



KEEPING CURRENT MATTERS

October 2023



Most agents know
what's happening.

Good agents understand
what's happening.

Great agents can explain
what's happening.

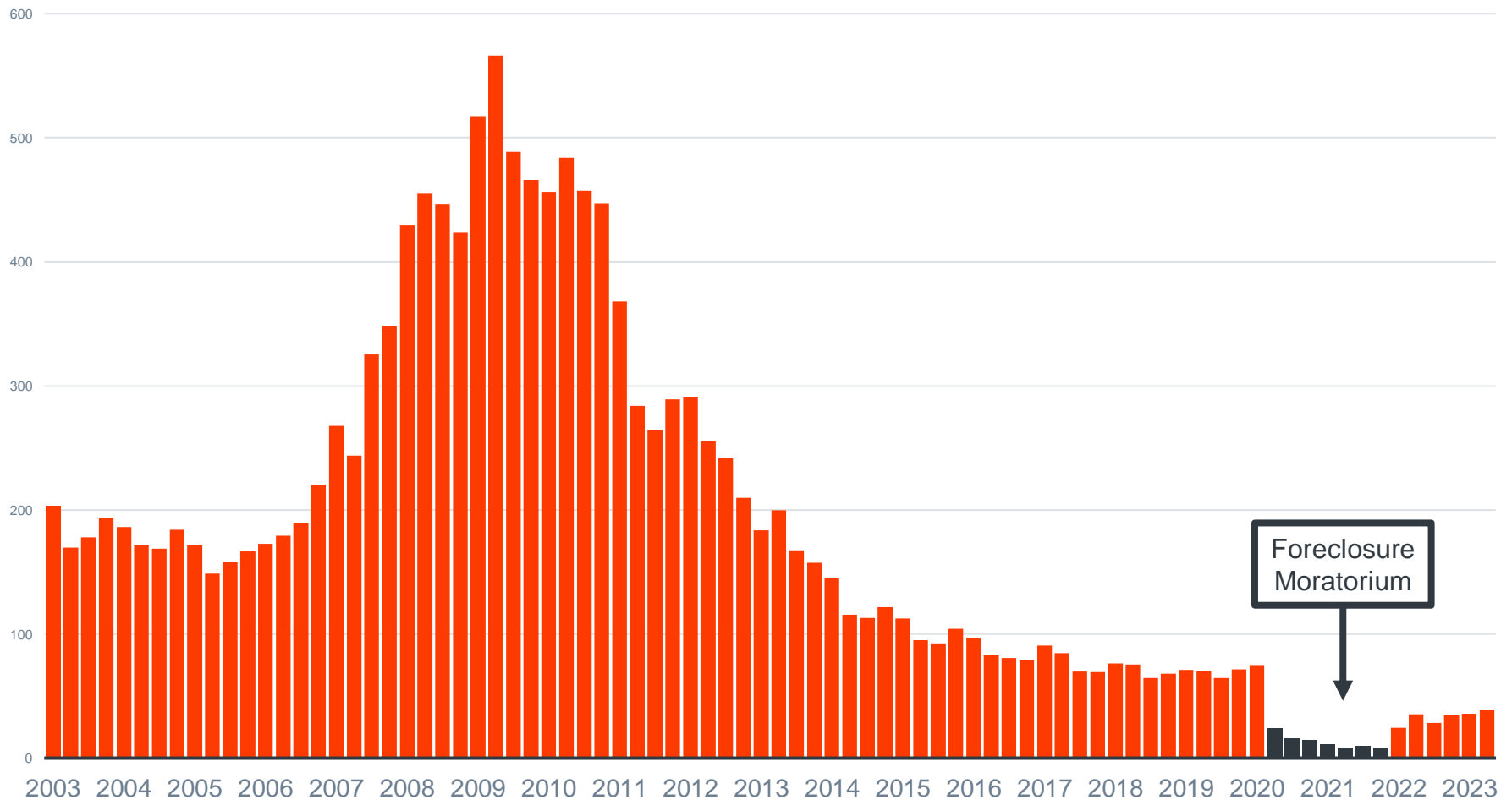


MYTH

Foreclosures
Are Increasing

Number of Foreclosures Near All-Time Lows

Quarterly Number of Consumers with New Foreclosures in Thousands



Source: The Fed



MYTH

AirBNBs Will Crash the Housing Market

Realtor.com and CensusWide

2023 Short-Term Rental Survey

59.8%

Would consider renting out their current house rather than sell it, if they were to buy or rent another home in the future.

≈20%

It would be great to have extra income from a renter

≈18%

The idea of owning a rental or investment property appeals to me

ECONOMY



The New York City Skyline. Photo credit: Adapted by WhoWhatWhy from [Sima Ghaffarzadeh / Pixabay](#) and [DesignStudio / Wikimedia](#).

BUSINESS

Has Airbnb Overstayed Its Welcome? Some Cities Say 'Yes'

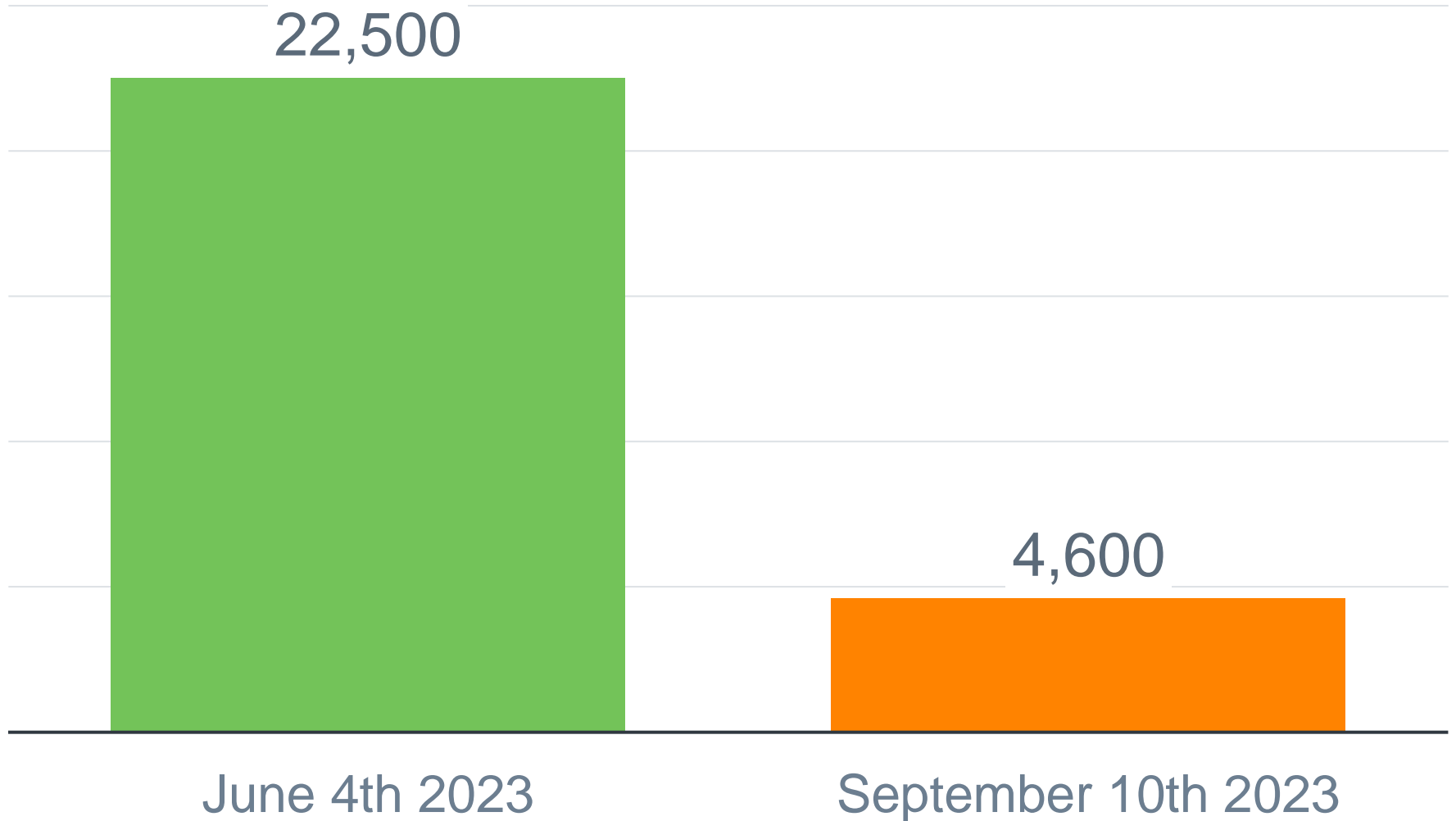
DOUG ECK 09/21/23

What has driven NYC, and other cities here and abroad, to take action against this company?

Listen To This Story

Listings for Short-Term Rentals Down 77%

The Number of Short-Term Rental Listings in NYC



The Flip Side of the Issue



In 2016, the state of Arizona passed a law that . . . bans all of its cities and towns from capping their number of short-term rentals. At the start of 2023, Phoenix had over 20,000 short-term rental units, and all that competition has led to many of them sitting empty for weeks at a time.

- **Brenden Rearick**, Financial News Writer, Money

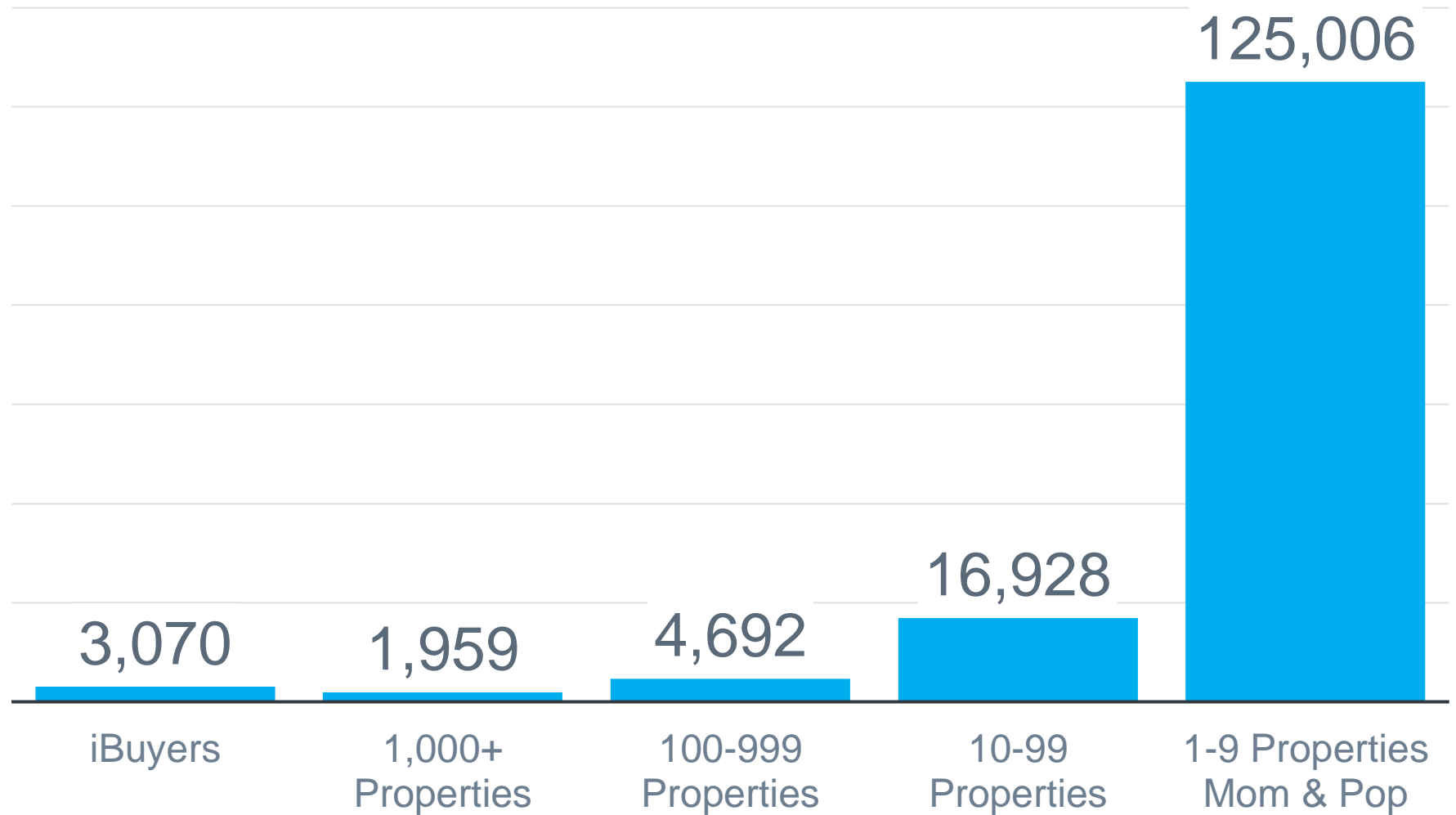


MYTH

Wall Street Is Buying
Every Home in America

Total Purchases by Size of Investor

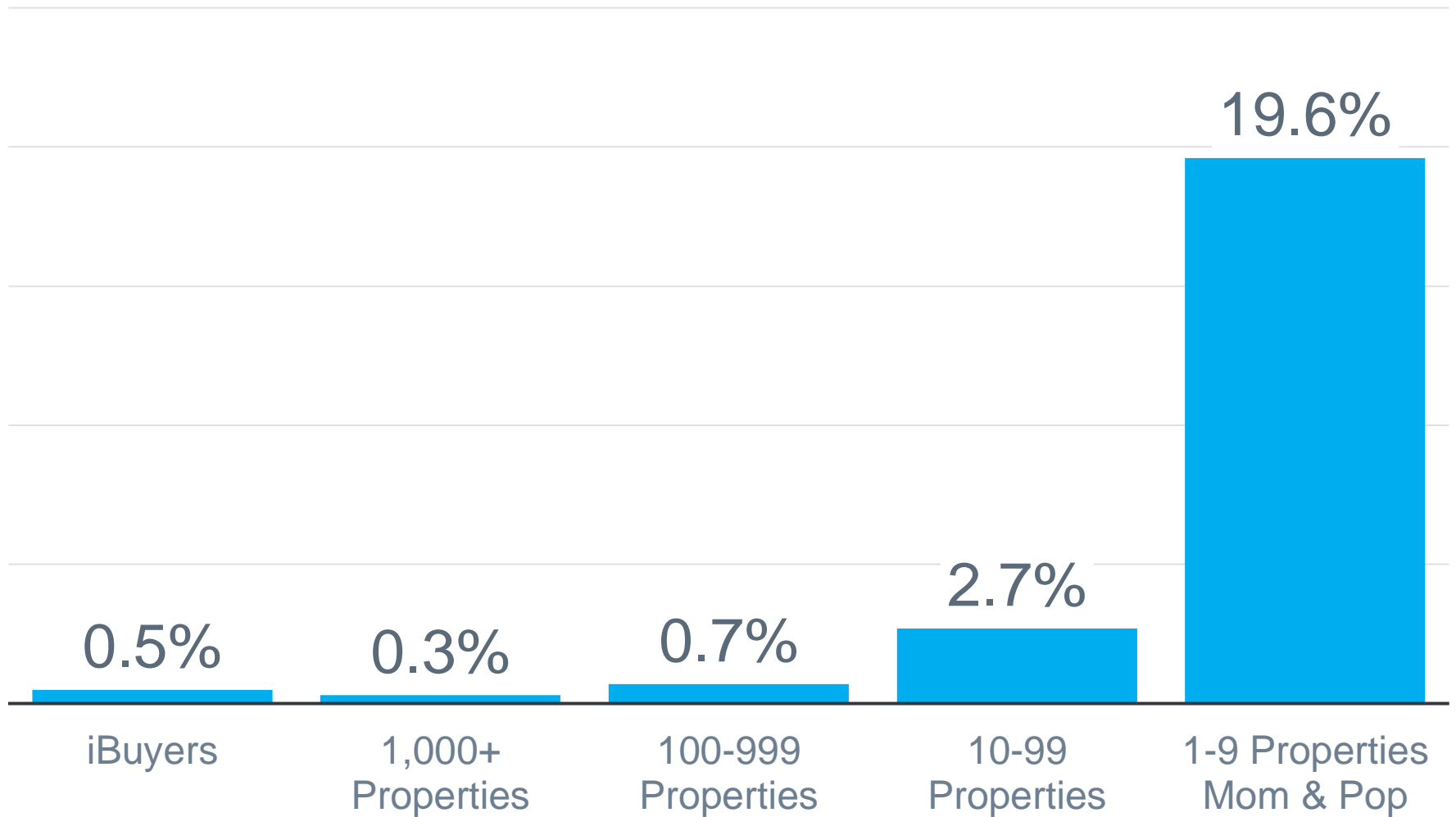
U.S. National Investor Purchases Through Q2 2023



Source: John Burns Consulting

Percent of All Sales by Size of Investor

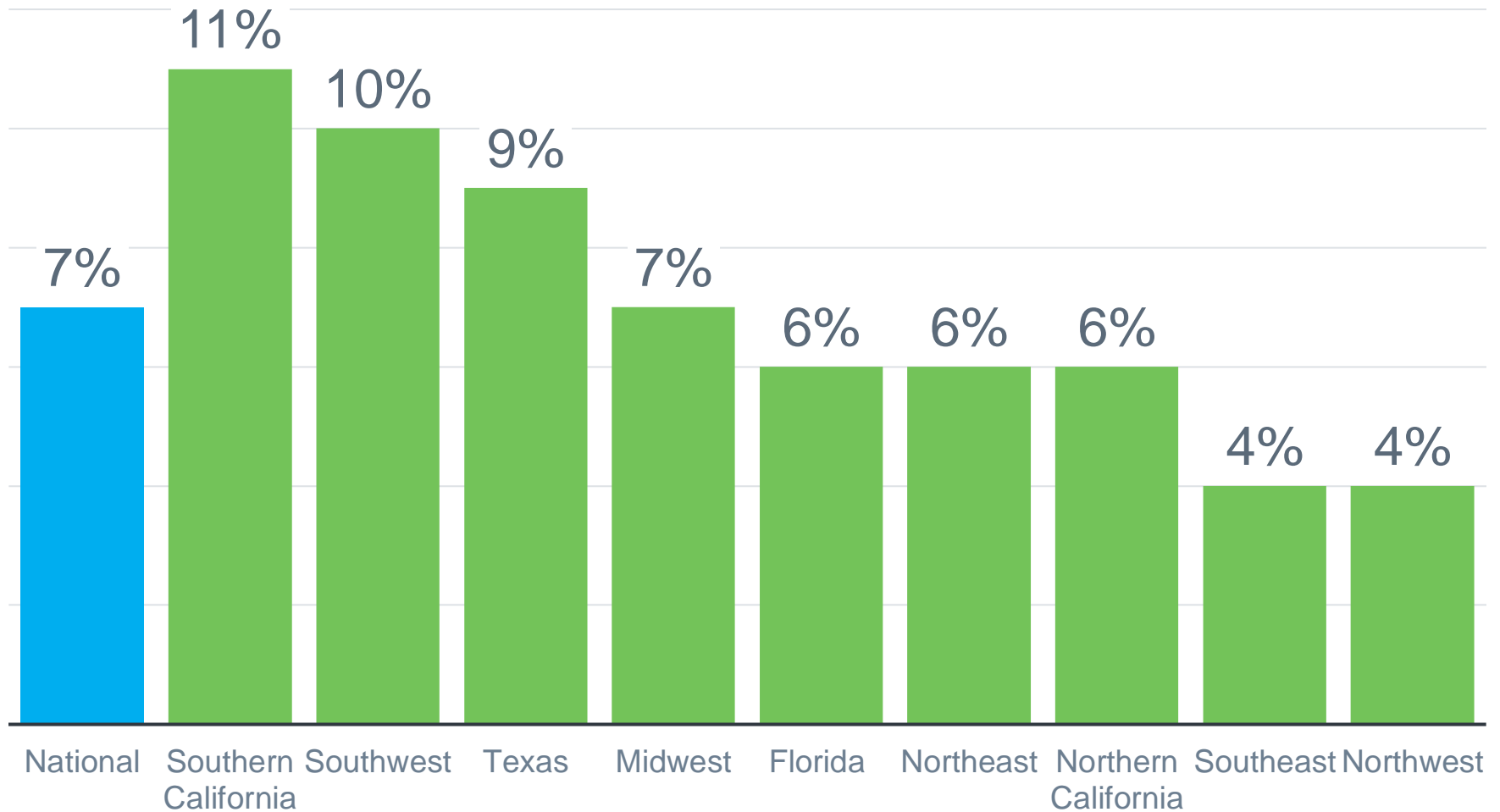
Percent of U.S. Investor Purchases of Total National Sales
Through Q2 2023



Source: John Burns Consulting

More Potential Sellers Deciding To Rent

Percent of Sellers Who Want To Rent Their Home Because of Mortgage Rates

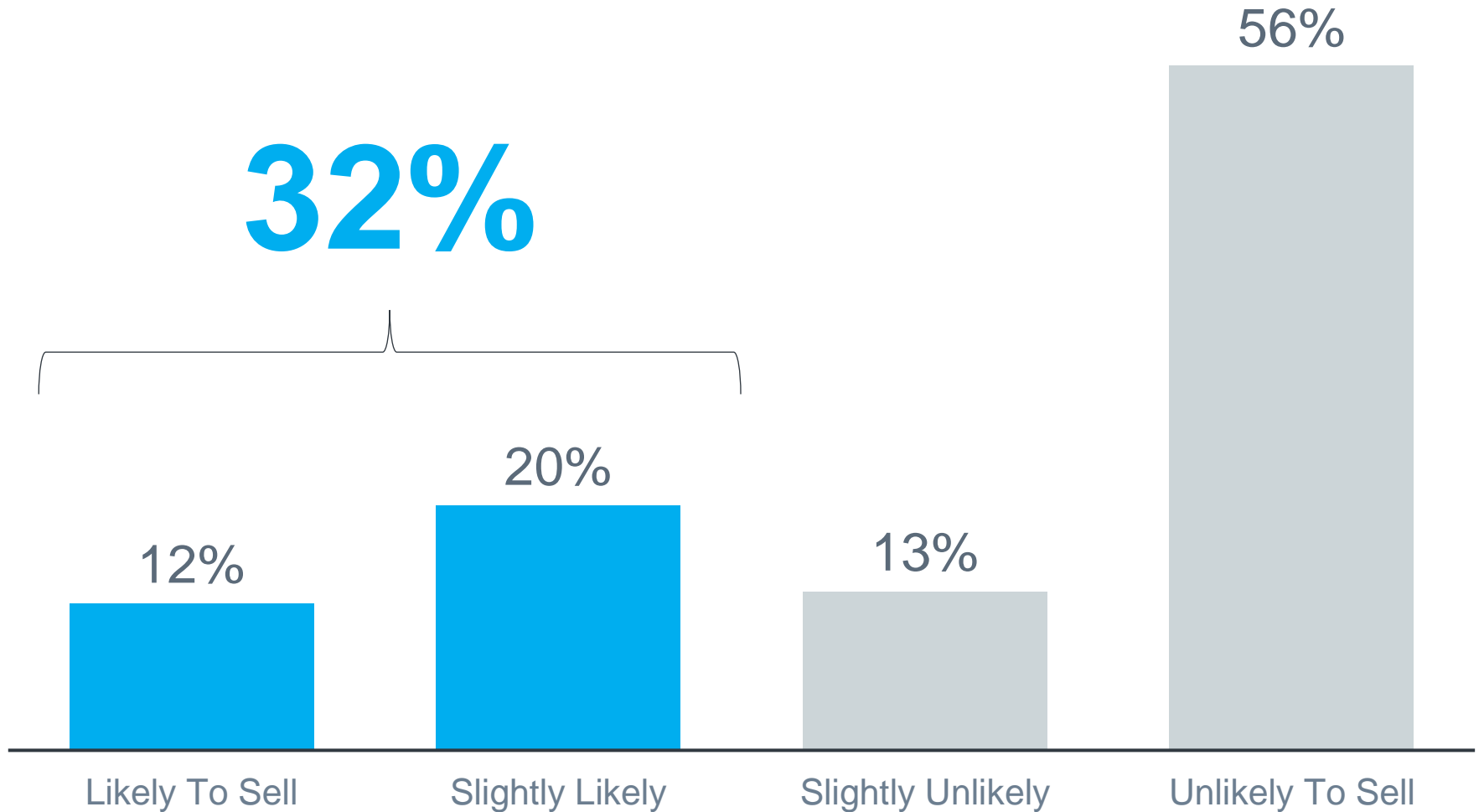




Apartment construction is roaring along at a 40-year high. That means more choices for renters, likely at lower rents, as everyone jockeys for tenants.

- **Lew Sichelman**, Author, "The Housing Scene" Column

Rental Owners' Plans To Sell Properties in the 2 Years To Come





Inventory

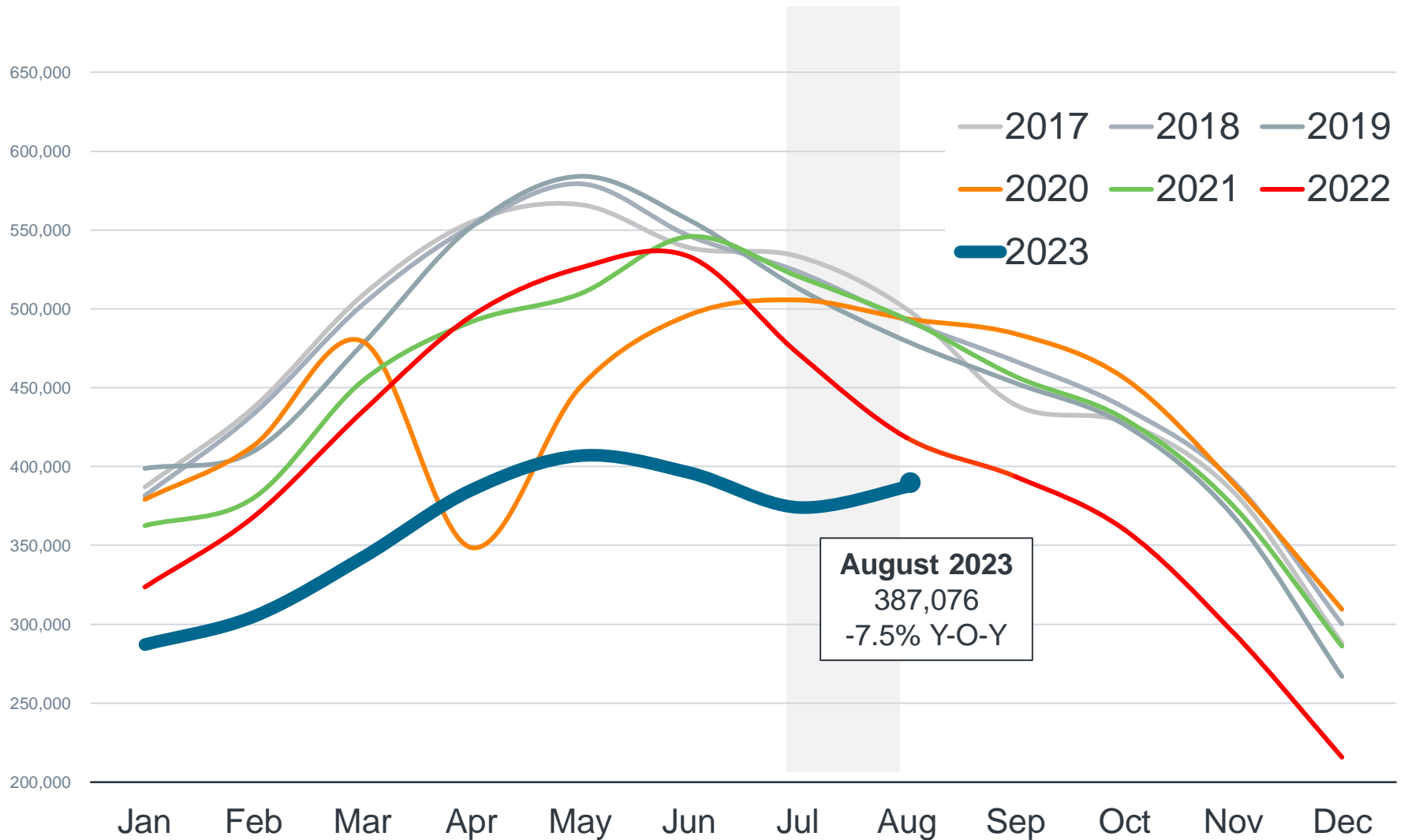


What we didn't expect - especially considering 7+ percent mortgage rates - was more new listings.

