



40 Years of Forward Thinking

27th Annual • 2012 Triangle Commercial Real Estate Conference



Dr. Peter Linneman
Principal of Linneman Associates
and Chief Economist of NAI Global



Global Economic Outlook

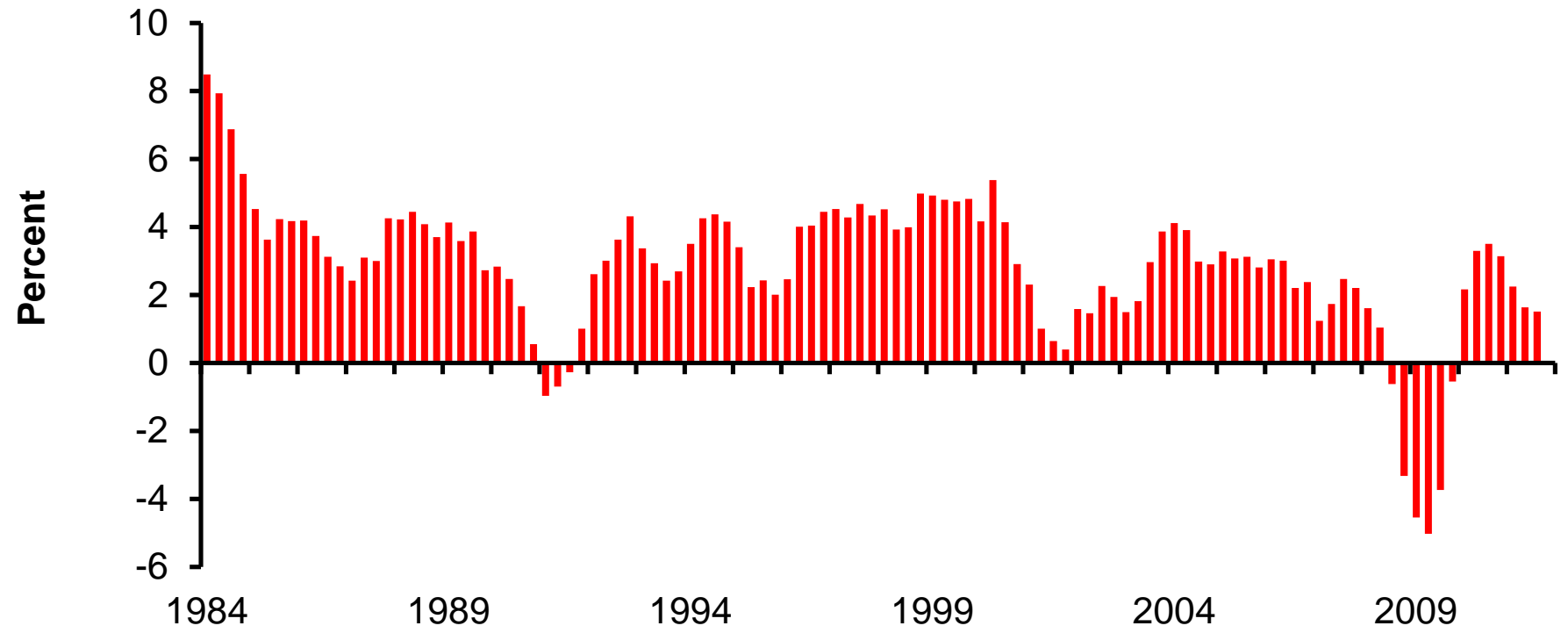
with Dr. Peter Linneman

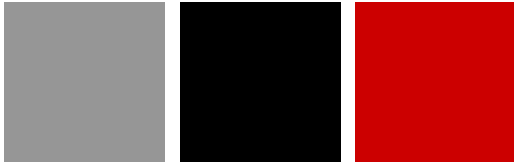
Wednesday, January 18, 2012



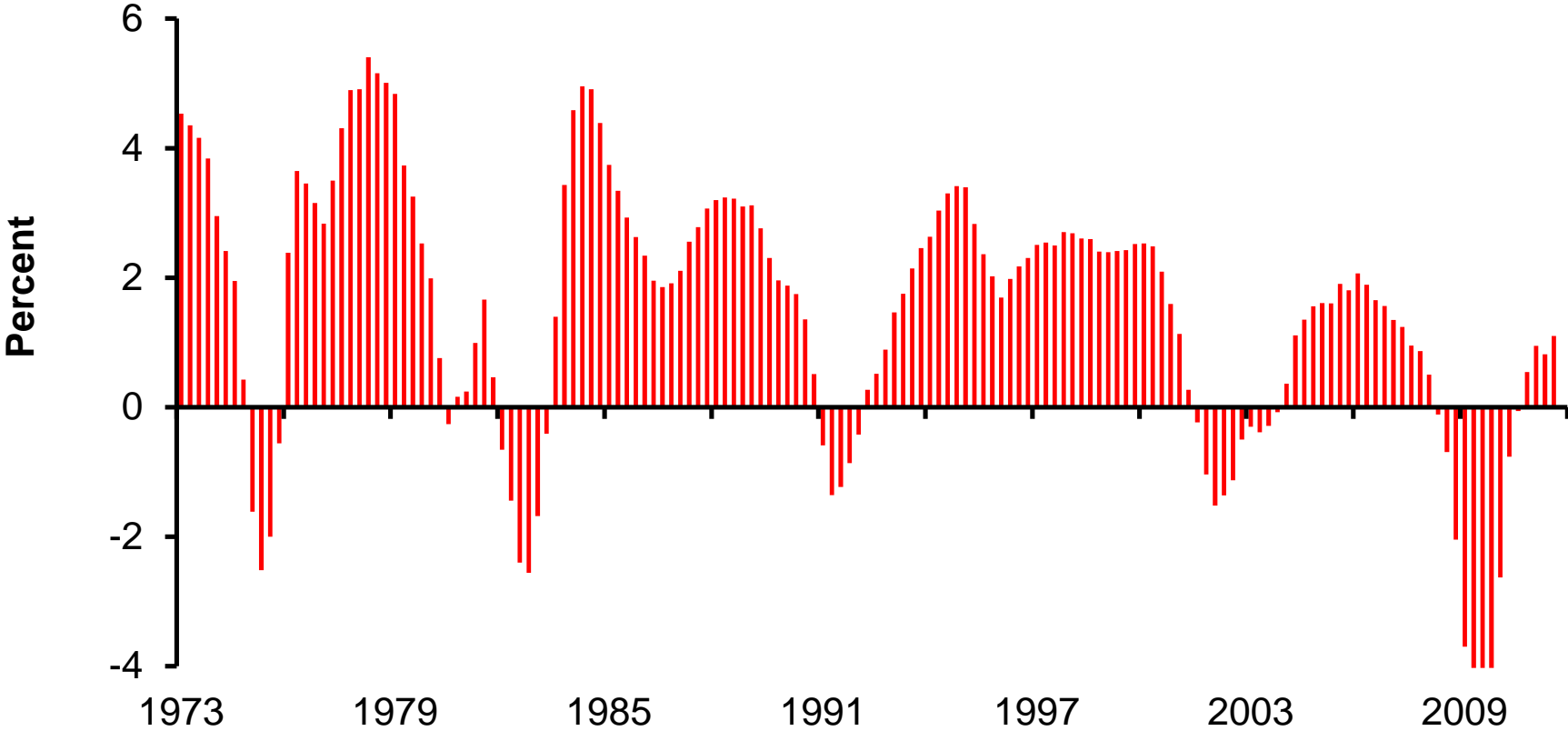
Real GDP Growth Rate

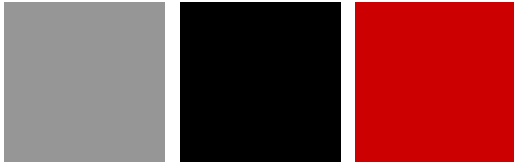
Year-Over-Year Percent Growth



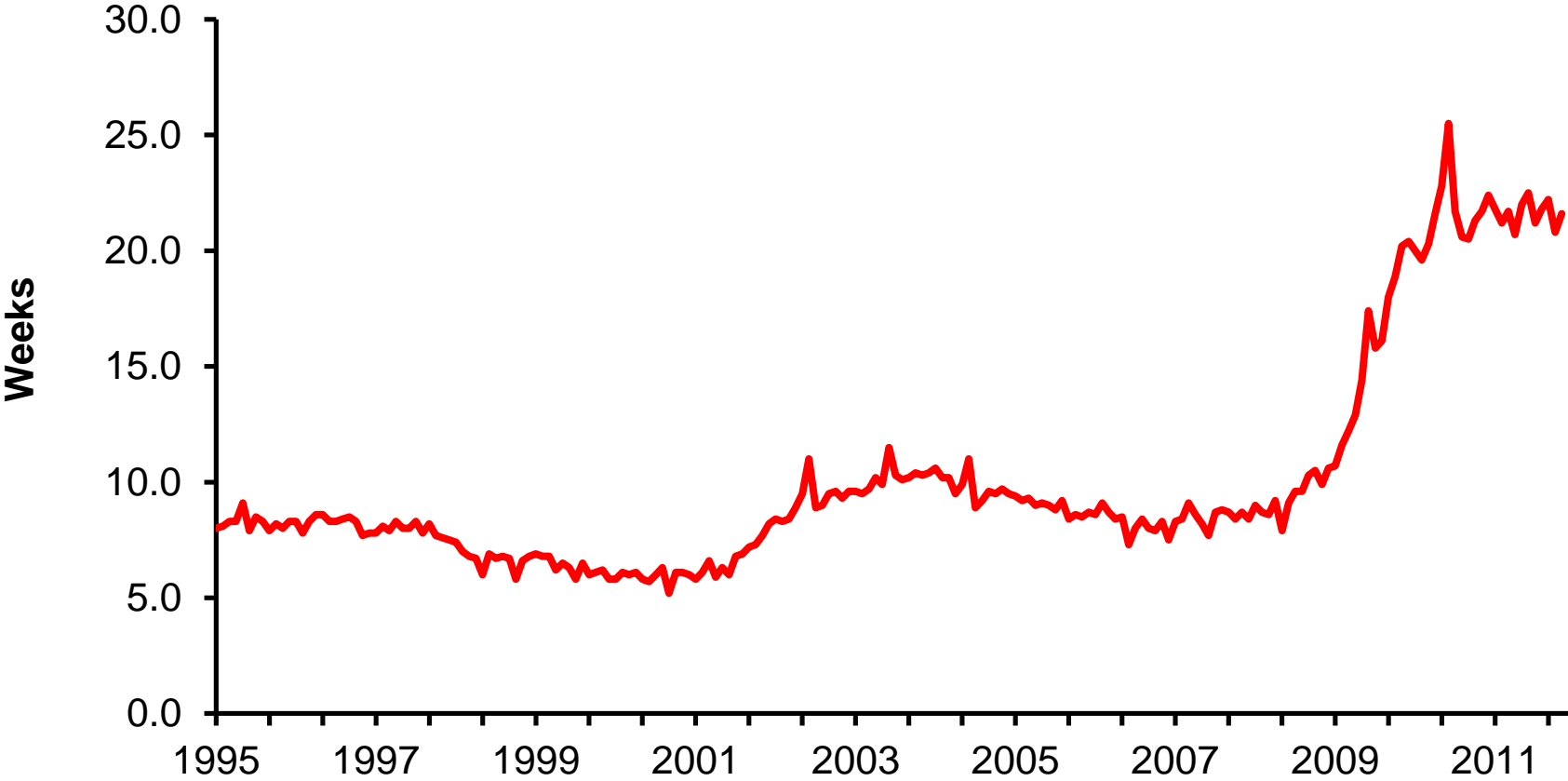


U.S. Payroll Employment Year-Over-Year Percent Change





Median Weeks Unemployed





Payroll Survey Employment (000s)

<u>Industry</u>	<u>Lost Jobs Regained</u>
Prof & Business Svcs	58.8%
Trade, Trans, & Utilities	23.2%
Leisure and Hosp	62.4%
