



KEEPING CURRENT MATTERS

November 2023



Most agents know
what's happening.

Good agents understand
what's happening.

Great agents can explain
what's happening.



I'd say whatever our forecast is, it has a wider range of error than it normally would have. Right, we're just at a point in the housing market to where I don't think anyone really knows to tell you the truth. But, we can't ignore that inventory remains down over 40% since pre-pandemic.

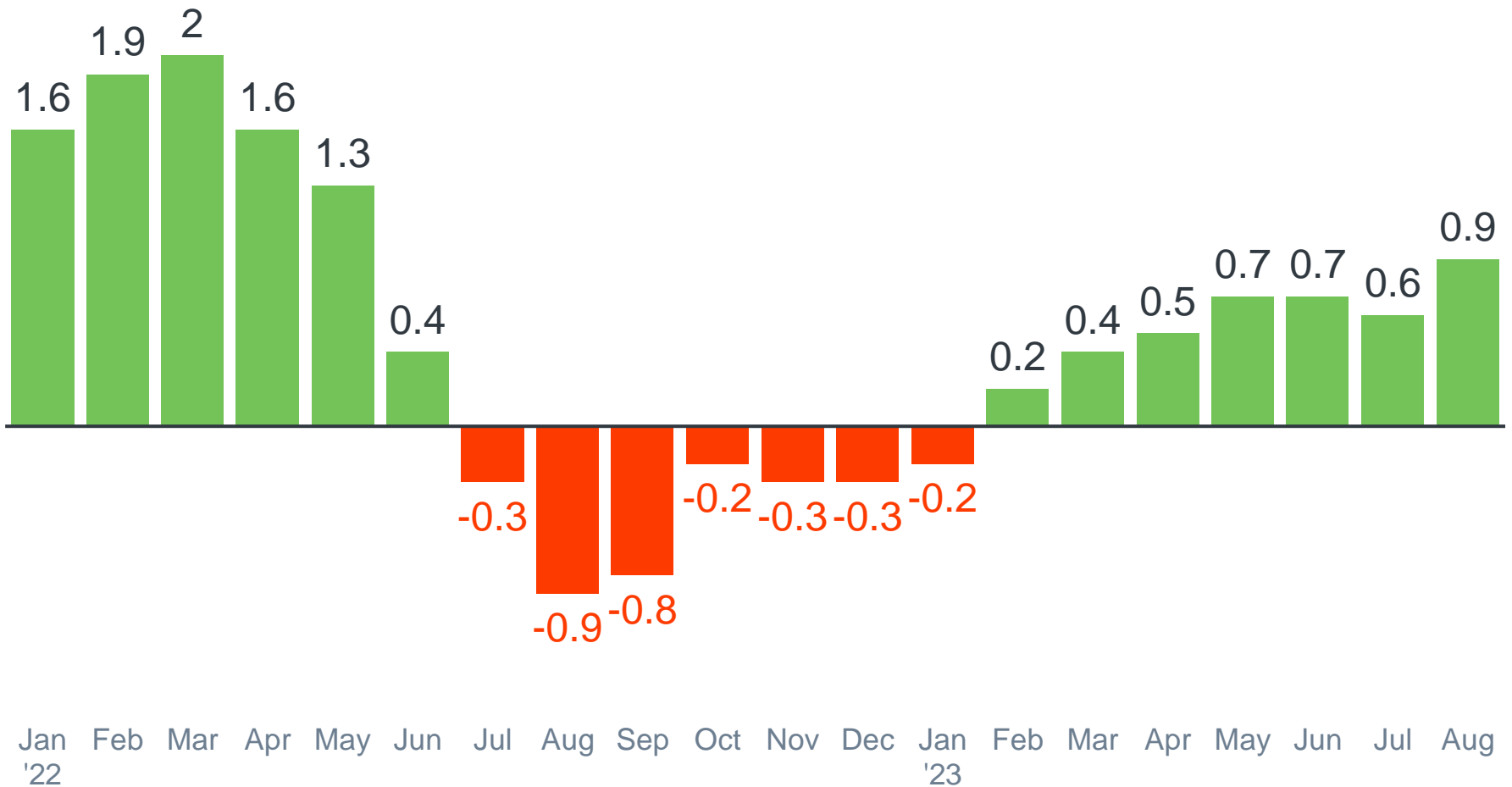
- **Sean Dobson**, CEO, Amherst



Home Prices

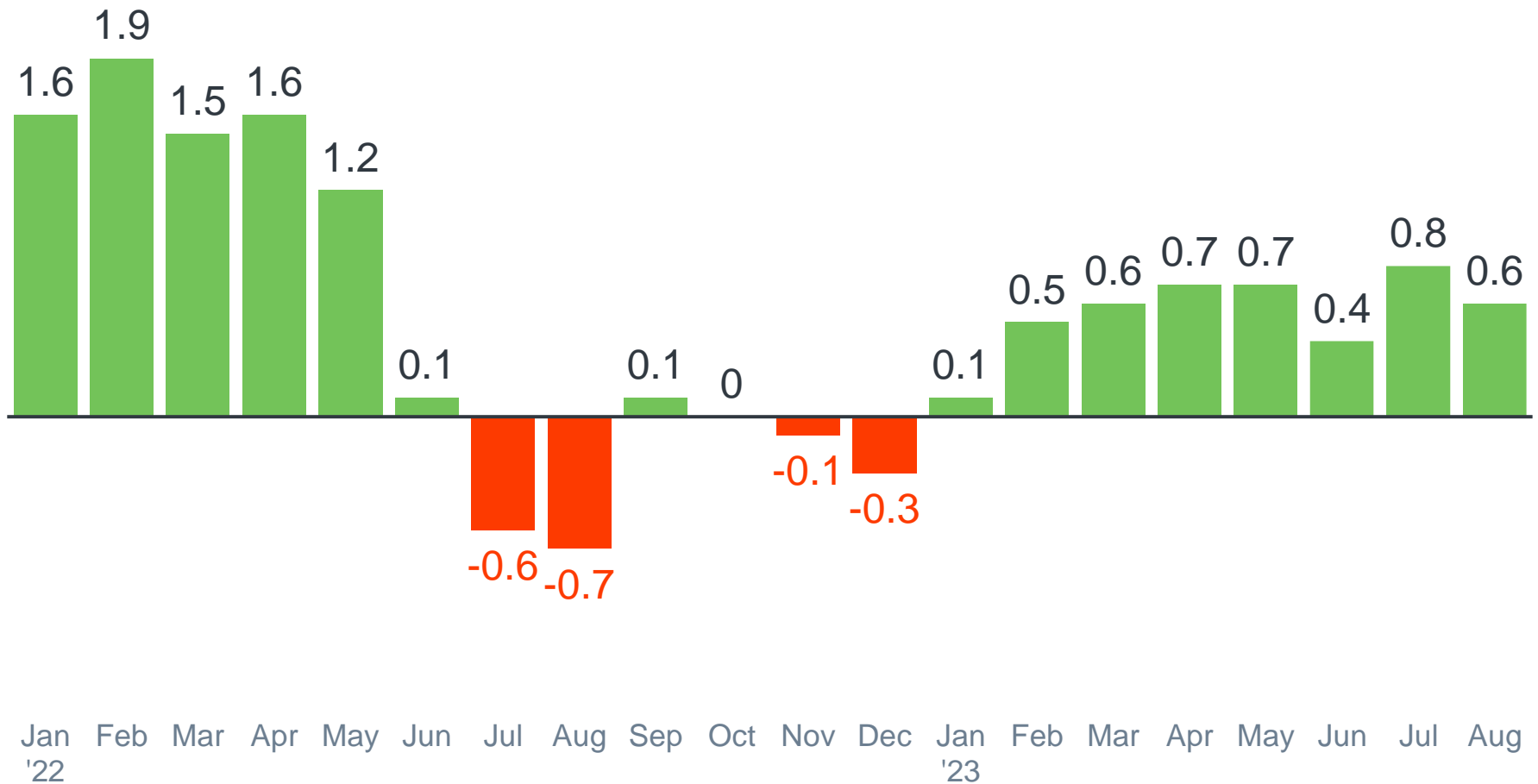
Case-Shiller: Prices

Month-Over-Month Percent Change in Home Values
(Seasonally Adjusted)



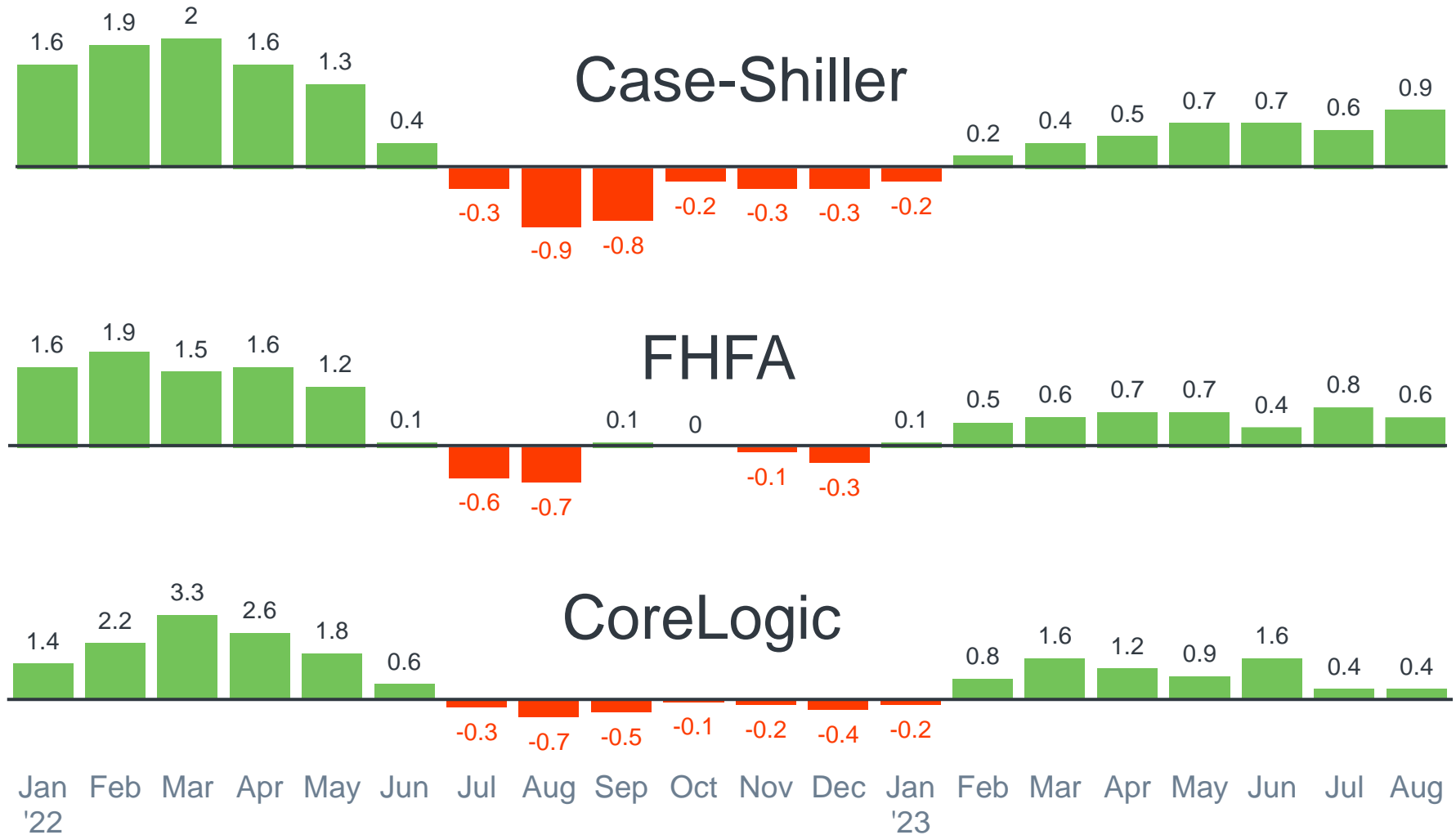
FHFA: Prices

Month-Over-Month Percent Change in Home Values
(Seasonally Adjusted)



Percent Change in Home Values

Month-Over-Month



Case-Shiller Home Price Movement

August 2023, Month-Over-Month Percent Appreciation in Top 20 Cities

U.S. National: **0.9%**

Metro	% Change	Metro	% Change
Atlanta	1.0%	Miami	1.2%
Boston	1.0%	Minneapolis	0.4%
Charlotte	0.9%	New York	0.9%
Chicago	0.4%	Phoenix	0.7%
Cleveland	0.0%	Portland	0.3%
Dallas	0.3%	San Diego	1.7%
Denver	1.0%	San Francisco	0.7%
Detroit	1.1%	Seattle	1.5%
Las Vegas	1.1%	Tampa	0.6%
Los Angeles	1.2%	Washington, D.C.	0.5%

FHFA Month-Over-Month Price Change

August 2023 by Region

National Rate of Appreciation: **0.6%**





For the second month in a row, home price growth trended higher in every one of the 50 largest U.S. markets, mirroring the sharp reacceleration at the national level.

- **Black Knight**, Mortgage Monitor, October 2023



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.

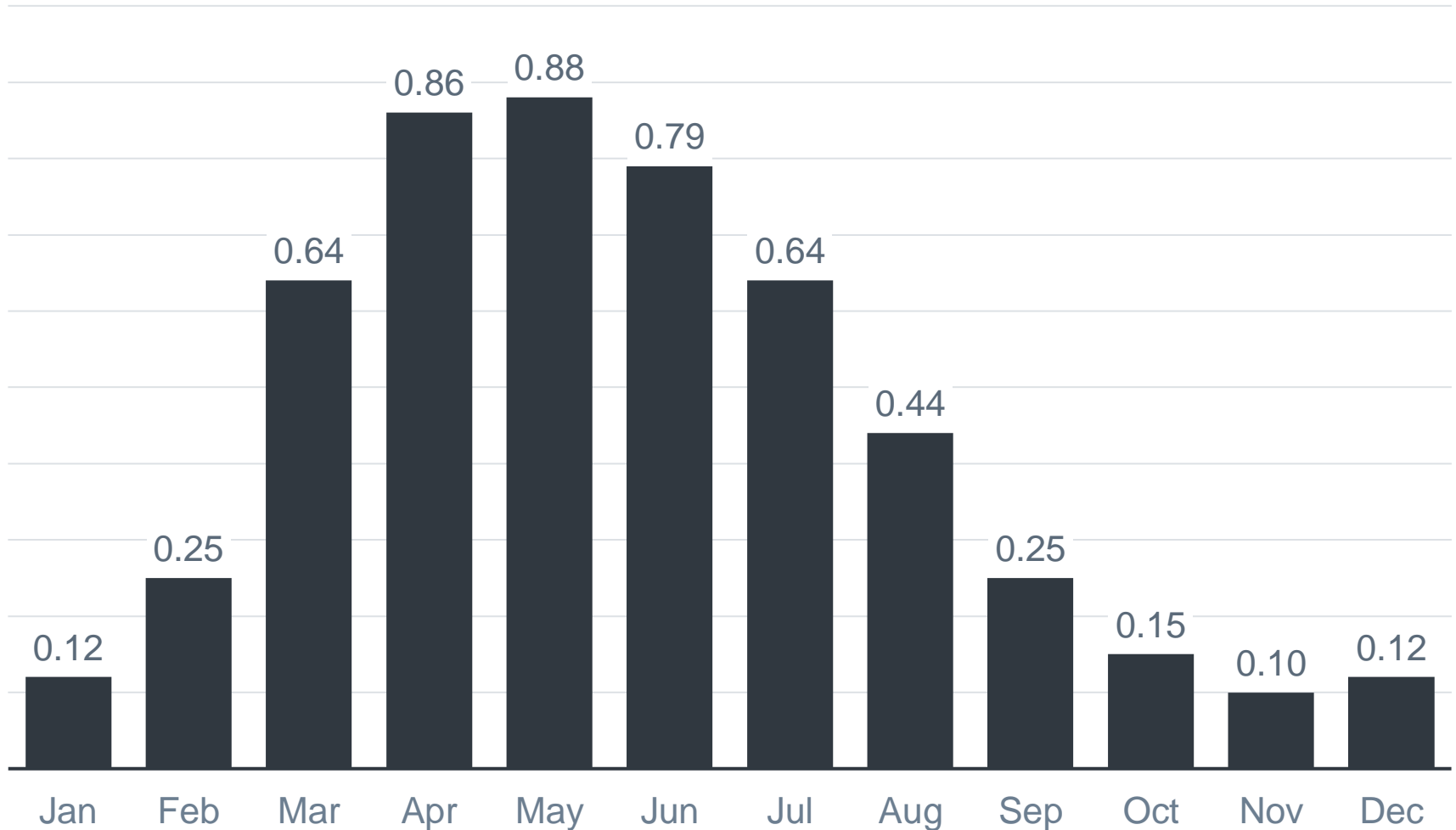
- **Selma Hepp**, Chief Economist, CoreLogic



