

ROSS REALTY GROUP

KELLERWILLIAMS  
*Luxury*  
INTERNATIONAL

# HOUSING UPDATE

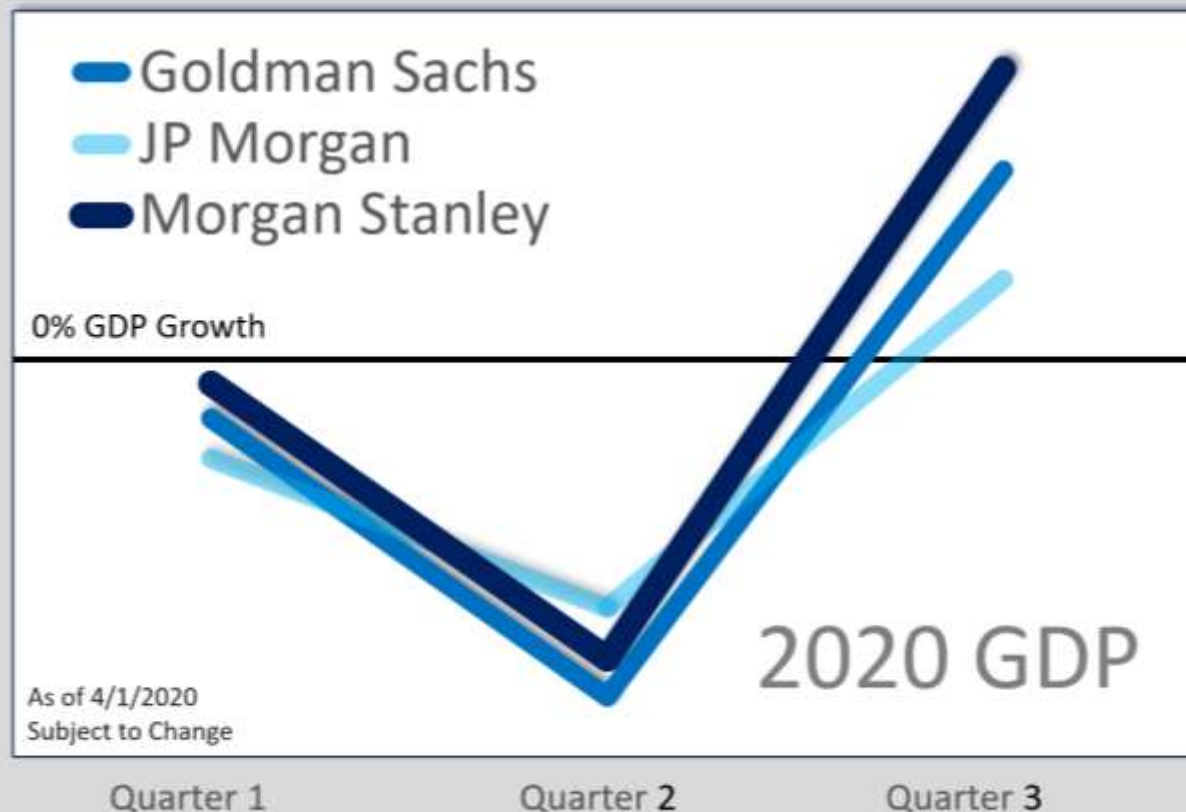


# NOVEMBER 2020



# APRIL 2020 MONTHLY MARKET REPORT

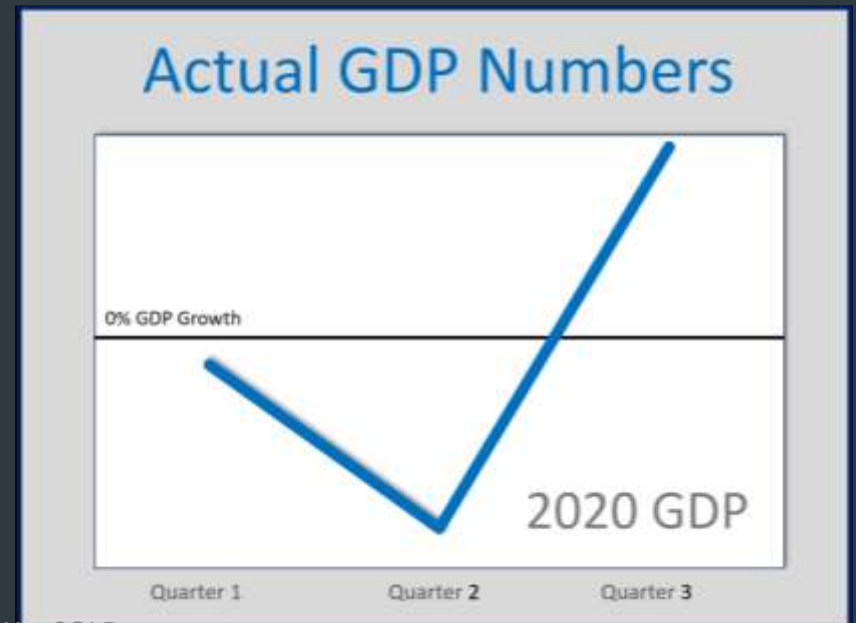
## Major Financial Institutions Calling for a Rapid, 'V' Type, Recovery



What we said in April...



What actually happened...



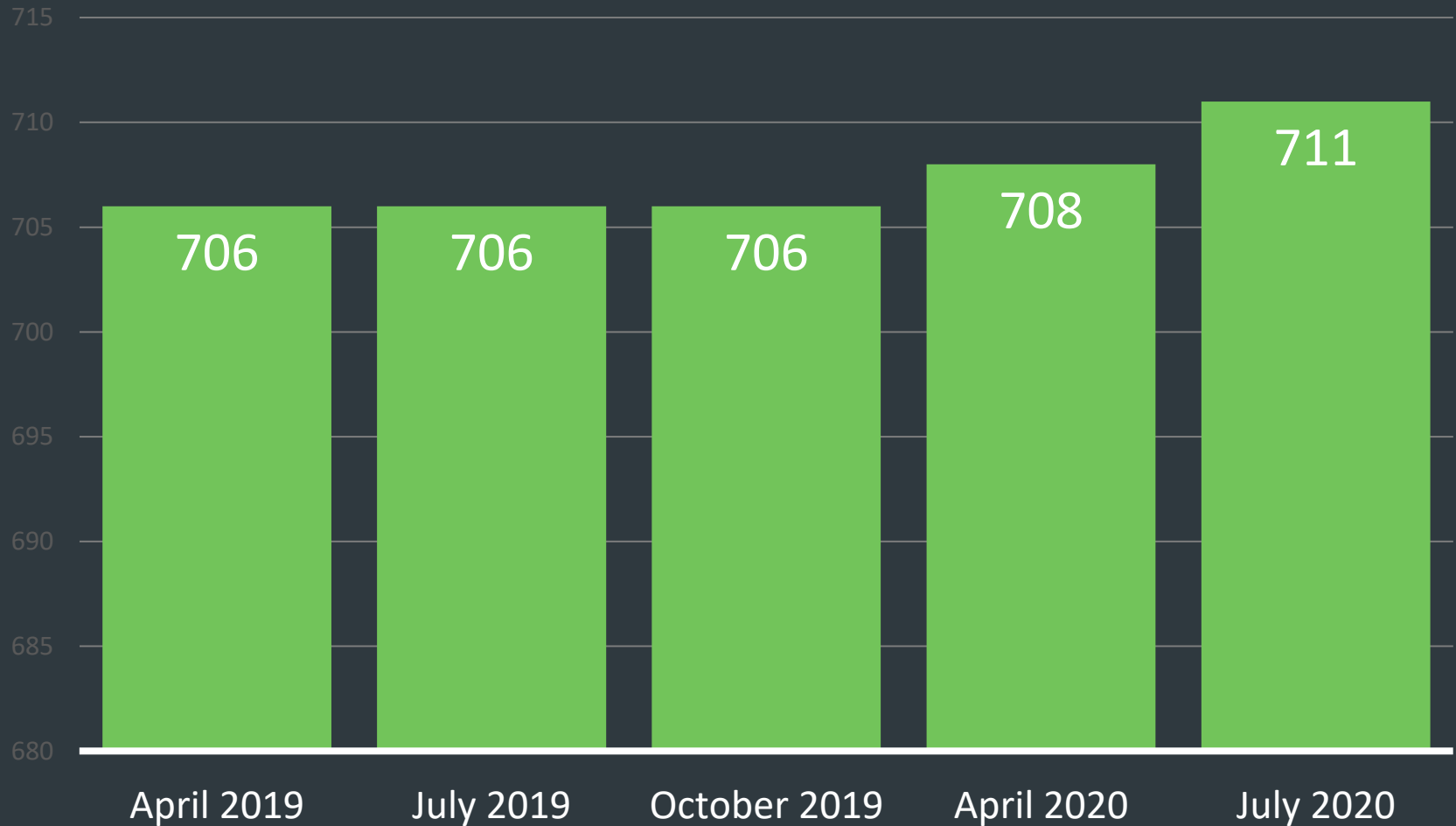
“News stories often describe the coronavirus-induced global economic downturn as the worst since the Great Depression... Yet for many, the comparison does more to terrify than clarify.”

