

ROSS REALTY GROUP

KELLERWILLIAMS
Luxury
INTERNATIONAL

HOUSING UPDATE

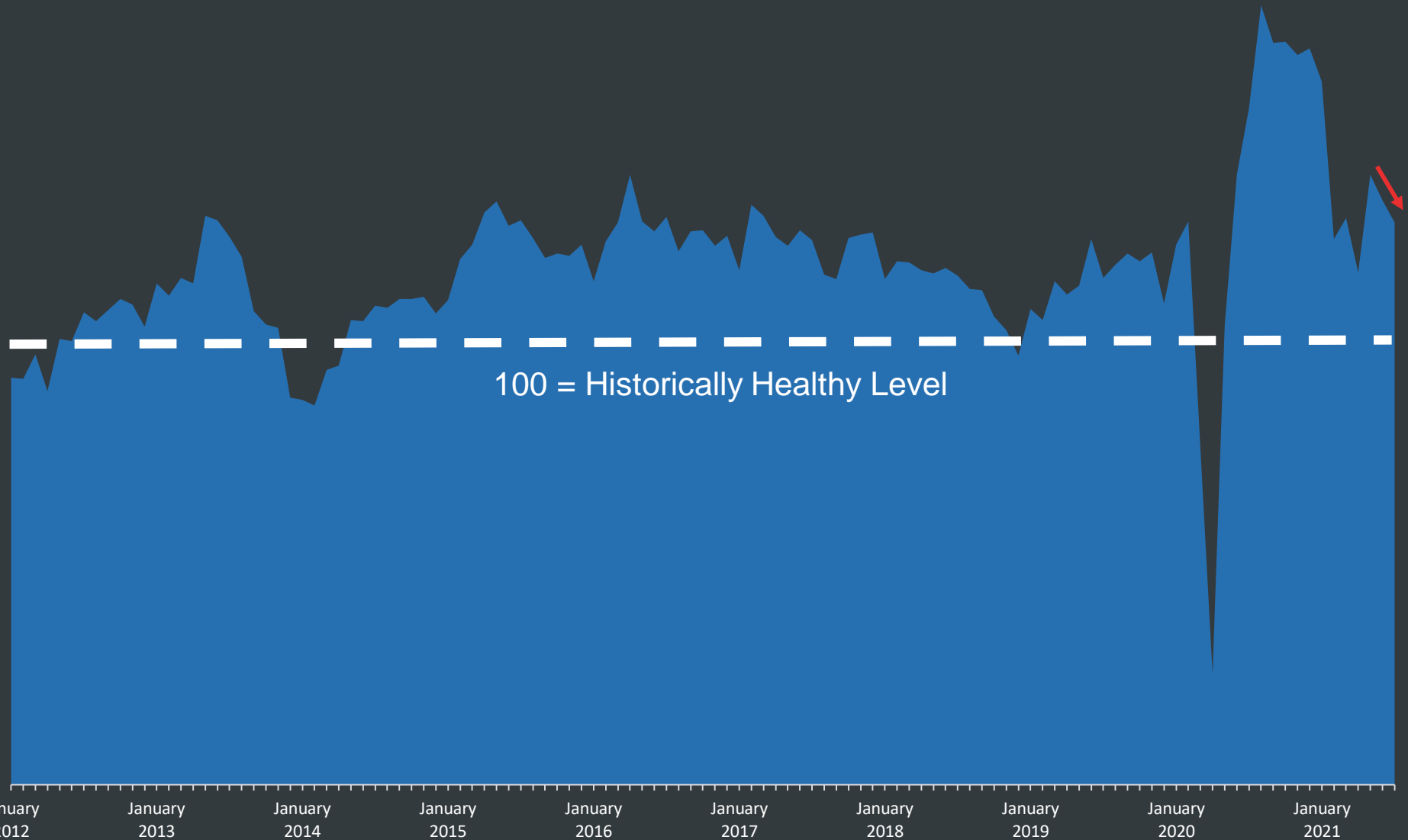


SEPTEMBER 2021



PENDING Home Sales

Since 2012



100 = Historically Healthy Level

“We are seeing some signs of softening in the housing market, *but context is important here...*

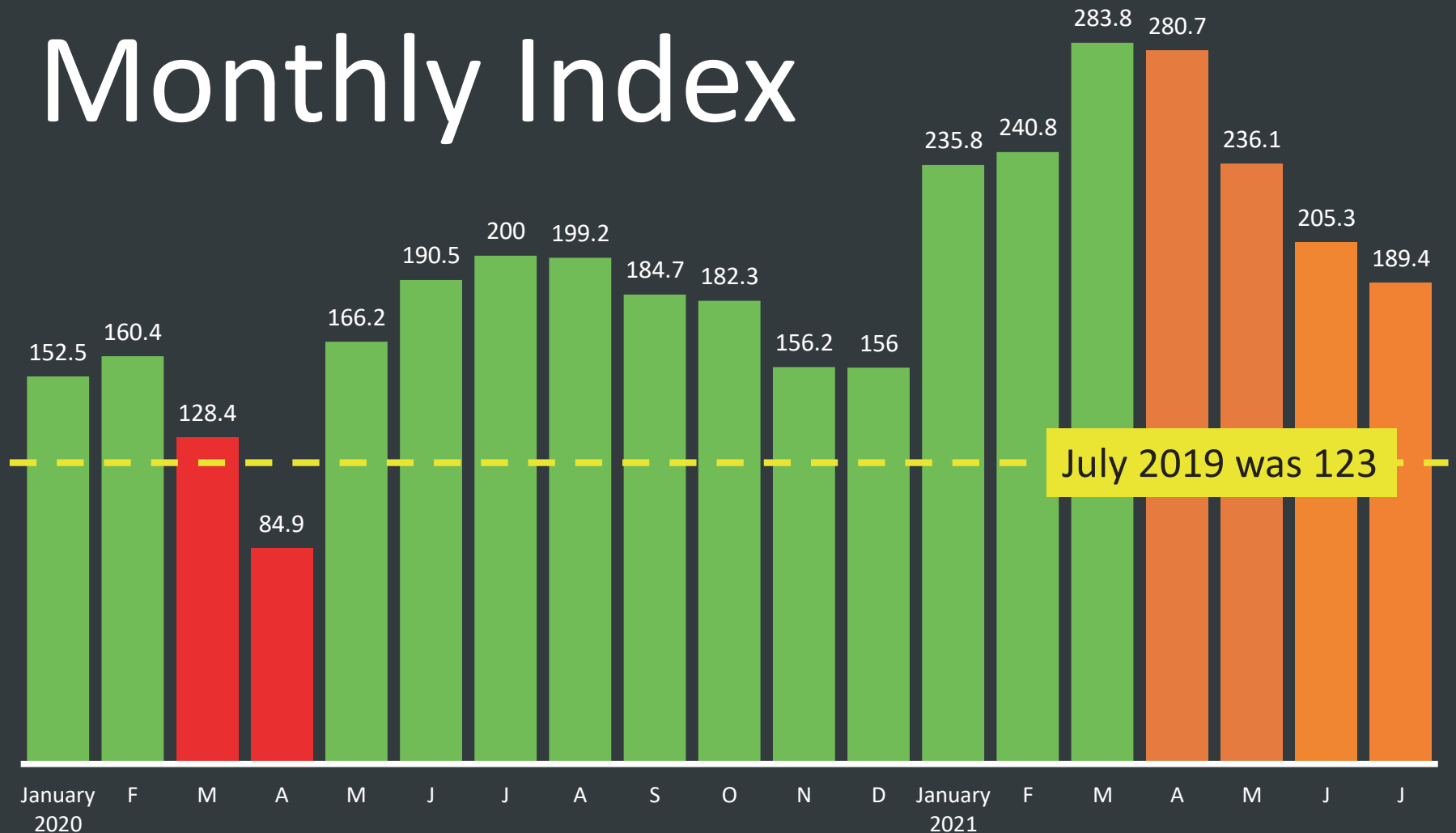
We’re still very much in a sellers’ market, but we are seeing some *early signs* of softening.”

