

ROSS REALTY GROUP

KELLERWILLIAMS
Luxury
INTERNATIONAL

HOUSING UPDATE



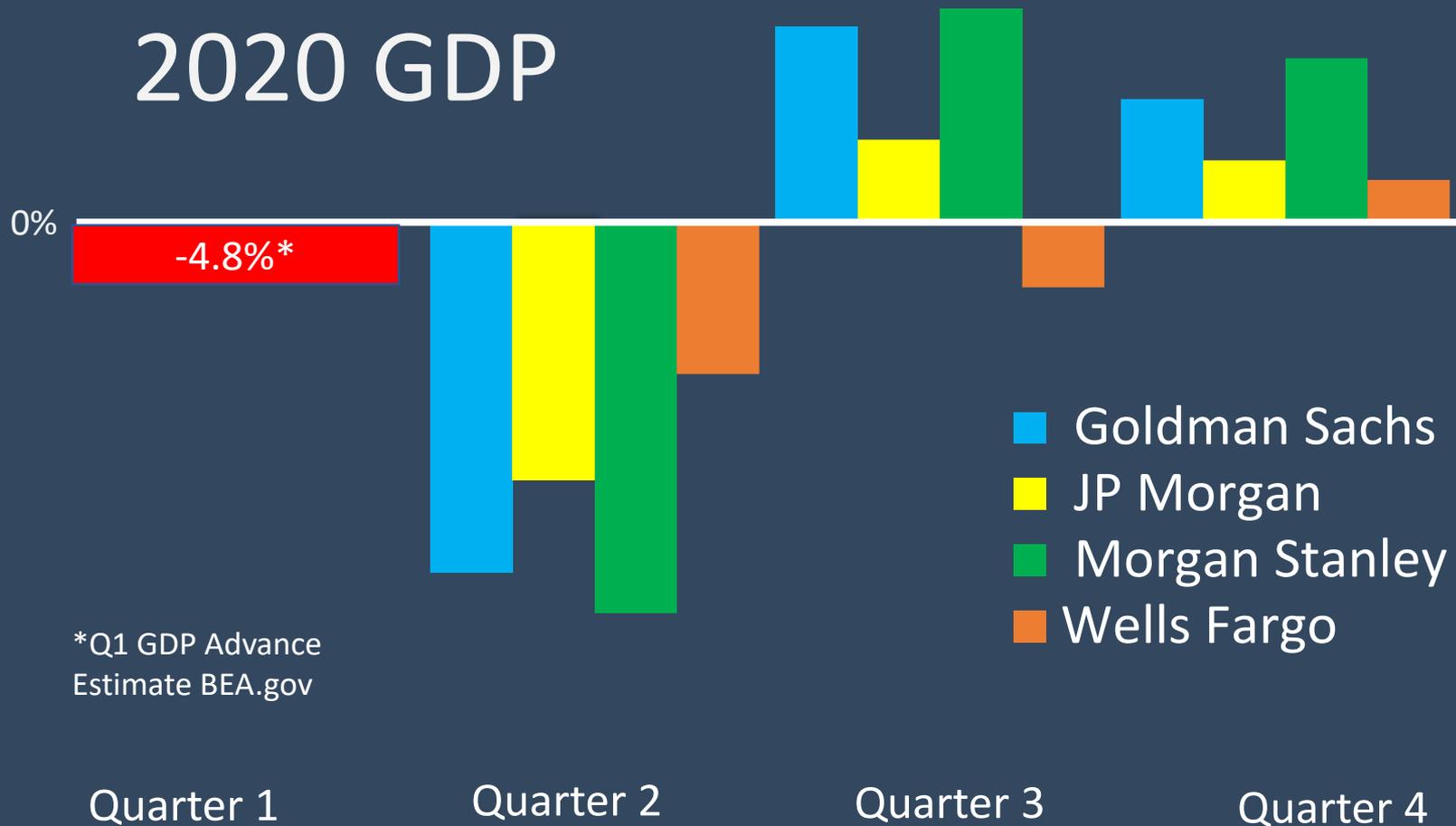
MAY 2020

When is the
economy going
to fully recover?



Major financial institutions are calling for a 2nd half recovery

2020 GDP



*Q1 GDP Advance Estimate BEA.gov

1. Business Science – How has the economy rebounded from similar slowdowns in the past?

2. Health Science – When will COVID-19 be under control? Will there be another flareup of the virus this fall?

3. People Science – After businesses are fully operational, how long will it take American consumers to return to normal consumption patterns? (Ex: going to the movies, attending a sporting event, or flying).

“Although the uncertainty of the crisis means forecasts of economic activity are more unclear than usual, we expect that most of the economic damage from the virus will be contained to the first half of the year. **Going forward, we should see a recovery starting in the 2nd half of 2020.**”

