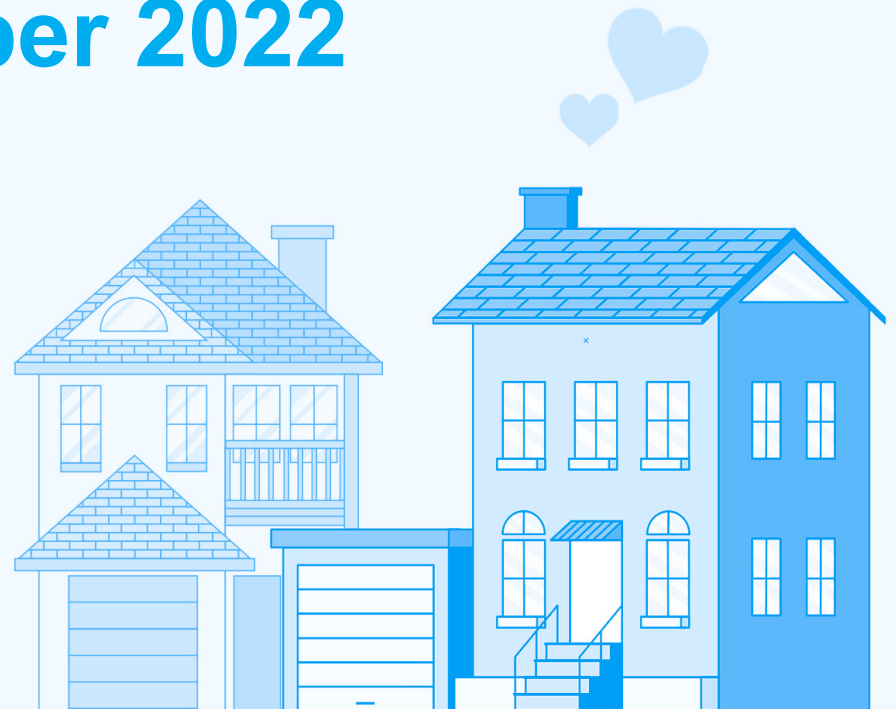


# KEEPING CURRENT MATTERS

September 2022

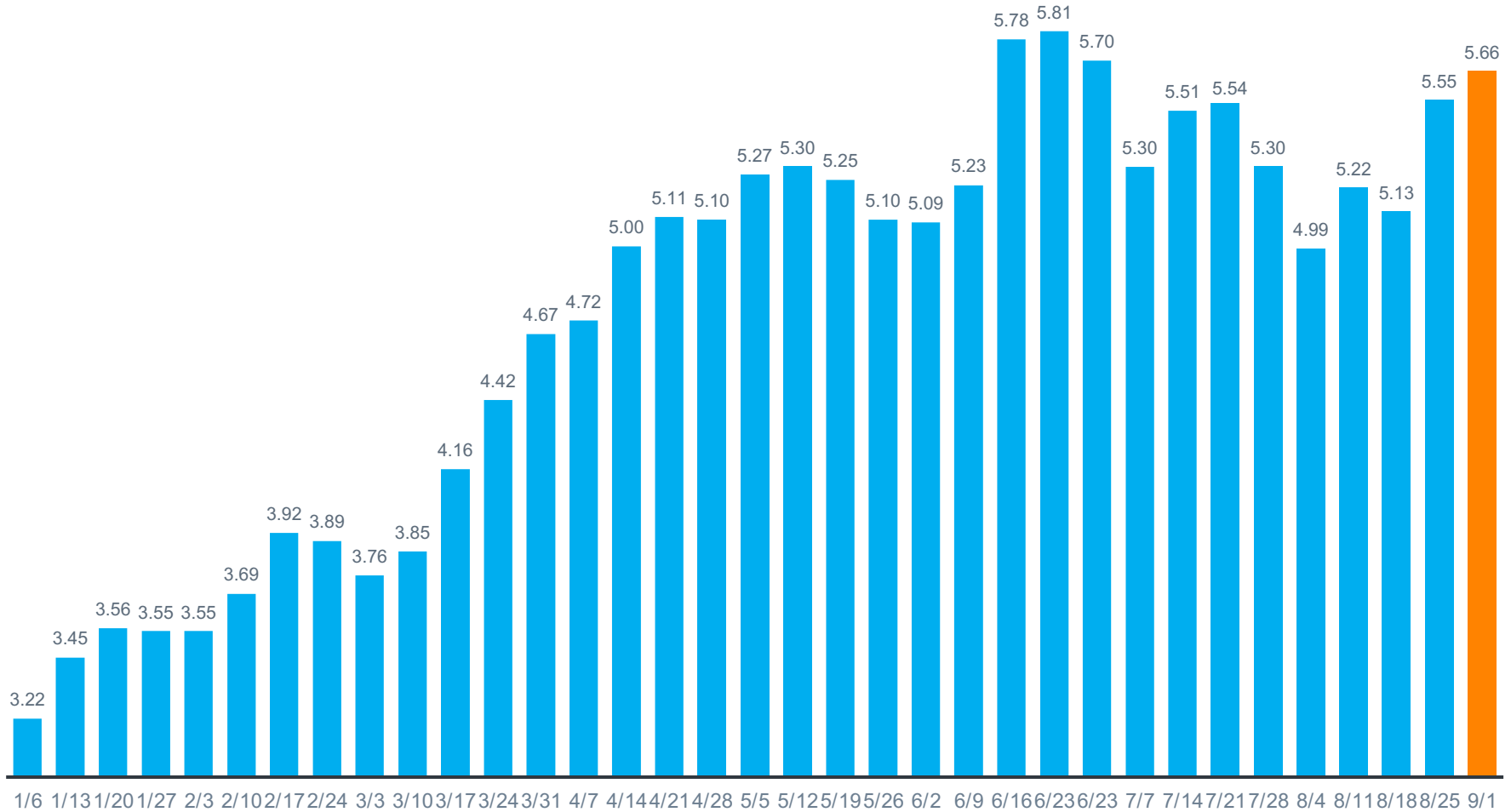


# Mortgage Rate Projections



# Mortgage Rates

Freddie Mac 30-Year Fixed Rate, January 2022 to Today



Source: Freddie Mac

# Mortgage Rate Projections

August 2022

Quarter	Freddie Mac	Fannie Mae	MBA	NAR	Average of All Four
2022 Q4	5.4	4.8	5.2	6.0	<b>5.4%</b>
2023 Q1	5.2	4.7	5.1	6.0	<b>5.3%</b>
2023 Q2	5.2	4.5	5.0	6.0	<b>5.2%</b>
2023 Q3	5.0	4.4	4.9	-	<b>4.8%</b>



After the end-of-summer lull, and as **mortgage rates stabilize**, we may see a **return of buyers** and a relatively **strong fall housing market**.

- Lisa Sturtevant, Housing Economist

# Home Price Appreciation



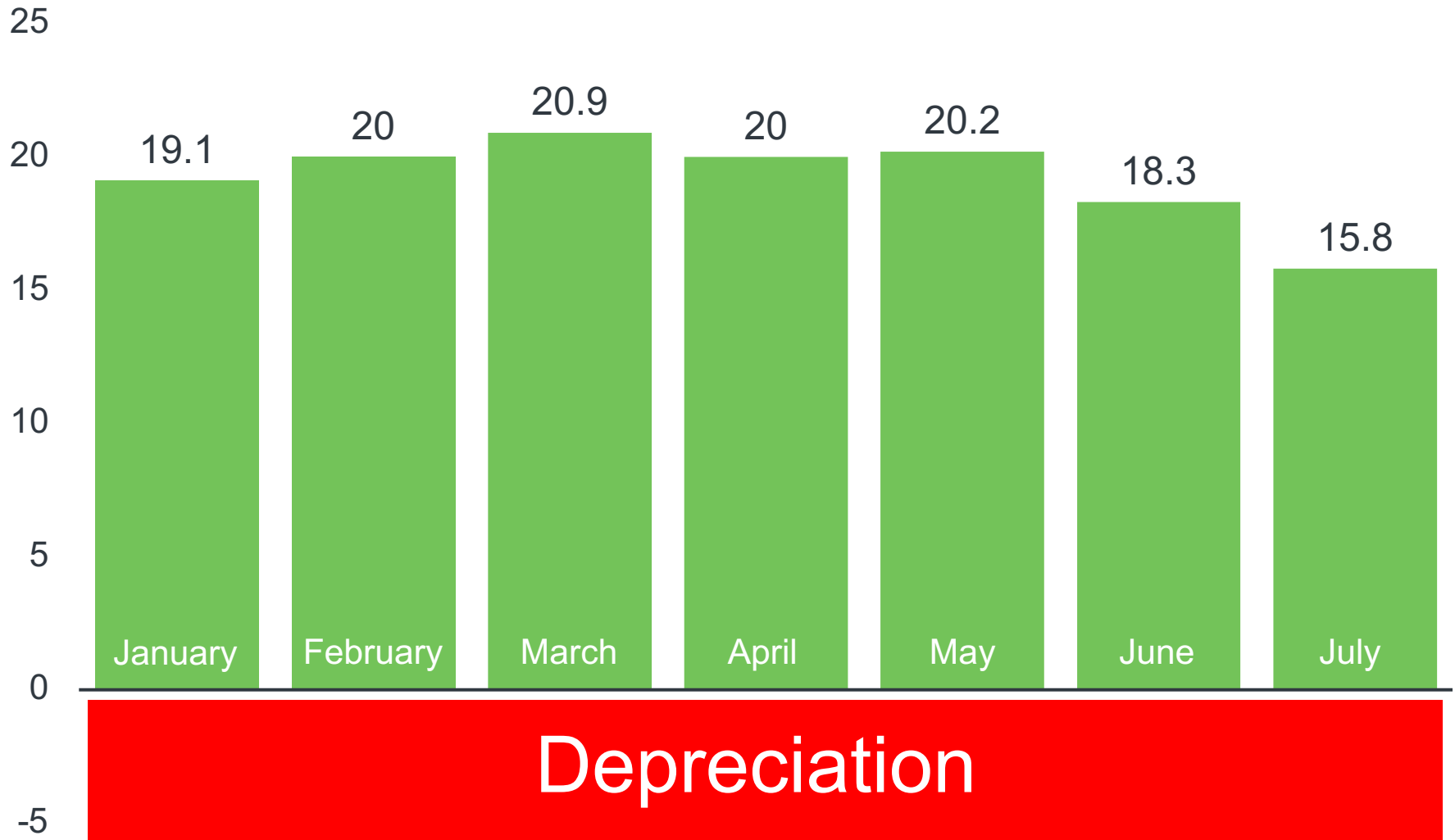


**I don't think national housing prices will decline in a meaningful way . . . but there will be some price declines across the country.**

- **Mark Zandi**, Chief Economist, Moody's Analytics

# Appreciation Slowing, Not Depreciating

% Year-Over-Year Home Price Increases for 2022







**Annual home price growth slowed for the third consecutive month in July but remained elevated at 15.8%. As 30-year, fixed-rate mortgages neared 6% this summer, some prospective homebuyers pulled back, helping ease overheated and unsustainable price growth. . . . Looking ahead, CoreLogic expects to see a more balanced housing market, with year-over-year appreciation slowing to 3.8% by July 2023.**

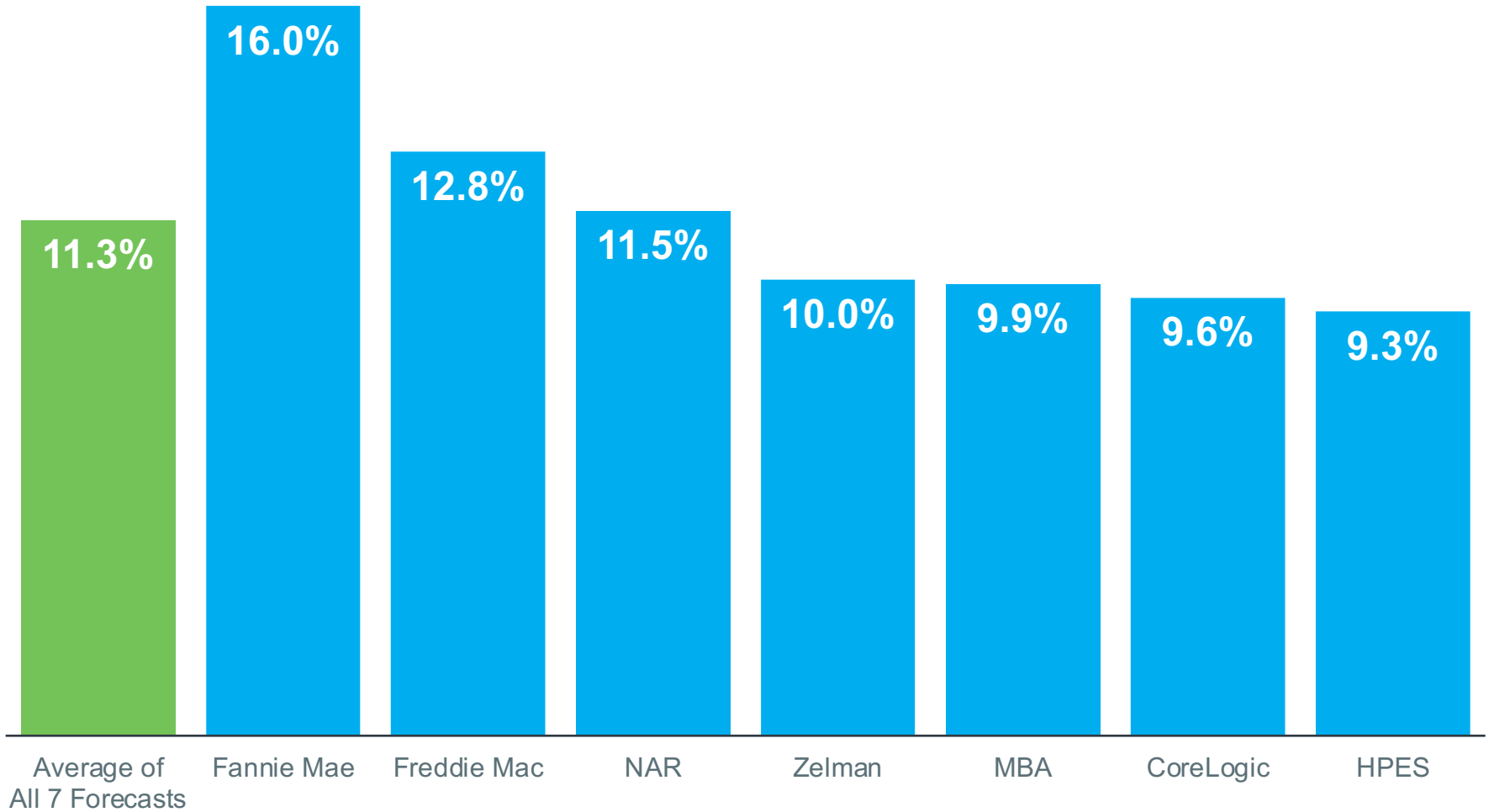
- CoreLogic, Latest Home Price Insights Report

# Many Experts Raise Home Price Forecasts

January Forecasts for 2022 Home Price Appreciation  
Compared to the Latest Forecasts

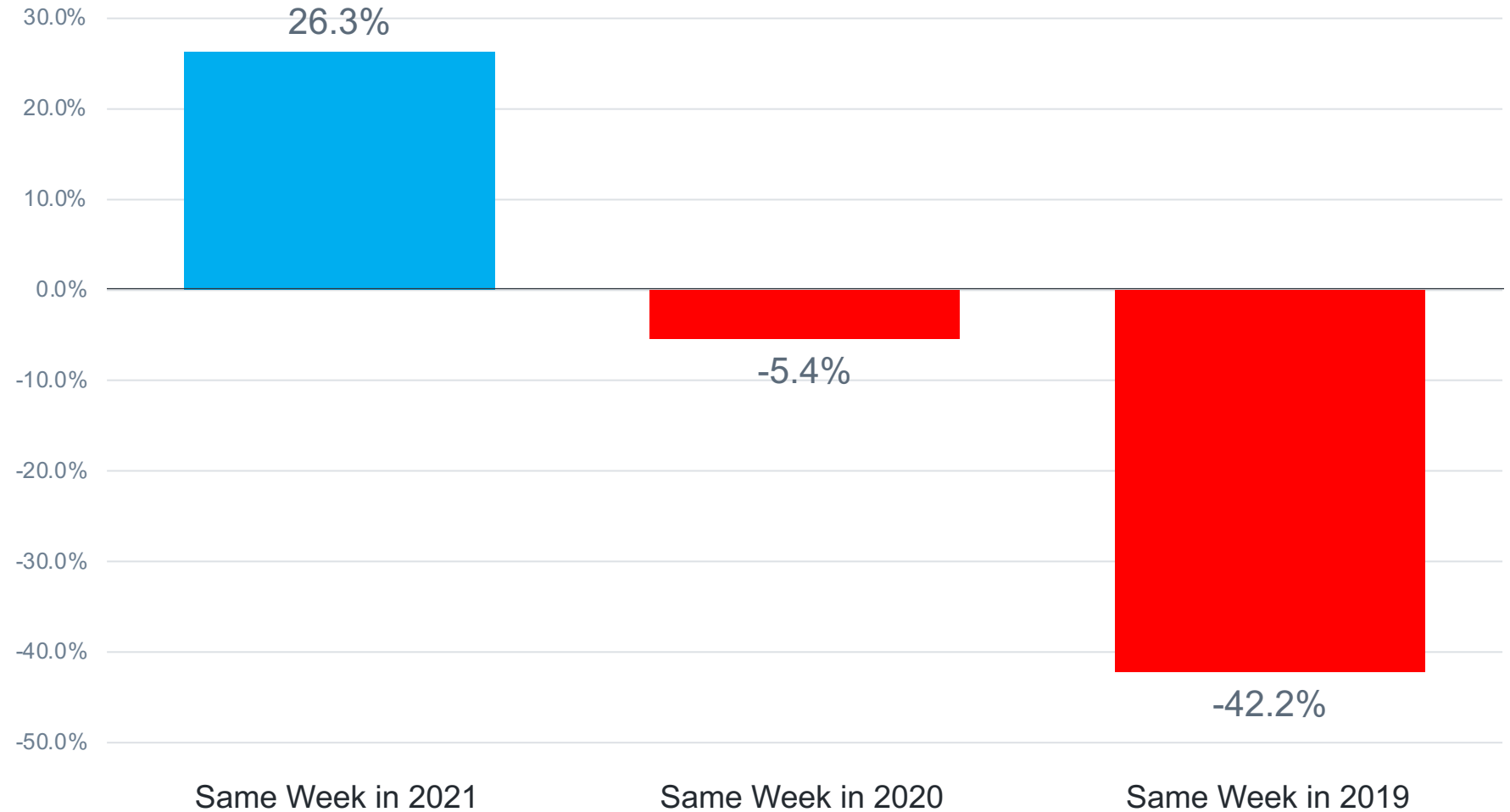
Source	January 2022 Appreciation Forecast	Latest 2022 Appreciation Forecast
Fannie Mae	7.6%	<b>16.0%</b>
Freddie Mac	6.2%	<b>12.8%</b>
NAR	5.1%	<b>11.5%</b>
Zelman	3.0%	<b>10.0%</b>
MBA	5.1%	<b>9.9%</b>
HPES	6.3%	<b>9.3%</b>

