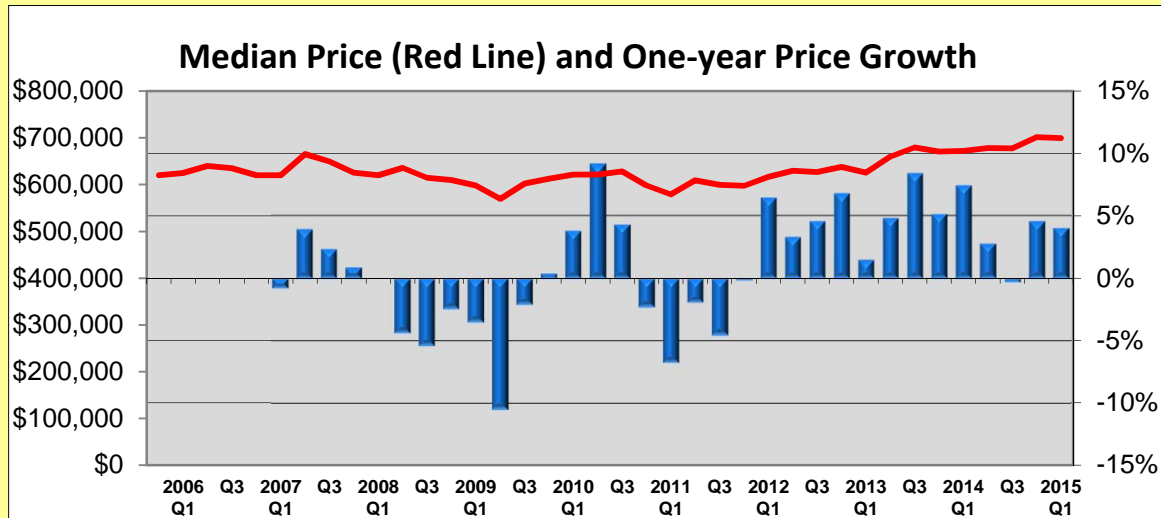


Honolulu Area Local Market Report, First Quarter 2015

Today's Market...



Local Price Trends			
Price Activity	Honolulu	U.S.	Local Trend
Current Median Home Price (2015 Q1)	\$699,300	\$203,867	Prices are up from a year ago, but price growth is slowing
1-year (4-quarter) Appreciation (2015 Q1)	4.0%	6.7%	
3-year (12-quarter) Appreciation (2015 Q1)	13.4%	28.8%	
3-year (12-quarter) Housing Equity Gain*	\$82,600	\$45,533	Gains in the last 3 years have extended the trend of positive price growth after the recession
7-year (28 quarters) Housing Equity Gain*	\$79,300	\$5,333	
9-year (36 quarters) Housing Equity Gain*	\$74,300	-\$13,067	