Sam Khater

Chief Economist at Freddie Mac

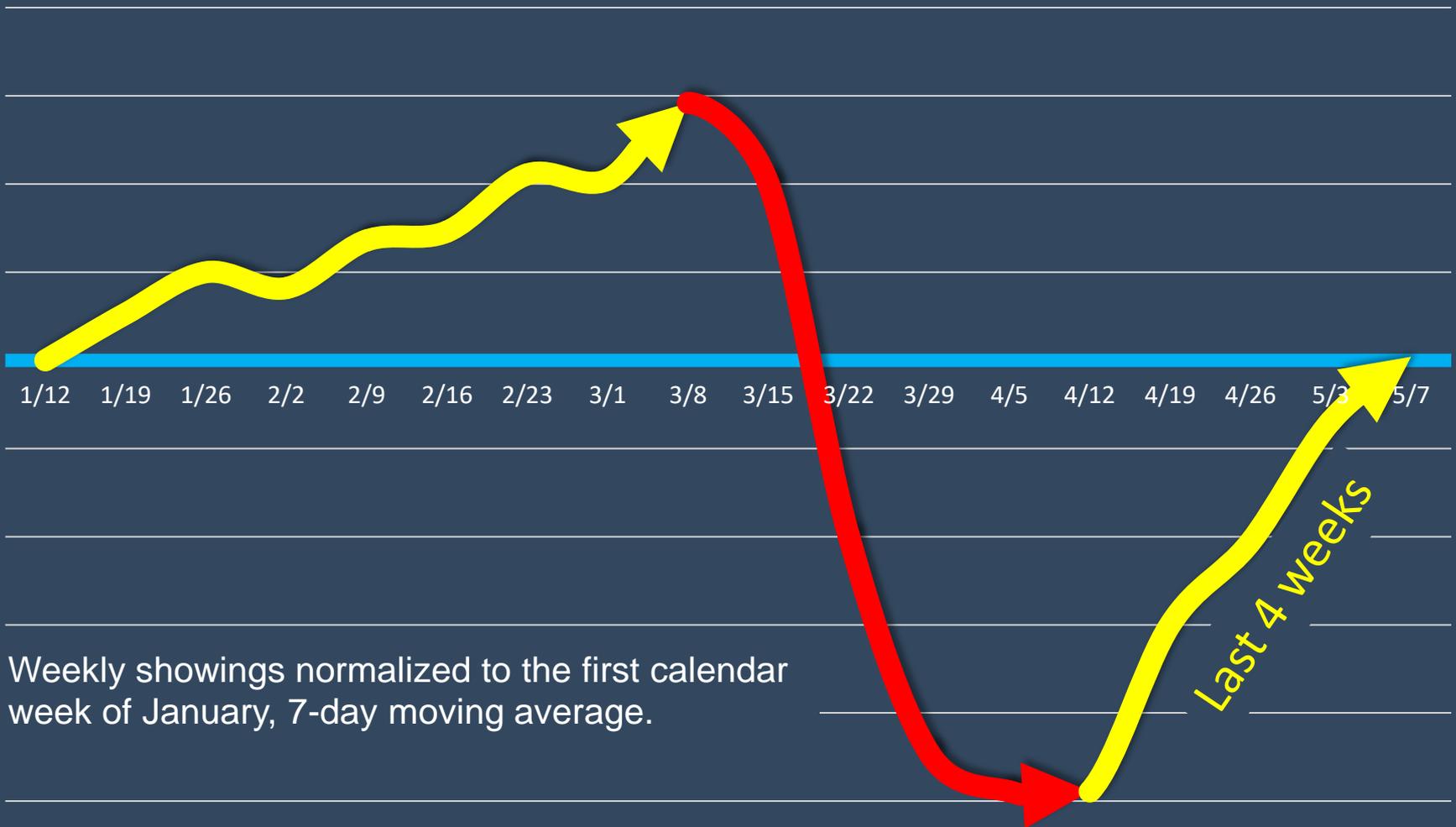


“Evidence is mounting that homebuyers may be coming back to the market, after demand plummeted in the past month due to the coronavirus.”

