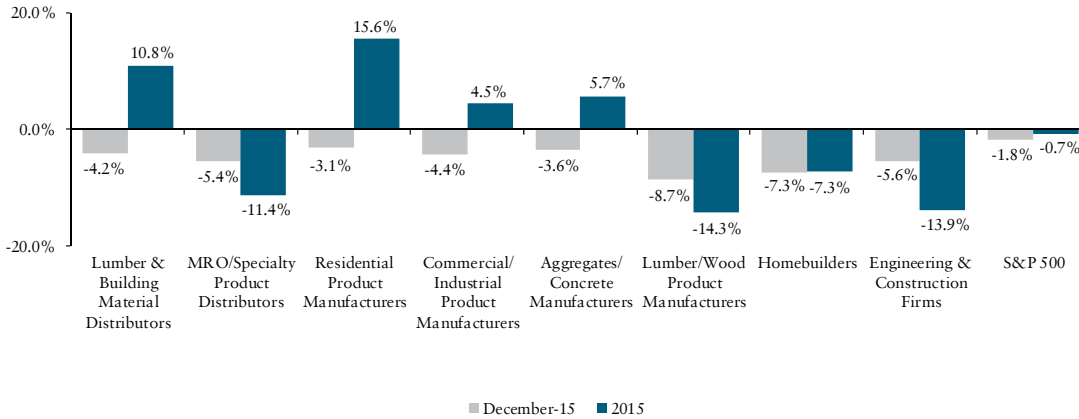


Building Products & Construction Industry Insights

PERCENTAGE CHANGE IN STOCK INDICES



Source: S&P Capital IQ

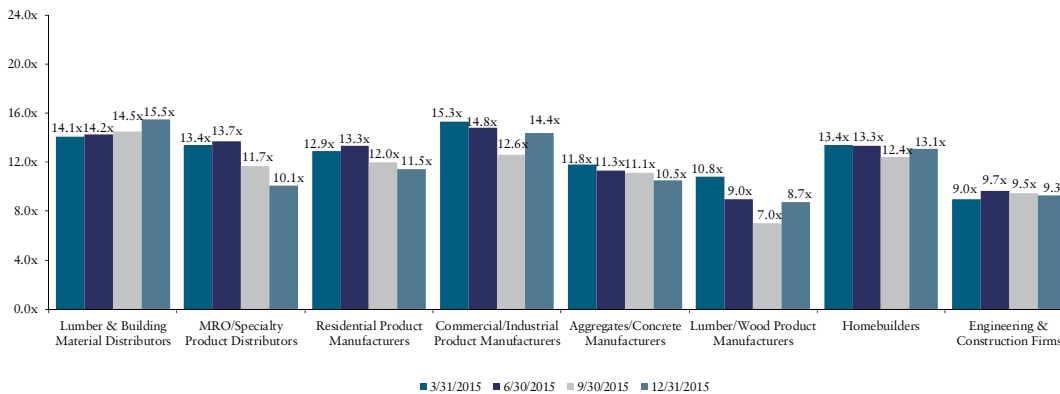
LARGEST STOCK PRICE CHANGES

(For the Month of December)

Largest Price Gains	Category	% Change
Quanex Building Products Corporation (NYSE:NX)	Residential Product Manufacturers	12.0%
Lumber Liquidators Holdings, Inc. (NYSE:LL)	Lumber & Building Material Distributors	11.1%
Titan Cement Company S.A. (ATSE:TITK)	Aggregates/Concrete Manufacturers	6.5%
Wienerberger AG (WBAG:WIE)	Aggregates/Concrete Manufacturers	5.7%
Largest Price Declines	Category	% Change
Bluelinx Holdings Inc. (NYSE:BXC)	Lumber & Building Material Distributors	-22.1%
Beazer Homes USA Inc. (NYSE:BZH)	Homebuilders	-19.9%
Boise Cascade Company (NYSE:BCC)	Lumber/Wood Product Manufacturers	-18.4%
Builders FirstSource, Inc. (NASDAQ:BLDR)	Lumber & Building Material Distributors	-17.7%

Source: S&P Capital IQ

PUBLIC COMPANY EBITDA VALUATION MULTIPLES¹



Source: S&P Capital IQ

(1) Represents the median EBITDA valuation multiple for each segment. Valuation multiple is defined as total enterprise value divided by latest twelve months ("LTM") EBITDA. Total enterprise value ("TEV") is defined as equity value plus third-party debt less cash.

December
2015 Review

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Publicly Held Building Products and Construction Companies

(USD in Millions, except share prices)

