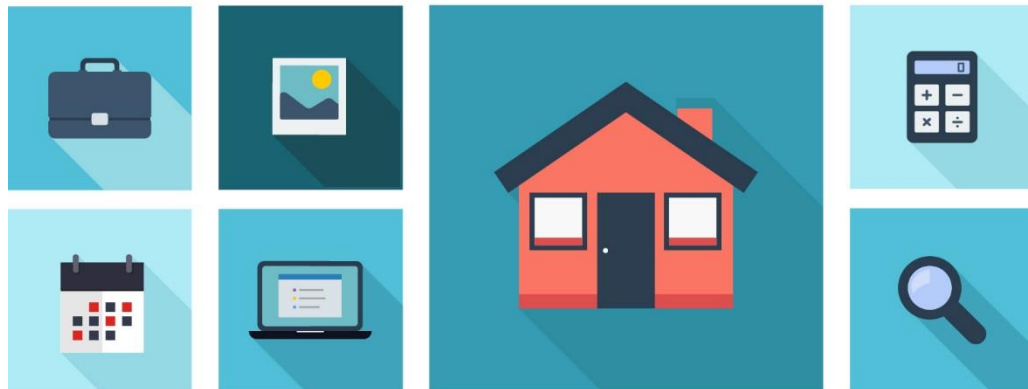
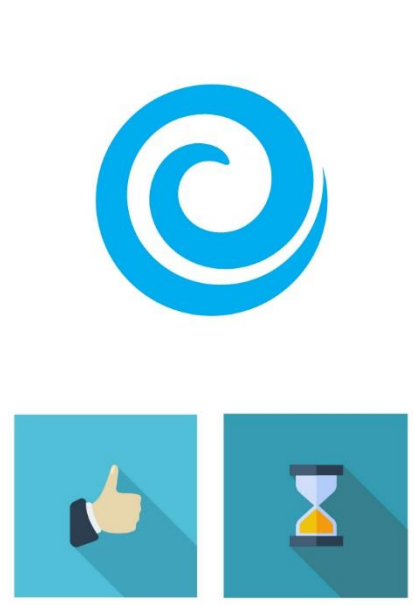
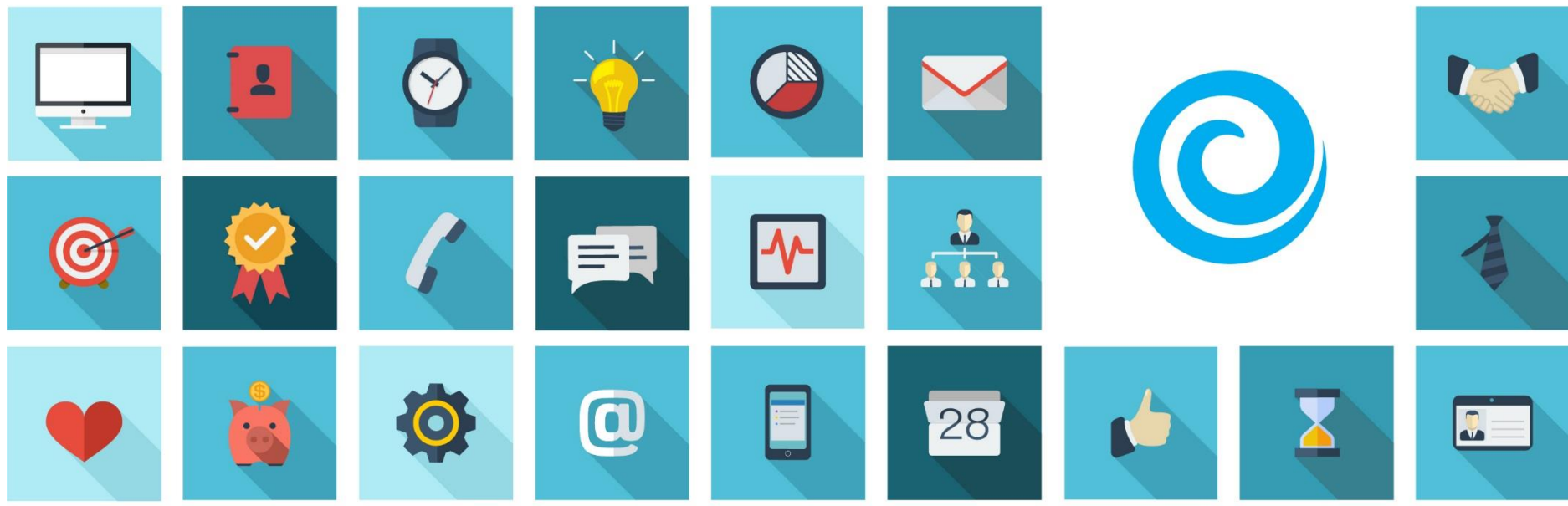
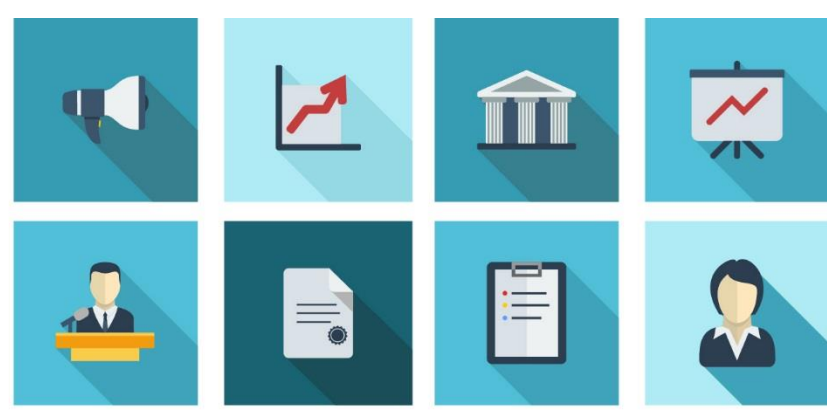


KEEPING CURRENT MATTERS

WWW.KEEPINGCURRENTMATTERS.COM



JANUARY 2020

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

“Markets sounded the recession alarm this year, and the average forecaster now sees a 33% chance of recession over the next year. In contrast, our new recession model suggests just a 20% probability. Despite the record age of the expansion, the usual late-cycle problems—inflationary overheating and financial imbalances—do not look threatening.”

Goldman Sachs' 2020 US Outlook

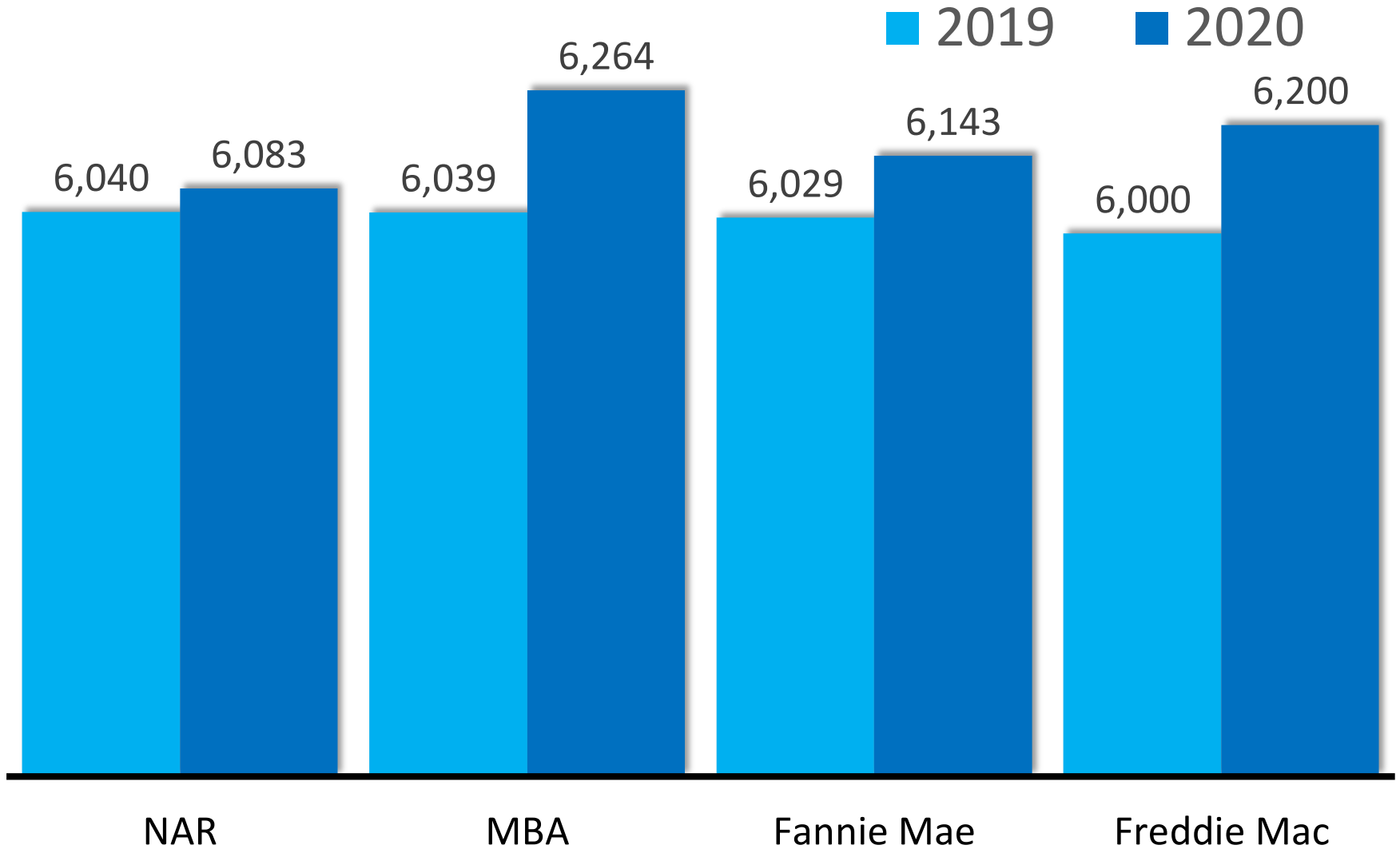


“Housing remains a solid foundation for the U.S. economy going into 2020.”

- George Ratiu, Senior Economist at Realtor.com



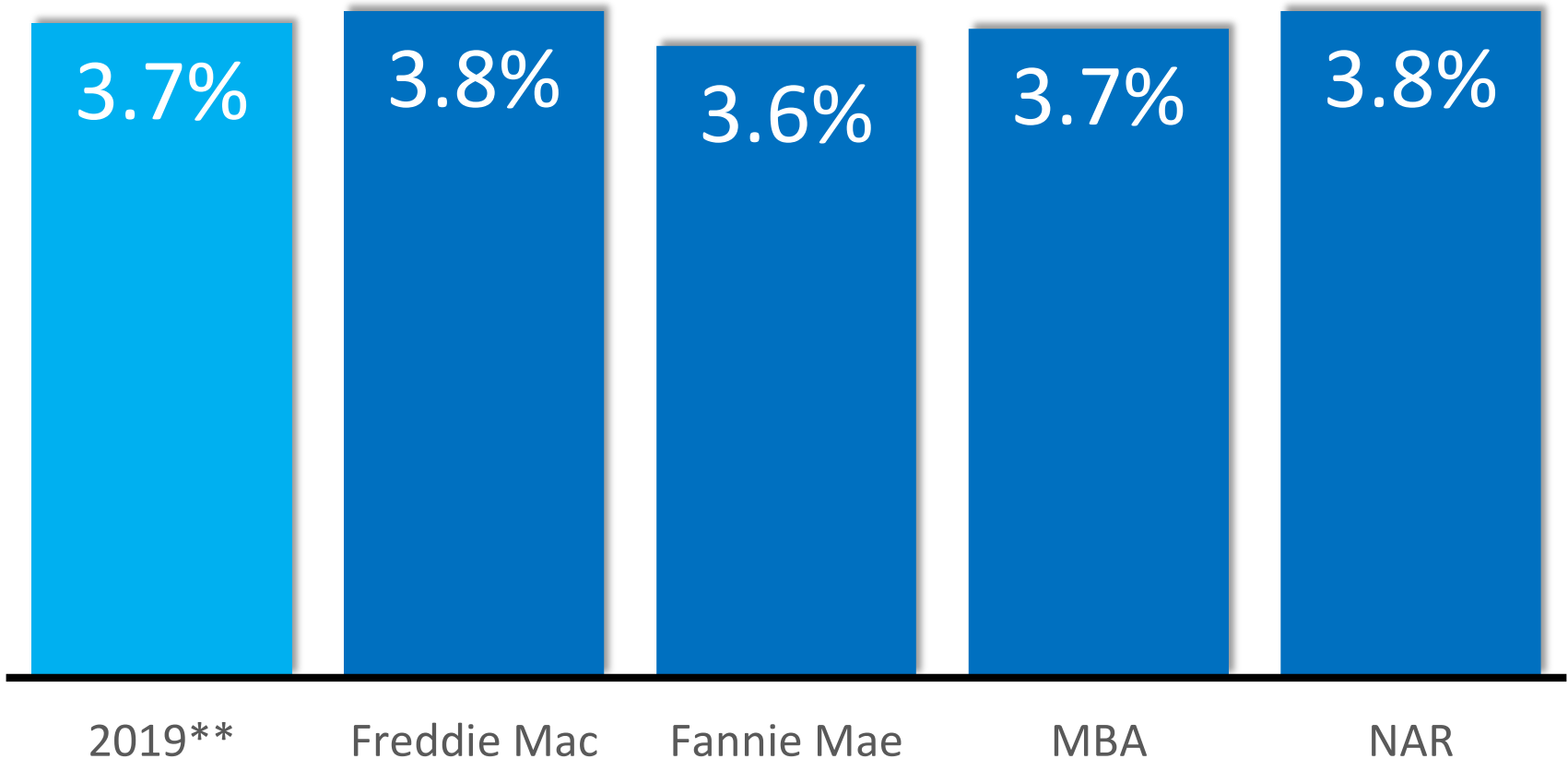
Home Sales Are Projected to Grow in 2020



“We expect mortgage rates to remain low over the next two years, averaging 3.8% in 2020 and 2021.” – Freddie Mac



30 Year Mortgage Rate* Projected to Remain Stable throughout 2020



**Projected rate for 4th quarter of 2020*

***Latest Freddie Mac rate*

The Biggest Issue the Housing Market
Will Face in 2020:

Inventory Shortage

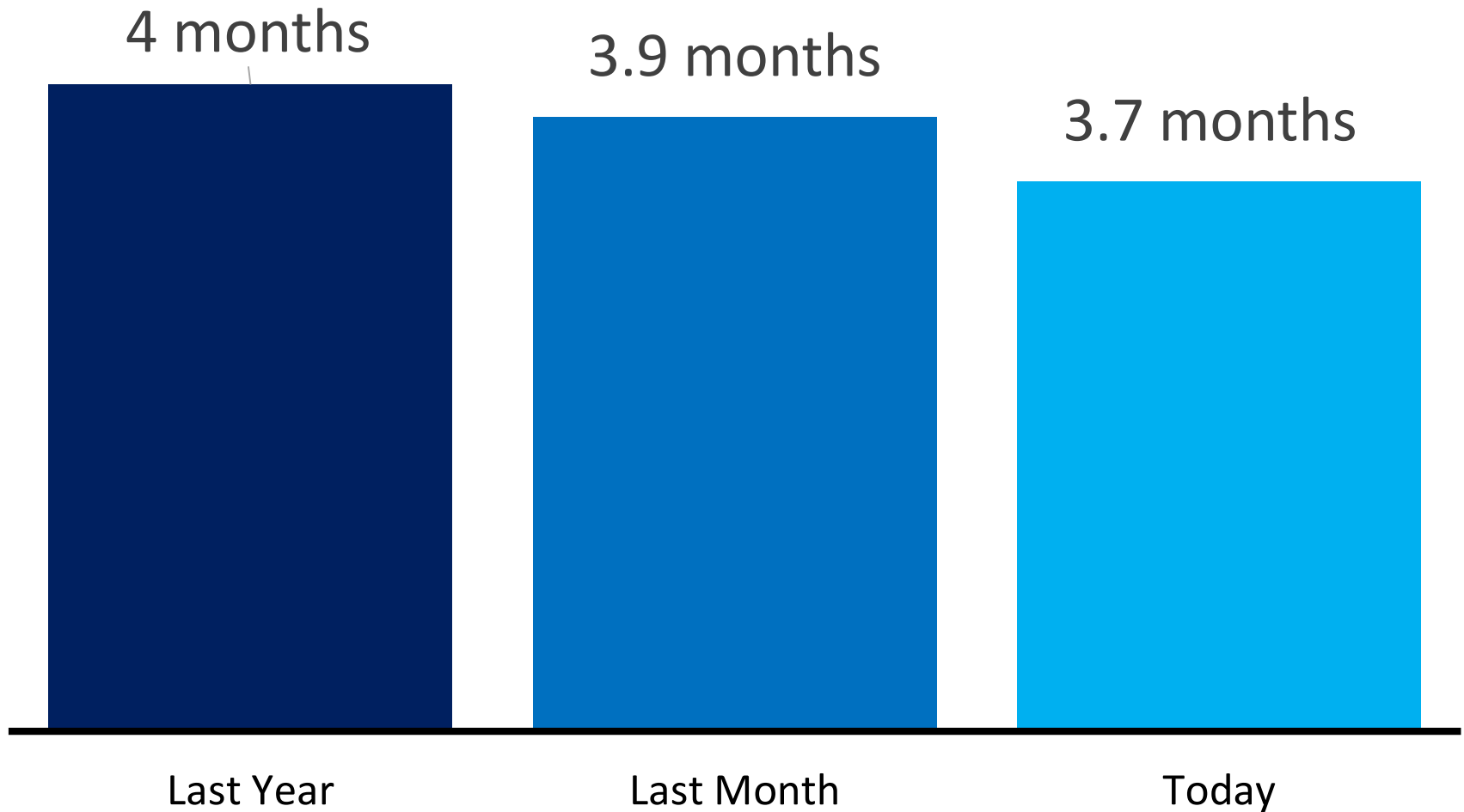





“In 2020, we expect inventory to struggle to grow and could instead reach a historic low level.”

- [realtor.com](https://www.realtor.com)

Months Supply of Unsold Inventory Is **DECREASING**





“We now expect single-family housing starts and sales of new homes to increase substantially, aided by a large uptick in new construction as builders work to replenish inventories drawn down by the recent surge in new home sales activity.”

Doug Duncan

Chief Economist at Fannie Mae

“Despite improvements to new construction and short waves of sellers, next year will once again fail to bring a solution to the inventory shortage.”

George Ratiu

realtor.com Senior Economist



“As millennials embrace homeownership and take advantage of this year's unexpectedly low mortgage rates, demand is outstripping supply, causing inventory to vanish. ...The issue is further compounded by the fact that sellers tend to be more reluctant to list during the colder time of year when the market typically makes a seasonal slowdown.”

George Ratiu

realtor.com Senior Economist



“As shoppers modify their strategies for navigating a housing market that has become more competitive due to rising prices & low inventory, the search for a home is beginning earlier & earlier. With housing inventory across the U.S. expected to reach record lows in 2020, we expect to see this trend continue into the new year.”

George Ratiu

realtor.com Senior Economist



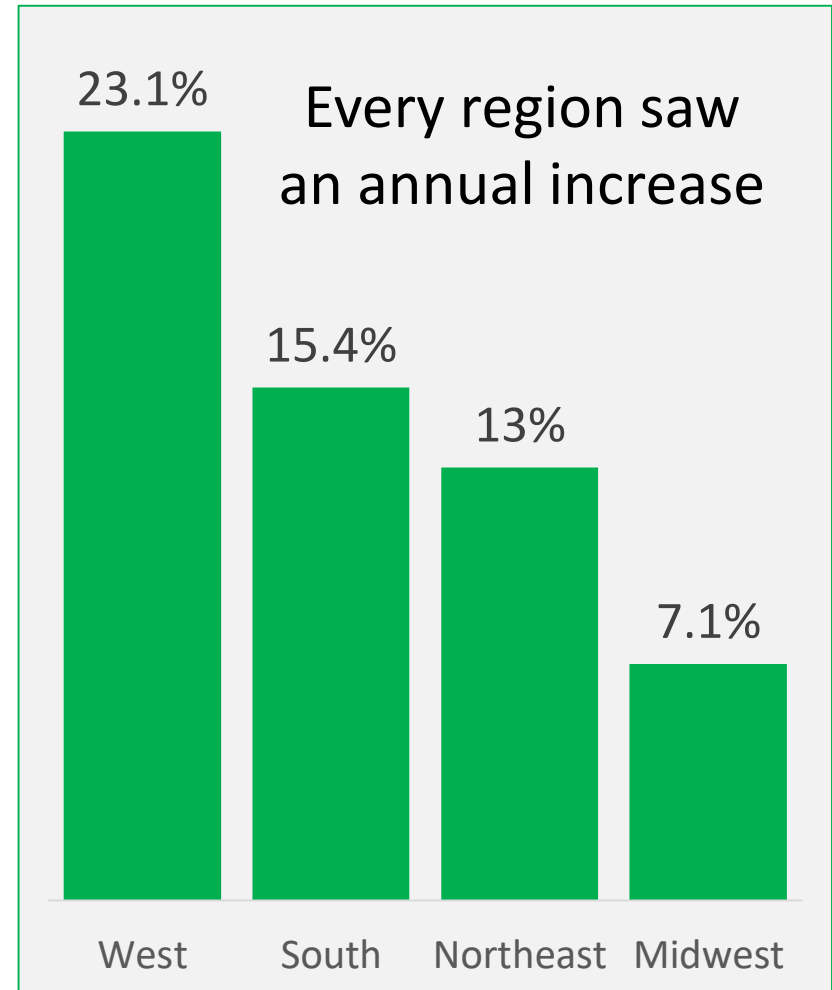
People have begun their home search earlier each year since 2015

January 2019 fell just one percent behind February for highest number of views per listing

In 20% of the large markets, January saw the highest number of listing views in 2019

ShowingTime's latest report shows another **INCREASE** in buyer traffic...

“The nation’s 12.6% growth in home showings compared to 2018 was the most significant jump in buyer traffic during the current four-month streak of year-over-year increases. The West Region saw the greatest growth in activity, with a 23.1% jump – the region’s greatest in the history of the Showing Index.”



