

KEEPING CURRENT MATTERS



DECEMBER 2021

Q: When do most listings come on the market?



A: ~~The 2nd Quarter of Each Year~~

“Home sellers have historically moved when something in their lives changed – a new baby, a marriage, a divorce or a new job. . . . The pandemic has impacted everyone, and for many this became an impetus to sell and make a housing trade.”

Jessica Lautz

VP of Demographics and
Behavioral Insights at NAR

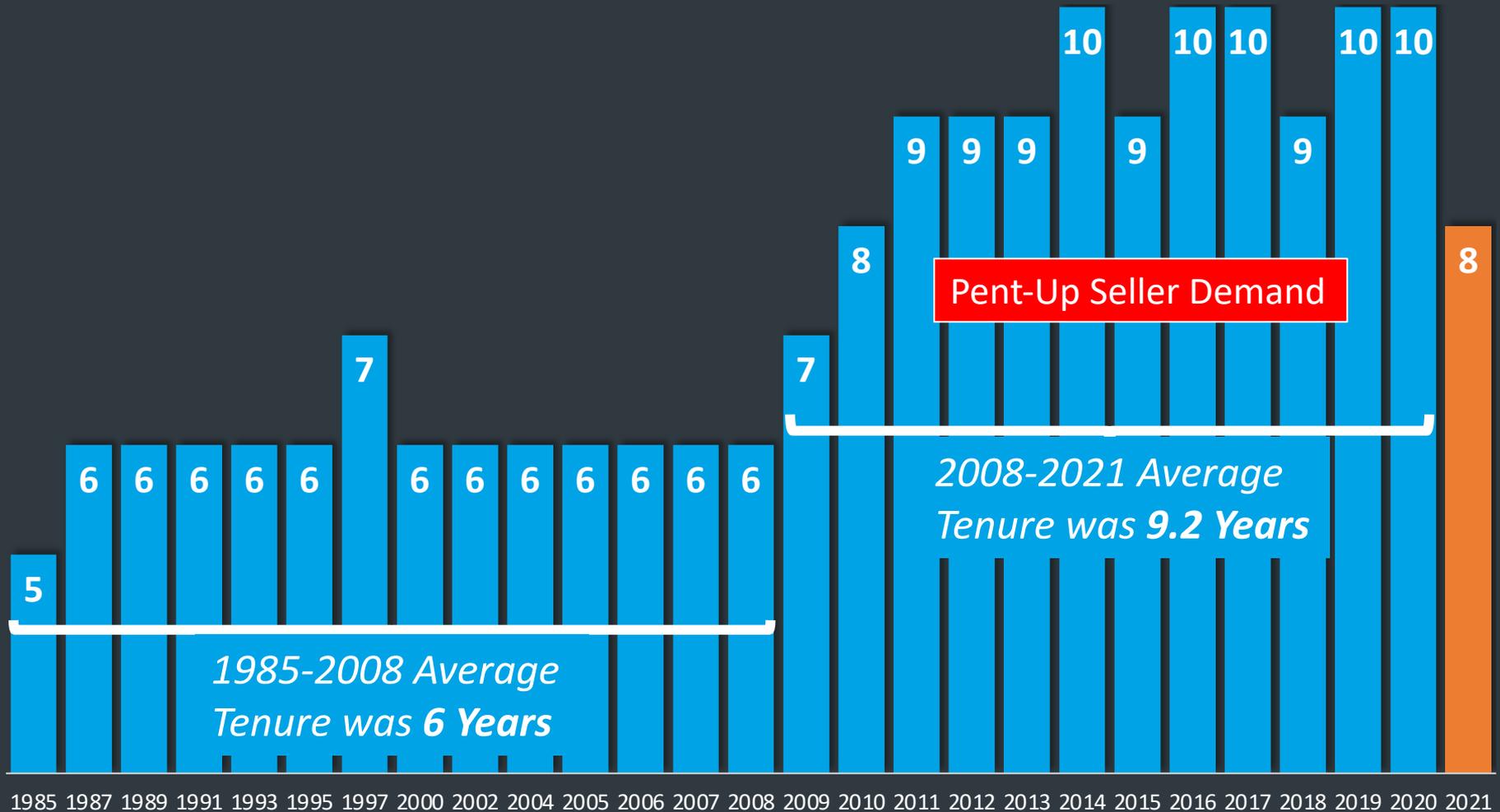


“... the pandemic likely spurred occupants to shorten their home stay, as tenure in the home decreased to eight years from 10 years, according to the report. This is the largest single-year change in home tenure since NAR began collecting such data.”

NAR



Today's Homeowners Are Staying in Their Houses for an Average of 8 Years



“The pandemic has delayed plans for many Americans, and homeowners looking to move on to the next stage of life are no exception. Recent survey data suggests **the majority of prospective sellers are actively preparing to enter the market this winter.”**

George Ratiu

Manager of Economic Research
for Realtor.com



Majority of Sellers Entering
the Market in the Next Year

Plan To List in Next 6 Months

realtor.com

65%

Have just listed (19%) or
plan to list this winter

93%

Have already taken steps toward
listing their home, including
working with an agent (28%)

36%

Have researched the value of their
home and others in their
neighborhood, as well as started
making repairs or decluttering

“Listings rose for the second week in a row . . . with our recent survey data suggesting that a growing share of homeowners are potential sellers, eager to find new homes **there is reason to believe this may be the start of a welcome trend**, especially as we move into the colder months.”

Danielle Hale

Chief Economist at realtor.com

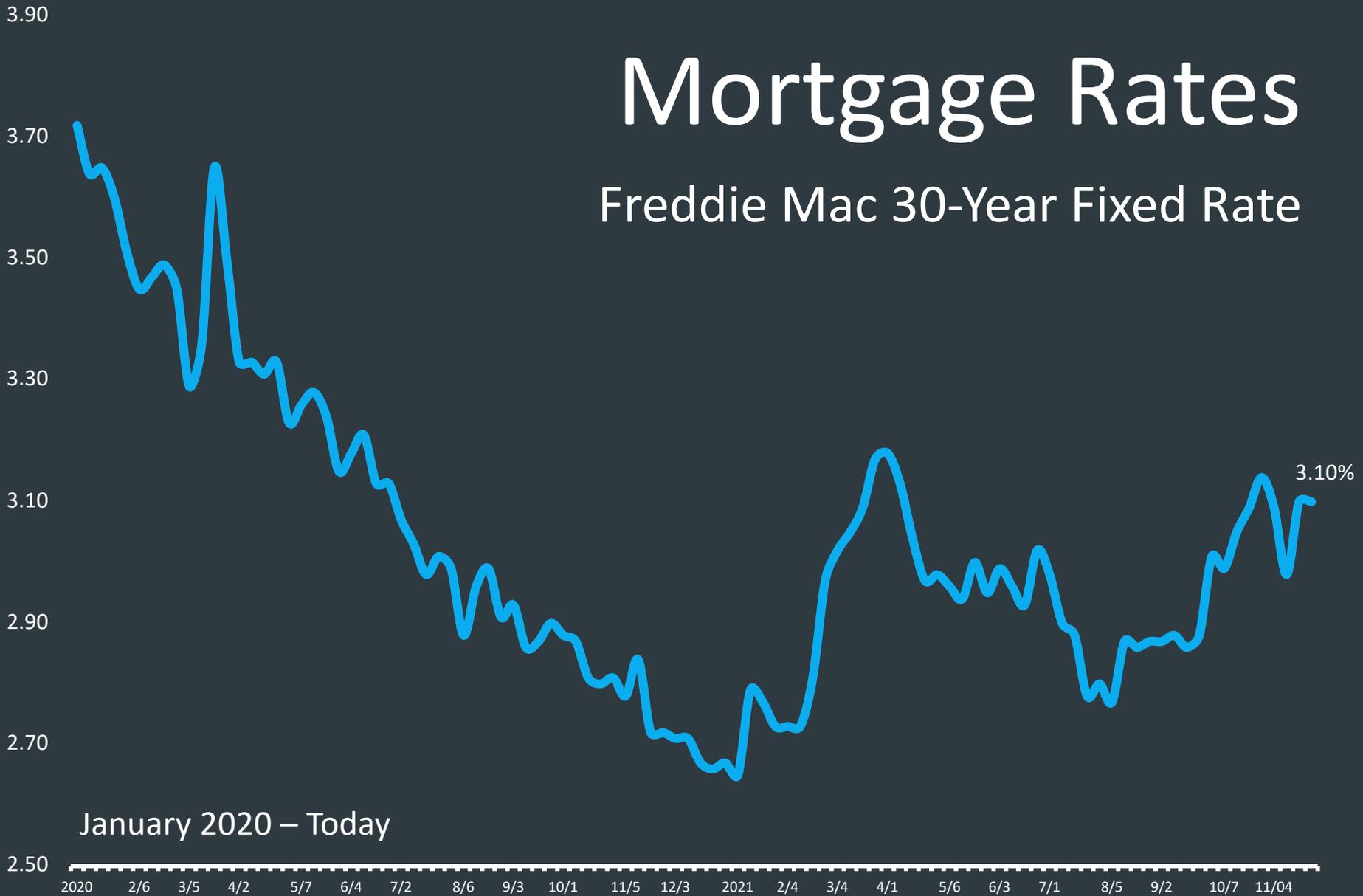


INTEREST RATE UPDATE



Mortgage Rates

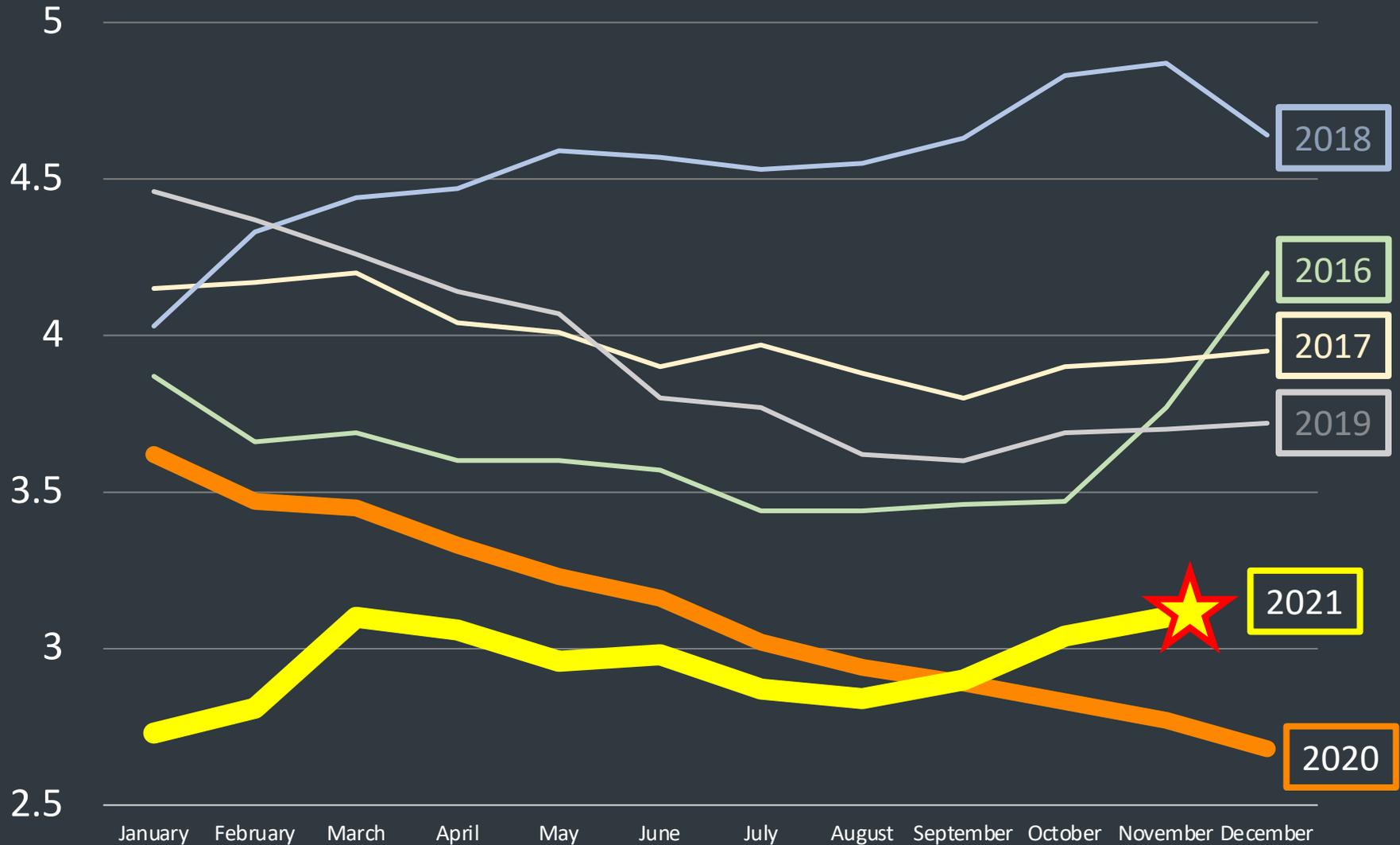
Freddie Mac 30-Year Fixed Rate



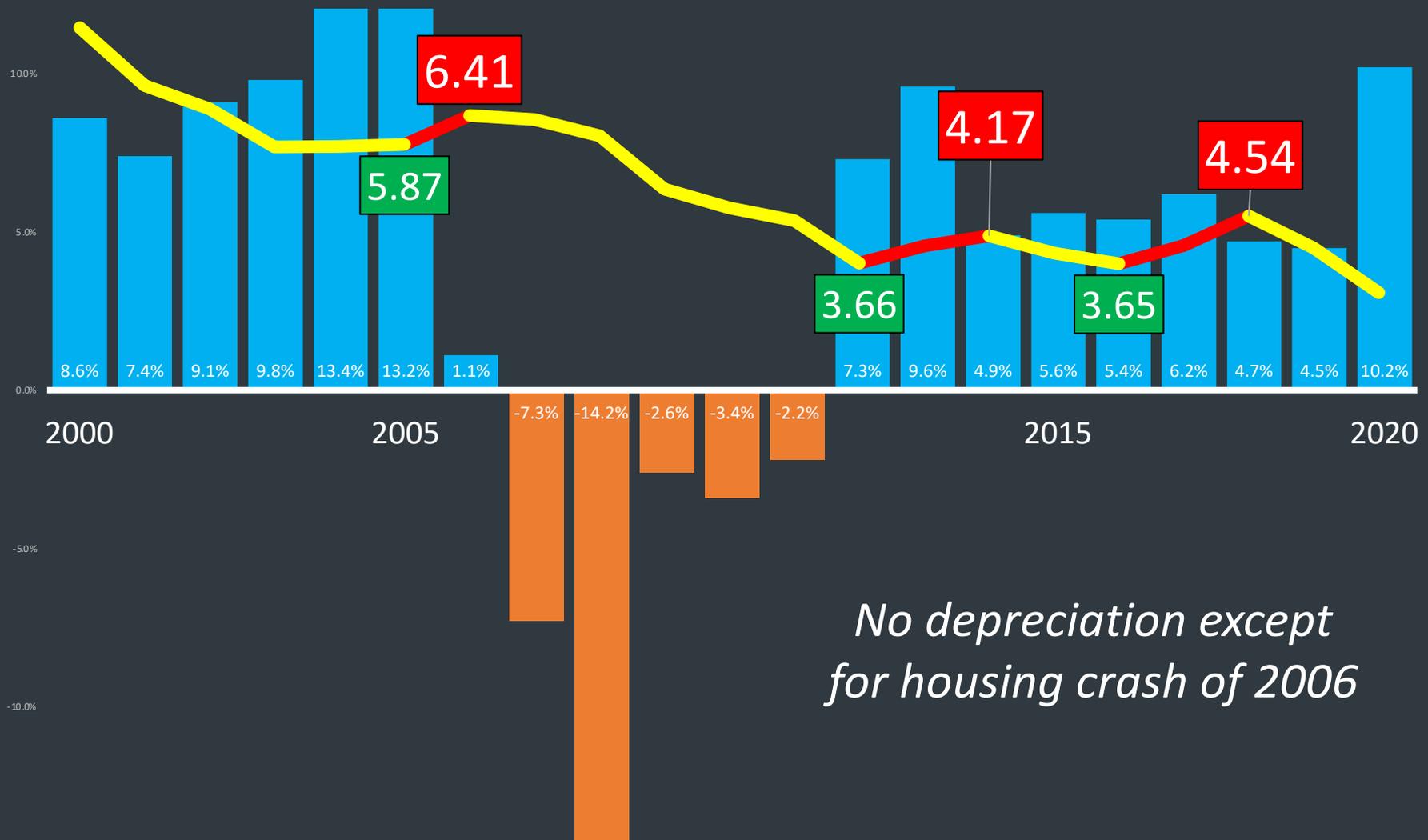
January 2020 – Today

Some Historical Perspective on Today's Mortgage Rates

30-year fixed rate



Home Prices Impacted Slightly by Rising Mortgage Rates



No depreciation except for housing crash of 2006

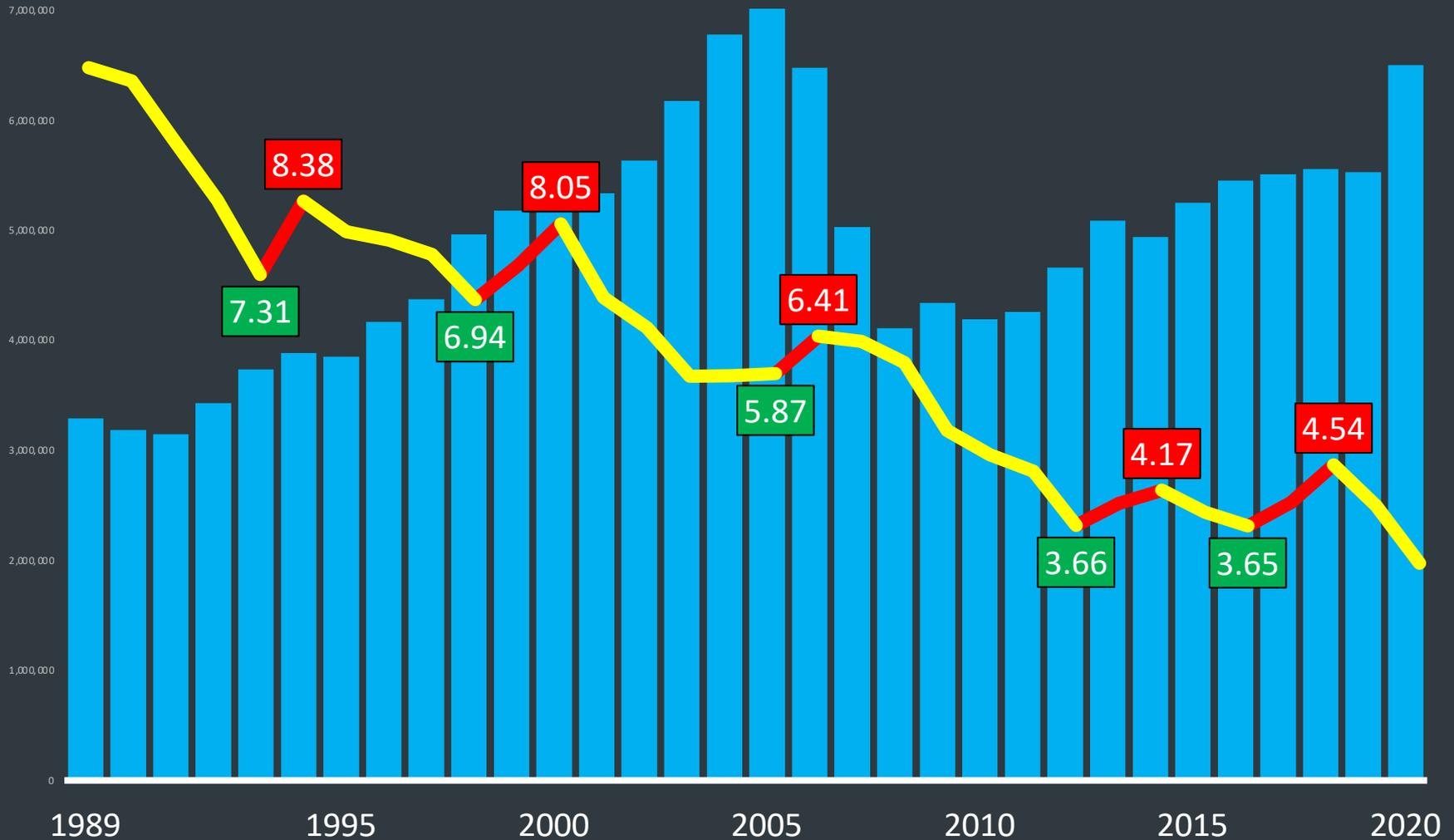
“House price appreciation is resistant to rising mortgage rates primarily because most home sellers would rather withdraw from the market than sell at lower prices – a phenomenon we refer to as ‘downside sticky’.”