Josh Zumbrun

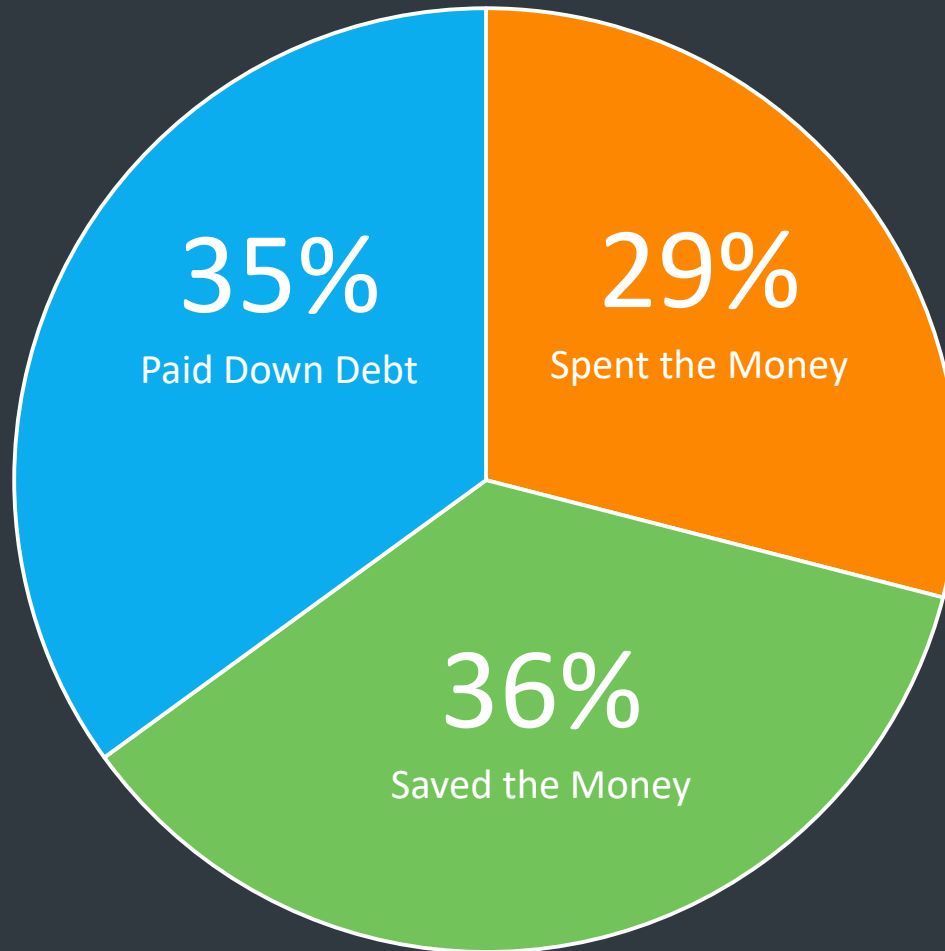
National Economics Correspondent at WSJ



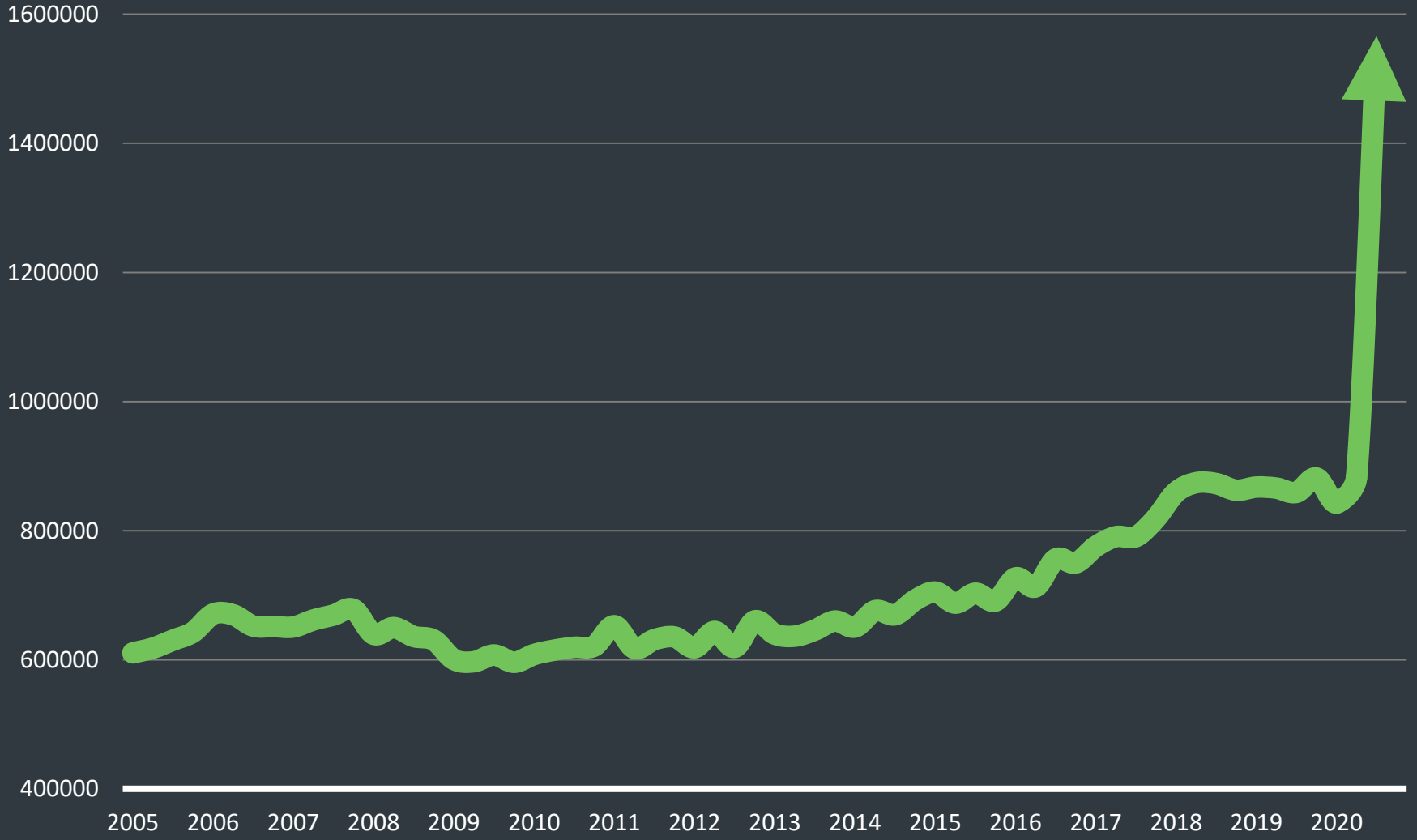
# Average U.S. FICO Score



# Households Used Most of Their Stimulus Checks to Pay Down Debt and Save

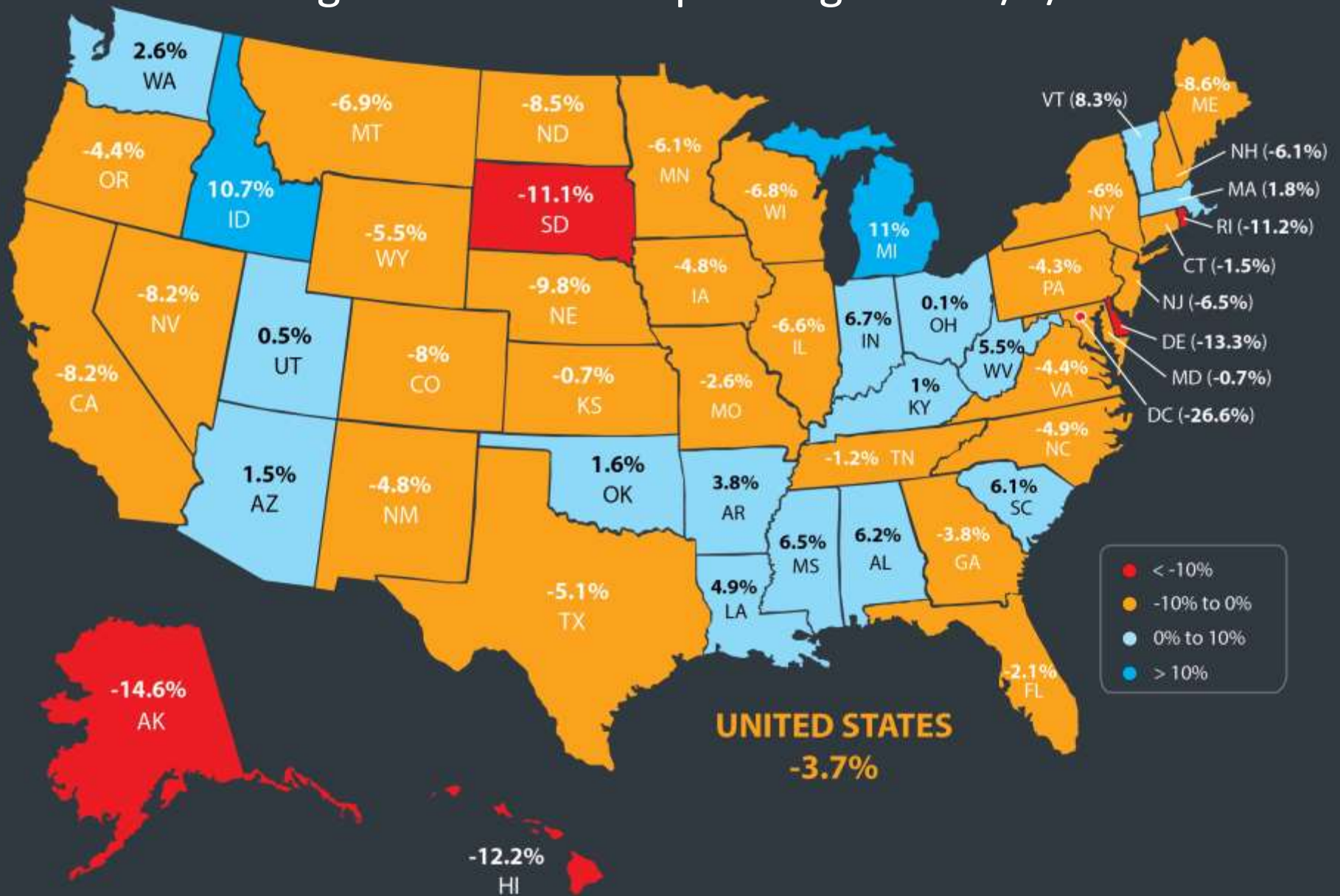


# Business Applications in the United States



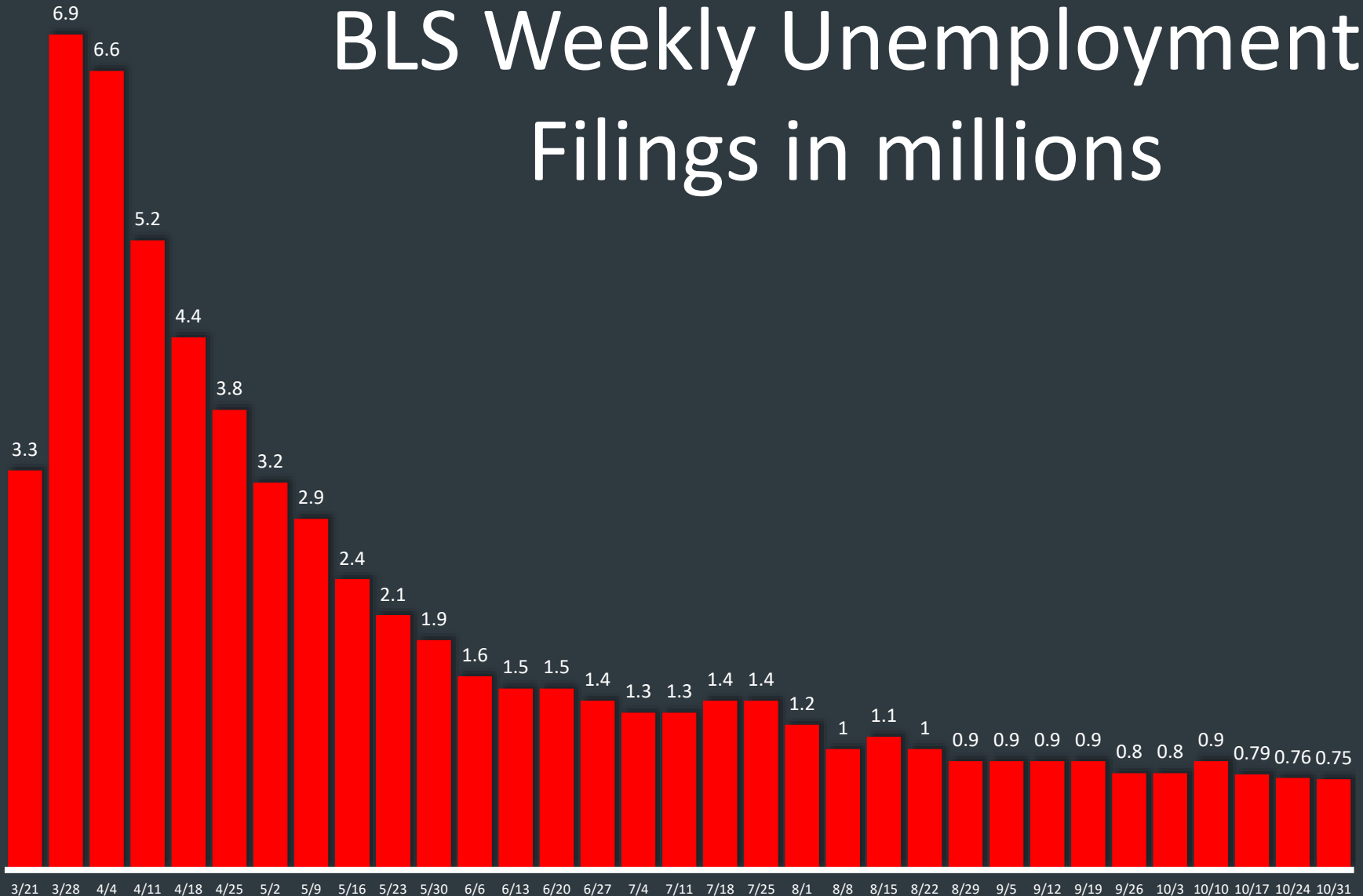


