



Seeking clarity among the clouds: Presentation to the Appalachian Hardwood Manufacturers, Inc.

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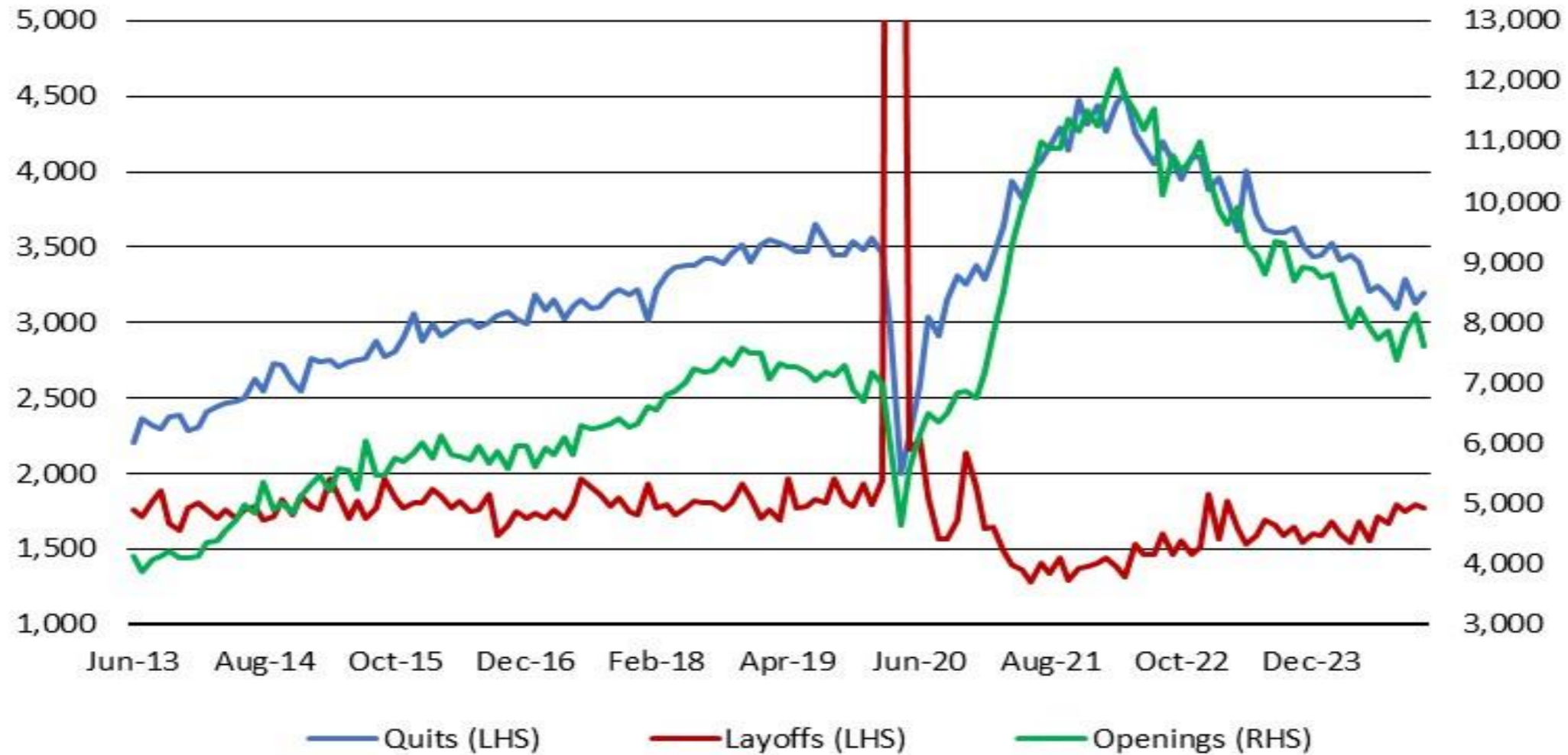
28 February 2025

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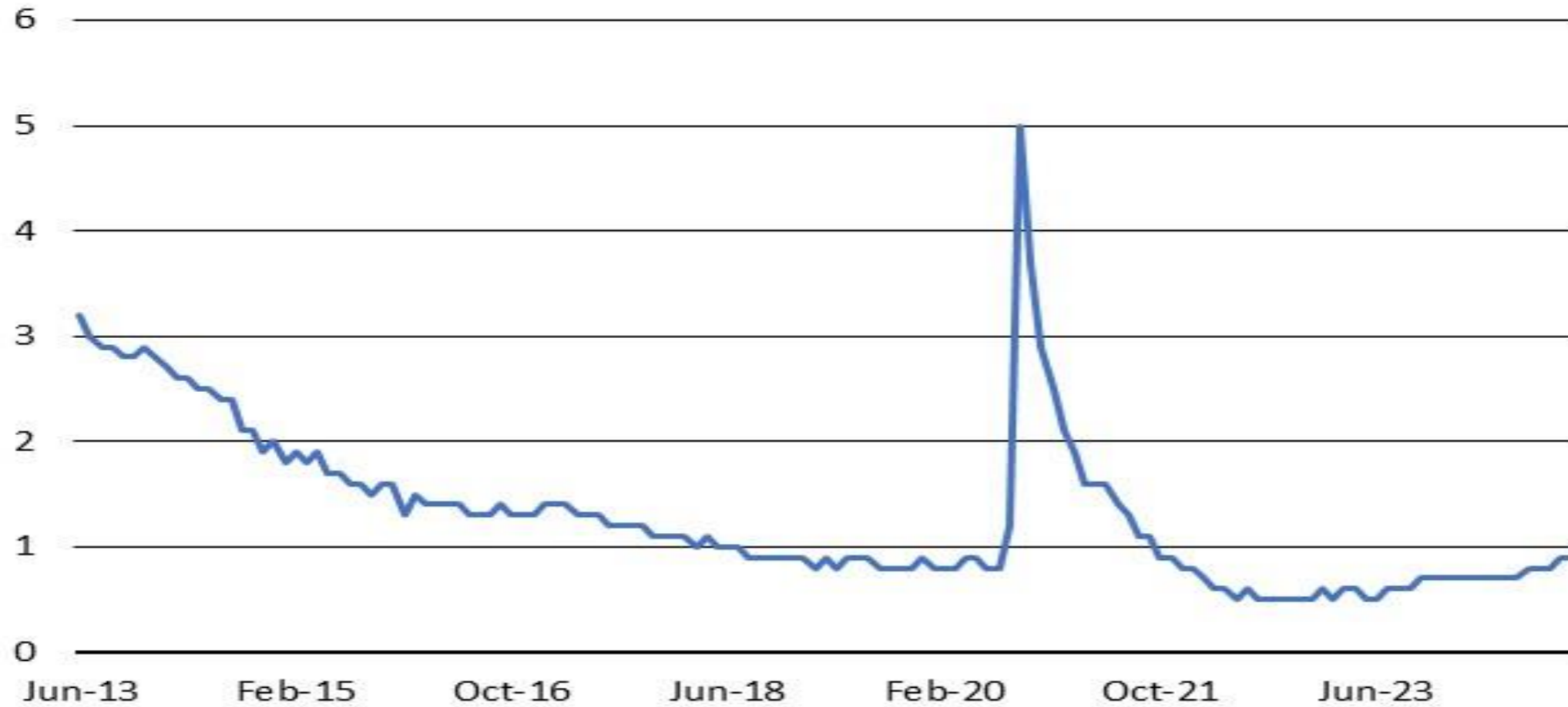


Economic overview

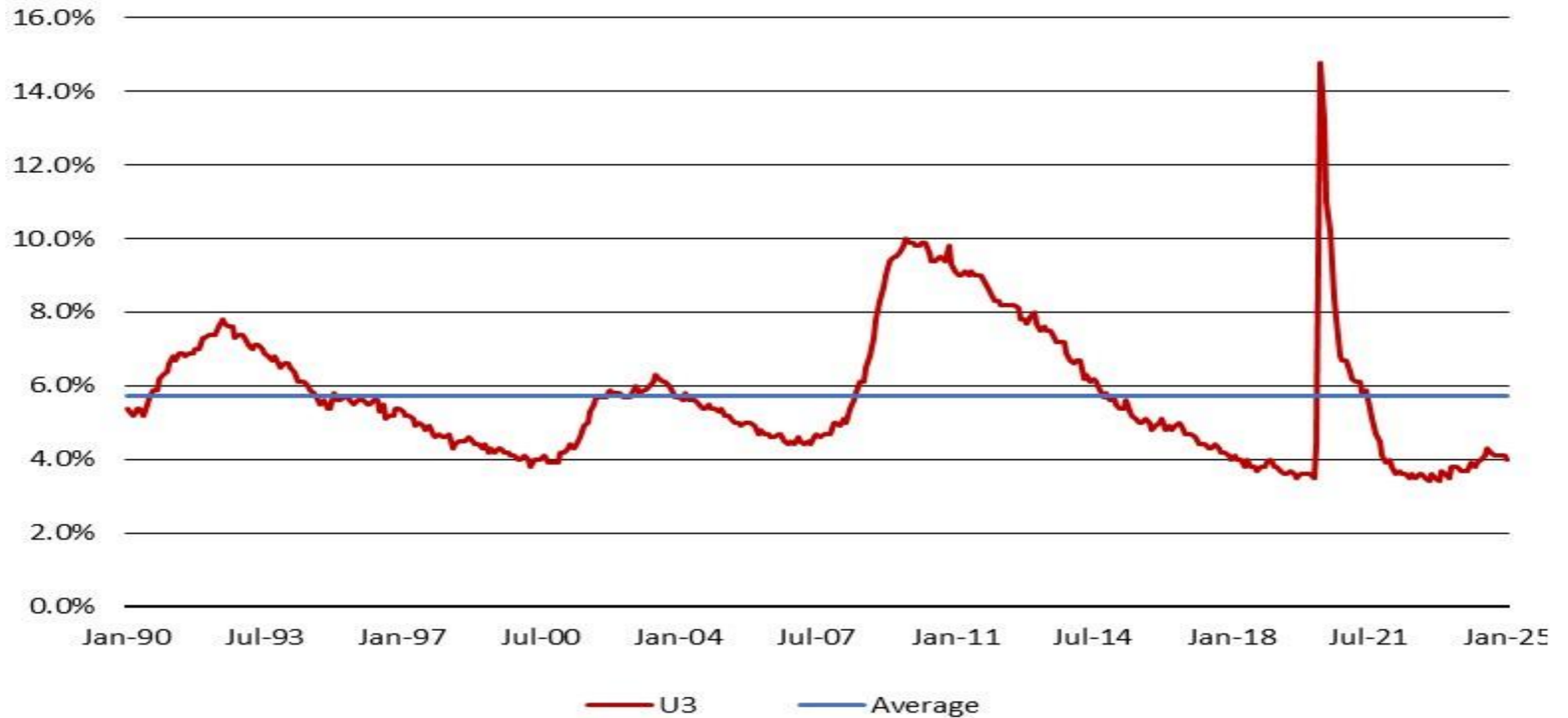
JOLTS data show mixed trends: Data through December 2024



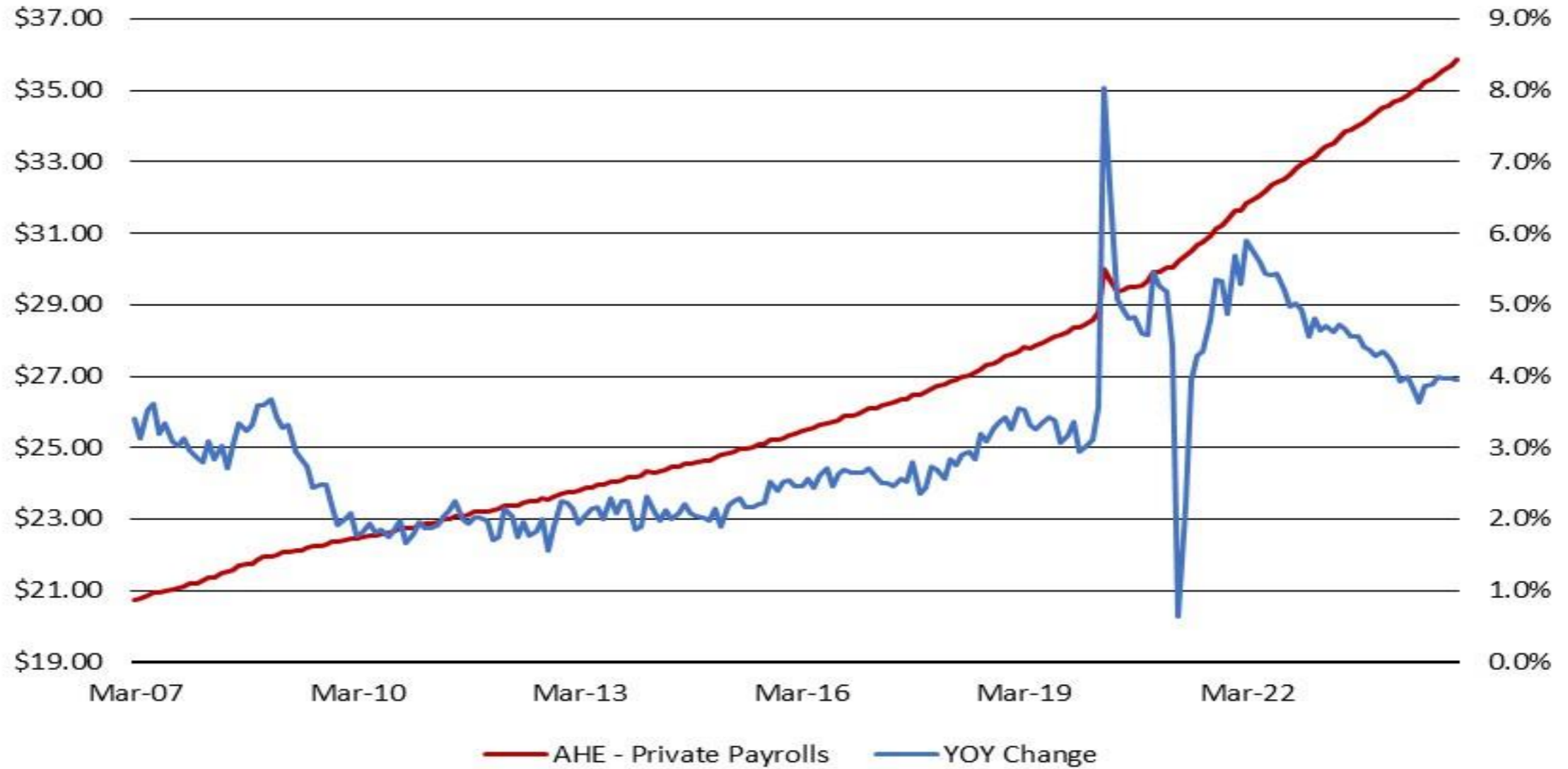
However, unemployed persons/job openings remain low: Data through December 2024