Mark Fleming
Chief Economist, First American



Home Sales Not Impacted by Rising Mortgage Rates

Except for housing crash of 2006



“Context matters for purchase demand. The economy is improving, and millennials continue to age into their prime home-buying years in large numbers, so the context remains good for the housing market.”

Mark Fleming

Chief Economist at First American





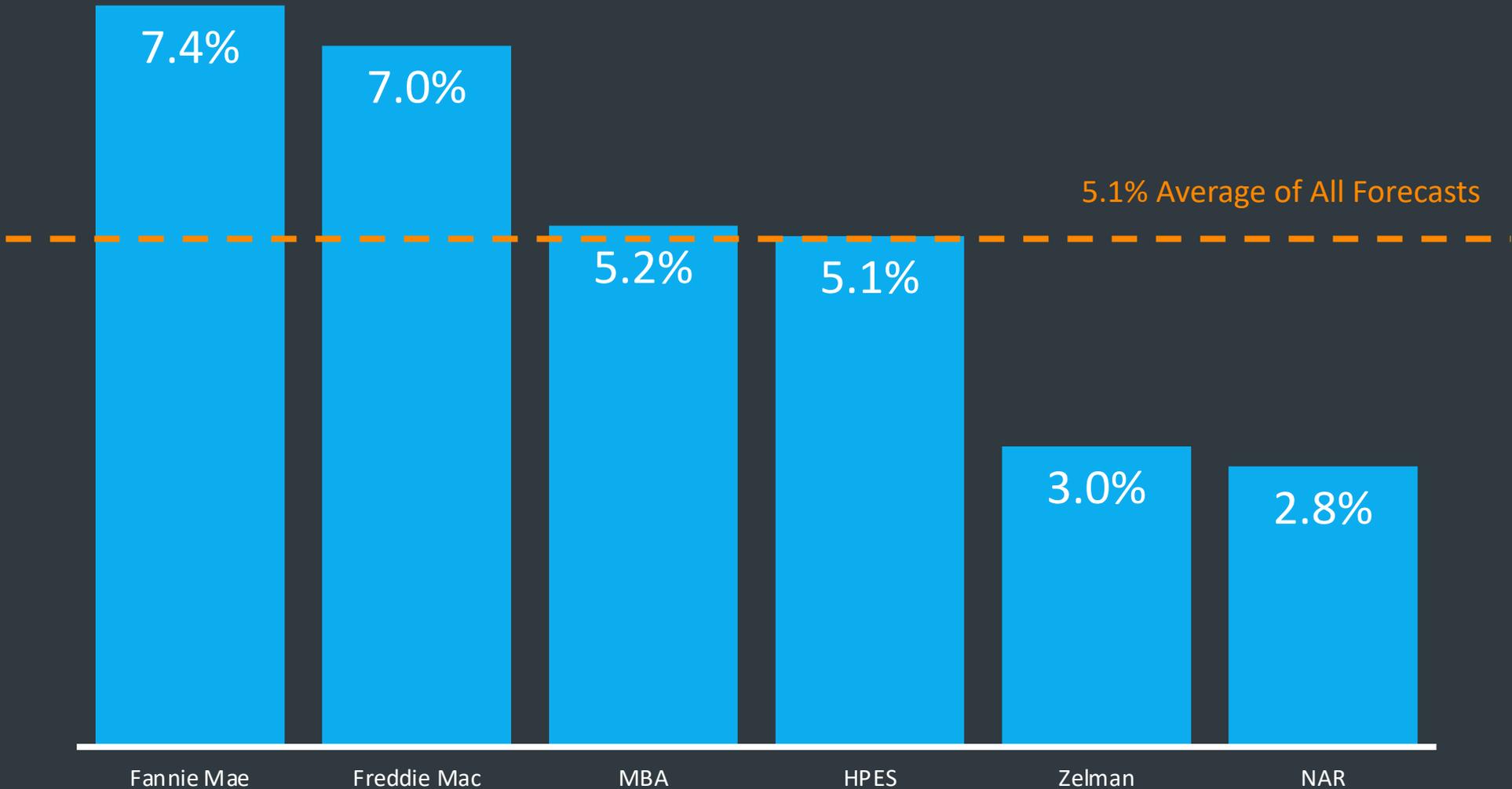
5 SLIDES YOU MUST HAVE ON YOUR PHONE THIS HOLIDAY SEASON



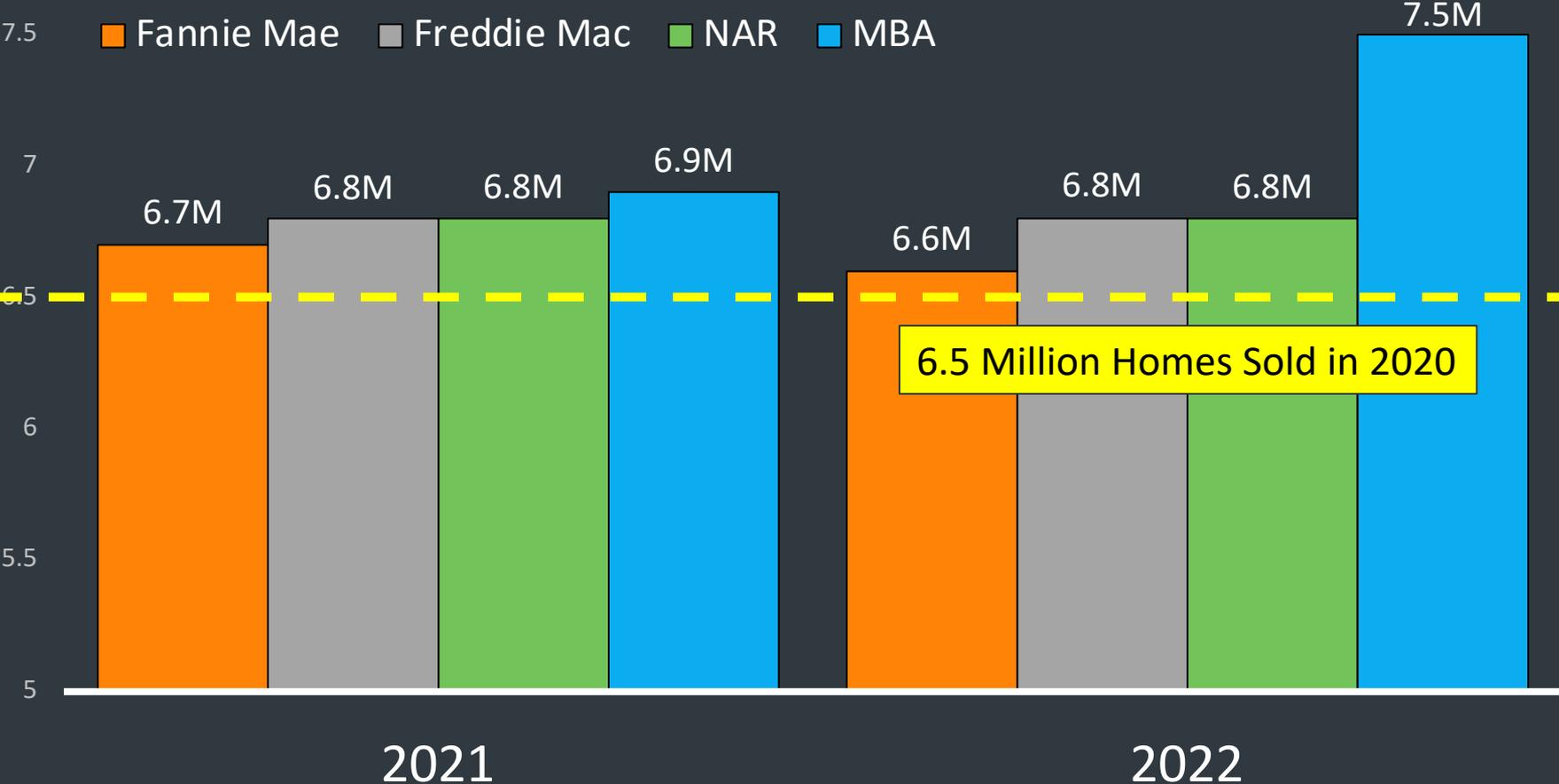
Mortgage Rate Projections

Quarter	Freddie Mac	Fannie Mae	MBA	NAR	Average of All Four
2022 1Q	3.4	3.2	3.3	3.3	3.30%
2022 2Q	3.5	3.2	3.5	3.5	3.43%
2022 3Q	3.6	3.3	3.7	3.6	3.55%
2022 4Q	3.7	3.4	4.0	3.7	3.70%

Home Price Forecasts 2022



Home Sales Forecast To Increase This Year and Perform Well Again in 2022

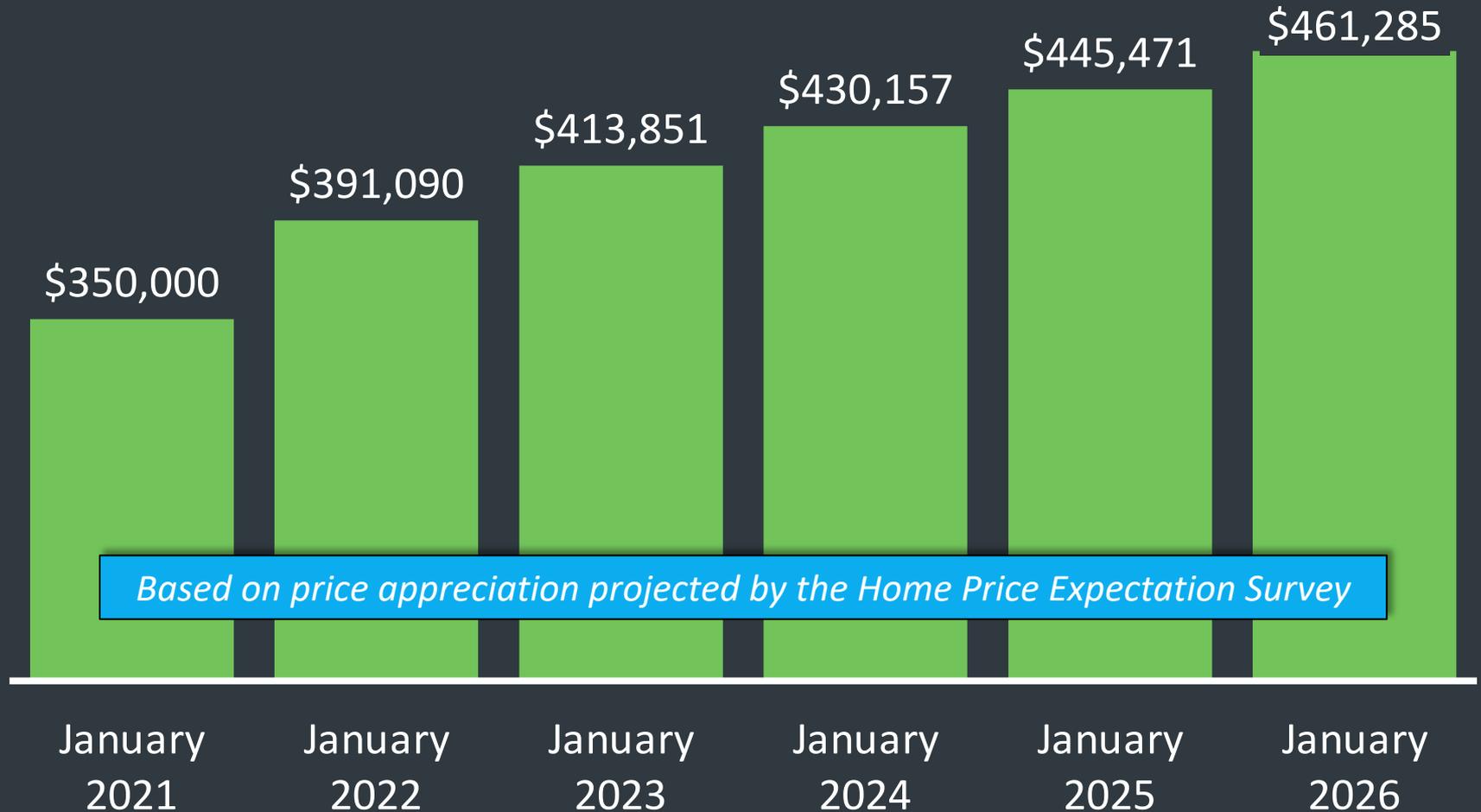


Months Inventory of Homes for Sale



\$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



Winter 2022 Buyer & Seller Guides

Available Now

Things To Consider When Buying a Home

WINTER 2022 EDITION



Casey Myers
Real Estate Agent
Keeping Current Matters
Richmond, VA
info@keepingcurrentmatters.com
www.keepingcurrentmatters.com
(831) 787-6200

Things To Consider When Selling Your House

WINTER 2022 EDITION



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What Does the Future Hold for Home Prices?

According to the Home Price Insights Report from CoreLogic, nationwide, home prices increased by 18.0% over the last 12 months. Those rising home prices can spark many questions for potential homebuyers, like why are they climbing so quickly and how long can this last?

Why You Shouldn't Be Upset By 3% Mortgage Rates

With the average 30-year fixed mortgage rate climbing above 3%, rising rates are one of the big topics of discussion in the housing market today. But as a homebuyer, what do 3% mortgage rates really mean?

Today's Rates Still Give Buyers Great Opportunity

Buyers don't want mortgage rates to rise, as any upward movement in mortgage rates means a higher monthly mortgage payment when you purchase. But today's average mortgage rates are still relatively low, and they could rise again in the future.

Expert Insights for Today's Sellers

Real estate experts agree: sellers have a great opportunity in front of them this season. Here are some of the main reasons experts say you should consider selling your house this winter.

- “ New housing data shows 2021's feverish home sales pace broke a yearly record in October, ... with last month marking the eighth straight month of buyers snatching up homes more quickly than the fastest pace in previous years. ...
- realtor.com Press Release
- “ These low mortgage rates, combined with the tailwind of first-time homebuyers entering the market, means that purchase demand will remain strong into next year.
- Sam Khater, Chief Economist, Freddie Mac
- “ With strong homebuying demand, homes go under contract within days. Before the pandemic, the time from listing to pending usually took about three to five weeks, ...
- Shu Chen, Senior Professional, Office of the Chief Economist, CoreLogic
- “ Home sellers have historically moved when something in their lives changed – a new baby, a marriage, a divorce or a new job. The pandemic has impacted everyone, and for many this became an impetus to sell. ...
- Jessica Leutz, VP of Demographics and Behavioral Insights, National Association of Realtors (NAR)

Key Takeaway

Homeowners who want to take advantage of today's market shouldn't wait to sell. Let's connect today so you can make a confident and informed decision when it comes to moving into your dream home this season.



100%

October...

an average of

ers

were on the market

than a month

Value Report, NAR

“The moment you feel most tired is the moment you must accelerate because that's when everybody else is feeling tired as well... if you can break through that pain barrier you can achieve great things.”

Sir James Tyson



Resources

Slide	Slide Title	Link
3, 4	Lautz, NAR Quotes	https://www.nar.realtor/newsroom/home-buyers-motivated-by-desire-to-be-closer-to-family-and-friends-sellers-collected-full-asking-price
5	Homeowner Tenure	https://www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers
6, 7	Ratiu Quote, Seller Data	https://news.move.com/2021-11-11-Low-Temps,-High-Expectations-Realtor-com-R-Survey-Shows-65-of-Prospective-Sellers-Plan-to-Enter-the-Market-this-Winter
8	Hale Quote	https://www.realtor.com/research/weekly-housing-trends-view-data-week-nov-13-2021/
10	Mortgage Rates	http://www.freddiemac.com/pmms/
11	Historical Rates	http://www.freddiemac.com/pmms/pmms_archives.html
12	How Rates Impact Prices	www.freddiemac.com https://cdn.blackknightinc.com/wp-content/uploads/2021/04/BKI_MM_Feb2021_Report.pdf
13	Fleming Quote – “House price appreciation . . .”	https://blog.firstam.com/economics/how-will-the-housing-market-fare-as-rates-rise
14	How Rates Impact Sales	nar.realtor www.freddiemac.com
15	Fleming Quote – “Context matters for . . .”	https://blog.firstam.com/economics/how-will-the-housing-market-fare-as-rates-rise

Resources

Slide	Slide Title	Link
17	Mortgage Rate Projections	http://www.freddiemac.com/research/forecast/20211015_quarterly_economic_forecast.page? https://www.fanniemae.com/media/41656/display https://www.mba.org/news-research-and-resources/research-and-economics/forecasts-and-commentary https://cdn.nar.realtor/sites/default/files/documents/forecast-Q4-2021-us-economic-outlook-10-28-2021.pdf
18	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-Q4-2021-us-economic-outlook-10-28-2021.pdf https://www.fanniemae.com/research-and-insights/forecast http://www.freddiemac.com/research/forecast/index.page https://pulsenomics.com/surveys/#home-price-expectations
19	Home Sales Forecast	https://www.fanniemae.com/media/41126/display http://www.freddiemac.com/research/forecast/index.page https://www.mba.org/news-research-and-resources/research-and-economics/forecasts-and-commentary https://cdn.nar.realtor/sites/default/files/documents/forecast-Q4-2021-us-economic-outlook-10-28-2021.pdf
20	Months Inventory	nar.realtor https://www.nar.realtor/topics/existing-home-sales https://www.nar.realtor/newsroom/existing-home-sales-jump-6-5-in-february
21	Potential Growth in 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 a vertical line; above, a white key with a vertical line; to the right, a white key with the number "4"; and below, 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
30, 50, 60	Confidence Index	https://www.nar.realtor/research-and-statistics/research-reports/realtors-confidence-index
31-33, 41, 50-55	Existing Home Sales	https://www.nar.realtor/topics/existing-home-sales
34-37	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
38	Total Home Sales	http://www.census.gov/construction/nrs/pdf/newressales.pdf https://www.nar.realtor/topics/existing-home-sales
39, 40	Pending Home Sales	https://www.nar.realtor/research-and-statistics/housing-statistics/pending-home-sales
45-47	Case Shiller	https://www.spglobal.com/spdji/en/indices/indicators/sp-corelogic-case-shiller-20-city-composite-home-price-nsa-index/#news-research
48	CoreLogic Forecasted YOY % Change in Price	https://www.corelogic.com/intelligence/u-s-home-price-insights/
51-57	Inventory	https://www.nar.realtor/topics/existing-home-sales http://www.census.gov/construction/nrs/pdf/newressales.pdf