# Change in Consumer Spending Since 1/1/20

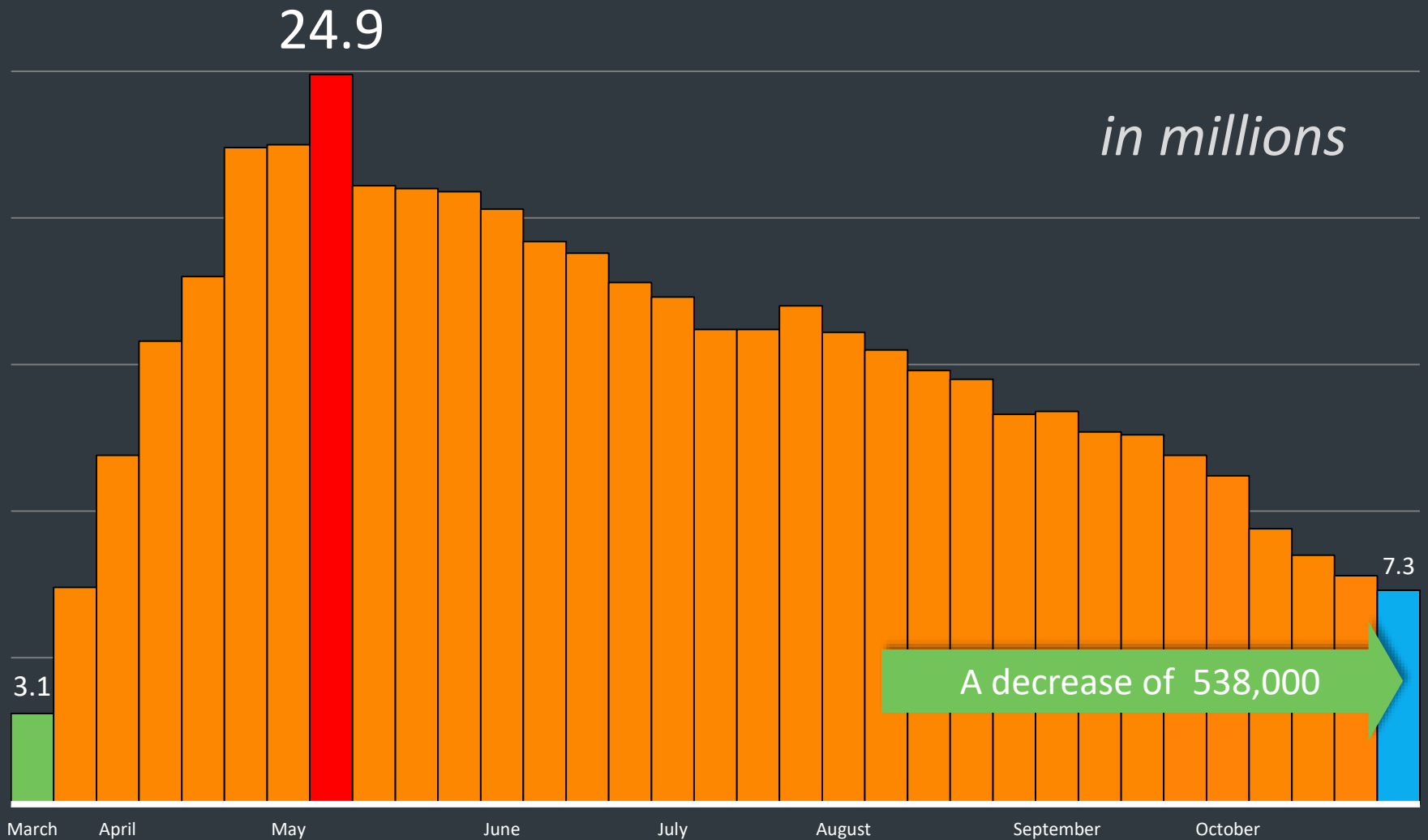




# BLS Weekly Unemployment Filings in millions



# Currently Receiving Unemployment Insurance



March

April

May

June

July

August

September

October

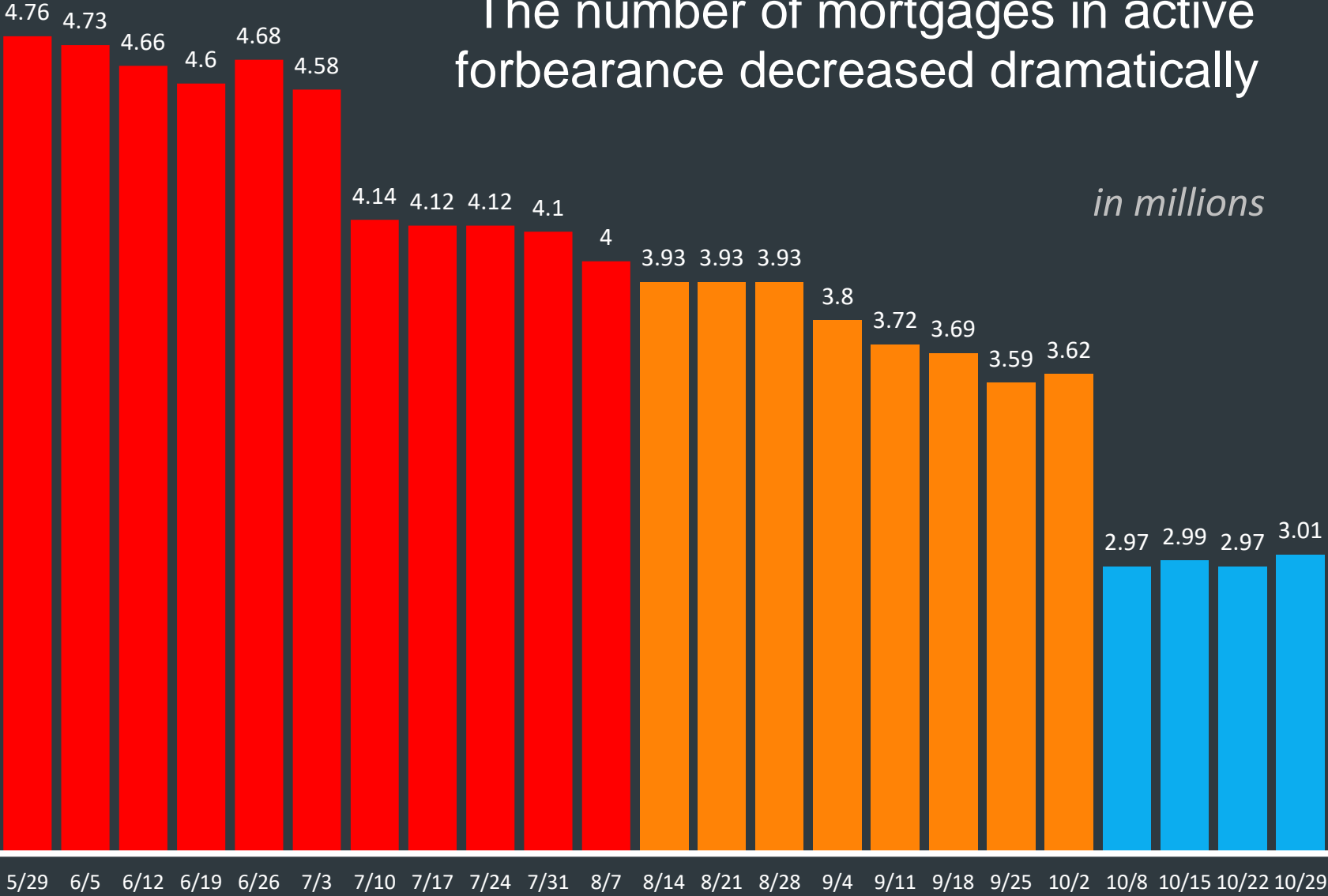
“Data from the Survey of Business Uncertainty (SBU) suggest that the road forward is going to be a tough slog. Businesses hold tepid expectations for year-ahead employment and sales growth. Expectations are, in fact, so tepid that, **based on the latest average projection, it will take firms more than four-and-a-half years to recover their pre-Covid employment levels.**”