And the unemployment rate remains low: Data through January 2025

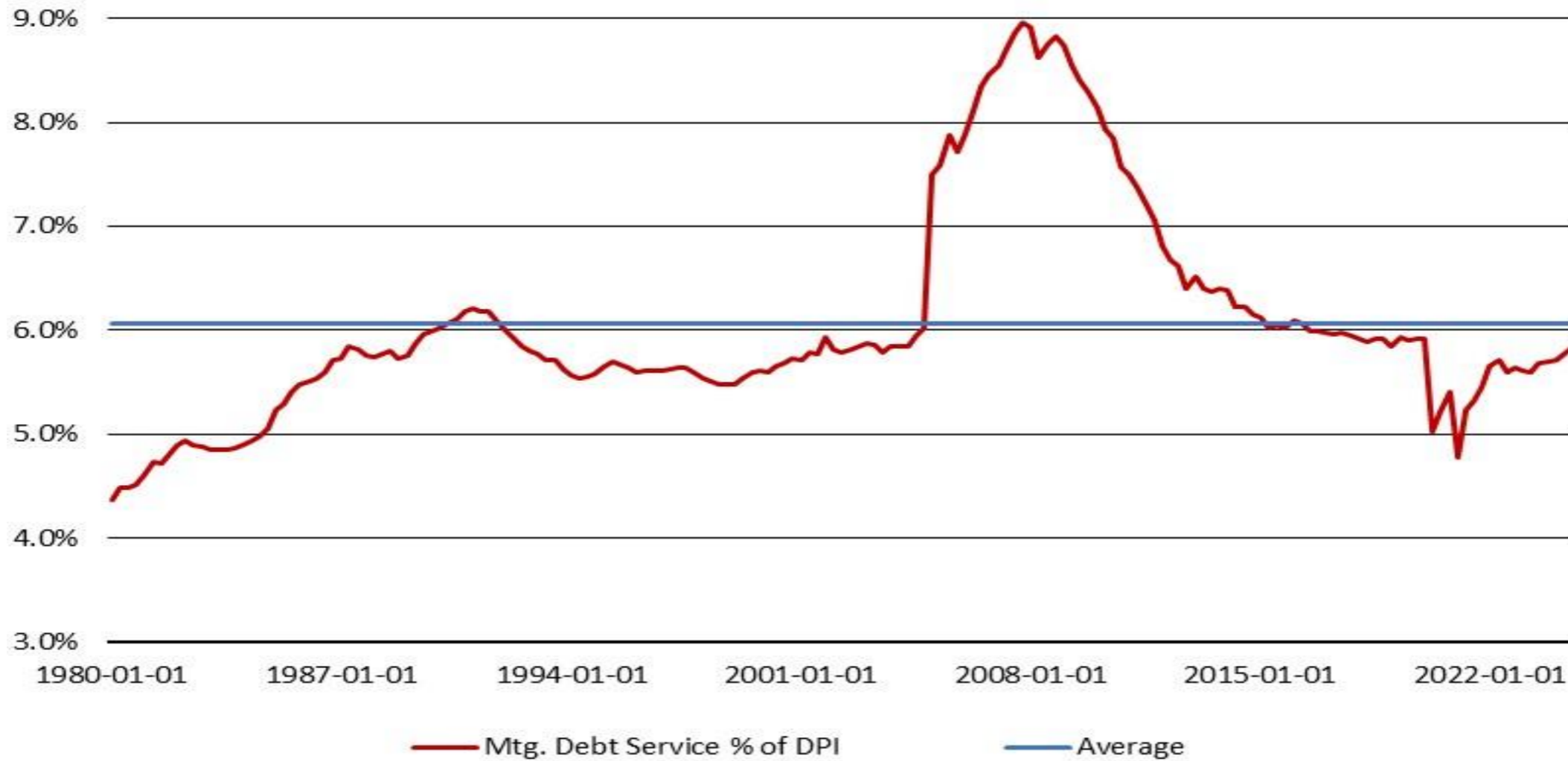


And wage growth remains solid: Average hourly earnings March 2007 to January 2025



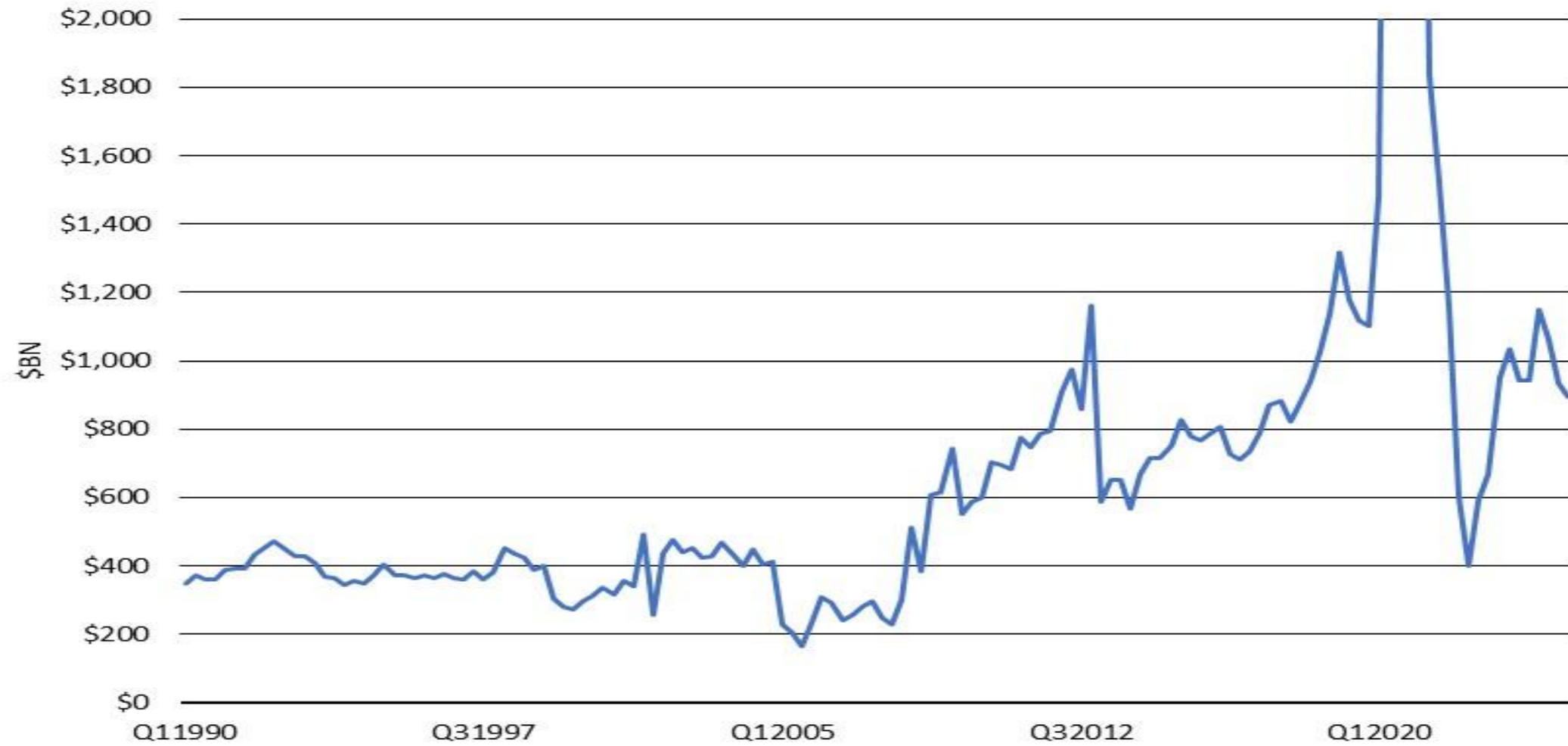
Solid consumer balance sheets

Mortgage debt service as a % of disposable income 1Q 1980-3Q 2024



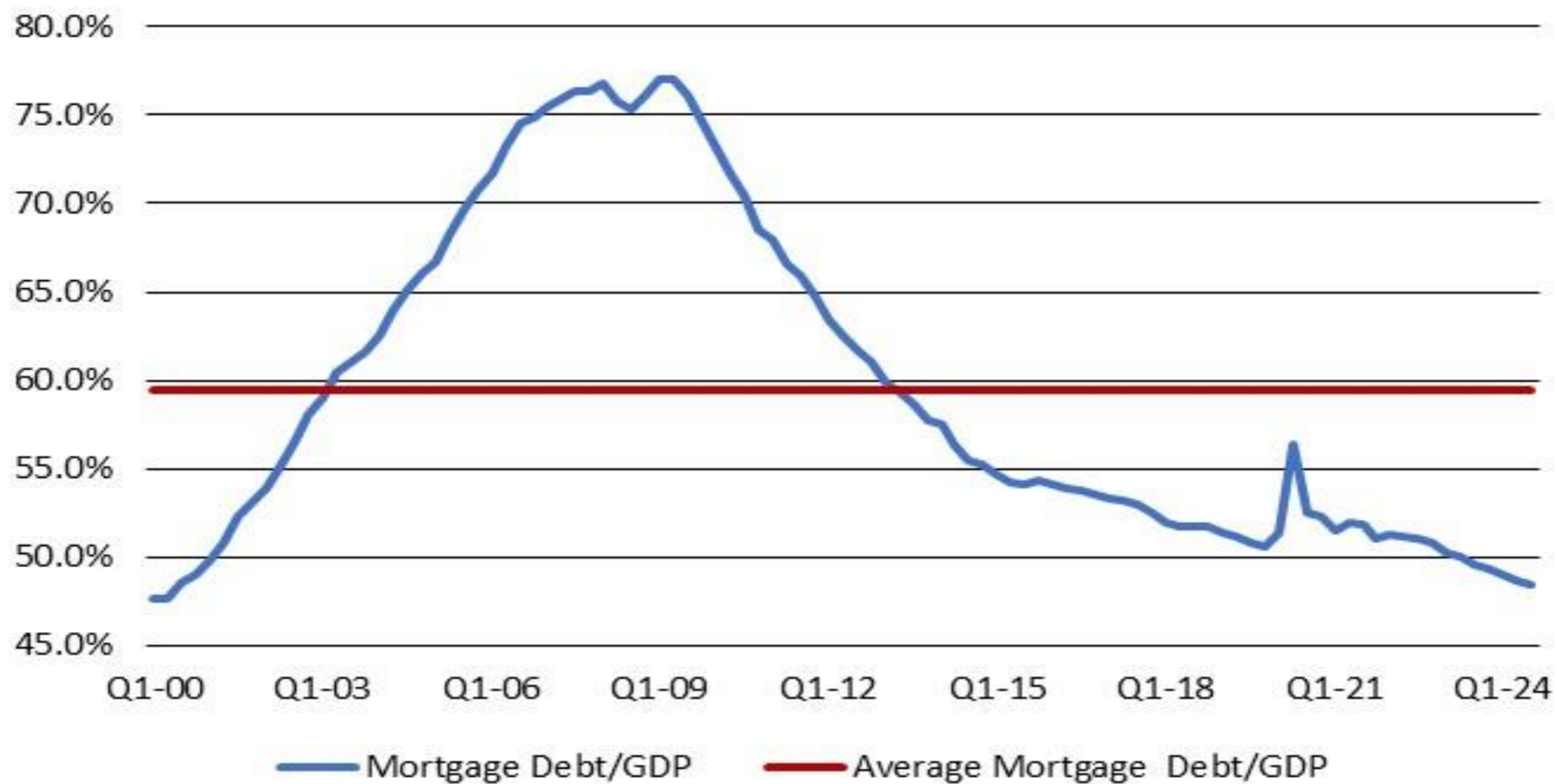
Solid consumer balance sheets

Personal savings rate in billions of dollars 1Q 1990-4Q 2024



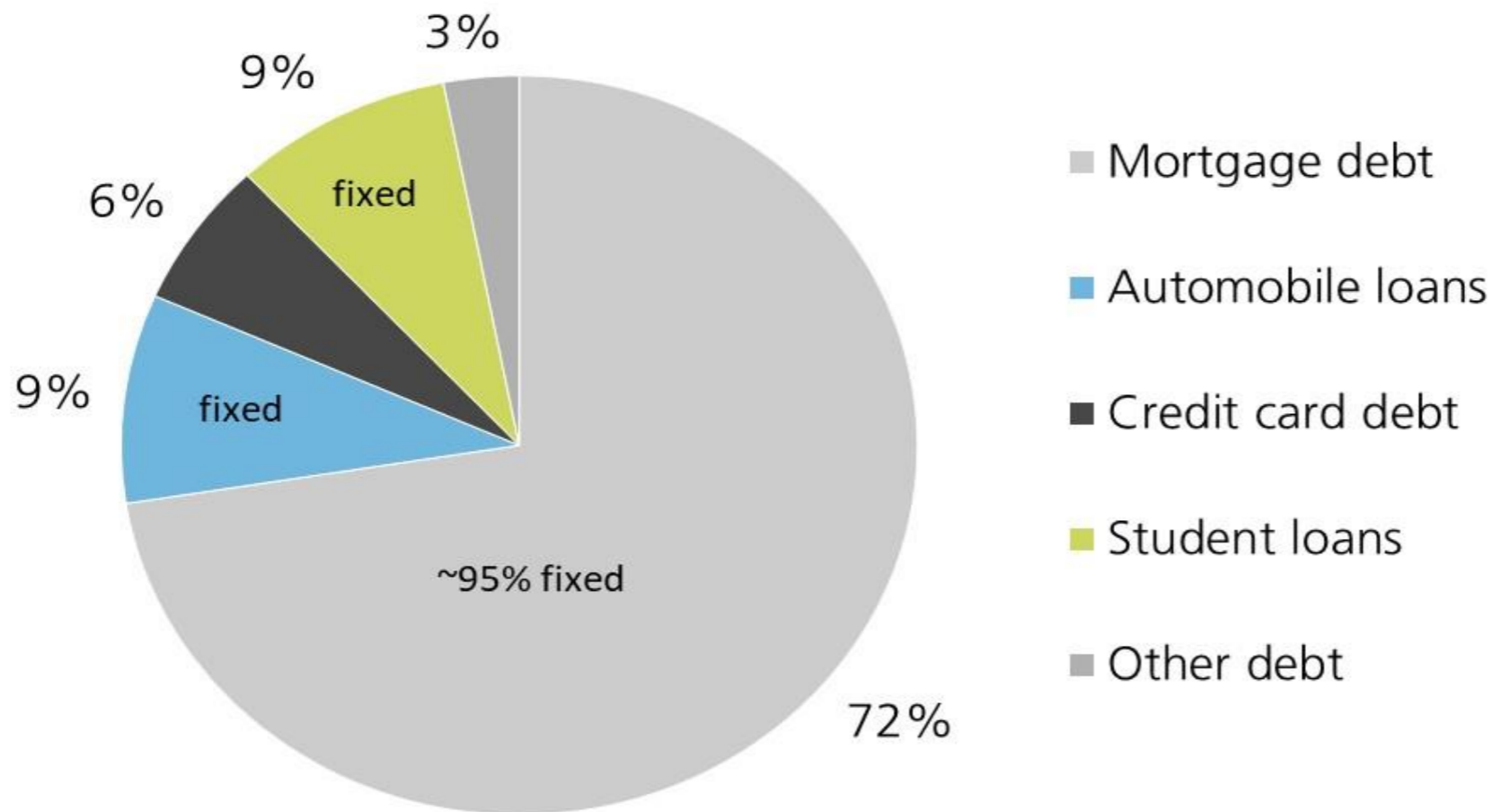
Solid consumer balance sheets

Mortgage debt as % of GDP 1Q 2000-3Q 2024



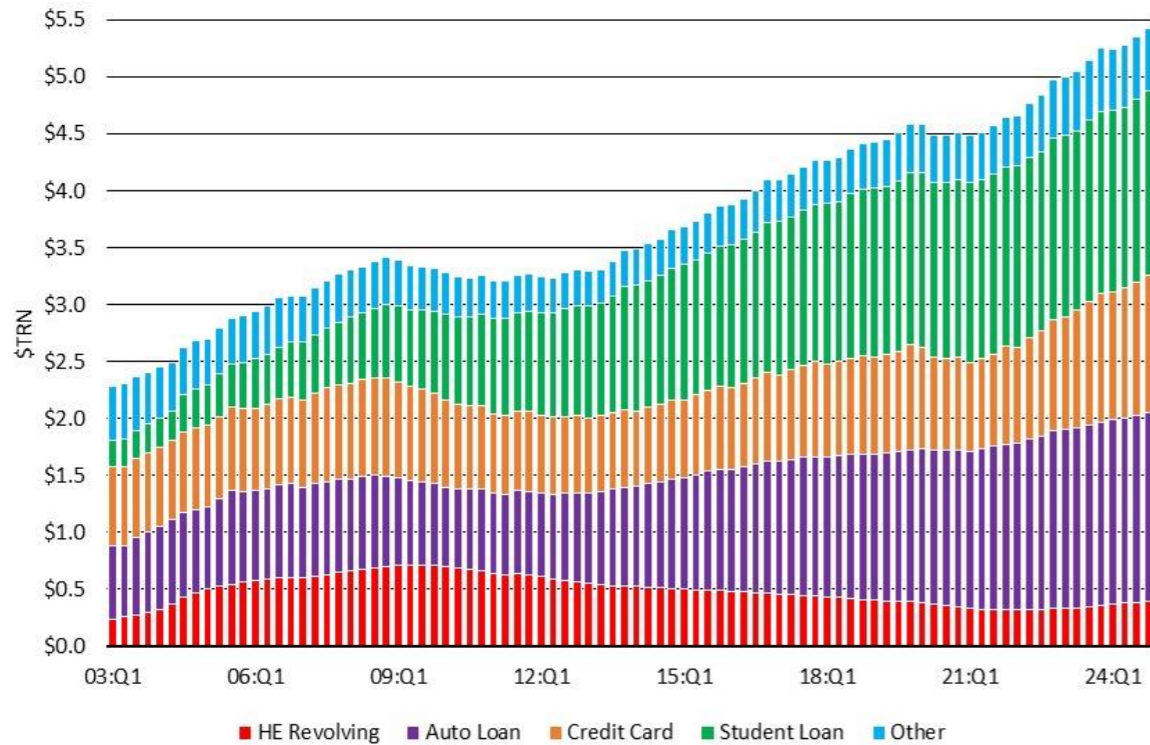
Vast majority of consumer debt is fixed

Consumer credit outstanding (total as a %)

