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A ROADMAP FOR **GROWTH**



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Has there been an impact of the affordability crunch on the housing market?





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Introducing:

- **Richard Lombardi**
RealtyTrac
- **Michele Raneri**
Experian





Objectives

- Market trends
- Credit trends
- Affordability analysis
- Spotting emerging trends

Highlights include the specific geographic regional focus on:

AZ, CA, CO, FL, and NY





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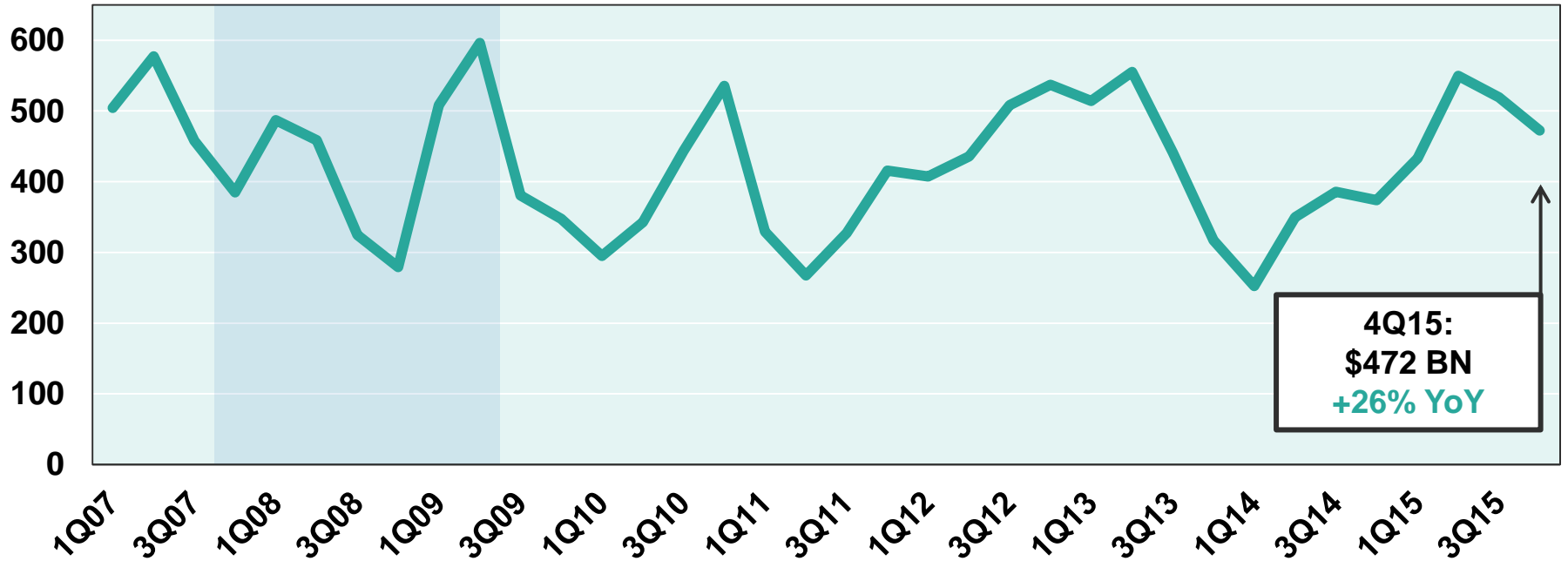
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Market trends and analysis overview

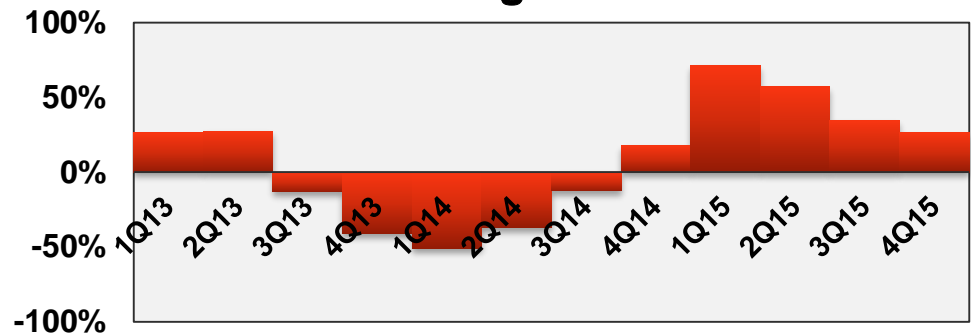




Mortgage originations



Percent Change YoY 2013-2015



Source: Experian IntelliViewSM



VantageScore®

Overview and usage

VantageScore® credit tiers

A = Super-prime 781-850

B = Prime 661-780

C = Near Prime 601-660

D = Sub-prime 500-600

F = Deep Sub-prime 300-499

Predicts risk of borrower

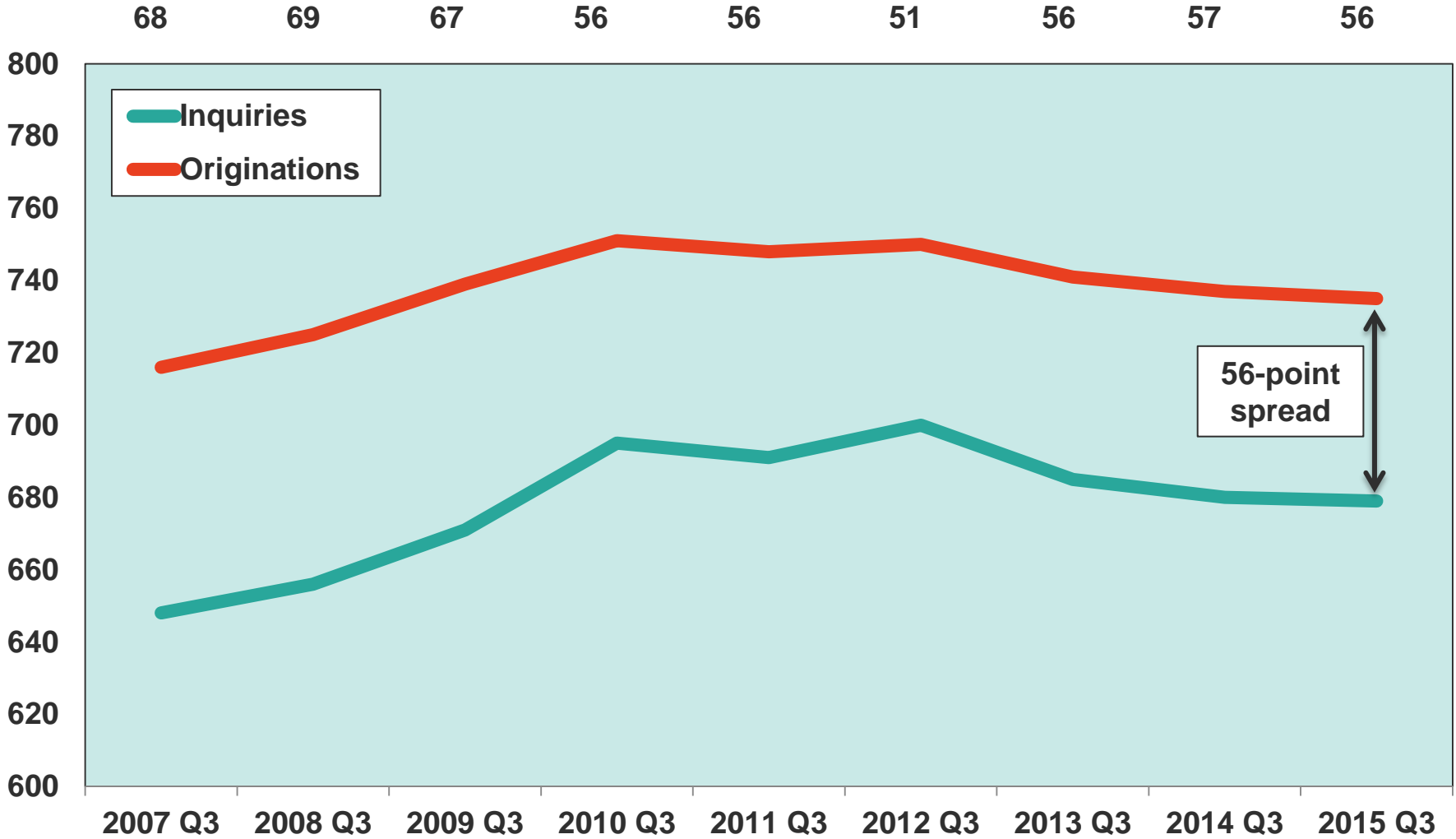
- Likelihood of future serious delinquencies
- 90 days later or greater)
- Any type of account
- 24-month performance window
- Score range of 300-850
 - ▶ Higher scores represent lower risk



Average VantageScore[®]

