

ROSS REALTY GROUP

KELLERWILLIAMS  
*Luxury*  
INTERNATIONAL

## HOUSING UPDATE



MARCH 2021



“Home sales could possibly reach 8 million if we had more inventory... Mortgage rates should remain very low throughout 2021, although we may have seen the lowest already.”

Lawrence Yun  
Chief Economist at NAR



# Mortgage Rates Hit Three Percent

March 4, 2021

“Since reaching a low point in January, mortgage rates have risen by more than 30 basis points, and the impact on purchase demand has been noticeable. While purchase activity remains high, it has cooled off over the last few weeks and is currently on par with early March, prior to the pandemic. **However, the rise in mortgage rates over the next couple of months is likely to be more muted in comparison to the last few weeks, and we expect a strong spring sales season.**”

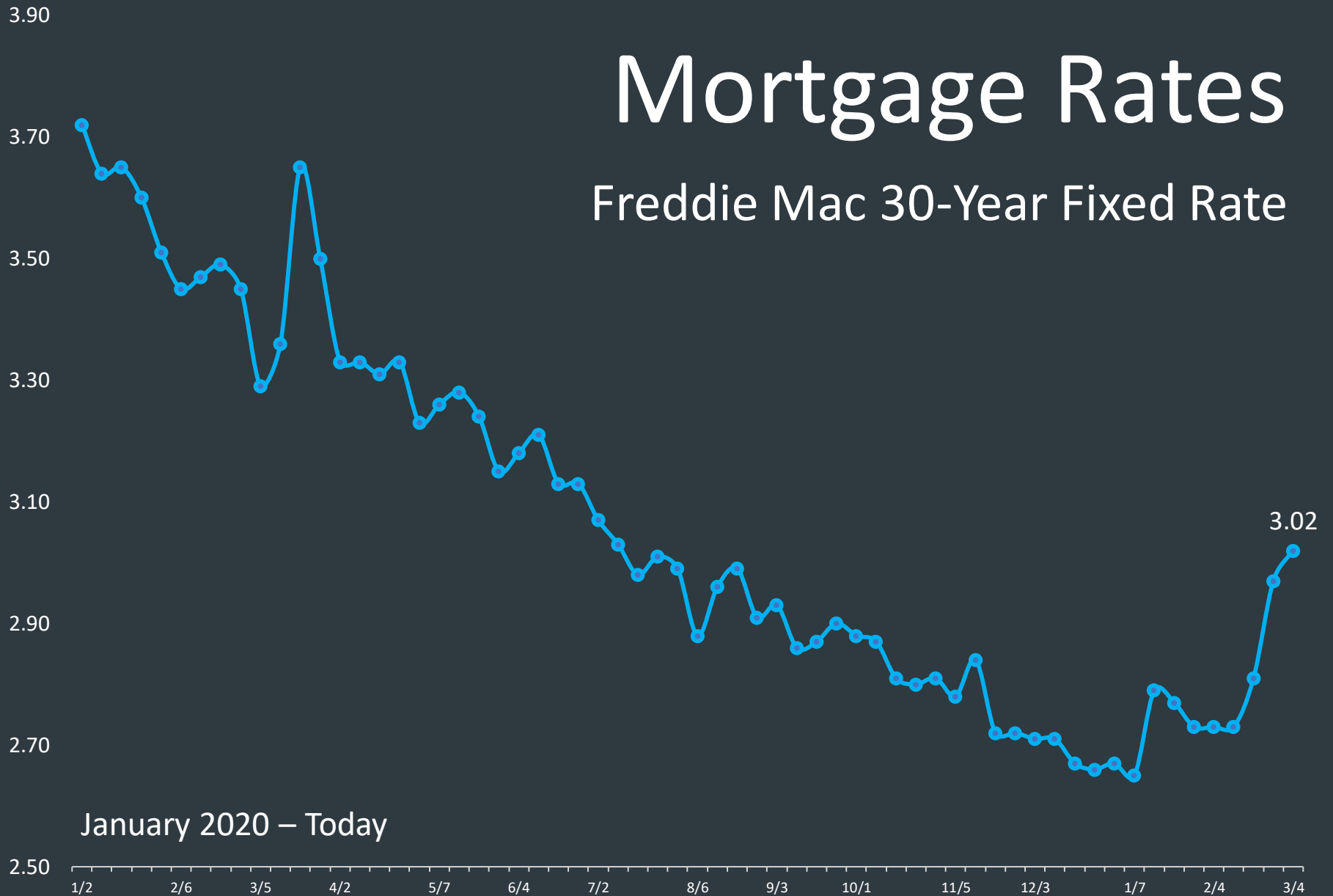
**Sam Khater**

Chief Economist at Freddie Mac



# Mortgage Rates

Freddie Mac 30-Year Fixed Rate



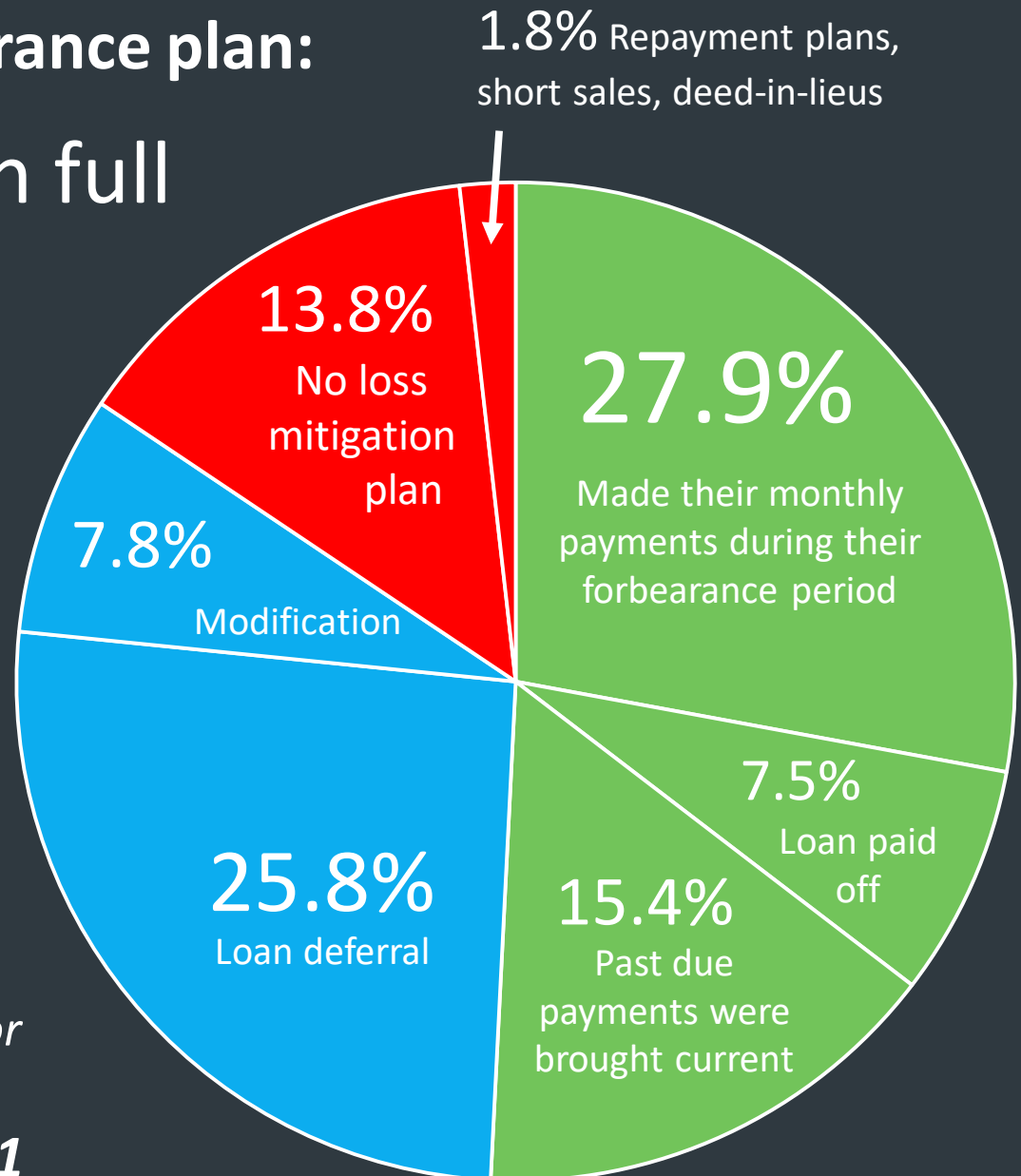
January 2020 – Today

