

KEEPING CURRENT MATTERS

January 2022

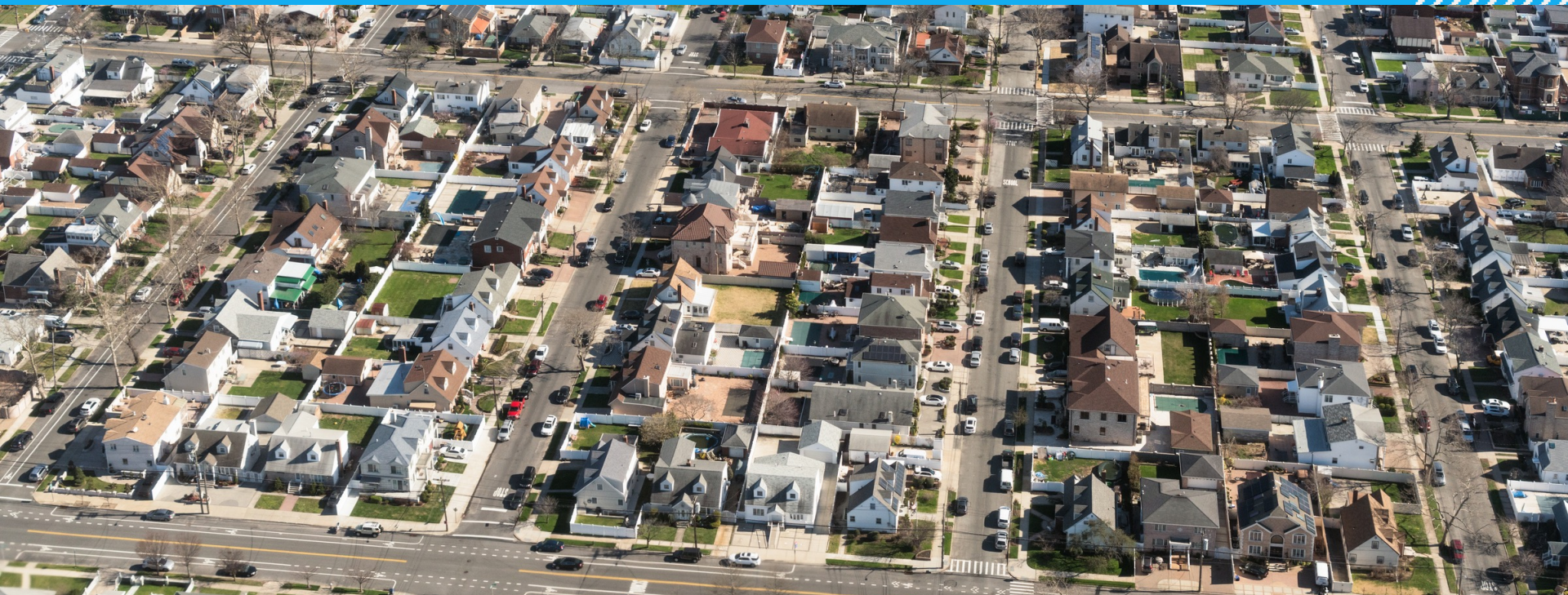




It is possible that rising mortgage rates will slow the housing market . . . or the Fed might raise rates sooner than expected due to the recent pickup in inflation, . . . **but I believe one thing is certain: inventory will tell the tale!”**

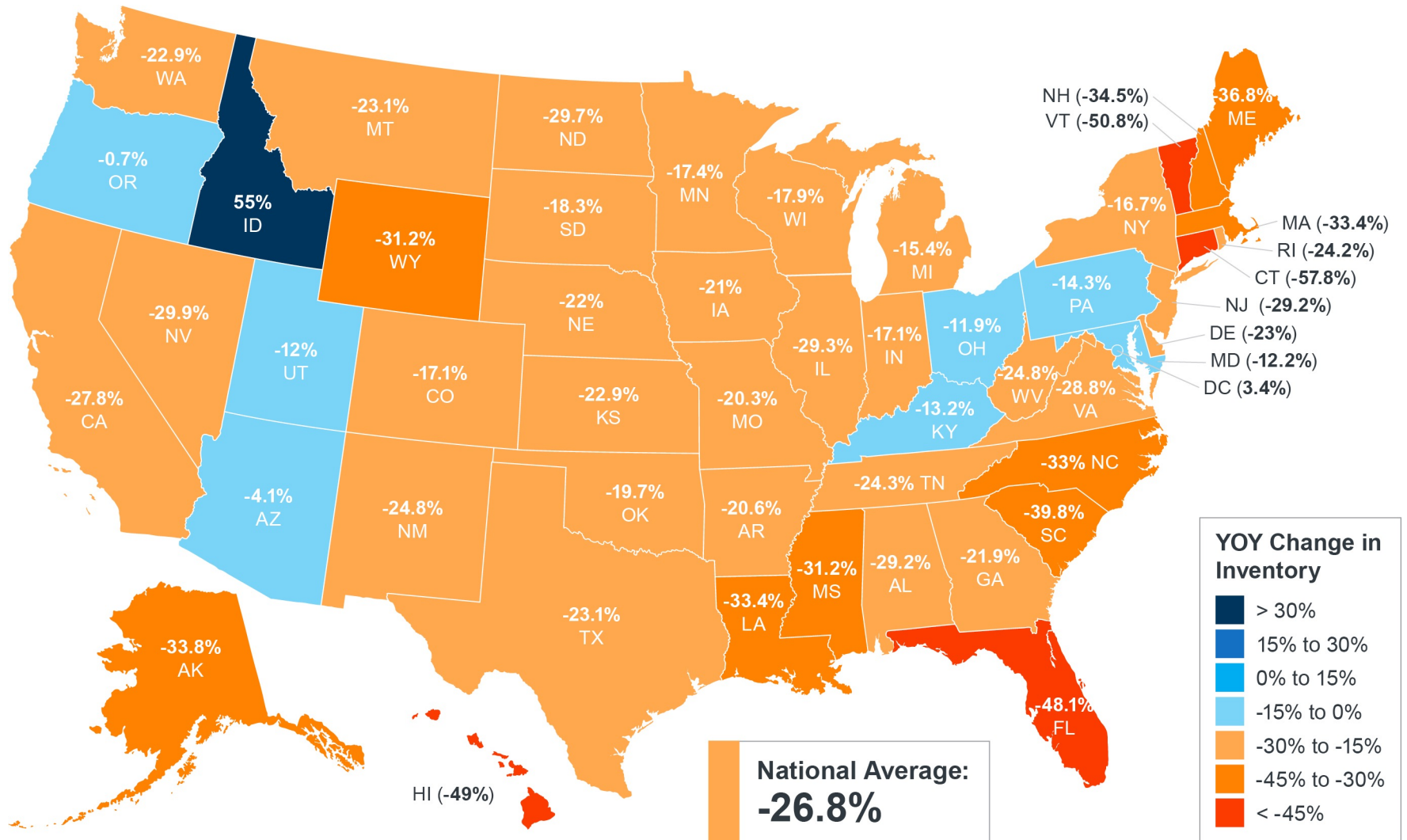
- **Bill McBride**, Founder, Calculated Risk

The Bad News: Listings Are at Record Lows



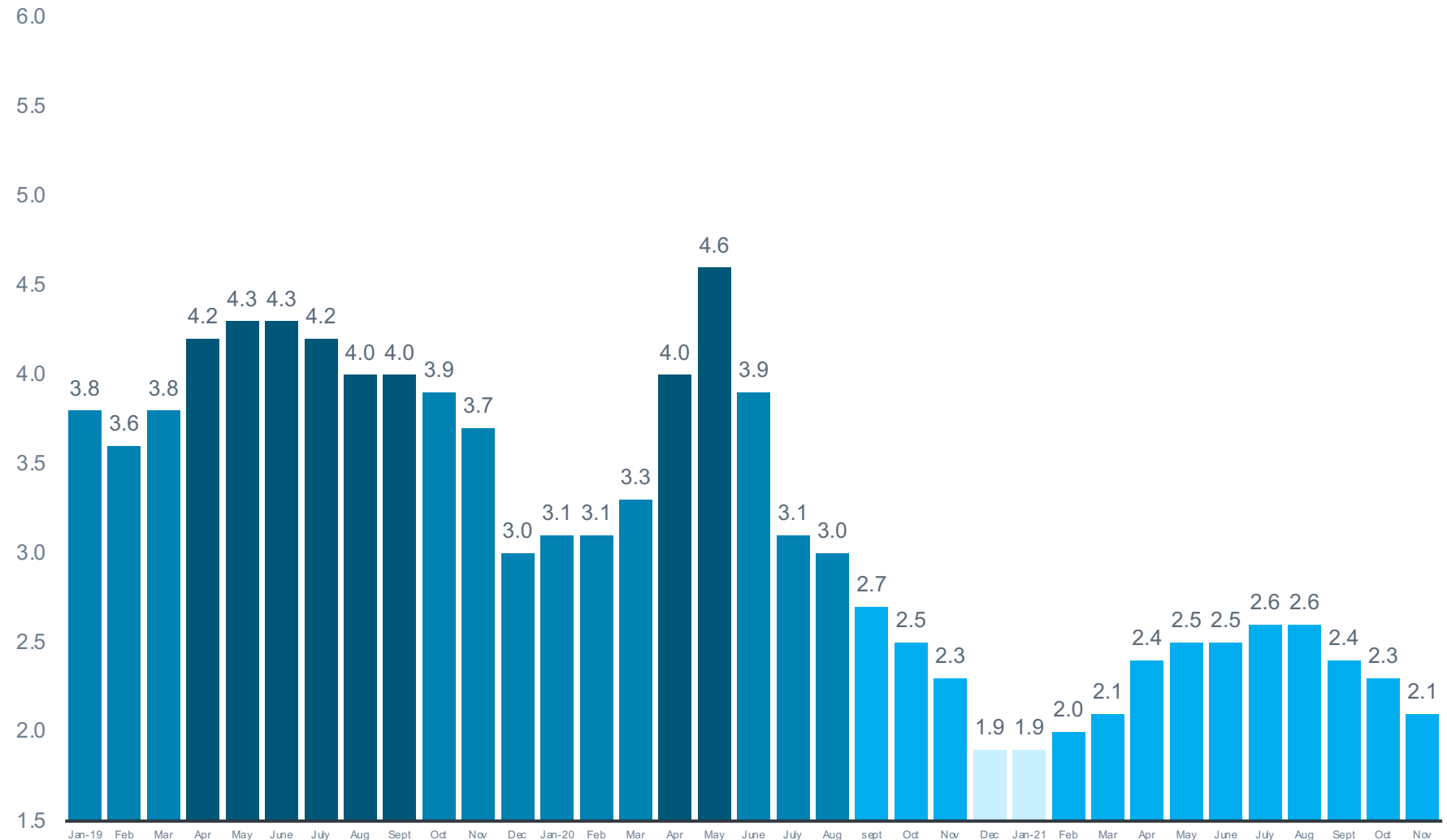
Housing Inventory Lower than Last Year

December 2021 Year-Over-Year Compared to December 2020



Months Inventory of Homes for Sale

Since 2019

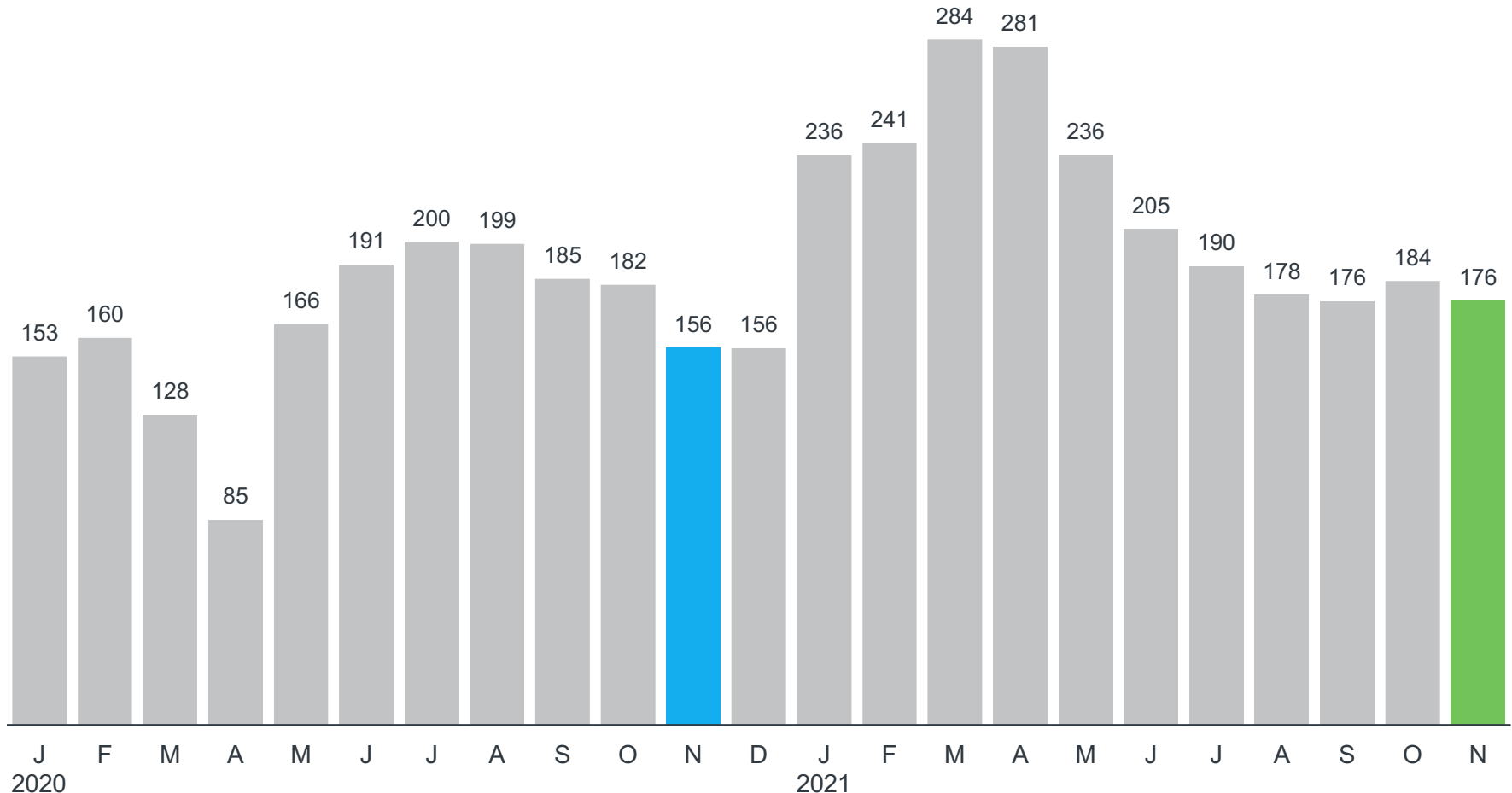




Buyer Activity

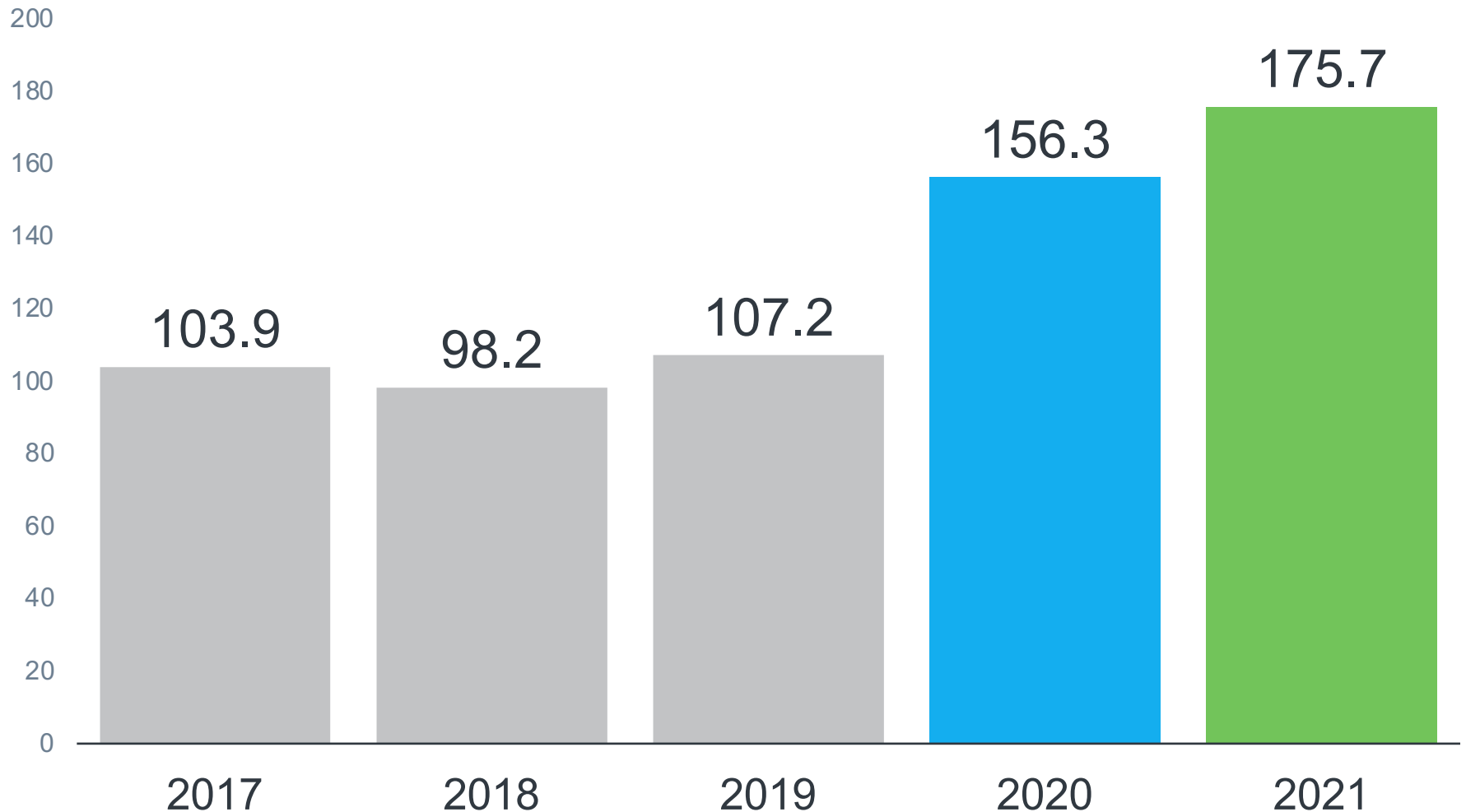
Showings Still Strong, Greater than Last November

ShowingTime Monthly Index



Showings Crush Pre-Pandemic Numbers

Showing Index over the Last 5 Novembers



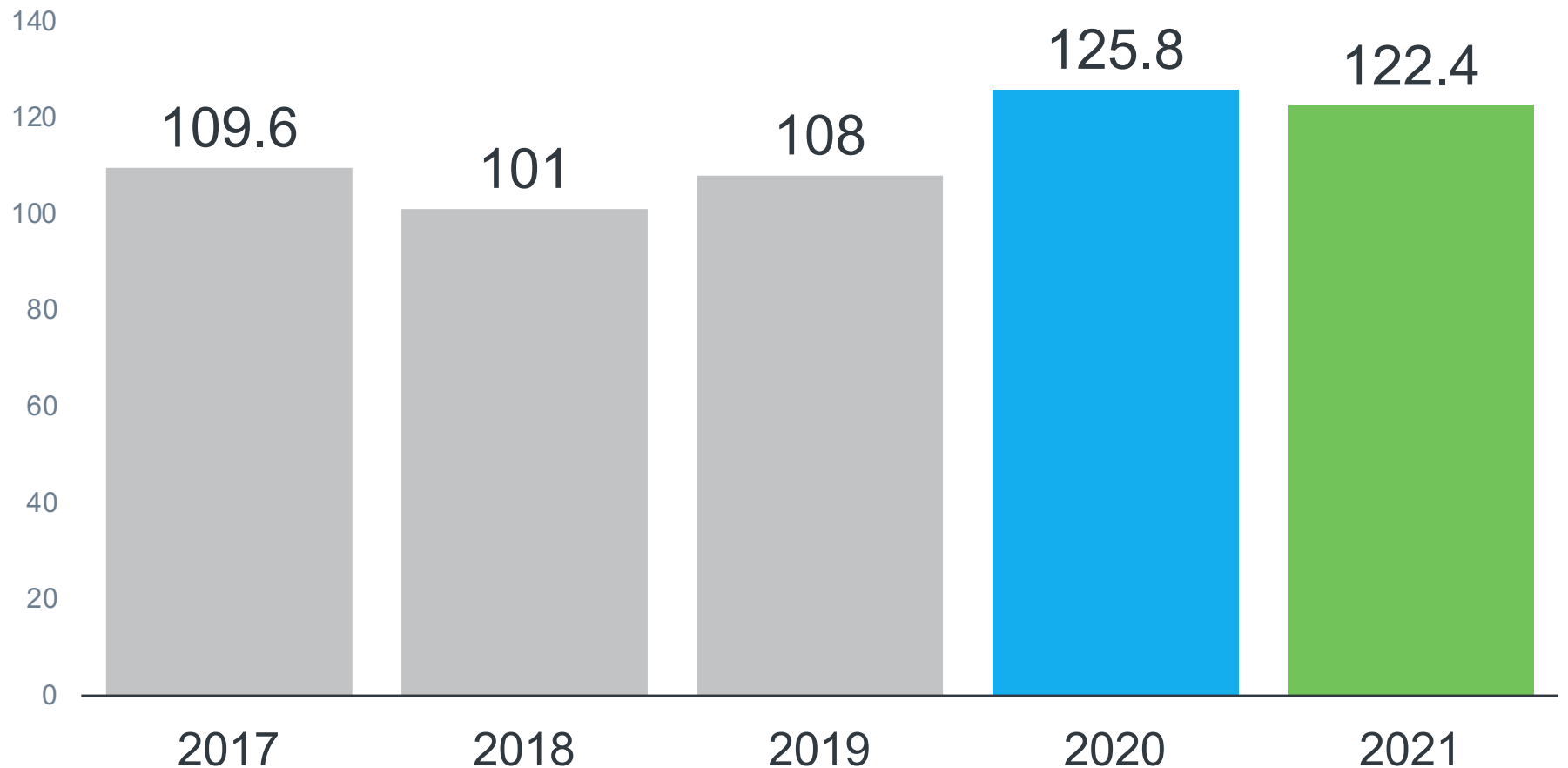


Showings traditionally lag during the holiday season, but the data we're seeing tells us that buyer demand remains strong. The fact that every region showed a year-over-year increase indicates that buyers are undeterred . . . **It speaks to their desire to keep searching for their next home.**

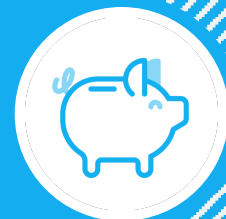
- **Michael Lane**, VP & General Manager, ShowingTime

Pending Sales Higher than Pre-Pandemic Numbers

Pending Home Sales over the Last 5 Novembers



Home Equity





The lack of insight around home equity presents an opportunity for real estate professionals, who are always looking for touch points with past clients.

