



Land Advisors®  
ORGANIZATION

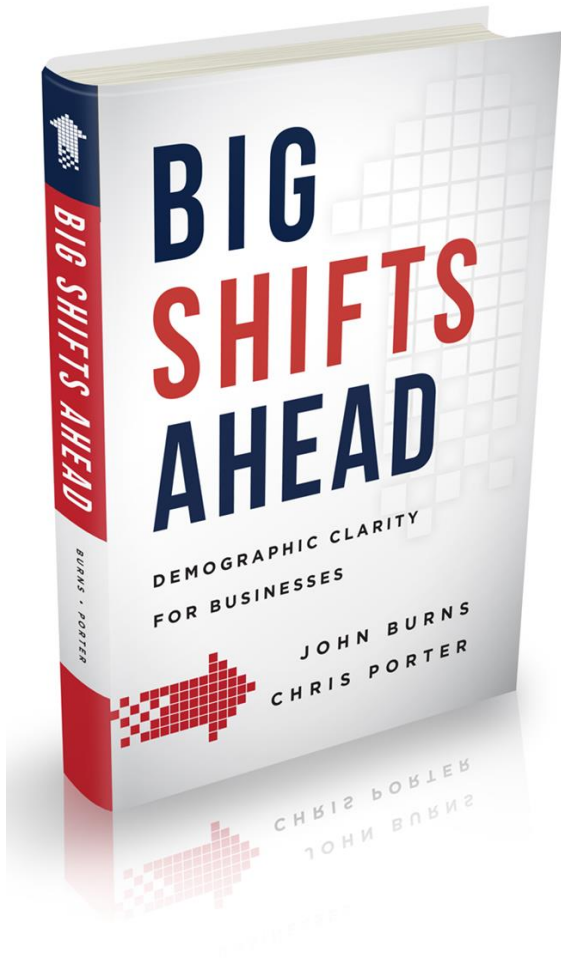
*The best known name in land*



American Society of Farm Managers & Rural Appraisers  
Land & Housing Forecast

February 24<sup>th</sup>, 2017

# John Burns Big Shifts Ahead



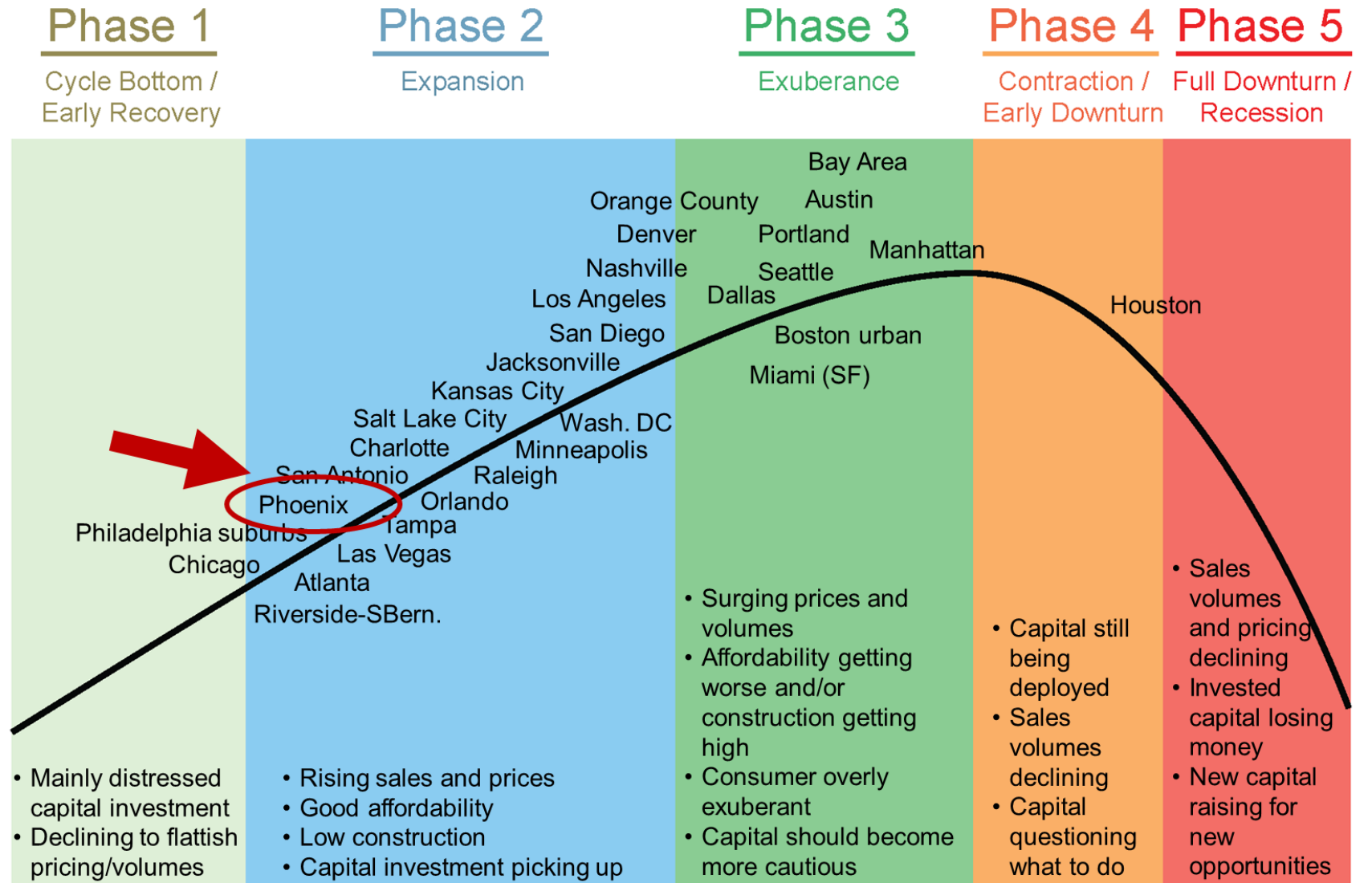
Available at  
**amazon**

**BARNES & NOBLE**  
BOOKSELLERS



# Market Status

**Most Markets are still in the expansion phase.**

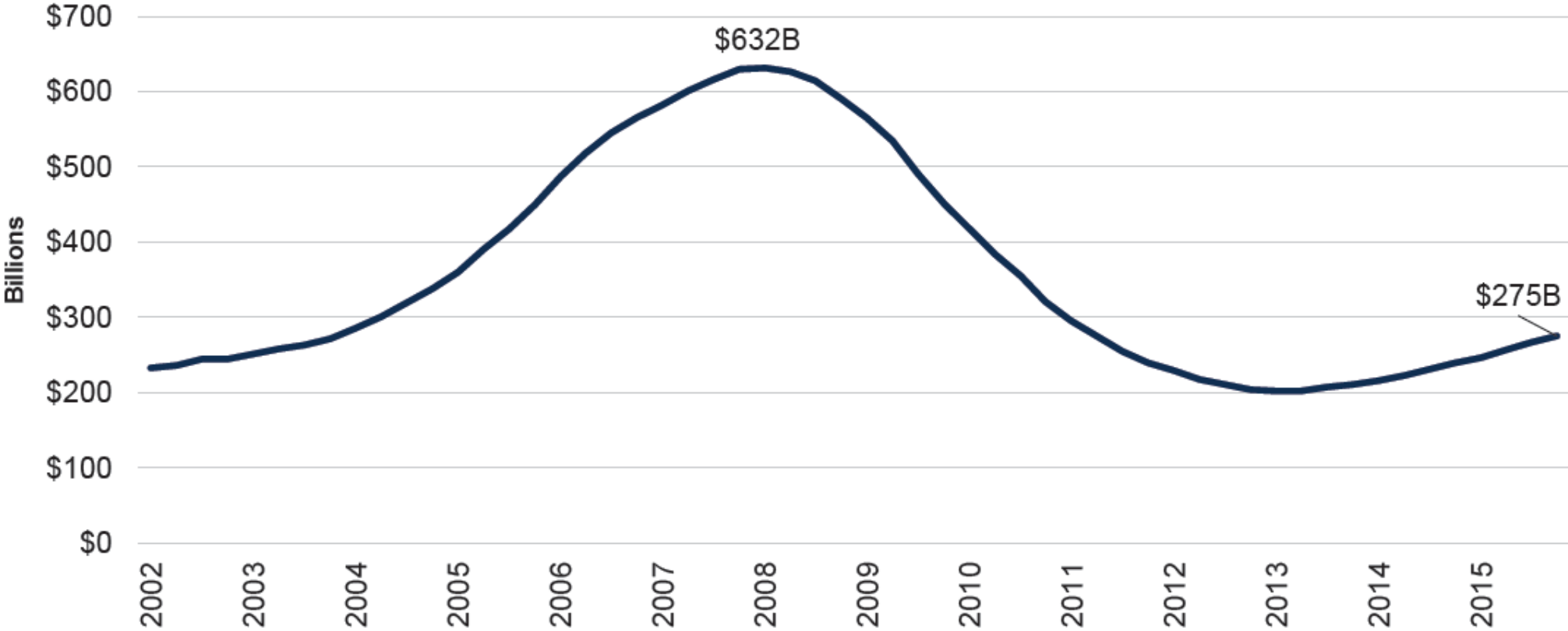


Source: John Burns Real Estate Consulting

# Total Loans Outstanding

**Lenders holding construction back**  
**Construction lenders have 56% less outstanding than in 2008**

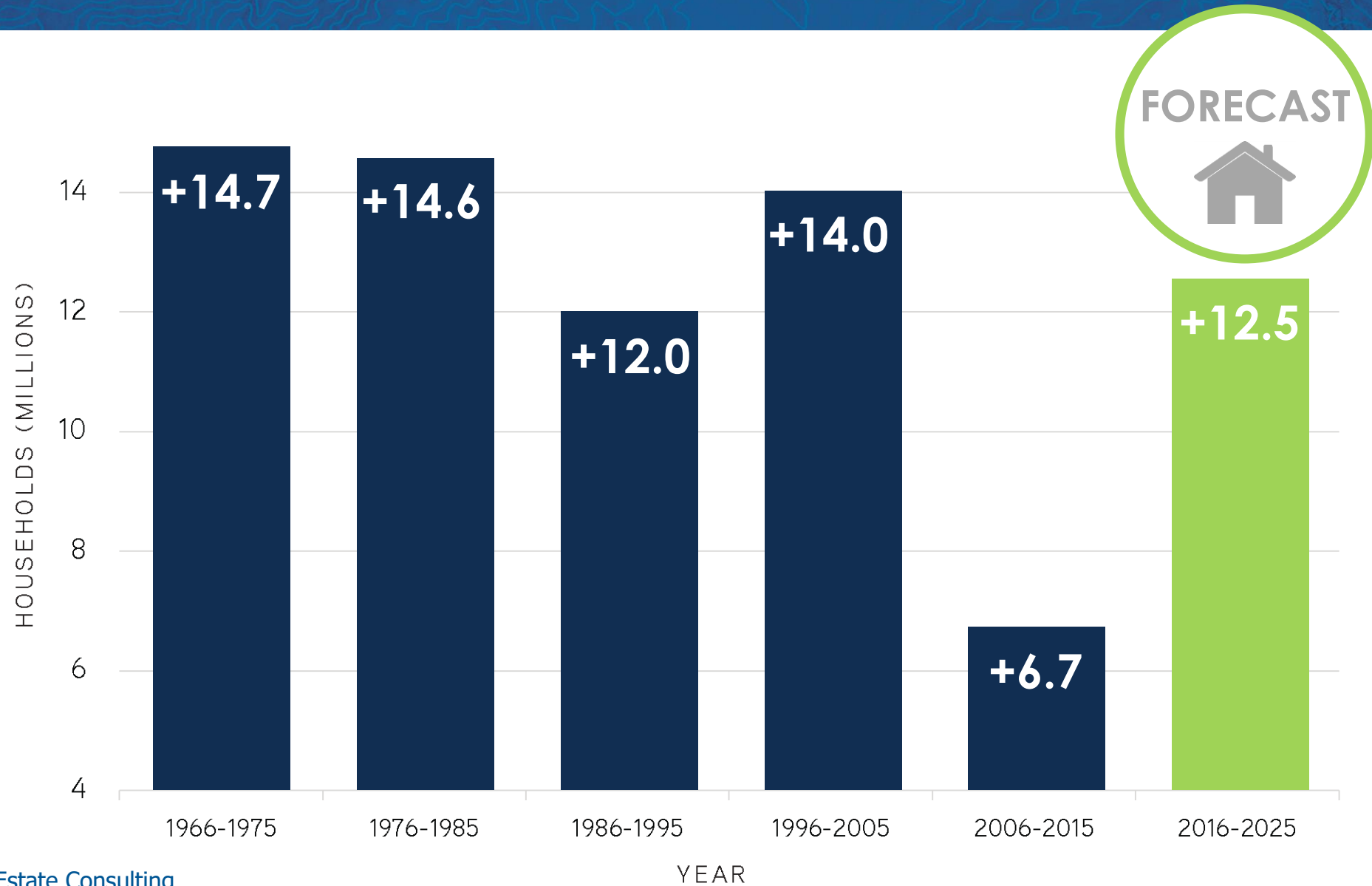
### Total Loans Outstanding: Land Acquisition, Construction, and Development



Source: FDIC (Data: 4Q15, Pub: May-16)

Source: John Burns Real Estate Consulting

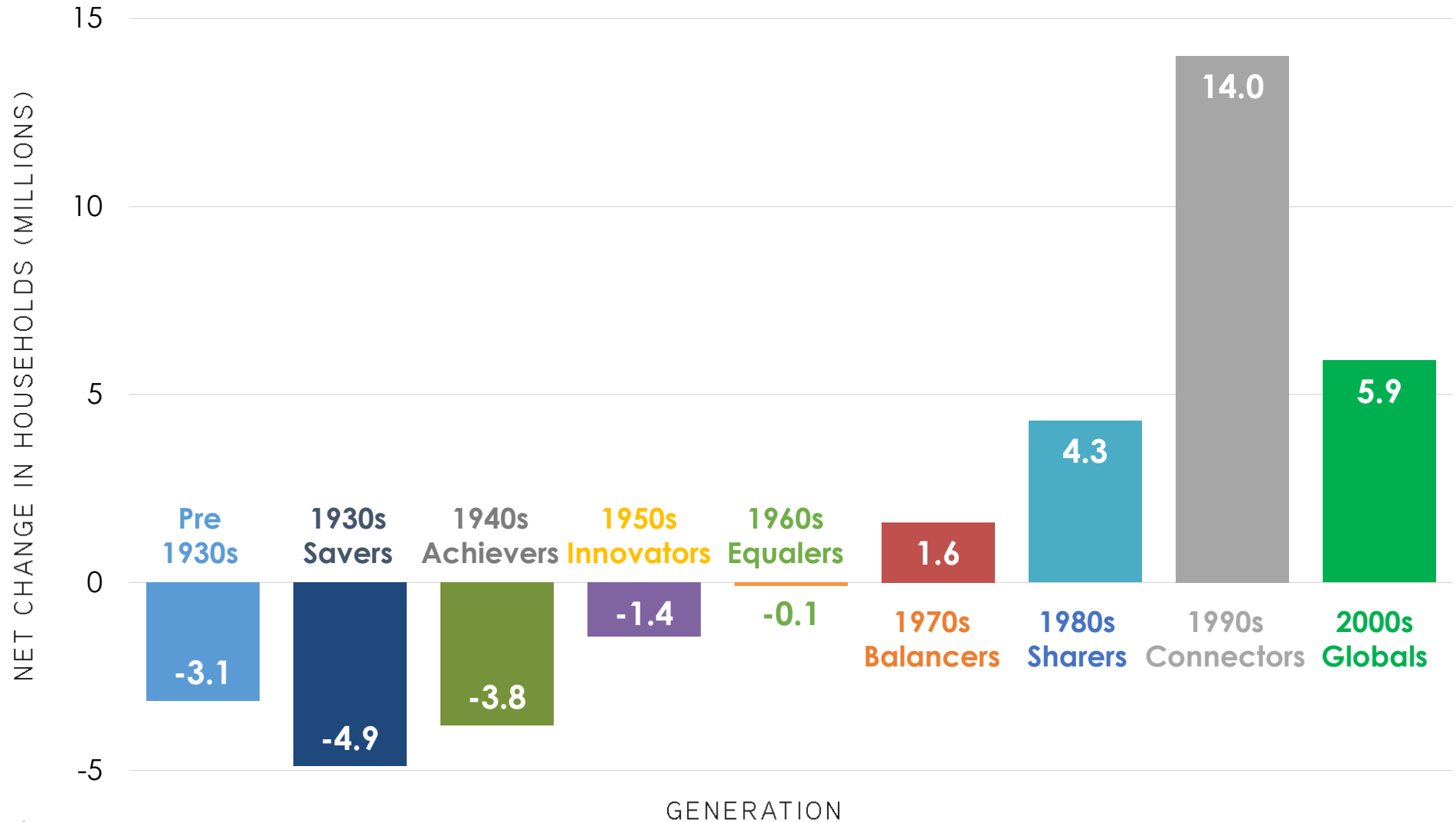
# Household Growth by Decade



Source: John Burns Real Estate Consulting

# Net Change in Households by Decade Born

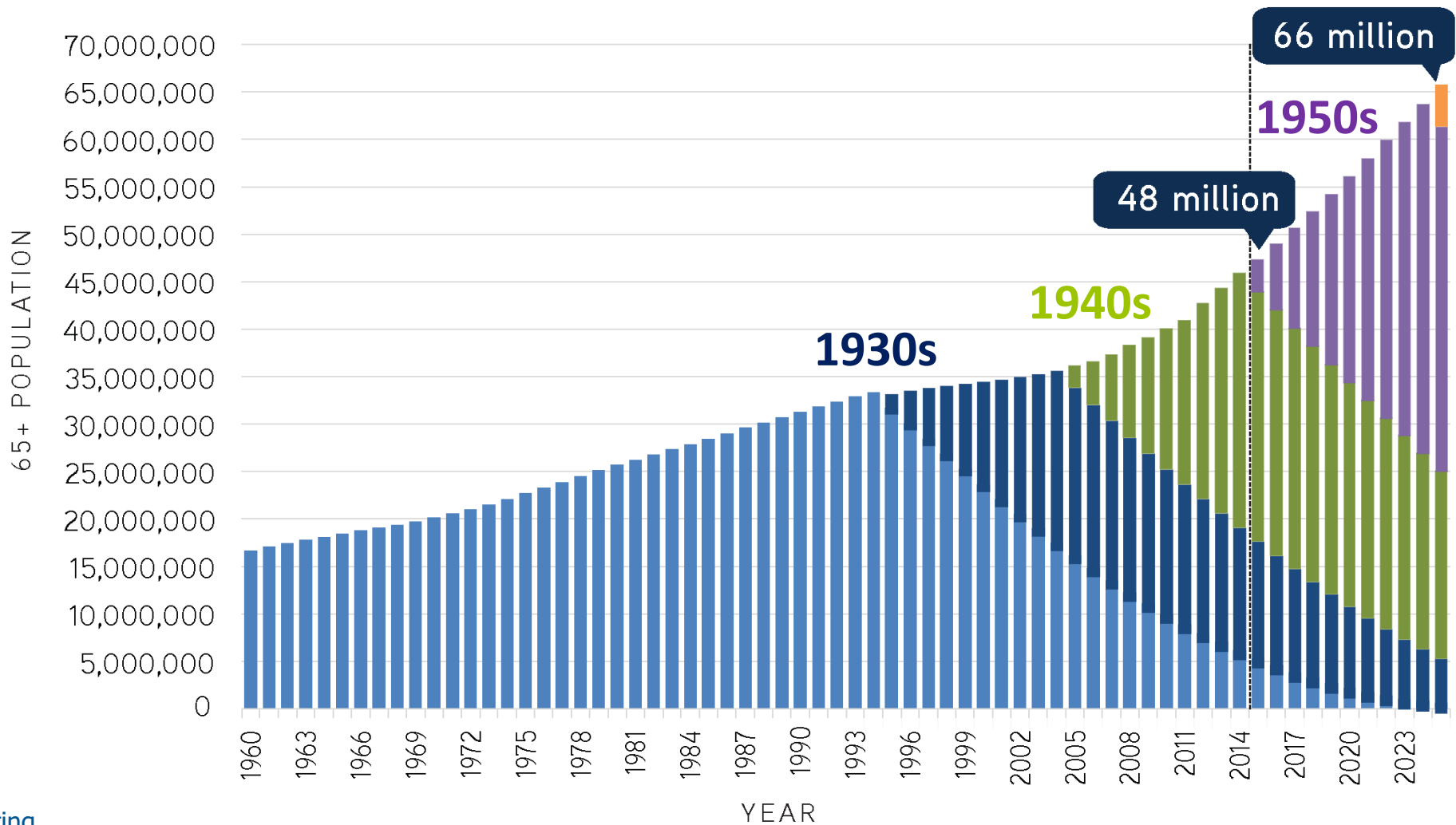
Those born in the 1990s and later will drive most future household formations.