## Upon exit from forbearance plan:

50.8% are paid in full

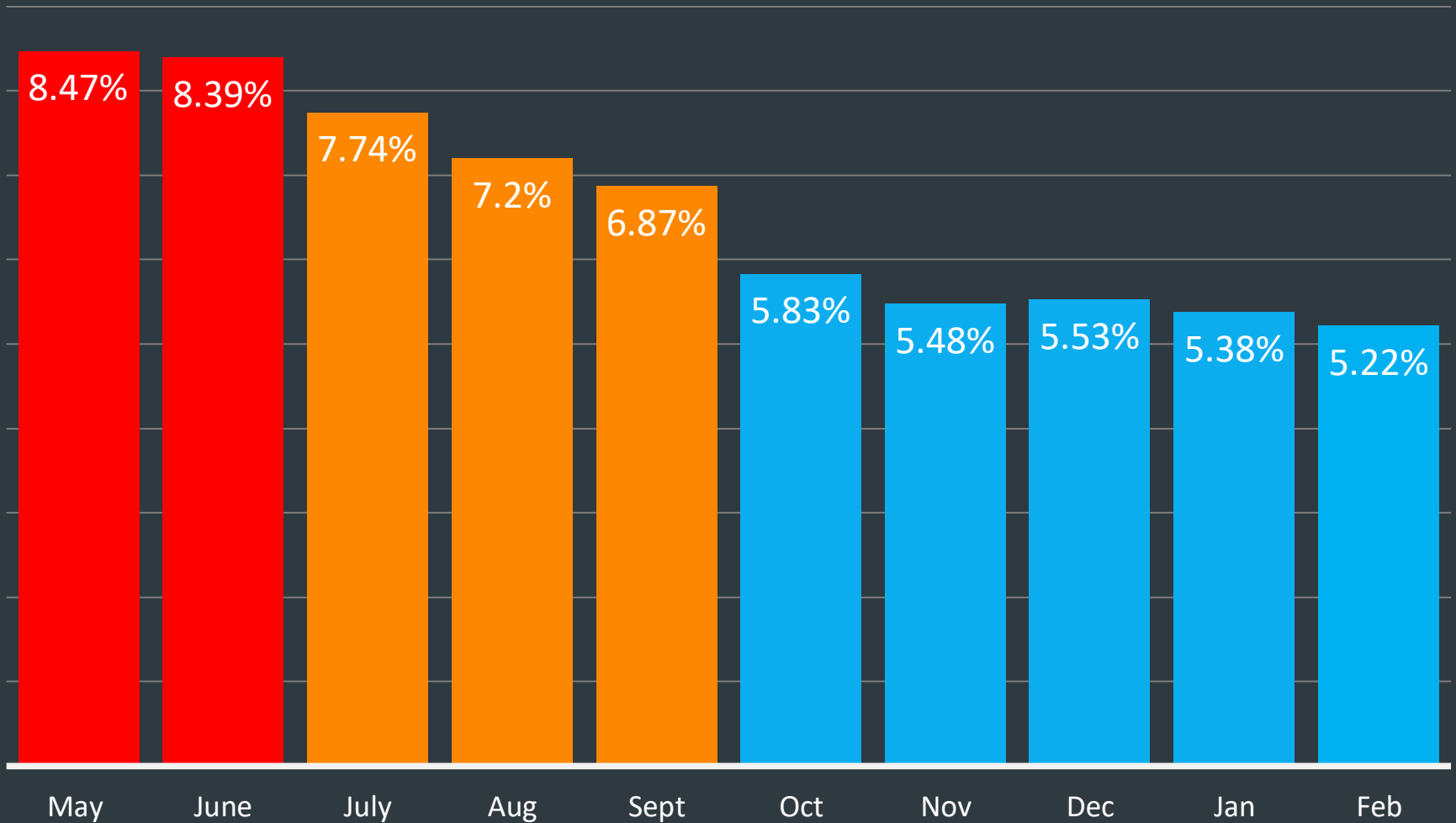
33.6% work out repayment plan

15.6% are still in trouble



*Cumulative forbearance exits for the period from June 1, 2020 through February 14, 2021*

# Percentage of Overall Forbearances



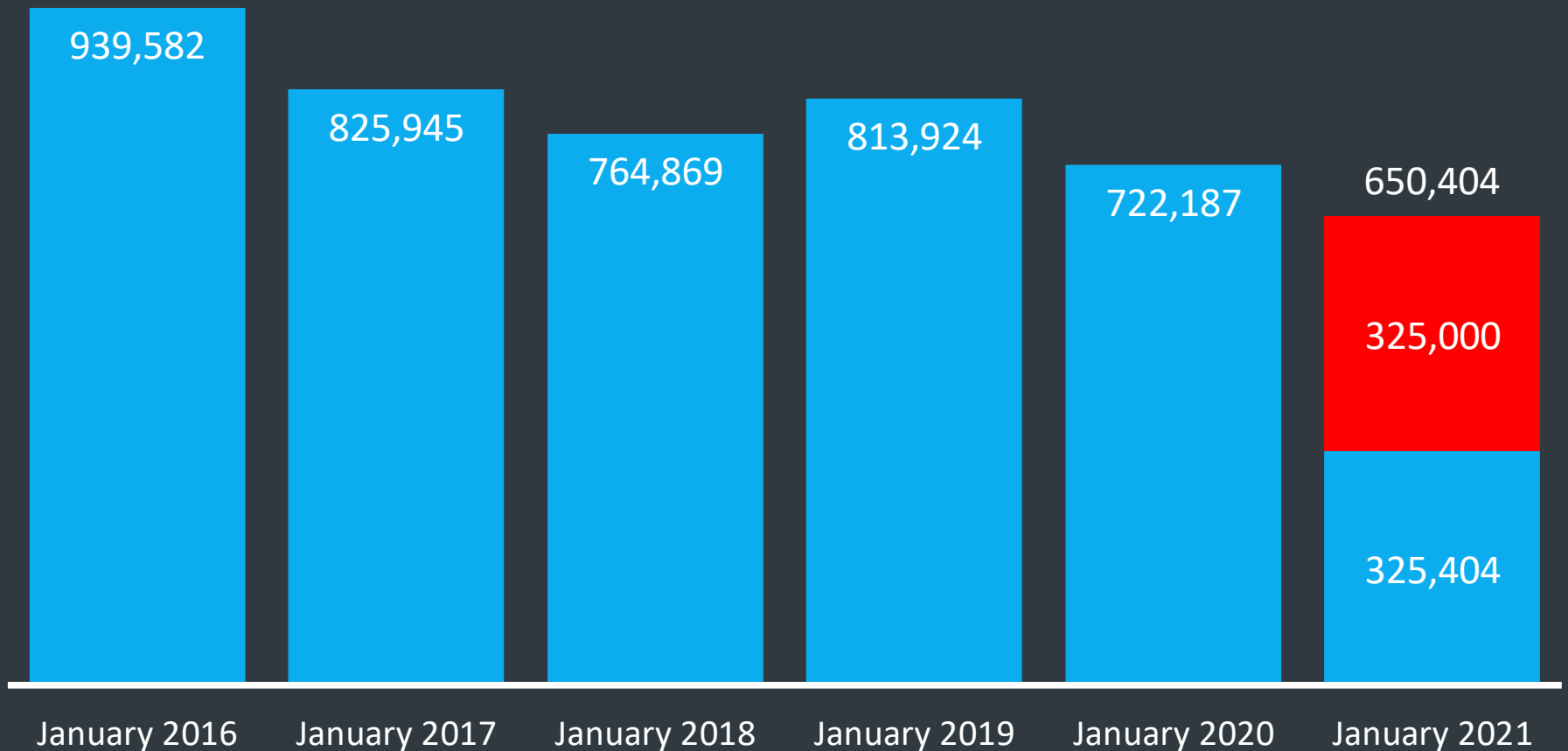
“About 325,000 people will exit the forbearance program over the next six to nine months without a plan in place. Some—but probably not all—of those loans will likely default.”