Manufacturing	13.5%
Mining and Logging	194.9%
Other Services	70.1%
Government*	6.5%
Construction	1.1%
Information	3.6%

Source: BLS, Linneman Associates

* Government sector gained jobs during the recession, but lost jobs during the recovery.



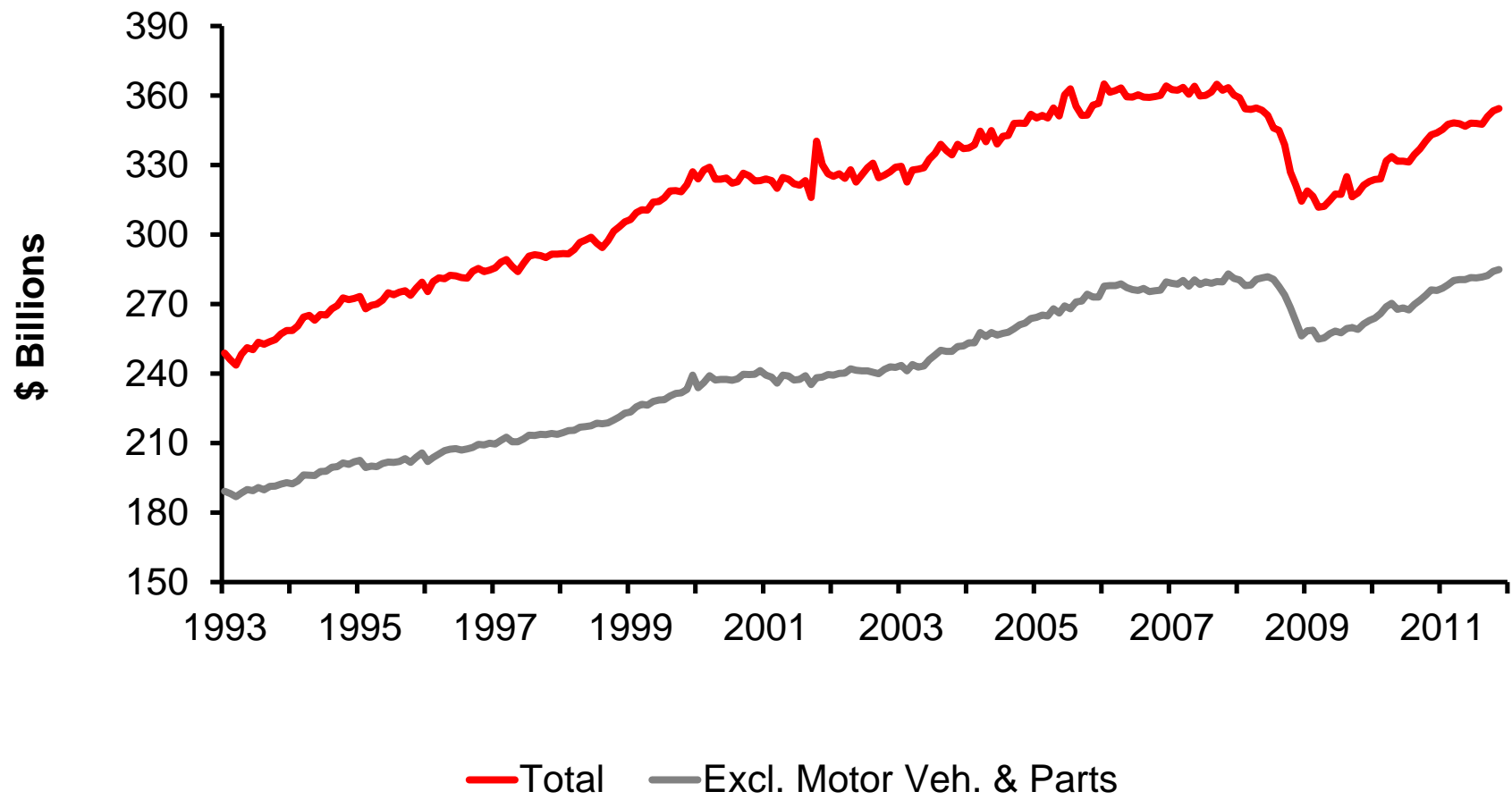
Metropolitan Area Employment Growth Payroll Survey

	<u>Jobs Regained</u>
Austin	108.4%
Houston	100.1%
Boston	82.0%
Washington, D.C.	81.8%
Dallas/Fort Worth	72.0%
New York City	63.0%
Los Angeles	18.3%
Raleigh-Durham	48.4%
San Francisco	44.0%
Chicago	37.9%
Las Vegas	14.5%
Atlanta	13.7%
U.S.	28.1%

MSA data not seasonally adjusted through Oct 2011; U.S. data seasonally adjusted through Nov 2011.



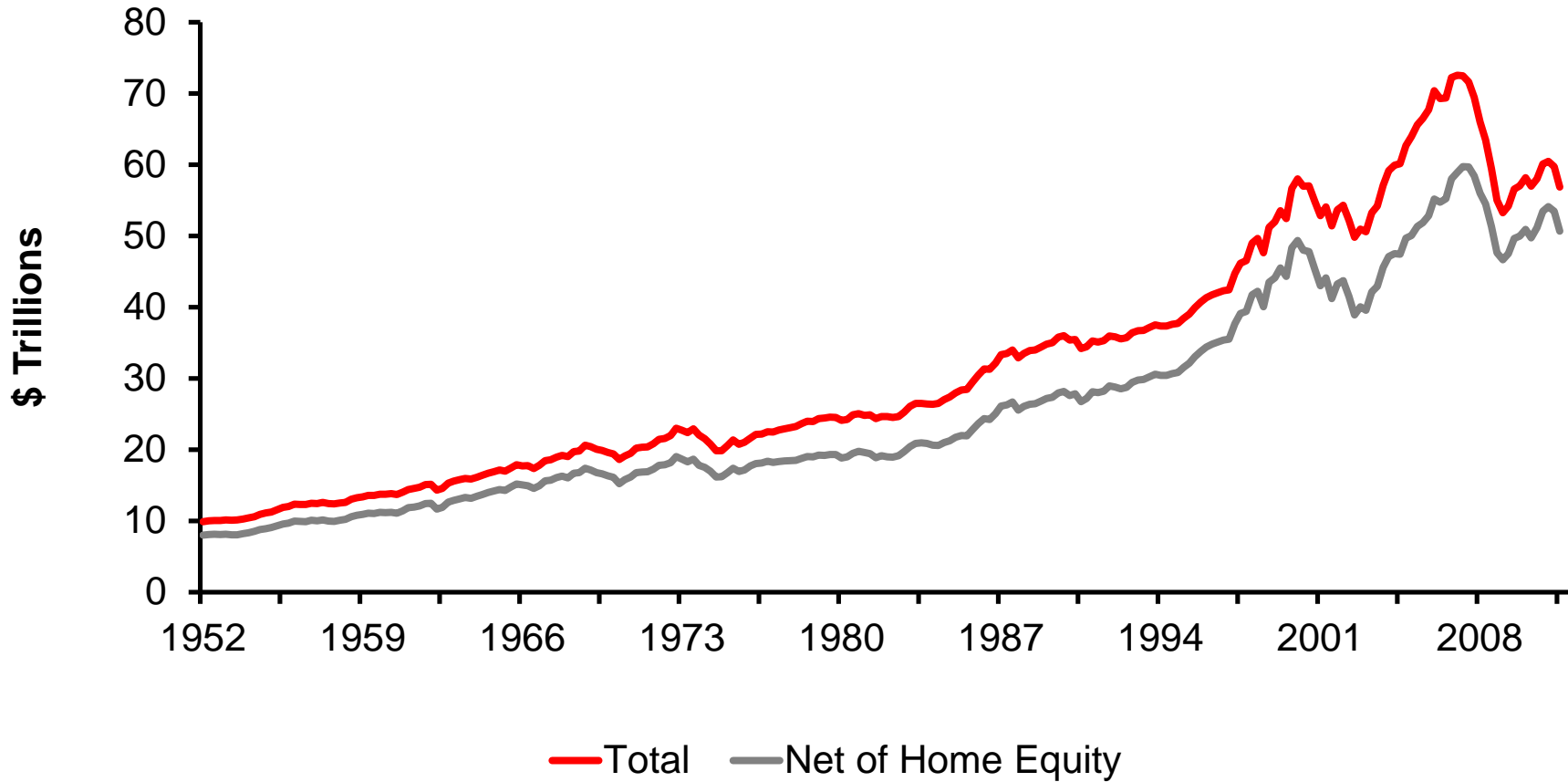
U.S. Retail Sales (Real - 2011 \$)