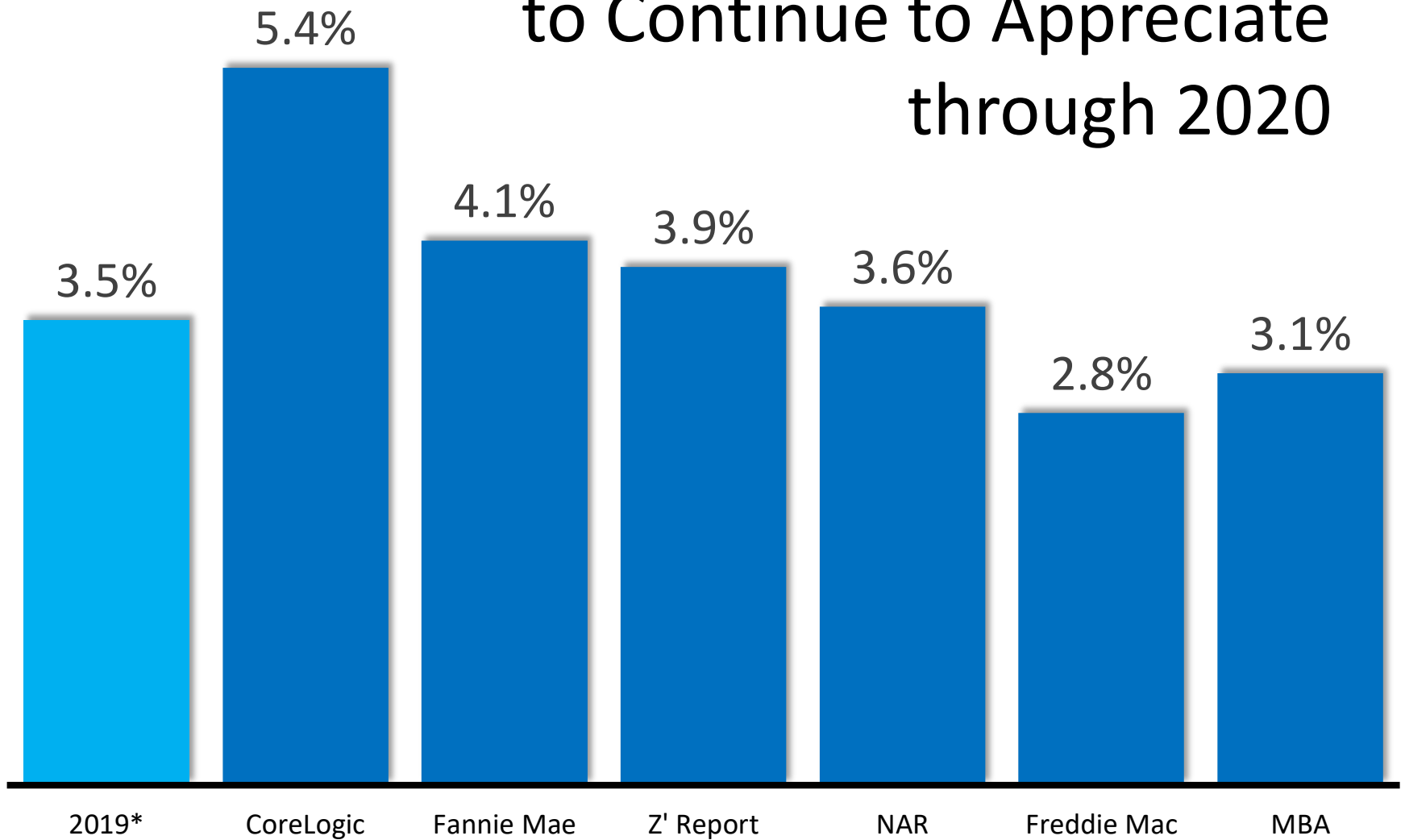
“We expect home prices to rise
at least another 5% over
the next 12 months.”



Frank Martell
President and CEO
of CoreLogic

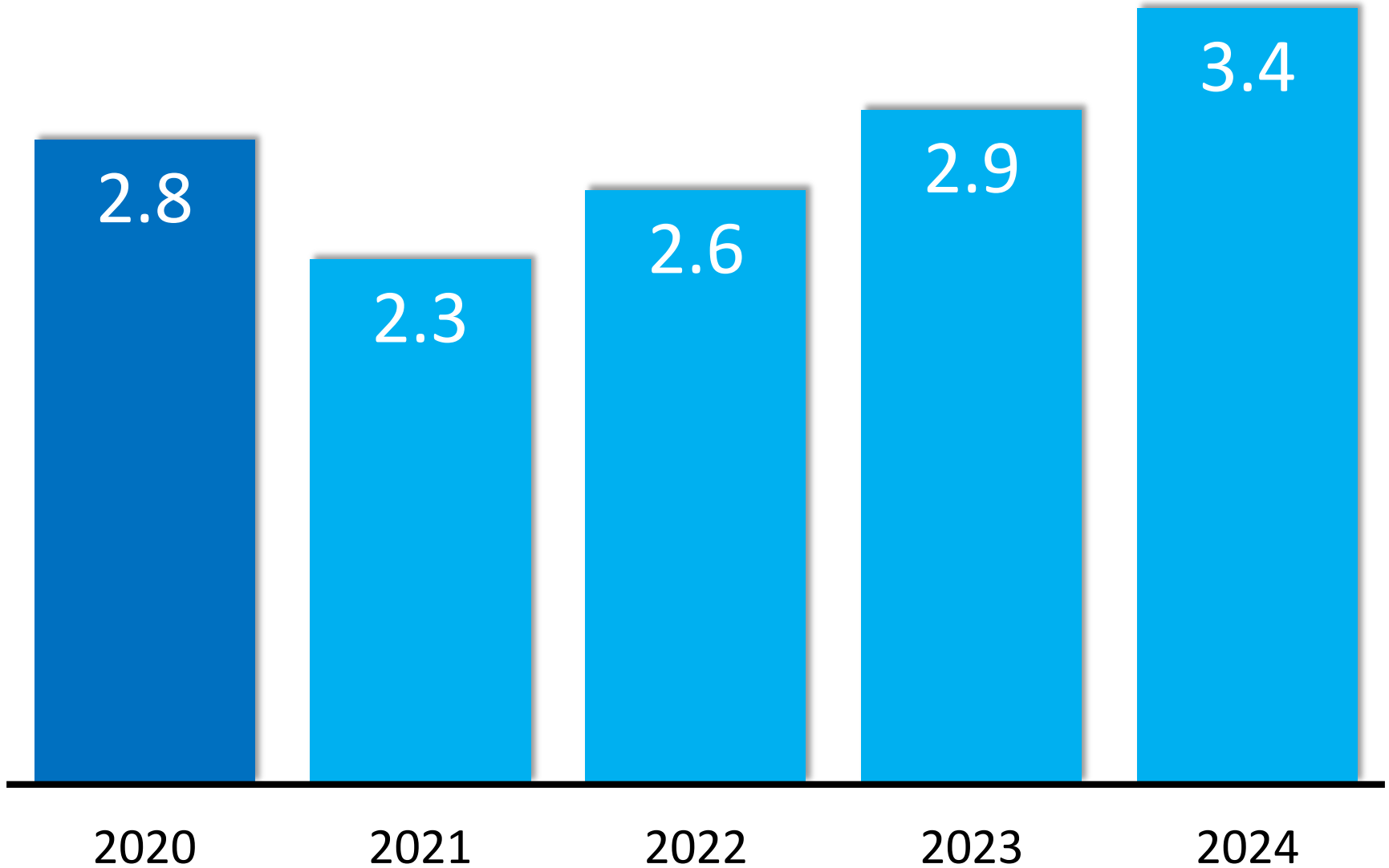


Home Values Are Projected to Continue to Appreciate through 2020



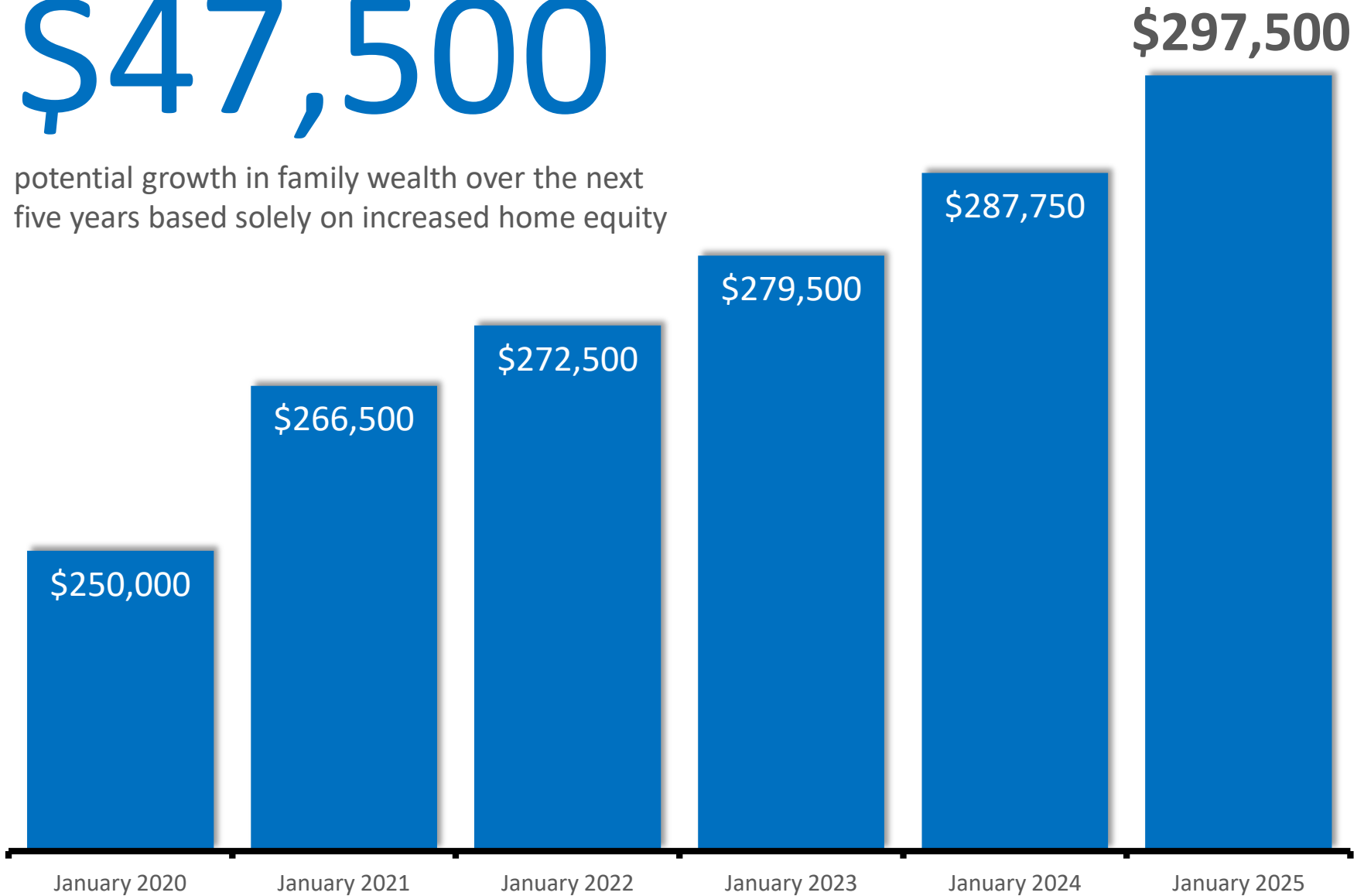
* Latest CoreLogic Home Price Index

Projected Mean Percentage Appreciation will drop initially and then grow for the next few years



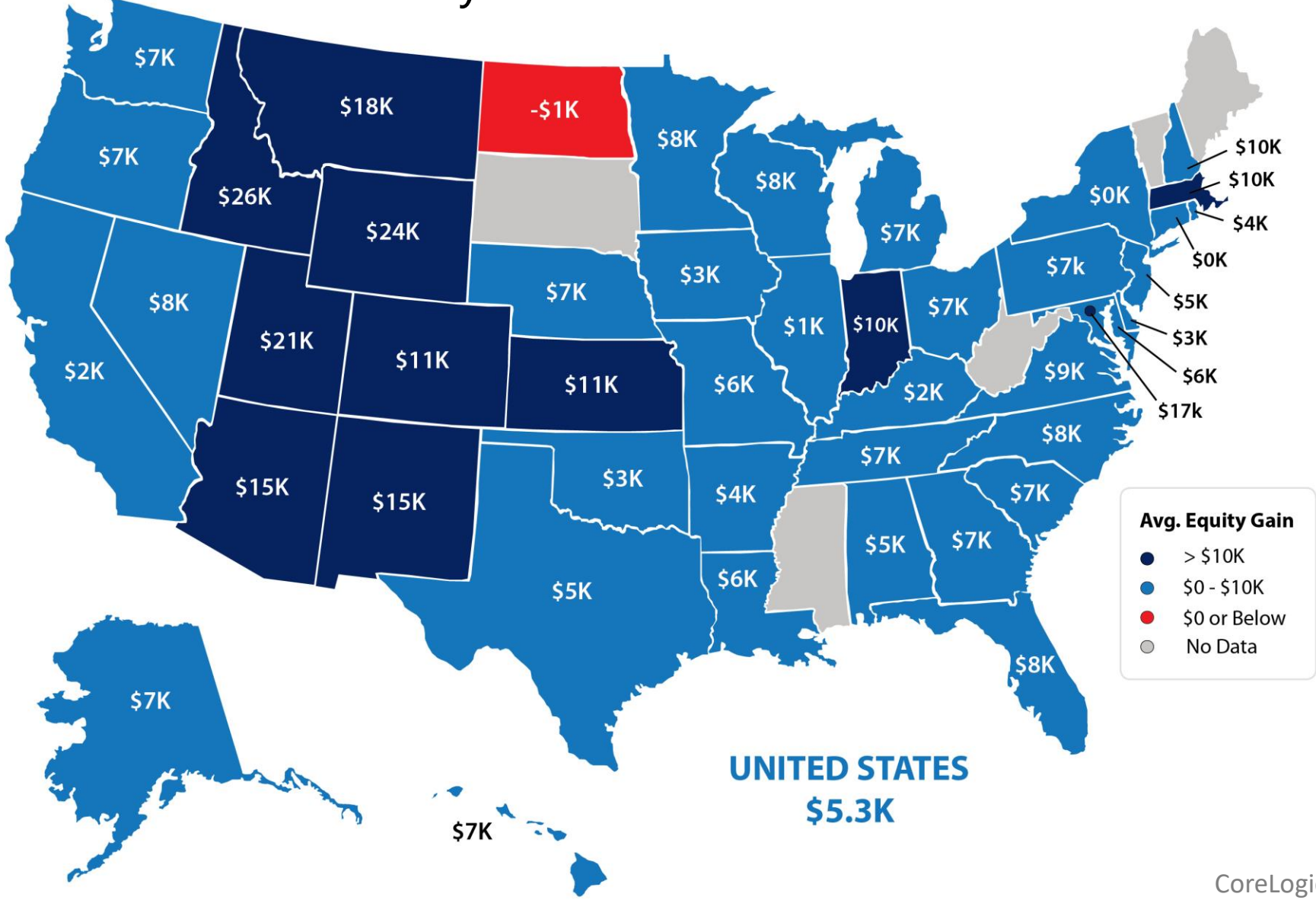
\$47,500

potential growth in family wealth over the next five years based solely on increased home equity



Increased home equity based on price appreciation projected by the Home Price Expectation Survey

In the last 12 Months, 44 States had an *increase* in Home Equity.
 Only one had a *decrease*.



WEDNESDAY

THURSDAY

1

New Year's Day

2

New Year's Resolution

Buy a New House



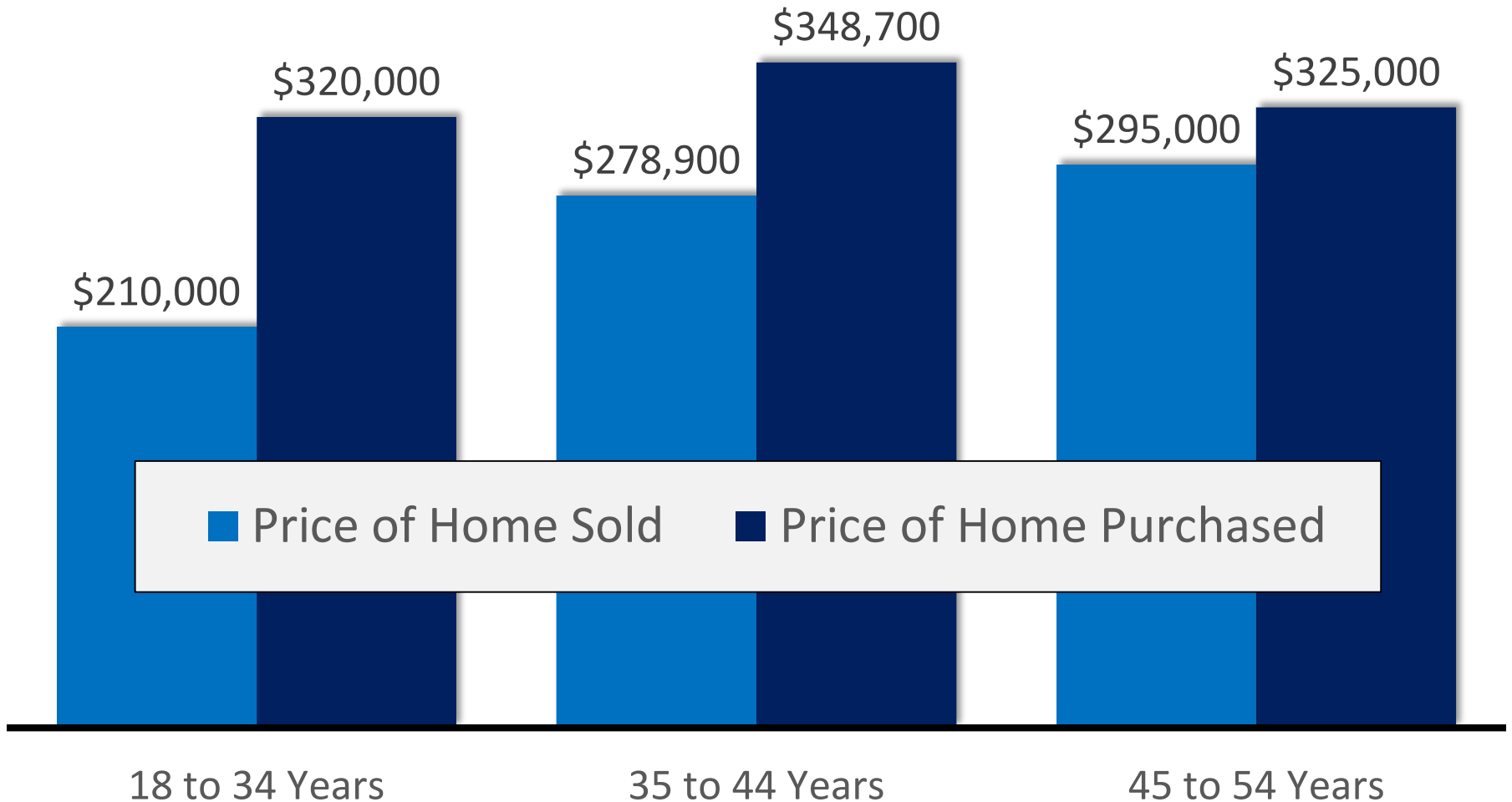
“As homeowners gain equity in their homes, they are more likely to consider using the equity to purchase a larger or more attractive home.”

Mark Fleming

First American Chief Economist



Price of Home Purchased Is Greater than Home Recently Sold



Resources

Slide	Slide Title	Link
3	Goldman Sachs' Quote	https://www.goldmansachs.com/insights/pages/outlook-2020-f/US/report.pdf
4	George Ratiu Quote (Housing)	https://news.move.com/2019-12-04-Home-Sellers-Will-Remain-on-the-Sidelines-in-2020
5	Home Sales Are Projected to Grow in 2020	www.fanniemae.com , www.freddiemac.com , www.nar.realtor , and www.mba.org
6	Freddie Mac Quote	https://www.cnbc.com/amp/2019/12/18/fannie-mae-boosts-2020-housing-forecast-significantly.html
7	30 Year Mortgage Rate Projections	www.fanniemae.com , www.freddiemac.com , www.nar.realtor , and www.mba.org
9	Realtor.com Quote	https://www.realtor.com/news/trends/biggest-changes-coming-in-2020-real-estate-and-tips-for-buyers-and-sellers.amp/
10	Months Supply Decreasing	https://www.nar.realtor/newsroom/existing-home-sales-descend-1-7-in-November
11	Doug Duncan Quote	https://www.cnbc.com/amp/2019/12/18/fannie-mae-boosts-2020-housing-forecast-significantly.html
12	George Ratiu Quote (Inventory)	https://www.forbes.com/sites/alyyale/2019/12/05/2020-will-see-historic-low-level-of-housing-inventory/#3465bda53d7f
13	George Ratiu Quote (Millennials)	https://news.move.com/2019-12-09-Curious-Case-A-U-S-Housing-Market-No-One-Saw-Coming
14	George Ratiu Quote (Home Search)	https://news.move.com/2019-12-18-Could-January-be-the-New-April-for-Home-Shopping
15	January's Home Search	https://news.move.com/2019-12-18-Could-January-be-the-New-April-for-Home-Shopping

Resources

Slide	Slide Title	Link
16	Buyer Traffic	https://www.showingtime.com/blog/november-2019-showing-index-results/
17	Frank Martell Quote	https://www.showingtime.com/blog/november-2019-showing-index-results/
18	Home Values Are Projected	www.corelogic.com www.fanniemae.com zelmanandassociates.com (paid subscription) www.nar.realtor www.freddiemac.com www.mba.org
19, 20	Projected Mean Percentage Appreciation and Potential Growth in Family Wealth	https://pulsenomics.com/surveys/#home-price-expectations
21	Increase in Home Equity	https://www.corelogic.com/insights-download/homeowner-equity-report.aspx
23	Mark Fleming Quote	https://blog.firstam.com/economics/will-housing-market-potential-in-2020-exceed-2019
24	Difference Price of Home Purchased Vs Home Sold	https://www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers
29	Create Videos	https://www.keepingcurrentmatters.com/article/how-to-overcome-your-fear-of-video/



Make Your
Business Your
Top Priority
in 2020

Own Your Business Plan

- Have a plan and stick to it. Consistency is key.
- Time block your daily schedule.
- Commit to regular lead generation and follow-up.
- Engage in your community.

PLAN





Video, Video, Video!

- Don't be camera shy. You've got this.
- More is more. Stick with it.
- Post consistently to social media.



Become a Market Expert

- Read and share your personalized posts.
- Pair with your local data, offering the full picture your clients need to know.
- Watch the Monthly Market Reports.
- Print, email, and share the Seasonal Buyer & Seller Guides.

A hand holds a glowing lightbulb. Inside the bulb, a human brain is depicted with glowing neural connections, and several interlocking gears are visible at the base. The background is a blurred image of a person using a laptop, with a network of glowing nodes and lines overlaid on the scene. The year '2020' is written in large, white, sans-serif font across the center.

2020

2020 is poised to be
a great year for the
real estate market.

