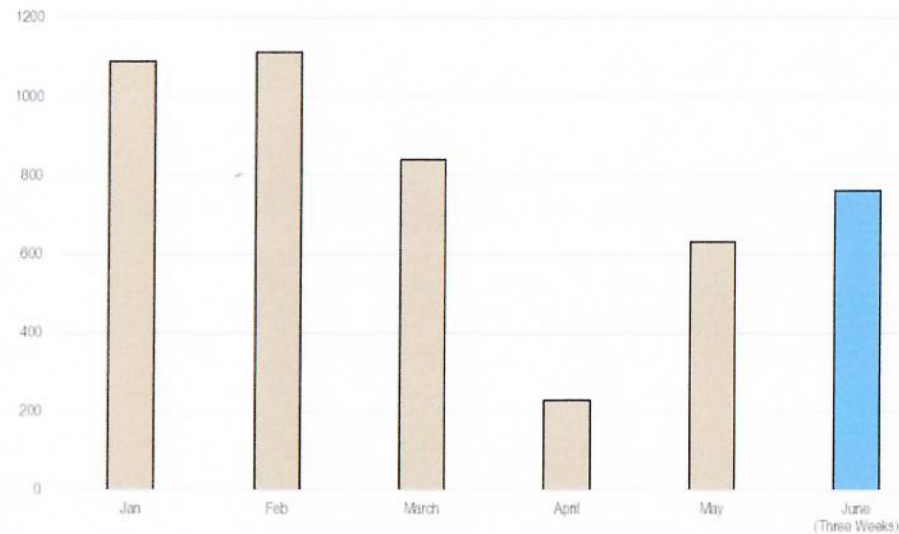
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## Remarkable Turnaround In Total Sales

Net New Home Sales by Month



### New Home Sales Per Month

Jan & Feb  
Weeks)

>1,000 Sales  
Sales



April

<250 Sales



June (Three

Over 750



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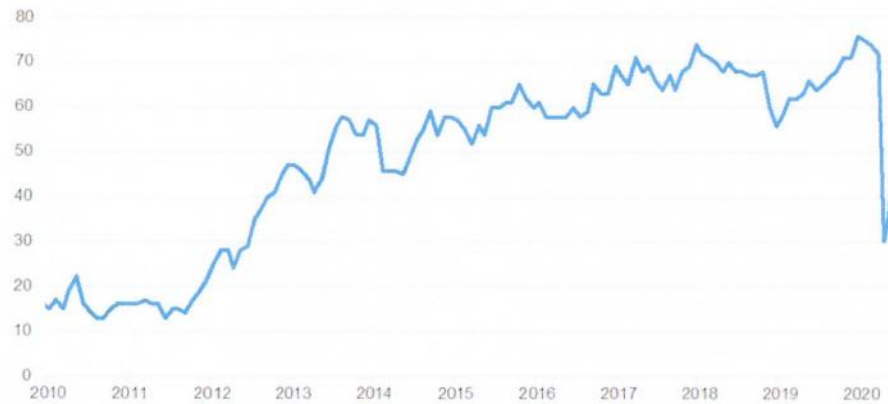
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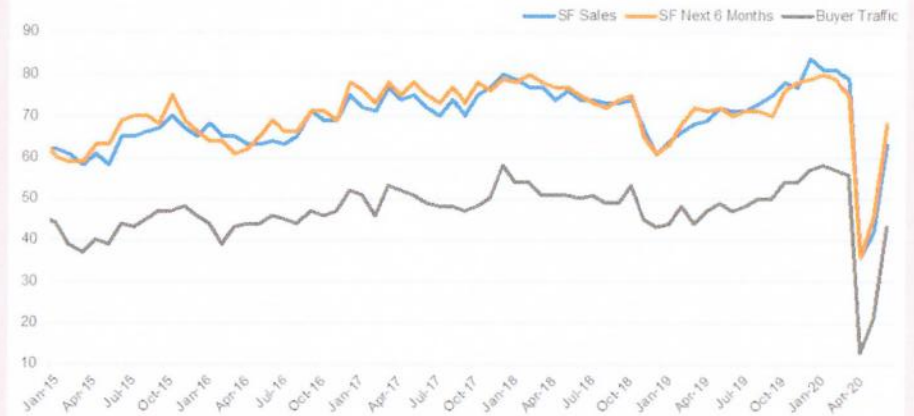
# Sharp Rebound In Builder Confidence, Today & In The Future