Source: John Burns Real Estate Consulting

# 65+ Population by Decade of Birth

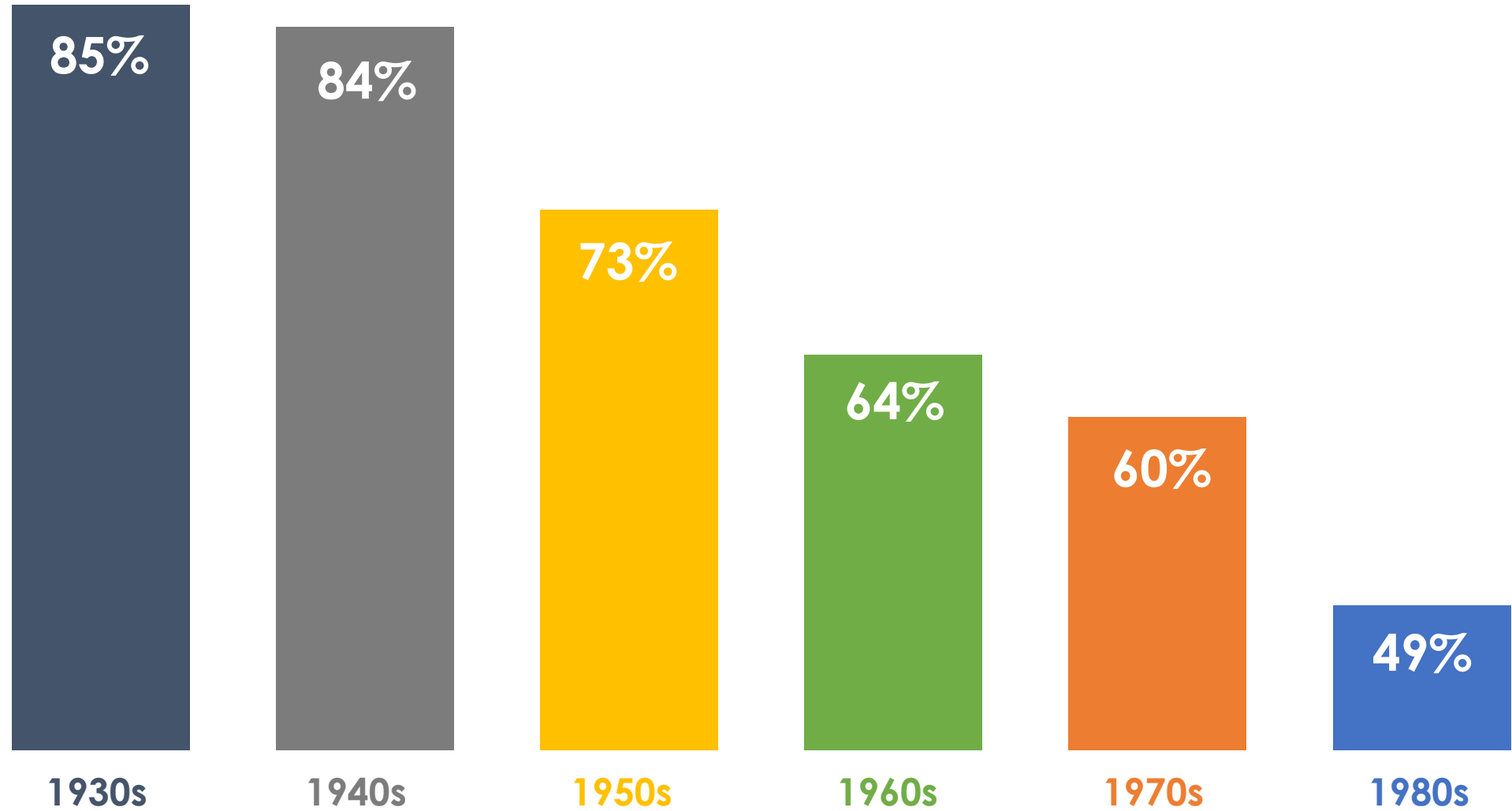
Those born in the 1950s will drive an explosion of 18 million more people aged 65+ over the next 10 years.



Source: John Burns Real Estate Consulting

# Married / With Partner by Decade Born

Less than 1/2 of those born in the 1980s are married / with a partner at their 10-year high school reunion.

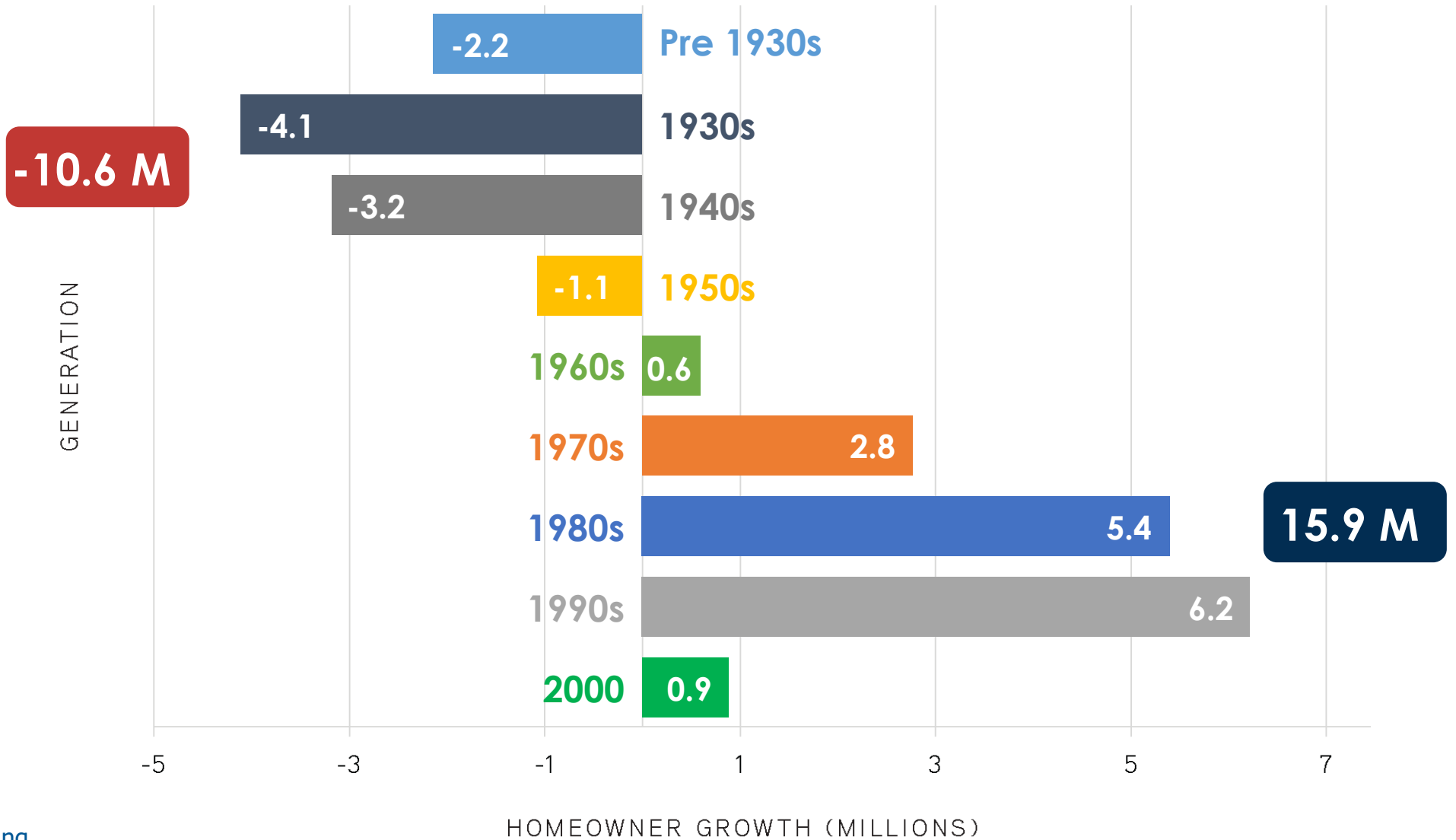


Source: John Burns Real Estate Consulting



# Homeowner Growth by Generation

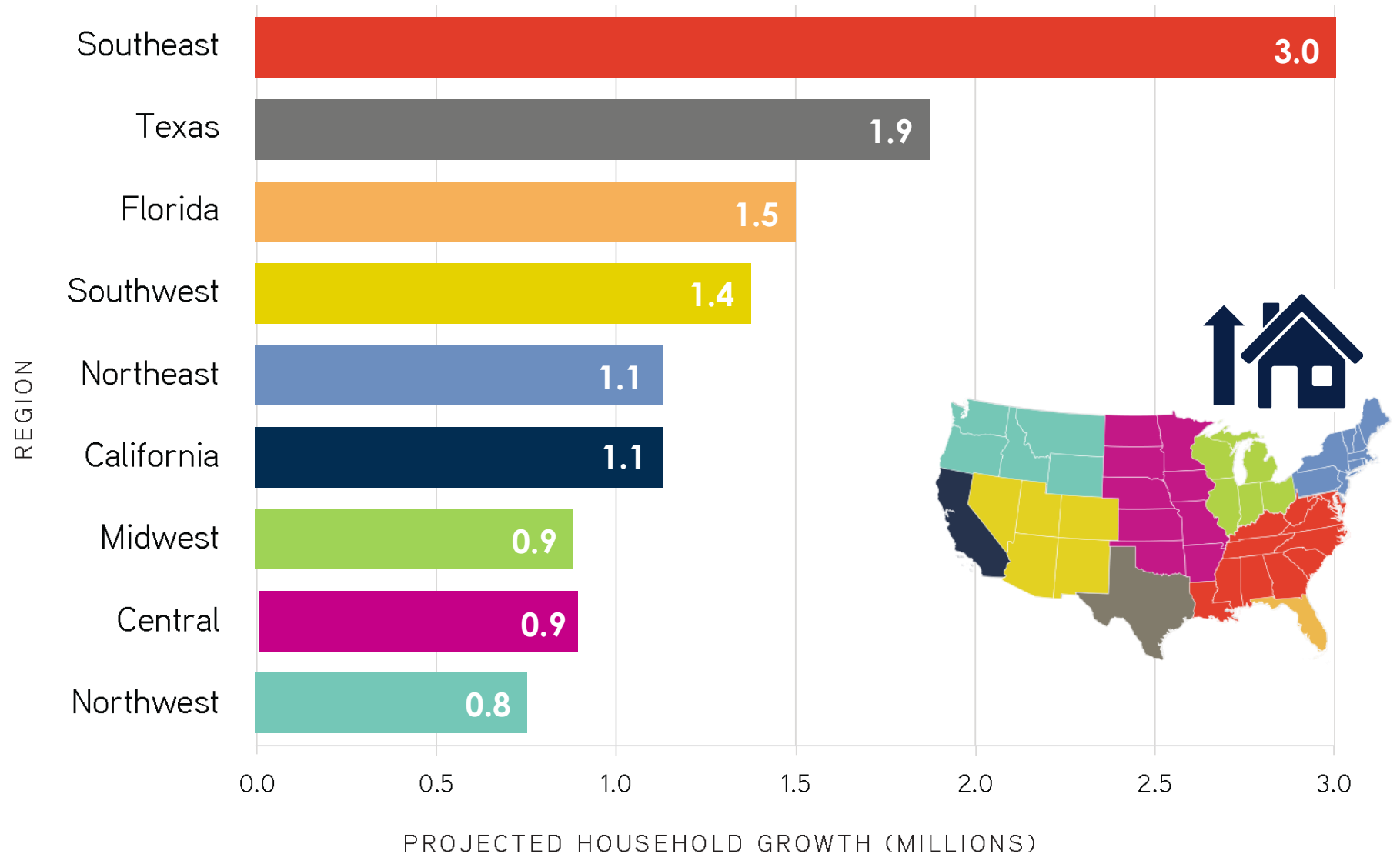
5.2 million more homeowners by 2025.



Source: John Burns Real Estate Consulting

# Projected Household Growth by Region

The South will capture 7.8 million of the 12.5 million households added.



Source: John Burns Real Estate Consulting

# Opportunities Over the Next Decade



**+8 million** more busy working **women**



**+8 million** more increasingly affluent **immigrants**



**+18 million** increasingly affluent **retirees**

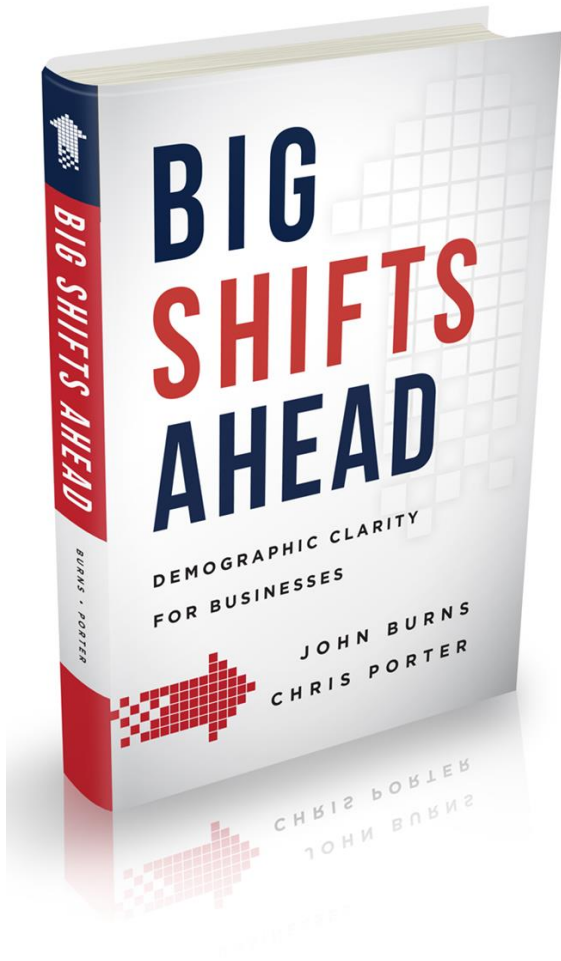


**+26 million** (net 12.5) newly formed **households**  
with a high propensity to rent



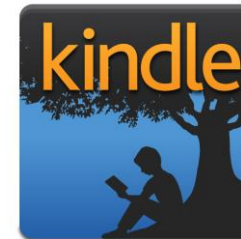
**+16 million** (net 5.2) new **homeowners**

# John Burns Big Shifts Ahead



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**amazon**

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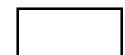


