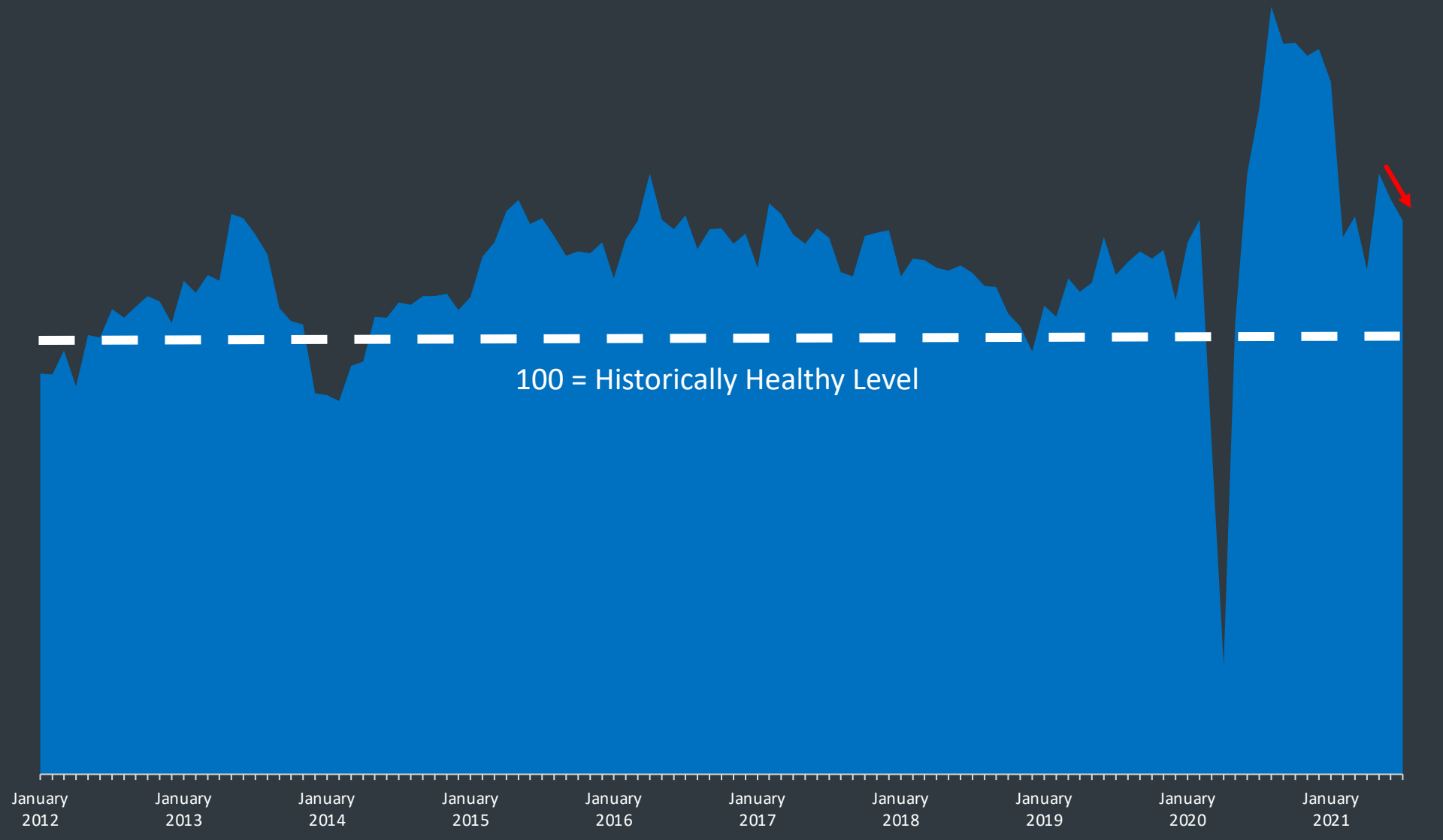
KEEPING CURRENT MATTERS

SEPTEMBER 2021

PENDING Home Sales

Since 2012



NAR

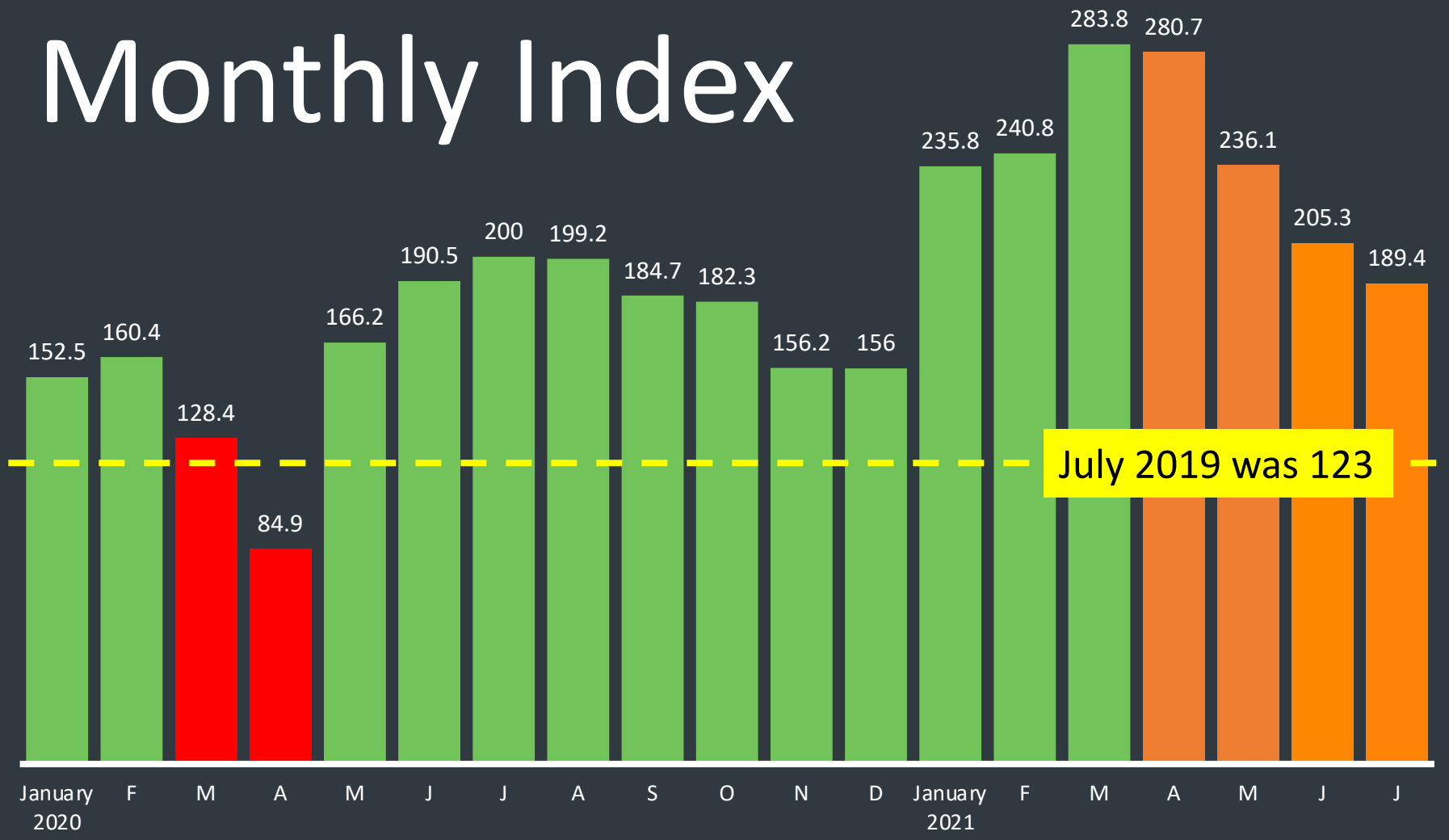
“We are seeing some signs of softening in the housing market, ***but context is important here***…

We’re still very much in a sellers’ market, but we are seeing some early signs of softening.”

Odeta Kushi

Deputy Chief Economist, First American

ShowingTime's Monthly Index

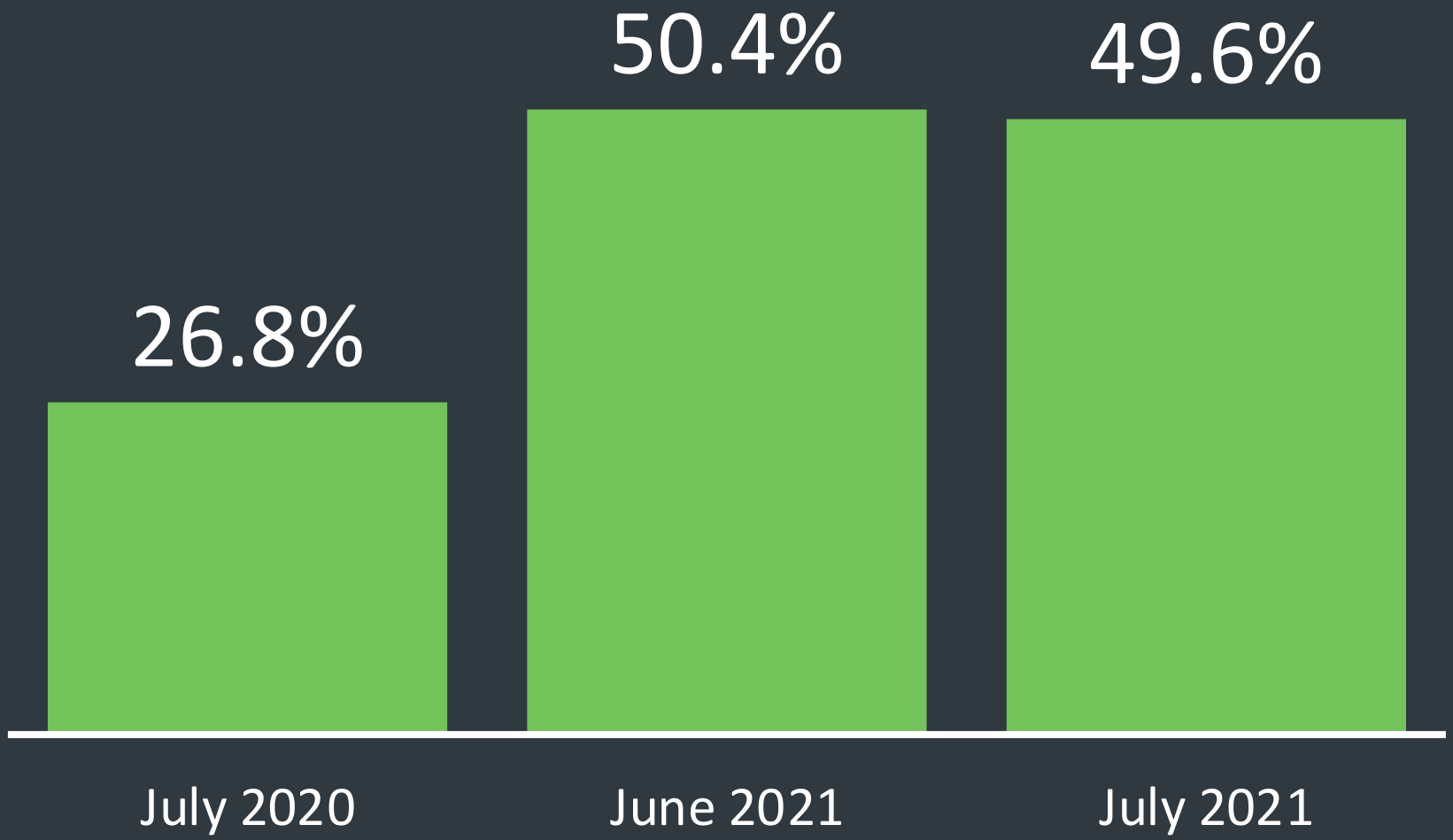


“The U.S. housing market continues to be ultra-competitive even as new COVID cases surge, but new data shows the level of competition - and ensuing price increases - may be cooling off just slightly. Data shows that 49.6% of homes sold for more than the initial list price in July - far ahead of the number reported in July 2020, when 26.8% of homes were sold above initial asking price, but below June’s total when 50.4% of homes sold for more than initially listed.”

OJO Labs

Real Estate Technology Firm

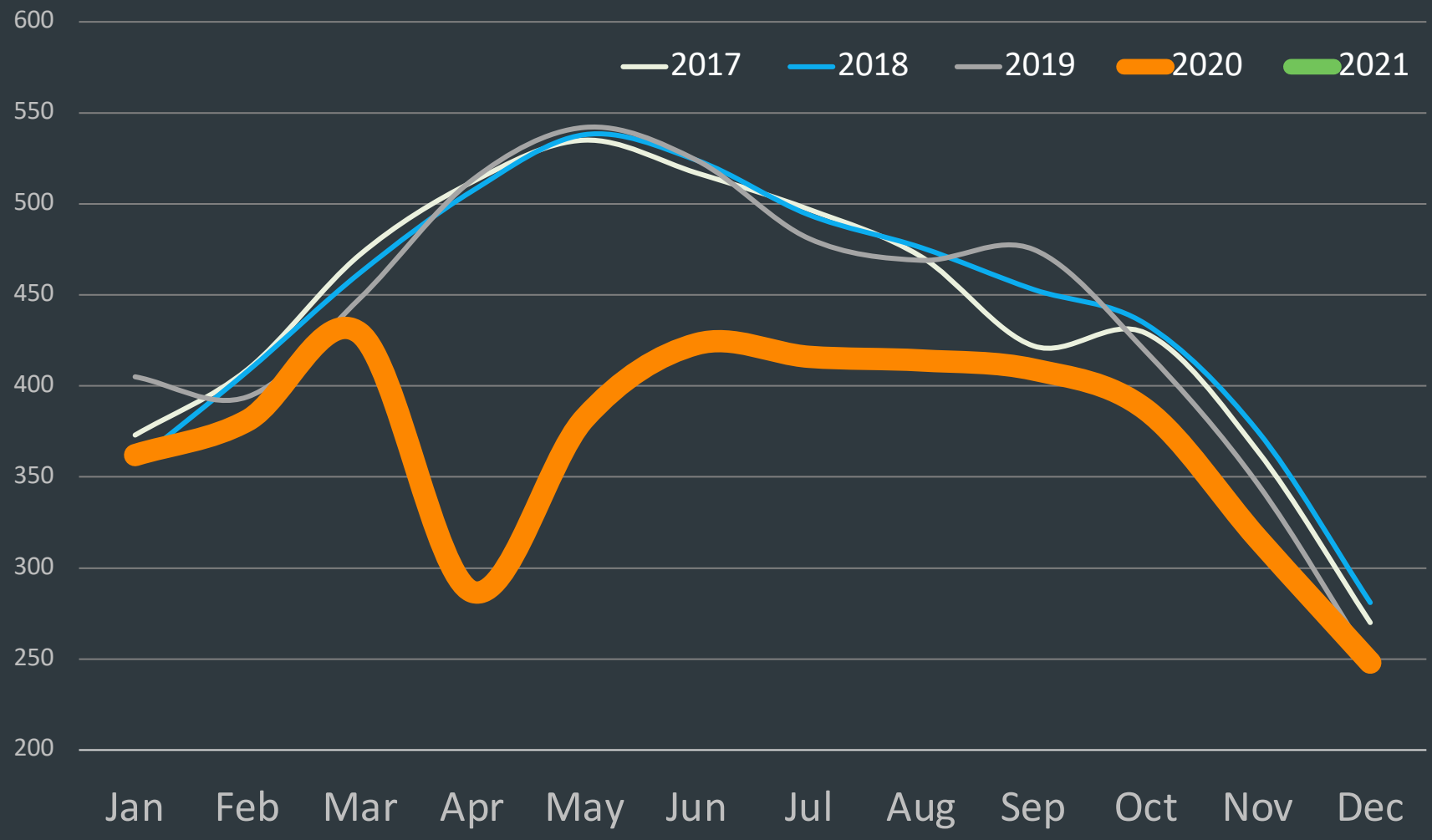
Percentage of Homes Selling over List Price



OJO Labs

New Monthly Listing Counts 2017-2021

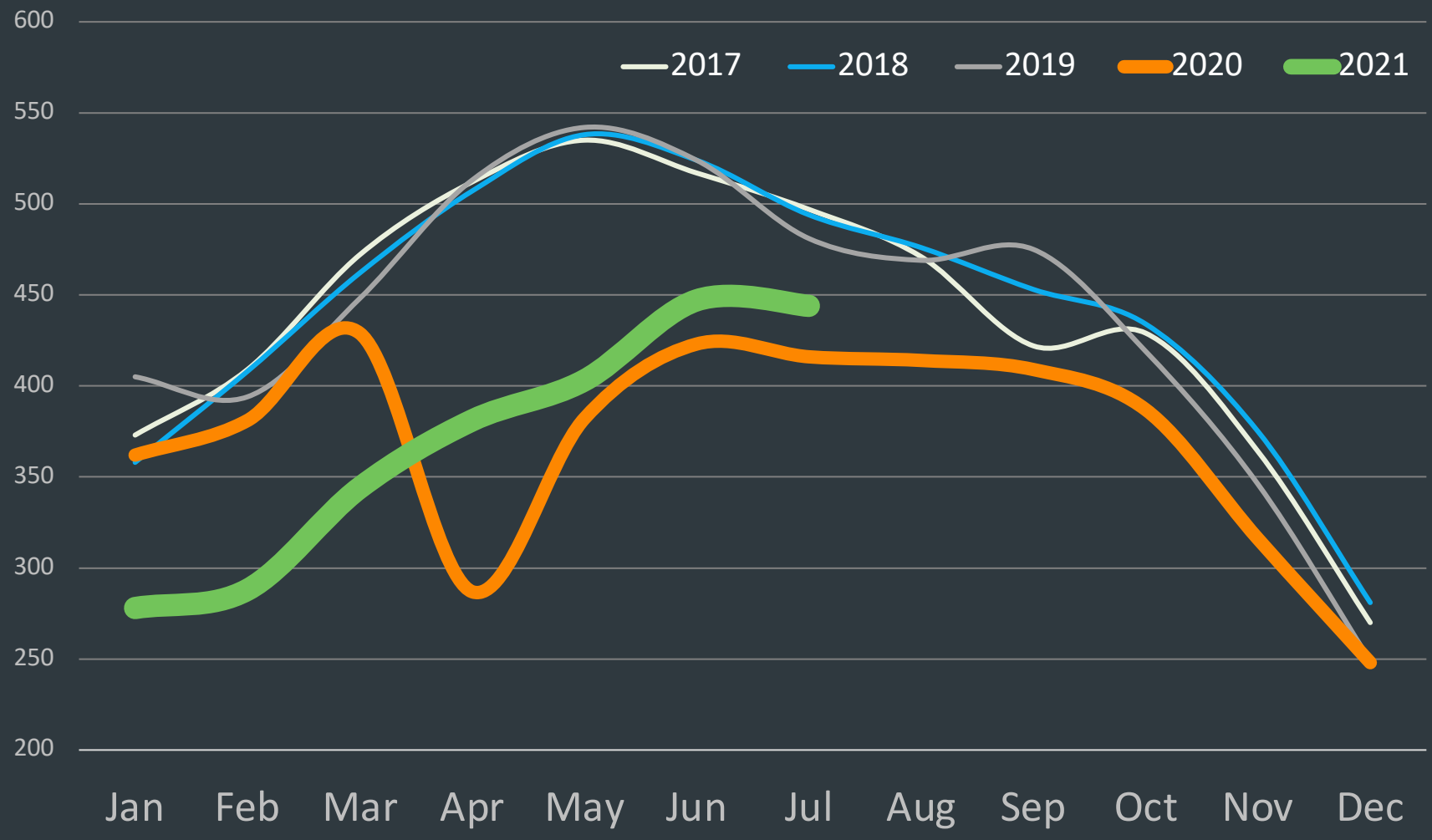
in thousands



realtor.com

New Monthly Listing Counts 2017-2021

in thousands



realtor.com

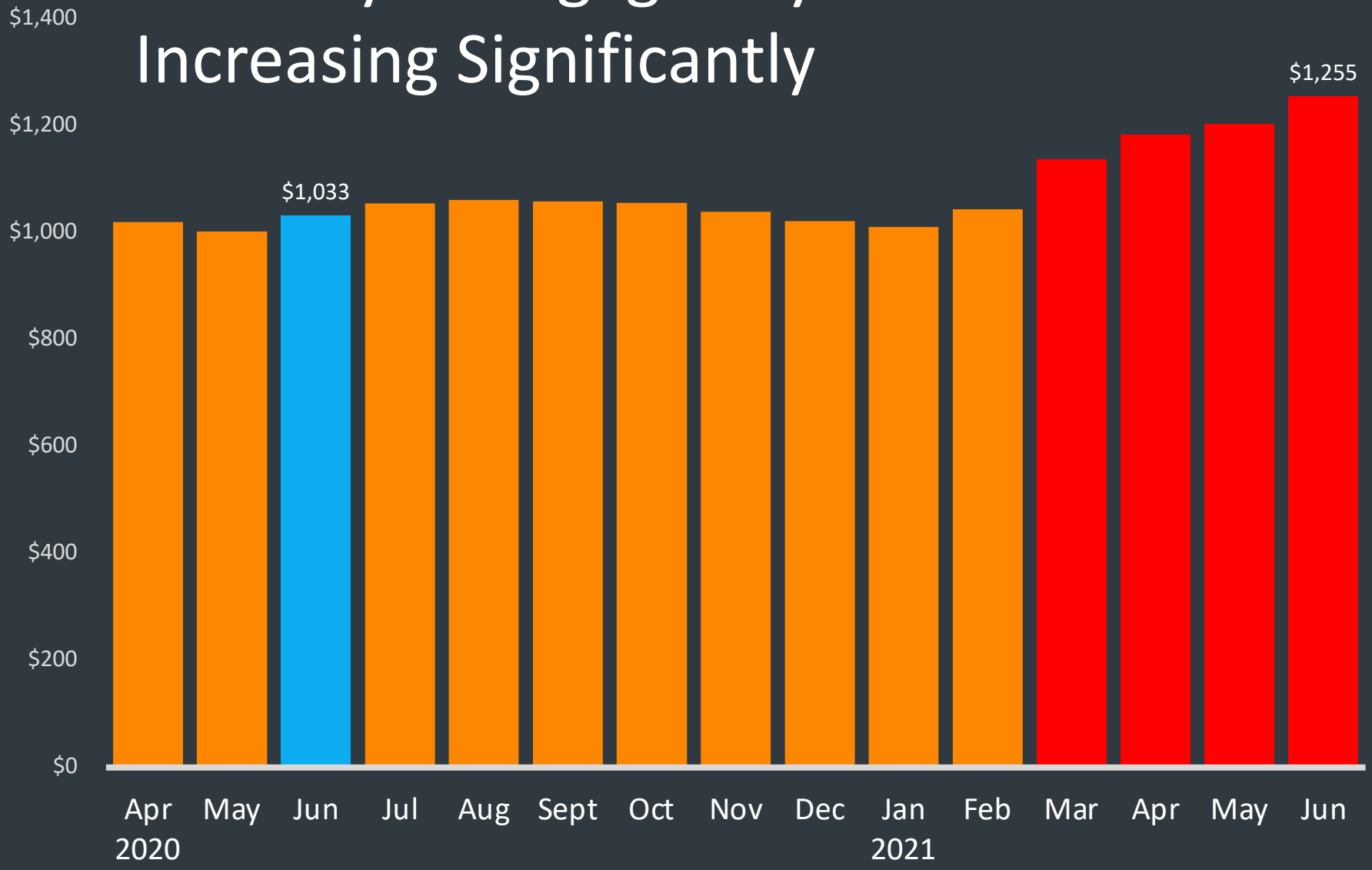
“If these changing inventory dynamics continue, we could see a wave of real estate activity heading into the latter part of the year.”

