

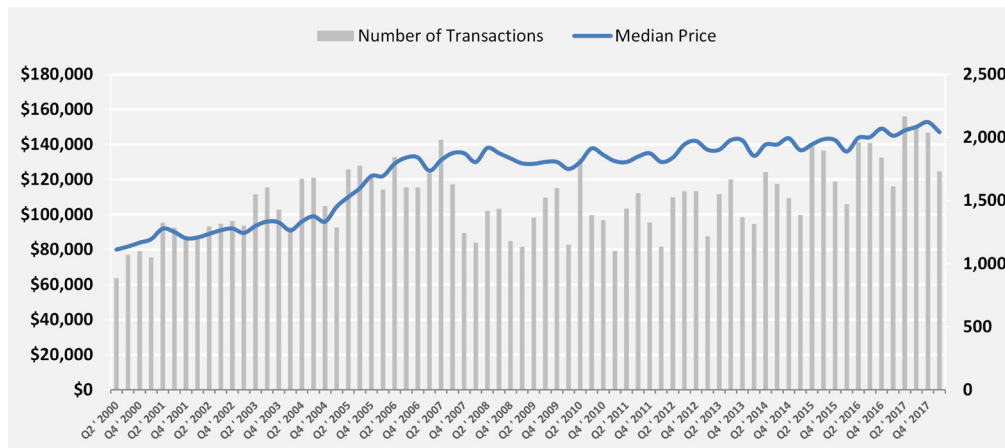
Sales Climbed Relative to the Prior Year

In markets that experience a lot of seasonality, year-over-year comparisons often yield more insight than month-to-month changes. From Q1 '2017 to Q1 '2018, sales grew nearly seven percent while listed inventory was essentially flat. For the quarter, months-of-supply remains near six months, which is considered quite normal.

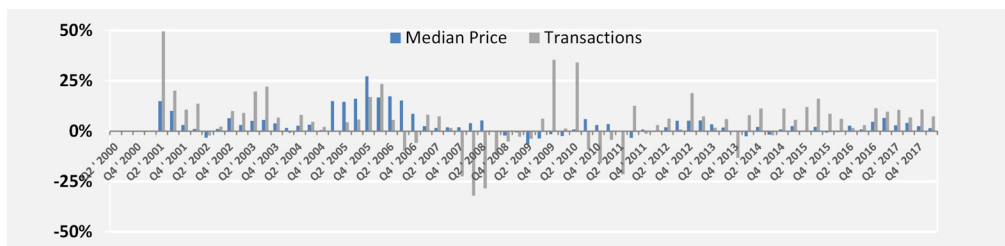
Despite the near-term decline in median prices, the overall upward trend seems to remain intact. From the same quarter of last year, median prices rose by a mild 1.4%. Mild changes like this are unsurprising as supply and closing levels indicate near equilibrium.

El Paso Key Stats	Q1 ' 2018	Q-Q Change	Q4 ' 2017	Y-O-Y Change	Q1 ' 2017
Average Sales Price	\$161,060	-2.6%	\$165,327	0.2%	\$160,754
Average \$/Sq.ft.	\$89	-2.2%	\$91	2.2%	\$87
Median Sales Price	\$147,000	-3.7%	\$152,725	1.4%	\$144,950
DOM	93	13.4%	82	-6.7%	99
Sale % of List	99.3%	1.4%	98.0%	1.8%	97.6%
Number of Sales	1,732	-15.0%	2,038	7.4%	1,613
Listed Inventory	3,331	-12.2%	3,796	0.5%	3,313

MEDIAN SALE PRICE AND TRANSACTION COUNTS



YEAR-OVER-YEAR CHANGE IN MEDIAN SALES PRICE AND TRANSACTION



Prices Increased
Year-over-Year



Indicators

Housing	Q1 ' 2018	Q1 ' 2017
Total Available Housing Inventory (existing)	▲ 3,331	3,313
Closed (existing)	▲ 1,732	1,613
Median Price (sold-existing)	▲ \$147,000	\$144,950
New Home Permits	▲ 583	580
Rates (%)		
3-Month Libor	▲ 2.31	1.15
30-Year Fixed	▲ 4.40	4.14
Prime	▲ 4.58	3.88
12 Mo-CD Jumbo	▲ 0.37	0.27
Employment		
Total Employment	▲ 314,312	312,142
Unemployment Rate (%)	▼ 4.5	5.5

Source: BLS, February Employment Data, Bloomberg, Greater El Paso Association of Realtors, FRED II.



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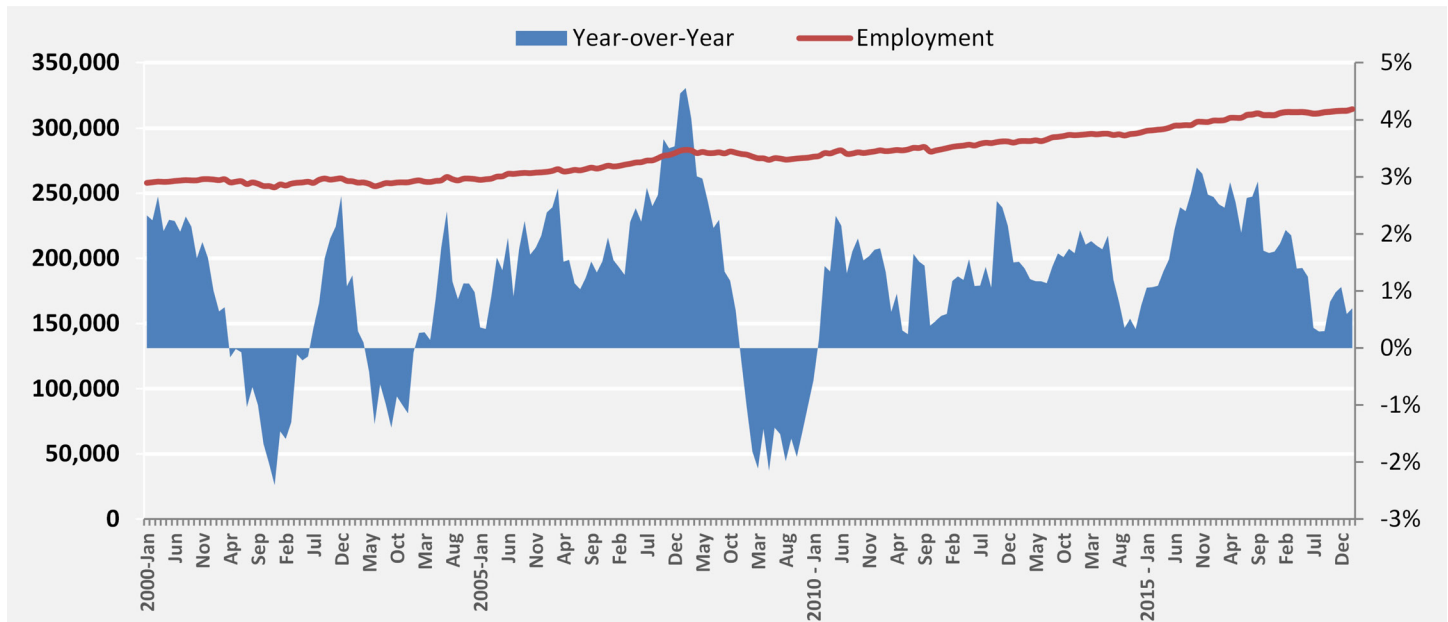
El Paso Economic Activity Continues to Increase

The El Paso Business-Cycle Index had an annualized growth rate of 2.4 percent when measured in March.¹ Maquiladora employment remains strong and Port trade has picked up. In February, employment grew at an annualized rate of 4.1 percent. Population growth has slowed down, growing by just 0.4 percent between 2016 and 2017.

Employment continues to grow and nearly 1,000 jobs have been added in January and February.² The strongest employment sectors were Professional and Business Services, Construction and Mining, Leisure and Hospitality and Education and Health Services. Mild gains were found in Trade Transportation and Utilities while Government and Information was essentially unchanged. Manufacturing and Financial Activities both exhibited declines.

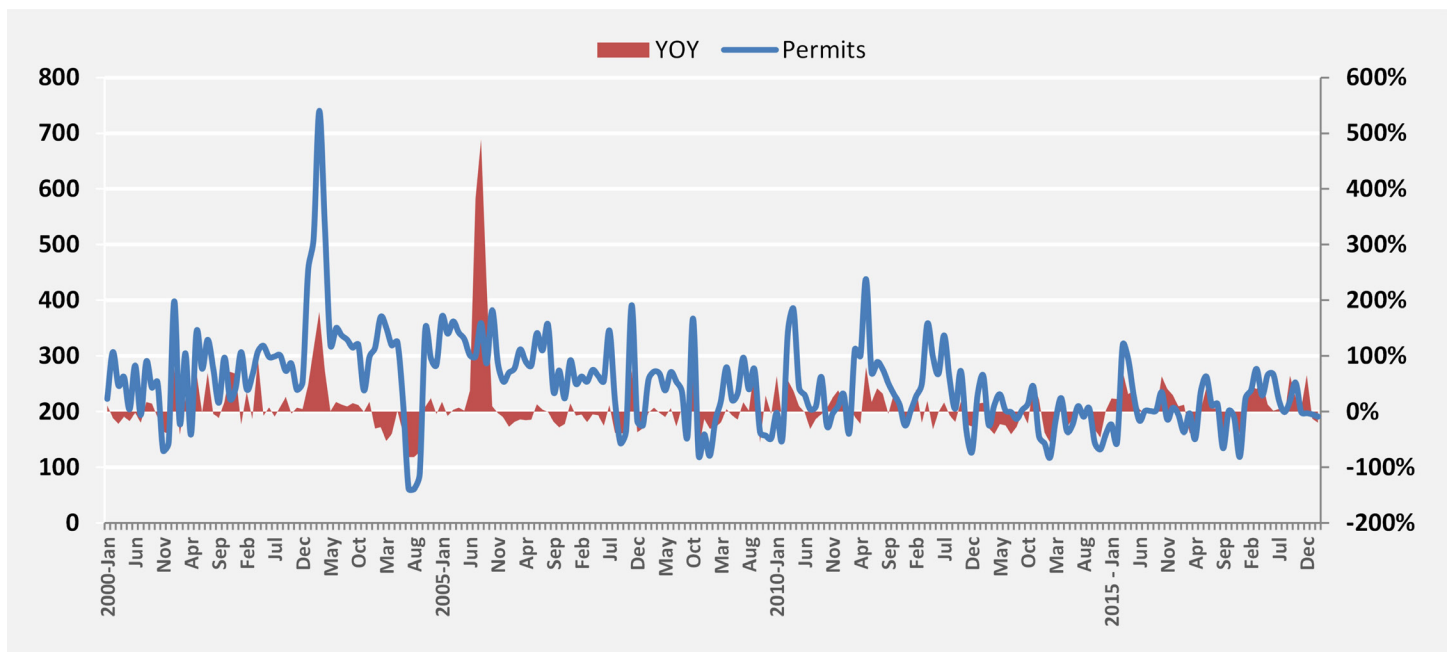
1. <https://www.dallasfed.org/research/indicators/ep.aspx>
2. https://www.bls.gov/eag/eag.tx_elpaso_msa.htm

EMPLOYMENT



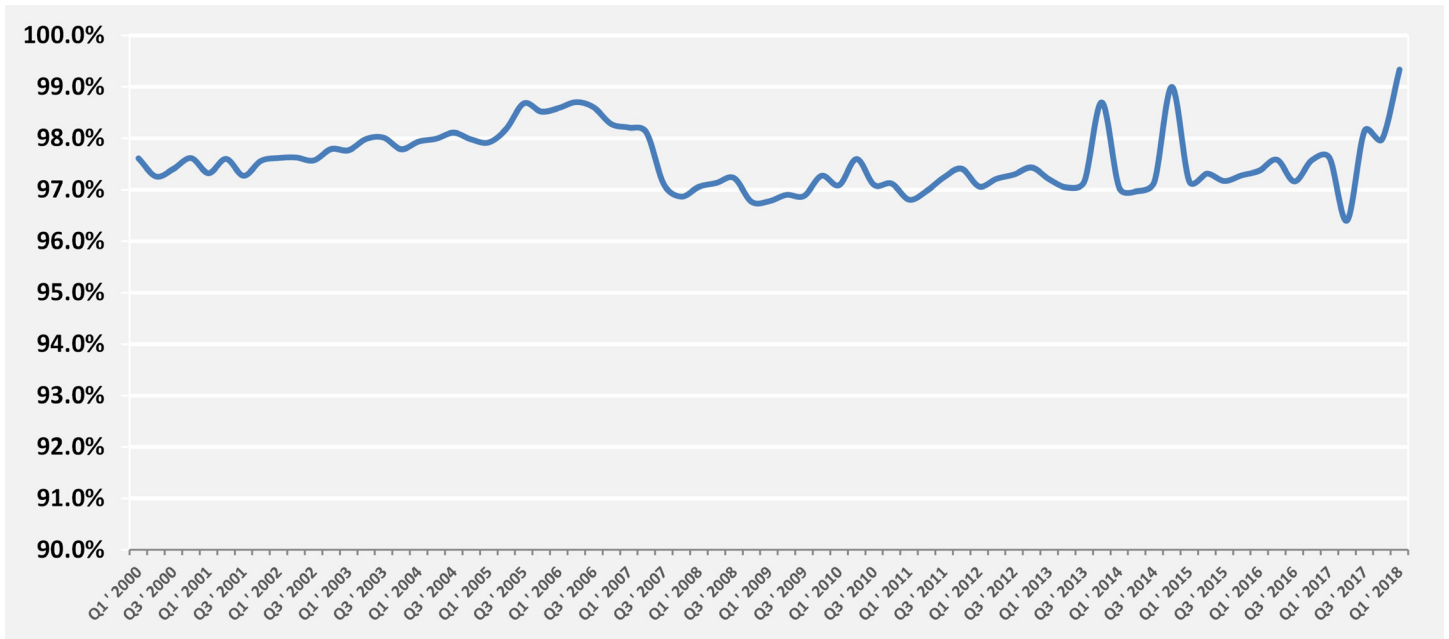
Source: Bureau of Labor Statistics.

SINGLE FAMILY PERMITS



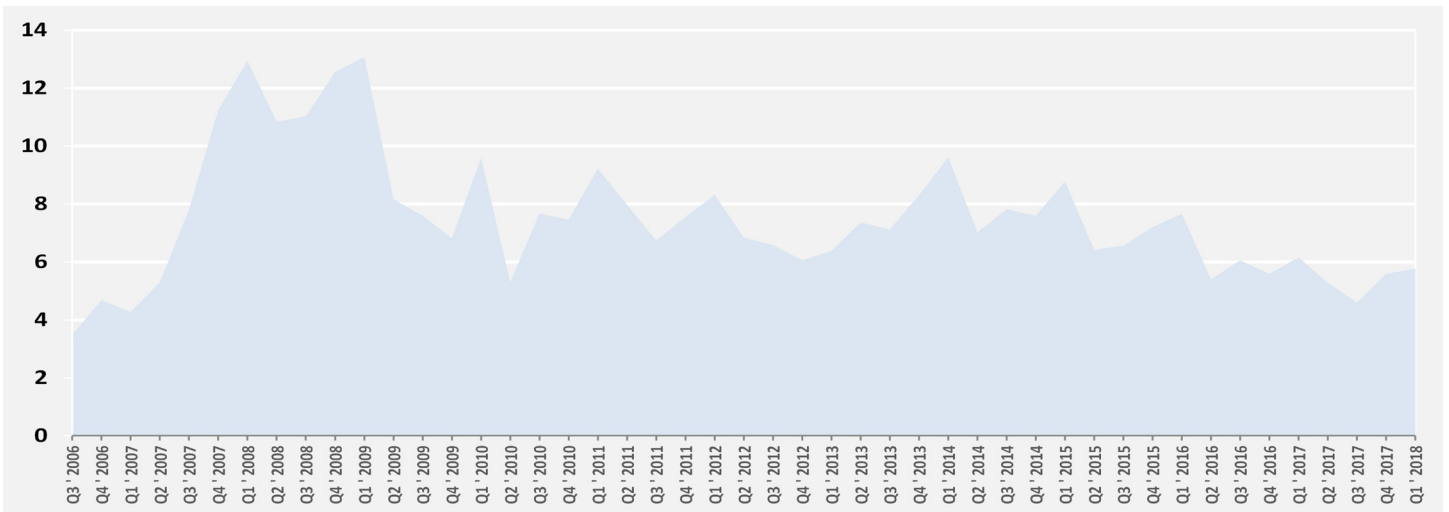
Source: U.S Census.

SALE PRICE AS A PERCENT OF LIST PRICE



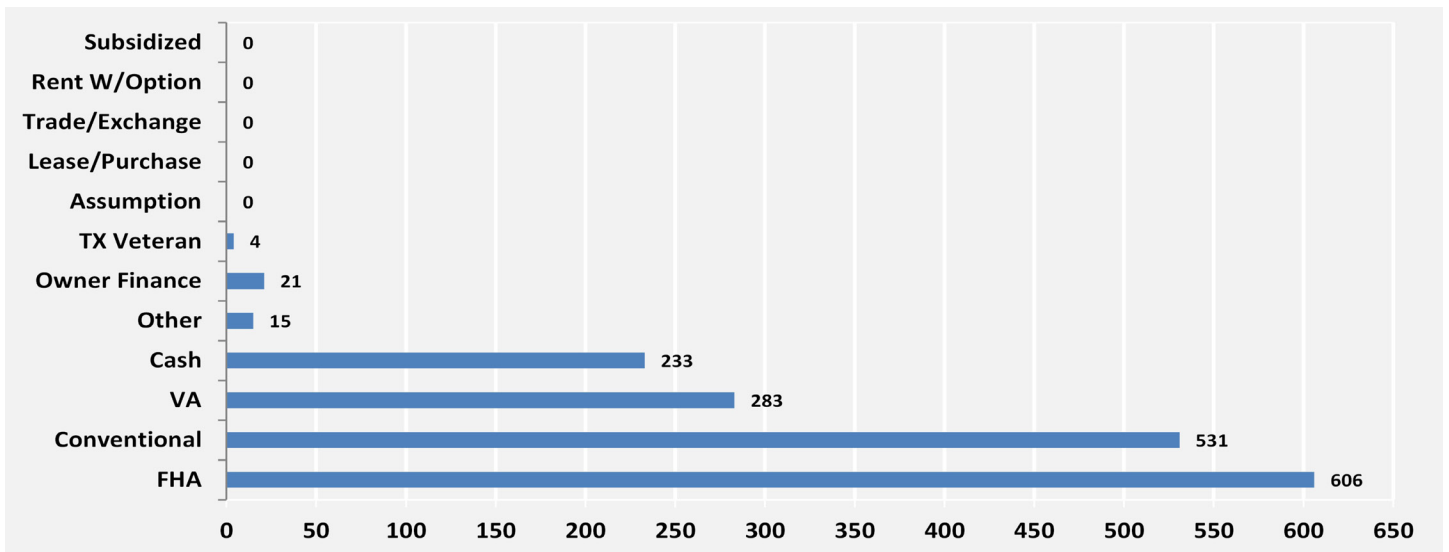
Note: Scale on Sale Prices as a Percent of List Price begins at 90%. Source: Greater El Paso Association of Realtors.

AVERAGE MONTHS OF SUPPLY (INCLUDES ALL RANGES)



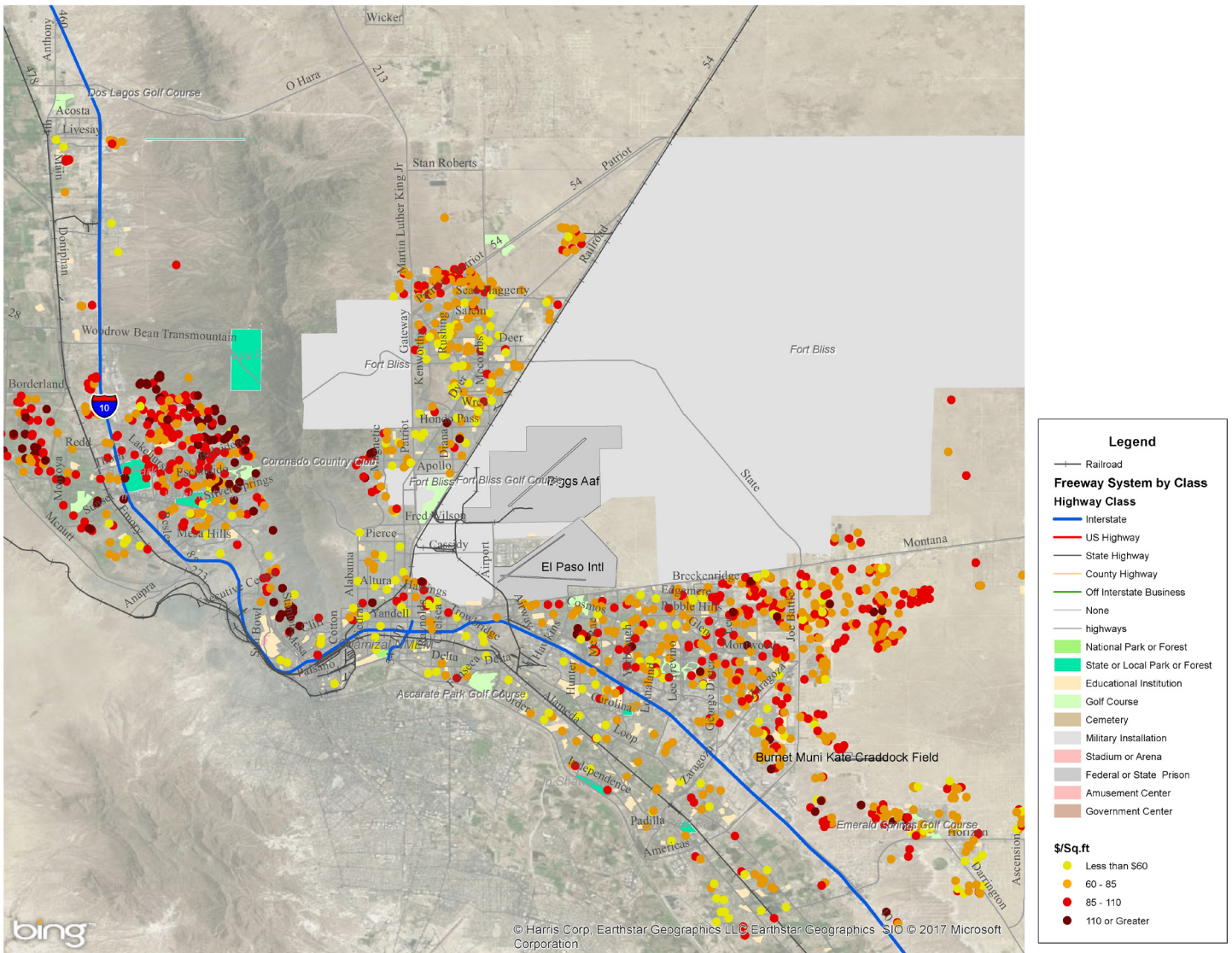
Source: Greater El Paso Association of Realtors.

TYPE OF FINANCING



Source: Greater El Paso Association of Realtors.

HOME SALES PRICE PER SQUARE FOOT



Source: Greater El Paso Association of Realtors, ESRI

MONTHS-OF-SUPPLY BY PRICE RANGE

Price Range	Q1 ' 2018 Sold	Q1 ' 2018 Listed	Months of Supply
Less than 60,000	49	111	6.8
60,000 - 80,000	111	82	2.2
80,000 - 110,000	248	254	3.1
110,000 - 150,000	506	685	4.1
150,000 - 200,000	482	1,189	7.4
200,000 - 250,000	175	598	10.3
250,000 - 310,000	80	263	9.9
310,000 - 390,000	48	127	7.9
390,000 - 490,000	17	22	3.9
Greater than 490,000	16	-	0.0
Total/Average	1,732	3,331	5.8

Source: Greater El Paso Association of Realtors



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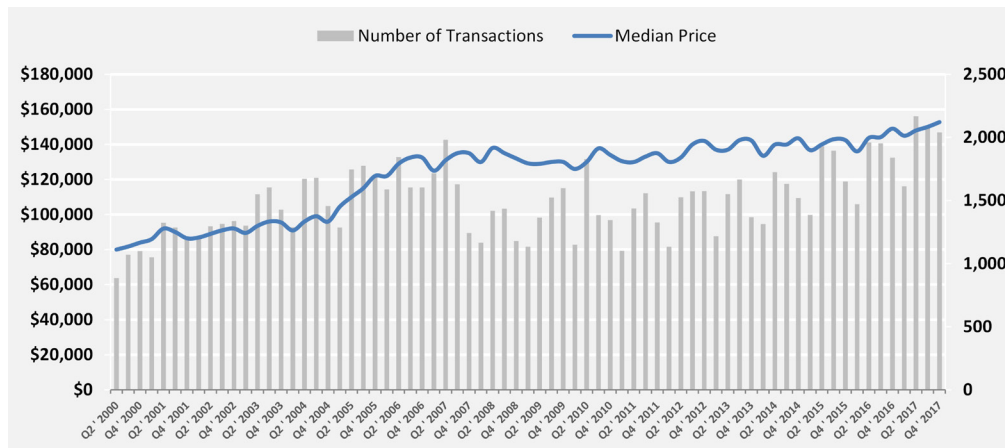
Median Home Prices Continue to Advance

Once again, median home prices increased, both relative to last quarter and the same quarter of last year, maintaining the trend we have been observing for many quarters. Along with increasing prices, we also see that marketing times are mirroring this strength, with days on market declining by almost twelve percent.

Sales softened in the fourth quarter, along with seasonal expectations, however, sales jumped nearly eleven percent over the same period of last year. Many markets are experiencing declines in inventory, however El Paso had a mild increase relative to last year. Overall, months-of-supply, which factors sales rates against available supply, continues to trend downward.

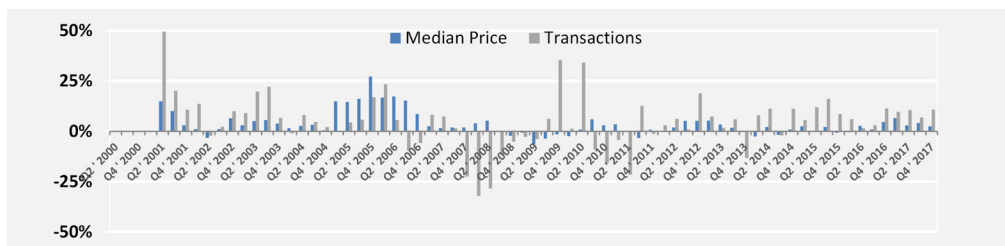
El Paso Key Stats	Q4 ' 2017	Q-Q Change	Q3 ' 2017	Y-O-Y Change	Q4 ' 2016
Average Sales Price	\$165,327	-0.5%	\$166,212	1.0%	\$163,740
Average \$/Sq.ft.	\$91	1.4%	\$90	4.0%	\$87
Median Sales Price	\$152,725	1.8%	\$150,000	2.5%	\$149,000
DOM	82	-3.4%	84	-11.7%	92
Sale % of List	98.0%	-0.2%	98.1%	0.4%	97.6%
Number of Sales	2,038	-2.3%	2,087	10.8%	1,839
Listed Inventory	3,796	18.6%	3,201	3.9%	3,653

MEDIAN SALE PRICE AND TRANSACTION COUNTS



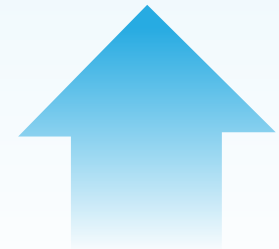
Source: Greater El Paso Association of Realtors.

YEAR-OVER-YEAR CHANGE IN MEDIAN SALES PRICE AND TRANSACTION



Source: Greater El Paso Association of Realtors.

Sales Increased Year-over-Year



Indicators

Housing	Q4 ' 2017	Q4 ' 2016
Total Available Housing Inventory (existing)	▲ 3,796	3,653
Closed (existing)	▲ 2,038	1,839
Median Price (sold-existing)	▲ \$152,725	\$149,000
New Home Permits	▲ 673	524
Rates (%)		
3-Month Libor	▲ 1.69	1.00
30-Year Fixed	▼ 3.99	4.32
Prime	▲ 4.40	3.64
12 Mo-CD Jumbo	▲ 0.32	0.24
Employment		
Total Employment	▲ 324,300	313,300
Unemployment Rate (%)	▼ 4.0	4.8

Source: BLS, November Employment Data, Bloomberg, Greater El Paso Association of Realtors, FRED II.



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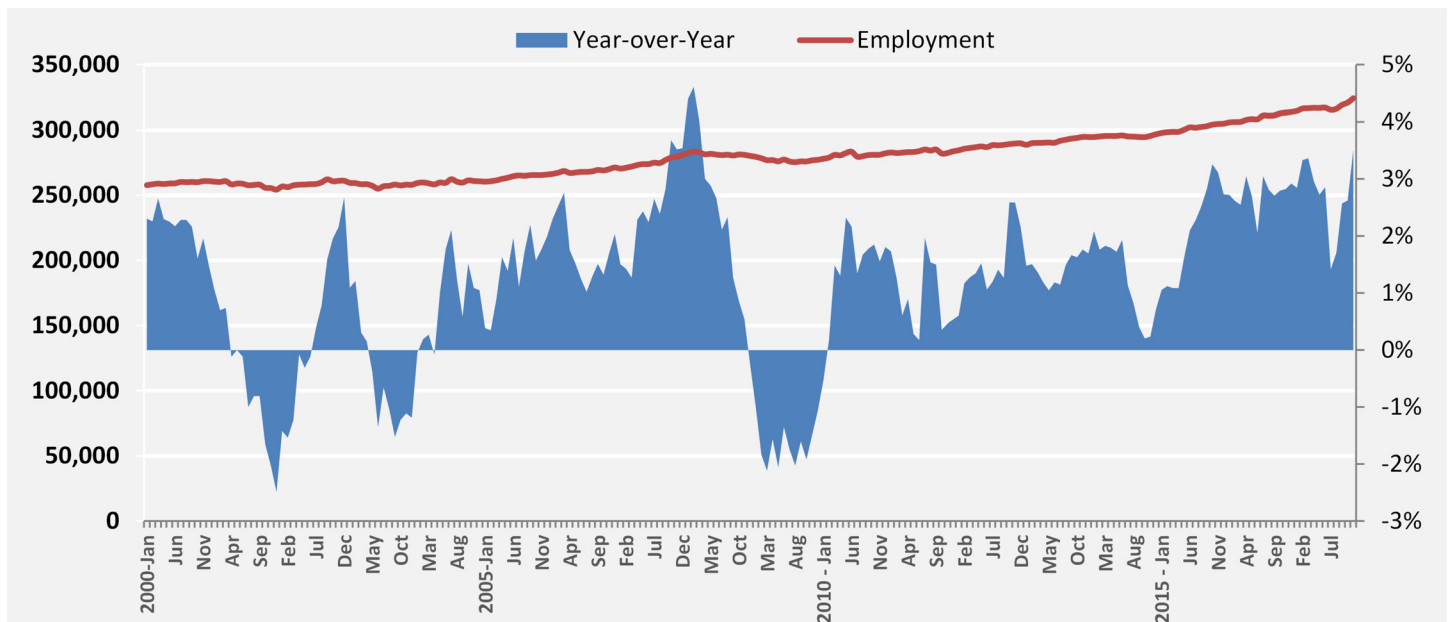
El Paso Economic Activity Has Been Robust

The El Paso Business-Cycle Index had an annualized growth rate of 3.7 percent when measured in November.¹ This is on the back of several other strong months throughout 2017. Total trade continues to fair well, driven mostly by growth in imports, however exports have growth as well.

Employment has been growing in the region, adding 11,000 jobs since November 2016.² The strongest employment sectors are Financial Activities, Mining, Logging and Construction, Education and Health Services, Leisure and Hospitality, Other Service and Trade, Transportation and Utilities. In fact, most sectors have been improving, with the exception being Information and Manufacturing. Government has been largely flat.

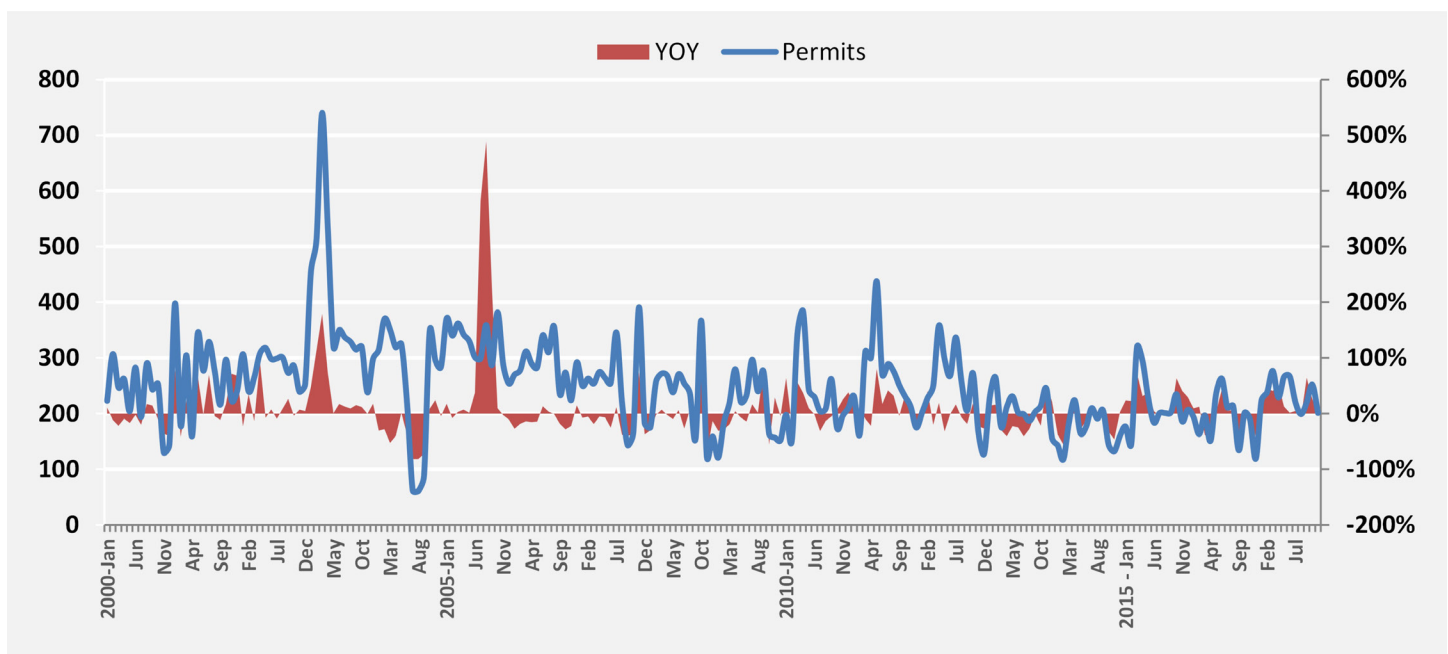
1. <https://www.dallasfed.org/research/indicators/ep.aspx>
2. https://www.bls.gov/eag/eag.tx_elpaso_msa.htm

EMPLOYMENT



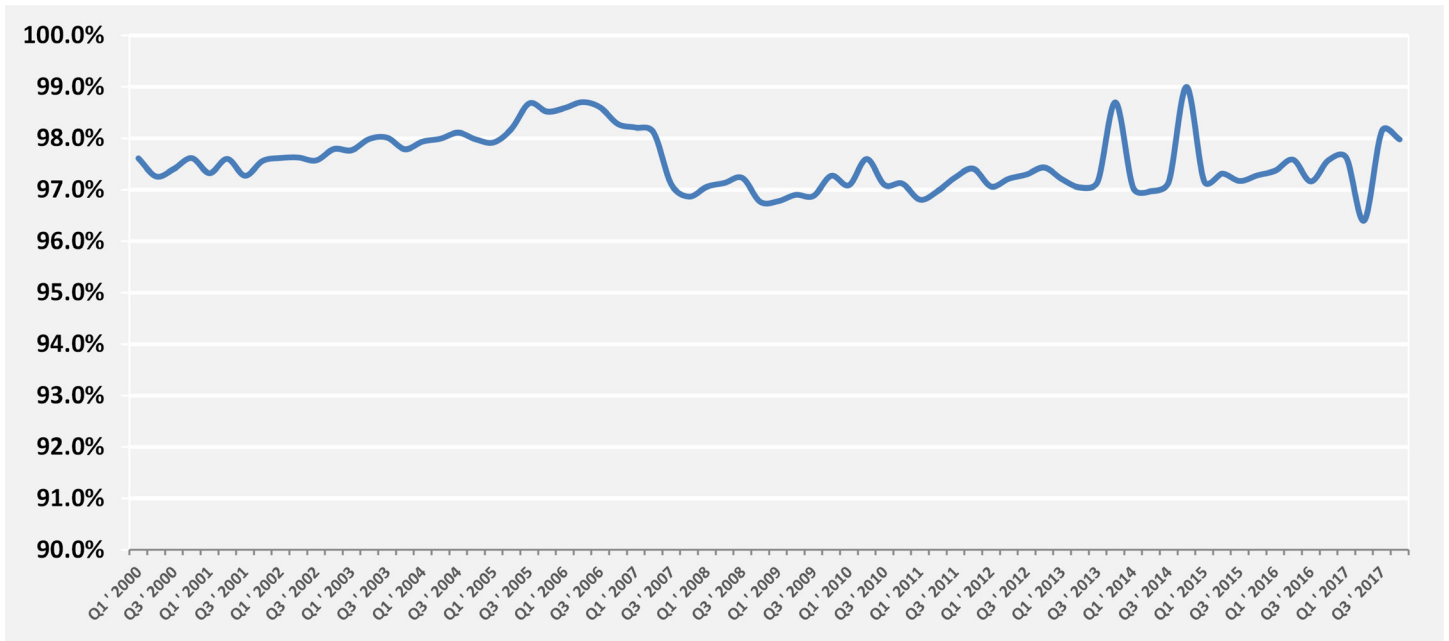
Source: Bureau of Labor Statistics.

SINGLE FAMILY PERMITS



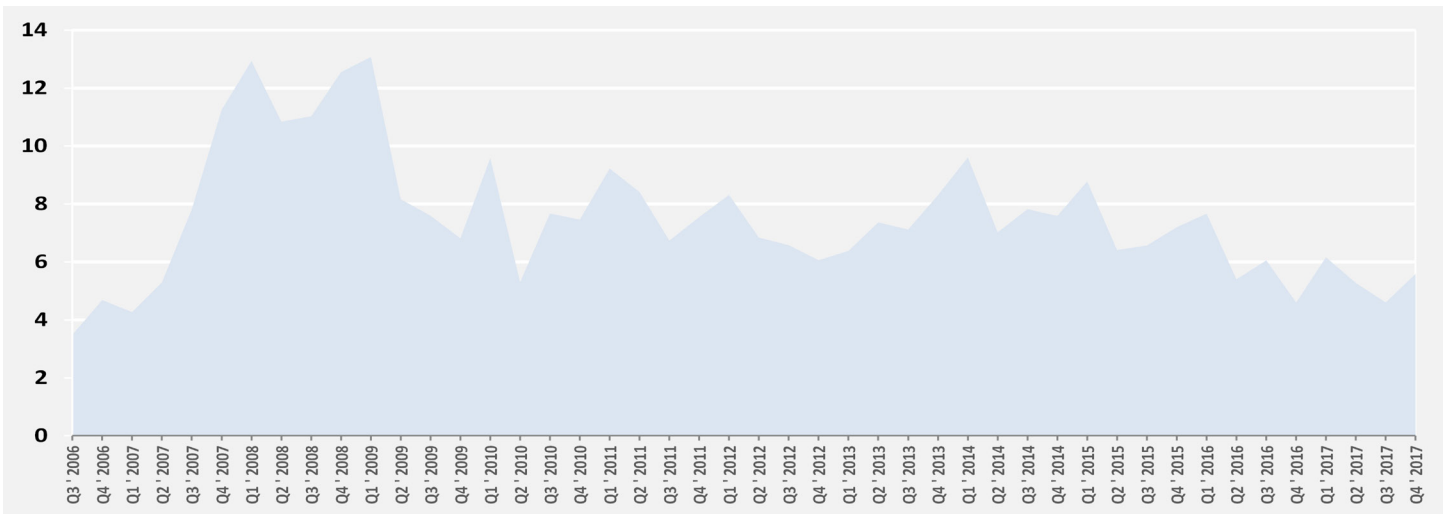
Source: U.S. Census.

SALE PRICE AS A PERCENT OF LIST PRICE



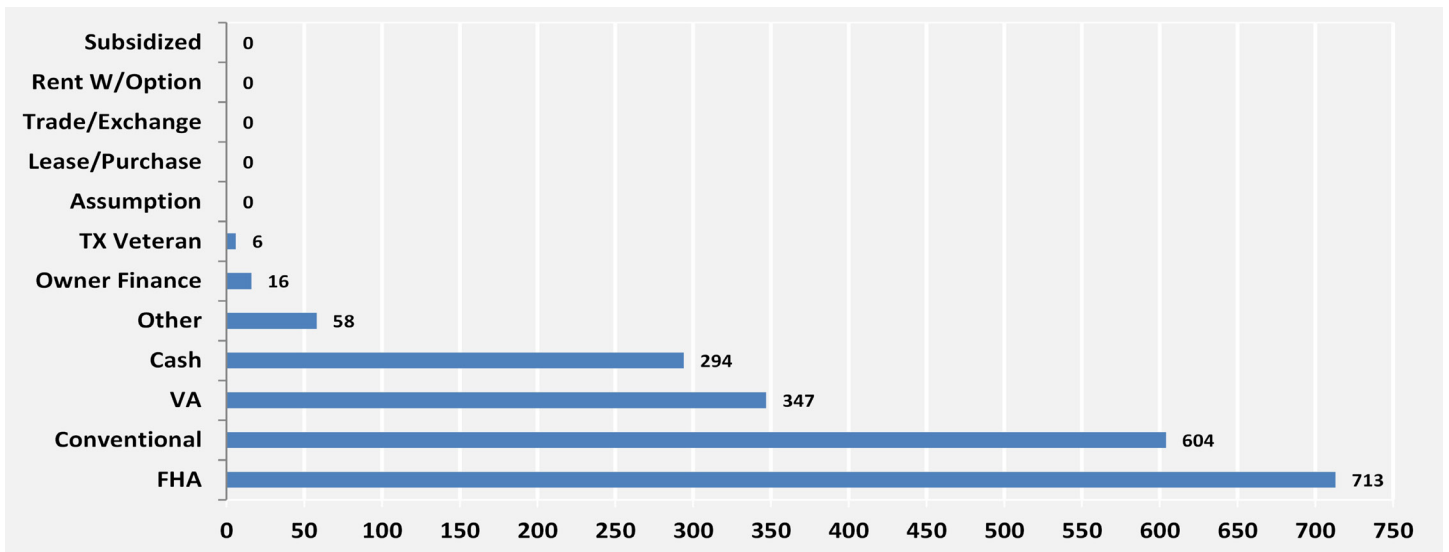
Note: Scale on Sale Prices as a Percent of List Price begins at 90%. Source: Greater El Paso Association of Realtors.

