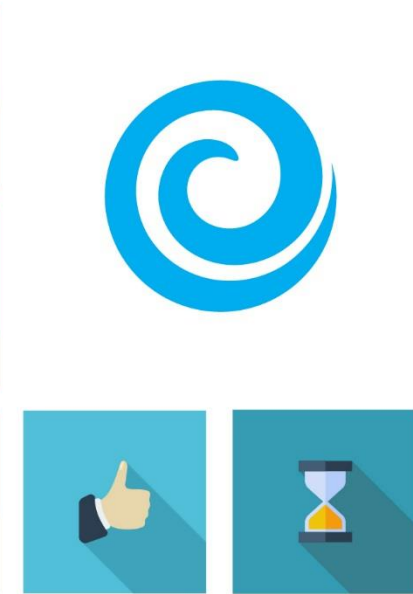
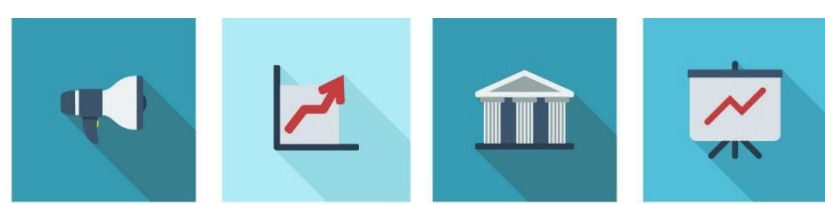


KEEPING CURRENT MATTERS

WWW.KEEPINGCURRENTMATTERS.COM



NOVEMBER 2019



Date

BUSINESS PLAN

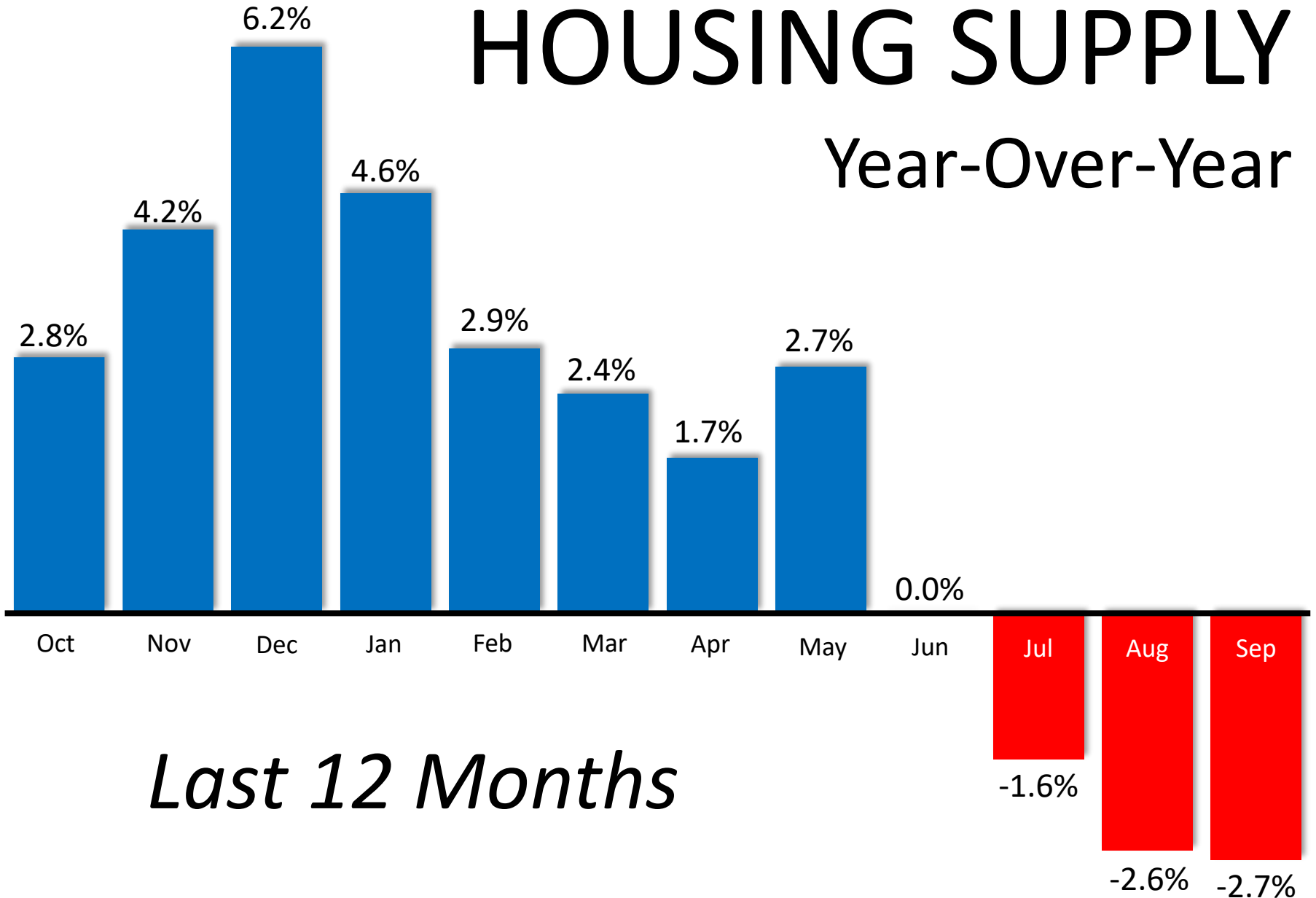
1. Get Listings
2. Get Positive
3. Get the Word Out

NEWS

10.2	▲ 0.26	19.44	0.5	▼ -5.22%	▼ -1.56	1.24
10.8	▲ 0.62	24.87	2.1	▲ 6.13%	▲ +12.33	1.78
20.1	▲ 0.26	19.42	0.6	▲ 1.46%	▲ +0.73	5.26
12.8	▲ 0.46	26.17	0.2	▲ 0.44%	▲ +0.43	7.22
96.2	▲ 0.23	16.11	1.7	▲ 4.12%	▲ +0.14	6.44
14.7	▲ 0.77	38.19	4.1	▼ -1.78%	▼ -1.22	7.88
11.2	▲ 0.22	56.12	1.1	▲ 2.36%	▲ -2.1	1.94
32.9	▲ 0.67	21.96	0.9	▲ 1.98%	▲ +2.31	1.53
12.1	▲ 0.57	17.55	7.1	▲ 2.36%	▲ +7.1	2.43

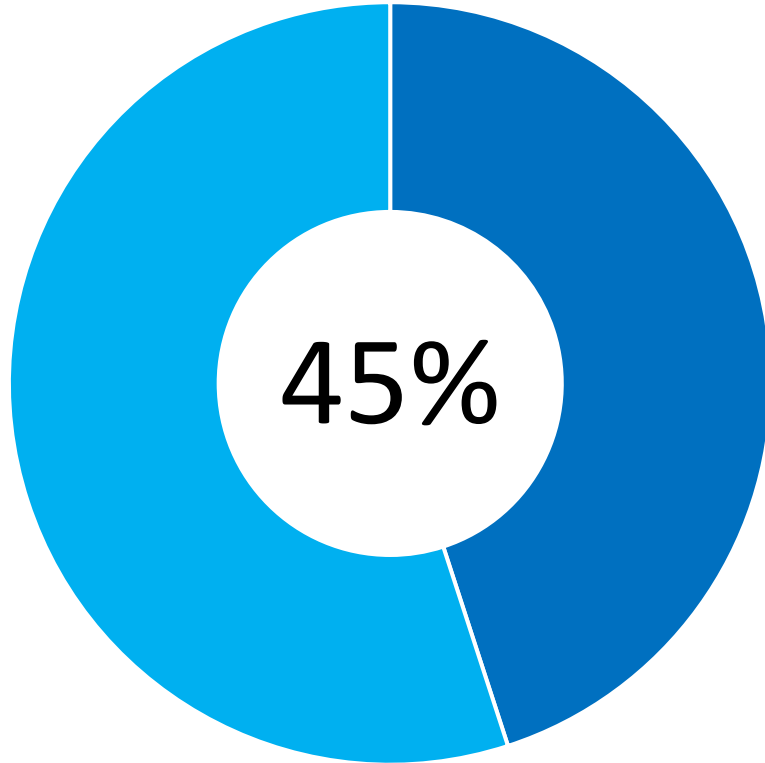
HOUSING SUPPLY

Year-Over-Year

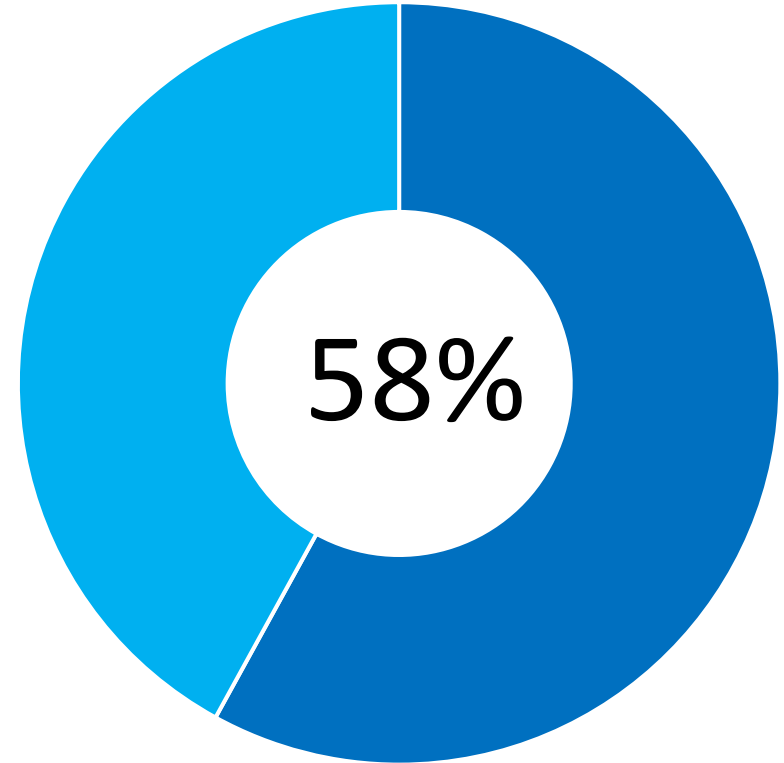


Last 12 Months

Homeowners Believe There Are More Houses For Sale This Year



Nearly half of all homeowners say there are more homes for buyers to choose from in their communities now than there were a year ago.



Nearly 3 in 5 of those planning to sell in the next 18 months say there are more homes available for buyers to pick from in their areas.

The #1 reason to not wait until spring...

The supply of listings increases substantially entering the new year (including new construction) which could lower the demand for your house.



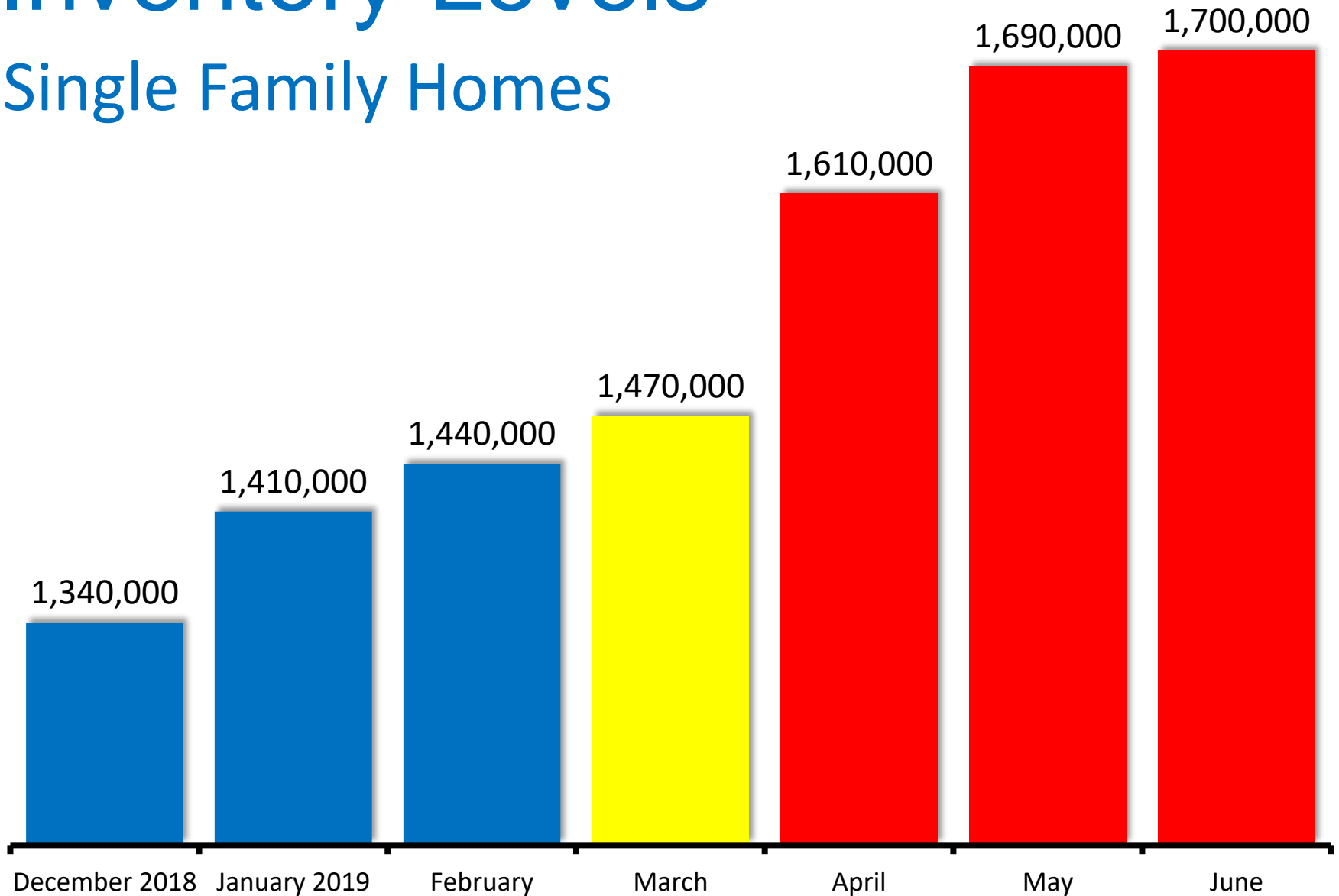
Q: When do most listings come on the market?



A: The 2nd Quarter of Each Year

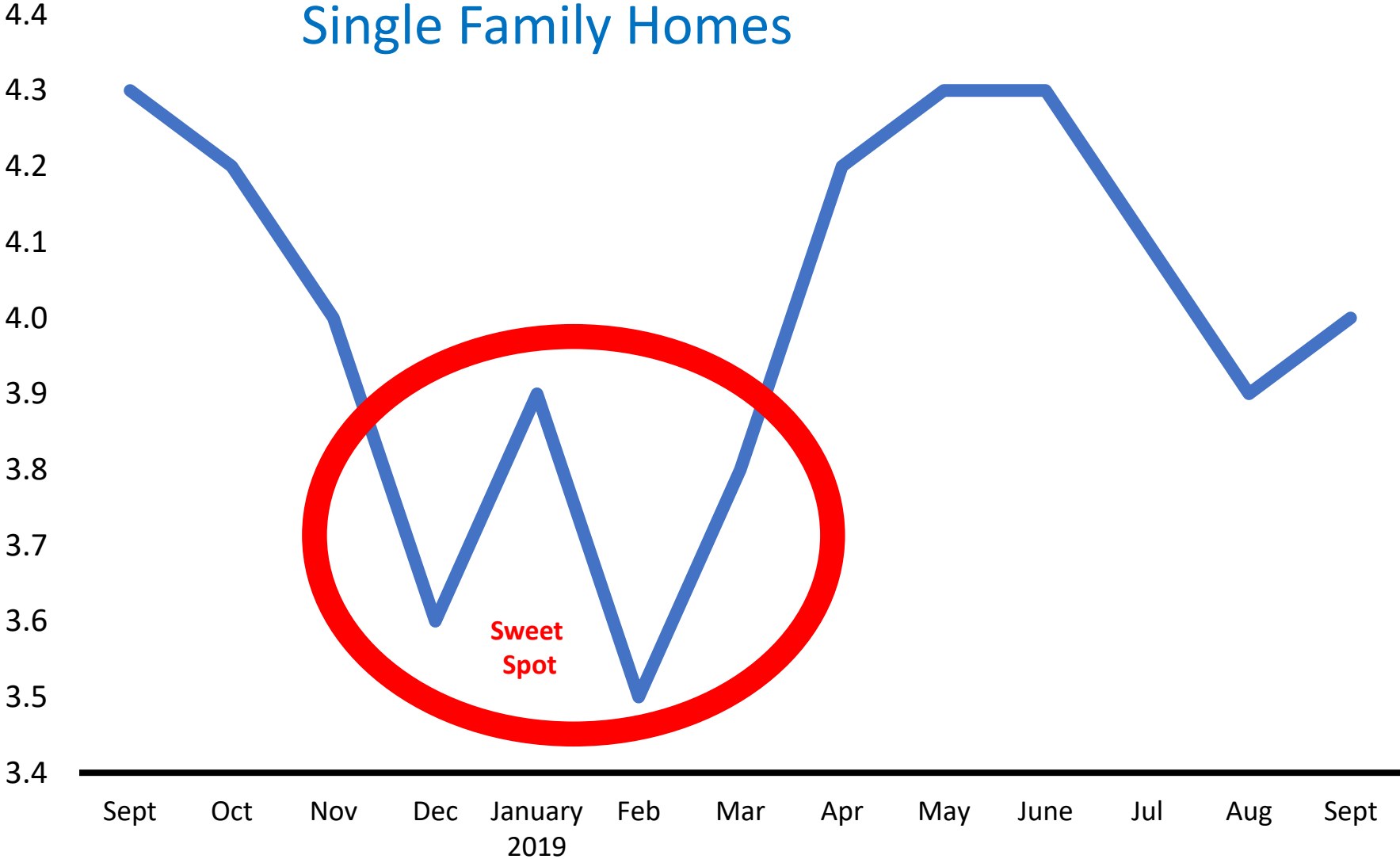
Inventory Levels

Single Family Homes



Inventory Levels - Months Supply

Single Family Homes





New Building Permits

Up 7.7% over last year

“We must continue to beat the drum for more inventory.

Home prices are rising too rapidly because of the housing shortage, and this lack of inventory is preventing home sales growth potential.”

Lawrence Yun

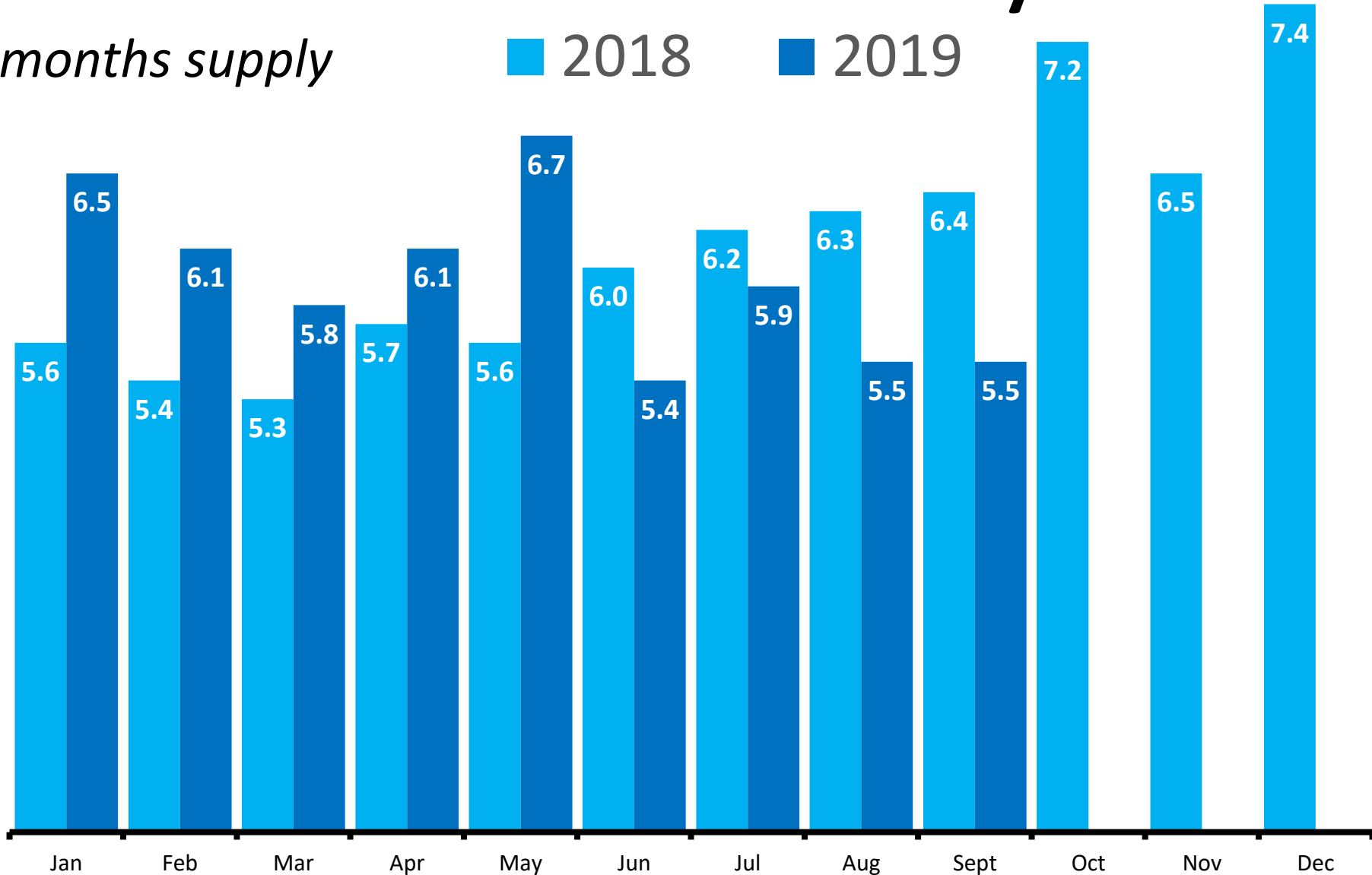
Chief Economist at NAR



New Home Inventory

months supply

■ 2018 ■ 2019



“Home showing activity was up again nationwide with a 4.6 percent rise in traffic, as the traditionally slow fall season began with a marked boost in buyer interest, according to the latest ShowingTime Showing Index report.

The West Region, which until August had experienced 18 consecutive months of flagging home buyer traffic, lead the four regions in year-over-year improvement with an 8.9 percent increase in buyer activity. The South followed with a 6.4 percent increase, the largest such improvement in the region since April 2018, with the Northeast Region’s 5.6 percent increase the next largest among the four regions. The Midwest’s more modest 0.8 percent year-over-year growth rounded out the nation’s promising month.”

ShowingTime



“Buyers looking for their next home have faced the headwinds of tight inventory and a competitive market this year...While lower mortgage rates and the arrival of Fall promised a reprieve, conditions continue to tighten as demand remains strong.”

George Ratiu

Senior Economist of realtor.com



“We expect the positive momentum in sales to carry over into the fourth quarter and early next year. We forecast that total home sales, including both new and existing homes, will be 5.98 million in 2019 and increase to 6.03 million in 2020.”

Freddie Mac



“Total sales for the first nine months of 2019 (527,000) were 7.2% higher than the comparable total for 2018 (491,000). We expect sales volume to continue to trend up slightly in the coming months as more new homes are built.”

NAHB



“Housing appears to have renewed its place as a bright spot contributing to continued U.S. economic growth. The return of accelerating quarterly price growth, rising sales numbers and increasing home builder confidence and activity all point to closing out 2019 on a healthy note, despite greater volatility over the course of this year.”