UPDATE

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]

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4

Resources

Slide	Slide Title	Link
36, 56, 68	Confidence Index	https://www.nar.realtor/research-and-statistics/research-reports/realtors-confidence-index
37-39,47, 49,50	Existing Home Sales	https://www.nar.realtor/topics/existing-home-sales
40-43	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
44	Total Home Sales	http://www.census.gov/construction/nrs/pdf/newressales.pdf https://www.nar.realtor/topics/existing-home-sales
45,46	Pending Home Sales	https://www.nar.realtor/research-and-statistics/housing-statistics/pending-home-sales
51-53	Case Shiller	http://us.spindices.com/indices/real-estate/sp-case-shiller-20-city-composite-home-price-index
54	CoreLogic Forecasted YOY % Change in Price	https://www.corelogic.com/downloadable-docs/marketpulse/the-marketpulse-vol-8-issue-11-november-2019-screen-112519.pdf
57-63	Inventory	https://www.nar.realtor/topics/existing-home-sales http://www.census.gov/construction/nrs/pdf/newressales.pdf

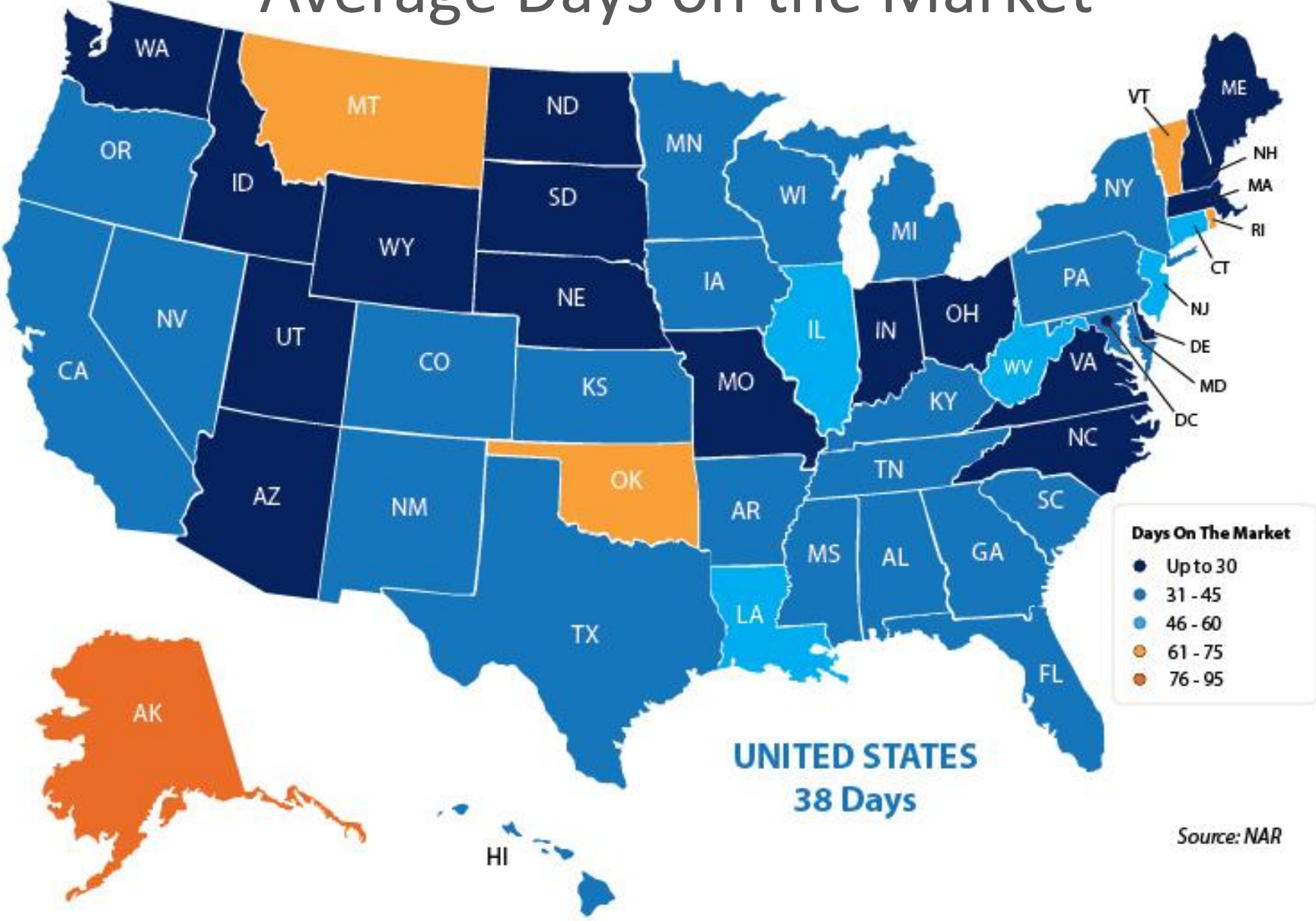
Resources

Slide	Slide Title	Link
65 -67	Foot Traffic	http://nar.realtor/infographics/foot-traffic
70, 71, 73, 74	Mortgage Rates	http://www.freddiemac.com/pmms/pmms_archives.html http://www.freddiemac.com/research/forecast/20191220_optimism_heading_into_2020.page?
72	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
76, 77	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
78-82	Days To Close, FICO Scores, DTI	http://www.elliemae.com/resources/origination-insight-reports https://static.elliemae.com/pdf/origination-insight-reports/EM_OIR_NOVEMBER2019.pdf