AVERAGE MONTHS OF SUPPLY (INCLUDES ALL RANGES)



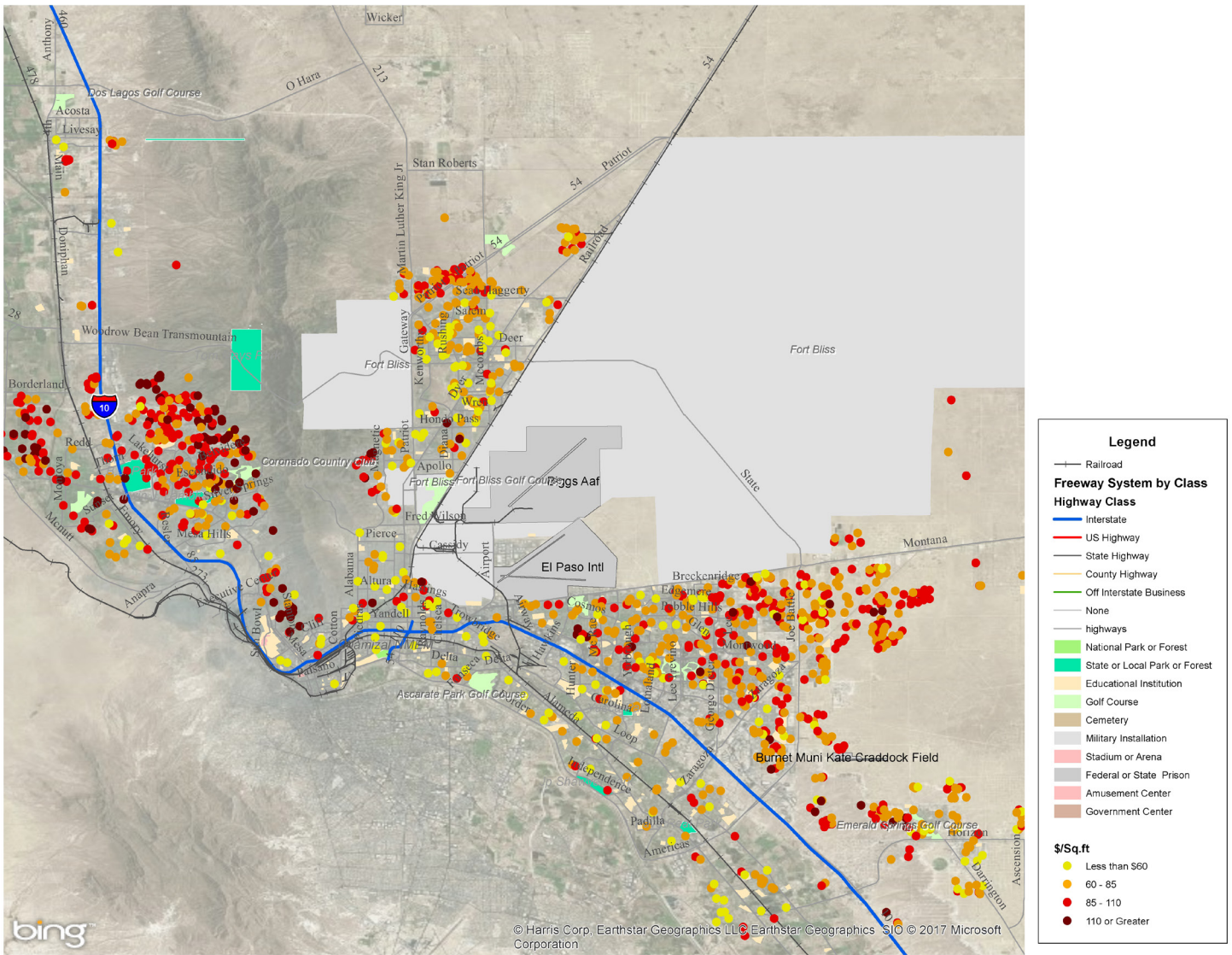
Source: Greater El Paso Association of Realtors.

TYPE OF FINANCING



Source: Greater El Paso Association of Realtors.

HOME SALES PRICE PER SQUARE FOOT



MONTHS-OF-SUPPLY BY PRICE RANGE

Price Range	Q4 ' 2017 Sold	Q4 ' 2017 Listed	Months of Supply
Less than 60,000	65	88	4.1
60,000 - 80,000	113	103	2.7
80,000 - 110,000	258	302	3.5
110,000 - 150,000	545	827	4.6
150,000 - 200,000	623	1,370	6.6
200,000 - 250,000	217	530	7.3
250,000 - 310,000	117	239	6.1
310,000 - 390,000	61	145	7.1
390,000 - 490,000	25	69	8.3
Greater than 490,000	14	123	26.4
Total/Average	2,038	3,796	5.6

Source: Greater El Paso Association of Realtors



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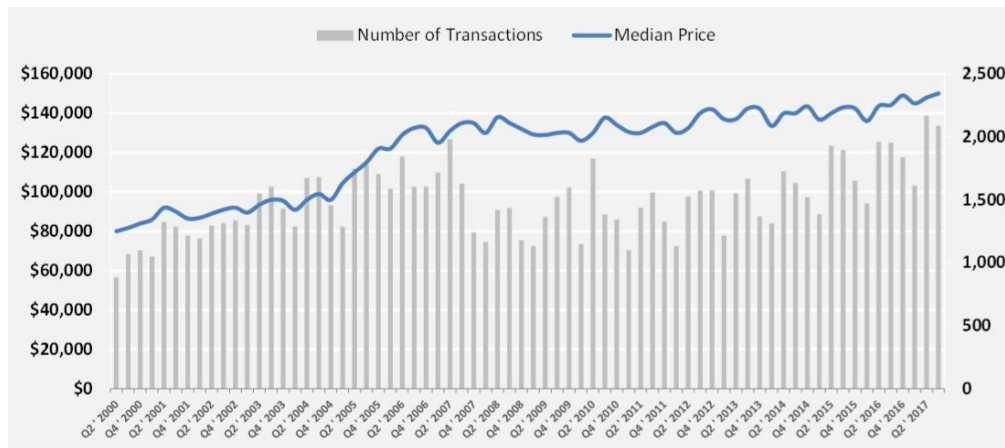
The Median Home Price Trend Maintains Trajectory

The El Paso median sale price, increased mildly from last month, yet remains strongly higher relative to the same quarter of last year. The median home price continues to hit historical high points.

Marketing times have also declined sympathetically with increases in price and lower inventory levels. Similarly, the sale-list price ratio also reveals a pressured market, with sellers obtaining, on average, ninety eight percent of their asking price. Inventory has declined dramatically from the year-ago quarter, falling by nearly nineteen percent. Sales continue to ratchet higher, varying by seasonality. Months-of-supply remains below five months, slightly favoring the character of a seller's market.

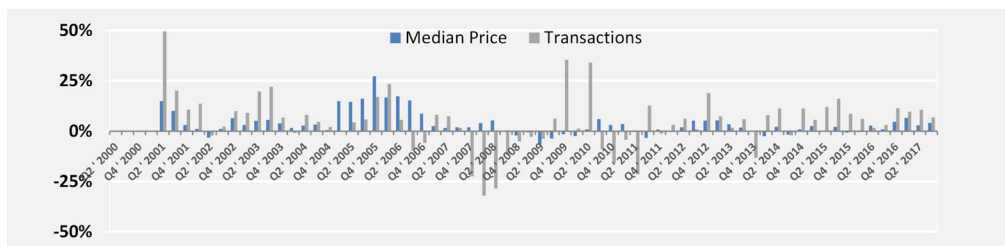
El Paso Key Stats	Q3 ' 2017	Q-Q Change	Q2 ' 2017	Y-O-Y Change	Q3 ' 2016
Average Sales Price	\$166,212	3.5%	\$160,589	0.6%	\$165,249
Average \$/Sq.ft.	\$90	1.7%	\$88	3.5%	\$87
Median Sales Price	\$150,000	1.4%	\$147,950	4.1%	\$144,150
DOM	84	-2.9%	87	-12.0%	96
Sale % of List	98.1%	1.7%	96.4%	1.0%	97.2%
Number of Sales	2,087	-3.7%	2,167	6.8%	1,954
Listed Inventory	3,201	-16.0%	3,811	-18.8%	3,944

MEDIAN SALE PRICE AND TRANSACTION COUNTS



Source: Greater El Paso Association of Realtors.

YEAR-OVER-YEAR CHANGE IN MEDIAN SALES PRICE AND TRANSACTION



Source: Greater El Paso Association of Realtors.

Inventory Continues to Decline



Indicators

Housing	Q3 ' 2017	Q3 ' 2016
Total Available Housing Inventory (existing)	▼ 3,201	3,944
Closed (existing)	▲ 2,087	1,954
Median Price (sold-existing)	▲ \$150,000	\$144,150
New Home Permits	▲ 640	559
Rates (%)		
3-Month Libor	▲ 1.33	0.85
30-Year Fixed	▲ 3.83	3.42
Prime	▲ 4.25	3.50
12 Mo-CD Jumbo	▲ 0.30	0.23
Employment		
Total Employment	▲ 316,000	310,900
Unemployment Rate (%)	▼ 4.8	5.3

Source: BLS, August Employment Data, Bloomberg, Greater El Paso Association of Realtors, FRED II.



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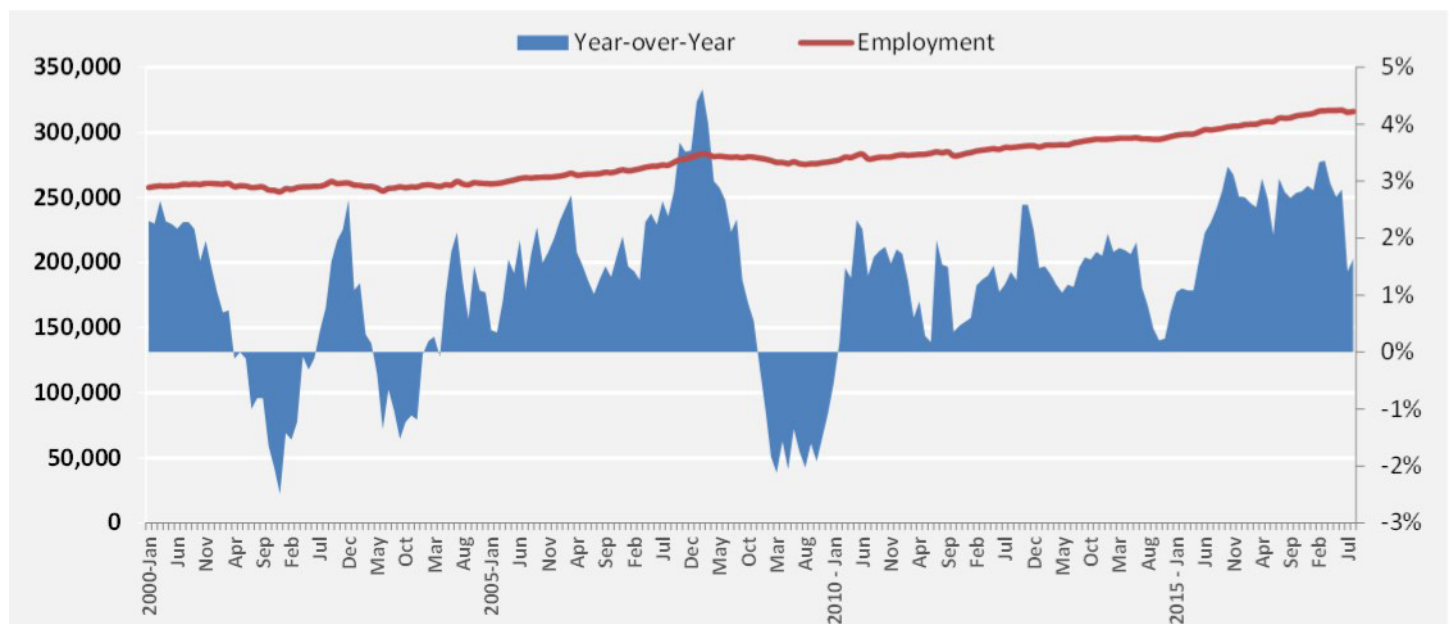
Once again, El Paso Economic Indicators Point Towards Expansion

The Dallas Federal Reserve explains that the El Paso economy "remains solid".¹ The El Paso Business-Cycle Index increased at an annualized rate of 1.6 percent in August. Much of the Index increase was due to gains in the labor market. The unemployment rate is quite low, measured to be 4.8% in the preliminary number for August. In a recent data release from the Bureau of Economic Analysis, El Paso real GDP rose to \$25.4 billion in 2016, an increase of 2.2 percent over 2015.

Total nonfarm employment grew by 2.3 percent in August relative to the same month of last year.² The strongest employment sectors are Financial Activities, Mining, Logging and Construction, Education and Health Services, Leisure and Hospitality, Other Services, Trade, Transportation and Utilities and Government. The softest sectors include the Information and Manufacturing sectors.

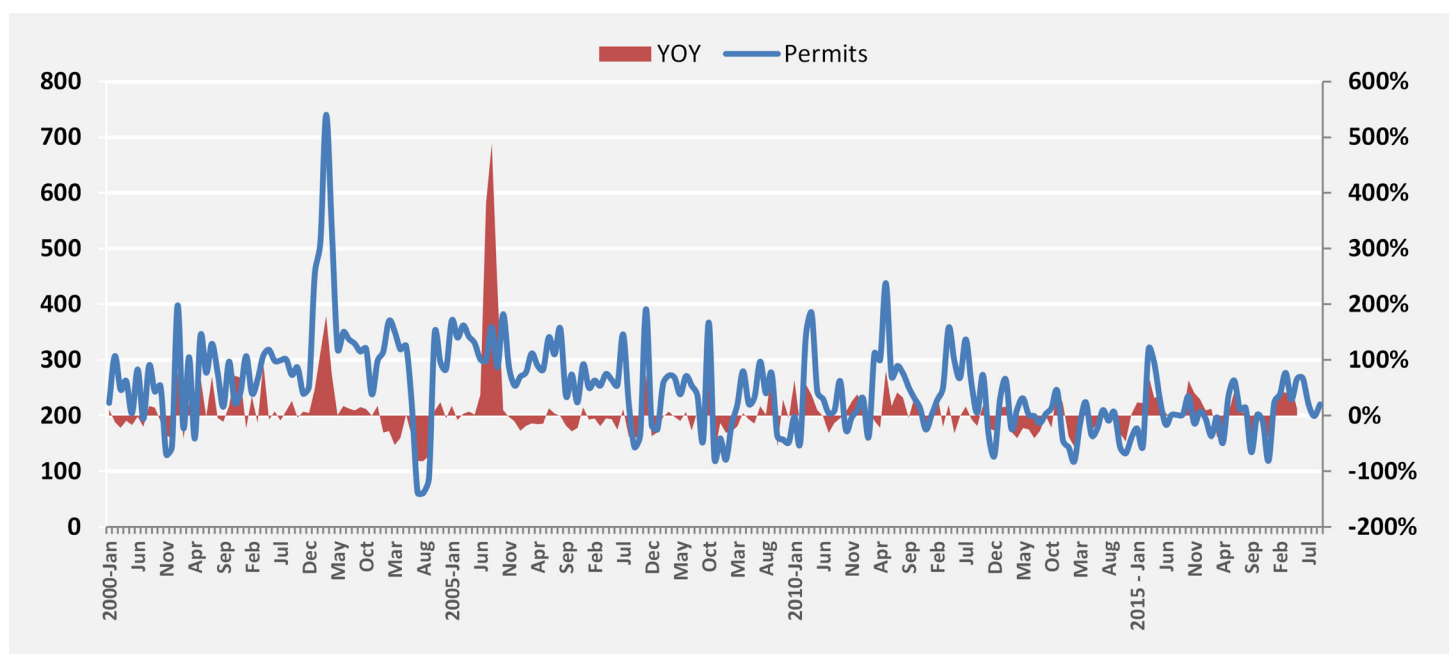
1. <https://www.dallasfed.org/research/indicators/ep.aspx>
2. https://www.bls.gov/eag/eag/tx_elpaso_msa.htm

EMPLOYMENT



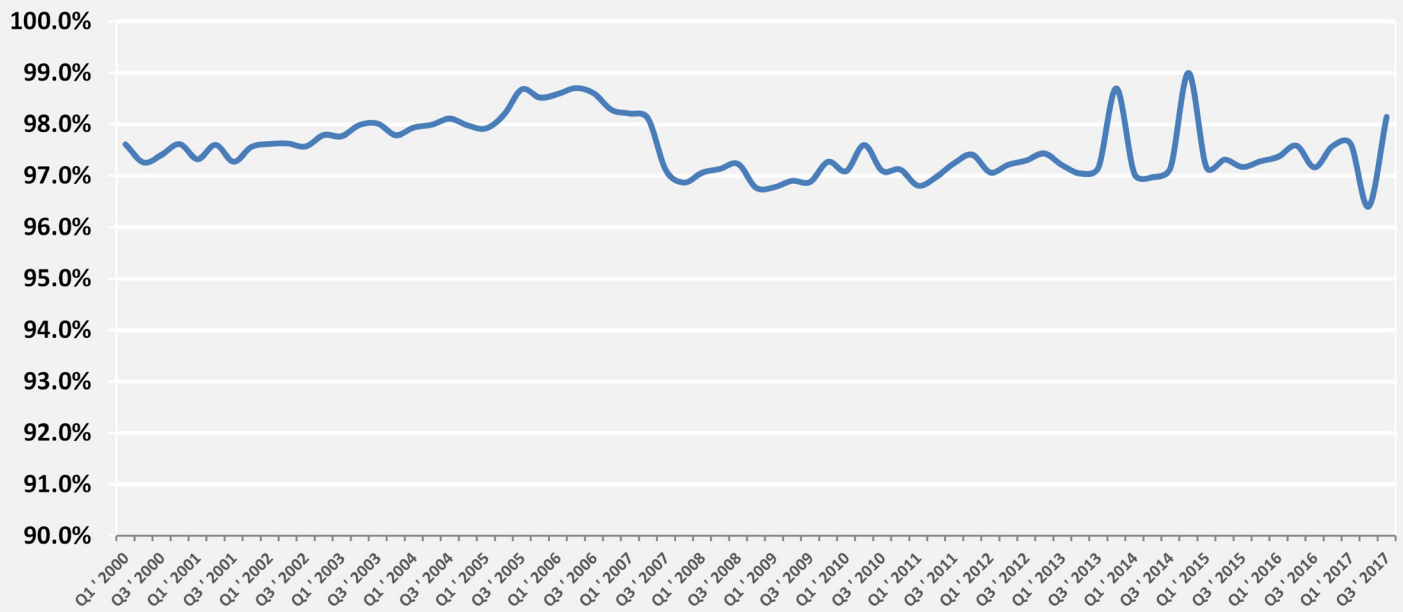
Source: Bureau of Labor Statistics.

SINGLE FAMILY PERMITS



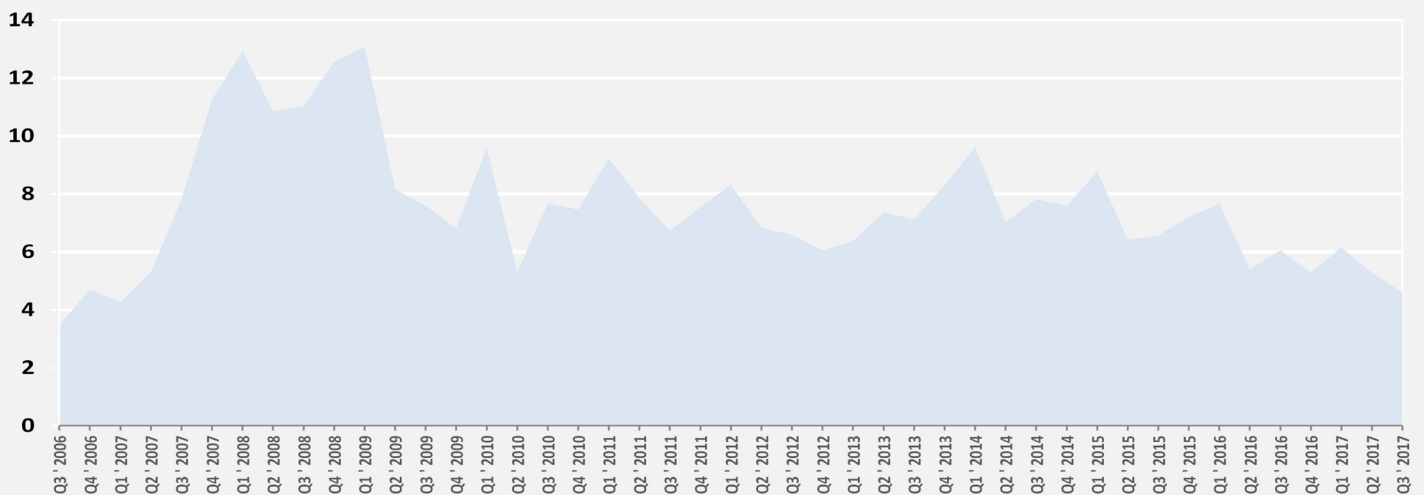
Source: U.S Census.

SALE PRICE AS A PERCENT OF LIST PRICE



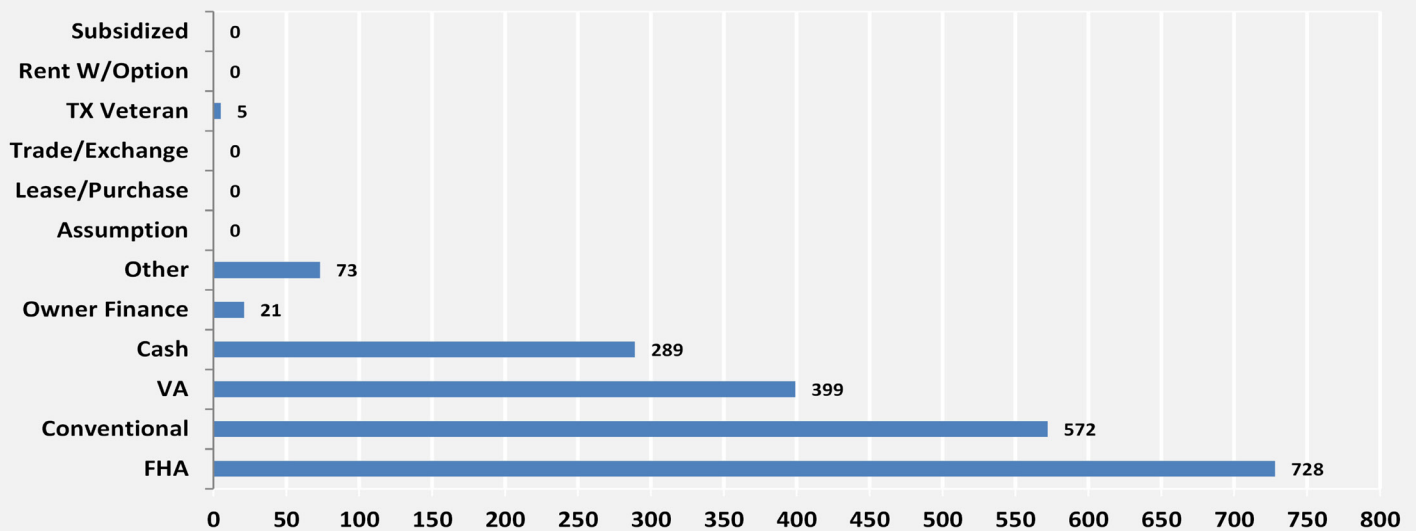
Note: Scale on Sale Prices as a Percent of List Price begins at 90%. Source: Greater El Paso Association of Realtors.

AVERAGE MONTHS OF SUPPLY (INCLUDES ALL RANGES)



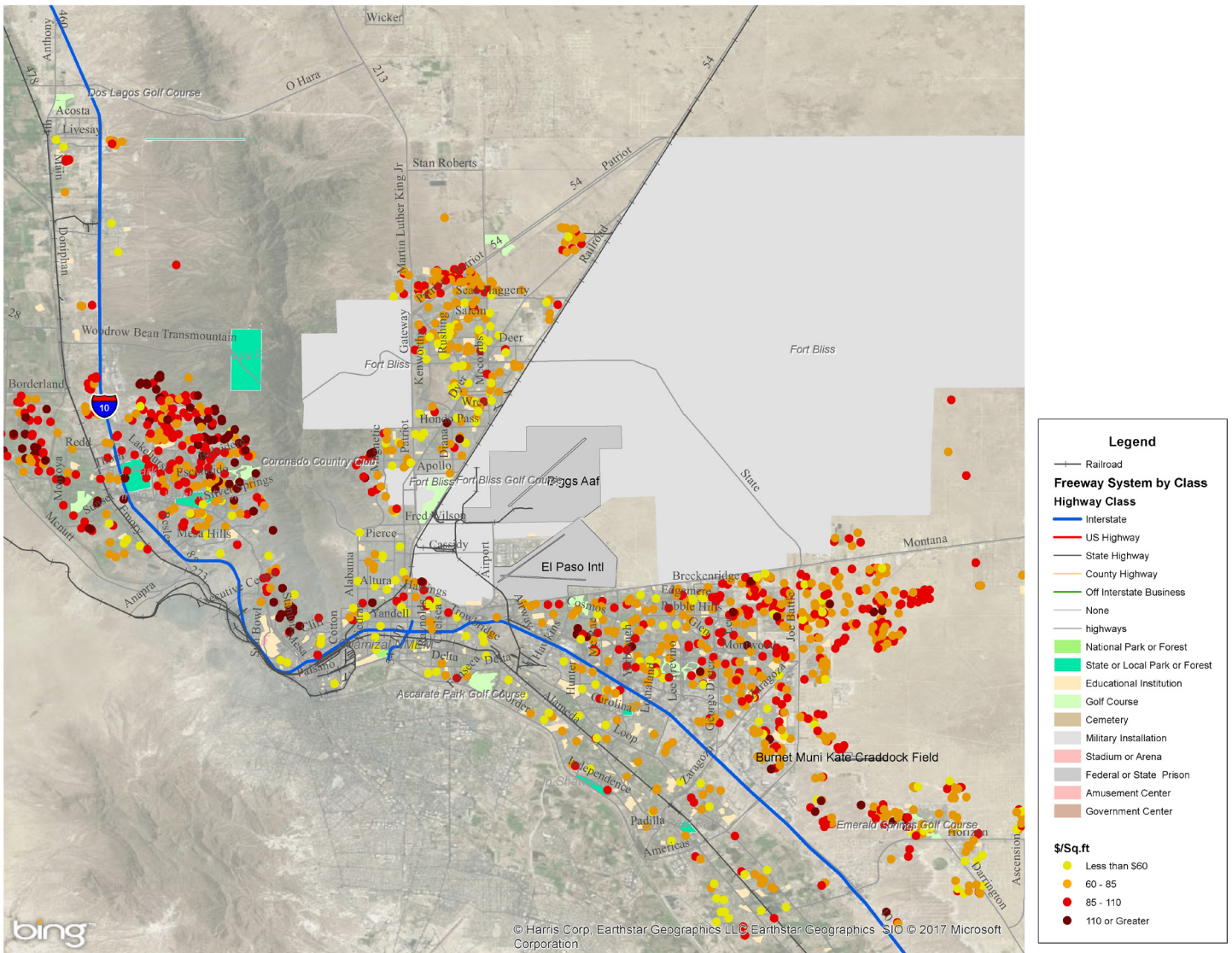
Source: Greater El Paso Association of Realtors.

TYPE OF FINANCING



Source: Greater El Paso Association of Realtors.

HOME SALES PRICE PER SQUARE FOOT



Source: Greater El Paso Association of Realtors, ESRI

MONTHS-OF-SUPPLY BY PRICE RANGE

Price Range	Q3 ' 2017 Sold	Q3 ' 2017 Listed	Months of Supply
Less than 60,000	76	26	1.0
60,000 - 80,000	102	86	2.5
80,000 - 110,000	288	308	3.2
110,000 - 150,000	581	744	3.8
150,000 - 200,000	572	1,313	6.9
200,000 - 250,000	248	500	6.0
250,000 - 310,000	111	161	4.4
310,000 - 390,000	58	48	2.5
390,000 - 490,000	32	13	1.2
Greater than 490,000	19	2	0.3
Total/Average	2,087	3,201	4.6

Source: Greater El Paso Association of Realtors



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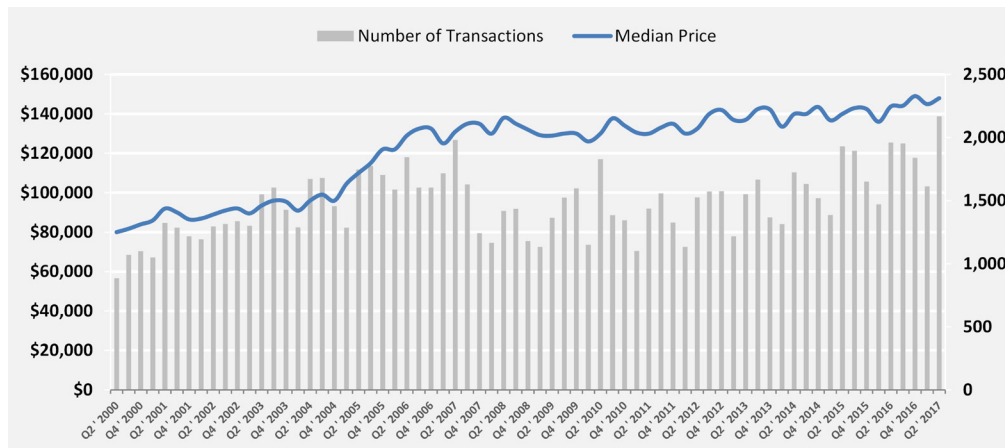
Home Prices Maintain the Upward Trend

El Paso median home prices advanced to new levels, similar to what is occurring in other U.S. markets such as Dallas and Denver. In addition to rising prices, El Paso reached a historically high sales figure, similar to the seasonal strength observed in nearby Las Cruces. Marketing times also reached decade lows in El Paso.

Where El Paso departs from many other markets is that inventory has actually rose from last quarter and year-over-year. Most markets have seen shrinking inventories into the second quarter. Despite the upward movement in for-sale homes, sales have been strong enough to keep months-of-supply at historical lows, currently about five months of inventory.

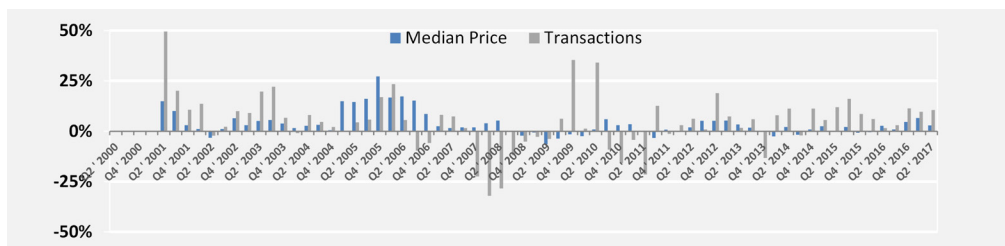
El Paso Key Stats	Q2 ' 2017	Q-Q Change	Q1 ' 2017	Y-O-Y Change	Q2 ' 2016
Average Sales Price	\$160,589	-0.1%	\$160,754	2.5%	\$156,705
Average \$/Sq.ft.	\$88	1.3%	\$87	3.3%	\$85
Median Sales Price	\$147,950	2.1%	\$144,950	2.9%	\$143,750
DOM	87	-12.3%	99	-9.0%	96
Sale % of List	96.4%	-1.2%	97.6%	-1.2%	97.6%
Number of Sales	2,167	34.3%	1,613	10.5%	1,961
Listed Inventory	3,811	15.0%	3,313	7.9%	3,531

MEDIAN SALE PRICE AND TRANSACTION COUNTS



Source: Greater El Paso Association of Realtors.

YEAR-OVER-YEAR CHANGE IN MEDIAN SALES PRICE AND TRANSACTION



Source: Greater El Paso Association of Realtors.

Sales Jumped
to One of the
Highest Levels in
Years



Indicators

Housing	Q2 ' 2017	Q2 ' 2016
Total Available Housing Inventory (existing)	▲ 3,811	3,759
Closed (existing)	▲ 2,167	1,961
Median Price (sold-existing)	▲ \$147,950	\$143,750
New Home Permits	▲ 739	584
Rates (%)		
3-Month Libor	▲ 1.30	0.65
30-Year Fixed	▲ 3.88	3.48
Prime	▲ 4.13	3.50
12 Mo-CD Jumbo	▲ 0.27	0.23
Employment		
Total Employment	▲ 316,800	308,400
Unemployment Rate (%)	▲ 5.0	4.9

Source: BLS, May Employment Data, Bloomberg, Greater El Paso Association of Realtors, FRED II.



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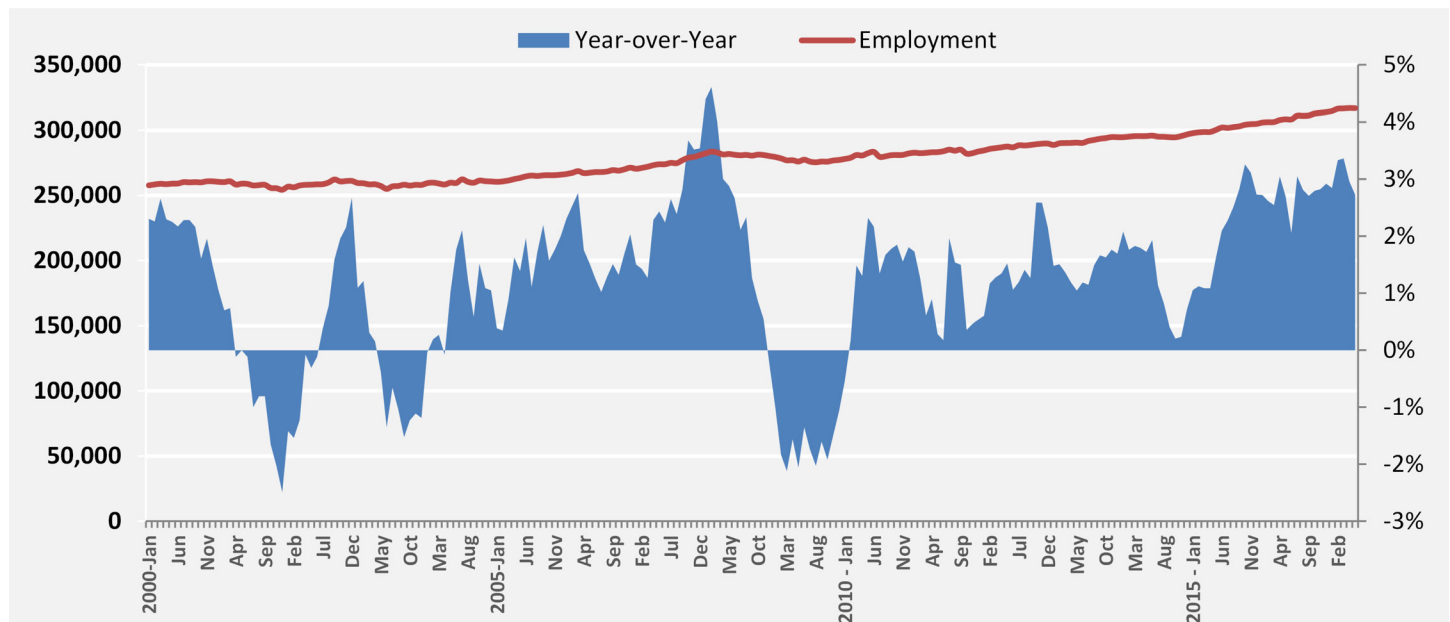
The El Paso Economy Grows During the Second Quarter

The Dallas Federal Reserve found continued growth in the El Paso region.¹ The El Paso Business-Cycle Index revealed an annualized increase of 2.1 percent (measured in May). Most of the index gains came from a strong labor market. The peso-dollar exchange rate was noted to negatively influence some border shopping activity. Maquiladora activity in Ciudad Juárez continues to be strong.

So far in 2017, El Paso has added nearly 3,000 jobs. The growing employment sectors have been Professional and Business Services, Financial Activities, Leisure and Hospitality, Education and Health Services, Trade Transportation and Utilities and Government. Mining, Logging and Construction and Other Services also has had some moderate increases. Information has had net declines in the past few months while Manufacturing has been largely flat.²

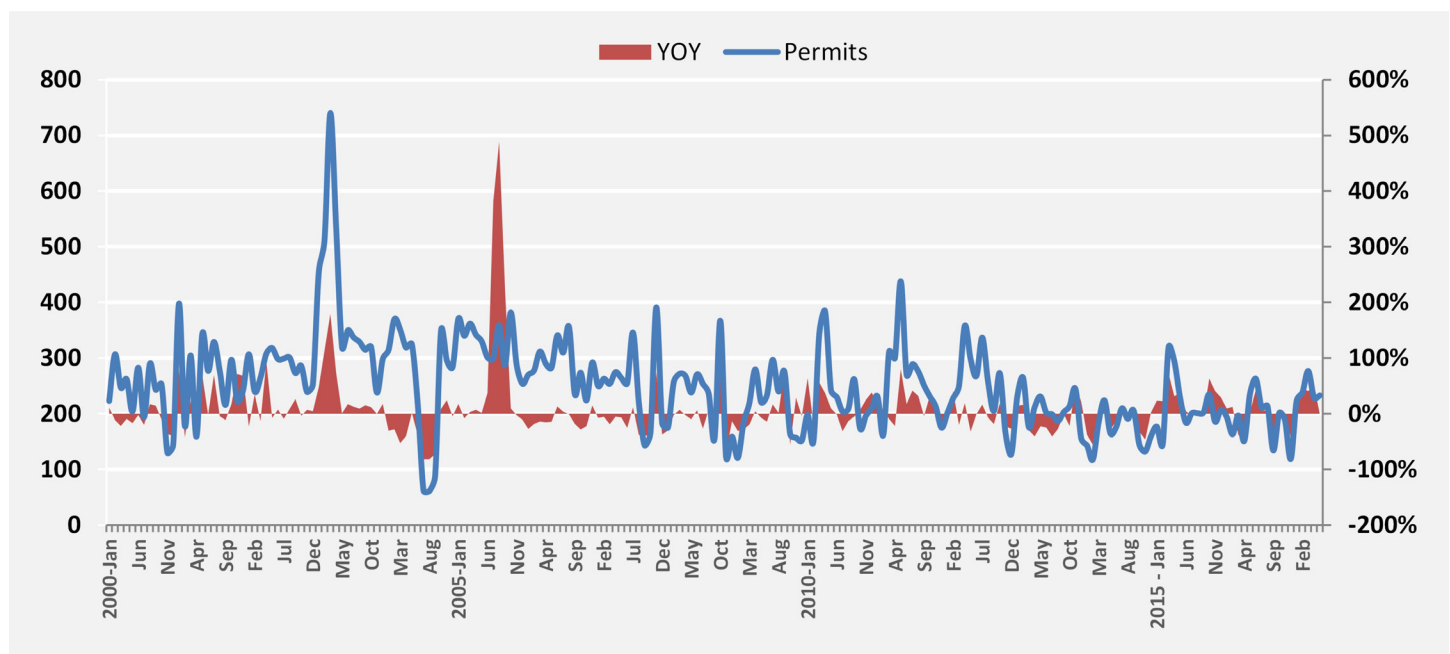
1. <https://www.dallasfed.org/research/indicators/ep.aspx>
2. https://www.bls.gov/eag/eag.tx_elpaso_msa.htm

EMPLOYMENT



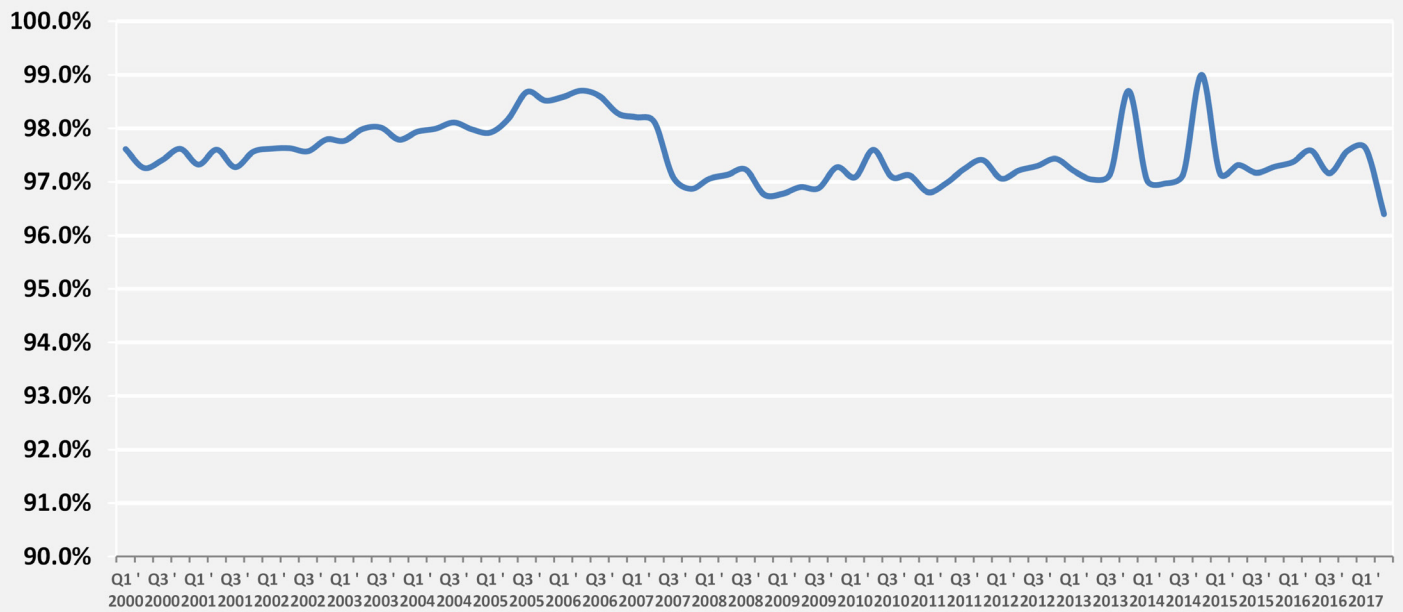
Source: Bureau of Labor Statistics.

SINGLE FAMILY PERMITS



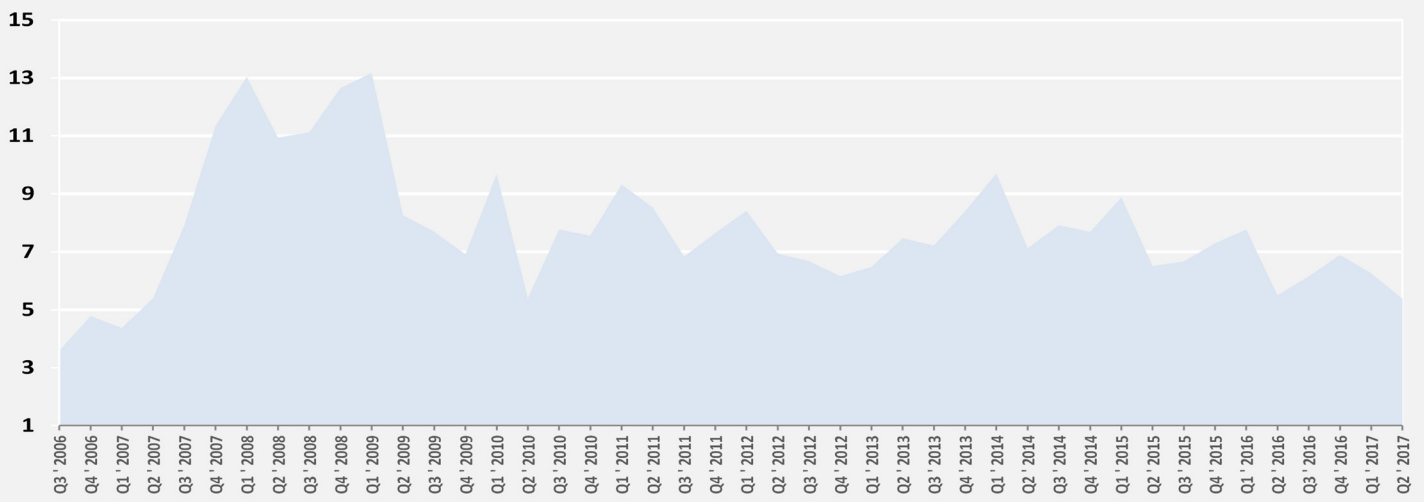
Source: U.S Census.