- **Jeff Tucker**, Senior Economist, Zillow

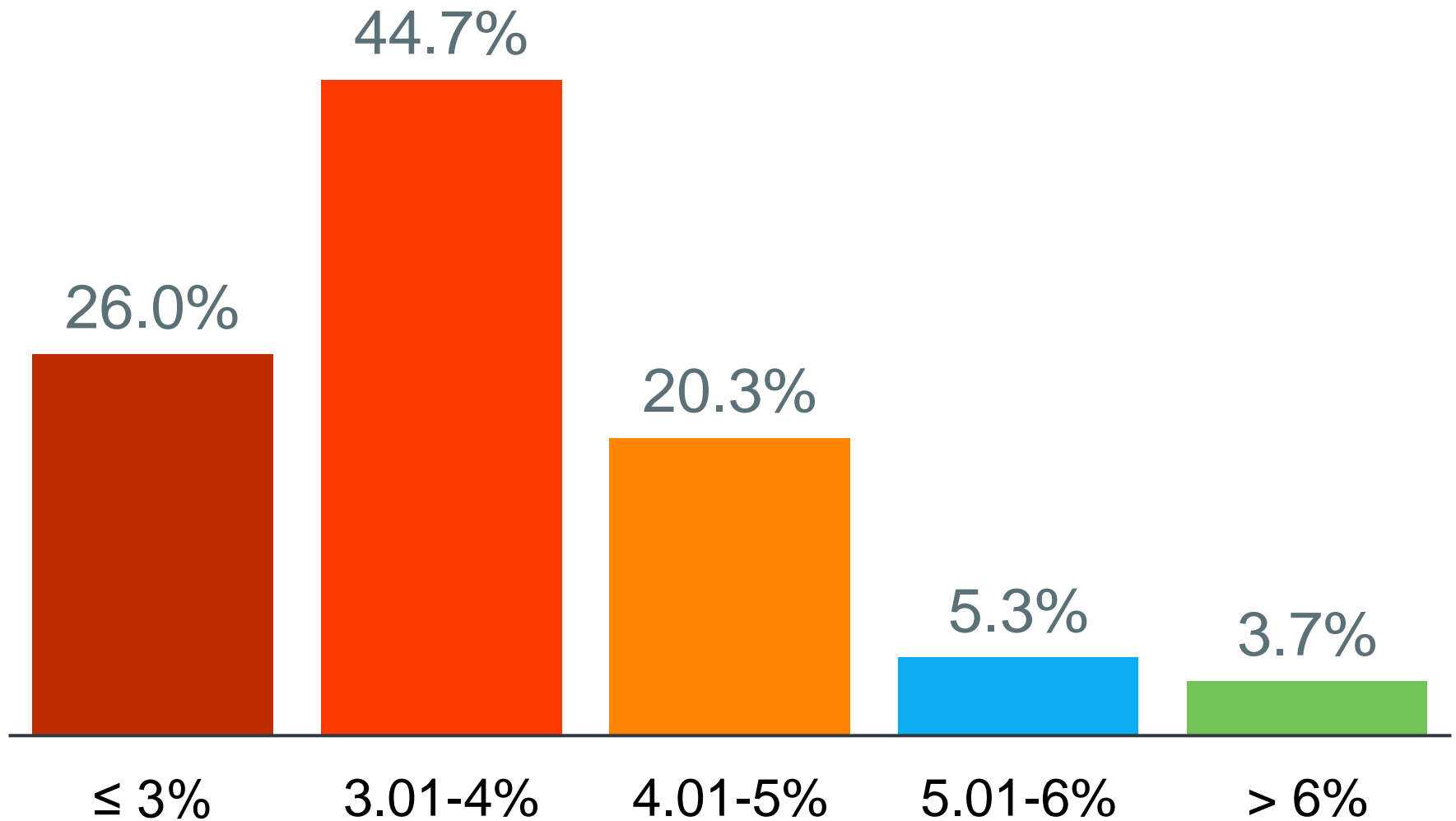
New Listings Tick Up This Month

New Monthly Listing Counts



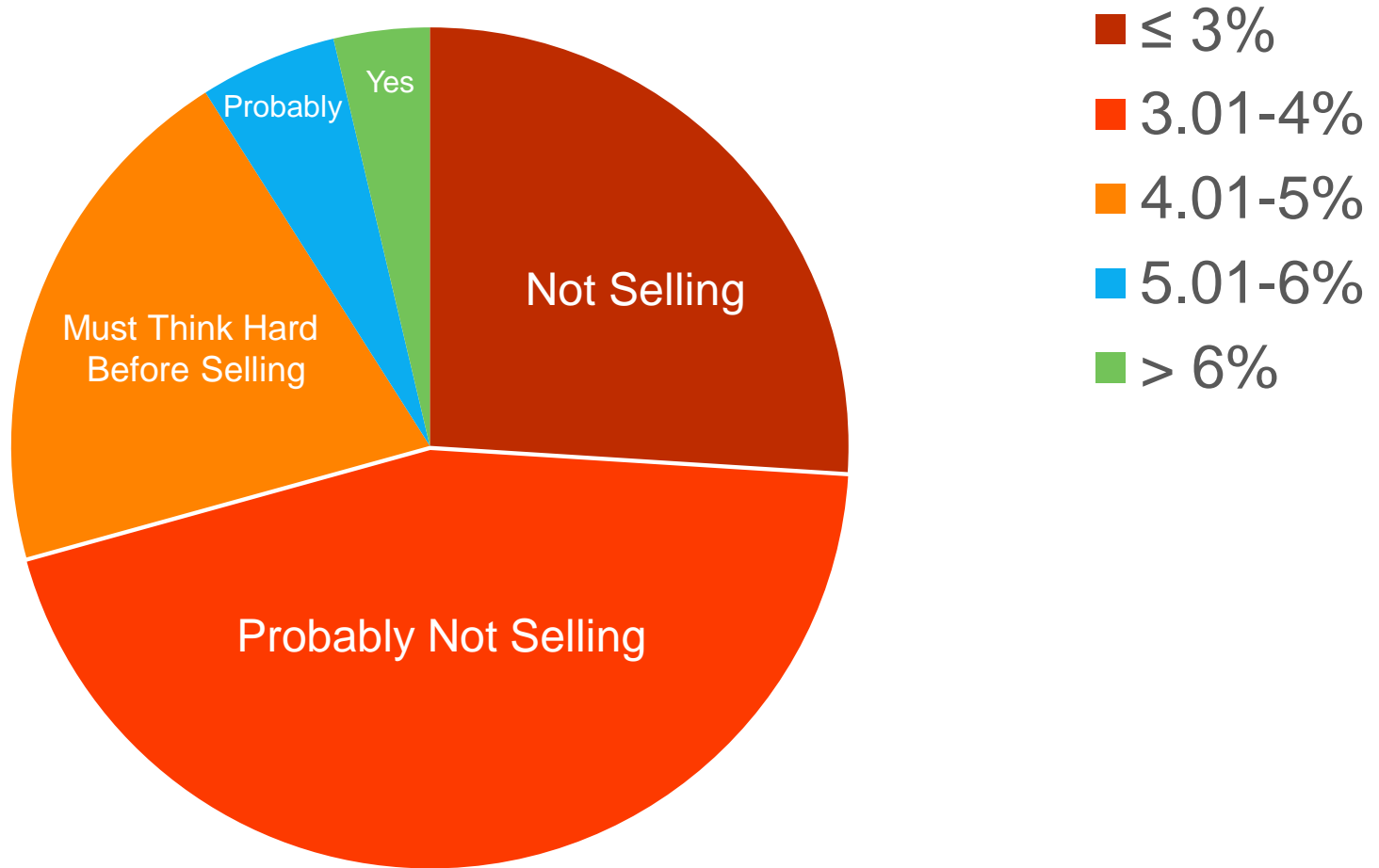
70.7% of Mortgage Rates Less Than 4%

Current Loans with Mortgage Rate at Time of Origination

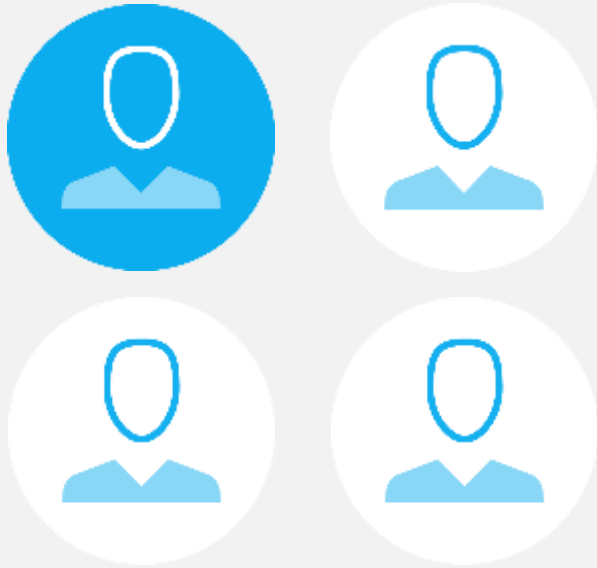


Lock-In Rates Limit New Inventory

Current Loans with Mortgage Rate at Time of Origination



Mortgage Rates Are Less Relevant to Older Homeowners

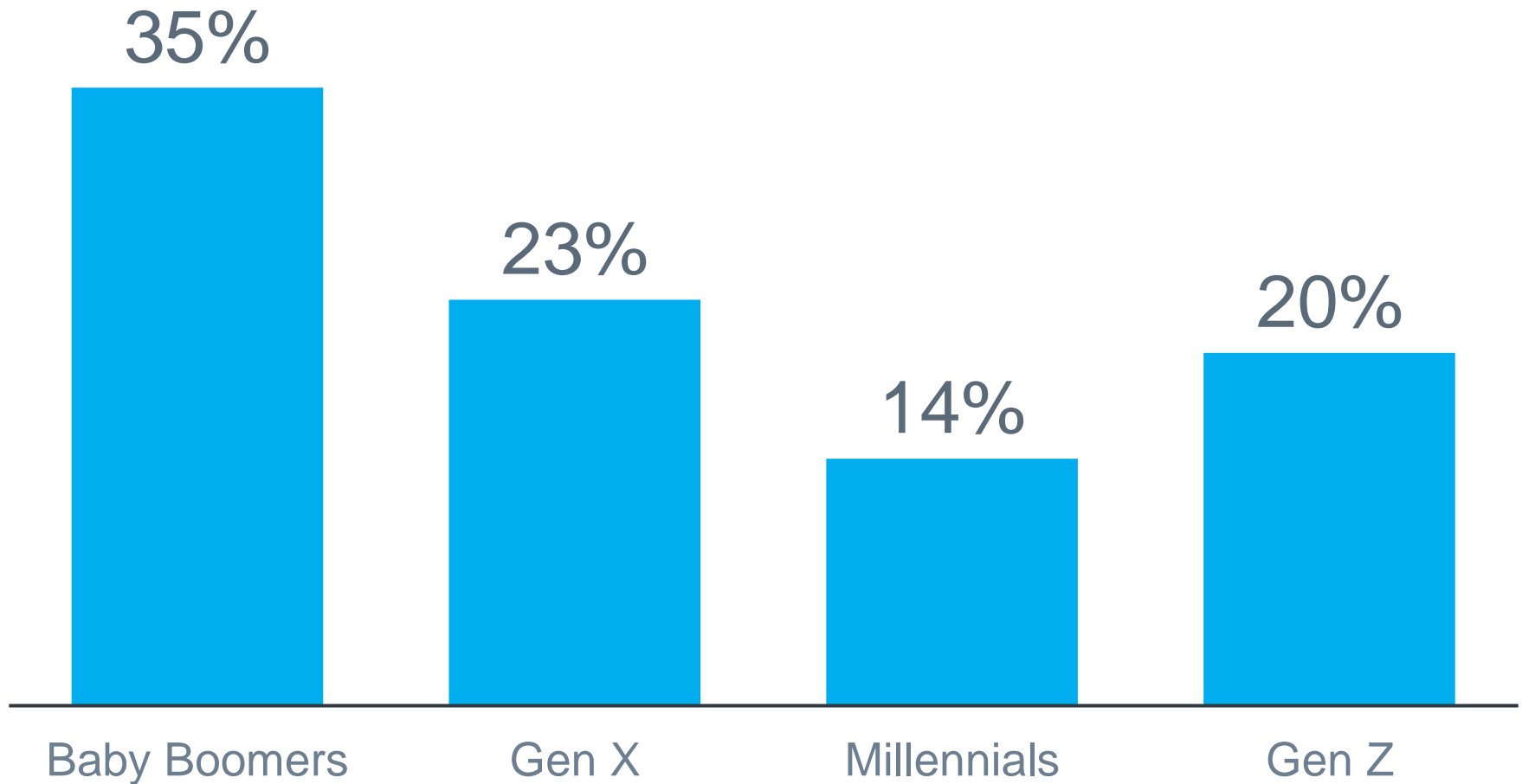


About 1 in 4 U.S. homeowners (26%) say high mortgage rates **would not impact** their decision on when to sell their home.

Of those 26% of homeowners, **43%** say it's because they would not need a mortgage to buy a new home.

Mortgage Rates Are Less Relevant to Older Homeowners

Percent Not Impacted by Generation

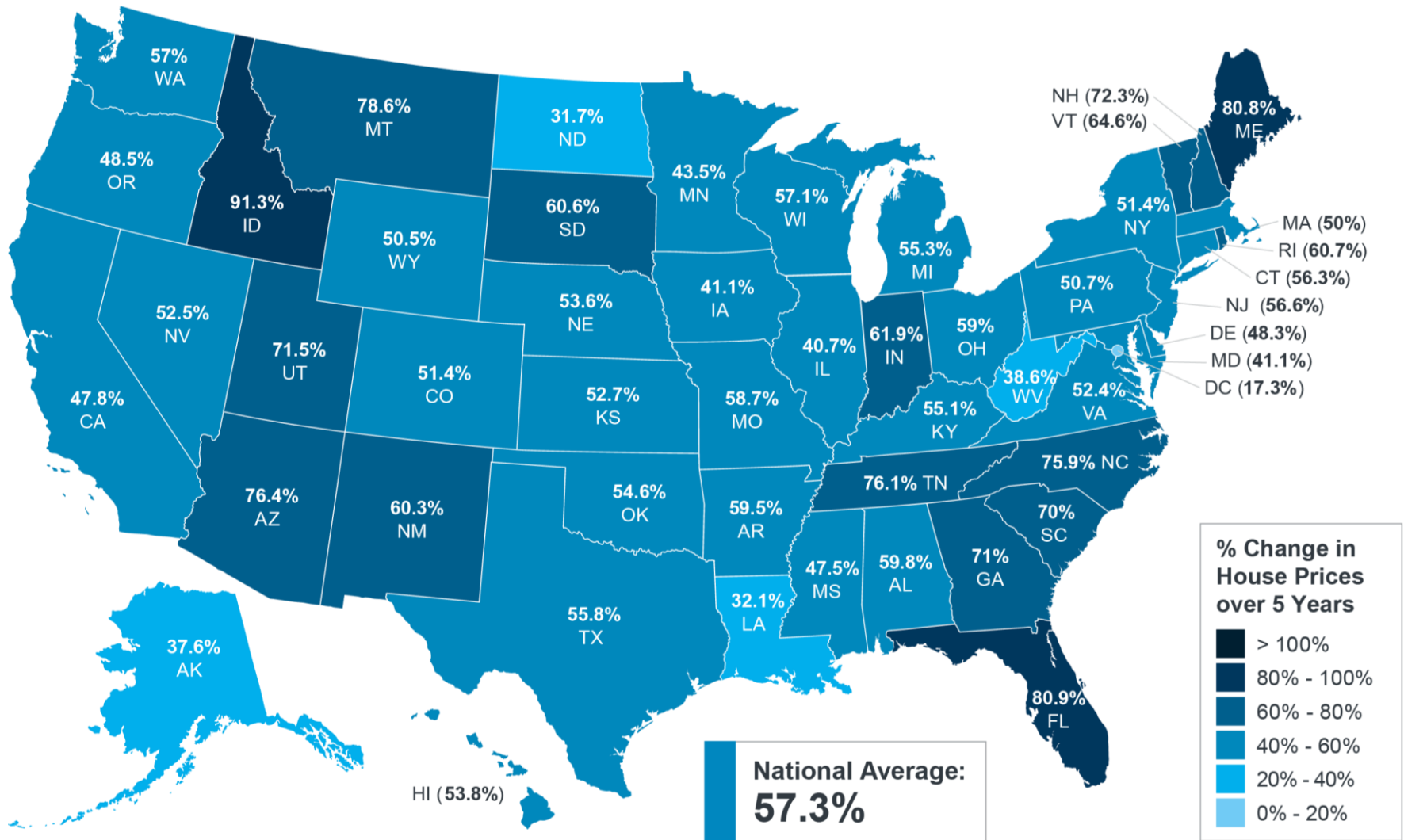




Equity

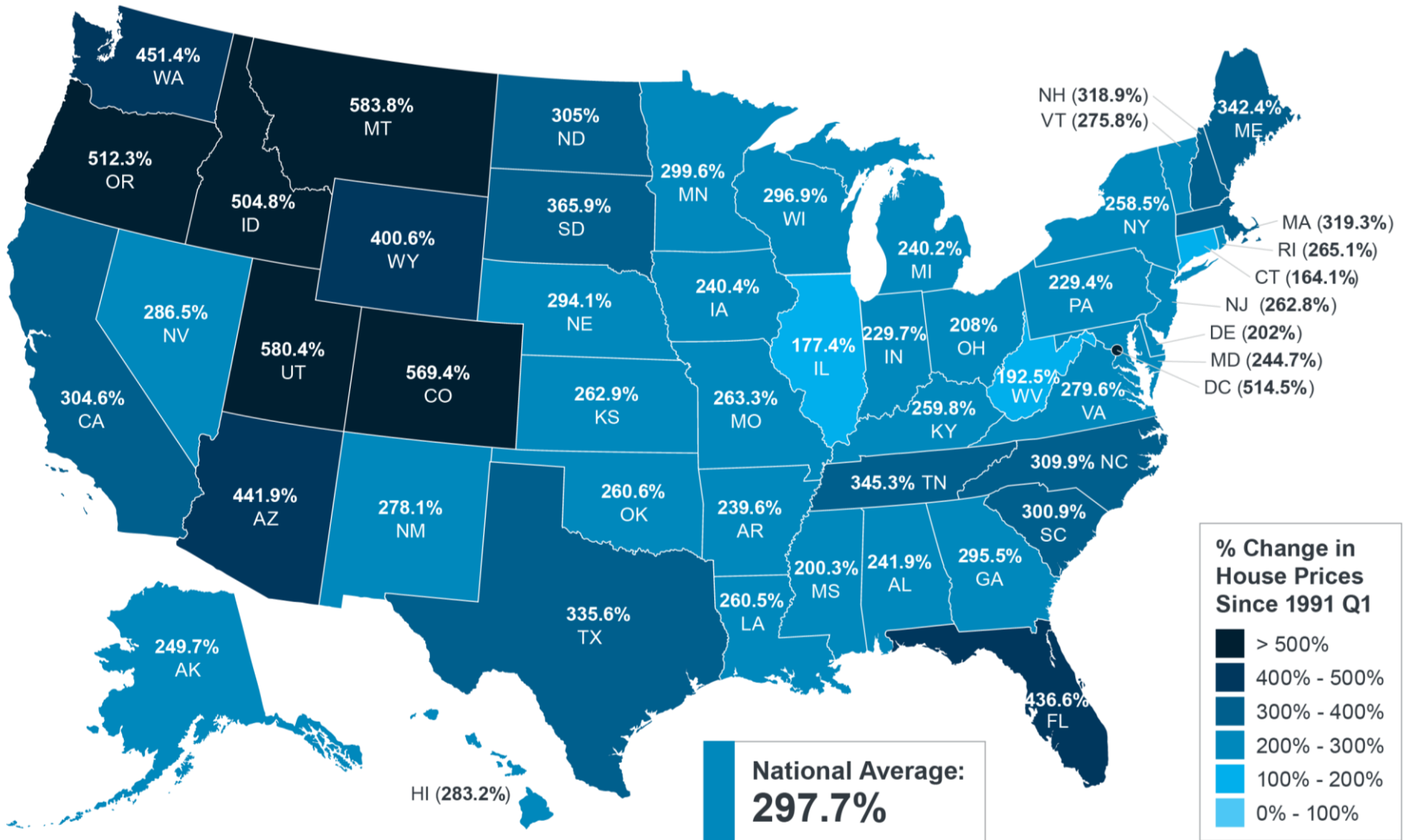
Percent Change in Home Prices

Over 5 Years, Q2 2023



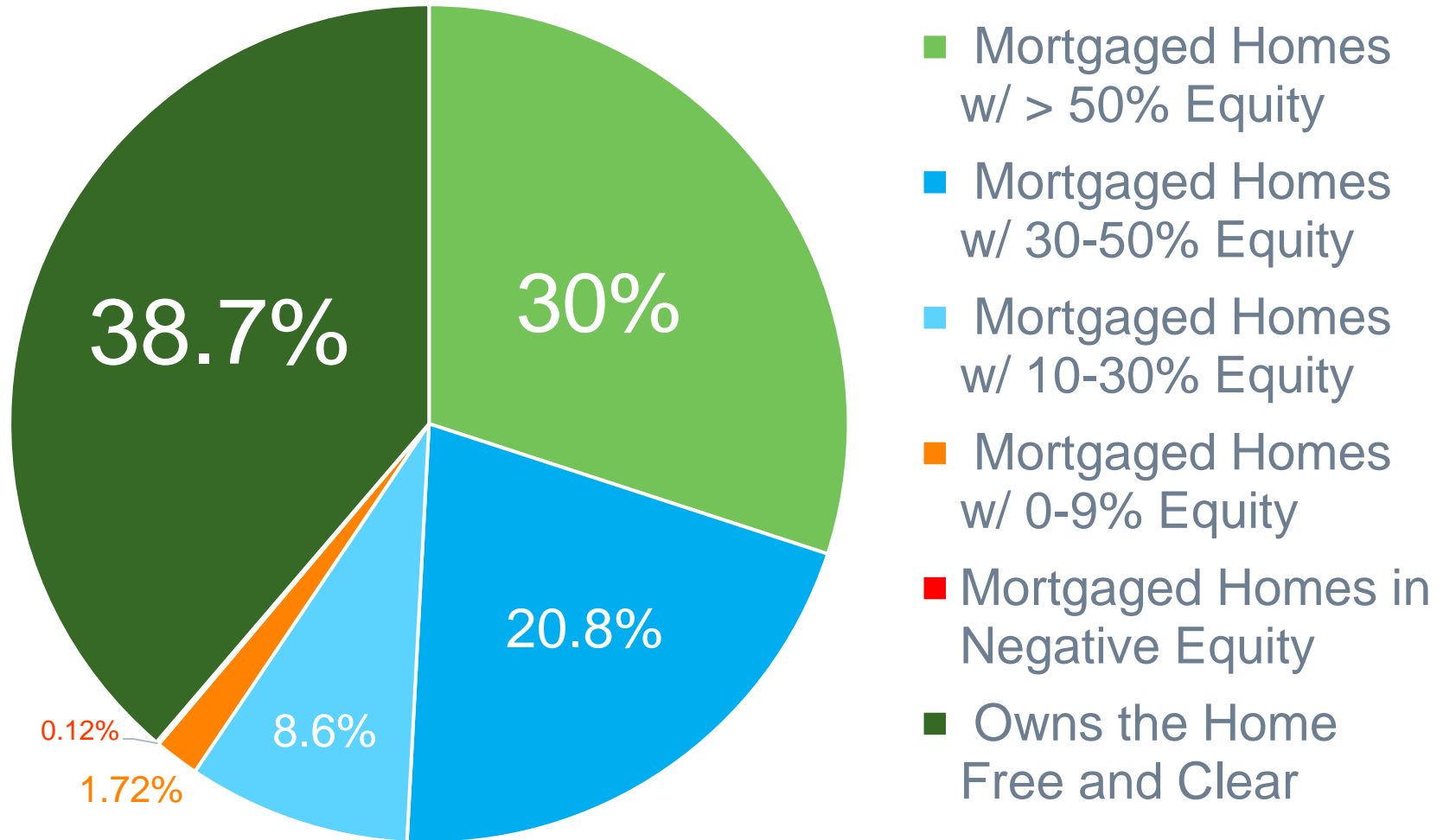
Percent Change in Home Prices

Since Q1 1991, Q2 2023



Americans Sitting on Tremendous Equity

68.7% Have Paid off Their Mortgage or Have at Least 50% Equity





Quarterly gains added almost \$13,900; the average U.S. homeowner now has about \$290,000 in equity.

3 Major Advantages To Having That Equity

1. Ability To Be an All-Cash Buyer:

No mortgage payments and sellers may be more inclined to accept offers from buyers who make cash offers.

2. Ability To Give Larger Down Payment:

A larger down payment results in lower monthly mortgage payments and better loan terms (more favorable mortgage interest rates and lower private mortgage insurance costs, ultimately reducing the overall mortgage cost).

3. Access to Assisted Living Residences:

Whether making payments or “buying into” an assisted living facility, having cash after the sale of a home dramatically increases your options.



