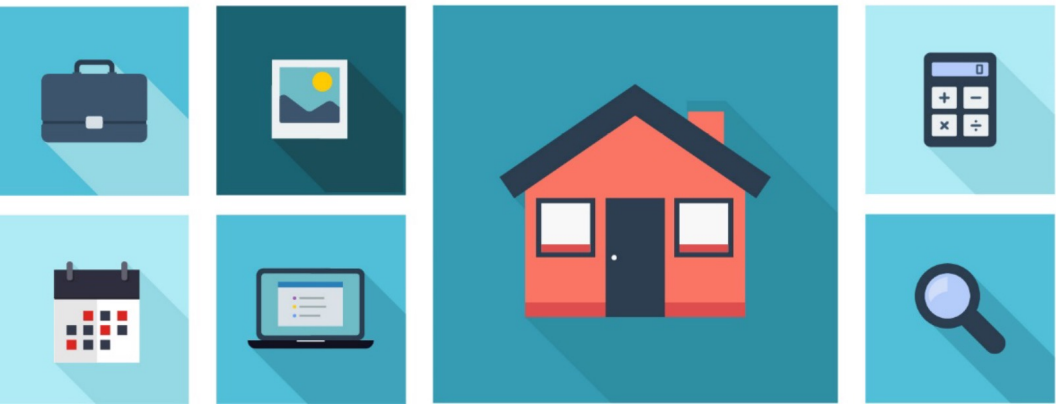
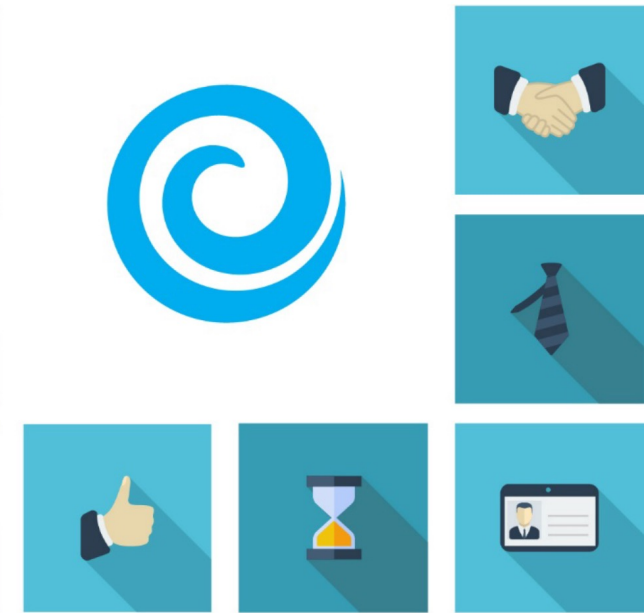
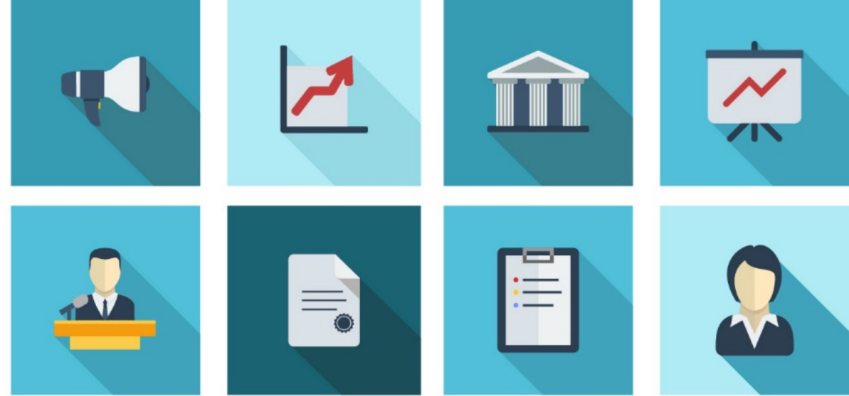


KEEPING CURRENT MATTERS



OCTOBER 2021

“My sense is the Case-Shiller National annual growth rate of 19.7% is probably close to a peak, and that year-over-year price increases will slow later this year.”

Bill McBride

Calculated Risk



July 2021 Y-O-Y
House Appreciation

The Federal Housing Finance Agency
House Price Index

+19.2%

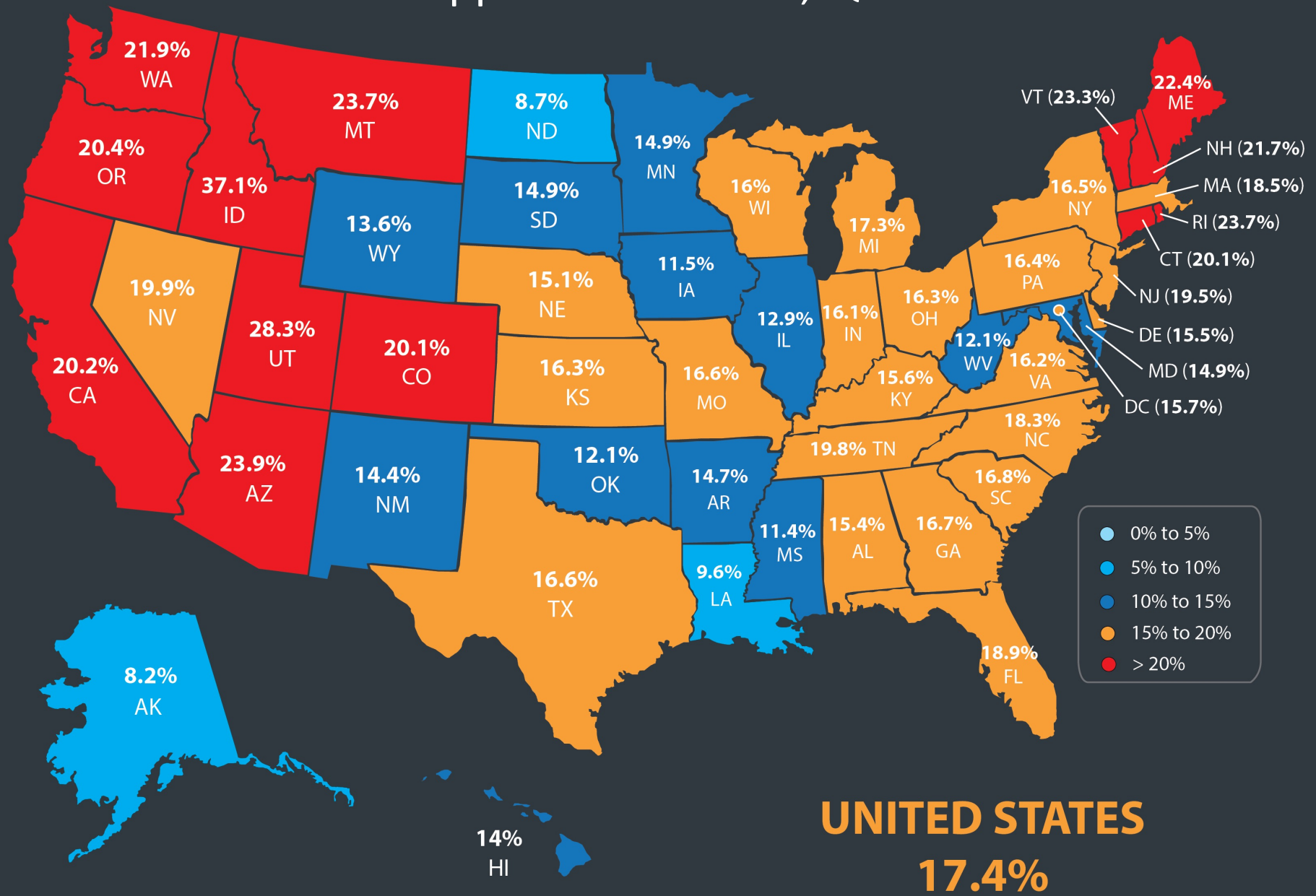
The CoreLogic
Home Price Insights Report

+18%

The S&P Case-Shiller U.S.
National Home Price Index

+19.7%

Price Appreciation – YOY, Q2 2021



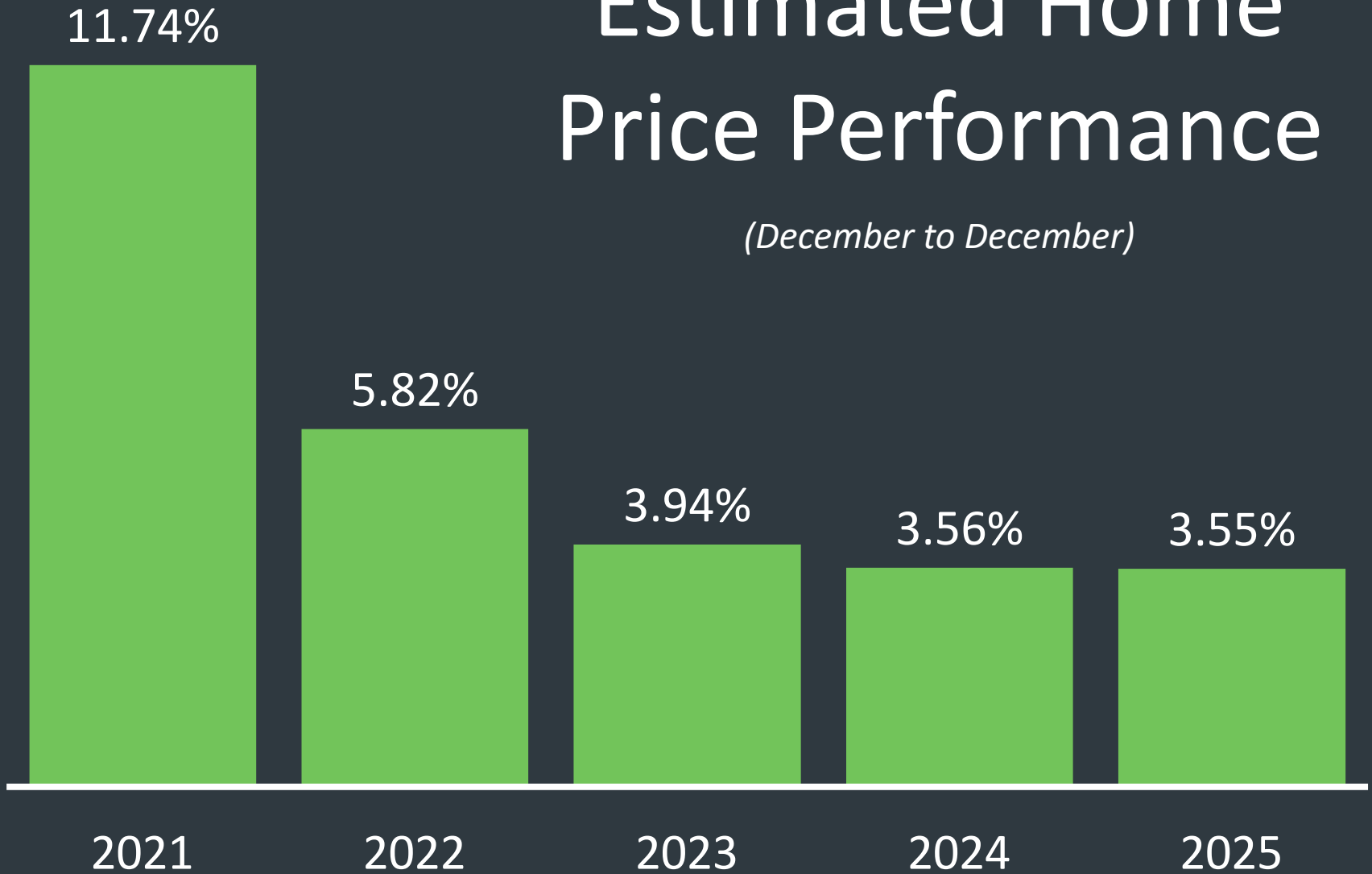
“Closings are set to decline roughly 10% year over year in 2nd half of 2021 and home price appreciation is on the cusp of flipping to a decelerating trend.”

Ivy Zelman
Zelman & Associates

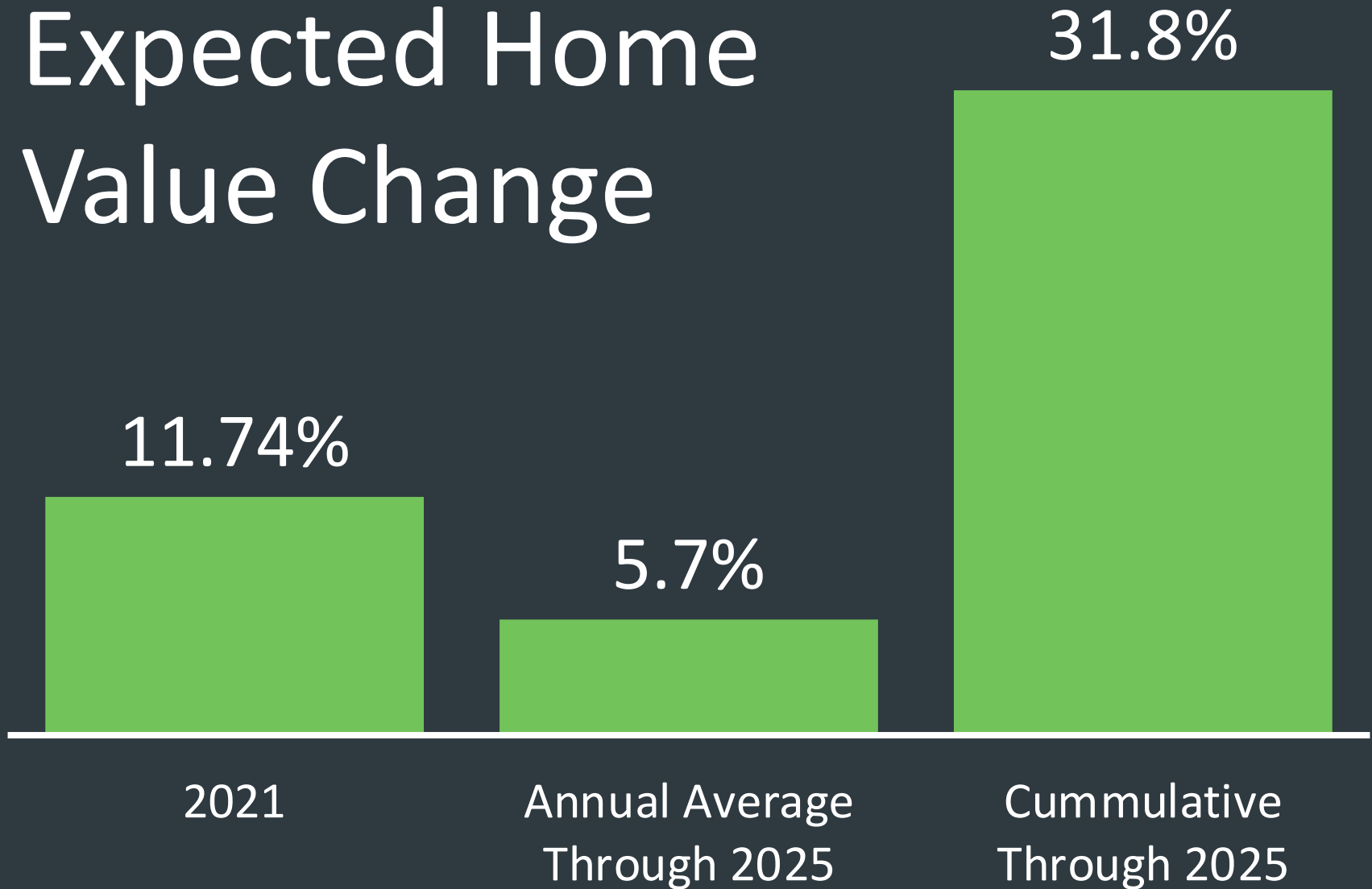


Estimated Home Price Performance

(December to December)



Expected Home Value Change





WHAT ABOUT THE 4TH QUARTER?

“Fall is usually the start of the slower season for the housing market, **but nothing is usual in today’s pandemic-driven housing market.** Potential homebuyers are seeing a slight rise in inventory and consequently rushing back into the fray.

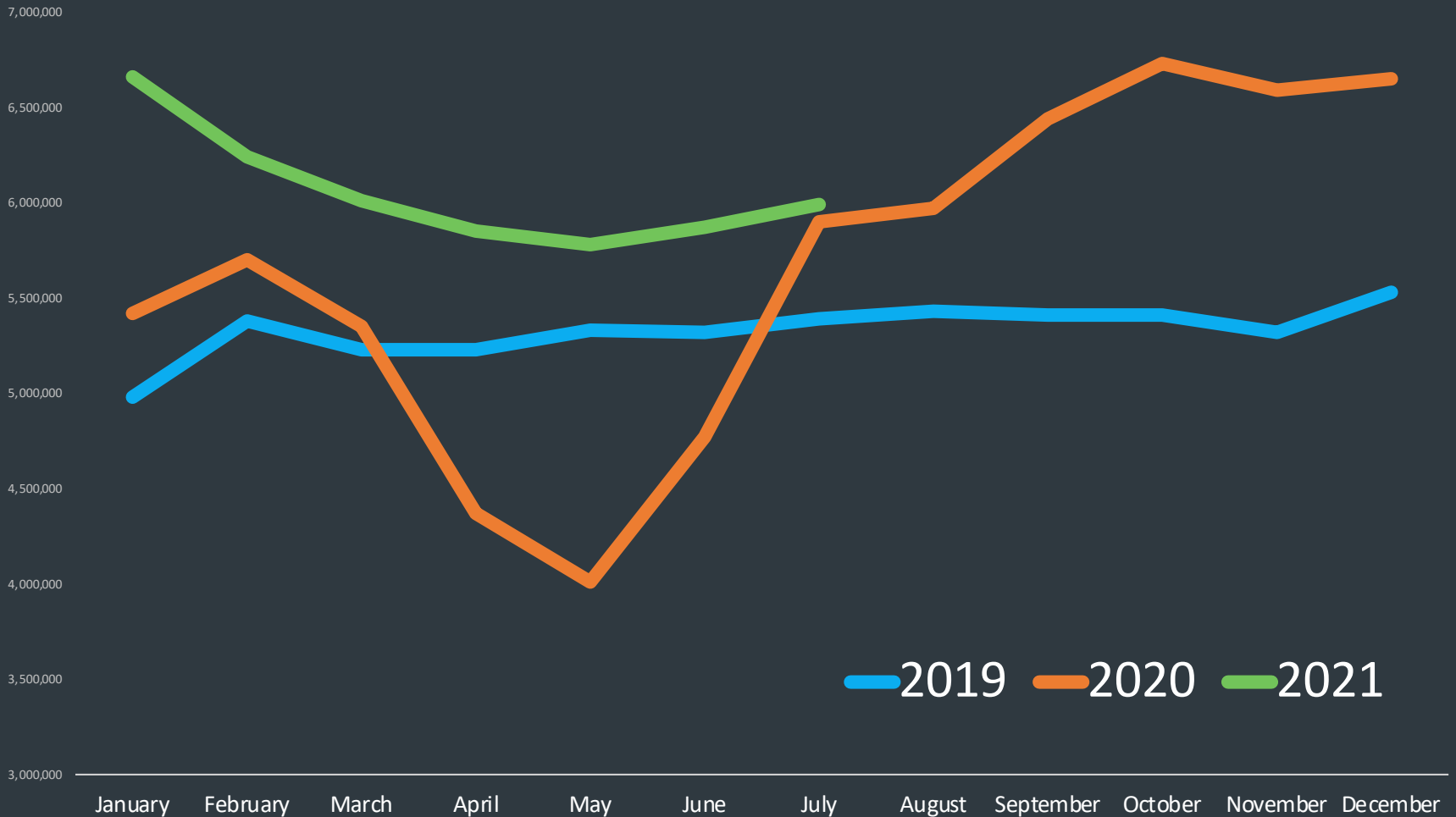
Mortgage applications to purchase a home jumped 7% last week from the previous week. . . . **That is the highest level since April of this year.”**

