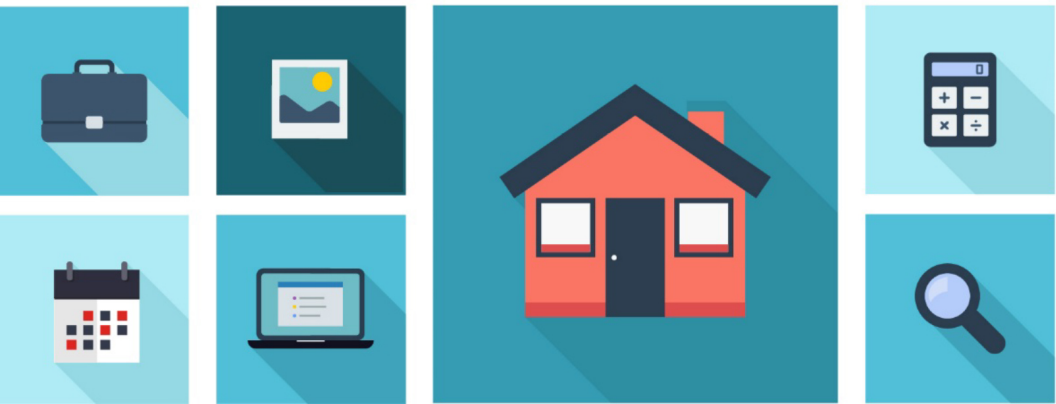
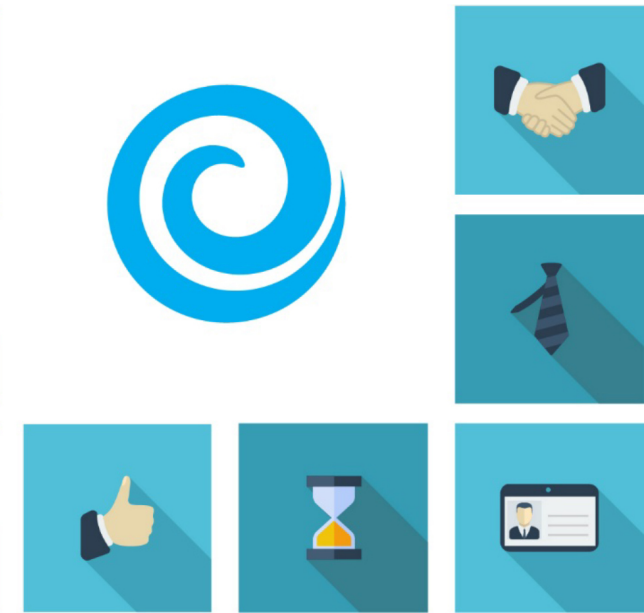
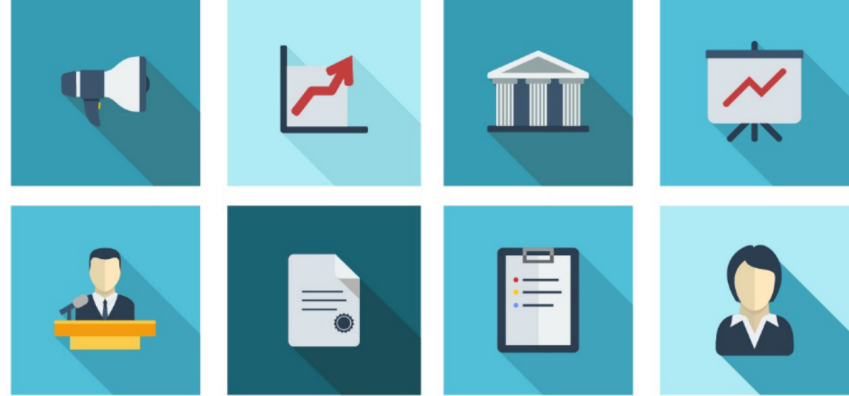


# KEEPING CURRENT MATTERS



FEBRUARY 2021

“Existing-home sales totaled 5.64 million in 2020, up 5.6% from 2019 and the most since before the Great Recession.”

NAR



# Transaction Forecasts

Forecast	2020	2021
Fannie Mae	6.47M	6.71M
NAR	6.45M	7.50M
MBA	6.46M	7.18M

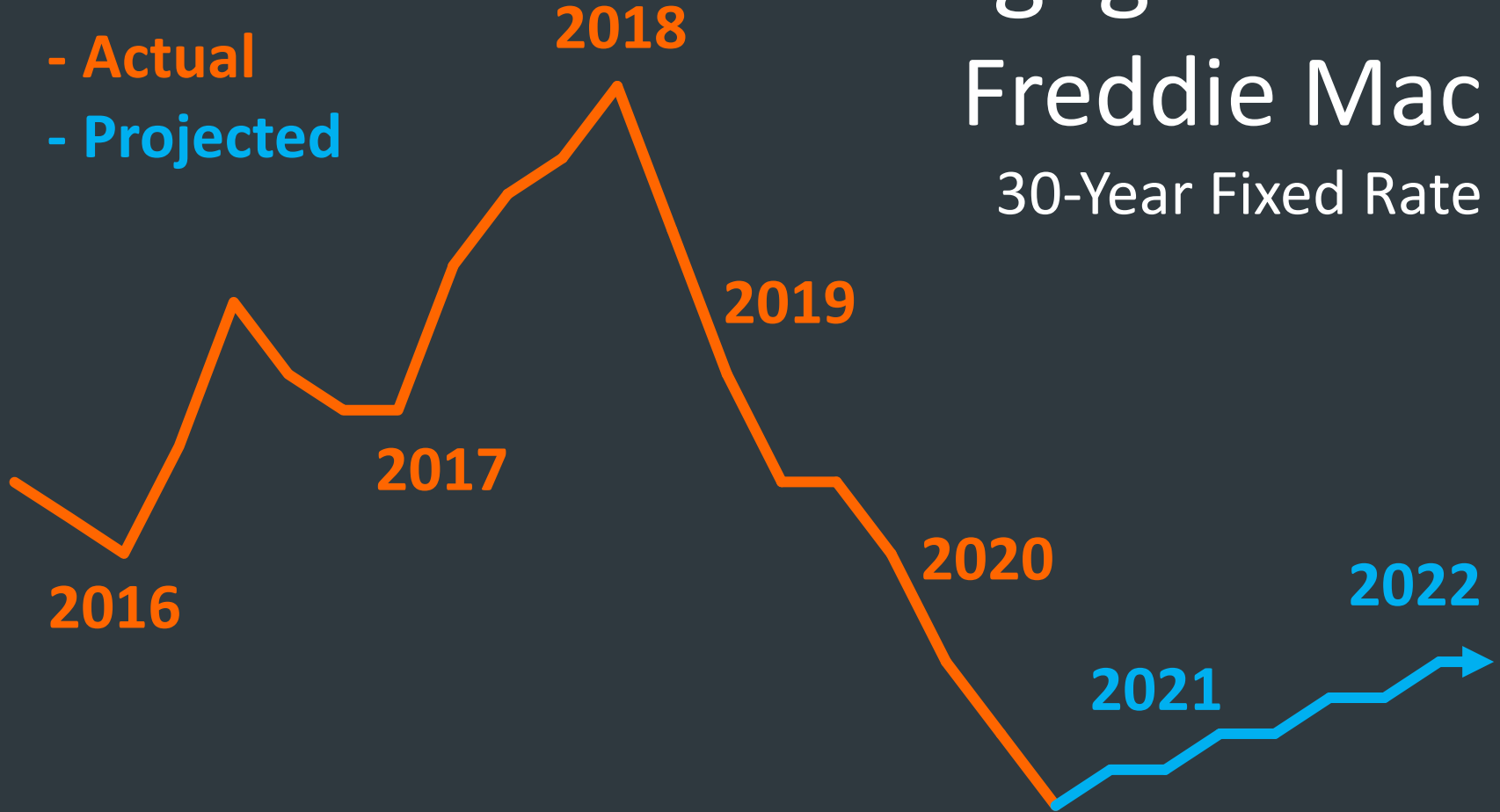
2021 Home Price Forecaster	Projection
National Association of Realtors	6%
Zelman & Associates	6%
realtor.com	5.7%
Freddie Mac	5.3%
Mortgage Bankers Association	5.1%
Fannie Mae	4.2%
CoreLogic	2.9%
<b>Average of all seven</b>	<b>5%</b>

# 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	2022	2022	2022	2022
	Q1	Q2	Q3	Q4	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	3.9	3.9	4.3	4.5	4.6	4.8	4.4	4	3.7	3.7	3.5	3.2	3	2.8	2.9	2.9	3	3	3.1	3.1	3.2	3.2

“Rising interest rates reduce house-buying power and affordability, but are often a sign of a strong economy, which increases home buyer demand. By any historic standard, today’s mortgage rates remain historically low and will continue to boost house-buying power and keep purchase demand robust.”

Mark Fleming

Chief Economist at First American



# Mortgage Rate Projections

Quarter	Freddie Mac	Fannie Mae	MBA	NAR	Average of All Four
2021 2Q	2.9	2.7	3.1	3.0	2.92%
2021 3Q	3.0	2.8	3.3	3.0	3.02%
2021 4Q	3.0	2.8	3.4	3.1	3.07%
2022 1Q	3.1	2.9	3.5	3.2	3.17%

A photograph of three people in a kitchen setting. A woman with blonde hair, a woman with curly hair, and a man with a beard are all smiling and looking at a tablet held by the man. The scene is brightly lit, likely from a window in the background. A black diagonal shape is overlaid on the bottom left corner of the image, containing white text.

WHERE WILL  
LISTINGS COME  
FROM IN 2021?



“Some people will feel comfortable listing their home during the first half of 2021. Others will want to wait until the vaccines are widely distributed. This suggests more inventory will be for sale in late 2021 and into the spring selling season in 2022.”

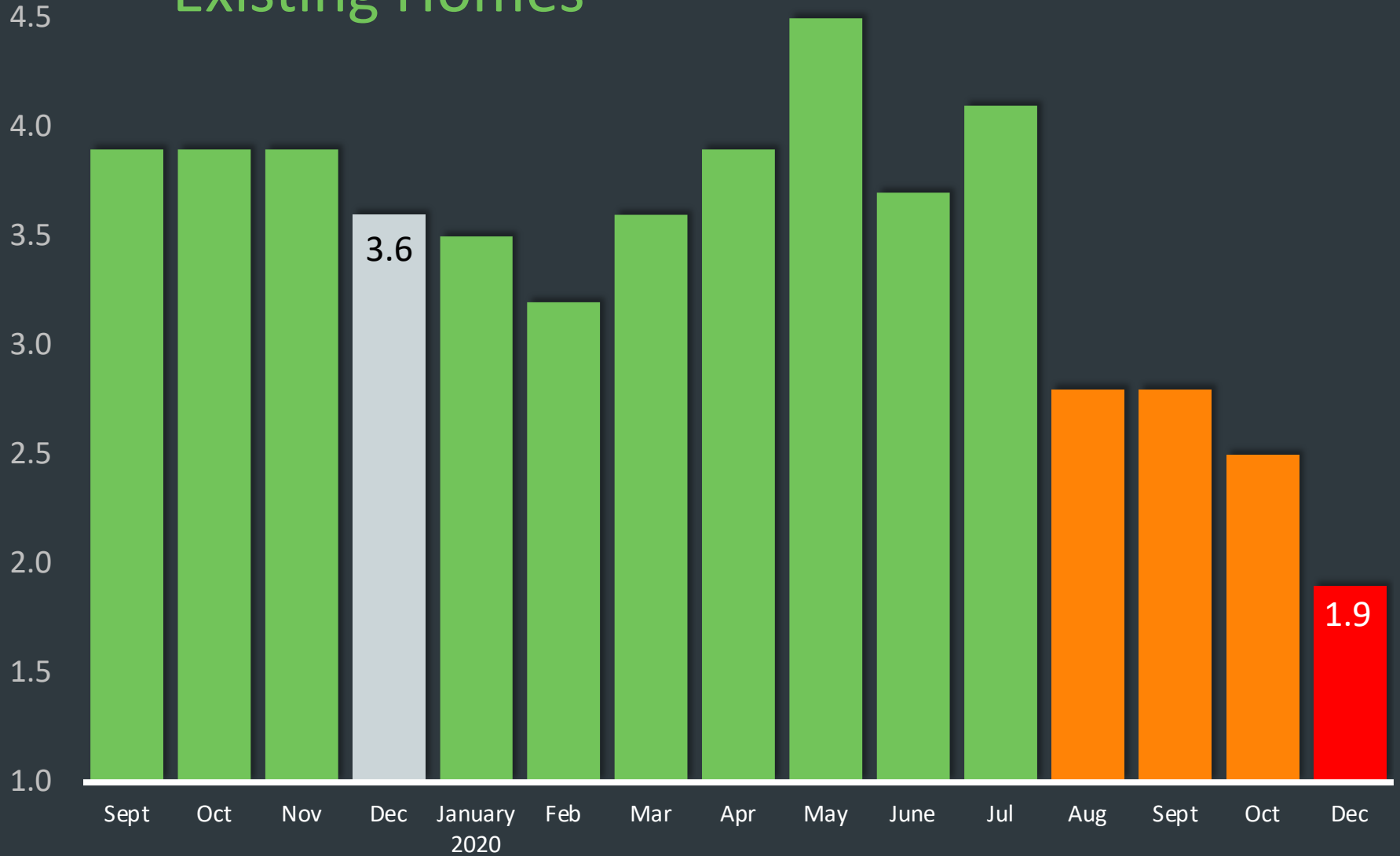
Ali Wolf

Chief Economist at Zonda



# Months Supply of Available Inventory

## Existing Homes



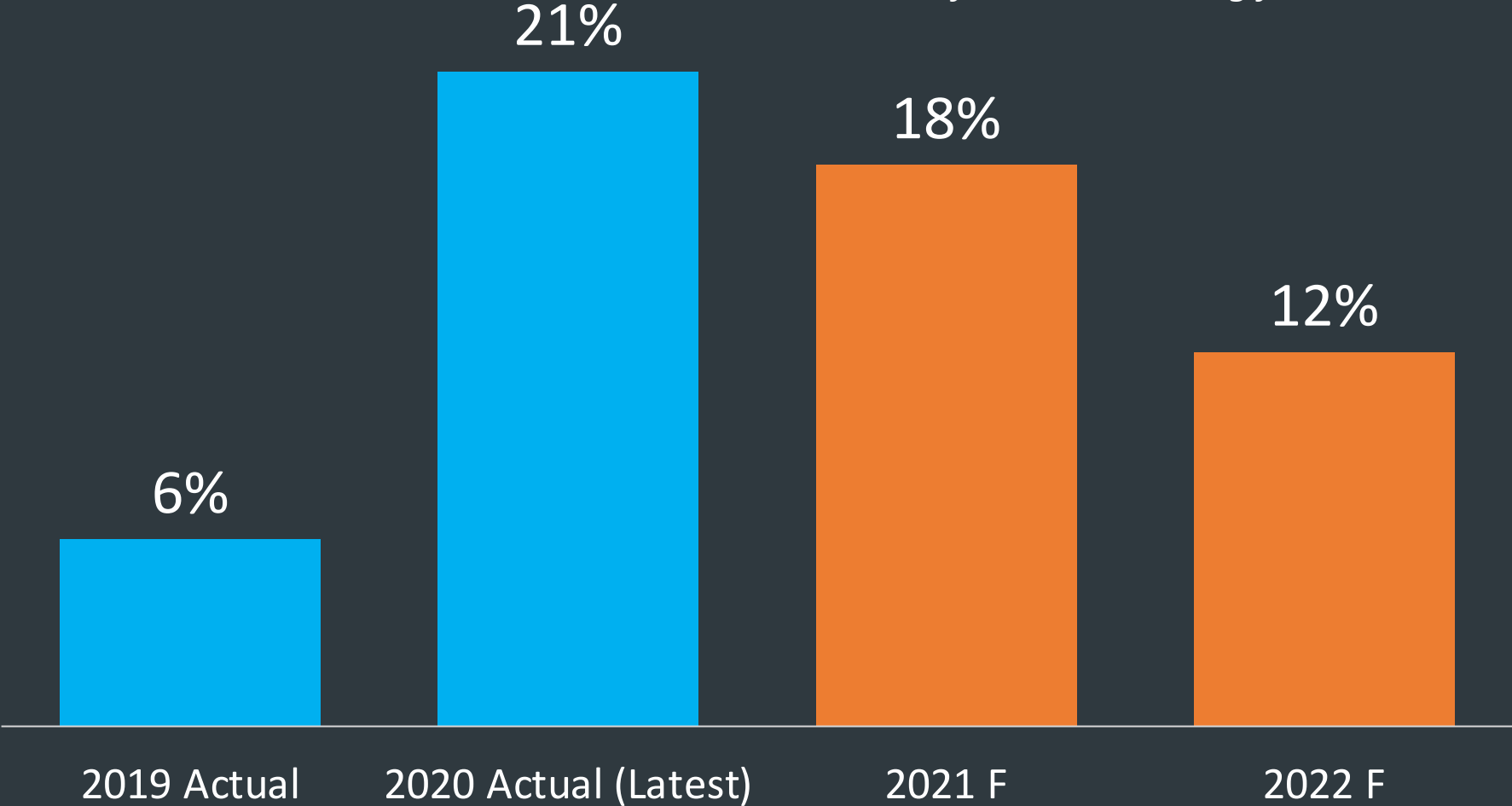
“Total housing inventory at the end of December totaled 1.07 million units, down 16.4% from November and down 23% from one year ago (1.39 million). **Unsold inventory sits at an all-time low 1.9-month supply at the current sales pace,** down from 2.3 months in November and down from the 3.0-month figure recorded in December 2019. NAR first began tracking the single-family home supply in 1982.

NAR



# Consensus View of Work-from-Home

*Percent of workers working from home*



2020 Panel Consensus Forecast

2020 NAR's Real Estate Forecast Summit

“New home sales activity, both mortgage applications and home sales, ran at a pace considerably ahead of 2019, showing the ongoing strong growth in housing demand and new residential construction.”

Joel Kan

MBA's AVP of Economic and Industry Forecasting



TOP THREE REASONS  
homeowners didn't  
put their house on  
the market in 2020

31%

financial uncertainty

YouGov Survey

34%

life is too uncertain  
right now

25%

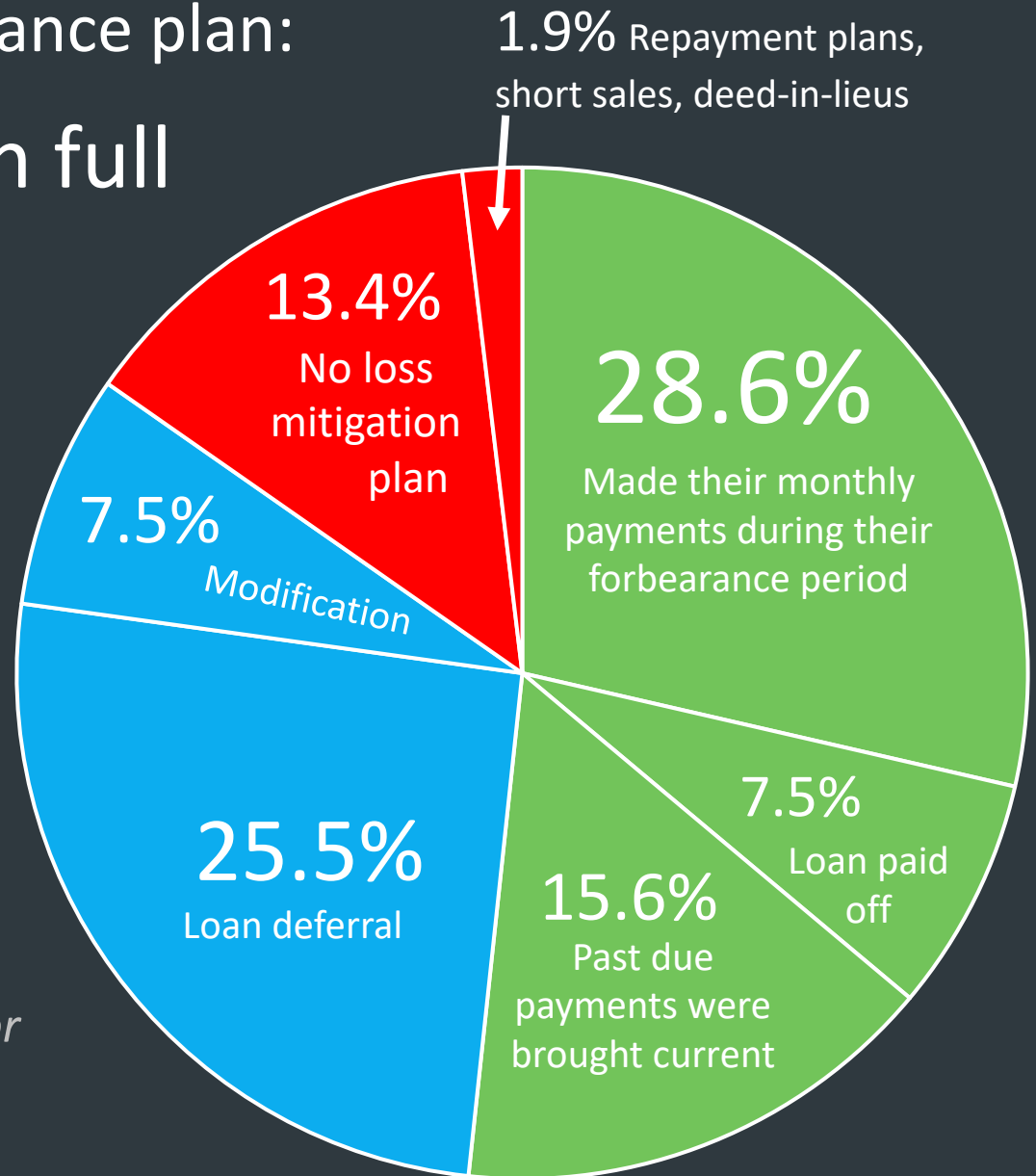
COVID-19  
health concerns

# Upon exit from forbearance plan:

51.7% are paid in full

33% work out repayment plan

15.3% are still in trouble



*Cumulative forbearance exits for the period from June 1, 2020 through January 24, 2021*

“But given the huge price gains recently, I don't think many homes will have to go to foreclosure... I think homes will just be sold, and there will be cash left over for the seller, even in a distressed situation. So that's a bit of a silver lining in that we don't expect a massive sale of distressed properties.”

