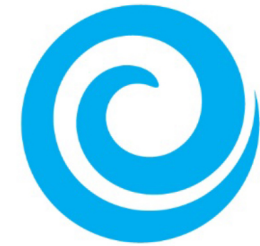
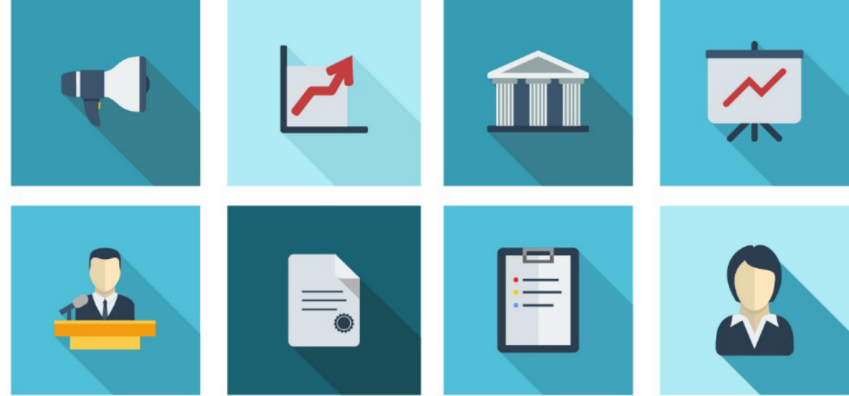


KEEPING CURRENT MATTERS



JUNE 2020



“Housing will fare better than expected during this severe downturn.”

Ivy Zelman

CEO, Zelman & Associates

May 12th



“New home sales rose slightly in April, defying expectations of a huge 22% drop.”

Diana Olick

CNBC



“Mortgage demand from home buyers shows **unexpectedly strong and quick recovery...**

The quick recovery **has surprised most forecasters.”**

Diana Olick

CNBC



“We know...that April really was the trough, I think, for the housing market. We do expect the rebound to be quite strong in the May numbers that will come out at the end of June.”

Mark Fleming

Chief Economist, First American



Home Prices Projected to Continue to Appreciate

Source	2020	2021	2022
Home Price Expectation Survey	-0.32	+0.94	+2.88
Mortgage Bankers Association	+4.3	+3.2	+2.4
Zelman & Assoc.	+3.0	+4.2	+4.6
Fannie Mae	+0.4	+2.1	N/A
National Association of Realtors	+3.8	+2.1	N/A
Freddie Mac	+0.4	+0.7	N/A

Newly Pending Sales

UP 24.5%

Month-Over-Month

New Listings Taken

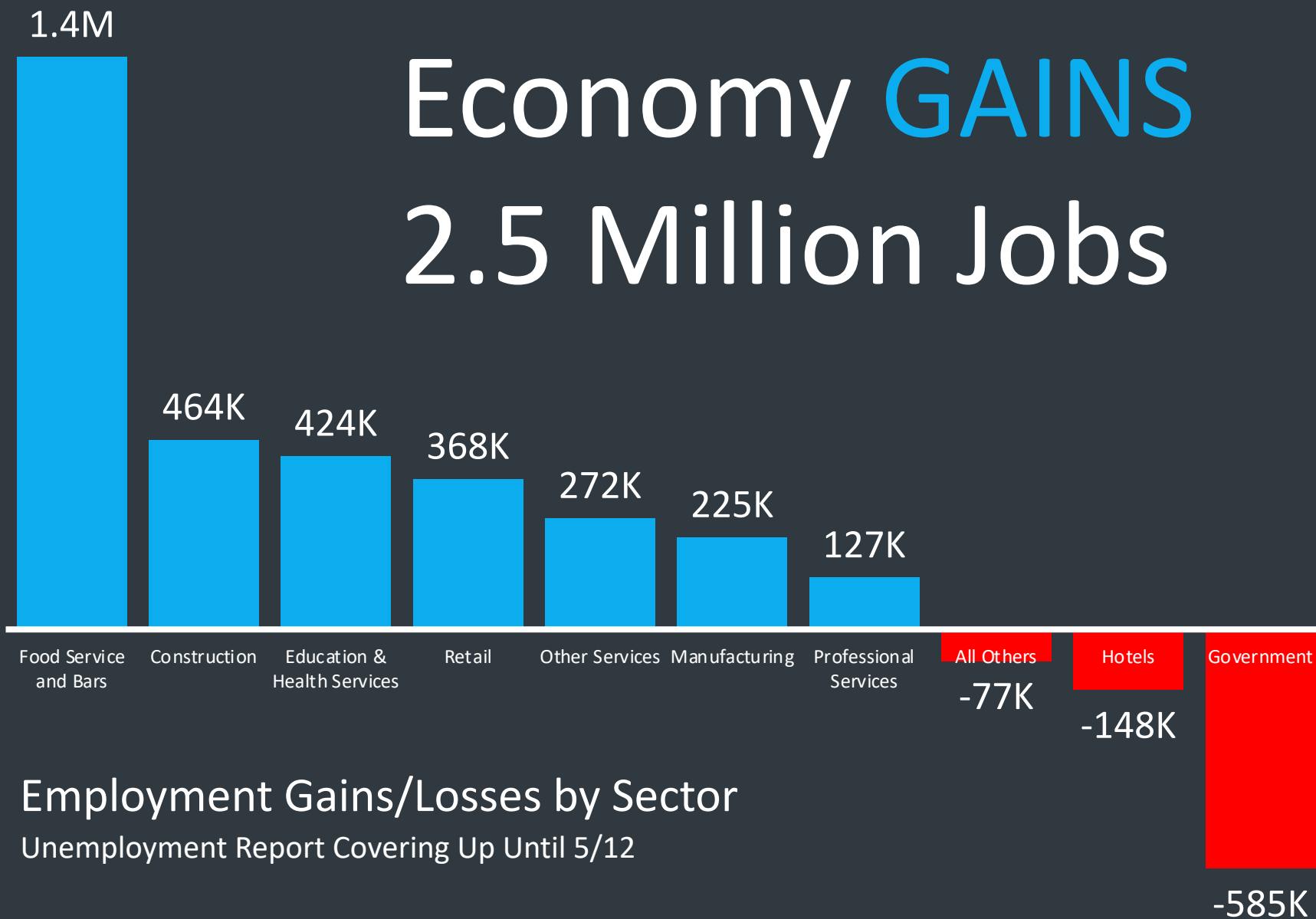
UP 19.3%

Month-Over-Month

Zillow's June Report

"Both pending sales and new listings remain well up from the previous month when the market was bouncing back from a slowdown in the early days of the coronavirus pandemic."

Economy **GAINS** 2.5 Million Jobs



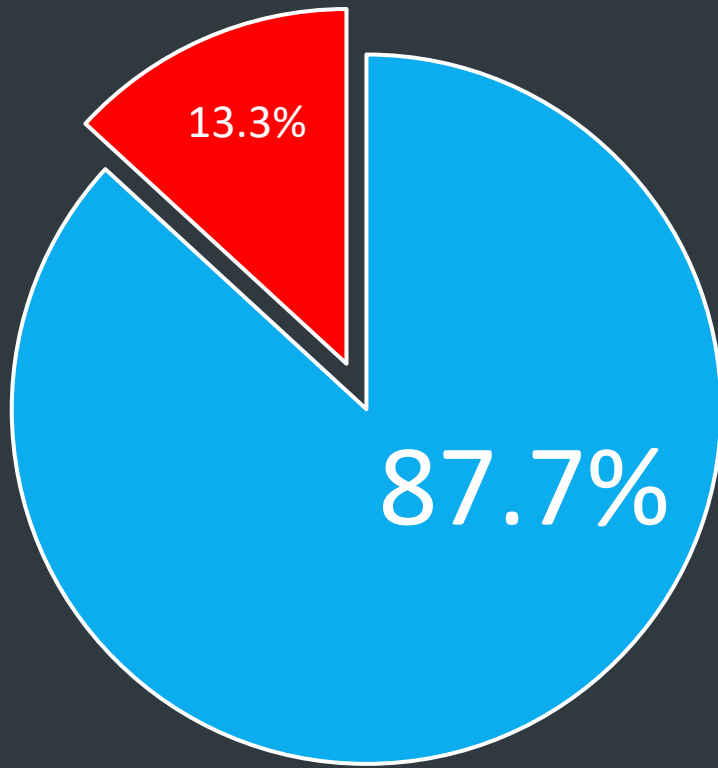
Employment Gains/Losses by Sector

Unemployment Report Covering Up Until 5/12

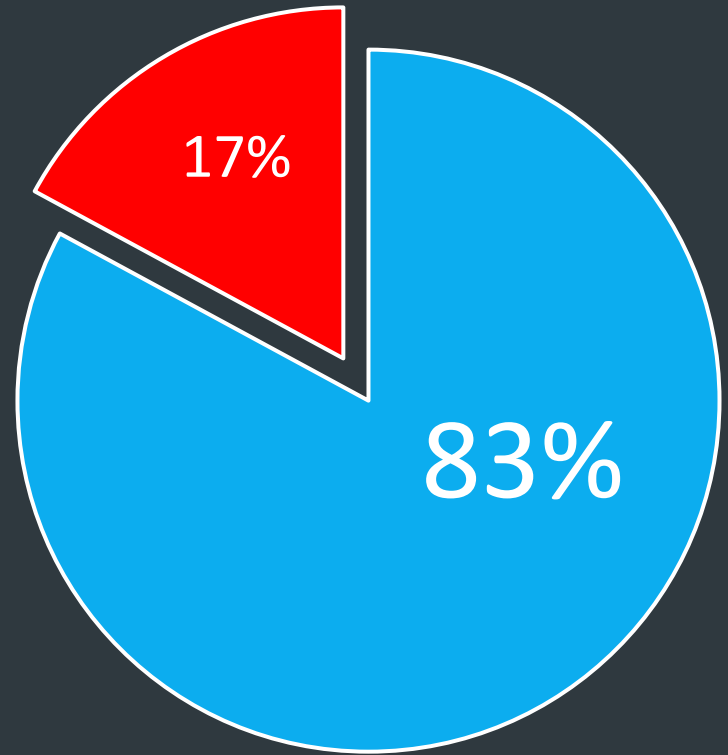
“The May gain was **by far the biggest one-month jobs surge** in U.S. history since at least 1939.”

CNBC





■ Employed ■ Unemployed



■ Temporary ■ Permanent

Breakdown of U.S. Bureau of Labor Statistics 6/5/2020

Unemployment Report Covering Up Until 5/12

75+%

of job loses are temporary layoffs and furloughs according to employers

Federal Reserve Bank - May Report

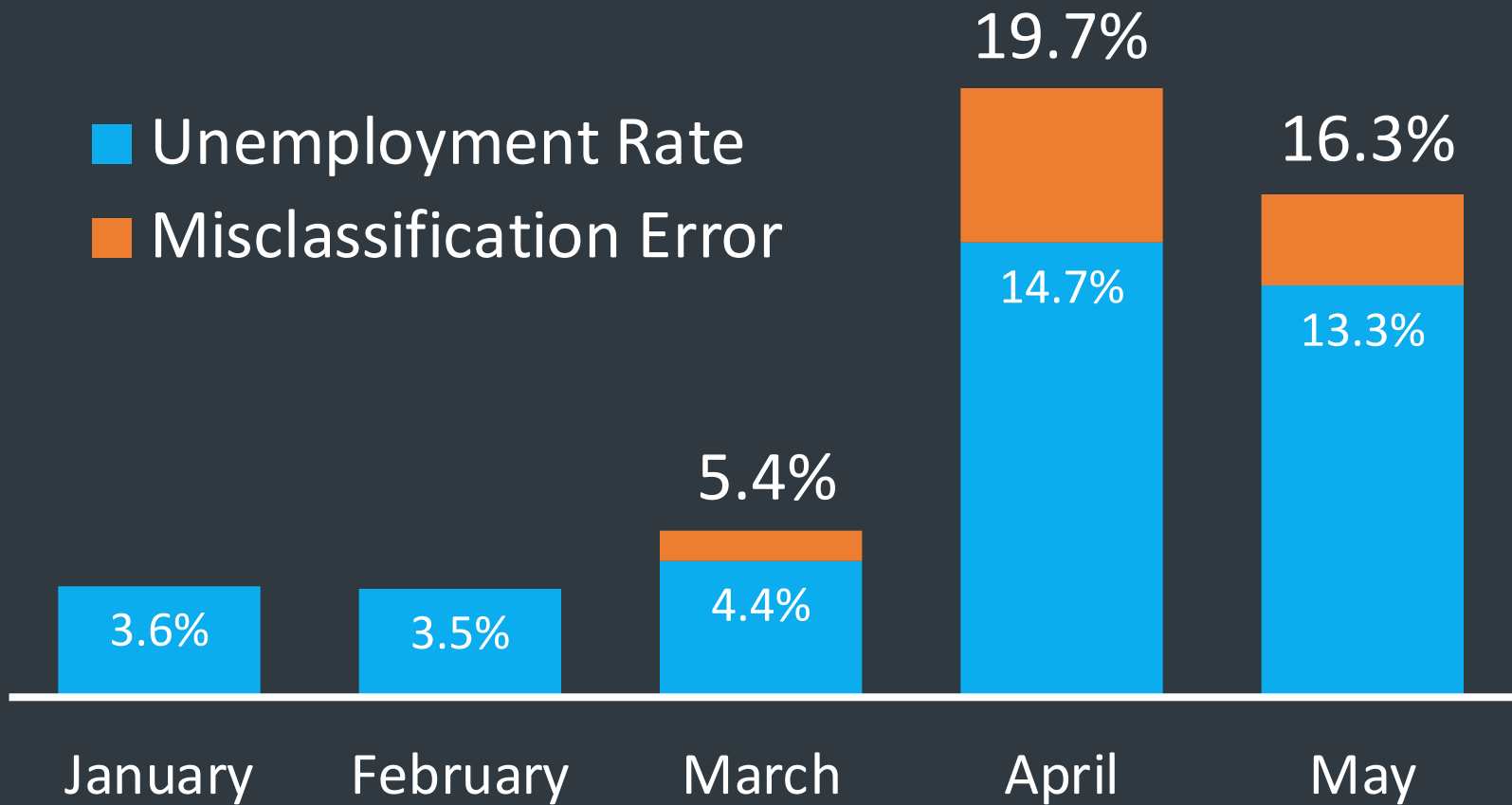
“There are news reports of large-scale hiring at firms like Amazon, Walmart, CVS Healthcare, Domino's Pizza, and other companies that saw increased demand in reaction to the pandemic and partial shutdown.”

Explanation of “Miscalculation”

Some people who should have been classified as “temporarily unemployed” during the shutdown were instead misclassified as employed, but “absent” for “other reasons.”

“Other reasons” are usually people taking a leave to go on vacation, serve on jury duty, or take care of a child or relative.

Unemployment Rate Improved *even with the correction*



“Employers added 2.5 million jobs, **blowing Wall Street expectations out of the water:** Economists had forecast a loss of 8.3 million jobs.”

WSJ



National Homeownership Month

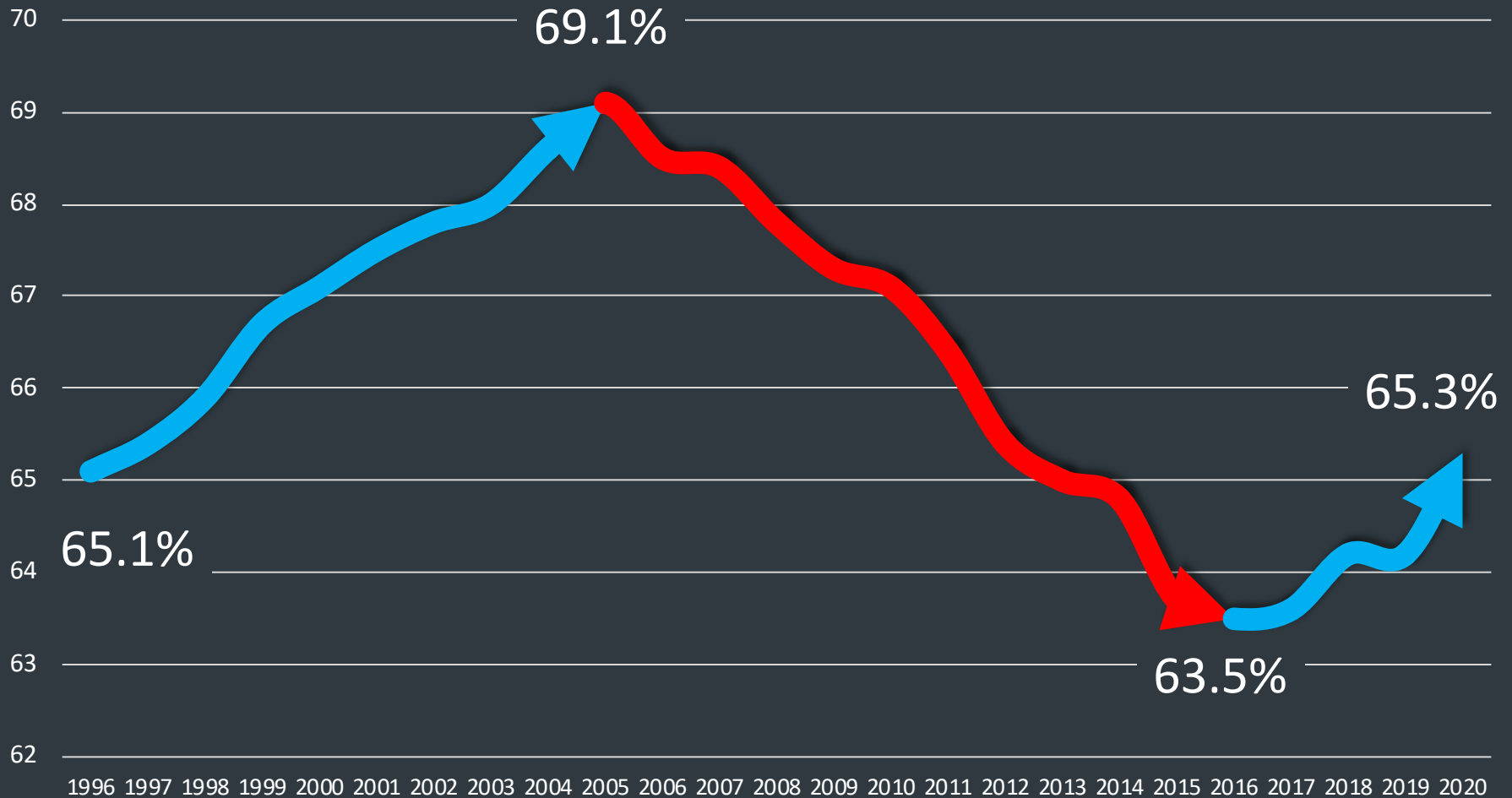


Top Reasons to Own Your Home



U.S. Homeownership % Rates

Q1 Results



National Homeownership Month



Accomplishment: Reflecting your efforts and success



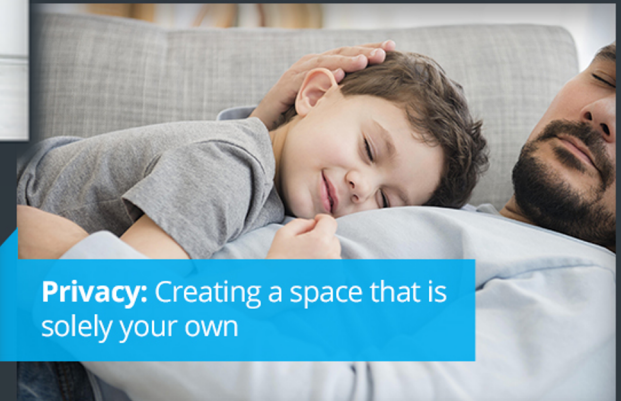
Financial Investment: Growing your assets and wealth



Personal Expression: Displaying your unique personality



Stability: Controlling your future direction and security



Privacy: Creating a space that is solely your own

The Non-Financial
BENEFITS
of Homeownership

93%

said owning a home
made them happier

Concentrix Analytics Survey

88%

agreed that buying a home
is the *“best decision
they have ever made”*

79%

believed owning a home
has changed them
for the better

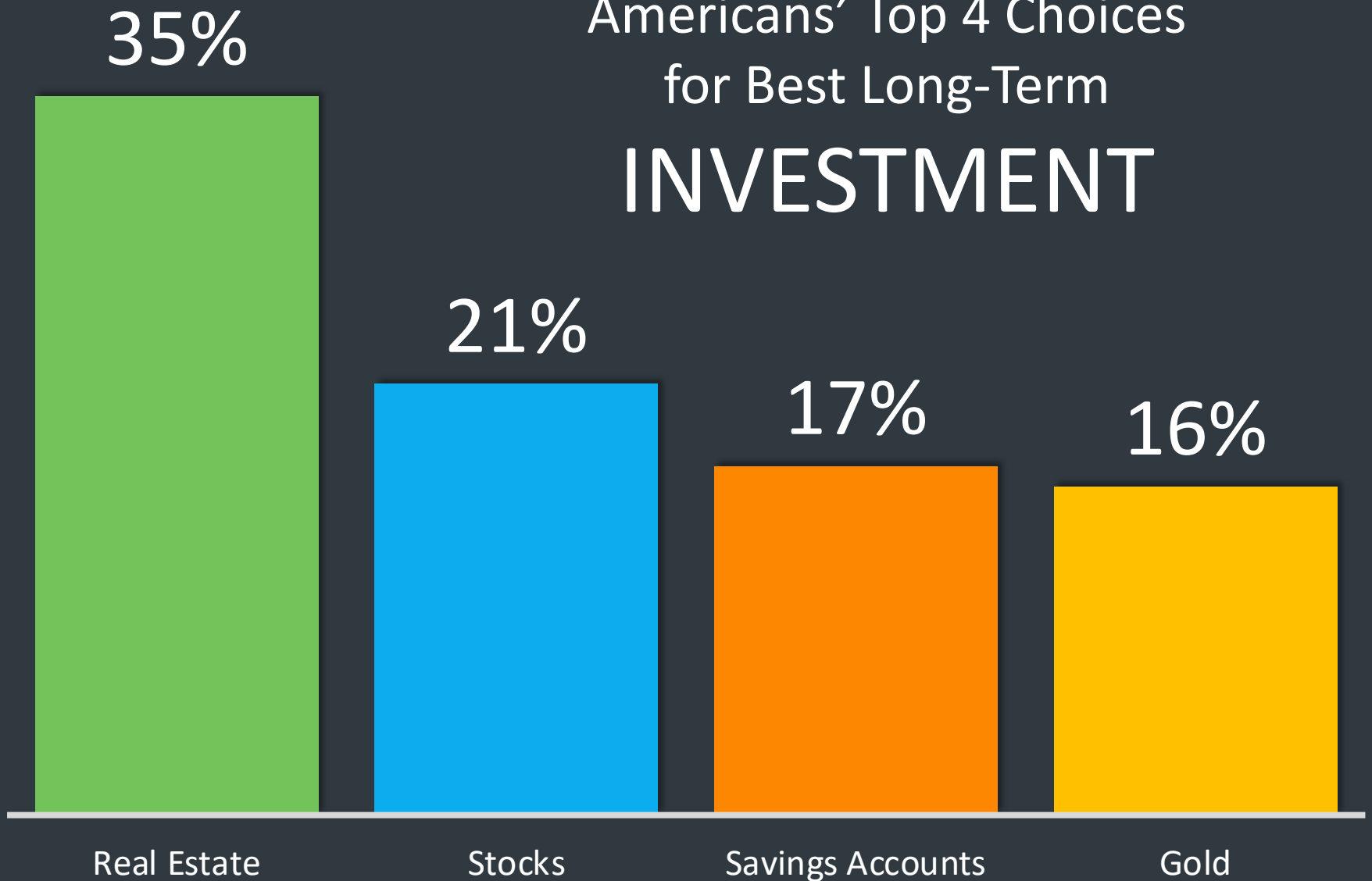
“Real estate, at 35%, remains the most favored investment to Americans, as has been the case since 2013, when the housing market was on the rebound. More than a third of Americans have named real estate as the top investment since 2016.”