*Note: Equity gain reflects price appreciation only

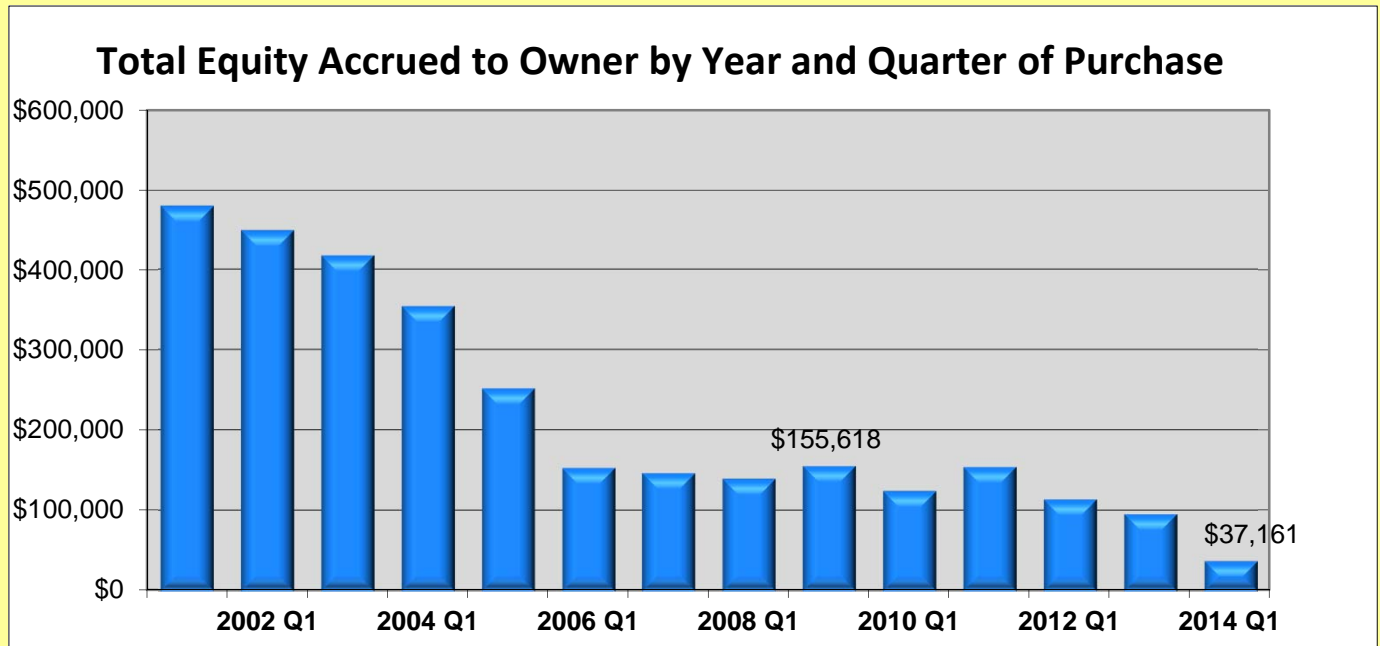
	Honolulu	U.S.	
Conforming Loan Limit**	\$721,050	\$625,500	Not all buyers have access to government-backed financing in this market
FHA Loan Limit	\$721,050	\$625,500	
Local Median to Conforming Limit Ratio	97%	not comparable	

Note: limits are current and include the changes made in November of 2012 and extended in November of 2013

Local NAR Leadership

The Honolulu market is part of region 13 in the NAR governance system, which includes all of California, Hawaii, and Guam. The 2015 NAR Regional Vice President representing region 13 is Steve Goddard.

Benefits of Ownership: Total Equity Appreciation



Total Equity Gained** through 2015 Q1 from quarter in which home was of purchased			
Price Activity	Honolulu	U.S.	Local Trend
1-year (4-quarter)	\$37,161	\$15,753	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$113,883	\$53,565	
5-year (20-quarter)*	\$124,621	\$47,444	
7-year (28 quarters)*	\$139,557	\$17,200	
9-year (36 quarters)*	\$153,452	\$100	
If purchase in 2005, the national price peak	\$252,115	\$16,323	

*Note: Equity gain reflects price and principle payments since purchase, prevailing 30-year fixed rate mortgage at time of purchase and a 10% downpayment. Downpayment is not included in total equity

Drivers of Local Supply and Demand...

Local Economic Outlook	Honolulu	U.S.	
12-month Job Change (Mar)	#VALUE!	Not Comparable	NA
12-month Job Change (Feb)	#VALUE!	Not Comparable	
36-month Job Change (Mar)	#VALUE!	Not Comparable	Honolulu's unemployment situation is worse than the national average and weighs on confidence
Current Unemployment Rate (Mar)		5.5%	
Year-ago Unemployment Rate	3.9%	6.6%	NA
1-year (12 month) Job Growth Rate	#VALUE!	2.1%	

Share of Total Employment by Industry

Honolulu Area	U.S.

12-month Employment Change by Industry in the Honolulu Area (Mar - 2015)