— Total — Excl. Motor Veh. & Parts



U.S. Household Net Worth (Real - 2011 \$)



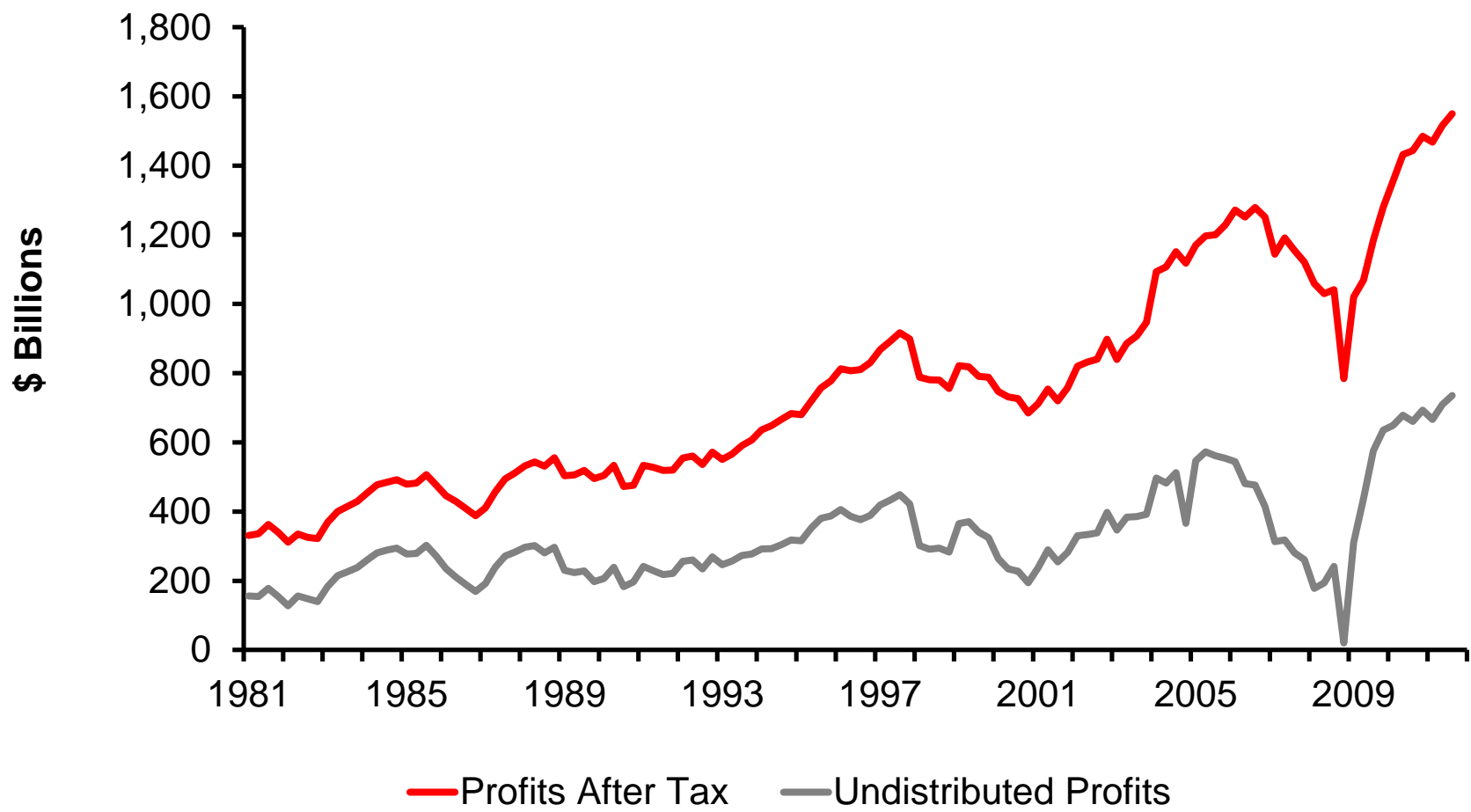


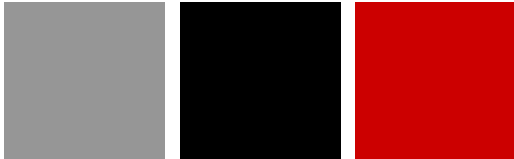
Gallup Poll - Satisfaction with America



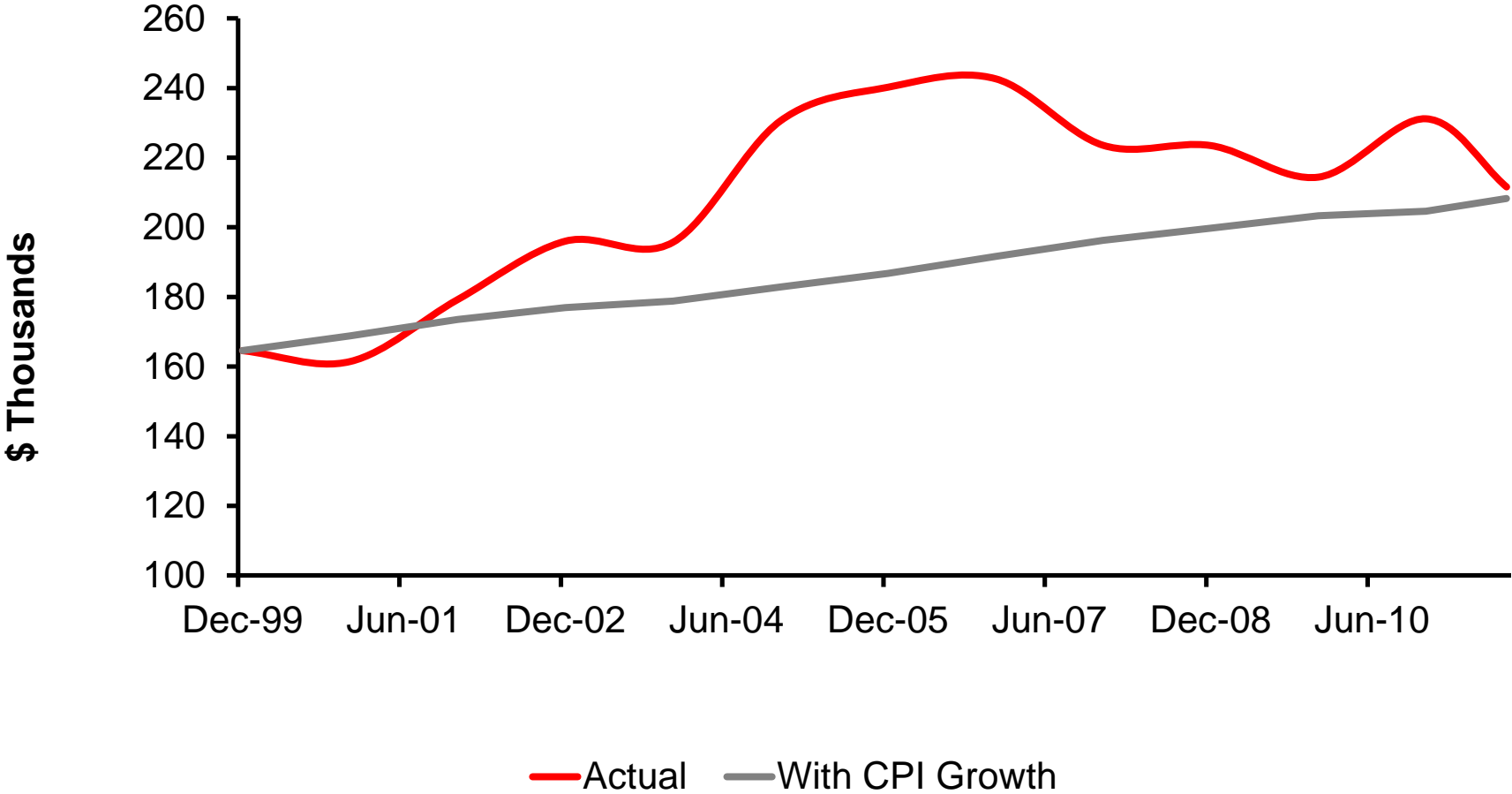


Corporate Profits