Gallup

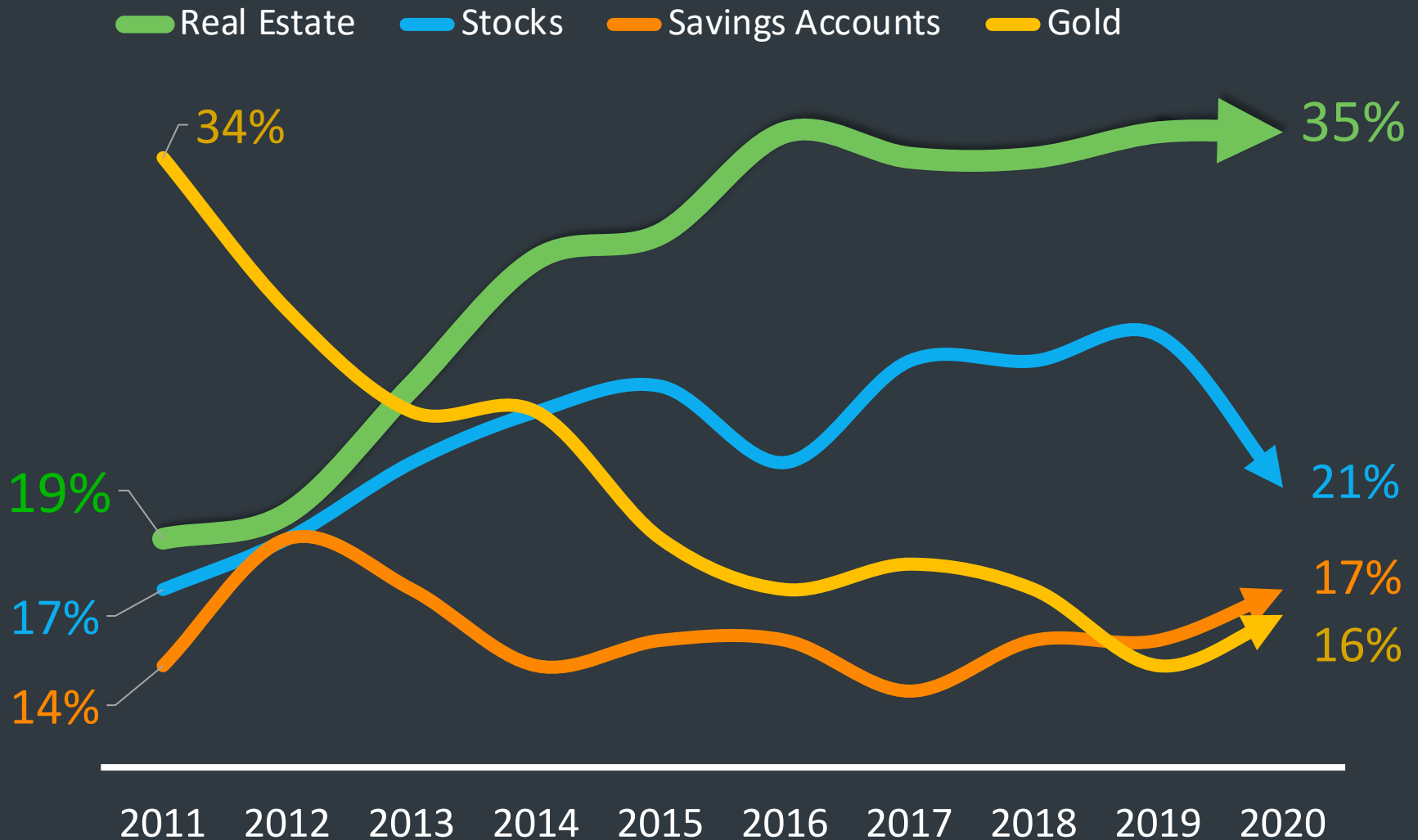


Americans' Top 4 Choices
for Best Long-Term

INVESTMENT



Americans' Top 4 Choices for Best Long-Term Investment



What we need to
do right now!

"Truth is attainable by
laying fact upon fact."

Peter Kann

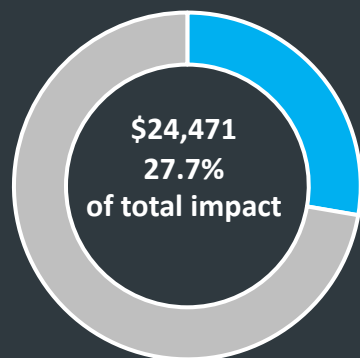
former publisher of WSJ



Average Economic Impact of One Home Sale in the U.S.

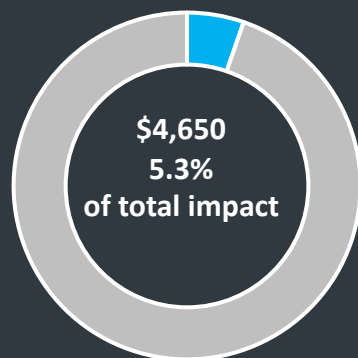
\$88,416

Income generated from
real estate industries



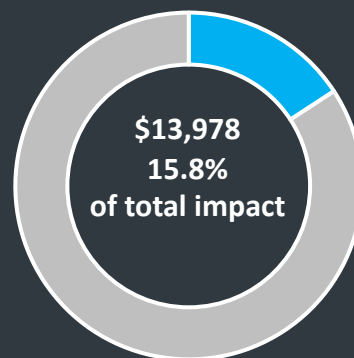
+

Expenditures related
to home purchase



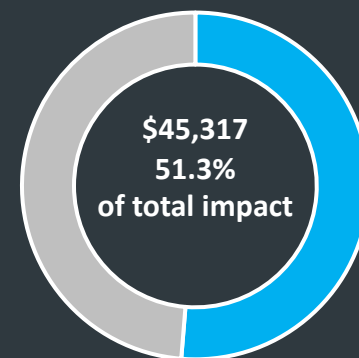
+

Multiplier of housing
related expenditures



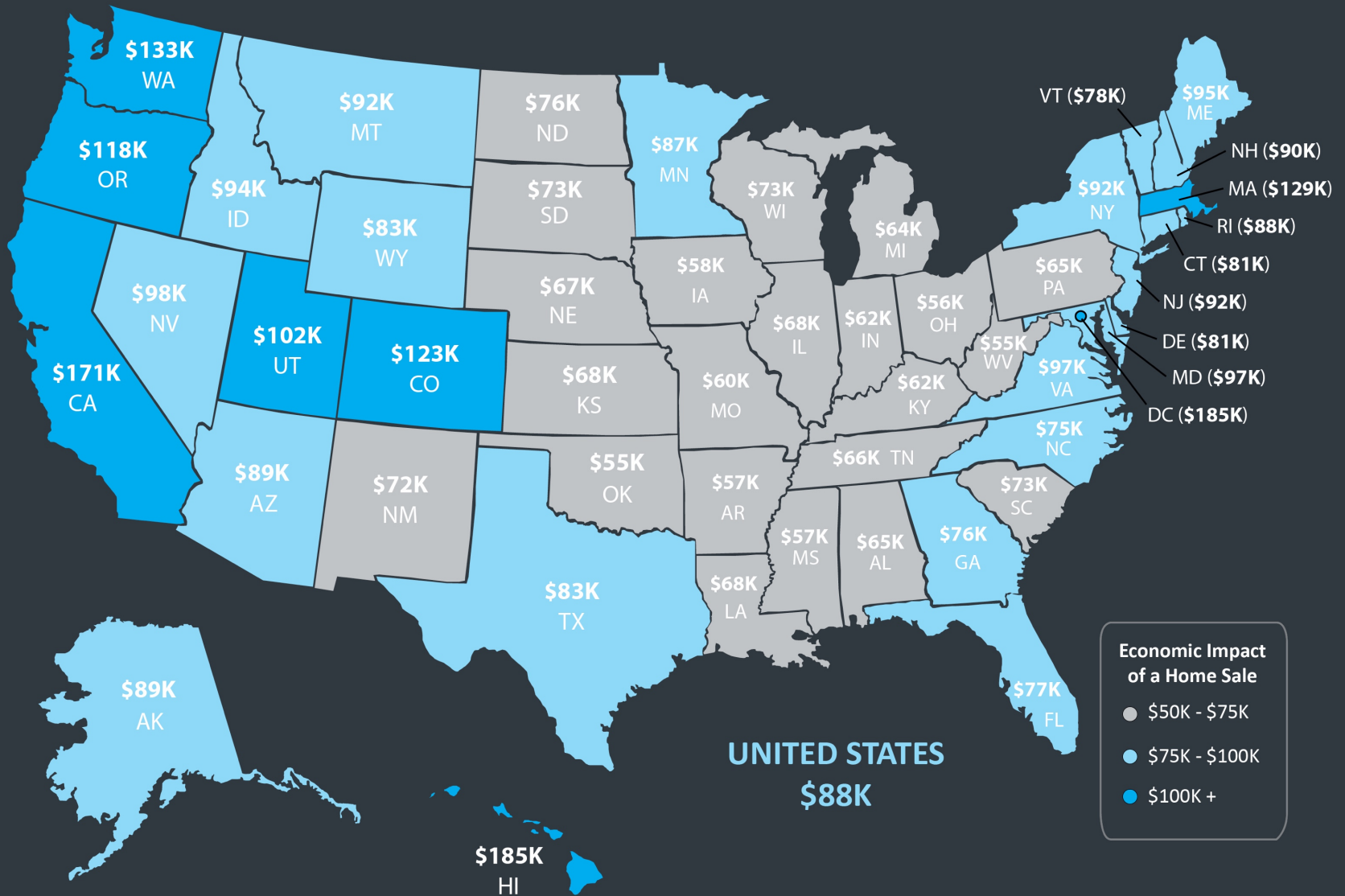
+

New home
construction



NAR calculated the total economic impact of real estate-related industries on the state economy, as well as the expenditures that result from a single home sale, including aspects like home construction costs, real estate brokerage, mortgage lending and title insurance.

Average Economic Impact of One Home Sale by State



Economic Impact of a Home Sale

- \$50K - \$75K
- \$75K - \$100K
- \$100K +

Summer 2020 Buyer & Seller Guides



Every day that passes, people have a need to buy and sell homes. That doesn't stop during a pandemic. If you've had a major life change recently, whether with your job or your family, you may be in a position where you need to sell your home this year. While you may not have had a move in mind, it hasn't been on your side, making a move is still possible.



There are so many questions swirling around today about where the housing market is headed amid this economic slowdown. In order to best understand the current state of the market and how expert projections may play out, it's best to look at our economic history, and how today is vastly different than the housing crisis of 2008, known as the Great Recession.

Many of us experienced financial hardships, lost homes, and were out of work during the Great Recession — the recession that started with a housing and mortgage crisis. Today, we face a very different challenge: an external health crisis that caused a pause in the economy and a major shutdown in many parts of the country.

We're simply not in the same boat as we were in 2008. Here are five big reasons why that can give you greater confidence if you're thinking of buying a home this year.



Now Available

Resources

Slide	Slide Title	Link
2	Ivy Zelman Quote	https://www.zelmanassociates.com/
3-4	Diana Olick Quotes	https://www.cnbc.com/2020/05/26/new-home-sales-rose-slightly-in-april-as-prices-fall.html https://www.cnbc.com/2020/05/27/mortgage-demand-from-homebuyers-shows-strong-and-quick-recovery.html
5	Mark Fleming Quote	https://blog.firstam.com/economics/interview-with-yahoo-finance-existing-home-sales-poised-for-rebound-in-may-following-april-plunge
6	Home Prices Projected to Continue to Appreciate	https://pulsenomics.com/surveys/ http://www.freddiemac.com/fmac-resources/research/pdf/202004-Forecast.pdf https://www.fanniemae.com/resources/file/research/emma/pdf/Housing_Forecast_051320.pdf https://www.nar.realtor/sites/default/files/documents/forecast-Q2-2020-us-economic-outlook-05-28-2020.pdf https://www.mba.org/news-research-and-resources/research-and-economics/forecasts-and-commentary www.zelmanassociates.com (subscription required) wsj.com (subscription required)
7	Zillow's June Report	http://zillow.mediaroom.com/2020-06-05-Home-Sales-and-New-Listings-are-Higher-Than-Last-Month-Despite-Holiday-Dip
8, 10	U.S. Bureau of Labor Statistics Report	https://www.bls.gov/news.release/empsit.nr0.htm
9	CNBC Quote	https://www.cnbc.com/2020/06/05/jobs-report-may-2020.html
11	Federal Reserve Bank's May Report	https://www.frbatlanta.org/blogs/macroblog/2020/05/01/covid-19-caused-3-new-hires-for-every-10-layoffs?mod=article_inline

Resources

Slide	Slide Title	Link
13	Unemployment Rate Improved	www.washingtonpost.com/business/2020/06/05/may-2020-jobs-report-misclassification-error/
14	WSJ Quote	The Wall Street Journal, in an email to subscribers
16	U.S. Homeownership % Rates	https://www.census.gov/housing/hvs/files/currenthvspress.pdf
18	Concentrix Analytics Survey	https://info.bankofamerica.com/homebuyers-report/
19-21	Gallup Quote, Investment Charts	https://news.gallup.com/poll/309233/stock-investments-lose-luster-covid-sell-off.aspx
23	Peter Kann Quote	http://cnbc.com/
24-25	Economic Impact of One Home Sale Graph & Map	https://www.nar.realtor/sites/default/files/documents/2019-state-economic-impact-of-real-estate-activity-us-04-14-2020.pdf https://www.nar.realtor/reports/state-by-state-economic-impact-of-real-estate-activity



UPDATE

Resources

Slide	Slide Title	Link
33,53,65	Confidence Index	https://www.nar.realtor/research-and-statistics/research-reports/realtors-confidence-index
34-36,44,46,47	Existing Home Sales	https://www.nar.realtor/topics/existing-home-sales
38-40	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
41	Total Home Sales	http://www.census.gov/construction/nrs/pdf/newressales.pdf https://www.nar.realtor/topics/existing-home-sales
42,43	Pending Home Sales	https://www.nar.realtor/research-and-statistics/housing-statistics/pending-home-sales
48-50	Case Shiller	http://us.spindices.com/indices/real-estate/sp-case-shiller-20-city-composite-home-price-index
51	CoreLogic Forecasted YOY % Change in Price	https://www.corelogic.com/downloadable-docs/marketpulse/17-mktplse-0320-00-the-marketpulse-vol-9-issue-3-march-2020-screen-032420.pdf
54-60	Inventory	https://www.nar.realtor/topics/existing-home-sales http://www.census.gov/construction/nrs/pdf/newressales.pdf

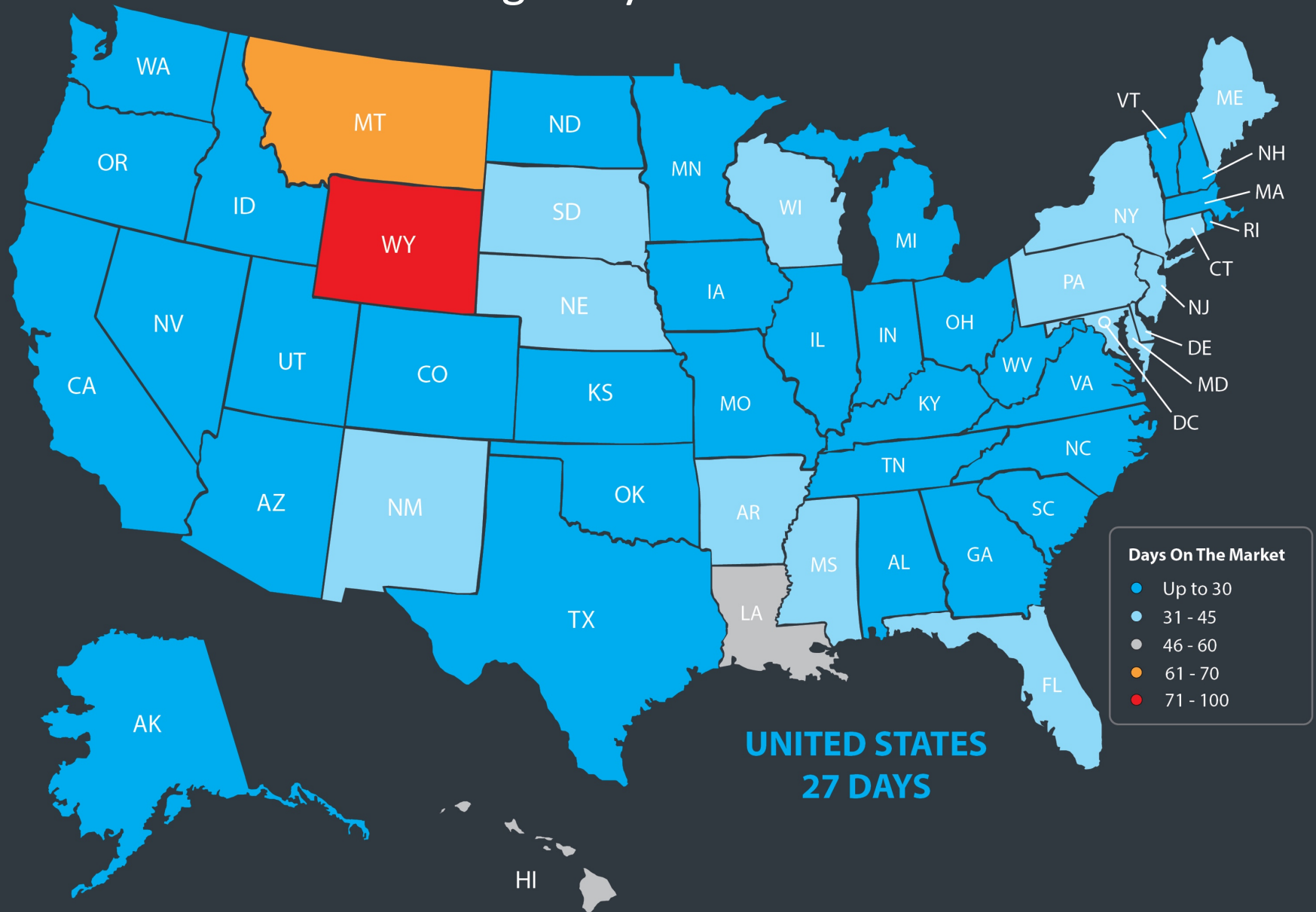
Resources

Slide	Slide Title	Link
62 -64	Foot Traffic	http://nar.realtor/infographics/foot-traffic
67, 68, 70, 71	Mortgage Rates	http://www.freddiemac.com/pmms/pmms_archives.html http://www.freddiemac.com/research/forecast/20191220_optimism_heading_into_2020.page?
69	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
73, 74	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
75-79	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