Lawrence Yun

Chief Economist at NAR



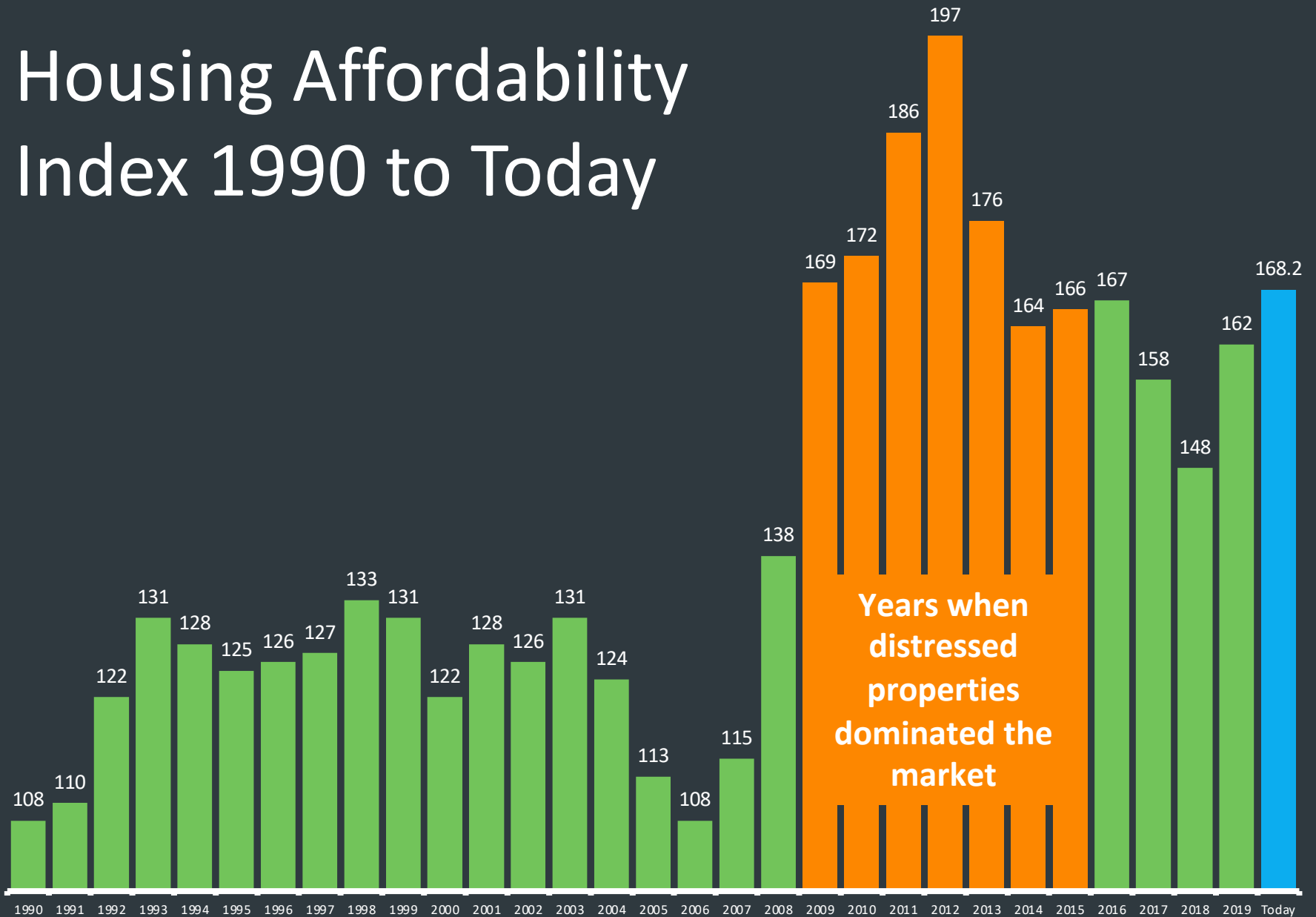


# AFFORDABILITY IN TODAY'S REAL ESTATE MARKET

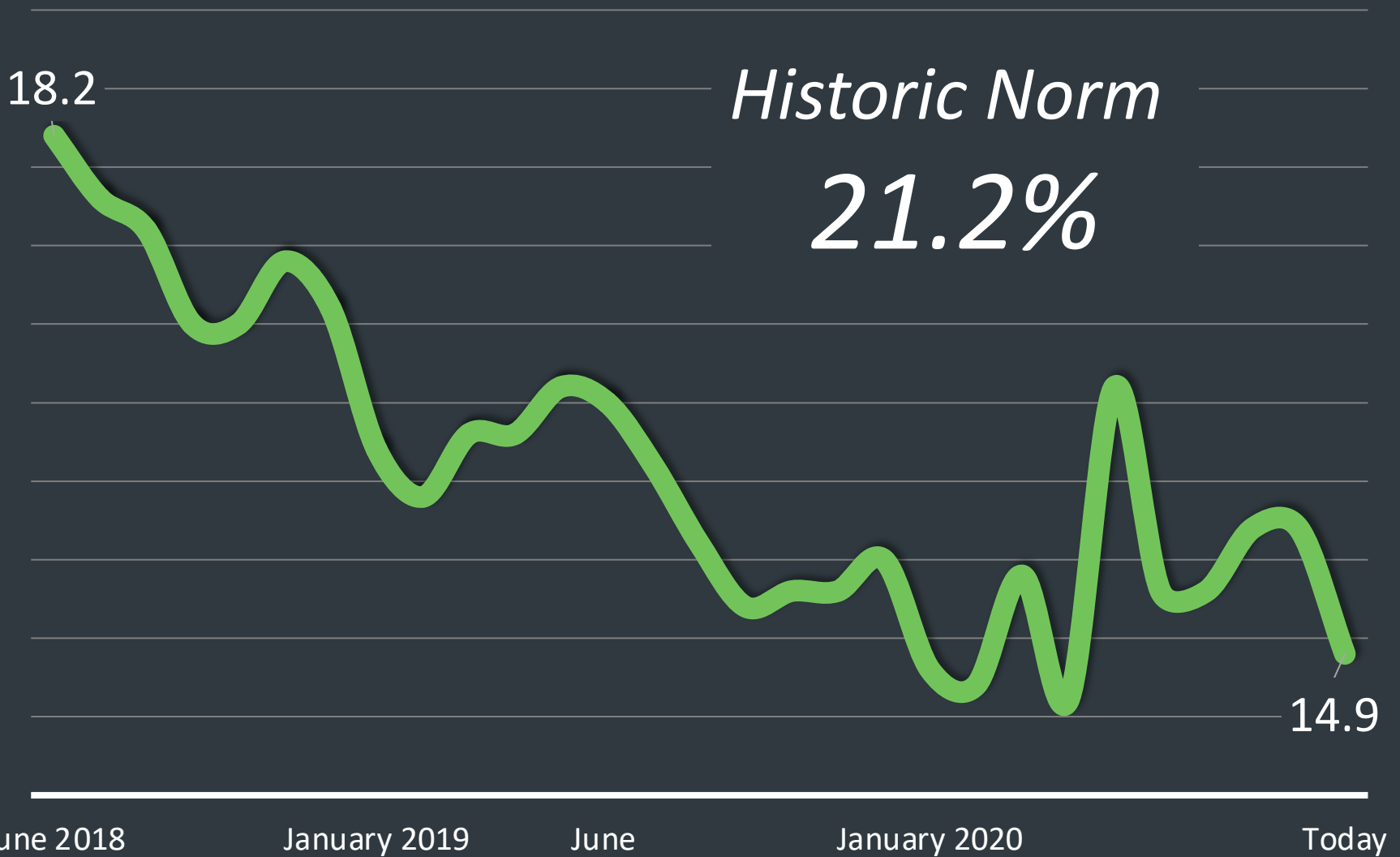
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# Housing Affordability Index 1990 to Today



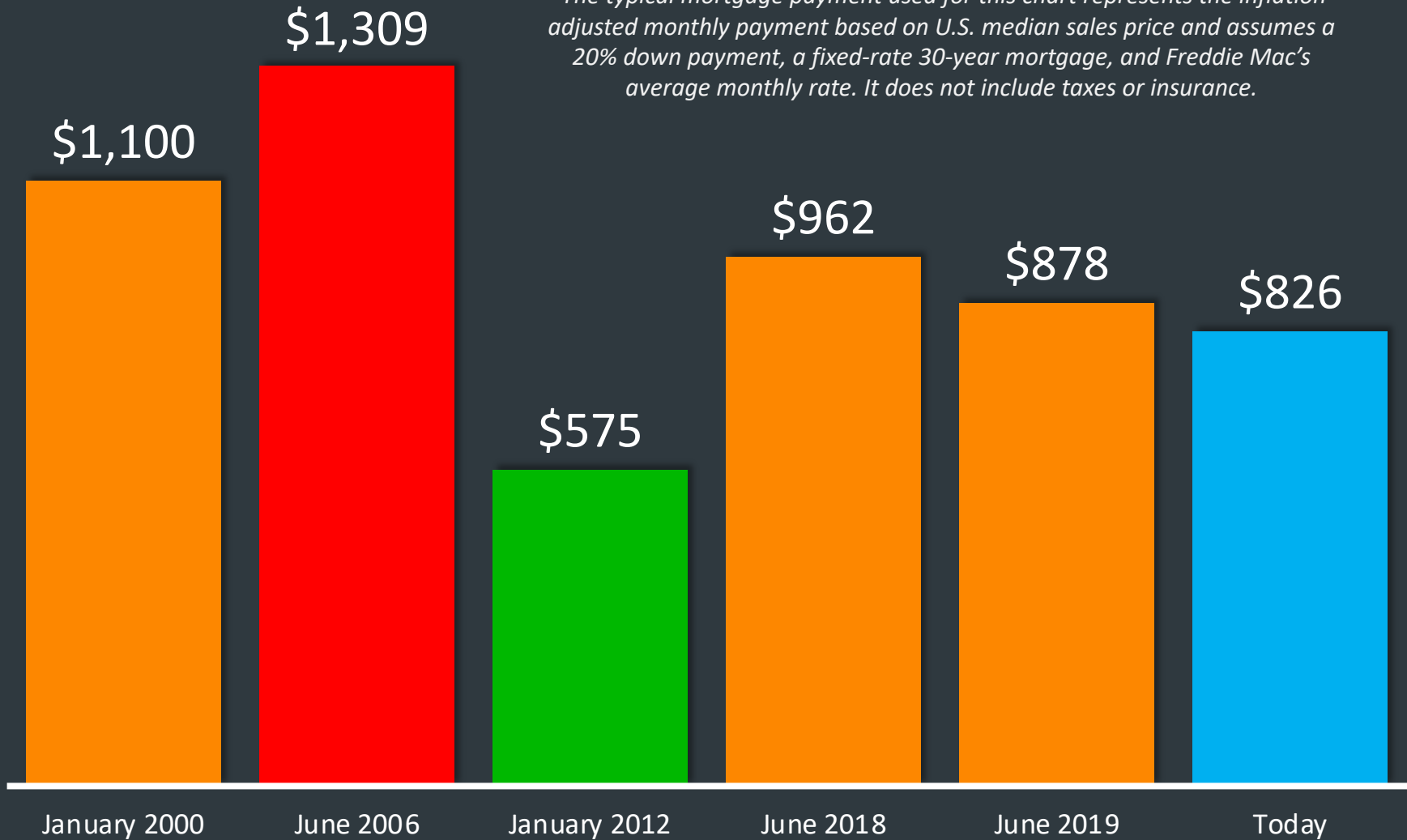
# Percentage of Income Needed for a Mortgage Payment Decreasing Dramatically as Mortgage Rates Fall



# National Homebuyers' "TYPICAL MORTGAGE PAYMENT"

Inflation-Adjusted Monthly Mortgage Payment That Buyers Commit To

*\*The typical mortgage payment used for this chart represents the inflation-adjusted monthly payment based on U.S. median sales price and assumes a 20% down payment, a fixed-rate 30-year mortgage, and Freddie Mac's average monthly rate. It does not include taxes or insurance.*



“Once you include the equity benefit of price appreciation, owning made more financial sense than renting in 48 out of the 50 top markets, with the only exceptions being San Francisco & San Jose, CA.”

Odeta Kushi

Deputy Chief Economist at First American



# Coming Soon: Spring 2021 Buyer & Seller Guides





**“People do not follow the best leaders. They follow the ones they can understand the easiest.”**

***- Donald Miller***

# Resources

Slide	Slide Title	Link
2	NAR Quote	<a href="https://www.nar.realtor/newsroom/existing-home-sales-rise-0-7-in-december-annual-sales-see-highest-level-since-2006">https://www.nar.realtor/newsroom/existing-home-sales-rise-0-7-in-december-annual-sales-see-highest-level-since-2006</a>
3	Transaction Forecasts	<a href="https://www.fanniemae.com/media/37951/display">https://www.fanniemae.com/media/37951/display</a> <a href="https://cdn.nar.realtor/sites/default/files/documents/forecast-Q1-2021-us-economic-outlook-01-30-2021.pdf">https://cdn.nar.realtor/sites/default/files/documents/forecast-Q1-2021-us-economic-outlook-01-30-2021.pdf</a> <a href="https://www.mba.org/news-research-and-resources/research-and-economics/forecasts-and-commentary">https://www.mba.org/news-research-and-resources/research-and-economics/forecasts-and-commentary</a>
4	2021 Price Projections	<a href="https://cdn.nar.realtor/sites/default/files/documents/forecast-Q1-2021-us-economic-outlook-01-30-2021.pdf">https://cdn.nar.realtor/sites/default/files/documents/forecast-Q1-2021-us-economic-outlook-01-30-2021.pdf</a> <a href="https://www.zelmanassociates.com/">https://www.zelmanassociates.com/</a> (subscription required) <a href="https://www.realtor.com/research/2021-national-housing-forecast/">https://www.realtor.com/research/2021-national-housing-forecast/</a> <a href="http://www.freddiemac.com/research/forecast/20210114_quarterly_economic_forecast.page?">http://www.freddiemac.com/research/forecast/20210114_quarterly_economic_forecast.page?</a> <a href="https://www.mba.org/news-research-and-resources/research-and-economics/forecasts-and-commentary">https://www.mba.org/news-research-and-resources/research-and-economics/forecasts-and-commentary</a> <a href="https://www.fanniemae.com/media/37951/display">https://www.fanniemae.com/media/37951/display</a>
5	Mortgage Rates	<a href="http://www.freddiemac.com/research/forecast/20210114_quarterly_economic_forecast.page">http://www.freddiemac.com/research/forecast/20210114_quarterly_economic_forecast.page</a>
6	Fleming Quote	<a href="https://blog.firstam.com/economics/why-the-housing-market-can-thrive-if-a-new-rising-rate-era-begins">https://blog.firstam.com/economics/why-the-housing-market-can-thrive-if-a-new-rising-rate-era-begins</a>



# Resources

Slide	Slide Title	Link
7	Mortgage Rate Projections	<a href="http://www.freddiemac.com/research/forecast/20210114_quarterly_economic_forecast.page">http://www.freddiemac.com/research/forecast/20210114_quarterly_economic_forecast.page</a> <a href="https://www.fanniemae.com/media/37951/display">https://www.fanniemae.com/media/37951/display</a> <a href="https://www.mba.org/news-research-and-resources/research-and-economics/forecasts-and-commentary">https://www.mba.org/news-research-and-resources/research-and-economics/forecasts-and-commentary</a> <a href="https://cdn.nar.realtor/sites/default/files/documents/forecast-Q1-2021-us-economic-outlook-01-30-2021.pdf">https://cdn.nar.realtor/sites/default/files/documents/forecast-Q1-2021-us-economic-outlook-01-30-2021.pdf</a>
9	Wolf Quote	<a href="https://www.realtor.com/news/trends/vaccines-housing-market/">https://www.realtor.com/news/trends/vaccines-housing-market/</a>
10	Months Supply of Inventory	<a href="https://cdn.nar.realtor/sites/default/files/documents/ehs-08-2020-supplemental-data-2020-09-22.pdf">https://cdn.nar.realtor/sites/default/files/documents/ehs-08-2020-supplemental-data-2020-09-22.pdf</a>
11	NAR Quote	<a href="https://www.nar.realtor/newsroom/existing-home-sales-rise-0-7-in-december-annual-sales-see-highest-level-since-2006">https://www.nar.realtor/newsroom/existing-home-sales-rise-0-7-in-december-annual-sales-see-highest-level-since-2006</a>
12	Consensus View of Work-from-Home	<a href="https://www.nar.realtor/events/nar-real-estate-forecast-summit">https://www.nar.realtor/events/nar-real-estate-forecast-summit</a>
13	Kan Quote	<a href="https://www.mba.org/2020-press-releases/december/november-new-home-purchase-mortgage-applications-increased-347-percent">https://www.mba.org/2020-press-releases/december/november-new-home-purchase-mortgage-applications-increased-347-percent</a>
14	YouGov Survey	<a href="http://zillow.mediaroom.com/2020-10-27-COVID-19-is-Driving-the-Housing-Inventory-Crisis-in-Unexpected-Ways">http://zillow.mediaroom.com/2020-10-27-COVID-19-is-Driving-the-Housing-Inventory-Crisis-in-Unexpected-Ways</a>
15	Upon Exit from Forbearance	<a href="https://www.mba.org/2021-press-releases/february/share-of-mortgage-loans-in-forbearance-remains-unchanged-at-538-percent">https://www.mba.org/2021-press-releases/february/share-of-mortgage-loans-in-forbearance-remains-unchanged-at-538-percent</a>

# Resources

Slide	Slide Title	Link
16	Yun Quote	<a href="https://www.investors.com/news/housing-market-outlook-2021-watch-these-stocks-trends-cities/">https://www.investors.com/news/housing-market-outlook-2021-watch-these-stocks-trends-cities/</a>
18	Housing Affordability Index	<a href="https://www.nar.realtor/blogs/economists-outlook/housing-affordability-declines-in-november-2020-as-incomes-crawl-and-home-prices-jump">https://www.nar.realtor/blogs/economists-outlook/housing-affordability-declines-in-november-2020-as-incomes-crawl-and-home-prices-jump</a>
19	Percentage of Income	<a href="https://www.nar.realtor/blogs/economists-outlook/housing-affordability-declines-in-november-2020-as-incomes-crawl-and-home-prices-jump">https://www.nar.realtor/blogs/economists-outlook/housing-affordability-declines-in-november-2020-as-incomes-crawl-and-home-prices-jump</a>
20	Typical Mortgage Payment	<a href="https://www.corelogic.com/blog/2020/12/affordability-challenges-ahead-large-demographic-tailwind-has-arrived-amid-lowest-inventory-of-homes-for-sale.aspx">https://www.corelogic.com/blog/2020/12/affordability-challenges-ahead-large-demographic-tailwind-has-arrived-amid-lowest-inventory-of-homes-for-sale.aspx</a>
21	Kushi Quote	<a href="https://blog.firstam.com/economics/dont-overlook-the-benefit-of-equity-when-considering-whether-to-rent-or-own">https://blog.firstam.com/economics/dont-overlook-the-benefit-of-equity-when-considering-whether-to-rent-or-own</a>
23	Miller Quote	<a href="https://www.realtor.com/news/trends/biggest-changes-coming-in-2020-real-estate-and-tips-for-buyers-and-sellers.amp/">https://www.realtor.com/news/trends/biggest-changes-coming-in-2020-real-estate-and-tips-for-buyers-and-sellers.amp/</a>

A close-up photograph of a computer keyboard. The central focus is a large, rectangular blue key with the word "UPDATE" printed in white, bold, sans-serif capital letters. The key is slightly raised and has a subtle gradient. Surrounding it are several other keys: to the left, a key with a closing curly brace "}" and an opening square bracket "["; above it, a key with a tilde "~" and an underline "\_" symbol; to the right, a key with the number "4"; and below it, a large, empty space, possibly a spacebar or a large function key. The lighting is soft, creating gentle shadows and highlights on the keys' surfaces.