# Home Price Forecasts for 2022



# Inventory Is Still Historically Low

Week Ending September 2<sup>nd</sup>



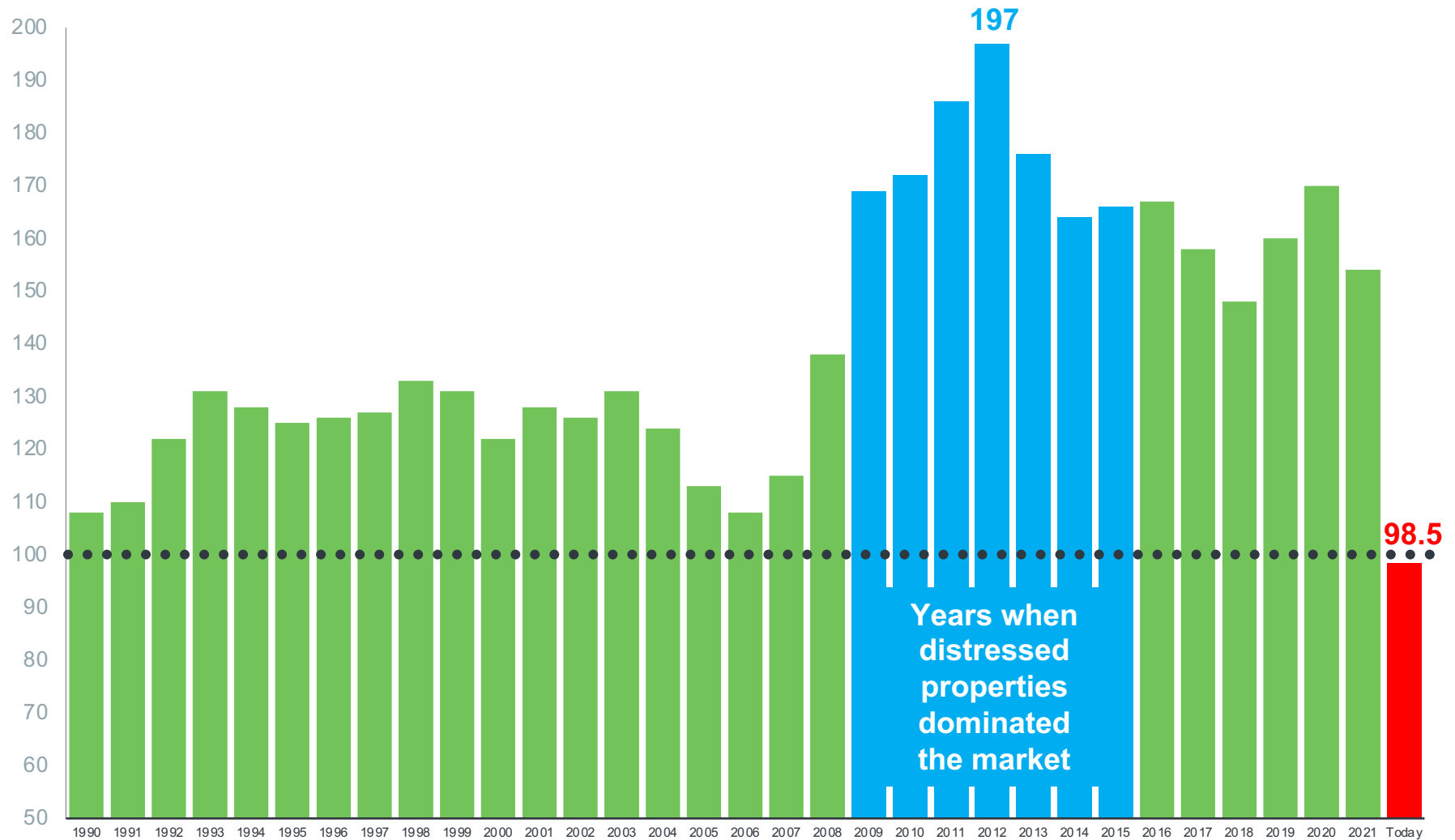
Source: Calculated Risk

# Affordability



# Affordability at Historically Low Level

Housing Affordability Index, 1990 to Today

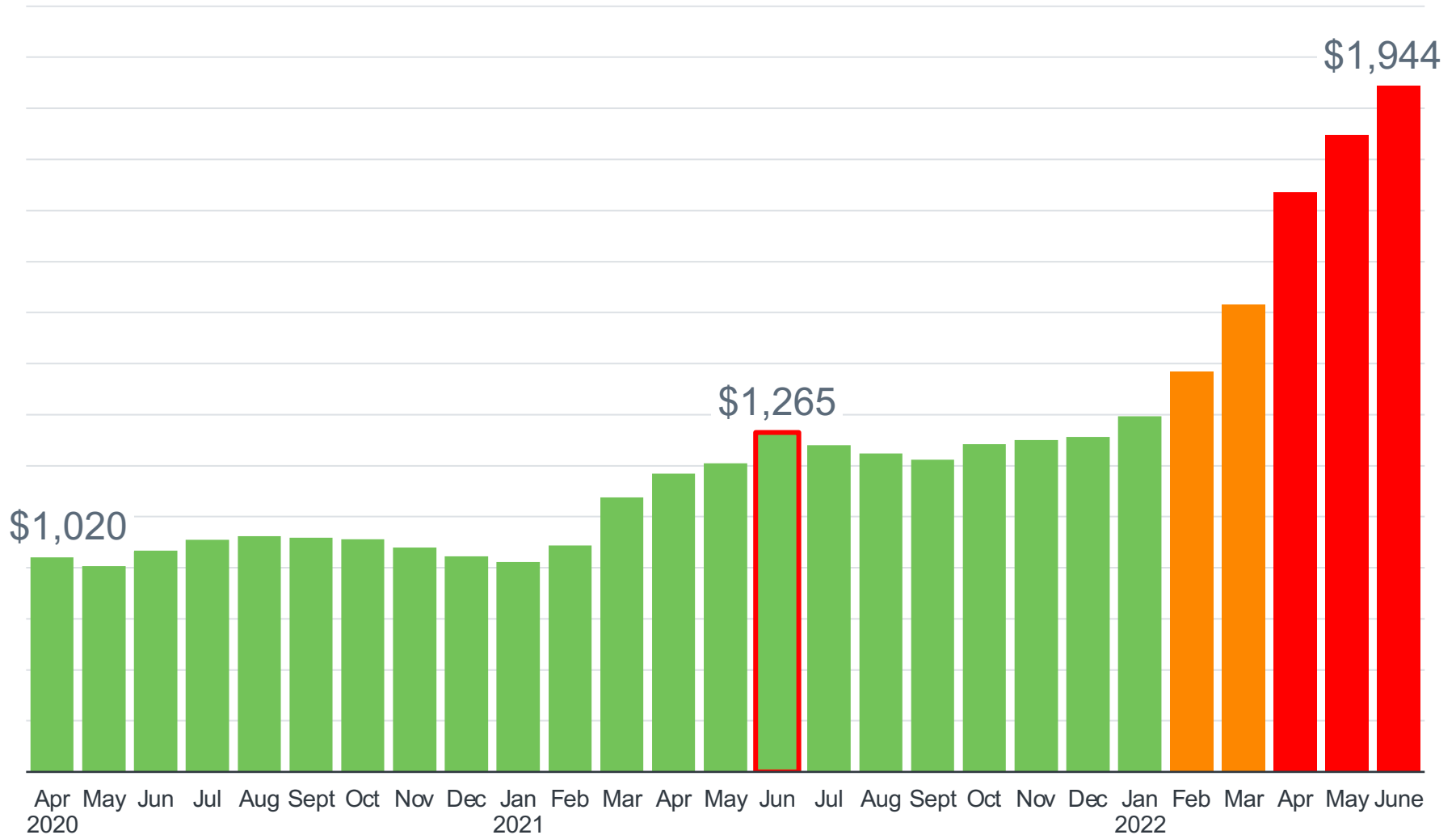




Compared to one year ago, the monthly mortgage payment rose to \$1,944 from \$1,265, an increase of 53.7%.

# Monthly Mortgage Payments Increasing

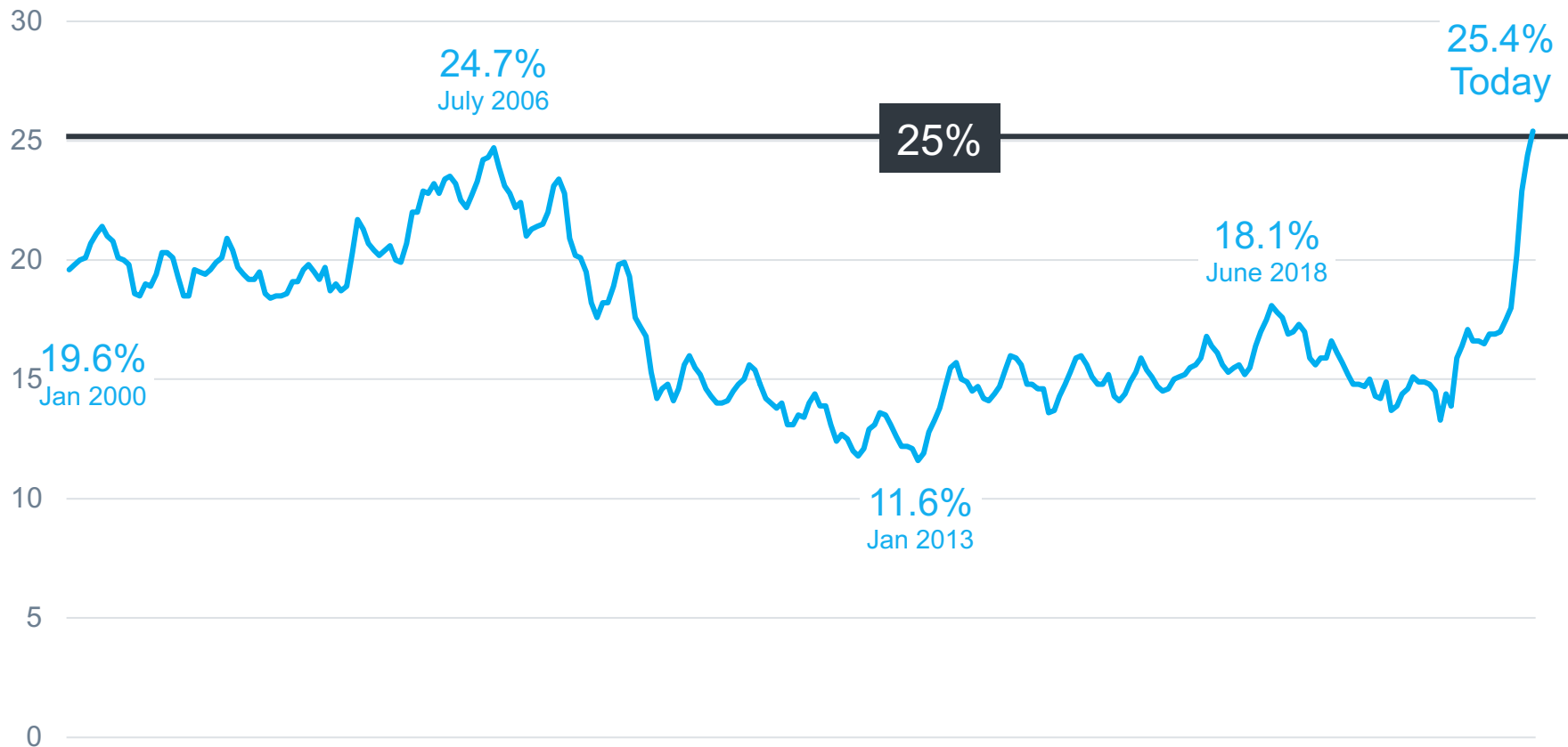
## Monthly Mortgage Payments





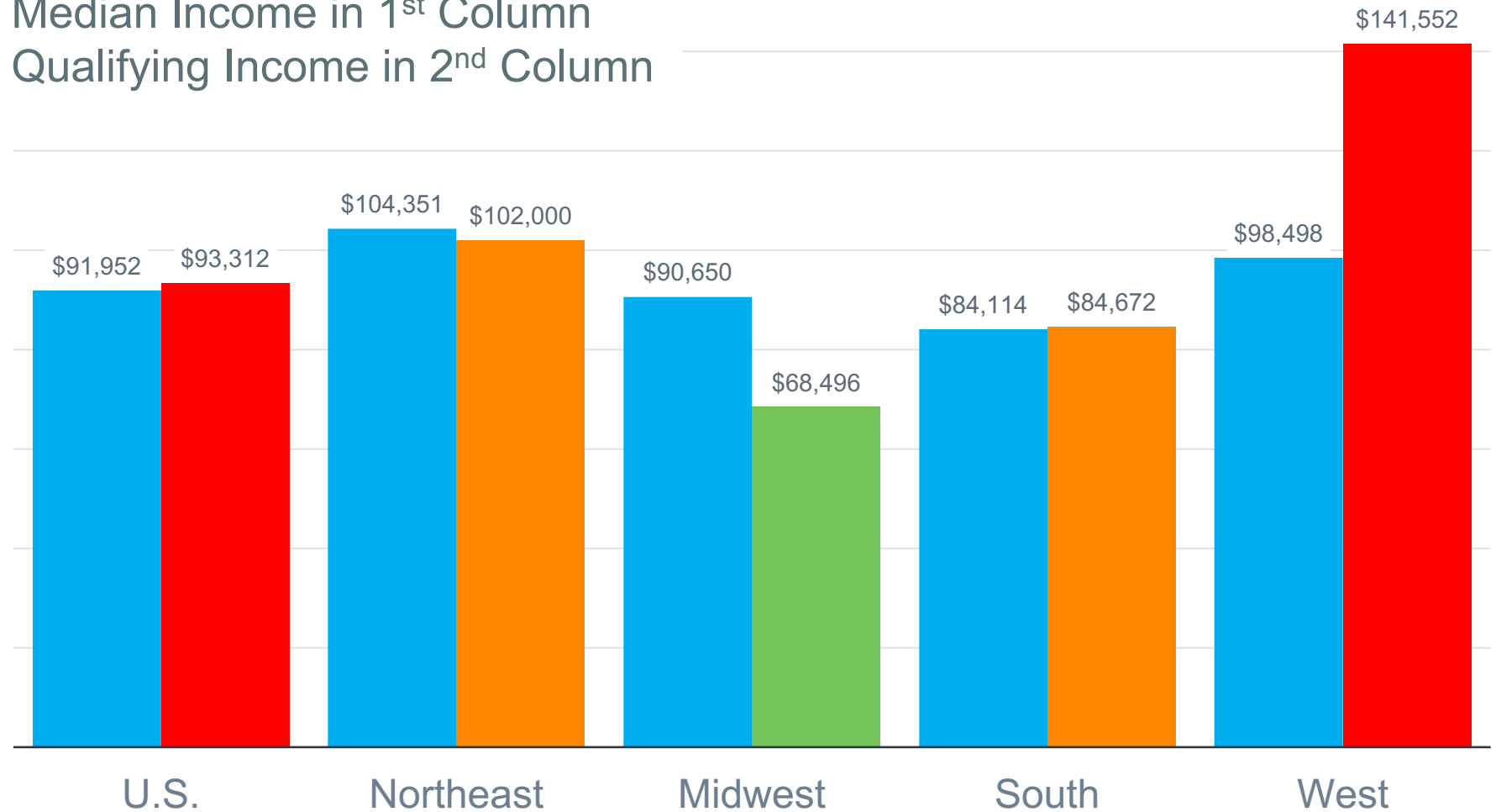
# Mortgage Payment to Income Ratio (2000-2021)

Assumes a 30-Year Fixed Rate Mortgage with a 20% Down Payment on a Median-Priced Home with a Median Income (P&I payment to income)



# Median Household Income vs. Qualifying Income

Median Income in 1<sup>st</sup> Column  
Qualifying Income in 2<sup>nd</sup> Column



# Three Things Buyers Can Do Today

1. Expand search area and criteria
2. Explore alternative financing options
3. Look for grants, gift funds, etc.  
[downpaymentresource.com](http://downpaymentresource.com)



We are in a place where strategy discussions and planning are critically important to make sure we can thrive during these challenging times. Stay nimble, stay informed, and remember: **Housing is traditionally one of the first sectors to slow as the economy shifts but is also one of the first to rebound.**

- **Ali Wolf**, Chief Economist, Zonda

# Fall Buyer & Seller Guides: Now Available



Things To Consider When Buying a Home

FALL 2022 EDITION

Casey Myers  
Real Estate Agent  
Keeping Current Matters  
Richmond, VA  
info@keepingcurrentmatters.com  
www.keepingcurrentmatters.com  
(833) 787-6200

Things To Consider When Selling Your House

FALL 2022 EDITION

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Real Estate Agent  
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Americans Choose Real Estate as the Best Investment

According to a Gallup poll, real estate has been rated the best long-term investment for 9 years in a row.

The Benefit of Buying a Home

What Growing Housing Supply Means for Current Homeowners

While growing inventory has clear benefits for buyers who are craving more options for their home search, what does that mean for current homeowners like you? It gives you two distinct opportunities in today's housing market.

According to the latest data from the National Association of Realtors (NAR), the supply of homes for sale has increased consistently this year as homeowners list their homes for sale and the pace of sales is moderating in response to higher mortgage rates (see graph below):

Supply of Homes for Sale is Increasing This Year

Months' Supply of Homes for Sale

Month	Months' Supply of Homes for Sale
January	1.6
February	1.7
March	1.9
April	2.2
May	2.6
June	2.9
July	3.3

Source: NAR

Home Price Deceleration Doesn't Mean Depreciation

Experts in the real estate industry use a number of terms when they talk about the latest home price trends. To help clarify what's happening and where experts say prices are going, here's a look at a few terms you may hear:

- **Appreciation** is when home prices increase.
- **Depreciation** is when home prices decrease.
- **Deceleration** is when home prices appreciate, just at a slower or more moderate pace.

When Home Prices Have Been in Recent Years

For years, we've probably heard home prices have skyrocketed over the past two years. But as home prices have risen so dramatically because inventory was historically low at the time, many buyers demand reached a frenzy. That imbalance put record-breaking upward pressure on home prices.

Home prices were appreciating long before that. You might be surprised to learn that home prices have actually risen 3.8% appreciation is the norm, so the 15% appreciation the market saw in 2021 was a record.

Home Experts Say Home Prices Are Going to Rise

Home prices are expected to continue to rise, but at a slower pace than in the past few years. If you're a homeowner in today's market, you probably want to know how to best protect your investment. Will they continue that same growth in the next year?

# Resources

Slide(s)	Description	Link(s)
3	Mortgage Rates Graph	<a href="https://freddiemac.gcs-web.com/node/25841/pdf">https://freddiemac.gcs-web.com/node/25841/pdf</a> <a href="http://www.freddiemac.com/pmms/">http://www.freddiemac.com/pmms/</a>
4	Mortgage Rate Projections	<a href="https://www.freddiemac.com/research/forecast/20220720-quarterly-forecast-market-slowdown-will-continue-high-rates-and-prices-exacerbate">https://www.freddiemac.com/research/forecast/20220720-quarterly-forecast-market-slowdown-will-continue-high-rates-and-prices-exacerbate</a> <a href="https://www.fanniemae.com/media/44466/display">https://www.fanniemae.com/media/44466/display</a> <a href="https://www.mba.org/docs/default-source/research-and-forecasts/forecasts/mortgage-finance-forecast-aug-2022.pdf">https://www.mba.org/docs/default-source/research-and-forecasts/forecasts/mortgage-finance-forecast-aug-2022.pdf</a> <a href="https://cdn.nar.realtor/sites/default/files/documents/forecast-q3-2022-us-economic-outlook-07-27-2022.pdf">https://cdn.nar.realtor/sites/default/files/documents/forecast-q3-2022-us-economic-outlook-07-27-2022.pdf</a>
5	Sturtevant Quote	<a href="https://www.linkedin.com/feed/update/urn:li:activity:6971118504129257476/">https://www.linkedin.com/feed/update/urn:li:activity:6971118504129257476/</a>
7	Zandi Quote	<a href="https://www.housingwire.com/articles/the-nations-housing-market-is-on-a-correction-course/">https://www.housingwire.com/articles/the-nations-housing-market-is-on-a-correction-course/</a>
8, 9	Appreciation Graph & CoreLogic Quote	<a href="https://www.corelogic.com/intelligence/u-s-home-price-insights-september-2022/">https://www.corelogic.com/intelligence/u-s-home-price-insights-september-2022/</a>

# Resources

Slide(s)	Description	Link(s)
10	Experts Raise Home Price Forecasts	<a href="https://www.fanniemae.com/research-and-insights/forecast/forecast-monthly-archive">https://www.fanniemae.com/research-and-insights/forecast/forecast-monthly-archive</a> <a href="https://www.freddiemac.com/research/forecast?page=0">https://www.freddiemac.com/research/forecast?page=0</a> <a href="https://www.nar.realtor/research-and-statistics">https://www.nar.realtor/research-and-statistics</a> <a href="https://zelmanandassociates.com">https://zelmanandassociates.com</a> (subscription necessary) <a href="https://pulsenomics.com/surveys/#home-price-expectations">https://pulsenomics.com/surveys/#home-price-expectations</a> <a href="https://www.mba.org/news-and-research/forecasts-and-commentary/mortgage-finance-forecast-archives">https://www.mba.org/news-and-research/forecasts-and-commentary/mortgage-finance-forecast-archives</a>
11	Price Forecasts Graph	<a href="https://www.fanniemae.com/media/44461/display">https://www.fanniemae.com/media/44461/display</a> <a href="https://www.freddiemac.com/research/forecast/20220720-quarterly-forecast-market-slowdown-will-continue-high-rates-and-prices-exacerbate">https://www.freddiemac.com/research/forecast/20220720-quarterly-forecast-market-slowdown-will-continue-high-rates-and-prices-exacerbate</a> <a href="https://cdn.nar.realtor/sites/default/files/documents/forecast-q3-2022-us-economic-outlook-07-27-2022.pdf">https://cdn.nar.realtor/sites/default/files/documents/forecast-q3-2022-us-economic-outlook-07-27-2022.pdf</a> <a href="https://www.corelogic.com/intelligence/find-stories/corelogic-hpi-posted-record-year-over-year-growth-in-2021/">https://www.corelogic.com/intelligence/find-stories/corelogic-hpi-posted-record-year-over-year-growth-in-2021/</a> <a href="https://pulsenomics.com/surveys/#home-price-expectations">https://pulsenomics.com/surveys/#home-price-expectations</a> <a href="https://www.zelmanassociates.com/">https://www.zelmanassociates.com/</a> (subscription required) <a href="https://www.mba.org/docs/default-source/research-and-forecasts/forecasts/mortgage-finance-forecast-aug-2022.pdf">https://www.mba.org/docs/default-source/research-and-forecasts/forecasts/mortgage-finance-forecast-aug-2022.pdf</a>