Mortgage inquiries and originations

Spread between inquiries and originations

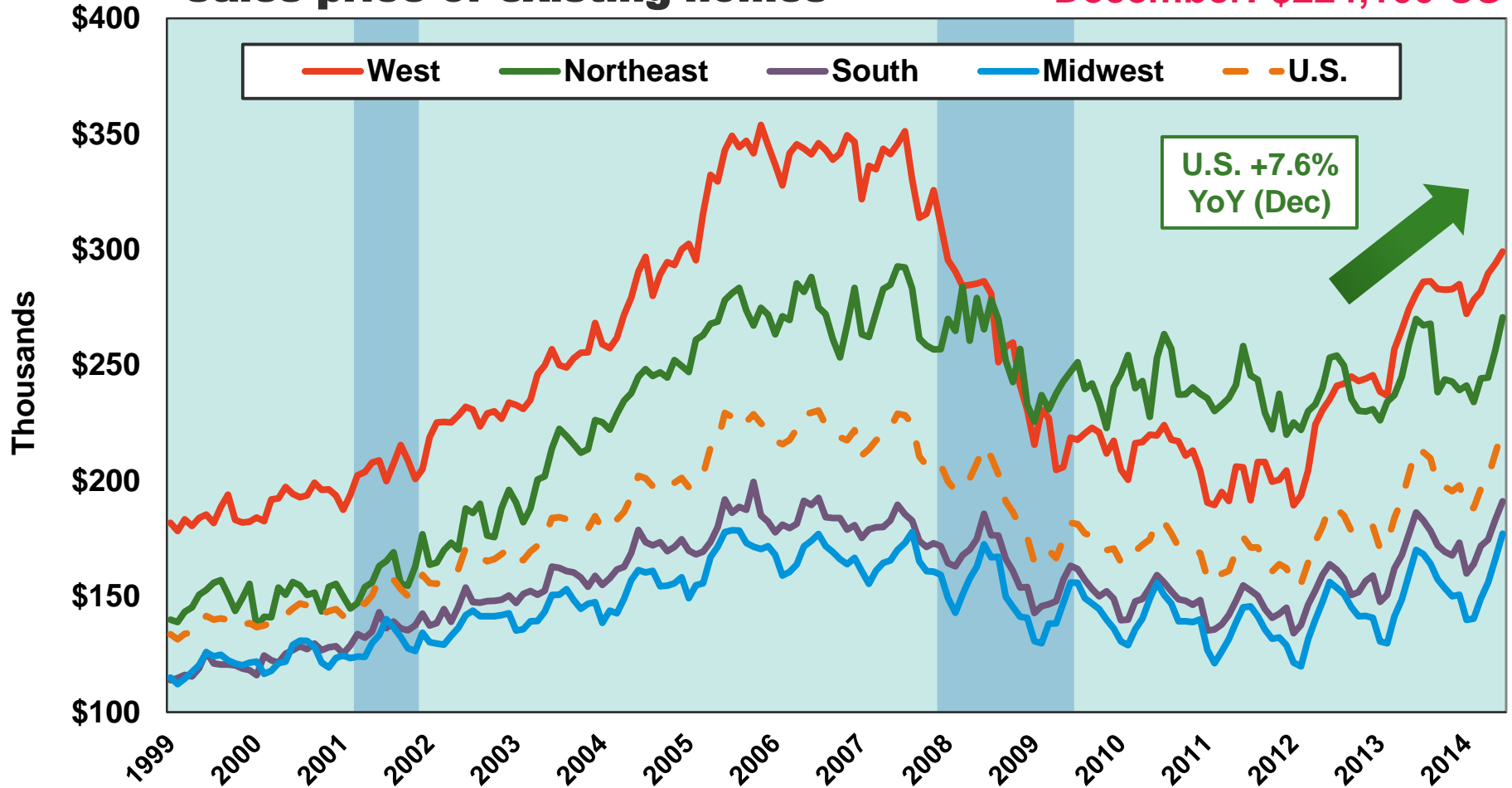




Home prices up year-over-year

Sales price of existing homes

December: \$224,100 US

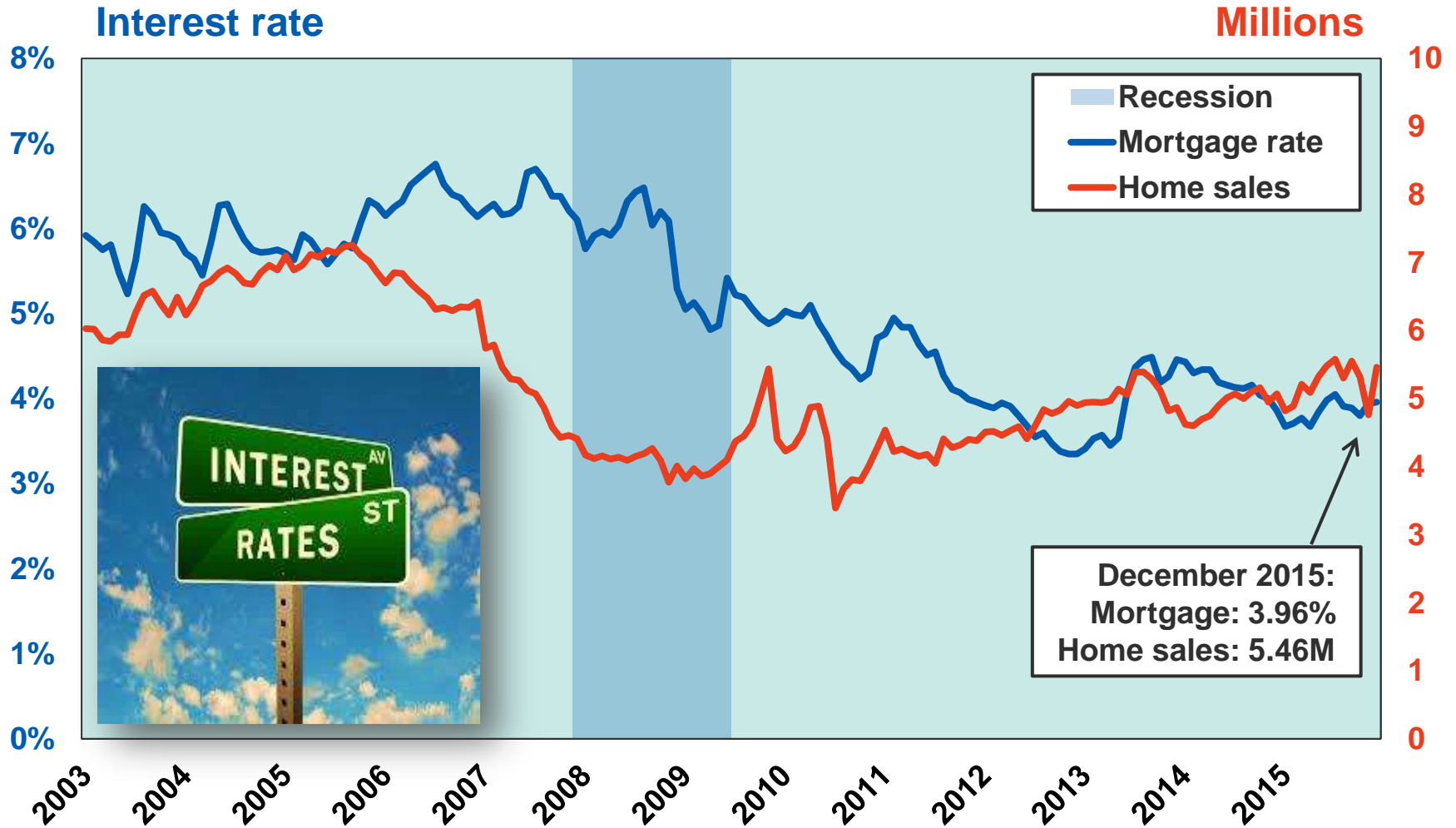


Source: National Association of Realtors

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Interest rates and home sales