CoreLogic's Q3 Homeowner Equity Report

\$57K

Average home equity gain
for U.S. homeowners with
mortgages

31.1%

Year-Over-Year percentage
increase in equity for U.S.
homeowners with mortgages

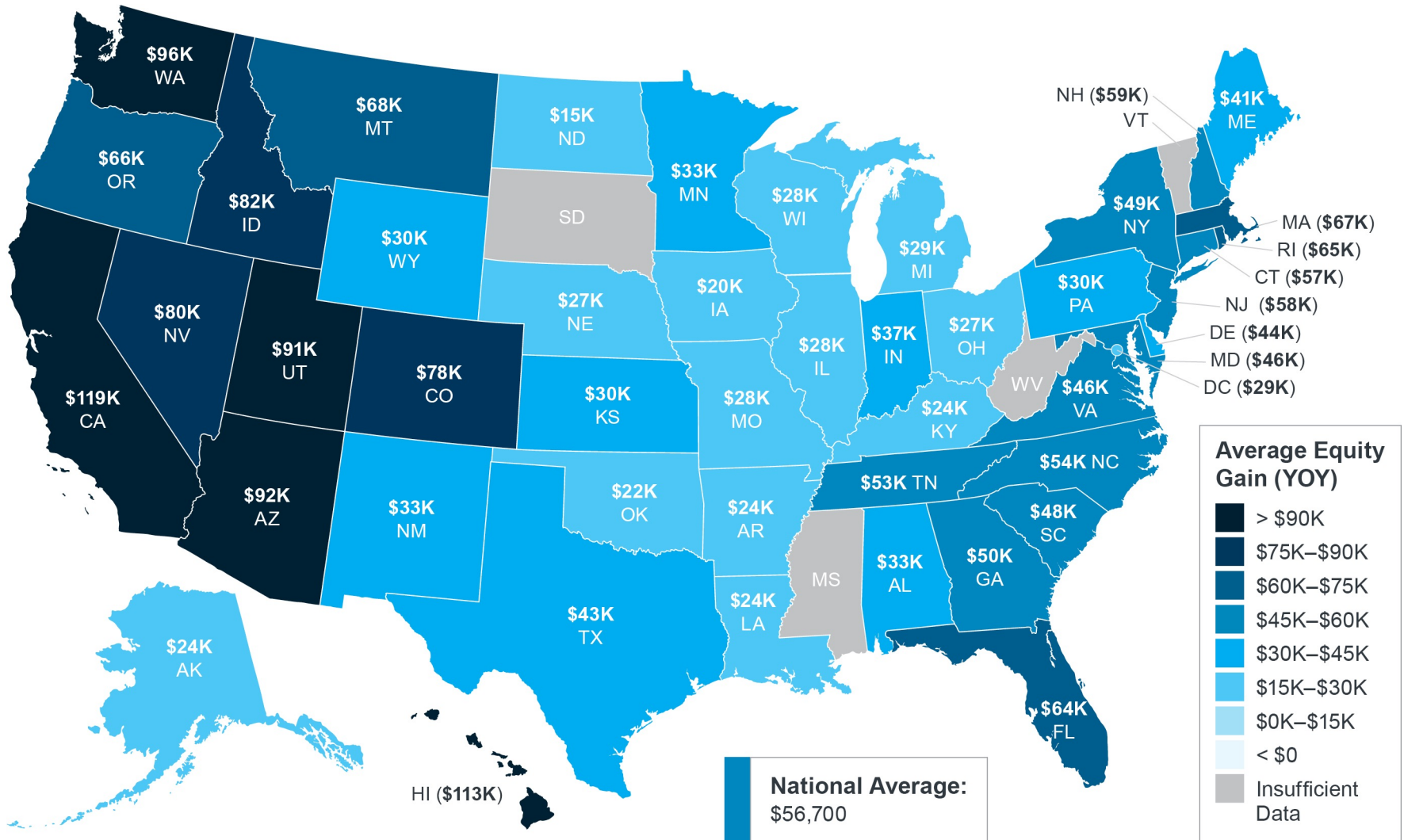
\$3.2T

Year-Over-Year total
increase in equity for U.S.
homeowners with mortgages

“This summer, home price growth reached the highest level in more than 45 years, pushing equity gains to another record high.”

Homeowner Equity Growth Still Surging

Q3 2021 Year-Over-Year from Q3 2020



Source: CoreLogic



Not only have equity gains helped homeowners more seamlessly transition out of forbearance and avoid a distressed sale, but they've also enabled many to continue building their wealth.

- **Frank Martell**, President & CEO, CoreLogic



U.S. households own \$36.8 trillion in owner-occupied real estate, \$11.5T in debt, and the remaining \$25T in equity. . . .

In inflated-adjusted terms, homeowners had an average of \$294k in equity in Q3 2021- a historic high.

- **Odeta Kushi**, Deputy Chief Economist, First American



What To Expect in the 2022 Housing Market

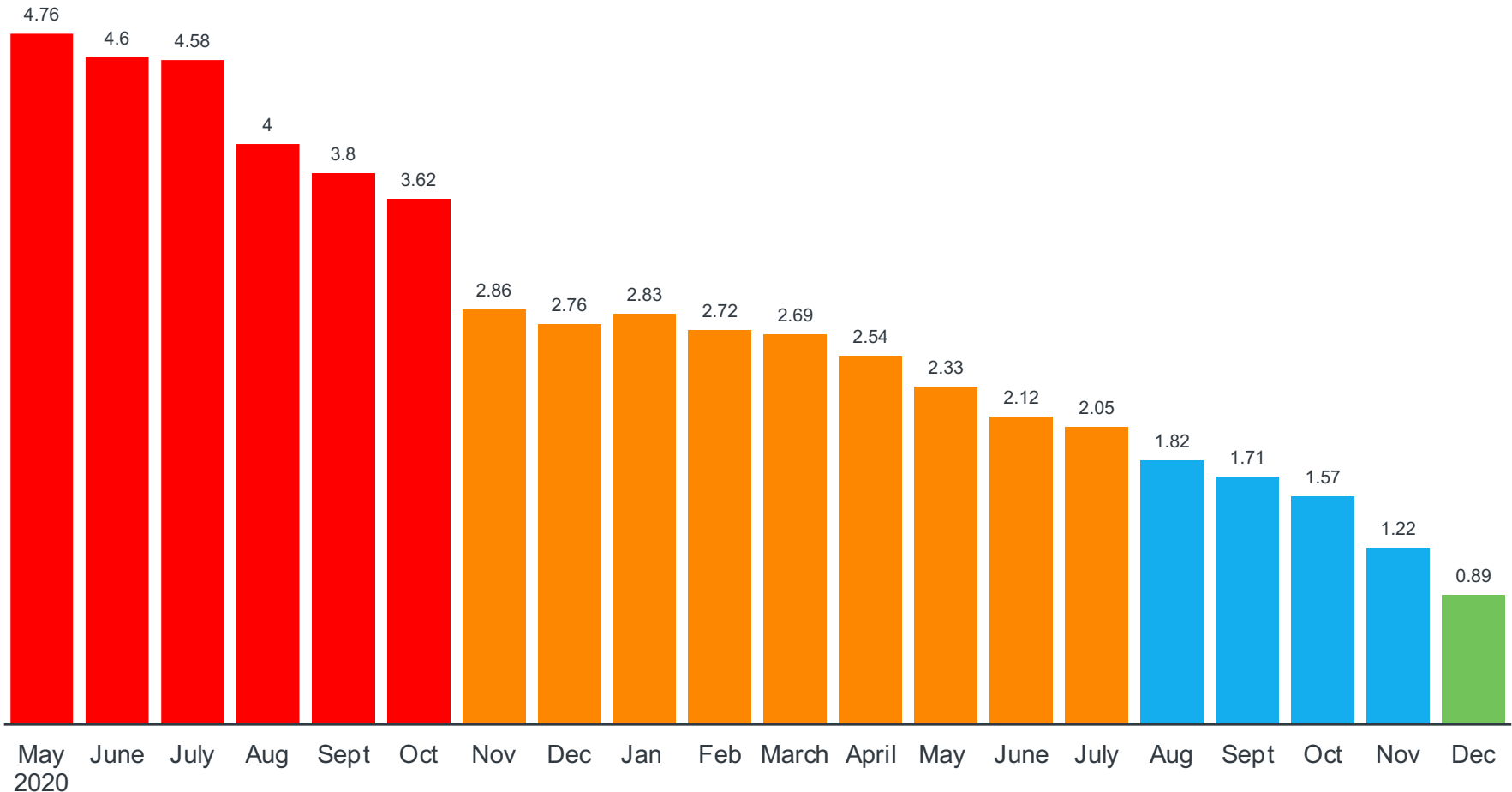
Mortgage Rate Projections

December 2021

Quarter	Freddie Mac	Fannie Mae	MBA	NAR	Average of All Four
2022 1Q	3.4	3.2	3.3	3.3	3.30%
2022 2Q	3.5	3.3	3.5	3.5	3.45%
2022 3Q	3.6	3.3	3.7	3.6	3.55%
2022 4Q	3.7	3.4	4.0	3.7	3.70%

Forbearances Finally Fall Below 1 Million

Monthly Number of Loans in Active Forbearance (in Millions)





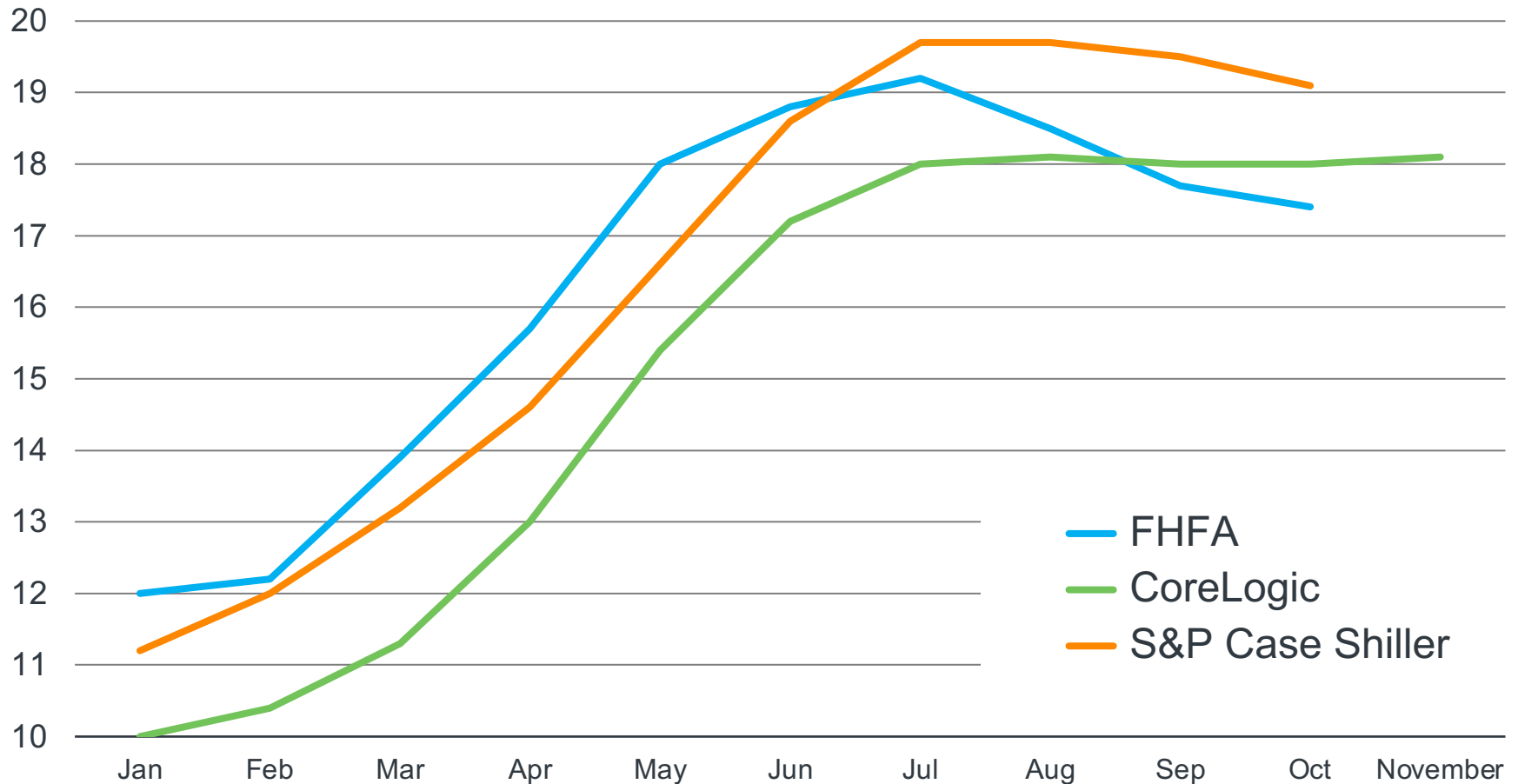
We may see a little bit of an uptick in foreclosure rates in 2022. Just an uptick though, from an extraordinarily low level, we're not expecting to see a big increase ...

We expect delinquency rates overall on home mortgages to actually continue to remain quite, quite low.

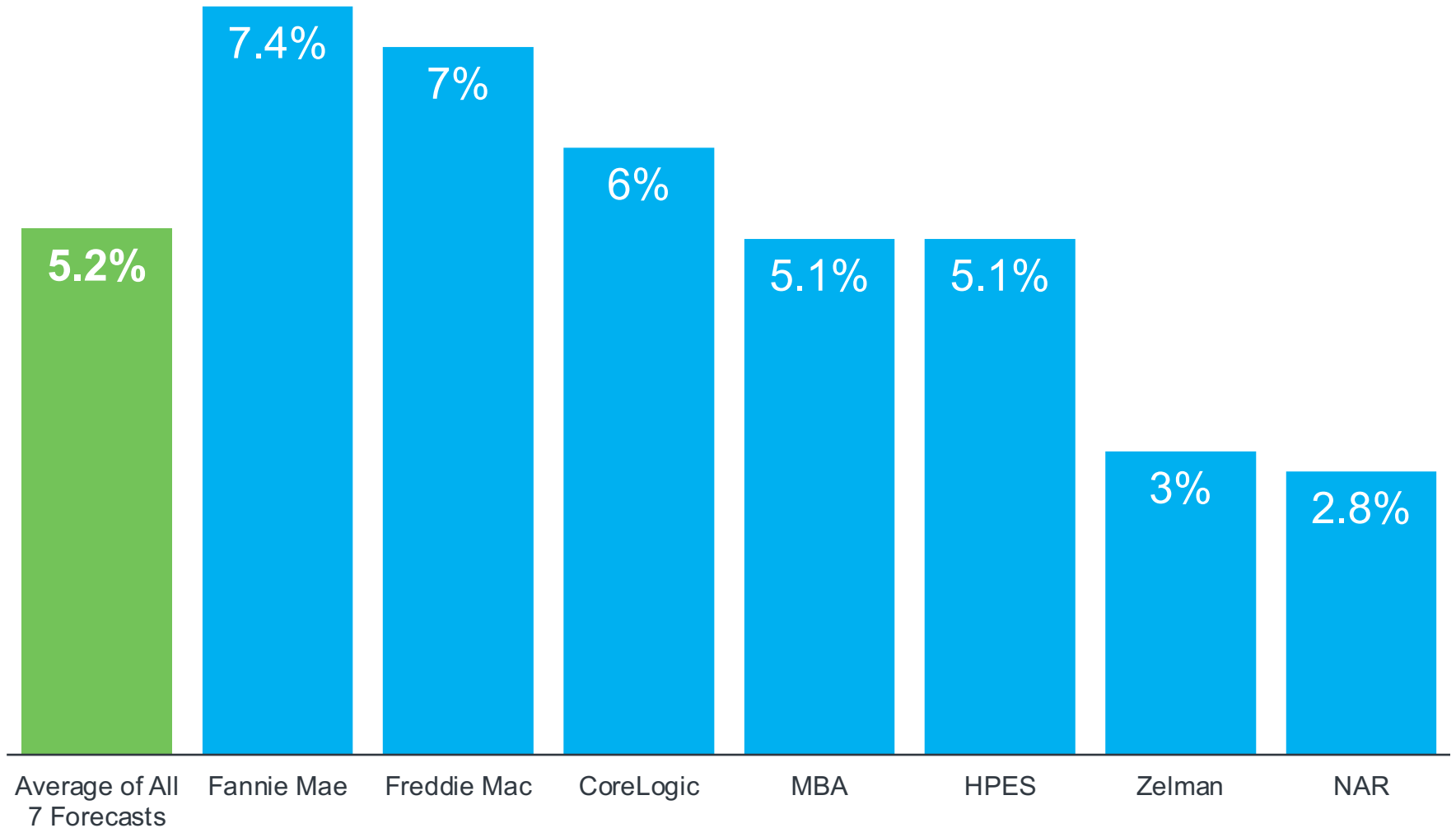
- **Maiclaire Bolton-Smith**, Senior Leader of Research, CoreLogic

Has Home Price Acceleration Peaked?

Percent Year-Over-Year Monthly Price Increases 2021



Home Price Forecasts for 2022





So overall I do think that 2022 will be another strong year for housing. All be it a little bit higher mortgage rates and **we do think home sales will continue to rise and actually reach a 16 year high in 2022.**

- **Maiclaire Bolton-Smith**, Senior Leader of Research, CoreLogic

Resources

Slide(s)	Description	Link(s)
2	McBride Quote	Subscriber's Newsletter - https://www.calculatedriskblog.com/
4	Inventory Map	https://www.realtor.com/research/data/
5	Inventory Graph	https://www.nar.realtor/topics/existing-home-sales https://www.nar.realtor/newsroom/existing-home-sales-continue-upward-increasing-1-9-in-november
7-9	Showings Graphs, Lane Quote	https://www.showingtime.com/blog/november-2021-showing-index-results
10	Pending Sales Graph	https://www.nar.realtor/research-and-statistics/housing-statistics/pending-home-sales
12	REALTORS' Conference & Expo Quote	https://magazine.realtor/live/article/2021/11/how-to-build-client-for-life-relationships
13-15	CoreLogic Equity Report, Map, & Martell Quote	https://www.corelogic.com/intelligence/homeowner-equity-insights/

Resources

Slide(s)	Description	Link(s)
16	Kushi Quote	https://twitter.com/odetakushi/status/1471125045686718466
18	Mortgage Rate Projections	http://www.freddiemac.com/research/forecast/20211015_quarterly_economic_forecast.page? https://www.fanniemae.com/media/42011/display https://www.mba.org/news-research-and-resources/research-and-economics/forecasts-and-commentary https://cdn.nar.realtor/sites/default/files/documents/forecast-Q4-2021-us-economic-outlook-10-28-2021.pdf
19	Forbearances Graph	https://www.blackknightinc.com/blog-posts/
20, 23	Bolton-Smith Quote	https://www.corelogic.com/intelligence/whats-in-store-for-2022/

Resources

Slide(s)	Description	Link(s)
21	Price Acceleration Graph	https://www.corelogic.com/intelligence/u-s-home-price-insights/ https://www.spglobal.com/spdji/en/documents/indexnews/announcements/20211228-1448566/1448566_cshomeprice-release-1228.pdf https://www.fhfa.gov/AboutUs/Reports/Pages/US-House-Price-Index-December-2021.aspx
22	Price Forecasts Graph	https://www.mba.org/news-research-and-resources/research-and-economics/forecasts-and-commentary https://cdn.nar.realtor/sites/default/files/documents/forecast-Q4-2021-us-economic-outlook-10-28-2021.pdf https://www.fanniemae.com/research-and-insights/forecast http://www.freddiemac.com/research/forecast/index.page https://pulsenomics.com/surveys/#home-price-expectations https://twitter.com/CoreLogicInc/status/1466523328353640460



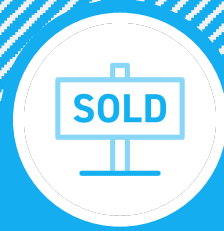
Updates

Resources

Slide(s)	Description	Link(s)
31, 51, 61	Confidence Index	https://www.nar.realtor/research-and-statistics/research-reports/realtors-confidence-index
32-34, 42, 44, 45, 52-56	Existing Home Sales	https://www.nar.realtor/topics/existing-home-sales
35-38	New Home Sales	http://www.census.gov/construction/nrs/pdf/newressales.pdf https://www.census.gov/newhomesales
39	Total Home Sales	http://www.census.gov/construction/nrs/pdf/newressales.pdf https://www.nar.realtor/topics/existing-home-sales
40, 41	Pending Home Sales	https://www.nar.realtor/research-and-statistics/housing-statistics/pending-home-sales
46-48	Case Shiller	https://www.spglobal.com/spdji/en/indices/indicators/sp-corelogic-case-shiller-20-city-composite-home-price-nsa-index/#news-research
49	CoreLogic Price Forecast	https://www.corelogic.com/intelligence/u-s-home-price-insights/
52-58	Inventory	https://www.nar.realtor/topics/existing-home-sales http://www.census.gov/construction/nrs/pdf/newressales.pdf

Resources

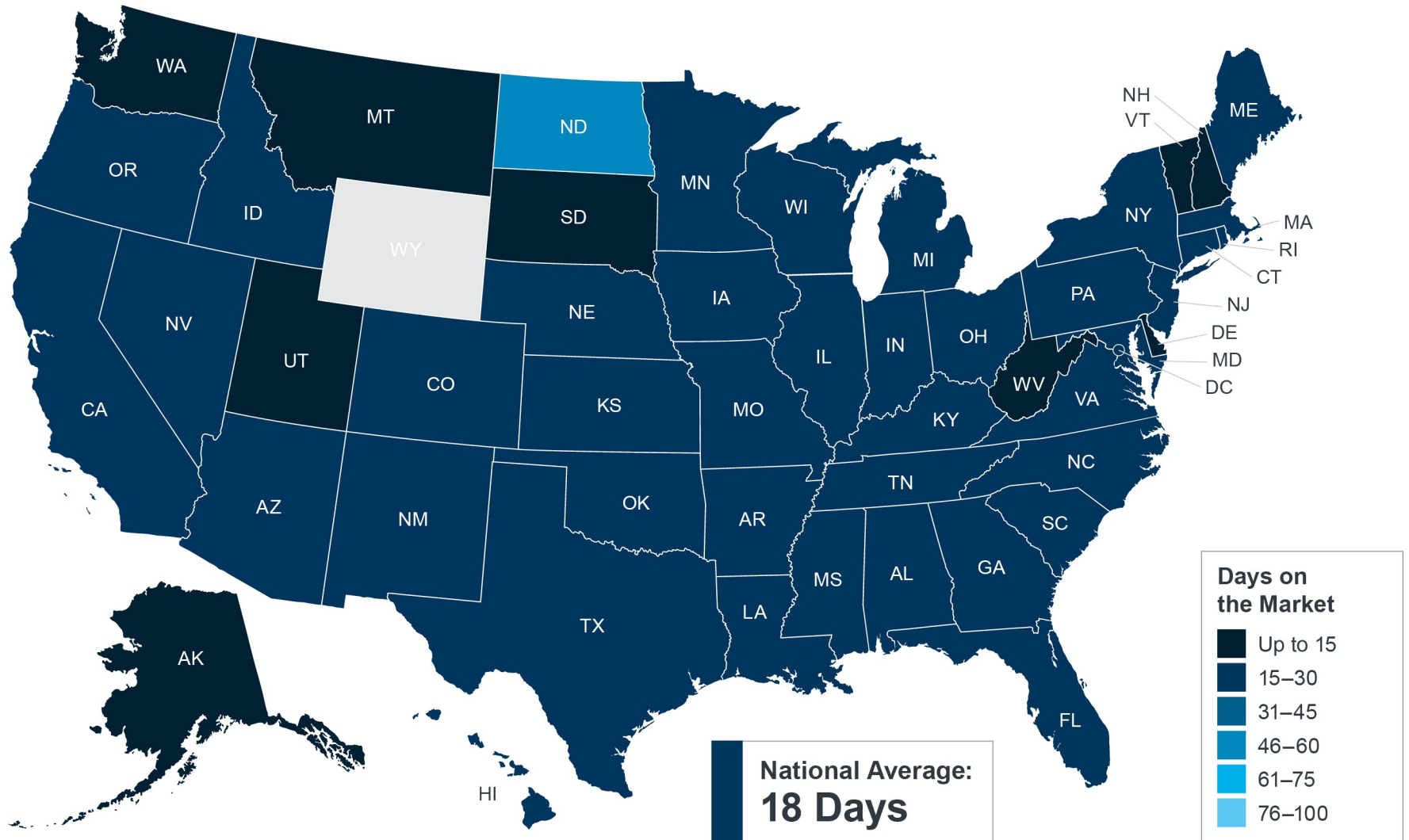
Slide(s)	Description	Link(s)
60	Showing Activity	https://www.showingtime.com/blog/november-2021-showing-index-results/
63, 64, 66, 67	Mortgage Rates	http://www.freddiemac.com/pmms/pmms_archives.html http://www.freddiemac.com/research/forecast/
65	Mortgage Rate Projections	http://www.freddiemac.com/research/forecast/ 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
69, 70	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
71-75	Days To Close, FICO Scores, DTI	https://www.icemortgagetechnology.com/mortgage-data/origination-insight-reports



