

2023



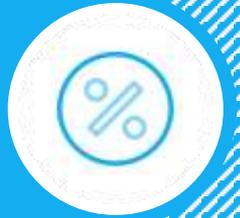
ROSS REALTY GROUP

KELLER WILLIAMS
Luxury

January

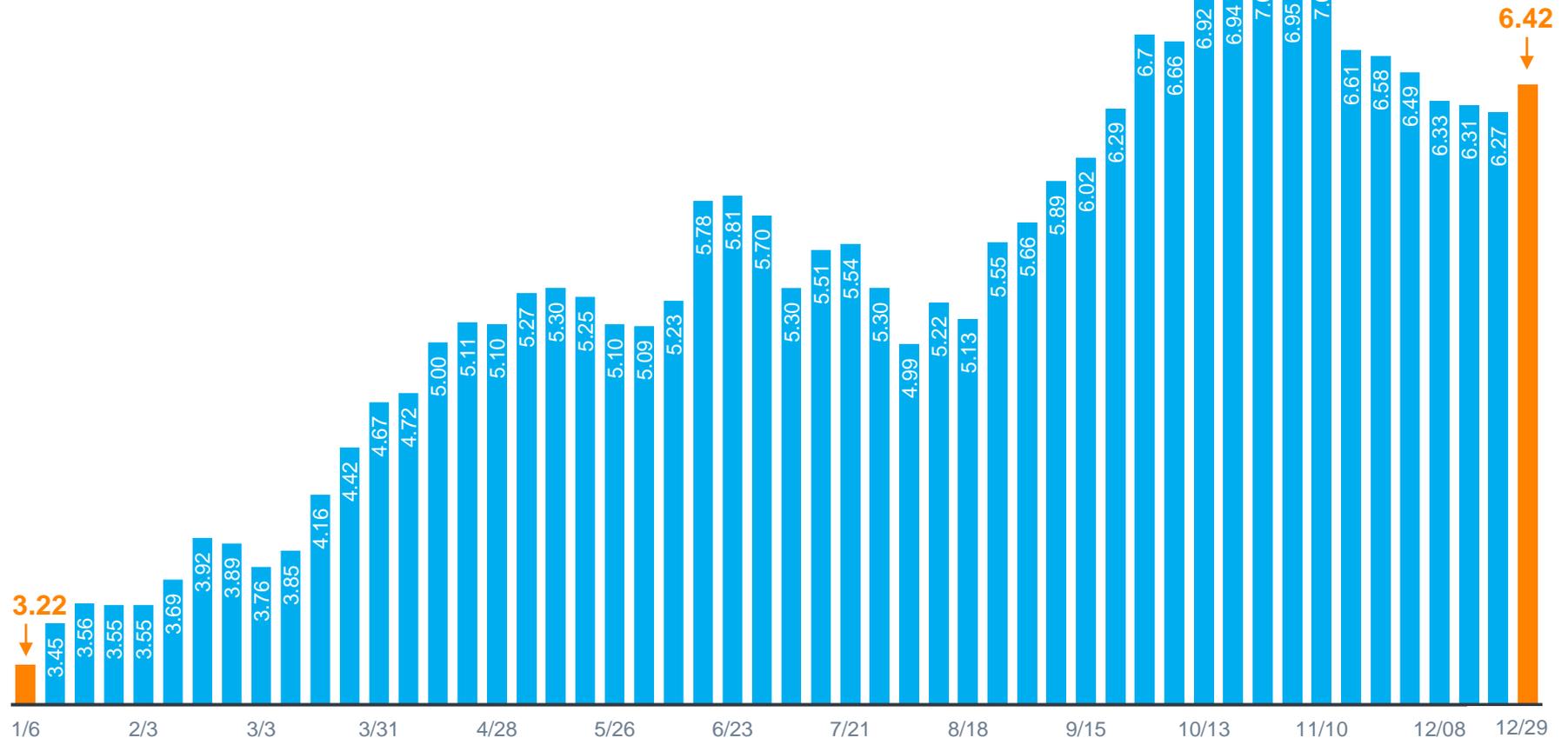
Housing Market Update

Mortgage Rates

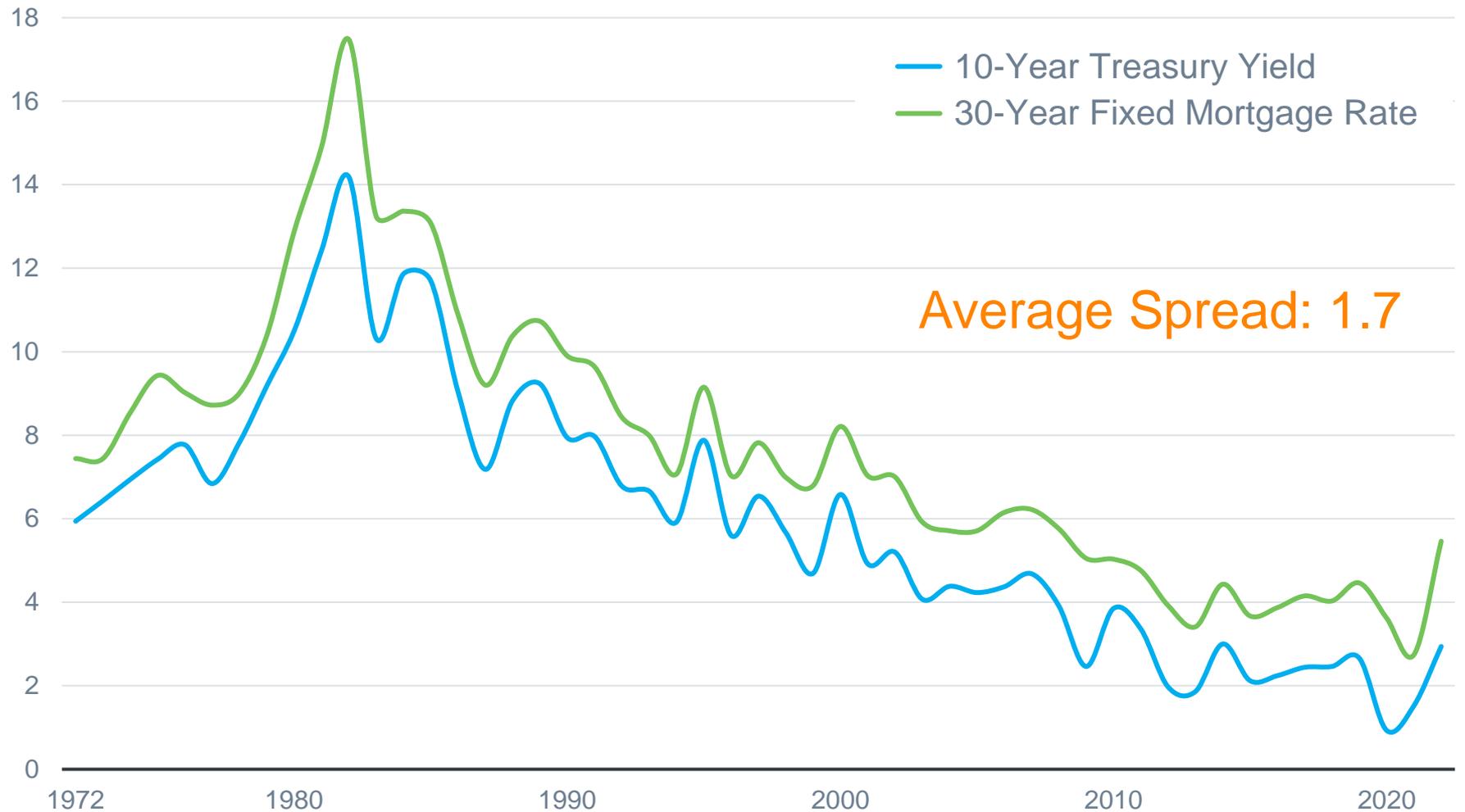