Skylar Olsen

Director of Economic Research at Zillow





Depending On The Price,
You're Going To Need Advice

“Entry-level inventory saw the largest declines, with the number of homes priced under \$200,000 dropping by 15.2 percent year-over-year. Meanwhile, mid-tier inventory priced between \$200,000 and \$750,000 dropped by 4.3 percent year-over-year. The inventory of the nation’s most expensive homes saw a slight increase as the inventory of homes selling for more than \$750,000 increased by 1.3 percent year-over-year.”

realtor.com





Top Slides to Have on Your Phone This Holiday Season

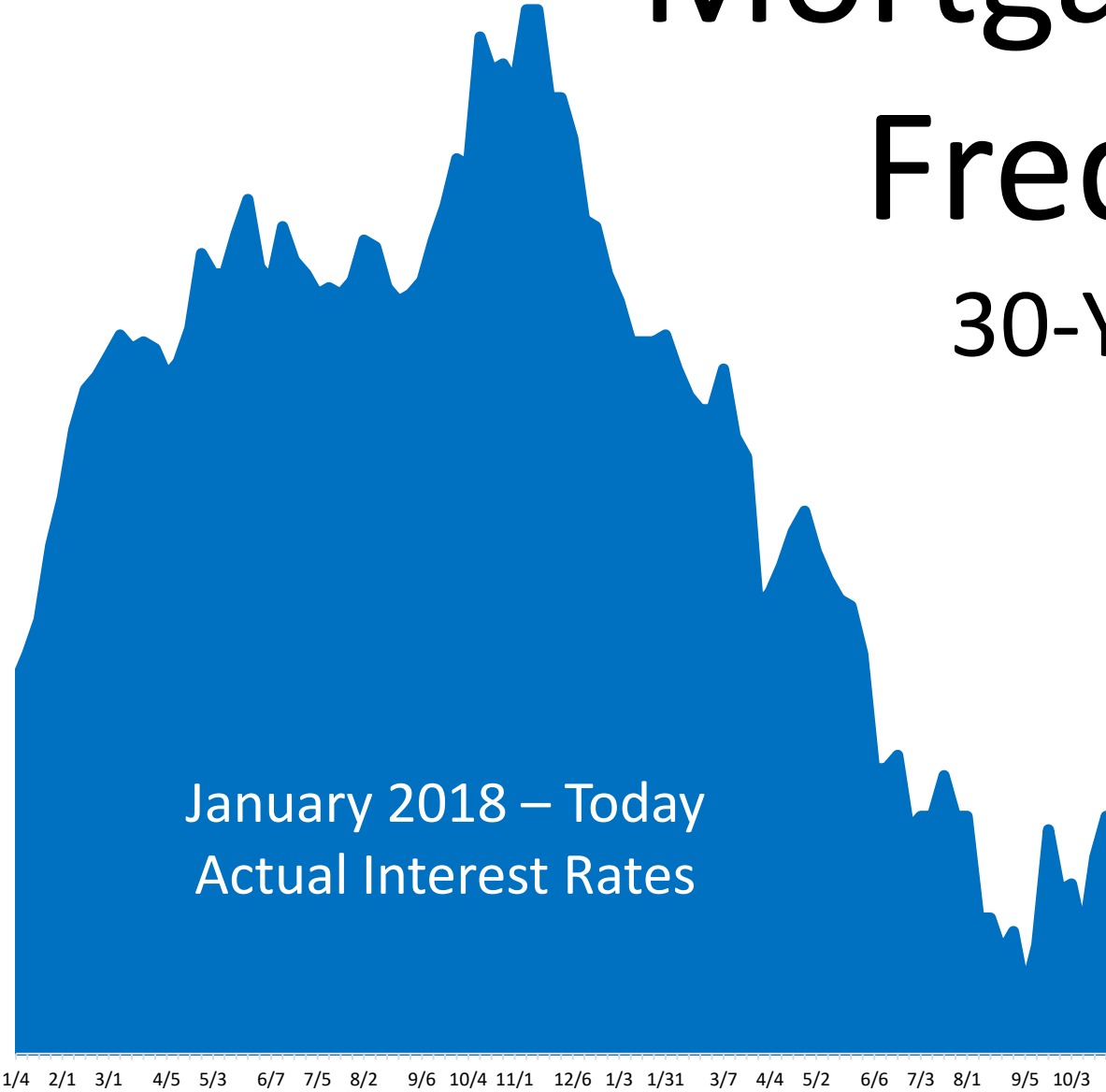


Mortgage Rates

Freddie Mac

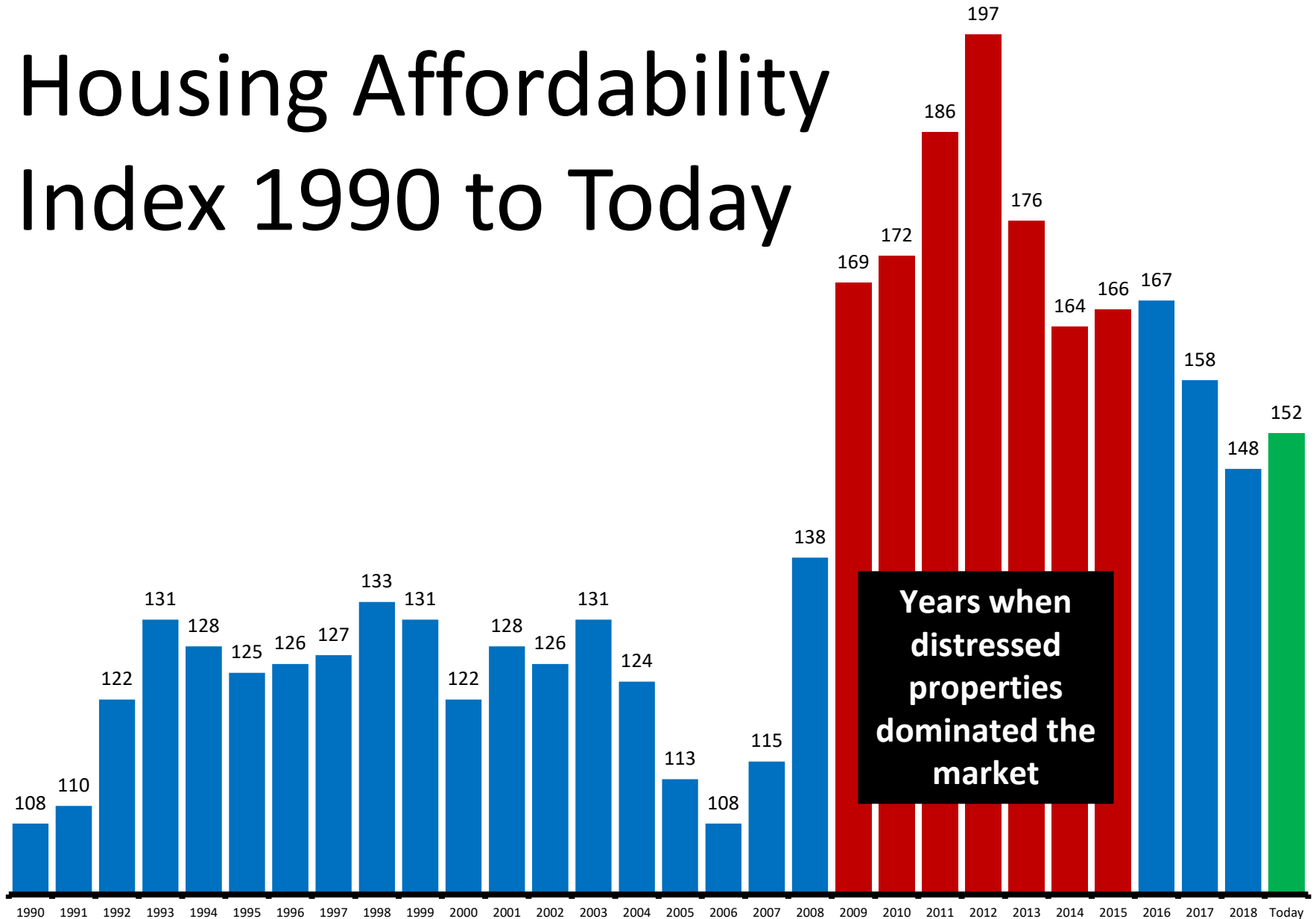
30-Year Fixed Rate

January 2018 – Today
Actual Interest Rates

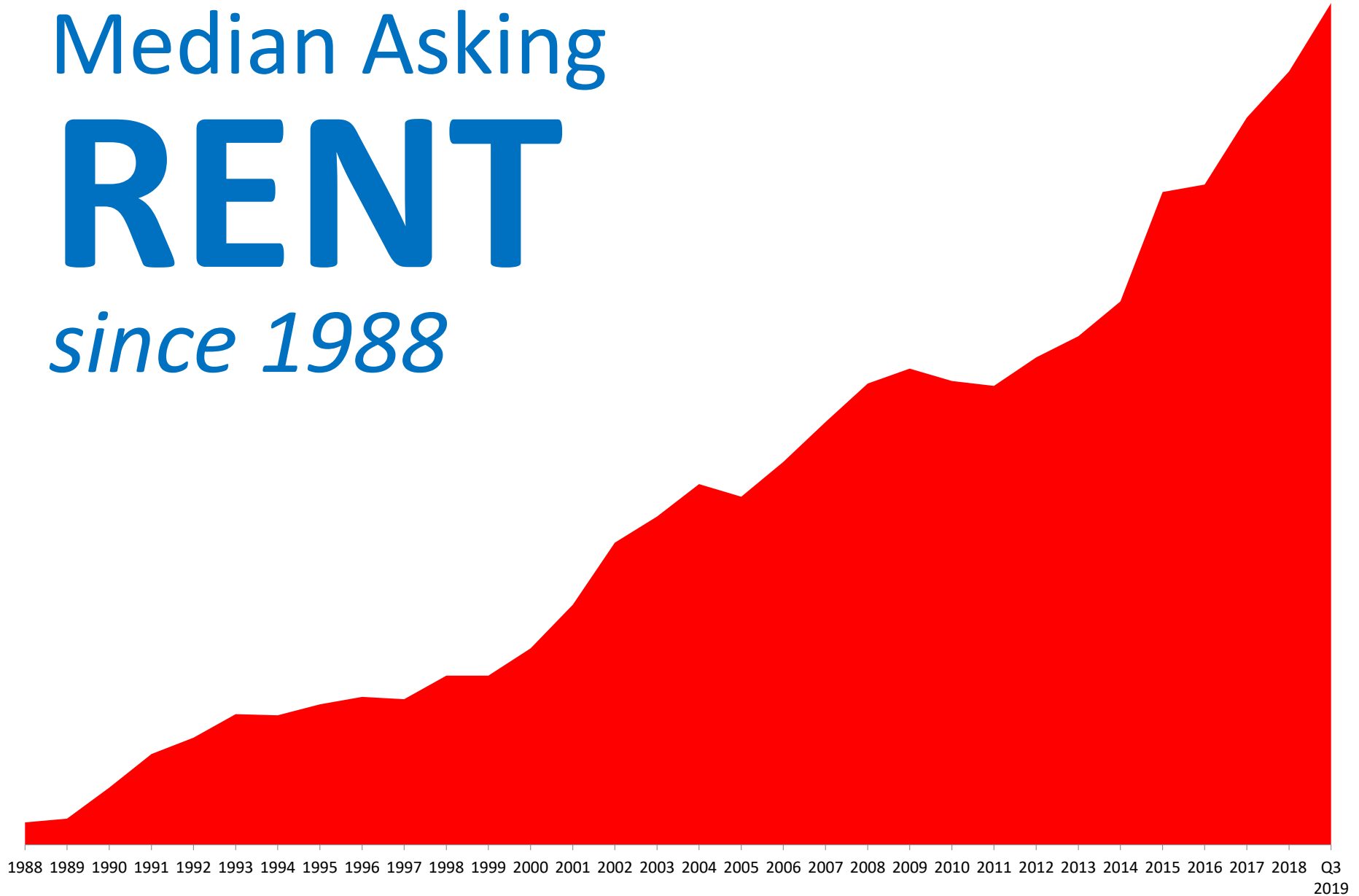


3.7	3.7	3.7	3.8
Where Are They Going?			
2019 Q4	Q1	Q2	Q3
2020			

Housing Affordability Index 1990 to Today



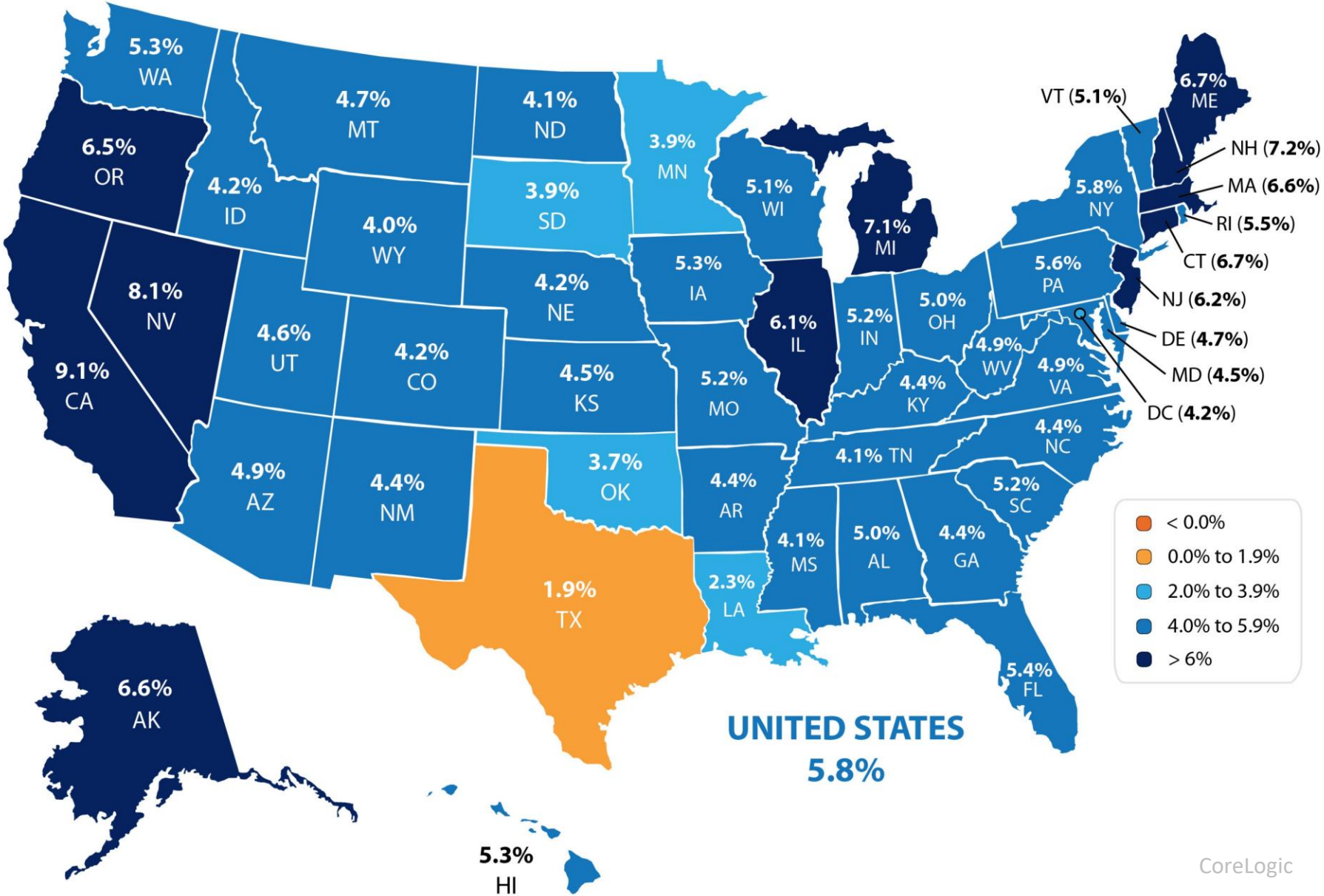
Median Asking **RENT** *since 1988*

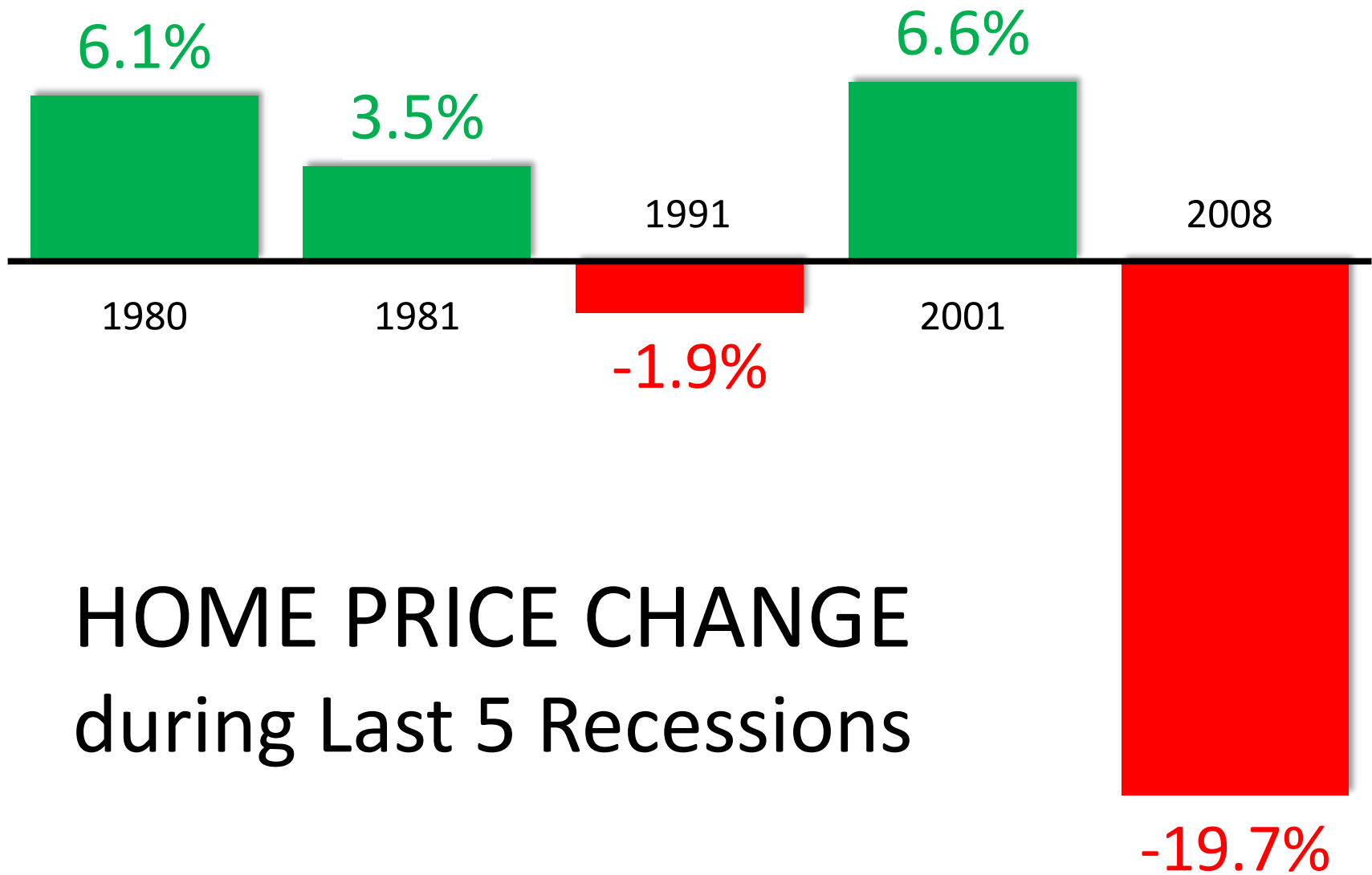


2019: Projected Home Price % Appreciation Going Forward

Source	2019	2020	2021	2022
Home Price Expectation Survey	+3.6	+2.5	+2.2	+2.7
Mortgage Bankers Association	+4.3	+3.1	+2.2	N/A
Zelman & Assoc.	+3.4	+3.2	+3	N/A
Freddie Mac	+3.3	+2.8	N/A	N/A
National Association of Realtors	+4.3	+3.6	N/A	N/A
Fannie Mae	+5.2	+4.1	N/A	N/A

Forecasted Year-Over-Year % Change in Price





HOME PRICE CHANGE during Last 5 Recessions

Top 3 Triggers for Next Recession

Trade Policy

Stock Market Correction

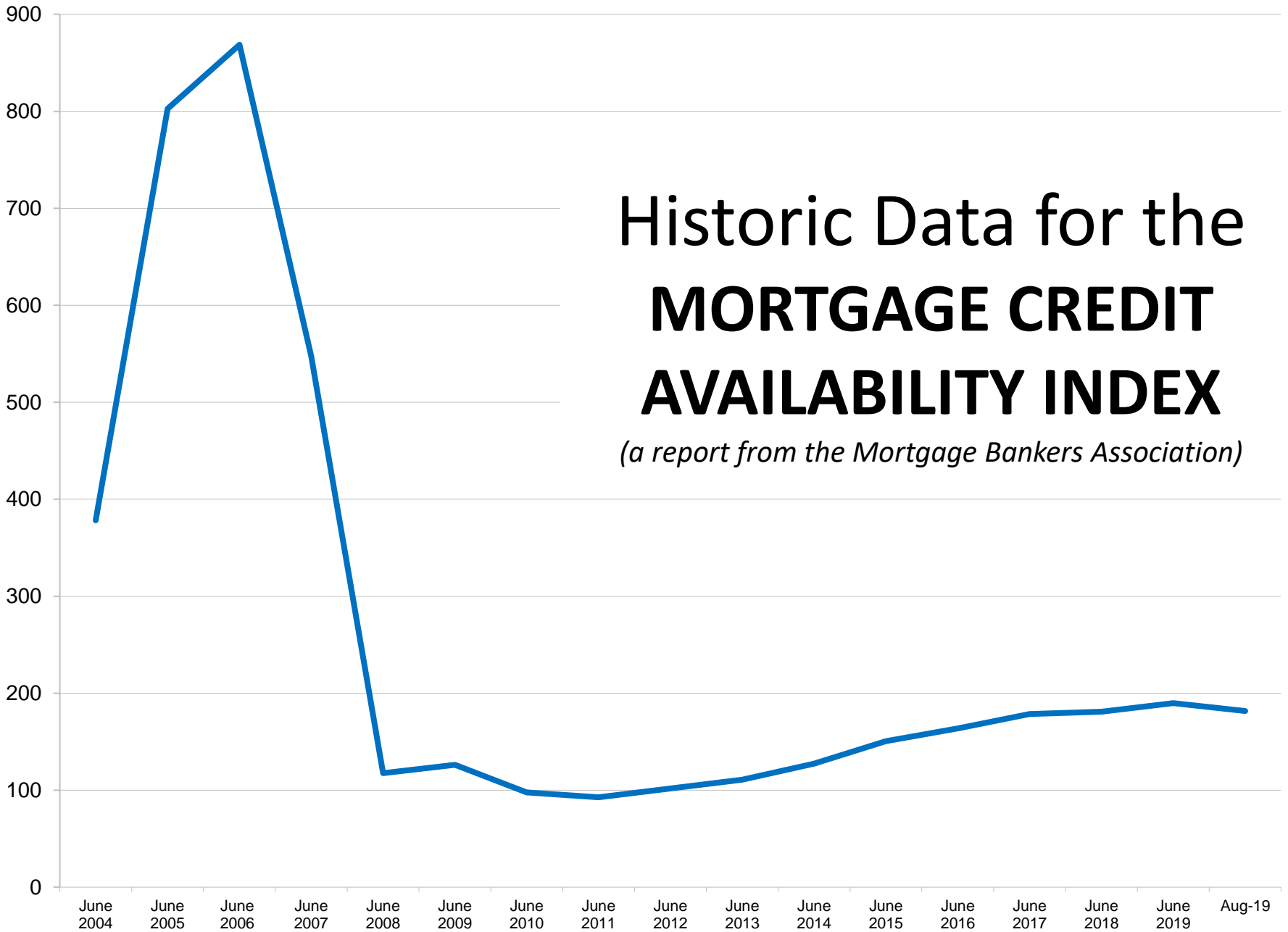
Geopolitical Crisis

Coming in at #9...

Housing Slowdown

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

(a report from the Mortgage Bankers Association)



Resources

Slide	Slide Title	Link
4, 8, 9	Housing Supply, Inventory Levels	https://www.nar.realtor/topics/existing-home-sales
5	Homeowners Believe – More Houses for Sale	https://www.nerdwallet.com/blog/mortgages/home-seller-survey/?trk_location=ssrp&trk_query=home%20sellers&trk_page=1&trk_position=5
10	New Building Permits	https://www.census.gov/construction/nrc/pdf/newresconst.pdf
11	Lawrence Yun’s Quote	https://www.nar.realtor/newsroom/existing-home-sales-decrease-2-2-in-september
12	New Home Inventory	http://www.census.gov/construction/nrs/pdf/newressales.pdf
13	Showing Time’s Quote	https://www.showingtime.com/blog/september-2019-showing-index-results/?utm_source=feedotter&utm_medium=email&utm_campaign=blog_digest
14	George Ratiu’s Quote	https://news.move.com/2019-10-08-Housing-Trends-Foreshadow-Housing-Shortage-Ahead
15	Freddie Mac’s Quote	http://www.freddiemac.com/research/forecast/20190930_housing_strong_heading_into_fall.page?
16	NAHB’s Quote	http://eyeonhousing.org/2019/10/new-home-sales-remain-solid-in-september/
17	Skylar Olsen’s Quote	http://zillow.mediaroom.com/2019-10-17-U-S-Housing-Inventory-Falls-to-New-Lows-After-Rebounding-Before-Home-Shopping-Season
19	Realtor.com’s Quote	https://news.move.com/2019-10-31-U-S-Housing-Inventory-Tightens-as-Competition-Heats-Up
22	Mortgage Rates Freddie Mac	http://www.freddiemac.com/fmac-resources/research/pdf/20190730-Forecast-02.pdf

Resources

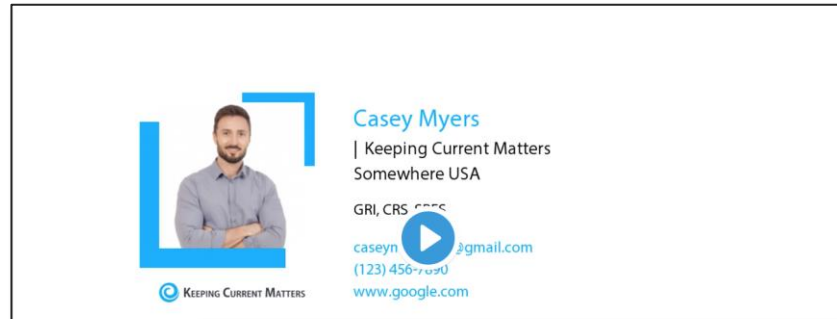
Slide	Slide Title	Link
23	Housing Affordability Index	http://economistsoutlook.blogs.realtor.org/
24	Median Asking Rent	http://www.census.gov/housing/hvs/files/currenthvspress.pdf
25	Projected Home Price % Appreciation Going Forward	www.pulsenomics.com www.mba.org www.zelmanassociates.com (subscription required) www.freddiemac.com www.nar.realtor/ www.fanniemae.com
26	Forecasted Year-Over-Year % Change in Price	https://www.corelogic.com/downloadable-docs/marketpulse/the-marketpulse-vol-8-issue-9-september-2019-screen-092519.pdf
27	Home Price Change During Last 5 Recessions	https://www.corelogic.com/blog/2019/03/housing-recessions-and-recoveries.aspx
28	Top 3 Triggers for Next Recession	https://pulsenomics.com/surveys/#home-price-expectations
29	Mortgage Credit Availability Index	https://www.mba.org/news-research-and-resources/research-and-economics/single-family-research/mortgage-credit-availability-index
33	Personalized Videos	MyKCM.com/Videos-Upgrade
35	Byron Carlock's Quote	https://www.nreionline.com/technology/data-and-analytics-will-help-build-future-real-estate

Winter 2020 Buyer & Seller Guides

Release Date: Thursday, December 5

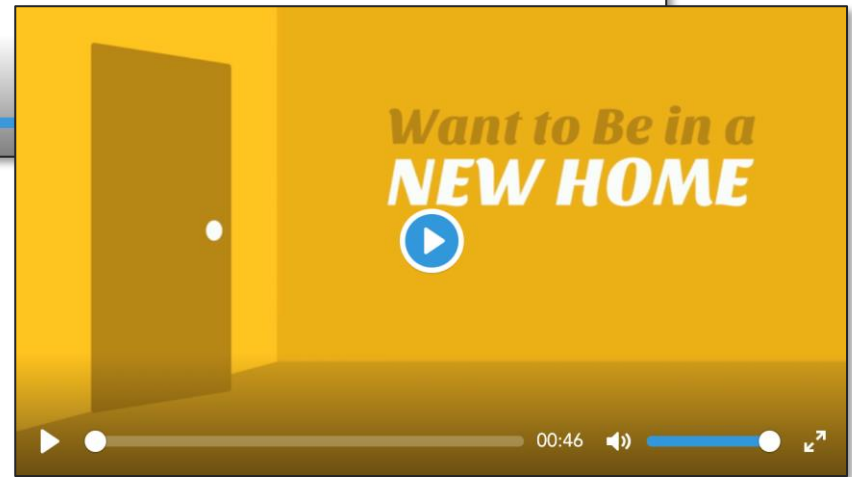


PERSONALIZED VIDEOS



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“It’s one thing to collect all the data. It’s quite another to successfully glean insights from that data that can help drive strategic decisions about the future. To leverage data and analytics to fundamentally change how the real estate industry operates, real estate leaders need to lay the foundation to turn information into insight and to be able to act on analysis.”

