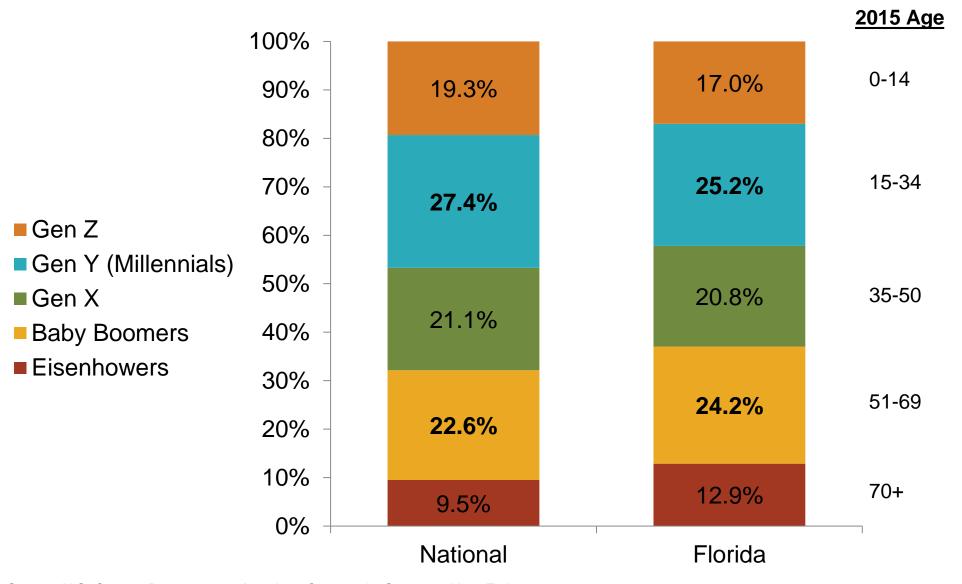


Where are the Millennials Going?

A ULI Central Florida "Candid Conversation"