CNBC



Impact of COVID-19 to Real Estate Showings in North America

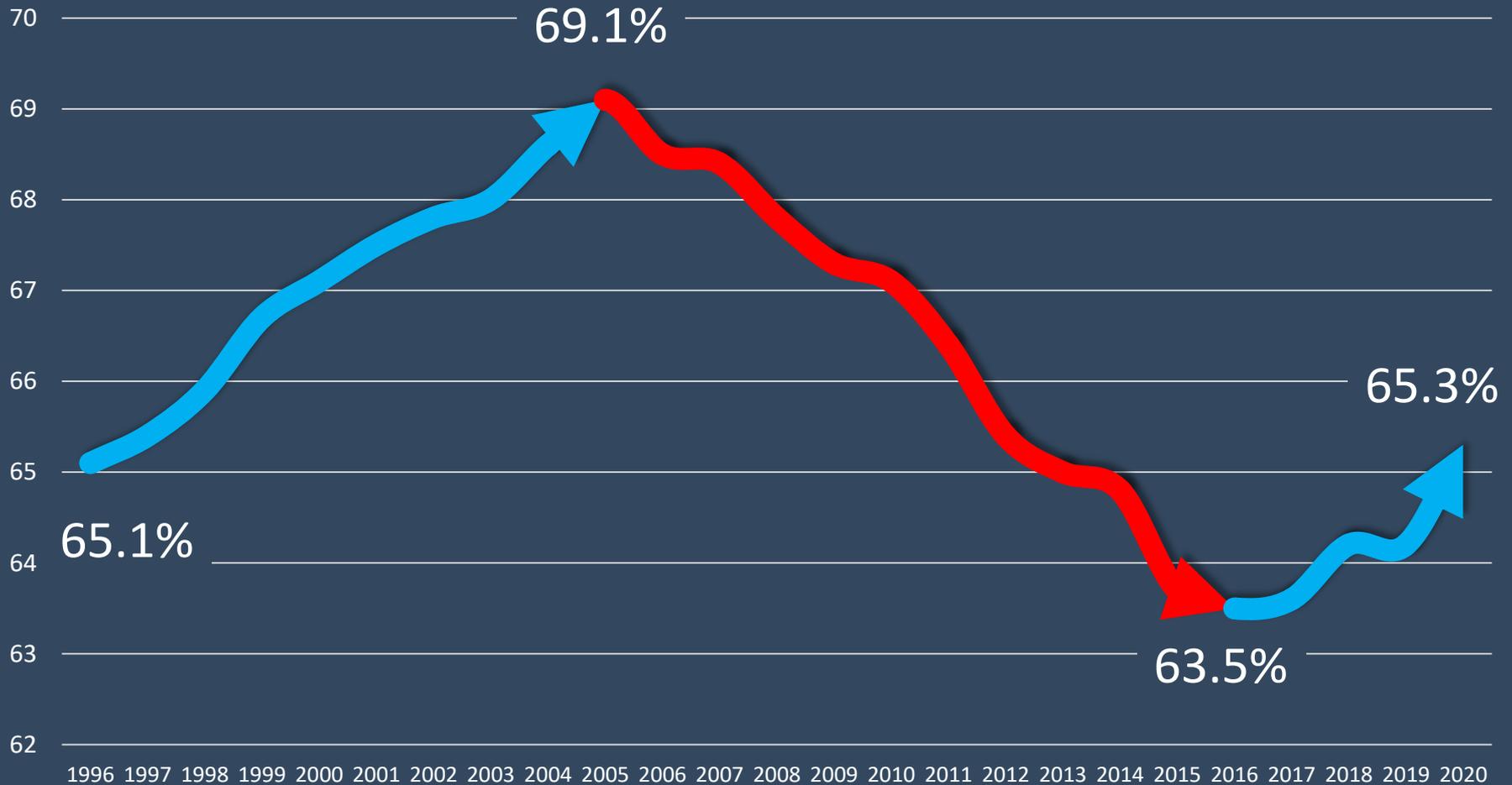


Weekly showings normalized to the first calendar week of January, 7-day moving average.

