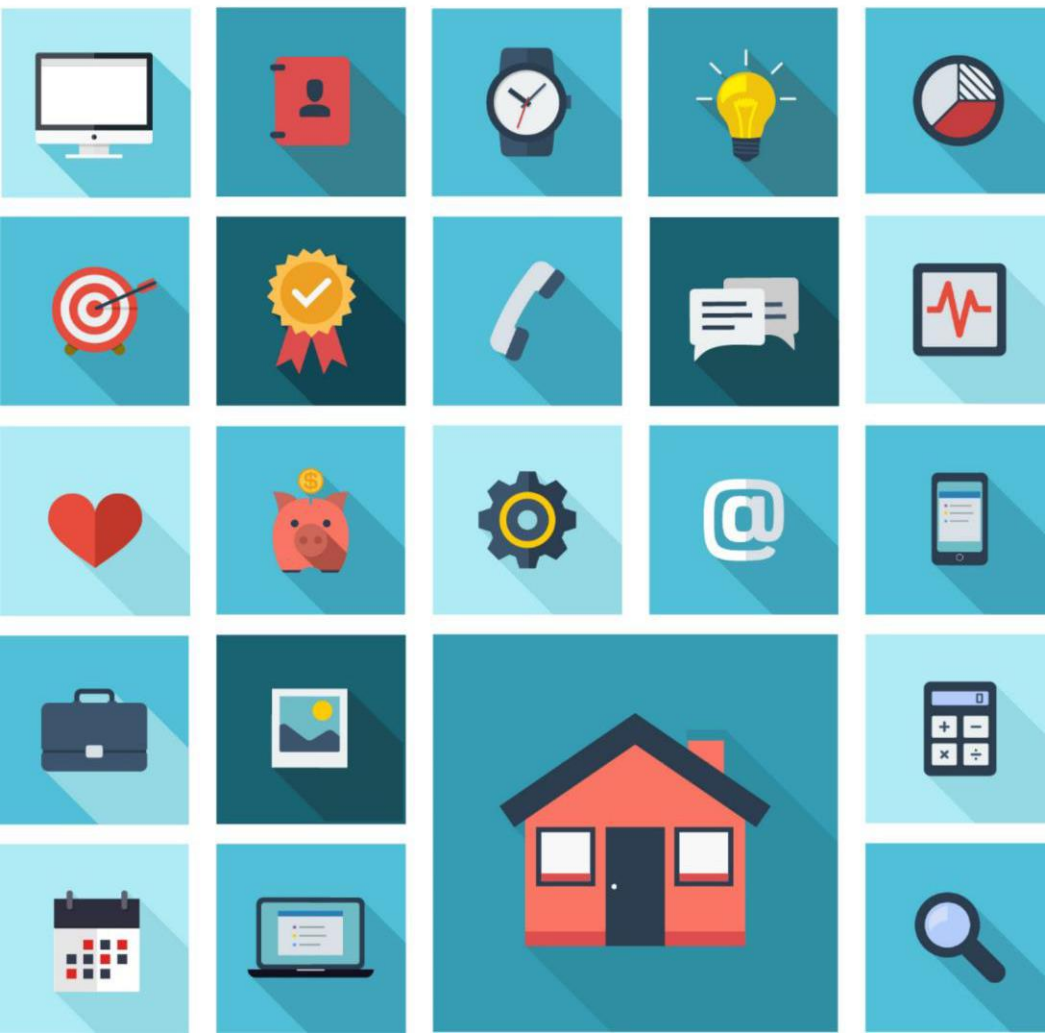


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