Ticker	Market Data				Financial Performance Data			Valuation Multiples			
	Stock Price 12/31/15	% of 52-Week High	Equity Value	Total Enterprise Value	LTM			TEV / LTM			
					Net Sales	EBITDA	EBITDA Margin	Net Sales	EBIT	EBITDA	
Lumber & Building Material Distributors											
Beacon Roofing Supply, Inc.	NASD:BECN	\$41.18	93.6%	\$2,426	\$2,602	\$2,515	\$159	6.3%	1.0x	20.9x	16.3x
Builders FirstSource, Inc.	NASD:BLDR	11.08	66.4	1,211	3,137	2,505	125	5.0	1.3	N/M	N/M
Bluelinx Holdings Inc.	NYSE:BXC	0.53	41.4	47	509	1,943	27	1.4	0.3	N/M	18.6
CanWel Building Materials Group Ltd.	TSX:CWX	3.45	76.5	146	247	588	22	3.8	0.4	14.1	11.2
Huttig Building Products Inc.	NasdaqCM:HBP	3.80	92.2	95	160	649	16	2.4	0.2	12.5	10.1
Installed Building Products, Inc.	NYSE:IBP	24.83	82.8	779	898	616	59	9.6	1.5	22.9	15.1
Lumber Liquidators Holdings, Inc.	NYSE:LL	17.36	24.8	470	436	1,016	13	1.3	0.4	N/M	N/M
Tile Shop Holdings, Inc.	NASD:TTS	16.40	93.7	843	892	284	47	16.7	3.1	N/M	18.8
TopBuild Corp.	NYSE:BLD	30.77	84.6	1,159	1,249	1,588	81	5.1	0.8	19.2	15.5
Median:			82.8%	\$779	\$892	\$1,016	\$47	5.0%	0.8x	19.2x	15.5x
MRO/Specialty Product Distributors											
HD Supply Holdings, Inc.	NASD:HDS	\$30.03	81.6%	\$6,010	\$10,327	\$9,195	\$900	9.8%	1.1x	13.2x	11.5x
Watsco Inc.	NYSE:WCO	117.13	88.0	3,823	4,369	4,086	352	8.6	1.1	13.1	12.4
WESCO International Inc.	NYSE:WCO	43.68	56.4	1,840	3,206	7,652	463	6.0	0.4	7.9	6.9
Wolseley plc	LSE:WOS	54.43	83.9	13,890	15,121	20,851	1,500	7.2	0.7	18.9	10.1
W.W. Grainger, Inc.	NYSE:GWV	202.59	78.8	12,720	14,360	10,006	1,594	15.9	1.4	10.2	9.0
Median:			81.6%	\$6,010	\$10,327	\$9,195	\$900	8.6%	1.1x	13.1x	10.1x
Residential Product Manufacturers											
American Woodmark Corp.	NASD:AMWD	\$79.98	89.0%	\$1,302	\$1,130	\$883	\$92	10.4%	1.3x	13.9x	12.3x
Continental Building Products, Inc.	NYSE:CBPX	17.46	72.1	737	1,034	432	125	29.0	2.4	13.9	8.3
Fortune Brands Home & Security, Inc.	NYSE:FBHS	55.50	97.4	8,863	9,857	4,394	567	12.9	2.2	20.9	17.4
Gibraltar Industries, Inc.	NASD:ROCK	25.44	91.2	790	968	961	75	7.8	1.0	20.7	12.9
Griffon Corporation	NYSE:GFF	17.80	92.5	802	1,582	2,016	171	8.5	0.8	15.7	9.3
Headwaters Incorporated	NYSE:HW	16.87	77.5	1,247	1,679	895	156	17.4	1.9	16.4	10.8
Masco Corporation	NYSE:MOS	28.30	92.5	9,522	11,599	8,608	1,094	12.7	1.3	12.4	10.6
Masonite International Corporation	NYSE:DOOR	61.23	83.6	1,860	2,289	1,835	164	8.9	1.2	N/M	13.9
Mohawk Industries Inc.	NYSE:MHK	189.39	89.3	14,001	17,110	8,025	1,333	16.6	2.1	17.5	12.8
Owens Corning	NYSE:OC	47.03	97.0	5,483	7,459	5,343	798	14.9	1.4	14.7	9.3
PGT, Inc.	NASD:PGTI	11.39	70.5	554	692	382	60	15.8	1.8	13.6	11.5
Ply Gem Holdings, Inc.	NYSE:PGEM	12.54	82.0	854	1,828	1,859	163	8.7	1.0	17.6	11.2
Quanex Building Products Corporation	NYSE:NX	20.85	95.1	708	742	614	49	8.0	1.2	N/M	15.1
Compagnie de Saint-Gobain S.A.	ENXTPA:SGO	43.28	88.9	24,664	33,788	46,748	4,516	9.7	0.7	12.6	7.5
The Sherwin-Williams Company	NYSE:SHW	259.60	88.2	24,169	26,038	11,304	1,680	14.9	2.3	17.6	15.5
Simpson Manufacturing Co., Inc.	NYSE:SSD	34.15	88.8	1,649	\$1,406	776	136	17.5	1.8	12.9	10.3
Trex Co. Inc.	NYSE:TREX	38.04	65.9	1,174	1,220	426	88	20.7	2.9	16.6	13.8
USG Corporation	NYSE:USG	24.29	73.9	3,535	5,301	3,805	465	12.2	1.4	16.7	11.4
Median:			88.8%	\$1,475	\$1,754	\$1,847	\$163	12.8%	1.4x	16.1x	11.5x
Commercial/Industrial Product Manufacturers											
AAON Inc.	NASD:AAON	\$23.22	91.6%	\$1,256	\$1,207	\$346	\$80	23.2%	3.5x	17.6x	15.0x
Armstrong World Industries, Inc.	NYSE:AWI	45.73	75.3	2,531	3,301	2,430	287	11.8	1.4	16.9	11.5
Kingspan Group plc	ISE:KRX	26.40	93.6	4,673	5,192	2,492	265	10.6	2.1	N/M	19.6
Lennox International, Inc.	NYSE:LII	124.90	90.1	5,627	6,511	3,446	422	12.2	1.9	18.1	15.4
NCI Building Systems Inc.	NYSE:NCS	12.41	66.7	919	1,264	1,496	92	6.1	0.8	23.9	13.7
Valmont Industries, Inc.	NYSE:VMI	106.02	82.1	2,443	2,943	2,748	365	13.3	1.1	10.9	8.1
Median:			86.1%	\$2,487	\$3,122	\$2,461	\$276	12.0%	1.6x	17.6x	14.4x
Aggregates/Concrete Manufacturers											
Boral Limited	ASX:BLD	\$4.30	85.7%	\$3,200	\$3,788	\$3,307	\$361	10.9%	1.1x	17.2x	10.5x
CEMEX, S.A.B. de C.V.	NYSE:CMX	5.57	53.1	7,938	23,778	13,395	2,456	18.3	1.8	15.2	9.7
CRH plc	ISE:CRG	29.00	94.2	23,869	25,310	22,231	1,896	8.5	1.1	N/M	13.4
Eagle Materials Inc.	NYSE:EXP	60.43	68.0	3,024	3,528	1,129	315	27.9	3.1	15.7	11.2
Grupo Cementos de Chihuahua SAB de CV	BMV:GCC *	2.60	95.1	865	1,201	685	145	21.2	1.8	13.7	8.3
HeidelbergCement AG	DB:HEI	82.29	98.3	15,464	23,060	14,948	2,542	17.0	1.5	15.1	9.1
Martin Marietta Materials, Inc.	NYSE:MLM	136.58	76.4	9,034	10,304	3,267	766	23.4	3.2	20.7	13.5
Summit Materials, Inc.	NYSE:SUM	20.04	70.1	997	2,329	1,365	231	16.9	1.7	20.6	10.1
Titan Cement Company S.A.	ATSE:TITK	19.13	98.1	1,492	2,331	1,476	212	14.3	1.6	N/M	11.0
Vulcan Materials Company	NYSE:VMC	94.97	88.9	12,661	14,472	3,320	746	22.5	4.4	N/M	19.4
Wienerberger AG	WBAG:WIE	18.56	95.7	2,171	2,893	3,314	382	11.5	0.9	21.0	7.6
Median:			88.9%	\$3,200	\$3,788	\$3,307	\$382	17.0%	1.7x	16.4x	10.5x

Publicly Held Building Products and Construction Companies

(USD in Millions, except share prices)