Odetta Kushi

Deputy Chief Economist, First American



ShowingTime's Monthly Index



“The U.S. housing market continues to be ultra-competitive even as new COVID cases surge, but new data shows the level of competition - and ensuing price increases - **may be cooling off just slightly**. Data shows that **49.6% of homes sold for more than the initial list price in July** - far ahead of the number reported in July 2020, when 26.8% of homes were sold above initial asking price, but below June’s total when 50.4% of homes sold for more than initially listed.”

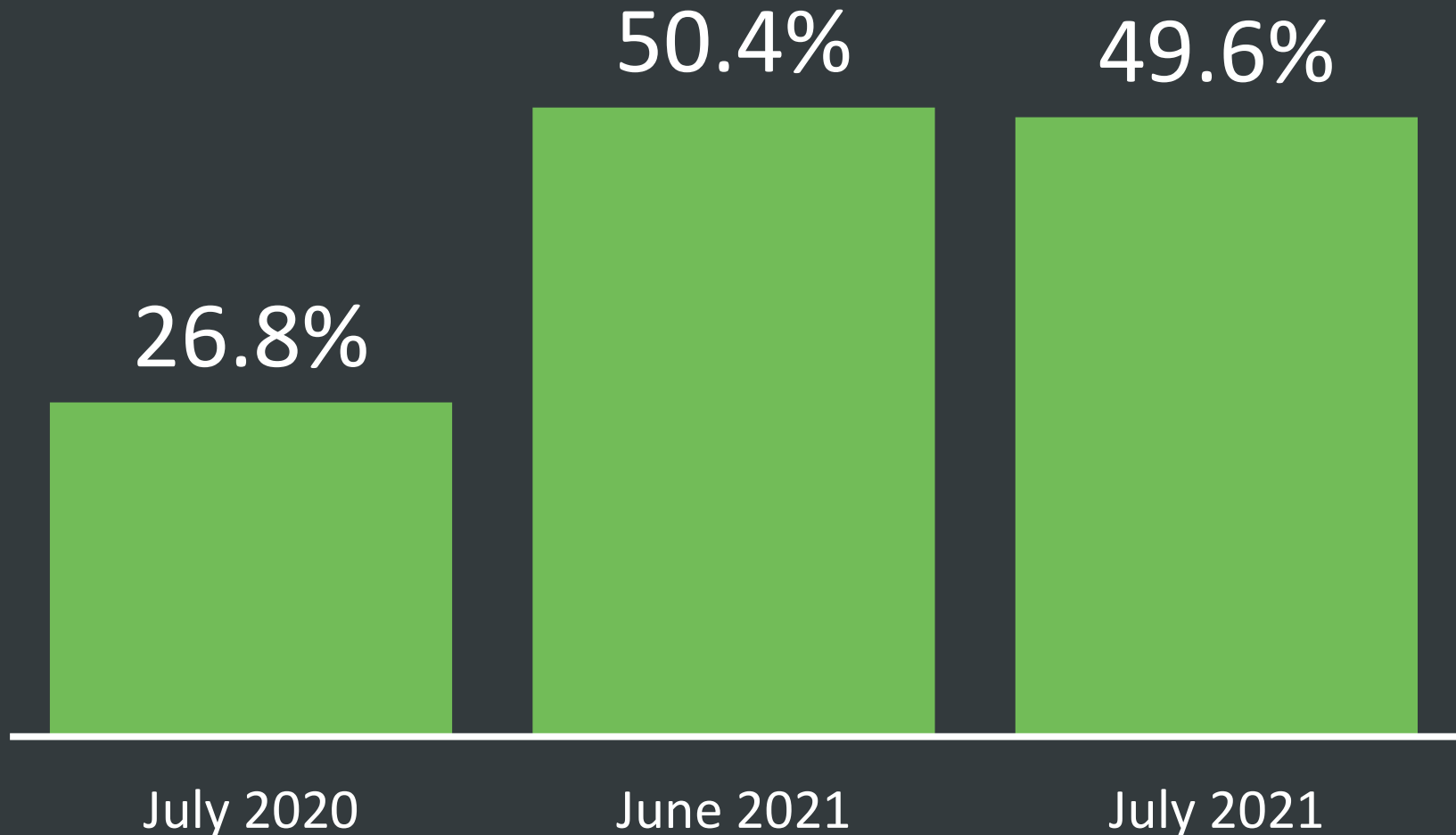
OJO Labs

Real Estate Technology Firm

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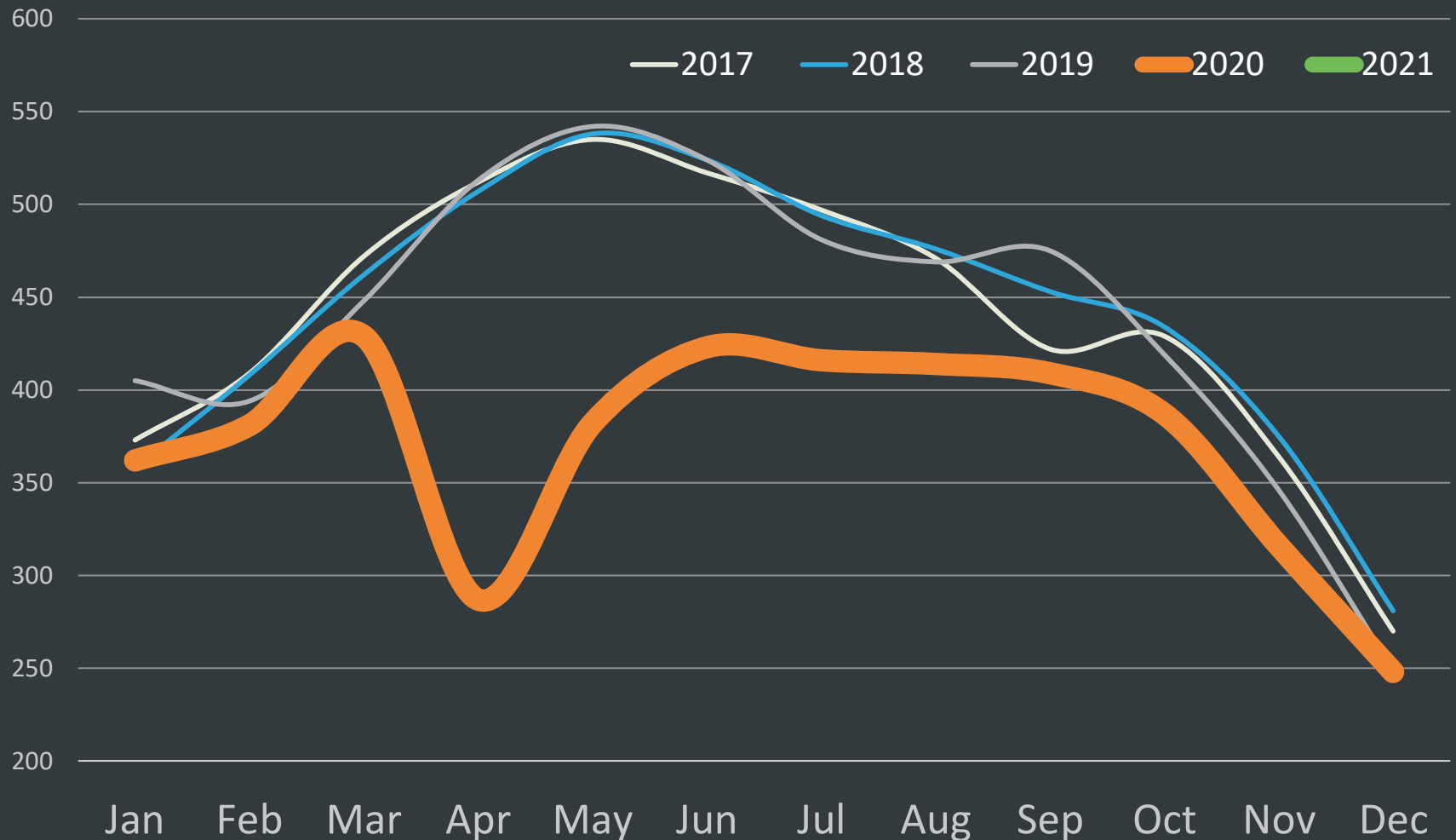