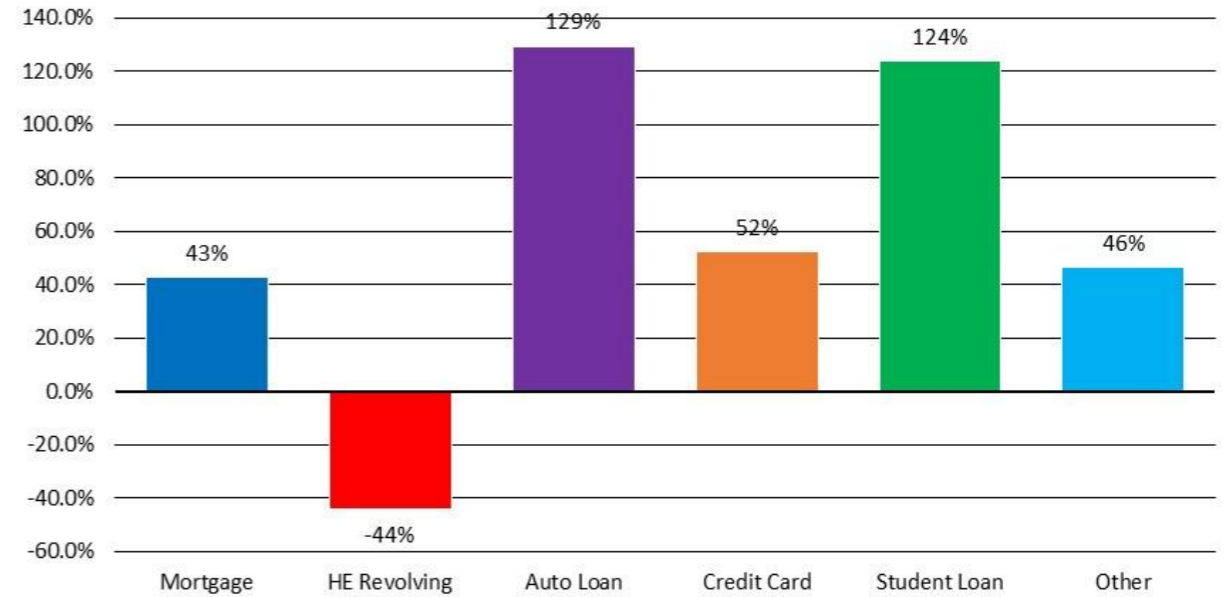


Mortgage debt is the largest bucket of consumer debt. However, balances of higher risk loans have faster growth rates: Data through 4Q 2024

Breakdown of consumer debt in trillions of USD

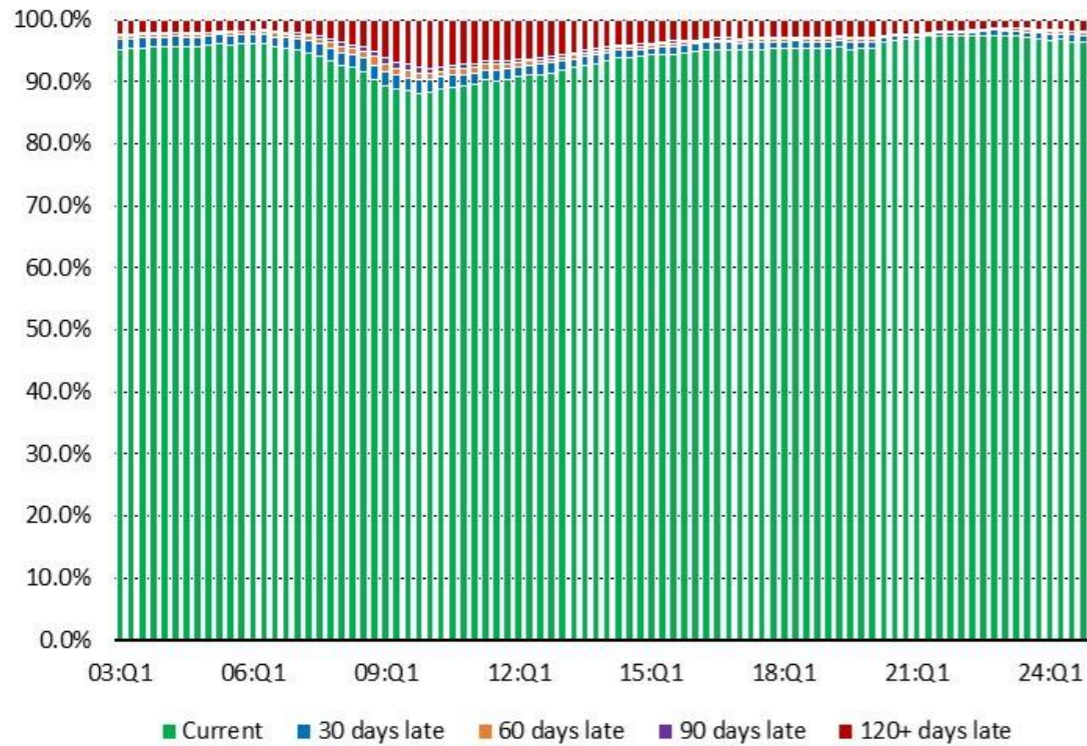


Growth rates of consumer debt 1Q 2003-4Q 2024



Consumer debt paints a mixed picture: Data through 4Q 2024

Delinquency status of consumer debt

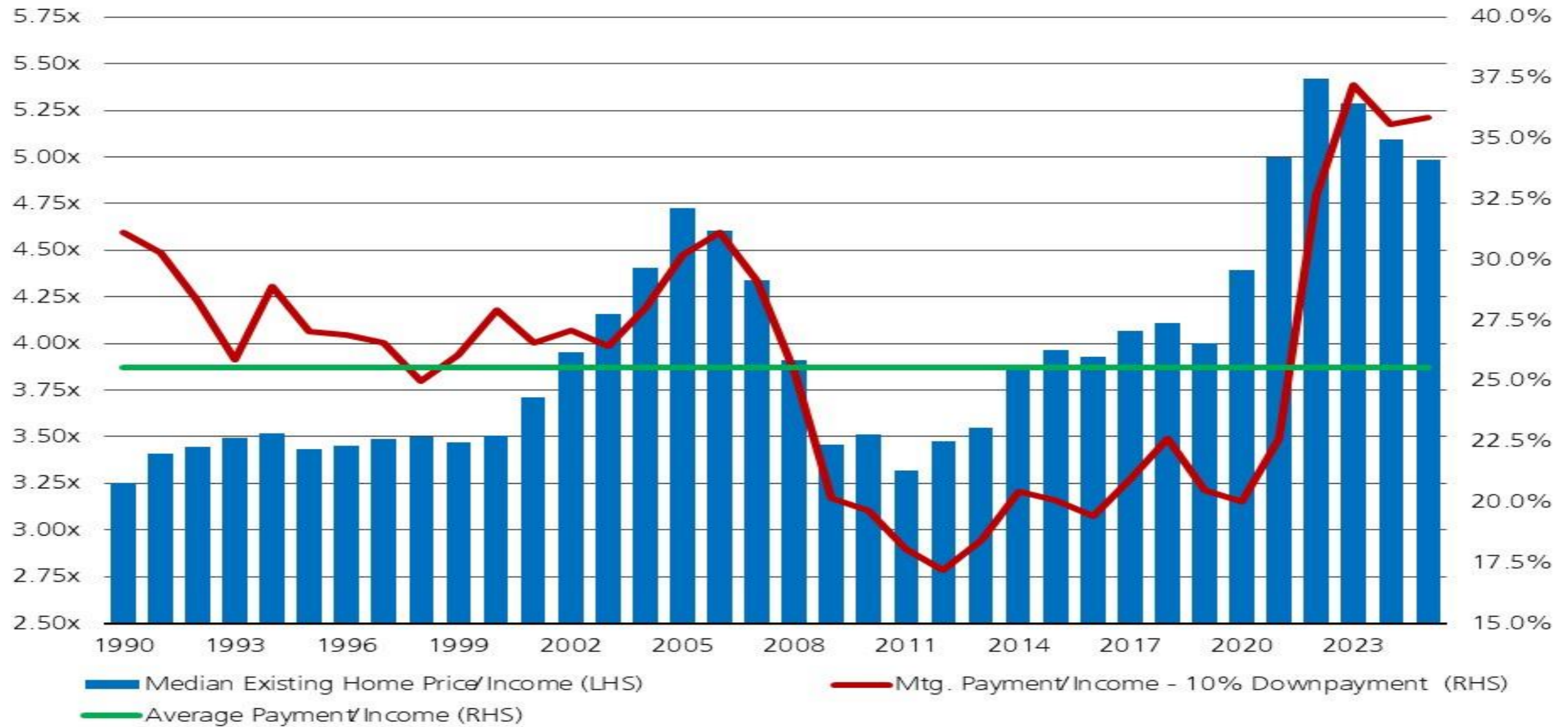


90 day+ delinquency rate by type of consumer debt

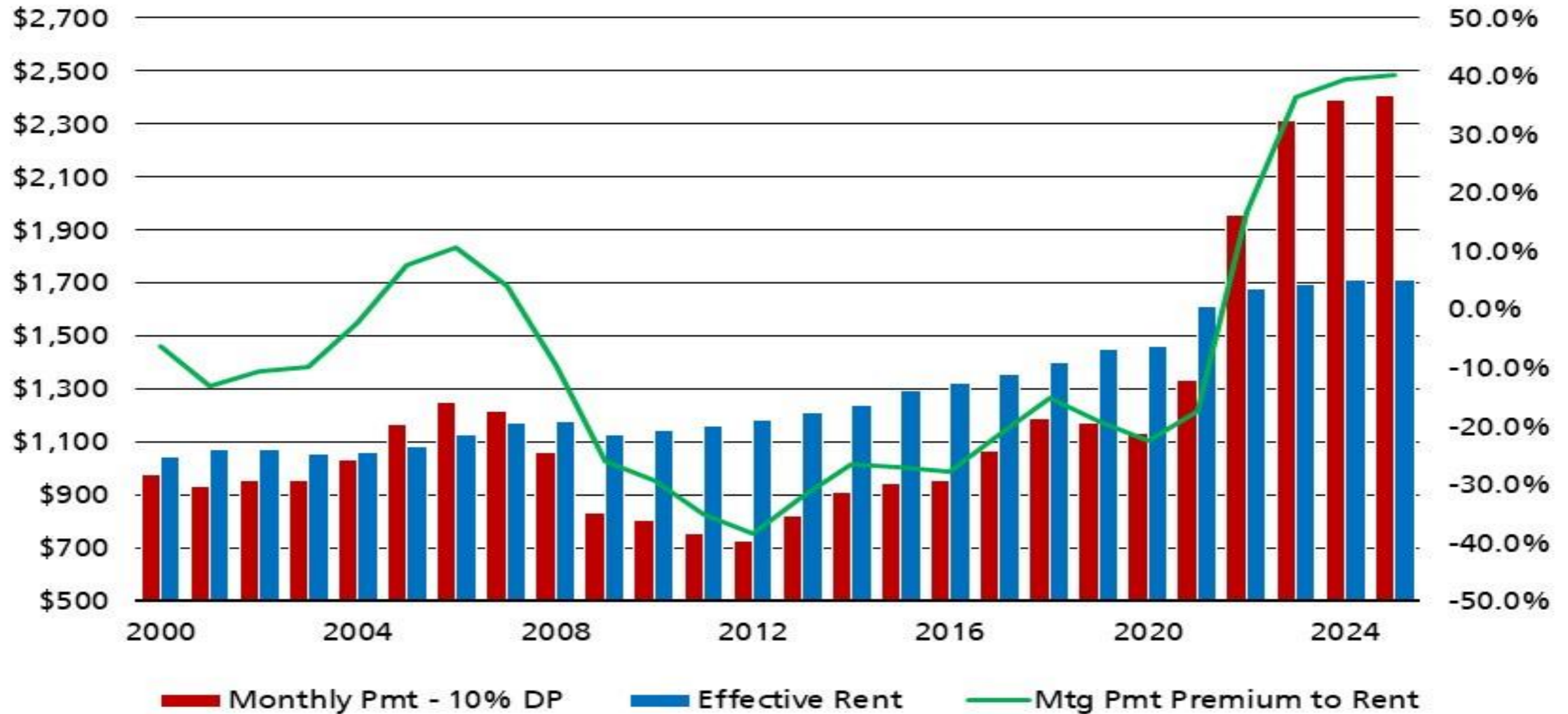


Some thoughts on housing

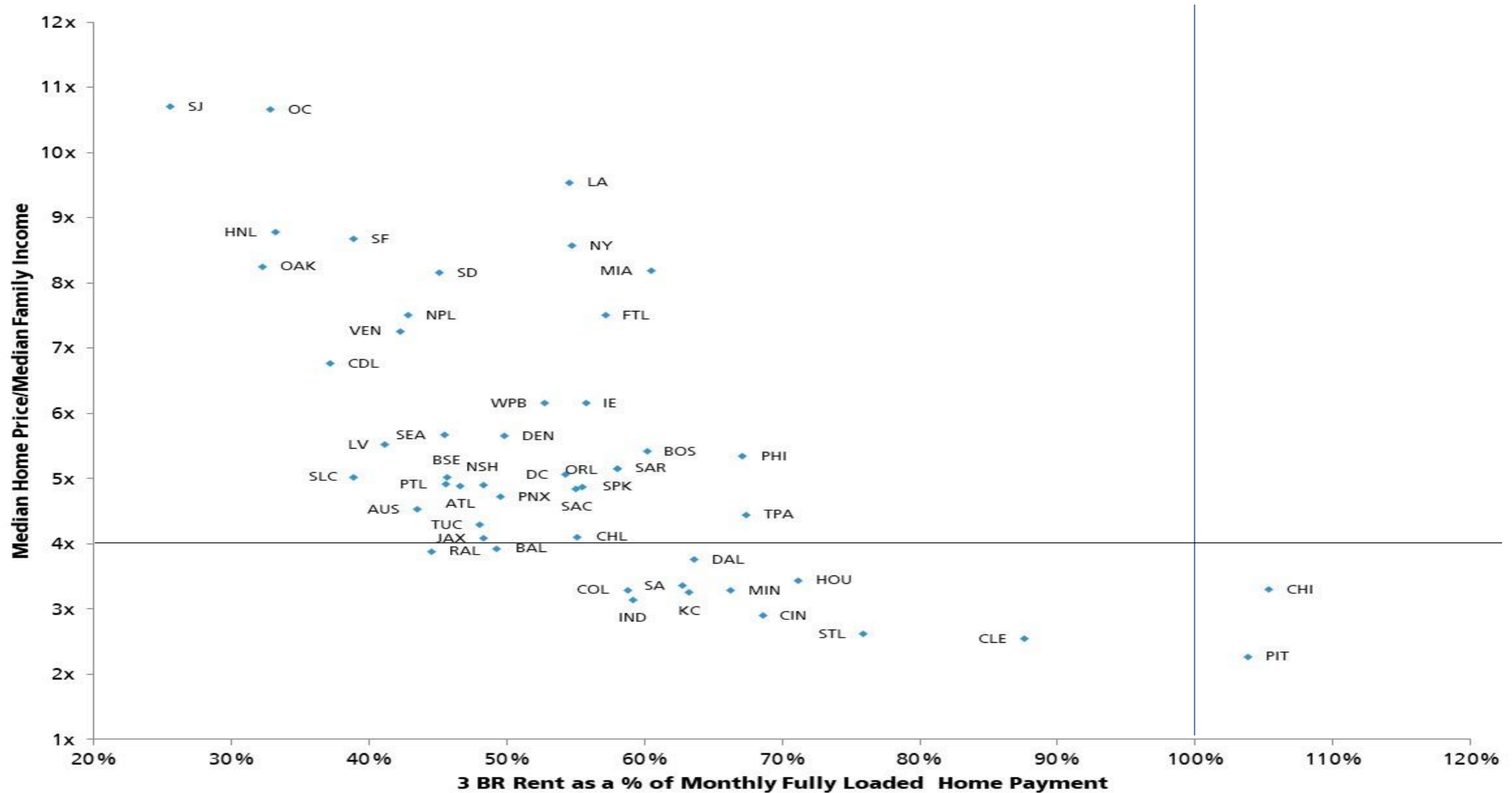
Monthly principal and interest payment as a % of median household income: This assumes a 10% downpayment and 7.25% mortgage rate