# Maricopa County Developed Land

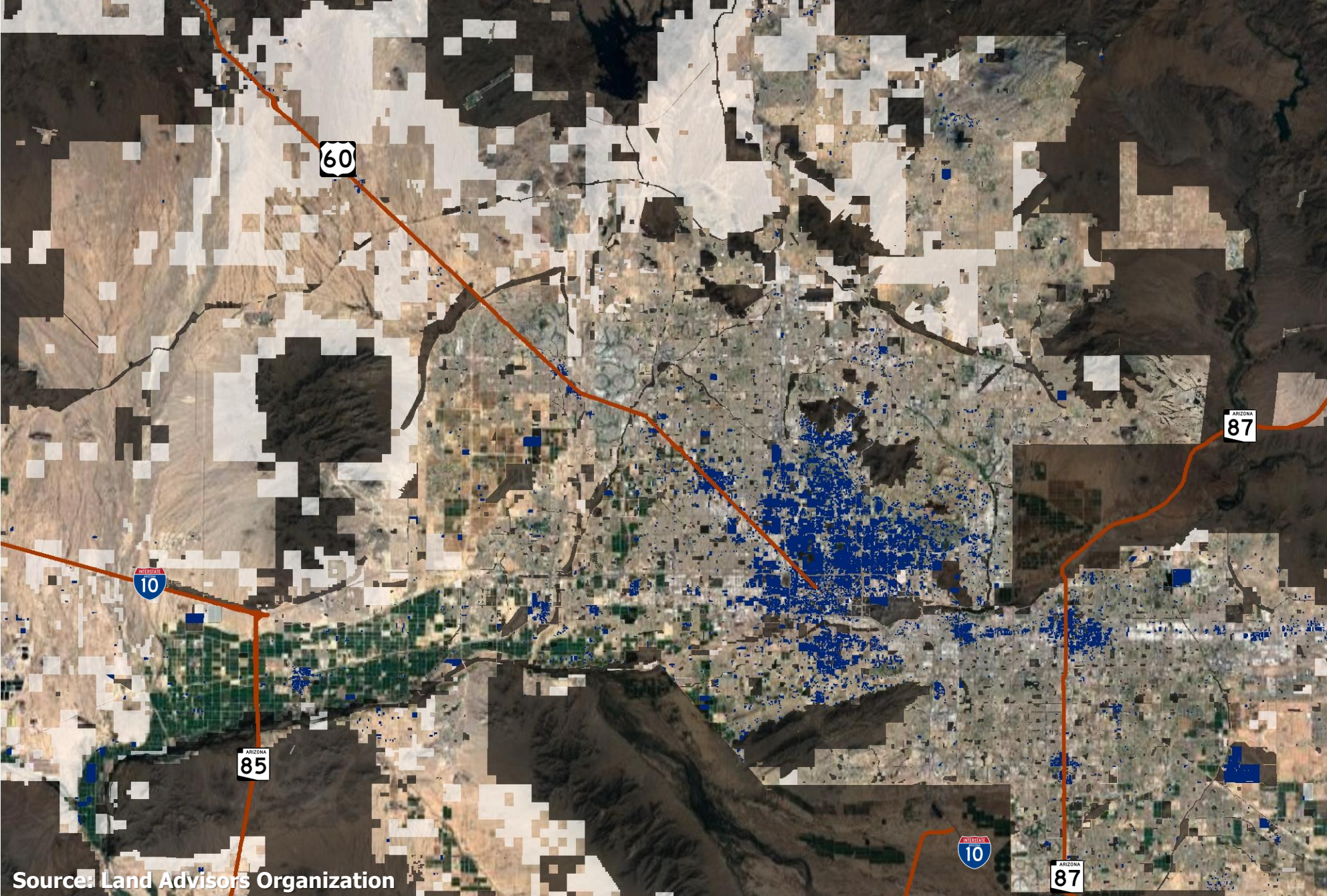
Year Built  
Before 1955



1940 Pop: 65K  
1955 Pop: 360K



State Trust  
Federal, Other  
Govt. & Native  
American



Source: Land Advisors Organization

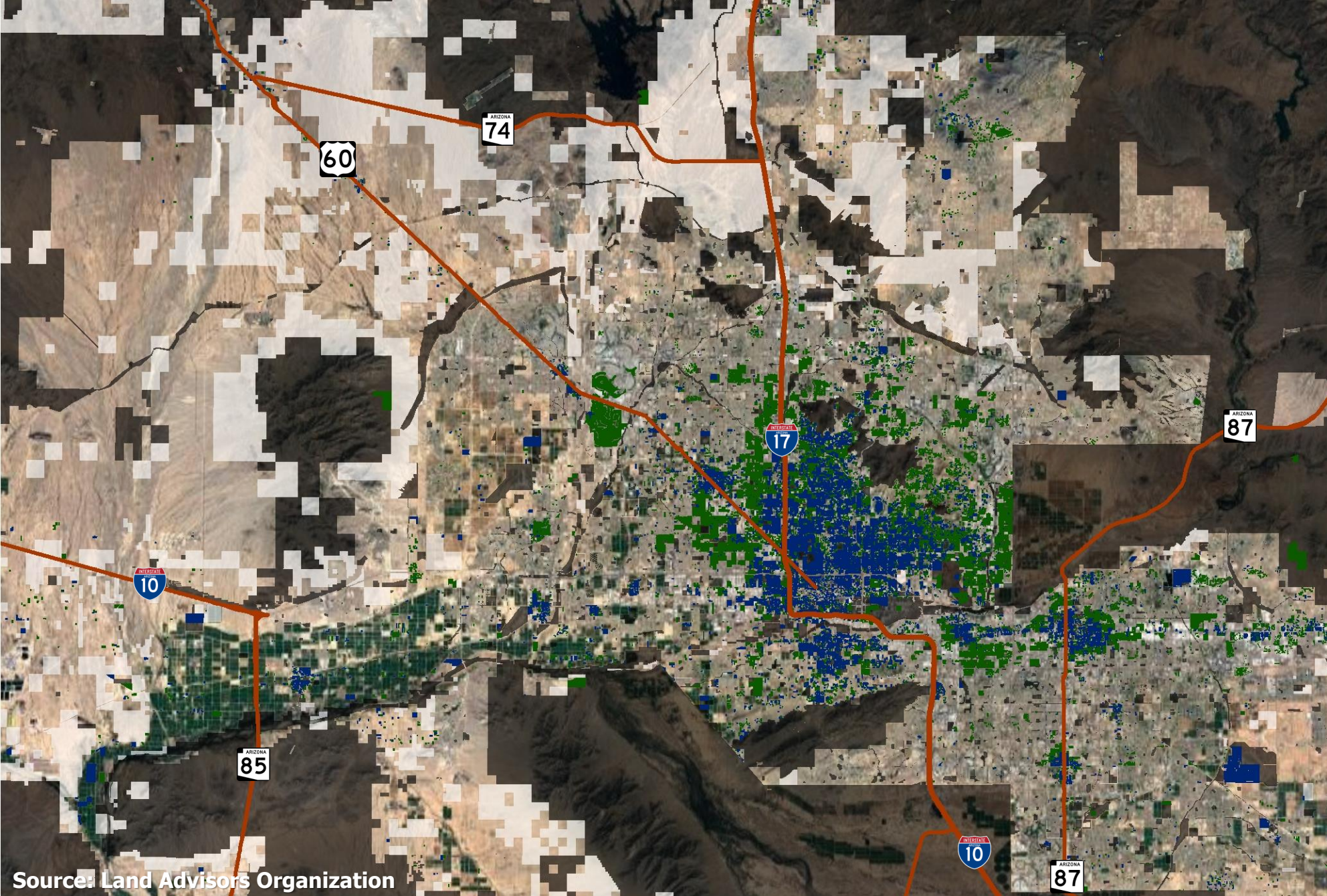
# Maricopa County Developed Land

Year Built

- Before 1955
- 1956 – 1970

600K Increase  
Pop 960K

- State Trust
- Federal, Other Govt. & Native American



Source: Land Advisors Organization

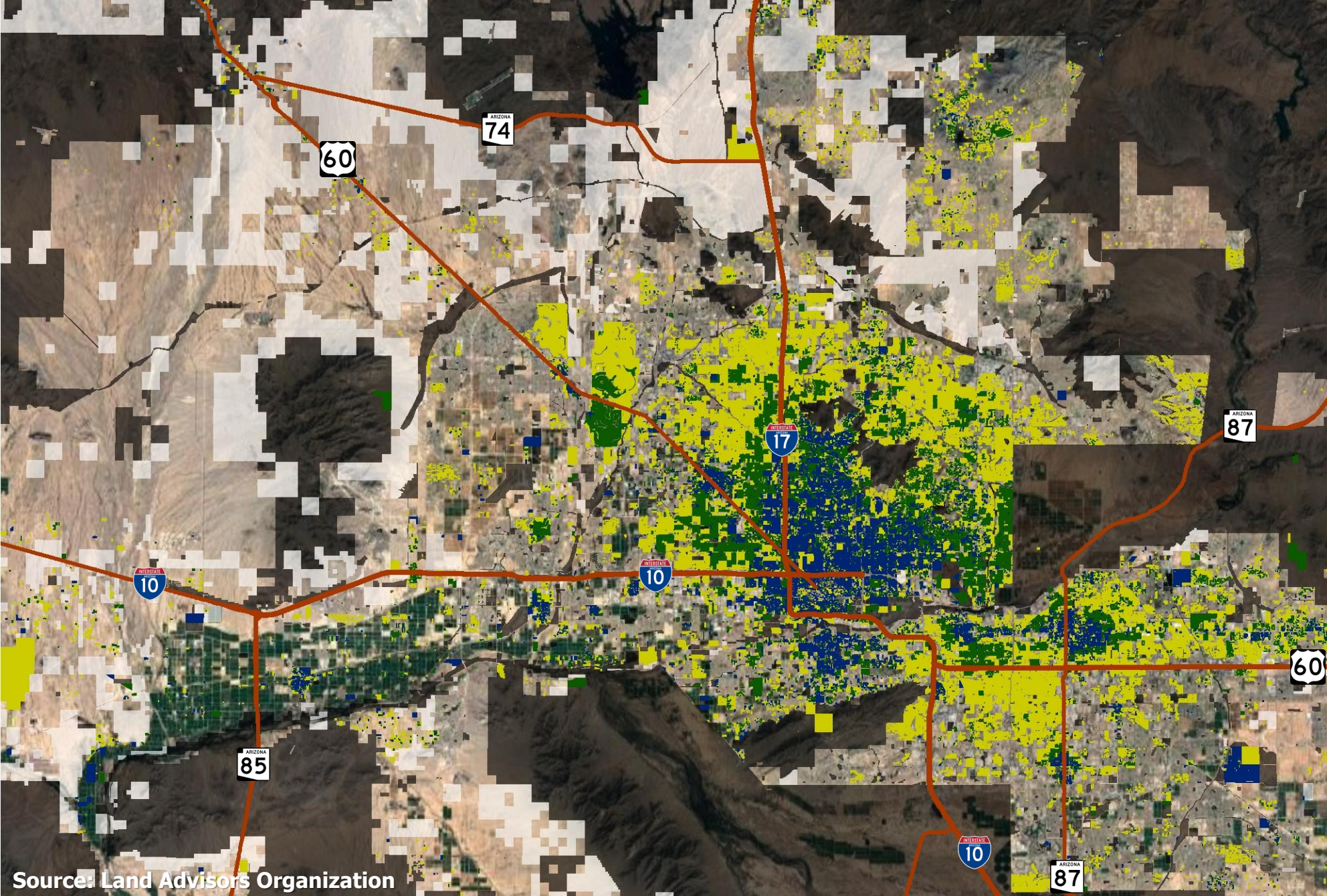
# Maricopa County Developed Land

## Year Built

- Before 1955
- 1956 – 1970
- 1971 – 1985

850K Increase  
Pop 1.8M

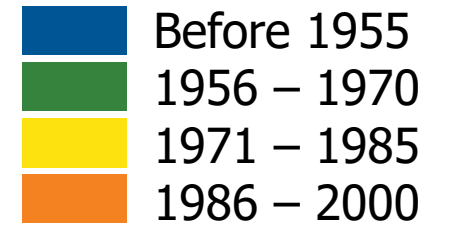
- State Trust
- Federal, Other Govt. & Native American



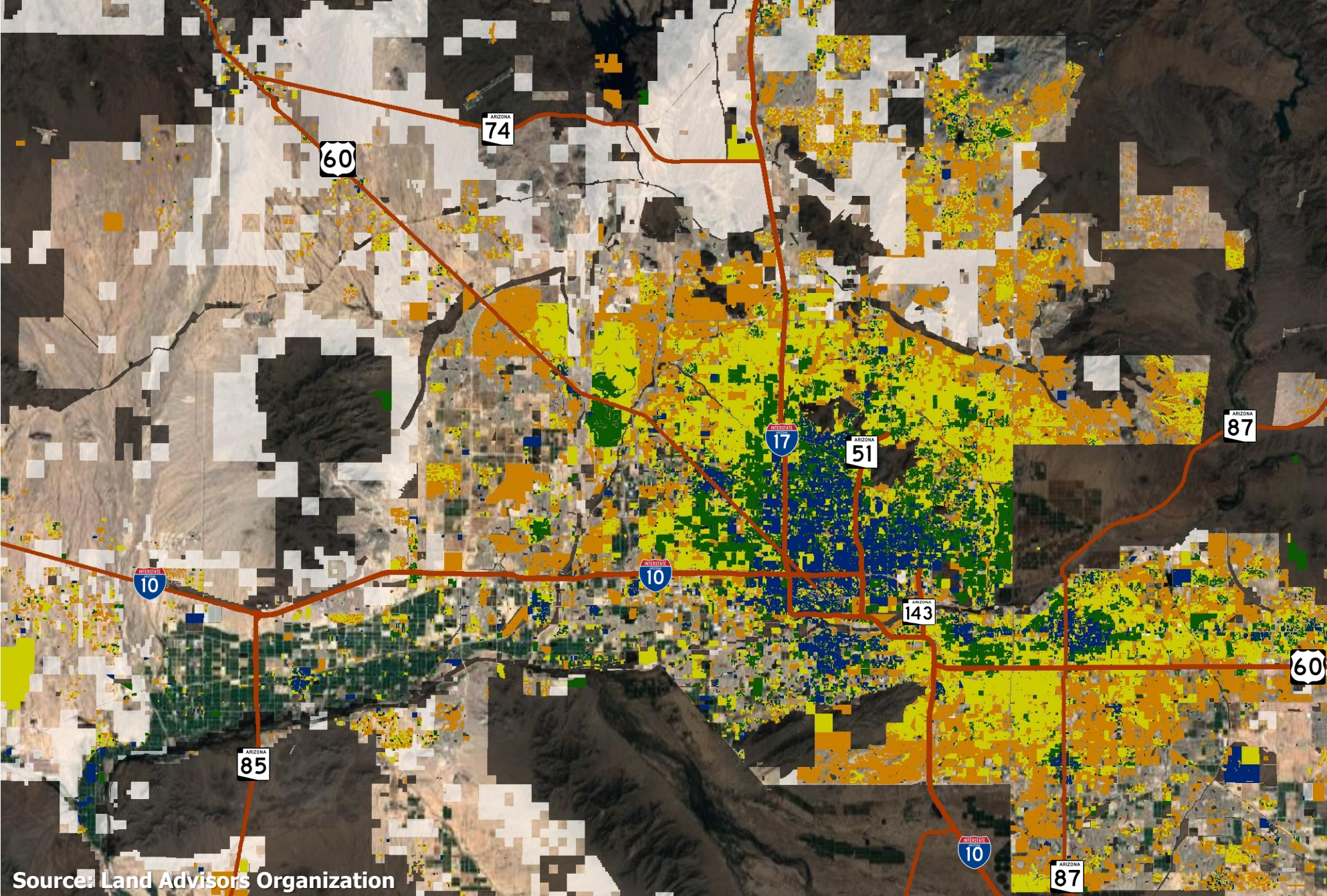
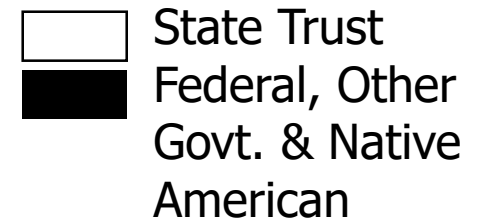
Source: Land Advisors Organization