Danielle Hale

Chief Economist, realtor.com

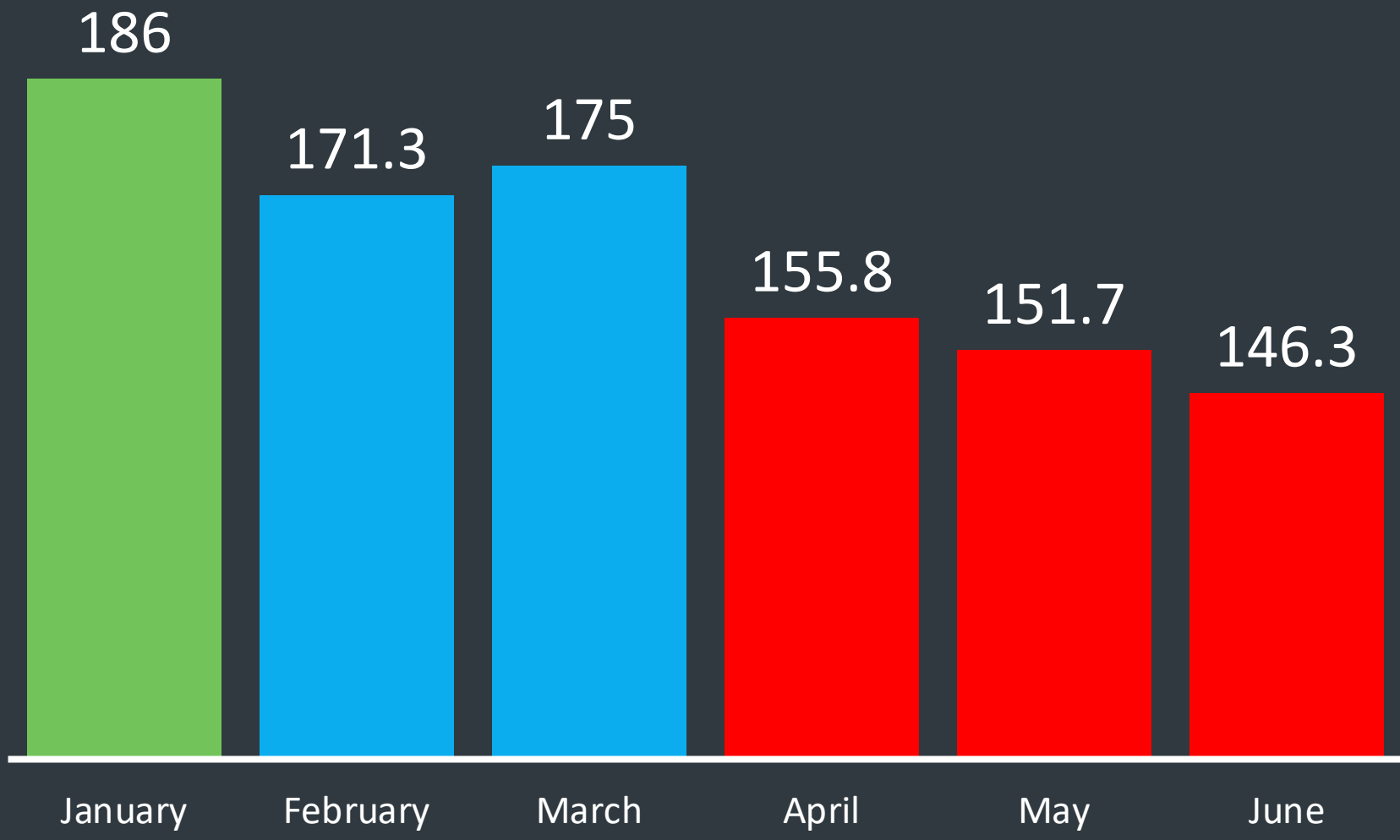
Affordability

Monthly Mortgage Payment Increasing Significantly



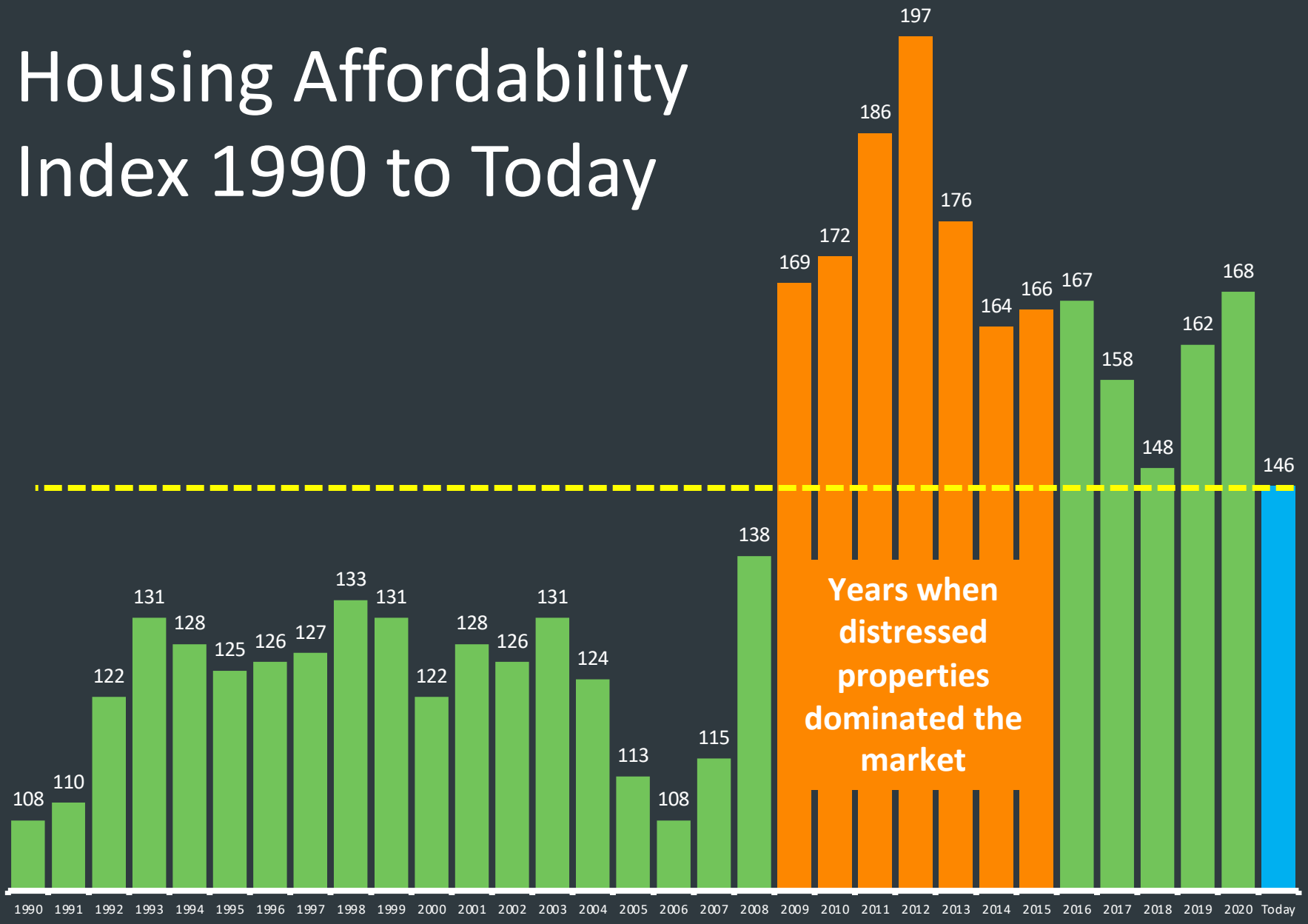
NAR

Affordability Continues To Decrease



NAR

Housing Affordability Index 1990 to Today

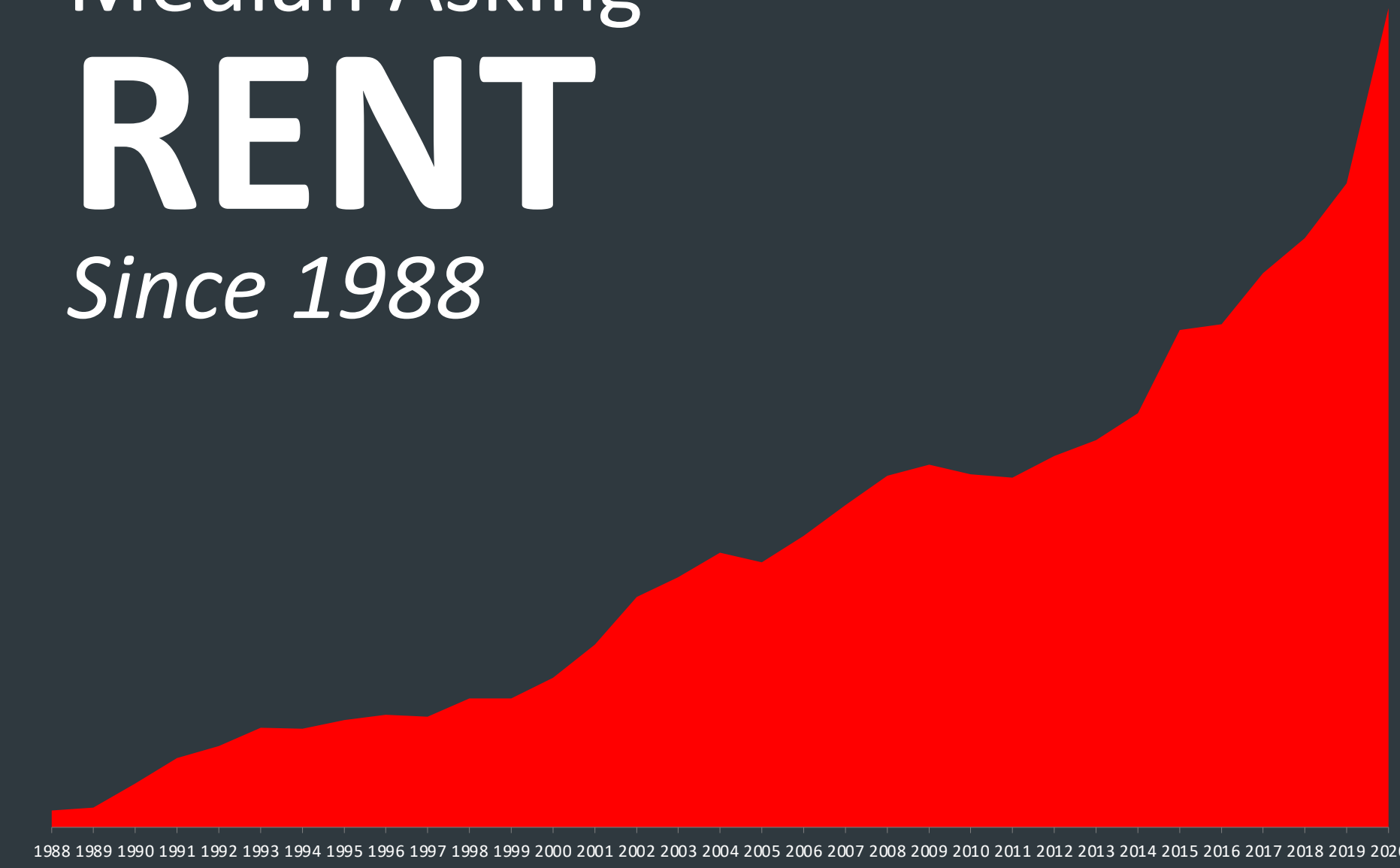


NAR

Median Asking

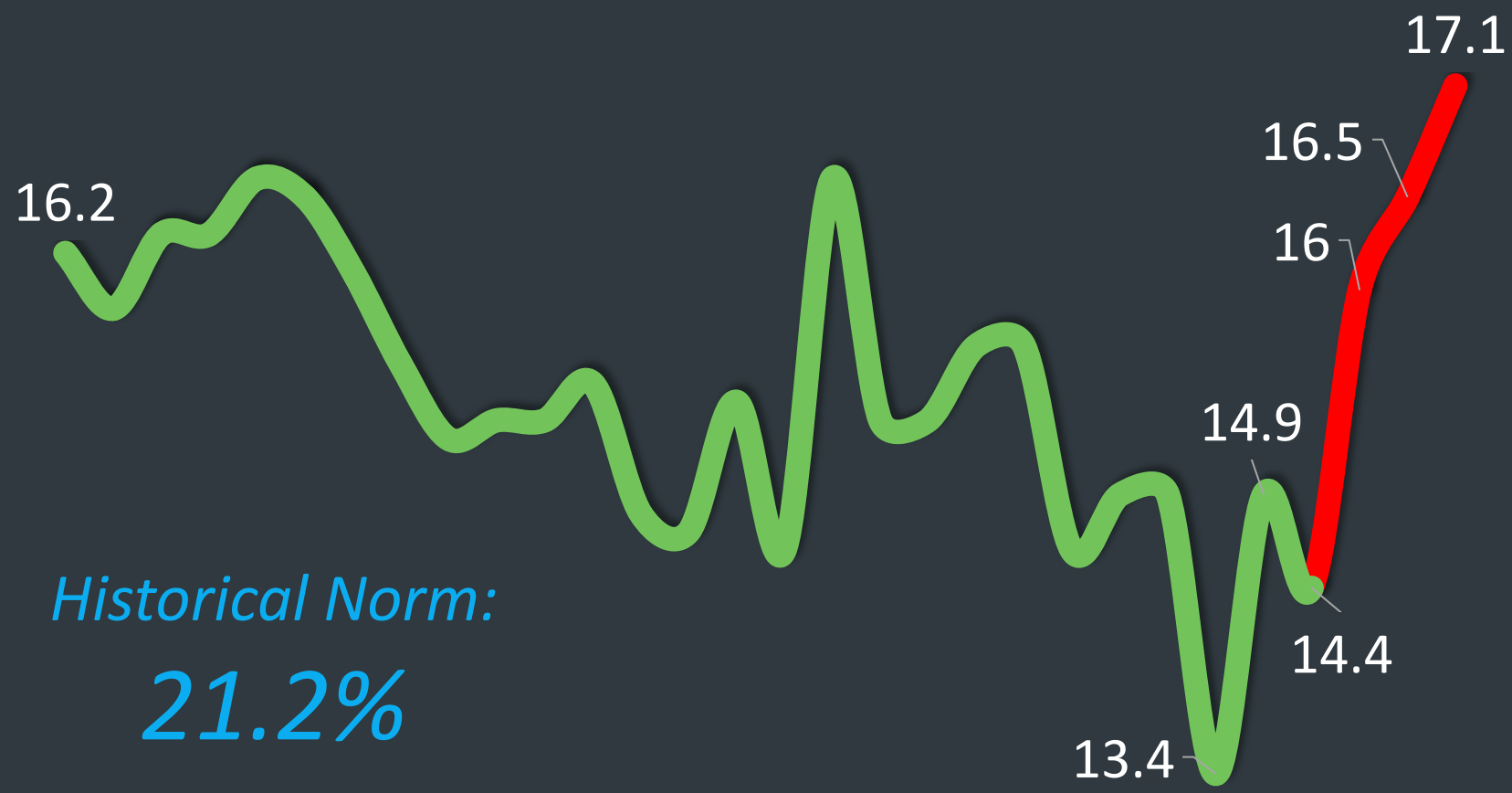
RENT

Since 1988



Census

Percentage of Income Needed for a Mortgage Payment Increasing as Home Prices Continue To Climb



NAR

Freddie Mac:

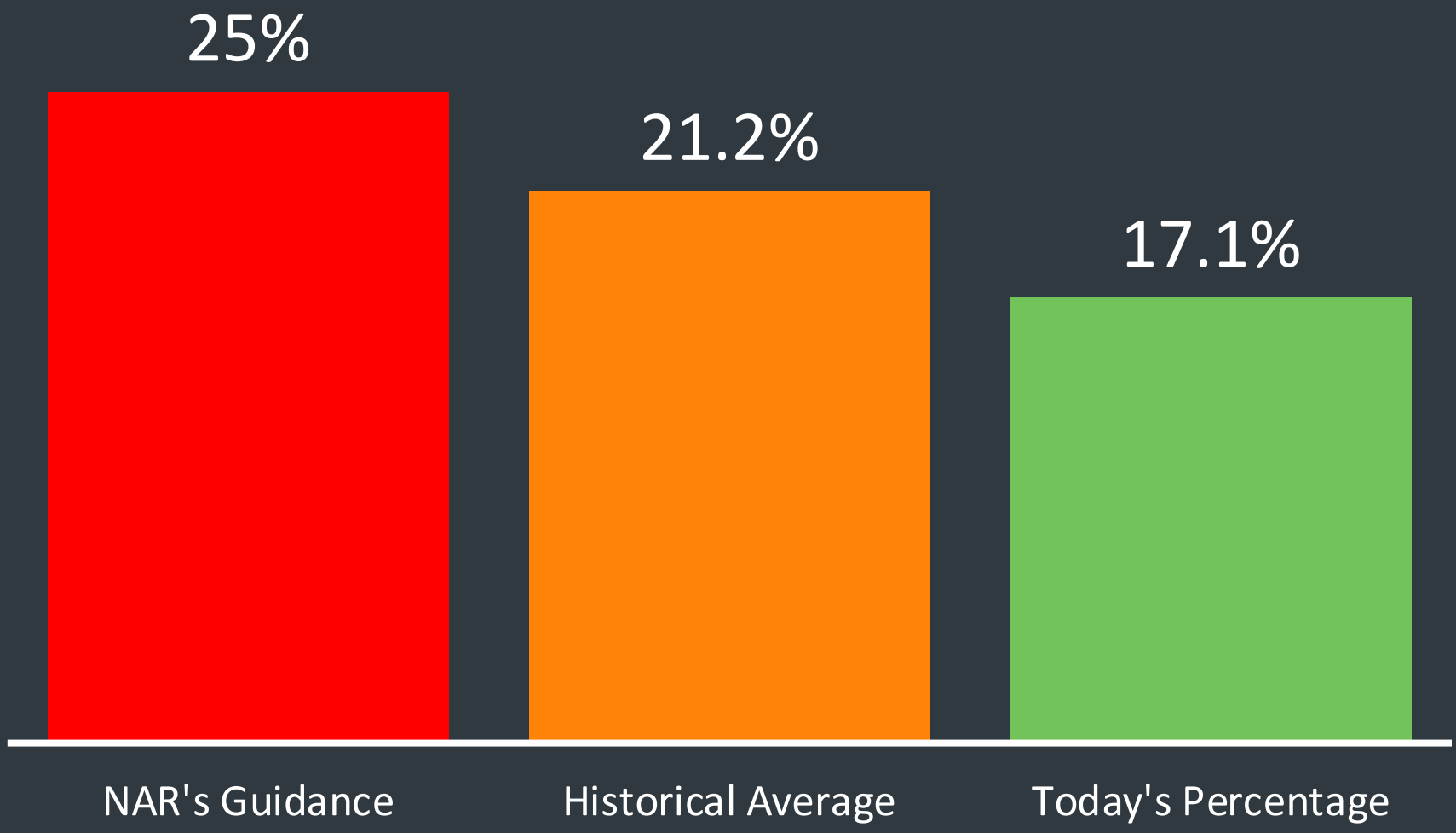
Essential Guide to Creating a Homebuying Budget

*"Most lenders agree that you should spend **no more than 28%** of your gross monthly income on a mortgage payment (including principal, interest, taxes and insurance)."*

National Association of Realtors (NAR):

*"**The 25% mortgage payment to income share** takes into consideration that a homeowner has other expenses such as property insurance, taxes, utilities, and maintenance, so that total housing expenses are no more than 30% of income. Housing costs are not burdensome if they account for no more than 30% of income."*

Mortgage Payment as a Percentage of Income



NAR

Homes are less affordable,

not unaffordable.

5 Reasons Today's Housing Market *Is Anything but Normal*

Normal *adjective*

: conforming to a type, standard, or regular pattern : characterized by that which is considered usual, typical, or routine

Merriam-Webster Dictionary

1. Mortgage Rates

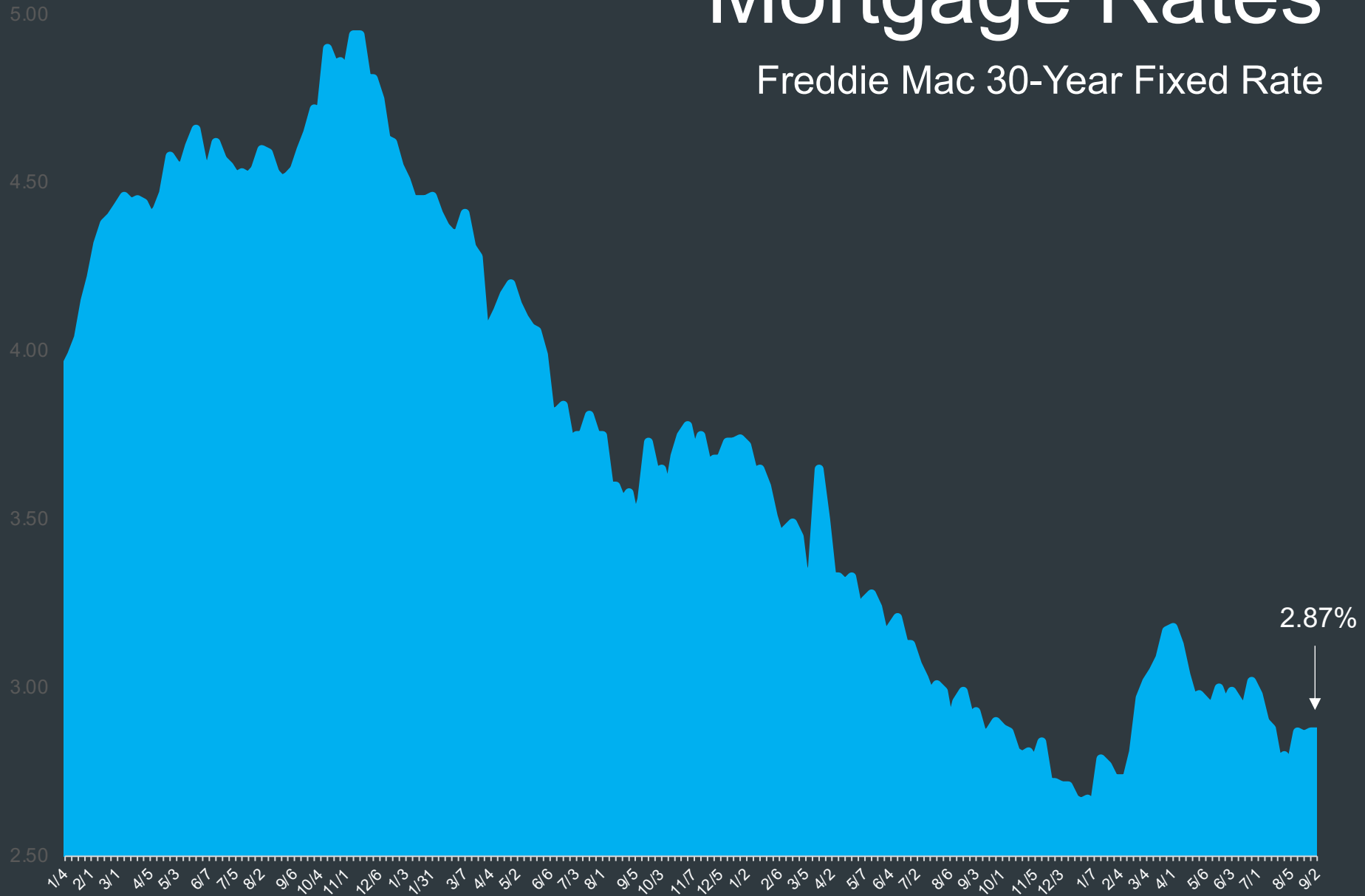
Historical Mortgage Rates by Decade

Decade	Average Rate
1970s	8.86%
1980s	12.7%
1990s	8.12%
2000s	6.29%
2010s	4.09%

Freddie Mac

Mortgage Rates

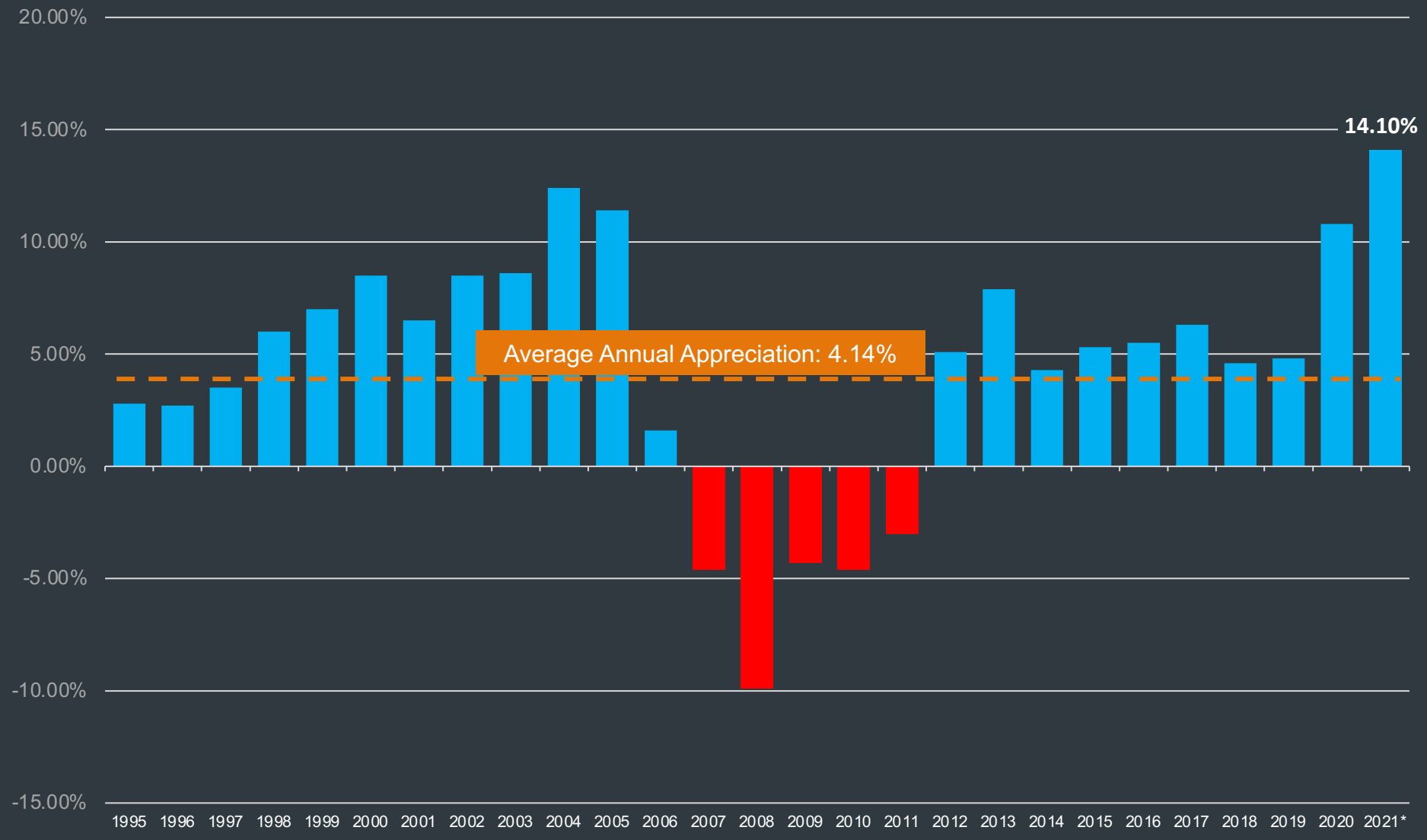
Freddie Mac 30-Year Fixed Rate



Freddie Mac

2. Home Price Appreciation

Annual Home Price Appreciation by Calendar Year



** 2021 home price appreciation forecasted by the National Association of Realtors (NAR)*

Black Knight, NAR

3. Months' Supply of Inventory

“Months’ supply refers to the number of months it would take for the current inventory of homes on the market to sell given the current sales pace. Historically, six months of supply is associated with moderate price appreciation, and a lower level of months’ supply tends to push prices up more rapidly.”