The 30-Year Fixed Rate **Doubled** Last Year

Freddie Mac 30-Year Fixed Rate: January – December 2022



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

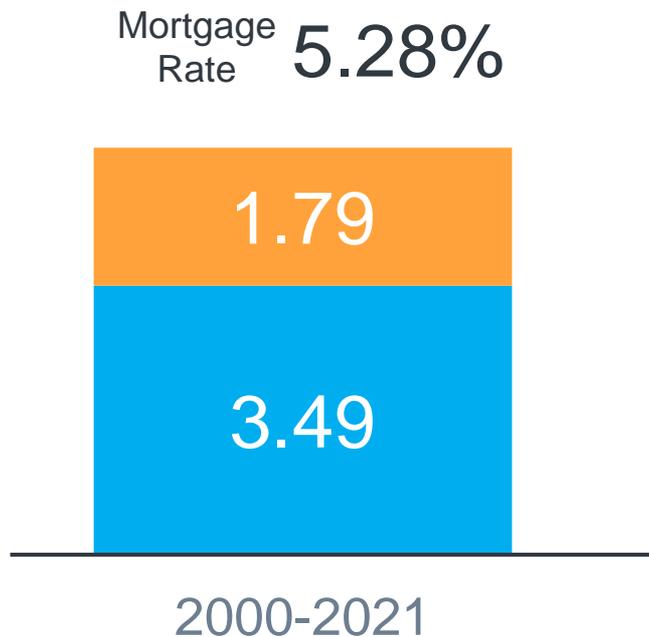


Average Spread: 1.7

Why Are Mortgage Rates Not 5.5%?