Diana Olick

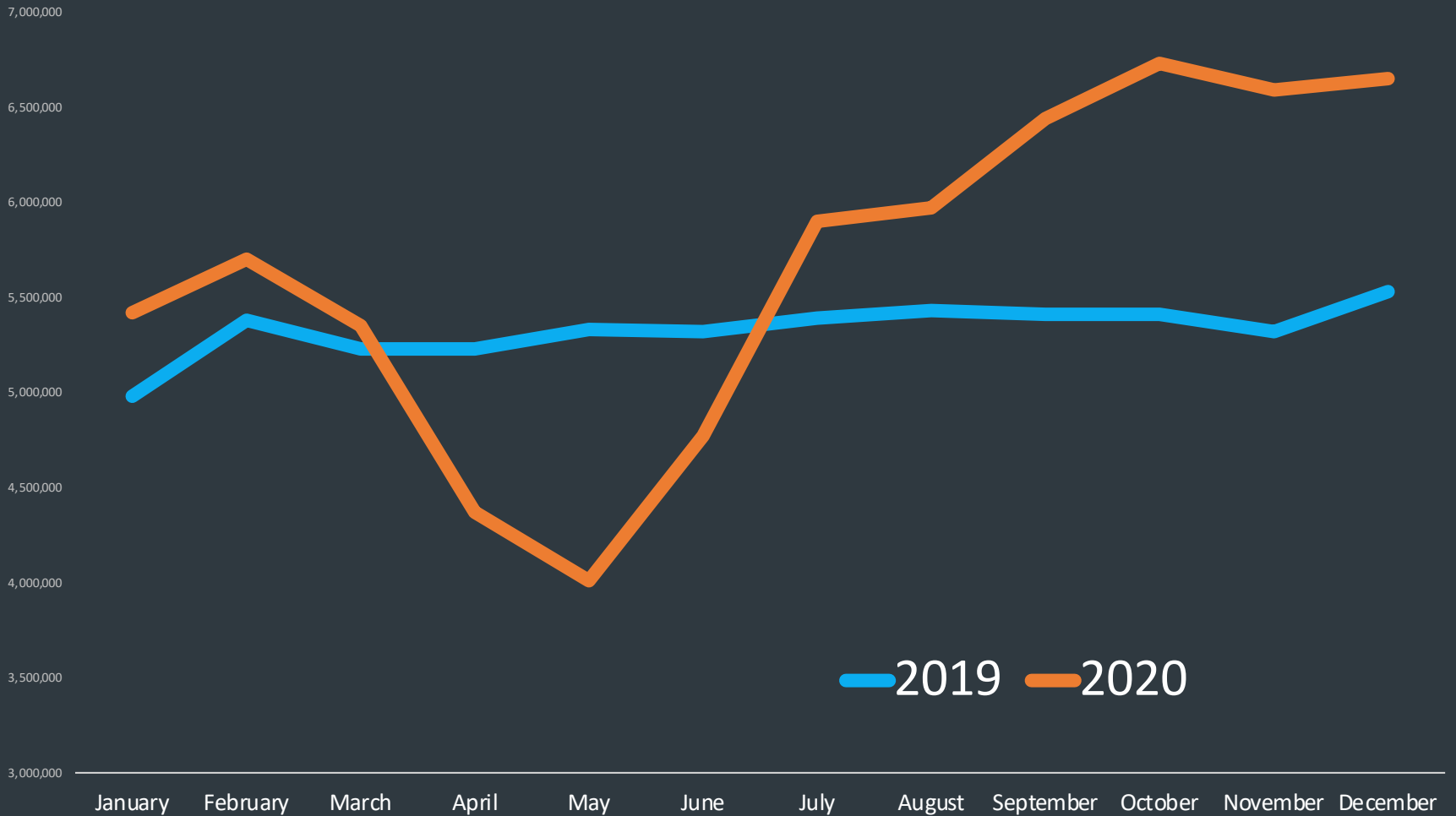
CNBC’s Real Estate Correspondent



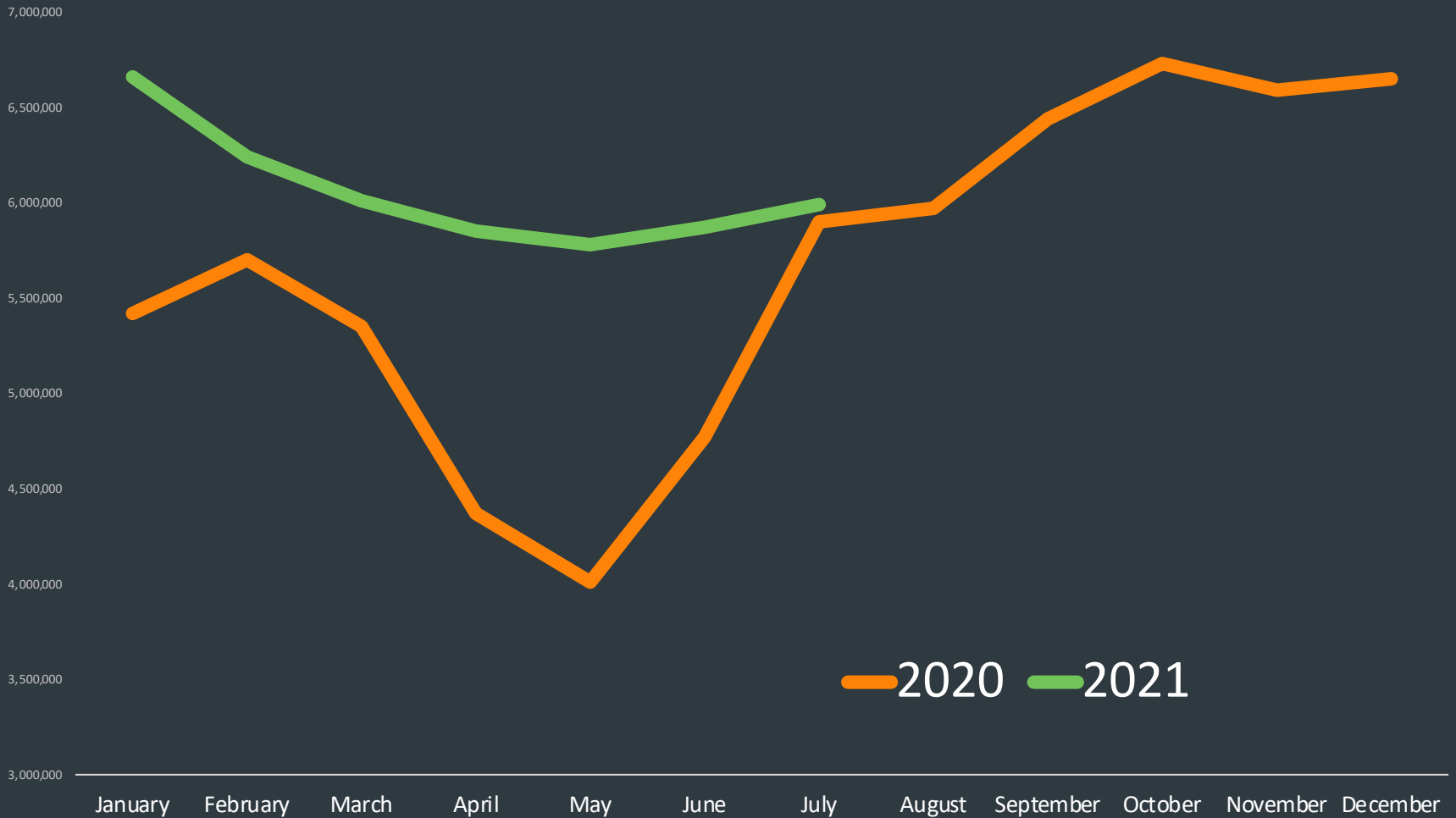
Home Sales Very Difficult To Forecast



2020 Was Nothing Like Normal 2019

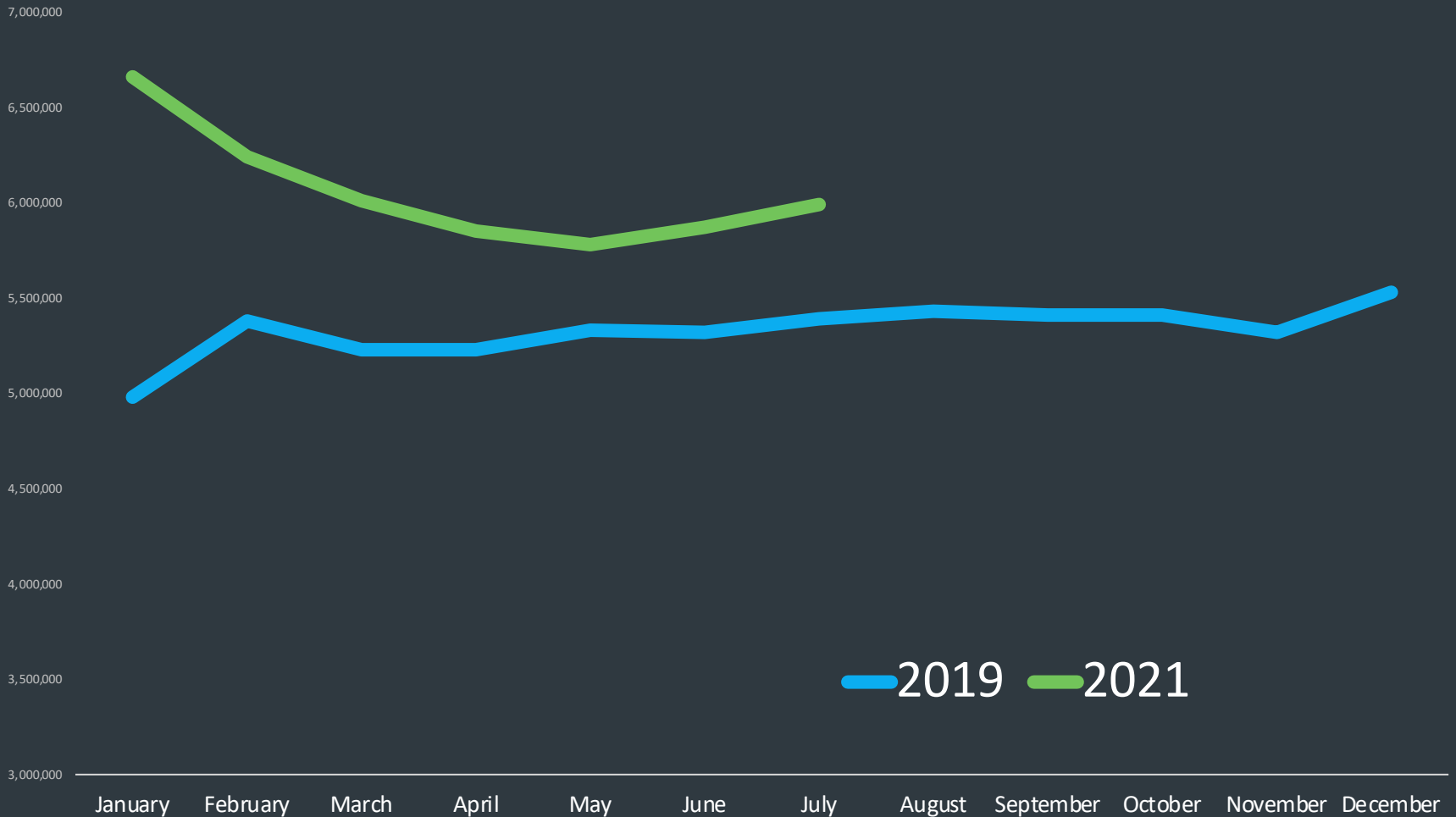


Why It Seems Things Are Slowing Down



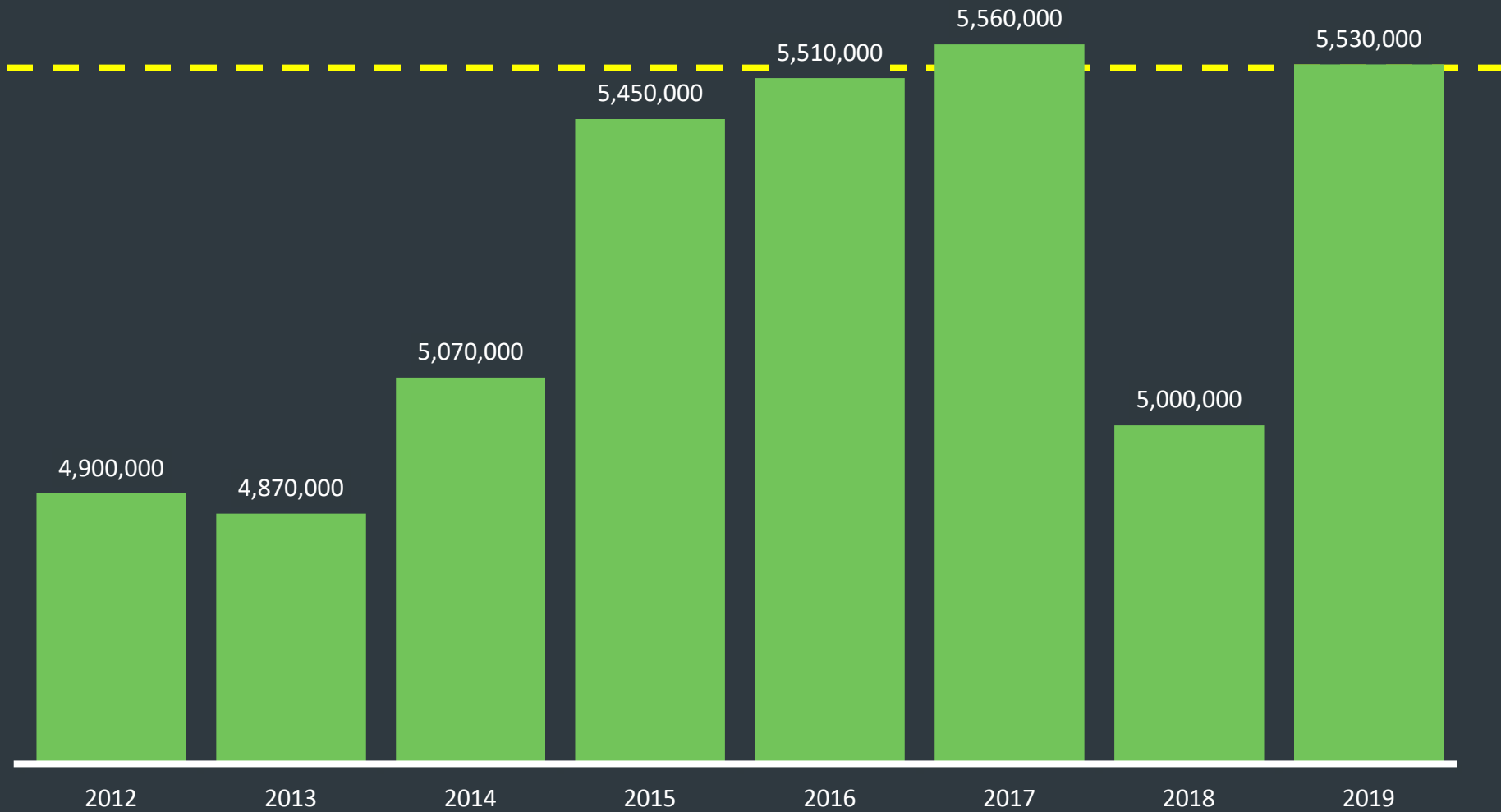
In Reality, We're Beating 2019...

which was a very good year

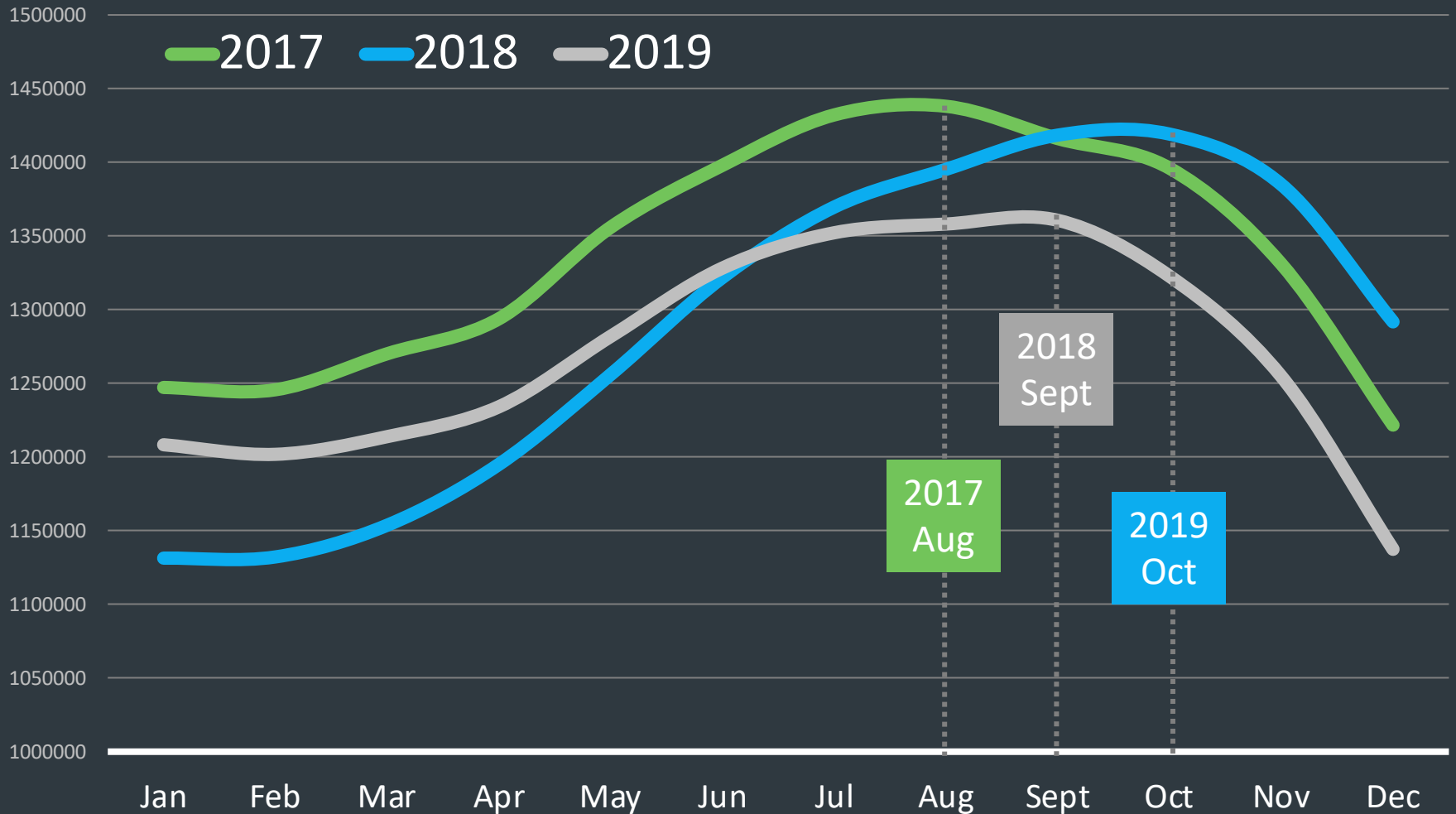


Existing Home Sales

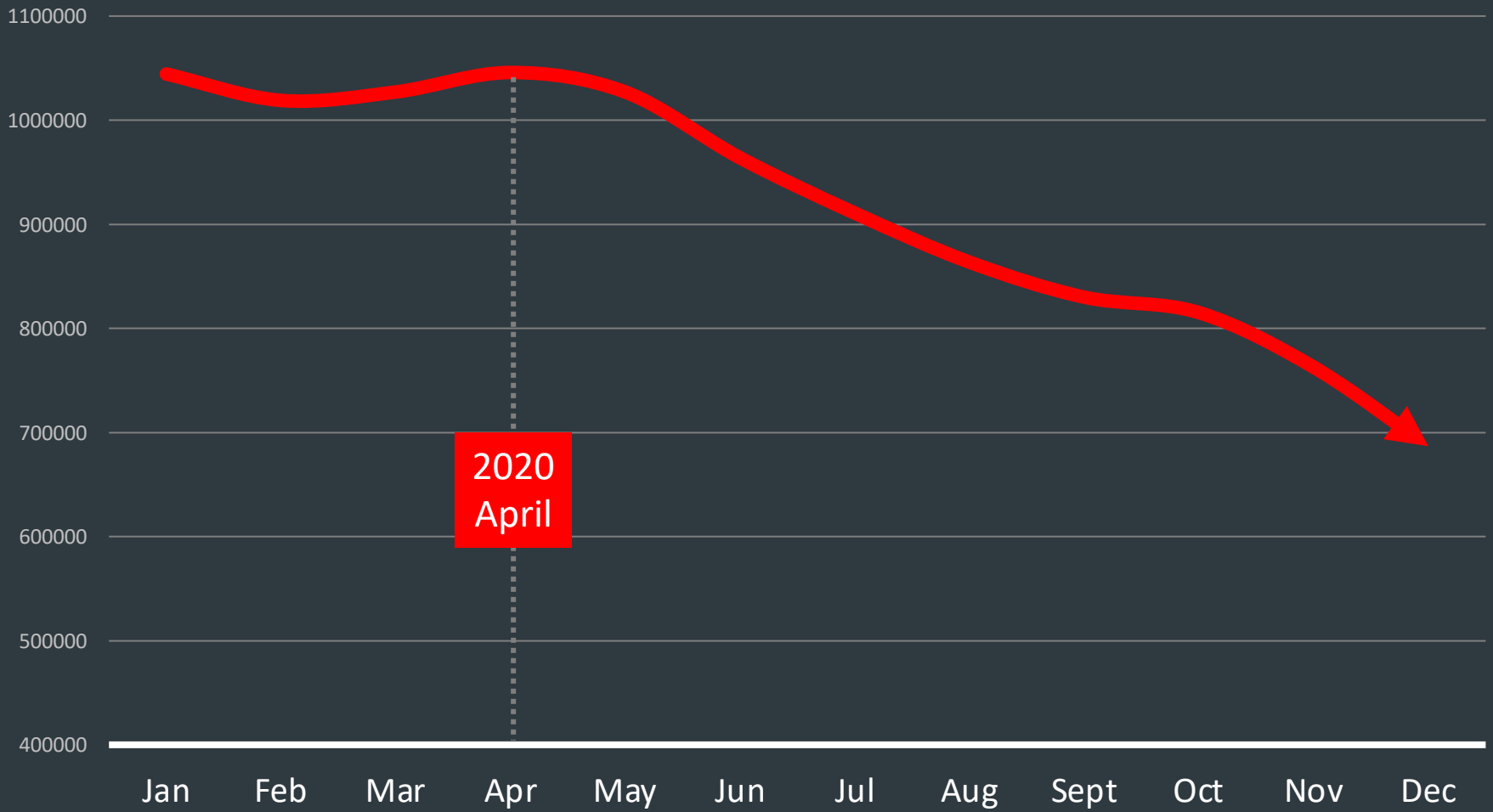
December numbers for each year



Active Monthly Listing Count Peaks 2017-2019

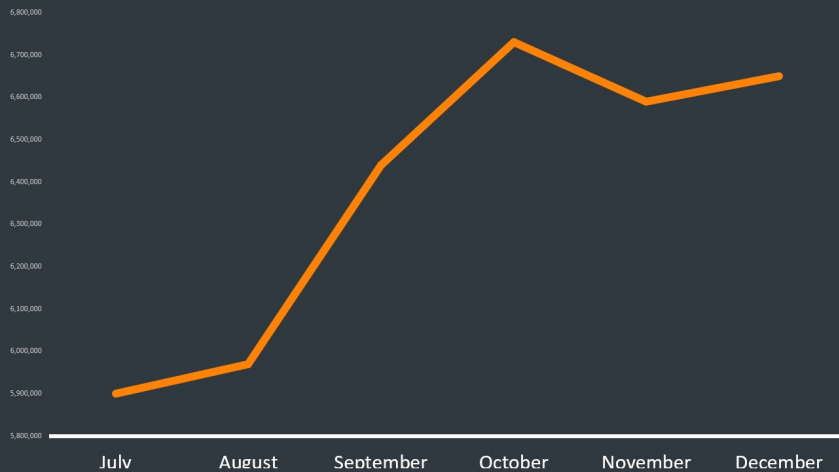


Active Monthly Listing Count Peak 2020

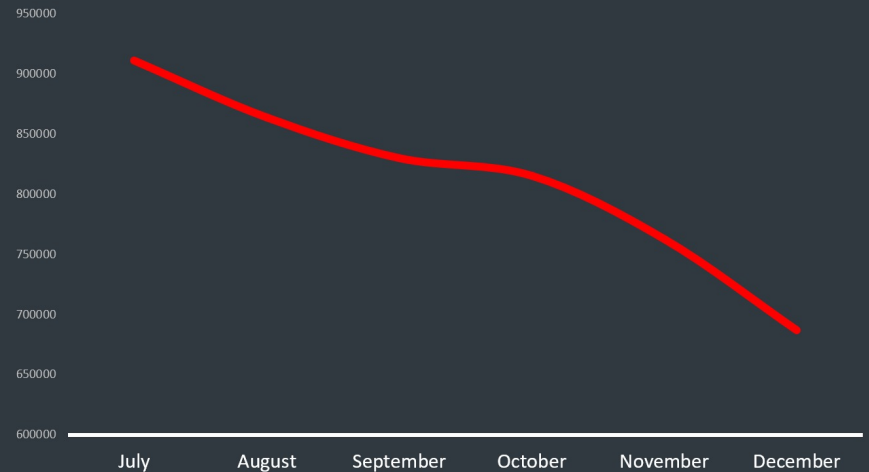


The Challenge Moving Forward:

Sales Last Half of 2020



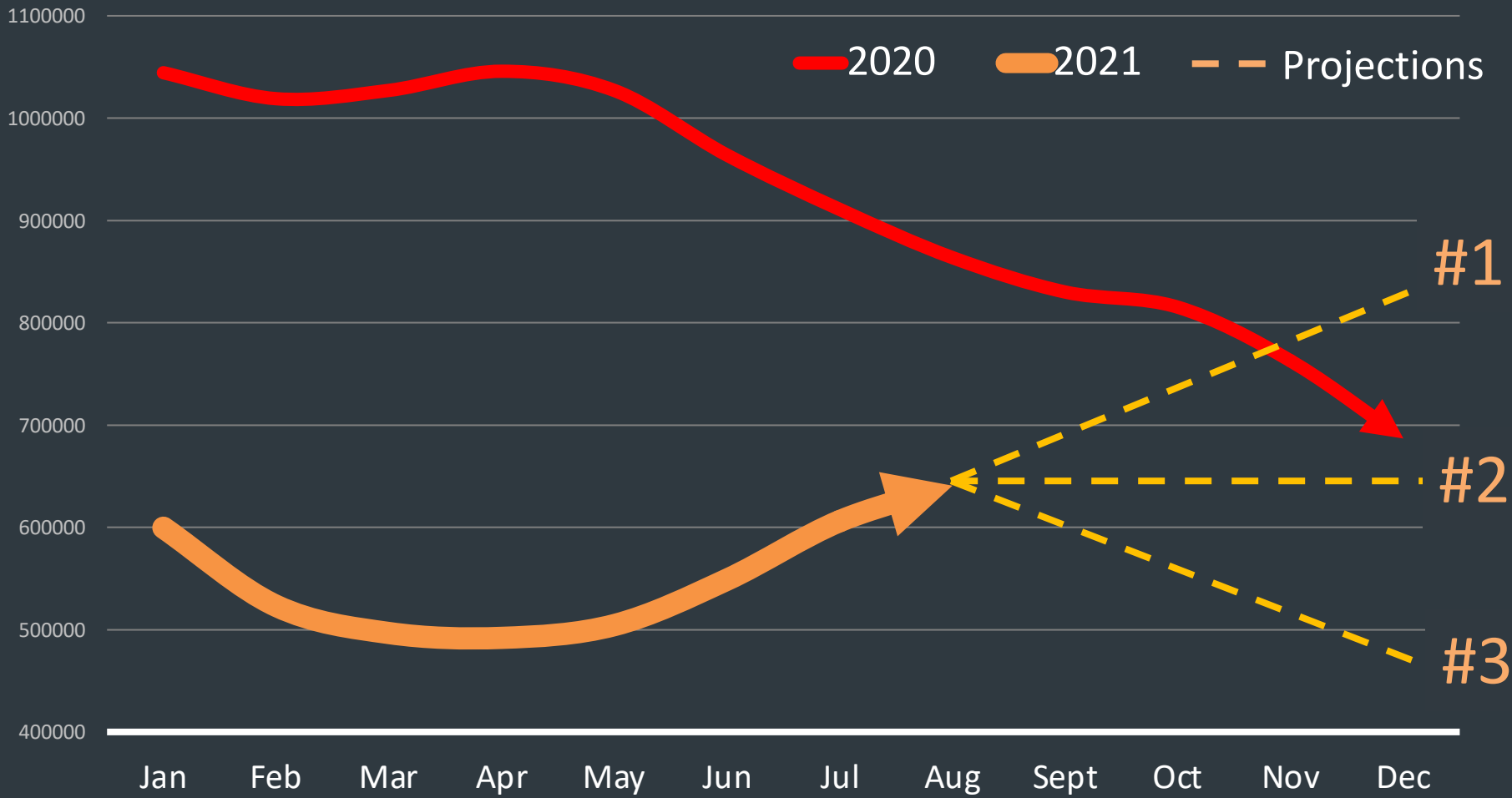
Listings Last Half of 2020



realtor.com

Closing the Listing Gap

When Will Listings Peak in 2021?