Last 4 weeks

U.S. Homeownership % Rates

Q1 Results



Median Asking Rent



since 1988

1988

1995

2000

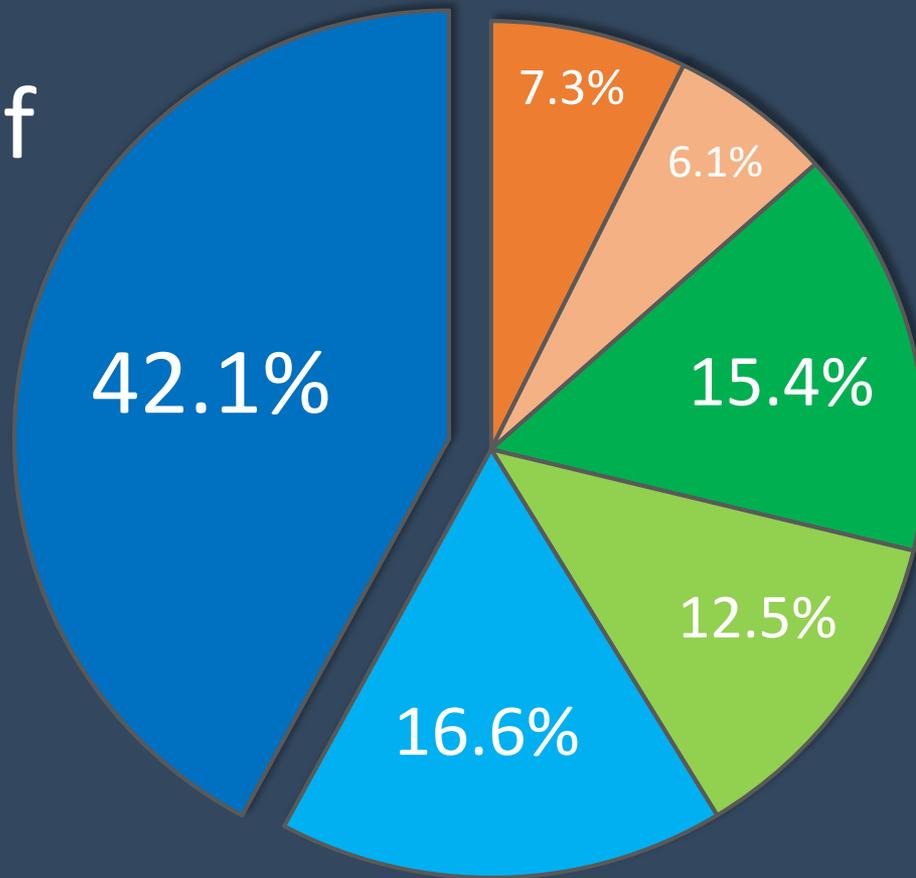
2005

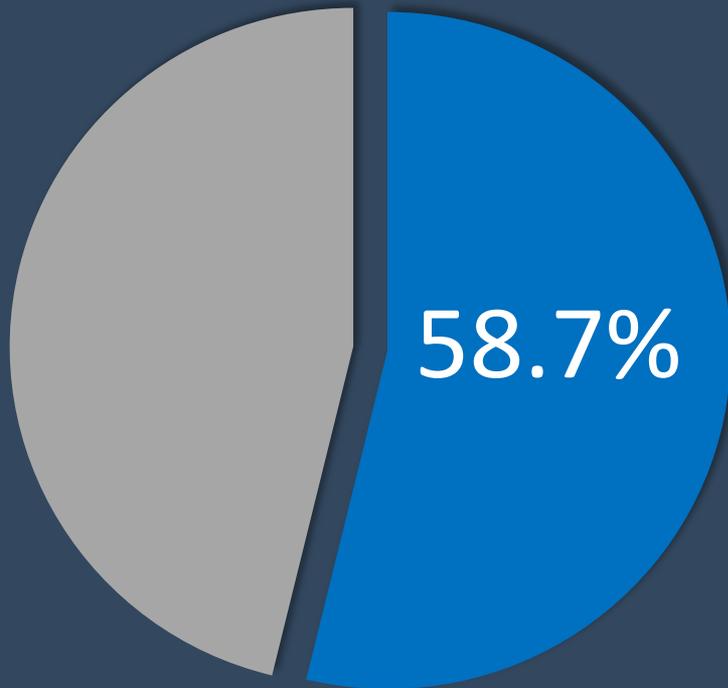
2010

2015

2020

Percentage of Homeowner Equity 2020





of all homes in America have at least 60% equity

Americans are sitting on tremendous equity

42.1%

of all homes are owned 'free and clear'

177,000

the average equity of the mortgaged homes

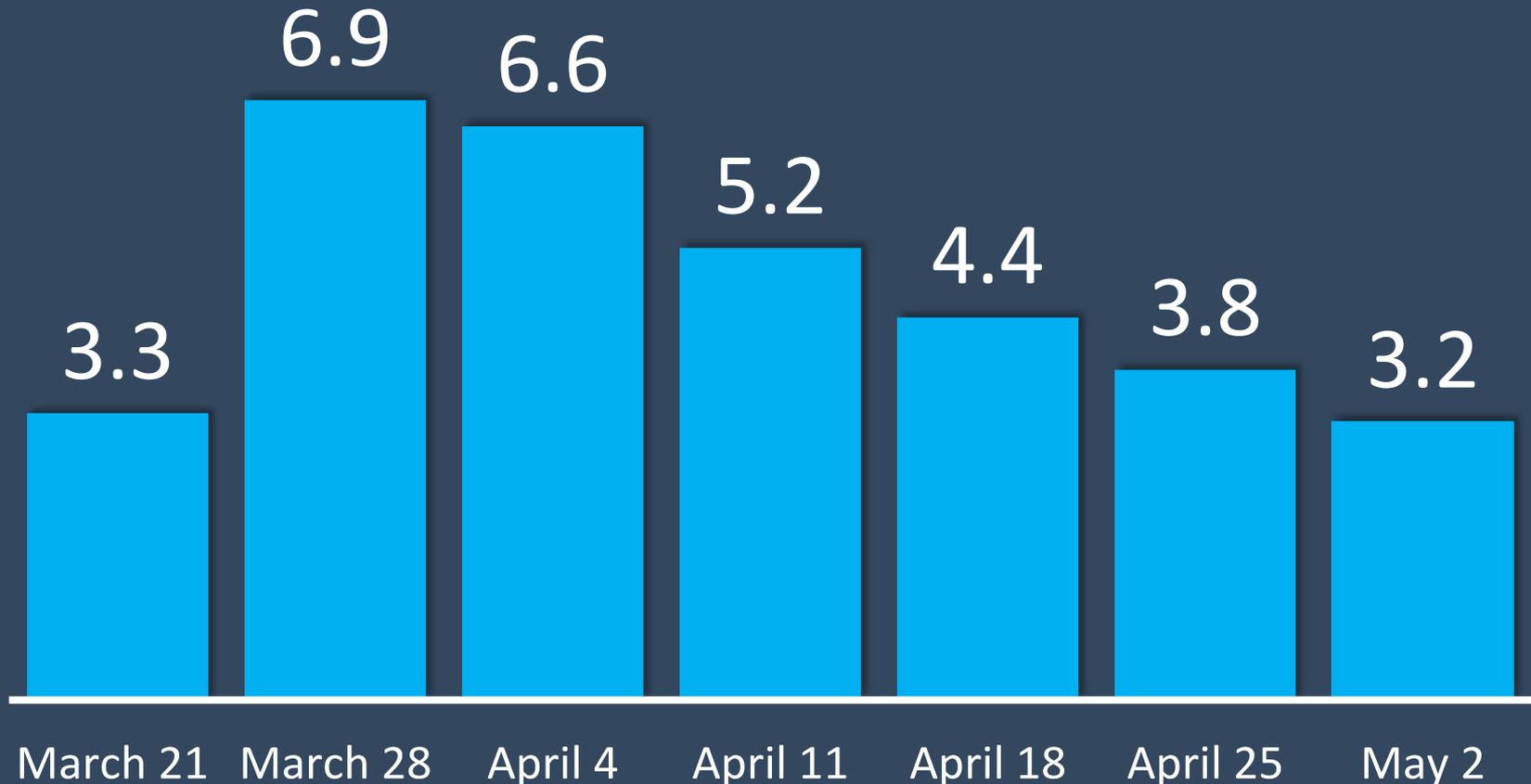


We're
CLOSED

What about all the job losses?