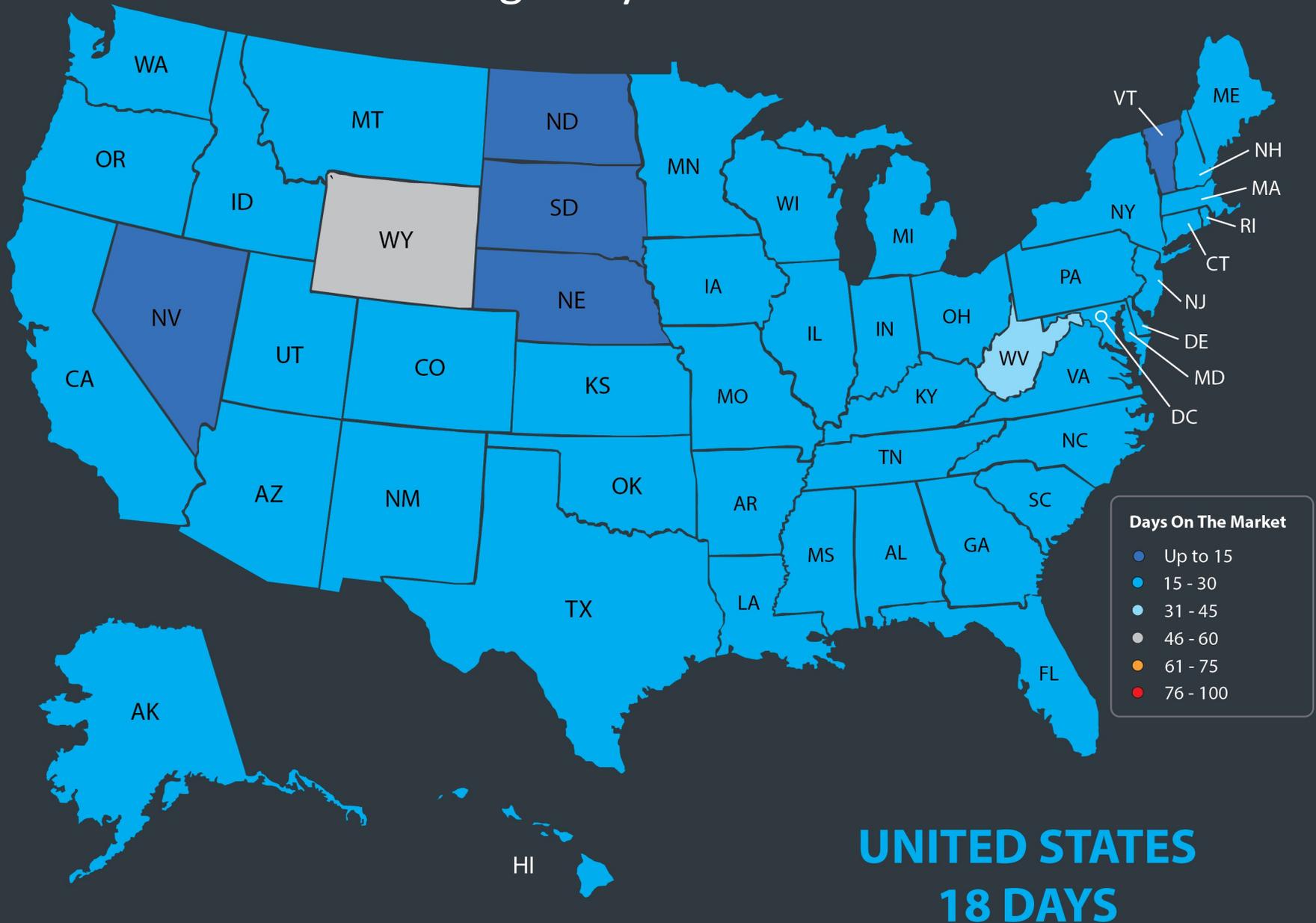
Resources

Slide	Slide Title	Link
59	Showing Activity	https://www.showingtime.com/blog/october-2021-showing-index-results/
62, 63, 65, 66	Mortgage Rates	http://www.freddiemac.com/pmms/pmms_archives.html http://www.freddiemac.com/research/forecast/
64	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
68, 69	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
70-74	Days To Close, FICO Scores, DTI	https://www.icemortgagetechnology.com/mortgage-data/origination-insight-reports



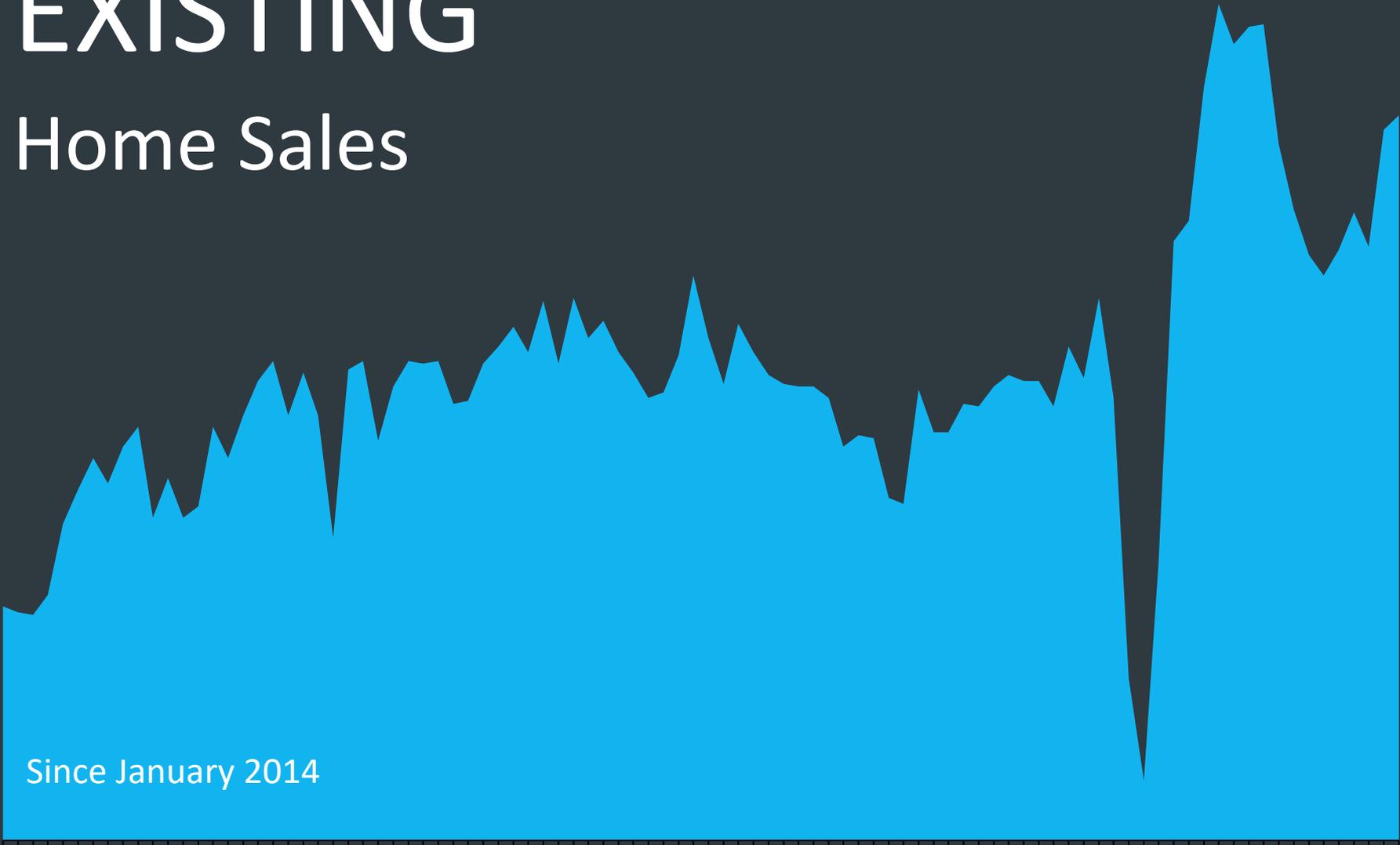
SALES

Average Days on the Market



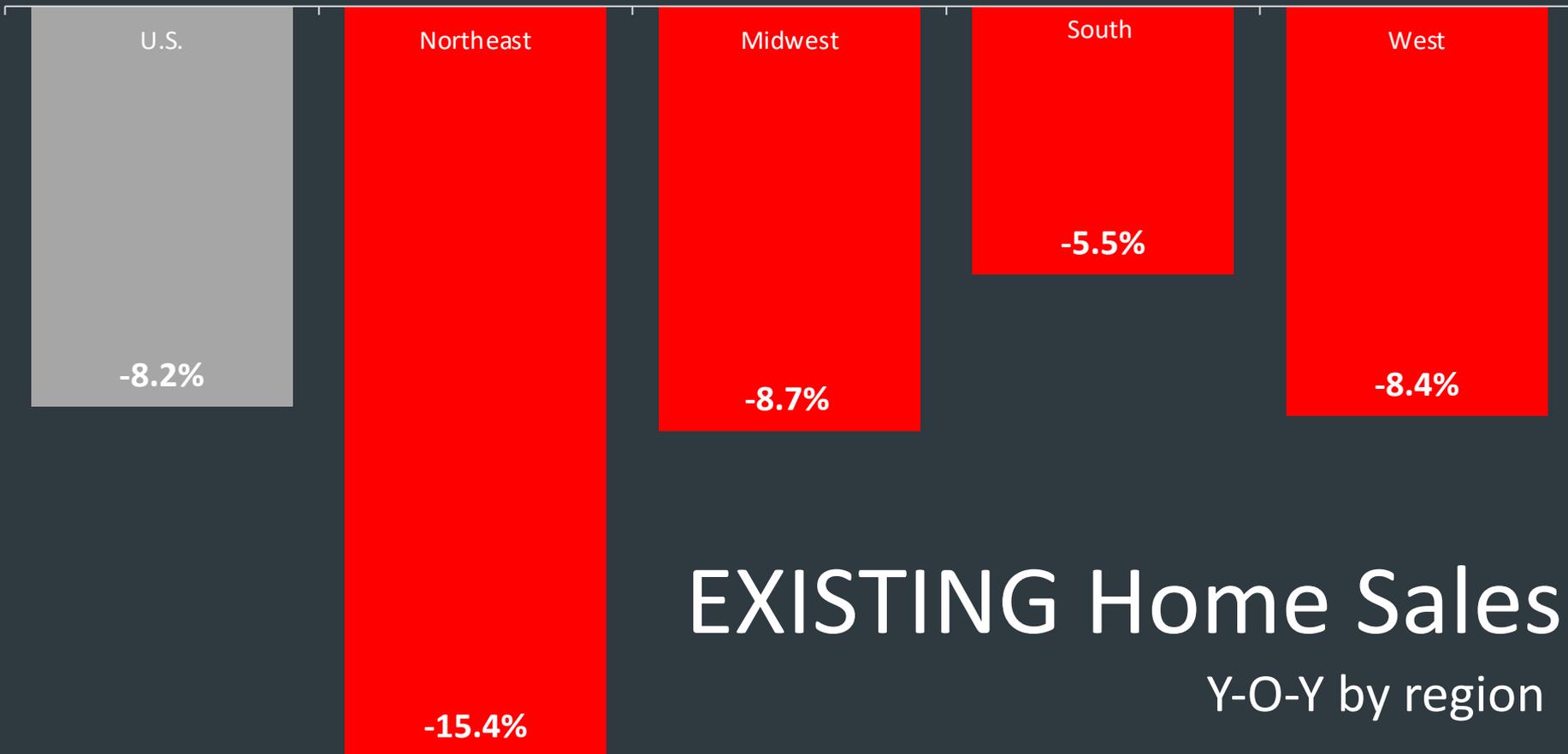
EXISTING

Home Sales



Since January 2014

Jan... Jan... Jan... Jan... Jan... Jan... Jan... Jan...