# Resources

Slide(s)	Description	Link(s)
12	Inventory Graph	<a href="https://www.calculatedriskblog.com/2022/09/housing-september-5th-update-inventory.html">https://www.calculatedriskblog.com/2022/09/housing-september-5th-update-inventory.html</a>
14	Affordability Graph	<a href="https://www.nar.realtor/blogs/economists-outlook/housing-affordability-conditions-fade-as-mortgage-rates-push-monthly-payments-higher-in-june-2022">https://www.nar.realtor/blogs/economists-outlook/housing-affordability-conditions-fade-as-mortgage-rates-push-monthly-payments-higher-in-june-2022</a>
15	NAR Quote	<a href="https://www.nar.realtor/blogs/economists-outlook/housing-affordability-conditions-fade-as-mortgage-rates-push-monthly-payments-higher-in-june-2022">https://www.nar.realtor/blogs/economists-outlook/housing-affordability-conditions-fade-as-mortgage-rates-push-monthly-payments-higher-in-june-2022</a>
16	Mortgage Payments Graph	<a href="https://www.nar.realtor/blogs/economists-outlook/housing-affordability-conditions-fade-as-mortgage-rates-push-monthly-payments-higher-in-june-2022">https://www.nar.realtor/blogs/economists-outlook/housing-affordability-conditions-fade-as-mortgage-rates-push-monthly-payments-higher-in-june-2022</a> <a href="https://cdn.nar.realtor/sites/default/files/documents/hai-06-2022-housing-affordability-index-2022-08-11.pdf">https://cdn.nar.realtor/sites/default/files/documents/hai-06-2022-housing-affordability-index-2022-08-11.pdf</a>
17, 18	Payment to Income Graphs	<a href="https://www.nar.realtor/blogs/economists-outlook/housing-affordability-conditions-fade-as-mortgage-rates-push-monthly-payments-higher-in-june-2022">https://www.nar.realtor/blogs/economists-outlook/housing-affordability-conditions-fade-as-mortgage-rates-push-monthly-payments-higher-in-june-2022</a>
20	Wolf Quote	<a href="https://www.builderonline.com/data-analysis/single-family-housing-demand-will-remain-solid-for-the-next-decade_o?">https://www.builderonline.com/data-analysis/single-family-housing-demand-will-remain-solid-for-the-next-decade_o?</a>





# Updates

# Resources

Slide(s)	Description	Link(s)
29	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>
30-32, 40, 42, 43, 50-54	Existing Home Sales	<a href="https://www.nar.realtor/topics/existing-home-sales">https://www.nar.realtor/topics/existing-home-sales</a>
33-36	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>
37	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>
38, 39	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>
44-46	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>
47	CoreLogic Price Forecast	<a href="https://www.corelogic.com/intelligence/u-s-home-price-insights/">https://www.corelogic.com/intelligence/u-s-home-price-insights/</a>
50-56	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

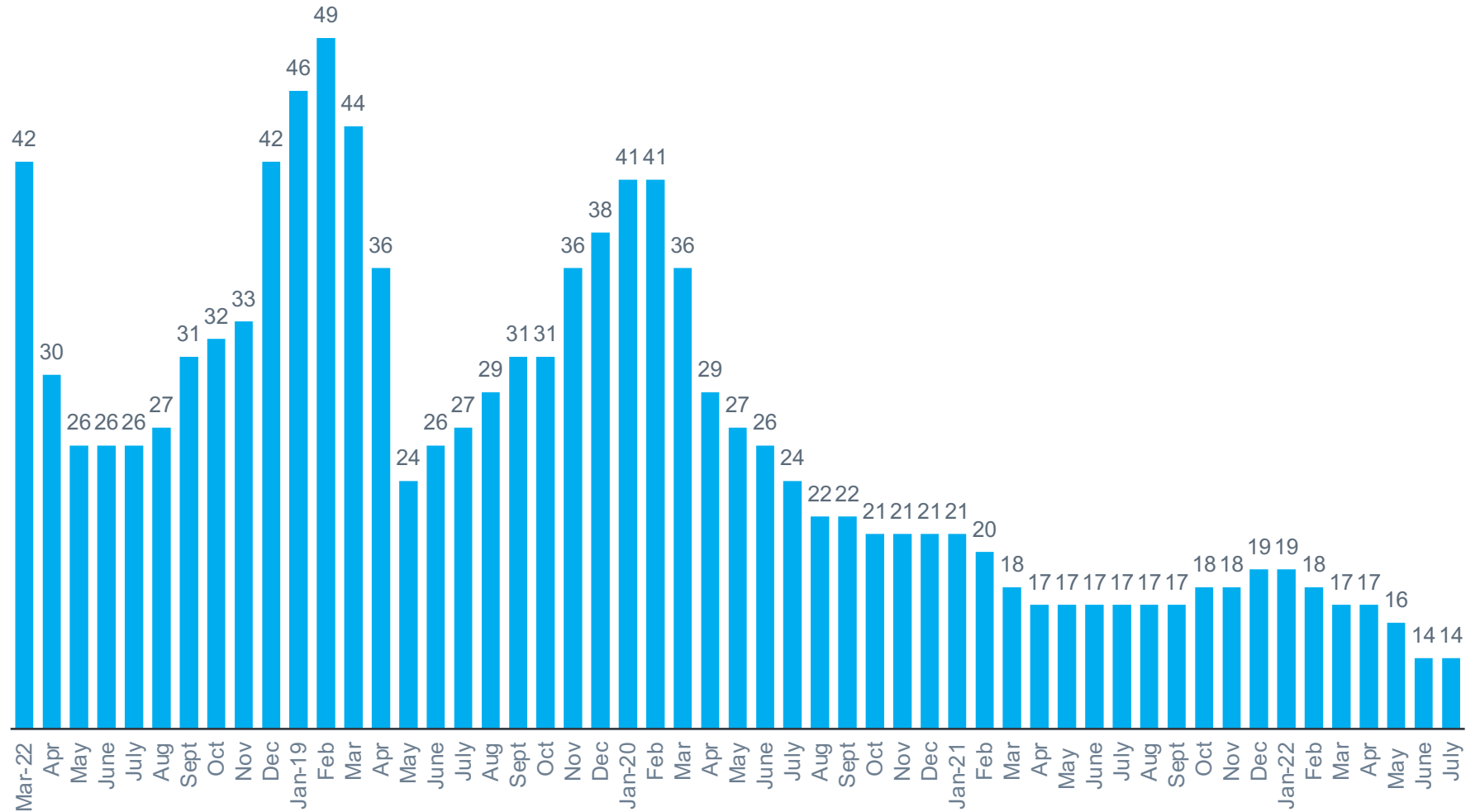
Slide(s)	Description	Link(s)
58	Showing Activity	<a href="https://www.showingtime.com/blog/july-2022-showing-index-results/">https://www.showingtime.com/blog/july-2022-showing-index-results/</a>
60, 61, 63, 64	Mortgage Rates	<a href="http://www.freddiemac.com/pmms/pmms_archives.html">http://www.freddiemac.com/pmms/pmms_archives.html</a> <a href="http://www.freddiemac.com/research/forecast/">http://www.freddiemac.com/research/forecast/</a>
62	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>
66, 67	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>