# Resources

Slide	Slide Title	Link
31, 51, 63	Confidence Index	<a href="https://www.nar.realtor/research-and-statistics/research-reports/realtors-confidence-index">https://www.nar.realtor/research-and-statistics/research-reports/realtors-confidence-index</a>
32-34, 42, 51-56	Existing Home Sales	<a href="https://www.nar.realtor/topics/existing-home-sales">https://www.nar.realtor/topics/existing-home-sales</a>
35-38	New Home Sales	<a href="http://www.census.gov/construction/nrs/pdf/newressales.pdf">http://www.census.gov/construction/nrs/pdf/newressales.pdf</a> <a href="http://www.census.gov/newhomesales">http://www.census.gov/newhomesales</a> <a href="http://www.census.gov/construction/nrs/pdf/newressales.pdf">http://www.census.gov/construction/nrs/pdf/newressales.pdf</a>
39	Total Home Sales	<a href="http://www.census.gov/construction/nrs/pdf/newressales.pdf">http://www.census.gov/construction/nrs/pdf/newressales.pdf</a> <a href="https://www.nar.realtor/topics/existing-home-sales">https://www.nar.realtor/topics/existing-home-sales</a>
40, 41	Pending Home Sales	<a href="https://www.nar.realtor/research-and-statistics/housing-statistics/pending-home-sales">https://www.nar.realtor/research-and-statistics/housing-statistics/pending-home-sales</a>
46-48	Case Shiller	<a href="https://www.spglobal.com/spdji/en/indices/indicators/sp-corelogic-case-shiller-20-city-composite-home-price-nsa-index/#news-research">https://www.spglobal.com/spdji/en/indices/indicators/sp-corelogic-case-shiller-20-city-composite-home-price-nsa-index/#news-research</a>
49	CoreLogic Forecasted YOY % Change in Price	<a href="https://www.corelogic.com/insights-download/home-price-index.aspx">https://www.corelogic.com/insights-download/home-price-index.aspx</a>
52-58	Inventory	<a href="https://www.nar.realtor/topics/existing-home-sales">https://www.nar.realtor/topics/existing-home-sales</a> <a href="http://www.census.gov/construction/nrs/pdf/newressales.pdf">http://www.census.gov/construction/nrs/pdf/newressales.pdf</a>

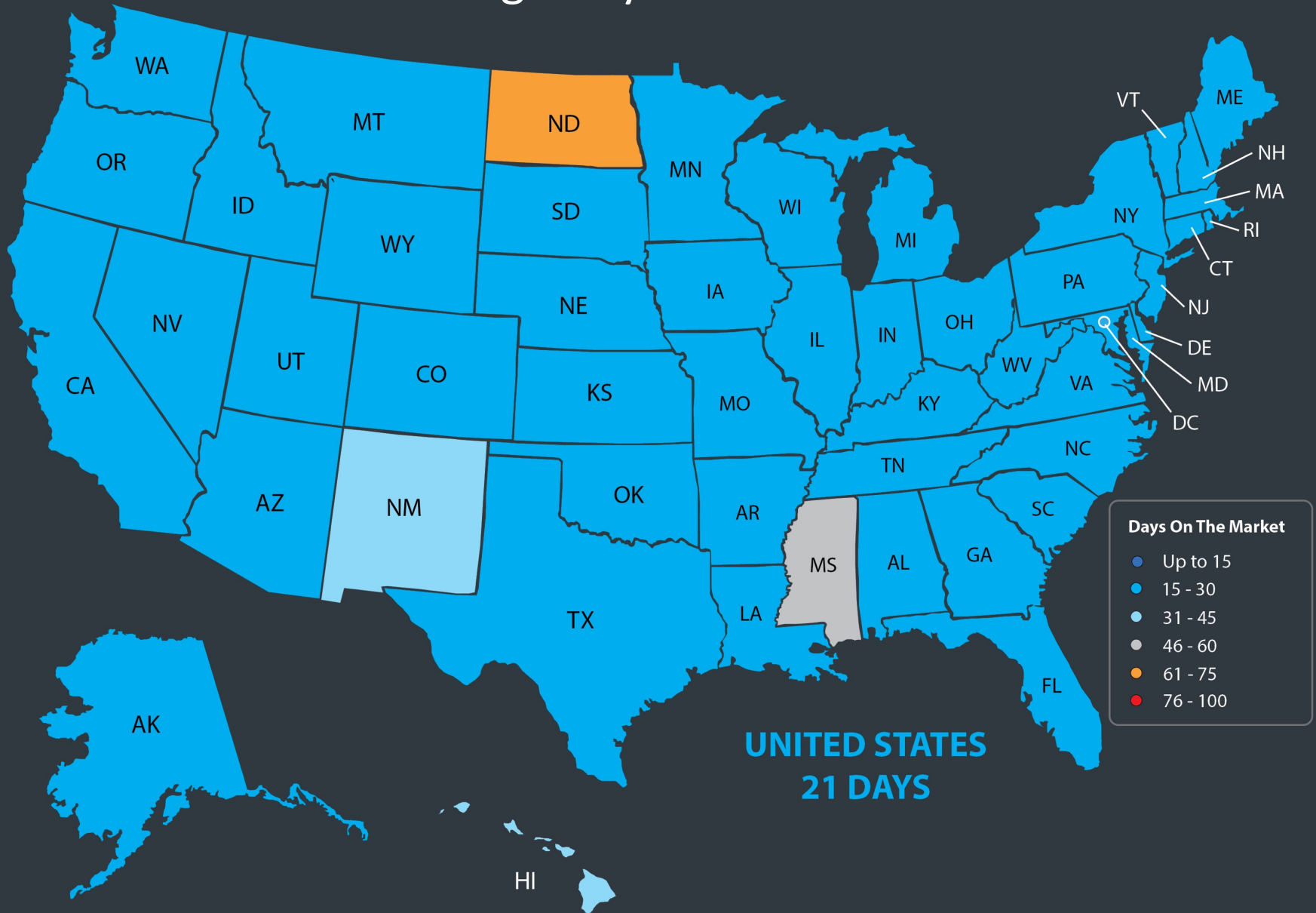
# Resources

Slide	Slide Title	Link
60-62	Foot Traffic	<a href="http://nar.realtor/infographics/foot-traffic">http://nar.realtor/infographics/foot-traffic</a>
65, 66, 68, 69	Mortgage Rates	<a href="http://www.freddiemac.com/pmms">http://www.freddiemac.com/pmms</a> <a href="http://www.freddiemac.com/pmms/pmms_archives.html">http://www.freddiemac.com/pmms/pmms_archives.html</a>
67	Mortgage Rate Projections	<a href="http://www.freddiemac.com/research/forecast/">http://www.freddiemac.com/research/forecast/</a> <a href="http://www.fanniemae.com/portal/research-insights/forecast.html">http://www.fanniemae.com/portal/research-insights/forecast.html</a> <a href="https://www.mba.org/news-research-and-resources/research-and-economics/forecasts-and-commentary">https://www.mba.org/news-research-and-resources/research-and-economics/forecasts-and-commentary</a> <a href="https://www.nar.realtor/research-and-statistics">https://www.nar.realtor/research-and-statistics</a>
71, 72	Mortgage Credit Availability	<a href="https://www.mba.org/news-research-and-resources/newsroom">https://www.mba.org/news-research-and-resources/newsroom</a> <a href="https://www.mba.org/news-research-and-resources/research-and-economics/single-family-research/mortgage-credit-availability-index">https://www.mba.org/news-research-and-resources/research-and-economics/single-family-research/mortgage-credit-availability-index</a>
73-77	Days To Close, FICO Scores, DTI	<a href="http://www.elliemae.com/resources/origination-insight-reports">http://www.elliemae.com/resources/origination-insight-reports</a>