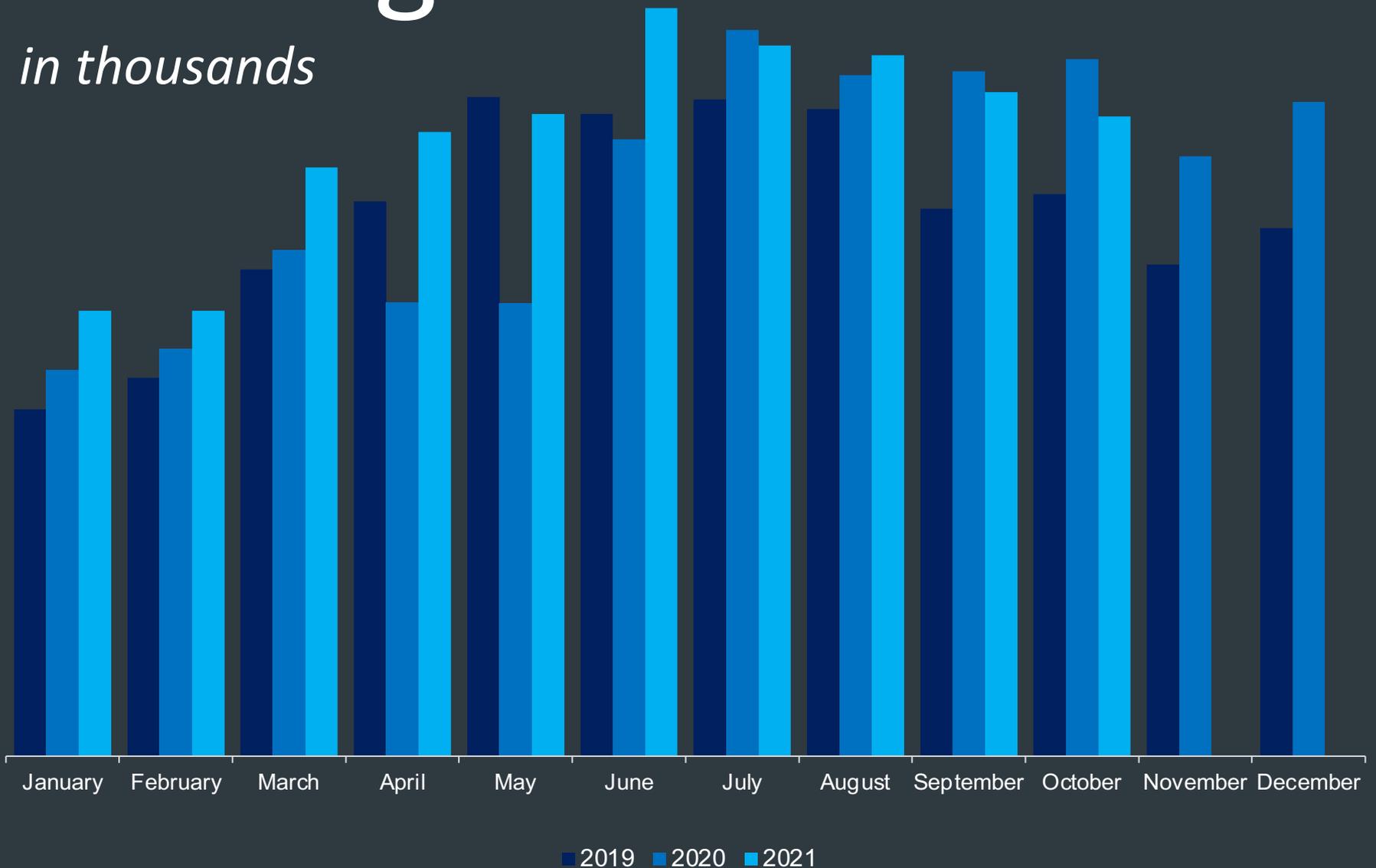


EXISTING Home Sales

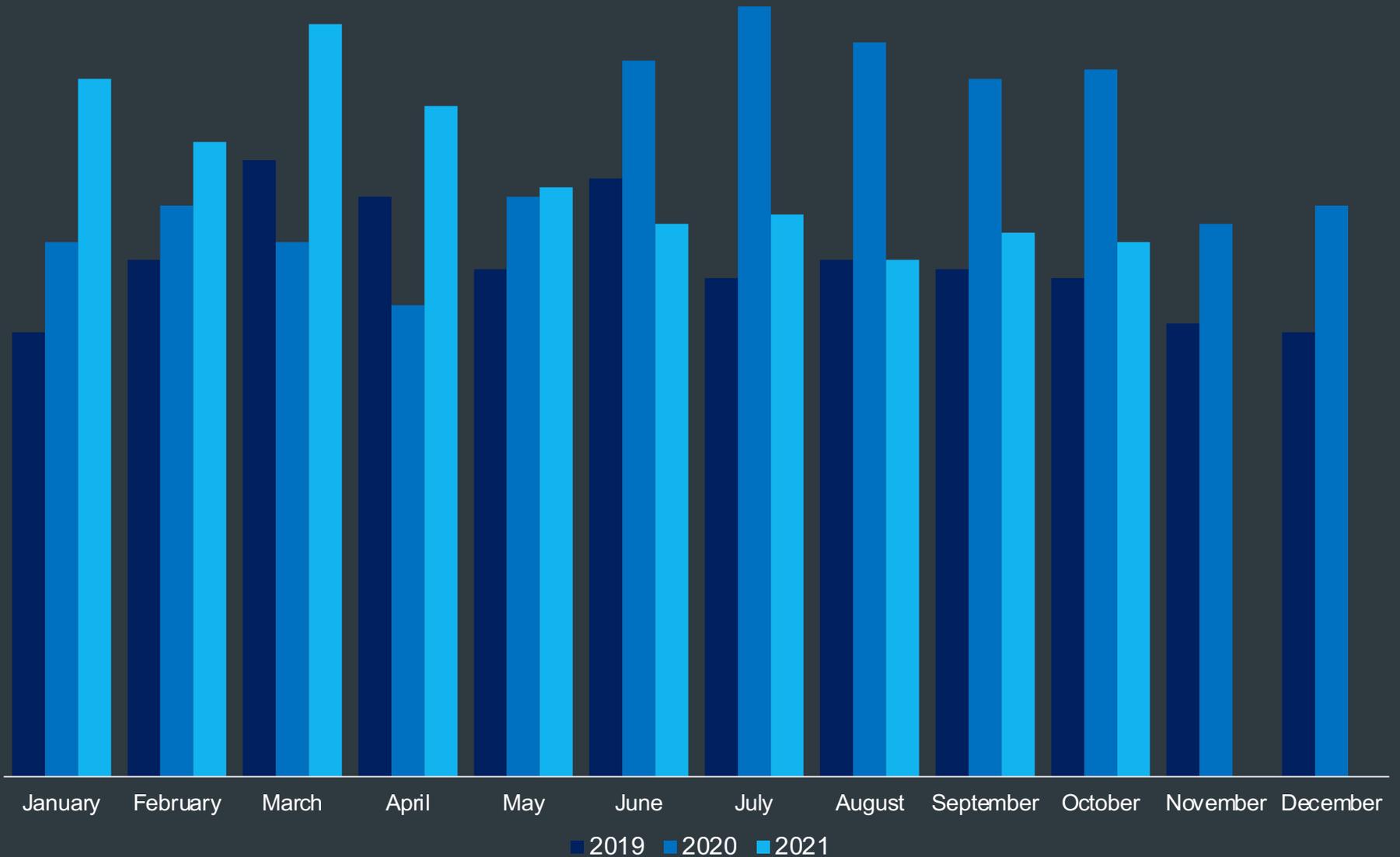
Y-O-Y by region

Existing Home Sales

in thousands

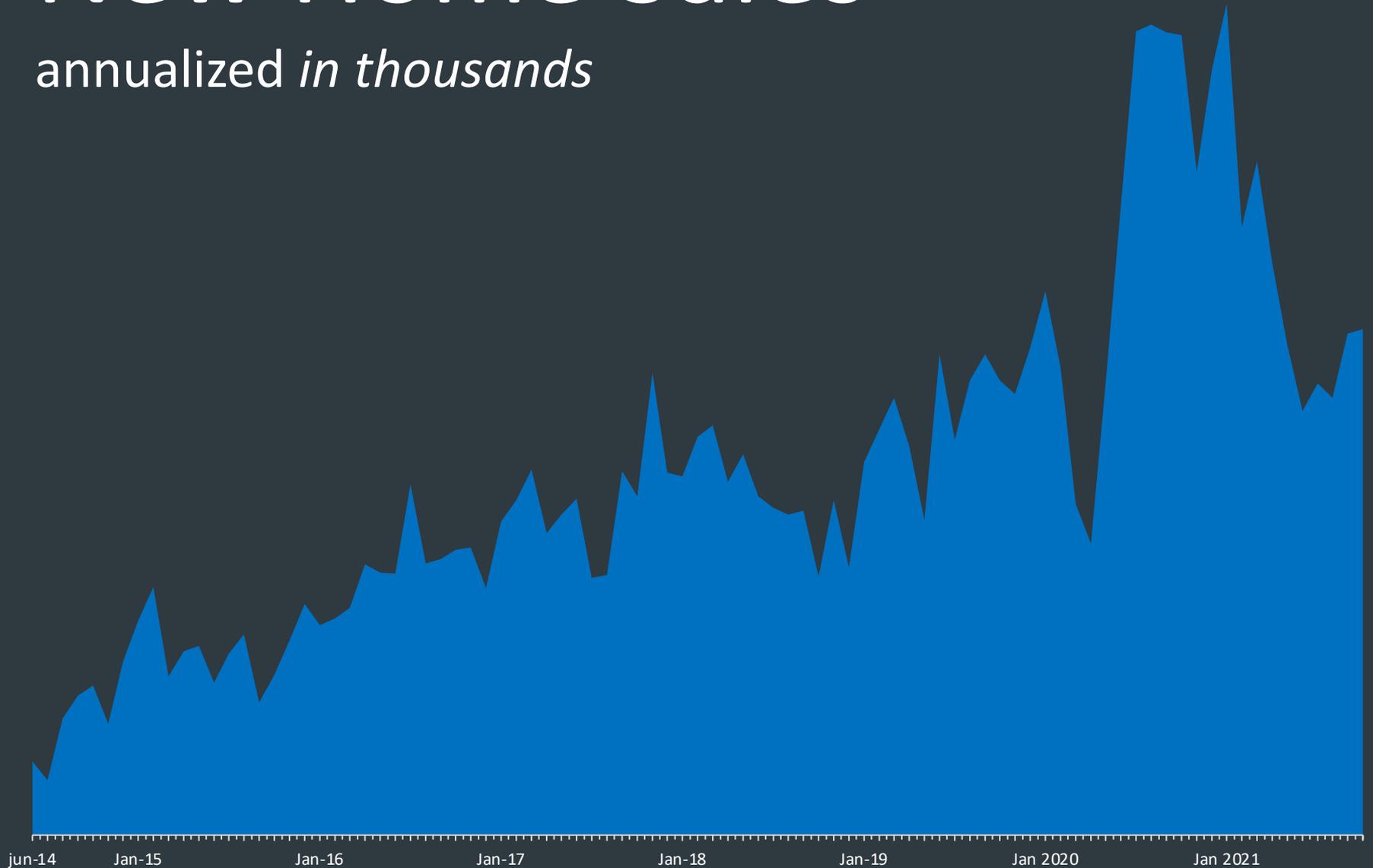


New Home Sales *in thousands*



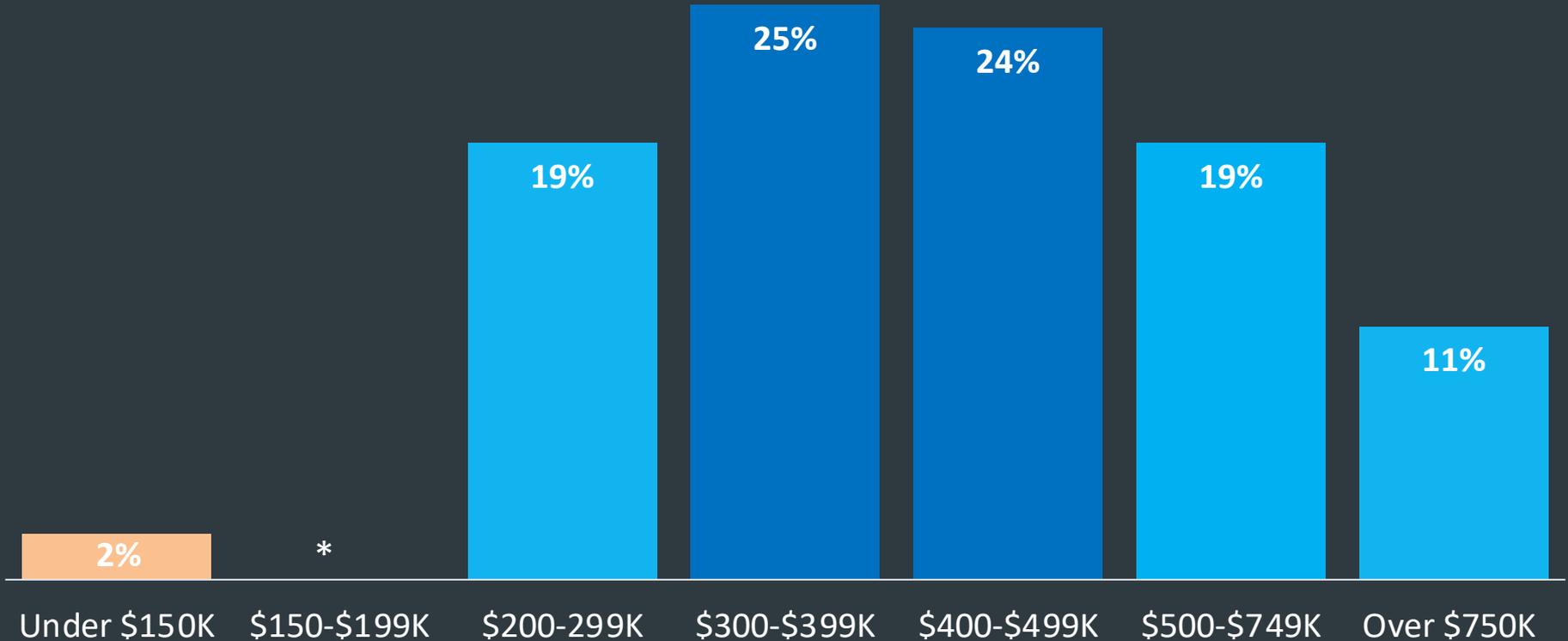
New Home Sales

annualized *in thousands*



New Home Sales

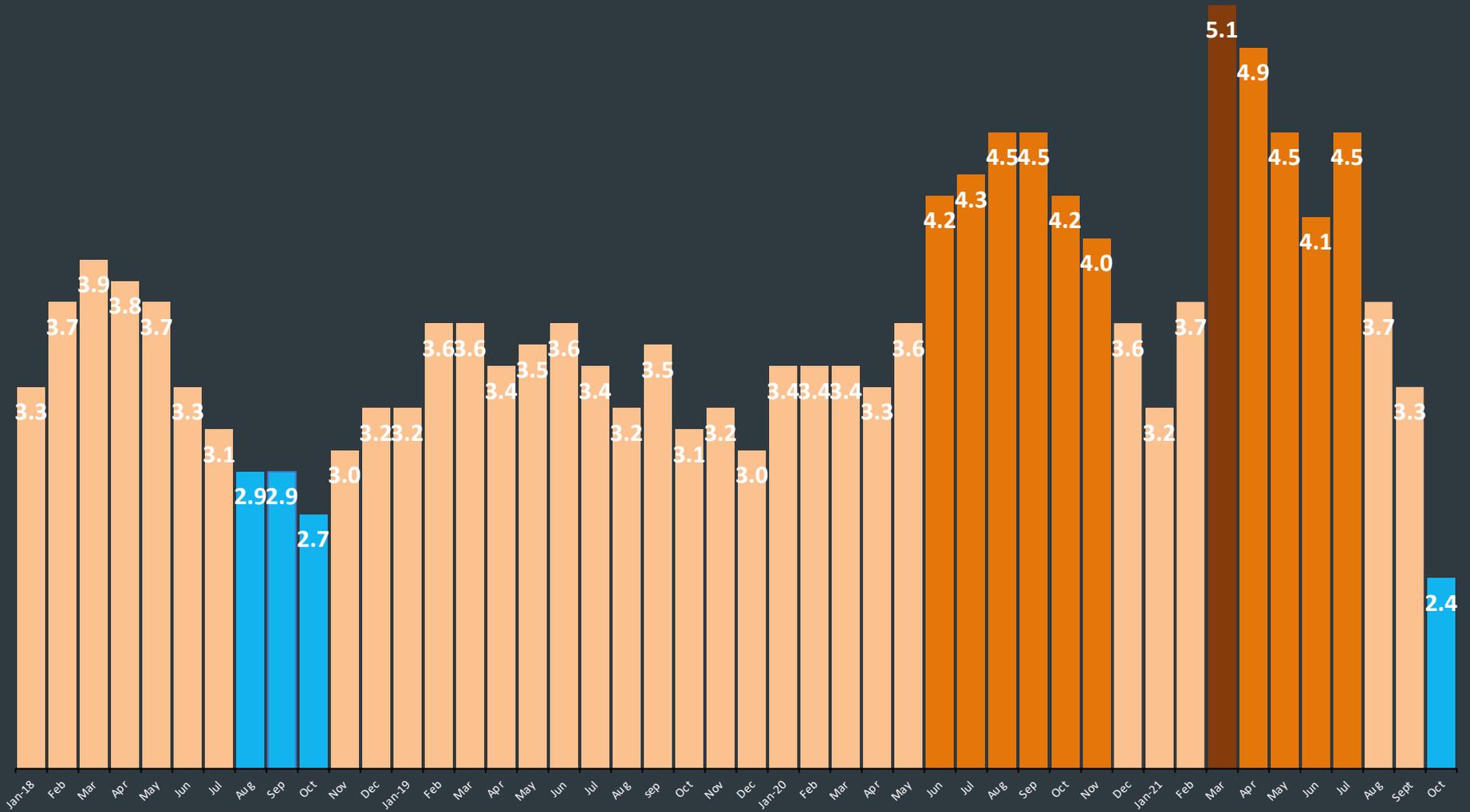
% of distribution by price range



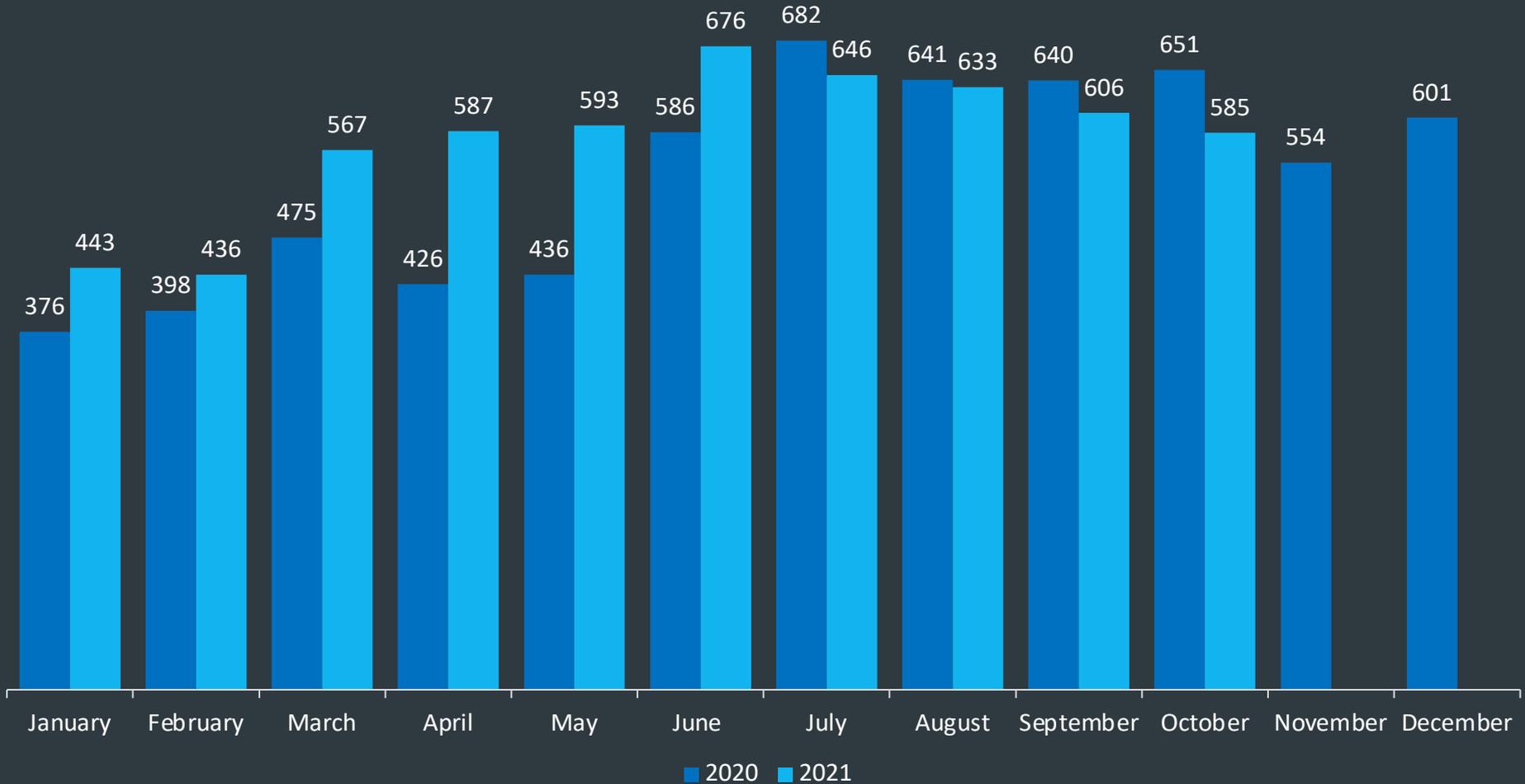
* Less than 500 units or less than 0.5 percent

New Homes Selling Fast

(median months from completion to sold)