# Home Sales

# Average Days on the Market

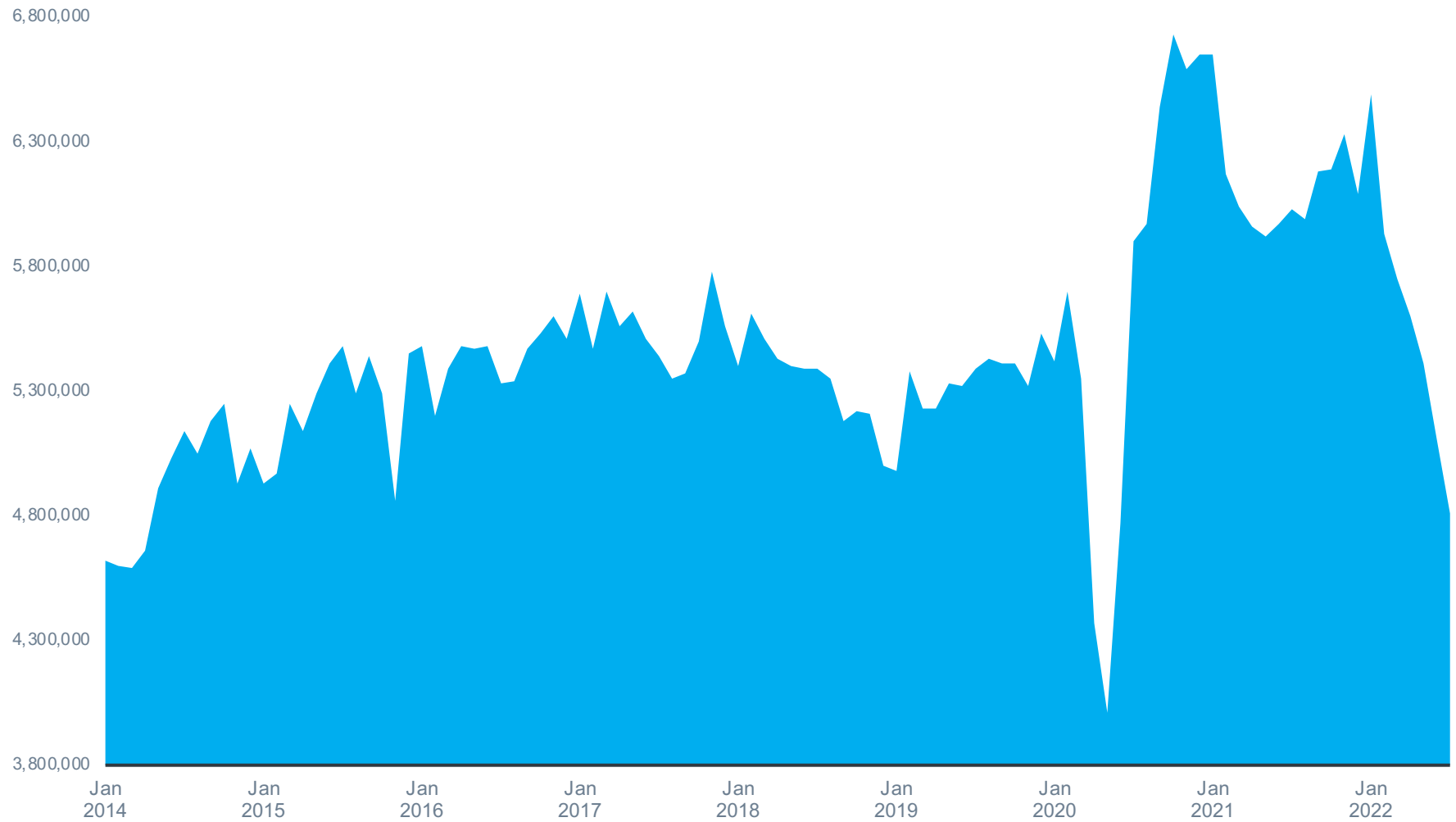
July 2022



Source: NAR

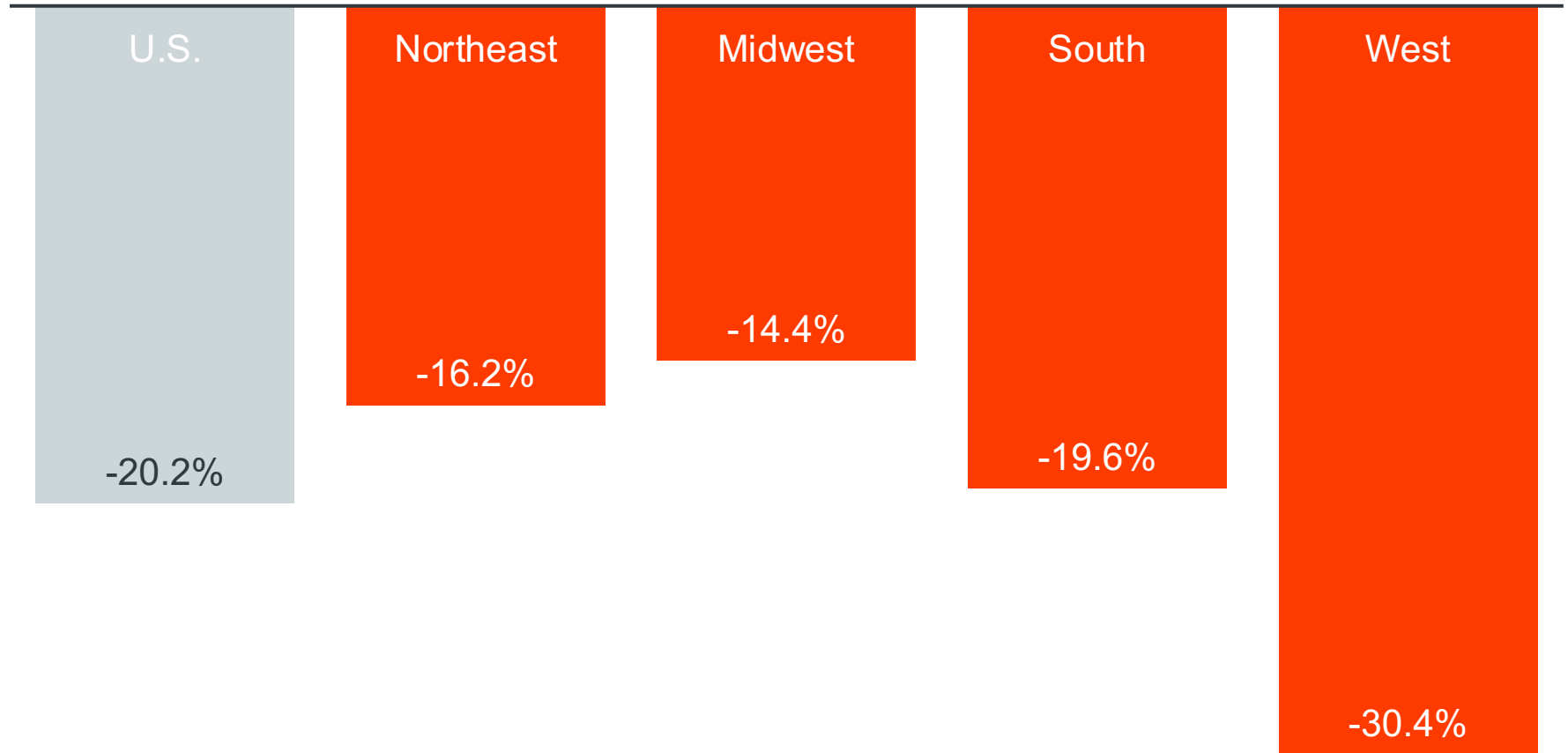
# Existing Home Sales

Since January 2014



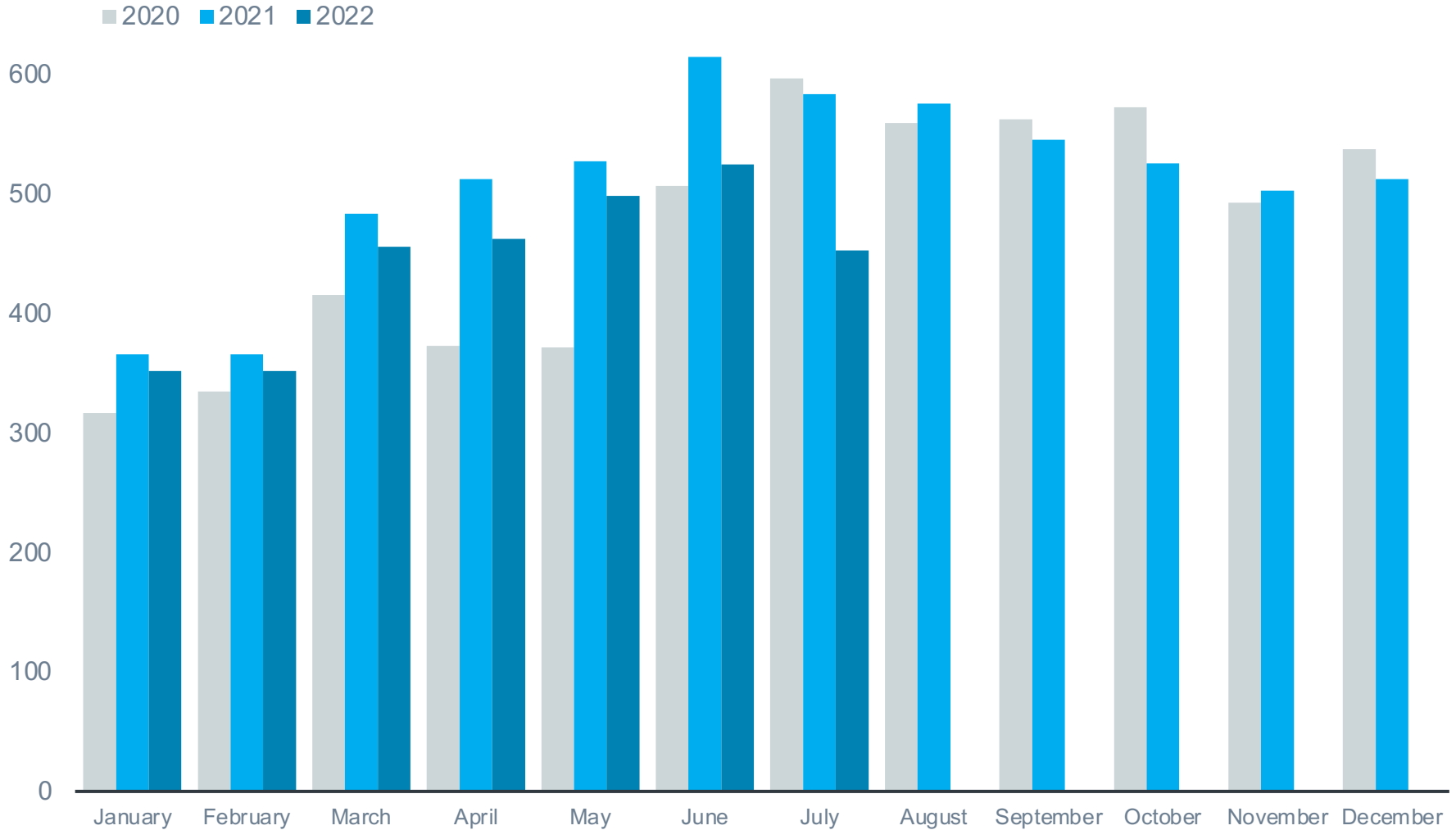
# Existing Home Sales

Year-Over-Year, by Region



# Existing Home Sales

In Thousands

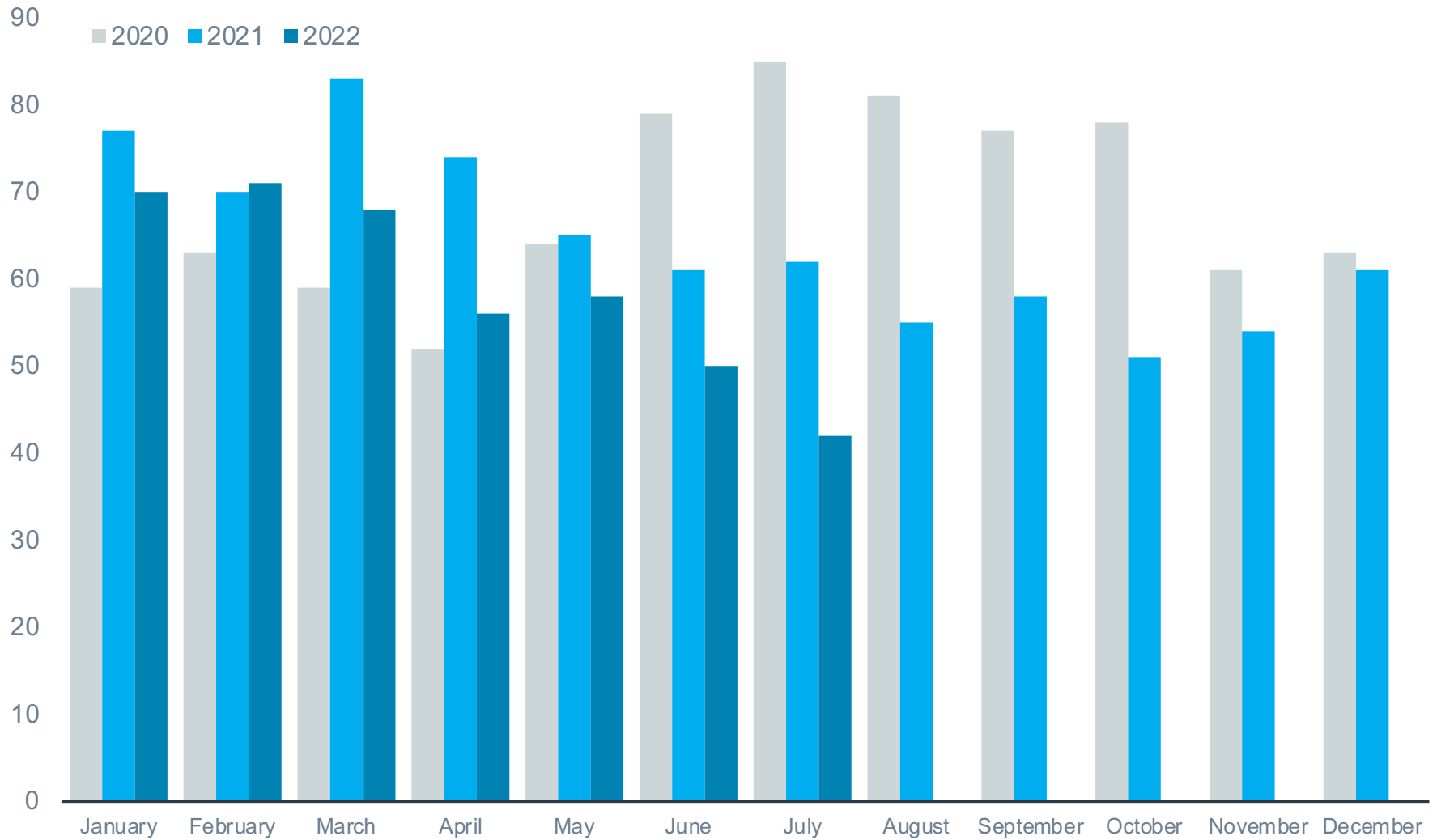


Source: NAR



# New Home Sales

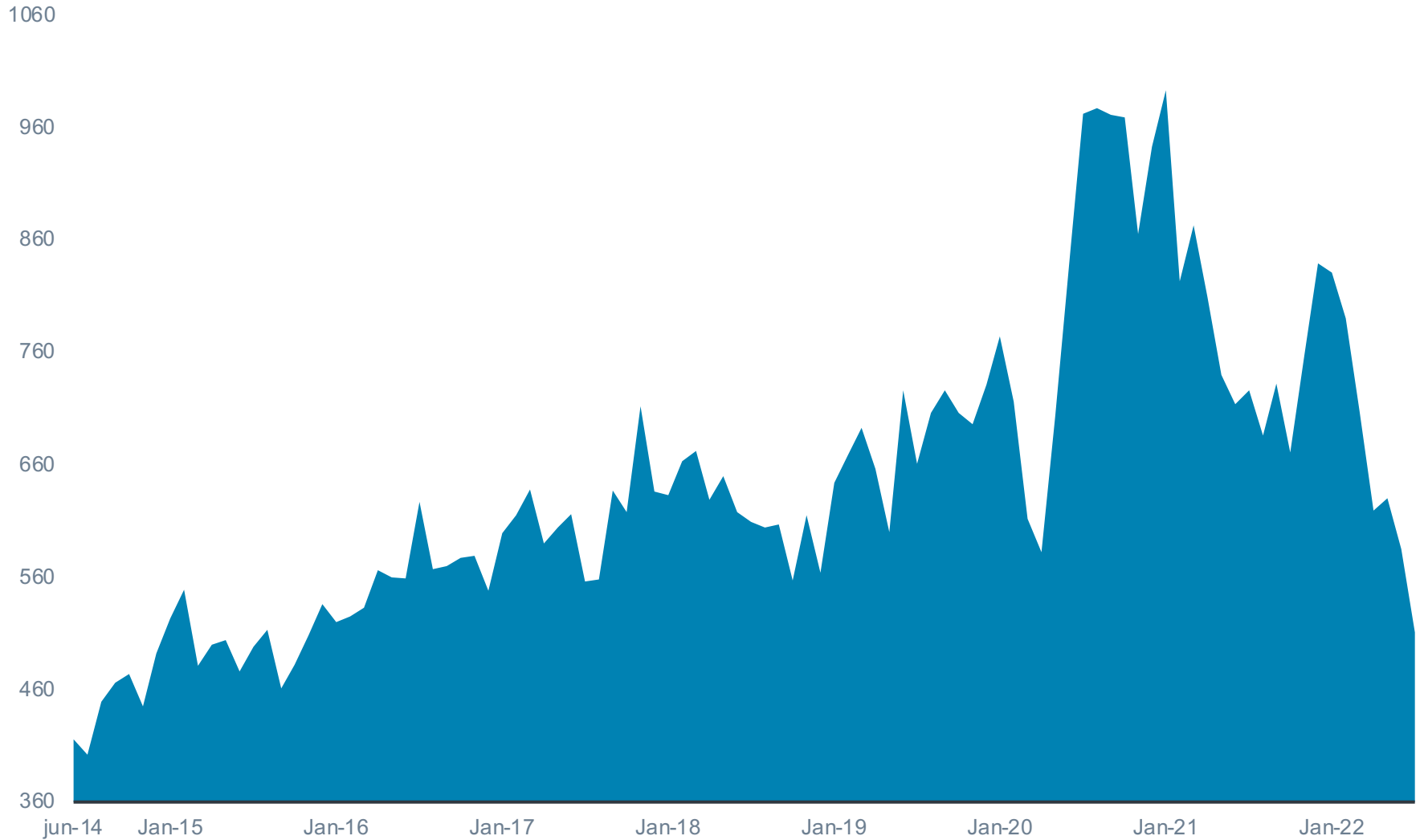
In Thousands



Source: Census

# New Home Sales

Annualized in Thousands

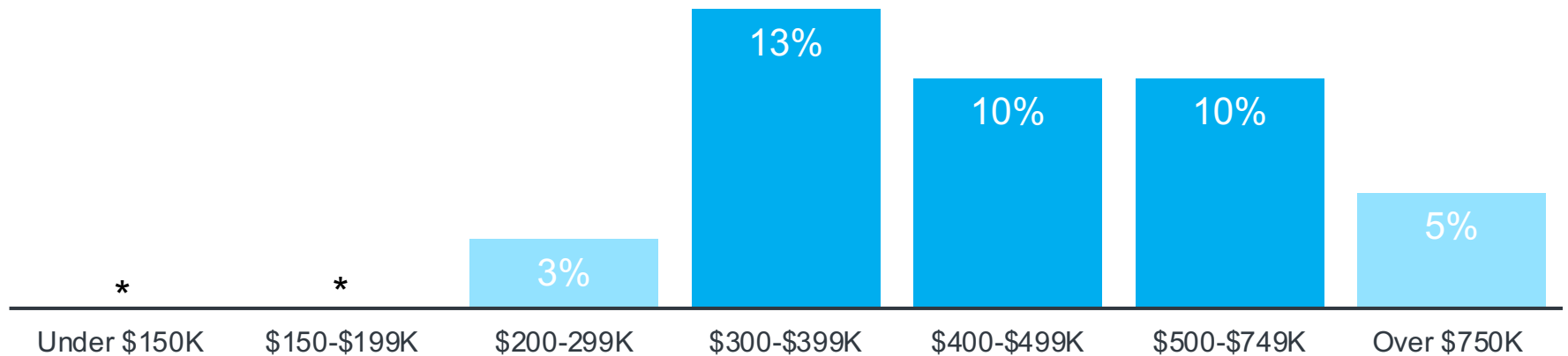


Source: Census

# New Home Sales

## Percent of Distribution by Price Range

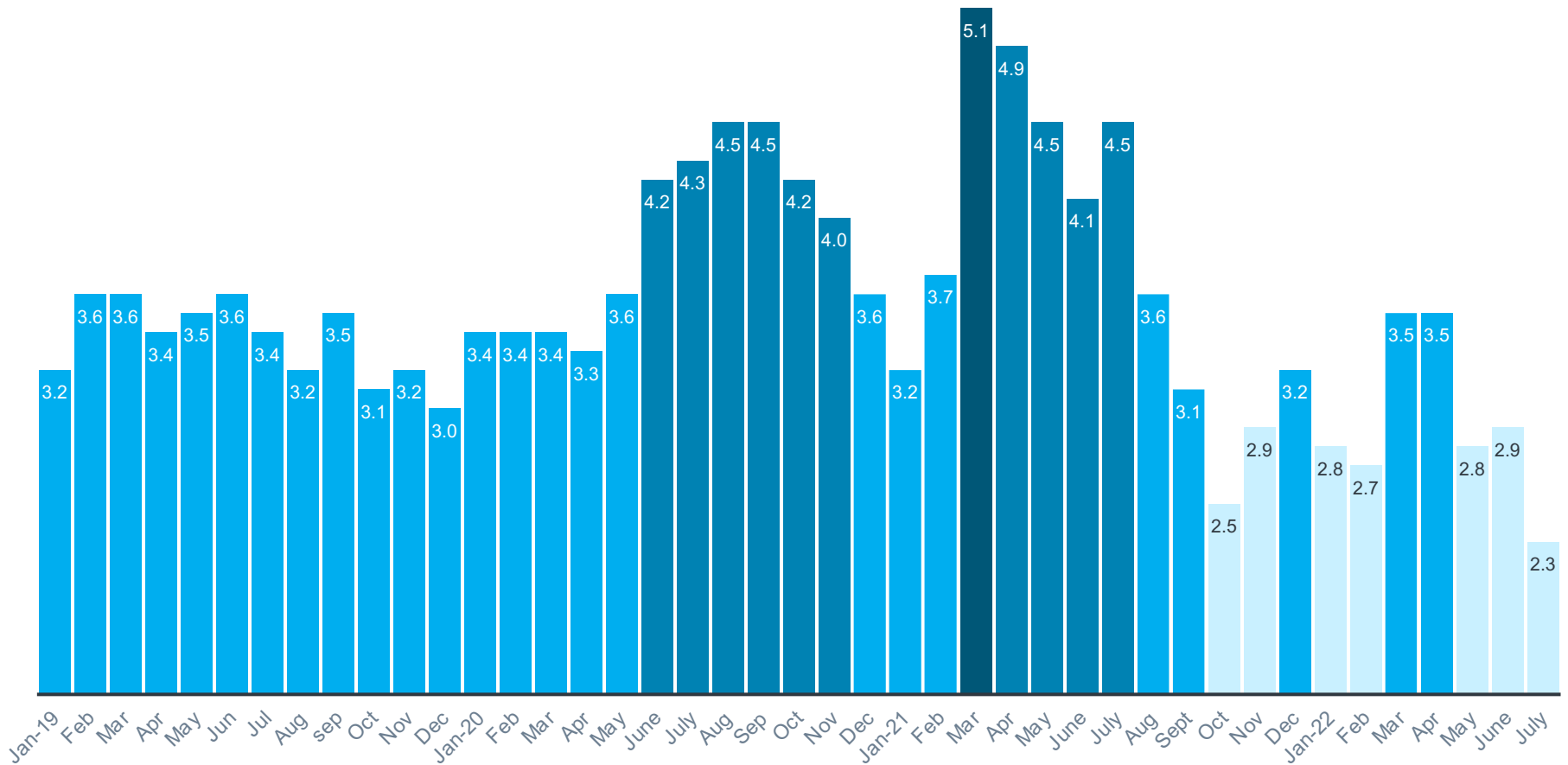
\* Less Than 500 Units or Less Than 0.5 Percent