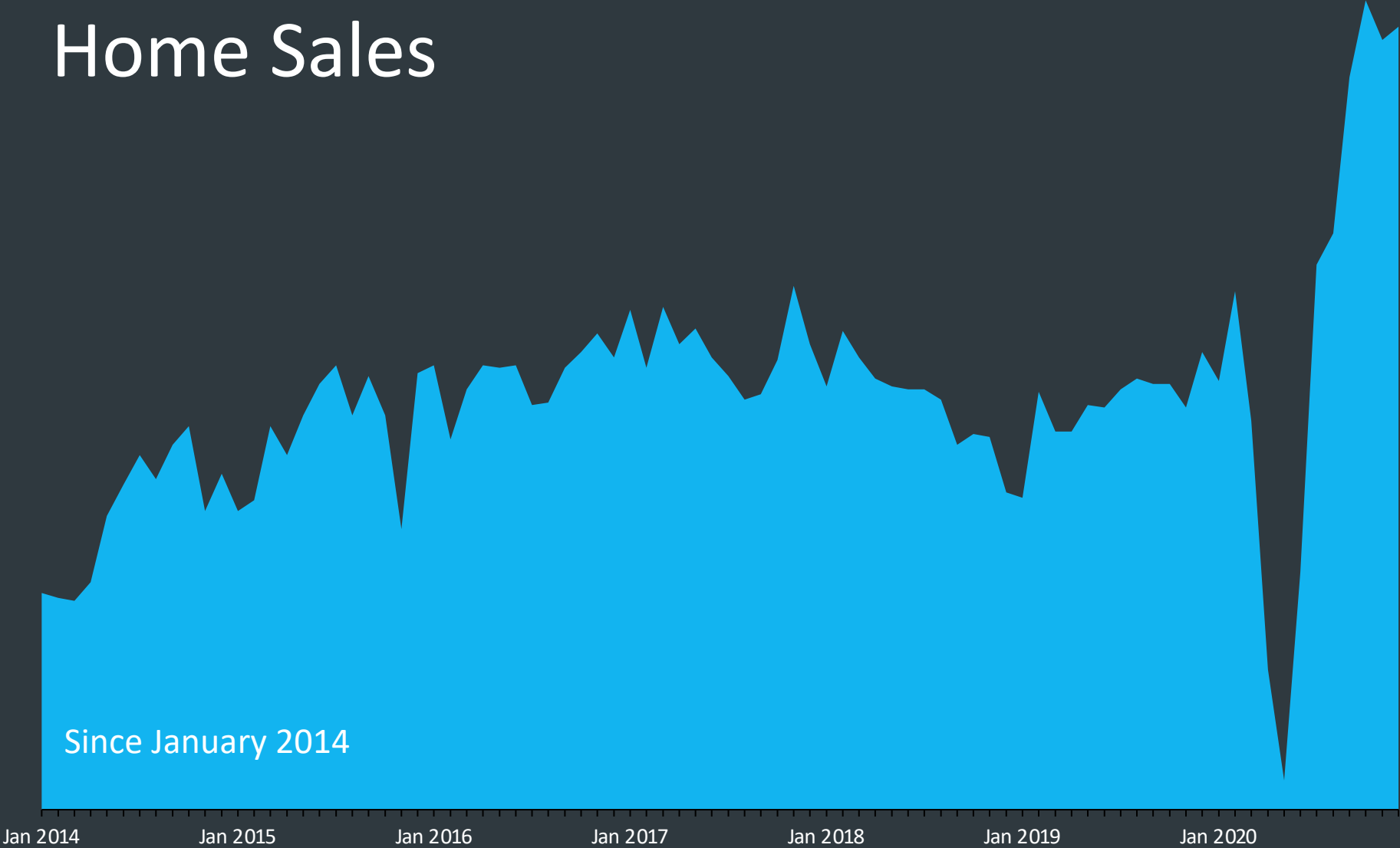
SALES

# Average Days on the Market



# EXISTING

## Home Sales

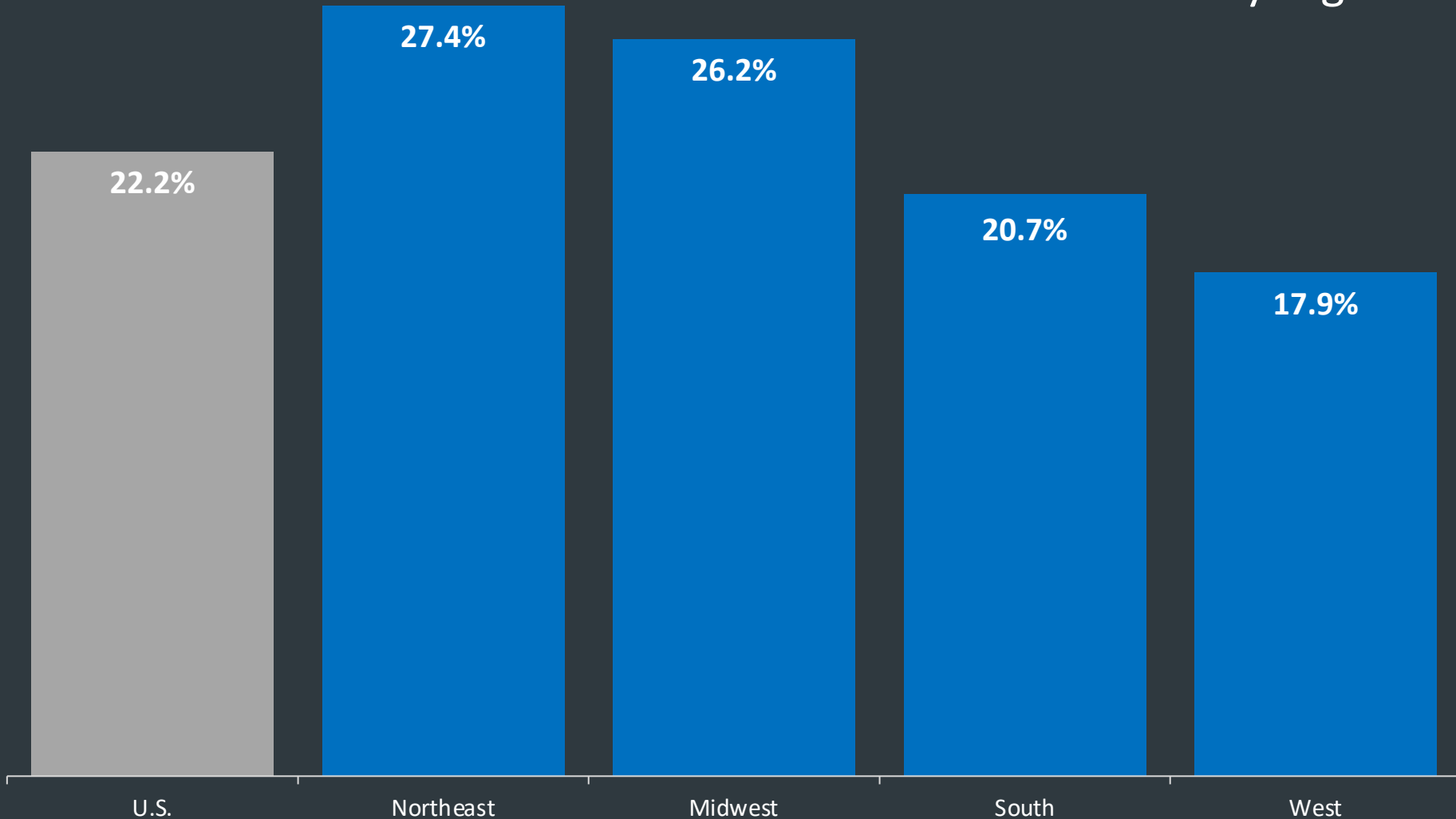


Since January 2014



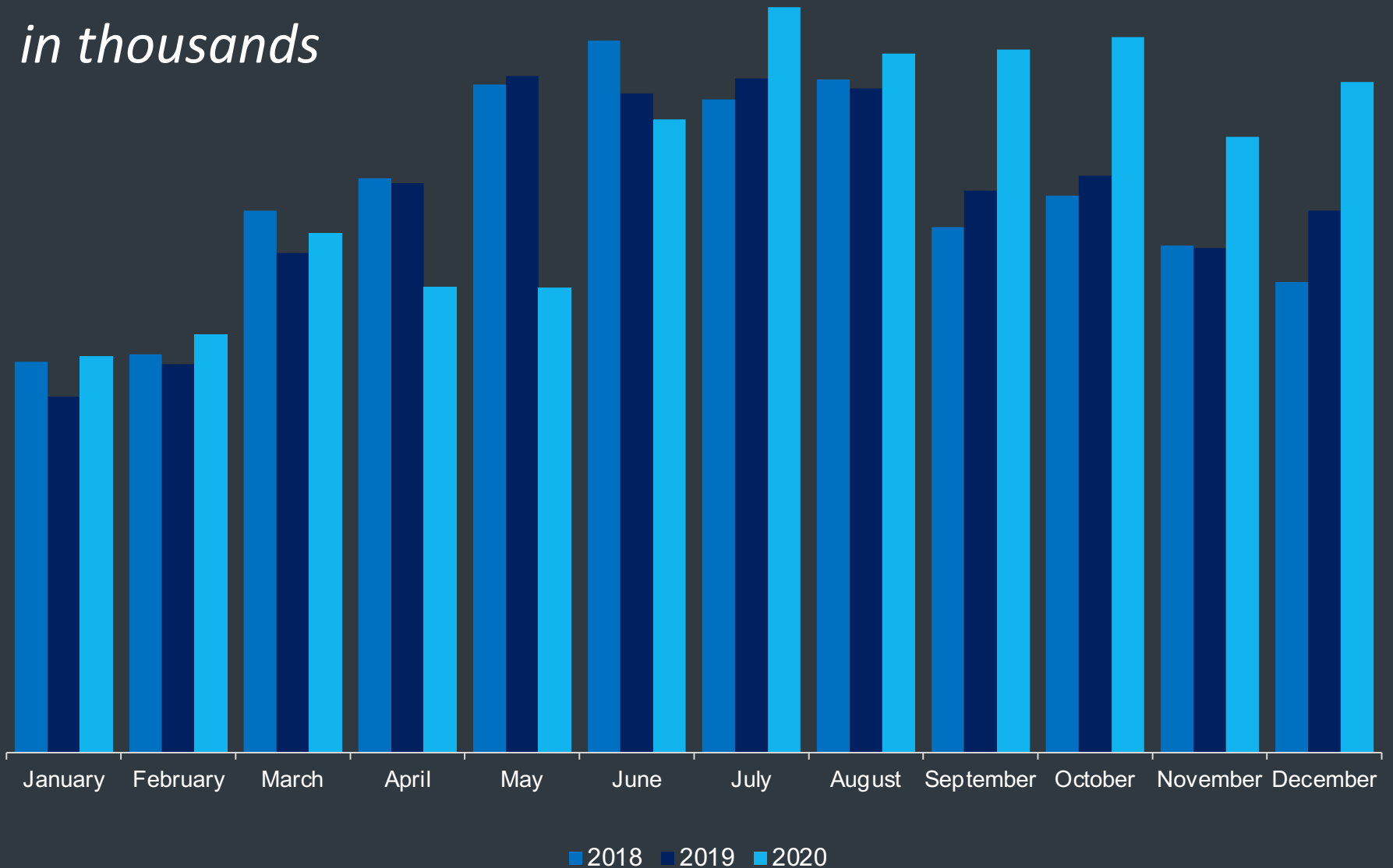
# EXISTING Home Sales

Y-O-Y by region

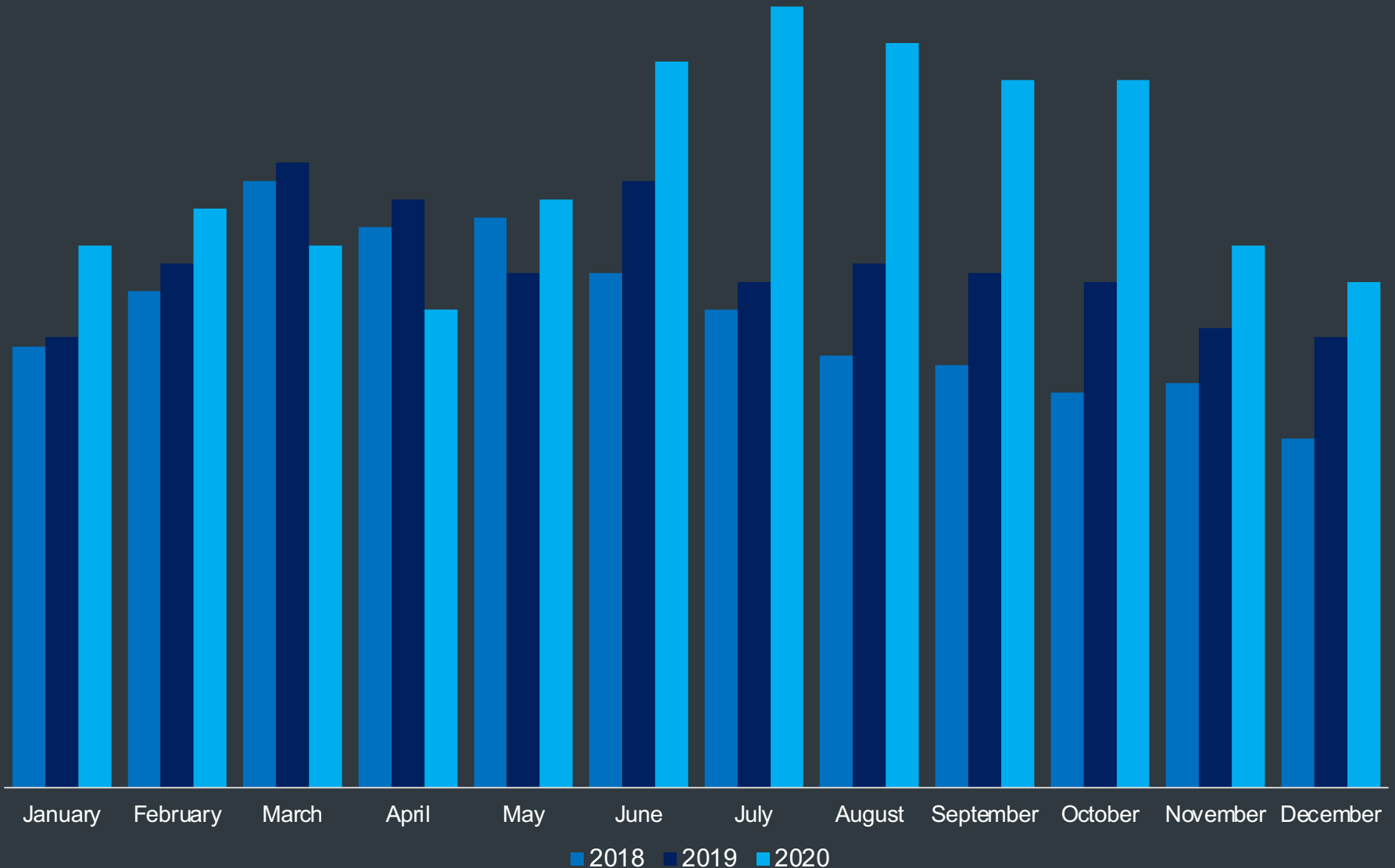


# Existing Home Sales

*in thousands*

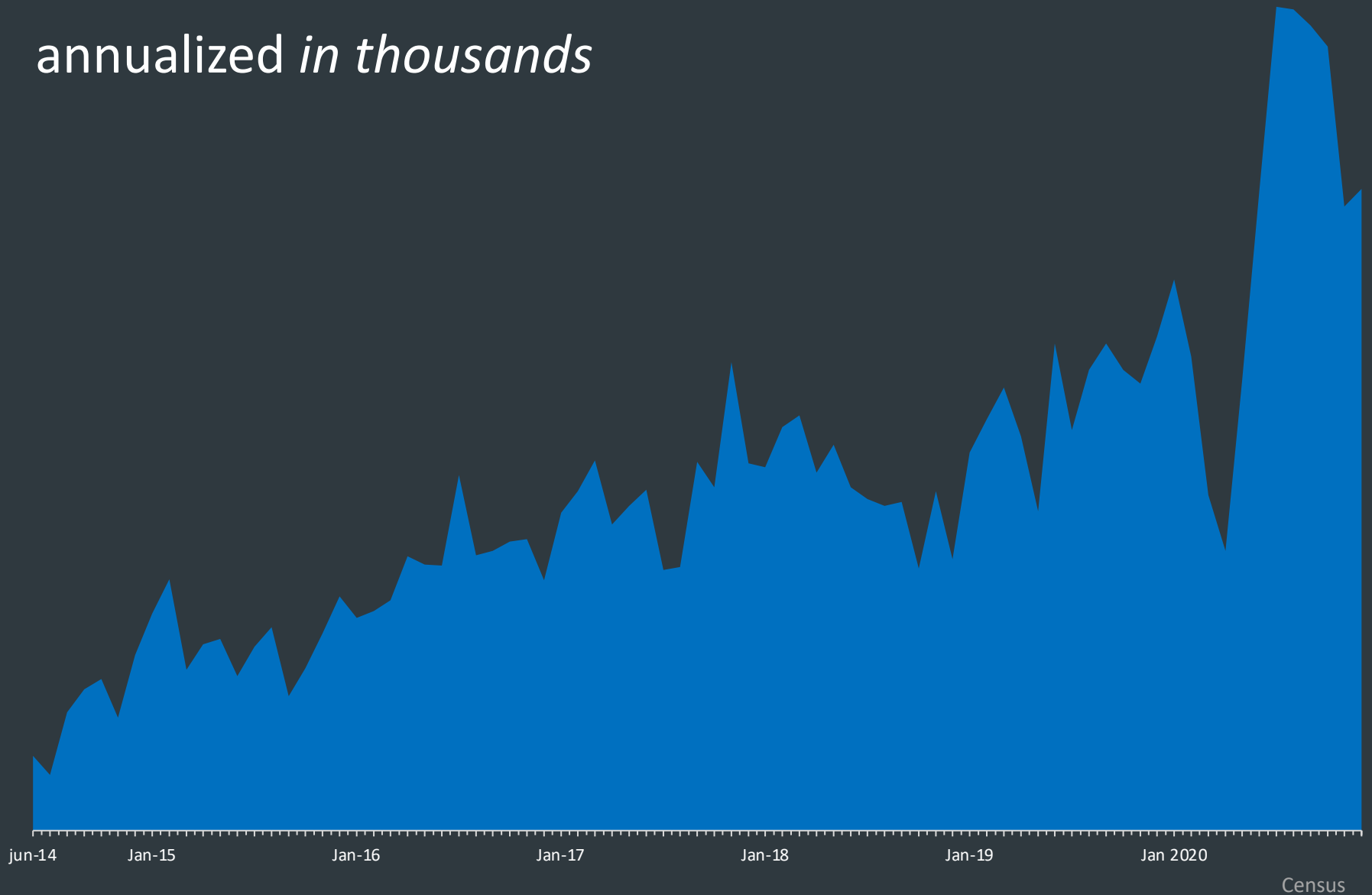


# New Home Sales *in thousands*



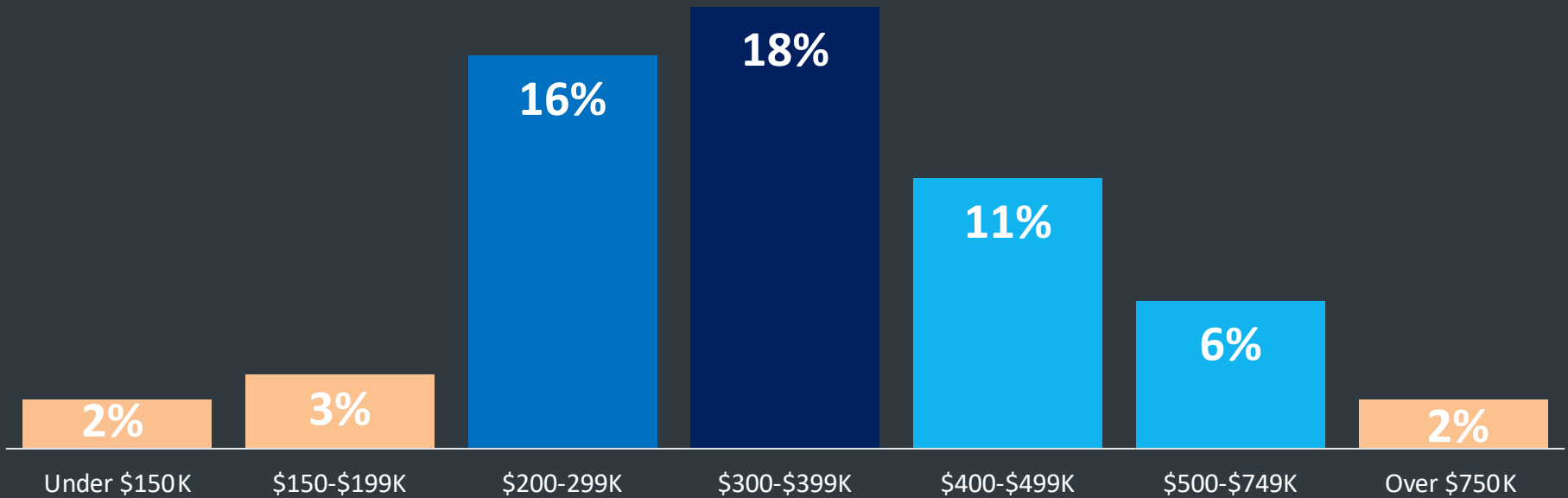
# New Home Sales

annualized *in thousands*



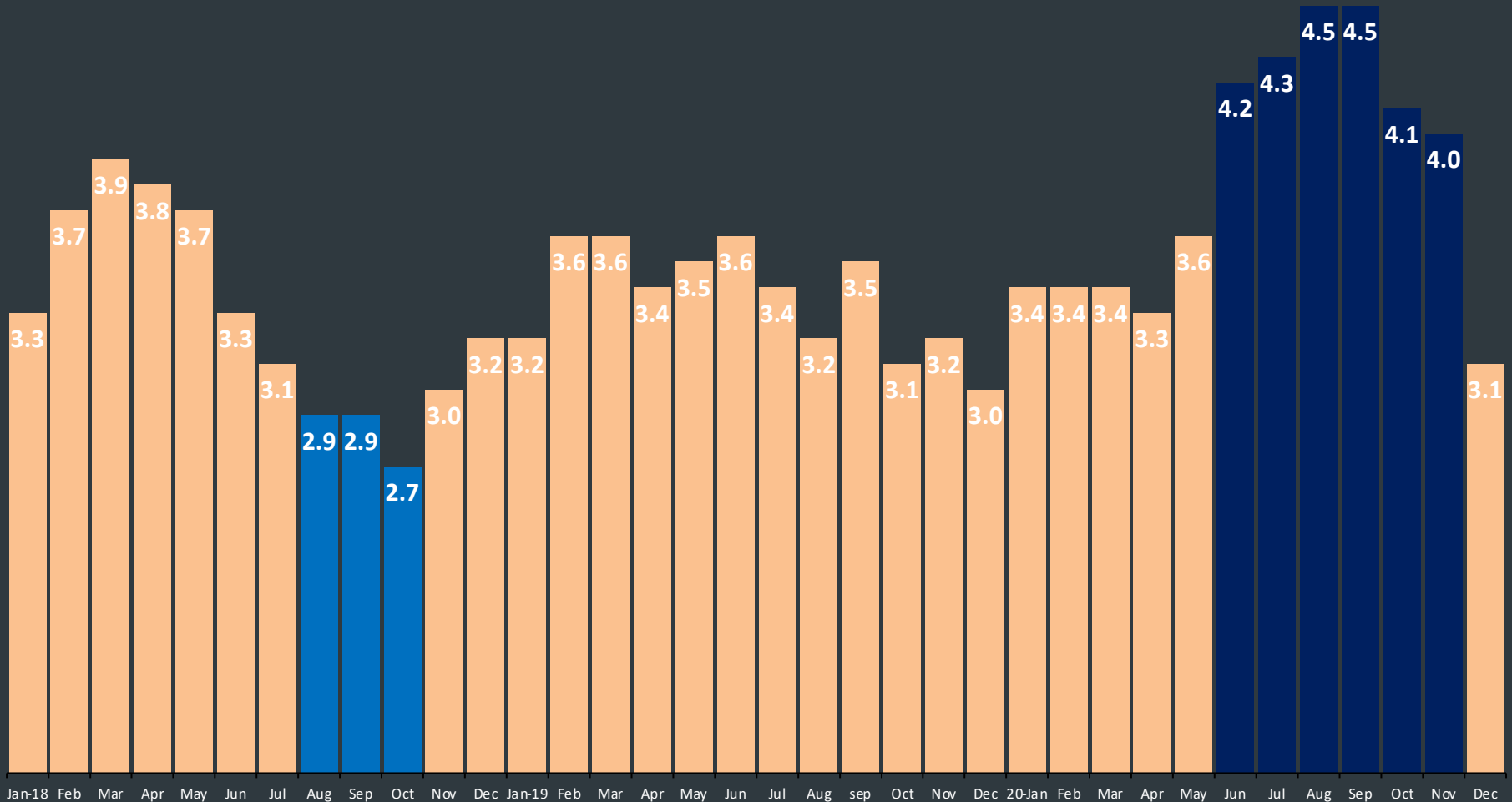
# New Home Sales

*% of sales by price range*

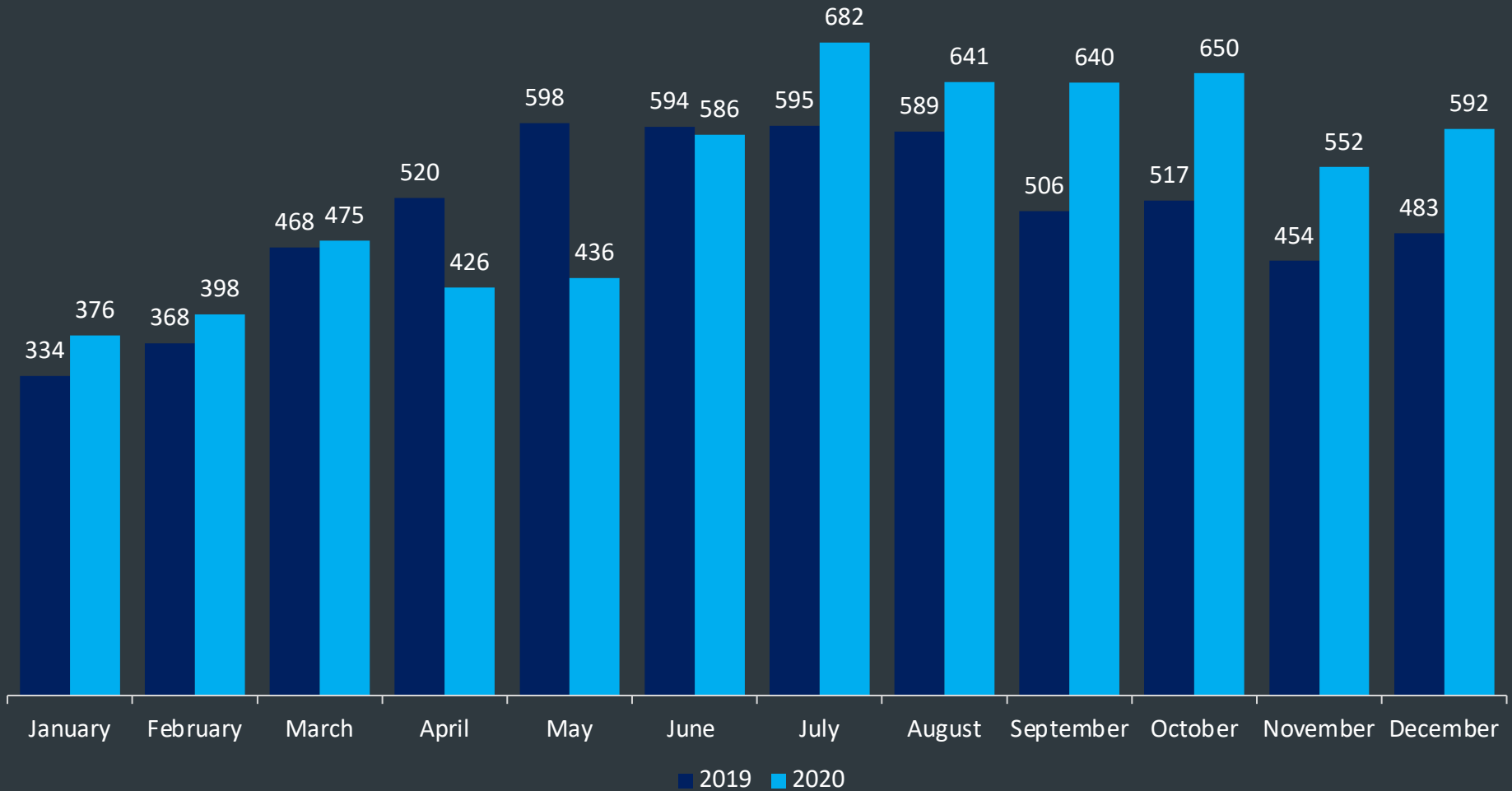


# New Homes Selling Fast

*(median months from completion to sold)*



# Total Home Sales *in thousands*



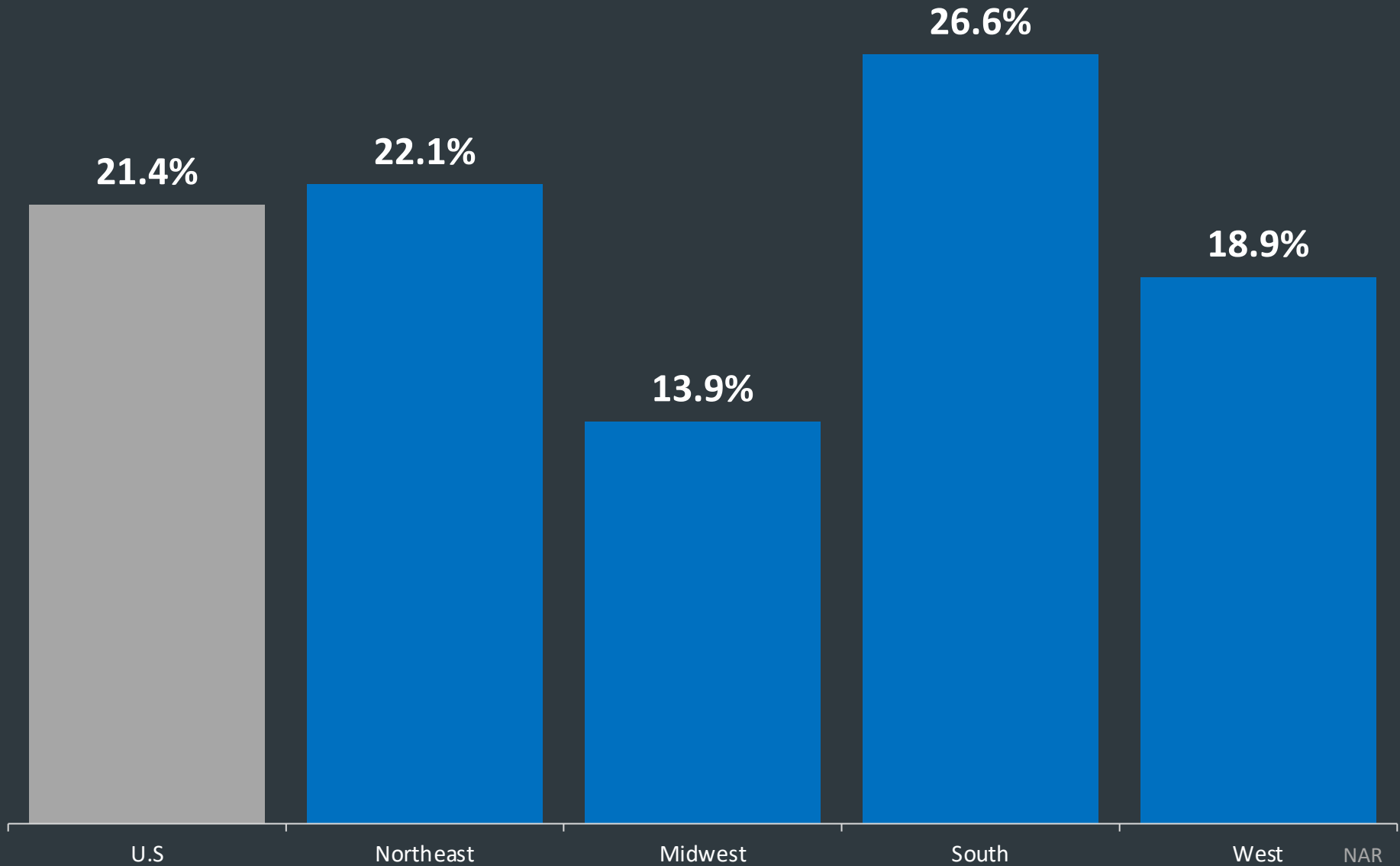
# PENDING Home Sales

*since 2014*





# Pending Home Sales *Year-Over-Year By Region*



35%

# Percentage of Distressed Property Sales

*Distressed sales – foreclosures and short sales – represented less than 1% of sales in December*