Home Sales

Average Days on the Market

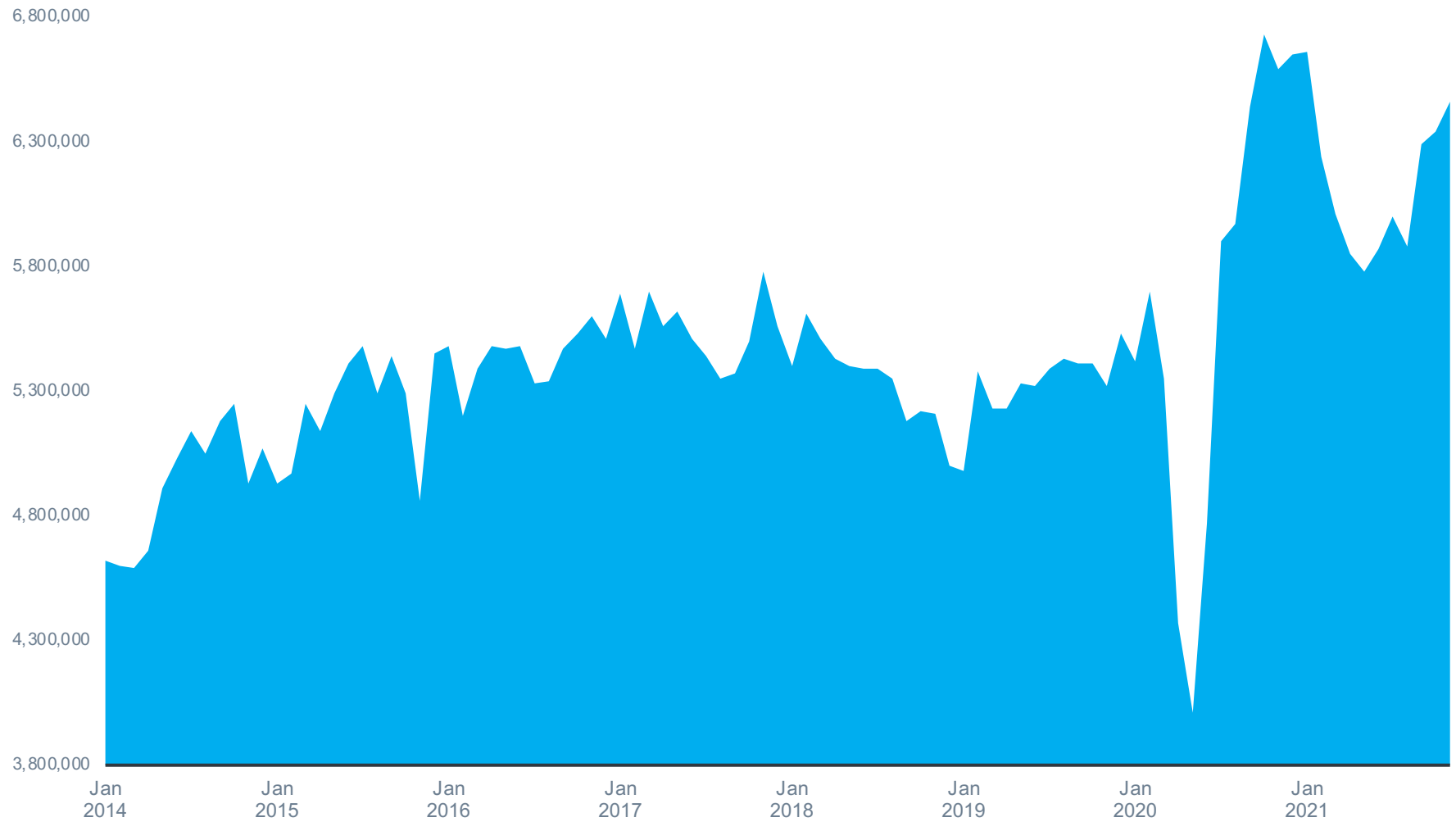
November 2021



Source: NAR

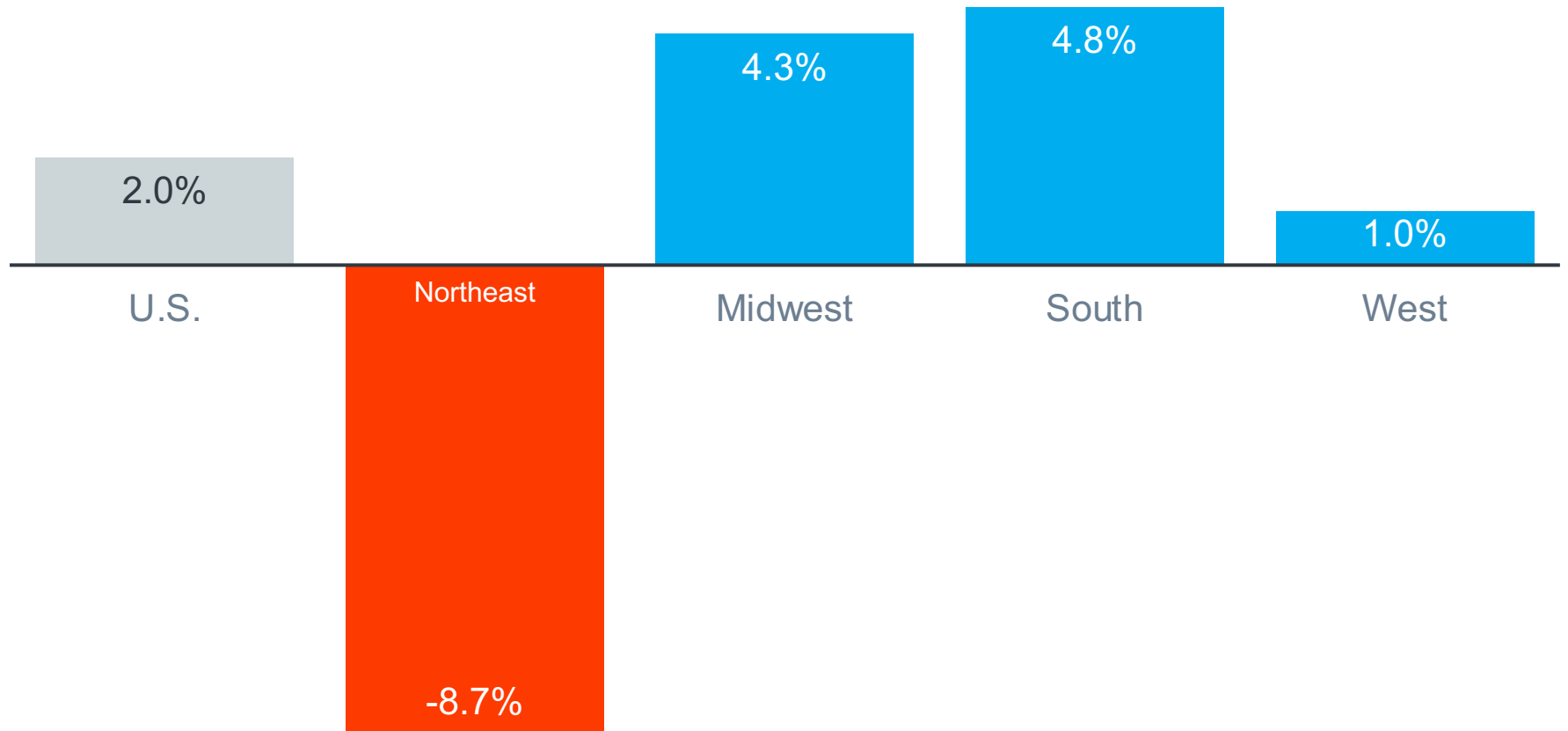
Existing Home Sales

Since January 2014



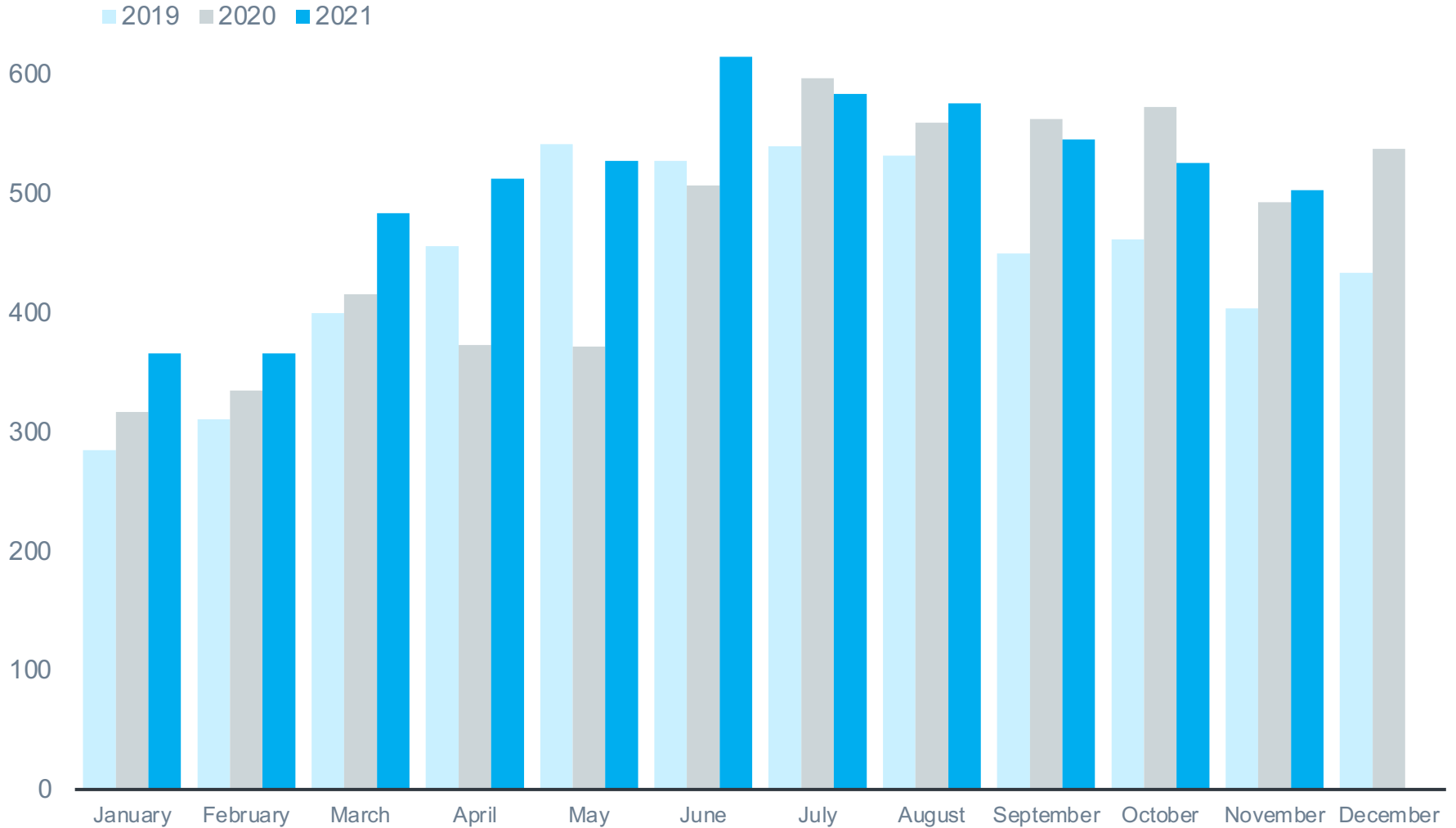
Existing Home Sales

Year-Over-Year, by Region



Existing Home Sales

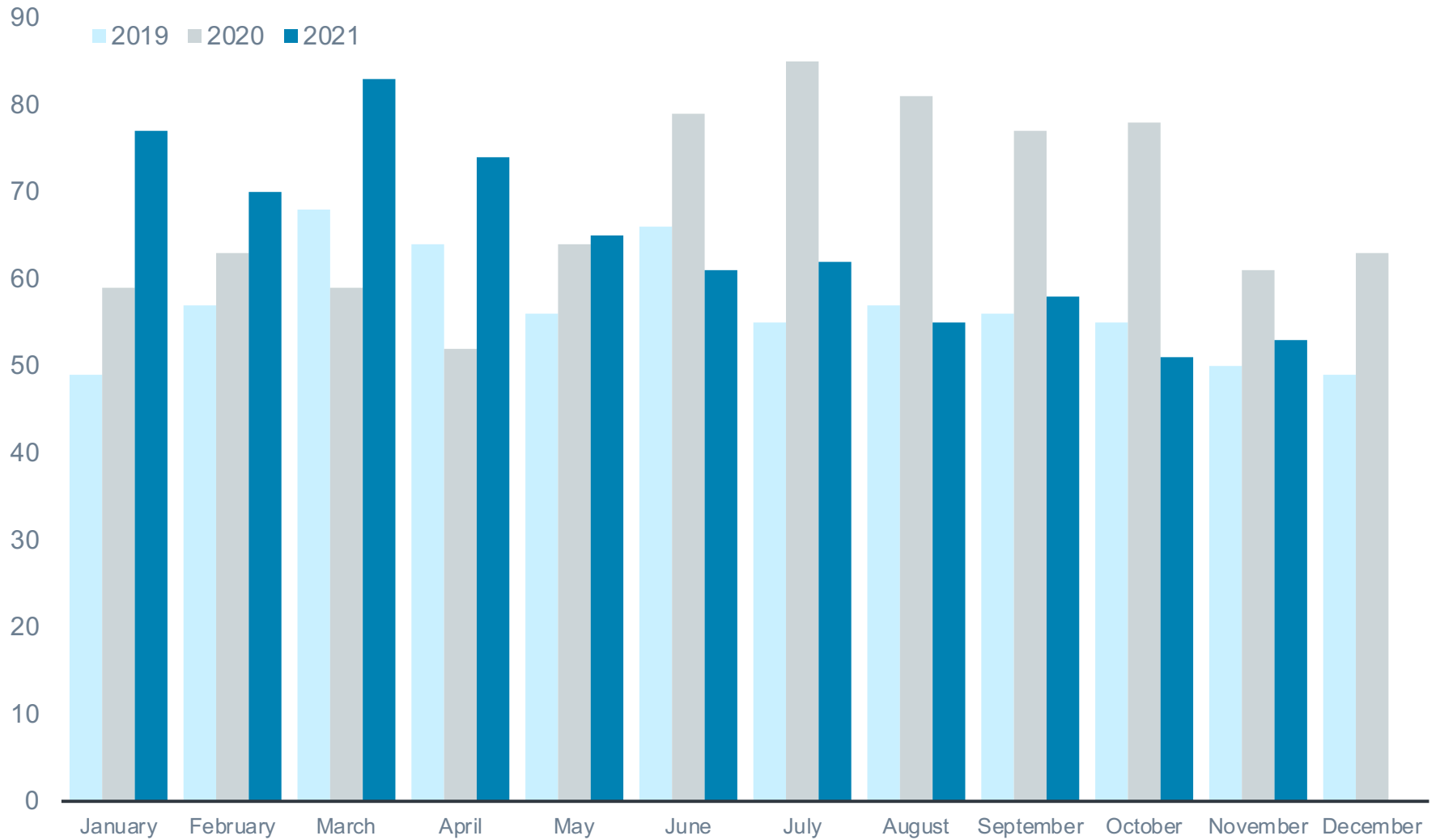
In Thousands



Source: NAR

New Home Sales

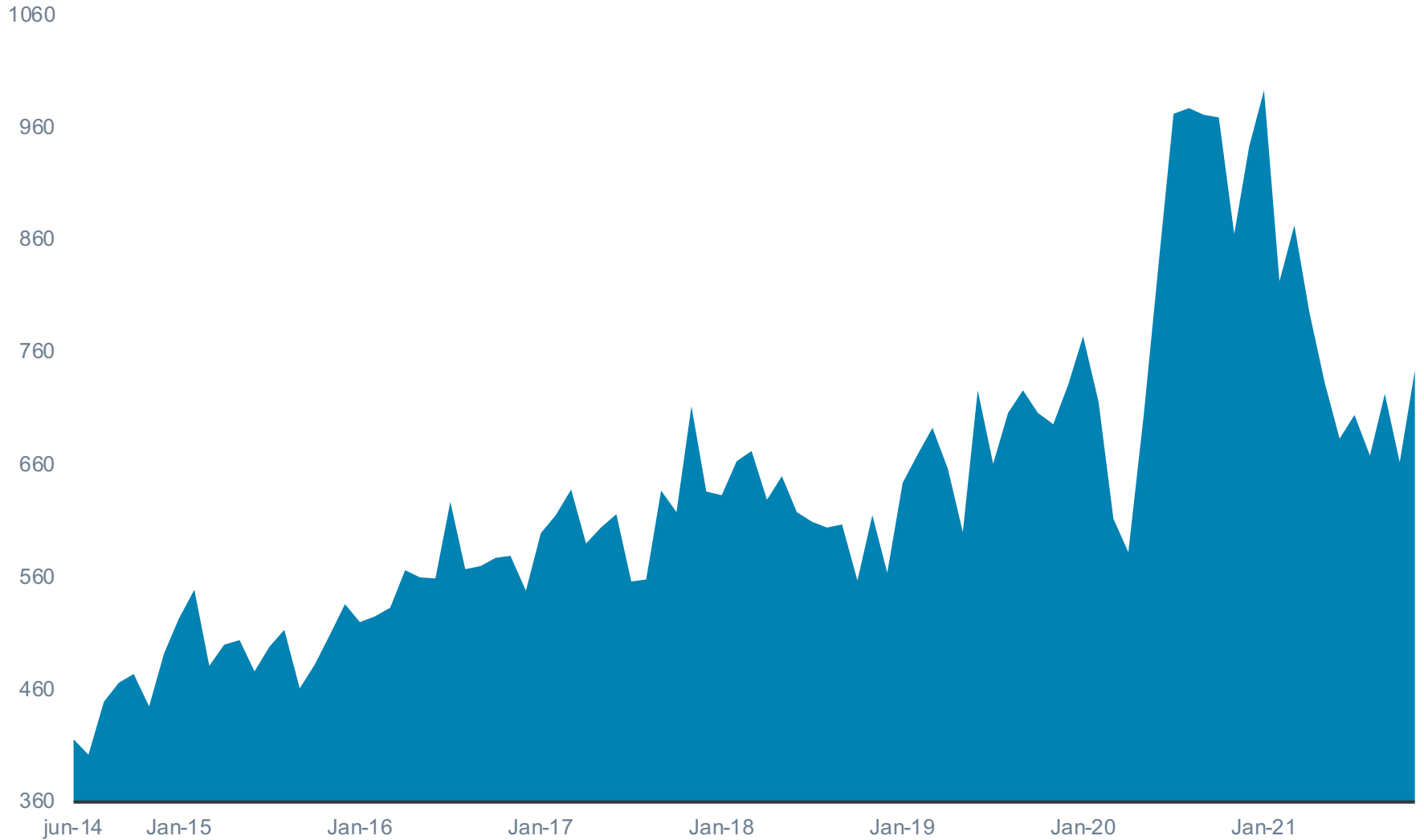
In Thousands



Source: Census

New Home Sales

Annualized in Thousands

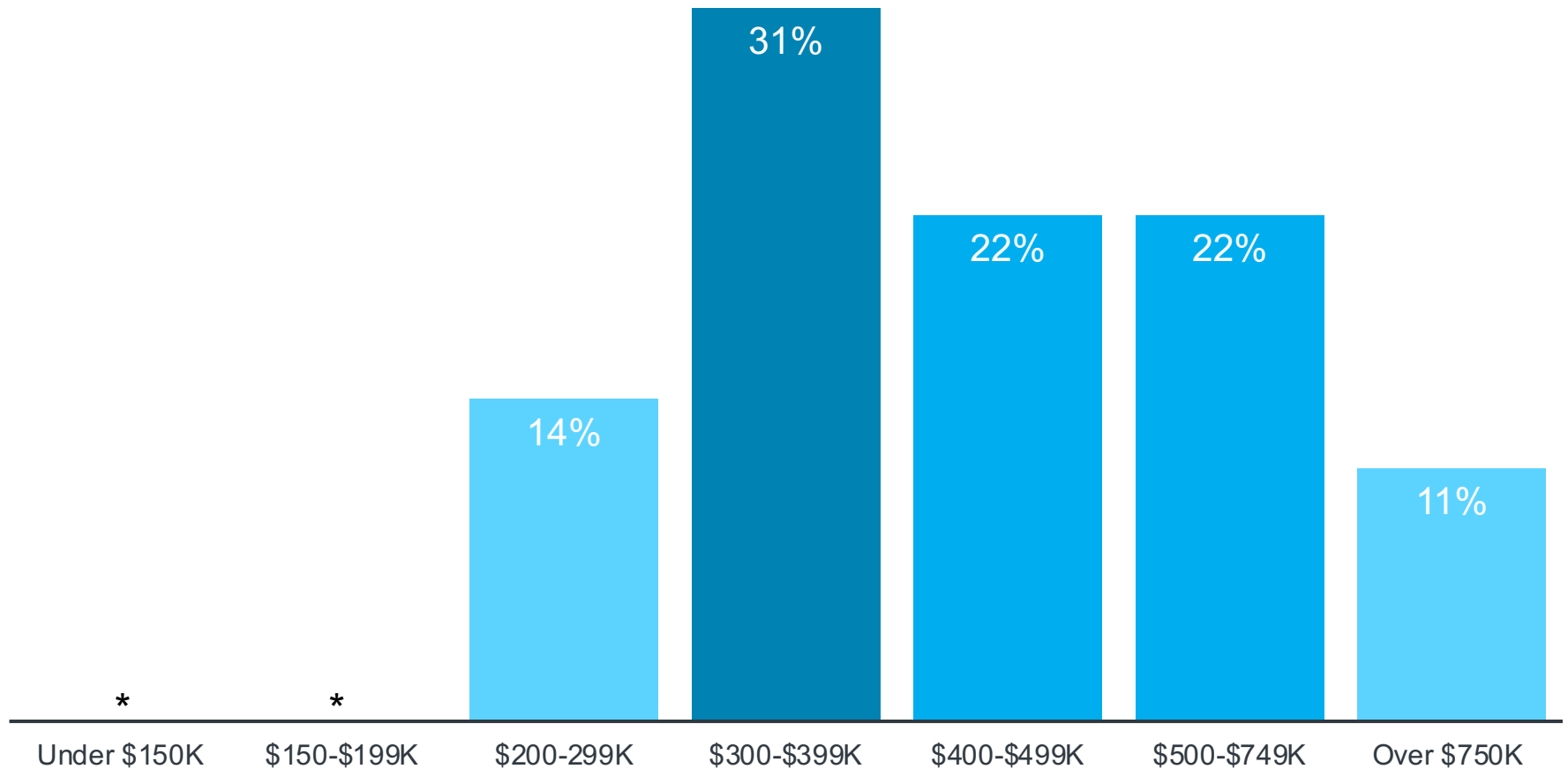


Source: Census

New Home Sales

Percent of Distribution by Price Range