# Maricopa County Developed Land

Year Built



1.25M Increase  
Pop 3.0M



Source: Land Advisors Organization





# Phoenix Annual Population Growth

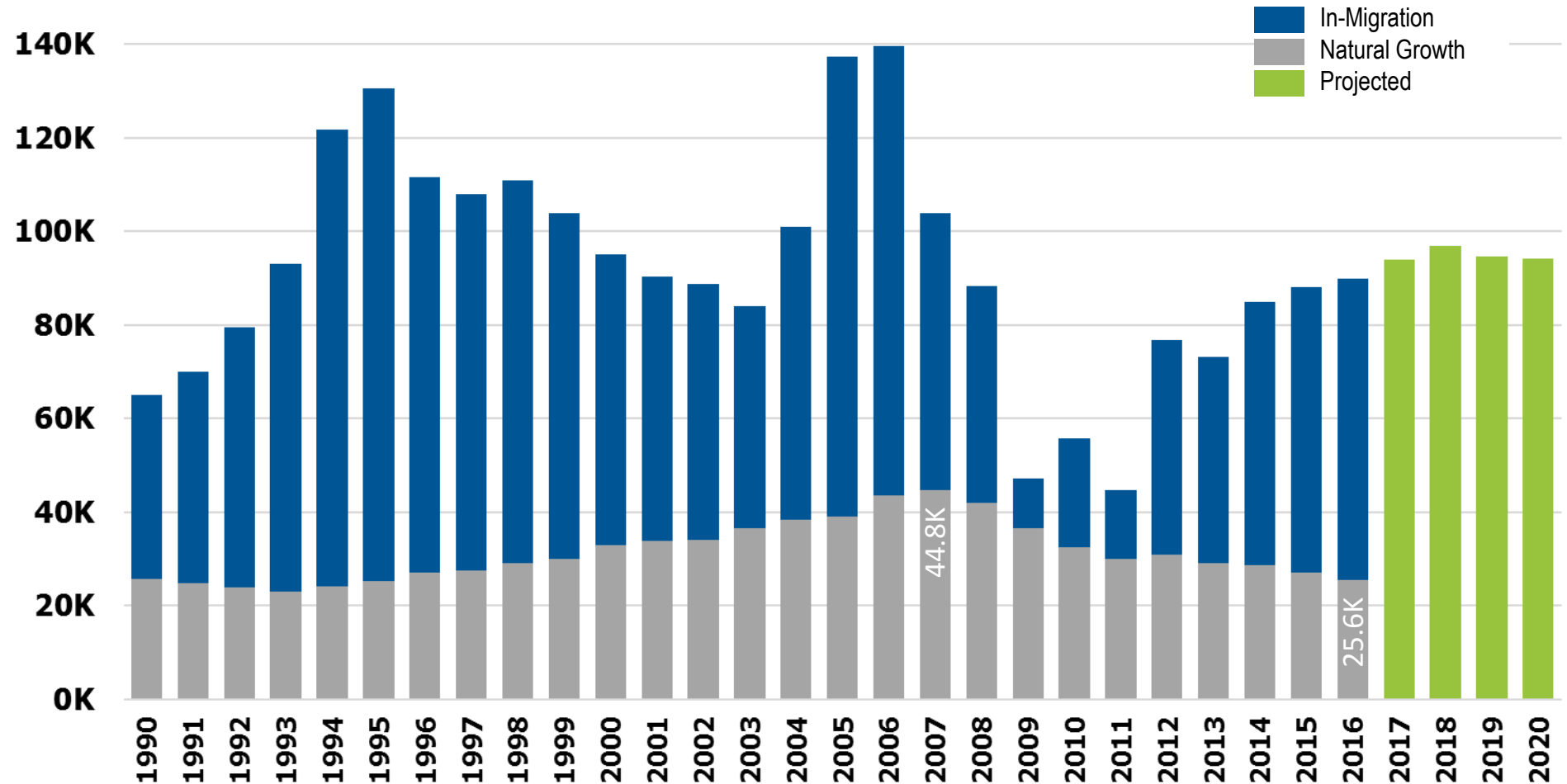
## Population Growth

1990's: 1,024,000  
 2000's: 936,000  
 2010's: 835,000

## Natural Growth

2007 Peak: 44,800  
 2016 Est: 25,600  
 Change: -19,200

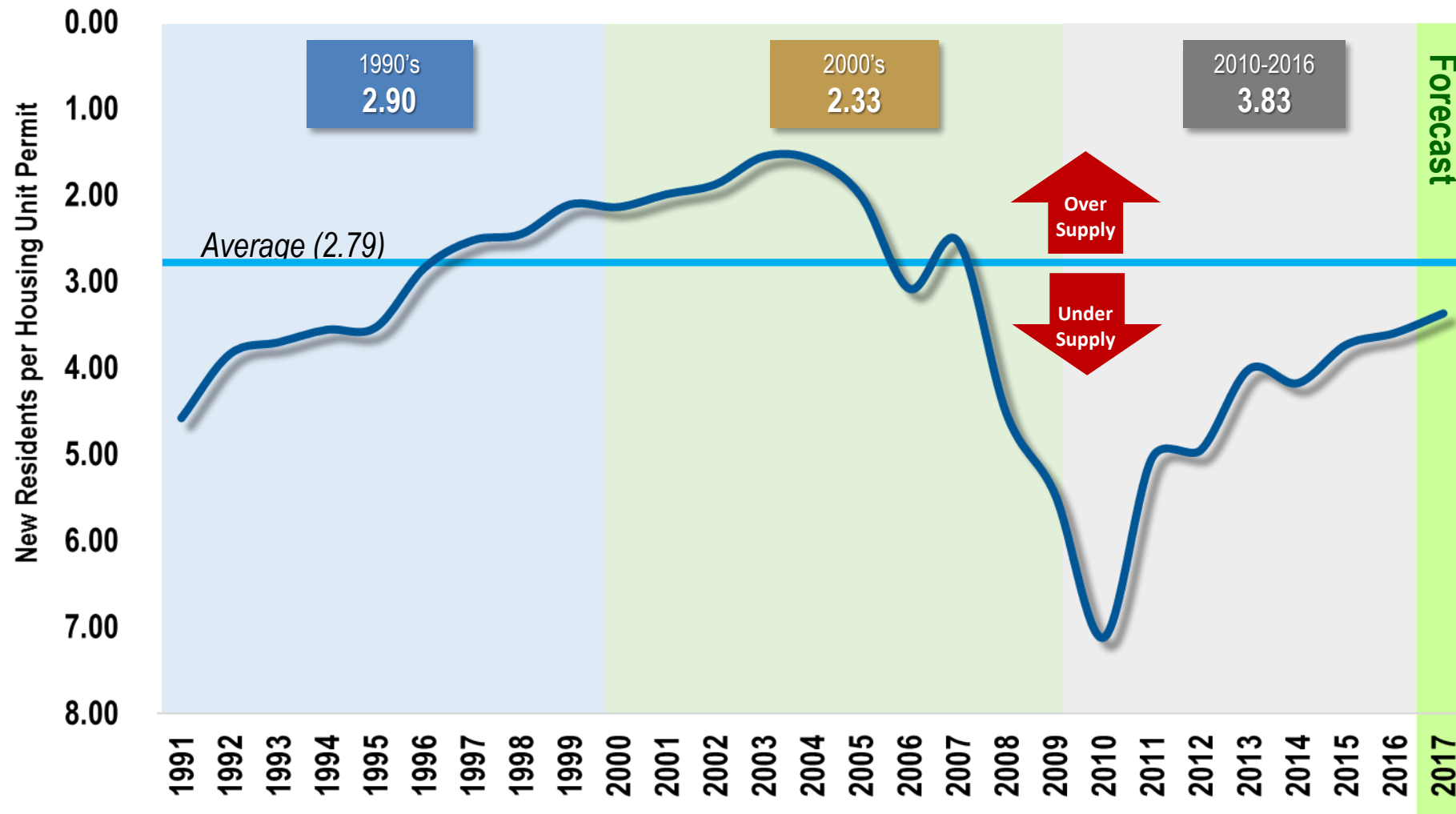
*Declining births & increasing deaths*



Sources: US Census Bureau,  
 Arizona Dept. of Administration &  
 Arizona Dept. of Health Services

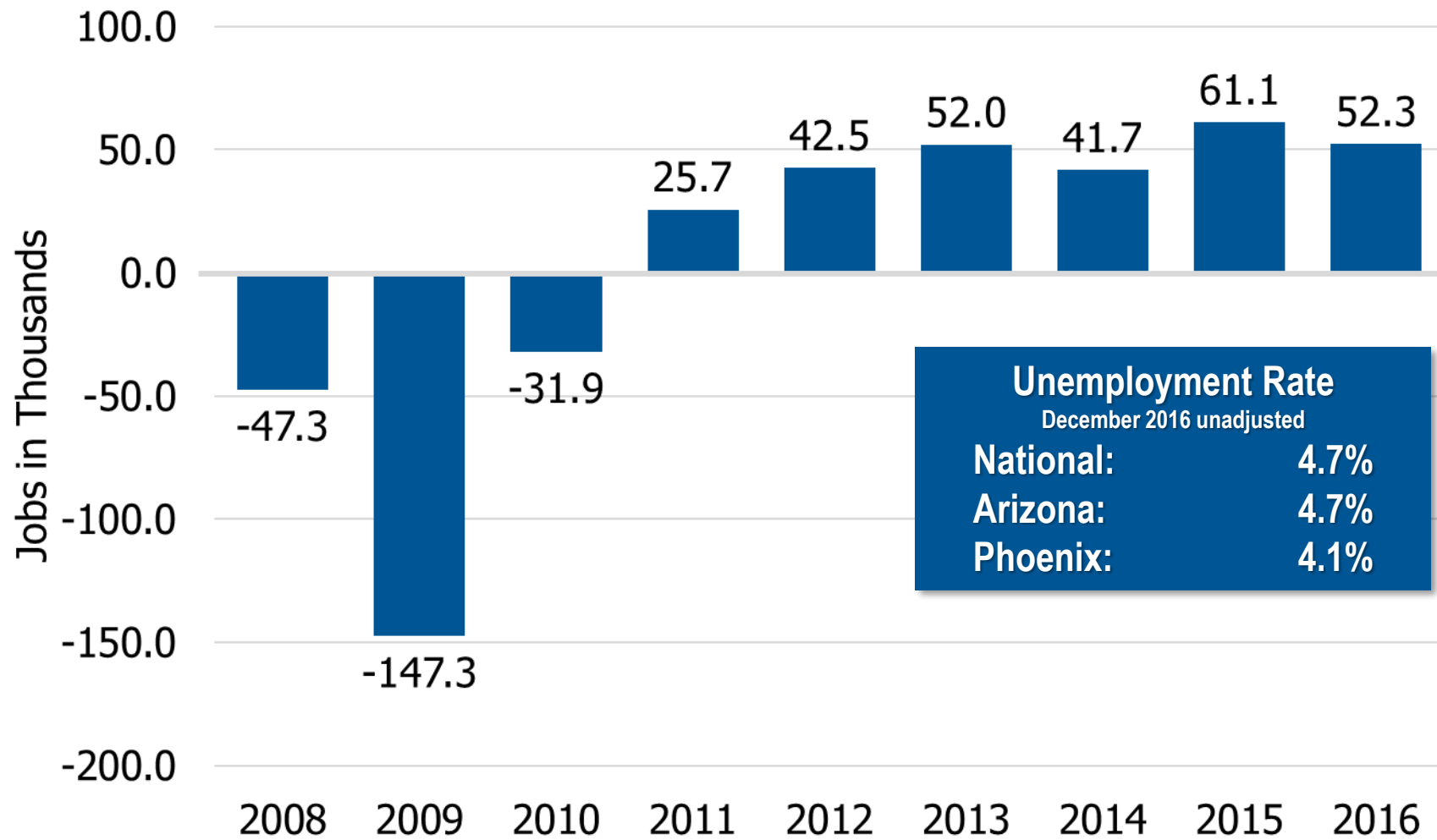
# Phoenix New Population to Permits Ratio

New Residents Divided by Single & Multi-Family Permits



Sources: US Census Bureau, Arizona Dept. of Administration, RL Brown & Greater Phoenix Blue Chip Forecast

# Metro Phoenix Annual Employment Change

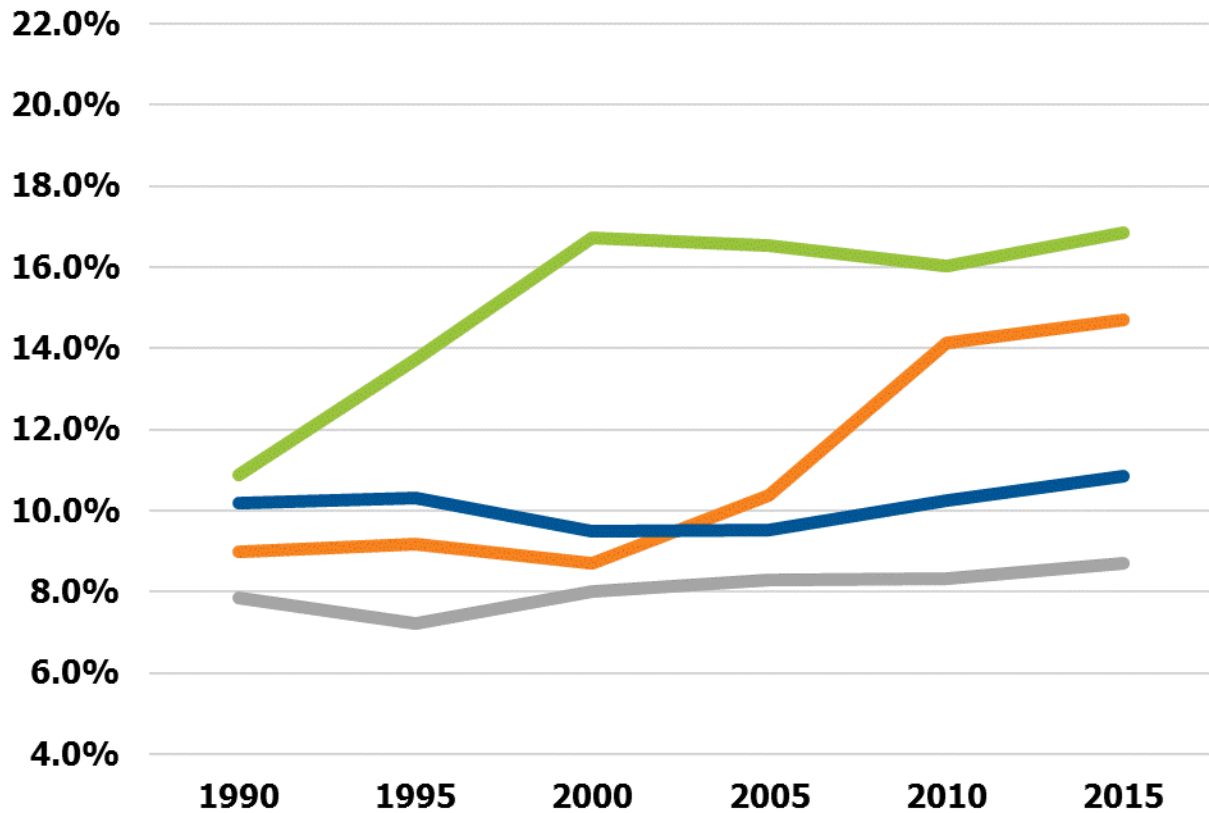


Source: Arizona Dept. of Employment and Population Statistics

# Phoenix Historical Employment Share by Industry

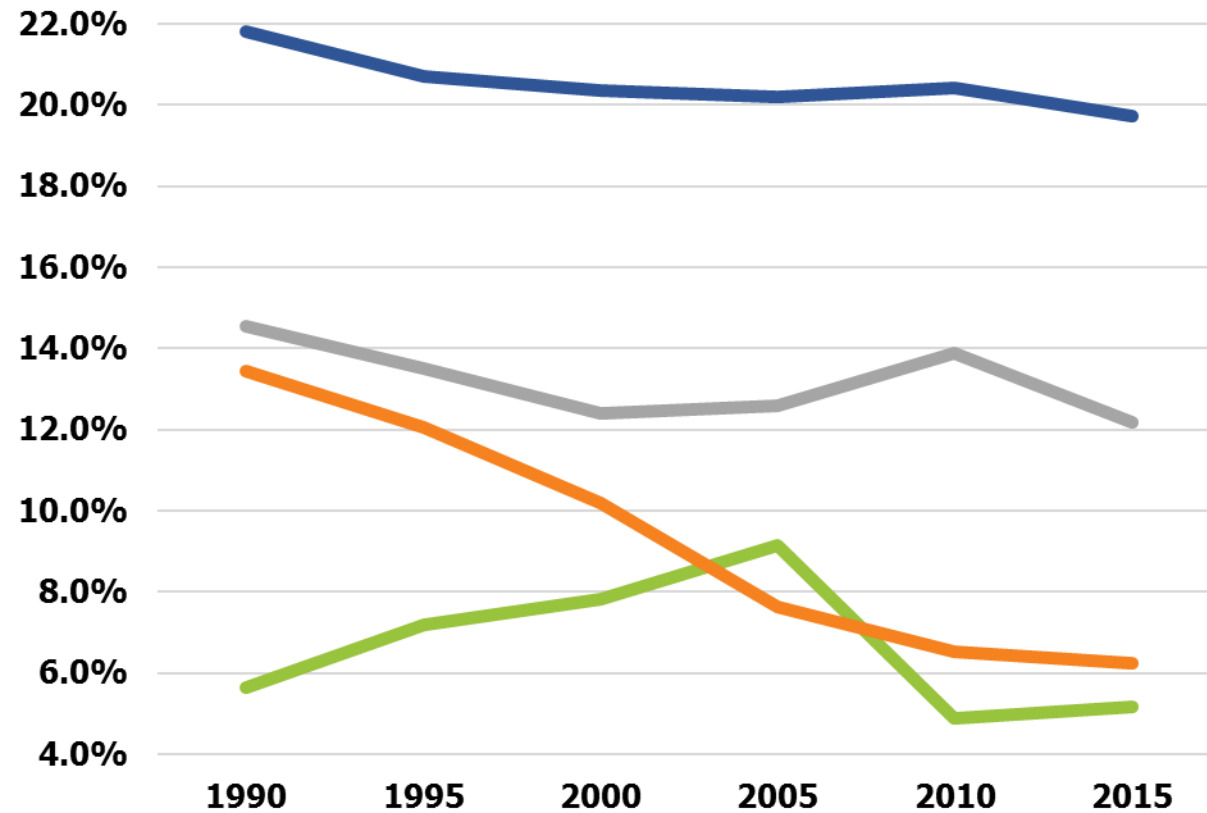
## Growth Industries

- Edu and Health
- Leisure Hospitality
- Financial
- Prof Business Services



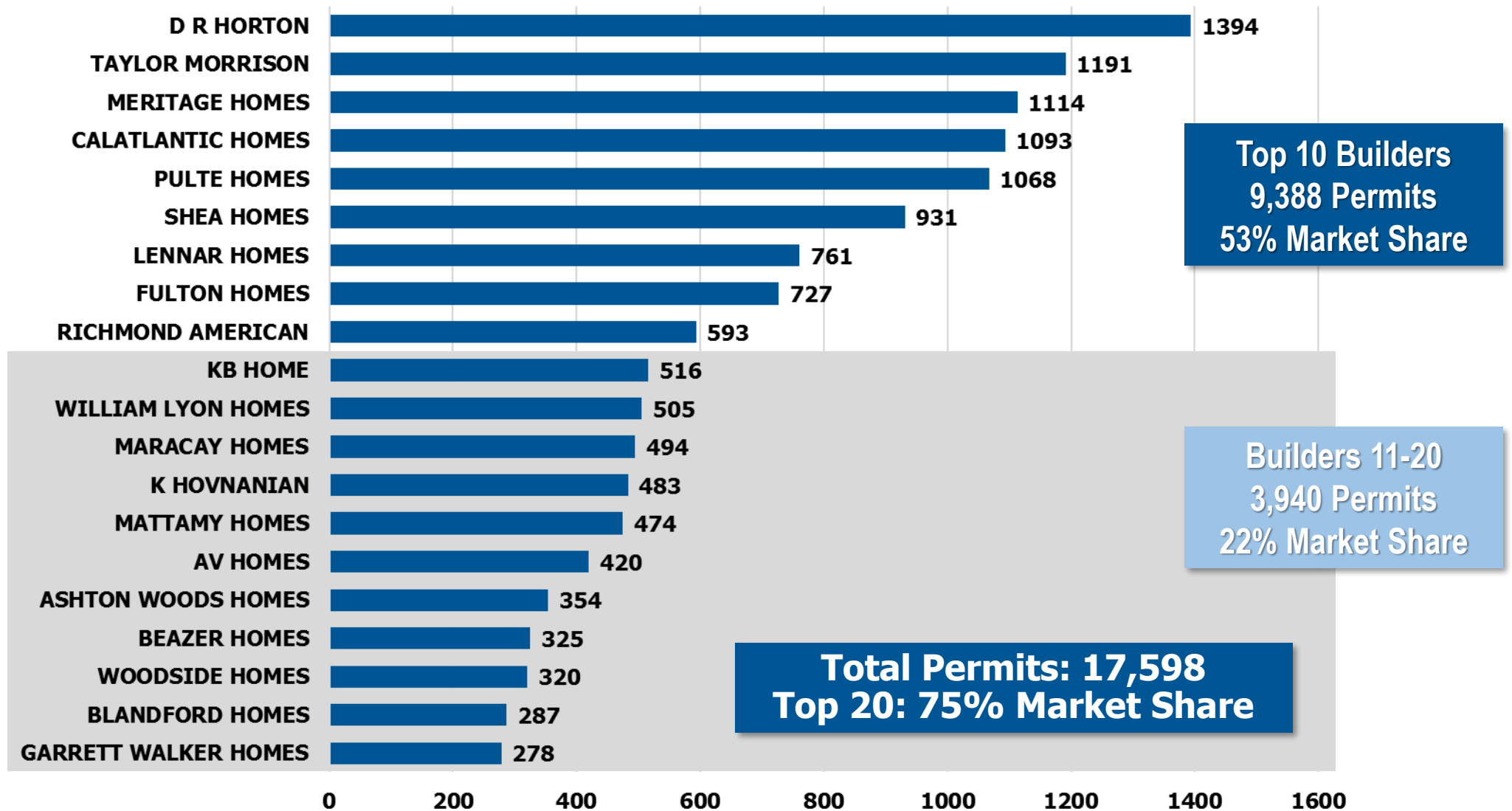
## Declining Industries

- Construction
- Manufacturing
- Government
- Trade Trans Utilities



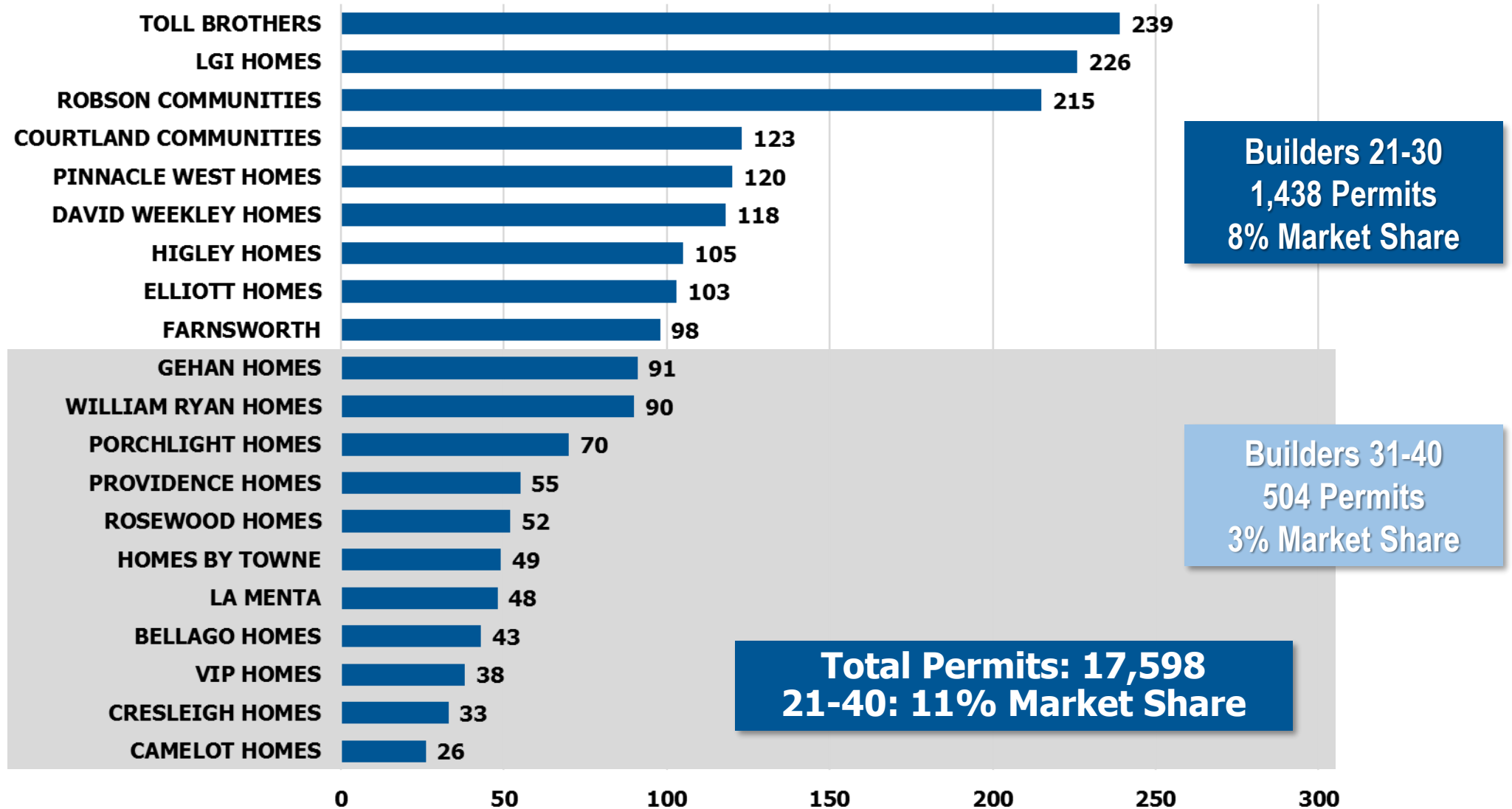
Source: Arizona Dept. of Employment and Population Statistics