Federal Reserve Bank

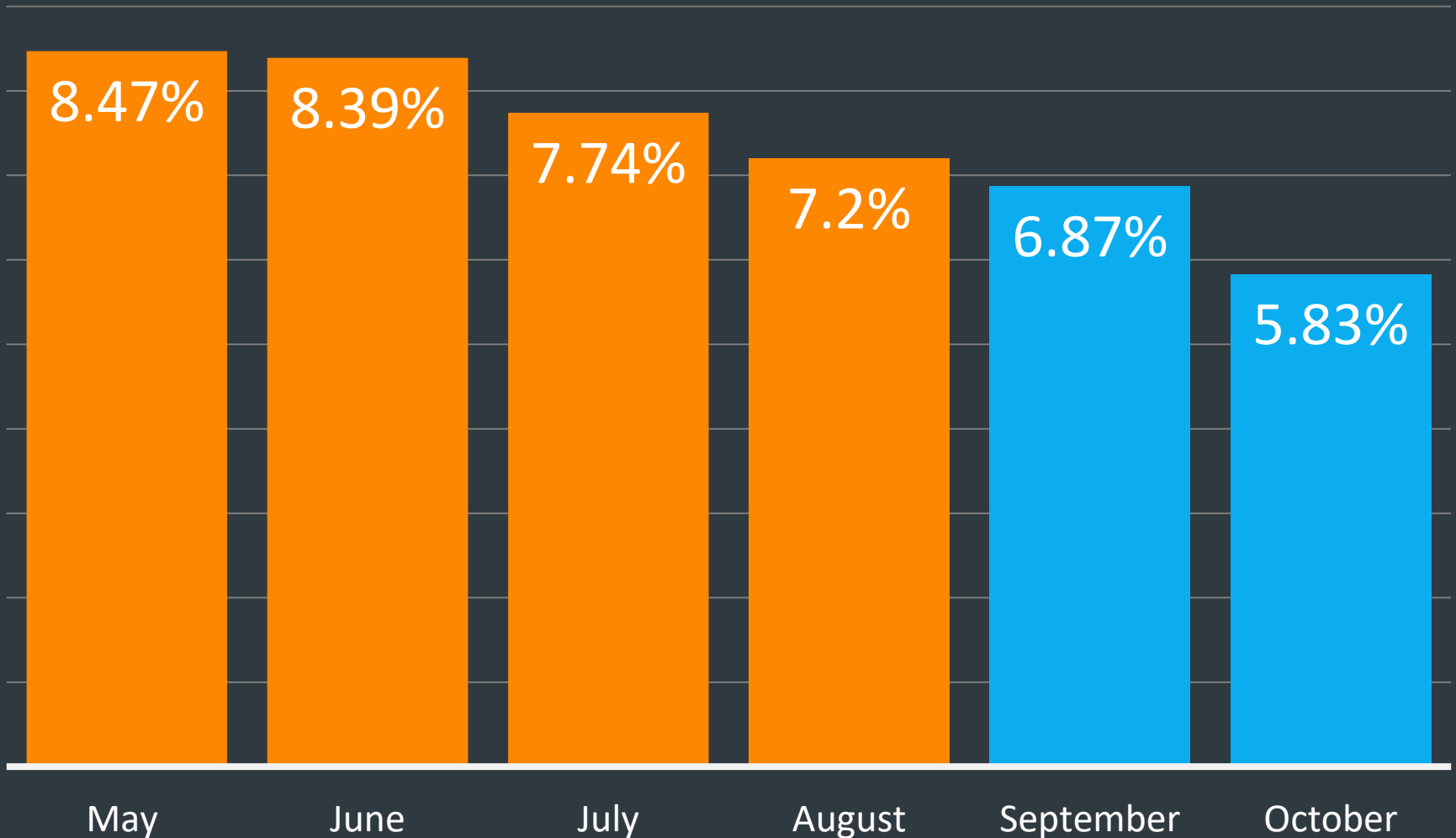


# The number of mortgages in active forbearance decreased dramatically

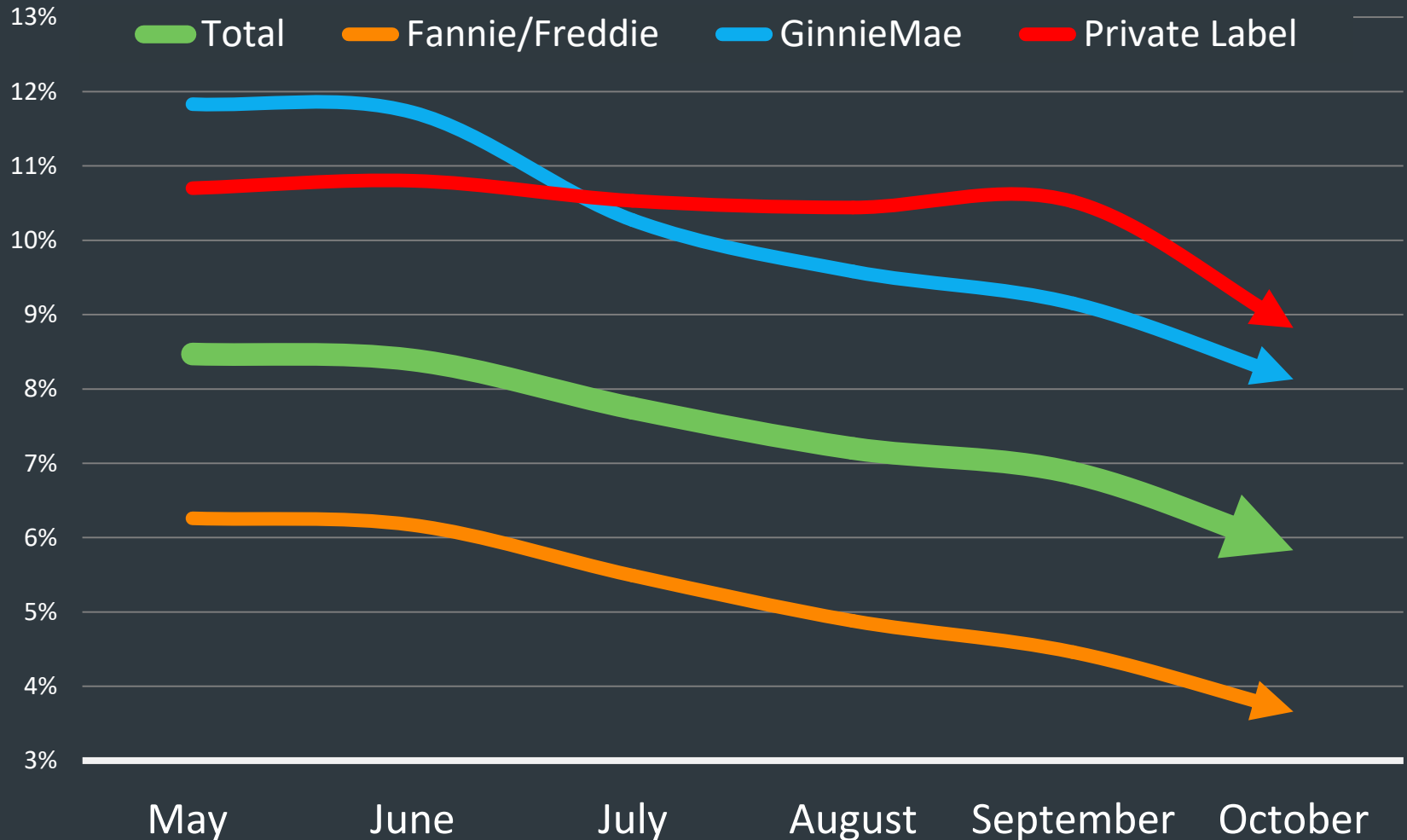
*in millions*



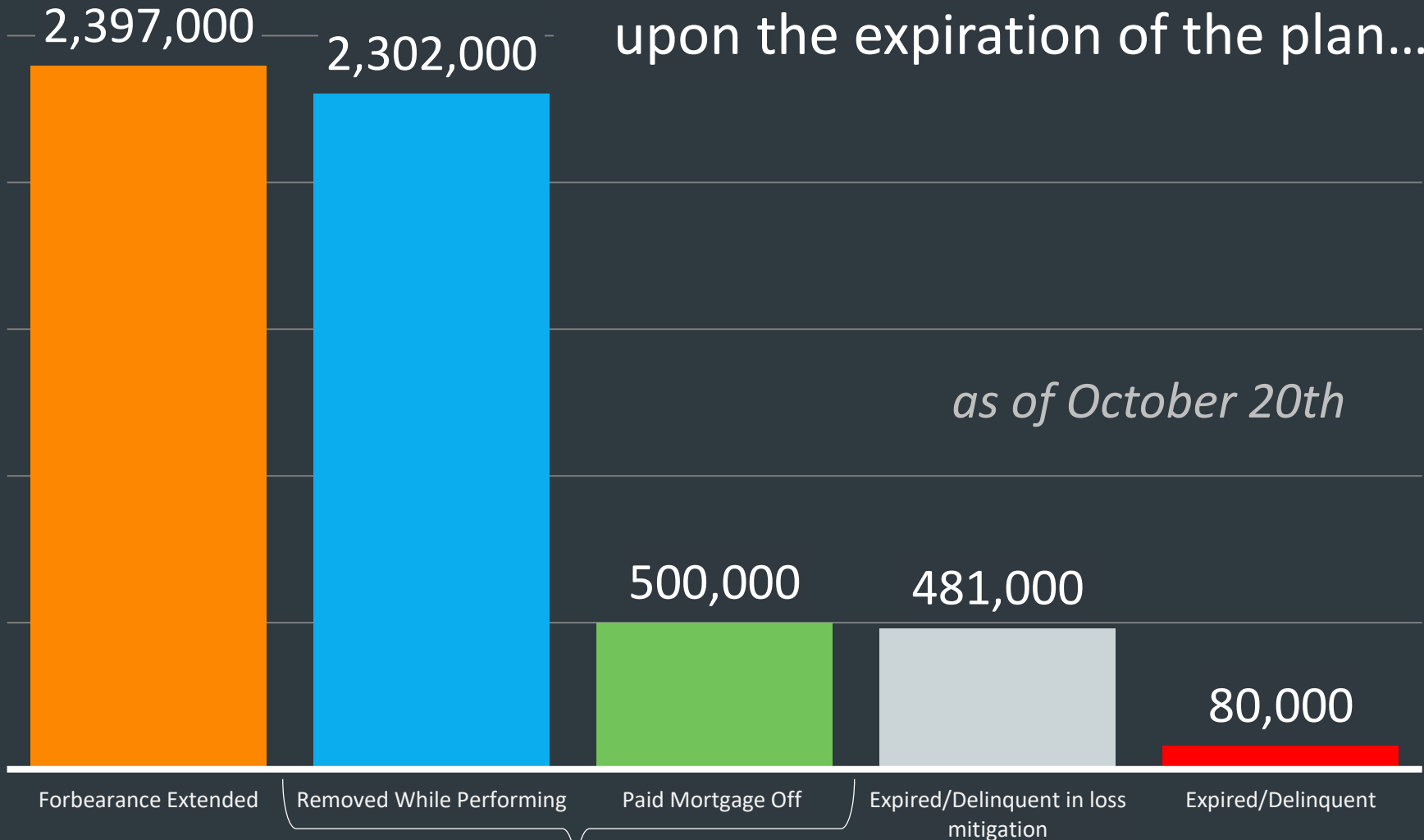
# Percentage of Overall Forbearances Decreasing



# Percentage of Forbearances Decreasing



Of the 5,760,000 families granted forbearance, this is what happened upon the expiration of the plan...



44%



“The likelihood of us  
having a foreclosure  
crisis again is about  
**zero percent.**”

