



# KEEPING CURRENT MATTERS

## March 2023



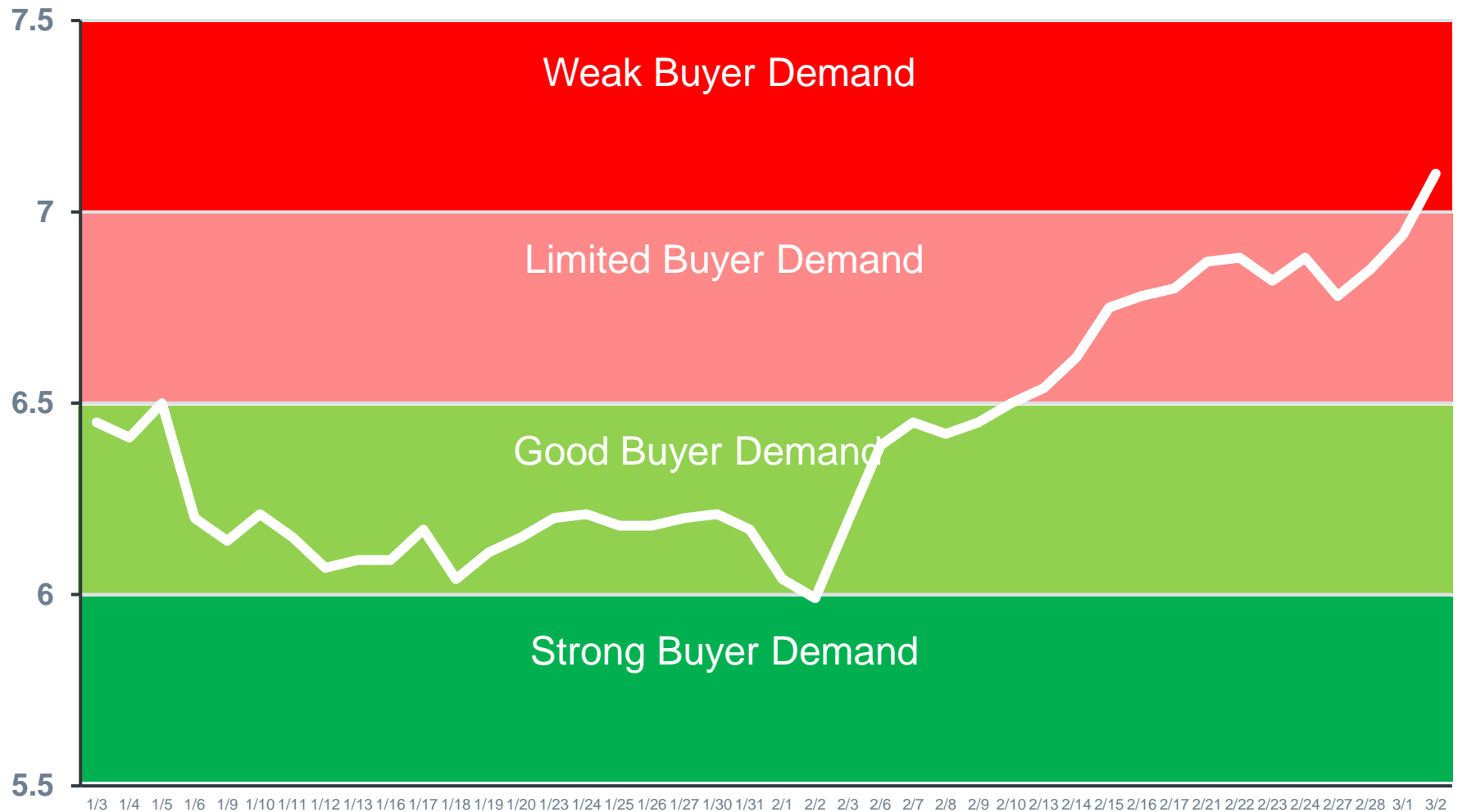


The first responsibility of  
a leader is to  
**define reality.**

- **Max De Pree**, Author, *Leadership is an Art*

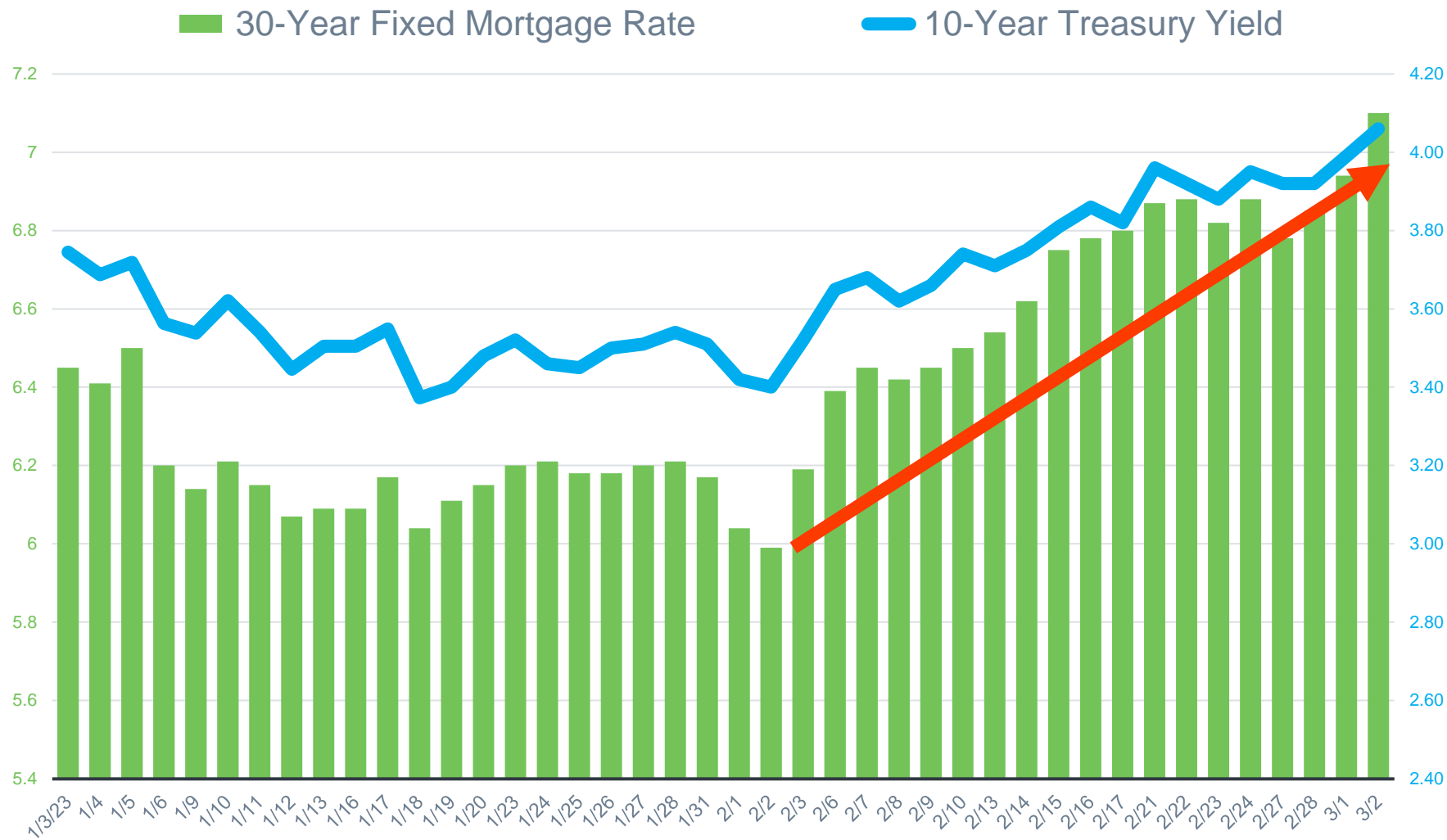
# 2023 30-Year Fixed Rate

Mortgage News Daily Rate Index: 30-Year Fixed Rate



Source: KCM Analysis, Mortgage News Daily

# 2023: 30-Year Mortgage Rate vs. 10-Year Treasury Yield



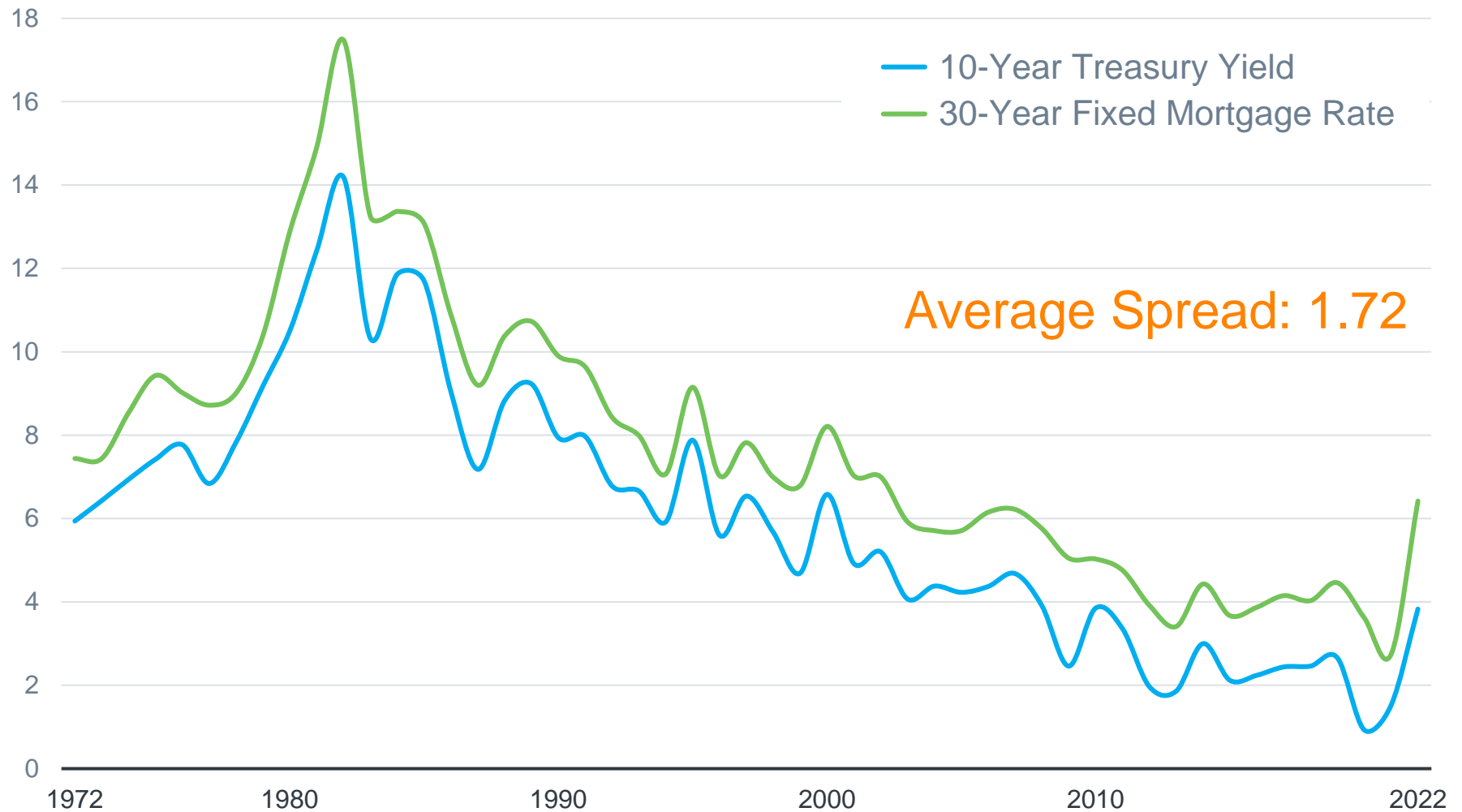
Sources: Mortgage News Daily, WSJ



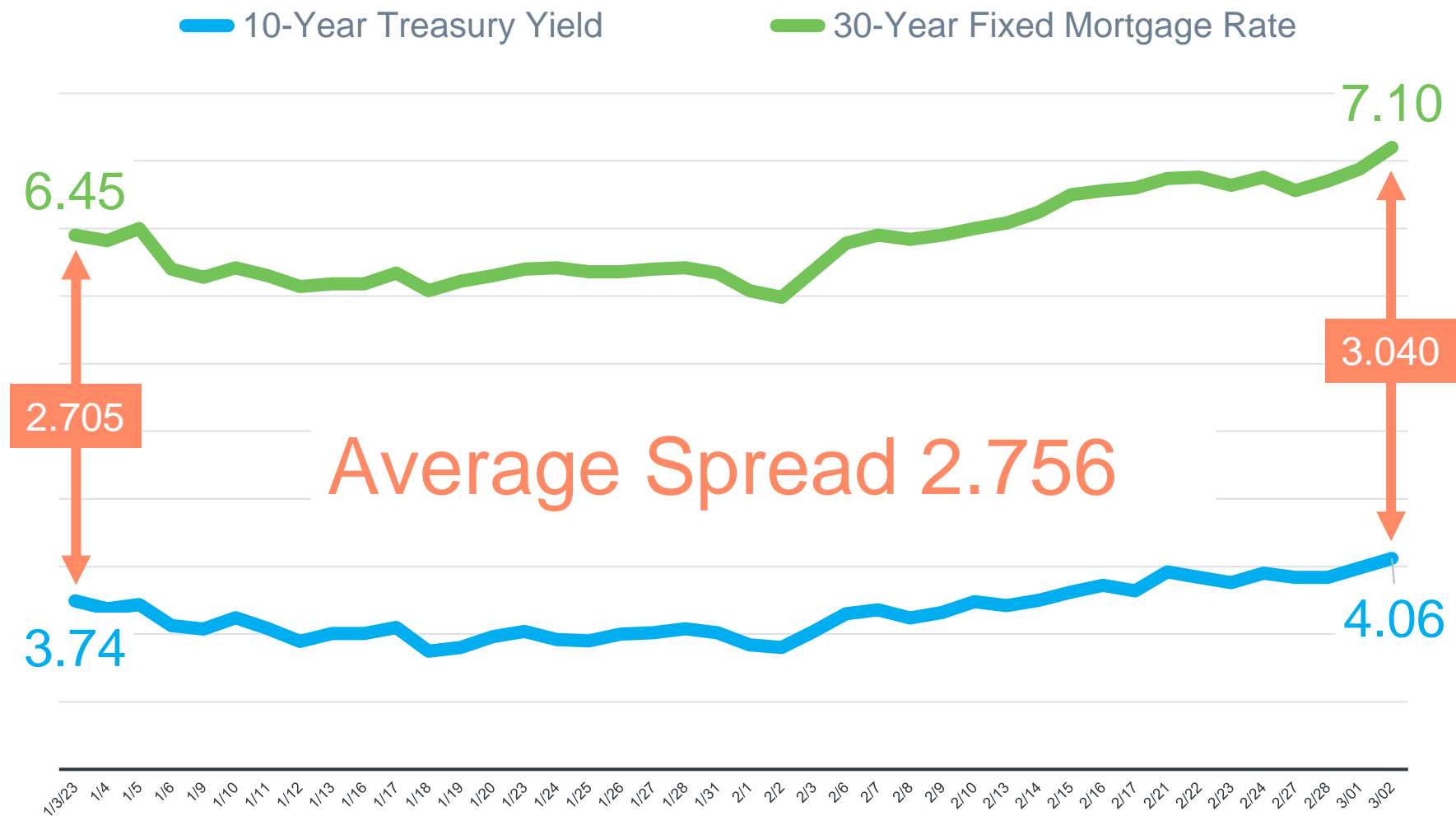
The economy is showing signs of resilience, mainly due to consumer spending, and rates are increasing. Overall housing costs are also increasing and therefore impacting inflation, which continues to persist.

- **Sam Khater**, Chief Economist, Freddie Mac

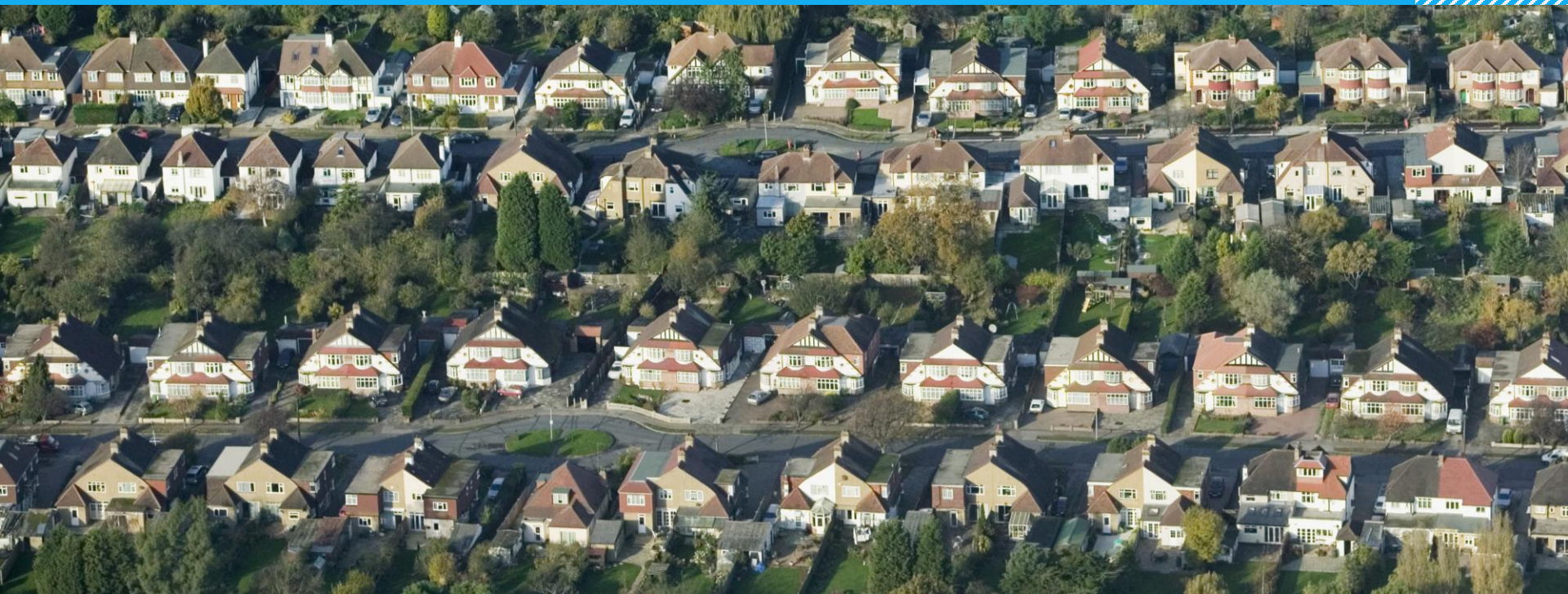
# For Over 50 Years, the 30-Year Mortgage Rate Has Moved in Unison with the 10-Year Treasury Yield