SALE PRICE AS A PERCENT OF LIST PRICE



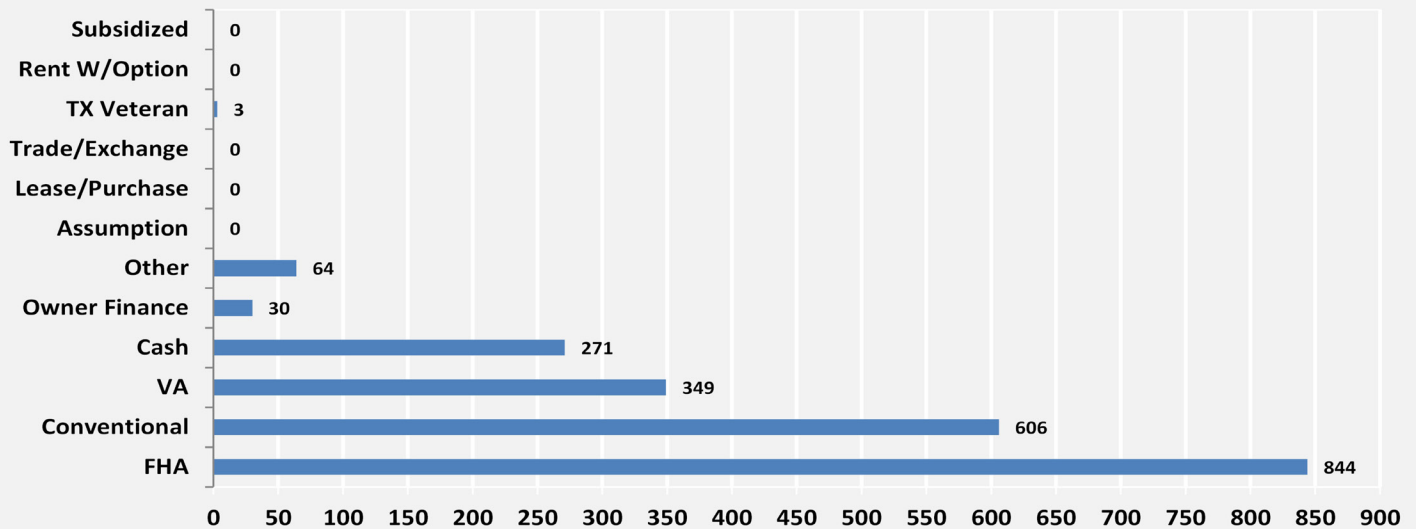
Note: Scale on Sale Prices as a Percent of List Price begins at 90%. Source: Greater El Paso Association of Realtors.

AVERAGE MONTHS OF SUPPLY (INCLUDES ALL RANGES)



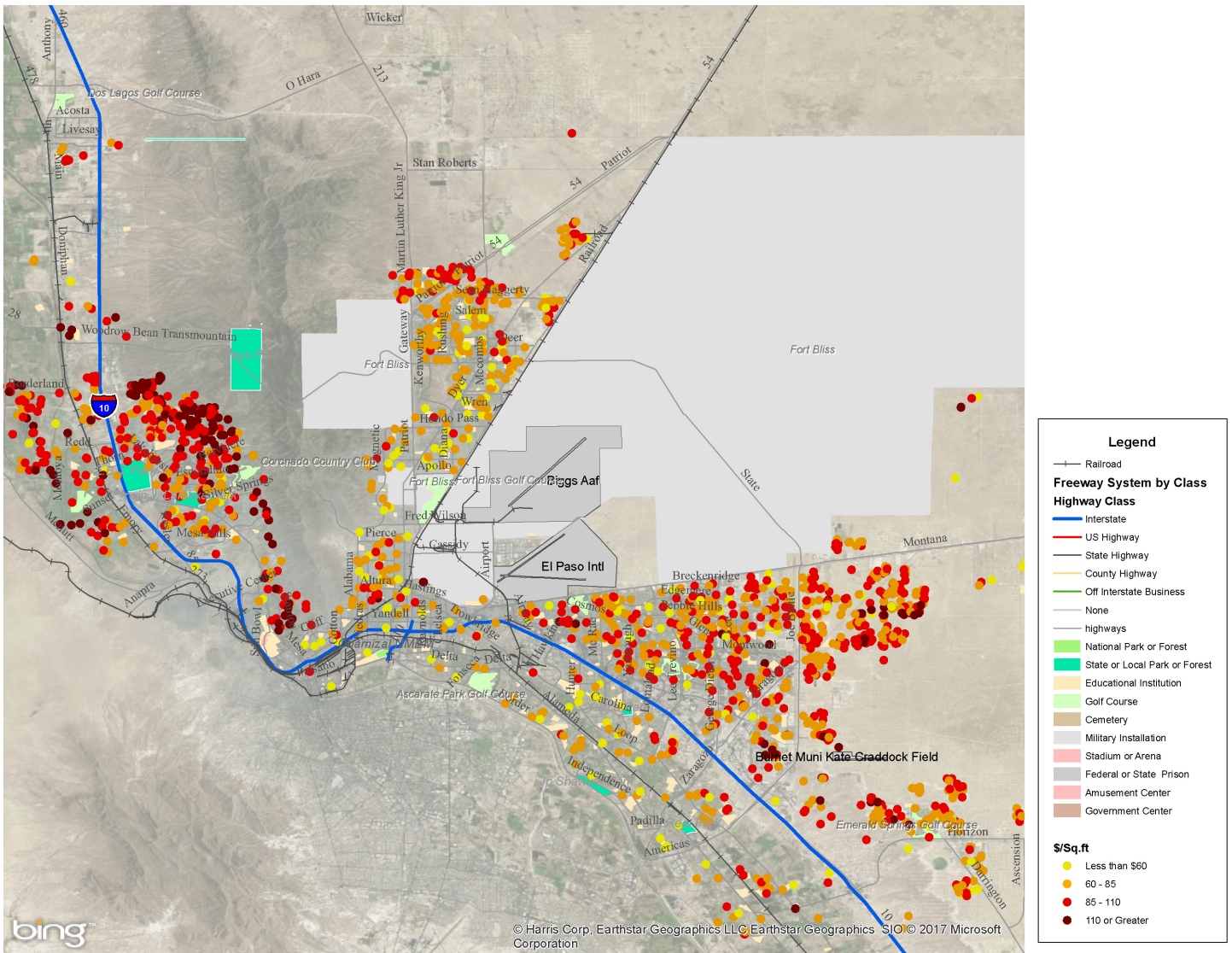
Source: Greater El Paso Association of Realtors.

TYPE OF FINANCING



Source: Greater El Paso Association of Realtors.

HOME SALES PRICE PER SQUARE FOOT



Source: Greater El Paso Association of Realtors, ESRI

MONTHS-OF-SUPPLY BY PRICE RANGE

Price Range	Q2 ' 2017 Sold	Q2 ' 2017 Listed	Months of Supply
Less than 60,000	69	105	4.6
60,000 - 80,000	116	119	3.1
80,000 - 110,000	345	349	3.0
110,000 - 150,000	609	719	3.5
150,000 - 200,000	601	1,294	6.5
200,000 - 250,000	234	605	7.8
250,000 - 310,000	104	275	7.9
310,000 - 390,000	55	132	7.2
390,000 - 490,000	16	91	17.1
Greater than 490,000	18	122	20.3
Total/Average	2,167	3,811	5.3

Source: Greater El Paso Association of Realtors



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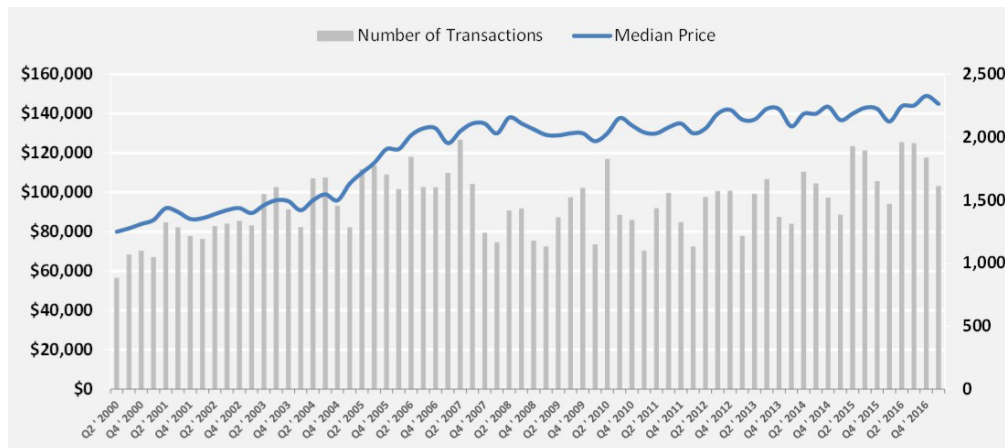
The Median Home Price Trend Continues to be Positive

The El Paso median sale price, average price per-square foot and average sales price all showed declines from last quarter but remain meaningfully higher than the same quarter of 2016. The general price trend remains positive and the sale-list price ratio continues to be in-line with prior observations, painting a picture of relative stability in pricing.

Inventory, like many U.S. housing markets, has fallen rather dramatically, with El Paso posting almost twelve percent fewer listings than the first quarter of last year. Sales are also higher year-over-year, pointing towards the possibility of price pressures in the seasonally strong summer months.

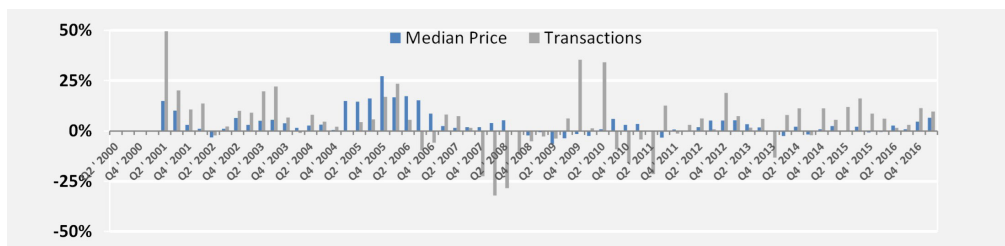
El Paso Key Stats	Q1 ' 2017	Q-Q Change	Q4 ' 2016	Y-O-Y Change	Q1 ' 2016
Average Sales Price	\$160,754	-1.8%	\$163,740	6.7%	\$150,668
Average \$/Sq.ft.	\$87	-0.5%	\$87	5.8%	\$82
Median Sales Price	\$144,950	-2.7%	\$149,000	6.6%	\$136,000
DOM	99	7.4%	92	-3.9%	103
Sale % of List	97.6%	0.0%	97.6%	0.3%	97.4%
Number of Sales	1,613	-12.3%	1,839	9.7%	1,471
Listed Inventory	3,313	-9.3%	3,653	-11.9%	3,759

MEDIAN SALE PRICE AND TRANSACTION COUNTS



Source: Greater El Paso Association of Realtors.

YEAR-OVER-YEAR CHANGE IN MEDIAN SALES PRICE AND TRANSACTION



Source: Greater El Paso Association of Realtors.

Sales Continue to Post Year-Over- Year Increases



Indicators

Housing	Q1 ' 2017	Q1 ' 2016
Total Available Housing Inventory (existing)	▼ 3,313	3,759
Closed (existing)	▲ 1,613	1,471
Median Price (sold-existing)	▲ \$144,950	\$136,000
New Home Permits	▲ 580	564
Rates (%)		
3-Month Libor	▲ 1.15	0.63
30-Year Fixed	▲ 4.14	3.71
Prime	▲ 3.88	3.50
12 Mo-CD Jumbo	▲ 0.27	0.23
Employment		
Total Employment	▲ 315,500	306,300
Unemployment Rate (%)	▲ 5.4	4.8

Source: BLS, February Employment Data, Bloomberg, Greater El Paso Association of Realtors, FRED II.



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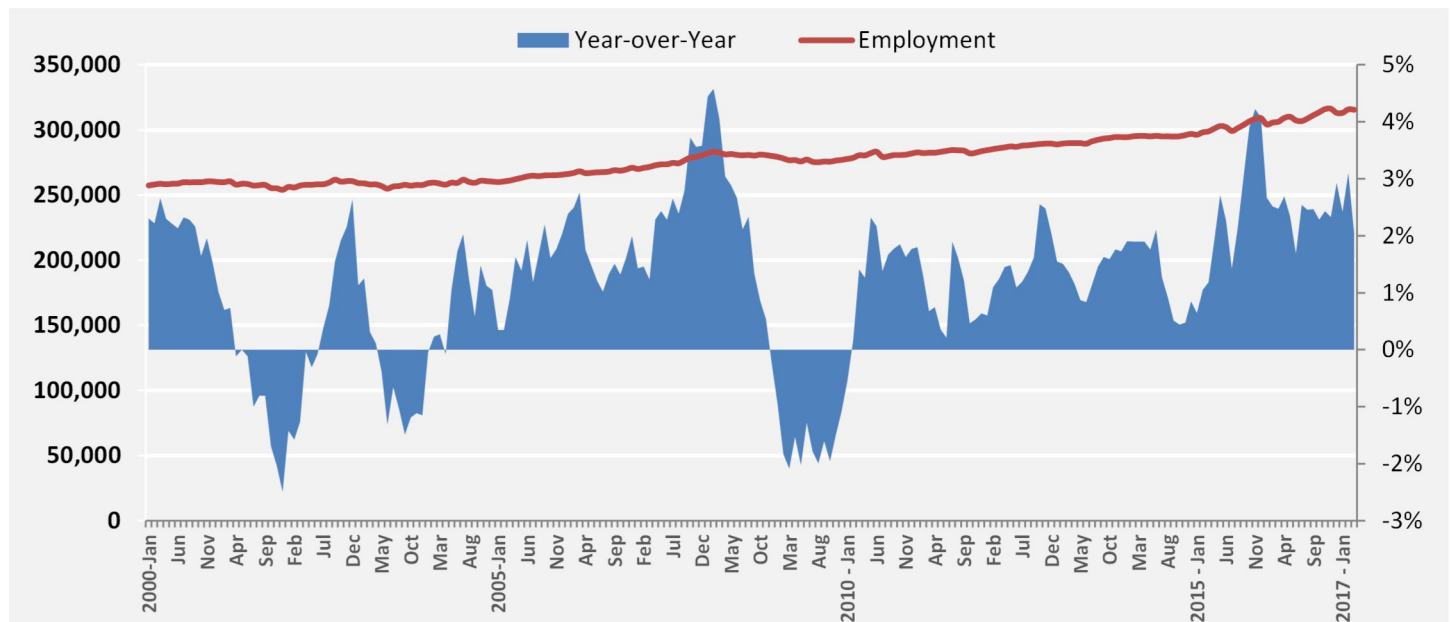
The El Paso Economy Continues to Expand

The Dallas Federal Reserve noted a strong job market and increasing wages for the region.¹ The El Paso Business-Cycle Index increased at an annualized rate of 1.0 percent in March. Retail sales have moved little, do in part to a slowdown in purchasing by Mexican nationals.

The year-to-date job growth represents a 2.90 percent increase relative to last year, adding over 2,200 jobs in the January through March period.² Strong growth sectors include Financial Activities, Professional and Business Services, Education and Health Services, Leisure and Hospitality, Mining, Logging and Construction, Trade Transportation and Utilities and Government. Manufacturing and Other Services are experiencing mild gains while information as been the weakest sector.

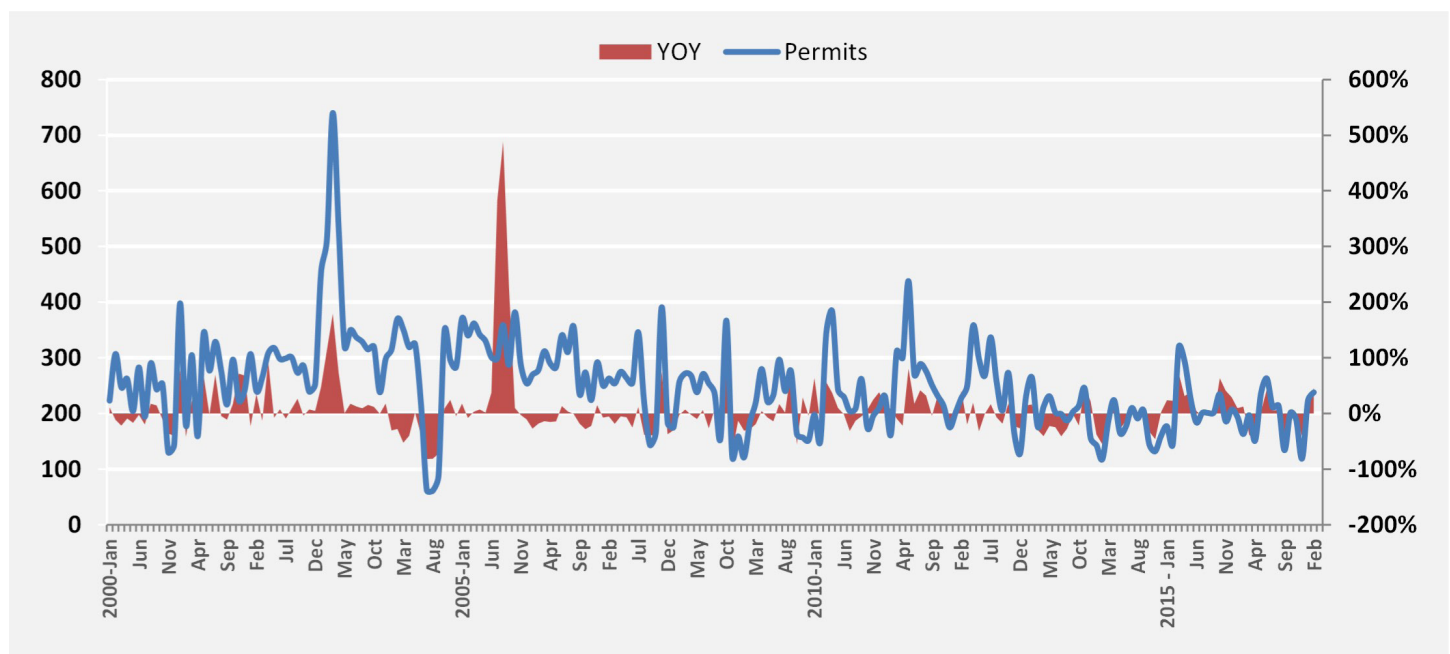
1. <https://www.dallasfed.org/research/indicators/ep.aspx>
2. https://www.bls.gov/eag/eag.tx_elpaso_msa.htm

EMPLOYMENT



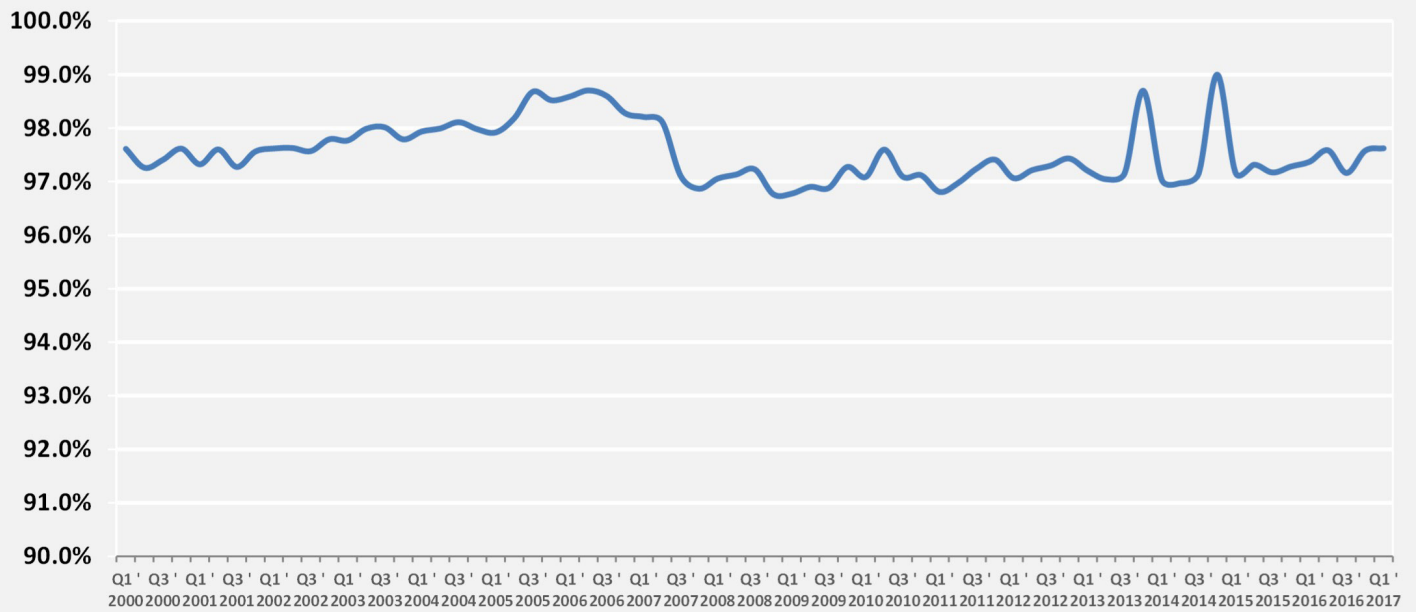
Source: Bureau of Labor Statistics.

SINGLE FAMILY PERMITS



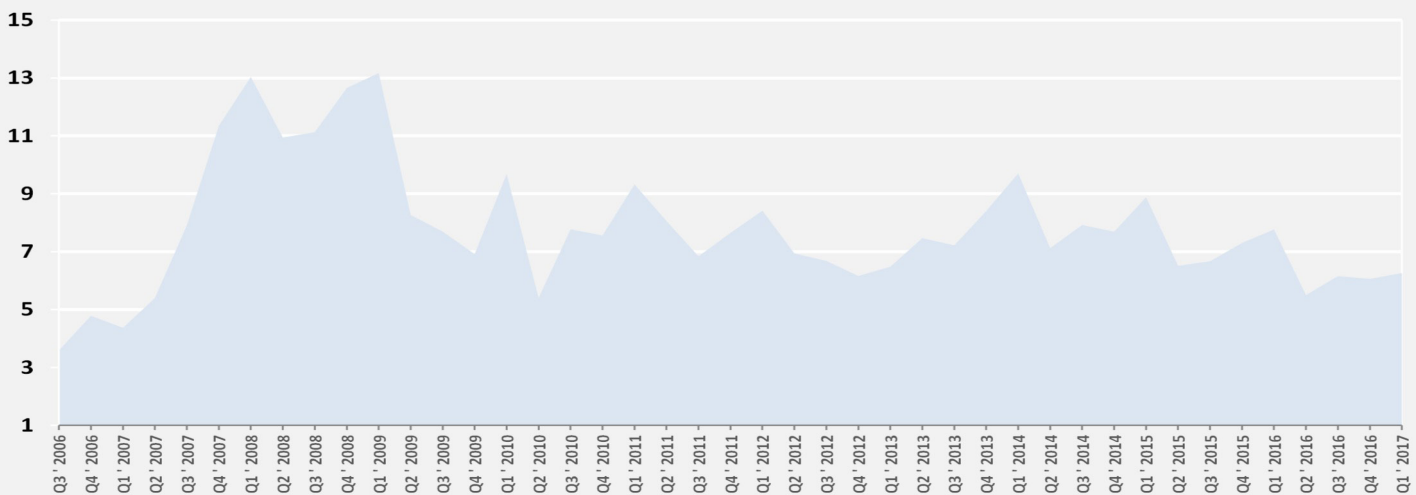
Source: U.S. Census.

SALE PRICE AS A PERCENT OF LIST PRICE



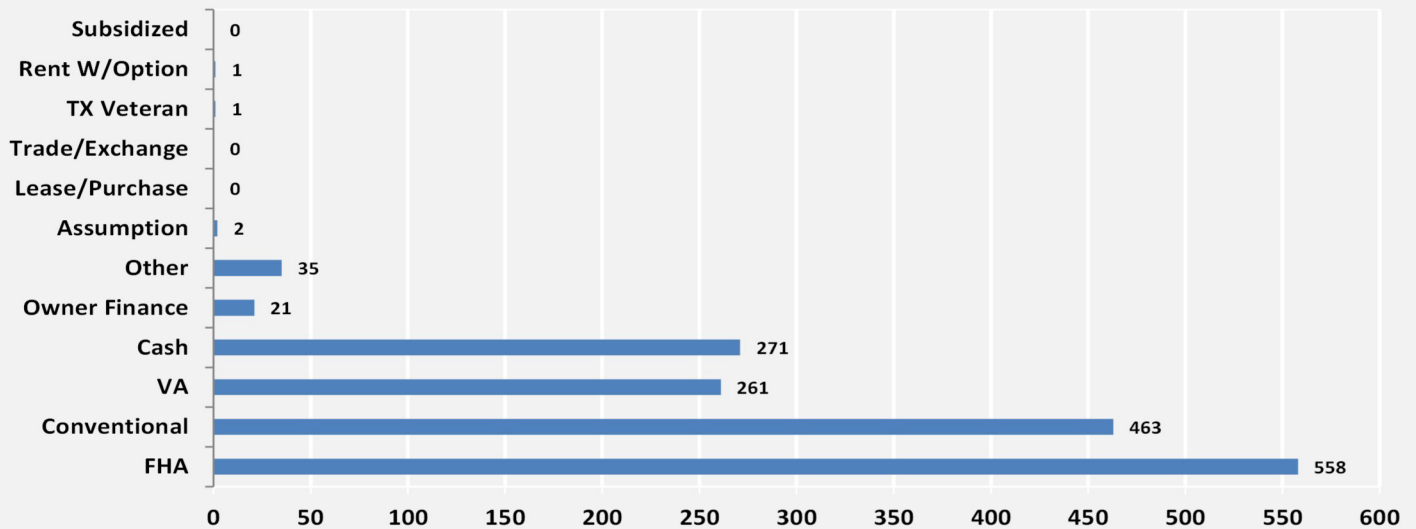
Note: Scale on Sale Prices as a Percent of List Price begins at 90%. Source: Greater El Paso Association of Realtors.

AVERAGE MONTHS OF SUPPLY (INCLUDES ALL RANGES)



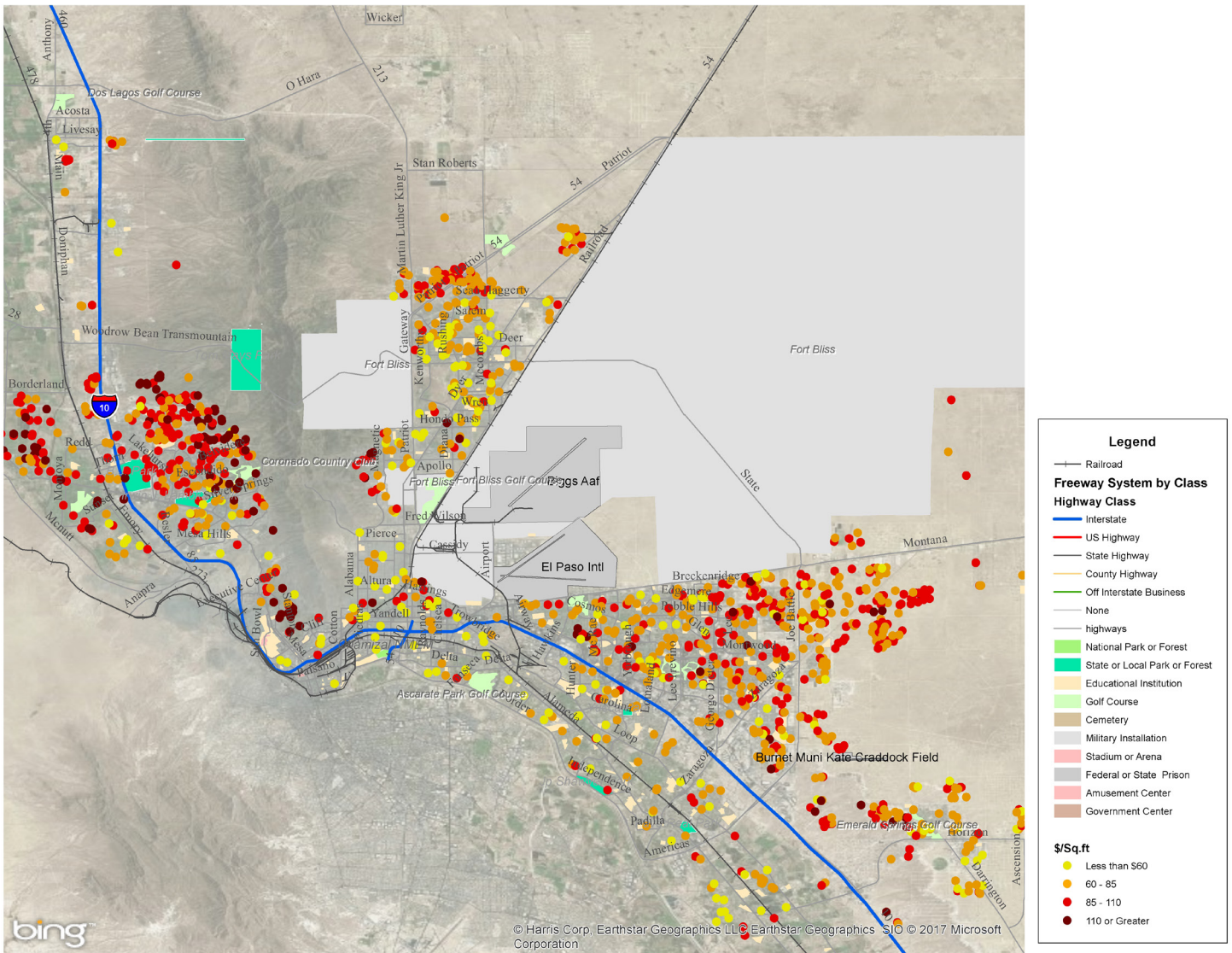
Source: Greater El Paso Association of Realtors.

TYPE OF FINANCING



Source: Greater El Paso Association of Realtors.

HOME SALES PRICE PER SQUARE FOOT



Source: Greater El Paso Association of Realtors, ESRI

MONTHS-OF-SUPPLY BY PRICE RANGE

Price Range	Q1 ' 2017 Sold	Q1 ' 2017 Listed	Months of Supply
Less than 60,000	74	27	1.1
60,000 - 80,000	97	109	3.4
80,000 - 110,000	257	284	3.3
110,000 - 150,000	472	696	4.4
150,000 - 200,000	384	1,146	9.0
200,000 - 250,000	163	537	9.9
250,000 - 310,000	87	244	8.4
310,000 - 390,000	40	110	8.3
390,000 - 490,000	19	63	9.9
Greater than 490,000	20	97	14.6
Total/Average	1,613	3,313	6.2

Source: Greater El Paso Association of Realtors



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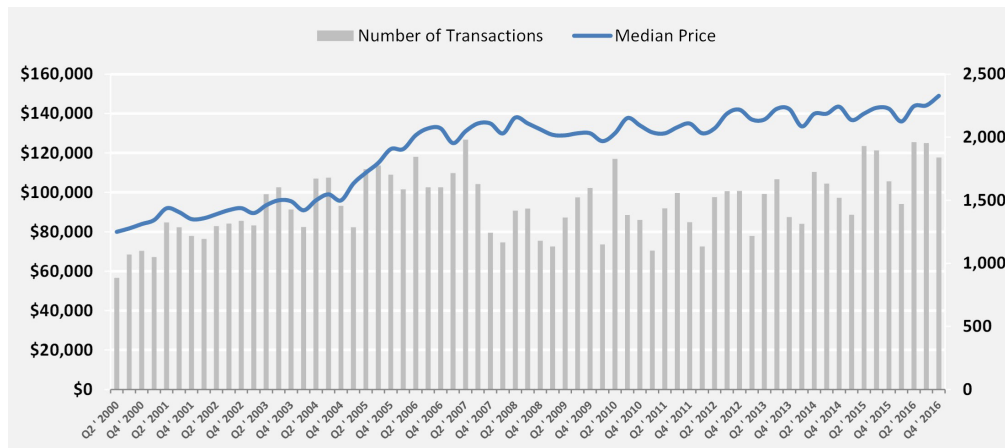
Median Home Prices Finish The Year Higher Than 2015

After being relatively flat for most of 2016, the fourth quarter experienced meaningful movement in all of our price indicators. The El Paso market has been one of the most stable markets we track and sale-list price ratios and days on market remain in-line with prior observations.

Listing inventory declined by twelve percent year-over-year while sales activity increased by just over eleven percent. Months-of-supply, which combines sales activity and listing inventory to form an estimate of how long it would take to move the current inventory, resides at about six months, which has been ratcheting down since 2013 and is considered a balanced market.

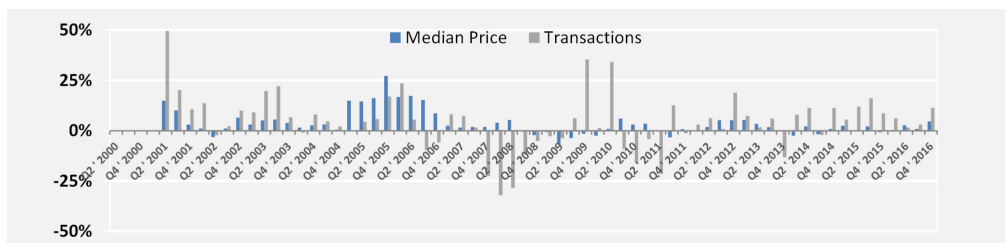
El Paso Key Stats	Q4 ' 2016	Q-Q Change	Q3 ' 2016	Y-O-Y Change	Q4 ' 2015
Average Sales Price	\$163,740	-0.9%	\$165,249	4.1%	\$157,293
Average \$/Sq.ft.	\$87	1.0%	\$87	3.6%	\$84
Median Sales Price	\$149,000	3.4%	\$144,150	4.6%	\$142,419
DOM	92	-3.8%	96	-2.4%	95
Sale % of List	97.6%	0.4%	97.2%	0.3%	97.3%
Number of Sales	1,839	-5.9%	1,954	11.4%	1,651
Listed Inventory	3,653	3.5%	3,531	-12.0%	4,151

MEDIAN SALE PRICE AND TRANSACTION COUNTS



Source: Greater El Paso Association of Realtors.

YEAR-OVER-YEAR CHANGE IN MEDIAN SALES PRICE AND TRANSACTION



Source: Greater El Paso Association of Realtors.

Sales Increased
Substantially
Year-Over-Year



Indicators

Housing	Q4 ' 2016	Q4 ' 2015
Total Available Housing Inventory (existing)	▼ 3,653	4,151
Closed (existing)	▲ 1,839	1,651
Median Price (sold-existing)	▲ \$149,000	\$142,419
New Home Permits	▼ 524	623
Rates (%)		
3-Month Libor	▲ 1.00	0.60
30-Year Fixed	▲ 4.30	3.96
Prime	▲ 3.50	3.25
12 Mo-CD Jumbo	▲ 0.24	0.22
Employment		
Total Employment	▲ 315,600	308,500
Unemployment Rate (%)	▼ 4.6	5.0

Source: BLS, November Employment Data, Bloomberg, Greater El Paso Association of Realtors, FRED II.



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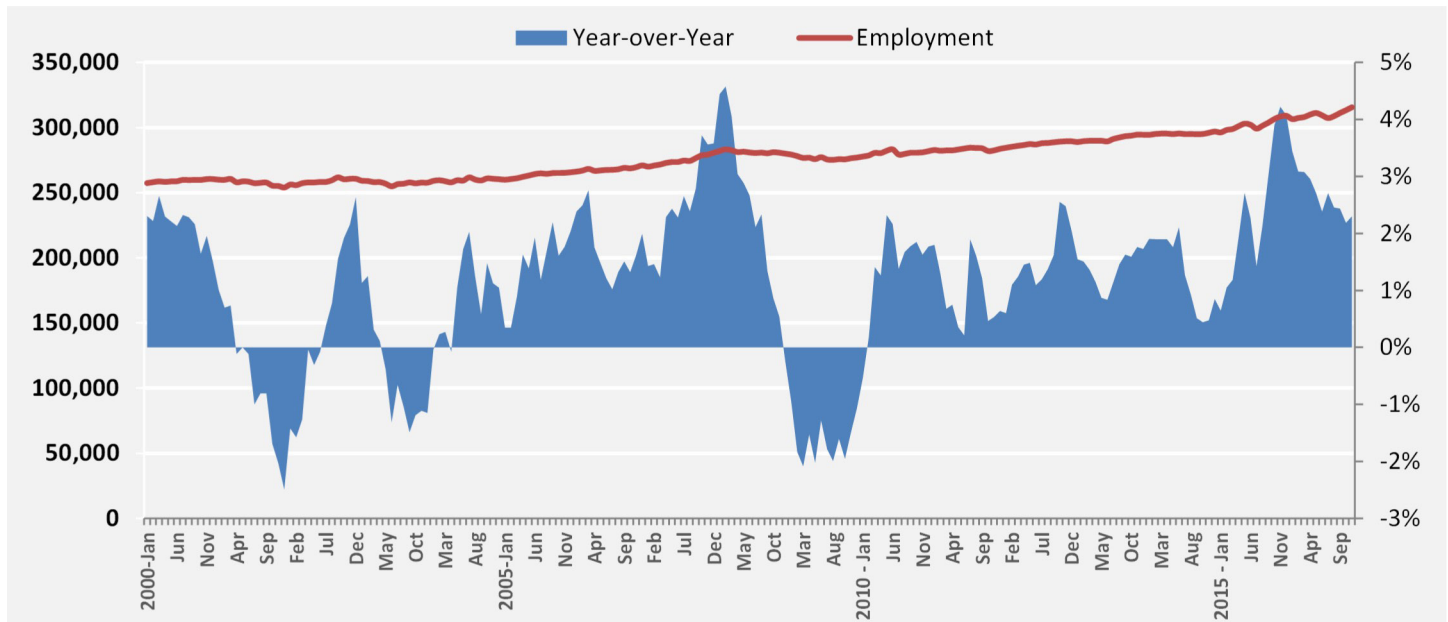
Business Activity Strengthened in the Fourth Quarter

The Dallas Federal Reserve's Business Cycle Index posted greater strength in November with growth in total nonfarm jobs, continued growth in maquiladora activity and robust home sales. The index rose at an annualized rate of 3.3 percent.¹

Nonfarm jobs rose by 2.3 percent when measured in November. Financial Activities, Construction & Mining, Professional & Business Services, Leisure & Hospitality all had substantial gains. Government and Other Services were also growing industries. Trade, Transportation & Utilities, Manufacturing and Information all had job losses.²

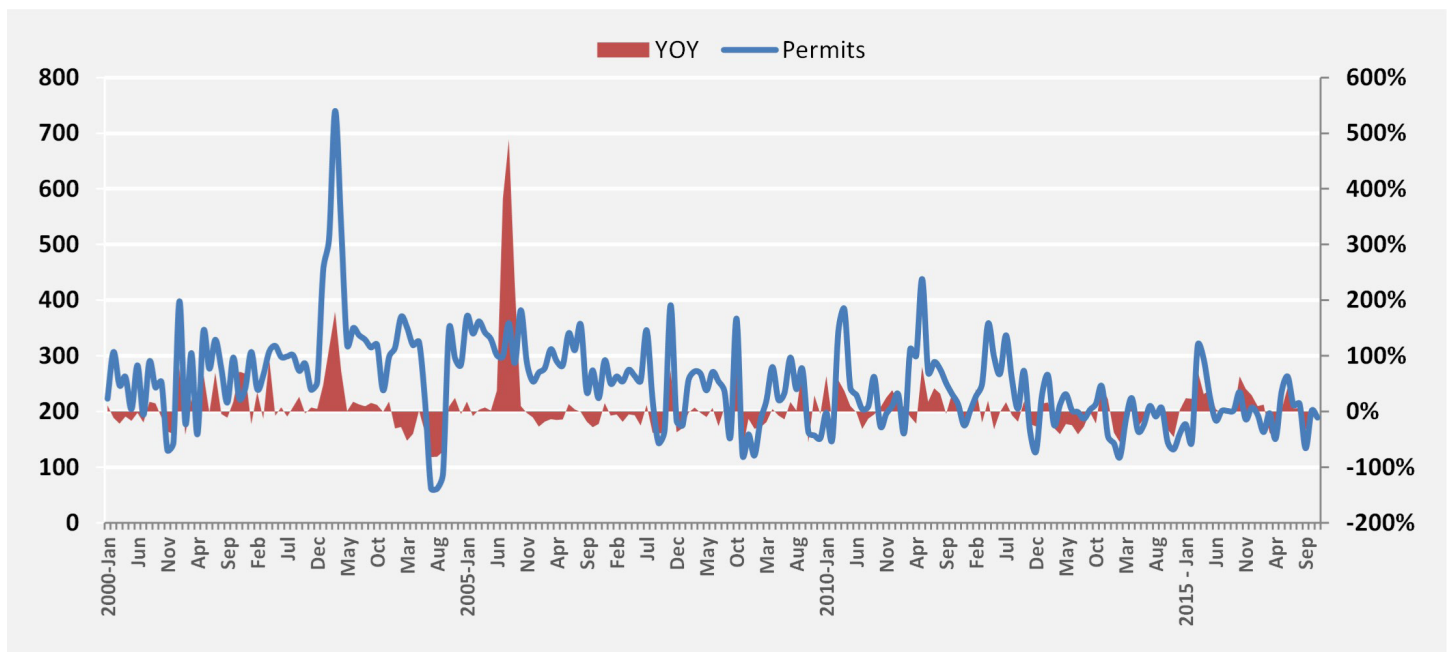
1. <file:///C:/Users/johnm/Downloads/cp161228.pdf>
2. https://www.bls.gov/eag/eag.tx_elpaso_msa.htm

EMPLOYMENT



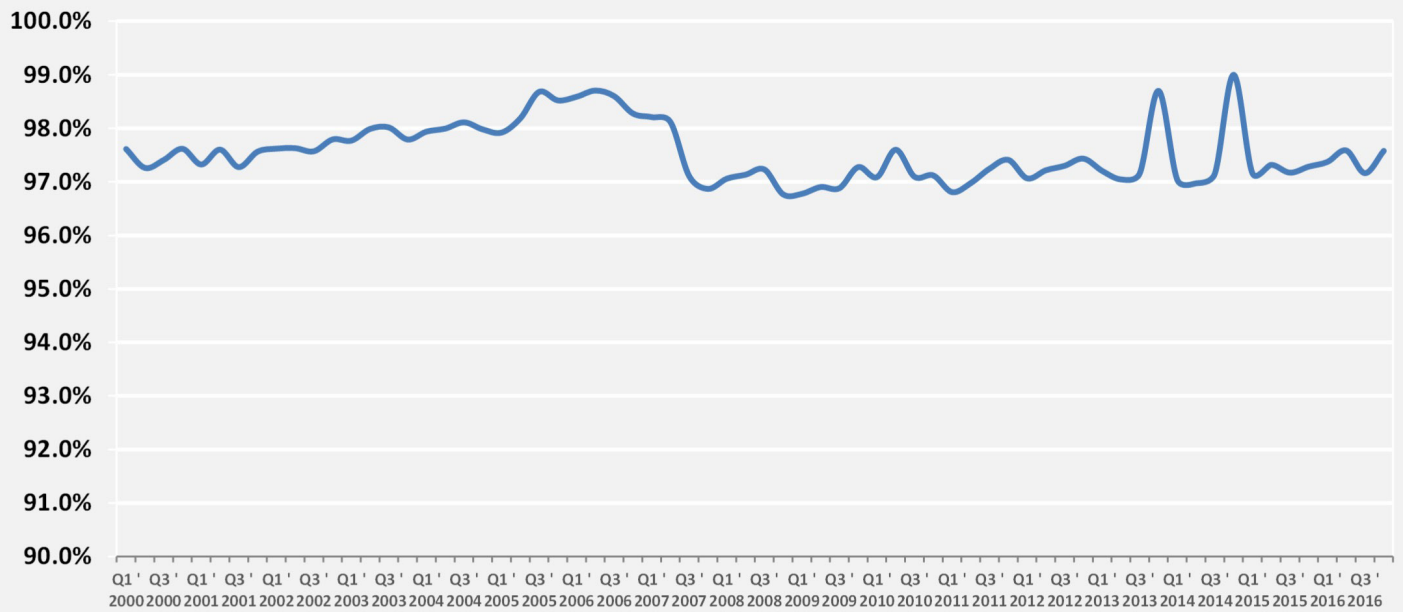
Source: Bureau of Labor Statistics.

