



SYNOVUS®



GICH Retreat: Sophomores



FORECLOSURES, BANK STRATEGIES, AND HOUSING ISSUES

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A Subdivision Case Study in Value Loss



The Names Have Been Changed to Protect
The “Innocent”!

A Subdivision Case Study in Value Loss



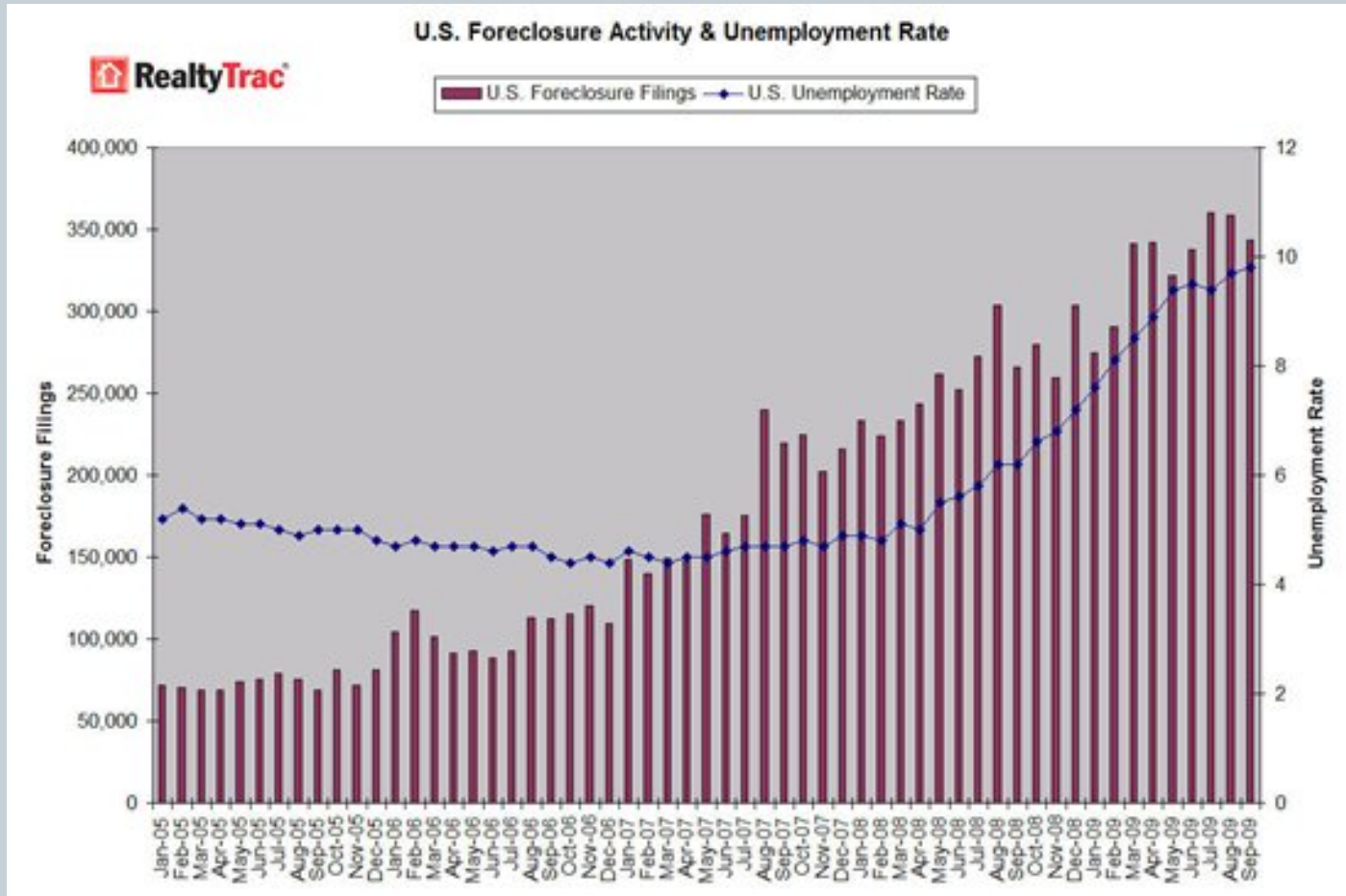
- 700 Acres
 - 2001: \$1mm Sales Price (Timber Included)
 - 2002: \$2.5mm Sales Price (Timber Harvested)
 - 2005: \$5mm (with Development Plan)
 - 2005: \$7.5mm (Same Day Flip!)
 - 2006: \$10mm
 - 2007: \$11mm Foreclosure
 - 2007: Bank Thinks Property Can Sell for \$16mm
 - 2008: Bank Shut Down by FDIC

Housing Terminology

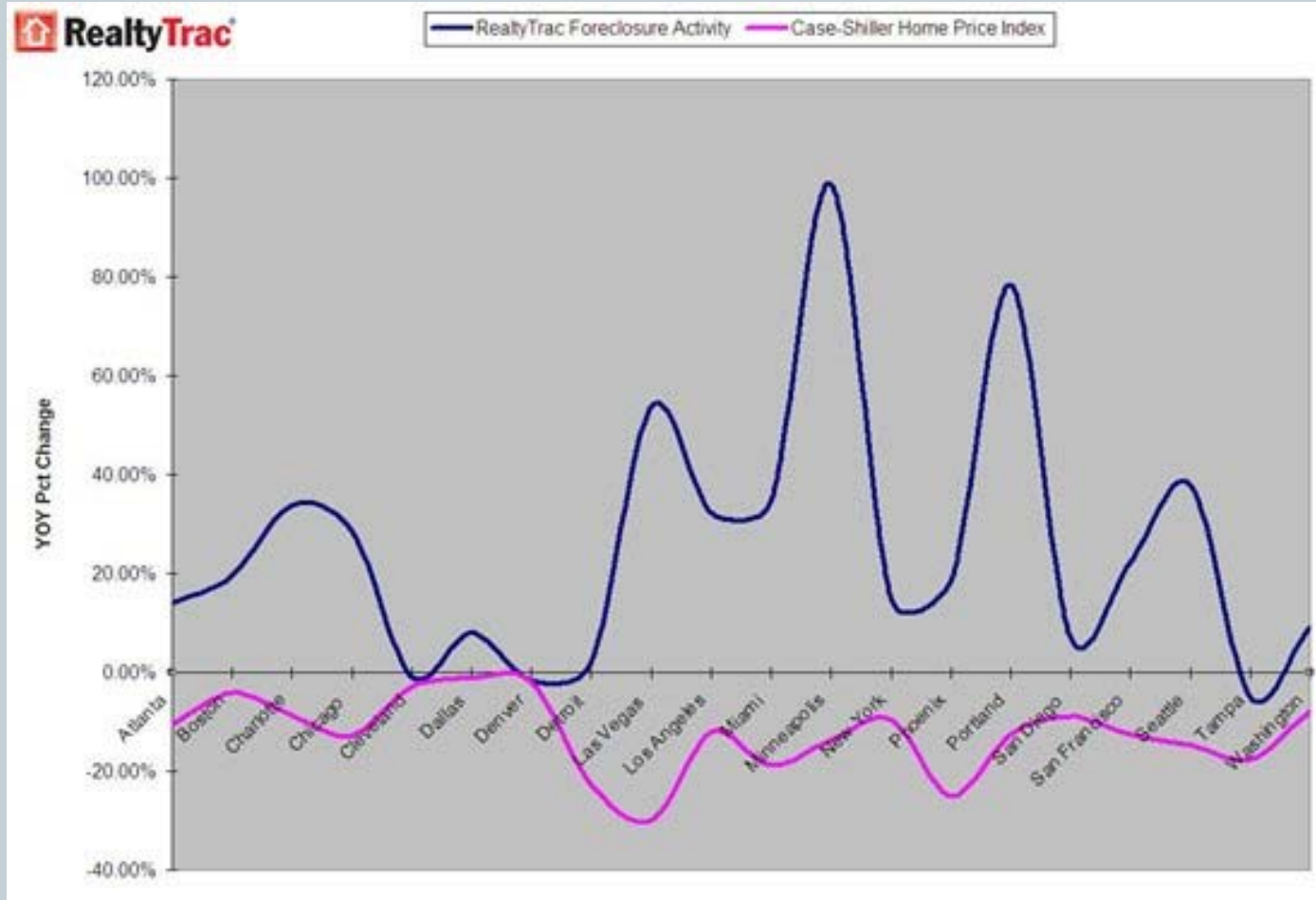


- Stagnant
 - Housing
 - In
 - Transition
- Most commonly used acronym for properties with housing issues!