Ticker	Market Data				Financial Performance Data			Valuation Multiples			
	Stock Price 12/31/15	% of 52-Week High	Equity Value	Total Enterprise Value	LTM			TEV / LTM			
					Net Sales	EBITDA	EBITDA Margin	Net Sales	EBIT	EBITDA	
Lumber/Wood Product Manufacturers											
Boise Cascade Company	NYSE:BCC	\$25.53	58.2%	\$991	\$1,130	\$3,619	\$178	4.9%	0.3x	9.1x	6.3x
Canfor Corp.	TSX:CFP	14.55	63.2	1,948	2,368	2,786	294	10.5	0.8	12.3	8.1
Louisiana-Pacific Corp.	NYSE:LPX	18.01	94.9	2,573	2,879	1,883	-2	N/M	1.5	N/M	N/M
Norbord, Inc.	TSX:NBD	19.42	92.2	1,659	2,414	1,063	50	4.7	2.3	N/M	N/M
Universal Forest Products Inc.	NASD:UFPI	68.37	86.9	1,377	1,413	2,854	162	5.7	0.5	11.7	8.7
West Fraser Timber Co. Ltd.	TSX:WFT	37.86	66.9	3,122	3,429	3,024	371	12.3	1.1	11.0	9.2
Weyerhaeuser Co.	NYSE:WY	29.98	80.9	15,303	19,671	7,136	1,518	21.3	2.8	19.0	13.0
Median:			73.9%	\$1,948	\$2,414	\$2,854	\$178	5.7%	1.1x	11.7x	8.7x
Homebuilders											
Beazer Homes USA Inc.	NYSE:BZH	\$11.49	54.2%	\$380	\$1,657	\$1,627	\$49	3.0%	1.0x	N/M	N/M
CalAtlantic Group, Inc.	NYSE:CAA	37.92	81.1	4,589	6,949	2,600	348	13.4	2.7	20.5	20.0
DR Horton Inc.	NYSE:DHI	32.03	96.8	11,837	14,294	10,824	1,229	11.4	1.3	12.2	11.6
Hovnanian Enterprises Inc.	NYSE:HOV	1.81	42.4	267	2,360	2,148	81	3.8	1.1	N/M	N/M
KB Home	NYSE:KBH	12.33	70.8	1,135	3,413	2,842	151	5.3	1.2	23.1	22.6
Lennar Corporation	NYSE:LEN	48.91	87.3	10,015	16,483	9,112	1,135	12.5	1.8	15.1	14.5
MDC Holdings Inc.	NYSE:MDC	25.53	81.7	1,248	1,979	1,836	107	5.9	1.1	19.1	18.4
M/I Homes, Inc.	NYSE:MHO	21.92	81.2	540	1,174	1,317	106	8.0	0.9	11.9	11.1
Meritage Homes Corporation	NYSE:MTH	33.99	68.1	1,348	2,259	2,497	213	8.5	0.9	11.3	10.6
NVR, Inc.	NYSE:NVR	1,643.00	95.4	6,429	6,652	4,941	592	12.0	1.3	11.7	11.2
PulteGroup, Inc.	NYSE:PHM	17.82	76.3	6,222	7,741	5,743	754	13.1	1.3	10.9	10.3
Toll Brothers Inc.	NYSE:TOL	33.30	78.9	5,805	8,672	4,171	506	12.1	2.1	18.0	17.1
Median:			80.0%	\$2,969	\$5,033	\$2,721	\$280	9.9%	1.3x	13.6x	13.1x
Engineering & Construction Firms											
AECOM	NYSE:ACM	\$30.03	84.8%	\$4,547	\$8,693	\$17,990	\$1,020	5.7%	0.5x	20.6x	8.5x
ARCADIS NV	ENXTAM:ARCAD	20.16	59.2	1,671	2,361	3,484	248	7.1	0.7	15.7	9.5
Fluor Corporation	NYSE:FLR	47.22	75.8	6,687	5,766	19,199	1,216	6.3	0.3	5.6	4.7
Granite Construction Incorporated	NYSE:GVA	42.91	96.6	1,690	1,527	2,331	146	6.3	0.7	19.3	10.5
Jacobs Engineering Group Inc.	NYSE:JEC	41.95	86.9	5,163	5,364	12,115	593	4.9	0.4	12.0	9.0
Tutor Perini Corporation	NYSE:TPC	16.74	62.7	821	1,557	4,922	198	4.0	0.3	10.1	7.8
Skanska AB	OM:SKA B	19.52	78.6	8,024	8,087	17,971	663	3.7	0.4	17.0	12.2
SNC-Lavalin Group Inc.	TSX:SNC	29.64	86.8	4,439	3,674	7,285	342	4.7	0.5	14.0	10.7
Median:			81.7%	\$4,493	\$4,519	\$9,700	\$468	5.3%	0.5x	14.8x	9.3x