SINGLE FAMILY PERMITS



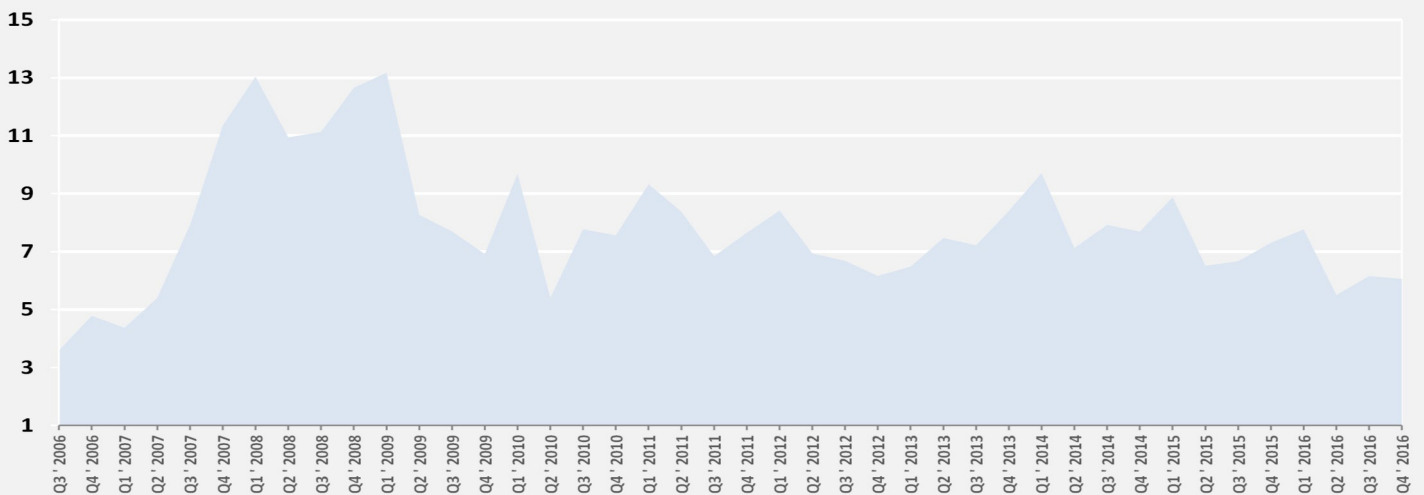
Source: U.S Census.

SALE PRICE AS A PERCENT OF LIST PRICE



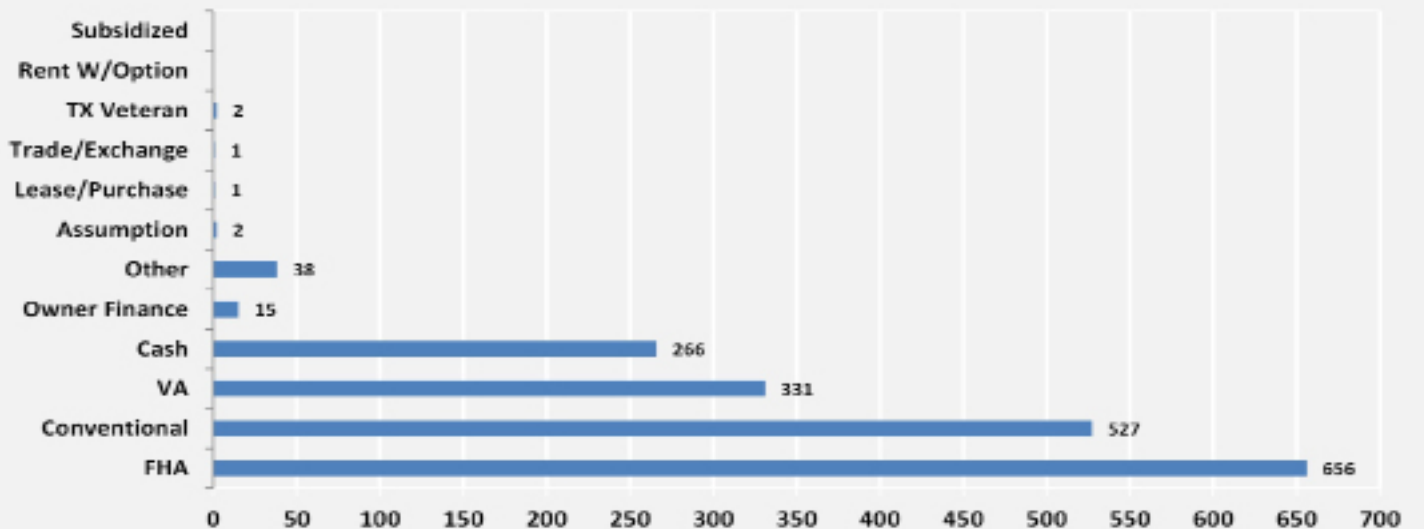
Note: Scale on Sale Prices as a Percent of List Price begins at 90%. Source: Greater El Paso Association of Realtors.

AVERAGE MONTHS OF SUPPLY (INCLUDES ALL RANGES)



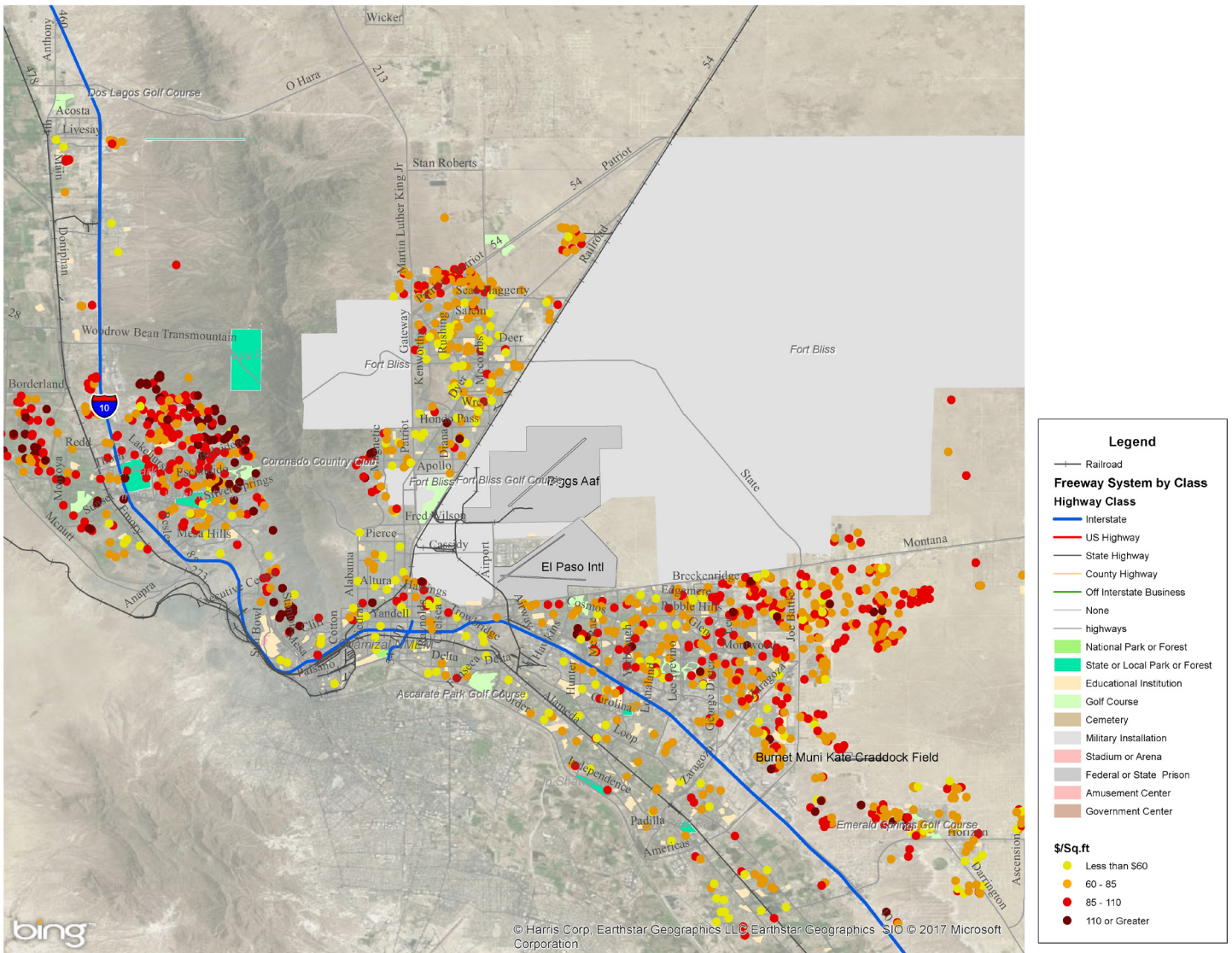
Source: Greater El Paso Association of Realtors.

TYPE OF FINANCING



Source: Greater El Paso Association of Realtors.

HOME SALES PRICE PER SQUARE FOOT



Source: Greater El Paso Association of Realtors, ESRI

MONTHS-OF-SUPPLY BY PRICE RANGE

Price Range	Q4 ' 2016 Sold	Q4 ' 2016 Listed	Months of Supply
Less than 60,000	75	126	5.0
60,000 - 80,000	111	169	4.6
80,000 - 110,000	283	411	4.4
110,000 - 150,000	477	762	4.8
150,000 - 200,000	501	1,164	7.0
200,000 - 250,000	181	518	8.6
250,000 - 310,000	102	242	7.1
310,000 - 390,000	63	107	5.1
390,000 - 490,000	28	55	5.9
Greater than 490,000	18	99	16.5
Total/Average	1,839	3,653	6.0

Source: Greater El Paso Association of Realtors



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El Paso

REAL ESTATE QUARTERLY

Coldwell Banker Legacy

2016

Second Quarter
Edition

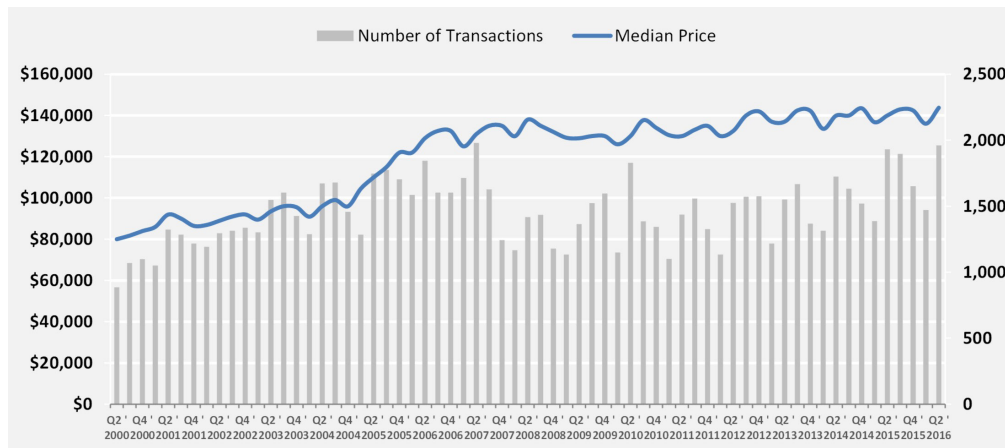
Sales Were Relatively Flat Year-Over-Year

While sales were nearly flat, inventory has also declined, pushing months-of-supply below six months. El Paso is generally more stable than most markets we track, however, this is the lowest months-of-supply figure in years. With transitive fluctuations aside, the sales trend has been on a positive course for several years.

Home prices continue to drift upward with some volatility, often associated with seasonal trends. Clearly, median prices have increased from first quarter, which is seasonally weaker but compared to the same quarter of last year, median prices are up nearly three percent. Coincidentally, marketing times have dropped by nearly one week on average.

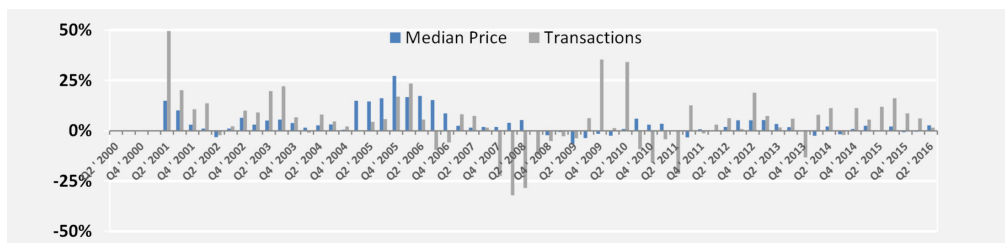
El Paso Key Stats	Q2 ' 2016	Q-Q Change	Q1 ' 2016	Y-O-Y Change	Q2 ' 2015
Average Sales Price	\$156,705	4.0%	\$150,668	-1.0%	\$158,328
Average \$/Sq.ft.	\$85	3.7%	\$82	0.6%	\$85
Median Sales Price	\$143,750	5.7%	\$136,000	2.7%	\$140,000
DOM	96	-7.3%	103	-5.4%	101
Sale % of List	97.6%	0.2%	97.4%	0.3%	97.3%
Number of Sales	1,961	33.3%	1,471	1.6%	1,930
Listed Inventory	3,531	-6.1%	3,759	-14.4%	4,125

MEDIAN SALE PRICE AND TRANSACTION COUNTS



Source: Greater El Paso Association of Realtors.

YEAR-OVER-YEAR CHANGE IN MEDIAN SALES PRICE AND TRANSACTION



Source: Greater El Paso Association of Realtors.

Q2 prices
increased
relative to the
same quarter of
last year



Indicators

Housing	Q2 ' 2016	Q2 ' 2015
Total Available Housing Inventory (existing)	▼ 3,531	4,125
Closed (existing)	▲ 1,961	1,930
Median Price (sold-existing)	▲ \$143,750	\$140,000
New Home Permits	▼ 584	841
Rates (%)		
3-Month Libor	▲ 0.66	0.28
30-Year Fixed	▼ 3.57	3.98
Prime	▲ 3.50	3.25
12 Mo-CD Jumbo	▲ 0.23	0.21
Employment		
Total Employment	▲ 335,769	328,214
Unemployment Rate (%)	▼ 4.5	5.1

Source: BLS, May Employment Data, Bloomberg, Greater El Paso Association of Realtors, FRED, IL.



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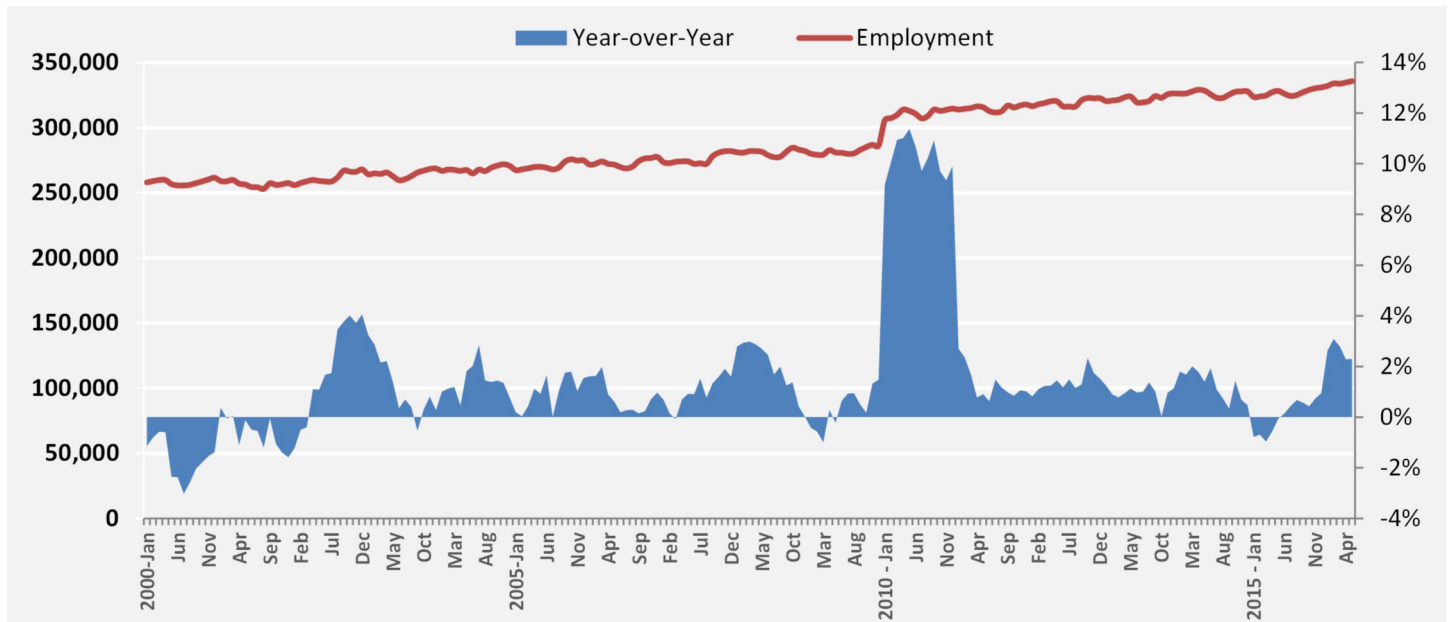
The El Paso Business-Cycle Index Revealed Growth Once Again

The Dallas Federal Reserve's Business Cycle Index registered a 2.3 percent annualized growth rate (measured in May). Job creation and declining unemployment contributed strongly to the gains in the index. Additionally, the Dallas Federal Reserve also noted positive wage growth, something that many areas have been waiting for. Retail sales were noted to have declined mildly, perhaps attributable to the stronger dollar impact cross-border sales.¹

So far in 2016, more than 1,800 jobs were added to the region. The Trade, Transportation and Utilities sector was responsible for nearly half of these gains. Construction and Mining has also shown an increase along with Professional and Business Services, Education and Health Services and Government. Leisure and Hospitality, Manufacturing and Financial Activities reflected near-term weakness.

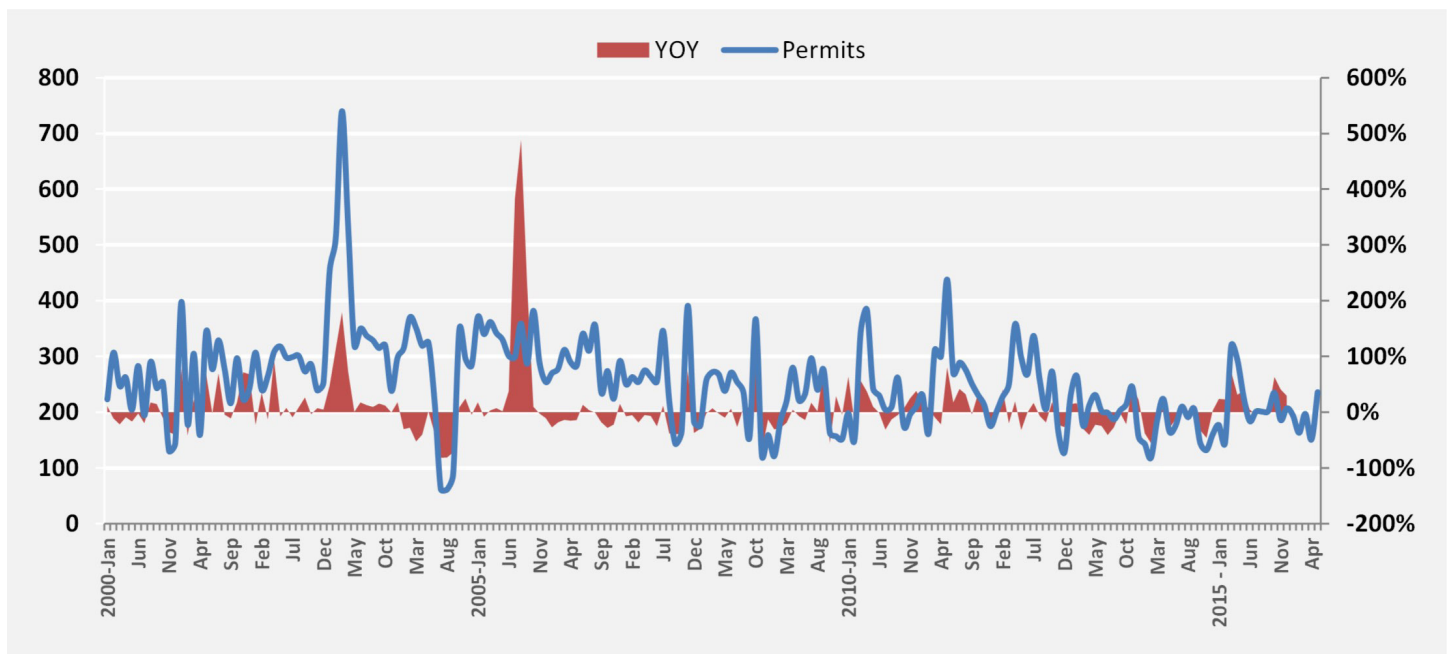
1. <http://www.dallasfed.org/assets/documents/research/indicators/ep/2016/ep160628.pdf>

EMPLOYMENT



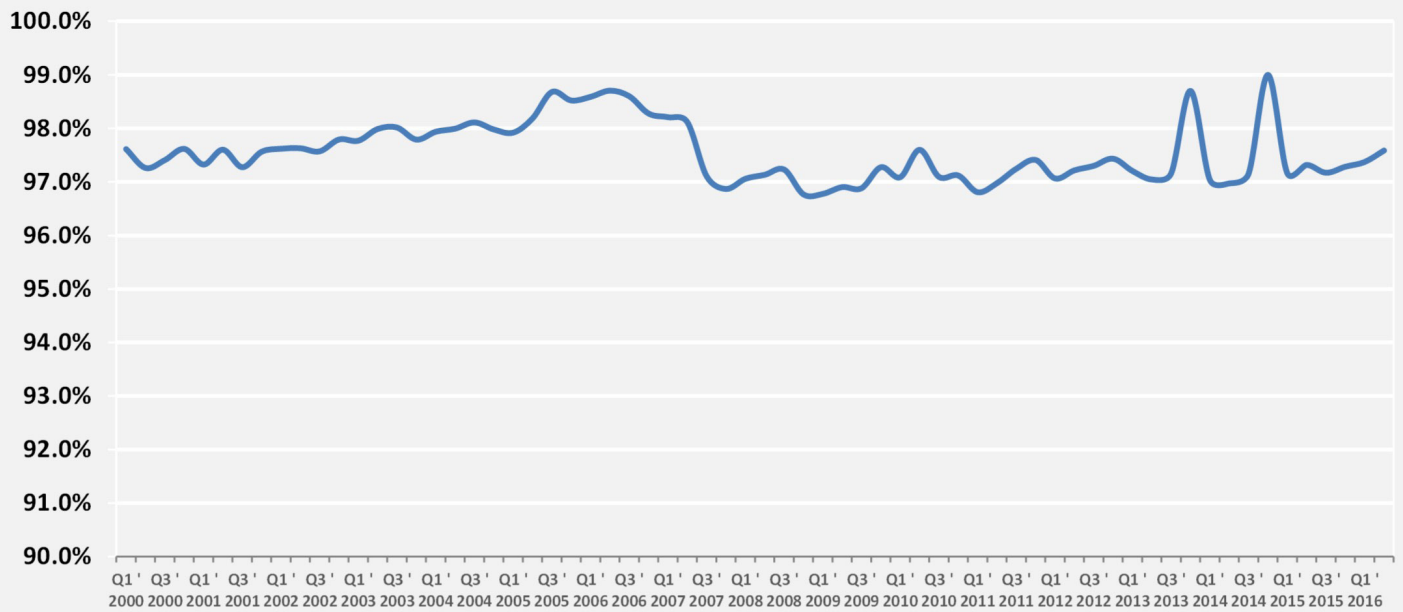
Source: Bureau of Labor Statistics.

SINGLE FAMILY PERMITS



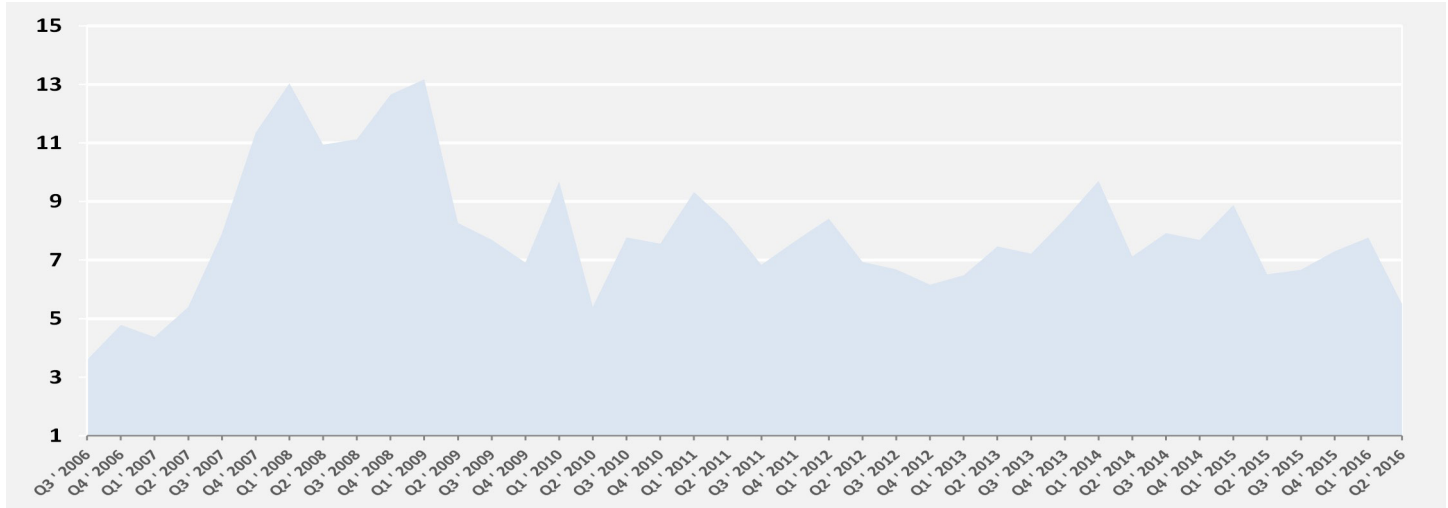
Source: U.S. Census.

SALE PRICE AS A PERCENT OF LIST PRICE



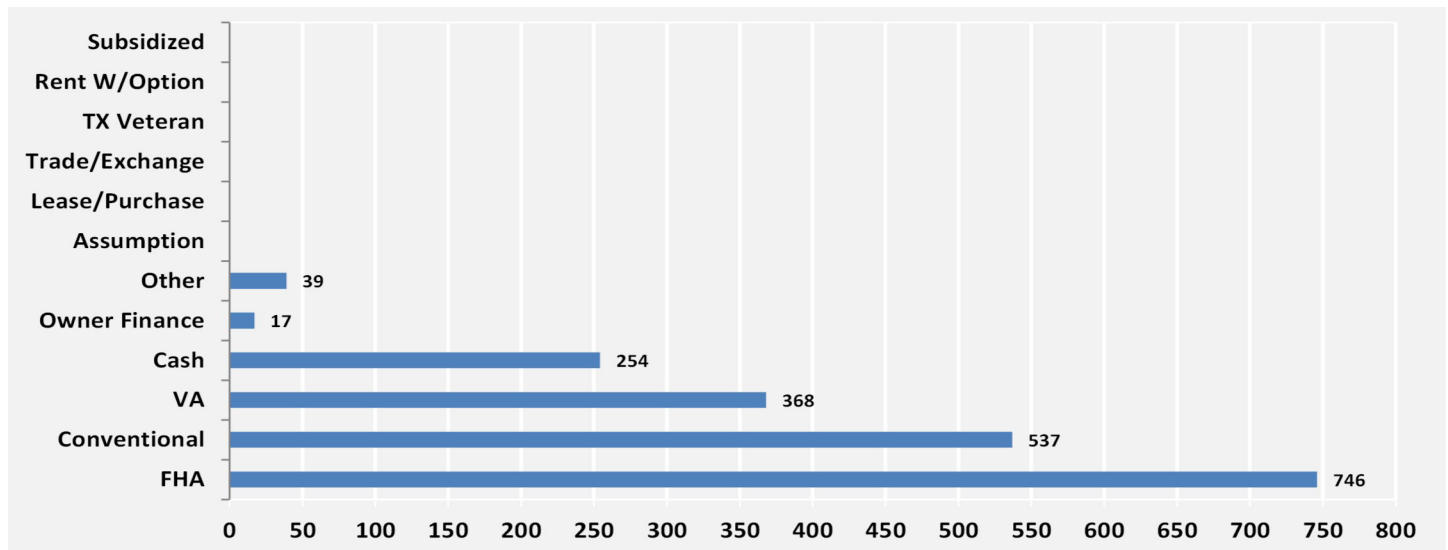
Note: Scale on Sale Prices as a Percent of List Price begins at 90%. Source: Greater El Paso Association of Realtors.

AVERAGE MONTHS OF SUPPLY (INCLUDES ALL RANGES)



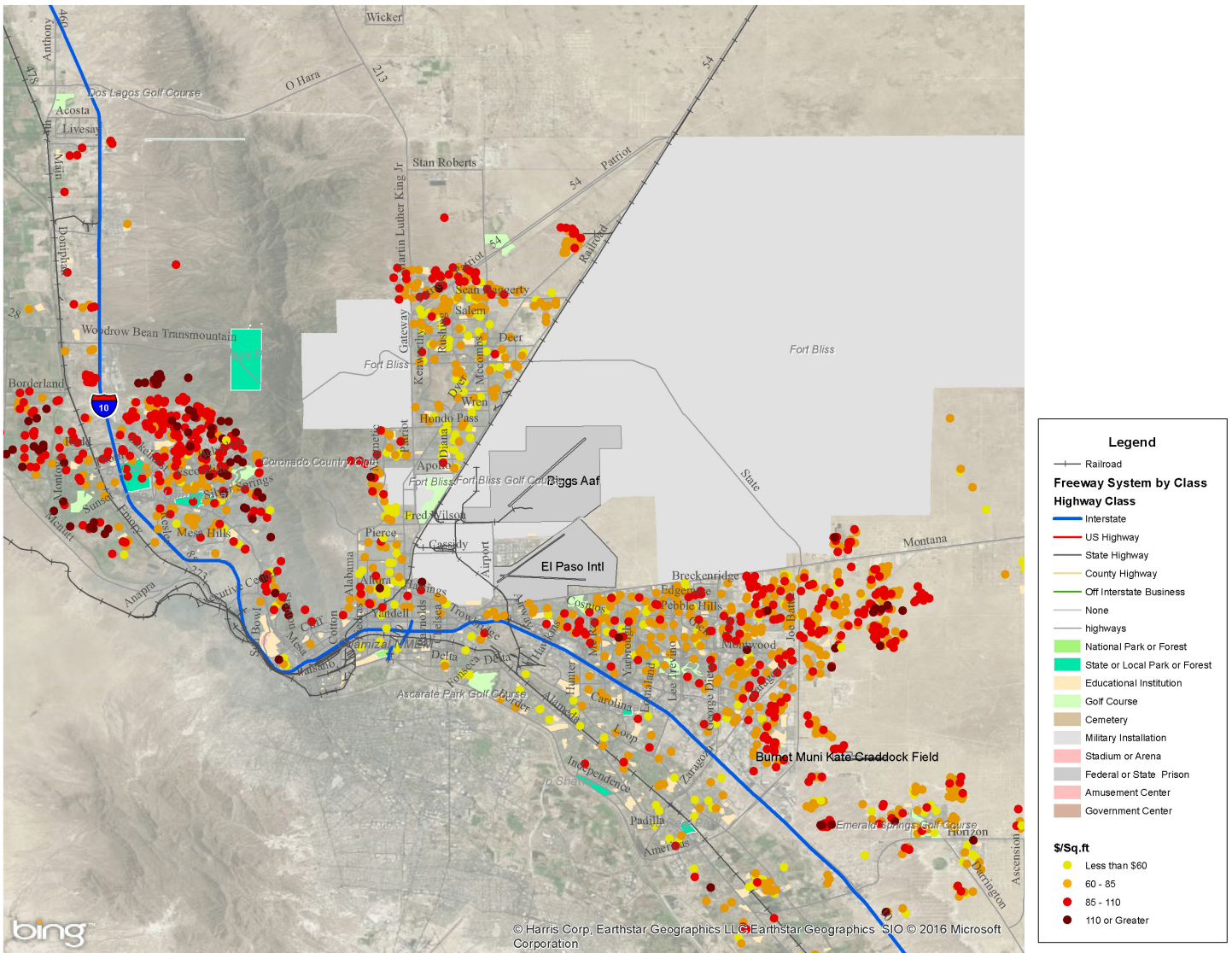
Source: Greater El Paso Association of Realtors.

TYPE OF FINANCING



Source: Greater El Paso Association of Realtors.

HOME SALES PRICE PER SQUARE FOOT



Source: Greater El Paso Association of Realtors, ESRI

MONTHS-OF-SUPPLY BY PRICE RANGE

Price Range	Q2 ' 2016 Sold	Q2 ' 2016 Listed	Months of Supply
Less than 60,000	75	48	1.9
60,000 - 80,000	120	125	3.1
80,000 - 110,000	355	306	2.6
110,000 - 150,000	541	878	4.9
150,000 - 200,000	487	1,167	7.2
200,000 - 250,000	197	456	6.9
250,000 - 310,000	99	235	7.1
310,000 - 390,000	53	135	7.6
390,000 - 490,000	23	76	9.9
Greater than 490,000	11	105	28.6
Total/Average	1,961	3,531	5.4

Source: Greater El Paso Association of Realtors



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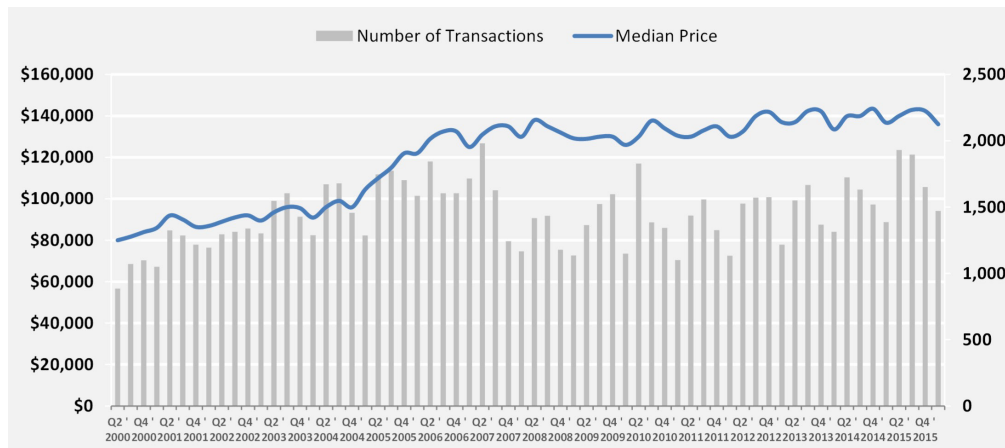
Home prices dropped from last quarter

Median home prices declined from both the last quarter and mildly from the same quarter of last year. In general, the home price trend could be considered flat for the past several quarters.

Although the recent home price readings show a decline, part of this drop is likely seasonal and thus year-over-year, the median price is only .5 percent off from the year-ago figure. Interestingly, sales have generally been ratcheting higher and sales in the first quarter represented a six percent increase over last year. Months-of-supply, or the time it would take to absorb the current inventory at the recent pace of sales, remains in line with the recent trend of under eight months.

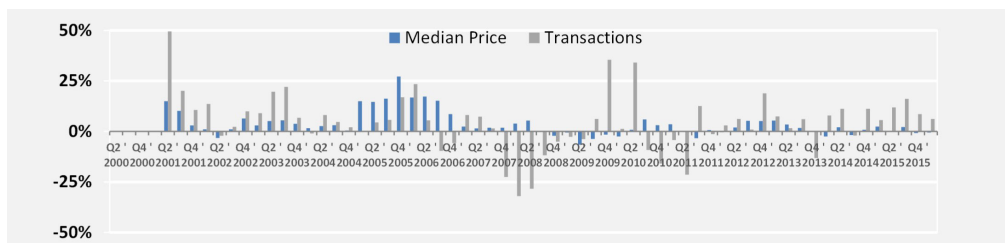
El Paso Key Stats	Q1 ' 2016	Q-Q Change	Q4 ' 2015	Y-O-Y Change	Q1 ' 2015
Average Sales Price	\$150,668	-4.2%	\$157,293	-2.4%	\$154,441
Average \$/Sq.ft.	\$82	-2.5%	\$84	-1.1%	\$83
Median Sales Price	\$136,000	-4.5%	\$142,419	-0.5%	\$136,725
DOM	103	9.0%	95	-14.2%	120
Sale % of List	97.4%	0.1%	97.3%	0.2%	97.2%
Number of Sales	1,471	-10.9%	1,651	6.1%	1,386
Listed Inventory	3,759	-5.2%	3,966	-7.3%	4,057

MEDIAN SALE PRICE AND TRANSACTION COUNTS



Source: Greater El Paso Association of Realtors.

YEAR-OVER-YEAR CHANGE IN MEDIAN SALES PRICE AND TRANSACTION



Source: Greater El Paso Association of Realtors.

Sales in the first quarter increased relative to the same quarter of last year



Indicators

Housing	Q1 ' 2016	Q1 ' 2015
Total Available Housing Inventory (existing)	▼ 3,759	4,057
Closed (existing)	▲ 1,471	1,386
Median Price (sold-existing)	▼ \$136,000	\$136,725
New Home Permits	▼ 554	641
Rates (%)		
3-Month Libor	▲ 0.63	0.27
30-Year Fixed	▼ 3.69	3.77
Prime	▲ 3.50	3.25
12 Mo-CD Jumbo	▲ 0.23	0.21
Employment		
Total Employment	▲ 333,769	324,680
Unemployment Rate (%)	▼ 4.8	5.2

Source: BLS, August Employment Data, Bloomberg, Greater El Paso Association of Realtors, FRED II.



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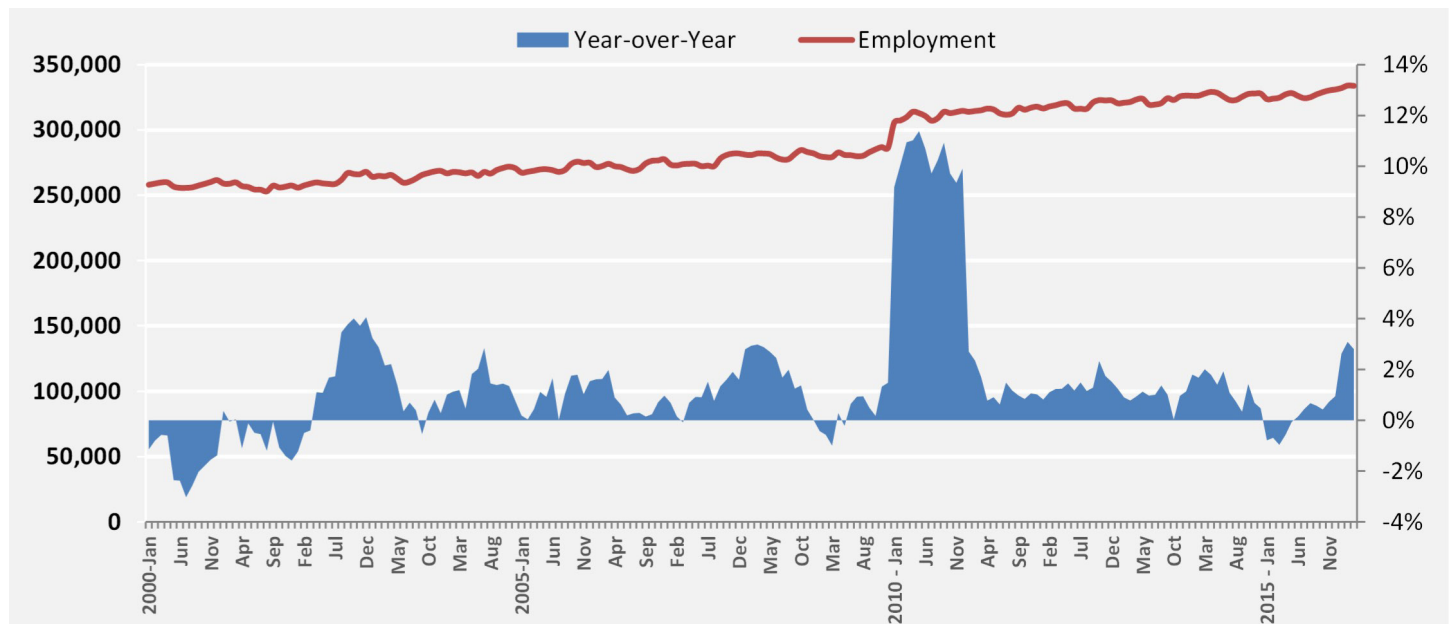
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Measured in January, the El Paso economy continued to register expansion

The Dallas Federal Reserve's Business Cycle Index registered a 4.4 percent annualized growth rate. Maquiladora activity in Ciudad Juárez remains strong, however trade flows did slow.¹ Job growth continues and unemployment has been declining. Measured in January, El Paso added 1,100 jobs.

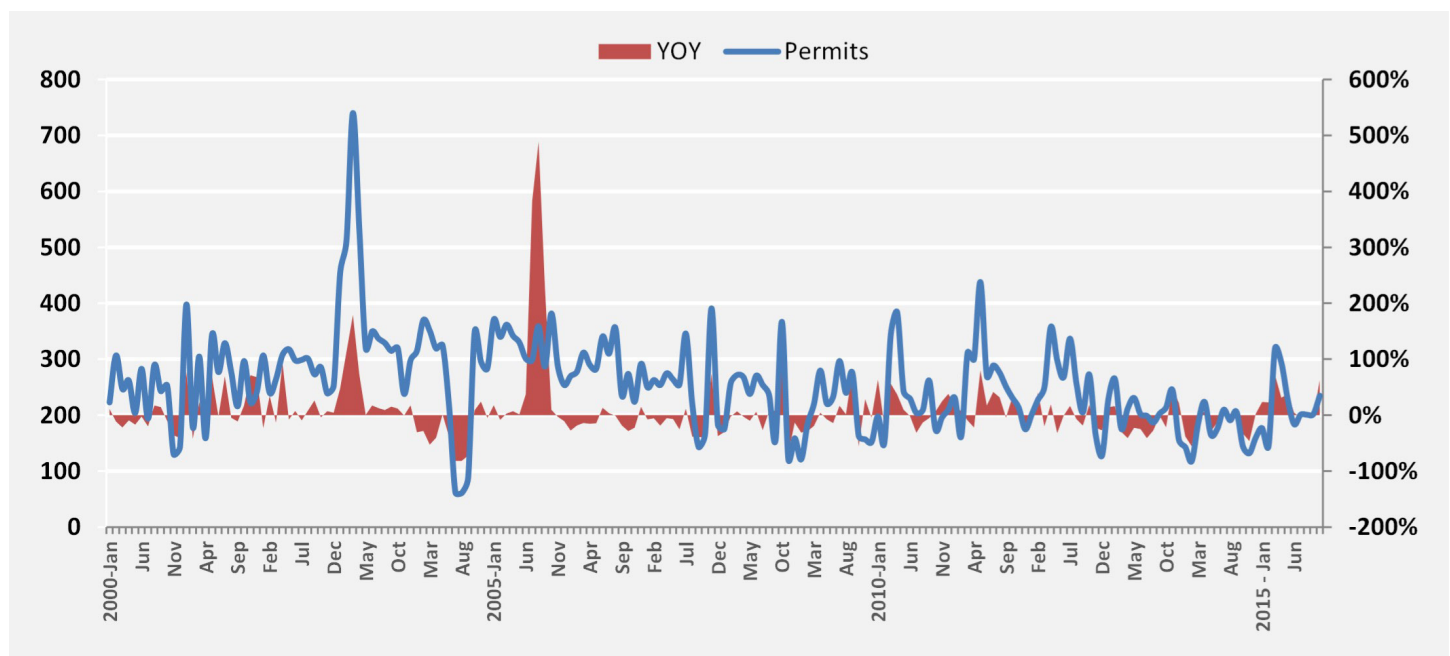
1. <http://www.dallasfed.org/assets/documents/research/indicators/ep/2016/ep160322.pdf>

EMPLOYMENT



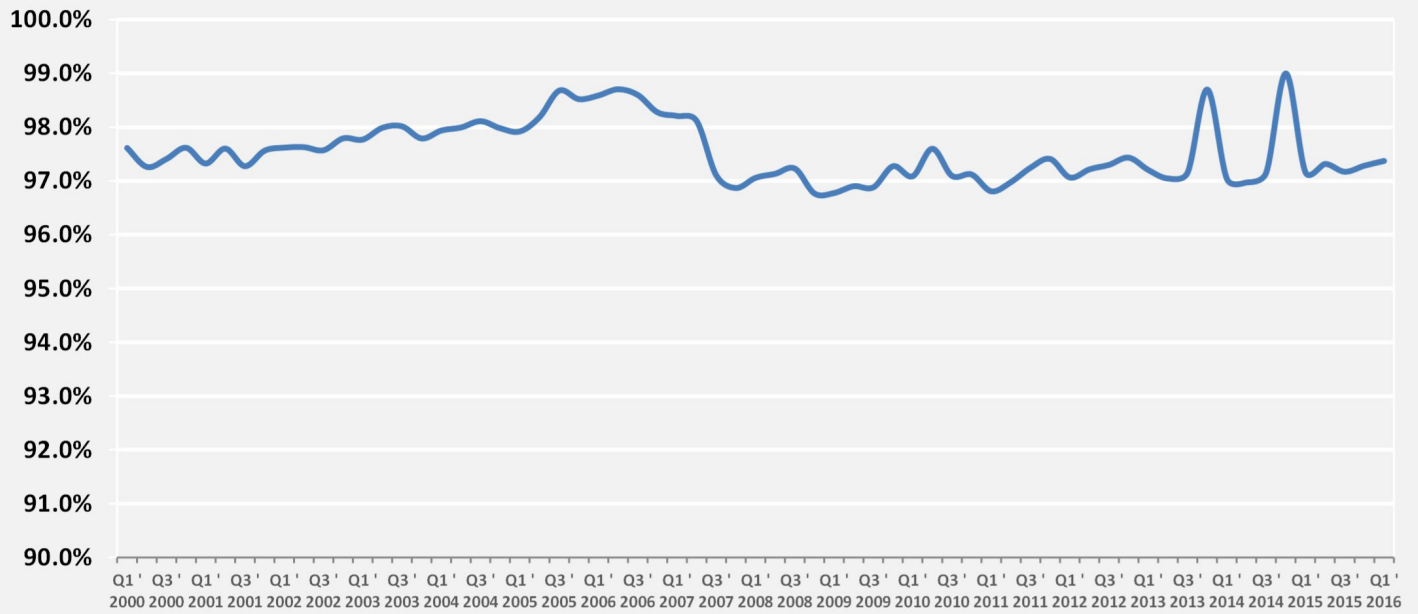
Source: Bureau of Labor Statistics.