U.S. Bureau of Labor Statistics Weekly Unemployment Filings

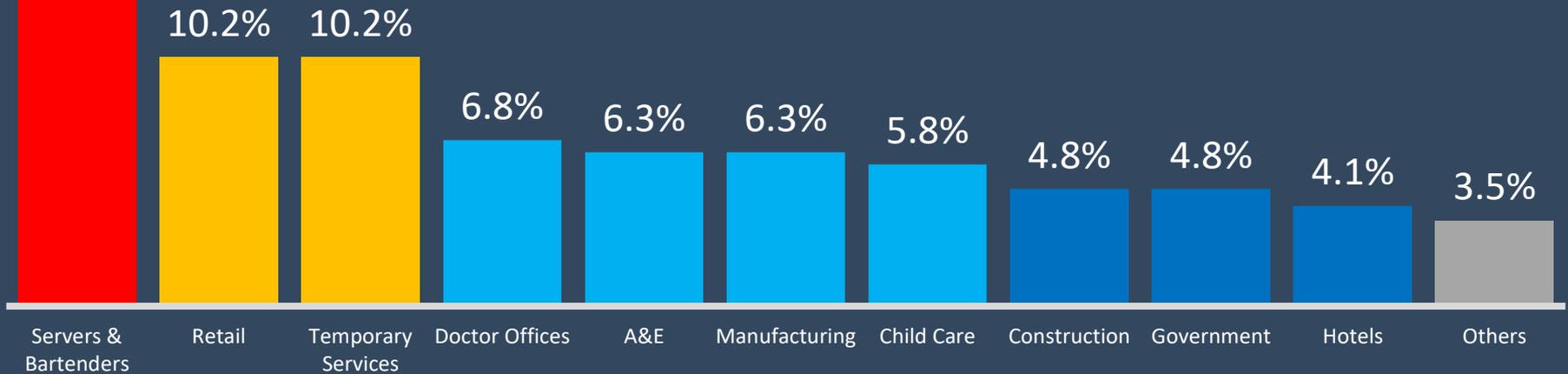
in millions

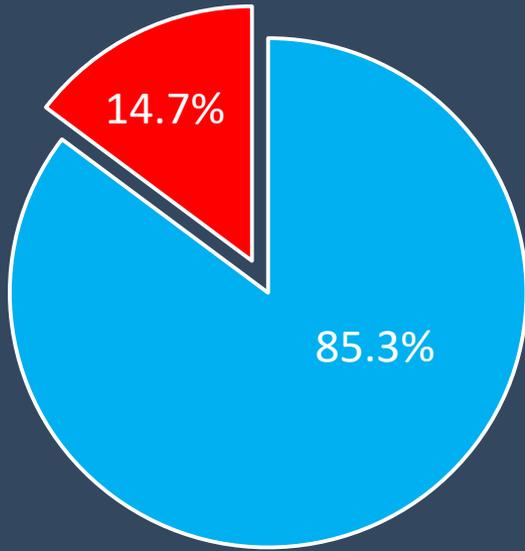


37.6%

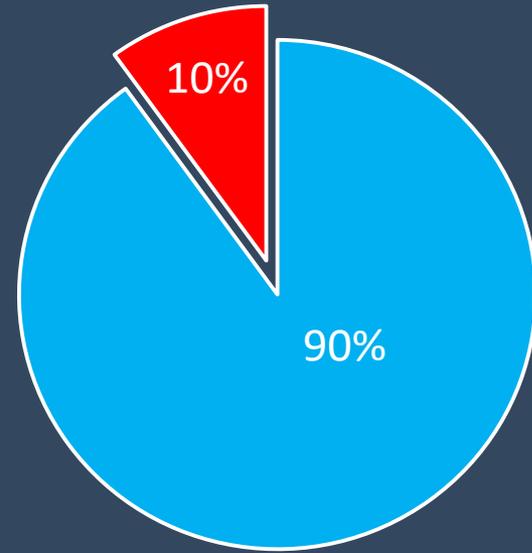
Breakdown of U.S. Bureau of Labor Statistics 5/8/2020