# 30-Year Mortgage Rate and 10-Year Treasury Yield

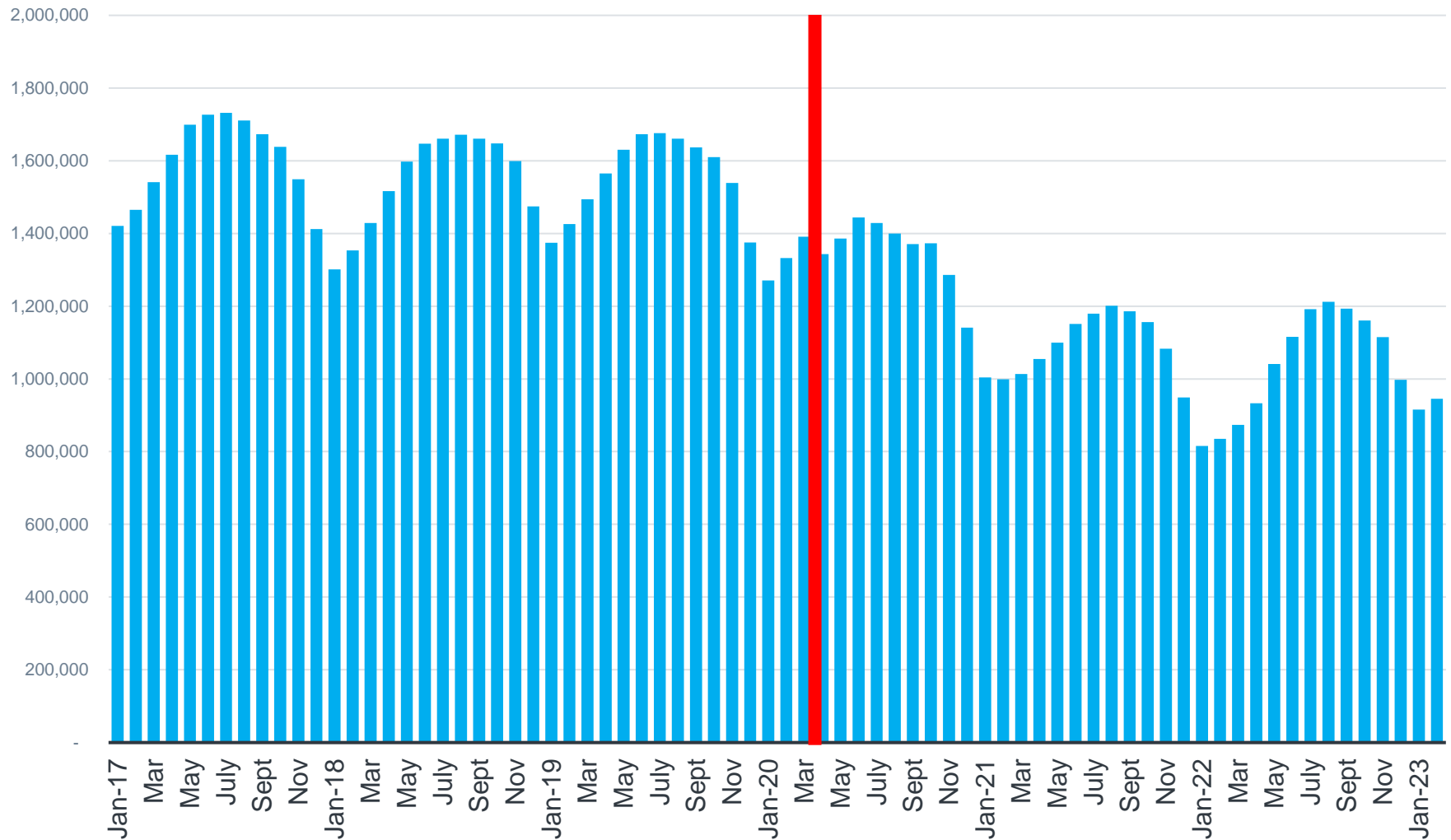


# The even bigger challenge: Inventory



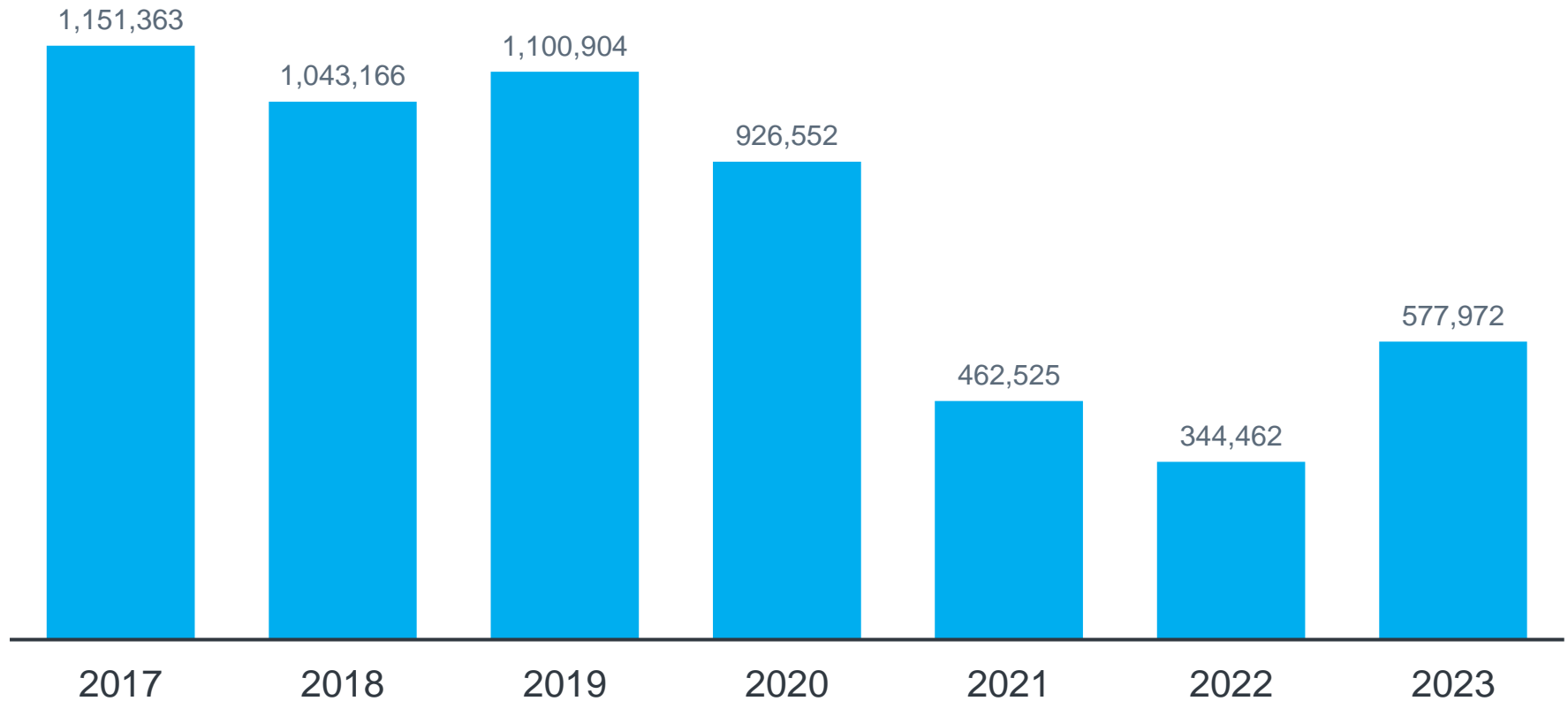


# U.S. Total Listing Count



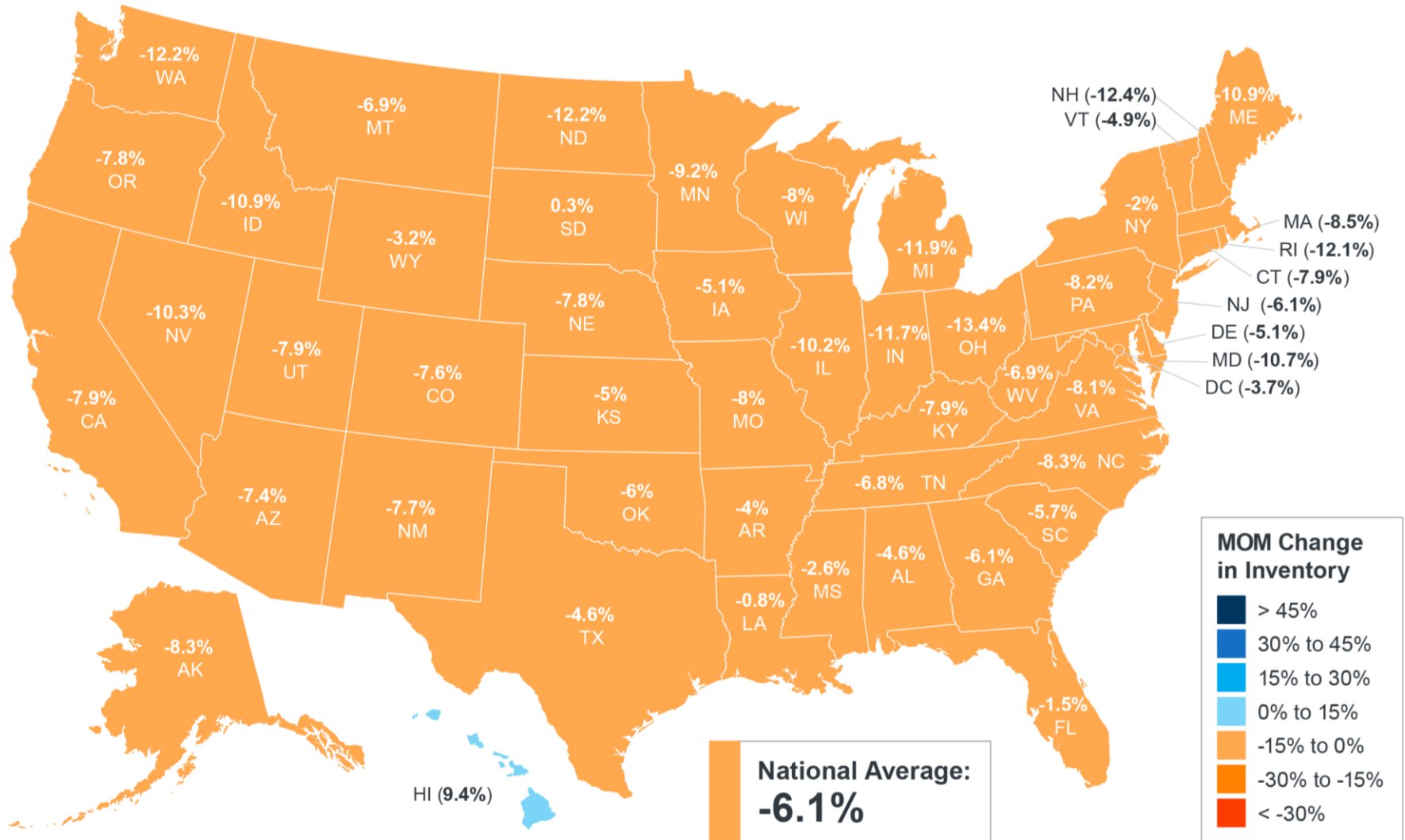
# While the Number of Homes For Sale Is Increasing, It Is Still 47.4% Lower Than It Was Before the Pandemic in 2017 to 2019

Active Monthly Listings Counts (Last 7 Februarys)

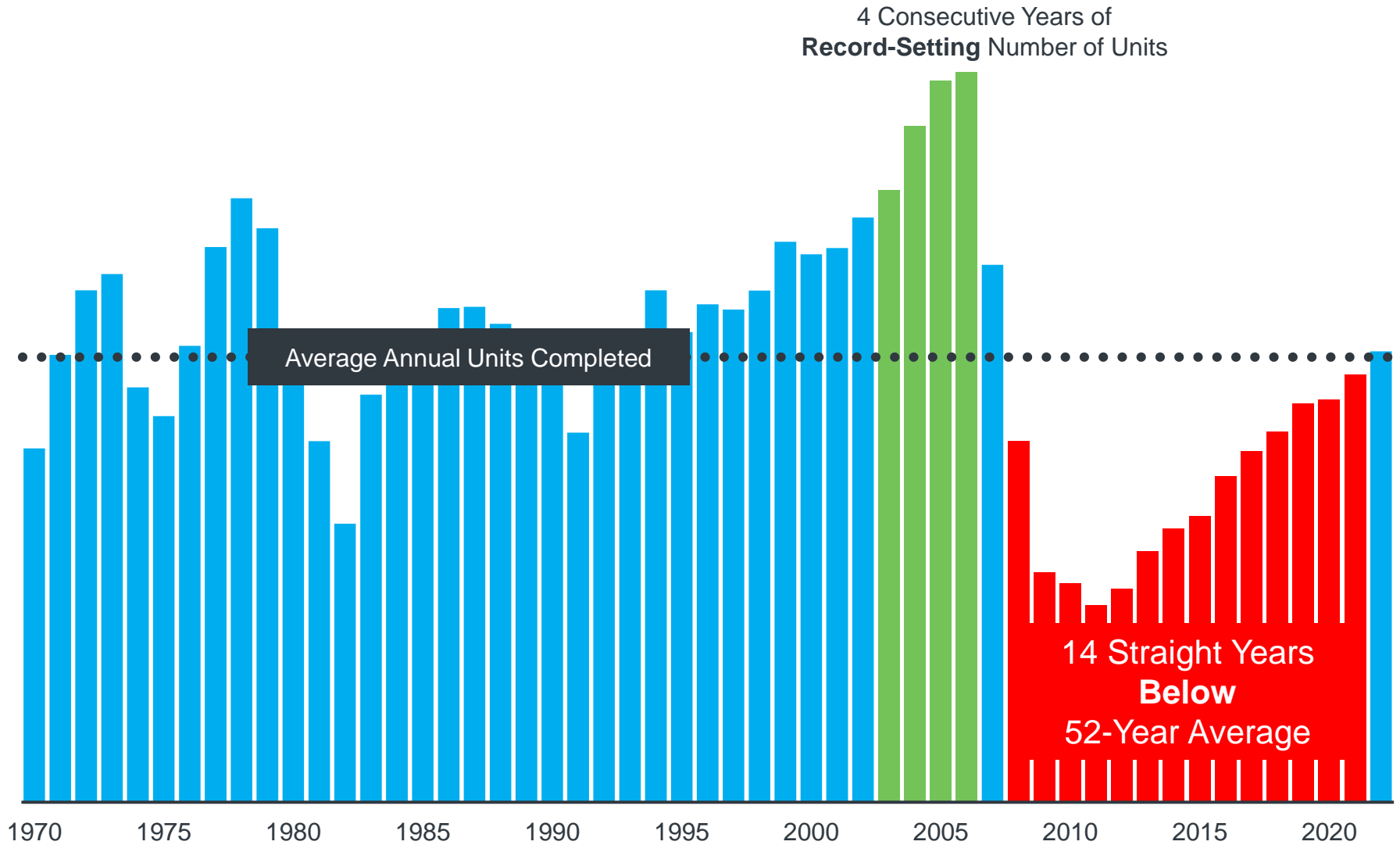


# Change in Inventory

Month-Over-Month, February 2023



# Single-Family Housing Units Completed



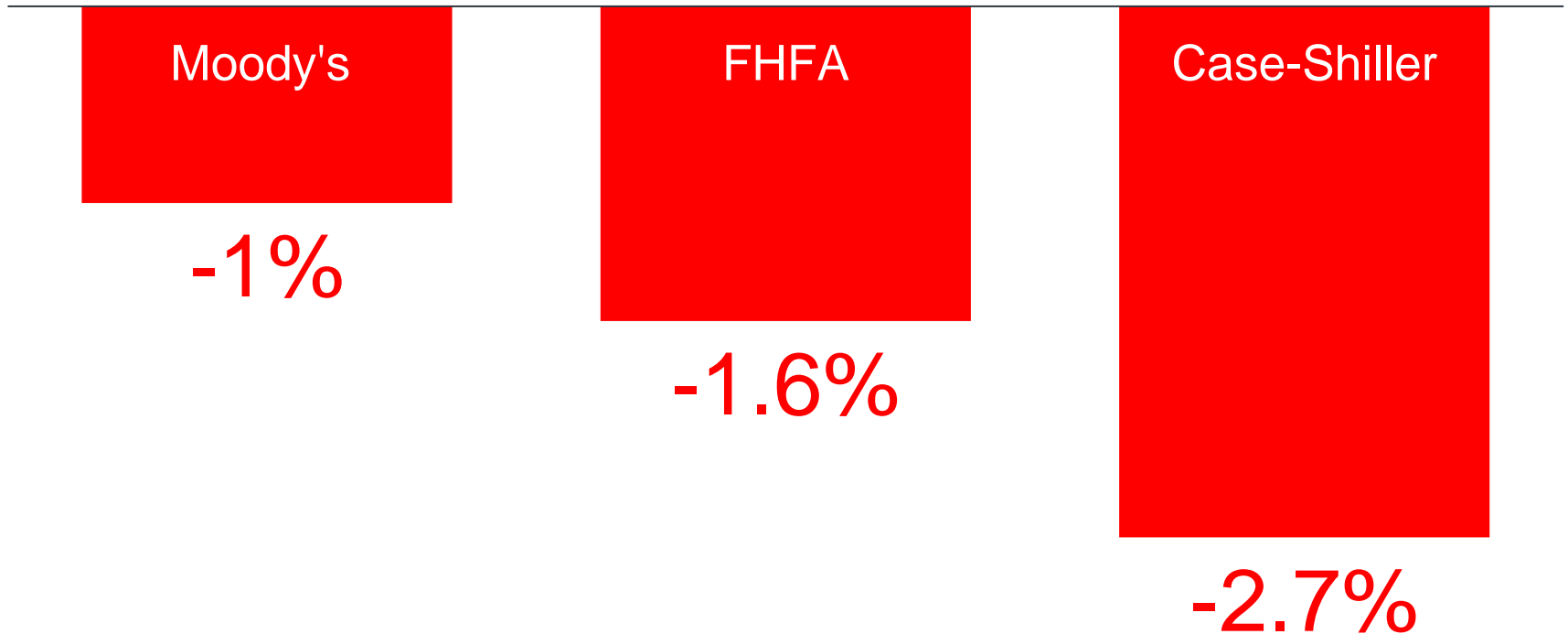
# Housing Market Short Millions of Homes

Number of Homes Each Company Forecasts the Market Being Short

Company	# of Homes Short
realtor.com	-5.24 Million
Bank of America	-4 Million
Freddie Mac	-3.8 Million
Morgan Stanley	-2 Million
John Burns Consulting	-1.7 Million
Moody's Analytics	-1.6 Million

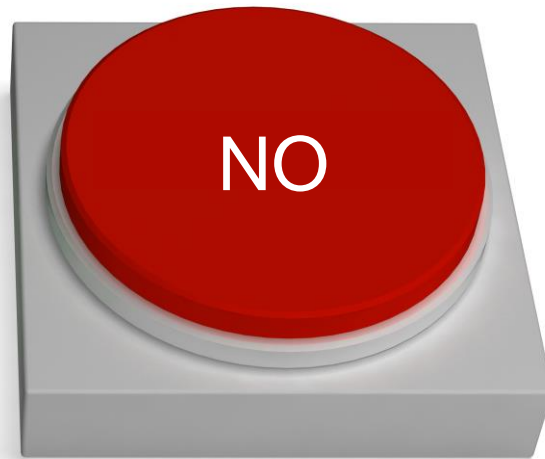
# How Much Have Prices Fallen from Peak?

The Drop in Home Values Since the June Peak (Through December 2022)