Future Home Prices

49-Year Average Monthly Price Movement

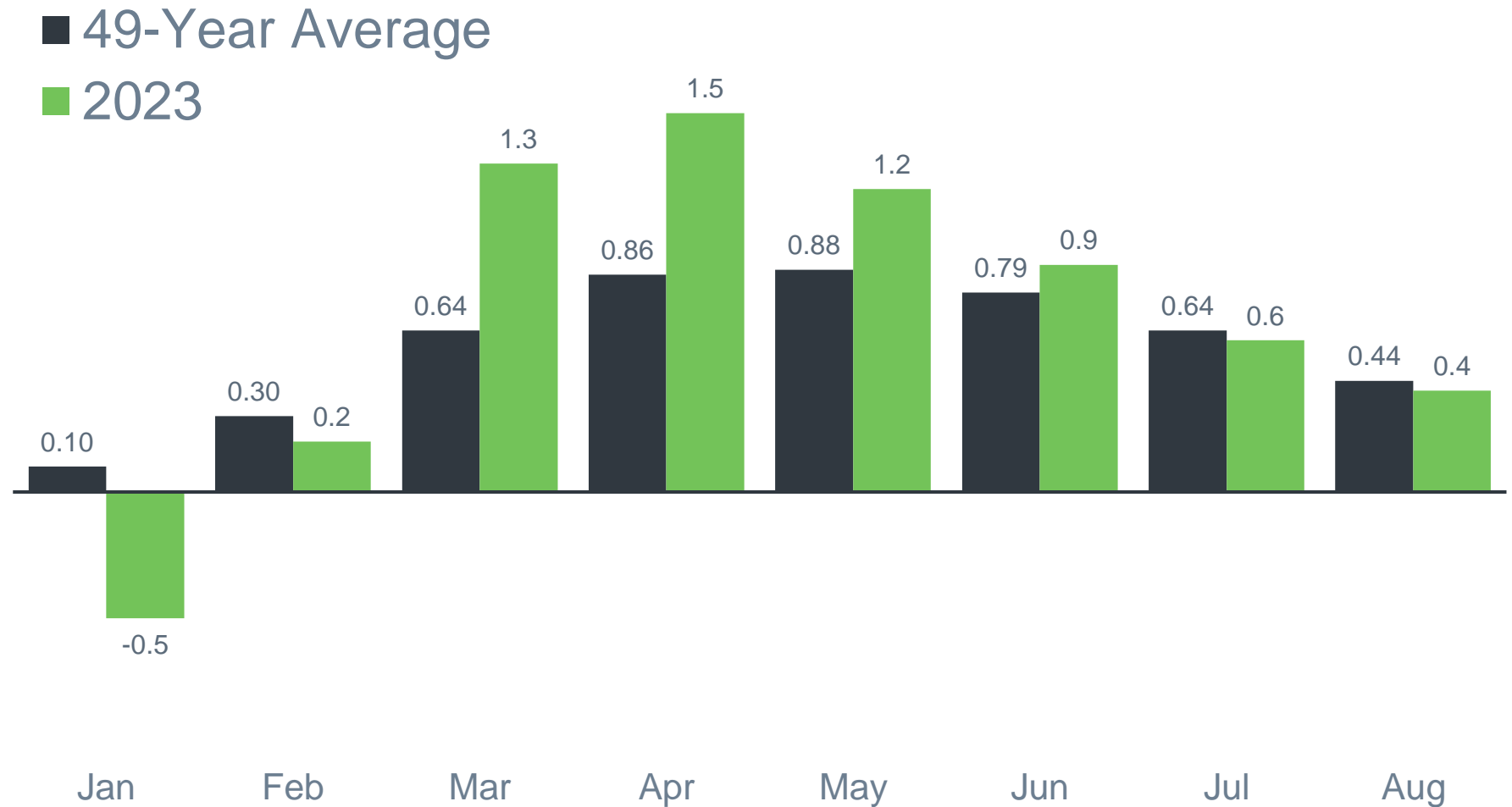
NSA Month-Over-Month 1973-2022



Source: Case-Shiller

49-Year Average vs. 2023 Price Movement

Month-Over-Month, 1973-2022 and 2023



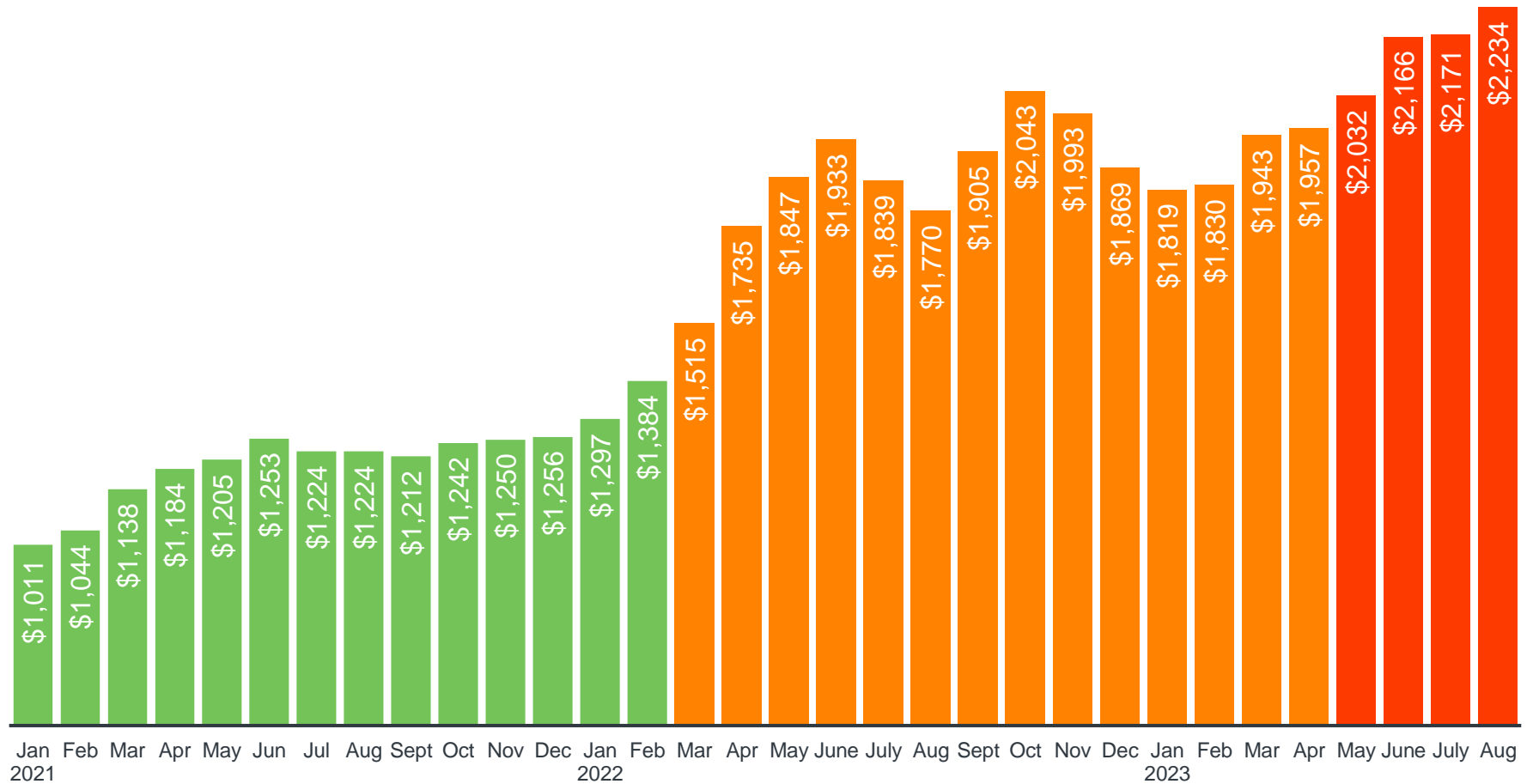
Source: Case-Shiller



Affordability

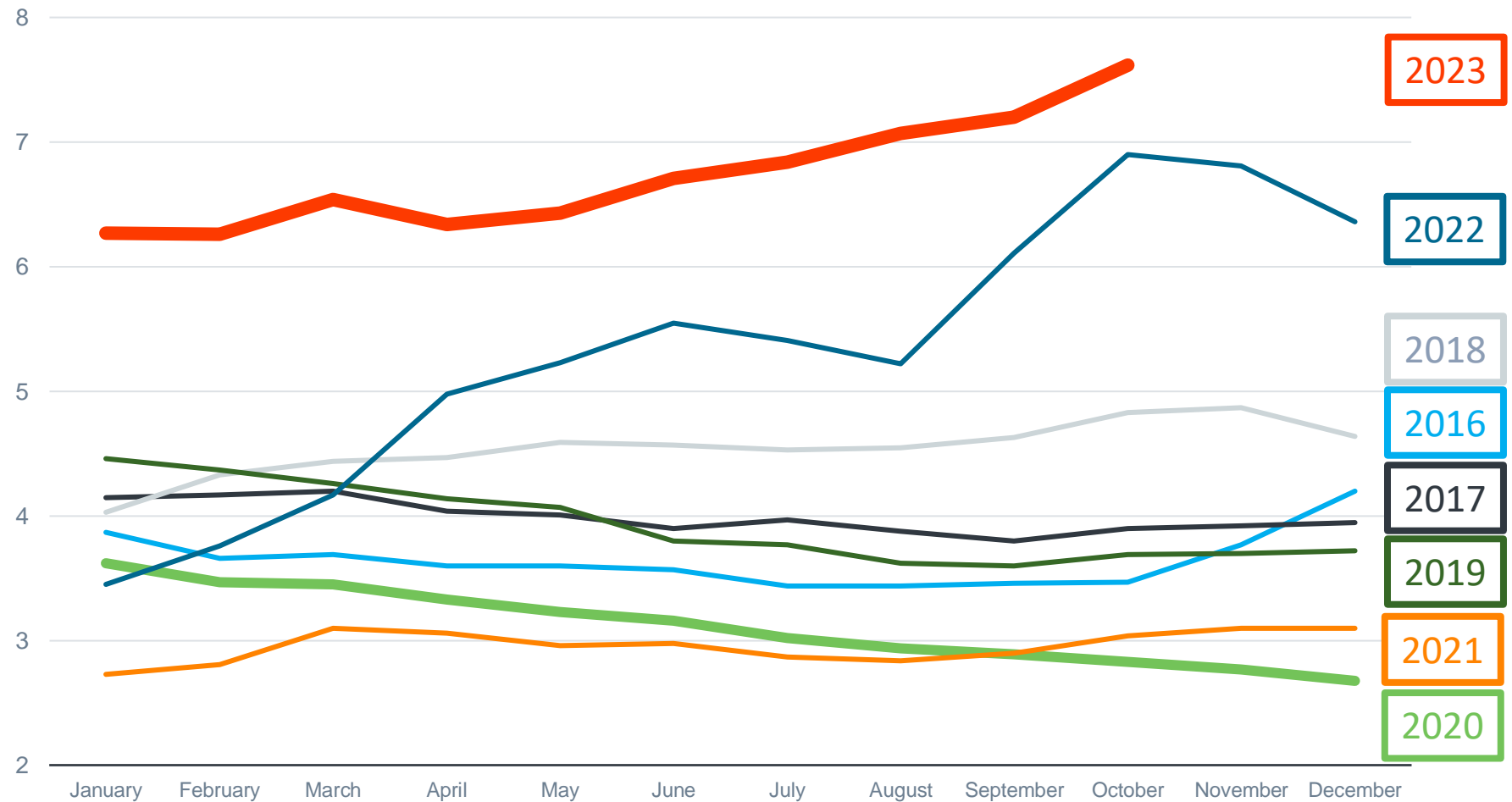
Monthly Mortgage Payments

January 2021 - August 2023



Some Historical Perspective on Today's Mortgage Rates

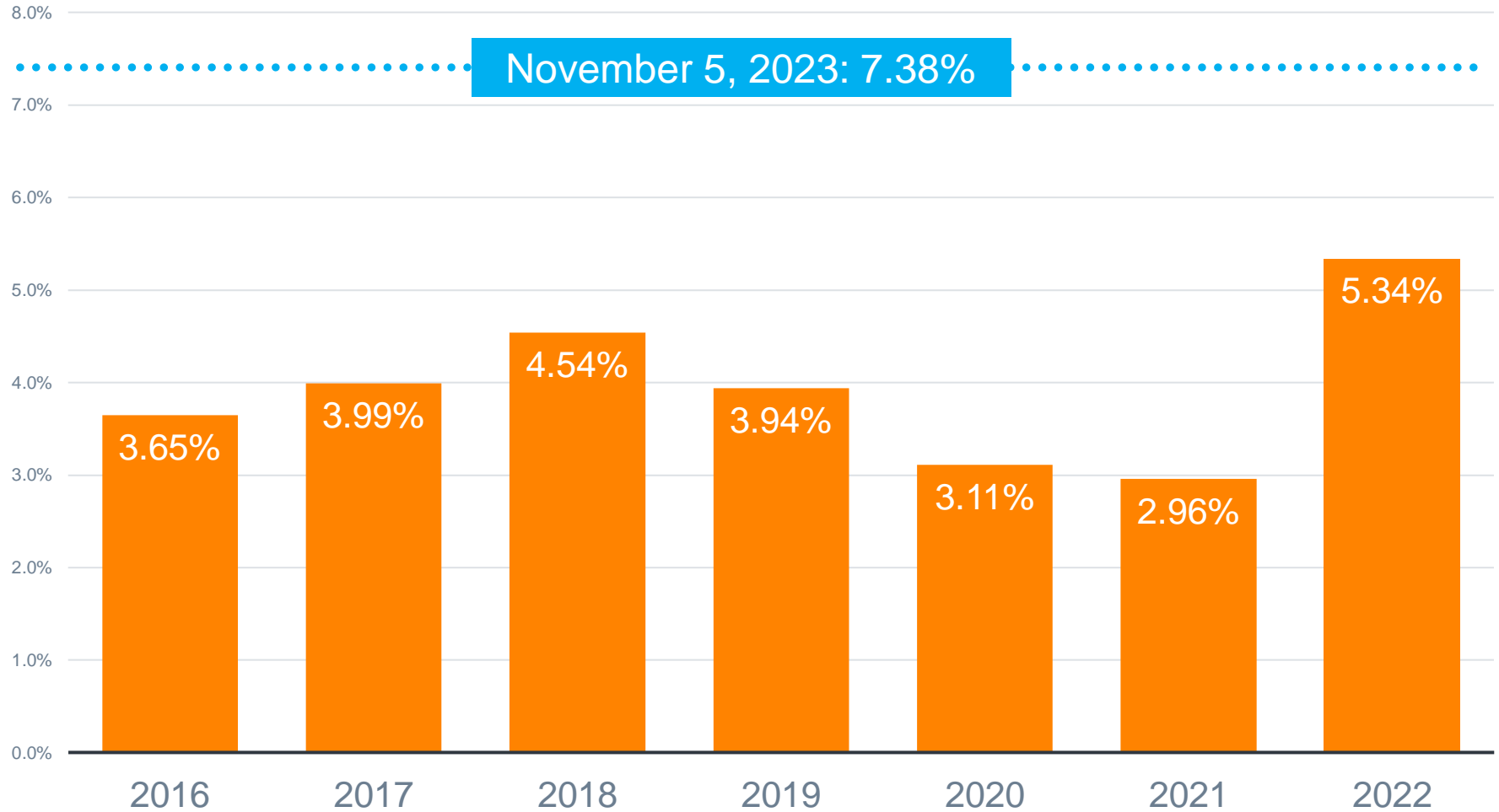
30-Year Fixed Rate



Source: Freddie Mac

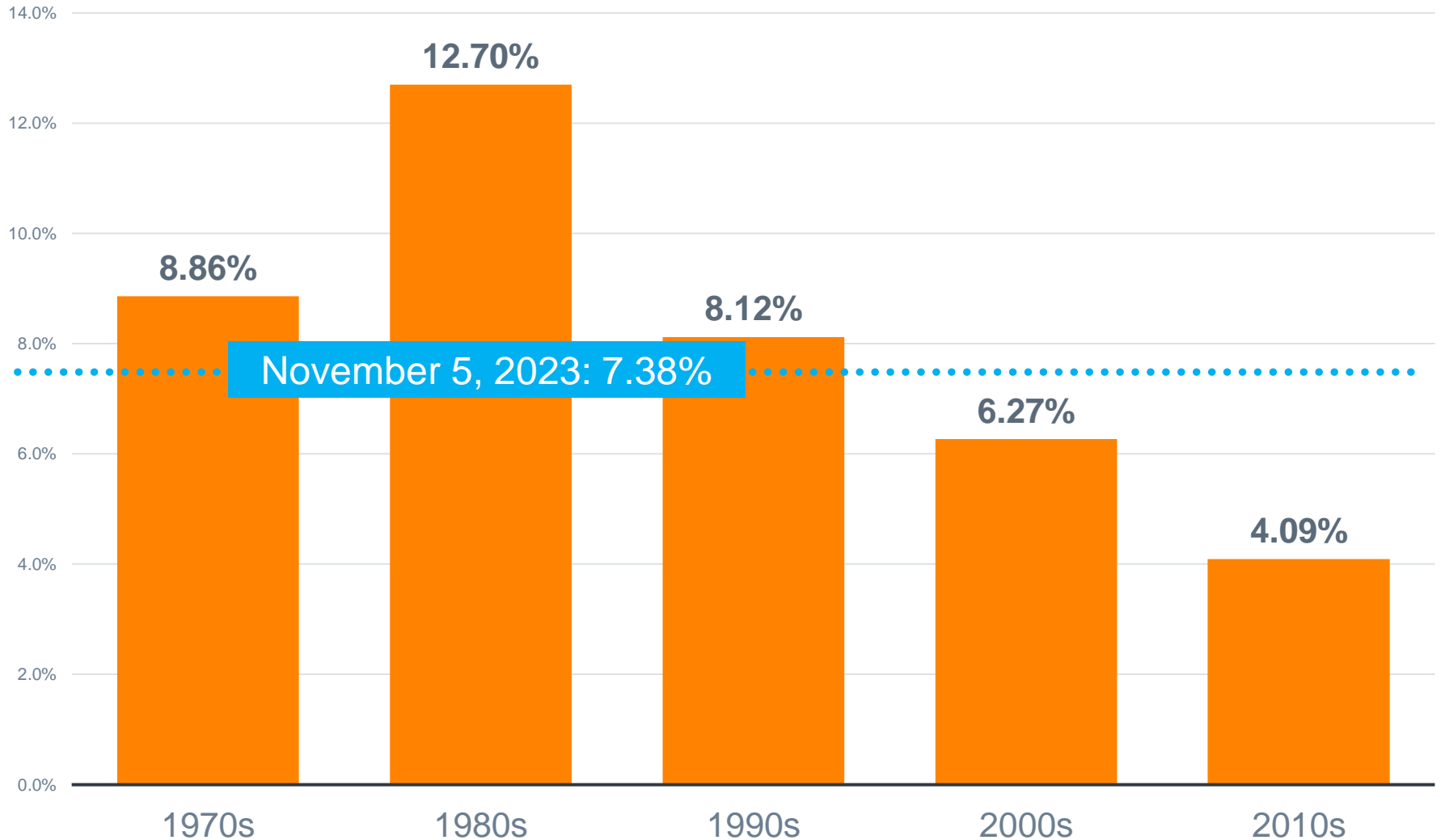
Mortgage Rates

Annual Average 30-Year Fixed Rate



Source: Freddie Mac

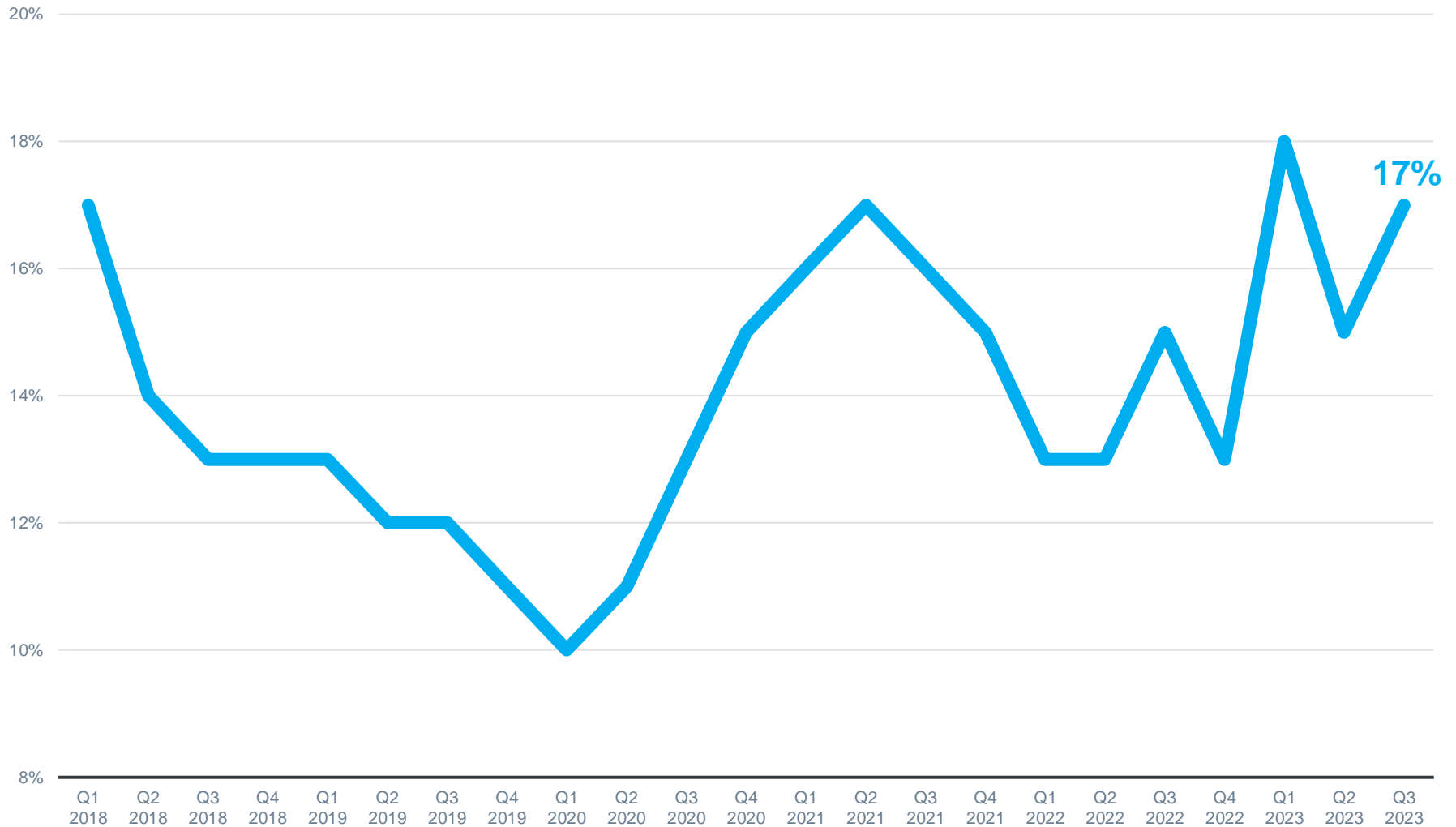
Current Mortgage Rate Compared to the Last Five Decades



Source: Freddie Mac

Planning To Buy a Home in the Next 12 Months

Prospective Home Buyers (Percent of Respondents)



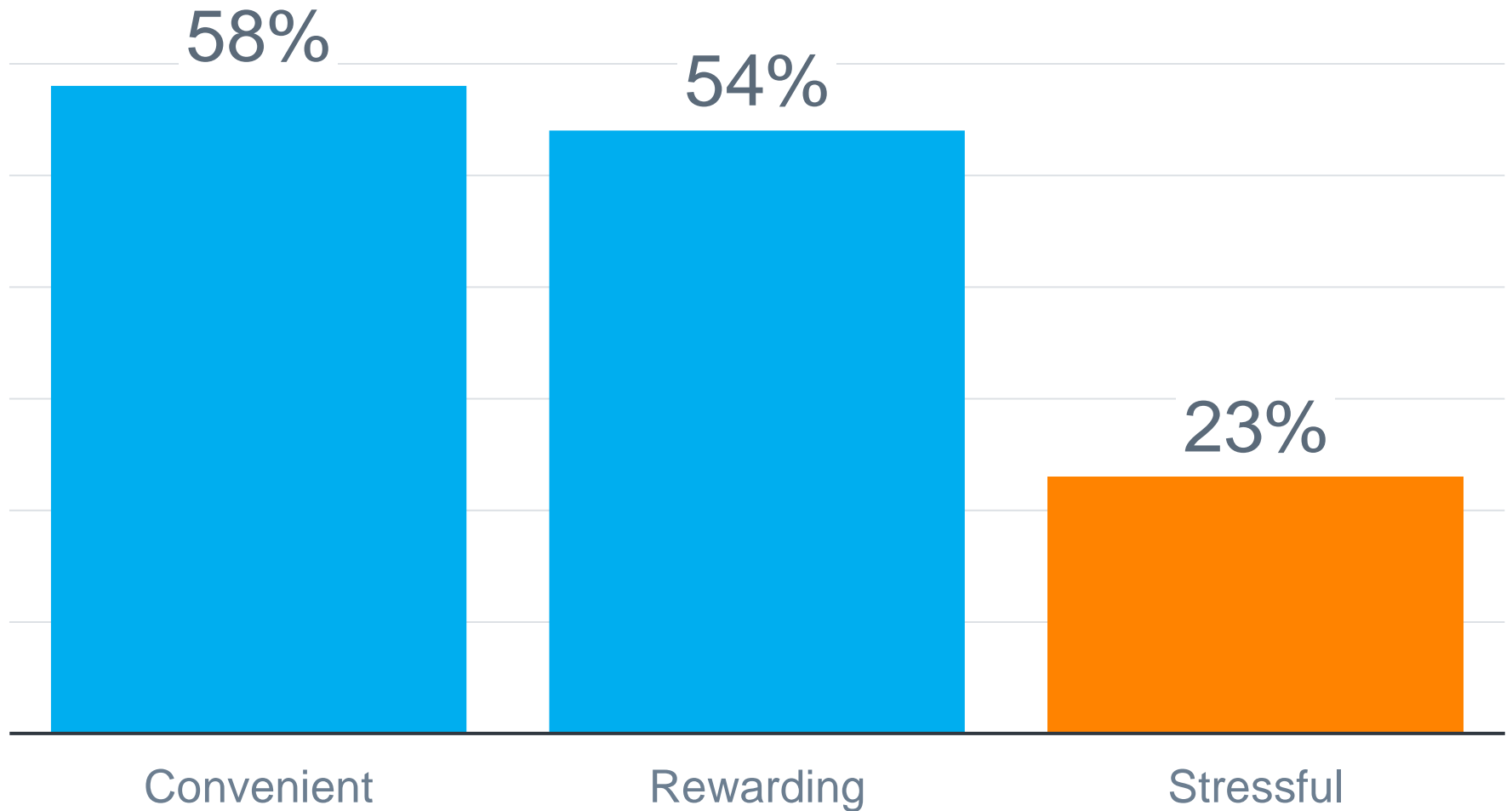
Source: Housing Trends Report (NAHB)



Can Multigenerational Living Be an Answer?

Most Multi-Gen Occupants See Positives

Percent Who Find Living with Adult Family Members
To Be _____ Most of the Time





The circumstances over the past few years — between the 2008 financial crisis and the COVID-19 pandemic — have changed the way families are buying homes. According to data from the National Association of Realtors, multi-generational buying rose to an all-time high in 2022: 14 percent. Compare that to 2021, when this option was at 11 percent.

- Triangle Business Journal



Multigenerational living has increased among all age groups over the past five decades. But the increase has been fastest among adults ages 25 to 34.

- **Richard Fry**, Analyst, Pew Research



. . . builders are now developing multigenerational floor plans that include designs with two master suites, including main floor suites with kitchenettes.