DS News



# Housing Inventory to Start Each Year

■ Actual Inventory    ■ Potential Foreclosures 2021





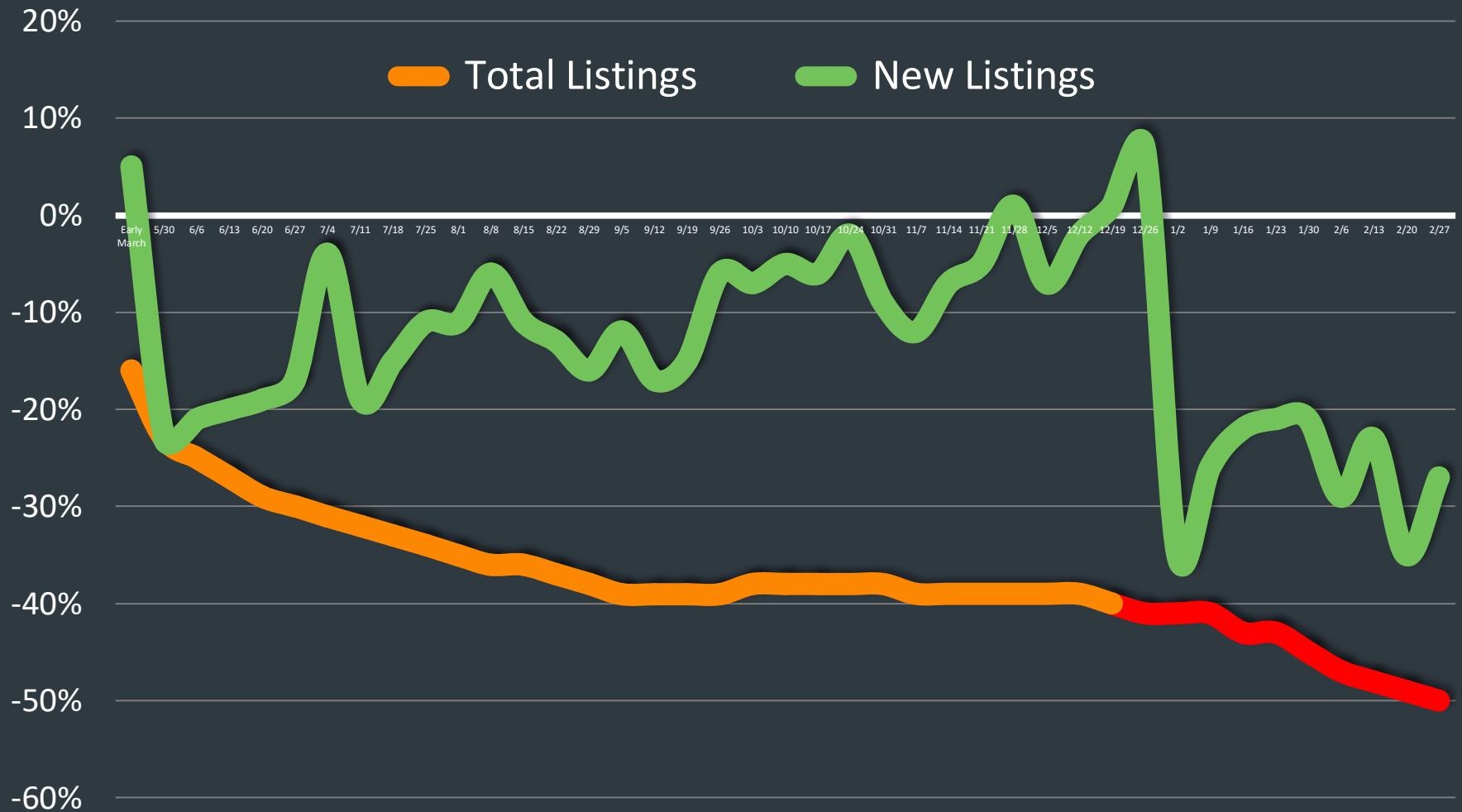
“The lack of existing homes available for sale remains the only drag on housing market potential. Many homeowners may want to upgrade, but do not for fear that they will be unable to find a home to buy, preventing more supply from reaching the market and exacerbating the lack of inventory. As a result, everyone ‘stays put’ and the supply of homes for sale dwindles further.”