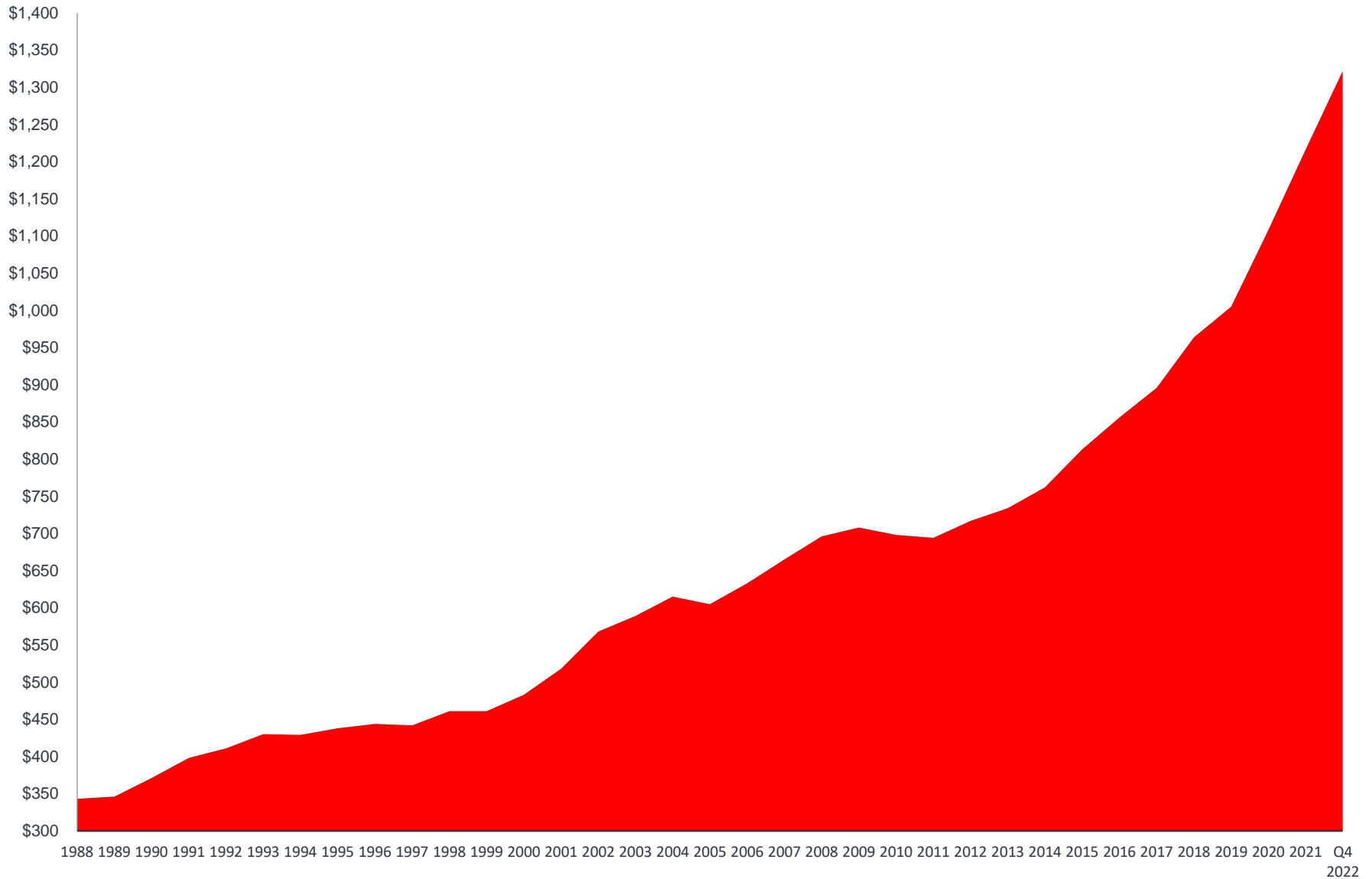




**Should I Buy a Home Right Now?**



# Median Asking Rent Since 1988

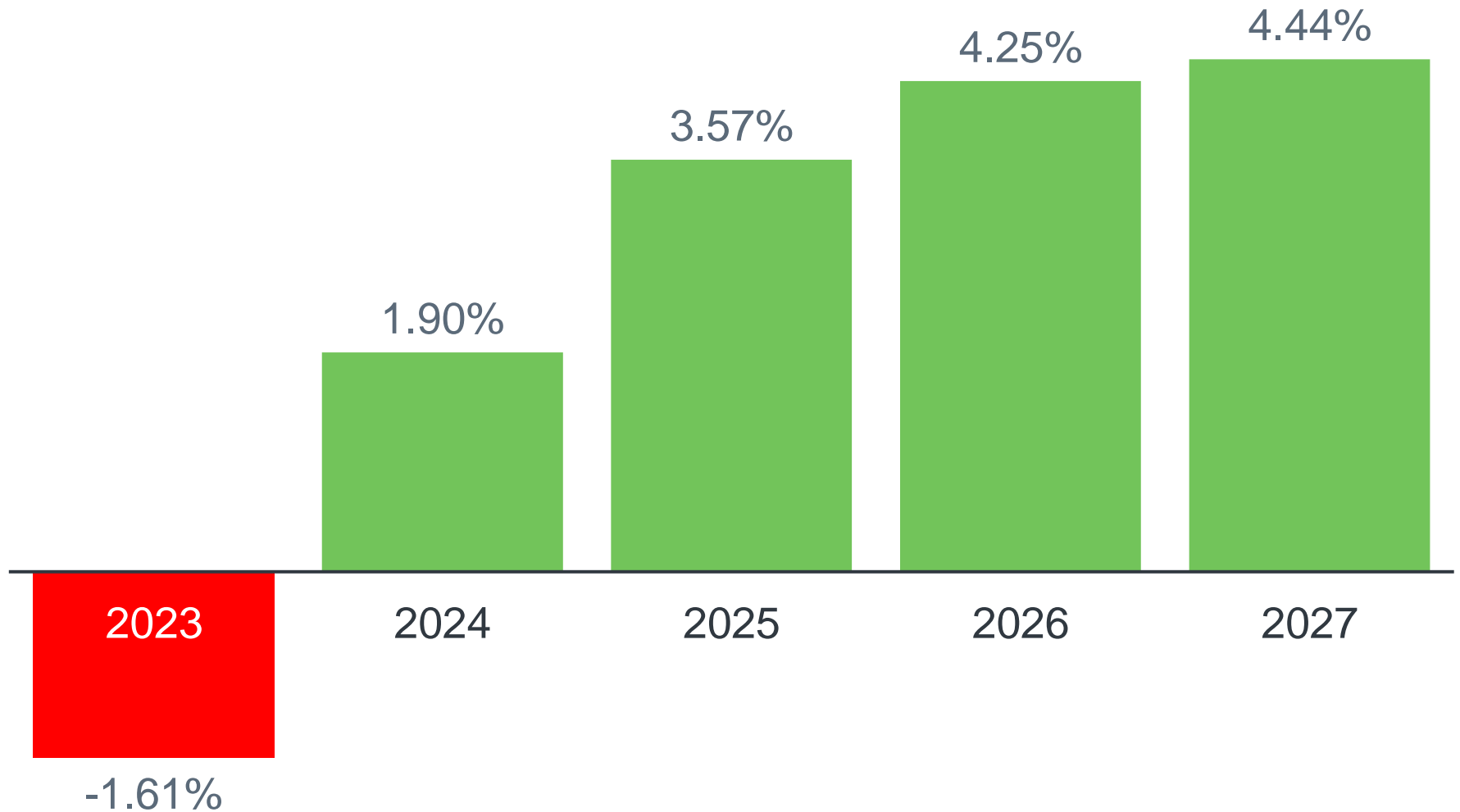


Source: Census



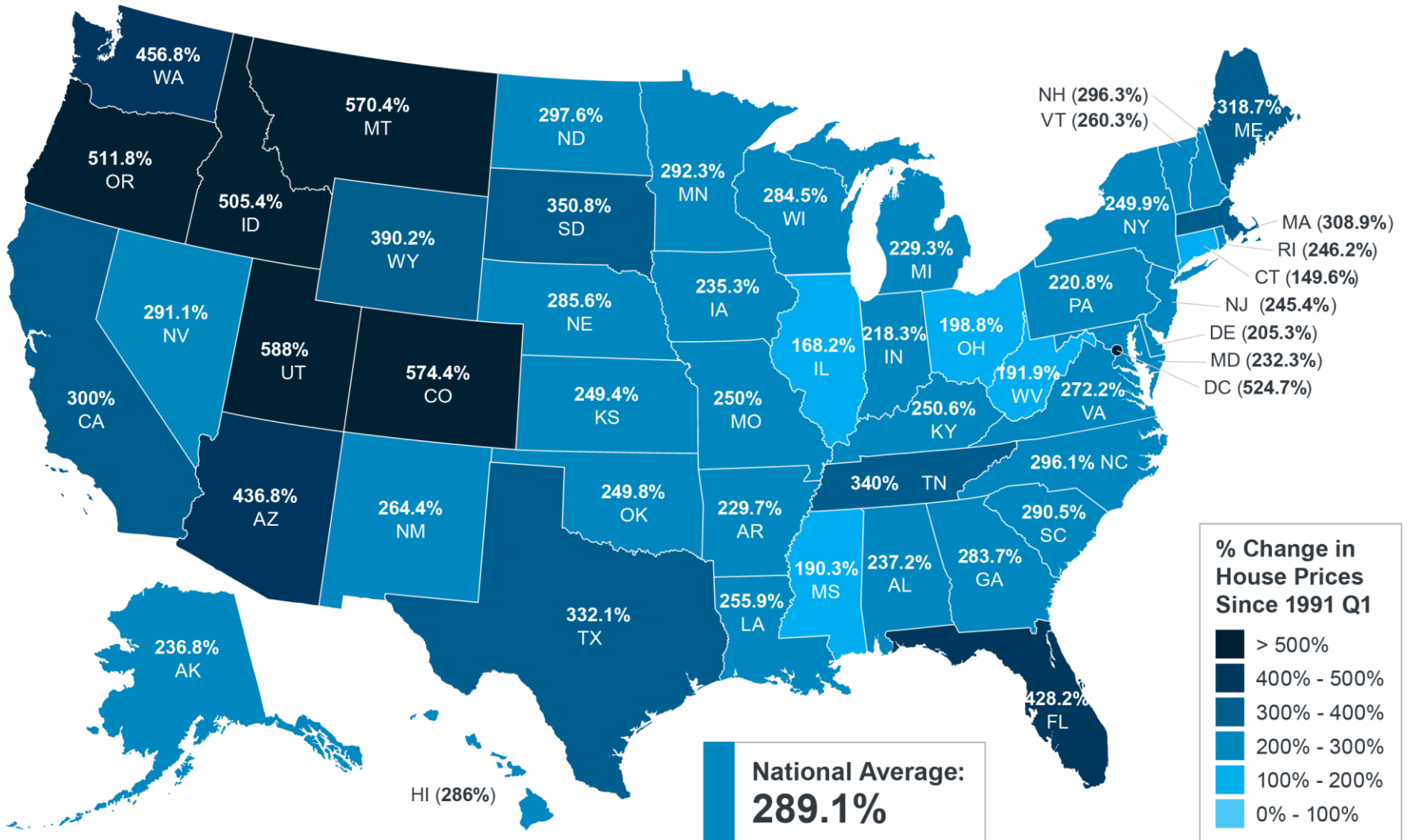
# Estimated National Price Performance

December to December, as Forecasted in Q4 2022



# Percent Change in Home Prices

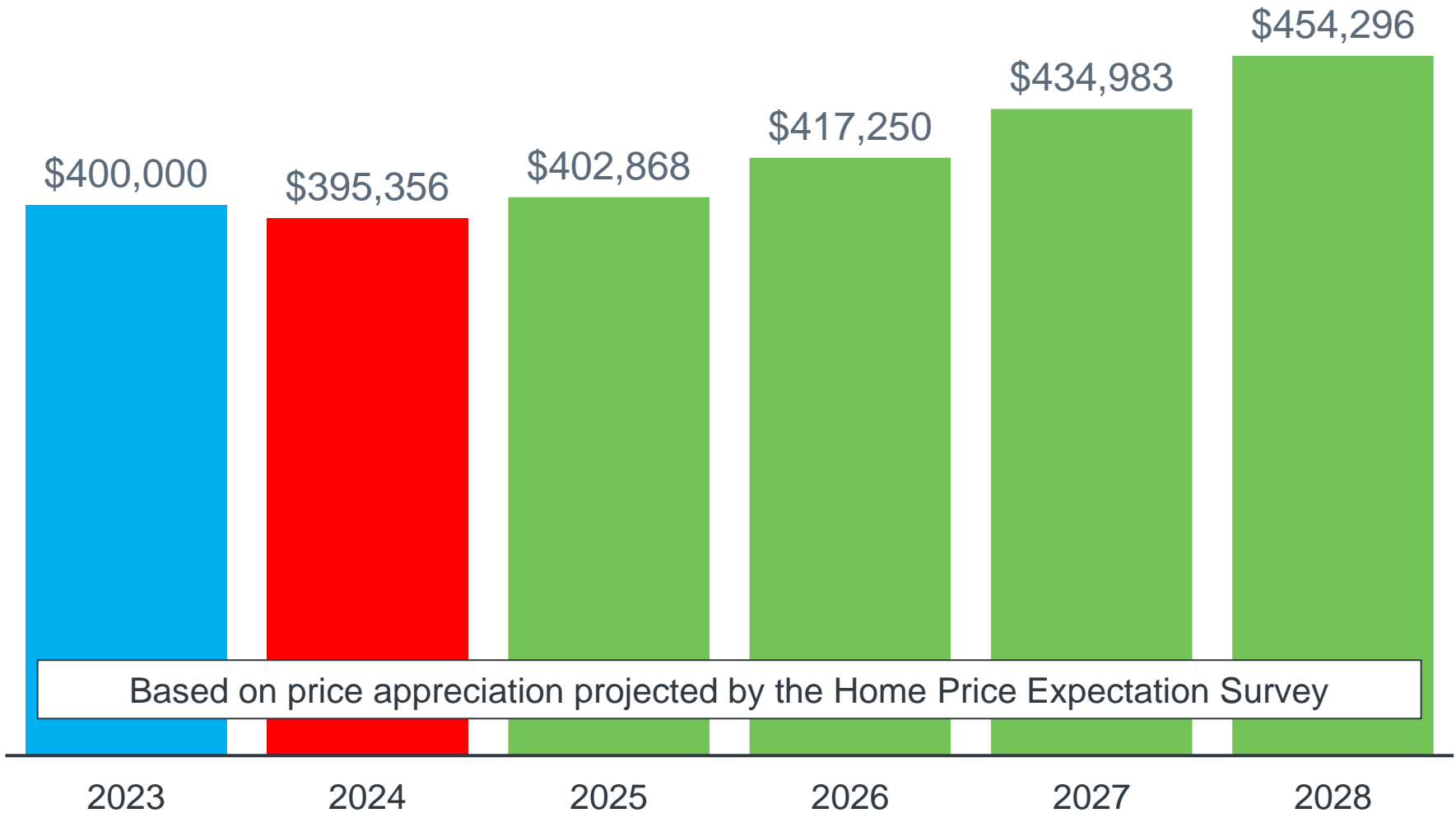
Since Q1 1991, Q4 2022



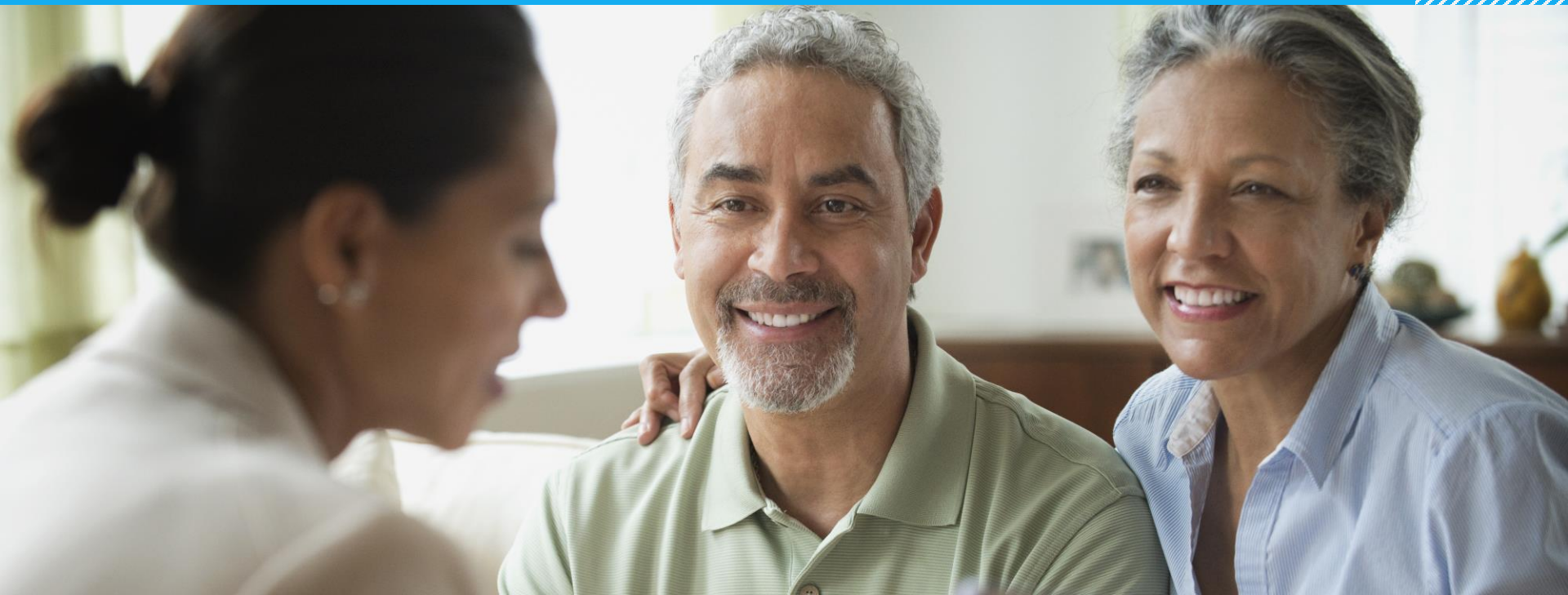
Source: FHFA

# \$54,296

Potential growth in household wealth over the next 5 years based solely on increased home equity if you purchase a \$400K home in January 2023



# 3 Ways To Generate Listings Right Now



## The Top 3 Conversations You Need To Have Right Now

1. Diligently work expired listings
2. Talk with your clients about the equity they have in their homes
3. Reach out to people who bought homes over the last two years

**Diligently  
Work  
Expired  
Listings**

## **A Seller's 4 Options When Their Listing Expires:**

1. Relist with their current agent
2. Take the house off the market
3. List the house For Sale  
By Owner (FSBO)
4. Relist with a new agent



**48 percent of mortgaged residential properties in the United States were considered equity-rich in the fourth quarter, meaning that the combined estimated amount of loan balances secured by those properties was no more than 50 percent of their estimated market values.**

**- ATTOM**

**2022 Q3  
CoreLogic  
Homeowner Equity  
Insights Report**

**\$34.3K**

Average equity gain  
for U.S. homeowners  
with mortgages

**\$2.2T**

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

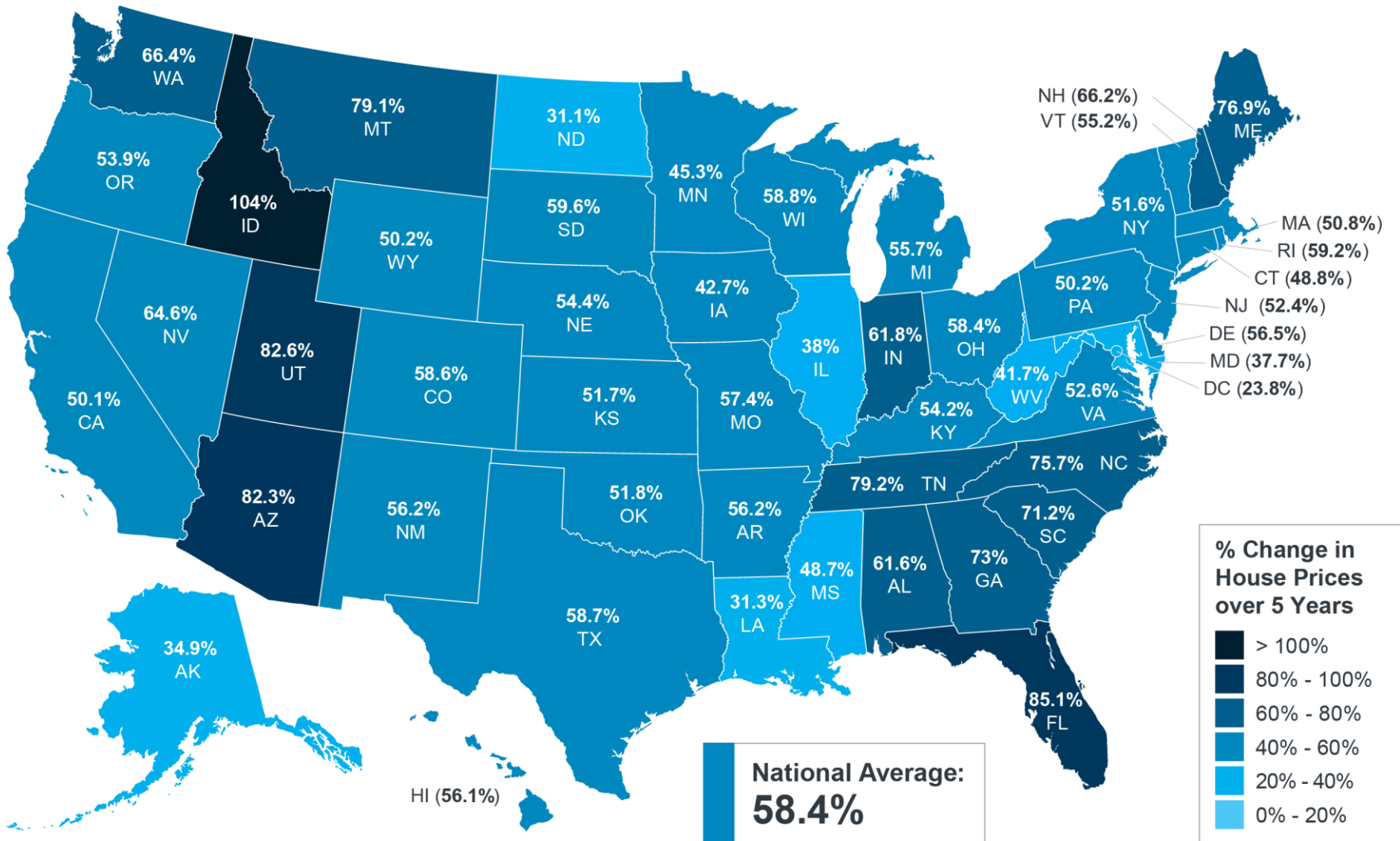
**15.8%**

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



# Percent Change in Home Prices

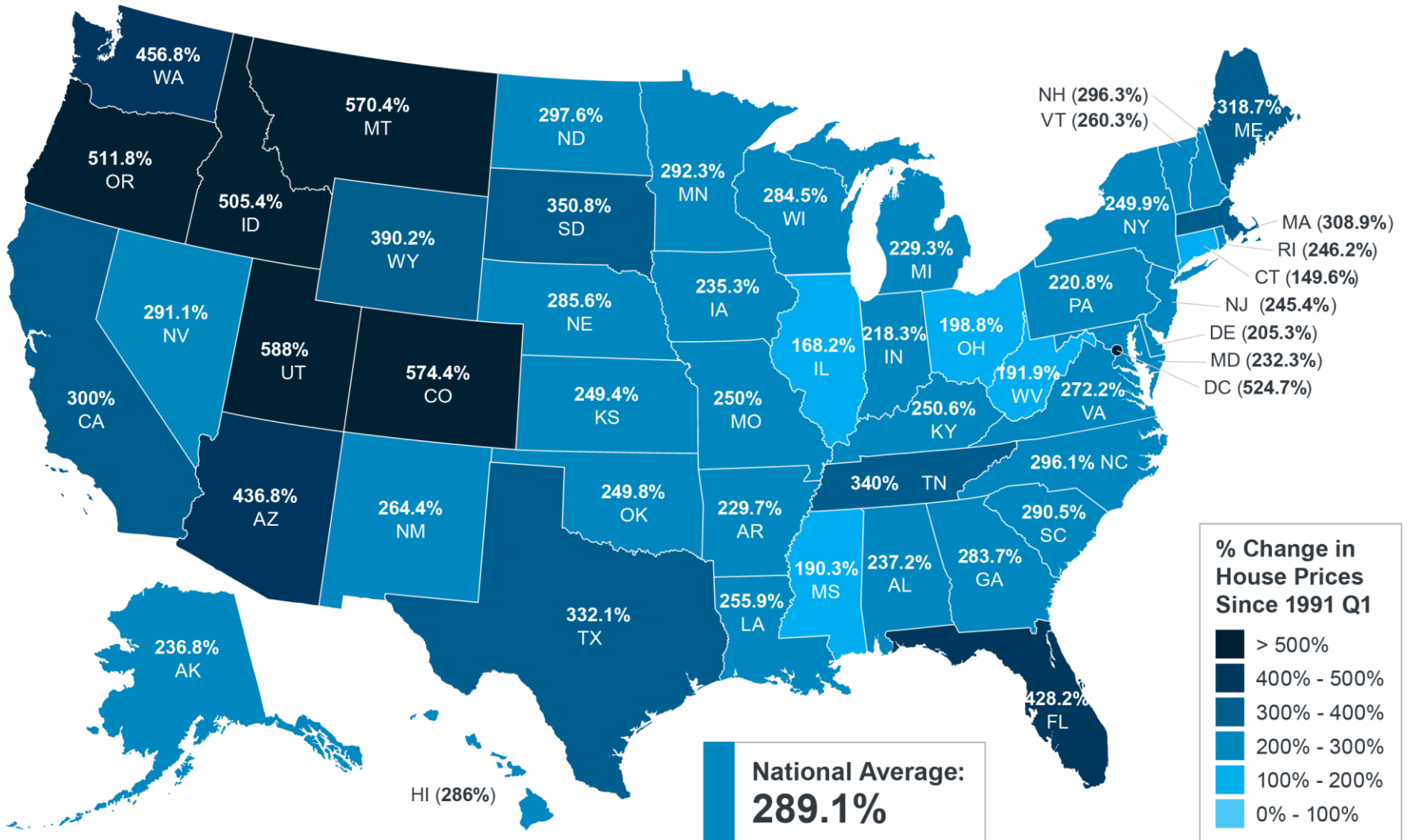
Over 5 Years, Q4 2022



Source: FHFA

# Percent Change in Home Prices

Since Q1 1991, Q4 2022



Source: FHFA

**They bought their first homes during Covid - and now they regret it**

# They Rushed to Buy in the Pandemic. Here's What They Would Change.

A frenzied sellers' market led some people to make harried decisions when buying their homes that they now regret.

PERSONAL FINANCE · HOUSING

**Recent U.S. homebuyers are being hit with a massive wave of regret**

BY MEGAN LEONHARDT

December 8, 2022 at 10:20 AM EST



When getting help with money, whether it is insurance, real estate or investments you should always look for a person with the **heart of a teacher . . .**

- Dave Ramsey

# Now Available: Spring Buyer & Seller Guides



# Resources

Slide(s)	Description	Link(s)
2	Max De Pree Quote	<a href="https://depree.org/about/max/">https://depree.org/about/max/</a>
3	Rates and Buyer Demand	<a href="https://www.mortgagenewsdaily.com/mortgage-rates">https://www.mortgagenewsdaily.com/mortgage-rates</a>
4	30-Year Rate vs. 10-Year Treasury	<a href="https://www.mortgagenewsdaily.com/mortgage-rates">https://www.mortgagenewsdaily.com/mortgage-rates</a> <a href="https://www.wsj.com/market-data/quotes/bond/BX/TMUBMUSD10Y/historical-prices">https://www.wsj.com/market-data/quotes/bond/BX/TMUBMUSD10Y/historical-prices</a>
5	Khater Quote	<a href="https://freddiemac.gcs-web.com/news-releases/news-release-details/mortgage-rates-increase-second-consecutive-week">https://freddiemac.gcs-web.com/news-releases/news-release-details/mortgage-rates-increase-second-consecutive-week</a>
6	10-Year Treasury & 30-Year Mortgage Rate Spread Historically	<a href="https://www.freddiemac.com/pmms/pmms_archives">https://www.freddiemac.com/pmms/pmms_archives</a> <a href="https://www.macrotrends.net/2016/10-year-treasury-bond-rate-yield-chart">https://www.macrotrends.net/2016/10-year-treasury-bond-rate-yield-chart</a>
7	10-Year Treasury & 30-Year Mortgage Rate Today	<a href="https://www.mortgagenewsdaily.com/mortgage-rates">https://www.mortgagenewsdaily.com/mortgage-rates</a> <a href="https://www.wsj.com/market-data/quotes/bond/BX/TMUBMUSD10Y/historical-prices">https://www.wsj.com/market-data/quotes/bond/BX/TMUBMUSD10Y/historical-prices</a>
9-11	Inventory Graphs and Map	<a href="https://www.realtor.com/research/data/">https://www.realtor.com/research/data/</a> <a href="https://www.realtor.com/research/february-2023-data/">https://www.realtor.com/research/february-2023-data/</a>

# Resources

Slide(s)	Description	Link(s)
12	New Construction over Time	<a href="http://www.census.gov/construction/nrc/xls/co_cust.xls">www.census.gov/construction/nrc/xls/co_cust.xls</a>
13	Inventory Shortage Forecasts by Entity	<a href="https://twitter.com/NewsLambert/status/1559643944421556225">https://twitter.com/NewsLambert/status/1559643944421556225</a>
15	Home Value Declines Graph	<a href="https://www.spglobal.com/spdji/en/indices/indicators/sp-corelogic-case-shiller-us-national-home-price-nsa-index/#news-research">https://www.spglobal.com/spdji/en/indices/indicators/sp-corelogic-case-shiller-us-national-home-price-nsa-index/#news-research</a> <a href="https://www.fhfa.gov/DataTools/Downloads/Pages/House-Price-Index.aspx">https://www.fhfa.gov/DataTools/Downloads/Pages/House-Price-Index.aspx</a> <a href="https://twitter.com/Markzandi/status/1628510598660075521">https://twitter.com/Markzandi/status/1628510598660075521</a>
16	Rent Since 1988	<a href="http://www.census.gov/housing/hvs/files/currenthvspress.pdf">http://www.census.gov/housing/hvs/files/currenthvspress.pdf</a>
17	Home Price Expectation Survey Graph	<a href="https://pulsenomics.com/surveys/#home-price-expectations">https://pulsenomics.com/surveys/#home-price-expectations</a>
18, 25 & 26	FHFA Home Prices over Time	<a href="https://www.fhfa.gov/DataTools/Tools/Pages/House-Price-Index-(HPI).aspx">https://www.fhfa.gov/DataTools/Tools/Pages/House-Price-Index-(HPI).aspx</a>

# Resources

Slide(s)	Description	Link(s)
19	Home Price Expectation Survey Through 2028	<a href="https://pulsenomics.com/surveys/#home-price-expectations">https://pulsenomics.com/surveys/#home-price-expectations</a>
23	ATTOM Quote	<a href="https://www.attomdata.com/news/market-trends/home-sales-prices/attom-q4-2022-u-s-home-equity-and-underwater-report/">https://www.attomdata.com/news/market-trends/home-sales-prices/attom-q4-2022-u-s-home-equity-and-underwater-report/</a>
24	CoreLogic Homeowner Equity Insights	<a href="https://www.corelogic.com/intelligence/homeowner-equity-insights/">https://www.corelogic.com/intelligence/homeowner-equity-insights/</a>
27	Headlines	<a href="https://fortune.com/2022/12/08/pandemic-homebuyers-regret-buying-house/">https://fortune.com/2022/12/08/pandemic-homebuyers-regret-buying-house/</a> <a href="https://www.theguardian.com/lifeandstyle/2022/mar/16/us-home-buying-ownership-covid-pandemic-regrets">https://www.theguardian.com/lifeandstyle/2022/mar/16/us-home-buying-ownership-covid-pandemic-regrets</a> <a href="https://www.nytimes.com/2022/02/04/realestate/home-buying-regret.html">https://www.nytimes.com/2022/02/04/realestate/home-buying-regret.html</a>
28	Ramsey Quote	<a href="https://www.ramseysolutions.com/">https://www.ramseysolutions.com/</a>





# Updates

# Resources

Slide(s)	Description	Link(s)
37	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>
38-40, 48, 50, 51, 57-62	Existing Home Sales	<a href="https://www.nar.realtor/topics/existing-home-sales">https://www.nar.realtor/topics/existing-home-sales</a>
41-44	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>
45	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>
46, 47	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>
55	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>