Byron Carlock

U.S. Real Estate Practice Leader
PricewaterhouseCoopers



UPDATE

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4

Resources

Slide	Slide Title	Link
40, 61, 73	Confidence Index	https://www.nar.realtor/reports/realtors-confidence-index
41-43, 51, 53, 54	Existing Home Sales	https://www.nar.realtor/topics/existing-home-sales
44-47	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
48	Total Home Sales	http://www.census.gov/construction/nrs/pdf/newressales.pdf https://www.nar.realtor/topics/existing-home-sales
49, 50	Pending Home Sales	https://www.nar.realtor/research-and-statistics/housing-statistics/pending-home-sales
55-57	Case Shiller	http://us.spindices.com/indices/real-estate/sp-case-shiller-20-city-composite-home-price-index
58	CoreLogic Forecasted YOY % Change in Price	https://www.corelogic.com/downloadable-docs/marketpulse/the-marketpulse-vol-8-issue-9-september-2019-screen-092519.pdf
59	Quicken Loans	https://www.quickenloans.com/press-room/2019/10/08/home-values-makes-largest-monthly-climb-in-five-years-according-to-quicken-loans-study/
62-68	Inventory	https://www.nar.realtor/topics/existing-home-sales http://www.census.gov/construction/nrs/pdf/newressales.pdf

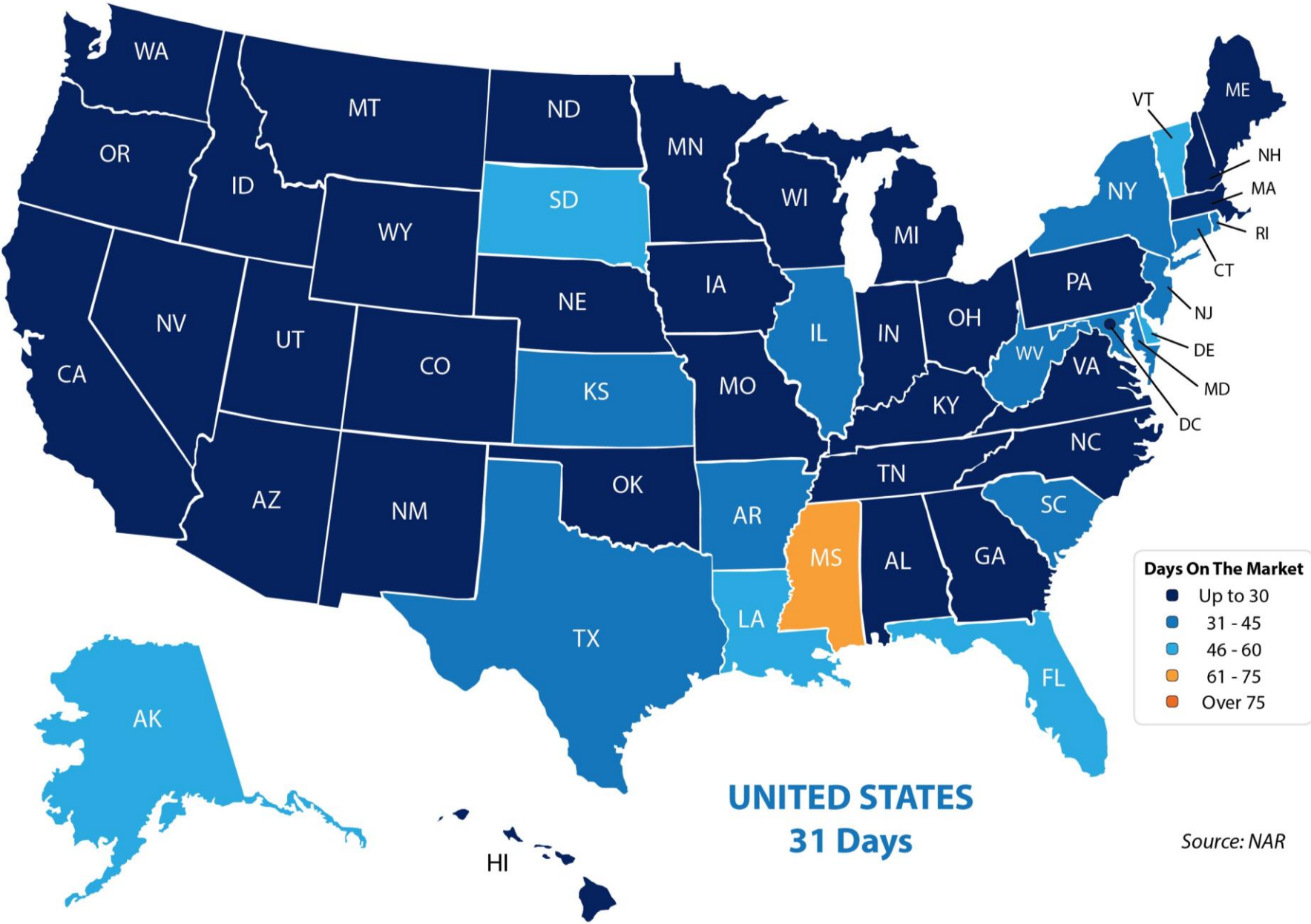
Resources

Slide	Slide Title	Link
70-72	Foot Traffic	http://nar.realtor/infographics/foot-traffic
75-79	Mortgage Rates	http://www.freddiemac.com/pmms/pmms_archives.html http://www.freddiemac.com/research/forecast/20191031_housing_market_remains_strong.page
77	Mortgage Rate Projections	http://www.freddiemac.com/research/forecast/ http://www.freddiemac.com/research/forecast/20191031_housing_market_remains_strong.page 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
83-87	Days To Close, FICO Scores, DTI	http://www.elliemae.com/resources/origination-insight-reports https://static.elliemae.com/pdf/origination-insight-reports/EM_OIR_SEPTEMBER2019.pdf