The “Grandparent Wish” To Be with the Grandkids

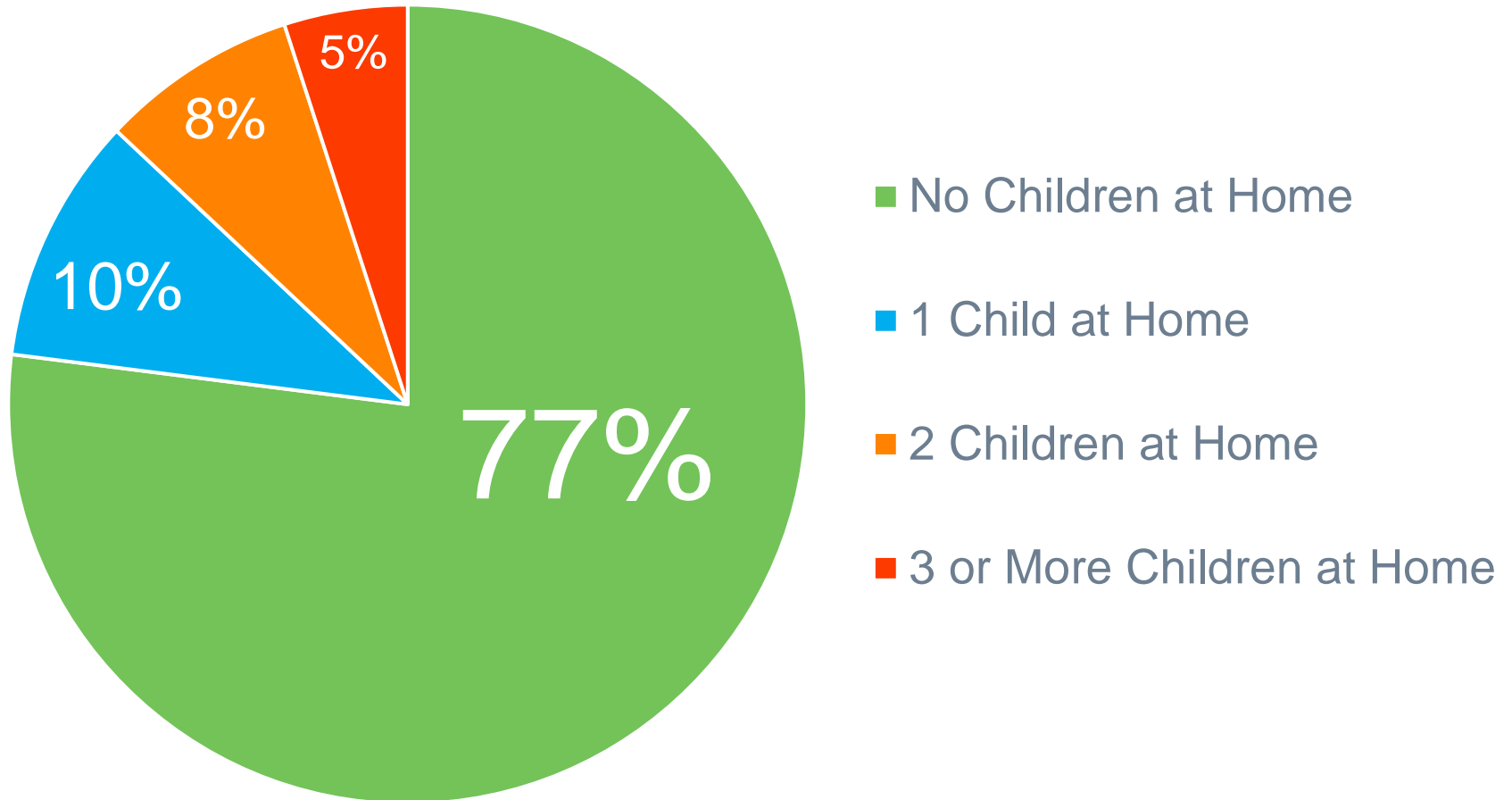


Never underestimate the power of grandchildren - especially when it comes to lifestyle and financial decisions. Recent data shows that many baby boomers are relocating further away from home than they used to so they can be closer to their grandbabies.

- **Vance Cariaga**, Journalist, Go Banking Rates

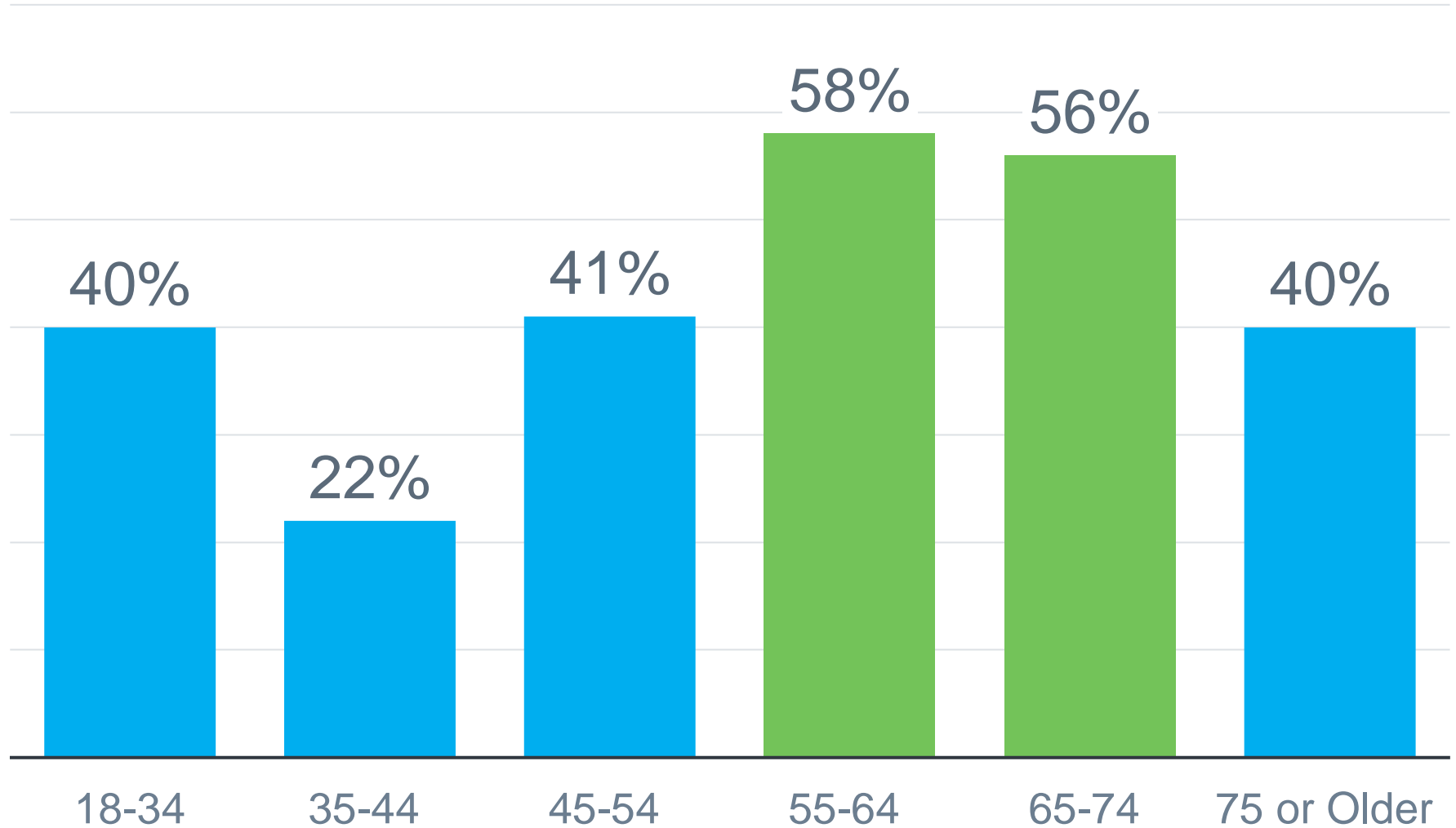
Empty Nesters Dominate Home Sellers

Percent of Sellers Based on Number of Children Under 18 Still at Home



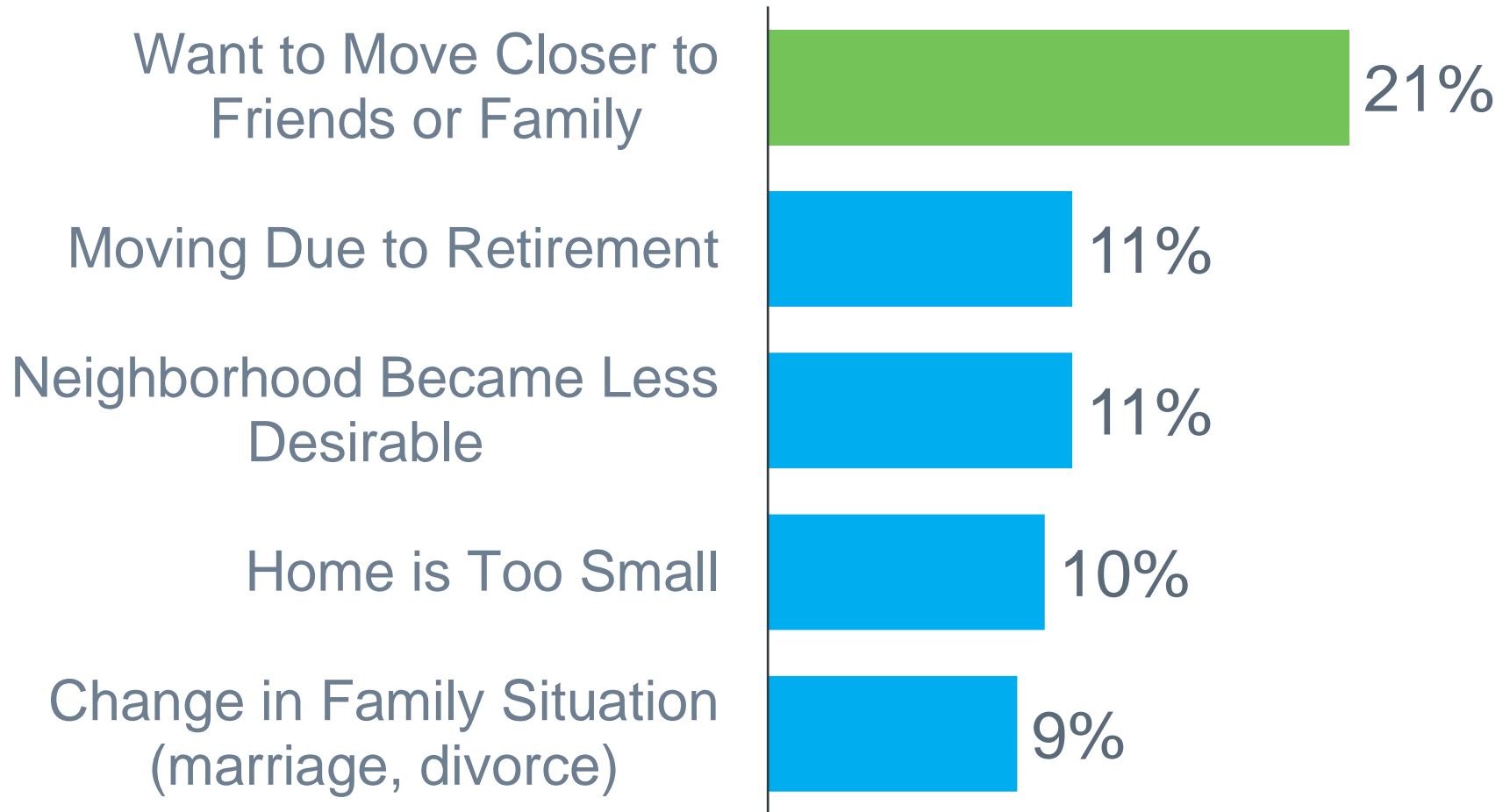
Grandparents Moving Farther Away?

Percent of Sellers Who Moved at Least 100 Miles by Years of Age



Sellers Want To Be Near Their Family

Top 5 Reasons Why Sellers Sold



YOUR LOGO

Professional Equity Assessment Report

Name of Client

Street Address





Current Home Price Appreciation



Home prices aren't falling anymore . . . The surprisingly quick recovery suggests that the residential real-estate downturn is turning out to be shorter and shallower than many housing economists expected after mortgage rates soared last year.

- **Nicole Friedman**, Reporter, WSJ



From January through August, housing demand stabilized, resulting in relatively stable home prices. By August 2023, national resale home prices fully recovered from the declines experienced in the second half of 2022 and now exceed their April 2022 peak.

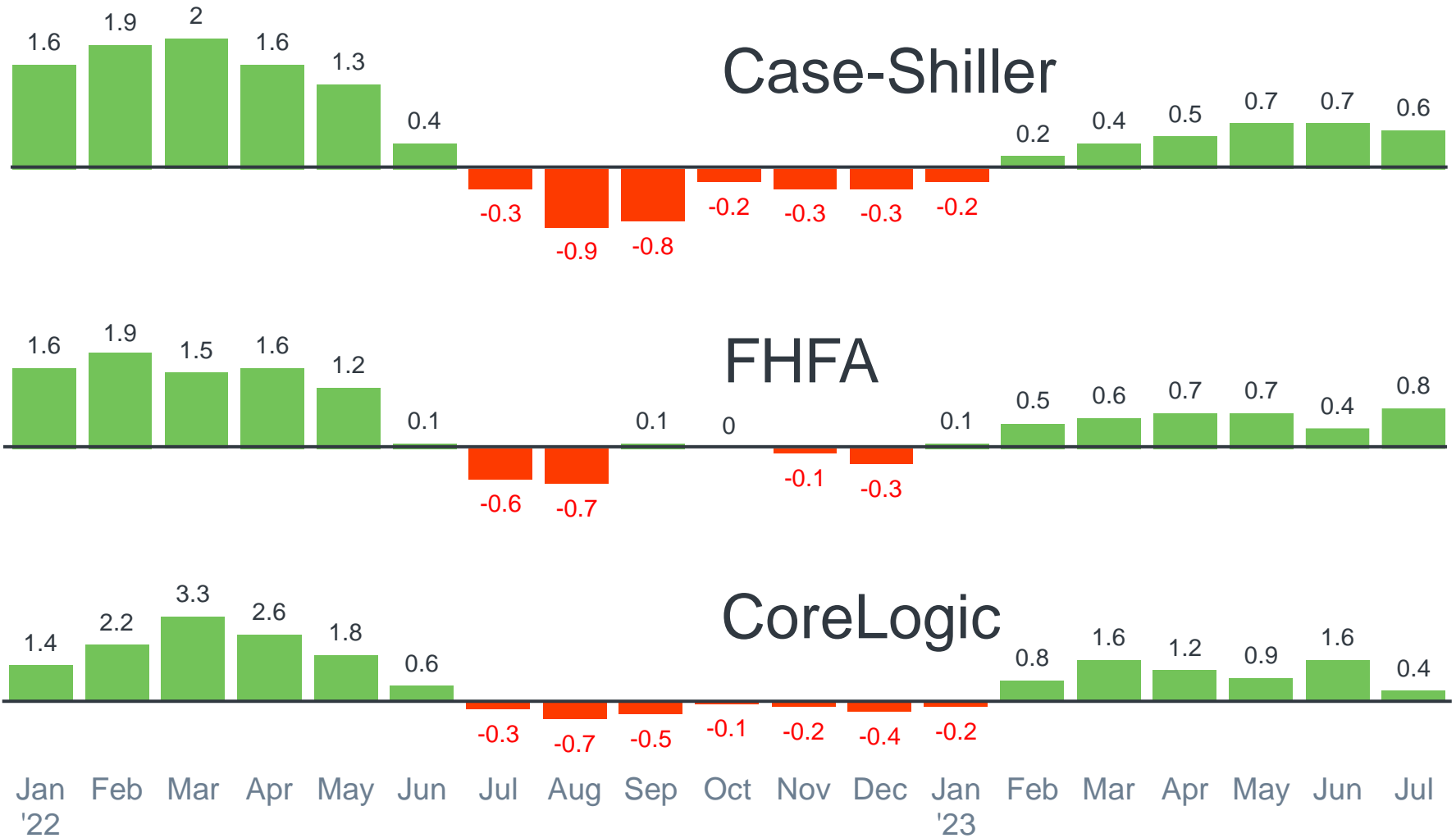
- **John Macke**, Senior Research Analyst, John Burns Consulting



Overall, it appears the reduction in supply has outweighed the decrease in demand, thus house prices have started to increase even as sales have fallen.

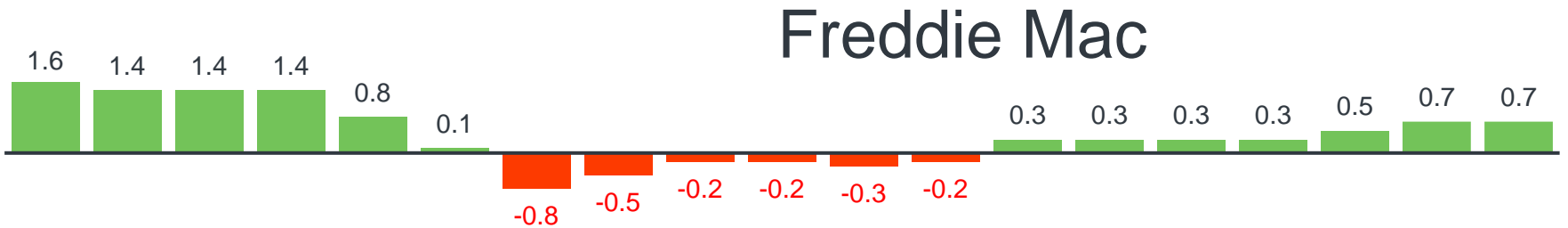
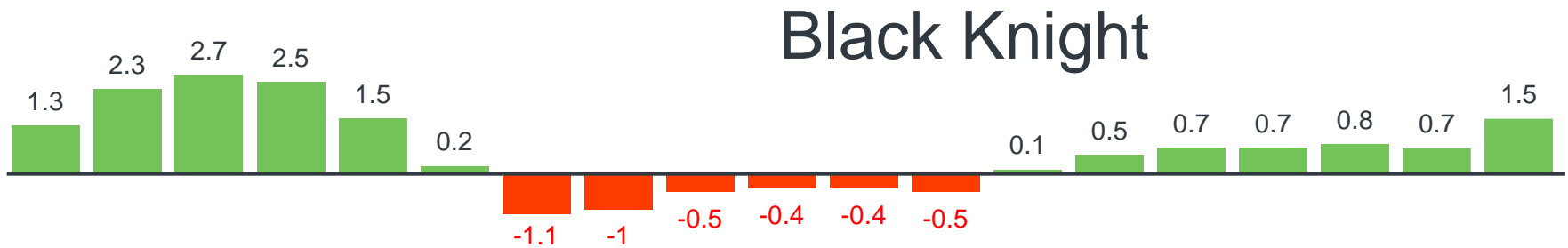
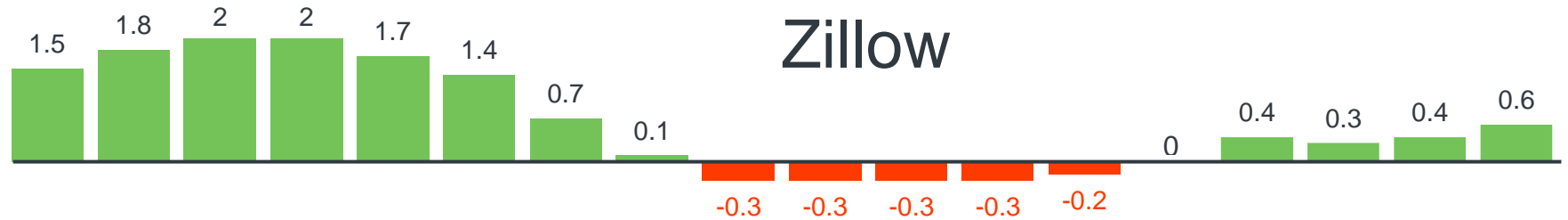
Percent Change in Home Values

Month-Over-Month, Case-Shiller & FHFA (SA), CoreLogic (NSA)



Percent Change in Home Values

Month-Over-Month, Zillow, Black Knight, & Freddie Mac (SA)

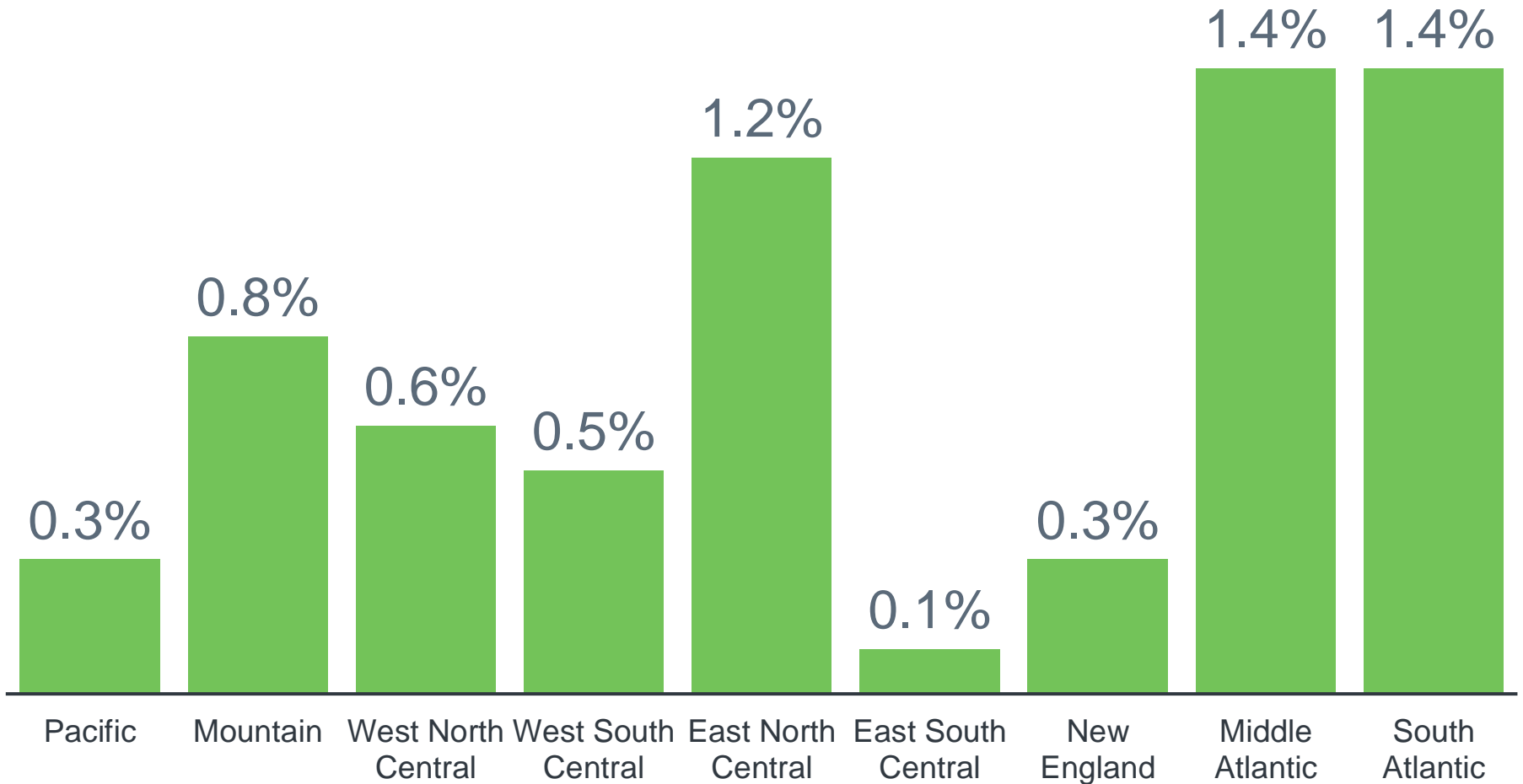


Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun Jul
'22 '23

Month-Over-Month Price Change

July 2023 by Region

National Rate of Appreciation: **0.8%**



Source: FHFA

Case-Shiller Home Price Movement

July 2023 Month-Over-Month % Appreciation in Top 20 Cities

U.S. National: **0.6%**

Metro	% Change	Metro	% Change
Atlanta	0.6%	Miami	0.9%
Boston	0.4%	Minneapolis	0.3%
Charlotte	0.8%	New York	0.8%
Chicago	0.9%	Phoenix	1%
Cleveland	0.3%	Portland	0.1%
Dallas	0.6%	San Diego	1.5%
Denver	0.5%	San Francisco	0.3%
Detroit	0.7%	Seattle	1.7%
Las Vegas	0.7%	Tampa	0.5%
Los Angeles	1.1%	Washington, D.C.	0.9%



Future Home Prices

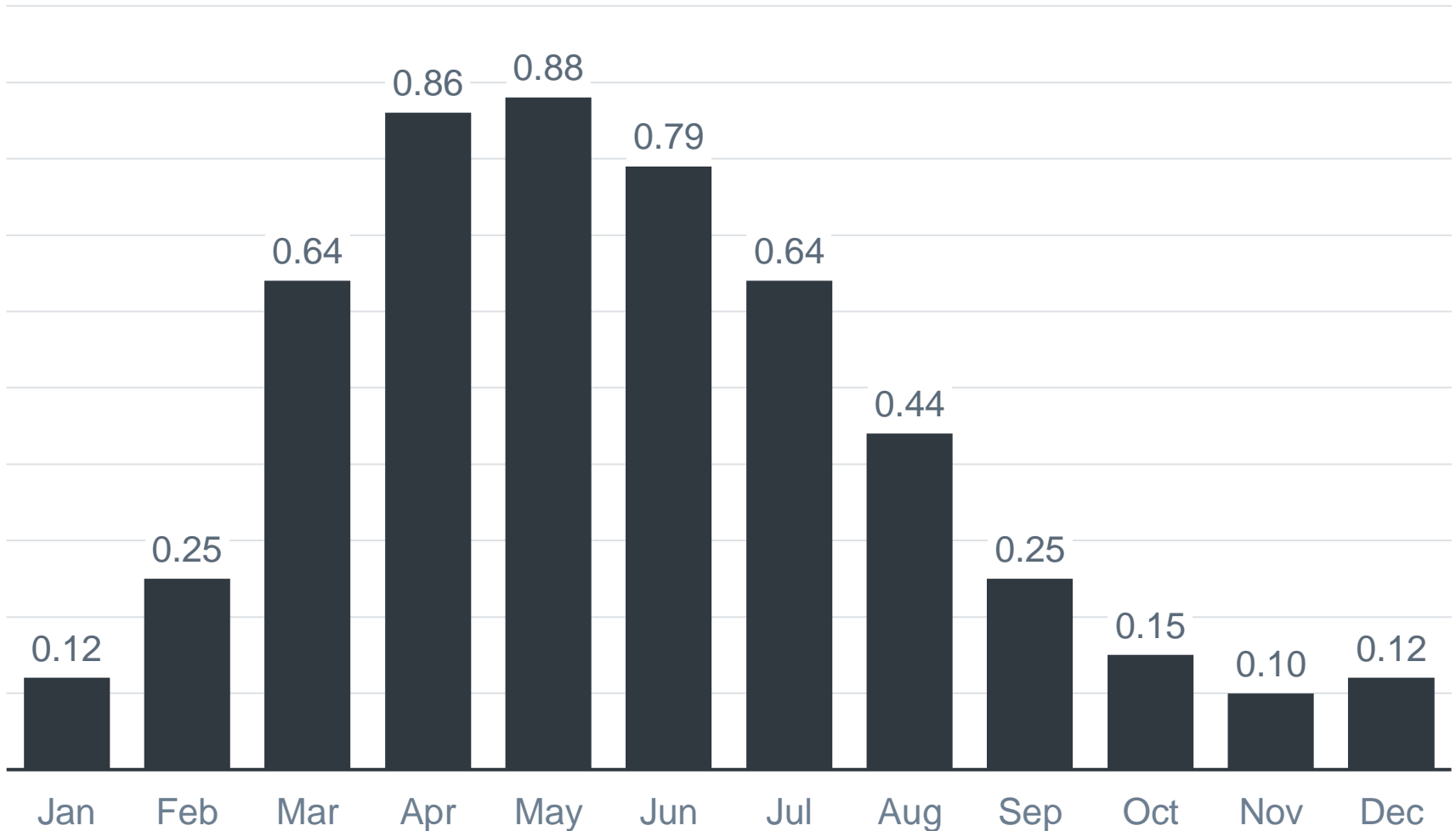


High mortgage rates have slowed additional price surges, with monthly increases returning to regular seasonal averages. In other words, home prices are still growing but are in line with historic seasonal expectations.