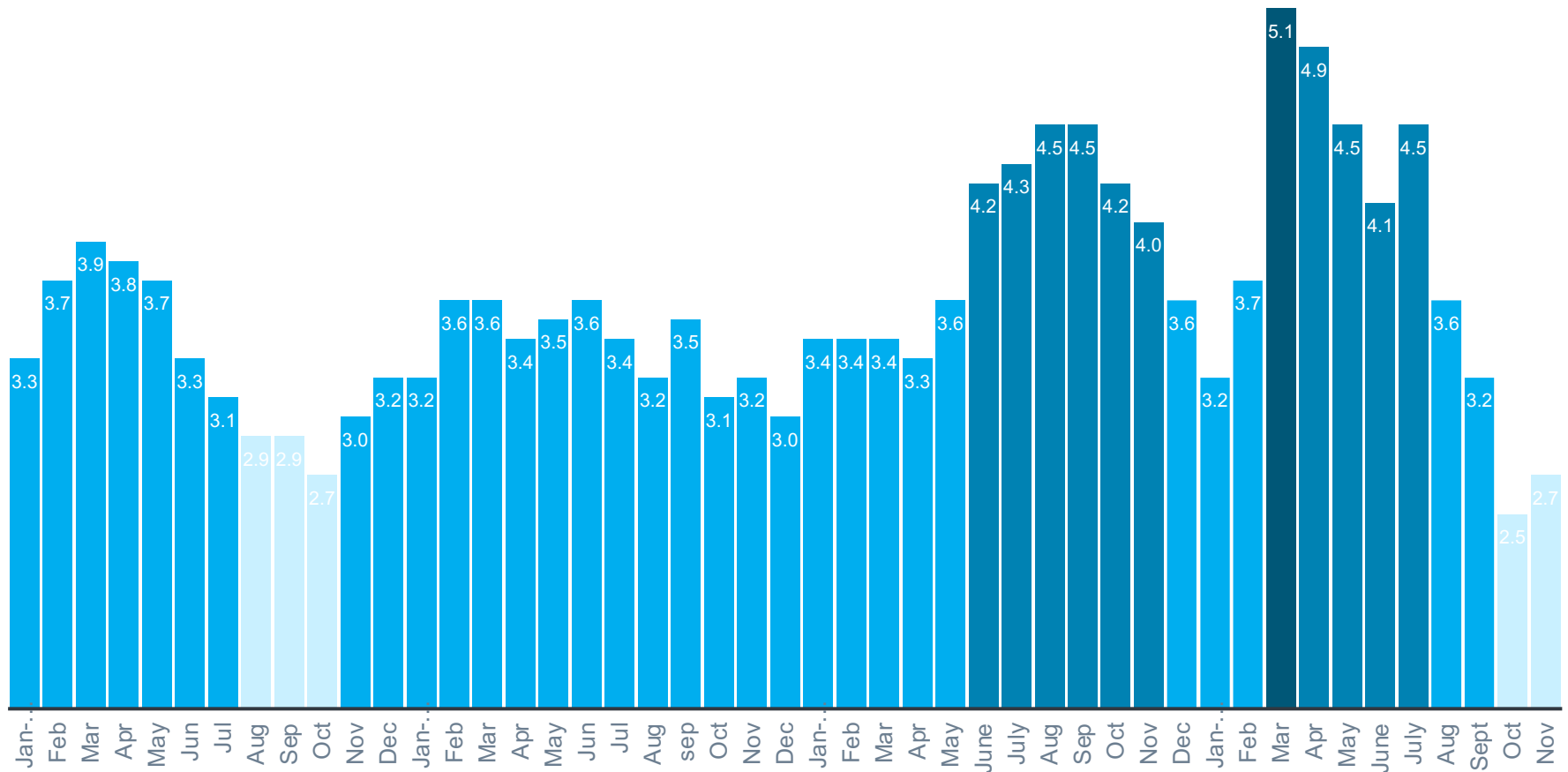
* Less Than 500 Units or Less Than 0.5 Percent



Source: Census

New Homes Selling Fast

Median Months from Completion to Sold

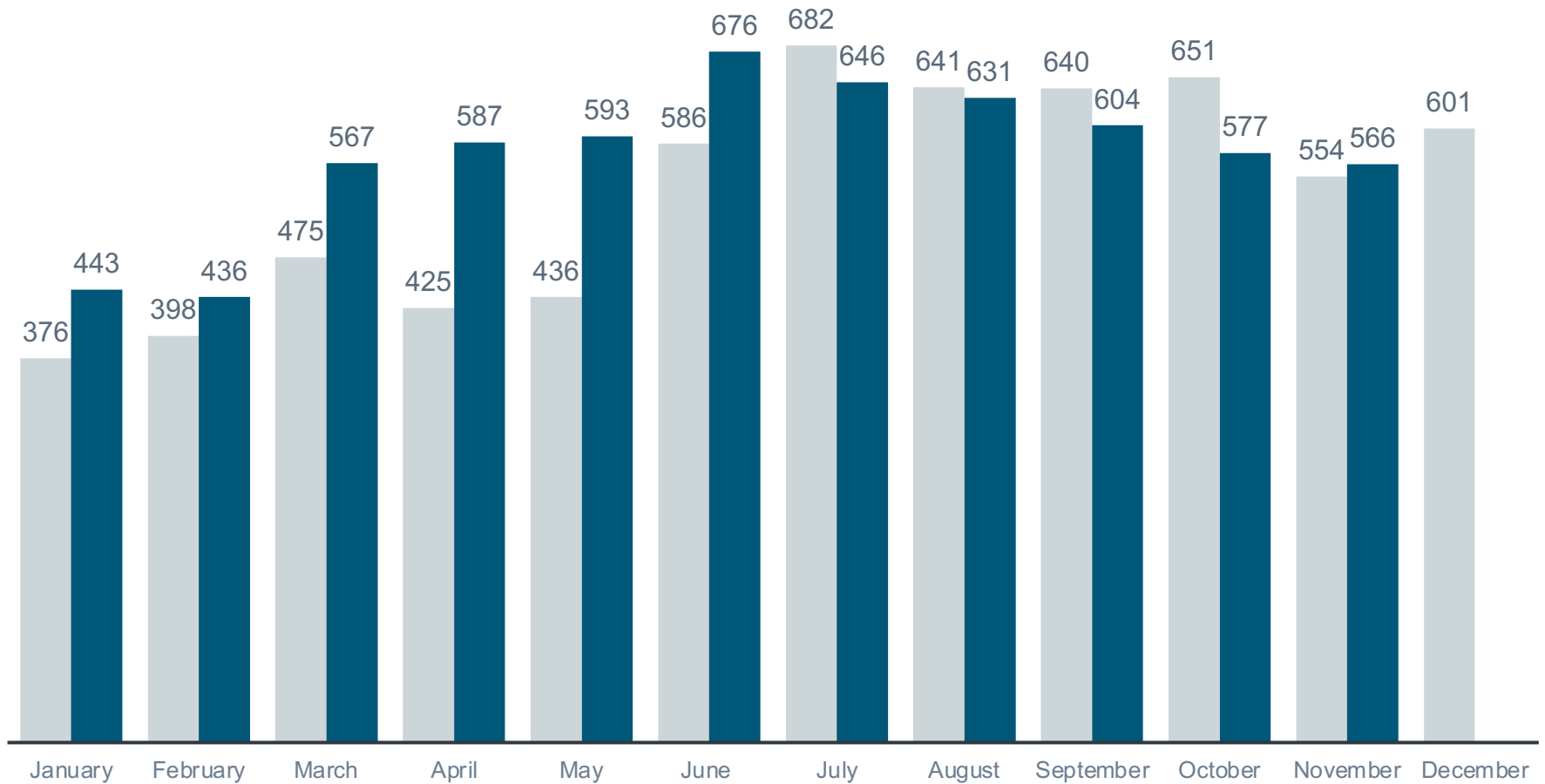


Source: Census

Total Home Sales

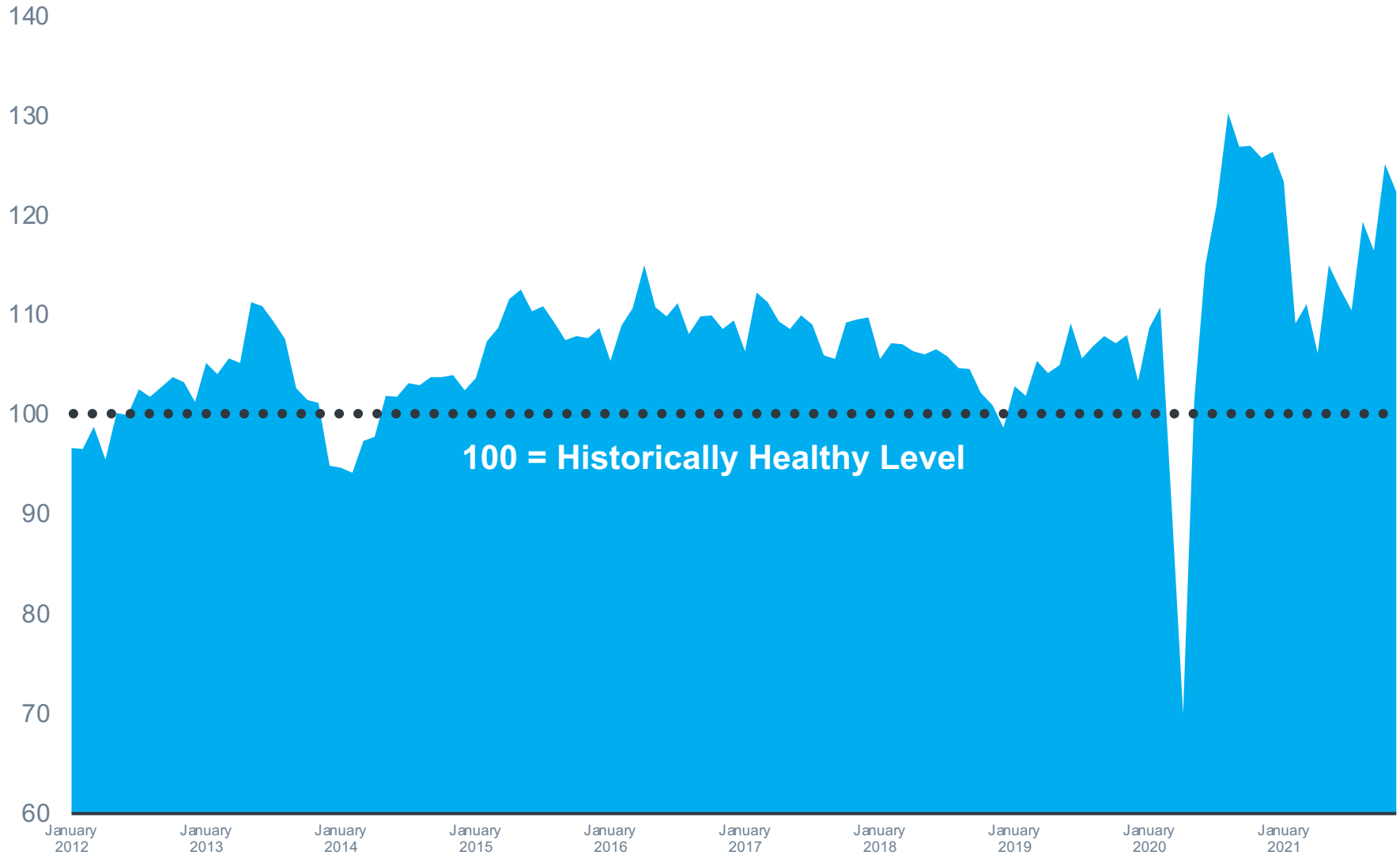
In Thousands

■ 2020 ■ 2021



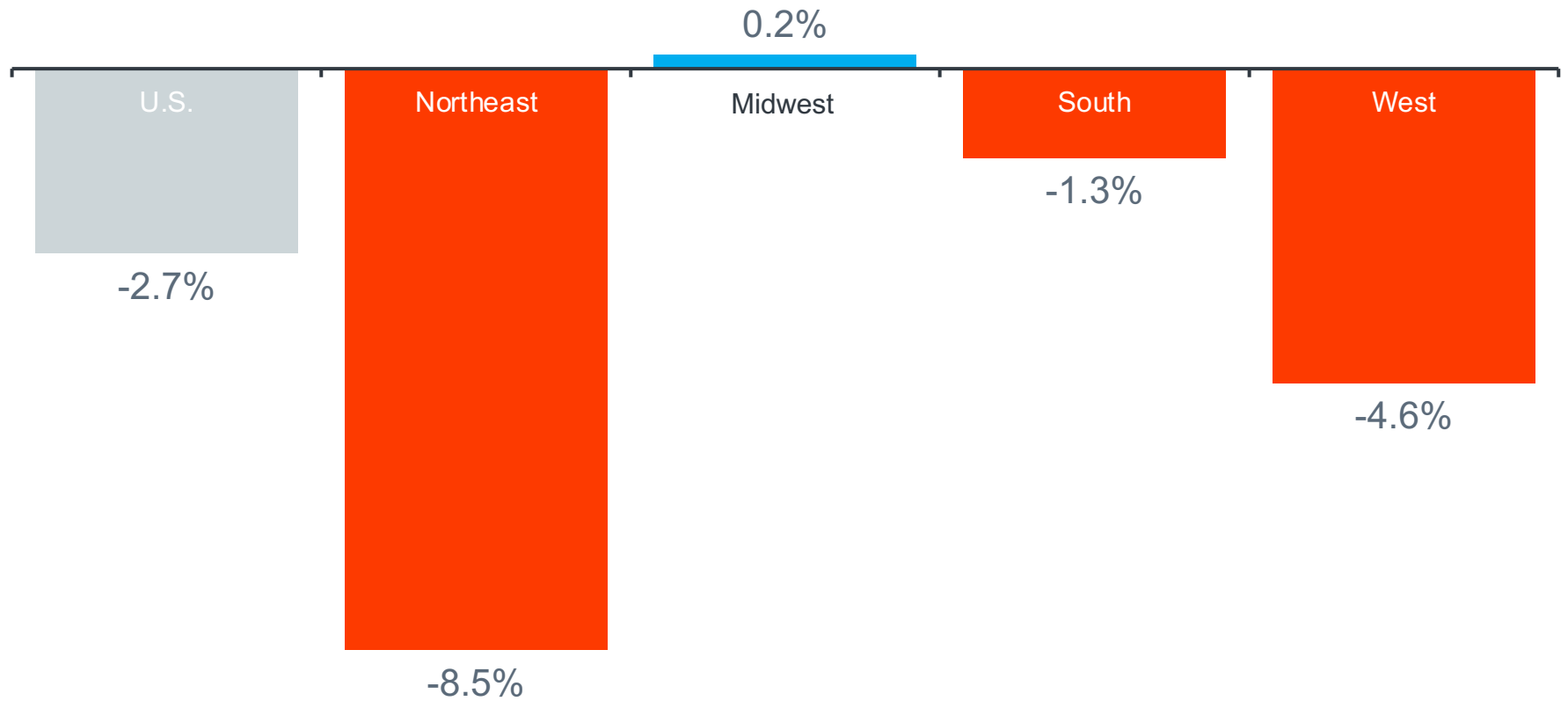
Source: Census

Pending Home Sales



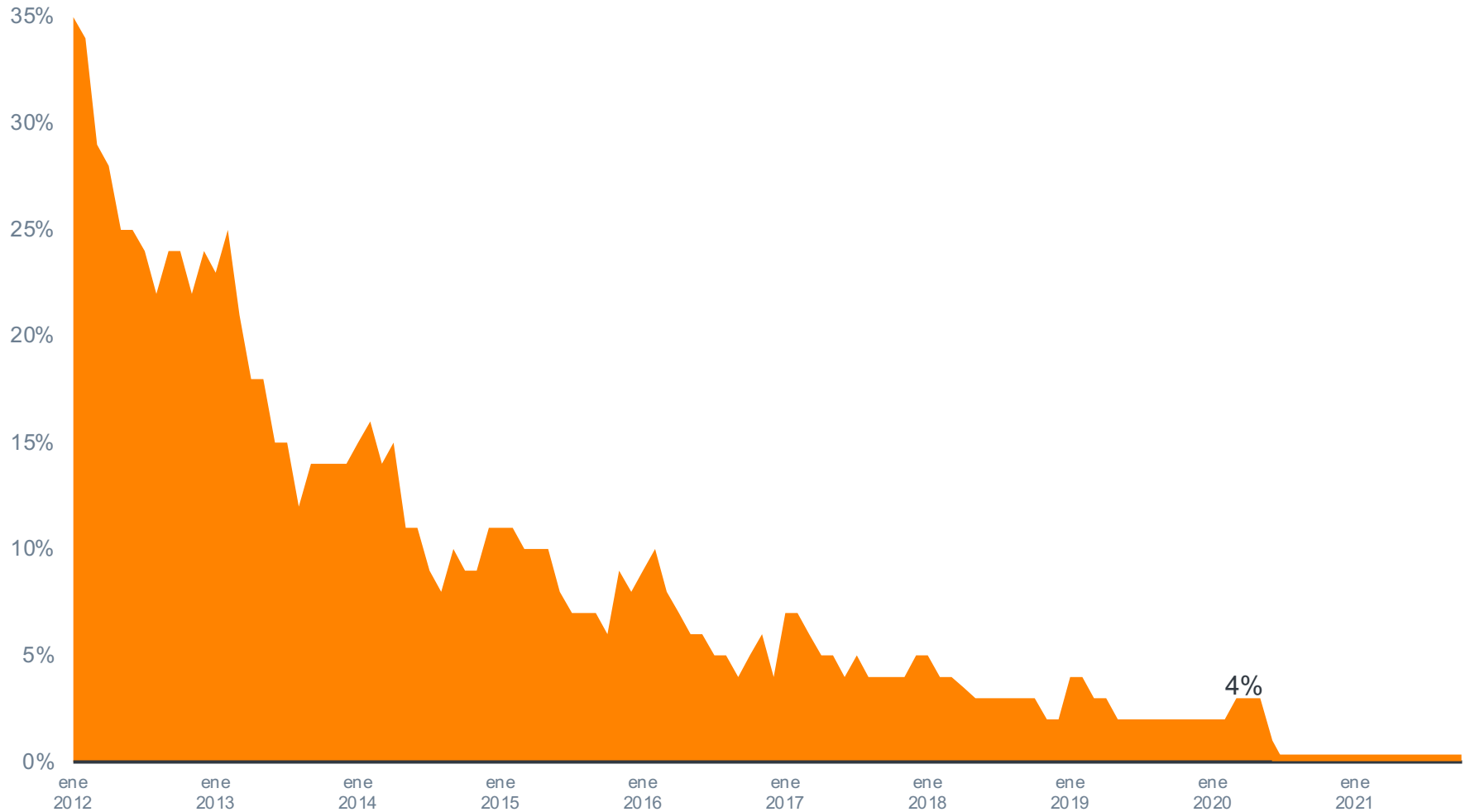
Pending Home Sales

Year-Over-Year by Region



Percentage of Distressed Property Sales

Distressed Sales (Foreclosures and Short Sales) Represented Less Than 1% of Sales in November.

