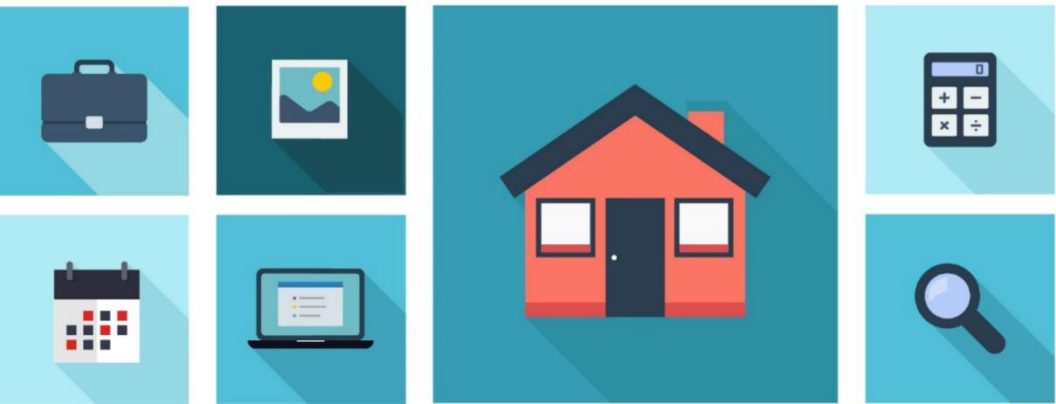


ROSS REALTY GROUP

KELLERWILLIAMS
Luxury
INTERNATIONAL

HOUSING MARKET UPDATE



JULY 2020

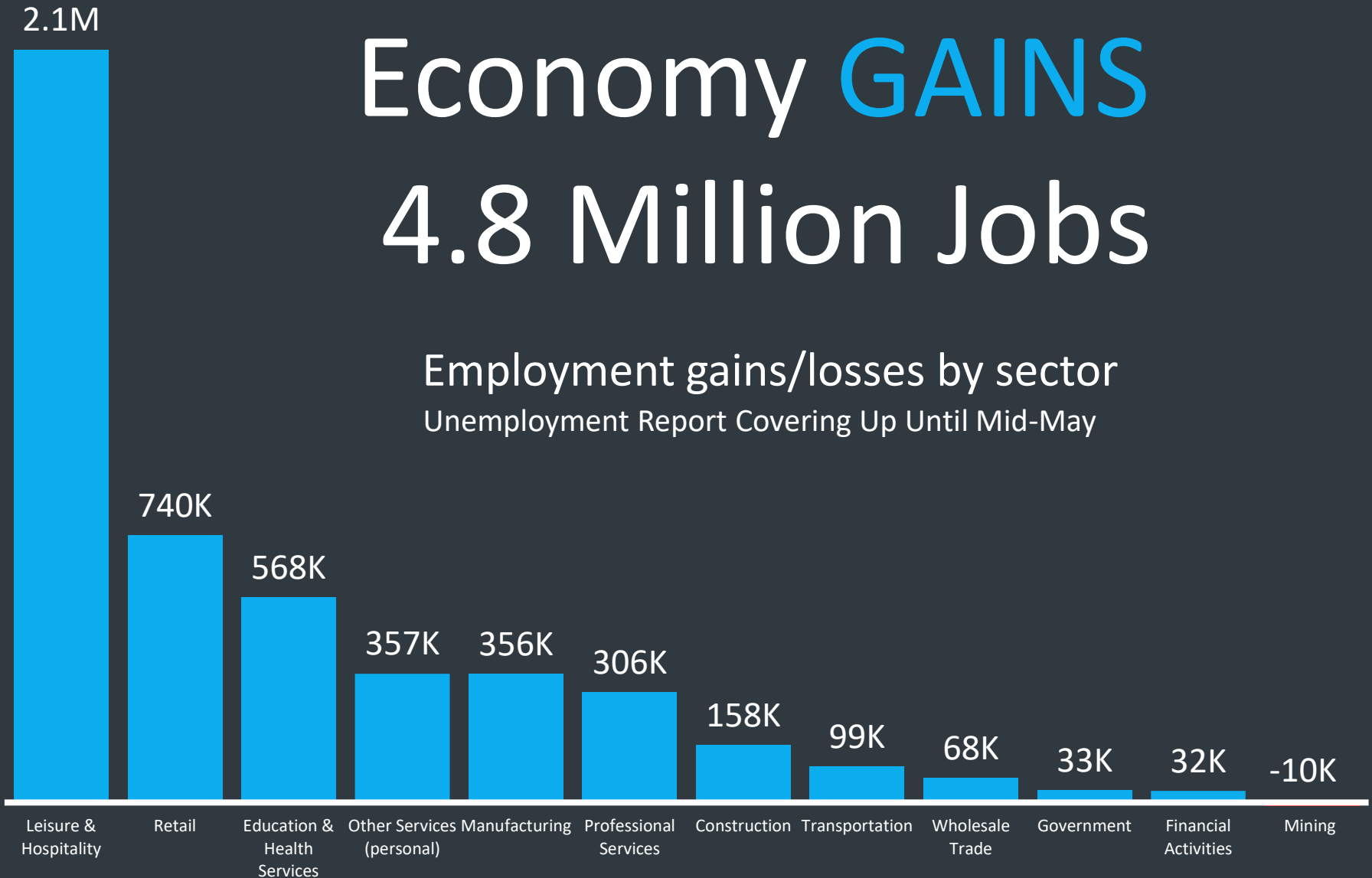


The consensus was for
3,074,000 jobs
to be added in June.

