

## Unstoppable and Unsupportable

12/01/13 Penns Park, PA - The DOW just passed 1600 and everyone's talking about 1700 as a near-term milestone. I can't buy it. Despite all the hype about a recovering housing market there's nothing out there that would suggest that new home construction activity will be on an upswing next year with particular emphasis on new detached single family homes. At best production builder stock's will be at the same level a year from now.

Yes the multi-family market is on a tear and there's money to be made, but most of the business is for expensive luxury units. When the market runs out of high-end buyers it will see a glut of unsold units.

The most robust area of sales in America is automobiles. The problem with using that as an indicator of consumer sentiment is that it is a rigged statistic. We buy expensive handbags, watches, designer jeans and the like when we have the extra cash. Unfortunately in today's world less than half of the people getting into new cars are buying them. The leasing business has fueled a perpetual marketing machine that functions regardless of need or desire. Families are foregoing mortgage payments but not their auto lease payments. If you want to survive you need a paycheck and for a good part of America to get that weekly pay stub you need to show up at work. That puts car payments in front of every other payment. Since more and more people are leasing cars they are now on a treadmill that mandates a new car lease every two or three years. America's sales numbers are up because American's are hooked on cars like an addict on crack.

New home sales will be going nowhere next year largely because most of middle America can't get a mortgage. Certainly the 10 million households toying with or having had a foreclosure do not qualify. The 20 million baby-boomer households have seen their asset base shrink and are trying to figure out how to manage in their later years (definitely not McMansion purchasers). Since our politicians have refused to address exorbitant college loan interest rates we have another ten or so million people up to their ears in debt seeing no light at the end of a very long tunnel.

With civil order disappearing in long established countries, shaken economies far from recovery, stable economies suffering a decade of stagnation we are on a very long path back to normalcy if that is even possible. The world's economic future is as fragile as its environmental future. Tough going ahead!

The Fed keeps talking about rate hikes. I don't see it as being possible. I do see oil sinking to below \$90 per barrel, gas prices dropping, energy becoming an export product, and Gold down to near 1200. I see more lay-offs as corporations continue to decimate their workforces so that the guys at the top can score record pay packages. Everyone in brick & mortar sales better watch out because mobile marketing is unstoppable and in time your big-box store will be a medical center.

All of this gets back to the very thing we created at AmeriSus which was a model for creating smaller, affordable eco-homes with the goal of enabling homeowners and even tenants to minimize their monthly housing cost so that they had more cash left over at the end of the month. To make our homes even more affordable, in the months ahead we will be launching our Conturrent™ eco-lighting system which is more affordable and more efficient than anything that exists in today's markets.

It is going to be a rather dull 2014. Start your downsizing now and prepare for the worst. If I'm wrong you will be better positioned for that robust economy Wall Street keeps talking about.

Charlie Kamps  
Non-Executive Chairman - AmeriSus