Many offer shared spaces for gathering as the extended family while also providing additional privacy when it's needed most. . . . Some include flex space that can shift from a family office to a nursery to give you the ability to adapt. Some include detached casita living options for even more privacy for your family.

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(202) 708-0685

FOR RELEASE
Monday
October 16, 2023

Federal Housing Administration Expands Access to Mortgage Financing for Homes That Have or Will Include Accessory Dwelling Units

New Accessory Dwelling Unit policy provides expanded financing options for borrowers and reinforces Biden-Harris Administration housing supply and homeownership goals.

WASHINGTON – The U.S. Department of Housing and Urban Development, through the Federal Housing Administration (FHA), today announced a new policy which allows lenders to count income from small units of housing built inside, attached to, or on the same property as a primary residence (**Accessory Dwelling Units (ADU)**) when underwriting a mortgage. This change allows for the inclusion of rental income from the ADU in the borrower’s qualifying income and would allow more borrowers to qualify for FHA financing for properties with ADUs, including 203(k) Rehabilitation mortgages. ADUs can be rented out to tenants, thereby adding to the supply of housing in a community. In addition, this new policy will enable more first-time homebuyers, seniors, and inter-generational families to leverage the power of ADUs to enhance the generational wealth building potential of homeownership. Today’s announcement supports the Biden-Harris Administration’s **Housing Supply Action Plan** and reinforces the importance the Administration places on addressing the nation’s affordable housing challenges and increase access to homeownership. See a fact sheet released today, **from the White House, announcing new actions on homeownership**.

“Increasing the supply of affordable housing and helping families to create generational wealth is what today’s action making it easier to finance an accessory dwelling unit is all about. This is a part of our work to help address the critical shortage of affordable housing in communities across the country and help people increase the value of their homes,” said **HUD Secretary Marcia L. Fudge**. “The Biden-Harris Administration is committed to increasing the housing supply so that more people have access to quality housing that they

Federal Housing Administration Expands Access to Mortgage Financing for Homes That Have or Will Include Accessory Dwelling Units

- Use 50% of the estimated rental income, for some borrowers, from a new ADU the borrower plans to attach to an existing structure, such as in a garage or basement conversion, to qualify for a mortgage under FHA’s Standard 203(k) Rehabilitation Mortgage Insurance Program. This will enable more homeowners with limited incomes to build ADUs, helping them sustain homeownership and expanding the production of ADUs as rental housing.
- Include ADU-specific appraisal requirements for appraisers to clearly identify, analyze, and report on ADU characteristics and the estimated rent the ADU can be expected to generate. The guidance provided in the Mortgagee Letter will assist appraisers to more accurately determine the market value of a property with an ADU and also will help advance the maturation of ADU valuation, thereby increasing access to ADU financing as more cities and states remove zoning barriers.
- Add ADUs to the types of improvements that can be financed under FHA’s mortgages for new construction. This allows new homes to be built with ADUs from the ground up, an important source of ADU production in addition to rehabilitating existing structures.

FHA-approved lenders may begin offering borrowers mortgages on properties with ADUs under the new policies effective immediately.

###

*HUD’s mission is to create strong, sustainable, inclusive communities and quality affordable homes for all.
More information about HUD and its programs is available at www.hud.gov and <https://espanol.hud.gov>.*

*You can also connect with HUD on **social media** and follow Secretary Fudge on **Twitter** and **Facebook** or sign up for news alerts on **HUD’s Email List**.*

HUD COVID-19 Resources and Fact Sheets

Learn More About HUD’s Property Appraisal and Valuation Equity Work



In a significant policy change, Fannie Mae has announced that . . . it will accept 5% down payments for owner-occupied 2-, 3-, and 4-unit homes. This marks a departure from the previous multifamily financing requirement of 15-25% down.

- **Aleksandra Kadzielawski**, Senior Editor, The Mortgage Reports



If you're interested in multigenerational housing for your next move, you may want to consider talking to a trusted agent and a local lending company to find out how combined finances can help you get the right home for your needs.

- Triangle Business Journal

CityLab
Perspective

The Key to Boosting Latino Homeownership

More than half of Latino families in the US have become homeowners. But these gains are threatened by systemic barriers and rising mortgage rates. Here's a way forward.



A Puerto Rican flag hangs in front of a rowhouse in the Hunting Park neighborhood of North Philadelphia. *Photographer: Mark Makela for The Washington Post via Getty Images*

By Sarah Rosen Wartell and Janet Murguia

October 23, 2023 at 9:00 AM EDT



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National policymakers, local leaders and lending institutions hold the power not only to protect the recent strides made by Latino households, but also to accelerate progress and bolster our national economy.

- **Sarah Rosen Wartell and Janet Murguia, Bloomberg News**

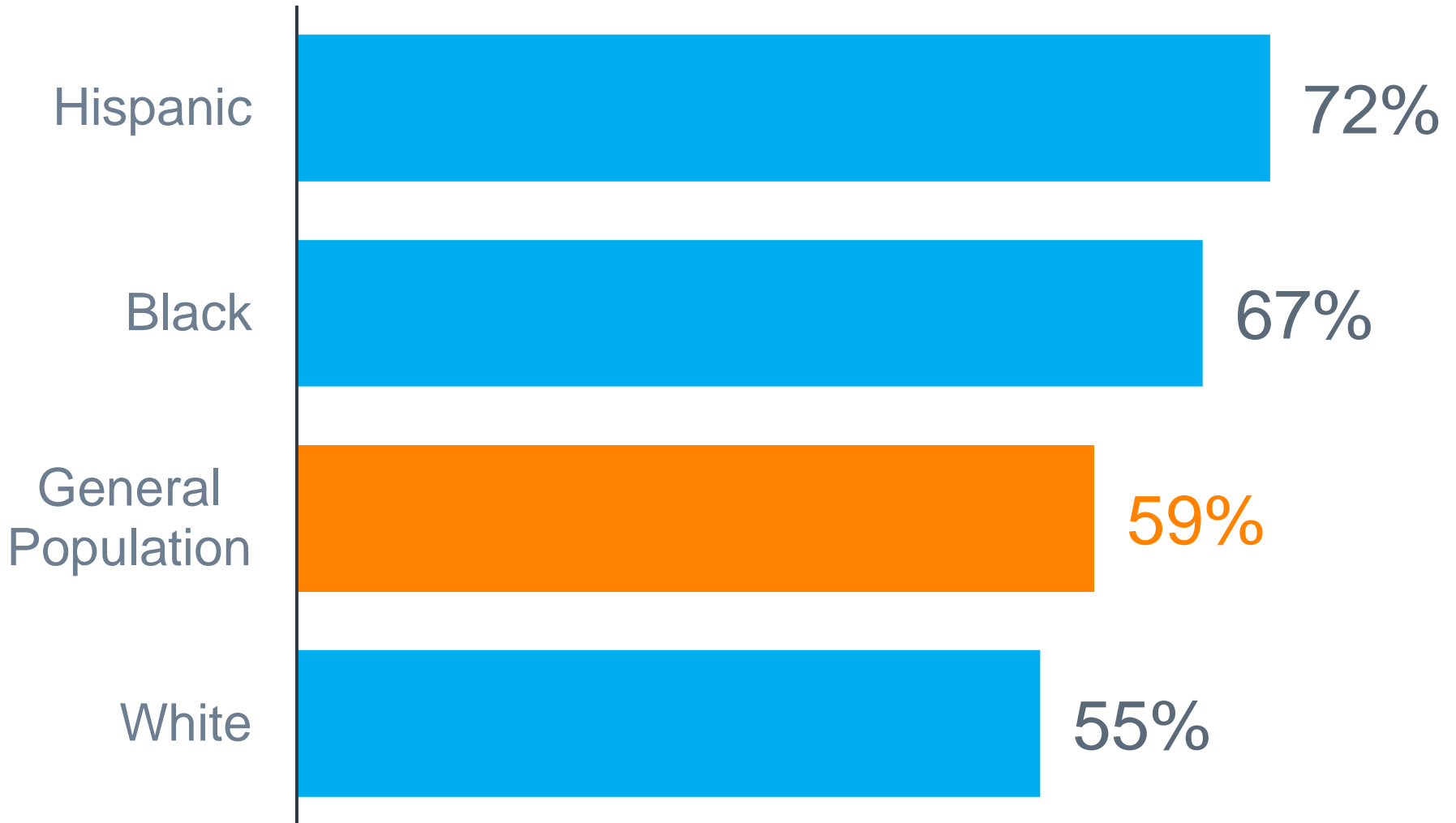


The private sector can expand access to credit by boosting language access in the mortgage and credit markets, improving underwriting of self-employed borrowers and lending more to multigenerational households.

- **Sarah Rosen Wartell and Janet Murguia, Bloomberg News**

Owning a Home Is “Very Important”

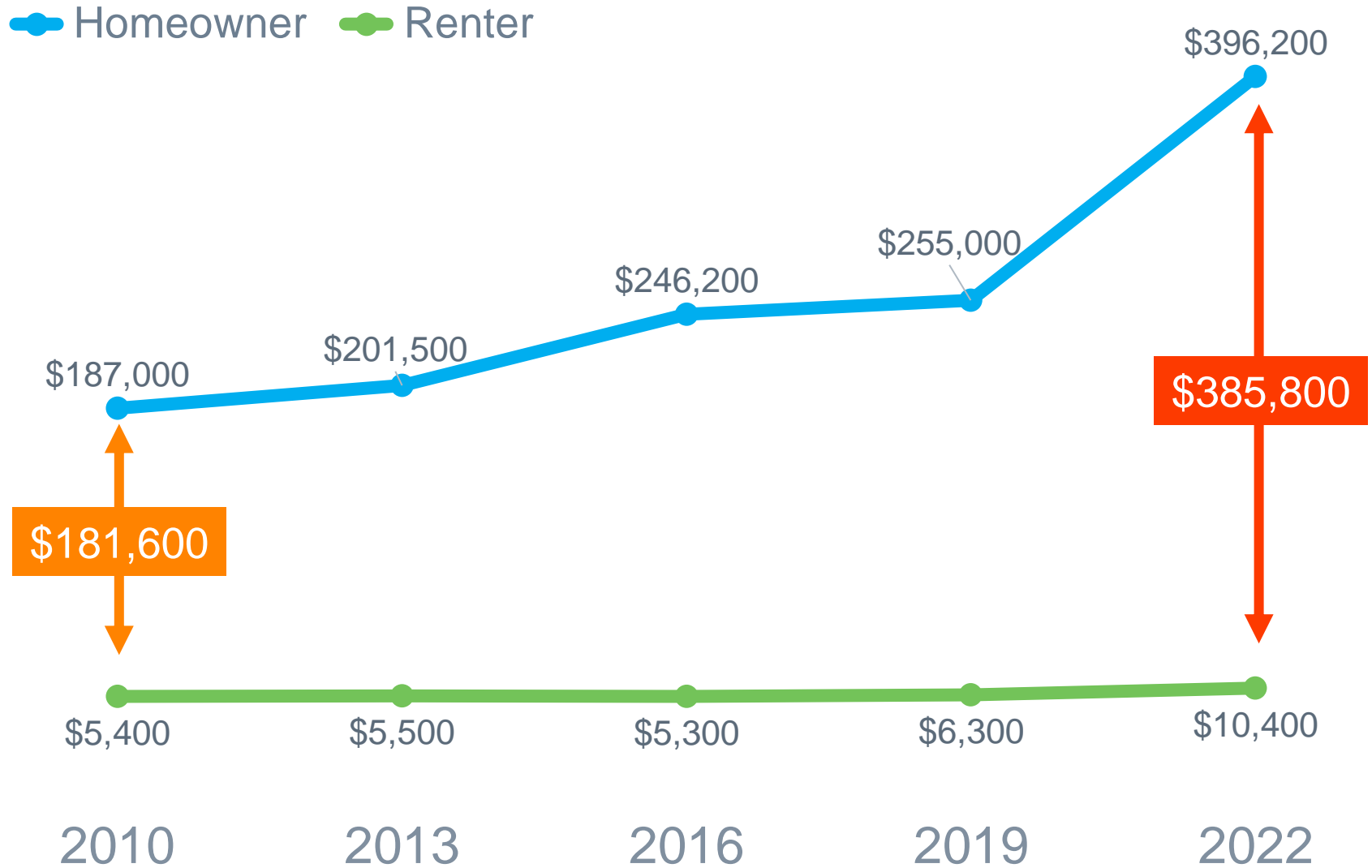
Results from Fannie Mae’s National Housing Survey





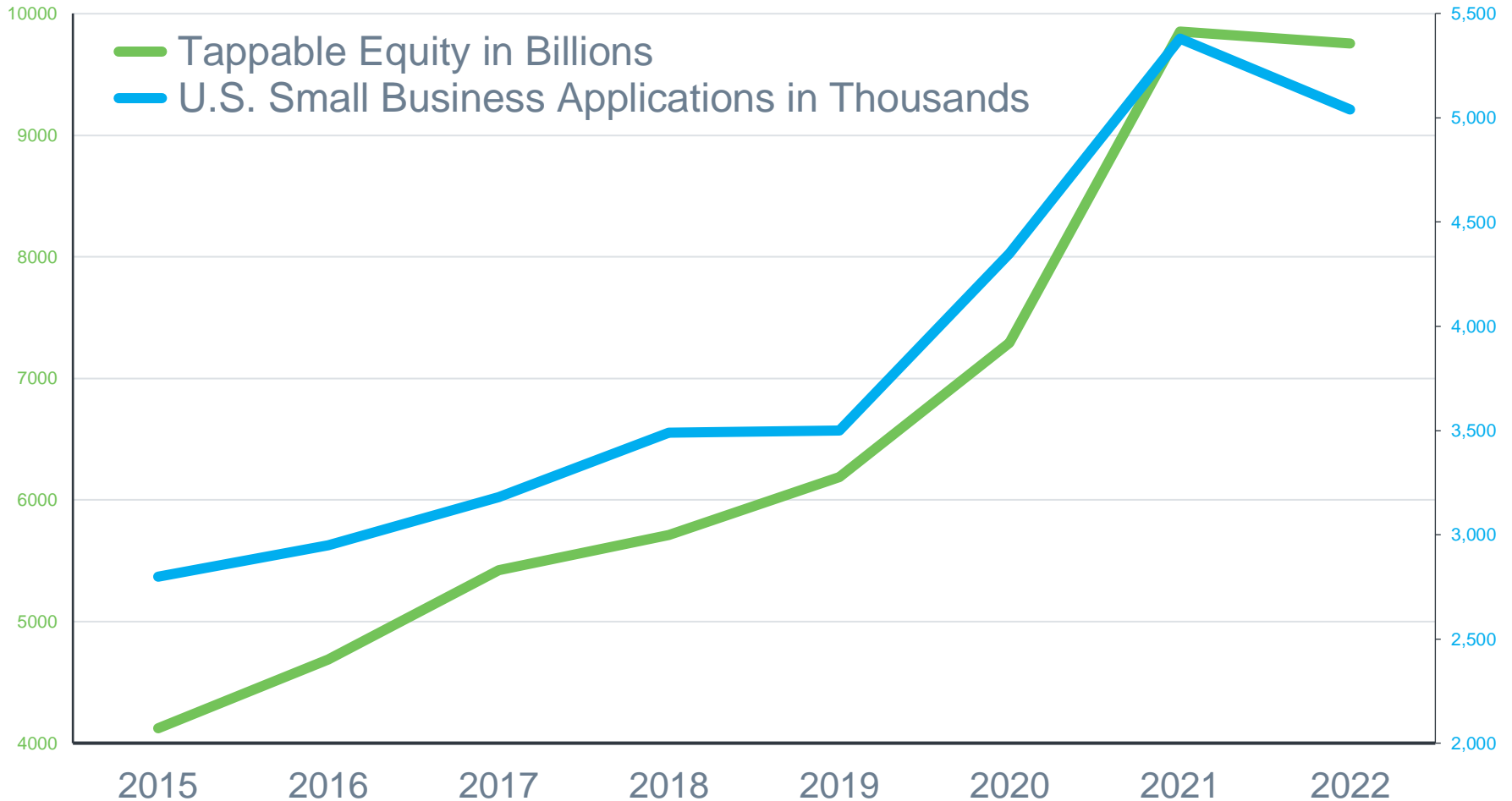
Net Worth

The Gap in Net Worth Is Widening



Home Equity Helps Foster New Businesses

Equity Available for Homeowners To Access Before Hitting a Maximum of 80% Combined LTV and New Small Business Applications

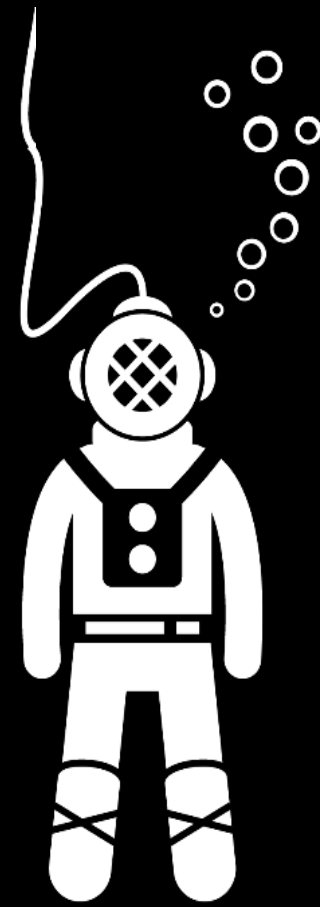


Source: Black Knight, Commerce Institute

90-Day Work Plan

- Explain where home prices are and where they're headed
- Get the word out on Net Worth and offer a P.E.A.R.
- Become more familiar with the Multi-Generational opportunity
- Become more familiar with the KCM offerings in Spanish
- “Avoid the Noise” and get back to helping people
- Prospect! Prospect! Prospect!

THE DEEP DIVE



Facebook Live

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

Resources

Slide(s)	Description	Link(s)
3	Sean Dobson Quote	https://www.resiclubanalytics.com
5	Case-Shiller Prices Graph	https://www.spglobal.com/spdji/en/indices/indicators/sp-corelogic-case-shiller-us-national-home-price-nsa-index/#news-research
6	FHFA Prices Graph	https://www.fhfa.gov/DataTools/Downloads/Pages/House-Price-Index.aspx
7	3 Home Value Sources Graph	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/
8	Case-Shiller Price Movement Table	https://www.spglobal.com/spdji/en/index-announcements/article/sp-corelogic-case-shiller-index-continues-to-trend-upward-in-august/
9	FHFA M-O-M Price Change Graph	https://www.fhfa.gov/DataTools/Downloads/Pages/House-Price-Index.aspx

Resources

Slide(s)	Description	Link(s)
10	Black Knight Quote	https://www.blackknightinc.com/wp-content/uploads/2023/09/ICE_MM_OCT2023_Report.pdf
11	Selma Hepp Quote	https://www.forbes.com/advisor/mortgages/real-estate/housing-market-predictions/
13-14	49-Year Graphs	https://www.spglobal.com/spdji/en/indices/indicators/sp-corelogic-case-shiller-us-national-home-price-nsa-index/#overview
16	Monthly Mortgage Payments Graph	https://cdn.nar.realtor//sites/default/files/documents/hai-08-2023-housing-affordability-index-2023-10-13.pdf
17-19	Mortgage Rate Graphs	http://www.freddiemac.com/pmms/pmms_archives.html https://freddiemac.gcs-web.com/node/25601/pdf
20	Planning To Buy Graph	https://eyeonhousing.org/2023/10/housing-demand-caught-between-high-rates-demographics/
22	Multi-Gen Graph	https://www.pewresearch.org/social-trends/2022/03/24/financial-issues-top-the-list-of-reasons-u-s-adults-live-in-multigenerational-homes/

Resources

Slide(s)	Description	Link(s)
23, 25, 28	Triangle Business Journal Quotes	https://www.bizjournals.com/triangle/news/2023/04/01/why-choose-multigenerational-living-in-the-triangl.html
24	Richard Fry Quote	https://nypost.com/2023/03/23/why-millennials-are-begging-their-parents-to-move-in/
26	HUD Headline	https://www.hud.gov/press/press_releases_media_advisories/HUD_No_23_237
27	Aleksandra Kadzielawski Quote	https://themortgagereports.com/107690/fannie-mae-introduces-5-down-payment-option-for-multifamily-homes
29	Bloomberg Headline	https://www.bloomberg.com/news/articles/2023-10-23/for-the-us-housing-market-boosting-latino-homeownership-is-key
30-31	Wartell and Murguia Quotes	https://www.bloomberg.com/news/articles/2023-10-23/for-the-us-housing-market-boosting-latino-homeownership-is-key
32	Owning a Home Important Graph	https://www.fanniemae.com/media/47726/display

Resources

Slide(s)	Description	Link(s)
34	Net Worth Widening Graph	https://www.federalreserve.gov/publications/files/scf23.pdf
35	Home Equity Graph	https://www.blackknightinc.com/wp-content/uploads/2023/02/BKI_MM_Dec2022_Report.pdf https://www.commerceinstitute.com/new-businesses-started-every-year/



Updates

Resources

Slide(s)	Description	Link(s)
46	Confidence Index	https://www.nar.realtor/research-and-statistics/research-reports/realtors-confidence-index
47-49, 56, 58, 59, 66-69	Existing Home Sales	https://www.nar.realtor/topics/existing-home-sales
50-52	New Home Sales	http://www.census.gov/construction/nrs/pdf/newressales.pdf http://www.census.gov/newhomesales
53	Total Home Sales	http://www.census.gov/construction/nrs/pdf/newressales.pdf https://www.nar.realtor/topics/existing-home-sales
54-55	Pending Home Sales	https://www.nar.realtor/research-and-statistics/housing-statistics/pending-home-sales
60-62	Case Shiller	https://www.spglobal.com/spdji/en/indices/indicators/sp-corelogic-case-shiller-20-city-composite-home-price-nsa-index/#news-research
63	CoreLogic Price Forecast	https://www.corelogic.com/intelligence/u-s-home-price-insights/