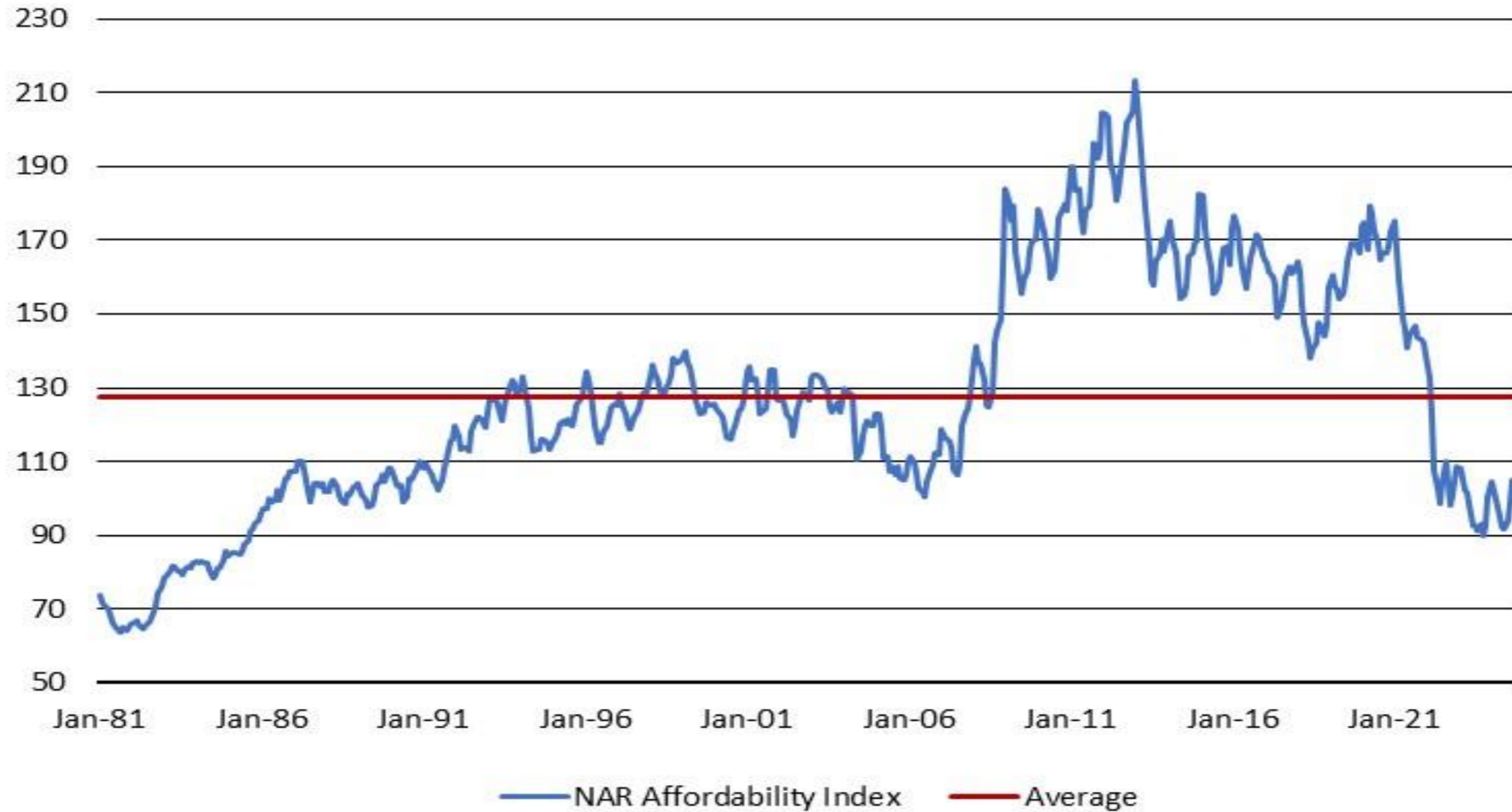
Monthly principal and interest payment premium (discount) to apartment rent: Assumes a 10% downpayment and 7.25% mortgage rate



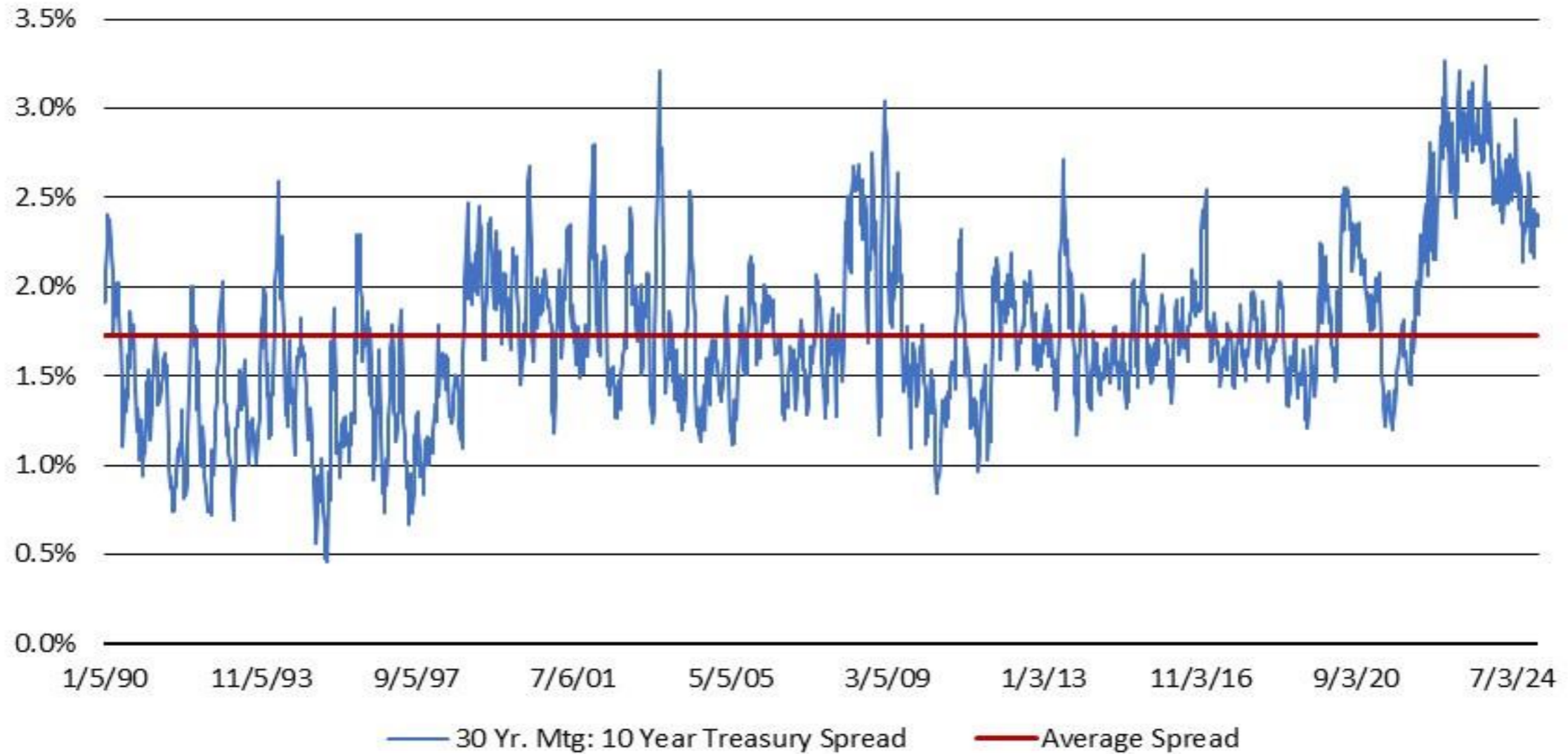
Owning vs. renting for 50 of the largest cities in the US Data as of 4Q 2024



National Association of Realtors Affordability Index: Data through December 2024



30-year fixed mortgage rate spread to 10-year Treasury yield trends: Data through 13 February 2025

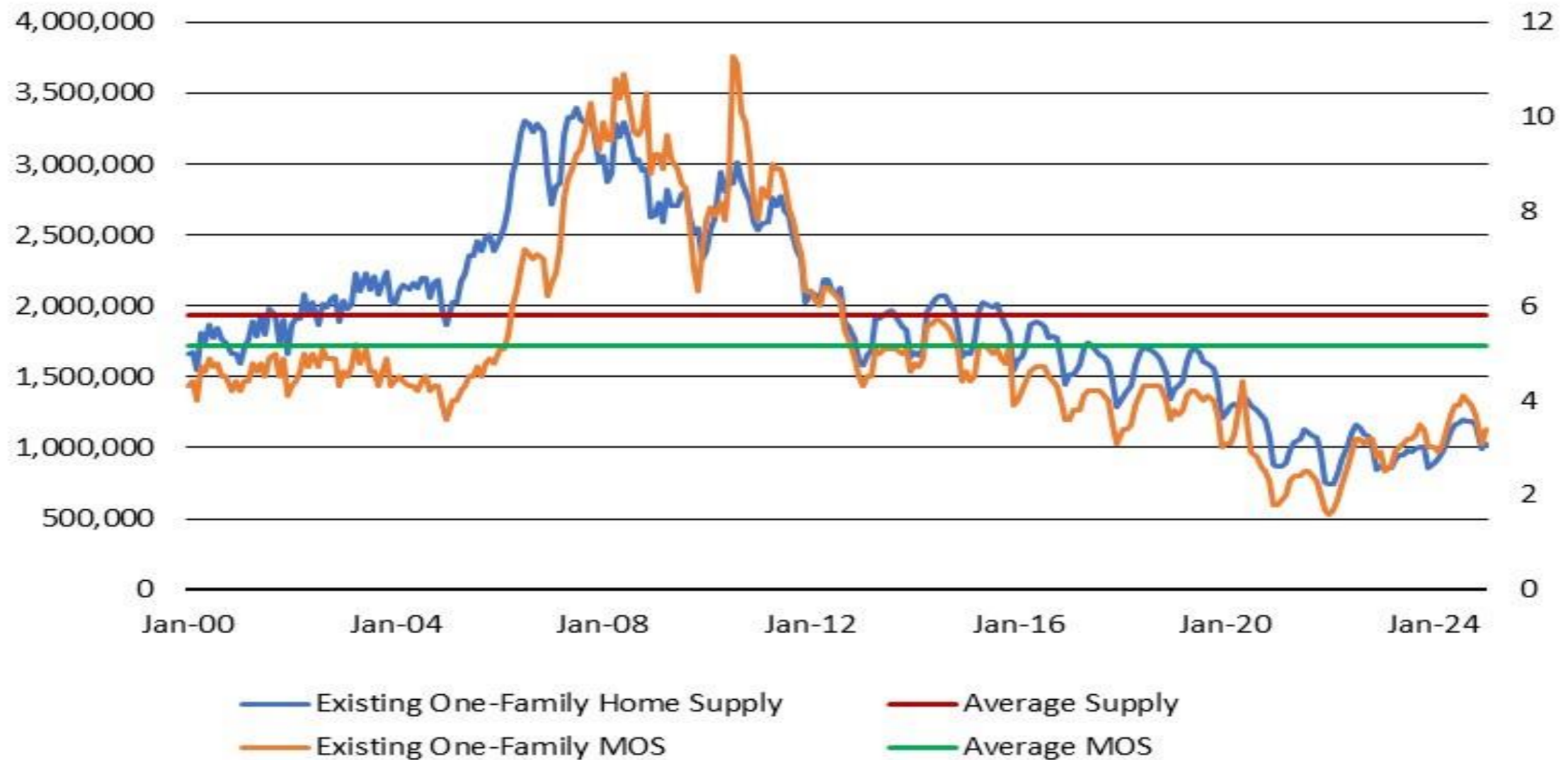


Existing single-family unit sale and median home price trends: Data through January 2025



Source: NAR, Haver, UBS

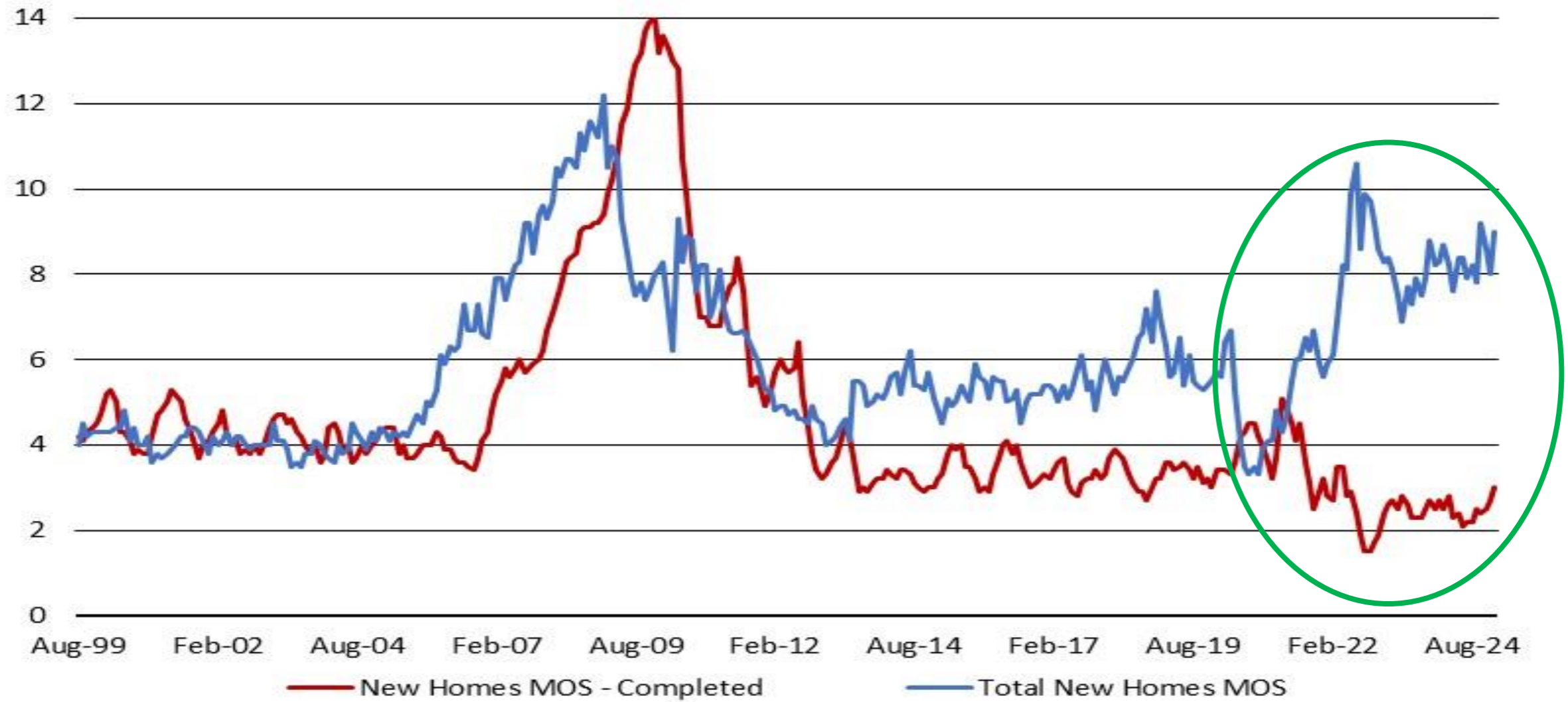
Existing single-family home inventory trends: Data through January 2025