Percentage of Homes Selling over List Price



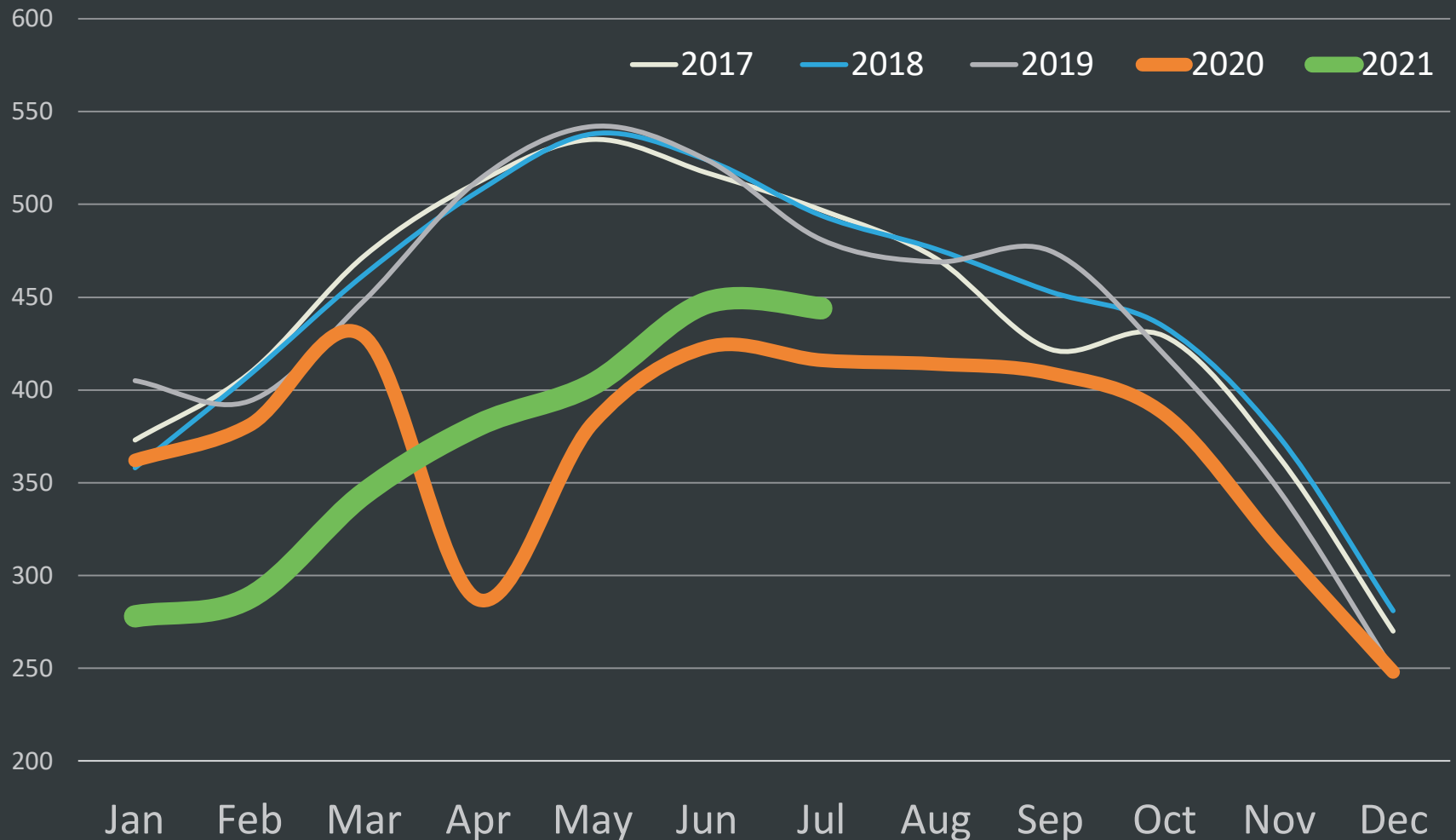
New Monthly Listing Counts 2017-2021

in thousands



New Monthly Listing Counts 2017-2021

in thousands



“If these changing inventory dynamics continue, we could see a wave of real estate activity heading into the latter part of the year.”