# Resources

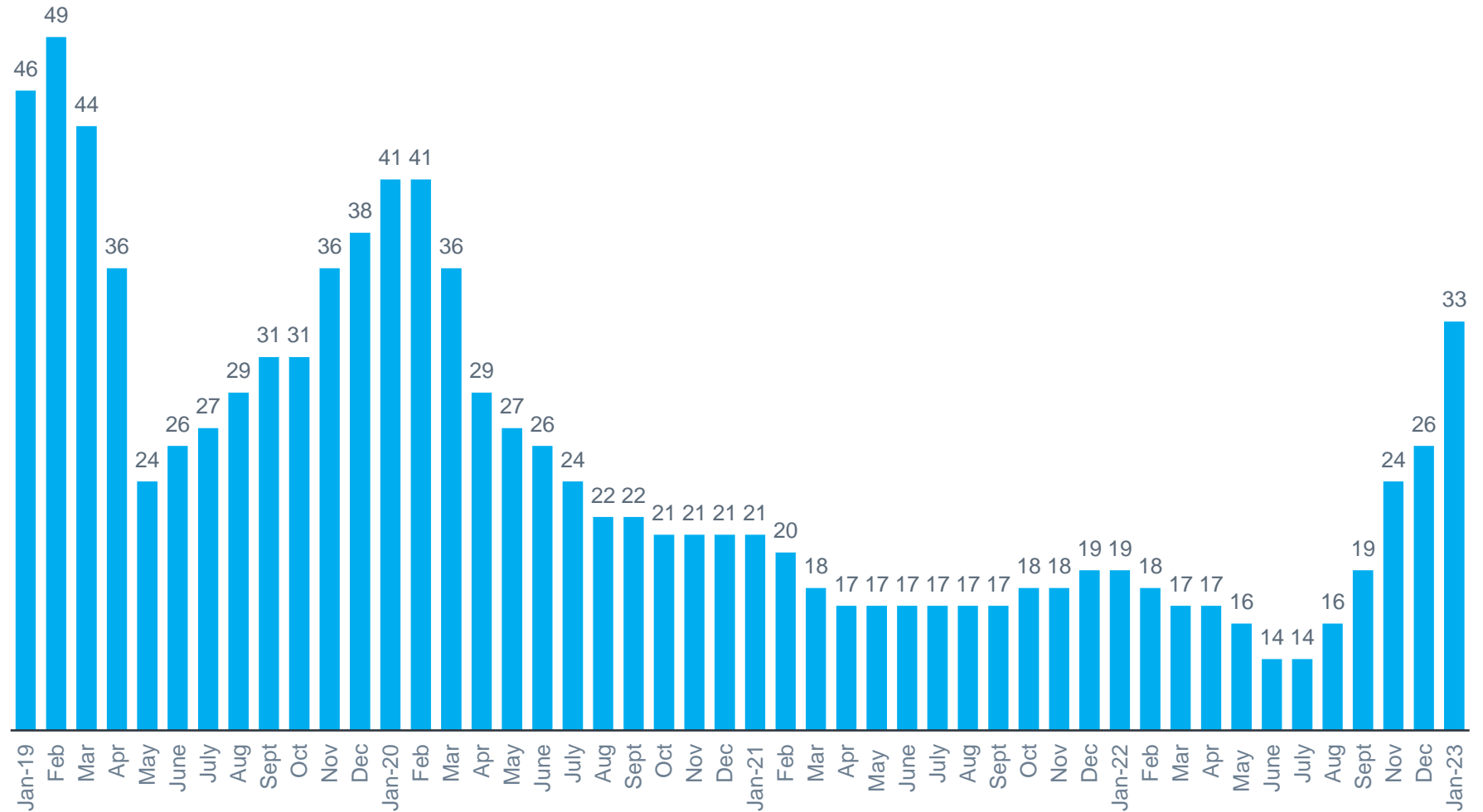
Slide(s)	Description	Link(s)
56-64	Inventory	<a href="https://www.nar.realtor/topics/existing-home-sales">https://www.nar.realtor/topics/existing-home-sales</a> <a href="http://www.census.gov/construction/nrs/pdf/newressales.pdf">http://www.census.gov/construction/nrs/pdf/newressales.pdf</a> <a href="https://www.realtor.com/research/data/">https://www.realtor.com/research/data/</a>
66	Showing Activity	<a href="https://www.showingtime.com/blog/december-2022-showing-index-results-west-sees-small-uptick-to-end-2022/">https://www.showingtime.com/blog/december-2022-showing-index-results-west-sees-small-uptick-to-end-2022/</a>
68, 69, 71, 72	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> <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>
70	Mortgage Rate Projections	<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>
74, 75	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