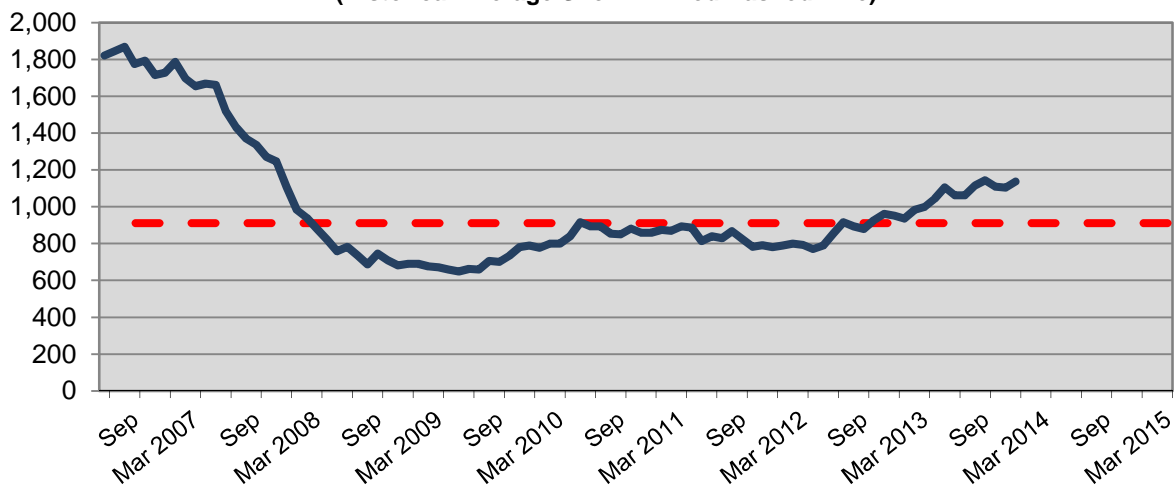
Goods Producing	NA	Information	NA
Natural Resources/Mining/Construction	NA	Financial Activities	NA
Natural Resources and Mining	NA	Prof. & Business Services	NA
Construction	NA	Educ. & Health Services	NA
Manufacturing	NA	Leisure & Hospitality	NA
Service Providing Excluding Government	NA	Other Services	NA
Trade/Transportation/Utilities	NA	Government	NA

State Economic Activity Index	Hawaii	U.S.	
12-month change (2015 - Mar)	1.2%	3.4%	Hawaii's economy is growing, but decelerated from last month's 1.21% change and lags the rest of the nation
36-month change (2015 - Mar)	6.2%	9.3%	

New Housing Construction

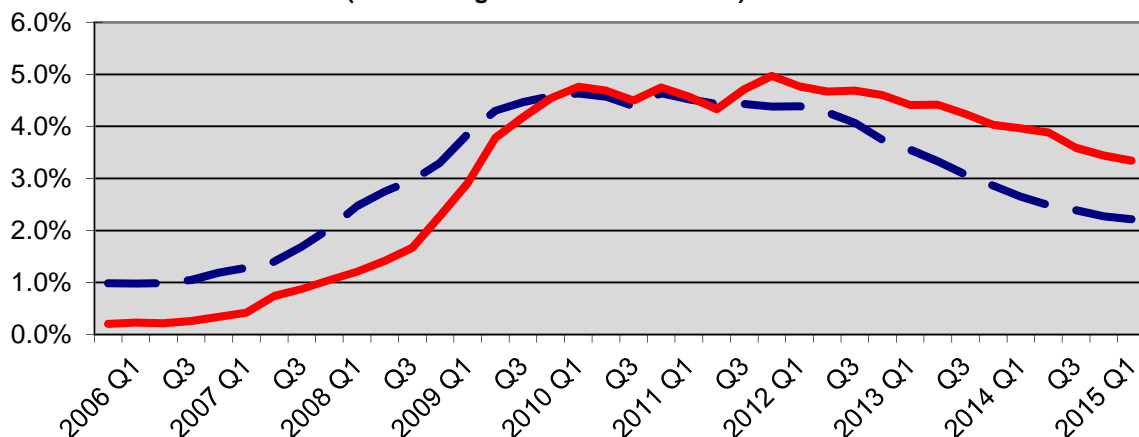
Local Fundamentals	Honolulu	U.S.	
12-month Sum of 1-unit Building Permits through Mar 2015	NA	not comparable	Local Data Not Available
8-year average for 12-month Sum of 1-Unit Building Permits	911	not comparable	Local Data Not Available
Single-Family Housing Permits (Mar 2015) 12-month sum vs. a year ago	NA	3.1%	Local Data Not Available

Construction: 12-month Sum of Local Housing Permits
(Historical Average Shown in Red Dashed Line)