3 reasons listings may continue to increase throughout this fall and into the winter

- 1. Pent-up Selling Demand** - Homeowners may be more comfortable putting their homes on the market as more and more Americans are getting vaccinated.
- 2. New Construction Is Starting To Take Off** – There will be more options for current homeowners to consider when they sell. The lack of options has slowed many potential sellers in the past.
- 3. The End of Forbearance Will Create New Listings** – The end of the forbearance program will not lead to a wave of foreclosures for several reasons. Instead of going to foreclosure, homeowners will be able to sell their homes and have enough equity to more than cover the expenses of selling.

INTEREST RATES



OCTOBER 2021

“The single biggest risk to housing—**rising mortgage rates**—is a real possibility in the next year, and that could bring prices down. Further, other economic, financial, and confidence challenges could also result in a drop or flattening of home prices, even with solid buyers in place. But a drop or flattening in home prices is a far cry from the crash we saw during the Great Recession.”

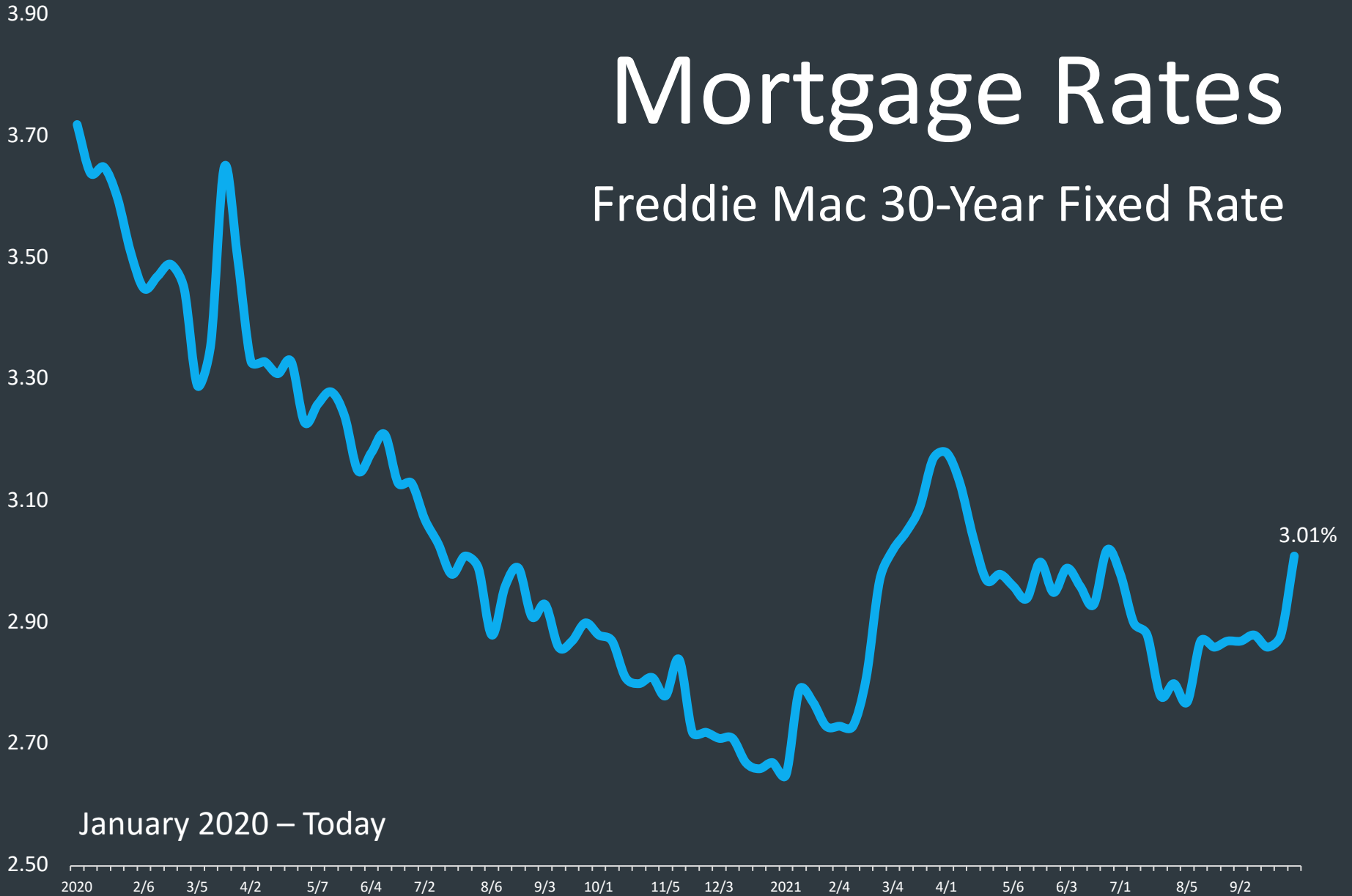
Ali Wolf

Chief Economist at Zonda



Mortgage Rates

Freddie Mac 30-Year Fixed Rate



January 2020 – Today

3.01%

Mortgage Rates Jump Above Three Percent

“Many factors led to this increase, including the Federal Reserve communicating that it will taper its support of the capital markets, the broadening of inflation and emerging energy supply shortages which compound other labor and materials shortages.”

Sam Khater

Chief Economist at Freddie Mac



Mortgage Rate Projections

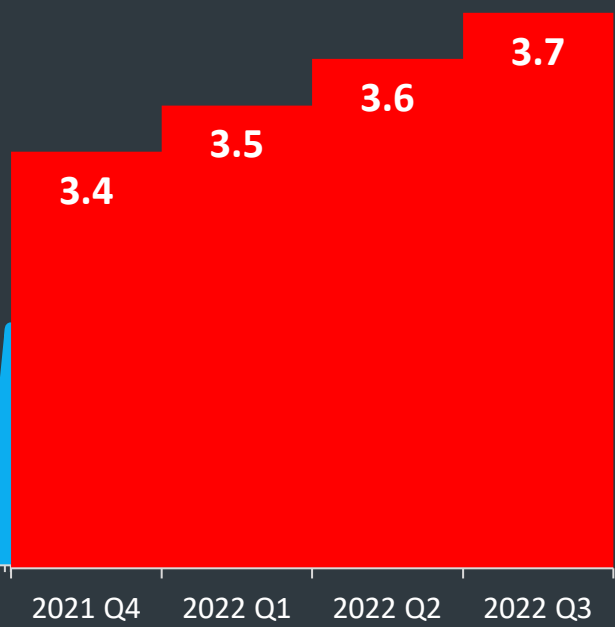
Quarter	Freddie Mac	Fannie Mae	MBA	NAR	Average of All Four
2021 4Q	3.4	2.9	3.1	3.3	3.18%
2022 1Q	3.5	3.0	3.4	3.4	3.33%
2022 2Q	3.6	3.1	3.6	3.5	3.45%
2022 3Q	3.7	3.1	3.8	3.6	3.55%

Mortgage Rates

Freddie Mac 30-Year Fixed Rate

Where Are They Going?

January 2018 – Today
Actual Interest Rates



The Cost of Waiting

Buyer's Purchasing Power

Monthly Mortgage Payment (Principal and Interest)

HOME LOAN AMOUNT

	\$400,000	\$380,000	\$360,000	\$340,000	\$320,000
4.00%	\$1,910	\$1,814	\$1,719	\$1,623	\$1,528
3.75%	\$1,852	\$1,760	\$1,667	\$1,575	\$1,482
3.50%	\$1,796	\$1,706	\$1,617	\$1,527	\$1,437
3.25%	\$1,741	\$1,654	\$1,567	\$1,480	\$1,393
3.00%	\$1,686	\$1,602	\$1,518	\$1,433	\$1,349
2.75%	\$1,633	\$1,551	\$1,470	\$1,388	\$1,306

Principal and interest payments rounded to the nearest dollar. Total monthly payment may vary based on loan specifications such as property taxes, insurance, HOA dues, and other fees. Interest rates used here are informational and for marketing purposes only. Consult your licensed Mortgage Advisor for current rates.

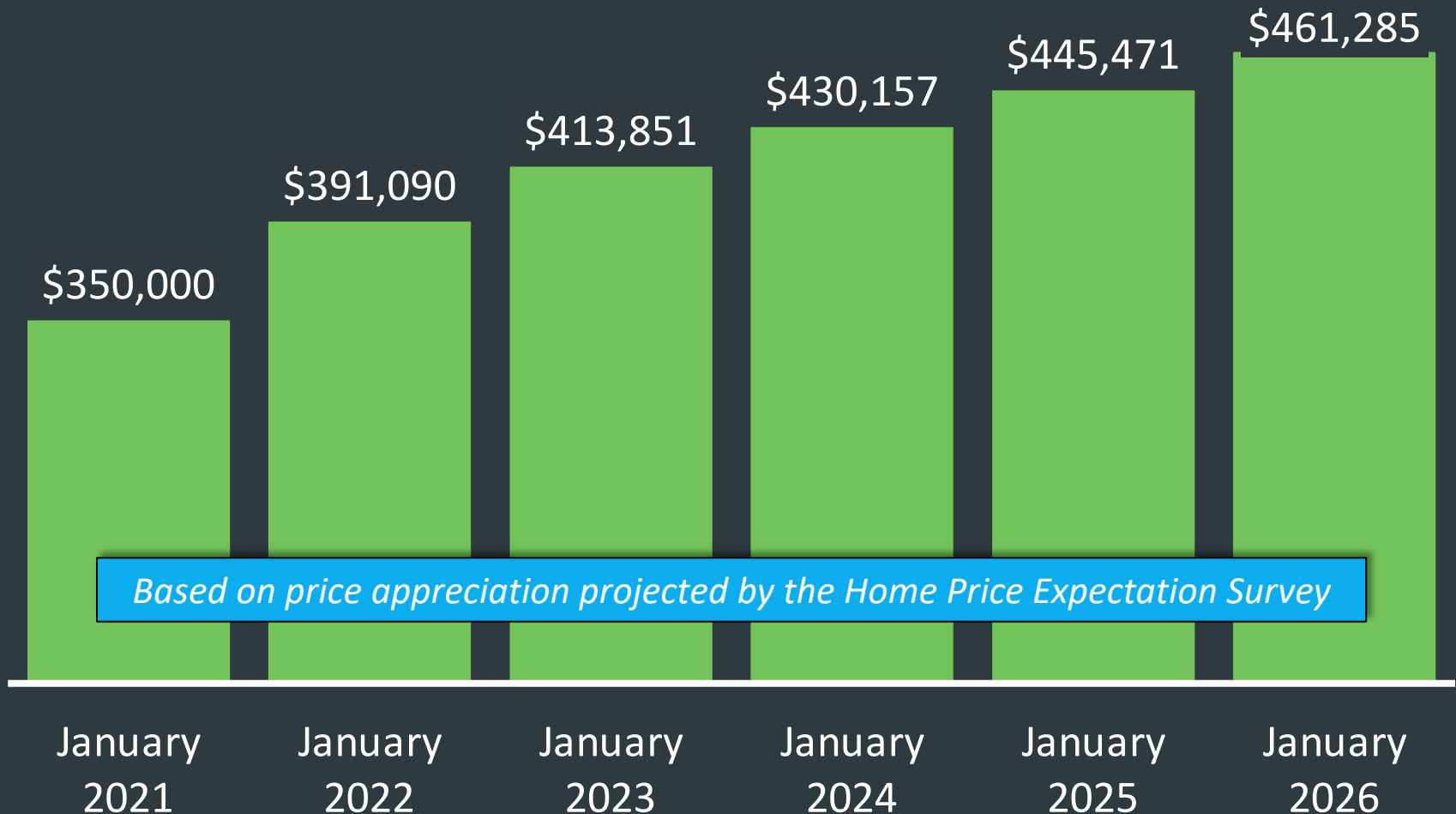
“Homeownership is one of the fundamental keys to accumulating wealth in America—hence why it has been integrally linked to achieving the American Dream...Not only can owning a home provide a roof over your head and a secure place to live, but because mortgage payments generally remain fixed while rents may rise over time, a home can also be a very effective hedge against inflation. Together, these features can give homeowners an enormous advantage over renters when it comes to accumulating wealth.”

DS News



\$111,285

potential growth in household wealth over the next five years based solely on increased home equity if you purchase a \$350K home in January 2021



Now Available
in Your
Member Area:

**An Agent's
Guide To
Working with
the Latino
Community**
2021 Edition



Resources

Slide	Slide Title	Link
2	McBride Quote	Subscriber Email
3	July 2021 YOY House Appreciation	https://www.corelogic.com/intelligence/u-s-home-price-insights/ https://www.fhfa.gov/AboutUs/Reports/ReportDocuments/FHFA-HPI-Monthly_9282021.pdf https://www.spglobal.com/spdji/en/documents/indexnews/announcements/20210928-1443774/1443774_cshomeprice-release-0928.pdf
4	Price Appreciation Map	https://www.fhfa.gov/DataTools/Tools/Pages/House-Price-Index-(HPI).aspx
5	Zelman Quote	Subscriber Email
6-7	Home Price Expectations	https://pulsenomics.com/surveys/#home-price-expectations
9	Olick Quote	https://www.cnbc.com/2021/09/15/mortgage-demand-from-homebuyers-jumps-to-highest-level-since-april-after-new-listings-rise-all-summer.html
10-13 15-19	Home Sales & Listings	https://www.realtor.com/research/data/

Resources

Slide	Slide Title	Link
22	Wolf Quote	https://fortune.com/2021/09/09/housing-bubble-2008-market-correction-great-recession/
23	Mortgage Rates	http://www.freddiemac.com/pmms
24	Khater Quote	https://freddiemac.gcs-web.com/node/23711/pdf
25	Mortgage Rate Projections	http://www.freddiemac.com/research/forecast/20210715_quarterly_economic_forecast.page? https://www.fanniemae.com/media/41126/display 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
26	Freddie Mac Rates	http://www.freddiemac.com/pmms/pmms_archives.html http://www.freddiemac.com/research/forecast/20210715_quarterly_economic_forecast.page?
28	DS News	https://dsnews.com/daily-dose/09-09-2021/changing-the-meaning-of-equity-in-the-housing-industry
29	Potential Growth in Household Wealth	https://pulsenomics.com/surveys/#home-price-expectations

A close-up photograph of a computer keyboard. The central focus is a large, rectangular blue key with the word "UPDATE" printed in white, bold, sans-serif capital letters. The key is slightly raised and has a subtle gradient. Surrounding it are several other keys: to the left, a white key with a closing curly brace "}" and an opening square bracket "["; above it, a white key with a backslash and forward slash symbol; to the right, a white key with the number "4"; and below it, a large white key, likely the spacebar. The lighting is soft, creating gentle shadows and highlights on the keys' surfaces.

Resources

Slide	Slide Title	Link
37, 57, 67	Confidence Index	https://www.nar.realtor/research-and-statistics/research-reports/realtors-confidence-index
38-40, 48, 58-62	Existing Home Sales	https://www.nar.realtor/topics/existing-home-sales
41-44	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
45	Total Home Sales	http://www.census.gov/construction/nrs/pdf/newressales.pdf https://www.nar.realtor/topics/existing-home-sales
46, 47	Pending Home Sales	https://www.nar.realtor/research-and-statistics/housing-statistics/pending-home-sales
52-54	Case Shiller	https://www.spglobal.com/spdji/en/indices/indicators/sp-corelogic-case-shiller-20-city-composite-home-price-nsa-index/#news-research
55	CoreLogic Forecasted YOY % Change in Price	https://www.corelogic.com/intelligence/u-s-home-price-insights/
58-64	Inventory	https://www.nar.realtor/topics/existing-home-sales http://www.census.gov/construction/nrs/pdf/newressales.pdf

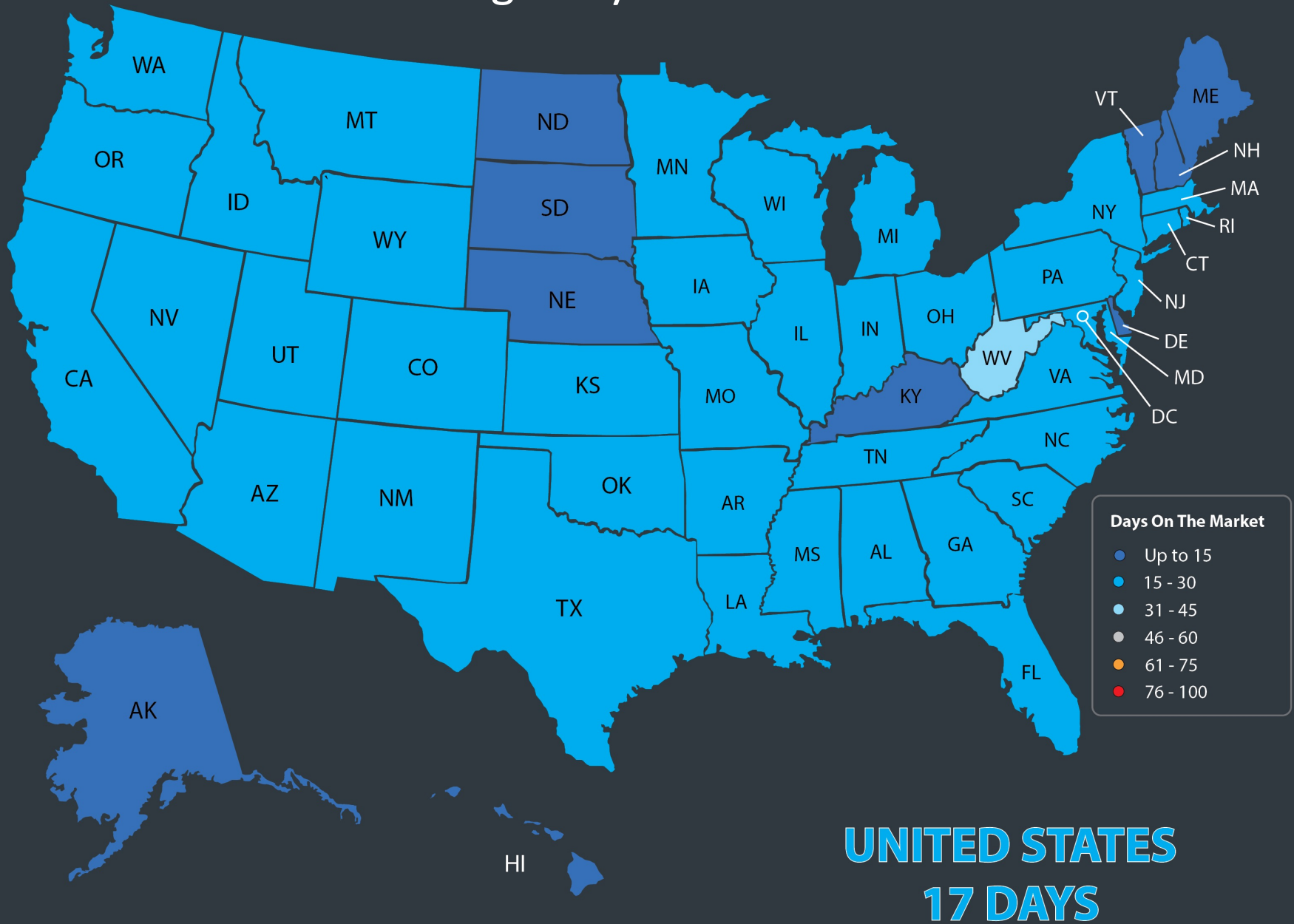
Resources

Slide	Slide Title	Link
66	Showing Activity	https://www.showingtime.com/blog/august-2021-showing-index-results/
69, 70, 72, 73	Mortgage Rates	http://www.freddiemac.com/pmms/pmms_archives.html http://www.freddiemac.com/research/forecast/
71	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
75, 76	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
77-81	Days To Close, FICO Scores, DTI	https://www.icemortgagetechnology.com/mortgage-data/origination-insight-reports