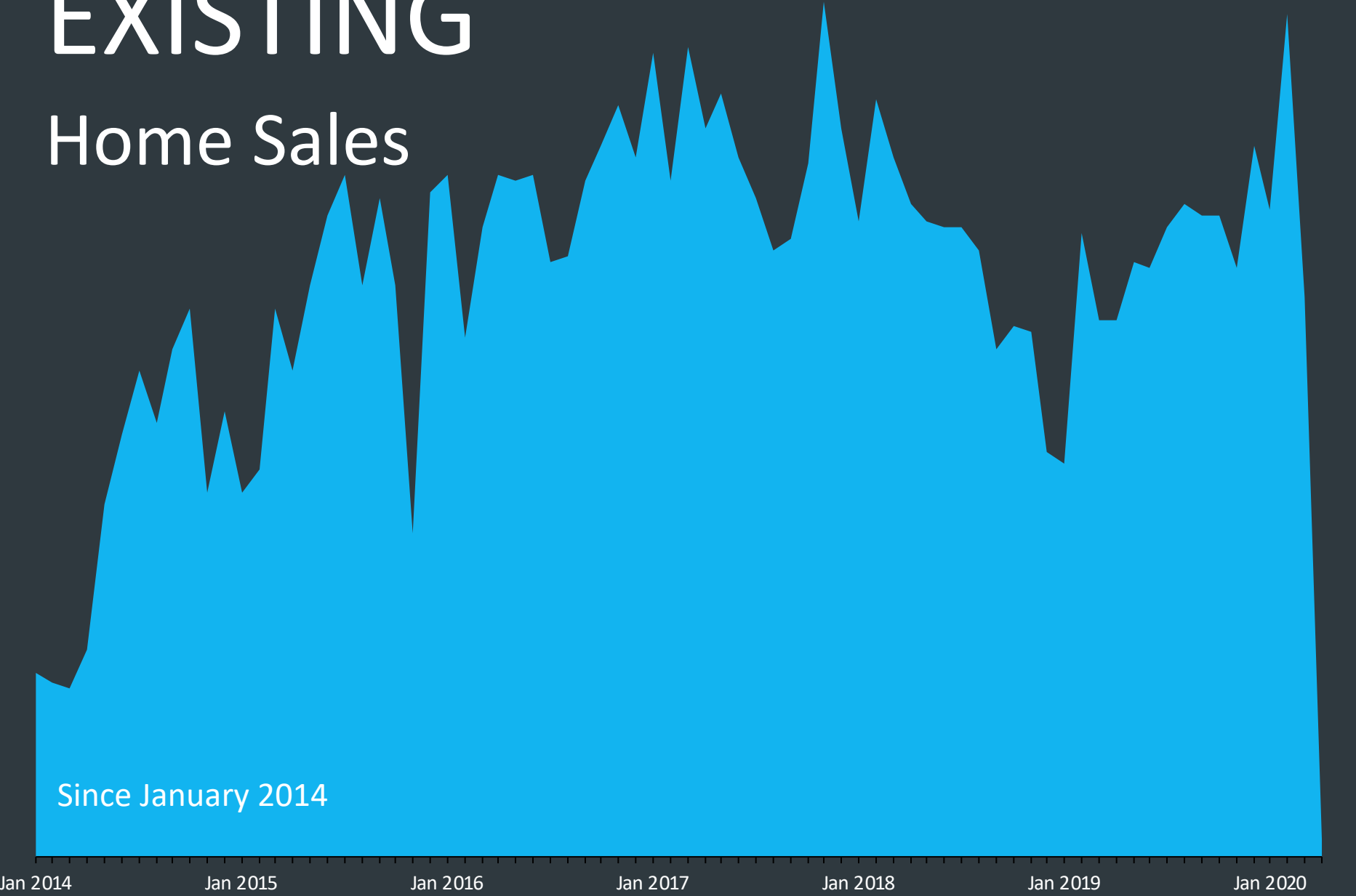
SALES

Average Days on the Market



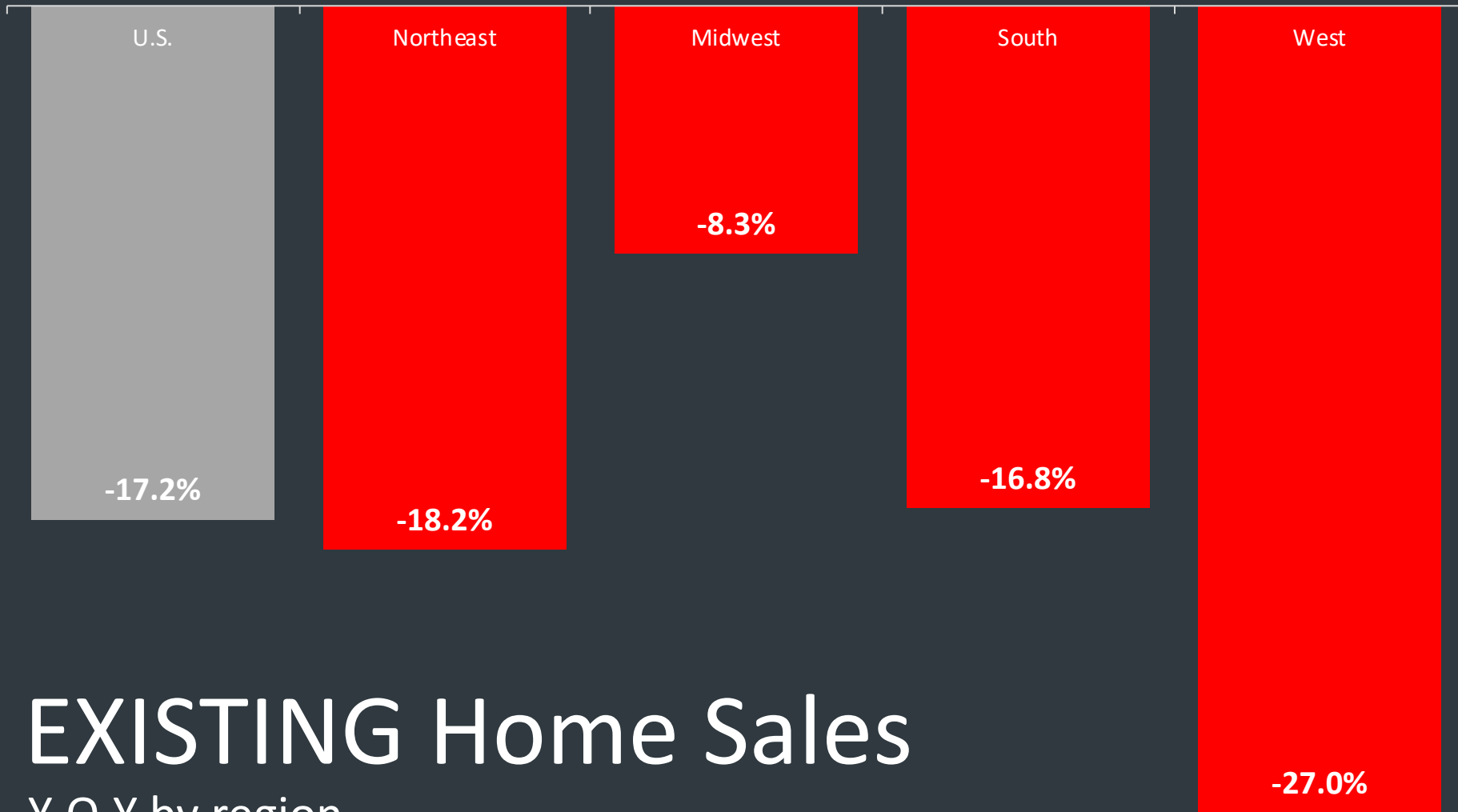
EXISTING

Home Sales



Since January 2014

Jan 2014 Jan 2015 Jan 2016 Jan 2017 Jan 2018 Jan 2019 Jan 2020

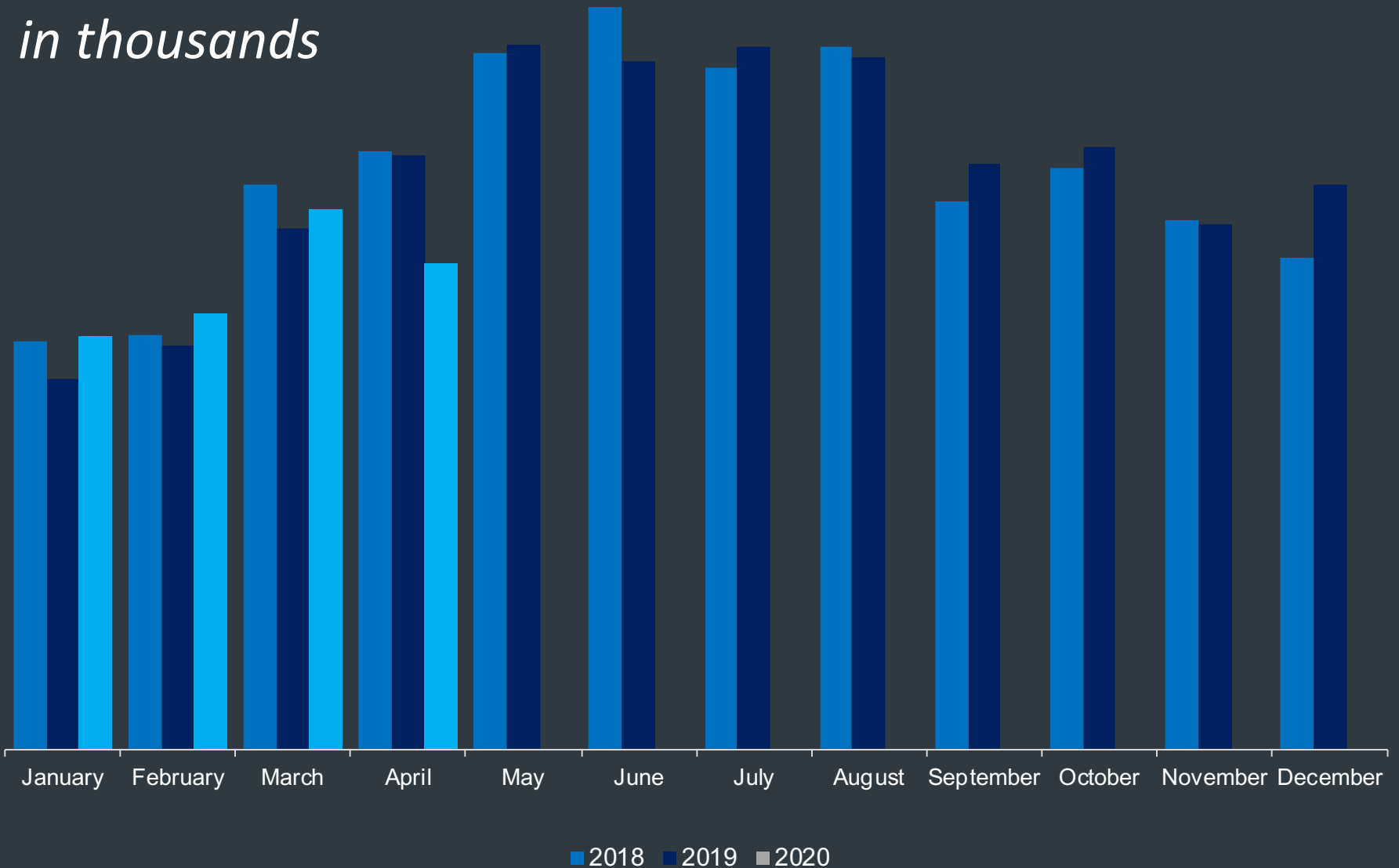


EXISTING Home Sales

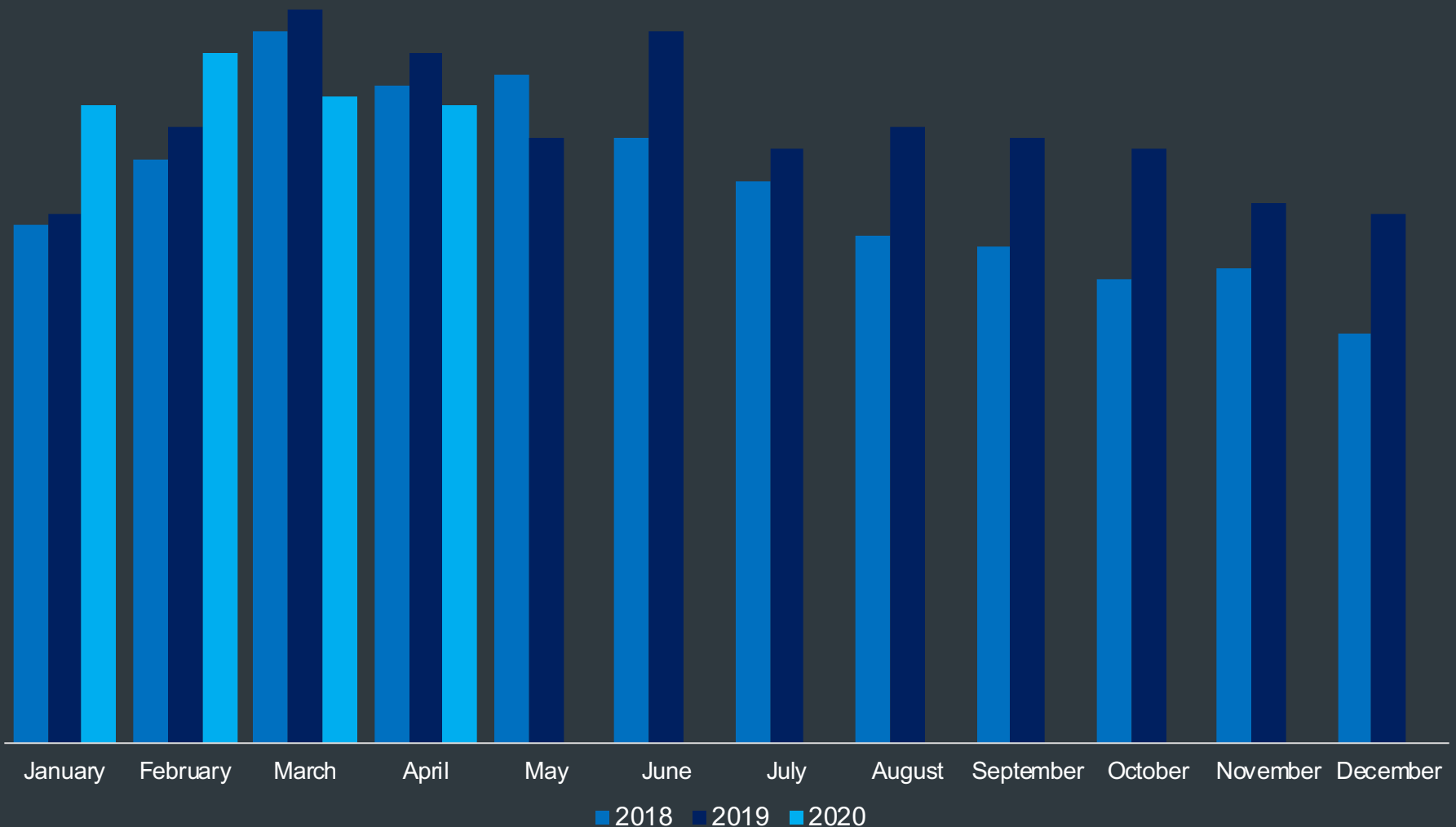
Y-O-Y by region

Existing Home Sales

in thousands

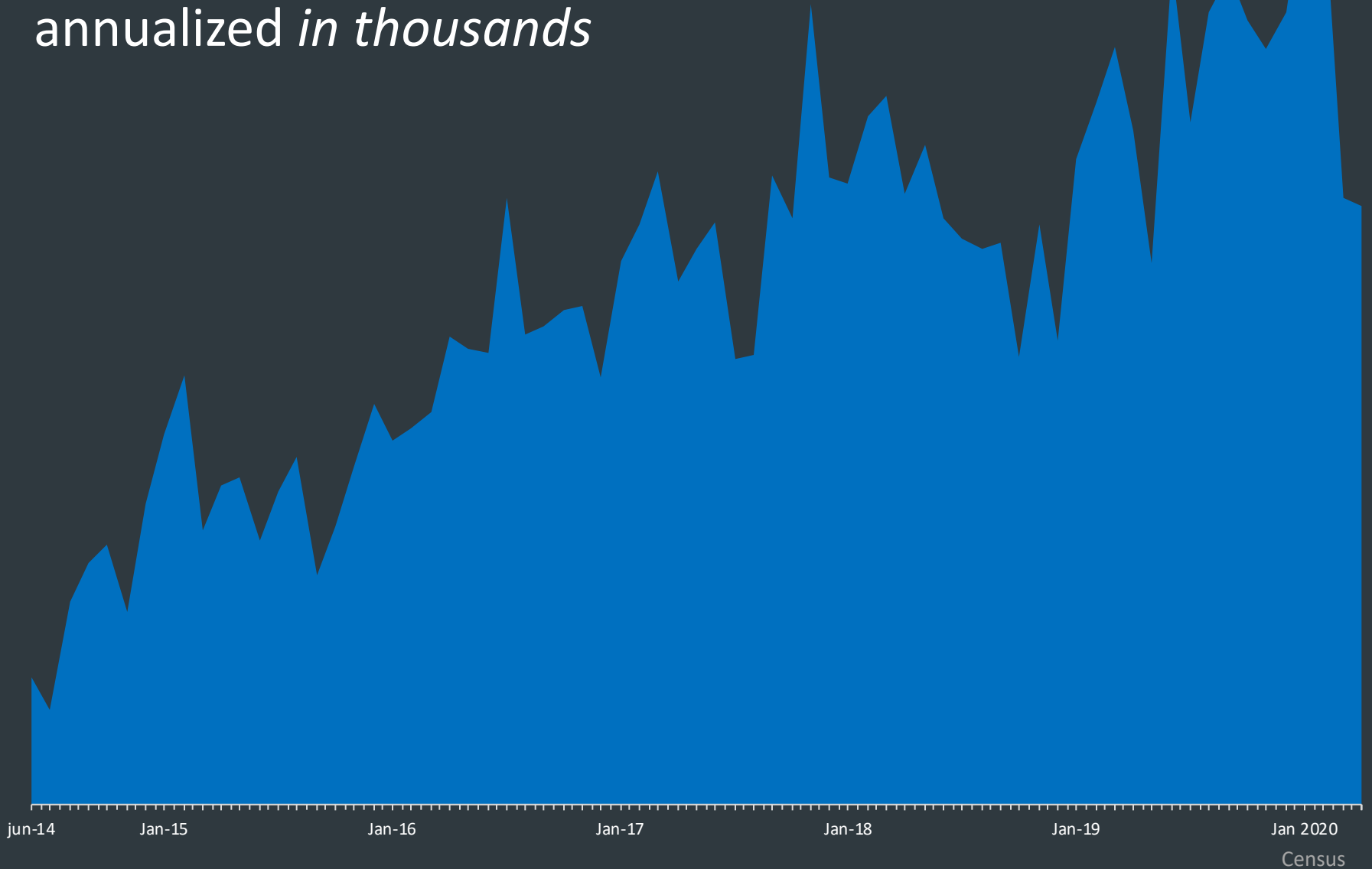


New Home Sales *in thousands*



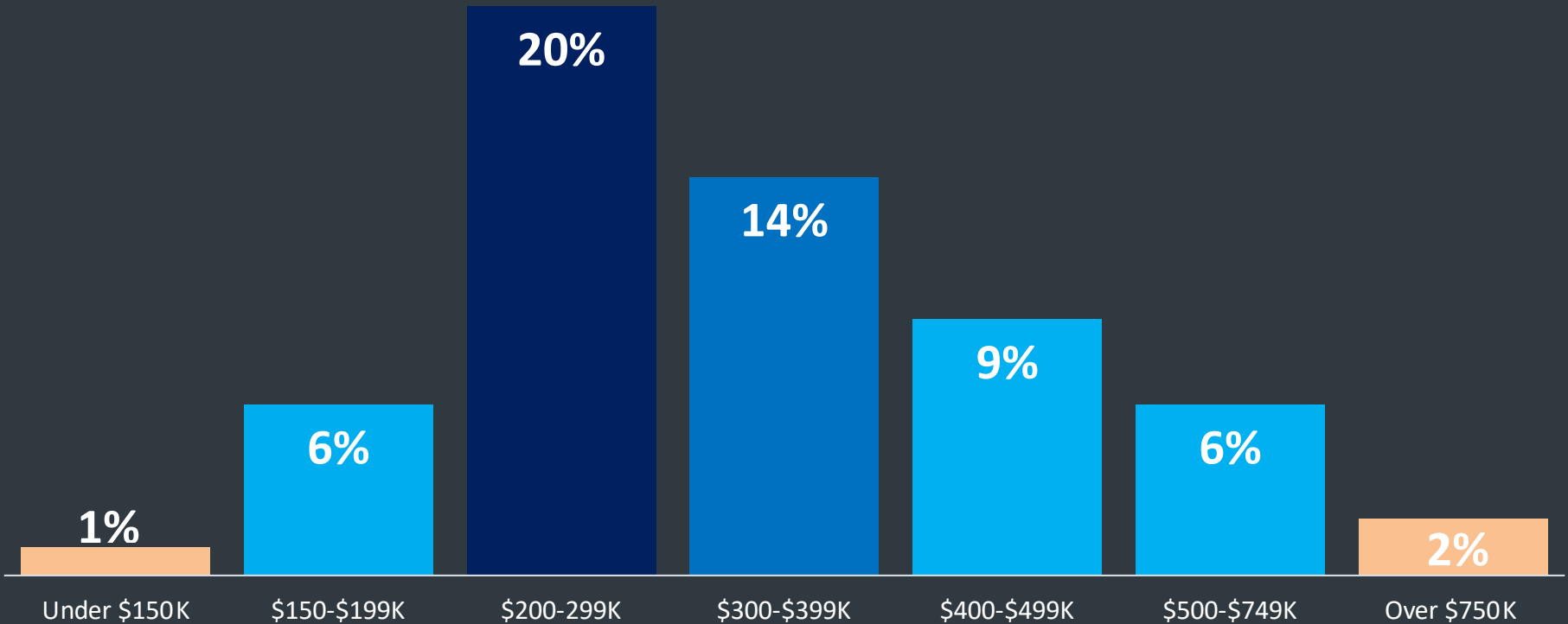
New Home Sales

annualized *in thousands*



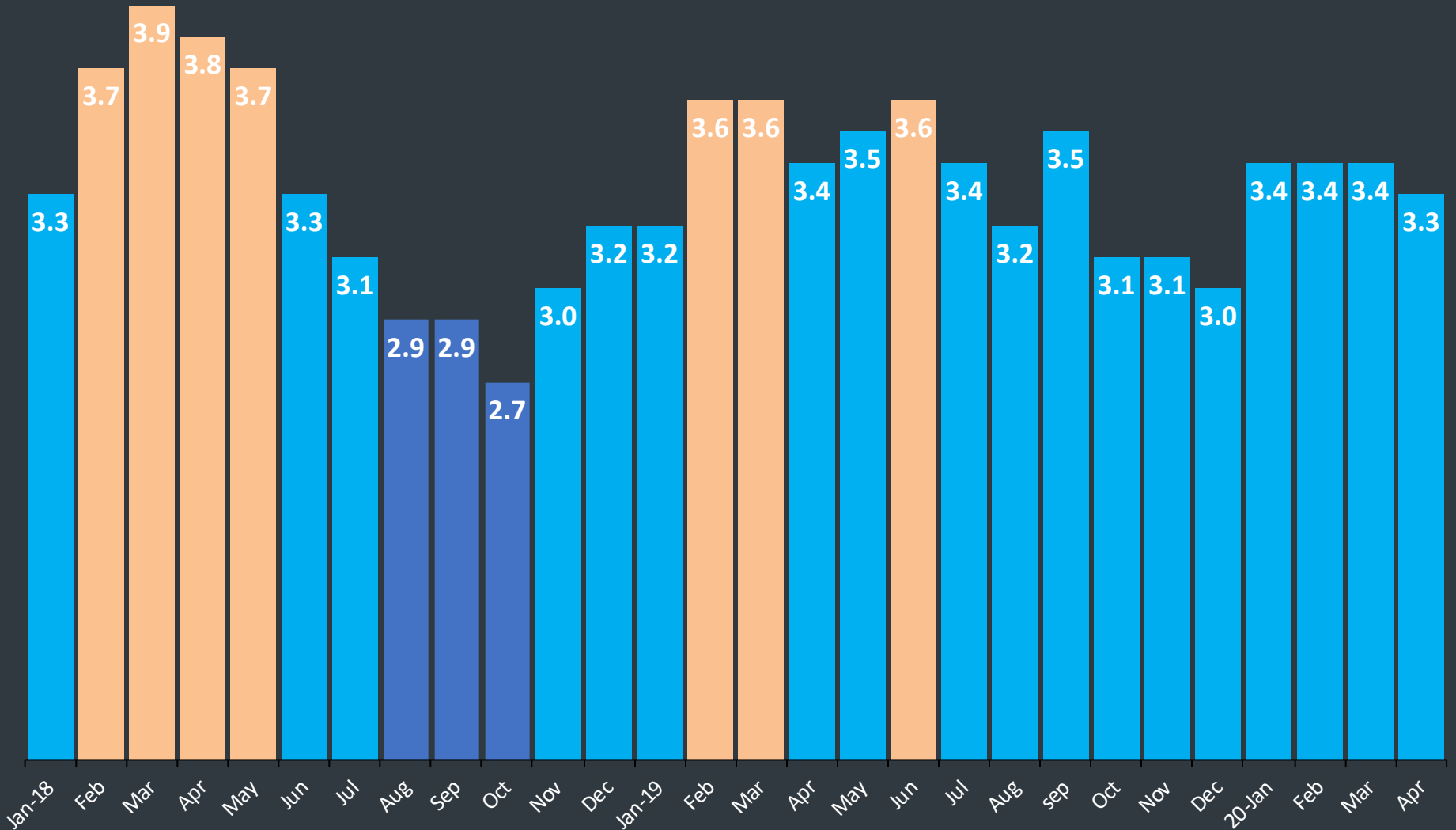
New Home Sales

% of sales by price range

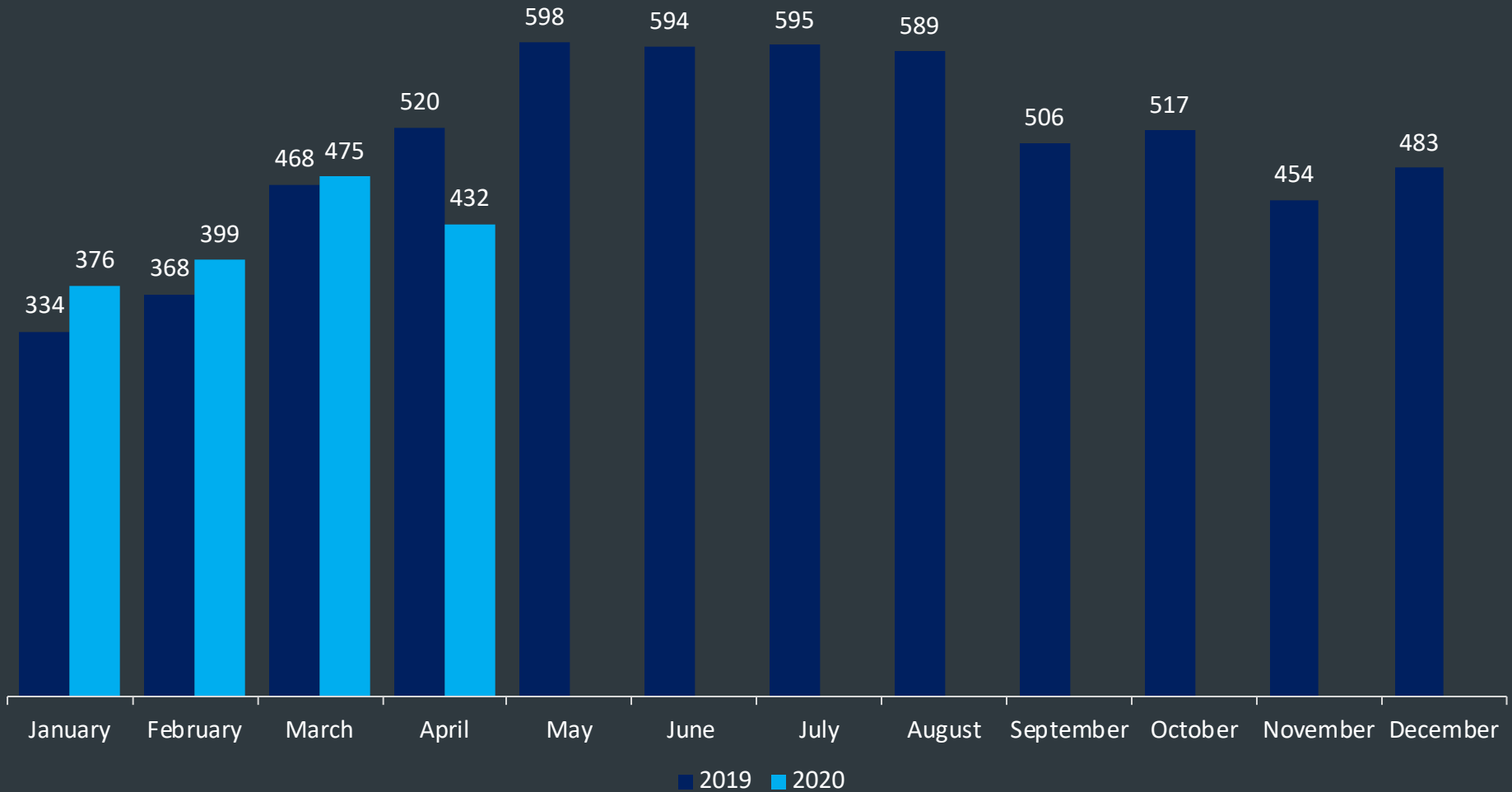


New Homes Selling Fast

(median months from completion to sold)