NAR

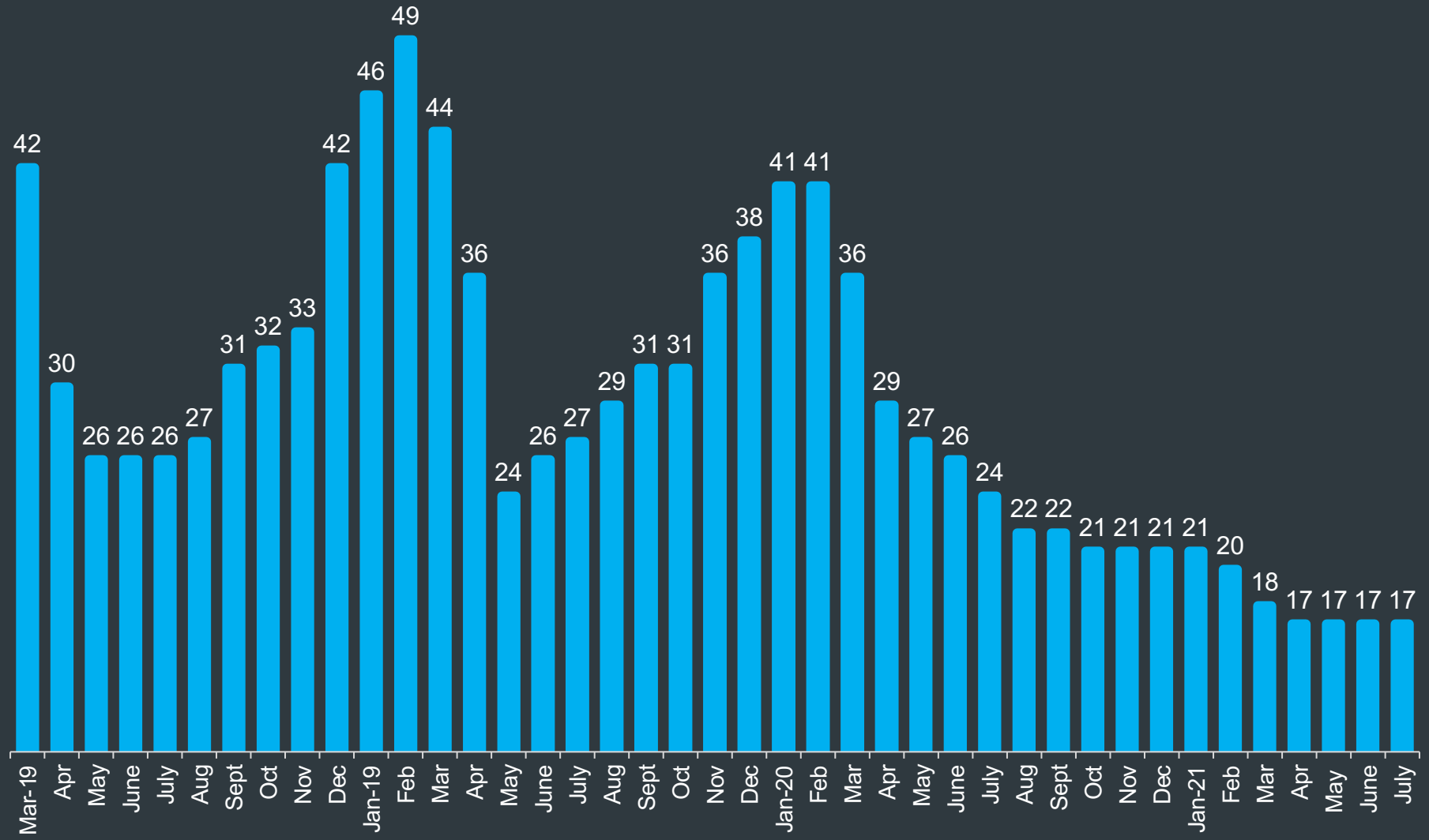
Months Inventory of HOMES FOR SALE

2011 - Today

NAR

4. Days It Takes To Sell a Home

Average Days on the Market



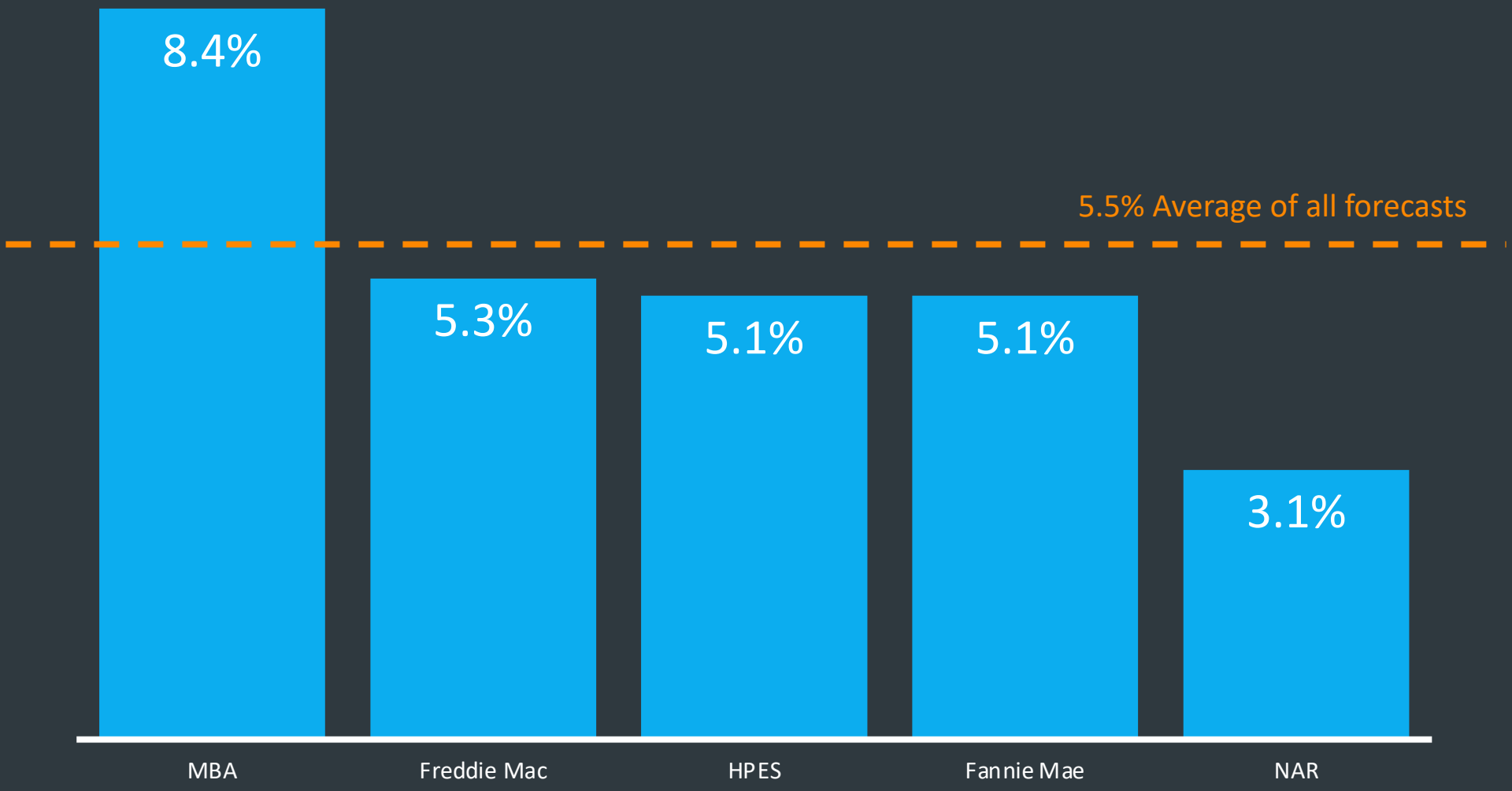
NAR

5. Number of Offers per Listing

Average Number of Offers Received on the Most Recent Closed Sale - July

NAR

Home Price Forecasts 2022



“I expect an unusually busy fall season. Sellers are putting homes on the market. Normally, this activity happens early in the spring.”

George Ratiu

Senior Economist at realtor.com

Fall 2021 Buyer & Seller Guides

Available Now

Resources

Slide	Slide Title	Link
2	Pending Home Sales	https://www.nar.realtor/research-and-statistics/housing-statistics/pending-home-sales
3	Kushi Quote	https://blog.firstam.com/economics/interviews-with-cnbc-and-yahoo-finance-is-the-housing-market-cooling
4	Monthly ShowingTime Index	https://showingindex.stats.showingtime.com/docs/lmu/x/ShowingTimeShowingIndex?src=page
5, 6	OJO Labs Quote, Over List Price Graph	https://cdn.ojo.me/assets/competition_AUG_11_weekly_newsletter_2021.pdf
7, 8	New Monthly Listing Counts	https://www.realtor.com/research/data/
9	Hale Quote	https://news.move.com/2021-08-10-Realtor-com-R-July-Housing-Report-New-Listings-Rise-6-5-Nationwide-as-More-Smaller-Homes-Hit-the-Market
11-13	Affordability	11-13: https://www.nar.realtor/blogs/economists-outlook/housing-affordability-weakens-in-june-as-home-prices-ascend 13 only: https://www.nar.realtor/research-and-statistics/housing-statistics/housing-affordability-index https://www.nar.realtor/research-and-statistics/housing-statistics/housing-affordability-index/methodology
14	Median Asking Rent	http://www.census.gov/housing/hvs/files/currenthvspress.pdf
15	Income Needed for Mortgage Payment	https://www.nar.realtor/blogs/economists-outlook/housing-affordability-weakens-in-june-as-home-prices-ascend
16	Income Needed for Mortgage Payment Expert Quotes	https://myhome.freddiemac.com/blog/homeownership/20210412_essential_guide_to_homebuying_budget.page https://www.nar.realtor/blogs/economists-outlook/housing-affordability-weakens-in-june-as-home-prices-ascend

Resources

Slide	Slide Title	Link
17	Mortgage Payment as % of Income	https://www.nar.realtor/research-and-statistics/housing-statistics/housing-affordability-index
20	Normal Definition	https://www.merriam-webster.com/dictionary/normal
22	Historical Mortgage Rates by Decade	http://www.freddiemac.com/pmms/pmms30.html
23	Mortgage Rates	http://www.freddiemac.com/pmms http://www.freddiemac.com/pmms/pmms_archives.html
25	Home Price Appreciation	https://cdn.blackknightinc.com/wp-content/uploads/2021/04/BKI_MM_Feb2021_Report.pdf https://cdn.nar.realtor/sites/default/files/documents/forecast-q3-2021-us-economic-outlook-07-29-2021_1.pdf
27	NAR Quote	https://www.nar.realtor/blogs/economists-outlook/inventory-and-months-supply
28	Months Inventory of Homes for Sale	nar.realtor https://www.nar.realtor/topics/existing-home-sales https://www.nar.realtor/newsroom/existing-home-sales-expand-1-4-in-june
30, 32	Average Days on the Market & Number of Offers	https://www.nar.realtor/research-and-statistics/research-reports/realtors-confidence-index https://cdn.nar.realtor/sites/default/files/documents/2021-07-realtors-confidence-index-08-23-2021.pdf
33	Home Price Forecasts	https://www.mba.org/news-research-and-resources/research-and-economics/forecasts-and-commentary https://cdn.nar.realtor/sites/default/files/documents/forecast-q3-2021-us-economic-outlook-07-29-2021_1.pdf https://www.fanniemae.com/media/40561/display http://www.freddiemac.com/research/forecast/20210715_quarterly_economic_forecast.page? https://pulsenomics.com/surveys/#home-price-expectations
34	Ratiu Quote	https://magazine.realtor/daily-news/2021/08/25/economists-sales-momentum-will-carry-into-fall

UPDATE

Resources

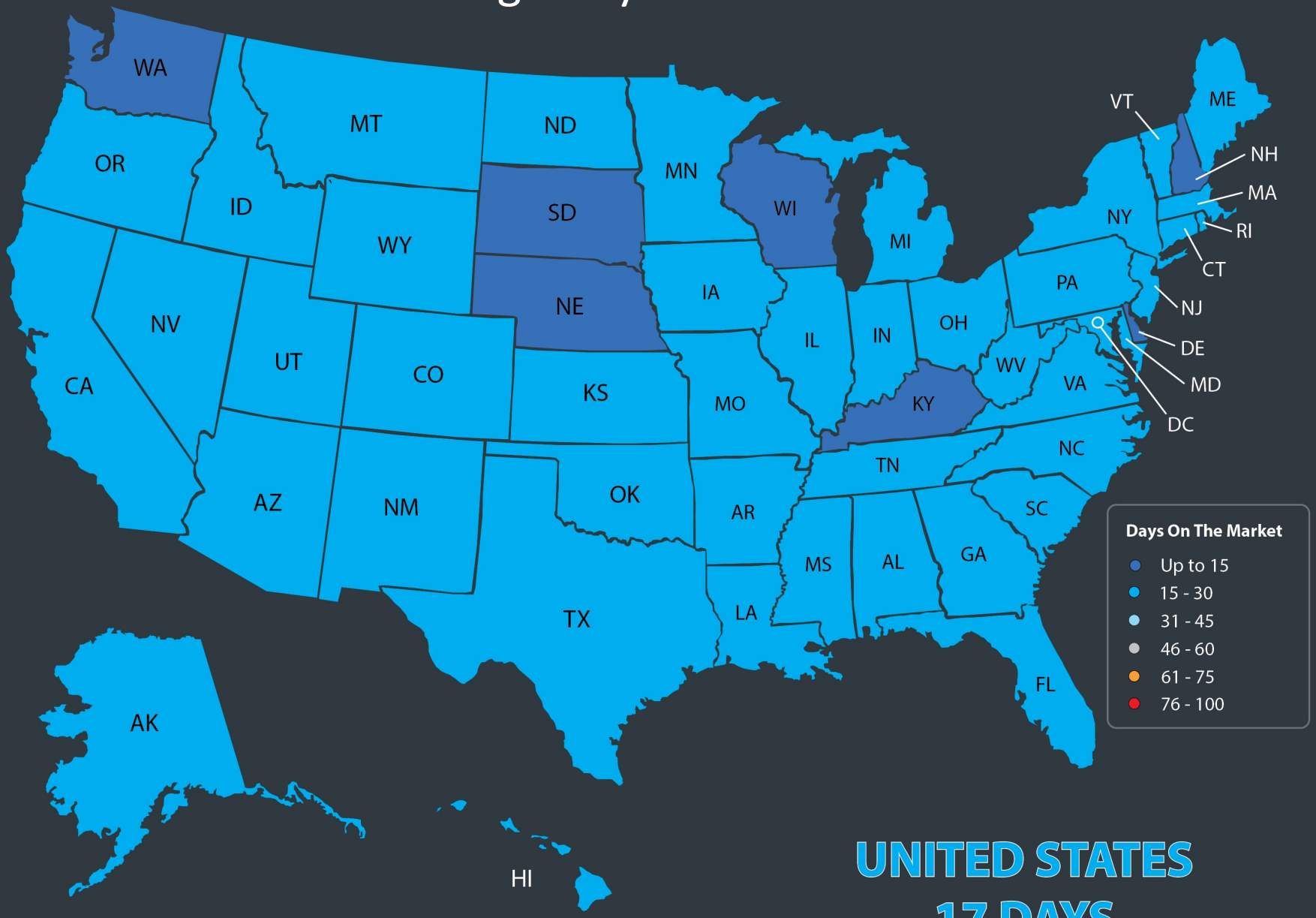
Slide	Slide Title	Link
42, 62, 72	Confidence Index	https://www.nar.realtor/research-and-statistics/research-reports/realtors-confidence-index
43-45, 53, 62-67	Existing Home Sales	https://www.nar.realtor/topics/existing-home-sales
46-49	New Home Sales	http://www.census.gov/construction/nrs/pdf/newressales.pdf http://www.census.gov/newhomesales http://www.census.gov/construction/nrs/pdf/newressales.pdf
50	Total Home Sales	http://www.census.gov/construction/nrs/pdf/newressales.pdf https://www.nar.realtor/topics/existing-home-sales
51, 52	Pending Home Sales	https://www.nar.realtor/research-and-statistics/housing-statistics/pending-home-sales
57-59	Case Shiller	https://www.spglobal.com/spdji/en/indices/indicators/sp-corelogic-case-shiller-20-city-composite-home-price-nsa-index/#news-research
60	CoreLogic Forecasted YOY % Change in Price	https://www.corelogic.com/intelligence/u-s-home-price-insights/
63-69	Inventory	https://www.nar.realtor/topics/existing-home-sales http://www.census.gov/construction/nrs/pdf/newressales.pdf

Resources

Slide	Slide Title	Link
71	Showing Activity	https://www.showingtime.com/blog/july-2021-showing-index-results
74, 75, 77, 78	Mortgage Rates	http://www.freddiemac.com/pmms/pmms_archives.html http://www.freddiemac.com/research/forecast/
76	Mortgage Rate Projections	http://www.freddiemac.com/research/forecast/ http://www.fanniemae.com/portal/research-insights/forecast.html https://www.mba.org/news-research-and-resources/research-and-economics/forecasts-and-commentary https://www.nar.realtor/research-and-statistics
80, 81	Mortgage Credit Availability	https://www.mba.org/news-research-and-resources/newsroom https://www.mba.org/news-research-and-resources/research-and-economics/single-family-research/mortgage-credit-availability-index
82-86	Days To Close, FICO Scores, DTI	http://www.elliemae.com/resources/origination-insight-reports