New single-family unit sale and median home price trends: Data through January 2025

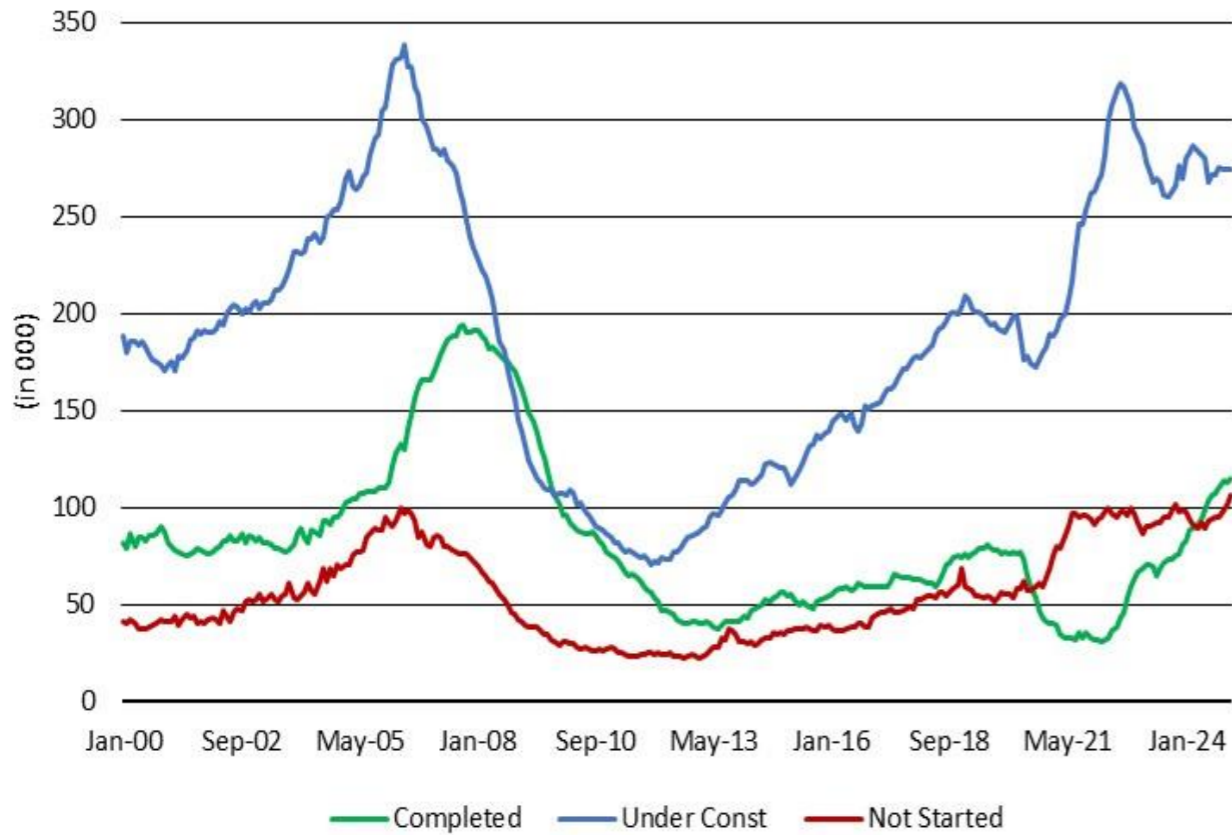


New single-family home months of supply trends: Data through January 2025

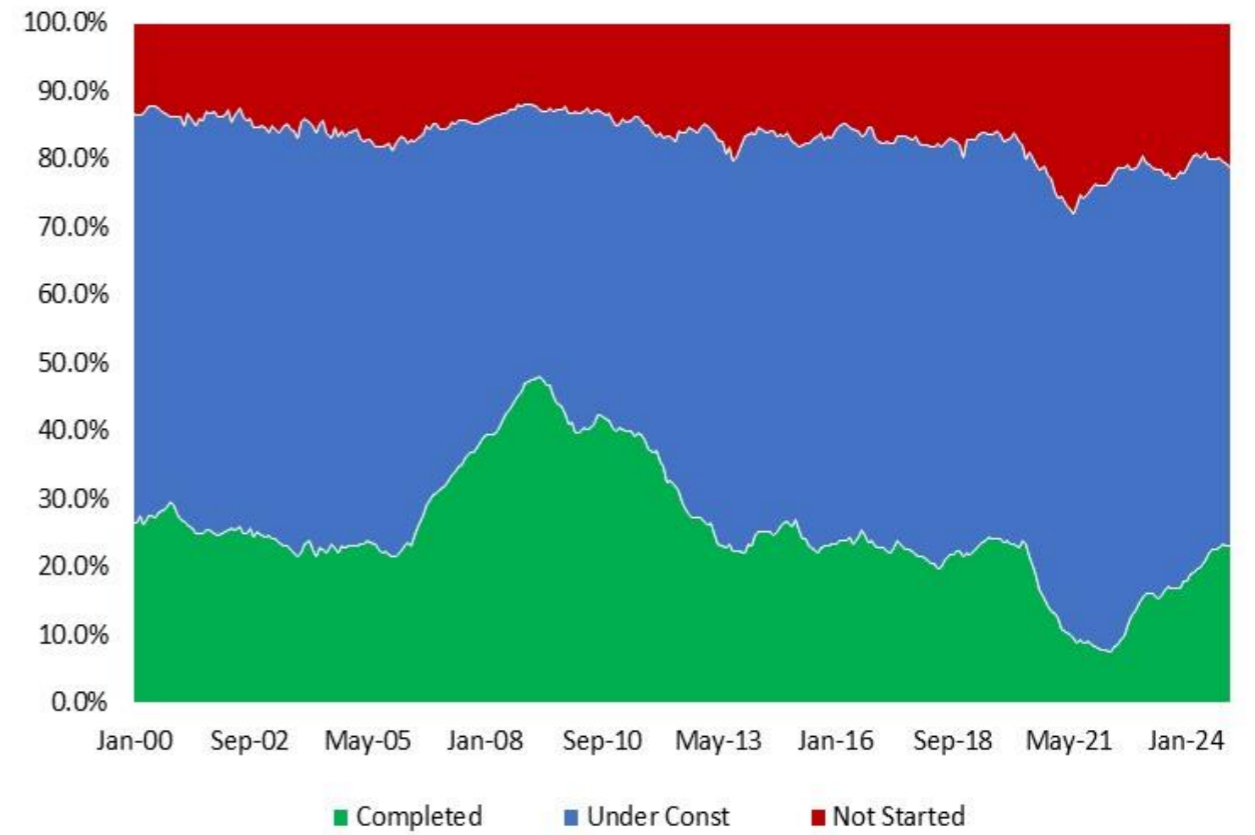


New single family home inventory trends: Data through January 2025

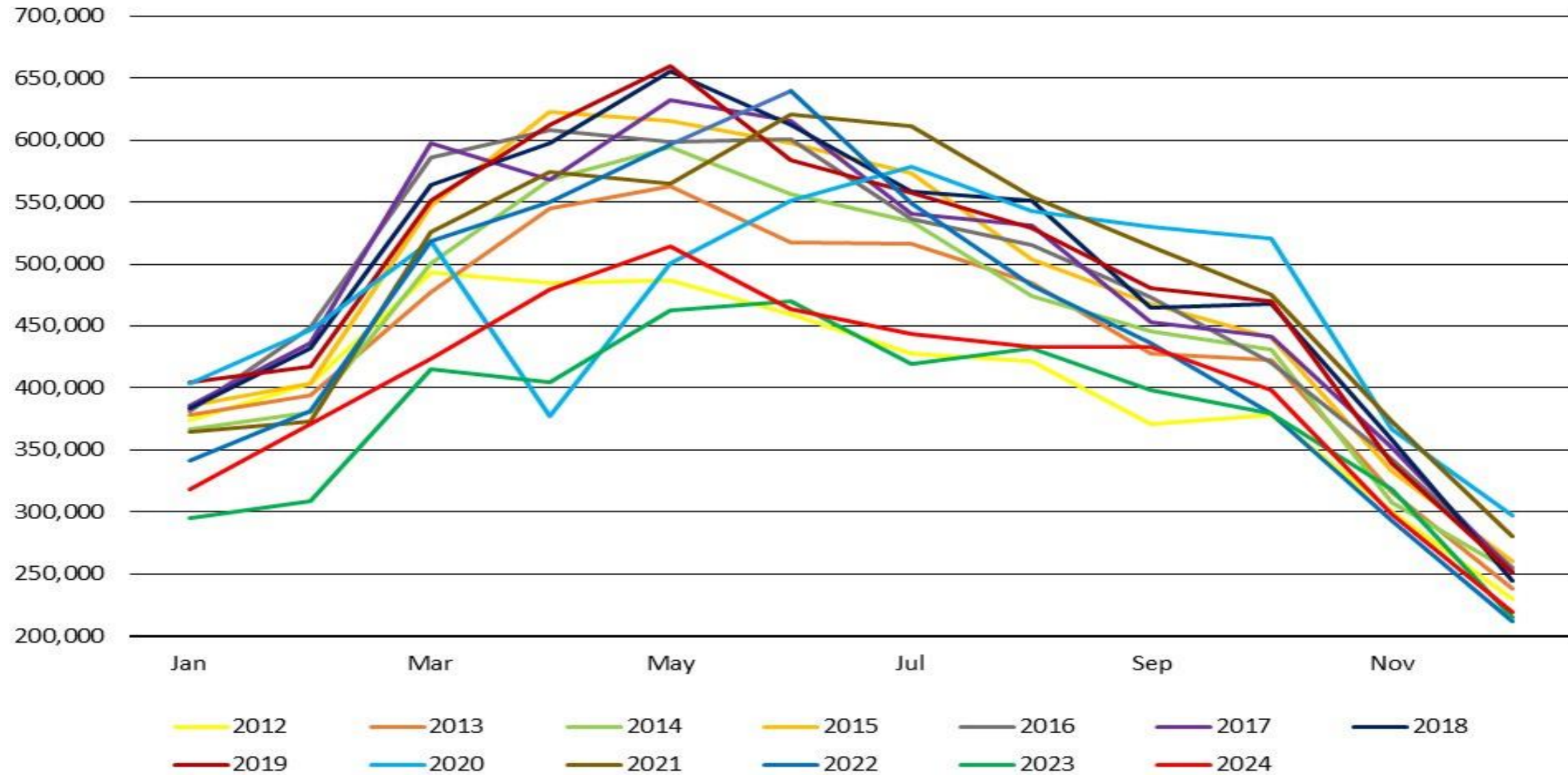
New single-family home inventory trends by stage of construction in units