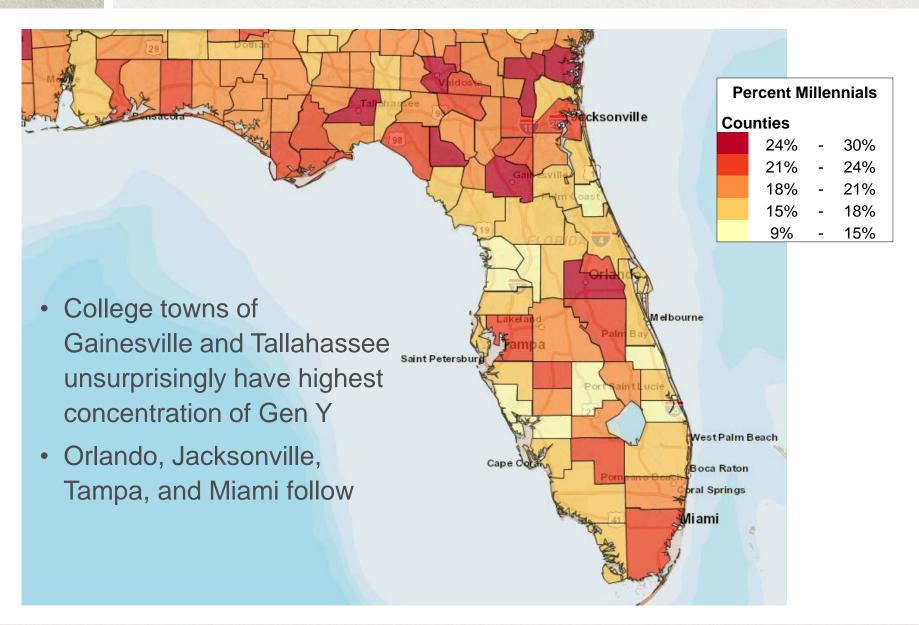
GEN Y AND BABY BOOMERS LARGEST SEGMENTS IN FLORIDA



Source: U.S. Census Bureau, 2013 American Community Survey, 1 Year Estimates



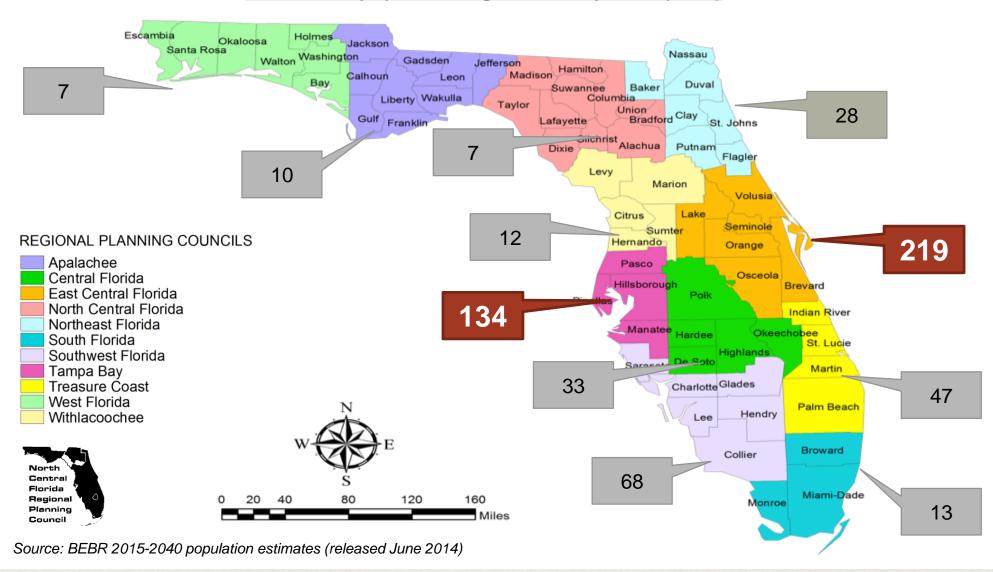
FLORIDA MILLENNIALS IN URBAN AREAS





ORLANDO AND TAMPA AREAS HAVE MOST MILLENNIAL GROWTH IN THE STATE

Increase in population aged 20-30 by 2040 (000s)





STAGE OF LIFE INFLUENCES MILLENNIAL DEMAND FOR HOUSING

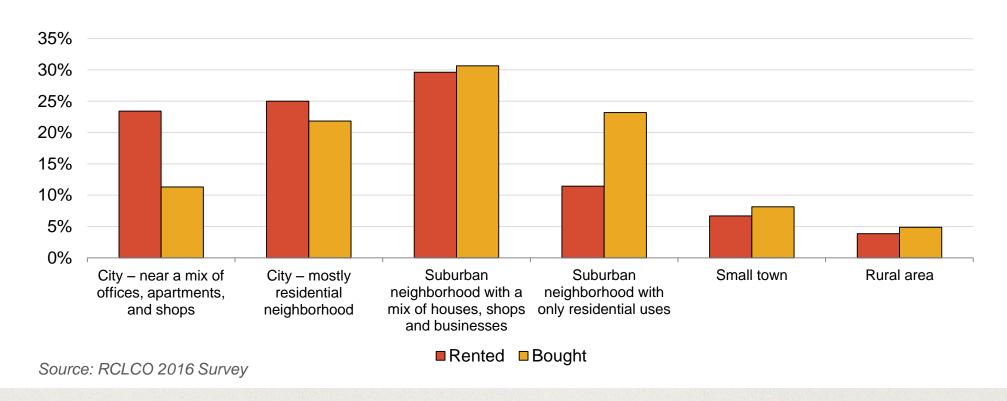
HOUSING NEEDS:	2015	2020	2025
Student Rental	Millennials	Gen Z / Millennials	Gen Z
Singles / Roommate Rentals	Millennials	Millennials	Gen Z / Millennials
Young Couple Rentals	Millennials	Millennials	Gen Z / Millennials
Buy Entry Level	Gen X / Millennials	Millennials	Millennials
Buy Upgrade / Move-Up Home	Gen X / Baby Boomers	Gen X / Baby Boomers / Millennials	Millennials / Gen X
Buy 2 nd Home	Gen X / Baby Boomers	Gen X / Baby Boomers	Millennials / Gen X
Buy Empty Nester Home	Baby Boomers	Gen X / Baby Boomers	Gen X / Baby Boomers
Buy Retirement Housing	Baby Boomers / Silents	Baby Boomers	Baby Boomers