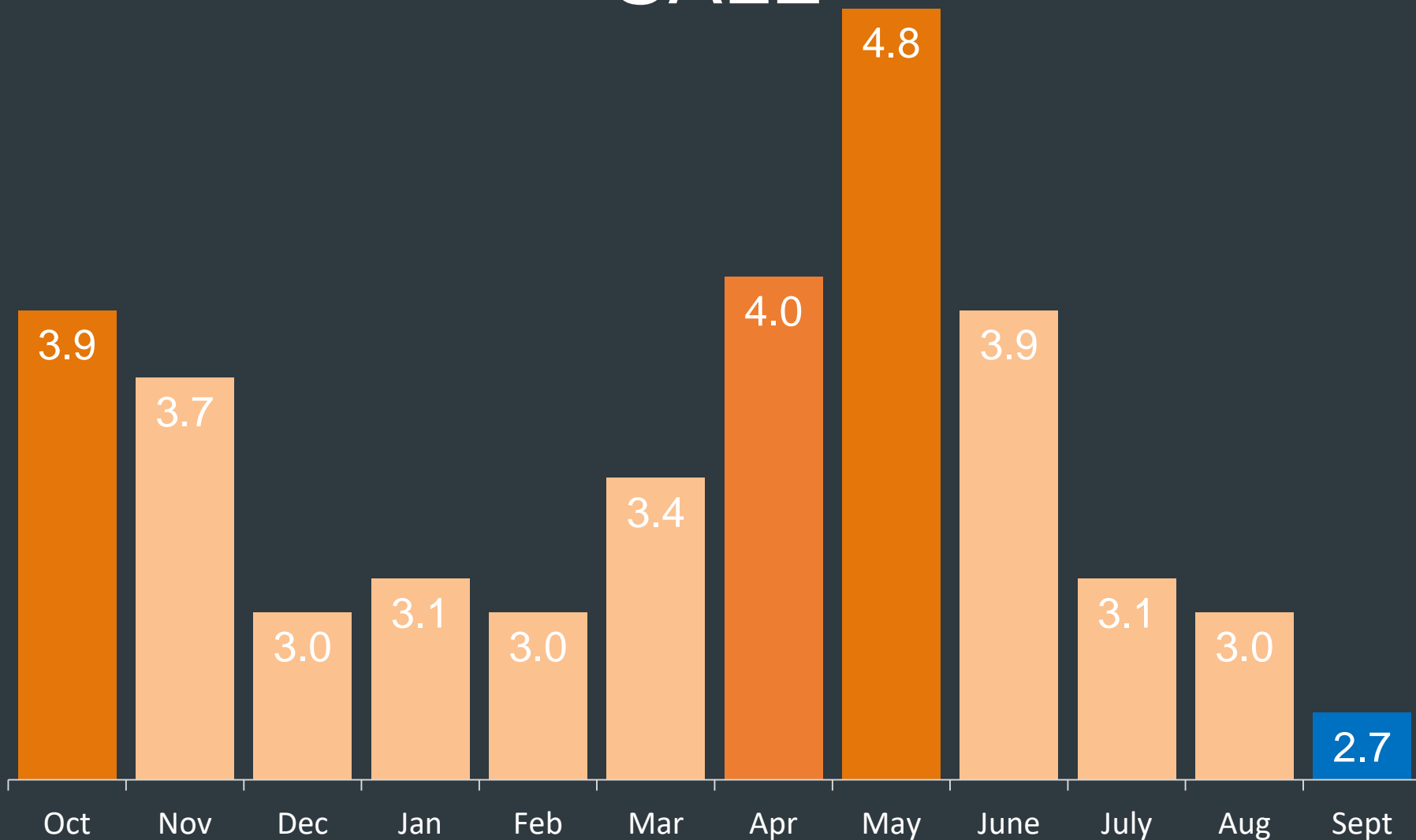
Ivy Zelman

Founder of Zelman & Associates

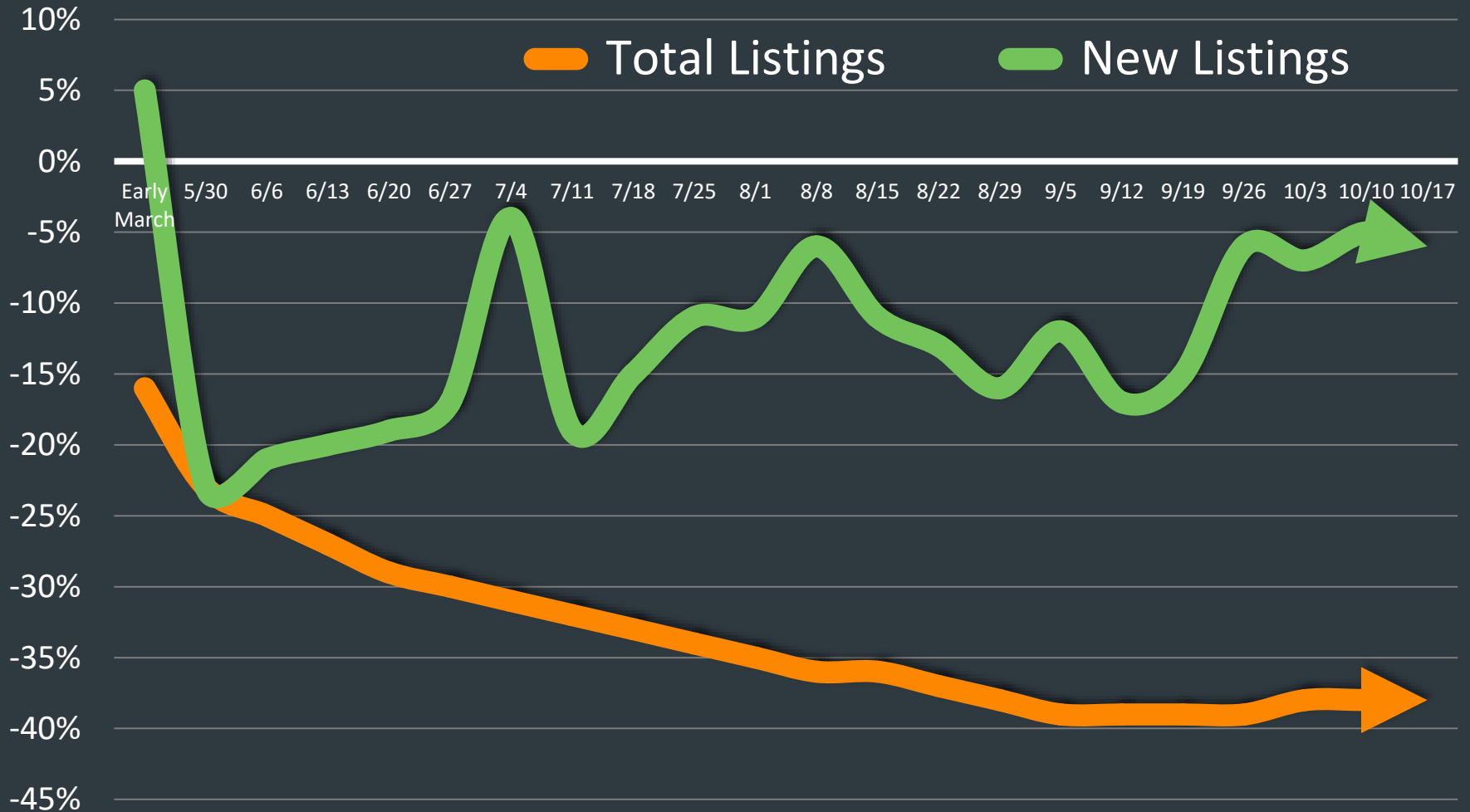


# Months Inventory of HOMES FOR SALE

*Last 12 Months*



# Year-Over-Year Change in Listings



Top Three Reasons  
Homeowners Are  
NOT Putting Their  
House on the Market

31%  
financial uncertainty

Zillow Report

34%

life is too uncertain  
right now

25%

COVID-19  
health concerns

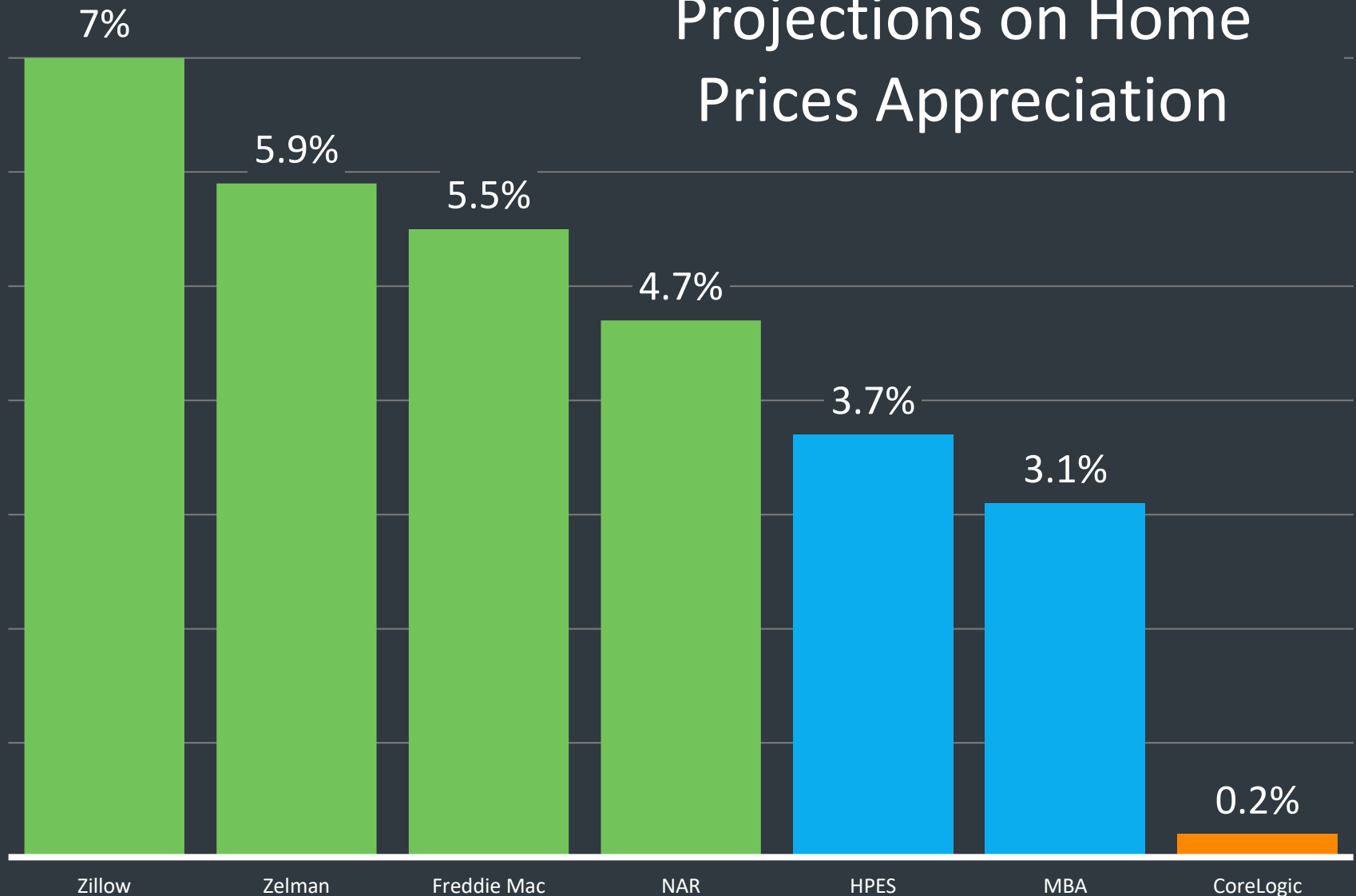
“Homeowners who feel life is uncertain right now may think they can still get a strong price if they delay selling until they have more clarity. **The catch is that waiting to sell may raise the cost of a trade-up.** This fall's **record low mortgage rates**, which make a trade-up more affordable on a monthly basis, **are not guaranteed to last.**”