- **Selma Hepp**, Chief Economist, CoreLogic

49-Year Average Monthly Price Movement

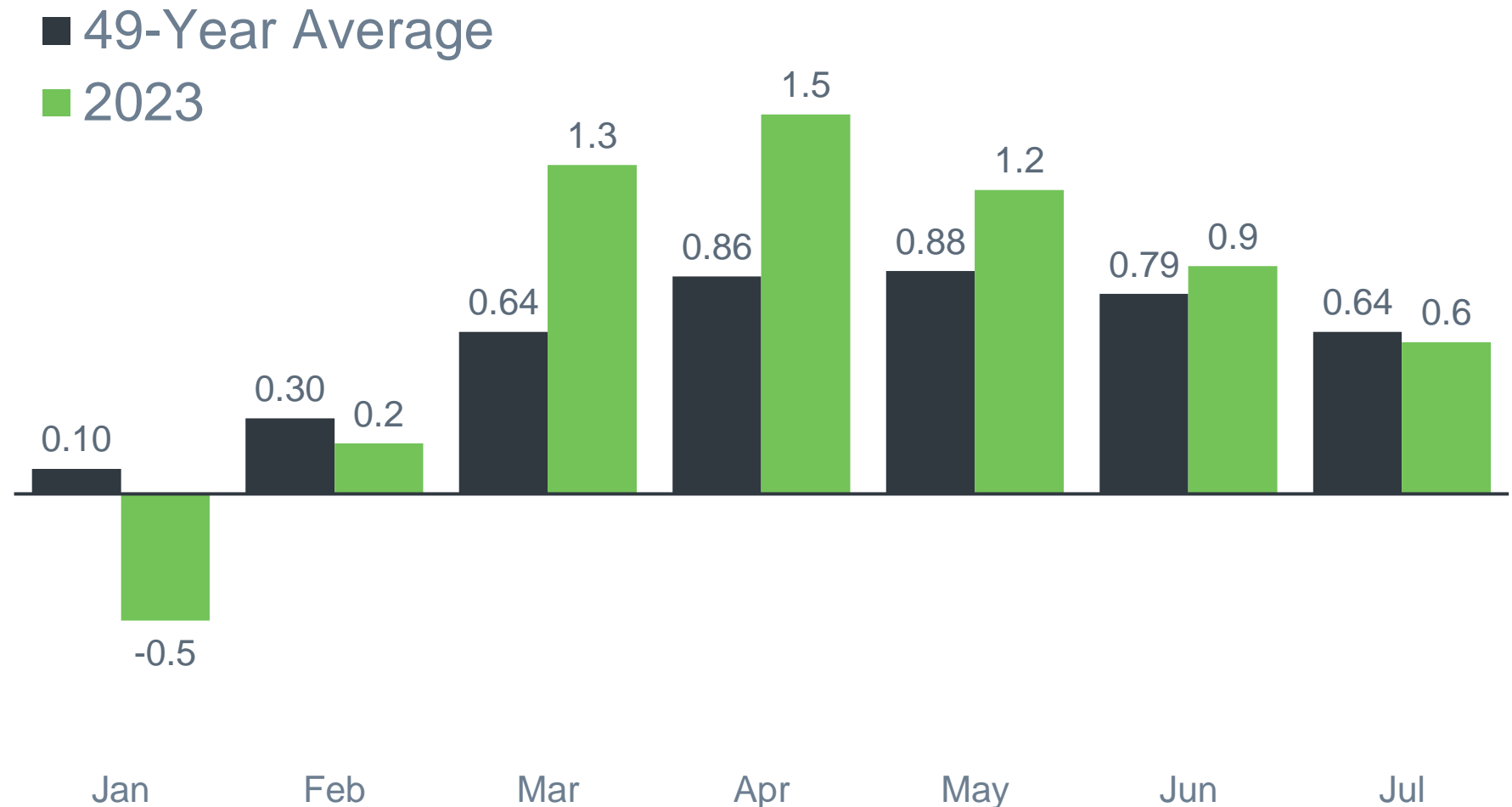
NSA Month-Over-Month 1973-2022



Source: Case-Shiller

49-Year Average vs. 2023 Price Movement

NSA M-O-M 1973-2022 and 2023



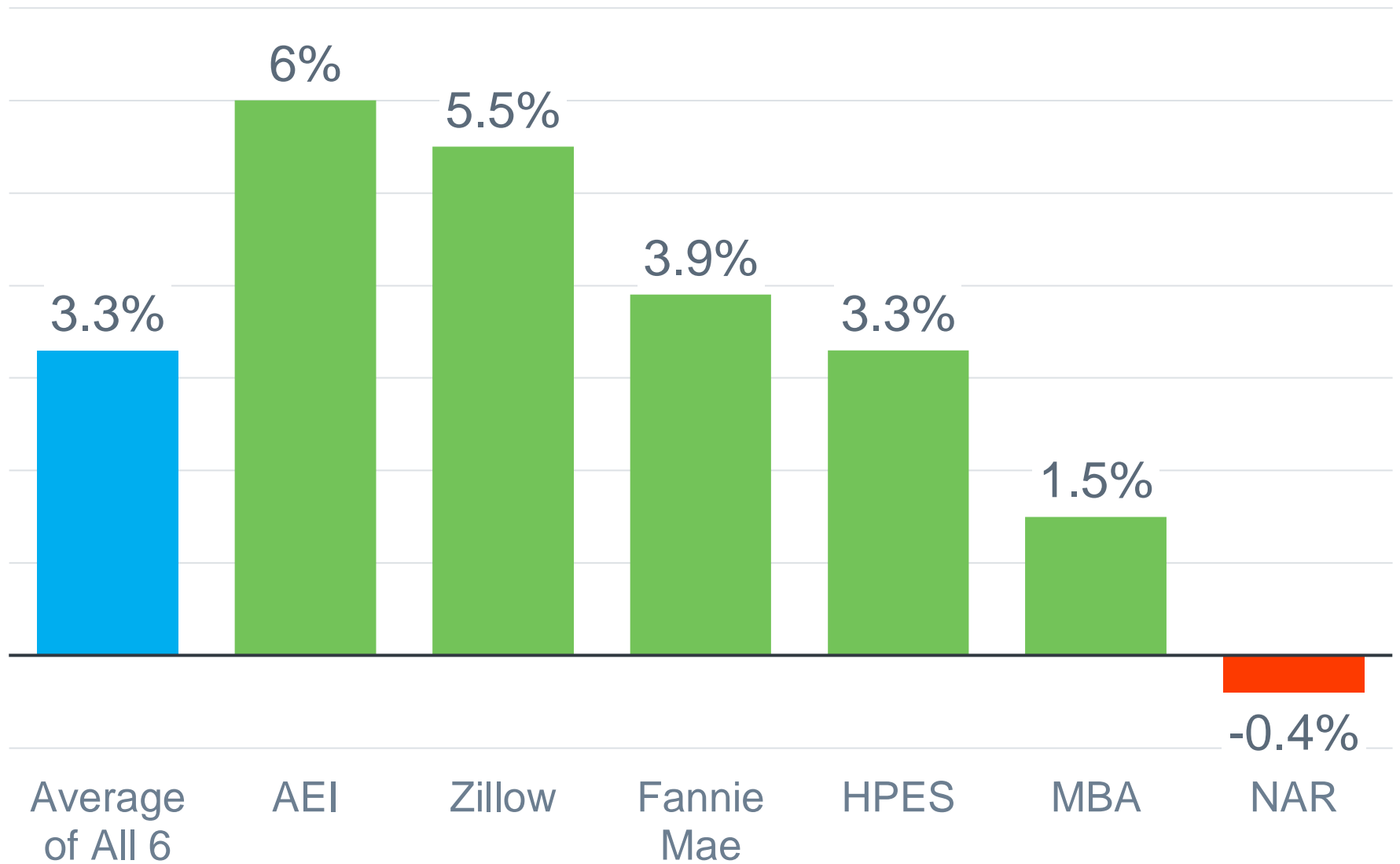
Source: Case-Shiller



Nevertheless, home prices are still expected to reaccelerate and reach mid-single-digit growth rate by the end of the year, according to CoreLogic's latest HPI forecast.

- **Selma Hepp**, Chief Economist, CoreLogic

2023 Year End Home Price Forecasts



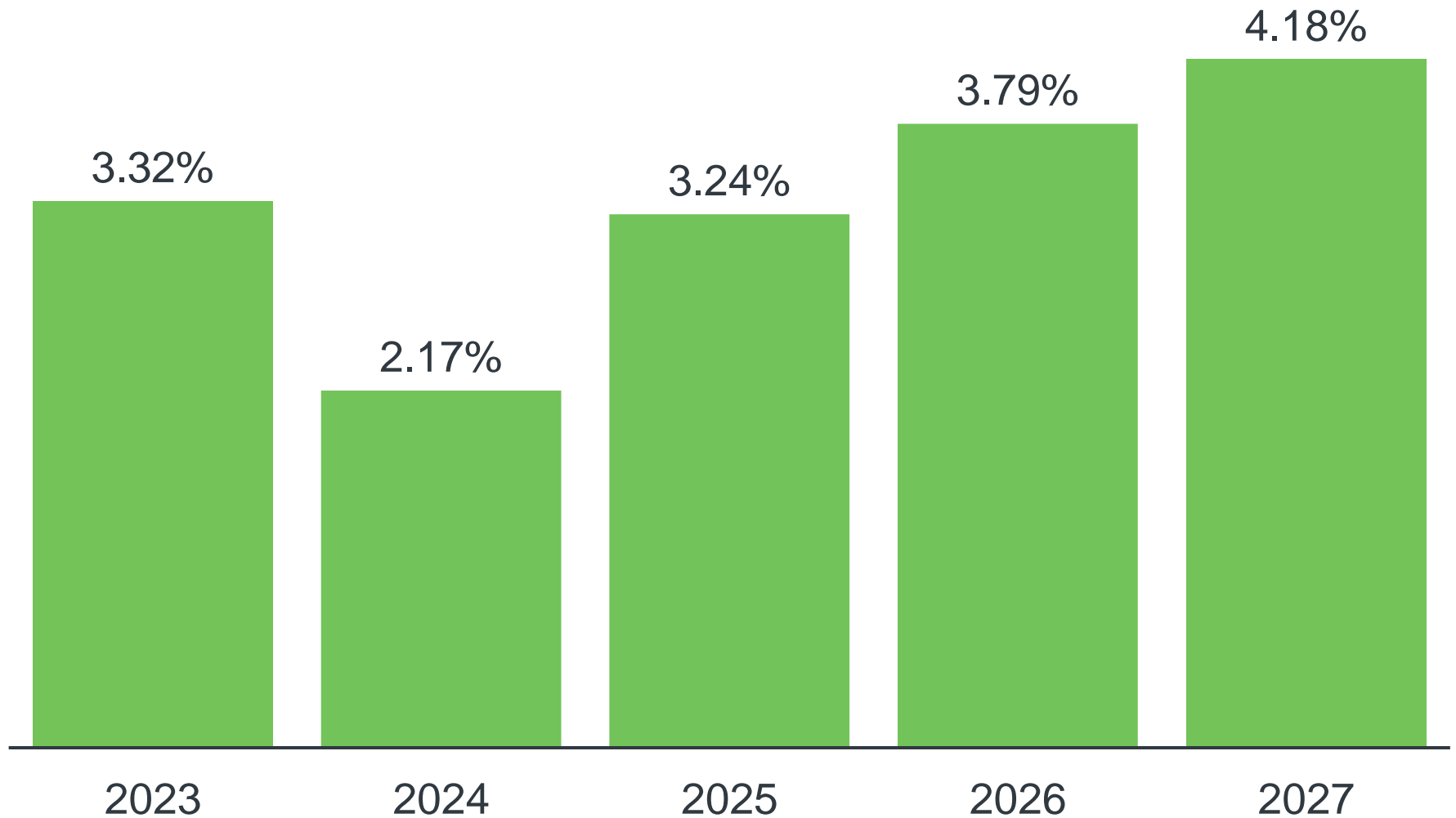


Home Price Expectation Survey

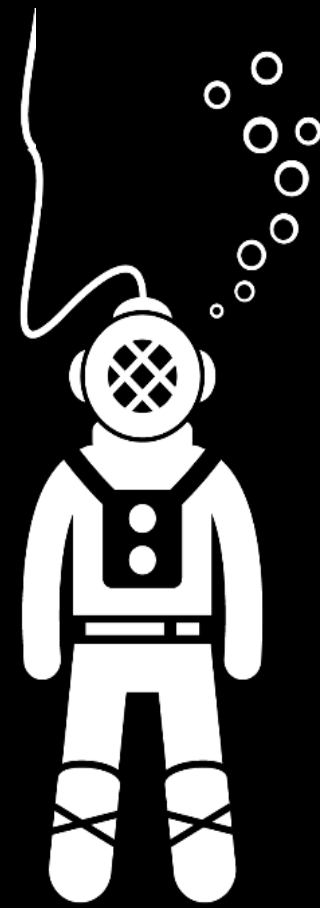
A nationwide panel of over one hundred *economists, real estate experts and investment & market strategists.*

Estimated Home Price Performance

December to December, as Forecasted in Q3 2023



THE DEEP DIVE



Facebook Live

Every Monday 11AM ET/8AM PT
Keeping Current Matters Facebook Page

Resources

Slide(s)	Description	Link(s)
4	Foreclosures Graph	https://www.newyorkfed.org/microeconomics/hhdc.html
6	Short-Term Rental Survey	https://www.realtor.com/research/airbnb_integration_survey_2023/
7	Airbnb Headline	https://whowhatwhy.org/economy/business/has-airbnb-overstayed-its-welcome-some-cities-say-yes/
8	Short-Term Rental Graph	https://skift.com/2023/09/13/airbnbs-nyc-listings-fall-77-big-hotelier-sees-tailwind/
10	Rearick Quote	https://money.com/airbnb-bans-affect-housing-market/
12, 13	Transactions by Investor Size Graphs	https://twitter.com/RickPalaciosJr/status/1689330116223209472
14	Sellers Deciding To Rent Graph	https://twitter.com/johnburnsjbrec/status/1696502206676230331
15	Sichelman Quote	https://www.miamiherald.com/news/business/real-estate-news/article278570389.html

Resources

Slide(s)	Description	Link(s)
16	Rentals Planning To Sell Graph	https://www.miamiherald.com/news/business/real-estate-news/article278570389.html
18	Tucker Quote	https://zillow.mediaroom.com/2023-09-12-Buyers-are-seeing-more-options-as-housing-market-hits-its-late-summer-slowdown
19	New Listings Graph	https://www.realtor.com/research/data/
20, 21	Mortgage Rates of Current Loans Graphs	https://www.fhfa.gov/DataTools/Downloads/Pages/National-Mortgage-Database-Aggregate-Data.aspx
22, 23	Rate Relevancy by Age	https://www.creditkarma.com/about/commentary/mortgage-rate-fears-are-very-real-but-not-as-much-for-older-homeowners
25, 26	Percent Change in Home Prices Maps	https://www.fhfa.gov/DataTools/Tools/Pages/House-Price-Index-(HPI).aspx

Resources

Slide(s)	Description	Link(s)
27	Equity Pie Chart	https://data.census.gov/cedsci/all?q=mortgage https://www.attomdata.com/news/market-trends/home-sales-prices/attom-q2-2023-u-s-home-equity-and-underwater-report/ https://www.fhfa.gov/Media/Blog/Pages/Homeowners-Equity-Remains-High.aspx
28	CoreLogic Quote	https://www.corelogic.com/press-releases/home-equity-increases-winter-spring-reducing-underwater-properties-q2/
31	Cariaga Quote	https://www.gobankingrates.com/retirement/planning/boomers-moving-further-from-home-close-to-grandbabies-is-it-good-financial-move/
32, 33, 34	Multi-Gen Graphs	https://store.realtor/2022-nar-profile-of-home-buyers-and-sellers-download/
37	Friedman Quote	https://www.wsj.com/economy/housing/the-fall-in-home-prices-may-already-be-over-3496d6bb
38	Macke Quote	https://jbrecom/insights/the-missing-resale-market/
39	Freddie Mac	https://www.freddiemac.com/research/forecast/20230921-overall-economic-growth-has-been-resilient

Resources

Slide(s)	Description	Link(s)
40	M-O-M Prices Graph 1	https://www.spglobal.com/spdji/en/indices/indicators/sp-corelogic-case-shiller-us-national-home-price-nsa-index/#news-research https://www.fhfa.gov/DataTools/Downloads/Pages/House-Price-Index.aspx https://www.corelogic.com/category/intelligence/reports/home-price-insights/
41	M-O-M Prices Graph 2	https://www.freddiemac.com/research/indices/house-price-index https://www.blackknightinc.com/data-reports/ https://www.zillow.com/research/data/
42	M-O-M Prices by Region Graph	https://www.fhfa.gov/DataTools/Downloads/Pages/House-Price-Index.aspx
43	Case-Shiller Price Movement Table	https://www.spglobal.com/spdji/en/index-announcements/article/sp-corelogic-case-shiller-index-continues-to-trend-upward-in-july/

Resources

Slide(s)	Description	Link(s)
45, 48	Hepp Quotes	https://www.corelogic.com/intelligence/us-home-price-insights-september-2023/
46, 47	Price Seasonality Graphs	https://www.spglobal.com/spdji/en/indices/indicators/sp-corelogic-case-shiller-us-national-home-price-nsa-index/#overview
49	Price Forecasts Graph	https://www.zillow.com/research/data/ www.mba.org https://www.fanniemae.com/research-and-insights/forecast https://www.aei.org/research-products/report/housing-finance-watch-week-37-2023/ www.nar.realtor www.pulsenomics.com
50	HPES Definition	https://pulsenomics.com/Q2_2013_HPE_Survey.php
51	HPES Graph	https://pulsenomics.com/surveys/#home-price-expectations



Updates

Resources

Slide(s)	Description	Link(s)
62	Confidence Index	https://www.nar.realtor/research-and-statistics/research-reports/realtors-confidence-index
63-65, 73, 75, 76, 83-87	Existing Home Sales	https://www.nar.realtor/topics/existing-home-sales
66-69	New Home Sales	http://www.census.gov/construction/nrs/pdf/newressales.pdf http://www.census.gov/newhomesales
70	Total Home Sales	http://www.census.gov/construction/nrs/pdf/newressales.pdf https://www.nar.realtor/topics/existing-home-sales
71, 72	Pending Home Sales	https://www.nar.realtor/research-and-statistics/housing-statistics/pending-home-sales
77-79	Case Shiller	https://www.spglobal.com/spdji/en/indices/indicators/sp-corelogic-case-shiller-20-city-composite-home-price-nsa-index/#news-research
80	CoreLogic Price Forecast	https://www.corelogic.com/intelligence/u-s-home-price-insights/

Resources

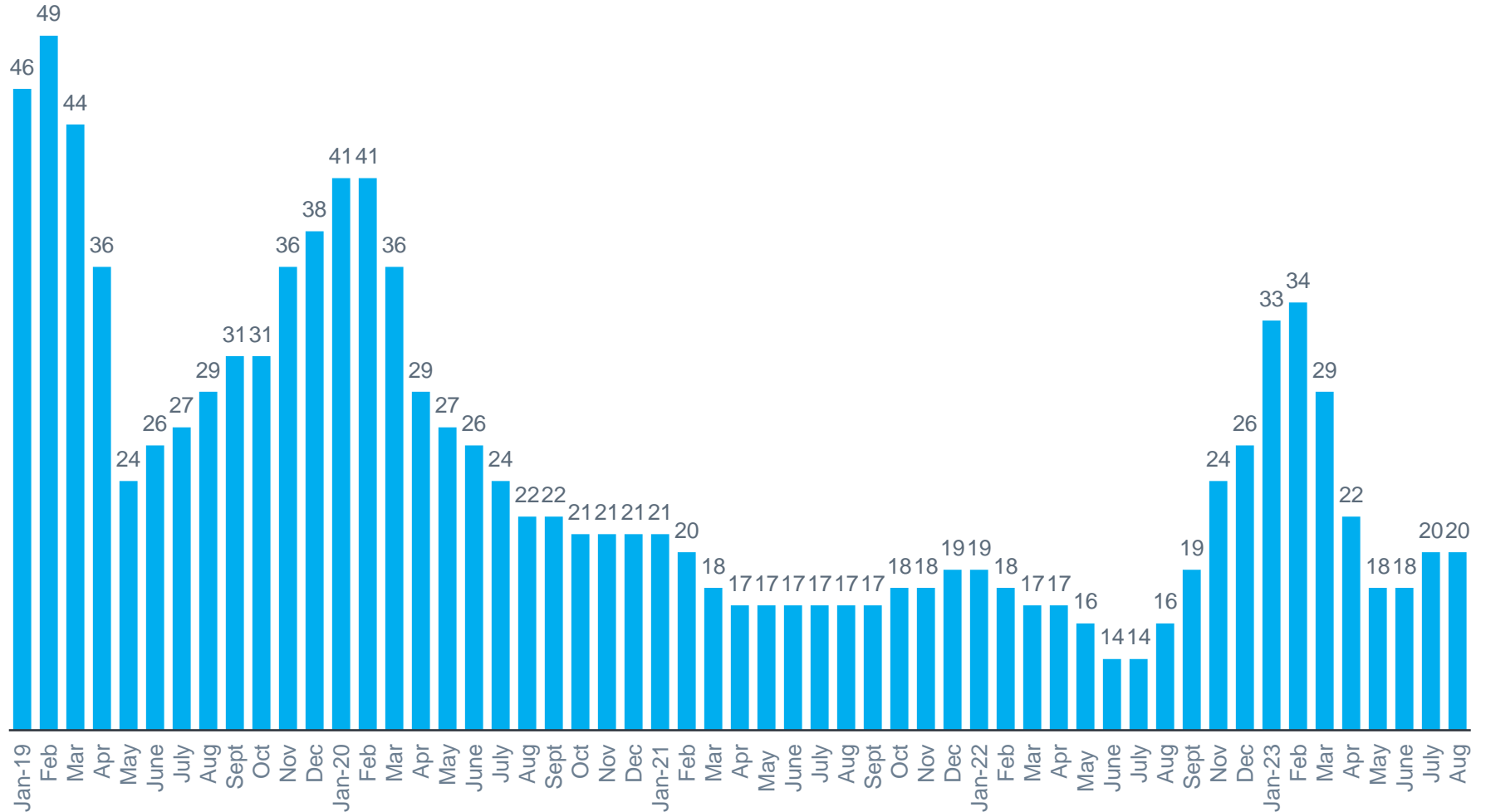
Slide(s)	Description	Link(s)
82-89	Inventory	https://www.nar.realtor/topics/existing-home-sales http://www.census.gov/construction/nrs/pdf/newressales.pdf https://www.realtor.com/research/data/
91	Showing Activity	https://www.showingtime.com/blog/
93, 94, 96, 97	Mortgage Rates	http://www.freddiemac.com/pmms/pmms_archives.html http://www.freddiemac.com/research/forecast/ https://www.mba.org/news-research-and-resources/research-and-economics/forecasts-and-commentary
95	Mortgage Rate Projections	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
99, 100	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