New single-family home inventory trends by stage of construction in %

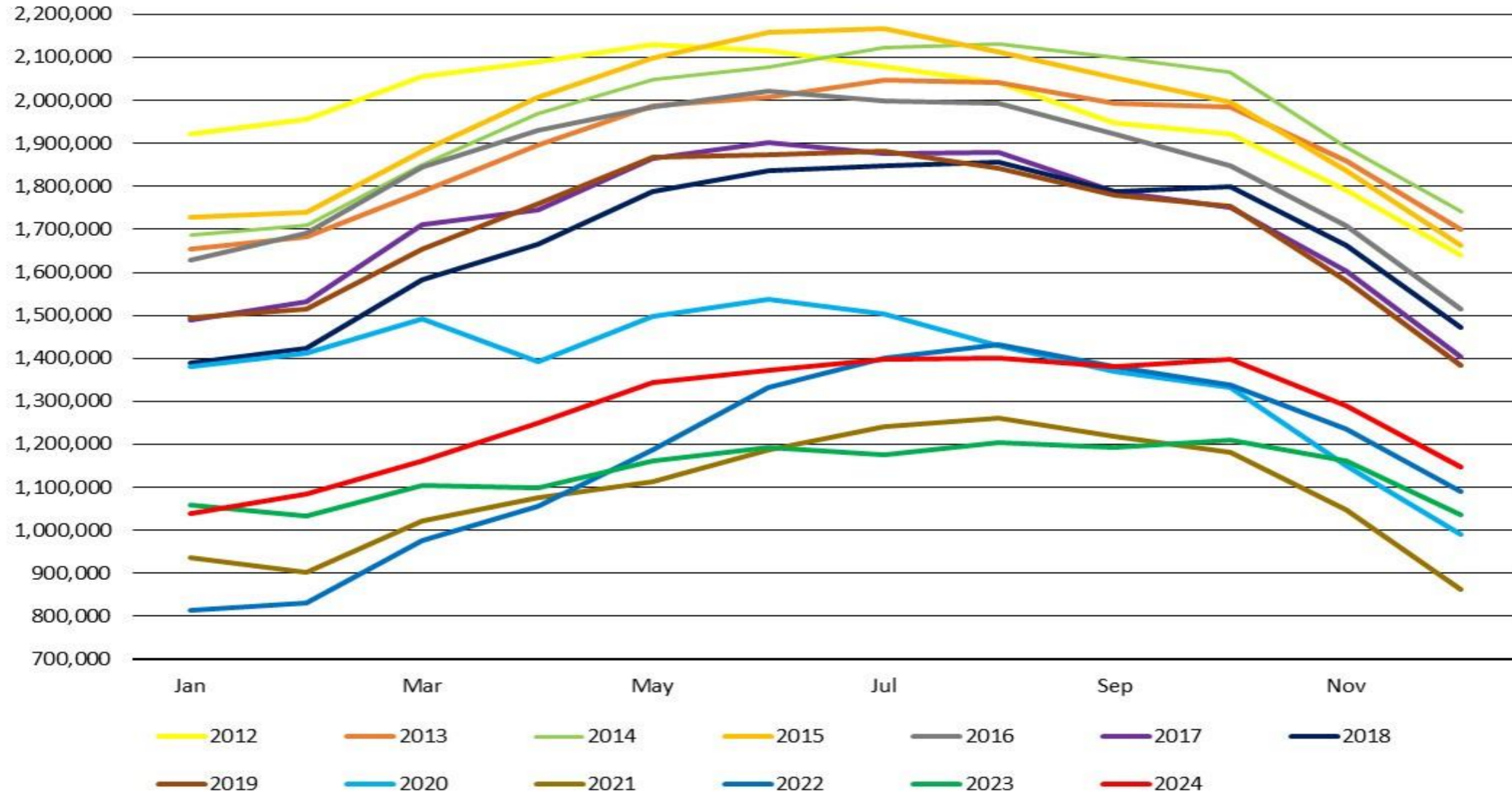


New single-family home total listings trends: Data through December 2024



Source: Redfin, UBS

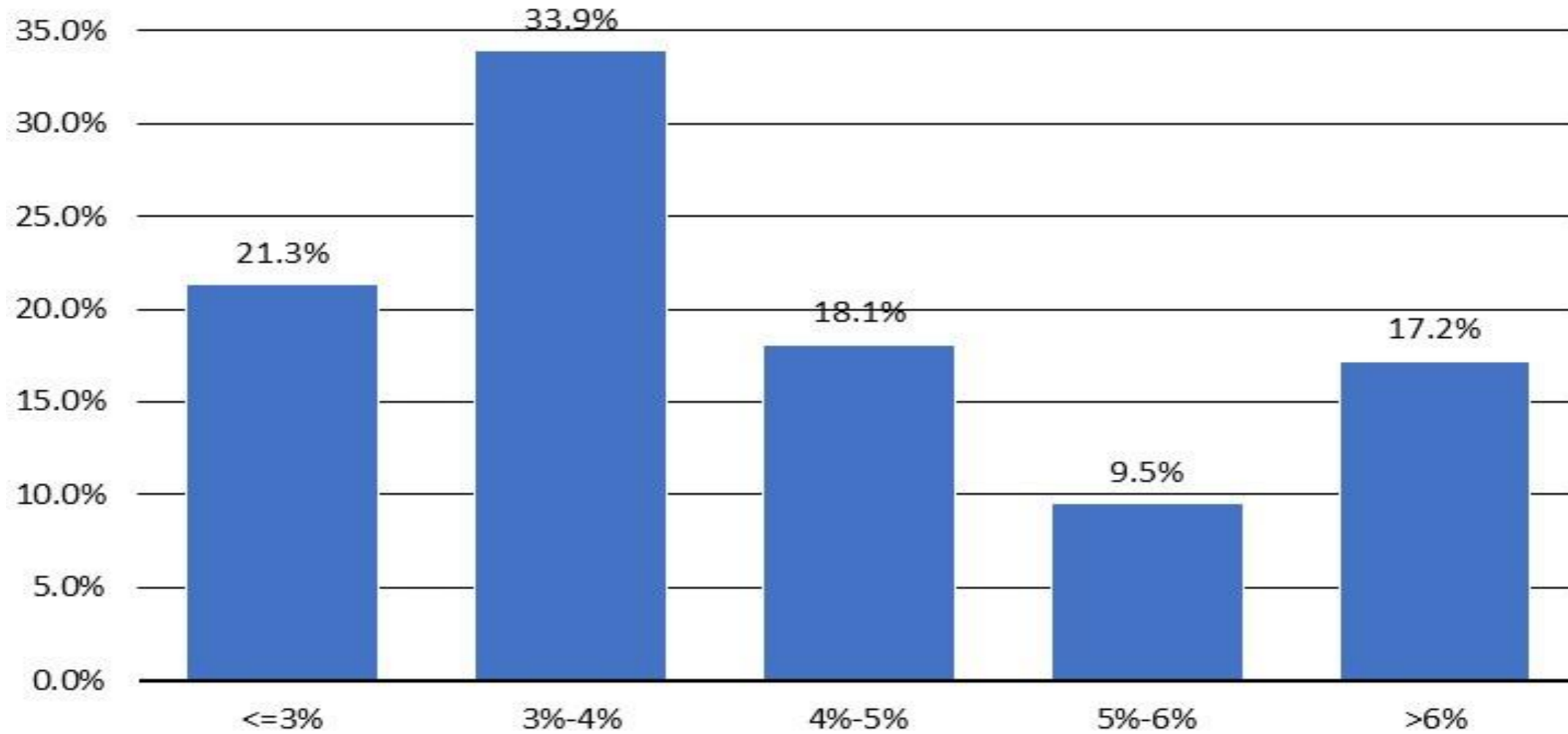
Total single-family home new listings trends: Data through December 2024



New single-family home new listings trends versus 2017-19 average: Data through January 2025



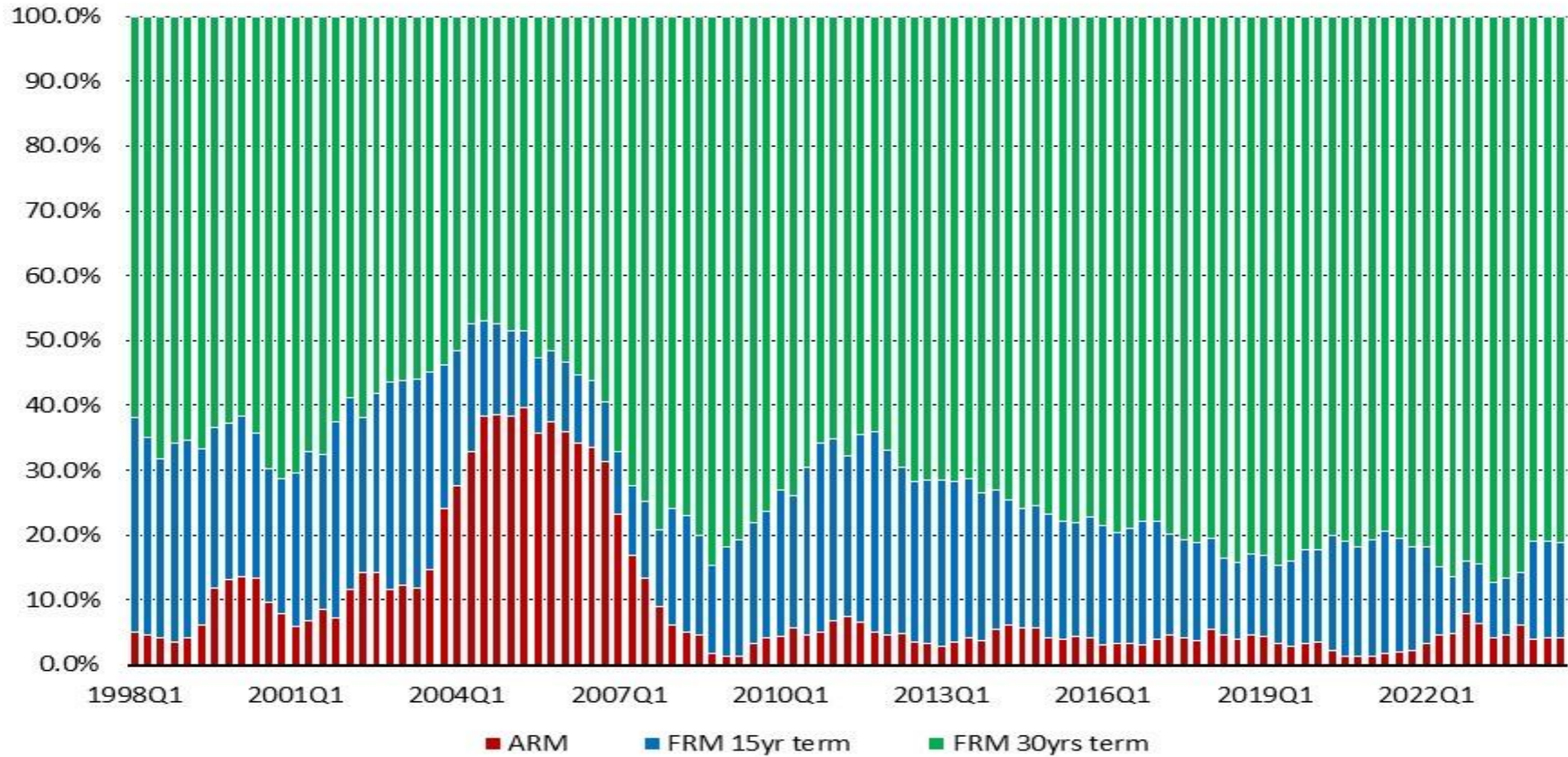
Share of outstanding mortgages by interest rate at origination: Data through 3Q 2024