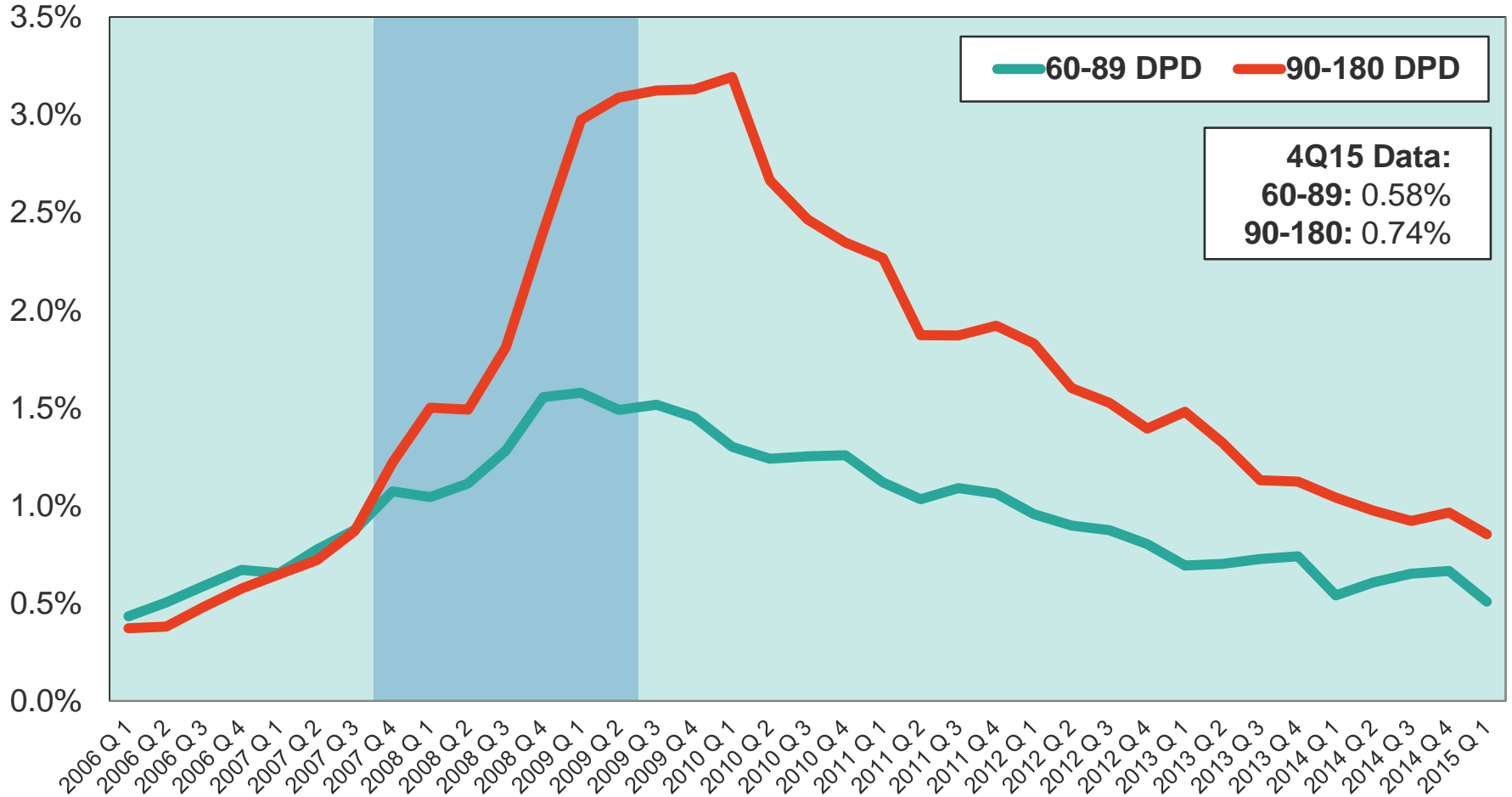


Source: Realtor.org



Mortgage late stage delinquency rates

Percent balances



Source: Experian IntelliViewSM

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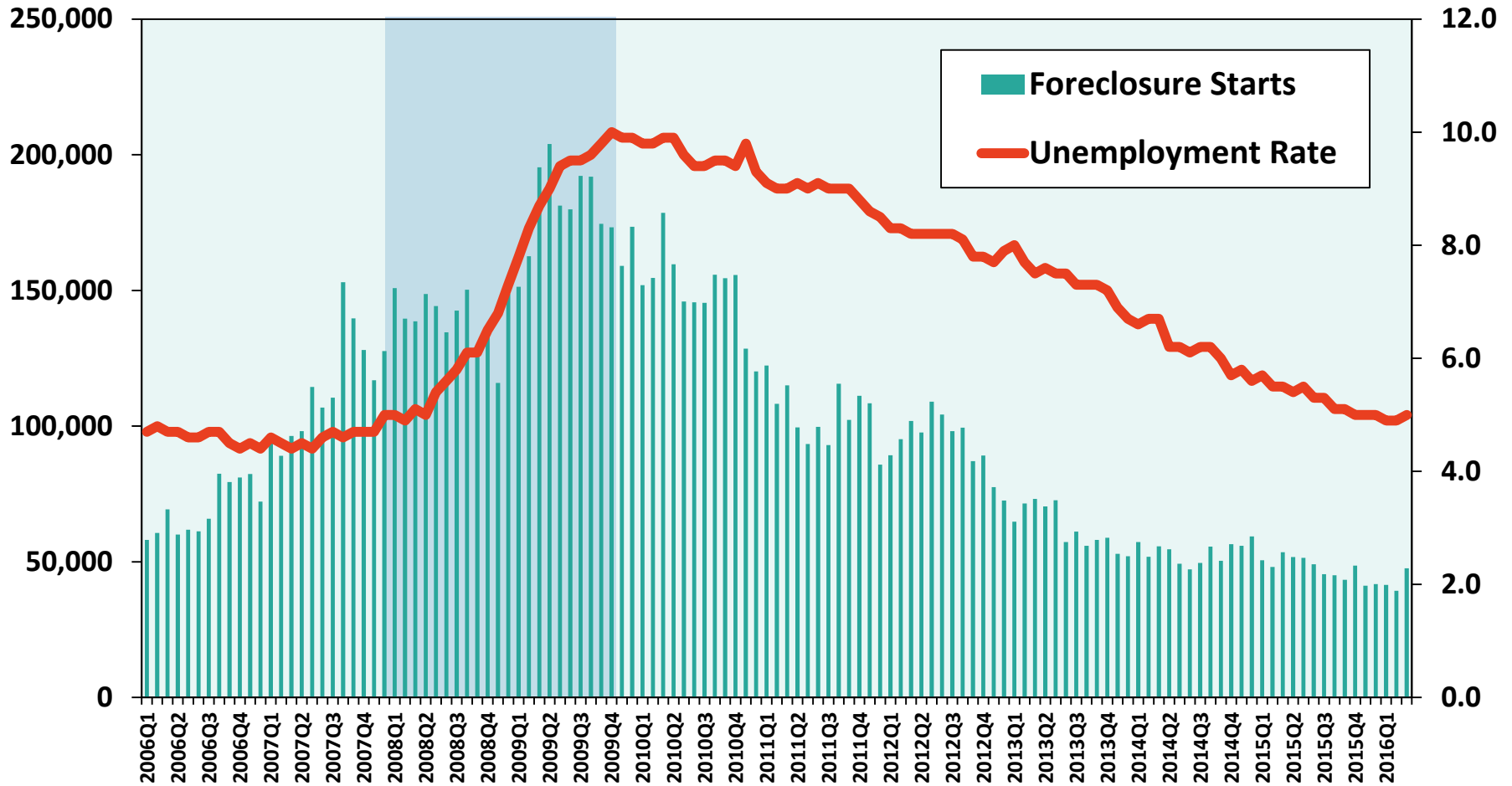
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U.S. unemployment rate and foreclosure





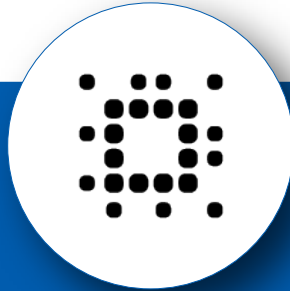
Analysis overview

Data sources



RealtyTrac

Home purchase data



Experian

Consumer-level
credit data
Mortgage trade-level
detail



Analysis

Credit quality
Delinquency
Affordability
Cash purchases



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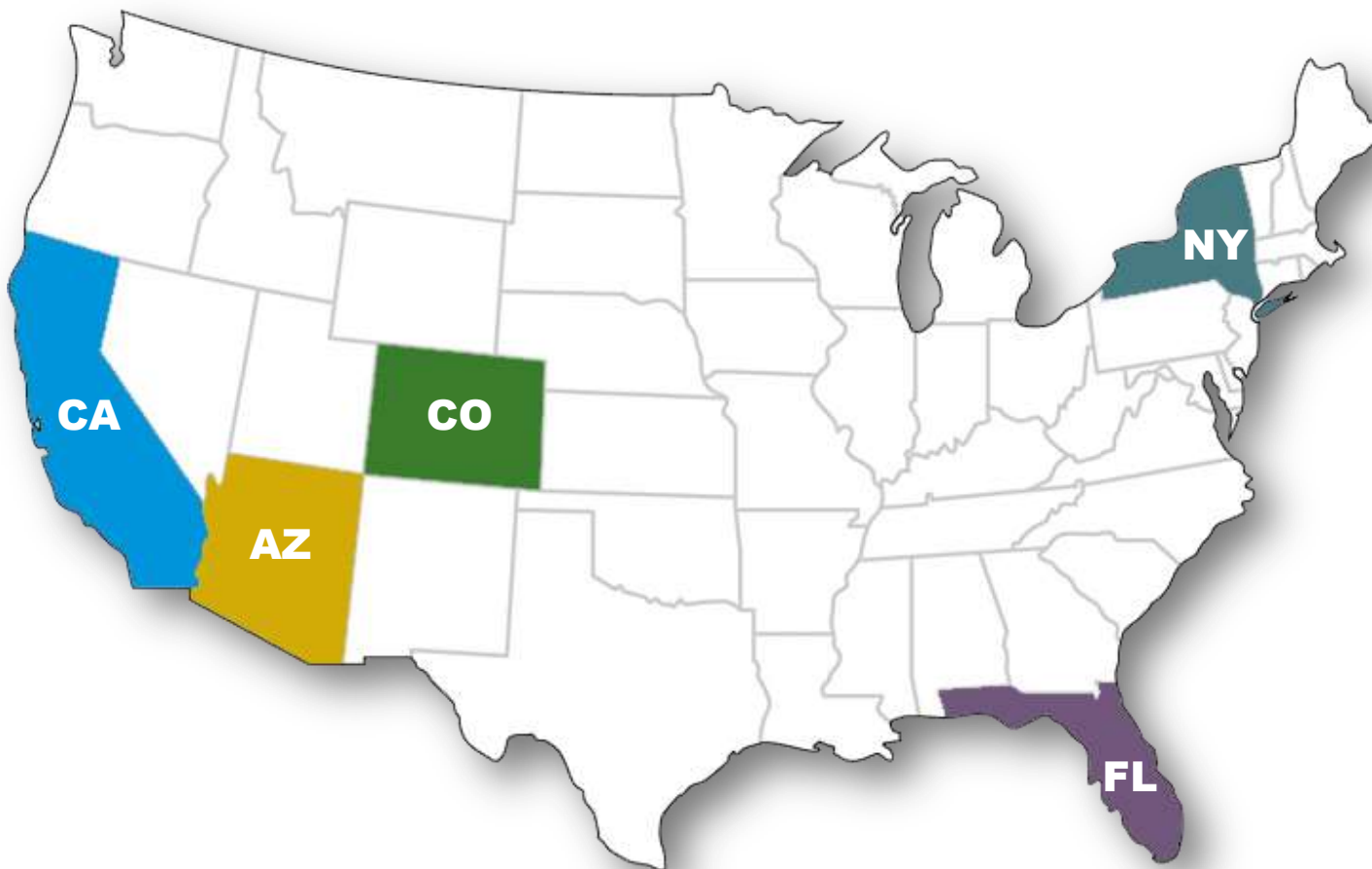


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Analysis design

Geographic focal points





Analysis design

Data sources and time points

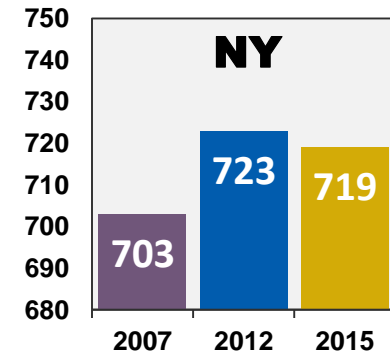
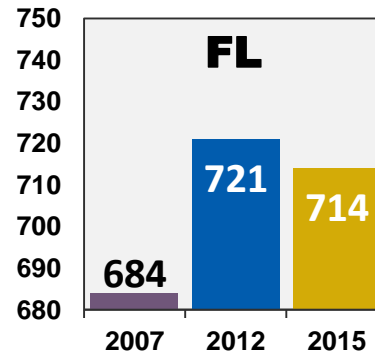
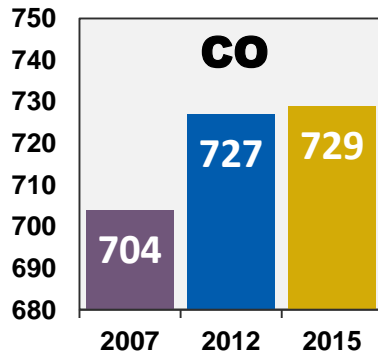
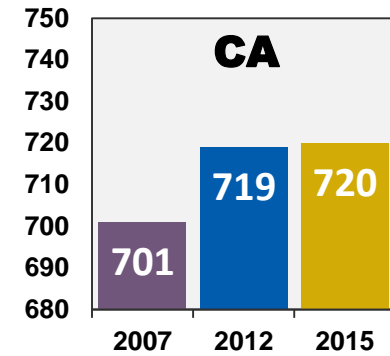
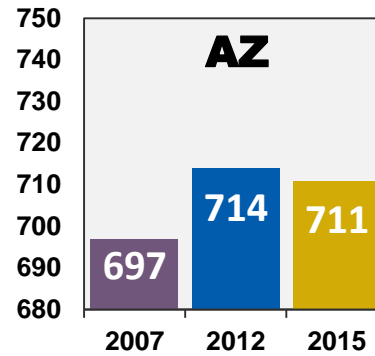
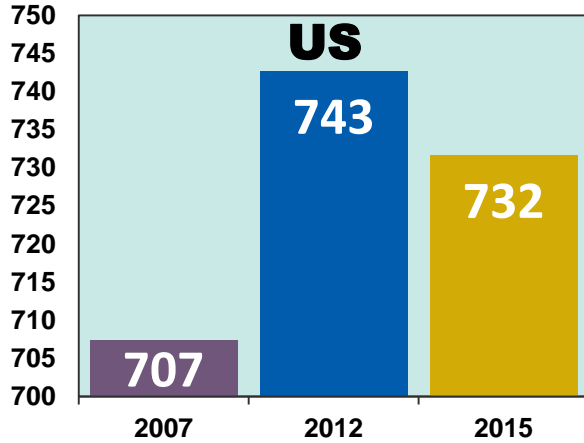
RealtyTrac provided single family and condo sales records



Experian matched for each time point to credit file



Average Origination VantageScore[®] RealtyTrac mortgage consumers Distribution by year and state