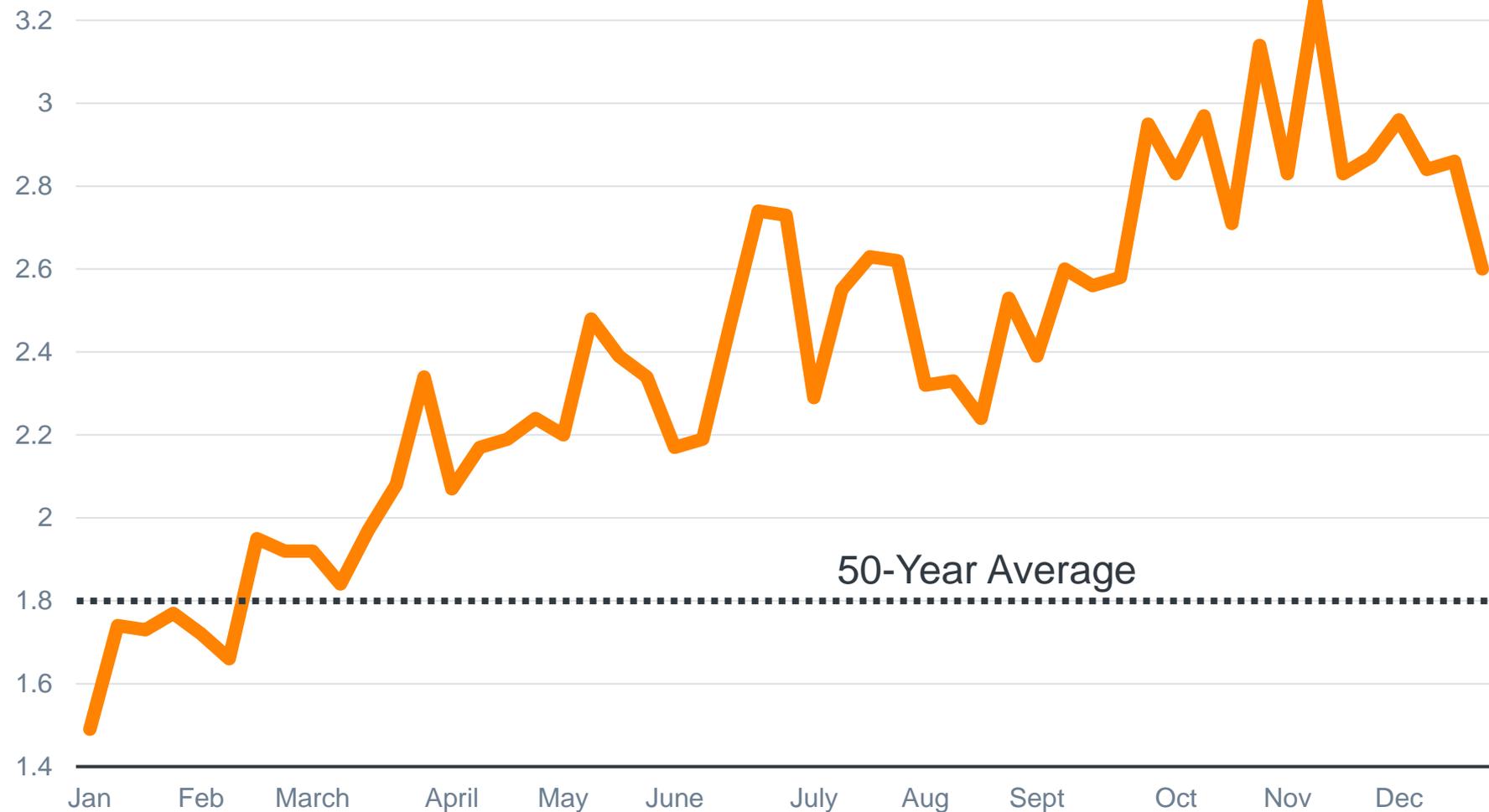
The Increase in the Spread Above the 10-Year Yield is Now Dramatic

- Spread (Difference Between the Mortgage Rate and the 10-Year Yield)
- 10-Year Treasury Yield