Total Home Sales *in thousands*



PENDING Home Sales

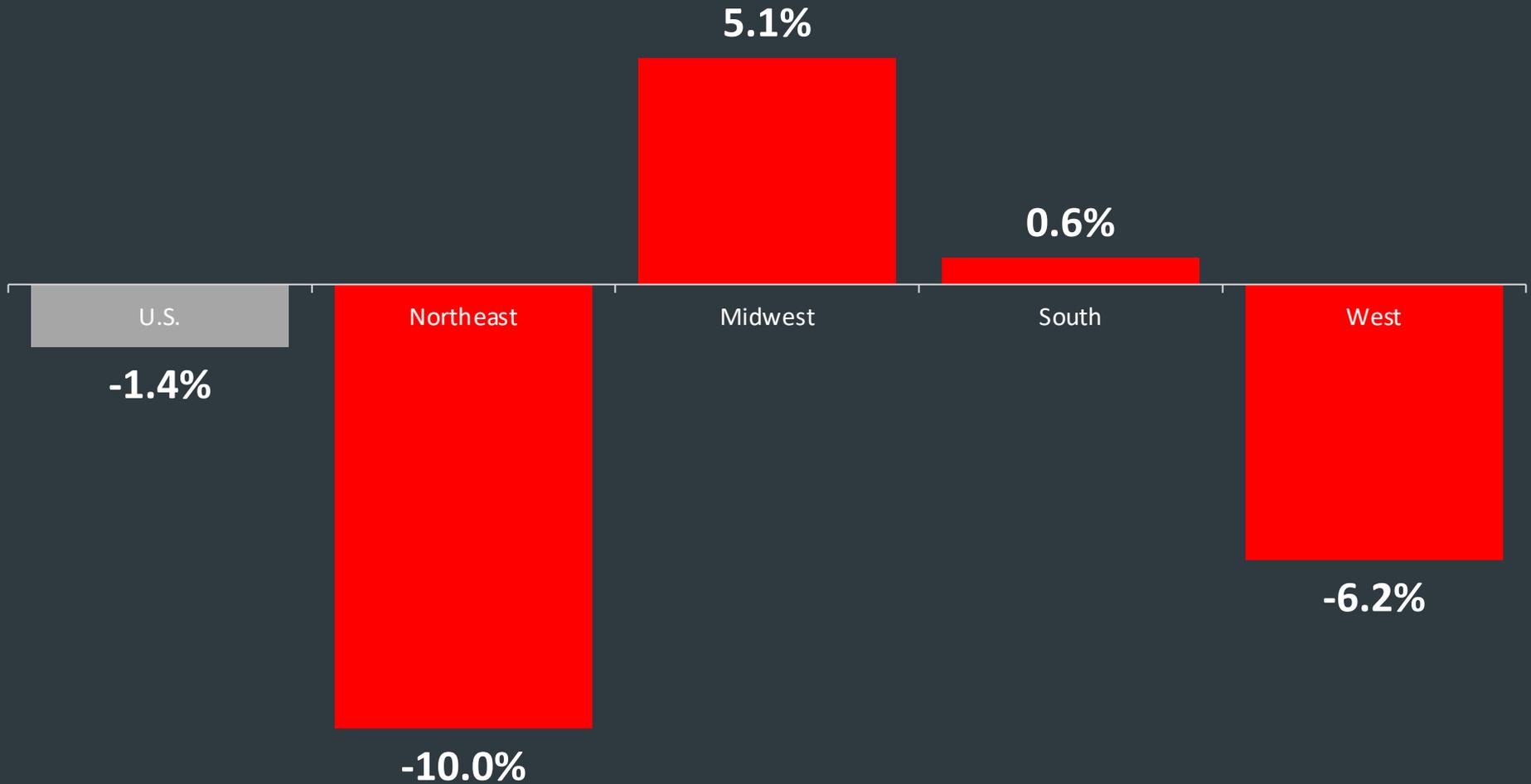
since 2014

100 = Historically Healthy Level

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



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



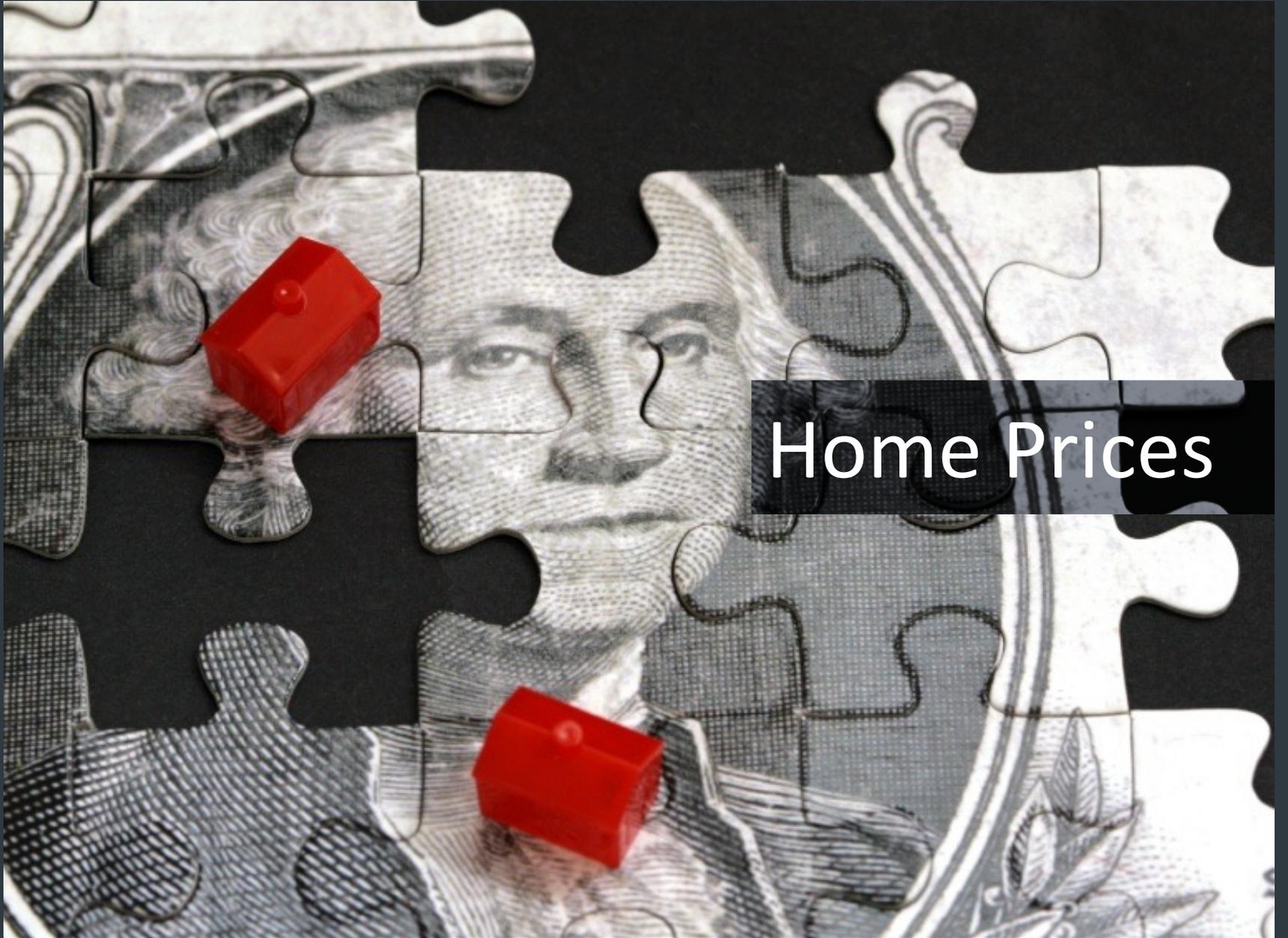
35%

Percentage of Distressed Property Sales

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

January 2012 - Today

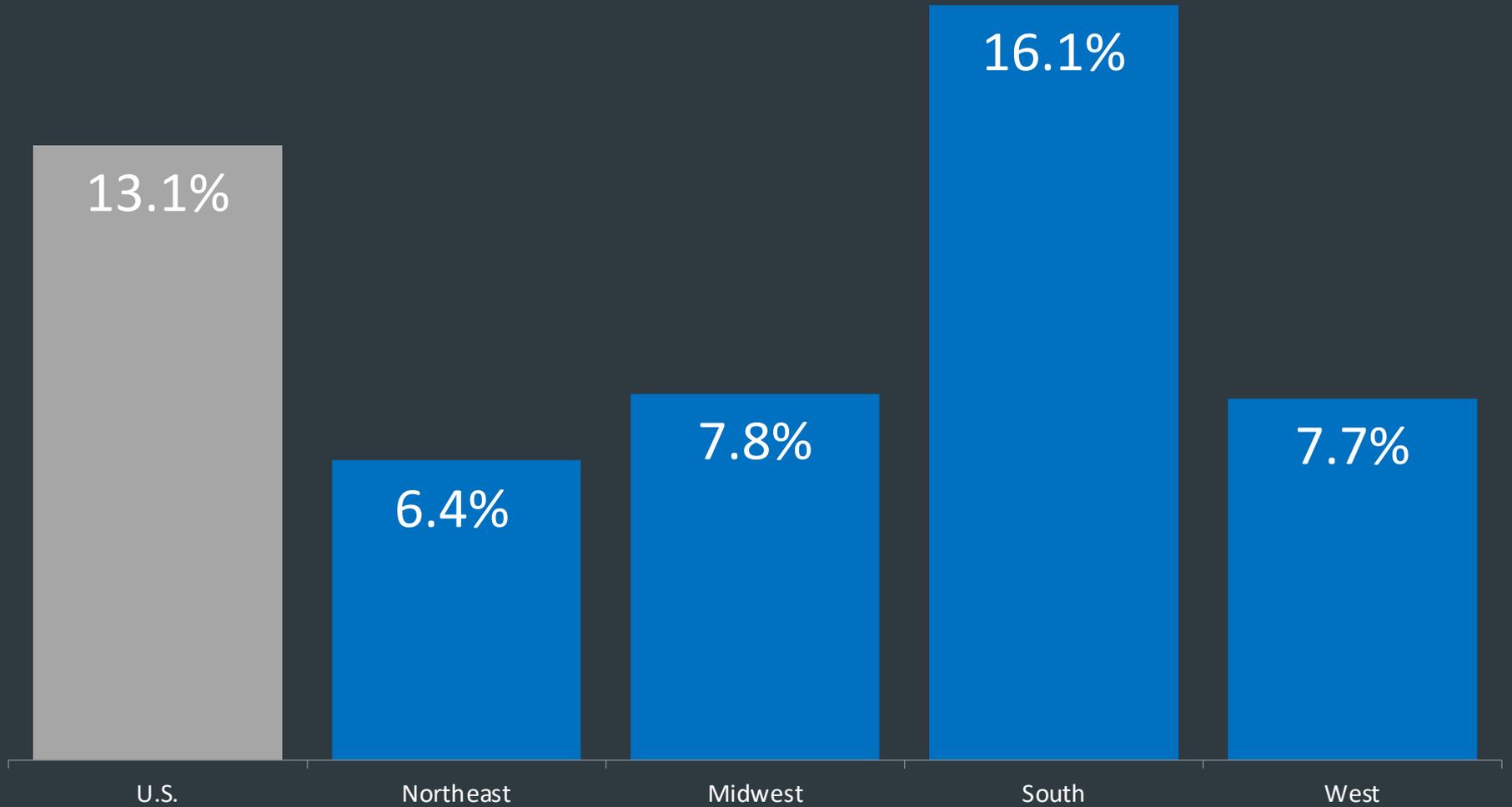




Home Prices

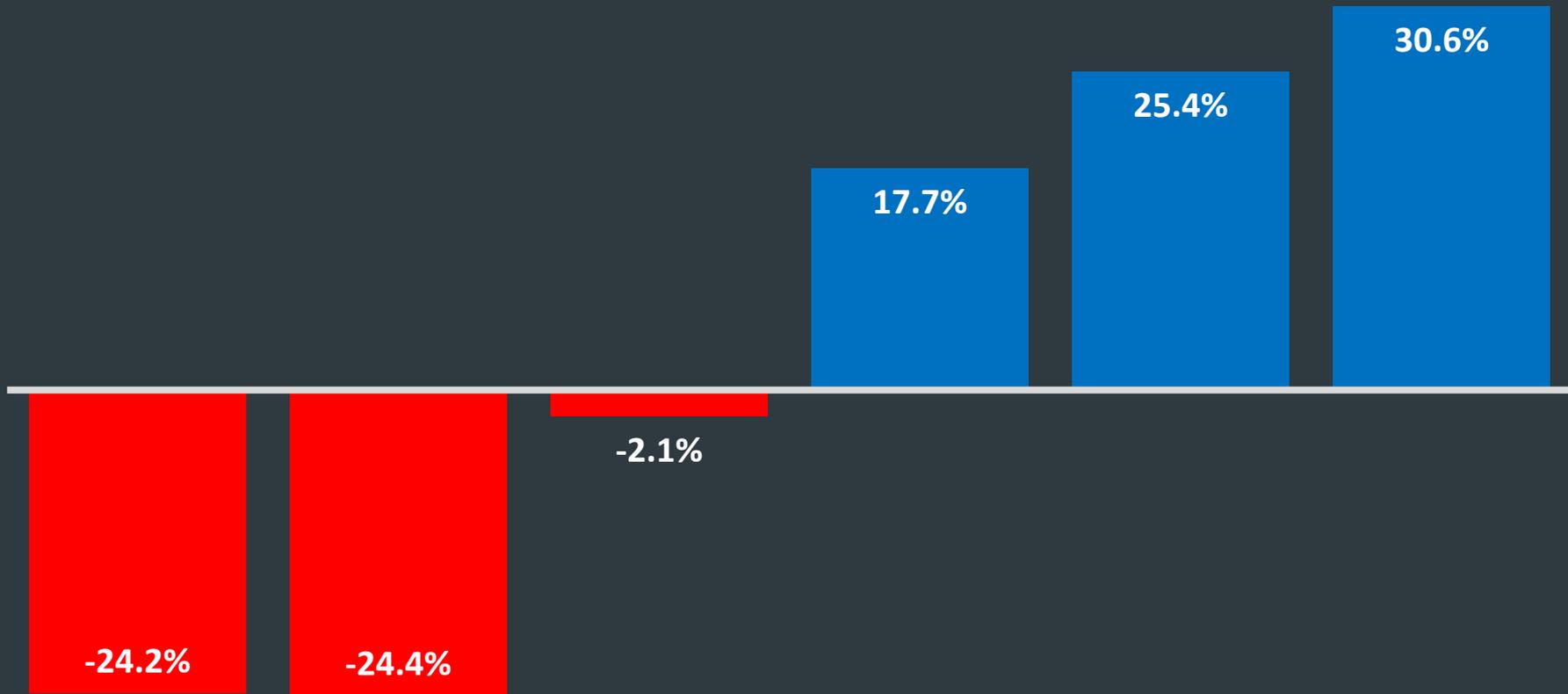
EXISTING Home Prices

Y-O-Y by region



% Change in Sales

from last year by Price Range



	\$0-100K	\$100-250K	\$250-500K	\$500-750K	\$750K-1M	\$1M+
%	-24.2%	-24.4%	-2.1%	17.7%	25.4%	30.6%

Case Shiller

Year-Over-Year

PRICE CHANGES



Case Shiller

Year-Over-Year PRICE CHANGES

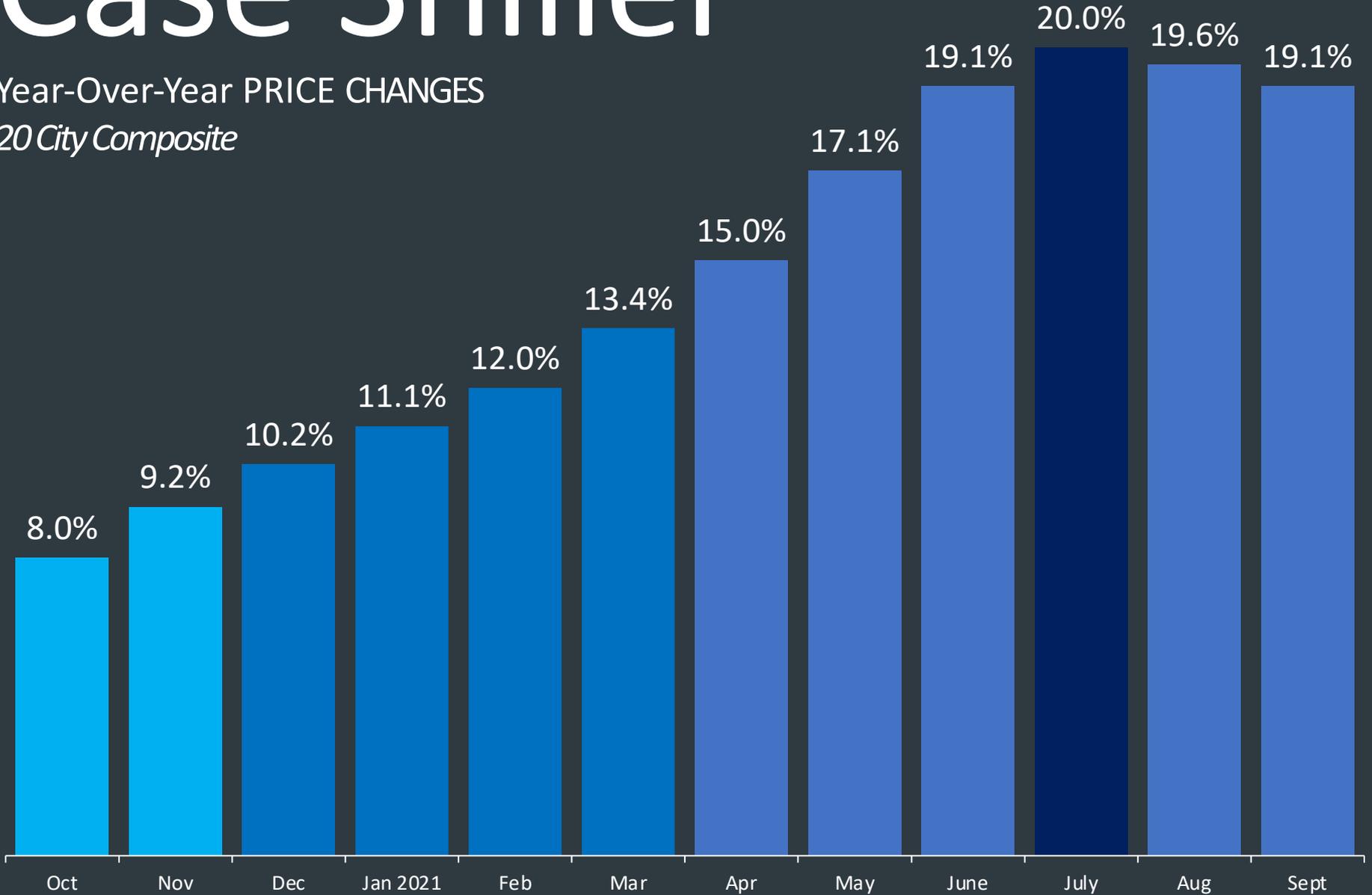
20 City Composite



Case Shiller

Year-Over-Year PRICE CHANGES

20 City Composite



Year-Over-Year % Change in Price

18.0%

2.5%

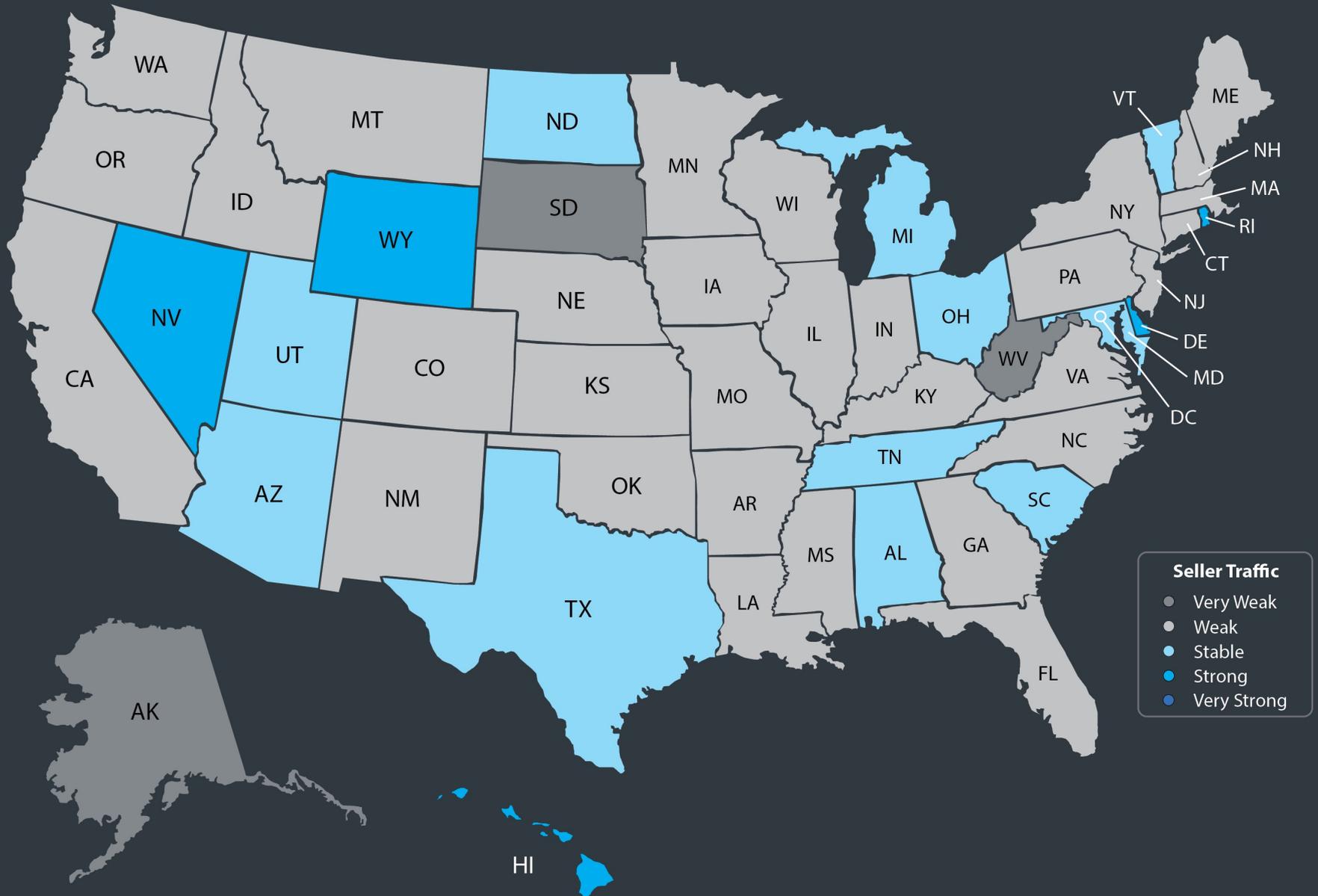
■ Current

■ Forecast

HOUSING INVENTORY



Seller Traffic Index



Seller Traffic

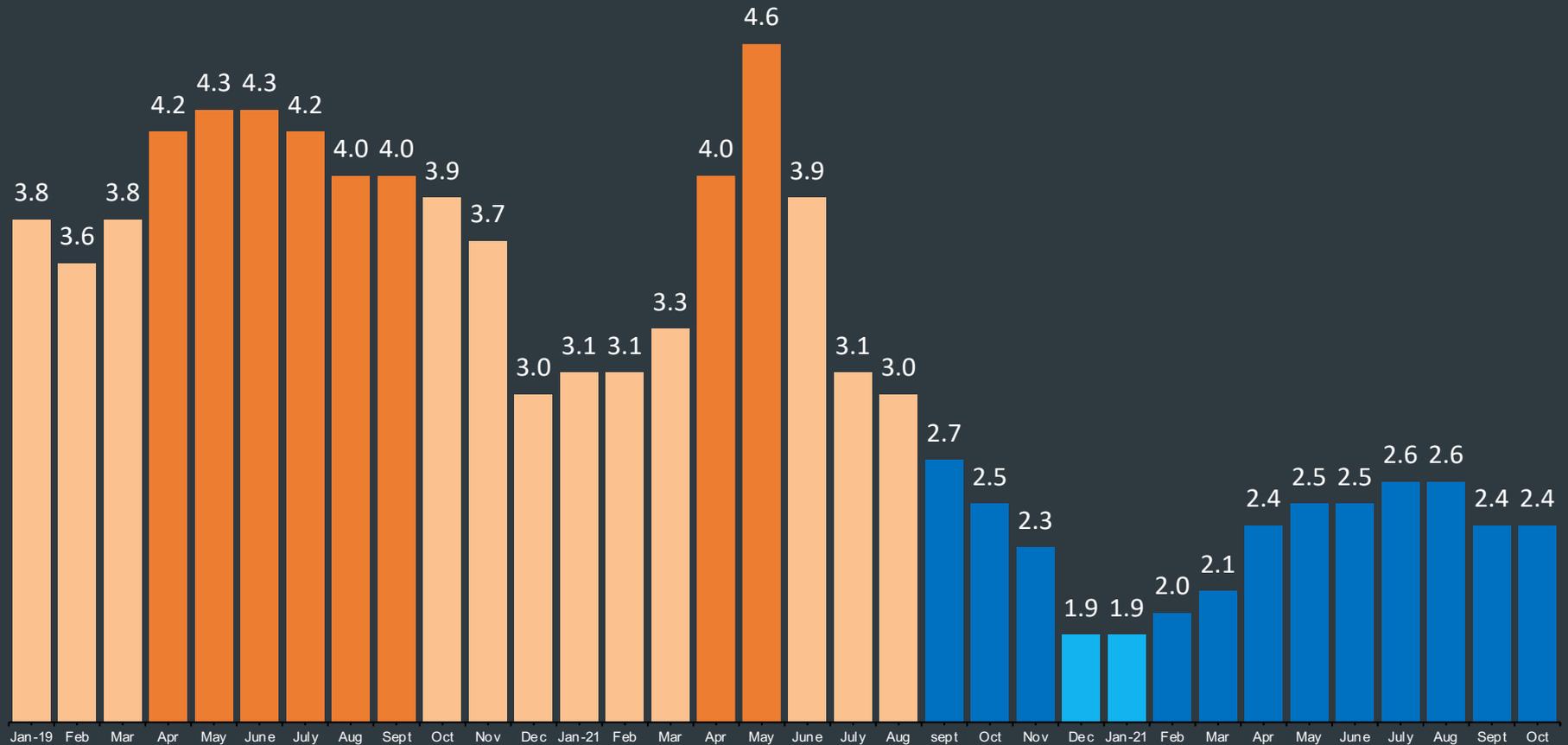
- Very Weak
- Weak
- Stable
- Strong
- Very Strong