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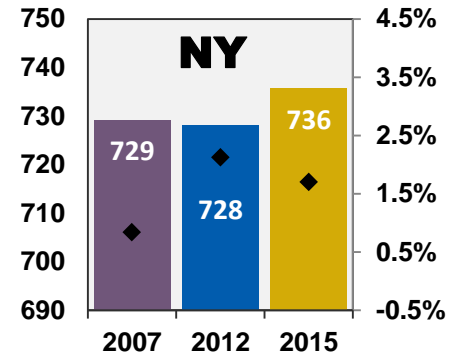
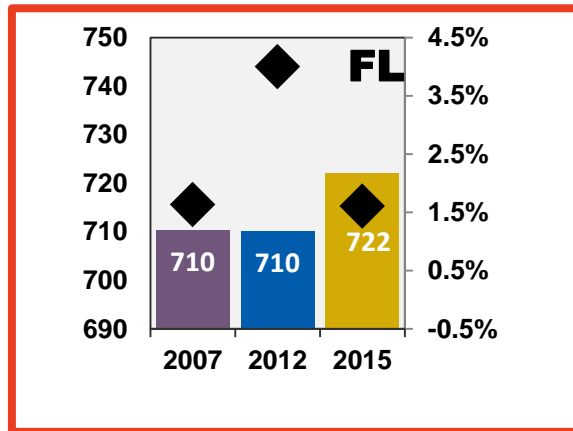
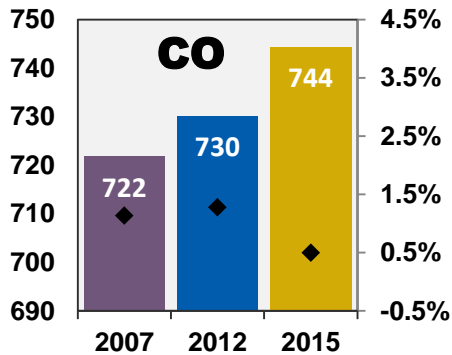
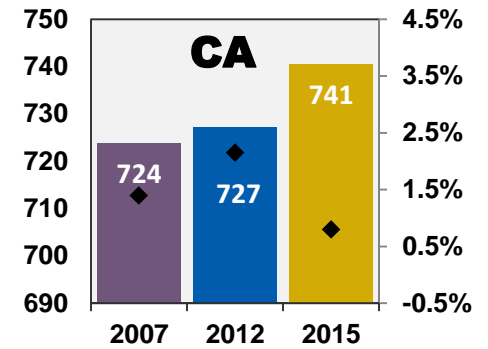
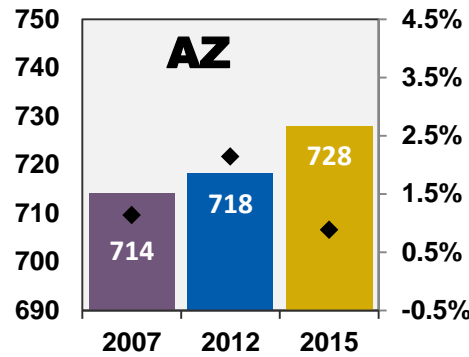
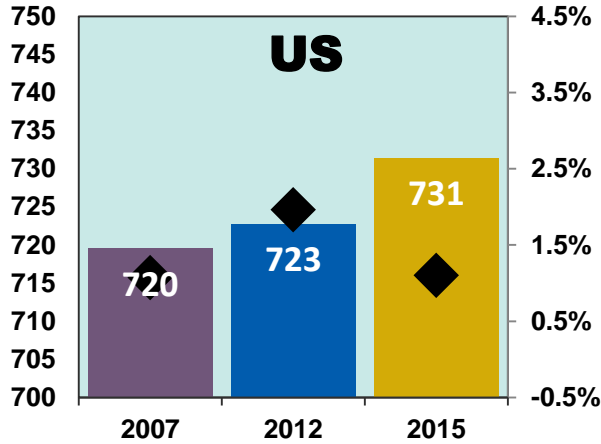


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VantageScore® and 90+ delinquency rates

Distribution by year and state



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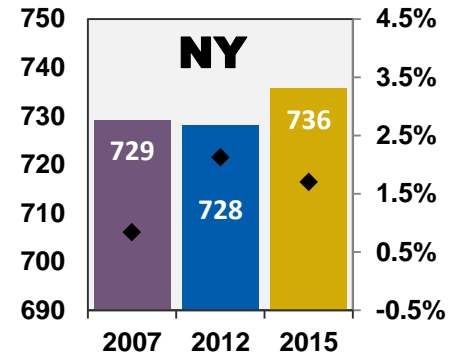
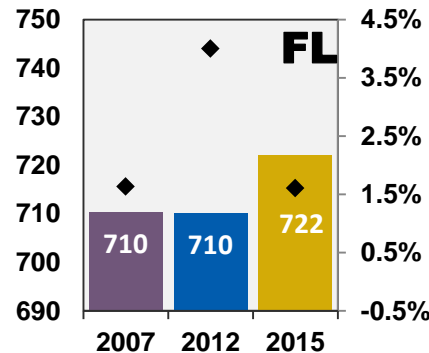
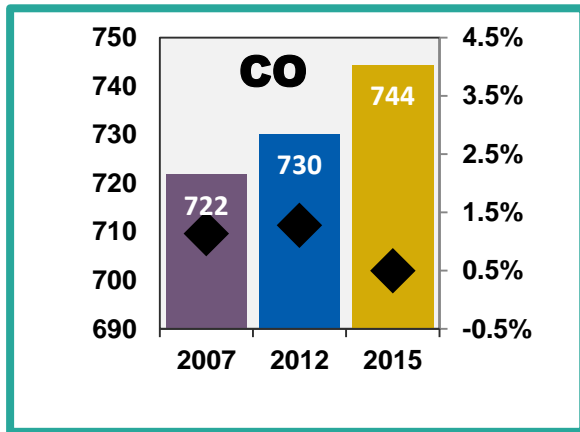
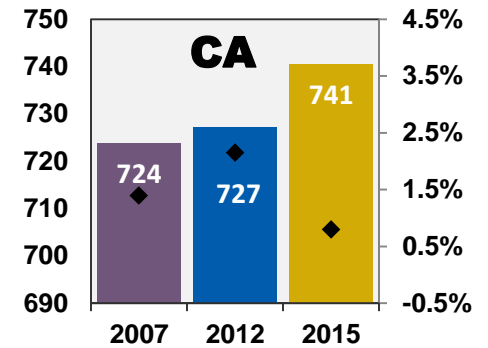
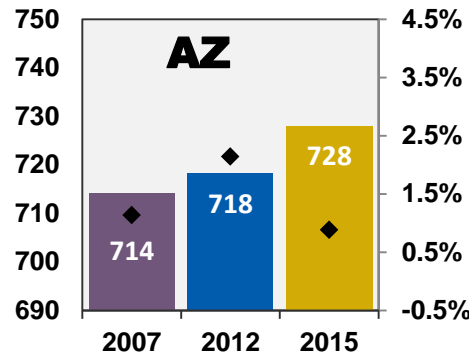
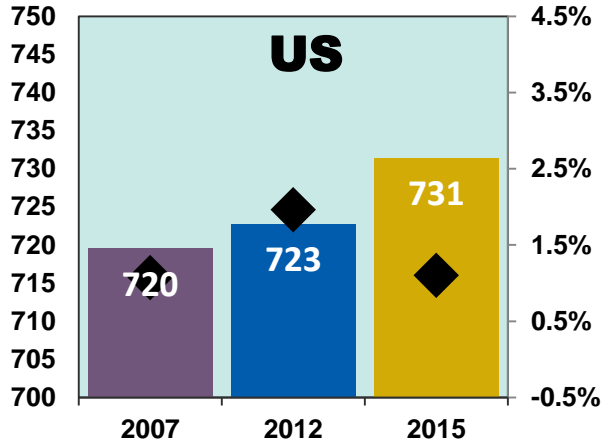
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VantageScore® and 90+ delinquency rates

Distribution by year and state



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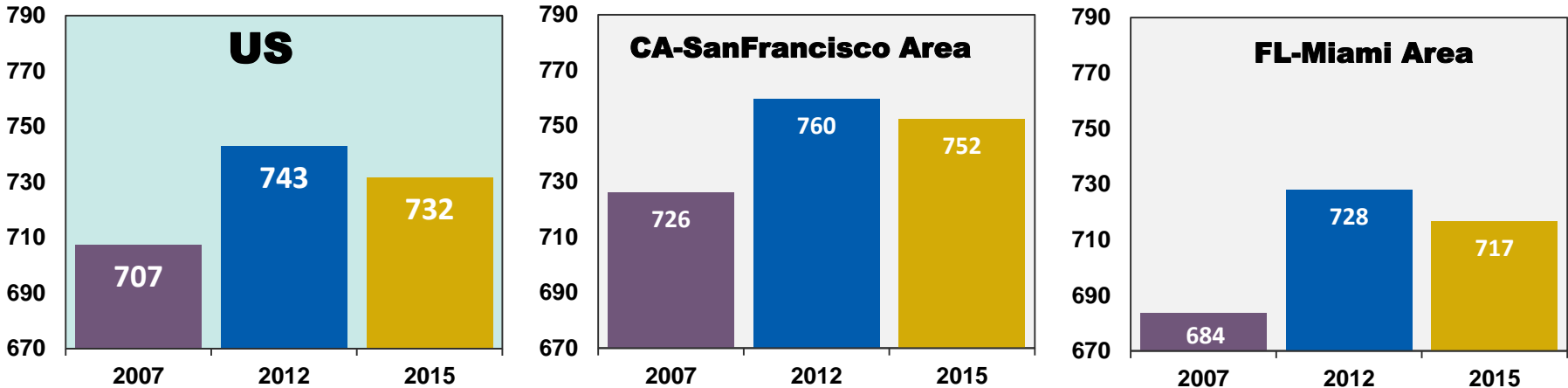
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Average Origination VantageScore®

Key MSAs



- CA – **San Francisco** Area has **highest** regional average VantageScore® in 2015
- FL – **Miami / Ft. Lauderdale** has **lowest** average VantageScore® in 2015