MONTHLY M&A DEAL BRIEFS — DECEMBER 2015

Date Announced	Target	Target Description	Acquiror
Distributors/Retailers			
12/29/15	Statewide Wholesale, Inc.	Colorado-based distributor of residential and commercial roofing and related products.	Beacon Roofing Supply, Inc. (Nasdaq:BECN)
12/24/15	NexGen Inc.	Lumberyard and building product companies (Minnesota Building Pro's, Webster Home Center, Britton Home Center, Truss Pro's and Precision Wall Systems) based in Minnesota and the Dakotas.	US LBM Holdings, LLC, a portfolio company of Kelso & Co.
12/21/15	Construction Resources, Inc.	Georgia-based fabricator, distributor and installer of specialty building products for homebuilders, general contractors and homeowners.	Monomoy Capital Partners
12/18/15	Parker's Building Supply	Texas-based distributor of hardware, paint, power tools, windows, doors, cabinetry, lumber and building materials to DIY consumers, remodelers and professional contractors.	US LBM Holdings, LLC, a portfolio company of Kelso & Co.
12/18/15	Roofing & Insulation Supply, Inc.	Texas-based distributor of residential and commercial insulation along with roofing and related products.	Beacon Roofing Supply, Inc. (Nasdaq:BECN)
12/13/15	Grand Equipment Company LLC	Michigan-based value-added distributor of a broad line of construction equipment providing new and used sales, rental, service and parts.	Blackford Capital LLC
12/7/15	JW Millwork, LLC	Michigan-based distributor of domestic and imported moulding products.	Cedar Creek LLC, a portfolio company of Charlesbank Capital Partners LLC
12/2/15	RCI Roofing Supply Company, Inc.	Nebraska-based distributor of building supplies and materials for residential and commercial projects.	Beacon Roofing Supply, Inc. (NasdaqGS:BECN)
Residential Product Manufacturers			
12/22/15	TREND Windows & Doors Pty Limited	Australian-based manufacturer and supplier of windows and doors.	JELD-WEN, Inc., a portfolio company of Onex Partners
12/18/15	Clarion Boards Inc. and Clarion Laminates LLC	Pennsylvania-based manufacturers of MDF/HDF and laminate flooring.	Kronospan Inc.
12/2/15	Elite Door & Trim, Inc.	Texas-based manufacturer of doors, hardware and trim products.	National Millwork Inc.
Commercial/Industrial Product Manufacturers			
12/21/15	Environmental Air Systems, Inc.	North Carolina-based mechanical contractor and custom-built HVAC equipment manufacturer for industrial, commercial and institutional customers.	Comfort Systems USA Inc. (NYSE:FIX)
12/21/15	NPI Holding Corp.	Illinois and Ohio-based manufacturer of wall panel solutions.	Stabilit America, Inc., a subsidiary of Grupo Verzatec, S.A. de C.V
12/18/15	J&J Industries, Inc.	Georgia-based designer and manufacturer of commercial carpets, broadlooms and tiles.	Engineered Floors LLC
12/15/15	Poly Foam Inc.	Minnesota-based manufacturer and supplier of expanded polystyrene products.	PFB Corporation (TSX:PFB)
Aggregates/Concrete Manufacturers			
12/9/15	Pennington Block Co., Inc.	Kentucky-based manufacturer of concrete and bricks.	Acme Block & Brick, Inc.
Lumber/Wood Product Manufacturers			
12/24/15	Millar Western Forest Products Ltd., Boyle operations	Alberta-based saw mill.	Northland Forest Products Ltd.
12/22/15	Bean Sawmill	Sawmill in Glenwood, Arkansas.	Caddo River Forest Products
12/21/15	Georgia-Pacific LLC, Engineered Lumber Production Facilities	Alabama and North Carolina-based engineered lumber facilities producing laminated veneer lumber and I-joists.	Boise Cascade Company (NYSE:BCC)
12/15/15	Joe N. Miles & Sons	Mississippi-based manufacturer and supplier of pine lumber.	Hood Industries, Inc.
12/9/15	Pardee & Curtin Timberlands LLC, Sawmill Located in Curtin	West Virginia-based saw mill.	Jim C Hamer Co.
Builders & Contractors			
12/16/15	John Wieland Homes and Neighborhoods, a portfolio company of Wheelock Street Capital	Georgia-based builder of move-up and luxury homes in the Southeast.	PulteGroup, Inc. (NYSE:PHM)
12/8/15	BioFoam of North Carolina, LLC	North Carolina-based installer of spray foam insulation for residential and commercial customers.	Installed Building Products, Inc. (NYSE:IBP)
12/3/15	R & R Painting Company Inc.	Ohio-based provider of paint contracting services.	Tim & Stacy Rich
Engineering & Construction Firms			
12/21/15	Kelchner, Inc.	Ohio-based provider of heavy/civil construction services.	Wood Group PSN, Inc., a subsidiary of John Wood Group PLC (LSE:WG.)
12/15/15	Specialized Energy Solutions, Inc., a subsidiary of Harper Construction Company, Inc.	California-based provider of engineering and construction of civil infrastructure and clean energy technologies.	CleanSpark LLC
12/15/15	Pogue Engineering & Development Company, Inc.	Texas-based provider of consulting, civil engineering and land surveying services.	Westwood Professional Services, Inc.
12/9/15	Merit Consultants International Inc.	British Columbia-based provider of project and construction management services.	Cementation Canada Inc.
12/7/15	J. L. Patterson & Associates, Inc.	California-based provider of engineering design, construction management and staff augmentation services.	Jacobs Engineering Group Inc. (NYSE:JEC)
12/3/15	The Infinity Group	Texas-based provider of a variety of construction services.	Wood Group PSN, Inc., a subsidiary of John Wood Group PLC (LSE:WG.)
12/3/15	Coombe-Bloxdorf P.C.	Illinois-based provider of engineering and land surveying solutions.	Fehr Graham & Associates, LLC

Source: S&P Capital IQ

HOUSING STARTS RISE IN NOVEMBER

Seasonally adjusted annual housing starts rose in November, increasing to 1,173,000, a 10.5% increase from October's upwardly revised rate of 1,062,000. November's rate was 16.5% above the November 2014 rate of 1,007,000.

Single-family housing starts increased to a seasonally adjusted annual rate of 768,000 in November, 7.6% higher than the October rate of 714,000. Single-family starts rose 14.6% on a year-over-year basis.

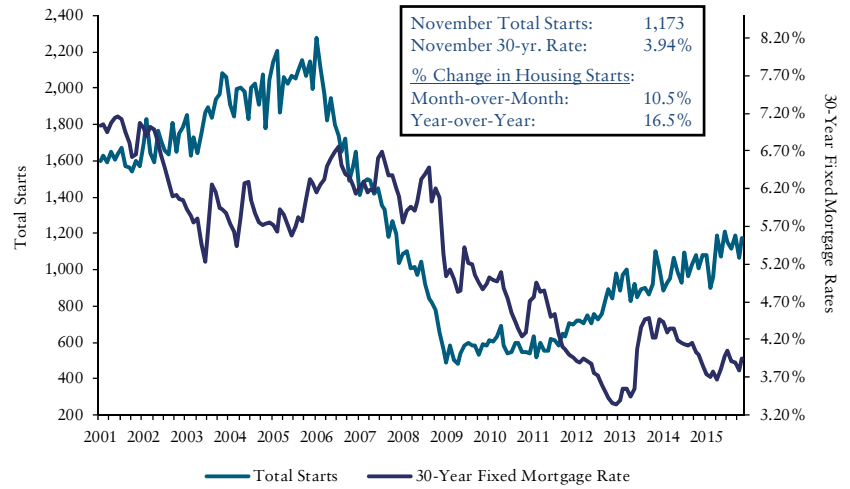
Multifamily starts increased to 405,000 starts, 16.4% higher than the upwardly revised October rate of 348,000. Total multifamily starts in November were up 20.2% year-over-year.

Housing starts increased on a month-over-month basis by 21.3% and 6.3% in the South and West regions, respectively, and declined 8.5% in the Northeast region. Housing starts held steady in the Midwest.

The national average weekly commitment rate for a 30-year conventional, fixed-rate mortgage rose to 3.94% in November. October's rate was 3.80%.