Months Inventory of HOMES FOR SALE 2011 - Today



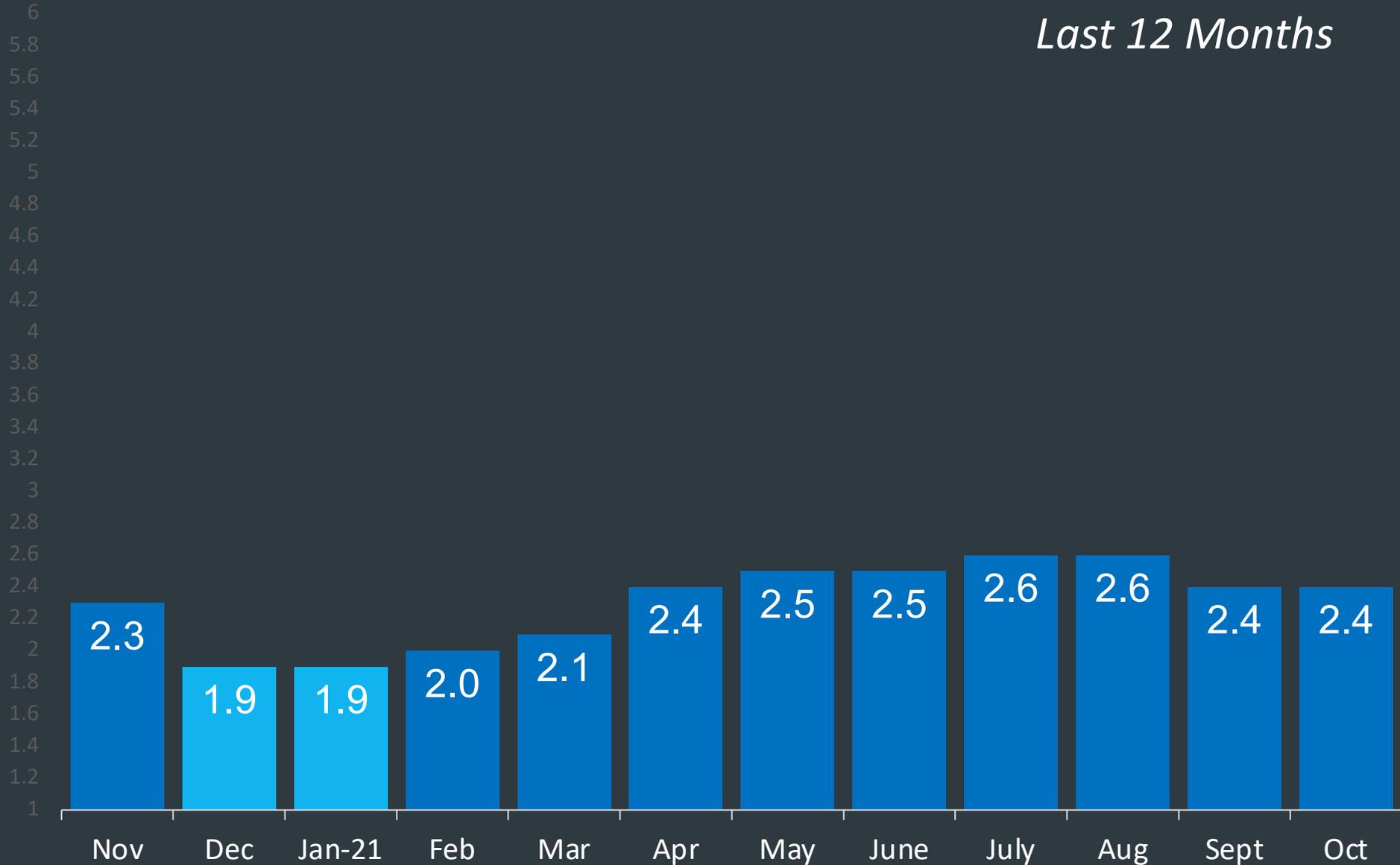
Months Inventory of HOMES FOR SALE

Since 2019



Months Inventory of HOMES FOR SALE

Last 12 Months

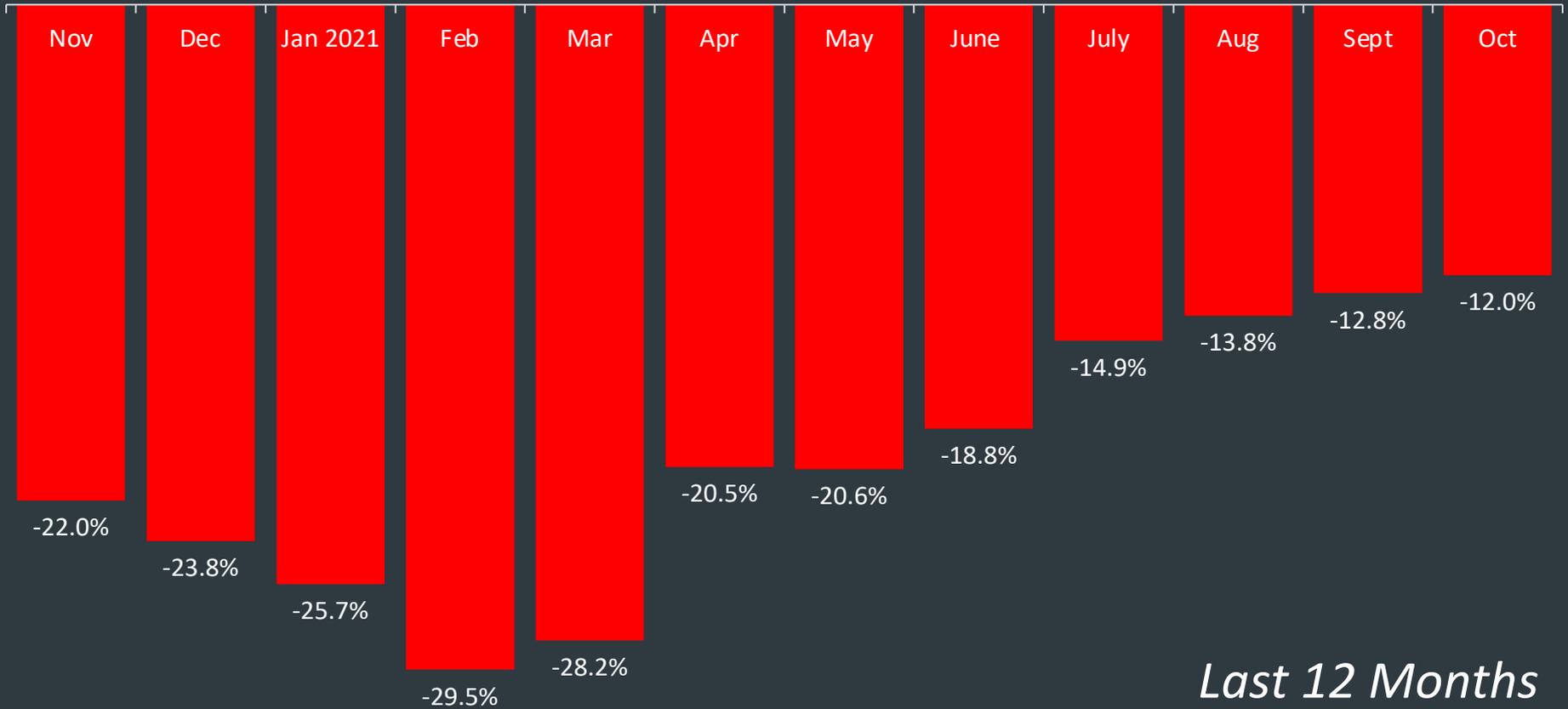




Year-over-Year Inventory Levels

HOUSING SUPPLY

Year-Over-Year



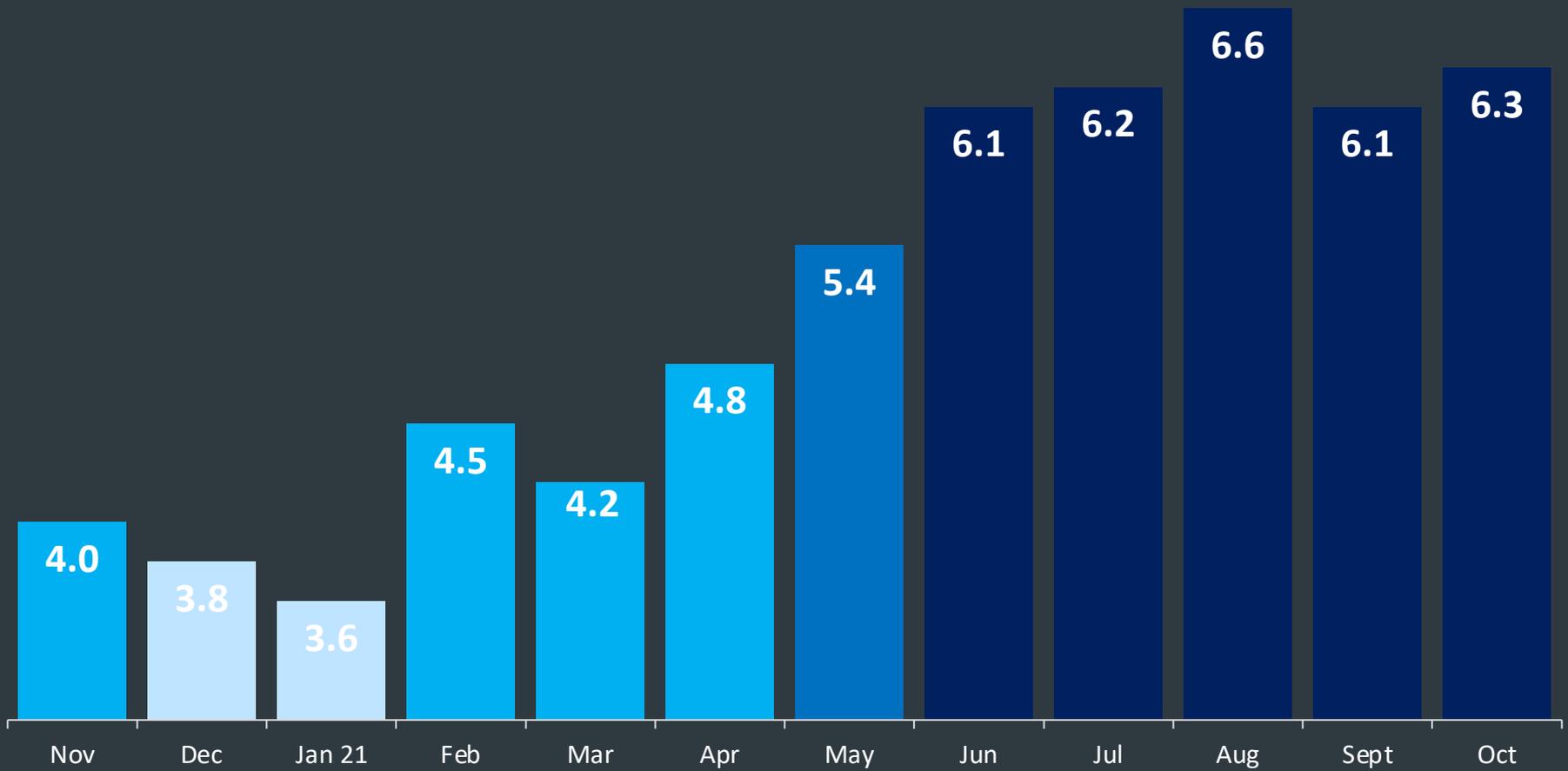
Last 12 Months

New Home Inventory

months supply

Seasonally adjusted

Last 12 Months

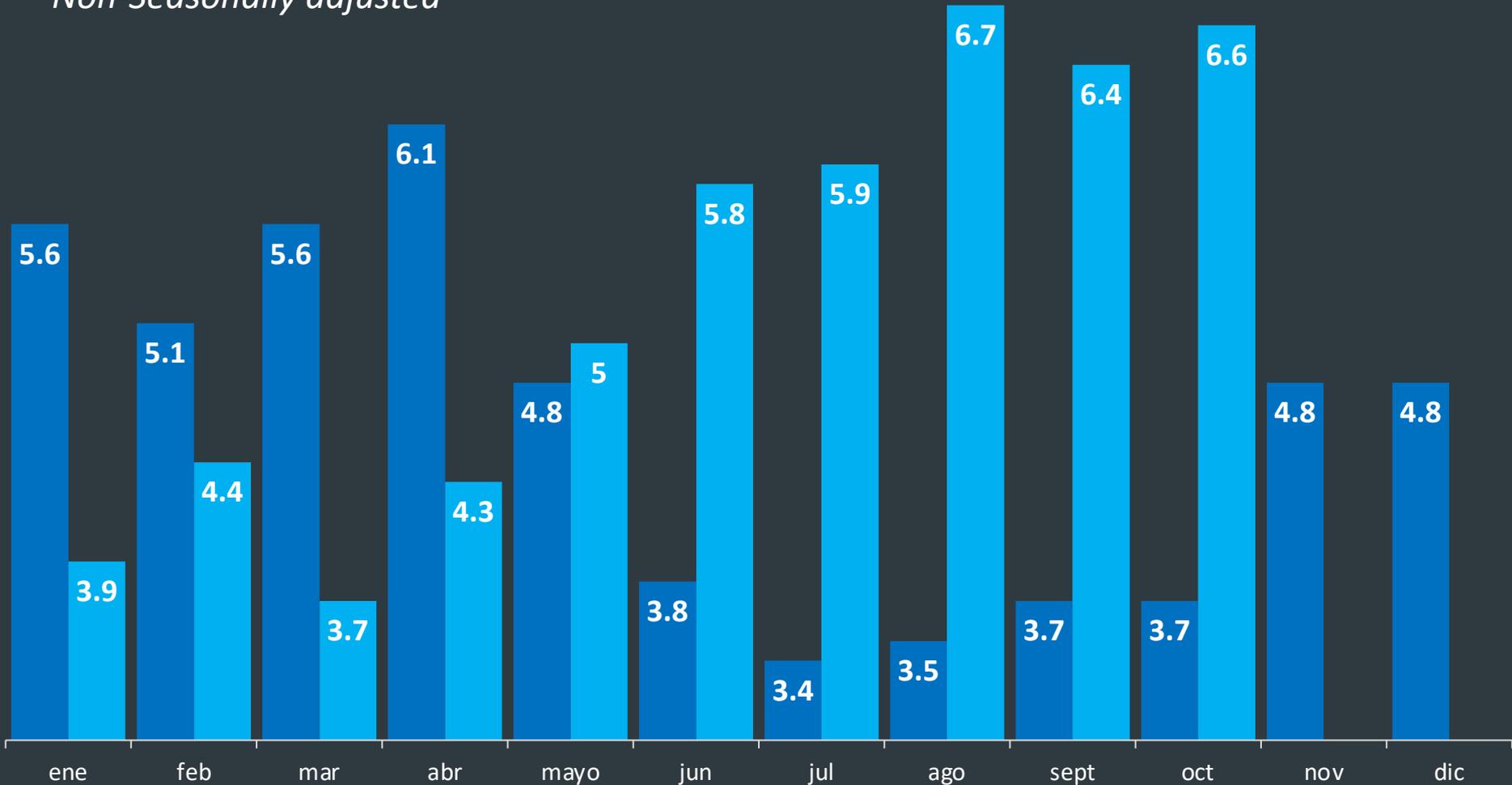


New Home Inventory

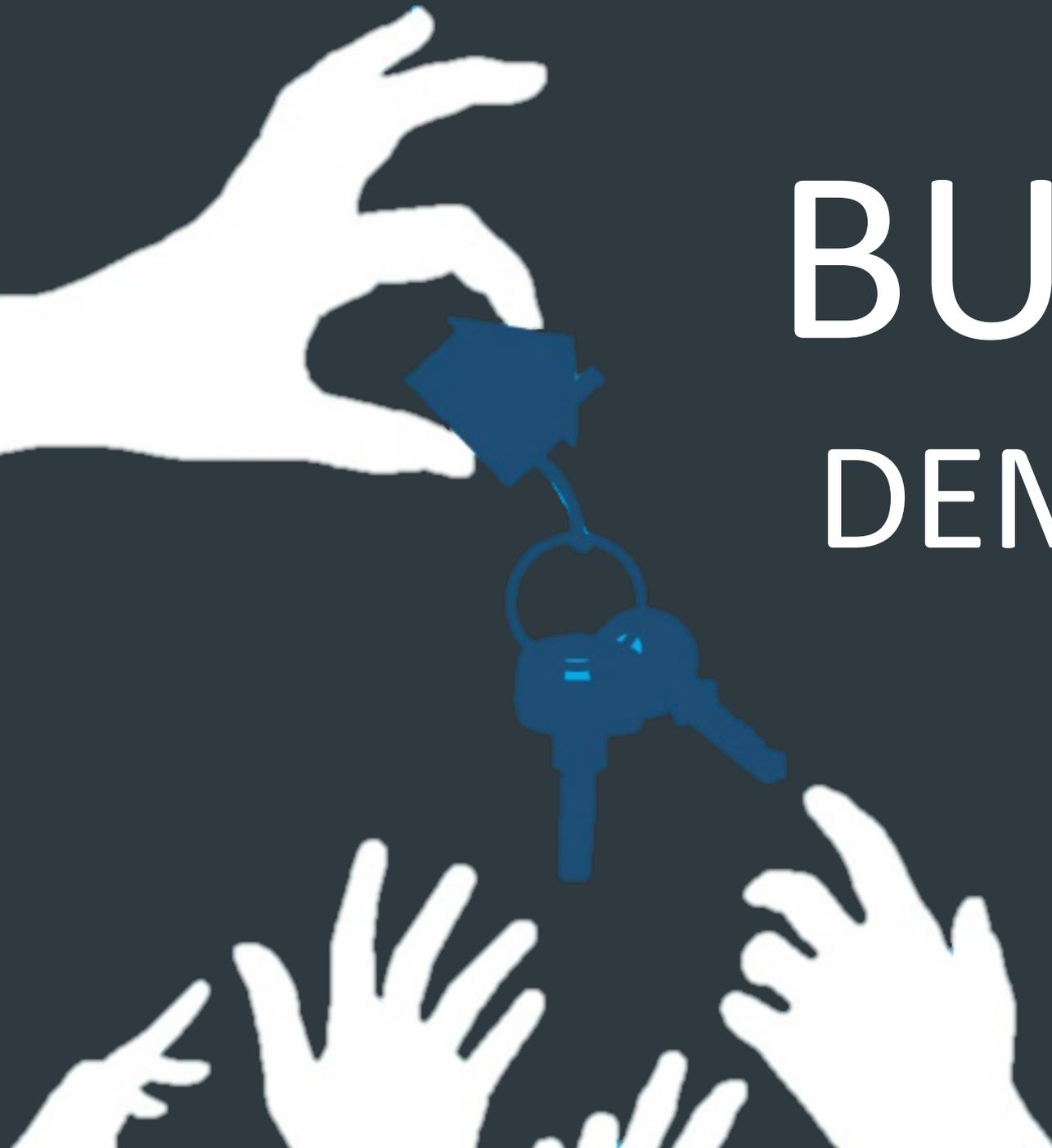
months supply

■ 2020 ■ 2021

Non-Seasonally adjusted

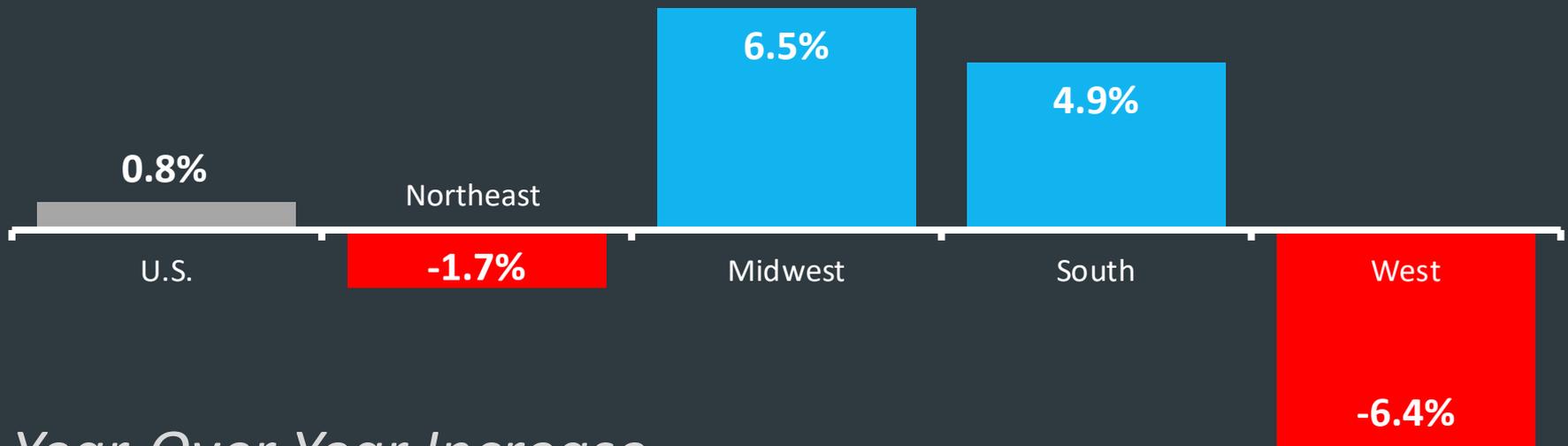


BUYER DEMAND



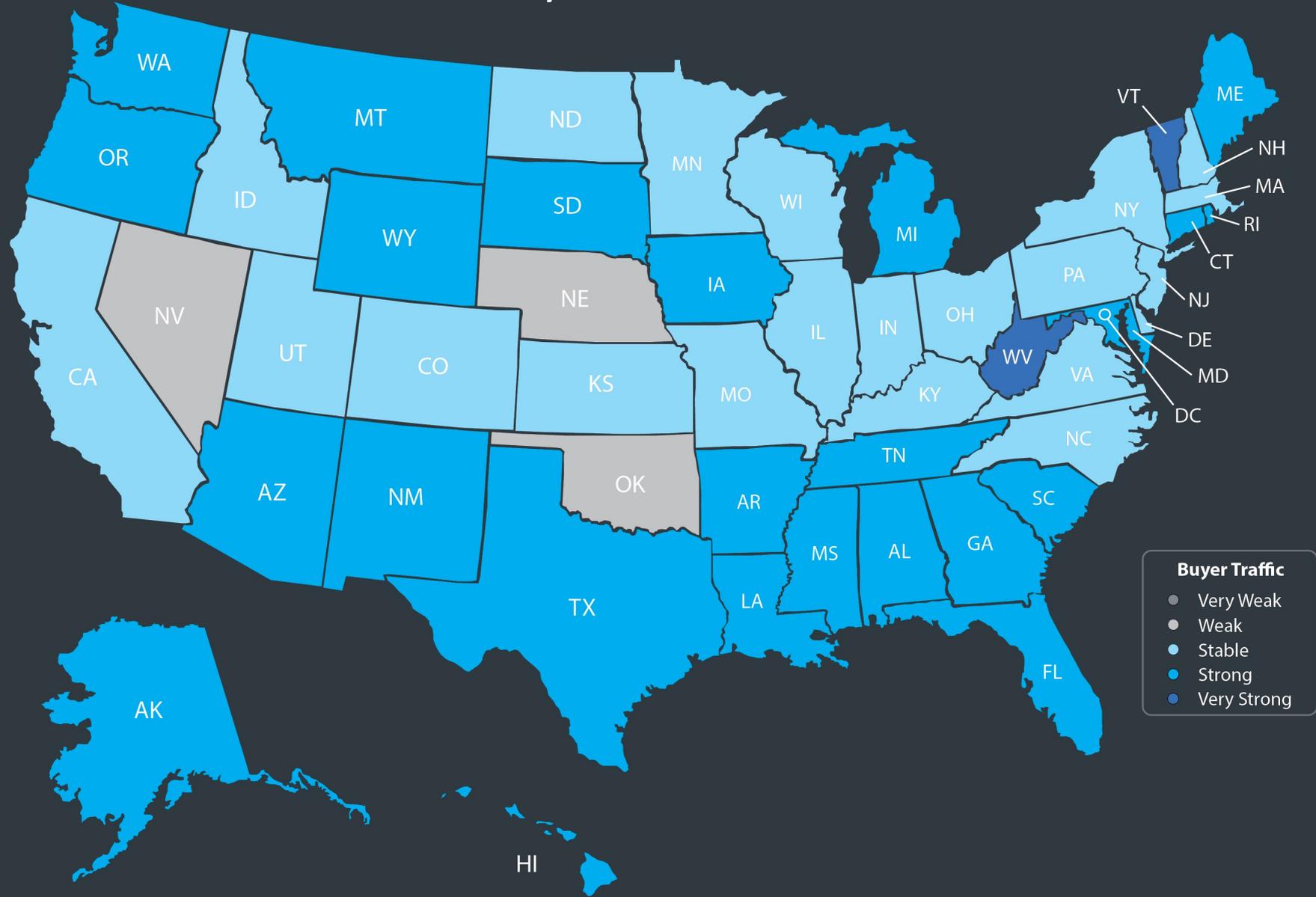
“Showing activity typically slows in the fall, but as the Showing Index has shown we’ve seen buyer demand remain strong in many markets throughout the country to reverse the seasonal trend... Last fall we saw an unparalleled rise in buyer demand, which makes October’s year-over-year gains all the more impressive.”