Resources

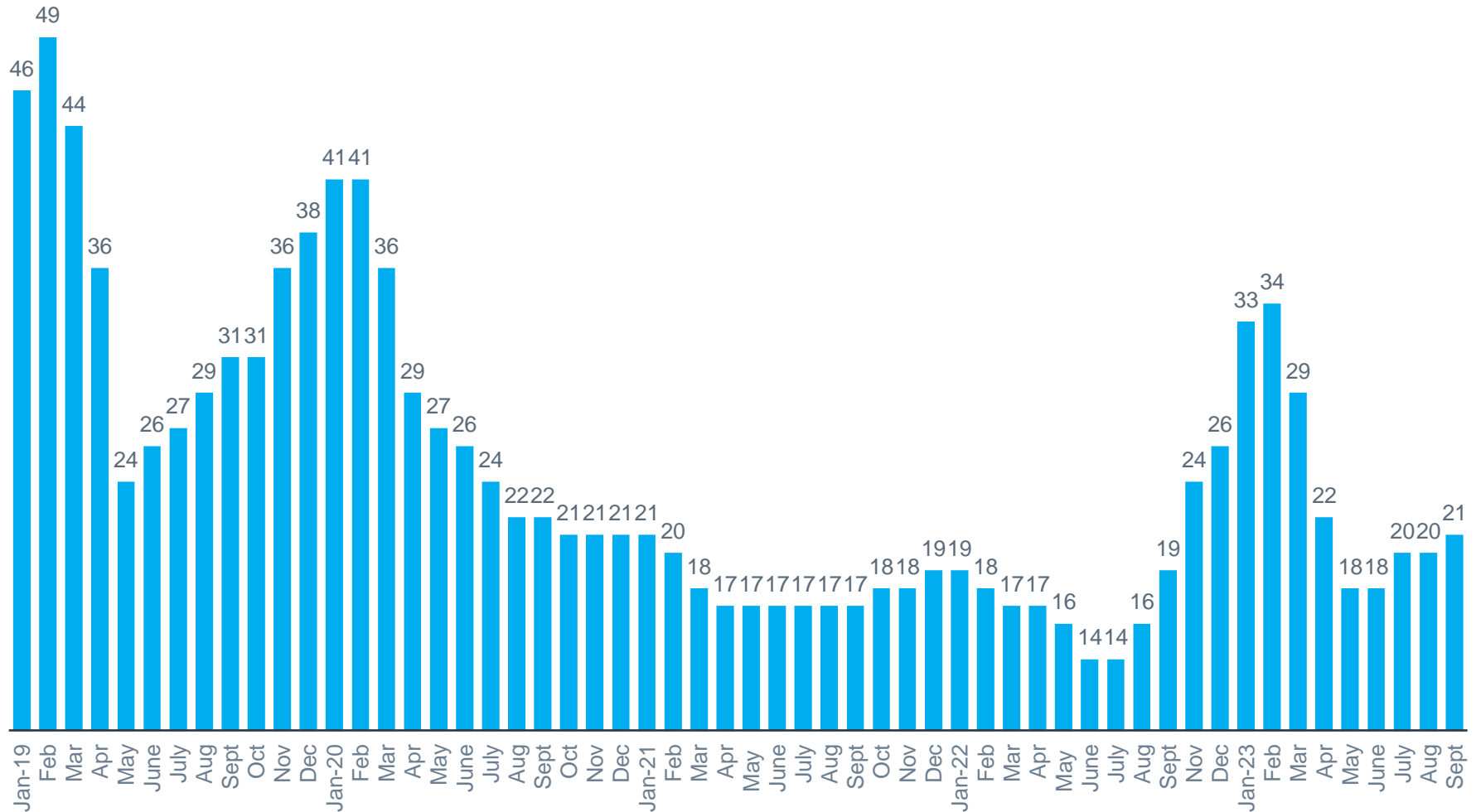
Slide(s)	Description	Link(s)
65-71	Inventory	https://www.nar.realtor/topics/existing-home-sales http://www.census.gov/construction/nrs/pdf/newressales.pdf https://www.realtor.com/research/data/
73	Showing Activity	https://www.showingtime.com/blog/
75, 76, 78, 78	Mortgage Rates	http://www.freddiemac.com/pmms/pmms_archives.html http://www.freddiemac.com/research/forecast/ https://www.mba.org/news-research-and-resources/research-and-economics/forecasts-and-commentary
77	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
81, 82	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

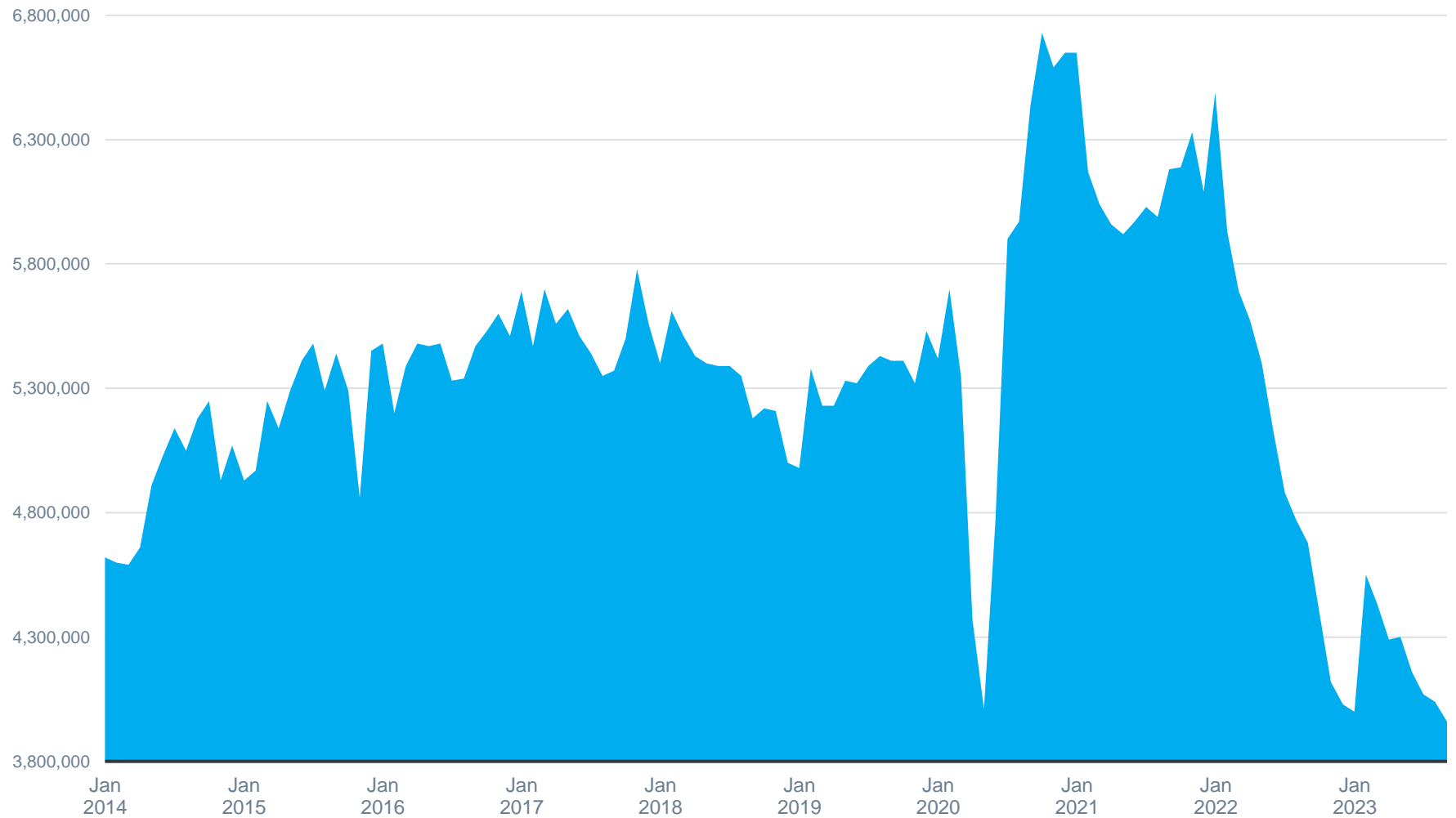
Average Days on the Market

September 2023



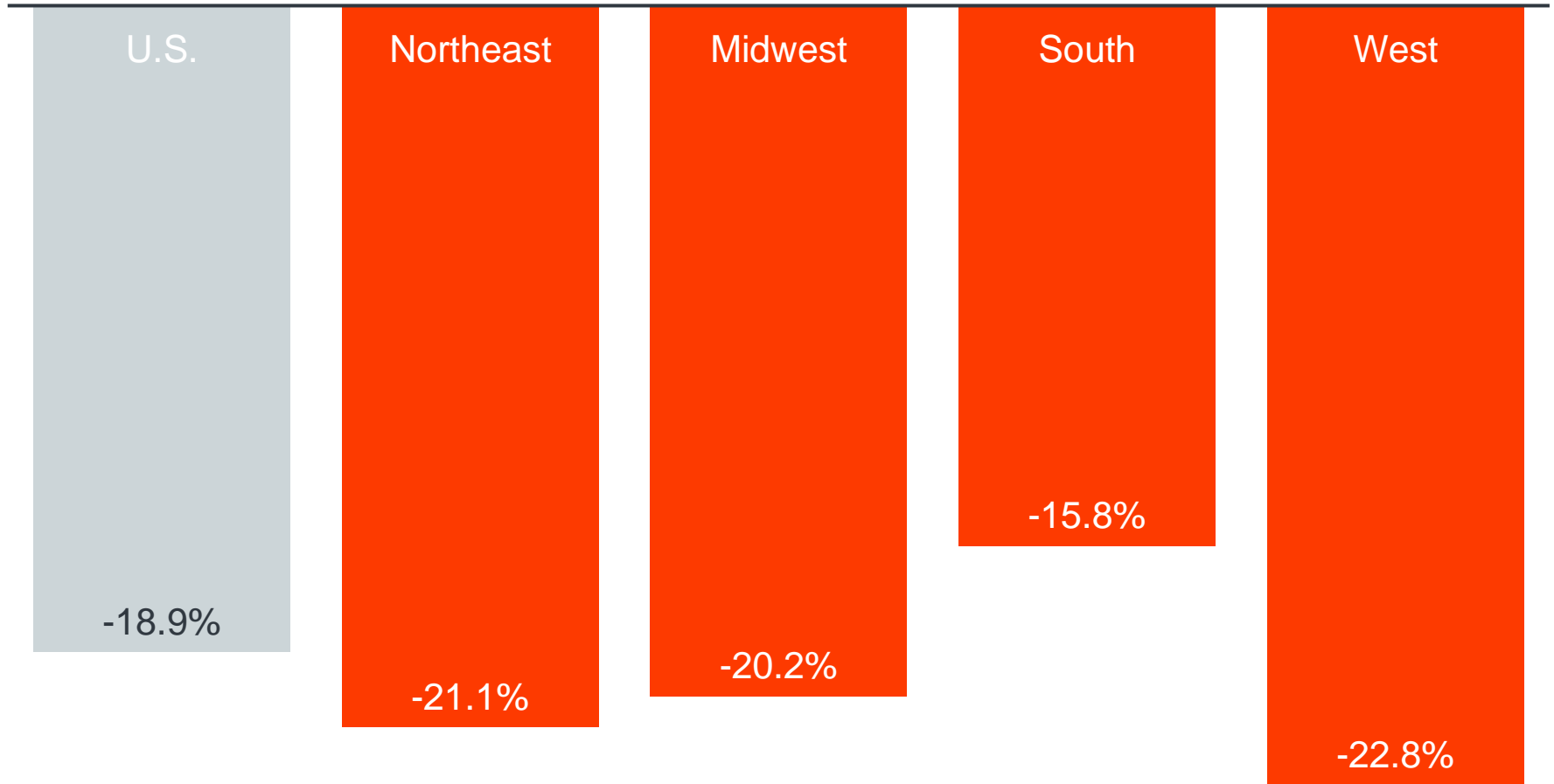
Existing Home Sales

Since January 2014



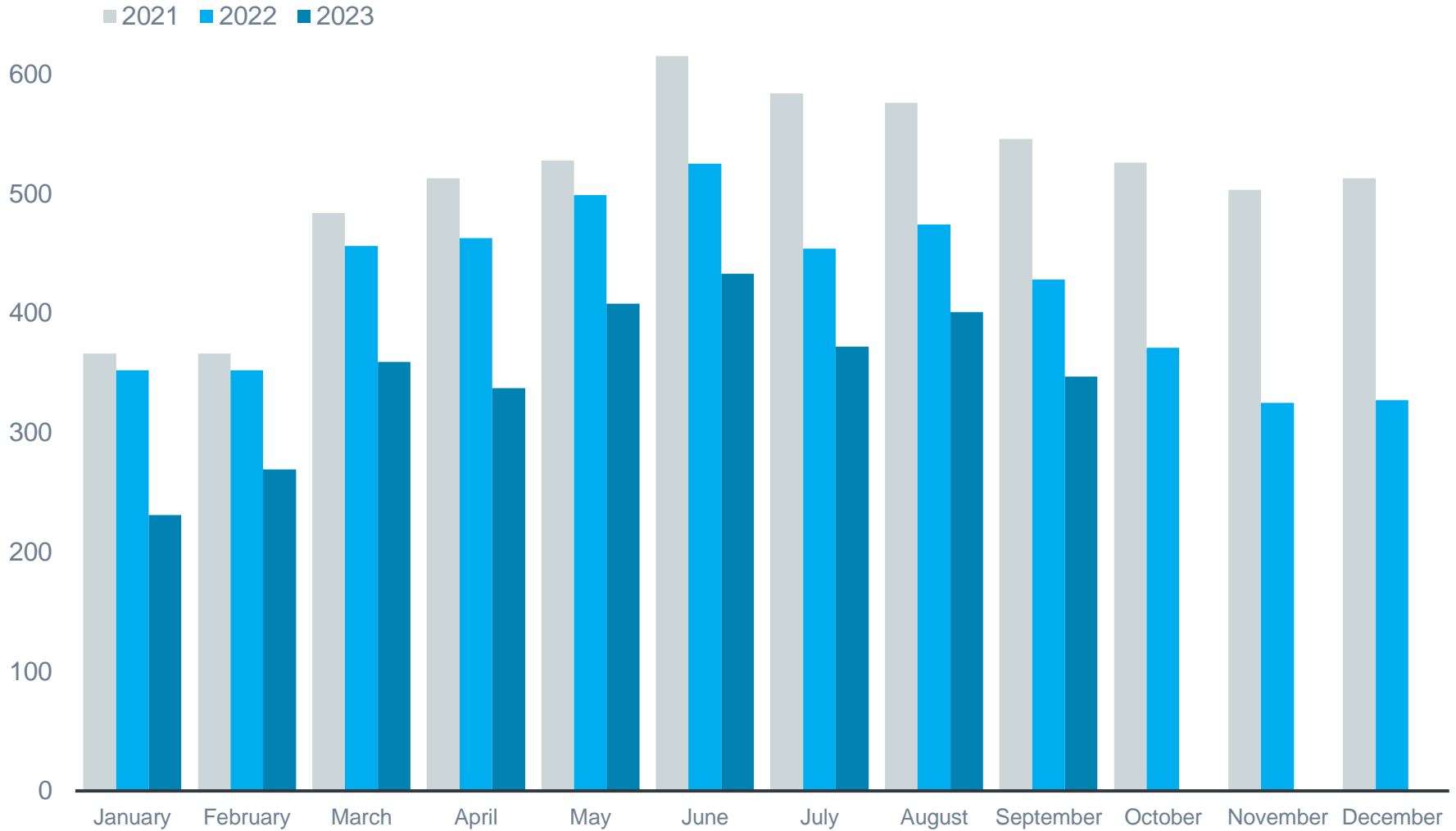
Existing Home Sales

Year-Over-Year, by Region



Existing Home Sales

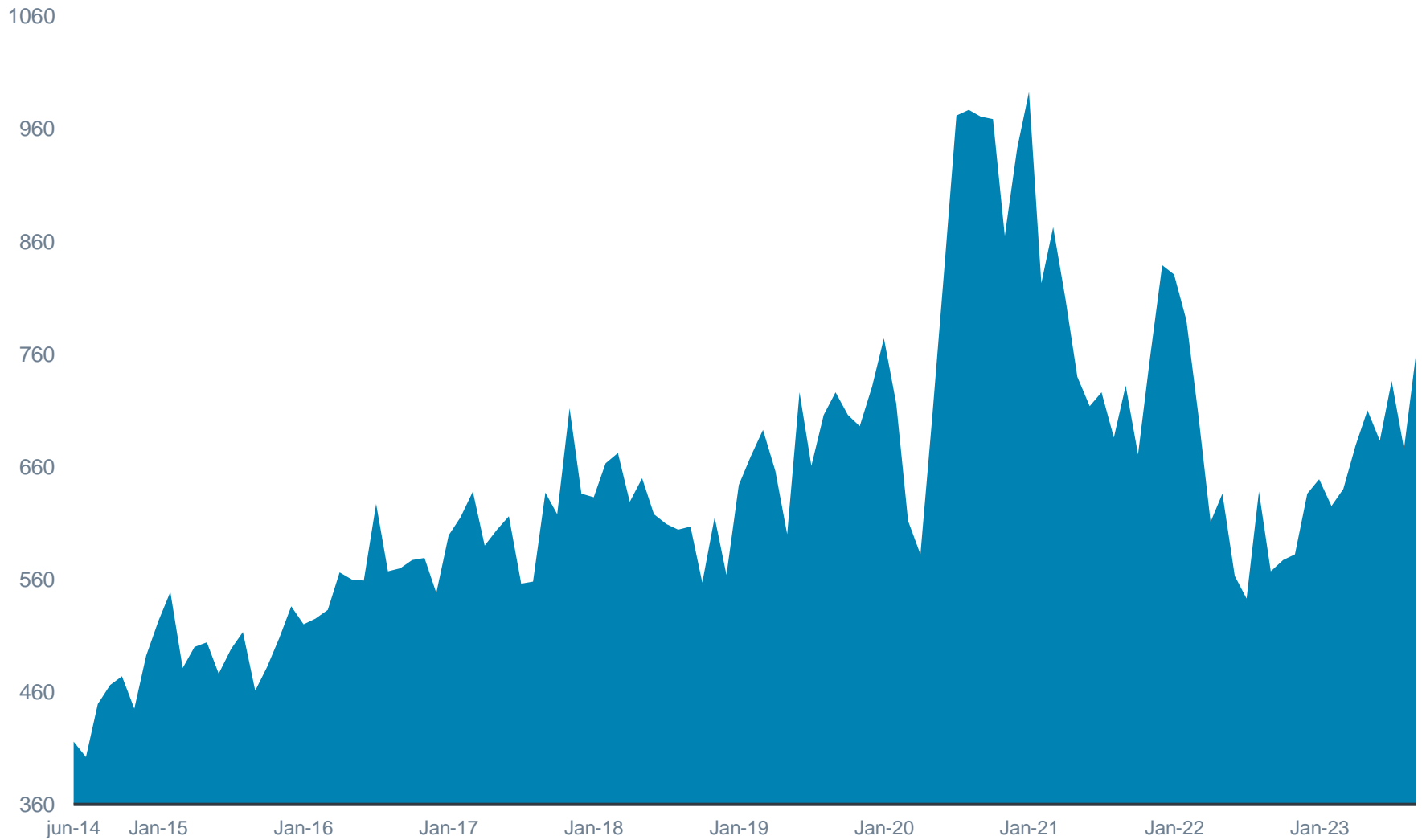
In Thousands



Source: NAR

New Home Sales

Annualized in Thousands

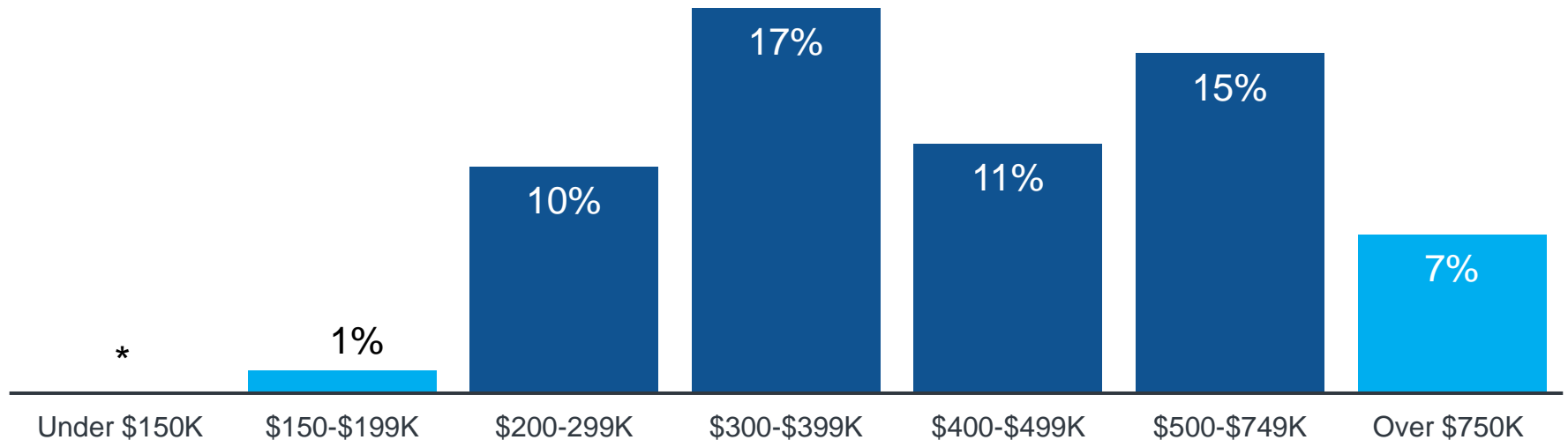


Source: Census

New Home Sales

Percent of Distribution by Price Range

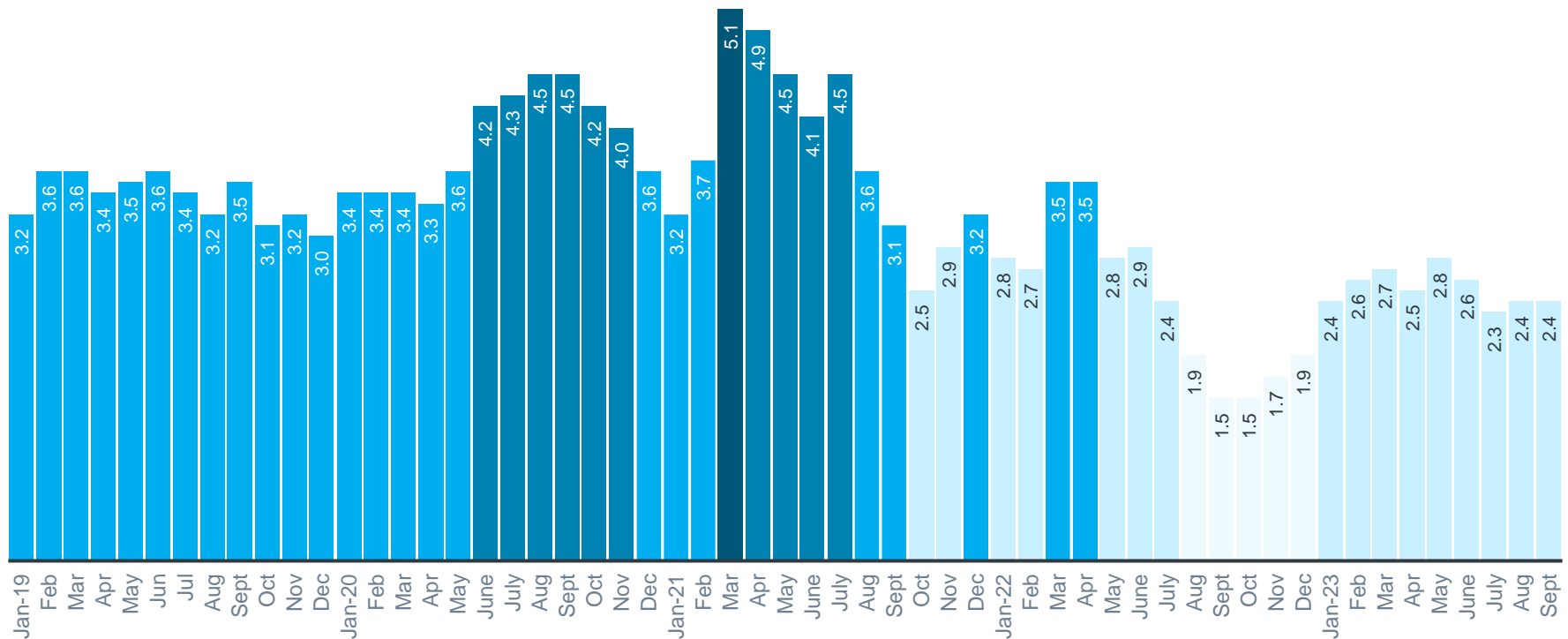
* Less Than 500 Units or Less Than 0.5 Percent