Median new single-family size trends in square feet: Data through 4Q 2024

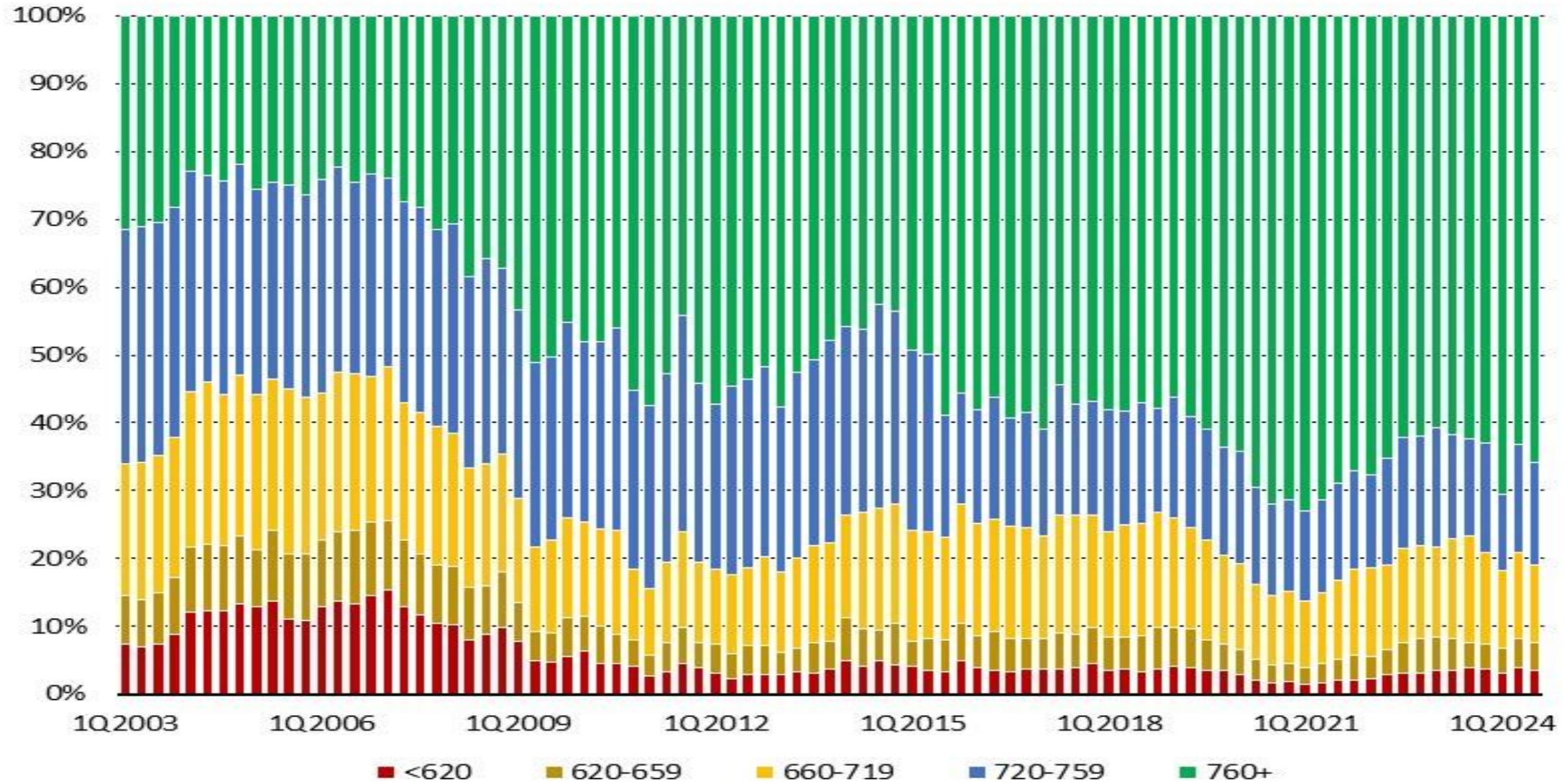


First lien mortgages outstanding by type: Data through 3Q 2024



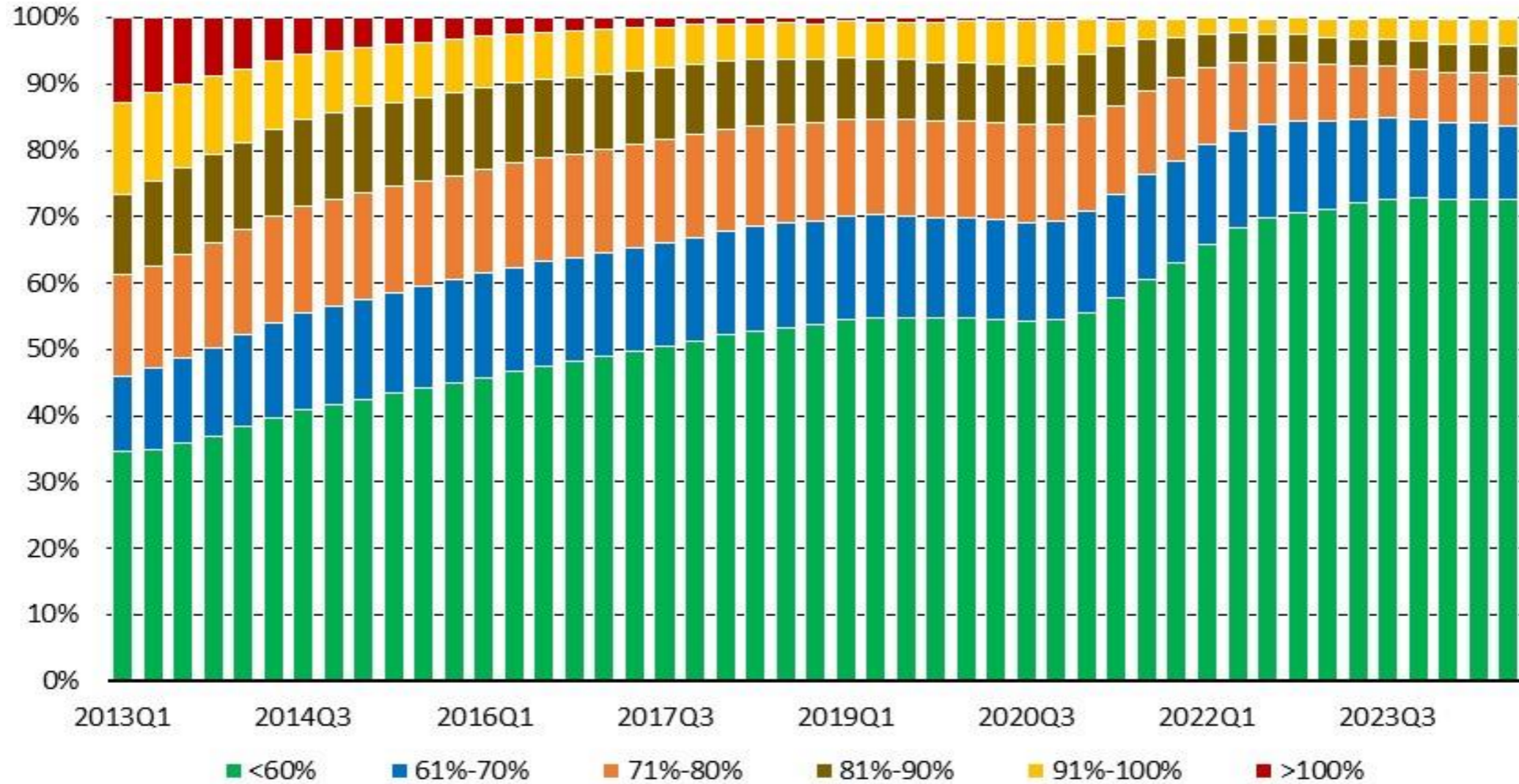
Source: FHFA, UBS

FICO score by loan origination trends: Data through 3Q 2024



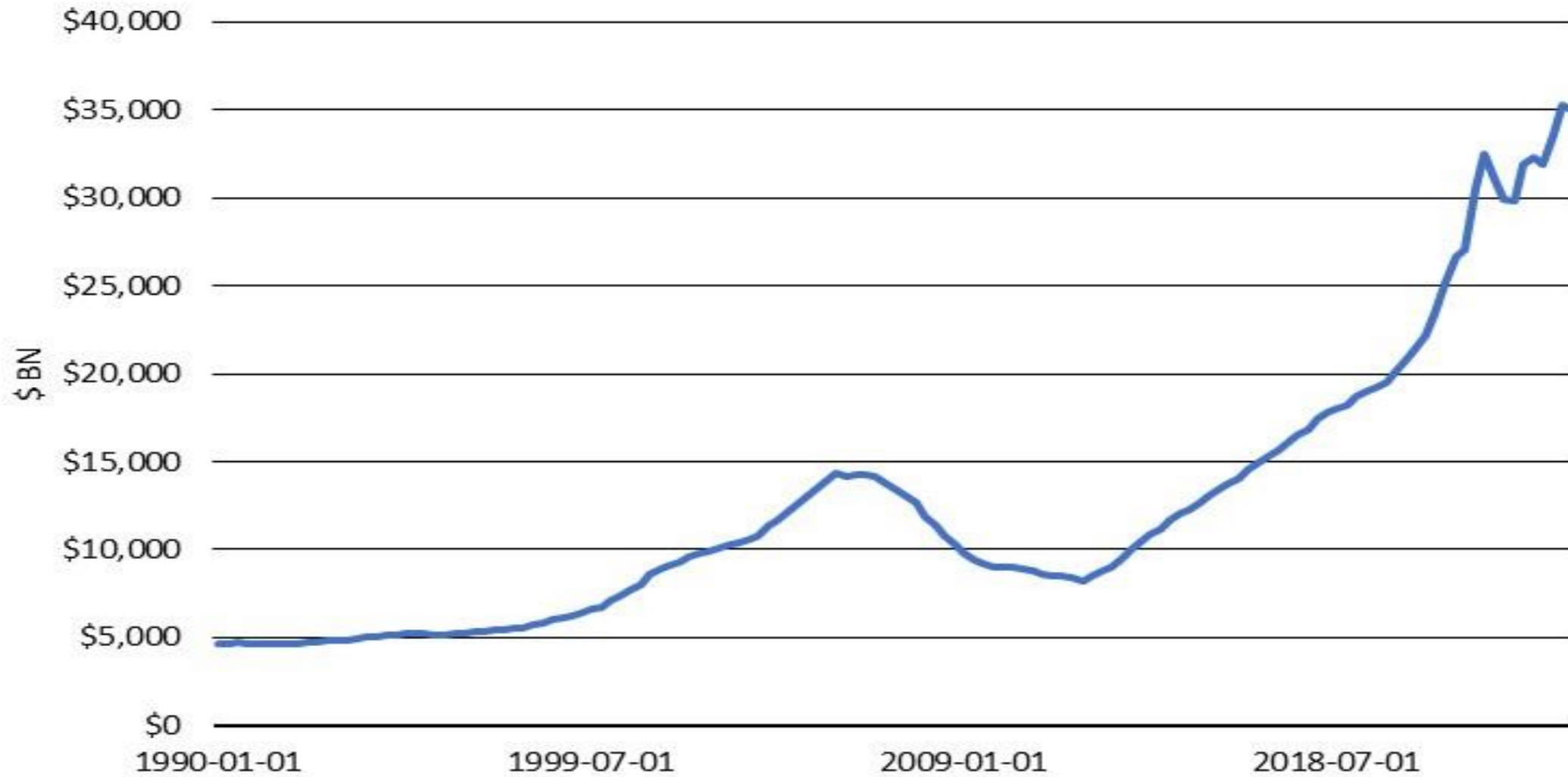
Source: FHFA, UBS

Loan-to-Value trends: Data through 3Q 2024

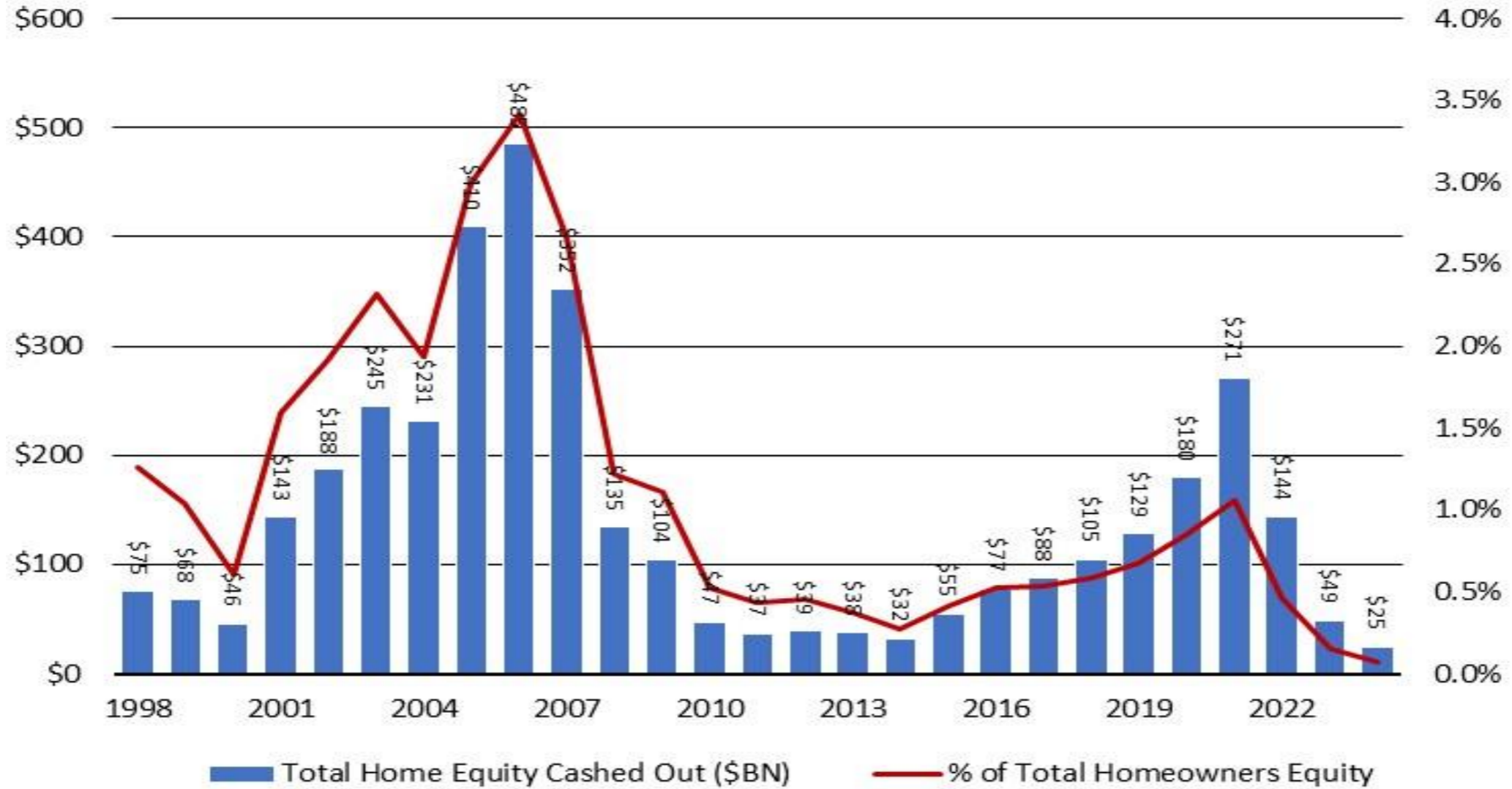


Source: Federal Reserve, UBS

Trends in homeowners' equity: Data through 3Q 2024

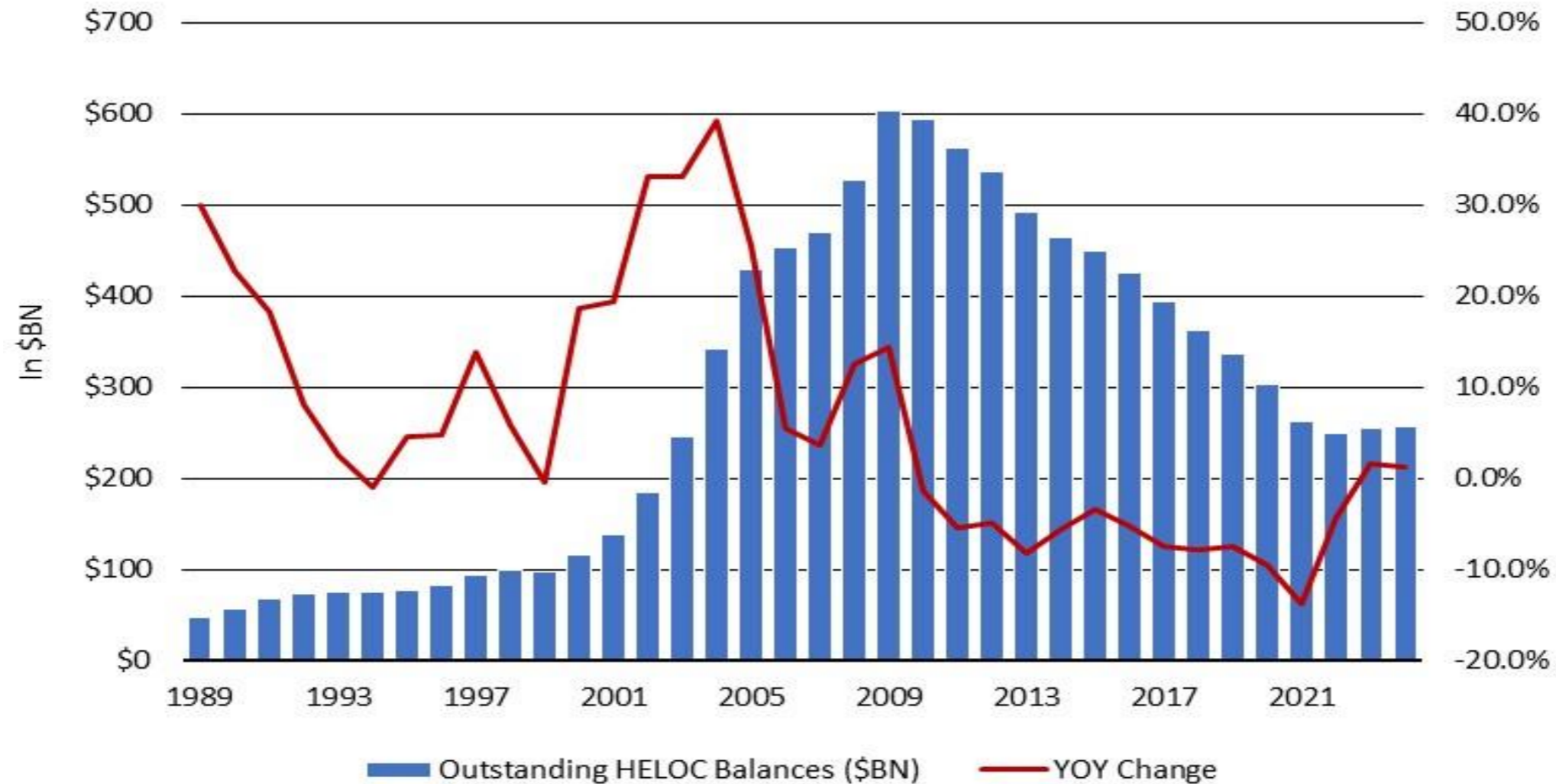


Trends in home equity cashout: Data through 2Q 2024

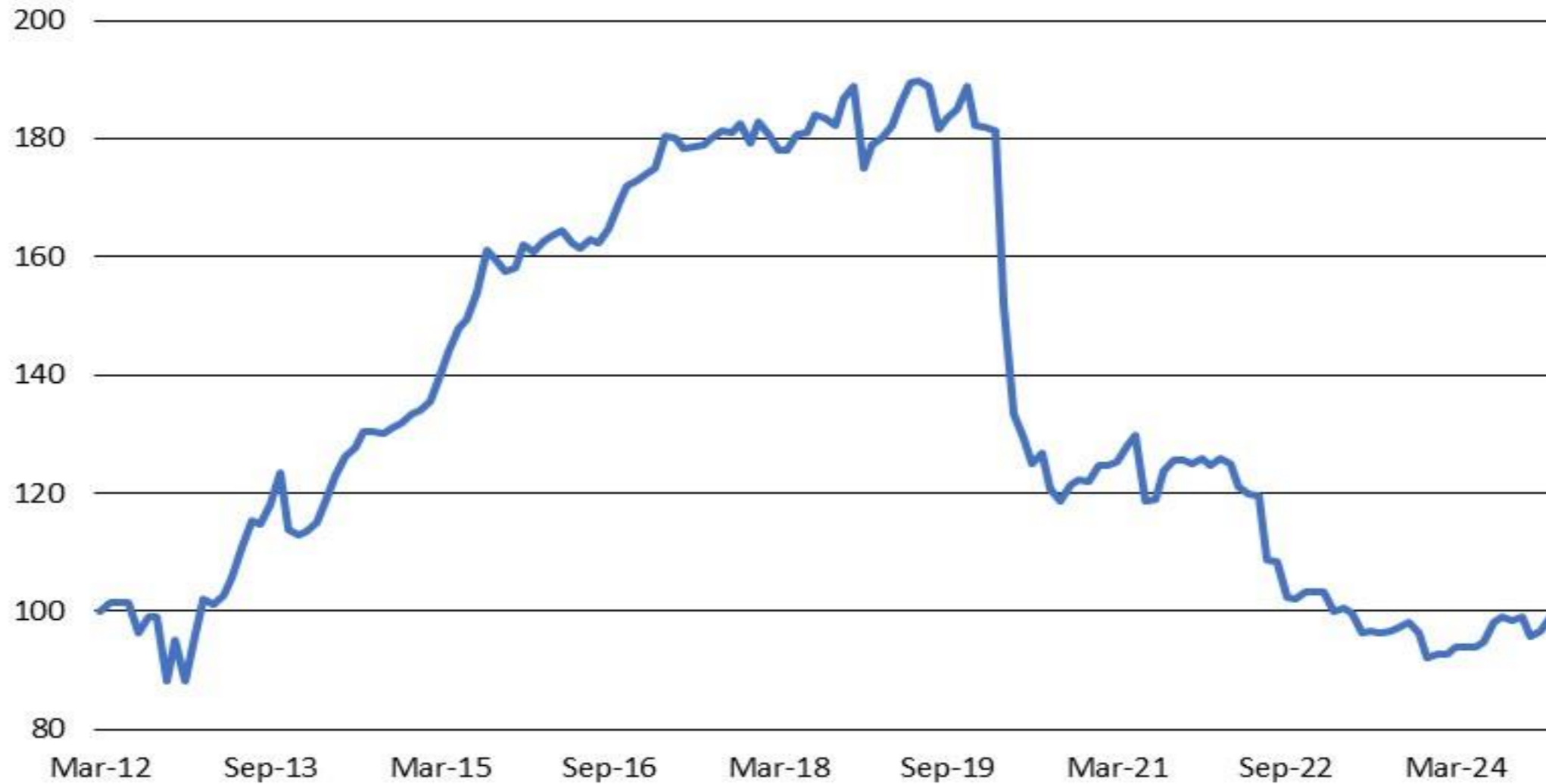


Source: Freddie Mac, Federal Reserve, UBS

Trends in outstanding HELOC balances: Data through 2024

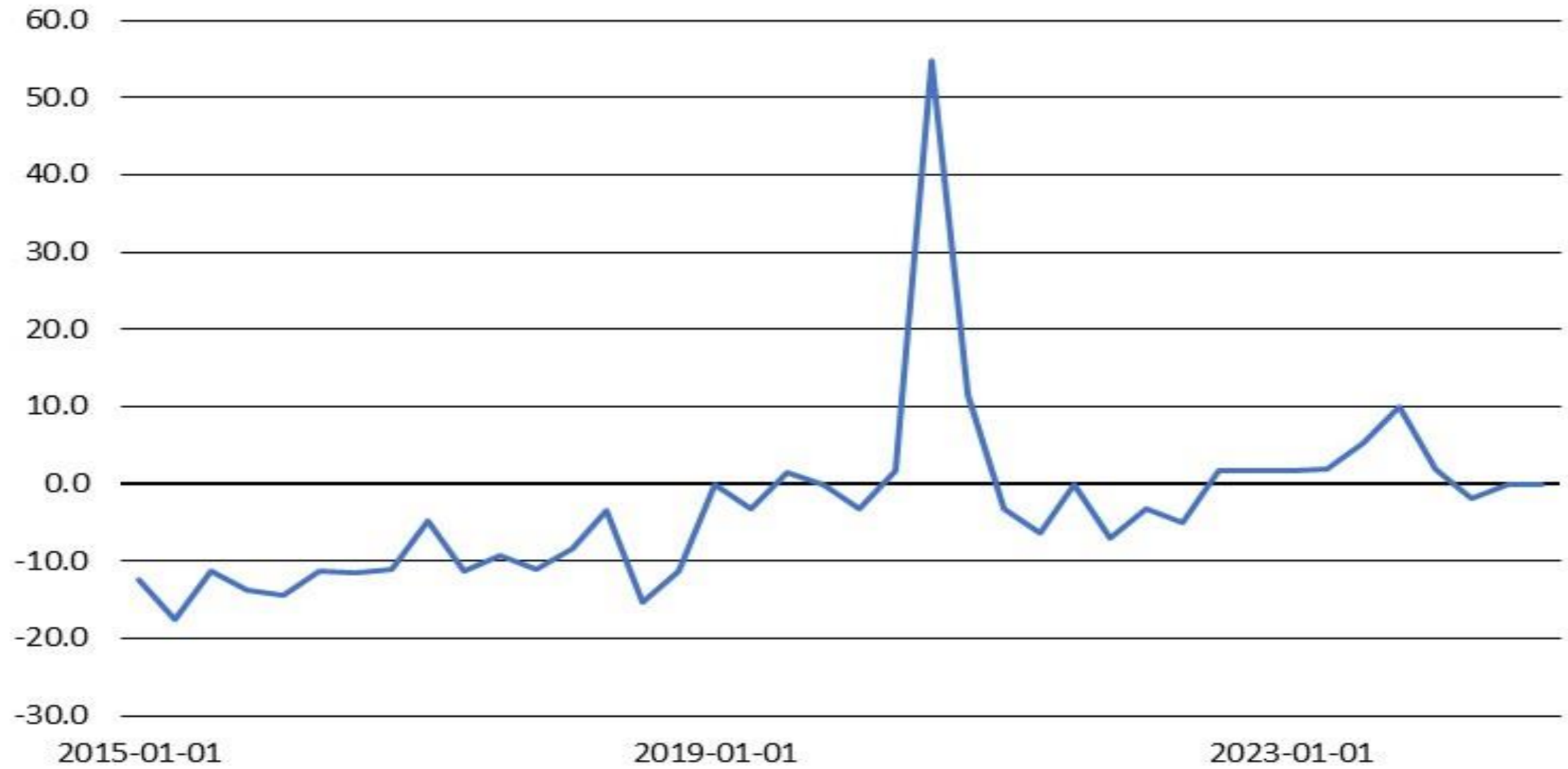


Trends in Mortgage Bankers Association Mortgage Credit Availability Index: Data through January 2025