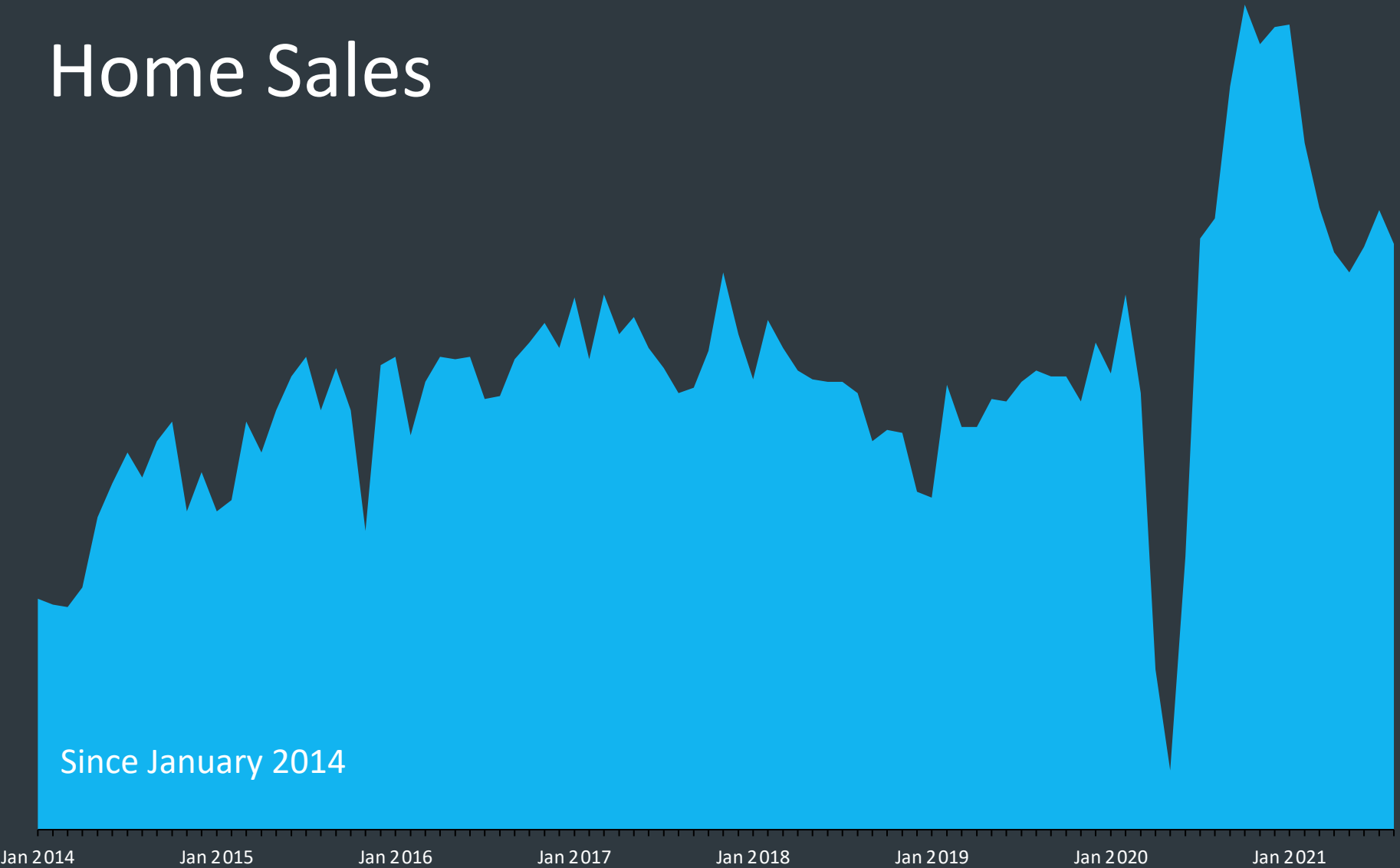
SALES

Average Days on the Market



EXISTING

Home Sales

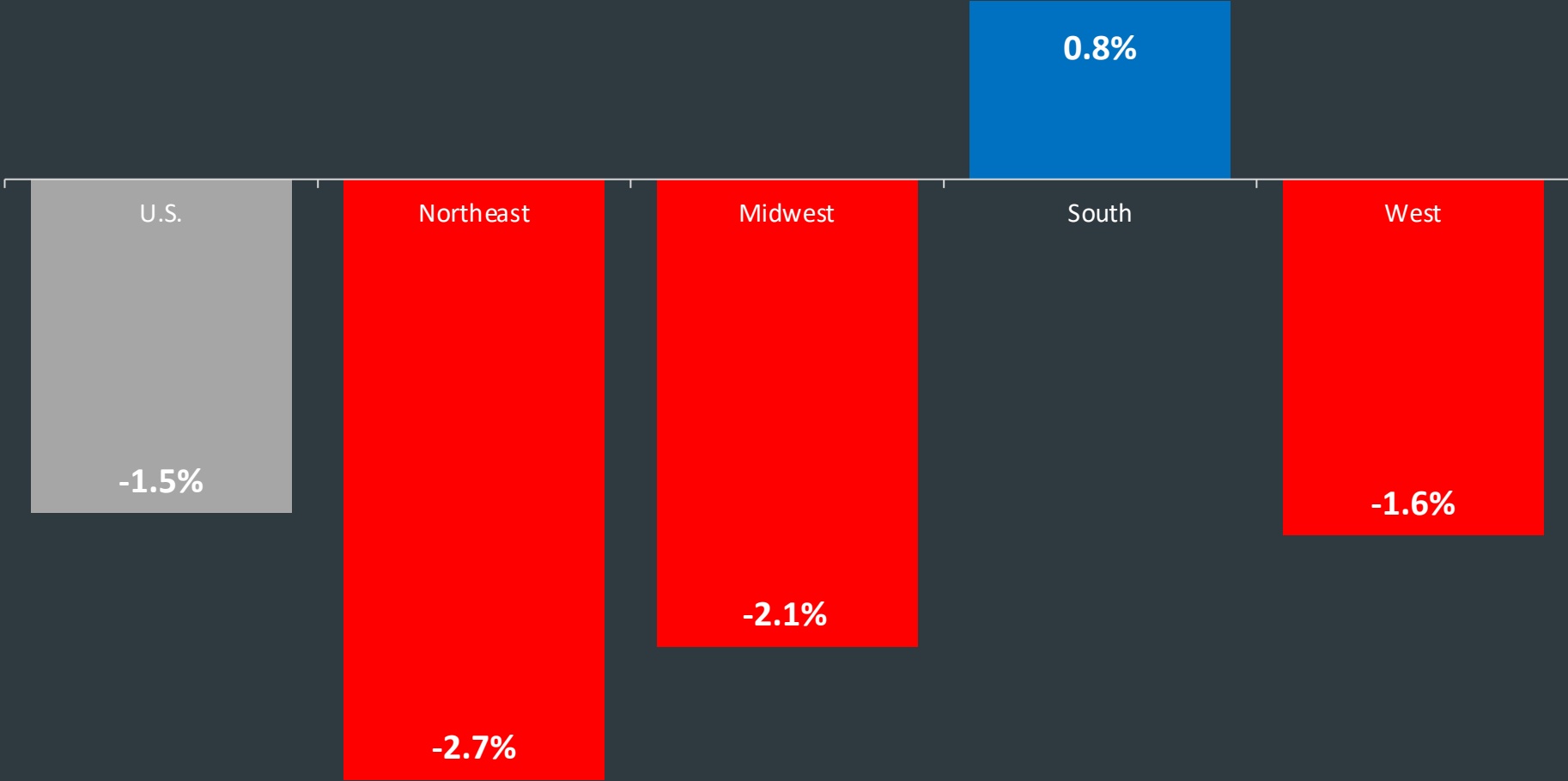


Since January 2014

Jan 2014 Jan 2015 Jan 2016 Jan 2017 Jan 2018 Jan 2019 Jan 2020 Jan 2021

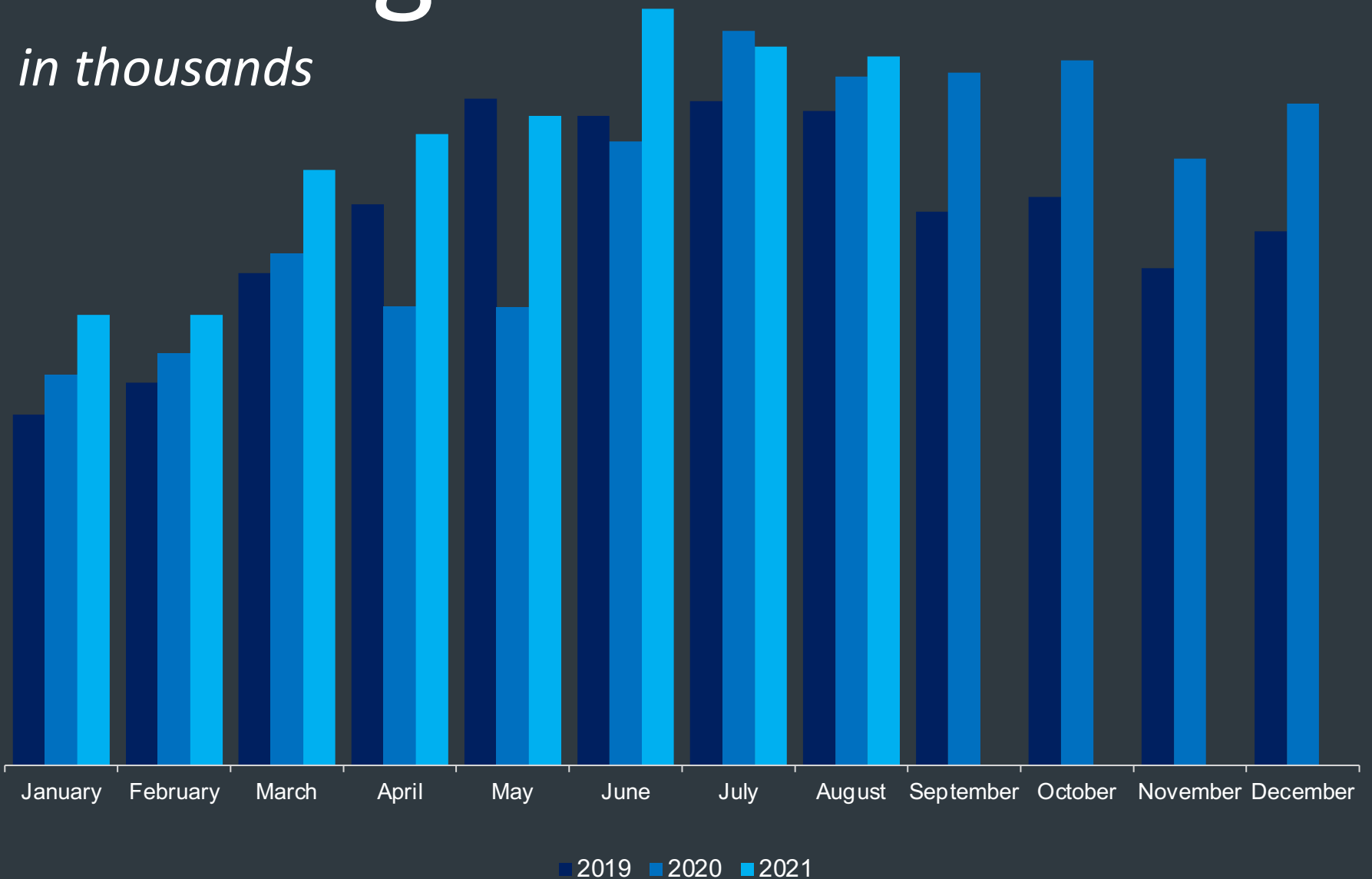
EXISTING Home Sales

Y-O-Y by region

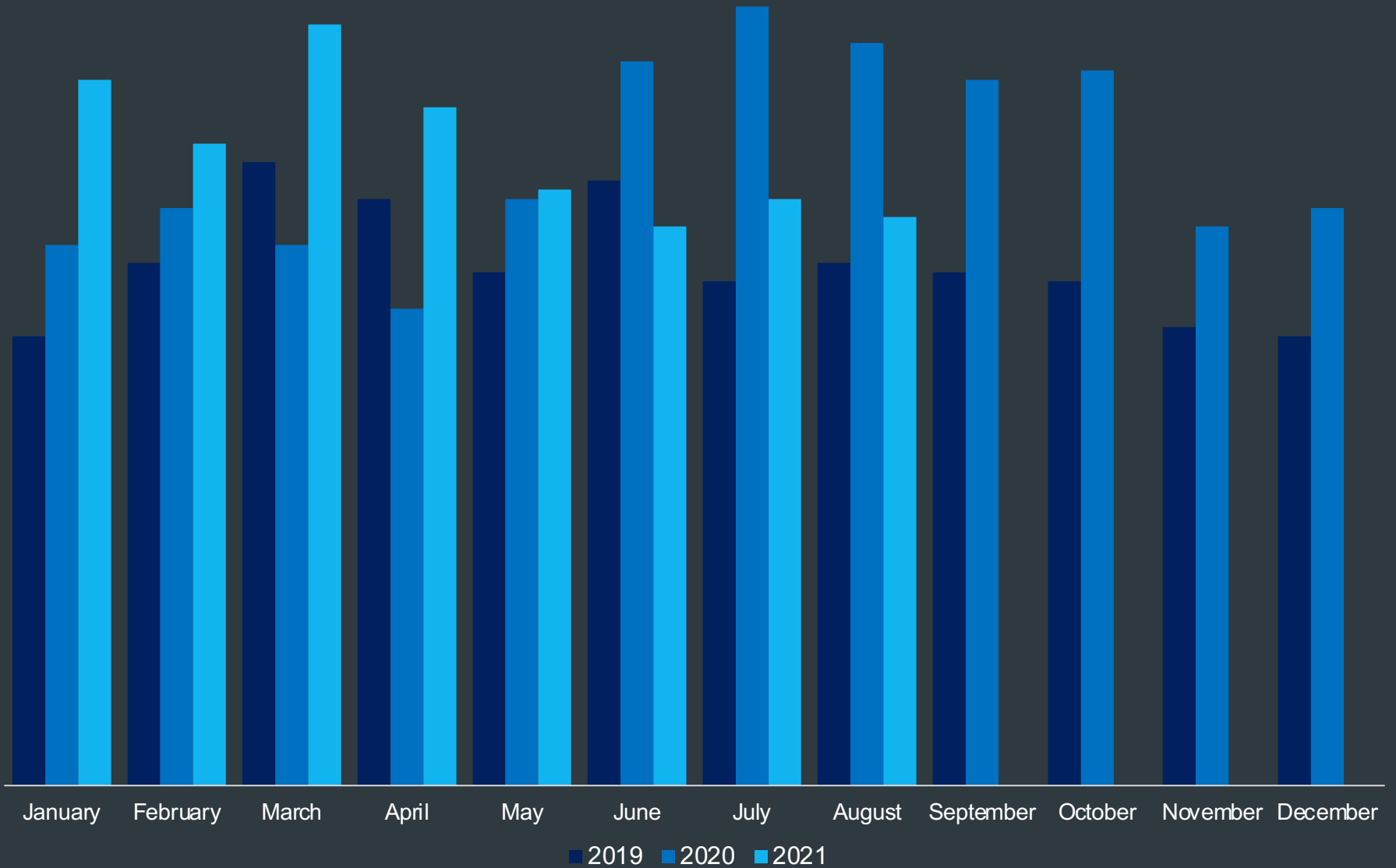


Existing Home Sales

in thousands

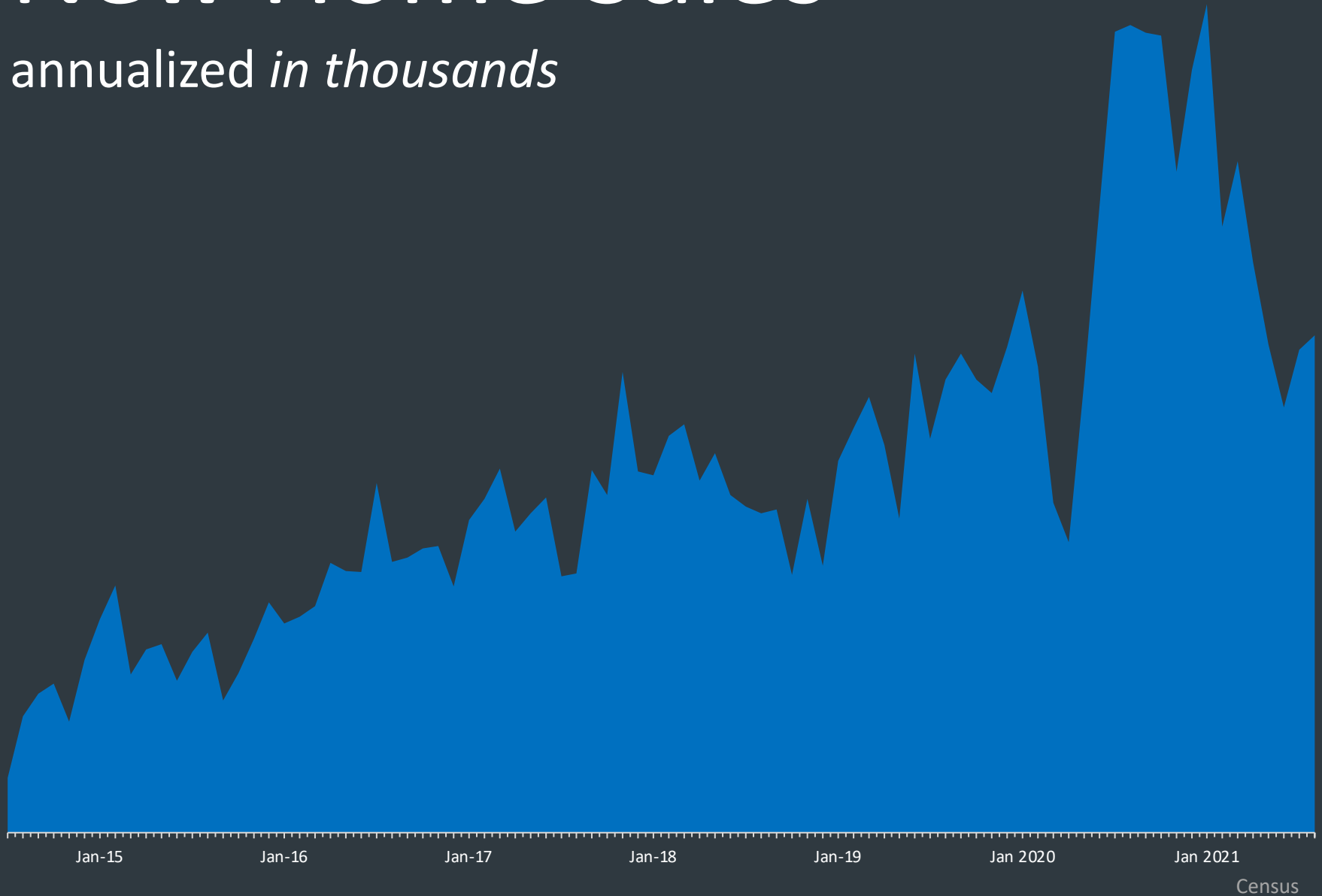


New Home Sales *in thousands*



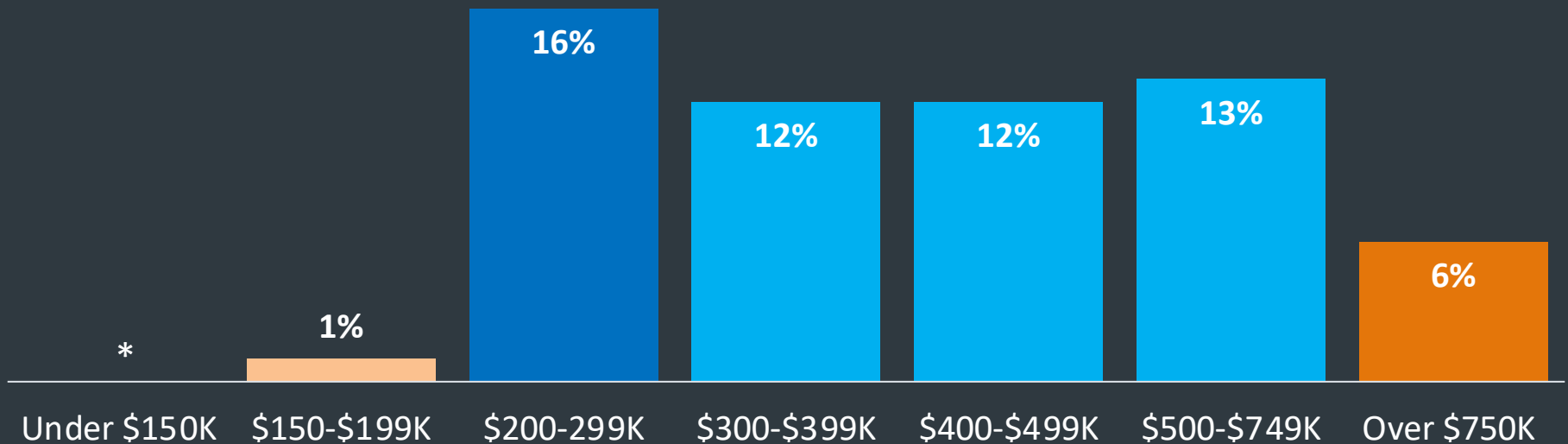
New Home Sales

annualized *in thousands*



New Home Sales

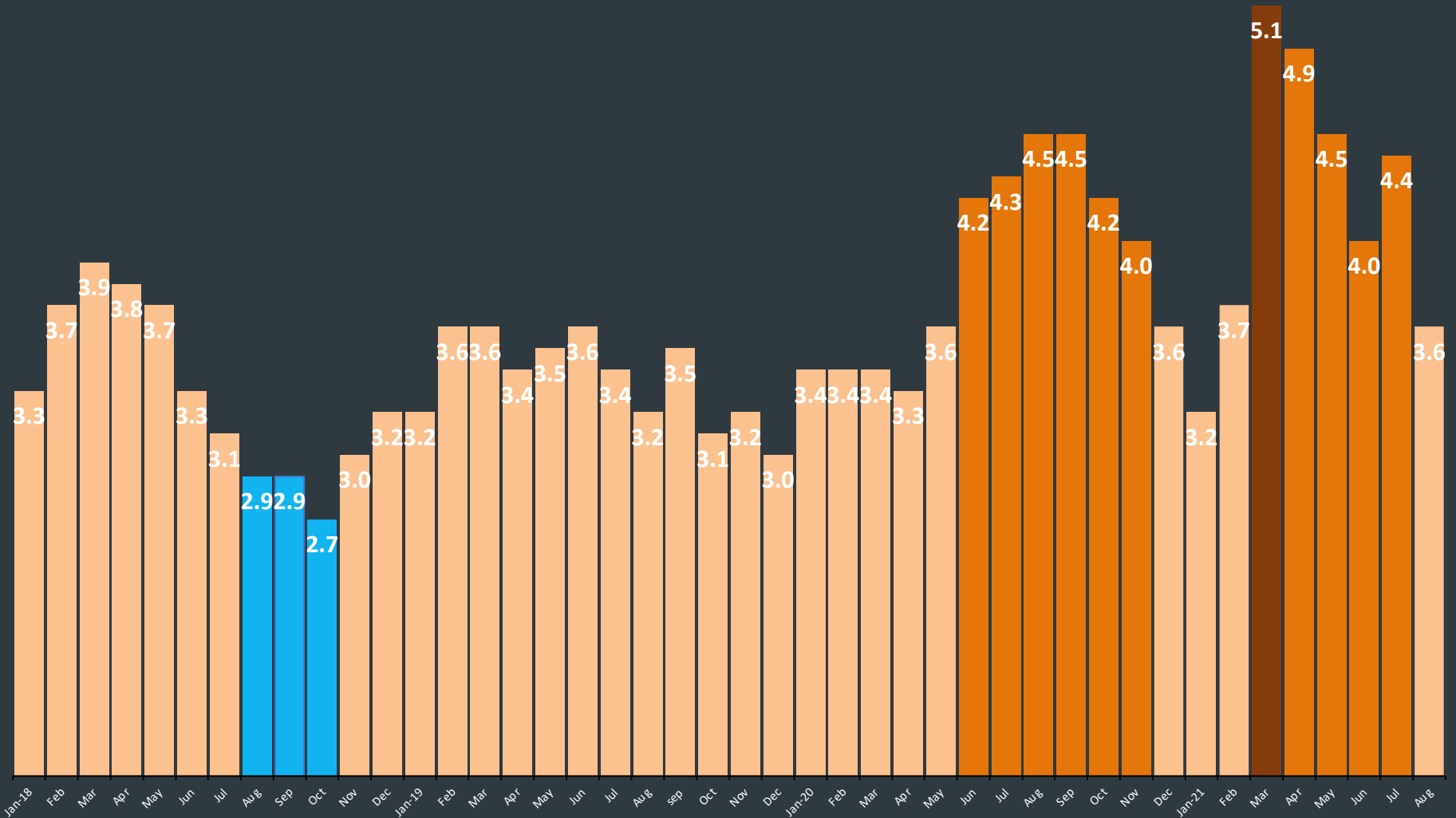
% of distribution by price range



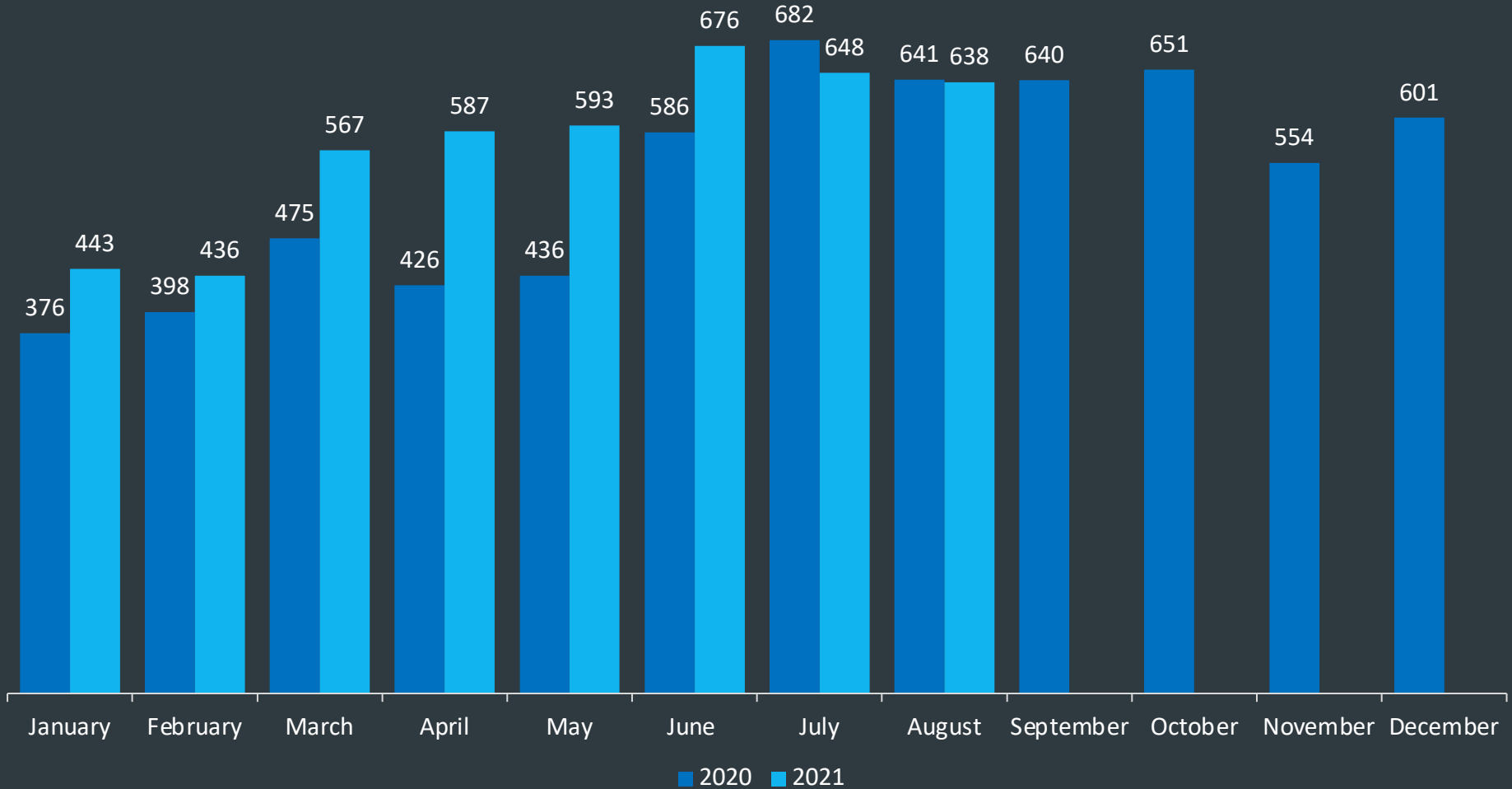
* Less than 500 units or less than 0.5 percent

New Homes Selling Fast

(median months from completion to sold)