Source: Census

# New Homes Selling Fast

Median Months from Completion to Sold

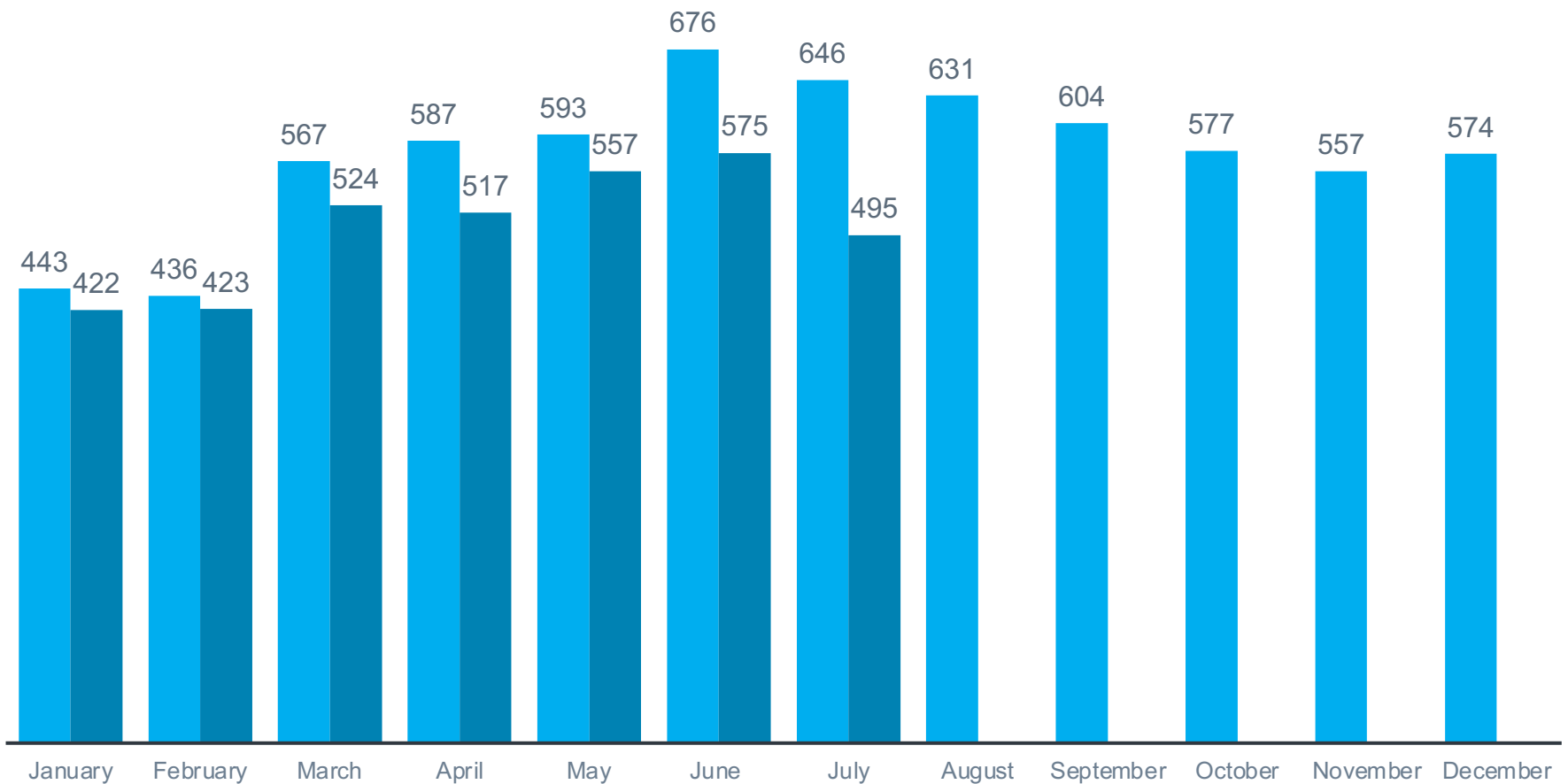


Source: Census

# Total Home Sales

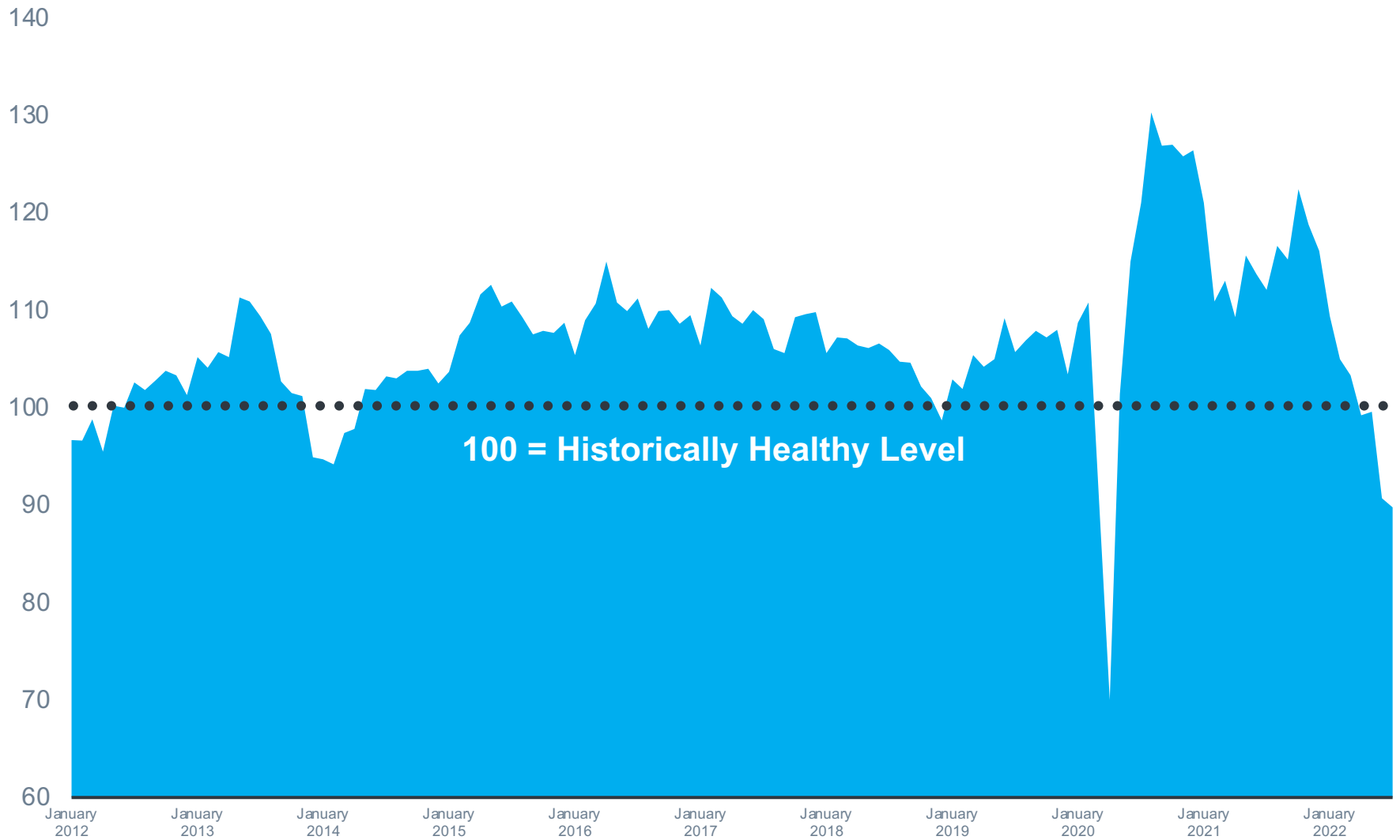
In Thousands

■ 2021 ■ 2022



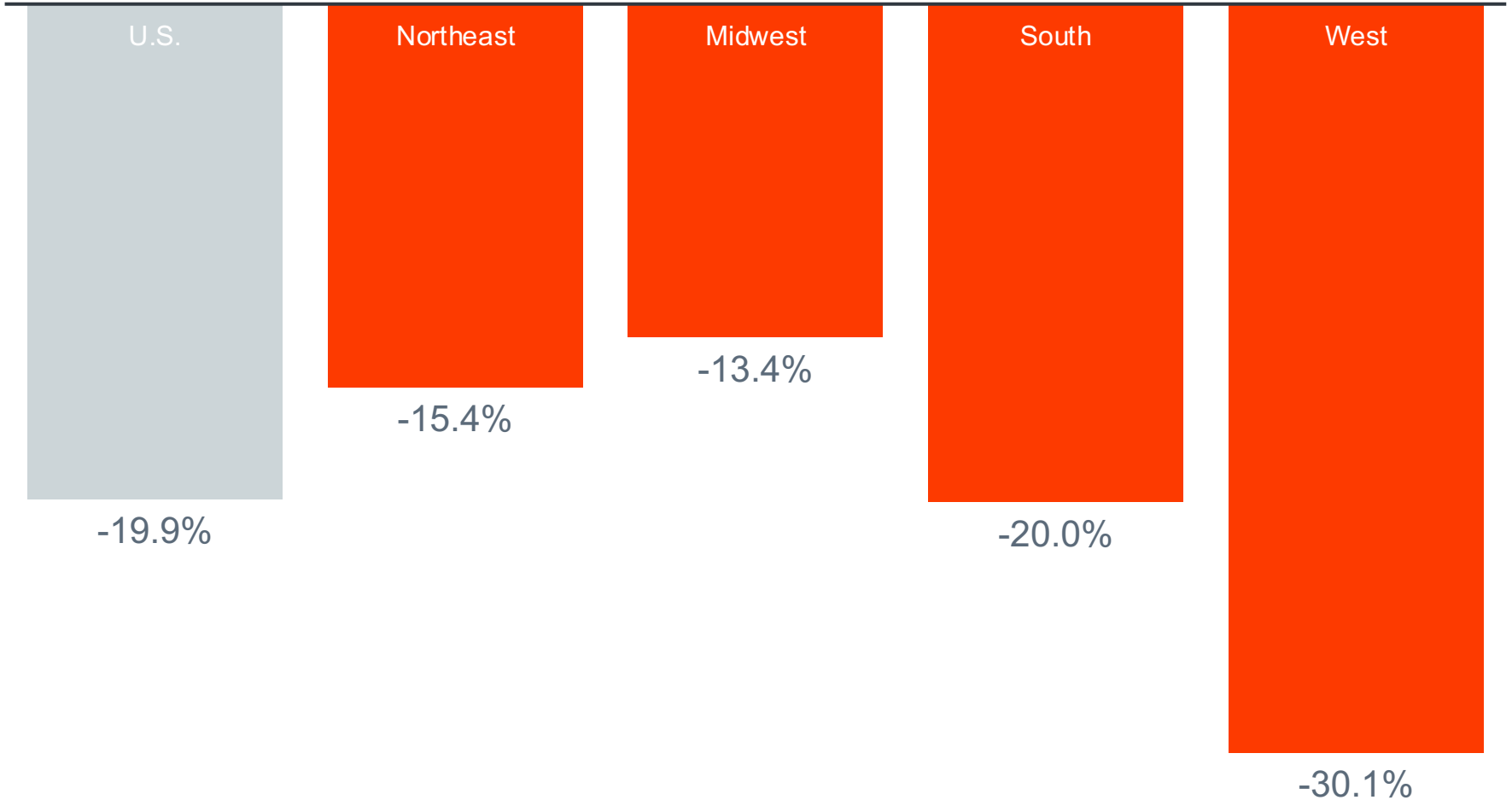
Source: Census

# Pending Home Sales



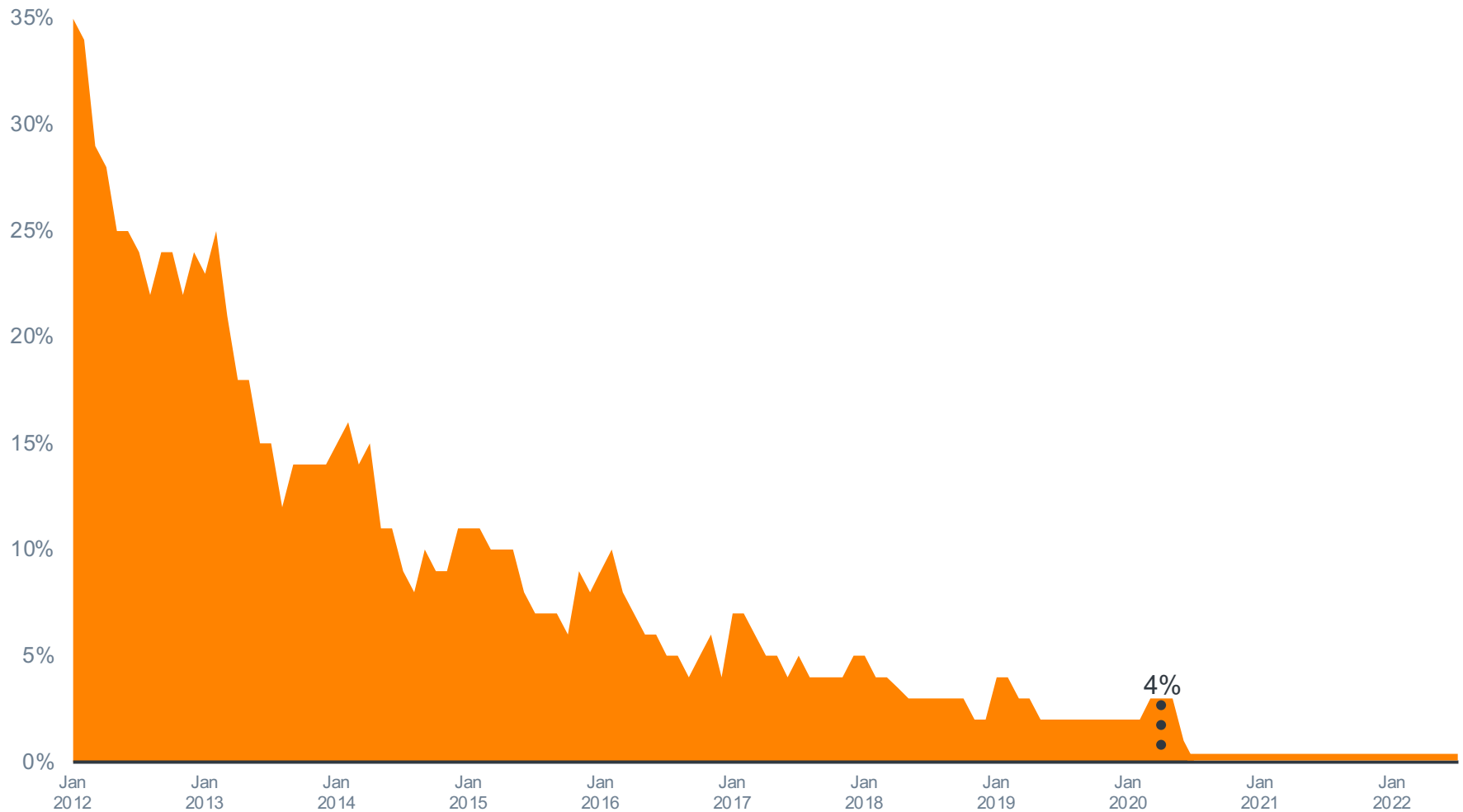
# Pending Home Sales

Year-Over-Year by Region



# Percentage of Distressed Property Sales

Distressed Sales (*Foreclosures and Short Sales*) represented Less Than 1% of Sales in June.