SALES

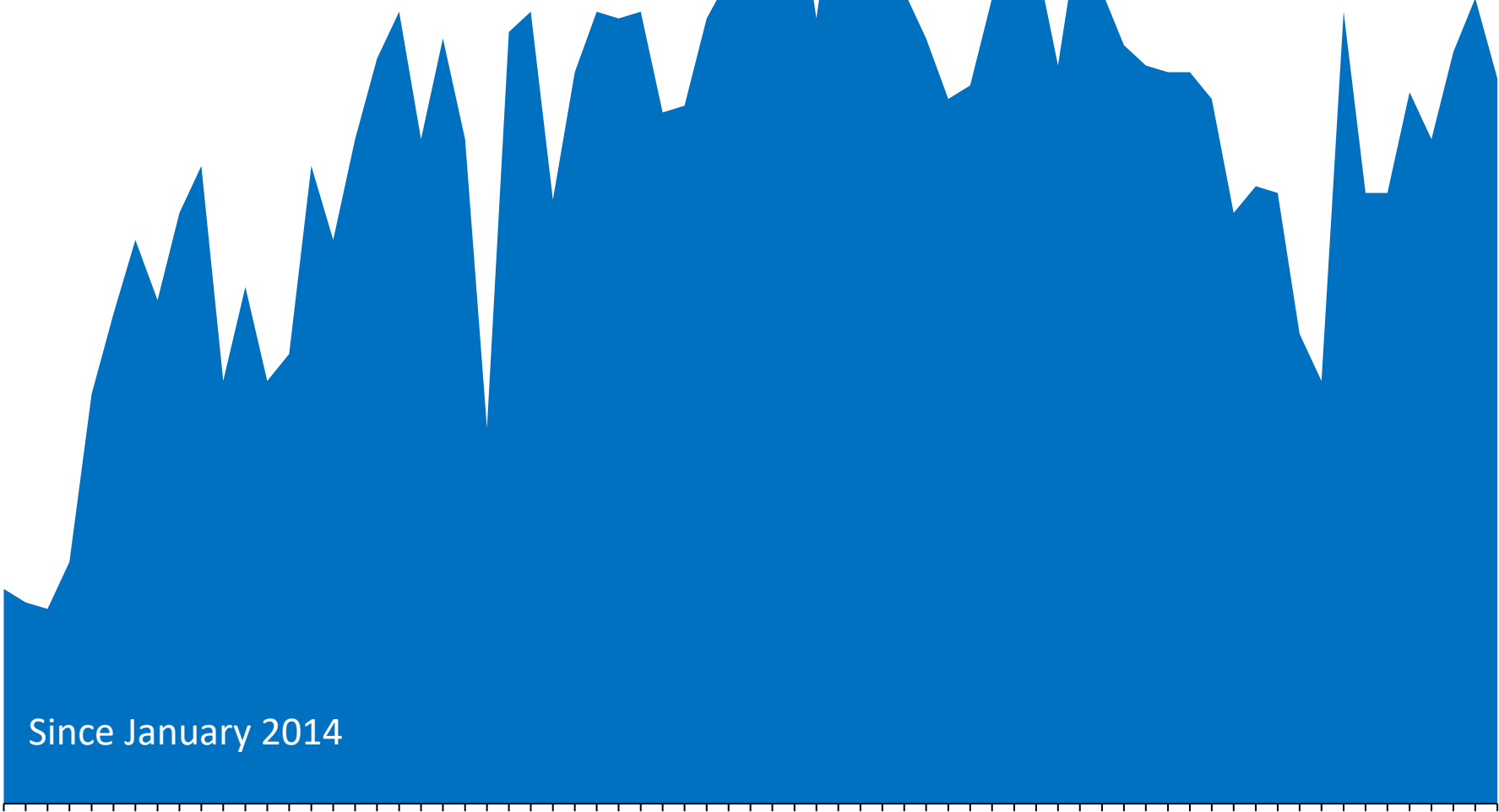
Average Days on the Market



Source: NAR

EXISTING

Home Sales



Since January 2014

Jan 2014

Jan 2015

Jan 2016

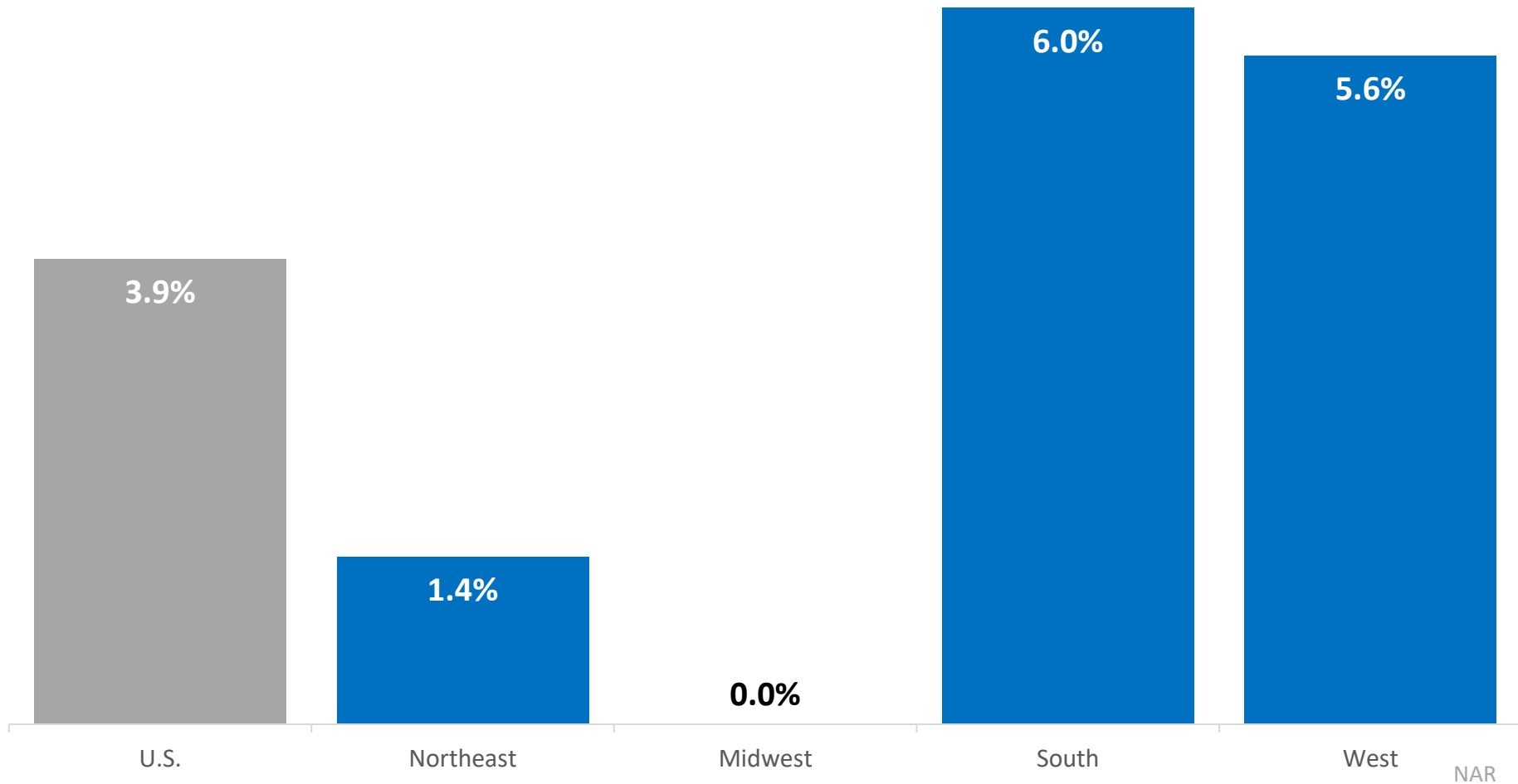
Jan 2017

Jan 2018

Jan 2019

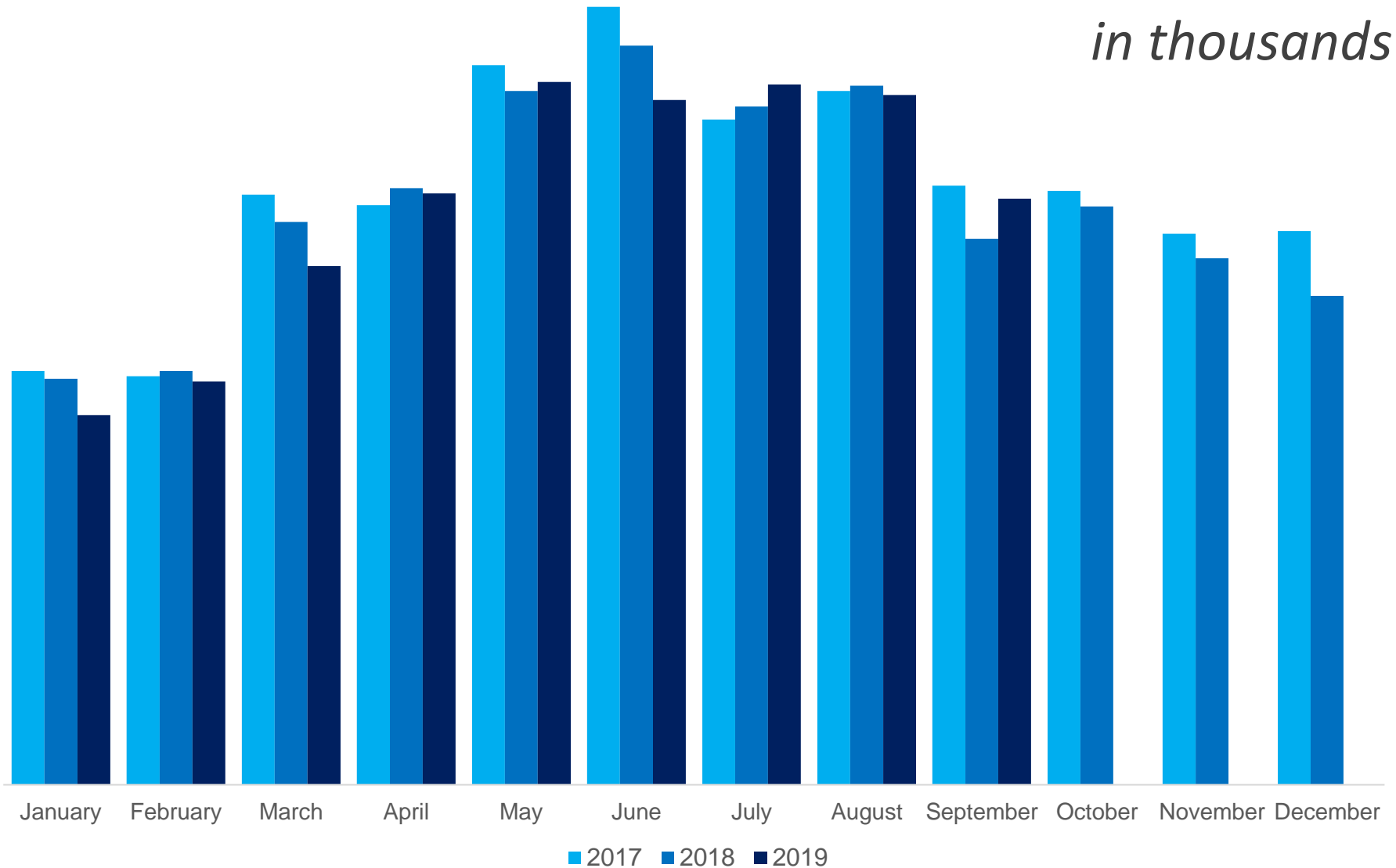
EXISTING Home Sales

Y-O-Y by region

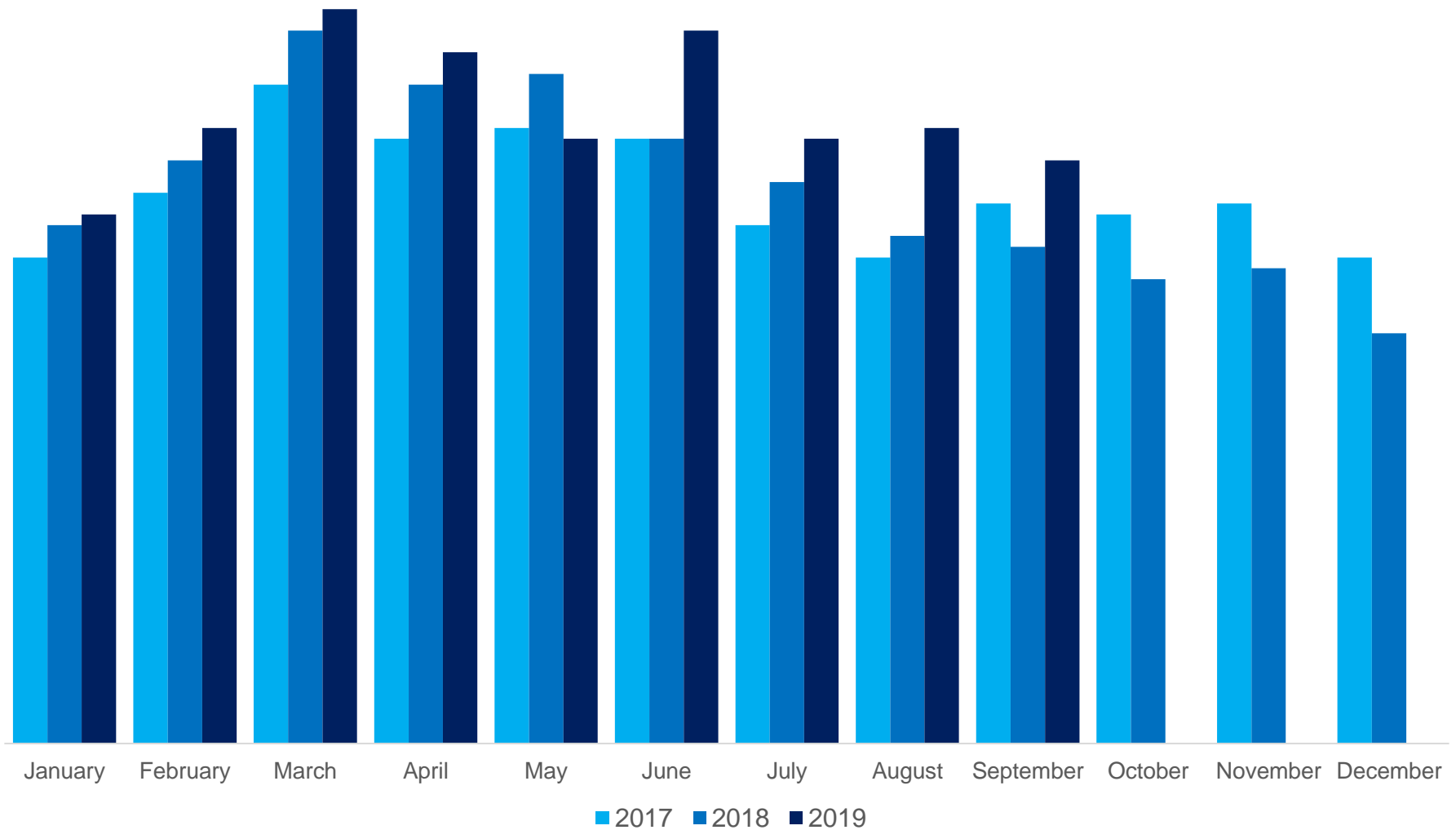


Existing Home Sales

in thousands

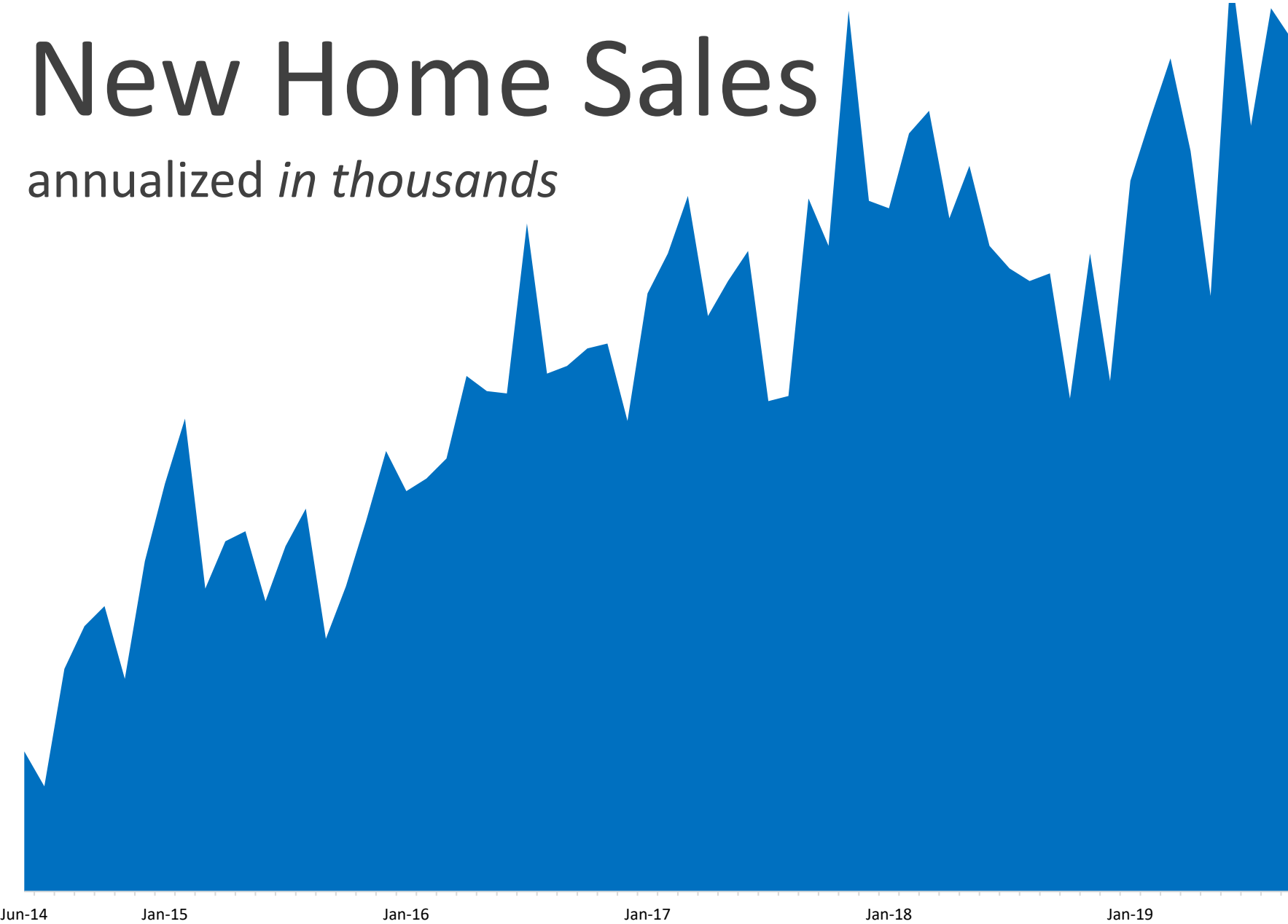


New Home Sales *in thousands*



New Home Sales

annualized *in thousands*



Jun-14

Jan-15

Jan-16

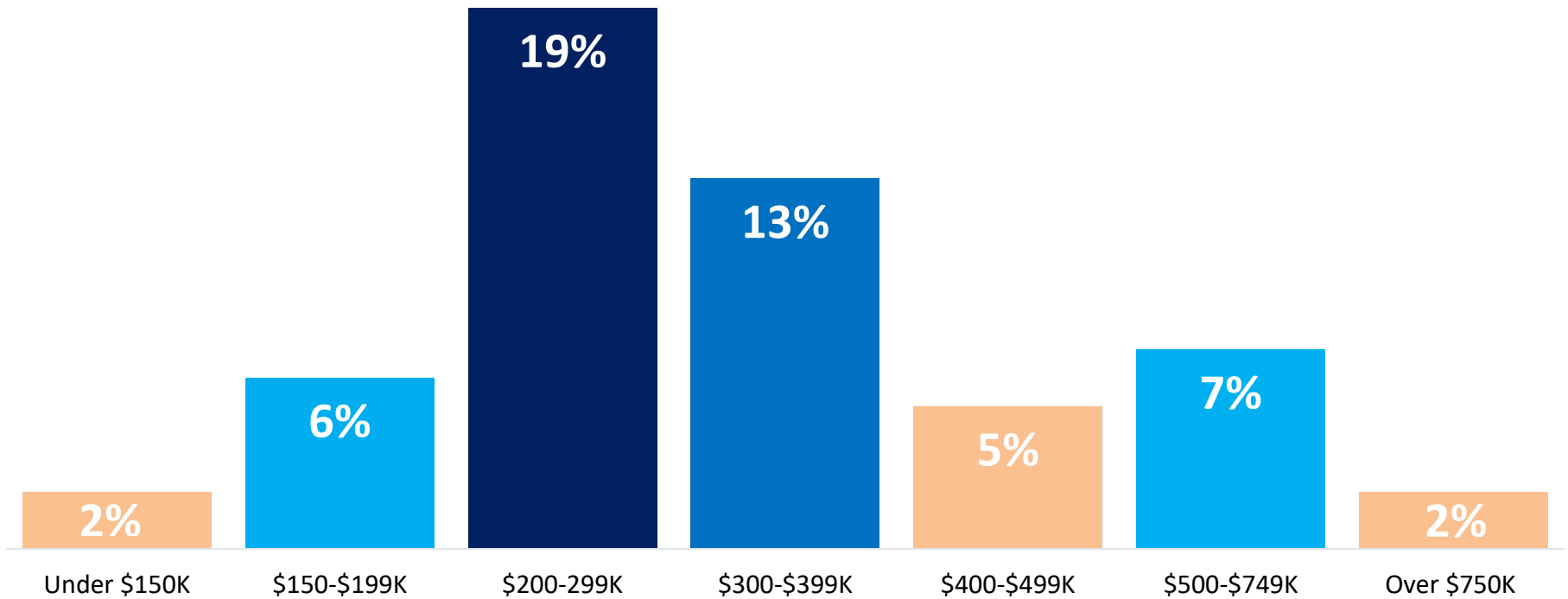
Jan-17

Jan-18

Jan-19

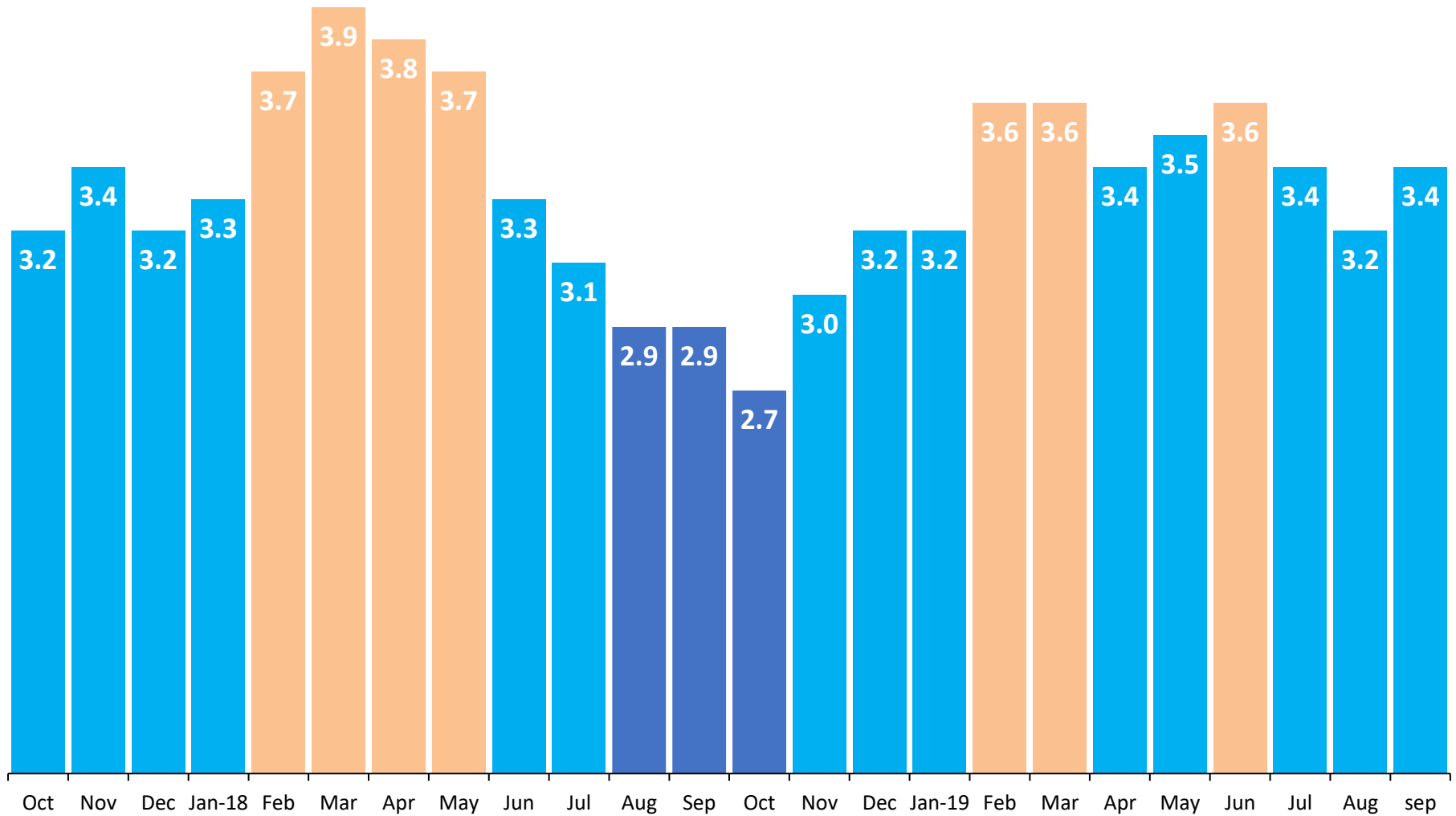
New Home Sales

% of sales by price range

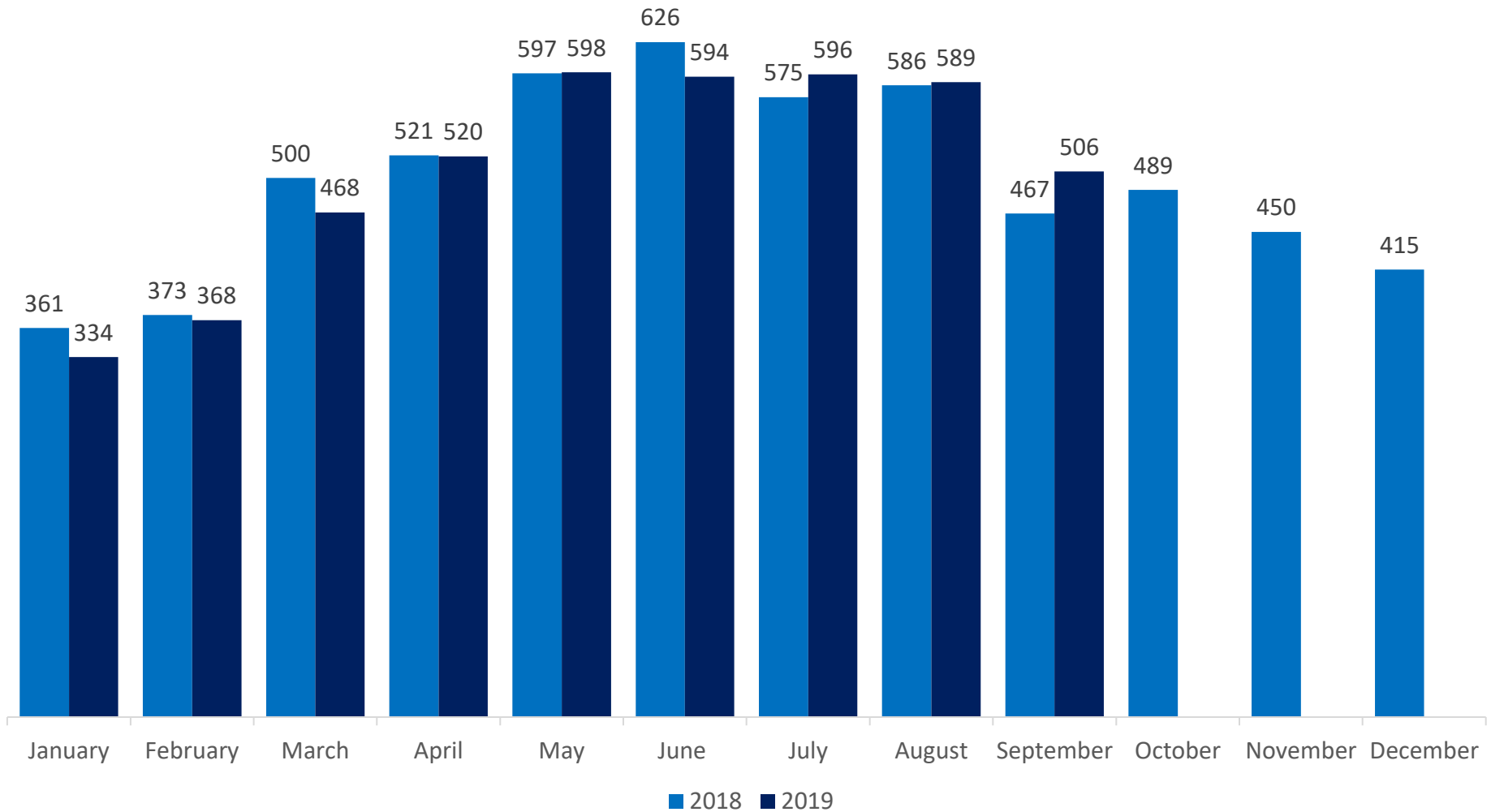


New Homes Selling Fast

(median months from completion to sold)

