



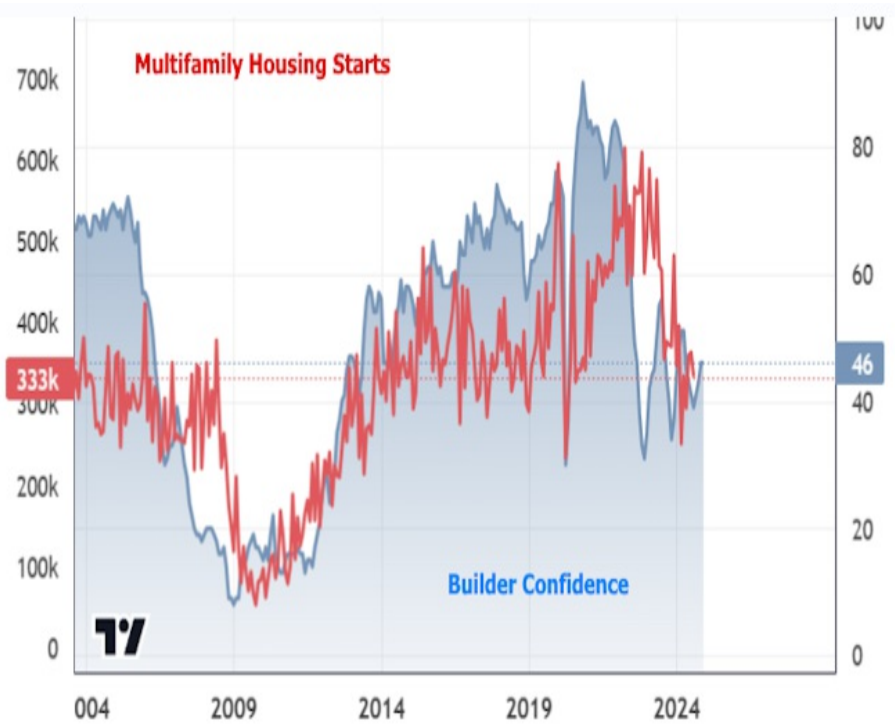
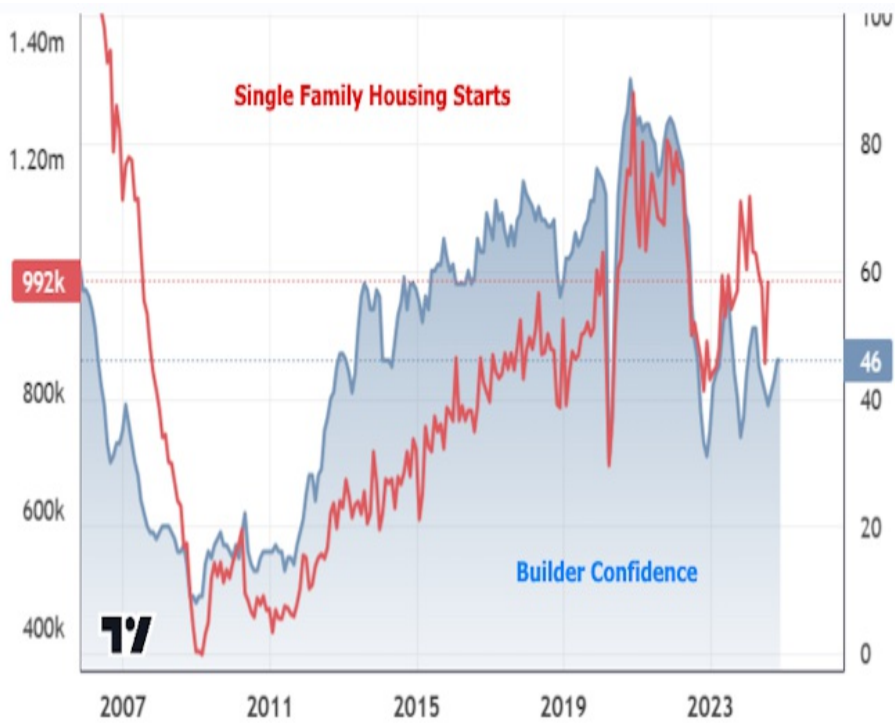
Builder Confidence Remains Low, But Sales Expectations Are Increasing

The National Association of Home Builders (NAHB) and Wells Fargo publish the Housing Market Index (HMI) each month. The industry refers to this as "builder confidence" and December's number came out today. It was right in line with November's, and it suggests builders are increasingly honing in on a relatively gloomy baseline in the bigger picture.