 Today Millennials' biggest impact is on housing for-rent, that is already changing towards housing for-sale

Source: RCLCO

RENTER MILLENNIALS MORE URBAN THAN MILLENNIAL BUYERS

- Young first-time homebuyers are predominantly purchasing their homes in suburban or mostly residential locations
- Most popular for both young renters and homebuyers: suburban area with a mix of uses
- 23% of young homebuyers purchased their home in a single-use suburban neighborhood



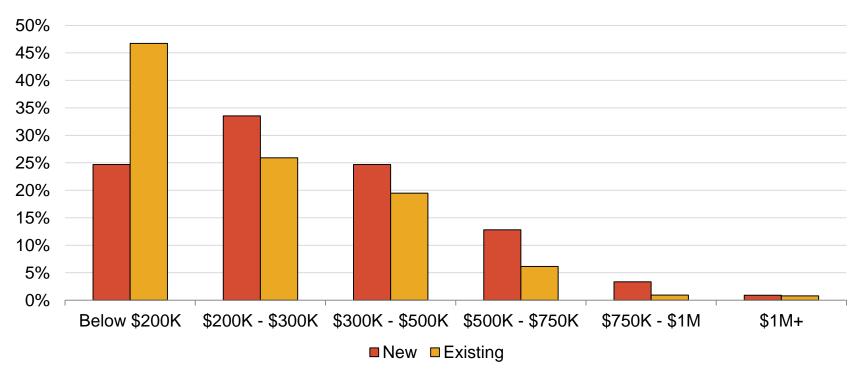
BUILDERS AND STARTER HOMES

- Builders moved away from starter homes in favor of higher prices, bigger margins...
 - Now some shifting back toward homes that Millennials can afford...
 - 14% of DR Horton's revenue is generated by its growing Express brand
 - Others (e.g. Pulte) targeting more affluent Millennials who can afford to live closer-in



REPORTED HOUSING PRICE AMONG FIRST-TIME HOMEBUYERS

- Homebuyers who purchased a new home tended to pay more than first-time homebuyers who purchased an existing home
- Among respondents who purchased a new home, 25% of these homes were valued at under \$200,000, compared to 47% of homebuyers who purchased an existing home