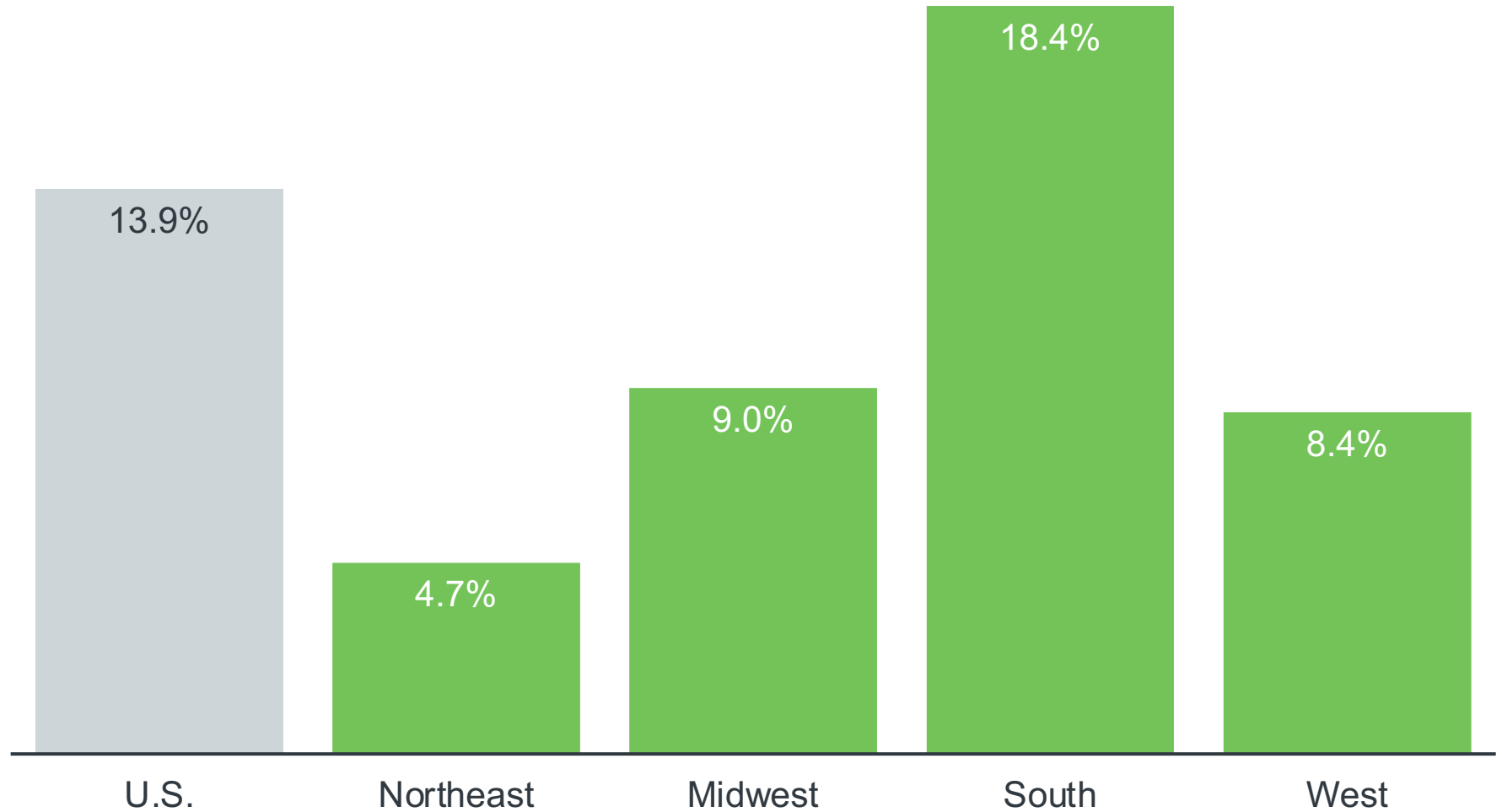




Home Prices

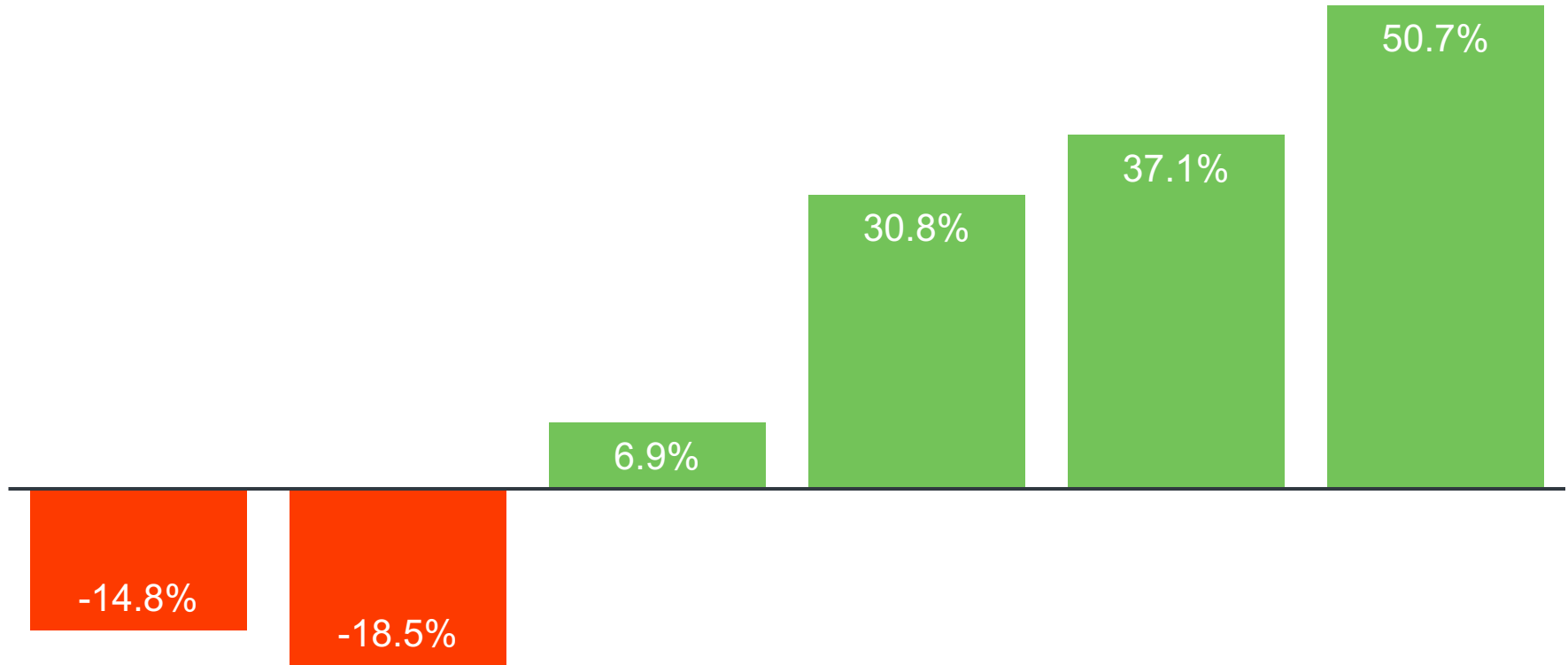
Sales Price of Existing Homes

Year-Over-Year, by Region



% Change in Sales

Year-Over-Year, by Price Range

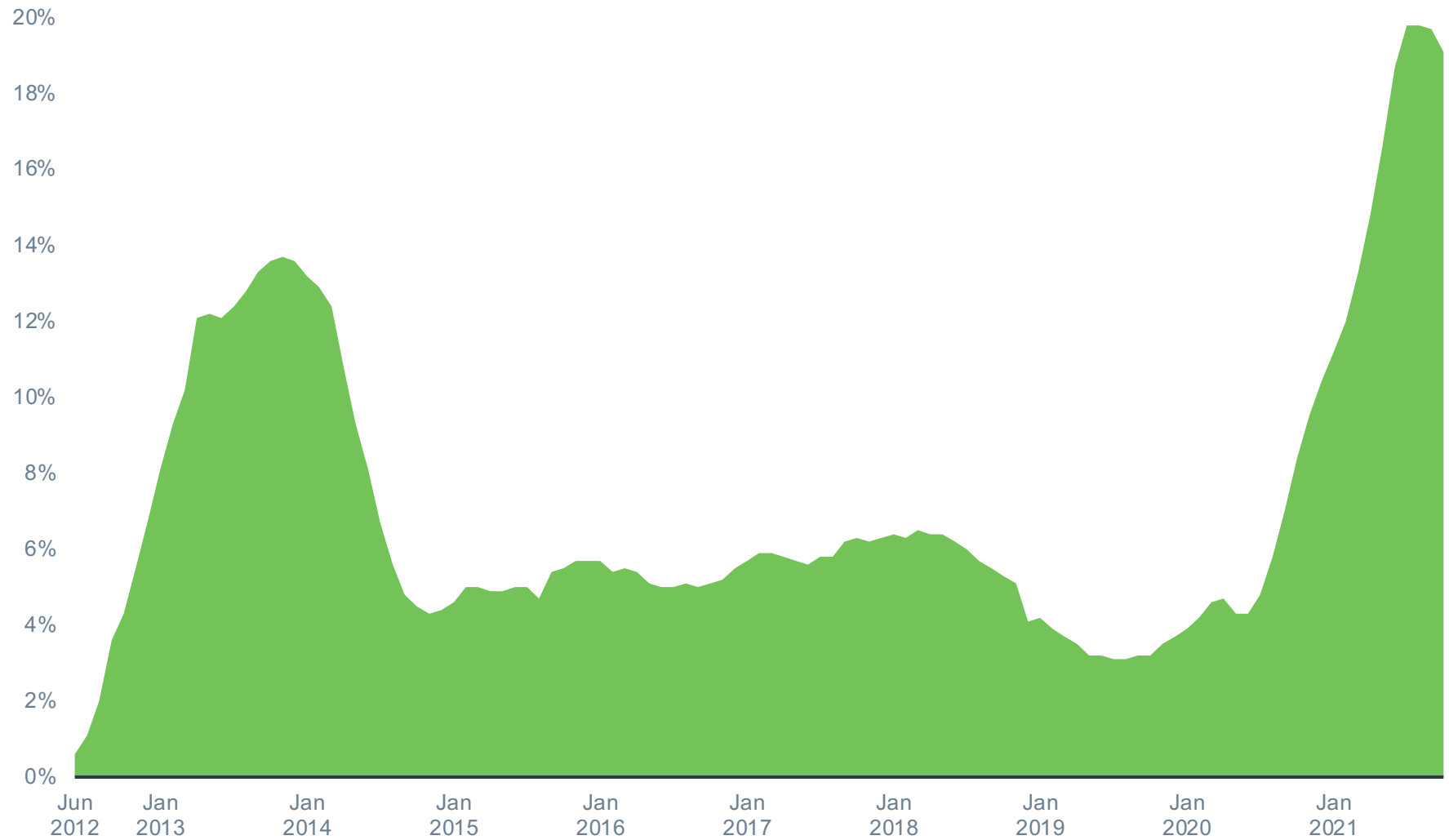


	\$0-100K	\$100-250K	\$250-500K	\$500-750K	\$750K-1M	\$1M+
%	-14.8%	-18.5%	6.9%	30.8%	37.1%	50.7%

Source: NAR

Change in Home Prices

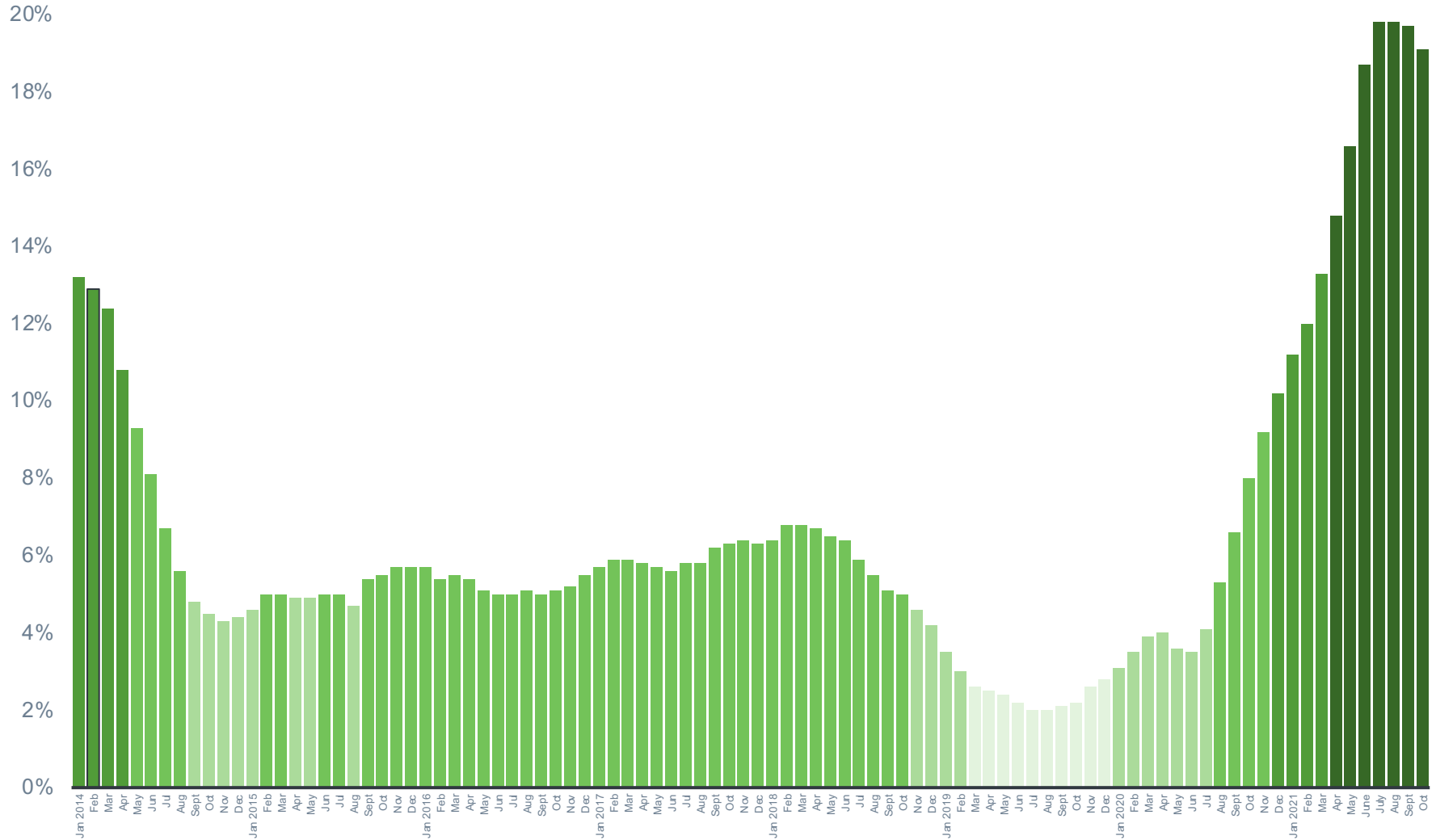
Year-Over-Year



Source: S&P Case-Shiller

Change in Home Prices

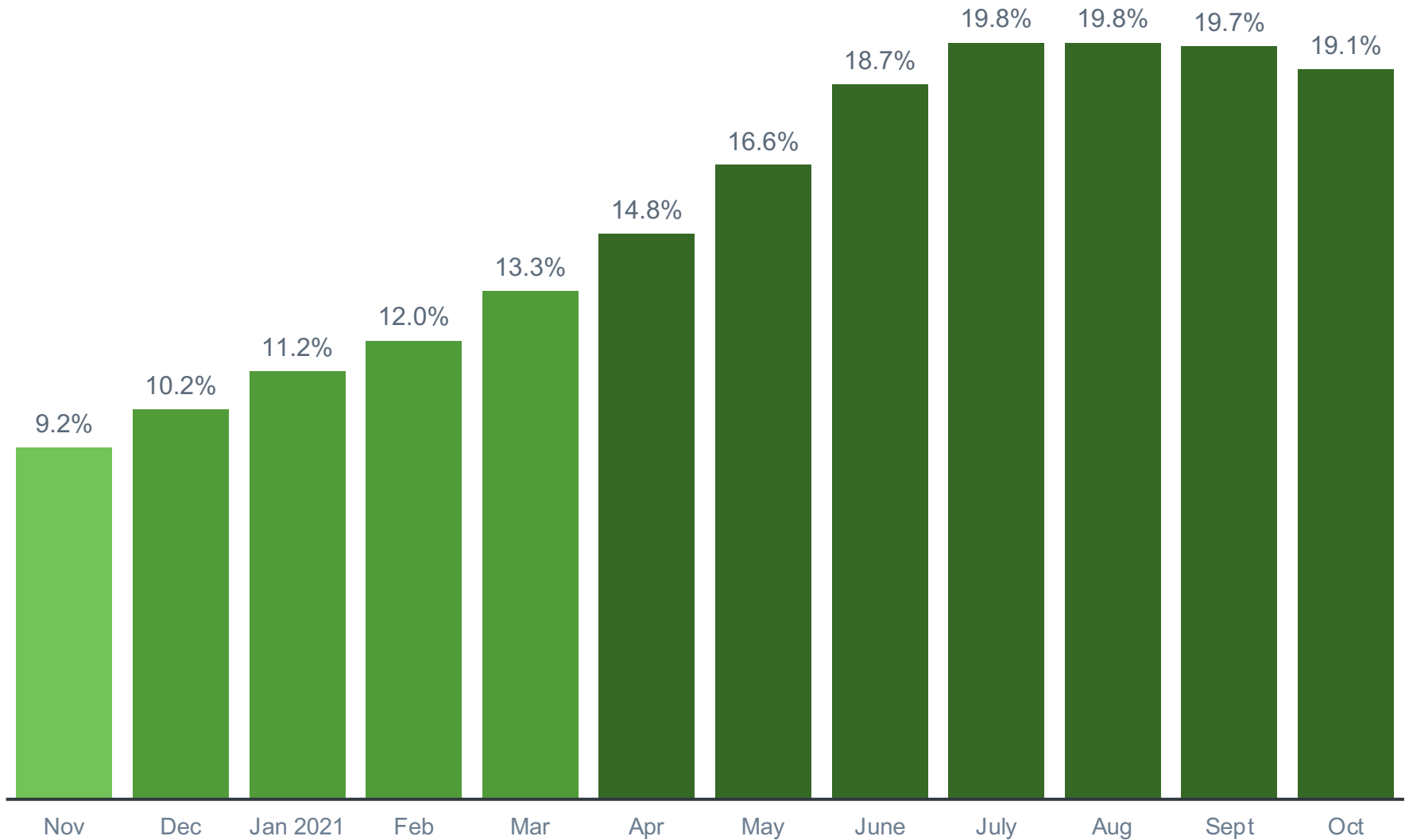
Year-Over-Year, 20 City Composite



Source: S&P Case-Shiller

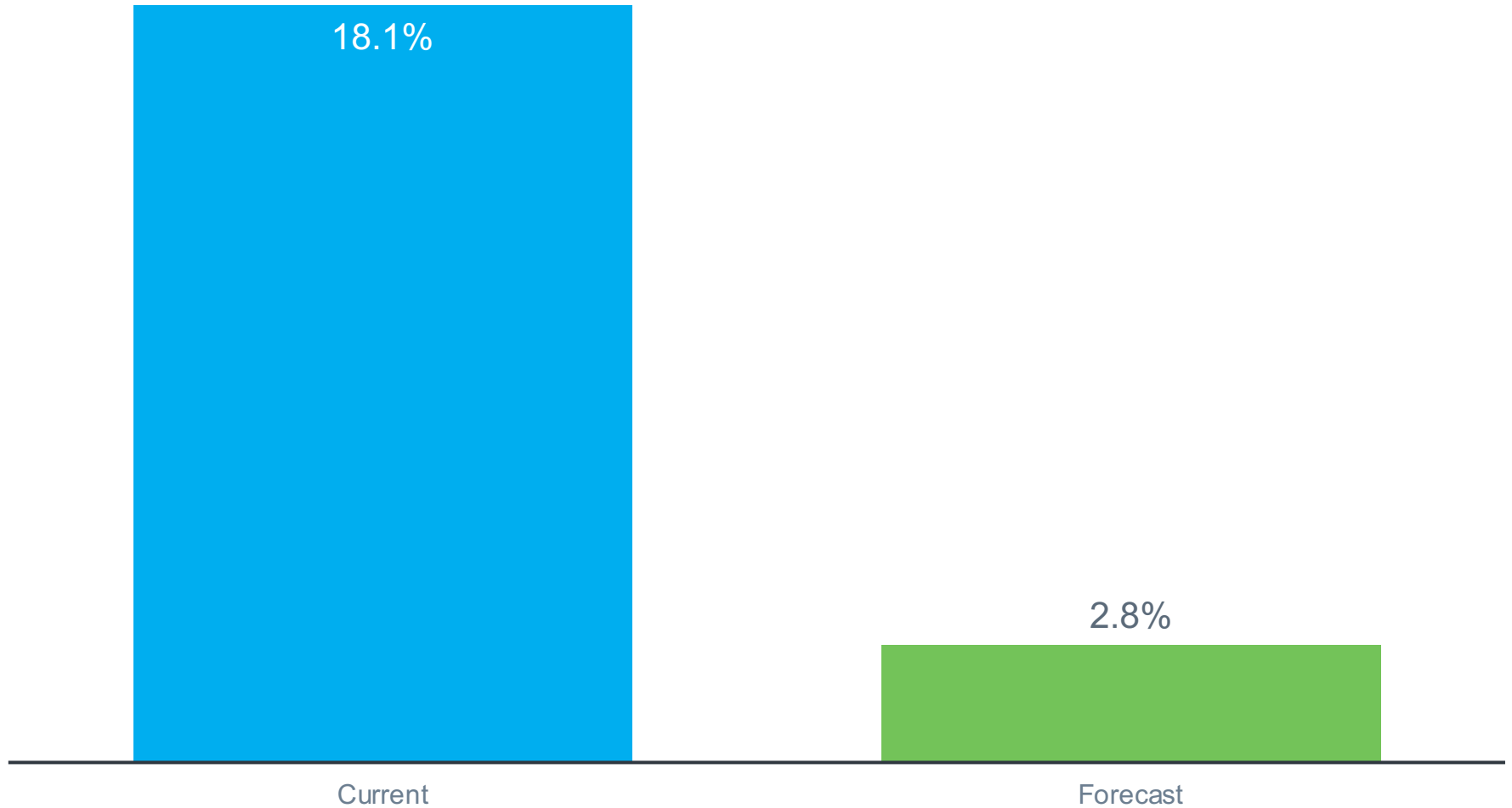
Change in Home Prices

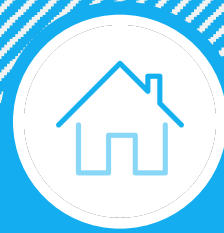
Year-Over-Year, 20 City Composite



Source: S&P Case-Shiller

Year-Over-Year % Change in Price

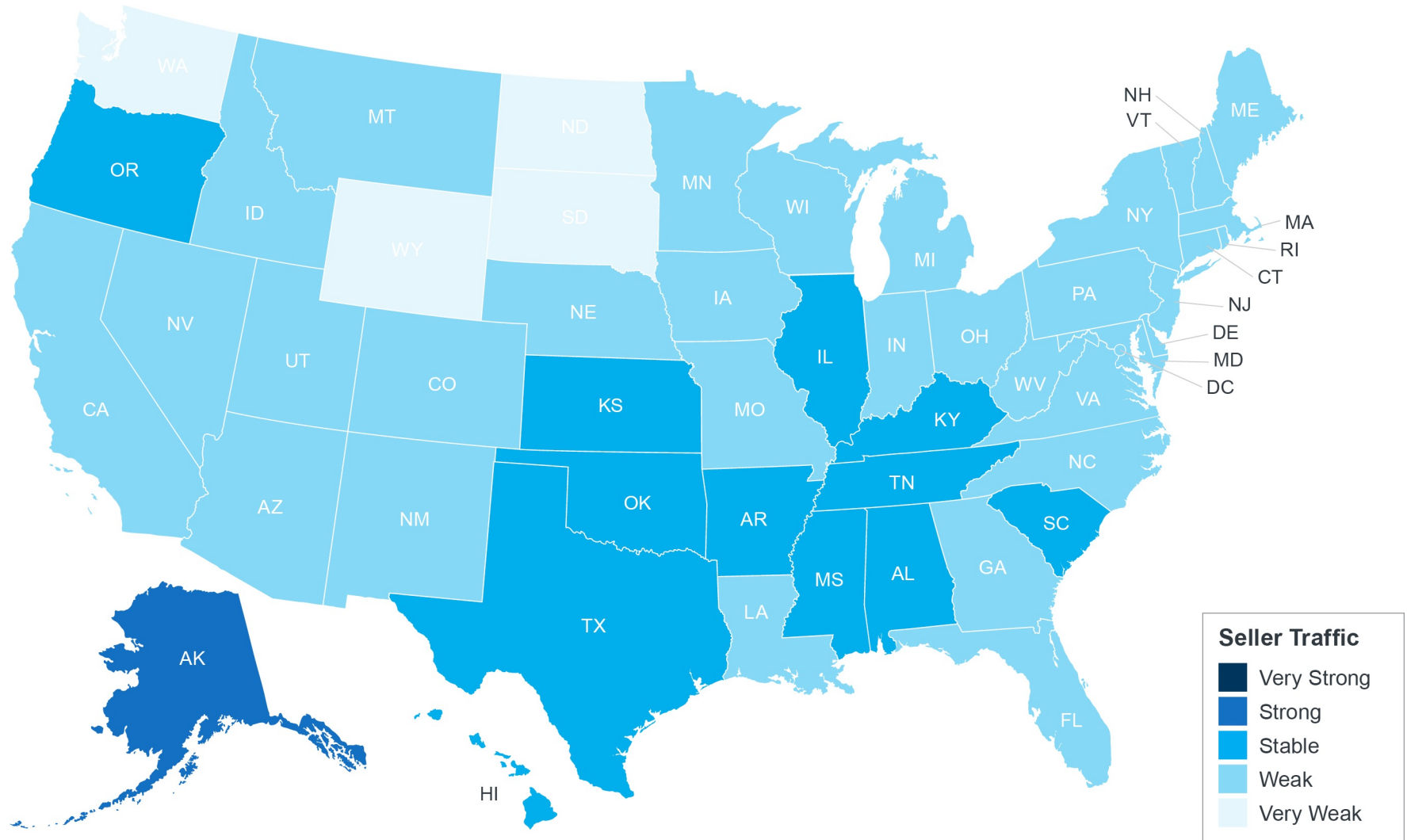




Housing Inventory

Seller Traffic Index

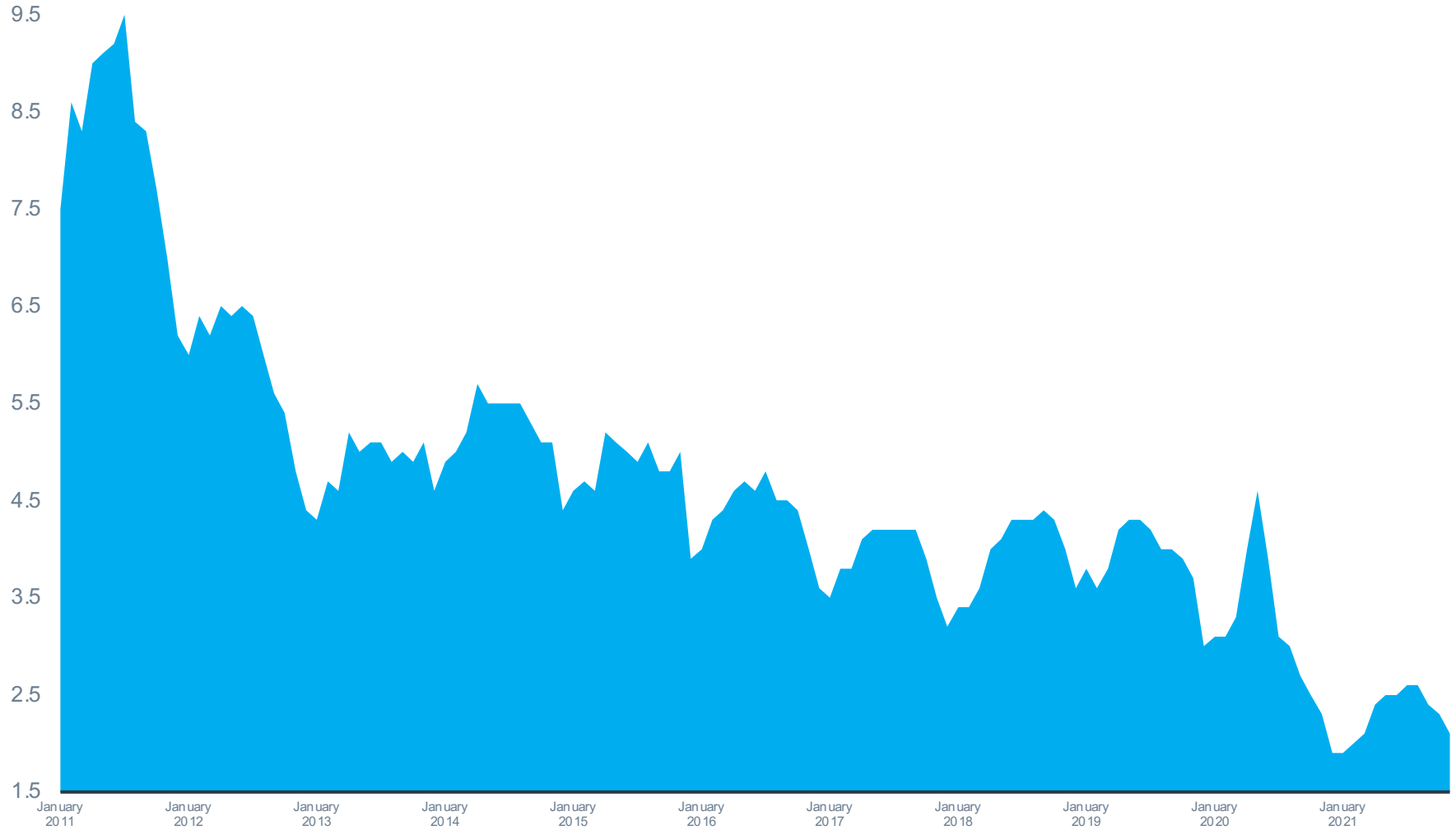