Jeff Tucker

Senior Economist at Zillow

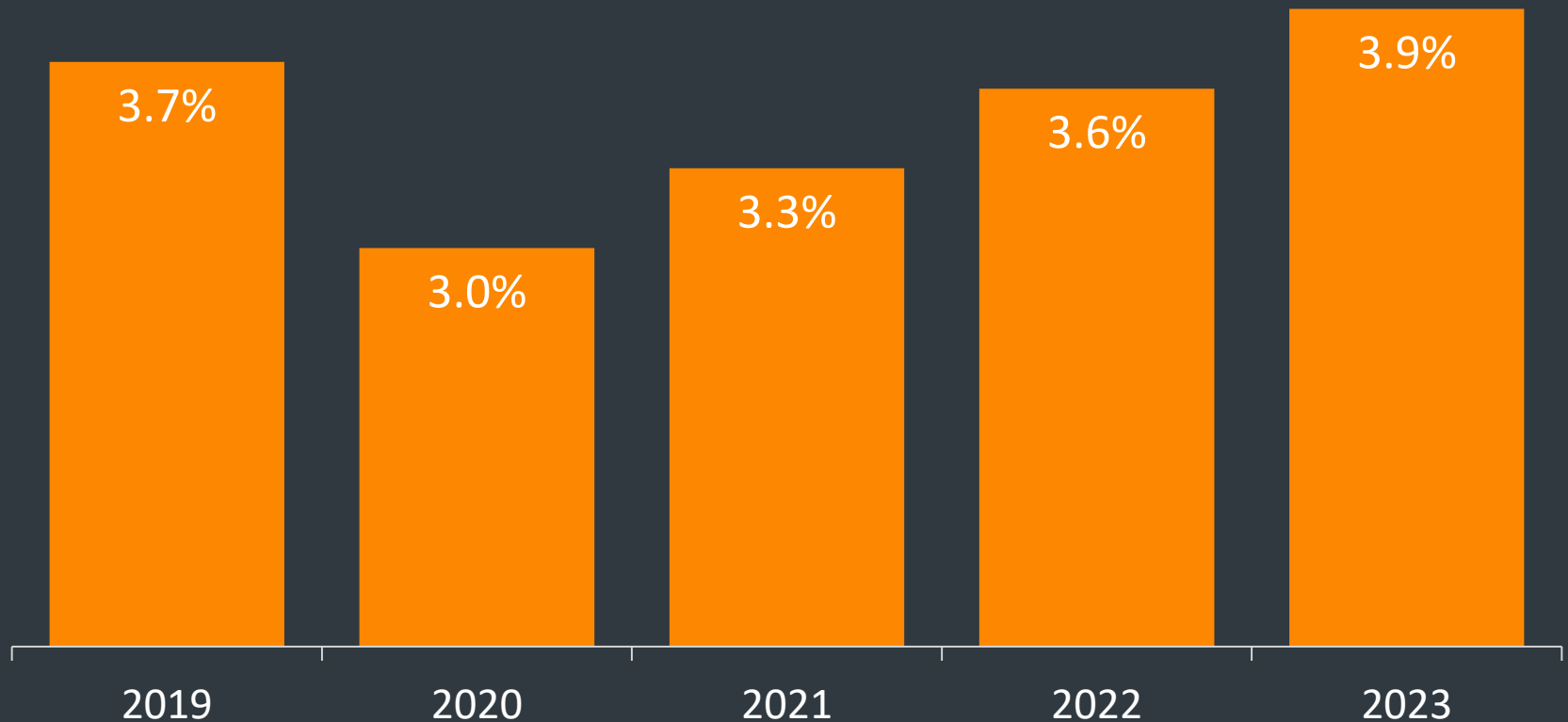


# Projections on Home Prices Appreciation



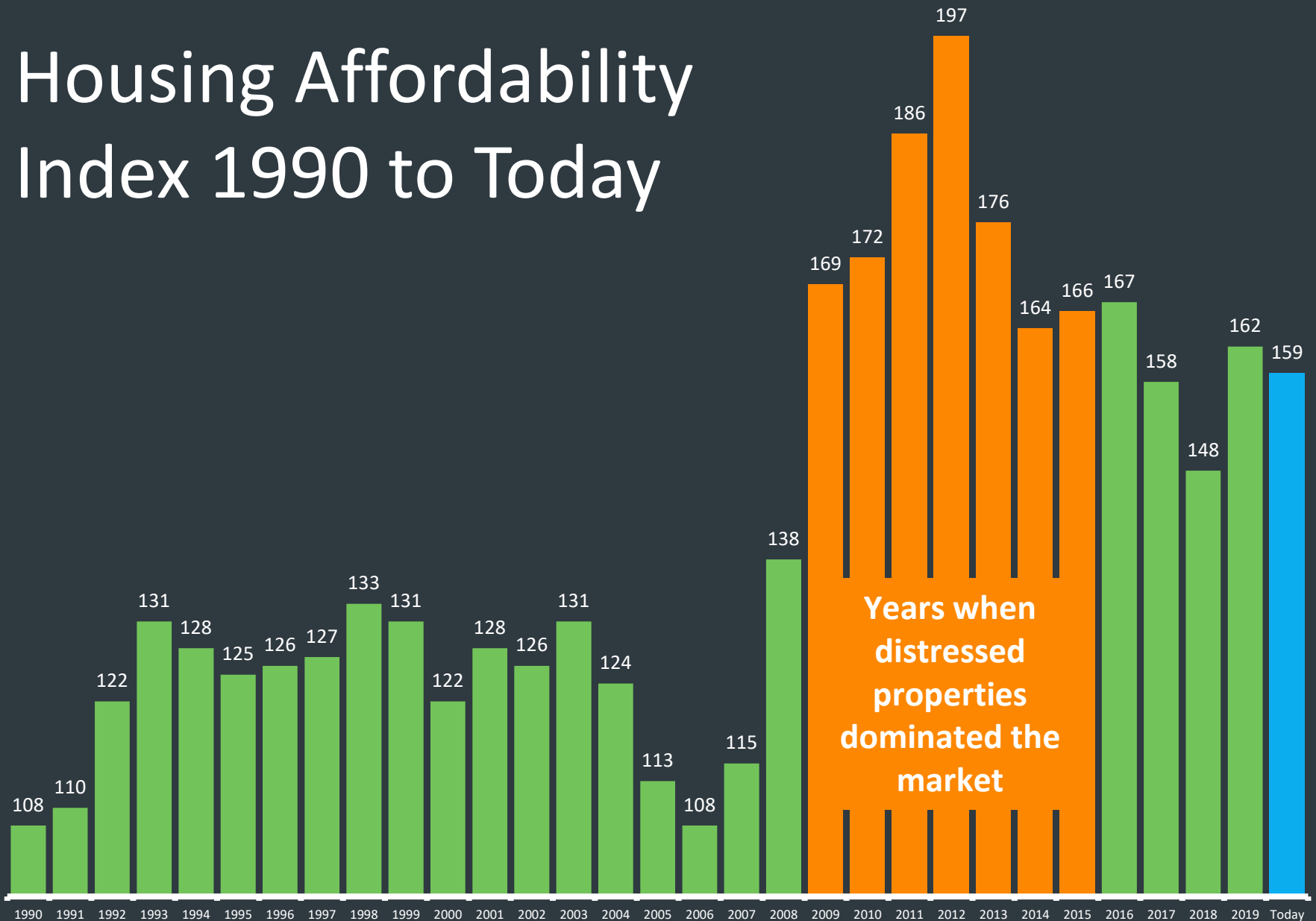
# MBA Forecast for 2021: Prepare for Rising Mortgage Rates

*“At its Annual event... Mortgage Bankers Association Chief Economist Mike Fratantoni forecast that mortgage rates could rise in the year to come, but that they will remain near all-time lows.”*





# Housing Affordability Index 1990 to Today



“The good news is that affordability remains significantly higher than one year ago, mostly due to falling rates. One month does not make a trend, but this month’s decline in affordability signals that **the current dynamics producing faster house price appreciation may begin to erode the affordability gains of recent years.**”