Unemployment Report Covering Up Until 4/12





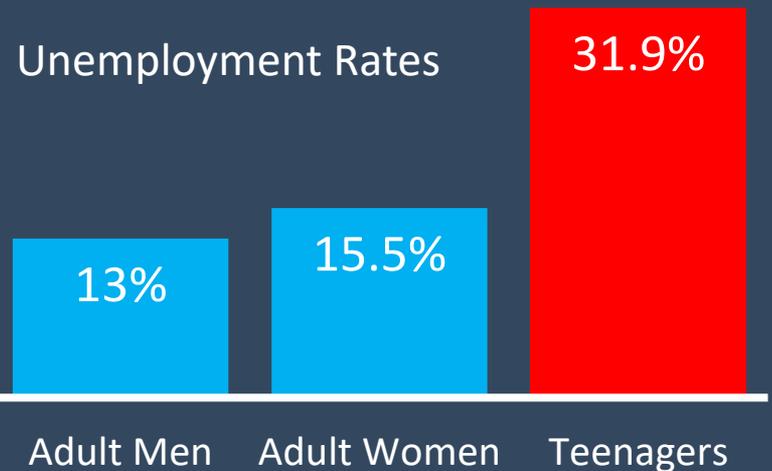
■ Employed
 ■ Unemployed



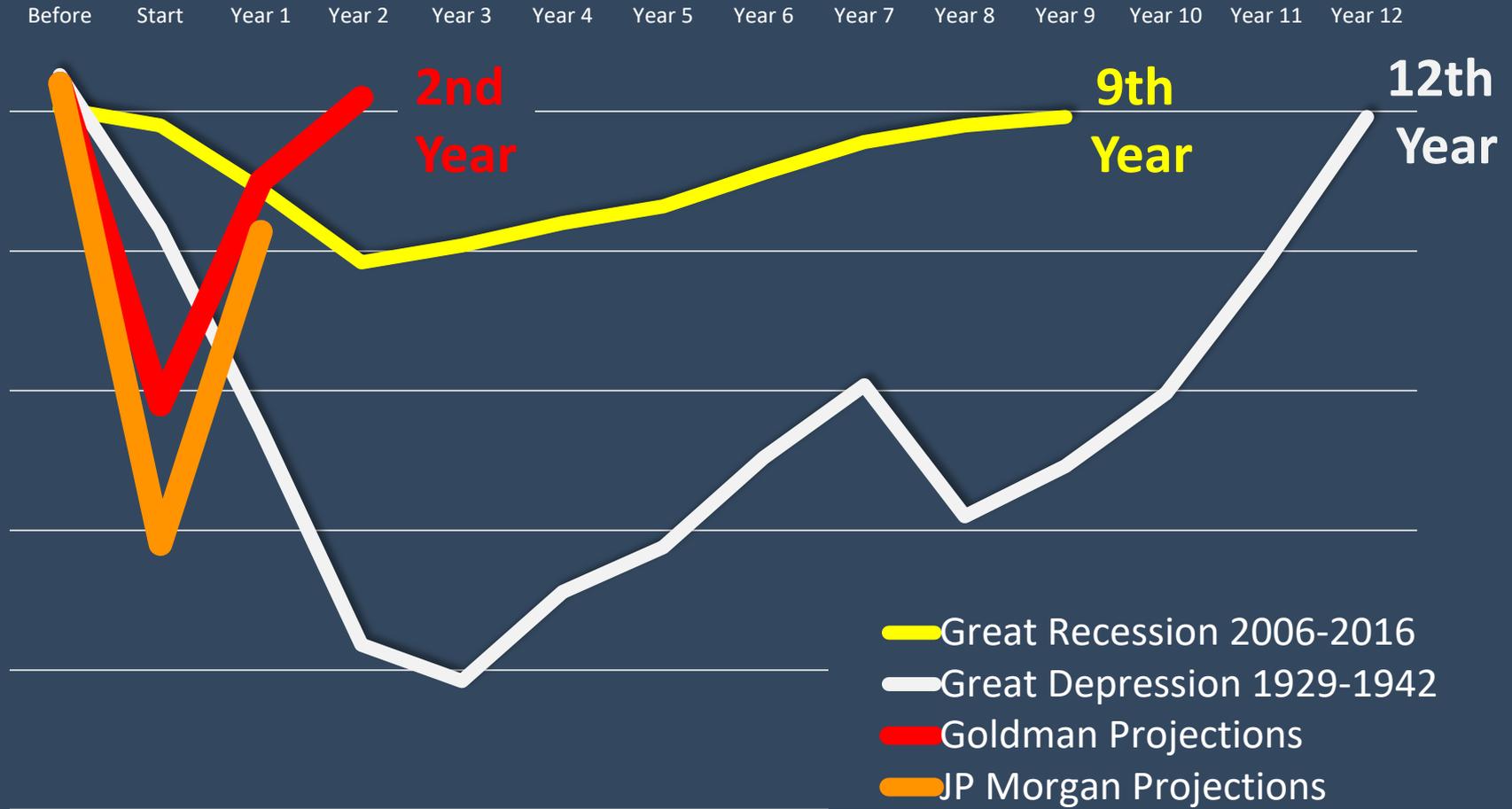
■ Temporary
 ■ Permanent

Breakdown of U.S. Bureau of Labor Statistics 5/8/2020

Unemployment Report Covering Up Until 4/12