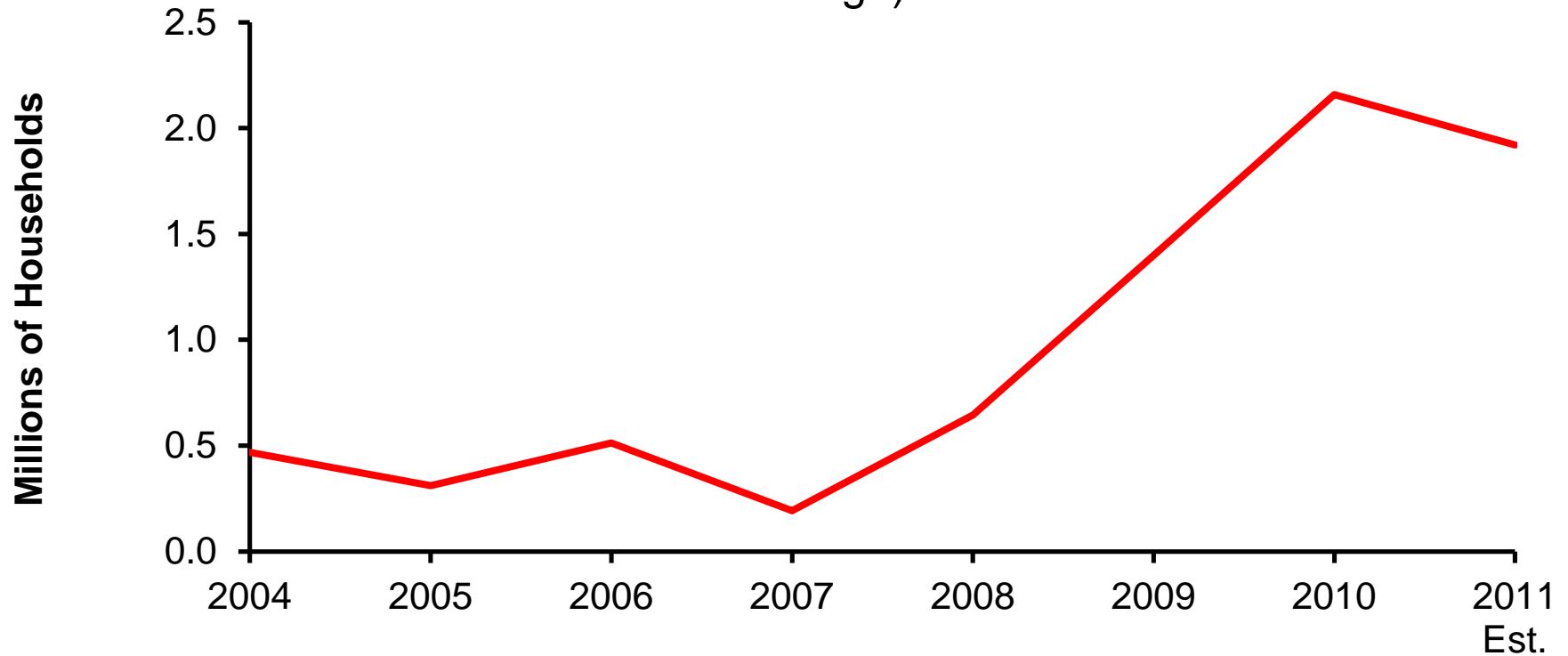
New Home Prices: Actual vs. CPI Growth





Pent-up Households

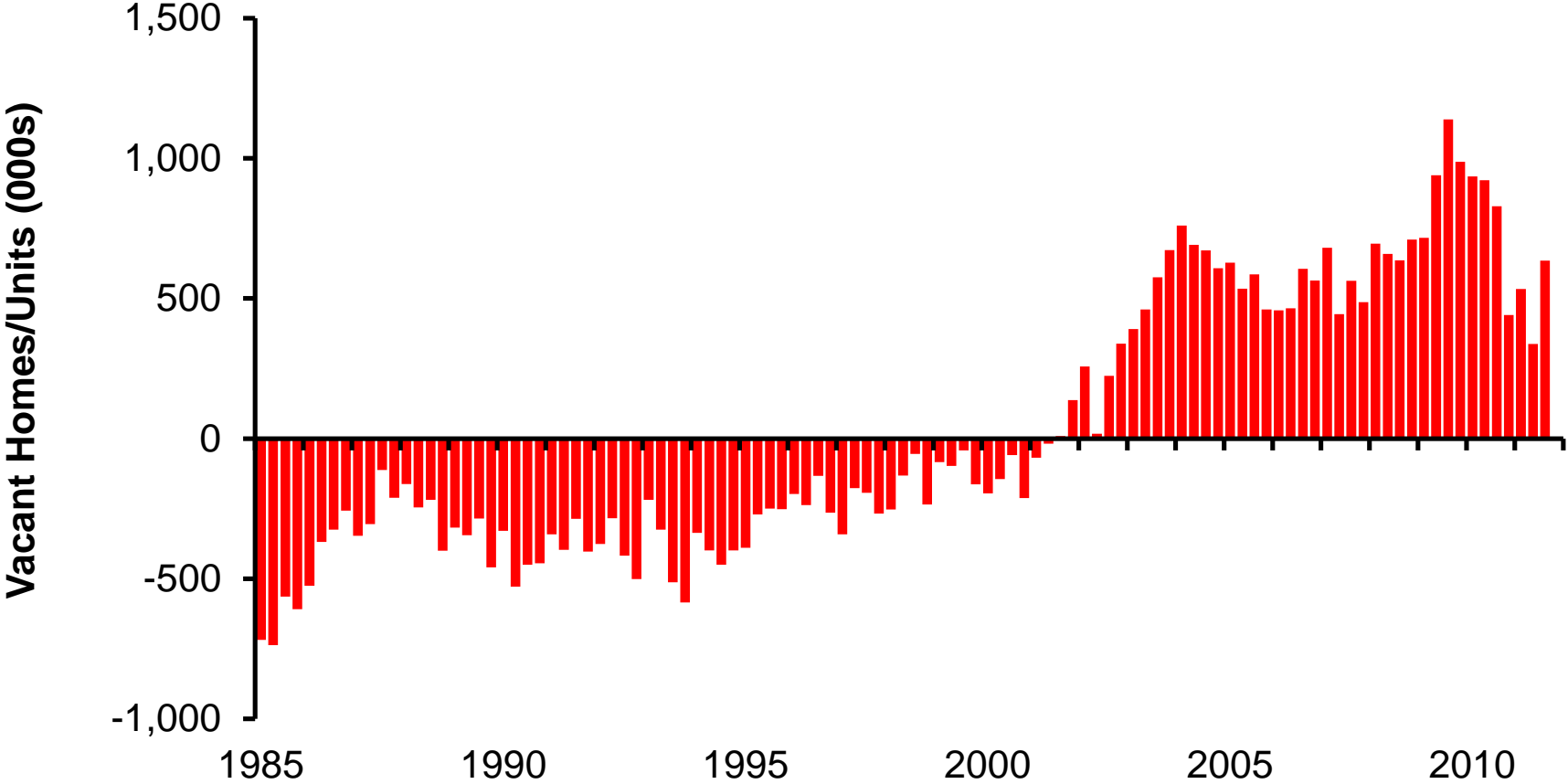
(Cumulative Difference Between Expected & Actual HH Change)



Note: Figures are relative to 1985-2010 average.