Home Sales

Average Days on the Market

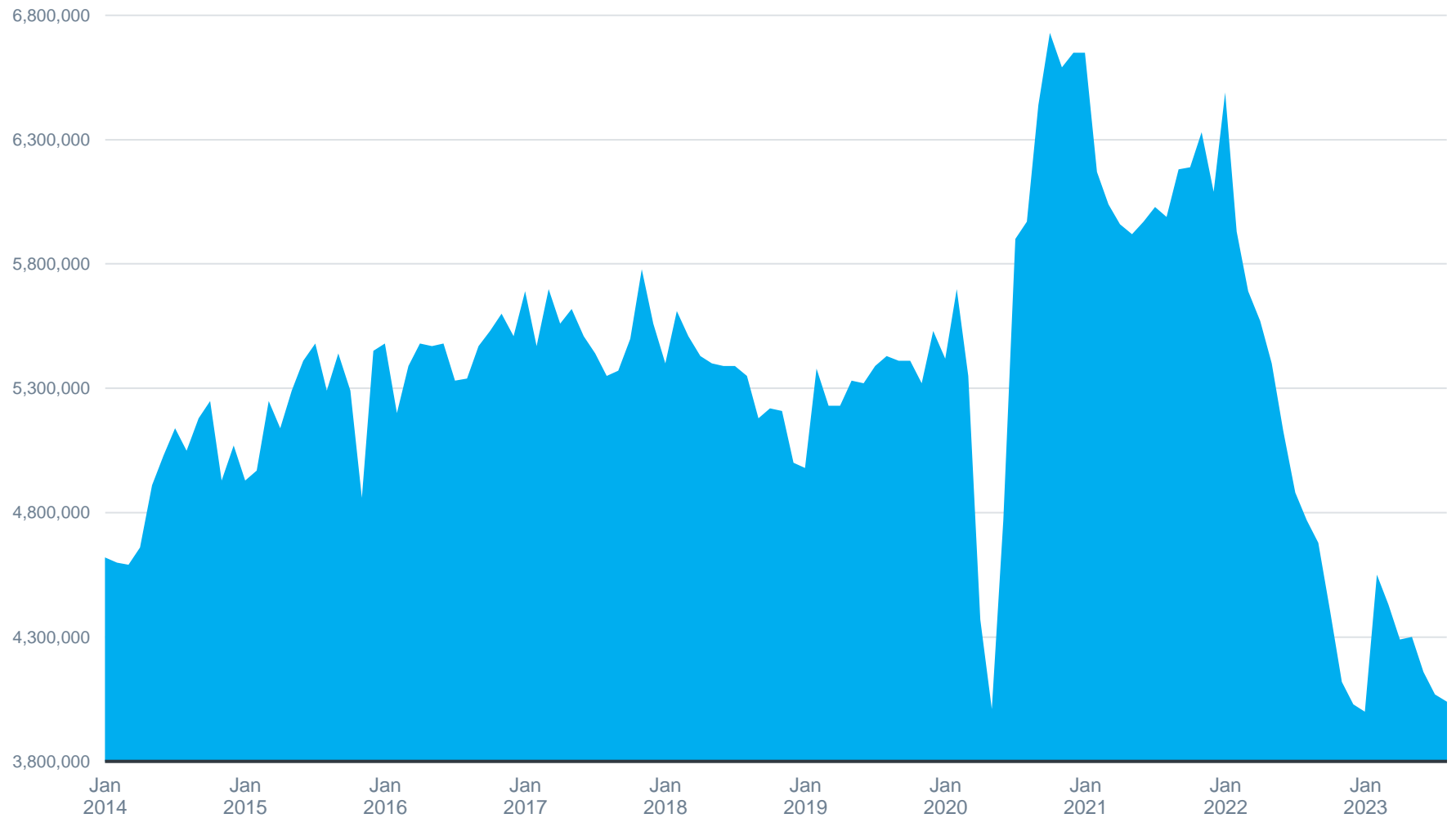
August 2023



Source: NAR

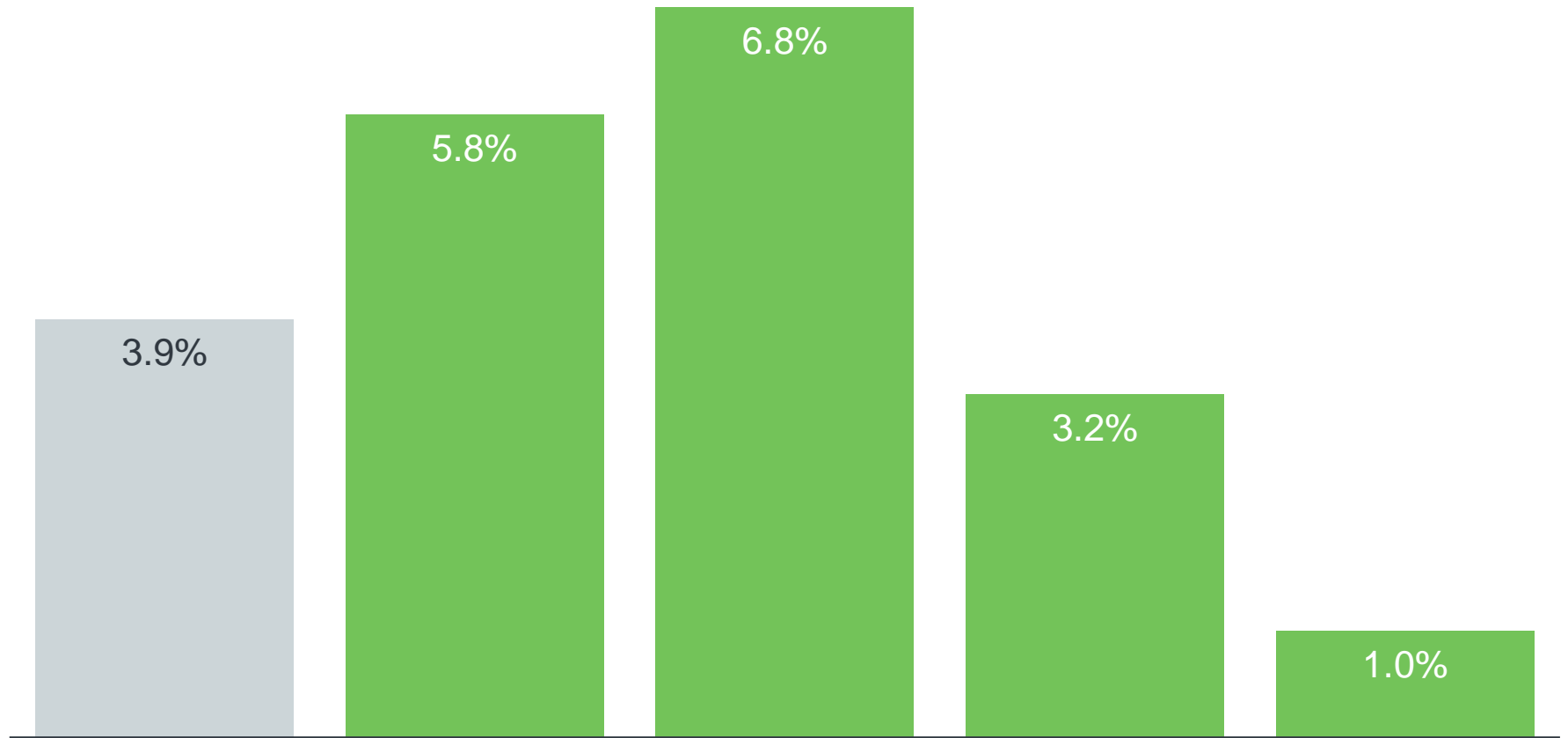
Existing Home Sales

Since January 2014



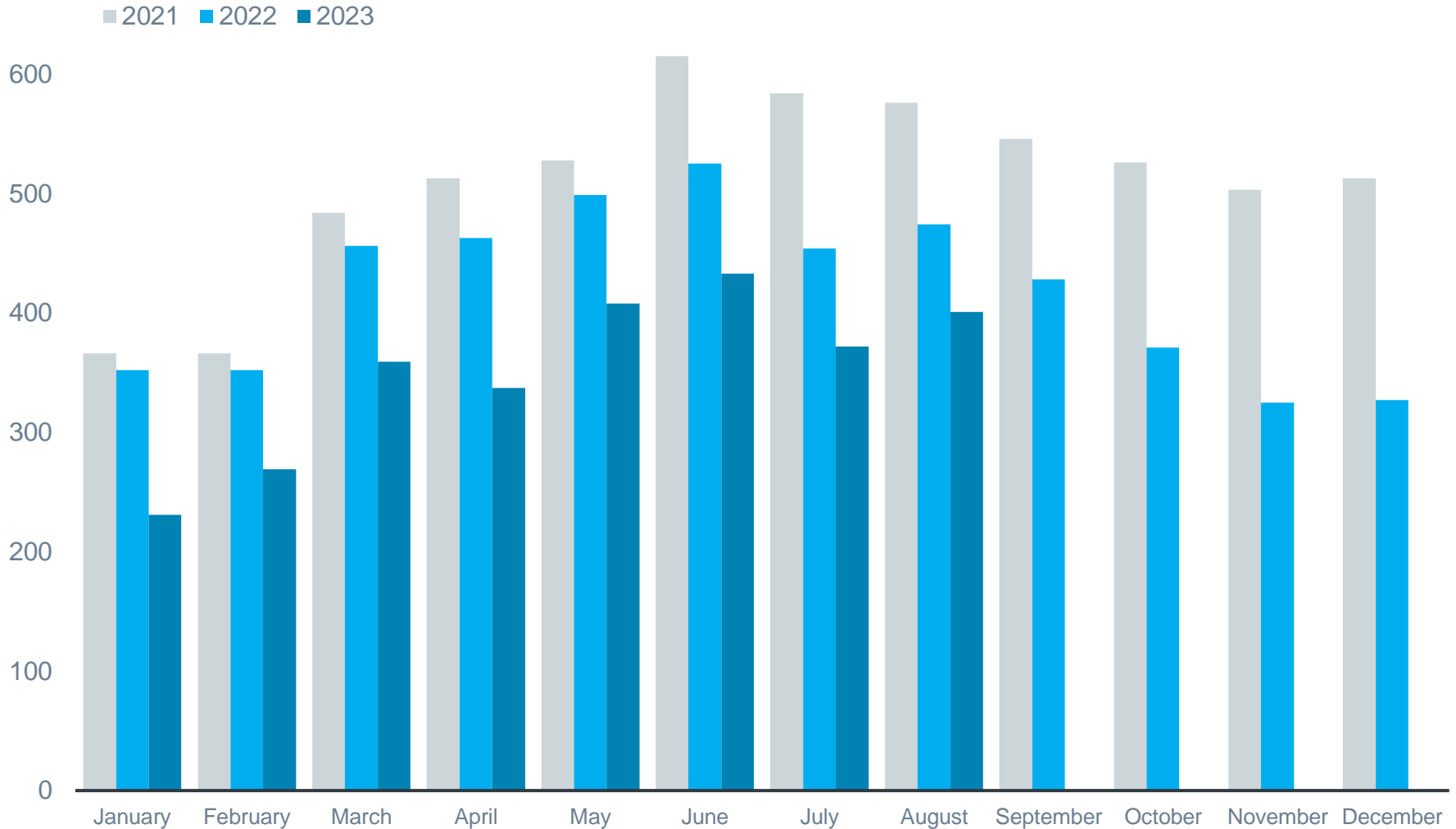
Existing Home Sales

Year-Over-Year, by Region



Existing Home Sales

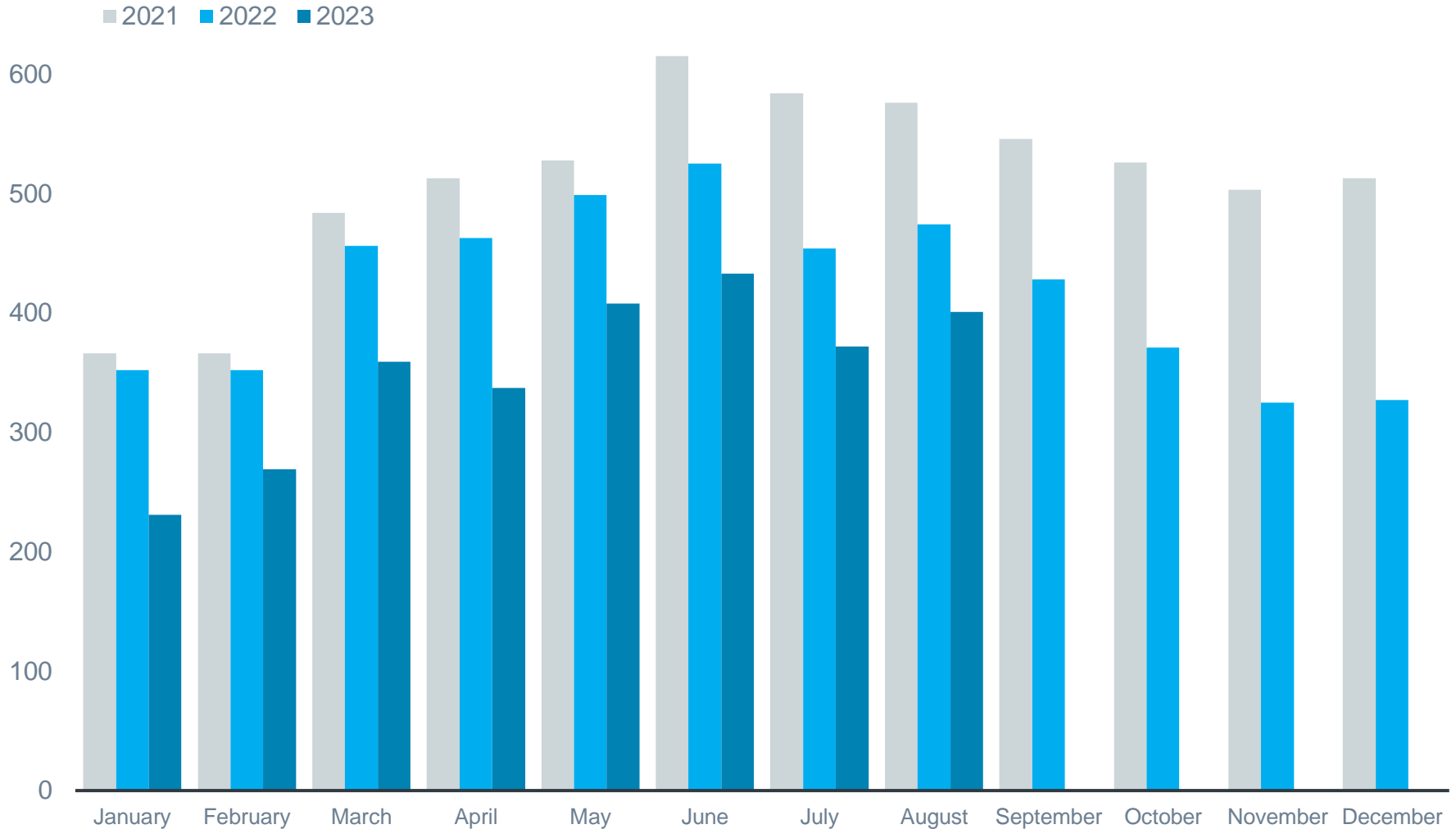
In Thousands



Source: NAR

Existing Home Sales

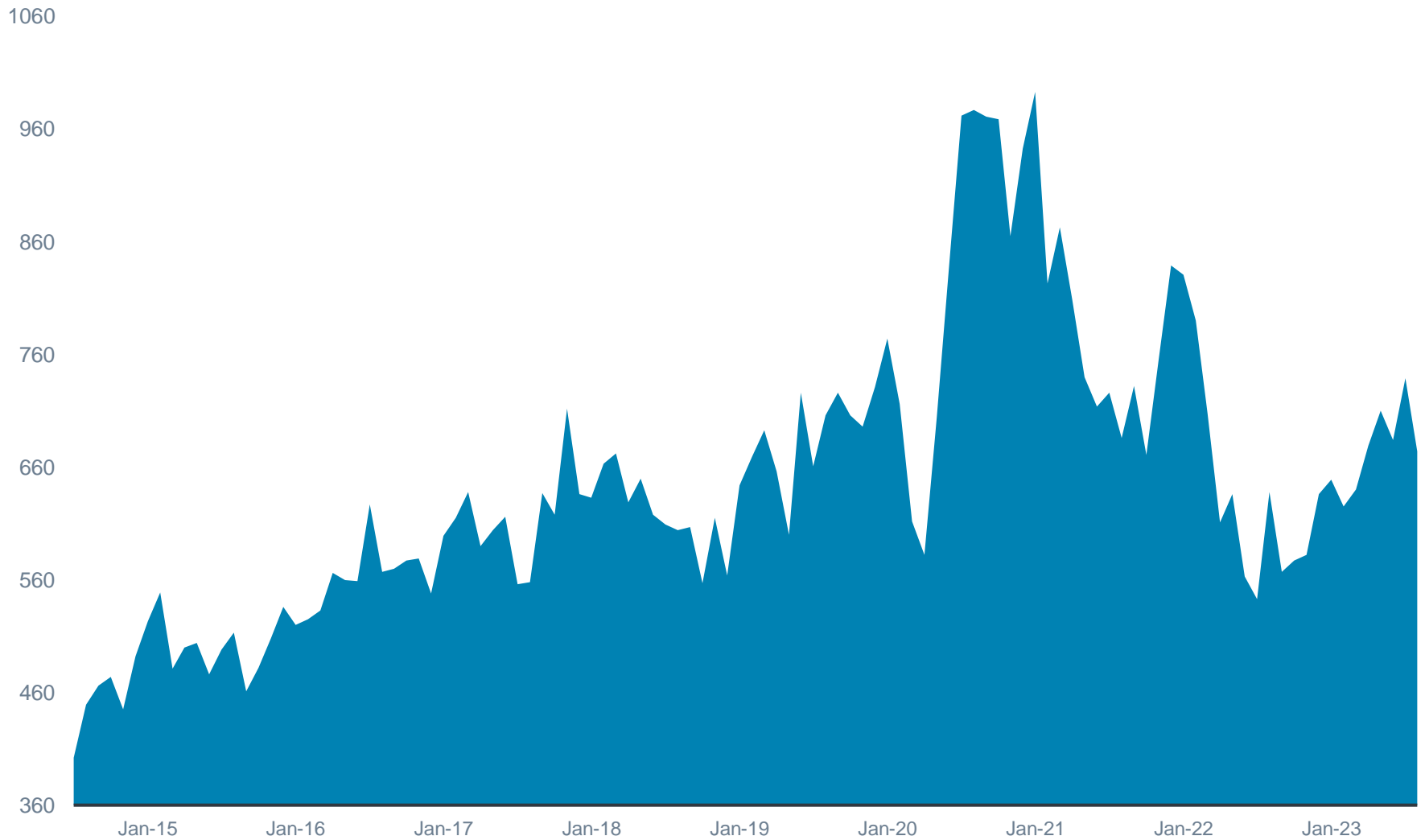
In Thousands



Source: NAR

New Home Sales

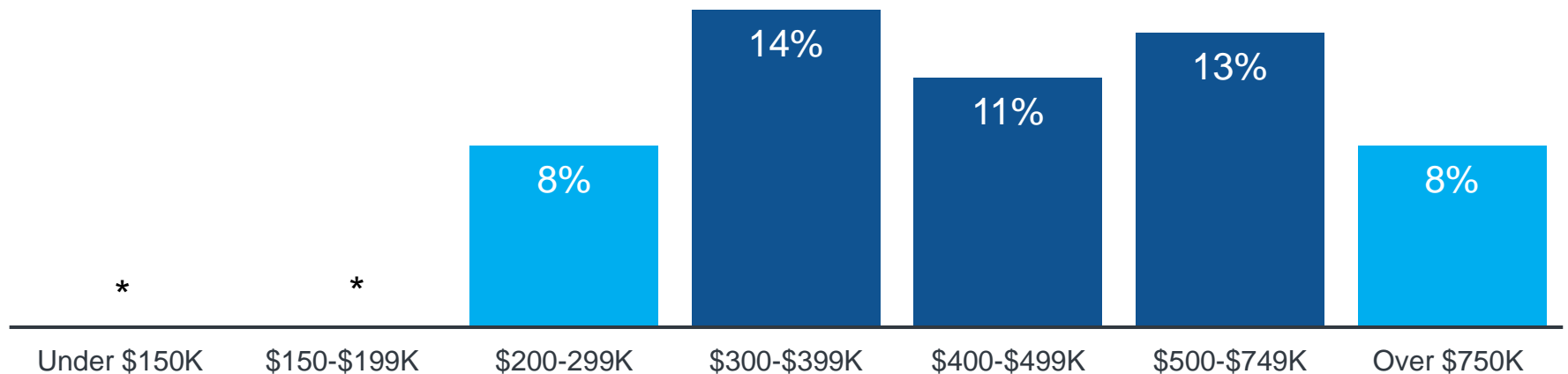
Annualized in Thousands



New Home Sales

Percent of Distribution by Price Range

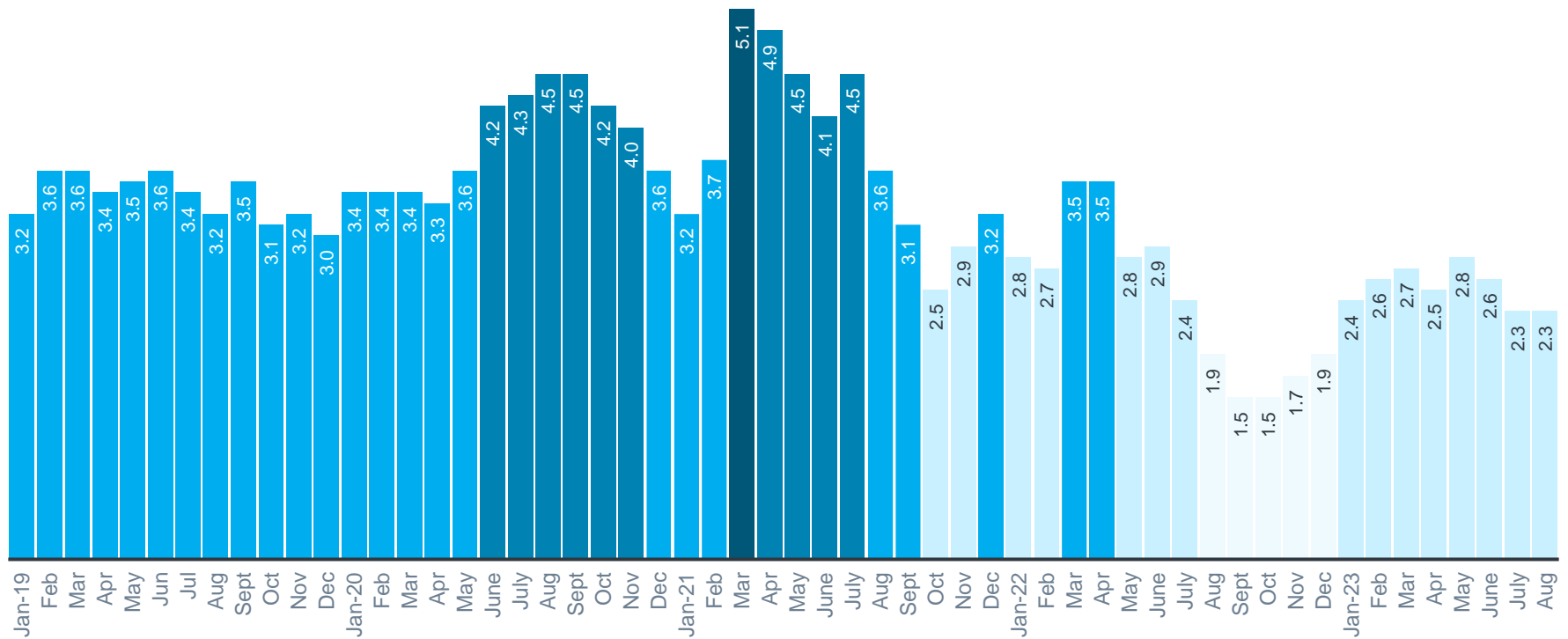
* Less Than 500 Units or Less Than 0.5 Percent