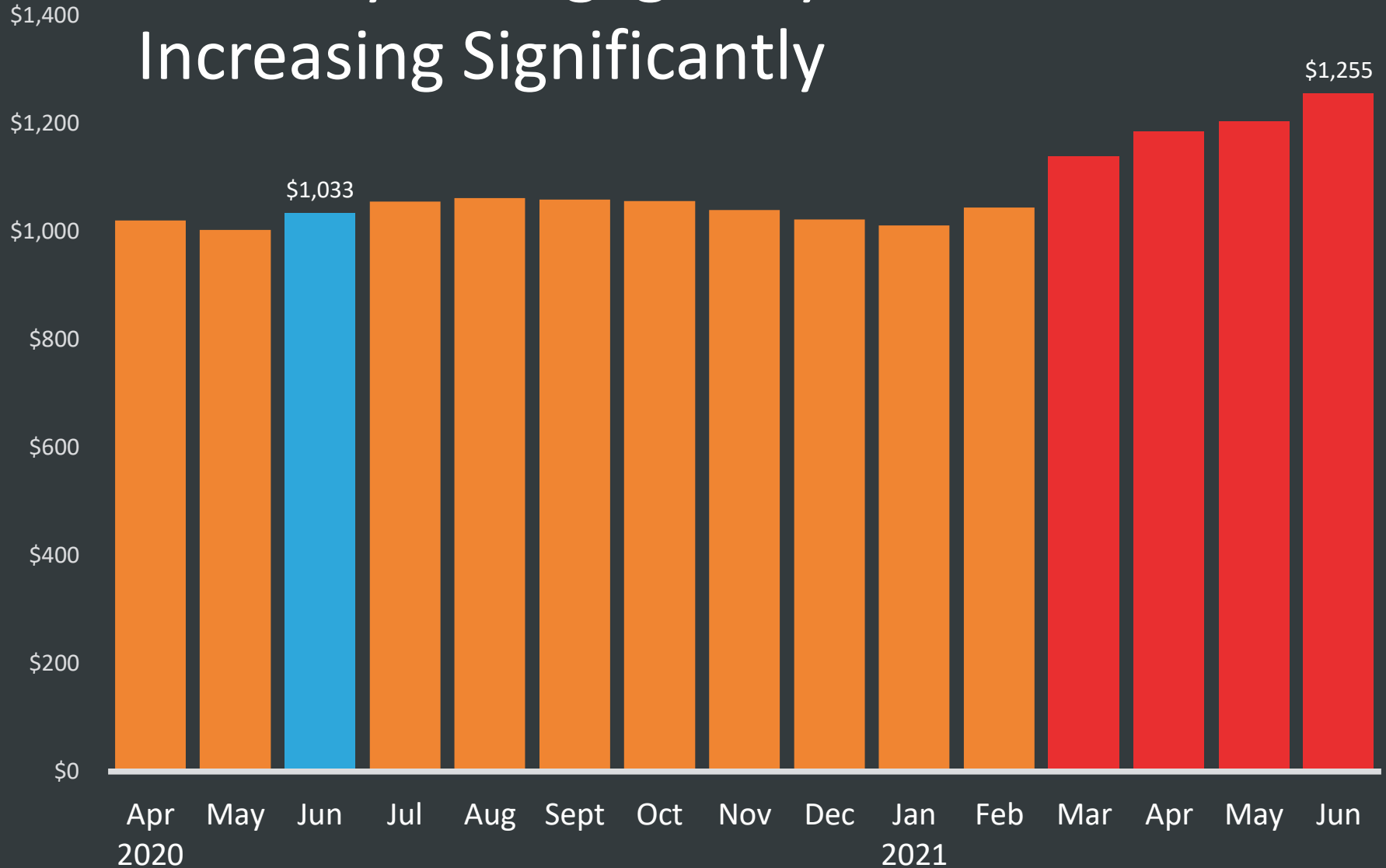
Danielle Hale

Chief Economist, realtor.com

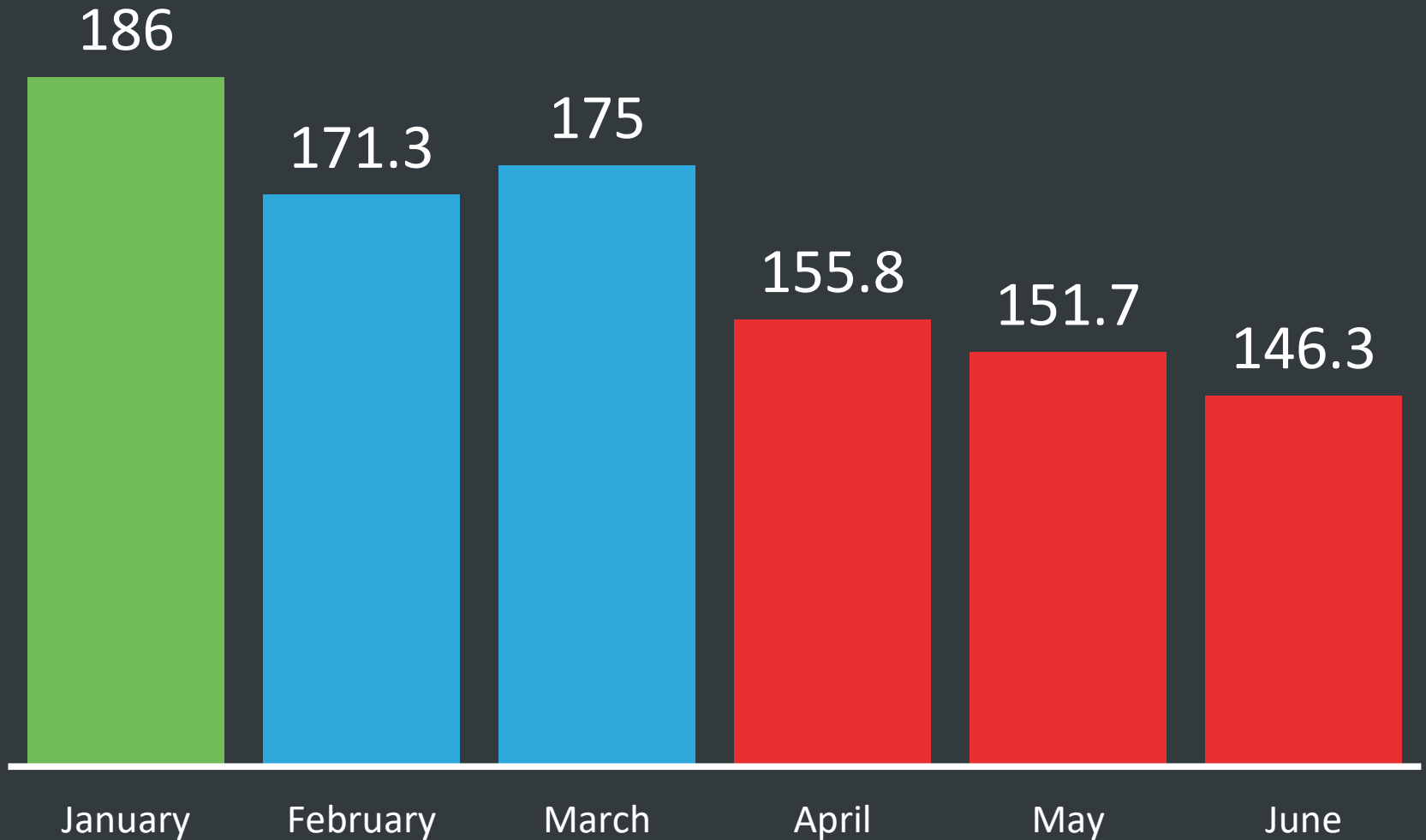


Affordability

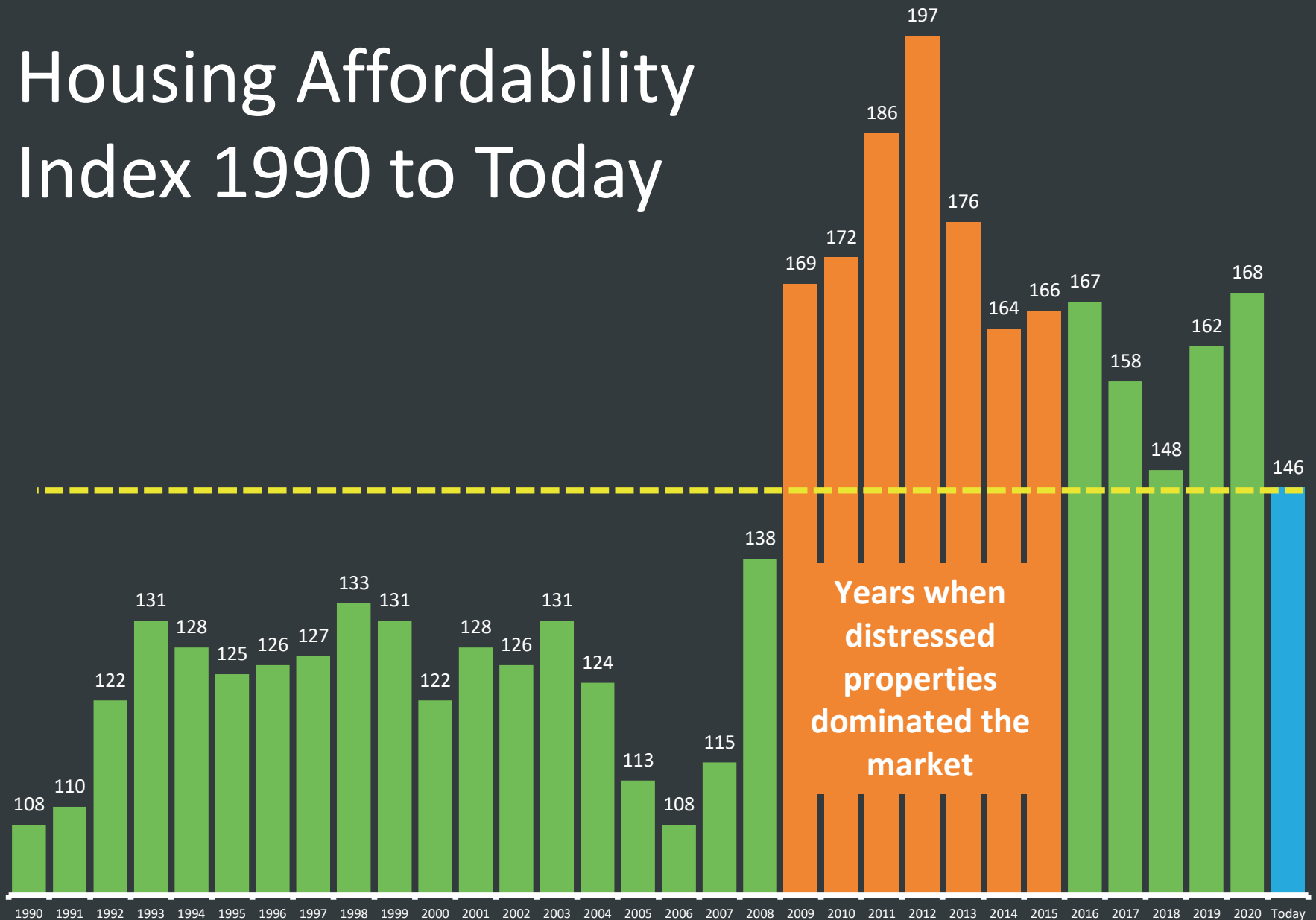
Monthly Mortgage Payment Increasing Significantly