January 2012 - Today

4%

1%

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

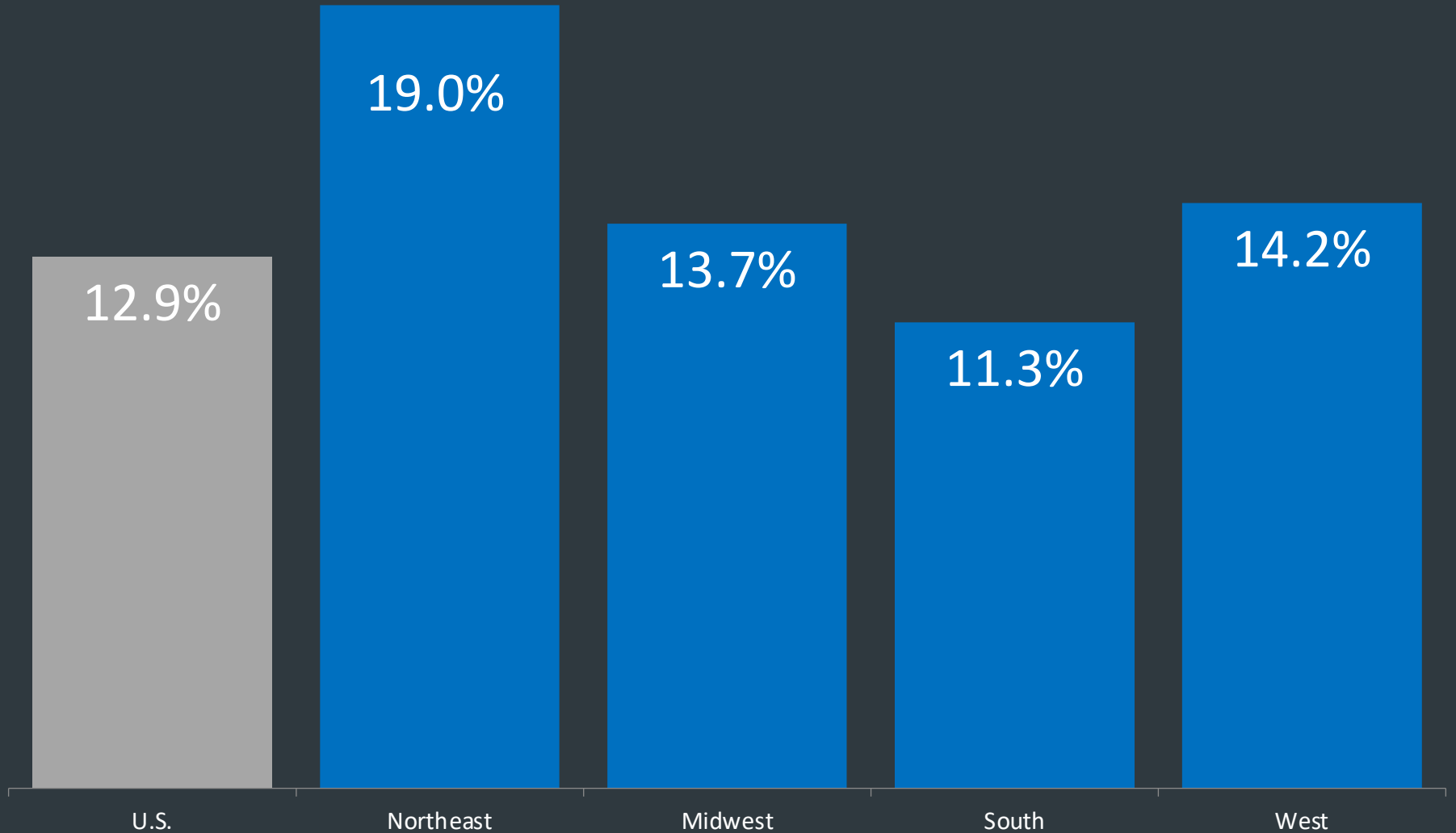




# Home Prices

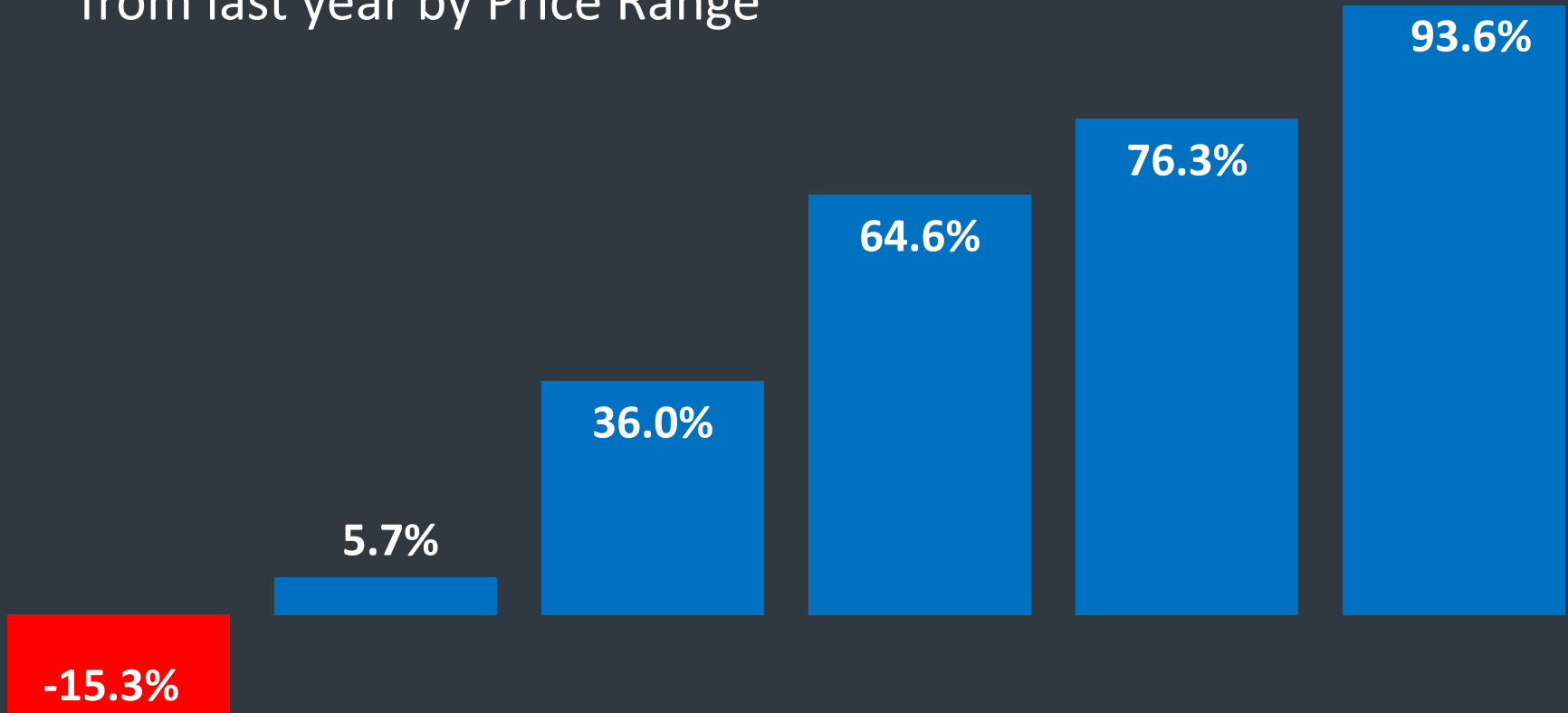
# EXISTING Home Prices

Y-O-Y by region



# % Change in Sales

from last year by Price Range

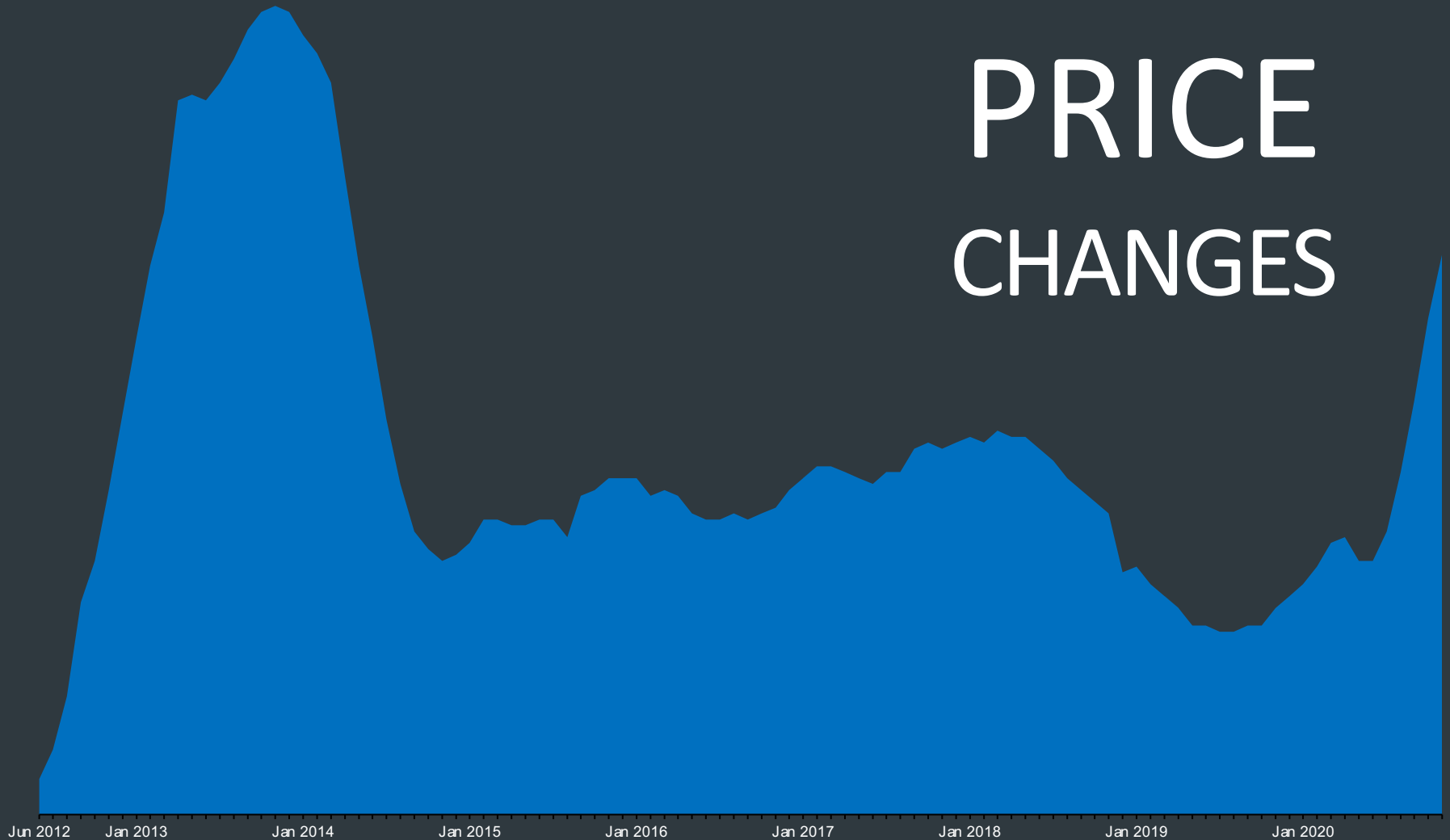


	\$0-100K	\$100-250K	\$250-500K	\$500-750K	\$750K-1M	\$1M+
%	-15.3%	5.7%	36.0%	64.6%	76.3%	93.6%

# Case Shiller

Year-Over-Year

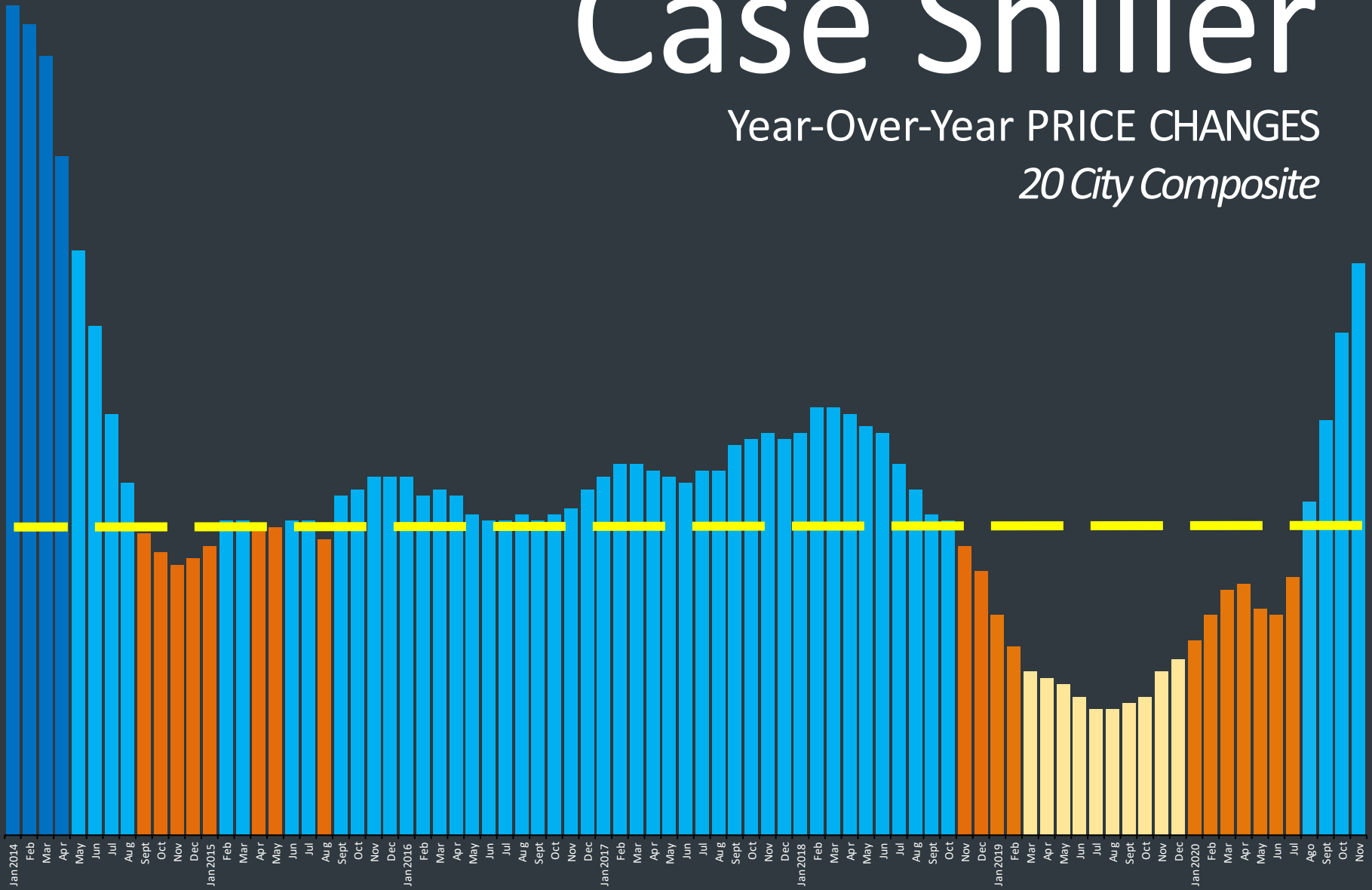
PRICE  
CHANGES



# Case Shiller

Year-Over-Year PRICE CHANGES

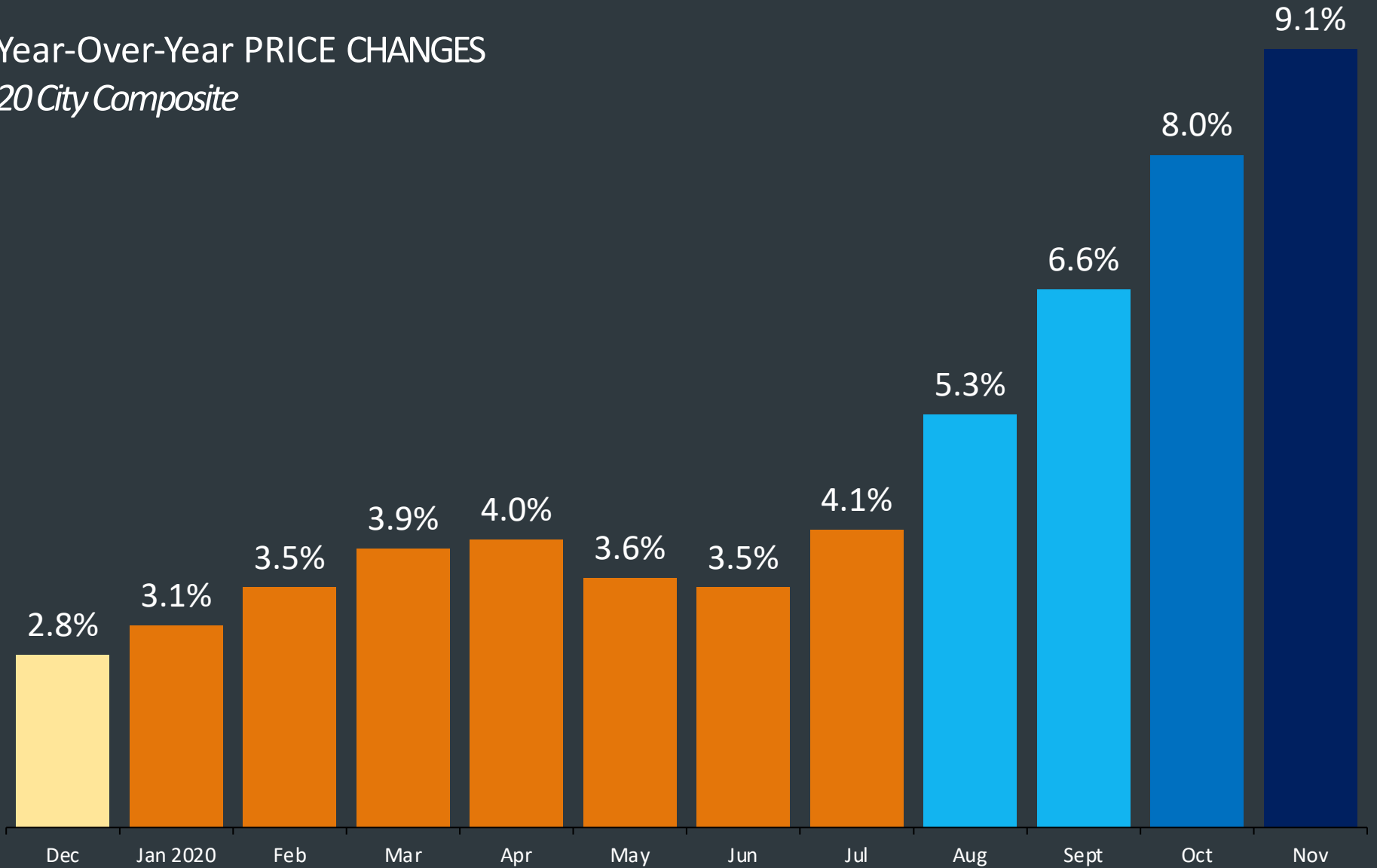
*20 City Composite*



# Case Shiller

Year-Over-Year PRICE CHANGES

*20 City Composite*





# Year-Over-Year % Change in Price

9.2%

2.9%

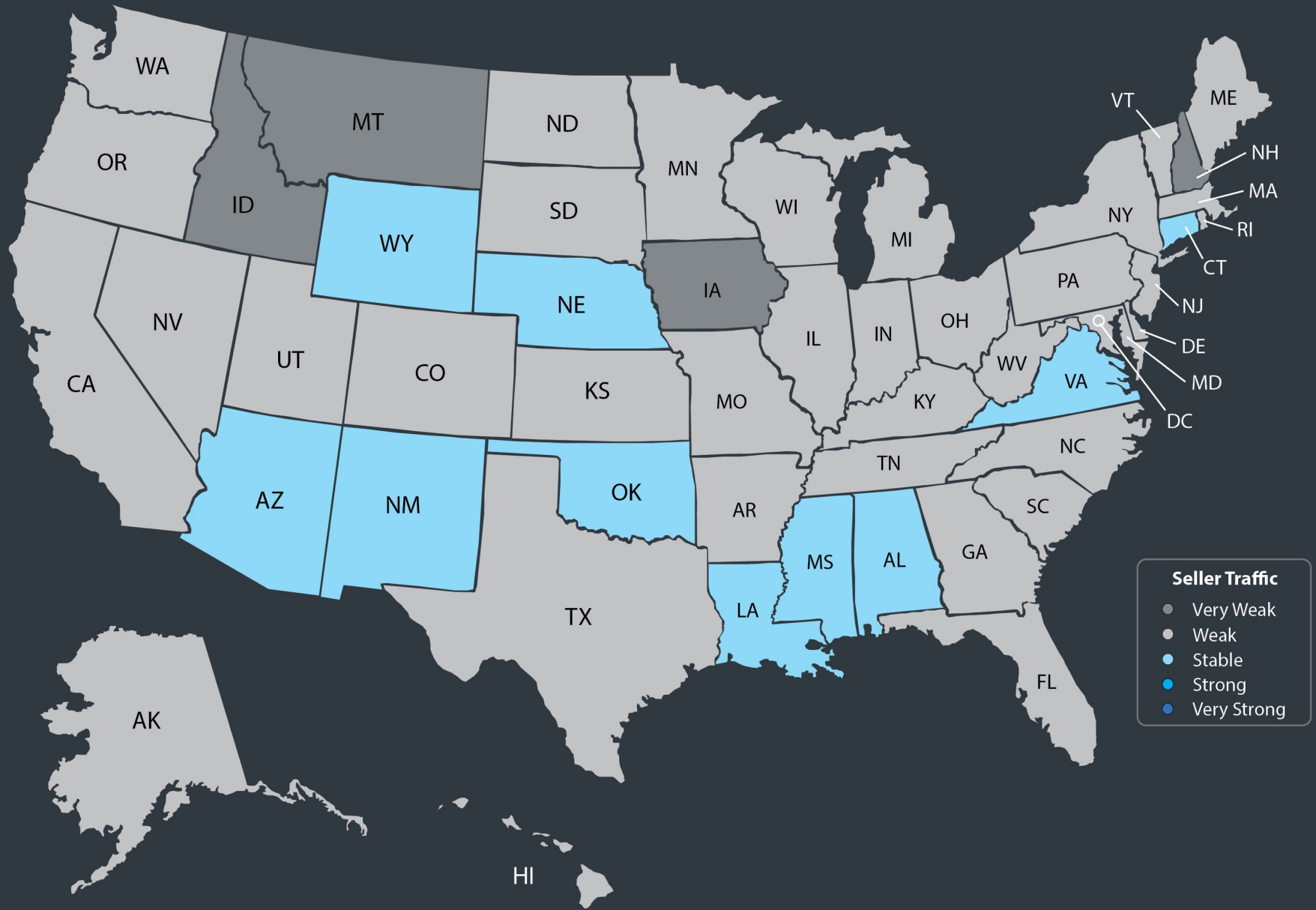
■ Current

■ Forecast

# HOUSING INVENTORY



# Seller Traffic Index

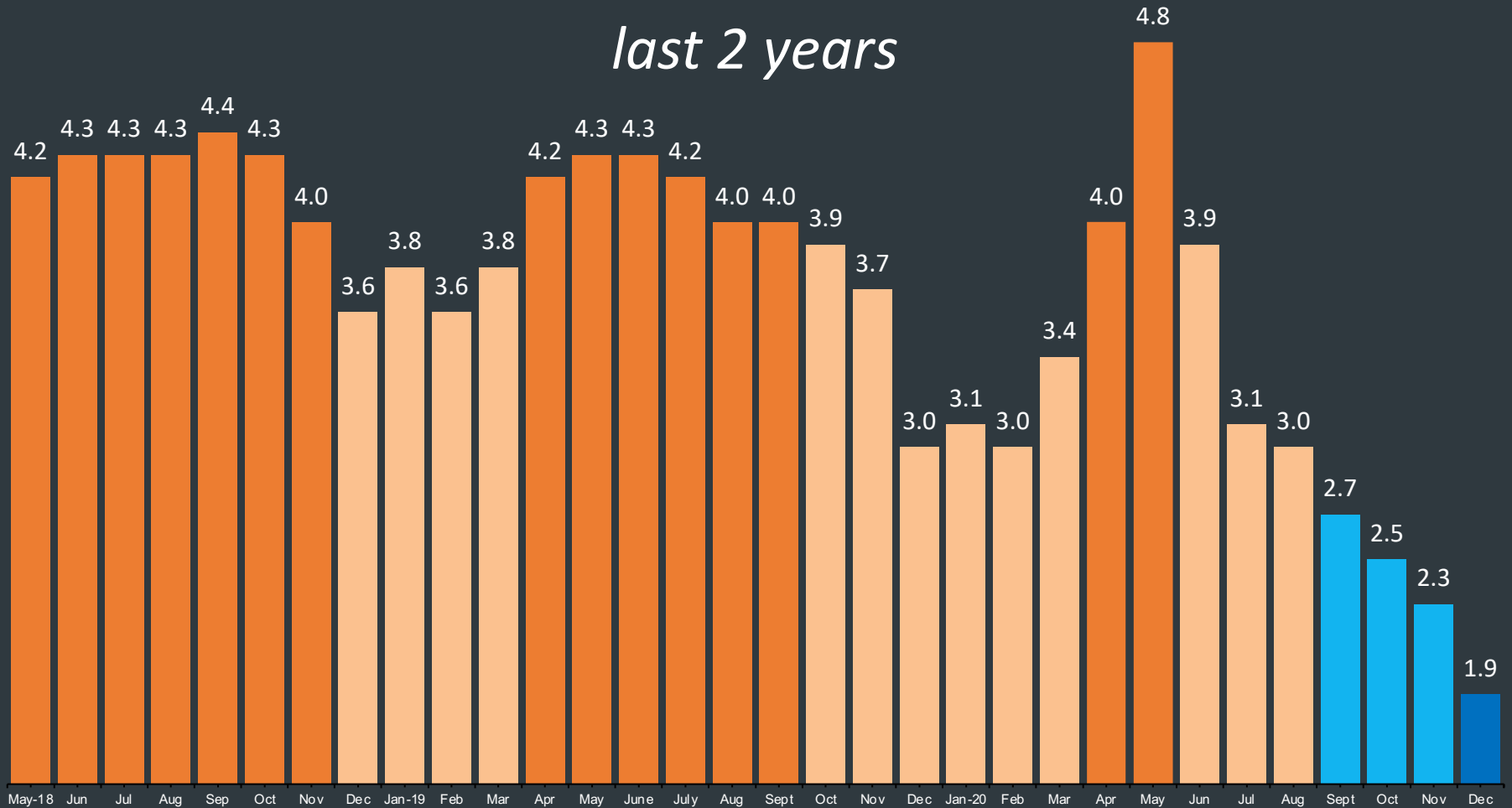


# Months Inventory of HOMES FOR SALE 2011 - Today



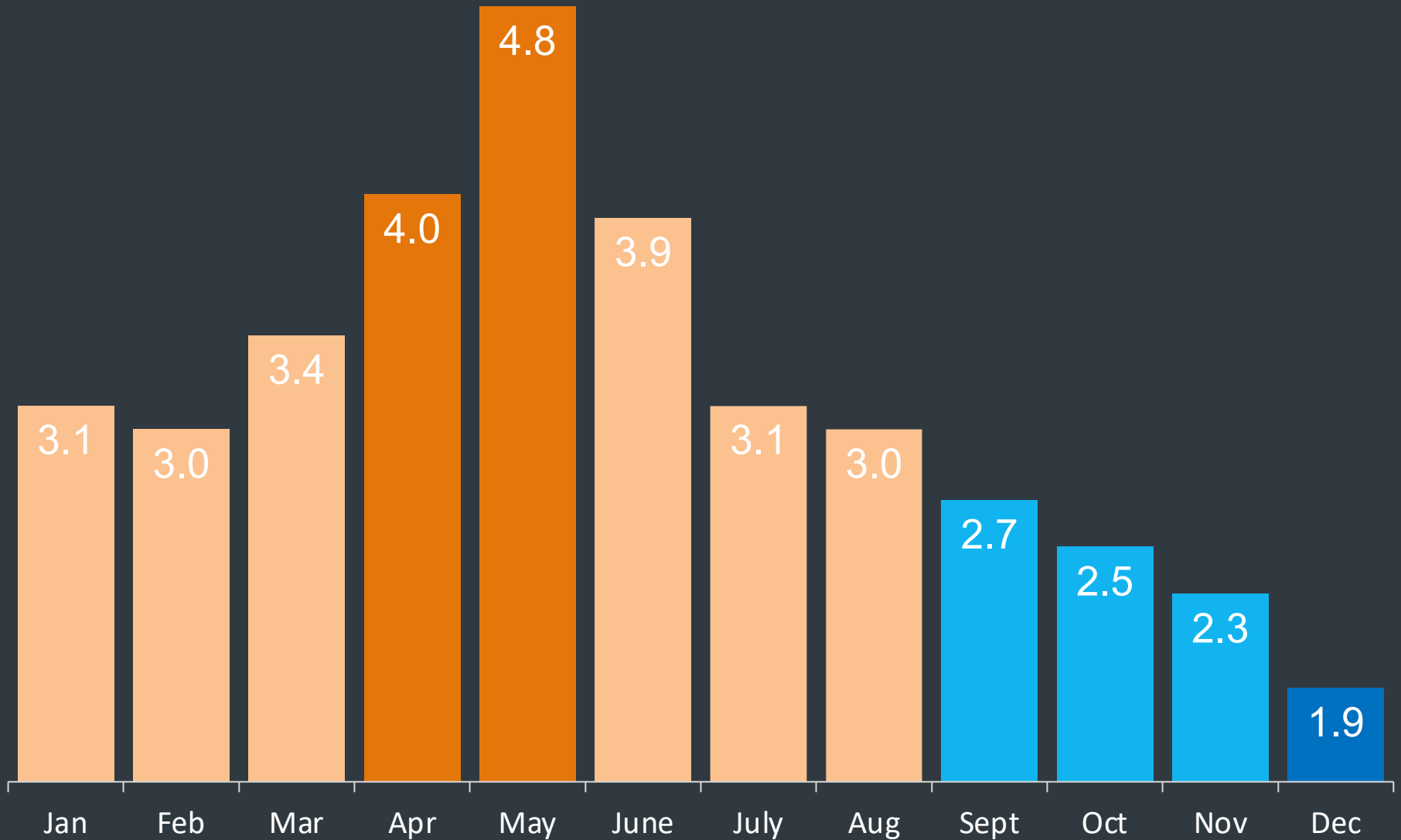
# Months Inventory of HOMES FOR SALE

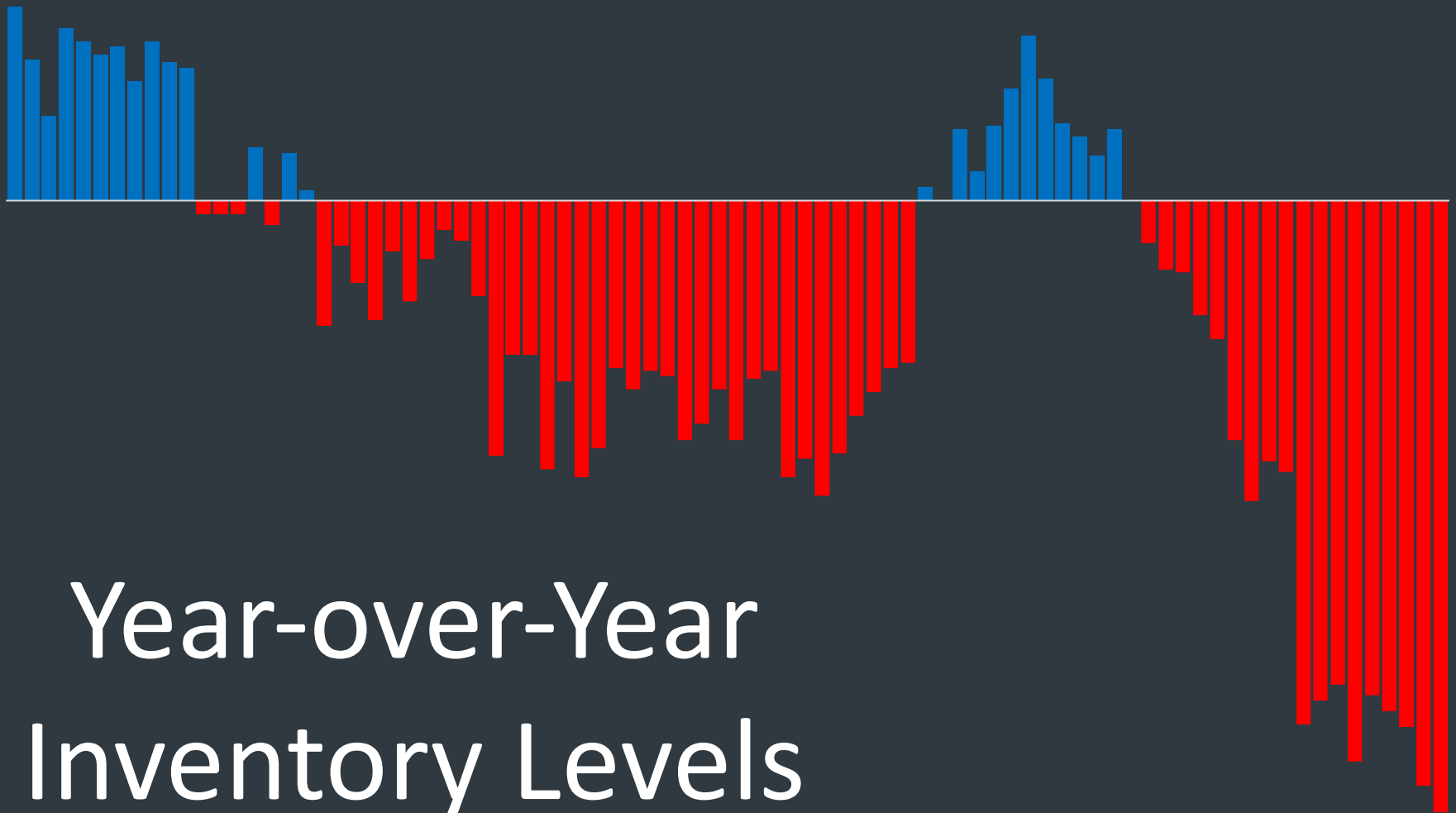