Foreclosures and Unemployment Rate



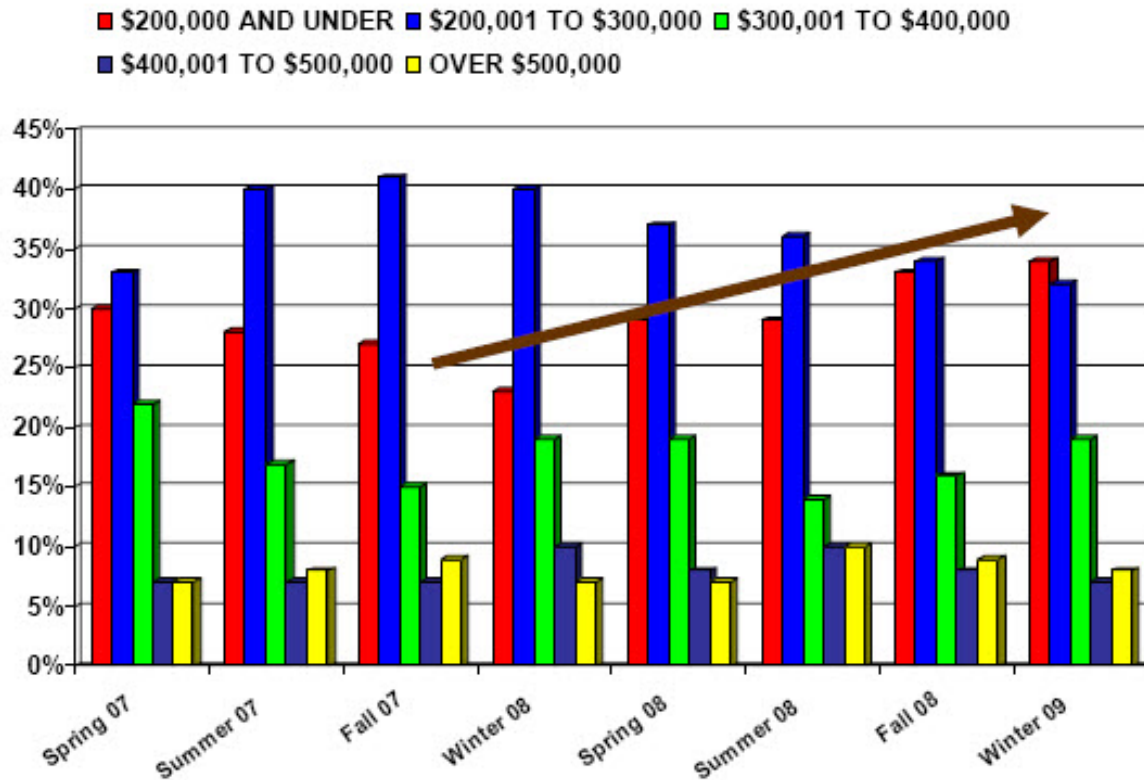
Home Prices and Foreclosures



Metro Atlanta Sales by Price Segment



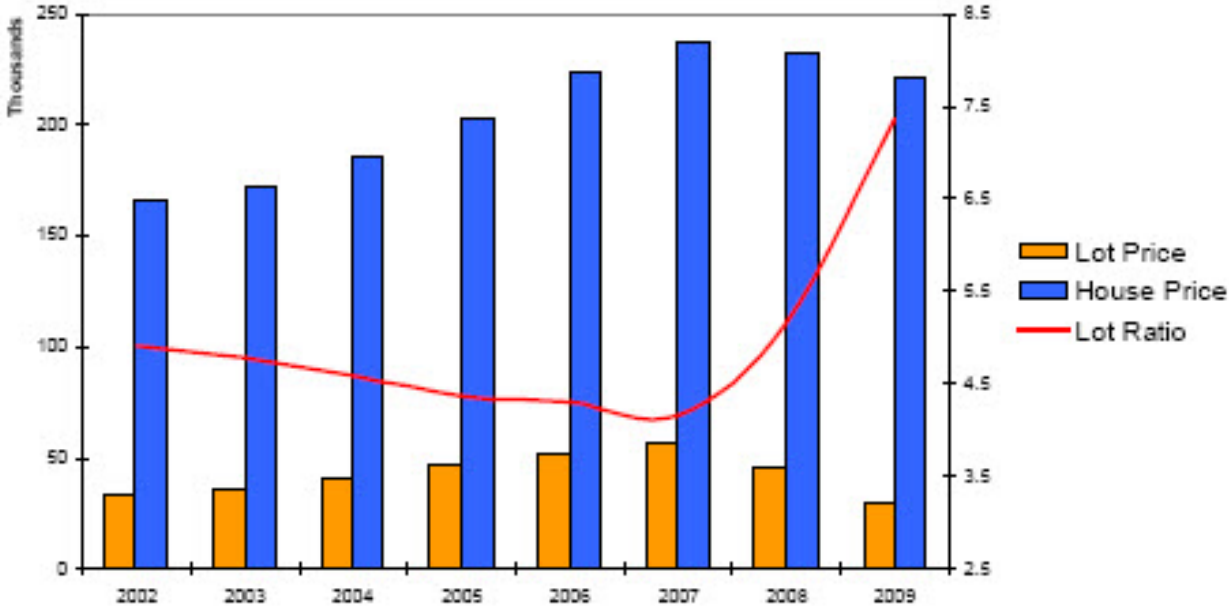
Sales By Price Range Quarterly



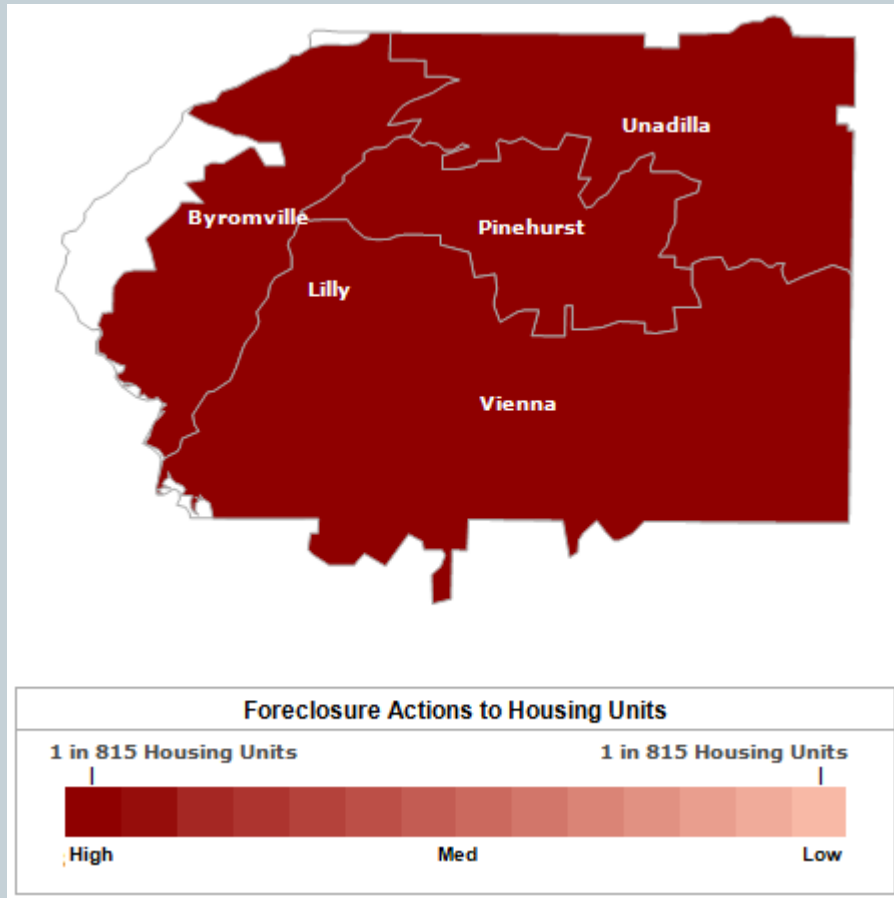
Lot Price Relative to New Home Price