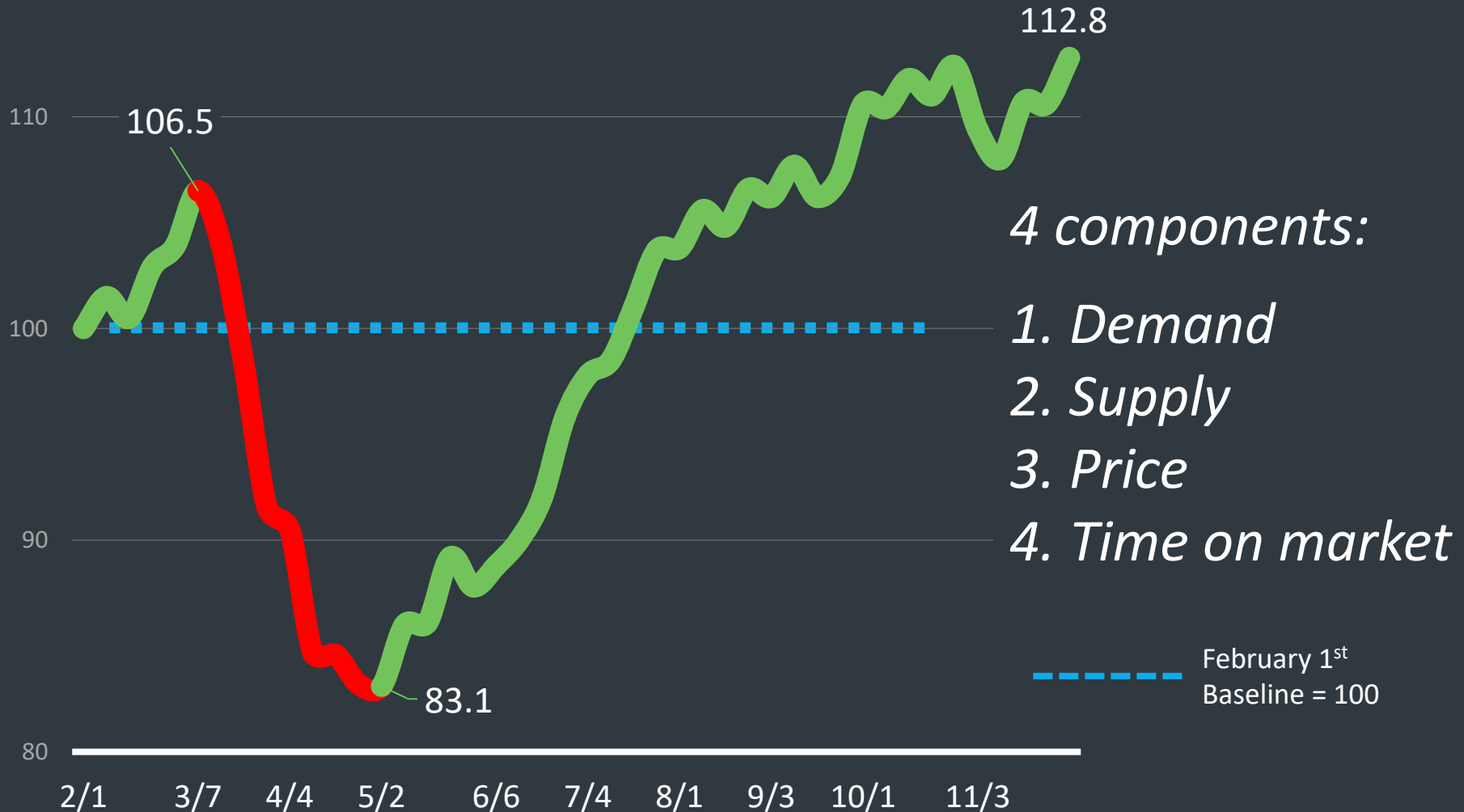
HOUSING UPDATE