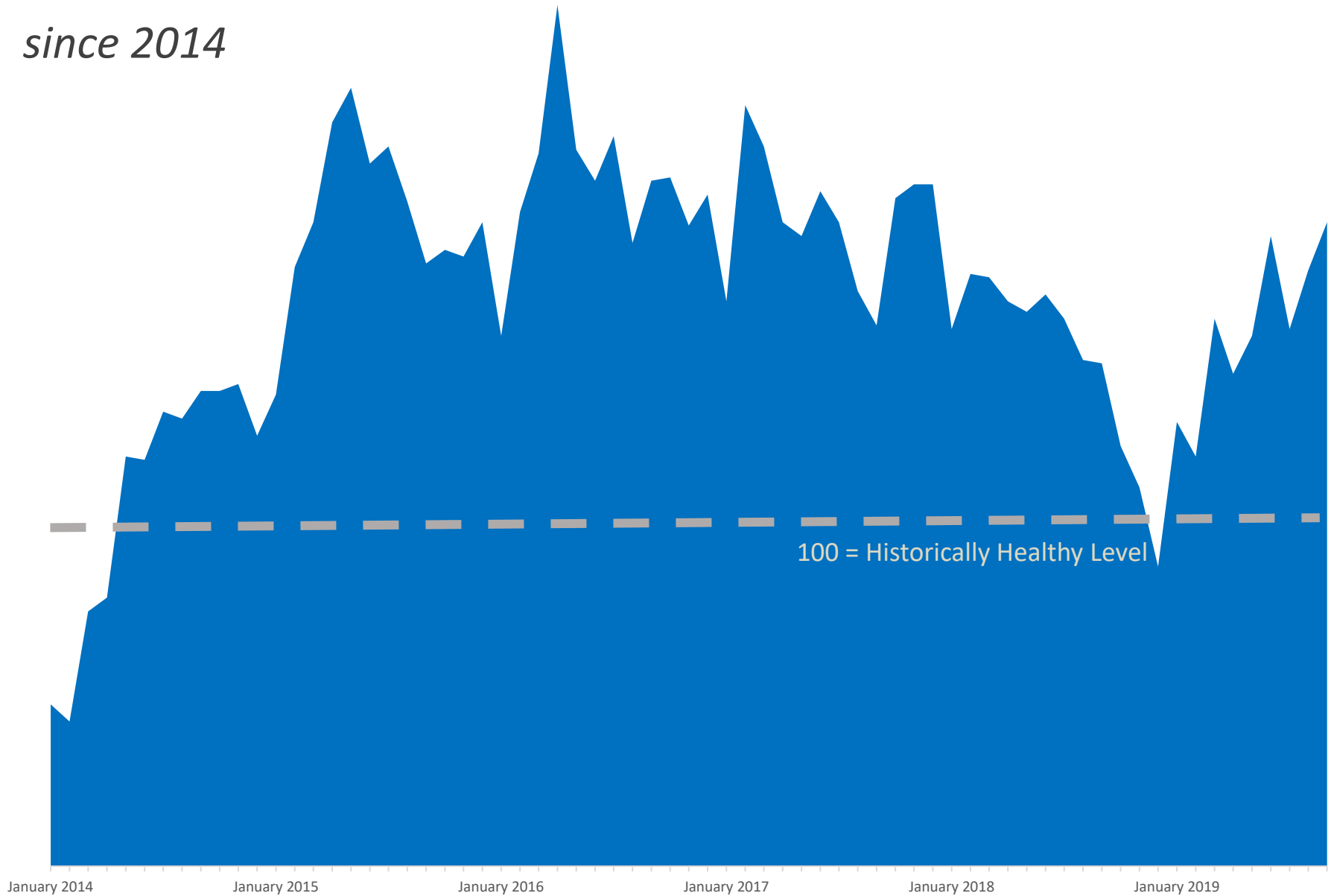


Total Home Sales *in thousands*



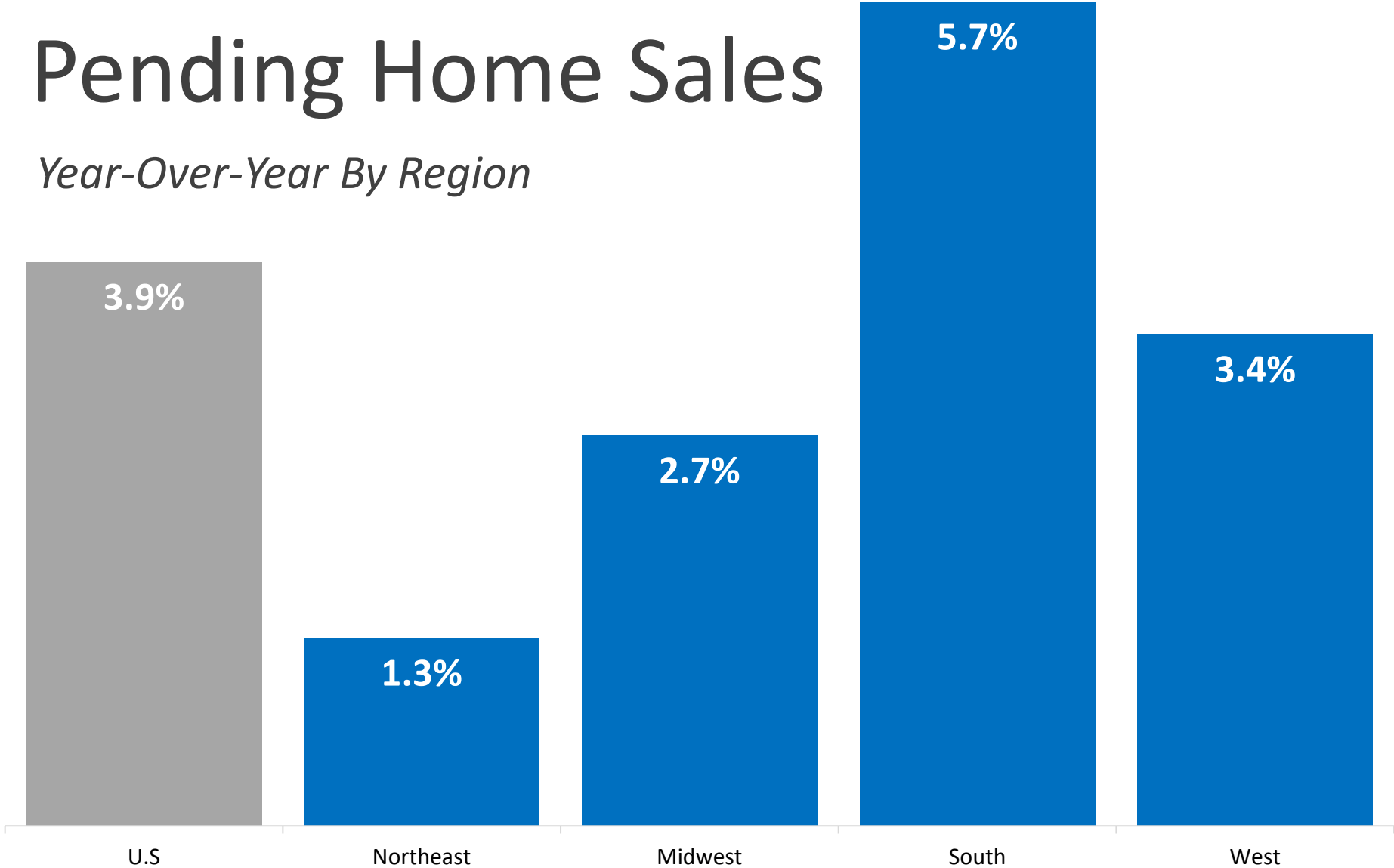
PENDING Home Sales

since 2014



Pending Home Sales

Year-Over-Year By Region



35%

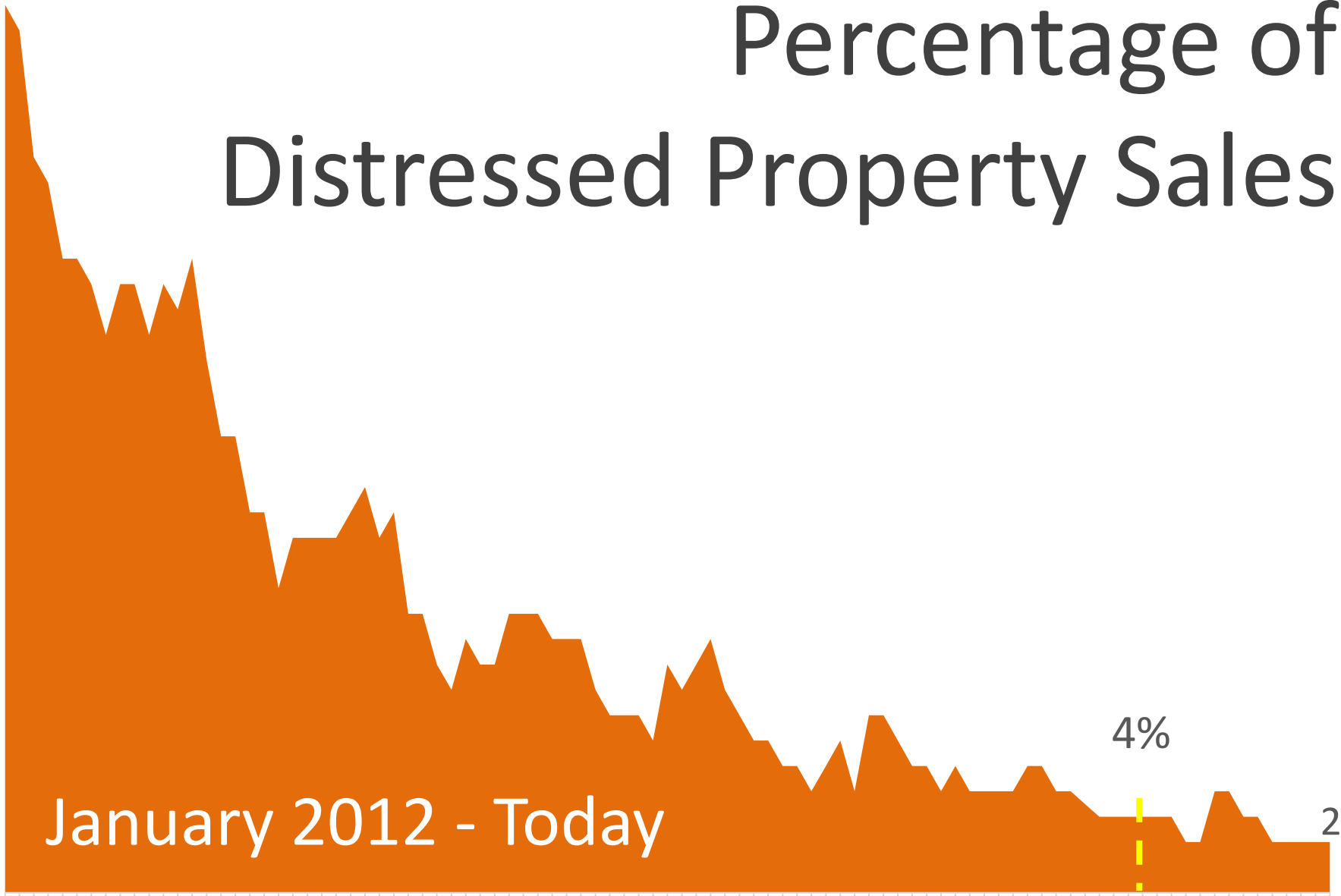
Percentage of Distressed Property Sales

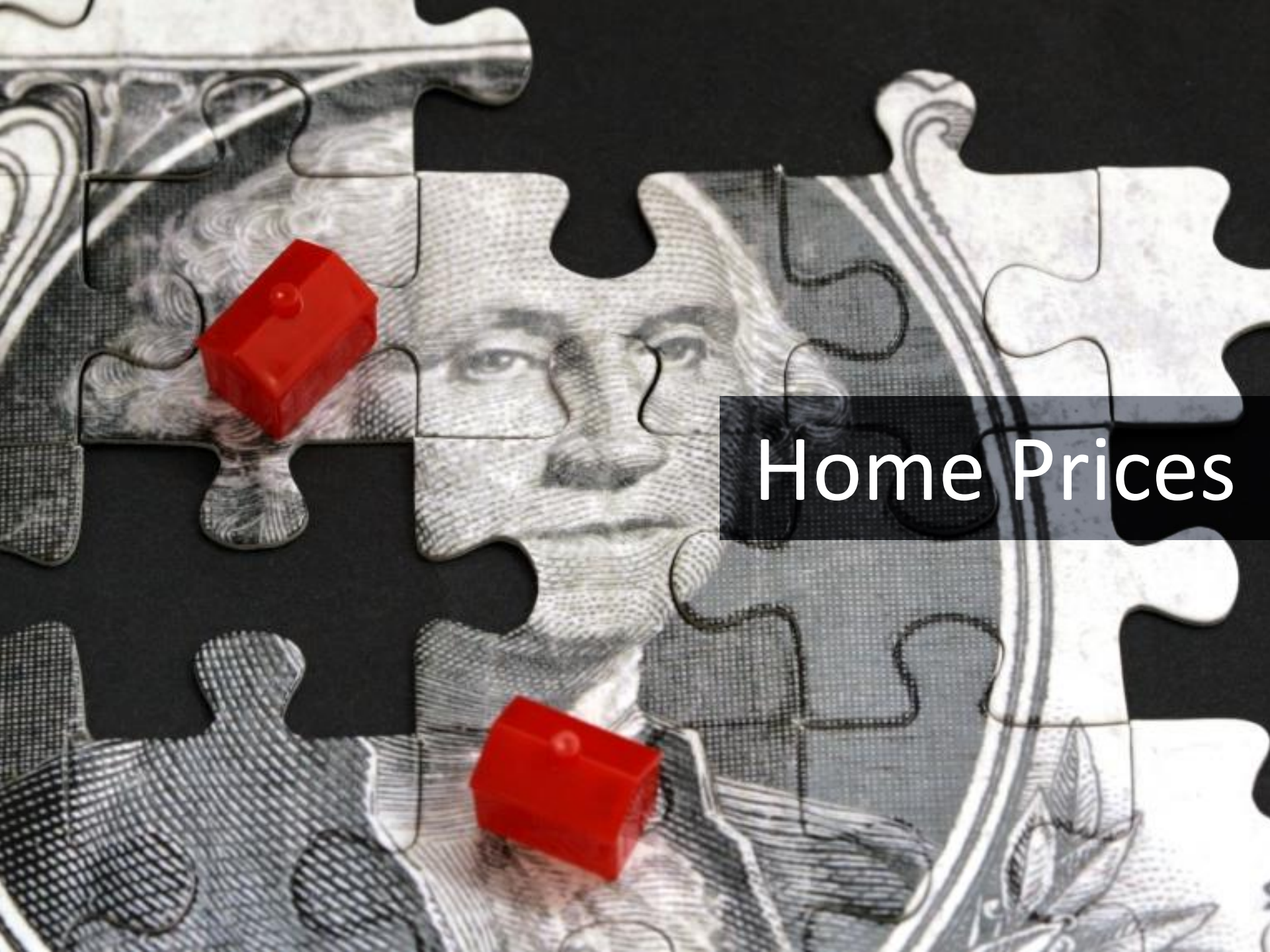
January 2012 - Today

4%

2%

Jan 2012 Jan 2013 Jan 2014 Jan 2015 Jan 2016 Jan 2017 Jan 2018 Jan 2019 NAR

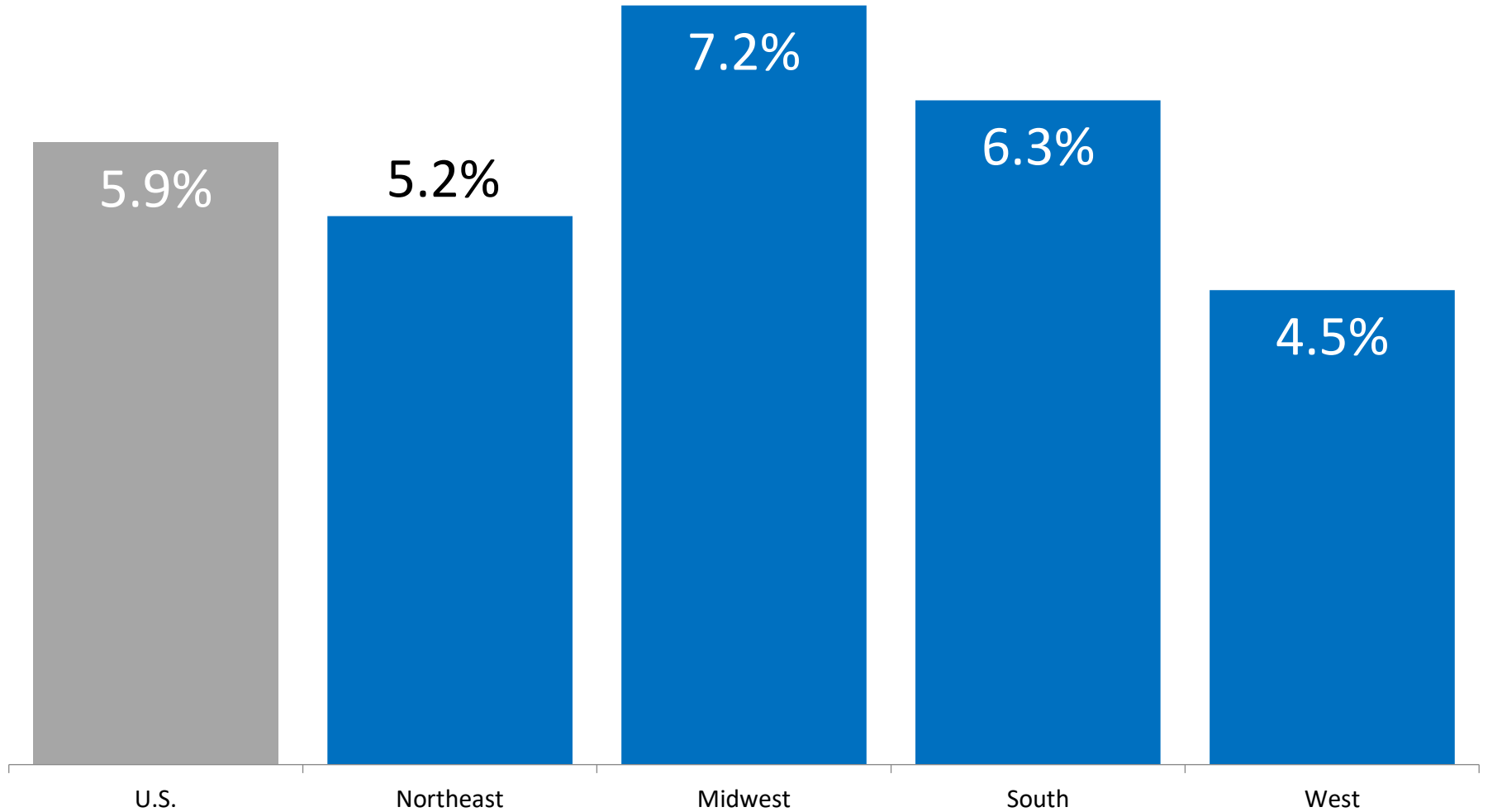


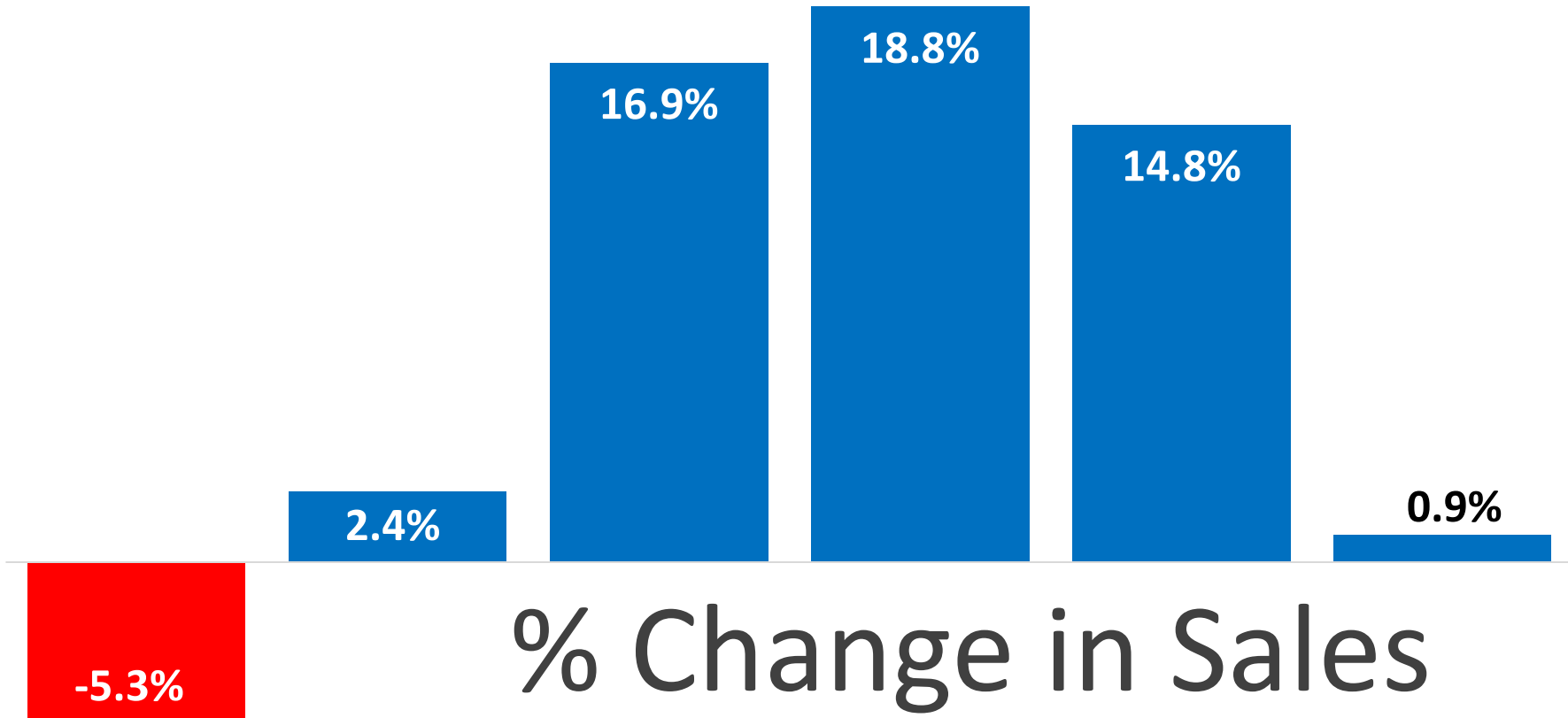


Home Prices

EXISTING Home Prices

Y-O-Y by region





% Change in Sales

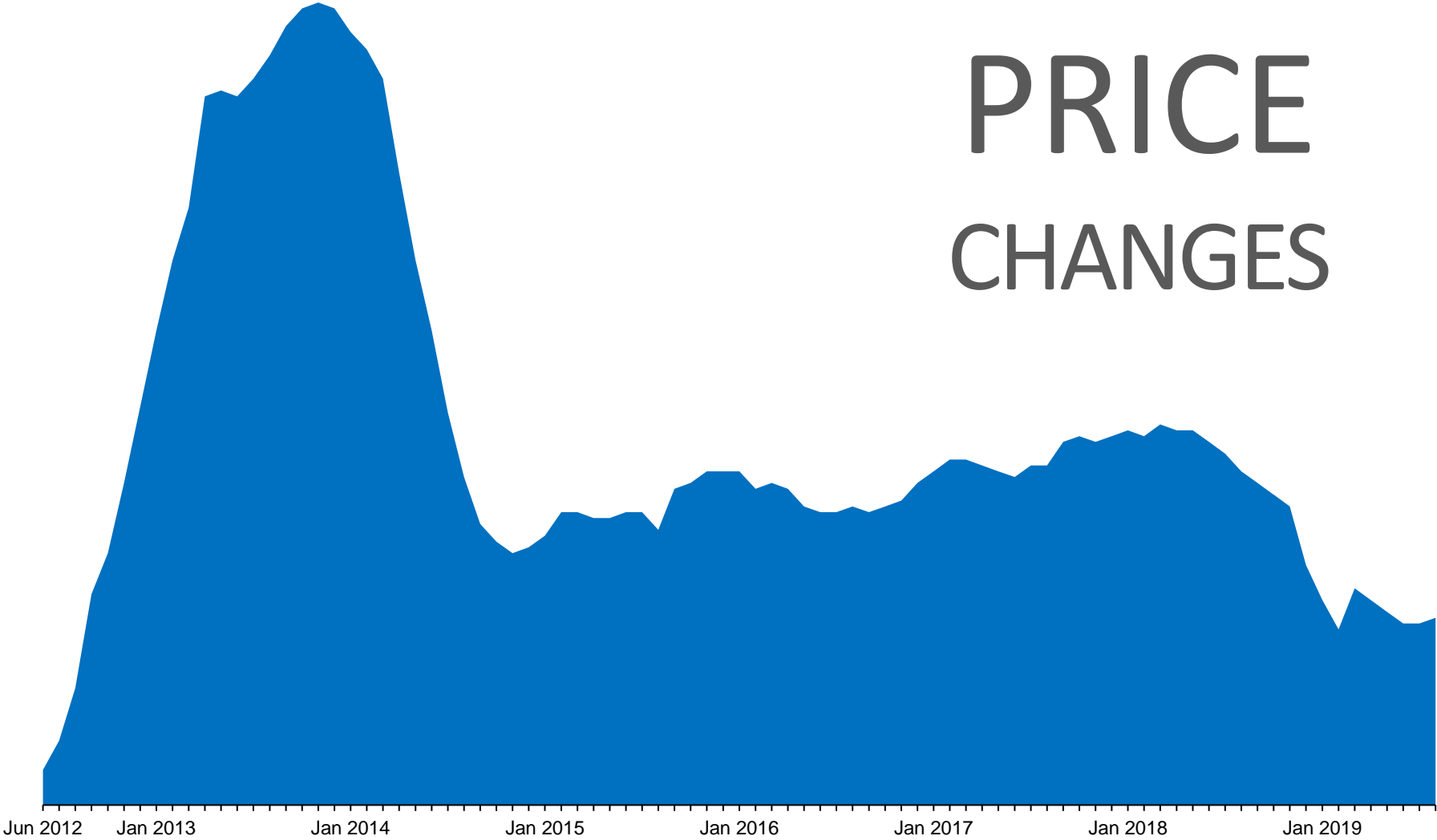
from last year by Price Range

	\$0-100K	\$100-250K	\$250-500K	\$500-750K	\$750K-1M	\$1M+