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Home sales analysis

Richard Lombardi

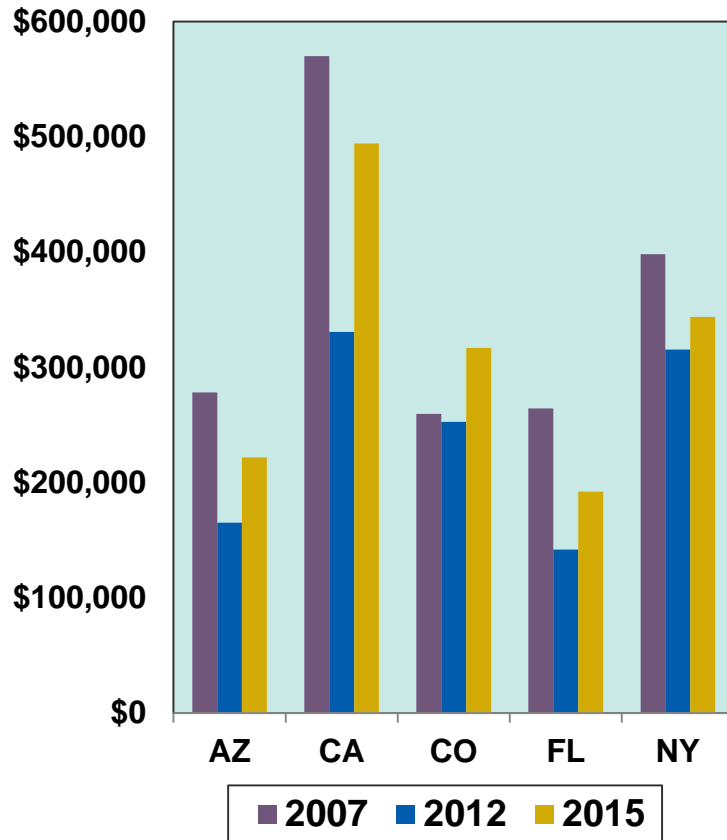




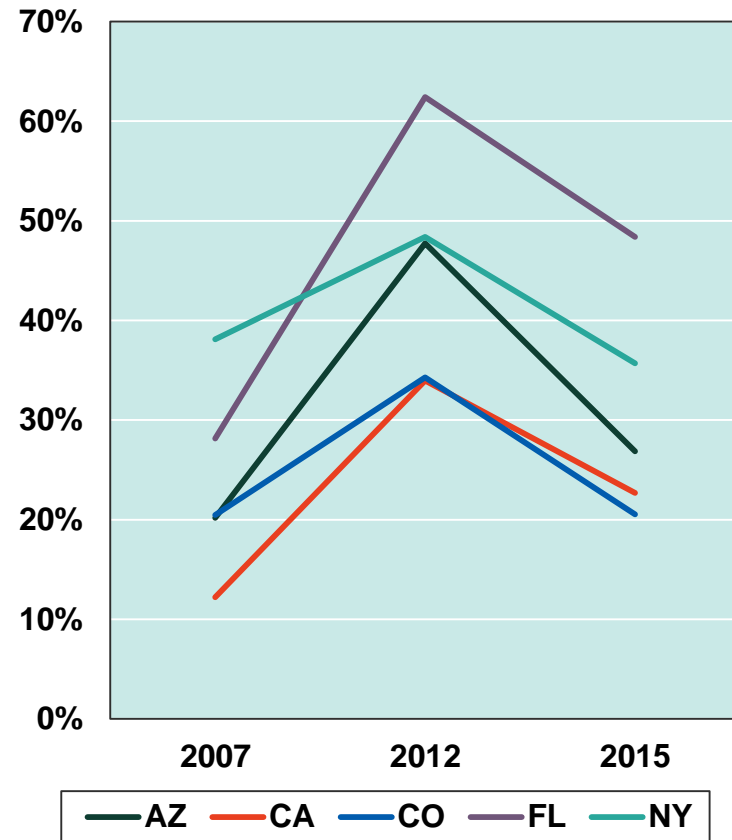
Sale price and cash purchases

Five geographic focus states

Average Sale Price



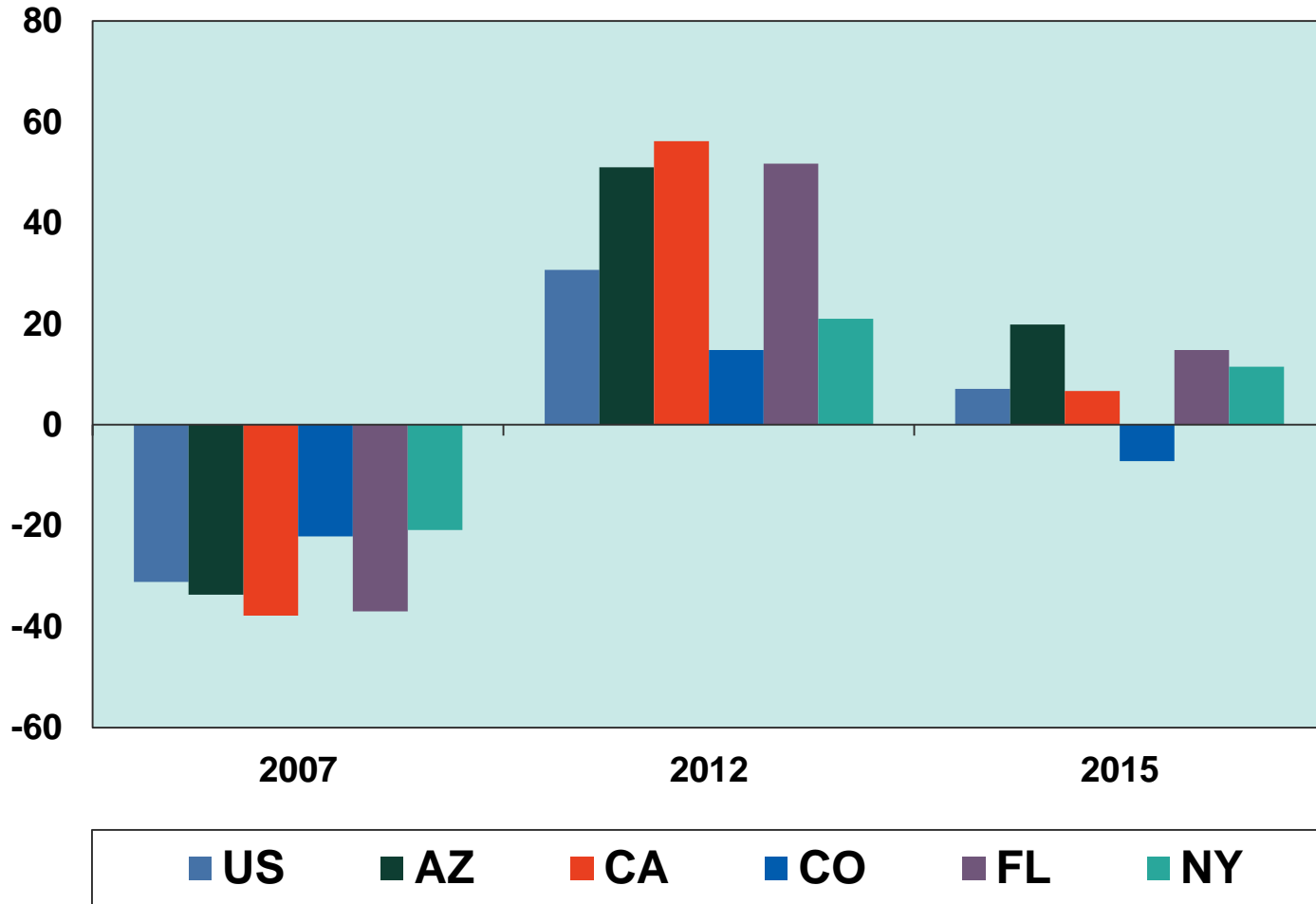
% Purchases Cash





Affordability indices

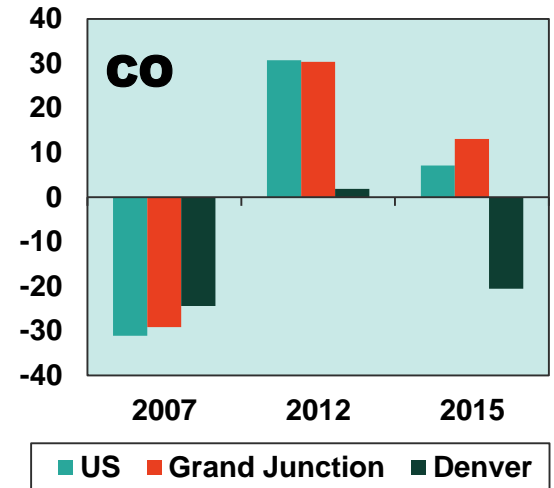
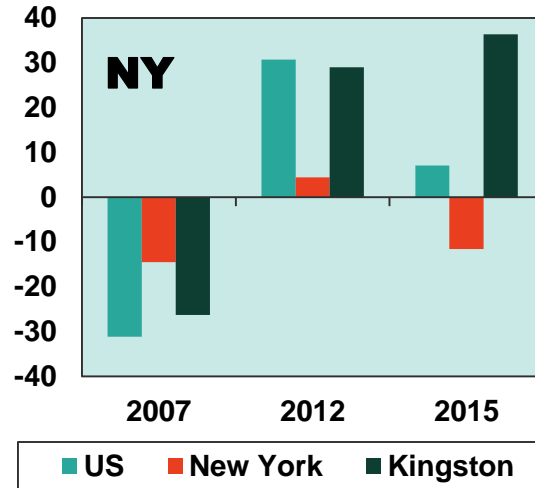
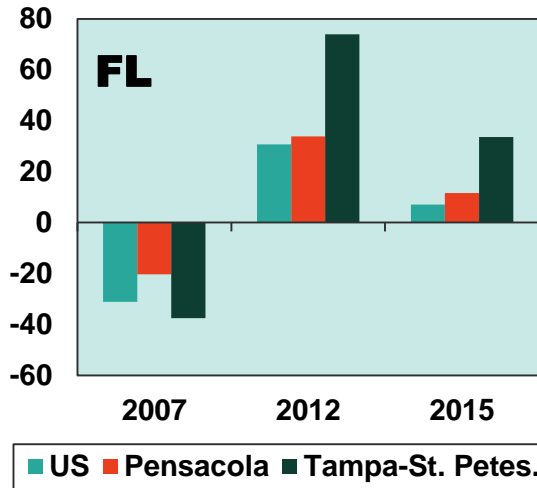
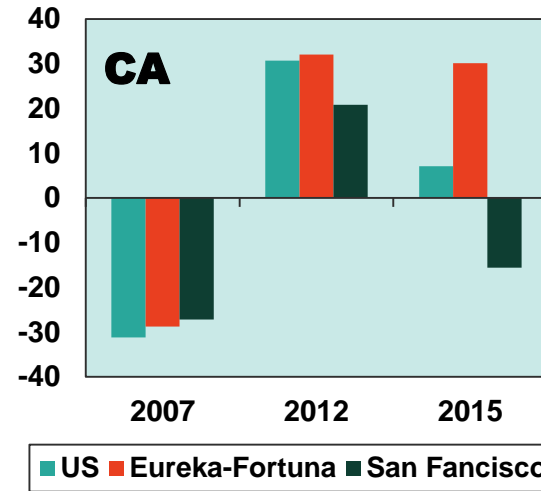
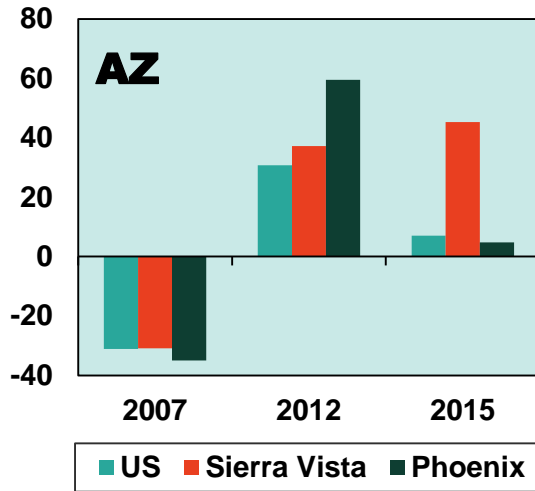
By state