TOTAL HOUSING STARTS

(Seasonally Adjusted Annual Starts in Thousands)



	November	Month-over-Month % Change	Year-over-Year % Change
Total Starts	1,173	10.5%	16.5%
Single-Family	768	7.6%	14.6%
Multifamily	405	16.4%	20.2%

Source: U.S. Department of Commerce and Freddie Mac

HOUSING PERMITS INCREASE IN NOVEMBER

Seasonally adjusted annual housing permits rose 11.0% in November. Permits increased to 1,289,000 after registering an upwardly revised 1,161,000 in October. November's permits increased 19.5% on a year-over-year basis.

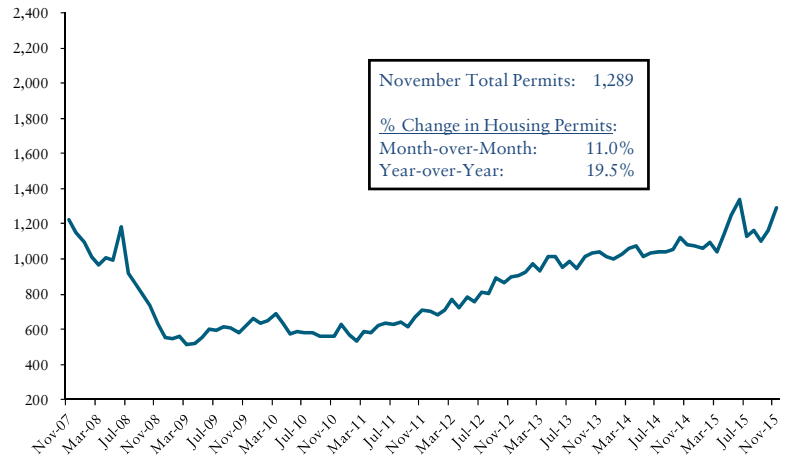
Permits for single-family houses rose to 723,000, a 1.1% increase from the upwardly revised October rate of 715,000. Single-family permits were 9.0% higher than the November 2014 rate of 663,000.

Multifamily permits increased in November, rising to 566,000, up 26.9% from the October rate of 446,000. Multifamily permits were 36.1% higher on a year-over-year basis.

On a monthly basis, permits increased by 22.0%, 5.6% and 21.7% in the Midwest, South and West, respectively, and held steady in the Northeast.

TOTAL HOUSING PERMITS

(Seasonally Adjusted Annual Permits in Thousands)



	November	Month-over-Month % Change	Year-over-Year % Change
Total Permits	1,289	11.0%	19.5%
Single-Family	723	1.1%	9.0%
Multifamily	566	26.9%	36.1%

Source: U.S. Department of Commerce

NEW HOME SALES RISE IN NOVEMBER

New home sales increased in November to a seasonally adjusted rate of 490,000, 4.3% higher than October's downwardly revised rate of 470,000. New home sales were up 9.1% on an annual basis.

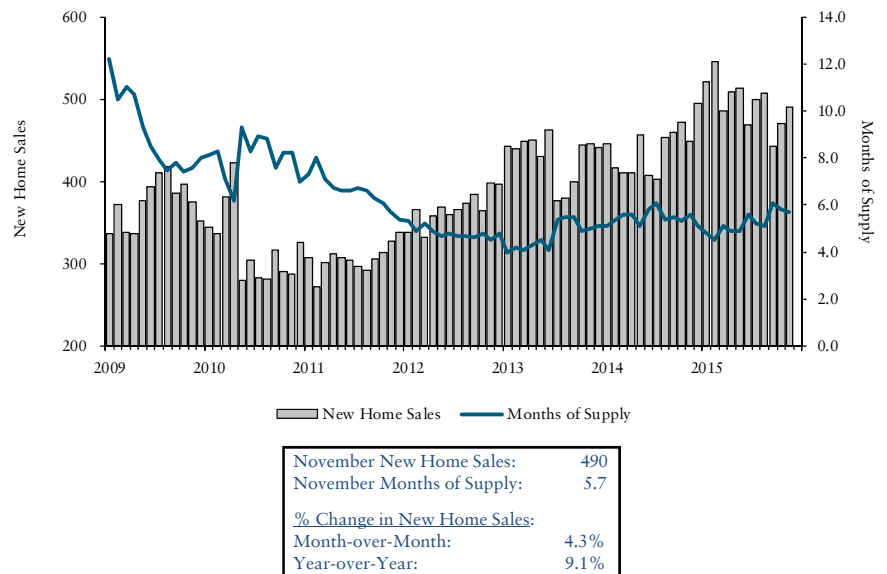
On a monthly-basis, new home sales rose 4.5% and 20.5% in the South and West, respectively, and dropped 28.6% and 8.6% in the Northeast and Midwest, respectively.

The estimate of new houses on the market at the end of November was 232,000, representing 5.7 months of supply at the current sales rate.

The median price of new homes sold in November was \$305,000, an increase from the October median of \$281,500. Unlike existing home sales, which are recorded at closing, new home sales are recorded at contract signing and do not reflect cancellations.

NEW HOME SALES & MONTHS OF SUPPLY

(Seasonally Adjusted Annual Sales in Thousands)



Source: U.S. Department of Commerce

EXISTING HOME SALES FALL IN NOVEMBER

Existing home sales decreased in November to 4.76 million from 5.32 million in October. November's sales rate was 10.5% below October's rate and 3.8% lower than the November 2014 rate of 4.95 million.

Distressed home sales accounted for 9.0% of sales in November, up from October. All-cash sales accounted for 27.0% of transactions in November, up from 24.0% in October.

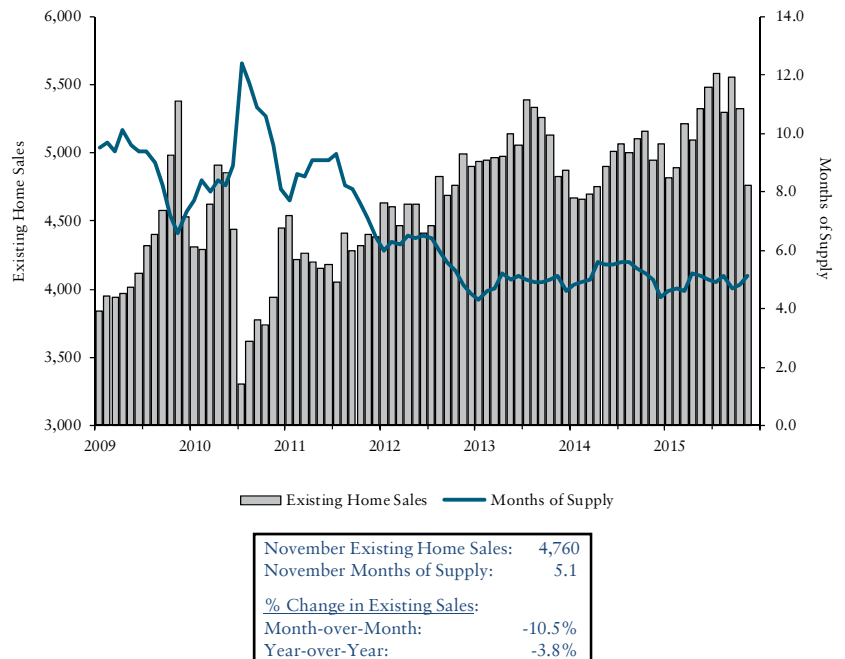
Existing home sales fell 9.2%, 15.4%, 6.2% and 13.9% in the Northeast, Midwest, South and West, respectively.