# Top 20 Builders by Permits



Source: RL Brown

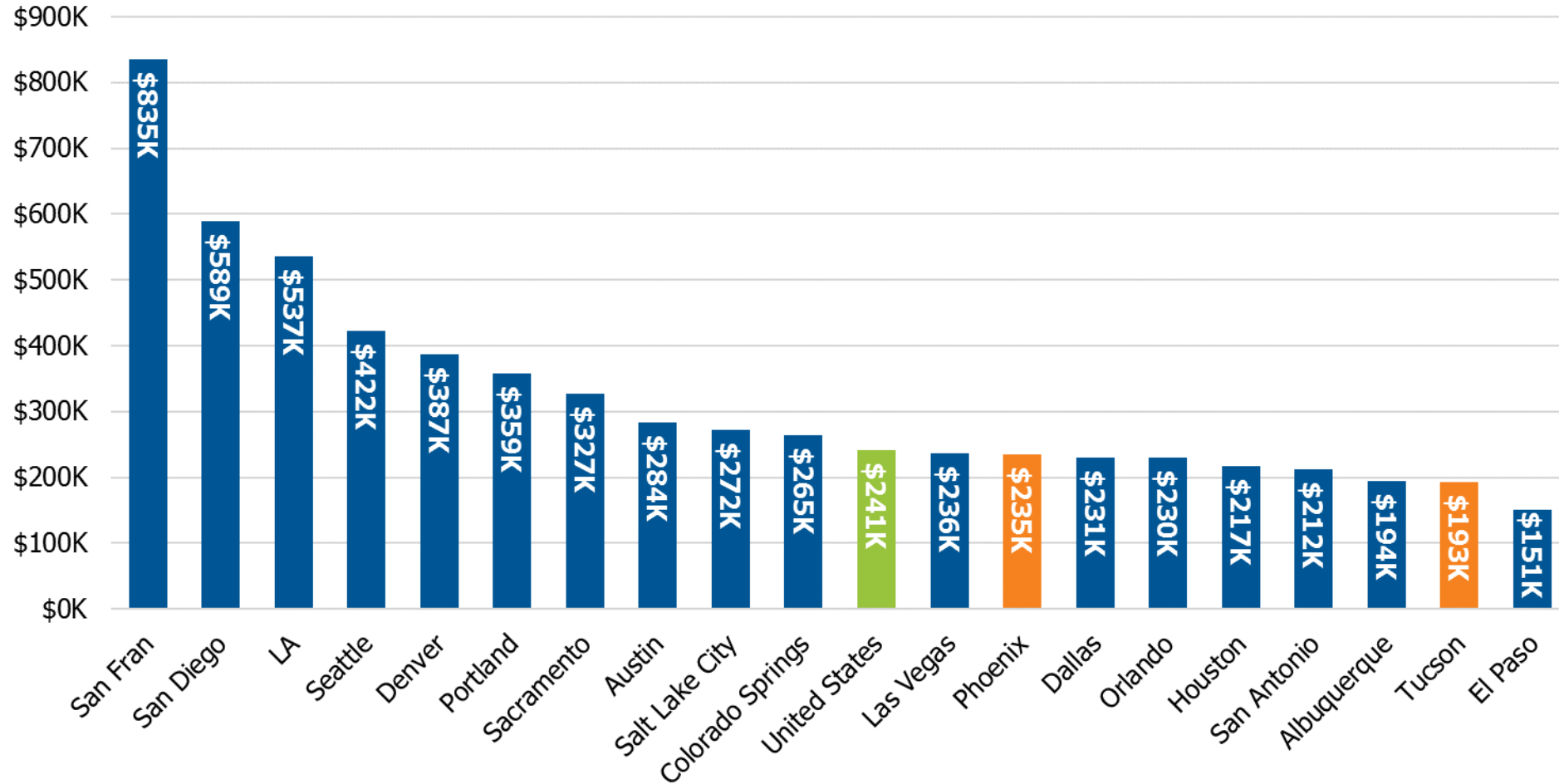
# Top 21 to 40 Builders by Permits



Source: RL Brown

# Median Resale Home Sales Price

3<sup>rd</sup> Quarter 2016

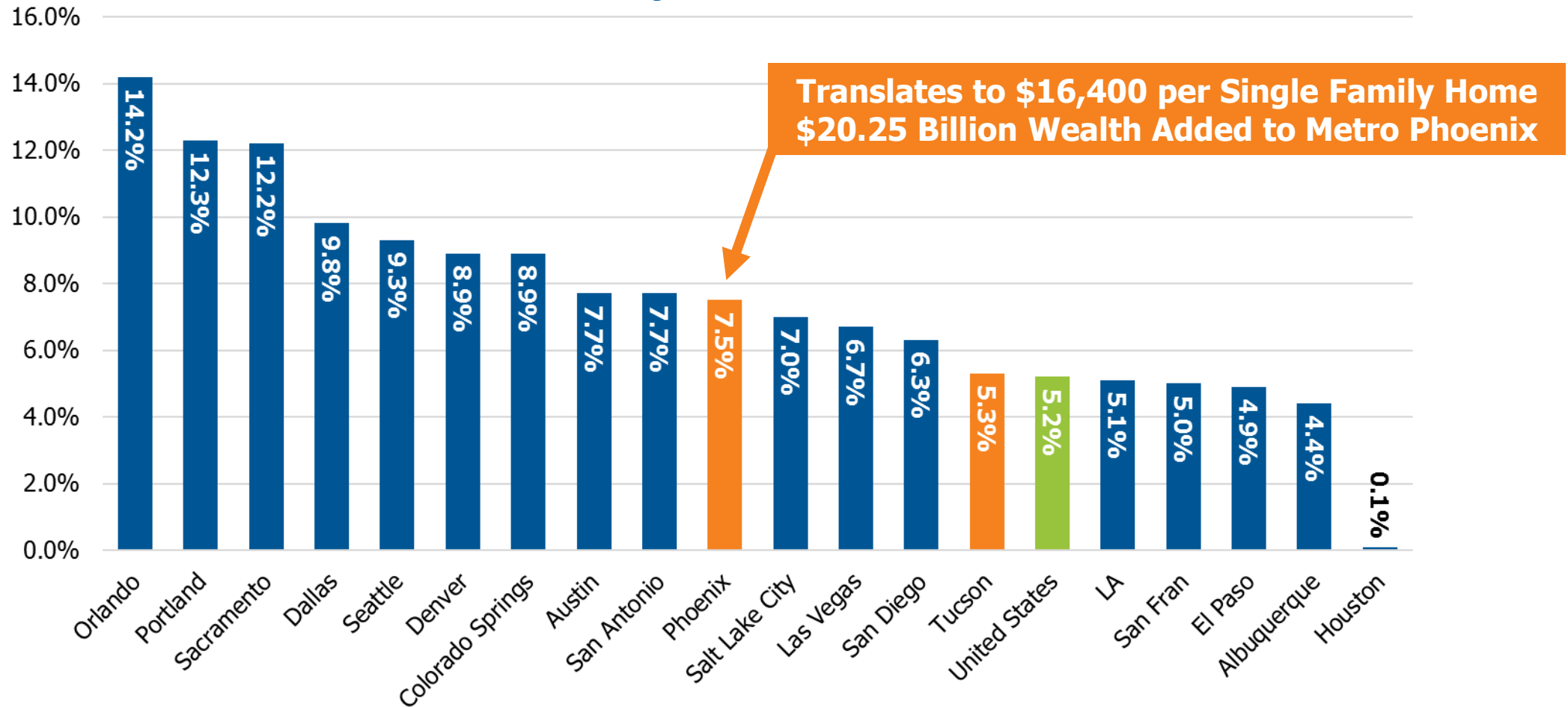


Source: National Association of Realtors



# Change in Home Sales Price

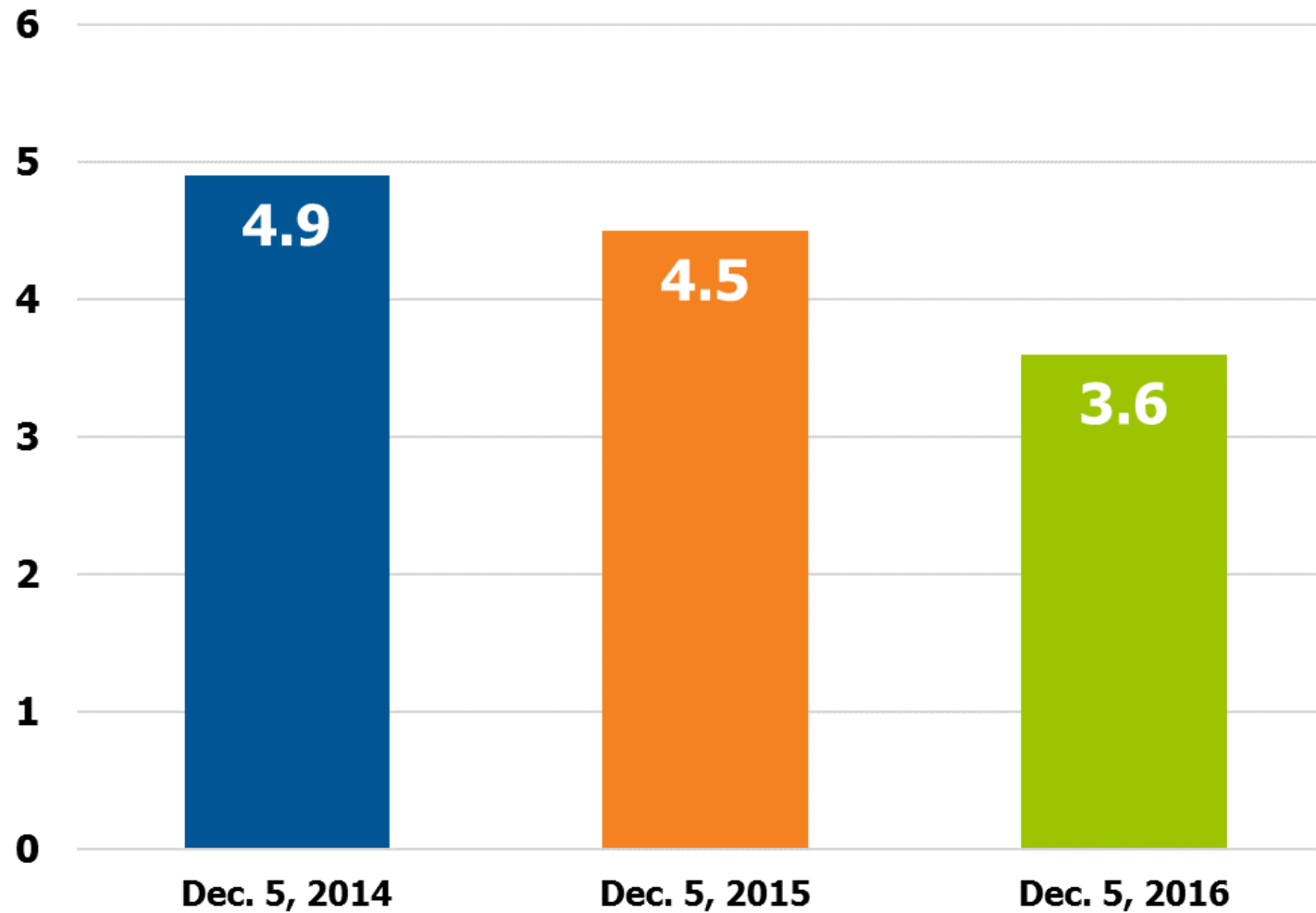
Year over Year Percentage Change of Sales Price in Select US Markets  
3<sup>rd</sup> Quarter 2016