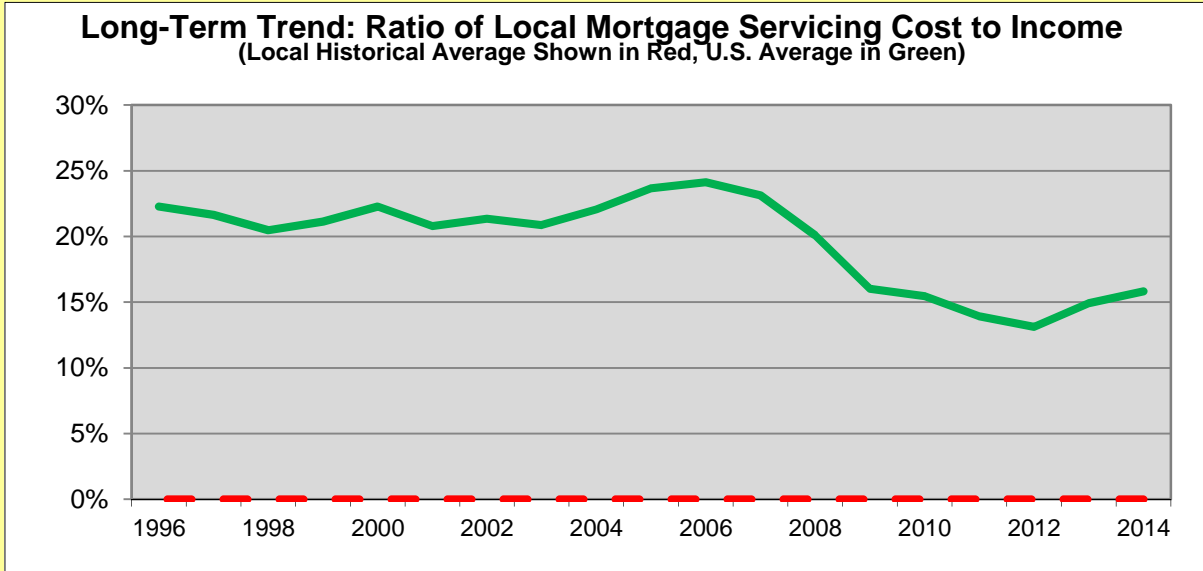
While new construction is the traditional driver of supply in real estate, foreclosures and short-sales now have a strong impact on inventories, particularly at the local level. Rising inventories, through construction or distressed sales, place downward pressure on the median home prices.

State Total Foreclosure Rate vs. U.S. Average
(U.S. Average in Blue Dashed Line)