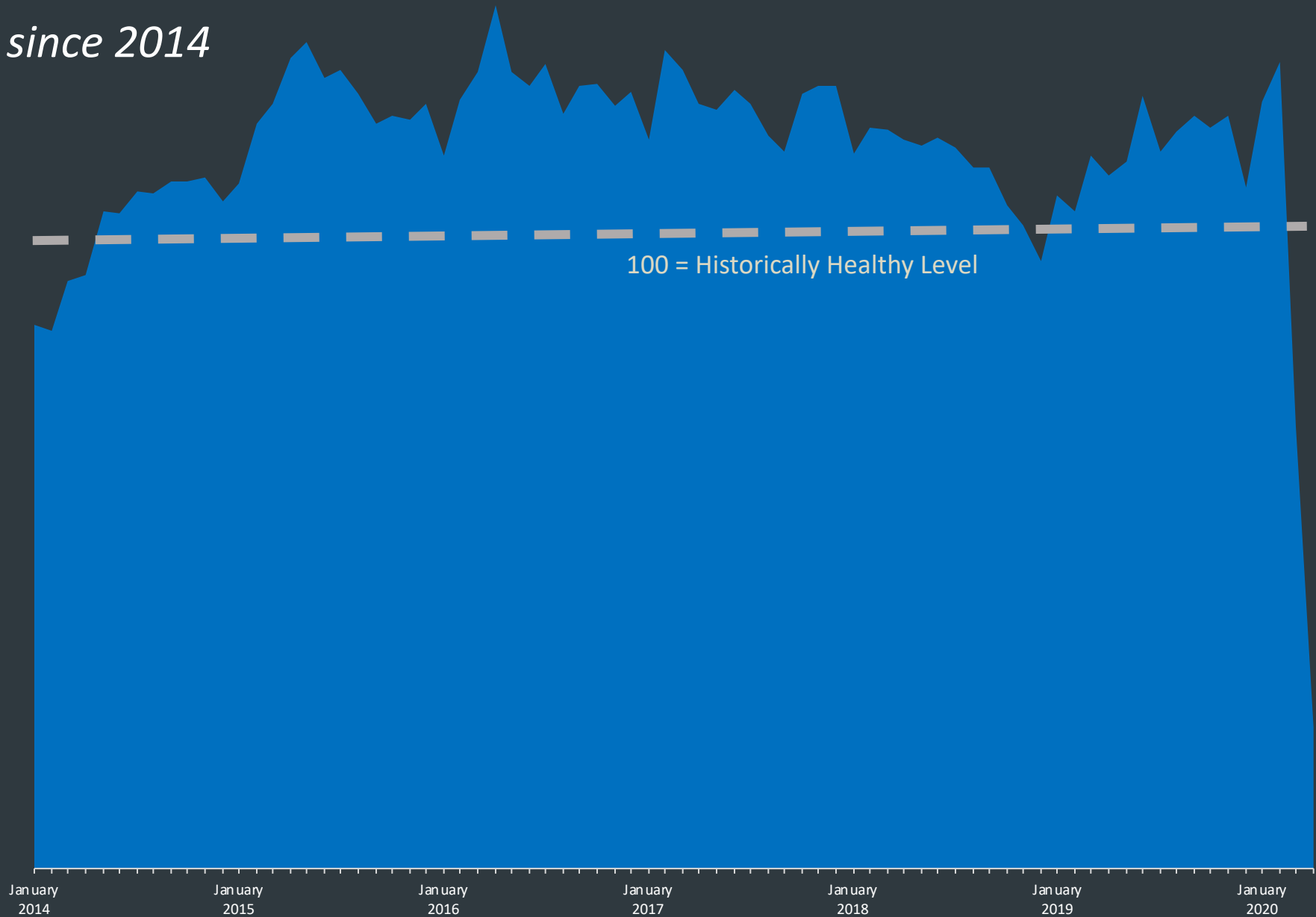


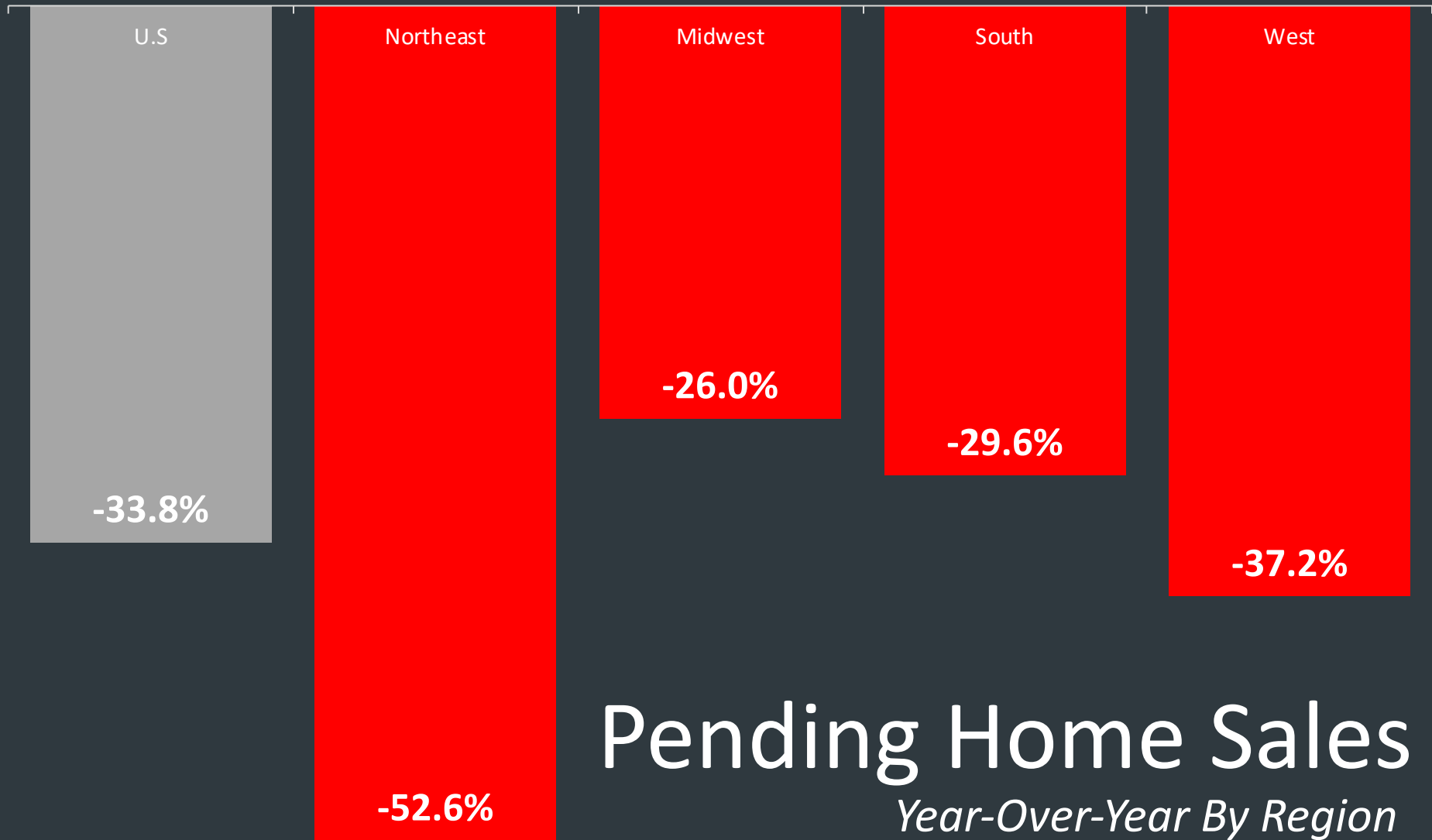
Total Home Sales *in thousands*



PENDING Home Sales

since 2014





Pending Home Sales

Year-Over-Year By Region

35%

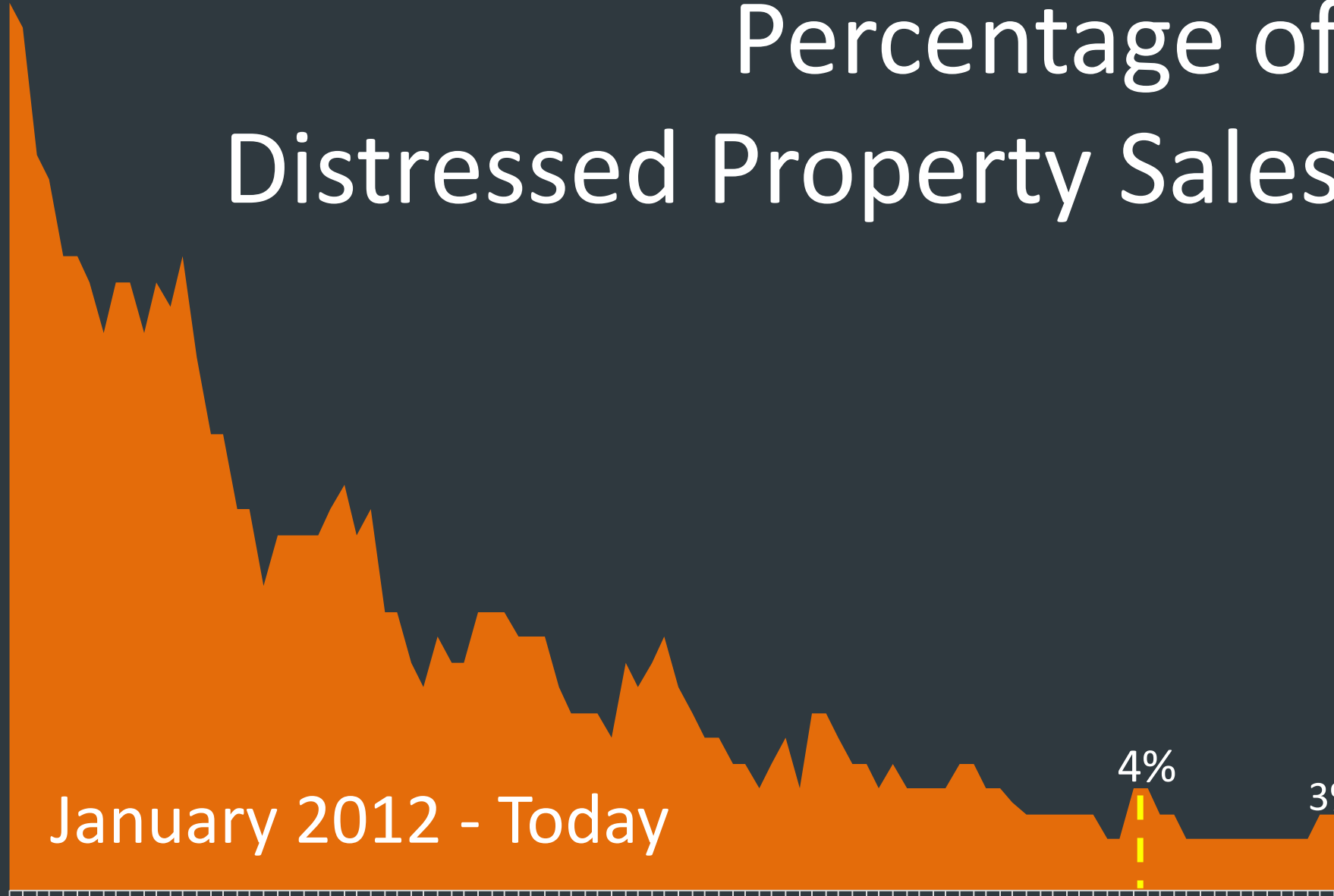
Percentage of Distressed Property Sales

January 2012 - Today

Jan 2012 Jan 2013 Jan 2014 Jan 2015 Jan 2016 Jan 2017 Jan 2018 Jan 2019 Jan 2020 NAR