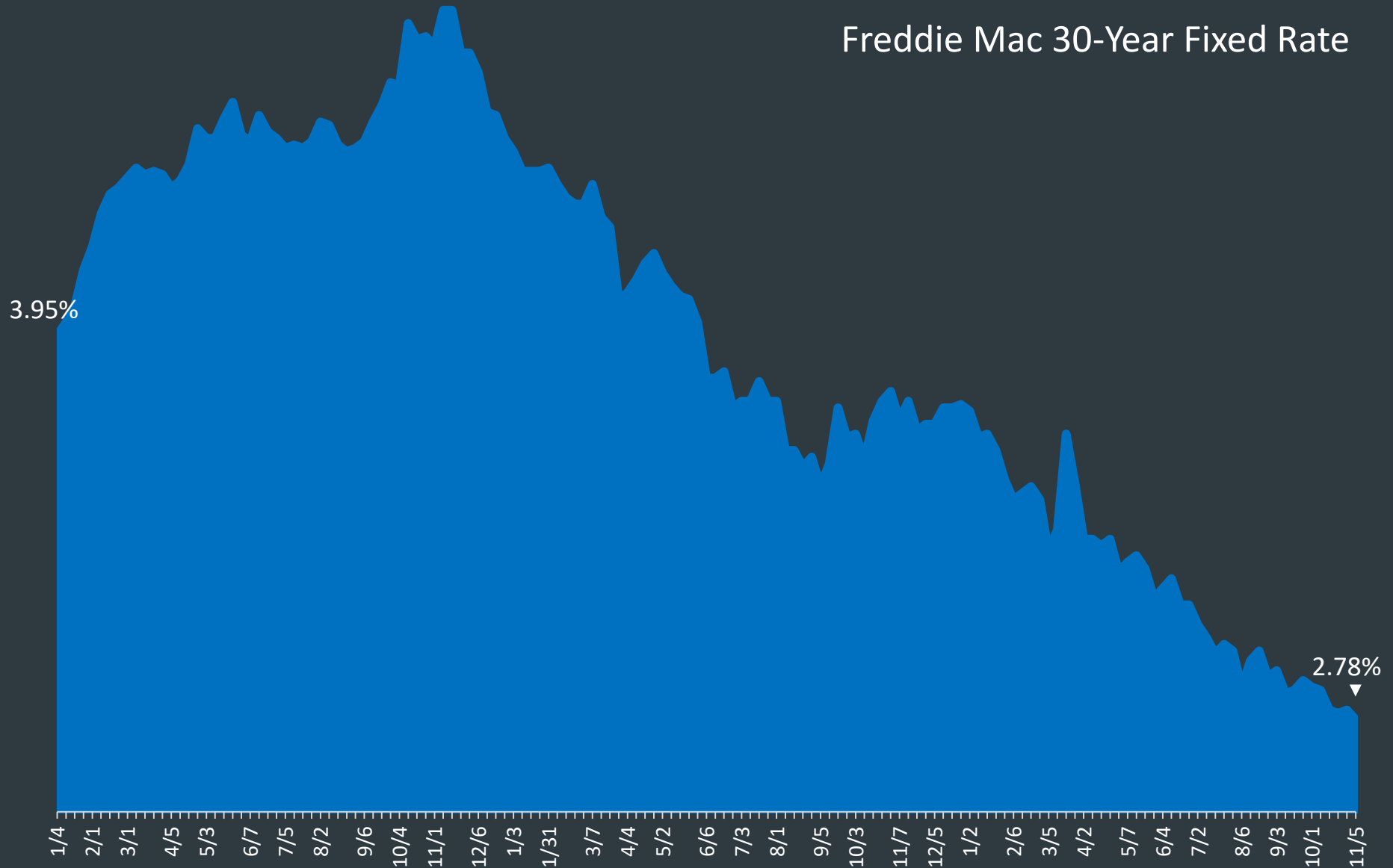
**Mark Fleming**

Chief Economist at First American



# Mortgage Rates

Freddie Mac 30-Year Fixed Rate



# Winter Buyer & Seller Guides



Coming December 4<sup>th</sup>

# Resources

Slide	Slide Title	Link
3	V-Shaped Recovery	<a href="https://www.bea.gov/news/2020/gross-domestic-product-third-quarter-2020-advance-estimate">https://www.bea.gov/news/2020/gross-domestic-product-third-quarter-2020-advance-estimate</a>
4	Zumbrun Quote	<a href="https://www.wsj.com/articles/coronavirus-slump-is-worst-since-great-depression-will-it-be-as-painful-11589115601">https://www.wsj.com/articles/coronavirus-slump-is-worst-since-great-depression-will-it-be-as-painful-11589115601</a> (subscription necessary)
5	Average U.S. FICO Score	<a href="https://www.wsj.com/articles/coronavirus-tanked-the-economy-then-credit-scores-went-up-11603013402">https://www.wsj.com/articles/coronavirus-tanked-the-economy-then-credit-scores-went-up-11603013402</a>
6	Use of Stimulus Checks	<a href="https://libertystreeteconomics.newyorkfed.org/2020/10/how-have-households-used-their-stimulus-payments-and-how-would-they-spend-the-next.html">https://libertystreeteconomics.newyorkfed.org/2020/10/how-have-households-used-their-stimulus-payments-and-how-would-they-spend-the-next.html</a>
7	Business Applications in the U.S.	<a href="https://fred.stlouisfed.org/series/BUSAPPSAUS">https://fred.stlouisfed.org/series/BUSAPPSAUS</a>
8	Change in Consumer Spending	<a href="https://www.tracktherecovery.org/">https://www.tracktherecovery.org/</a>
9, 10	Unemployment Filings & Insurance	<a href="https://www.dol.gov/ui/data.pdf">https://www.dol.gov/ui/data.pdf</a>
11	Federal Reserve Bank Quote	<a href="http://www.frbatlanta.org/blogs/macroblog/2020/10/01/post-covid-recovery-not-so-fast-my-friend">www.frbatlanta.org/blogs/macroblog/2020/10/01/post-covid-recovery-not-so-fast-my-friend</a>
12	Number of Active Forbearances	<a href="https://www.blackknightinc.com/blog-posts/forbearance-volumes-continue-modest-improvement-from-pandemic-related-peak/">https://www.blackknightinc.com/blog-posts/forbearance-volumes-continue-modest-improvement-from-pandemic-related-peak/</a>
13, 14	Percentage of Forbearances	<a href="https://www.mba.org/news-research-and-resources/newsroom">https://www.mba.org/news-research-and-resources/newsroom</a>

# Resources

Slide	Slide Title	Link
15	When Forbearances Expire	<a href="https://www.blackknightinc.com/wp-content/uploads/2020/10/BKI_MM_Sept2020_Report.pdf">https://www.blackknightinc.com/wp-content/uploads/2020/10/BKI_MM_Sept2020_Report.pdf</a>
16	Zelman Quote	<a href="https://www.tomferry.com/podcast/experience-91/">https://www.tomferry.com/podcast/experience-91/</a>
17	Months Inventory of Homes for Sale	<a href="https://www.nar.realtor">nar.realtor</a> <a href="https://www.nar.realtor/topics/existing-home-sales">https://www.nar.realtor/topics/existing-home-sales</a> <a href="https://cdn.nar.realtor/sites/default/files/documents/ehs-09-2020-overview-2020-10-22.pdf">https://cdn.nar.realtor/sites/default/files/documents/ehs-09-2020-overview-2020-10-22.pdf</a>
18	YOY Change in Listings	<a href="https://www.realtor.com/research/weekly-housing-trends-view-data-week-oct-17-2020/">https://www.realtor.com/research/weekly-housing-trends-view-data-week-oct-17-2020/</a>
19, 20	Sellers Not Listing & Tucker Quote	<a href="http://zillow.mediaroom.com/2020-10-27-COVID-19-is-Driving-the-Housing-Inventory-Crisis-in-Unexpected-Ways">http://zillow.mediaroom.com/2020-10-27-COVID-19-is-Driving-the-Housing-Inventory-Crisis-in-Unexpected-Ways</a>
21	Home Price Projections	<a href="http://www.freddiemac.com/research/forecast/20201014_quarterly_economic_forecast.page?">http://www.freddiemac.com/research/forecast/20201014_quarterly_economic_forecast.page?</a> <a href="https://www.fanniemae.com/resources/file/research/emma/pdf/Housing_Forecast_071420.pdf">https://www.fanniemae.com/resources/file/research/emma/pdf/Housing_Forecast_071420.pdf</a> <a href="https://www.nar.realtor/sites/default/files/documents/forecast-Q2-2020-us-economic-outlook-06-29-2020.pdf">https://www.nar.realtor/sites/default/files/documents/forecast-Q2-2020-us-economic-outlook-06-29-2020.pdf</a> <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="http://www.zelmanassociates.com">www.zelmanassociates.com</a> (subscription required) <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="http://zillow.mediaroom.com/2020-10-16-Home-Values-are-Growing-at-a-Pace-Not-Seen-Since-the-Recovery-From-the-Great-Recession">http://zillow.mediaroom.com/2020-10-16-Home-Values-are-Growing-at-a-Pace-Not-Seen-Since-the-Recovery-From-the-Great-Recession</a>
22	Mortgage Rate Projections	<a href="https://www-housingwire-com.cdn.ampproject.org/c/s/www.housingwire.com/articles/mba-forecast-for-2021-prepare-for-rising-mortgage-interest-rates/amp/">https://www-housingwire-com.cdn.ampproject.org/c/s/www.housingwire.com/articles/mba-forecast-for-2021-prepare-for-rising-mortgage-interest-rates/amp/</a>
23	Housing Affordability Index	<a href="https://www.nar.realtor/blogs/economists-outlook/housing-affordability-weakens-in-august-2020-as-home-prices-rose-faster-than-median-family-incomes">https://www.nar.realtor/blogs/economists-outlook/housing-affordability-weakens-in-august-2020-as-home-prices-rose-faster-than-median-family-incomes</a>
24	Fleming Quote	<a href="https://blog.firstam.com/economics/has-the-affordability-boost-from-falling-mortgage-rates-run-its-course">https://blog.firstam.com/economics/has-the-affordability-boost-from-falling-mortgage-rates-run-its-course</a>