4,800,000 jobs
were added!

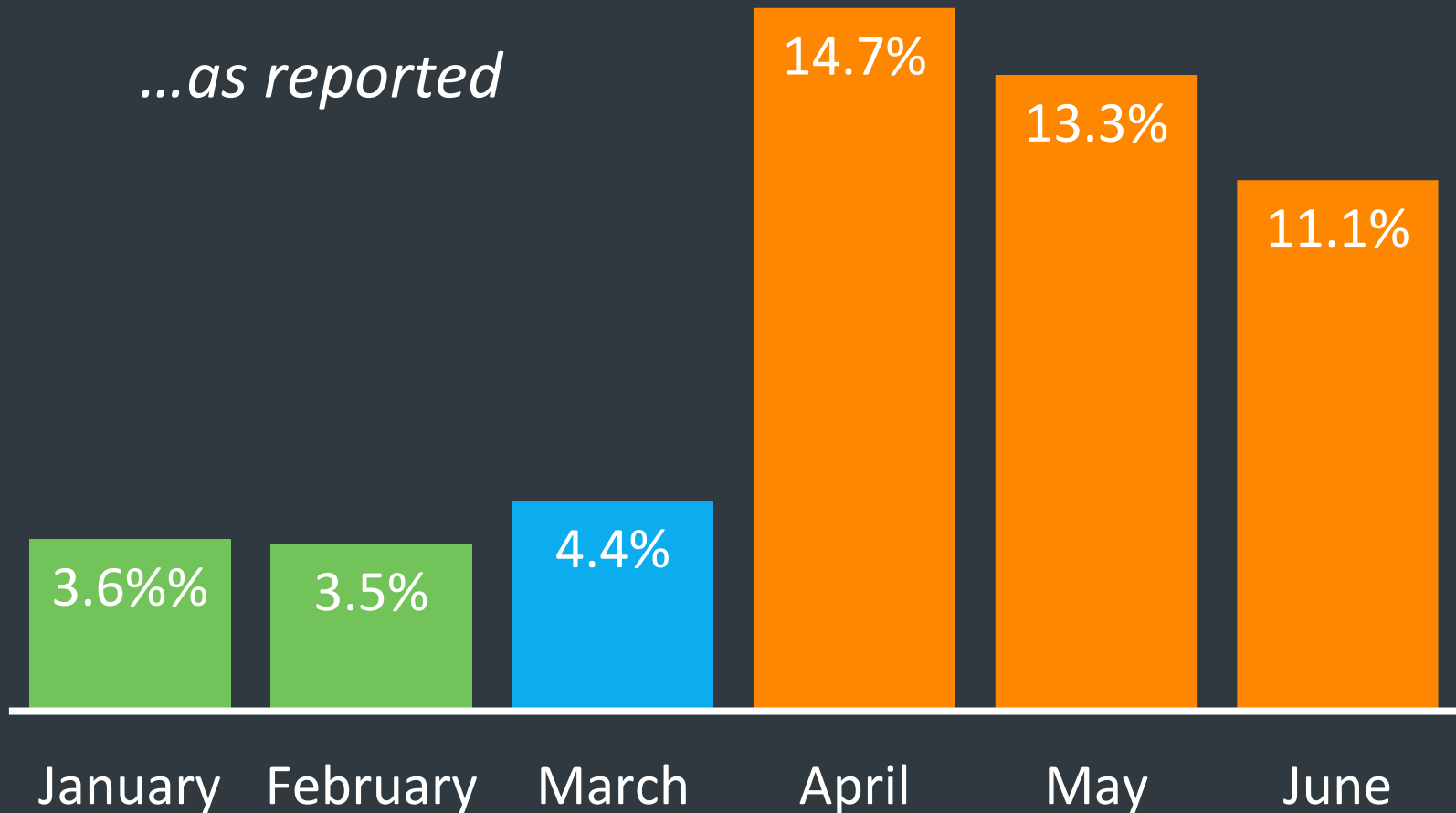
Economy **GAINS** 4.8 Million Jobs

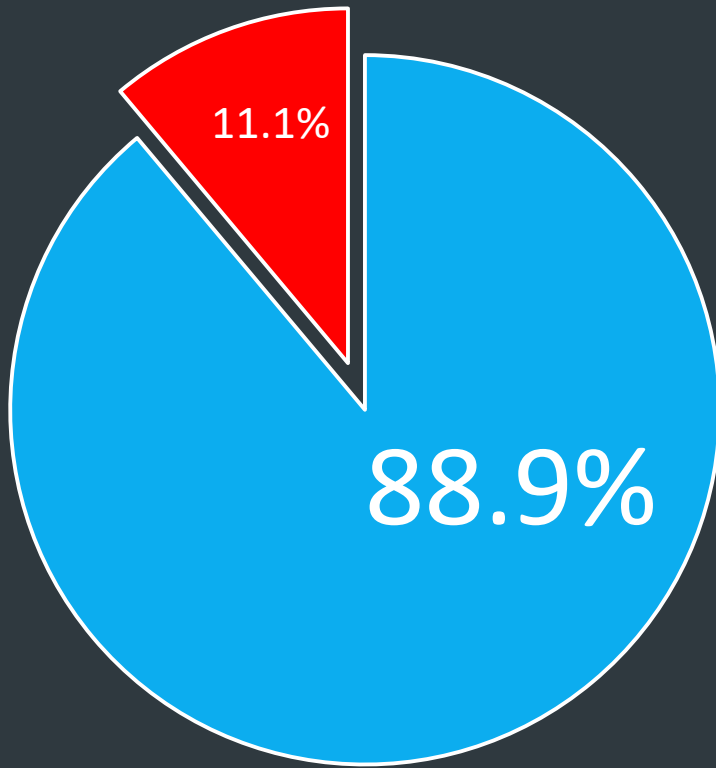
Employment gains/losses by sector
Unemployment Report Covering Up Until Mid-May



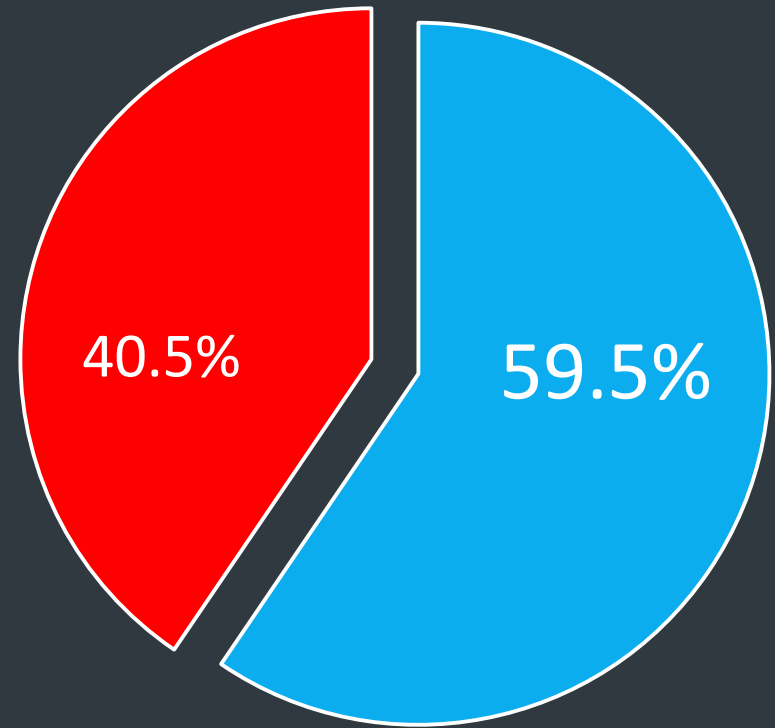
BLS Unemployment Rate

...as reported





■ Employed ■ Unemployed



■ Temporary ■ Permanent

Breakdown of U.S. Bureau of Labor Statistics 7/2/2020

Unemployment Report Covering Up Until 6/13

“U.S. job growth surged last month, underscoring the economy’s capacity for a quick rebound if businesses continue to reopen and consumers regain confidence.

A recent coronavirus spike, however, could undermine trends captured in the latest jobs report.”

Wall Street Journal



“As temporary unemployment drops, **permanent job losses keep rising**. A ‘core’ unemployment rate (which subtracts temporary layoffs and adds unemployed who didn’t search for a job recently) **jumped to 5.9% in June from 5% in May**, according to Indeed economist Jed Kolko.”