Affordability indices

Most and least affordable MSAs in 2015 for each state





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Emerging market spot trends





Foreign buyers

Native language	2005 Cash share	2015 Cash share	Percent increase
Chinese speakers	14%	46%	229%
All buyers	20%	33%	65%

Native language	2005 Share of all buyers	2015 Share of all buyers	Percent increase
Mandarin	1.5%	1.7%	9%
Hindi	1.4%	1.5%	3%
English	83.8%	86.4%	3%
Arabic	<1%	<1%	1%

Sources: RealtyTrac, Ethnic Technologies

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Eroding affordability

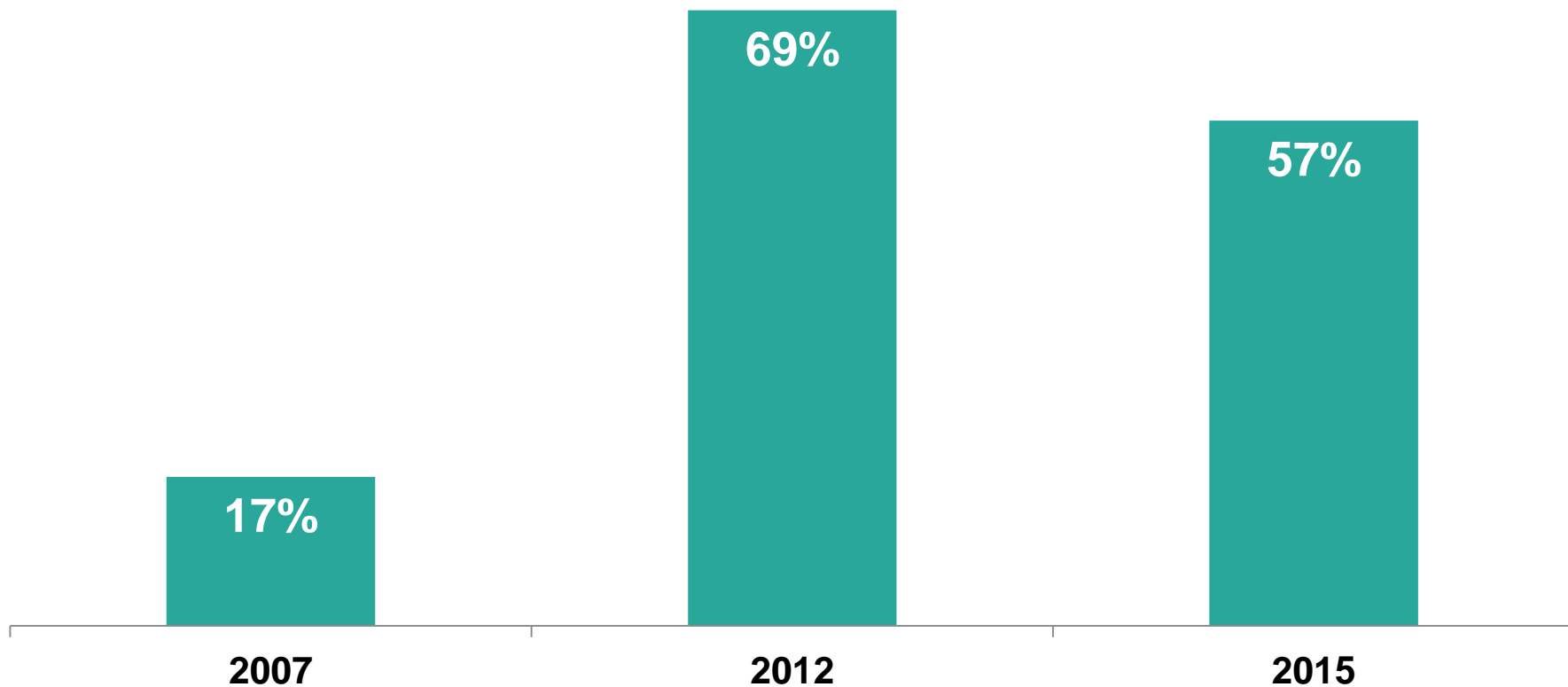
Foreign buyer meccas





Foreign buyers lender impact

Miami-Dade share of home purchases all cash



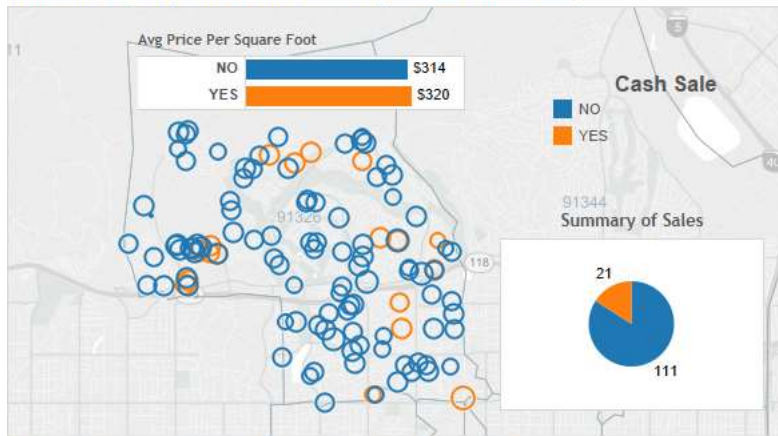


Environmental crisis Porter Ranch, CA

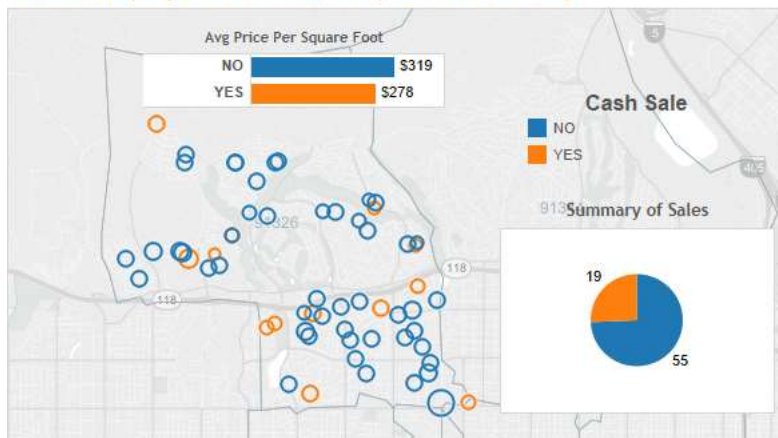


Porter Ranch Home Sales Analysis

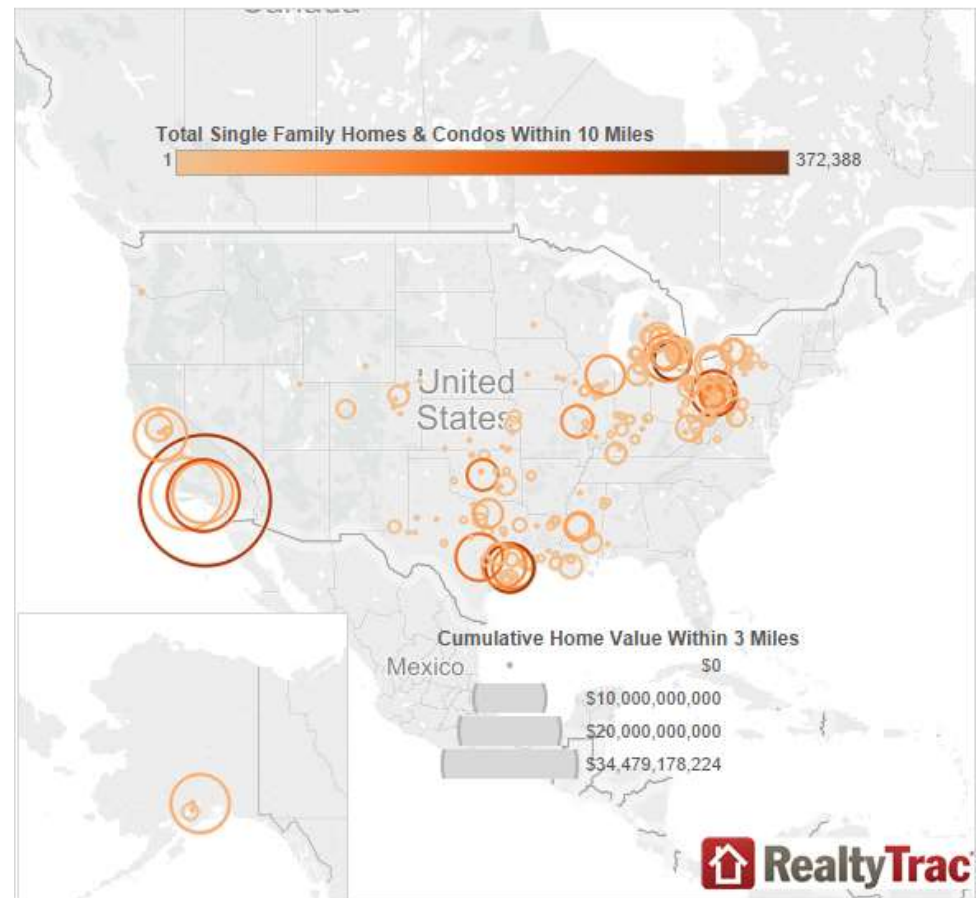
Residential Property Sales in Three Months Before Gas Leak Discovery