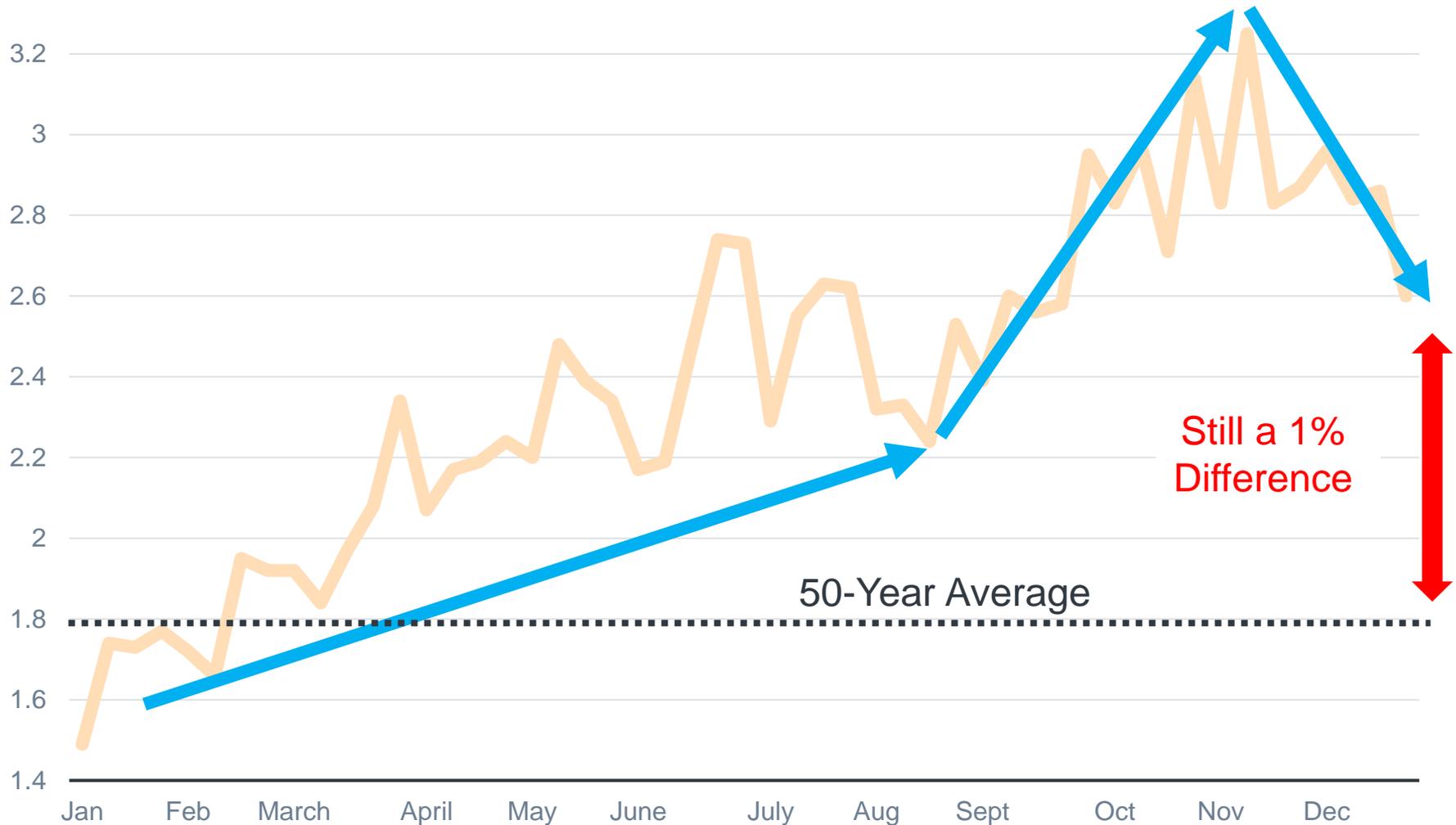
The Panic Is Starting To Subside

2022 Spread Between the 10-Year Treasury Yield and Mortgage Rates



The Panic Is Starting To Subside

2022 Spread Between the 10-Year Treasury Yield and Mortgage Rates





The upcoming months should see a return of buyers, as mortgage rates appear to have already peaked and have been coming down since mid-November.

- **Lawrence Yun**, Chief Economist, NAR