Wall Street Journal

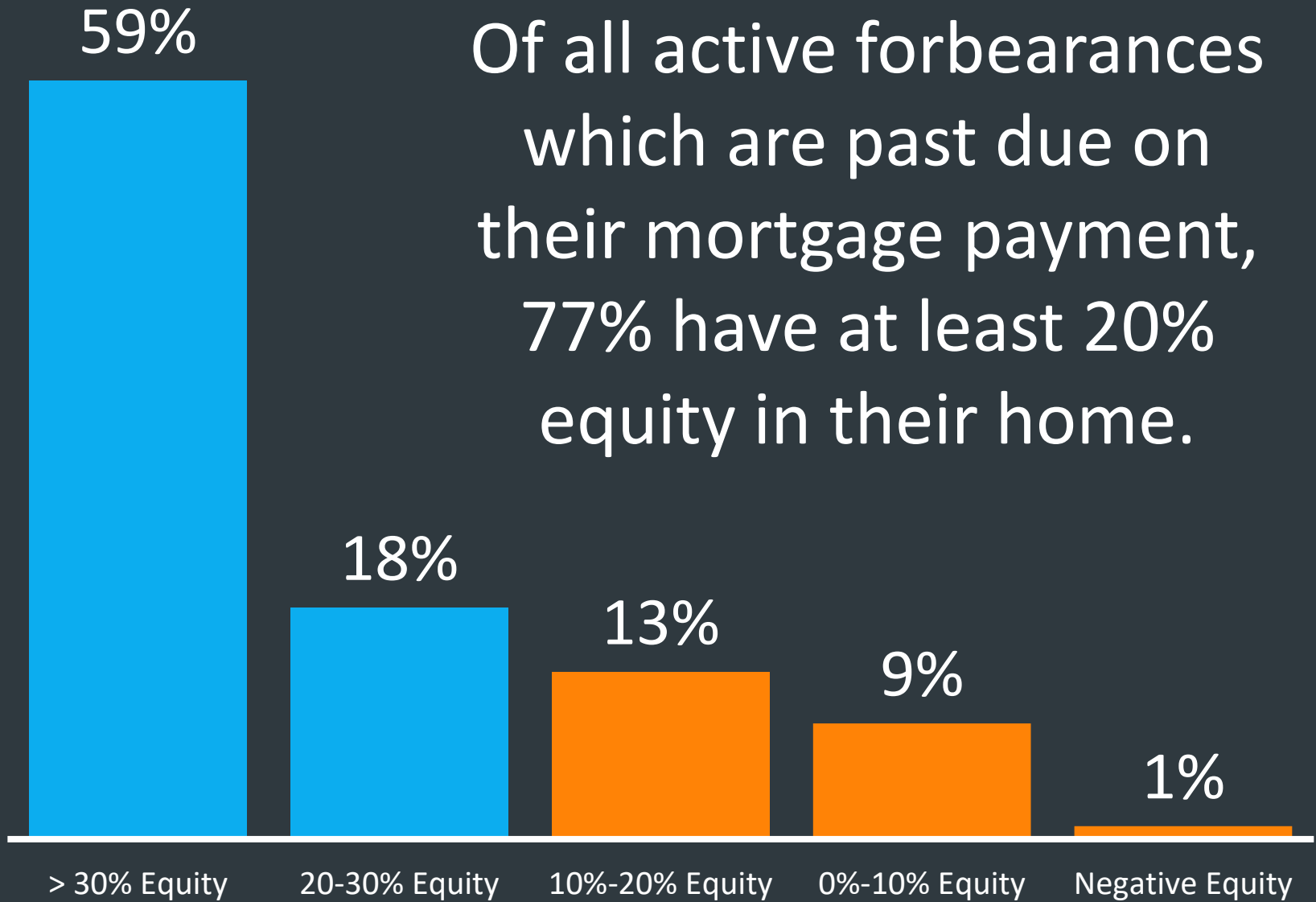


CORE

Unemployment Rate



Of all active forbearances which are past due on their mortgage payment, 77% have at least 20% equity in their home.



“The high level of equity provides options for homeowners, policymakers, mortgage investors and servicers in helping to **avoid downstream foreclosure activity and default-related losses.**”

Black Knight



87%

of home sellers are concerned their home won't sell because of the pandemic and resulting economic recession

372,000 Homes Sold Last Month in the U.S.