*last 2 years*



# Months Inventory of HOMES FOR SALE

*Last 12 Months*

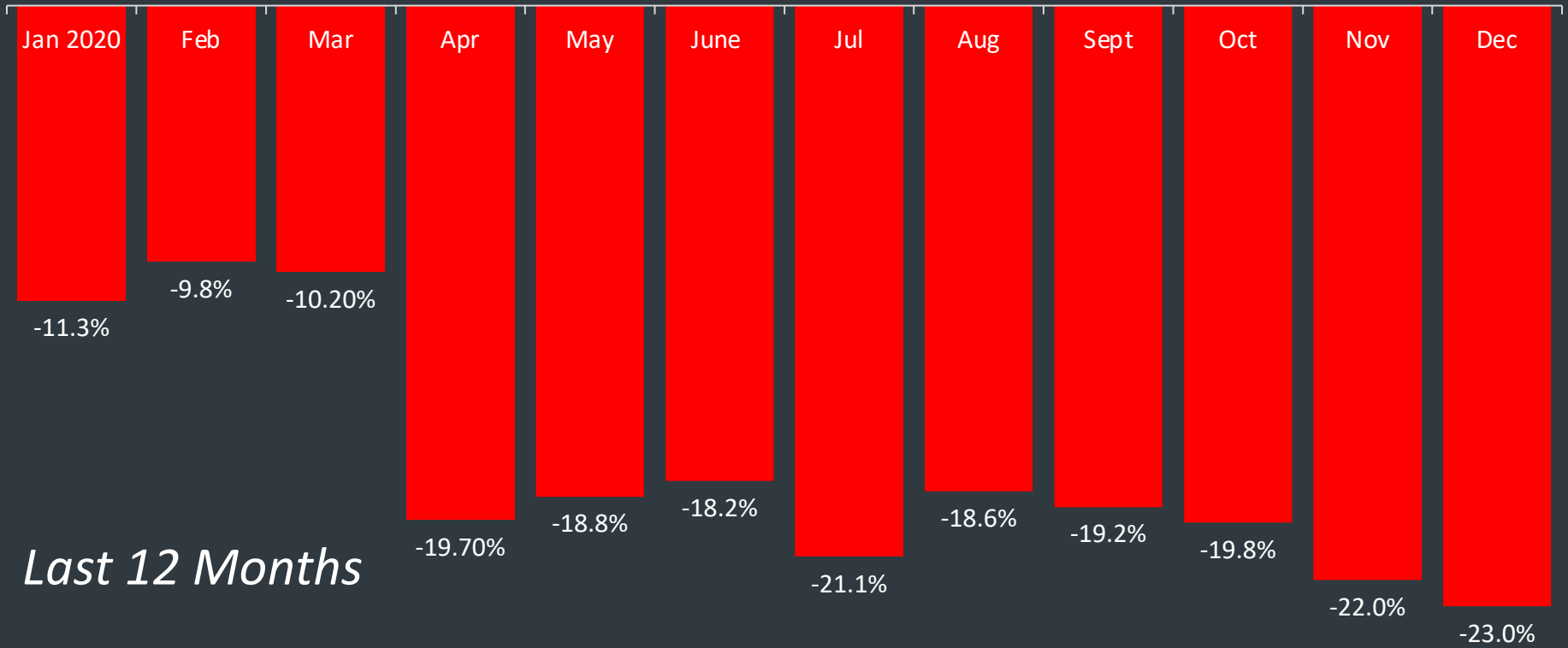




# Year-over-Year Inventory Levels

# HOUSING SUPPLY

## Year-Over-Year



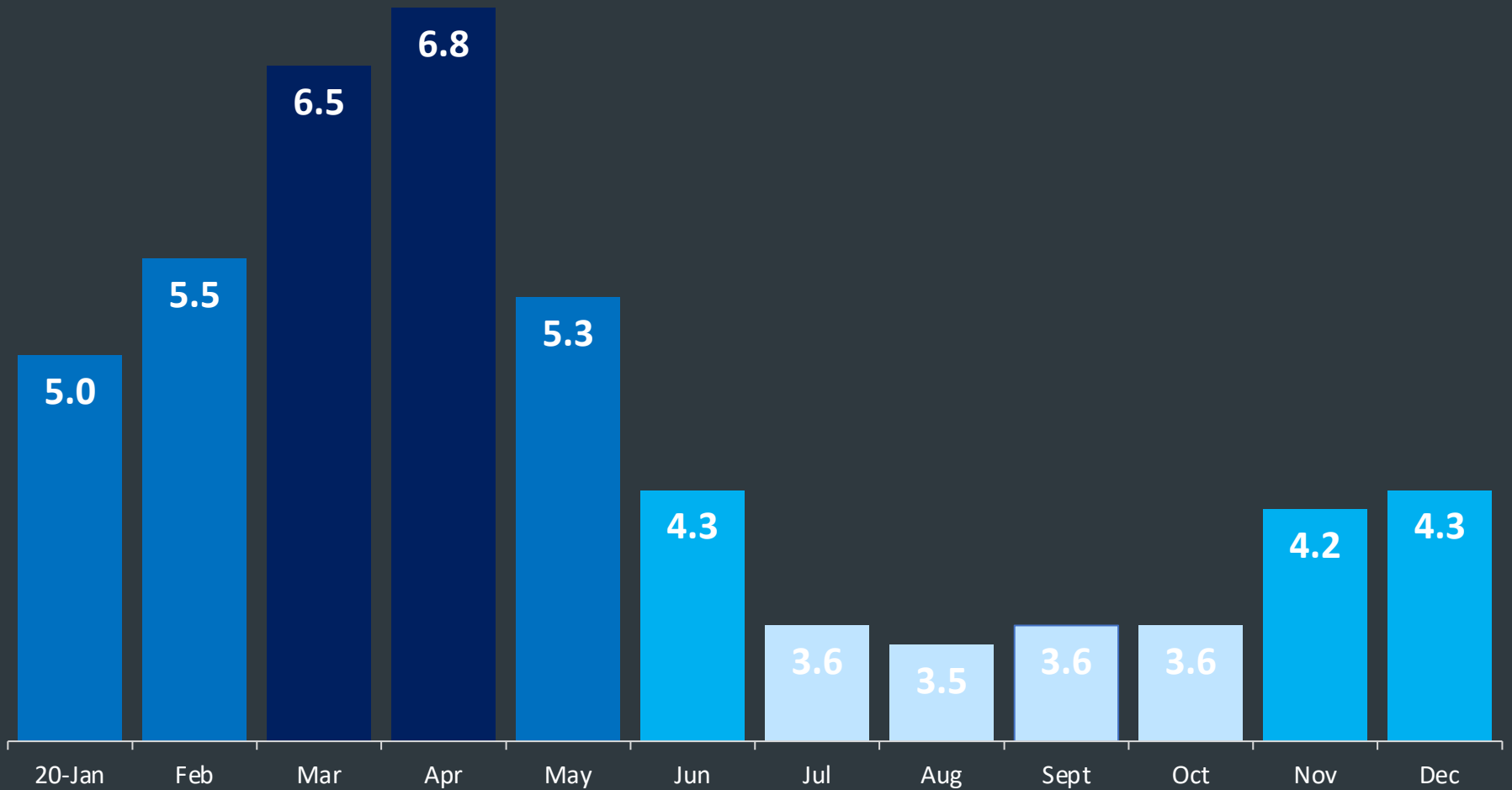
*Last 12 Months*



# New Home Inventory

*months supply*

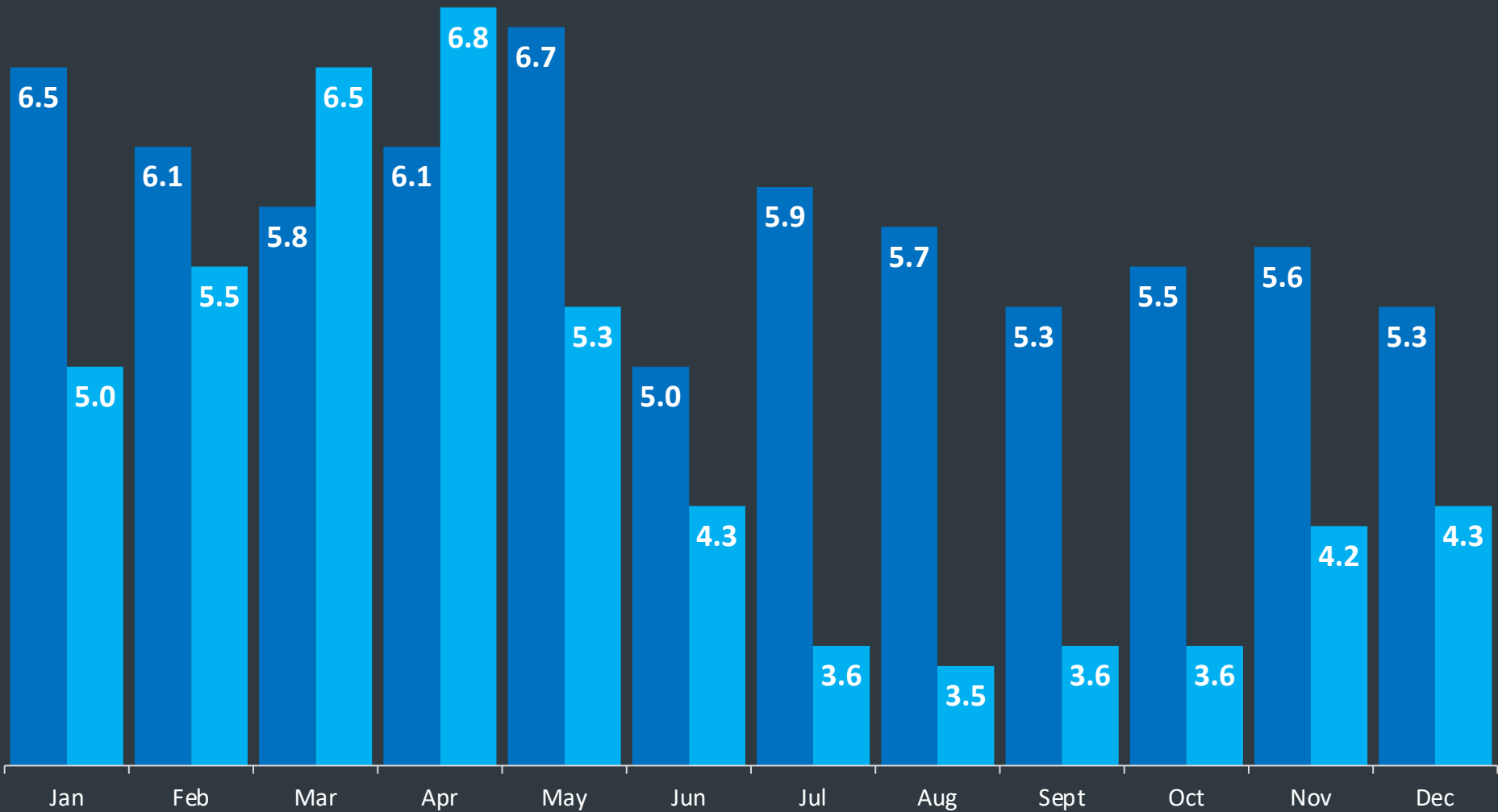
*Last 12 Months*



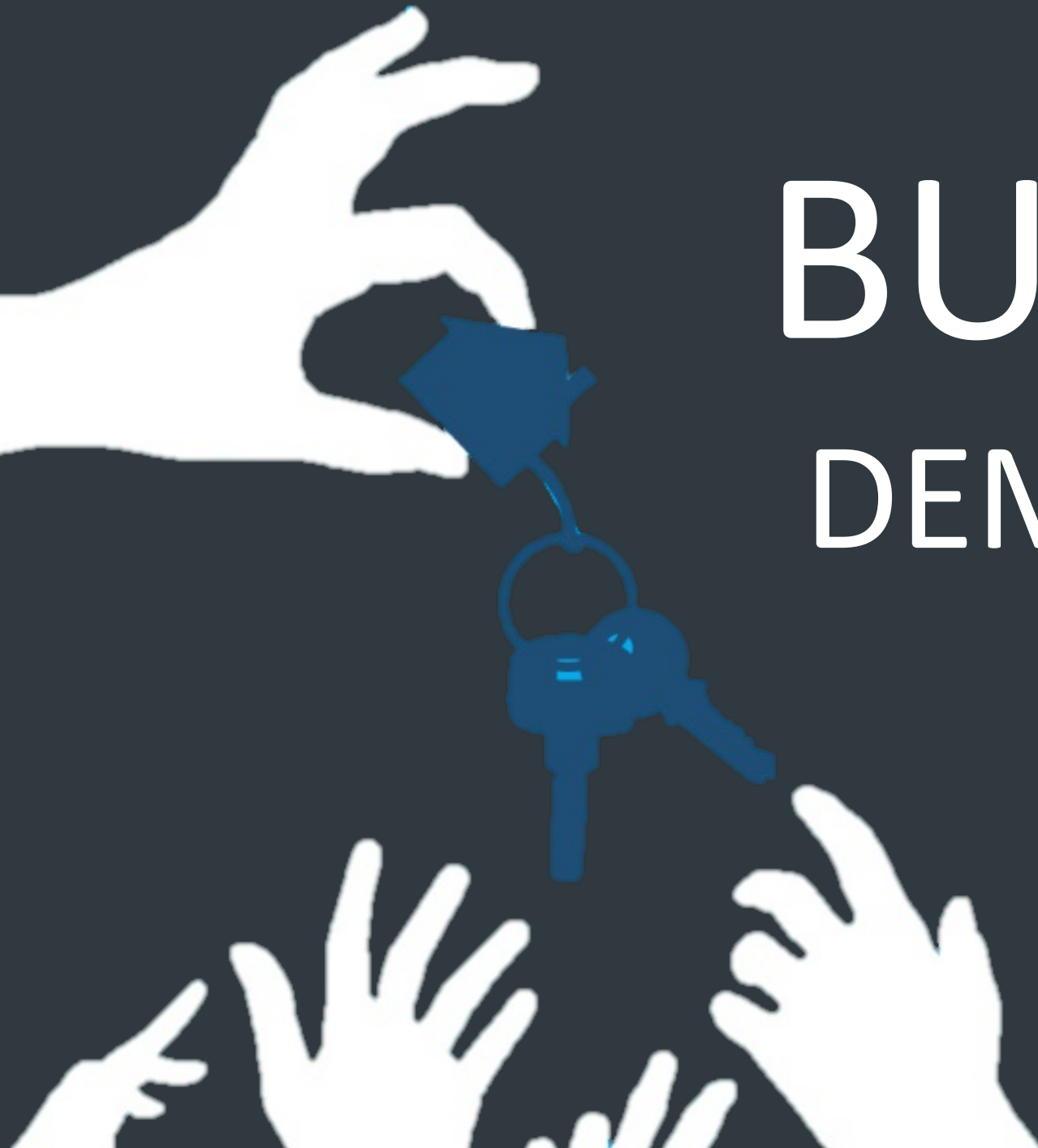
# New Home Inventory

*months supply*

■ 2019 ■ 2020

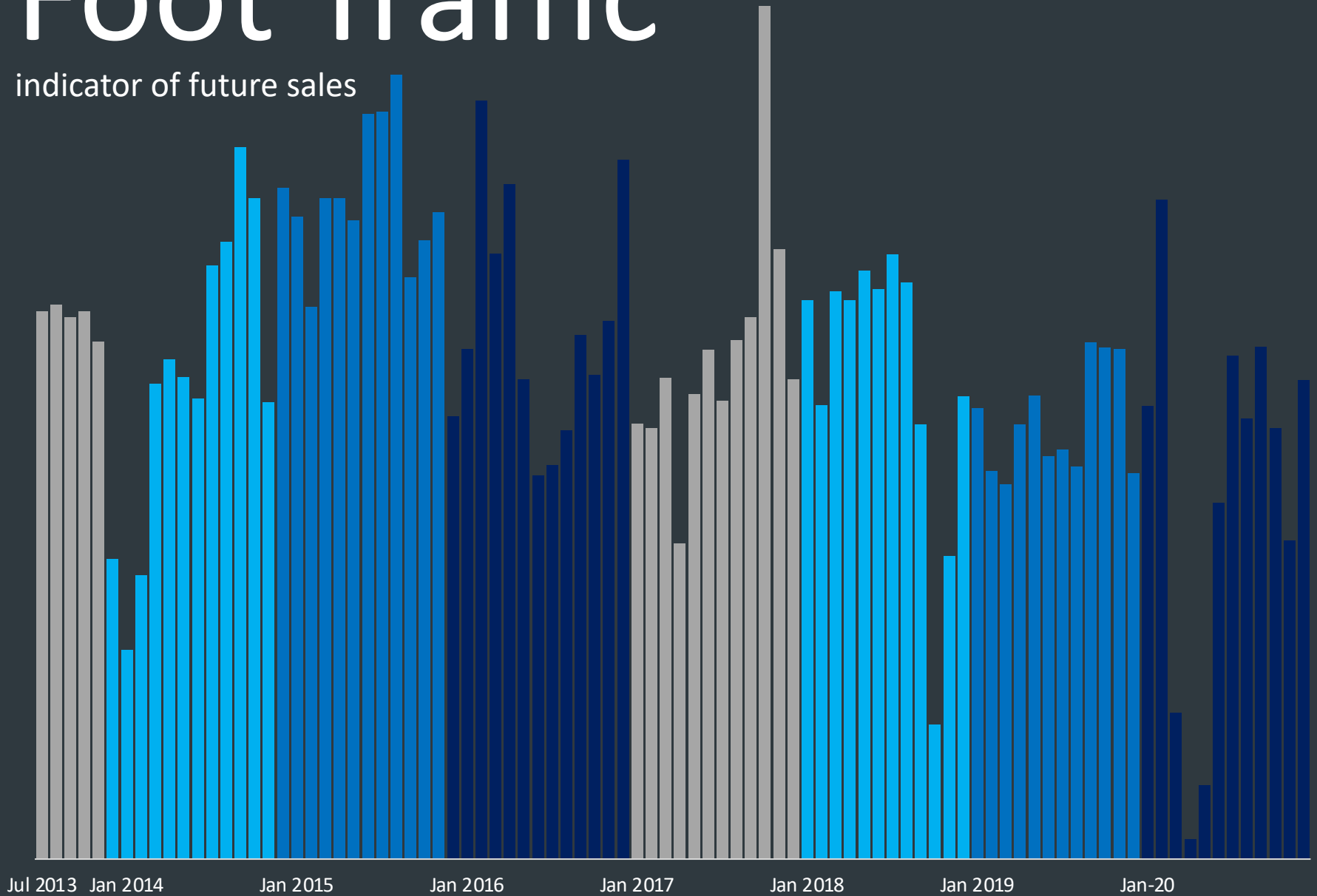


# BUYER DEMAND



# Foot Traffic

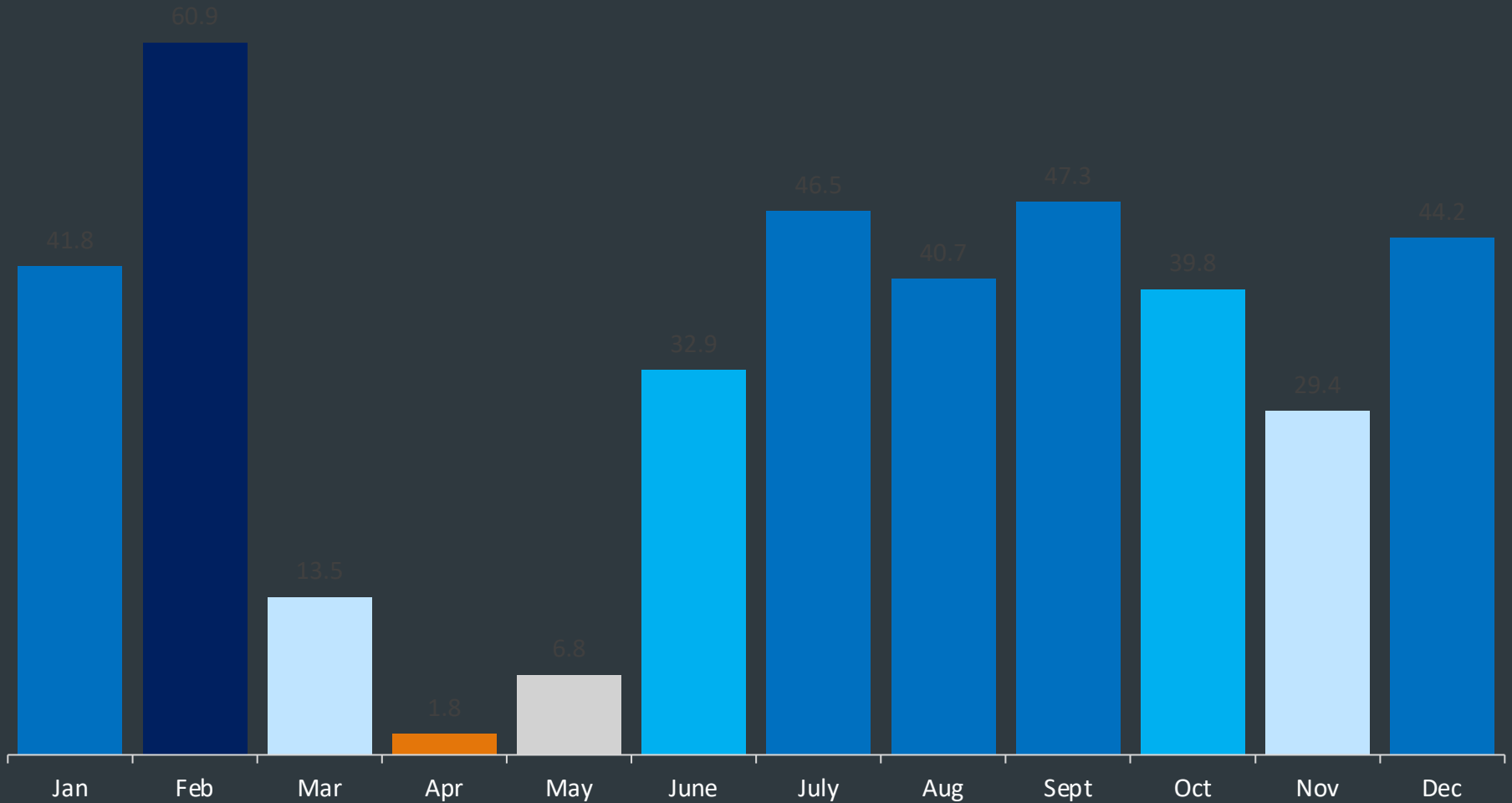
indicator of future sales



# Foot Traffic

## Last 12 Months

Indicator of future sales

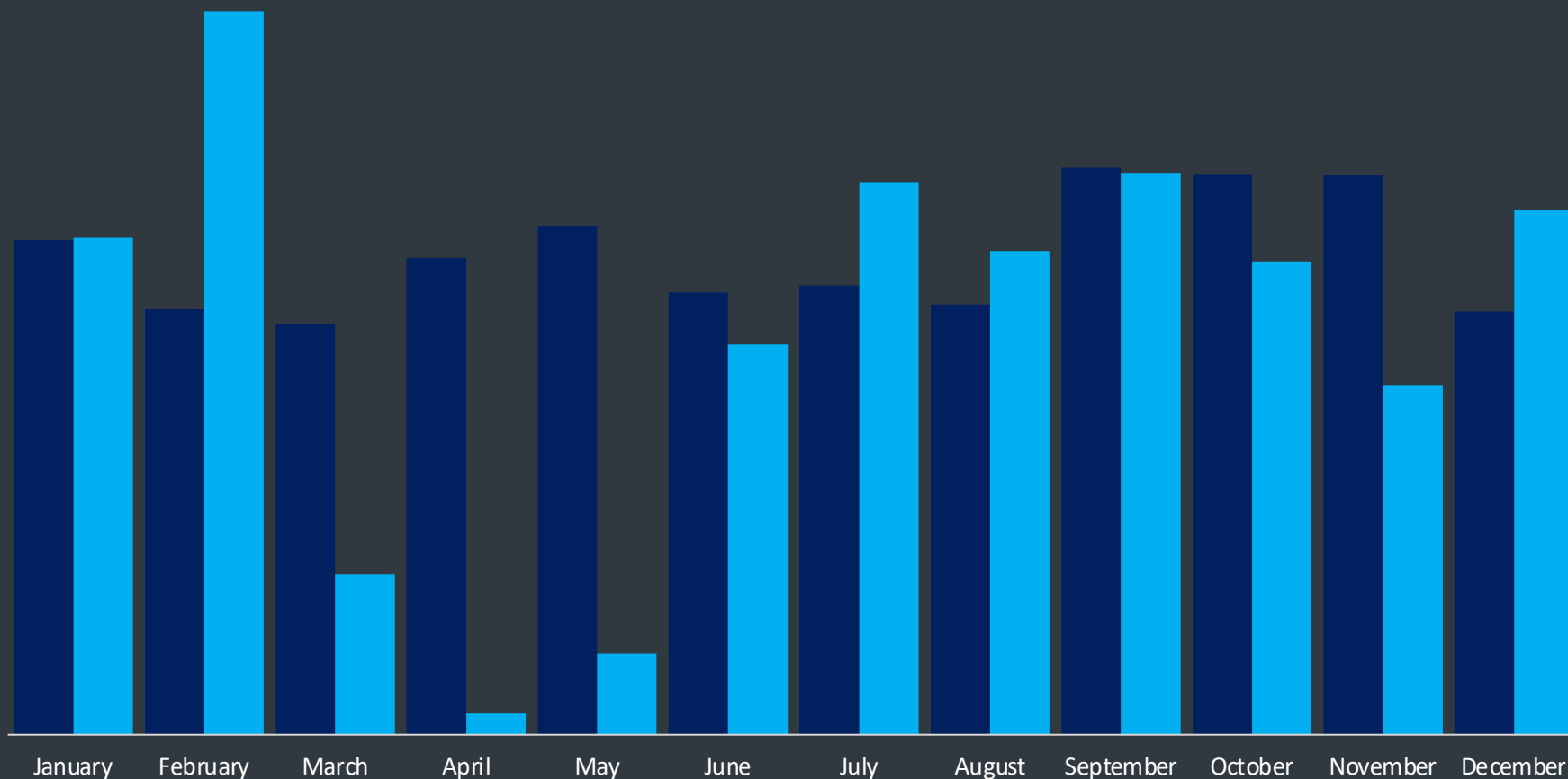


# Foot Traffic

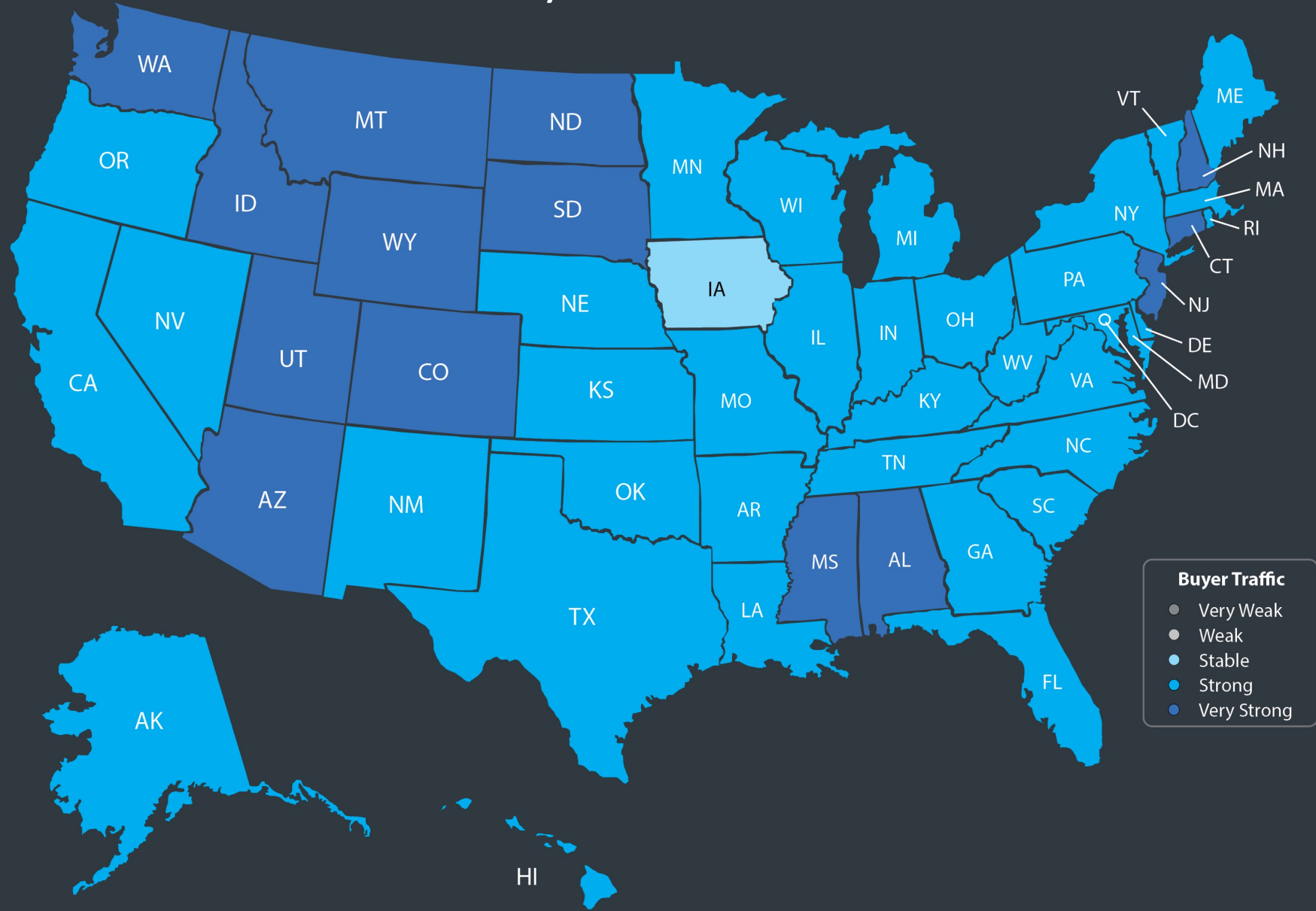
indicator of future sales

■ 2019

■ 2020



# Buyer Traffic Index



**Buyer Traffic**

- Very Weak
- Weak
- Stable
- Strong
- Very Strong

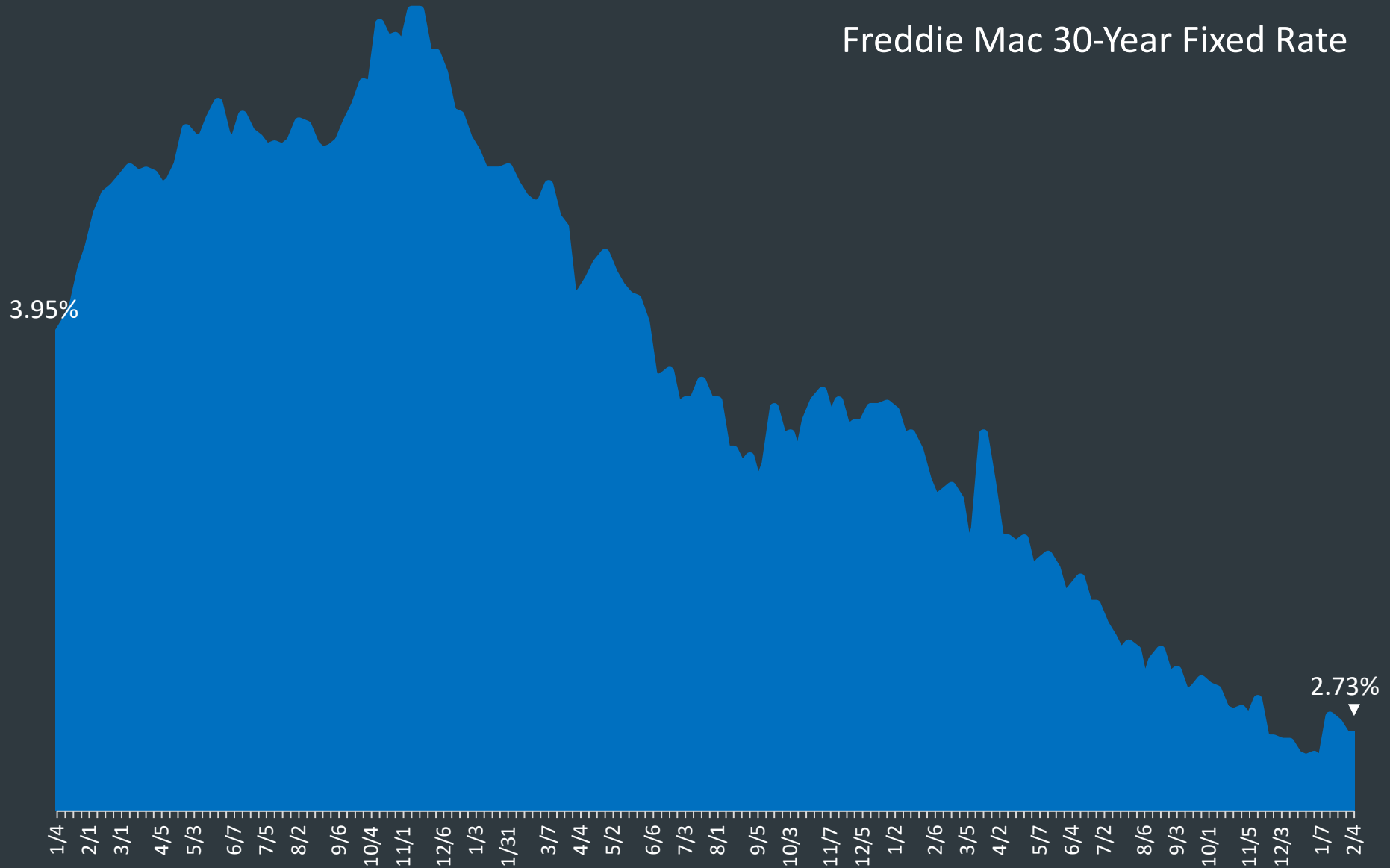
# INTEREST RATES





# Mortgage Rates

Freddie Mac 30-Year Fixed Rate