SALES

Average Days on the Market

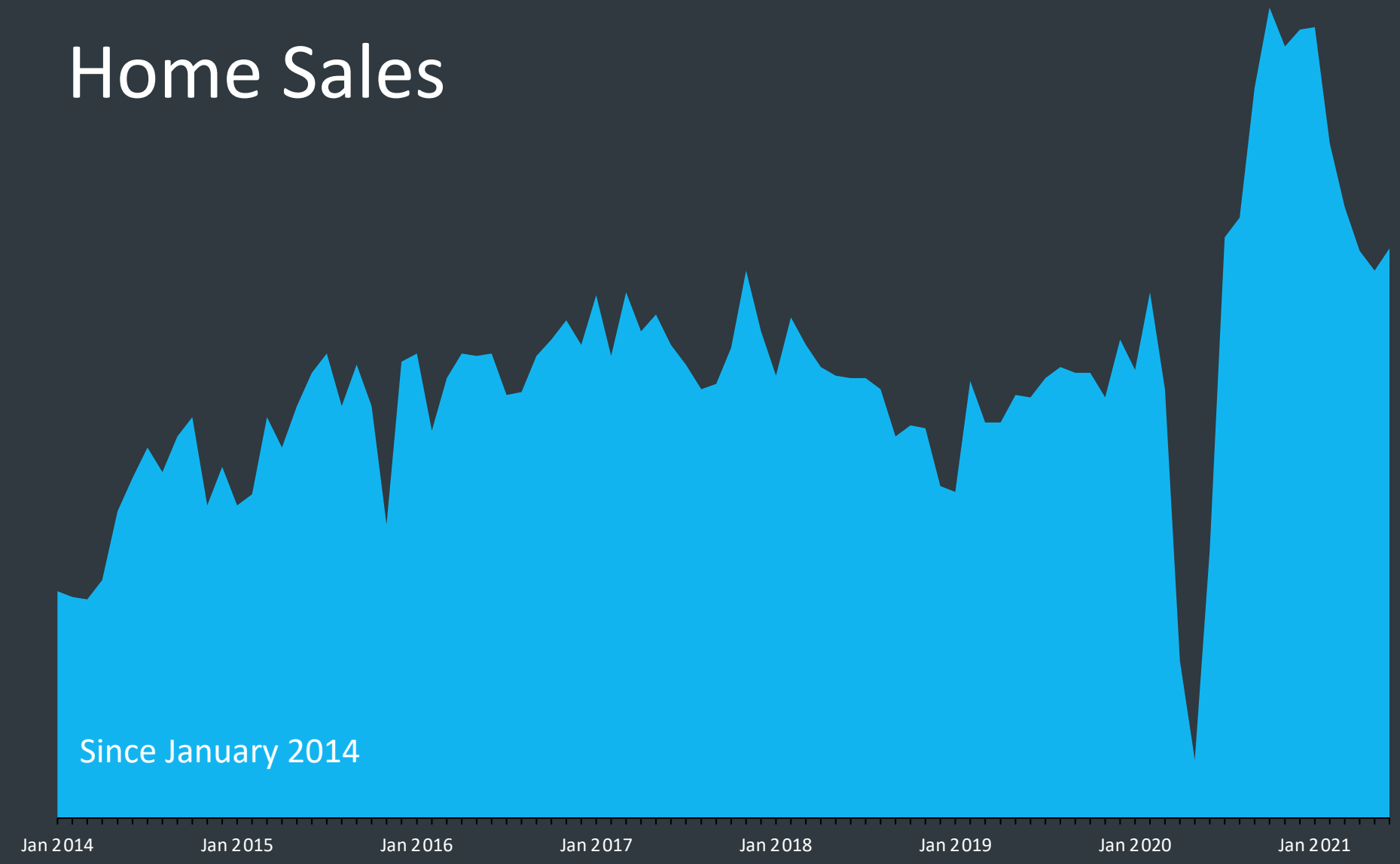


UNITED STATES
17 DAYS

NAR

EXISTING

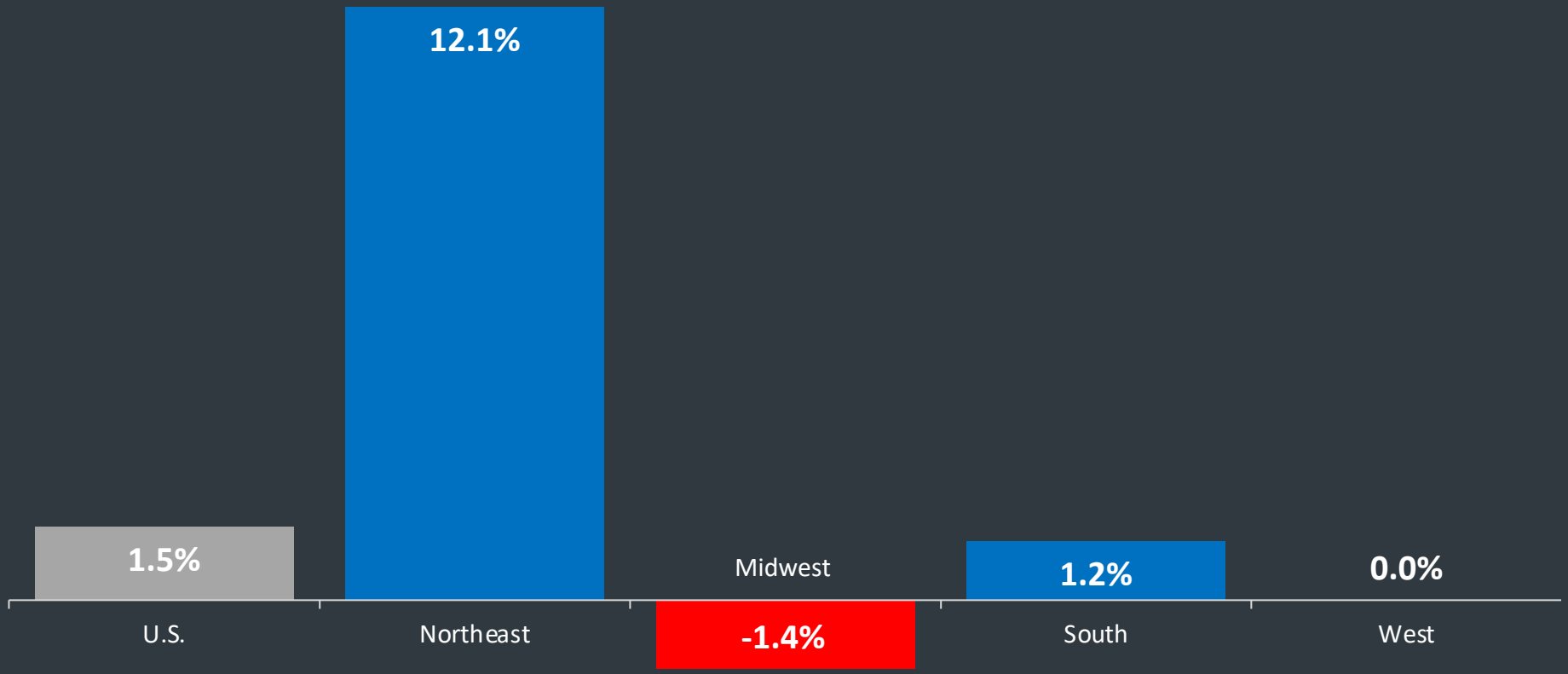
Home Sales



NAR

EXISTING Home Sales

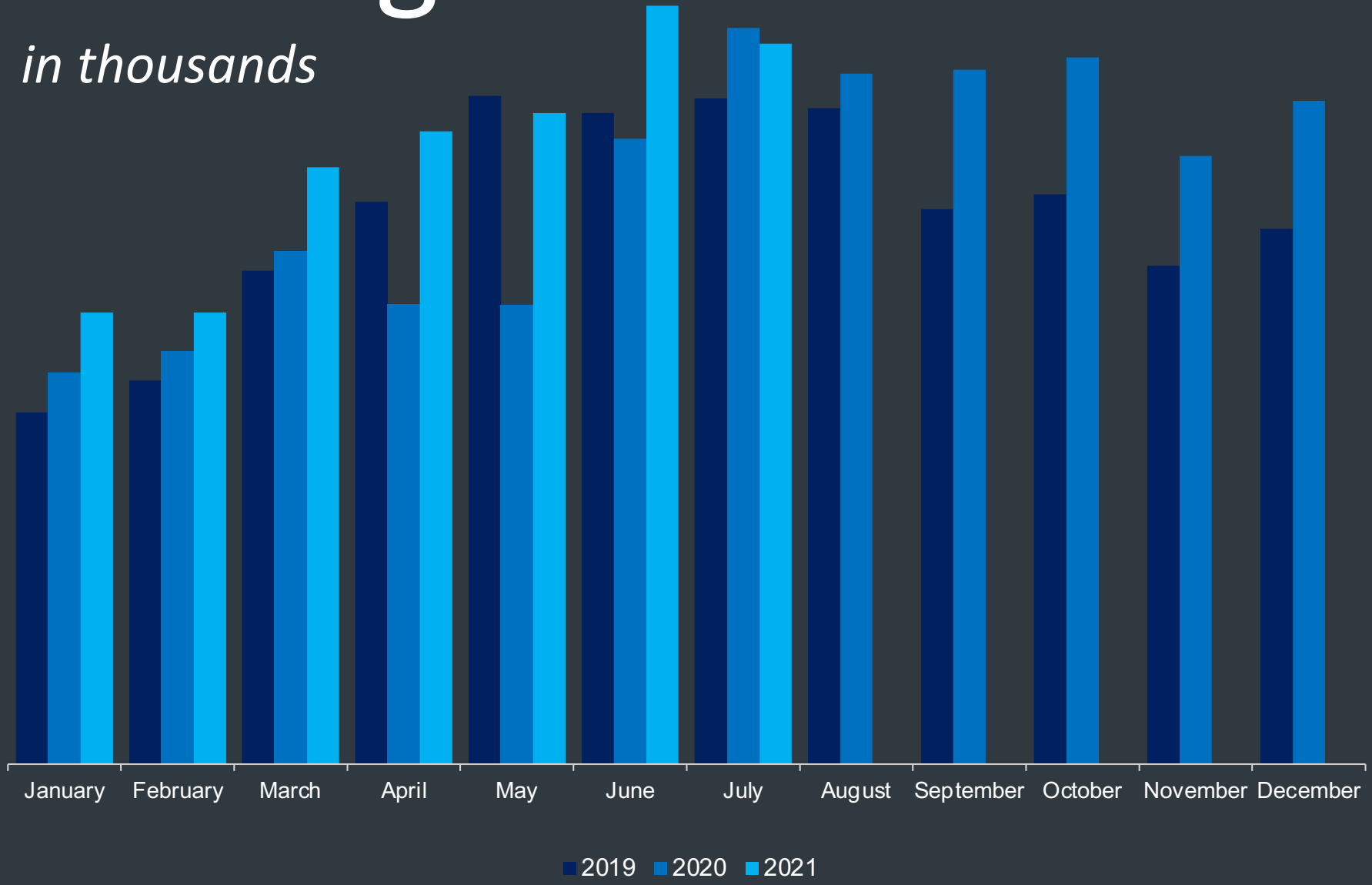
Y-O-Y by region



NAR

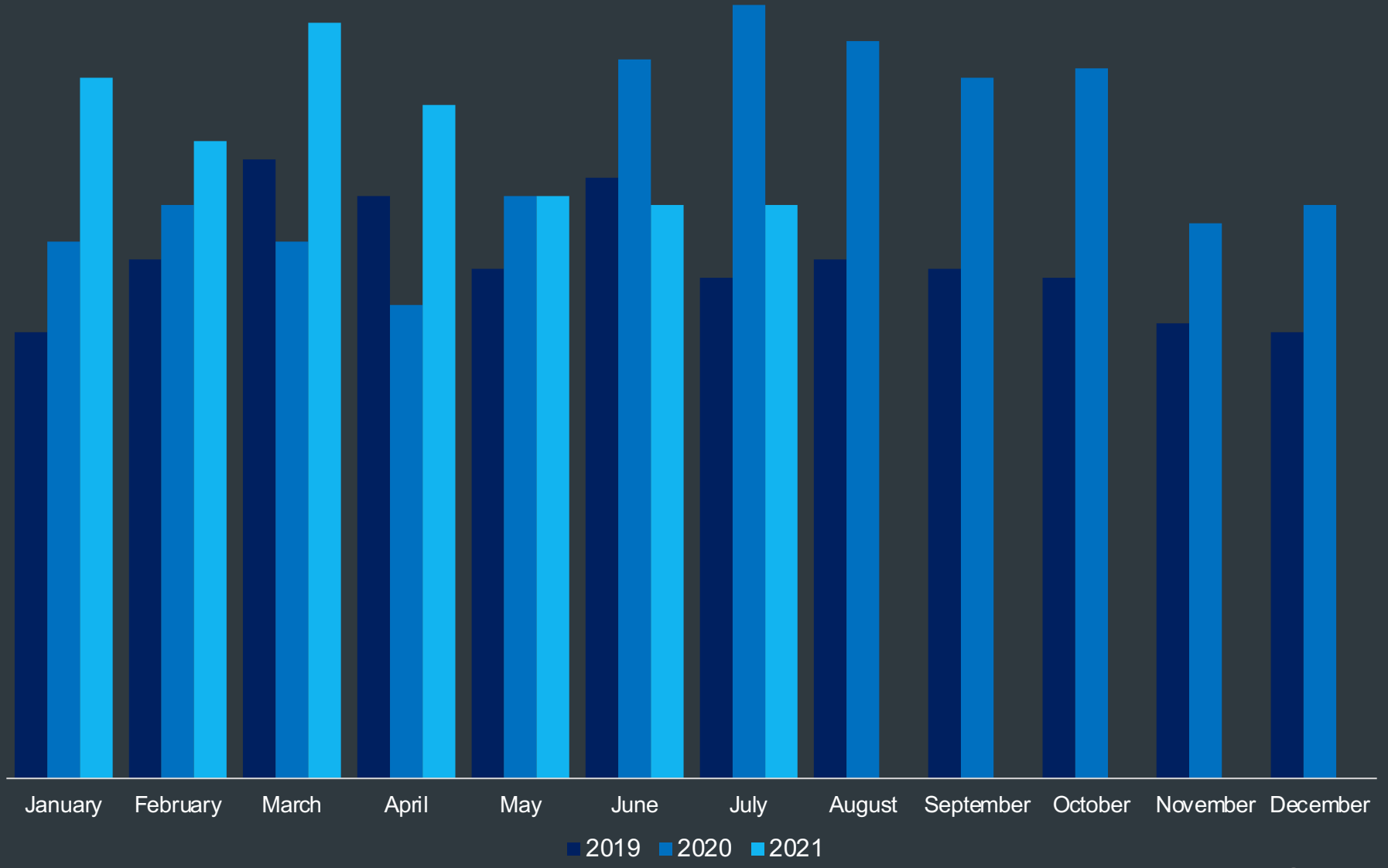
Existing Home Sales

in thousands



NAR

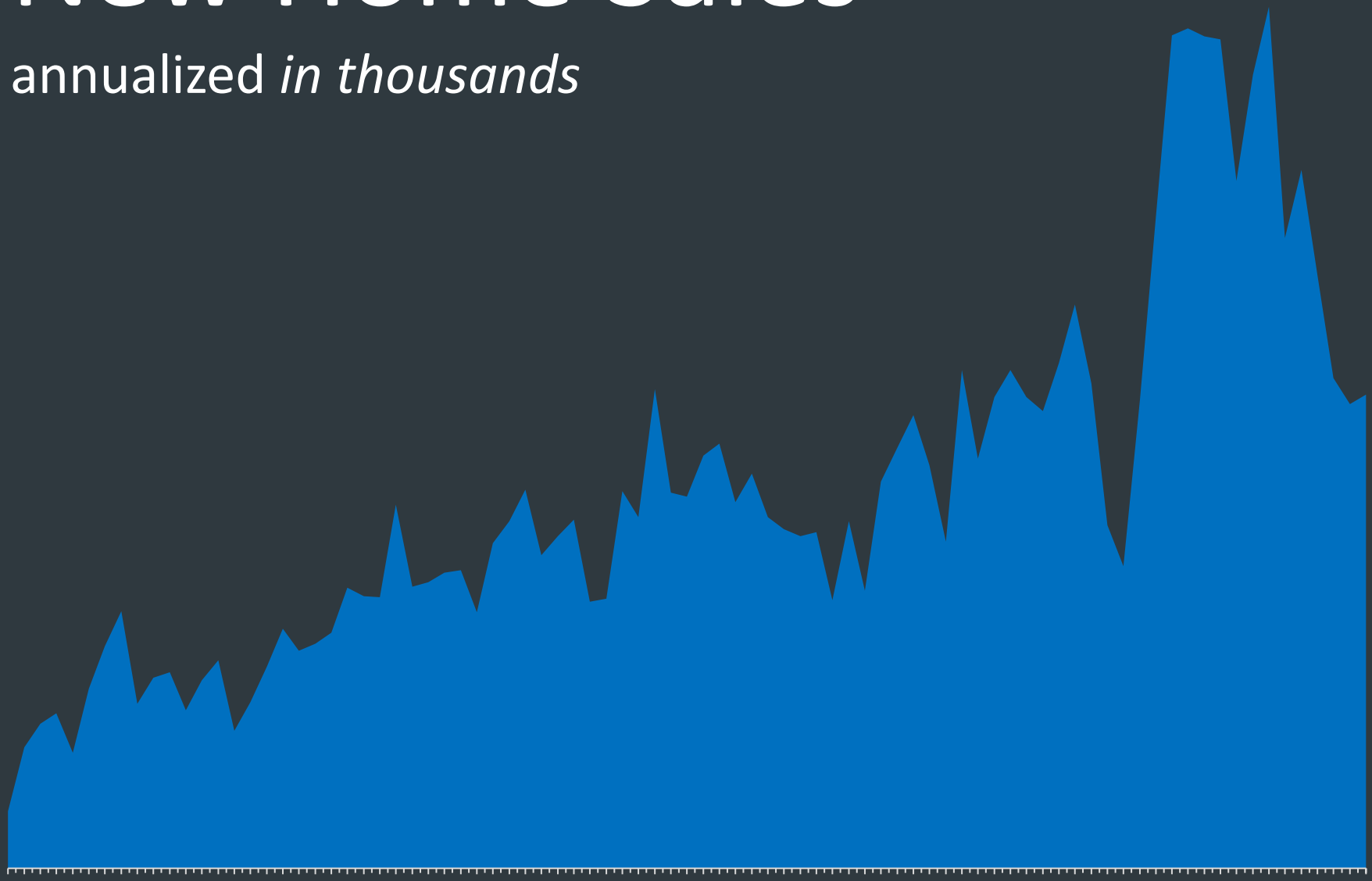
New Home Sales *in thousands*



Census

New Home Sales

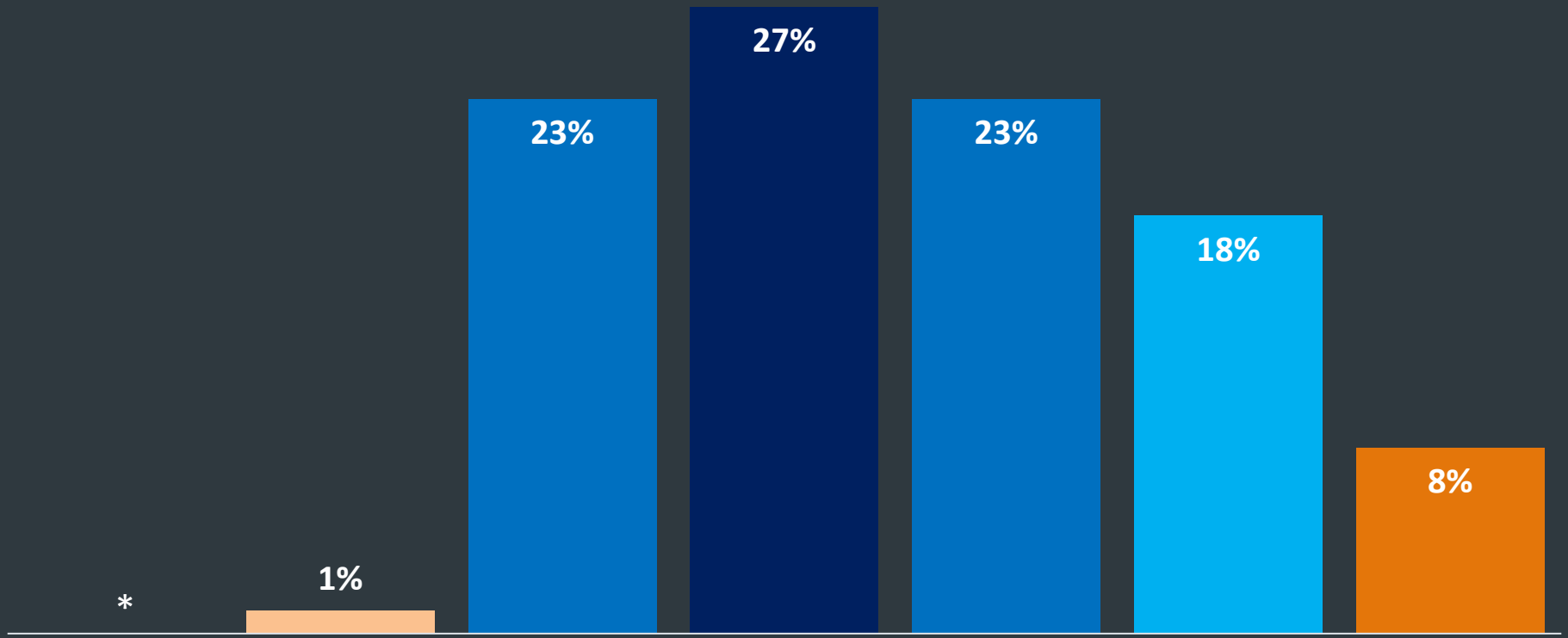
annualized *in thousands*



Census

New Home Sales

% of distribution by price range

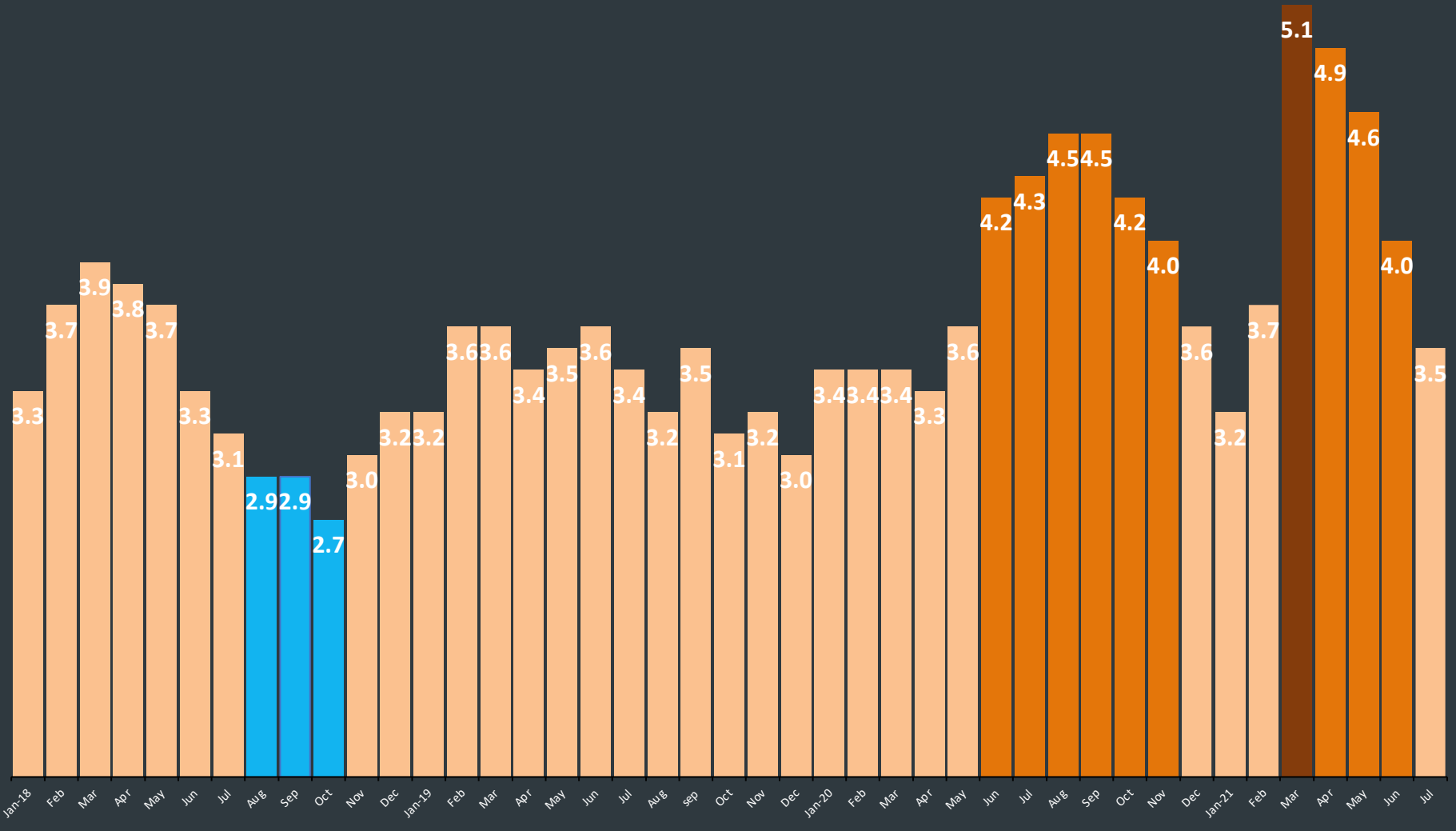


* *Less than 500 units or less than 0.5 percent*

Census

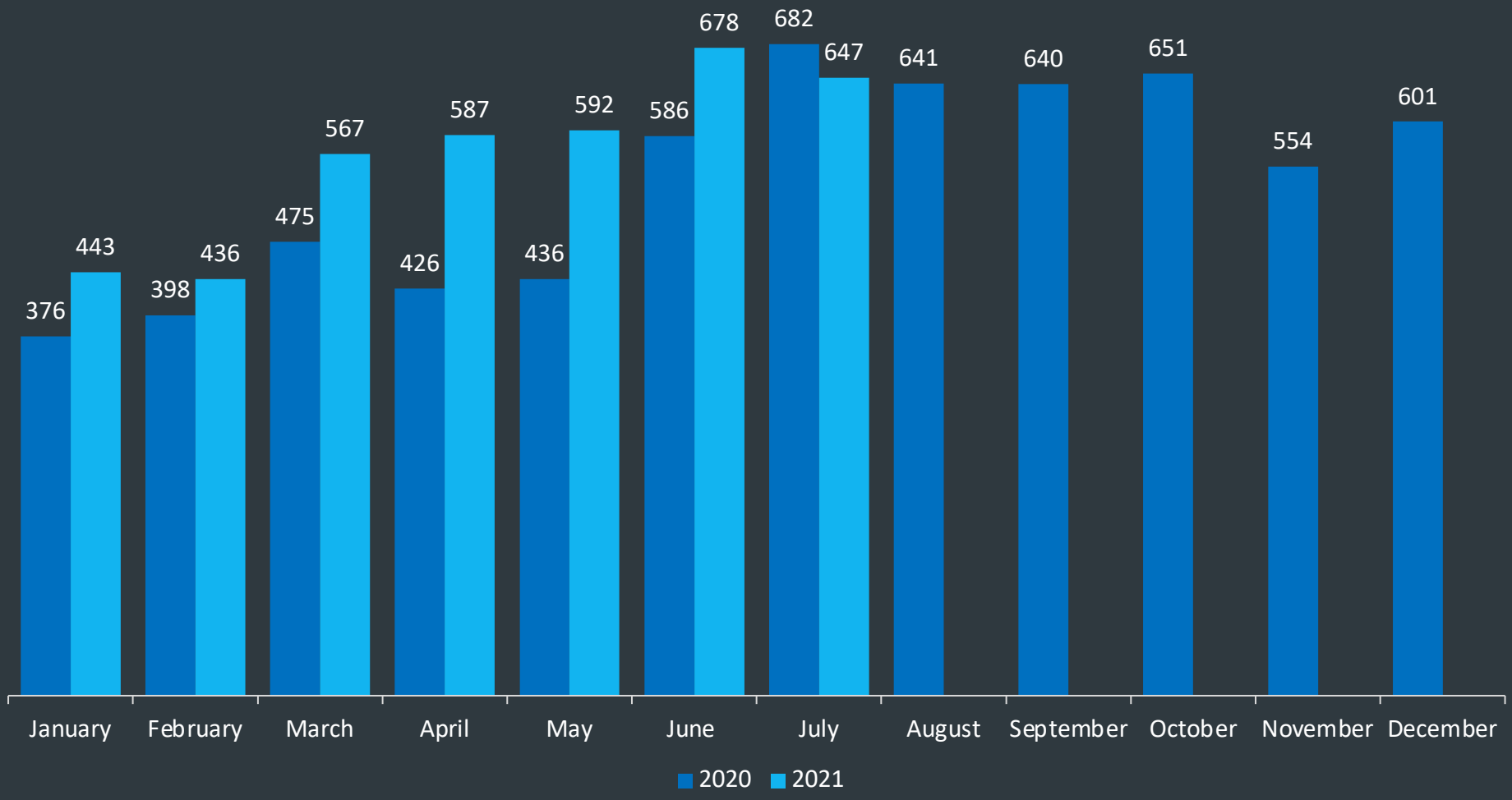
New Homes Selling Fast

(median months from completion to sold)



