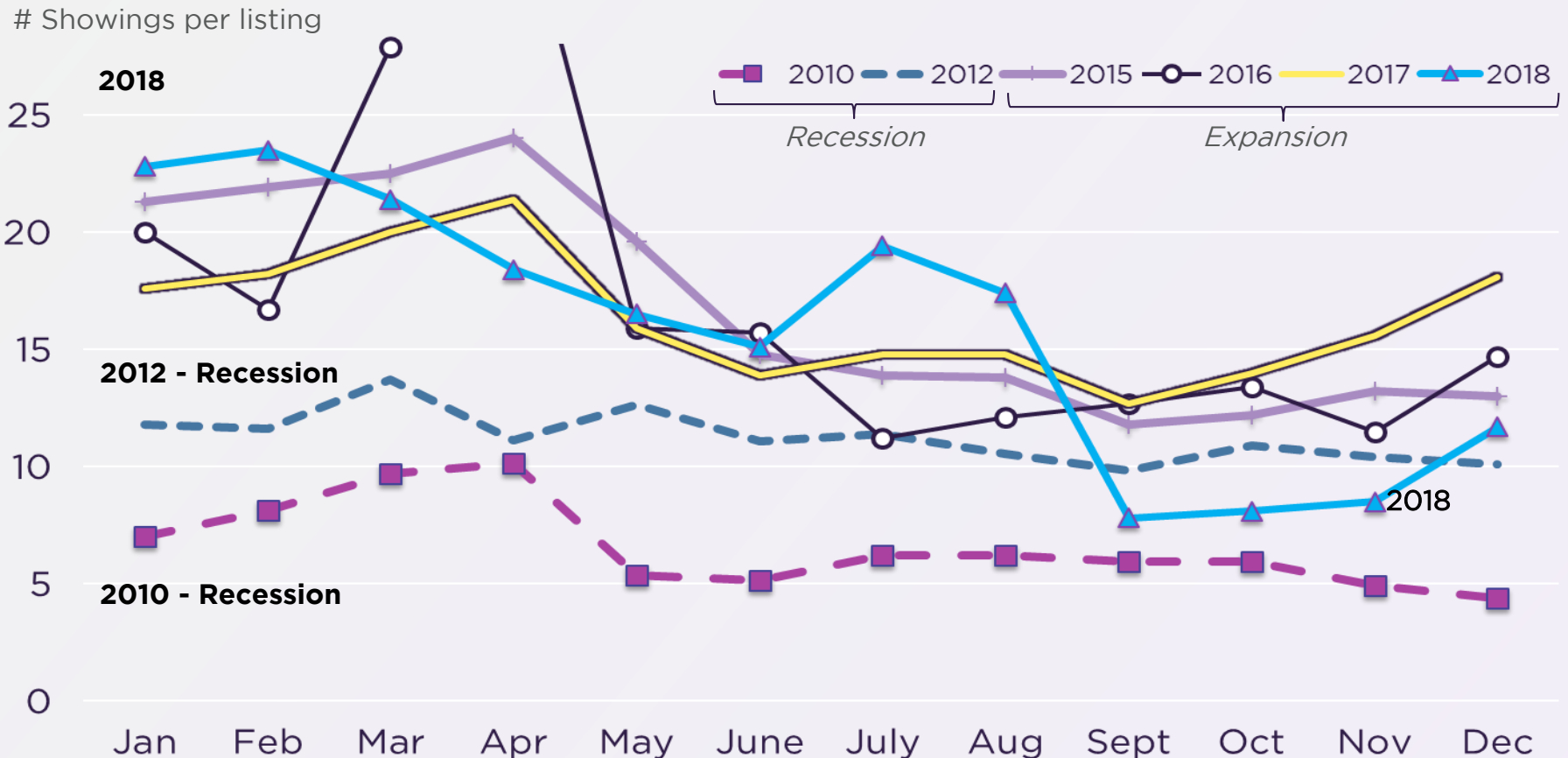


Showings in Sept-Nov 2018 were significantly below the average of the past few years. December saw a good recovery, but we are not back to the recent trend line yet. We'd expect the 1Q19 sales to be a bit less than 1Q18. Keep in mind with +50% more listings, the showings / listing would go down somewhat.