Total housing inventory decreased to 2.04 million units in November, representing a 5.1 month supply of inventory at the current sales pace.

The national median existing home price rose to \$220,300 in November. November's median price rose 6.3% compared to November 2014.

EXISTING HOME SALES & MONTHS OF SUPPLY

(Seasonally Adjusted Annual Sales in Thousands)



Source: National Association of Realtors

NOVEMBER REGIONAL HOUSING SUMMARY

(Seasonally Adjusted Amounts in Thousands)

	Northeast	Midwest	South	West	Total
Housing Starts	130	174	615	254	1,173
Month-Over-Month % Change	-8.5%	0.0%	21.3%	6.3%	10.5%
Year-Over-Year % Change	21.5%	1.2%	35.5%	-7.3%	16.5%
Housing Permits	131	211	627	320	1,289
Month-Over-Month % Change	0.0%	22.0%	5.6%	21.7%	11.0%
Year-Over-Year % Change	-3.0%	47.6%	21.0%	13.1%	19.5%
New Home Sales	25	53	277	135	490
Month-Over-Month % Change	-28.6%	-8.6%	4.5%	20.5%	4.3%
Year-Over-Year % Change	9.1%	-13.8%	-10.2%	19.4%	9.1%
Existing Home Sales	690	1,100	1,980	990	4,760
Month-Over-Month % Change	-9.2%	-15.4%	-6.2%	-13.9%	-10.5%
Year-Over-Year % Change	1.5%	-2.7%	-5.7%	-4.8%	-3.8%

HOUSING AND MORTGAGE RATE FORECAST

(As of 12/31/15)

(Starts and Home Sales in Thousands)

	2010	2011	2012	2013	2014	2015(E)	2016(P)	2017(P)	15-Year Average
Total Starts	586	612	784	928	1,001	1,108	1,257	1,521	1,219
% Change	5.7%	4.5%	28.1%	18.4%	7.8%	10.7%	13.4%	21.0%	
Single-Family Starts	471	434	537	620	647	711	840	1,089	917
% Change	6.6%	-7.9%	23.6%	15.5%	4.3%	9.9%	18.2%	29.6%	
Multifamily Starts	114	178	247	308	354	397	417	433	302
% Change	2.2%	55.7%	38.9%	24.8%	14.8%	12.3%	4.9%	3.8%	
New Single-Family Home Sales	321	306	368	430	440	496	607	802	669
% Change	-14.2%	-4.6%	20.0%	16.9%	2.3%	12.8%	22.4%	32.1%	
Existing Single-Family Home Sales	3,705	3,793	4,125	4,473	4,334	4,576	4,550	4,809	4,716
% Change	-4.2%	2.4%	8.8%	8.4%	-3.1%	5.6%	-0.6%	5.7%	
30-Year Fixed-Rate Mortgage	4.69%	4.46%	3.66%	3.98%	4.17%	3.87%	4.47%	5.28%	5.06%

Source: National Association of Home Builders, National Association of Realtors and Freddie Mac

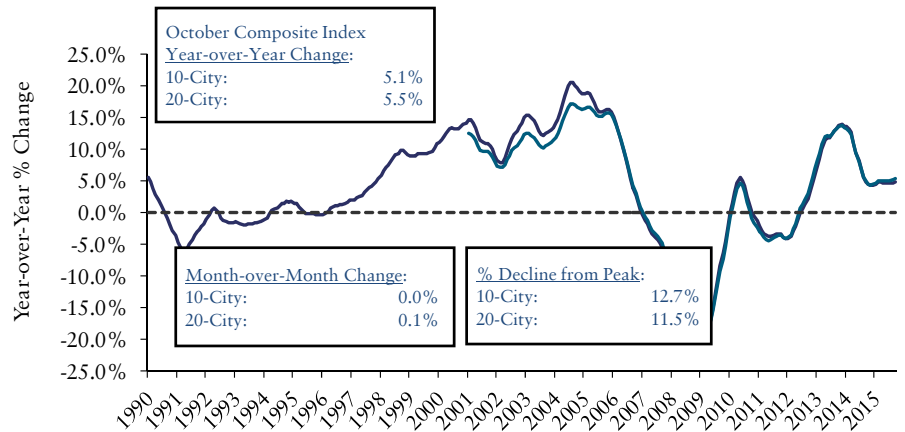
HOME PRICES RISE IN OCTOBER

Home prices rose on both a month-over-month basis and annual basis in October. On a monthly basis, the 20-City Index reported gains of 0.1% while the 10-City Index held steady. On an annual basis, the 10-City Index increased 5.1% and the 20-City Index rose 5.5%. For the 23rd straight month, all 20 metro areas experienced year-over-year growth. Ten metro areas also experienced month-over-month growth.

San Francisco, Denver and Portland posted the highest year-over-year gains, with all rising 10.9%. The most significant monthly gains occurred in Miami, San Francisco and Tampa, which increased by 0.7%, 0.6% and 0.7%, respectively.

The S&P/Case-Shiller® Home Price Indices are considered to be a superior gauge of single-family home prices compared with the median sales-price data released by the Commerce Department or National Association of Realtors, because they track multiple sales of the same property and are therefore not influenced by changes in the mix of homes sold. The 10-City Composite is a value-weighted average of the 10 original metro indices. Data for the 20-City Composite was not tracked prior to January 2000.