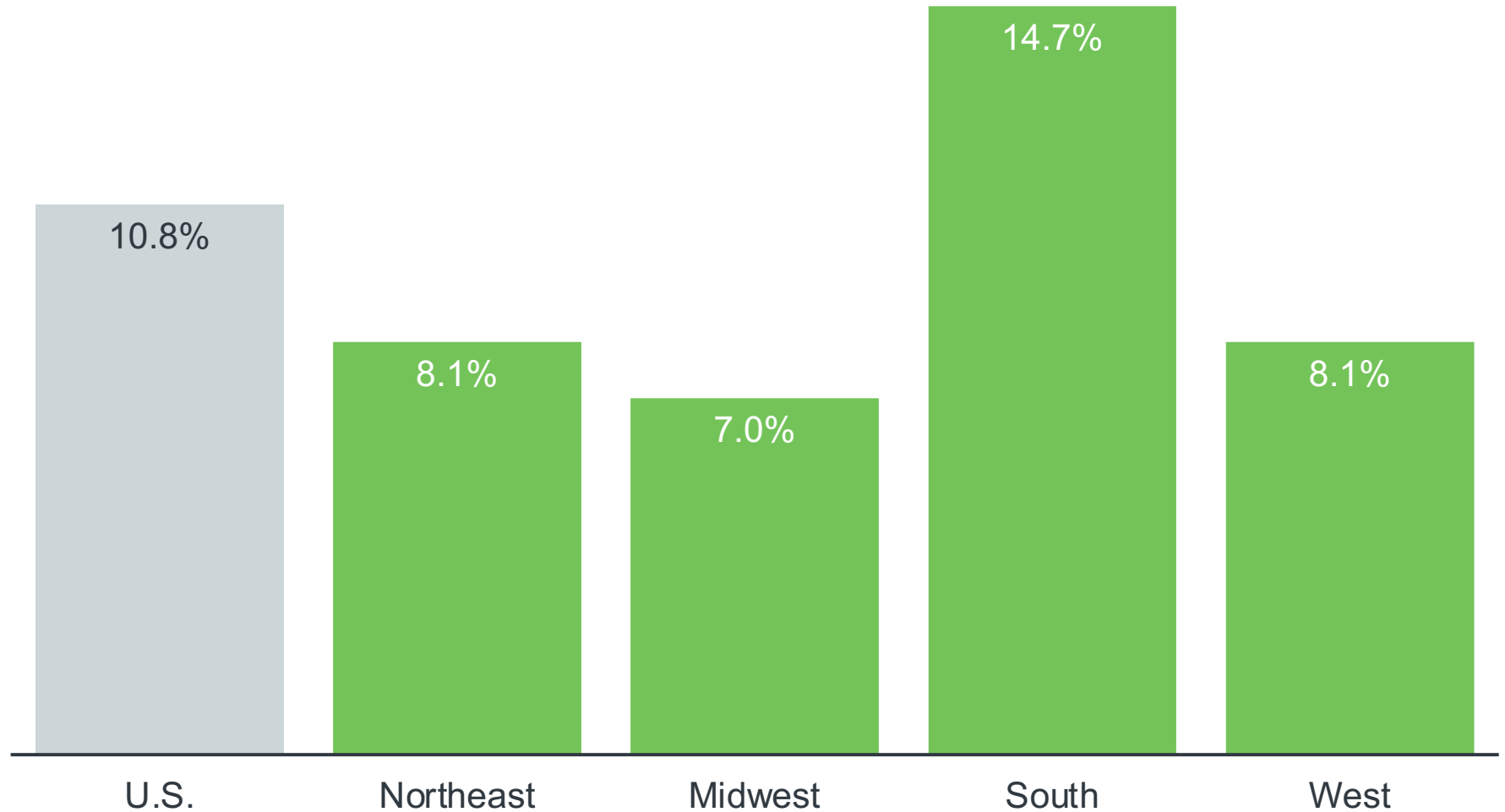




# Home Prices

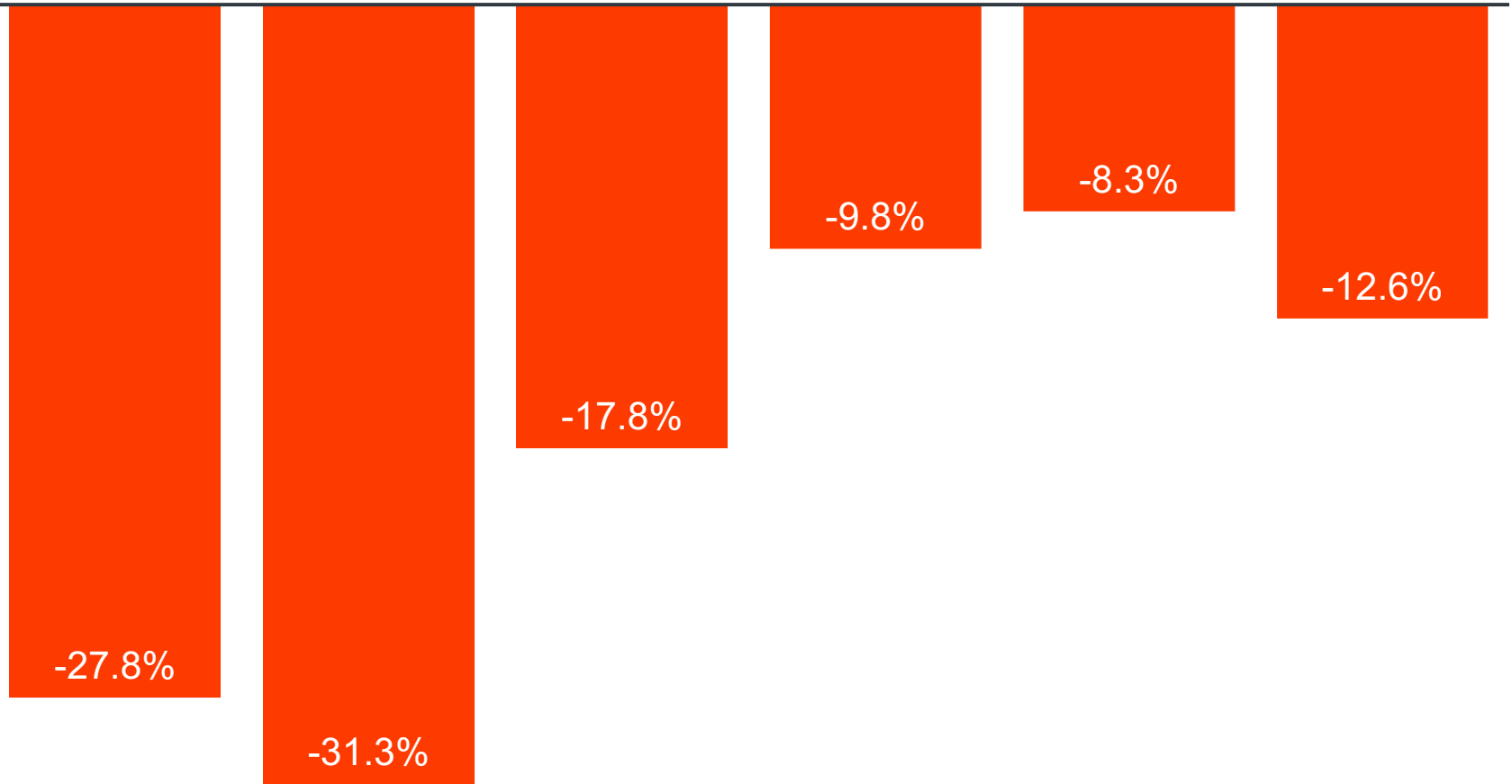
# Sales Price of Existing Homes

Year-Over-Year, by Region



# % Change in Sales

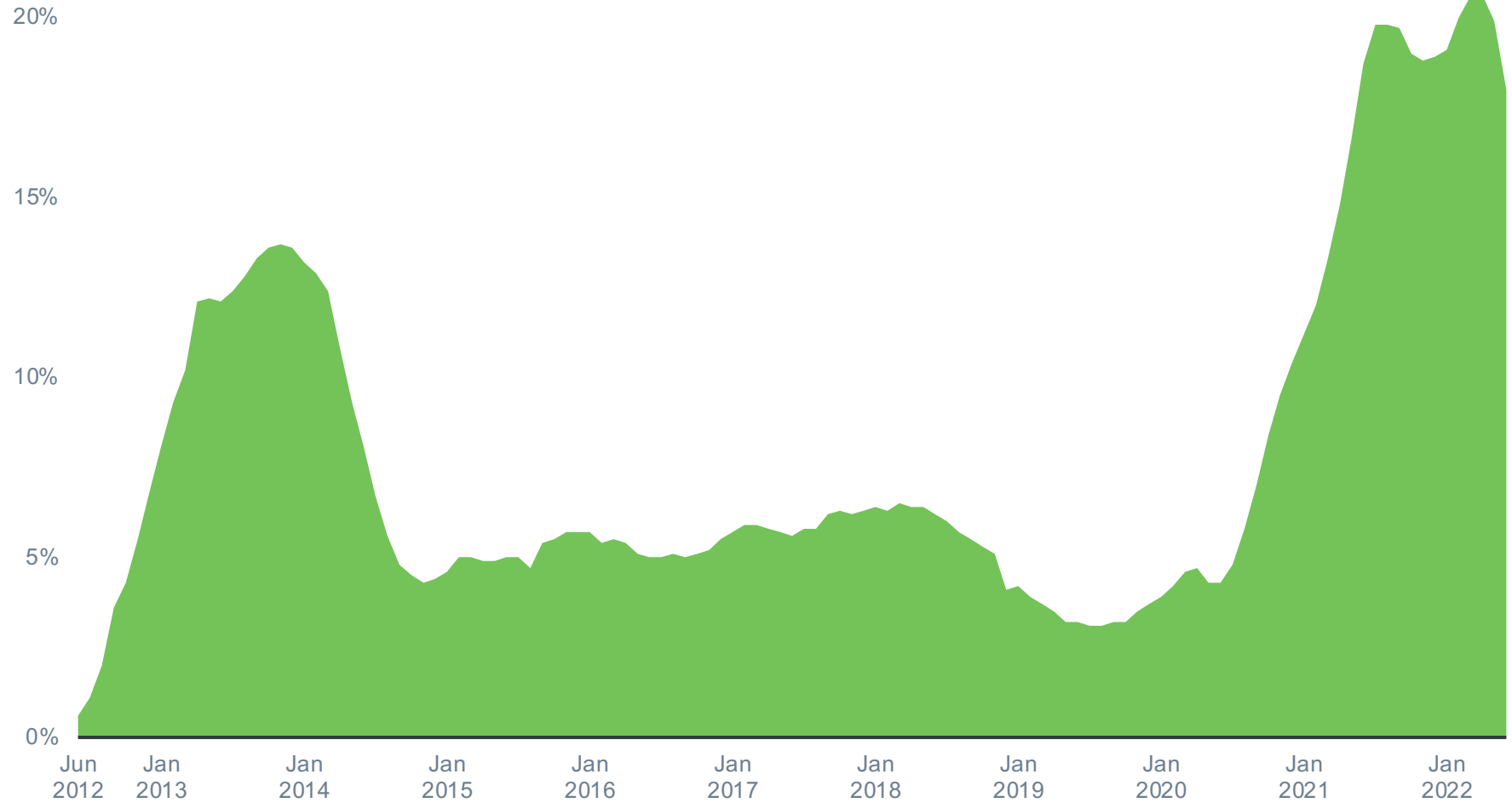
Year-Over-Year, by Price Range



	\$0-100K	\$100-250K	\$250-500K	\$500-750K	\$750K-1M	\$1M+
■ %	-27.8%	-31.3%	-17.8%	-9.8%	-8.3%	-12.6%

# Change in Home Prices

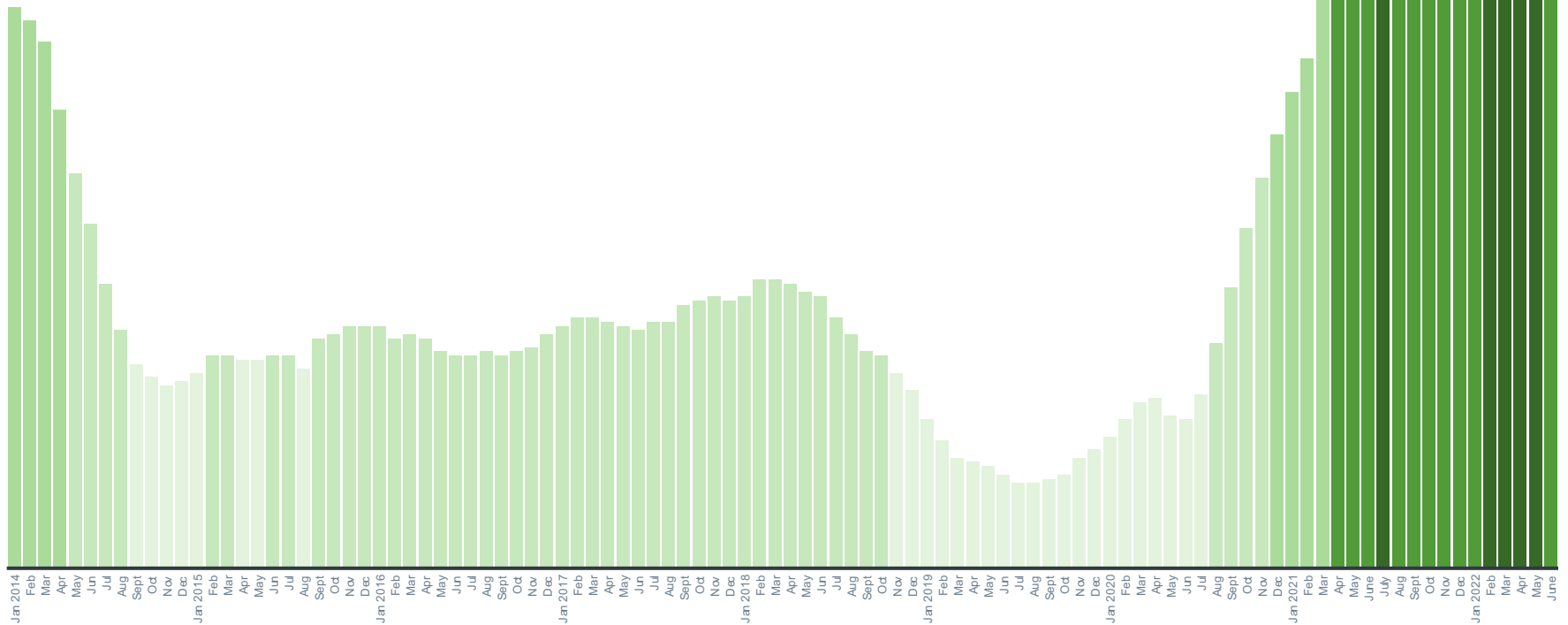
Year-Over-Year



Source: S&P Case-Shiller

# Change in Home Prices

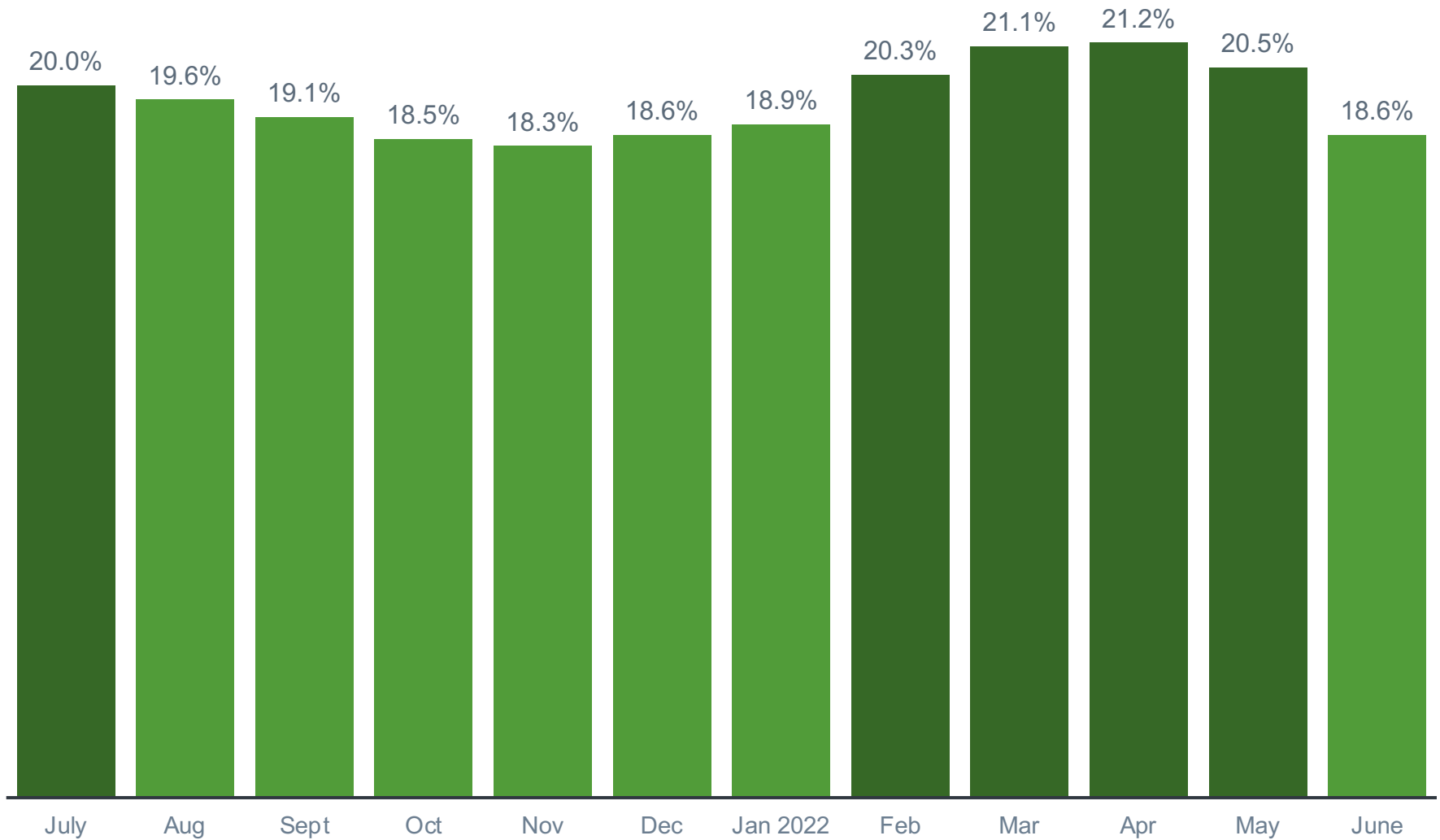
Year-Over-Year, 20 City Composite



Source: S&P Case-Shiller

# Change in Home Prices

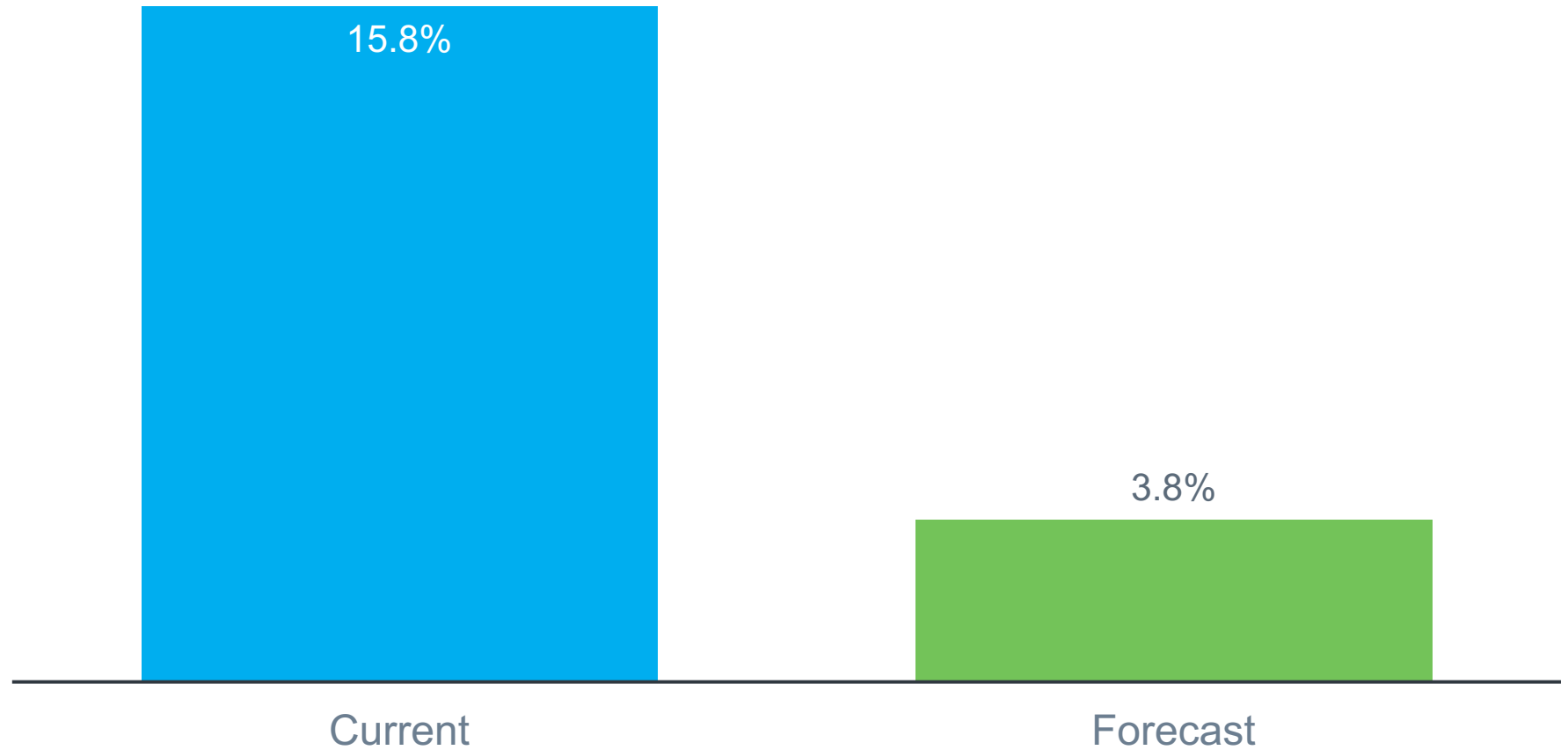
Year-Over-Year, 20 City Composite



Source: S&P Case-Shiller

# Year-Over-Year % Change in Price

July 2022



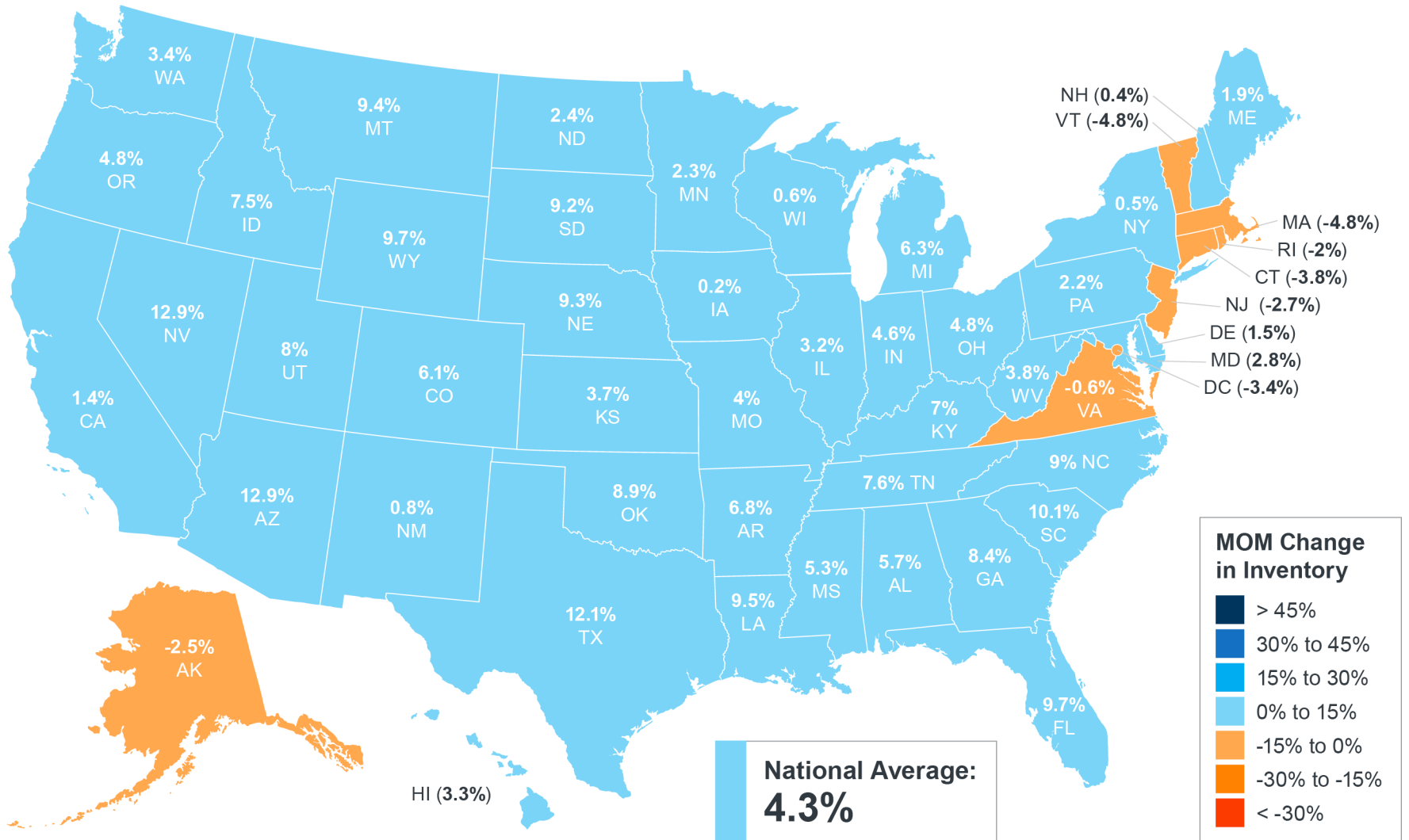


# Housing Inventory



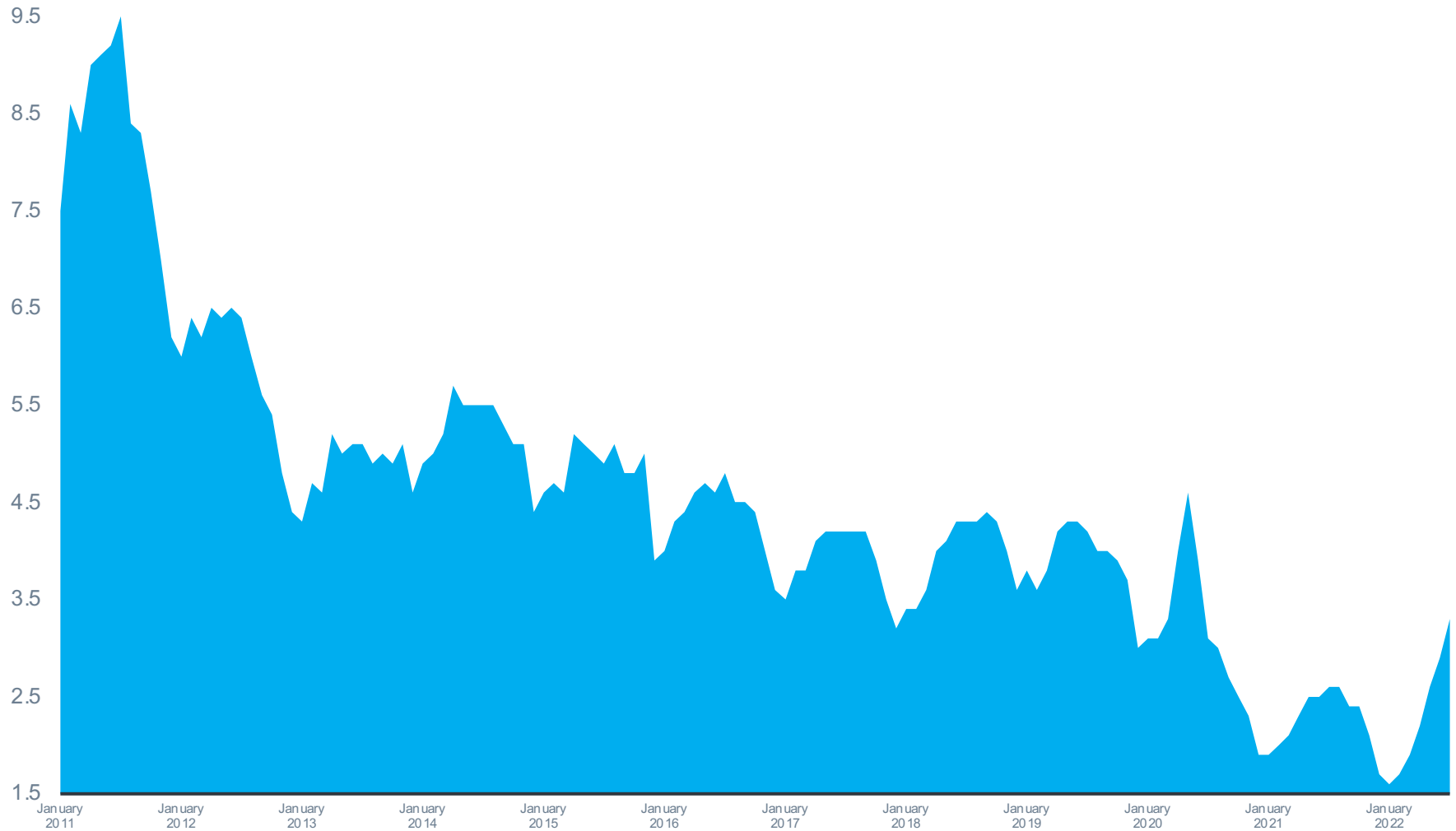
# Change in Inventory

Month-Over-Month, August 2022



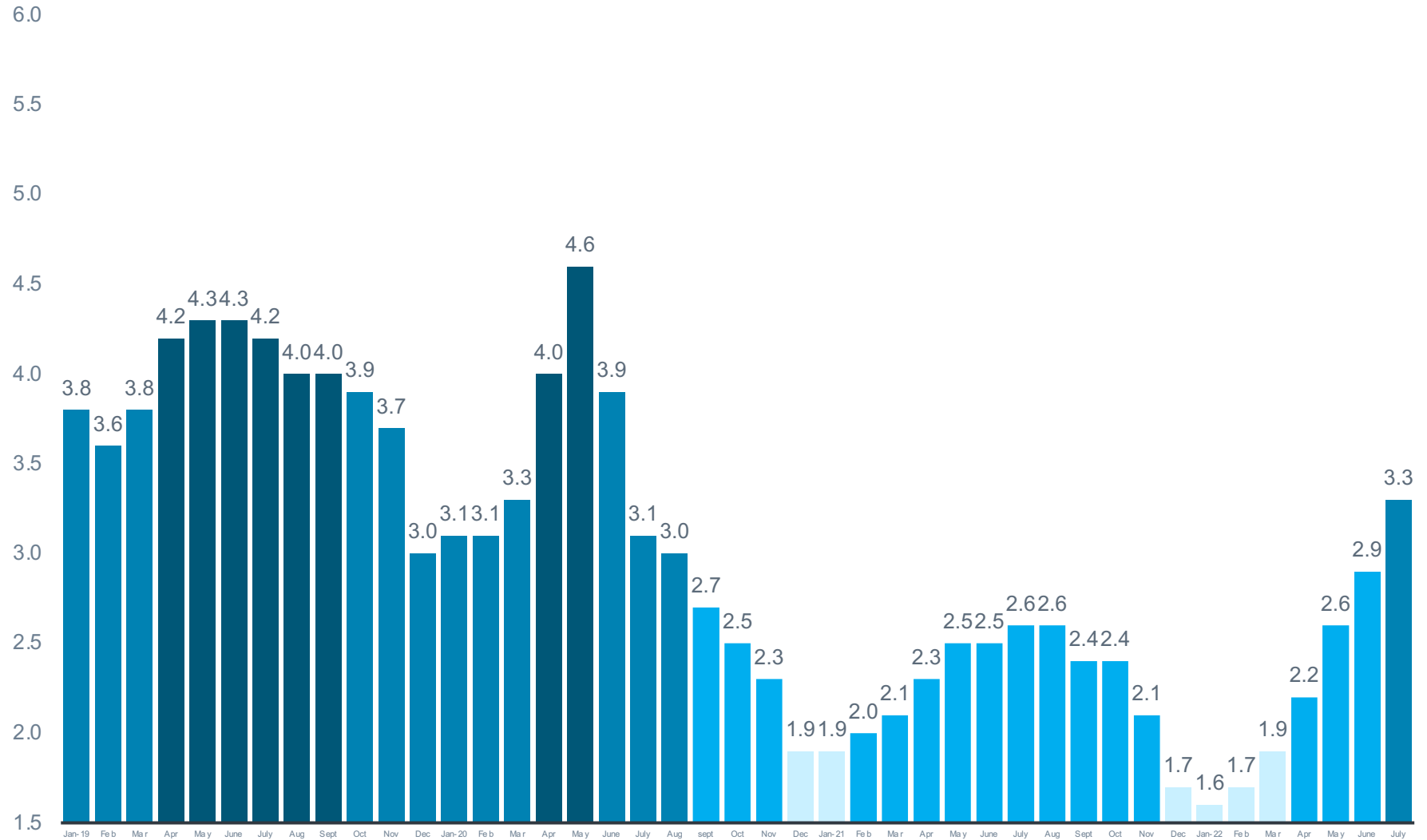
# Months Inventory of Homes for Sale

2011 - Today



# Months Inventory of Homes for Sale

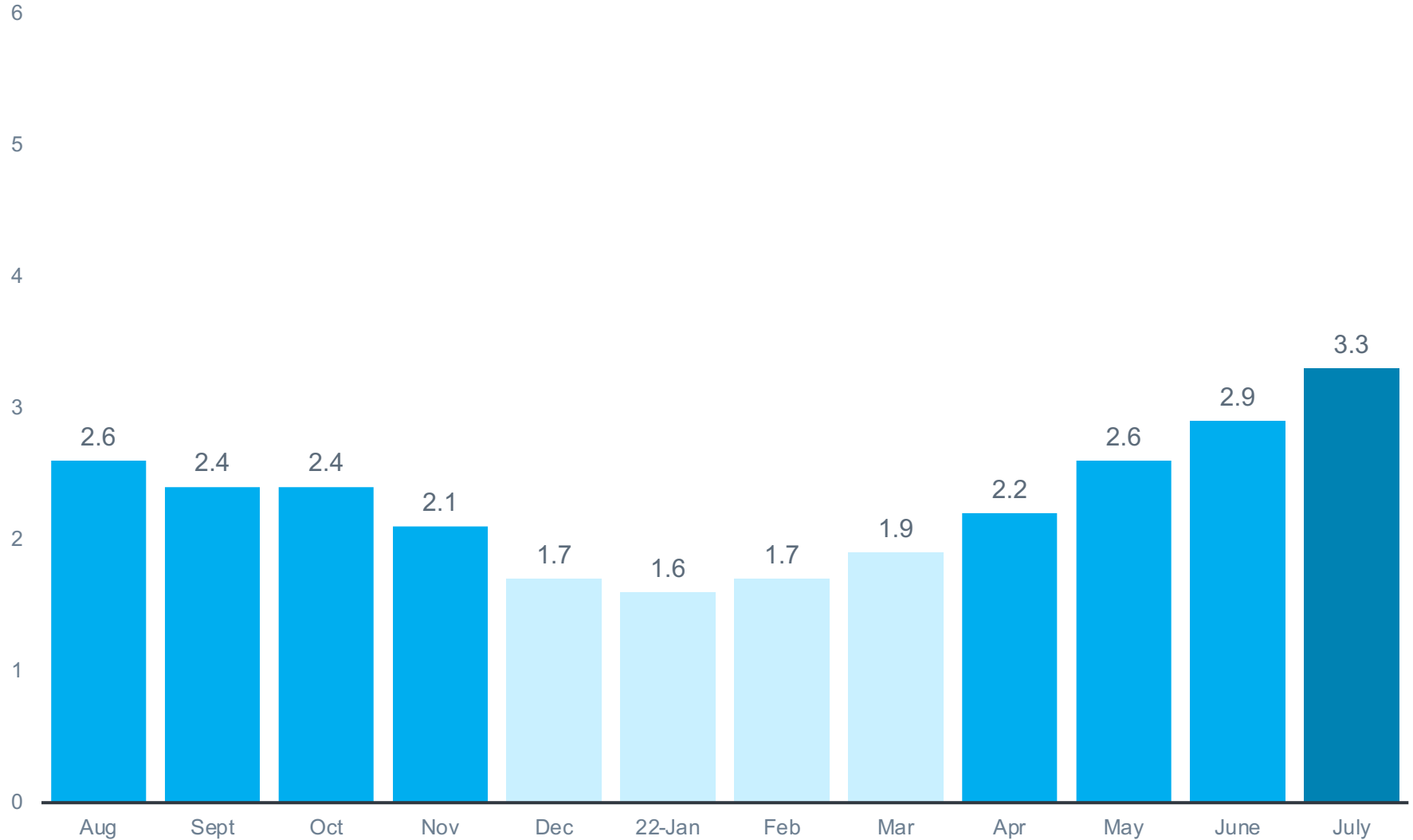
Since 2019



Source: NAR