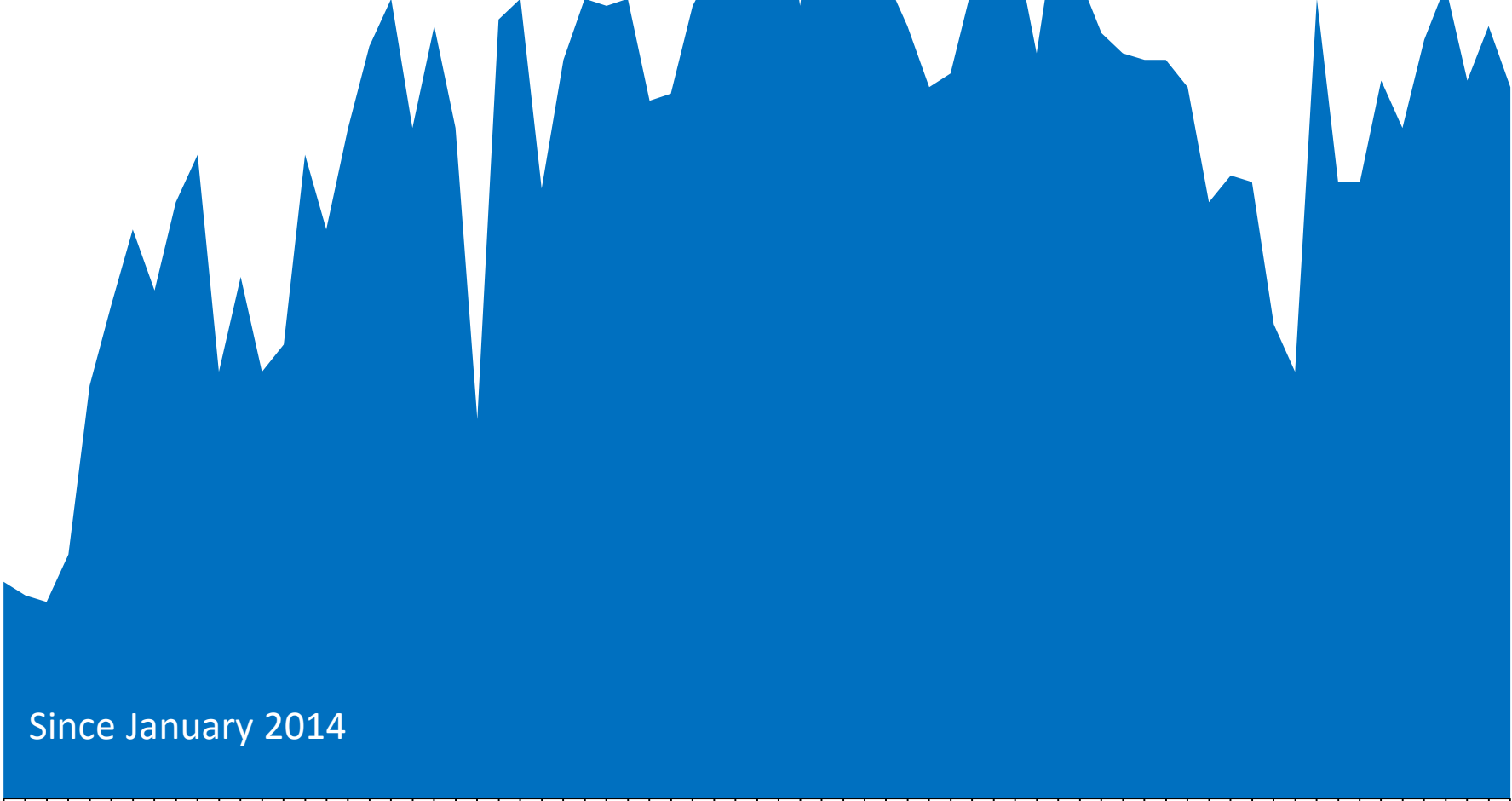
SALES

Average Days on the Market



EXISTING

Home Sales

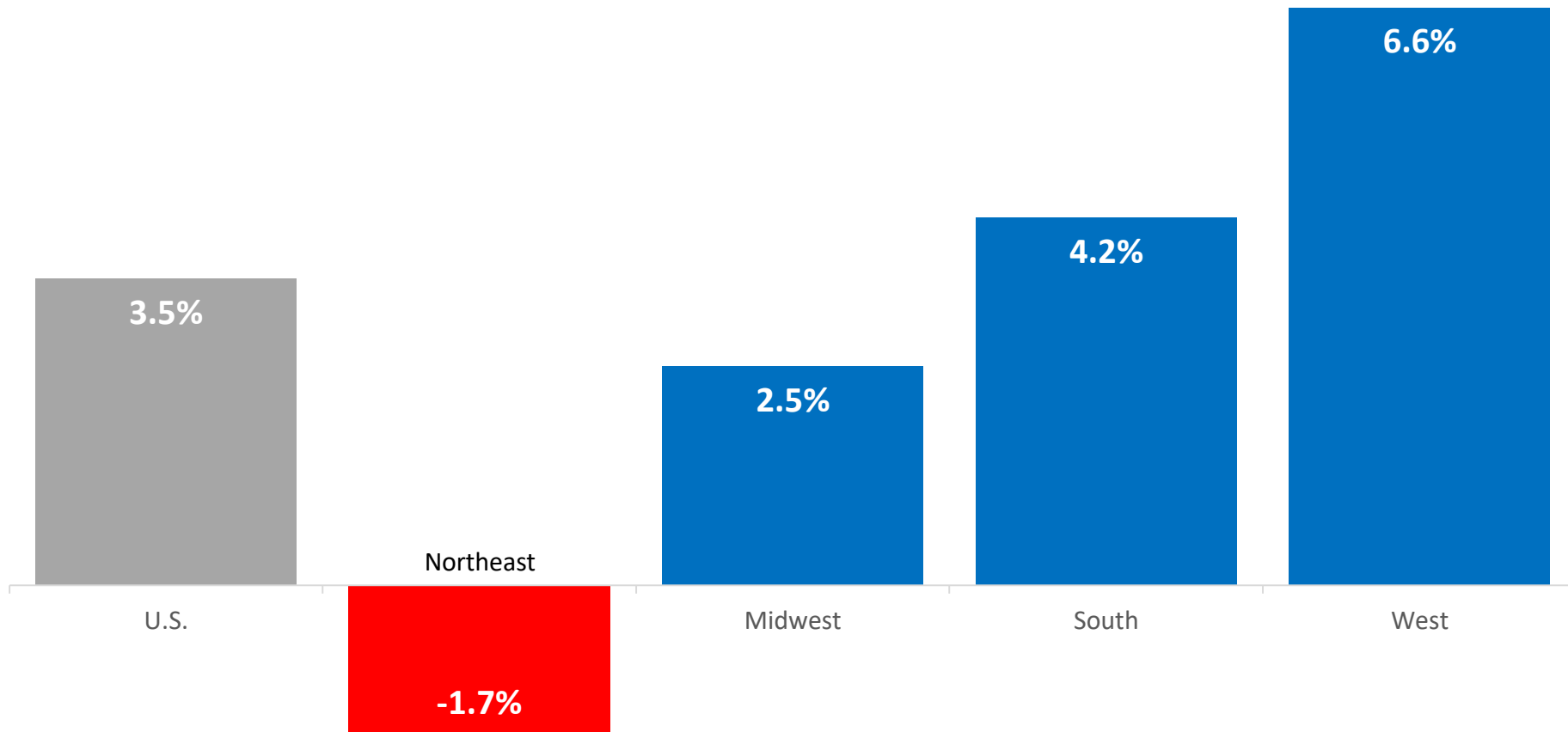


Since January 2014

Jan 2014 Jan 2015 Jan 2016 Jan 2017 Jan 2018 Jan 2019

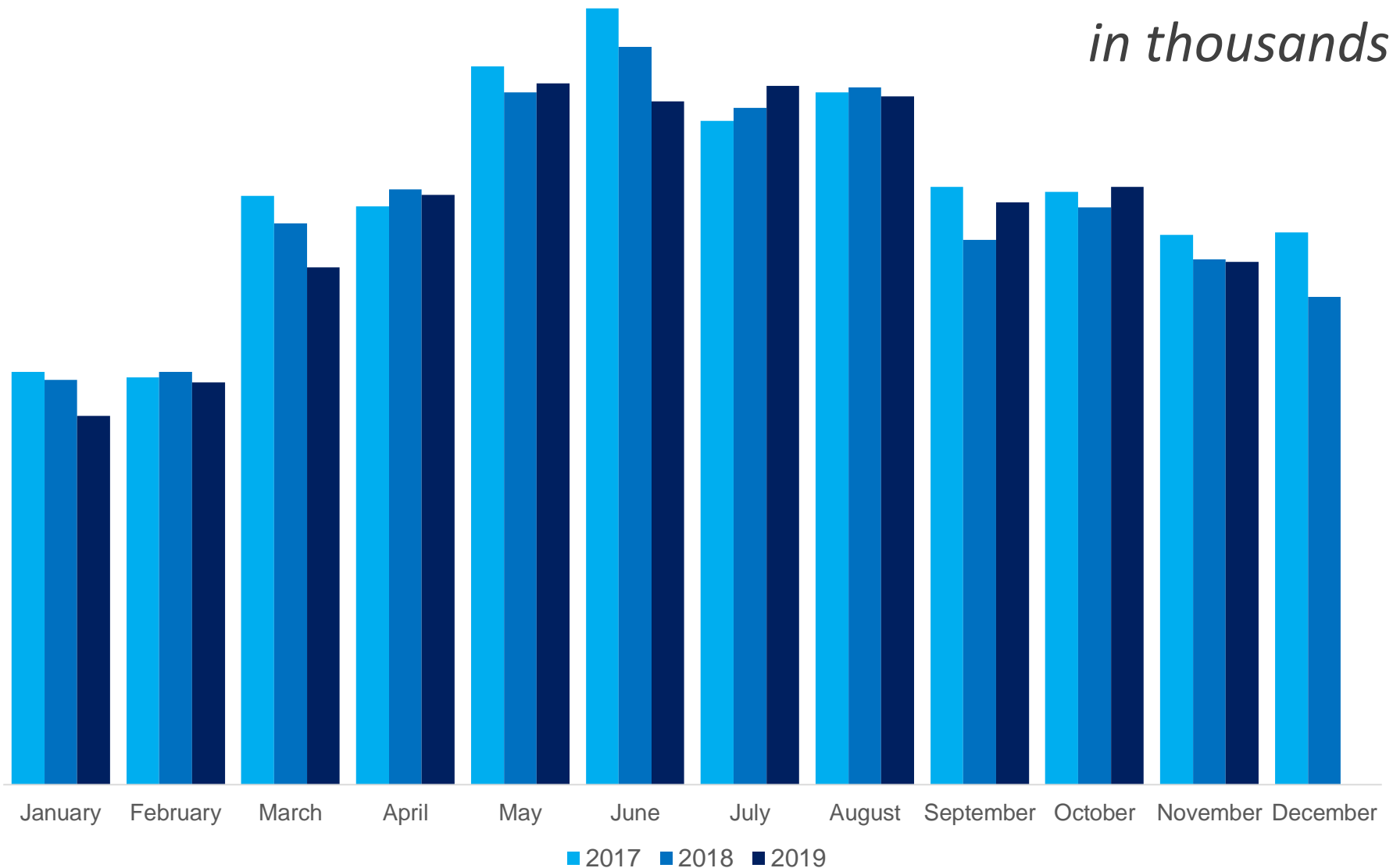
EXISTING Home Sales

Y-O-Y by region

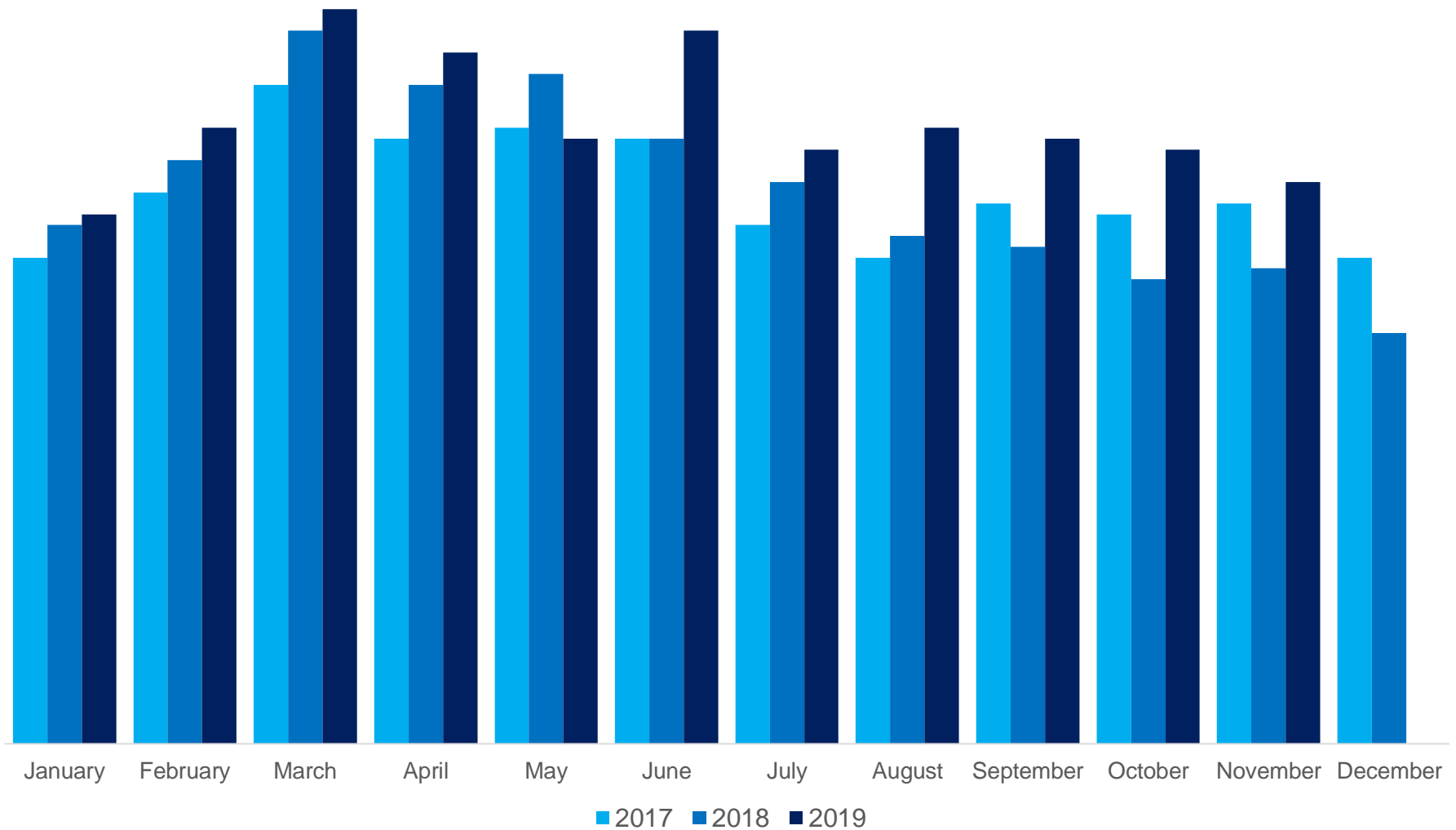


Existing Home Sales

in thousands

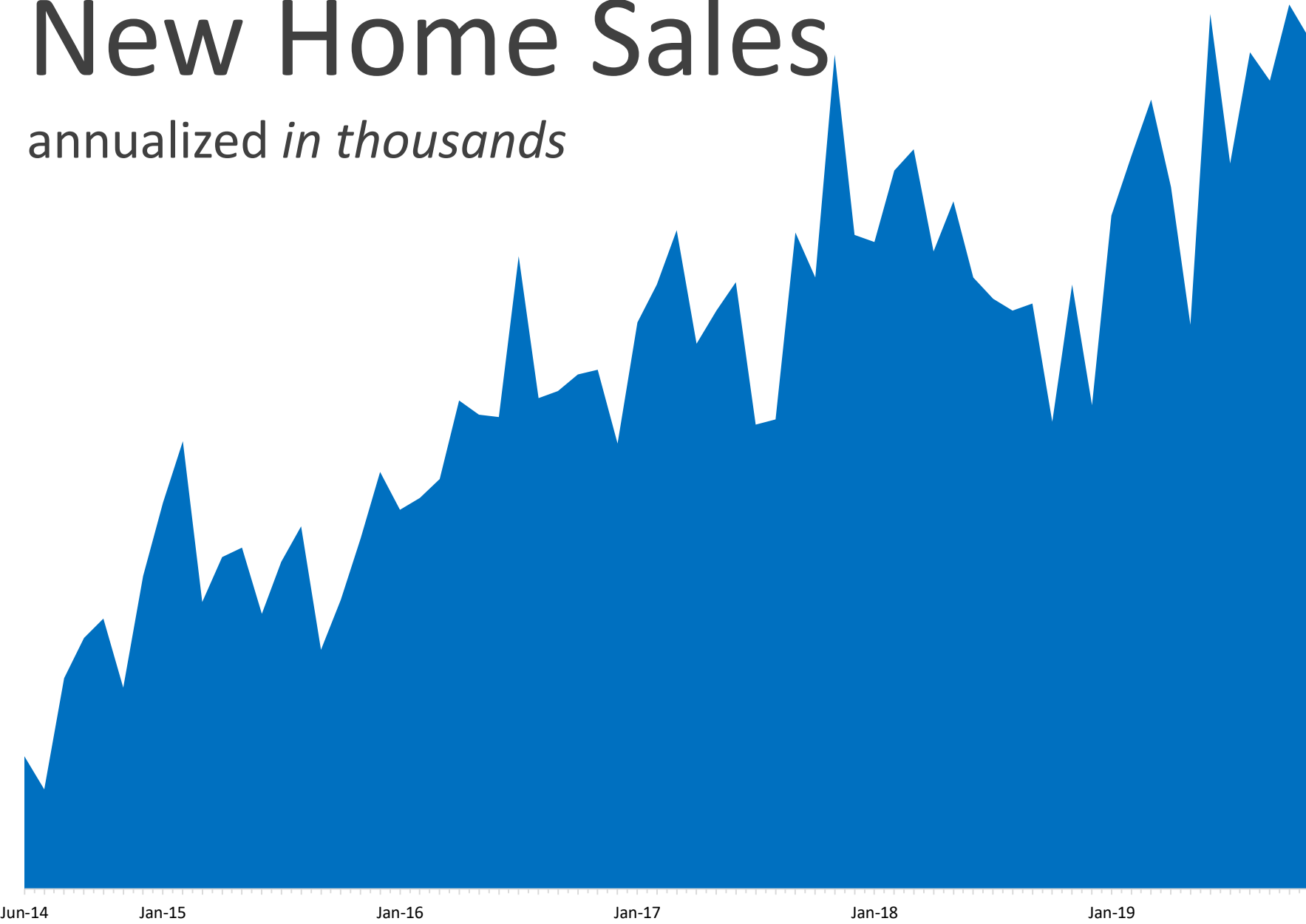


New Home Sales *in thousands*



New Home Sales

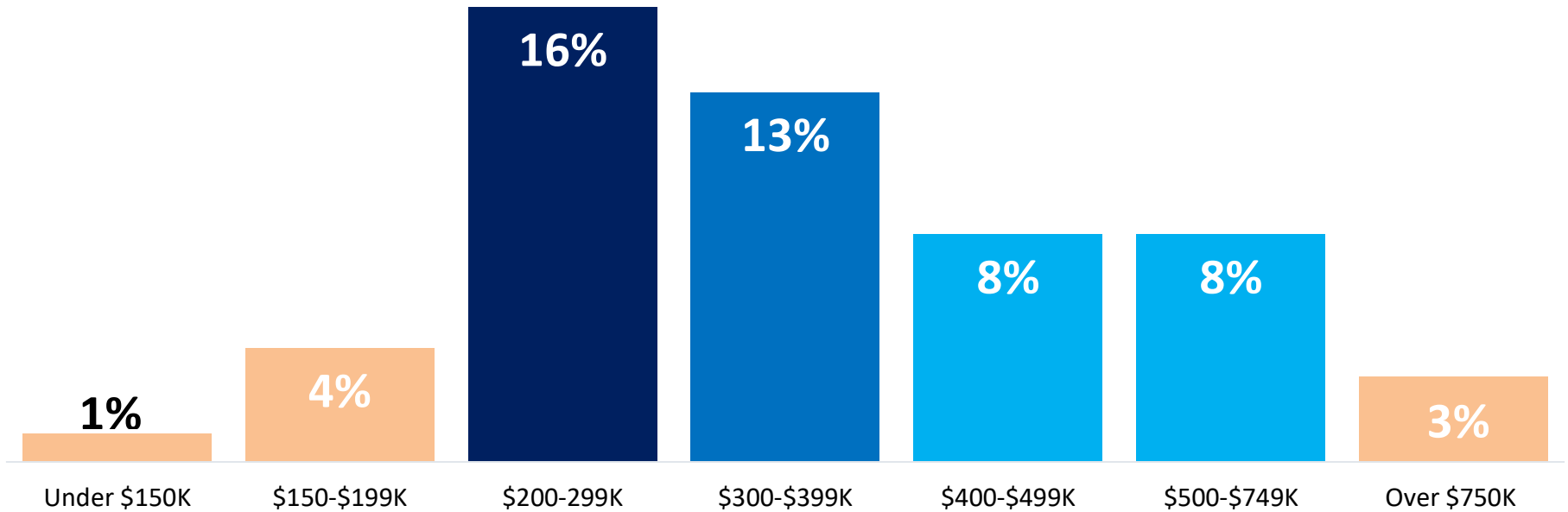
annualized *in thousands*



Jun-14 Jan-15 Jan-16 Jan-17 Jan-18 Jan-19

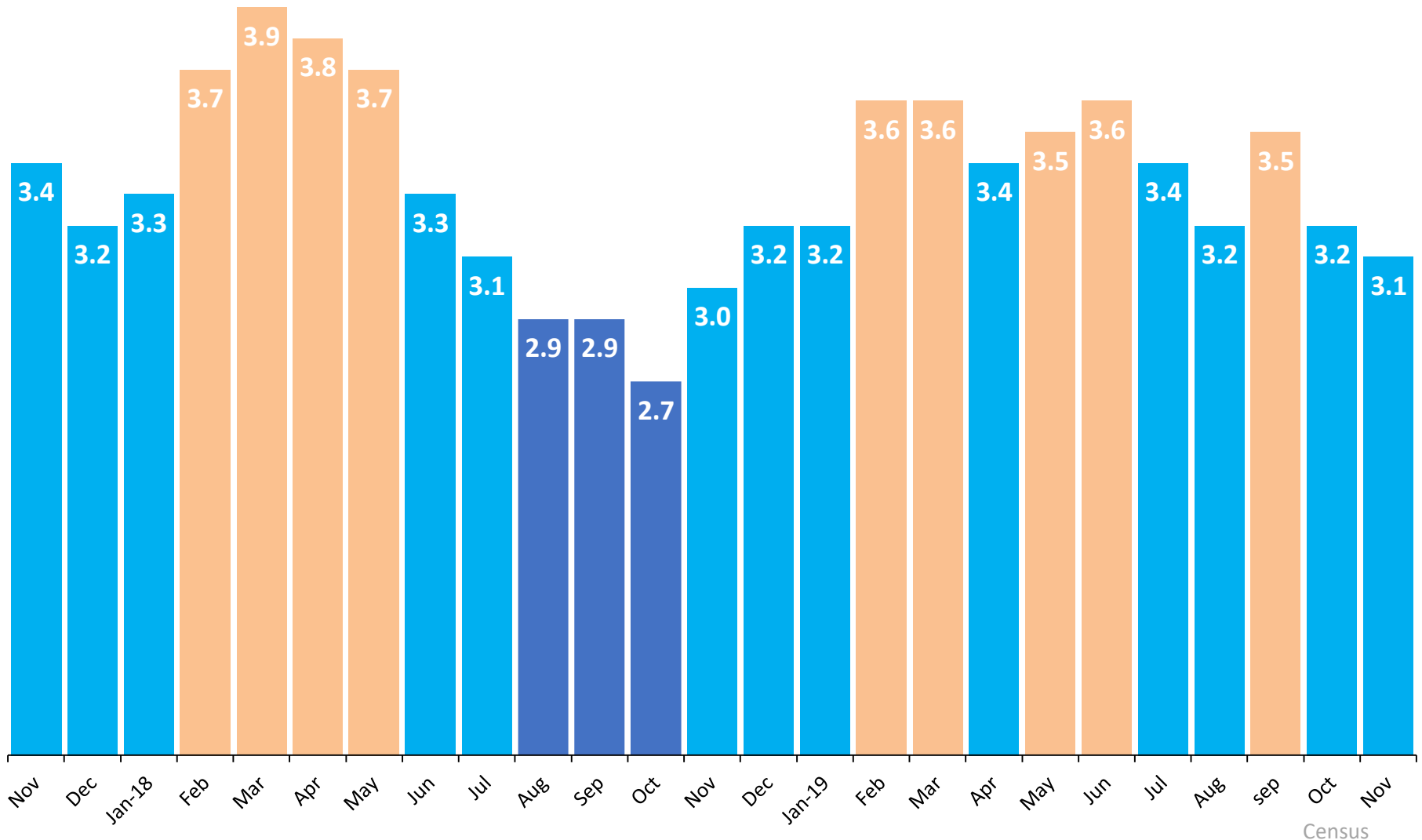
New Home Sales

% of sales by price range

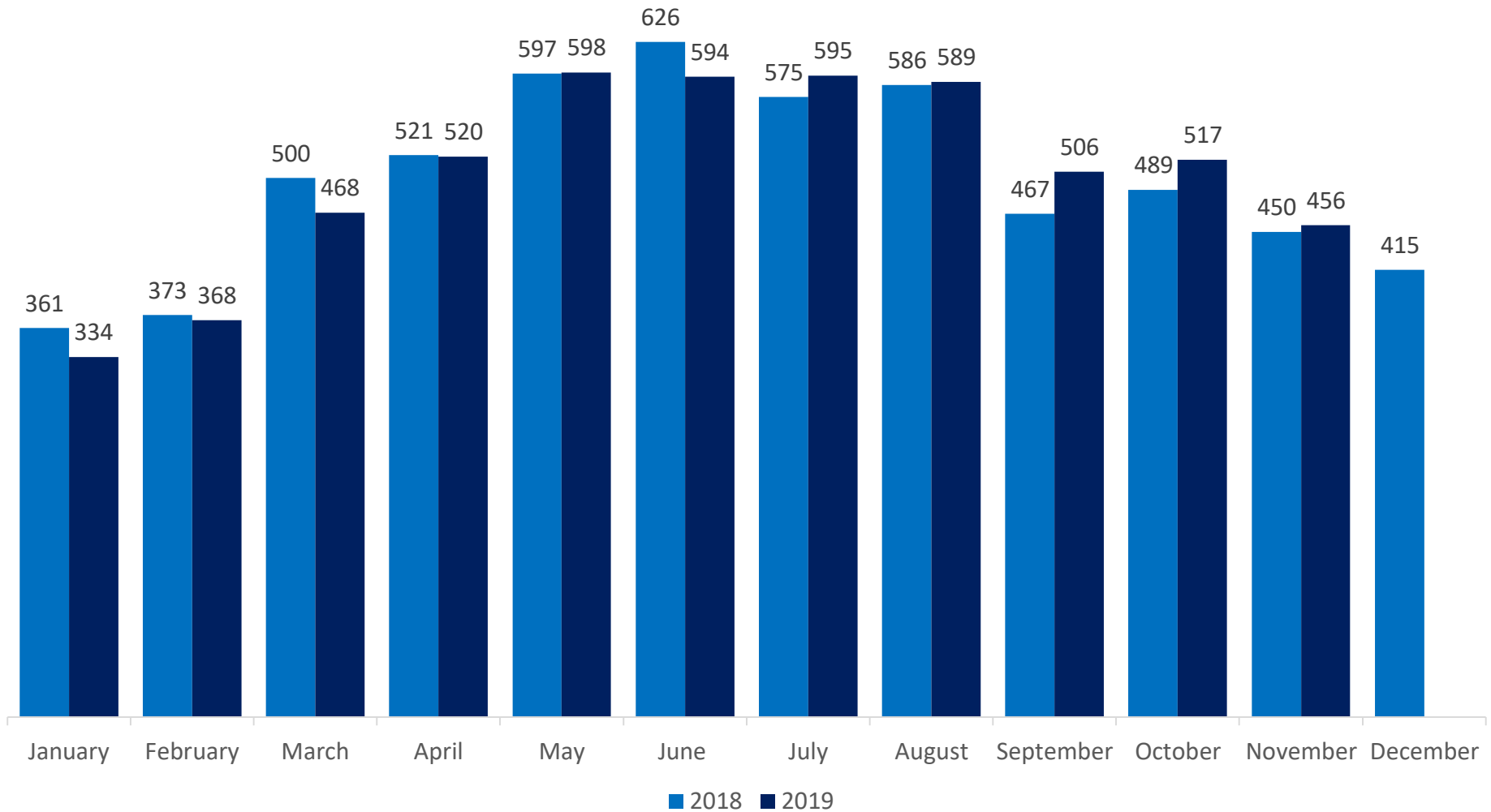


New Homes Selling Fast

(median months from completion to sold)