Odeta Kushi

Deputy Chief Economist at First American



# Year-Over-Year Change in Listings

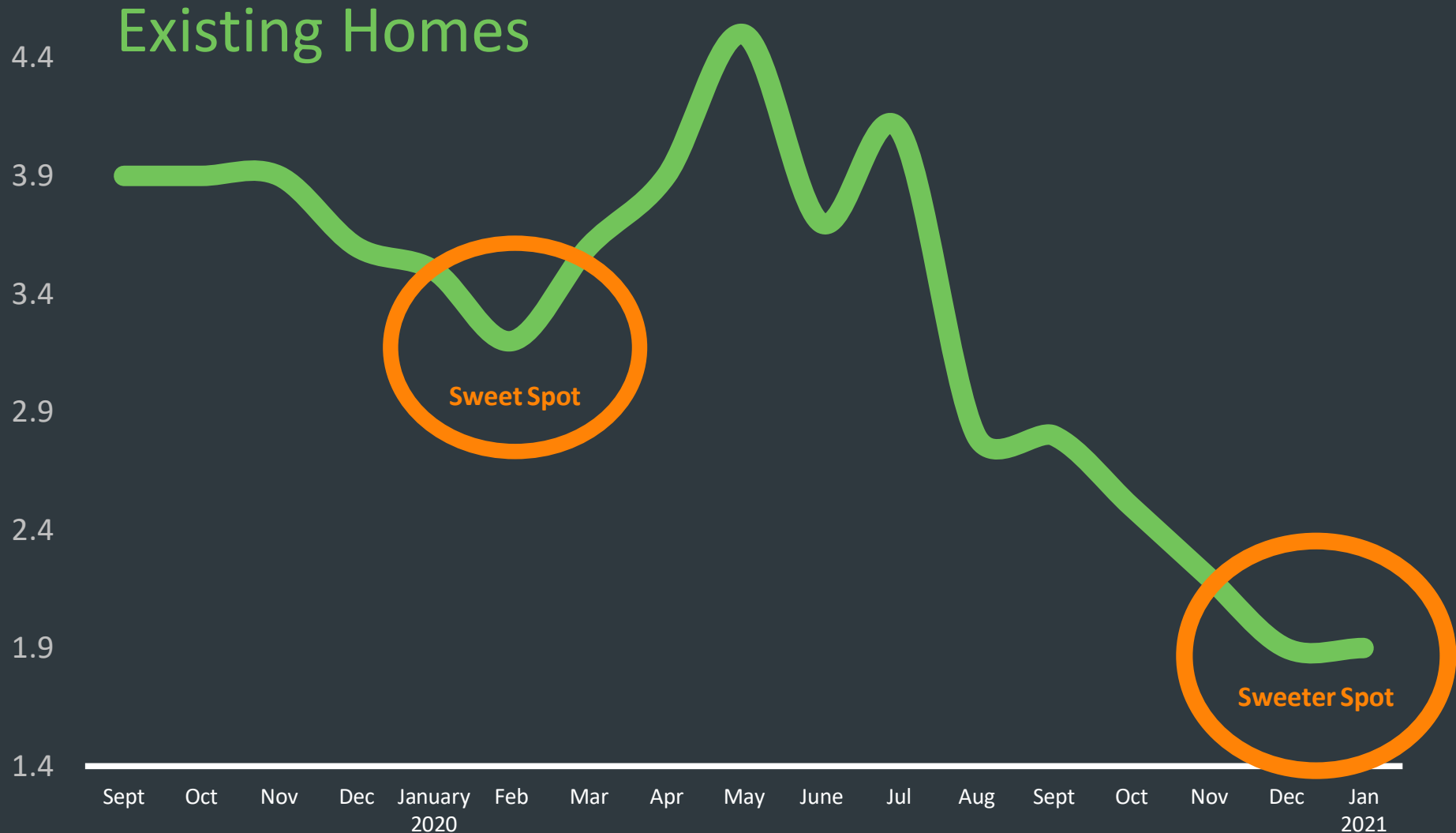


“Home sales continue to ascend in the first month of the year, as buyers quickly snatched up virtually every new listing coming on the market... Sales easily could have been even 20% higher if there had been more inventory and more choices.”

Lawrence Yun  
Chief Economist at NAR



# Inventory Levels – Months' Supply



“As the COVID-19 vaccine becomes more available and the economy improves, he predicts that more homeowners—realizing the equity gains in their homes—will list their existing homes and that could help alleviate some housing shortages.”

NAHB reporting comments by

**David Berson**

Chief Economist for Nationwide Mutual





# HOME PRICE APPRECIATION

# 2020 Final House Appreciation Numbers

Federal Housing Finance Agency  
House Price Index

**+10.8%**

The CoreLogic U.S.  
National Home Price Index

**+9.2%**

The S&P Case-Shiller U.S.  
National Home Price Index

**+10.4%**

“A typical homeowner in 2020, just by being a homeowner, they would have accumulated around \$24,000 in housing wealth.”

Lawrence Yun  
Chief Economist at NAR





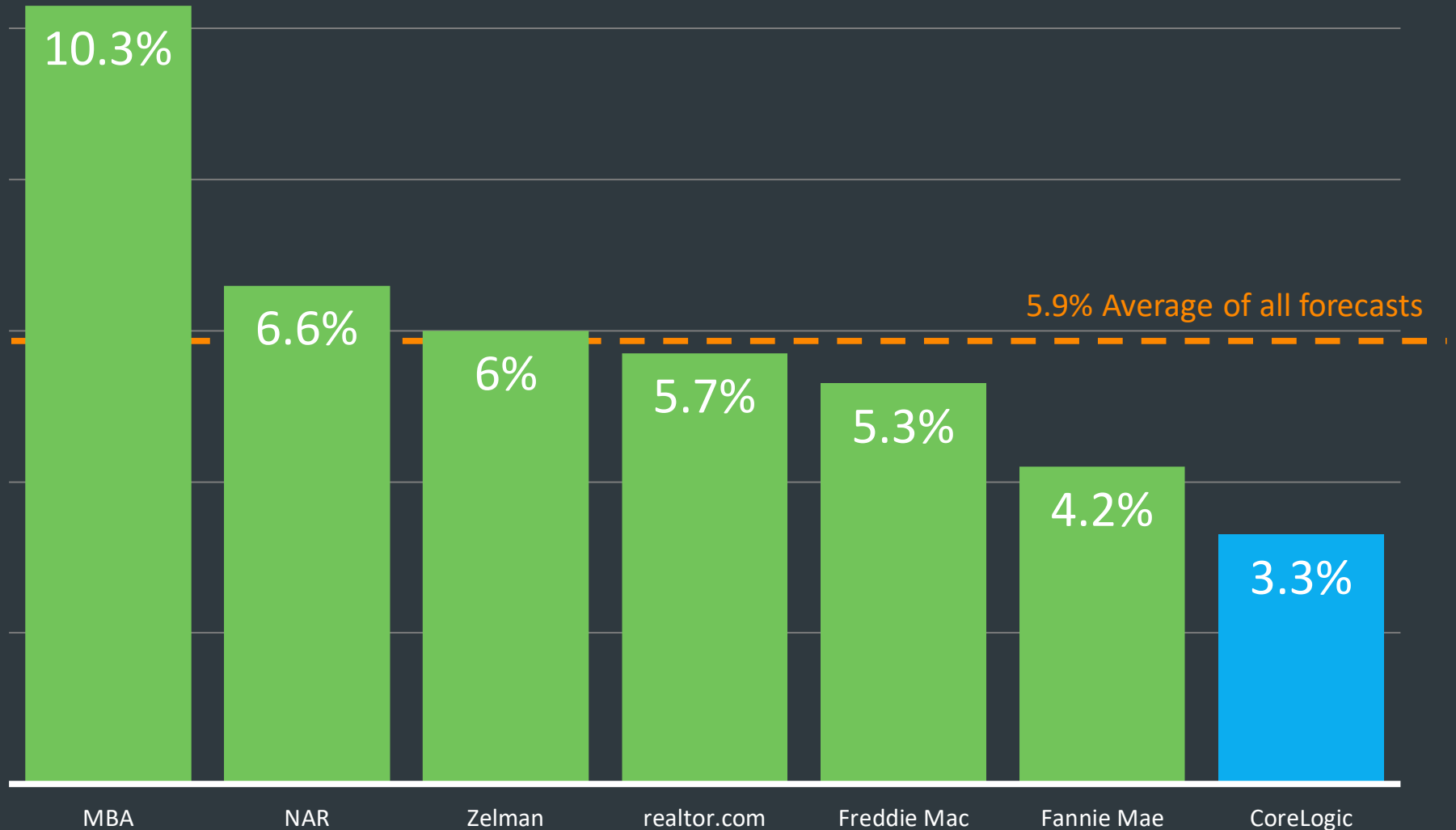
“Nationally, house-buying power continues to exceed the median sale price and that implies housing is not overvalued today.”