■ %	-5.3%	2.4%	16.9%	18.8%	14.8%	0.9%

Case Shiller

Year-Over-Year

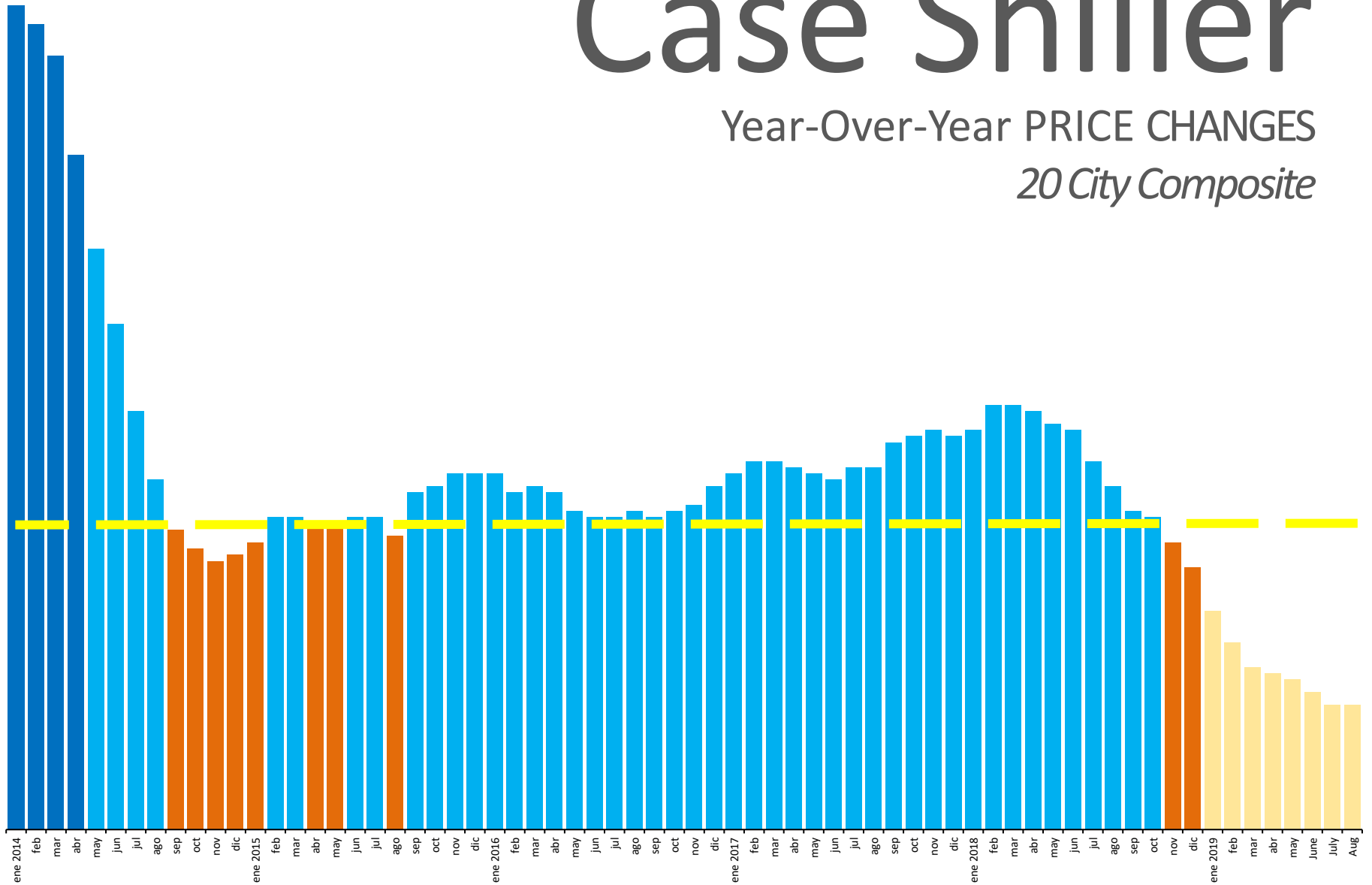
PRICE CHANGES



Case Shiller

Year-Over-Year PRICE CHANGES

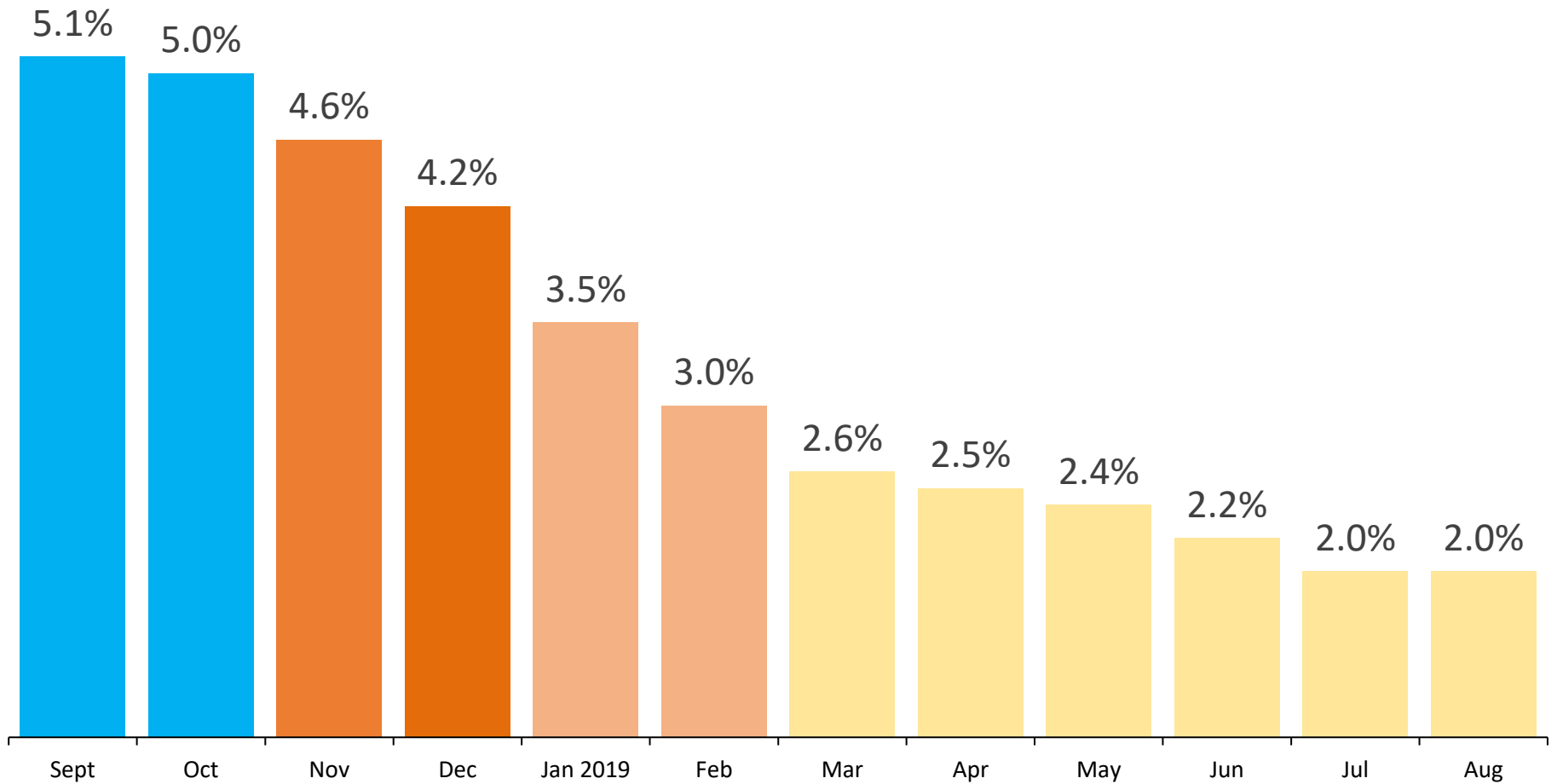
20 City Composite



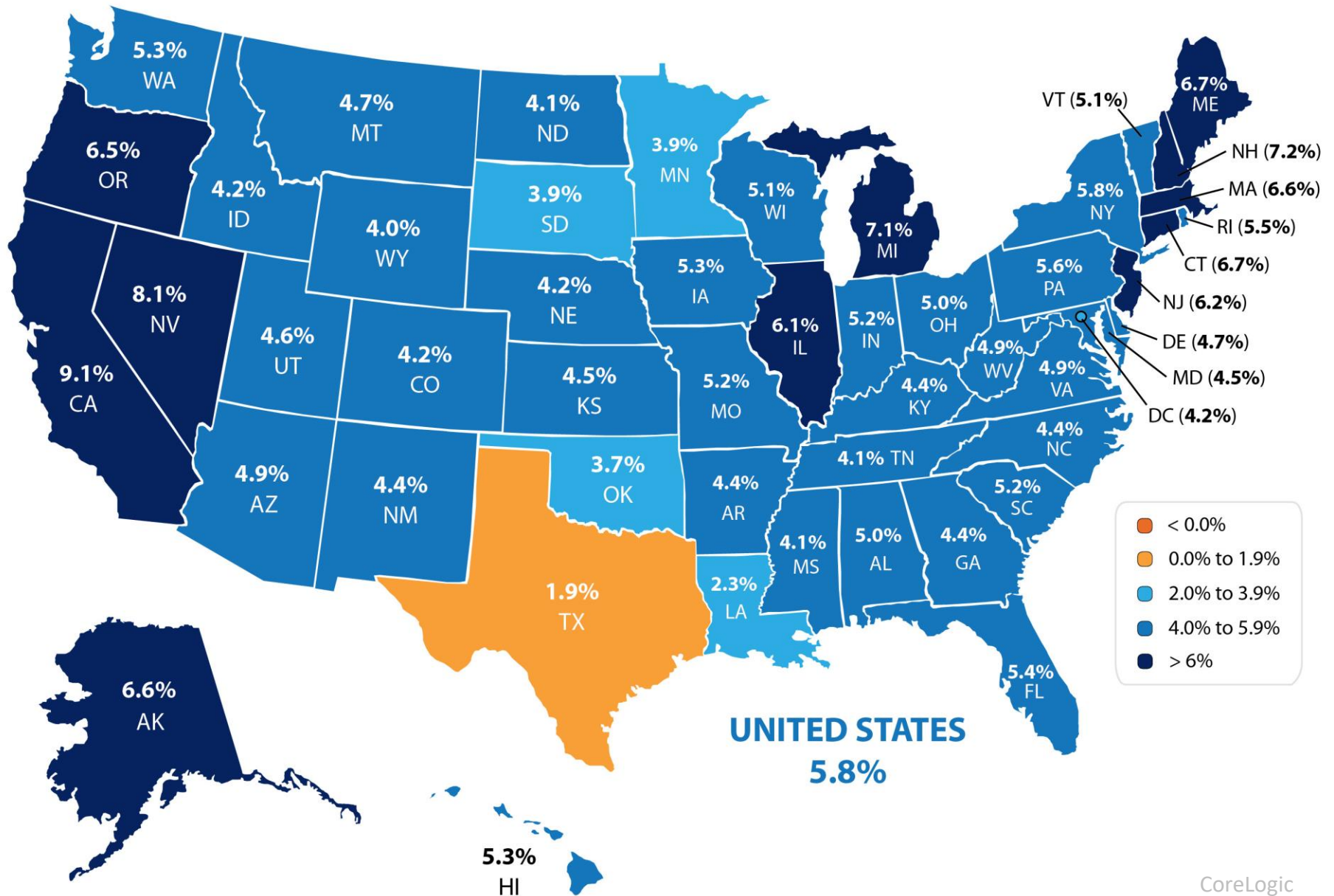
Case Shiller

Year-Over-Year PRICE CHANGES

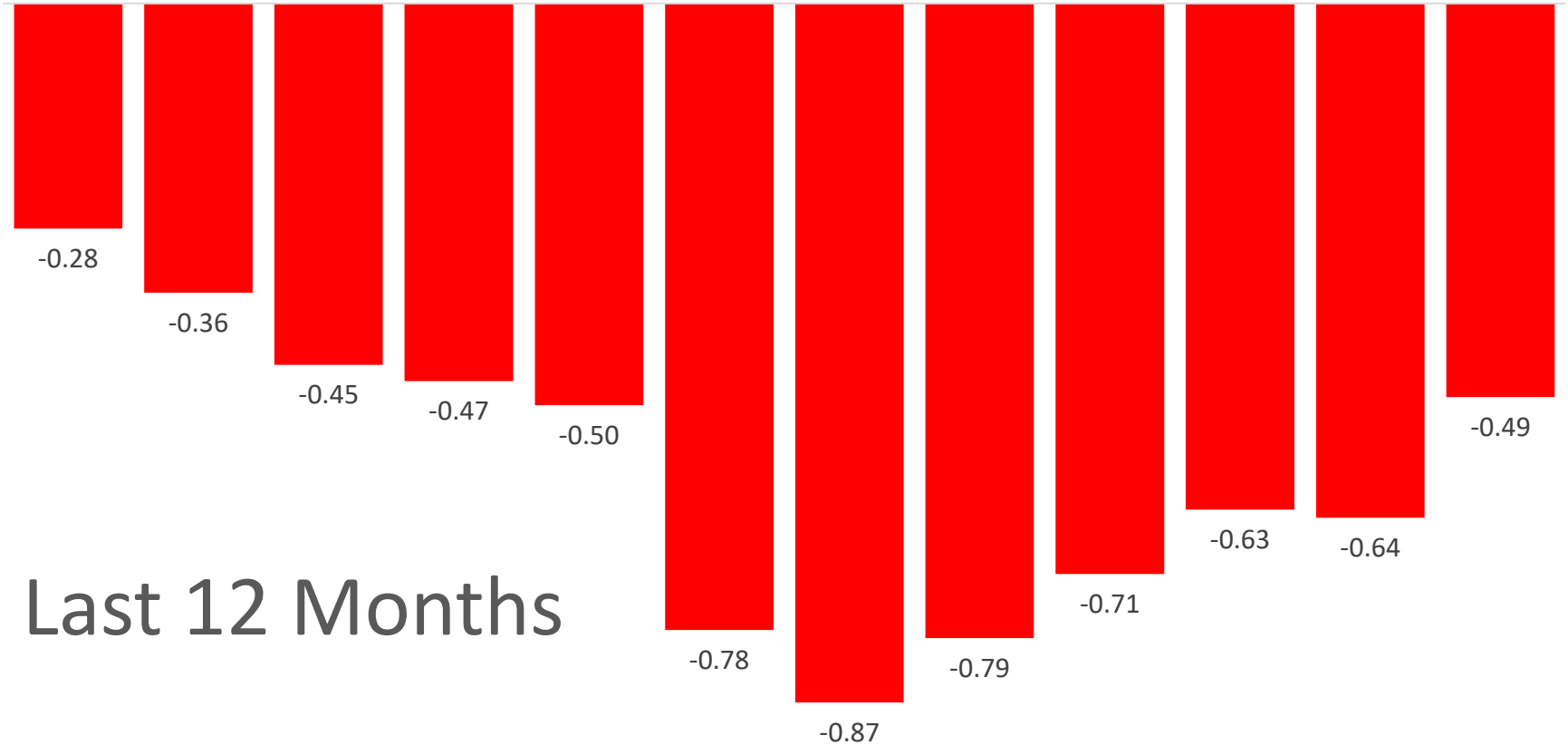
20 City Composite



Forecasted Year-Over-Year % Change in Price



Appraiser Home Value Opinions Compared to Homeowner Estimates



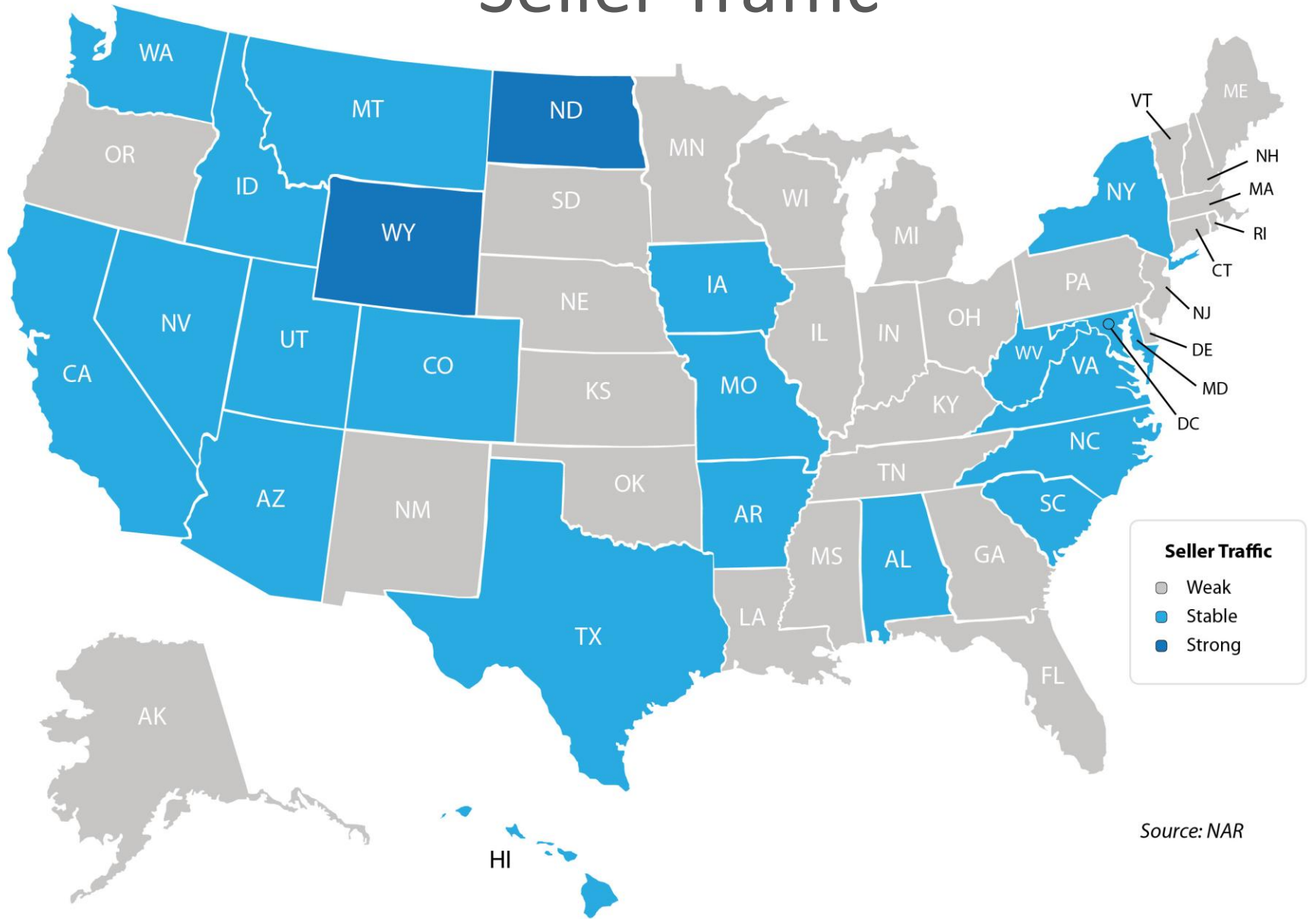
Last 12 Months

	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct
%	-0.28	-0.36	-0.45	-0.47	-0.5	-0.78	-0.87	-0.79	-0.71	-0.63	-0.64	-0.49