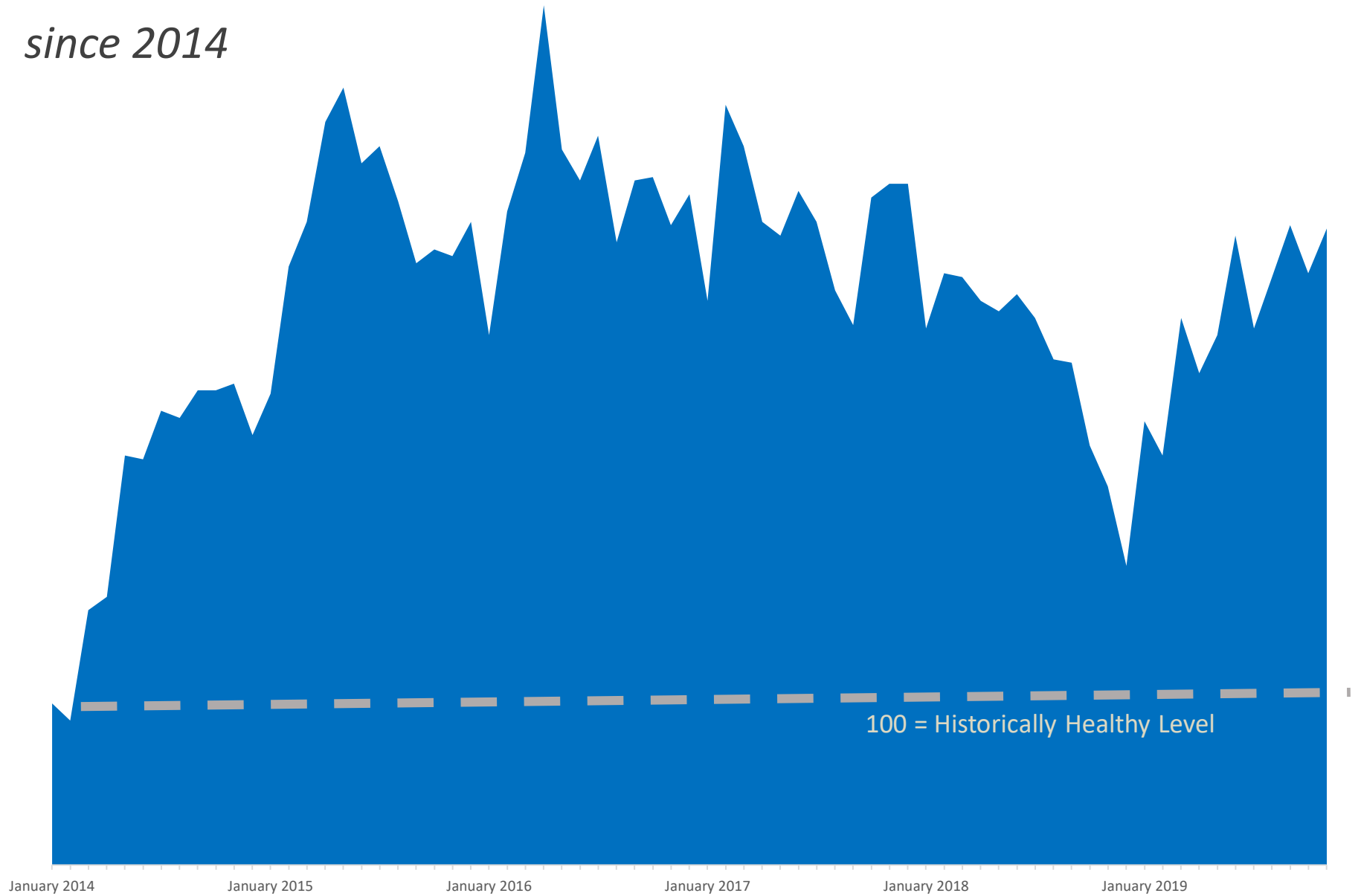


Total Home Sales *in thousands*



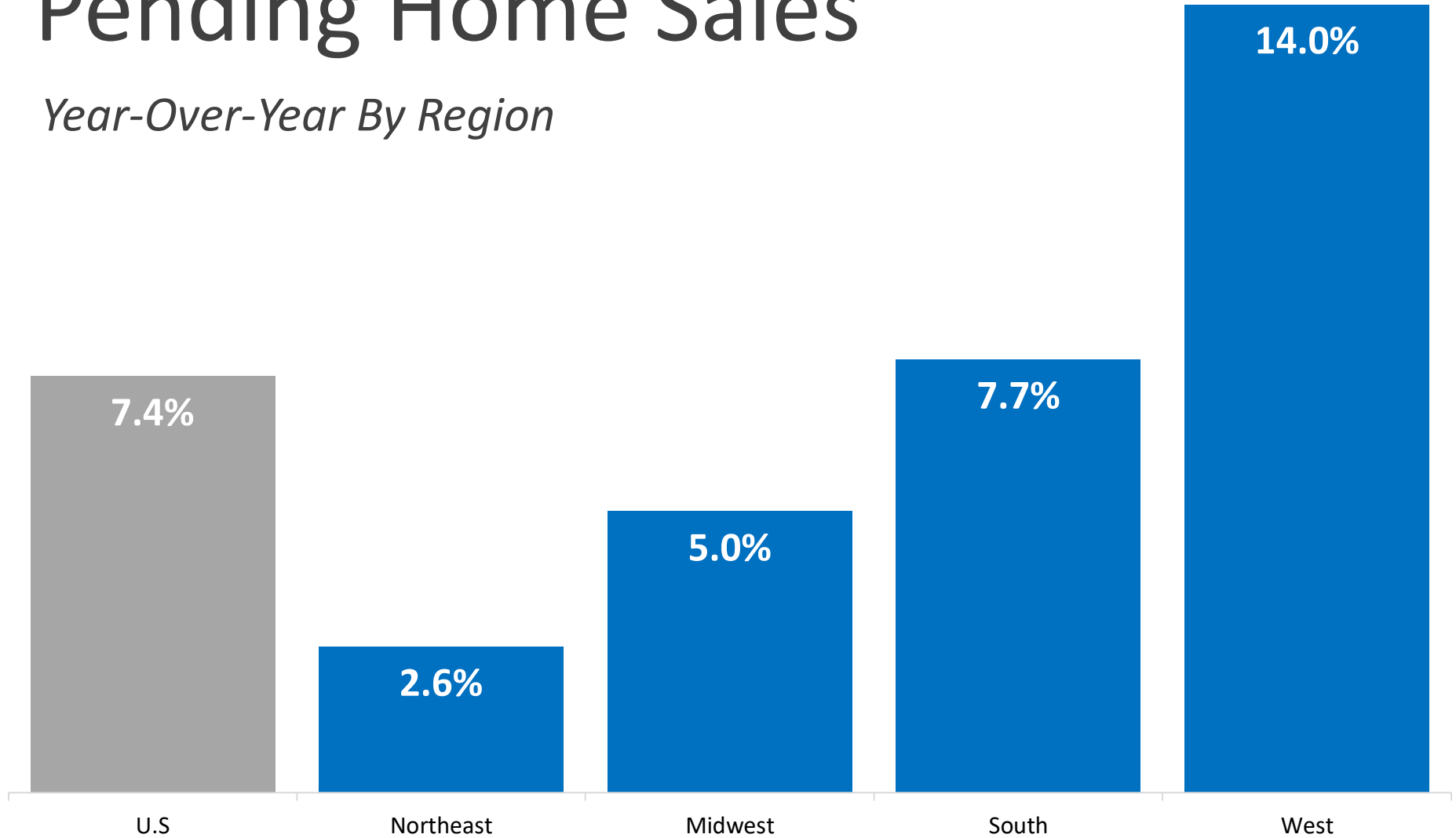
PENDING Home Sales

since 2014



Pending Home Sales

Year-Over-Year By Region



35%

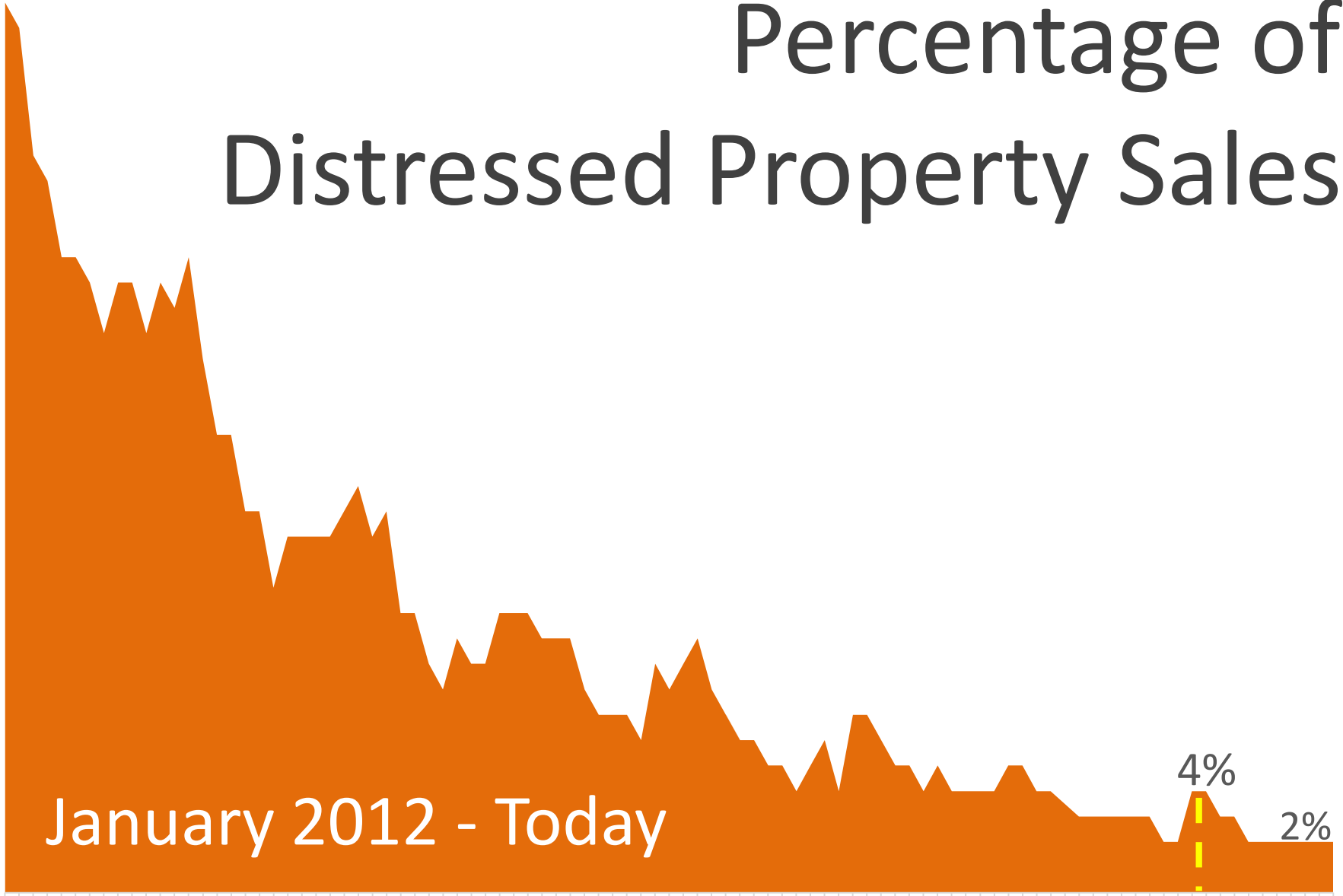
Percentage of Distressed Property Sales

January 2012 - Today

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

4%

2%

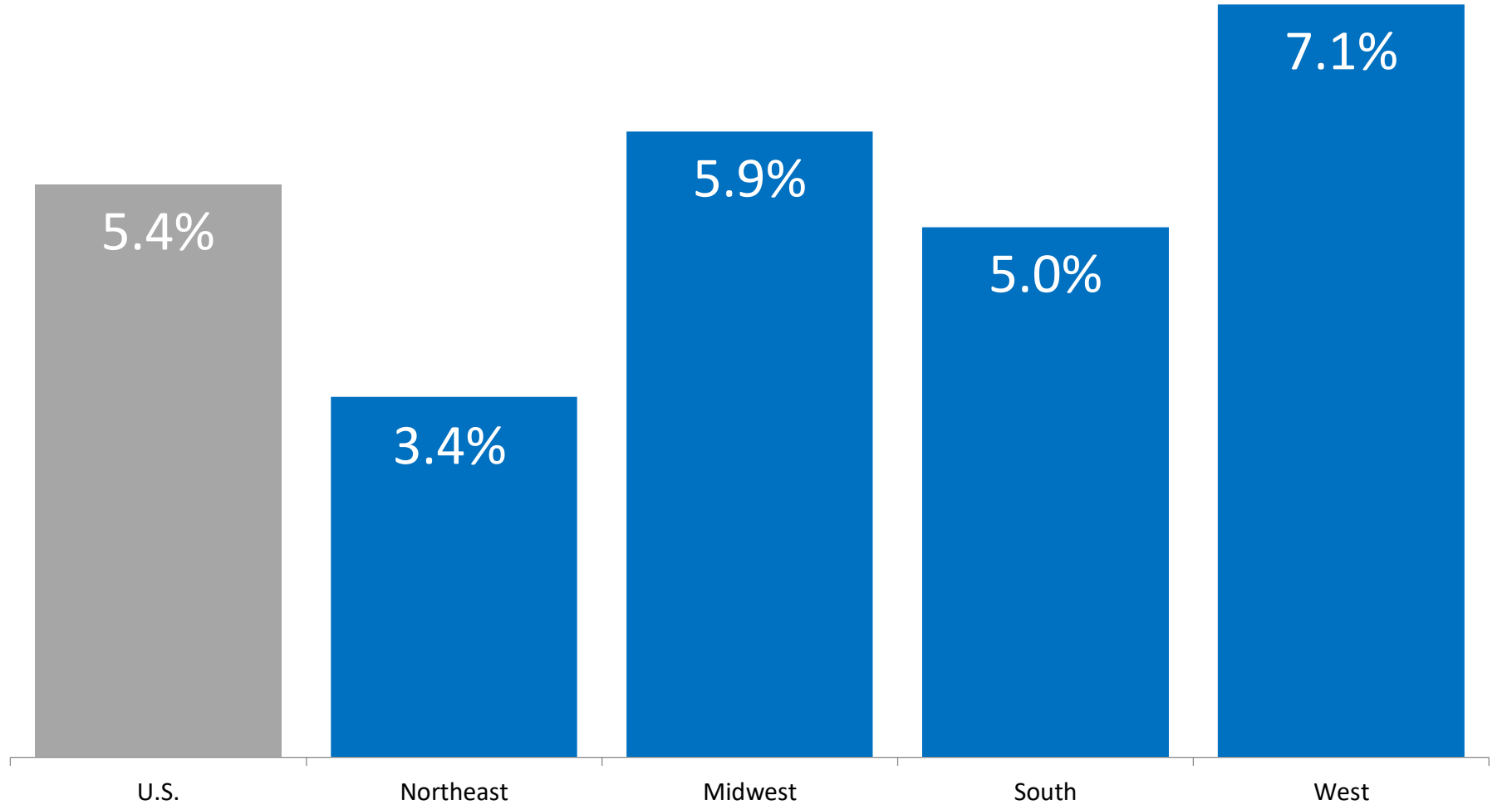


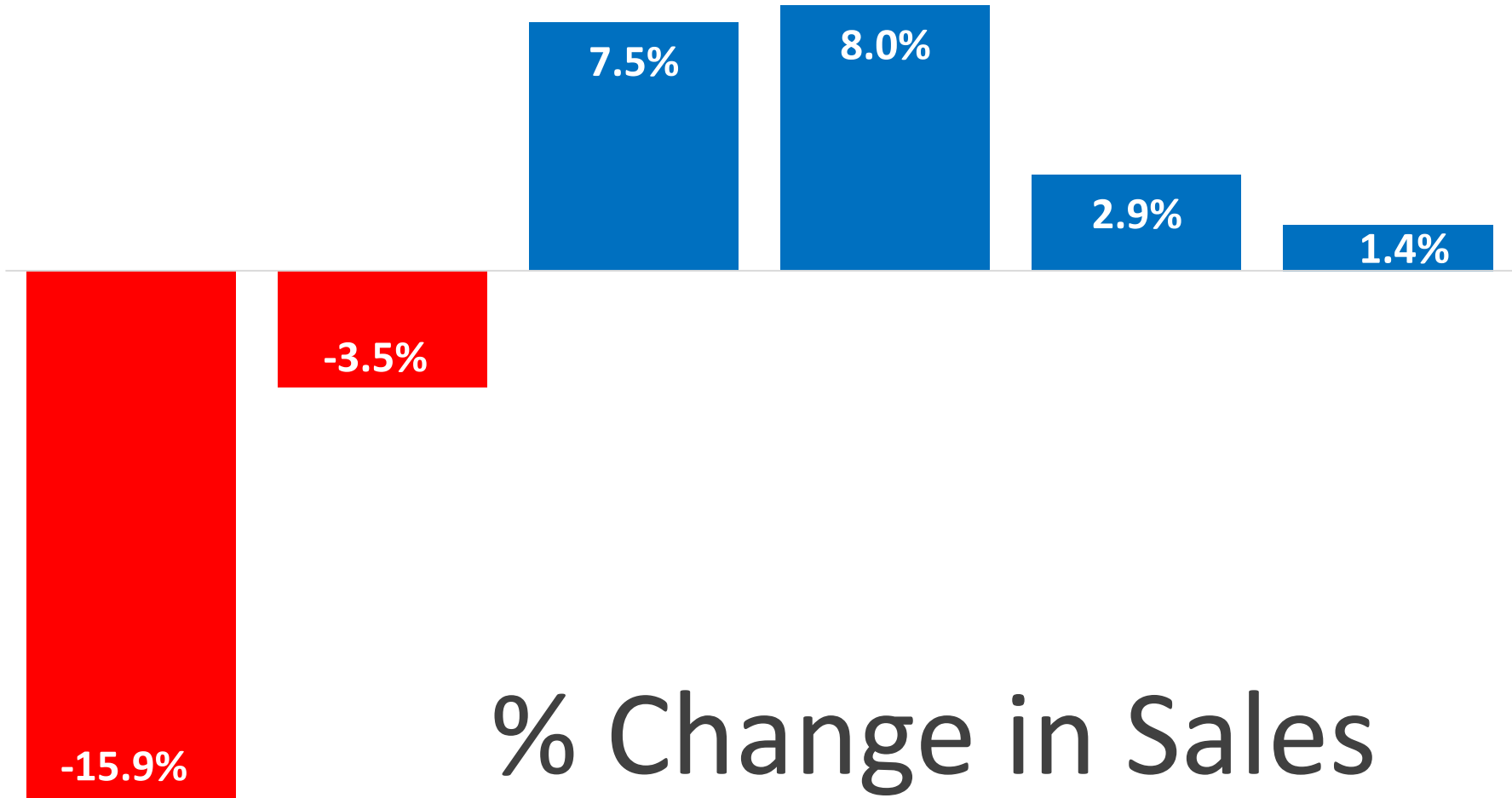
A black and white puzzle of a US dollar bill, featuring the portrait of George Washington. Two red puzzle pieces are missing from the left side of the puzzle. The text "Home Prices" is overlaid on the right side of the puzzle.

Home Prices

EXISTING Home Prices

Y-O-Y by region





% Change in Sales

from last year by Price Range

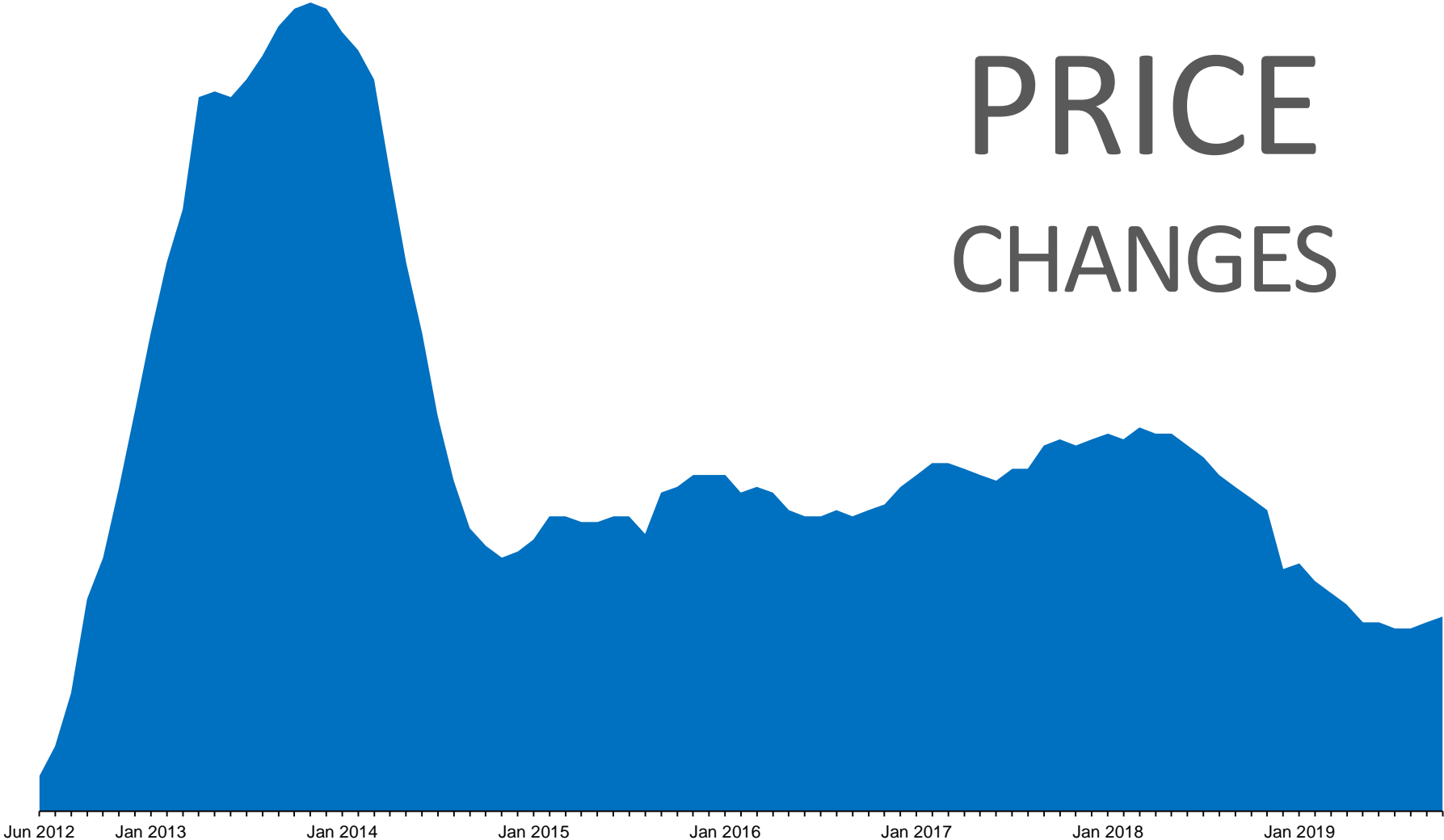
	\$0-100K	\$100-250K	\$250-500K	\$500-750K	\$750K-1M	\$1M+
■ %	-15.9%	-3.5%	7.5%	8.0%	2.9%	1.4%