So be advised...this may be the one and only window for the next few years to get into a buyers market. And remember...as the Federal Reserve data shows...home prices only go up and always recover from recessions no matter how mild or severe.

Long term homeowners should view this market...right now...as a unique buying opportunity.

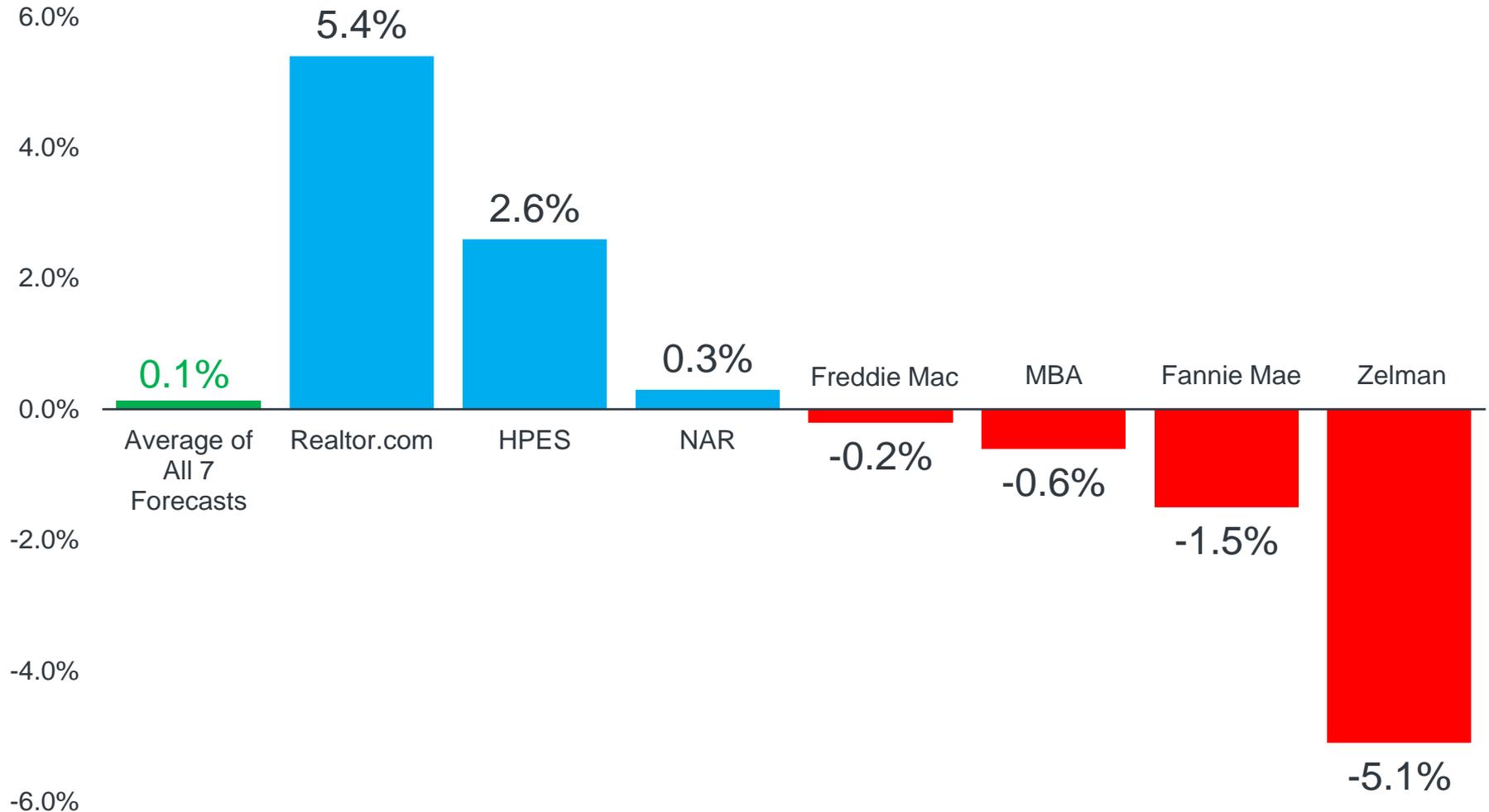
- **David Stevens**, Former Assistant Secretary of Housing