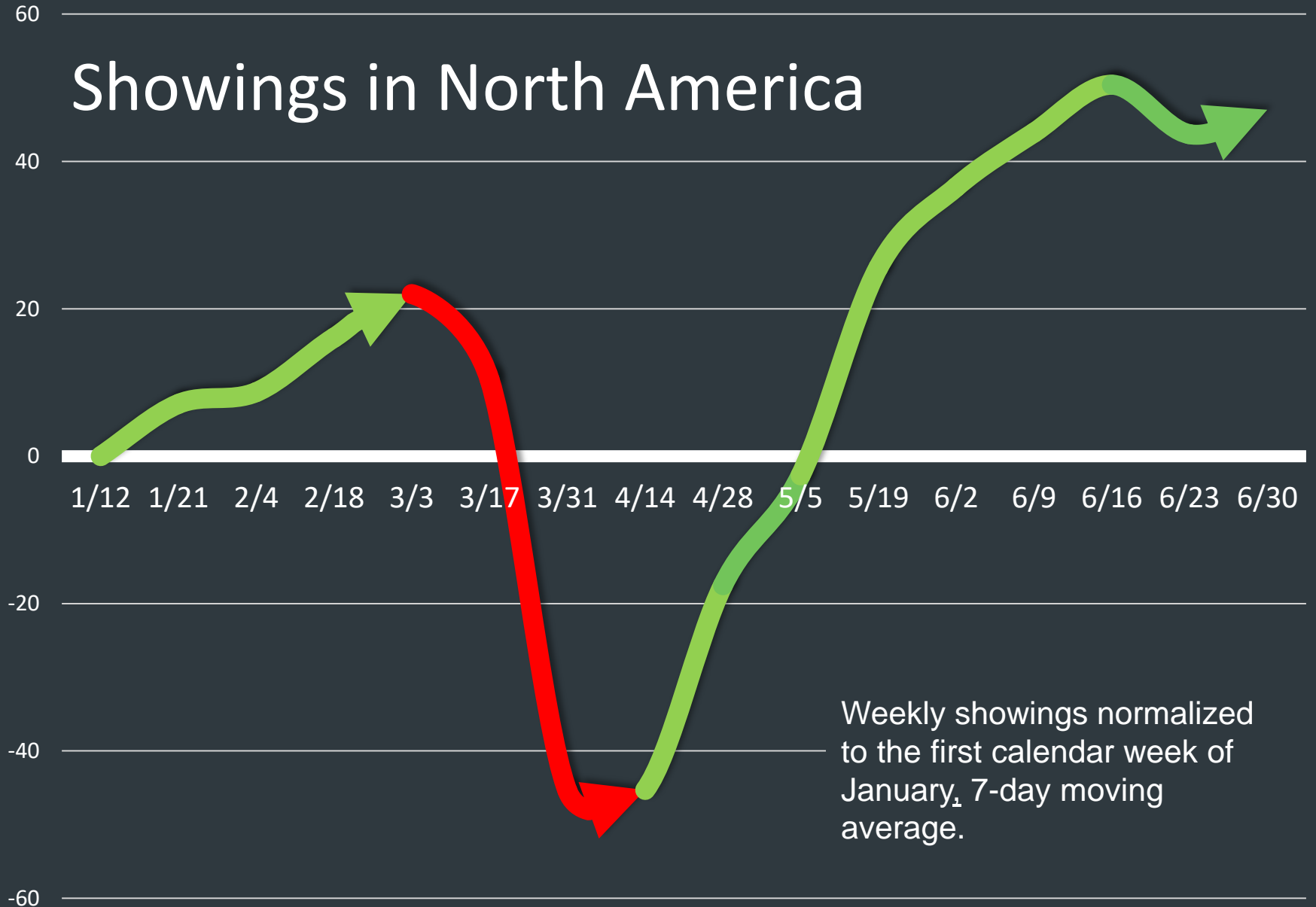
“As we navigate the unprecedented impact of COVID-19, home has taken on added significance and there are signs that **homeownership remains one of the main tenants of the American Dream.**”

Mark Fleming

Chief Economist at First American



Showings in North America



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

Year-Over-Year **Change in Buyer Viewing Appointments**
Virtual and In-Person Combined