Lot Ratio Median Prices



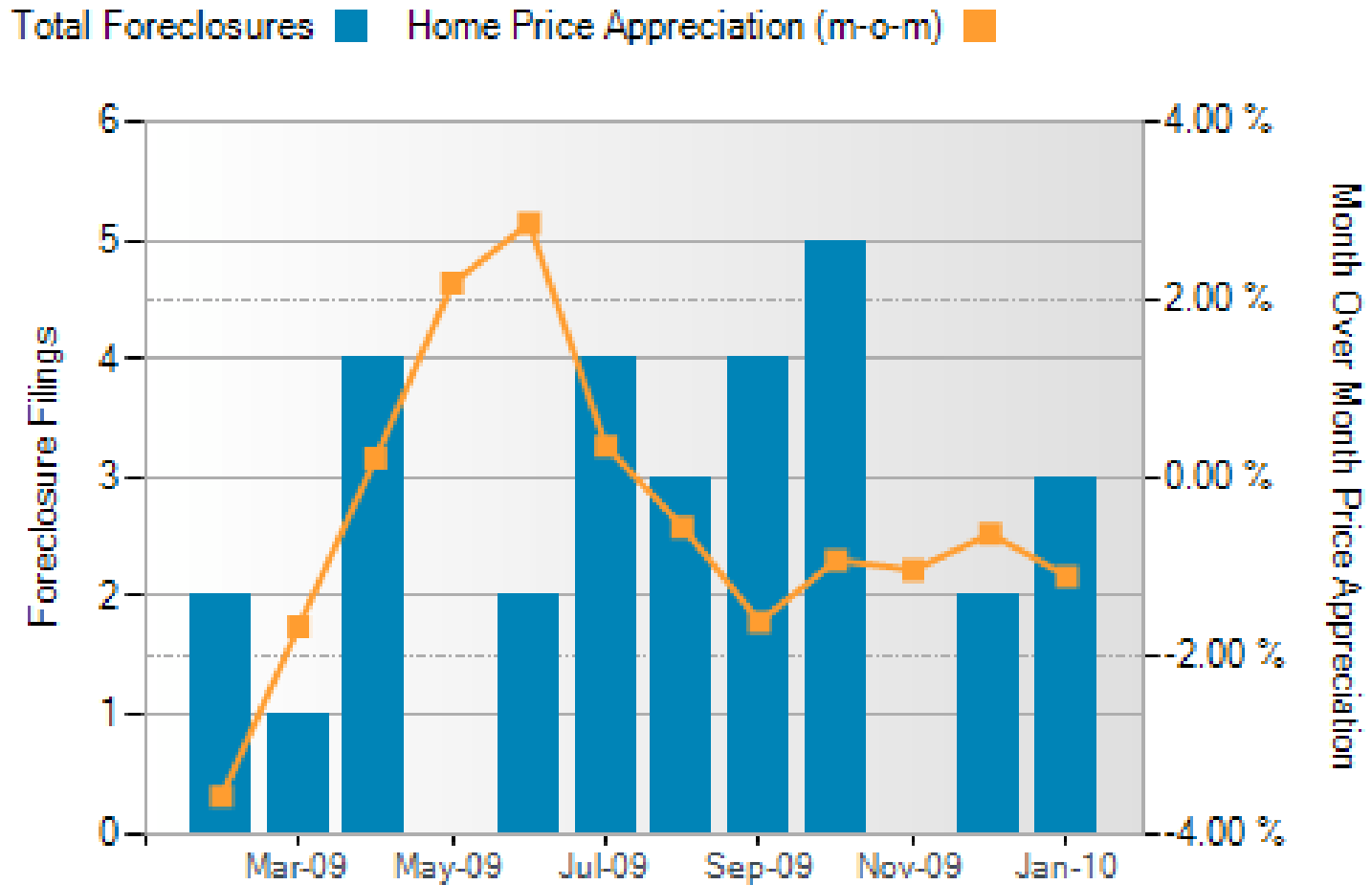
Dooly County Foreclosures



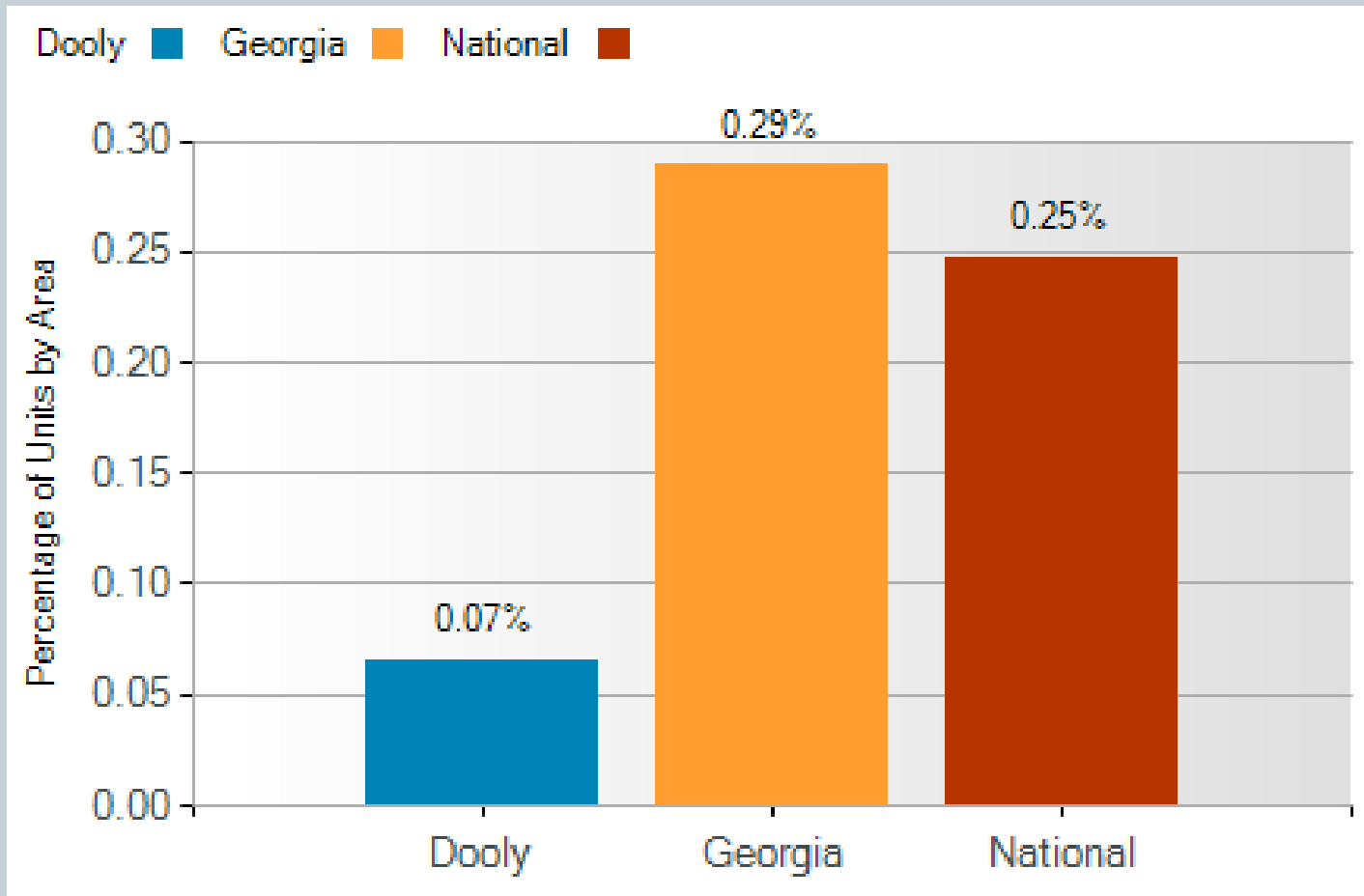
1 in 815: Vienna

Source: RealtyTrac

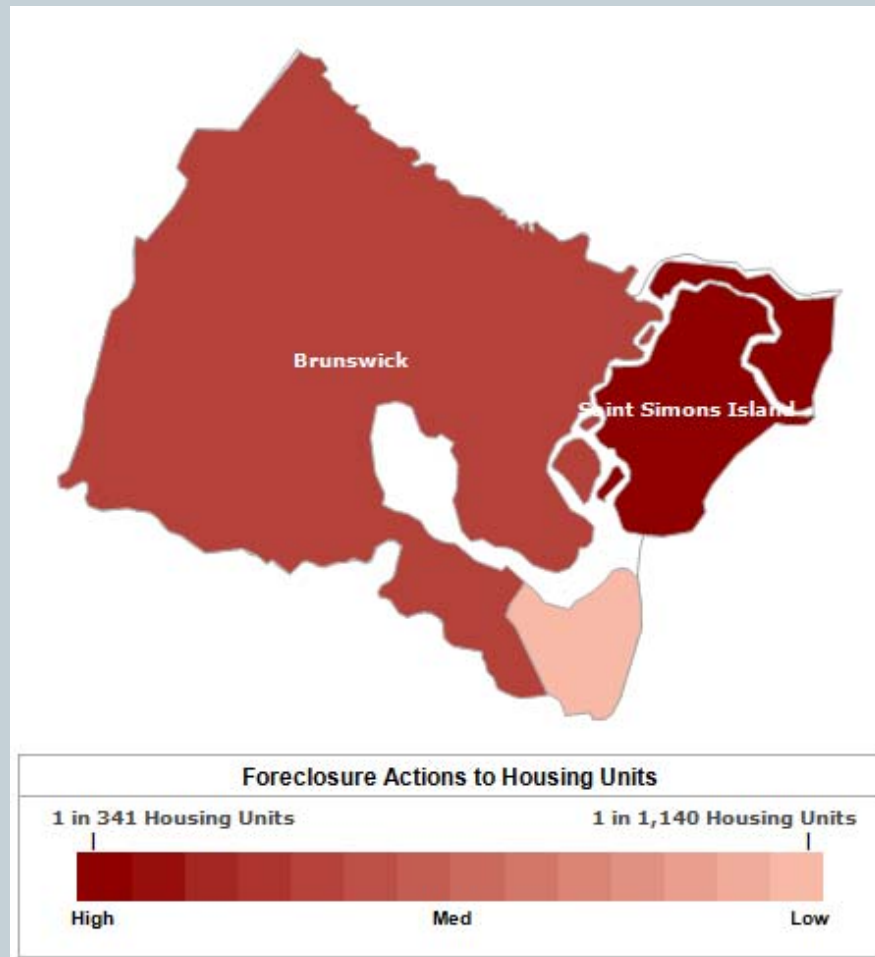
Dooly County Values



Dooly County vs. Georgia/US



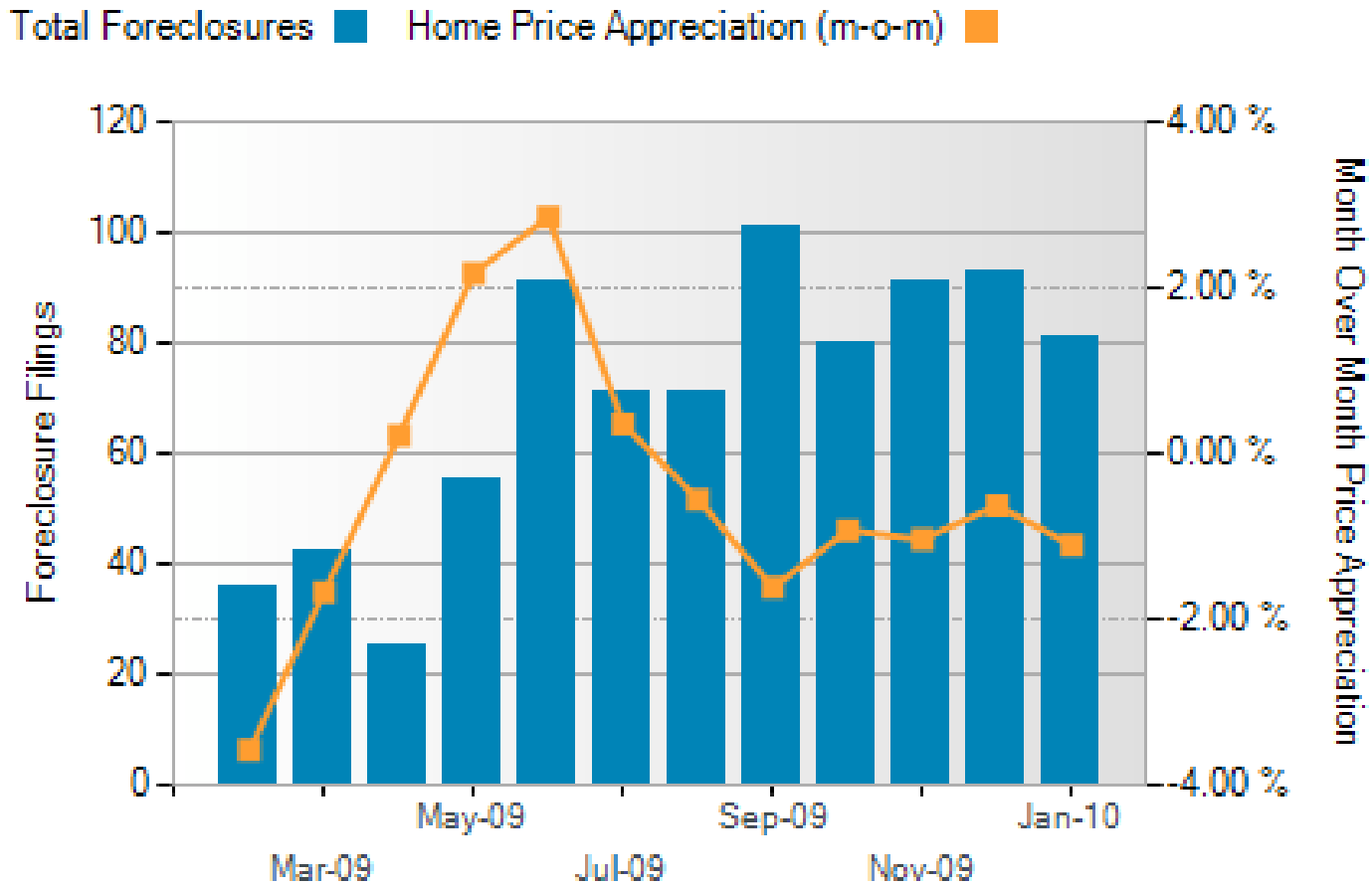
Glynn County Foreclosures