Home Price Update



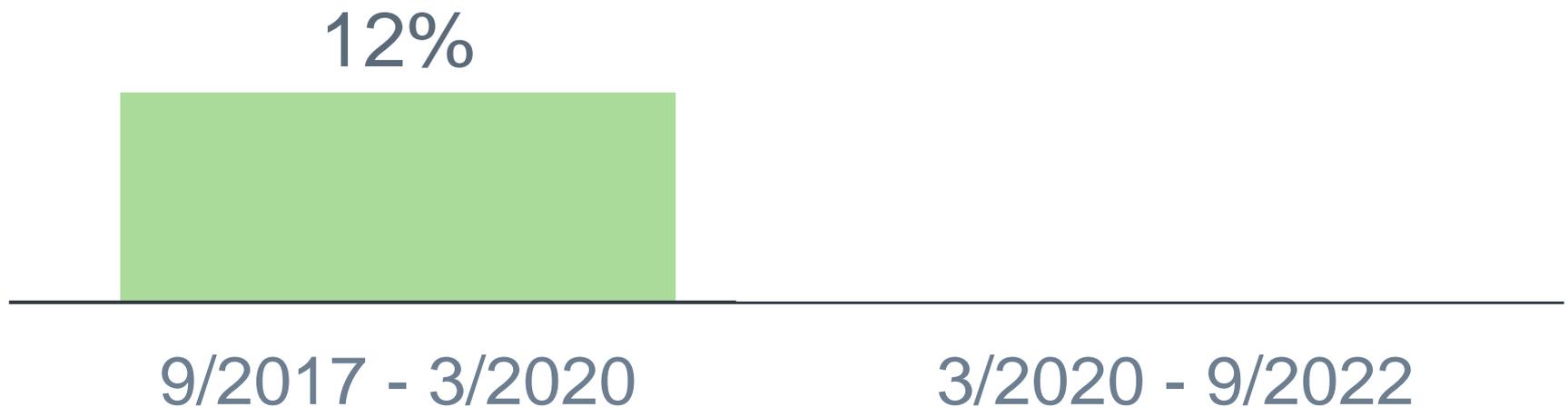
Home Price Forecasts for 2023 by Source

Latest Forecasts from Each Entity



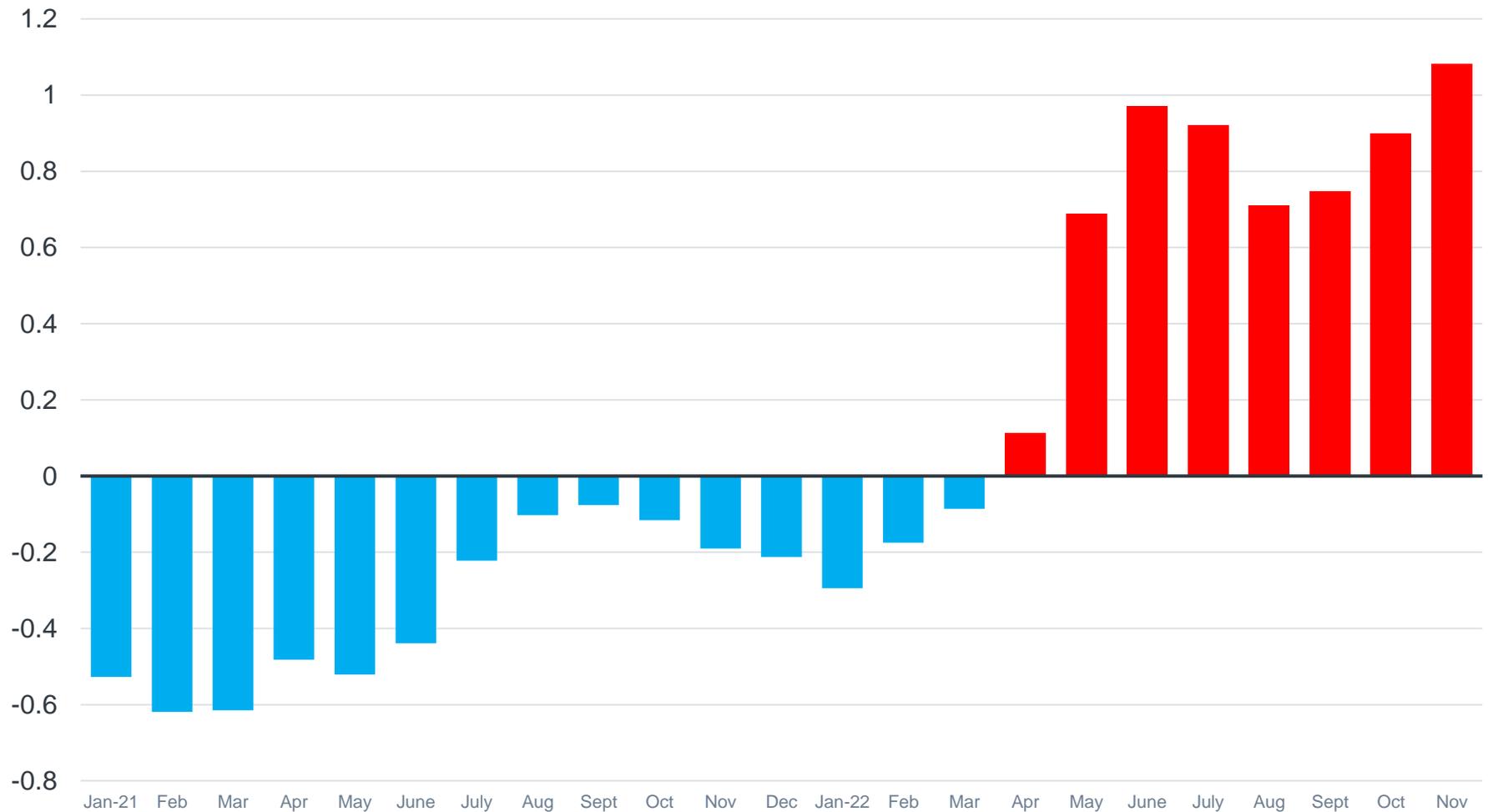
Home Appreciation Pre- and Post-Pandemic

% Appreciation Before Pandemic Compared to After



Share of Homes Having Their Prices Reduced

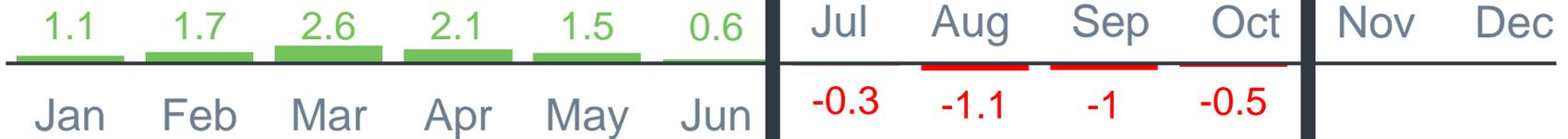
% of Homes with Price Reduced, Year-Over-Year



Have Home Values Hit Bottom?

2022 MOM % Change in Home Values for 4 Different Indices

Case Shiller



FHFA



Black Knight



CoreLogic



Over 11,000 Houses Sell Every Day



4,090,000 divided by 365 = 11,205

8 Houses Sell Every Minute

11,205 divided by 24 =
467 every hour

467 divided by 60 =
7.8 every minute





The risks of ARMs were substantially mitigated by the regulatory reforms put in place after the 2008 bust. Today's ARMs are not the risky products of 2008 or even the prebubble version . . . ARMs are no longer something to fear – in fact, they could help borrowers save money and reduce barriers to homeownership.