# 30-Year Fixed

Rate Mortgages  
from Freddie Mac

3.97%

1/7/16 2/4 3/3 4/7 5/5 6/2 7/7 8/4 9/1 10/6 11/3 12/1 1/5/2017 2/2 3/2 3/30 4/27 5/25 6/22 7/20 8/17 9/14 10/12 11/9 12/7 1/4/2018 2/1 3/1 4/5 5/4 6/7 7/5 8/2 9/6 10/4 11/1 12/6 1/3/2019 1/31 3/7 4/4 5/2 6/6 7/3 8/1 9/5 10/3 11/7 12/5 1/2/2020 2/6 3/5 4/2 5/7 6/4 7/2 8/6 9/3 10/1 11/5 12/3 1/7 2/4

2.73%

# Mortgage Rate Projections

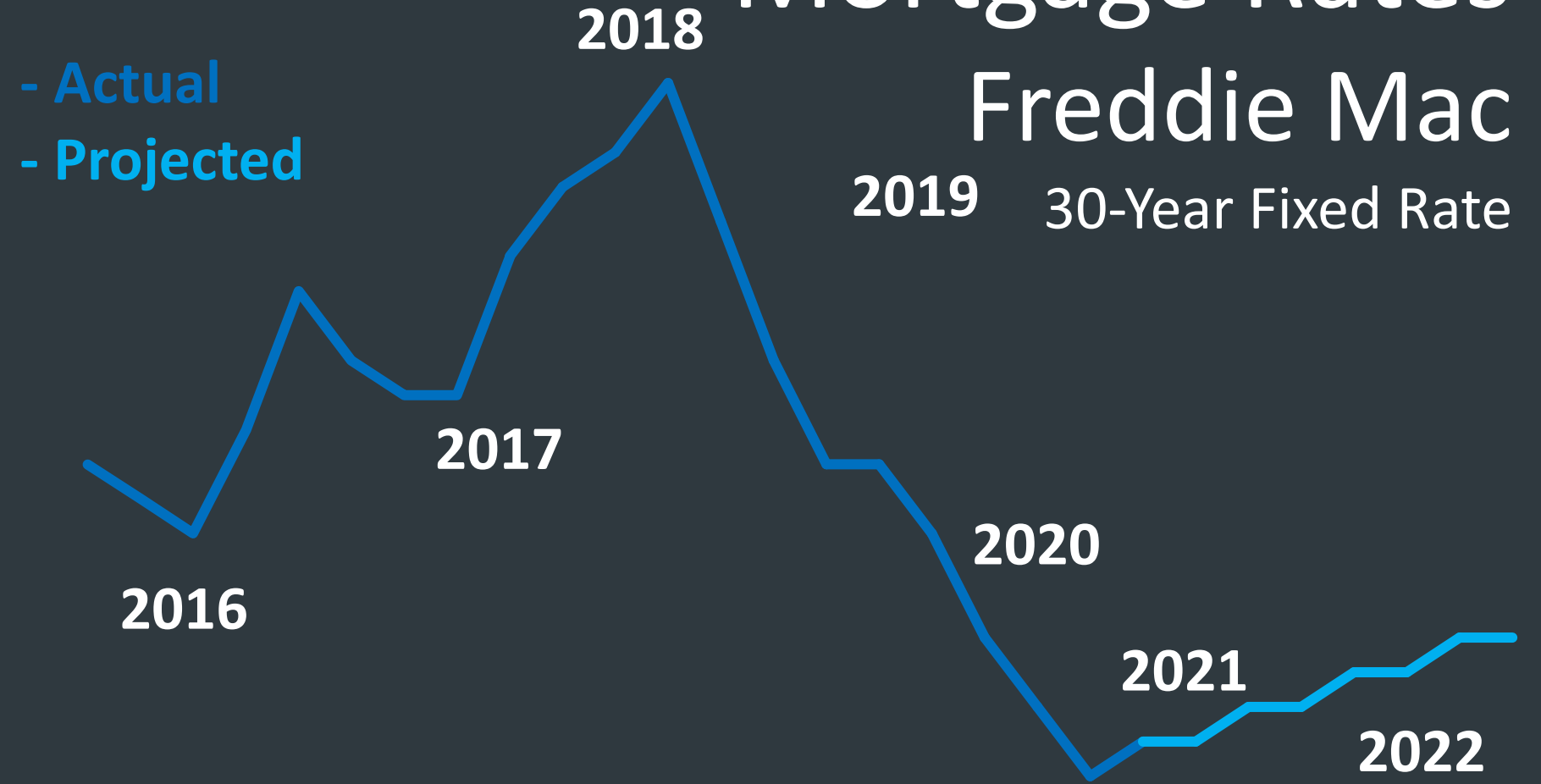
Quarter	Freddie Mac	Fannie Mae	MBA	NAR	Average of All Four
2021 2Q	2.9	2.7	3.1	3.0	2.92%
2021 3Q	3.0	2.8	3.3	3.0	3.02%
2021 4Q	3.0	2.8	3.4	3.1	3.07%
2022 1Q	3.1	2.9	3.5	3.2	3.17%

# Mortgage Rates

## Freddie Mac

### 2019 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	2022	2022	2022	2022
	Q1	Q2	Q3	Q4	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	3.2	3.0	2.8	2.9	2.9	3.0	3.0	3.1	3.1	3.2	3.2

# Mortgage Rates

Freddie Mac

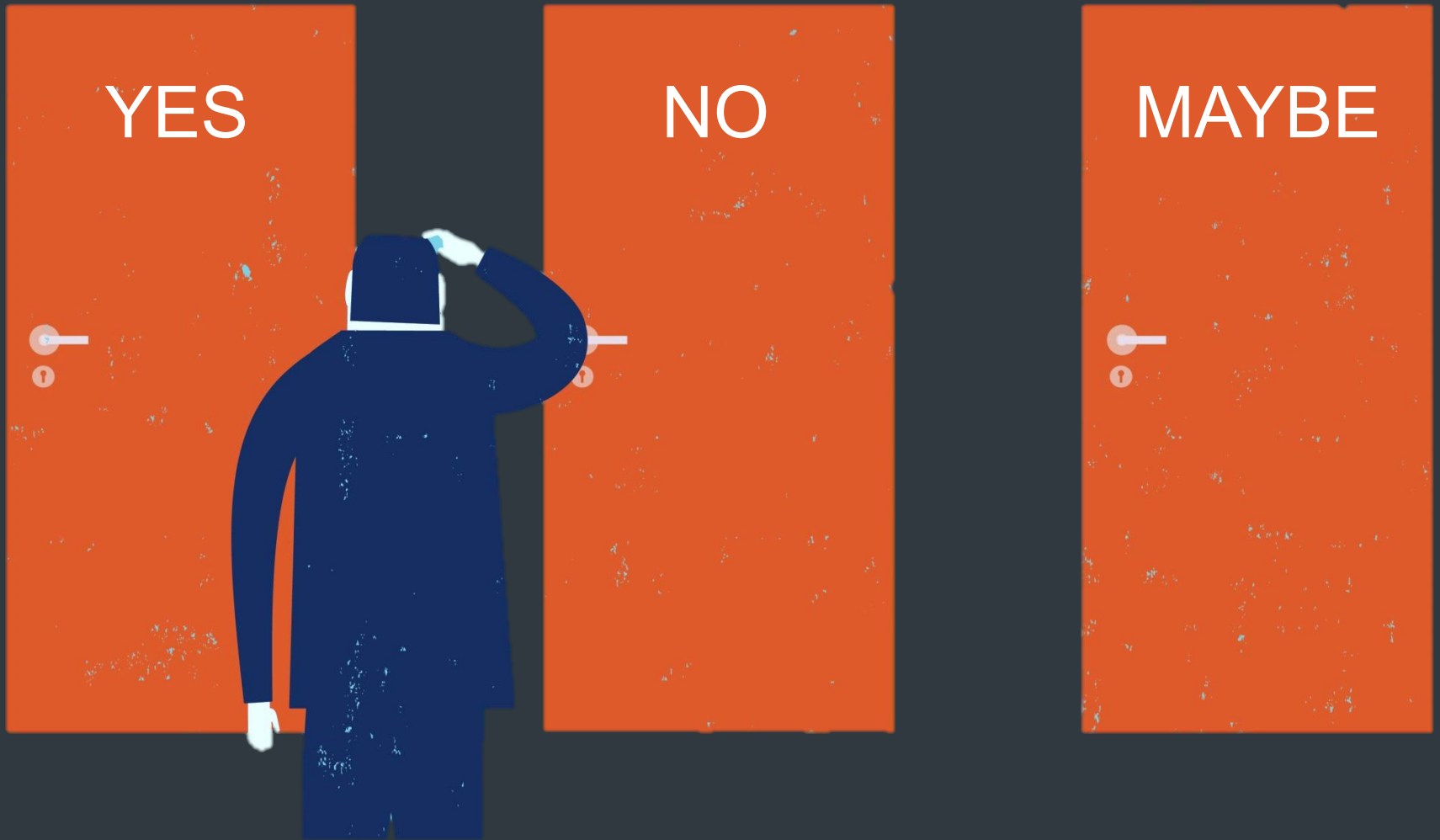
30-Year Fixed Rate

January 2018 – Today  
Actual Interest Rates

Where Are They Going?