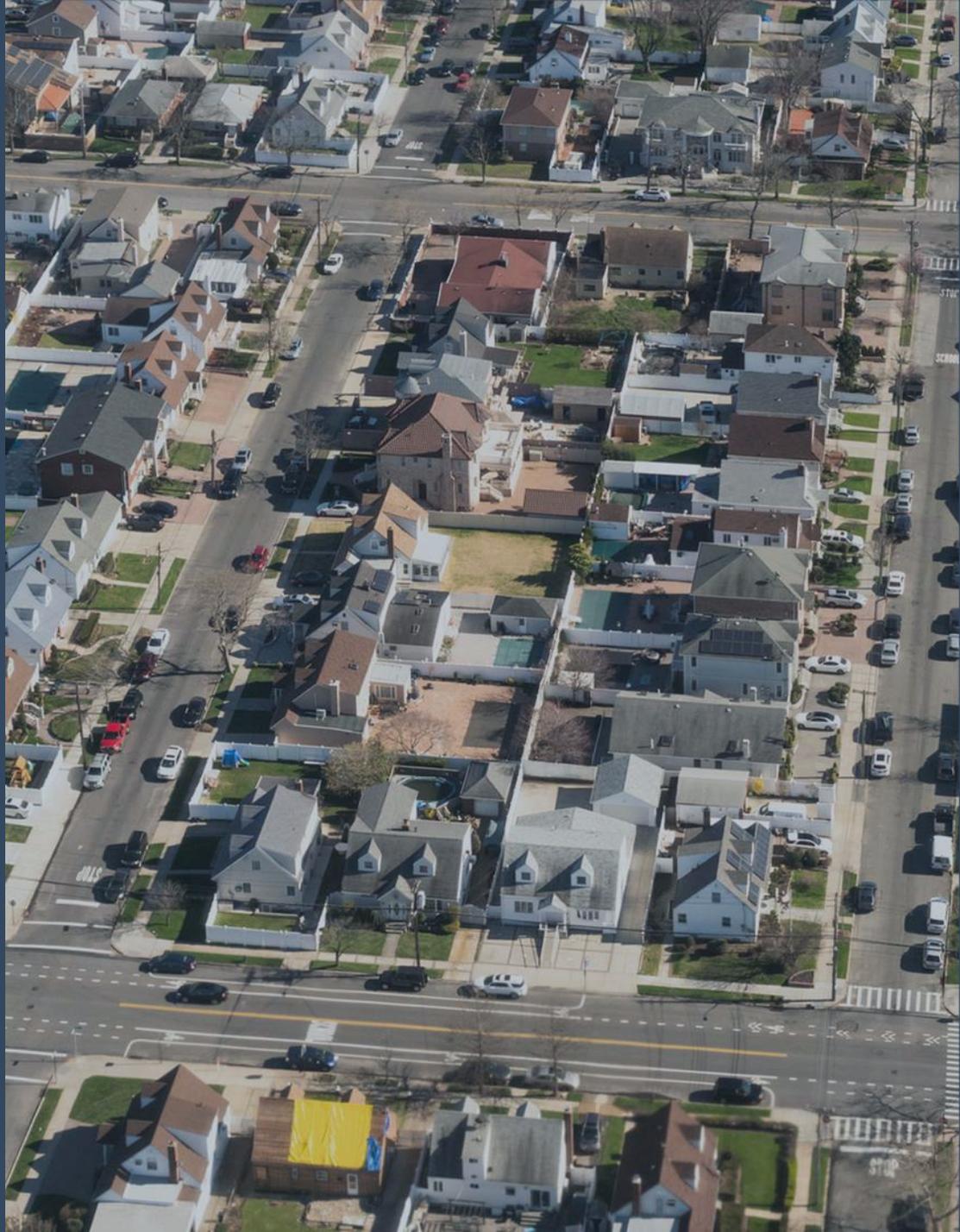


More Depth, Less Length



Years for unemployment rate to return to pre-crisis level

The Biggest Threat

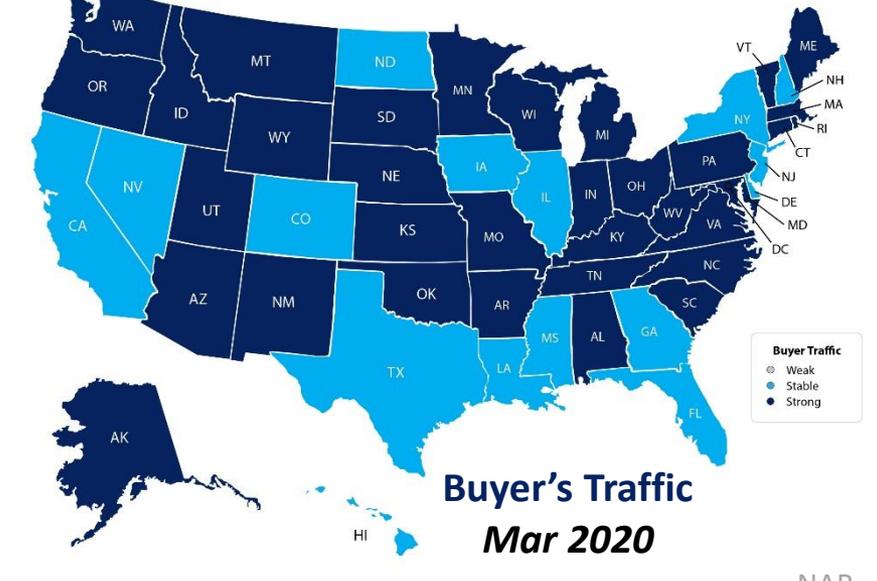
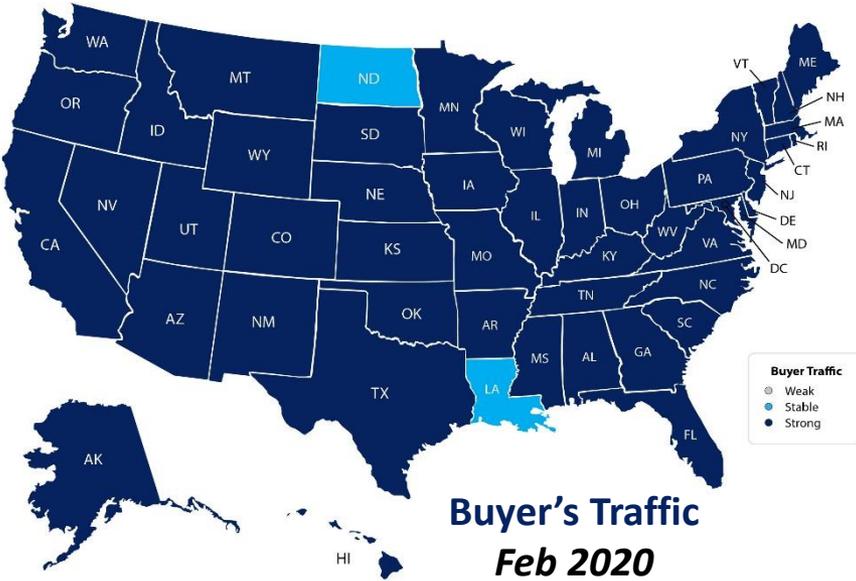
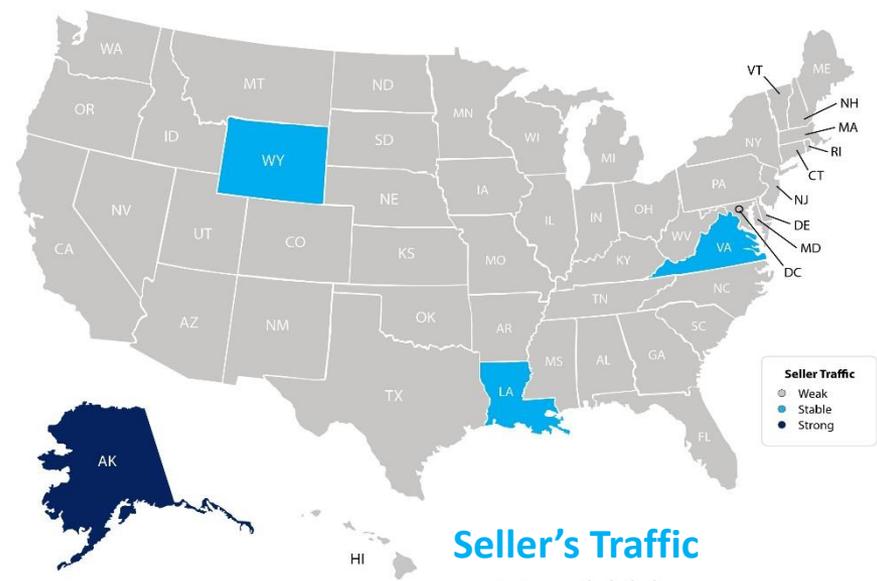
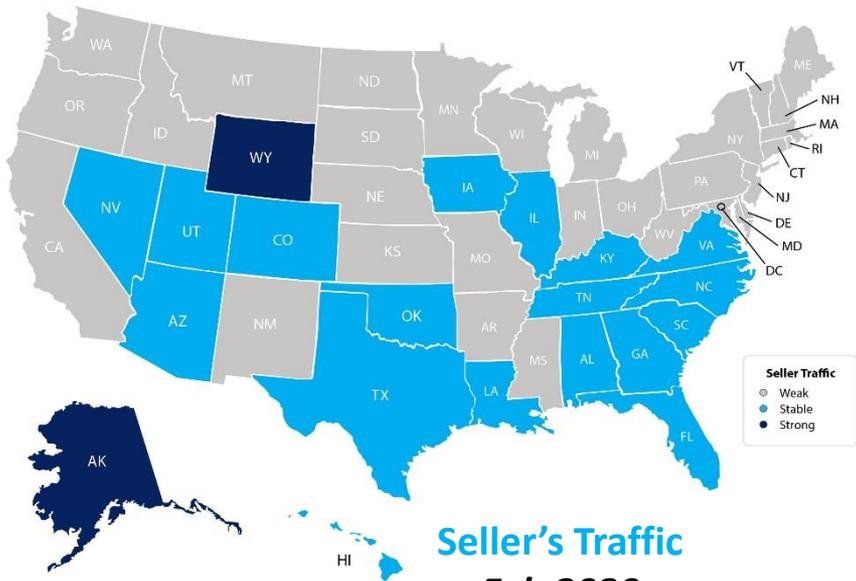