NATIONAL

+21.4%

ShowingTime's Showing Index June 22nd, 2020

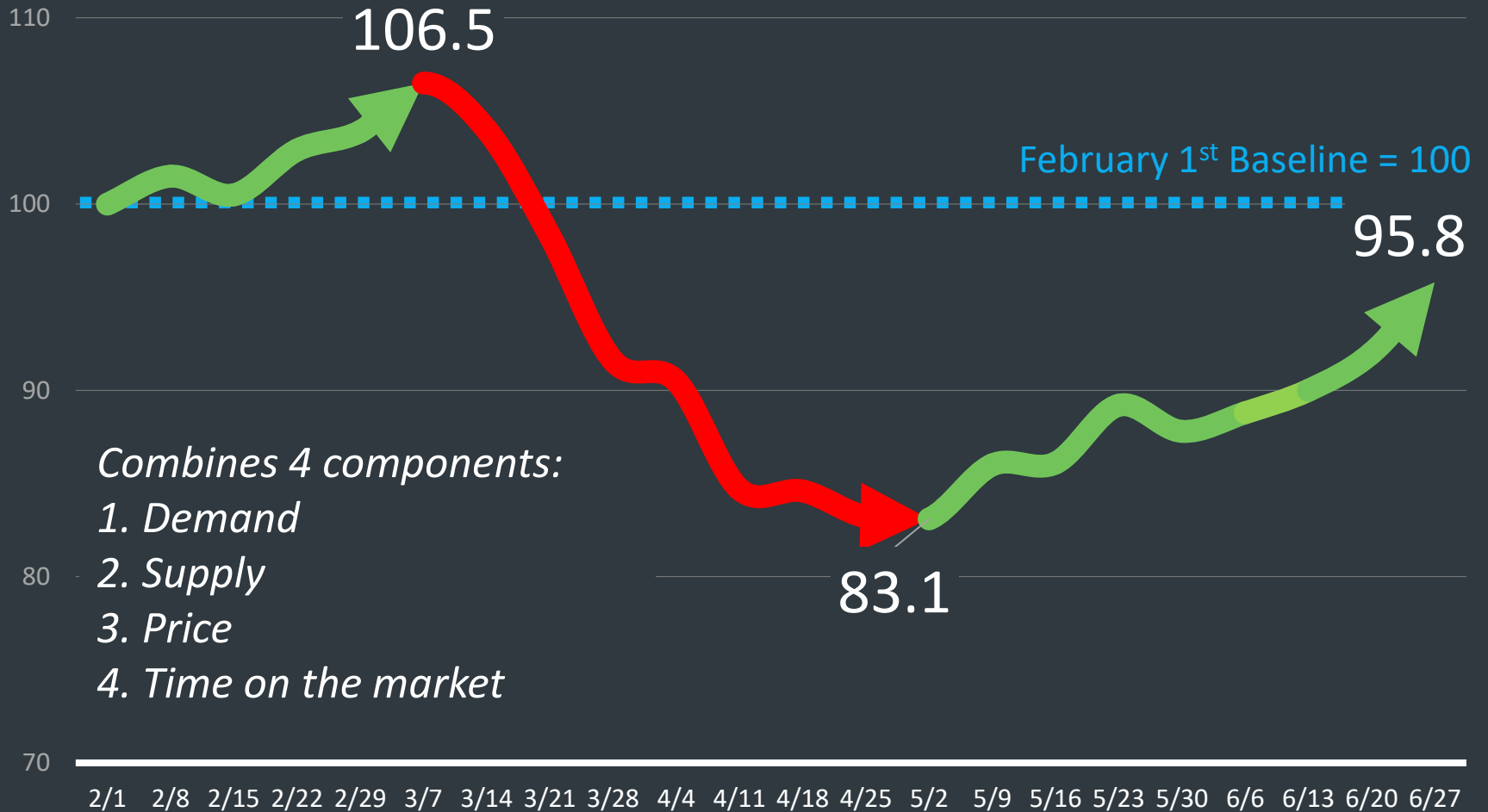
Northeast
+19.6%

South
+23.2%

Midwest
+20.1%

West
+19.6%

The Housing Market Recovery Index



Newly Pending Sales

UP 18.8%

Month-Over-Month

New Listings Taken

UP 5.2%

Month-Over-Month

Zillow's July 2nd Report

Total Listings

Down 20.7%

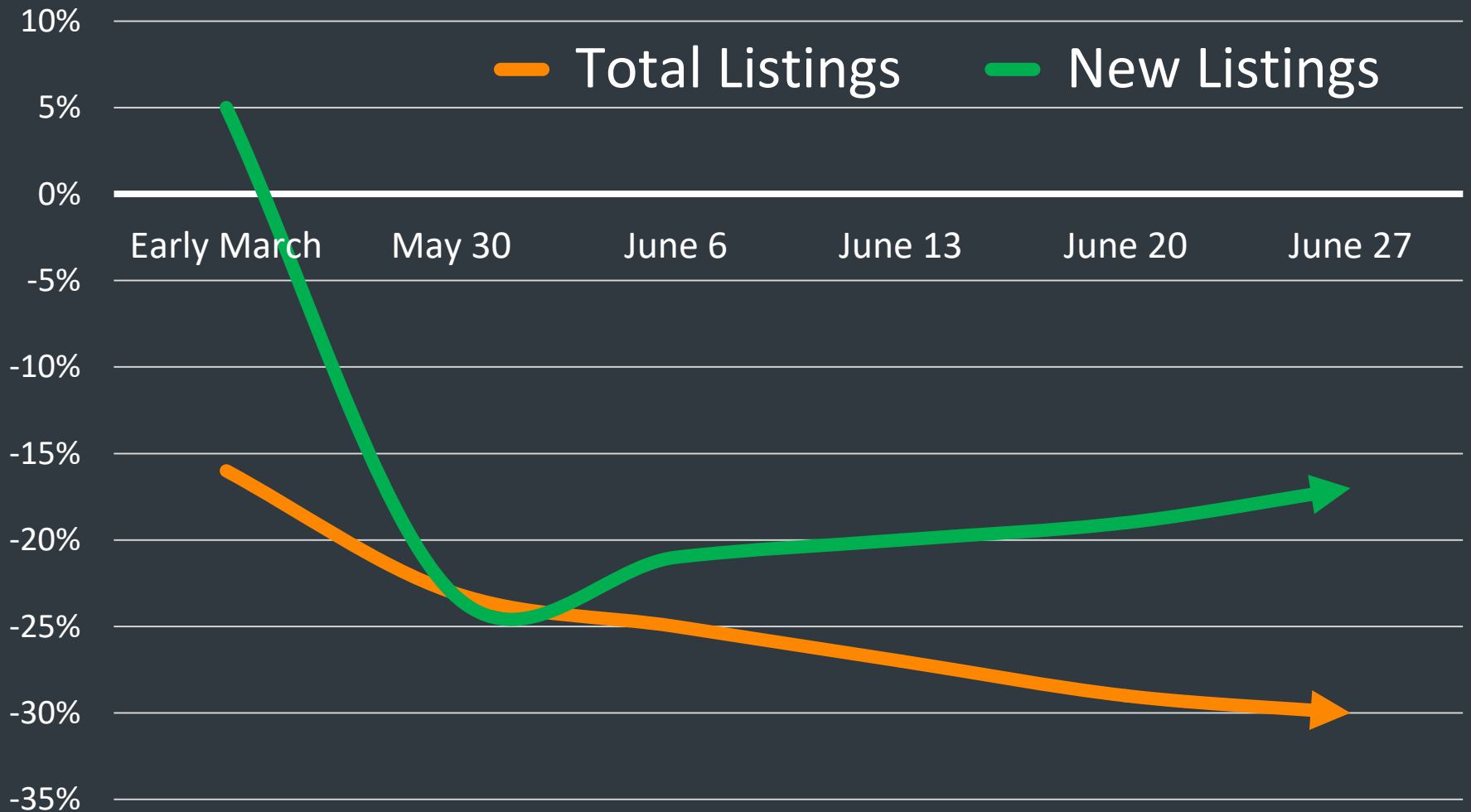
Year-Over-Year

New Listings Taken

Down 16.6%

Year-Over-Year

Year-Over-Year Change in Listings



Inventory as a percent of households is half of the long-run average

2.4%

...an all-time low!