Source: Census

New Homes Selling Fast

Median Months from Completion to Sold

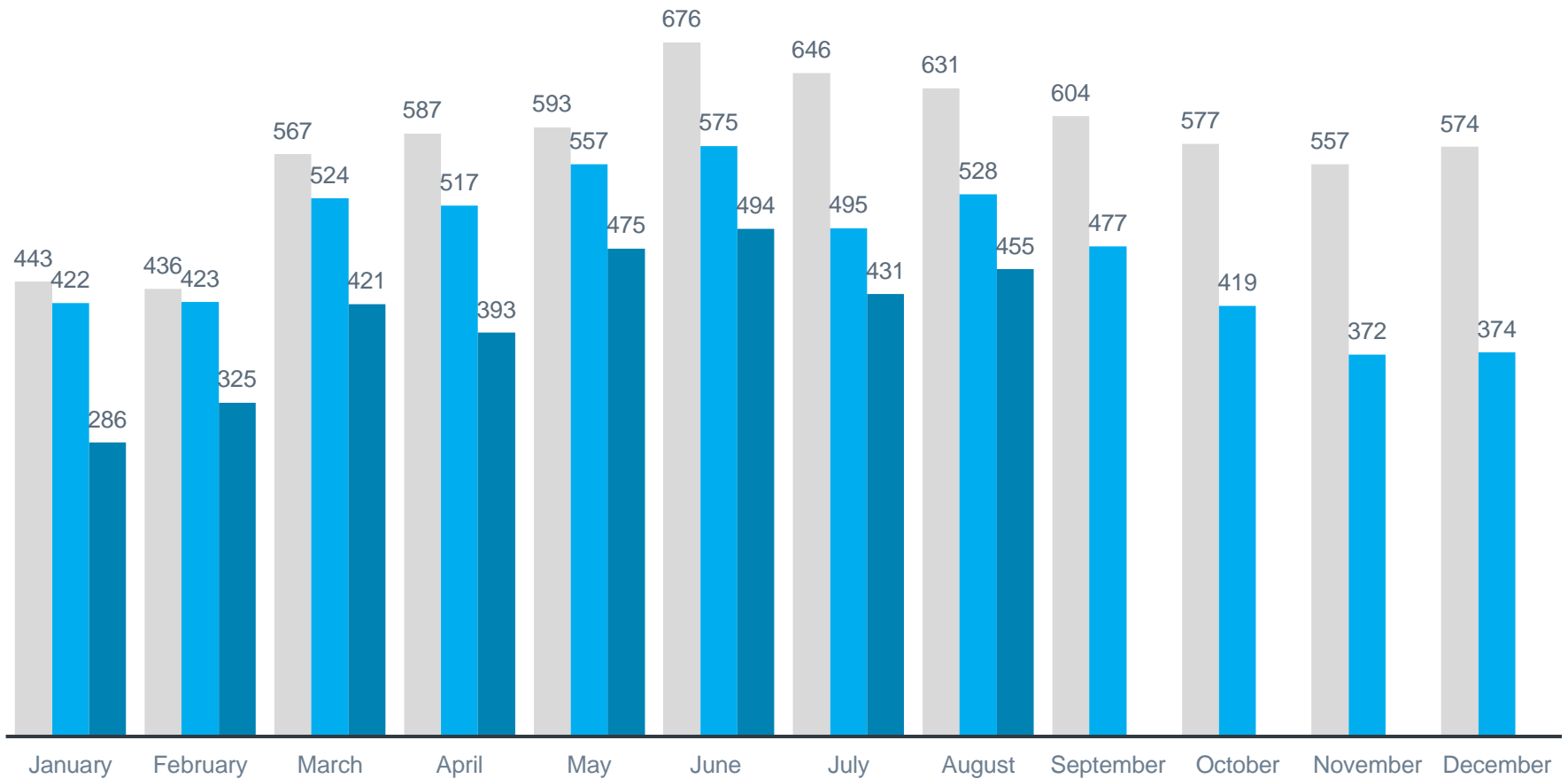


Source: Census

Total Home Sales

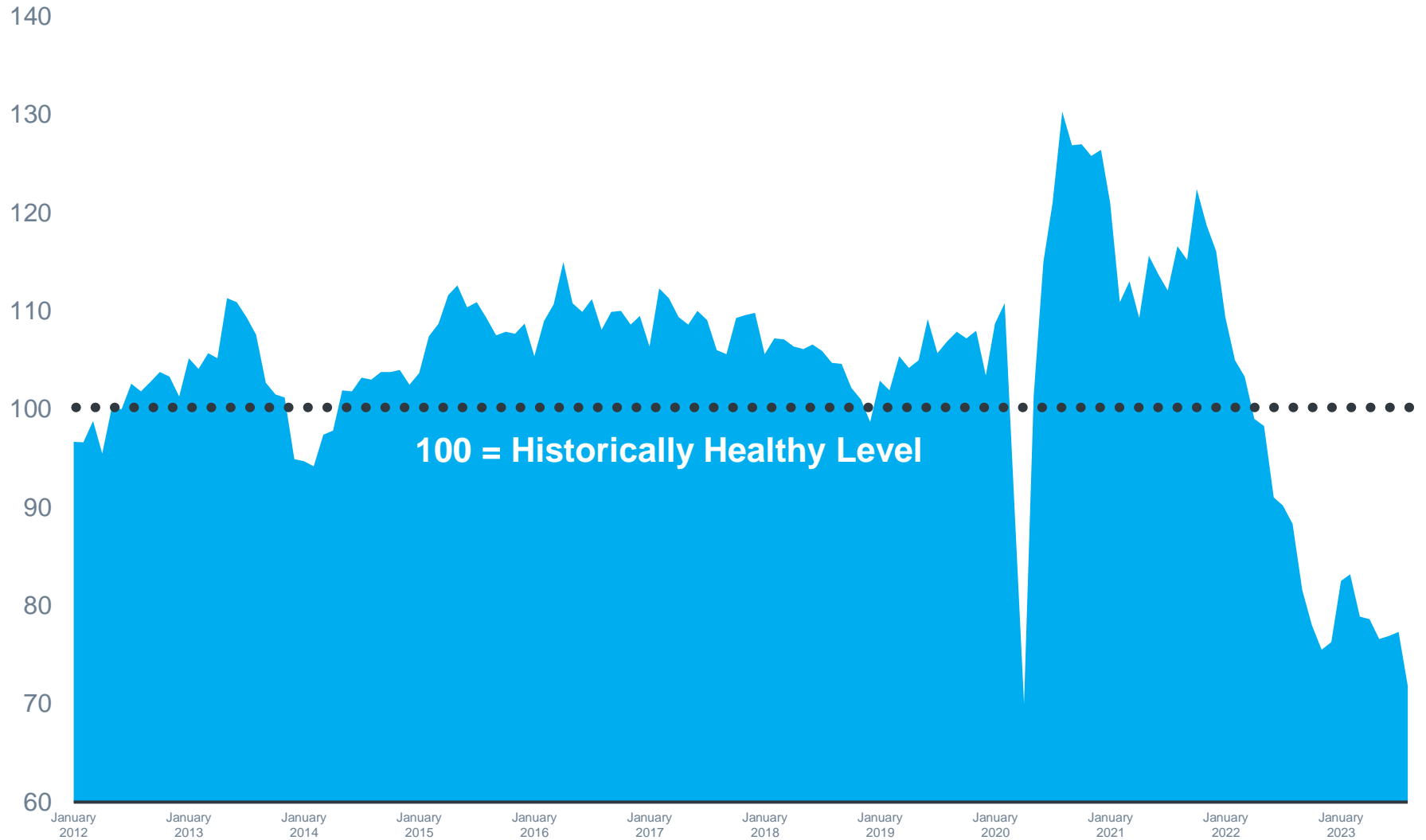
In Thousands

■ 2021 ■ 2022 ■ 2023



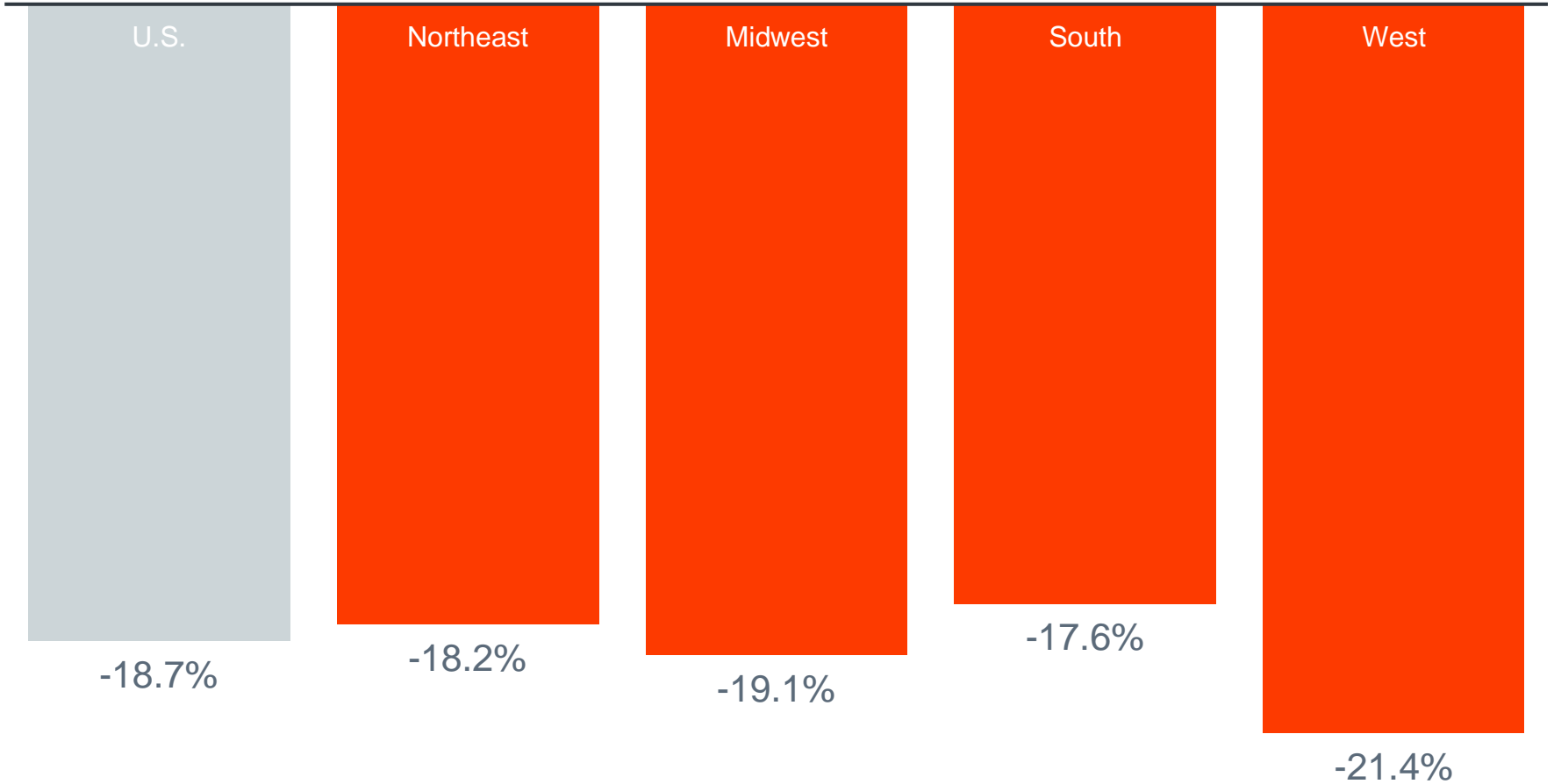
Source: Census

Pending Home Sales



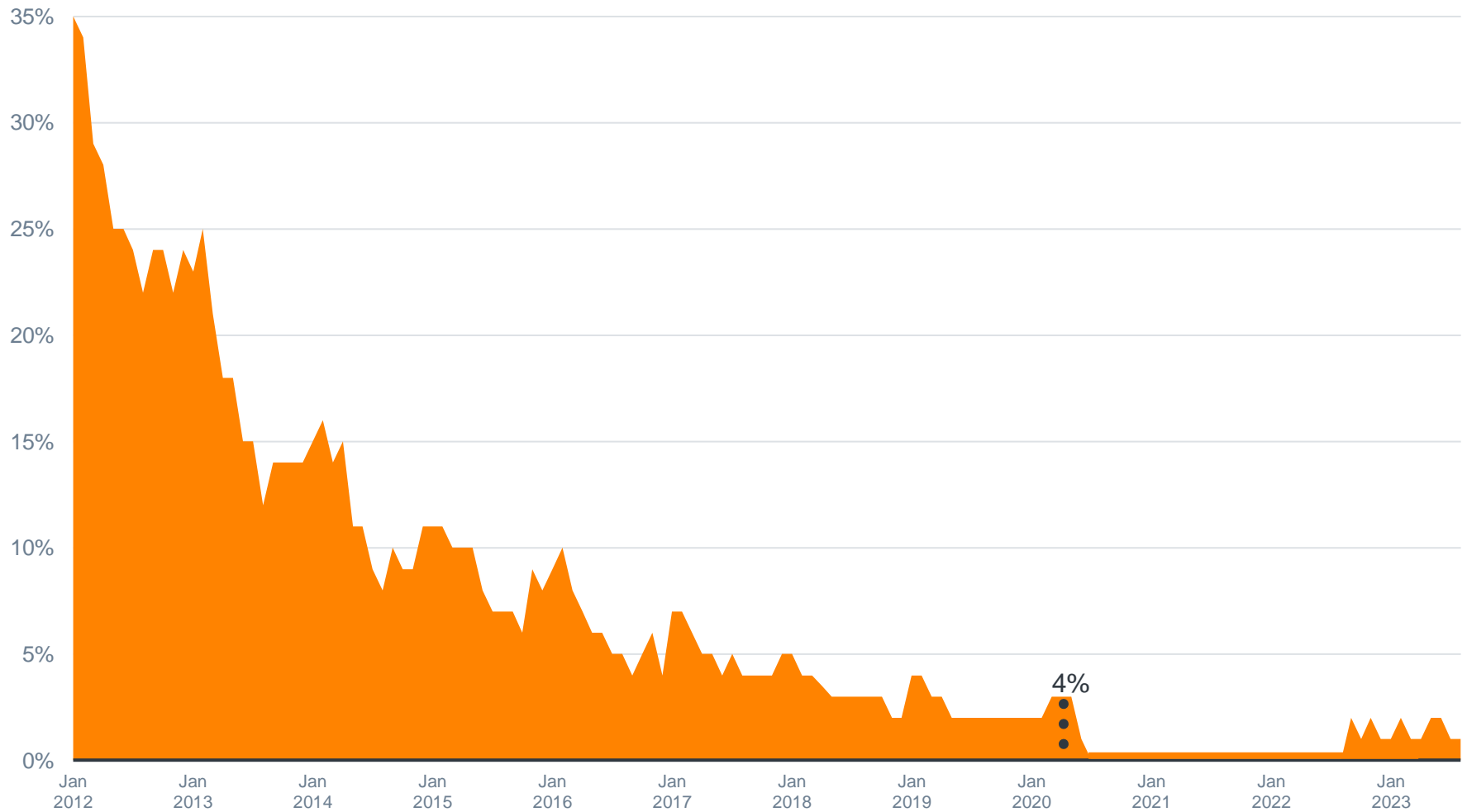
Pending Home Sales

Year-Over-Year by Region



Percentage of Distressed Property Sales

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

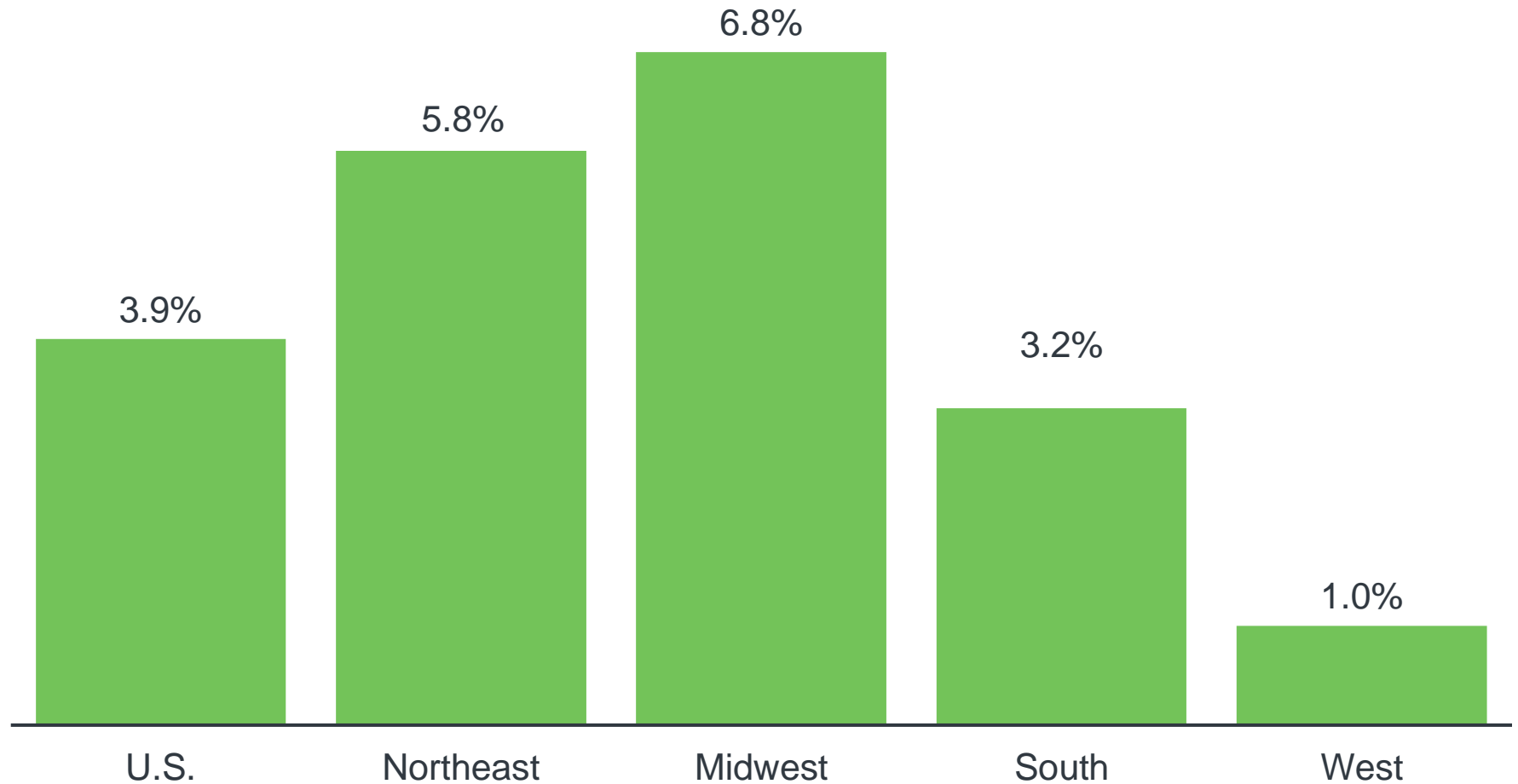




Home Prices

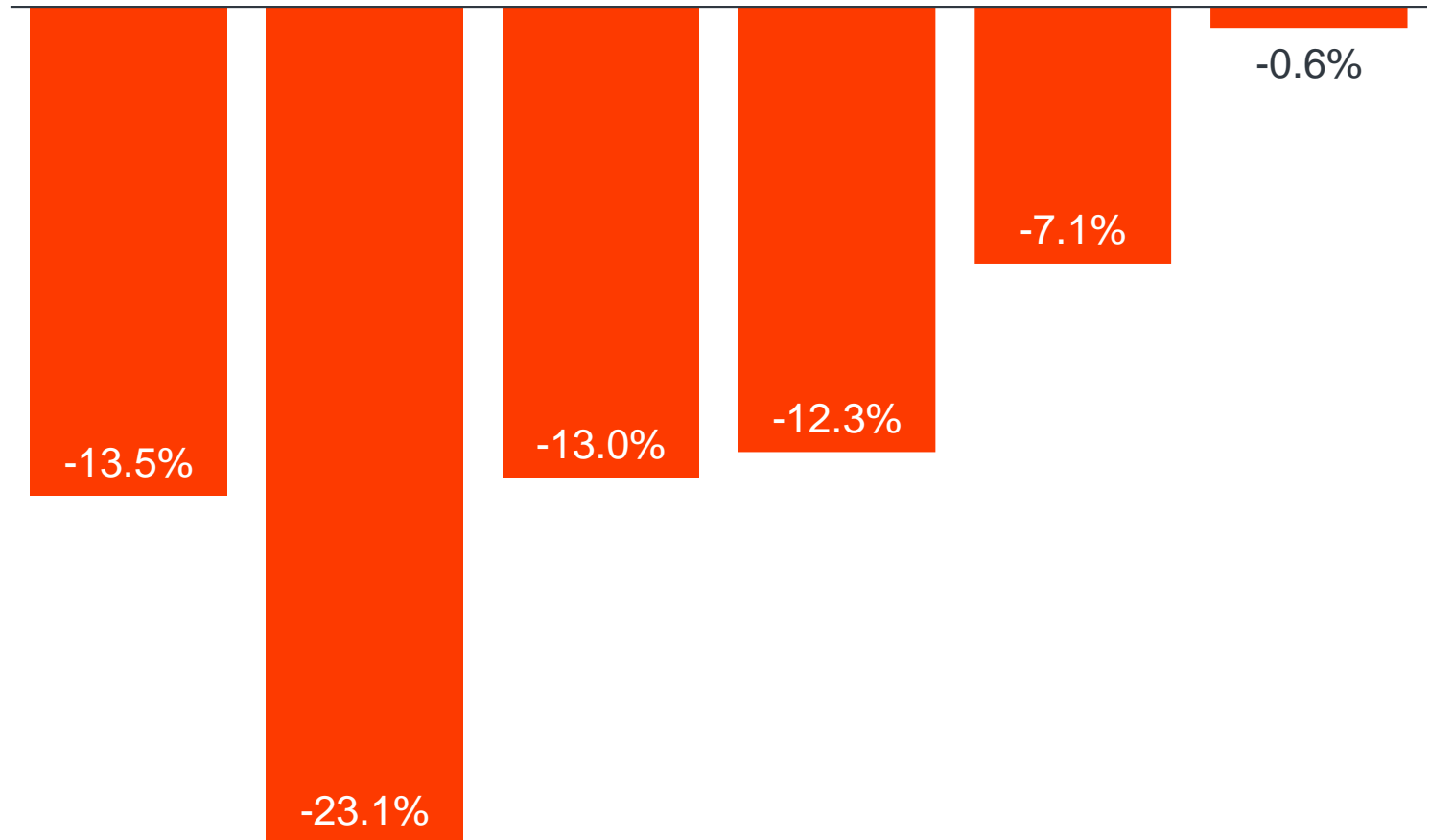
Sales Price of Existing Homes

Year-Over-Year, by Region



% Change in Sales

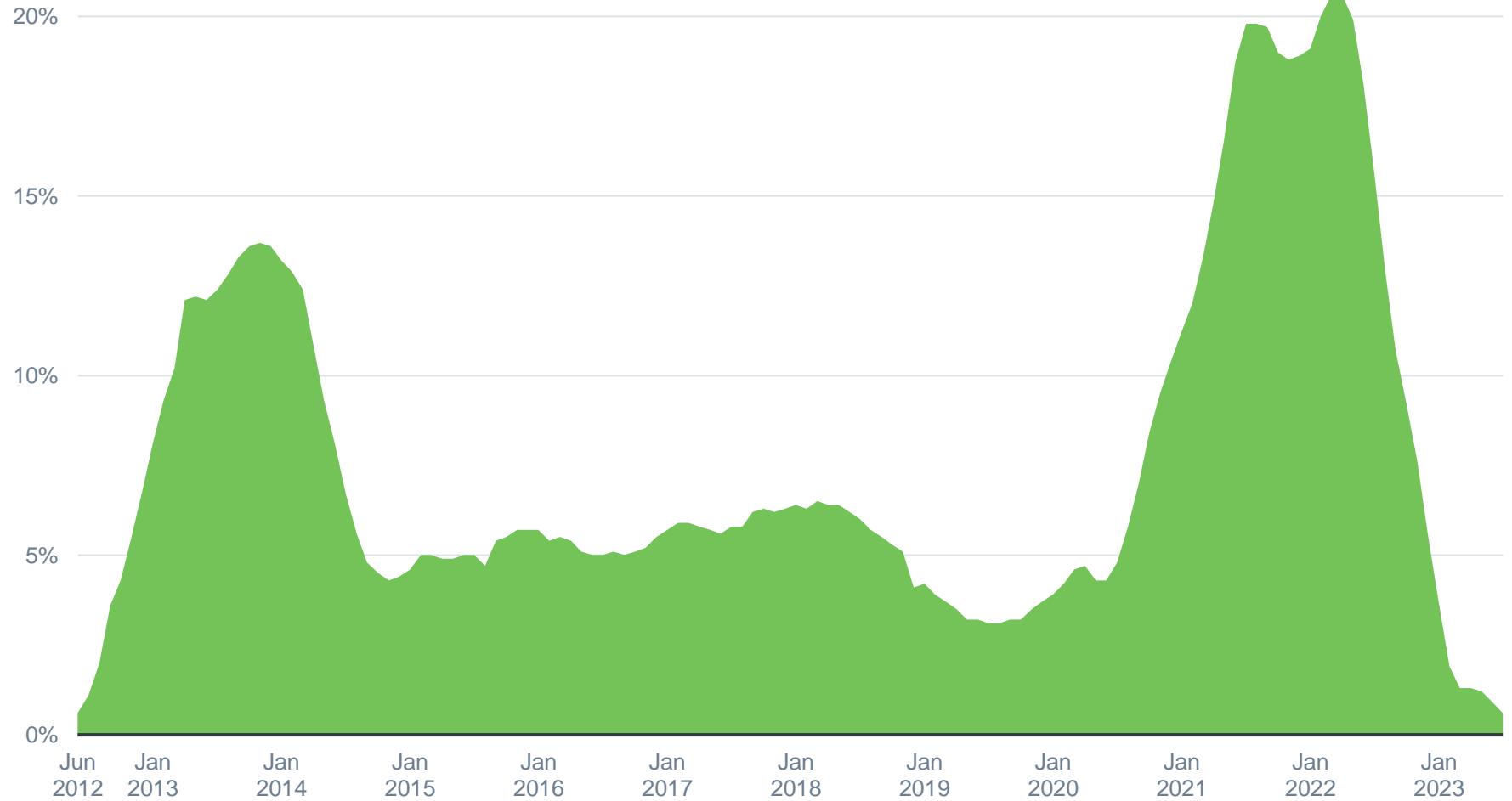
Year-Over-Year, by Price Range



	\$0-100K	\$100-250K	\$250-500K	\$500-750K	\$750K-1M	\$1M+
% change in sales	-13.5%	-23.1%	-13.0%	-12.3%	-7.1%	-0.6%