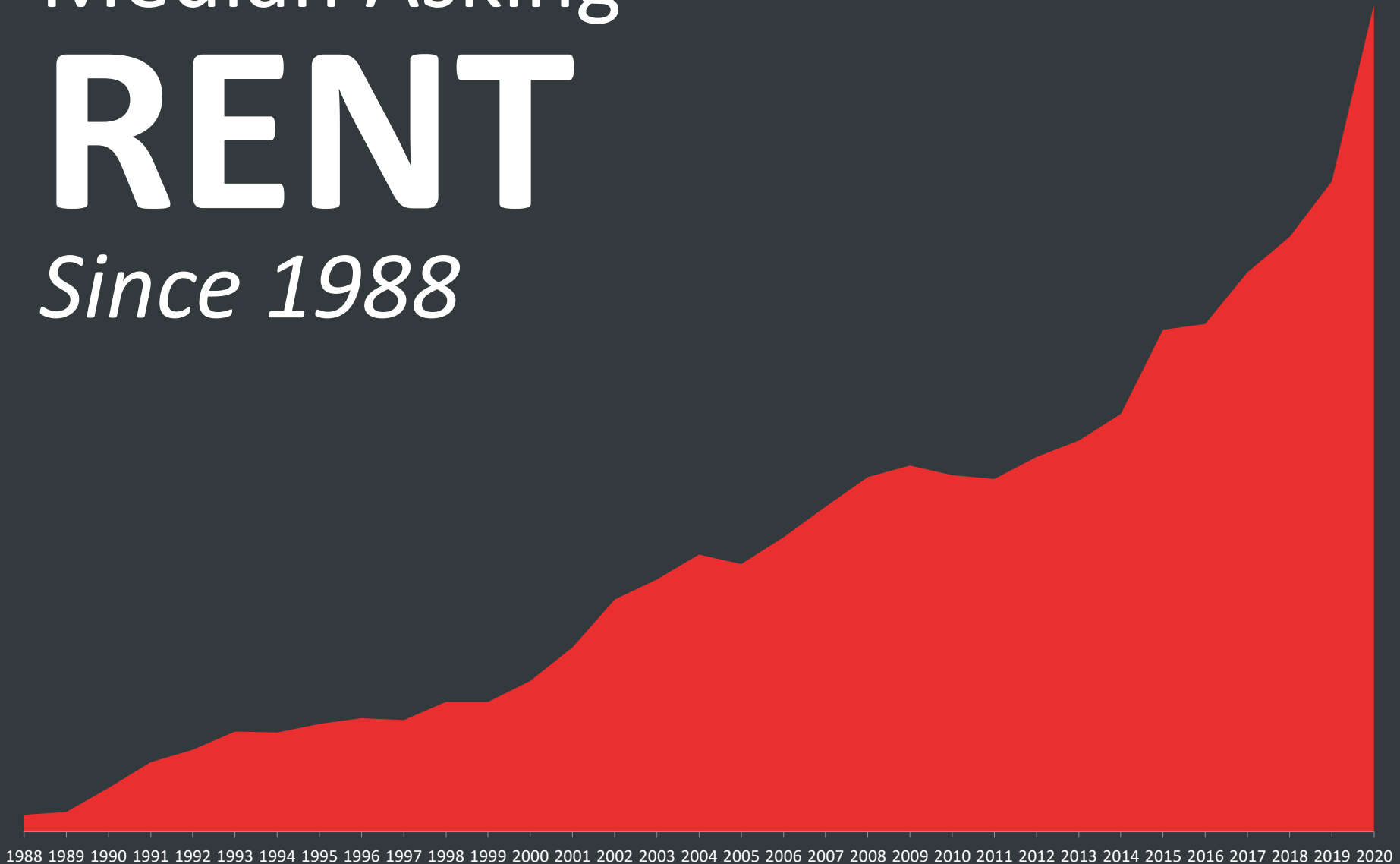
Affordability Continues To Decrease



Housing Affordability Index 1990 to Today

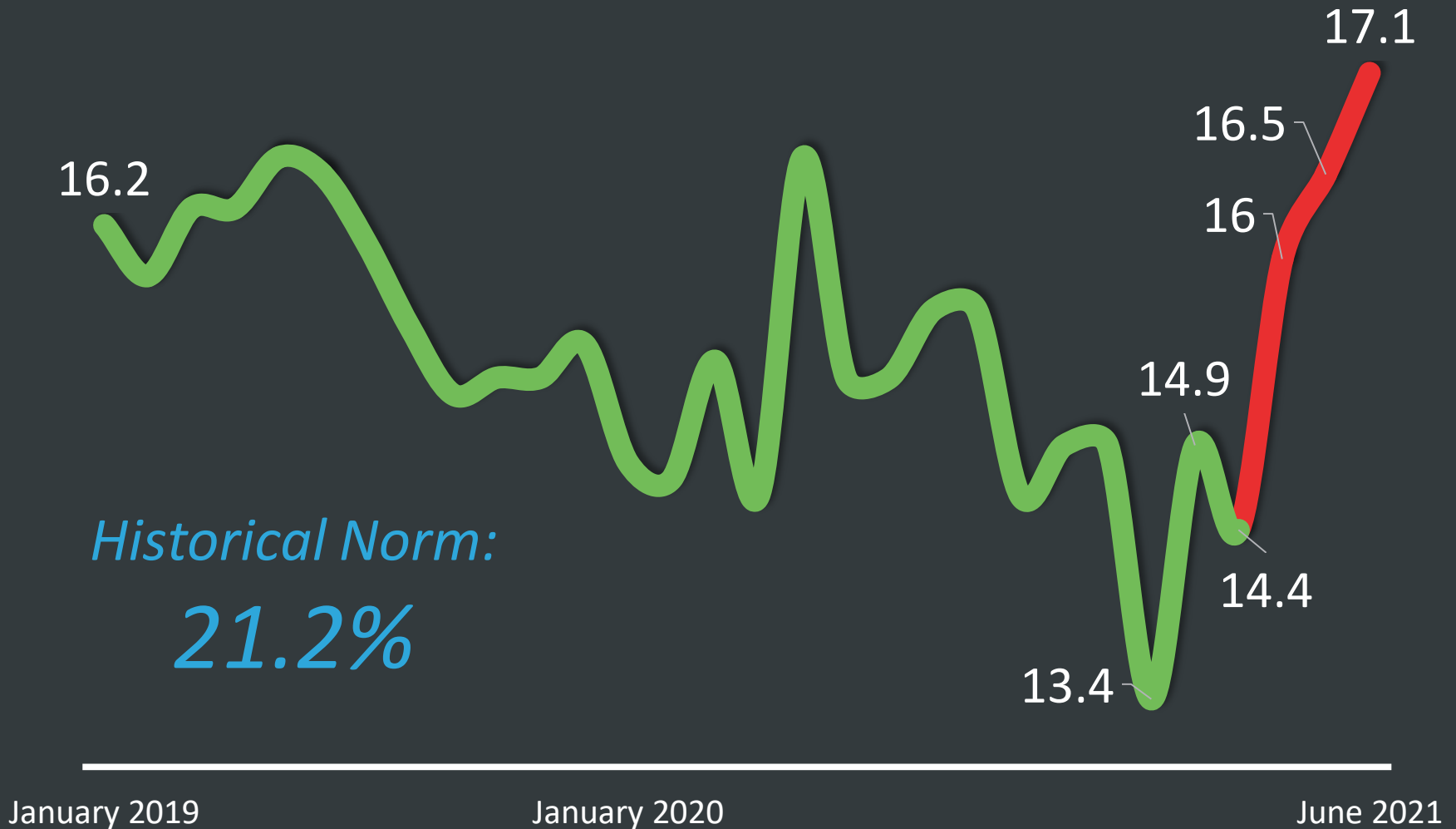


Median Asking **RENT** *Since 1988*



1988 1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020

Percentage of Income Needed for a Mortgage Payment Increasing as Home Prices Continue To Climb



Freddie Mac:

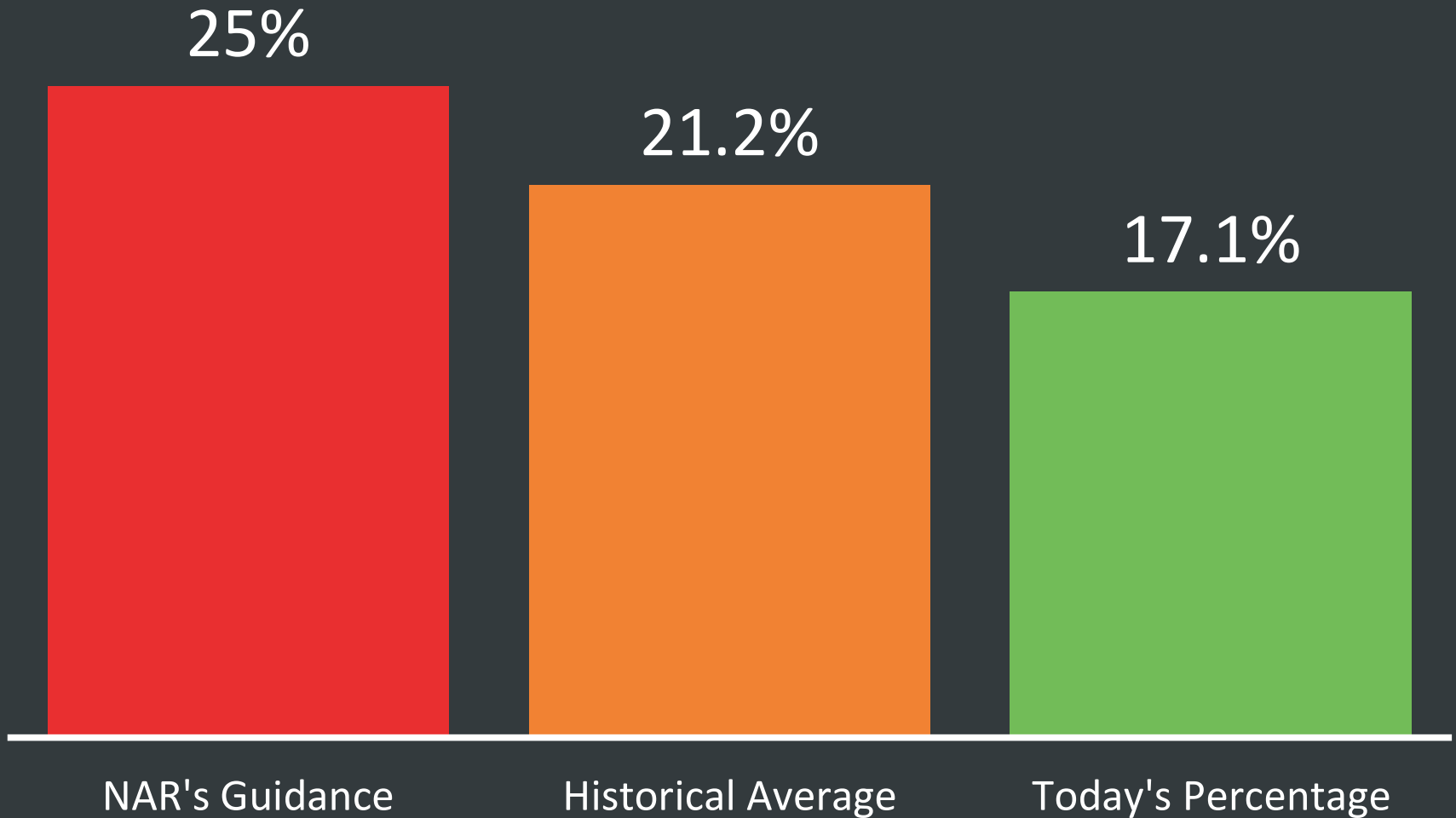
Essential Guide to Creating a Homebuying Budget

*“Most lenders agree that you should spend **no more than 28%** of your gross monthly income on a mortgage payment (including principal, interest, taxes and insurance).”*

National Association of Realtors (NAR):

*“**The 25% mortgage payment to income share** takes into consideration that a homeowner has other expenses such as property insurance, taxes, utilities, and maintenance, so that total housing expenses are no more than 30% of income. Housing costs are not burdensome if they account for no more than 30% of income.”*

Mortgage Payment as a Percentage of Income



Homes are less affordable,
not unaffordable.