Source: National Association of Realtors, Census 2011 American Community Survey

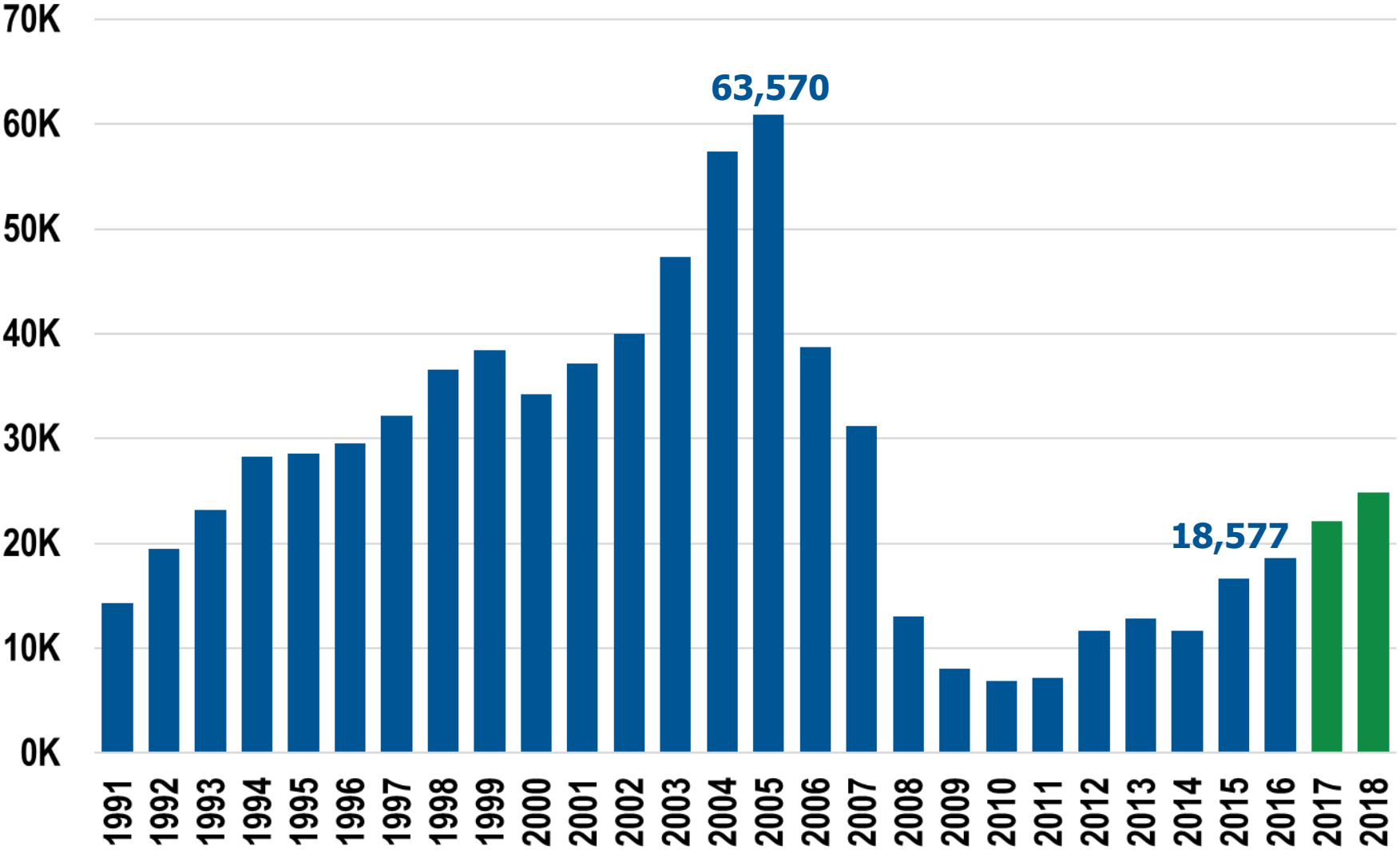
# Metro Phoenix Resale Market

## Months of Inventory



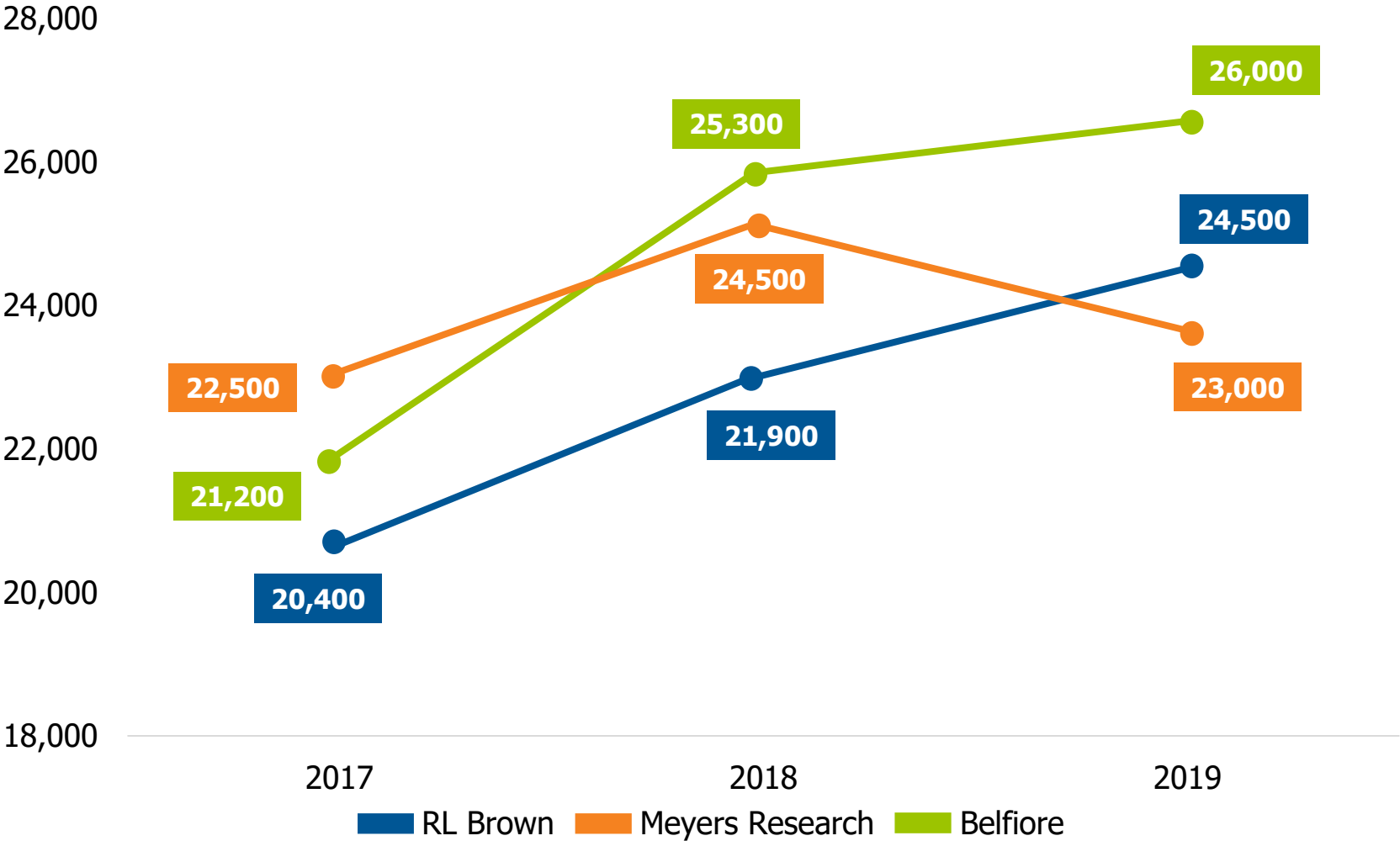
Source: Cromford Report

# Metro Phoenix Single Family Permits



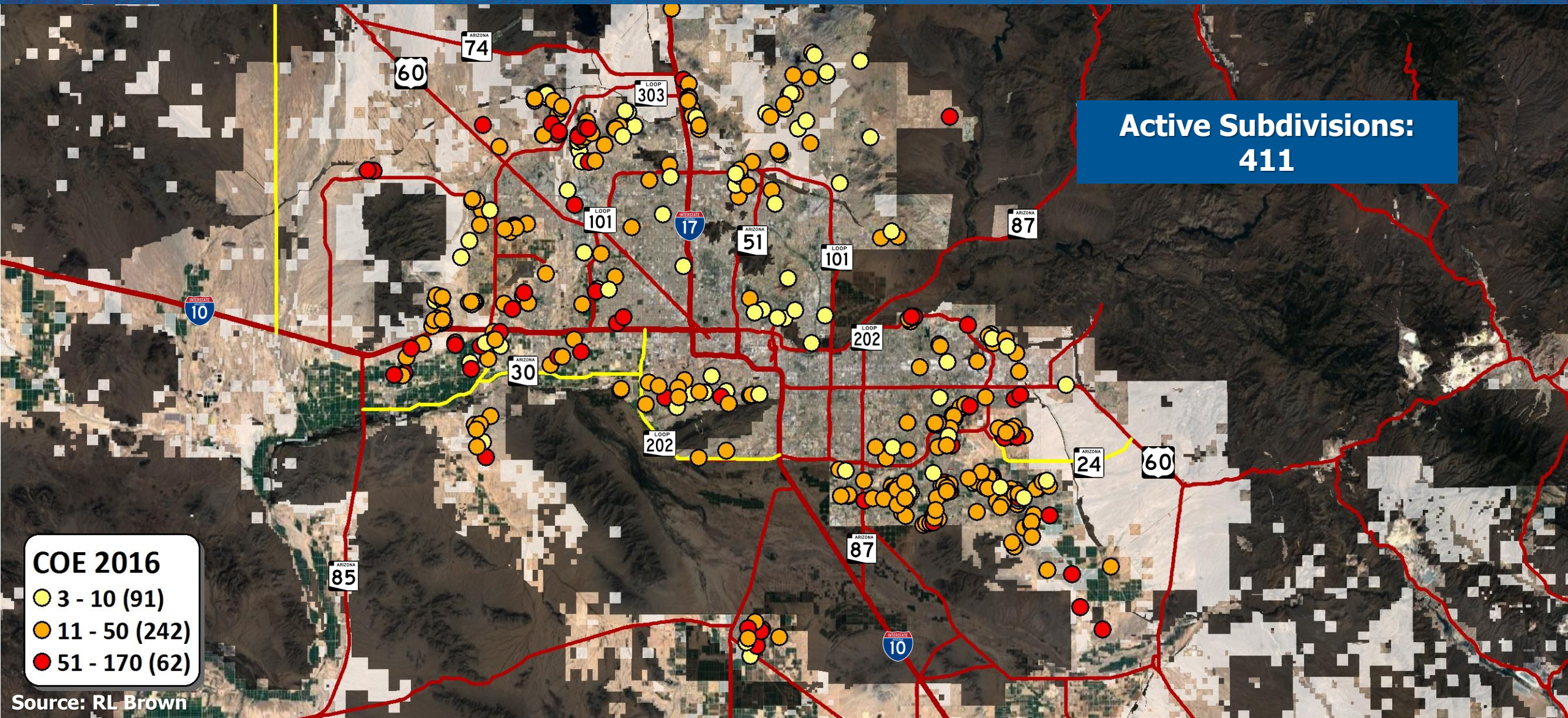
Sources: US Census Bureau, RL Brown, Greater Phoenix Blue Chip

# Expert Permit Projections



Sources: RL Brown, Meyers Research, Belfiore Real Estate Consulting

# Phoenix Sales per Active Subdivision



# Infill New Home Subdivisions

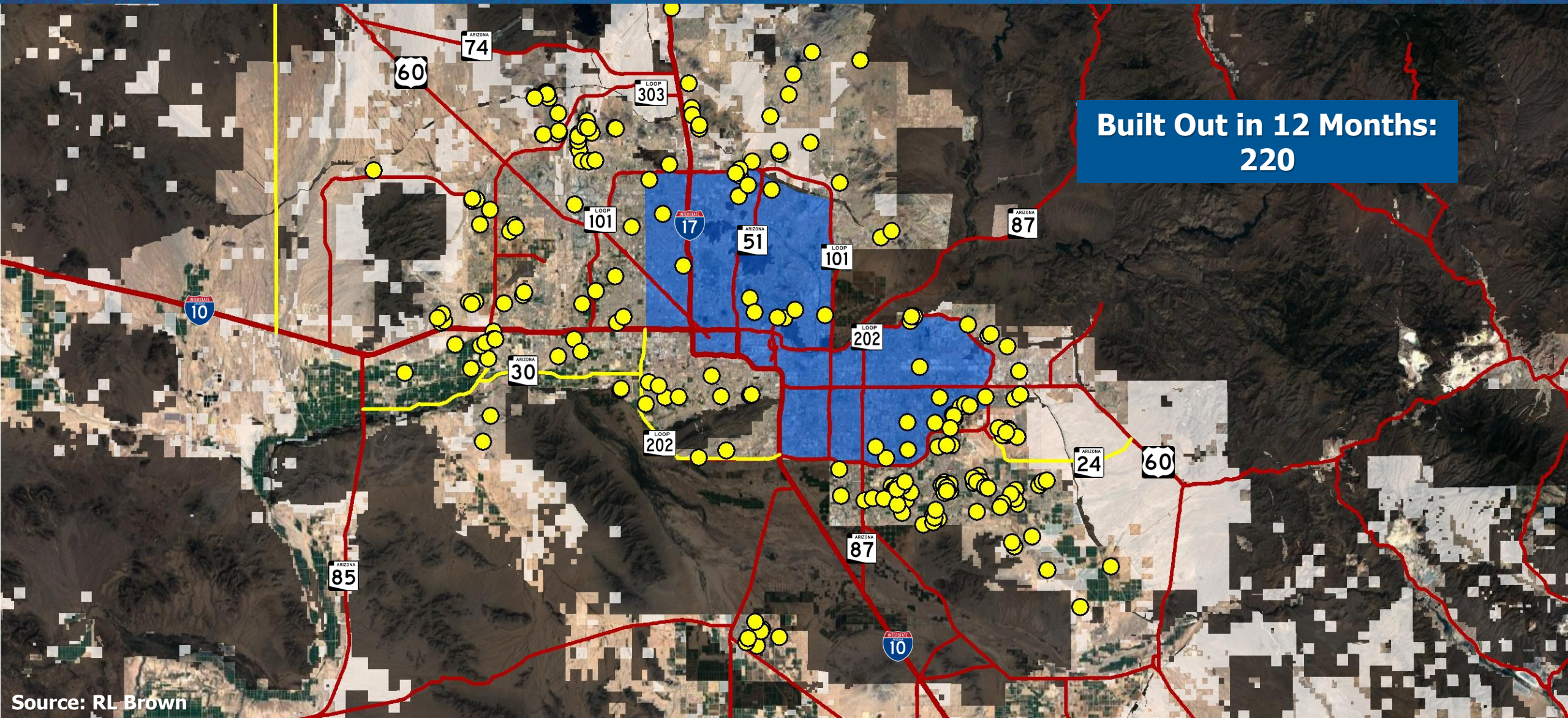
Infill New Home Sales: 10%

## COE 2016

- 3 - 10 (91)
- 11 - 50 (242)
- 51 - 170 (62)