Residential Property Sales in Three Months After Gas Leak Discovery



318 Other Potential Porter Ranches





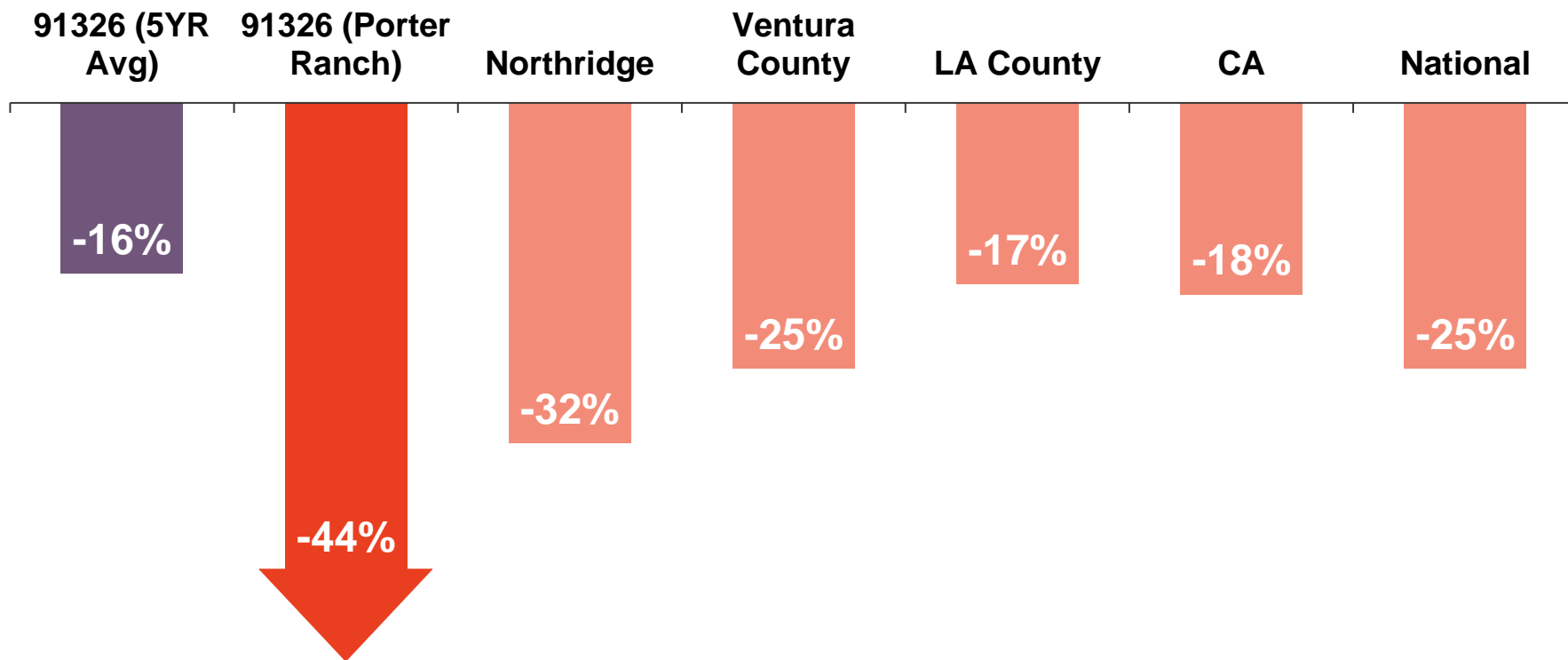
Environmental crisis

Seller impact



Change in home sales

Before and after Porter Ranch gas leak*



*Comparing sales in August 2015 to October 2015 period to sales in the November 2015 to January 2016 period.
The Leak was discovered October 23, 2015.

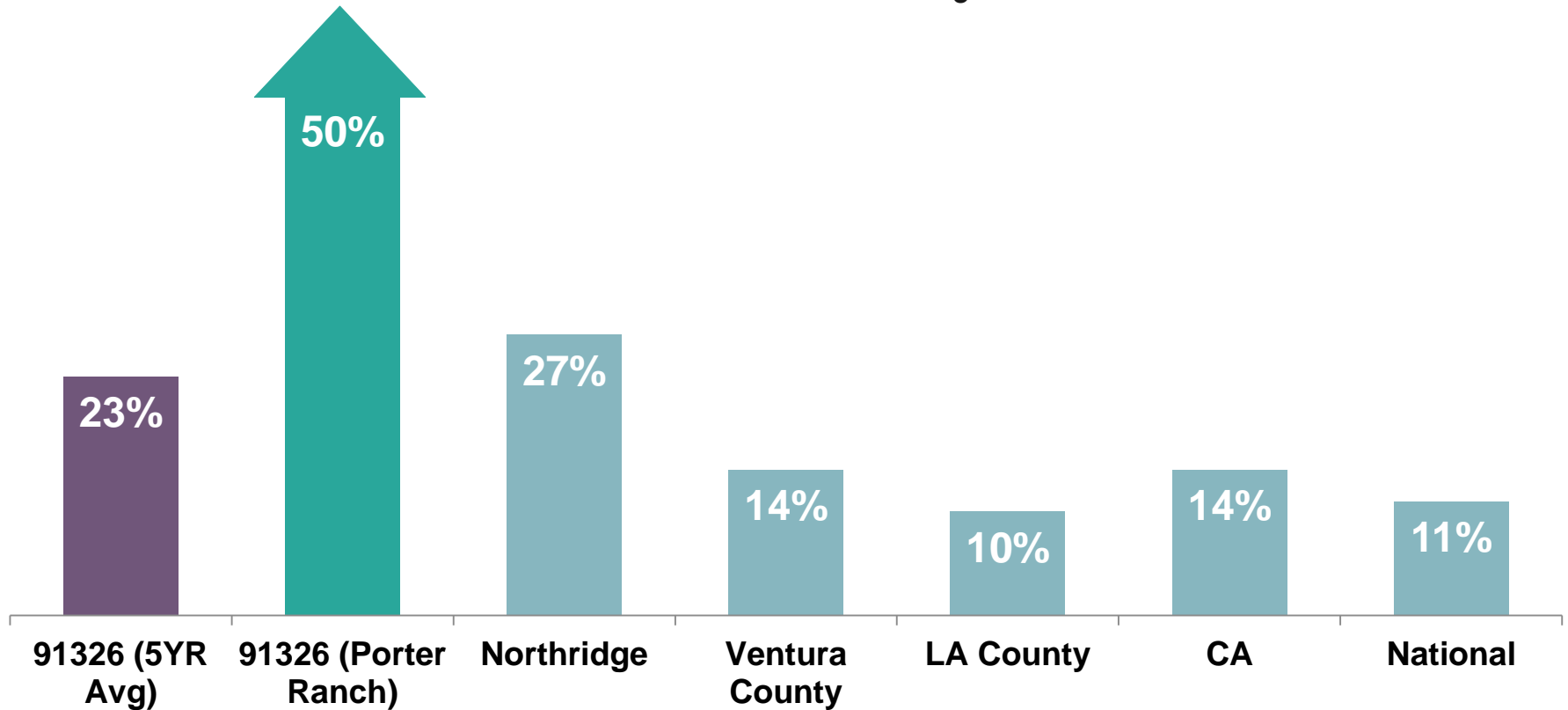


Environmental crisis

Lender impact

Change in cash buyer share

Before and after Porter Ranch gas leak*

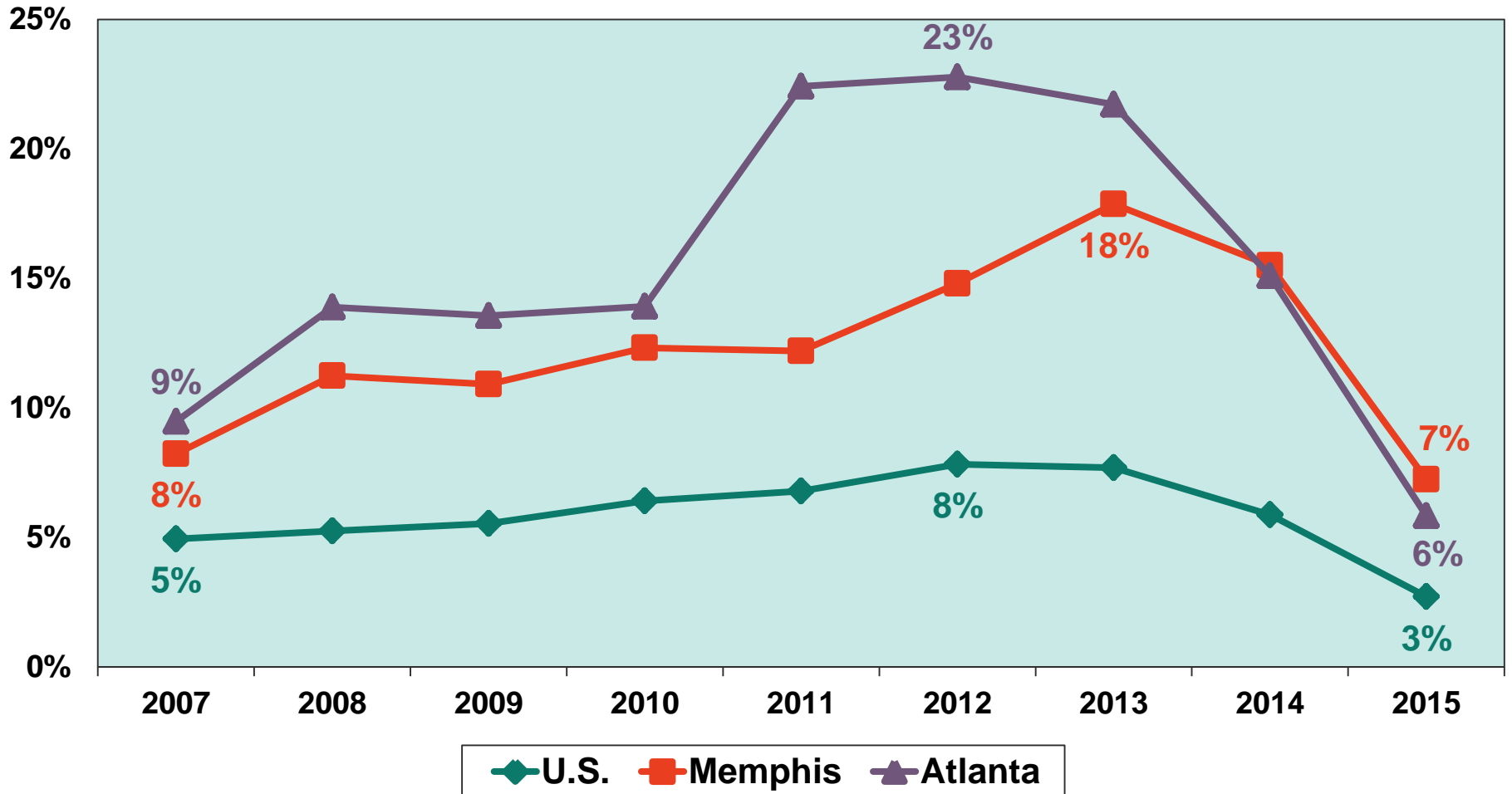


*Comparing sales in August 2015 to October 2015 period to sales in the November 2015 to January 2016 period. The Leak was discovered October 23, 2015.