1.2%

Long Term Average

Currently

Home Prices Projected to Continue to Appreciate

Source	2020	2021	2022
Home Price Expectation Survey	-0.32	+0.94	+2.88
Mortgage Bankers Association	+4.0	+2.9	+2.2
Zelman & Assoc.	+3.0	+4.2	+4.6
Fannie Mae	+0.4	+2.1	N/A
National Association of Realtors	+3.6	+2.8	N/A
Freddie Mac	+2.3	+0.4	N/A

“The severity of **inventory tightness** should remain a relative **benefit to home prices**, but is also a **risk factor** to the degree of rebound in **unit sales** going forward.”

Zelman Associates

June 25th Broker Report



“The housing market is likely benefiting from low mortgage rates, stronger **demand for larger spaces** as more and more people work from home and a desire to move away from crowded cities to **avoid exposure to the coronavirus.**”

Rubeela Farooqi

Economist at High Frequency Economics

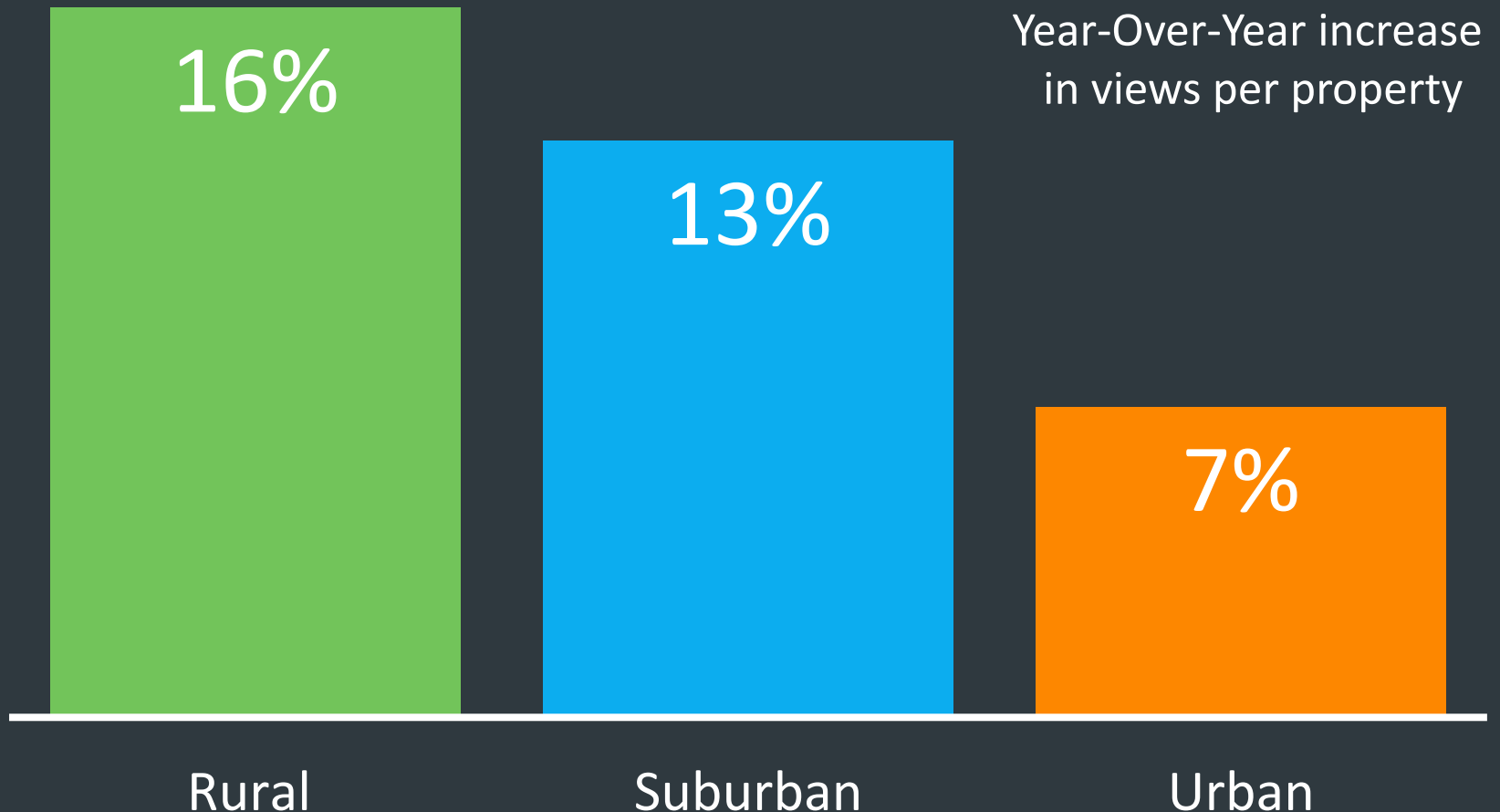


“Nearly 30% of respondents living in a high-density urban area say that the pandemic is prompting them to want to move by the end of the year...This is more than double the rate of those living in rural parts of the country, where residents are much more likely to stay put rather than to relocate.”