5 Reasons Today's Housing Market *Is Anything but Normal*



Normal *adjective*

: conforming to a type, standard, or regular pattern : characterized by that which is considered usual, typical, or routine

Merriam-Webster Dictionary





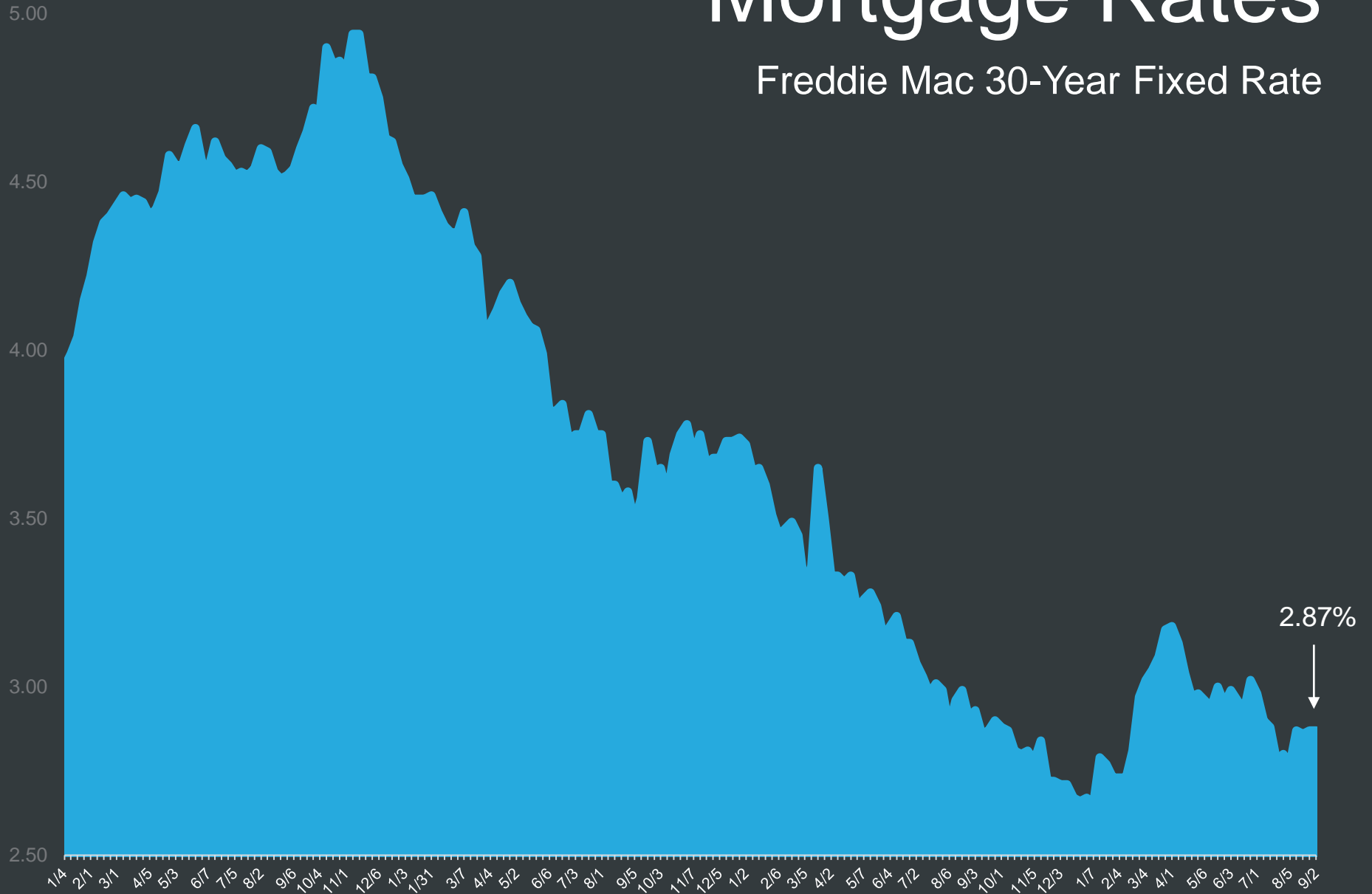
1. Mortgage Rates

Historical Mortgage Rates by Decade

Decade	Average Rate
1970s	8.86%
1980s	12.7%
1990s	8.12%
2000s	6.29%
2010s	4.09%

Mortgage Rates

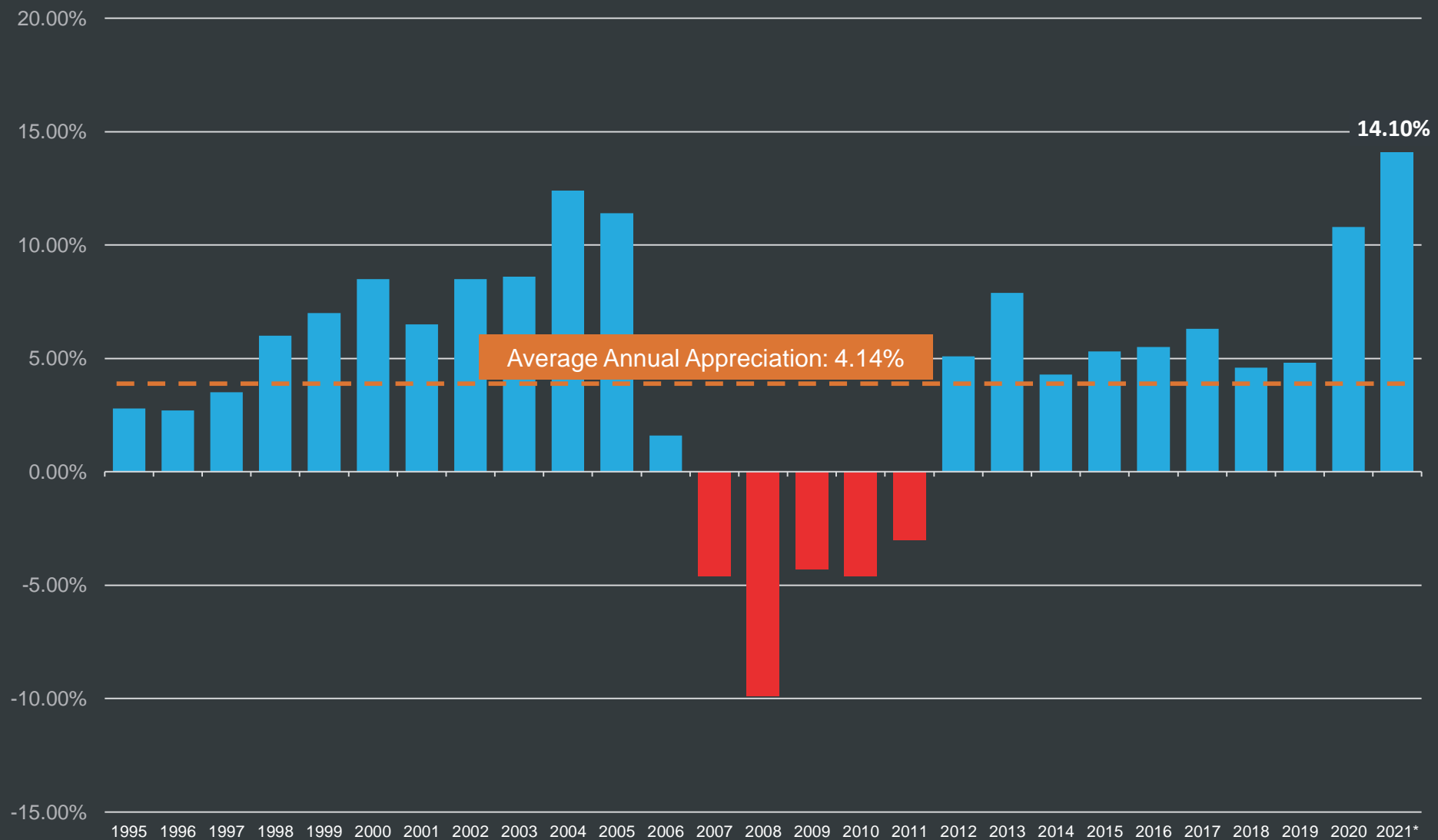
Freddie Mac 30-Year Fixed Rate





2. Home Price Appreciation

Annual Home Price Appreciation by Calendar Year



* 2021 home price appreciation forecasted by the National Association of Realtors (NAR)



3. Months' Supply of Inventory

“Months’ supply refers to the number of months it would take for the current inventory of homes on the market to sell given the current sales pace. **Historically, six months of supply is associated with moderate price appreciation**, and a lower level of months’ supply tends to push prices up more rapidly.”

NAR



Months Inventory of HOMES FOR SALE

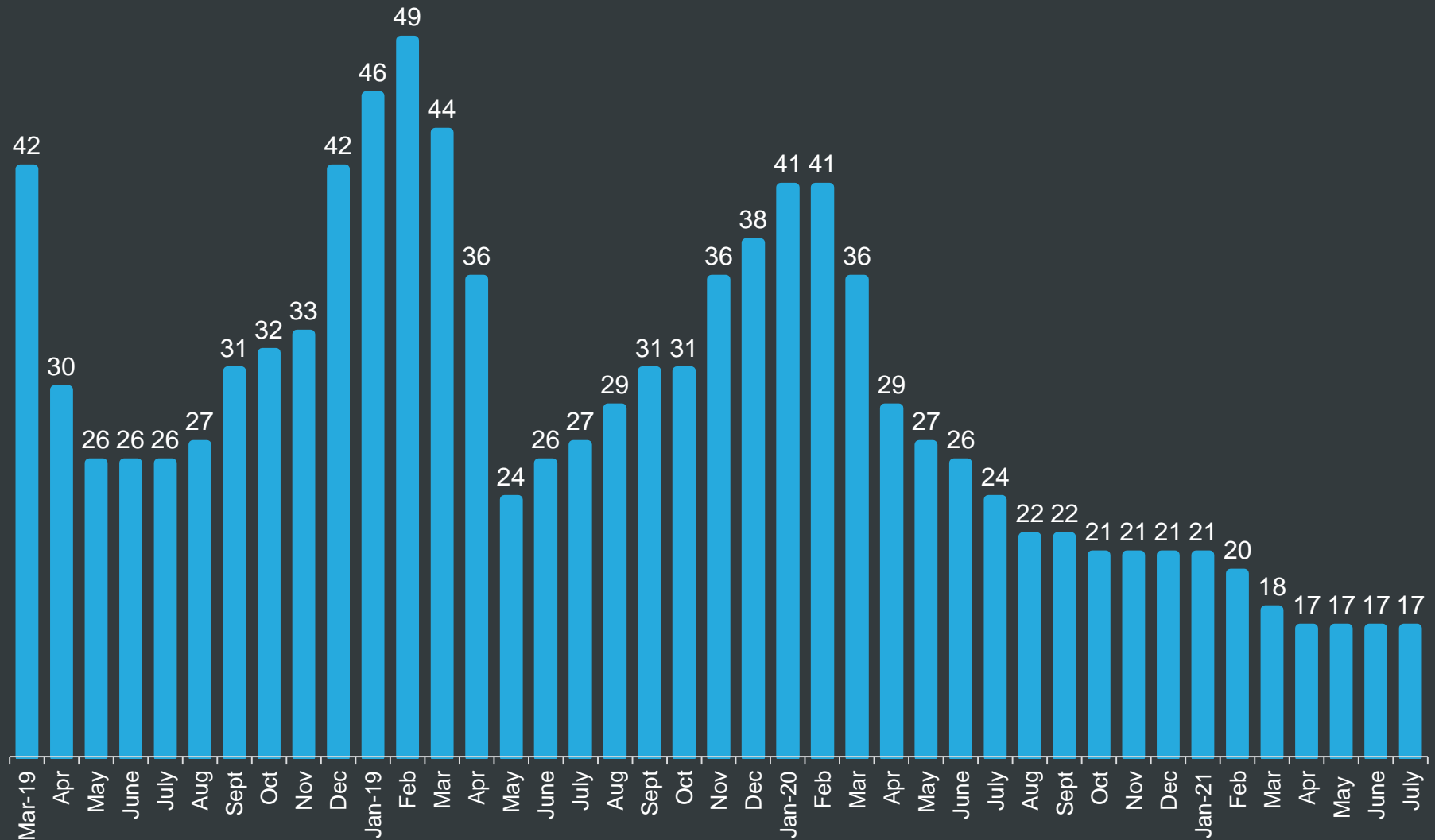
2011 - Today





4. Days It Takes To Sell a Home

Average Days on the Market



A vibrant red door with a brass number 9 is the central focus. Three hands are reaching out towards the door: one on the left holding a set of keys, and two on the right, palms up, as if presenting or offering something. The hands are wearing light blue sleeves. The background is a solid dark grey.