Case Shiller

Year-Over-Year

PRICE

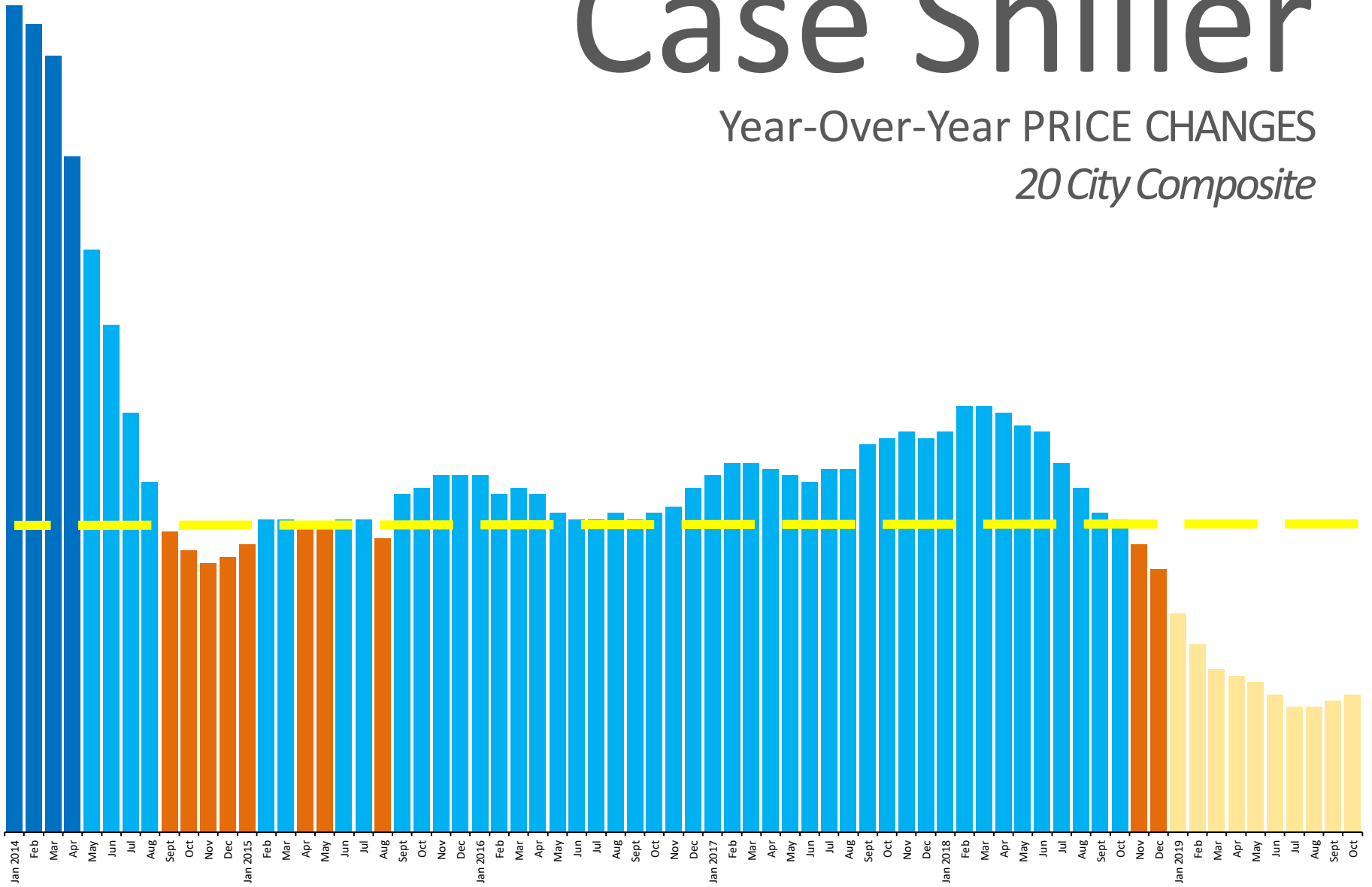
CHANGES



Case Shiller

Year-Over-Year PRICE CHANGES

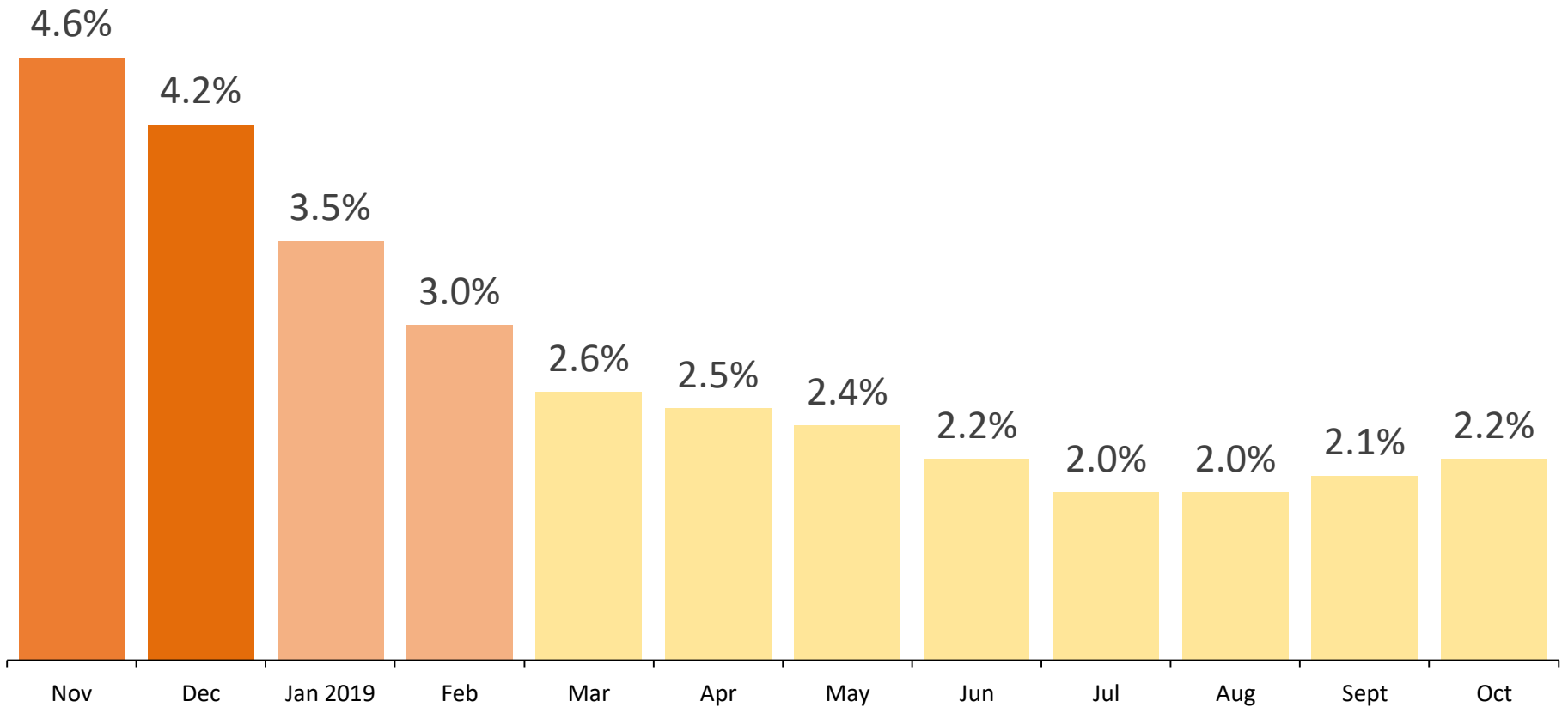
20 City Composite



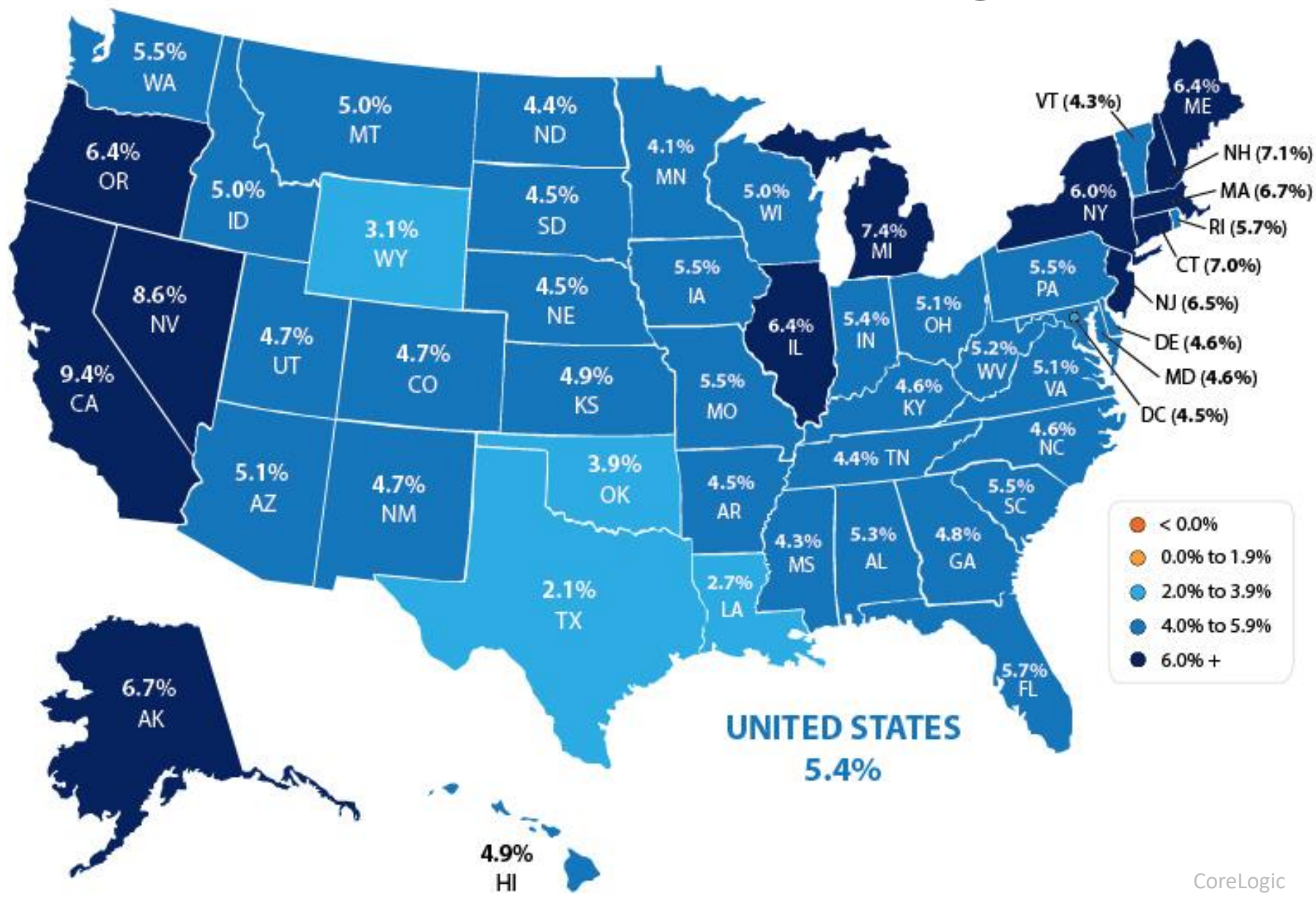
Case Shiller

Year-Over-Year PRICE CHANGES

20 City Composite



Forecasted Year-Over-Year % Change in Price



HOUSING INVENTORY

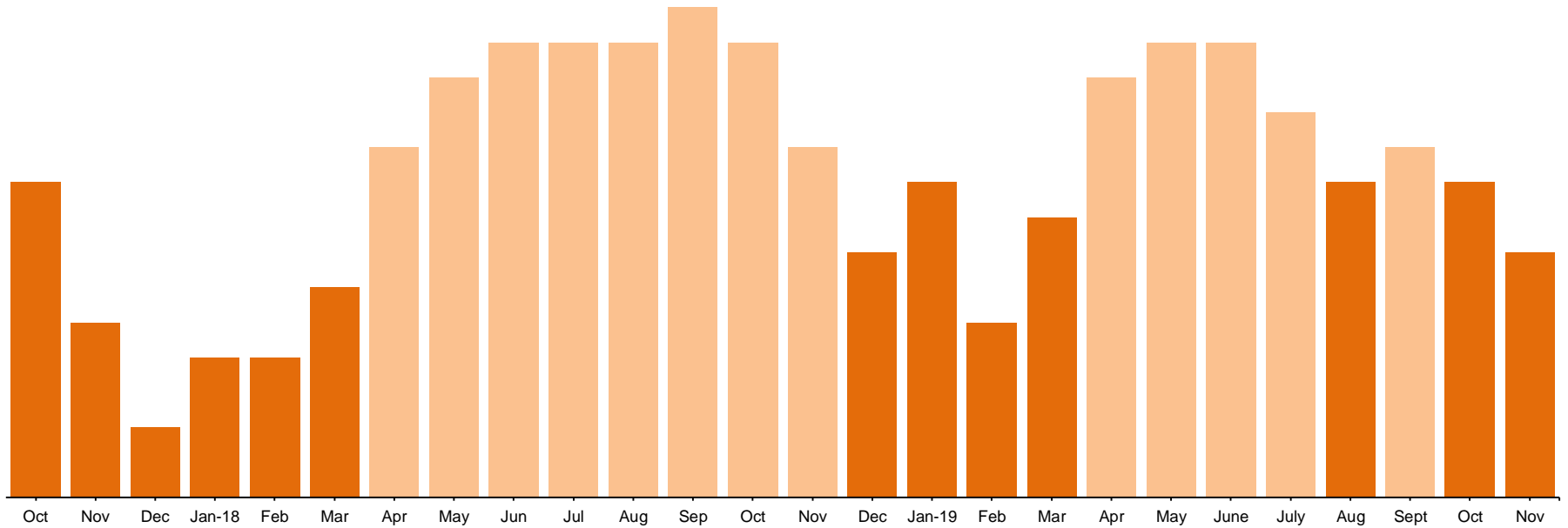


Months Inventory of **HOMES FOR SALE** 2011 - Today



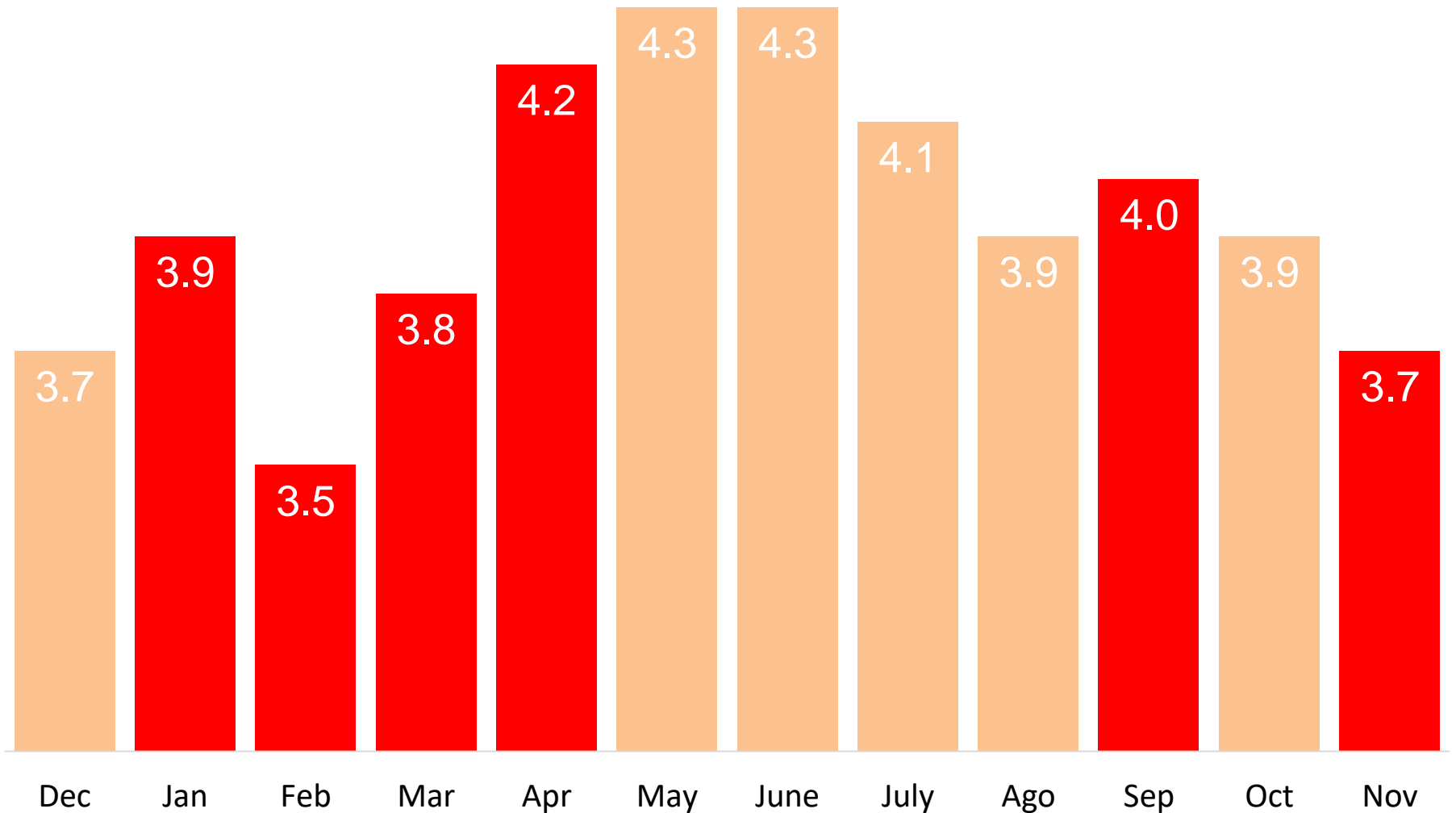
Months Inventory of HOMES FOR SALE

last 2 years

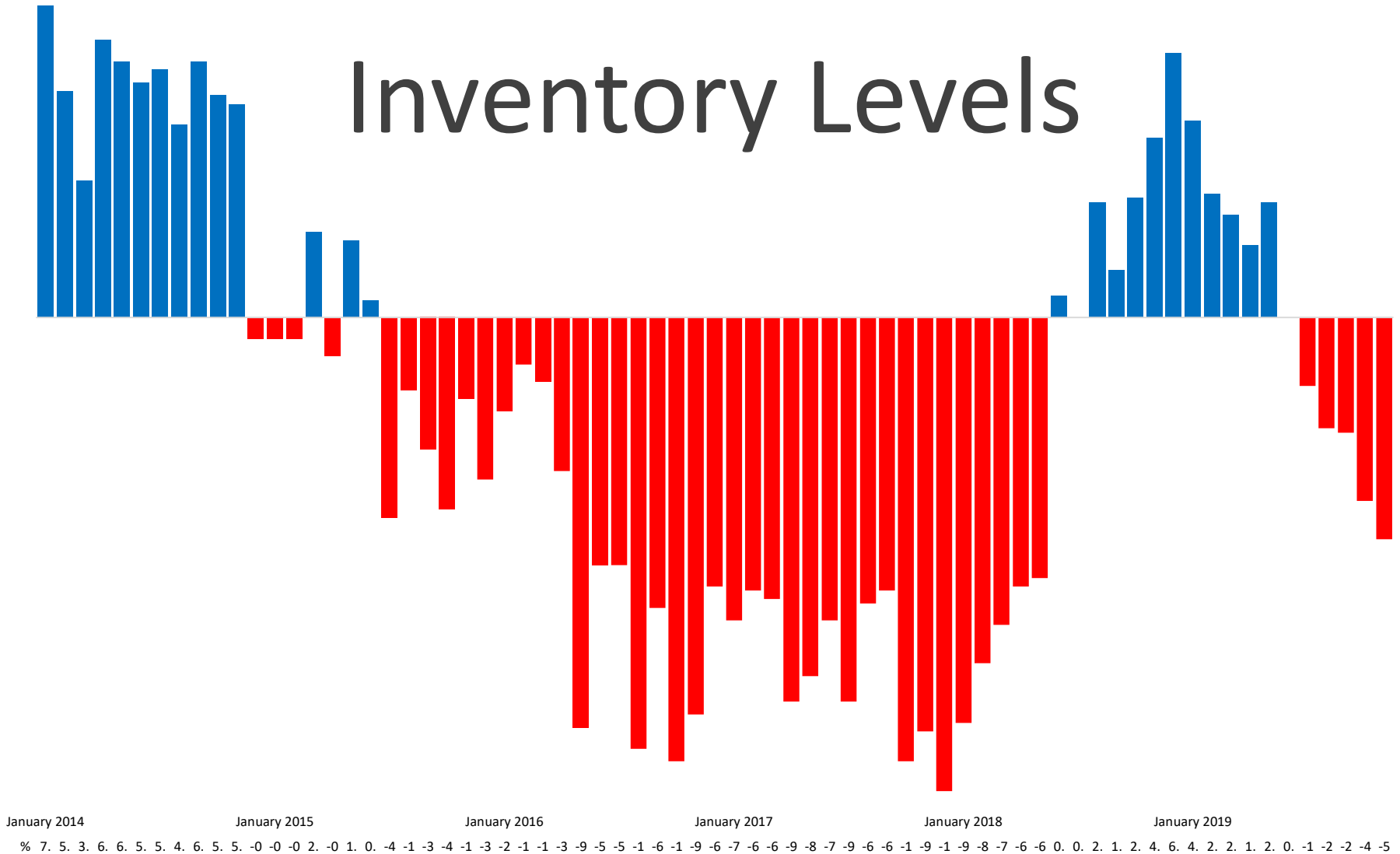


Months Inventory of HOMES FOR SALE

Last 12 Months

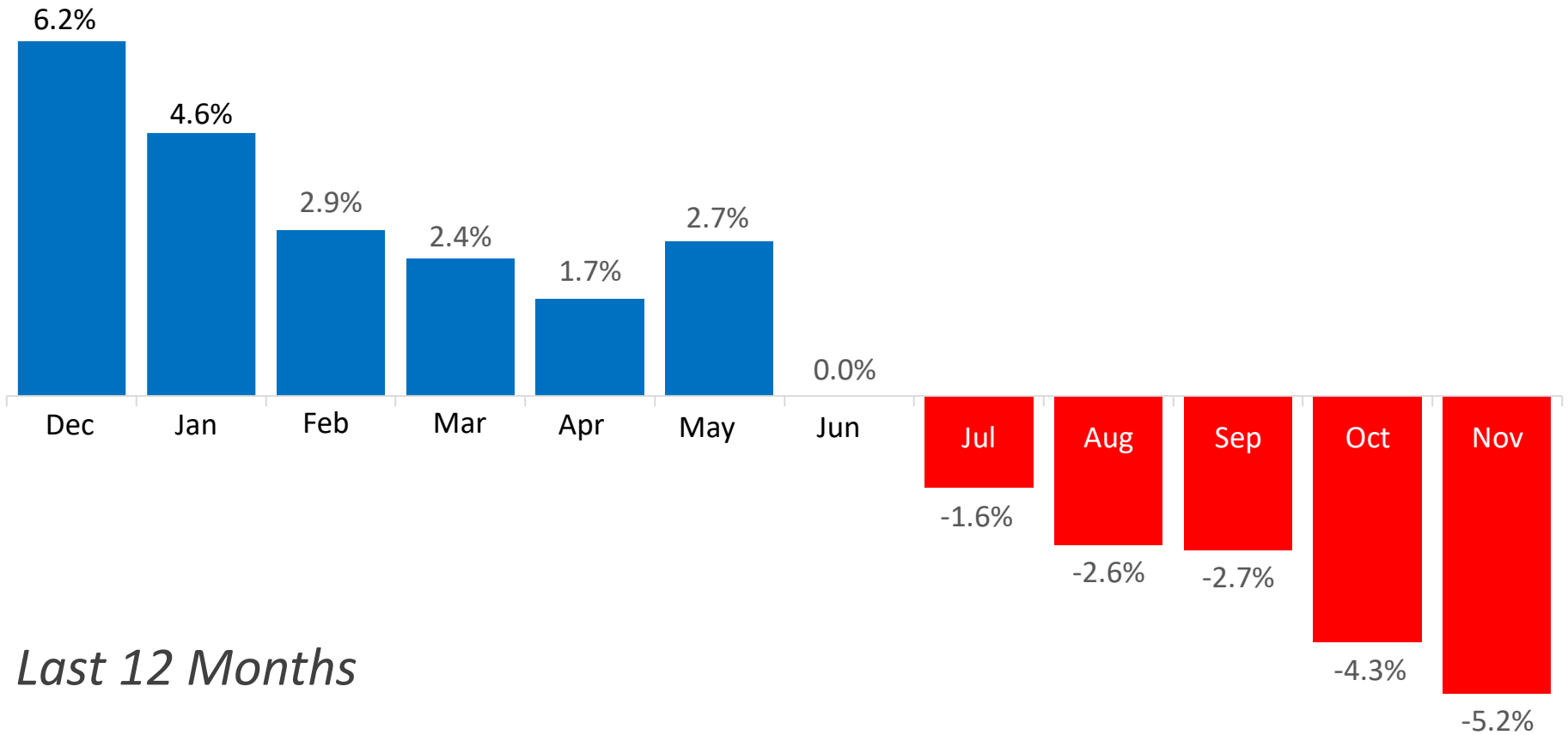


Year-over-Year Inventory Levels



HOUSING SUPPLY

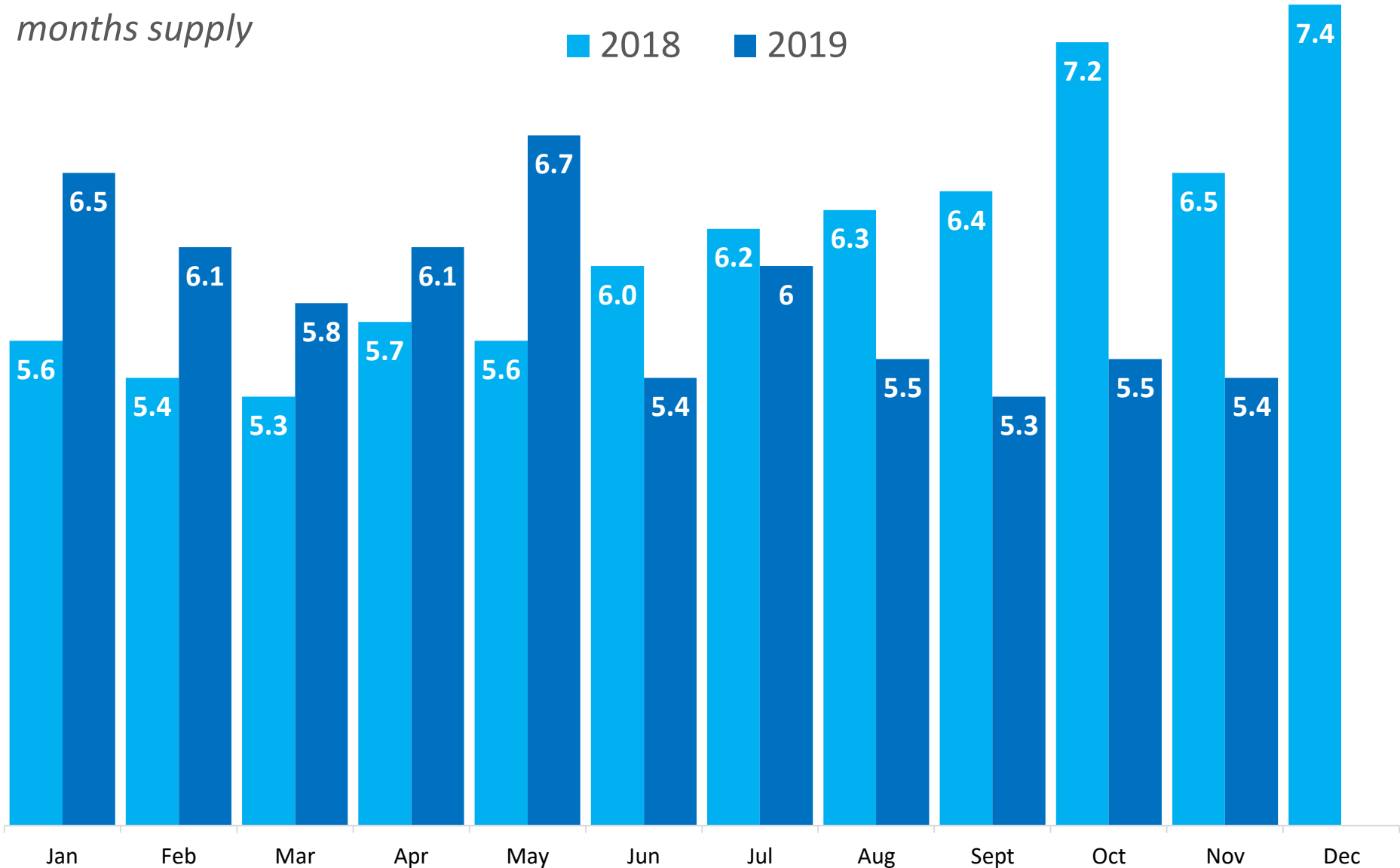
Year-Over-Year



New Home Inventory

months supply

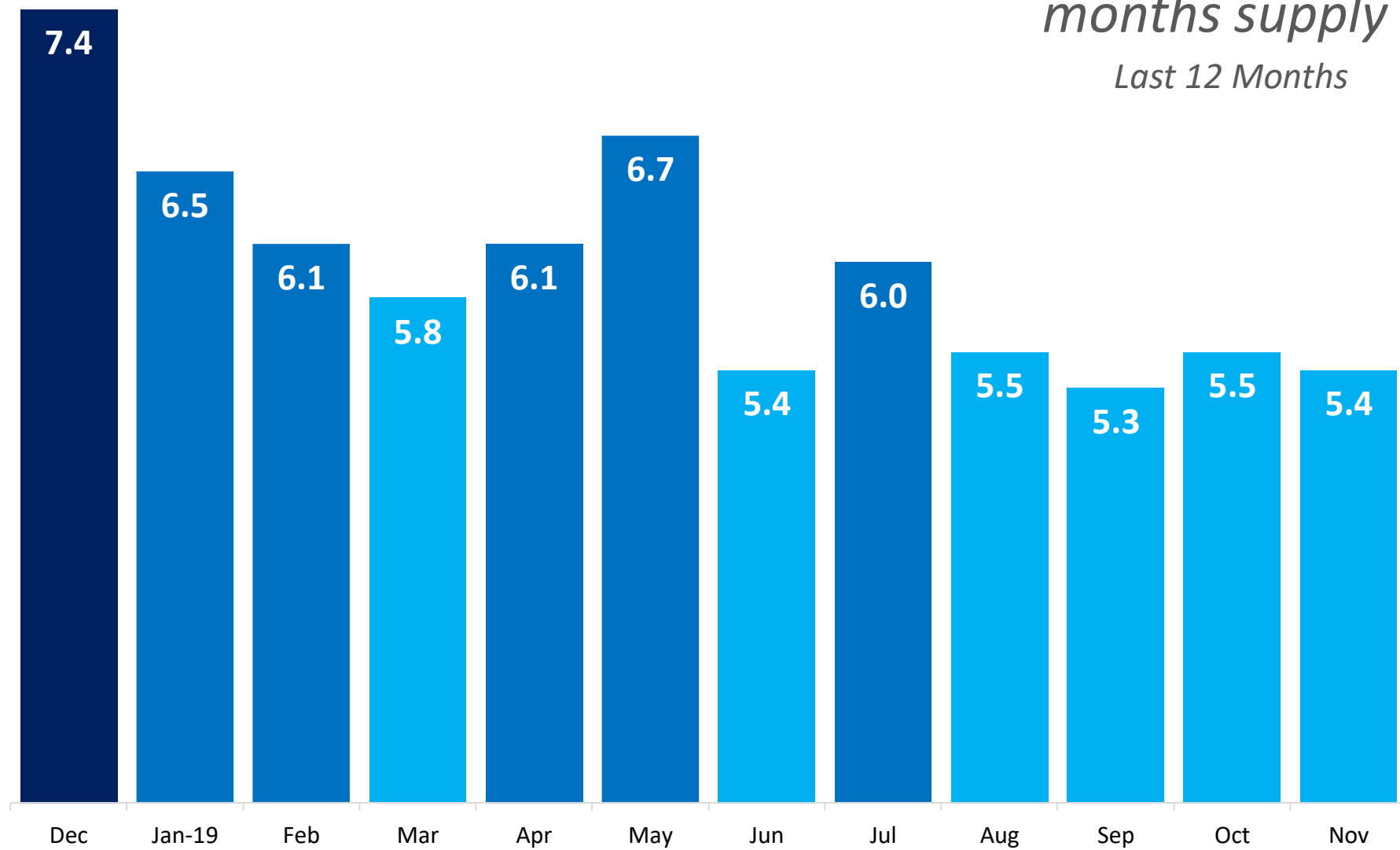
■ 2018 ■ 2019



New Home Inventory

months supply

Last 12 Months

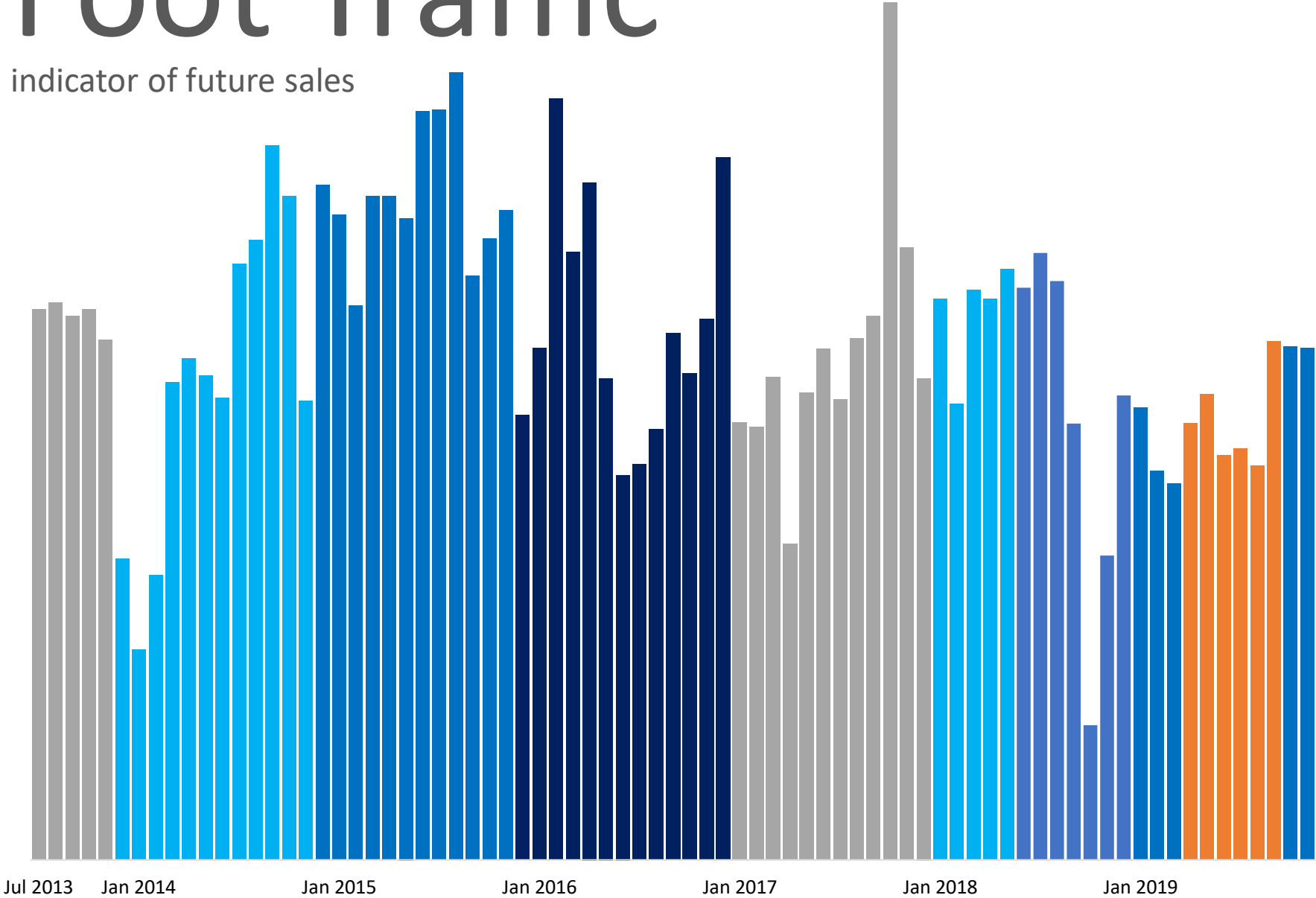