Census

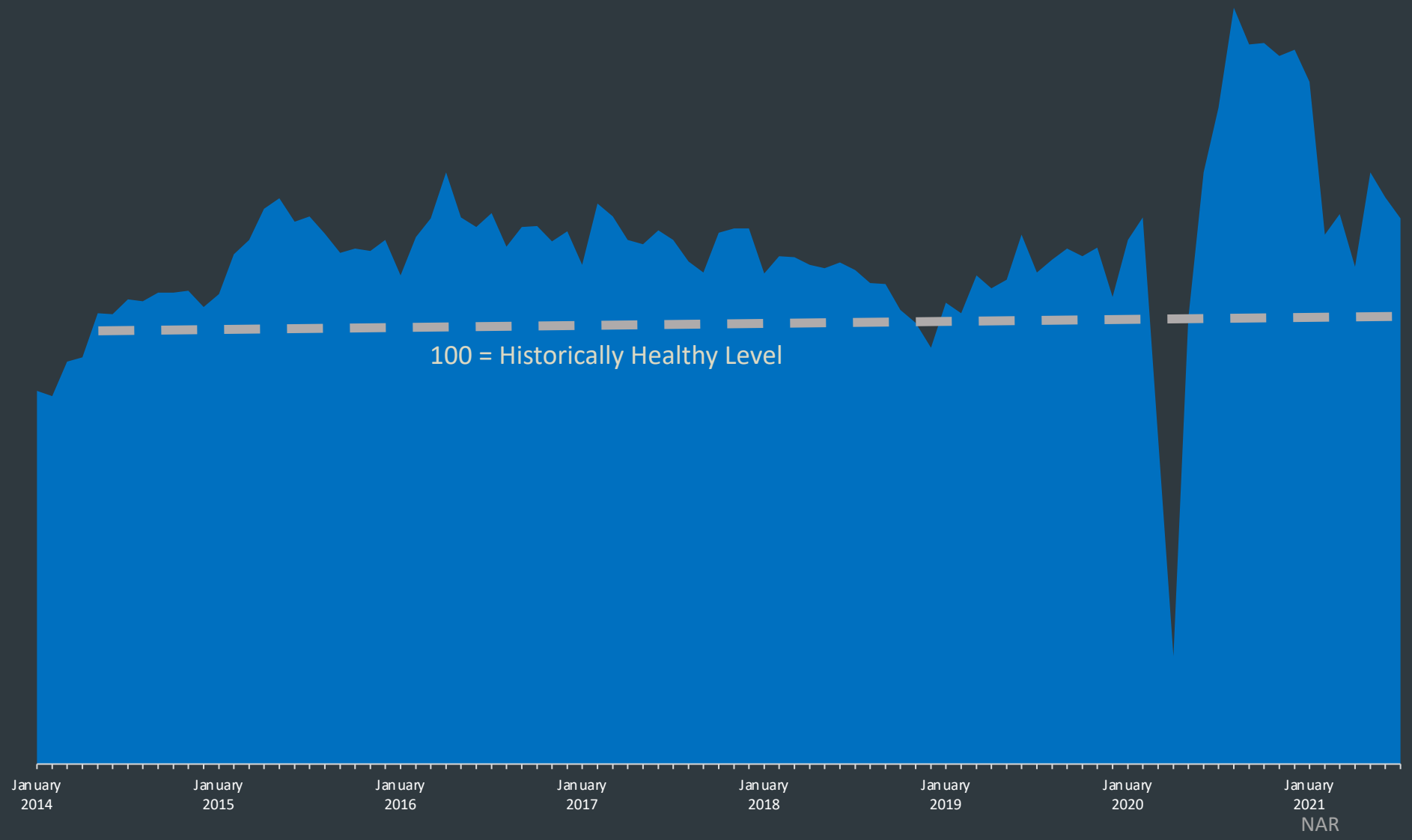
Total Home Sales *in thousands*



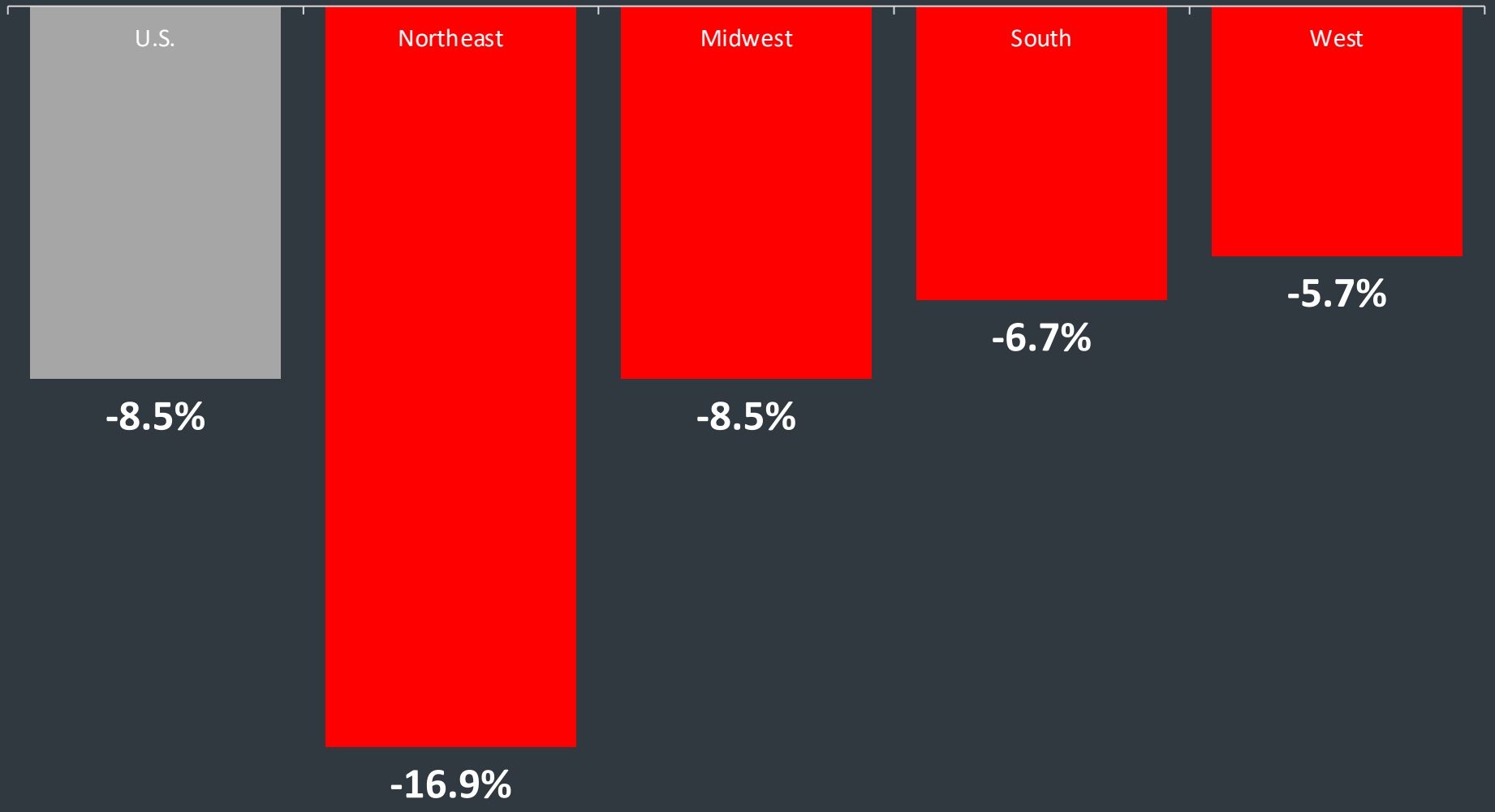
Census & NAR

PENDING Home Sales

since 2014

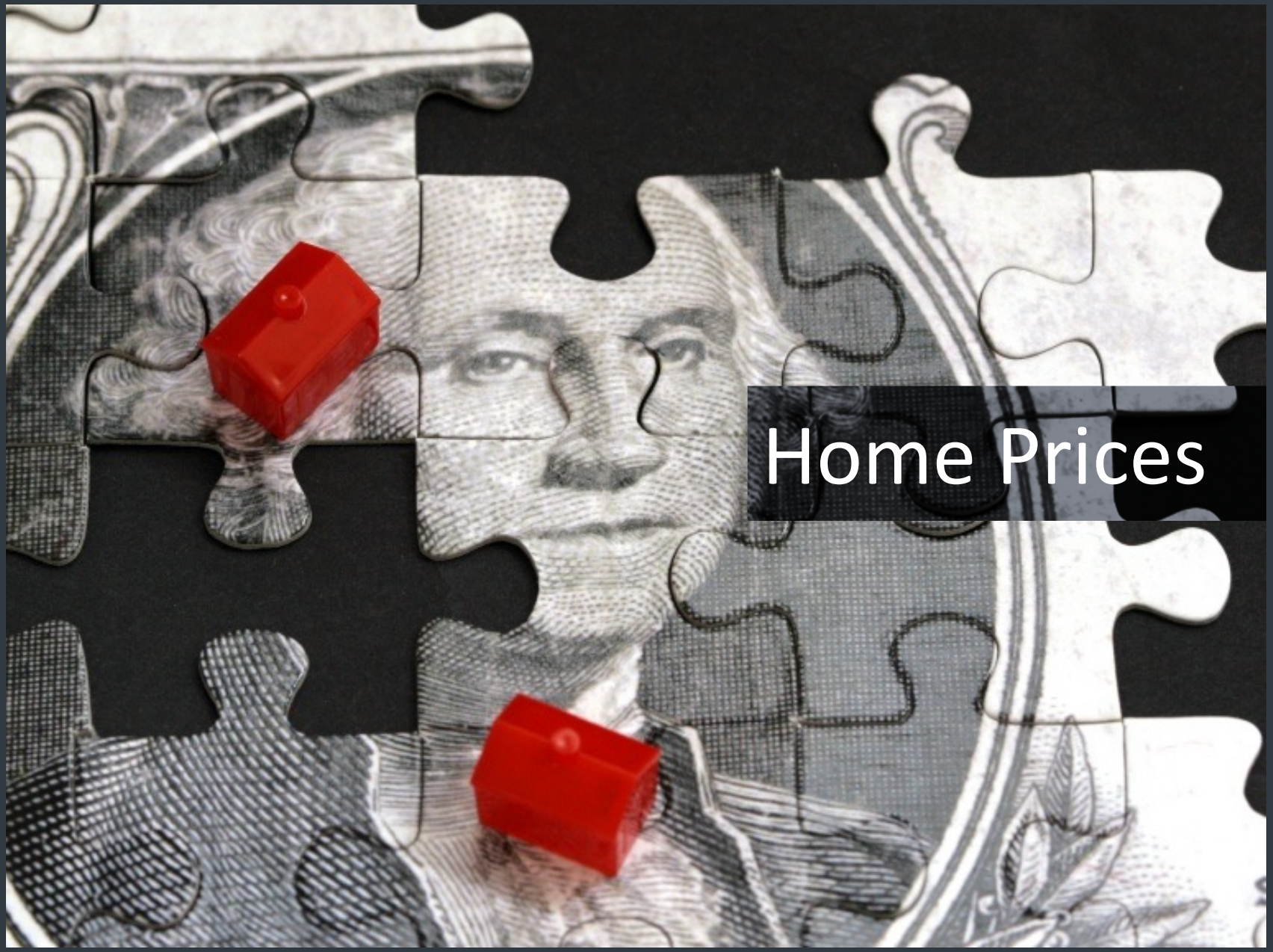


Pending Home Sales *Year-Over-Year By Region*



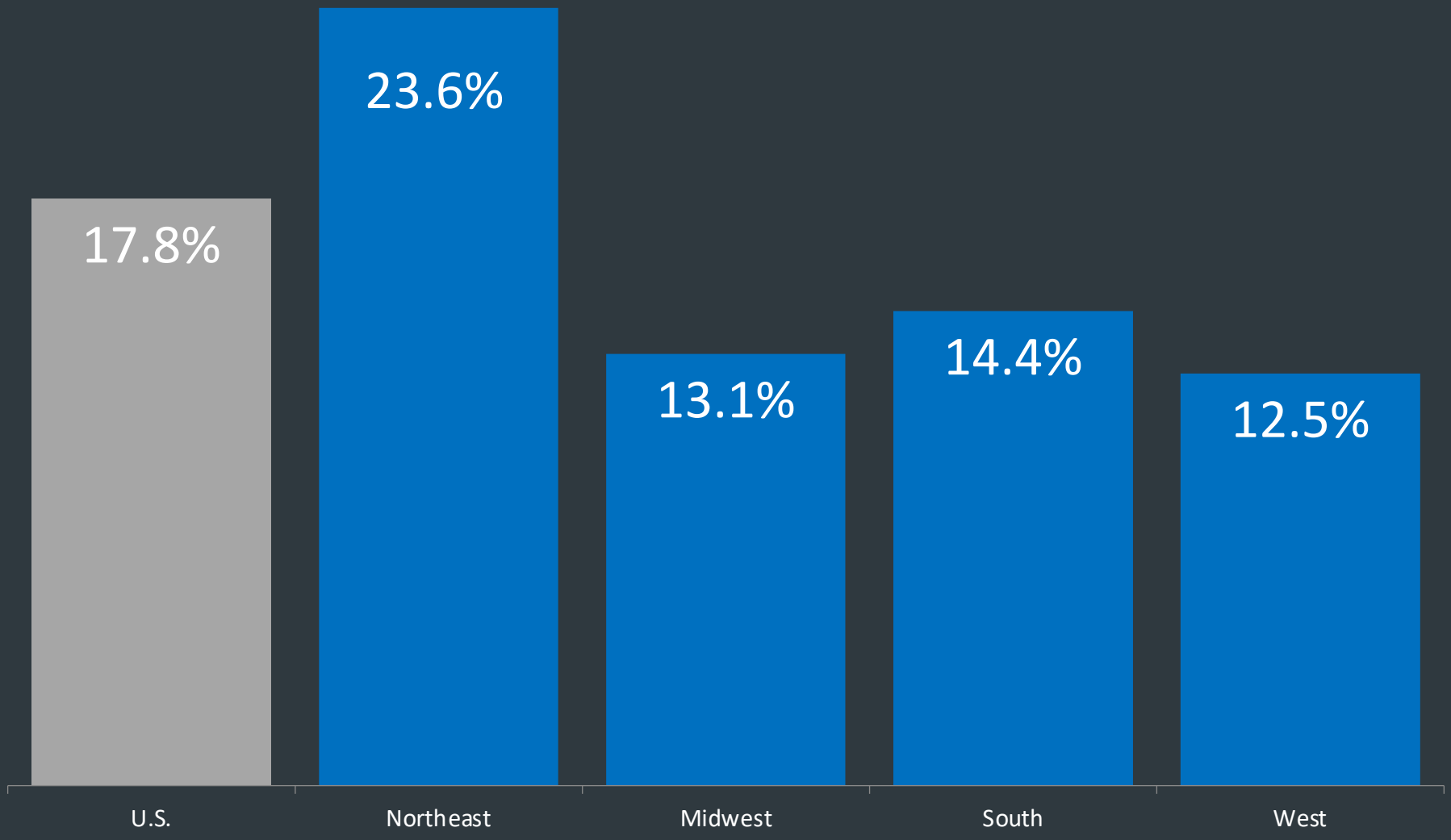
NAR

35%
Percentage of Distressed Property Sales
Distressed sales – foreclosures and short sales – represented less than 1% of sales in July.
4%
1%
January 2012 - Today
Jan 2012
Jan 2013
Jan 2014
Jan 2015
Jan 2016
Jan 2017
Jan 2018
Jan 2019
Jan 2020
Jan 2021
NAR