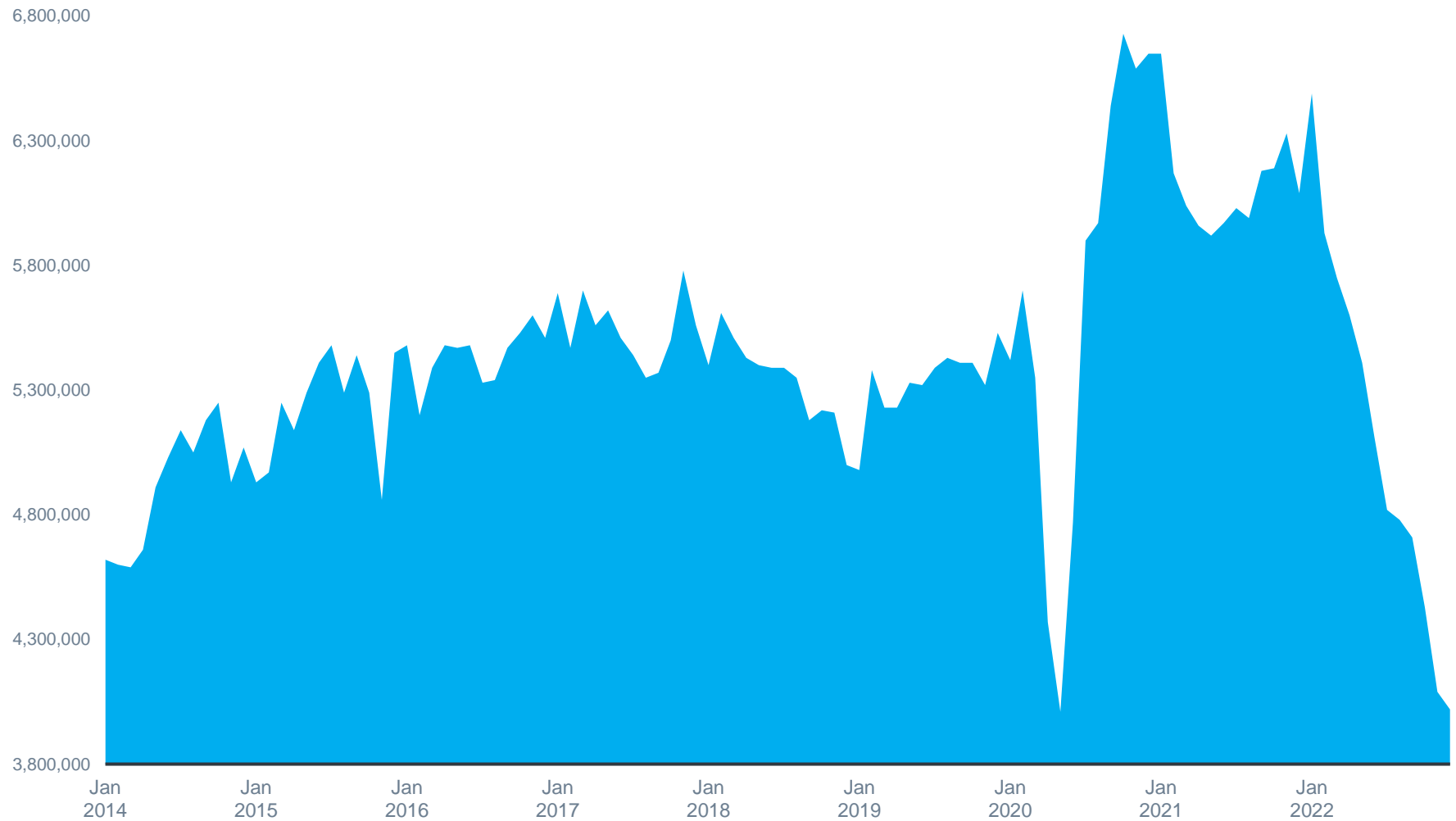
January 2023



Source: NAR

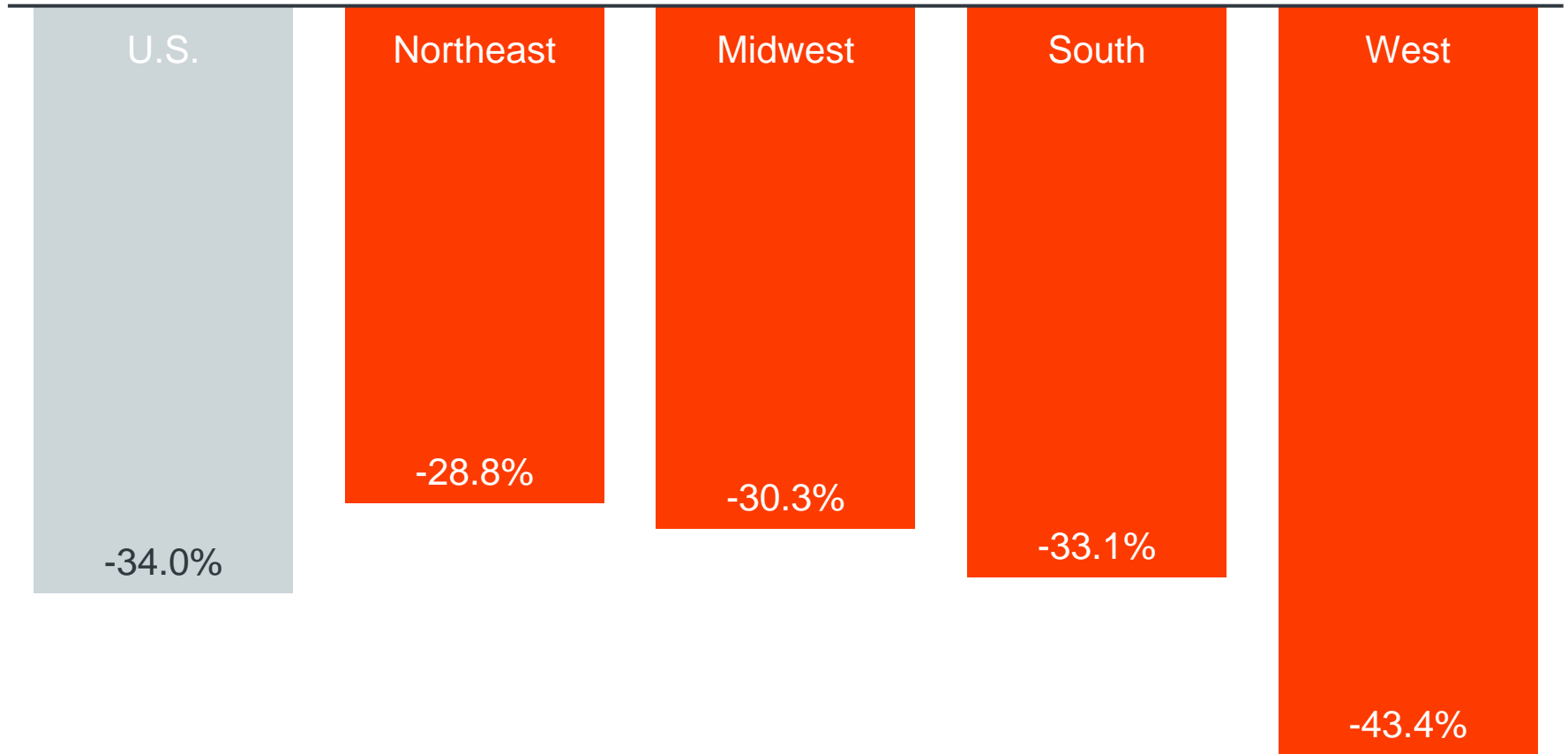
# Existing Home Sales

Since January 2014



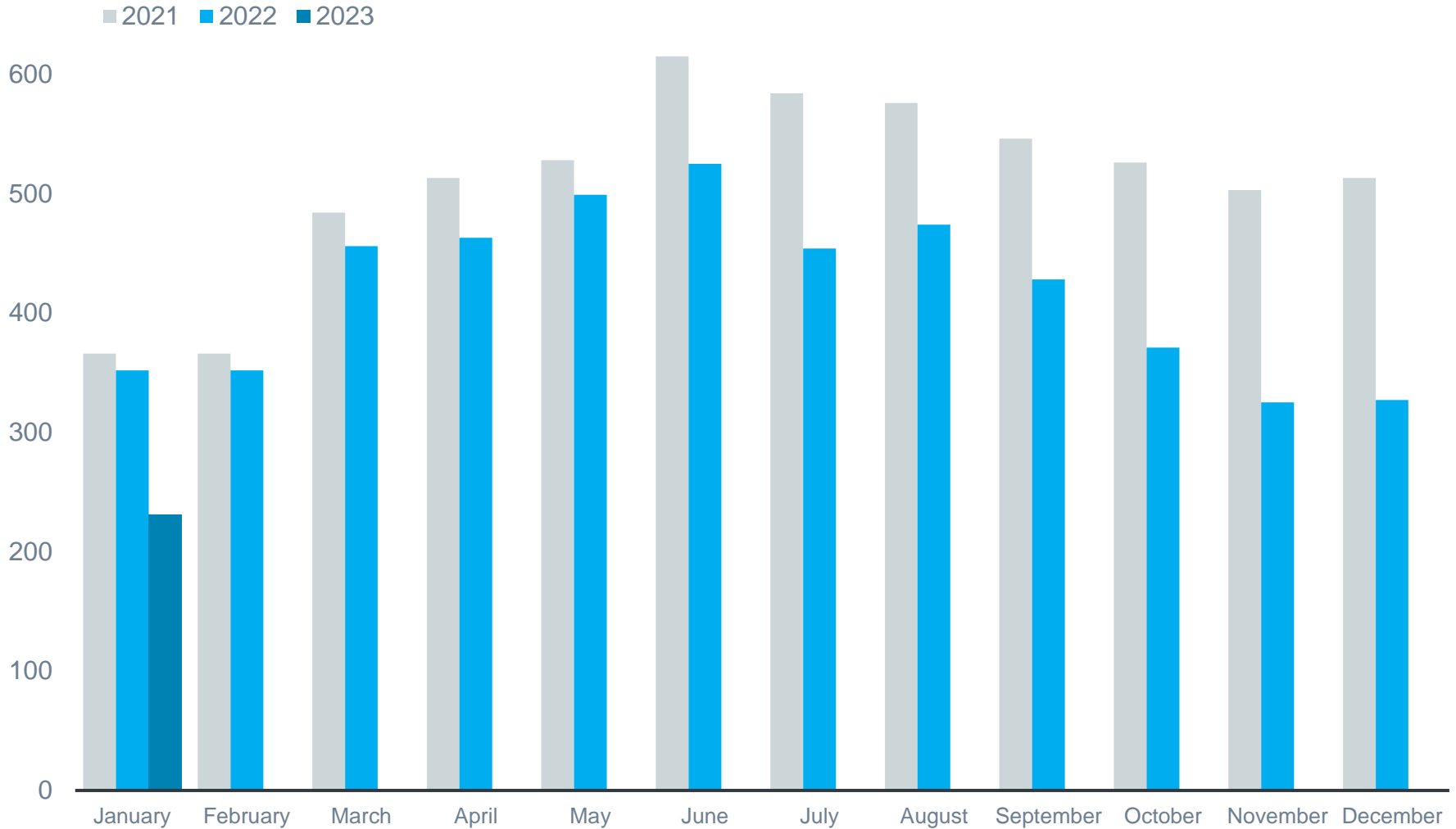
# Existing Home Sales

Year-Over-Year, by Region



# Existing Home Sales

In Thousands

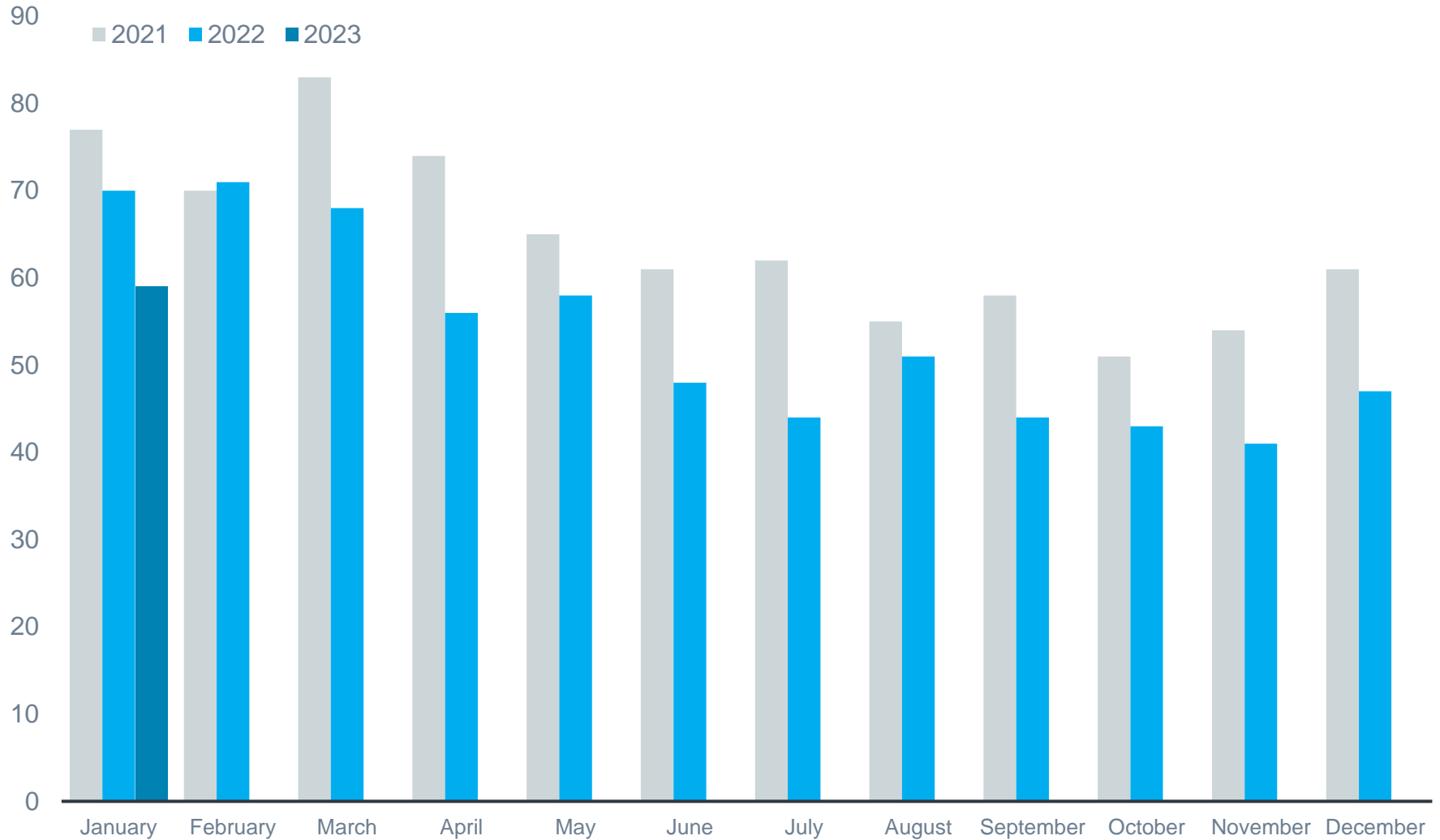


Source: NAR



# New Home Sales

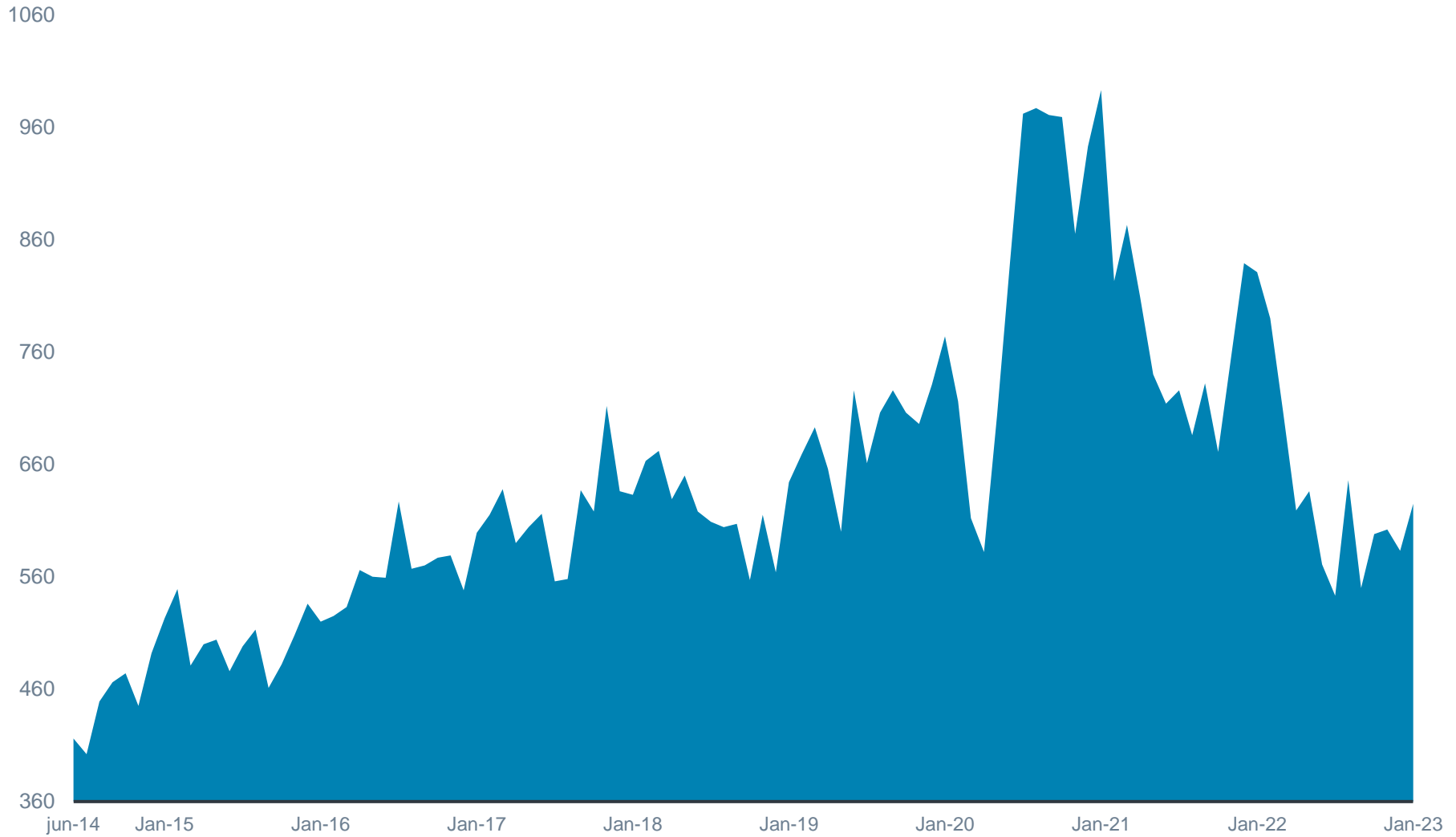
In Thousands



Source: Census

# New Home Sales

Annualized in Thousands

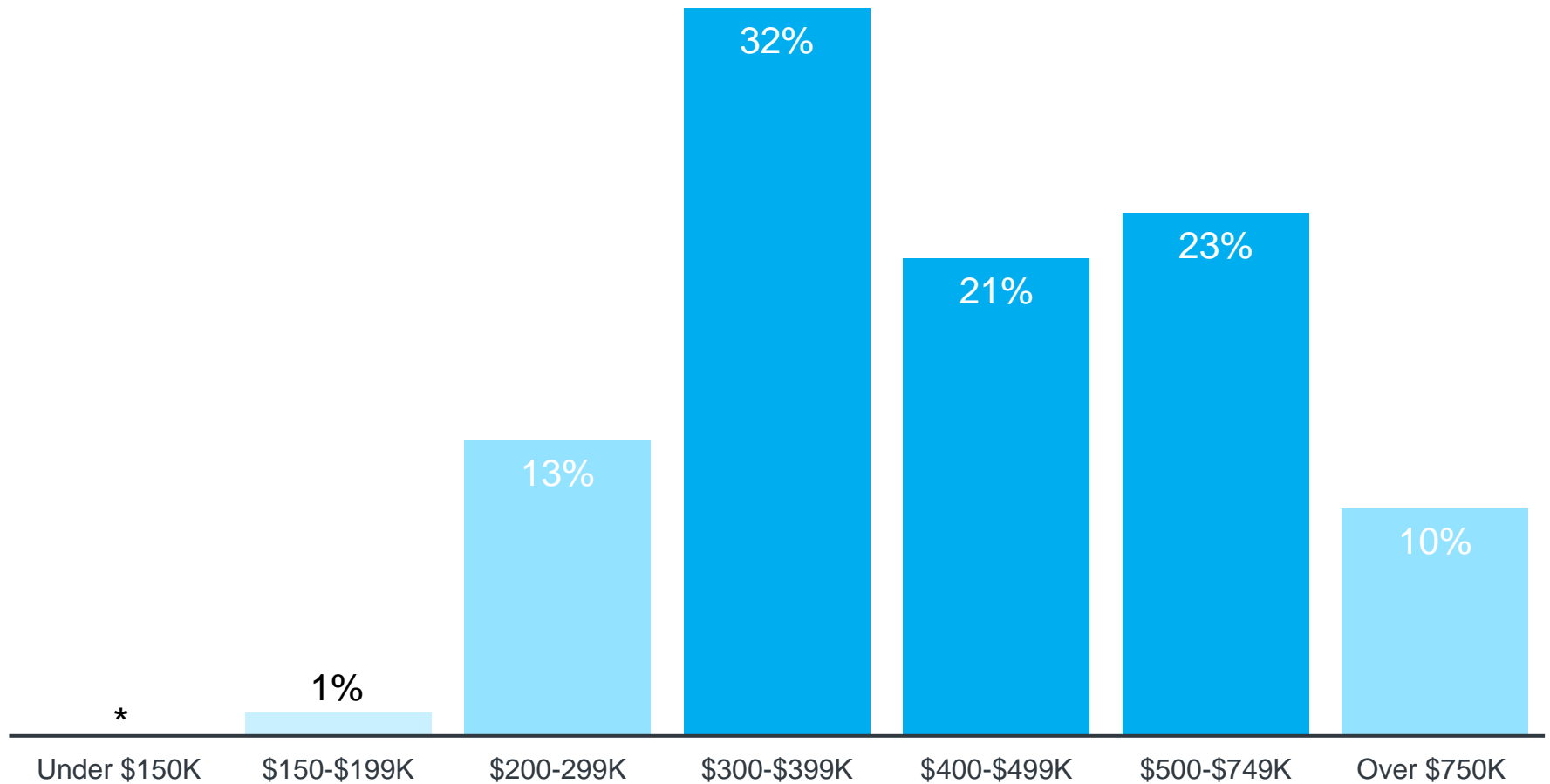


Source: Census

# New Home Sales

## Percent of Distribution by Price Range

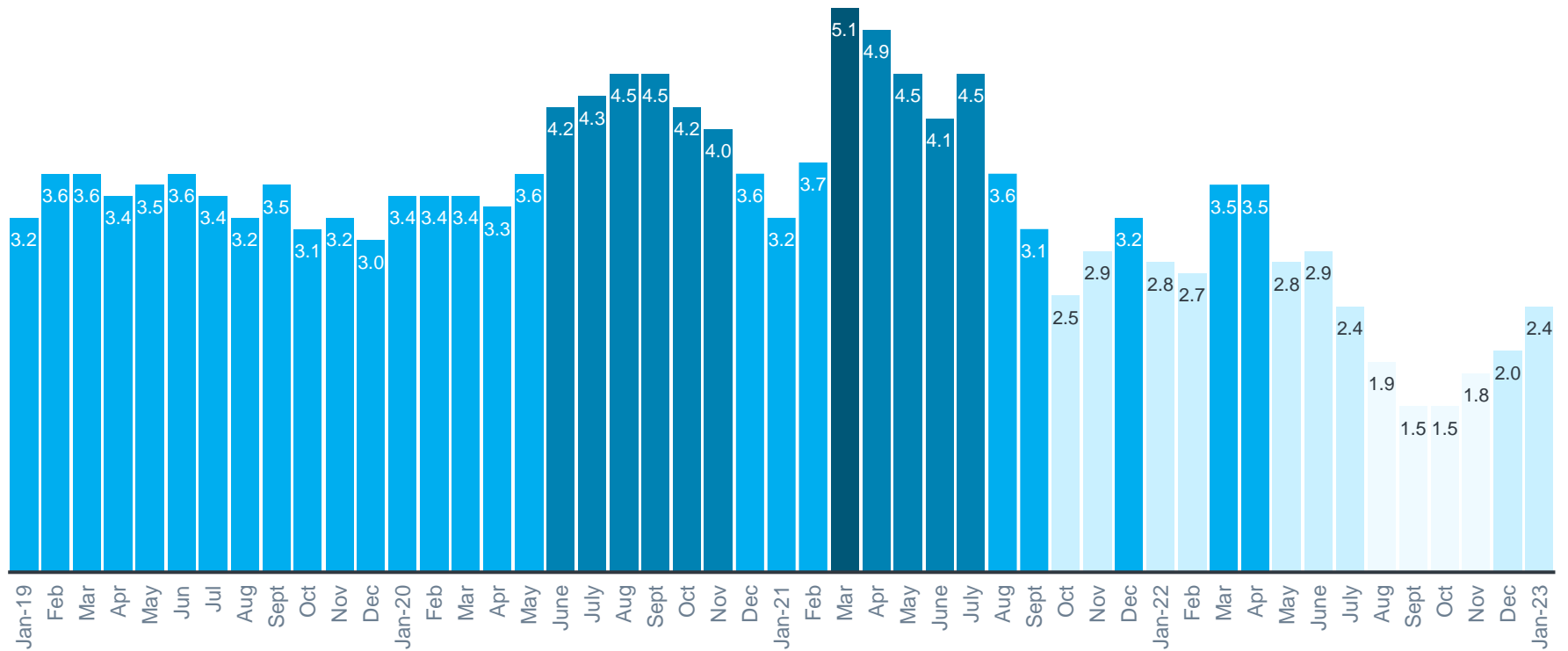
\* Less Than 500 Units or Less Than 0.5 Percent



Source: Census

# New Homes Selling Fast

Median Months from Completion to Sold

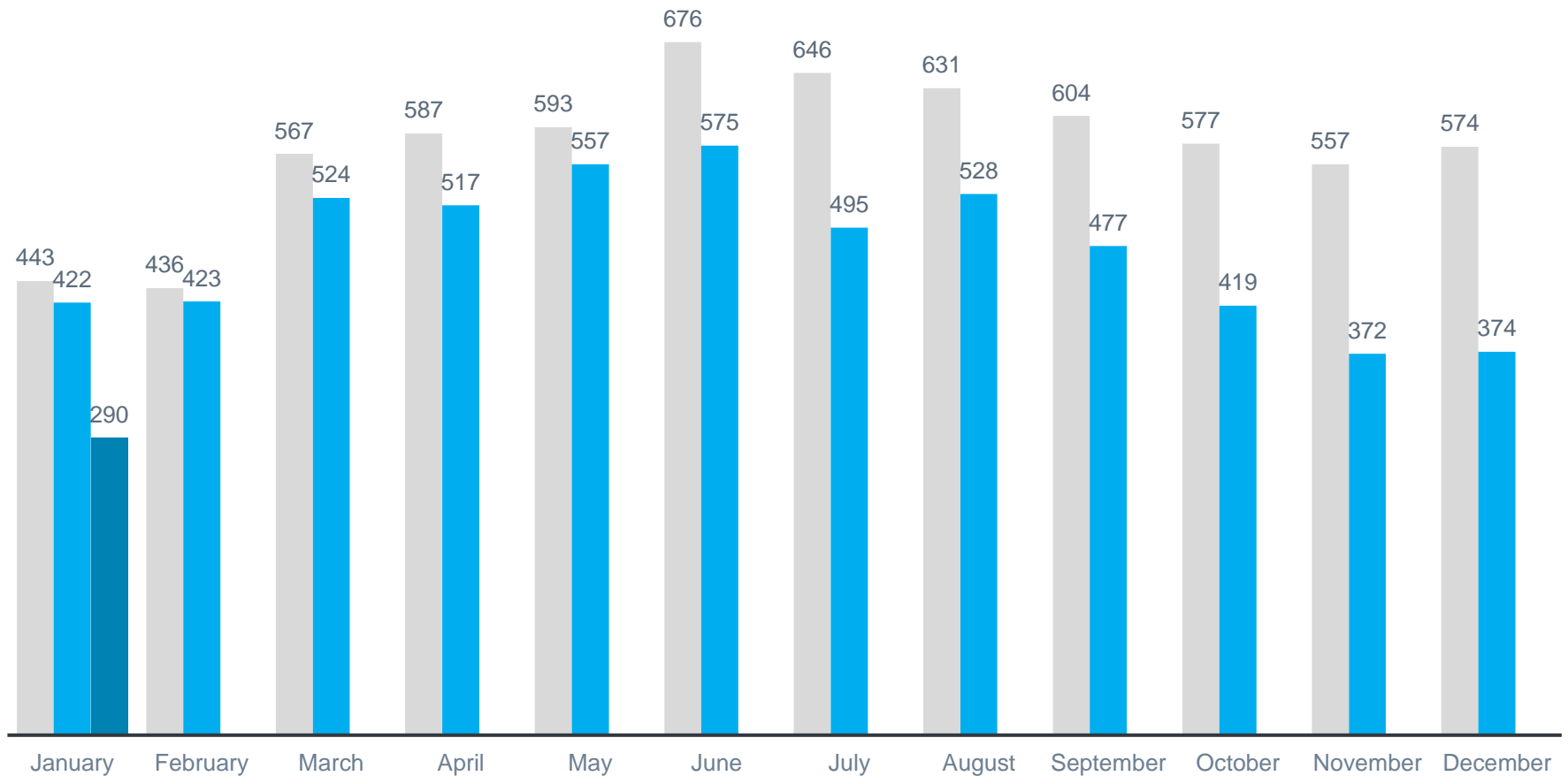


Source: Census

# Total Home Sales

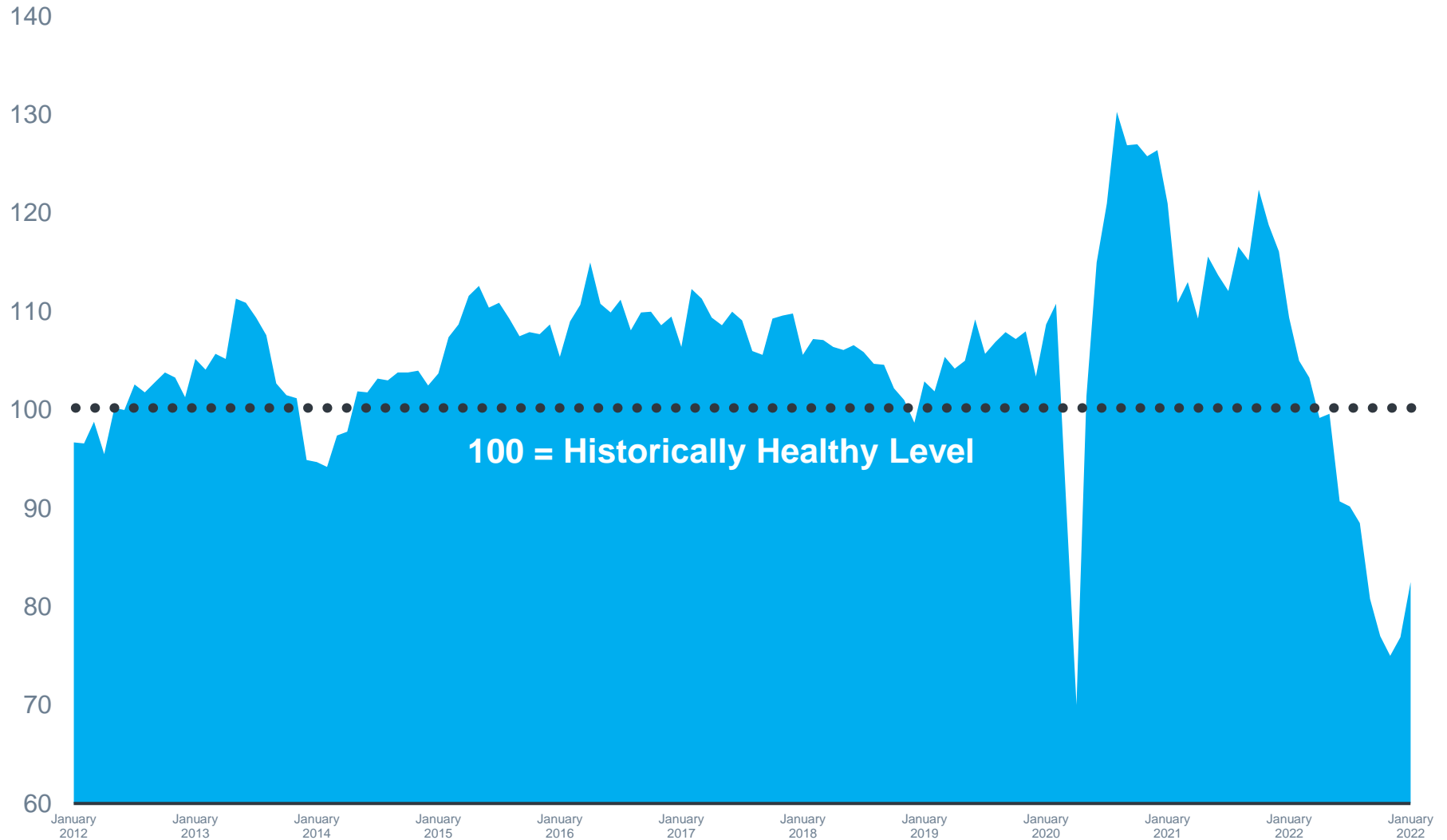
In Thousands

■ 2021 ■ 2022 ■ 2023



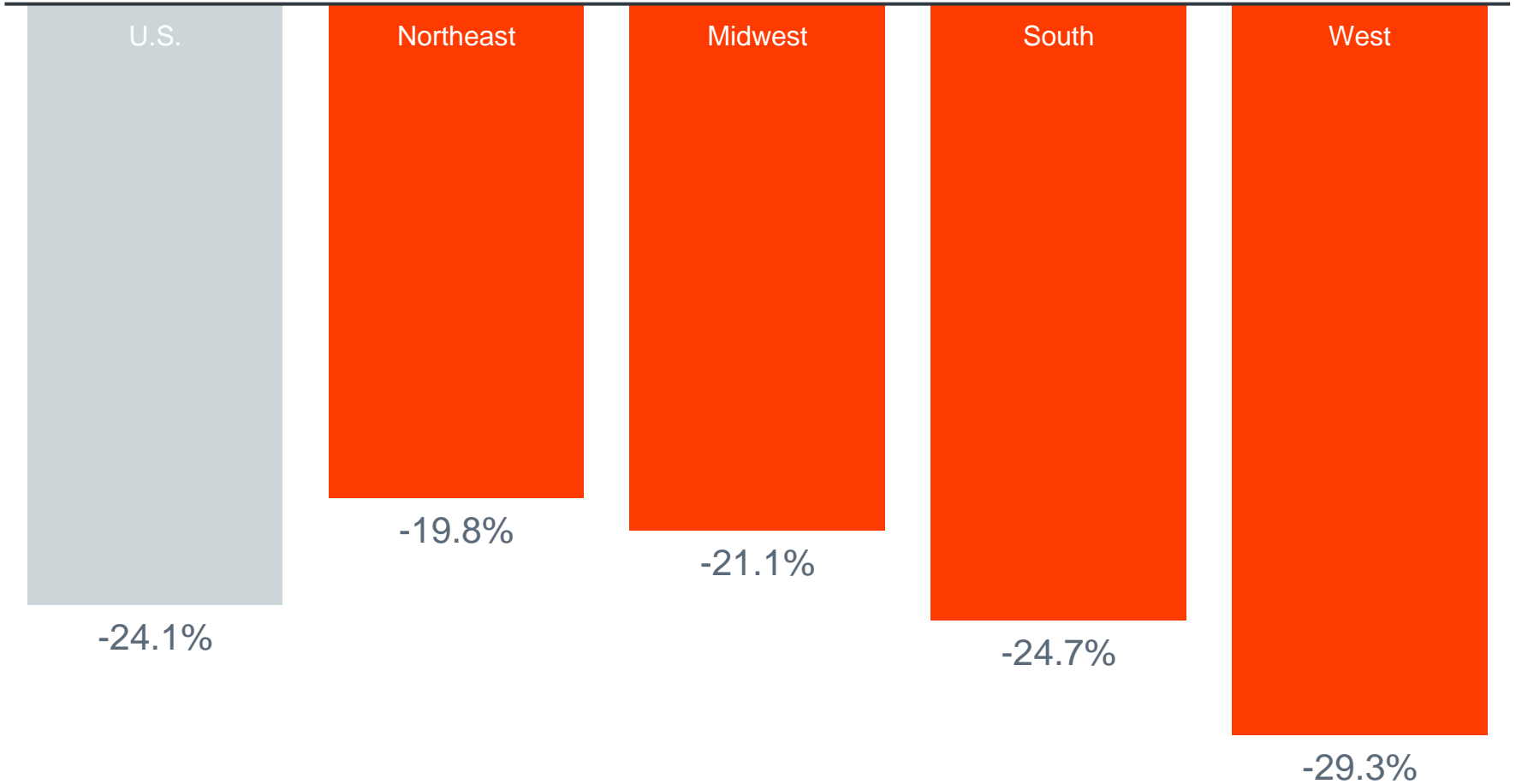
Source: Census

# Pending Home Sales



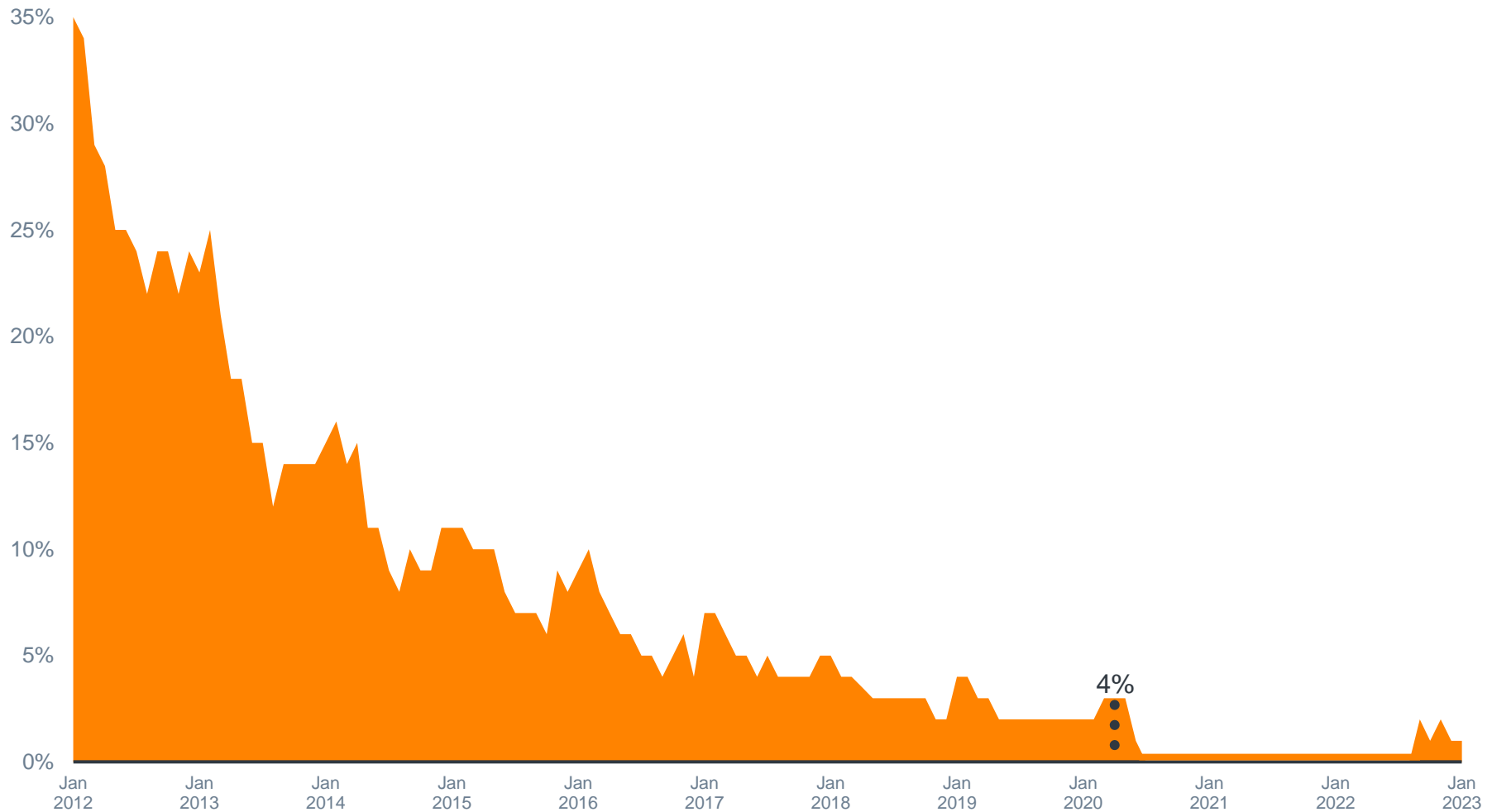
# Pending Home Sales

Year-Over-Year by Region



# Percentage of Distressed Property Sales

Distressed Sales (*Foreclosures and Short Sales*) represented 1% of Sales in December.