5. Number of Offers per Listing

Average Number of Offers Received on the Most Recent Closed Sale - July



Fall 2021 Buyer & Seller Guides

Available Now



Resources

Slide	Slide Title	Link
17	Mortgage Payment as % of Income	https://www.nar.realtor/research-and-statistics/housing-statistics/housing-affordability-index
20	Normal Definition	https://www.merriam-webster.com/dictionary/normal
22	Historical Mortgage Rates by Decade	http://www.freddiemac.com/pmms/pmms30.html
23	Mortgage Rates	http://www.freddiemac.com/pmms http://www.freddiemac.com/pmms/pmms_archives.html
25	Home Price Appreciation	https://cdn.blackknightinc.com/wp-content/uploads/2021/04/BKI_MM_Feb2021_Report.pdf https://cdn.nar.realtor/sites/default/files/documents/forecast-q3-2021-us-economic-outlook-07-29-2021_1.pdf
27	NAR Quote	https://www.nar.realtor/blogs/economists-outlook/inventory-and-months-supply
28	Months Inventory of Homes for Sale	nar.realtor https://www.nar.realtor/topics/existing-home-sales https://www.nar.realtor/newsroom/existing-home-sales-expand-1-4-in-june
30, 32	Average Days on the Market & Number of Offers	https://www.nar.realtor/research-and-statistics/research-reports/realtors-confidence-index https://cdn.nar.realtor/sites/default/files/documents/2021-07-realtors-confidence-index-08-23-2021.pdf