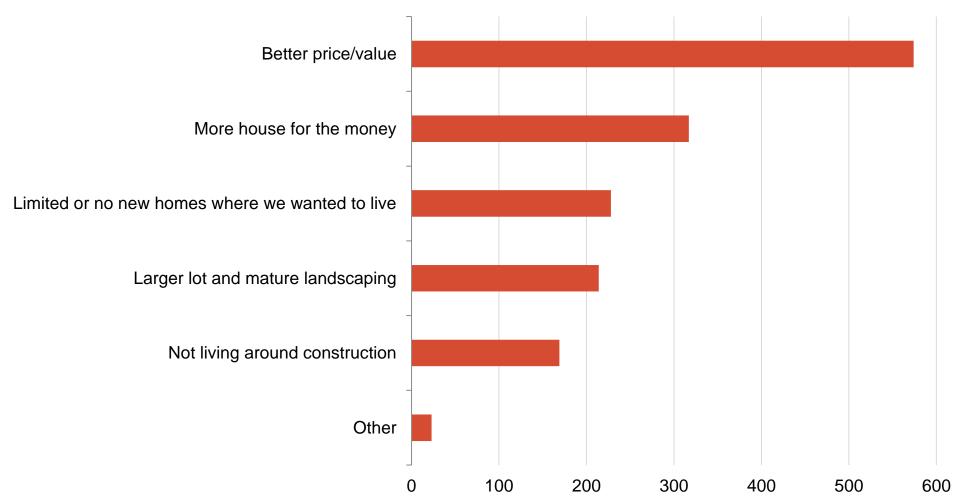


Source: RCLCO 2016 Survey



BETTER VALUE AND A LARGER SIZE LEAD TREND IN PURCHASING EXISTING HOMES

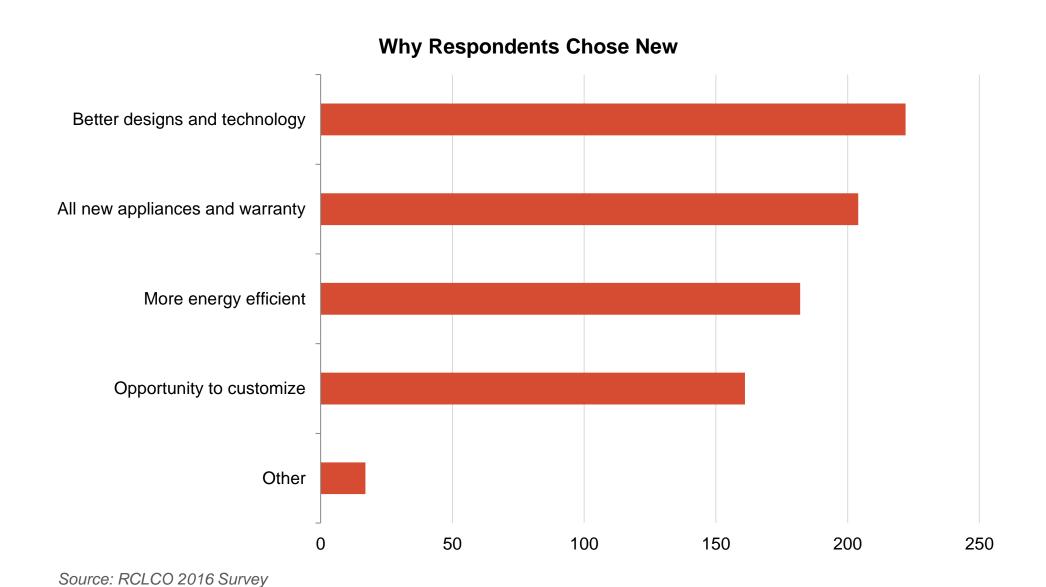




Source: RCLCO 2016 Survey



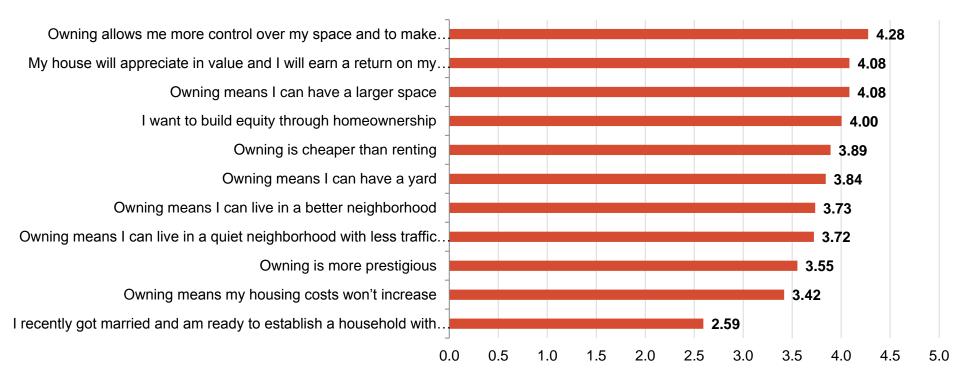
BETTER DESIGNS, NEW APPLIANCES, ENERGY EFFICIENCY DRIVE NEW HOME SALES



FIRST-TIME HOMEBUYERS STILL SEE OWNERSHIP AS A GOOD INVESTMENT

- The top reasons that first-time homebuyers gave when asked why they chose to own included:
 - Building Equity
 - Getting a Future Return on Investment

- Having More Space
- Having Control Over Space



Source: RCLCO 2016 Survey

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