4%

3%

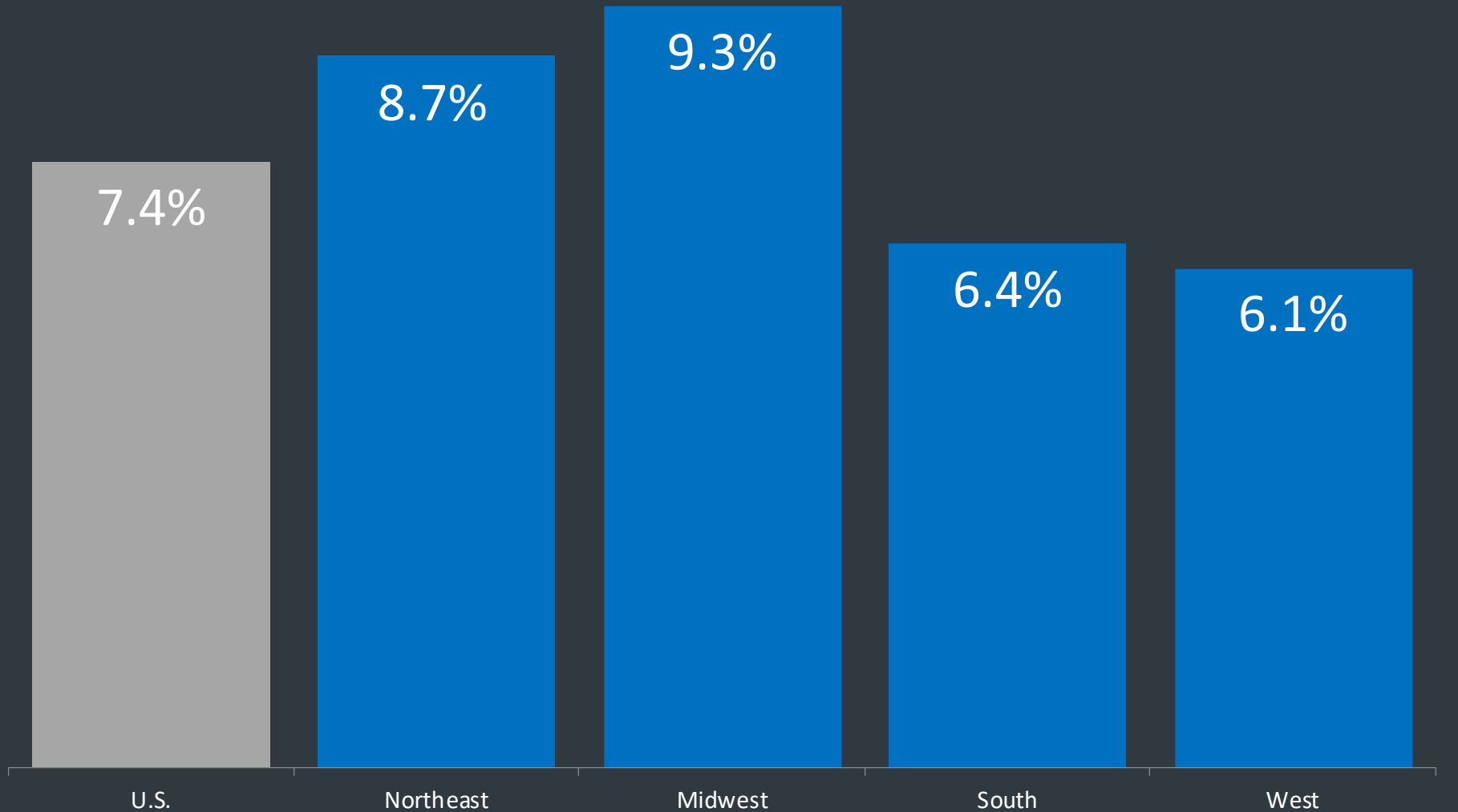


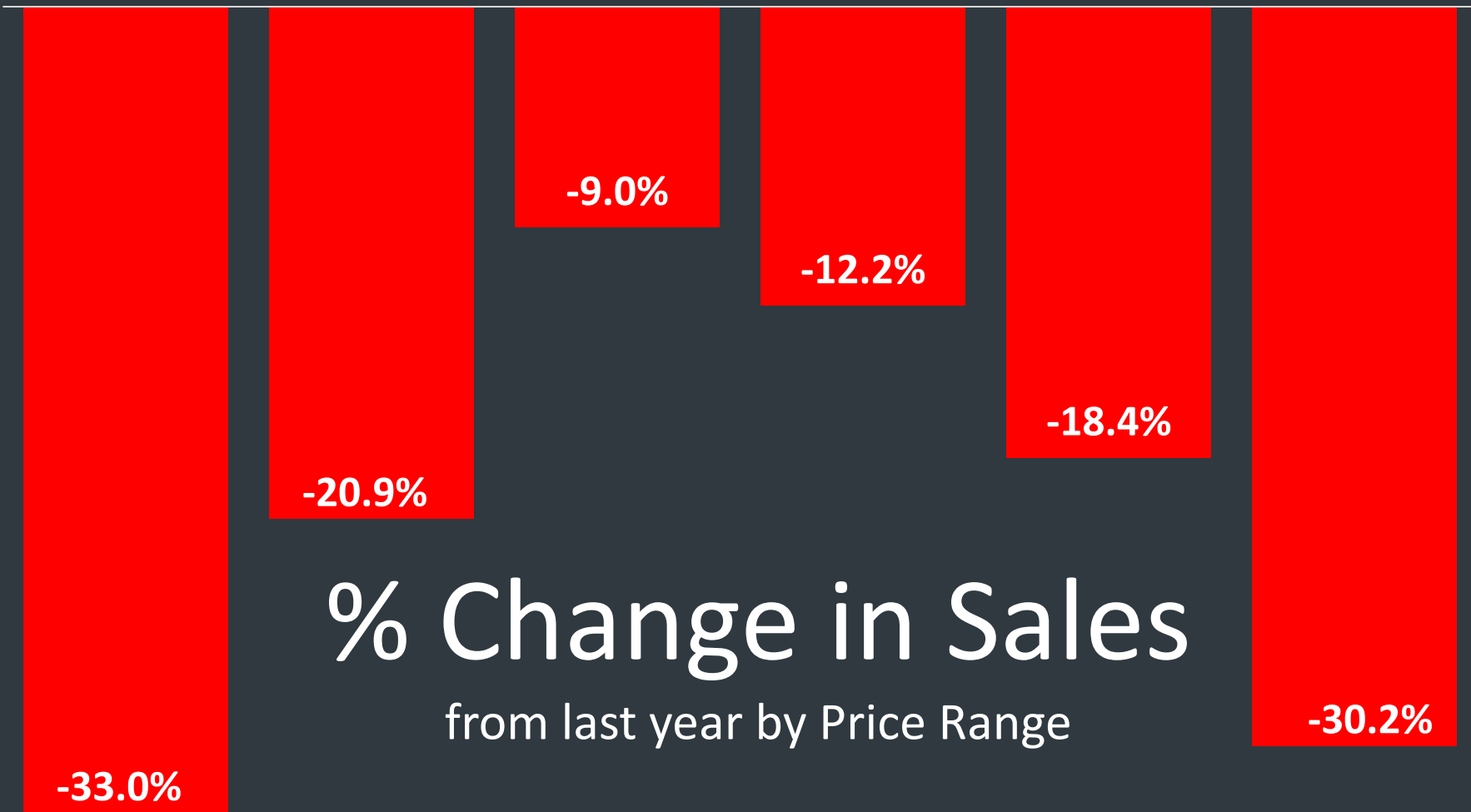


Home Prices

EXISTING Home Prices

Y-O-Y by region





% Change in Sales

from last year by Price Range



%

\$0-100K

-33.0%

\$100-250K

-20.9%

\$250-500K

-9.0%

\$500-750K

-12.2%

\$750K-1M

-18.4%

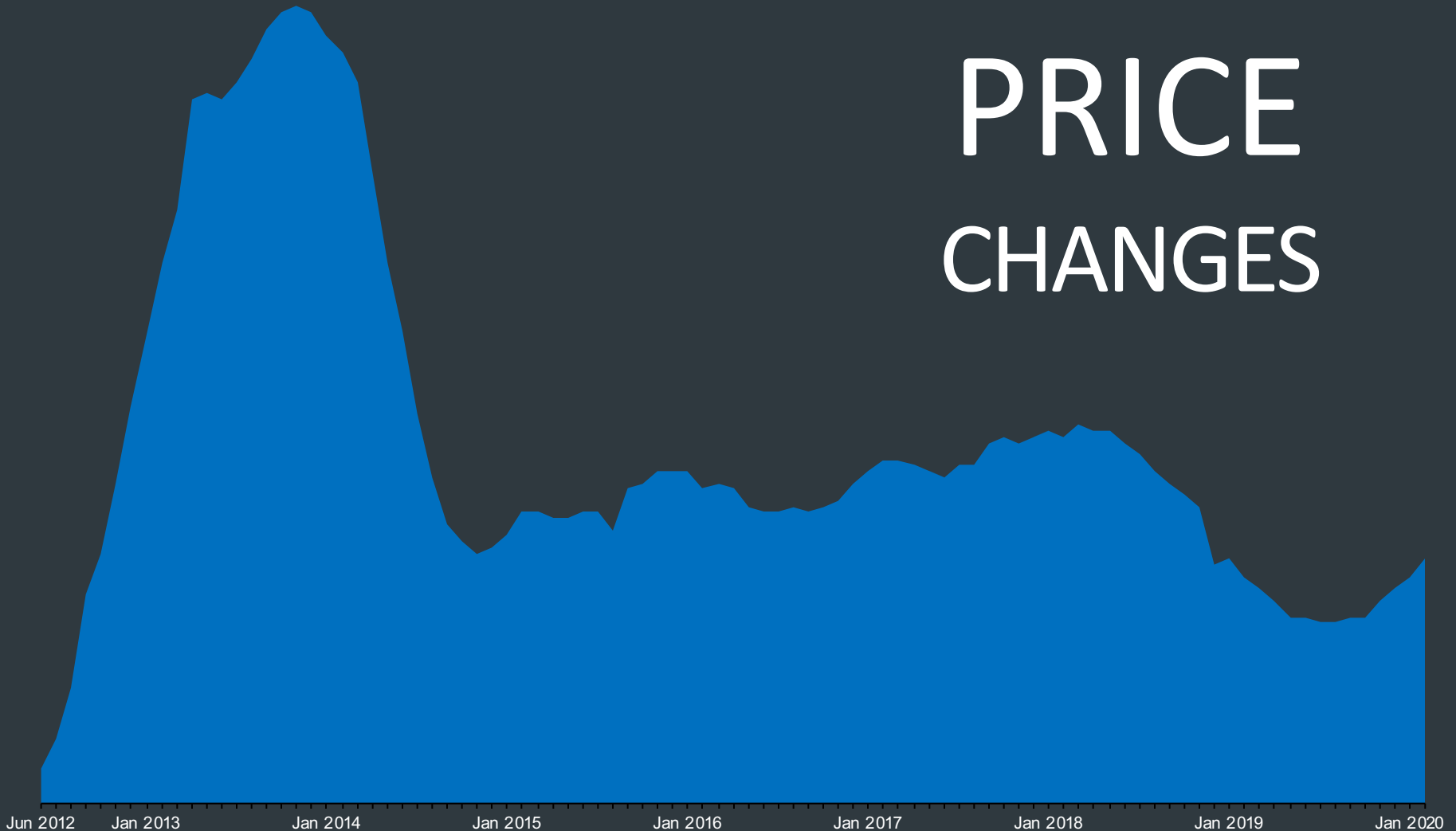
\$1M+

-30.2%

Case Shiller

Year-Over-Year

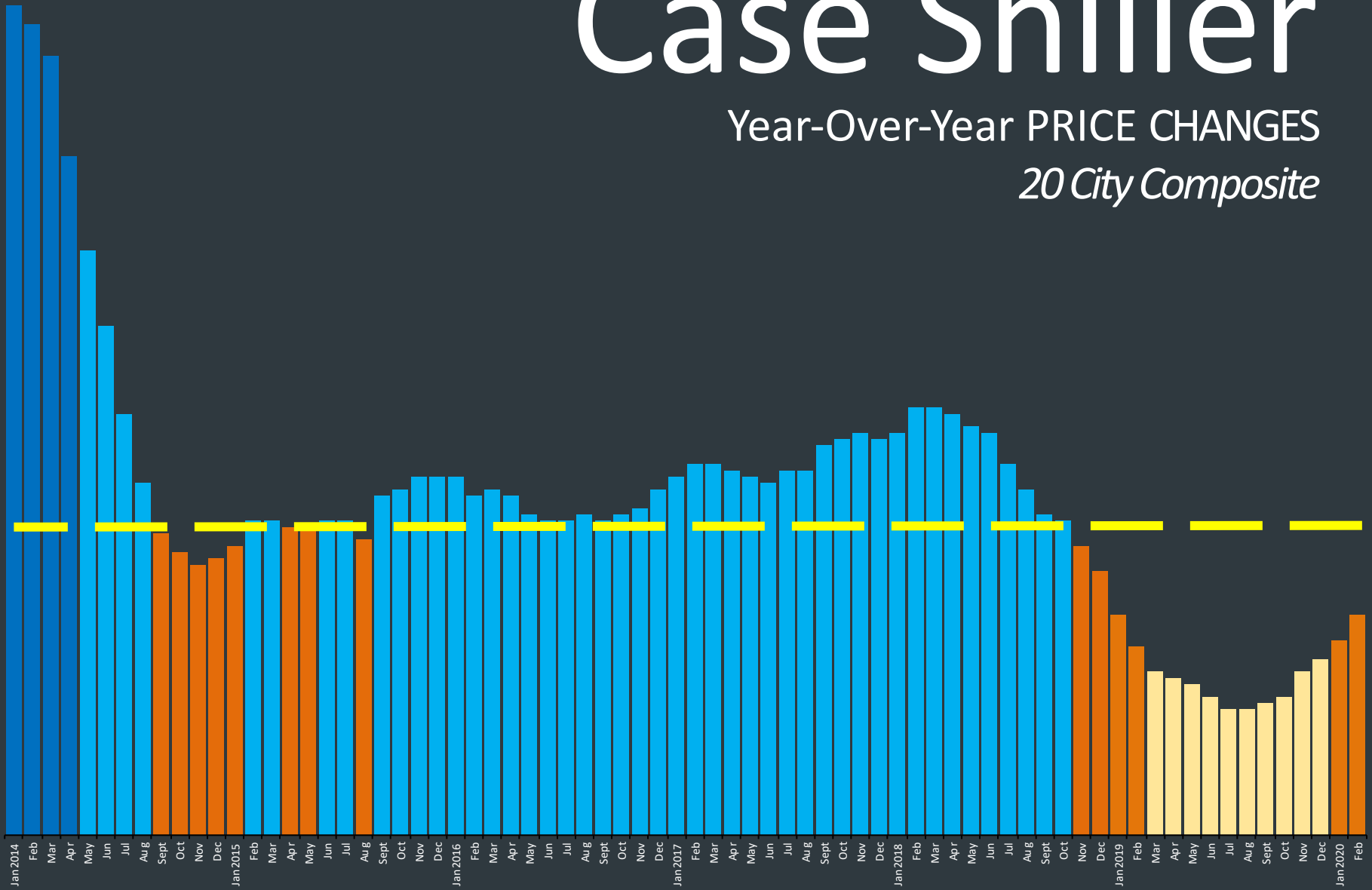
PRICE
CHANGES



Case Shiller

Year-Over-Year PRICE CHANGES

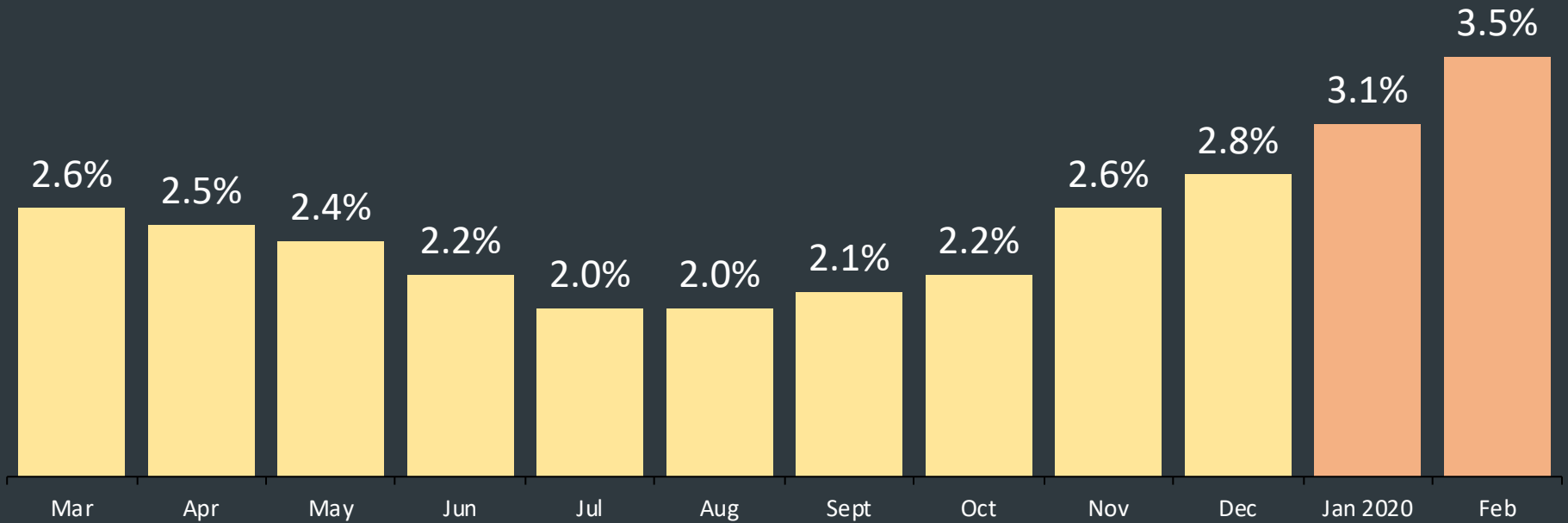
20 City Composite



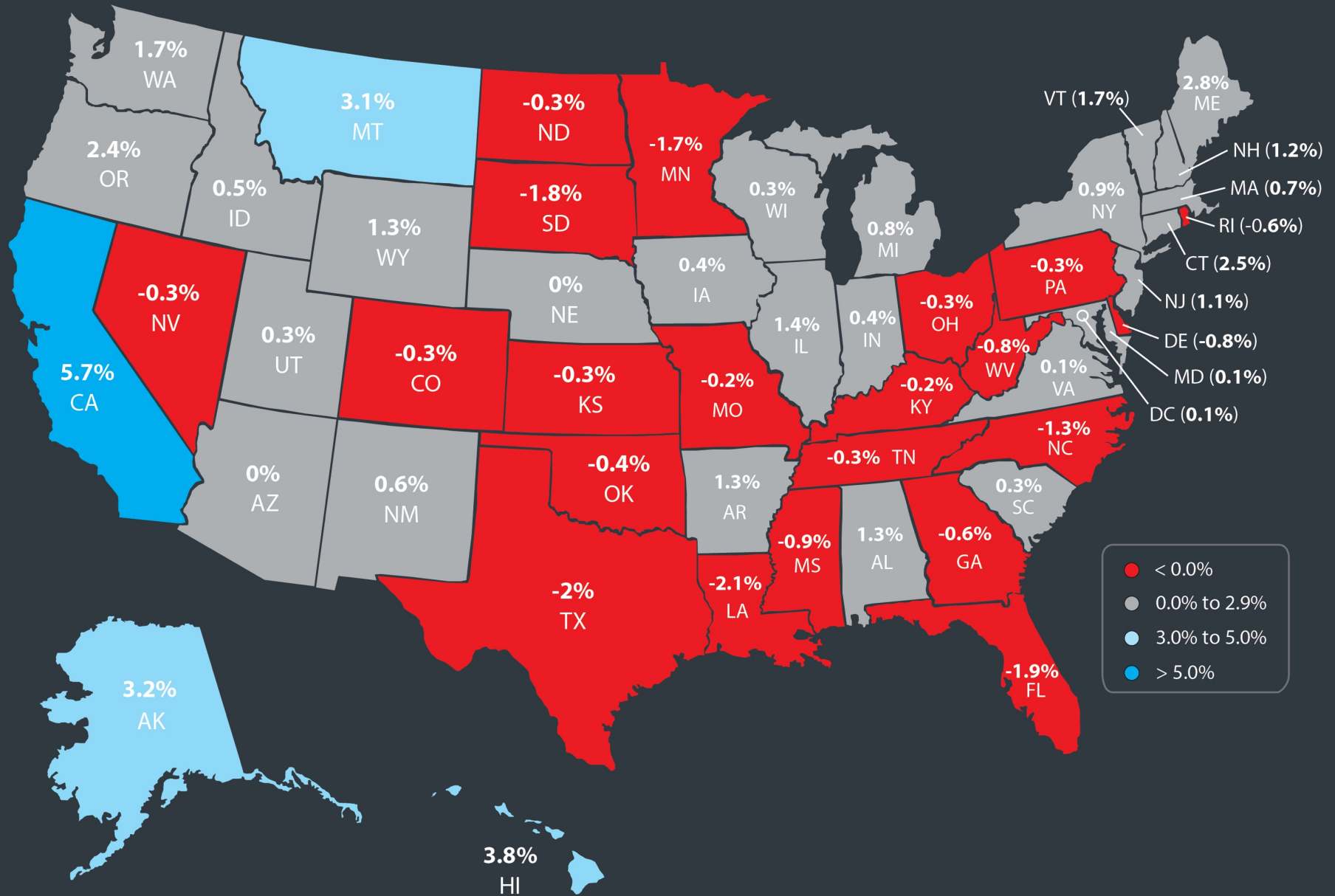
Case Shiller

Year-Over-Year PRICE CHANGES

20 City Composite



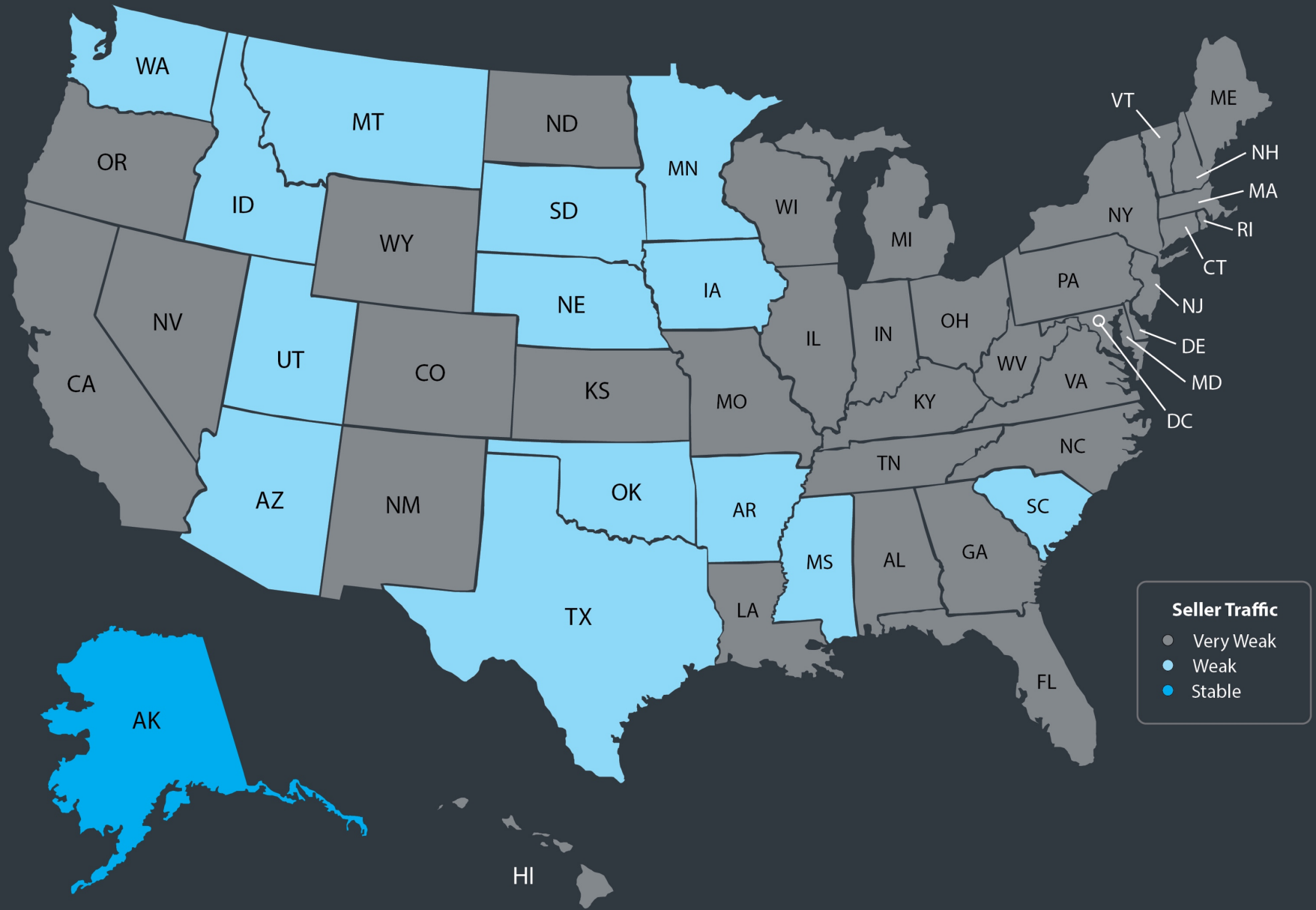
Forecasted Year-Over-Year % Change in Price