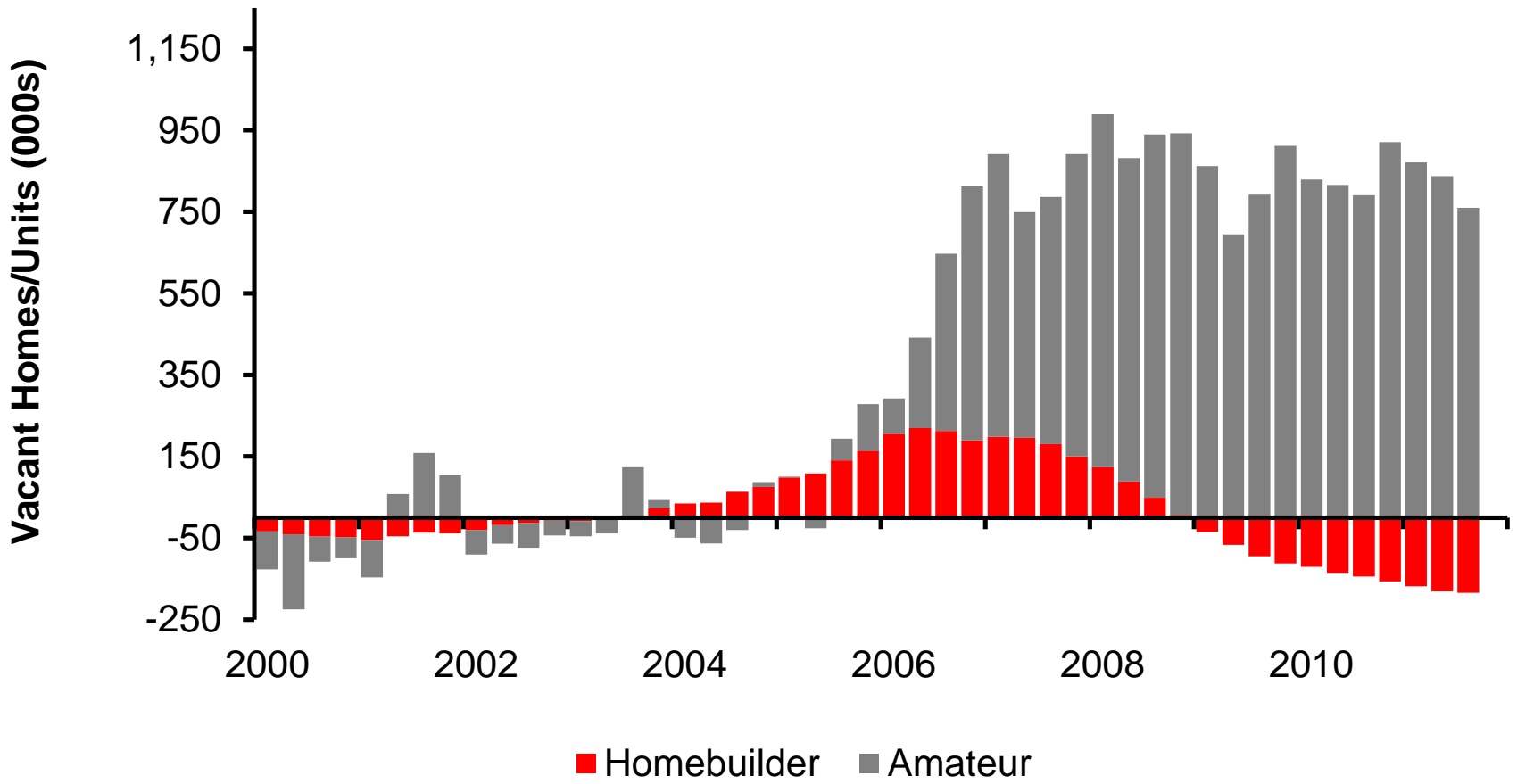


Excess Rental Unit Vacancy



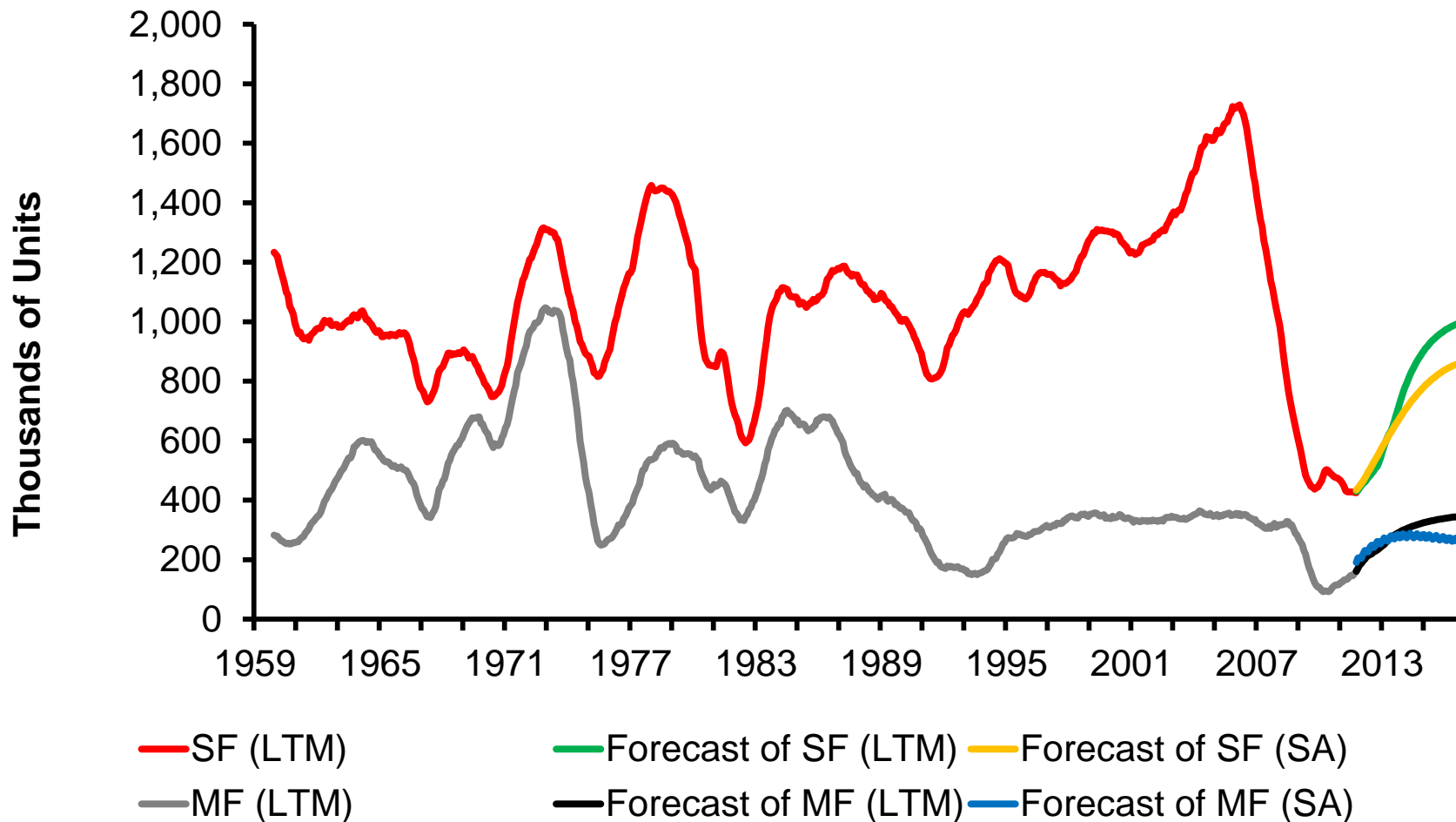


Homebuilder vs. Amateur Excess Owned Unit Vacancy



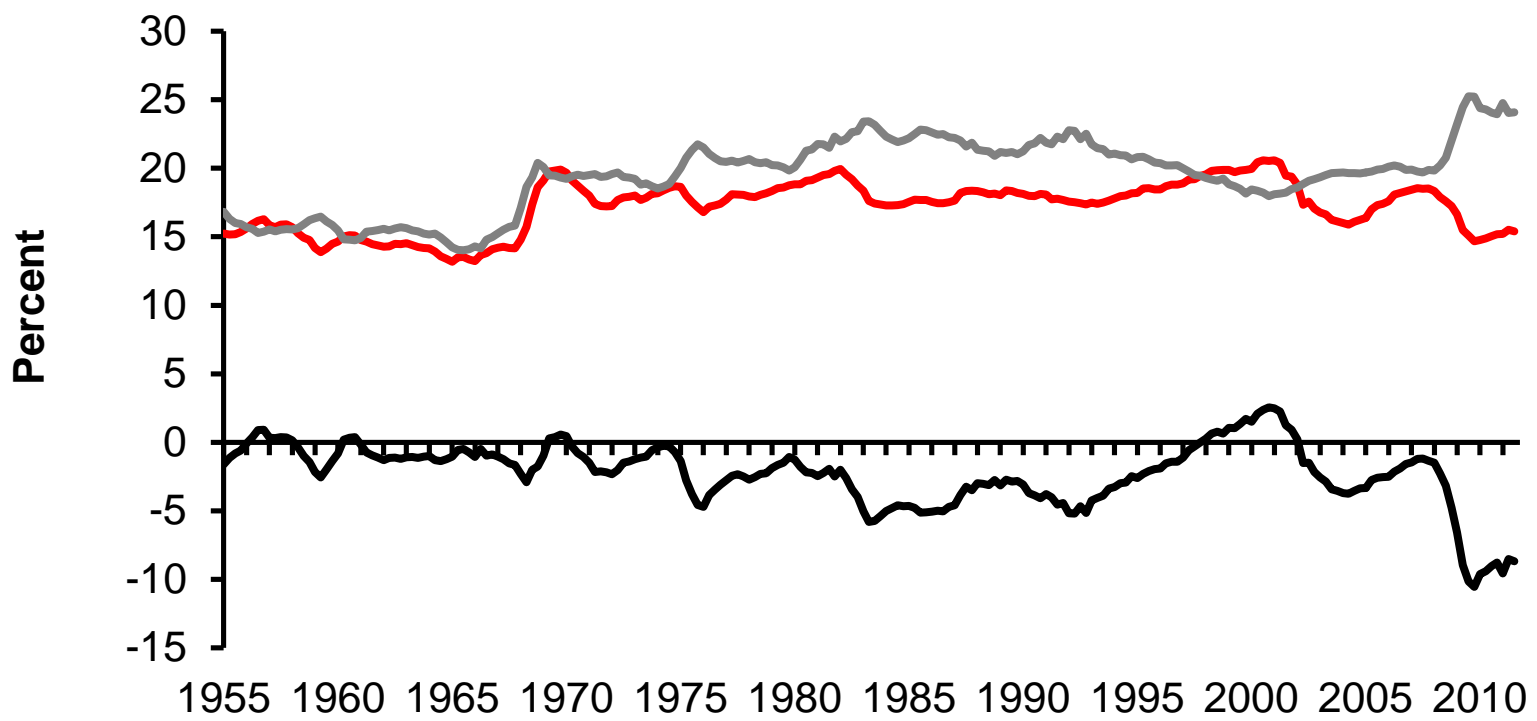


Statistical Housing Starts Forecast





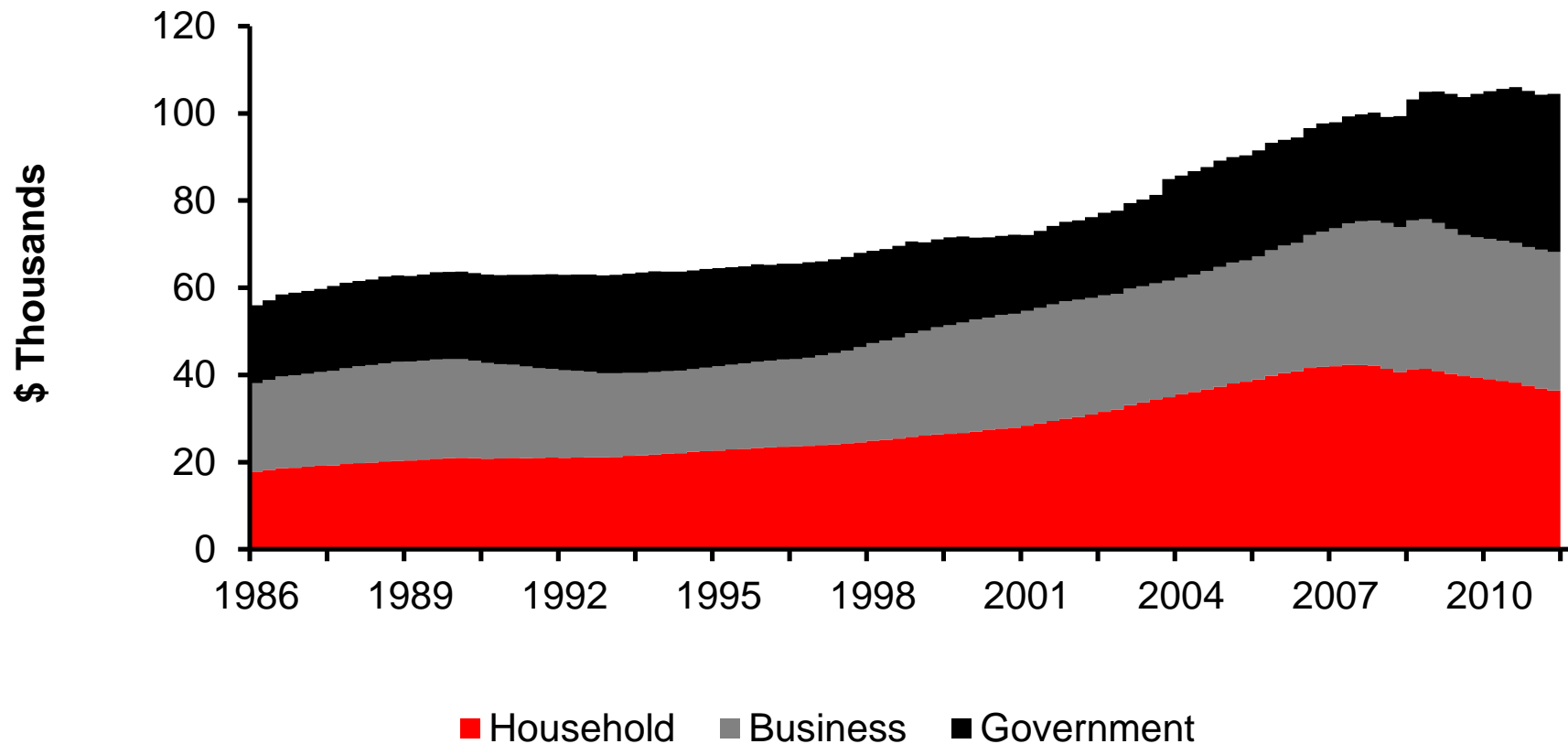
Government Receipts, Outlays, and Deficit as a Percent of GDP (4-Qtr Trailing Avg.)