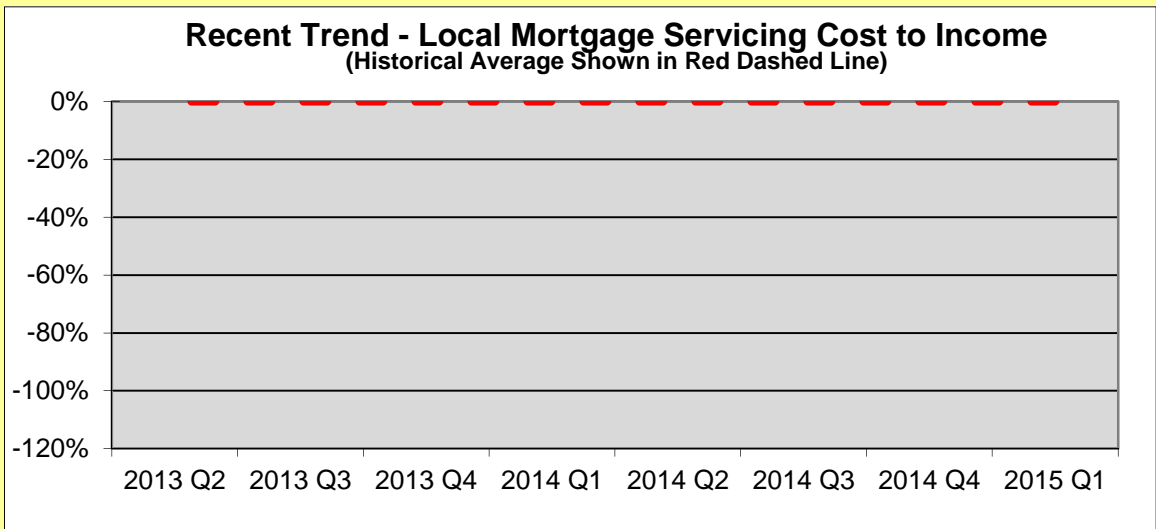


Source: Mortgage Bankers' Association

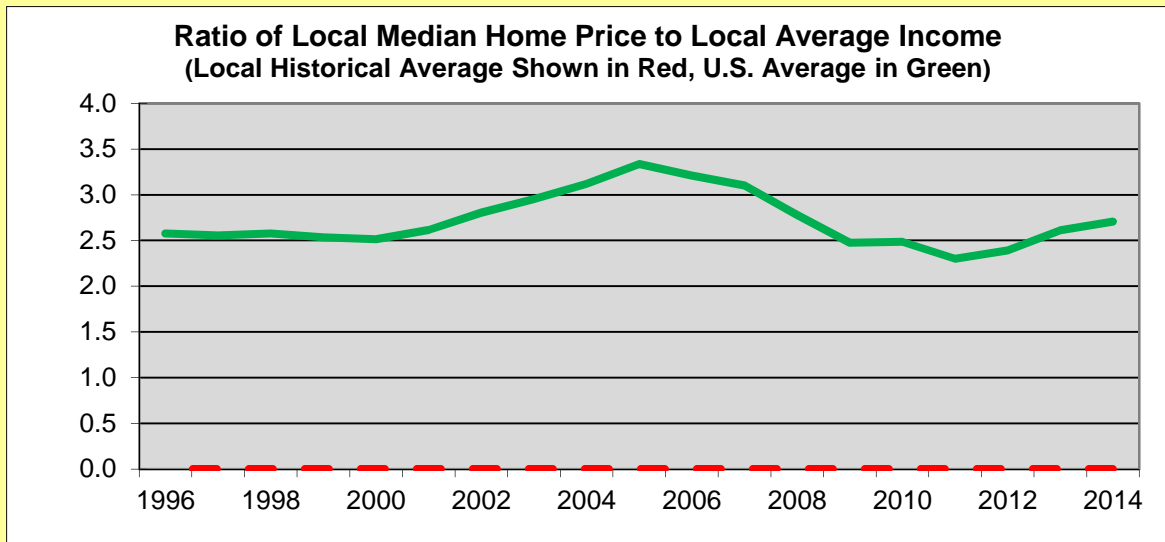
Affordability



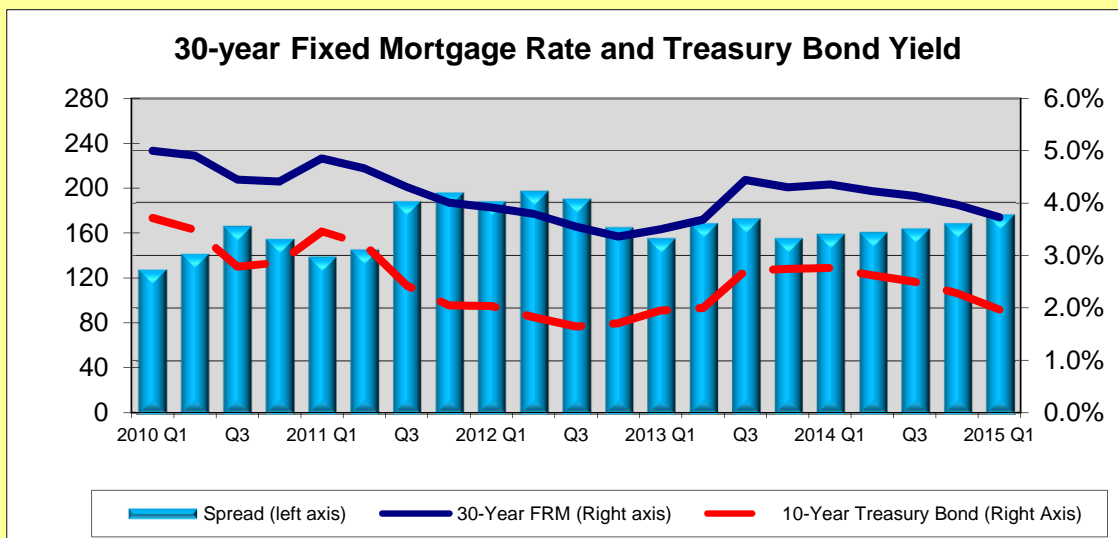
Monthly Mortgage Payment to Income	Honolulu	U.S.	
Ratio for 2014	NA	15.8%	NA
Ratio for 2015 Q1	NA	14.3%	
Historical Average		20.0%	NA