Source: Census

New Homes Selling Fast

Median Months from Completion to Sold

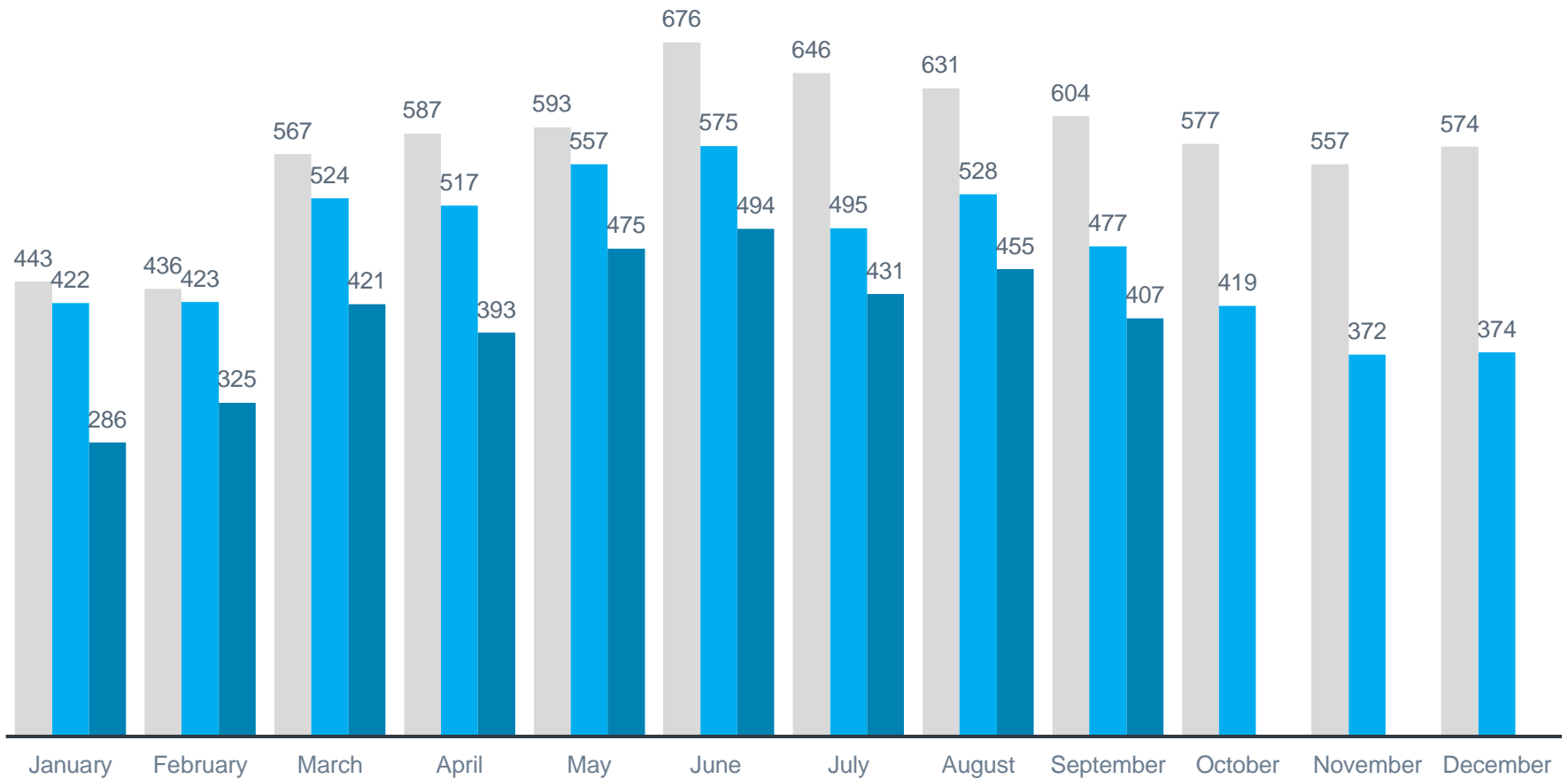


Source: Census

Total Home Sales

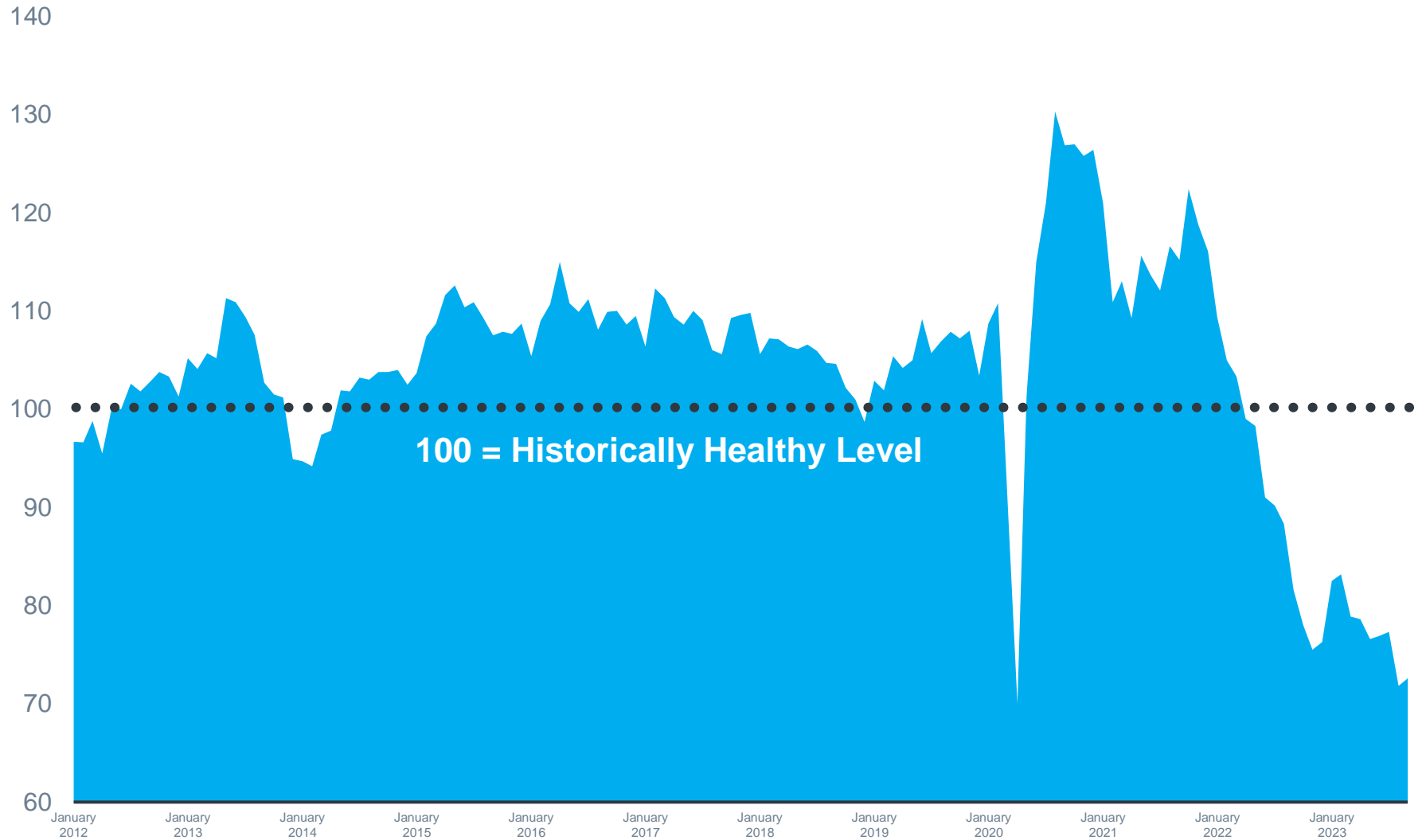
In Thousands

■ 2021 ■ 2022 ■ 2023



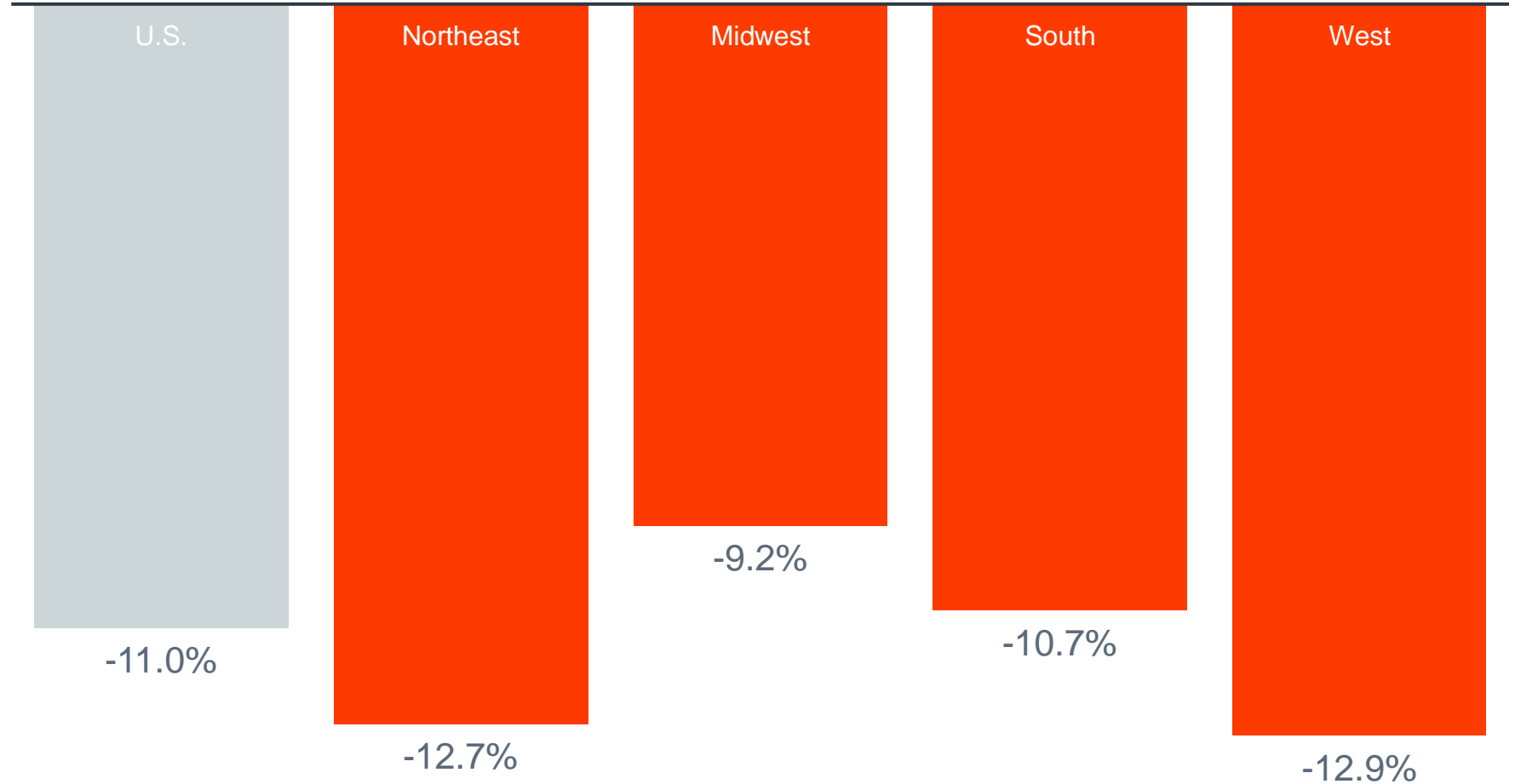
Source: Census

Pending Home Sales



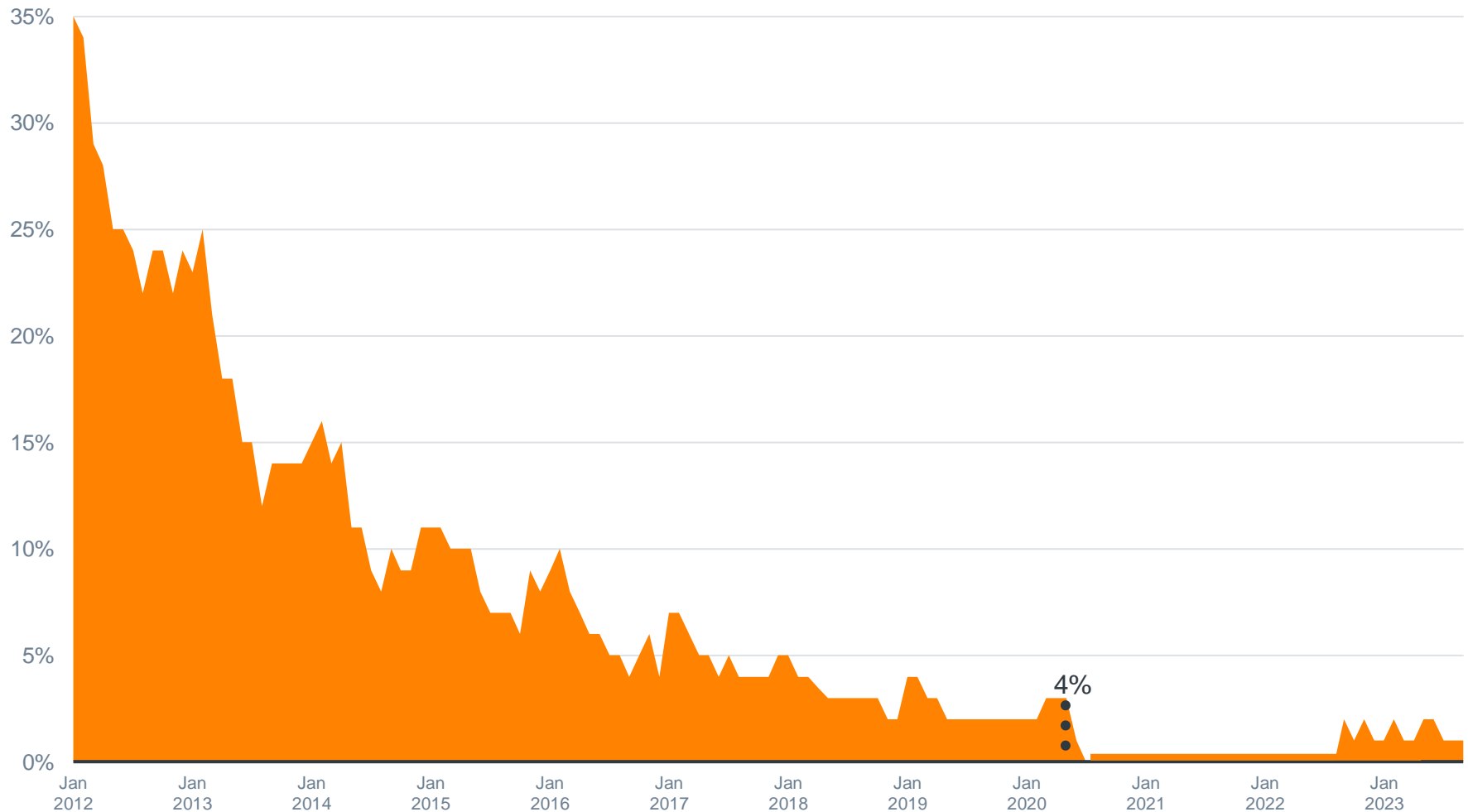
Pending Home Sales

Year-Over-Year by Region



Percentage of Distressed Property Sales

Distressed Sales (Foreclosures and Short Sales) Represented 1% of Sales in September.