November 2021



Source: NAR

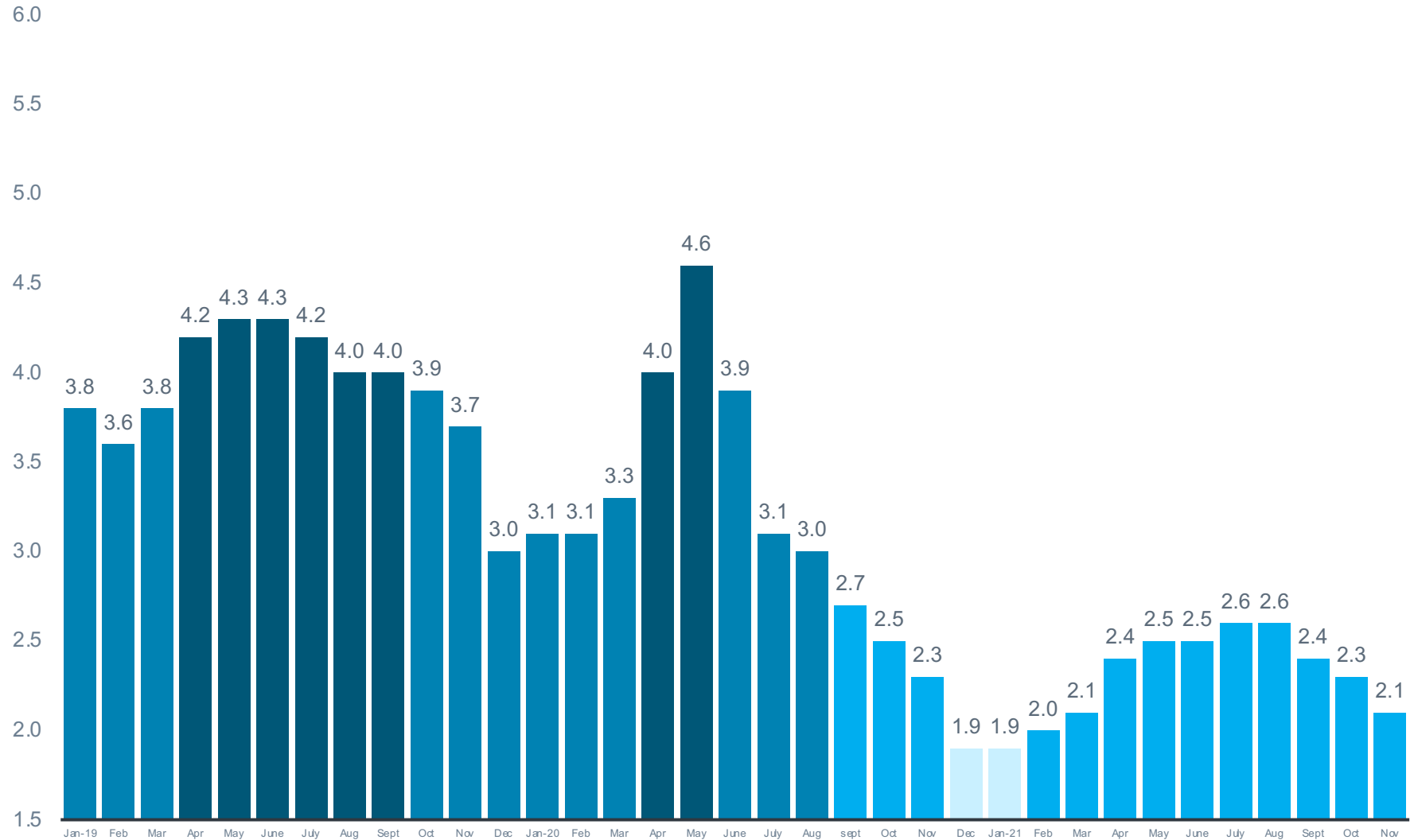
Months Inventory of Homes for Sale

2011 - Today



Months Inventory of Homes for Sale

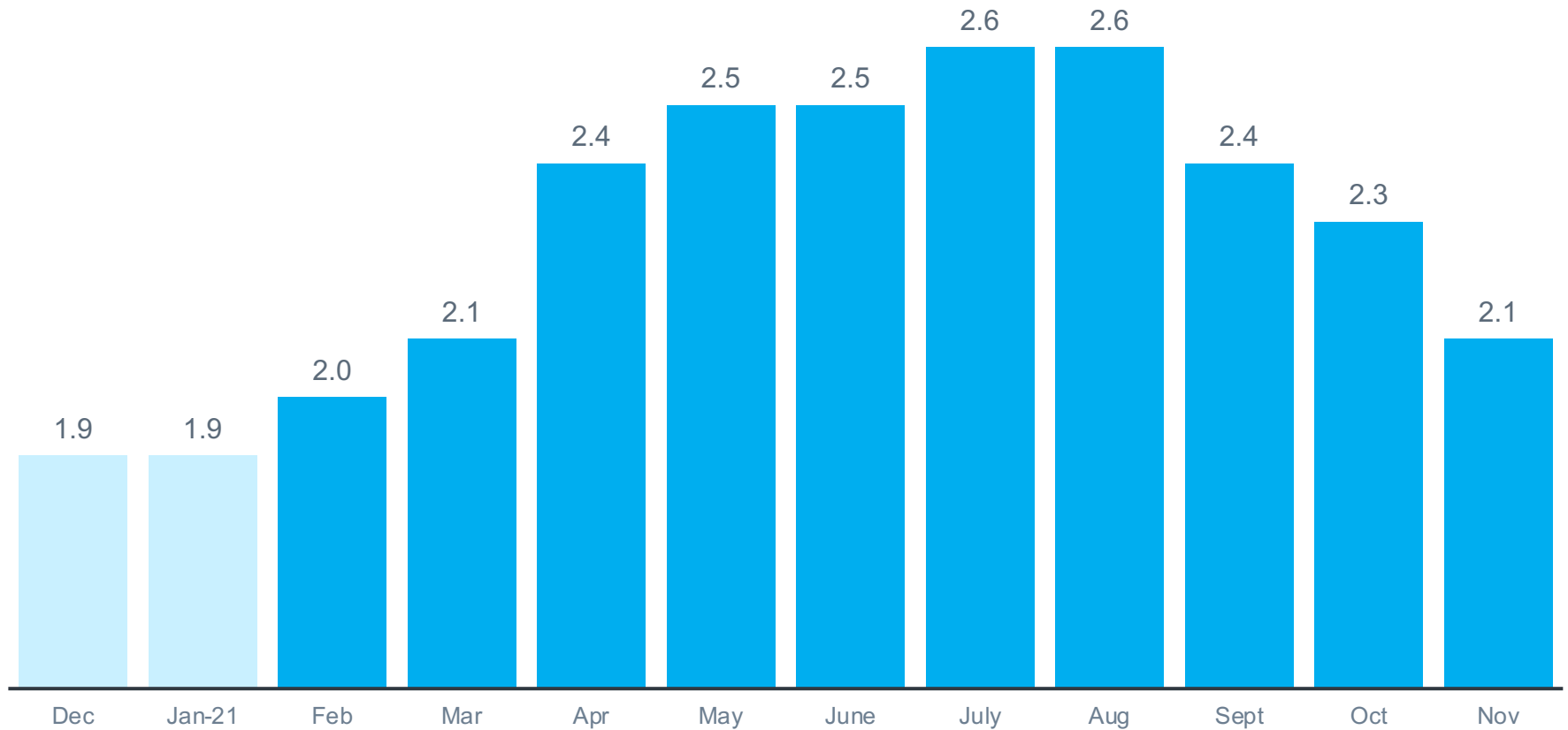
Since 2019



Source: NAR

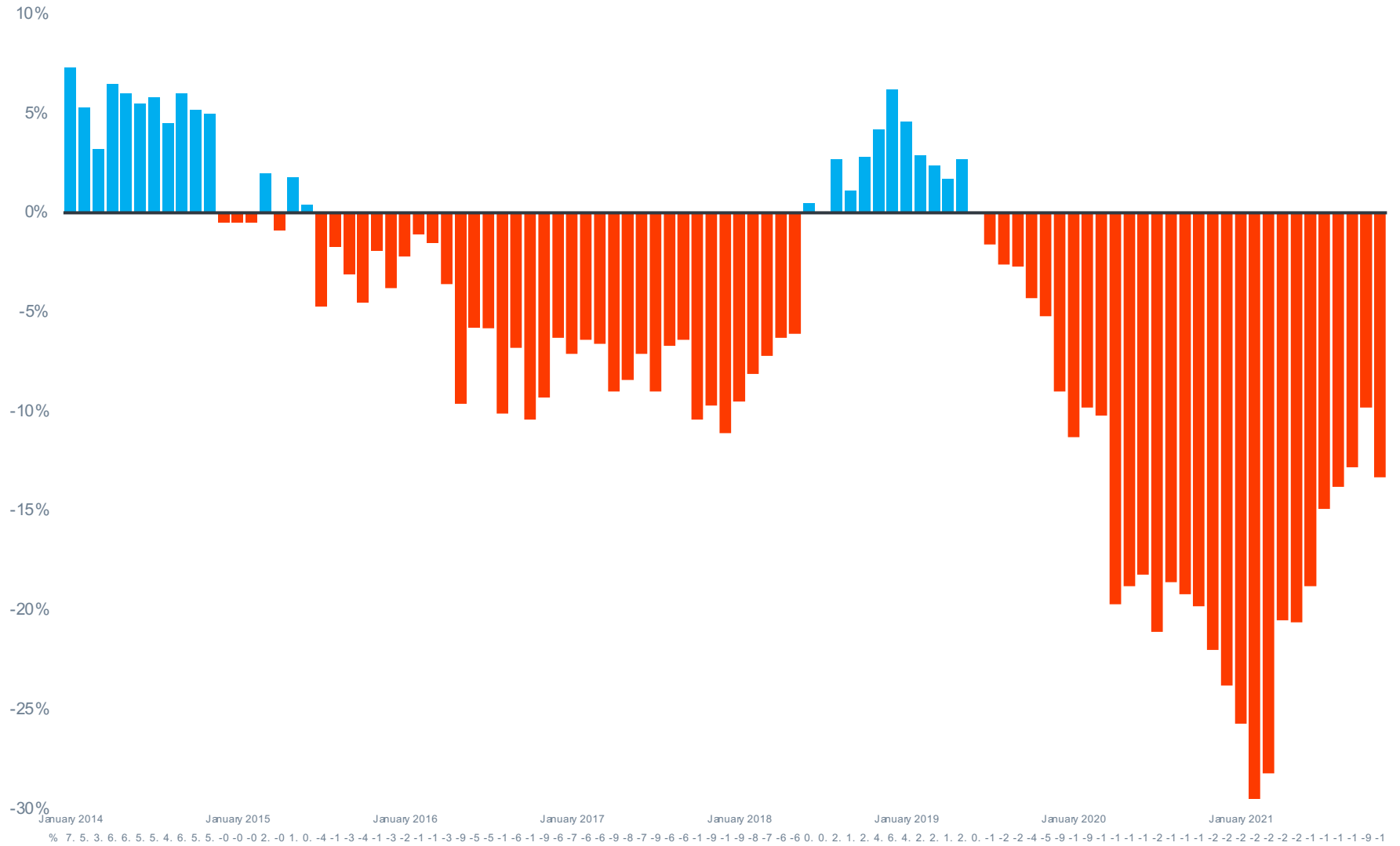
Months Inventory of Homes for Sale

Last 12 Months



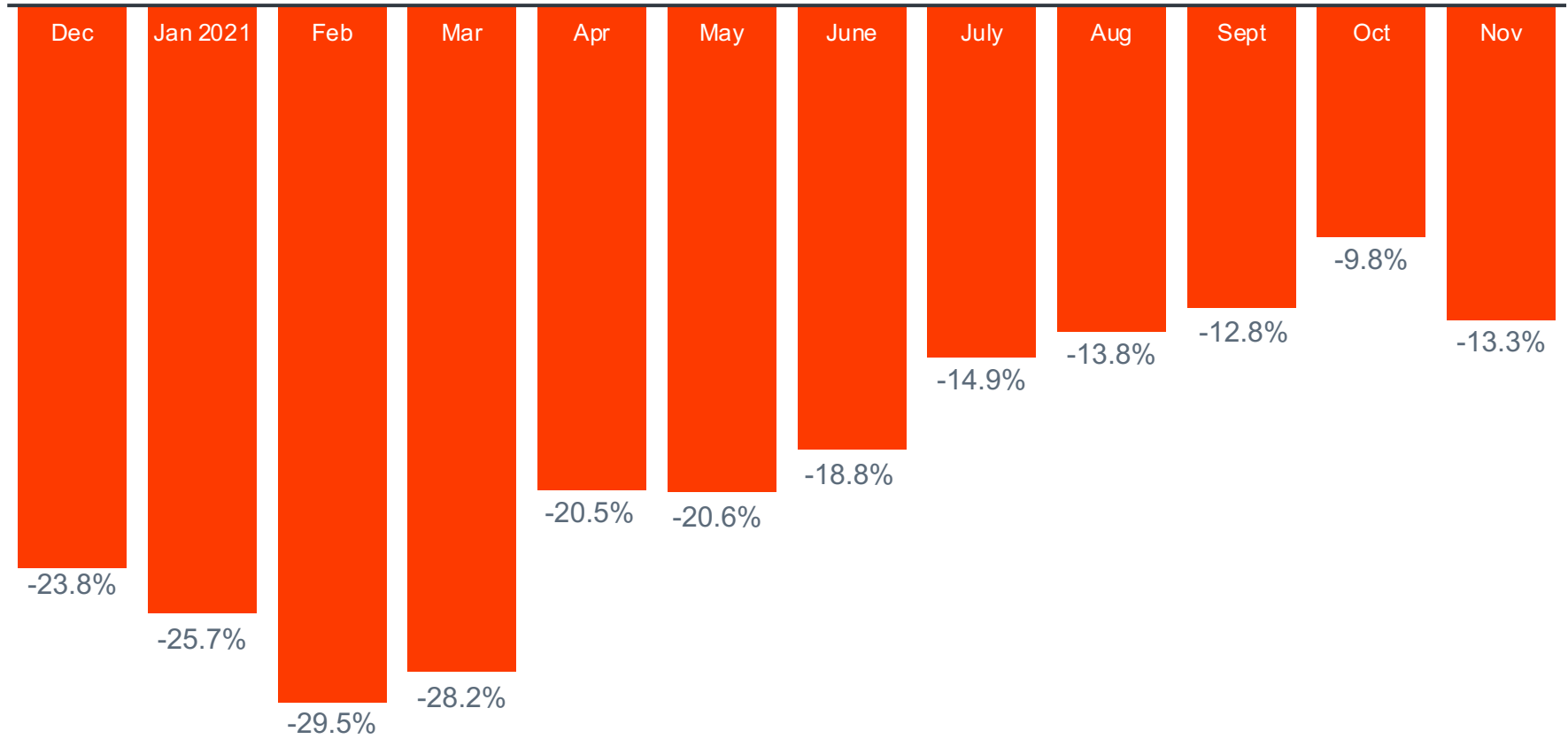
Source: NAR

Year-Over-Year Inventory Levels



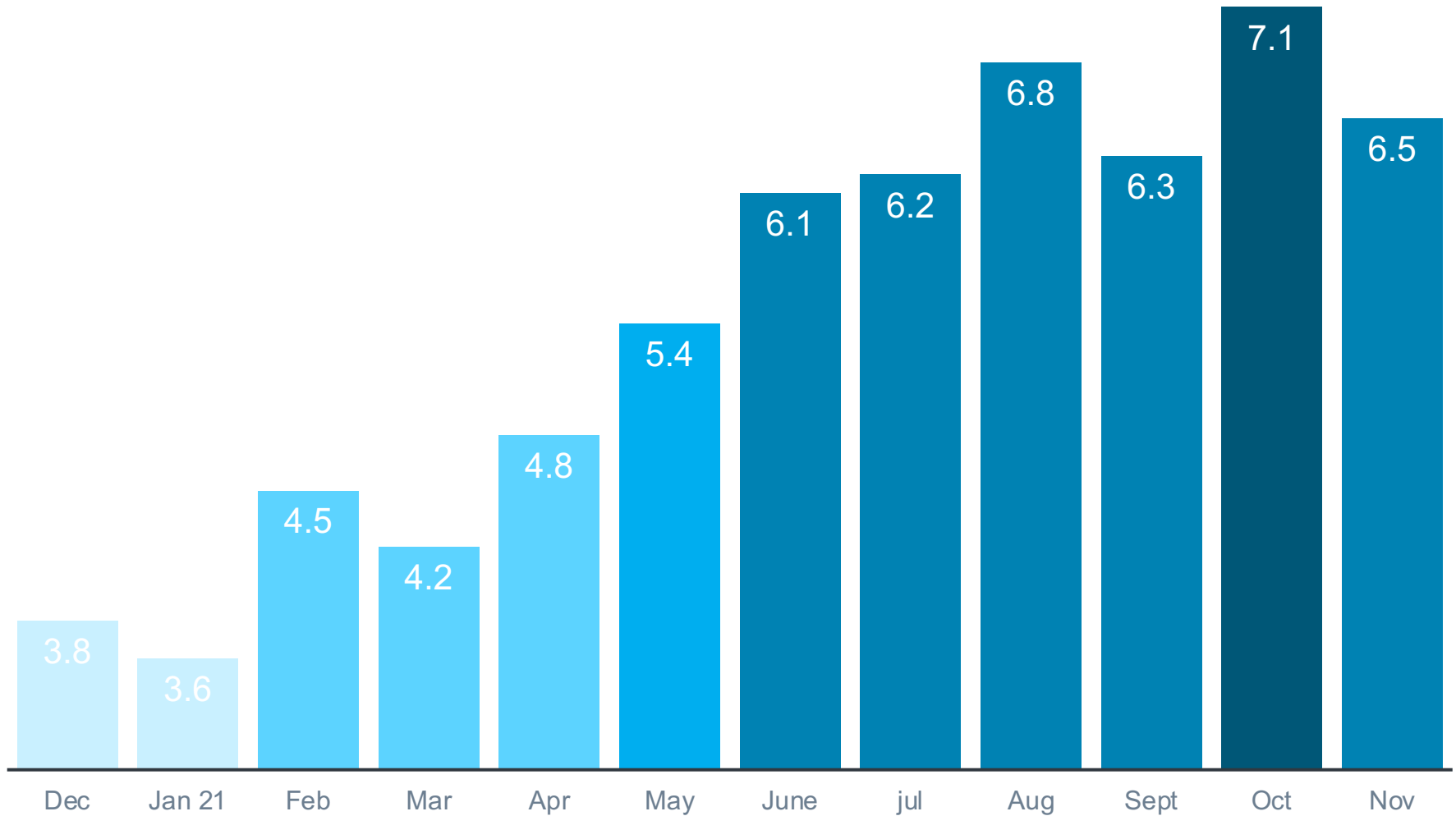
Year-Over-Year Inventory Levels

Last 12 Months



New Home Monthly Inventory

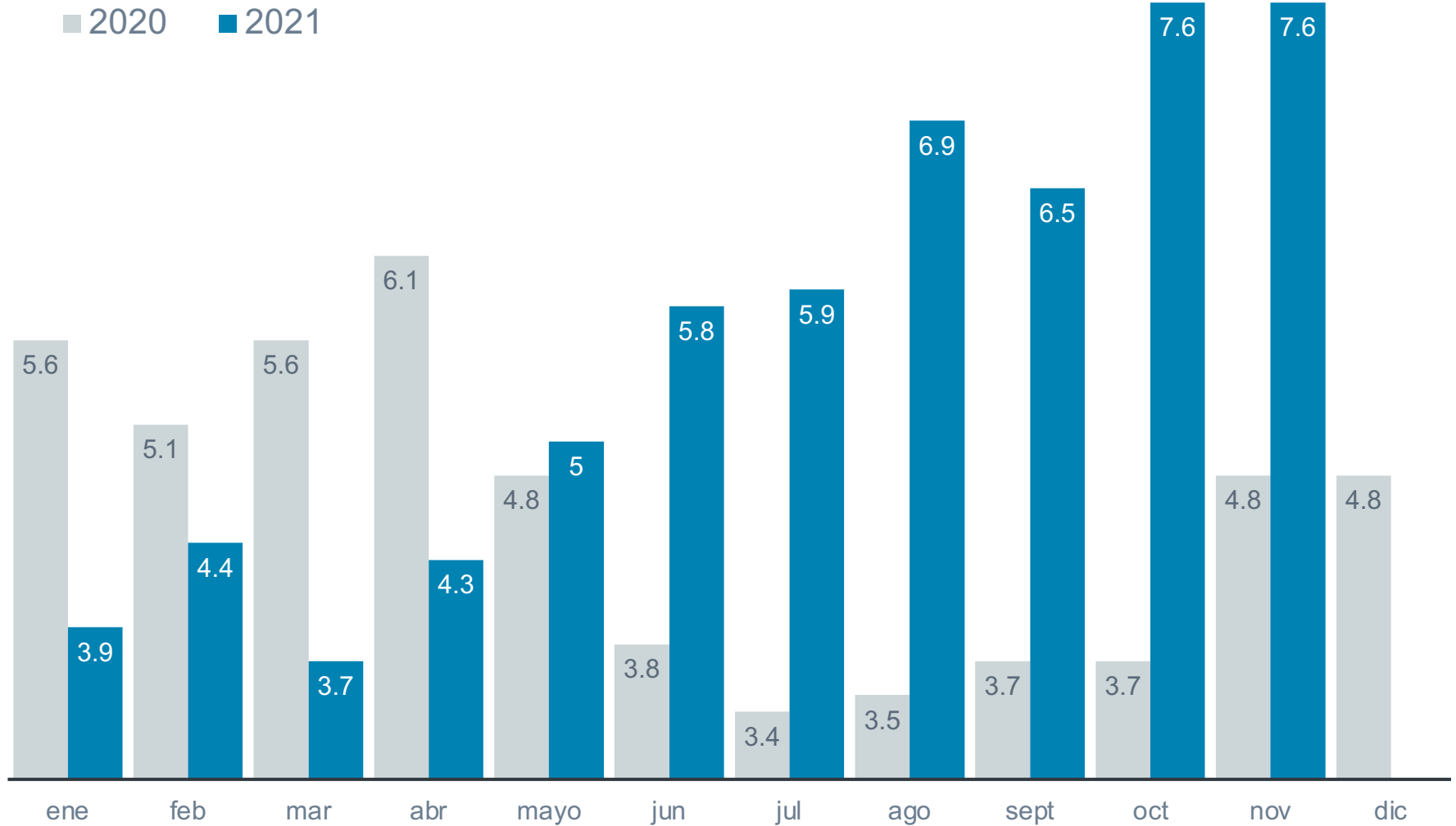
Seasonally Adjusted, Last 12 Months



Source: Census

New Home Monthly Inventory

Non-Seasonally Adjusted



Source: Census



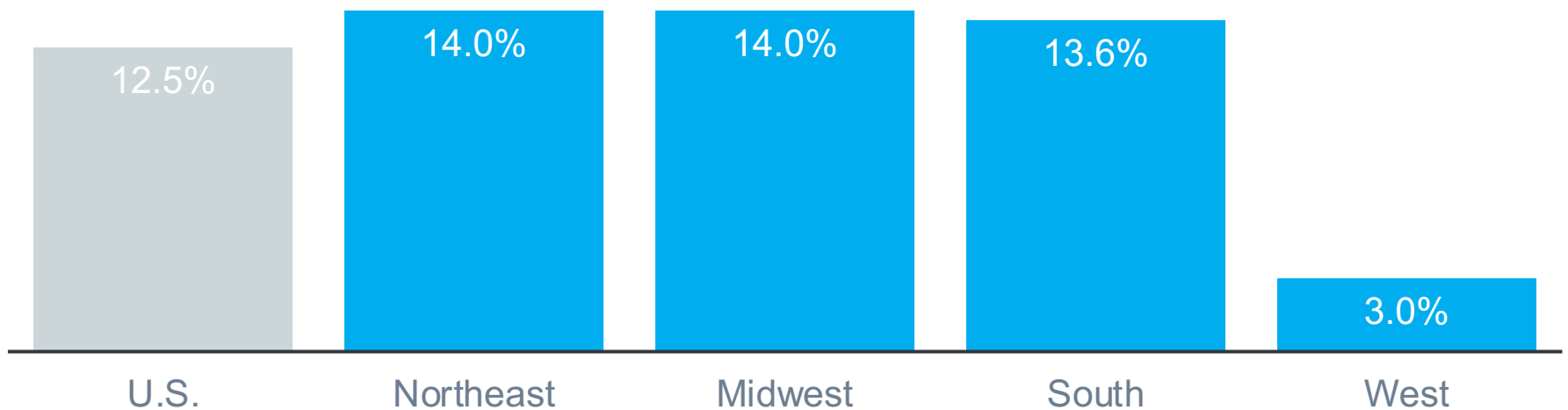
Buyer Demand

Impressive Year-Over-Year Demand Seen Across the U.S. as Holiday Home Showing Traffic Heats Up

Year-Over-Year Increase in Showing Activity, November 2021

Michael Lane, Vice President & General Manager, Showing Time