BUYER DEMAND



Foot Traffic

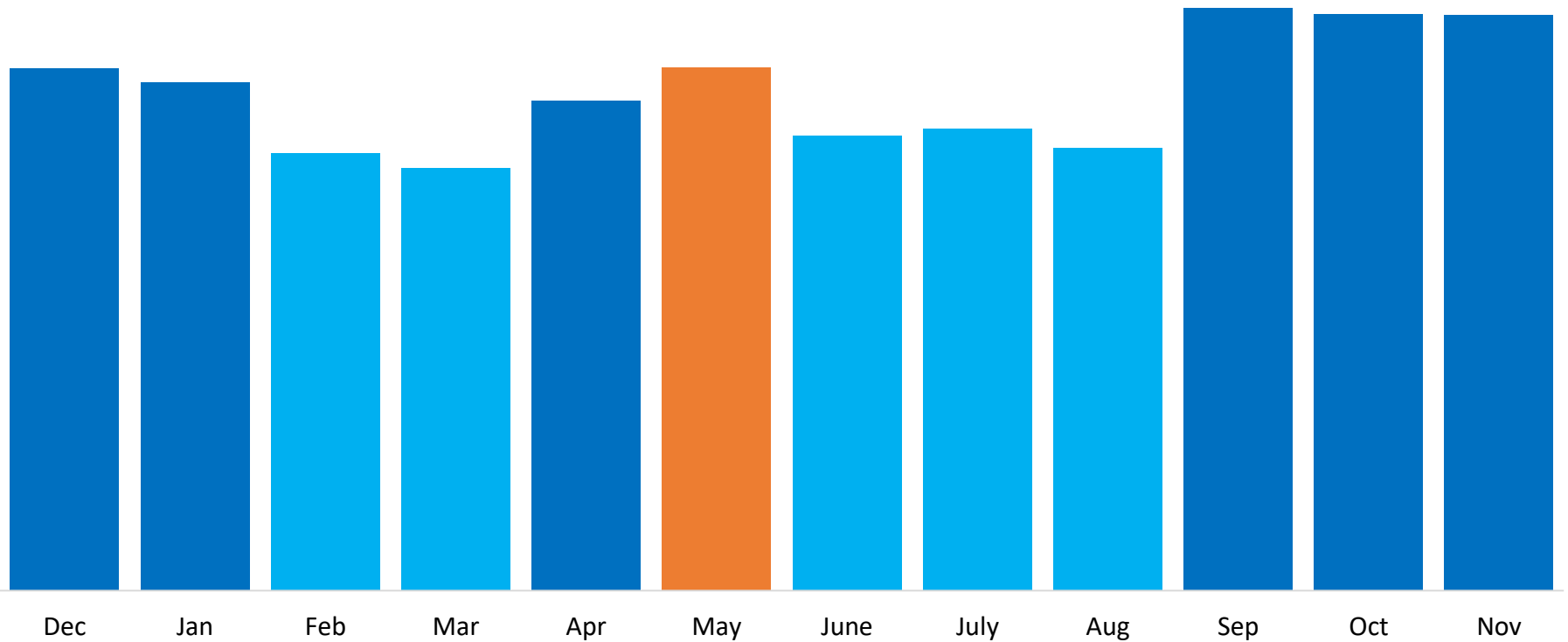
indicator of future sales



Foot Traffic

Last 12 Months

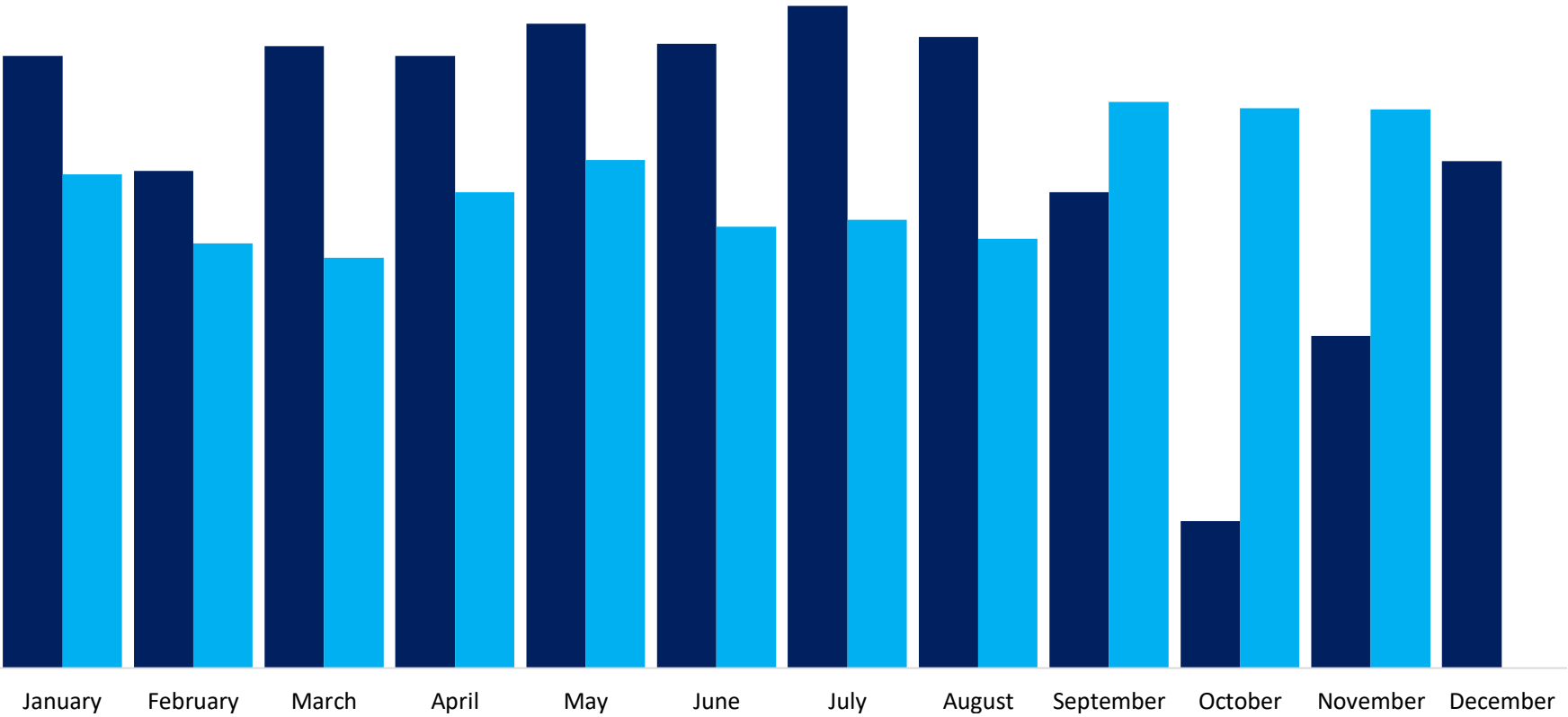
indicator of future sales



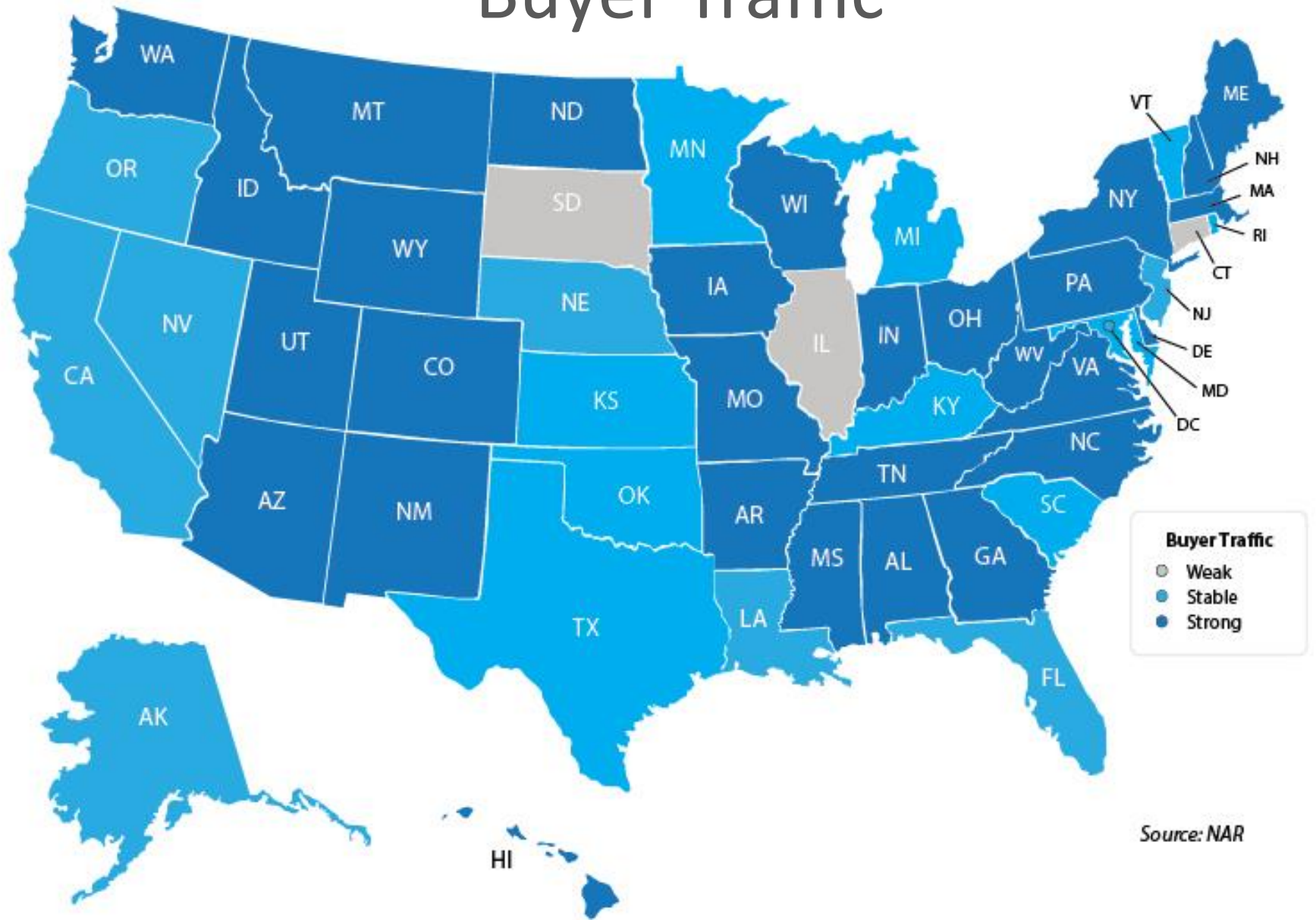
Foot Traffic

indicator of future sales

■ 2018
■ 2019



Buyer Traffic



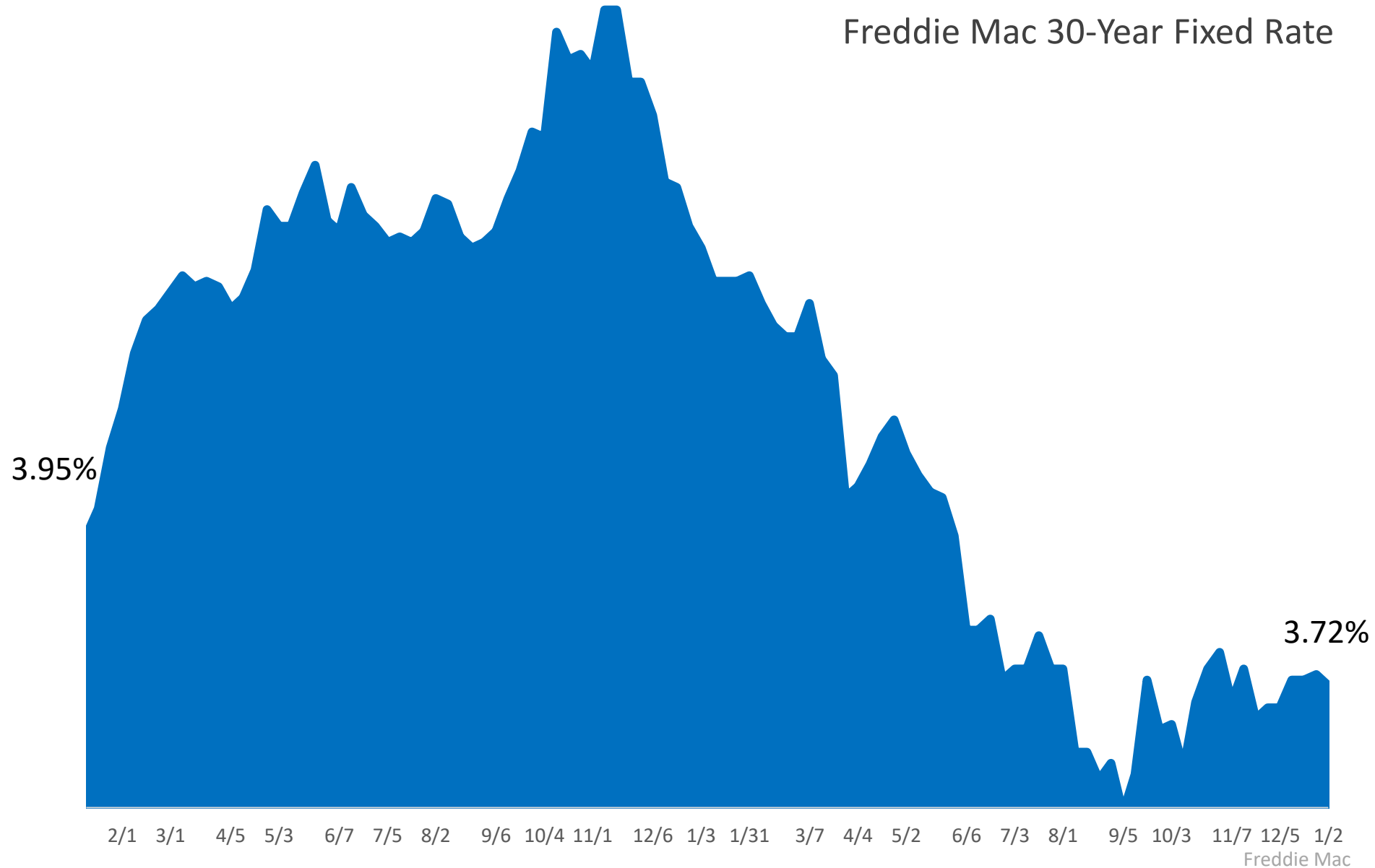
Source: NAR

INTEREST RATES



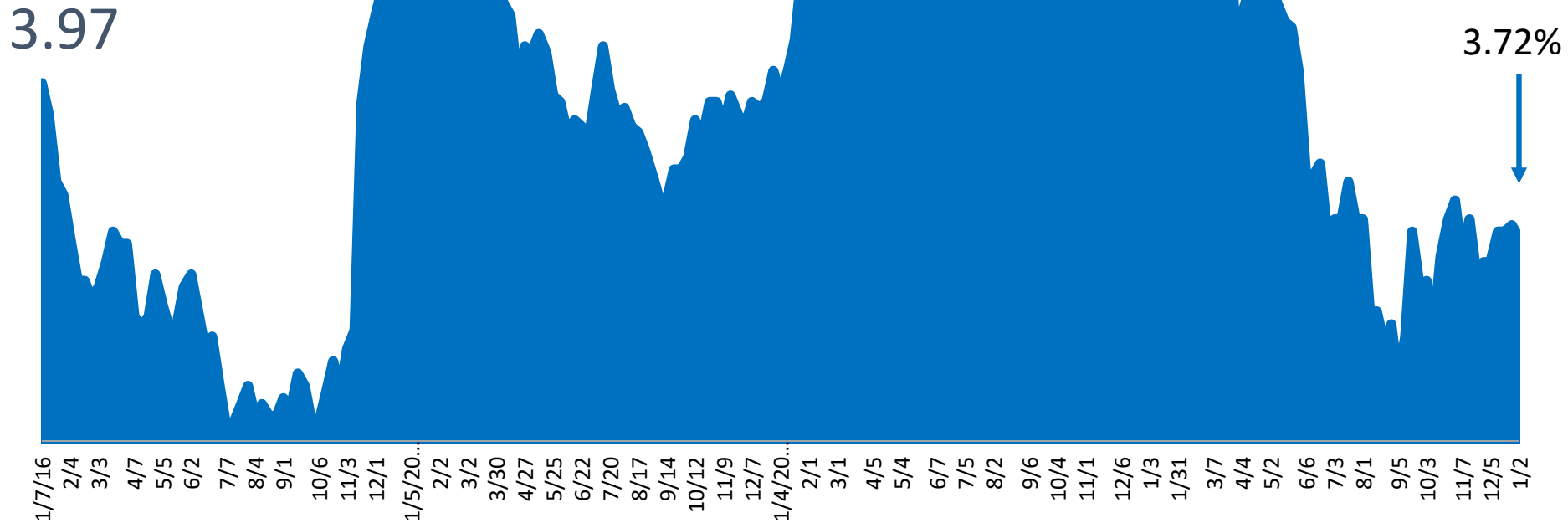
Mortgage Rates

Freddie Mac 30-Year Fixed Rate



30-Year Fixed

Rate Mortgages
from Freddie Mac



Mortgage Rate Projections

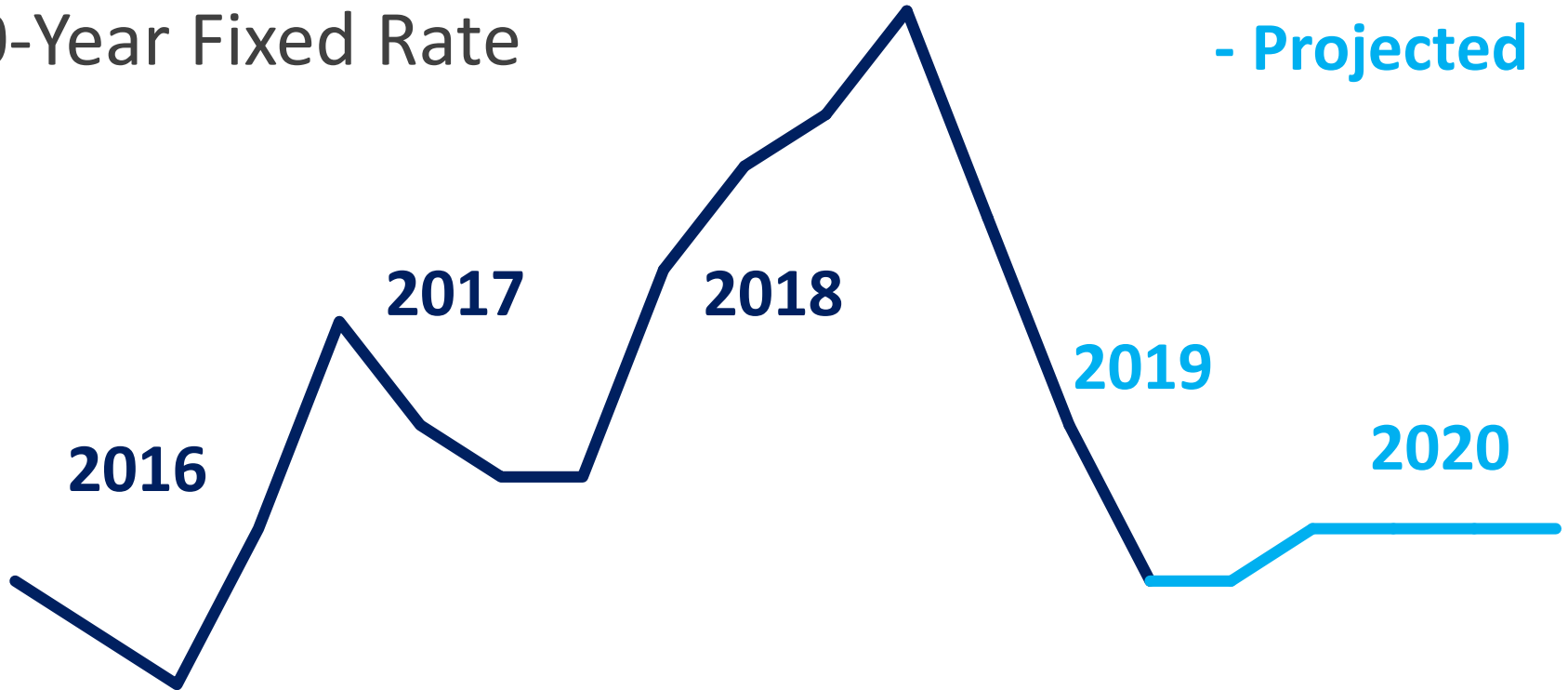
Quarter	Freddie Mac	Fannie Mae	MBA	NAR	Average of All Four
2020 1Q	3.8	3.7	3.7	3.8	3.75%
2020 2Q	3.8	3.6	3.7	3.8	3.72%
2020 3Q	3.8	3.6	3.7	3.8	3.72%
2020 4Q	3.8	3.6	3.7	3.8	3.72%

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	3.8	3.8	3.8	3.8

Mortgage Rates

Freddie Mac

30-Year Fixed Rate

January 2018 – Today
Actual Interest Rates

Where Are They Going?