Source: RL Brown

# Built Out Subdivisions Over Next 12 Months

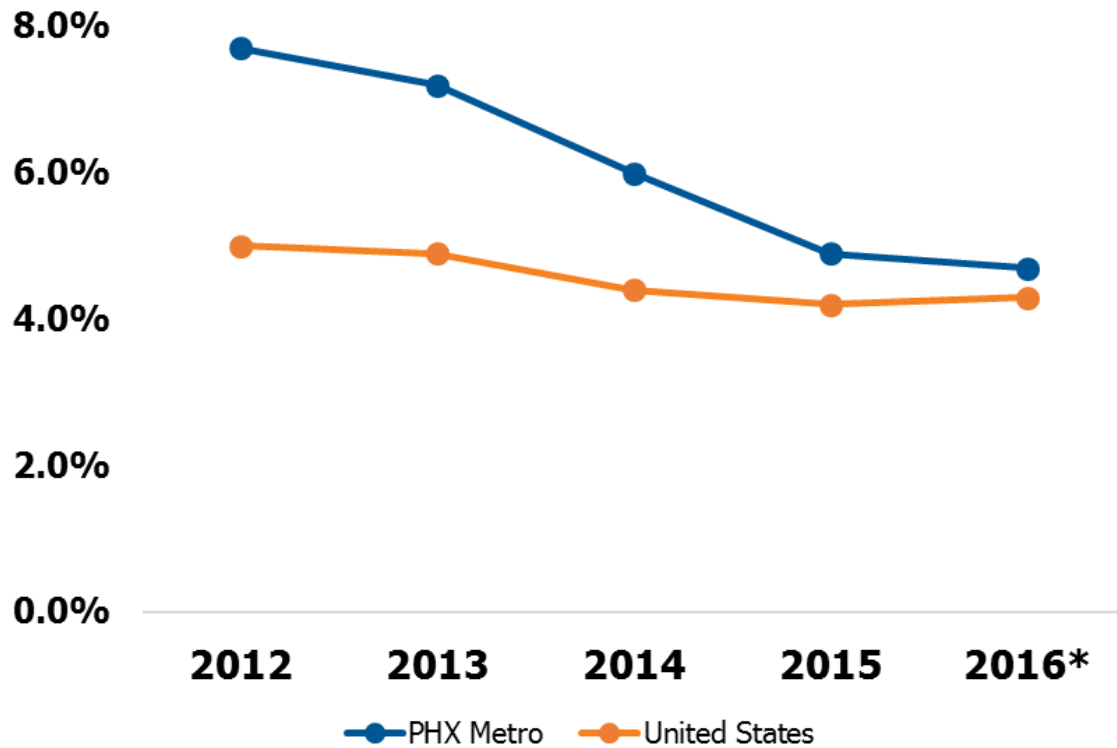


**Built Out in 12 Months:  
220**

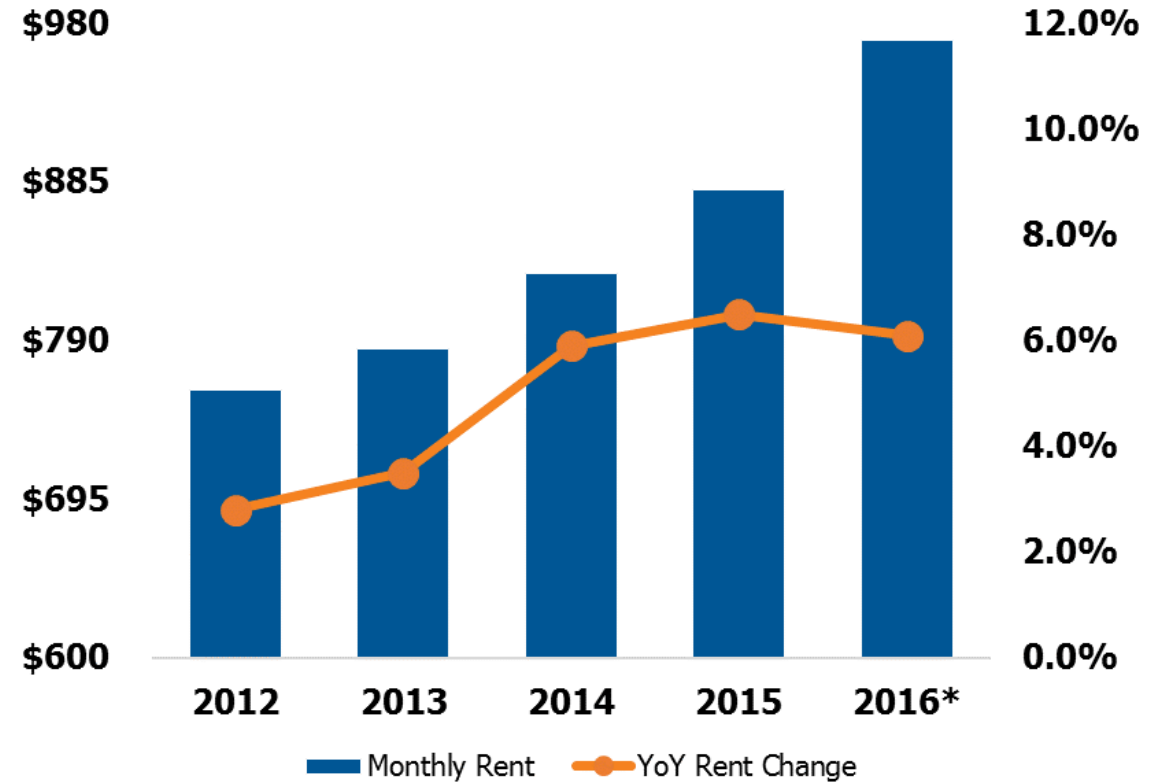
Source: RL Brown

# Metro Phoenix Multifamily Trends

## Vacancy Rate Trends



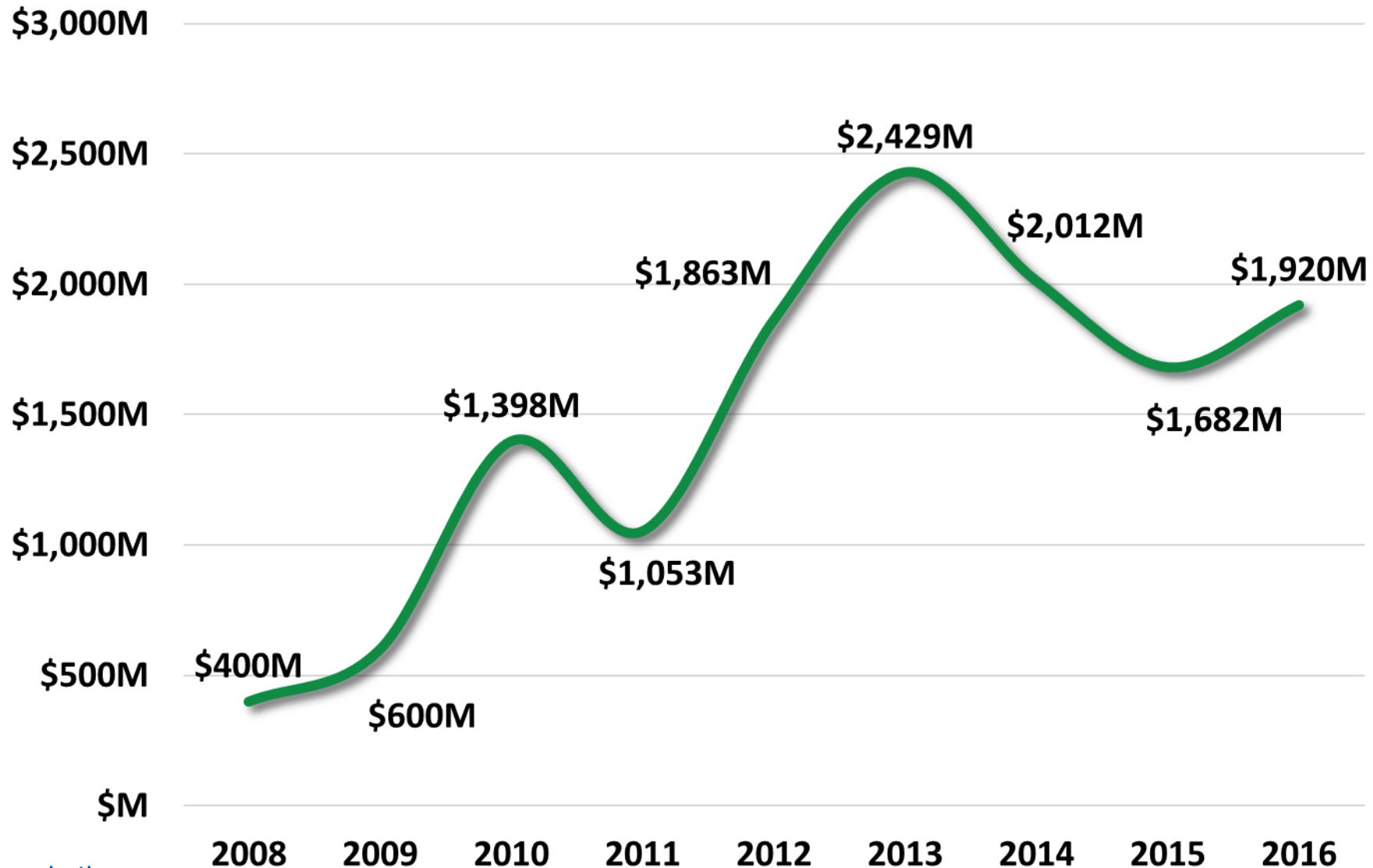
## Rent Trends



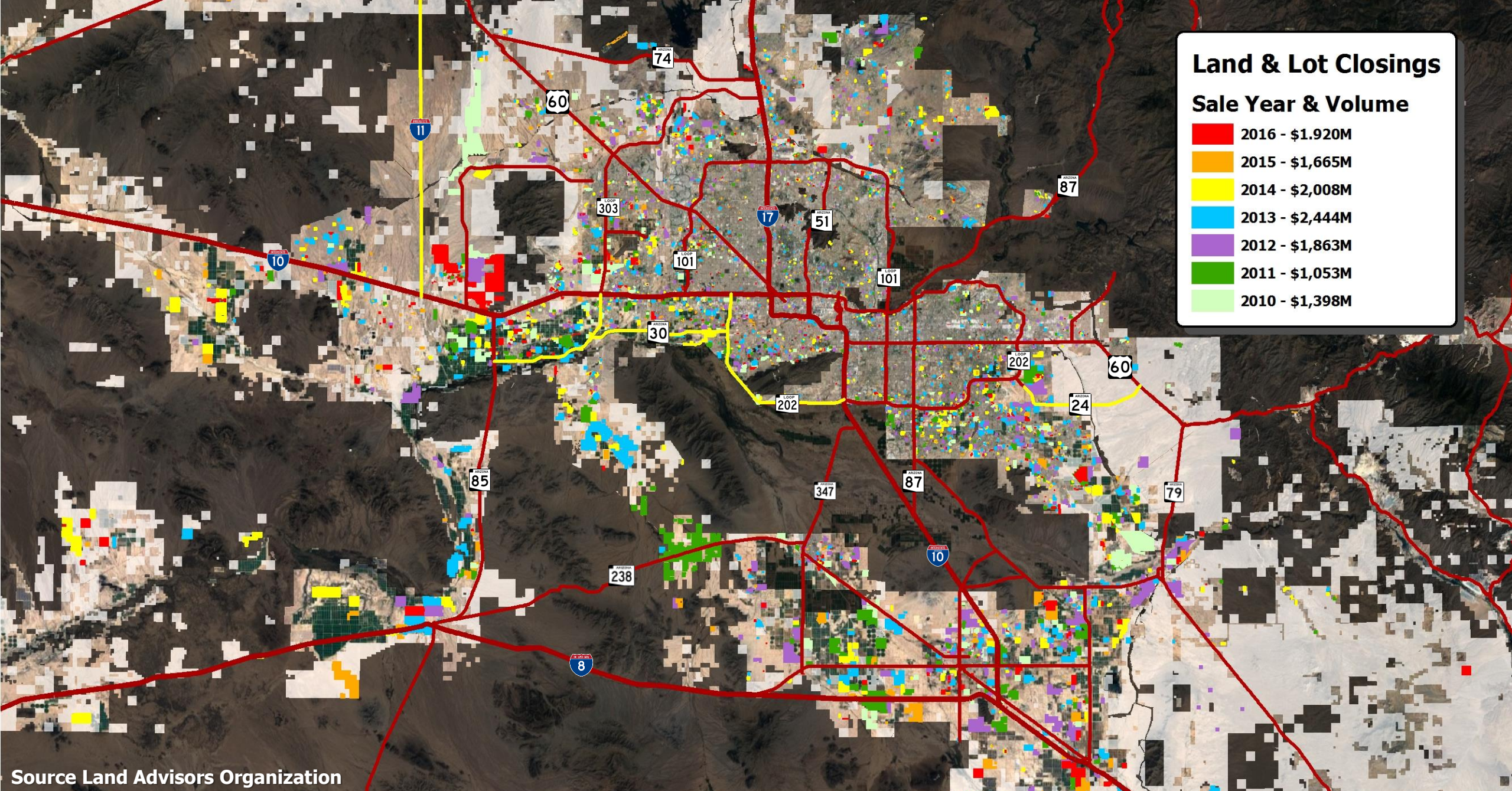
Source: Marcus & Millichap



# Metro Phoenix Land Transactions



Source: Land Advisors Organization



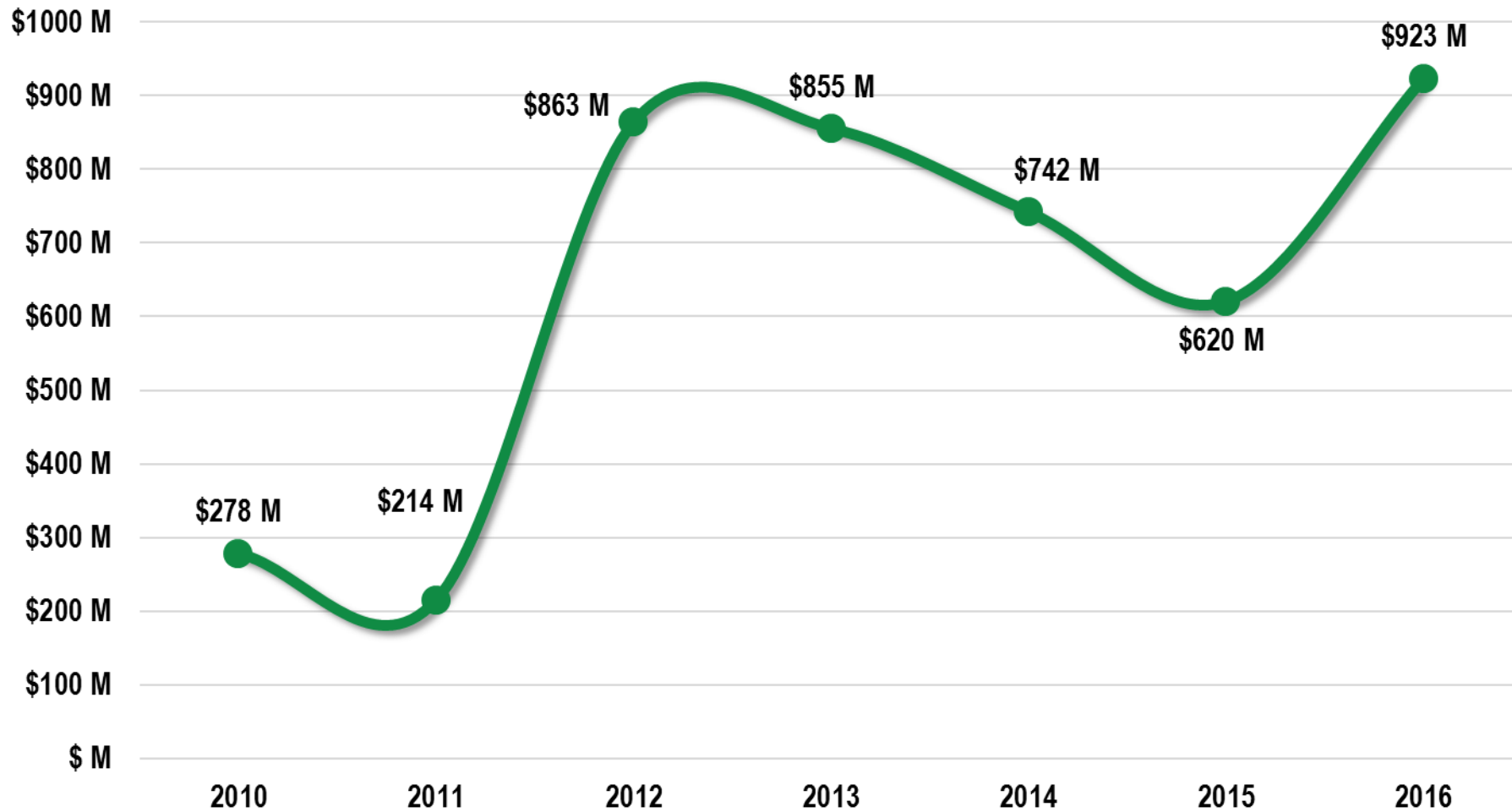
### Land & Lot Closings

#### Sale Year & Volume

2016 - \$1,920M
2015 - \$1,665M
2014 - \$2,008M
2013 - \$2,444M
2012 - \$1,863M
2011 - \$1,053M
2010 - \$1,398M

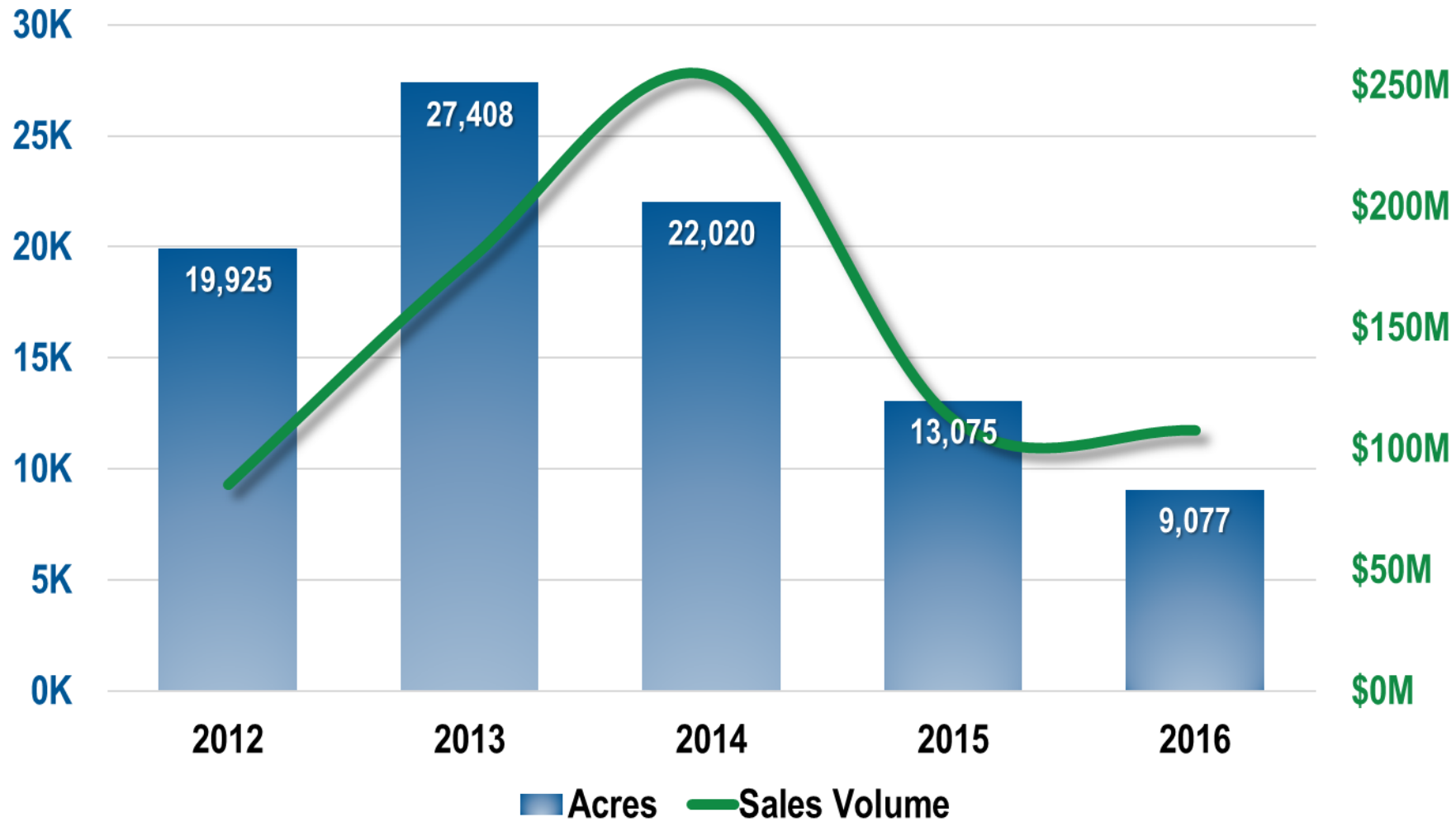
Source Land Advisors Organization

# Homebuilder's Annual Land & Lot Spend

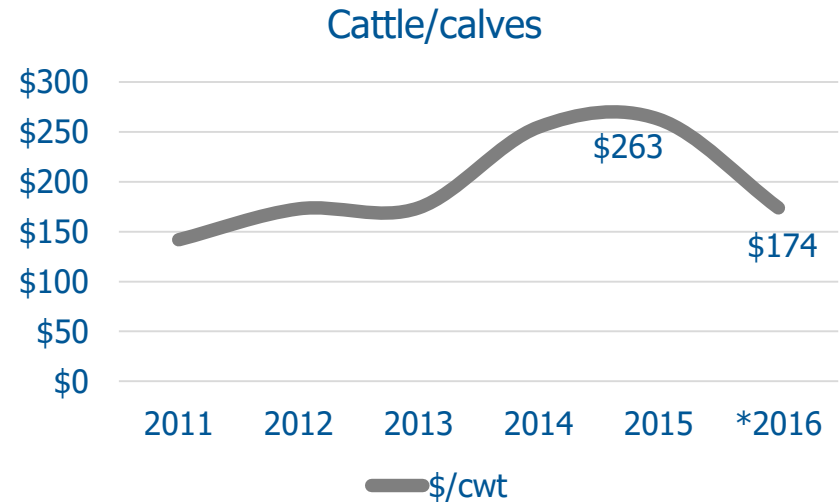
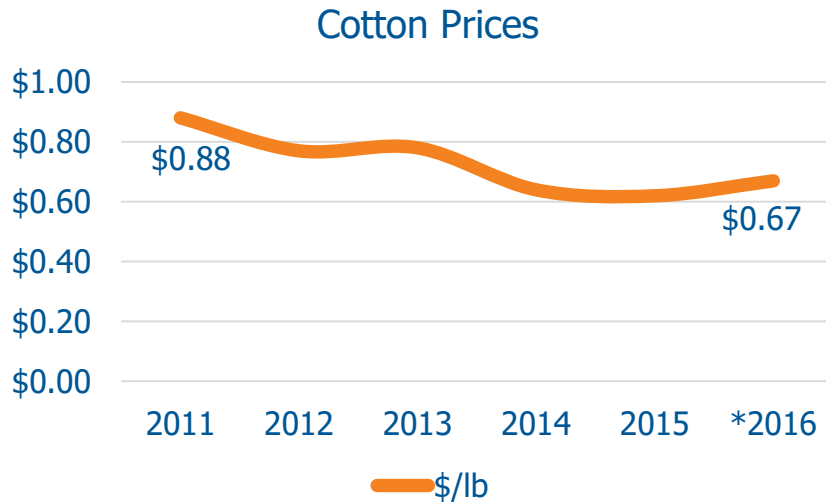
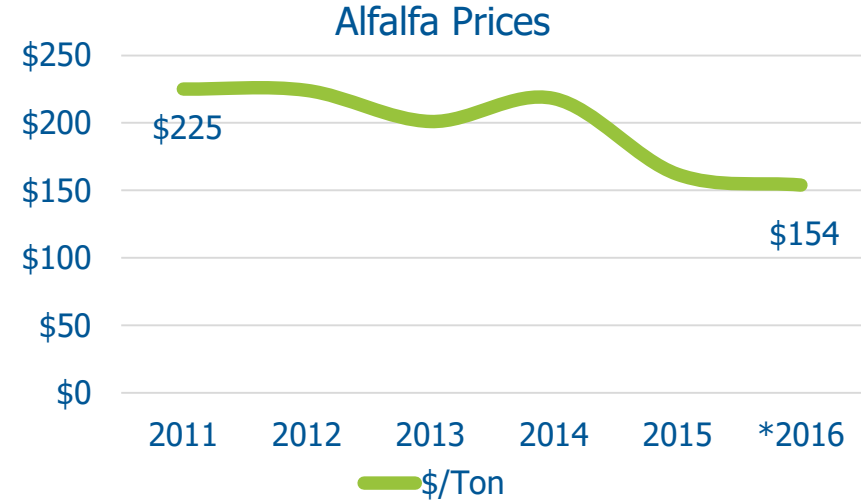
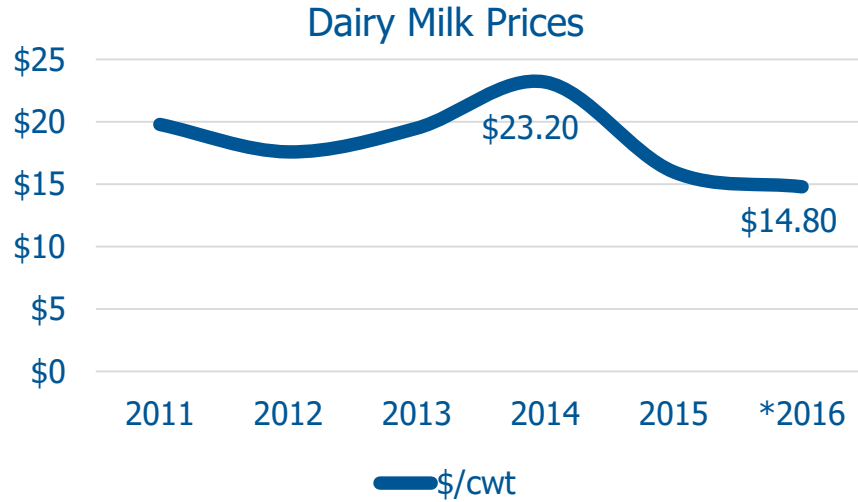