— Receipts — Outlays — Deficit

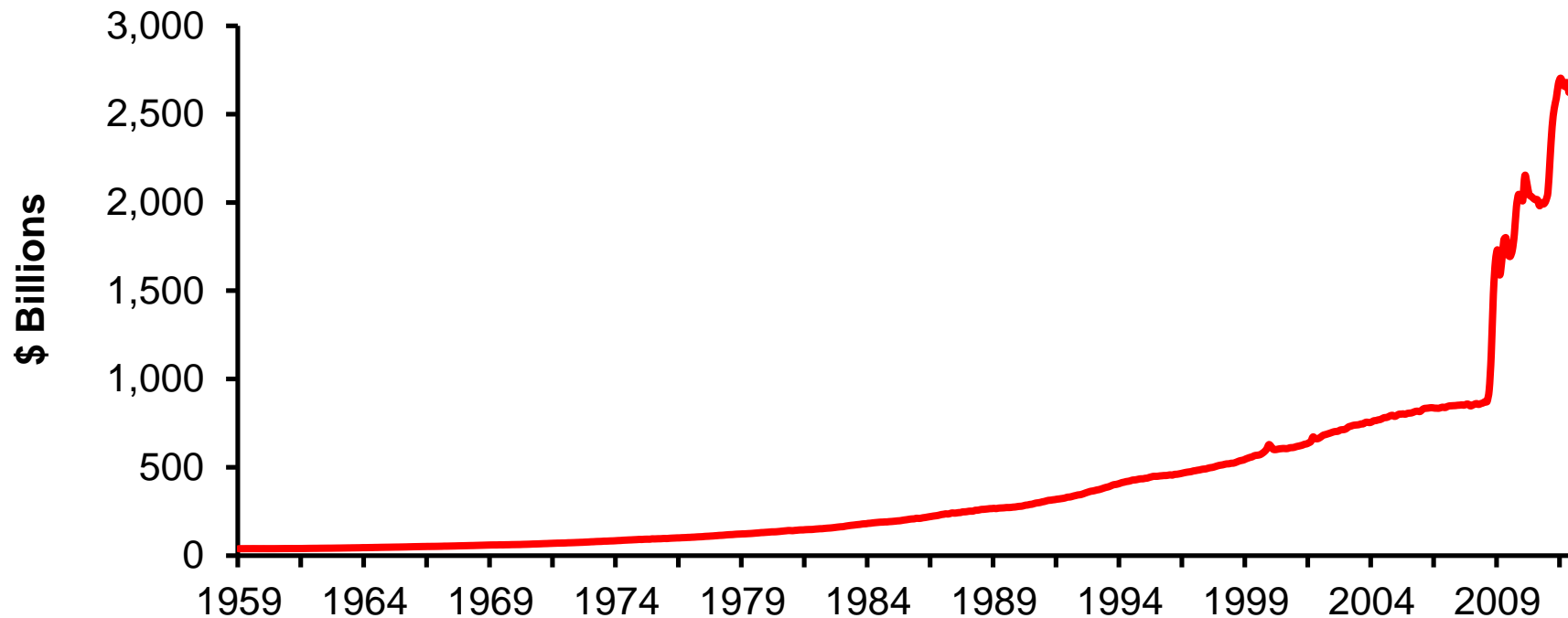


U.S. Debt Per Capita



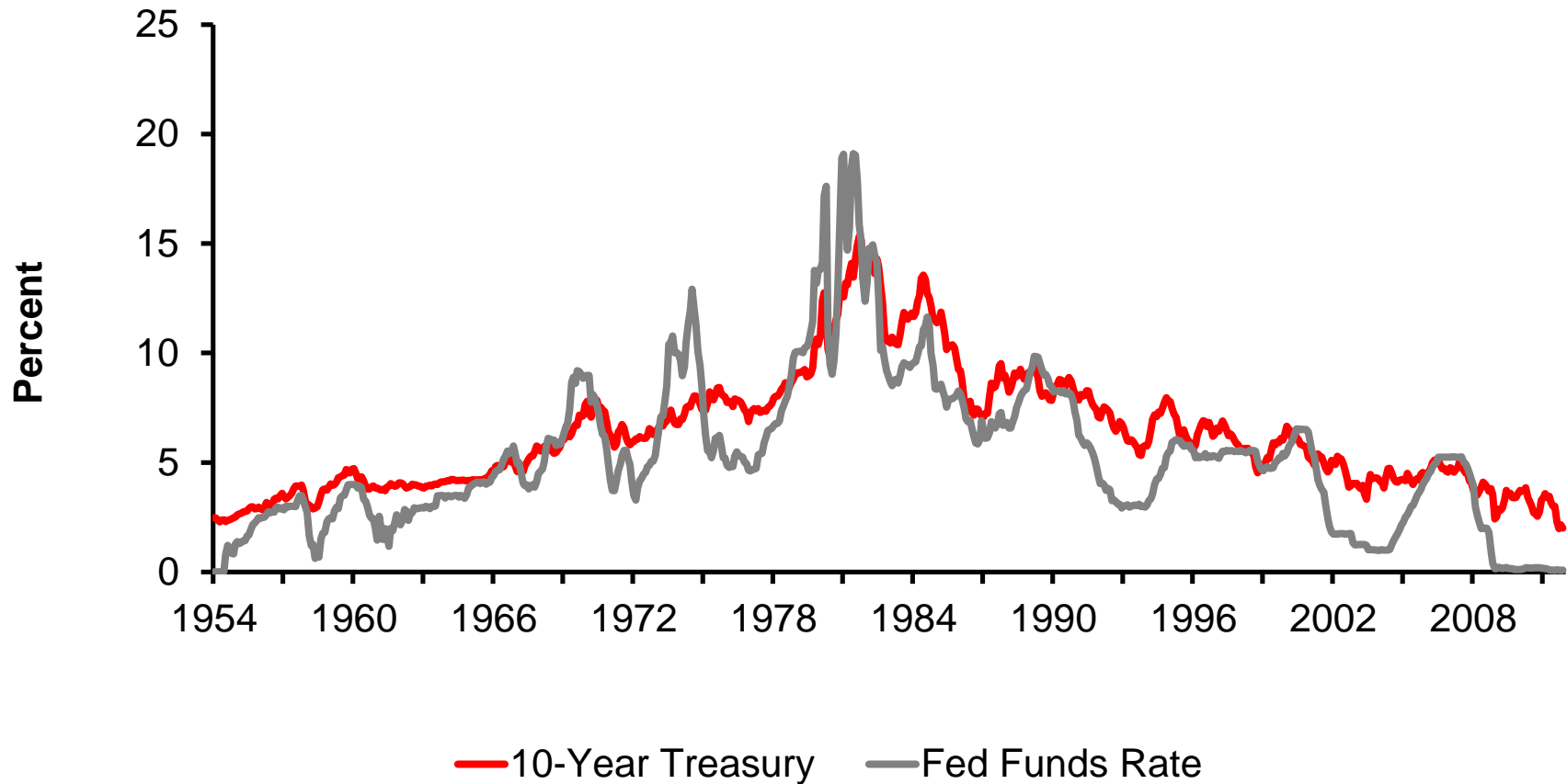


Monetary Base: Cash Holding at Banks



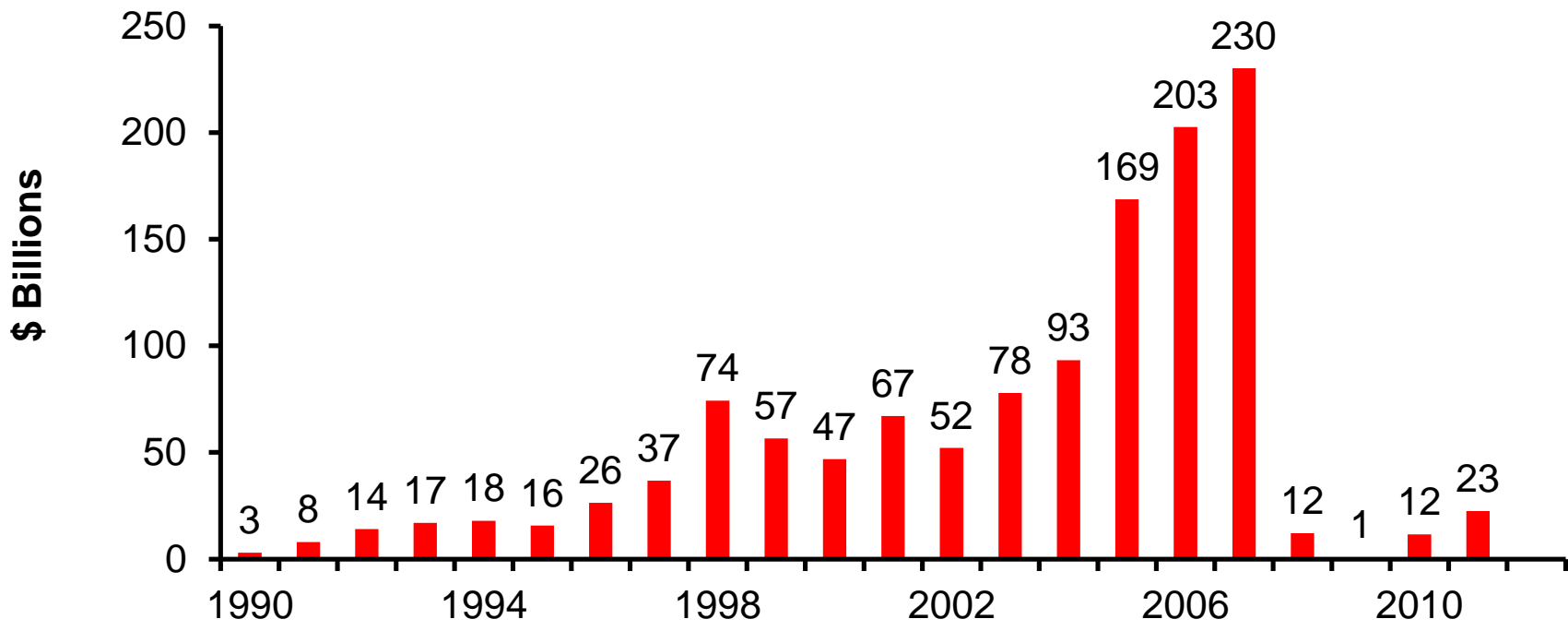


10-Year Treasury vs. Fed Funds Rate





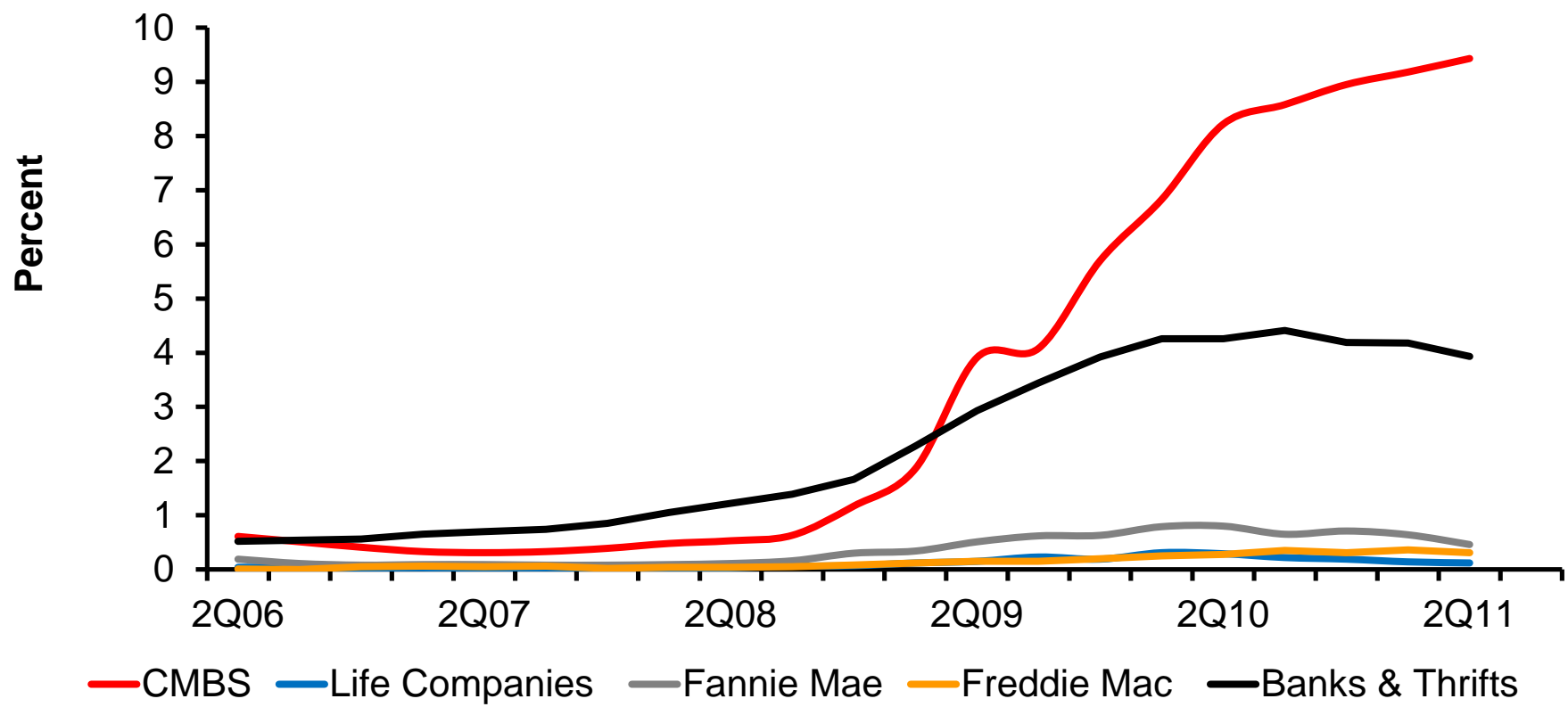