DECEMBER 2020



Housing Market Recovery Index



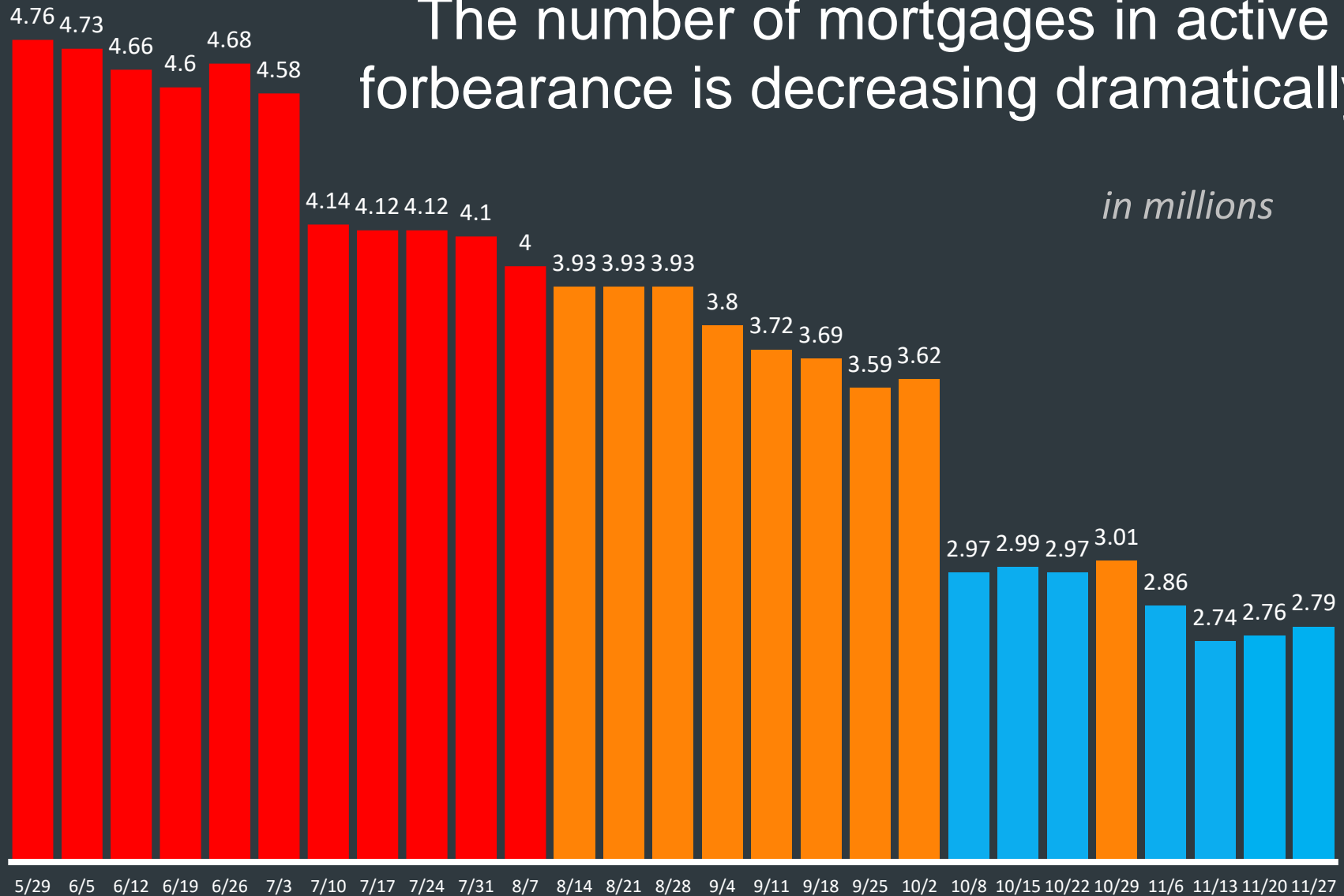
“Buyers and sellers quickly jumped back into the market this week after taking a break during election week, according to realtor.com's Weekly Housing Report for the week ending Nov 14.”