Realtor Magazine



Buyers Showing a Greater Desire for Non-Urban Properties



“Much like the suburbs are gaining favor with home shoppers, **second home markets are seeing increased interest from luxury buyers**. Suffolk County, N.Y., home to The Hamptons, Palm Springs in Riverside County, Calif., and Greenwich in Fairfield County, Conn.-- all second home markets -- ranked among the top five markets with the largest increase in listing view growth in May. **Views of luxury properties accelerated 56% in The Hamptons, 28% in Palm Springs and 24% in Greenwich compared to January trends.**”

Danielle Hale


Chief Economist at realtor.com



Since the pandemic altered what buyers value in their homes, builders are predicting how future homes will change as a result, and what people will want most moving forward.

- As people spend more time at home during the pandemic, buyers are **realizing which features of their homes are working, and not working.**
- Home builders predict **open-concept floor plans will be a thing of the past**, as people now value more walls, doors, and overall privacy.
- **New construction**, which offers the chance to personalize home features, saw its **listing page views grow by 73%** over last May.

Zillow Report



Time to Reset
Your Goals for
the Second Half
of 2020!

Resources

Slide	Slide Title	Link
2	4,800,000 Jobs Added	https://www.calculatedriskblog.com/2020/07/adp-private-employment-increased.html
3-5	BLS Unemployment Data	https://www.bls.gov/news.release/empsit.nr0.htm
6-7	WSJ Quotes	https://economics.cmail19.com/t/ViewEmail/d/BA2971B94423D2202540EF23F30FEDED/5323CD85A2087AFD22947492D9797BBC (subscription required)
8	CORE Unemployment Rate	https://www.nytimes.com/2020/06/15/upshot/jobless-rate-misleading-virus.html https://twitter.com/JedKolko/status/1278669820414685189
9-10	Forbearances and Equity	https://cdn.blackknightinc.com/wp-content/uploads/2020/06/BKI_MM_Apr2020_Report.pdf
11	Home Sales	https://www.lendingtree.com/home/mortgage/lendingtree-survey-more-than-two-thirds-of-home-sellers-would-accept-a-lower-offer-price-amid-covid-19-crisis/ https://www.nar.realtor/sites/default/files/documents/ehs-05-2020-breakouts-of-single-family-condo-and-co-op-2020-06-22.pdf
12	Fleming Quote	https://blog.firstam.com/economics/millennial-homeownership-delayed-but-not-denied
13	Showings in North America	https://www.showingtime.com/impact-of-coronavirus/
14	Change in Buyer Viewings	https://www.showingtime.com/blog/may-2020-showing-index-results/
15	Housing Market Recovery Index	https://www.realtor.com/research/housing-market-recovery-index-trends-june-27-data/
16	Zillow's July 2 nd Report	http://zillow.mediaroom.com/2020-07-02-Pending-Sales-Dipped-Slightly-Last-Week-But-Homes-Are-Still-Moving-at-Record-Pace
17	Change in Listings	https://www.realtor.com/research/weekly-housing-trends-view-data-week-june-27-2020/

Resources

Slide	Slide Title	Link
18	Inventory Shortage	zelmanassociates.com (subscription required)
19	Price Projections	https://pulsenomics.com/surveys/ http://www.freddiemac.com/fmac-resources/research/pdf/202004-Forecast.pdf https://www.fanniemae.com/resources/file/research/emma/pdf/Housing_Forecast_061520.pdf https://www.nar.realtor/research-and-statistics https://www.mba.org/news-research-and-resources/research-and-economics/forecasts-and-commentary www.zelmanassociates.com (subscription required) wsj.com (subscription required)
20	Zelman Associates Quote	zelmanassociates.com (subscription required)
21	Farooqi Quote	https://economics.cmail19.com/t/ViewEmail/d/444AAA03A7E3F06A2540EF23F30FEDED/5323CD85A2087AFD22947492D9797BBC
22	Realtor Magazine Quote	https://magazine.realtor/daily-news/2020/06/24/coronavirus-may-spark-more-moves
23	Non-Urban Properties	https://news.move.com/2020-06-17-Suburban-Housing-Markets-Quicker-to-Bounce-Back-from-COVID-19
24	Hale Quote	https://news.move.com/2020-06-25-Luxury-Buyers-Return-to-Market-in-Force-in-May
25	Zillow Report	http://zillow.mediaroom.com/2020-06-22-The-End-of-Open-Floor-Plans-How-Homes-Will-Look-Different-After-Coronavirus