S&P/CASE-SHILLER® HOME PRICE INDICES



Metropolitan Area	Composite-10 City		Metropolitan Area	Composite-20 City	
	Year-over-Year % Change	Month-over-Month % Change		Year-over-Year % Change	Month-over-Month % Change
Atlanta	6.1%	-0.2%	Miami	8.0%	0.7%
Boston	5.1%	0.0%	Minneapolis	4.0%	-0.1%
Charlotte	4.7%	0.3%	New York	3.1%	-0.1%
Chicago	1.3%	-0.7%	Phoenix	5.7%	0.5%
Cleveland	2.2%	-0.4%	Portland	10.9%	0.5%
Dallas	9.3%	0.4%	San Diego	6.2%	-0.3%
Denver	10.9%	0.4%	San Francisco	10.9%	0.6%
Detroit	5.3%	-0.2%	Seattle	8.8%	0.5%
Las Vegas	5.7%	0.0%	Tampa	6.3%	0.7%
Los Angeles	6.2%	0.1%	Washington	1.7%	-0.3%

Source: Standard & Poor's

BUILDER CONFIDENCE DROPS IN DECEMBER

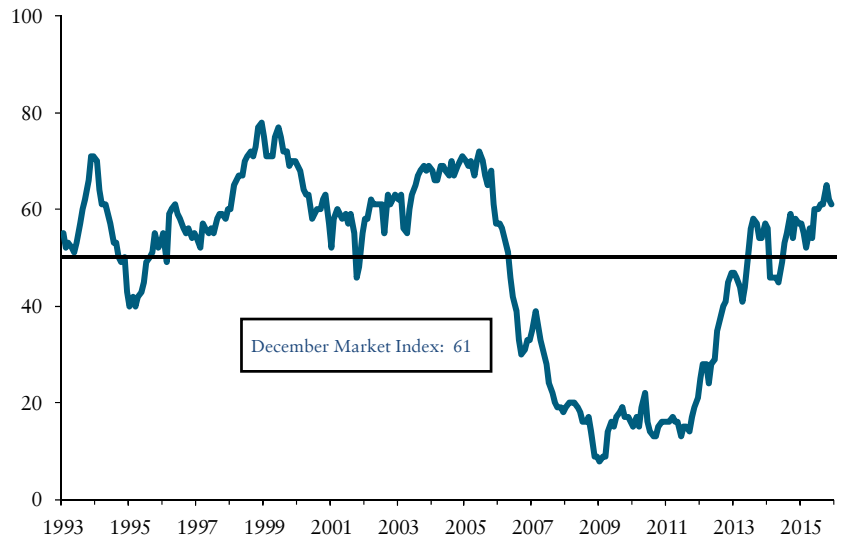
NAHB's single-family Housing Market Index (HMI) registered 61 in December, one point below November's mark.

The component that gauges current sales conditions fell one point from November's mark of 67, the component that gauges sales for the next six months decreased from 69 to 67, and the component that gauges traffic of prospective buyers fell two points to 46.

The three-month moving average experienced increases in the West and Northeast. The West rose three points to 76 and the Northeast rose one point to 50. The Midwest and South decreased to 58 and 64, respectively.

The HMI reflects builders' current sentiment of the market based on current and projected new home sales and current traffic levels of prospective home buyers. Ratings higher than 50 indicate more positive or good responses from builders. Historically, builder sentiment tends to contract by a greater margin than actual sales and production activity.

NAHB HOUSING MARKET INDEX



Source: National Association of Home Builders

STABLE SPENDING EXPECTED FOR REMODELING

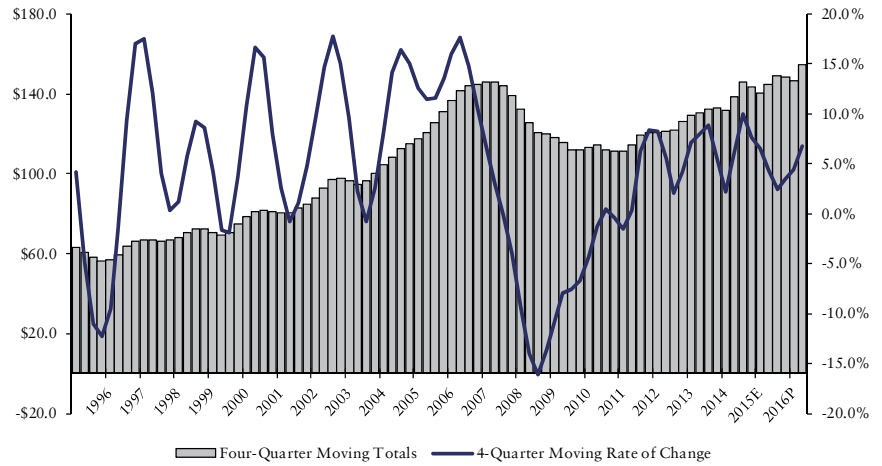
Home improvement spending is expected to rise moving forward into 2016 as the broader housing market continues its recovery. The Leading Indicator of Remodeling Activity (LIRA) projects 3.4% year-over-year growth in homeowner improvement spending in the fourth quarter of 2015.

The LIRA estimates that remodeling spending for the four quarters ended September 2015 was \$149.1 billion, representing a 2.4% increase compared to the four-quarter period ended September 2014. The LIRA projects the four-quarter moving totals to rise 3.4% in the fourth quarter of 2015, as well as 4.4% and 6.8% in the first and second quarters of 2016, respectively.

The LIRA measures and projects only a portion of the U.S. home improvement market, namely spending by homeowners on property improvements. Other components of the broader market—spending by homeowners on maintenance and repairs, spending on improvements and maintenance and repairs for rental and vacation property—are not included in the LIRA figures. The LIRA is released quarterly (April, July, October and January) by the Joint Center’s Remodeling Futures Program.

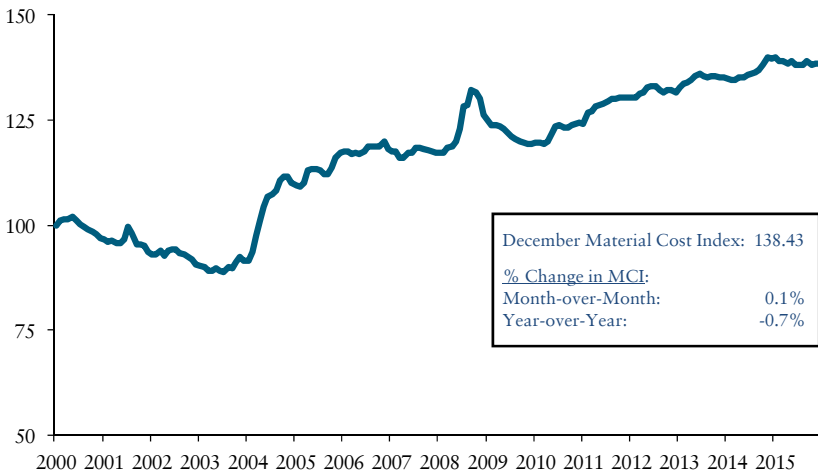
THE LIRA REMODELING ACTIVITY INDICATOR

(As of October 2015, Next Release in January 2016, \$ in Billions)



Source: Joint Center for Housing Studies

ENR MATERIAL COST INDEX



Source: Engineering News Record

Component 20-City Averages

	December	Month-over-Month % Change	Year-over-Year % Change
Cement (\$/Ton)	\$114.72	-0.8%	-1.4%
Steel (\$/CWT)	\$49.58	0.0%	-1.4%
Lumber (\$/MBF)	\$474.06	0.4%	1.0%

The Engineering News Record (ENR) Material Cost Index (MCI) is a weighted aggregate index of the prices of constant quantities of portland cement, structural steel and lumber. These particular materials were chosen because of their predominant use in construction and their stable relationship to the nation’s economy and price structure.