SINGLE FAMILY PERMITS



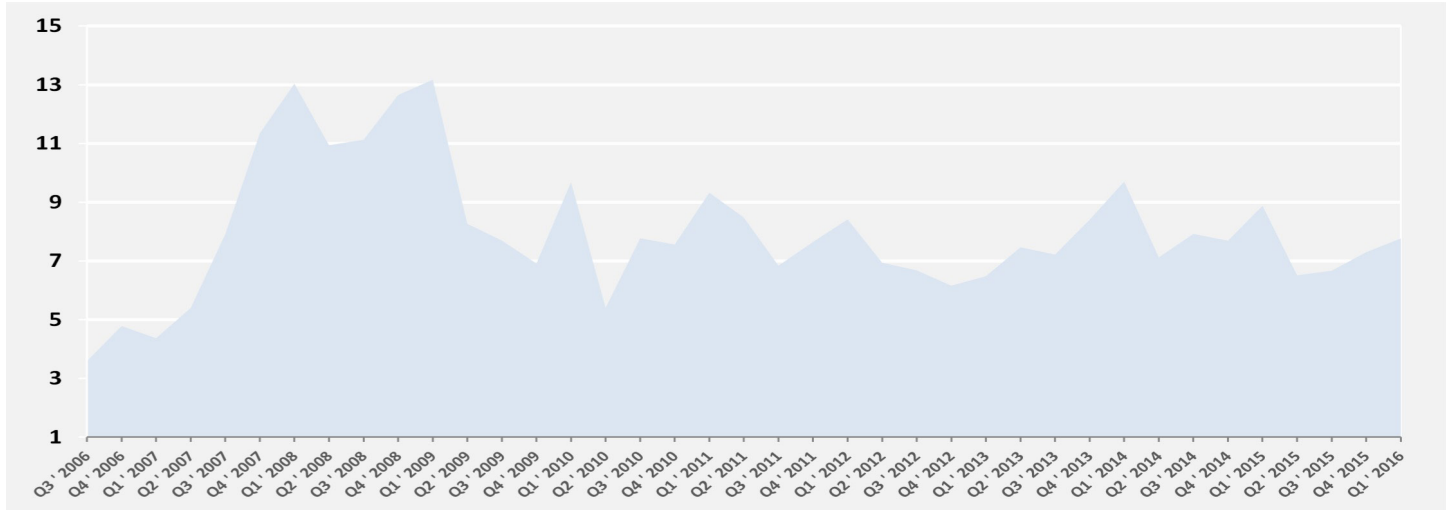
Source: U.S Census.

SALE PRICE AS A PERCENT OF LIST PRICE



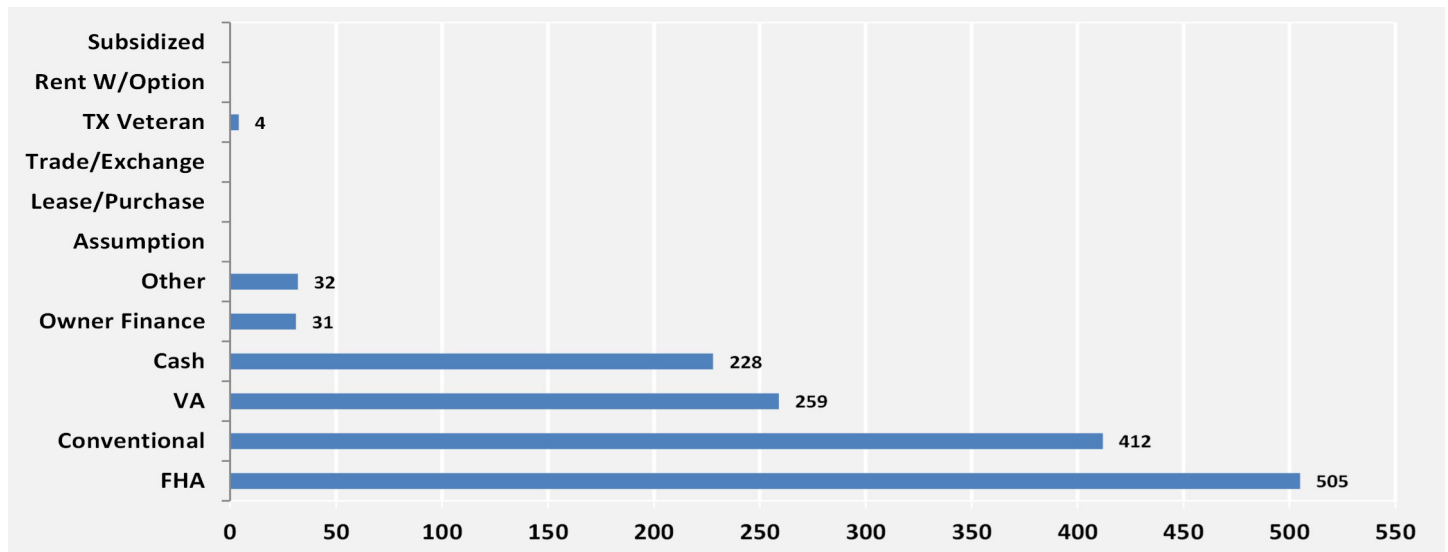
Note: Scale on Sale Prices as a Percent of List Price begins at 90%. Source: Greater El Paso Association of Realtors.

AVERAGE MONTHS OF SUPPLY (INCLUDES ALL RANGES)



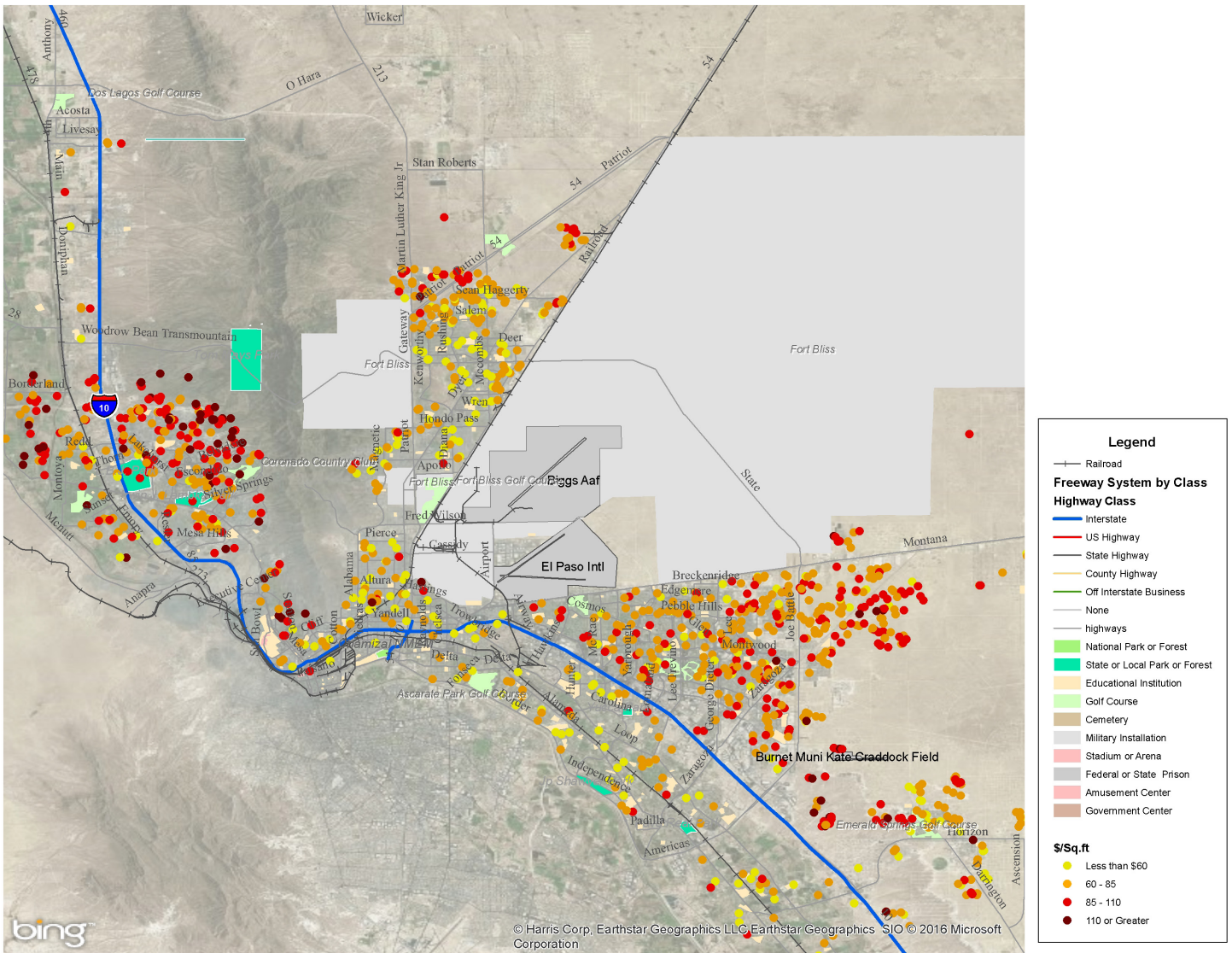
Source: Greater El Paso Association of Realtors.

TYPE OF FINANCING



Source: Greater El Paso Association of Realtors.

HOME SALES PRICE PER SQUARE FOOT



Source: Greater El Paso Association of Realtors, ESRI

MONTHS-OF-SUPPLY BY PRICE RANGE

Price Range	Q1 '2016 Sold	Q1 '2016 Listed	Months of Supply
Less than 60,000	61	90	4.4
60,000 - 80,000	113	165	4.4
80,000 - 110,000	259	370	4.3
110,000 - 150,000	419	888	6.4
150,000 - 200,000	328	1,149	10.5
200,000 - 250,000	159	522	9.8
250,000 - 310,000	74	241	9.8
310,000 - 390,000	31	156	15.1
390,000 - 490,000	20	78	11.7
Greater than 490,000	7	100	42.9
Total/Average	1,471	3,759	7.7

Source: Greater El Paso Association of Realtors



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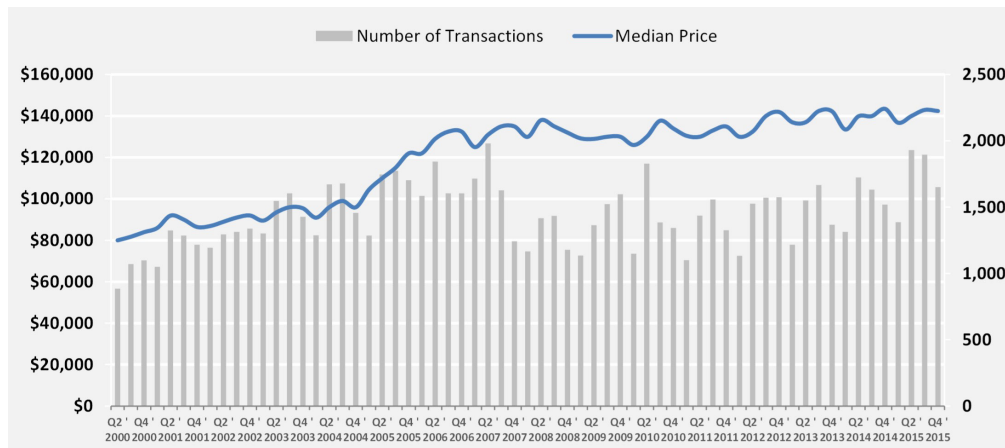
Home prices went generally sideways from last quarter

Median home prices were little changed from last quarter and reflect little change from the same quarter of 2014 as well. Marketing times have fallen substantially from the year-ago quarter, dropping by nearly two weeks on average.

We have often commented that El Paso is one of the most stable markets we track and that continues into the fourth quarter. Sale price-list price ratios remain very much in line with prior observations and months-of-supply, or the time that it would take to liquidate the current inventory at the recent pace of sales, has changed little in the past three quarters.

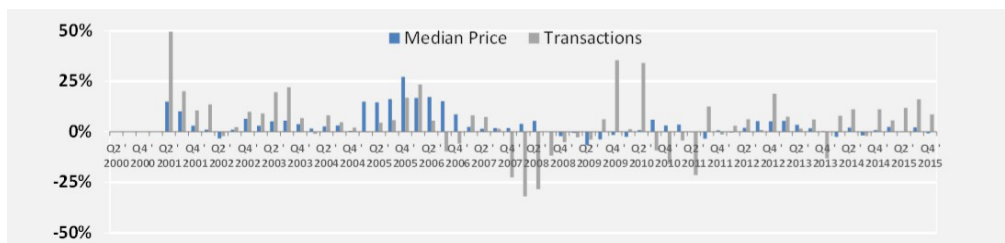
El Paso Key Stats	Q4 ' 2015	Q-Q Change	Q3 ' 2015	Y-O-Y Change	Q4 ' 2014
Average Sales Price	\$157,293	-1.1%	\$159,079	1.7%	\$154,620
Average \$/Sq.ft.	\$84	-1.7%	\$86	1.4%	\$83
Median Sales Price	\$142,419	-0.4%	\$142,950	-0.7%	\$143,475
DOM	95	-4.4%	99	-12.3%	108
Sale % of List	97.3%	0.1%	97.2%	-1.7%	99.0%
Number of Sales	1,651	-12.9%	1,896	8.6%	1,520
Listed Inventory	3,966	-4.5%	4,151	3.1%	3,845

MEDIAN SALE PRICE AND TRANSACTION COUNTS



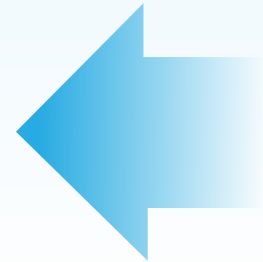
Source: Greater El Paso Association of Realtors.

YEAR-OVER-YEAR CHANGE IN MEDIAN SALES PRICE AND TRANSACTION



Source: Greater El Paso Association of Realtors.

Months-of-supply was little changed from last quarter



Indicators

Housing	Q4 ' 2015	Q4 ' 2014
Total Available Housing Inventory (existing)	▼ 3,966	3,845
Closed (existing)	▲ 1,651	1,520
Median Price (sold-existing)	▼ \$142,419	\$143,475
New Home Permits	▲ 628	436
Rates (%)		
3-Month Libor	▲ 0.62	0.25
30-Year Fixed	▲ 3.96	3.86
Prime	▼ 3.25	3.25
12 Mo-CD Jumbo	▼ 0.22	0.21
Employment		
Total Employment	▼ 324,208	327,875
Unemployment Rate (%)	▼ 5.2	6.1

Source: BLS, August Employment Data, Bloomberg, Greater El Paso Association of Realtors, FRED II.



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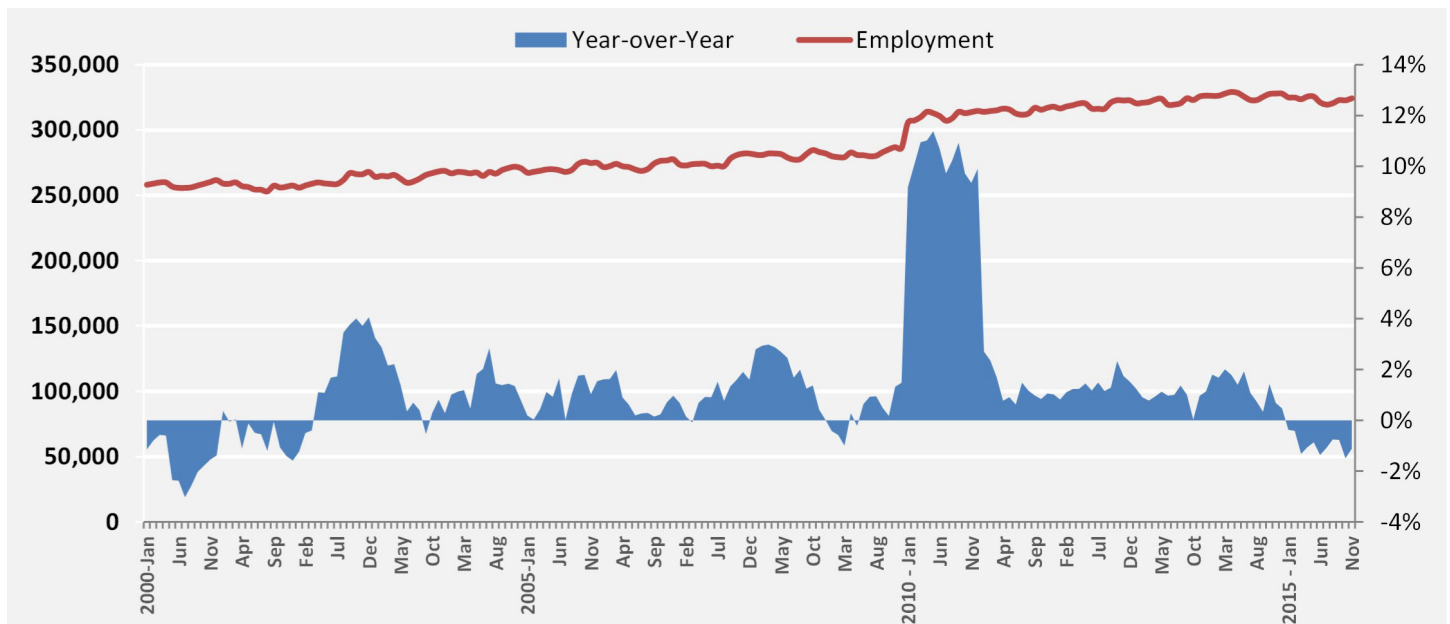
Prepared by Market IQ & Coldwell Banker Legacy.

Measured in November, the El Paso Economy Revealed Expansion

The Dallas Federal Reserve's Business Cycle Index registered a 3.5 percent annualized growth rate year-to-date when measured in November. Maquiladora activity in Ciudad Juárez remained strong, keeping El Paso has had some strong job growth, adding over 9,000 jobs, lead mostly by professional and business services and education and health services. However, gains were spread out among most sectors, with the exceptions being financial activities and government, while trade, transportation and utilities was largely unchanged both year-over-year and sequentially.

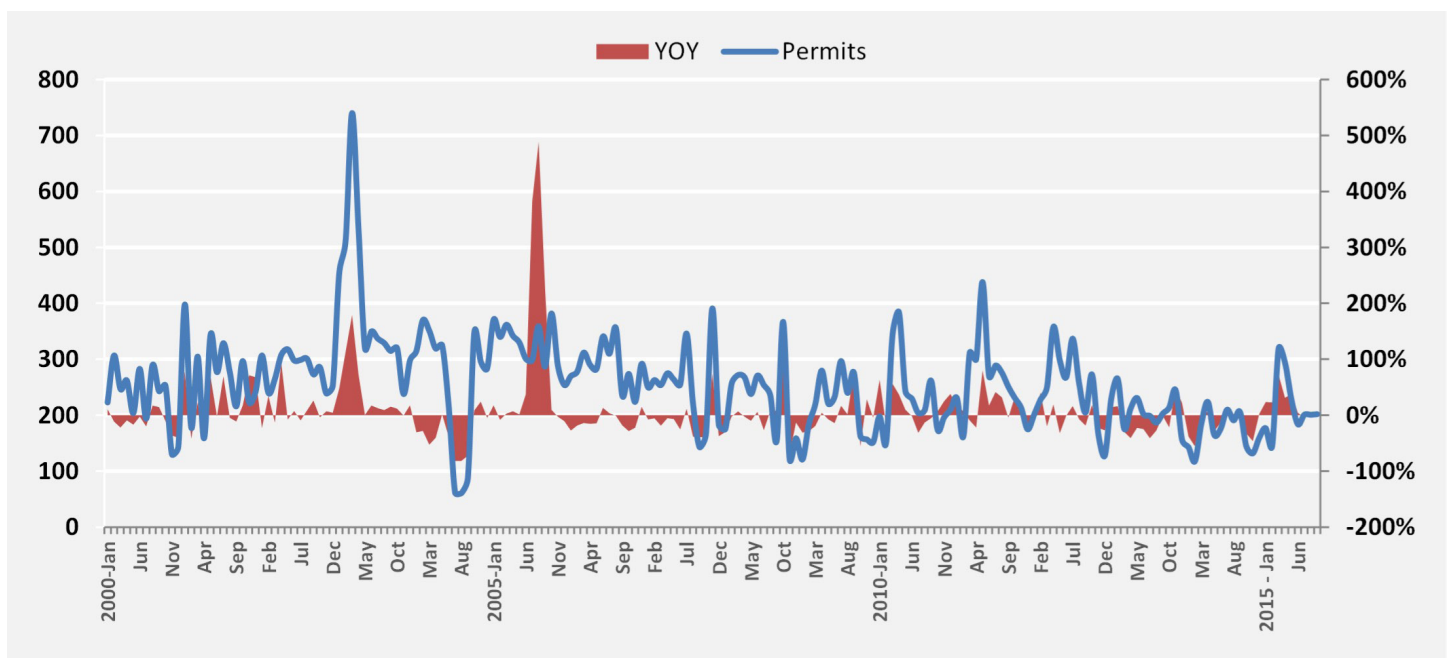
1. <https://www.dallasfed.org/assets/documents/research/indicators/ep/2015/ep151228.pdf>

EMPLOYMENT



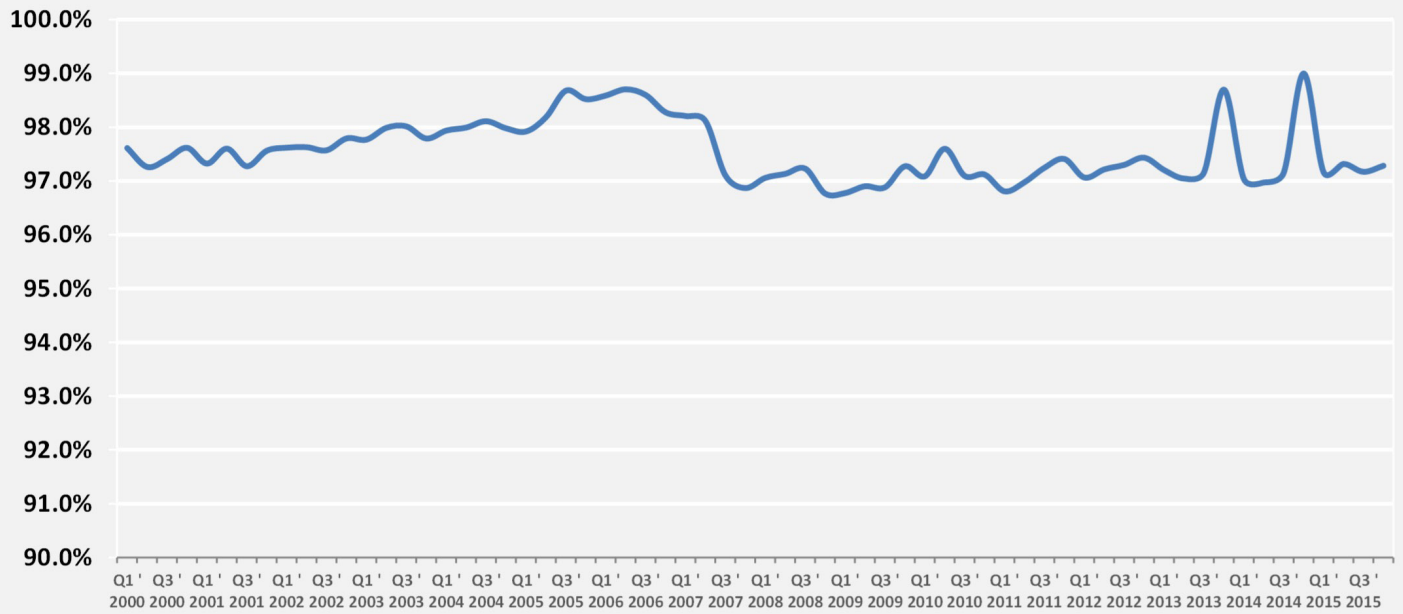
Source: Bureau of Labor Statistics.

SINGLE FAMILY PERMITS



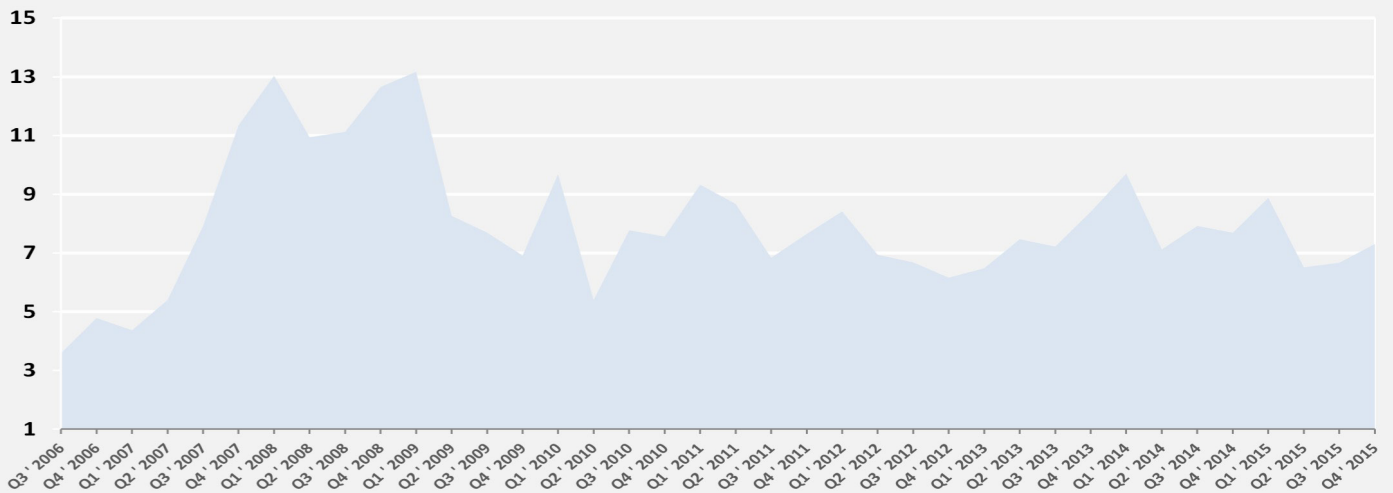
Source: U.S Census.

SALE PRICE AS A PERCENT OF LIST PRICE



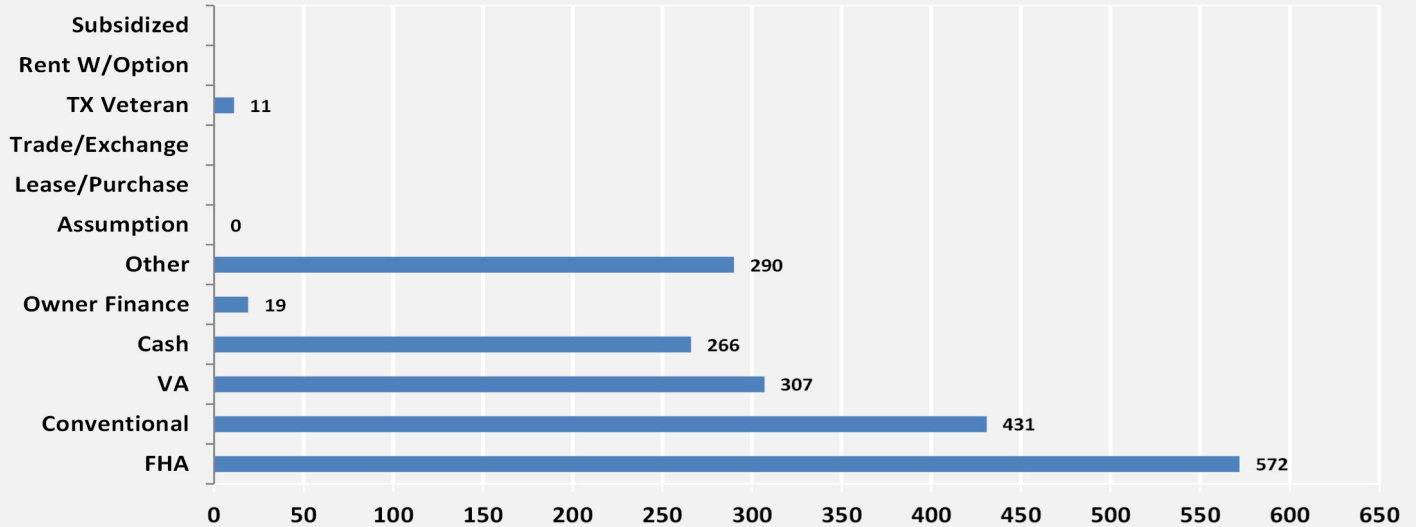
Note: Scale on Sale Prices as a Percent of List Price begins at 90%. Source: Greater El Paso Association of Realtors.

AVERAGE MONTHS OF SUPPLY (INCLUDES ALL RANGES)



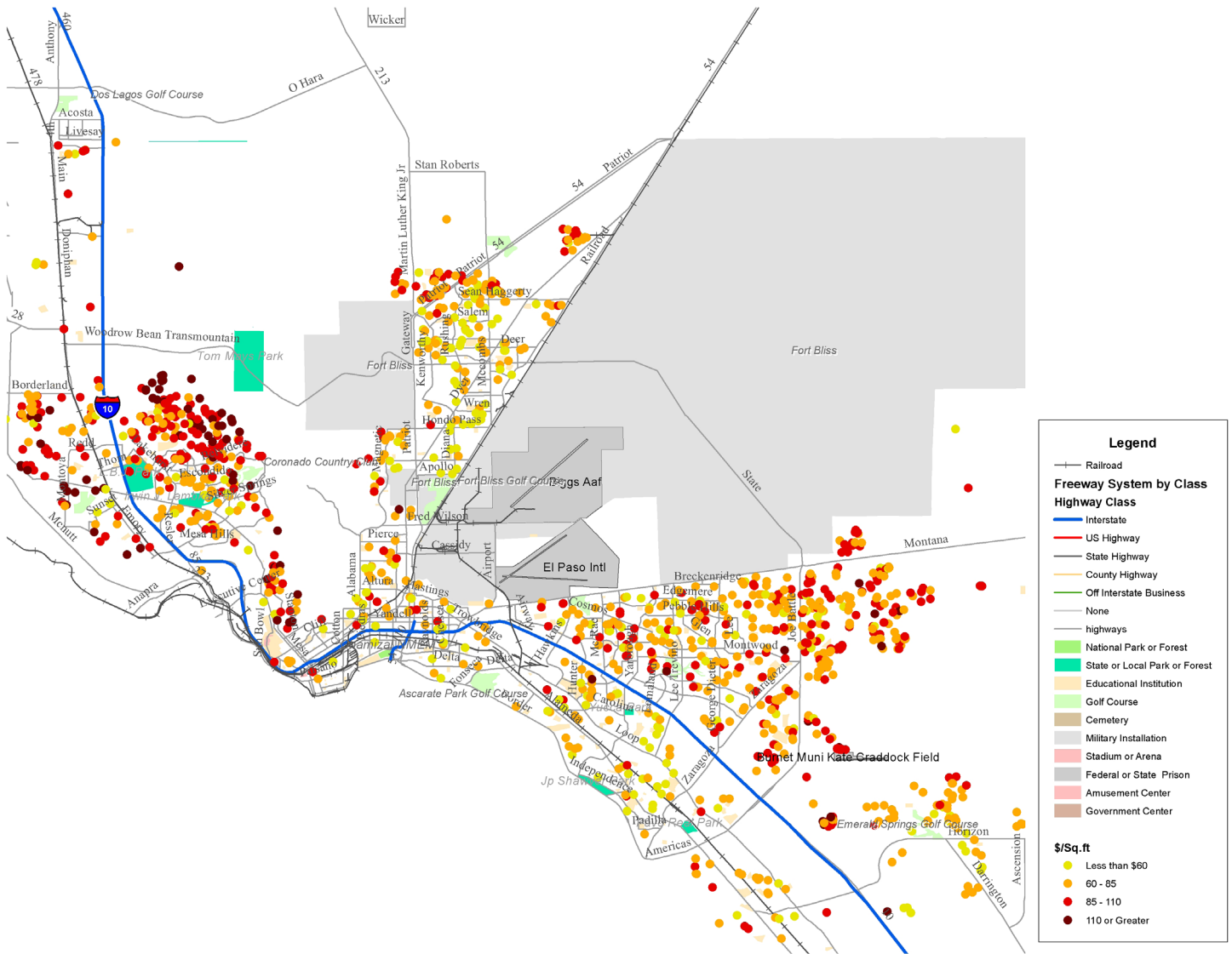
Source: Greater El Paso Association of Realtors.

TYPE OF FINANCING



Source: Greater El Paso Association of Realtors.

HOME SALES PRICE PER SQUARE FOOT



Source: Greater El Paso Association of Realtors, ESRI

MONTHS-OF-SUPPLY BY PRICE RANGE

Price Range	Q4 ' 2015 Sold	Q4 ' 2015 Listed	Months of Supply
Less than 60,000	65	100	4.6
60,000 - 80,000	113	197	5.2
80,000 - 110,000	262	465	5.3
110,000 - 150,000	482	1,003	6.2
150,000 - 200,000	380	1,180	9.3
200,000 - 250,000	193	462	7.2
250,000 - 310,000	68	249	11.0
310,000 - 390,000	37	147	11.9
390,000 - 490,000	33	76	6.9
Greater than 490,000	18	87	14.5
Total/Average	1,651	3,966	7.2

Source: Greater El Paso Association of Realtors



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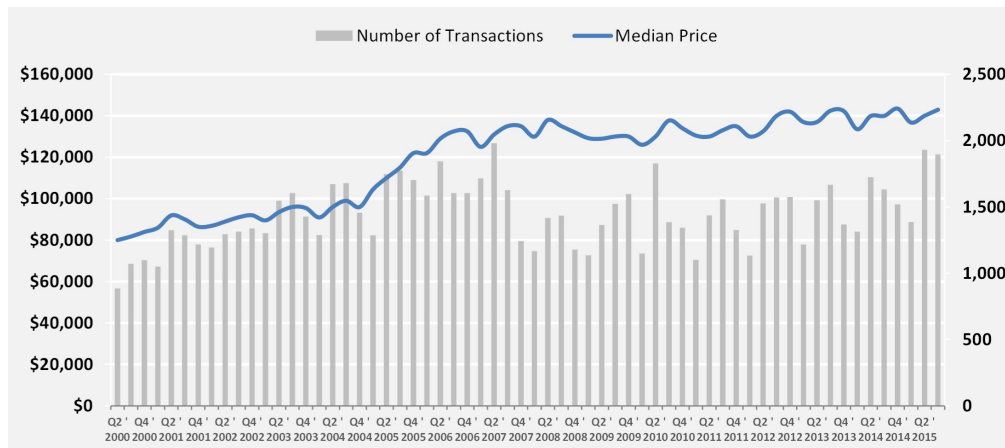
Home prices increase mildly in the third quarter

Following an already strong second quarter, third quarter average sale prices, median sale prices and average price per-square foot all registered increases over last quarter. Third quarter prices represent a substantive increase over the same quarter of last year.

El Paso remains one of the more stable markets that we examine, characterized by a price trend on a mildly increasing trajectory. What is interesting however, is the increase in the number of transactions occurring in the past two quarters. While reflecting seasonal patterns, year-over-year increases in sales have been somewhat dramatic. Months-of-supply is hovering around a tempered, 6.6 months, which is pretty normal for this market.

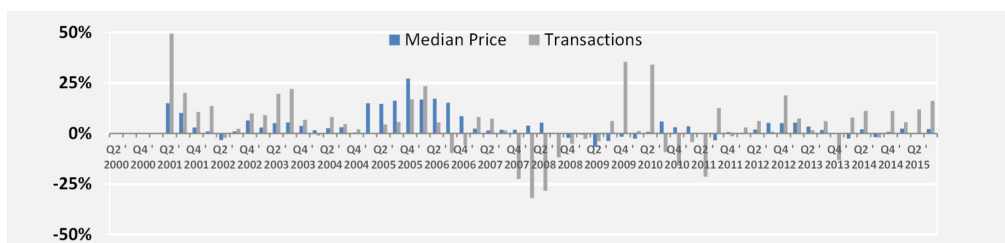
El Paso Key Stats	Q3 ' 2015	Q-Q Change	Q2 ' 2015	Y-O-Y Change	Q3 ' 2014
Average Sales Price	\$159,079	0.5%	\$158,328	1.9%	\$156,055
Average \$/Sq.ft.	\$86	1.3%	\$85	3.1%	\$83
Median Sales Price	\$142,950	2.1%	\$140,000	2.1%	\$139,950
DOM	99	-2.1%	101	3.6%	96
Sale % of List	97.2%	-0.1%	97.3%	0.0%	97.2%
Number of Sales	1,896	-1.8%	1,930	16.1%	1,633
Listed Inventory	4,151	0.6%	4,125	-2.5%	4,257

MEDIAN SALE PRICE AND TRANSACTION COUNTS



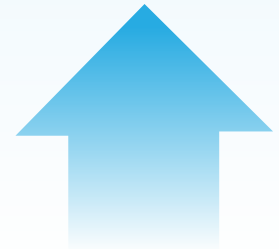
Source: Greater El Paso Association of Realtors.

YEAR-OVER-YEAR CHANGE IN MEDIAN SALES PRICE AND TRANSACTION



Source: Greater El Paso Association of Realtors.

Sales jumped on a year-over-year basis



Indicators

Housing	Q3 ' 2015	Q3 ' 2014
Total Available Housing Inventory (existing)	▼ 4,151	4,257
Closed (existing)	▲ 1,896	1,633
Median Price (sold-existing)	▲ \$142,950	\$139,950
New Home Permits	▲ 199	191
Rates (%)		
3-Month Libor	▲ 0.28	0.23
30-Year Fixed	▼ 3.89	4.16
Prime	▼ 3.25	3.25
12 Mo-CD Jumbo	▼ 0.21	0.21
Employment		
Total Employment	▼ 320,437	322,863
Unemployment Rate (%)	▼ 5.2	7.3

Source: BLS, August Employment Data, Bloomberg, Greater El Paso Association of Realtors, FRED II.