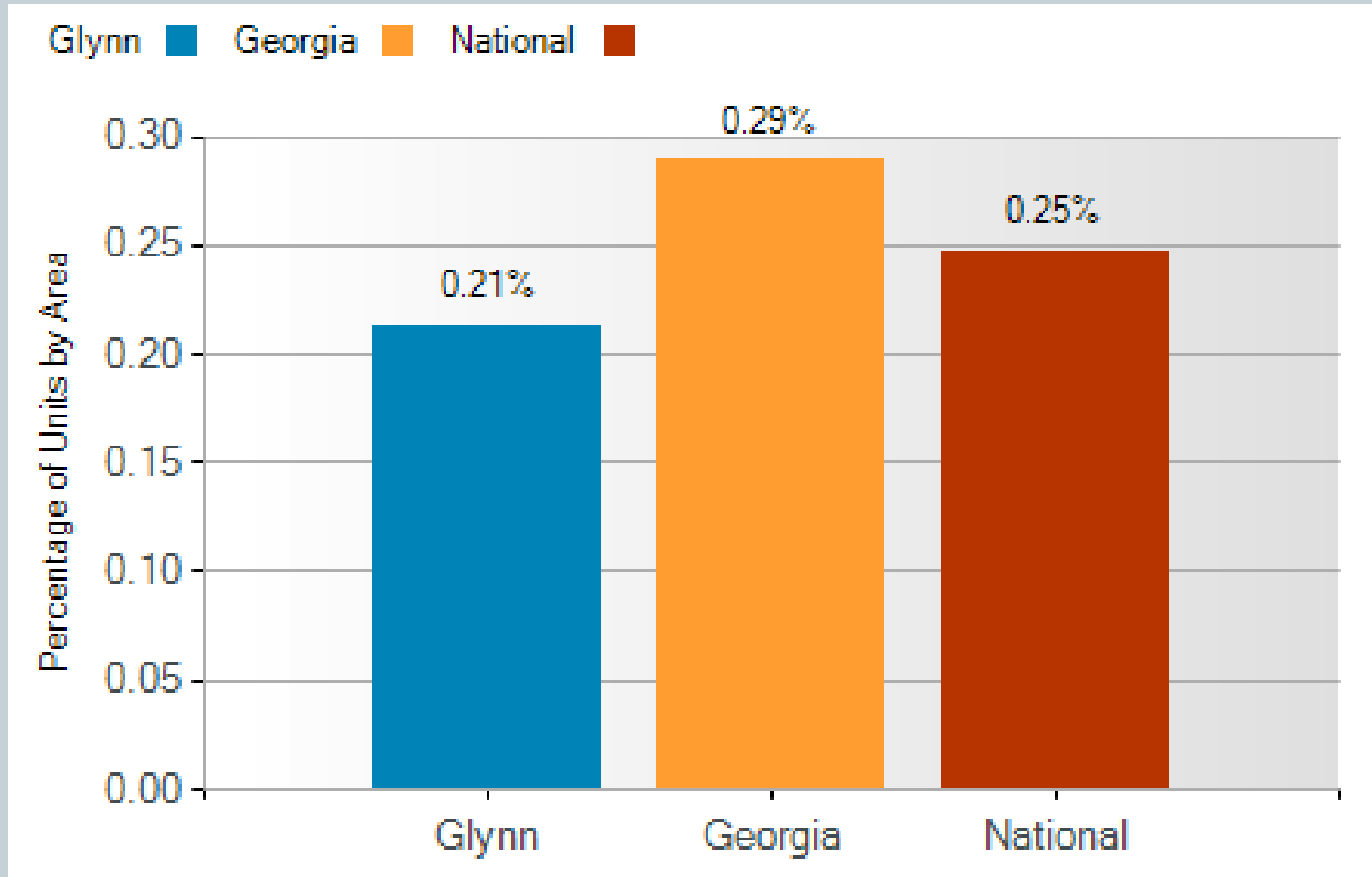
1 in 500: Brunswick

Source: RealtyTrac

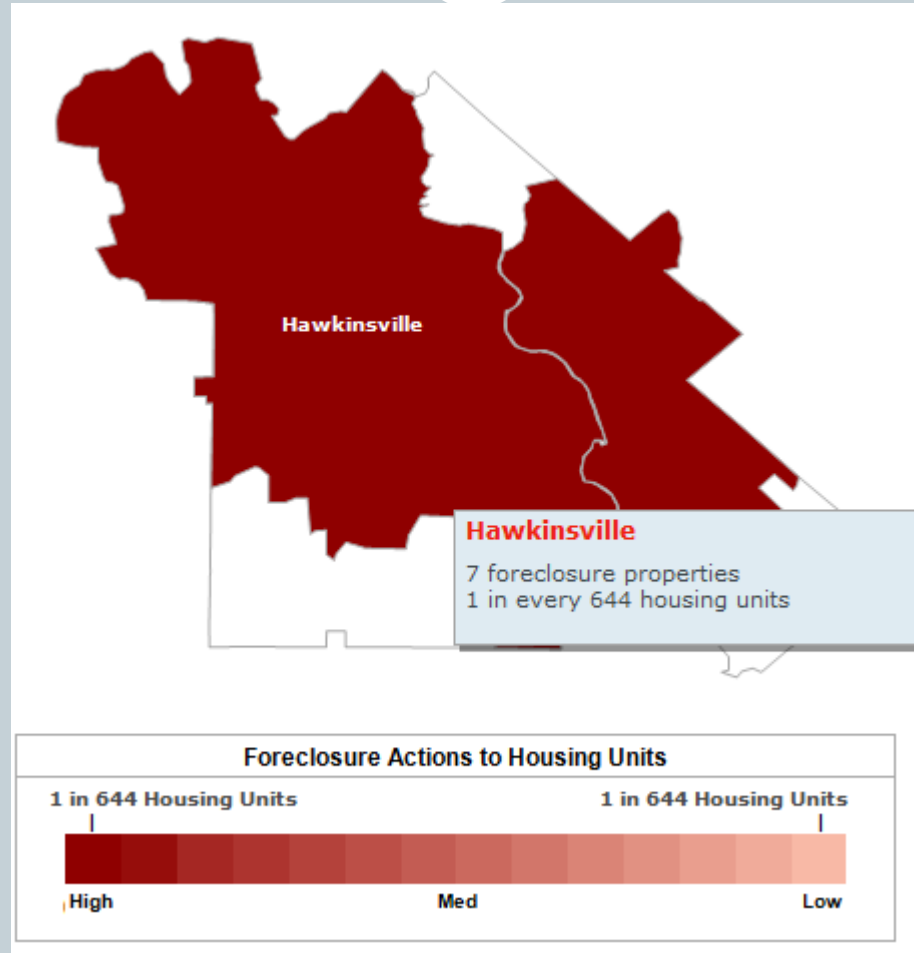
Glynn County Values



Glynn County vs. Georgia/US



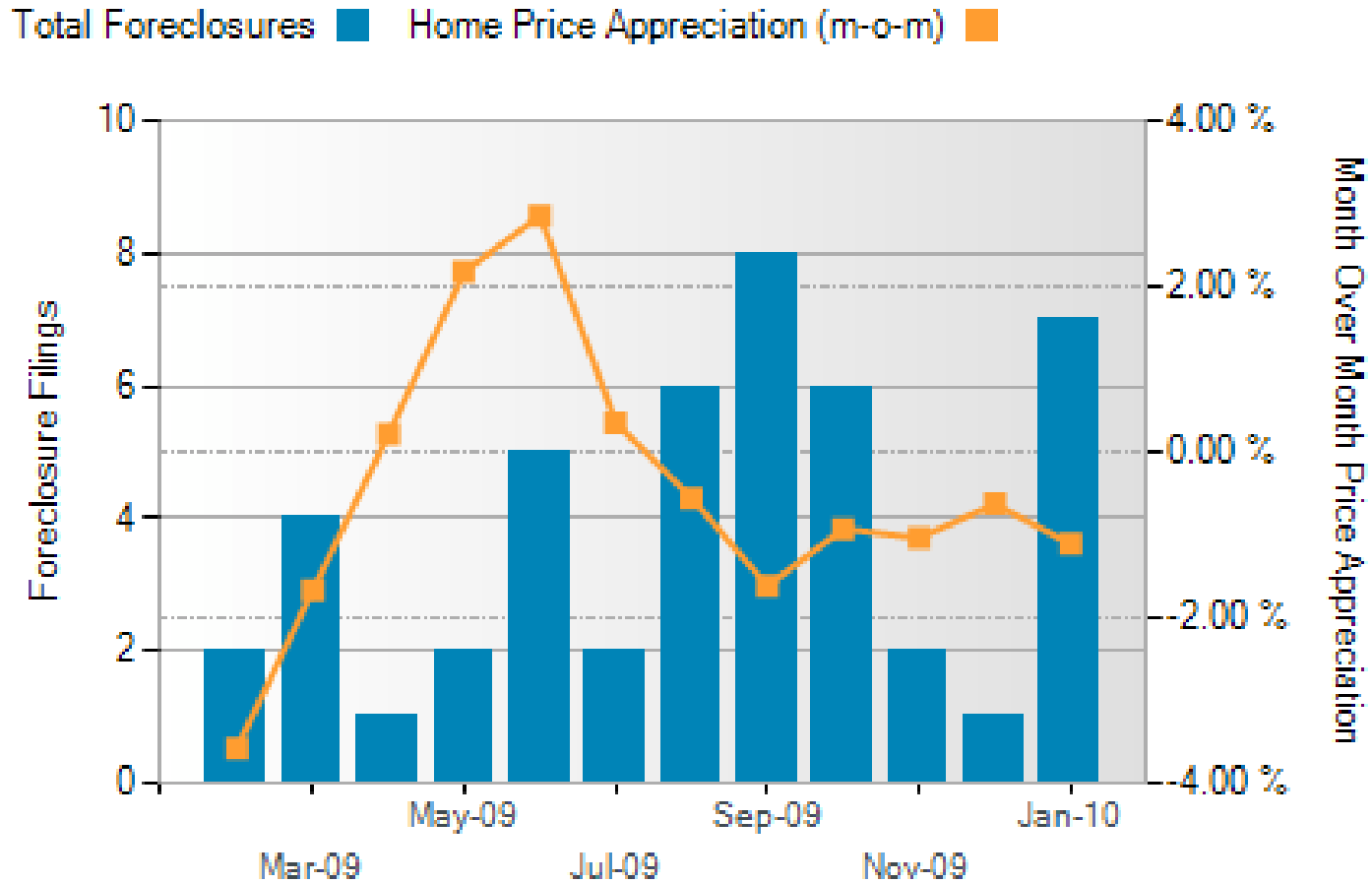
Pulaski County Foreclosures



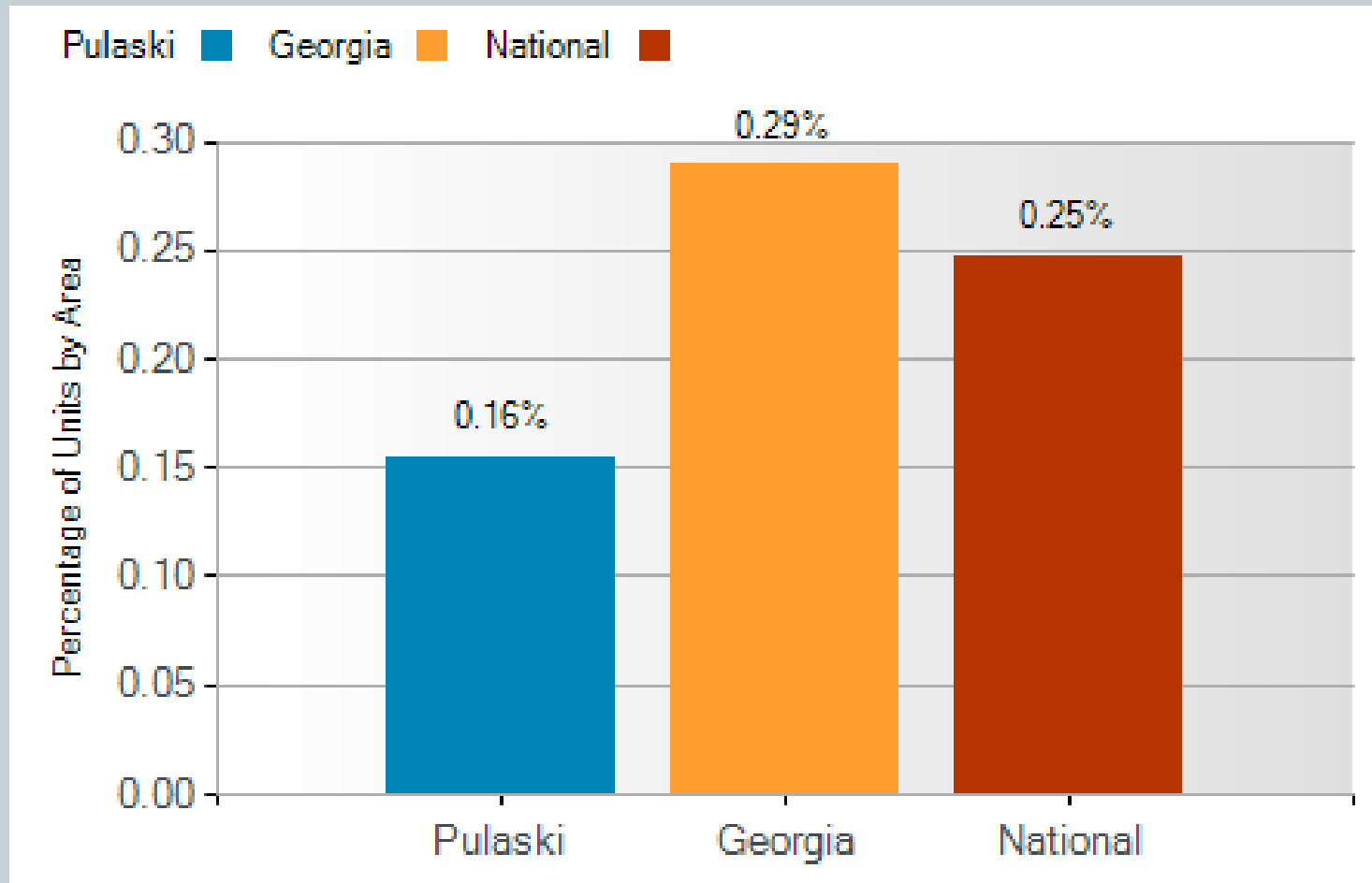
1 in 644: Hawkinsville