HOUSING INVENTORY



Seller Traffic



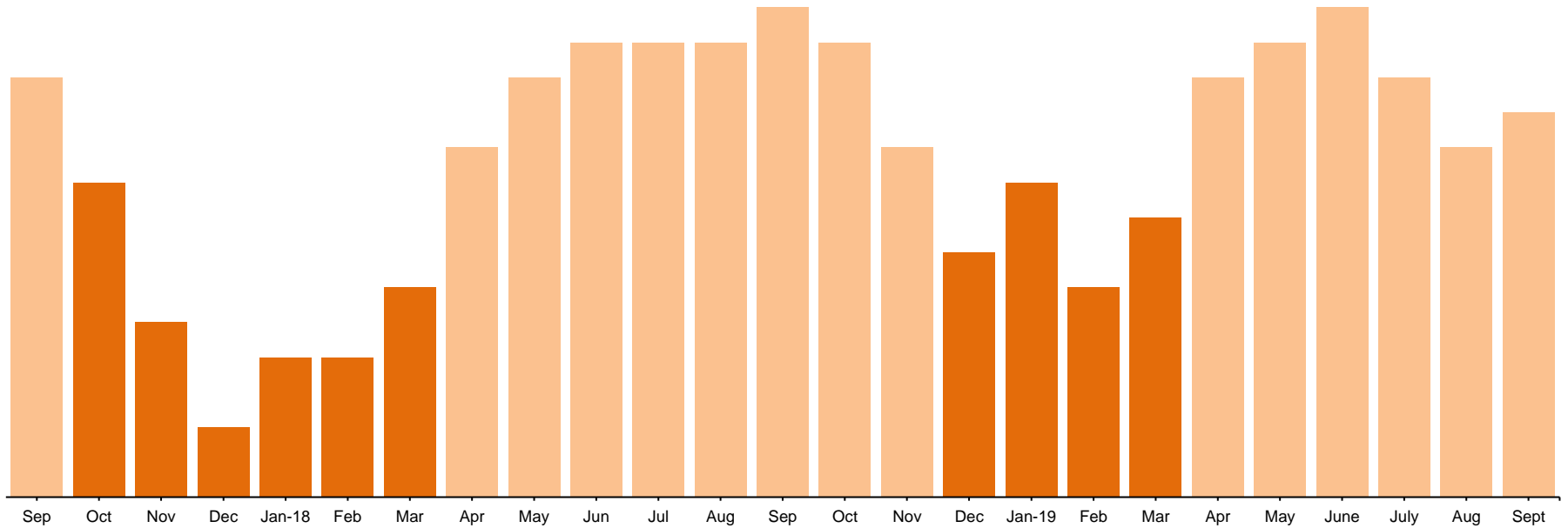
Source: NAR

Months Inventory of **HOMES FOR SALE** 2011 - Today



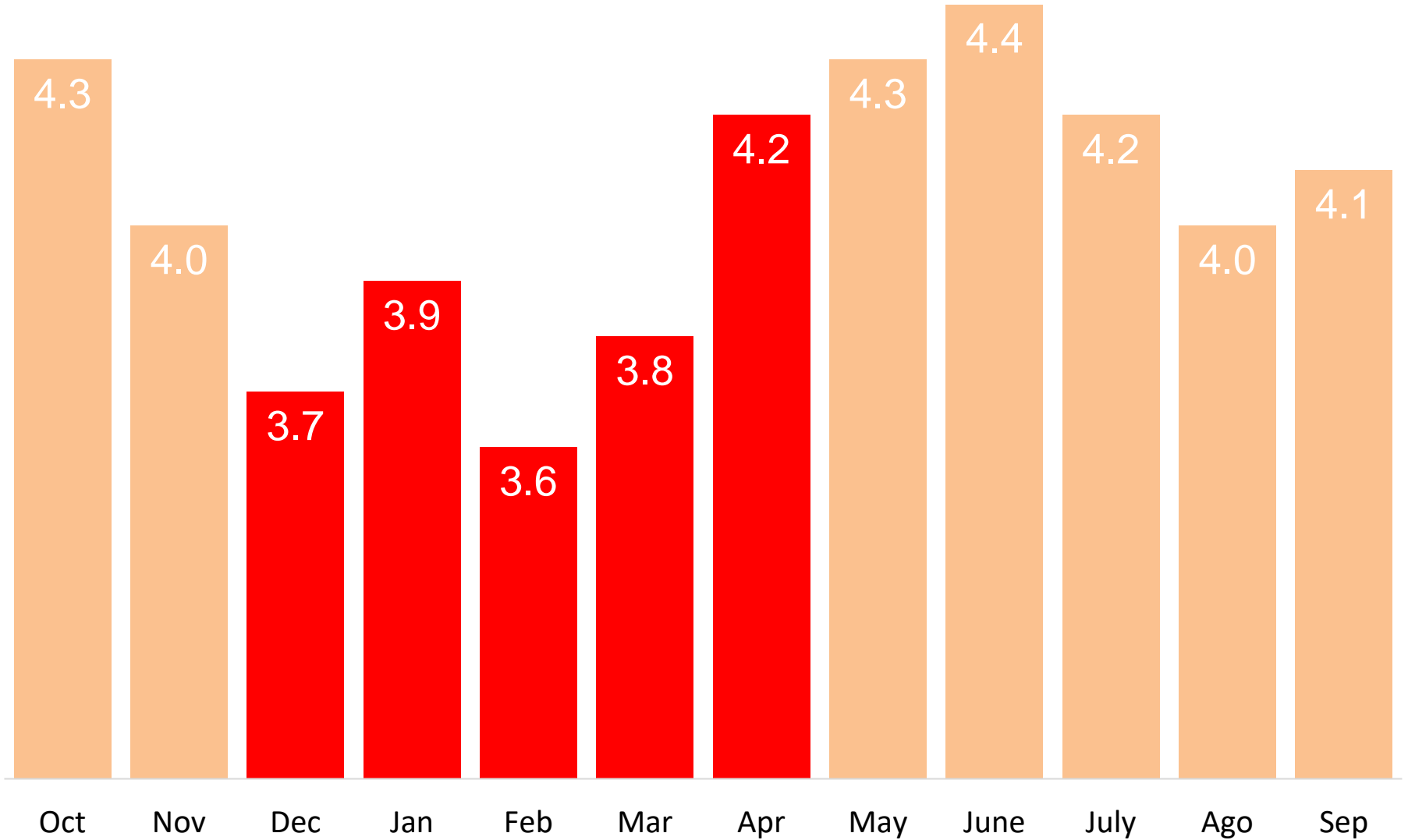
Months Inventory of HOMES FOR SALE

last 2 years

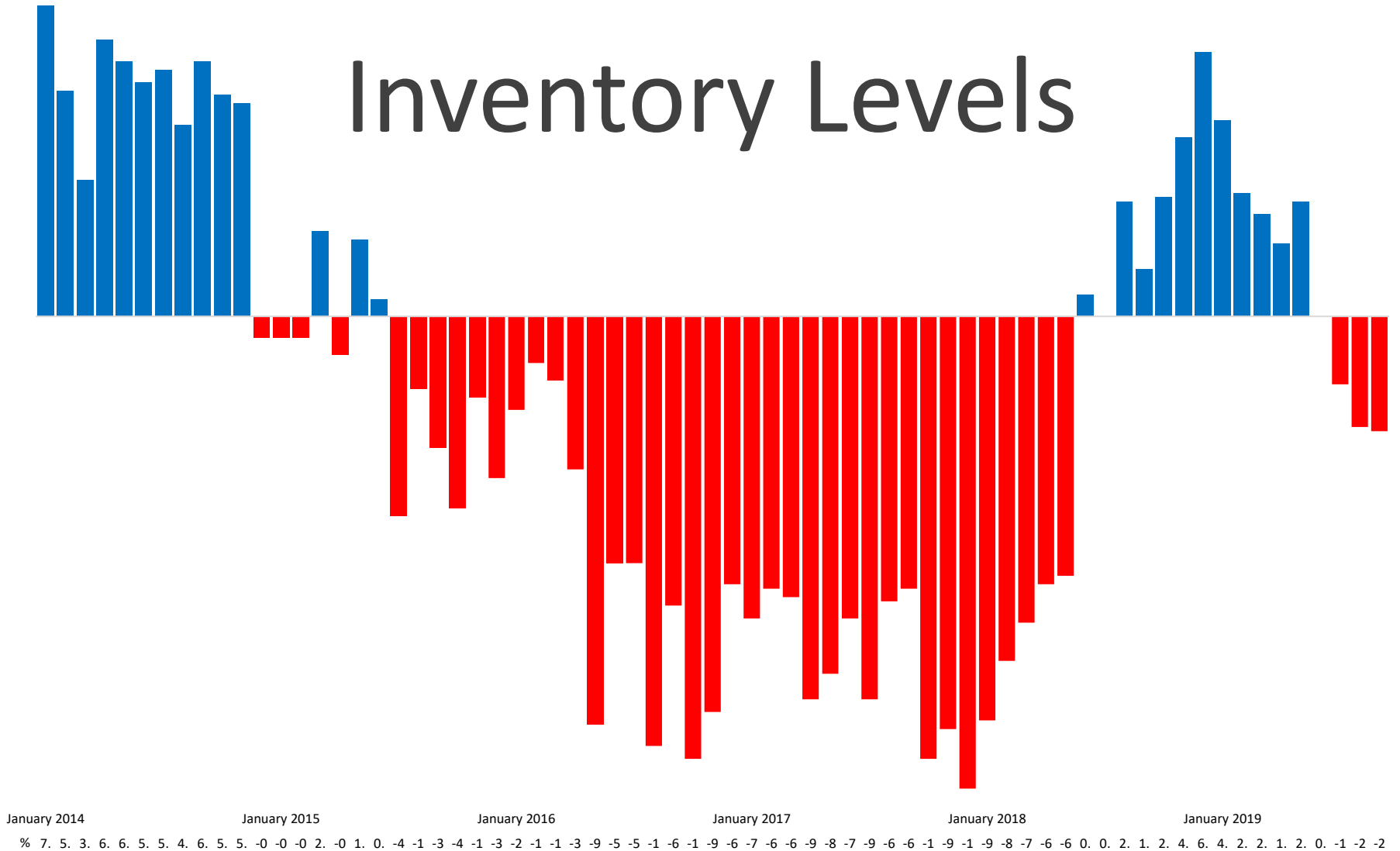


Months Inventory of HOMES FOR SALE

Last 12 Months

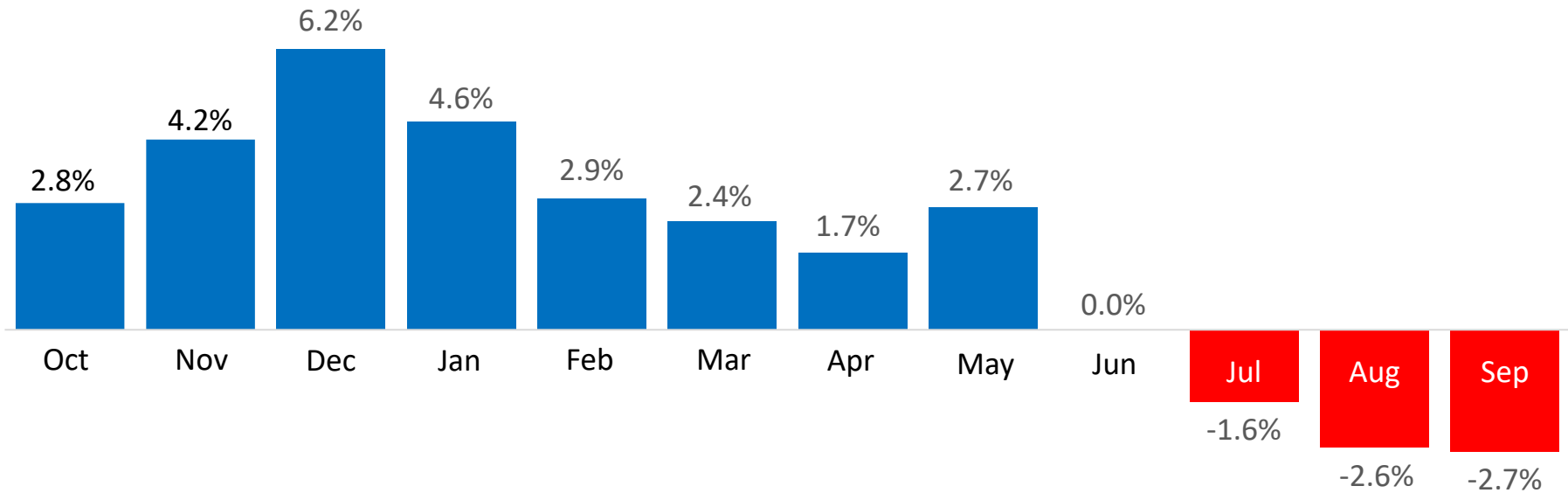


Year-over-Year Inventory Levels



HOUSING SUPPLY

Year-Over-Year

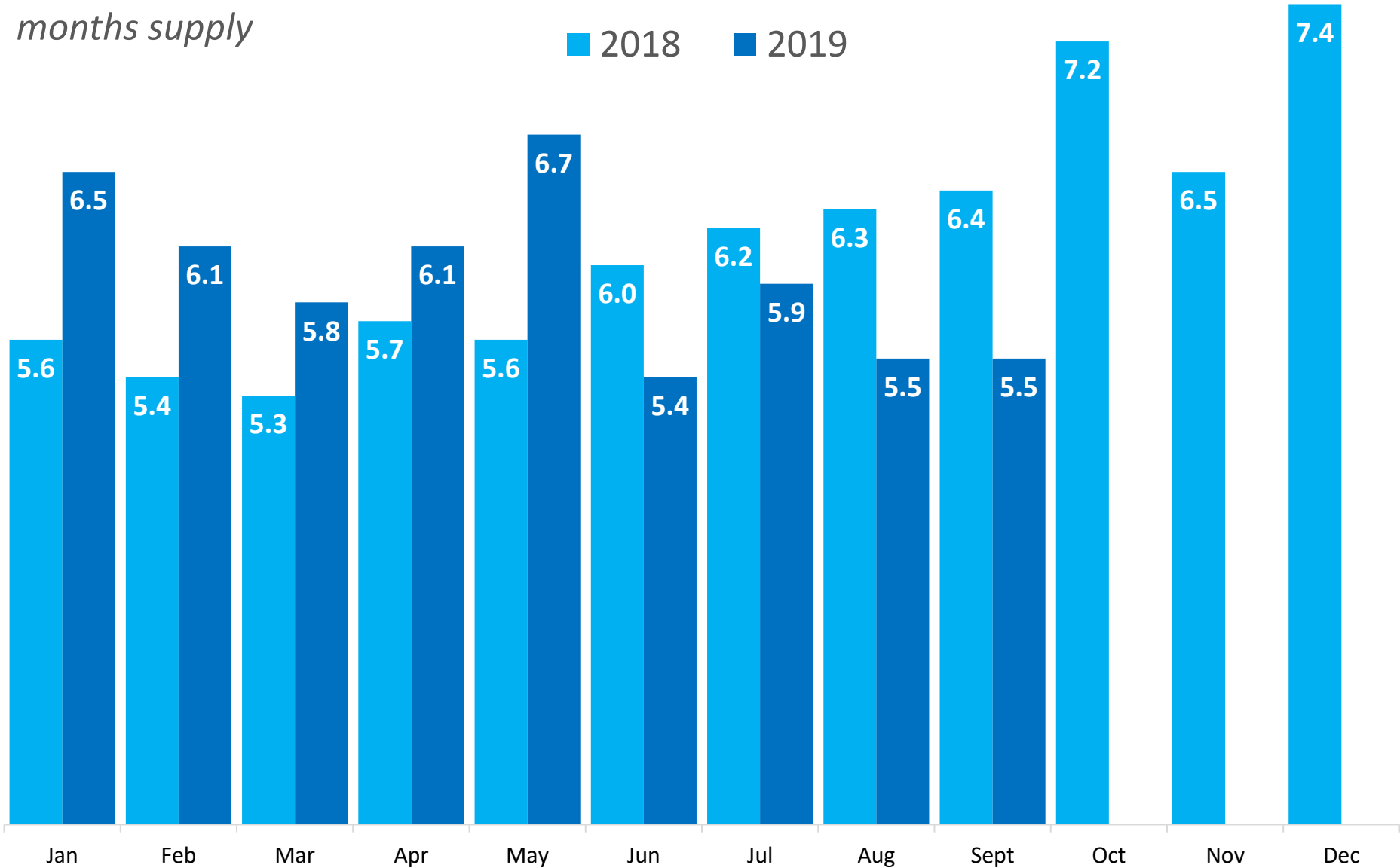


Last 12 Months

New Home Inventory

months supply

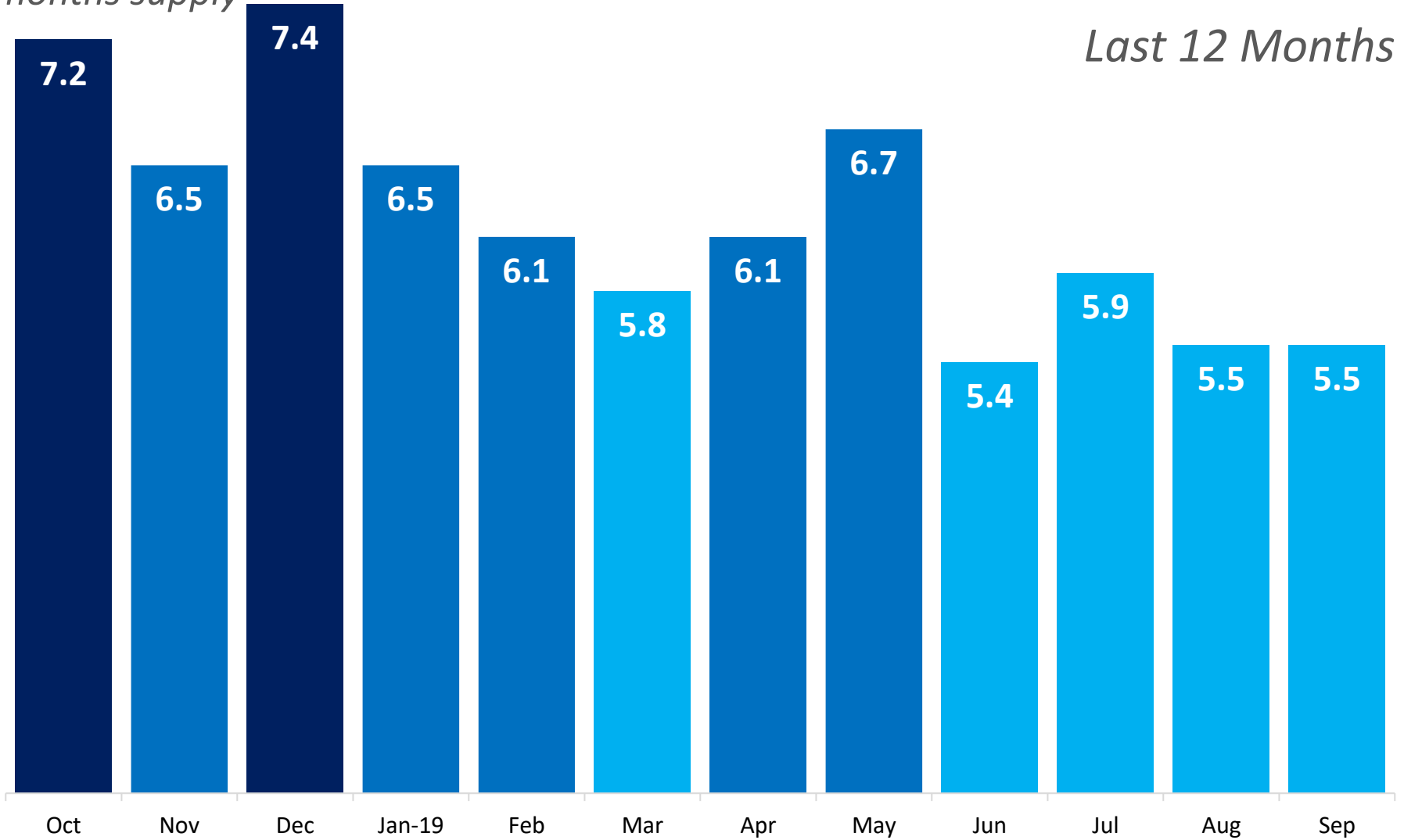
■ 2018 ■ 2019



New Home Inventory

months supply

Last 12 Months

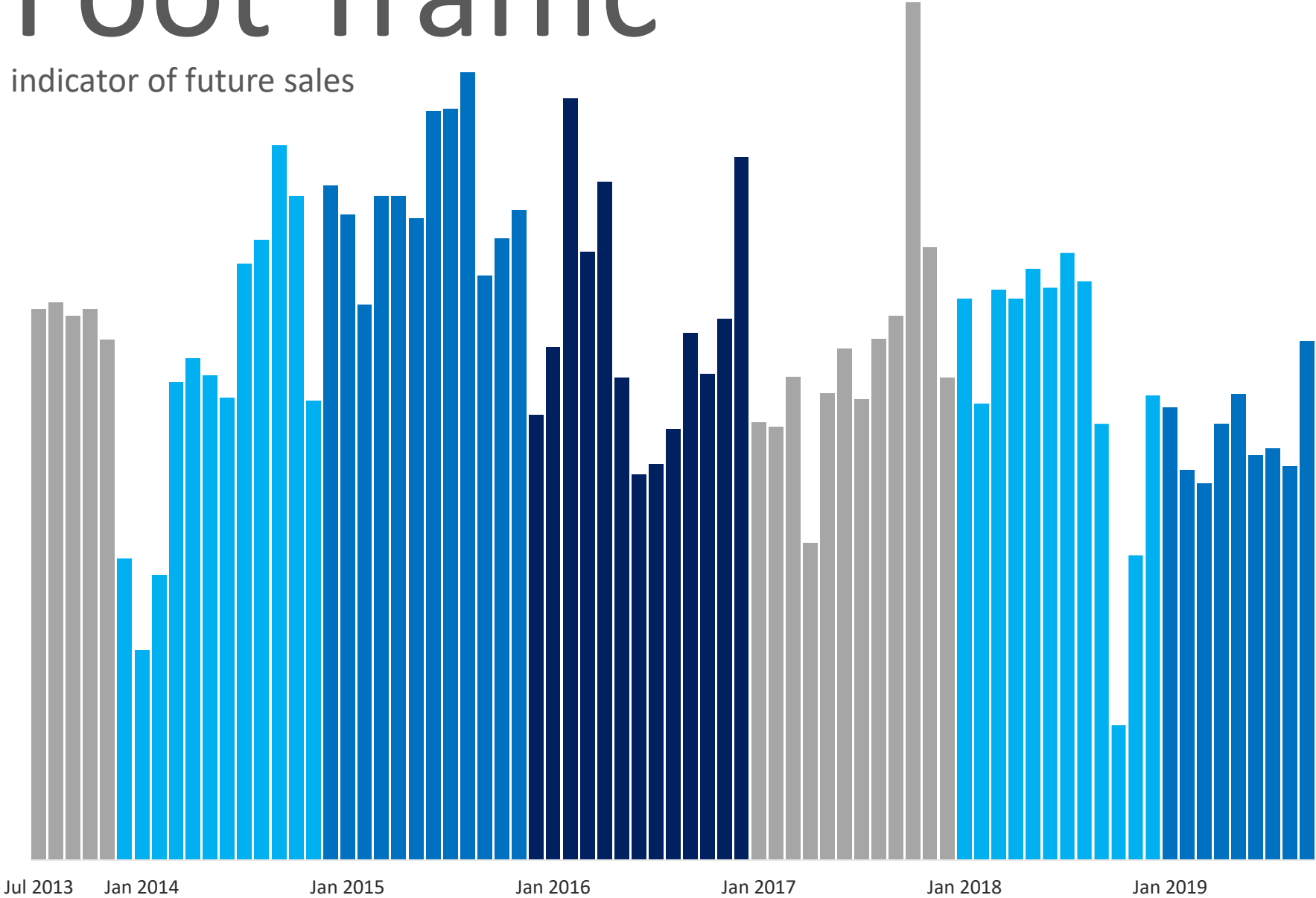


BUYER DEMAND



Foot Traffic

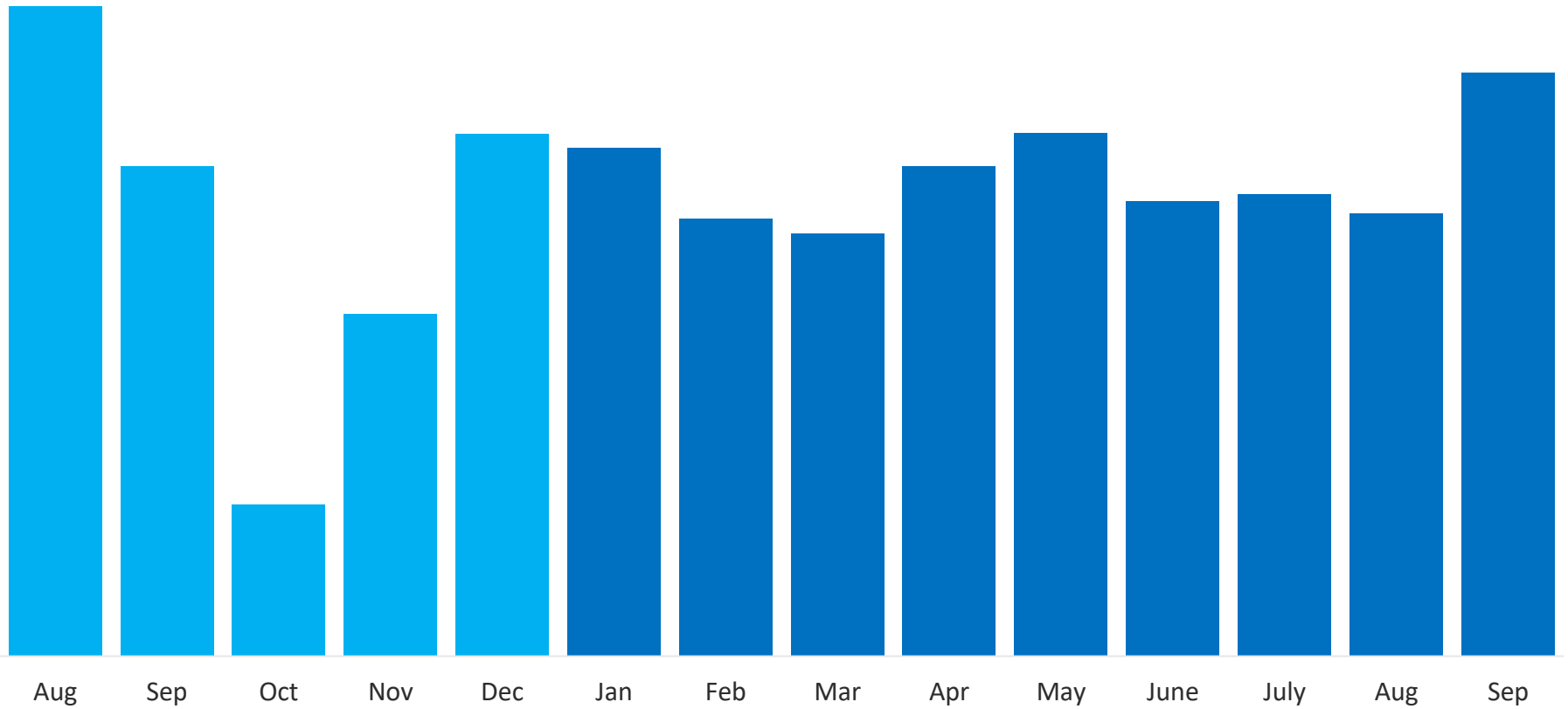
indicator of future sales



Foot Traffic

Last 12 Months

indicator of future sales

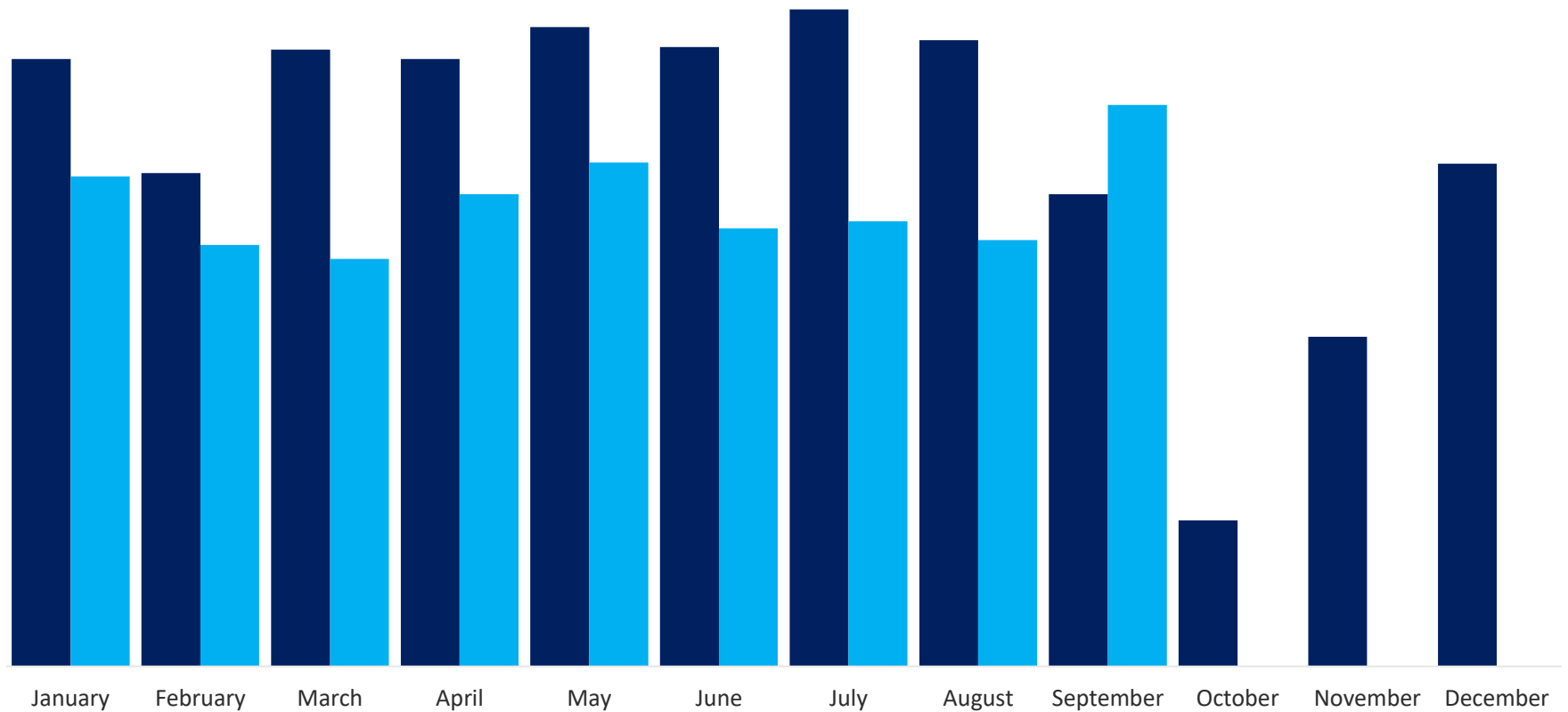


Foot Traffic

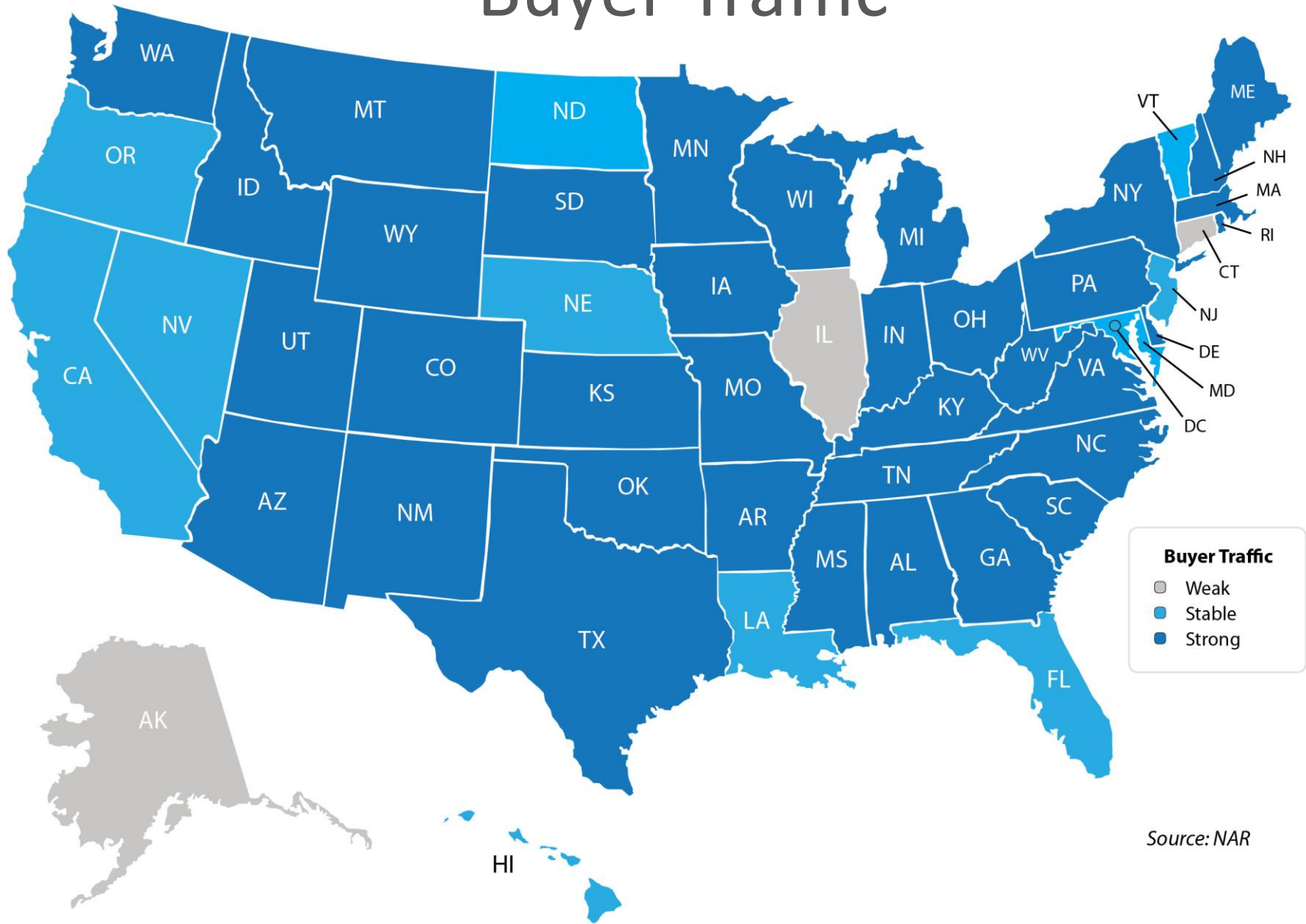
indicator of future sales

■ 2018

■ 2019



Buyer Traffic



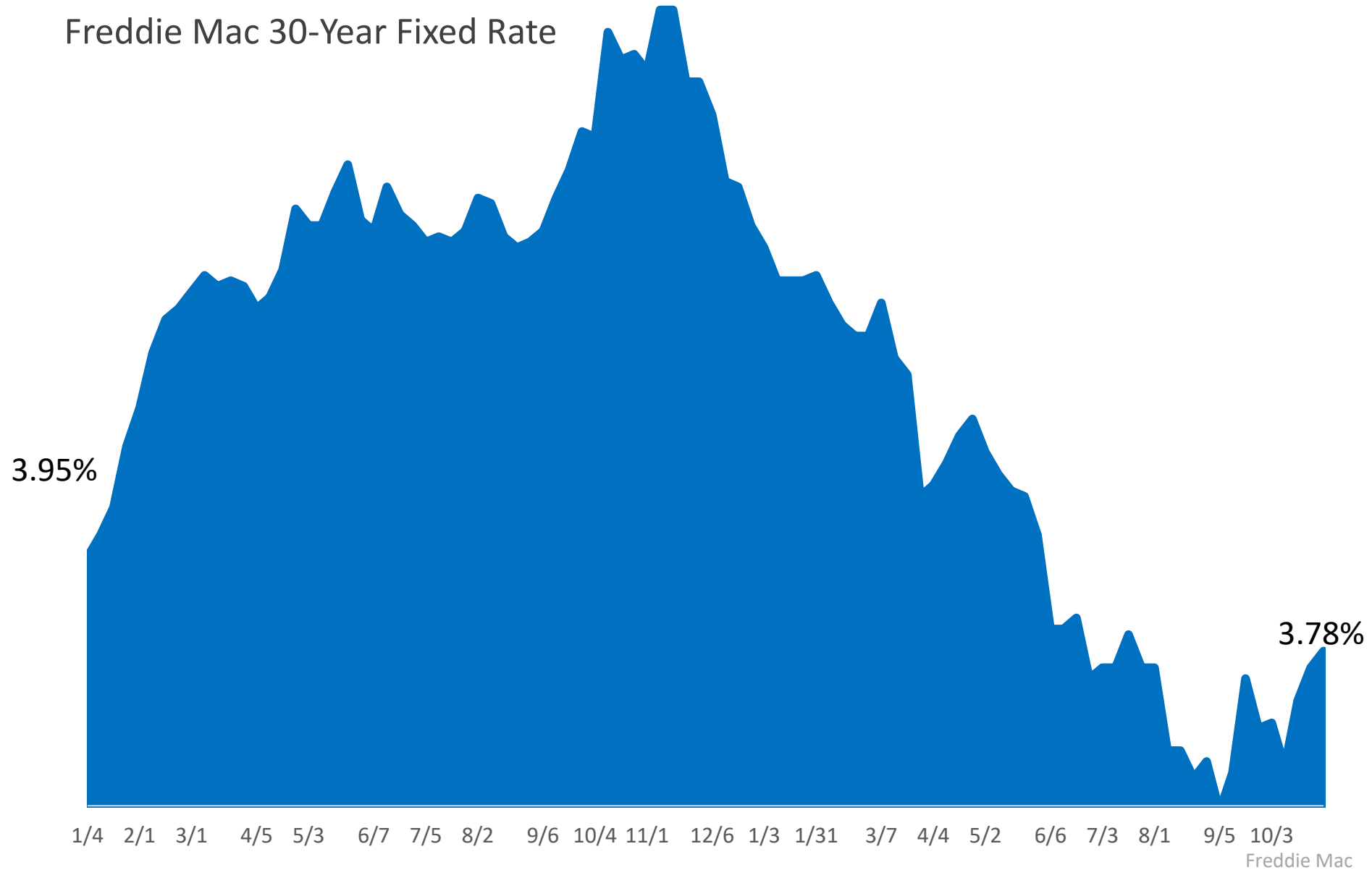
Source: NAR

INTEREST RATES



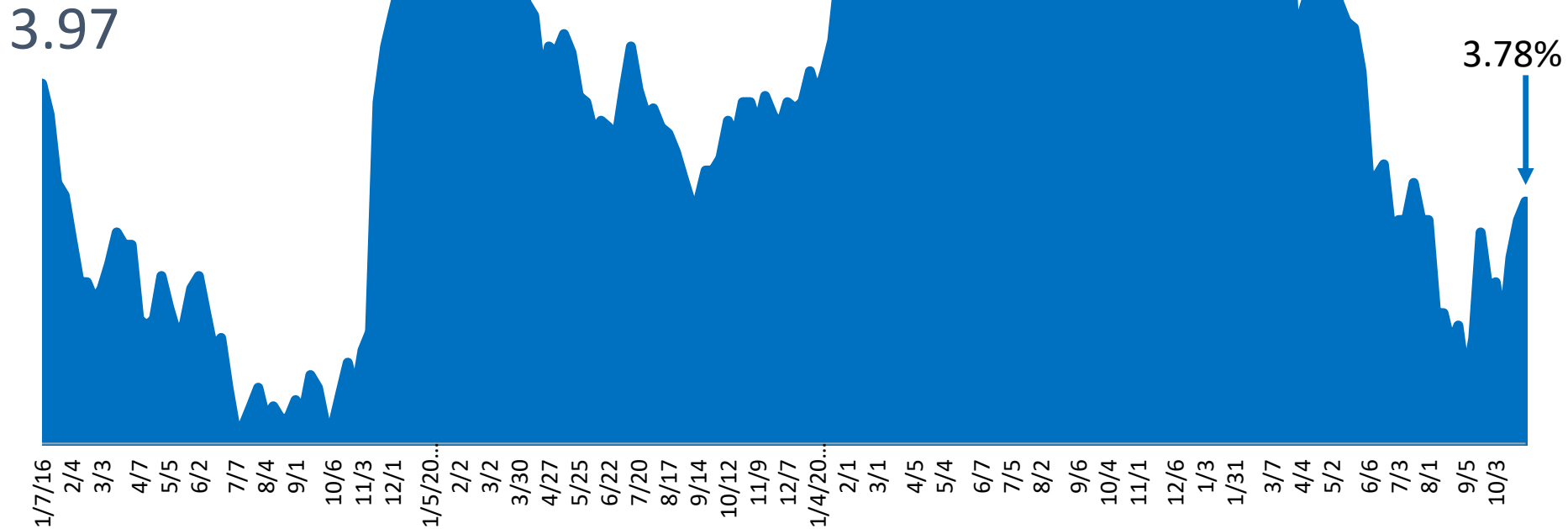
Mortgage Rates

Freddie Mac 30-Year Fixed Rate



30-Year Fixed

Rate Mortgages
from Freddie Mac



Mortgage Rate Projections

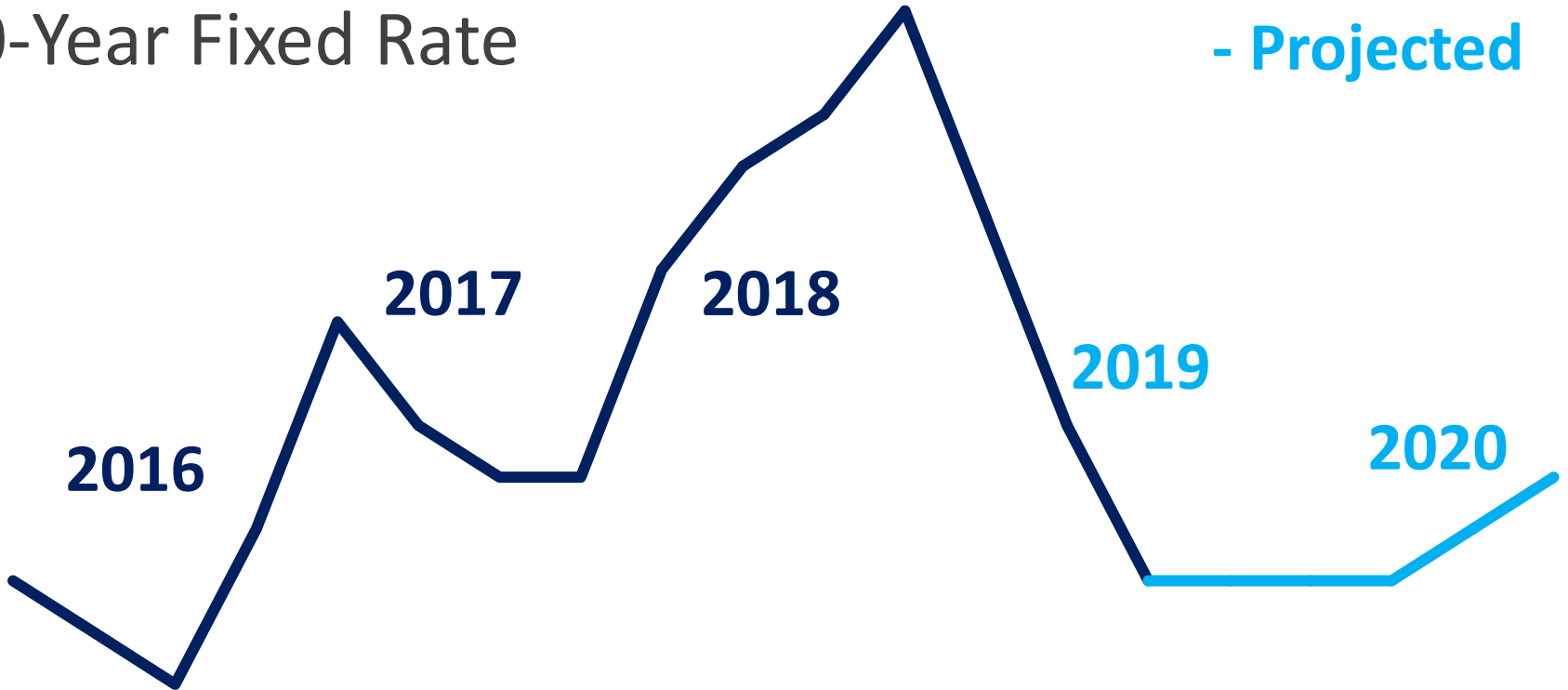
Quarter	Freddie Mac	Fannie Mae	MBA	NAR	Average of All Four
2019 4Q	3.7	3.6	3.6	3.7	3.65%
2020 1Q	3.7	3.6	3.7	3.7	3.67%
2020 2Q	3.7	3.6	3.7	3.7	3.67%
2020 3Q	3.8	3.5	3.7	3.8	3.70%