Total Home Sales *in thousands*



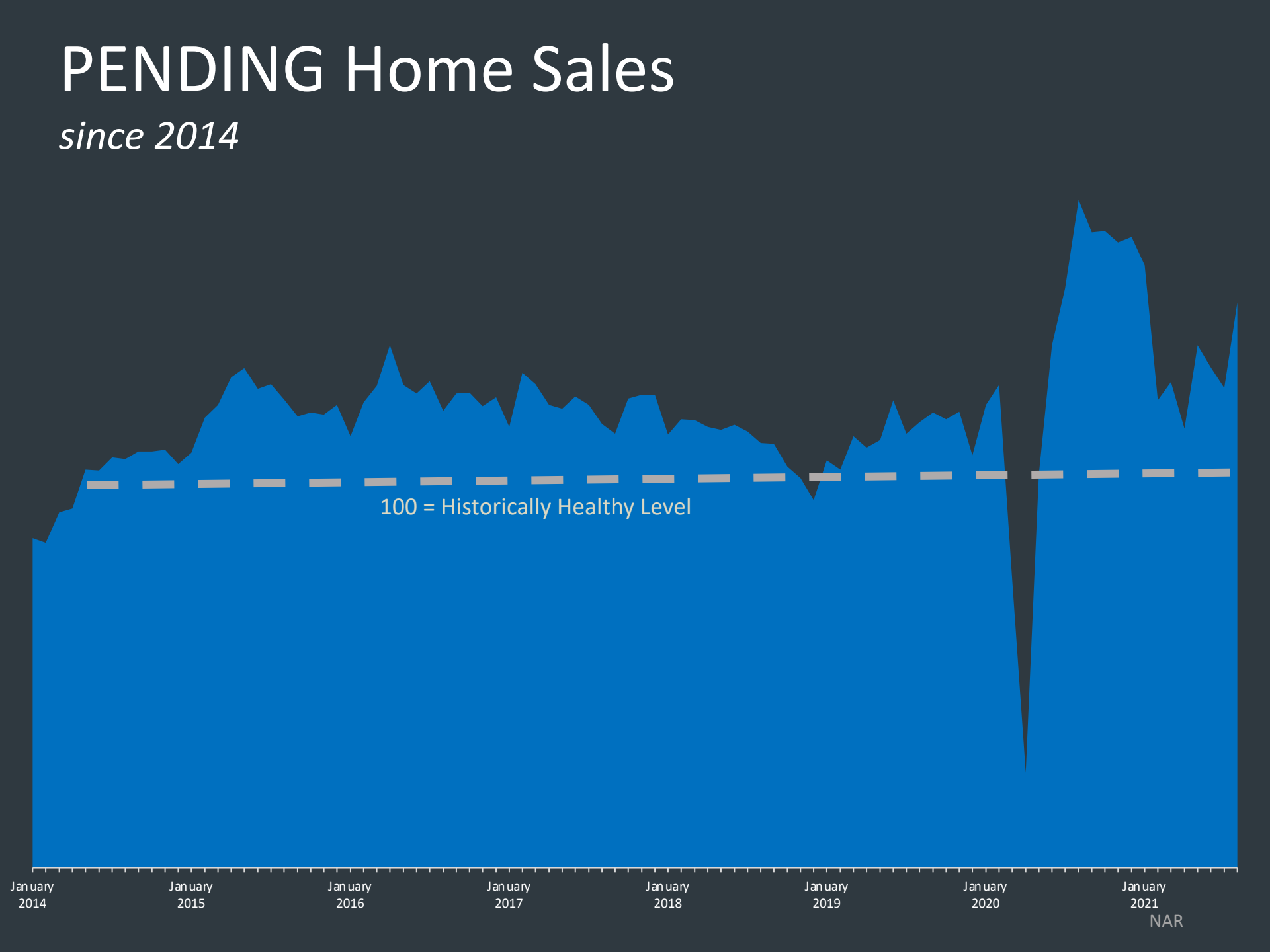
PENDING Home Sales

since 2014

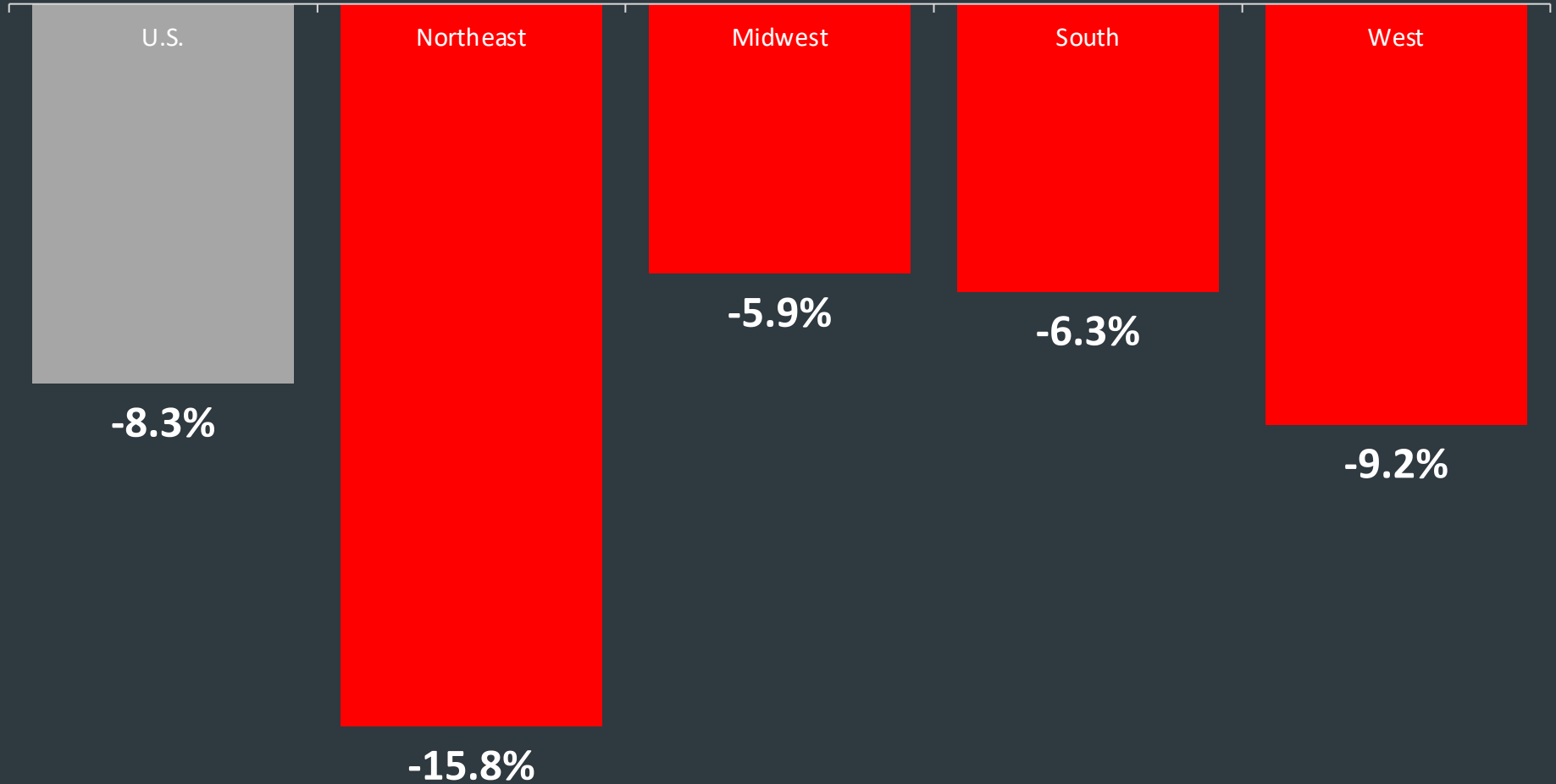
100 = Historically Healthy Level

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

NAR



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

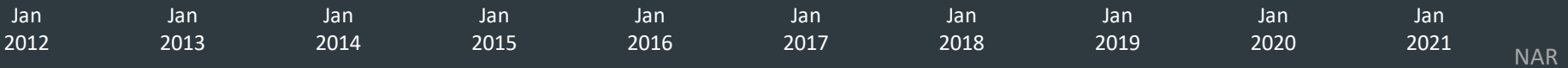


35%

Percentage of Distressed Property Sales

Distressed sales – foreclosures and short sales – represented less than 1% of sales in August.

January 2012 - Today

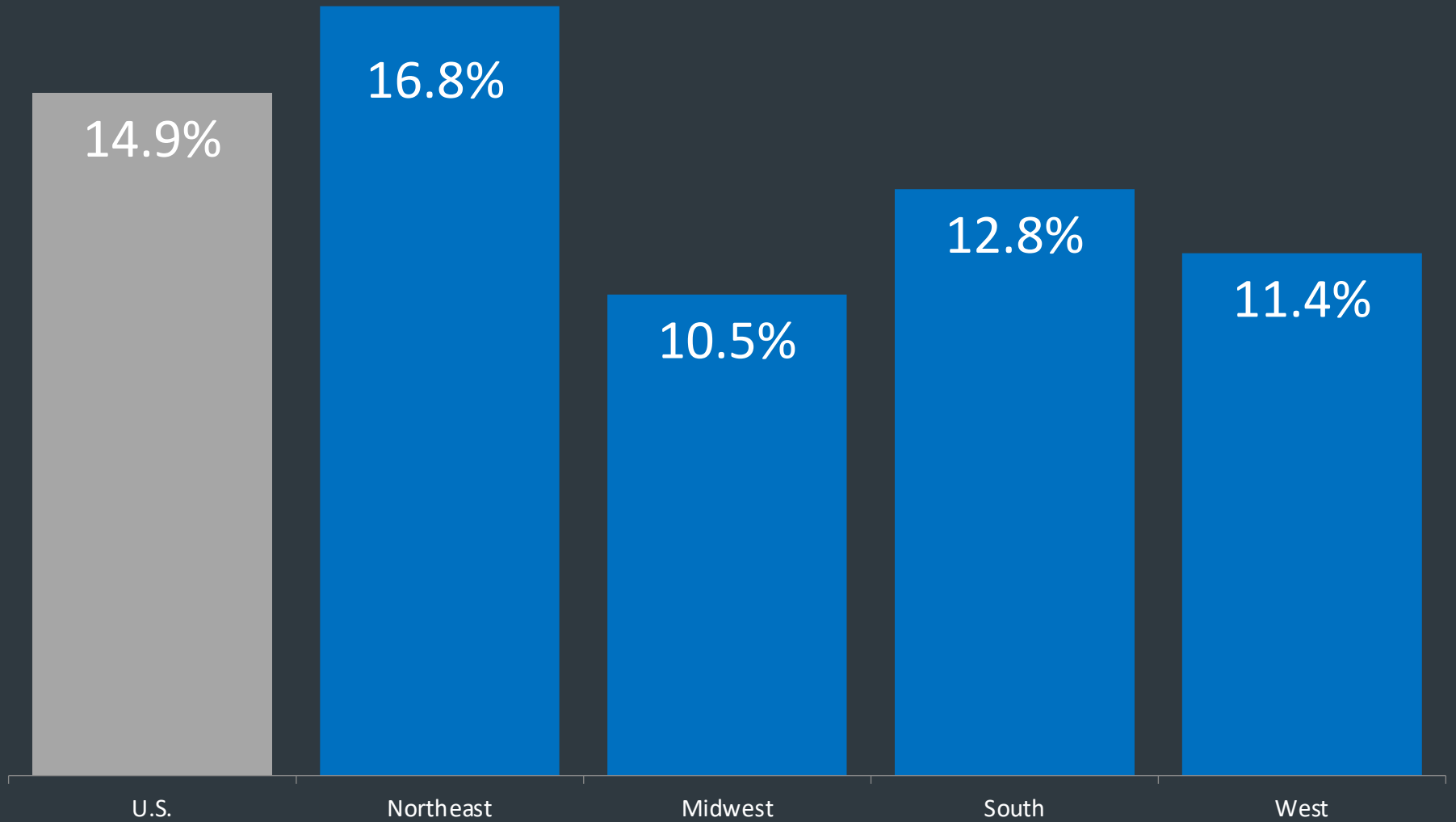


A black and white image of a puzzle where the pieces form a US dollar bill. The portrait of Benjamin Franklin is visible. Two red puzzle pieces are missing, one from the top left and one from the bottom center. A semi-transparent black box with white text is overlaid on the right side.