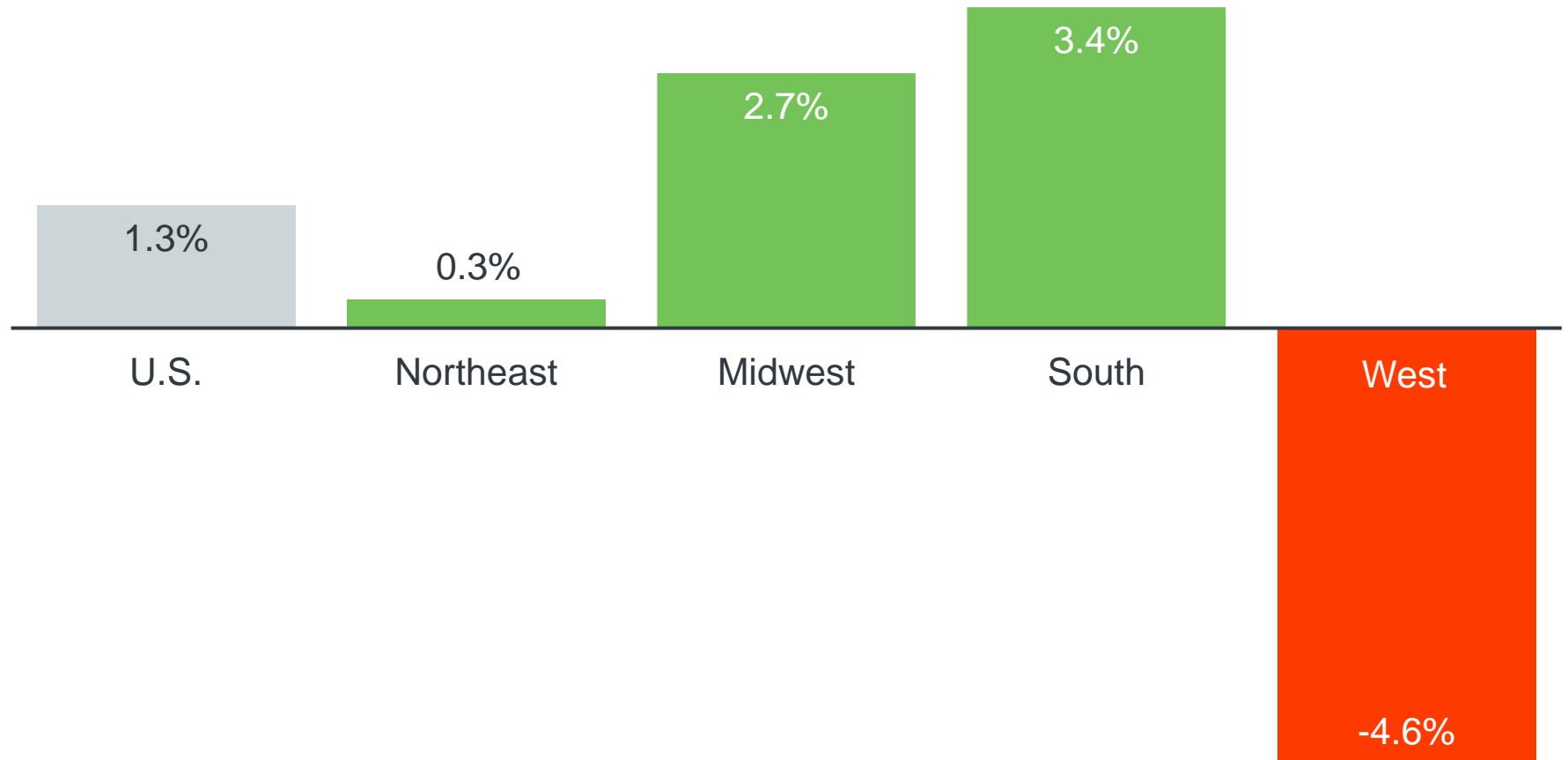




# Home Prices

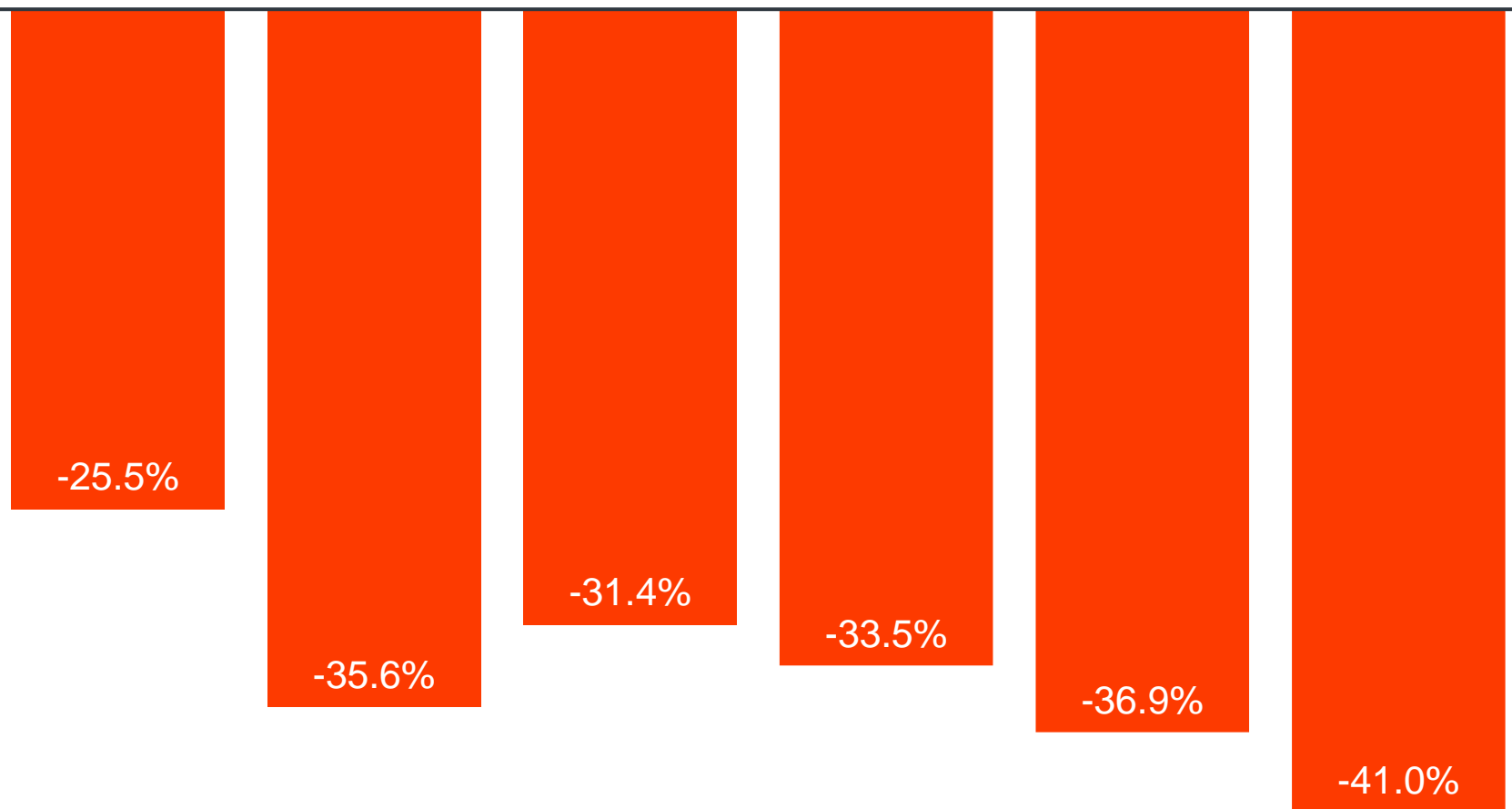
# Sales Price of Existing Homes

Year-Over-Year, by Region



# % Change in Sales

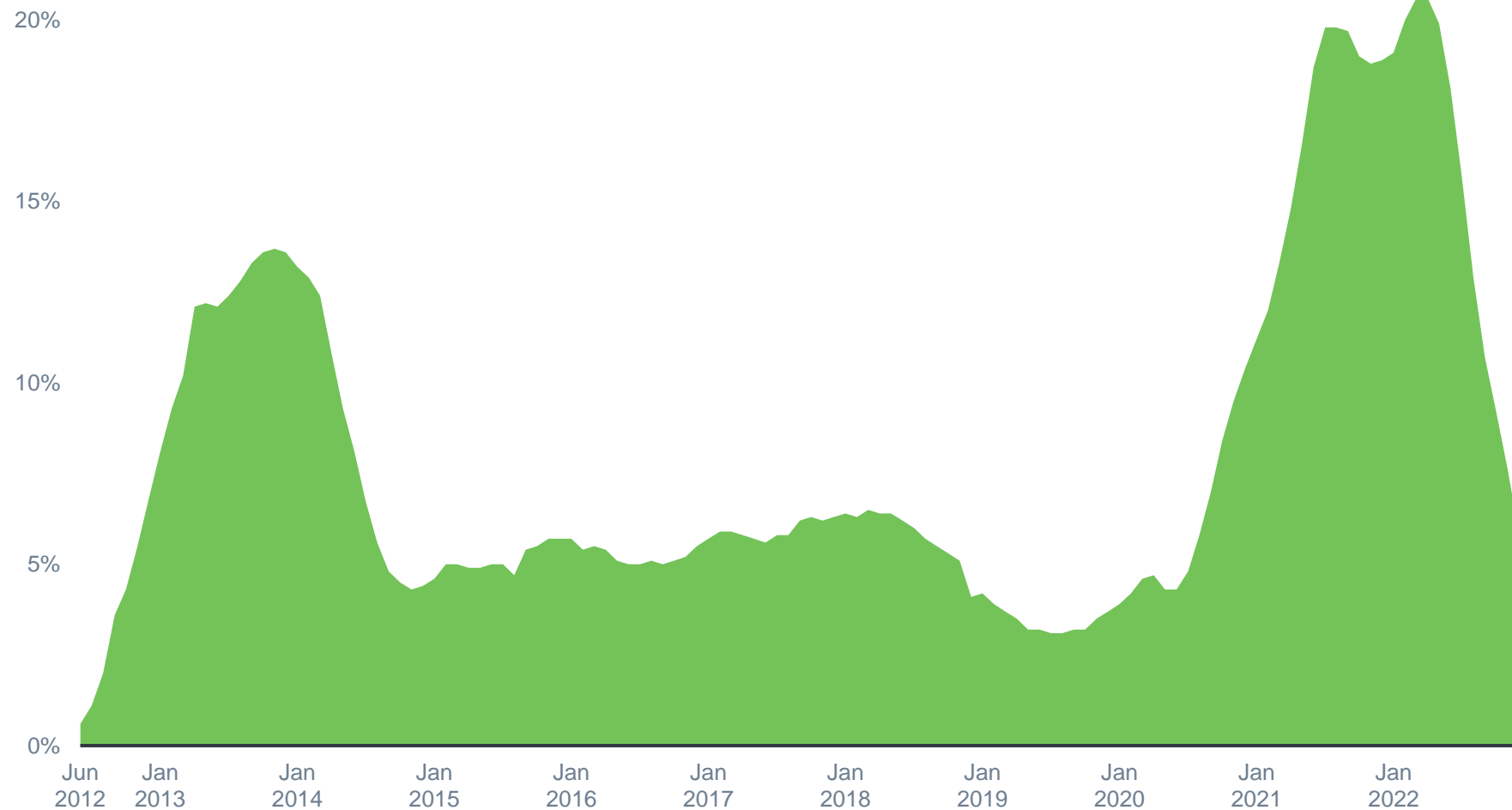
Year-Over-Year, by Price Range



	\$0-100K	\$100-250K	\$250-500K	\$500-750K	\$750K-1M	\$1M+
■ %	-25.5%	-35.6%	-31.4%	-33.5%	-36.9%	-41.0%

# Change in Home Prices

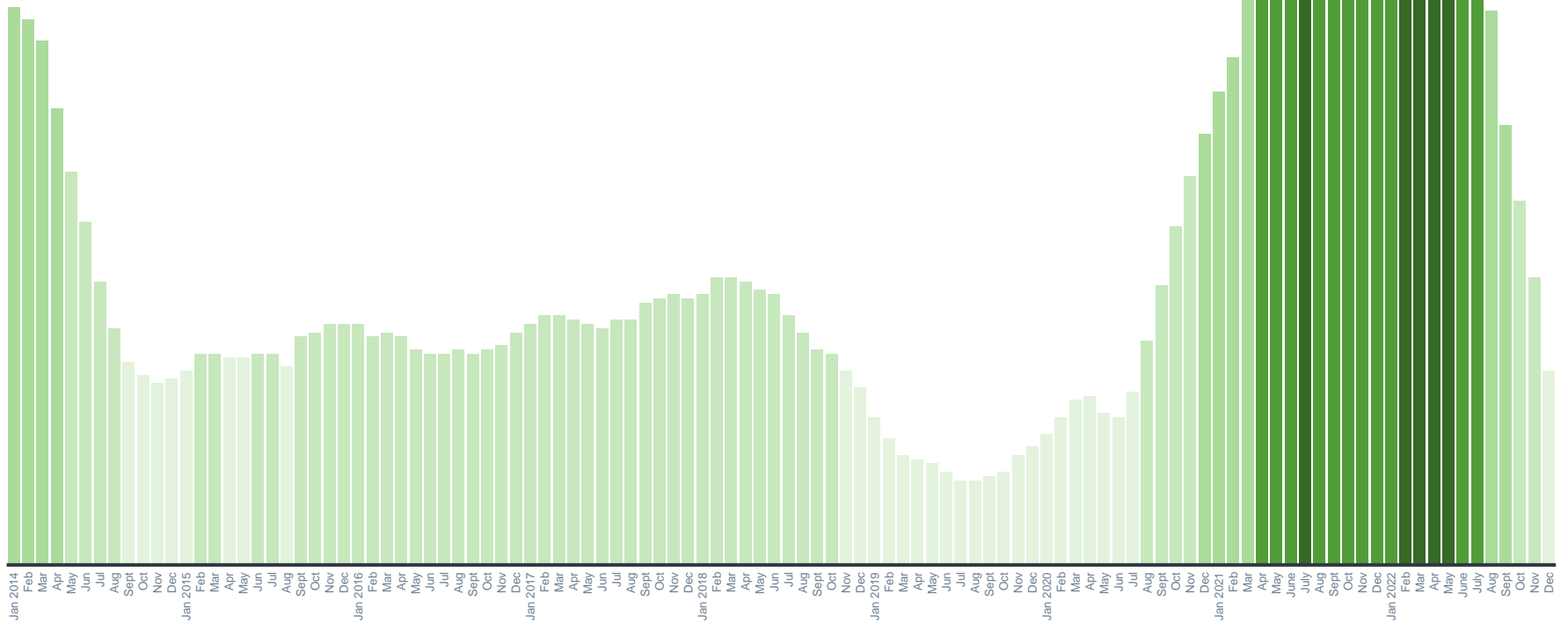
Year-Over-Year



Source: S&P Case-Shiller

# Change in Home Prices

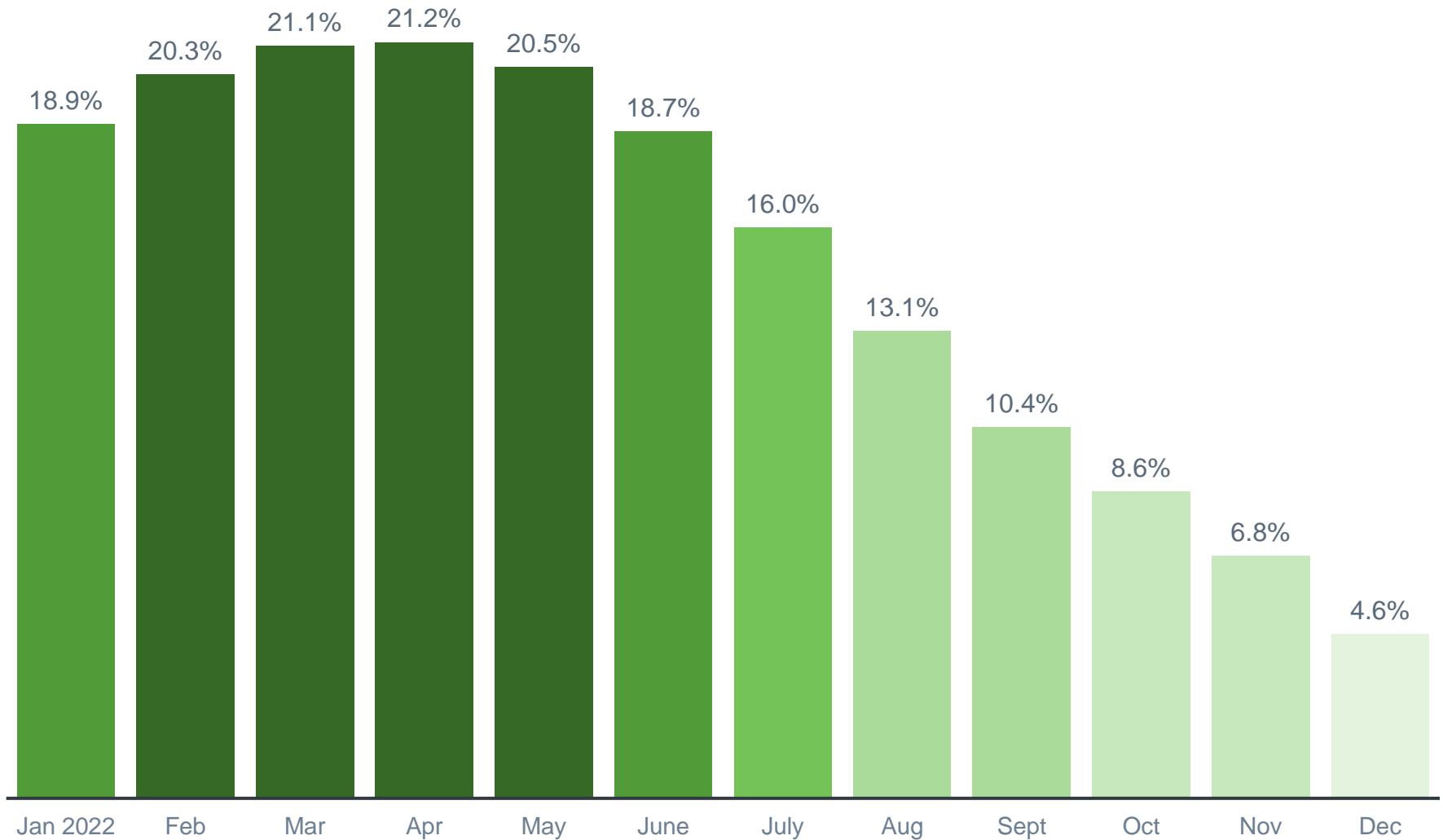
Year-Over-Year, 20 City Composite



Source: S&P Case-Shiller

# Change in Home Prices

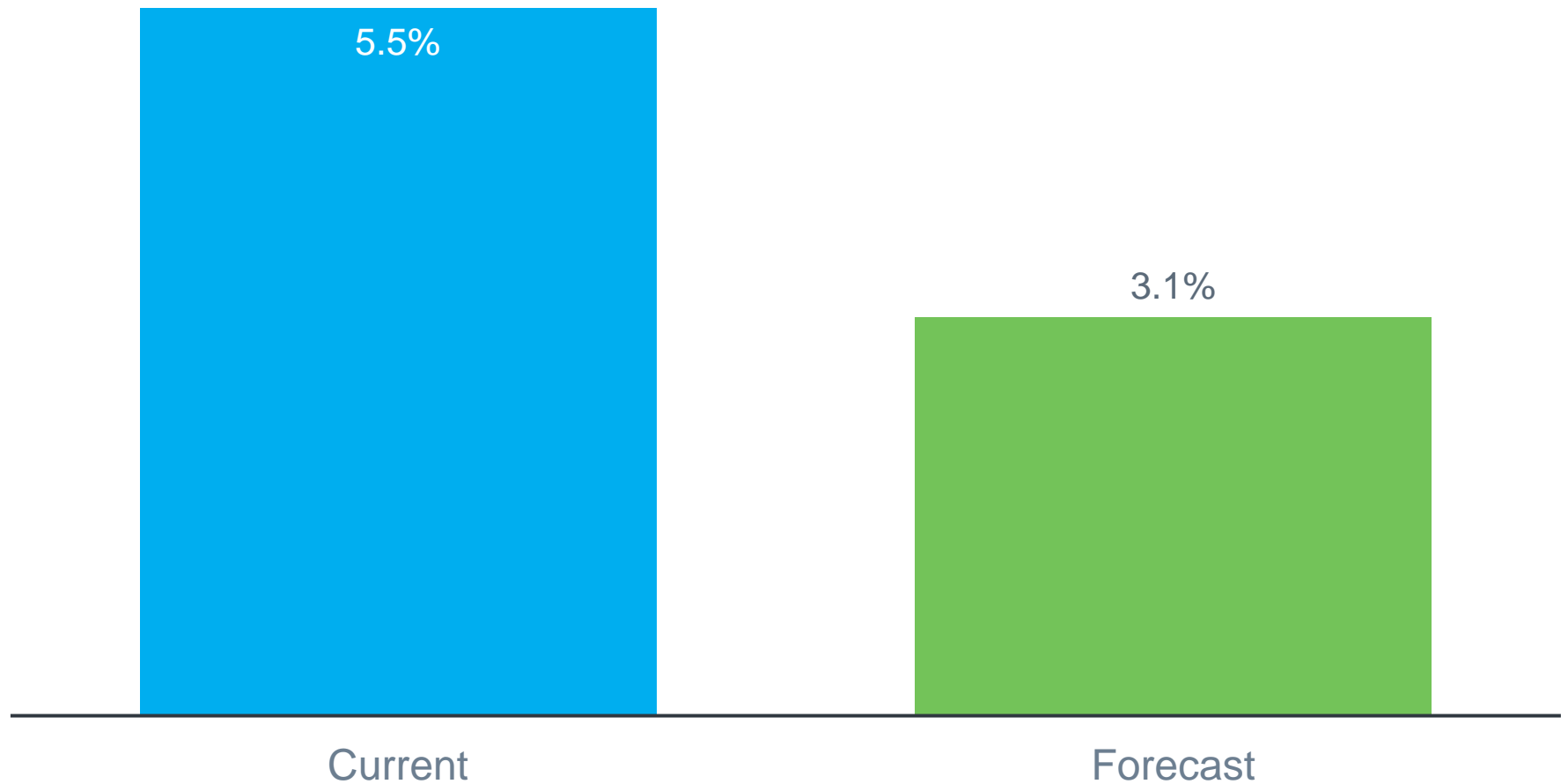
Year-Over-Year, 20 City Composite



Source: S&P Case-Shiller

# Year-Over-Year % Change in Price

January 2023



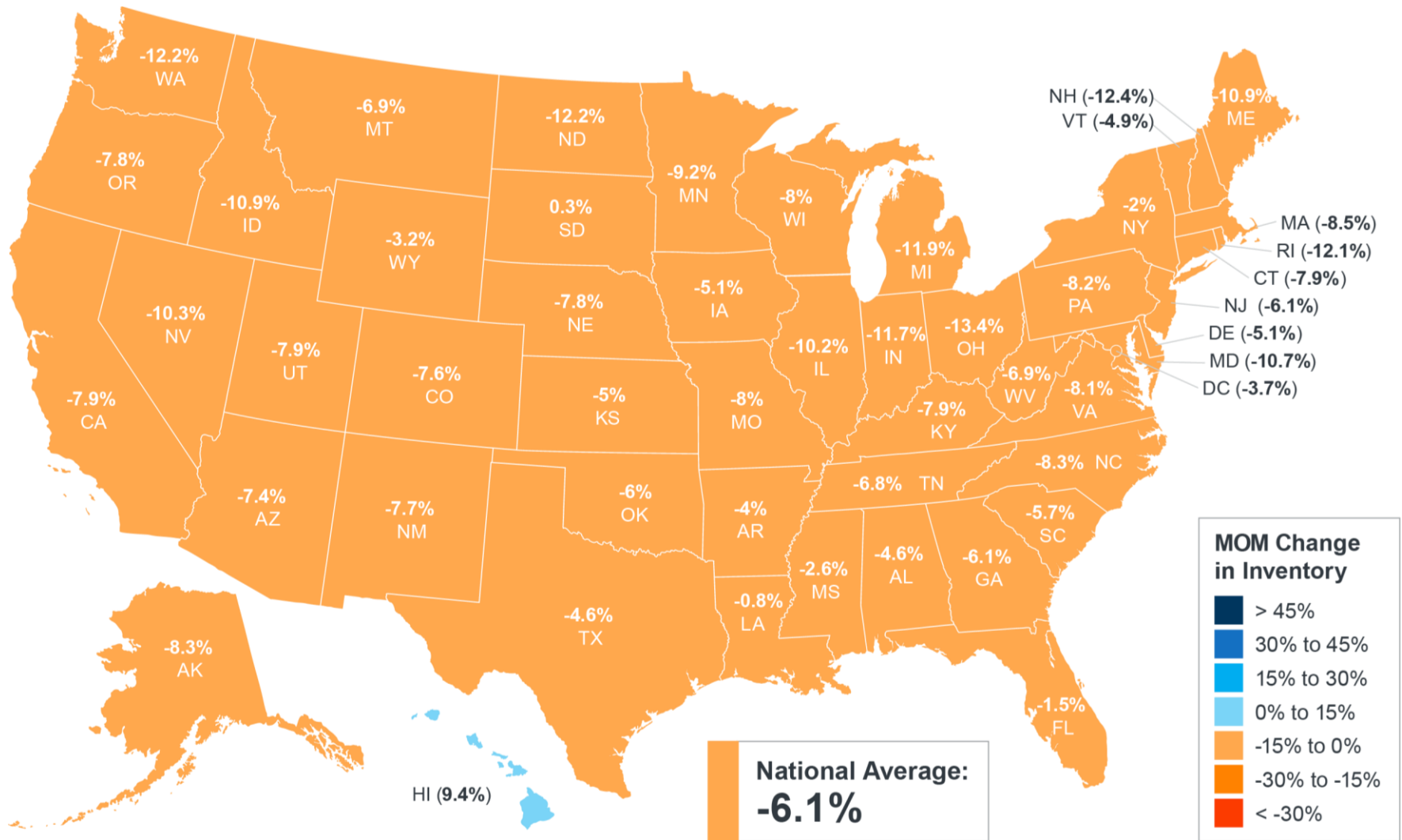


# Housing Inventory



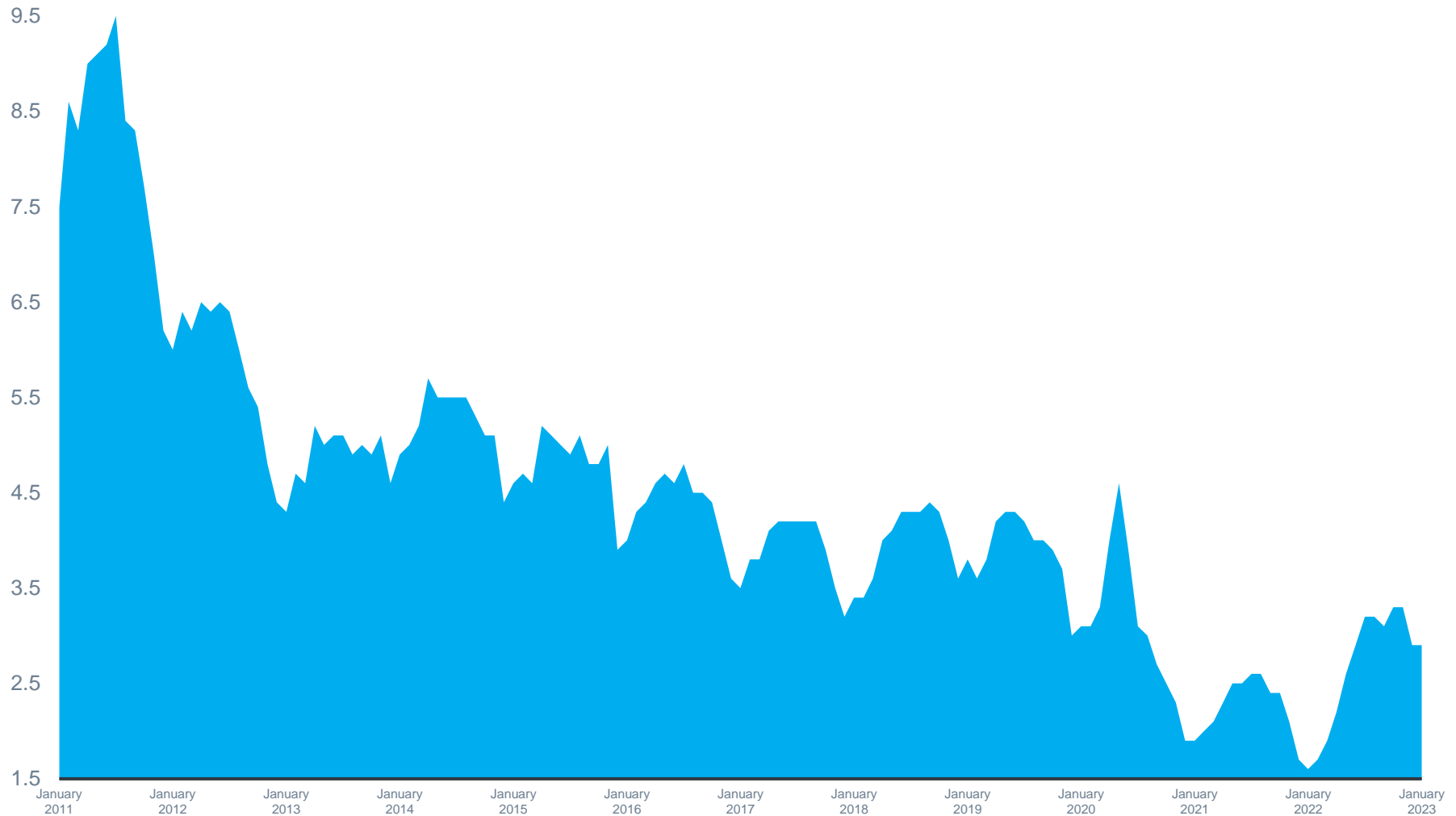
# Change in Inventory

Month-Over-Month, February 2023



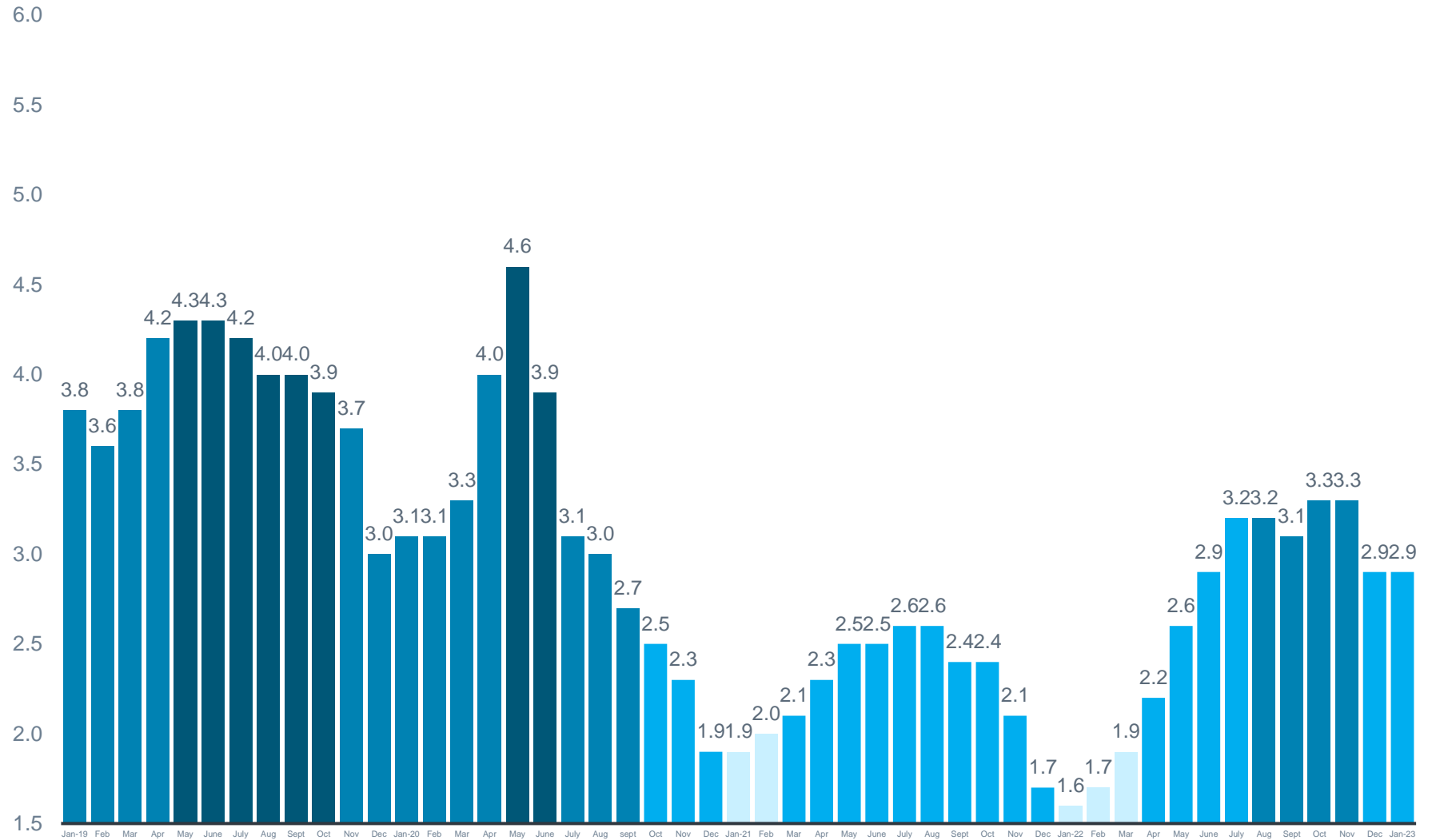
# Months Inventory of Homes for Sale

2011 - Today



# Months Inventory of Homes for Sale

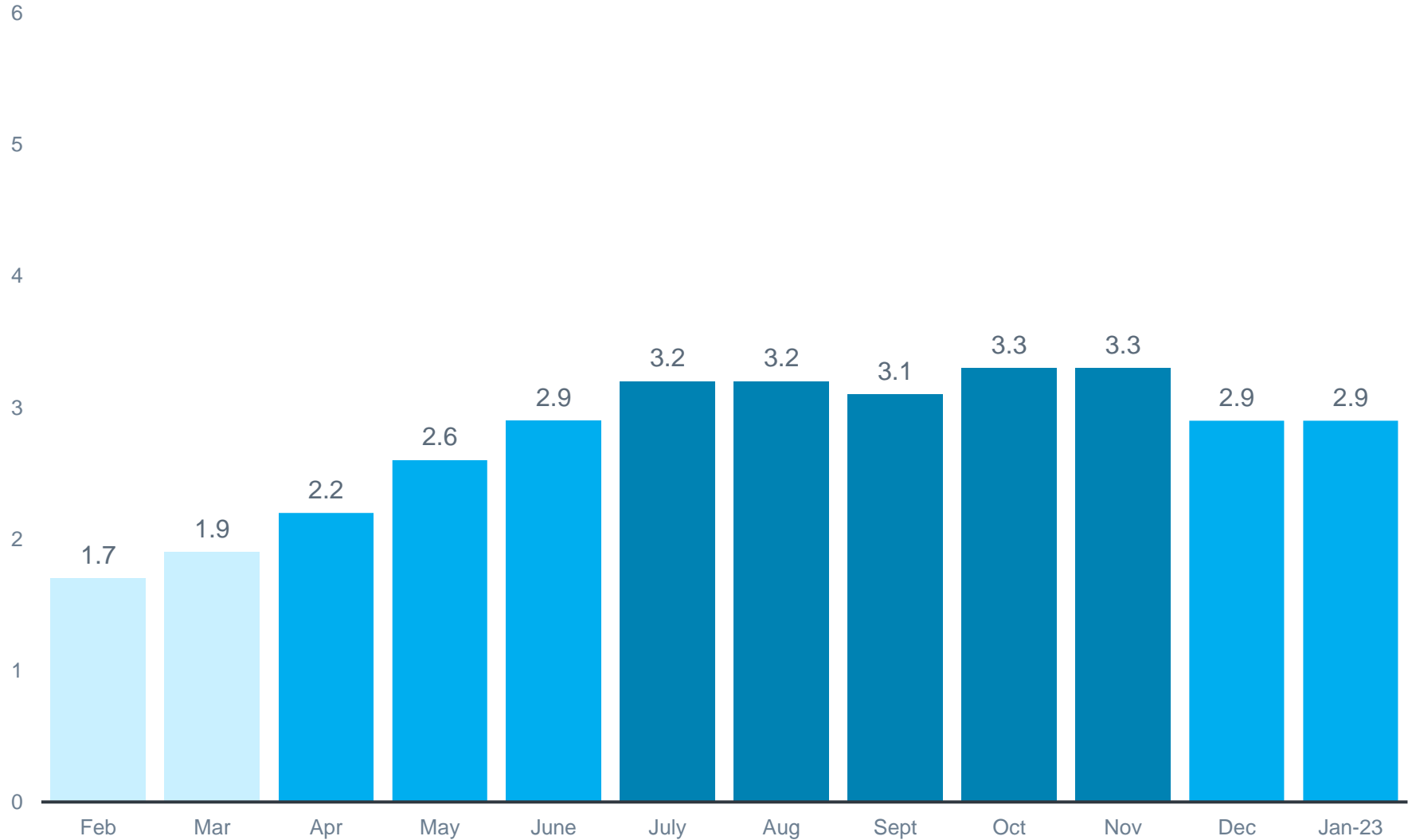