Change in Home Prices

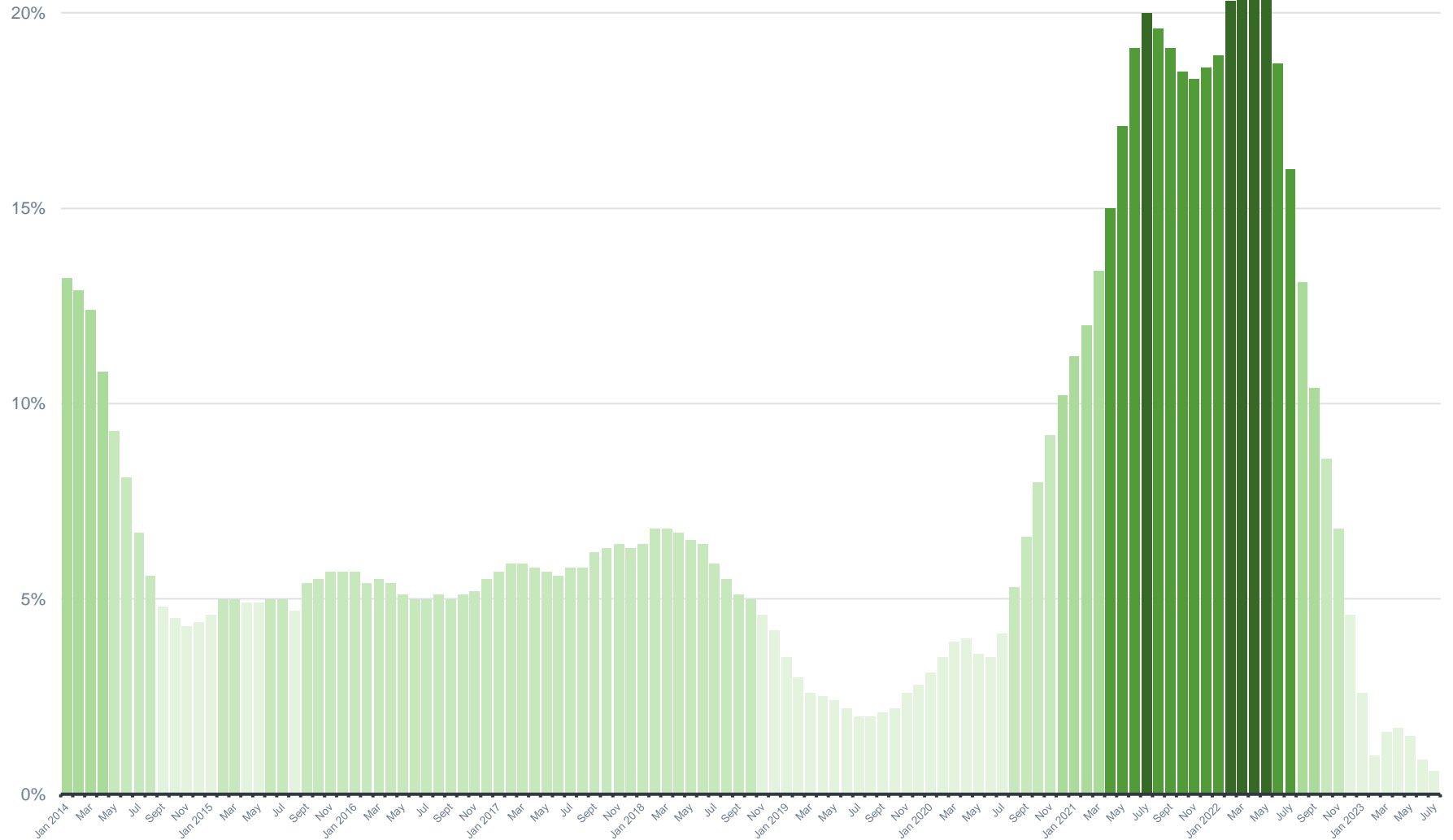
Year-Over-Year



Source: S&P Case-Shiller

Change in Home Prices

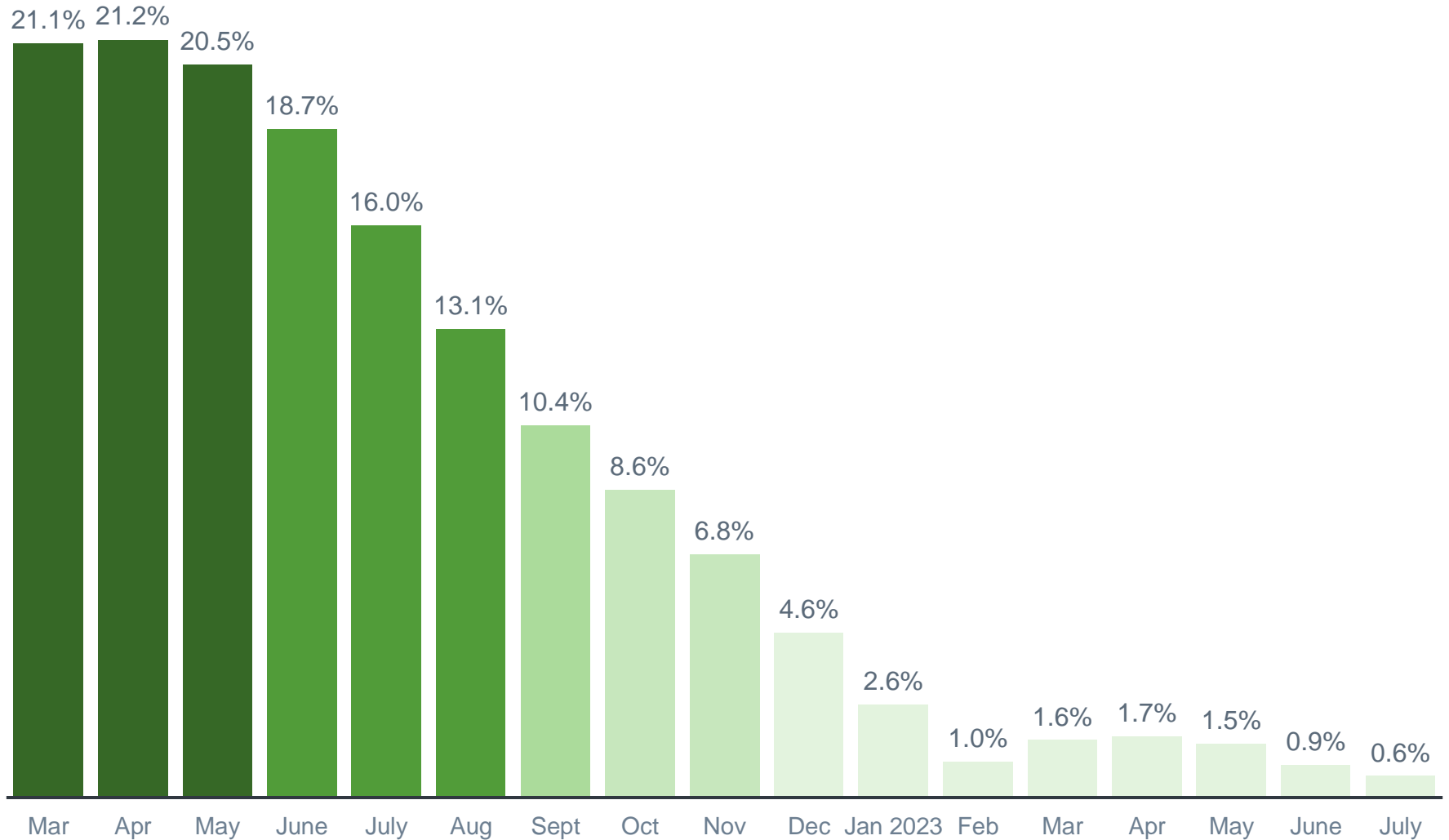
Year-Over-Year, 20 City Composite



Source: S&P Case-Shiller

Change in Home Prices

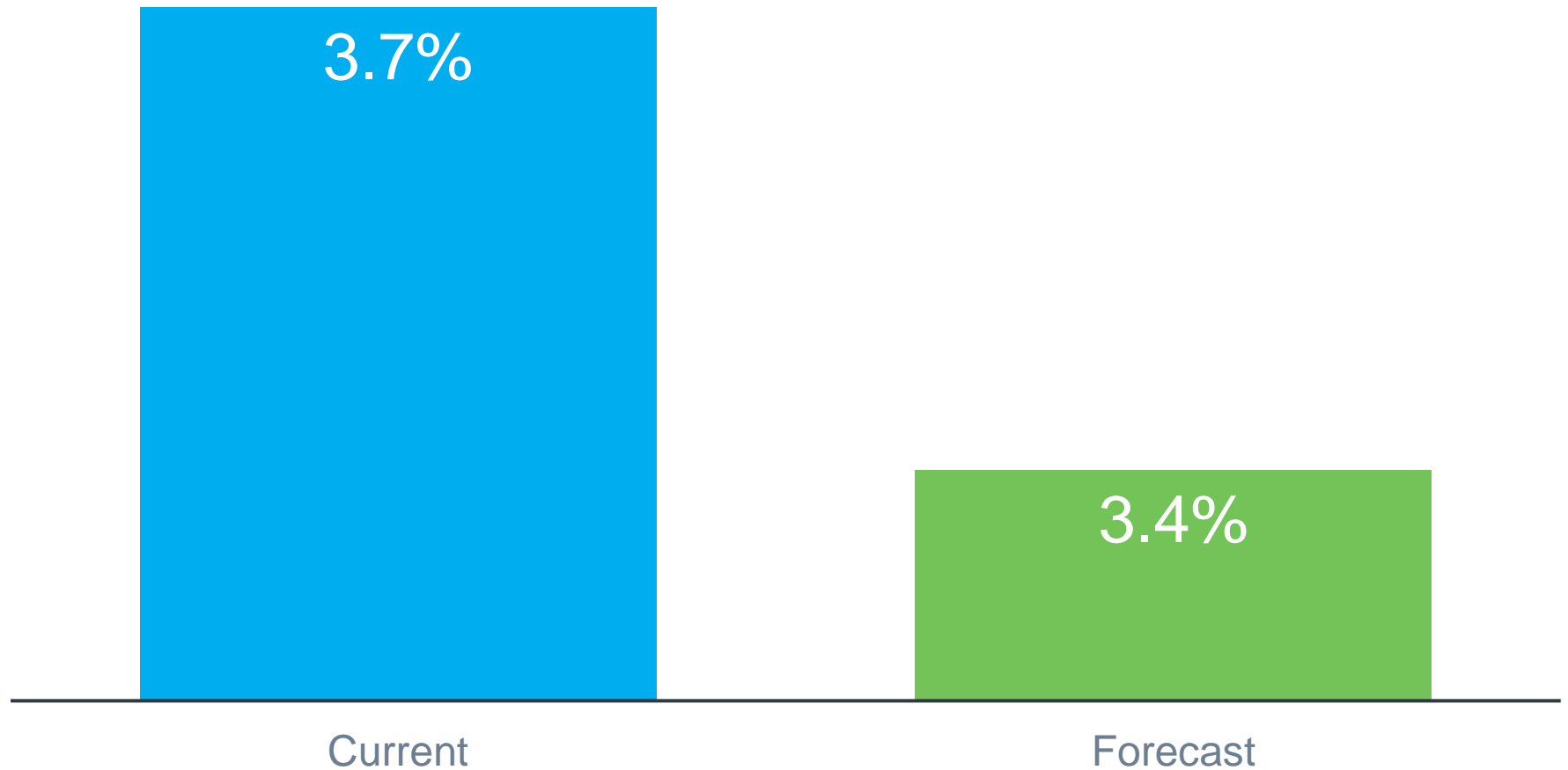
Year-Over-Year, 20 City Composite



Source: S&P Case-Shiller

Year-Over-Year % Change in Price

US Home Price Insights – August 2023

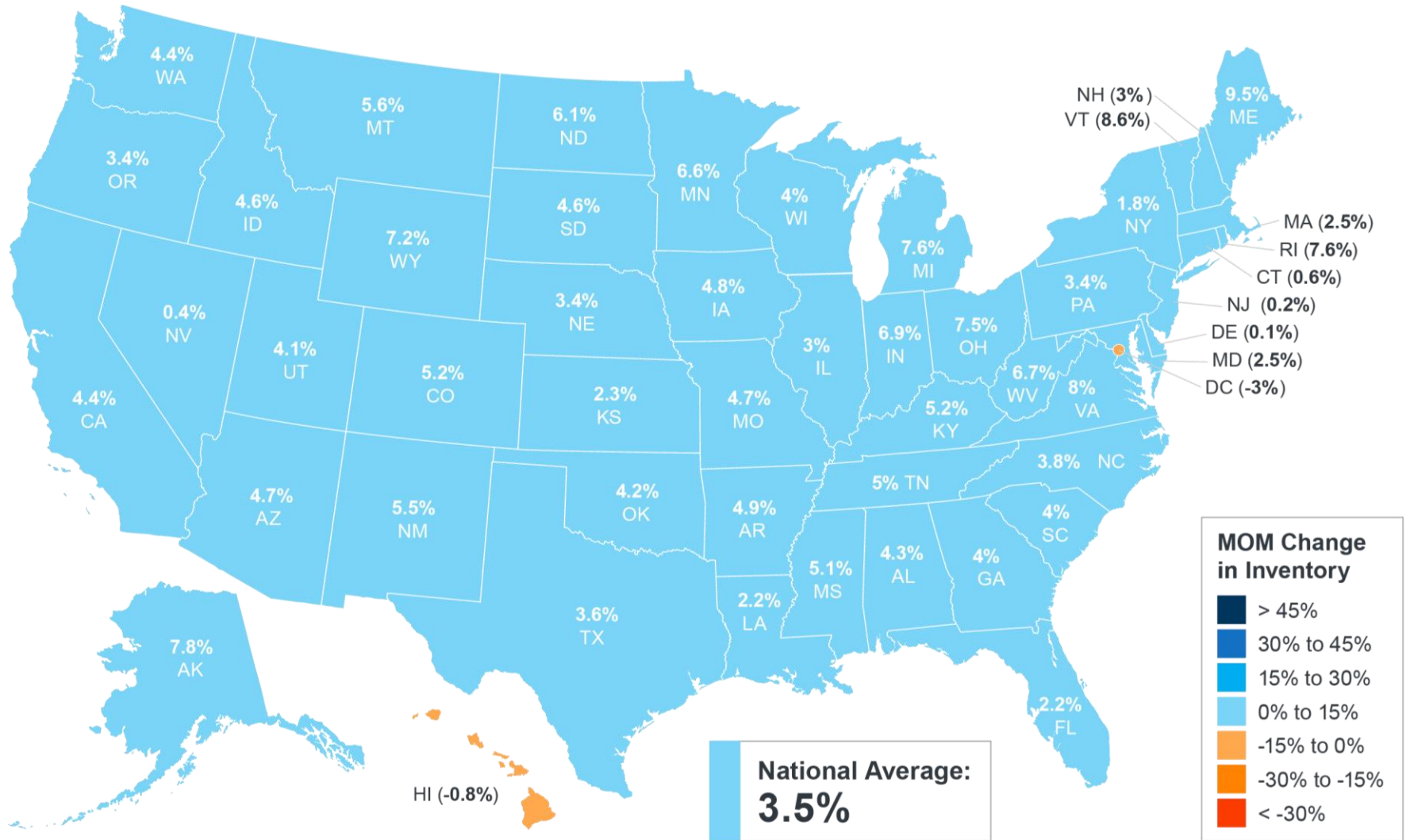




Housing Inventory

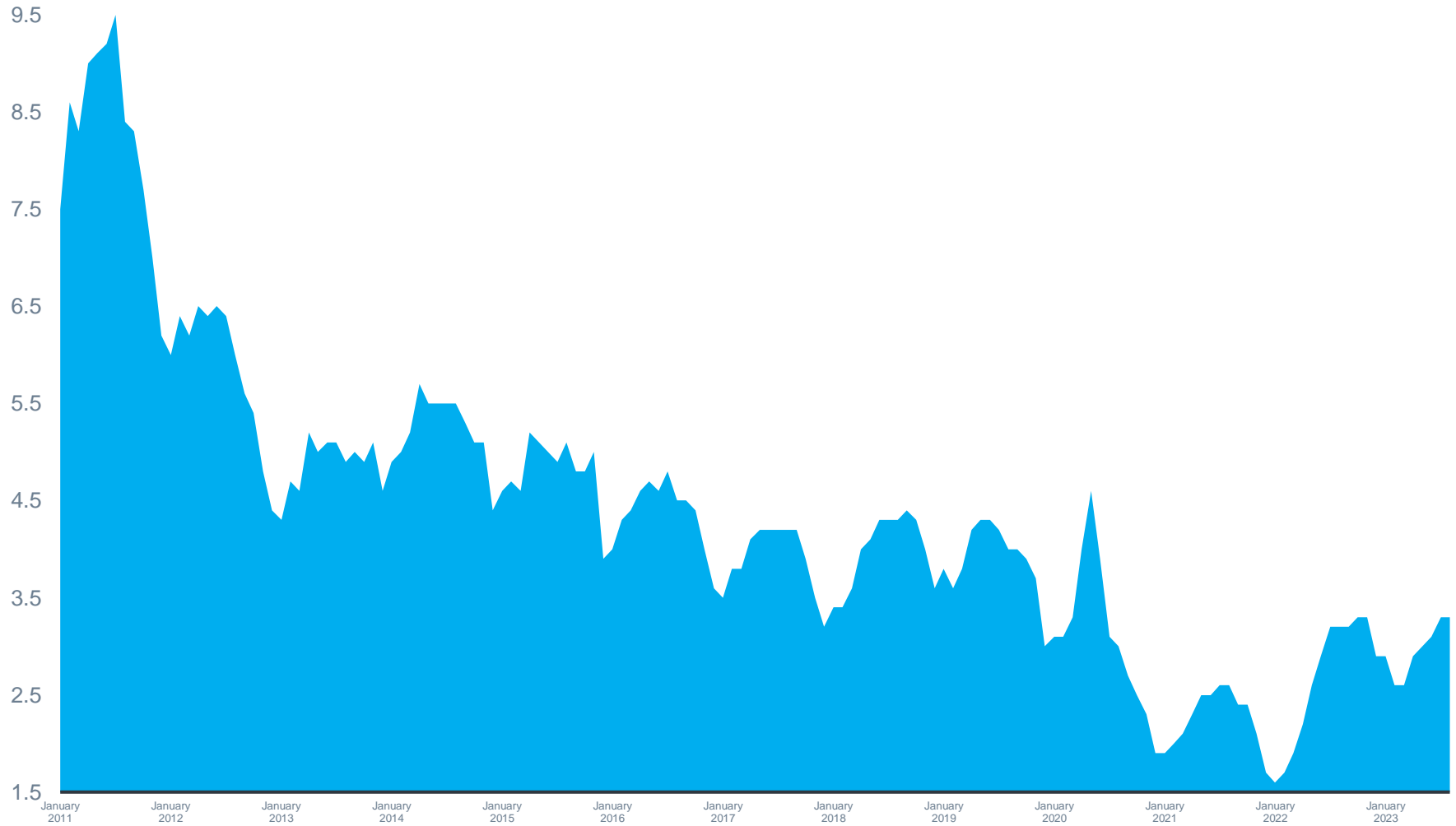
Change in Inventory

Month-Over-Month, August 2023



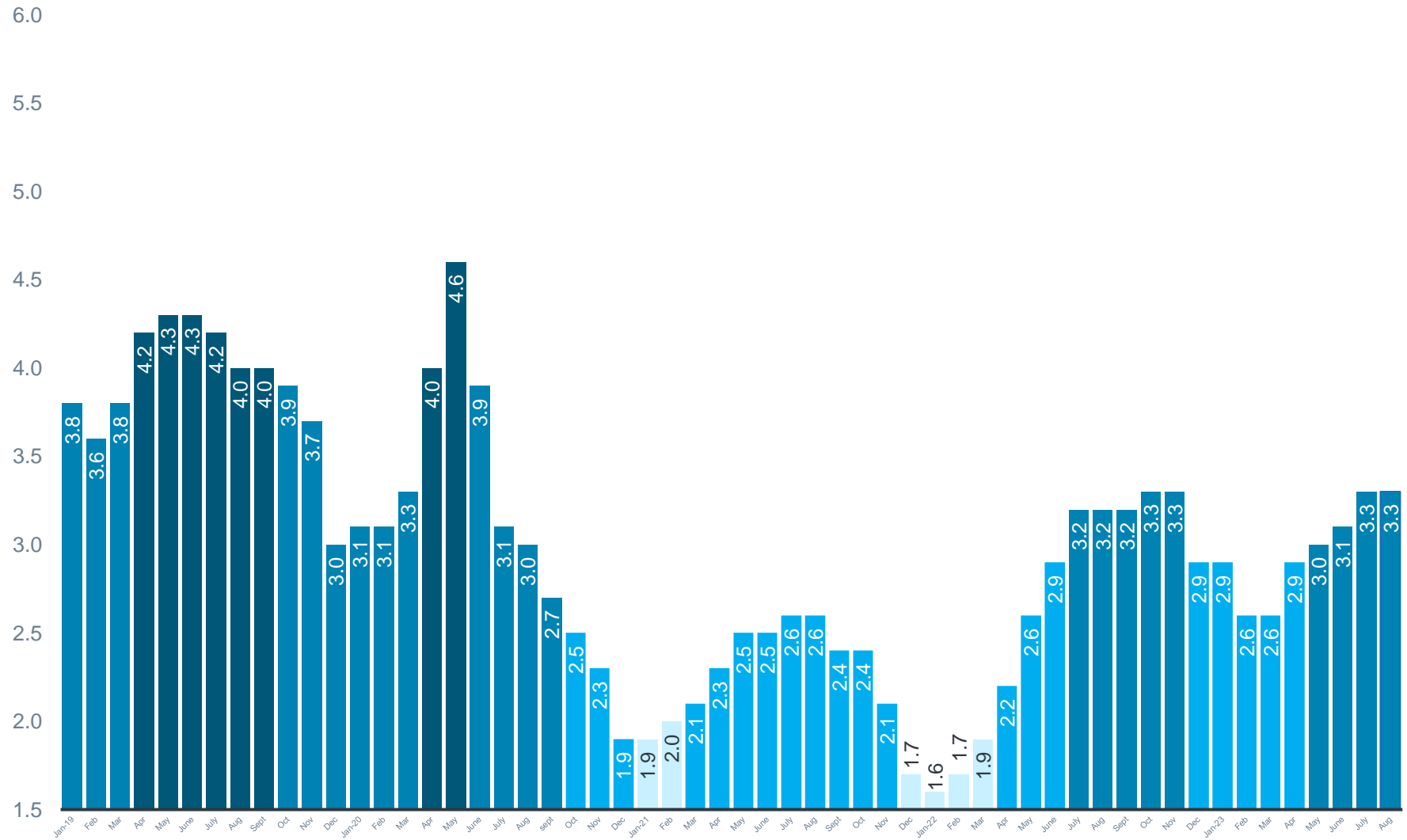
Months Inventory of Homes for Sale

2011 - Today



Months Inventory of Homes for Sale

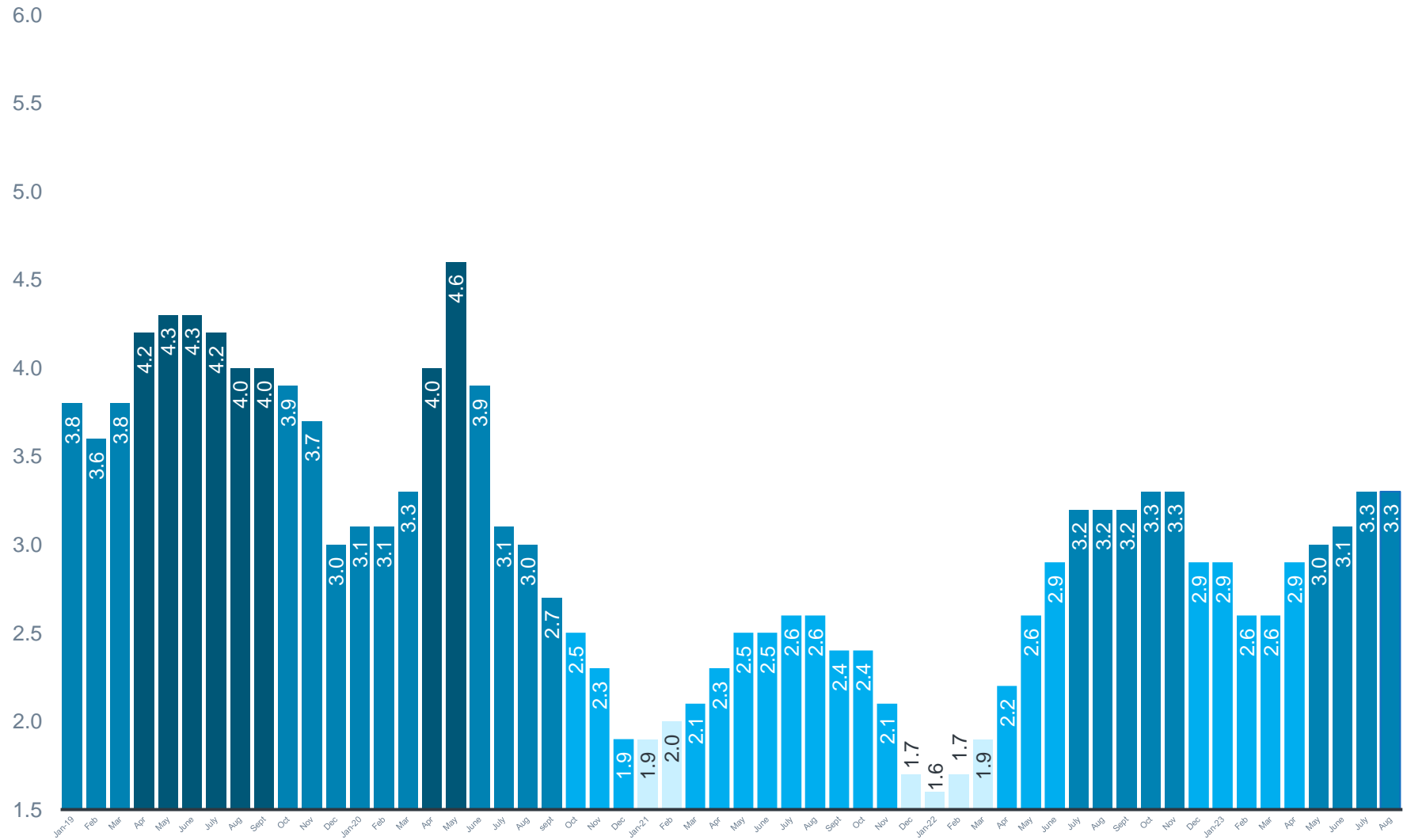
Since 2019



Source: NAR

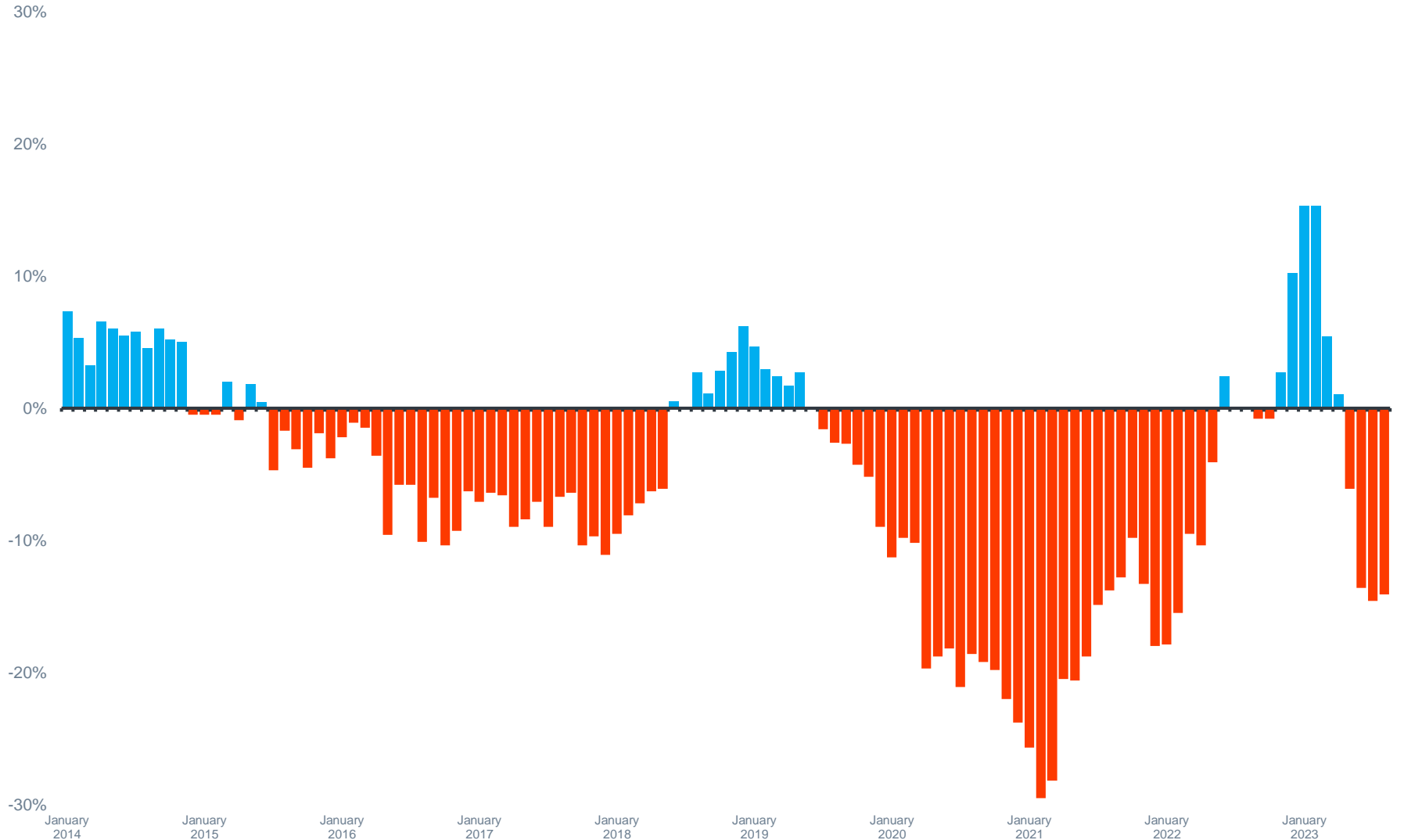
Months Inventory of Homes for Sale

Since 2019



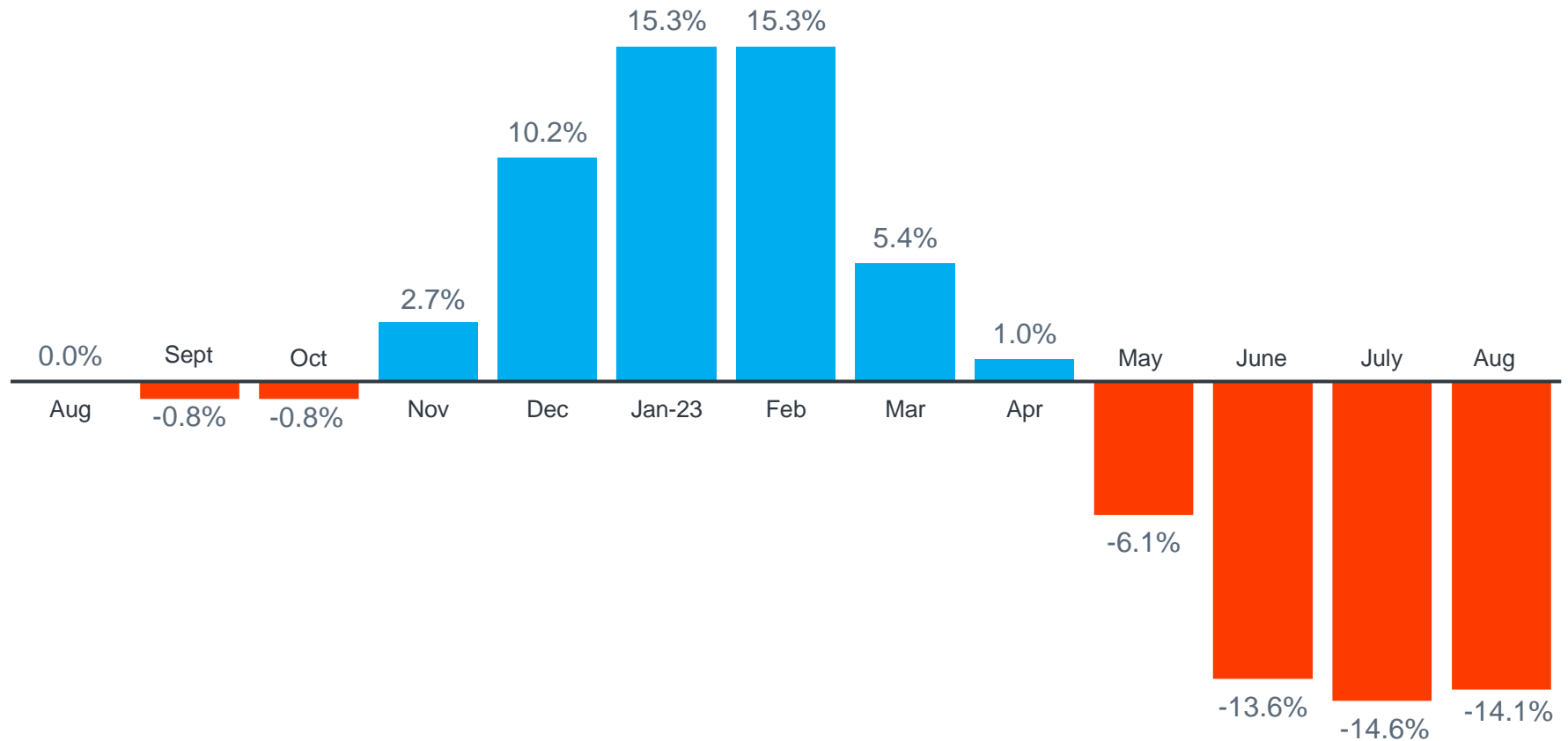
Source: NAR

Year-Over-Year Inventory Levels



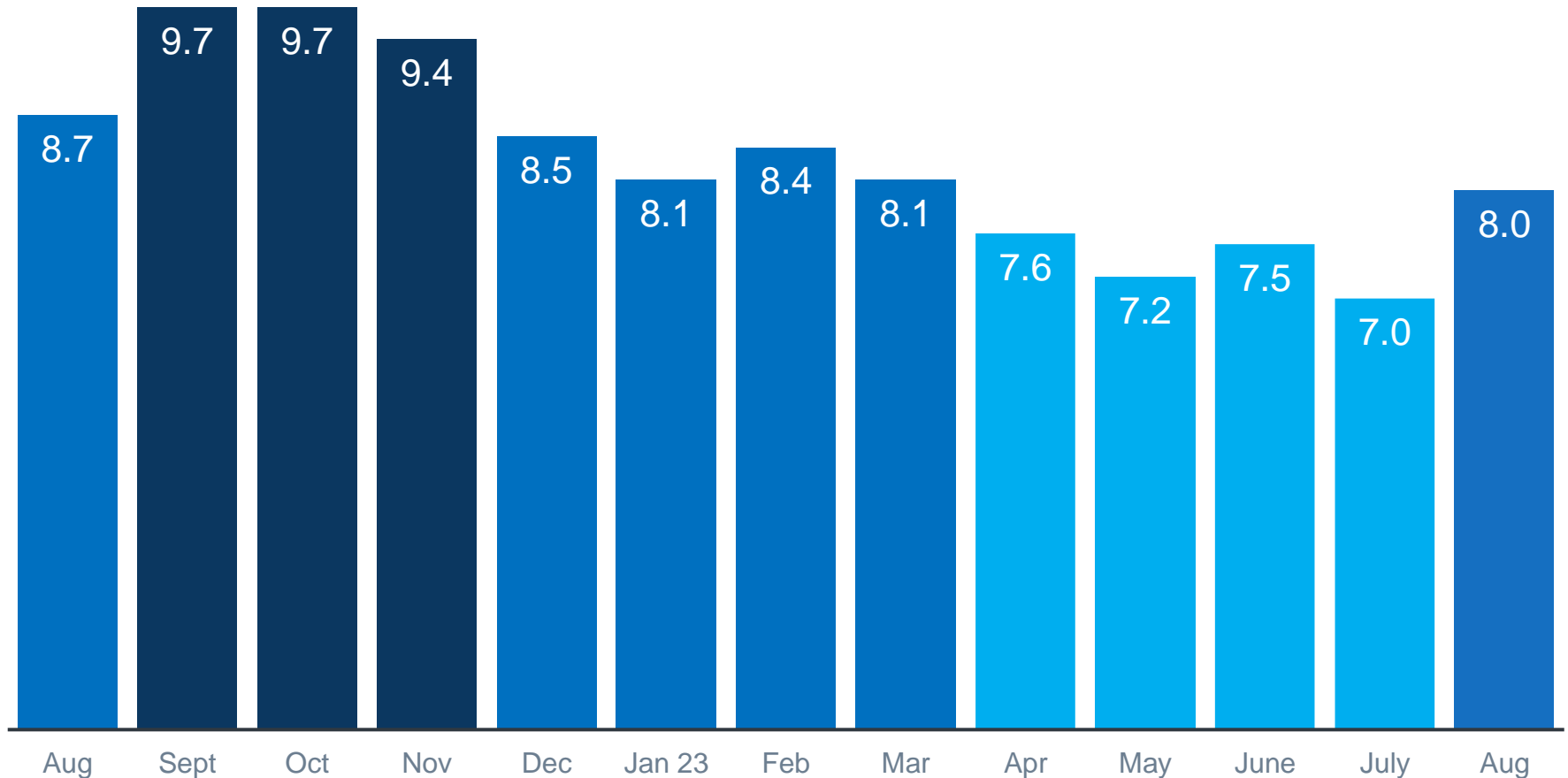
Year-Over-Year Inventory Levels

Last 12 Months



New Home Monthly Inventory

Seasonally Adjusted, Last 13 Months

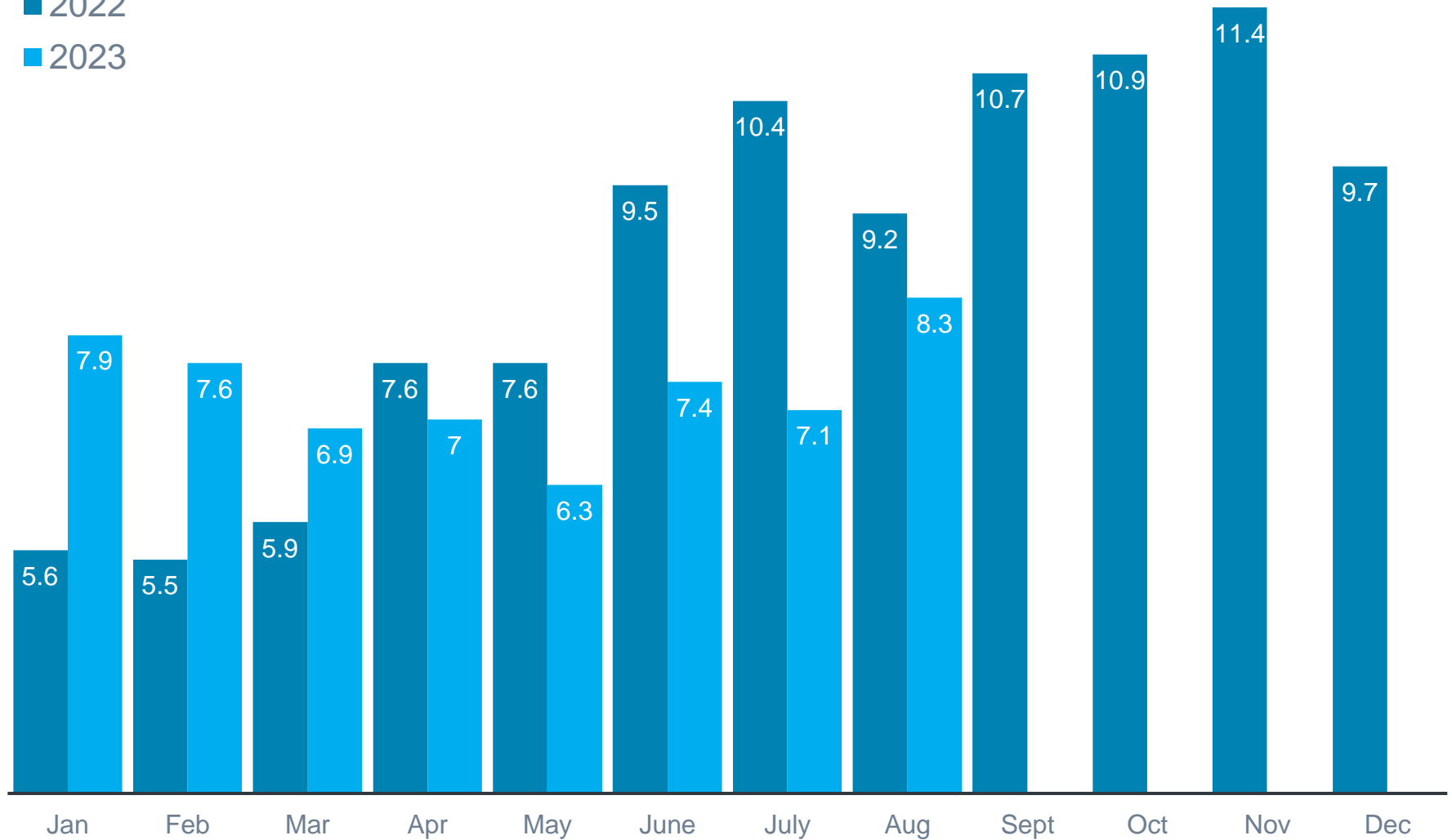


Source: Census

New Home Monthly Inventory

Non-Seasonally Adjusted

■ 2022
■ 2023



Source: Census



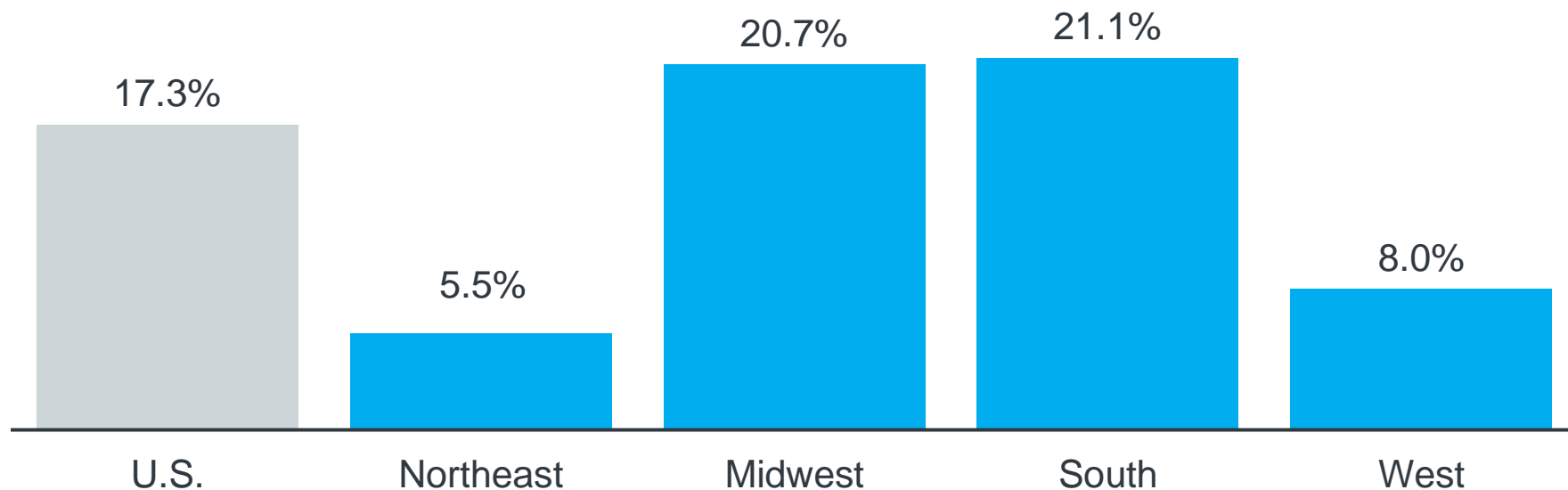
Buyer Demand