Source: Land Advisors Organization

# Agricultural Land

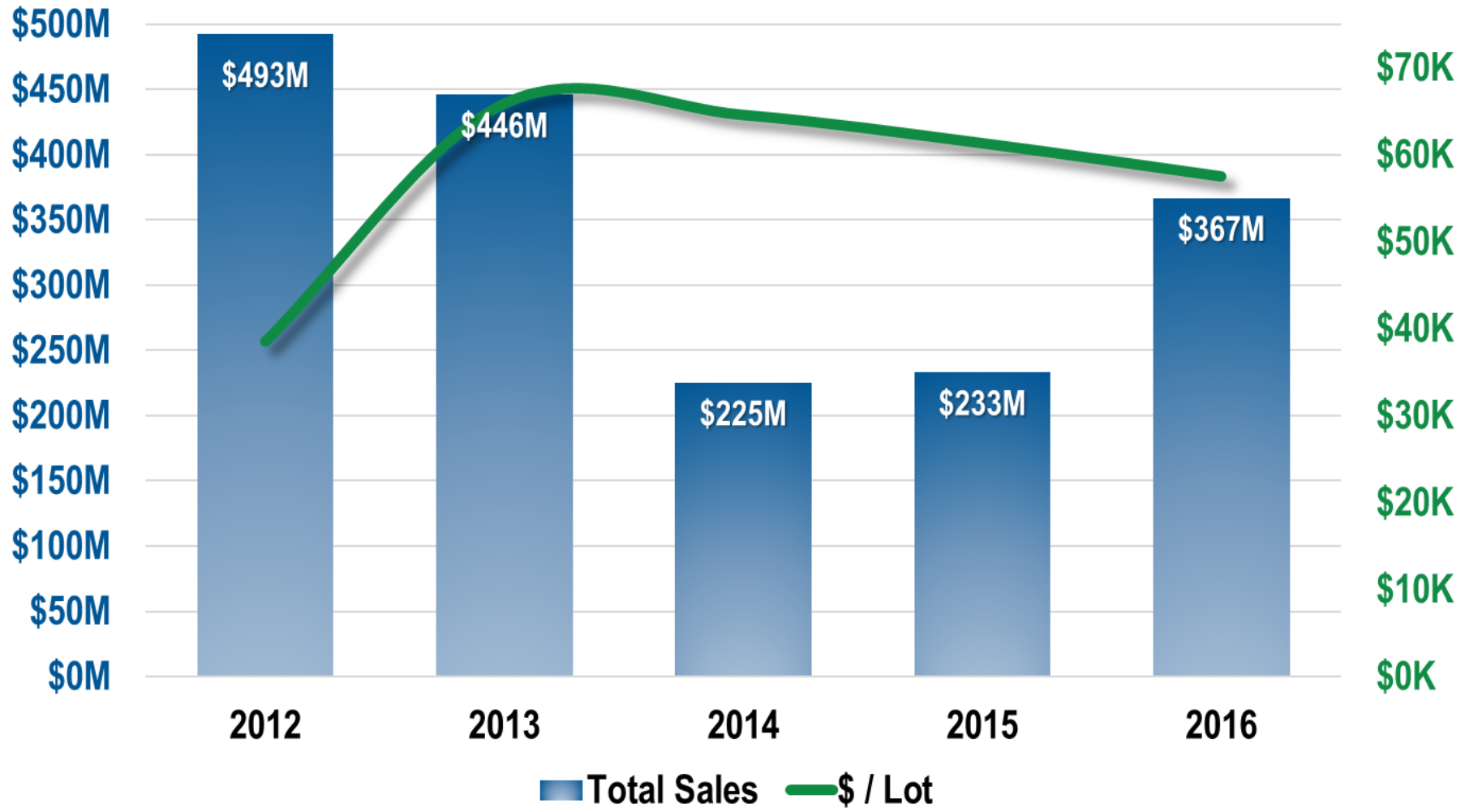


# Arizona Agriculture Commodity Values



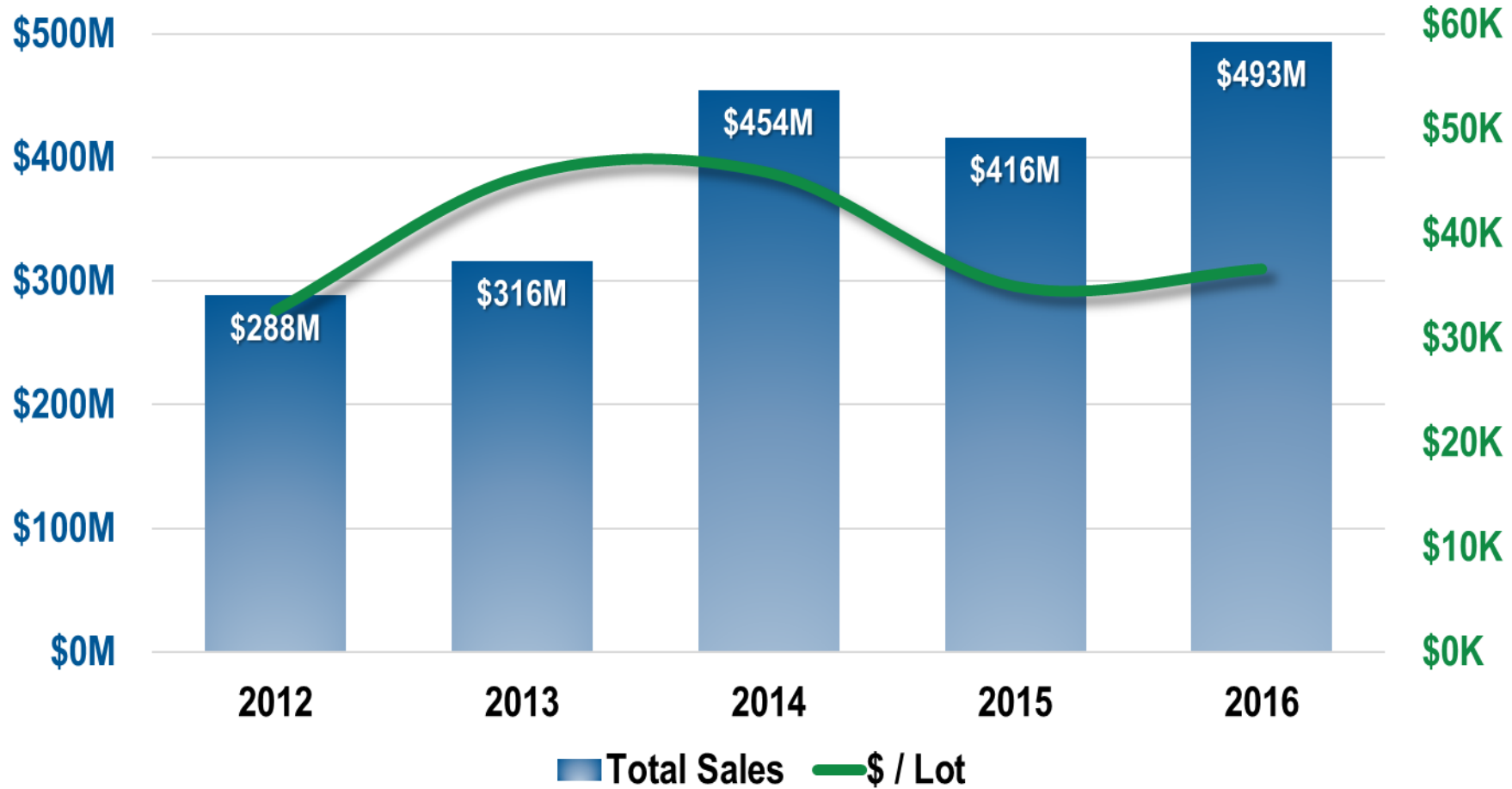
Source: USDA, Jan-Sept 2016

# Metro Phoenix Finished Lots



Source: Land Advisors Organization

# Platted & Engineered / Partially Improved Lots

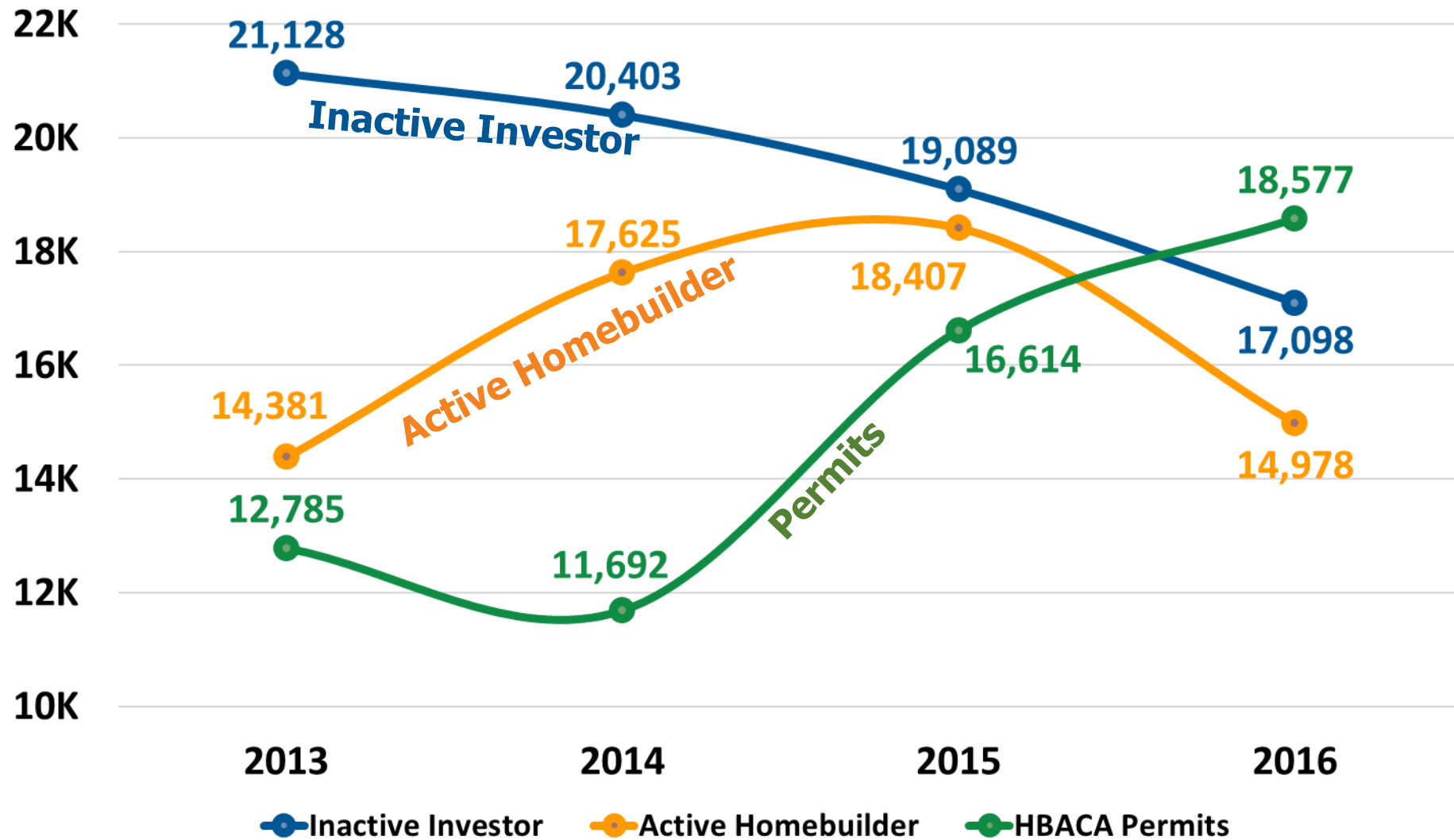


Source: Land Advisors Organization







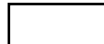

# Conventional Finished Lot Inventory vs Permits

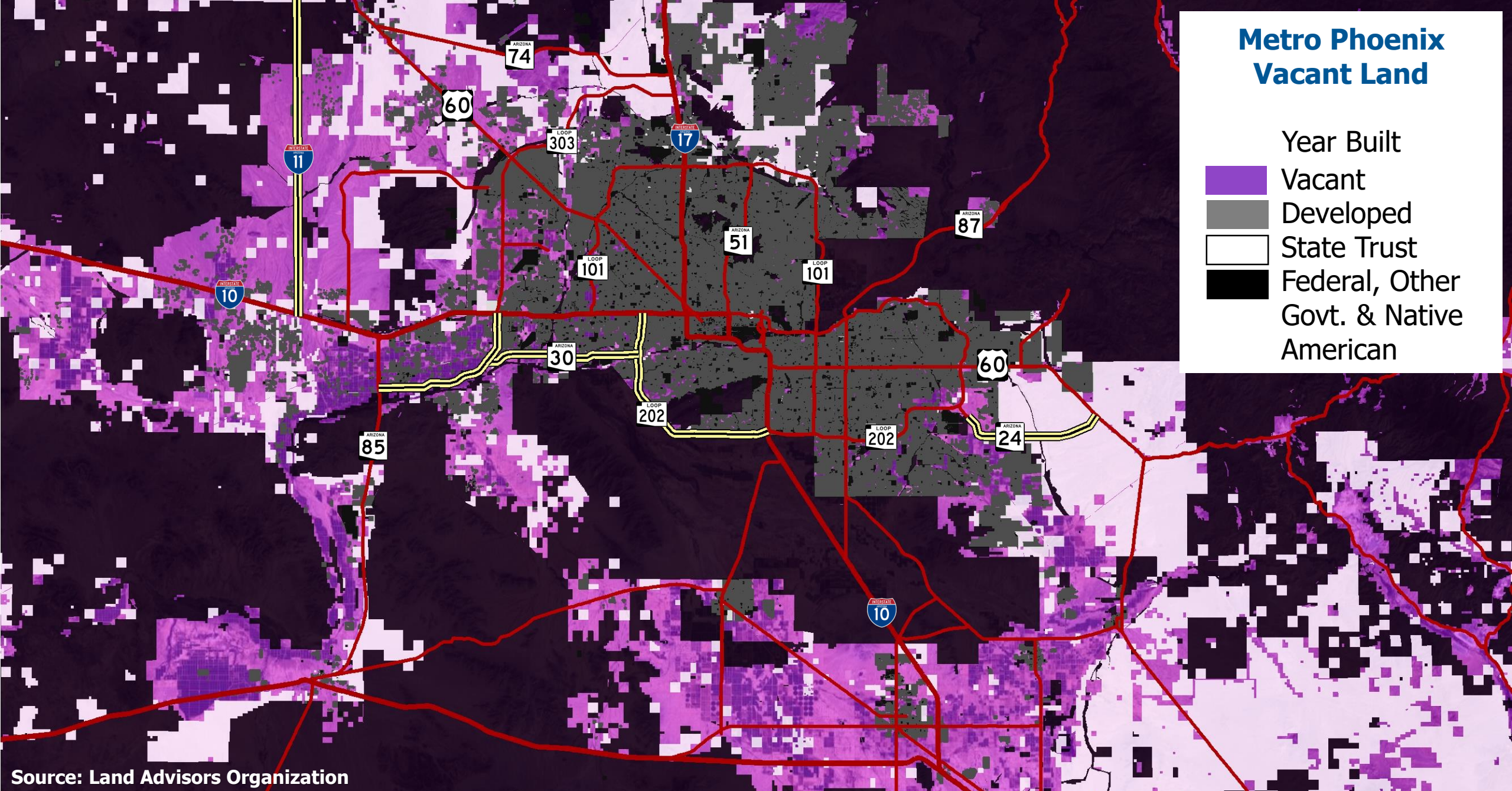


Source: US Census Bureau, Belfiore Real Estate Consulting

# Metro Phoenix Vacant Land

Year Built

-  Vacant
-  Developed
-  State Trust
-  Federal, Other Govt. & Native American



Source: Land Advisors Organization

# Metro Phoenix Future Projects

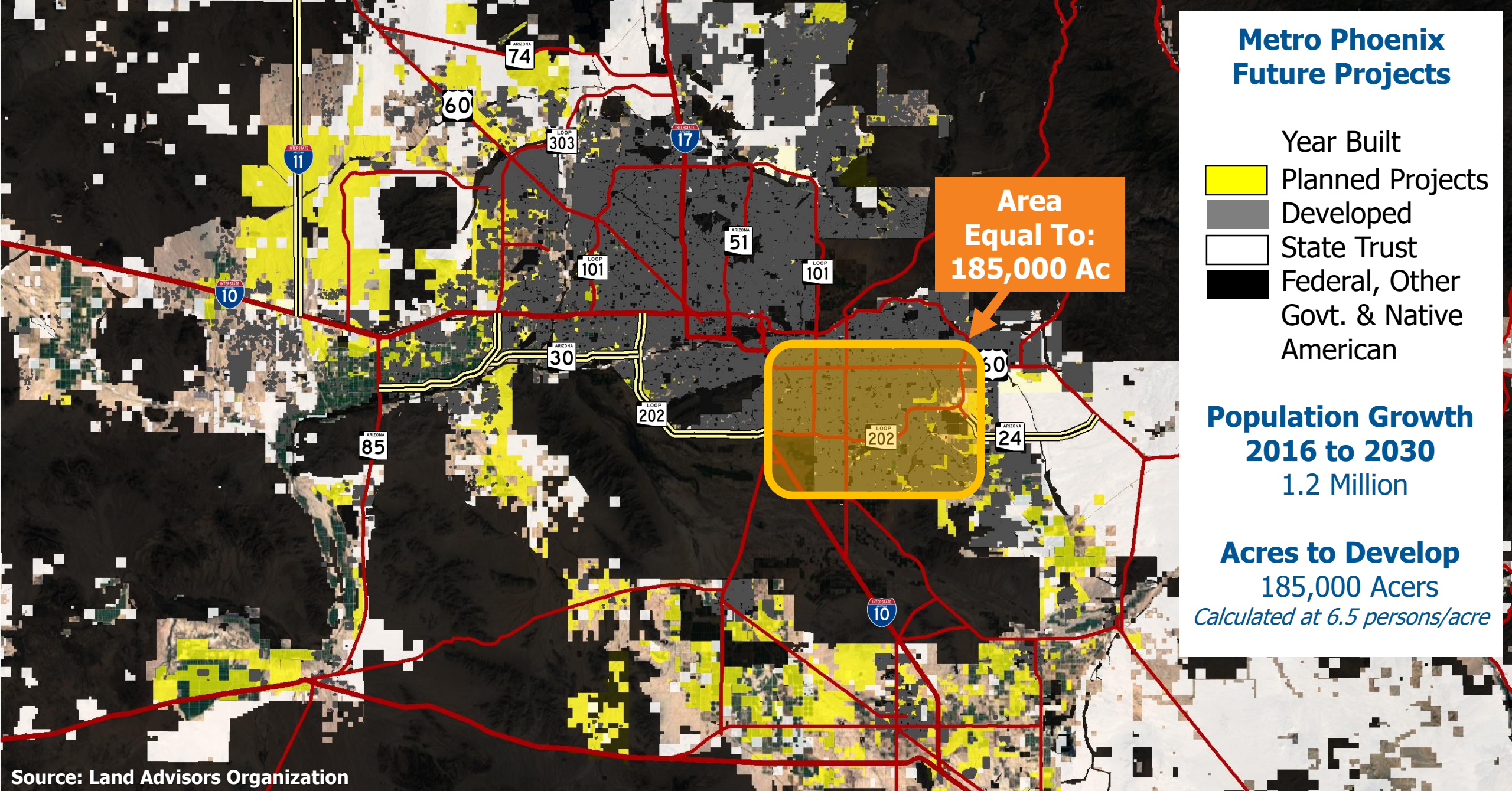
Year Built

-  Planned Projects
-  Developed
-  State Trust
-  Federal, Other Govt. & Native American

**Population Growth  
2016 to 2030**  
1.2 Million

**Acres to Develop**  
185,000 Acers  
*Calculated at 6.5 persons/acre*

**Area  
Equal To:  
185,000 Ac**



Source: Land Advisors Organization



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ORGANIZATION

*The best known name in land*

Thank You

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