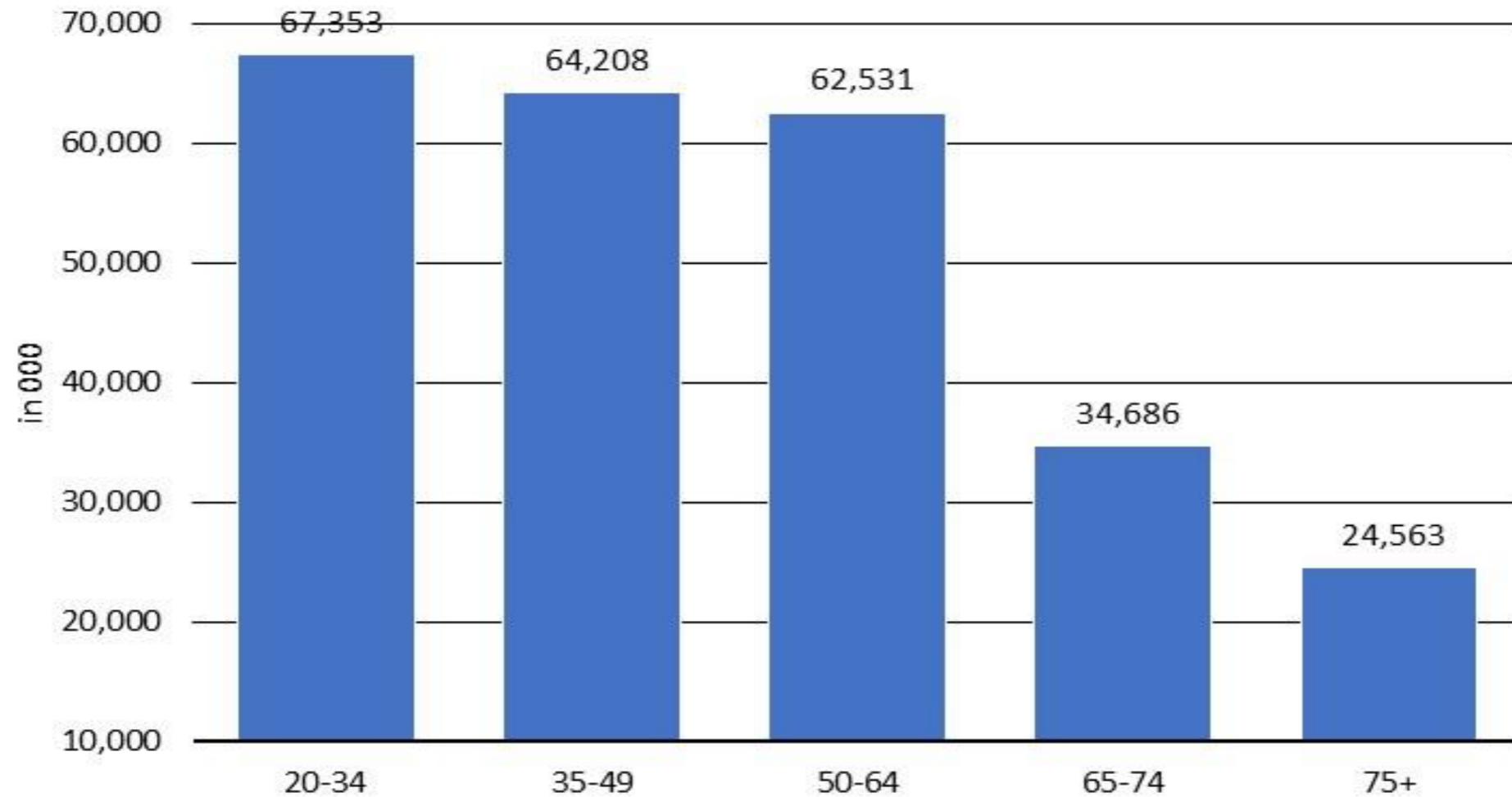


Source: MBA, UBS

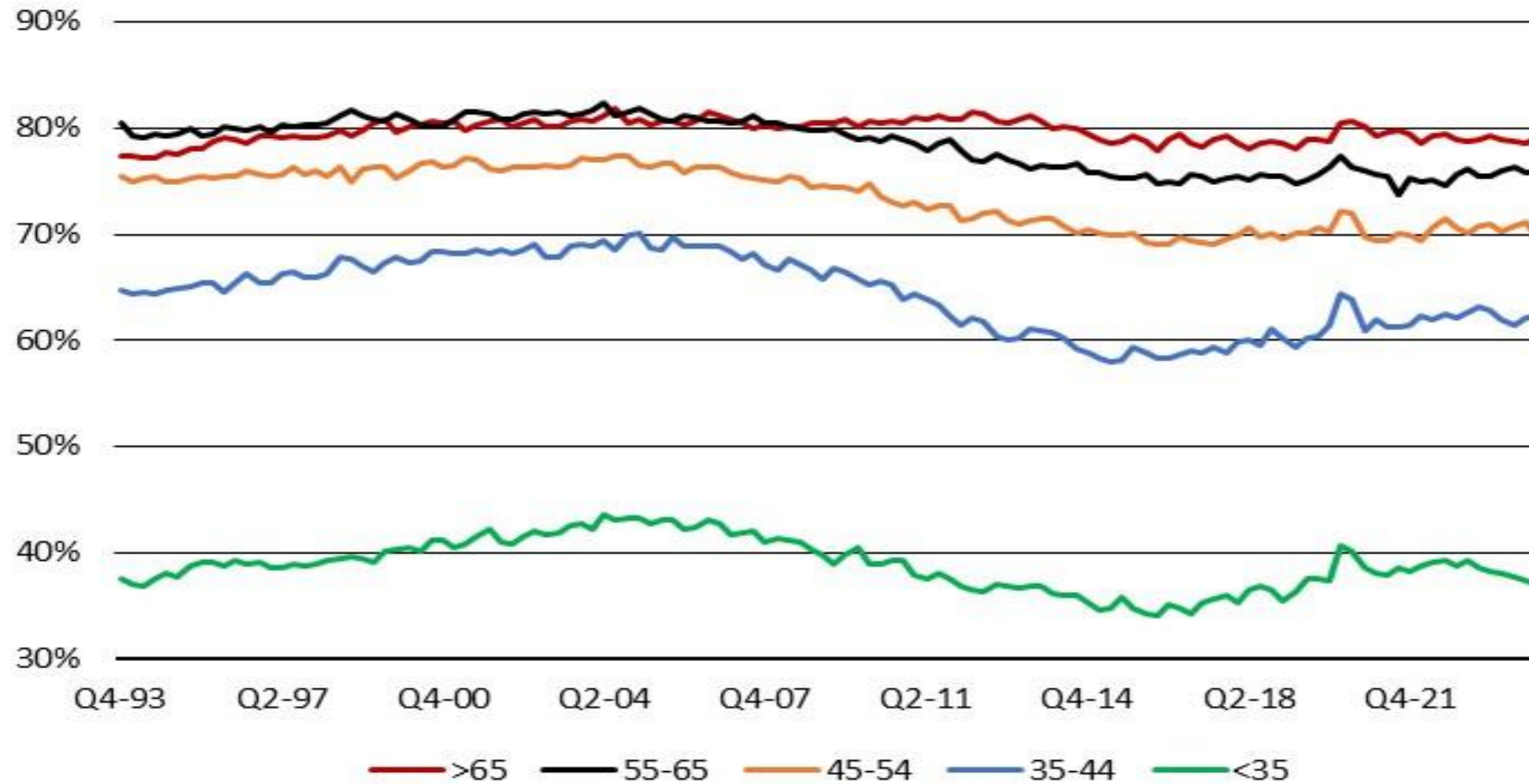
Federal Reserve senior loan officer lending survey for conforming mortgages: Data through 4Q 2024



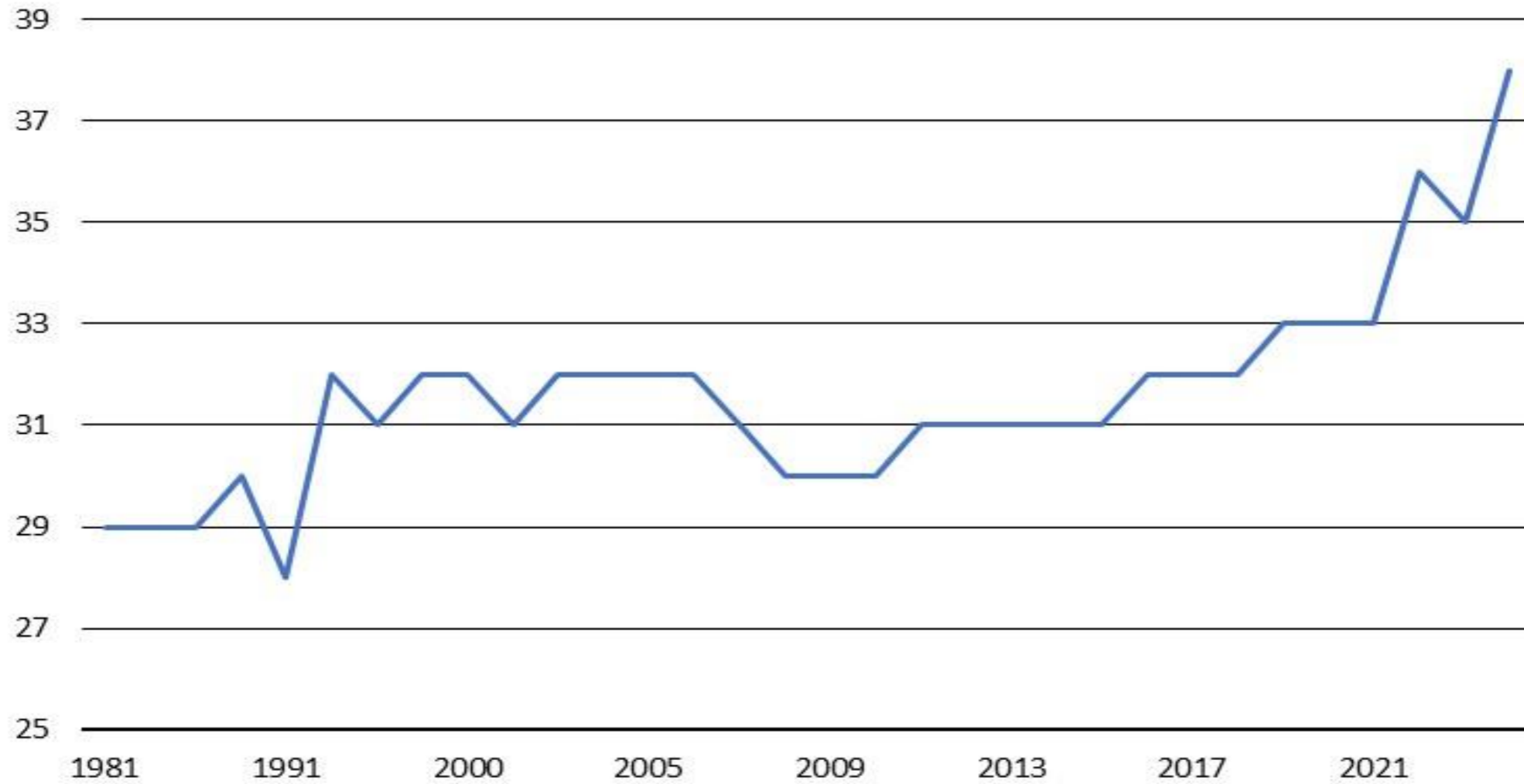
Segmentation of US population by age bracket as of year-end 2023



Homeownership by age range: Data through 3Q 2024



Median age of first-time homebuyer: Data through 2024



Location, location, location

Domestic population flows for select states: Data through 2023

State	2010 Population	Domestic Net Inflow	
		2010-2023 (A)	As a % of 2010 Population
California	37,319,502	-2,333,470	-6.3%
Connecticut	5,047,349	-120,966	-2.4%
Illinois	12,840,503	-1,366,286	-10.6%
New Jersey	8,799,446	-953,822	-10.8%
New York	19,399,878	-2,301,152	-11.9%

(A) Excludes 2020 as data is not available.

U-Haul one-way rental trends for top and bottom 10 states

Top 10	2020	2021	2022	2023	2024
1	Tennessee	Texas	Texas	Texas	S. Carolina
2	Texas	Florida	Florida	Florida	Texas
3	Florida	Tennessee	S. Carolina	N. Carolina	N. Carolina
4	Ohio	S. Carolina	N. Carolina	S. Carolina	Florida
5	Arizona	Arizona	Virginia	Tennessee	Tennessee
6	Colorado	Indiana	Tennessee	Idaho	Arizona
7	Missouri	Colorado	Arizona	Washington	Washington
8	Nevada	Maine	Georgia	Arizona	Indiana
9	N. Carolina	Idaho	Ohio	Colorado	Utah
10	Georgia	New Mexico	Idaho	Virginia	Idaho
Bottom 10	2020	2021	2022	2023	2024
41	Pennsylvania	Arkansas	Alaska	Oklahoma	Connecticut
42	New York	Michigan	Oklahoma	Connecticut	Maryland
43	Connecticut	Louisiana	Arkansas	New York	Michigan
44	Louisiana	Oklahoma	Maryland	Maryland	Louisiana
45	Oregon	New York	New Jersey	Louisiana	Illinois
46	Maryland	Alabama	New York	Michigan	Pennsylvania
47	Massachusetts	Massachusetts	Massachusetts	New Jersey	New York
48	New Jersey	Pennsylvania	Michigan	Illinois	New Jersey
49	Illinois	Illinois	Illinois	Massachusetts	Massachusetts
50	California	California	California	California	California

What could the Trump presidency mean for housing?

- Tariff actions and the potential implications for inflation and interest rates.
- Immigration/deportation actions and the potential implications for labor availability and cost.
- Will more federal land be opened up for development? If so will states/municipalities cooperate by easing permitting?
- Will the administration seek to release the GSEs from conservatorship?
- Will the administration push for less restrictive bank capital rules?
- What is the potential for changes in SALT limitations?
- Are the bells tolling for student debt forgiveness?

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