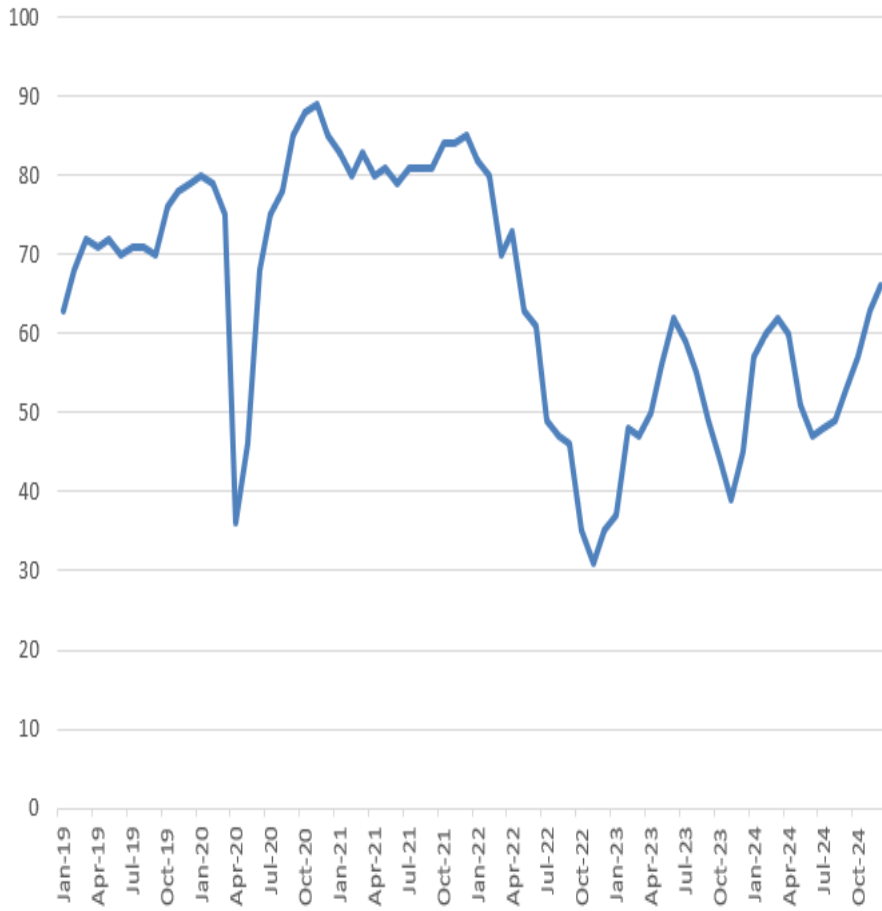
Jeff Ball
Visio Financial Services Inc.
1905 Kramer Lane
Austin TX 78758-____

There are several ways to approach the languishing of the index, with the easiest being some combination of single family construction (which capture the initial drop in 2022) and multi-family construction (which, along with persistently high rates, helps explain why the index may not have recovered). Both are charted below.



Ultimately, actual construction figures are a better indicator of the housing market than sentiment surveys, but the latter can offer some insight to trends and future opportunities. On that note, the component of the builder survey that tracks the outlook for 6 months into the future continues moving to the highest levels since 2022. As seen the following chart, it's less "sideways" and better described as gently trending higher.

6-Month Outlook



Other highlights from today's release:

- 31% of builders cut prices in December, vs 31% in Nov
- Average price reduction was also unchanged at 5%
- Sales incentives were used in 60% of transactions, also unchanged from Nov