ENR has been collecting and publishing its price data on 75 different building materials for over 50 years. The price data is collected locally from 20 major U.S. cities and the prices are quoted from the same suppliers each month. ENR computes its latest indexes from these figures on a monthly basis. The indexes are not seasonally adjusted. As presented in the chart, the ENR MCI has been adjusted to reflect 2000 = 100.

ARCHITECTURAL BILLINGS FALLS IN NOVEMBER

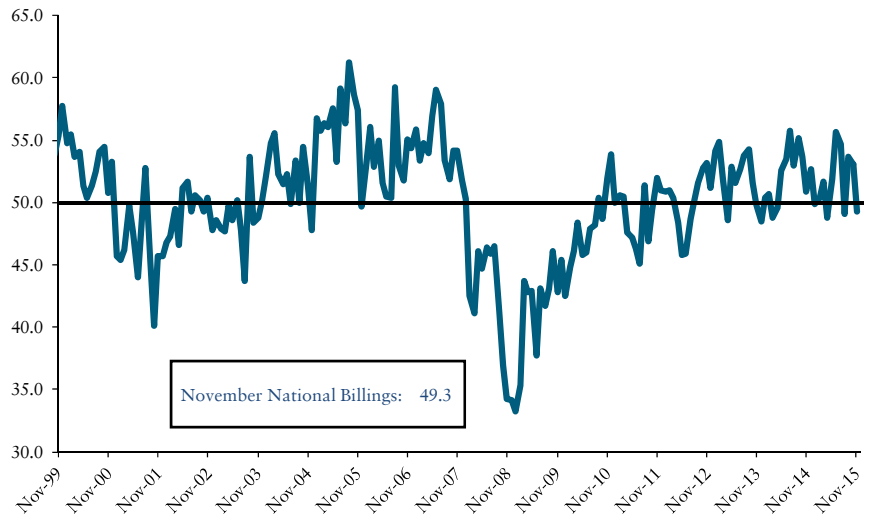
The AIA's Architecture Billings Index (ABI) was 49.3 for the month, falling below October's score of 53.1. New project inquiries increased 0.1 points to a score of 58.6 for the month. Design contracts rose 1.8 points to a score of 53.5.

The residential sector increased 1.3 points to 53.8 and the institutional sector increased 0.6 points to 52.0. The mixed sector decreased 7.3 points to 47.6 and the commercial/industrial sector fell 4.1 points to 51.0.

The Northeast region fell 3.0 points to 46.2 and the Midwest fell 4.8 points to 47.8. The South fell 0.8 points to 55.4 and the West rose 0.1 points to 54.5.

The ABI shows an approximate nine to twelve month lag time between architecture billings and construction spending. Economists consider the ABI a leading indicator that provides a glimpse into the future of non-residential construction activity. All data is seasonally adjusted. Regional and sectorial indexes are three-month moving averages due to small sample size. If an equal share of firms report an increase as report a decrease, the score for that month will be 50. A score above 50 indicates that firms in aggregate are reporting an increase in activity that month compared to the previous month, while a score below 50 indicates that firms are reporting a decrease in activity.

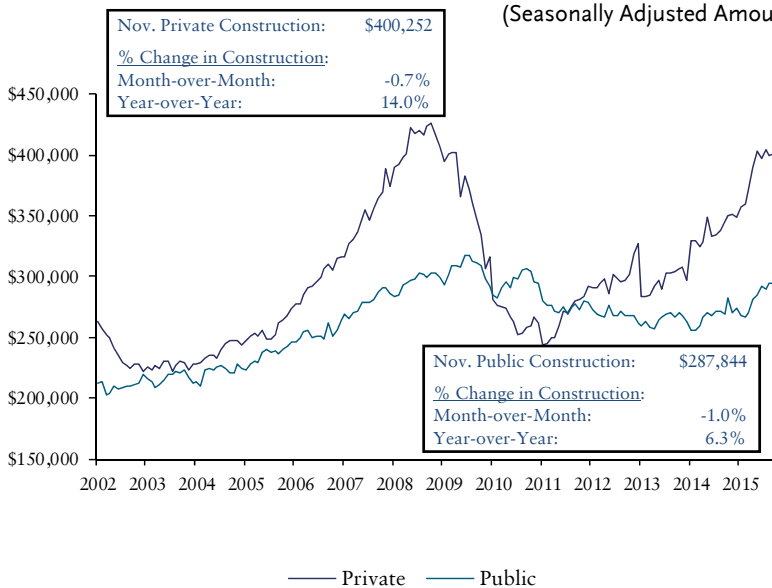
AIA ARCHITECTURAL BILLINGS INDEX



Source: American Institute of Architects

NON-RESIDENTIAL CONSTRUCTION PUT-IN PLACE

(Seasonally Adjusted Amounts in Millions)



	November	Month-over-Month % Change	Year-over-Year % Change
Total Nonresidential	\$688,096	-0.8%	10.6%
Private	400,252	-0.7%	14.0%
Public	287,844	-1.0%	6.3%
Lodging	22,230	-1.1%	23.8%
Office	59,104	1.6%	25.7%
Commercial	69,137	-1.1%	11.2%
Healthcare	40,685	-0.1%	4.2%
Educational	89,948	3.9%	16.2%
Religious	3,389	-3.8%	-2.5%
Public Safety	8,889	-8.1%	-3.2%
Amusement and Recreation	20,797	-2.1%	17.2%
Transportation	45,340	0.2%	2.3%
Communication	21,873	4.4%	41.4%
Power	86,452	-1.1%	-8.3%
Highway and Street	91,067	-1.4%	4.2%
Sewage and Waste Disposal	23,802	-4.8%	-0.3%
Water Supply	13,029	-7.2%	-1.9%
Conservation and Development	8,237	-4.9%	0.5%
Manufacturing	84,117	-4.2%	37.7%

Source: U.S. Department of Commerce



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