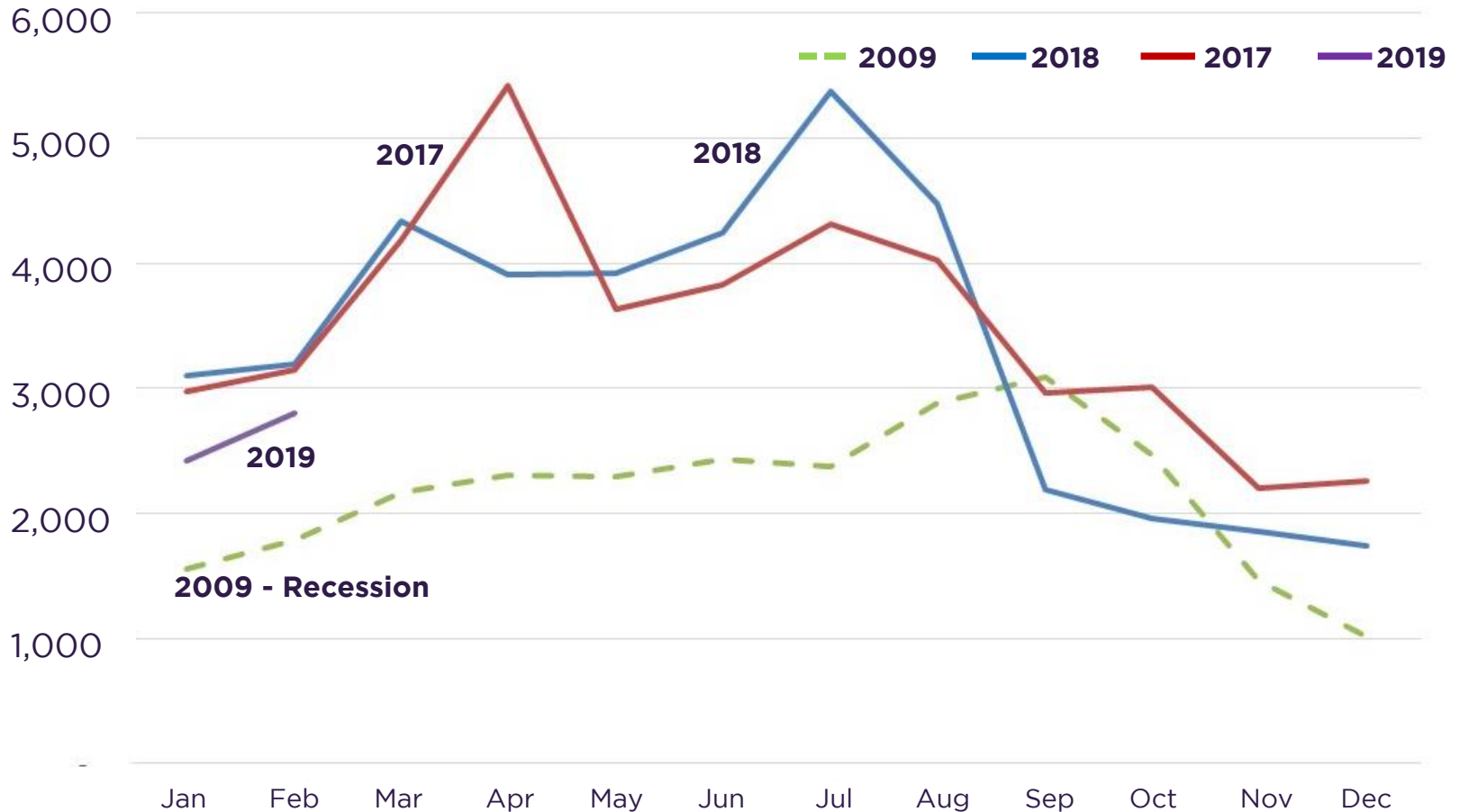
SHOWINGS / ACTIVE LISTING (HOMES + CONDOS FOR YCRE, 2010 - 2018)



Source: Denver Metro Area Your Castle Real Estate statistics from Centralized Showing Service

The absolute number of showings in January 2019 is below 2017 and 2018, but improved from fall 2018.

TOTAL SHOWINGS (HOMES + CONDOS FOR YCRE, 2010 - 2018)



Source: Denver Metro Area Your Castle Real Estate statistics from Centralized Showing Service

Based on Denver’s population growth, builders should have built about 9,600 new homes from 2002-2006; instead they built nearly 10 times as many! That is a HUGE MISMATCH! Home builders overbuilt. Over the last five years, builders *should have* built 76,000 new homes - 46,000 *more* than they did build!

IS THE DENVER METRO AREA IN A HOUSING BUBBLE? - NO

	2002-2006	2012-2016
Homes for Sale at EOY (End of Year)	5 year average of 22,258	5 year average of 5,726
Average Months of Inventory	6.1 months	1.8 months
New Homes Built	Total of all 5 years 93,000	Total of all 5 years 30,000
Cumulate Job Growth	85,892	180,708
Net Migration to Denver	24,000	190,000
Homes Built : Migration	3.9 homes / 1 person	0.2 homes / 1 person
Result	Bubble + correction due to too much inventory and loose lending	Scarce inventory drives price increases

Data Source: Report by Lonnie Glessner at Nova Home Loans, NMLS 270416