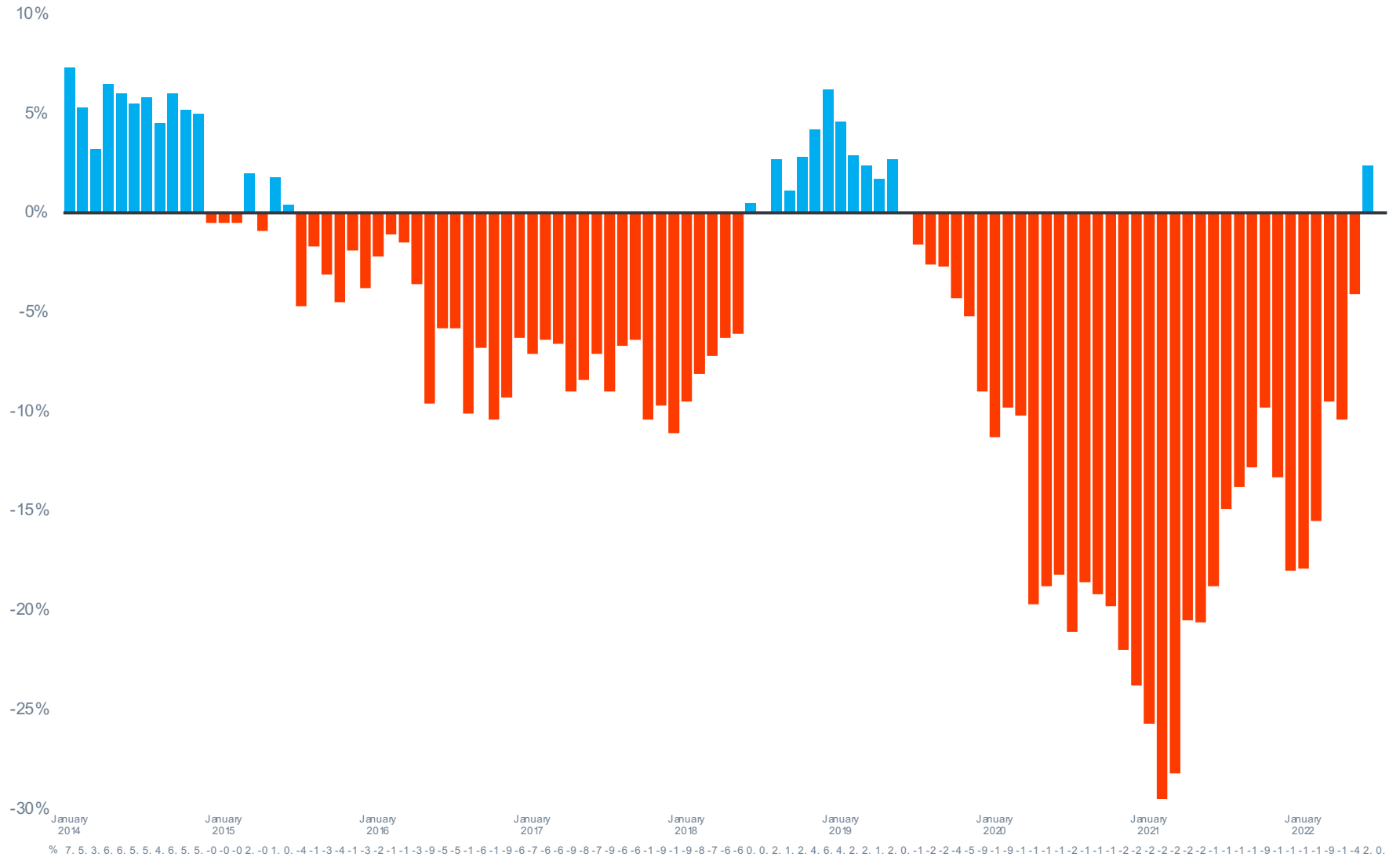
# Months Inventory of Homes for Sale

Last 12 Months



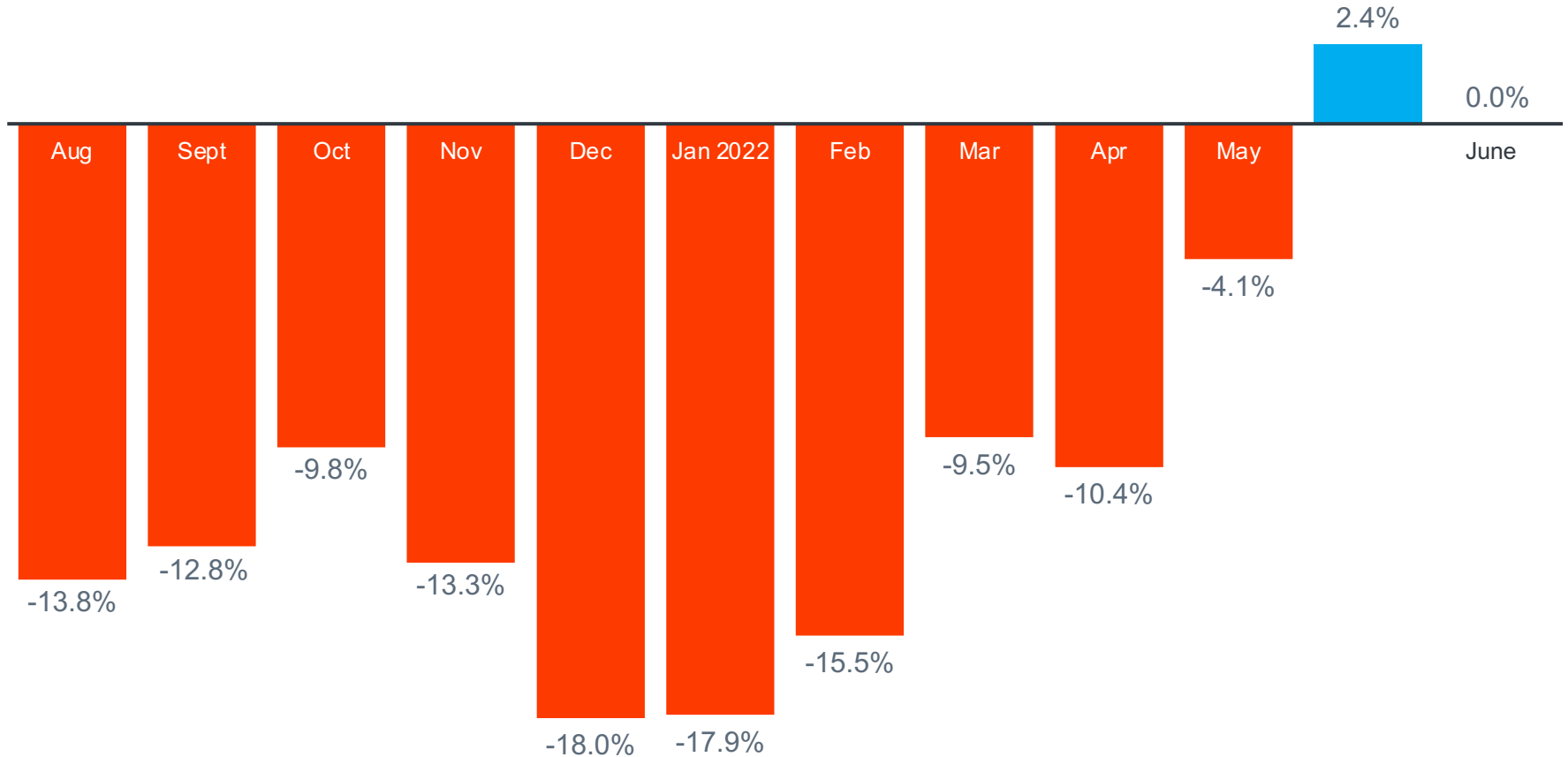
Source: NAR

# Year-Over-Year Inventory Levels



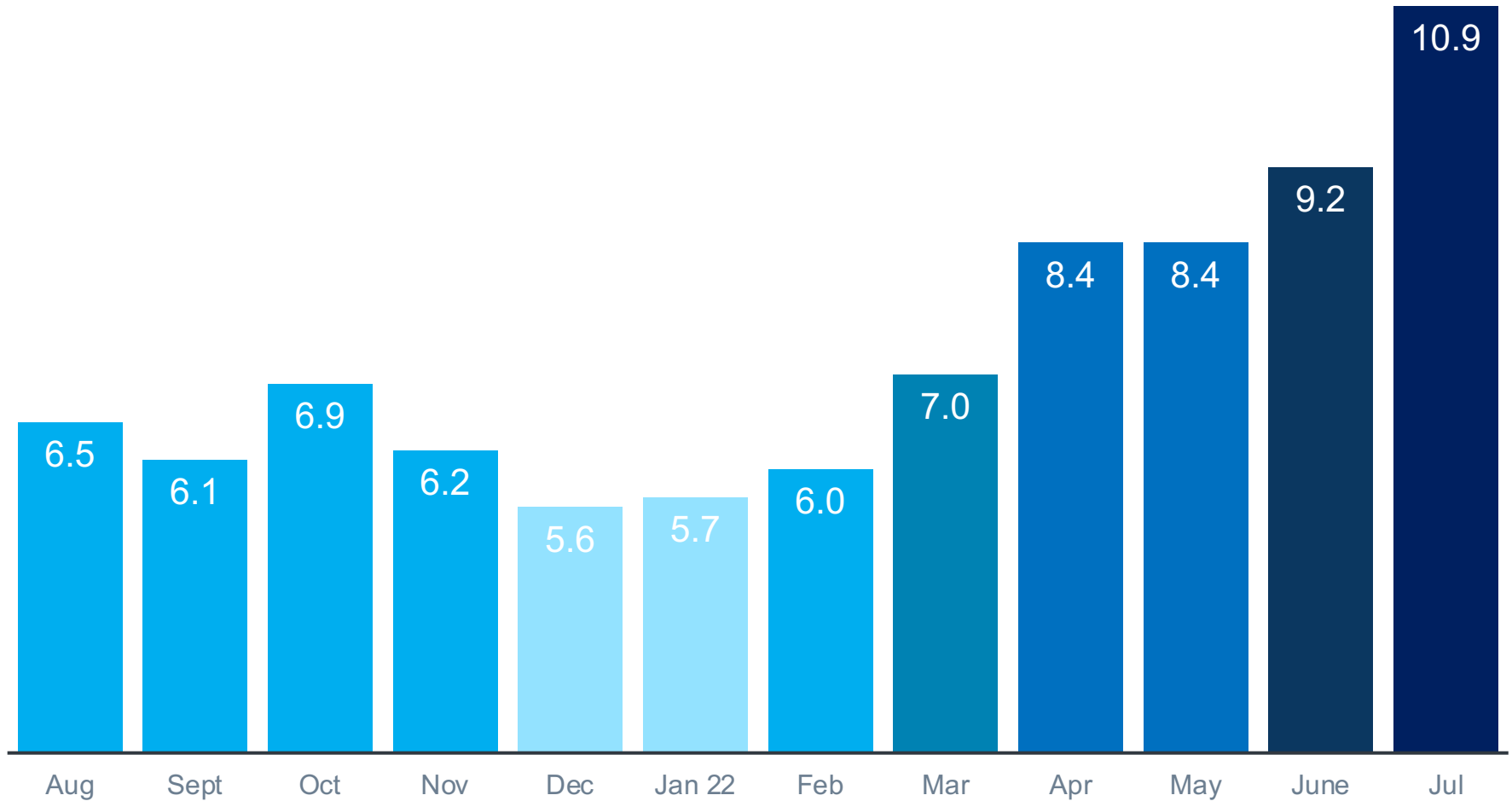
# Year-Over-Year Inventory Levels

Last 12 Months



# New Home Monthly Inventory

Seasonally Adjusted, Last 12 Months

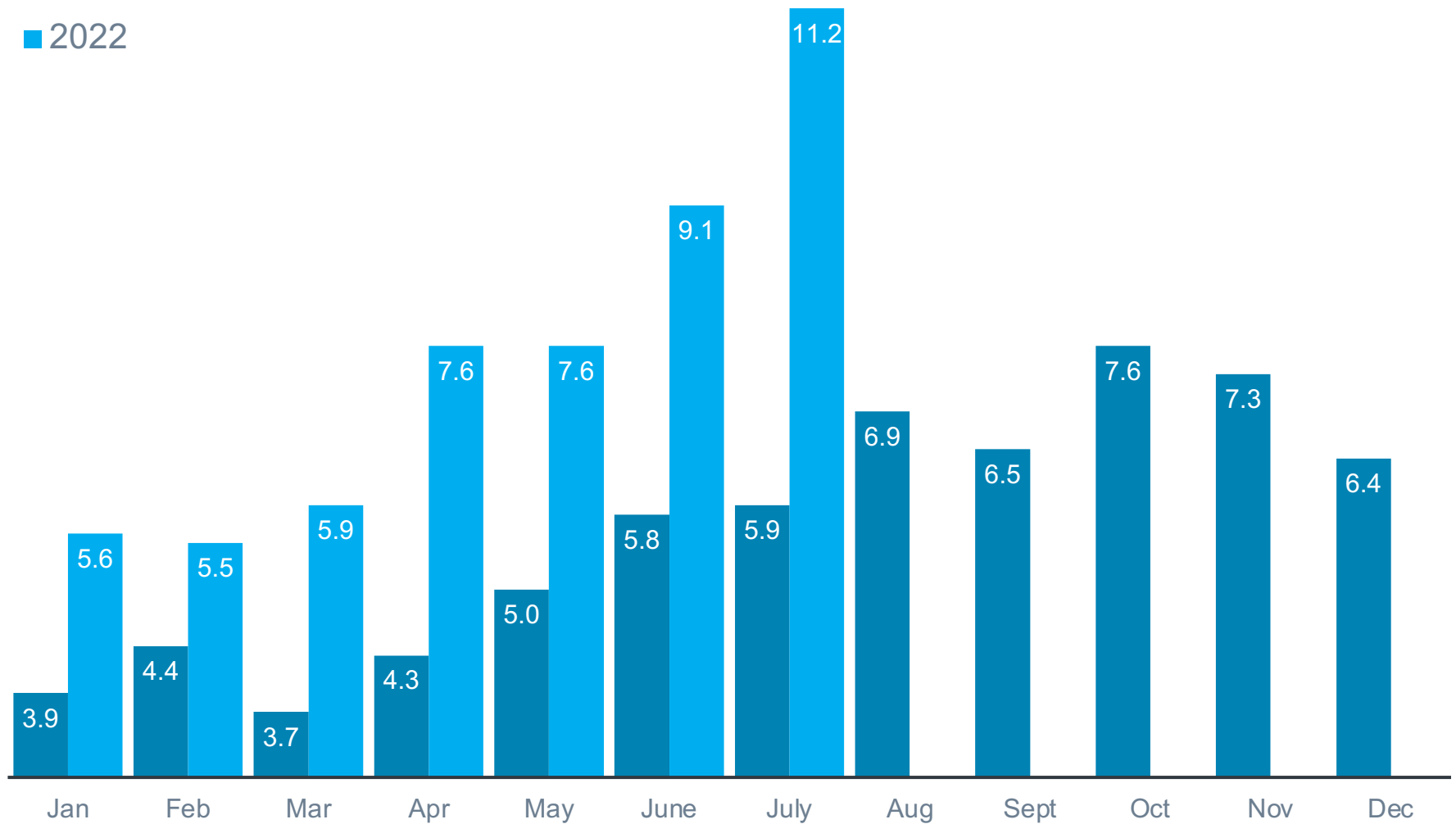


Source: Census

# New Home Monthly Inventory

Non-Seasonally Adjusted

- 2021
- 2022



Source: Census





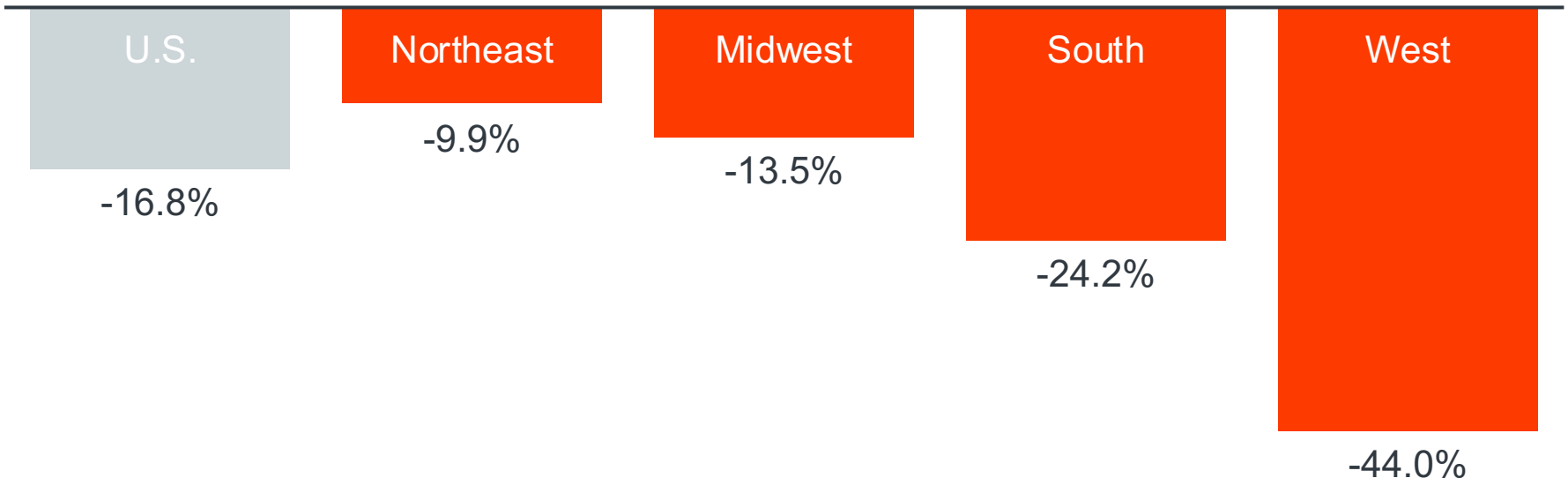
# Buyer Demand

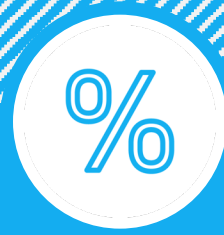
# Home Showing Activity Slows as Buyer Demand Continues Rebalancing from Historic Highs

*Year-Over-Year Increase in Showing Activity, July 2022*

**Michael Lane**, Vice President & General Manager, Showing Time

“The slowdown in showings tracks with the overall market rebalancing that’s taking place across the country. Conditions for buyers are less competitive than they were last year at this time, while a general increase in available inventory in most markets has not only given buyers more options to consider, but more time to consider them.”