Home Prices

EXISTING Home Prices

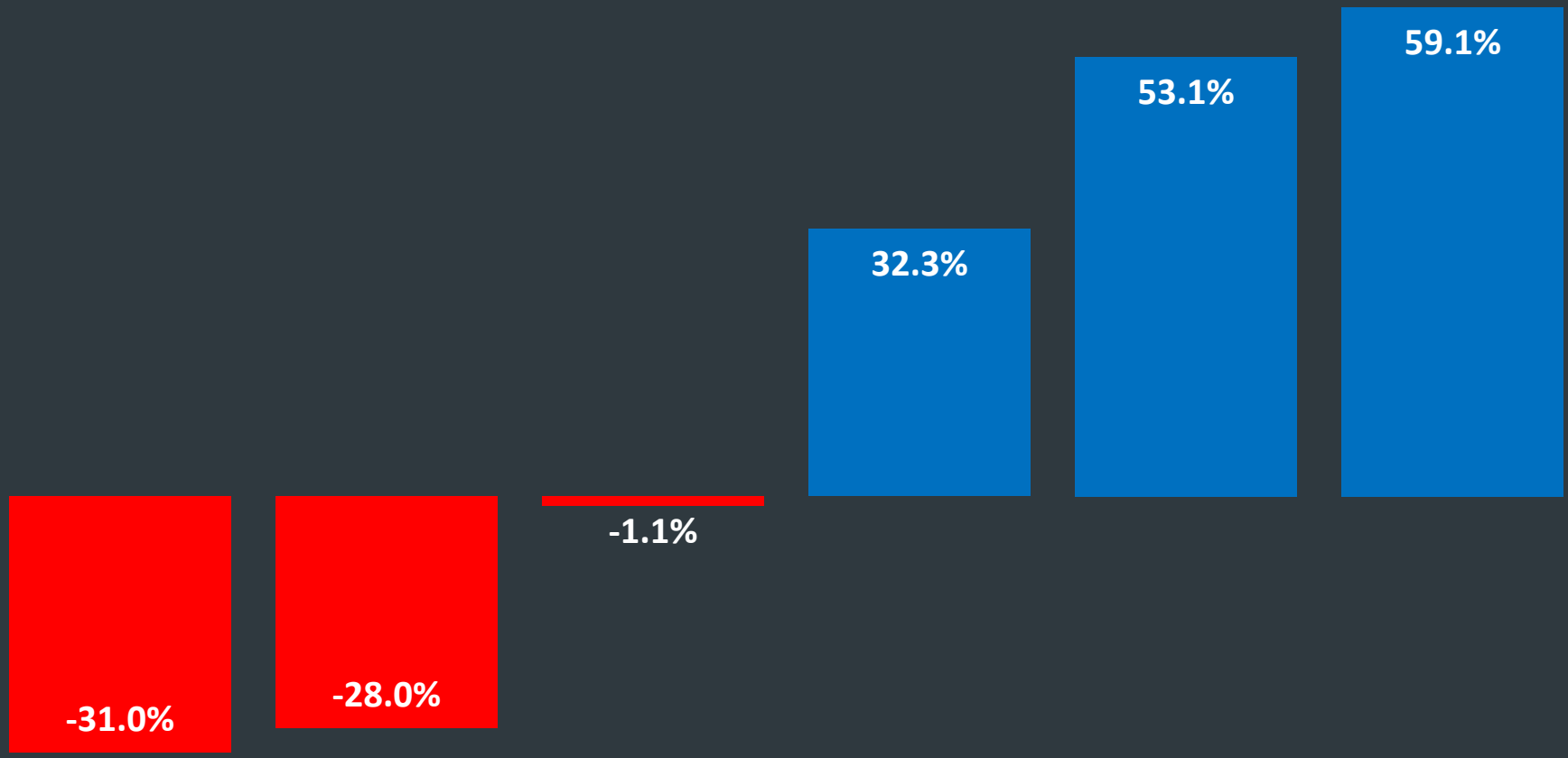
Y-O-Y by region



NAR

% Change in Sales

from last year by Price Range



	$0-100K	$100-250K	$250-500K	$500-750K	$750K-1M	$1M+
%	-31.0%	-28.0%	-1.1%	32.3%	53.1%	59.1%

NAR

Case Shiller

Year-Over-Year

PRICE

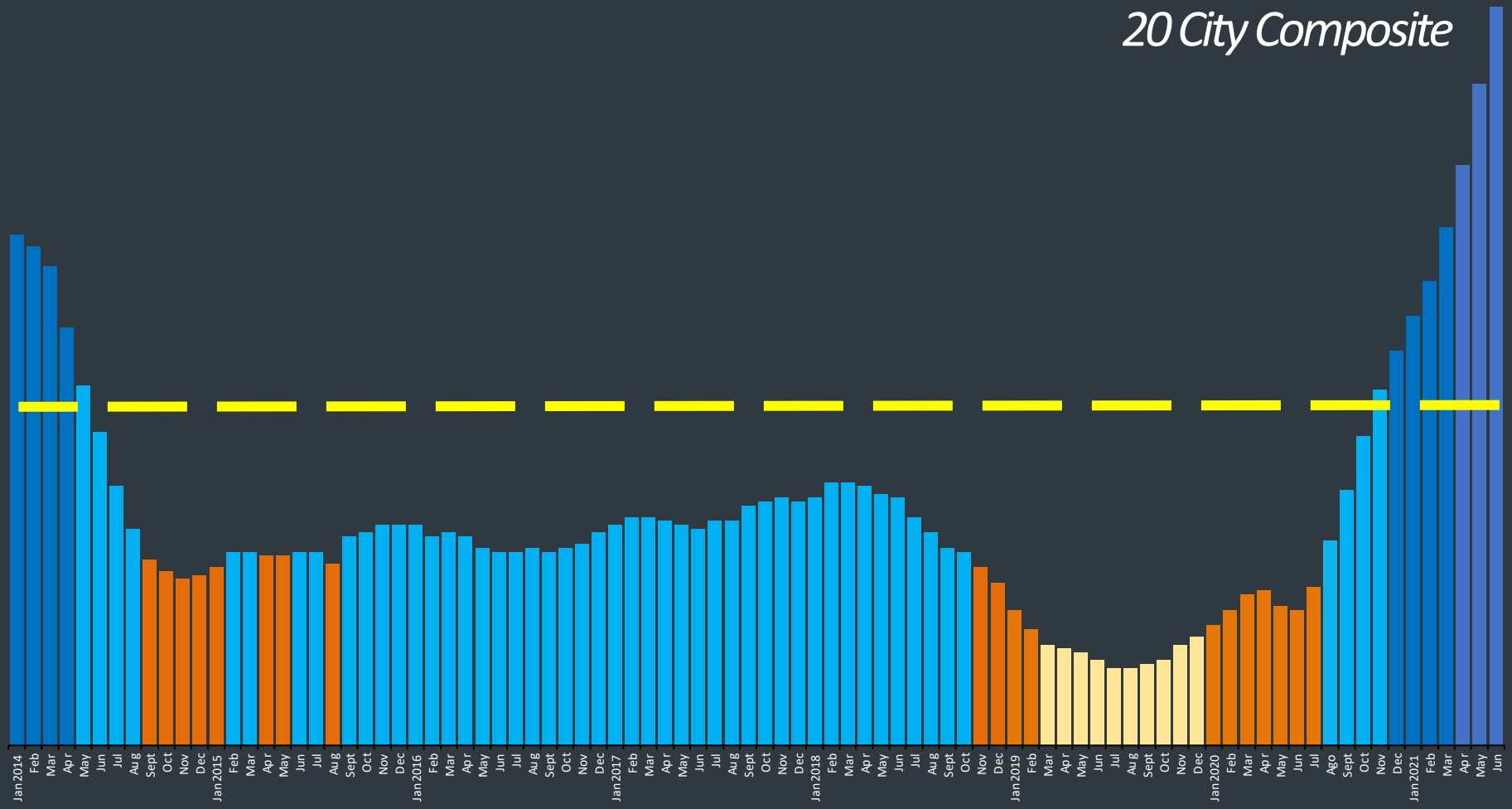
CHANGES

S&P Case Shiller

Case Shiller

Year-Over-Year PRICE CHANGES

20 City Composite

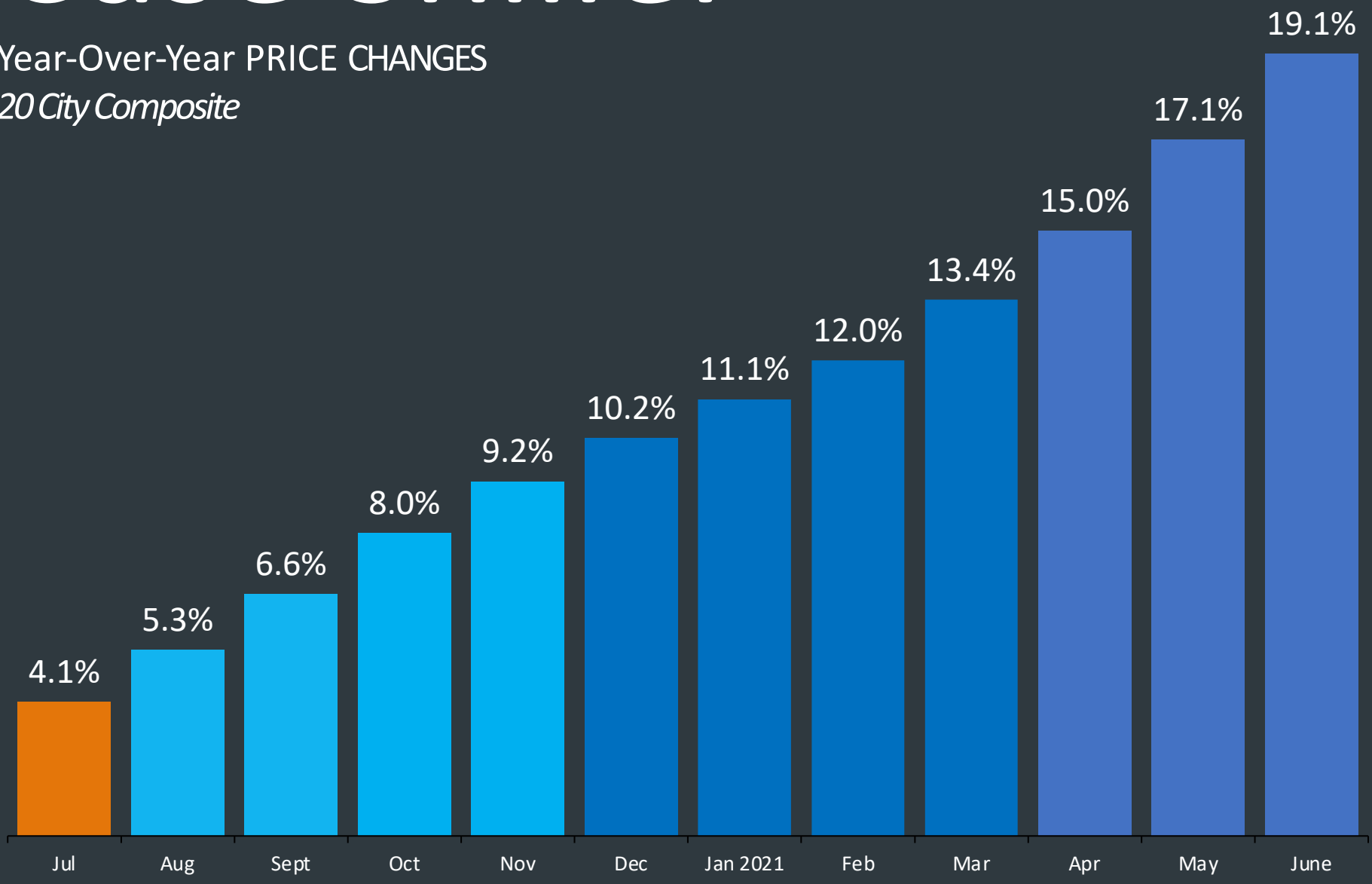


S&P Case Shiller

Case Shiller

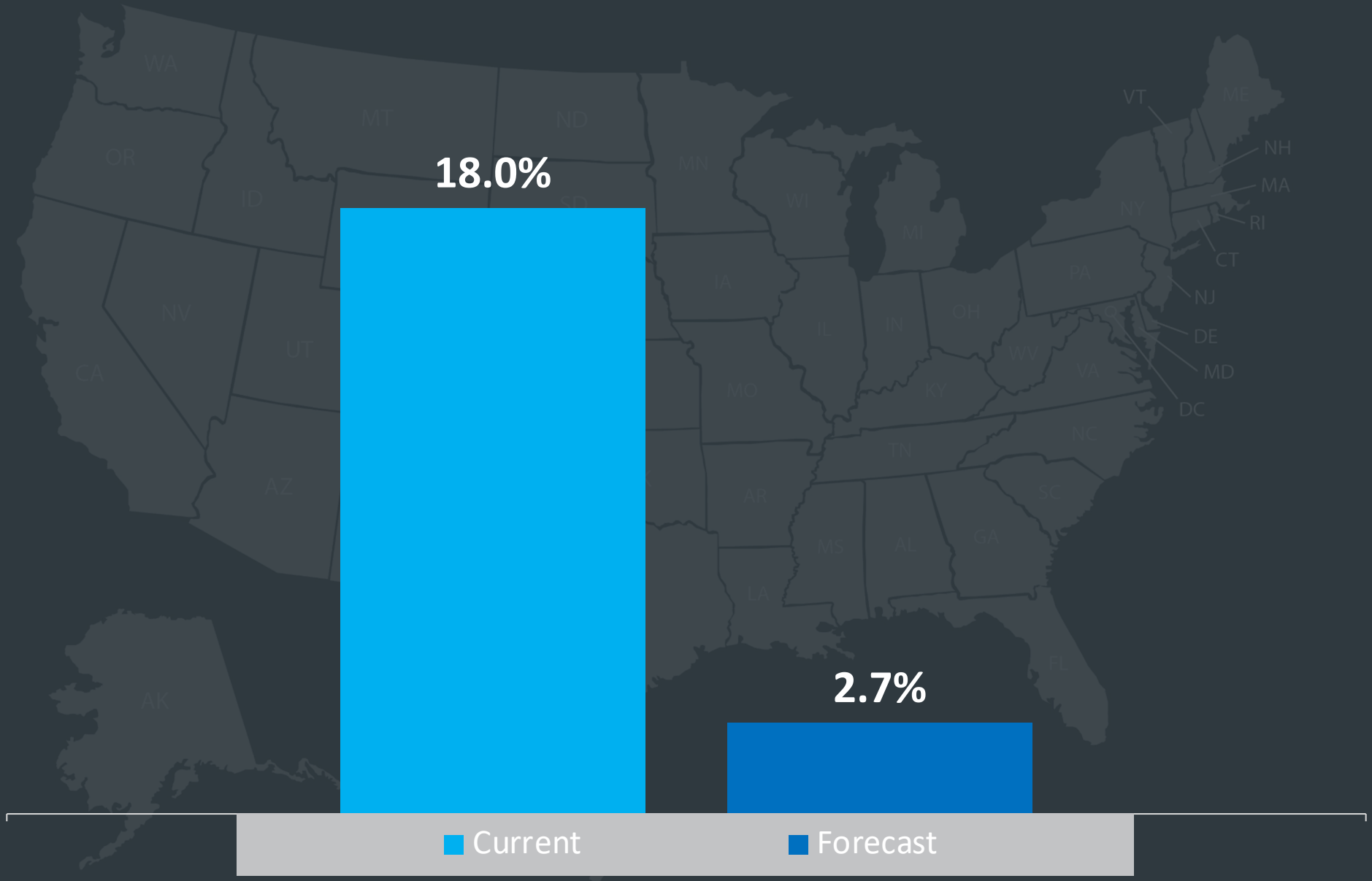
Year-Over-Year PRICE CHANGES

20 City Composite



S&P Case Shiller

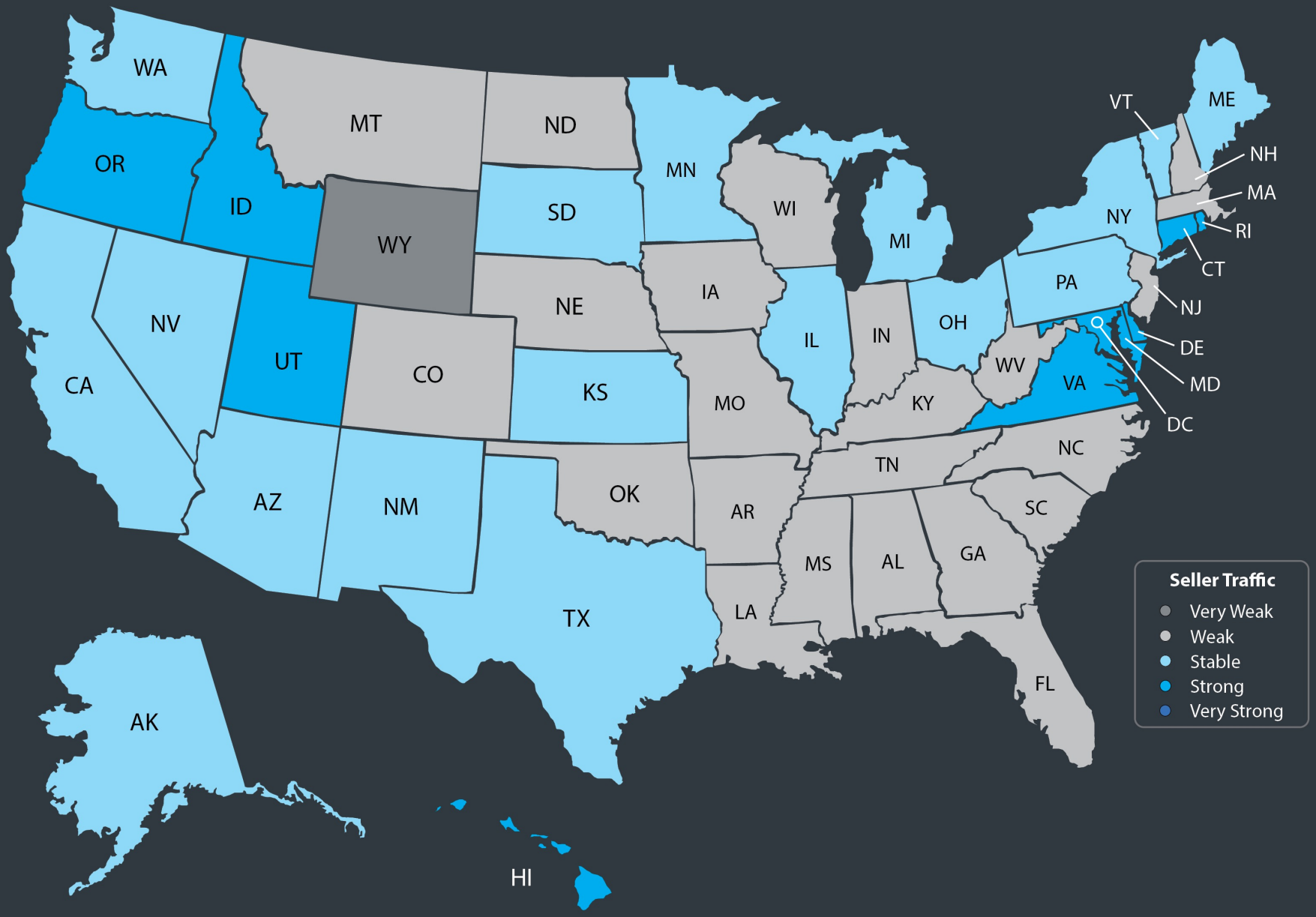
Year-Over-Year % Change in Price



CoreLogic

HOUSING INVENTORY

Seller Traffic Index

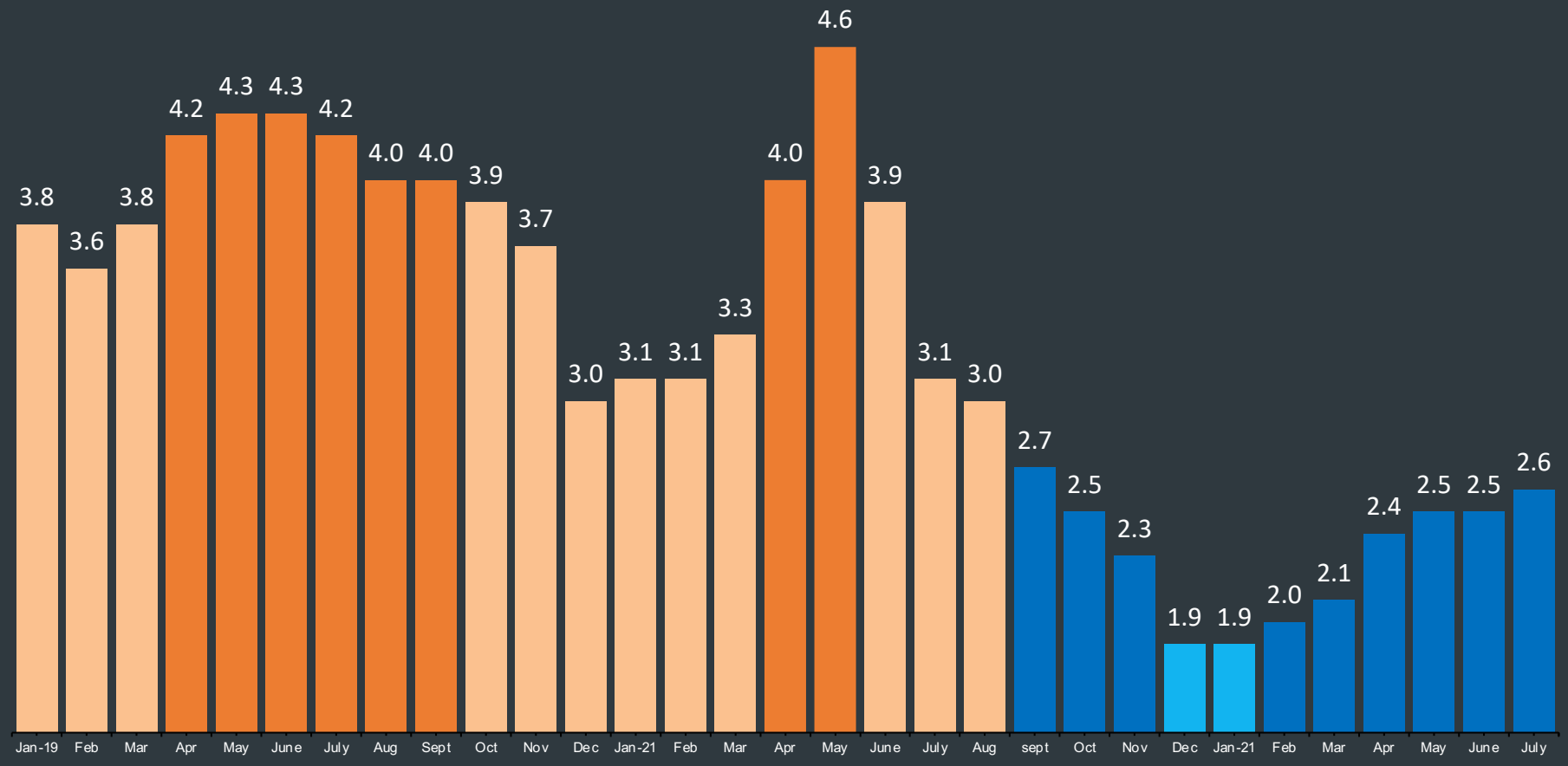


NAR

Months Inventory of
HOMES FOR SALE
2011 - Today
10.5
9.5
8.5
7.5
6.5
5.5
4.5
3.5
2.5
1.5
January 2011
January 2012
January 2013
January 2014
January 2015
January 2016
January 2017
January 2018
January 2019
January 2020
January 2021
NAR

Months Inventory of HOMES FOR SALE

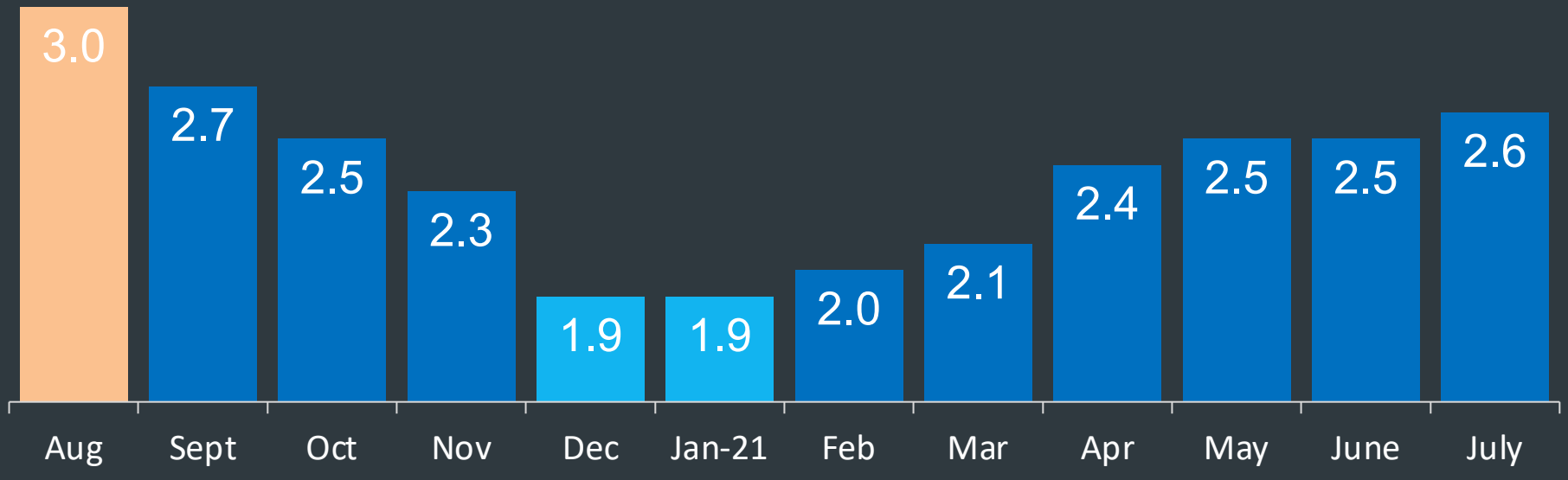
Since 2019



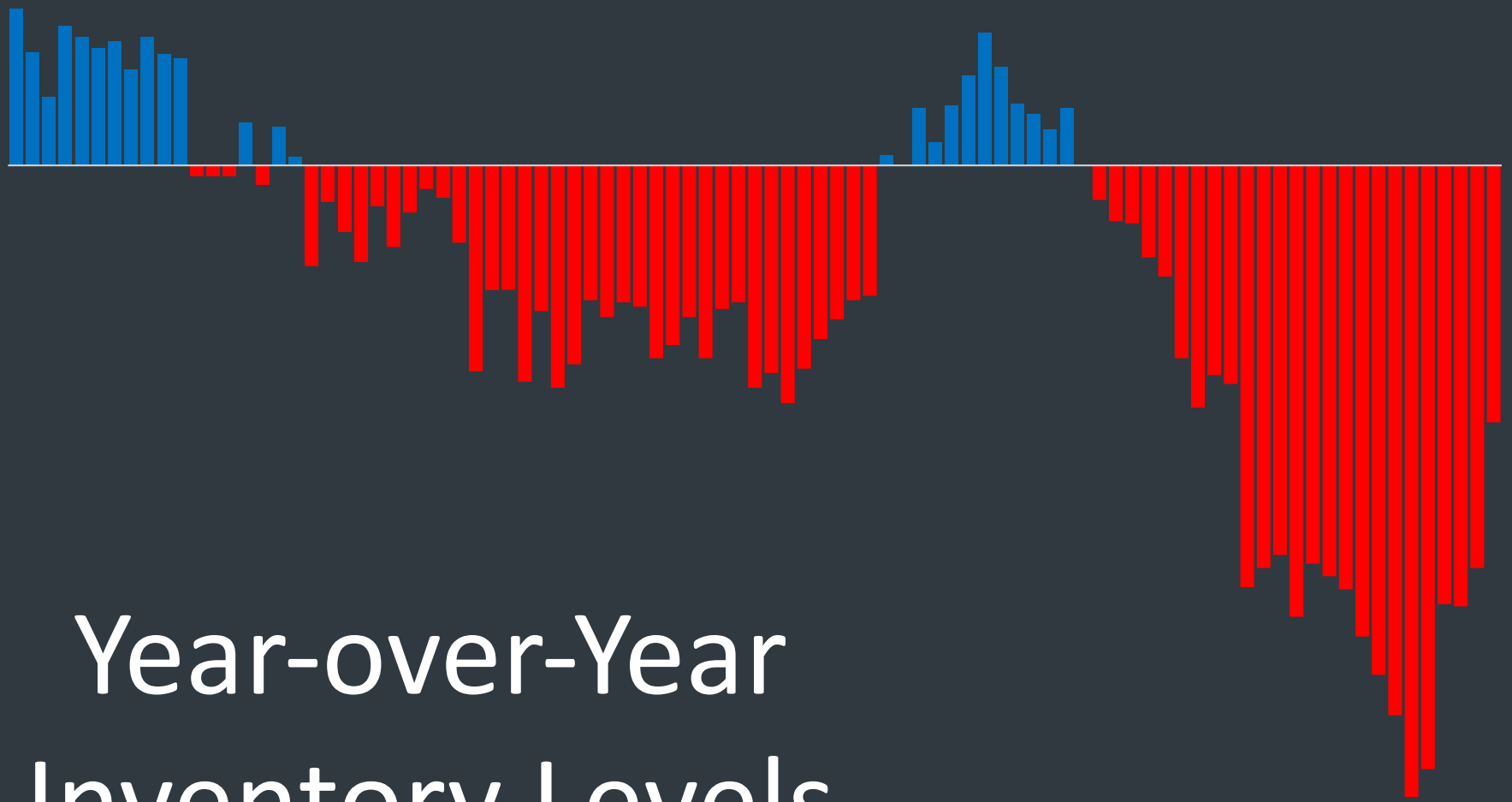
NAR

Months Inventory of HOMES FOR SALE

Last 12 Months



NAR



Year-over-Year Inventory Levels

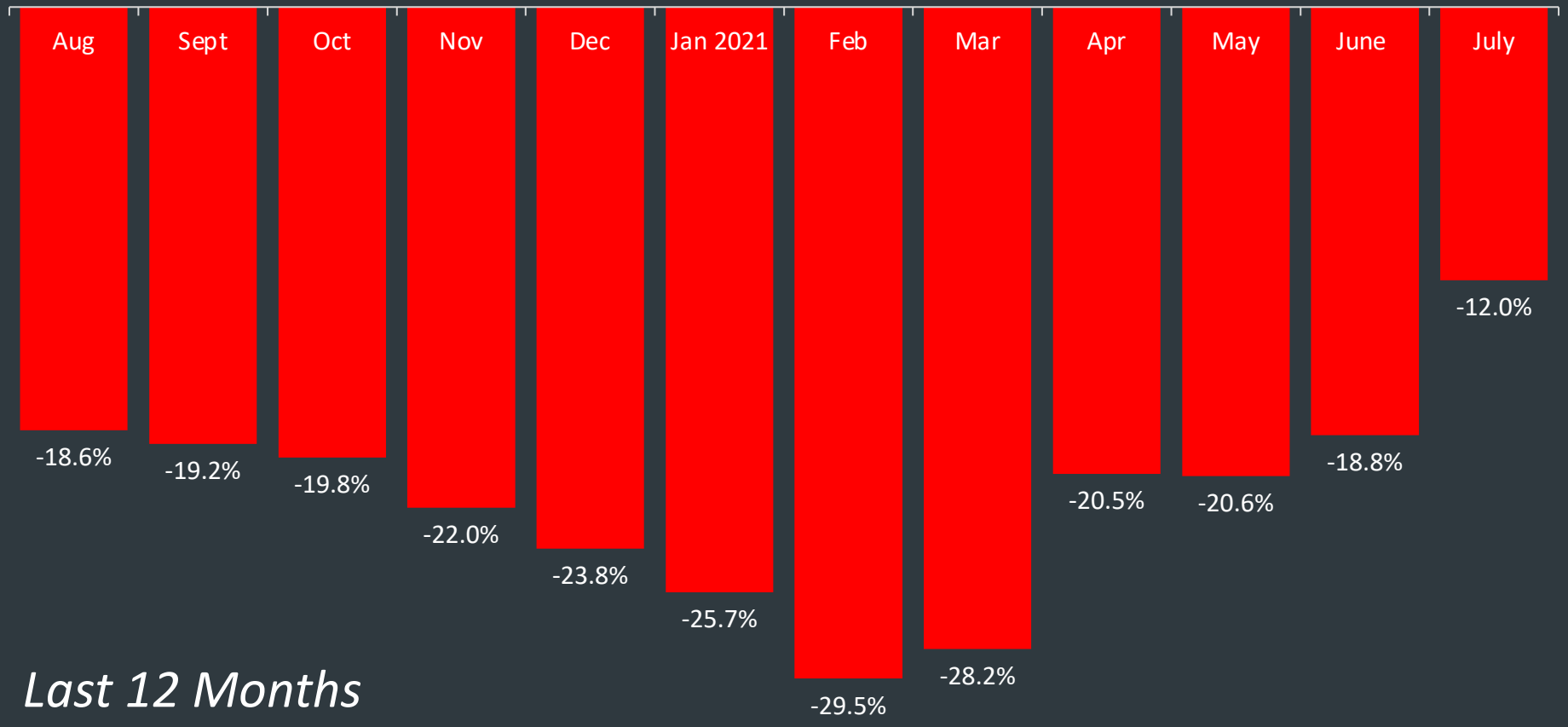
January 2014 | January 2015 | January 2016 | January 2017 | January 2018 | January 2019 | January 2020 | January 2021

% 7. 5. 3. 6. 6. 5. 5. 4. 6. 5. 5. -0 -0 -0 2. -0 1. 0. -4 -1 -3 -4 -1 -3 -2 -1 -1 -3 -9 -5 -5 -1 -6 -1 -9 -6 -7 -6 -6 -9 -8 -7 -9 -6 -6 -1 -9 -1 -9 -8 -7 -6 -6 0. 0. 2. 1. 2. 4. 6. 4. 2. 2. 1. 2. 0. -1 -2 -2 -4 -5 -9 -1 -9 -1 -1 -1 -2 -1 -1 -1 -2 -2 -2 -2 -2 -2 -1 -1