HOUSING INVENTORY



Seller Traffic Index



Seller Traffic

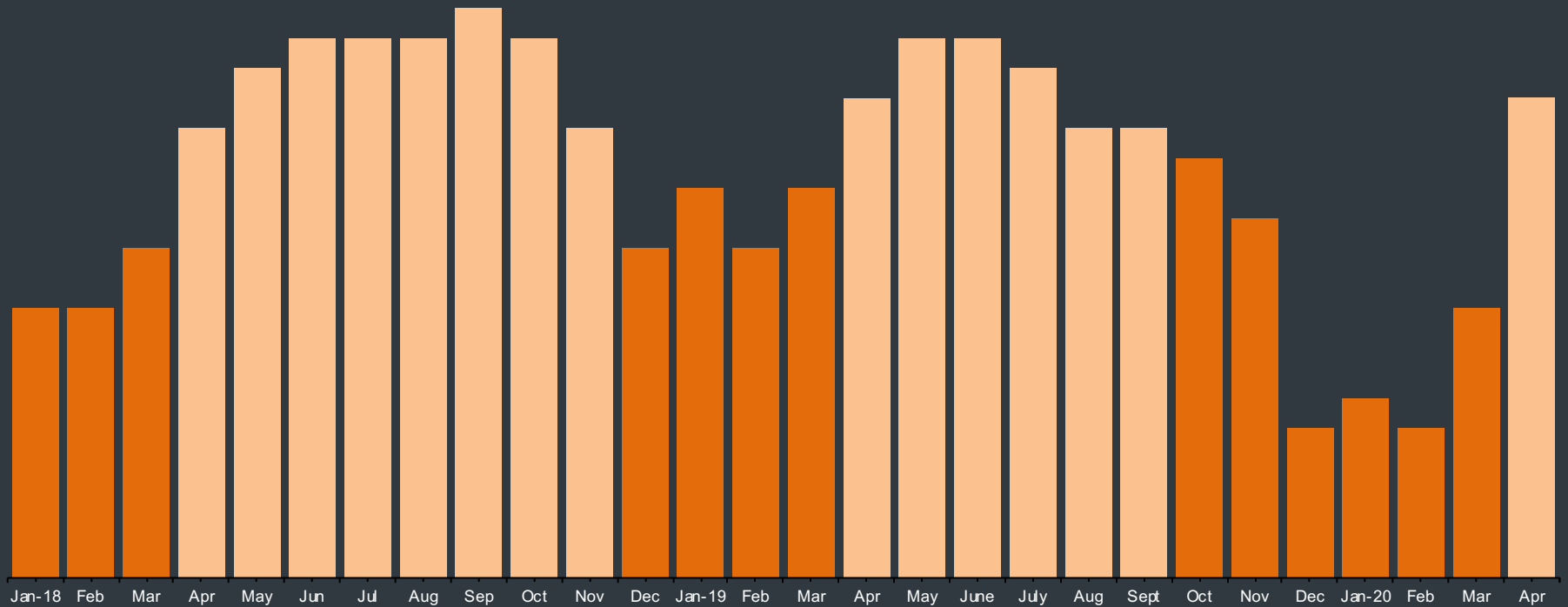
- Very Weak
- Weak
- Stable

Months Inventory of HOMES FOR SALE 2011 - Today



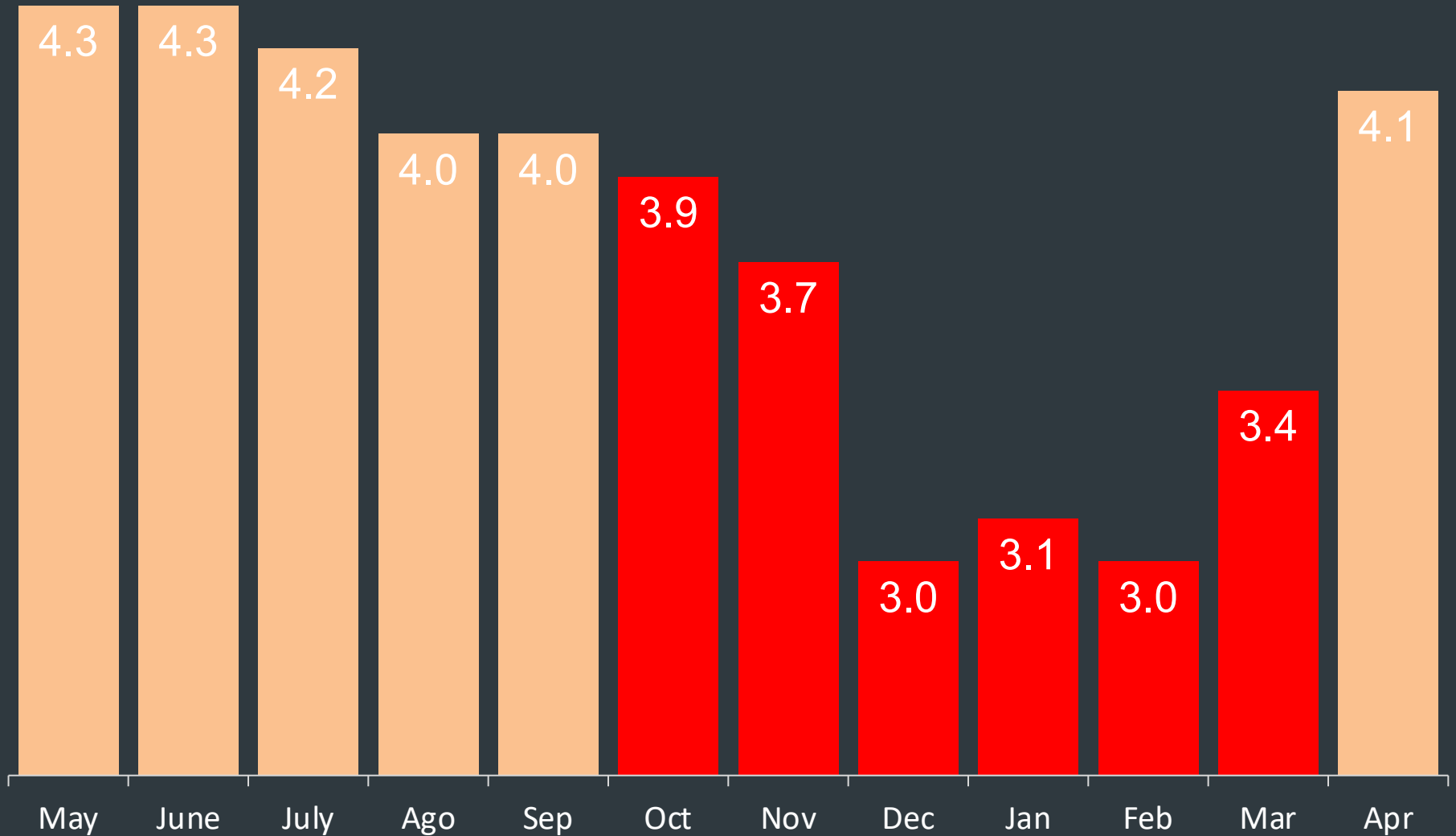
Months Inventory of HOMES FOR SALE

last 2 years

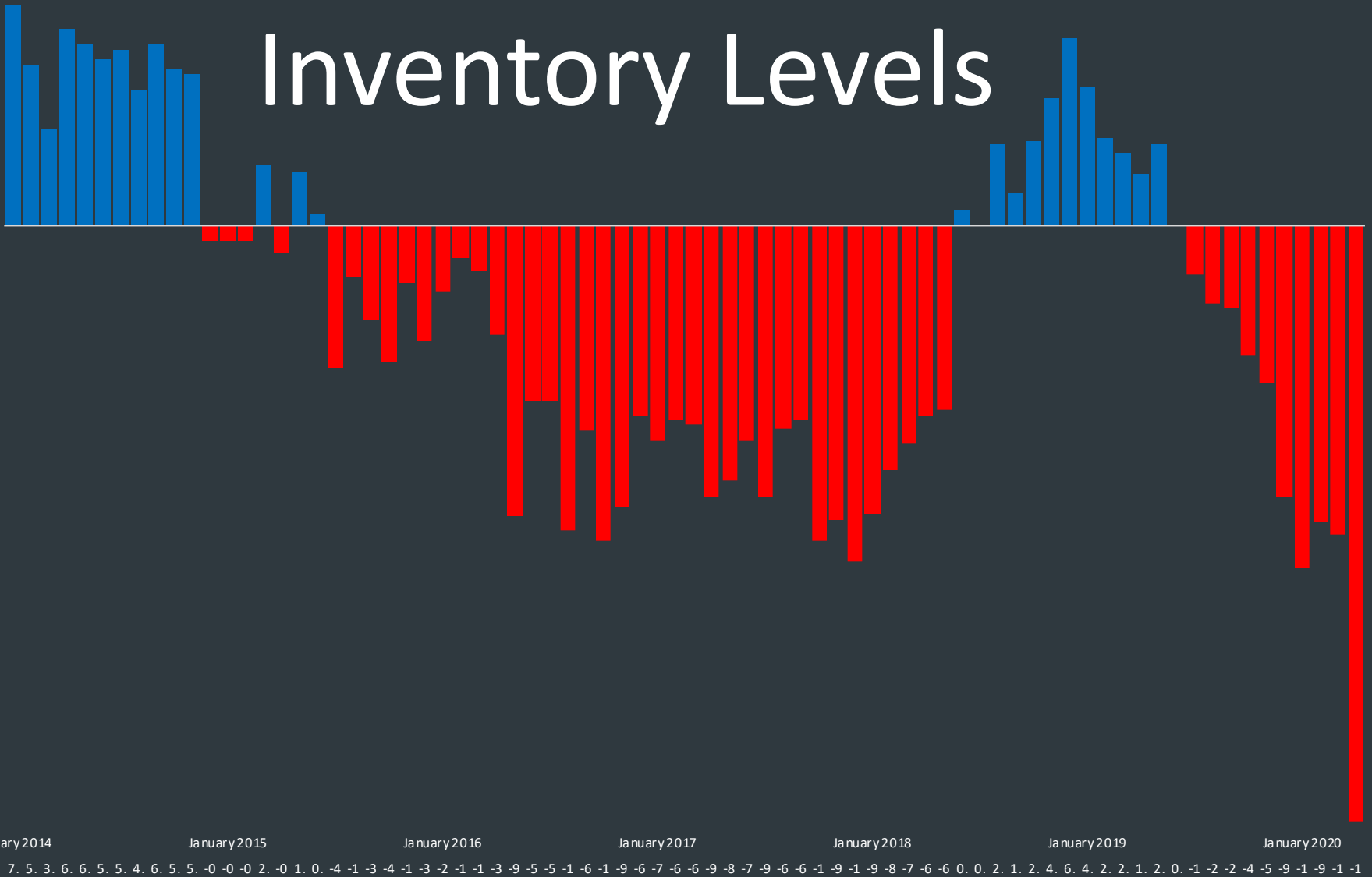


Months Inventory of HOMES FOR SALE

Last 12 Months



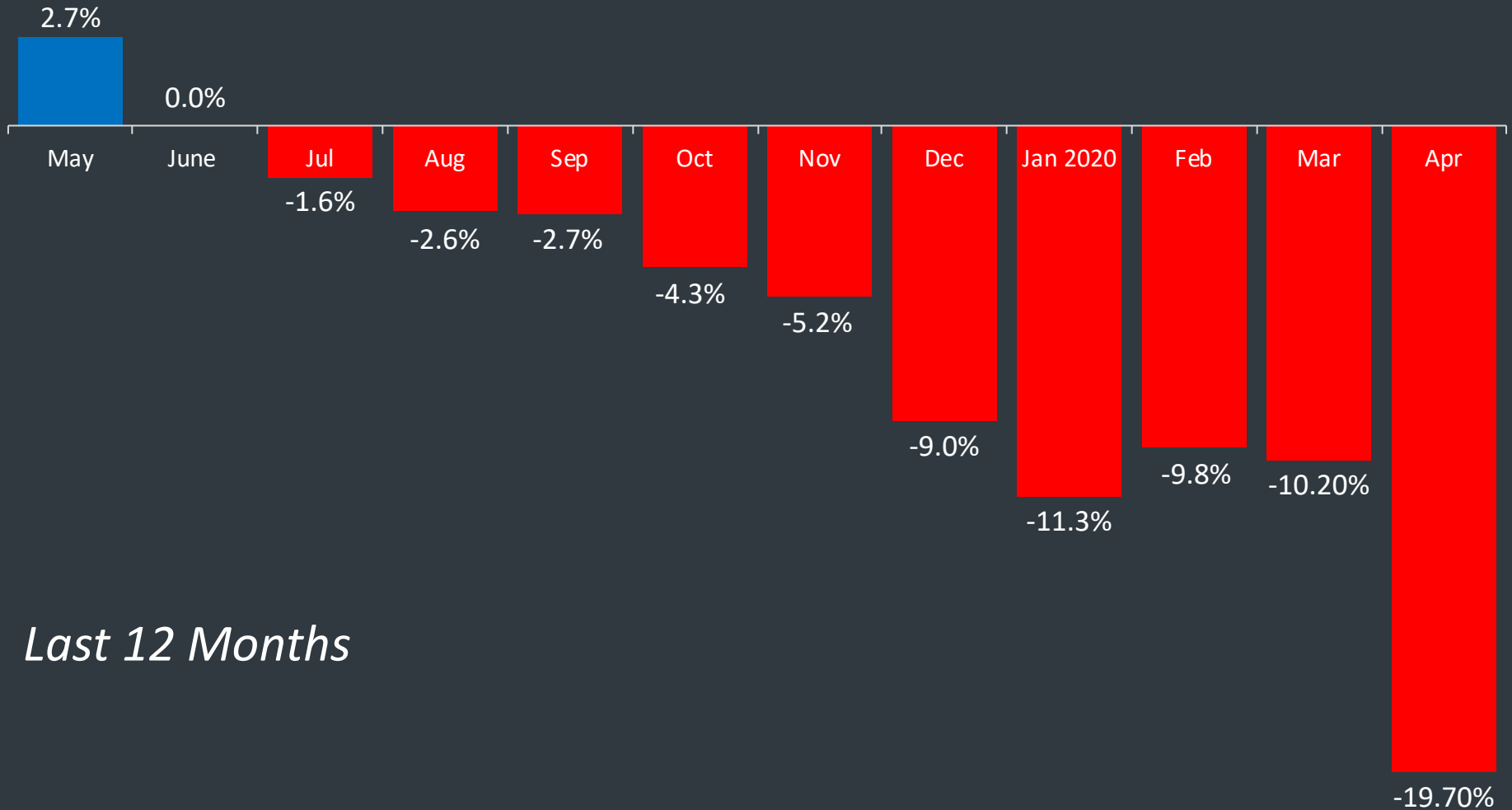
Year-over-Year Inventory Levels



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

HOUSING SUPPLY

Year-Over-Year

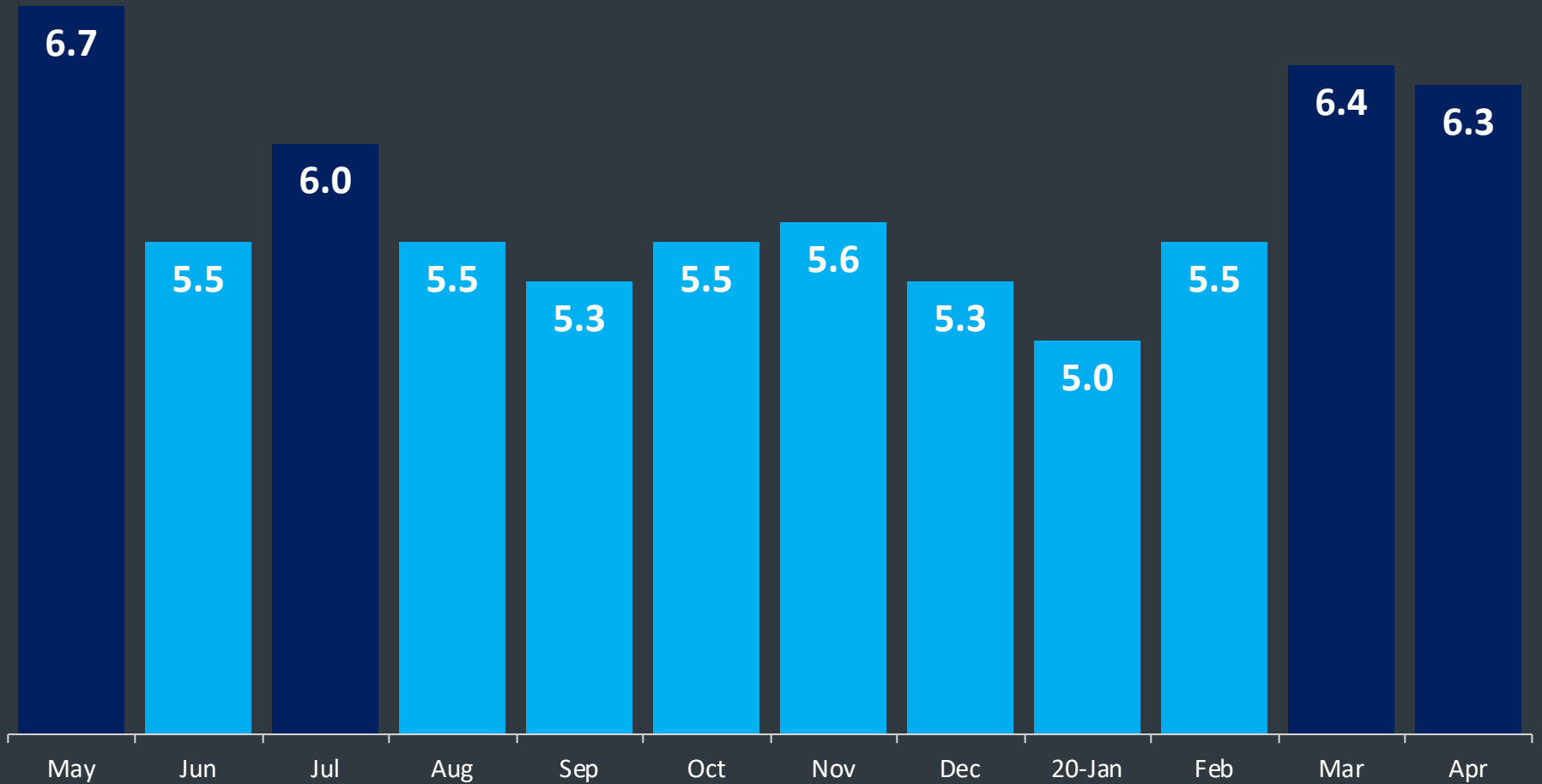


Last 12 Months

New Home Inventory

months supply

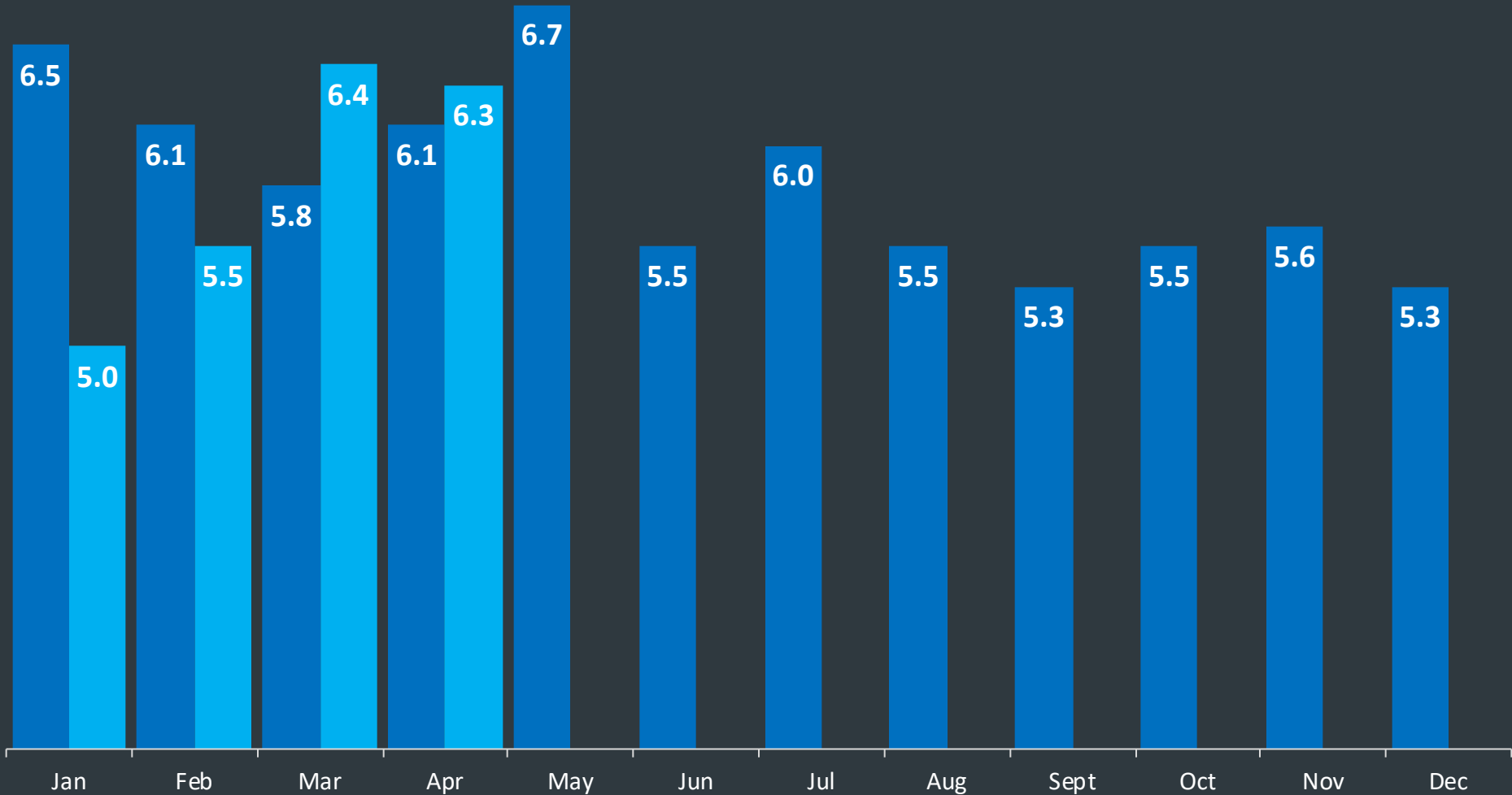
Last 12 Months



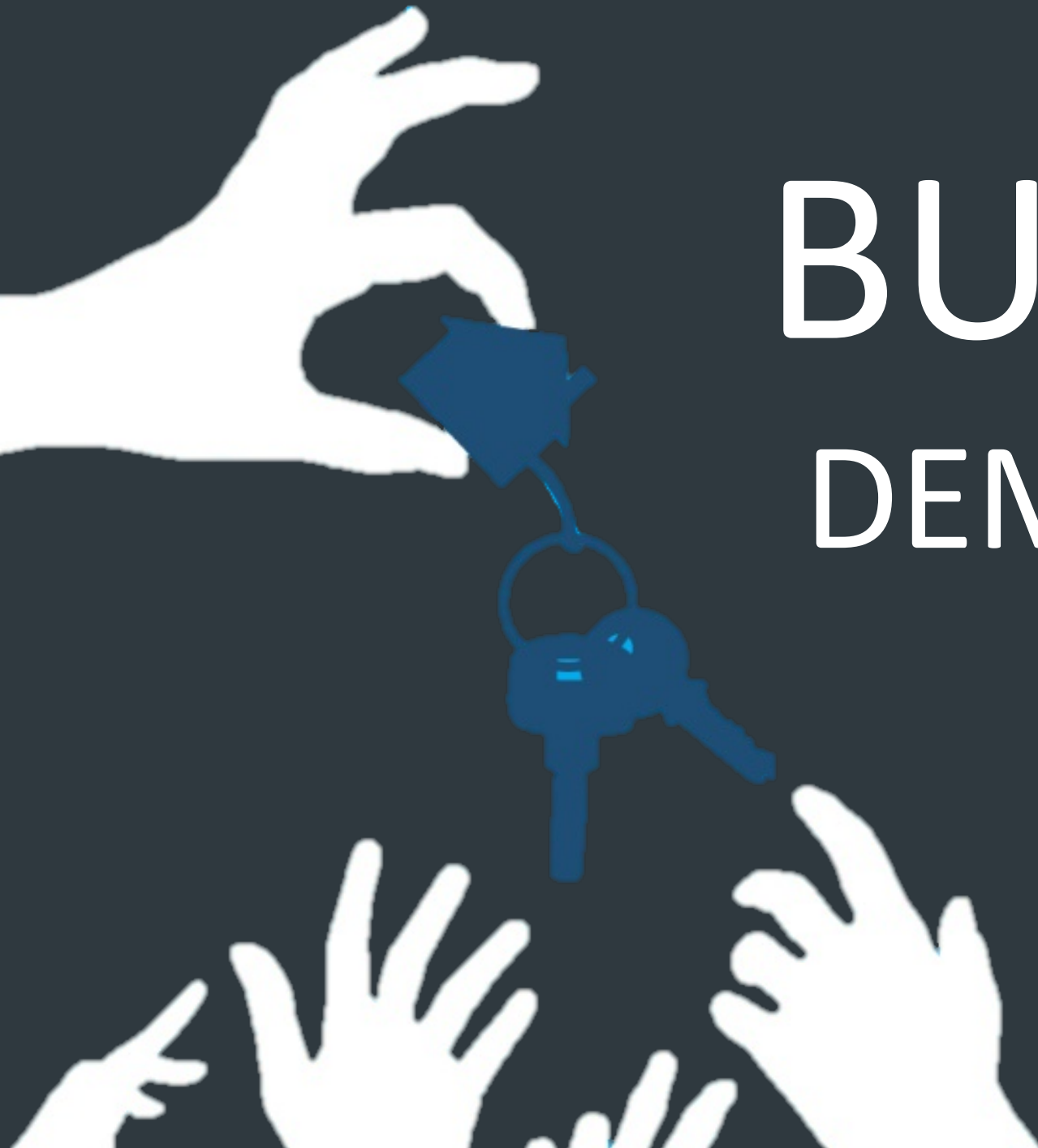
New Home Inventory

months supply

■ 2019 ■ 2020

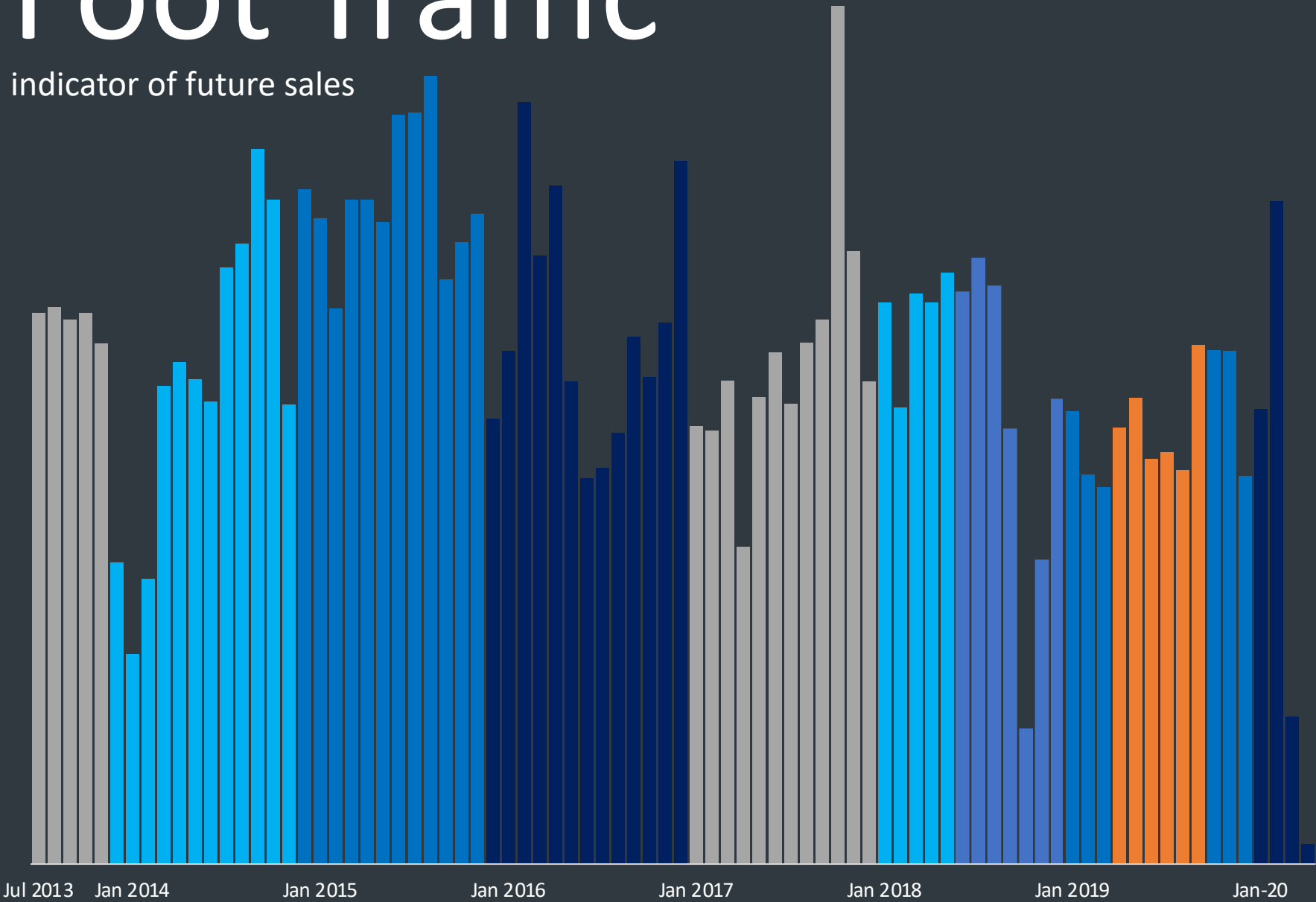


BUYER DEMAND



Foot Traffic

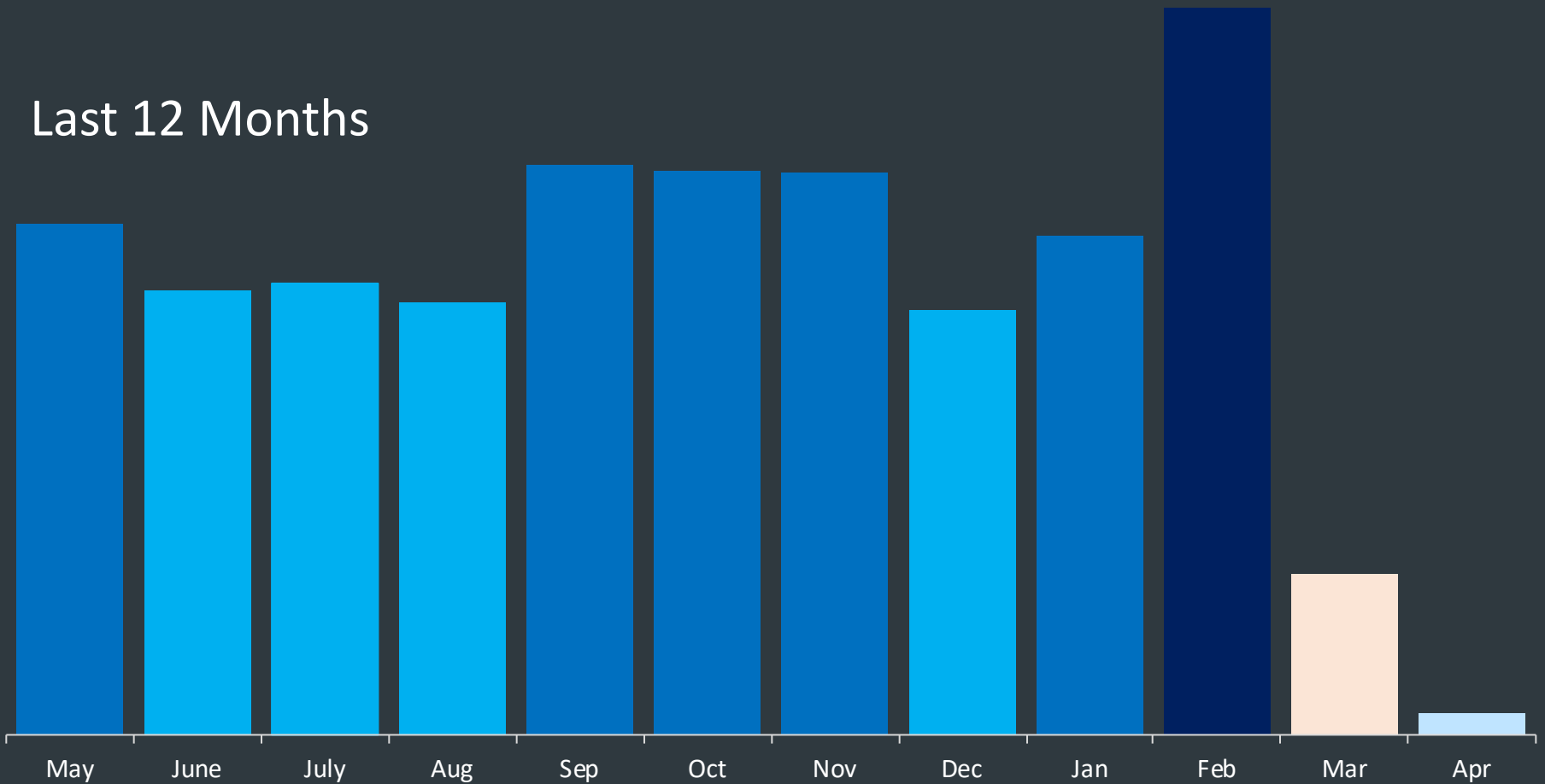
indicator of future sales



Foot Traffic

Indicator of future sales

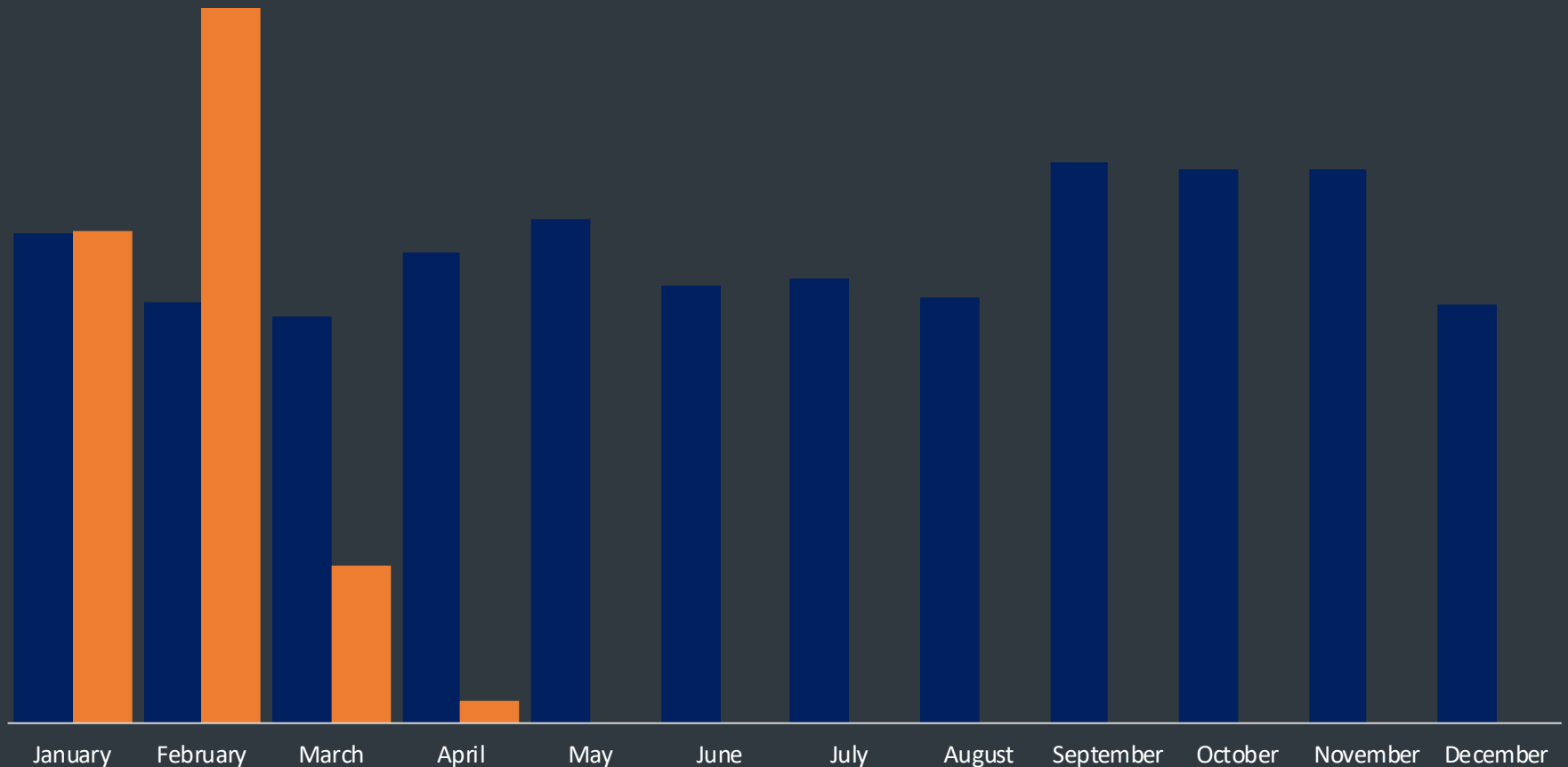
Last 12 Months



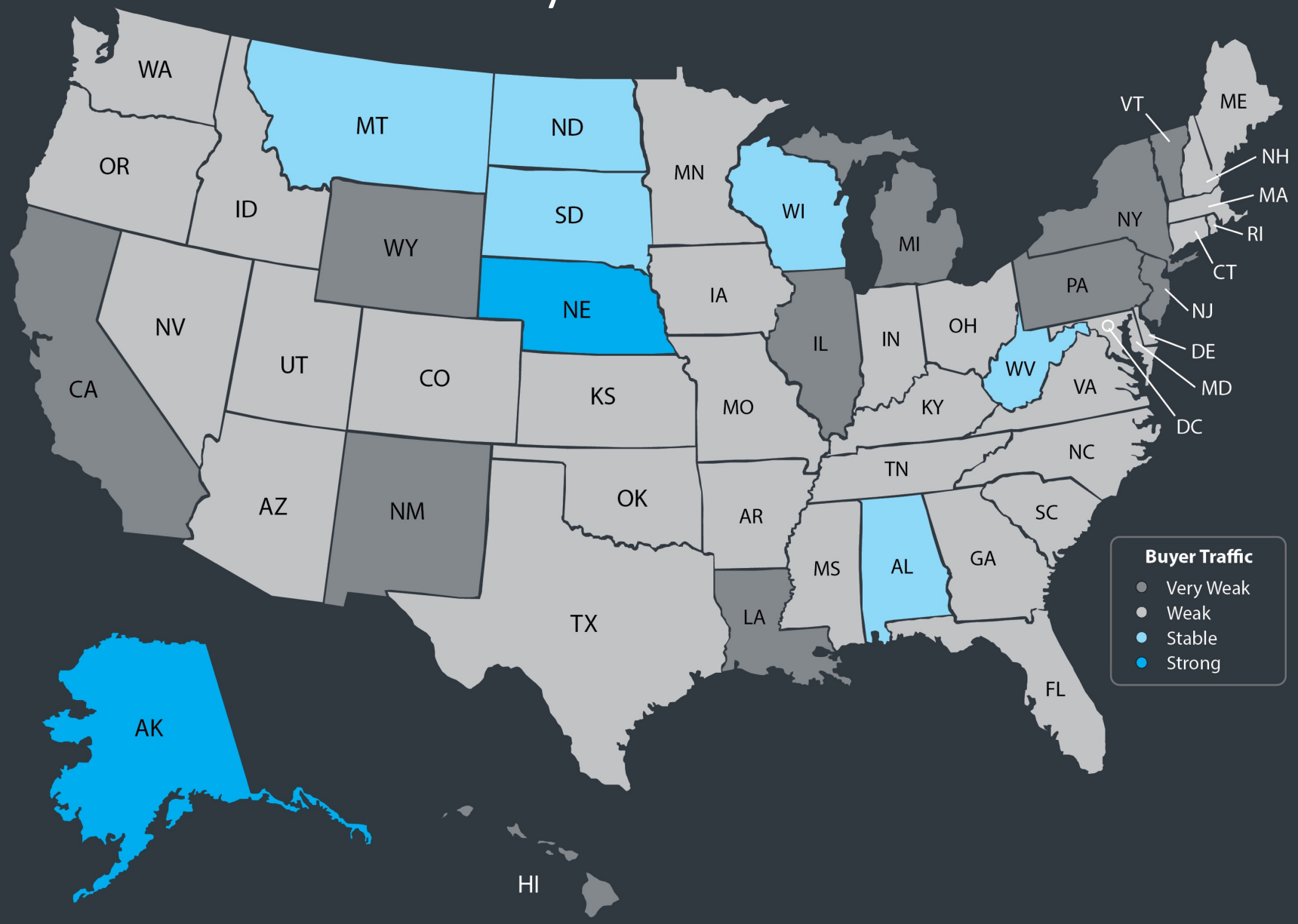