Showings Decline in July, Yet Remain Elevated Compared to Pre-Pandemic Levels

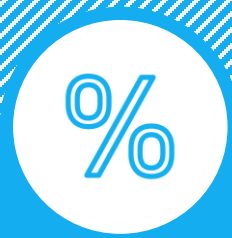
Year-Over-Year Increase in Showing Activity, July 2023

Michael Lane, Vice President & General Manager, Showing Time

“As ever, real estate is a local story, and that shows in July’s Showing Index. Shoppers looking to buy this fall can expect a bit more time and bargaining power and should look to their agent to understand the full dynamics in their local market.”



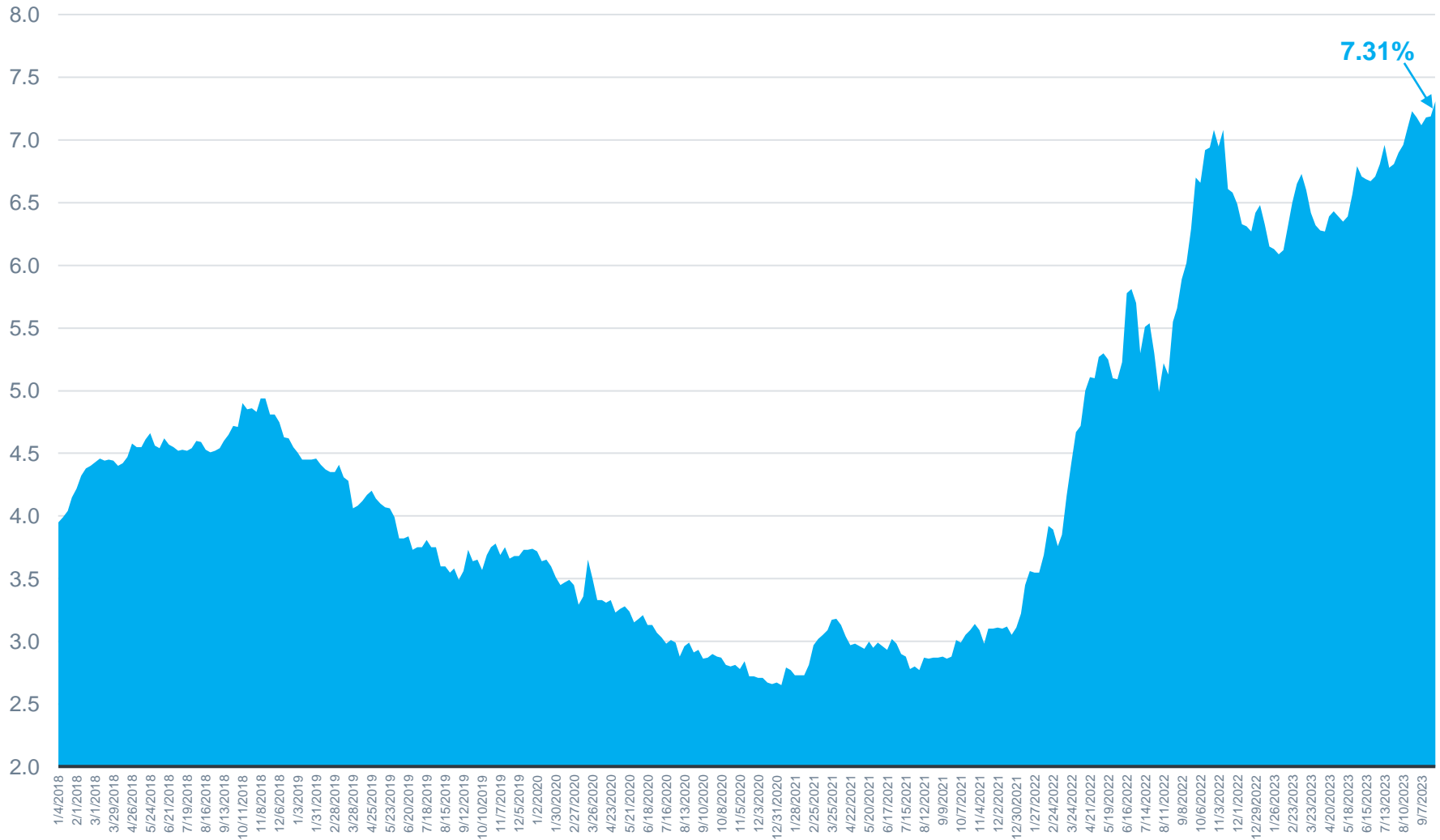
Source: ShowingTime



Mortgage Rates

Mortgage Rates

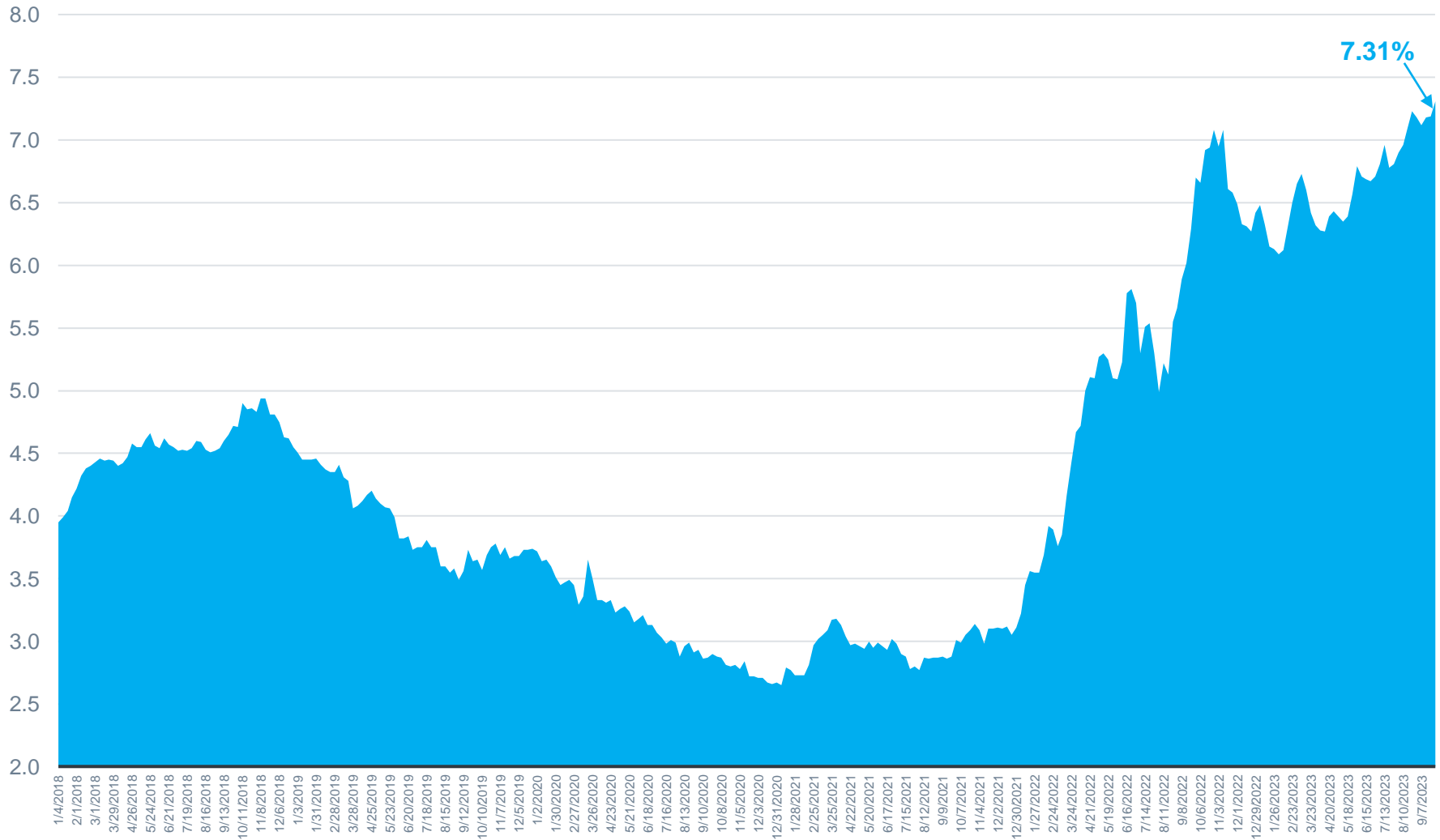
30-Year Fixed Rate, January 2018–Today



Source: Freddie Mac

Mortgage Rates

30-Year Fixed Rate, January 2018–Today



Source: Freddie Mac

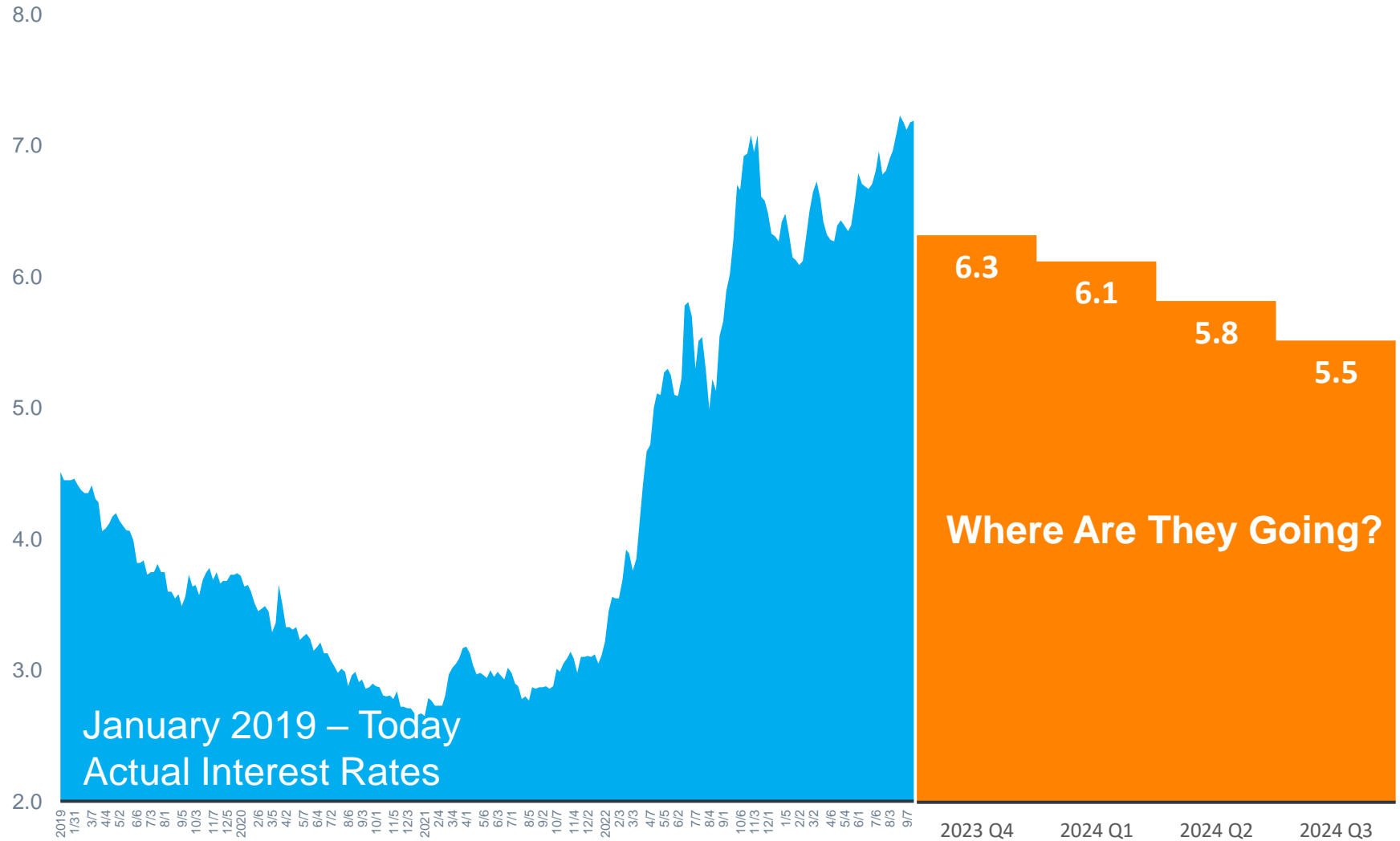
Mortgage Rate Projections

September 2023

Quarter	Fannie Mae	MBA	NAR	Average of All Three
2023 Q4	7.10%	6.30%	6.30%	6.57%
2024 Q1	6.80%	6.10%	6.10%	6.33%
2024 Q2	6.60%	5.80%	6.00%	6.13%
2024 Q3	6.40%	5.50%	6.00%	5.97%

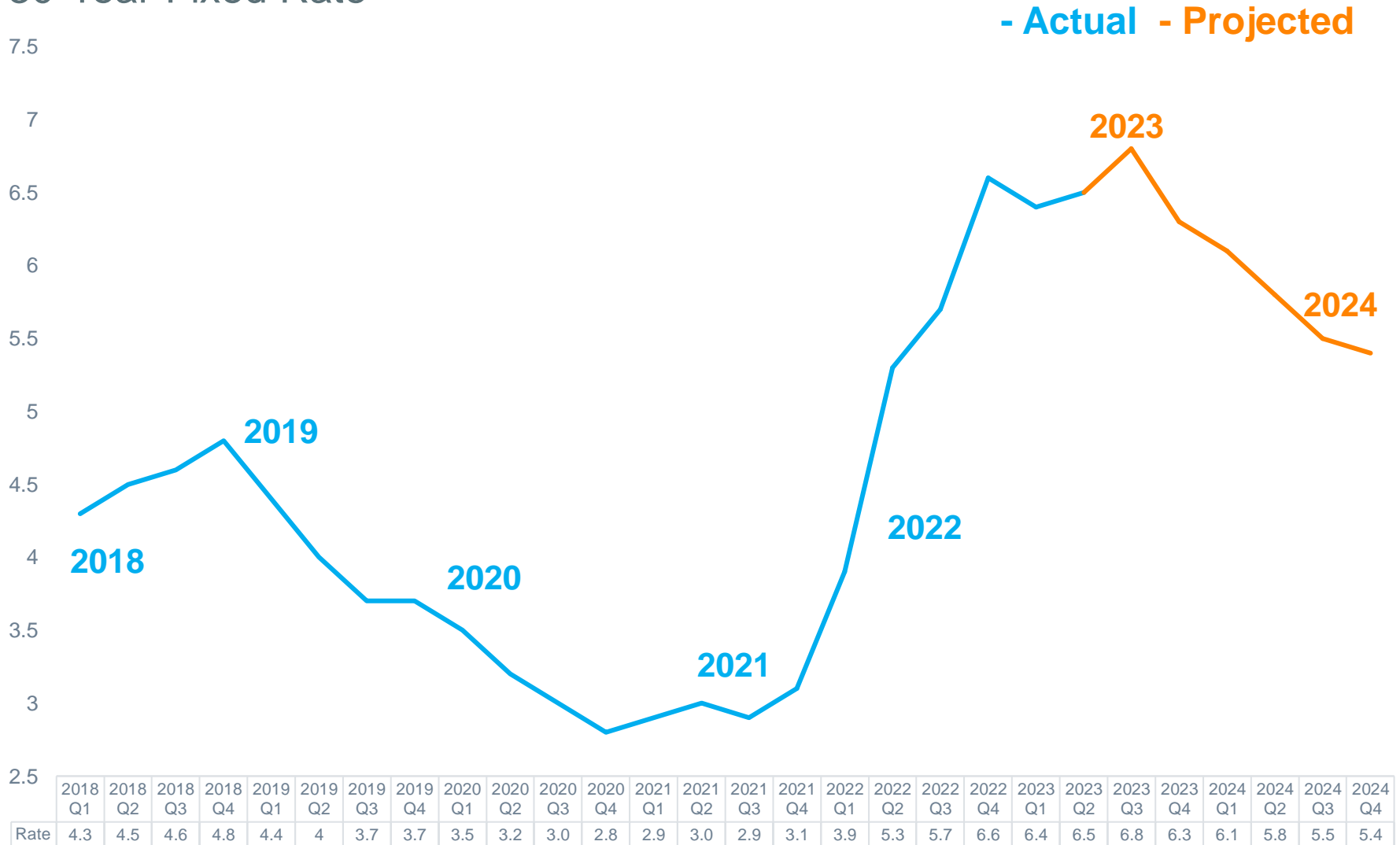
Mortgage Rates

30-Year Fixed Rate



Mortgage Rates

30-Year Fixed Rate

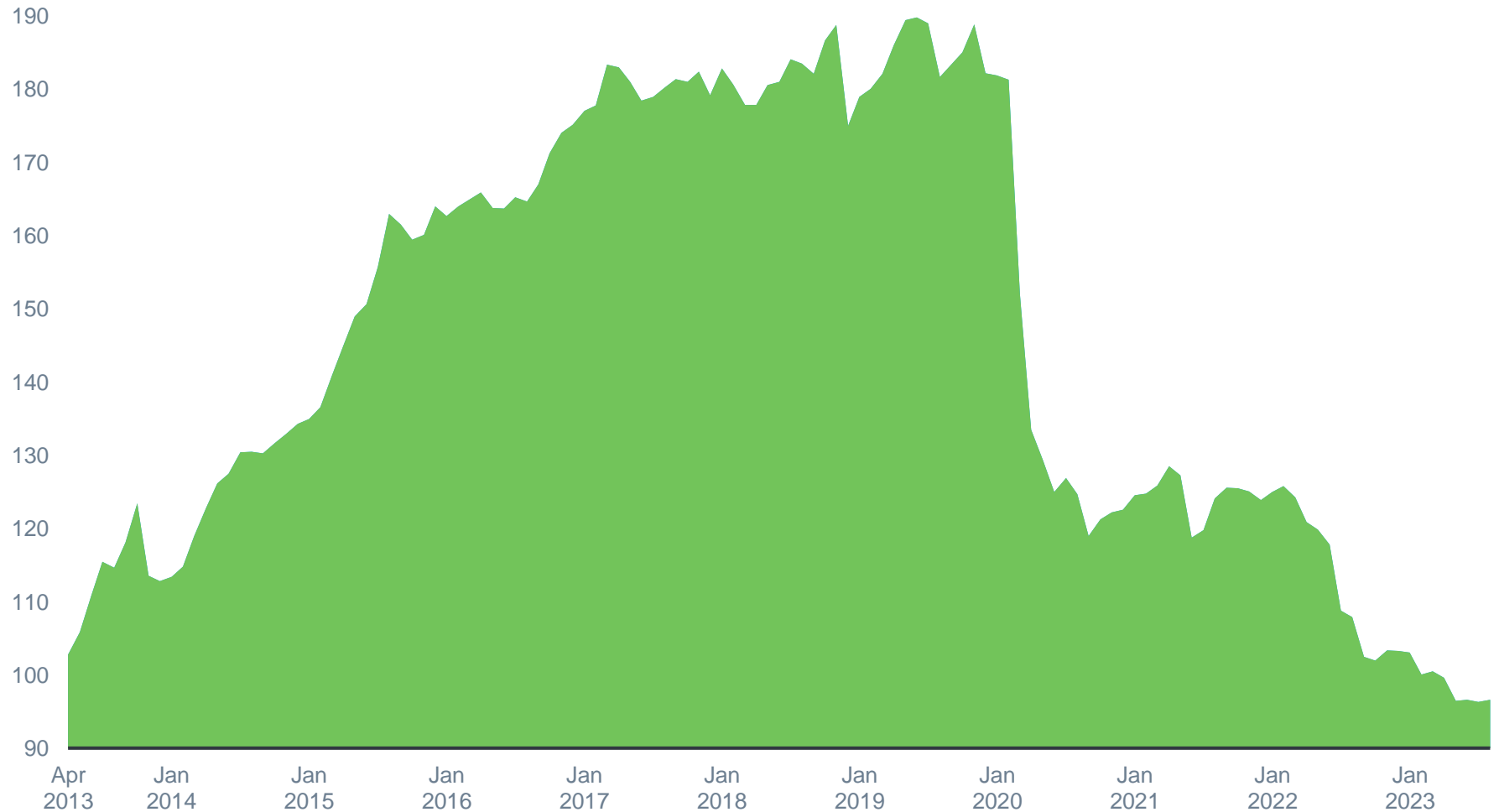




Mortgage Credit Availability

Mortgage Credit Availability Index (MCAI)

August 2023



Source: MBA

Lending Standards Still Under Control

Historic Data for the Mortgage Credit Availability Index (MCAI)