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The El Paso Business-Cycle Index registered expansion

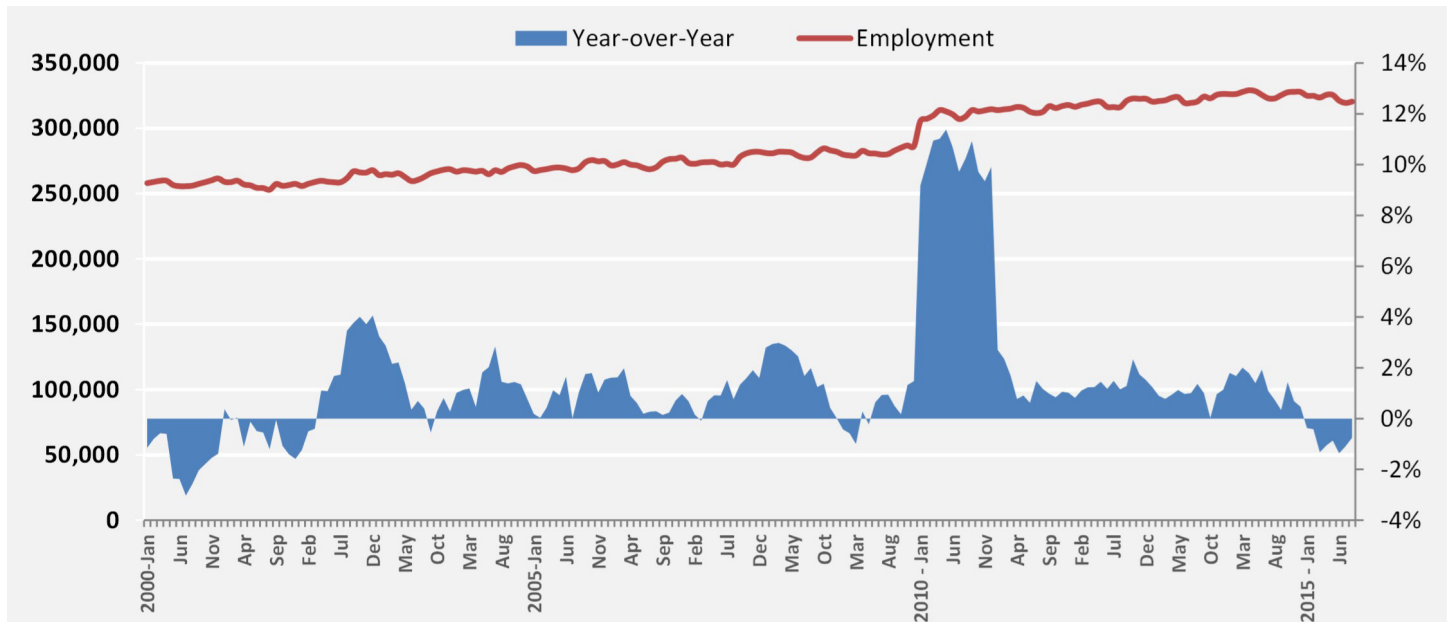
The Dallas Federal Reserve's Business Cycle Index revealed a 2.1 percent annualized growth rate when measured in August. Part of this was due to strong home sales, along with trade flows through the El Paso port of entry. Trade flows were up almost four percent from one year ago. Stronger imports offset weaker exports. Maquiladora activity in Ciudad Juarez remained strong.¹

Looking at employment sectors, Professional and Business Services and Education and Health have been the fastest growing industries, accounting for almost two-thirds of this year's employment gains. Organizations that have helped local economic growth in recent years are Prudential Financial Inc, Tenet Hospitals Limited, Automatic Data Processing (which plans to increase its size) and Cardwell Collaborative.²

1. <http://www.dallasfed.org/assets/documents/research/indicators/ep/2015/ep150924.pdf>

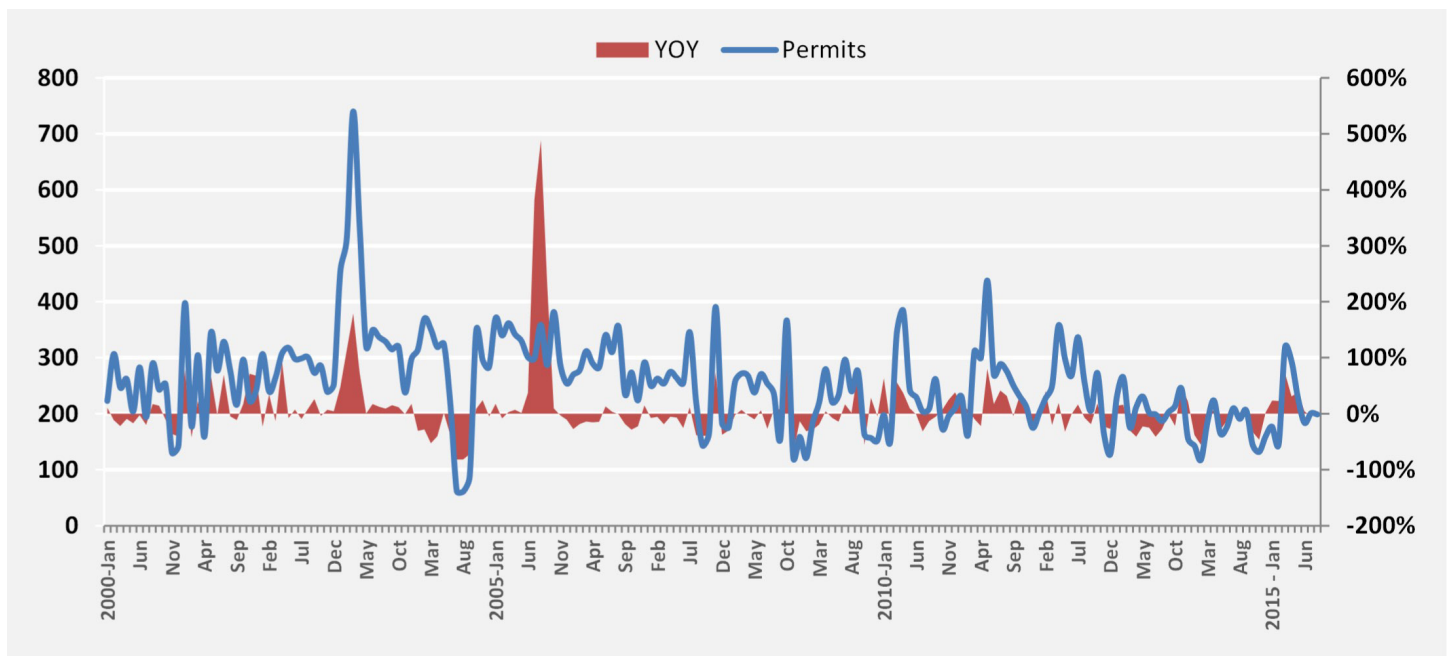
2. <http://www.elpasotimes.com/story/news/local/el-paso/2015/10/24/city-creates-record-jobs-last-two-years/74338638/>

EMPLOYMENT



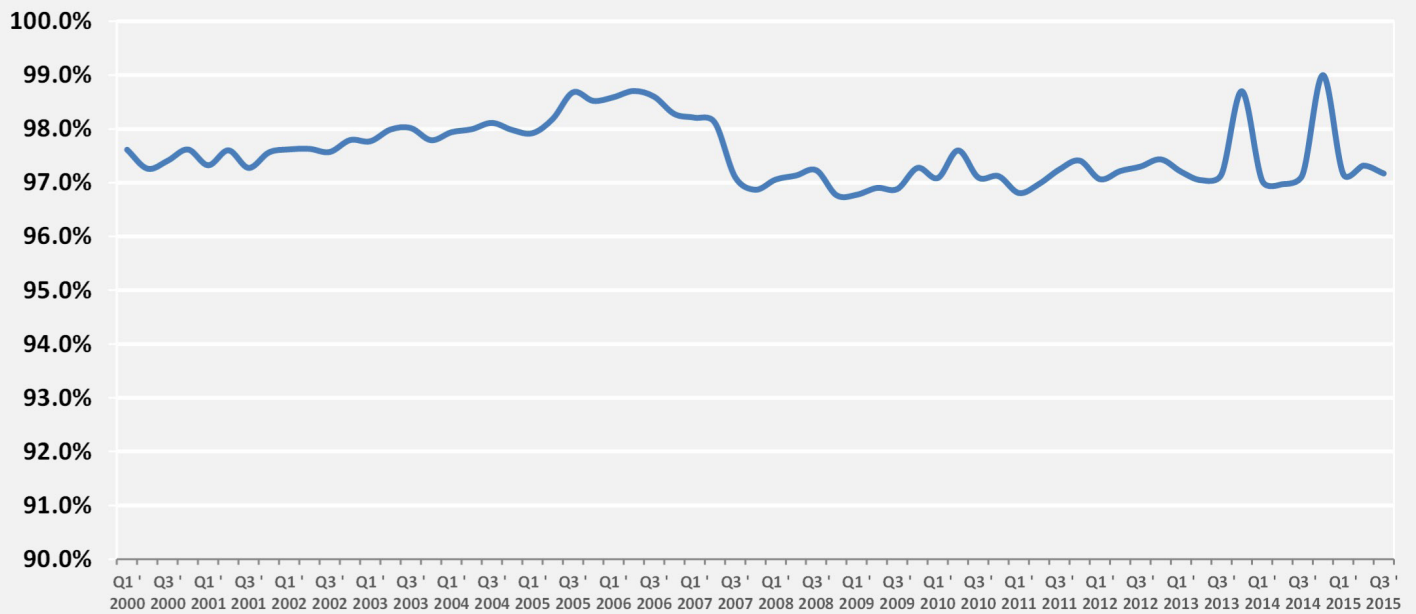
Source: Bureau of Labor Statistics.

SINGLE FAMILY PERMITS



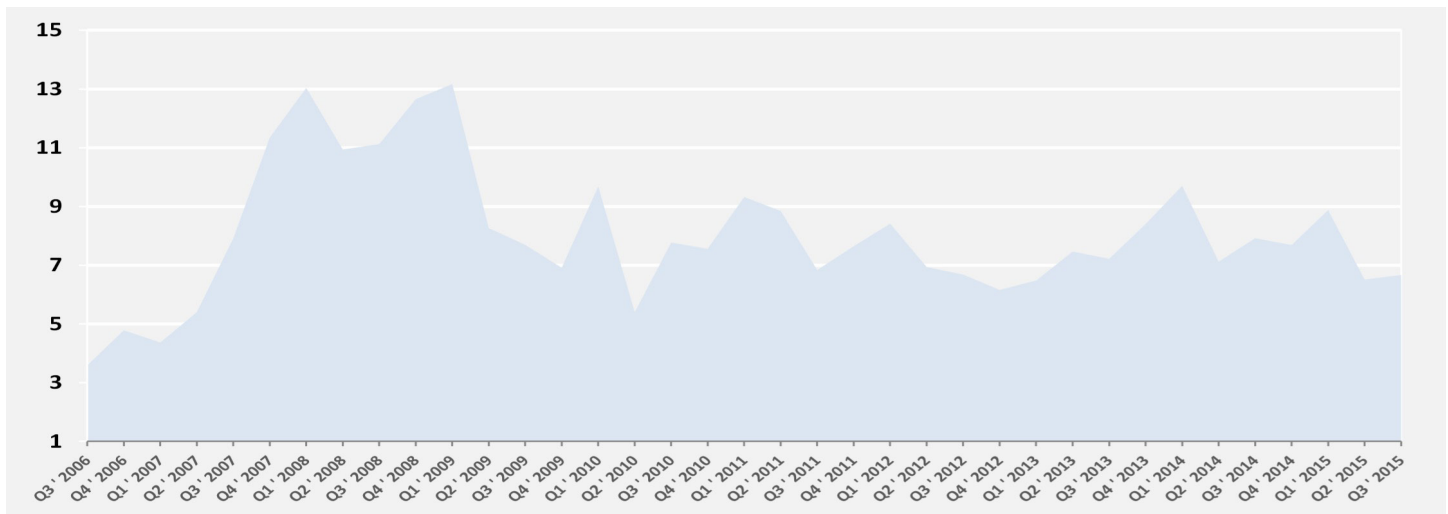
Source: U.S Census.

SALE PRICE AS A PERCENT OF LIST PRICE



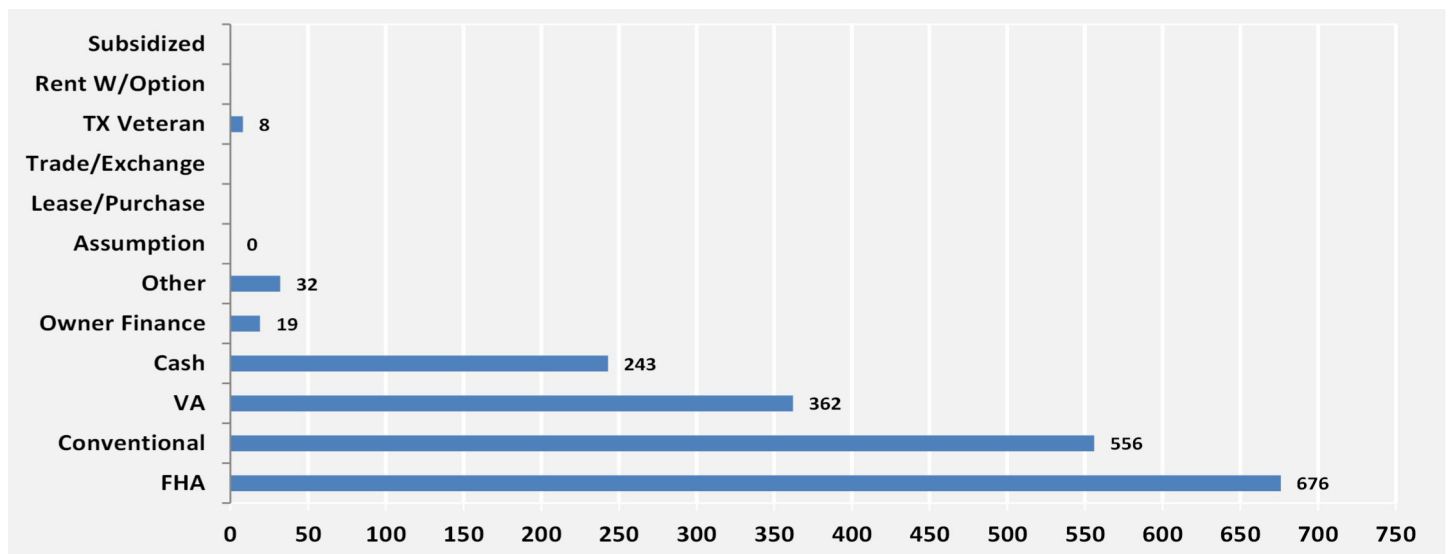
Note: Scale on Sale Prices as a Percent of List Price begins at 90%. Source: Greater El Paso Association of Realtors.

AVERAGE MONTHS OF SUPPLY (INCLUDES ALL RANGES)



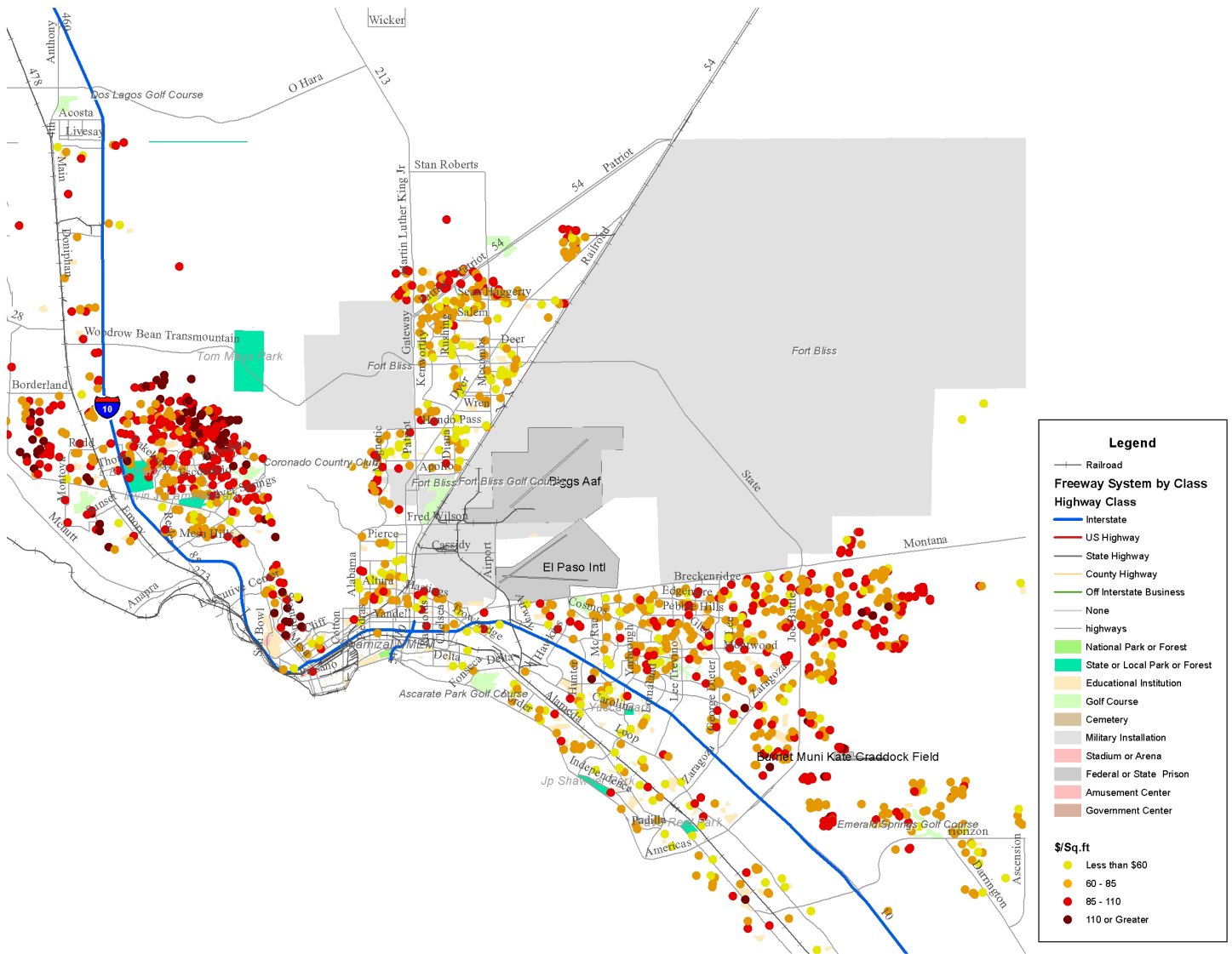
Source: Greater El Paso Association of Realtors.

TYPE OF FINANCING



Source: Greater El Paso Association of Realtors.

HOME SALES PRICE PER SQUARE FOOT



Source: Greater El Paso Association of Realtors, ESRI

MONTHS-OF-SUPPLY BY PRICE RANGE

Price Range	Q3 ' 2015 Sold	Q3 ' 2015 Listed	Months of Supply
Less than 60,000	84	102	3.6
60,000 - 80,000	105	190	5.4
80,000 - 110,000	312	499	4.8
110,000 - 150,000	554	1,035	5.6
150,000 - 200,000	459	1,221	8.0
200,000 - 250,000	189	506	8.0
250,000 - 310,000	99	252	7.6
310,000 - 390,000	59	157	8.0
390,000 - 490,000	19	84	13.3
Greater than 490,000	16	105	19.7
Total/Average	1,896	4,151	6.6

Source: Greater El Paso Association of Realtors



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EL PASO REAL ESTATE QUARTERLY

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1st Quarter Edition
2015

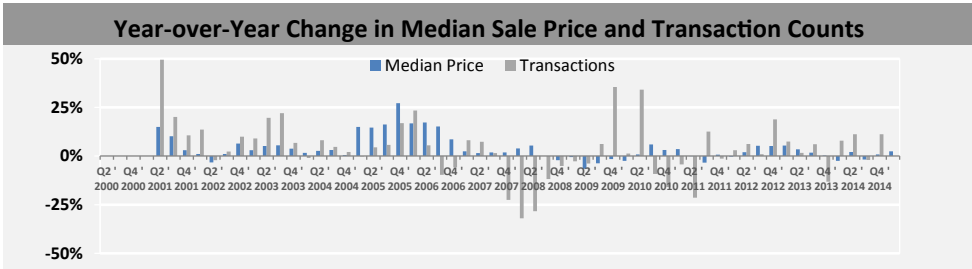
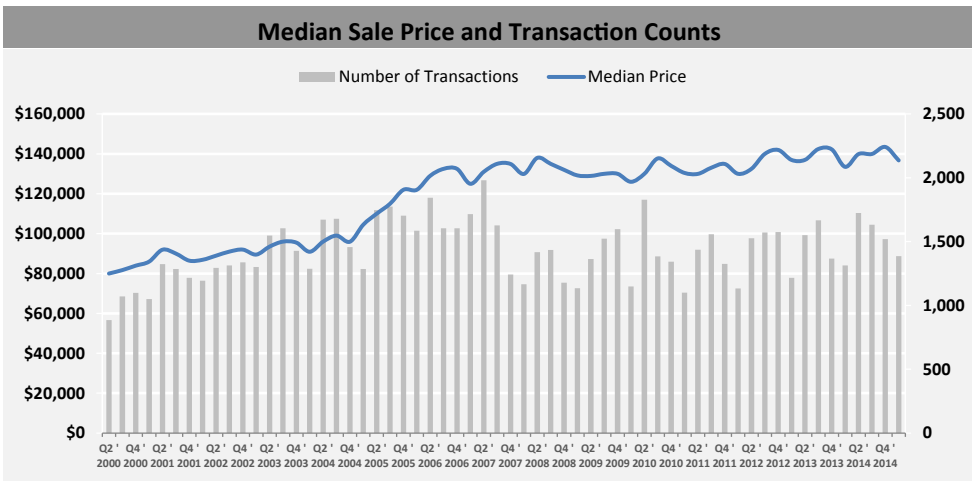
The quarter-to-quarter change in prices was essentially flat. Indicators are mixed between almost no change and a mild decline from last quarter. On a year-over-year basis, prices do remain higher. On average, sellers captured a bit less of their asking price when compared to last quarter, receiving almost 97% of their asking price versus 99% in the prior quarter. Nevertheless, this is still in line with many of the historical observations.

Weaker changes in home prices coincided with longer marketing times, adding about 12 days to the average of days on market from last quarter and an average of two weeks higher than the same quarter of last year. The first quarter is often the high point for months-of-supply, which illustrates the relationship between the current supply and recent sales rates as a measure of how long it would take to absorb that inventory if sales rates remained similar.

Currently, months-of-supply is just under nine months. The old rule of thumb for a balanced market is six months-of-supply, however, the El Paso market has rarely been characterized by anything below seven, with eight months being fairly typical. In the recent quarter, the decline in the number of sales was the largest driver of the increase in months-of-supply, along with a mild increase in the available inventory.

El Paso Key Stats	Q1 ' 2015	Q-Q Change	Q4 ' 2014	Y-O-Y Change	Q1 ' 2014
Average Sales Price	\$154,441	-0.1%	\$154,620	3.0%	\$149,896
Average \$/Sq.ft.	\$83	0.0%	\$83	1.5%	\$82
Median Sales Price	\$136,725	-4.7%	\$143,475	2.4%	\$133,500
DOM	120	11.4%	108	13.3%	106
Sale % of List	97.2%	-1.8%	99.0%	0.1%	97.0%
Number of Sales	1,386	-8.8%	1,520	5.6%	1,313
Listed Inventory	4,057	5.5%	3,845	-3.5%	4,204

The Dallas Fed's El Paso Business-Cycle index continues to register expanded economic activity.¹ In December, the most recent release, the index grew at an annualized rate of 5.6 percent. The Bureau of Labor Statistics preliminary numbers for employment (February) illustrate a major jump in both the labor force and employment. In fact the increase is so high the figure seems suspect. Nevertheless, employment has clearly been on the increase.



Source: Greater El Paso Association of Realtors.
1. <http://www.dallasfed.org/assets/documents/research/indicators/ep/2015/ep150224.pdf>

ALWAYS INFORMED

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Area Sales Map/Absorption	4

Indicators

Housing		Q1 ' 2015	Q1 ' 2014
Total Available Housing Inventory (existing)	▼	4,057	4,204
Closed (existing)	▲	1,386	1,313
Median Price (sold-existing)	▲	\$136,725	\$133,500
New Home Permits	▲	482	417
Rates (%)			
3-Month Libor	▲	0.27	0.26
30-Year Fixed	▼	3.77	4.46
Prime	▼	3.25	3.25
12 Mo-CD Jumbo	▼	0.21	0.21
Employment			
Total Employment	▲	325,200	302,332
Unemployment Rate (%)	▼	5.4	7.9

Source: Greater El Paso Association of Realtors, BLS, Bloomberg.
Note: Employment data as of Feb 2015.

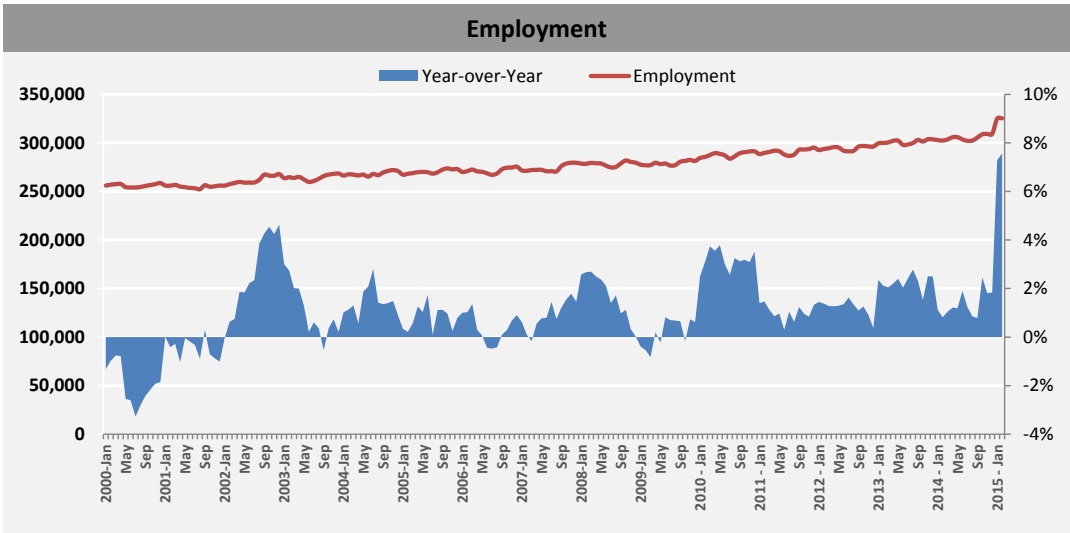


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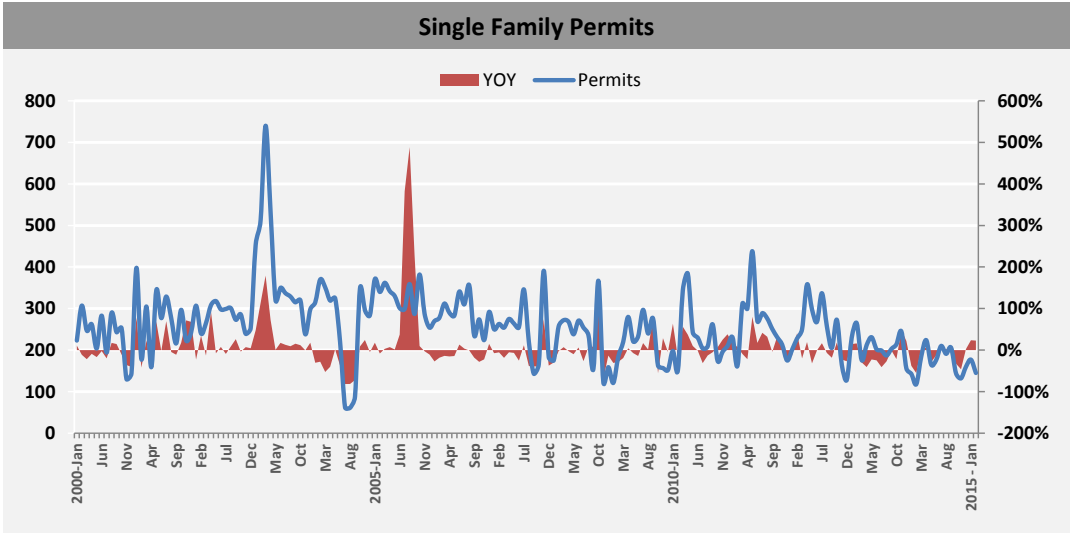
Trade flows through the El Paso port of entry did decline nearly 10% in November when measured against October. Imports and exports both declined. Total trade was \$62.9 billion (annualized) in November compared to \$67.7 billion in November 2013. Dollar strength against the Peso is likely to influence border area sales, however this is not being felt by all retailers uniformly.²

Maquiladora activity over the border continues to expand with maquiladora employment rising by 7.2 percent from one year ago. The Dallas Federal Reserve notes that almost half of the maquiladora activity across the Rio Grande are auto related. Importantly, U.S auto sales were almost \$16.6 million in January on an annual basis.³ All of this activity tends to filter into the local economy.

New home permitting activity remained low in the first quarter. Resales have been prevalent enough so there has not been strong pressure to add new home supply. However, there is probably some room for well conceived projects or those that offer relative affordability or a certain lifestyle.

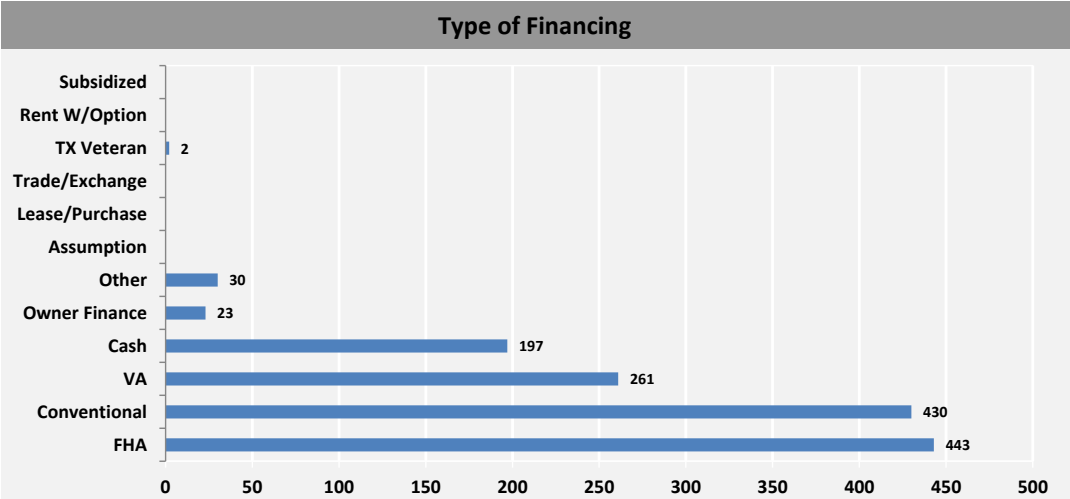
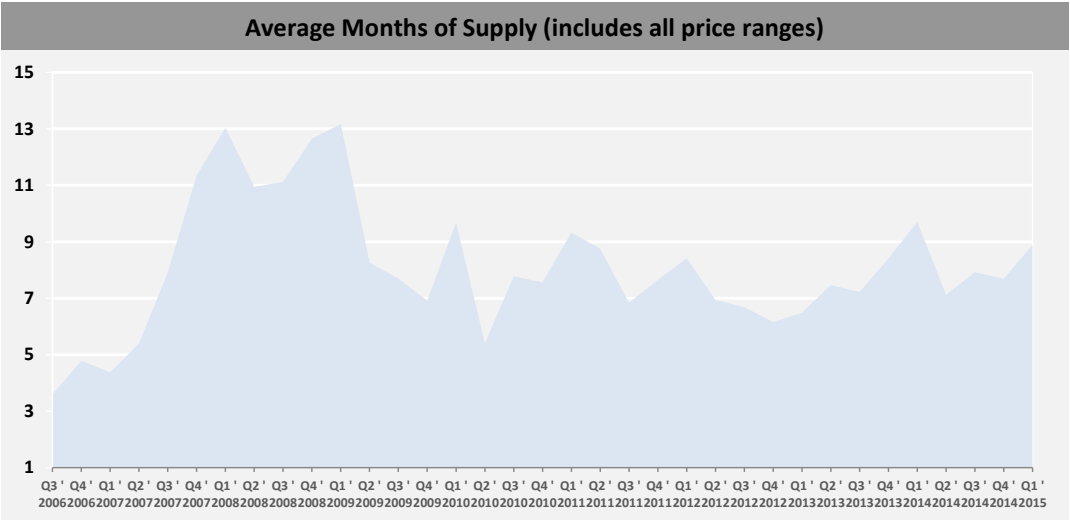
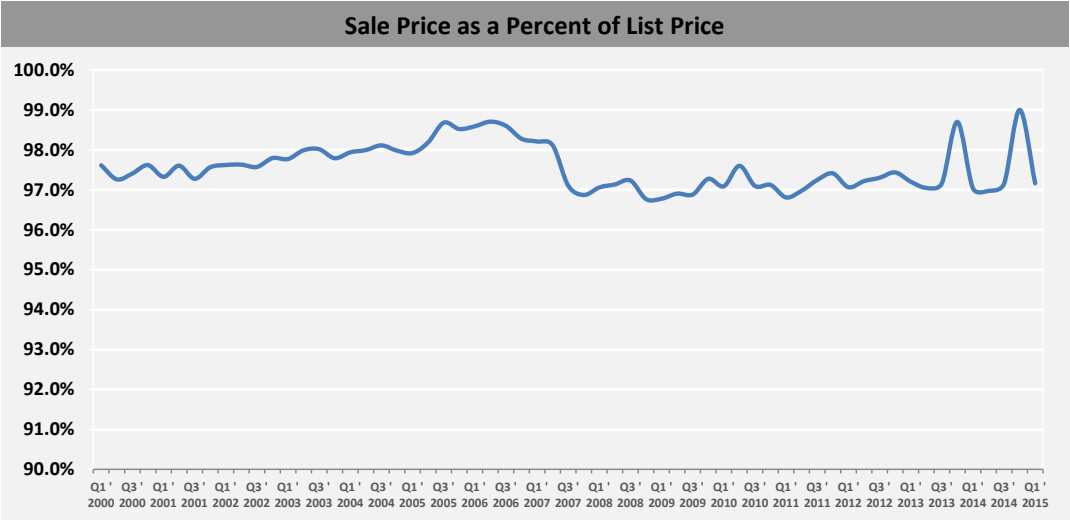


Source: Bureau of Labor Statistics.



Source: Greater El Paso Association of Realtors.

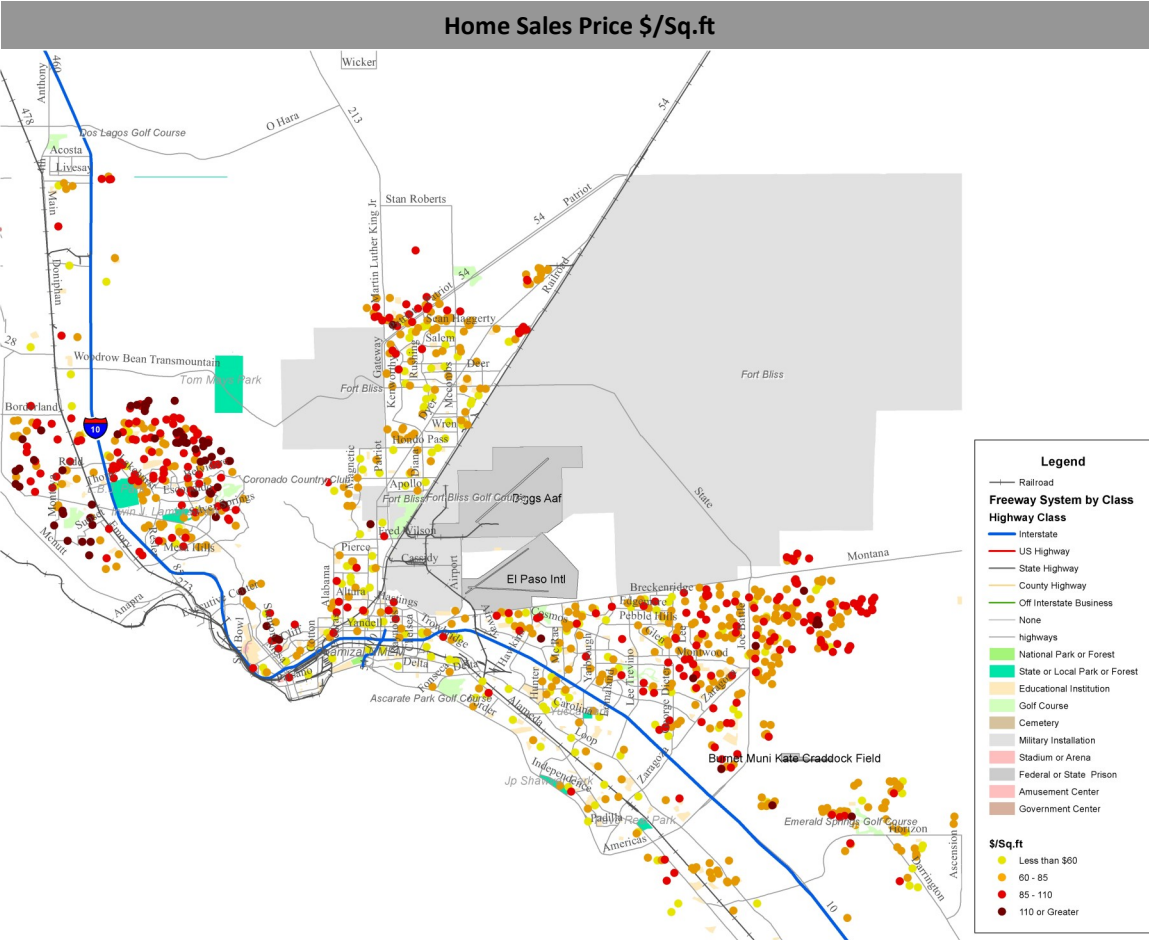
2. http://www.elpasotimes.com/news/ci_27708547/peso-continues-slide-impact-not-felt-el-paso
3. <http://www.dallasfed.org/assets/documents/research/indicators/ep/2015/ep150224.pdf>



EL PASO REAL ESTATE QUARTERLY

Coldwell Banker De Wetter Hovious

1st Quarter Edition
2015



Source: Greater El Paso Association of Realtors,CBPR.

Months of Supply by Price Range

Price Range	Q1 ' 2015 Sold	Q1 ' 2015 Listed	Months of Supply
Less than 60,000	66	98	4.5
60,000 - 80,000	95	196	6.2
80,000 - 110,000	246	449	5.5
110,000 - 150,000	410	1,188	8.7
150,000 - 200,000	308	1,029	10.0
200,000 - 250,000	135	466	10.4
250,000 - 310,000	62	234	11.3
310,000 - 390,000	36	167	13.9
390,000 - 490,000	18	110	18.3
Greater than 490,000	10	119	35.7
Total/Average	1,386	4,056	8.8

Source: Greater El Paso Association of Realtors.
Note: Listed represents the number of listings on the final day of the quarter.

Indicators of price were mixed when measured from last quarter. Generally, we would characterize this as a flat trend. Median sales prices (less influenced by extreme values than averages), moved up slightly from last quarter and mildly from the same quarter of last year, pointing towards a level trend. El Paso remains one of the most stable Texas residential markets in terms of price and sales volume.

Sales rates are generally in line with seasonal trends, in which we often see above average closings figures in the second and third quarter and lower sales in first and fourth quarters. So it is not surprising that rates dropped from the third quarter. Sales rates were strong when measured on a year-over-year basis, with an increase of nearly eleven percent over the same quarter of 2013.

Listing levels remained largely flat year-over-year while levels declined from last quarter. Consistent with the overall theme of stability, months-of-supply (the time it would take to absorb the current inventory level at the recent pace of sales), remained little changed from nearly eight months in the third quarter and about 7.5 months in the fourth quarter. This is a bit higher than what many analysts consider to be a balanced market (often around six months-of-supply), however, El Paso has traditionally been elevated above that threshold so this is well within the boundaries of the historical set.

Sales-to-list price ratios did jump rather abruptly, as sellers captured all but one percent of their asking price, on average. Marketing times have increased from both last quarter and year-over-year, which is less of a surprise when we view that against the sale-to-list price ratio where the tradeoff for a better price capture was higher days on market.

El Paso Key Stats	Q4 ' 2014	Q-Q Change	Q3 ' 2014	Y-O-Y Change	Q4 ' 2013
Average Sales Price	\$154,620	-0.9%	\$156,055	-2.8%	\$159,070
Average \$/Sq.ft.	\$83	-0.1%	\$83	-1.9%	\$85
Median Sales Price	\$143,475	2.5%	\$139,950	0.9%	\$142,250
DOM	108	12.9%	96	13.1%	95
Sale % of List	99.0%	1.8%	97.2%	0.3%	98.7%
Number of Sales	1,520	-6.9%	1,633	11.2%	1,367
Listed Inventory	3,845	-9.7%	4,257	1.6%	3,784

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Indicators

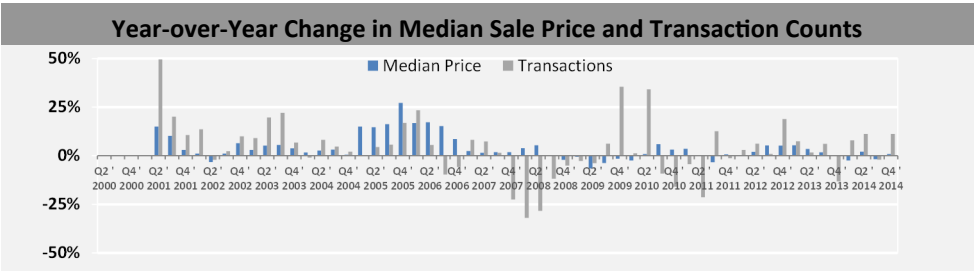
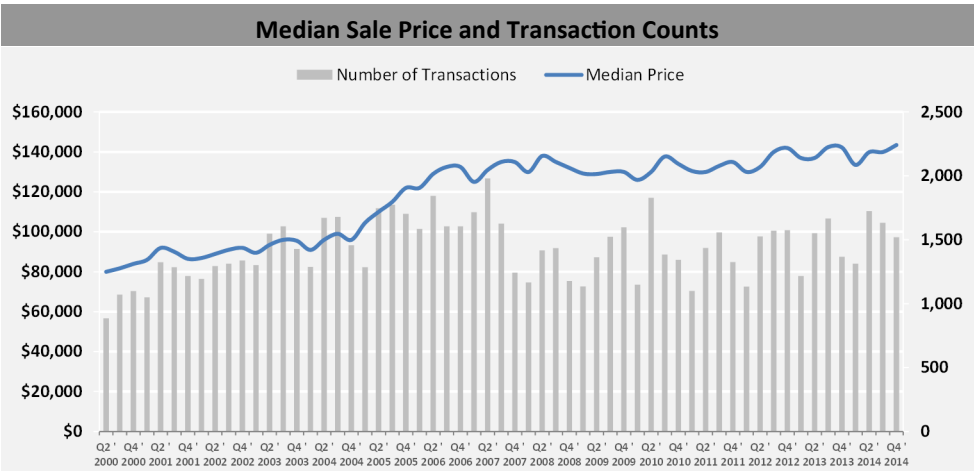
Housing	Q4 ' 2014	Q4 ' 2013
Total Available Housing Inventory (existing)	▲ 3,845	3,784
Closed (existing)	▲ 1,520	1,367
Median Price (sold-existing)	▲ \$143,475	\$142,250
New Home Permits	▼ 577	588
Rates (%)		
3-Month Libor	▲ 0.30	0.27
30-Year Fixed	▼ 3.86	4.46
Prime	▼ 3.25	3.25
12 Mo-CD Jumbo	▼ 0.21	0.21
Employment		
Total Employment	▲ 303,970	296,226
Unemployment Rate (%)	▼ 6.4	8.2

Source: Greater El Paso Association of Realtors, BLS, Bloomberg.
 Note: Employment data as of May.



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Source: Greater El Paso Association of Realtors.

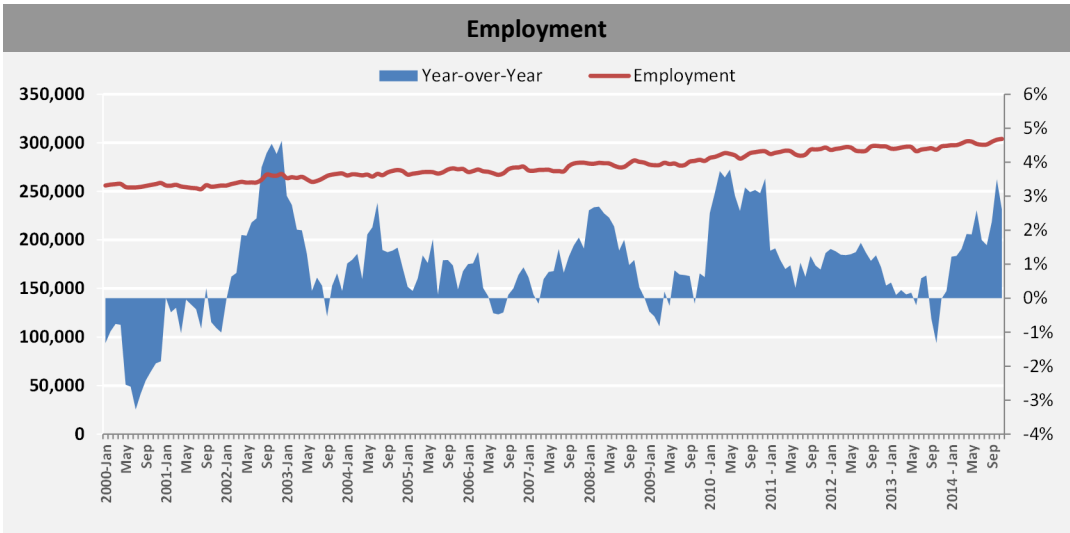
Similar to the third quarter, FHA and Conventional financing were nearly tied for the most commonly used methods to acquire property in the most recent quarter. Combined they make up nearly sixty-one percent of all sales. This was followed by VA financing at 20.4% and Cash at 14.4%. Less popular financing terms were owner carry and assumptions. This appears to be a relatively stable distribution of financing types, unlike many other areas that were cash heavy for the last couple of years, now moving back in the direction of financed sales. Proposed changes in FHA, including lower fees, may result in some increased interest in this financing option.

Once again, business activity grew in the El Paso region.¹ The Dallas Federal Reserves' El Paso Business-Cycle index grew at a 5.2 percent annualized rate when measured in November. Non-farm employment increased at a 2.5 percent annualized rate with education and health services leading the way.

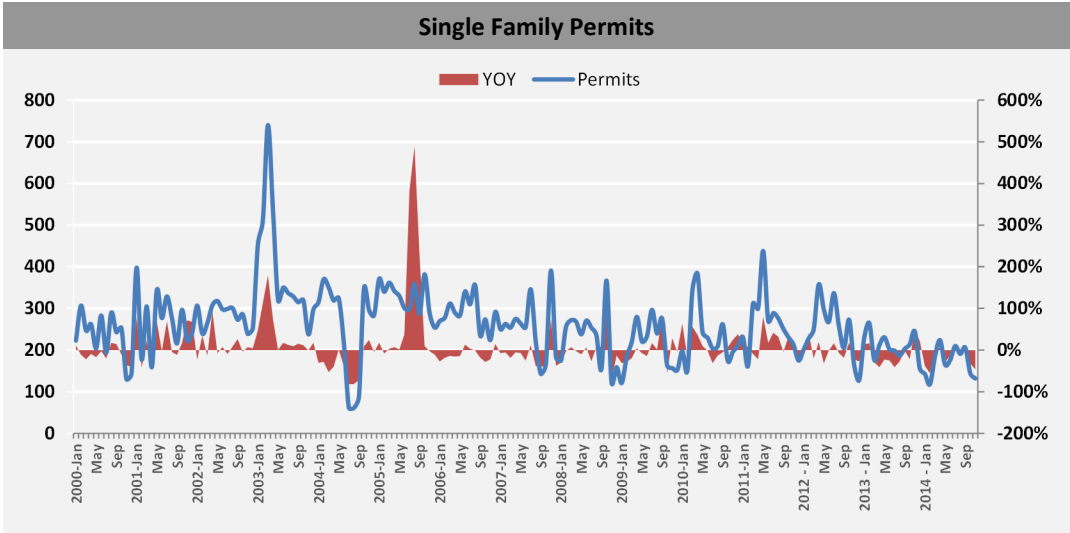
Trade flows through the El Paso port of entry increased 3.2 percent year-over-year with imports offsetting a decline in exports. Total trade was \$70.1 billion (annualized) compared to \$67.9 billion in 2013 (last measured in October).