Source: RealtyTrac

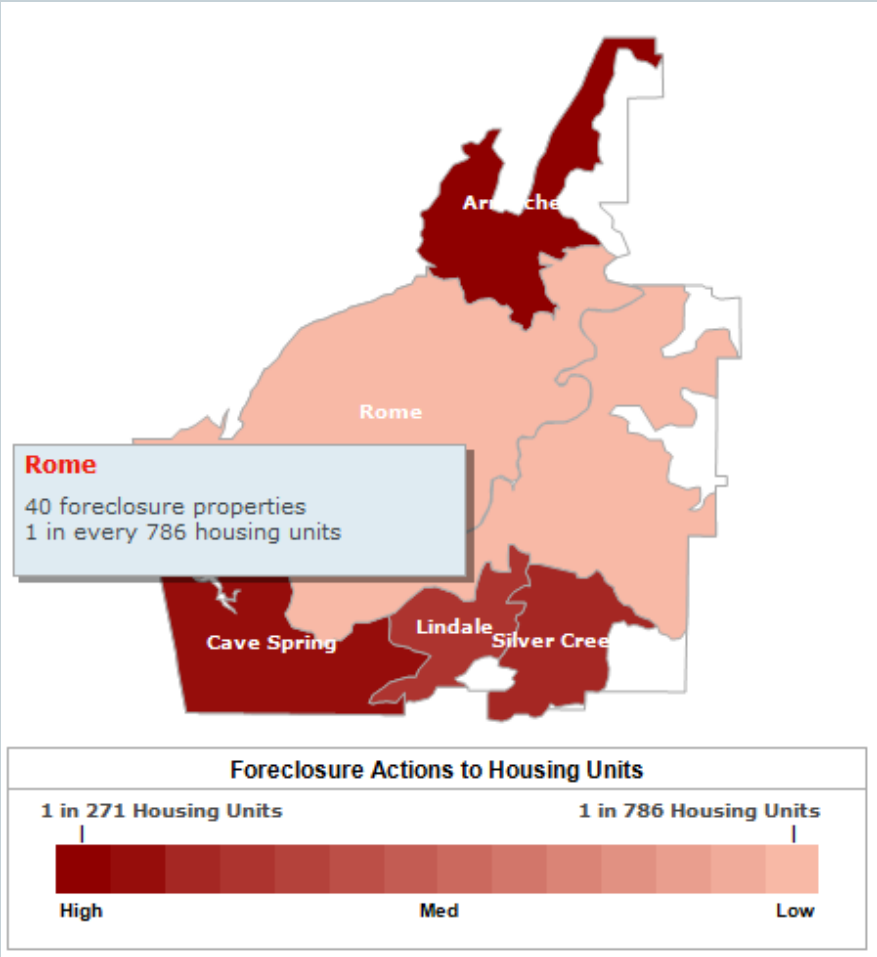
Pulaski County Values



Pulaski County vs. Georgia/US



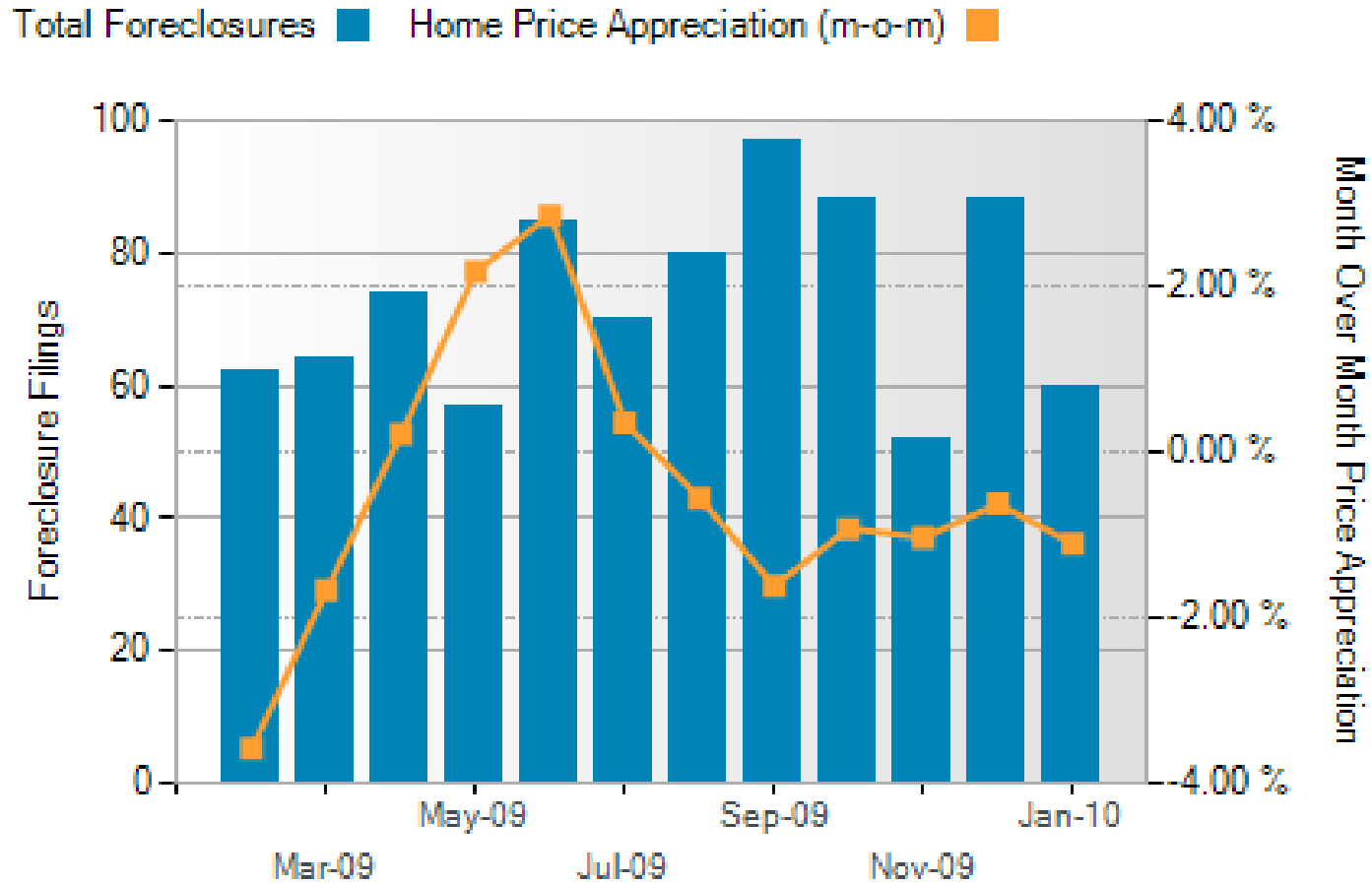
Floyd County Foreclosures



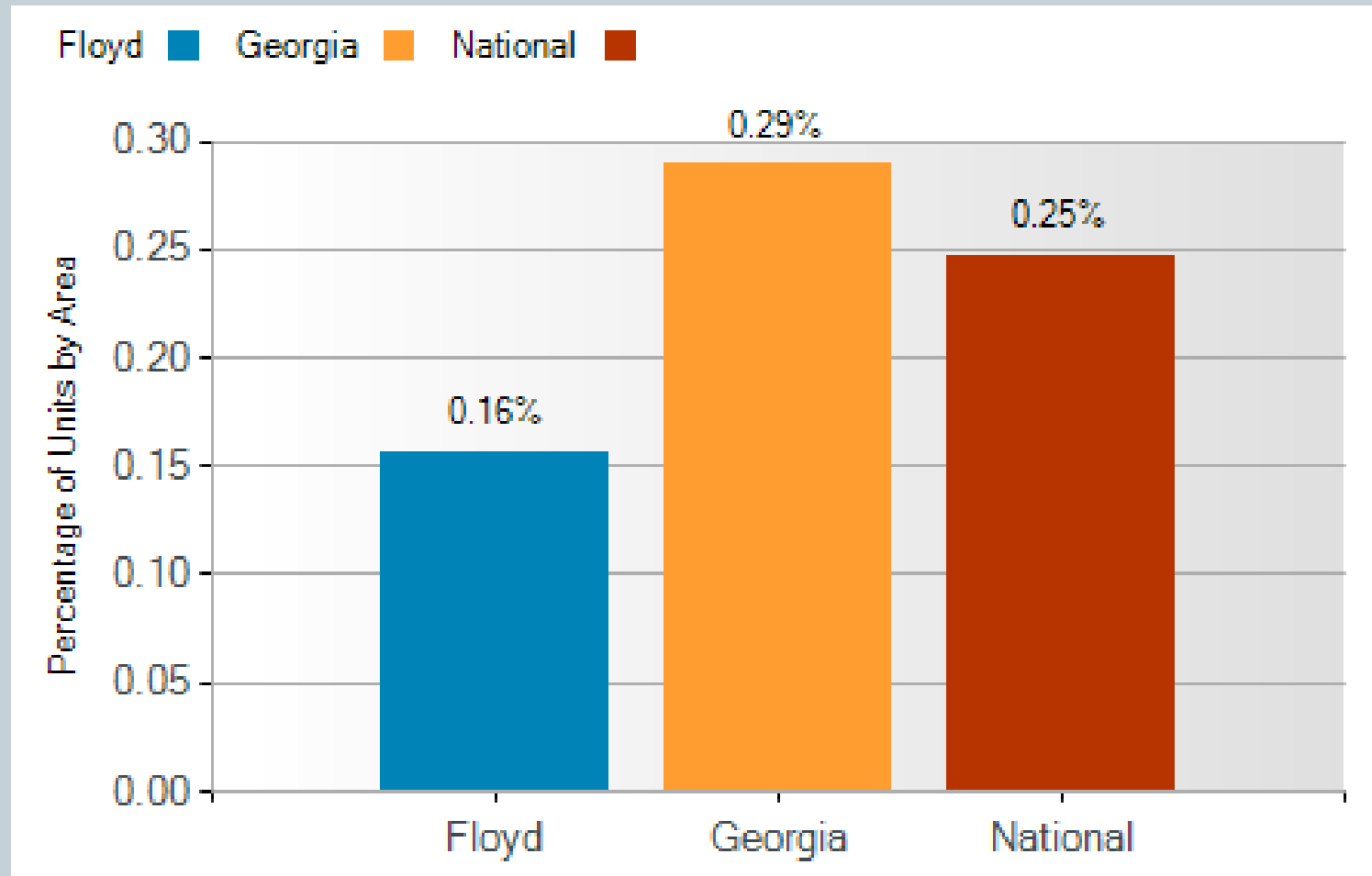
1 in 786: Rome

Source: RealtyTrac

Floyd County Values



Floyd County vs. Georgia/US