Median Home Price to Income	Honolulu	U.S.	
Ratio for 2014	NA	2.7	NA
Ratio for 2015 Q1	NA	2.6	
Historical Average	NA	2.7	NA

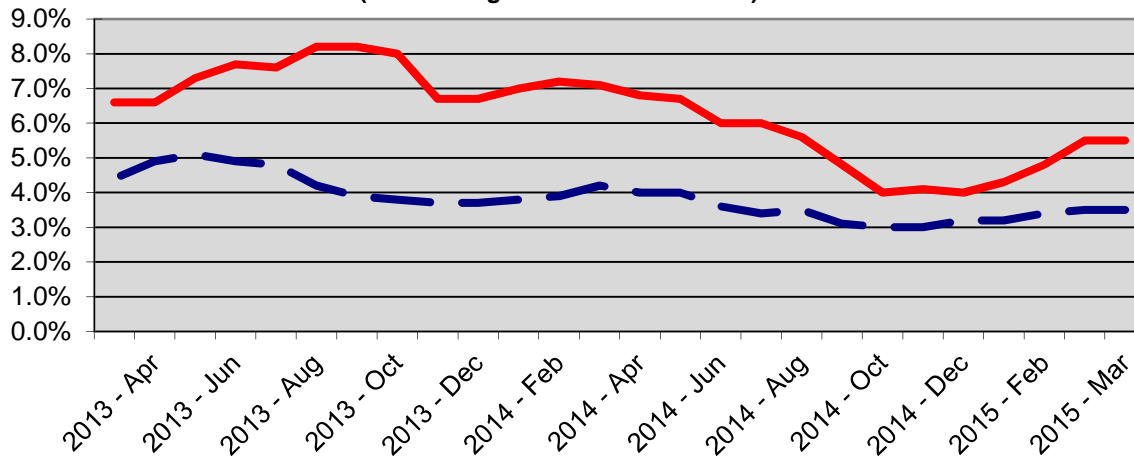


The Mortgage Market



The headline measure of economic activity, GDP growth, swung from a soft 2.2% in the 4th quarter of 2014 to a dismal 0.2% in the 1st quarter of 2015 with some suggesting that the 1st quarter figure would be revised lower. Sharp declines in global fuel prices over the winter impacted the domestic oil industry, while a rapid rise in the value of the dollar impacted domestic manufacturers' ability to export and increased competition from importers. As a result, employment in both industries slumped in the first quarter. Compounding these issues was weakness in single family housing starts and construction. Weather was partially to blame, but builder sentiment was weak reflecting a pullback in consumer confidence. While not a recession, this economic soft patch weighed on mortgage rates in the 1st quarter which saw the average 30-year fixed rate fall from 3.97% in the 4th quarter to 3.73% in the 1st quarter of 2015. Treasury rates fell by more and a result the spread between the two rose from 169 basis points to 176. Affordability surged on sub-4% mortgage rates that were augmented by a sharp 50 basis point cut to the FHA's annual mortgage insurance premium. NAR Research forecasts the average rate for a 30-year fixed rate mortgage to climb to 4.3% by year end 2014 and to average 5.2% in 2016 as the Federal Reserve begins to raise short term rates in response to improving domestic and international economic conditions gain steam.

REALTOR® Price Expectations for the Next 12 Months (U.S. Average in Blue Dashed Line)



Source: NAR

REALTOR® Price Expectations	Hawaii	U.S.	
2015 - Mar	5.5%	3.5%	REALTORS® expect higher price growth in Hawaii than in the U.S. in the next 12 months. Their price expectations are also higher than a year ago.
Prior 12 months	5.4%	3.5%	

Geographic Coverage for this Report

The Honolulu area referred to in this report covers the geographic area of the Honolulu metro area as officially defined by the Office of Management and Budget of the U.S. Government. The official coverage area includes the following counties:

Honolulu County

More information on the OMB's geographic definitions can be found at http://www.whitehouse.gov/omb/inforeg_statpolicy/