NAR

HOUSING SUPPLY

Year-Over-Year



Last 12 Months

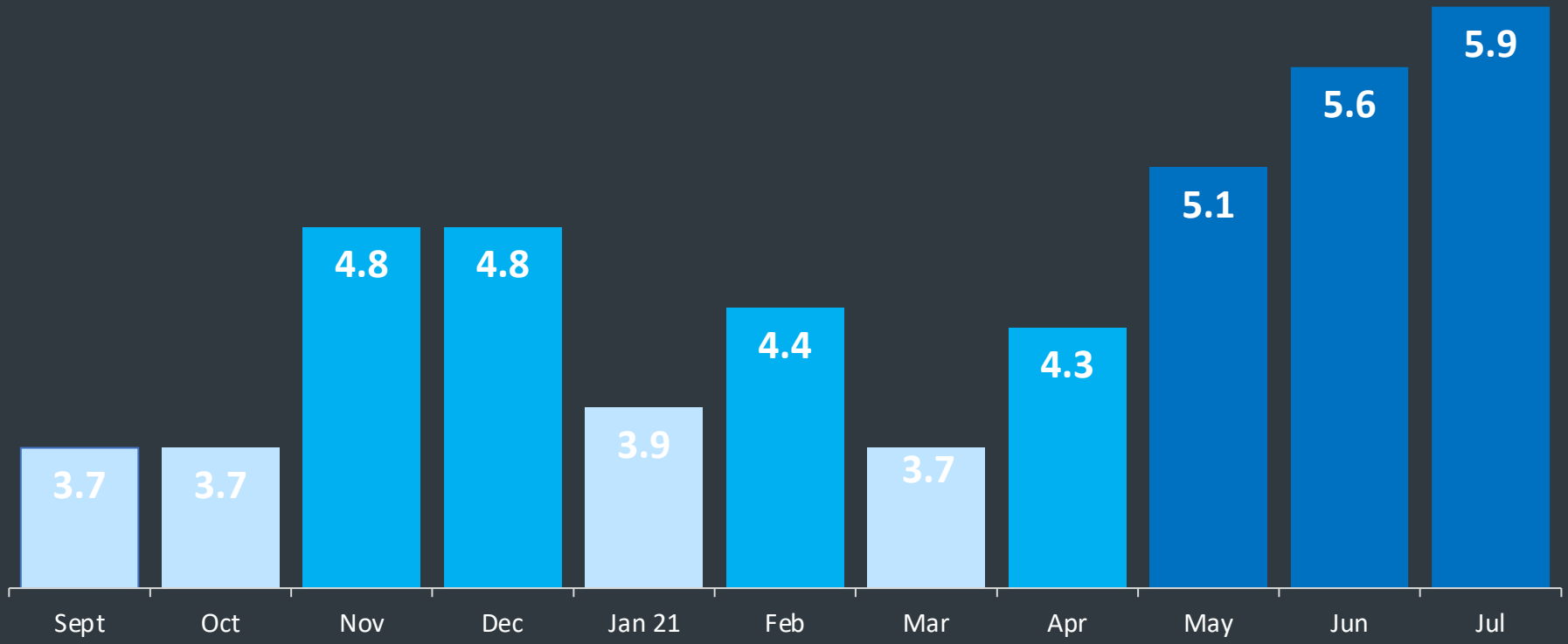
NAR

New Home Inventory

months supply

Not seasonally adjusted

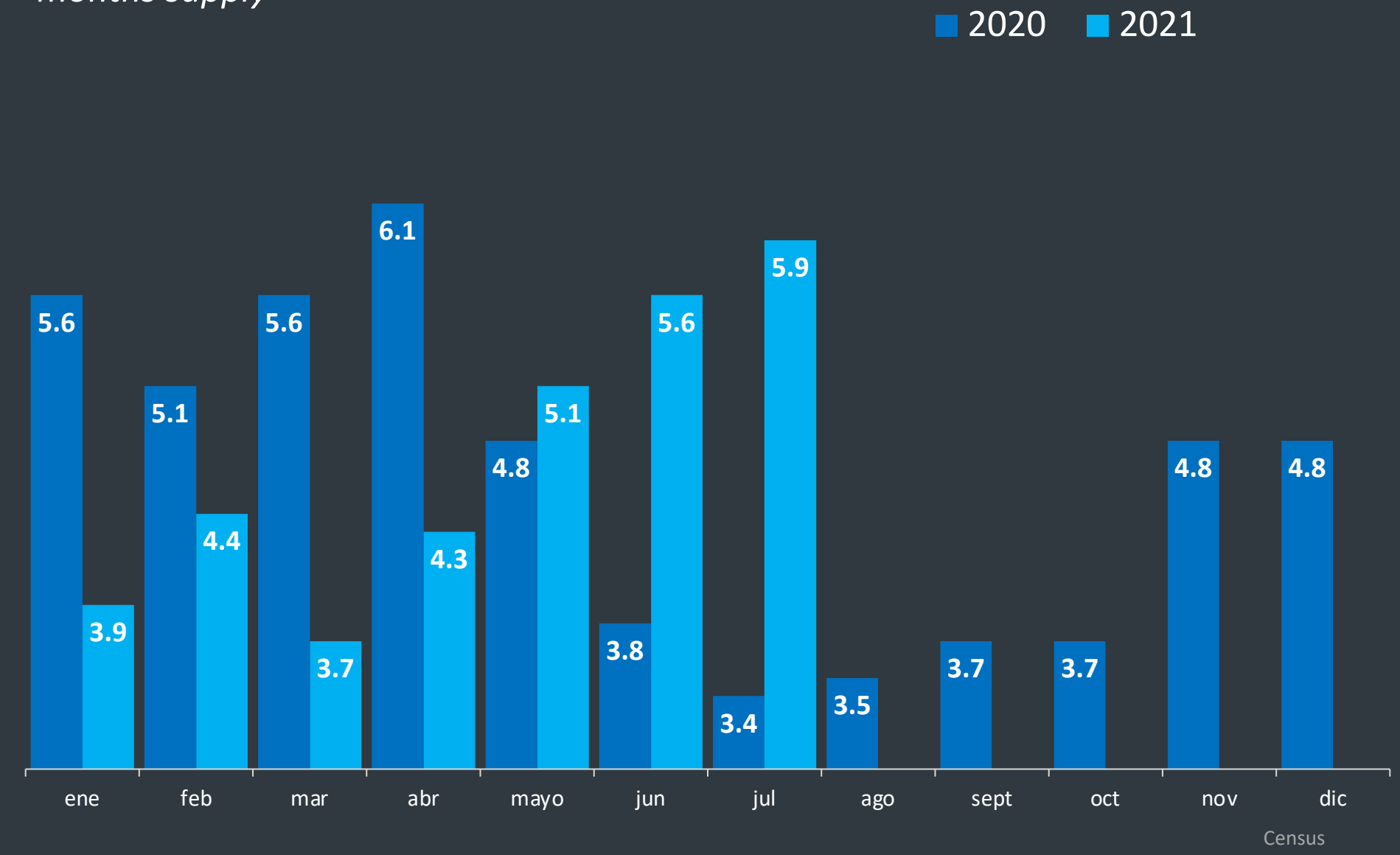
Last 12 Months



Census

New Home Inventory

months supply

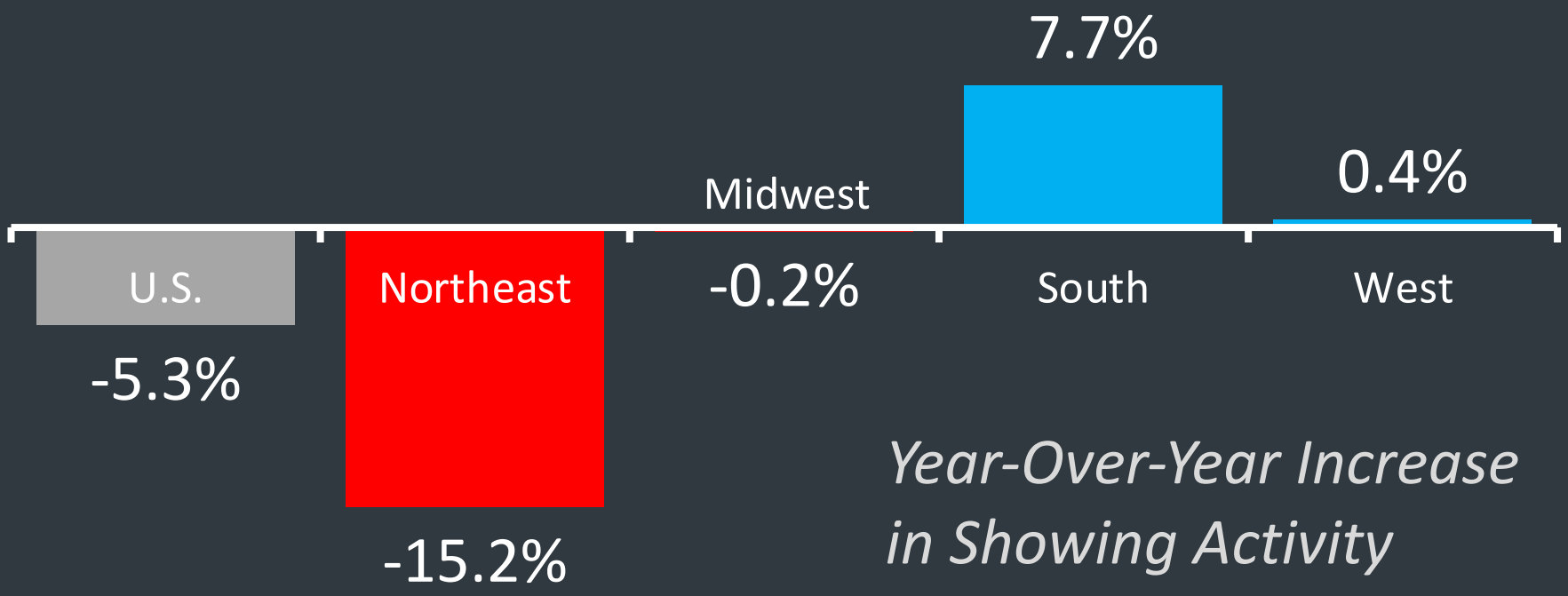


Census

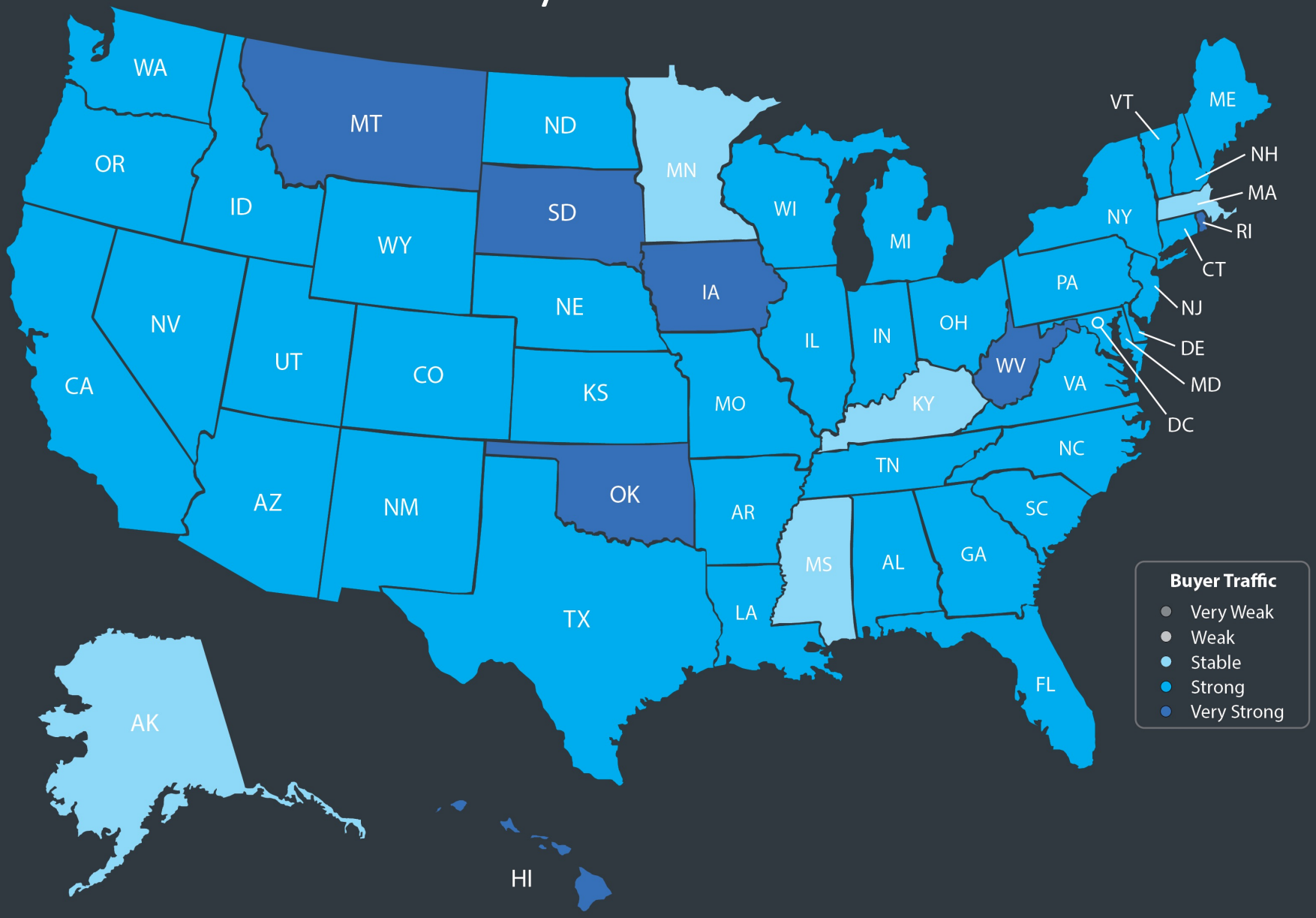
BUYER
DEMAND

“In general, there are definite signs of cooling demand… However, buyer traffic is still at historically high levels compared to pre-pandemic showings.”

- Michael Lane, President of Showing Time



Buyer Traffic Index

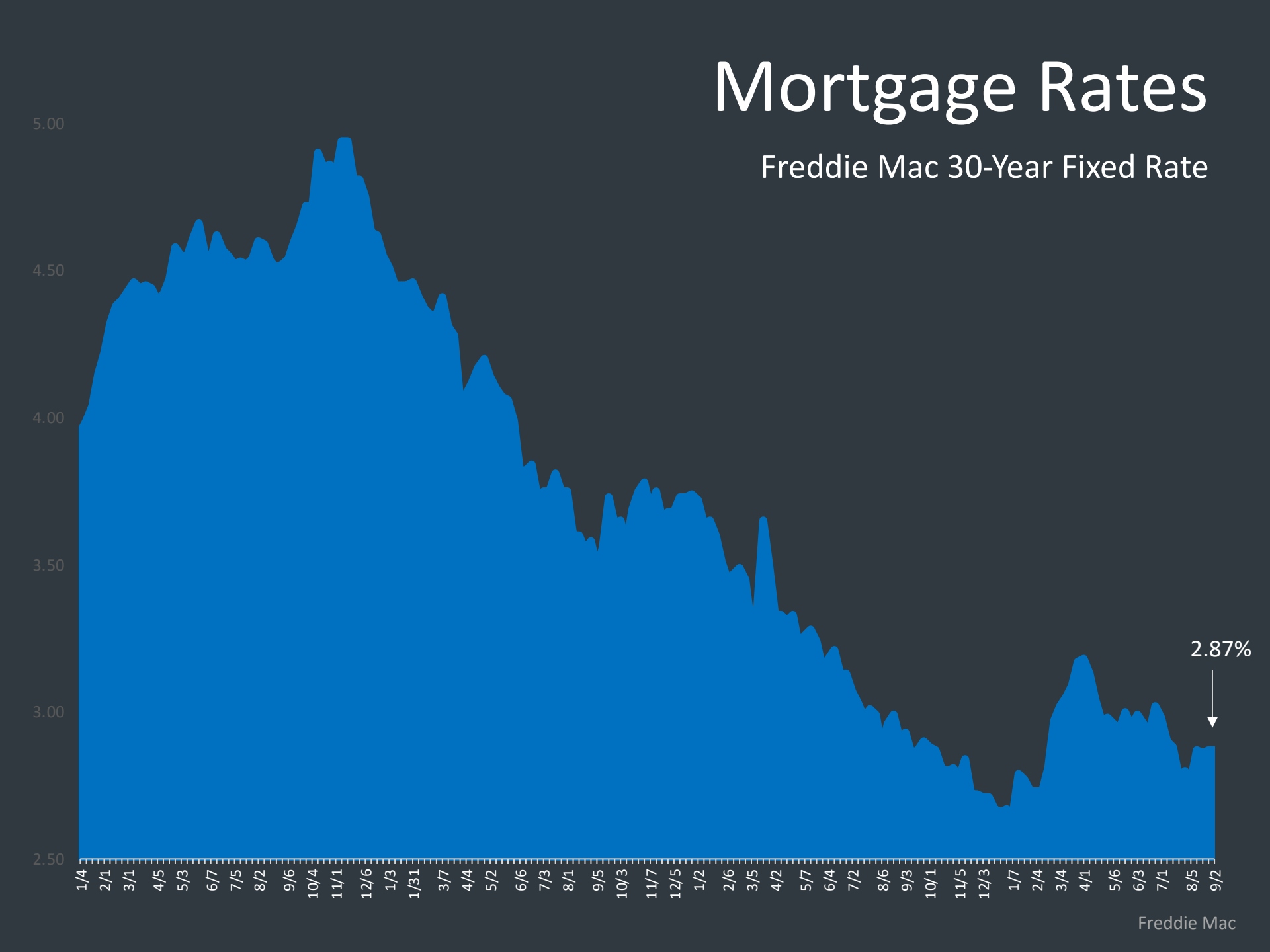


NAR

INTEREST RATES

Mortgage Rates

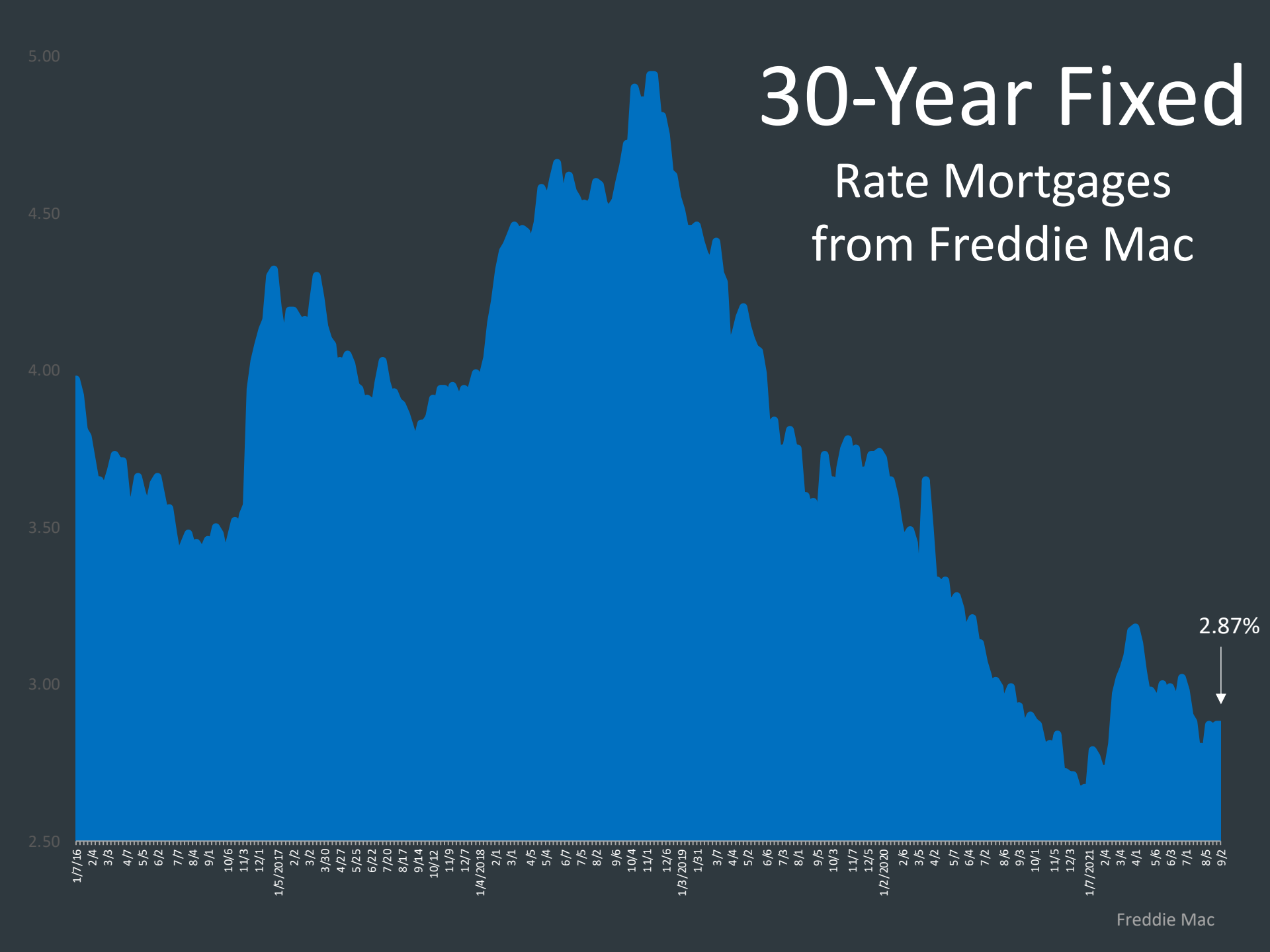
Freddie Mac 30-Year Fixed Rate



Freddie Mac

30-Year Fixed

Rate Mortgages from Freddie Mac



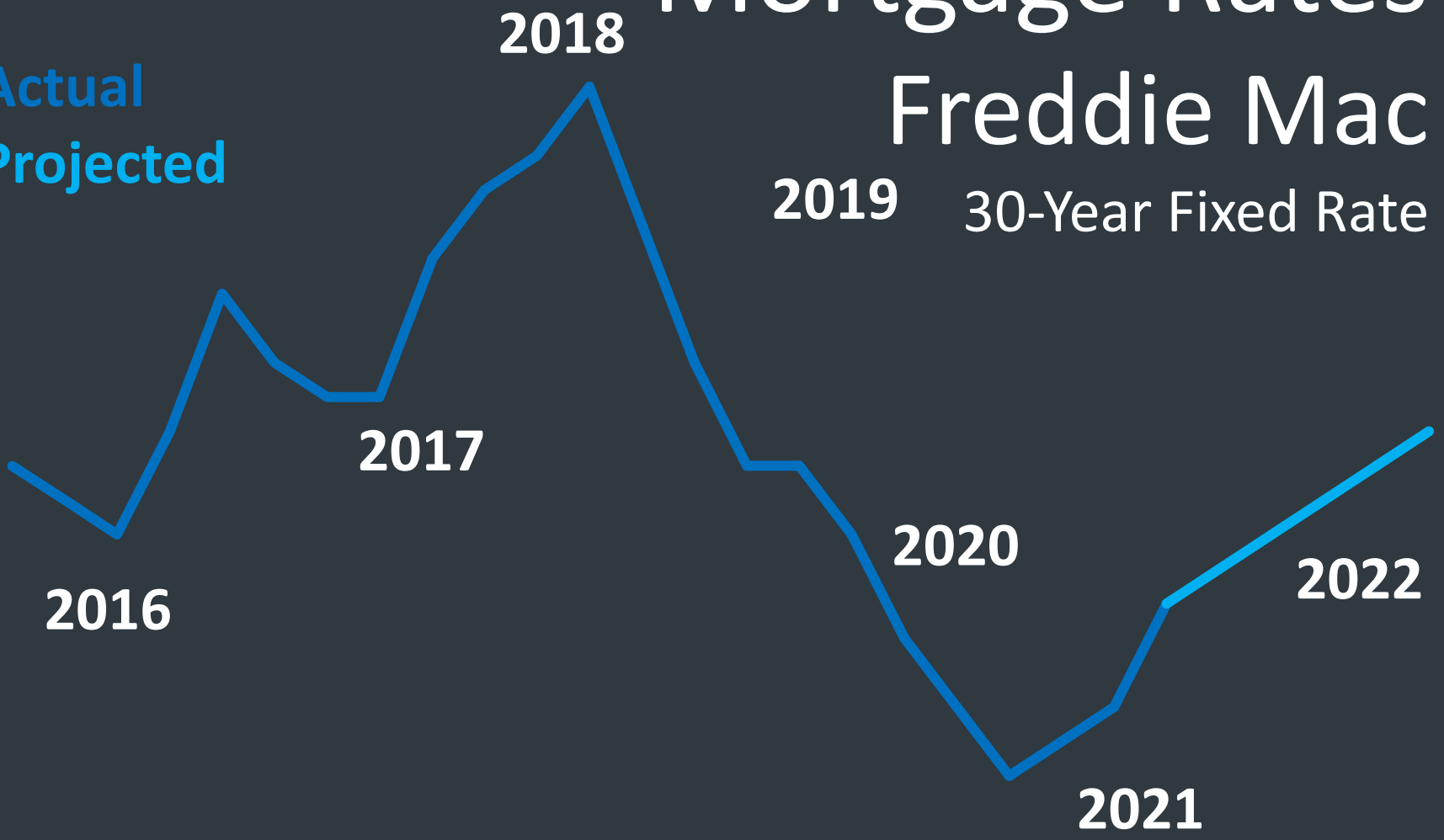
Freddie Mac

Mortgage Rate Projections

Quarter	Freddie Mac	Fannie Mae	MBA	NAR	Average of All Four
2021 4Q	3.4	2.9	3.3	3.3	3.20%
2022 1Q	3.5	3.0	3.5	3.4	3.35%
2022 2Q	3.6	3.0	3.7	3.5	3.45%
2022 3Q	3.7	3.1	4.0	3.6	3.60%

Mortgage Rates
Freddie Mac
30-Year Fixed Rate

- Actual
- Projected

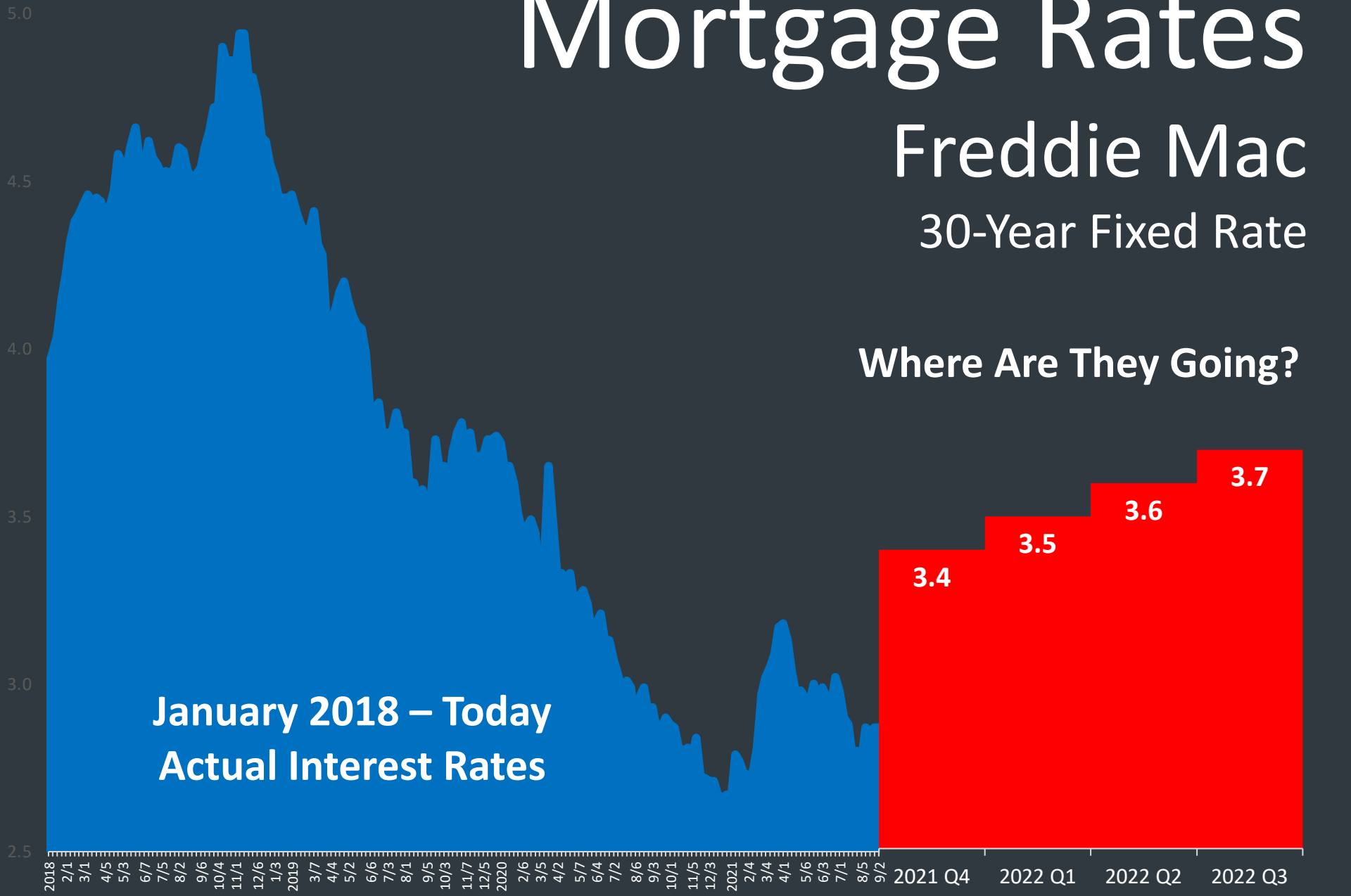


	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4
Rate	3.7	3.6	3.5	3.8	4.2	4.0	3.9	3.9	4.3	4.5	4.6	4.8	4.4	4	3.7	3.7	3.5	3.2	3.0	2.8	2.9	3.0	3.3	3.4	3.5	3.6	3.7	3.8