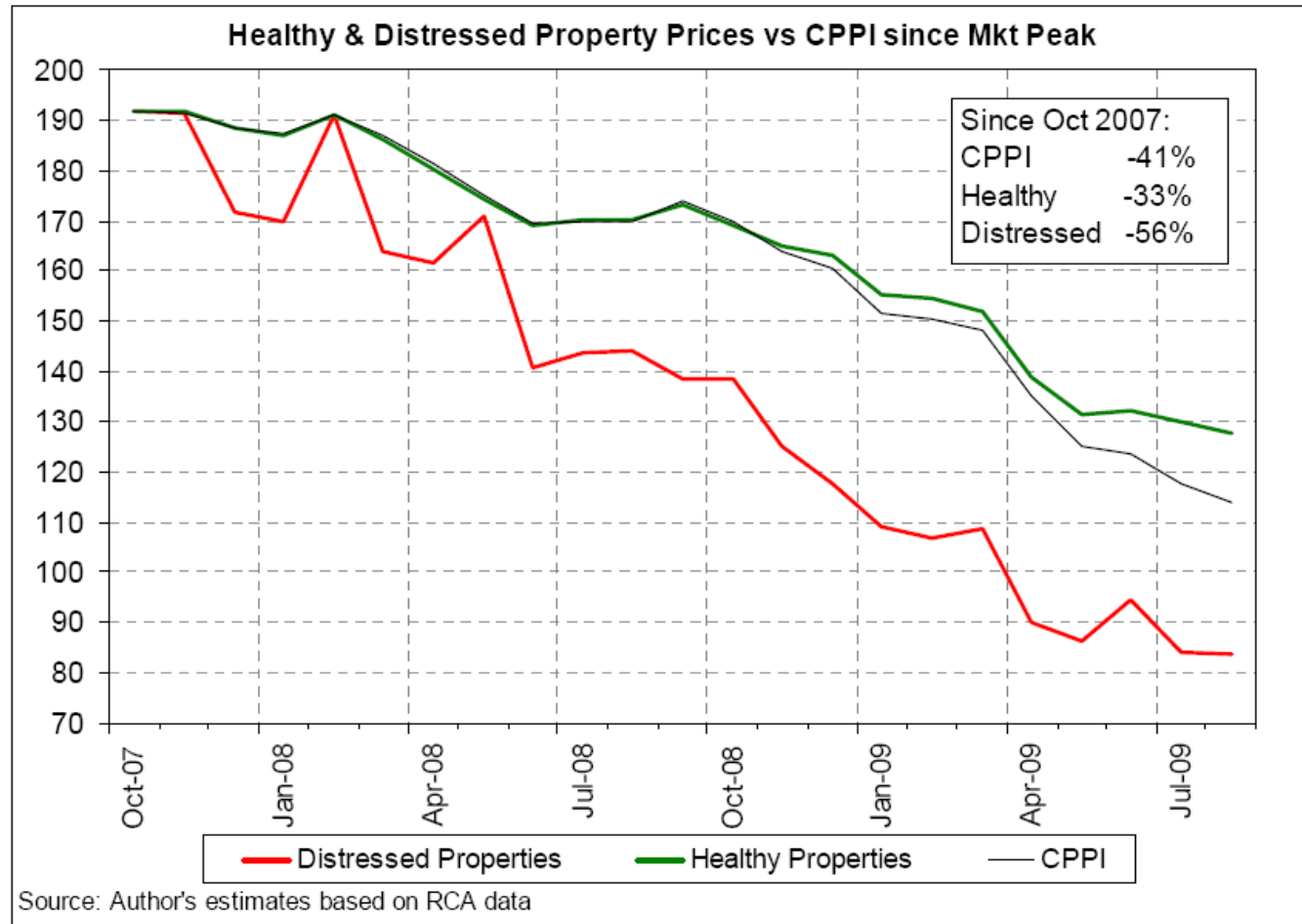


How Have the Banks Addressed Issues?



- 2007-2008: Hold Until Market Improves
- Late 2008: TARP Money Starts Liquidations
 - Analyst Pressure to Reduce NPA's
- 2009: Liquidate NPA's
 - Homes: \$0.70/Current Appraised Dollar
 - Lots: \$0.40/Current Appraised Dollar