3.8 3.8 3.8 3.8

Q1 Q2 Q3 Q4

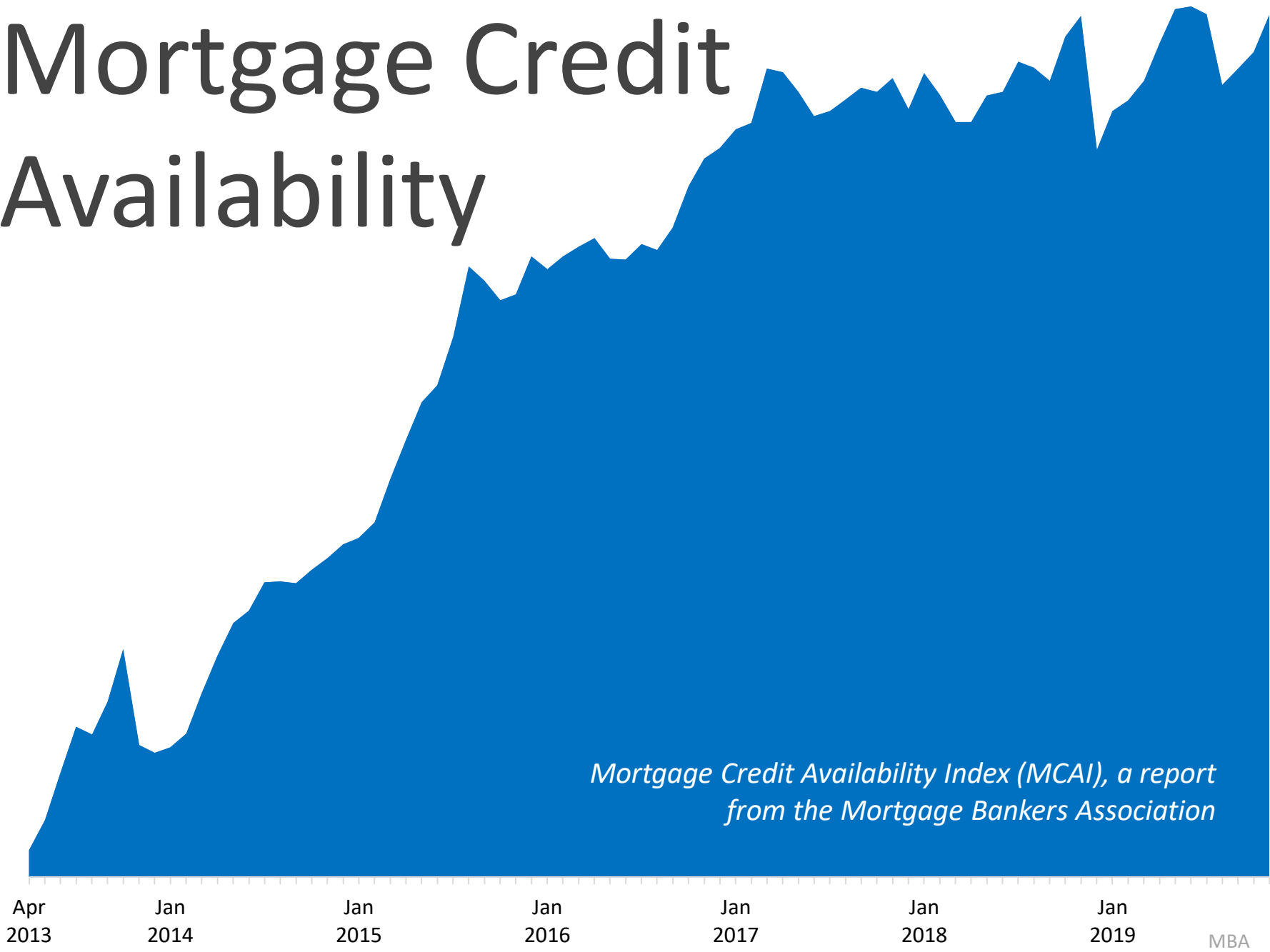
2020

1/4 2/1 3/1 4/5 5/3 6/7 7/5 8/2 9/6 10/4 11/1 12/6 1/3 1/31 3/7 4/4 5/2 6/6 7/3 8/1 9/5 10/3 11/7 12/5 1/2

Mortgage Credit Availability



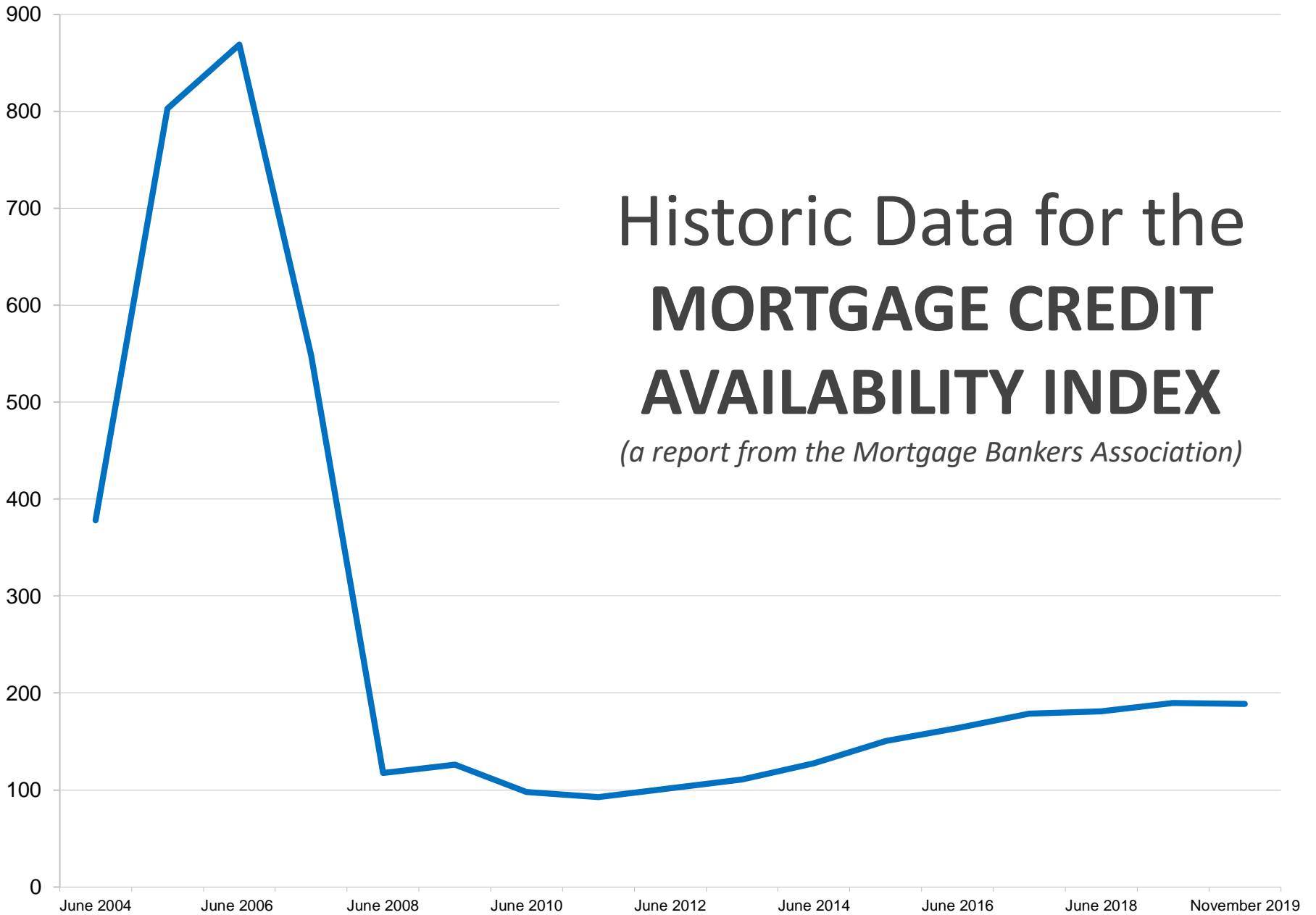
Mortgage Credit Availability



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

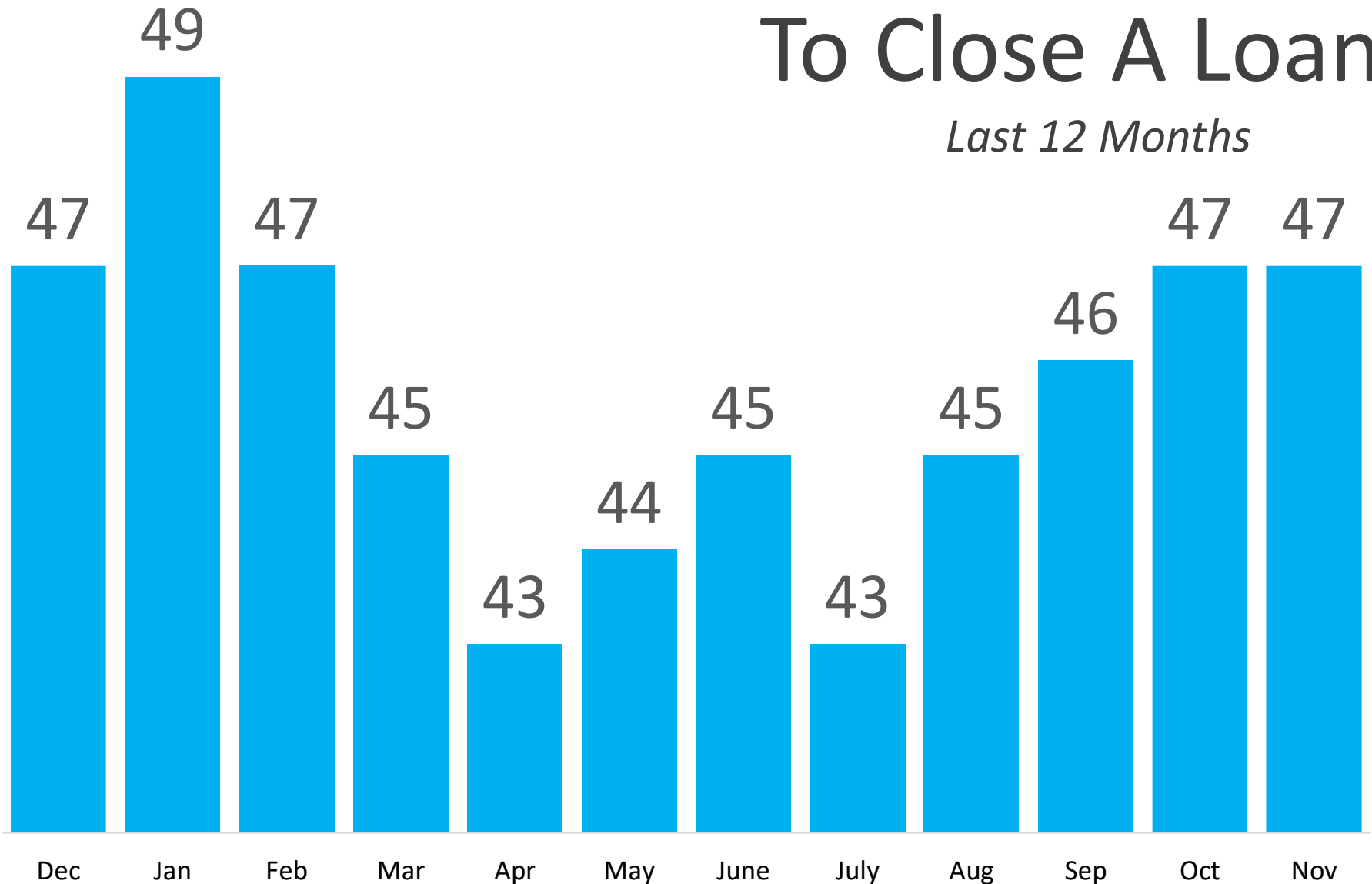
Historic Data for the **MORTGAGE CREDIT AVAILABILITY INDEX**

(a report from the Mortgage Bankers Association)



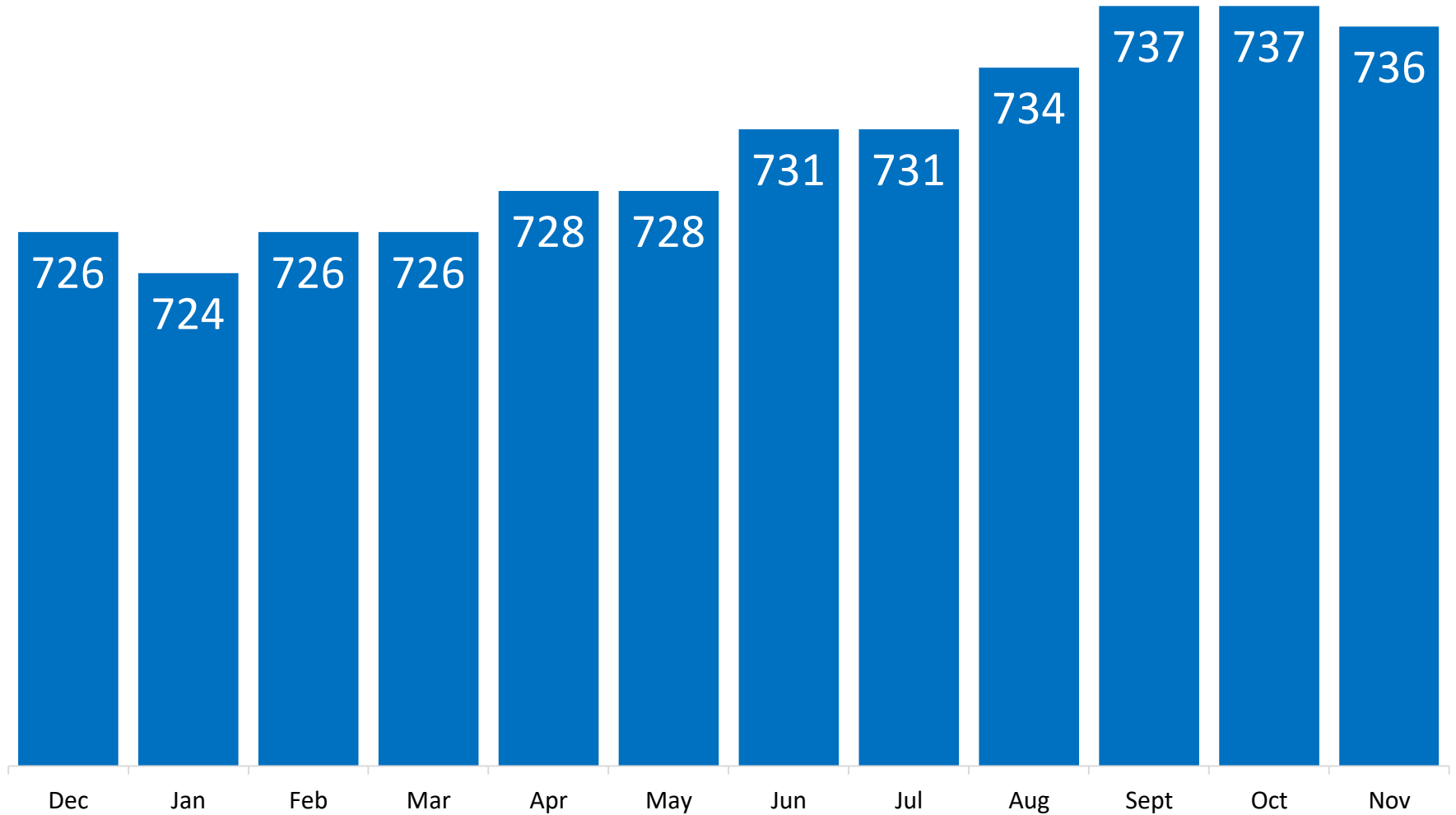
Average Days To Close A Loan

Last 12 Months

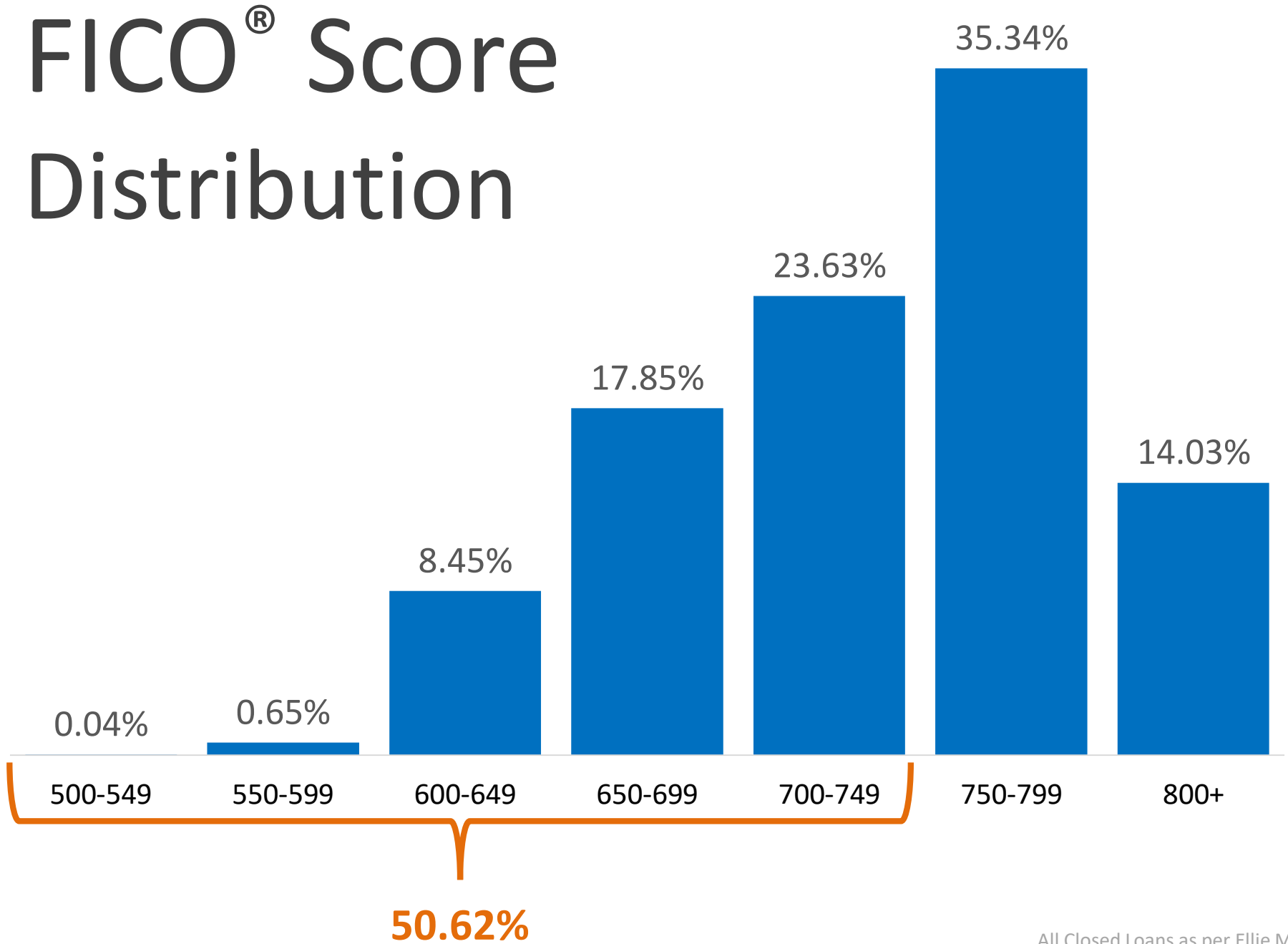


FICO[®] Score Requirements

Last 12 months

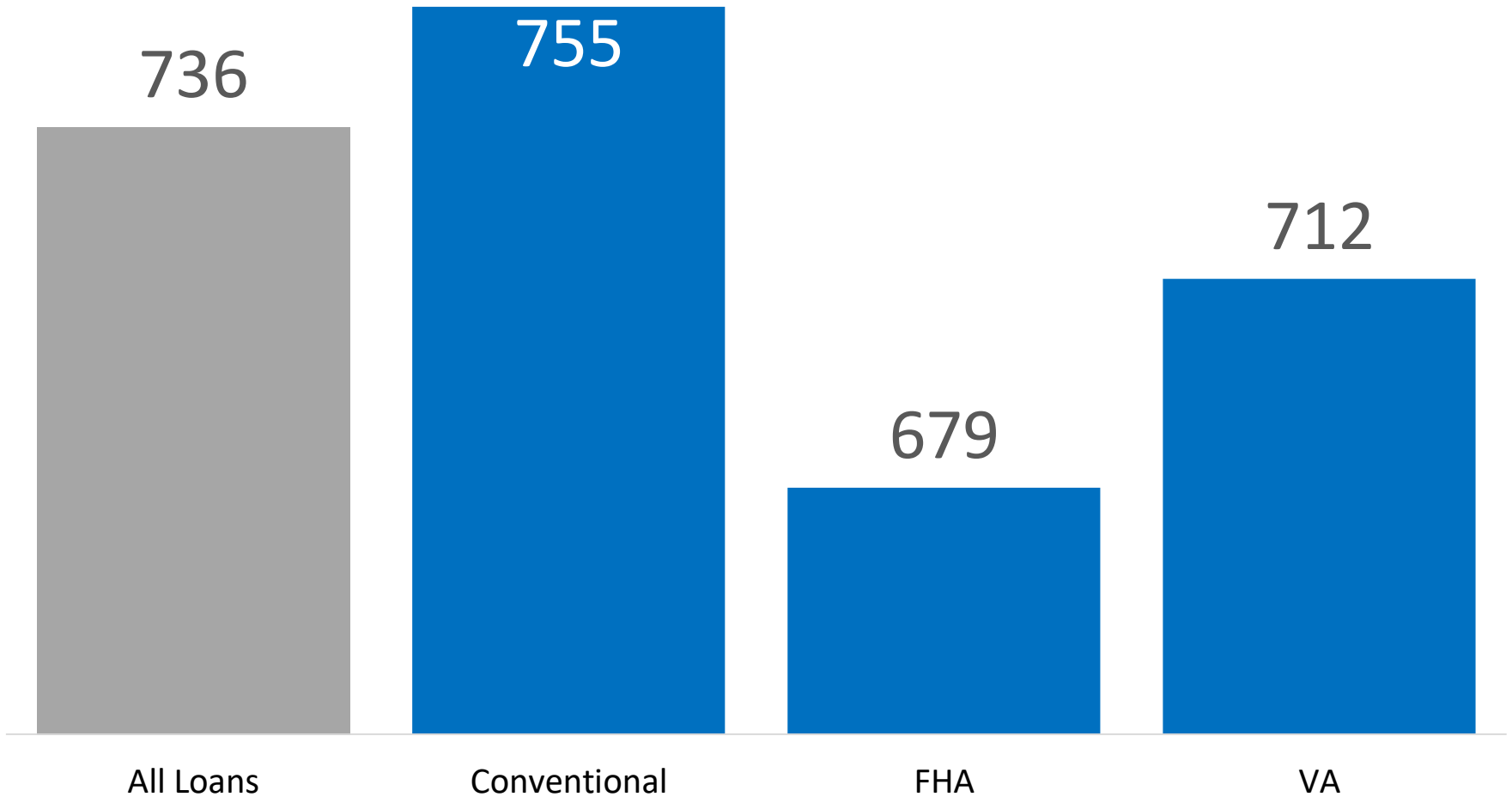


FICO[®] Score Distribution



Average FICO[®] Score

for Closed Purchase Loans
by Loan Type



Average Back End DTI

for Closed Purchase Loans by Loan Type