move.com



The number of mortgages in active forbearance is decreasing dramatically

in millions

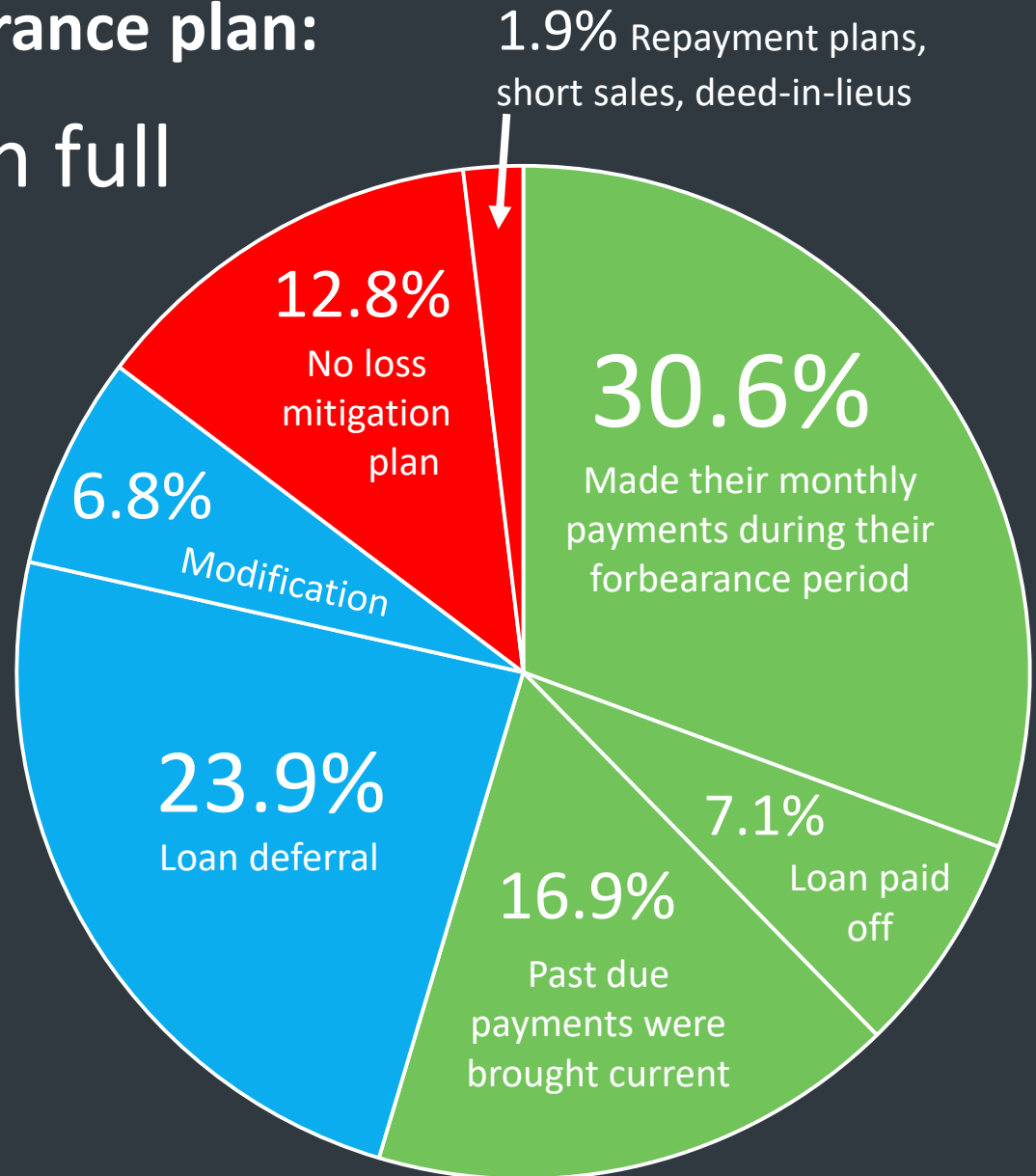


Upon exit from forbearance plan:

■ 54.6% are paid in full

■ 30.7% work out repayment plan

■ 14.7% are still in trouble



5 steps to ask for mortgage forbearance due to the Coronavirus

1. Find the contact information for your servicer (*Mortgage statement*)
2. Call your servicer (*explain the situation. Use the number in your statement to avoid scams*)
3. Ask if you are eligible for protections under the CARES act
(*The CARES Act protects homeowners with federally-backed loans: FHA, VA, USDA, Fannie Mae, and Freddie Mac*)
4. Ask what happens when your forbearance period ends
Questions to ask:
 - *What happen to the payments I miss?*
 - *What are my repayment options?*
 - *When will repayment be due?*
 - *Are there any fees?*
5. Ask your services to provide the agreement in writing and check to make sure matches what you discuss

“Don’t wait, forbearance is not automatic. It must be requested.”

Are Prices Going Up too Fast?



“Housing prices were notably – I am tempted to say ‘very’ – strong in September. The National Composite Index (NCI) gained 7.0% relative to its level a year ago...