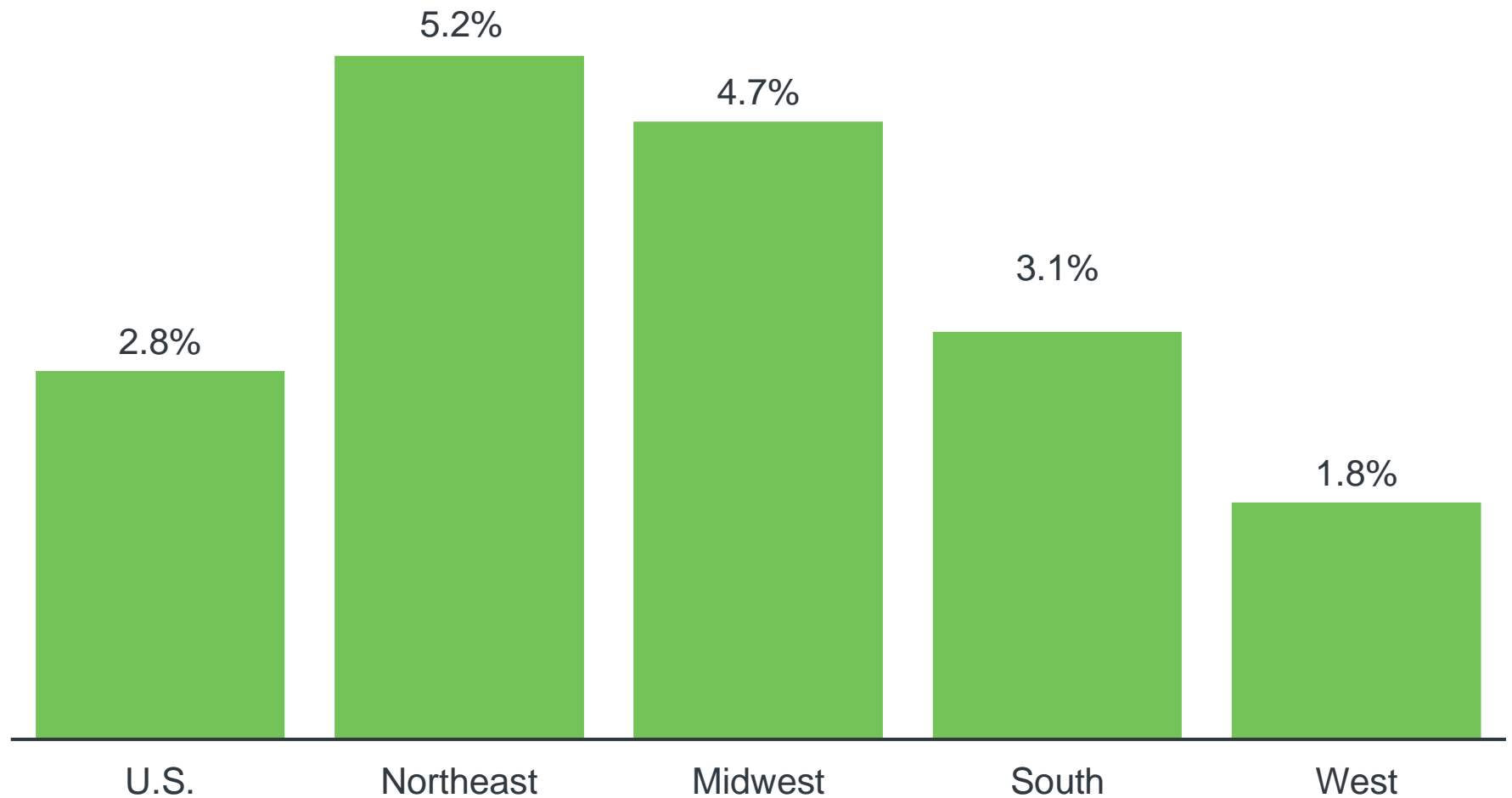




Home Prices

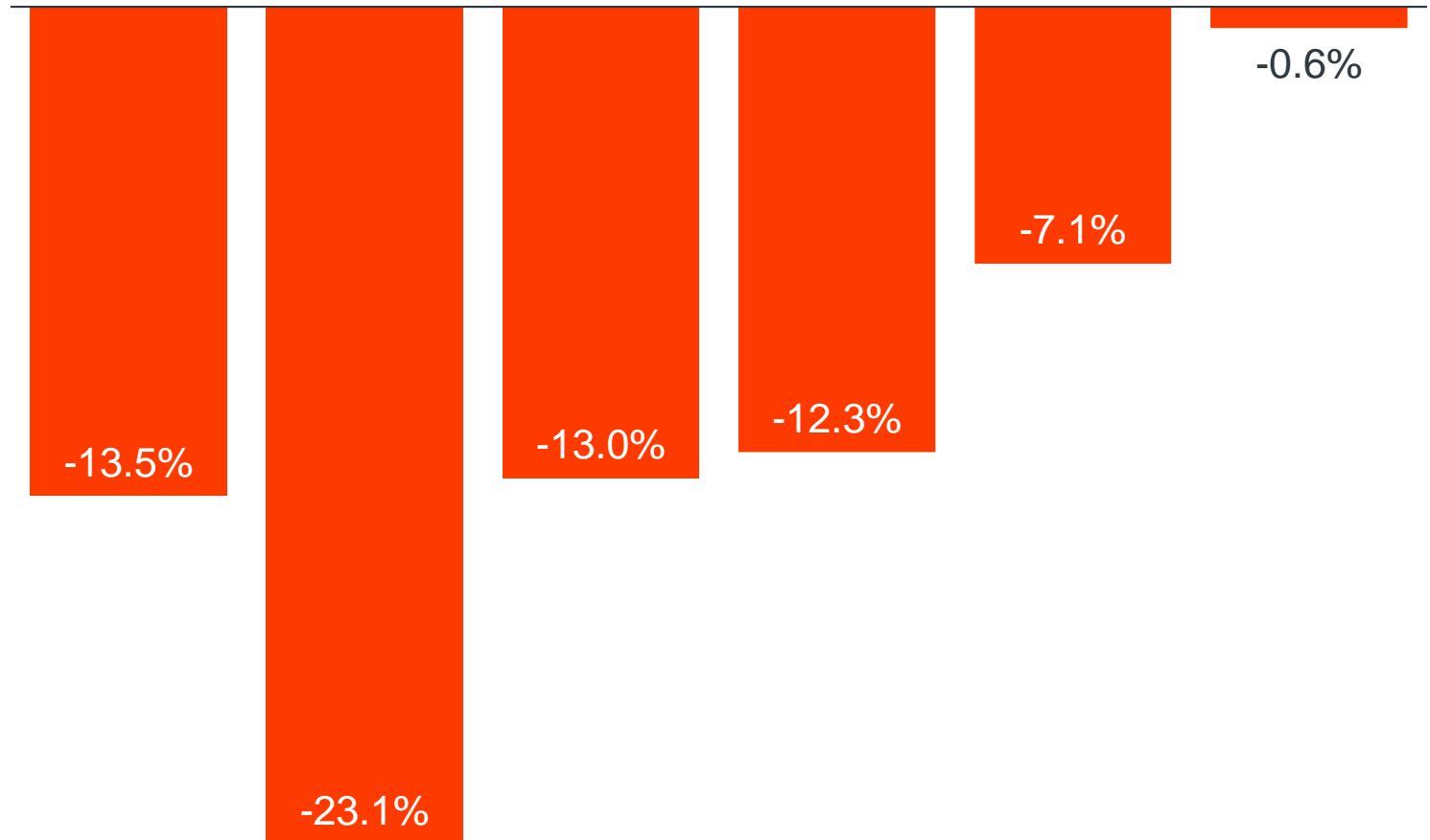
Sales Price of Existing Homes

Year-Over-Year, by Region



% Change in Sales

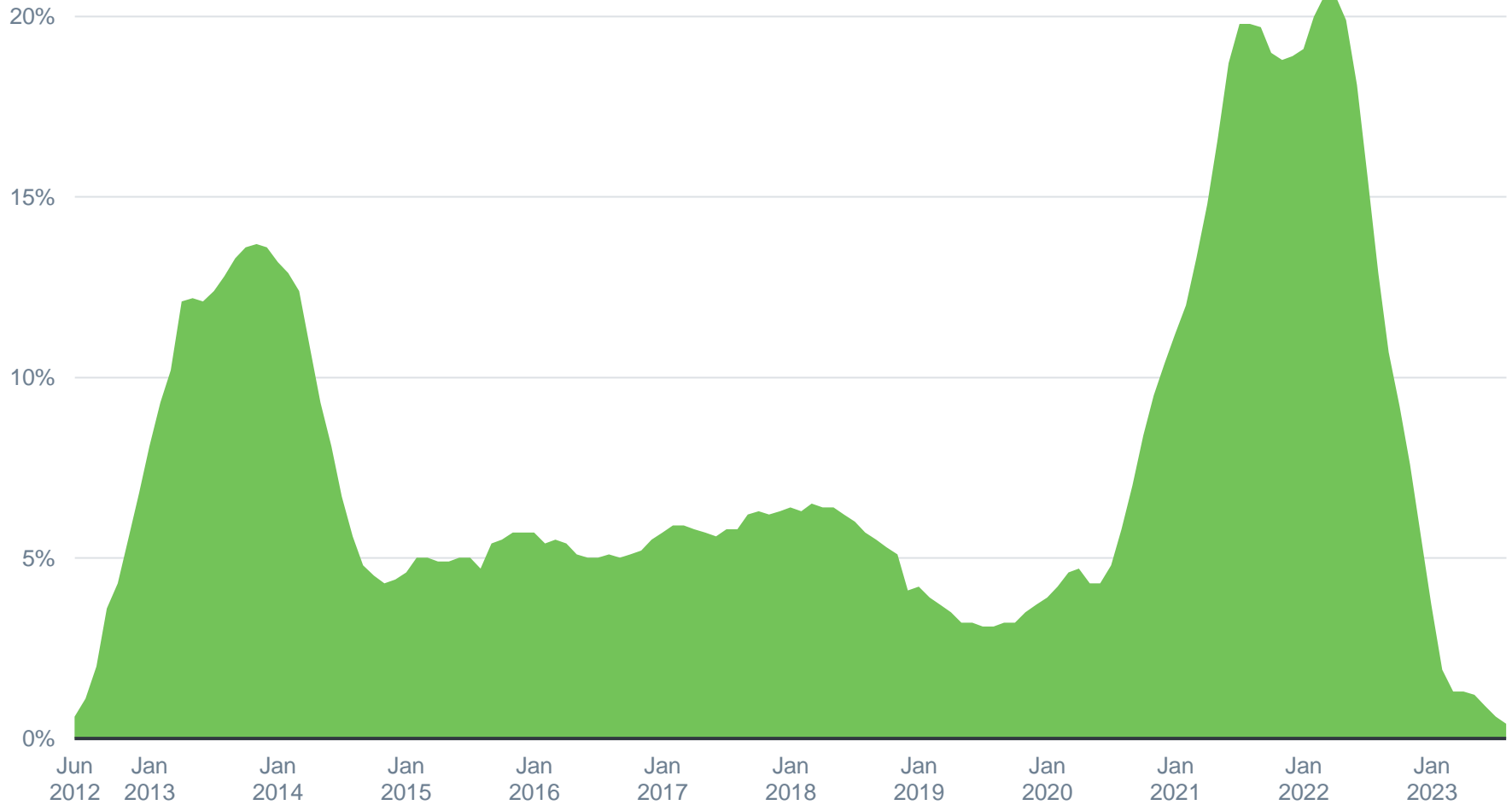
Year-Over-Year, by Price Range



	\$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

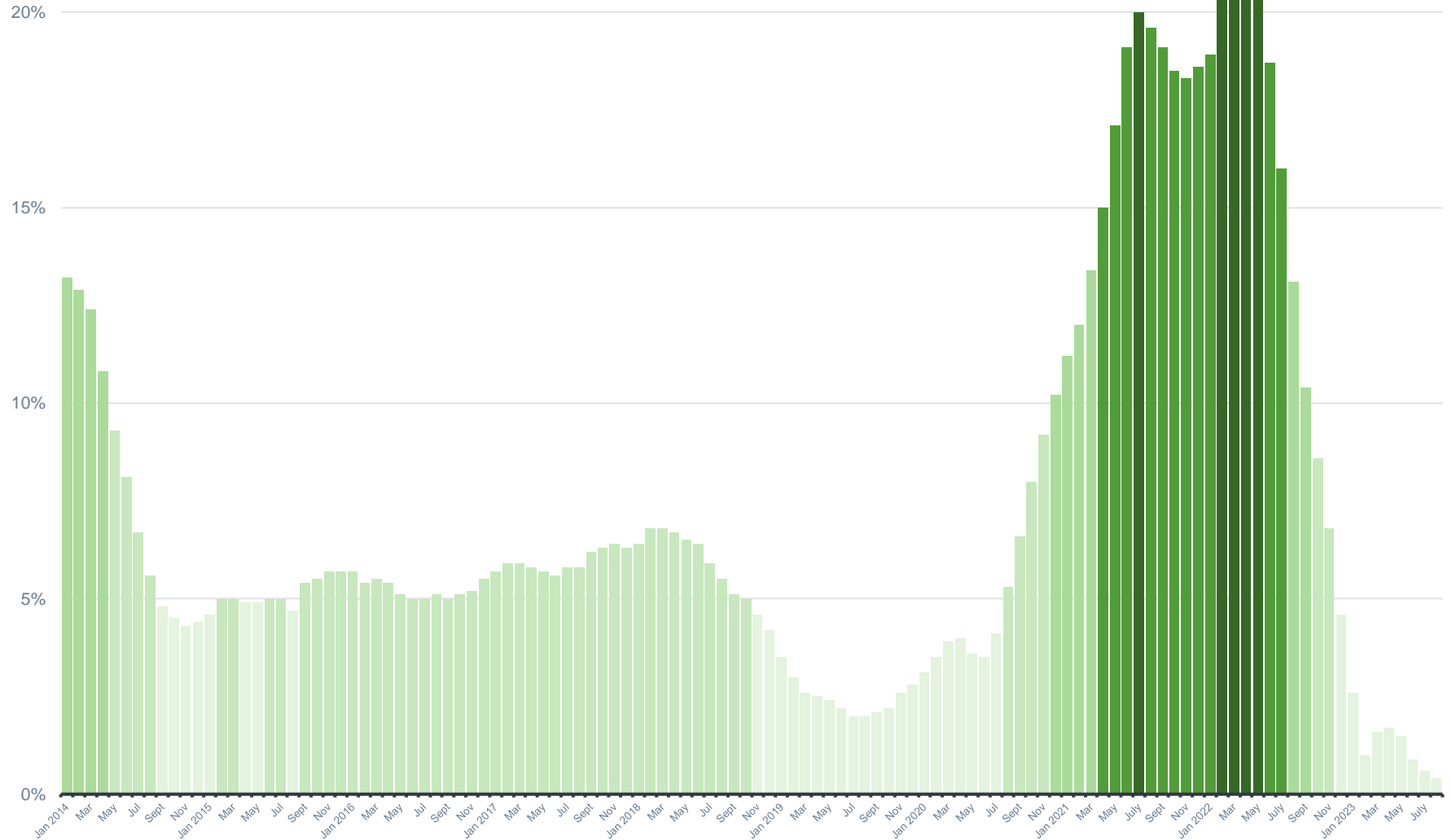
Year-Over-Year



Source: S&P Case-Shiller

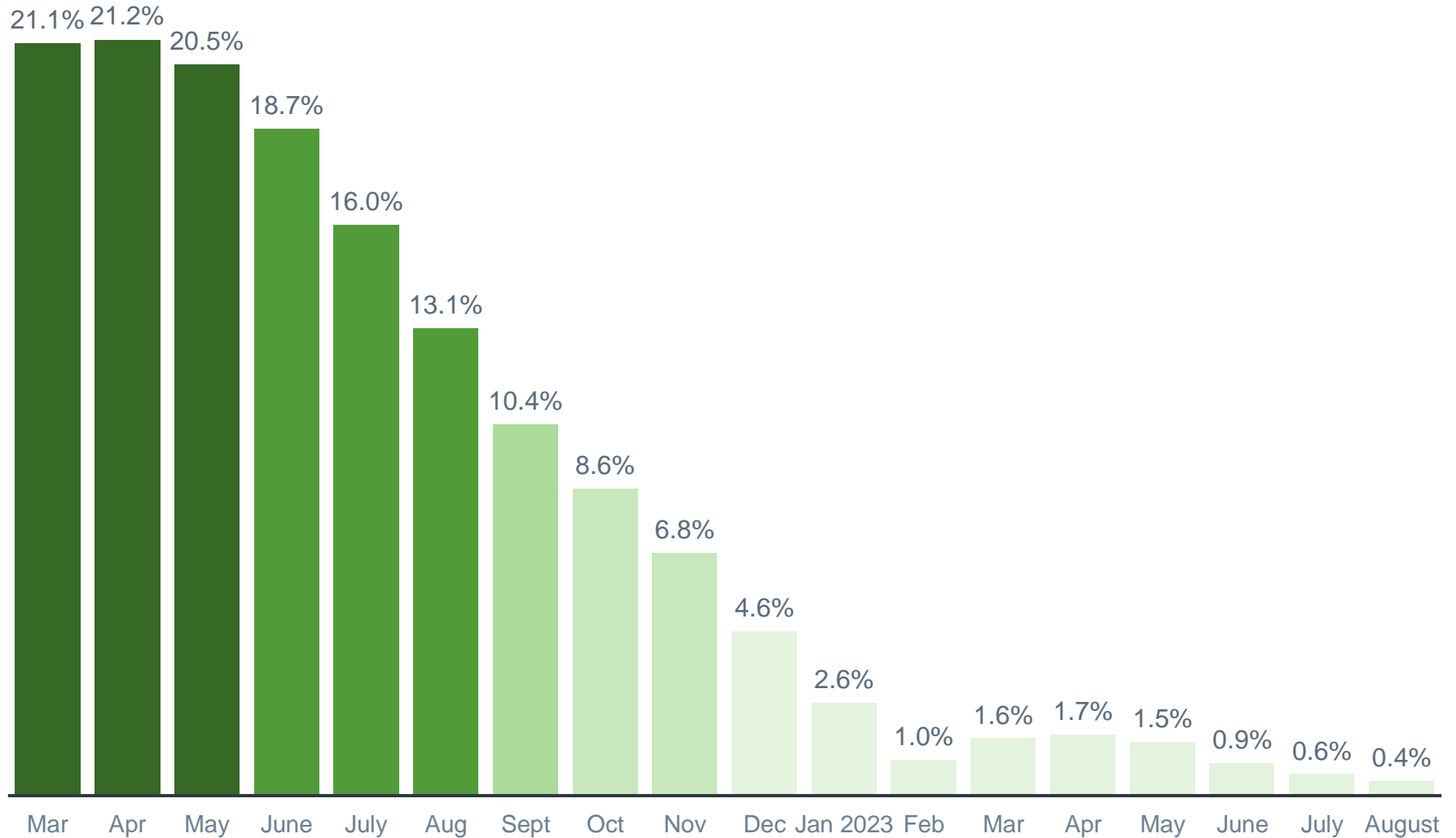
Change in Home Prices

Year-Over-Year, 20 City Composite



Change in Home Prices

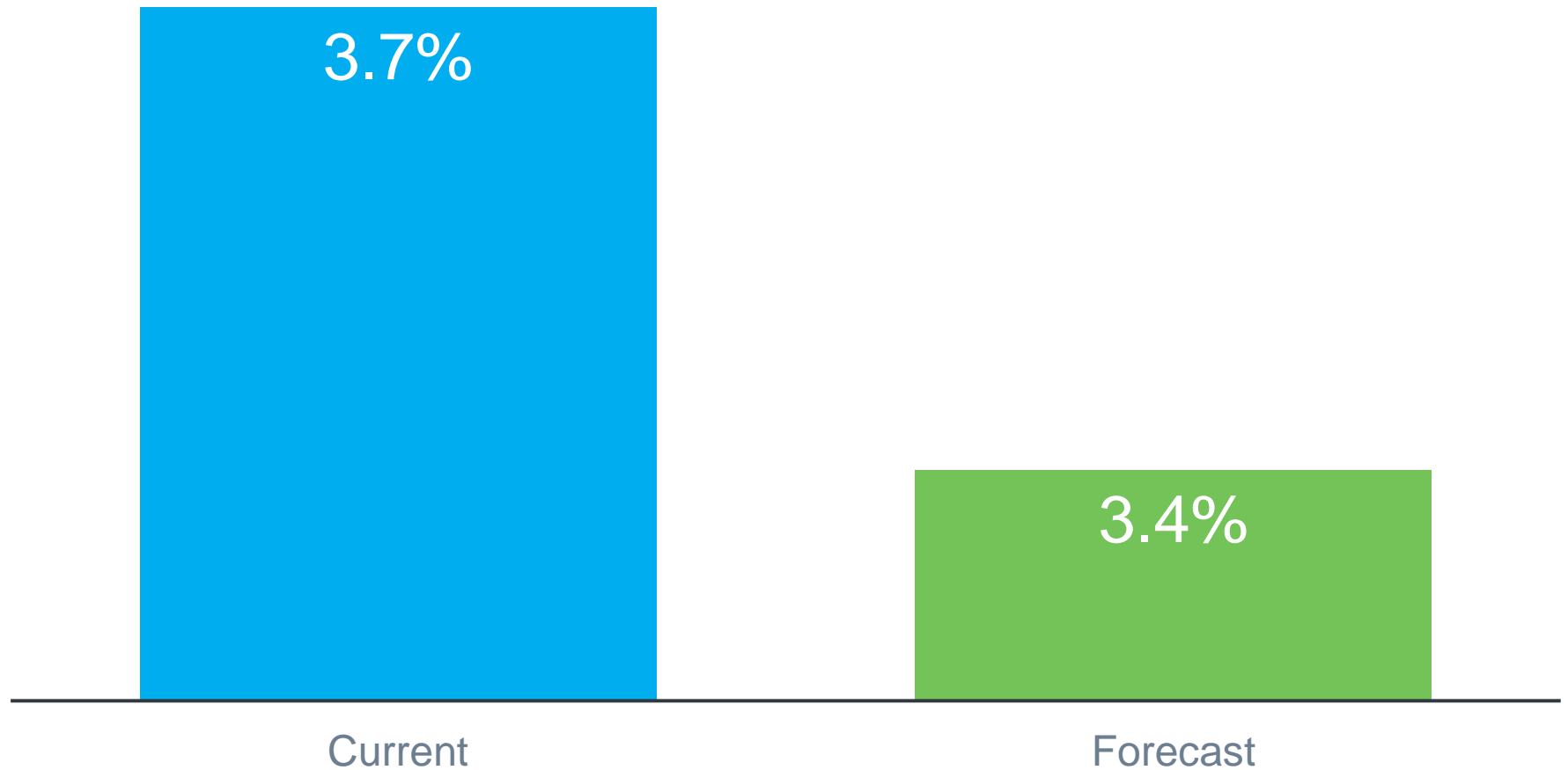
Year-Over-Year, 20 City Composite



Source: S&P Case-Shiller

Year-Over-Year % Change in Price

US Home Price Insights – August 2023

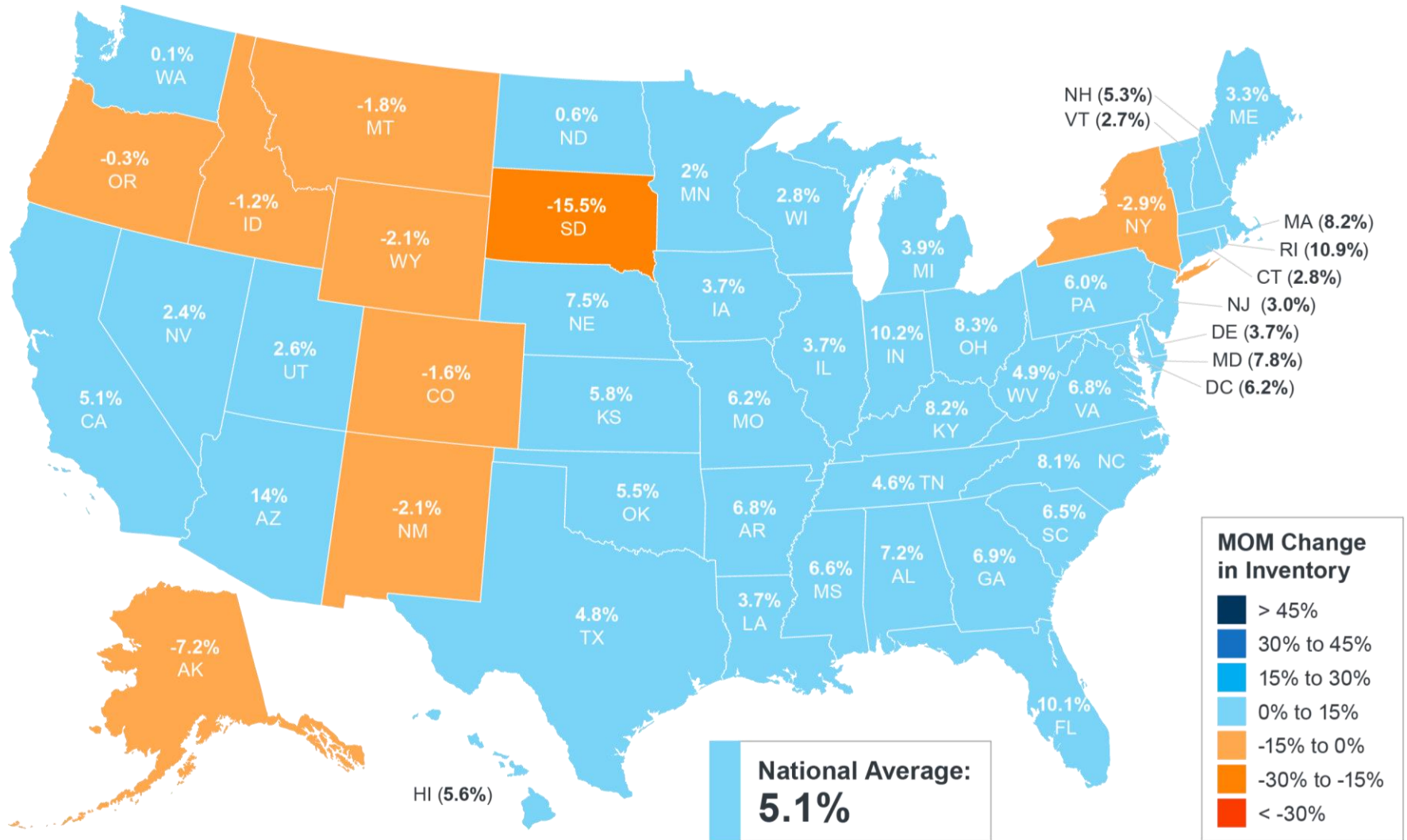




Housing Inventory

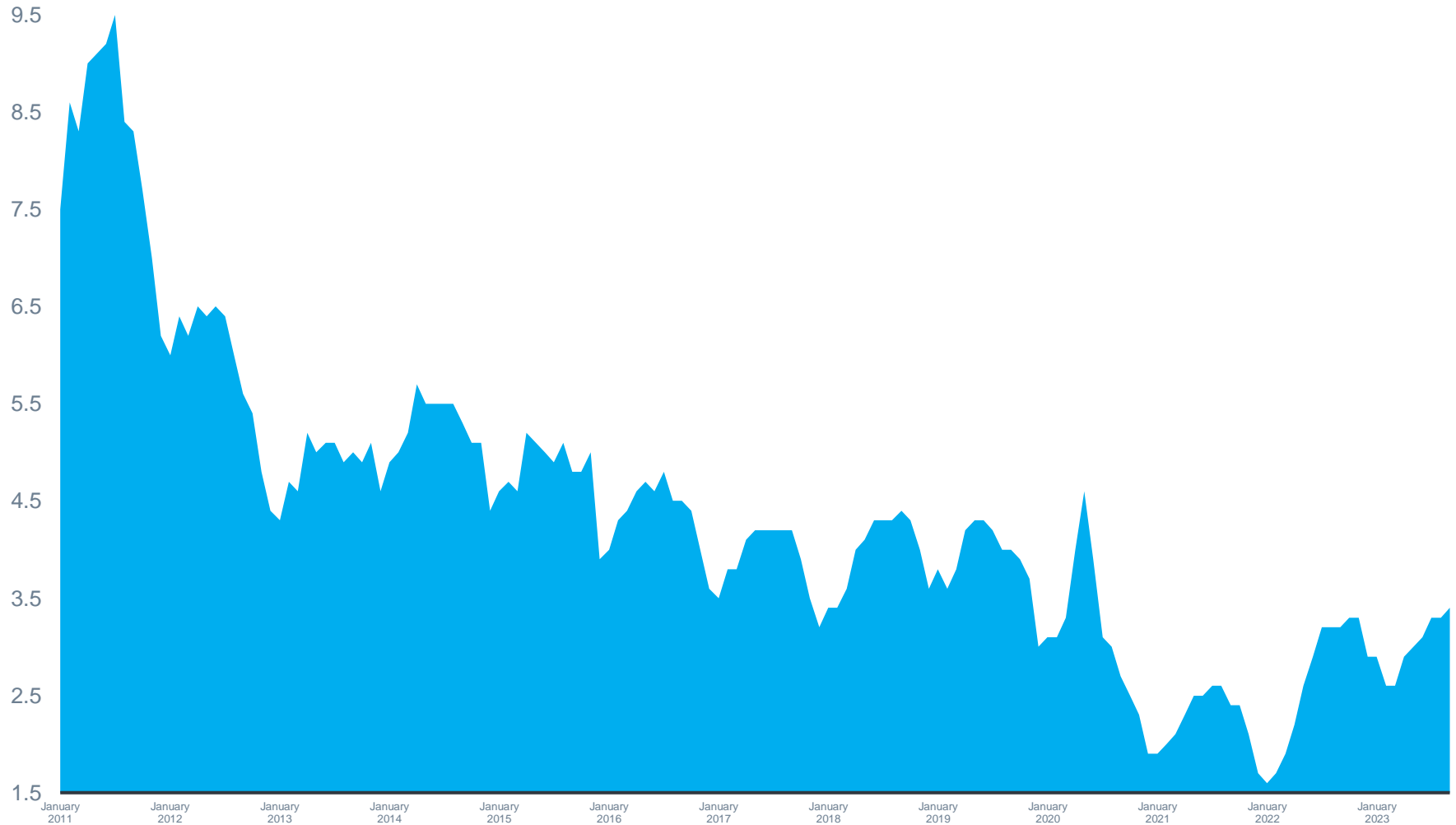
Change in Inventory

Month-Over-Month, October 2023



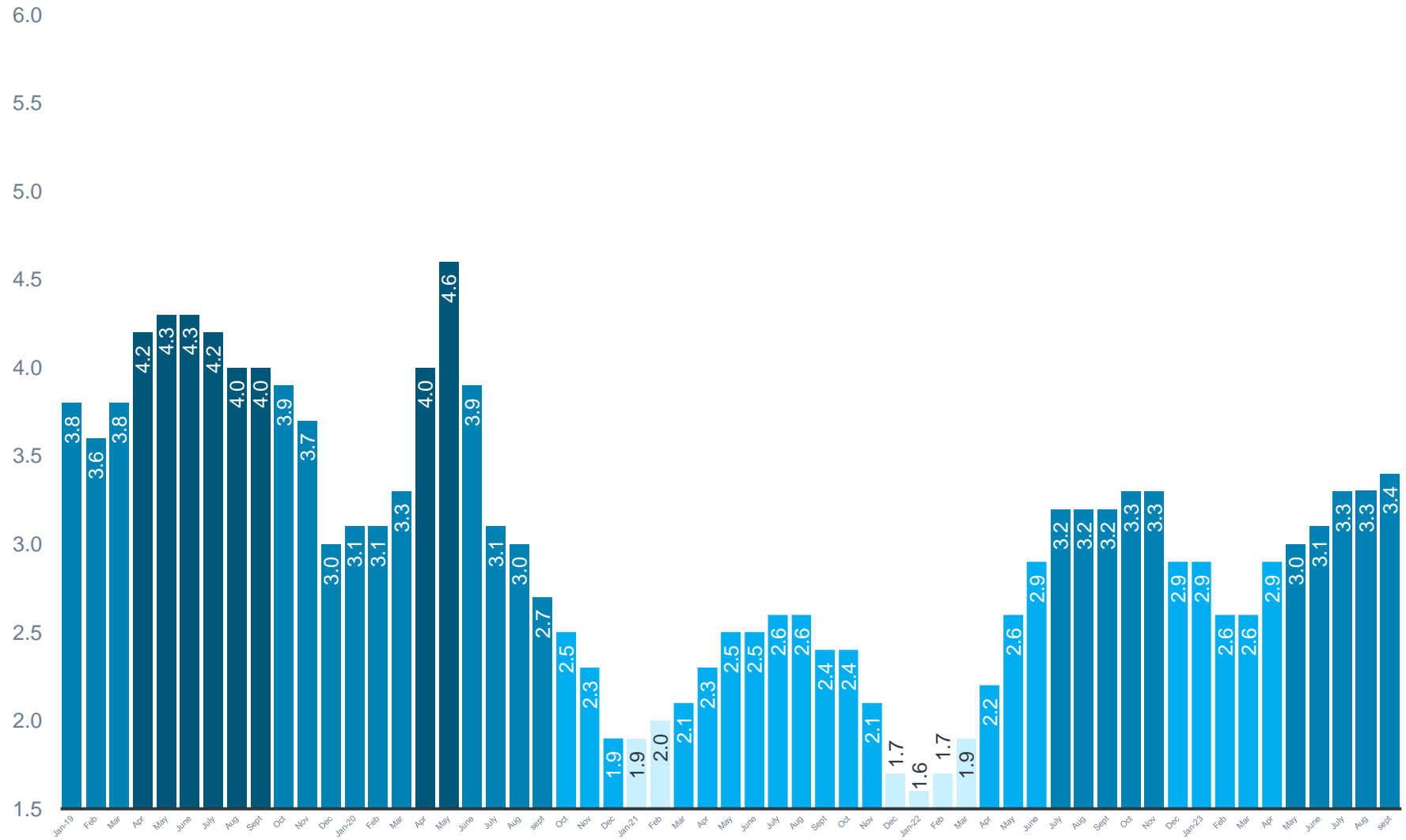
Months Inventory of Homes for Sale

2011 - Today

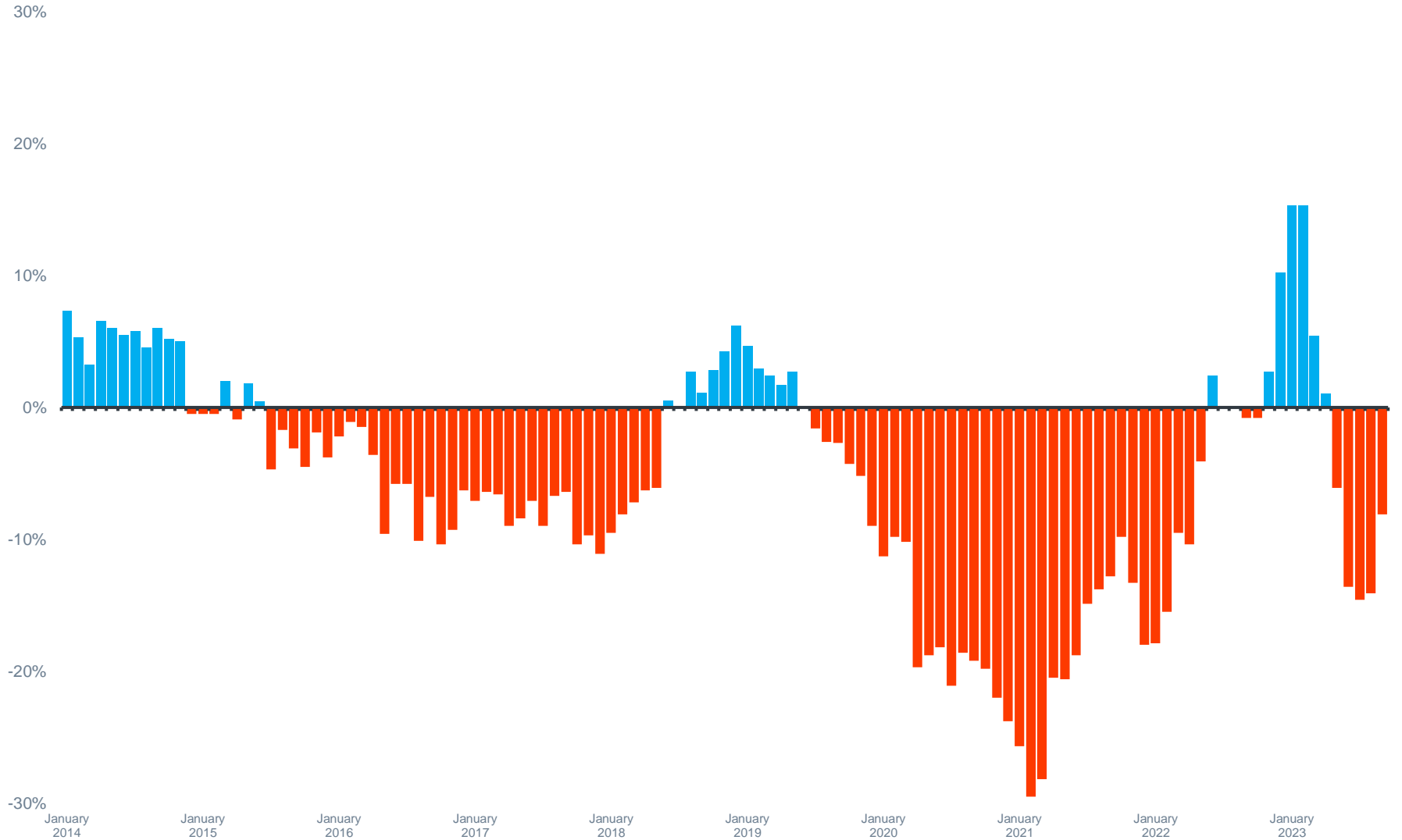


Months Inventory of Homes for Sale