Home Prices

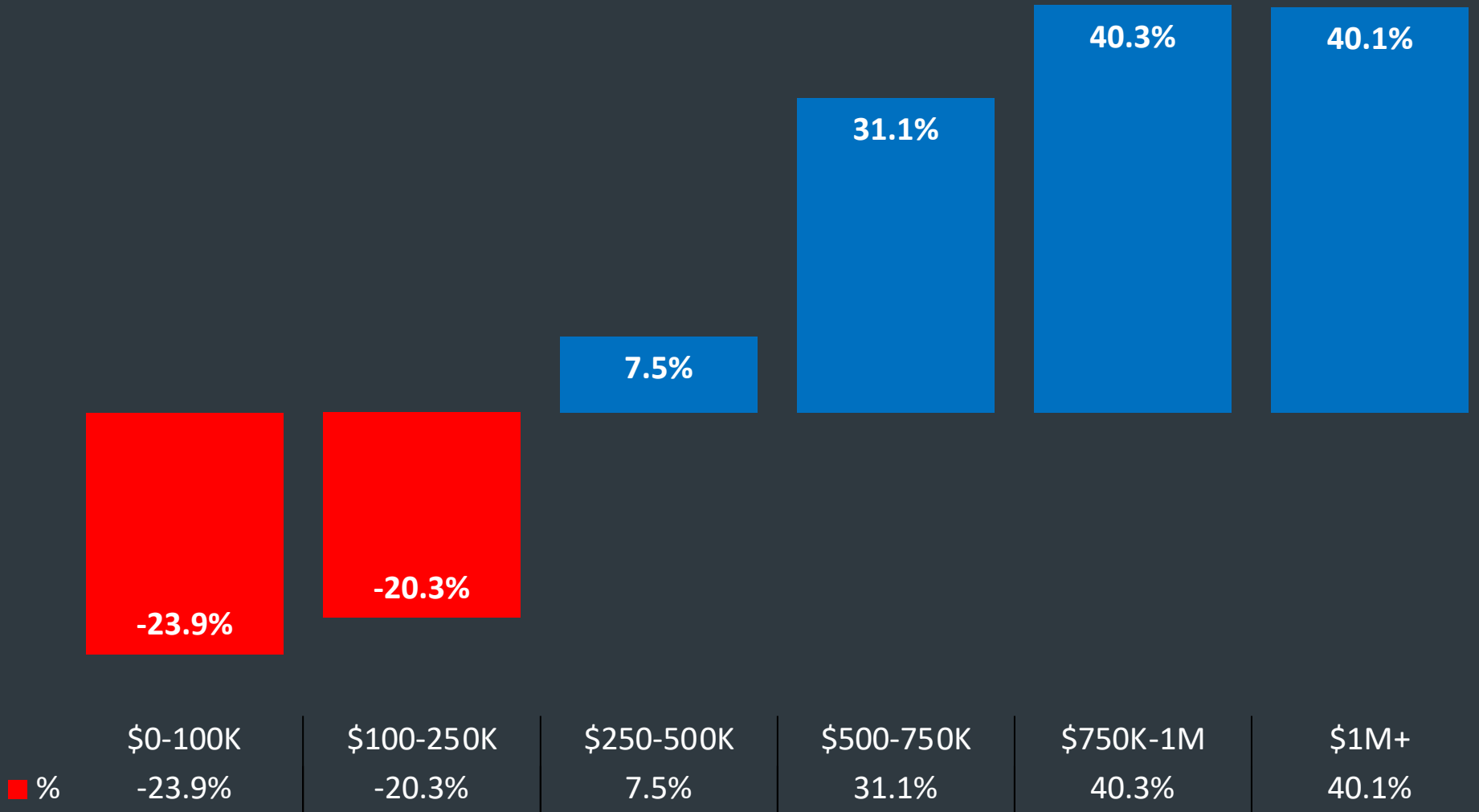
EXISTING Home Prices

Y-O-Y by region



% Change in Sales

from last year by Price Range



Case Shiller

Year-Over-Year

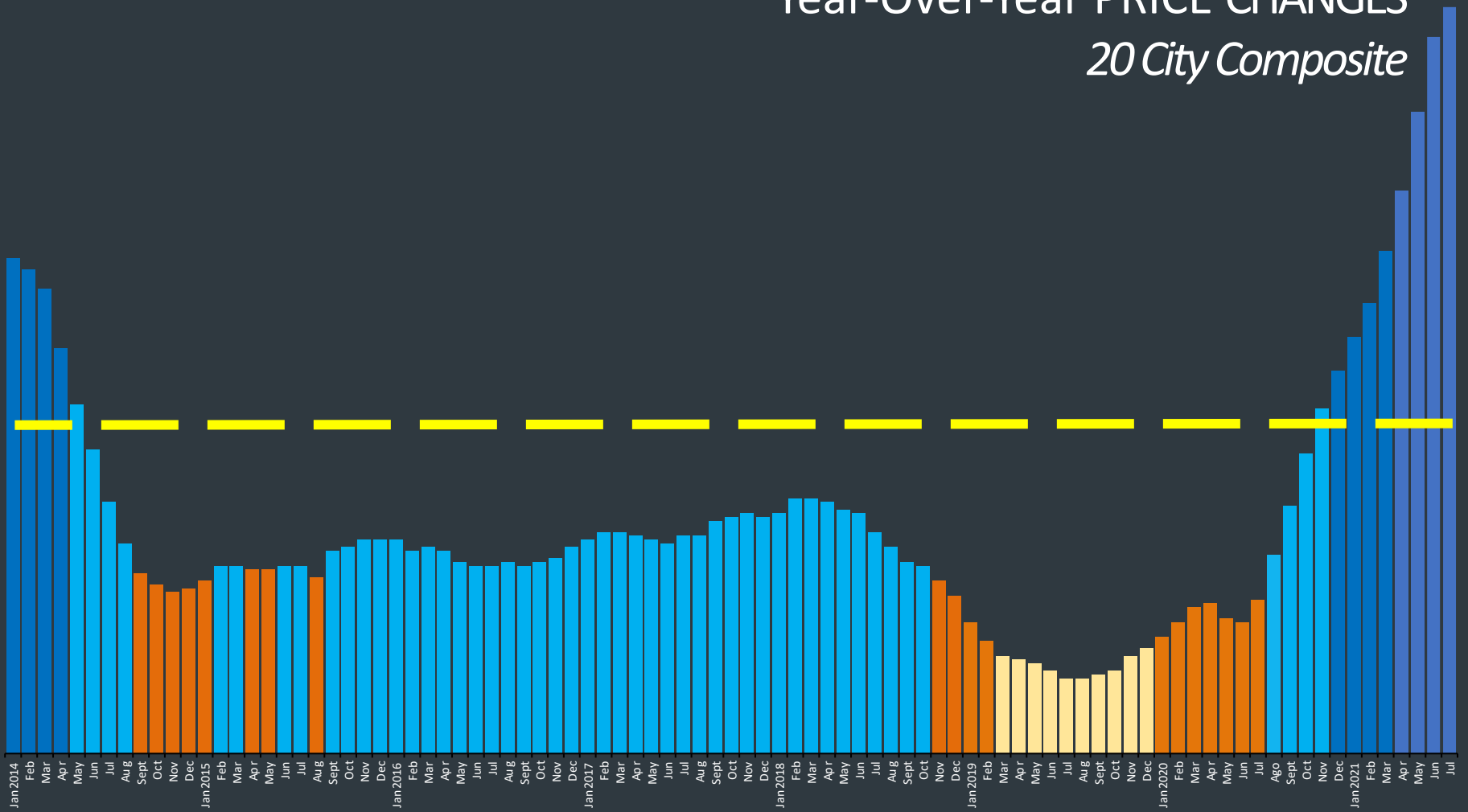
PRICE CHANGES



Case Shiller

Year-Over-Year PRICE CHANGES

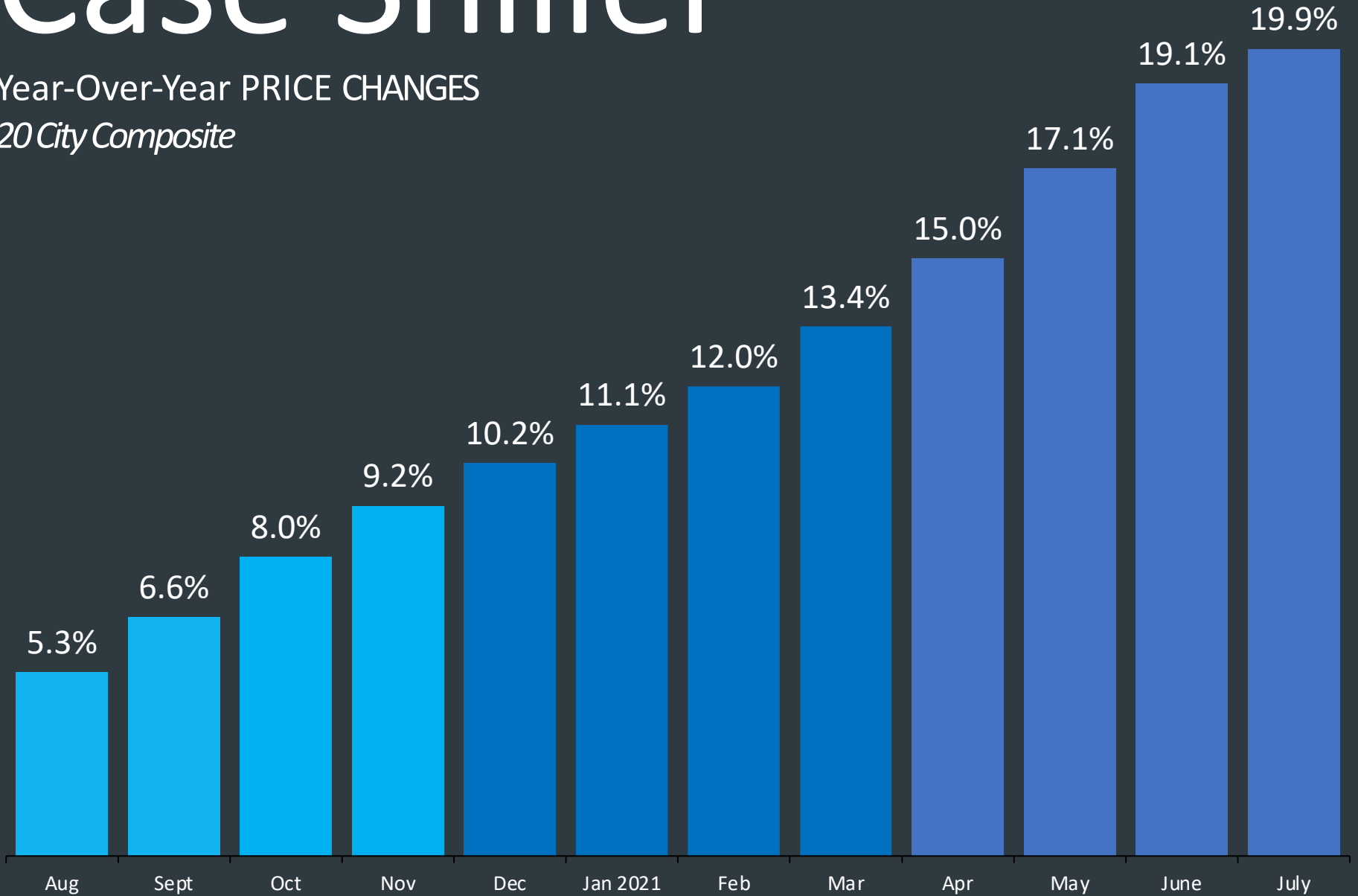
20 City Composite



Case Shiller

Year-Over-Year PRICE CHANGES

20 City Composite



Year-Over-Year % Change in Price

18.1%

2.2%

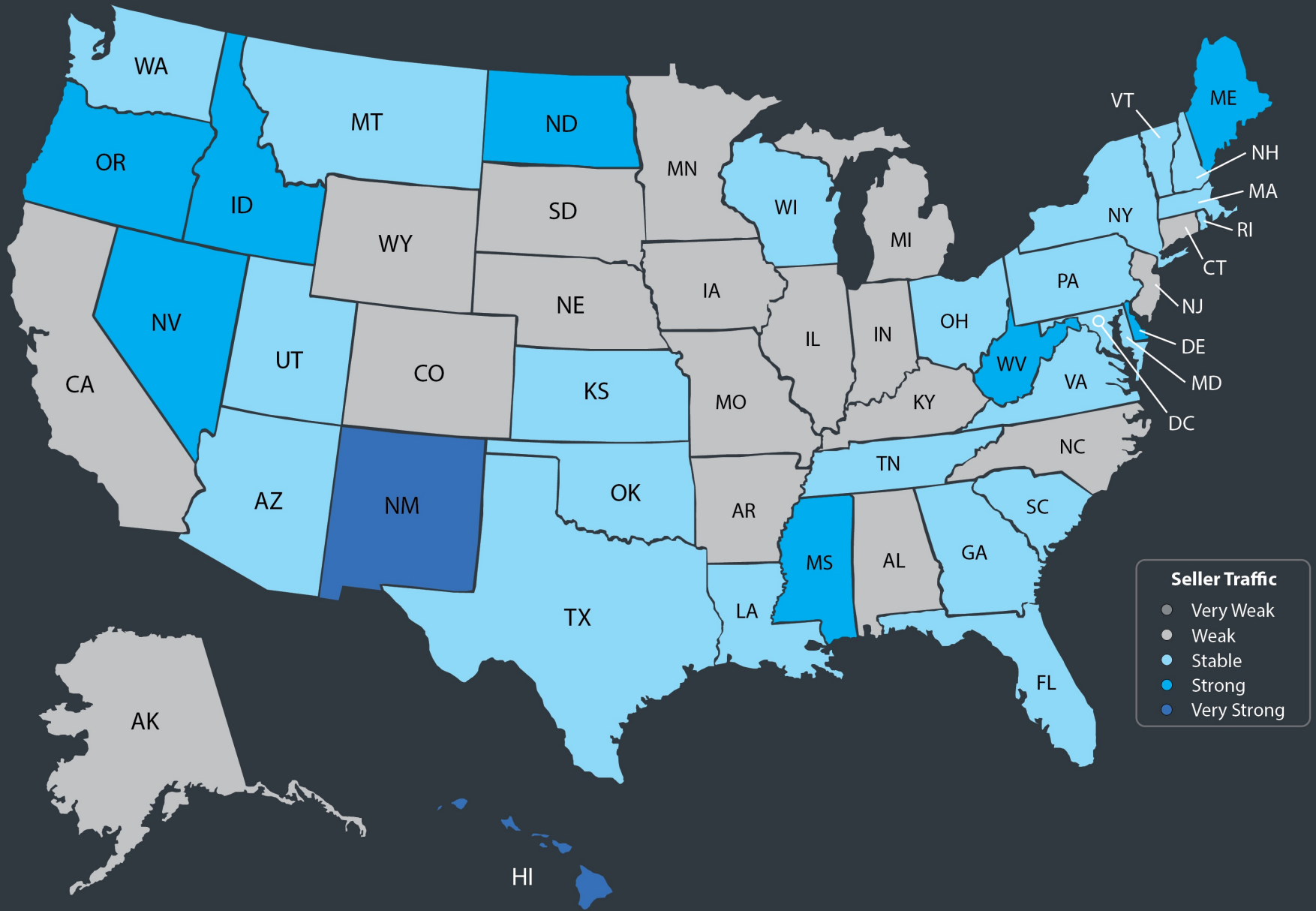
■ Current

■ Forecast

HOUSING INVENTORY



Seller Traffic Index

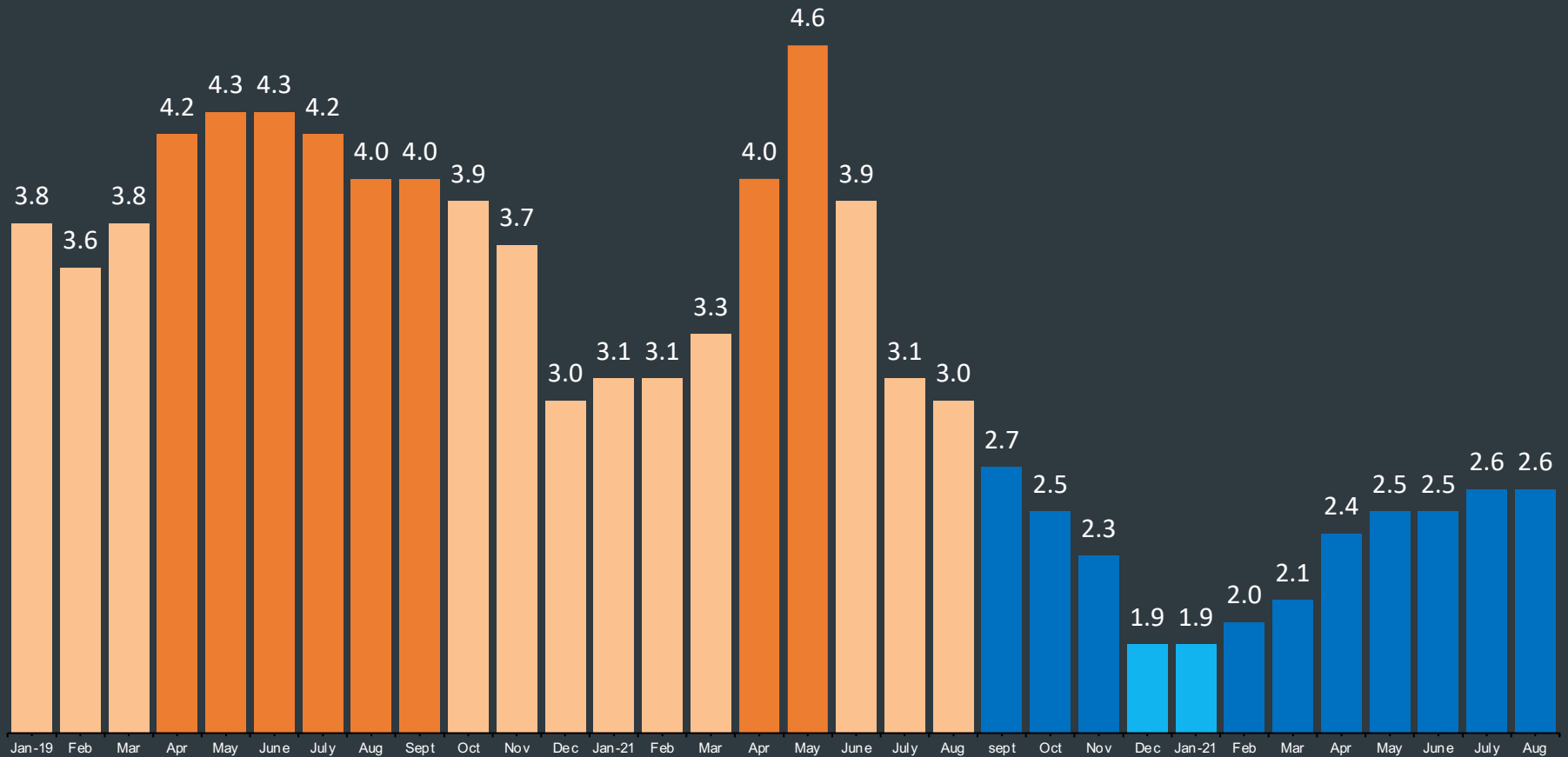


Months Inventory of HOMES FOR SALE 2011 - Today



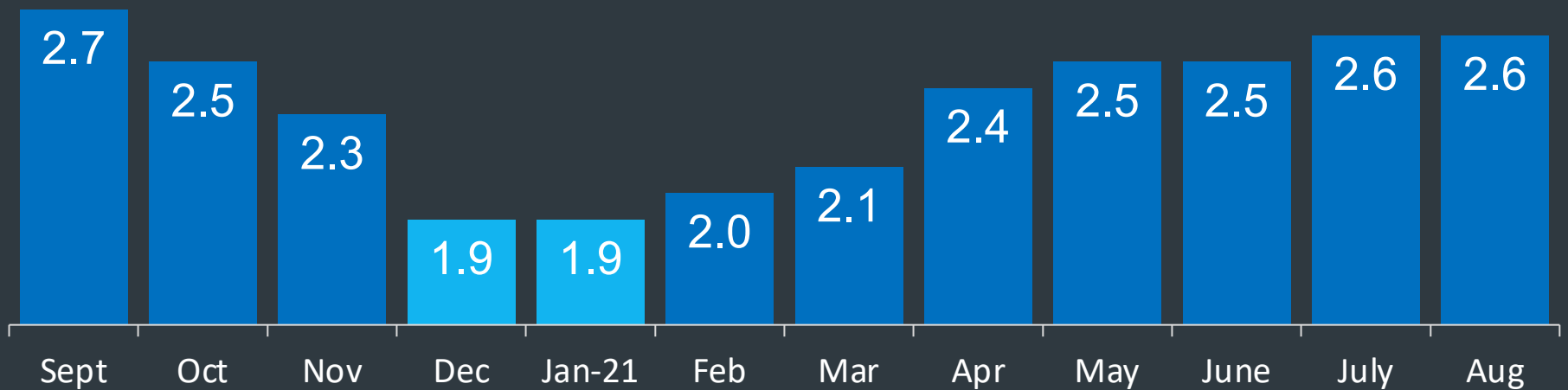
Months Inventory of HOMES FOR SALE

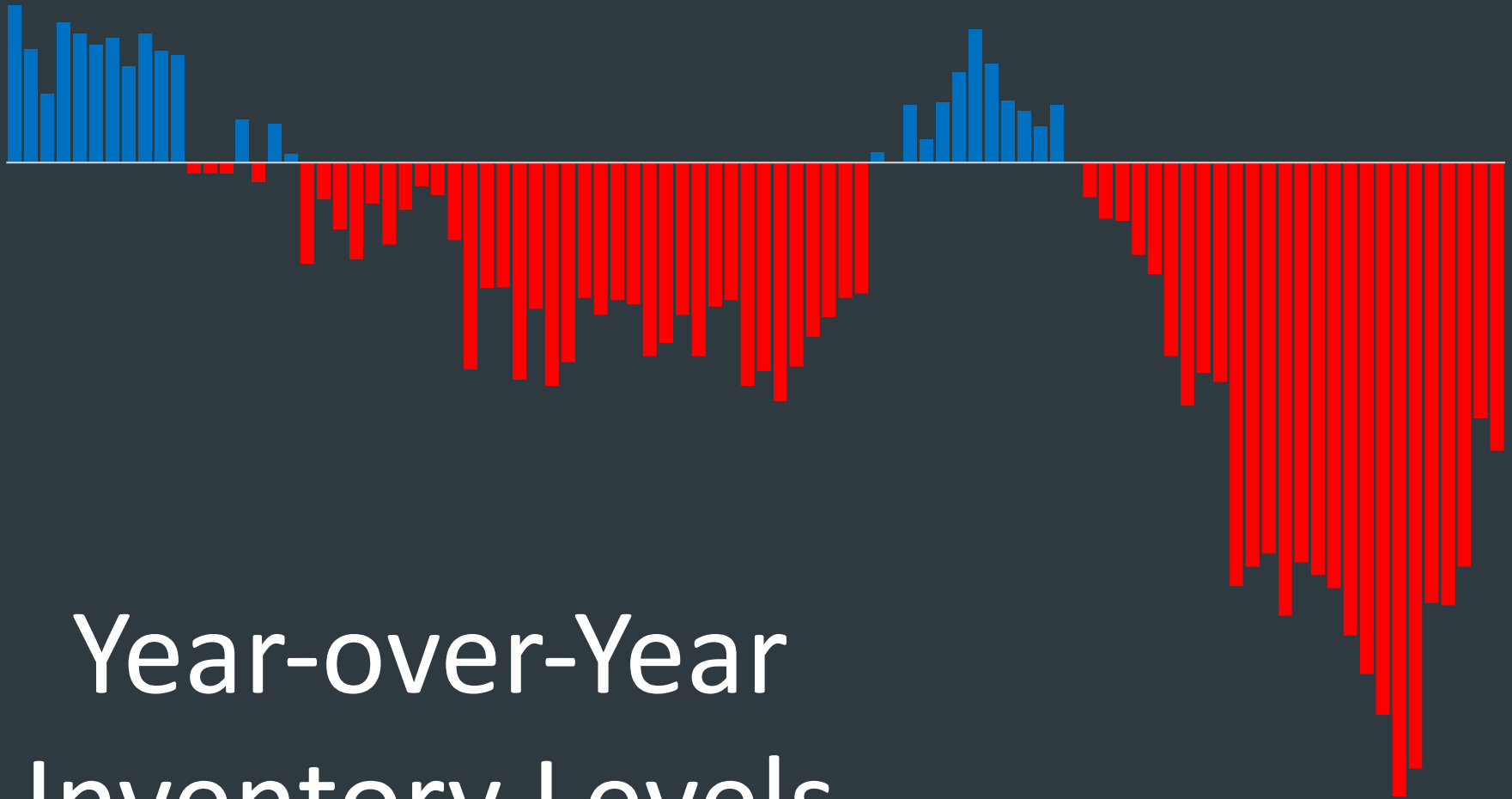
Since 2019



Months Inventory of HOMES FOR SALE

Last 12 Months

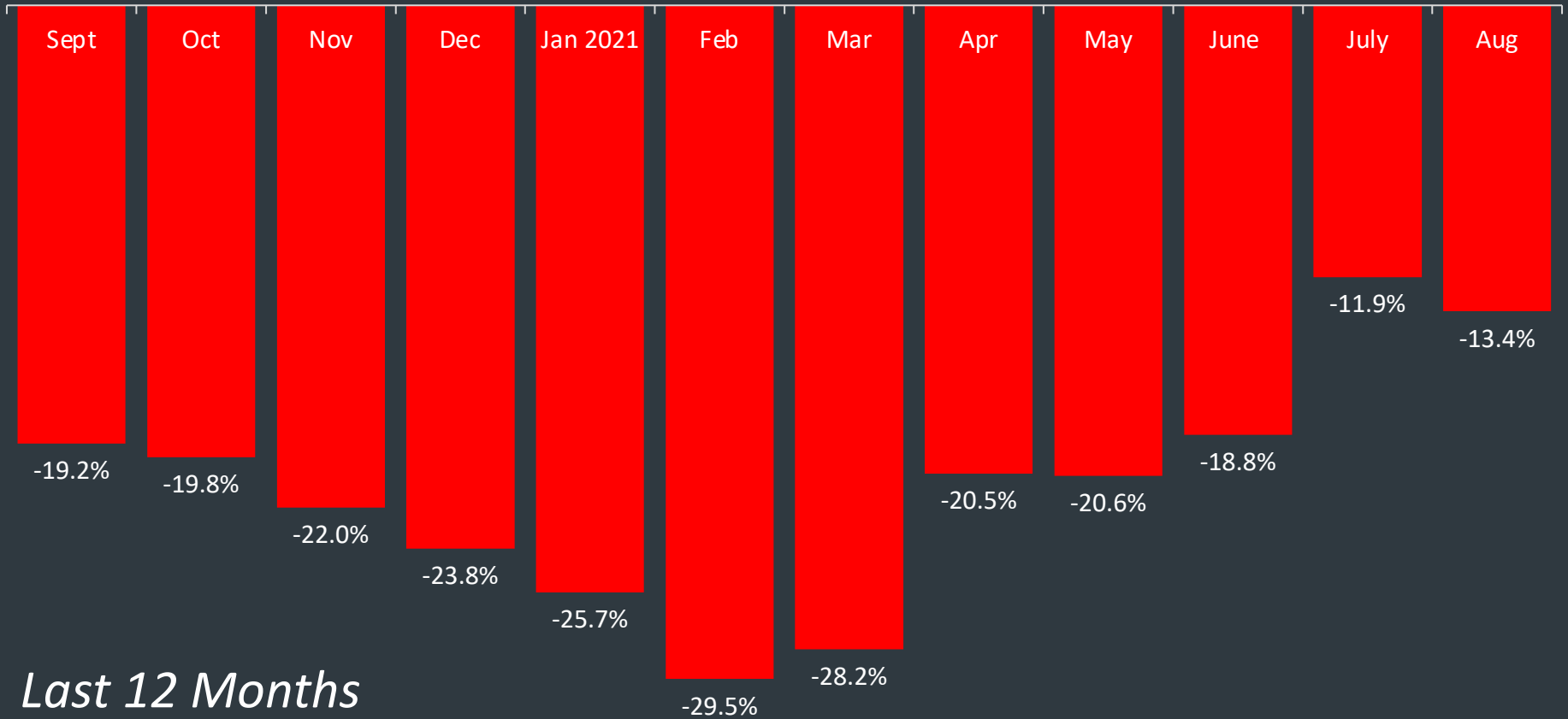




Year-over-Year Inventory Levels

HOUSING SUPPLY

Year-Over-Year



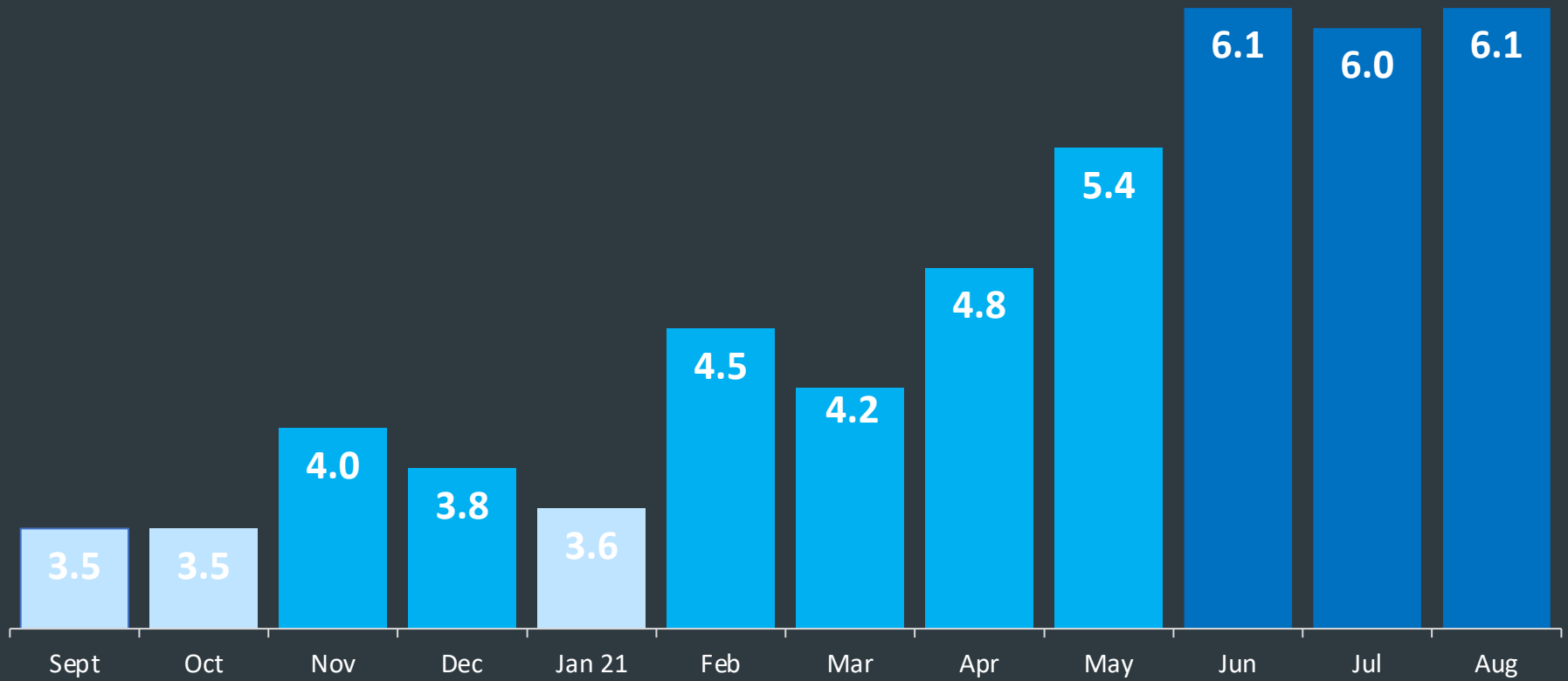
Last 12 Months

New Home Inventory

months supply

Seasonally adjusted

Last 12 Months

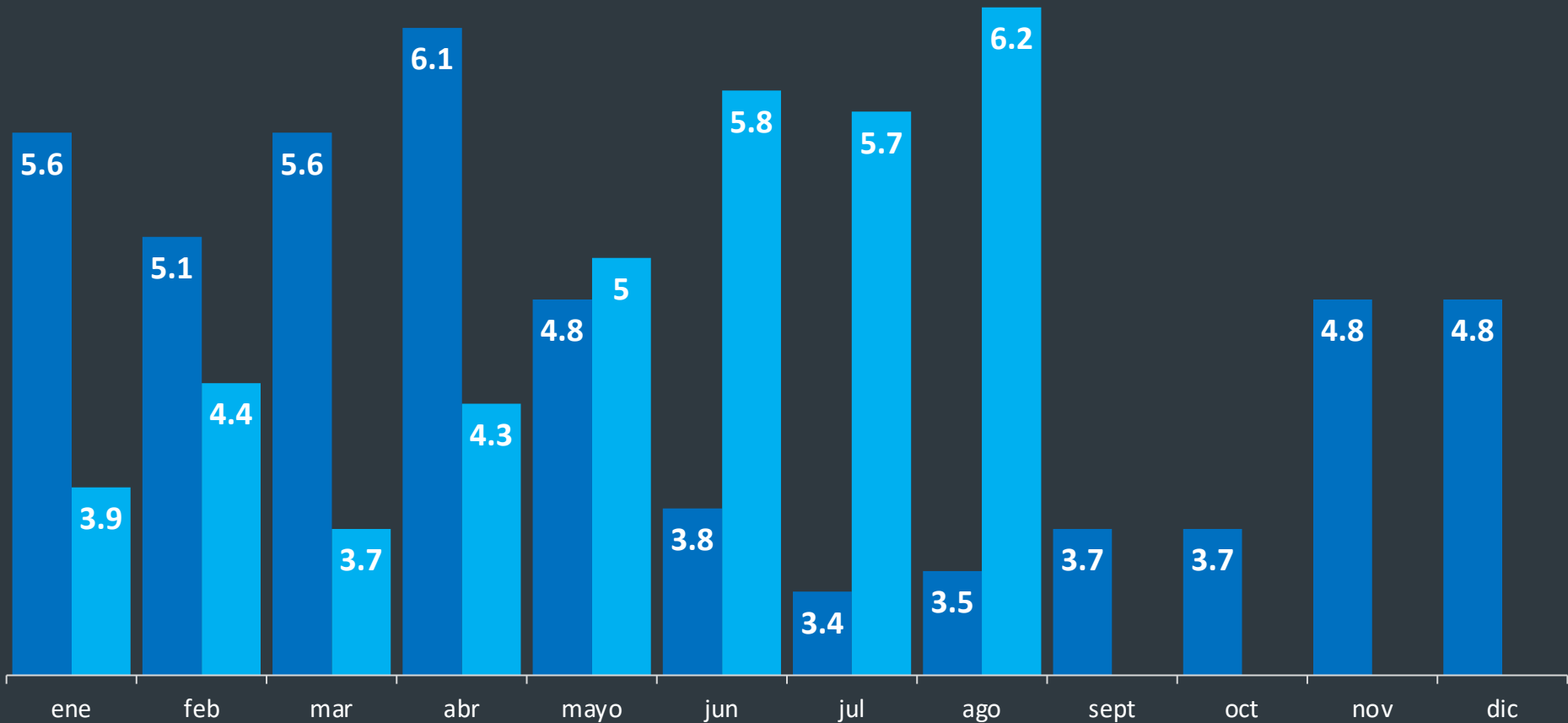


New Home Inventory

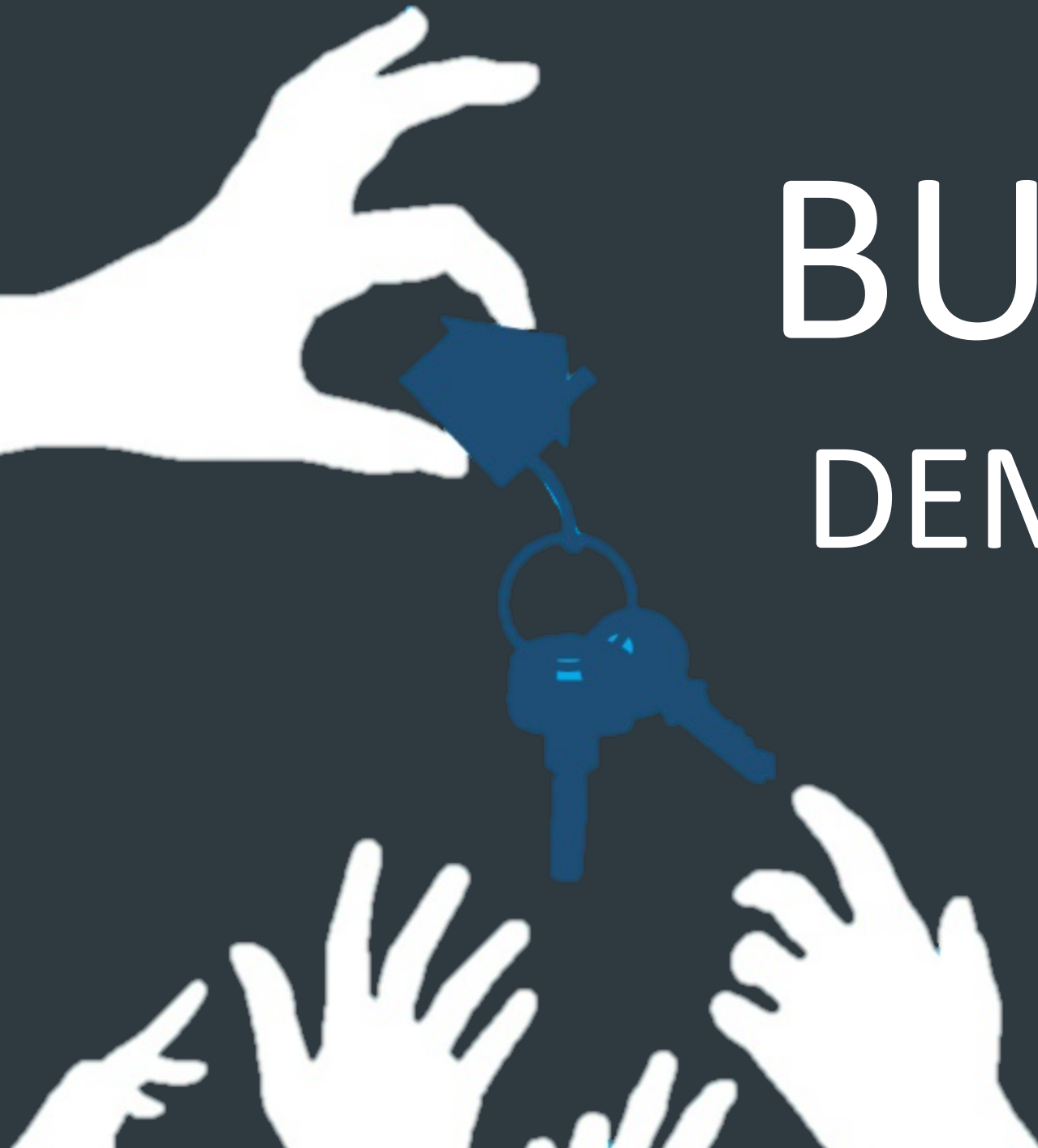
months supply

■ 2020 ■ 2021

Non-Seasonally adjusted

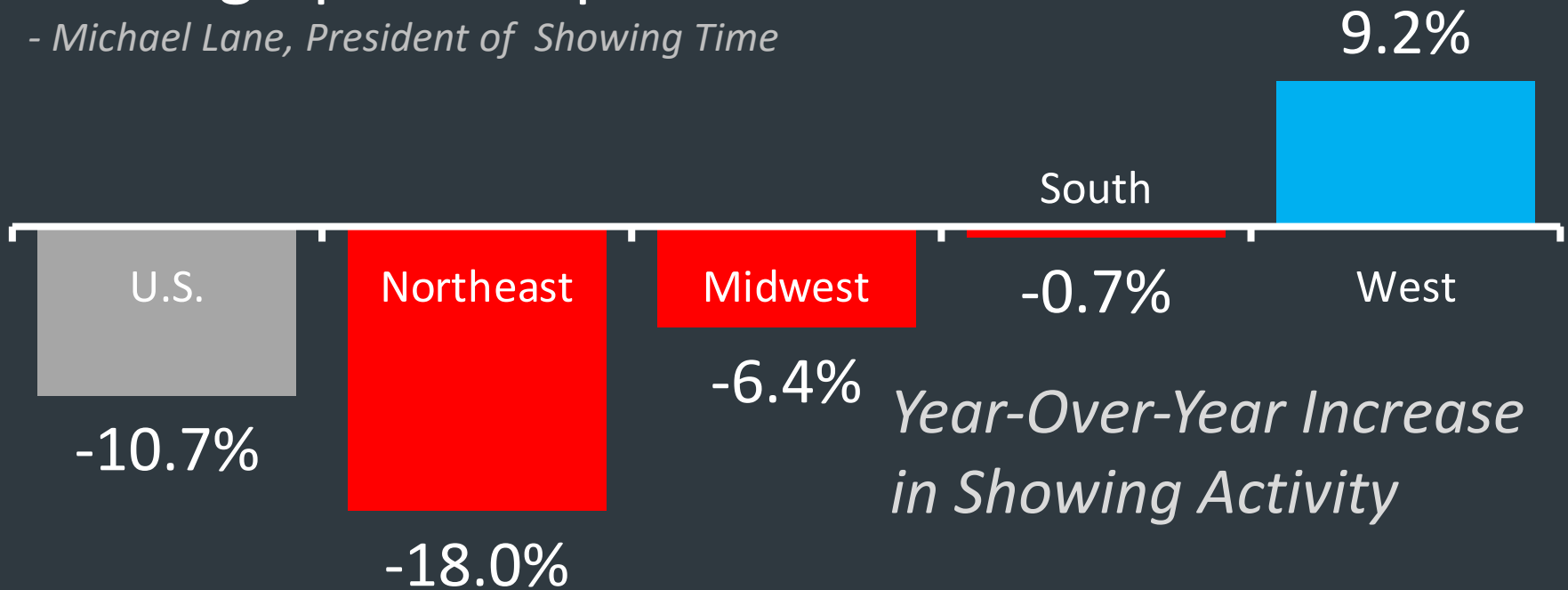


BUYER DEMAND

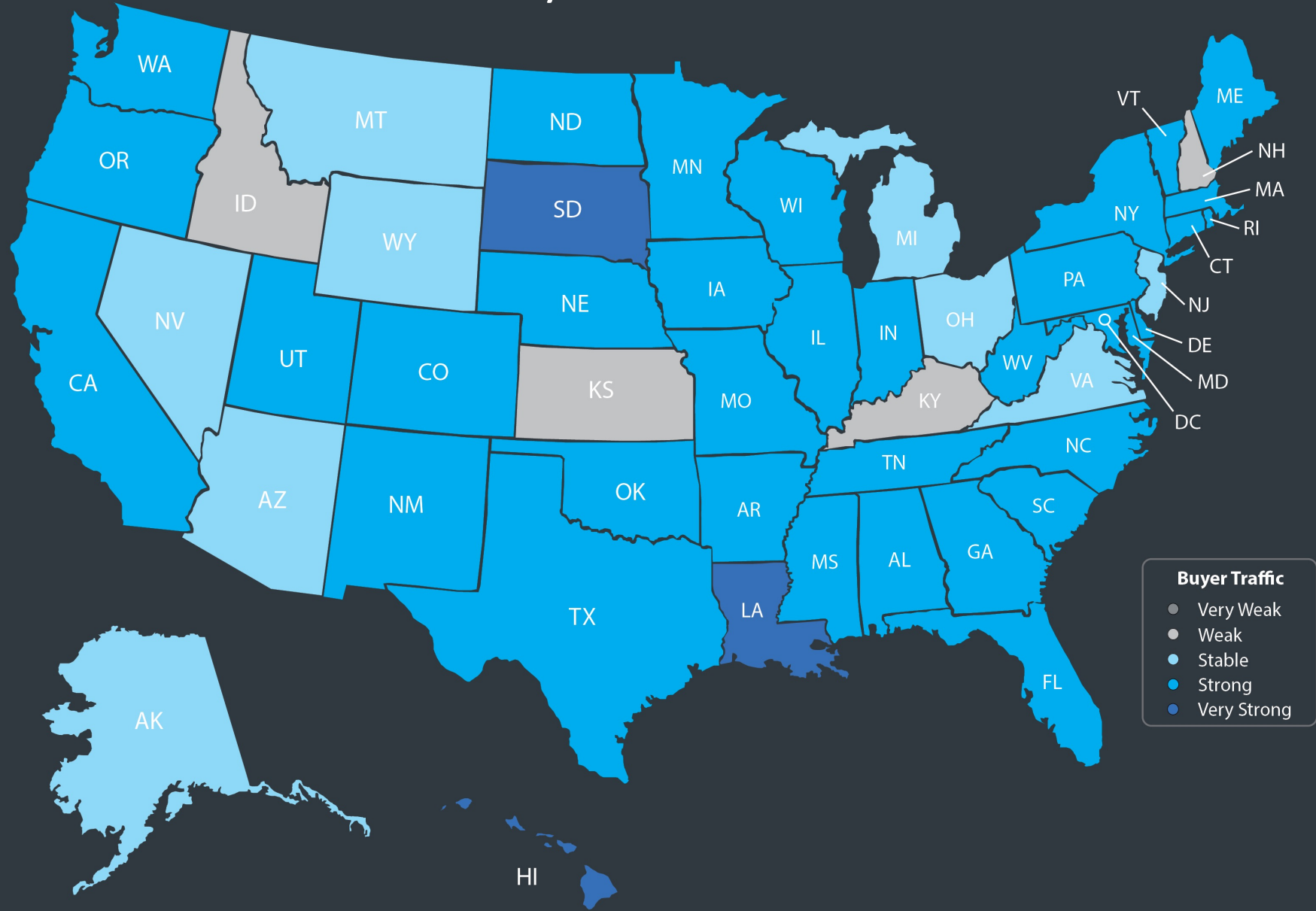