Annual Historical U.S. CMBS Issuance



Source: Commercial Mortgage Alert

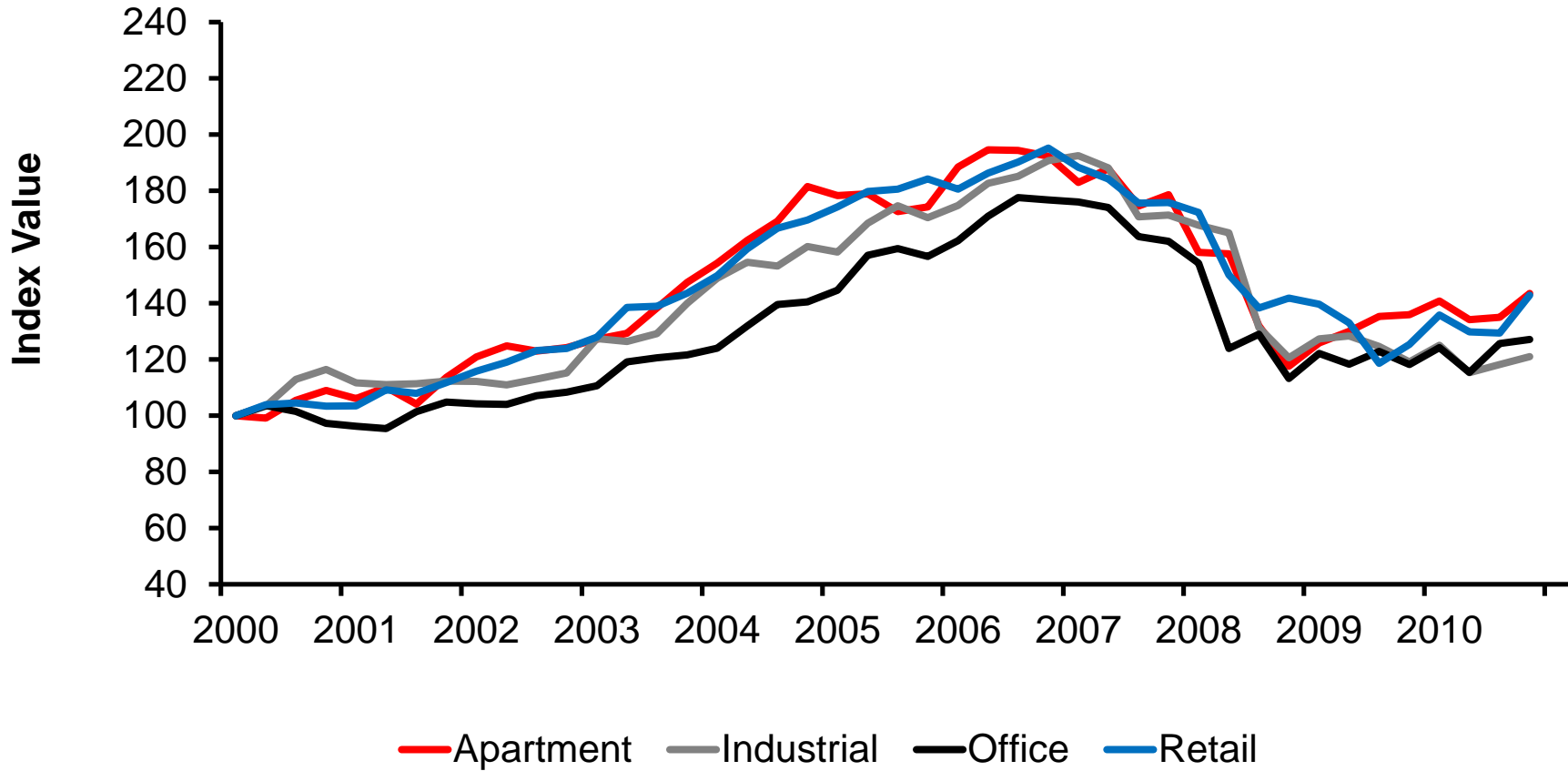


Commercial / Multifamily Mortgage Delinquency Rates by Lender



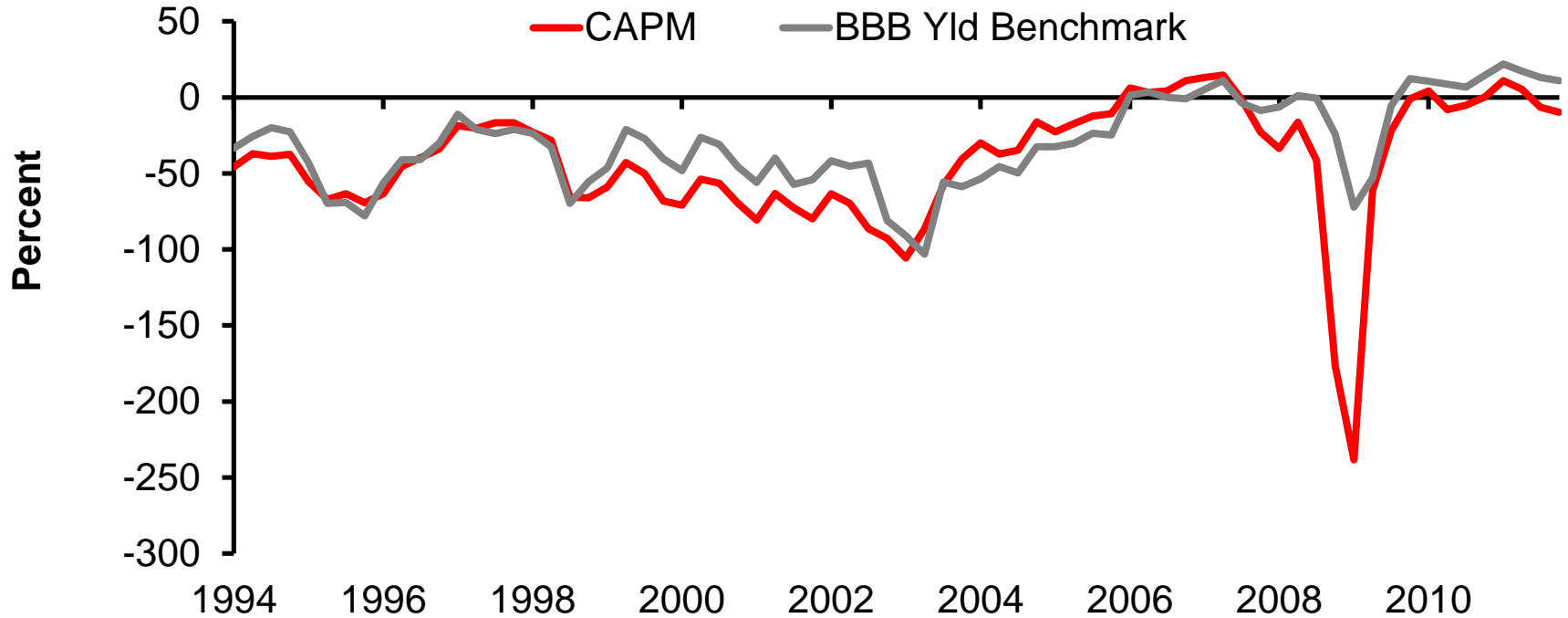


Private Real Estate Values by Property Type (2000 = 100)





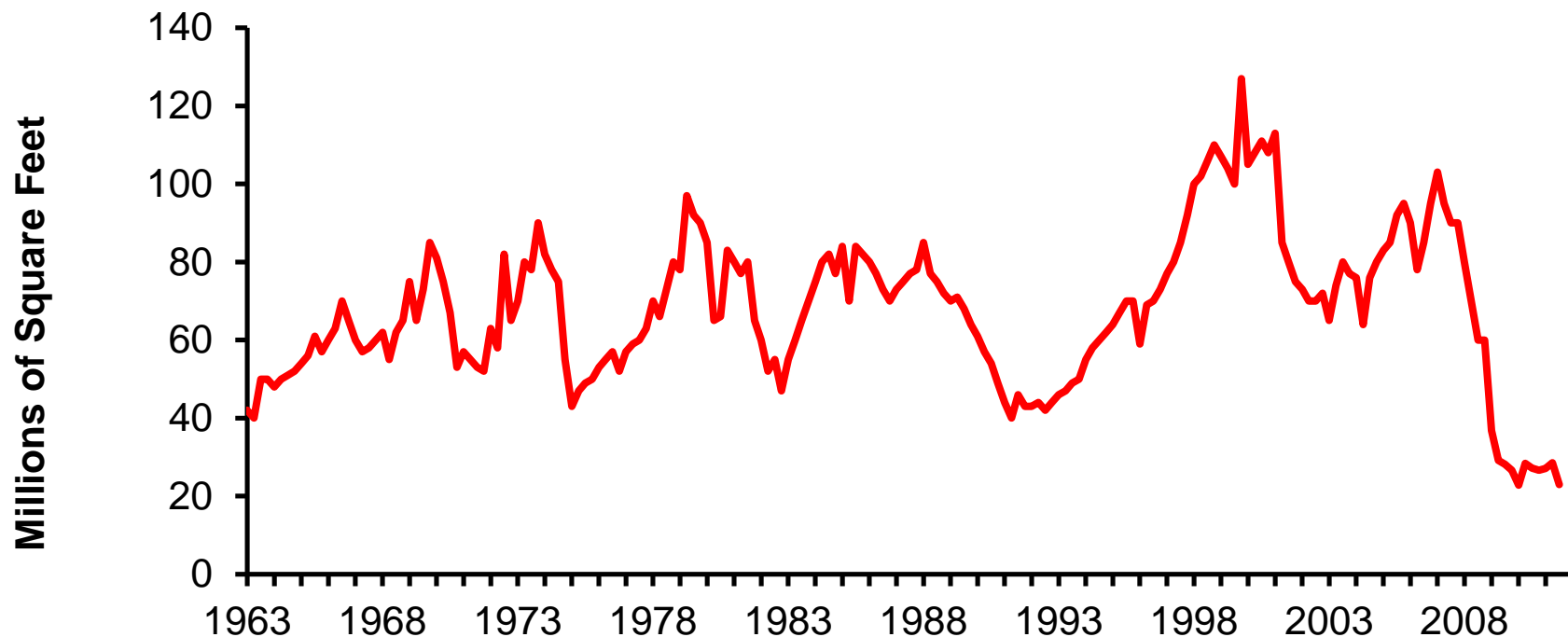