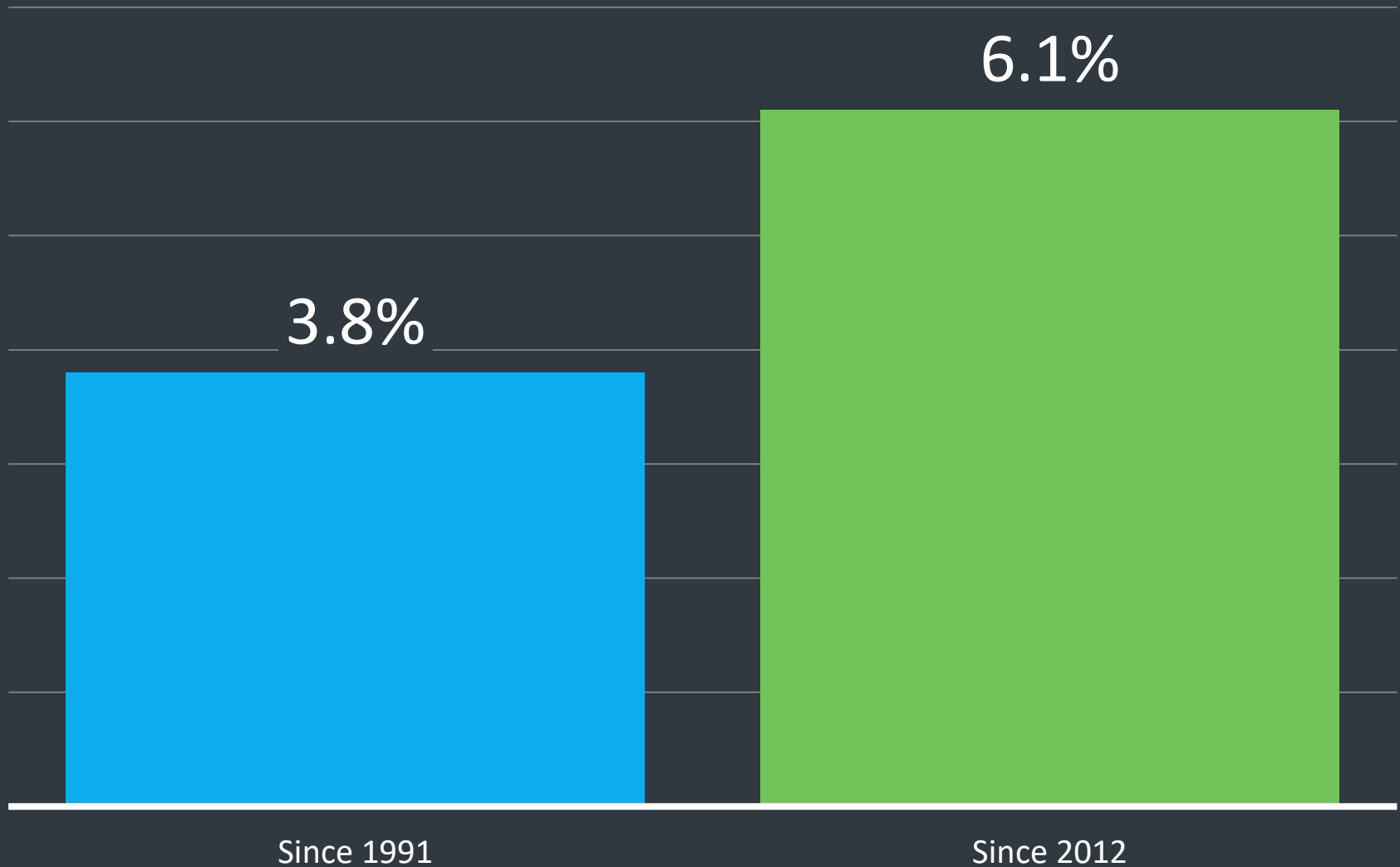
Our three monthly readings since June of this year have all shown accelerating growth in home prices, and September’s results are quite strong.”