- **Laurie Goodman** and **Karan Kaul**, Urban Land Institute



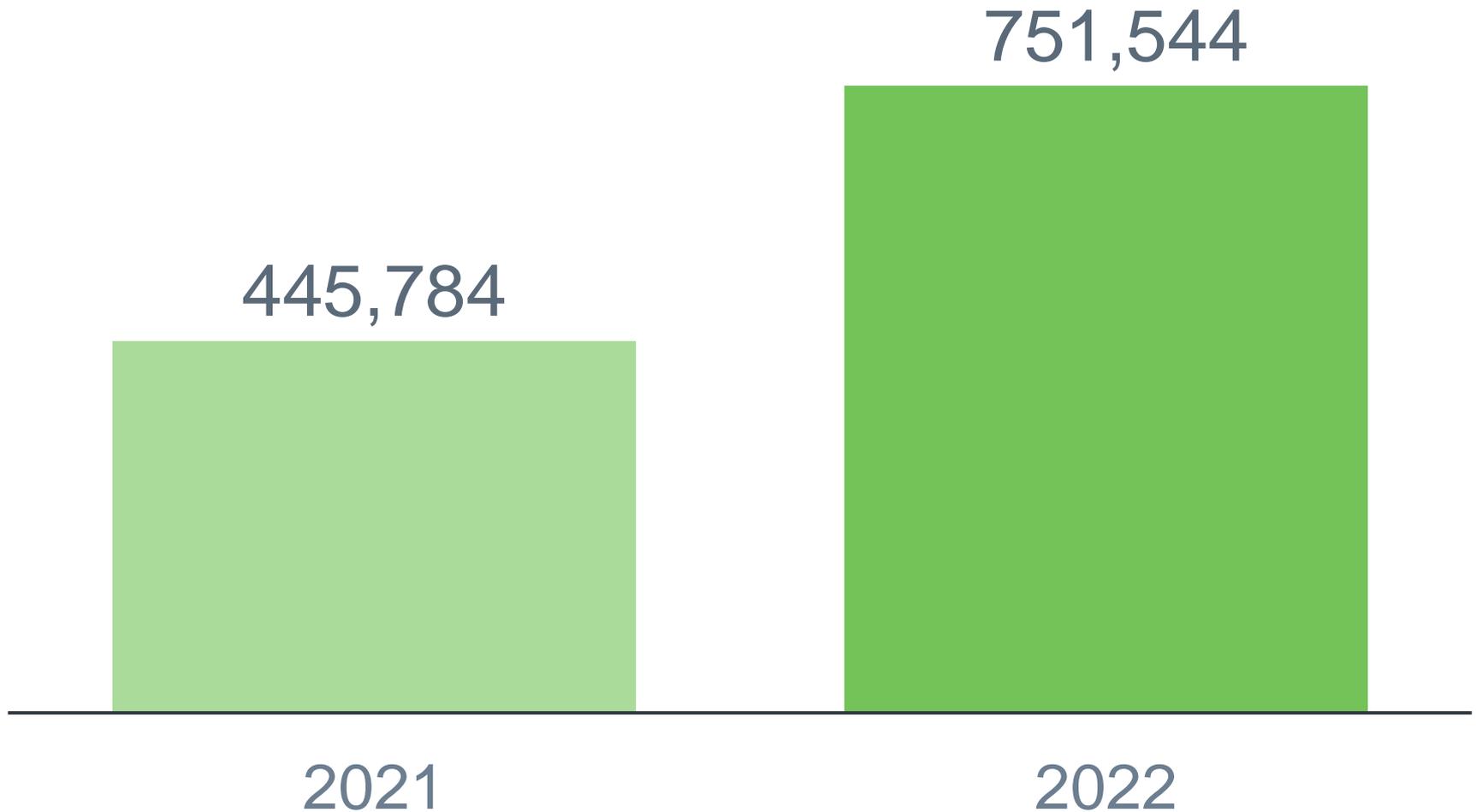
Temporary rate buydowns are a hot trend for mortgages as borrowers face higher costs for home loans. Some buyers are exploring alternatives to traditional mortgages in a period of rising interest rates that is expected to continue into 2023. . . Buydowns . . . are a less costly alternative to traditional fixed-rate mortgages.