Since 2019

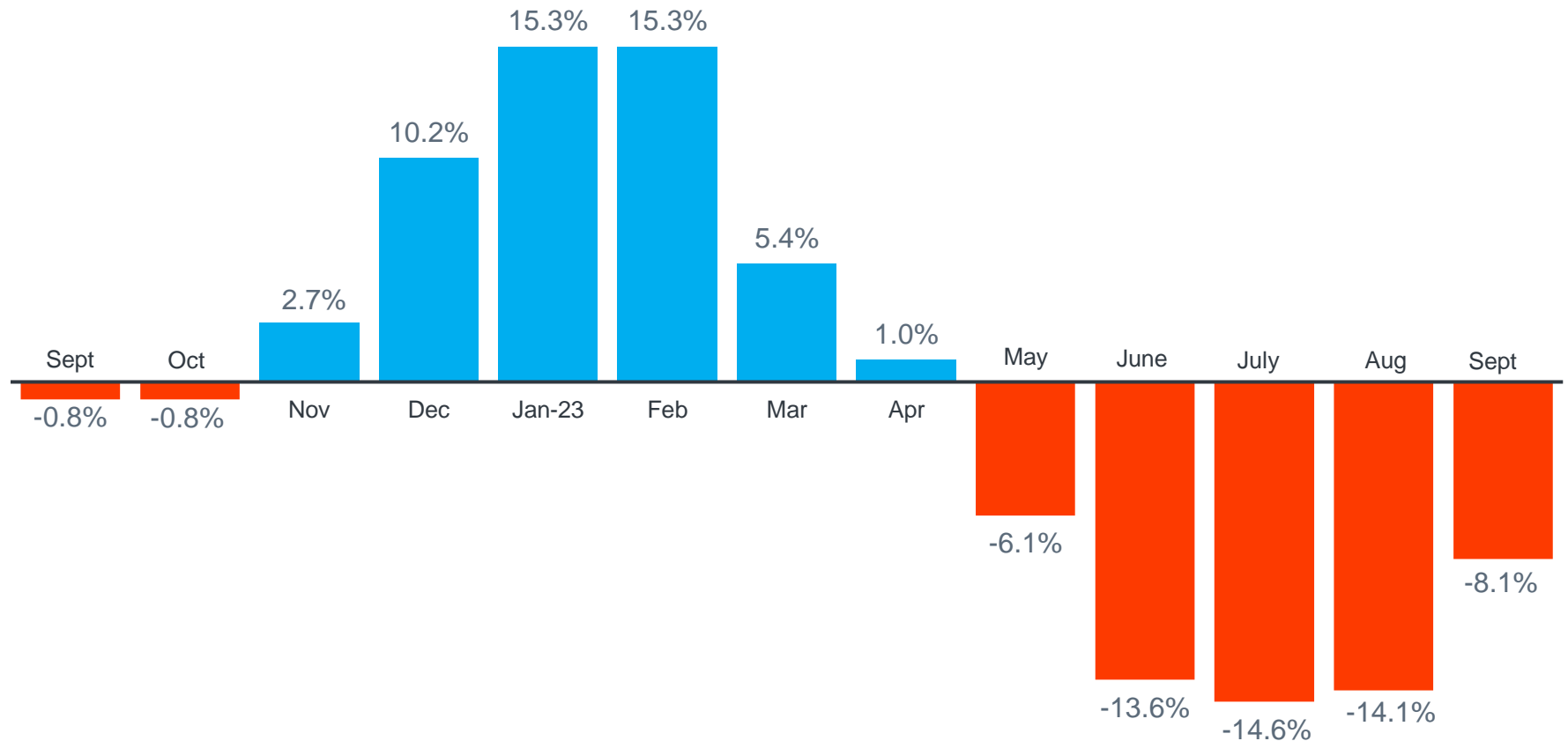


Year-Over-Year Inventory Levels



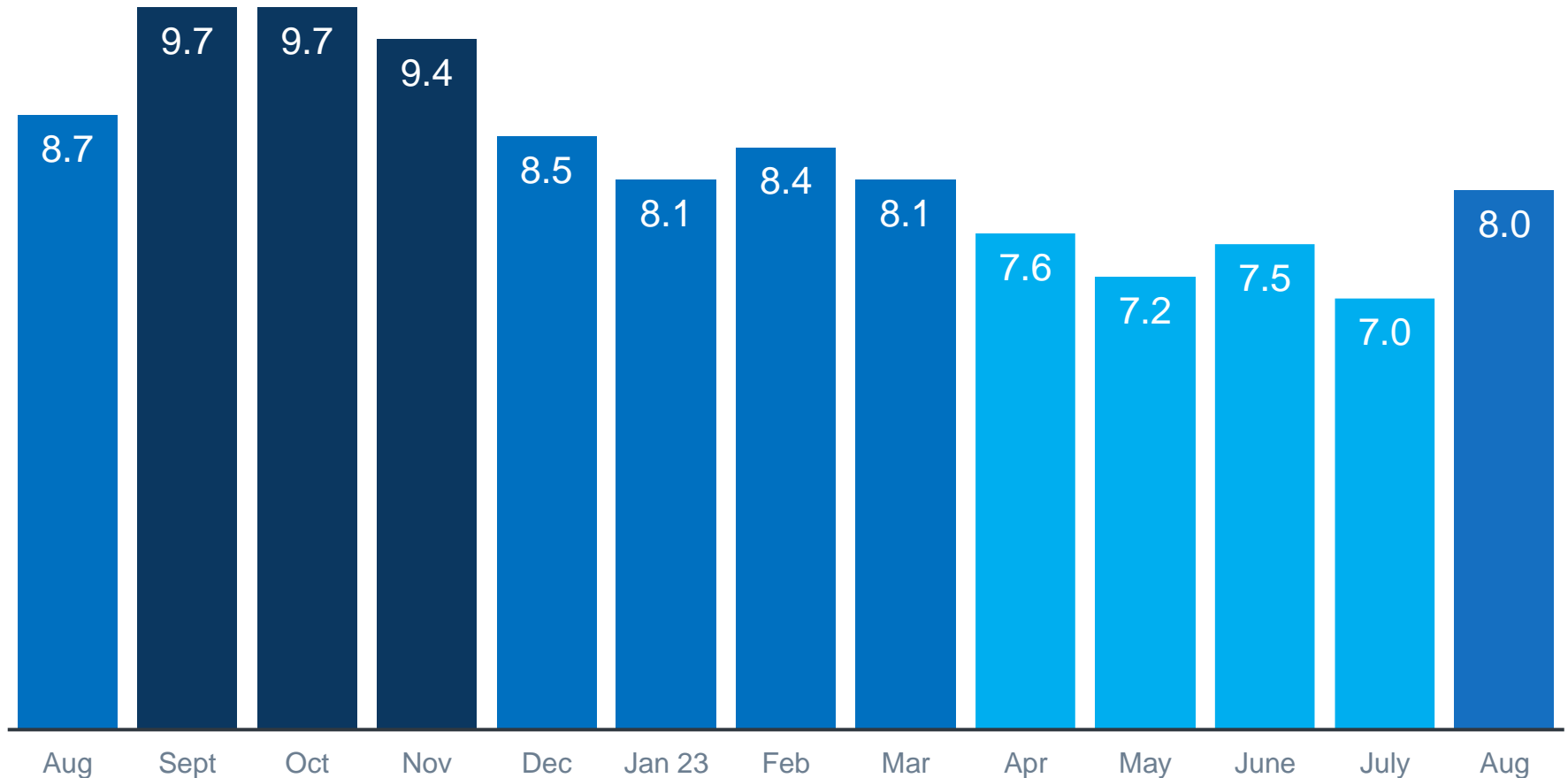
Year-Over-Year Inventory Levels

Last 12 Months



New Home Monthly Inventory

Seasonally Adjusted, Last 13 Months

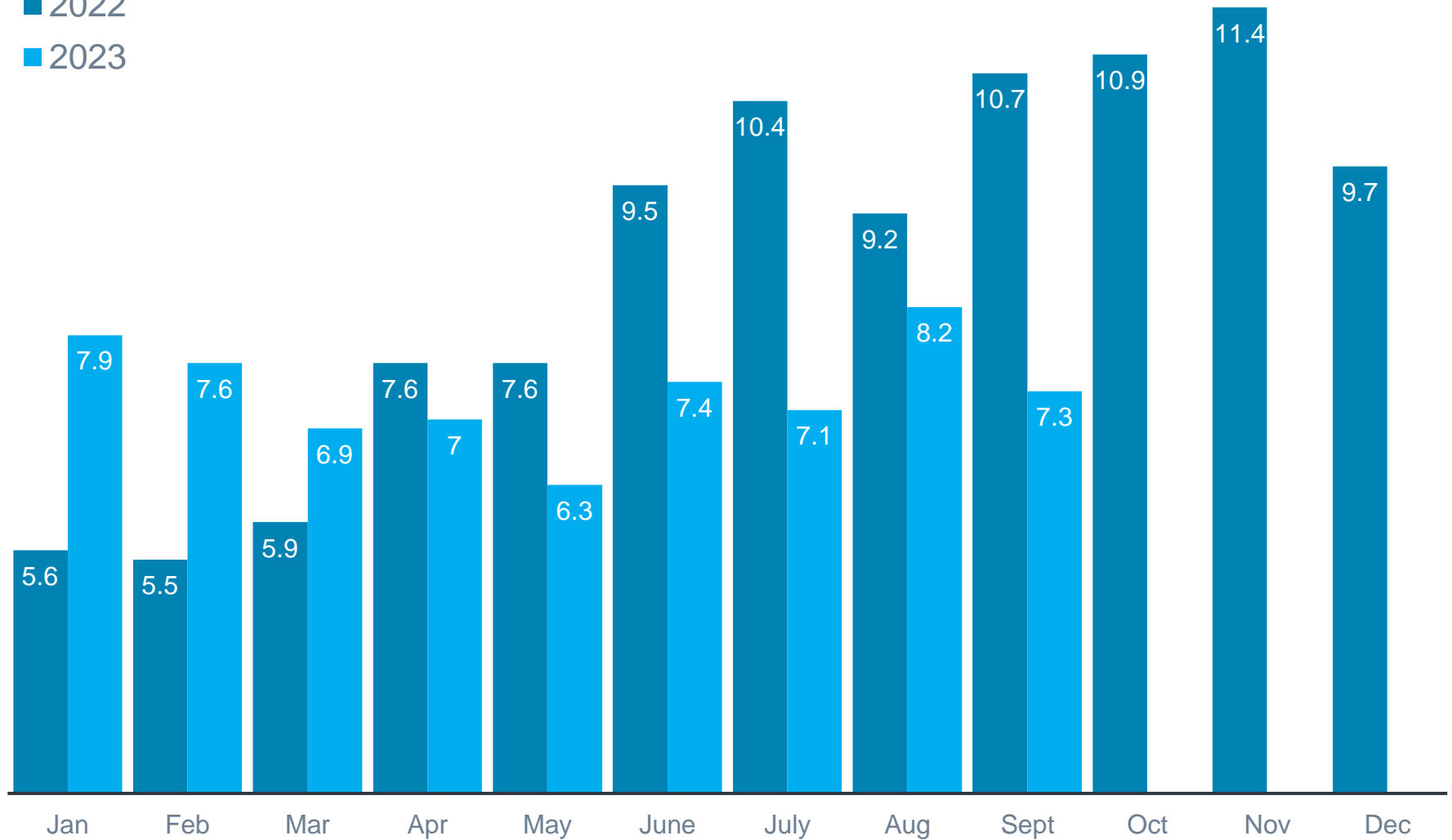


Source: Census

New Home Monthly Inventory

Non-Seasonally Adjusted

■ 2022
■ 2023



Source: Census



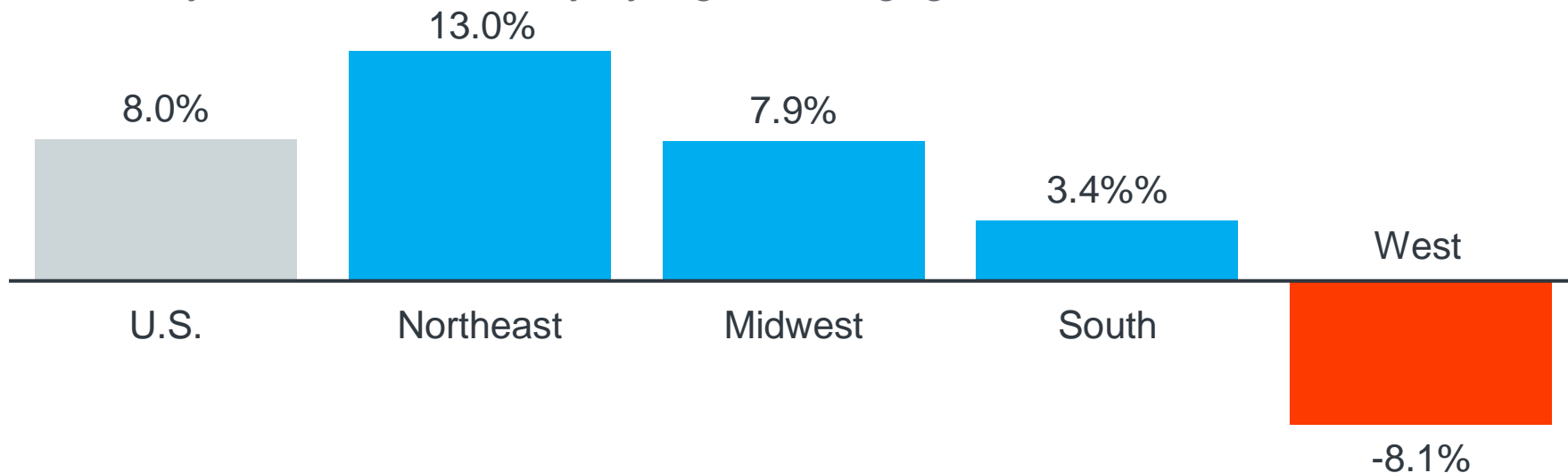
Buyer Demand

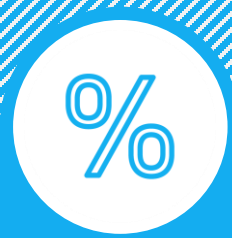
Home Showings Declined in August, but Still Remain Elevated Compared to Pre-Pandemic Levels

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

Michael Lane, Vice President & General Manager, Showing Time

“Real estate is seasonal, as indicated by the data we’re seeing in the August Showing Index . . . We’ve noticed sellers and their agents reducing list prices more often than we’ve seen since last November, which could create an opportunity this fall for buyers not scared away by higher mortgage rates.”

