

# Looking Forward

Market News from ARCHITECTURAL DIGEST

## Positive Economic Indicators

### \* Consumer Confidence up nearly +7 points:

Consumer sentiment rose more than expected in August to **54.1**, from an upwardly revised **47.4** in July. Many analysts expect the economy to grow 2% to 3% in the current quarter, spurred by a more stable housing market and the cash-for-clunkers program, which has increased auto sales.

### \* Continued gains for the economy:

A measure of employment, stocks and other indicators suggests that **the recession will end this summer**, if it hasn't already. The Conference Board said Thursday that its index of leading indicators rose **0.6%** in July, its fourth straight gain. The measure is meant to project economic activity in the next three to six months. The indicators suggest **growth in economic activity will begin soon**.

### \* Housing Index up in 18 out of 20 cities:

In a convincing sign that the housing slump is coming to an end, prices are starting to rise in nearly all of the nation's large cities. The trend, displayed in newly released data for June, is both pronounced and wide-ranging. **Eighteen of the 20 cities tracked by Standard & Poor's Case-Shiller Home Price Index showed improvement** in June, up from eight in May, four in April and only one in March.

### \* Builder confidence at record high for the year:

**Builder confidence in the market for newly built, single-family homes** rose in August to its **highest level in more than a year**, according to the latest reading of the National Association of Home Builders/Wells Fargo Housing Market Index (HMI). Building on a two-point gain in July, the **HMI reached 18** this month, its highest point since June of 2008.

### \* Bounce-back in home improvement:

**Evidence of bounce-back is showing up in home improvement**. New appliances are becoming as much of the kitchen decor as the cabinets and countertops. **A \$300 million federal program is set to launch this Fall to boost sales of energy-efficient home appliances**. The program authorizes rebates of \$50 to \$200 for purchases of high-efficiency household appliances.

SOURCES: National Association of Home Builders, August 17, 2009; The New York Times, August 26, 2009; USA Today June 5, 2009, Associated Press, 8/20/09

## Speaking of... *economic recovery*

*"Fence-sitters are looking for reasons to jump in on the side of [home] buying. A rebound in the stock market and a better feeling about the economy and job prospects have helped. The mood has changed."*

—**ROBERT TOLL**,  
CHIEF EXECUTIVE, TOLL BROTHERS INC.

*"It appears that the housing market is stabilizing quicker than people thought it would."*

—**KARL E. CASE**,  
CO-DEVELOPER OF THE STANDARD & POOR'S  
CASE-SHILLER HOME PRICE INDEX, ECONOMICS  
PROFESSOR WELLESLEY COLLEGE

SOURCES: The Wall Street Journal, August 13, 2009,  
The New York Times, August 27, 2009

## People are talking... *luxury is back*

Luxury is back in fashion—at least, on Wall Street. Tiffany stock is up 51% so far this year, and it's not just Tiffany. **The whole luxury sector has bounced back**. Coach is up 40% so far this year. Polo Ralph Lauren: 43%. Overseas giants like Louis Vuitton Moet Hennessy and Cartier parent Compagnie Financiere Richemont are up too. **It's a sign of how quickly the mood has changed**.

SOURCE: The Wall Street Journal, September 1, 2009