- Michael Lane, President of Showing Time



*Year-Over-Year Increase
in Showing Activity*

Buyer Traffic Index



Buyer Traffic

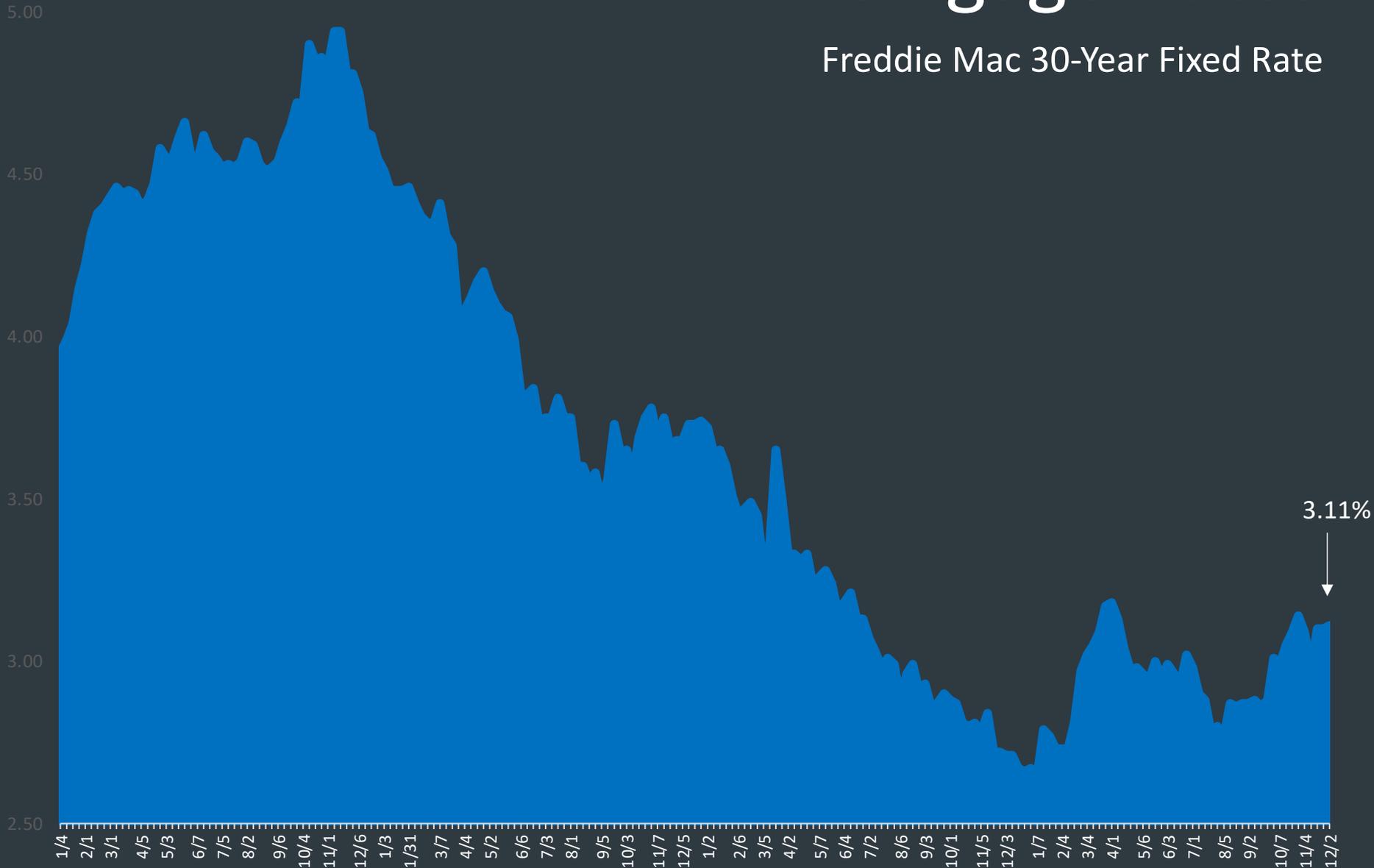
- Very Weak
- Weak
- Stable
- Strong
- Very Strong

INTEREST RATES

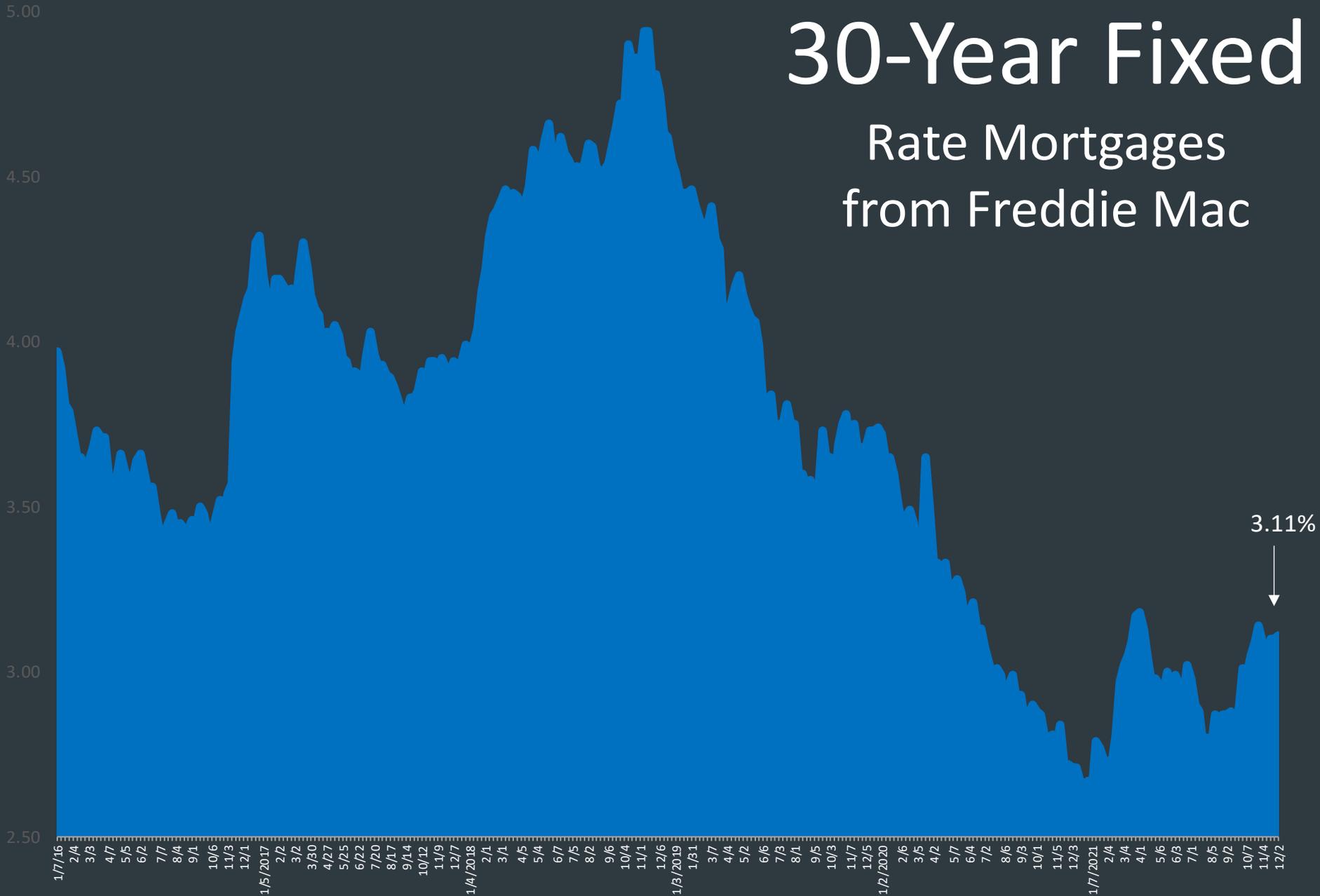


Mortgage Rates

Freddie Mac 30-Year Fixed Rate



30-Year Fixed Rate Mortgages from Freddie Mac



Mortgage Rate Projections

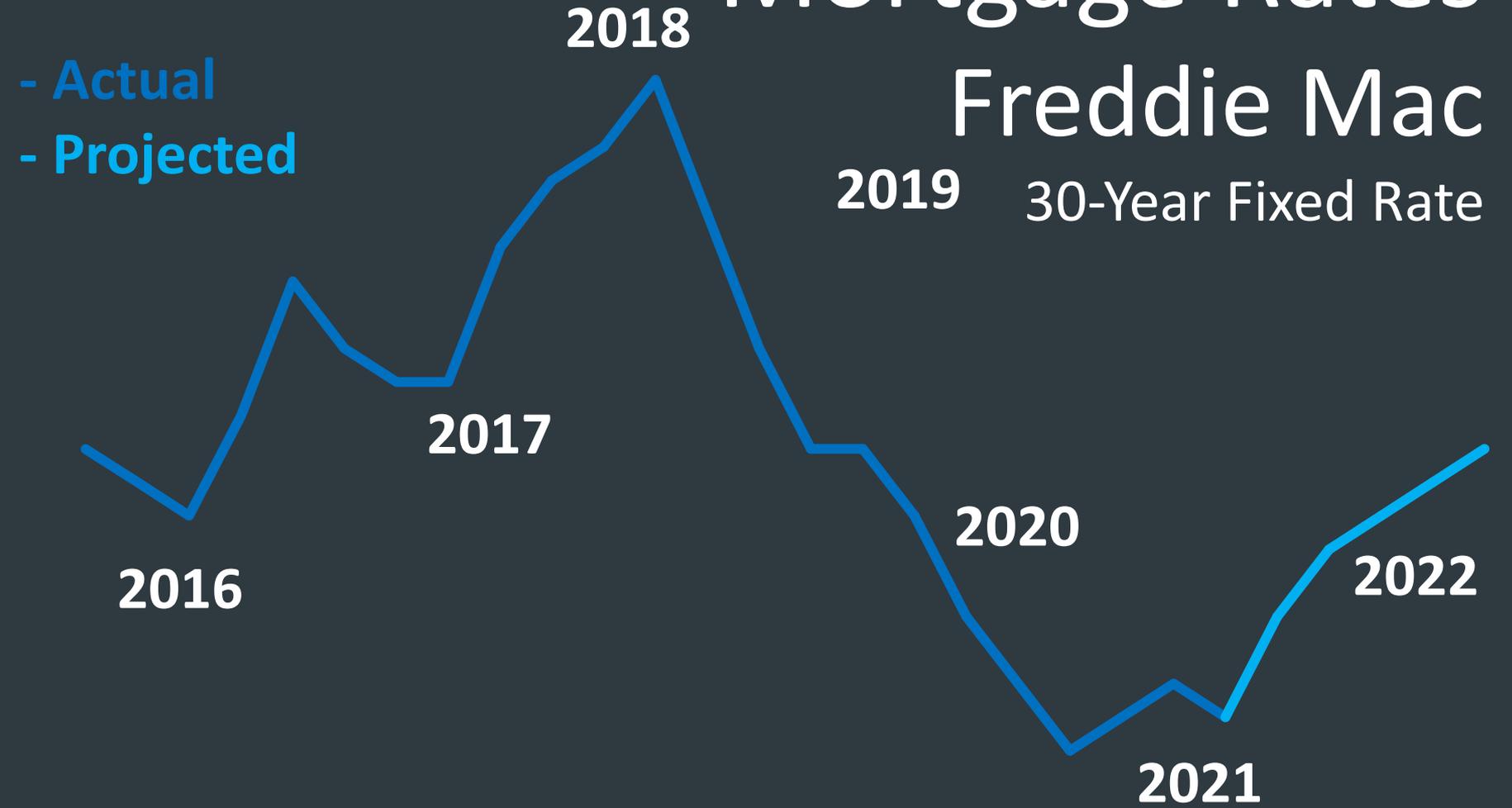
Quarter	Freddie Mac	Fannie Mae	MBA	NAR	Average of All Four
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2022 2Q	3.5	3.3	3.5	3.5	3.45%
2022 3Q	3.6	3.3	3.7	3.6	3.55%
2022 4Q	3.7	3.4	4.0	3.7	3.70%

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																								
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	2.9	3.2	3.4	3.5	3.6	3.7

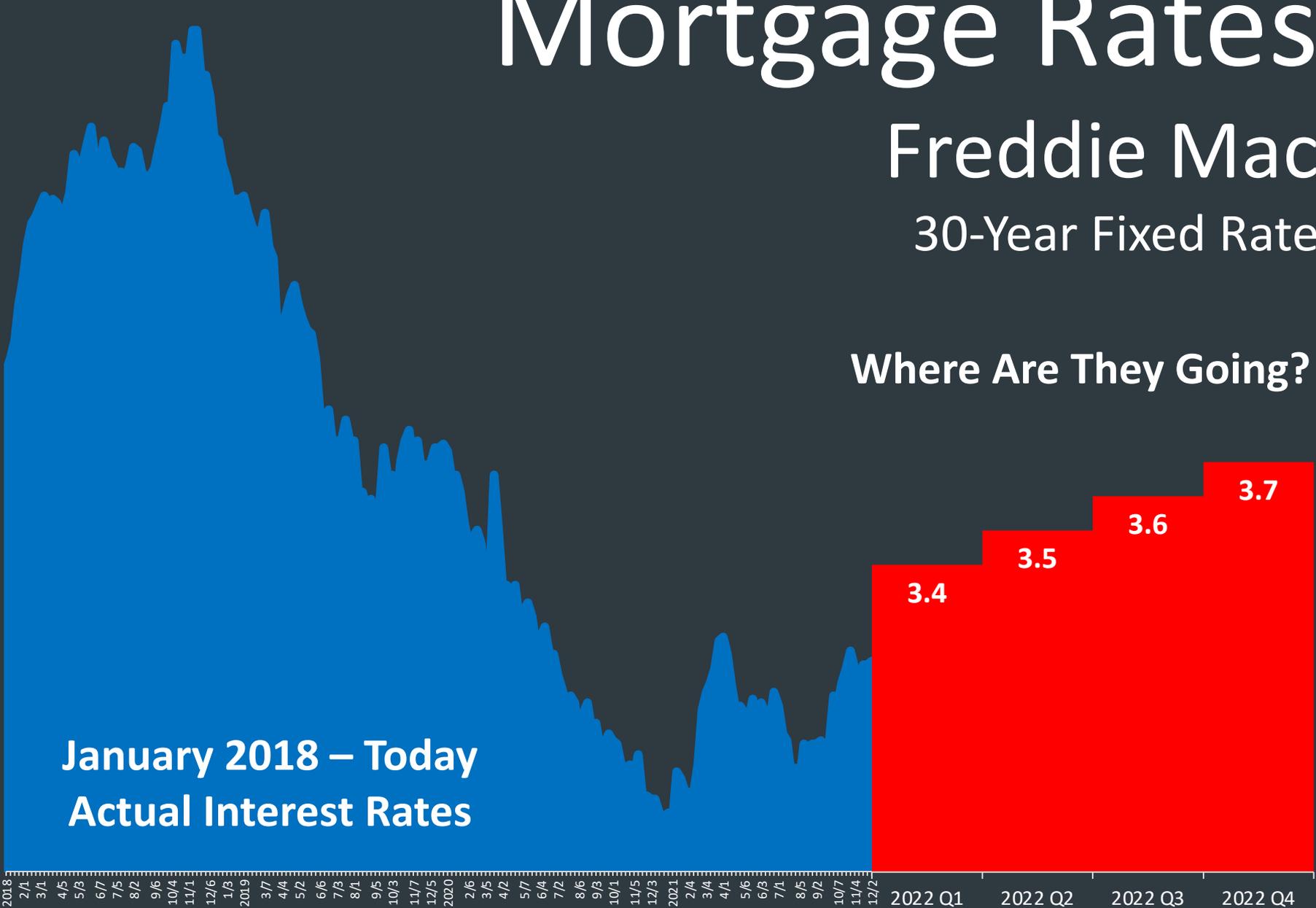
Mortgage Rates

Freddie Mac

30-Year Fixed Rate

Where Are They Going?