- **Linda F. Hersey**, Director, News Reporting, Real Estate News

The Biggest Opportunity **RIGHT NOW**

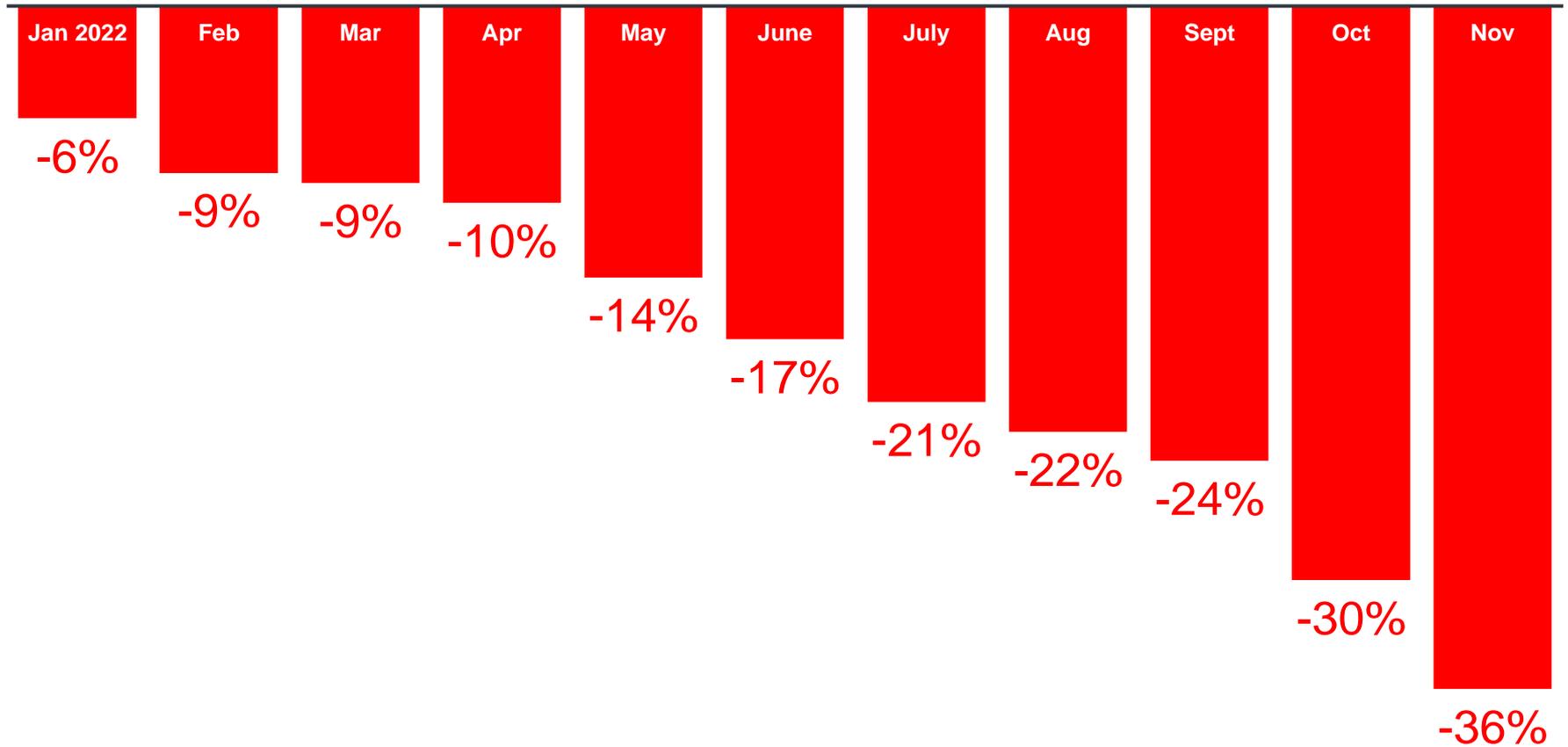


Active Listings the Past Two Years



2022 Pending Listing Count

Last 12 Months, Year-Over-Year



Resources

Slide(s)	Description	Link(s)
3	Mortgage Rates Graph	https://freddiemac.gcs-web.com/node/26491/pdf http://www.freddiemac.com/pmms/
4	Rates & 10-Year Treasury Over Time Graph	https://www.freddiemac.com/pmms/pmms_archives https://www.macrotrends.net/2016/10-year-treasury-bond-rate-yield-chart
5-7	Current Rates & 10-Year Treasury Graphs	https://www.cnbc.com/quotes/US10Y https://www.freddiemac.com/home
8	Yun Quote	https://twitter.com/NAR_Research/status/1597970968298782720
9	Stevens Quote	https://www.linkedin.com/pulse/reminder-home-prices-always-rise-over-time-david-h-stevens-cmb/

Resources

Slide(s)	Description	Link(s)
11	Home Price Forecasts Graph	https://news.move.com/2022-11-30-Realtor-com-R-Housing-Forecast-Homebuying-Costs-Arent-Coming-Down-in-2023 https://pulsenomics.com/surveys/#home-price-expectations https://cdn.nar.realtor/sites/default/files/documents/forecast-q1-2023-us-economic-outlook-12-13-2022 https://www.freddiemac.com/research/forecast/20221021-quarterly-forecast-rapidly-rising-rates-declining-demand-driving-housing-market https://www.mba.org/docs/default-source/research-and-forecasts/forecasts/mortgage-finance-forecast-dec-2022.pdf https://www.fanniemae.com/media/45801/display https://www.zelmanassociates.com/ (subscription)
12	Pre- and Post-Pandemic Appreciation Graph	https://twitter.com/NickTimiraos/status/1597606830334779393
13	Price Reductions Graph	https://www.realtor.com/research/data/

Resources

Slide(s)	Description	Link(s)
14	2022 Home Values Graphs	https://www.spglobal.com/spdji/en/indices/indicators/sp-corelogic-case-shiller-us-national-home-price-nsa-index/#news-research https://www.fhfa.gov/DataTools/Downloads/Pages/House-Price-Index.aspx https://www.blackknightinc.com/data-reports/ https://www.corelogic.com/intelligence/u-s-home-price-insights-december-2022/
17	Goodman and Kaul Quote	https://www.urban.org/urban-wire/should-borrowers-be-afraid-adjustable-rate-mortgages
18	Hersey Quote	https://www.realestatenews.com/2022/12/12/buydowns-can-help-buyers-struggling-with-high-interest-rates
20	Active Listings Graph	https://www.realtor.com/research/data/
21	2022 Pending Listing Graph	https://www.realtor.com/research/data/