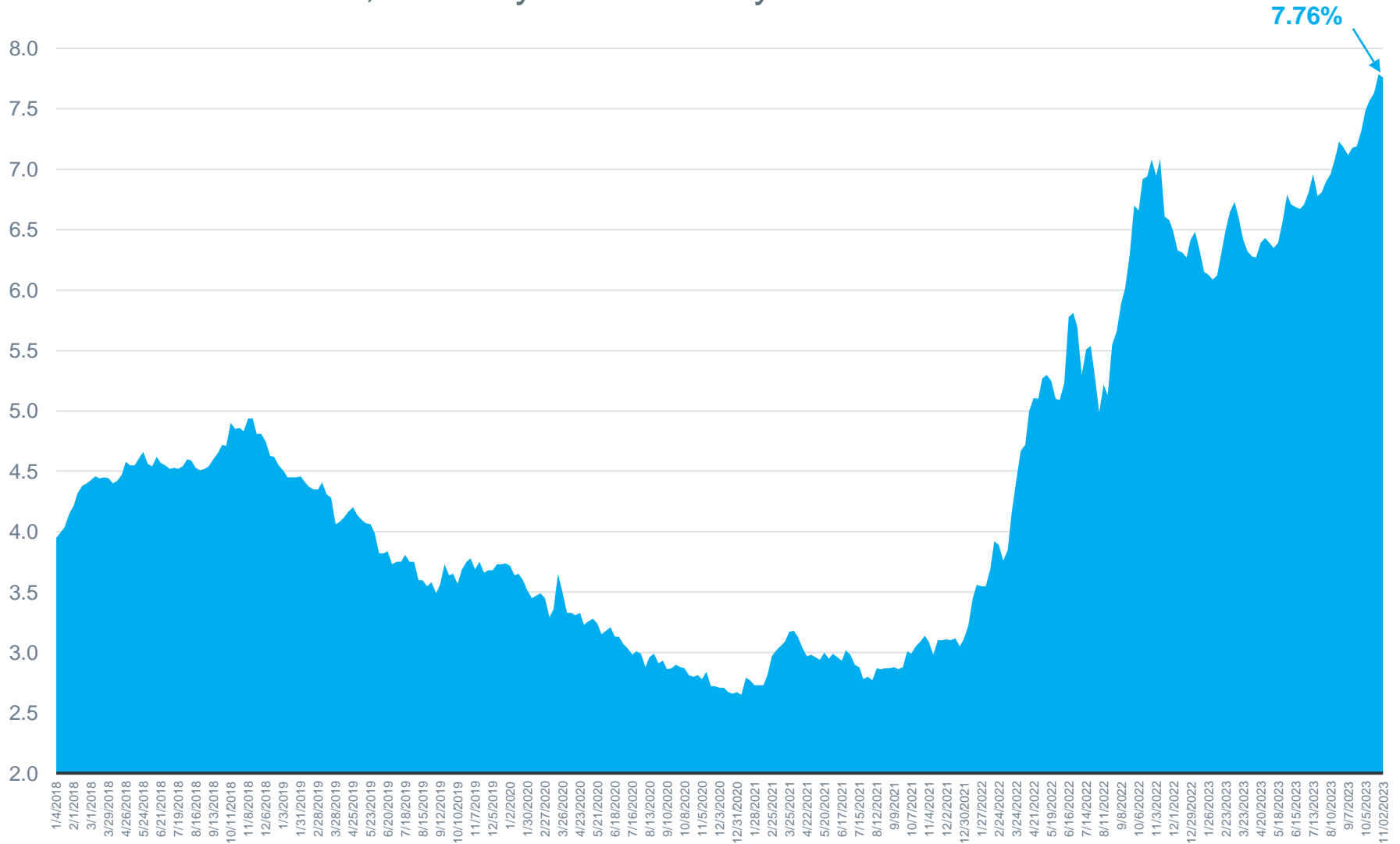




Mortgage Rates

Mortgage Rates

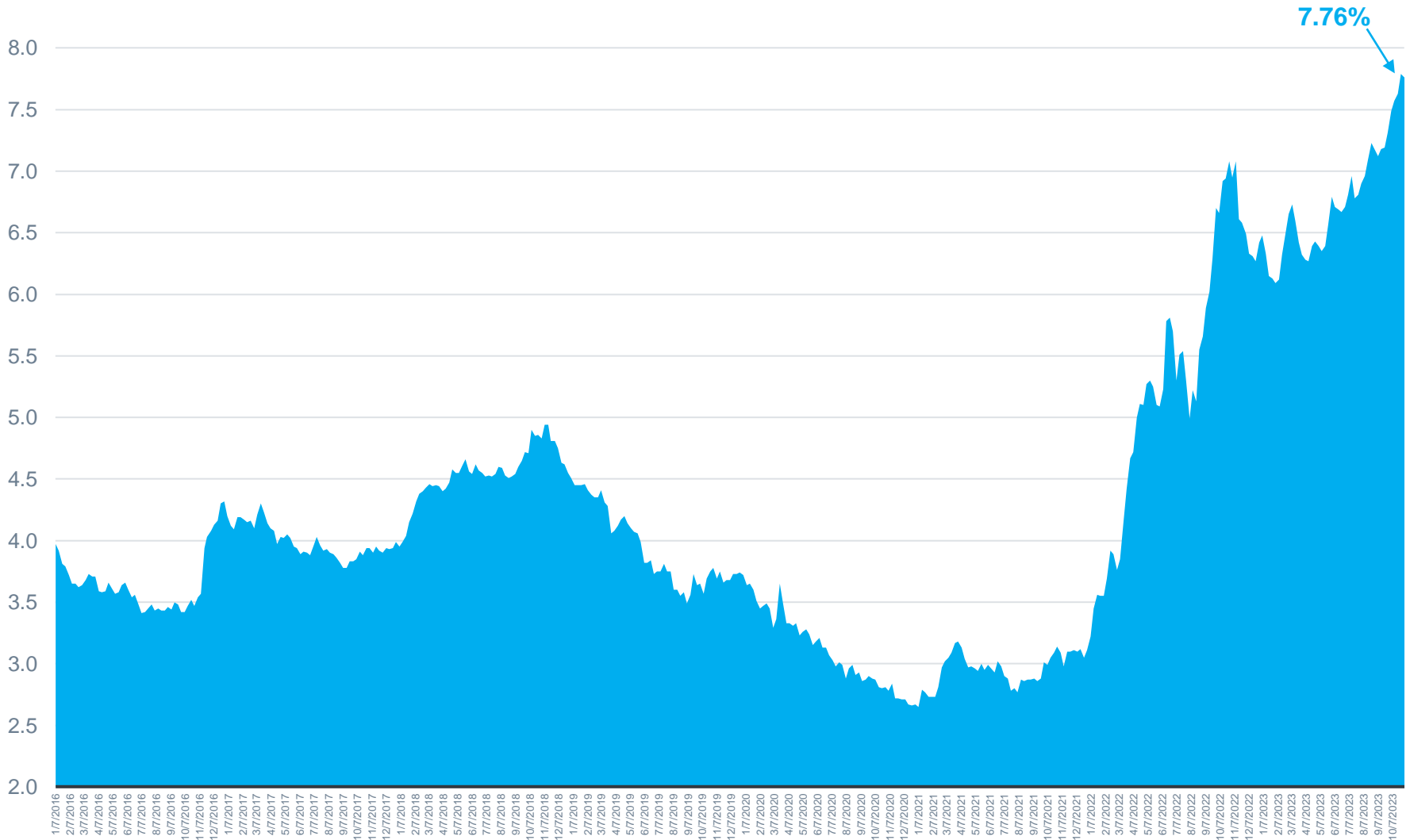
30-Year Fixed Rate, January 2018–Today



Source: Freddie Mac

Mortgage Rates

30-Year Fixed Rate, January 2016–Today



Source: Freddie Mac

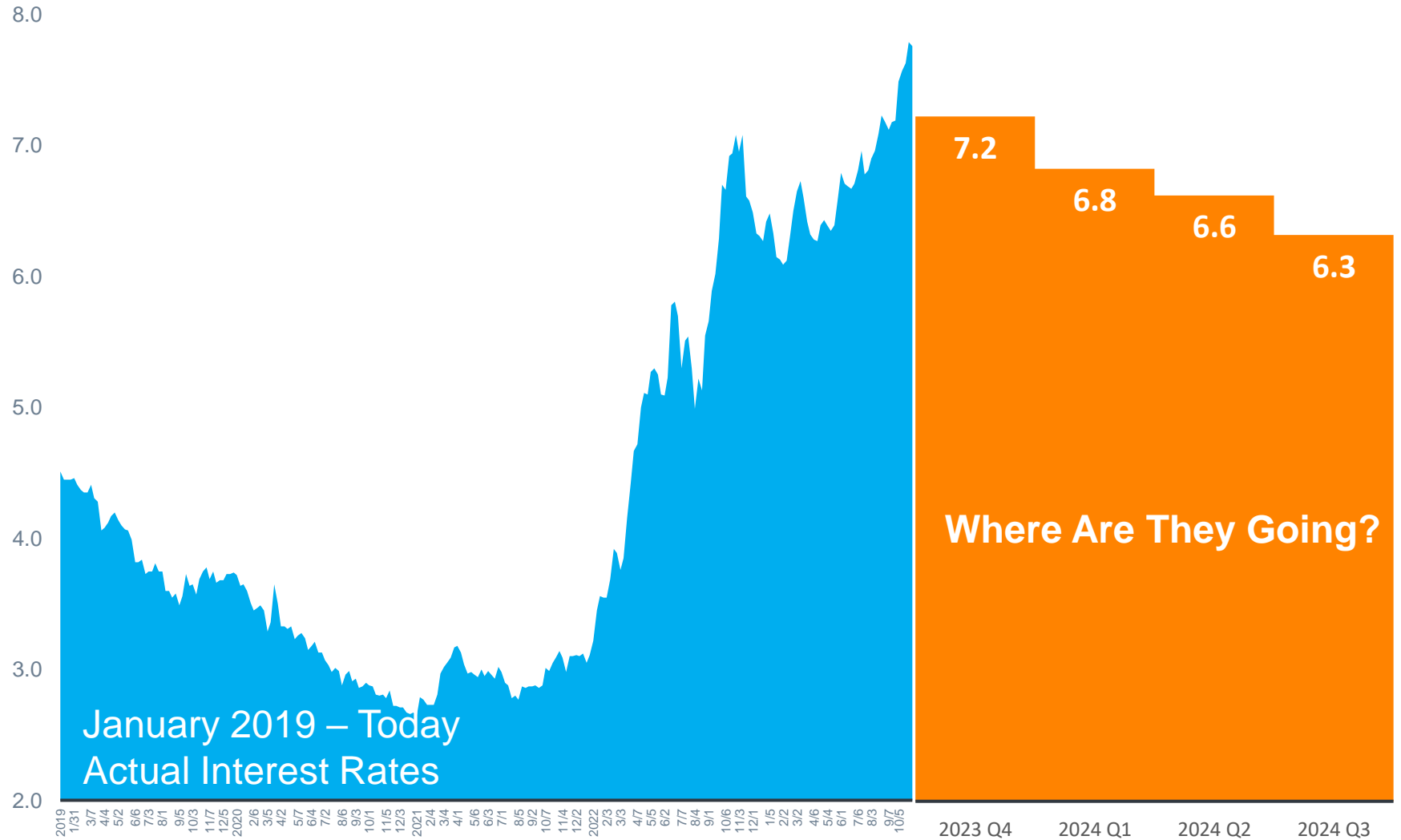
Mortgage Rate Projections

November 2023

Quarter	Fannie Mae	MBA	NAR	Average of All Three
2023 Q4	7.30%	7.20%	7.80%	7.43%
2024 Q1	7.10%	6.80%	7.50%	7.13%
2024 Q2	7.00%	6.60%	6.90%	6.83%
2024 Q3	6.90%	6.30%	6.50%	6.57%

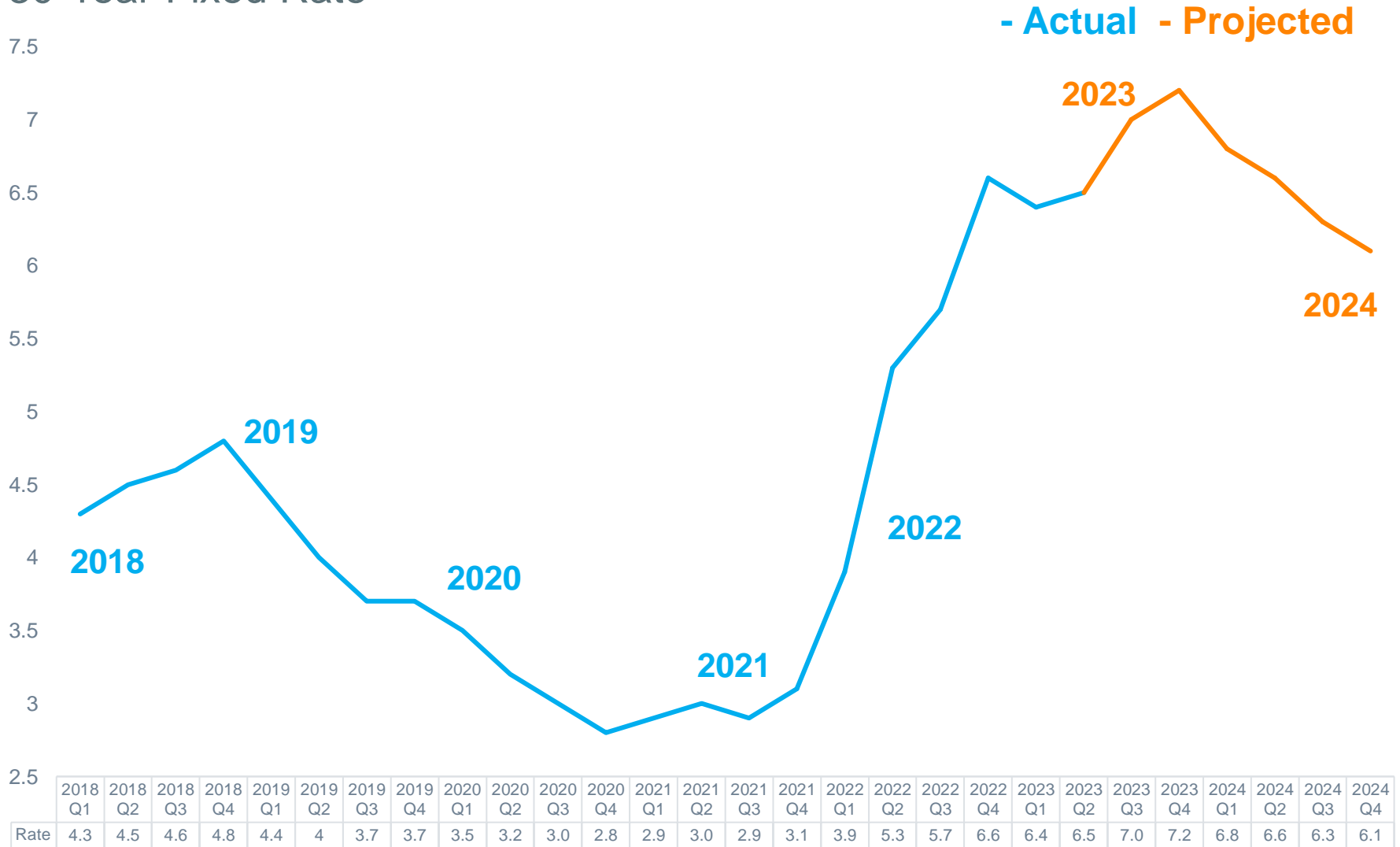
Mortgage Rates

30-Year Fixed Rate



Mortgage Rates

30-Year Fixed Rate

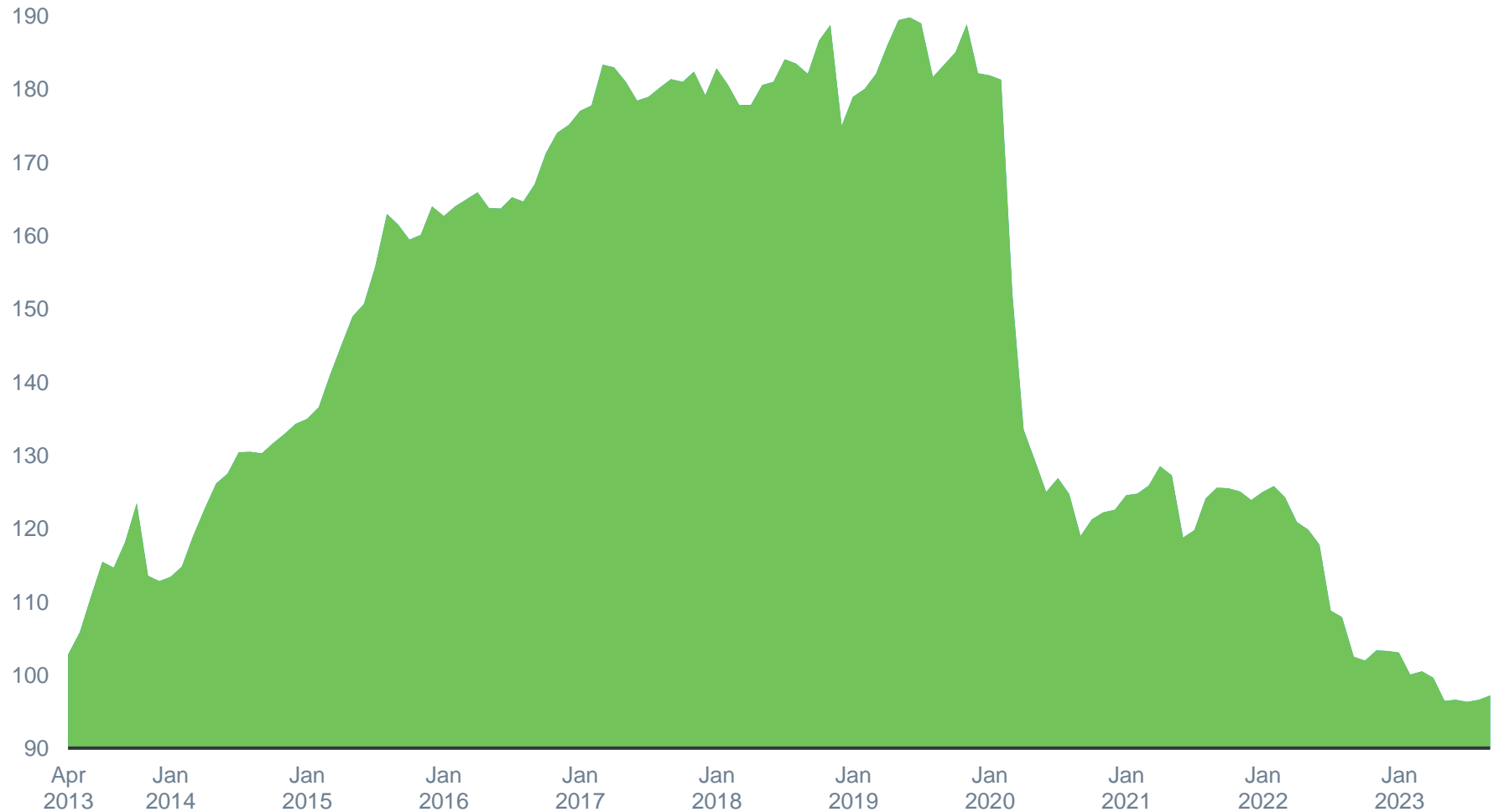




Mortgage Credit Availability

Mortgage Credit Availability Index (MCAI)

September 2023



Lending Standards Still Under Control

Historic Data for the Mortgage Credit Availability Index (MCAI)