## NAHB Housing Market Index

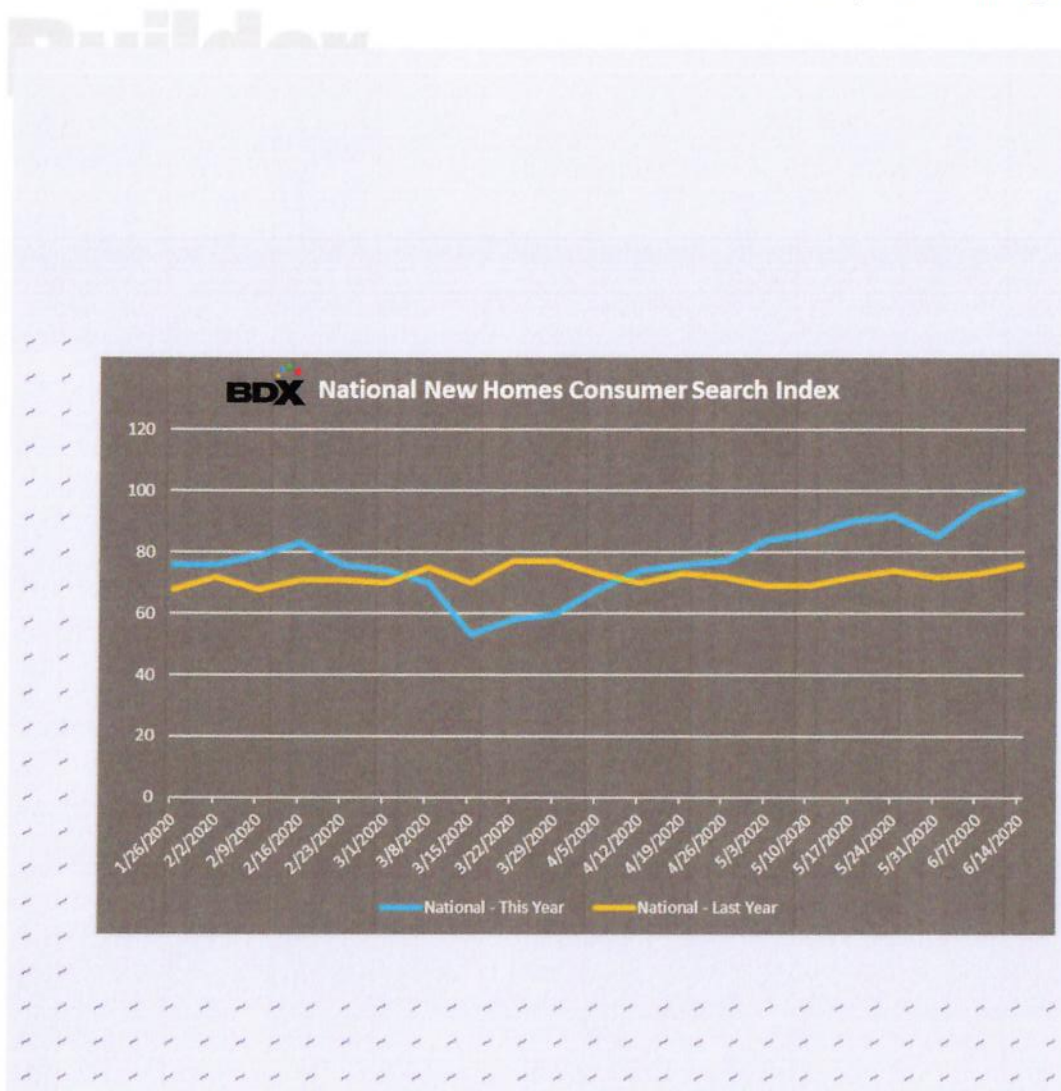


Source: NAHB, Meyers Research

## NAHB Housing Market Index - Components



Source: NAHB, Meyers Research



Builder Web  
Traffic Up 32%  
YOY



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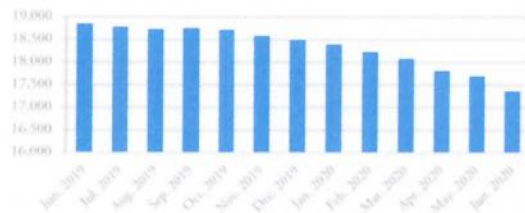
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## Inventory Down Even In The New Home Space

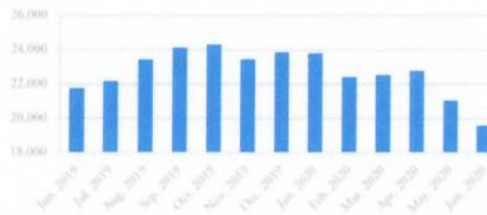
U.S. ACTIVE PROJECTS

■ Jun. 2020  
**17,351**  
 YOY Change  
**-8%**



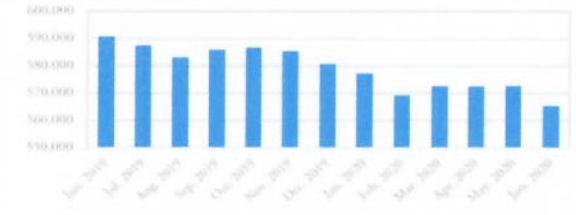
U.S. QUICK MOVE-INS

■ Jun. 2020  
**19,565**  
 YOY Change  
**-10%**



U.S. UNSOLD DETACHED LOTS

■ Jun. 2020  
**565,170**  
 YOY Change  
**-4%**



Source: Zonda by Meyers Research



# Home Design To Better Cater To WFH

What floor plan design changes are you considering due to the health crisis?

More defined office space or work stations	34%
Additional flex space	25%
Additional technology in home	20%
More defined e-learning space or work stations for kids	13%
Smaller floor plans	12%
Enhanced outdoor living options (e.g., patio, fireplace, etc.)	9%
Additional clean living in home (e.g., air purifier, water filtration, etc.)	9%
Additional storage	7%
More defined family zones	6%
Less open concept/more defined rooms	4%
Defined gym or exercise space	4%
Larger floor plans	3%
Something else	2%

Source: Meyers Research

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# “Distributed” Tech

You can work  
from home...  
**Permanently!**

\*Facebook



Twitter



\*Google



Slack



Box



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\*Also starting to take applications for remote positions later this year  
(which will come with incomes aligned with local cost of living)