“The drop in buyer demand we’re seeing is par for the course during this time of the year... While we’re seeing a decline in showing traffic compared to this point last year, demand continues to exceed that seen in the months leading up to the pandemic.”

- Michael Lane, President of Showing Time



Buyer Traffic Index



Buyer Traffic

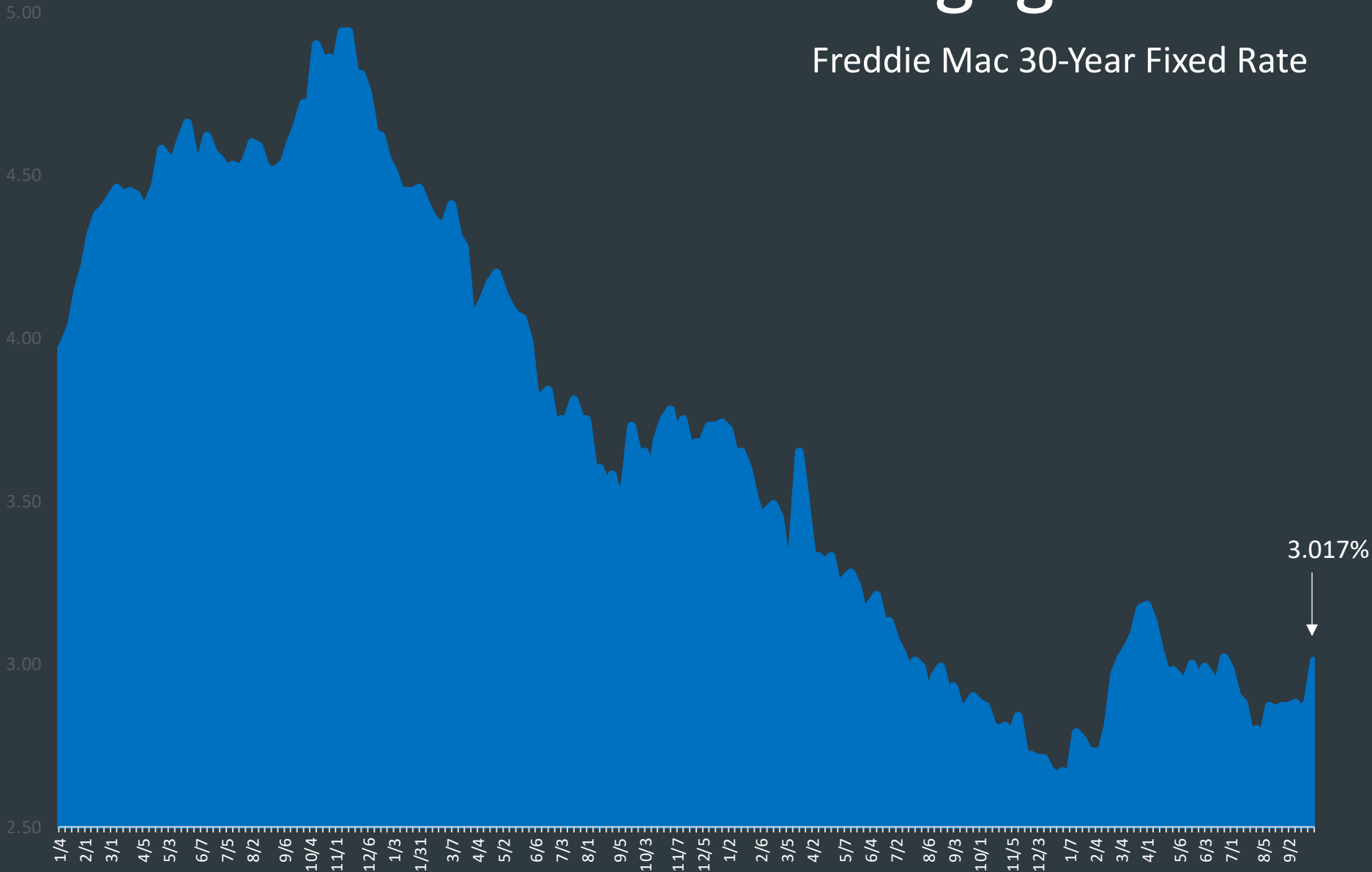
- Very Weak
- Weak
- Stable
- Strong
- Very Strong

INTEREST RATES

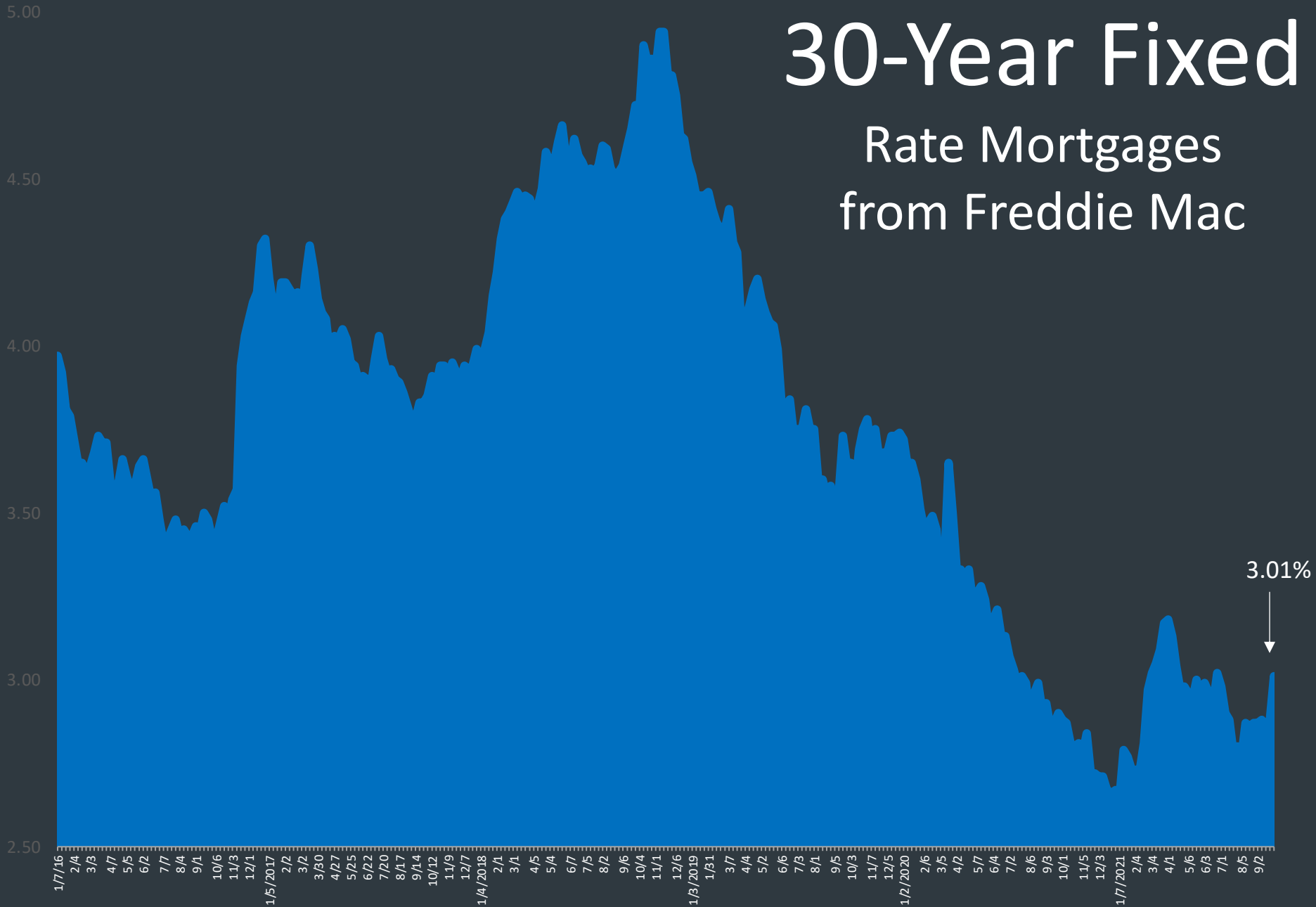


Mortgage Rates

Freddie Mac 30-Year Fixed Rate



30-Year Fixed Rate Mortgages from Freddie Mac



Mortgage Rate Projections

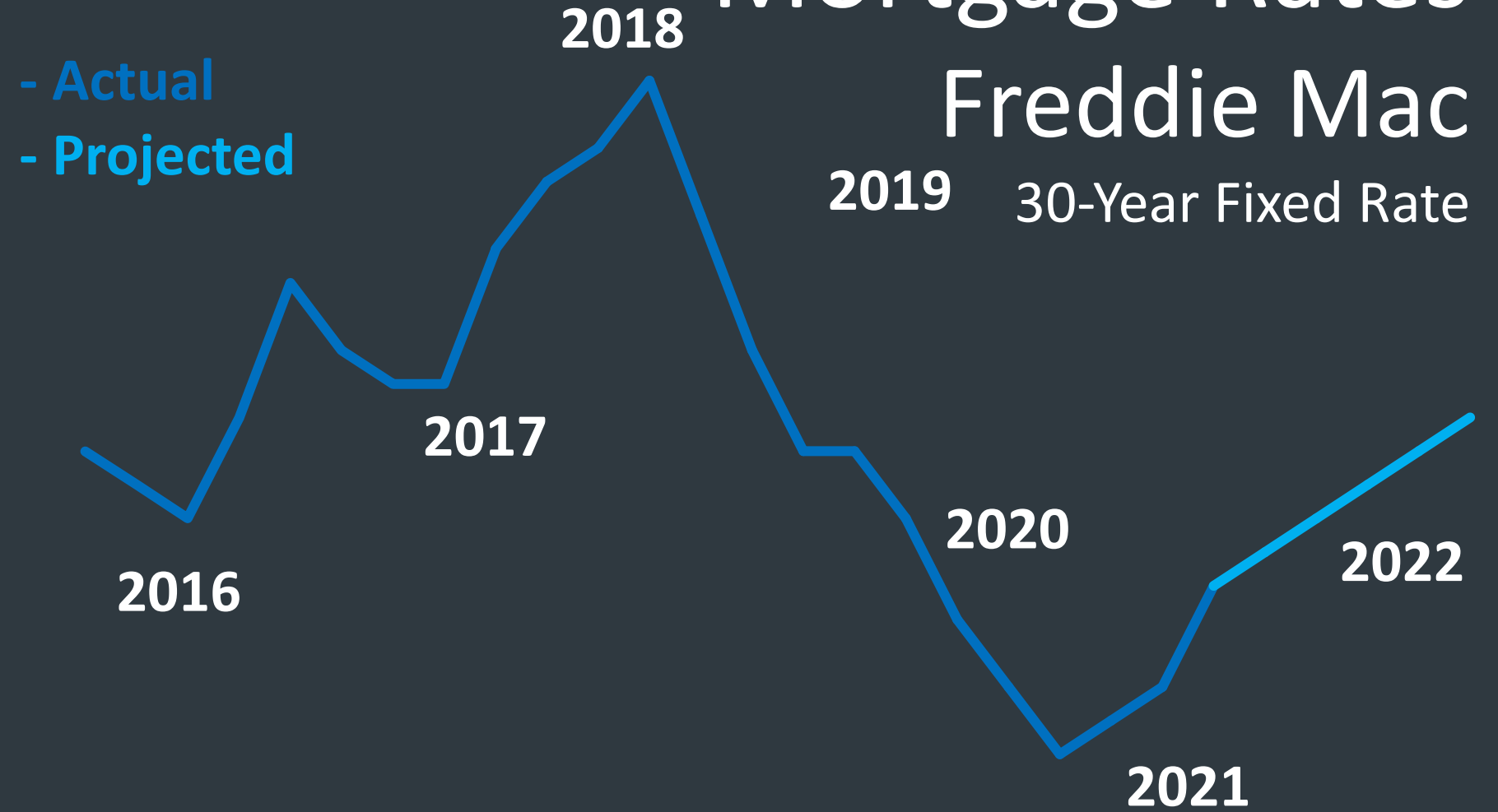
Quarter	Freddie Mac	Fannie Mae	MBA	NAR	Average of All Four
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2022 1Q	3.5	3.0	3.4	3.4	3.32%
2022 2Q	3.6	3.1	3.6	3.5	3.45%
2022 3Q	3.7	3.1	3.8	3.6	3.55%

Mortgage Rates

Freddie Mac

2019 30-Year Fixed Rate

- Actual
- Projected



	2016	2016	2016	2016	2017	2017	2017	2017	2018	2018	2018	2018	2019	2019	2019	2019	2020	2020	2020	2020	2021	2021	2021	2021	2022	2022	2022	2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	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

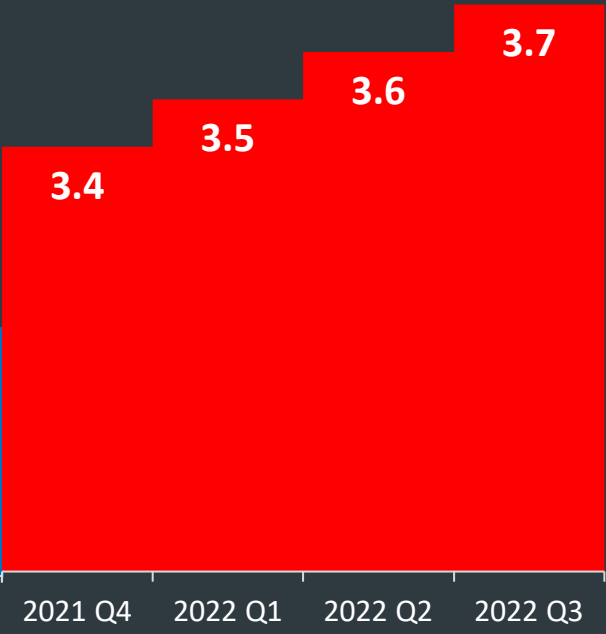
Mortgage Rates

Freddie Mac

30-Year Fixed Rate

Where Are They Going?