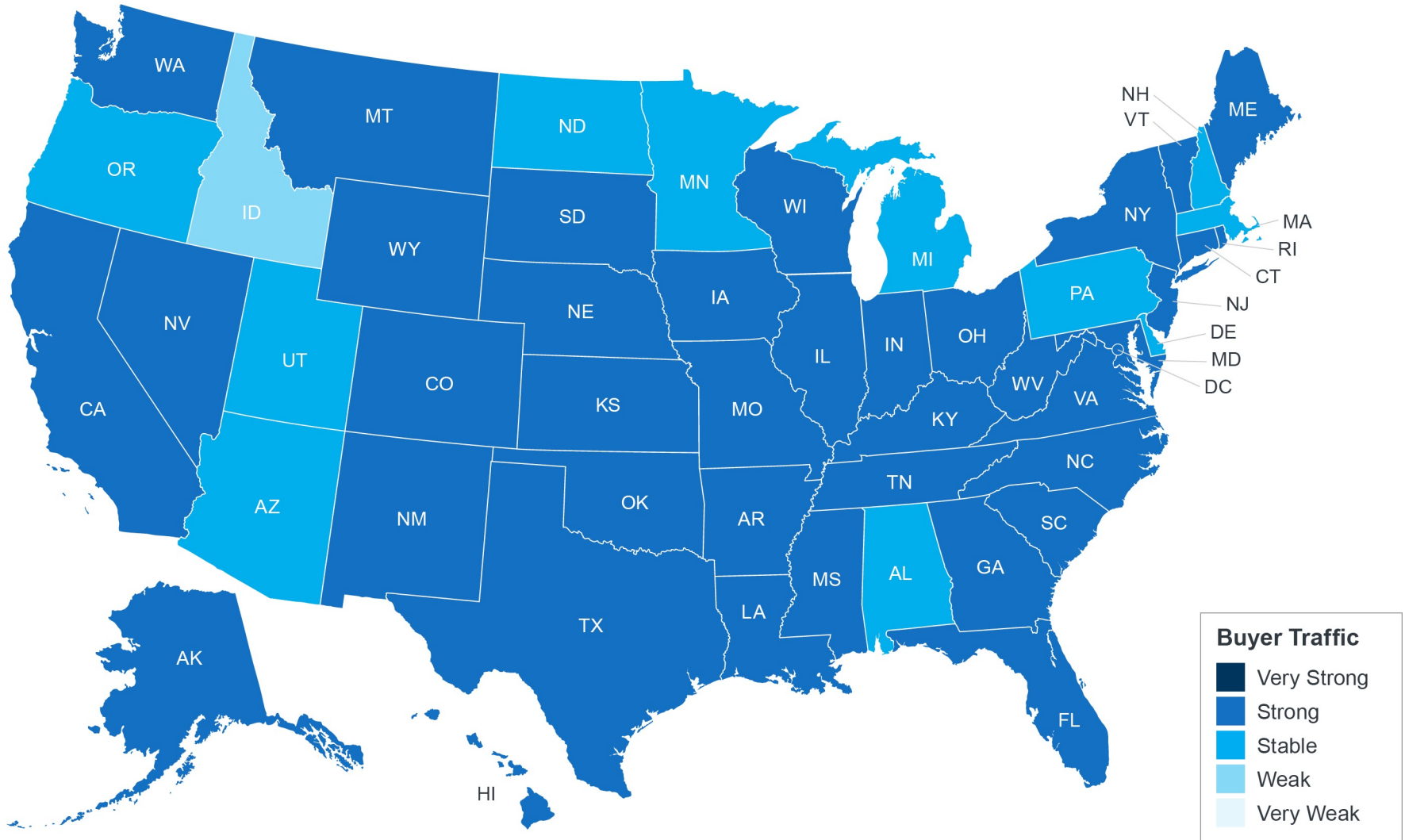
“Showings traditionally lag during the holiday season, but the data we’re seeing tells us that buyer demand remains strong... The fact that every region showed a year-over-year increase indicates that buyers are undeterred by the approaching holidays. It speaks to their desire to keep searching for their next home.”



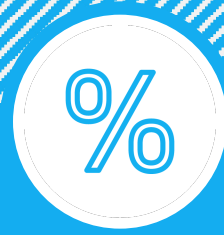
Source: Showing Time

Buyer Traffic Index

November 2021



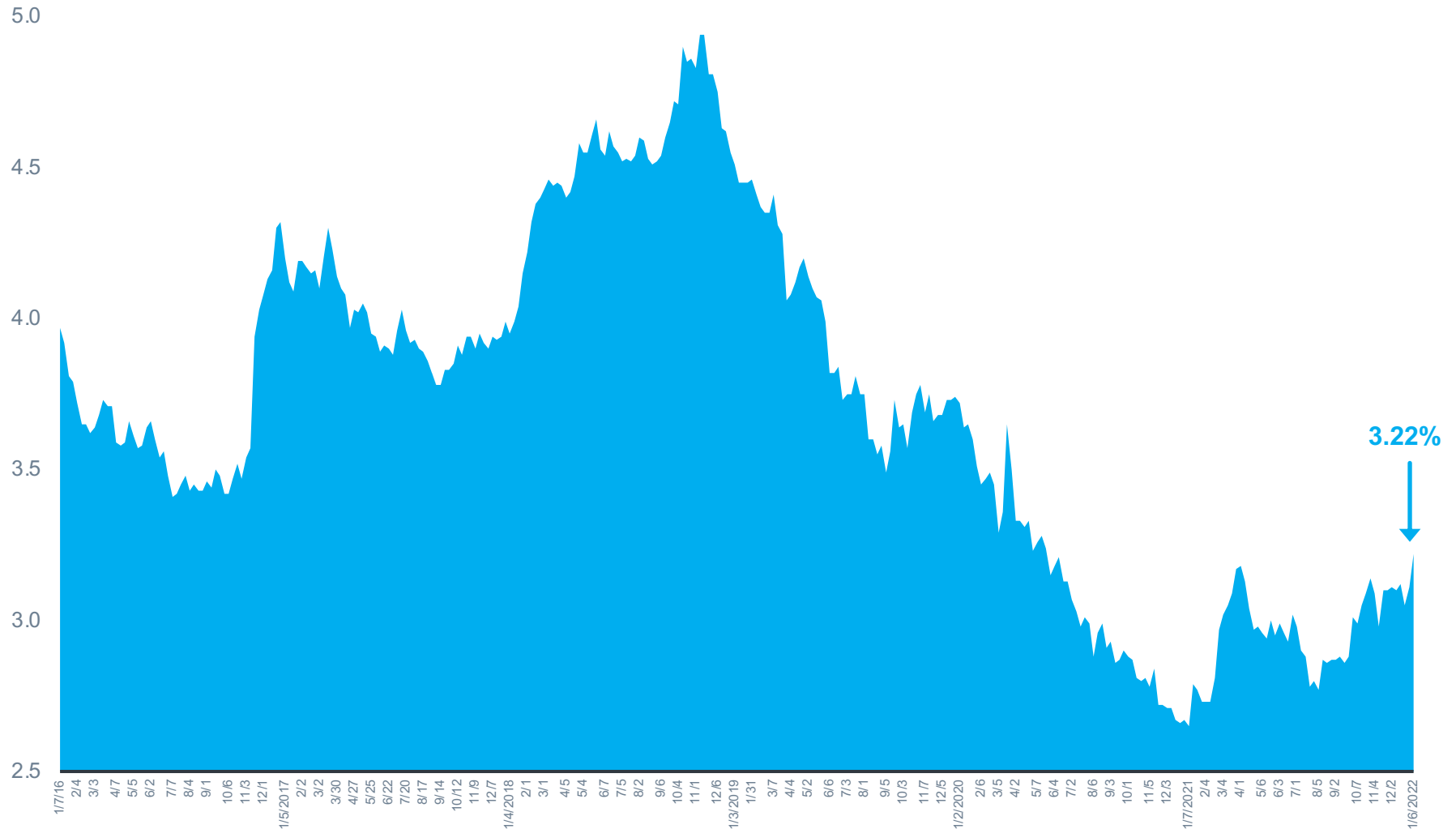
Source: NAR



Mortgage Rates

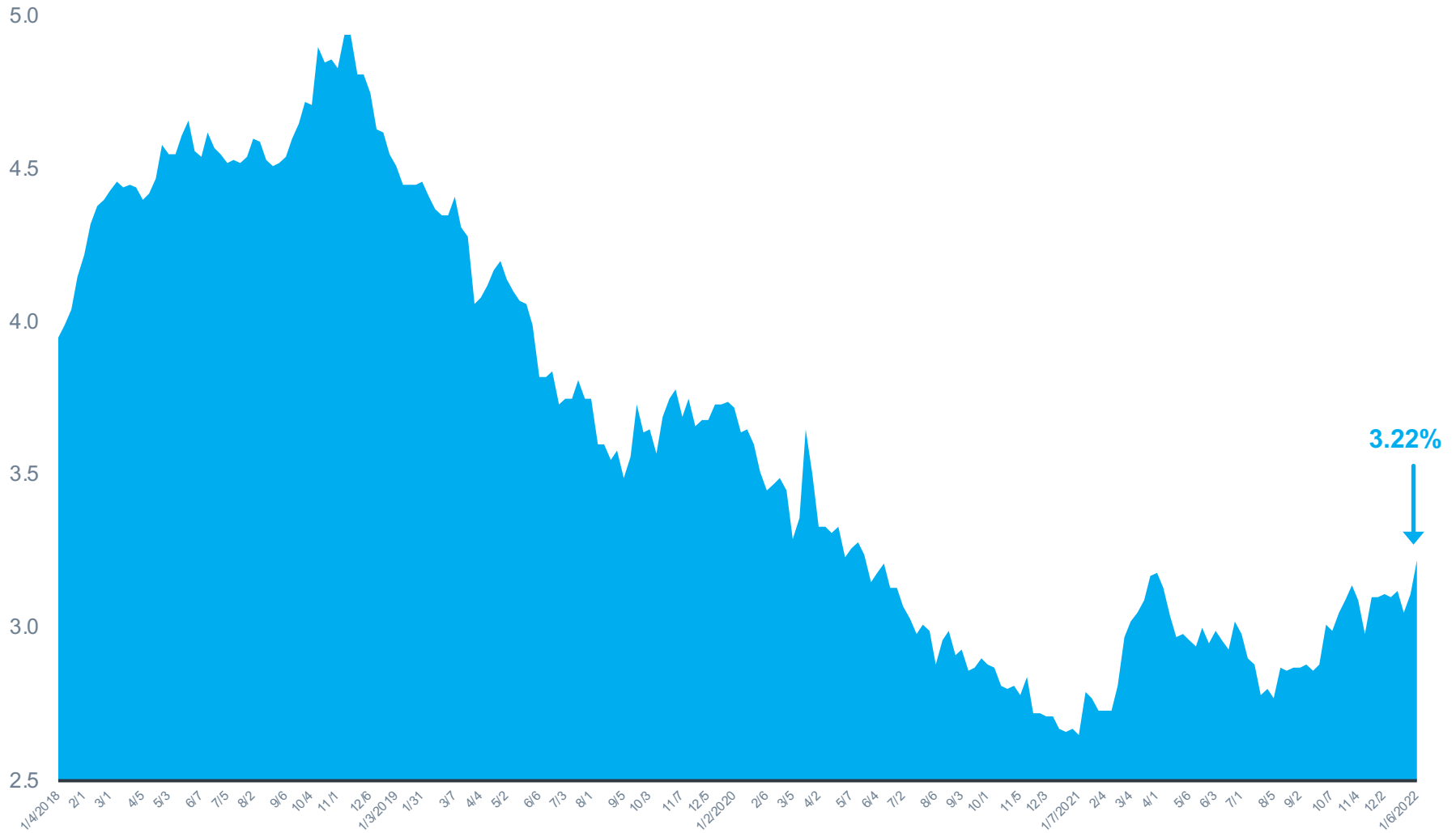
Mortgage Rates

30-Year Fixed Rate, January 2016–Today



Mortgage Rates

30-Year Fixed Rate, January 2018–Today



Source: Freddie Mac

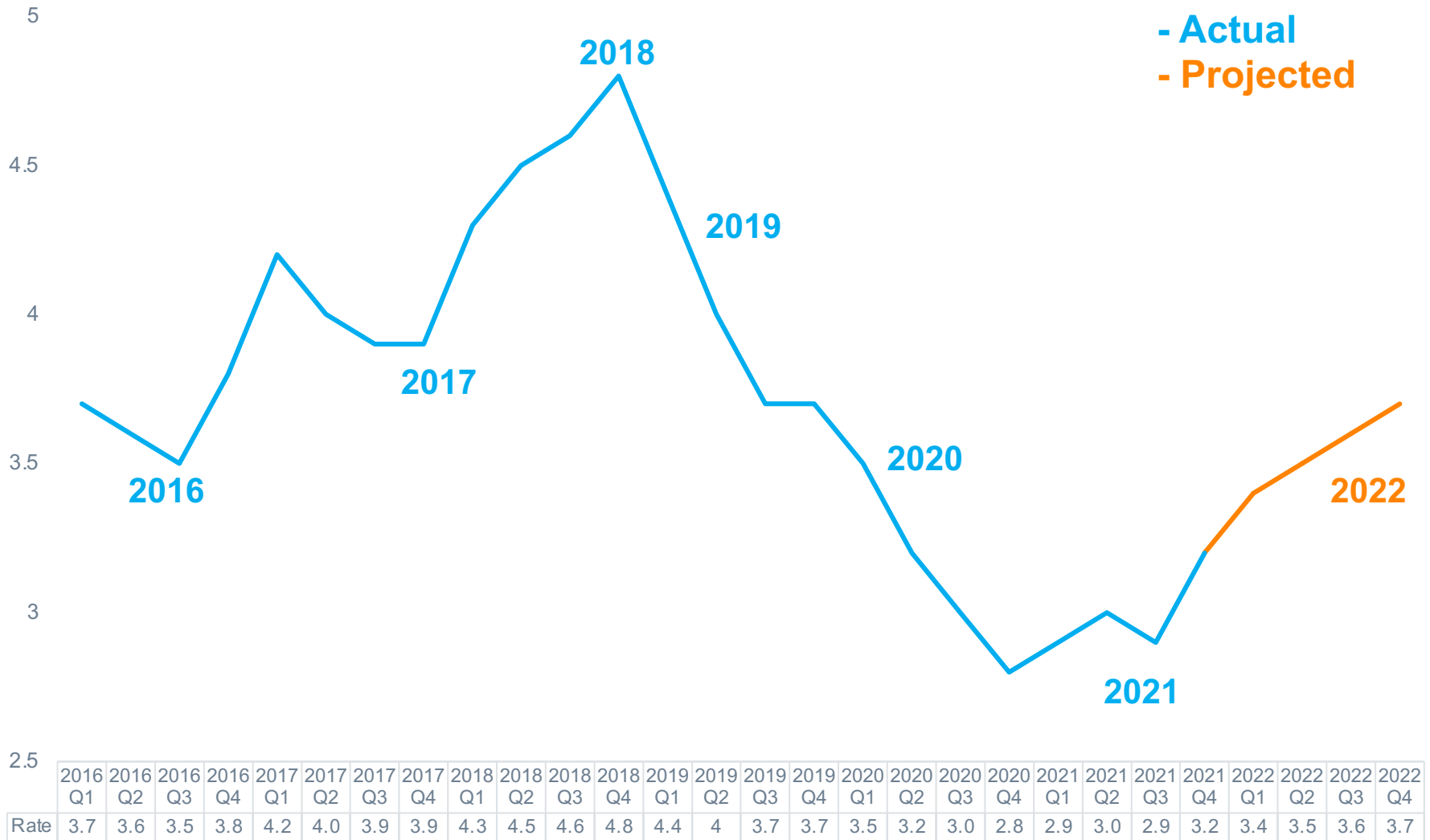
Mortgage Rate Projections

December 2021

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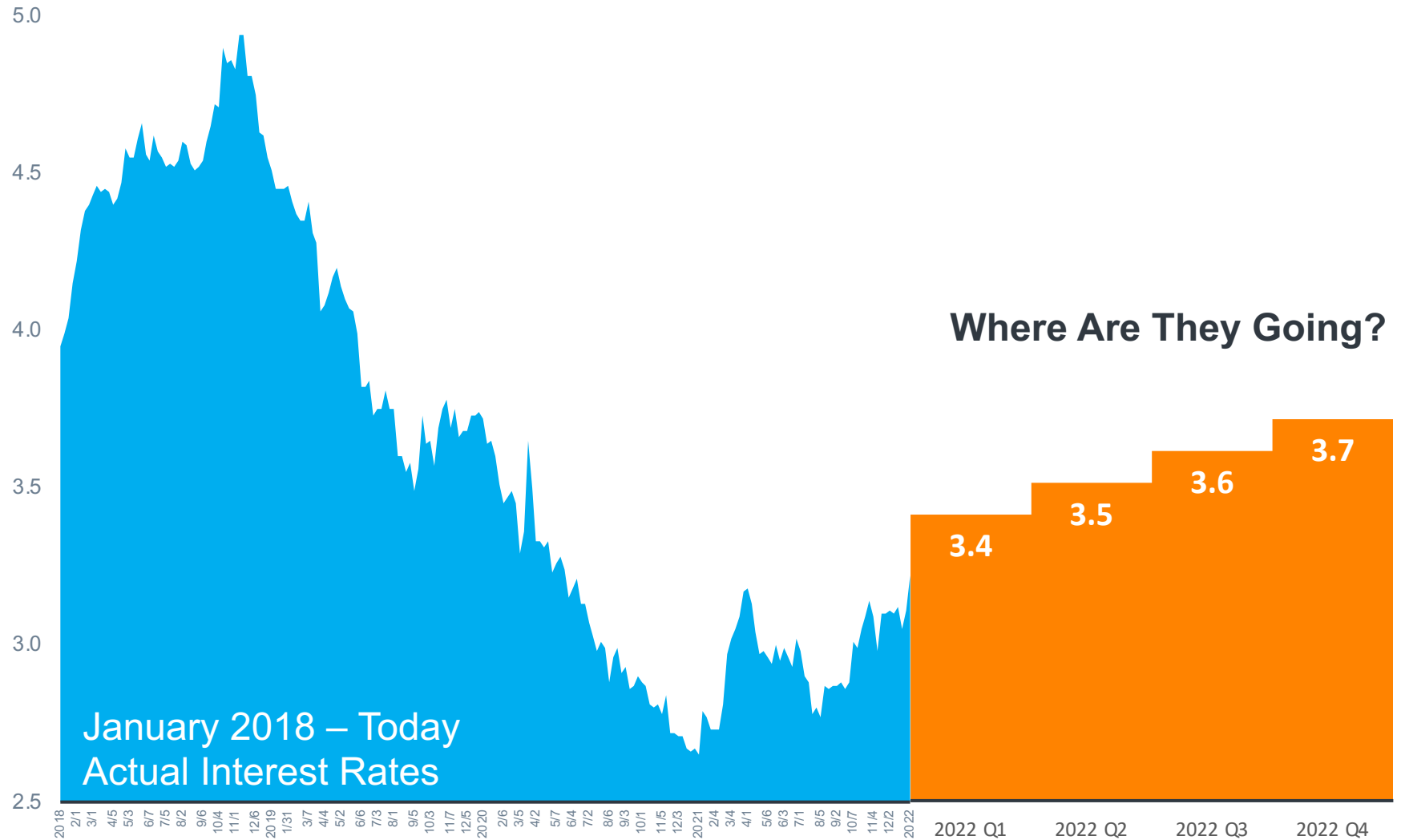
Mortgage Rates