Mortgage Rates

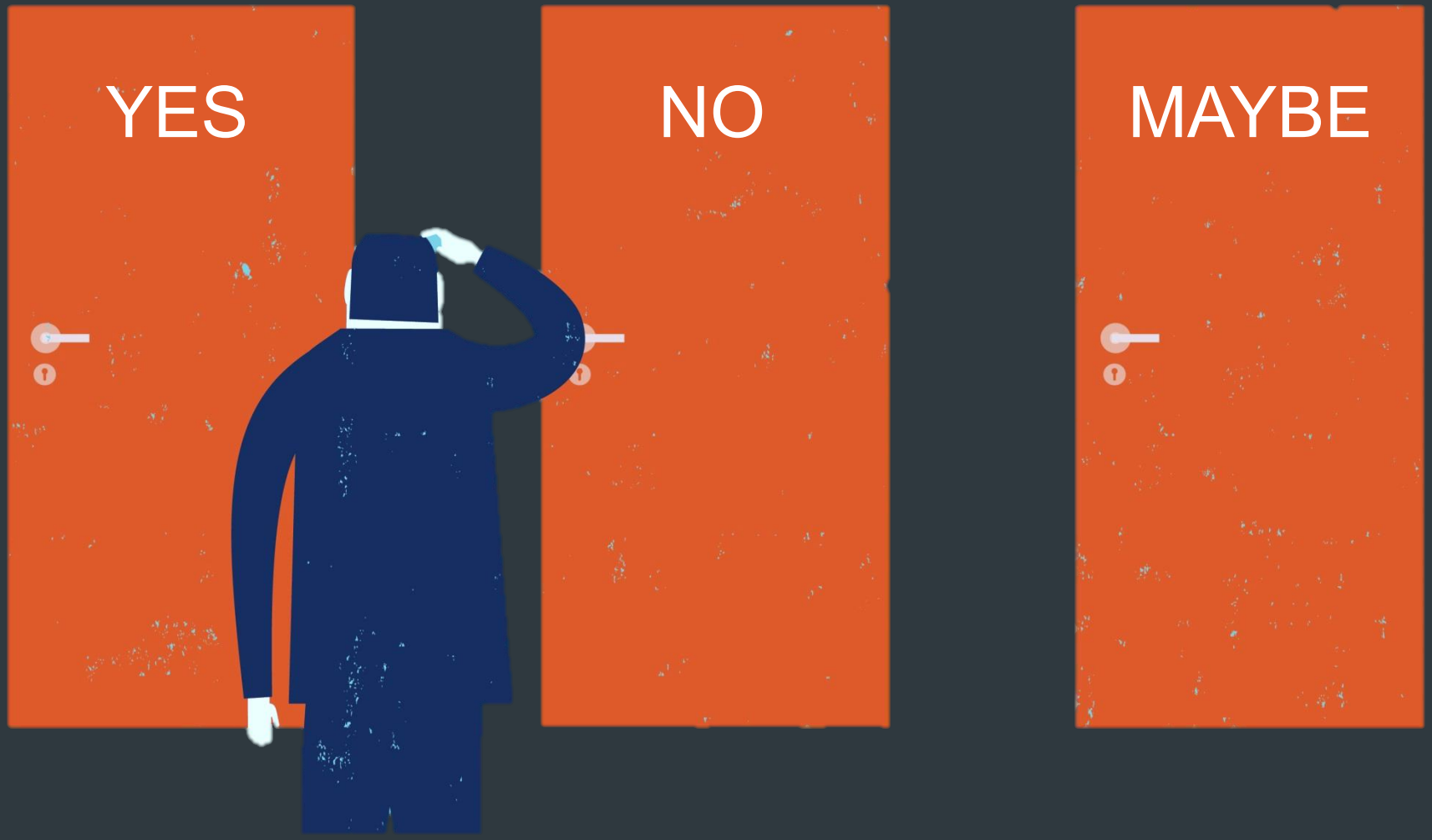
Freddie Mac

30-Year Fixed Rate

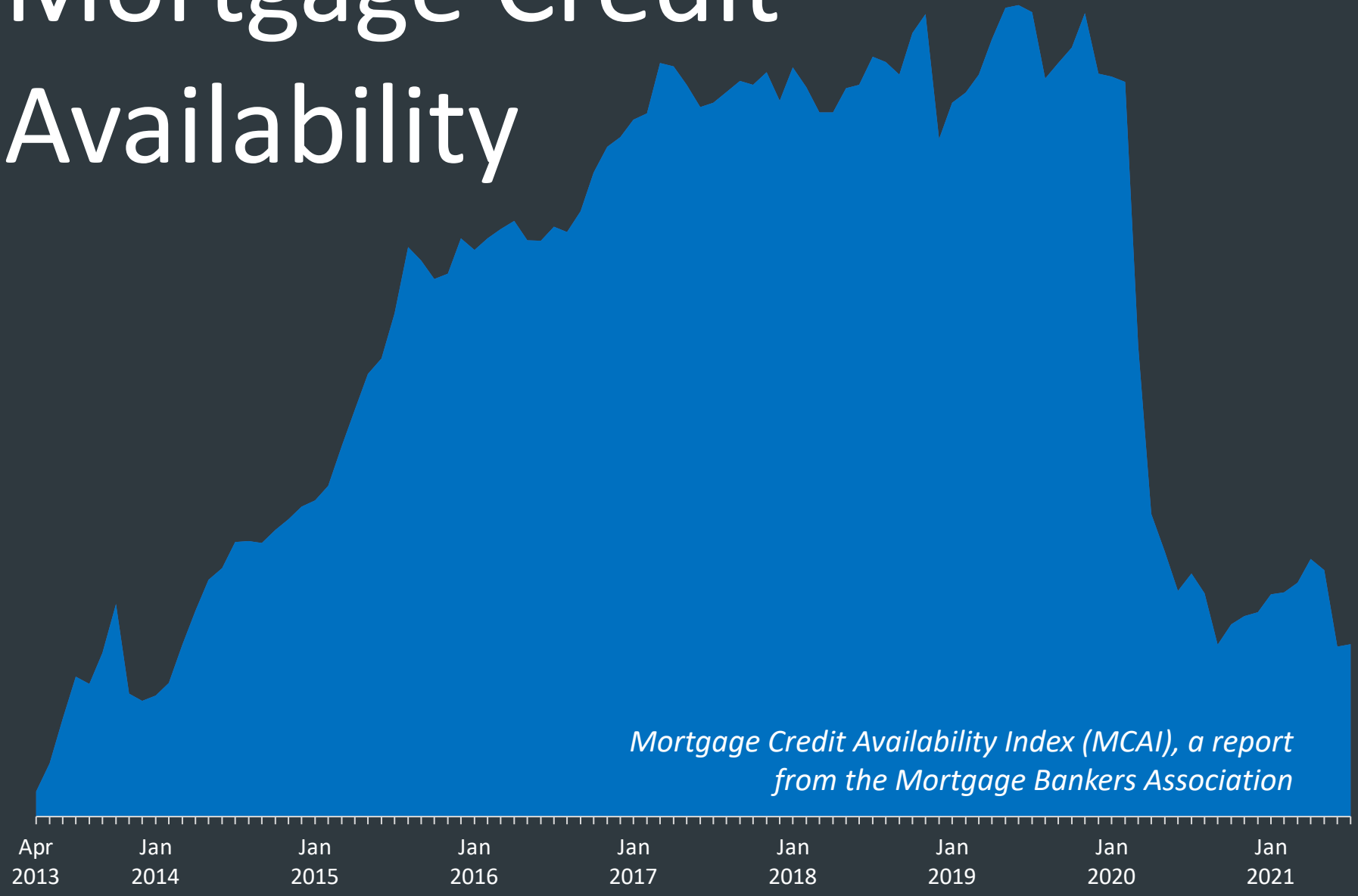


Freddie Mac

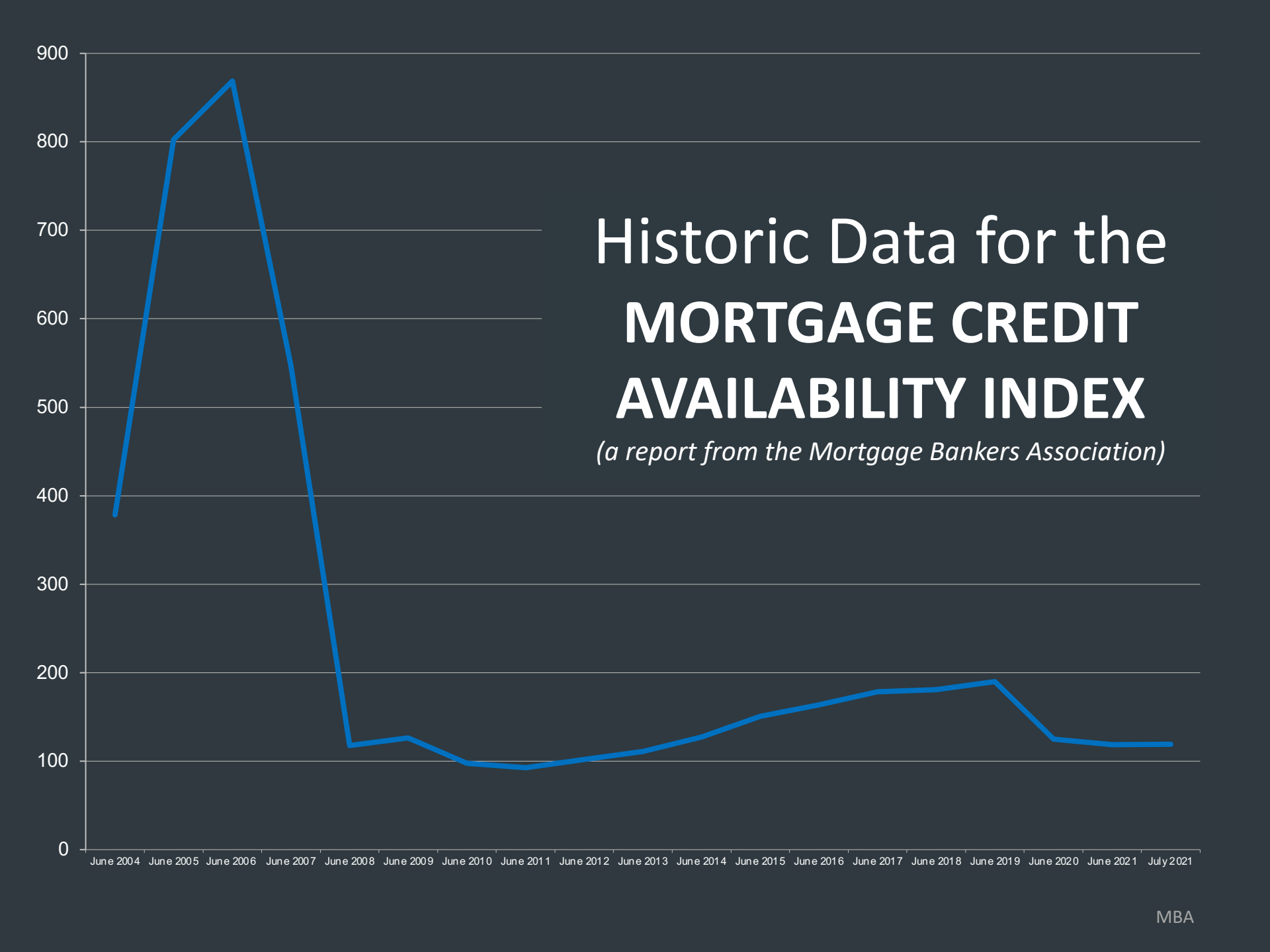
Mortgage Credit Availability



Mortgage Credit Availability



MBA

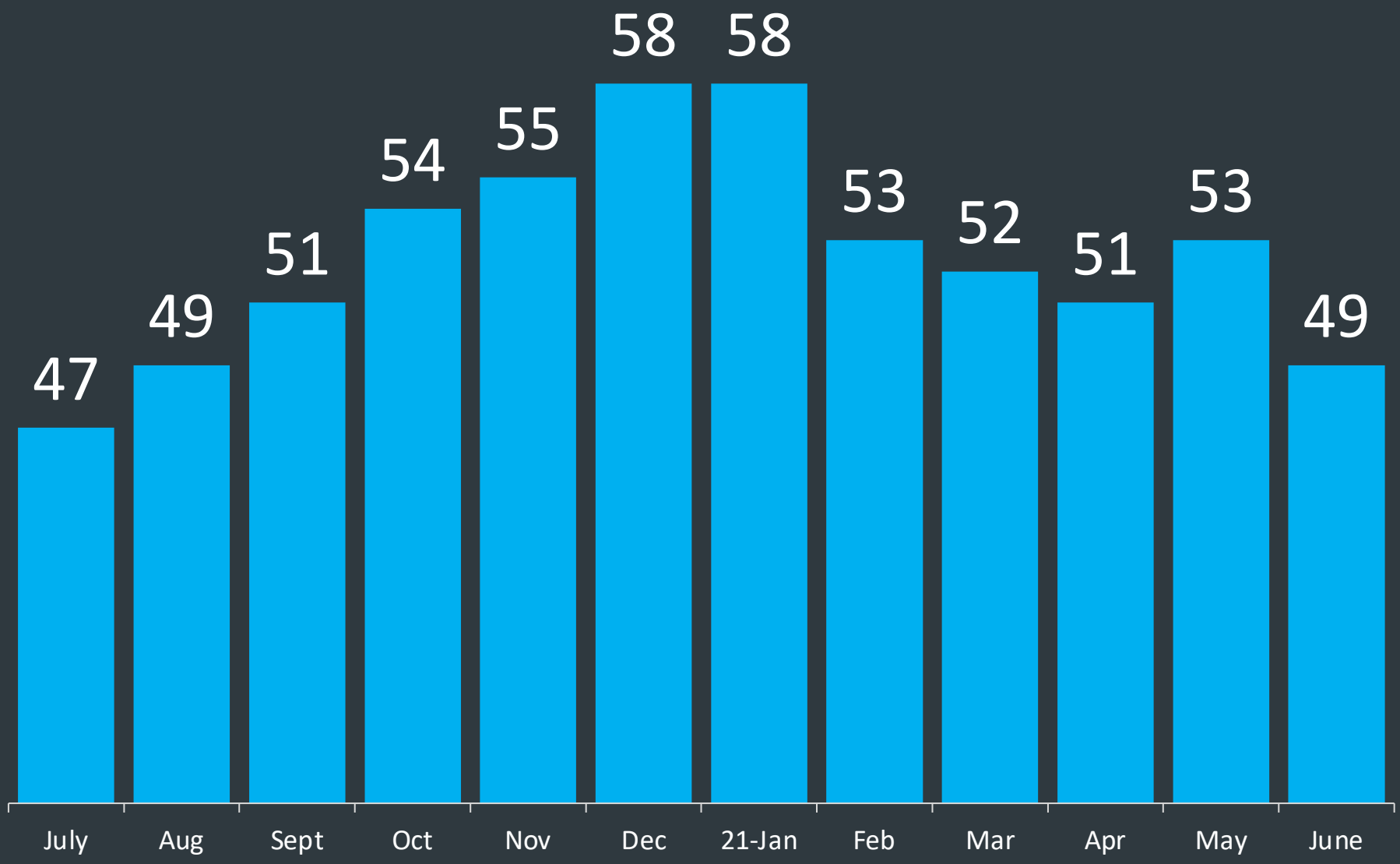


Historic Data for the **MORTGAGE CREDIT AVAILABILITY INDEX**

(a report from the Mortgage Bankers Association)

Average Days To Close A Loan

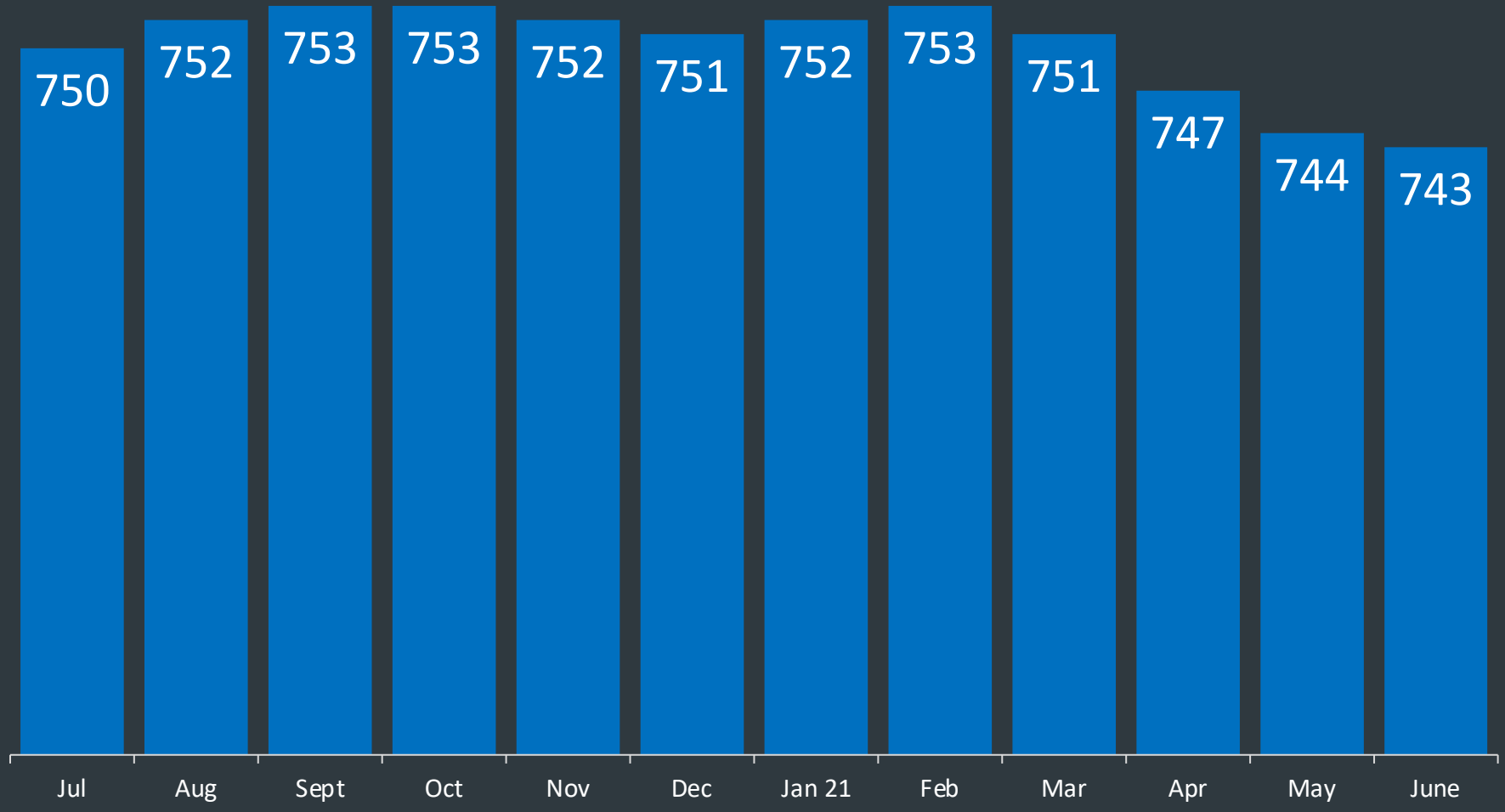
Last 12 Months



All Closed Loans as per Ellie Mae

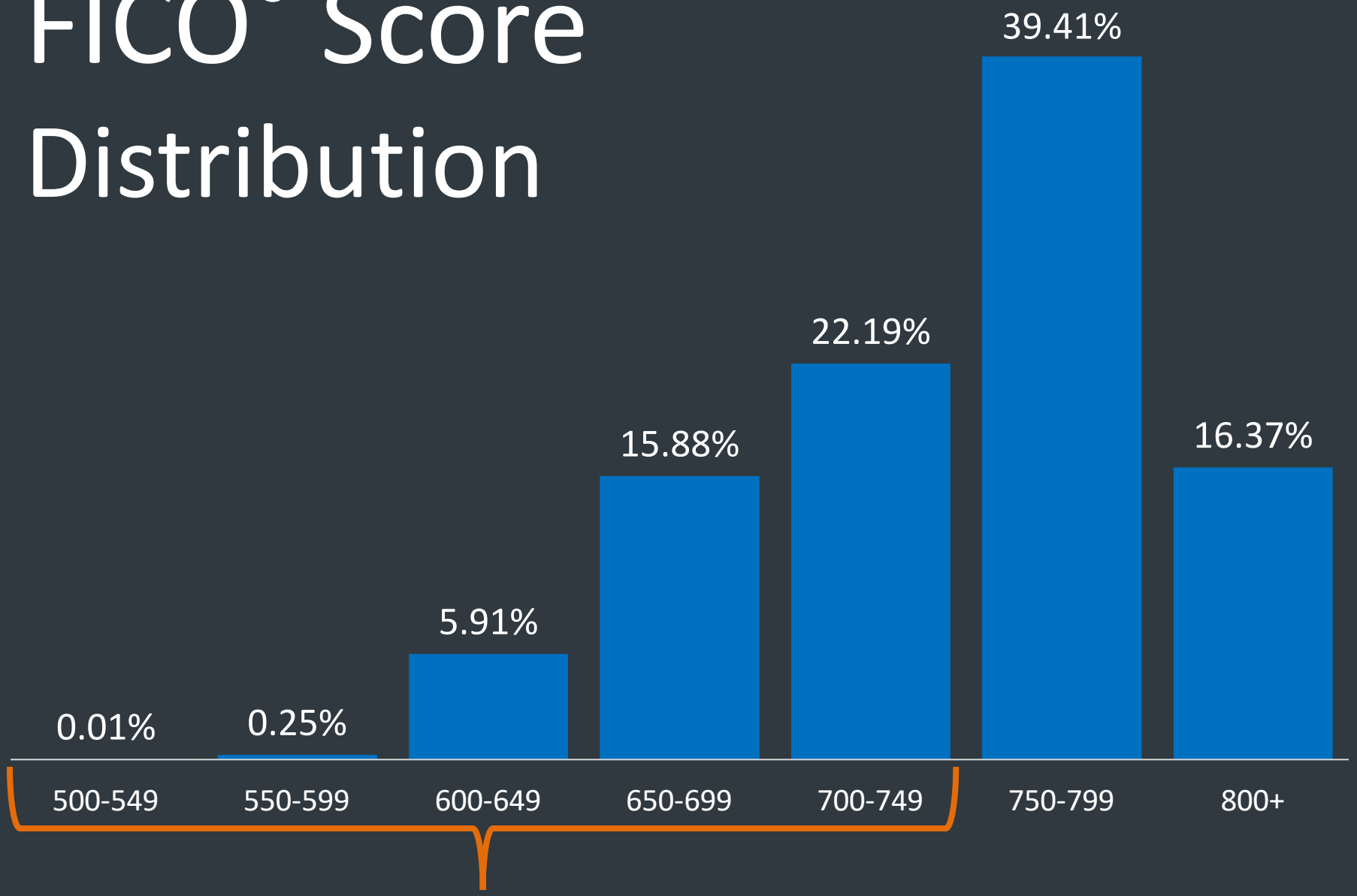
FICO® Score Requirements

Last 12 months



All Closed Loans as per Ellie Mae

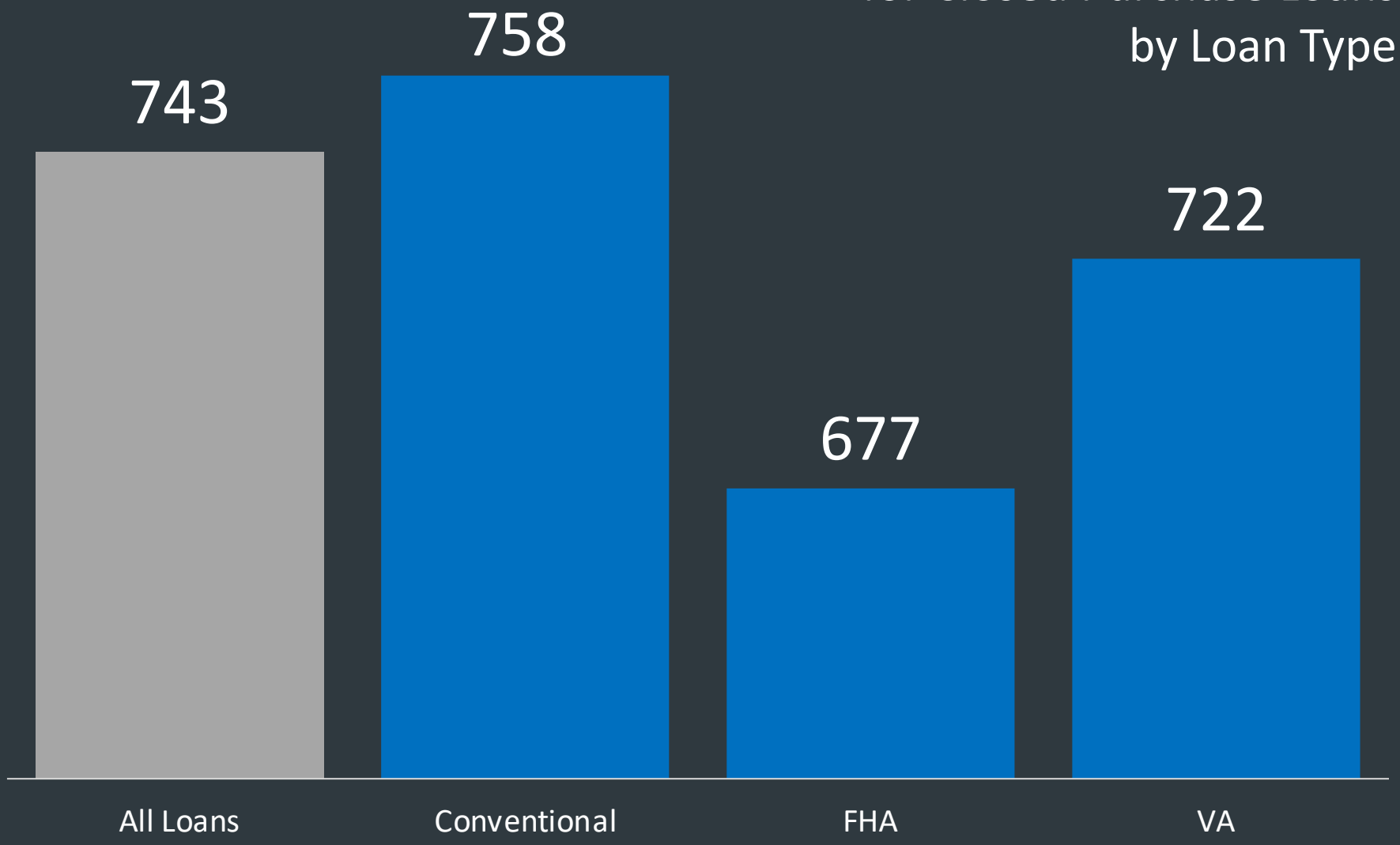
FICO® Score Distribution



All Closed Loans as per Ellie Mae

Average FICO® Score

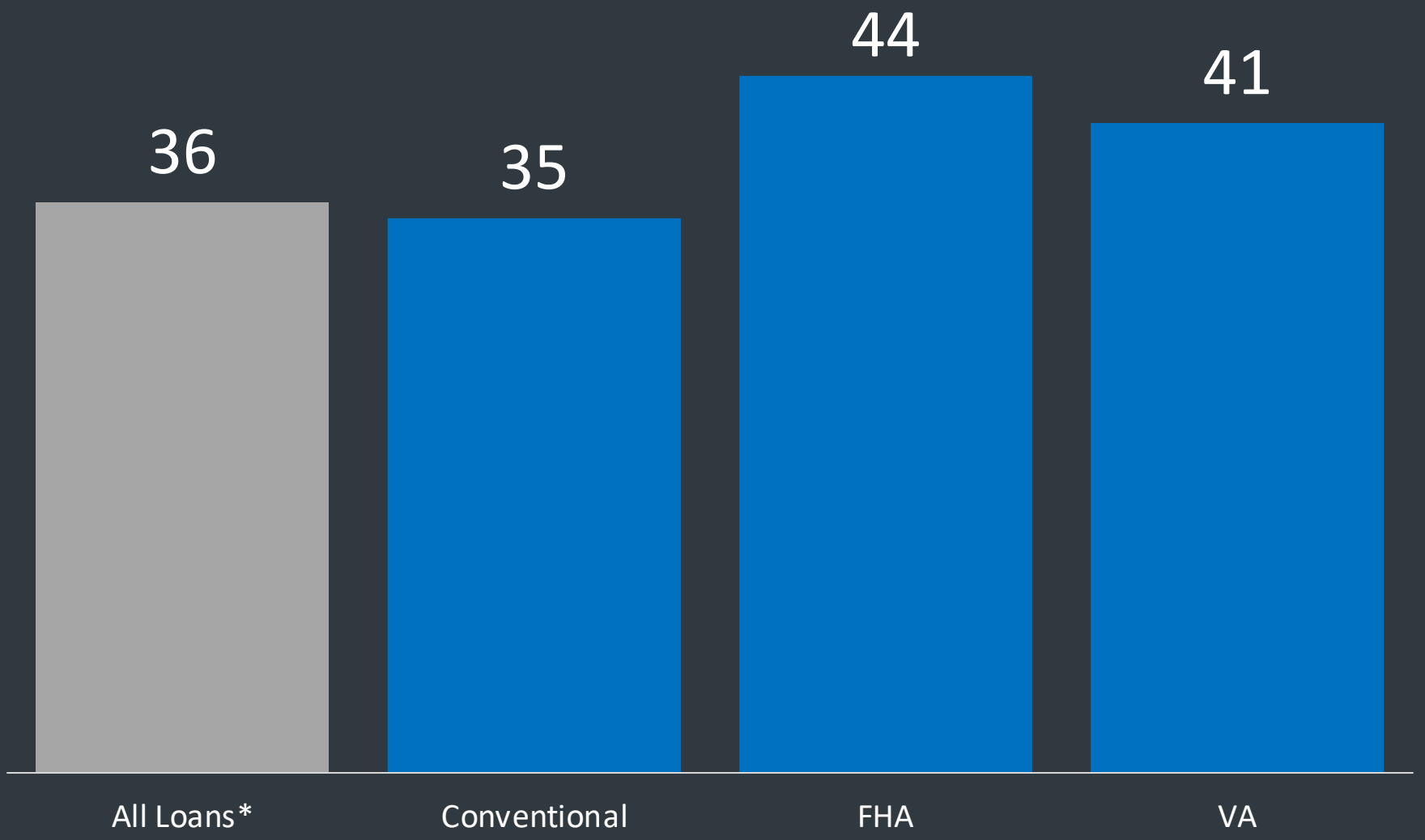
for Closed Purchase Loans
by Loan Type



All Closed Loans as per Ellie Mae

Average Back End DTI

for Closed Purchase Loans by Loan Type



All Closed Loans as per Ellie Mae