Since 2019



Source: NAR

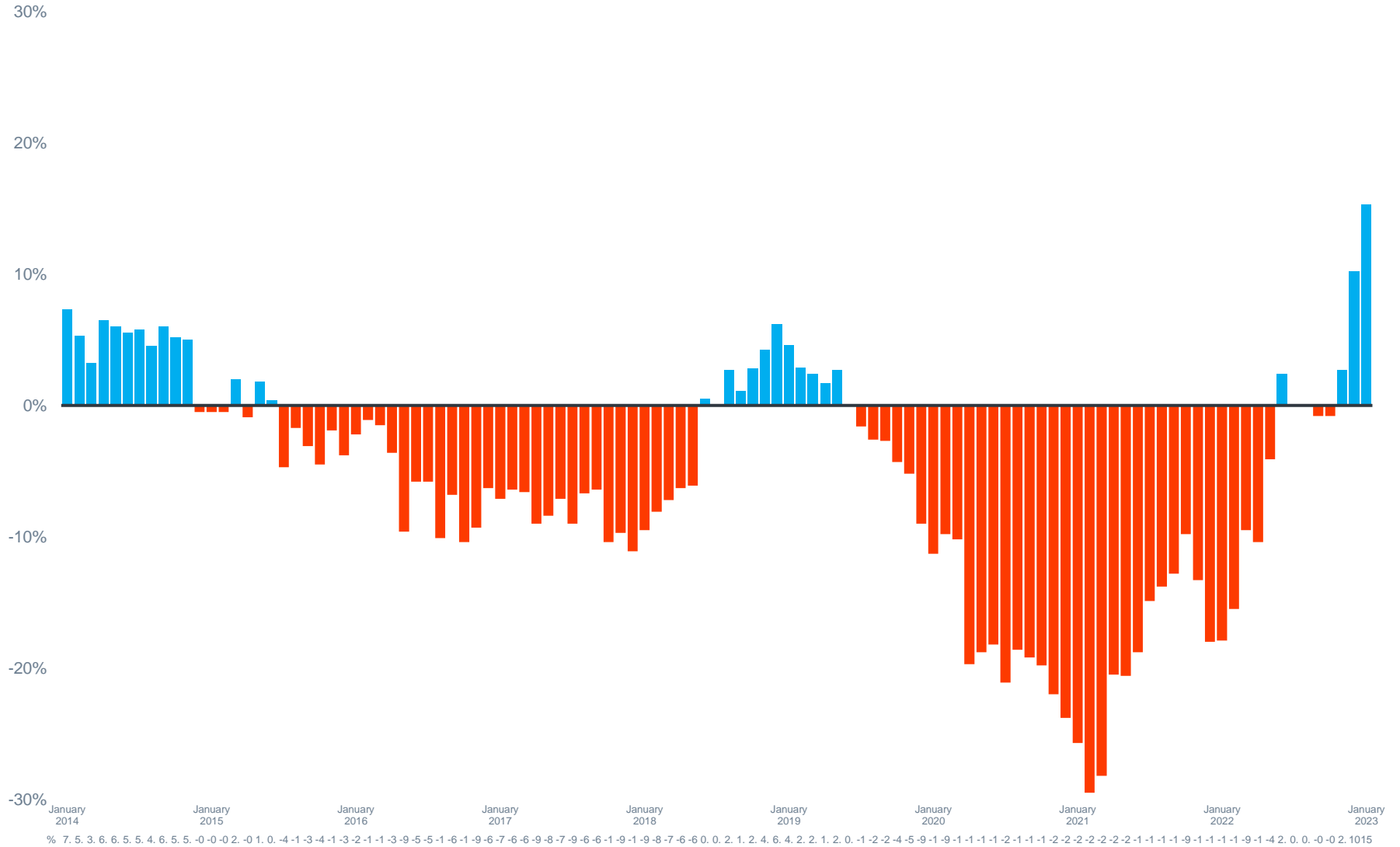
# Months Inventory of Homes for Sale

Last 12 Months



Source: NAR

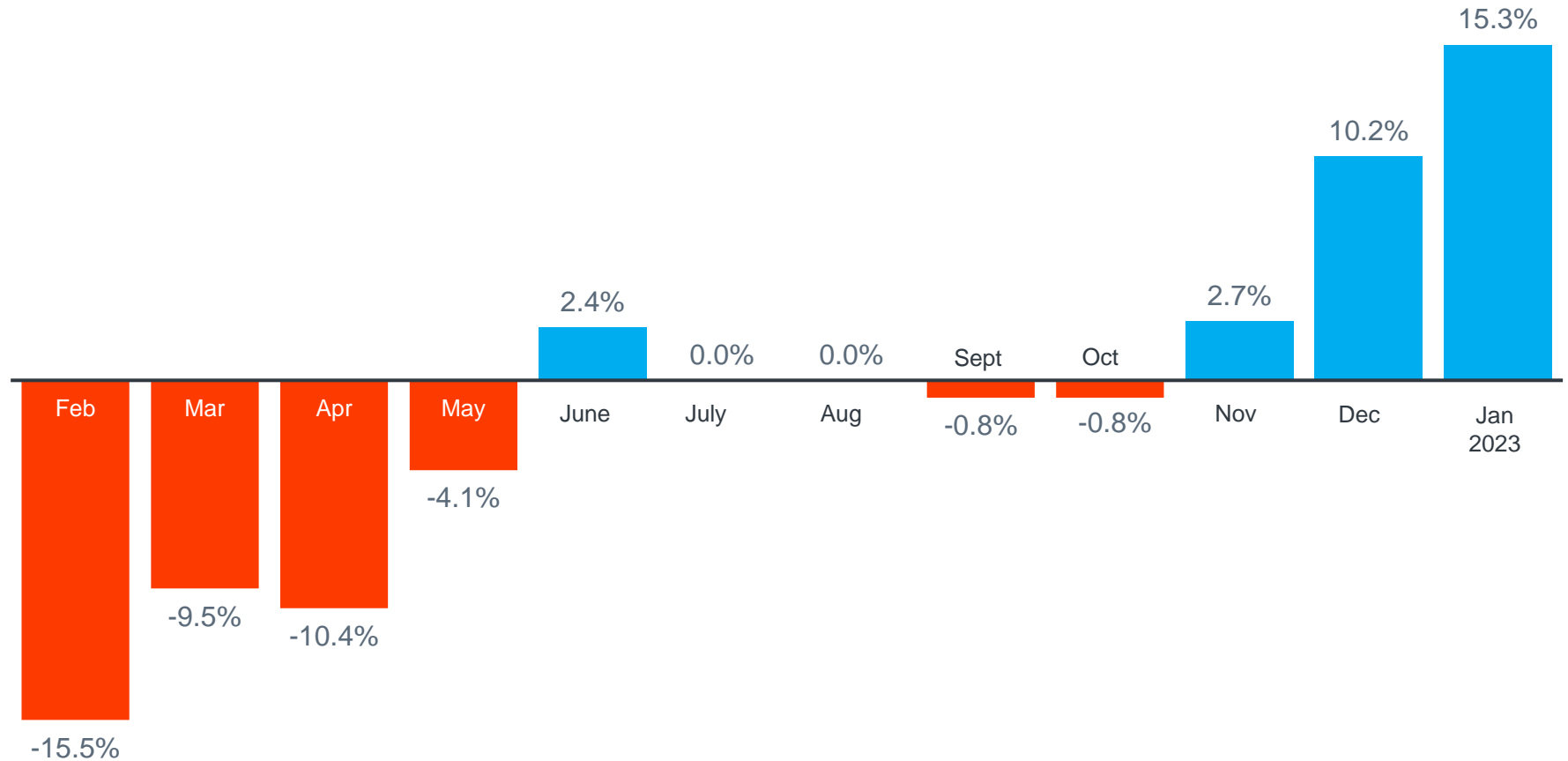
# Year-Over-Year Inventory Levels



Source: NAR

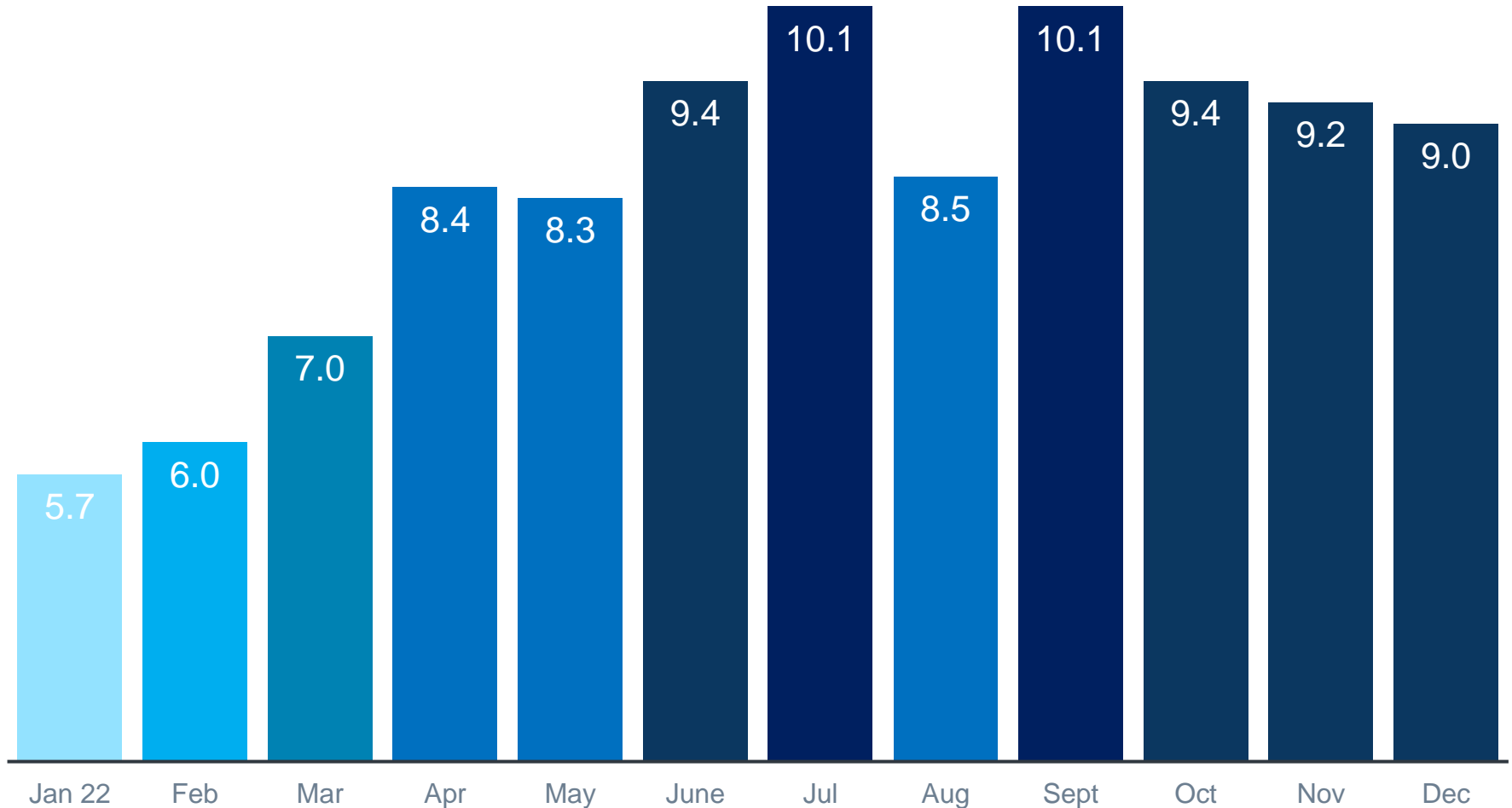
# Year-Over-Year Inventory Levels

Last 12 Months



# New Home Monthly Inventory

Seasonally Adjusted, Last 12 Months



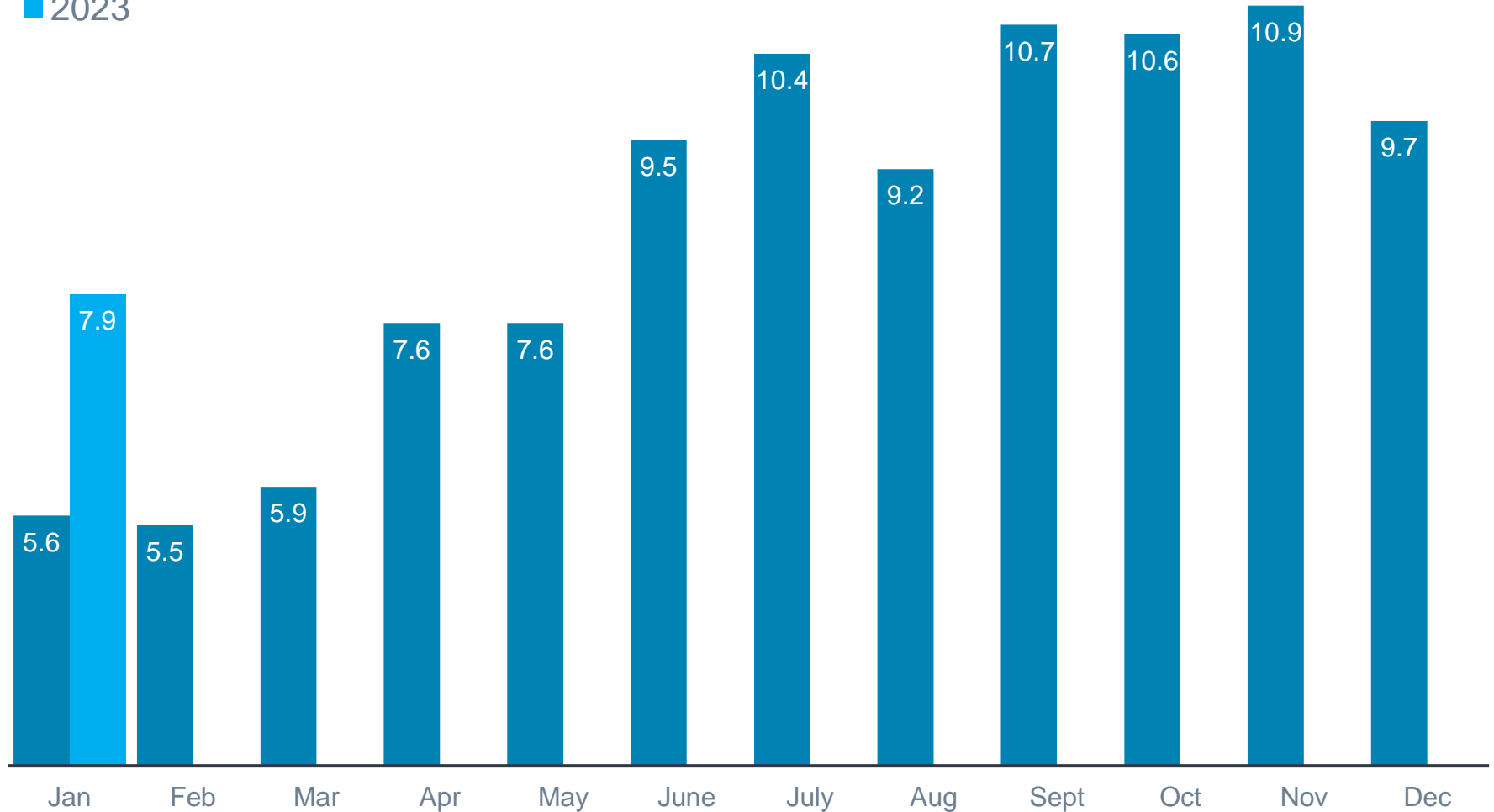
Source: Census

# New Home Monthly Inventory

Non-Seasonally Adjusted

■ 2022

■ 2023



Source: Census





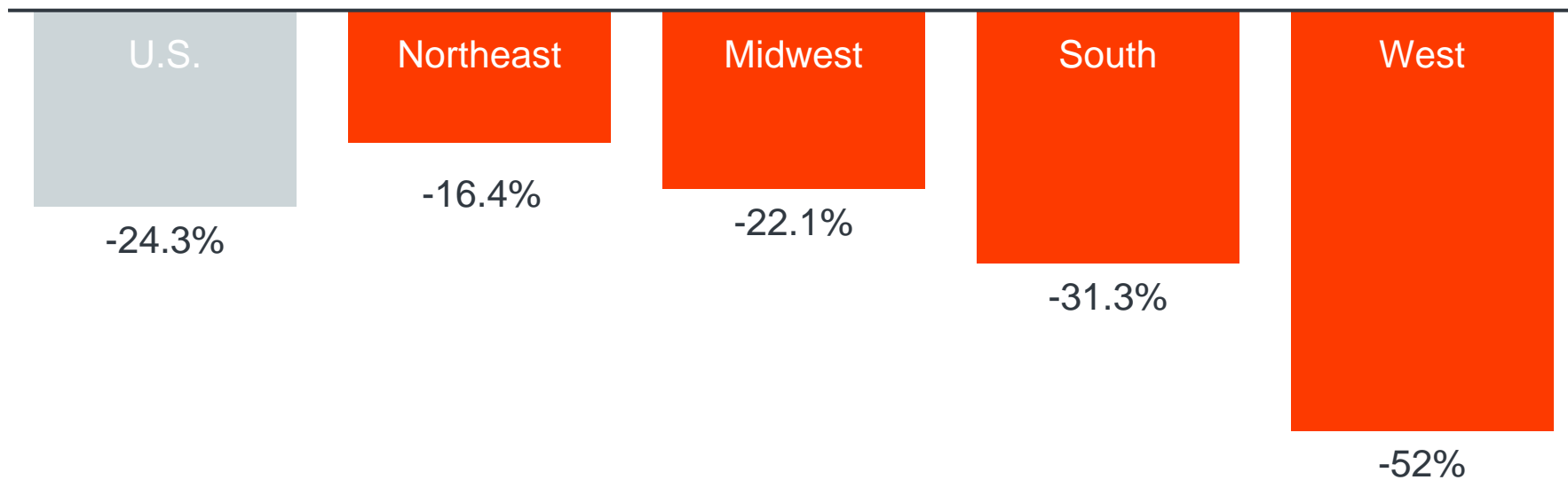
# Buyer Demand

# Largest Jump in Showings for Any January on Record

*Year-Over-Year Increase in Showing Activity, January 2023*

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

“It’s typical to see a seasonal increase in home showings in January as buyers get ready for the spring market, but a larger increase than any January before after last year’s rapid cooldown is significant. Mortgage rate activity this spring will play a big role in sales activity, but January’s home showings are a positive sign that buyers are getting back out there and the housing market is heading toward a new, more sustainable ‘normal.’”