- Late 2009: Triage Properties
 - Analyst Pressure to Preserve Capital

Disparity Between Distressed & Healthy Sale Prices

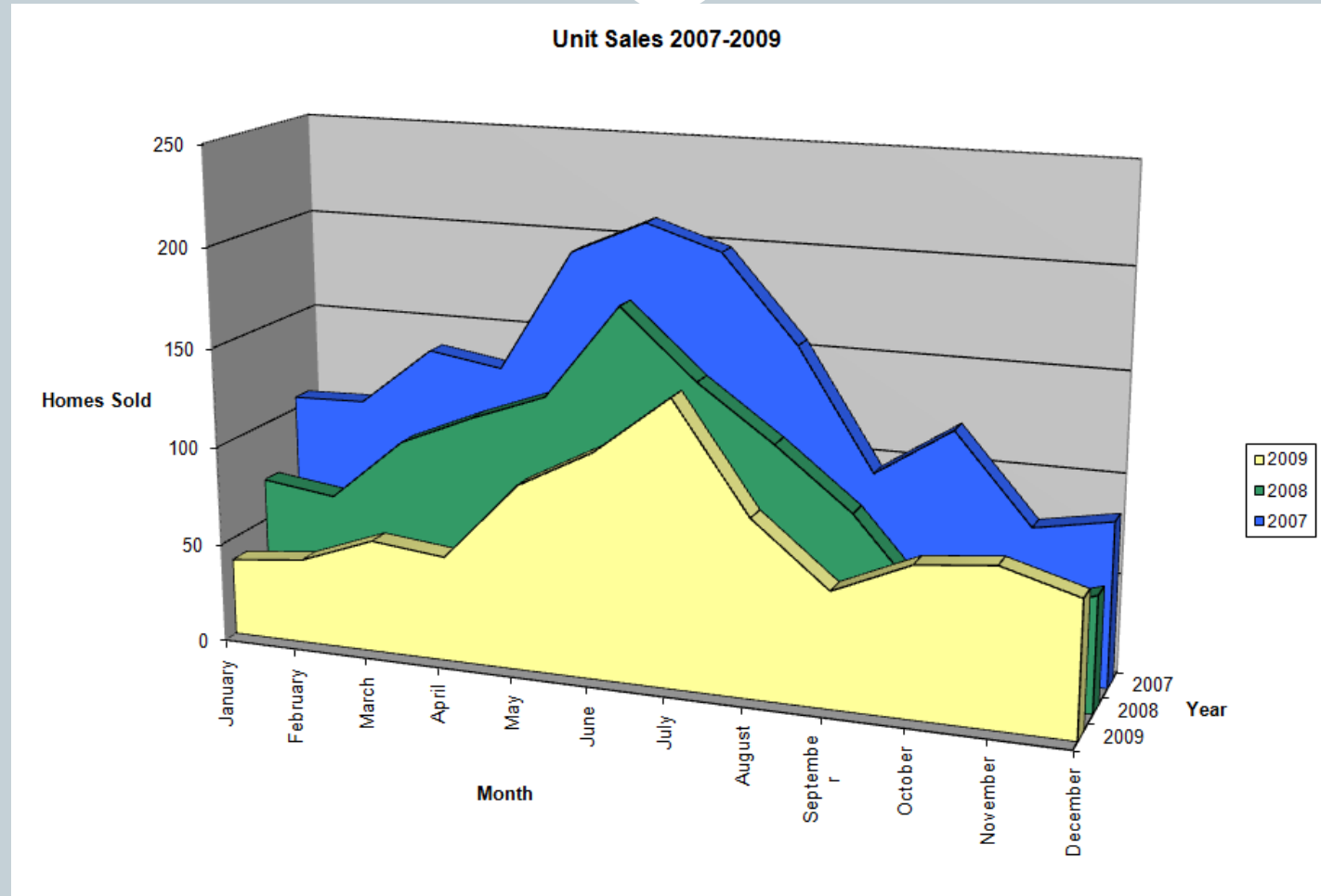


What Is in Store for 2010 and Beyond?



- Structured Selloff of Lots
- Reduced Inventories of Homes
 - More Foreclosures in 2010 but Residential Market Will Stabilize
- Partnerships with Developers/Homebuilders
 - Higher Yield on Property Sales
- Partnerships with Government

Upcoming Housing Demand Issues



Upcoming Housing Demand Issues



- Termination of Homebuyer Tax Credit
 - 40 bps
- Termination of MBS purchases by Fed
 - 100 bps
- Overhaul of FHA underwriting
 - ?