Foot Traffic

indicator of future sales

■ 2019
■ 2020



Buyer Traffic Index

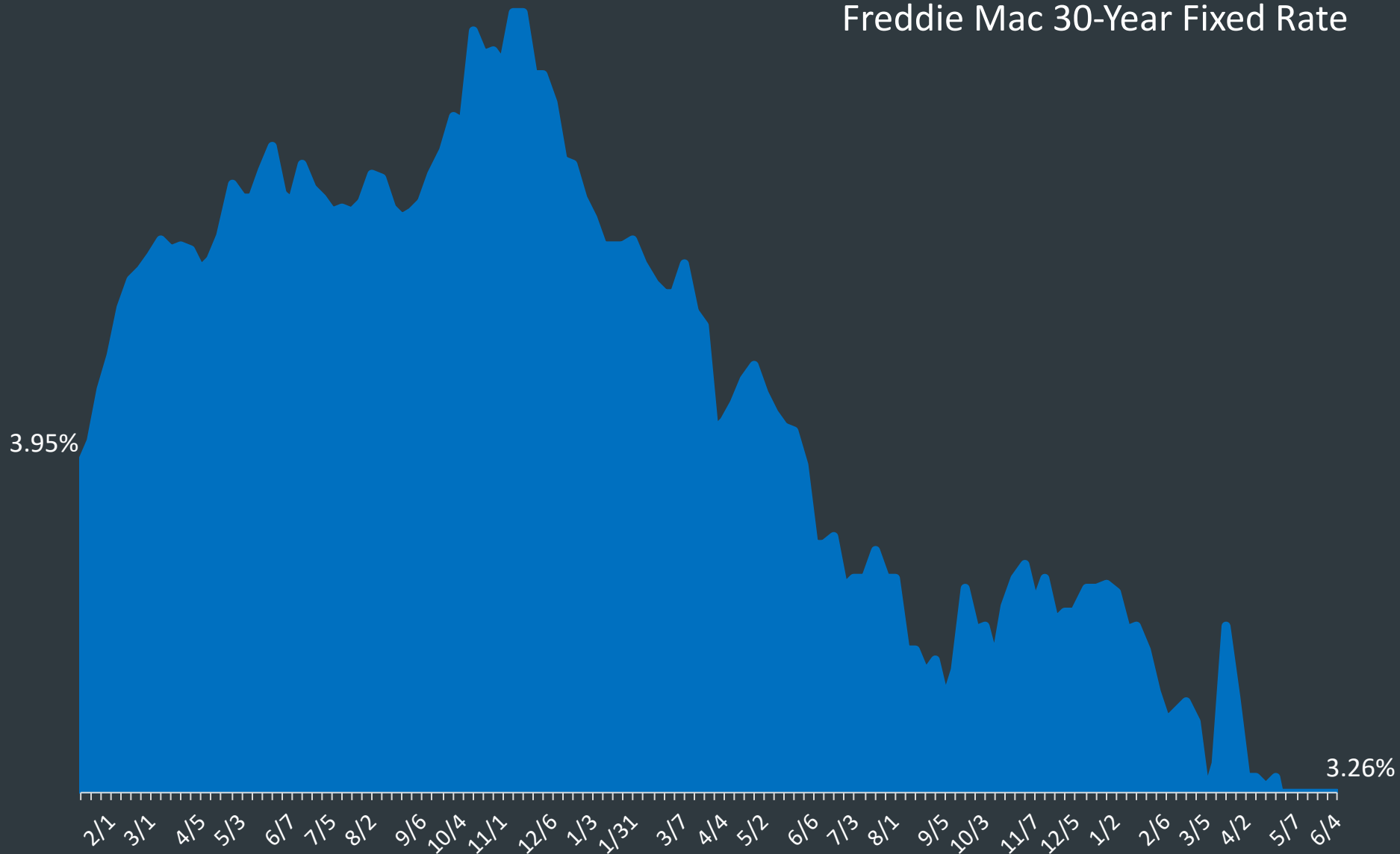


INTEREST RATES



Mortgage Rates

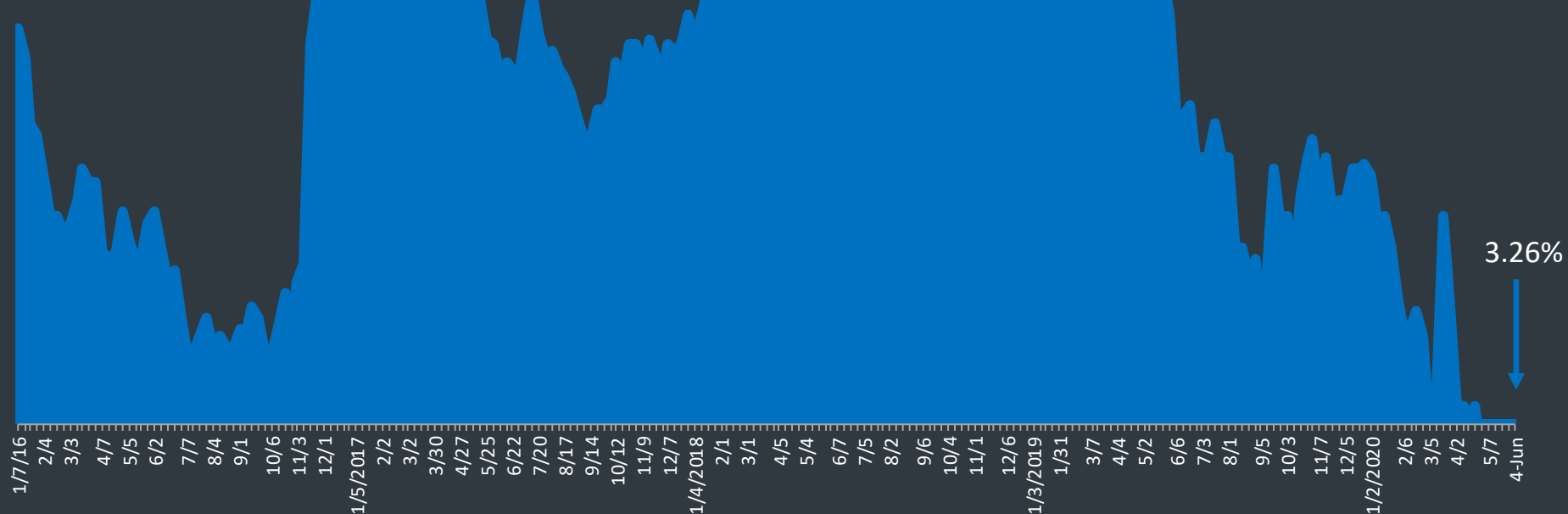
Freddie Mac 30-Year Fixed Rate



30-Year Fixed

Rate Mortgages
from Freddie Mac

3.97



3.26%

Freddie Mac

Mortgage Rate Projections

Quarter	Freddie Mac	Fannie Mae	MBA	NAR	Average of All Four
2020 2Q	3.3	3.3	3.4	3.1	3.27%
2020 3Q	3.2	3.1	3.4	3.0	3.17%
2020 4Q	3.2	3.0	3.4	3.0	3.15%
2021 1Q	3.1	2.9	3.3	3.0	3.07%

Mortgage Rates

Freddie Mac

30-Year Fixed Rate

- Actual
- Projected



	2016	2016	2016	2016	2017	2017	2017	2017	2018	2018	2018	2018	2019	2019	2019	2019	2020	2020	2020	2020	2021	2021	2021	2021
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Rate	3.7	3.6	3.5	3.8	4.2	4.0	3.9	3.9	4.3	4.5	4.6	4.8	4.4	4	3.7	3.7	3.5	3.3	3.2	3.2	3.1	3.1	3.1	3.1

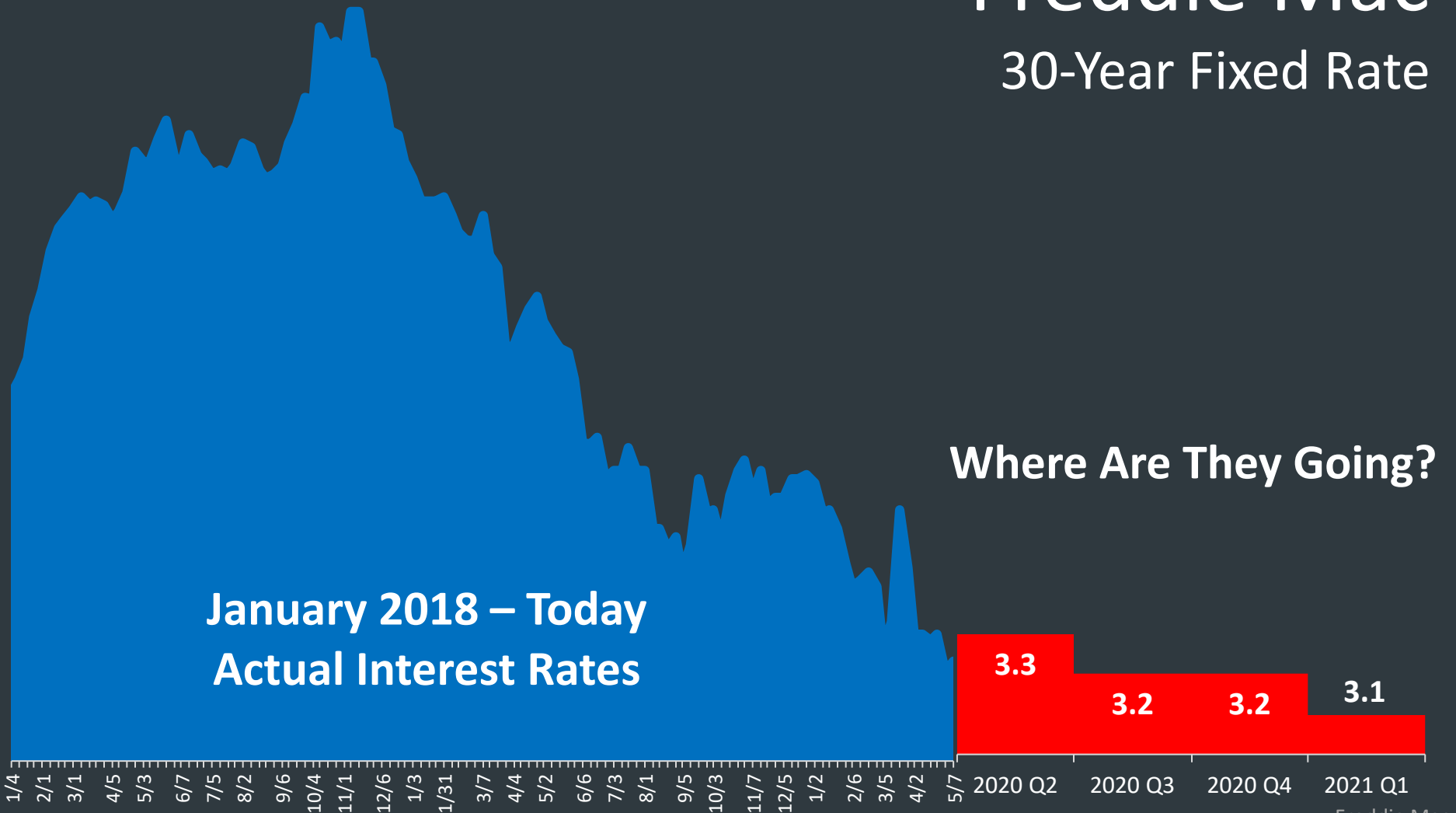
Mortgage Rates

Freddie Mac

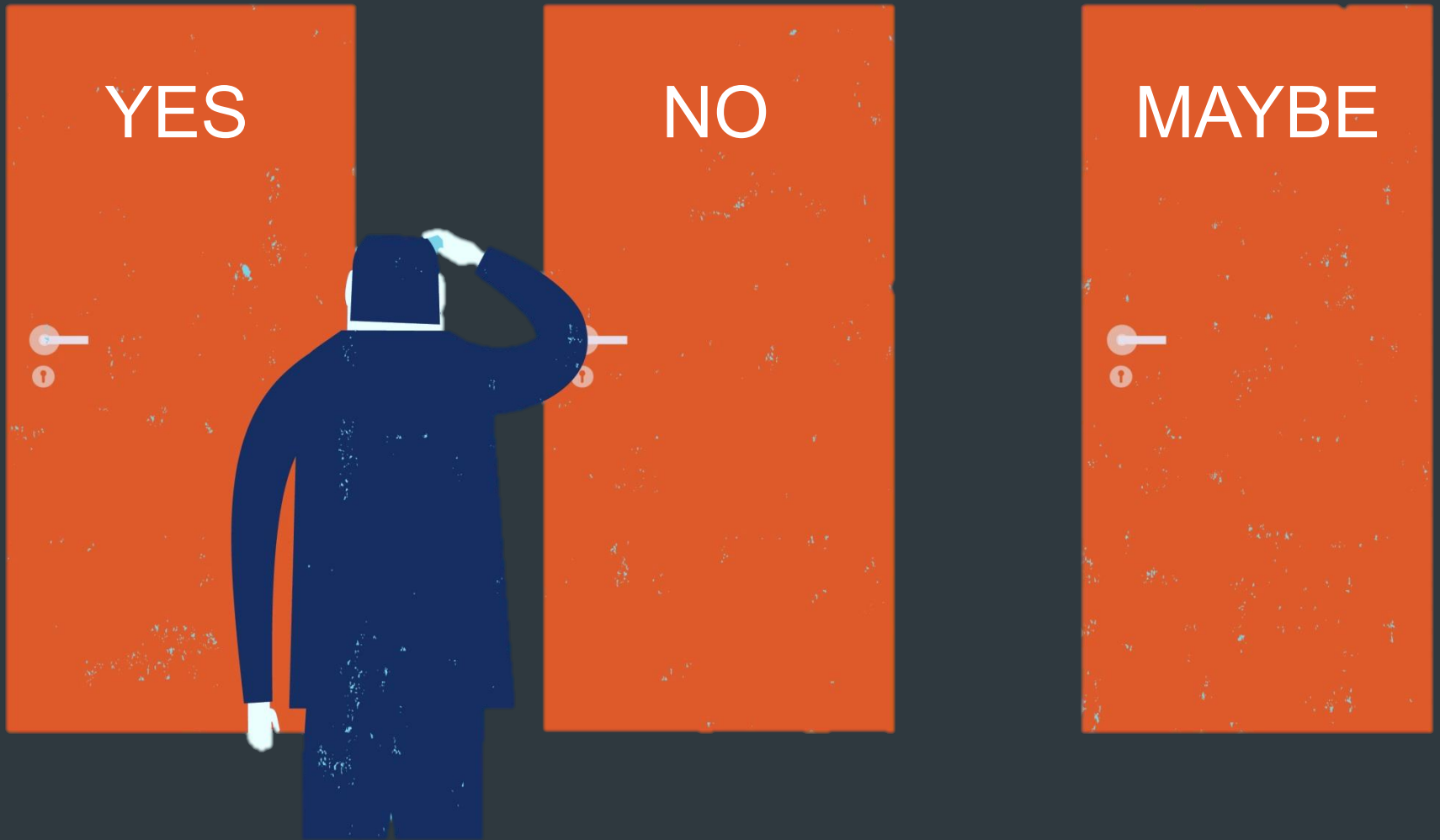
30-Year Fixed Rate

January 2018 – Today
Actual Interest Rates

Where Are They Going?