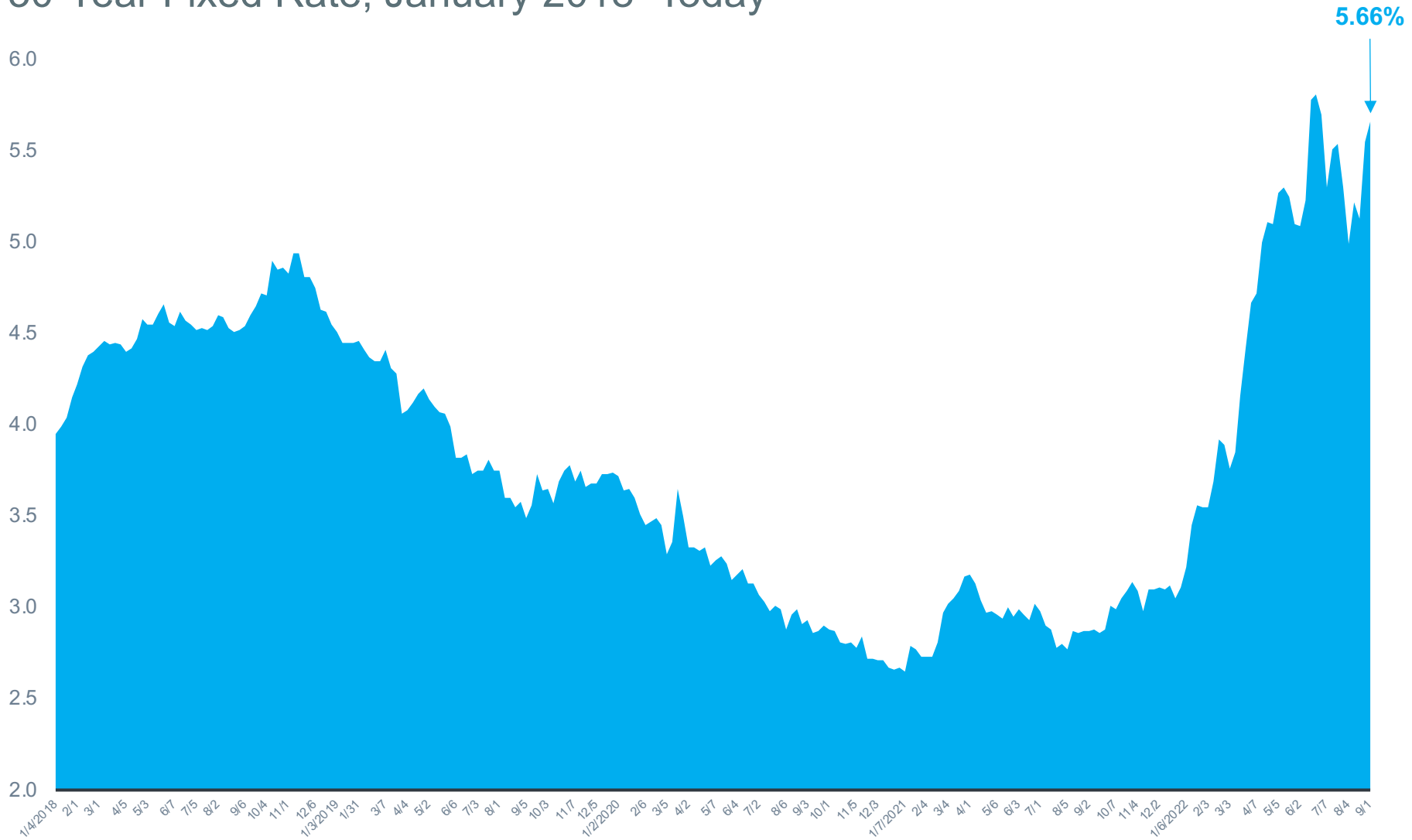




# Mortgage Rates

# Mortgage Rates

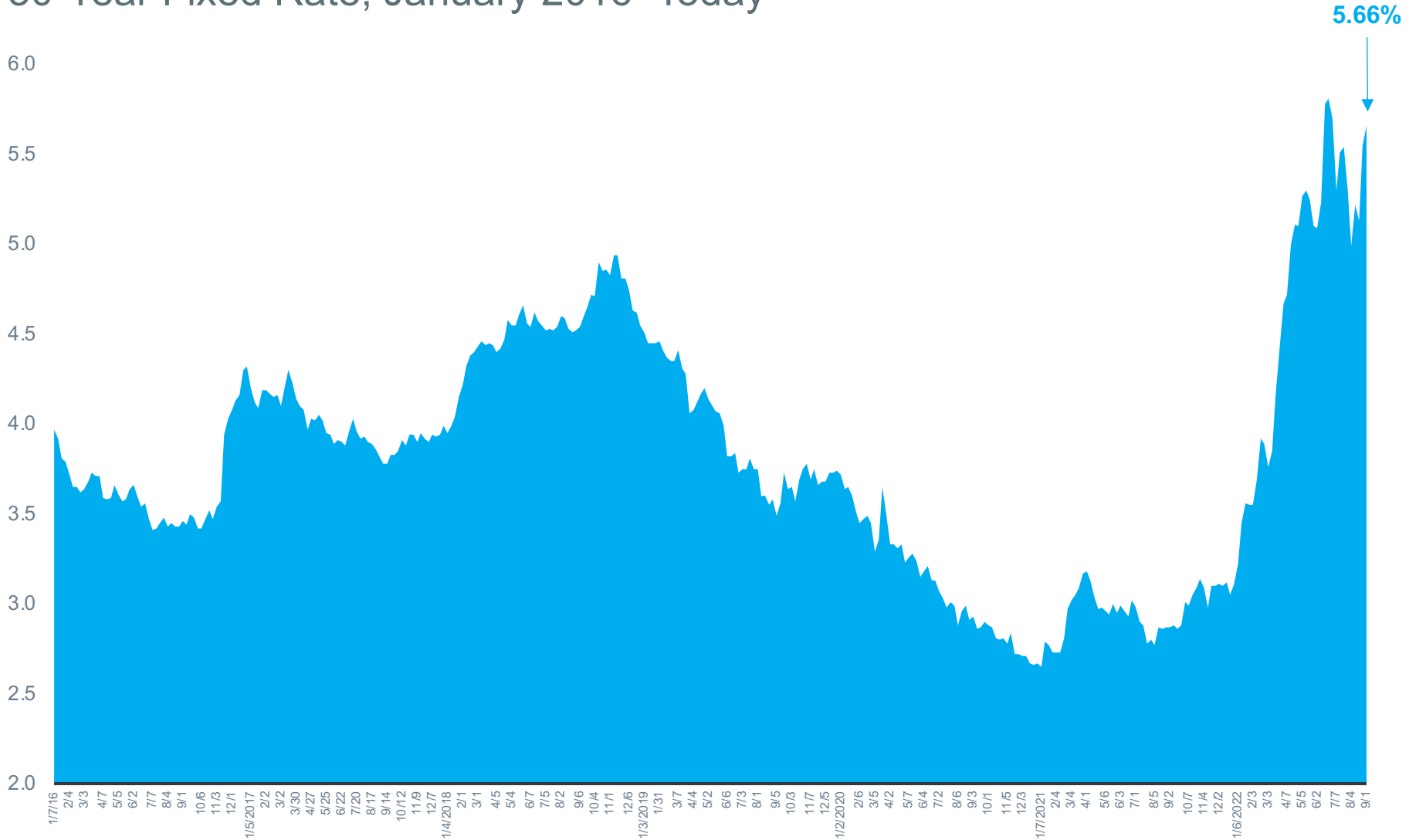
30-Year Fixed Rate, January 2018–Today



Source: Freddie Mac

# Mortgage Rates

30-Year Fixed Rate, January 2016–Today



Source: Freddie Mac

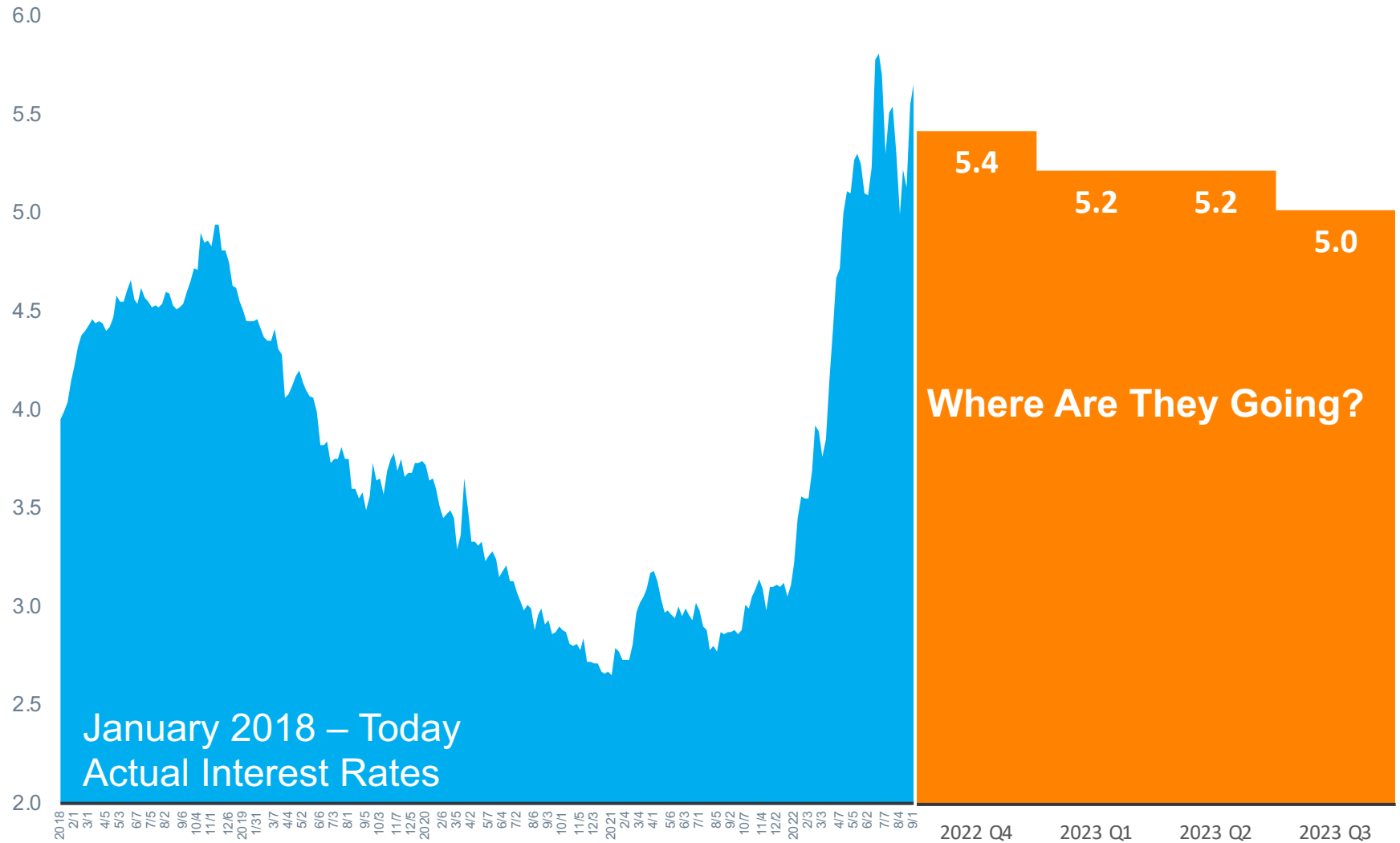
# Mortgage Rate Projections

August 2022

Quarter	Freddie Mac	Fannie Mae	MBA	NAR	Average of All Four
2022 4Q	5.4	4.8	5.2	6.0	<b>5.35%</b>
2023 1Q	5.2	4.7	5.1	6.0	<b>5.25%</b>
2023 2Q	5.2	4.5	5.0	6.0	<b>5.18%</b>
2023 3Q	5.0	4.4	4.9	-	<b>4.77%</b>

# Mortgage Rates

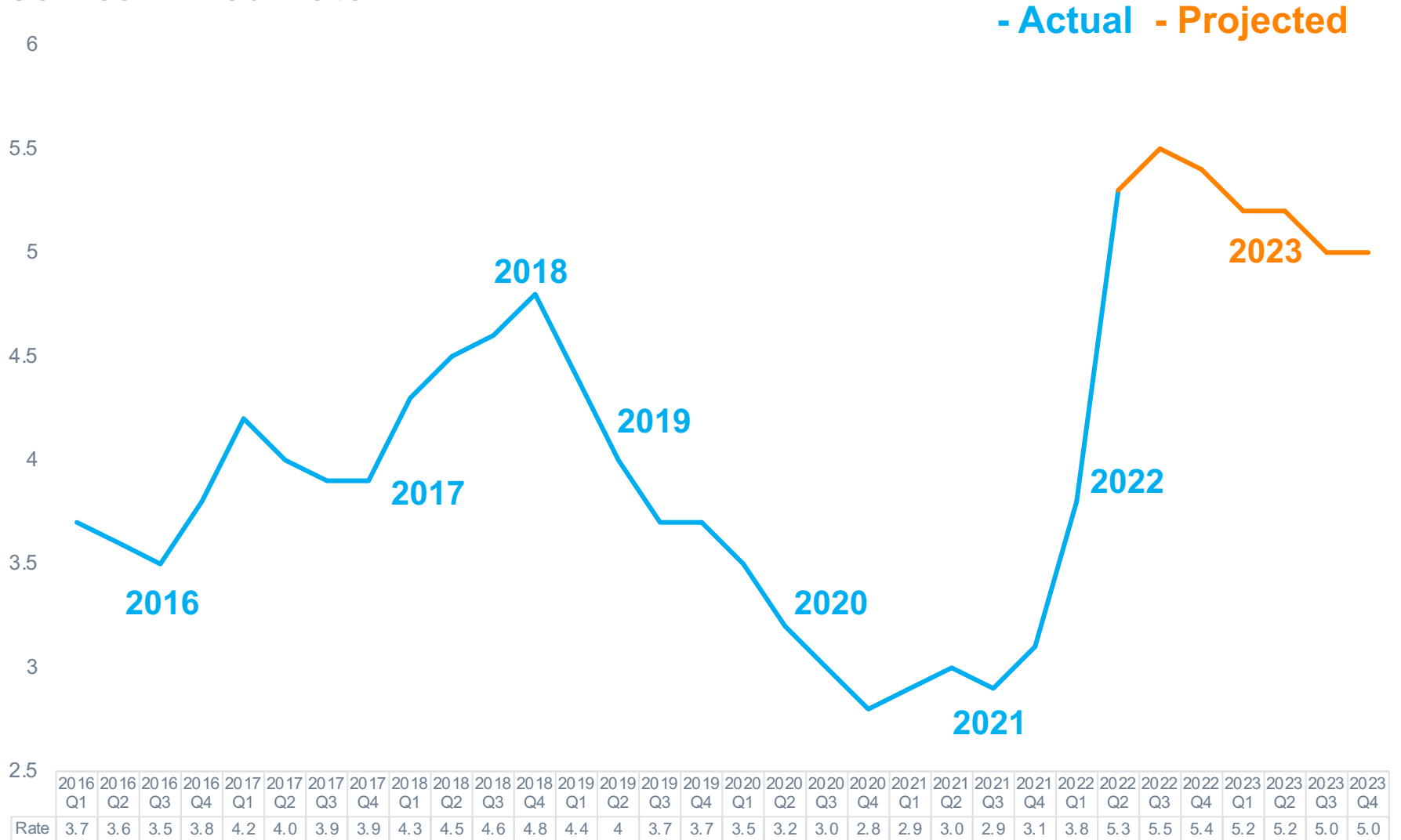
## 30-Year Fixed Rate



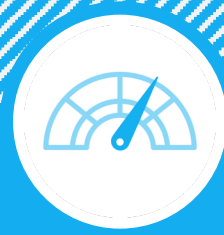
Where Are They Going?

# Mortgage Rates

## 30-Year Fixed Rate



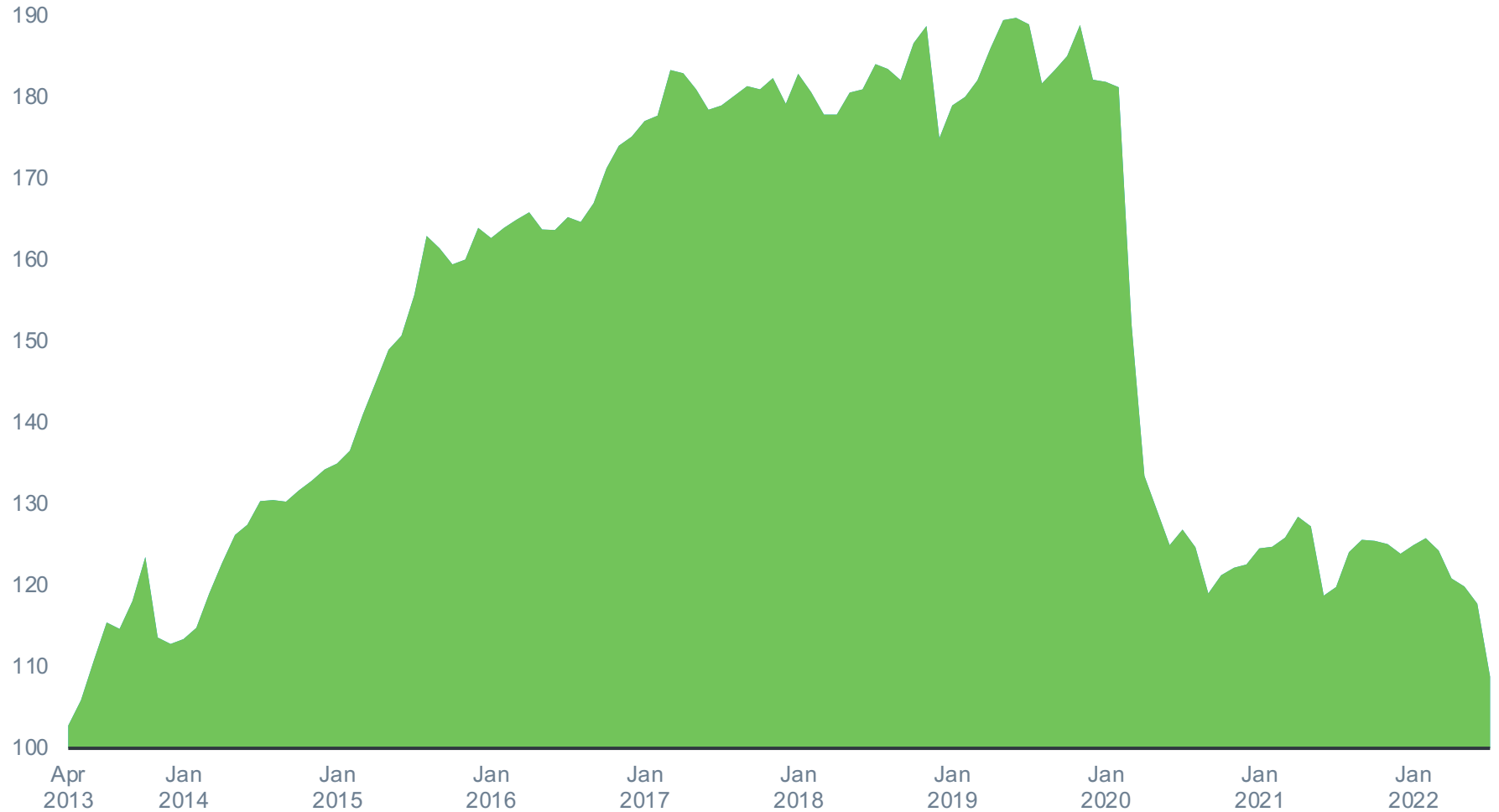




# Mortgage Credit Availability

# Mortgage Credit Availability Index (MCAI)

July 2022



Source: MBA

# Lending Standards Still Under Control

Historic Data for the Mortgage Credit Availability Index (MCAI)