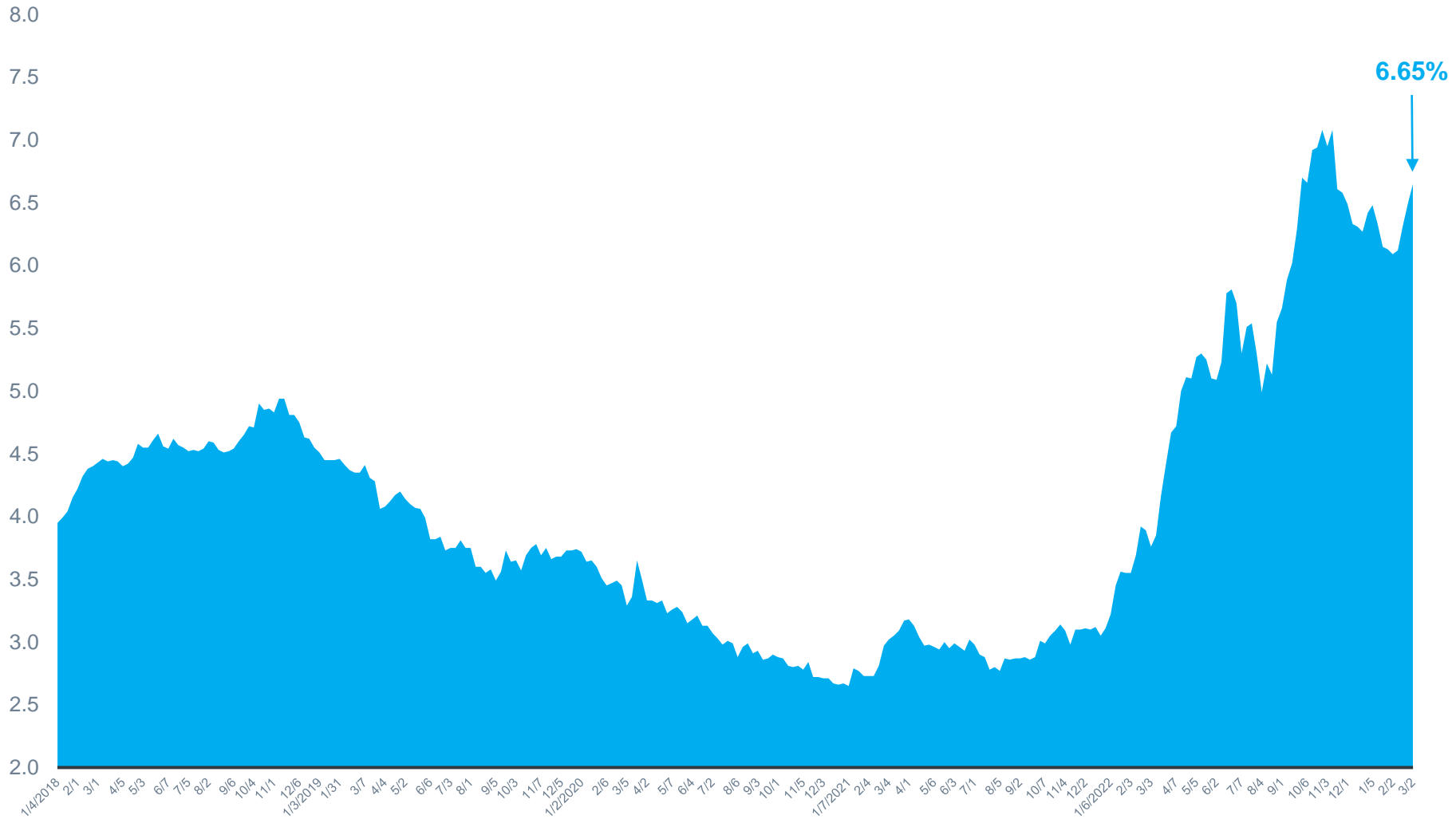
Source: ShowingTime



# Mortgage Rates

# Mortgage Rates

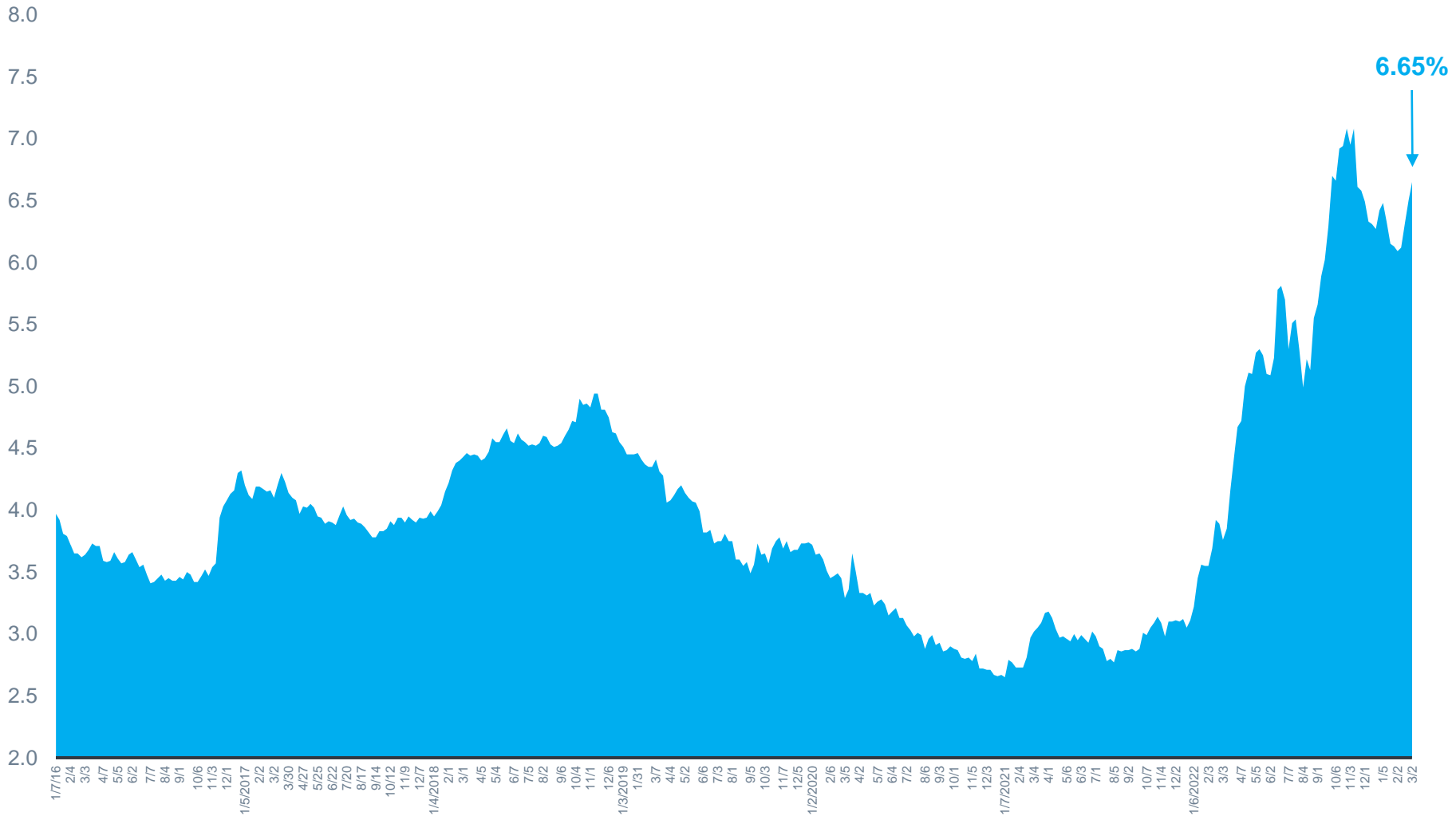
30-Year Fixed Rate, January 2018–Today



Source: Freddie Mac

# Mortgage Rates

30-Year Fixed Rate, January 2016–Today



Source: Freddie Mac

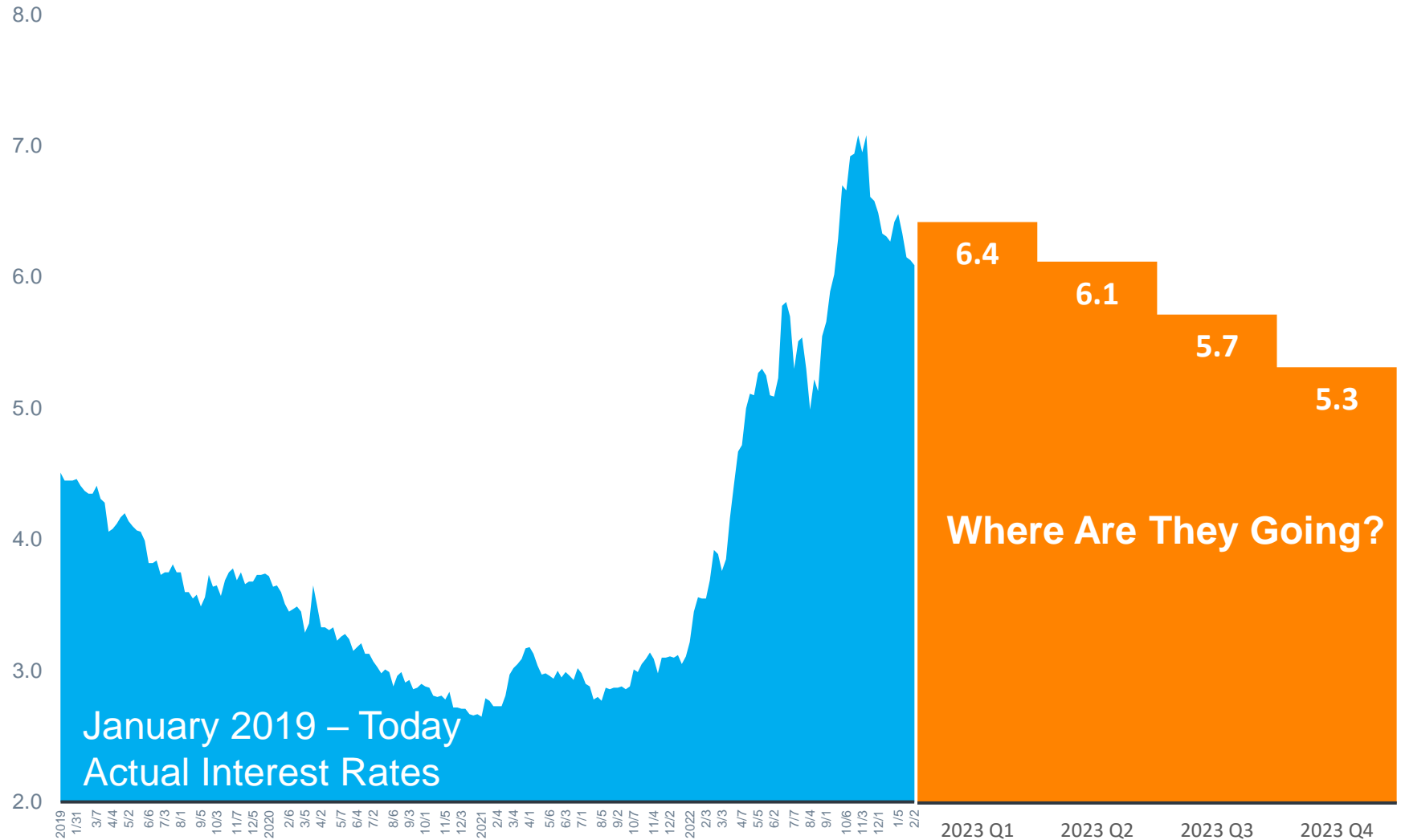
# Mortgage Rate Projections

March 2023

Quarter	Fannie Mae	MBA	NAR	Average of All Three
<b>2023 Q1</b>	6.40%	6.40%	6.70%	<b>6.50%</b>
<b>2023 Q2</b>	6.40%	6.10%	6.30%	<b>6.27%</b>
<b>2023 Q3</b>	6.20%	5.70%	5.90%	<b>5.93%</b>
<b>2023 Q4</b>	6.10%	5.30%	5.60%	<b>5.67%</b>

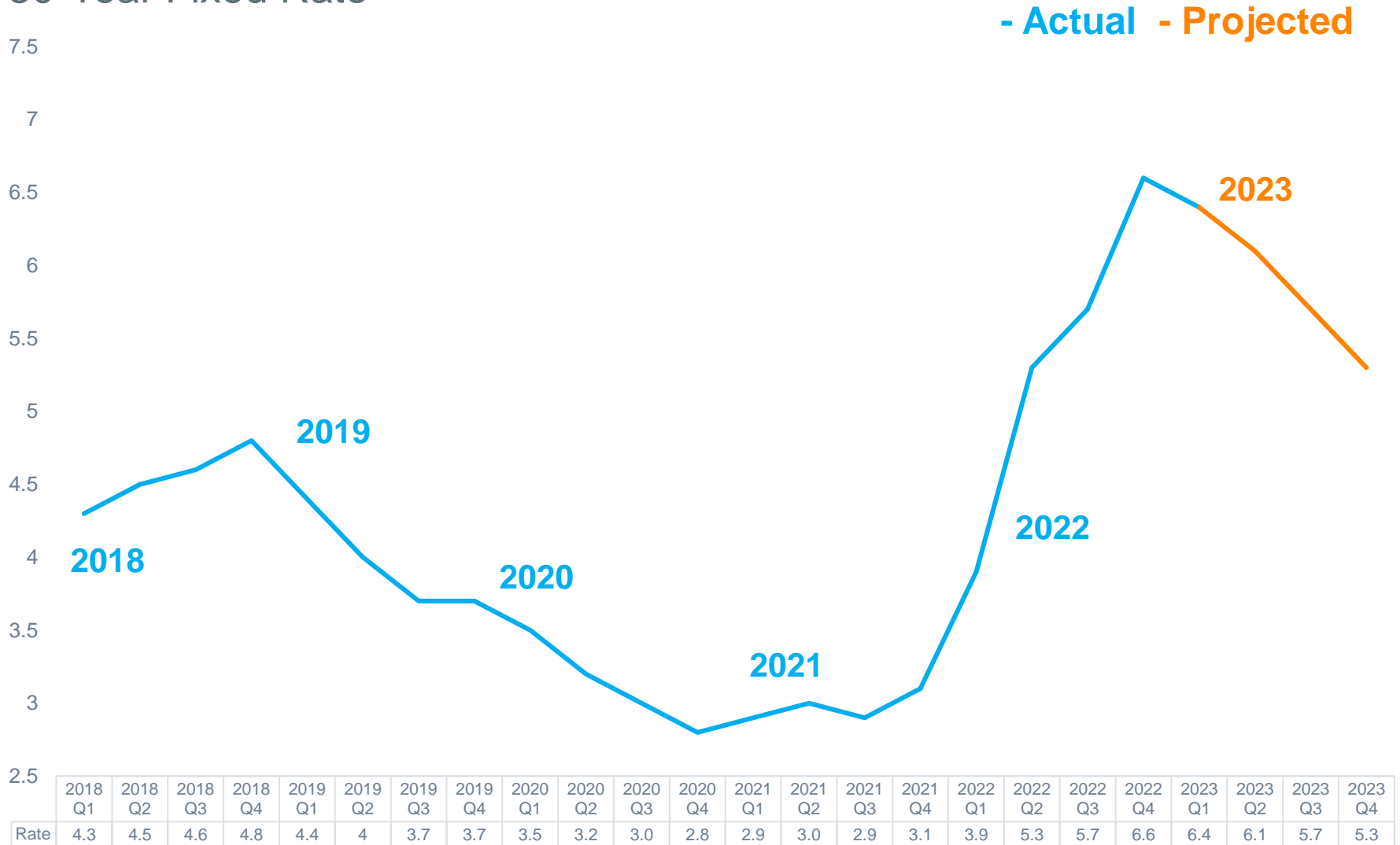
# Mortgage Rates

## 30-Year Fixed Rate



# Mortgage Rates

## 30-Year Fixed Rate



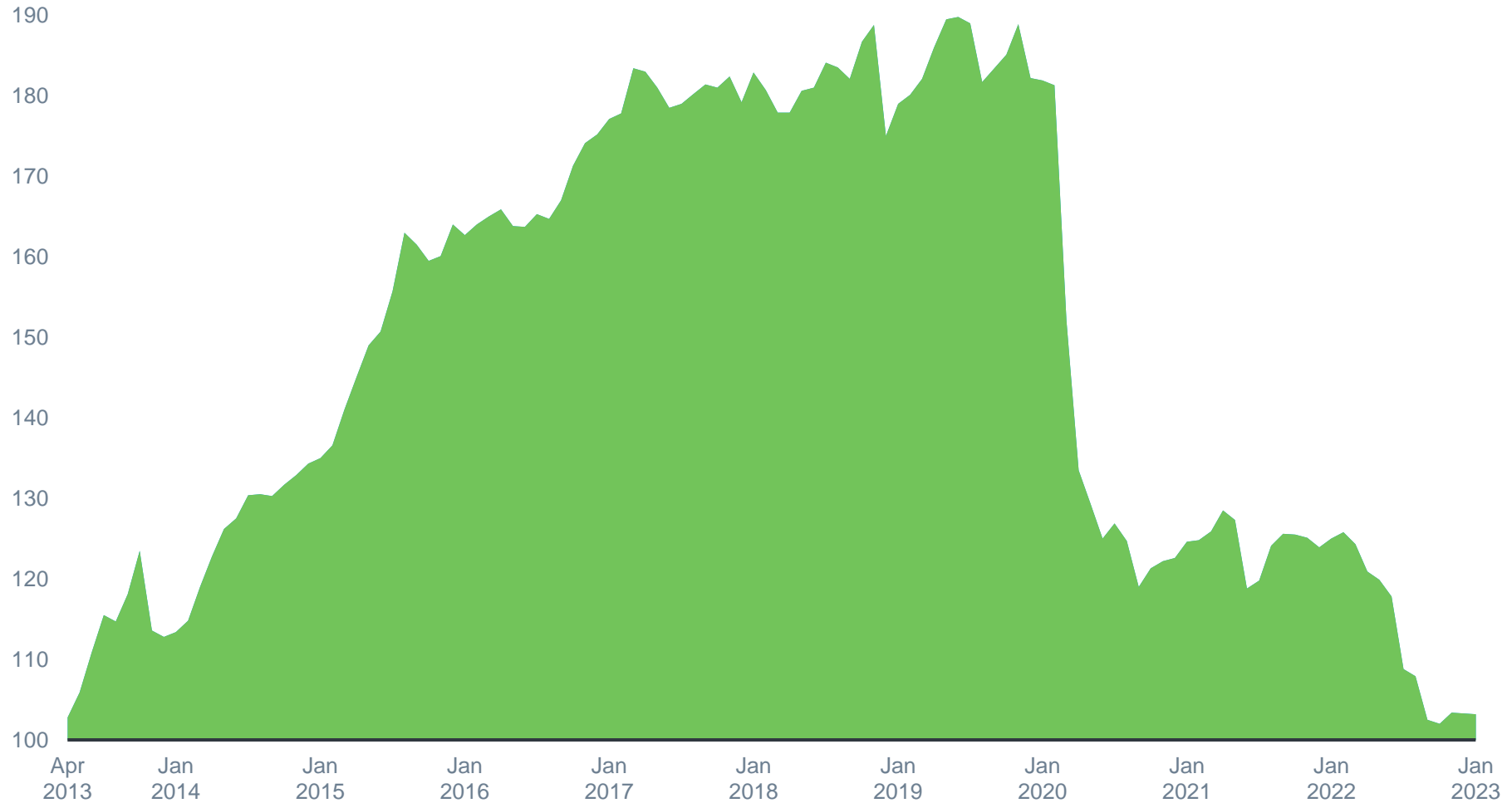




# Mortgage Credit Availability

# Mortgage Credit Availability Index (MCAI)

January 2023



Source: MBA

# Lending Standards Still Under Control

Historic Data for the Mortgage Credit Availability Index (MCAI)