Mortgage Rates

Freddie Mac

30-Year Fixed Rate

- Actual
- Projected



	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4
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	3.7	3.7	3.8	3.9

Mortgage Rates

Freddie Mac

30-Year Fixed Rate

January 2018 – Today
Actual Interest Rates



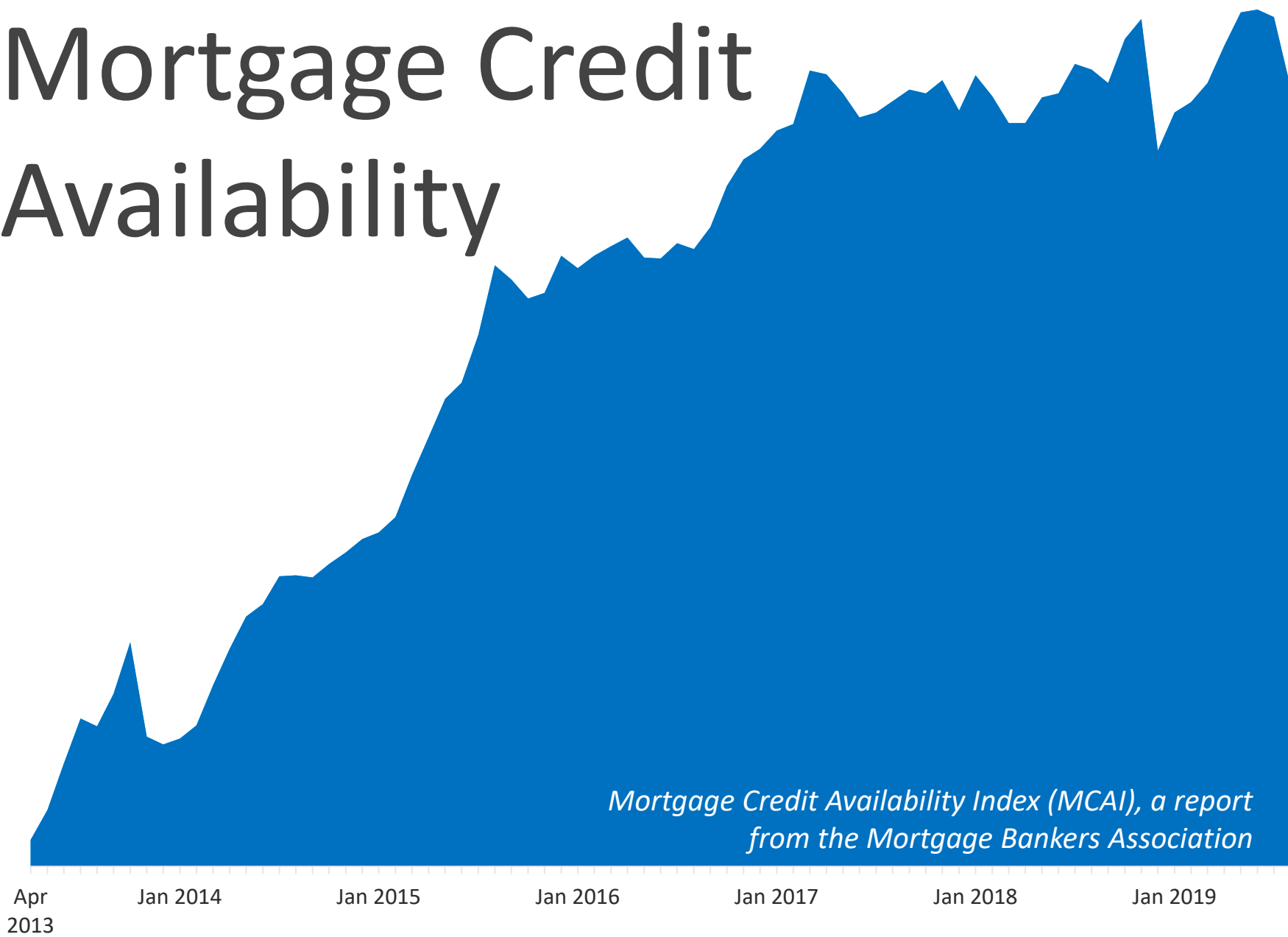
3.7	3.7	3.7	3.8
2019 Q4	Q1	Q2	Q3
2020			

Where Are They Going?

Mortgage Credit Availability



Mortgage Credit Availability



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

Apr 2013

Jan 2014

Jan 2015

Jan 2016

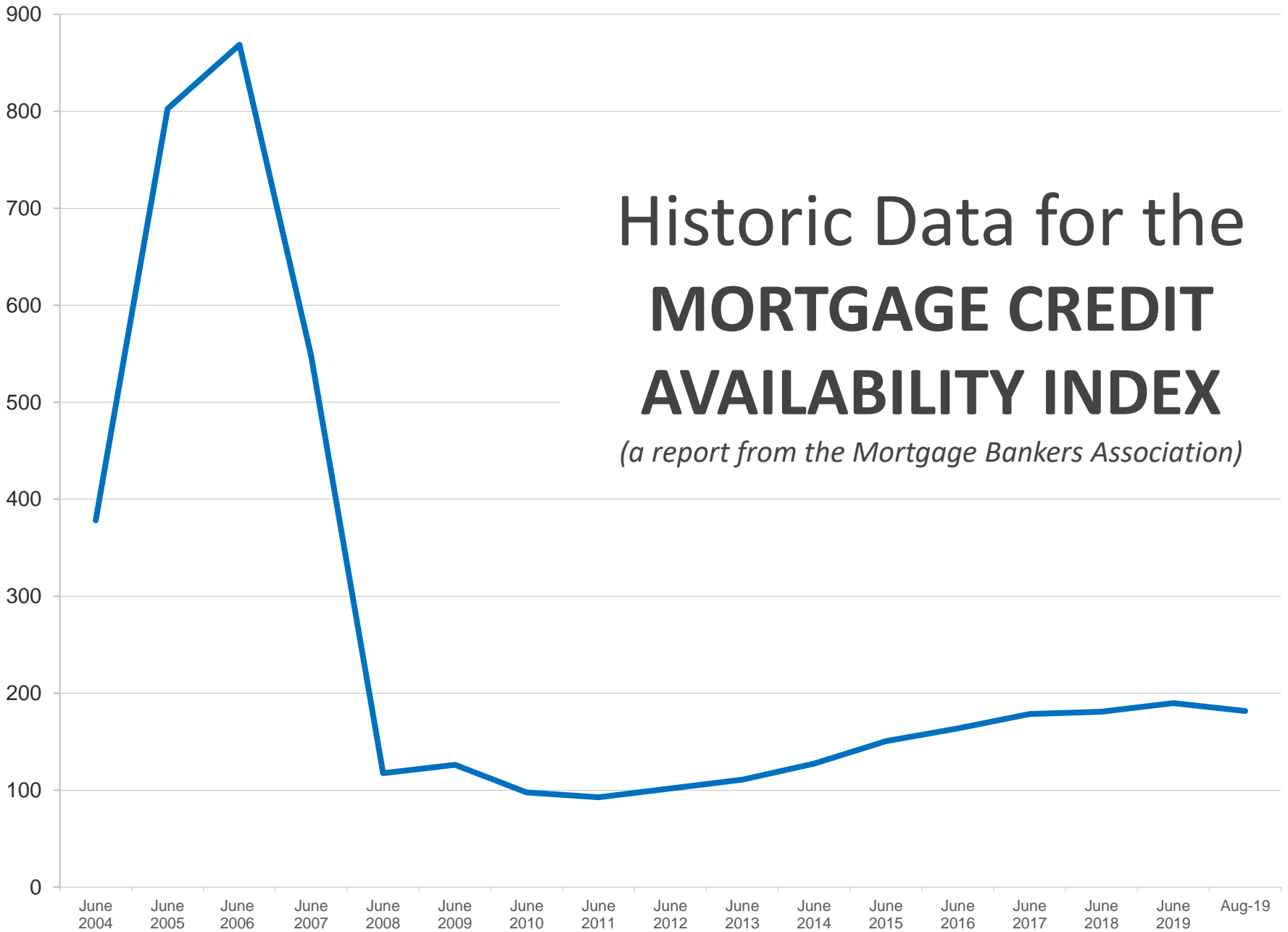
Jan 2017

Jan 2018

Jan 2019

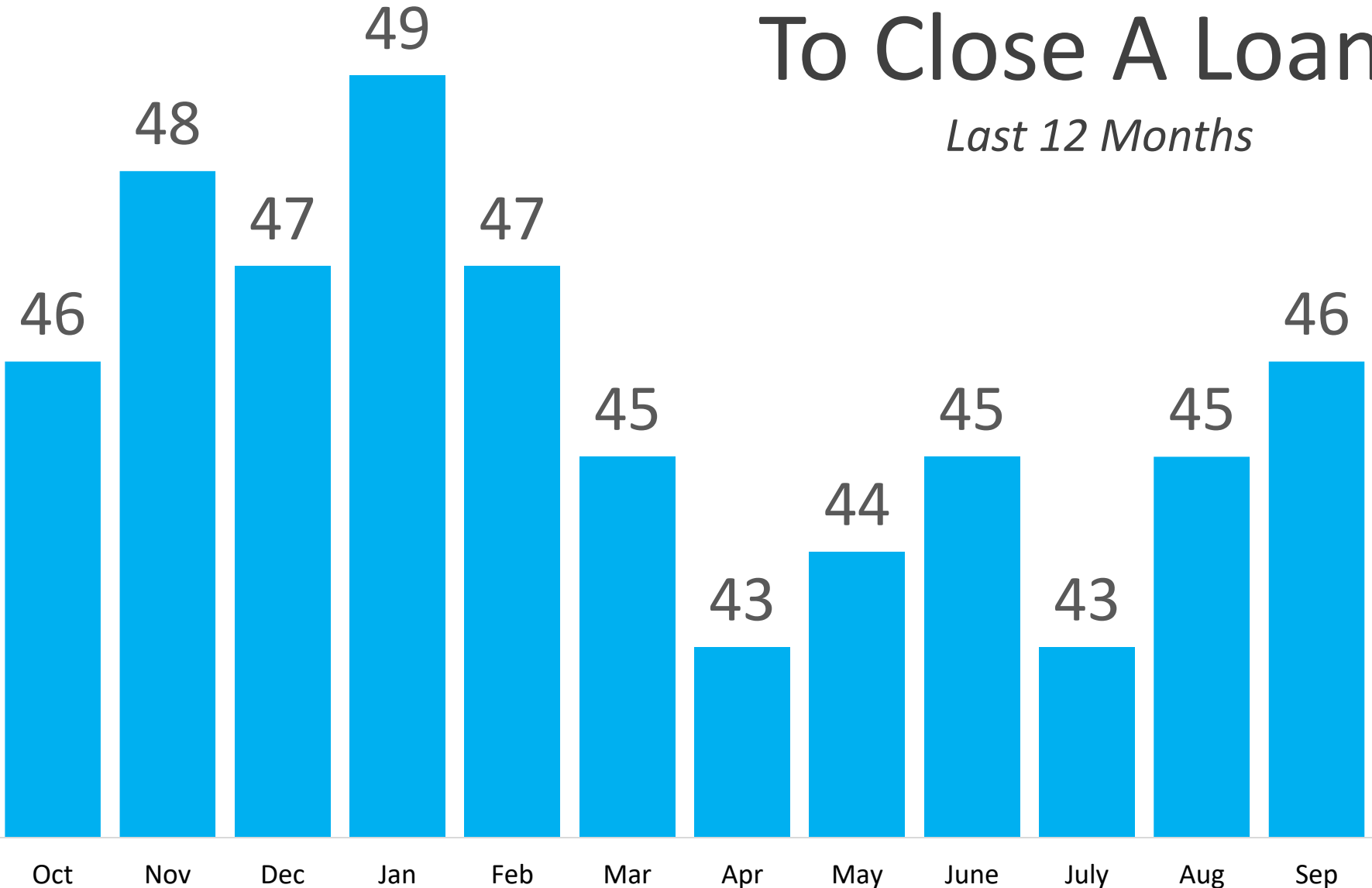
Historic Data for the **MORTGAGE CREDIT AVAILABILITY INDEX**

(a report from the Mortgage Bankers Association)



Average Days To Close A Loan

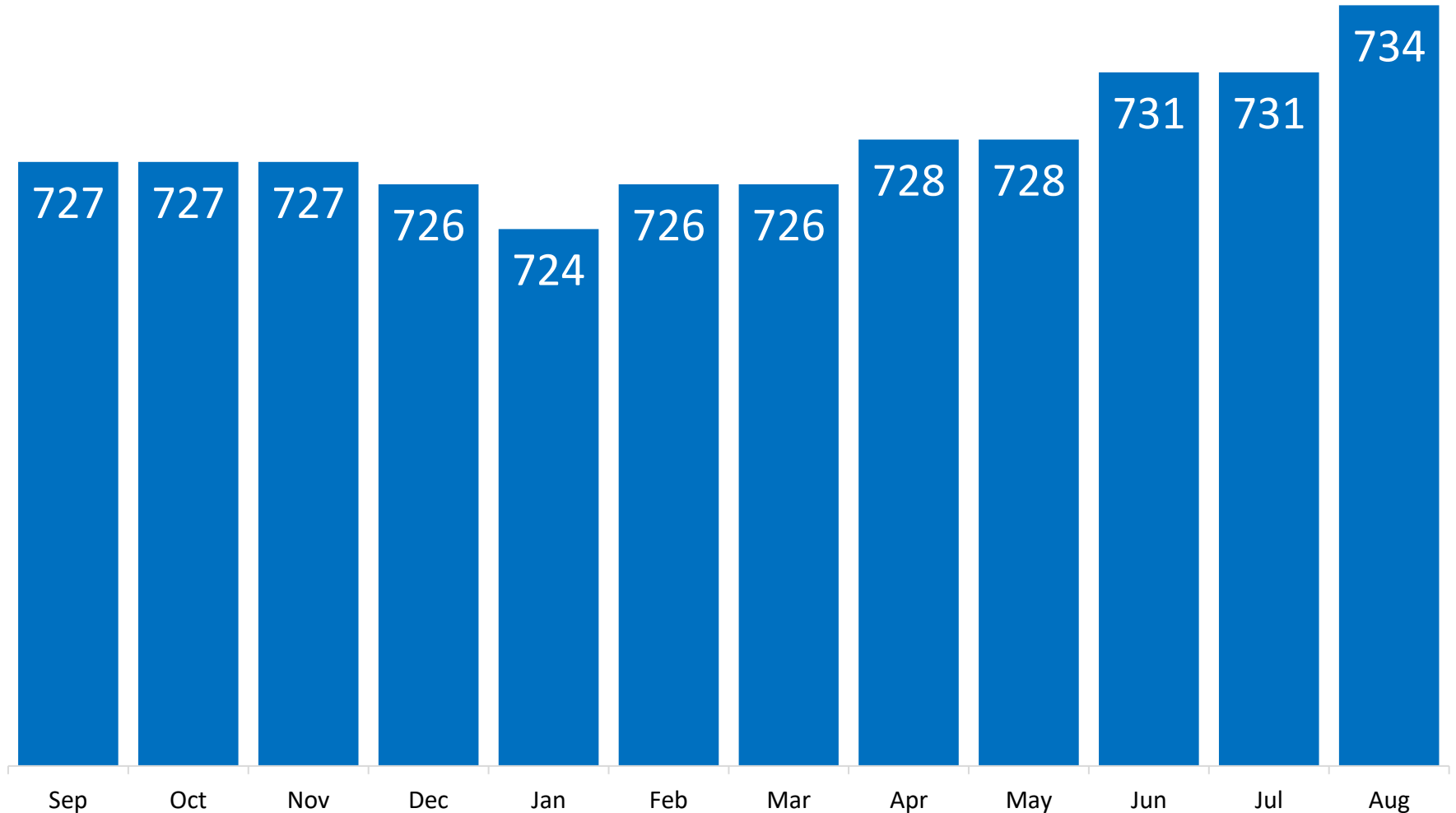
Last 12 Months



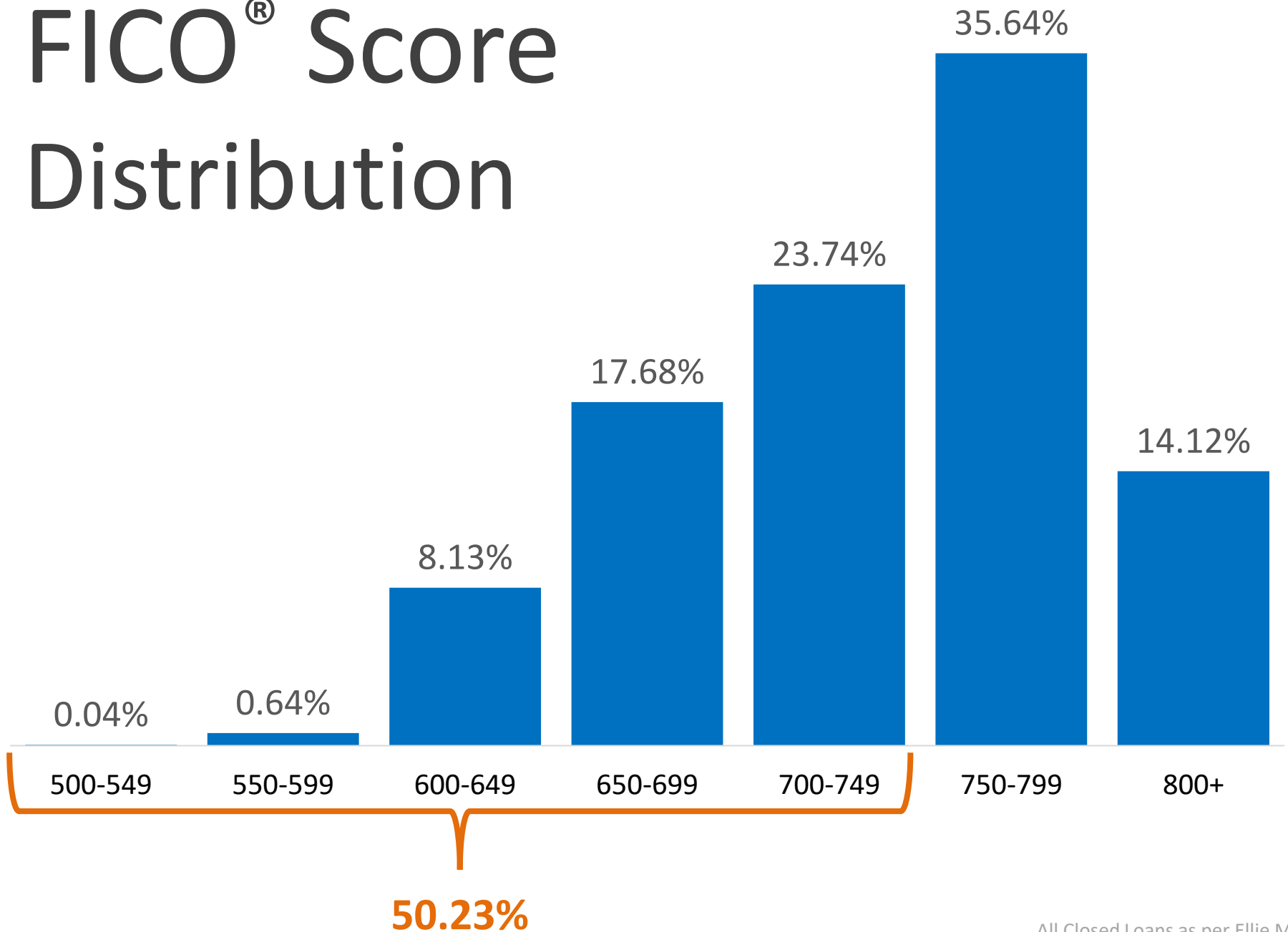
All Closed Loans as per Ellie Mae

FICO[®] Score Requirements

Last 12 months

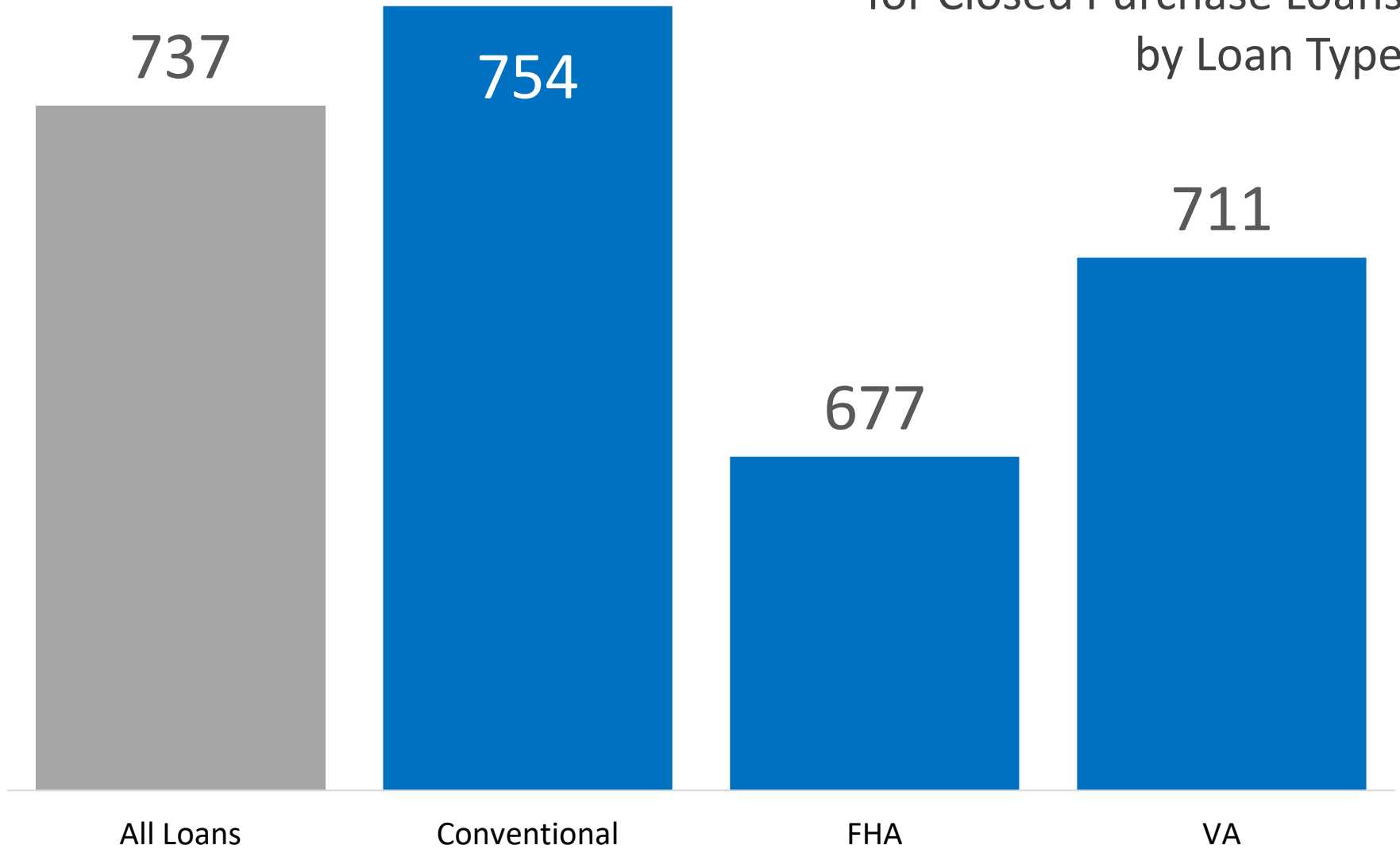


FICO[®] Score Distribution



Average FICO[®] Score

for Closed Purchase Loans
by Loan Type



Average Back End DTI

for Closed Purchase Loans by Loan Type