University of Texas at El Paso recently analyzed the Borderplex economy and project 3 percent growth in 2015, which would surpass the rate experienced in 2014, which was about 1.9 percent. Similarly, job growth is projected to grow by 1.7 percent in 2015, compared to 1.4 percent in 2014.²

New home permitting activity was relatively low in the fourth quarter. Resales have been prevalent enough so there has not been strong pressure to add new home supply. However, there is probably some room for well conceived projects or those that offer relative affordability.

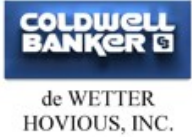


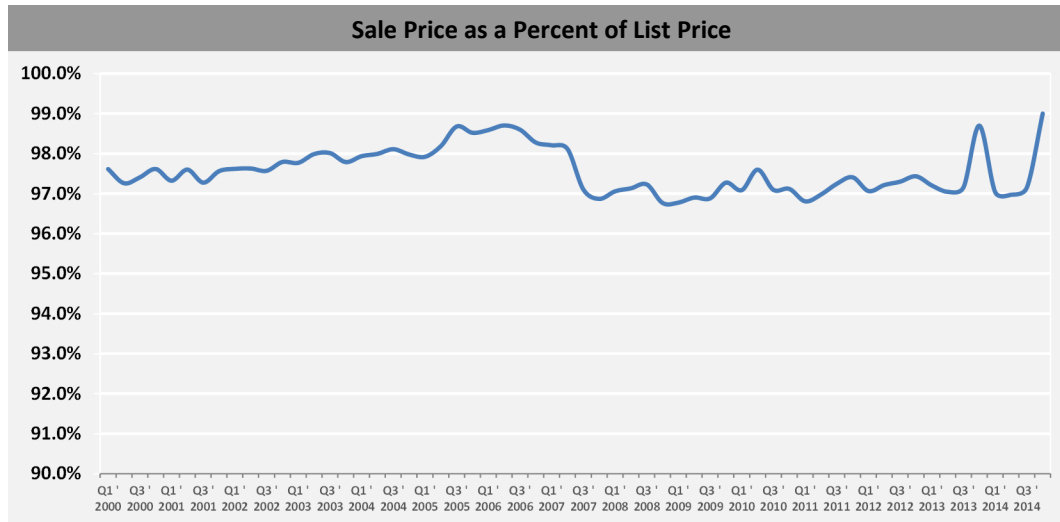
Source: Bureau of Labor Statistics.



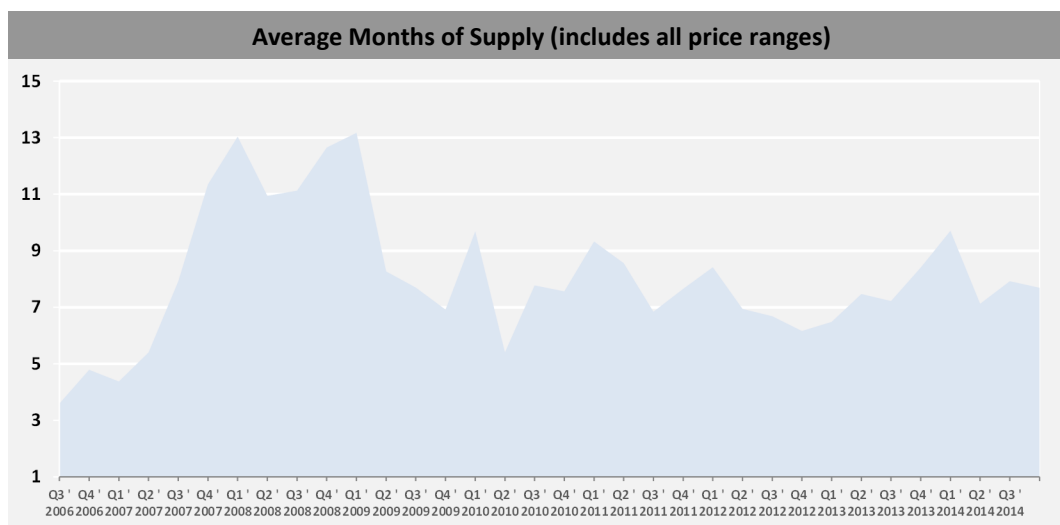
Source: Greater El Paso Association of Realtors.

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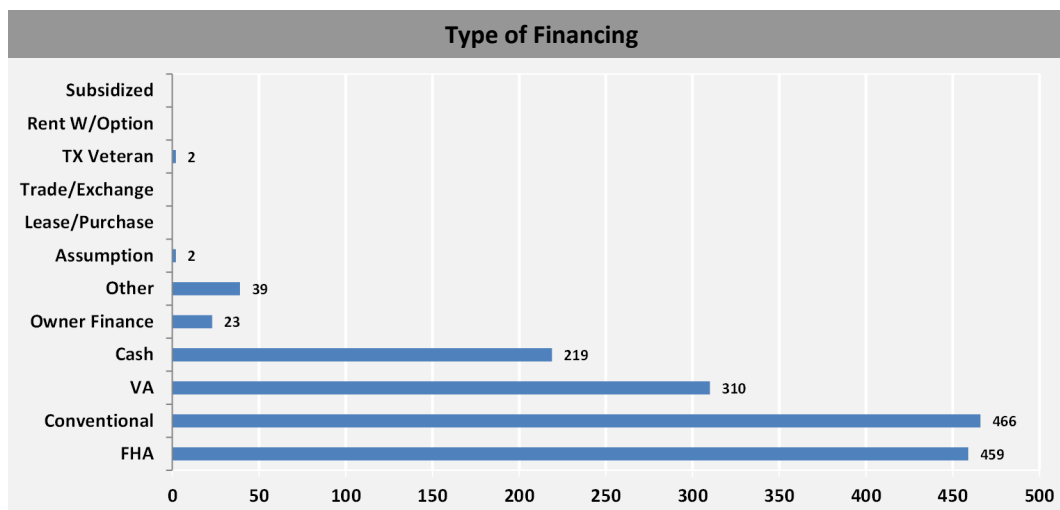




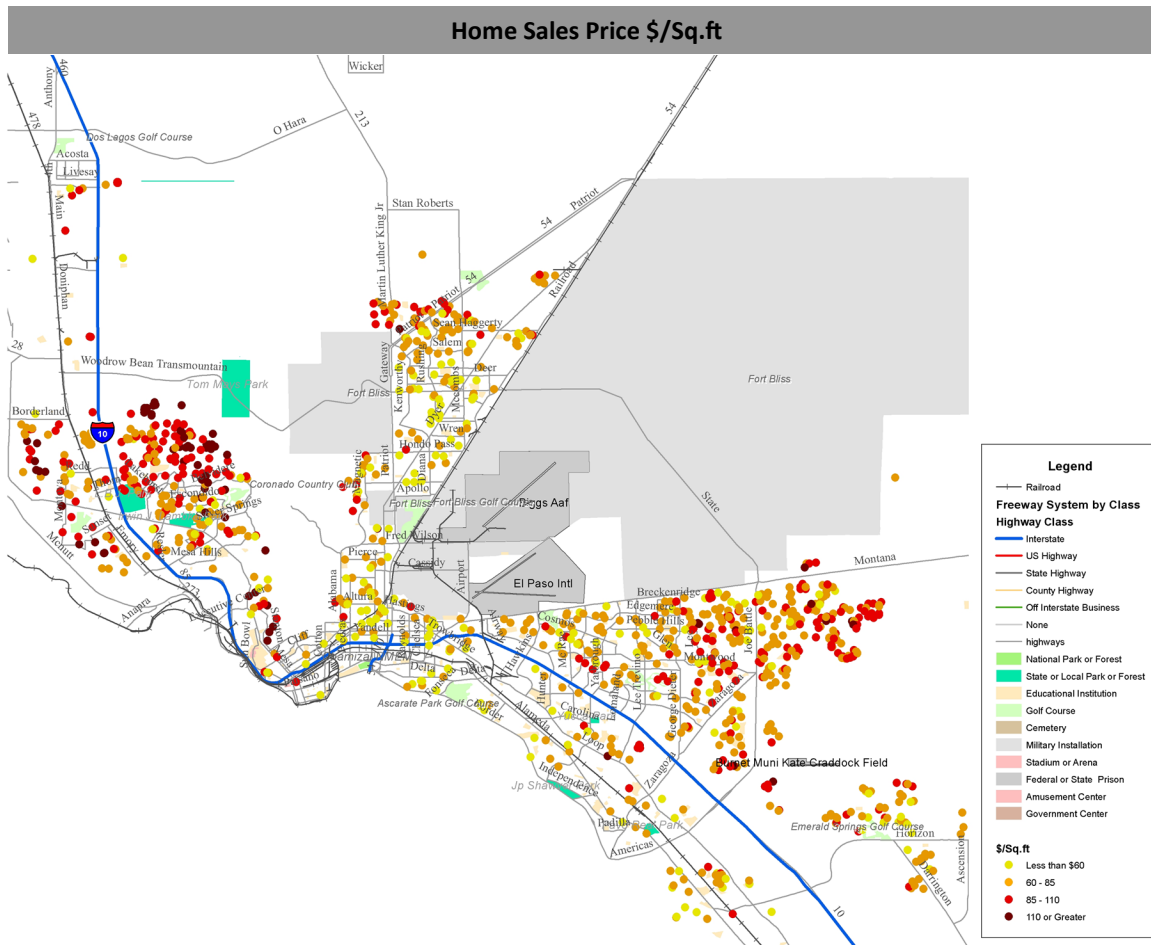
Note: Scale on Sale Prices as a Percent of List Price begins at 90%. Source: Greater El Paso Association of Realtors.



Source: Greater El Paso Association of Realtors.



Source: Greater El Paso Association of Realtors.



Source: Greater El Paso Association of Realtors, CBPR.

Months of Supply by Price Range

	Q4 ' 2014	Q4 ' 2014	Months of
Price Range	Sold	Listed	Supply
Less than 60,000	60	102	5.1
60,000 - 80,000	107	208	5.8
80,000 - 110,000	245	508	6.2
110,000 - 150,000	423	1,059	7.5
150,000 - 200,000	390	956	7.4
200,000 - 250,000	155	427	8.3
250,000 - 310,000	81	224	8.3
310,000 - 390,000	43	148	10.3
390,000 - 490,000	13	99	22.8
Greater than 490,000	3	114	114.0
Total/Average	1,520	3,845	7.6

Source: Greater El Paso Association of Realtors.

Note: Listed represents the number of listings on the final day of the quarter.

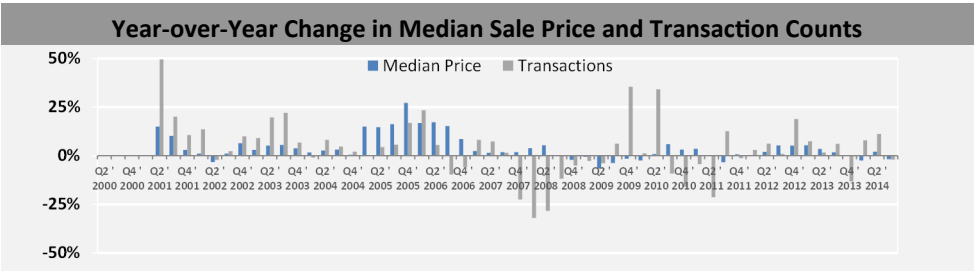
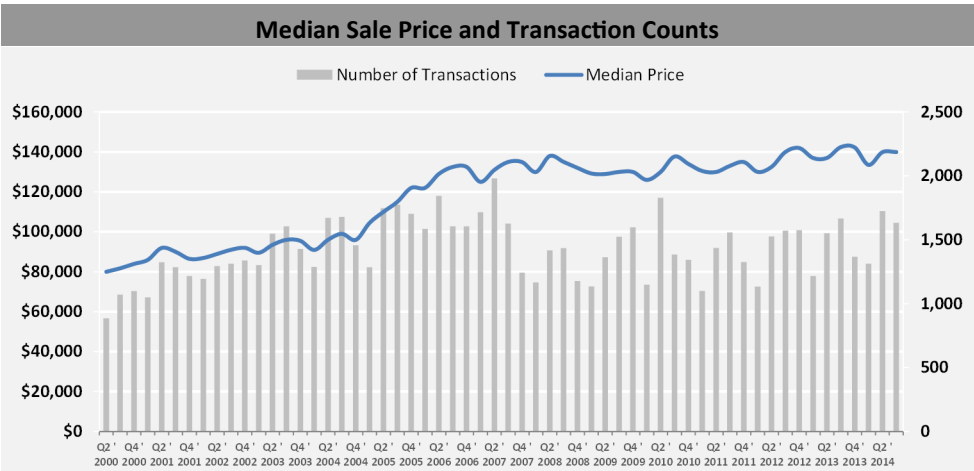
Price growth moderated in the third quarter, nearly matching the levels of the prior quarter. El Paso has been one of the most stable markets of all of the areas we track. The overall price trend remains upwardly biased, albeit at a much more predicable pace than other Texas cities.

Sales rates remain in line with prior observations with sales rates often peaking in the second quarter, remaining strong in the third and dissipating in the fourth quarter (with some recent exceptions). Year-over-year, closings were off just two percent. Measured from last quarter, closings were down just over five percent. This is not very alarming considering that last quarter was one of the best in years in terms of sales velocity.

Listing activity jumped slightly in the third quarter and on a year-over-year basis a bit more dramatically. Combining the slightly higher level of active inventory and the mild drop in absorption, months-of-supply (the time it would take to absorb the current inventory level at the recent pace of sales), increased to nearly eight months. This is a bit higher than what many analysts consider to be a balanced market (often around six months-of-supply), however, El Paso has traditionally been elevated above that threshold so this is well within the boundaries of the historical set.

Sales-to-list price ratios follow the same theme as the overall market, stability, with little interruption from the 97% range. Marketing times have remained fairly stable this year but have improved from this same quarter of last year.

El Paso Key Stats	Q3 ' 2014	Q-Q Change	Q2 ' 2014	Y-O-Y Change	Q3 ' 2013
Average Sales Price	\$156,055	-0.6%	\$156,944	-3.5%	\$161,682
Average \$/Sq.ft.	\$83	0.0%	\$83	-1.7%	\$85
Median Sales Price	\$139,950	0.0%	\$139,900	-1.8%	\$142,450
DOM	96	-1.2%	97	-7.8%	104
Sale % of List	97.2%	0.2%	97.0%	0.0%	97.2%
Number of Sales	1,633	-5.3%	1,725	-2.0%	1,667
Listed Inventory	4,257	5.4%	4,038	7.6%	3,955



Source: Greater El Paso Association of Realtors.

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Housing	Q3 ' 2014	Q3 ' 2013
Total Available Housing Inventory (existing)	▲ 4,257	3,955
Closed (existing)	▼ 1,633	1,667
Median Price (sold-existing)	▼ \$139,950	\$142,450
New Home Permits	▼ 577	588
Rates (%)		
3-Month Libor	▼ 0.24	0.25
30-Year Fixed	▼ 4.24	4.46
Prime	▲ 3.25	3.25
12 Mo-CD Jumbo	▲ 0.21	0.21
Employment		
Total Employment	▲ 298,104	293,662
Unemployment Rate (%)	▼ 7.7	8.7

Source: Greater El Paso Association of Realtors, BLS, Bloomberg.
Note: Employment data as of May.



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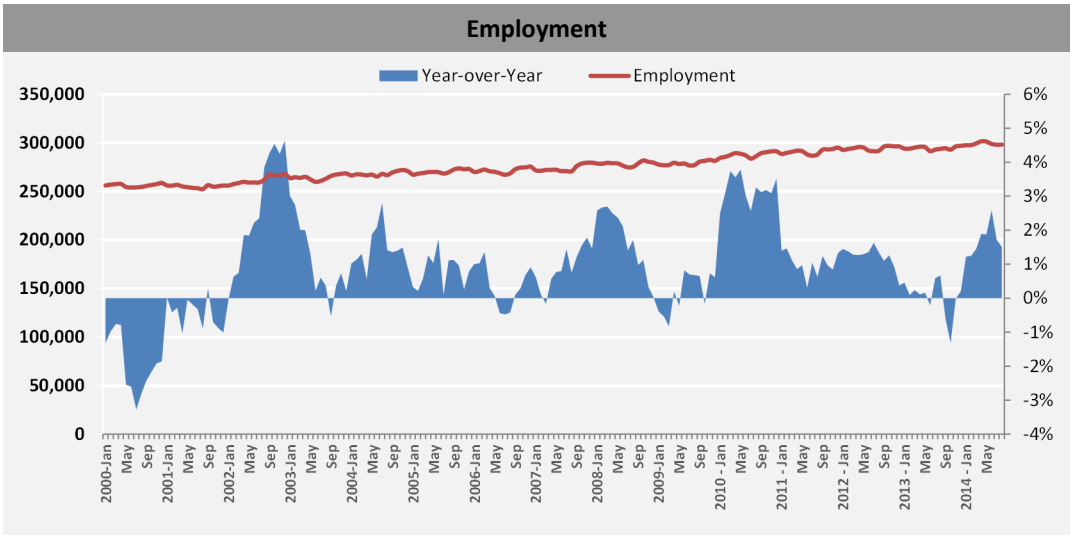
Prepared by Coldwell Banker Premier Realty, Market IQ & Coldwell Banker de Wetter Hovious, Inc

In the third quarter, FHA and Conventional financing were nearly tied for the most commonly used methods to acquire property. Combined they make up nearly sixty-three percent of all sales. This was followed by VA financing at 19.5% and Cash at 13.9%. Less popular financing terms were owner carry and assumptions. This appears to be a relatively stable distribution of financing types, unlike many other areas that were cash heavy for the last couple of years and have moved back in the direction of financed sales.

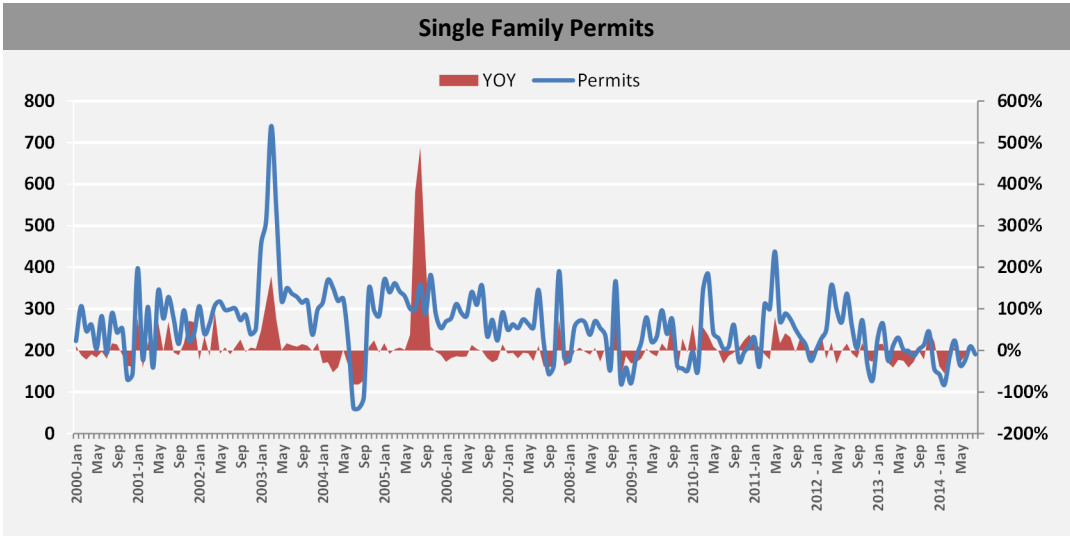
Business activity continues to grow in the El Paso region.¹ The Dallas Federal Reserves' El Paso Business-Cycle index points measured an annualized growth rate of three percent in August, a bump over the two percent rate measured in July. Non-farm employment grew by 4,000 jobs year-to-date. The unemployment rate has increased slightly, however the Dallas Federal Reserve notes that it could be driven by a more robust labor market, prompting some individuals to enter or re-enter the job market. Unemployment rates remain improved from the same period last year.

Trade flows through the El Paso port of entry increased 6 percent (measured in July on a 12-mo basis).

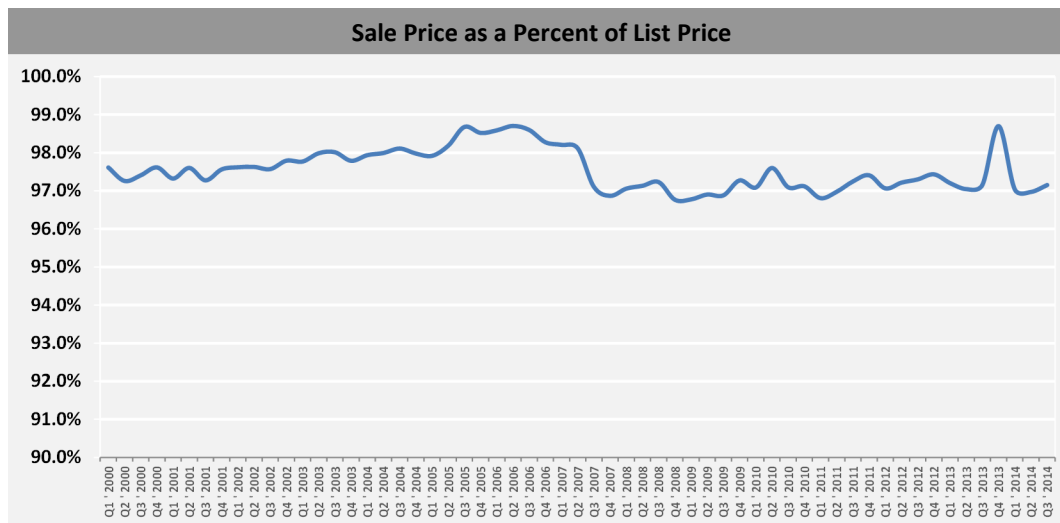
New home permitting activity remains very mild. Months-of-supply, while not elevated above historical averages does not have significant pressure to add substantive supply. Nevertheless, sometimes buyers prefer new homes and there are several homebuilders active in the region to accommodate this desire.



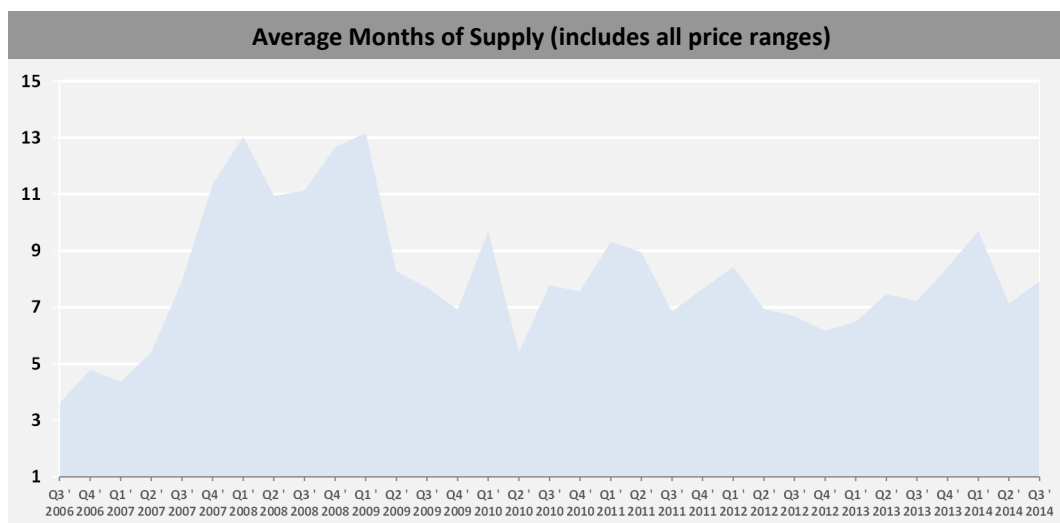
Source: Bureau of Labor Statistics.



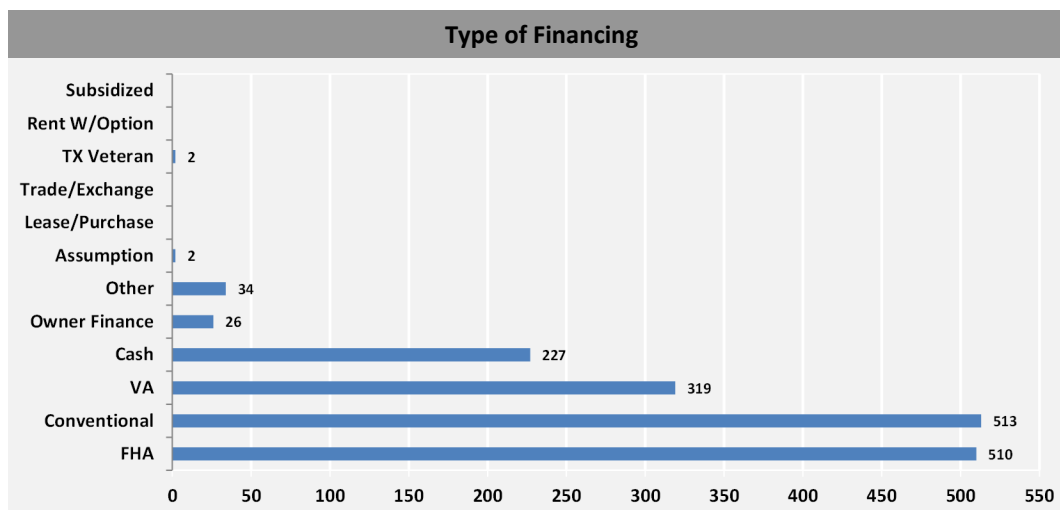
Source: Greater El Paso Association of Realtors.



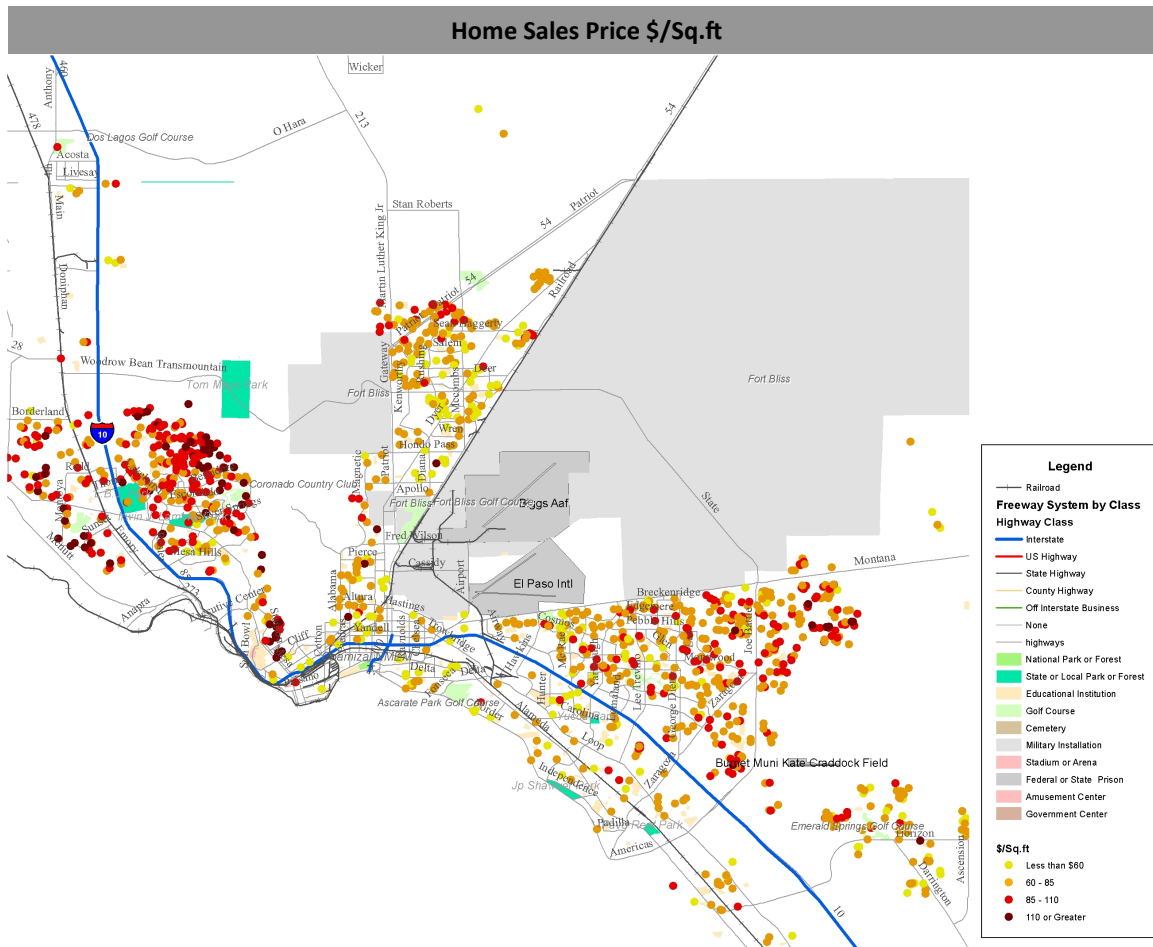
Note: Scale on Sale Prices as a Percent of List Price begins at 90%. Source: Greater El Paso Association of Realtors.



Source: Greater El Paso Association of Realtors.



Source: Greater El Paso Association of Realtors.



Source: Greater El Paso Association of Realtors, CBPR.

Months of Supply by Price Range

	Q3 ' 2014	Q3 ' 2014	Months of
Price Range	Sold	Listed	Supply
Less than 60,000	66	116	5.3
60,000 - 80,000	130	209	4.8
80,000 - 110,000	286	526	5.5
110,000 - 150,000	479	1,215	7.6
150,000 - 200,000	344	1,035	9.0
200,000 - 250,000	161	509	9.5
250,000 - 310,000	81	256	9.5
310,000 - 390,000	50	167	10.0
390,000 - 490,000	22	106	14.5
Greater than 490,000	14	118	25.3
Total/Average	1,633	4,257	7.8

Source: Greater El Paso Association of Realtors.

Note: Listed represents the number of listings on the final day of the quarter.

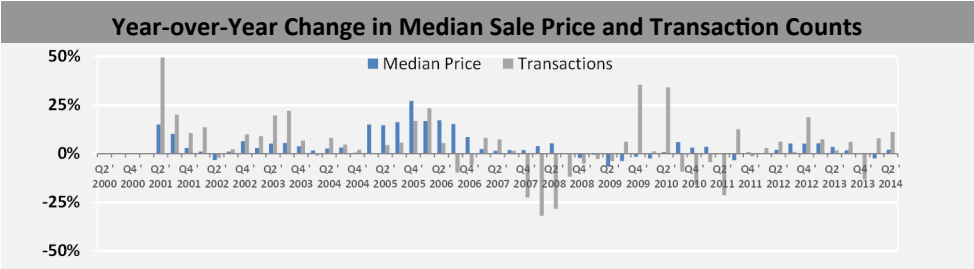
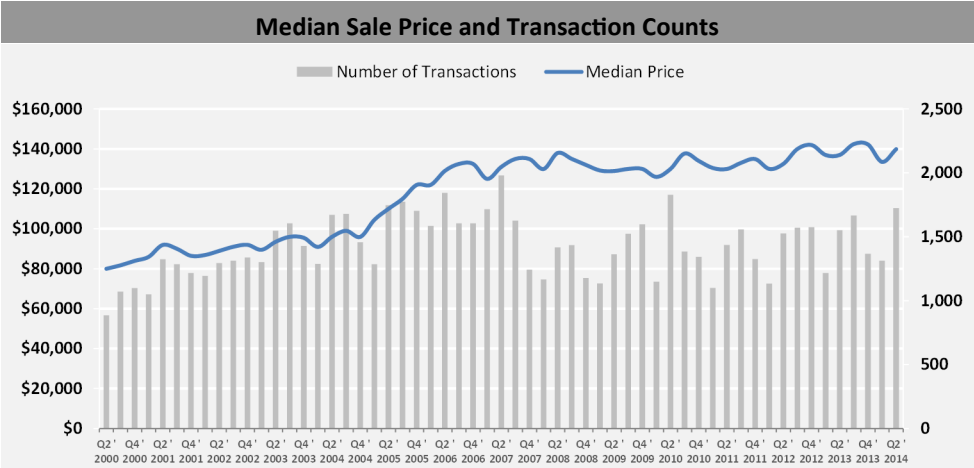
The summer has fared well in terms of closing activity and price growth. Sales rates are often volatile in this market, however looking year-over-year, we have measured an eleven percent jump over the same quarter last year. This was one of the stronger quarters we've seen in the past several years. Sales prices increased through all measures from the prior quarter and year-over-year. For median prices, we observe a mild uptrend since 2011.

The sales price-list price ratio remains near 97%, relatively unchanged for the past several quarters. Sellers and their agents apparently have a good handle on comparable sales. Average marketing times have drifted lower to about ninety-seven days. For the most part, days on market has hovered between 91 and 115 days since 2008 and is one of the most consistent markets we track in terms of marketing times.

Listing activity remains robust but has increased only moderately since the same quarter of 2013. Largely due to strong closing activity, months-of-supply, or the approximate time it would take to liquidate the current inventory at the recent pace of sales, has declined since last quarter. Currently months-of-supply is about seven months, a bit higher than many other Texas metros but is well in line prior observations.

The most popular financing method employed this quarter was FHA financing, followed by Conventional, VA and Cash. This pattern has been common for the El Paso region, unlike several other metros that experienced a cash dominant period last year.

El Paso Key Stats	Q2 ' 2014	Q-Q Change	Q1 ' 2014	Y-O-Y Change	Q2 ' 2013
Average Sales Price	\$156,944	4.7%	\$149,896	1.2%	\$155,088
Average \$/Sq.ft.	\$83	1.6%	\$82	1.6%	\$82
Median Sales Price	\$139,900	4.8%	\$133,500	2.1%	\$137,000
DOM	97	-8.8%	106	-7.3%	104
Sale % of List	97.0%	-0.1%	97.0%	-0.1%	97.0%
Number of Sales	1,725	31.4%	1,313	11.2%	1,551
Listed Inventory	4,038	-3.9%	4,204	6.0%	3,809



Source: Greater El Paso Association of Realtors.

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Indicators

Housing	Q2 ' 2014	Q2 ' 2013
Total Available Housing Inventory (existing)	▲ 4,038	3,809
Closed (existing)	▲ 1,725	1,551
Median Price (sold-existing)	▲ \$139,900	\$137,000
New Home Permits	▼ 604	645
Rates (%)		
3-Month Libor	▼ 0.23	0.27
30-Year Fixed	▼ 4.24	4.34
Prime	▲ 3.25	3.25
12 Mo-CD Jumbo	▲ 0.21	0.21
Employment		
Total Employment	▲ 301,040	295,639
Unemployment Rate (%)	▼ 7.0	9.2

Source: Greater El Paso Association of Realtors, BLS, Bloomberg.
Note: Employment data as of May.



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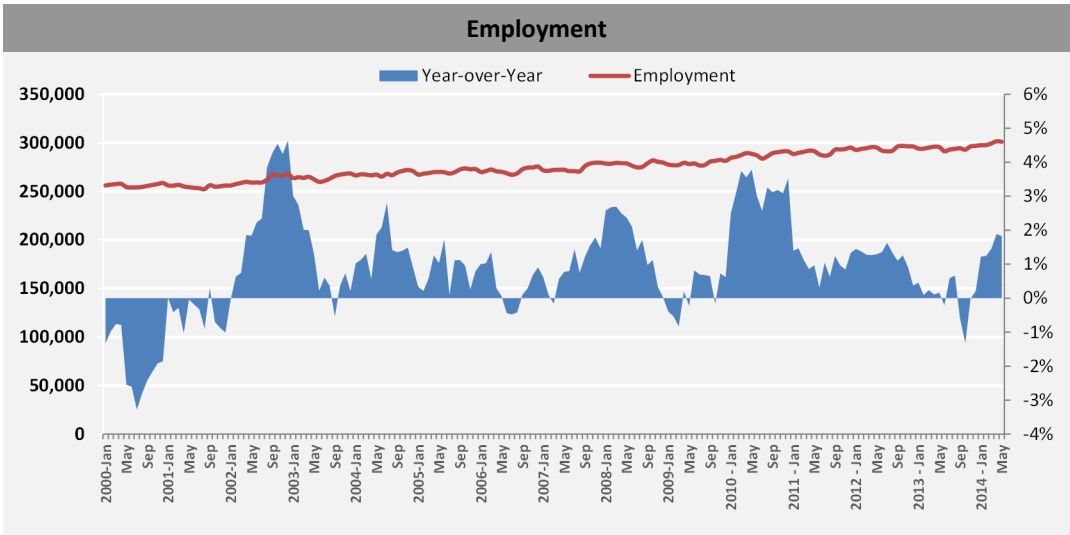
Prepared by Coldwell Banker Premier Realty, Market IQ & Coldwell Banker de Wetter Hovious, Inc

Although first quarter ended up a bit slow for measured economic activity, second quarter appears to be rebounding.¹ Measured in May, non-farm employment experienced a 3.8% growth rate, largely in professional and business services and trade, transportation and utilities.

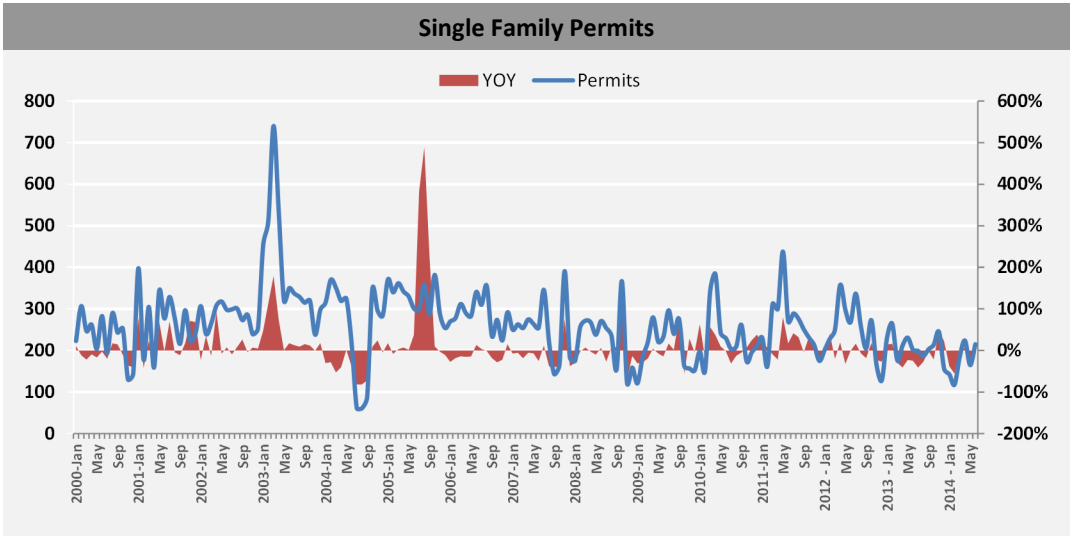
Trade flows through the El Paso port of entry increased 5 percent (measured in April on a 12-mo basis). Maquiladora employment in Juárez advanced by 11,000 jobs (December 2013 to May 2014).

In local development news, Wal Mart is planning to add a west side store of nearly 42,000 square feet. Following two stores added since 2013, CVS is planning to continue its expansion and will likely add two more stores. In high density residential, there are several apartment buildings nearing completion or under construction, including senior living options.²

New home permitting activity remains very mild. Months-of-supply, while not elevated above historical averages does not have significant pressure to add substantive supply. Nevertheless, sometimes buyers prefer new homes and there are several homebuilders active in the region to accommodate this desire.



Source: Bureau of Labor Statistics.

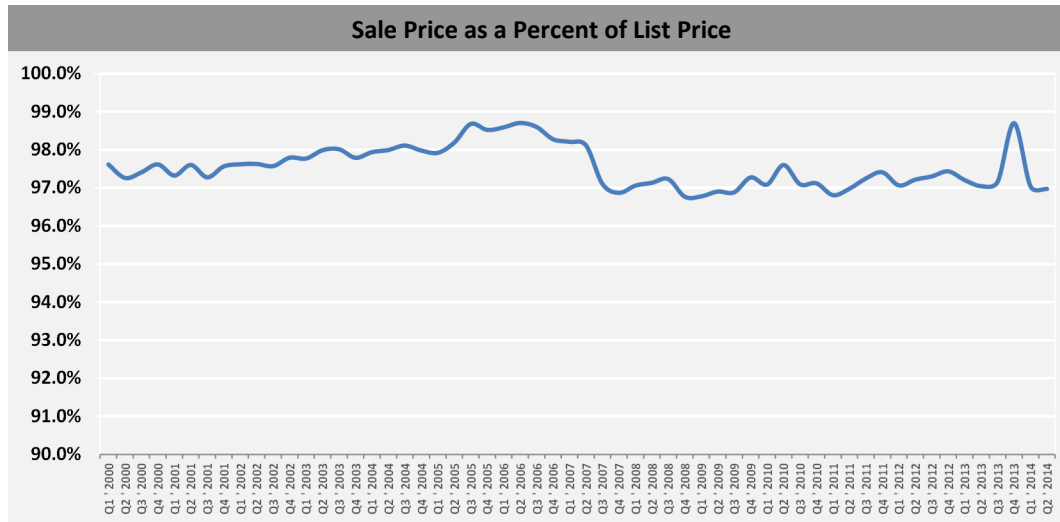


Source: Greater El Paso Association of Realtors.