# Mortgage Credit Availability



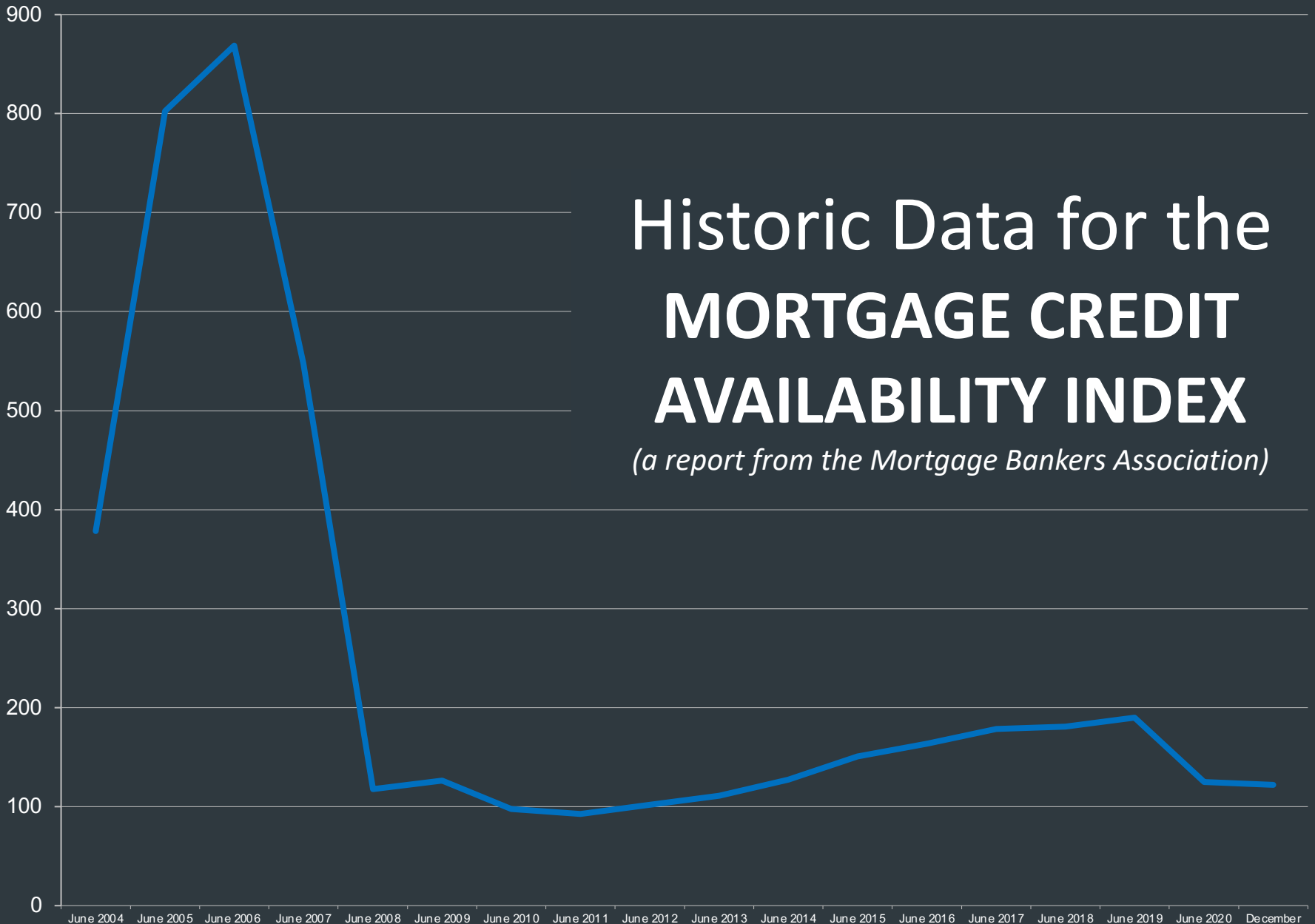
# Mortgage Credit Availability



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

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

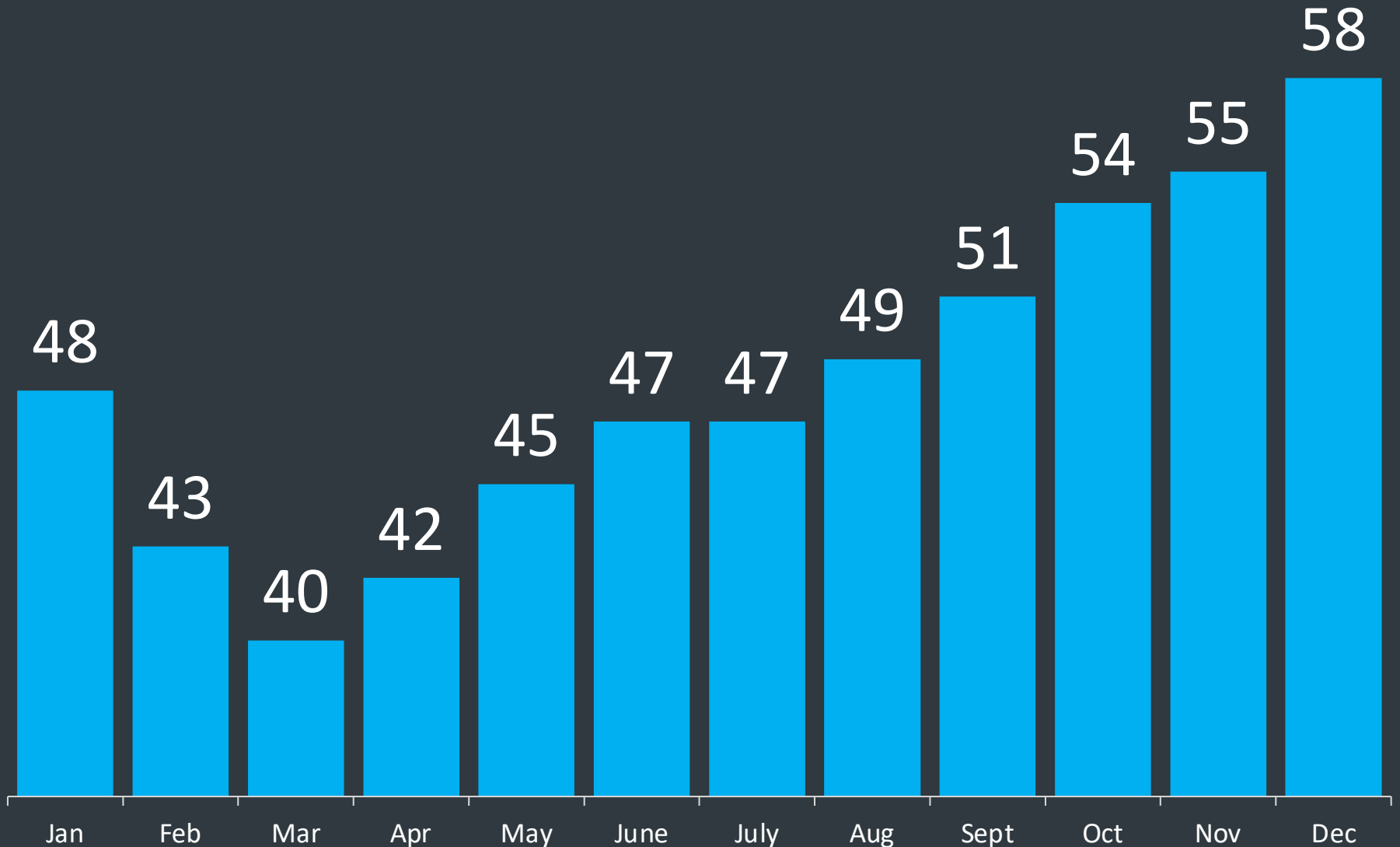
*(a report from the Mortgage Bankers Association)*





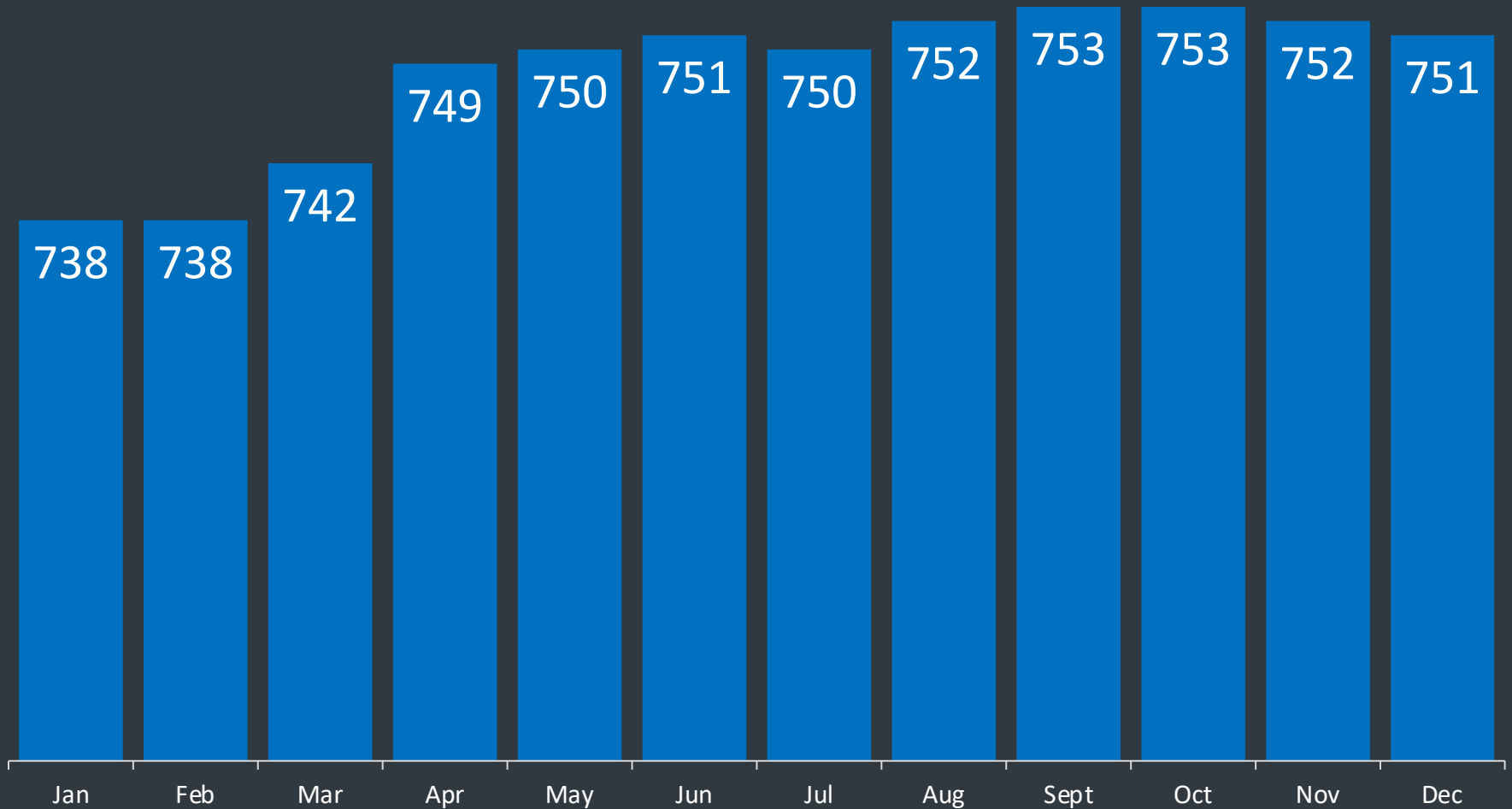
# Average Days To Close A Loan

*Last 12 Months*

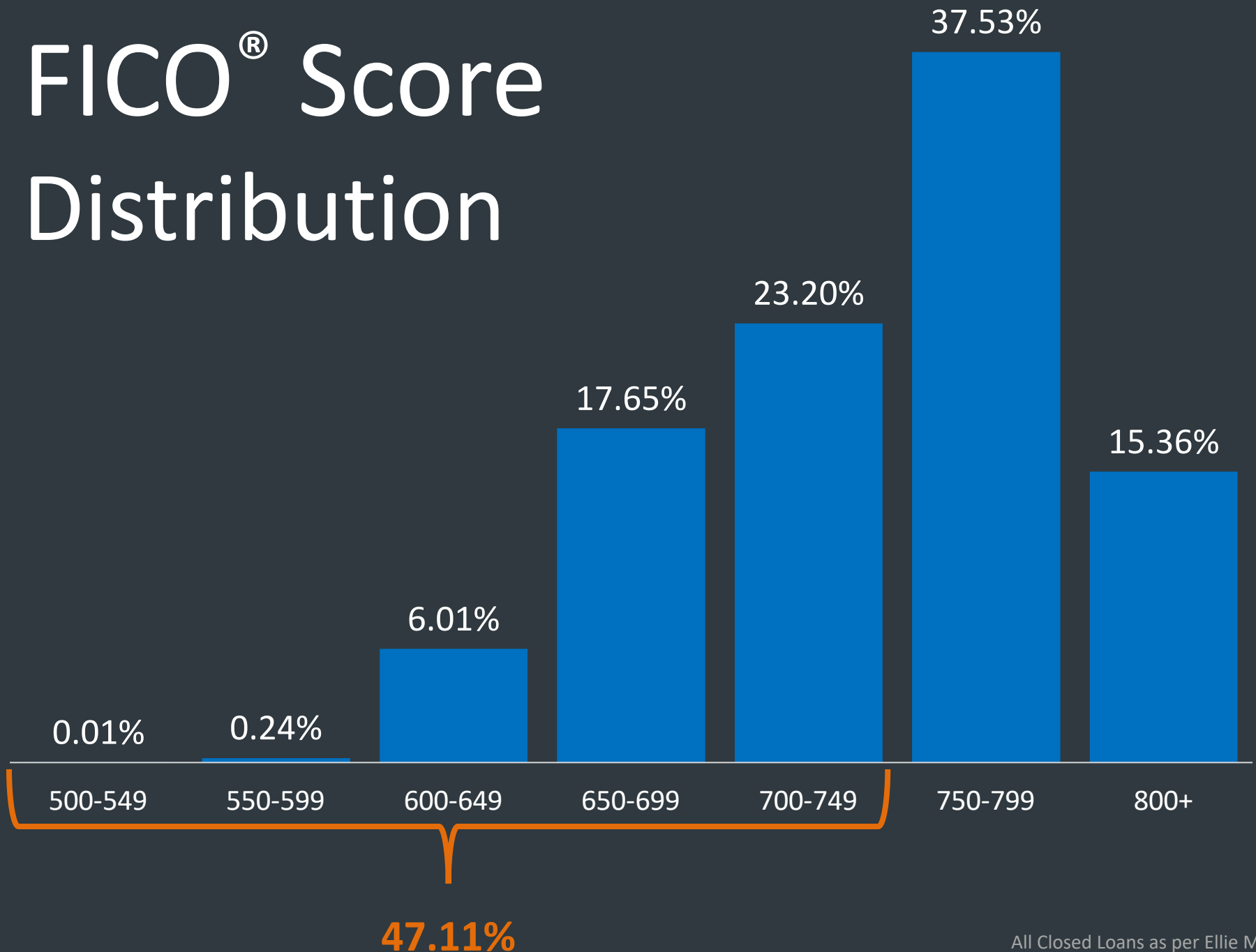


# FICO<sup>®</sup> Score Requirements

*Last 12 months*

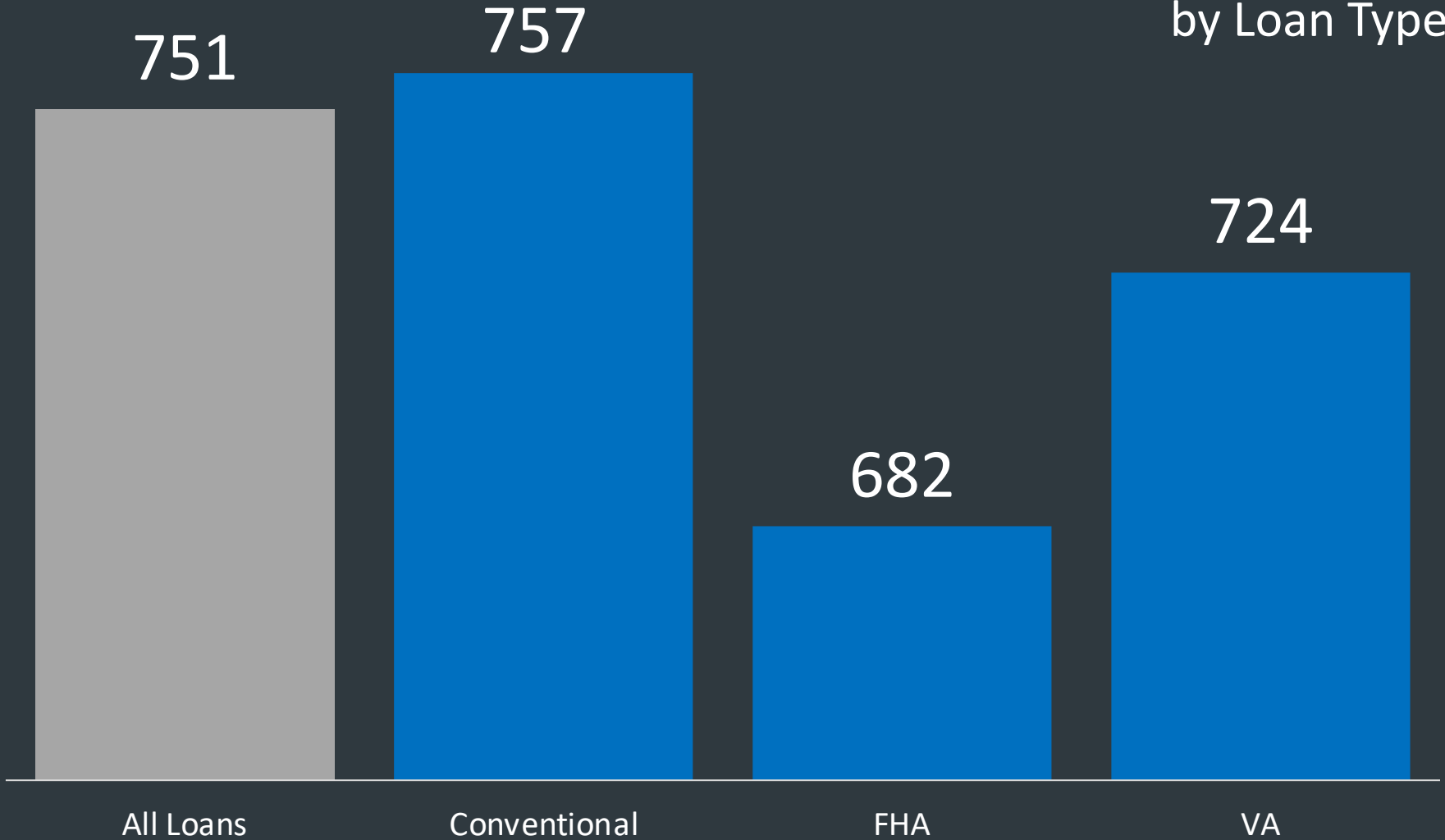


# FICO<sup>®</sup> Score Distribution



# Average FICO<sup>®</sup> Score

for Closed Purchase Loans  
by Loan Type



# Average Back End DTI

for Closed Purchase Loans by Loan Type