Mark Fleming

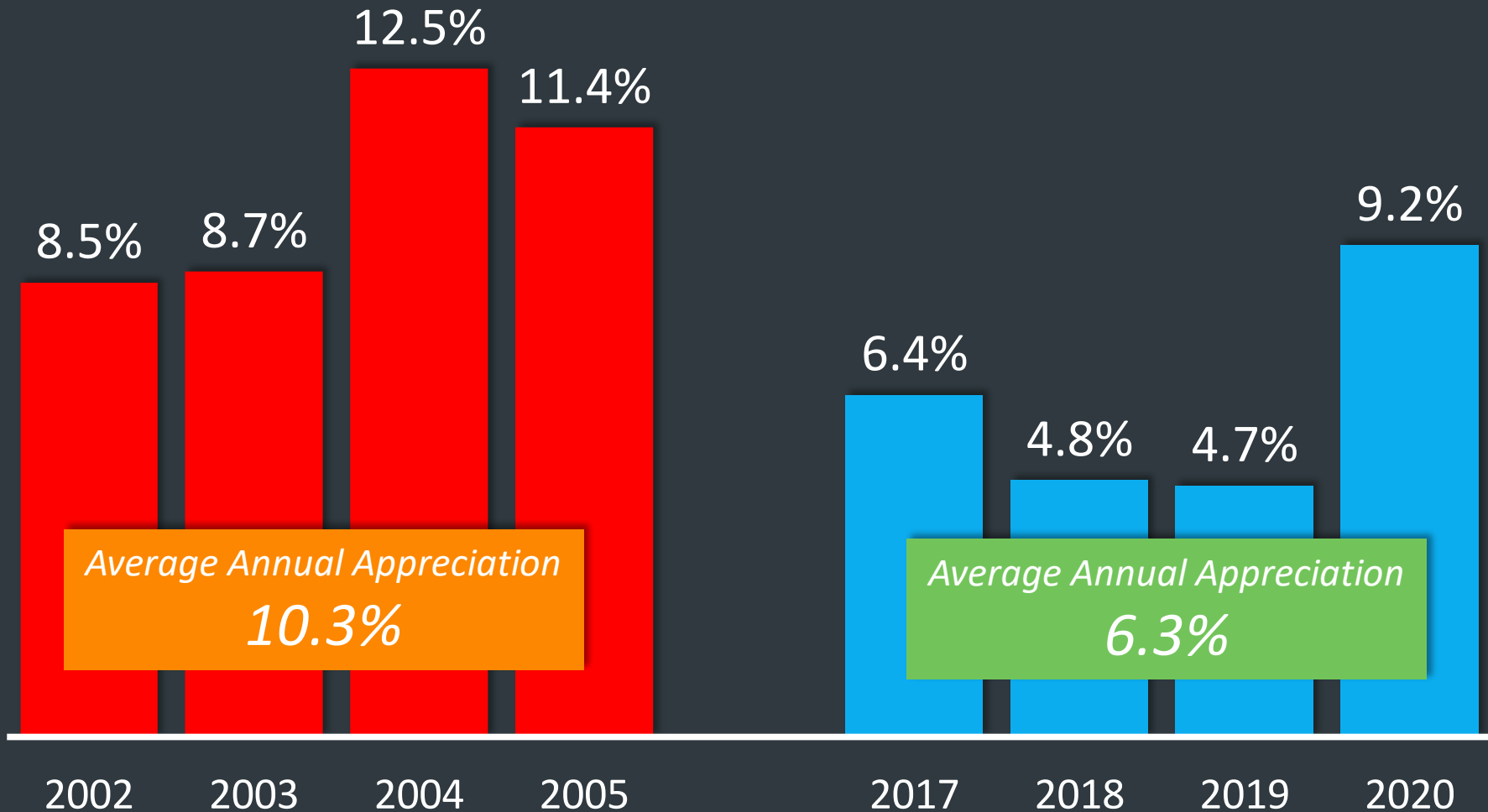
Chief Economist at First American



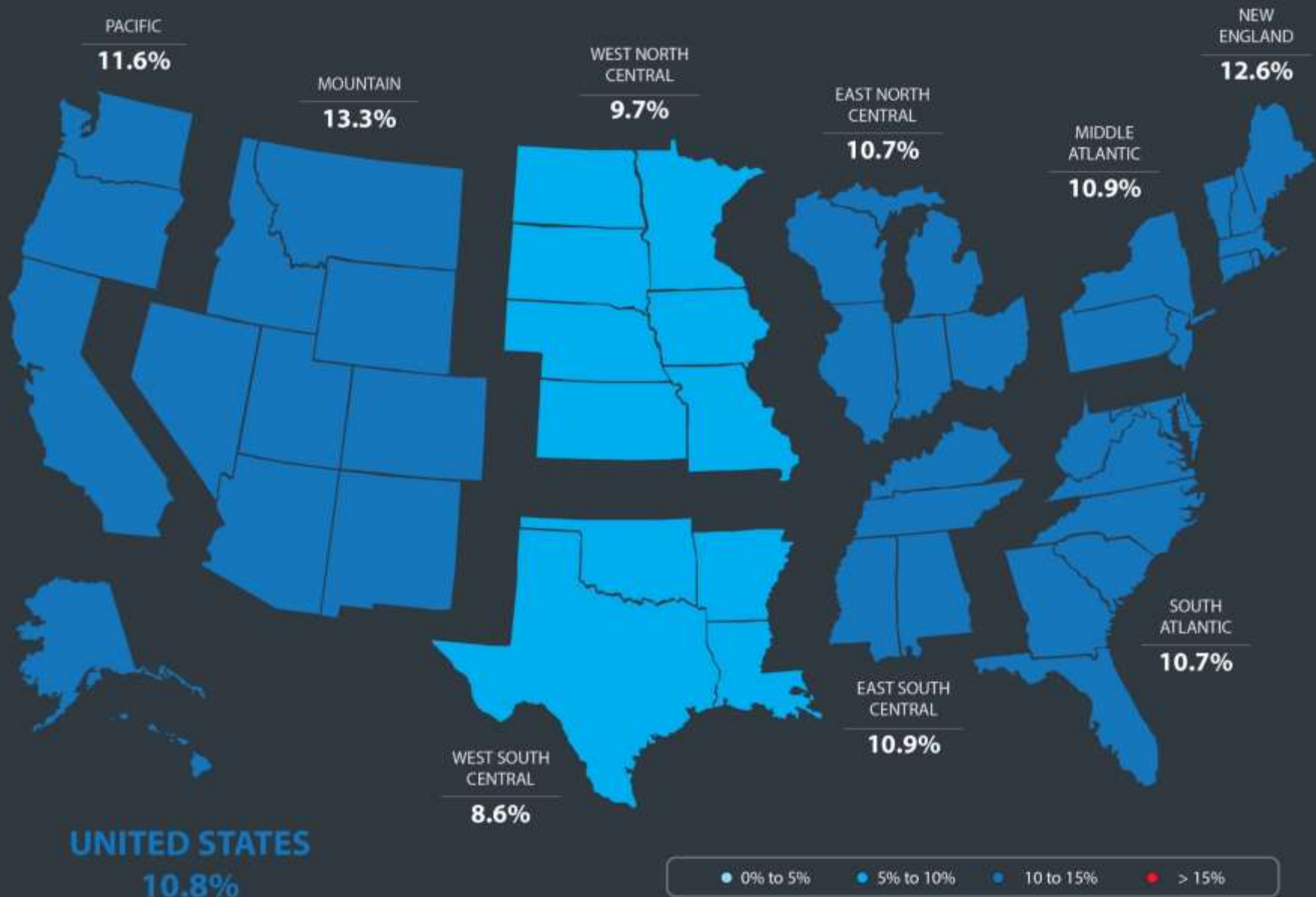
# Home Price Forecasts 2021



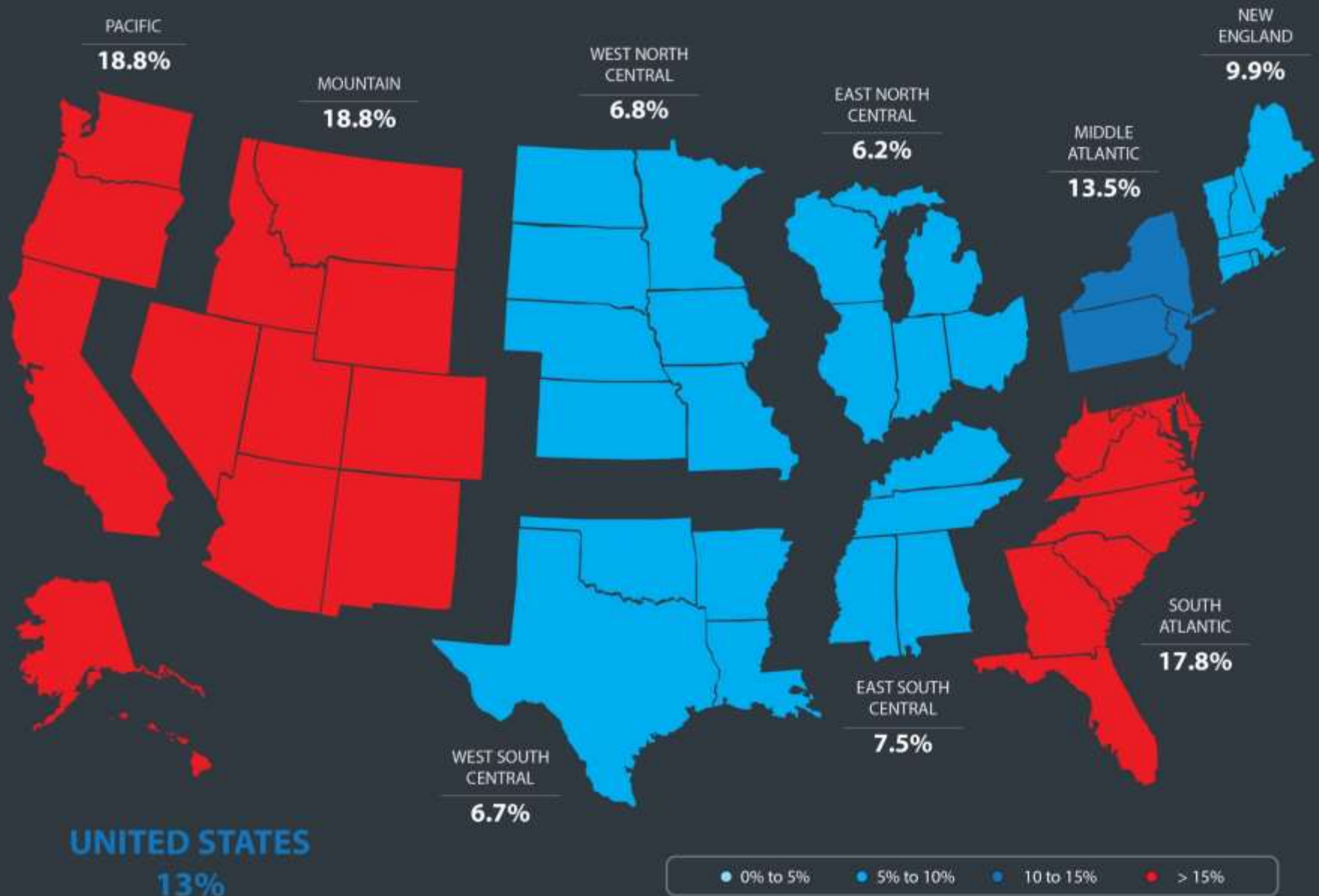
# Annual Home Price Appreciation



# YOY Change in Price – 2020 Q4



# YOY Change in Price – 2005 Q4



*“Consumers  
reported a  
significantly more  
positive view of  
home-selling  
conditions”*