30-Year Fixed Rate

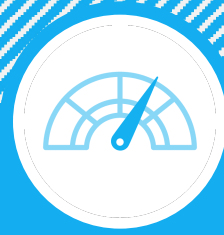


Mortgage Rates

30-Year Fixed Rate



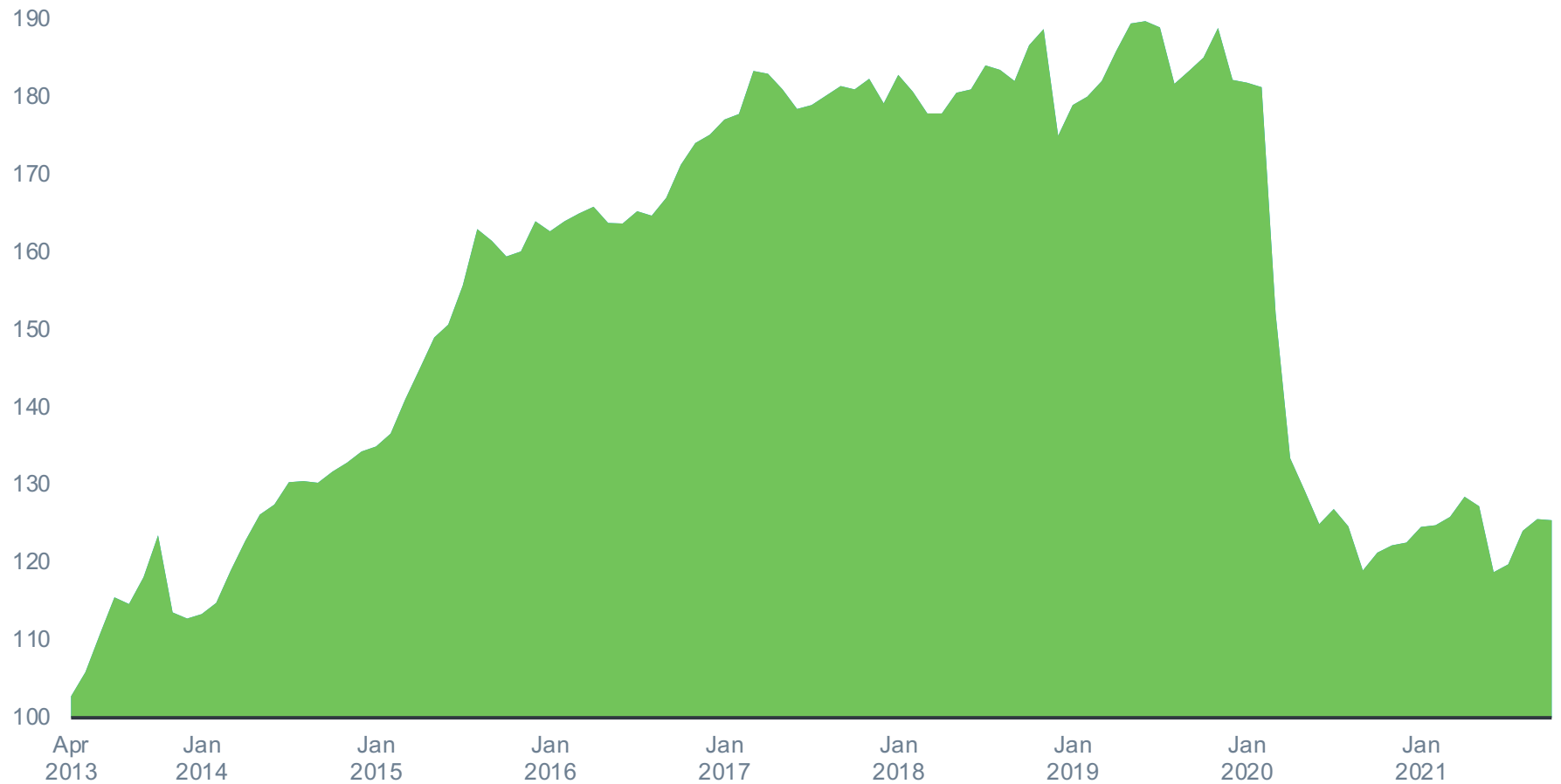
Source: Freddie Mac



Mortgage Credit Availability

Mortgage Credit Availability Index (MCAI)

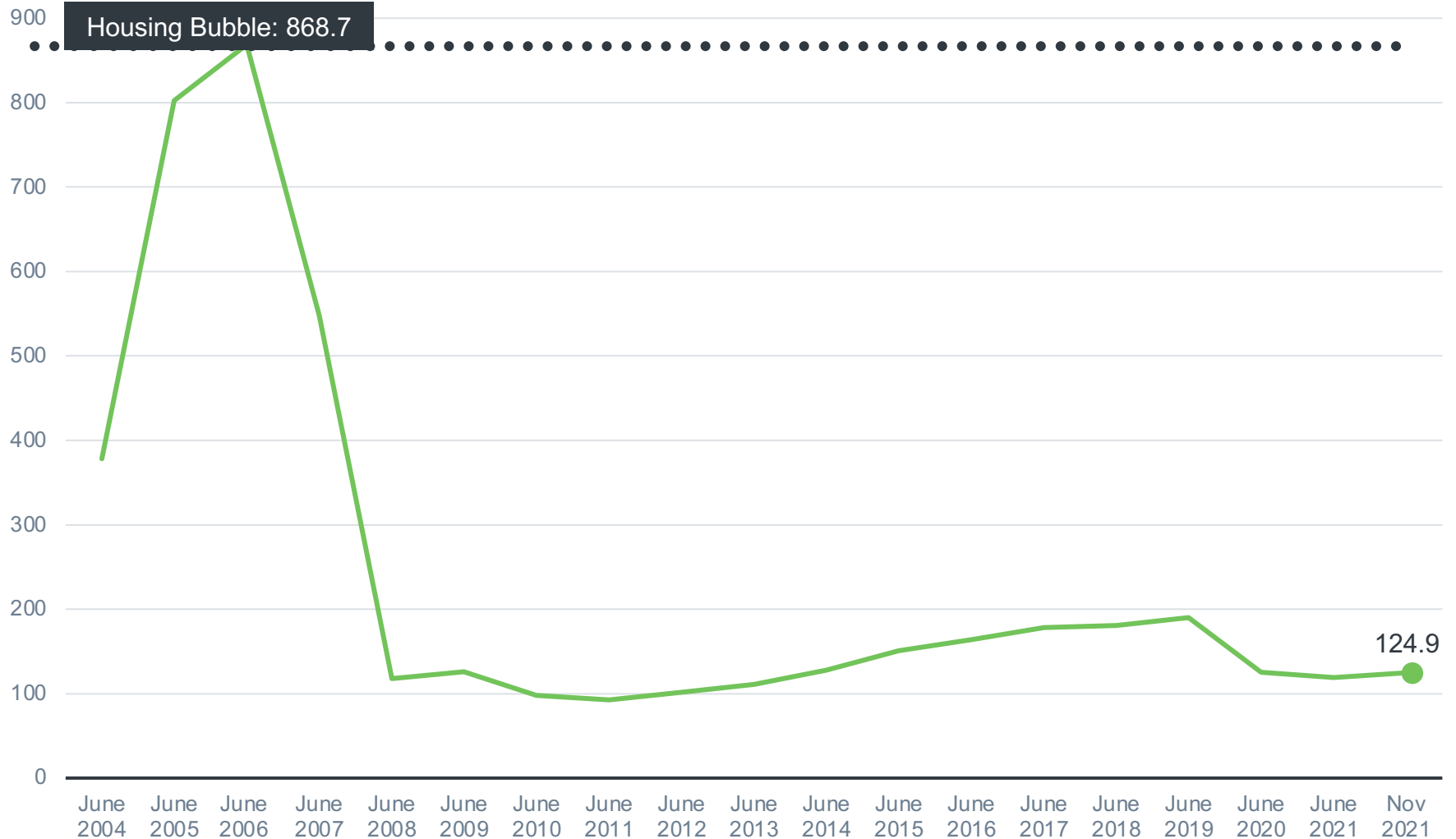
November 2021



Source: MBA

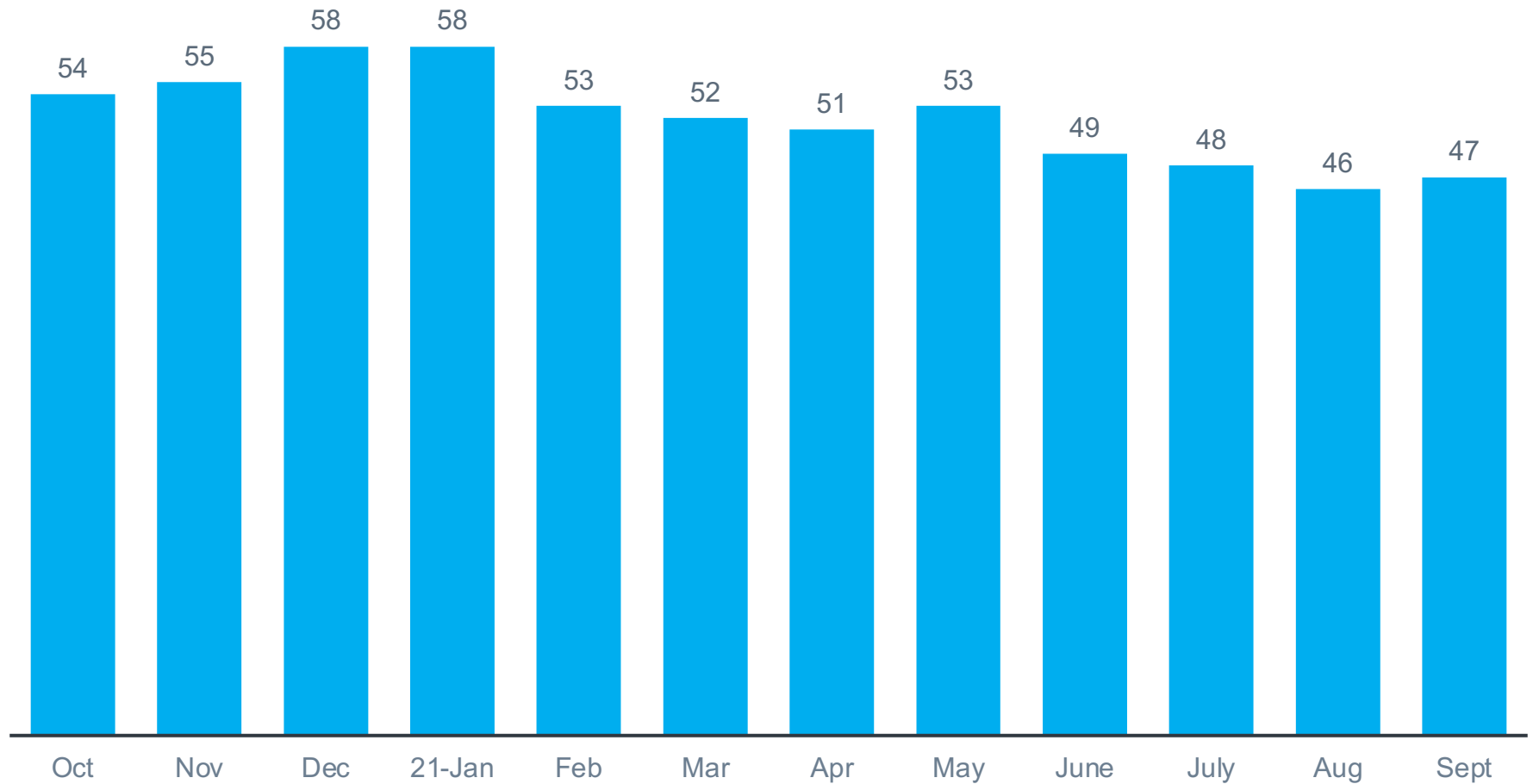
Lending Standards Still Under Control

Historic Data for the Mortgage Credit Availability Index (MCAI)



Average Days To Close a Loan

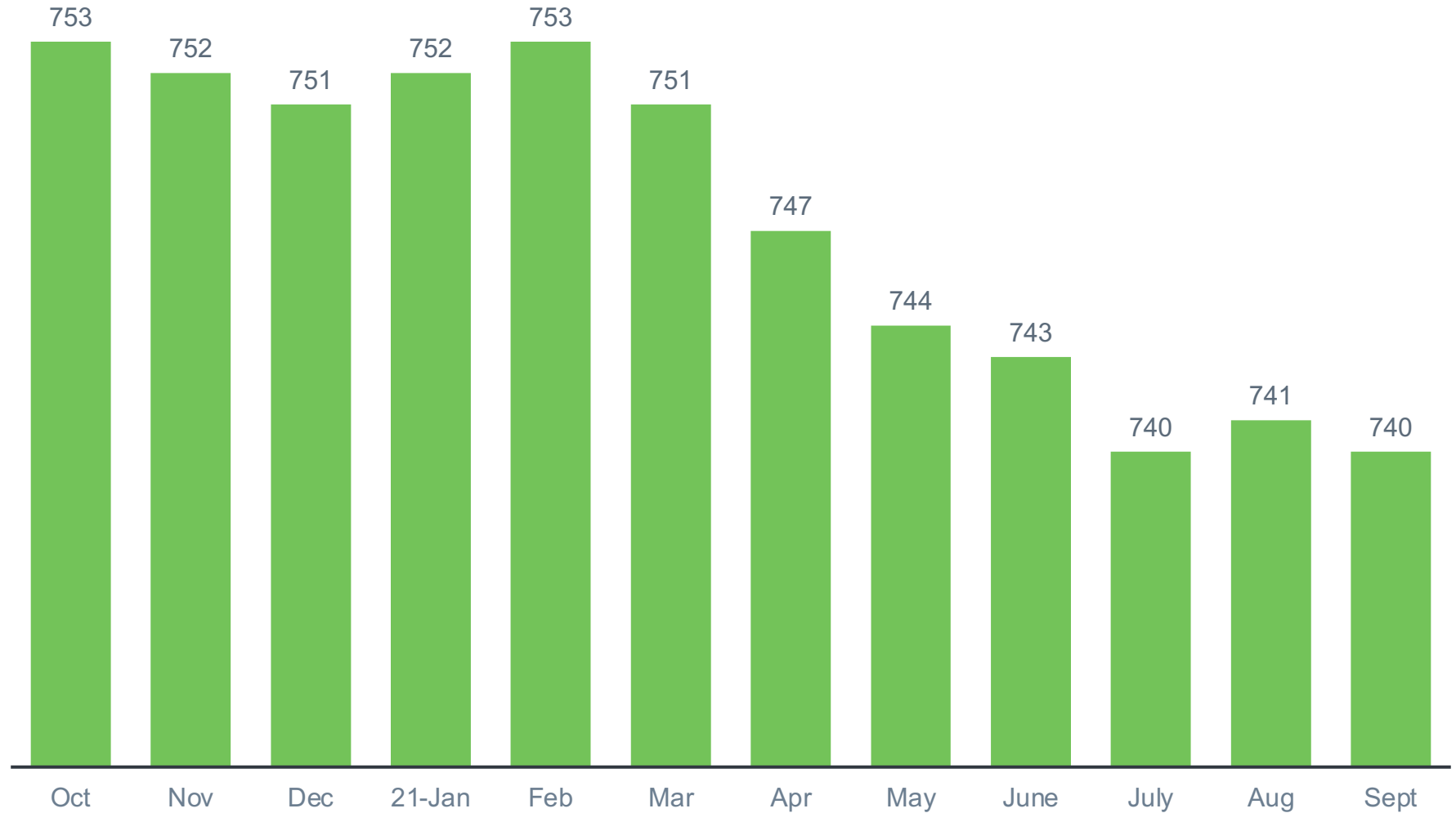
Last 12 Months



Source: ICE

Average FICO® Score

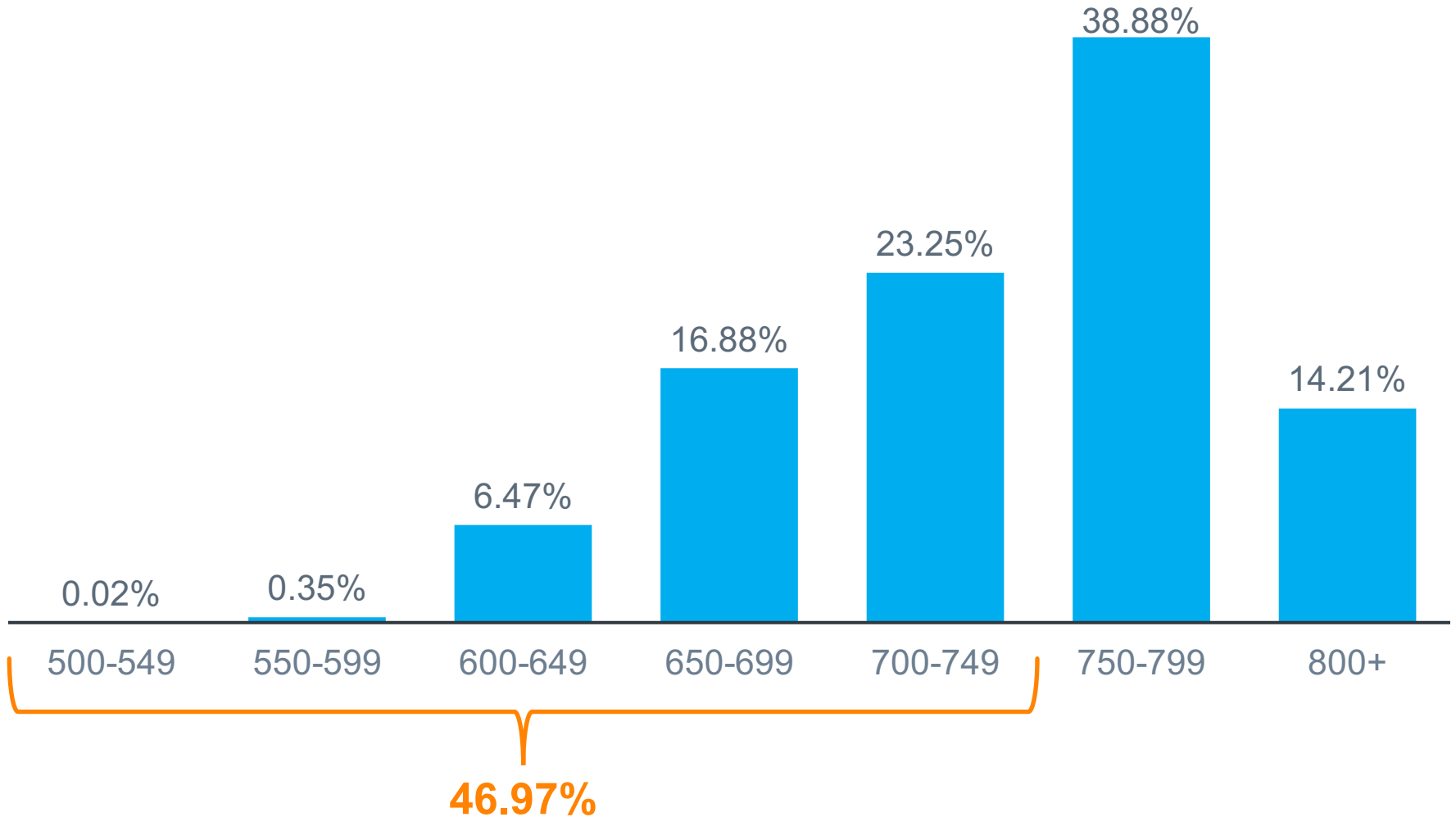
Last 12 Months



Source: ICE

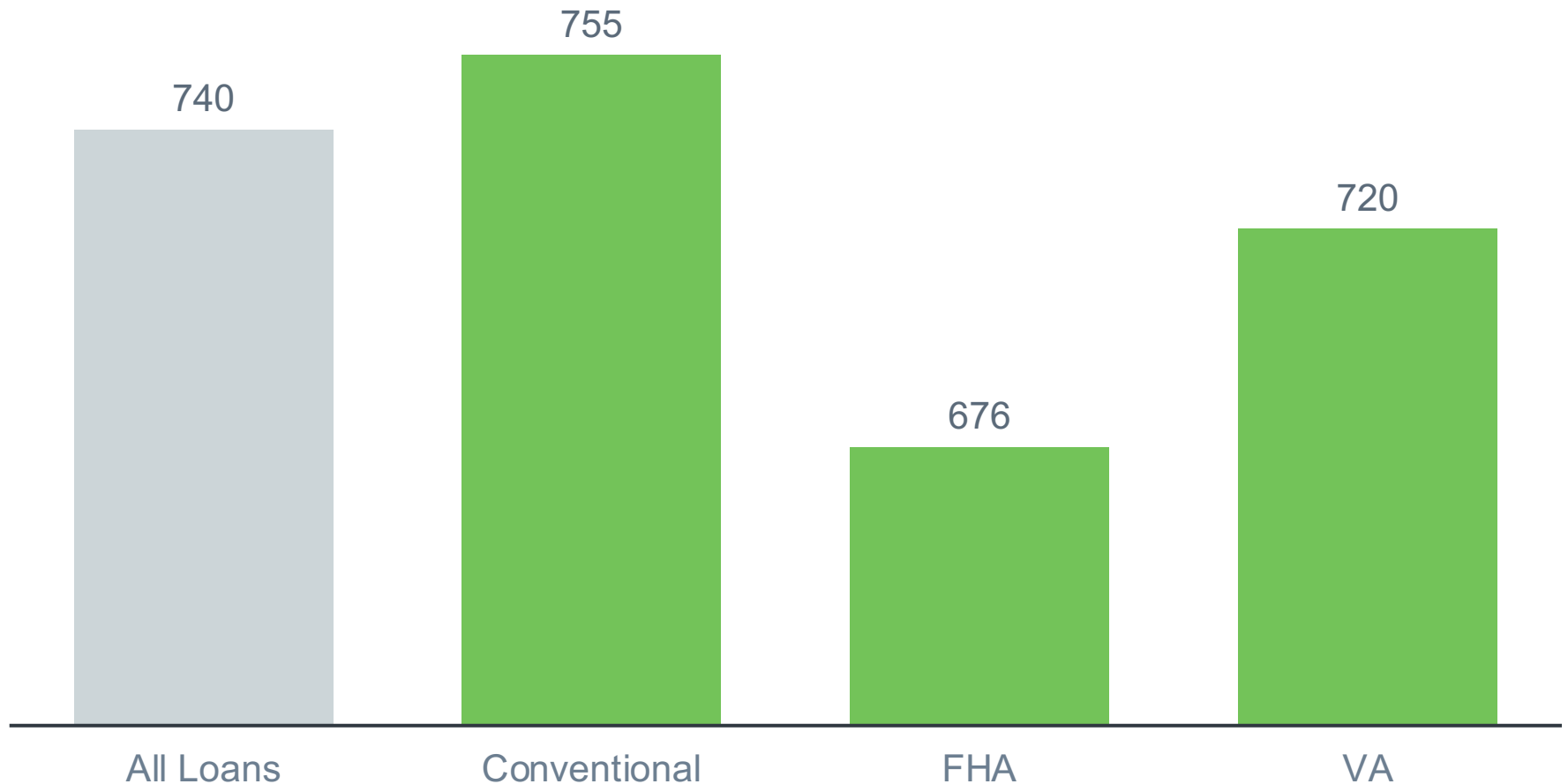
FICO® Score Distribution

September 2021



Average FICO® Score for Closed Purchase Loans

By Loan Type, September 2021



Average Back End DTI for Closed Purchase Loans

By Loan Type, September 2021