Institutional investors

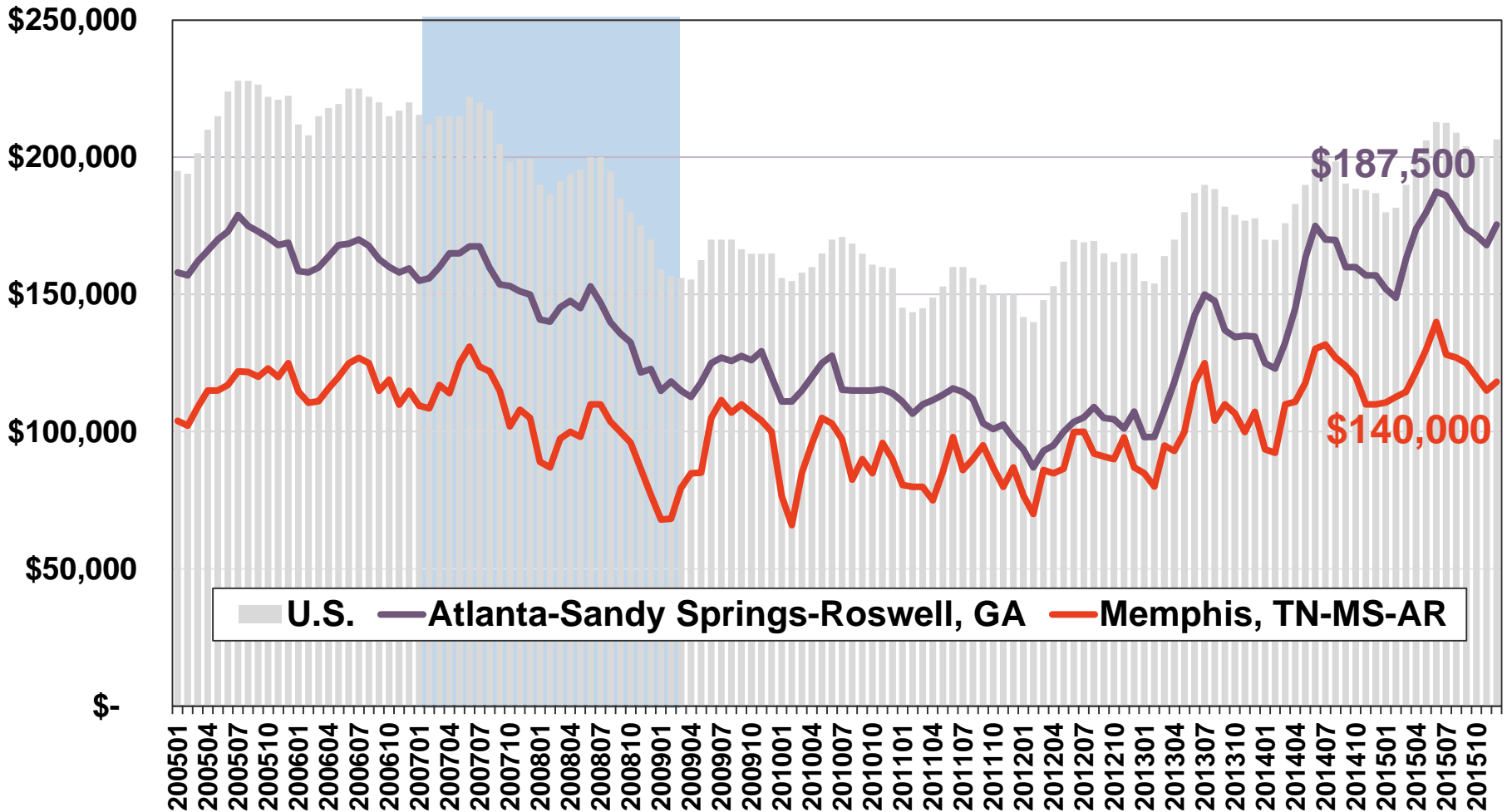
Home sale share





Borrower impacts

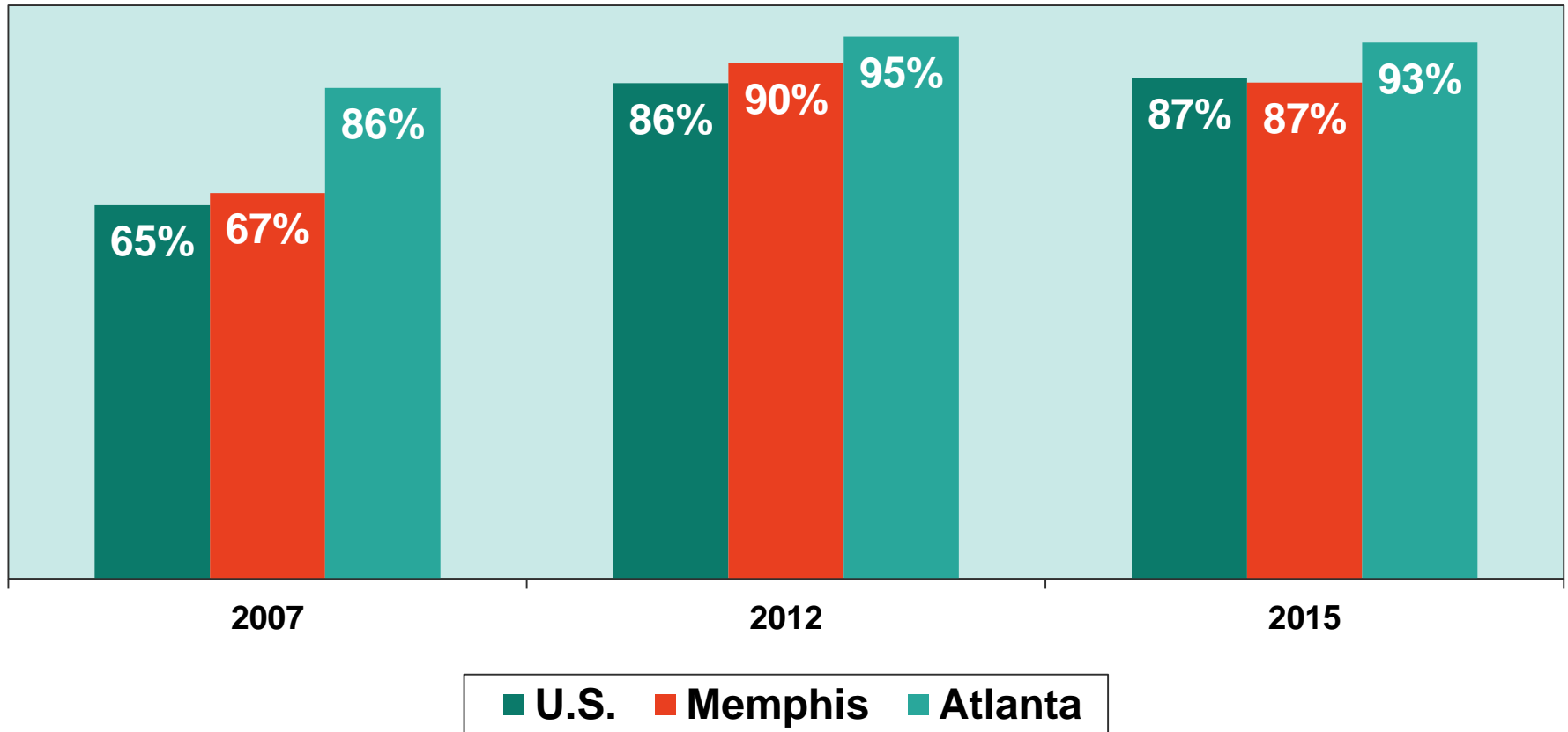
Median home prices reaching new peaks





Lender impacts

Cash sale share of institutional investor purchases





Best practices



Understand the market

- Know your trends
- Know the industry
- Look at micro drivers and events

Affordability

Look out for emerging trends

BE INFORMED
BE INFORMED



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**For additional information,
please contact:**

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Twitter Handle: [MLRaneri](#)



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1 Select the Survey button and complete

2 Select the breakout session you attended

Vision Conference
Breakout Session Survey

Experian

1. How would you rate the presenters' knowledge?
 Excellent Above average Average Below average Poor

2. How would you rate the presenters' delivery?
 Excellent Above average Average Below average Poor

3. How would you rate the presenters' time management?
 Excellent Above average Average Below average Poor

4. How useful was the session information?
 Very useful Somewhat useful Neutral
 Somewhat not useful Not useful

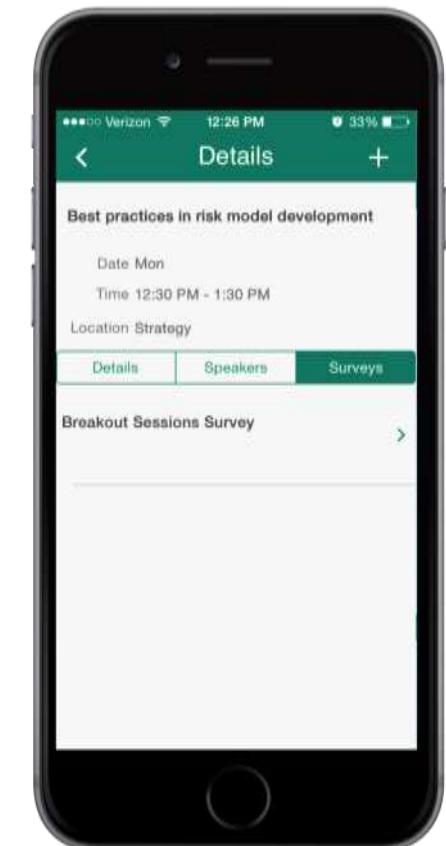
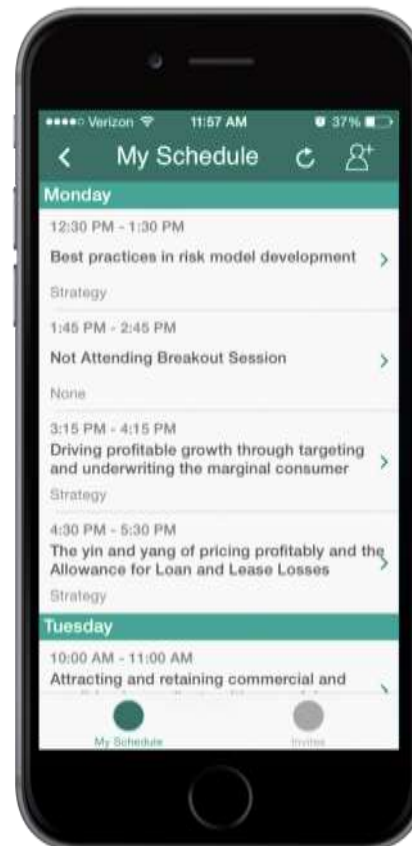
5. How would you rate the session on being current?
 Very current Somewhat current Neutral
 Somewhat not current Not current

6. How relevant was the session content to the title and description?
 Very relevant Somewhat relevant Neutral
 Somewhat not relevant Not relevant

7. How would you rate the level of content?
 Too advanced Just right Too basic

8. Why did you attend this session? (Check all that apply)
 Relates to my business The presenter(s) Interest in new product
 Compelling session description Increase product knowledge

9. Do you have any additional comments?





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