“Housing supply remains at historically low levels, so house price growth is likely to slow, but **it’s not likely to go negative.**”

Mark Fleming

Chief Economist, First American





* Last numbers available

Resources

Slide	Slide Title	Link
3	Major Financial Institutions Are Calling for a 2 nd Half Recovery	https://www.goldmansachs.com/insights/pages/gs-research/us-daily-20-mar-2020/report.pdf https://www.jpmorgan.com/global/research/fallout-from-covid19 https://www.marketwatch.com/story/morgan-stanley-releases-new-forecast-showing-us-economy-may-drop-as-much-as-38-2020-04-03 https://olui2.fs.ml.com/Publish/Content/application/pdf/GWMOL/ME-cio-weekly-letter.pdf https://www08.wellsfargomedia.com/assets/pdf/commercial/insights/economics/monthly-outlook/forecast-update-20200325.pdf
5	Khater Quote	http://www.freddiemac.com/fmac-resources/research/pdf/April_2020_Forecast_Press_Release.pdf
6	CNBC Quote	https://www.cnbc.com/2020/04/29/mortgage-applications-to-buy-a-home-make-a-strong-recovery.html
7	Showings Impact	https://www.showingtime.com/impact-of-coronavirus/
8	Homeownership Rates	https://www.census.gov/housing/hvs/files/currenthvspress.pdf
9	Median Asking Rent	http://www.census.gov/housing/hvs/files/currenthvspress.pdf
10	Equity Percentages	https://www.realestateconsulting.com
11	Tremendous Equity	https://www.realestateconsulting.com https://www.corelogic.com/insights-download/loan-performance-insights-report.aspx

Resources

Slide	Slide Title	Link
13	Weekly Unemployment Filings	https://www.dol.gov/ui/data.pdf
14-15	Unemployment Breakdown	https://www.bls.gov/news.release/empsit.nr0.htm
16	More Depth, Less Length	www.thebalance.com/unemployment-rate-by-year-3305506
18	Fleming Quote	https://blog.firstam.com/economics/the-impact-of-the-credit-crunch-on-housing-market-potential
19	Buyer & Seller Traffic Maps	https://www.nar.realtor/research-and-statistics/research-reports/realtors-confidence-index