Mortgage Credit Availability

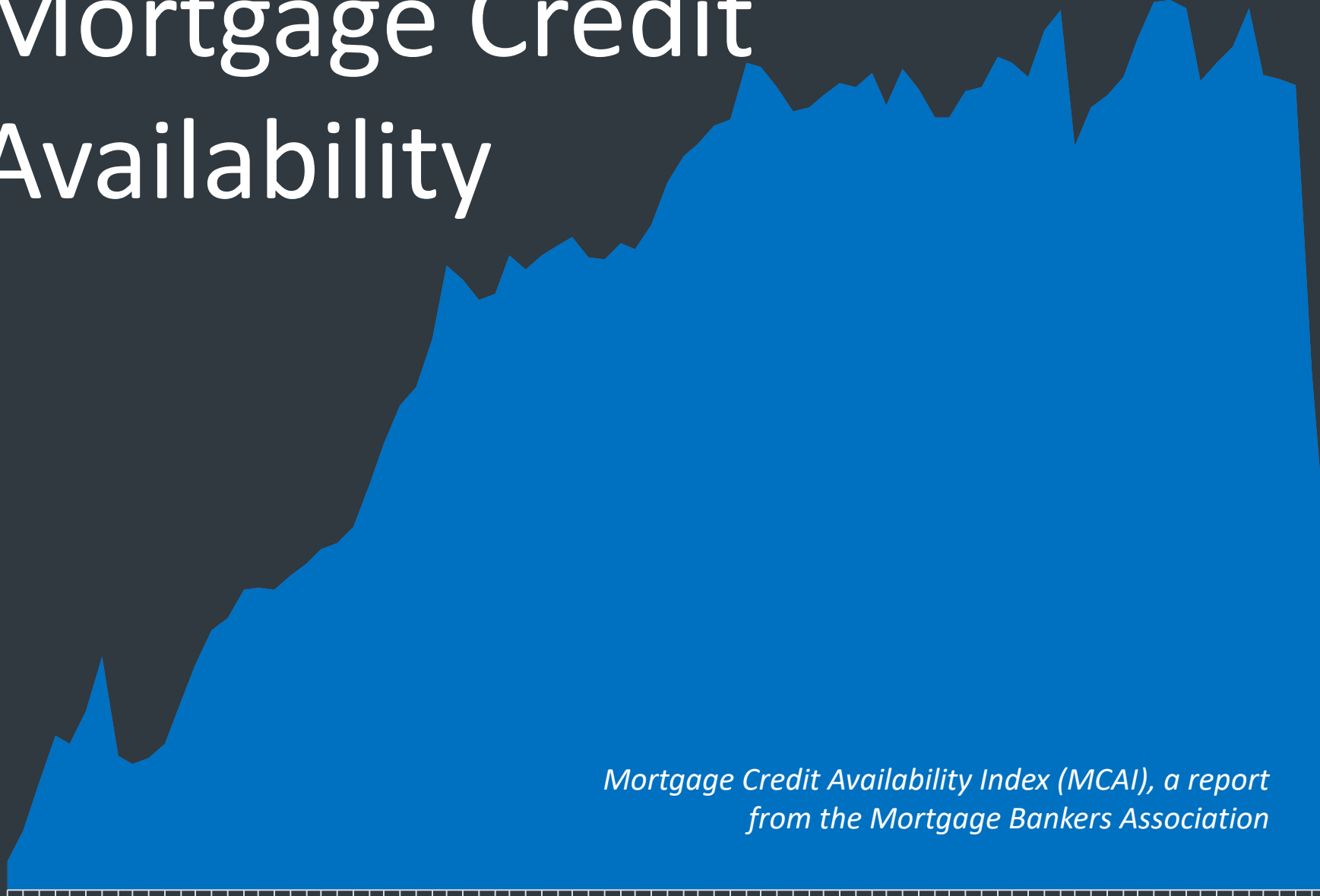


Mortgage Credit Availability

Apr 2013 Jan 2014 Jan 2015 Jan 2016 Jan 2017 Jan 2018 Jan 2019 Jan 2020

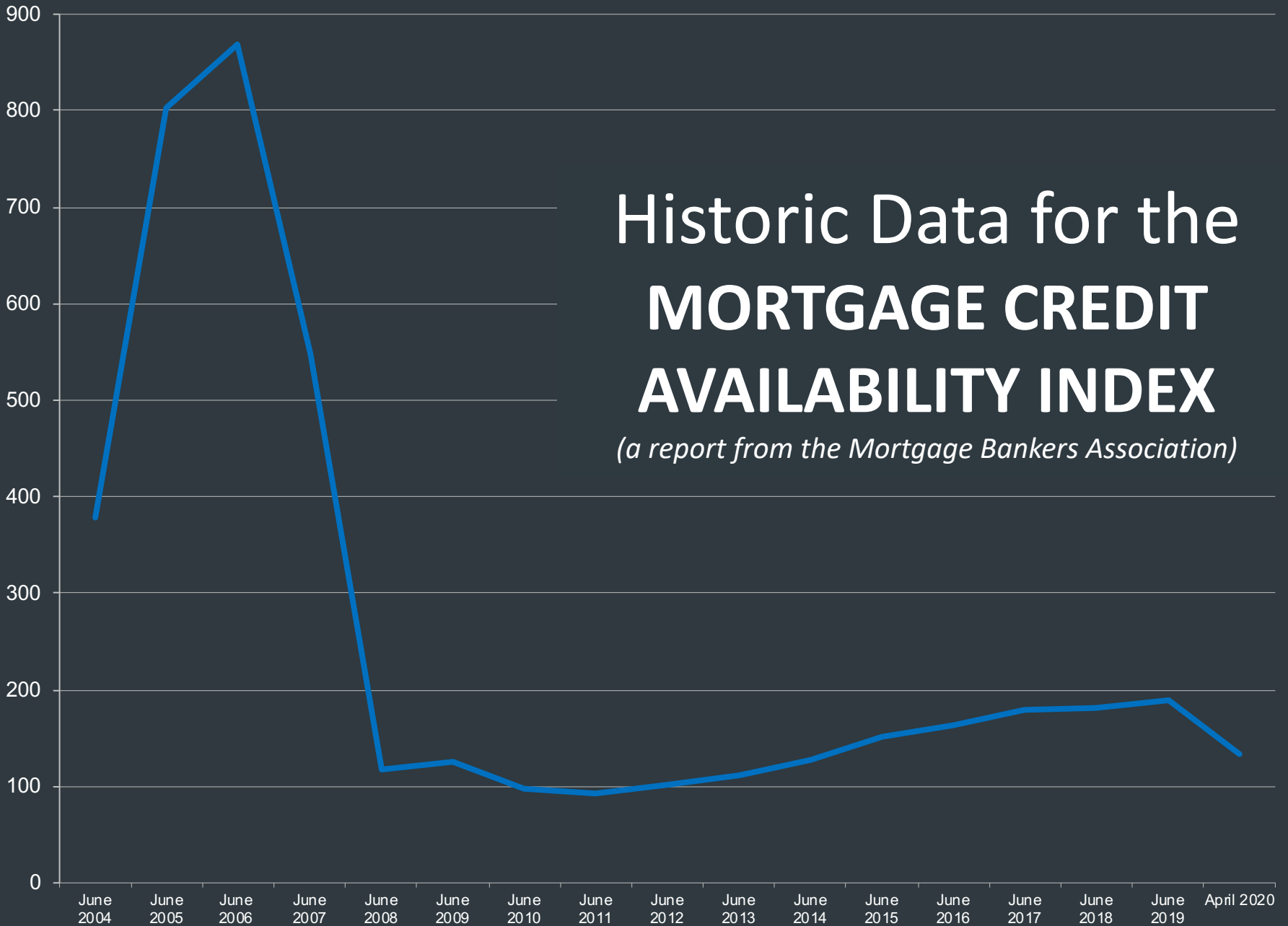
Mortgage Credit Availability Index (MCAI), a report from the Mortgage Bankers Association

MBA



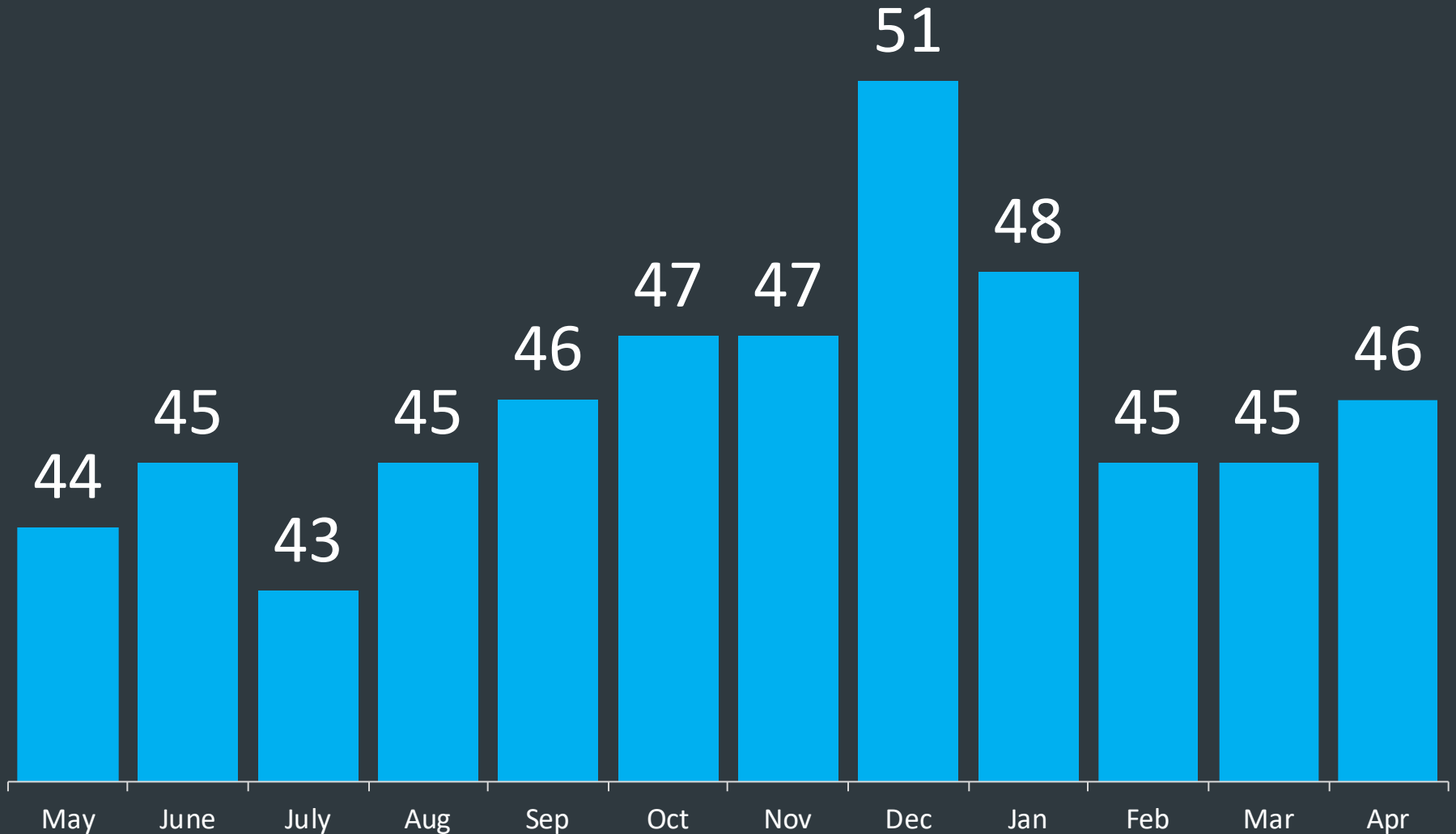
Historic Data for the **MORTGAGE CREDIT AVAILABILITY INDEX**

(a report from the Mortgage Bankers Association)



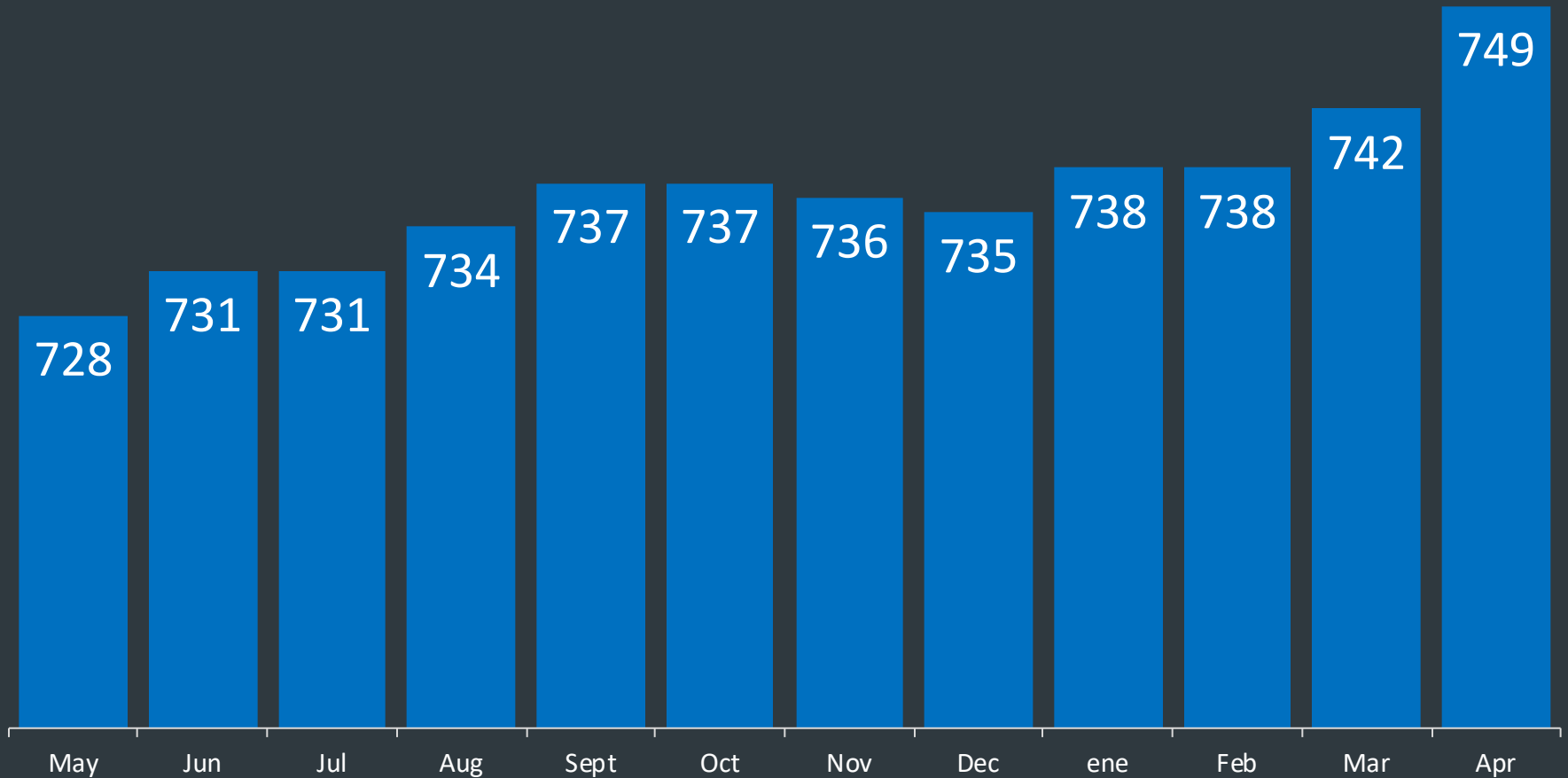
Average Days To Close A Loan

Last 12 Months

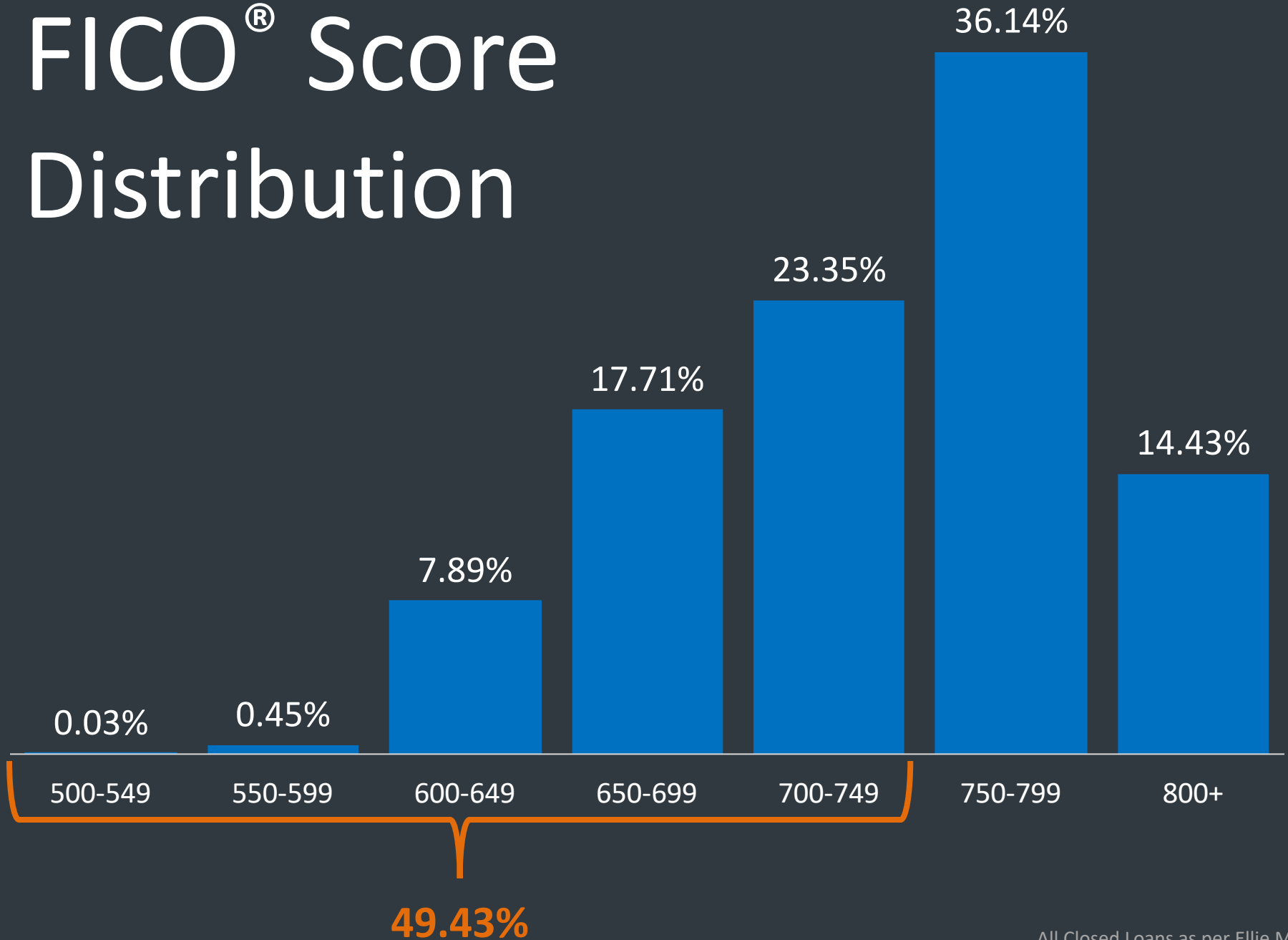


FICO[®] Score Requirements

Last 12 months

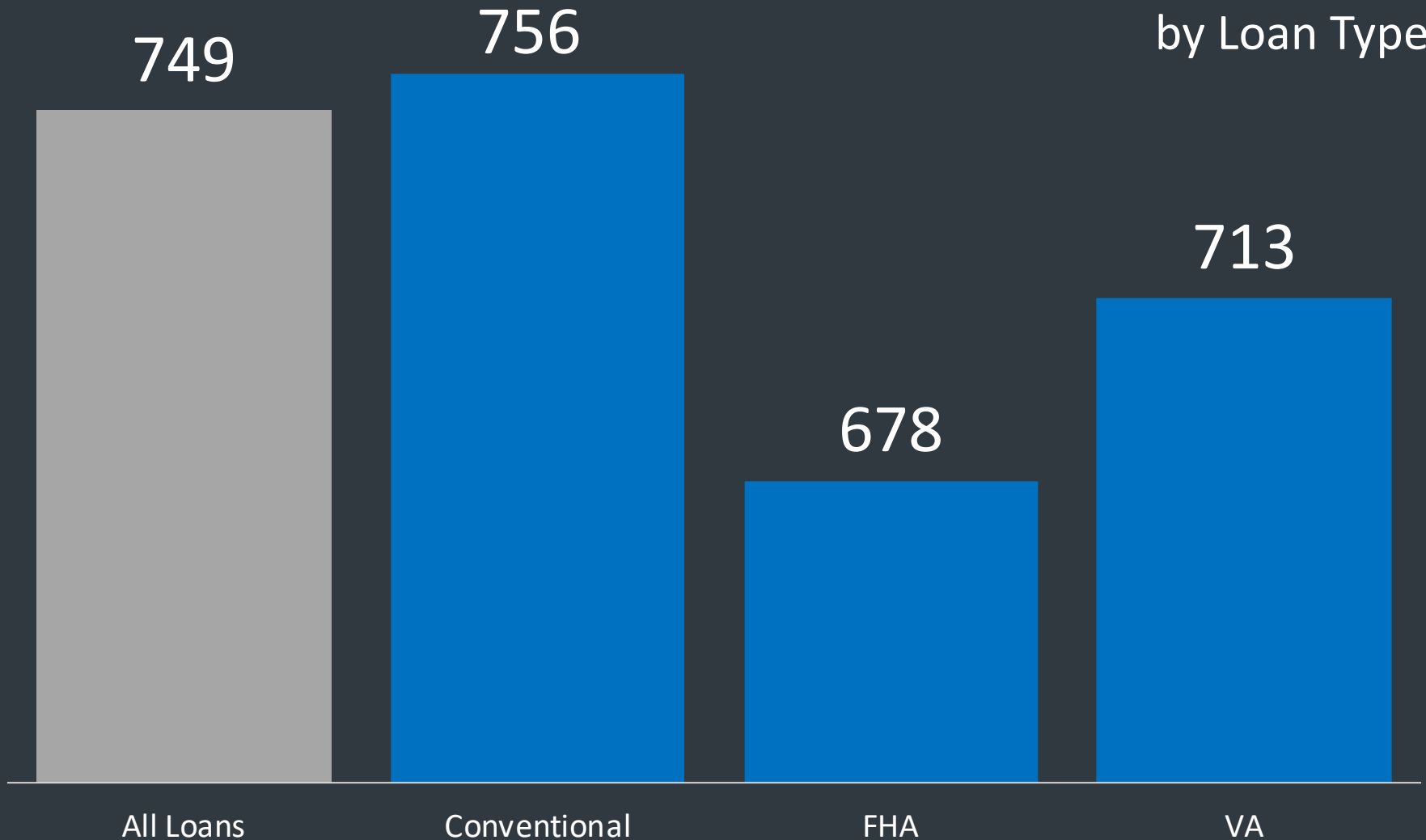


FICO[®] Score Distribution



Average FICO[®] Score

for Closed Purchase Loans
by Loan Type



Average Back End DTI

for Closed Purchase Loans by Loan Type