Real Estate (Under) Over Pricing Using:



Liquidity premium assumed to be zero.

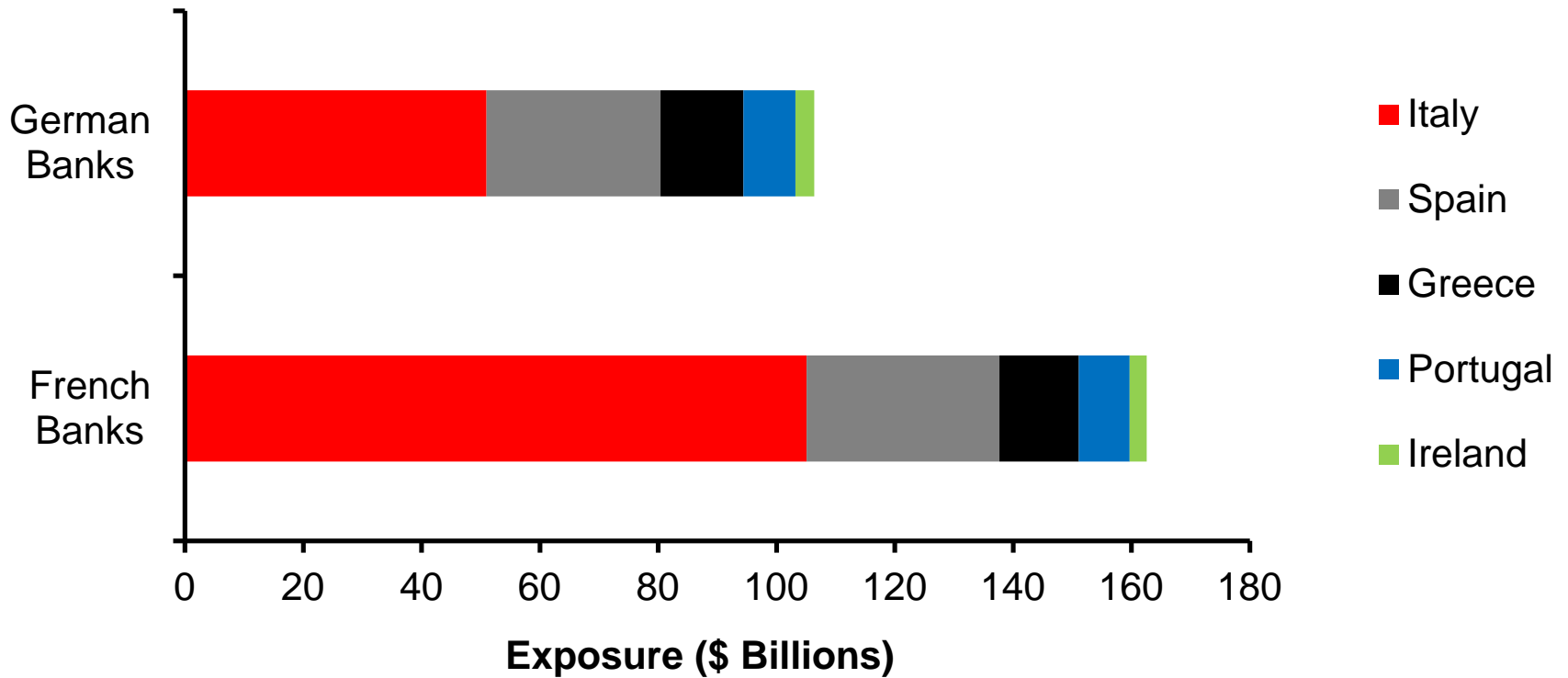


Commercial & Industrial Construction Contracts



Source: McGraw Hill

Sovereign-Debt Exposure to PIGIS



As of End of March 2011

Source: Bank for International Settlements