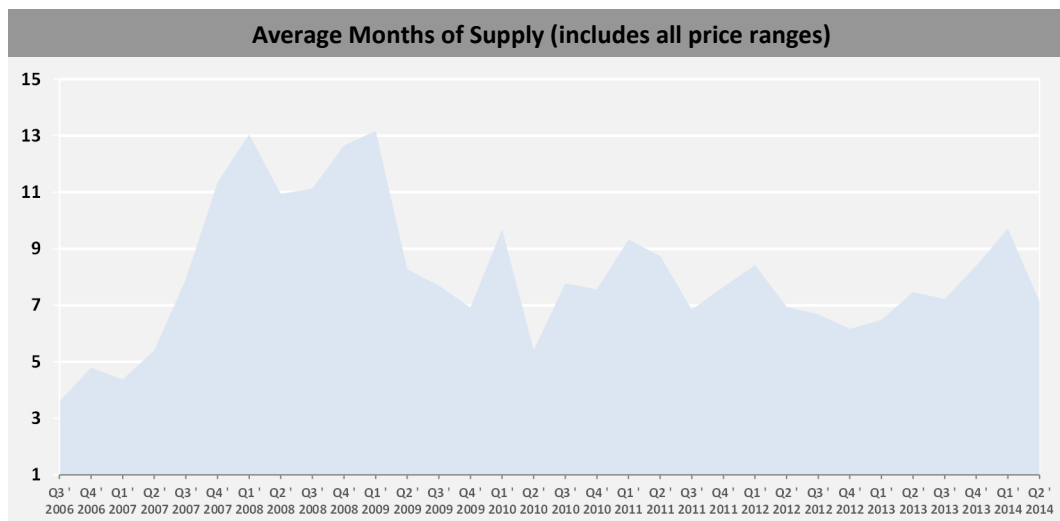
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1: <http://www.dallasfed.org/assets/documents/research/update/ep/2014/1406epupdate.pdf>
2: 2014 El Paso Dev News Volume II, Number 24 Issue 61
3: <http://www.desertsun.com/story/money/2014/01/01/mexican-sales-tax-hike-may-boost-us-stores/4285093/>

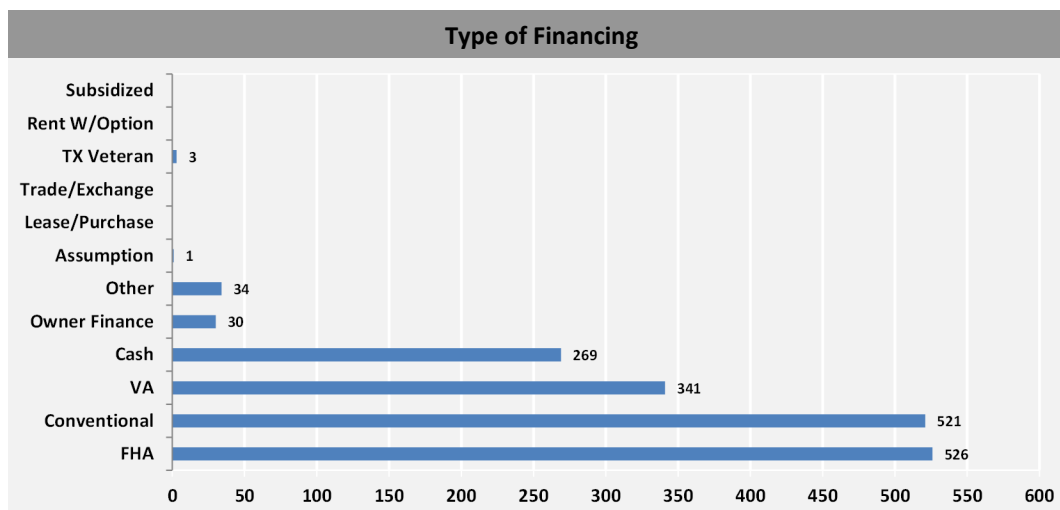




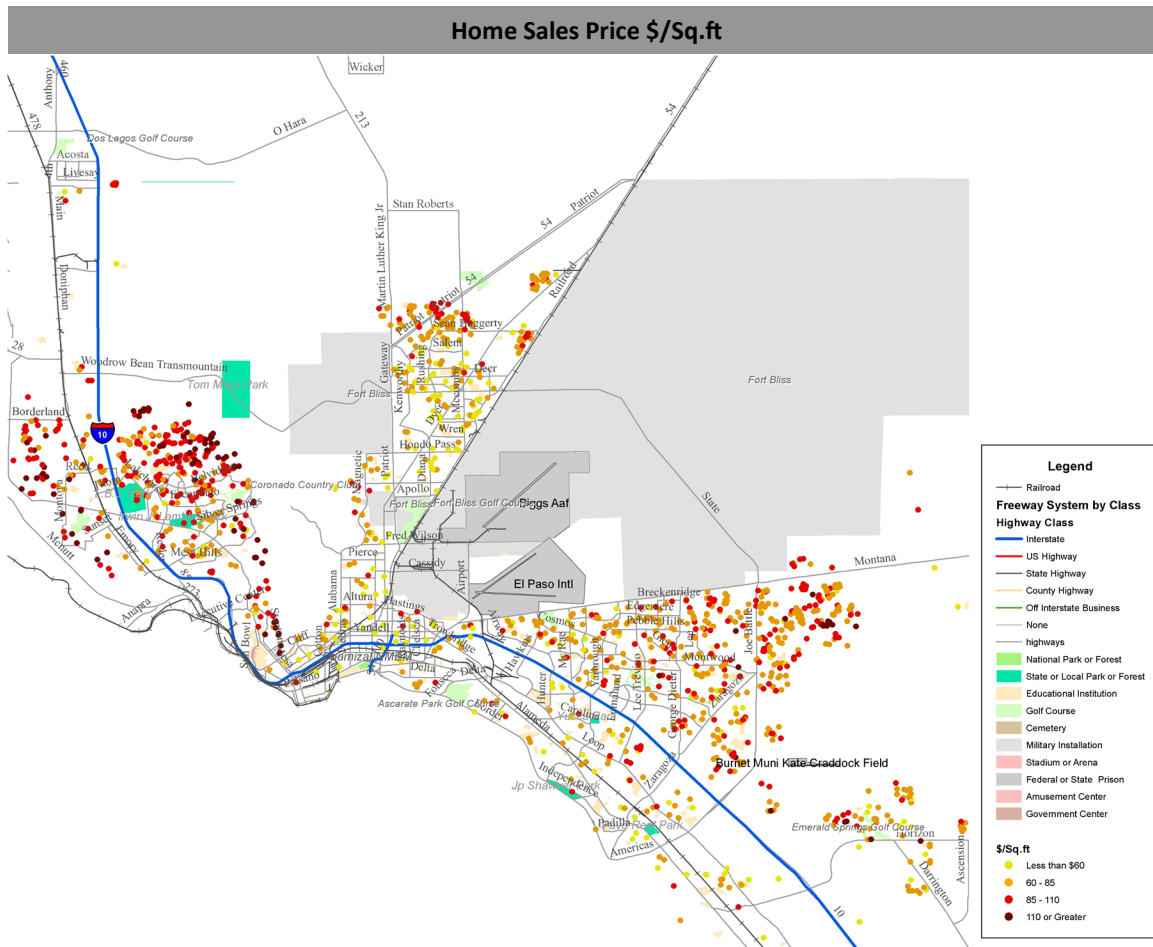
Note: Scale on Sale Prices as a Percent of List Price begins at 90%. Source: Greater El Paso Association of Realtors.



Source: Greater El Paso Association of Realtors.



Source: Greater El Paso Association of Realtors.



Source: Greater El Paso Association of Realtors,CBPR.

Months of Supply by Price Range

	Q2 ' 2014	Q2 ' 2014	Months of
Price Range	Sold	Listed	Supply
Less than 60,000	93	62	2.0
60,000 - 80,000	111	210	5.7
80,000 - 110,000	304	485	4.8
110,000 - 150,000	482	1,077	6.7
150,000 - 200,000	384	1,023	8.0
200,000 - 250,000	176	545	9.3
250,000 - 310,000	93	252	8.1
310,000 - 390,000	44	168	11.5
390,000 - 490,000	19	94	14.8
Greater than 490,000	19	122	19.3
Total/Average	1,725	4,038	7.0

Source: Greater El Paso Association of Realtors.

Note: Listed represents the number of listings on the final day of the quarter.

EL PASO REAL ESTATE QUARTERLY

Coldwell Banker De Wetter Hovious

1st Quarter Edition
2014

The number of home closings declined mildly from the prior quarter but has increased over the same quarter last year. Listing inventory has also increased materially from last quarter and on a year-over-year basis, causing months-of-supply, the time it would take to liquidate the current inventory at the recent pace of sales, has increased to nearly ten months. Although this is significantly higher than last year, it well within the domain established in prior years.

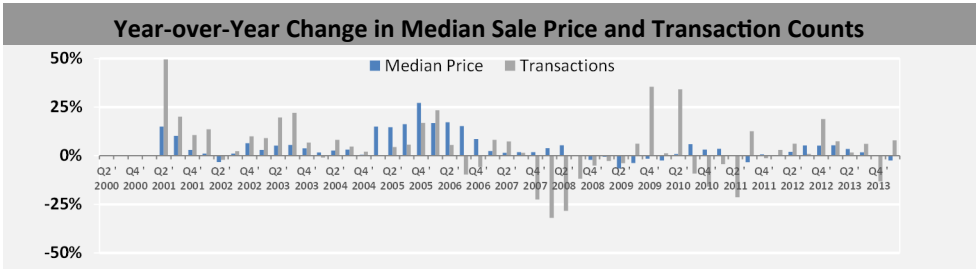
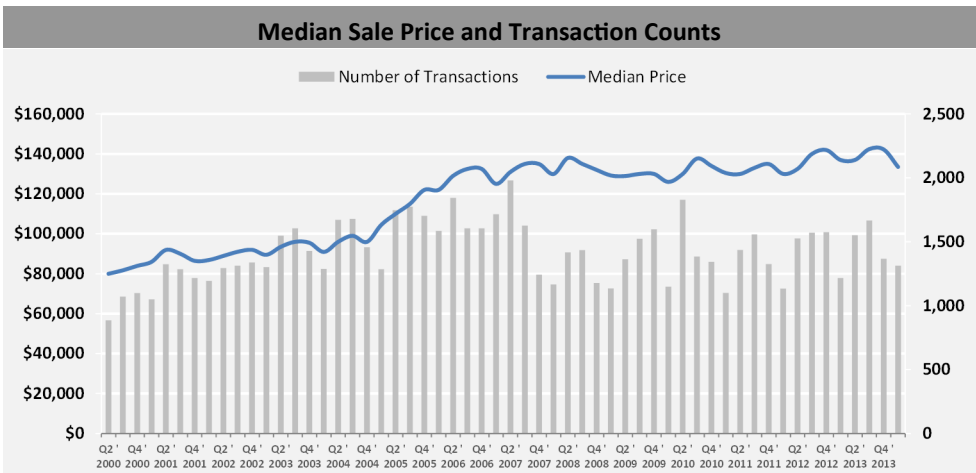
Price trends are a bit more saw-like than many of the other Texas metropolitan areas we track. Average and median prices declined from last quarter but remain little changed on a year-over-year basis. Interestingly, there appears to be a seasonal component in pricing that has persisted for some time.

The sales price-list price ratio is over 97%, a bit softer than last quarter but in line with recent prior observations. Marketing times increased from last quarter with a days on market of 106 days in the first quarter of 2014, little changed on a year-over-year basis. Marketing times are from a sample of sold homes and conversely, there are some homes in the pool of active homes that have been on the market for much longer than 106 days. This reinforces the importance of a good understanding of comparable sales.

In the first quarter, FHA financing was the most common way to complete a home purchase, followed by conventional financing (which was the top financing type last quarter) VA financing and cash, respectively. While owner financing makes up a relatively small proportion of sales, it is more common in El Paso than many other U.S. markets.

El Paso Key Stats	Q1 ' 2014	Q-Q Change	Q4 ' 2013	Y-O-Y Change	Q1 ' 2013
Average Sales Price	\$149,896	-5.8%	\$159,070	-0.2%	\$150,267
Average \$/Sq.ft.	\$82	-3.4%	\$85	0.4%	\$82
Median Sales Price	\$133,500	-6.2%	\$142,250	-2.5%	\$136,950
DOM	106	11.2%	95	-2.9%	109
Sale % of List	97.0%	-1.7%	98.7%	-0.2%	97.2%
Number of Sales	1,313	-4.0%	1,367	7.9%	1,217
Listed Inventory	4,204	11.1%	3,784	19.3%	3,524

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Source: Greater El Paso Association of Realtors.

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Housing	Q1 ' 2014	Q1 ' 2013
Total Available Housing Inventory (existing)	▲ 4,204	3,524
Closed (existing)	▲ 1,313	1,217
Median Price (sold-existing)	▼ \$133,500	\$136,950
New Home Permits	▼ 417	623
Rates (%)		
3-Month Libor	▼ 0.23	0.28
30-Year Fixed	▲ 4.38	3.75
Prime	▲ 3.25	3.25
12 Mo-CD Jumbo	▼ 0.20	0.23
Employment		
Total Employment	▲ 297,600	293,940
Unemployment Rate (%)	▼ 8.1	9.1

Source: Greater El Paso Association of Realtors, BLS, Bloomberg.
Note: Employment data as of February.



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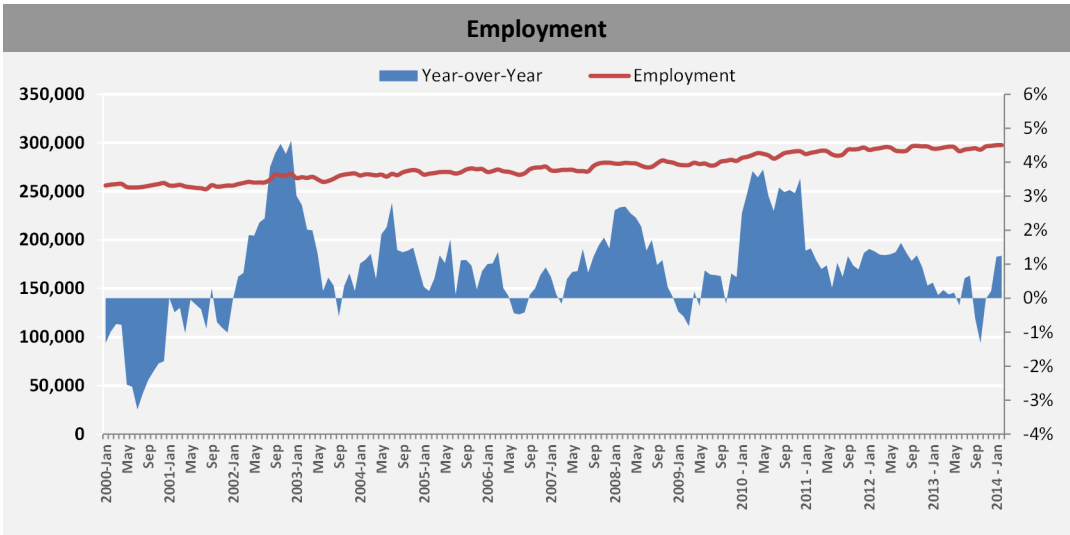
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The Dallas Federal Reserve notes a continued, moderately increasing pace of economic activity in the region. The El Paso Business Cycle Index registered a 1.3 percent annualized growth rate when measured in January.¹ El Paso employment remains trend positive, however January registered job losses in professional and business services, as well as government, yielding a decrease at a 2.9 percent annualized rate in nonfarm employment.

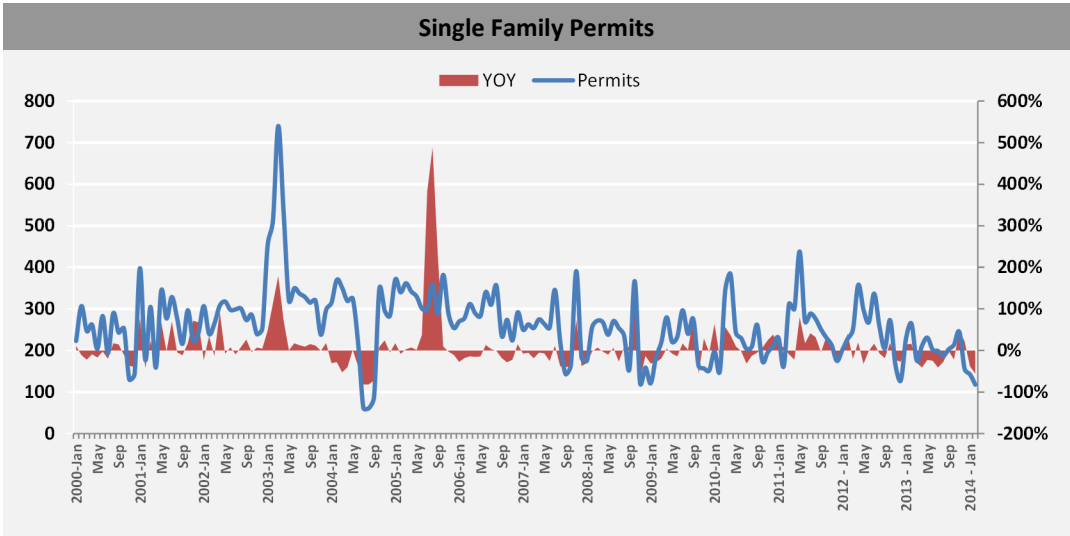
Trade flows through the El Paso port of entry decreased 6.6 percent (measured in January on a 12-mo basis). The Dallas Federal Reserve notes that while there has been a decline, the overall level of trade remains in a healthy range. In terms of inflation adjusted dollars, levels are far better than the recession and even remain above pre-recession levels.

Maquiladora employment in Juárez continues to advance with 2013 registering over 12,500 jobs while January 2014 experienced an increase of 2,500 jobs. Employment in Juárez spills over into retail sales in El Paso as many Mexican citizens look to purchase goods in the U.S that may be cheaper than in Mexico. There are recent tax increases in Mexican border areas which may drive more business north into El Paso and other U.S border cities.² It is uncertain how tax changes may influence the Maquila industry.³

New home permitting activity remains very mild. Months-of-supply hovers just above what we see as normal, typically six months, and therefore we don't see a lot of near-term pressure to add significant housing units. Despite this, we do often see that some buyers simply prefer new homes so there is a market for new homes, albeit relatively small for the time being.



Source: Bureau of Labor Statistics.

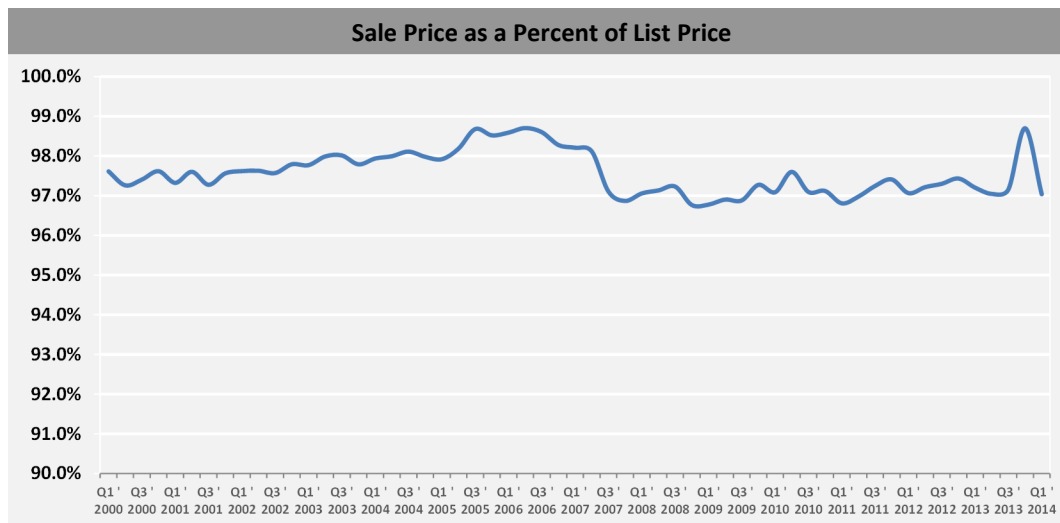


Source: Greater El Paso Association of Realtors.

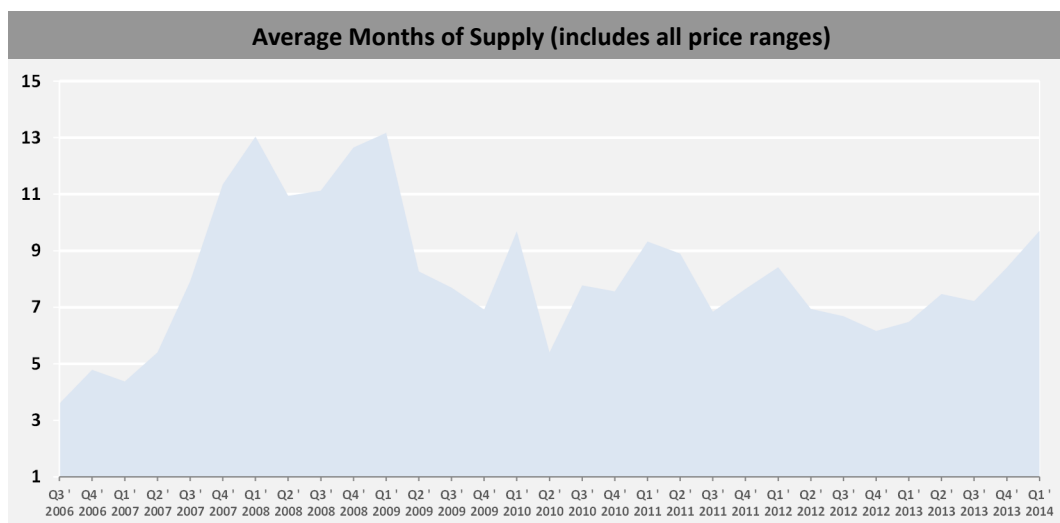
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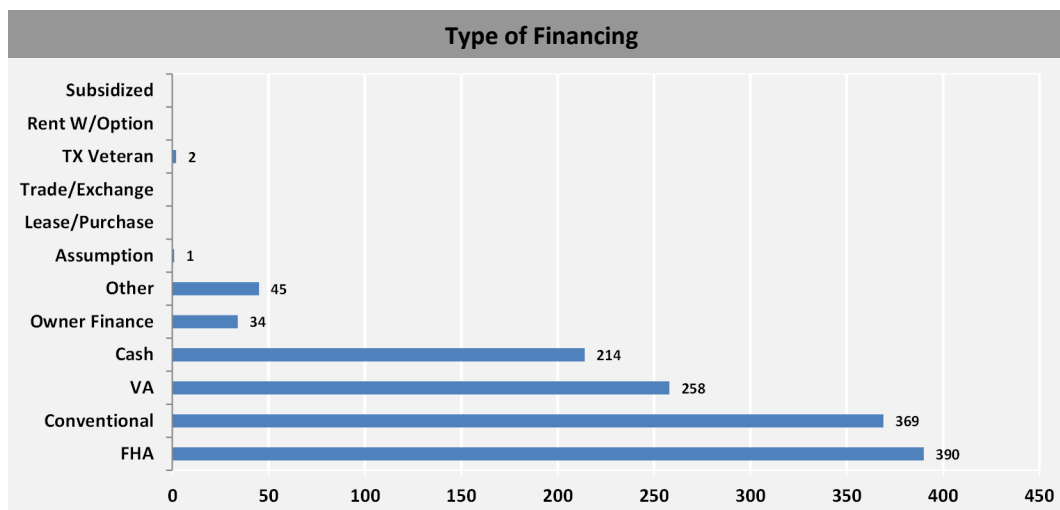
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1: <http://www.dallasfed.org/assets/documents/research/update/ep/2014/1403epupdate.pdf>
2: http://m.willcoxrange.com/mobile/news/article_47f4225c-7810-11e3-bff7-0019bb2963f4.html
3: <http://www.desertsun.com/story/money/2014/01/01/mexican-sales-tax-hike-may-boost-us-stores/4285093/>



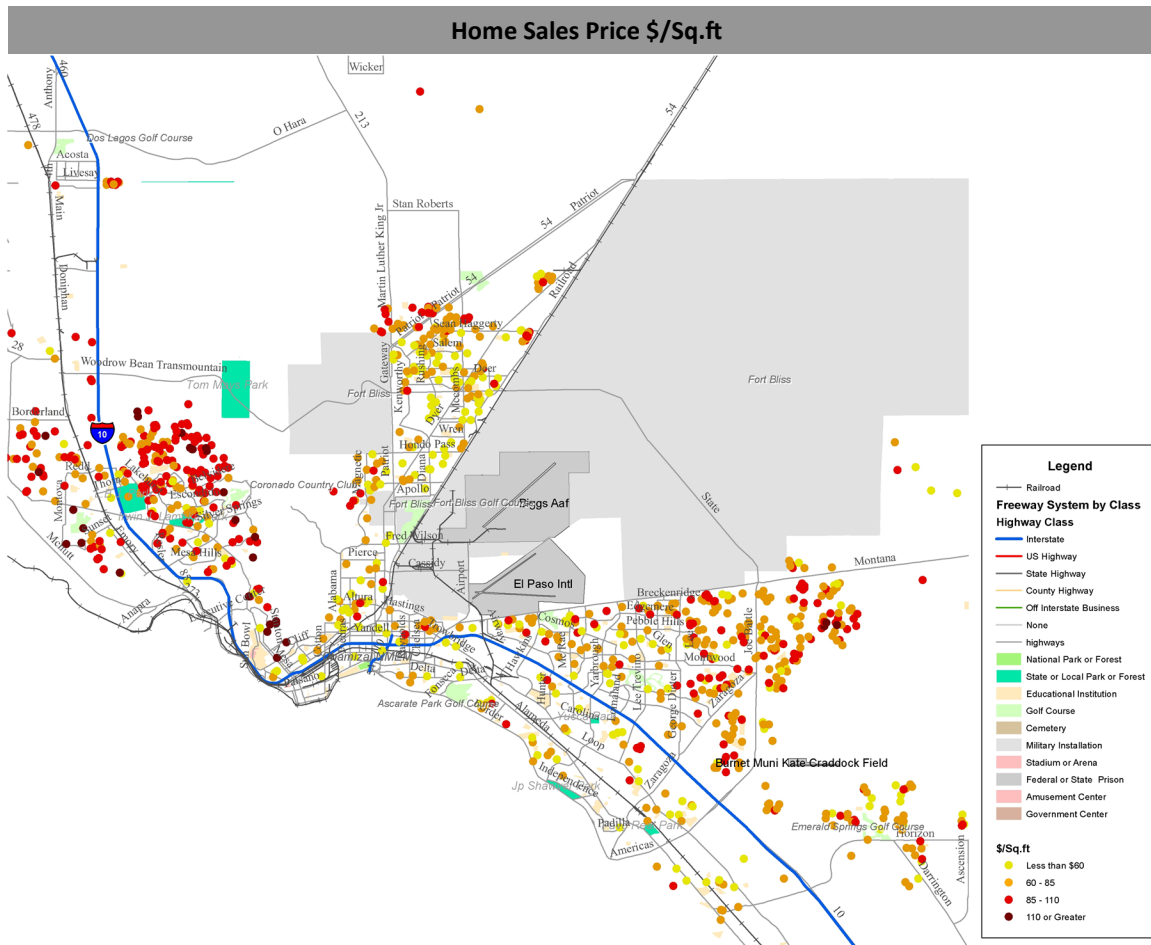
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Source: Greater El Paso Association of Realtors.



Source: Greater El Paso Association of Realtors.



Source: Greater El Paso Association of Realtors, CBPR.

Months of Supply by Price Range

	Q1 ' 2014	Q1 ' 2014	Months of
Price Range	Sold	Listed	Supply
Less than 60,000	69	107	4.7
60,000 - 80,000	109	222	6.1
80,000 - 110,000	251	528	6.3
110,000 - 150,000	372	1,015	8.2
150,000 - 200,000	274	1,073	11.7
200,000 - 250,000	128	590	13.8
250,000 - 310,000	59	281	14.3
310,000 - 390,000	31	173	16.7
390,000 - 490,000	14	93	19.9
Greater than 490,000	6	122	61.0
Total/Average	1,313	4,204	9.6

Source: Greater El Paso Association of Realtors.

Note: Listed represents the number of listings on the final day of the quarter.

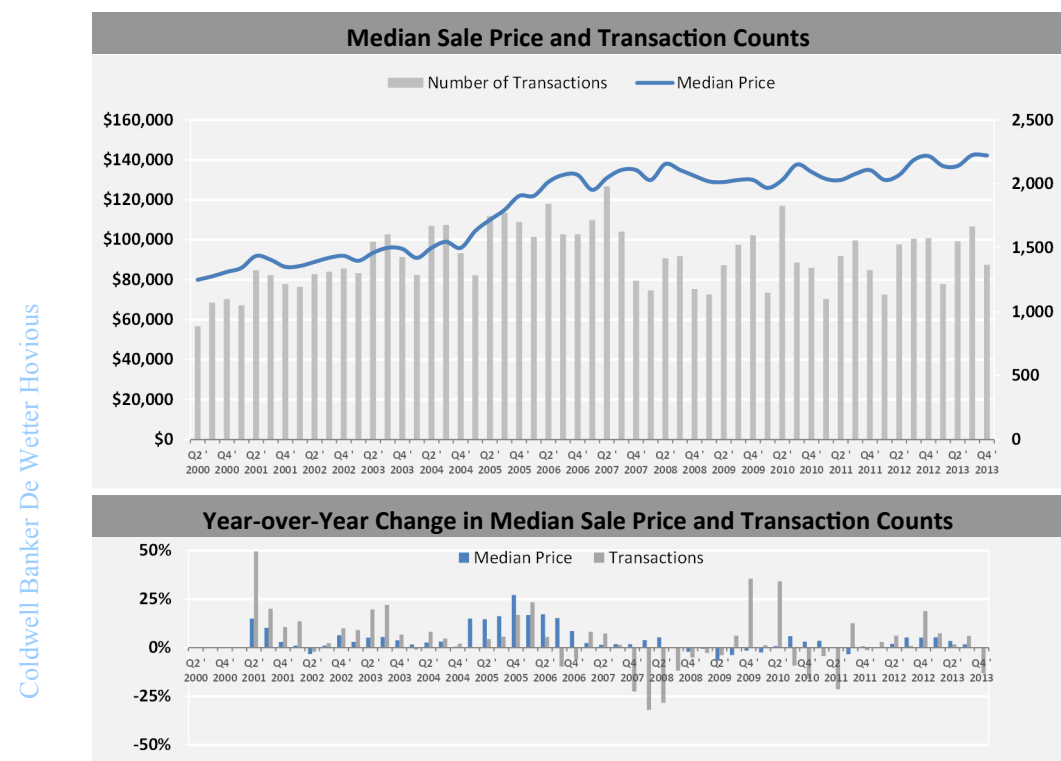
Sale prices remained little changed from the prior quarter but still reflect gains over the year ago sales prices. Average sale prices, median prices and average price per-square foot were mixed indicators in the fourth quarter, telling us that prices are likely in a flat trajectory. Zooming out, the market appears to be maintaining its overall positive trend for the past couple of years.

With some typical seasonality, sales have moderated from the prior quarter and sales have posted a decline over the same quarter one year ago. Listing inventory has posted a modest increase over the prior year, causing an increase in the months-of-supply (a measure of how long it would take to absorb current inventory at the recent pace of sales).

The sales price-list price ratio is over 98%, indicating that many sellers are listing homes close to market realities. Marketing times declined from last quarter with a days on market of 95 days in the fourth quarter of 2013, little changed on a year-over-year basis. Marketing times are from a sample of sold homes and conversely, there are some homes in the pool of active homes that have been on the market for much longer than 95 days. This reinforces the importance of a good understanding of comparable sales.

In the fourth quarter, we observed a higher proportion of sales that employed conventional financing than we typically see. FHA is often the leading type of financing used in the El Paso market. Cash sales have been hovering between thirteen and sixteen percent of total sales.

El Paso Key Stats	Q4 ' 2013	Q-Q Change	Q3 ' 2013	Y-O-Y Change	Q4 ' 2012
Average Sales Price	\$159,070	-1.6%	\$161,682	0.4%	\$158,515
Average \$/Sq.ft.	\$85	0.1%	\$85	1.2%	\$84
Median Sales Price	\$142,250	-0.1%	\$142,450	0.2%	\$141,965
DOM	95	-8.0%	104	-2.3%	98
Sale % of List	98.7%	1.5%	97.2%	1.3%	97.4%
Number of Sales	1,367	-18.0%	1,667	-13.2%	1,575
Listed Inventory	3,784	-4.3%	3,955	13.0%	3,350



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Indicators

Housing	Q4 ' 2013	Q4 ' 2012
Total Available Housing Inventory (existing)	▲ 3,784	3,350
Closed (existing)	▼ 1,367	1,575
Median Price (sold-existing)	▲ \$142,250	\$141,965
New Home Permits	▲ 662	643
Rates (%)		
3-Month Libor	▼ 0.25	0.31
30-Year Fixed	▲ 4.48	3.35
Prime	▲ 3.25	3.25
5-Year CD	▼ 0.49	0.62
Employment		
Total Employment	◀ 296,226	296,283
Unemployment Rate (%)	▼ 8.2	8.4

Source: Greater El Paso Association of Realtors, BLS, Bloomberg.
 Note: Employment data as of November.

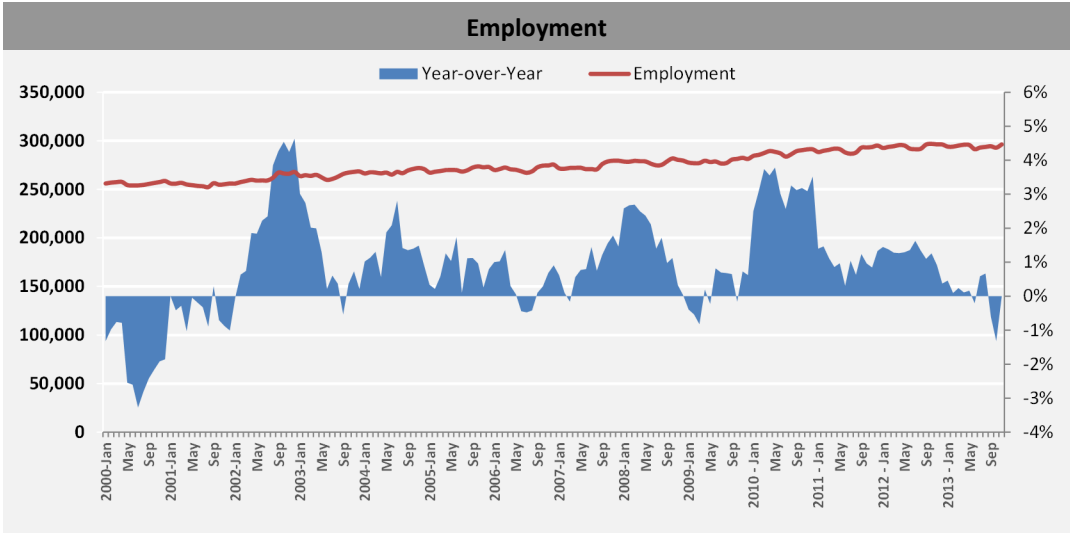


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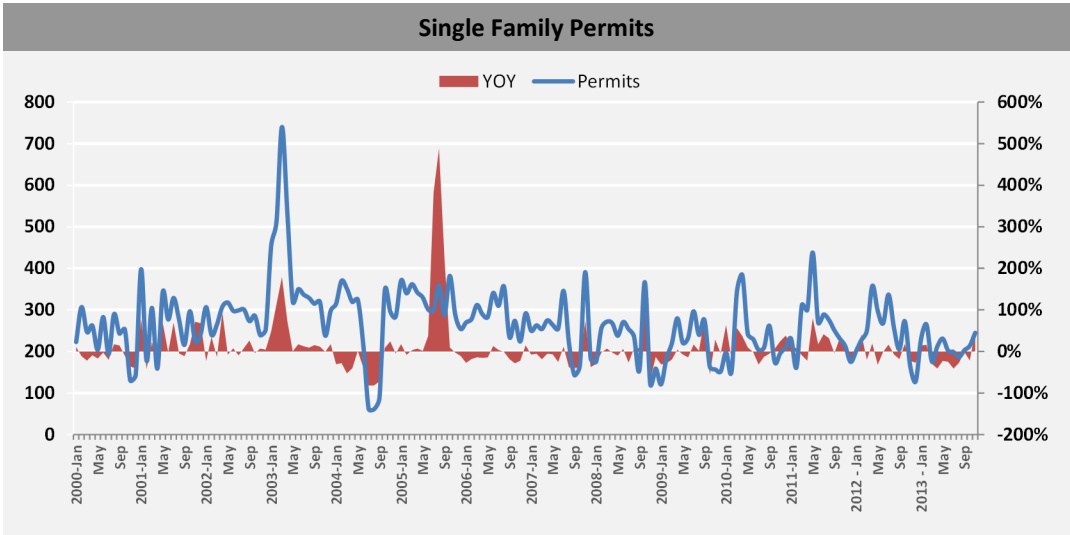
The Dallas Federal Reserve’s business-cycle index registered a .3 percent annualized growth, revealing growth at a moderate pace. Recent cuts in government expenditures are weighing on the region, however increases in U.S industrial production are benefiting the area, with some of that improvement showing up through better maquiladora payrolls in Mexico. Trade flows through the El Paso port of entry decreased by a 4.1% annualized rate (measured in October), however the level of trade remains in healthy territory. Job gains were made in the trade, transportation and utilities sector.¹

Downtown El Paso remains an active area for new business and public activities. Other recent activity includes a new shopping center. Dallas based developer Centergy Retail, along with Paul Foster, opened the Fountains at Farah shopping center in late 2013. With 600,000 sq.ft of leasable area, the project is located near Interstate 10 and Hawkins.²

New home permitting activity remains very mild. Months-of-supply hovers just above what we see as normal, typically six months, and therefore we don’t see a lot of near-term pressure to add significant housing units. Despite this, we do often see that some buyers simply prefer new homes so there is a market for new homes, albeit relatively small for the time being.

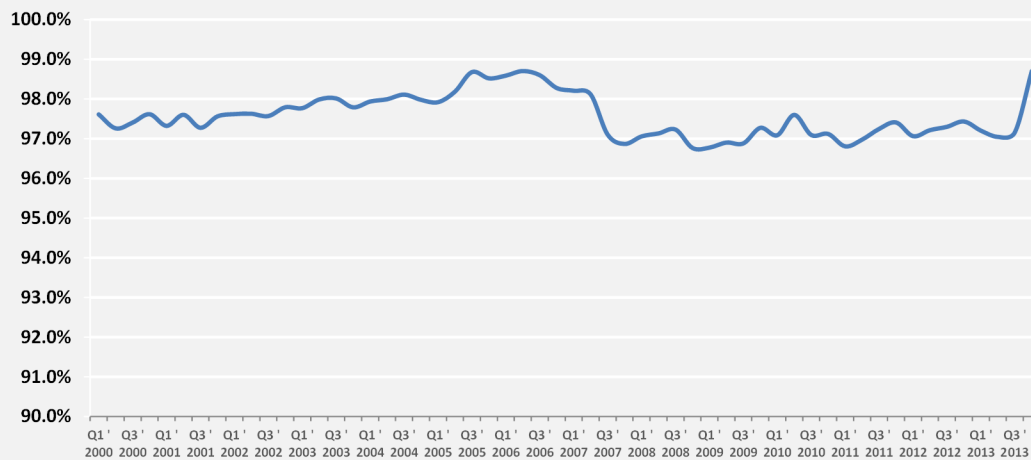


Source: Bureau of Labor Statistics.



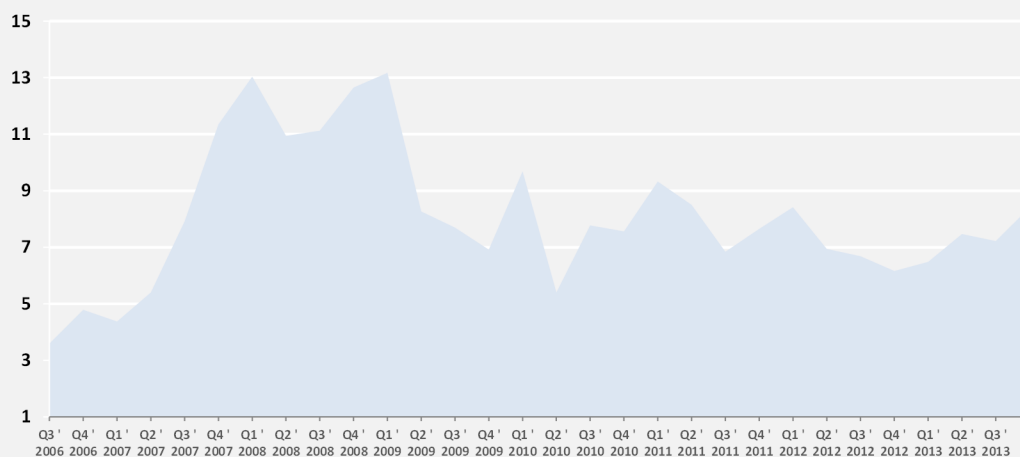
Source: Greater El Paso Association of Realtors.

Sale Price as a Percent of List Price



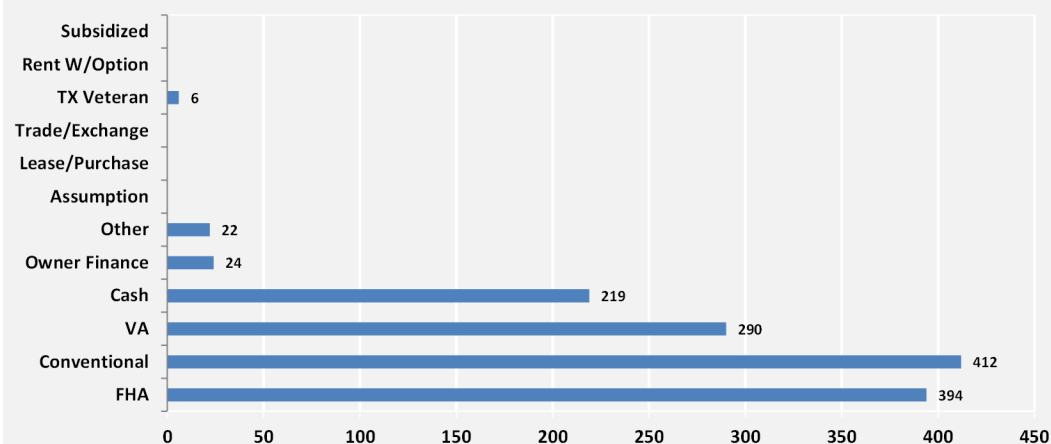
Note: Scale on Sale Prices as a Percent of List Price begins at 90%. Source: Greater El Paso Association of Realtors.

Average Months of Supply (includes all price ranges)

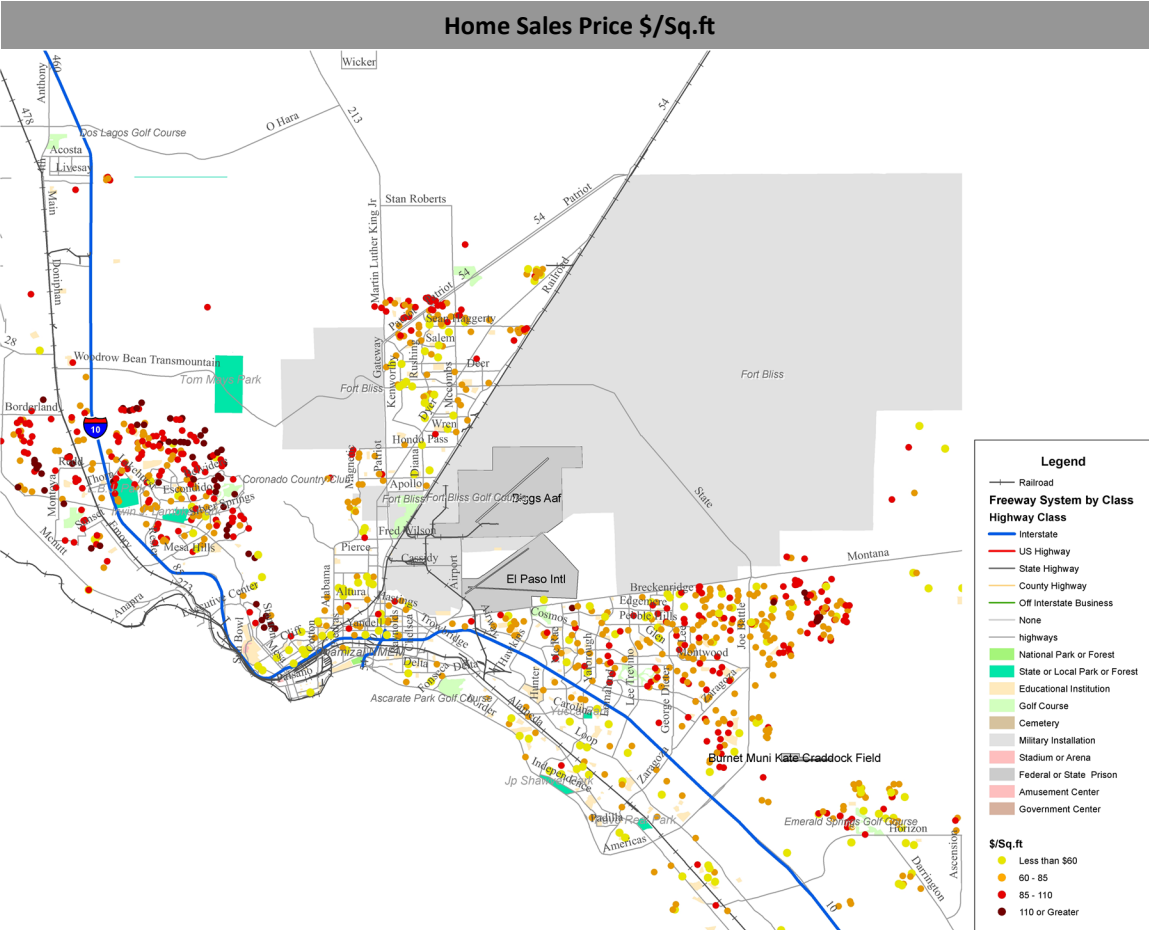


Source: Greater El Paso Association of Realtors.

Type of Financing



Source: Greater El Paso Association of Realtors.



Source: Greater El Paso Association of Realtors,CBPR.

Months of Supply by Price Range

Price Range	Q4 ' 2013 Sold	Q4 ' 2013 Listed	Months of Supply
Less than 60,000	46	121	7.9
60,000 - 80,000	69	208	9.0
80,000 - 110,000	216	520	7.2
110,000 - 150,000	432	940	6.5
150,000 - 200,000	300	974	9.7
200,000 - 250,000	140	479	10.3
250,000 - 310,000	93	212	6.8
310,000 - 390,000	39	140	10.8
390,000 - 490,000	18	84	14.0
Greater than 490,000	14	106	22.7
Total/Average	1,367	3,784	8.3

Source: Greater El Paso Association of Realtors.
 Note: Listed represents the number of listings on the final day of the quarter.