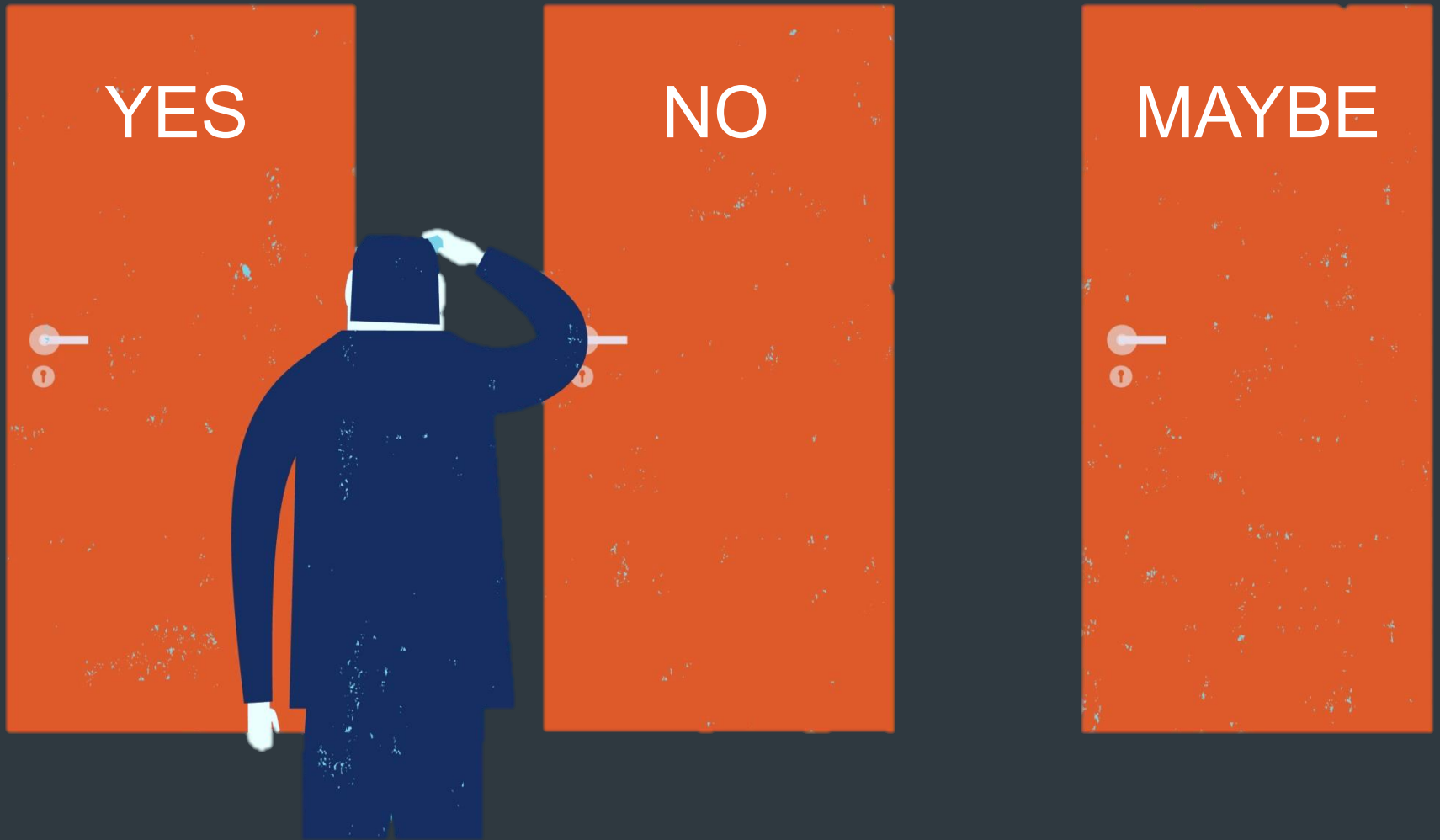
January 2018 – Today
Actual Interest Rates



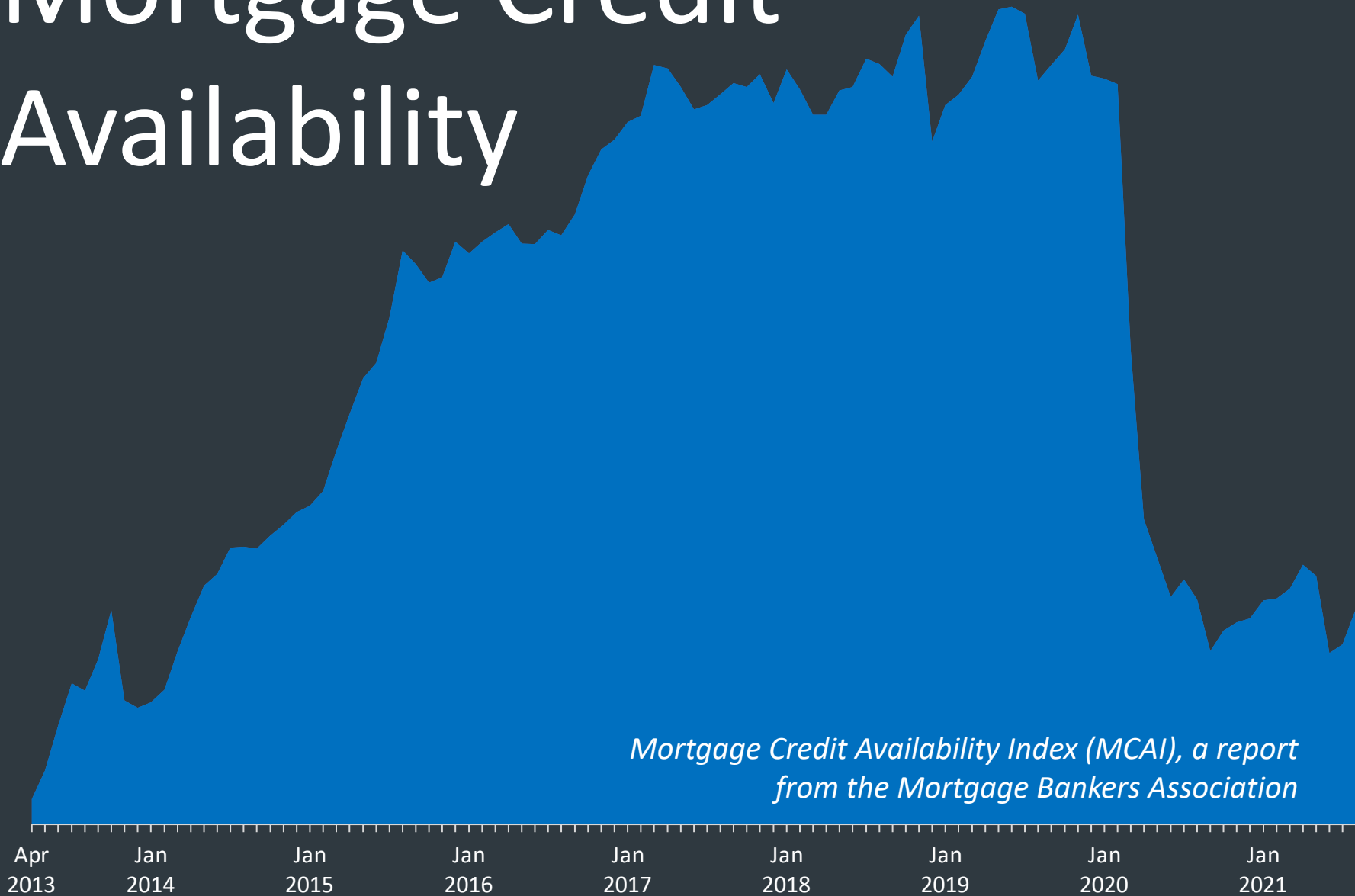
5.0
4.5
4.0
3.5
3.0
2.5

2018 2/1 3/1 4/5 5/3 6/7 7/5 8/2 9/6 10/4 11/1 12/6 1/3 2019 3/7 4/4 5/2 6/6 7/3 8/1 9/5 10/3 11/7 12/5 2020 2/6 3/5 4/2 5/7 6/4 7/2 8/6 9/3 10/1 11/5 12/3 2021 2/4 3/4 4/1 5/6 6/3 7/1 8/5 9/2 2021 Q4 2022 Q1 2022 Q2 2022 Q3

Mortgage Credit Availability



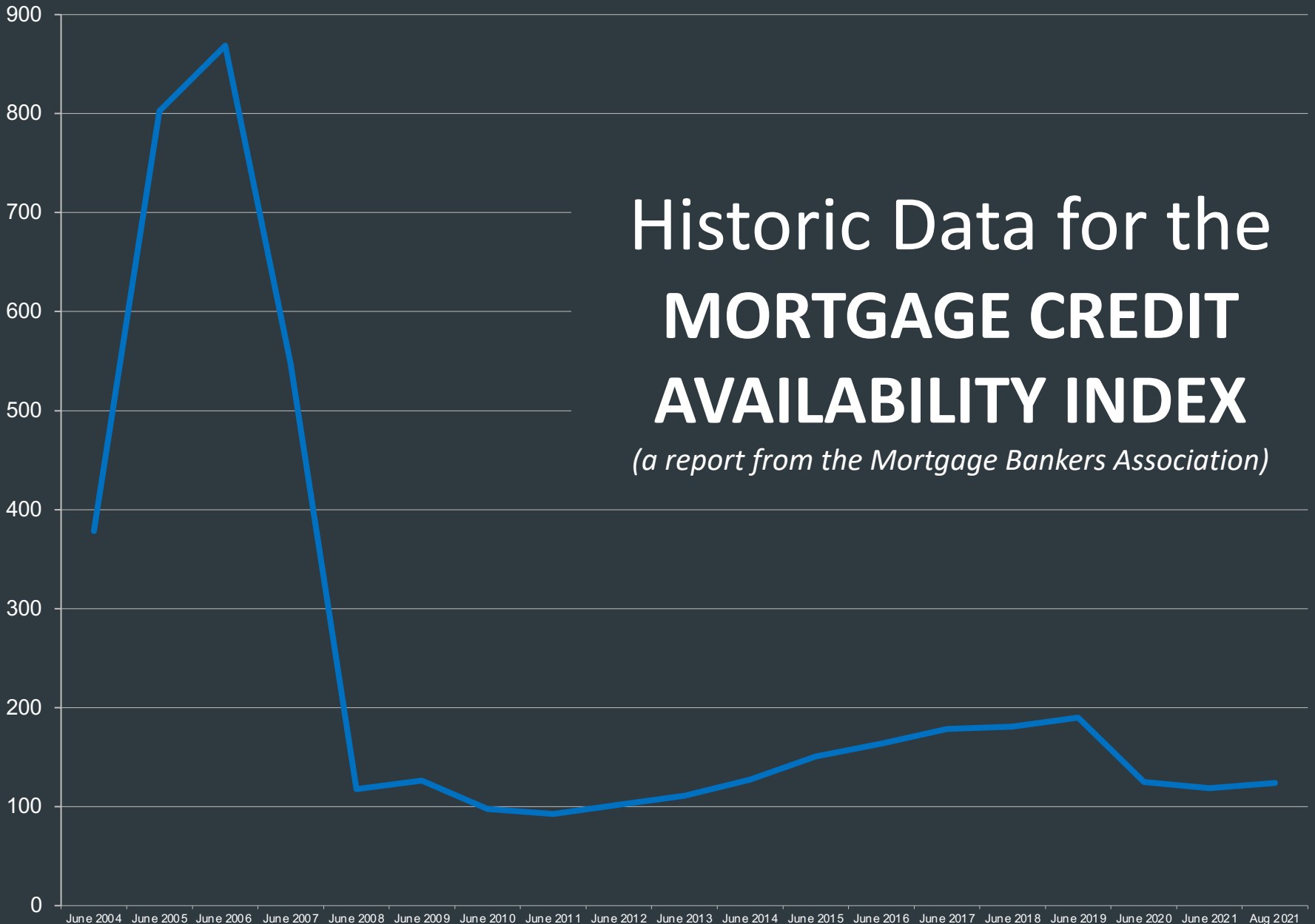
Mortgage Credit Availability



Mortgage Credit Availability Index (MCAI), a report from the Mortgage Bankers Association

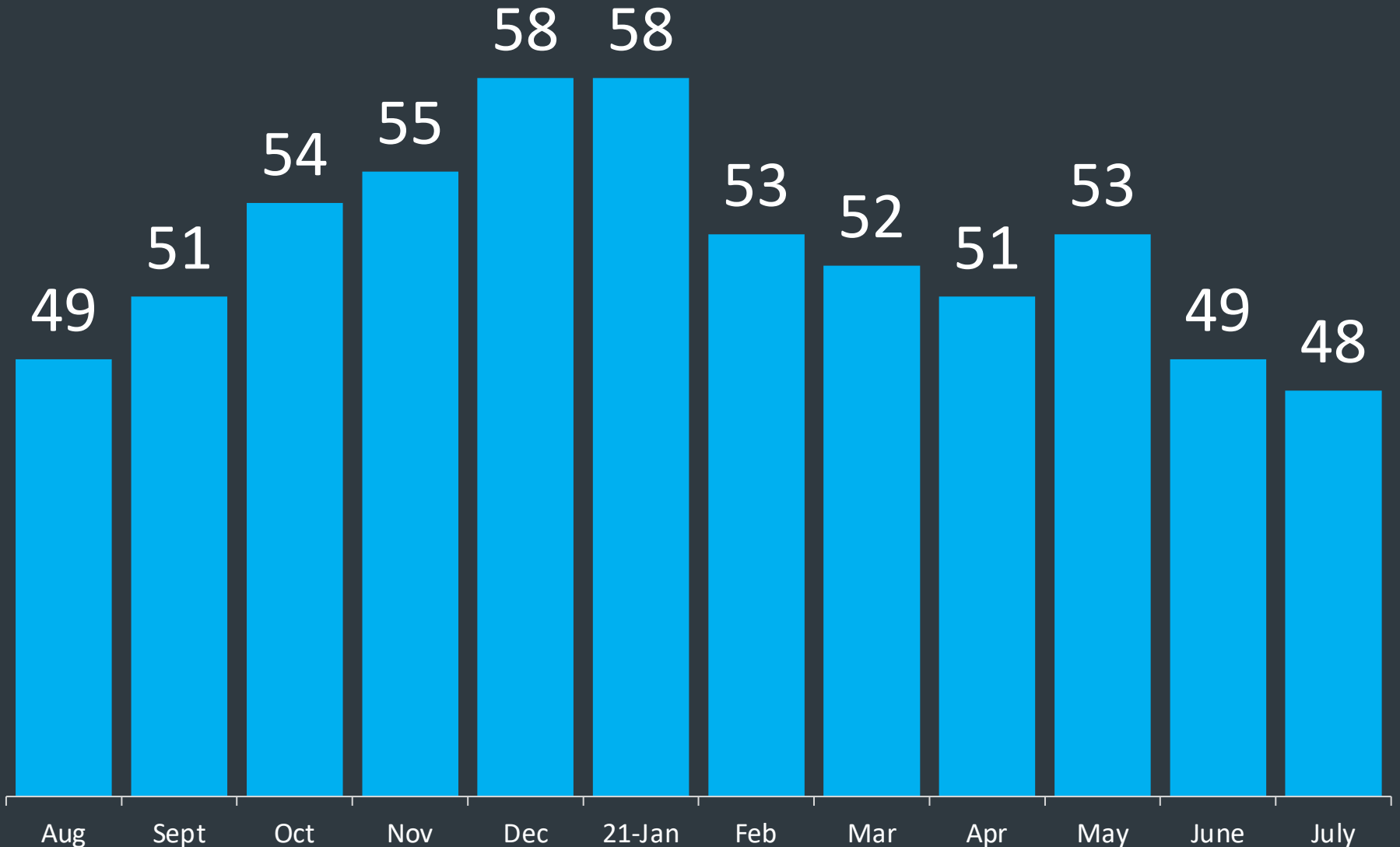
Historic Data for the **MORTGAGE CREDIT AVAILABILITY INDEX**

(a report from the Mortgage Bankers Association)



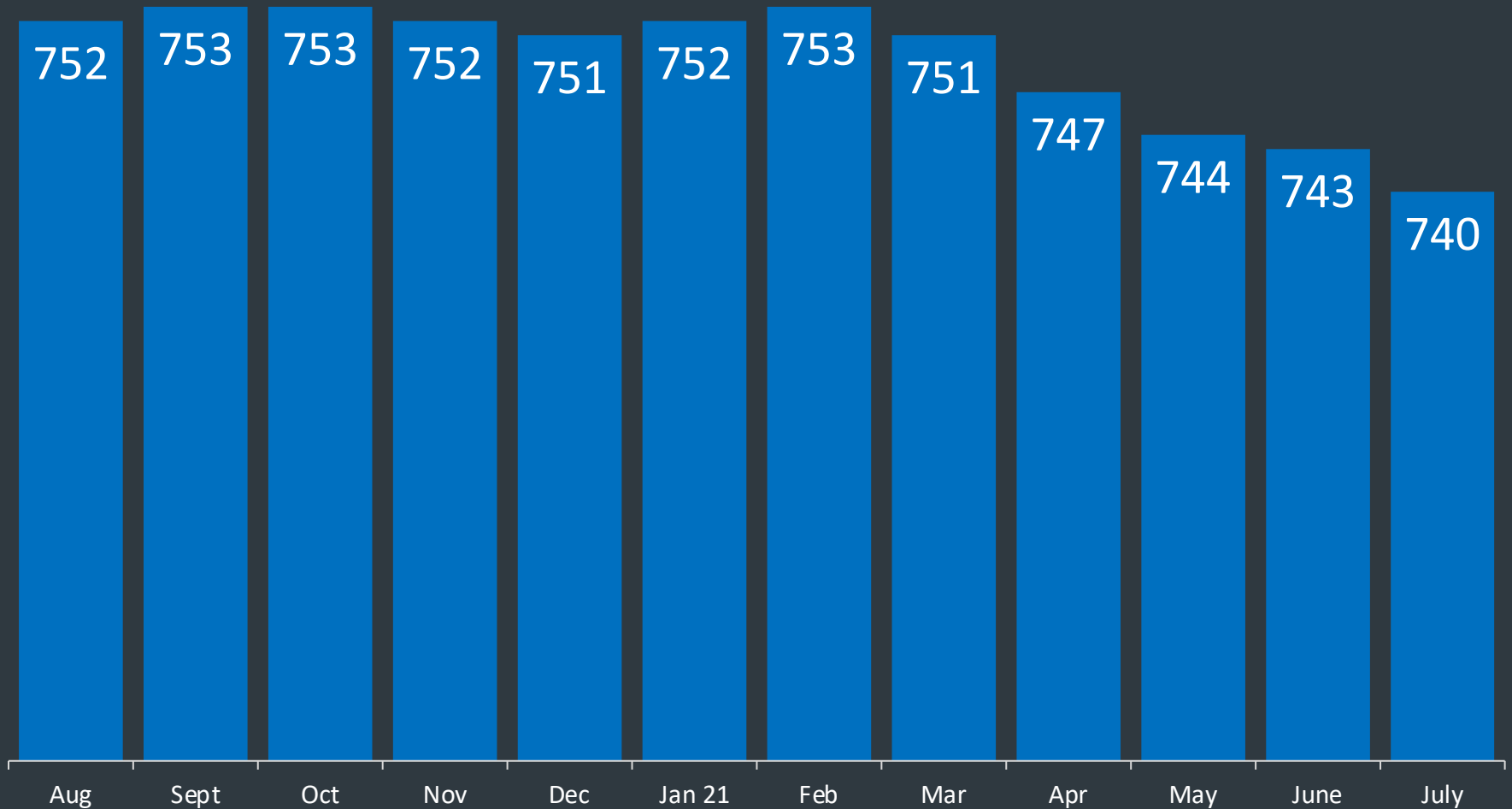
Average Days To Close A Loan

Last 12 Months

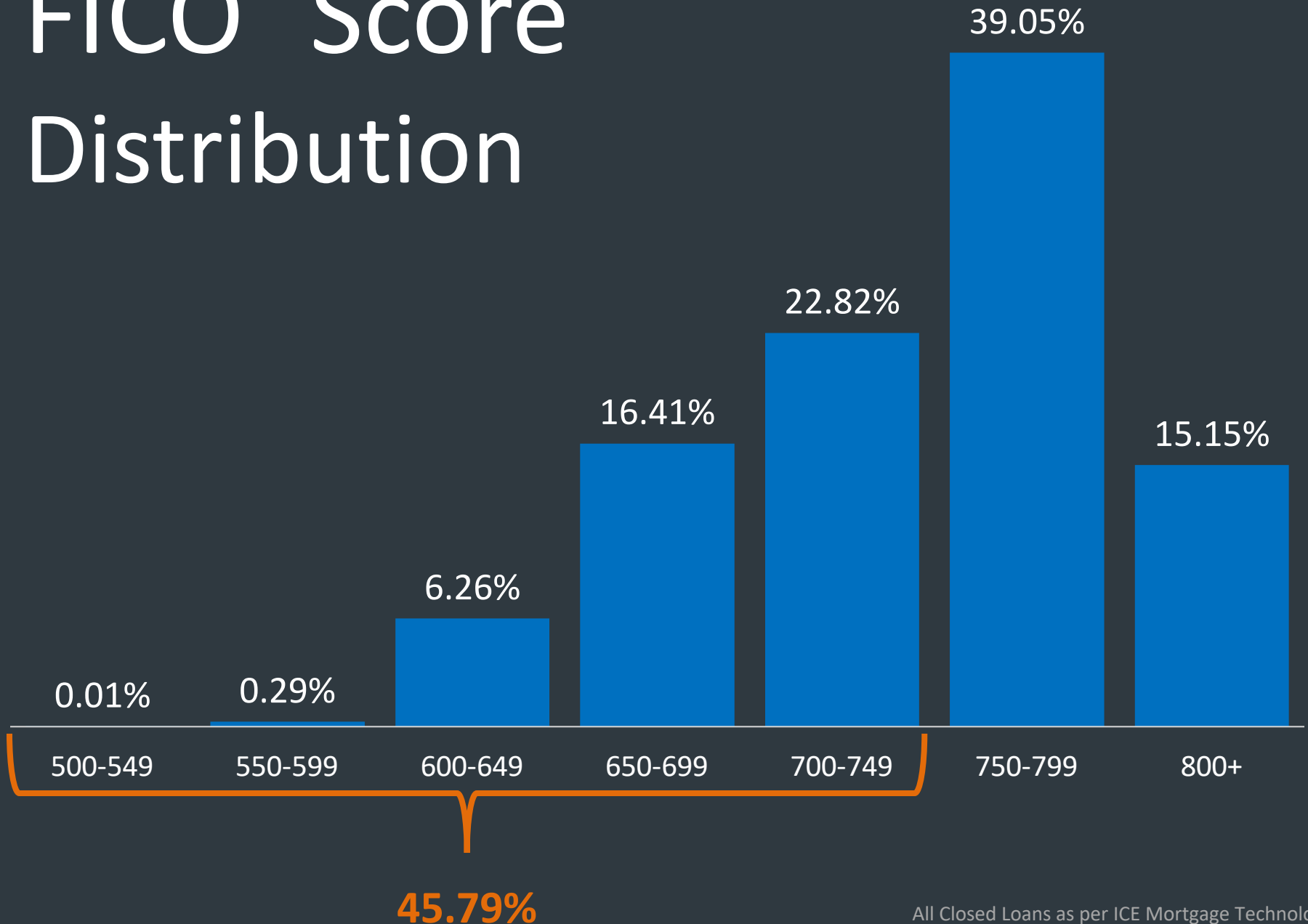


FICO[®] Score Requirements

Last 12 months

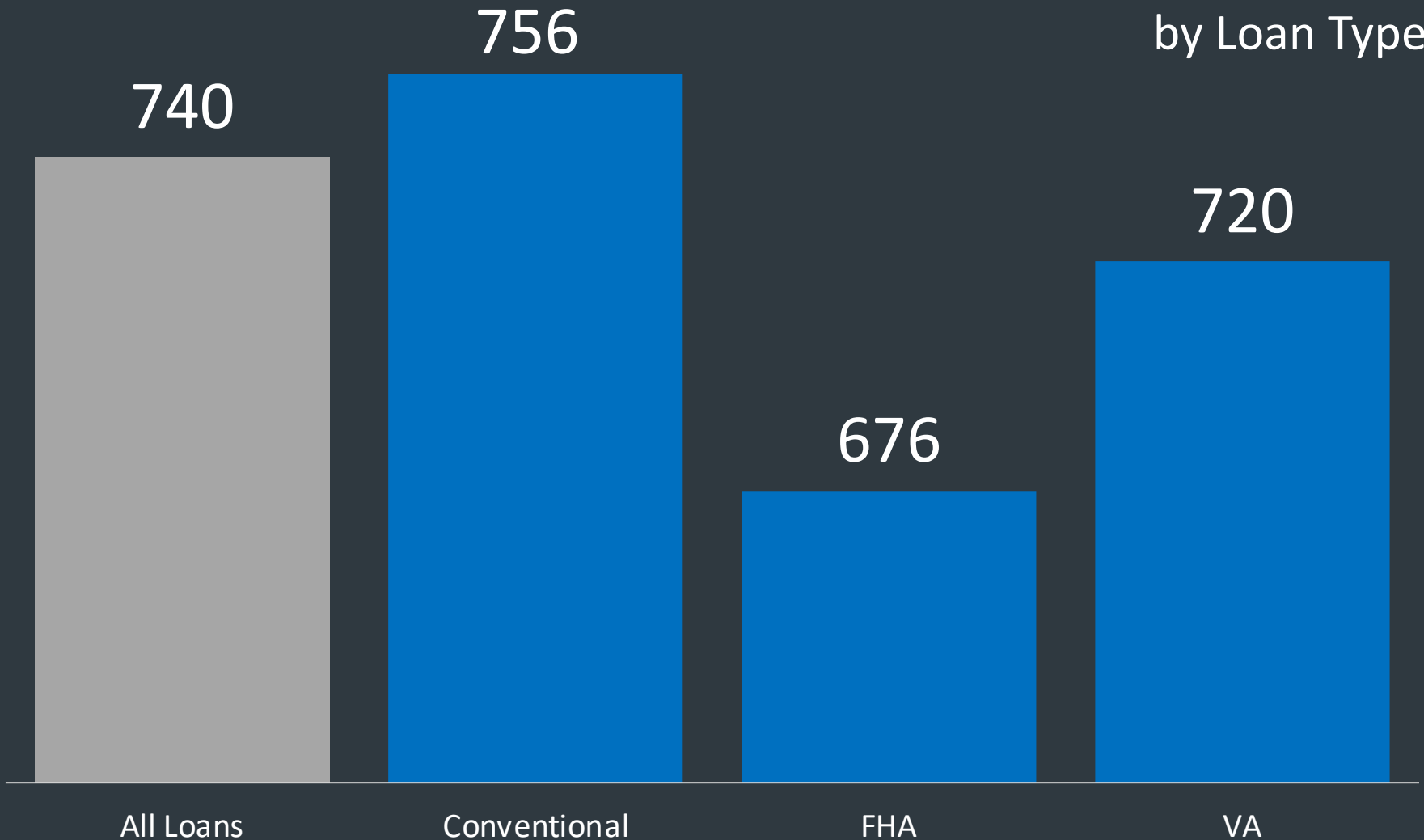


FICO[®] Score Distribution



Average FICO[®] Score

for Closed Purchase Loans
by Loan Type



Average Back End DTI

for Closed Purchase Loans by Loan Type