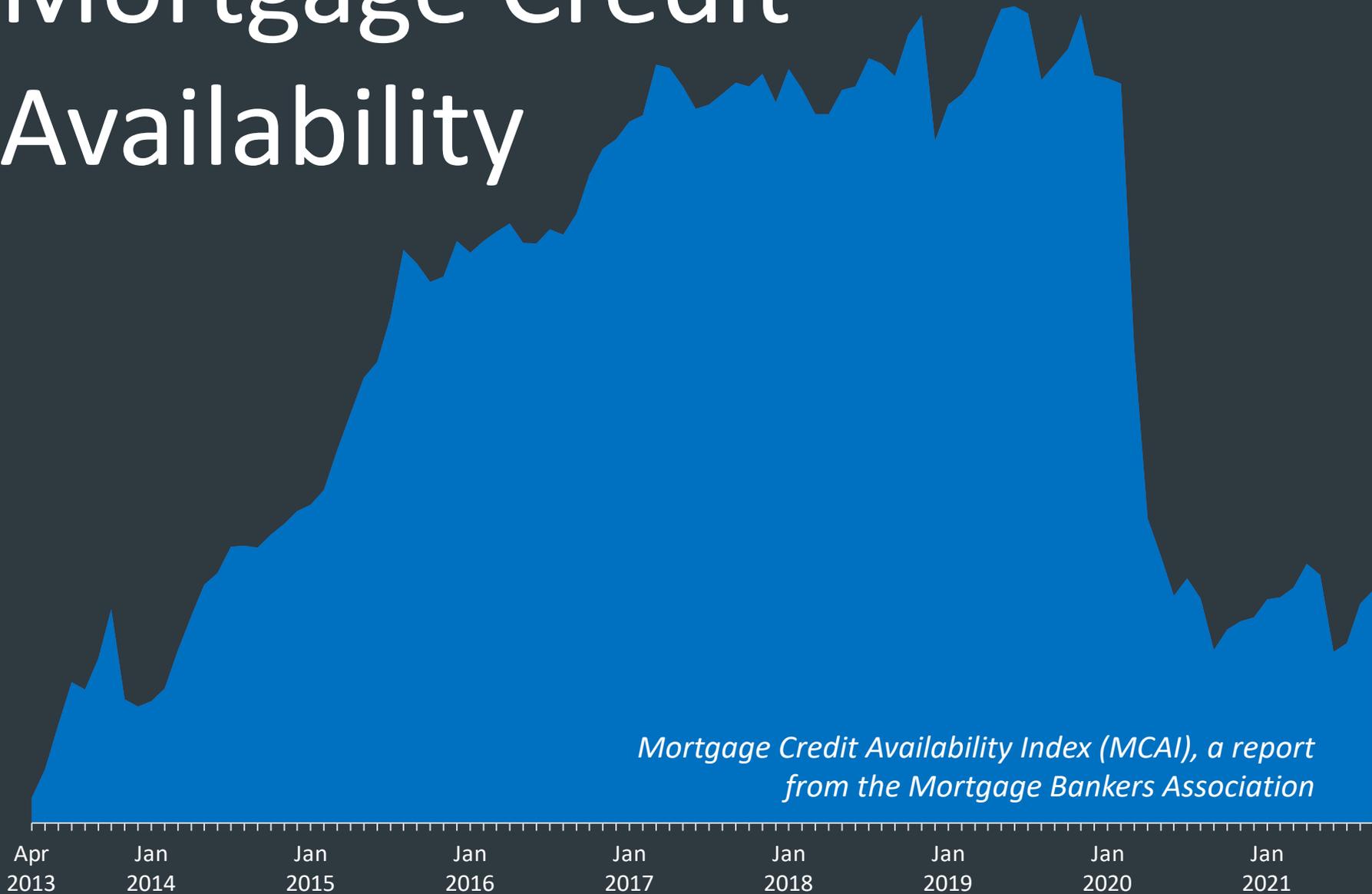
January 2018 – Today
Actual Interest Rates



Mortgage Credit Availability



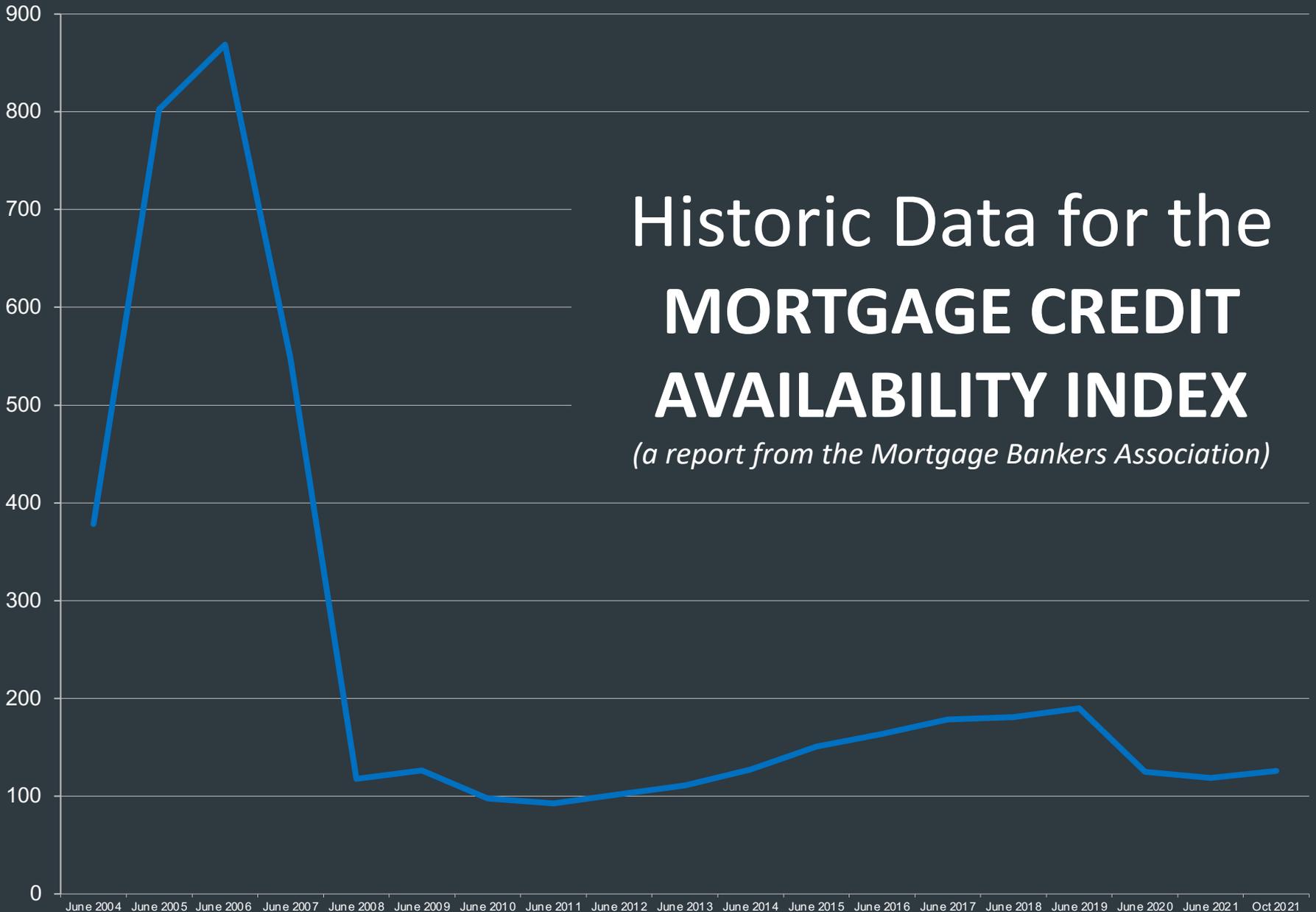
Mortgage Credit Availability



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

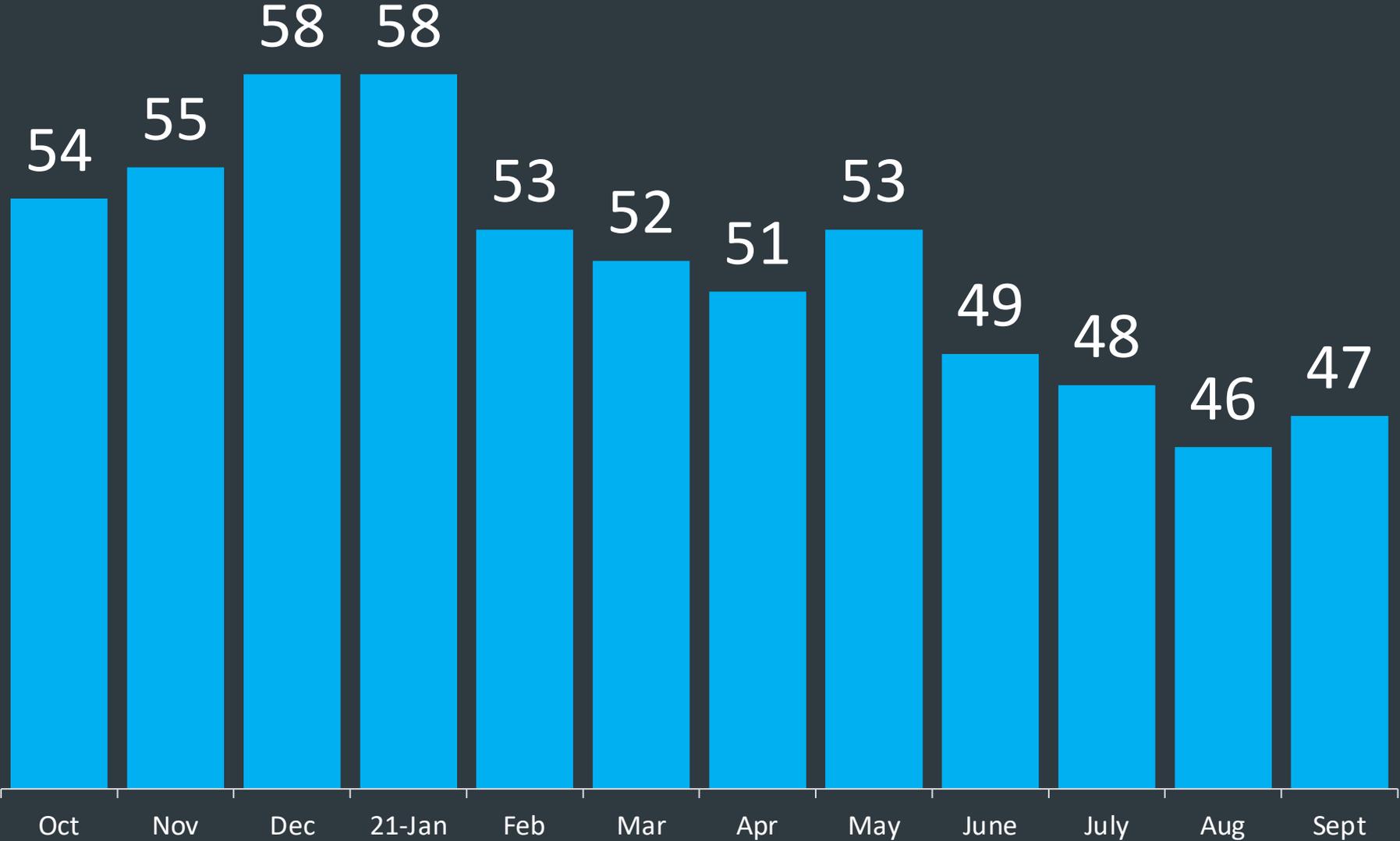
Historic Data for the **MORTGAGE CREDIT AVAILABILITY INDEX**

(a report from the Mortgage Bankers Association)



Average Days To Close A Loan

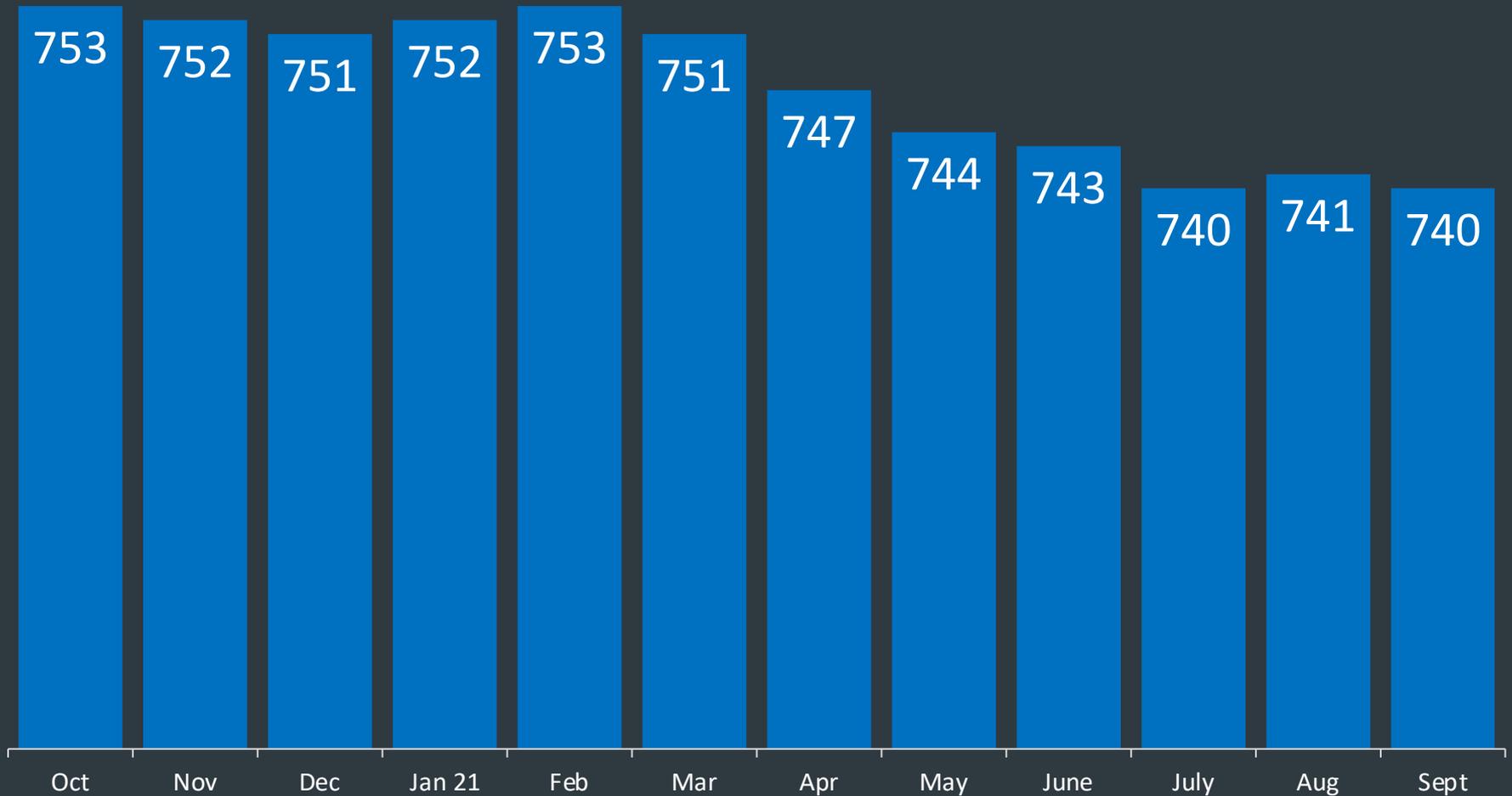
Last 12 Months



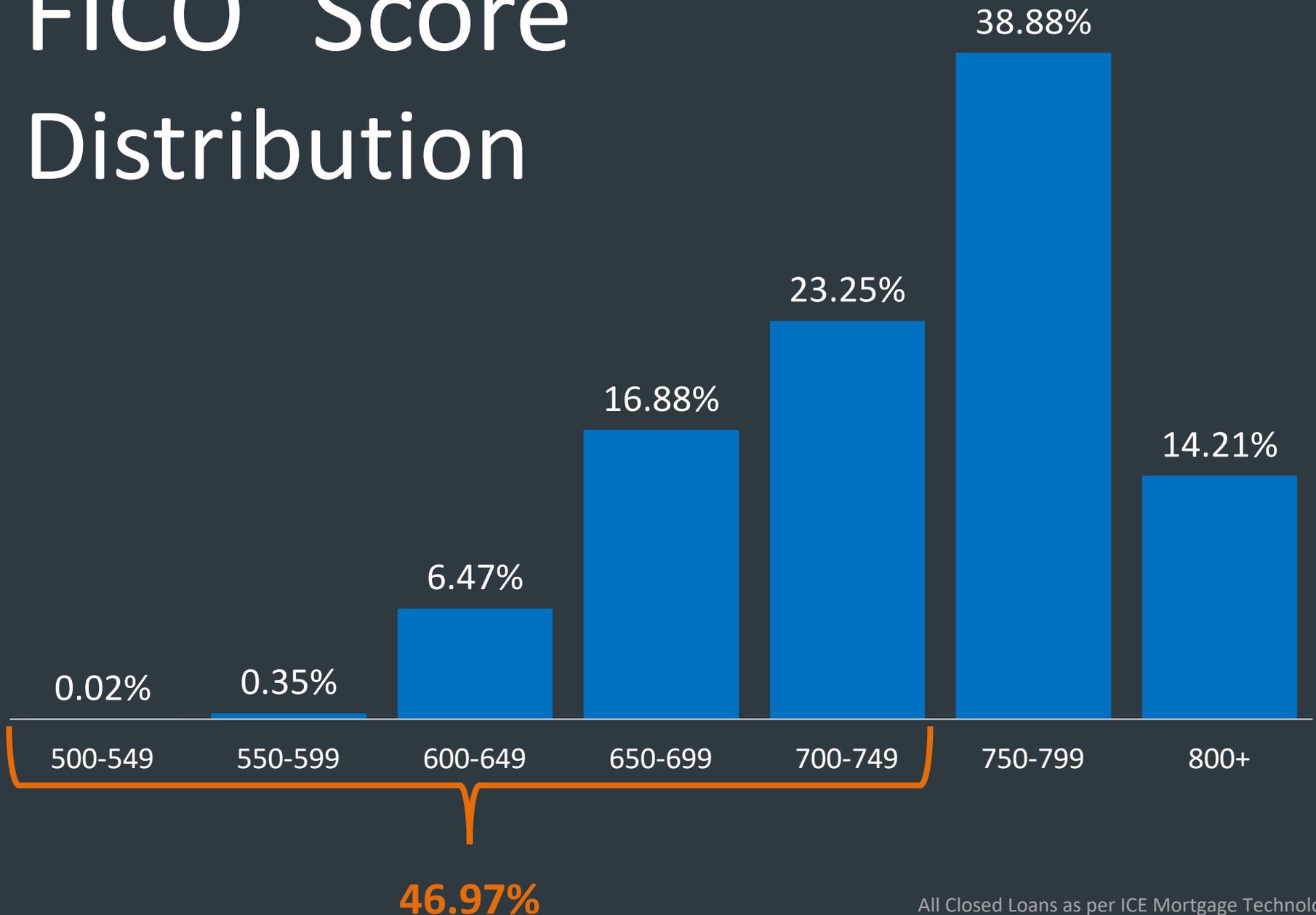
All Closed Loans as per ICE Mortgage Technology

FICO[®] Score Requirements

Last 12 months

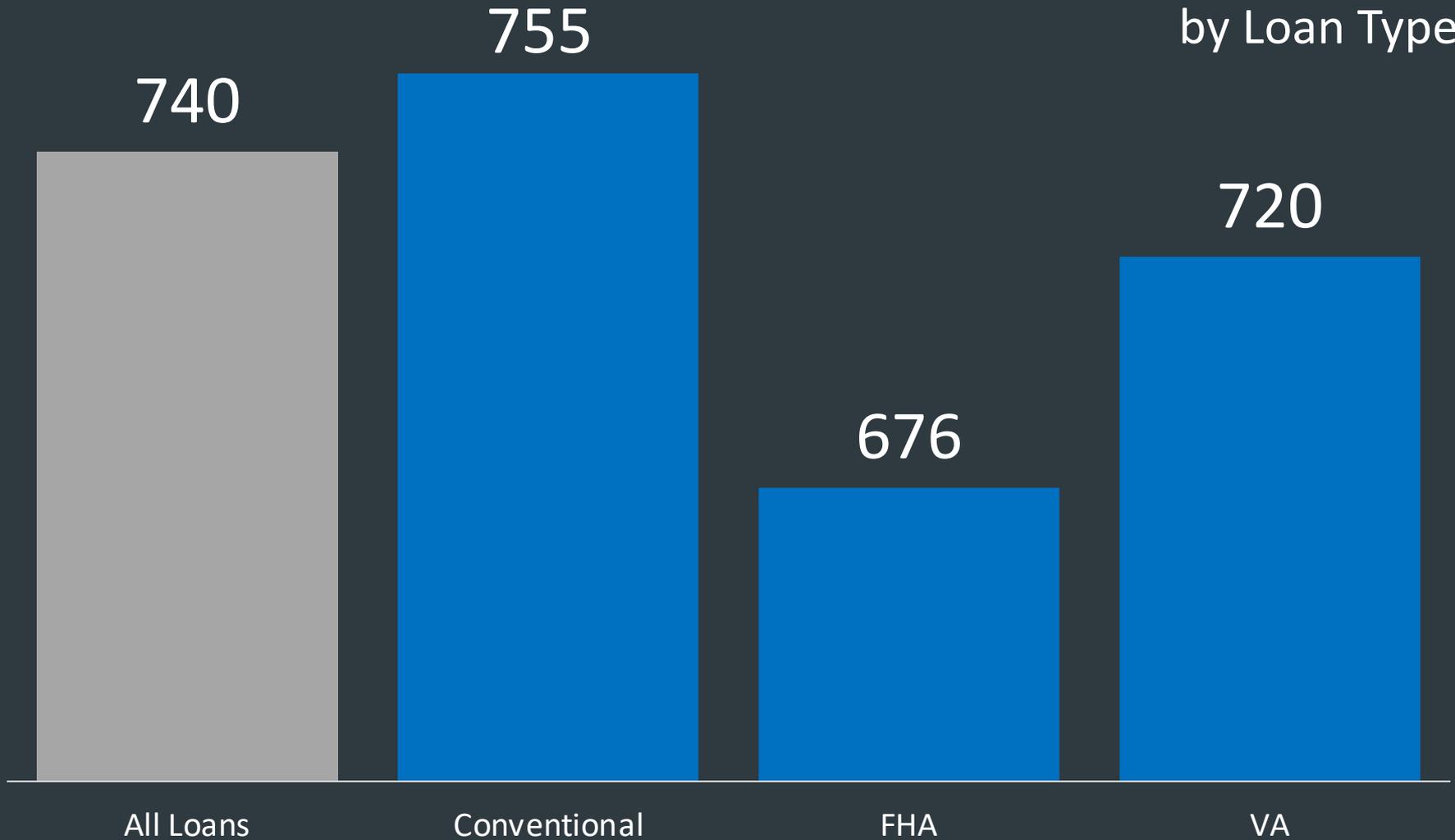


FICO[®] Score Distribution



Average FICO[®] Score

for Closed Purchase Loans
by Loan Type



Average Back End DTI

for Closed Purchase Loans by Loan Type