Fannie Mae





# Now Available:

# Spring 2021 Seller Guide





# Now Available: Spring 2021 Buyer Guide





# Resources

Slide	Slide Title	Link
2	Yun Quote - Rates	<a href="https://www.cnbc.com/2021/01/22/existing-home-sales-in-2020-were-highest-since-in-over-a-decade.html">https://www.cnbc.com/2021/01/22/existing-home-sales-in-2020-were-highest-since-in-over-a-decade.html</a>
3	Khater Quote	<a href="https://freddiemac.gcs-web.com/node/22241/pdf">https://freddiemac.gcs-web.com/node/22241/pdf</a>
4	Mortgage Rates	<a href="http://www.freddiemac.com/pmms/pmms_archives.html">http://www.freddiemac.com/pmms/pmms_archives.html</a>
5	Forbearance Exits	<a href="https://www.mba.org/2021-press-releases/february/share-of-mortgage-loans-in-forbearance-declines-to-522-percent">https://www.mba.org/2021-press-releases/february/share-of-mortgage-loans-in-forbearance-declines-to-522-percent</a>
6	Overall Forbearances	<a href="https://www.mba.org/news-research-and-resources/newsroom">https://www.mba.org/news-research-and-resources/newsroom</a>
7	DS News Quote	<a href="https://dsnews.com/daily-dose/02-08-2021/foreclosures-2021-what-to-expect-in-the-months-ahead">https://dsnews.com/daily-dose/02-08-2021/foreclosures-2021-what-to-expect-in-the-months-ahead</a>
8	Inventory with Foreclosures	<a href="https://twitter.com/mikesimonsen/status/1366520741458563073">https://twitter.com/mikesimonsen/status/1366520741458563073</a>
9	Kushi Quote	<a href="https://blog.firstam.com/economics/housing-market-potential-poised-to-grow-in-2021">https://blog.firstam.com/economics/housing-market-potential-poised-to-grow-in-2021</a> <a href="https://www.mykcm.com/2021/02/24/how-much-leverage-do-todays-house-sellers-have/">https://www.mykcm.com/2021/02/24/how-much-leverage-do-todays-house-sellers-have/</a>
10	YOY Change in Listings	<a href="https://www.realtor.com/research/tag/housing-inventory/">https://www.realtor.com/research/tag/housing-inventory/</a>
11	Yun Quote – Listings	<a href="https://cdn.nar.realtor/sites/default/files/documents/ehs-01-2021-supplemental-data-2021-02-19.pdf">https://cdn.nar.realtor/sites/default/files/documents/ehs-01-2021-supplemental-data-2021-02-19.pdf</a>
12	Months' Supply	<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>
13	Berson Quote	<a href="https://magazine.realtor/daily-news/2021/02/10/new-home-buying-rush-likely-to-continue-in-2021">https://magazine.realtor/daily-news/2021/02/10/new-home-buying-rush-likely-to-continue-in-2021</a>

# Resources

Slide	Slide Title	Link
15	2020 Appreciation	<a href="https://www.fhfa.gov/AboutUs/Reports/Pages/US-House-Price-Index-Report-2020-Q4.aspx">https://www.fhfa.gov/AboutUs/Reports/Pages/US-House-Price-Index-Report-2020-Q4.aspx</a> <a href="https://www.corelogic.com/insights-download/home-price-index.aspx">https://www.corelogic.com/insights-download/home-price-index.aspx</a> <a href="https://www.spglobal.com/spdji/en/documents/indexnews/announcements/20210223-1321360/1321360_cshomeprice-release-0223.pdf">https://www.spglobal.com/spdji/en/documents/indexnews/announcements/20210223-1321360/1321360_cshomeprice-release-0223.pdf</a>
16	Yun Quote – Equity	<a href="https://www.tv20detroit.com/news/national/soaring-housing-prices-during-pandemic-may-point-to-split-economic-recovery">https://www.tv20detroit.com/news/national/soaring-housing-prices-during-pandemic-may-point-to-split-economic-recovery</a>
17	Fleming Quote	<a href="https://blog.firstam.com/economics/house-prices-are-hot-but-is-housing-overvalued">https://blog.firstam.com/economics/house-prices-are-hot-but-is-housing-overvalued</a>
18	Home Price Forecasts 2021	<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> <a href="https://www.zelmanassociates.com/">https://www.zelmanassociates.com/</a> (subscription needed) <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.fanniemae.com/research-and-insights/forecast">https://www.fanniemae.com/research-and-insights/forecast</a> <a href="https://www.corelogic.com/insights-download/home-price-index.aspx">https://www.corelogic.com/insights-download/home-price-index.aspx</a>
19	Annual Price Appreciation	<a href="https://www.corelogic.com/insights-download/home-price-index.aspx">https://www.corelogic.com/insights-download/home-price-index.aspx</a> <a href="https://www.blackknightinc.com/black-knights-december-2019-mortgage-monitor-2/">https://www.blackknightinc.com/black-knights-december-2019-mortgage-monitor-2/</a>
20. 21	Change in Price Maps	<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> <a href="https://www.fhfa.gov/AboutUs/Reports/ReportDocuments/2005Q4_HPI_N508.pdf">https://www.fhfa.gov/AboutUs/Reports/ReportDocuments/2005Q4_HPI_N508.pdf</a>
22	Fannie Mae Quote	<a href="https://www.fanniemae.com/research-and-insights/surveys/national-housing-survey">https://www.fanniemae.com/research-and-insights/surveys/national-housing-survey</a> <a href="https://www.fanniemae.com/media/38211/display">https://www.fanniemae.com/media/38211/display</a>