Craig J. Lazzara

Managing Director at S&P Dow Jones Indices

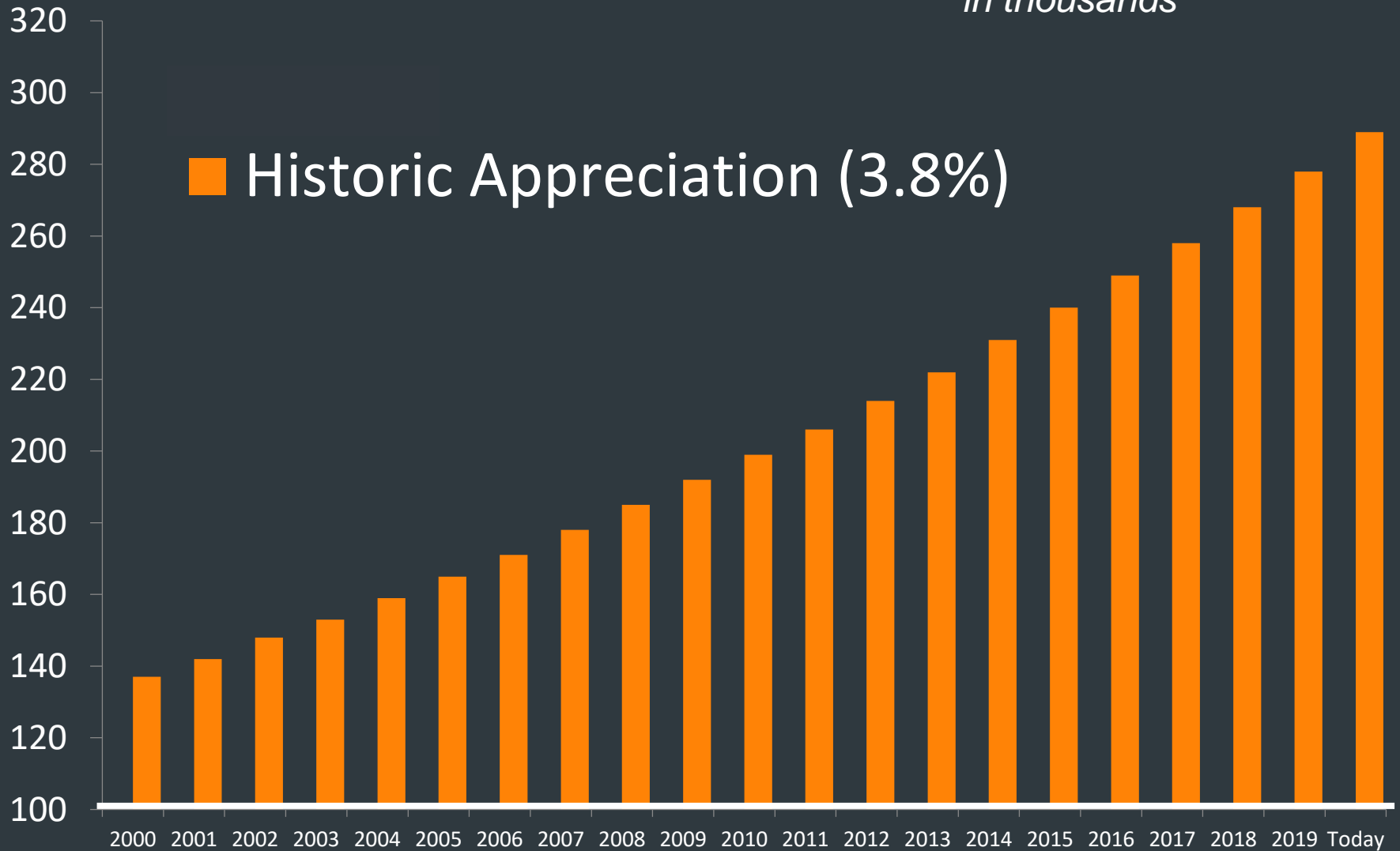


Compound Annual House Price Appreciation Rate



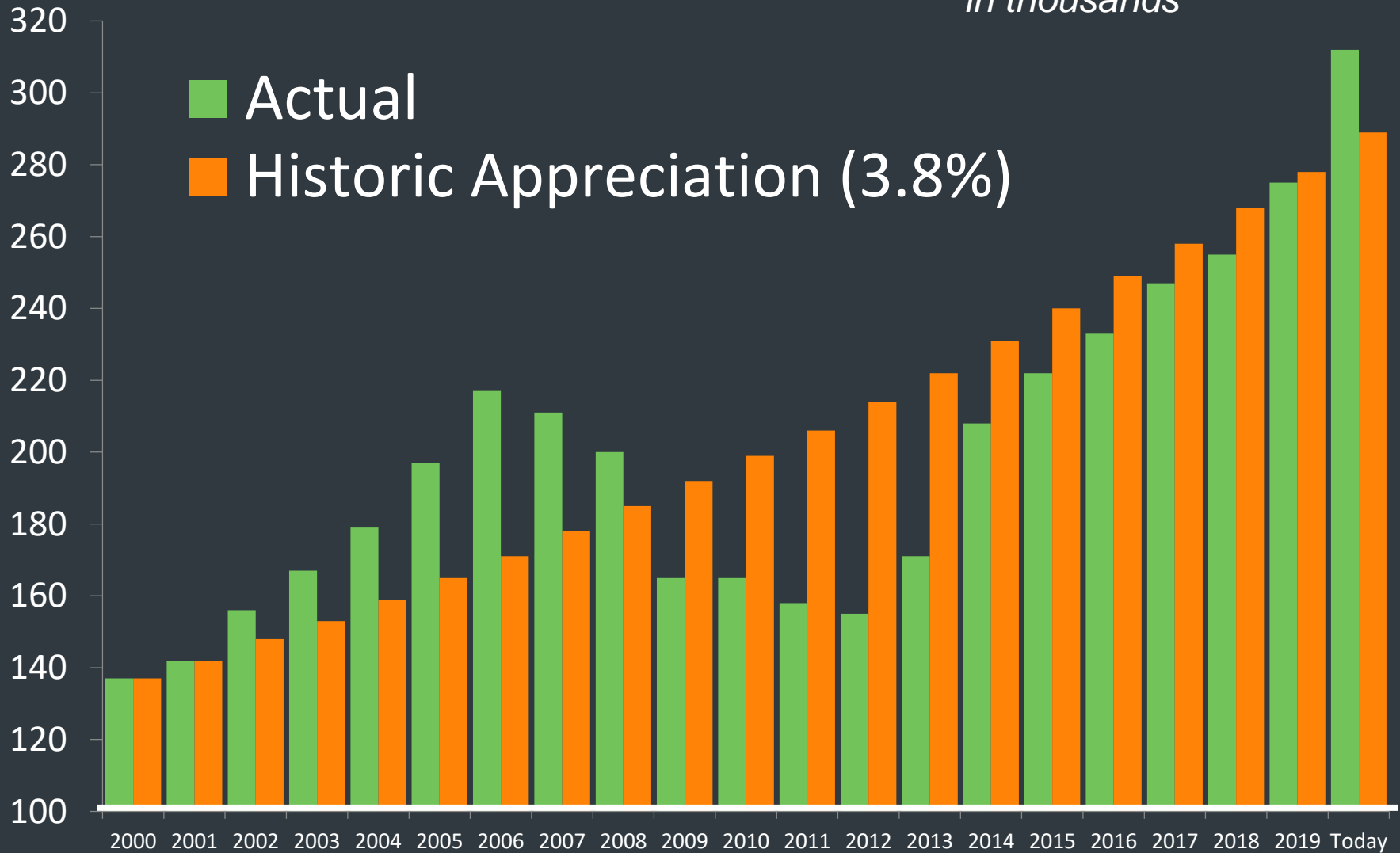
US Existing Home Median Sales Price

in thousands

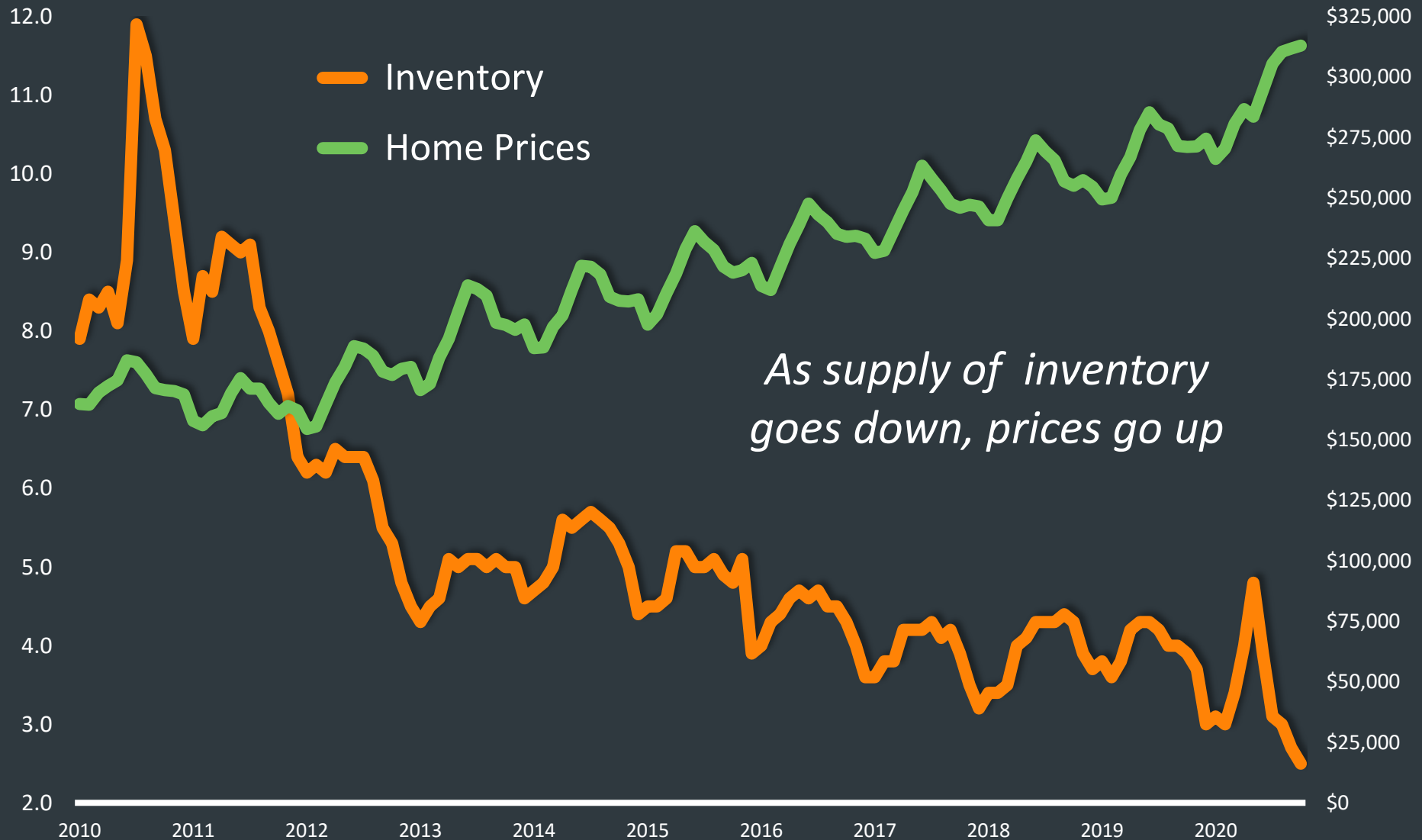


US Existing Home Median Sales Price

in thousands



Inventory & Home Prices: 2010 - Today



“Such a frenzy of activity, reminiscent of 2006, raises questions about a bubble and the potential for a painful crash. The answer: **There’s no comparison**. Back in 2006, dubious adjustable-rate mortgages taxed many buyers’ budgets. Some loans didn’t even require income documentation. Today, buyers are taking out 30-year fixed-rate mortgages. Fourteen years ago, **there were 3.8 million homes listed for sale, and home builders were putting up about 2 million new units**. Now, inventory is only about **1.5 million homes, and home builders are underproducing relative to historical averages.**”

Lawrence Yun

Chief Economist at NAR



Americans' mortgage debt soars

←

→

↻

🔒

cnn.com/2020/11/17/economy/third-quarter-household-debt/index.html

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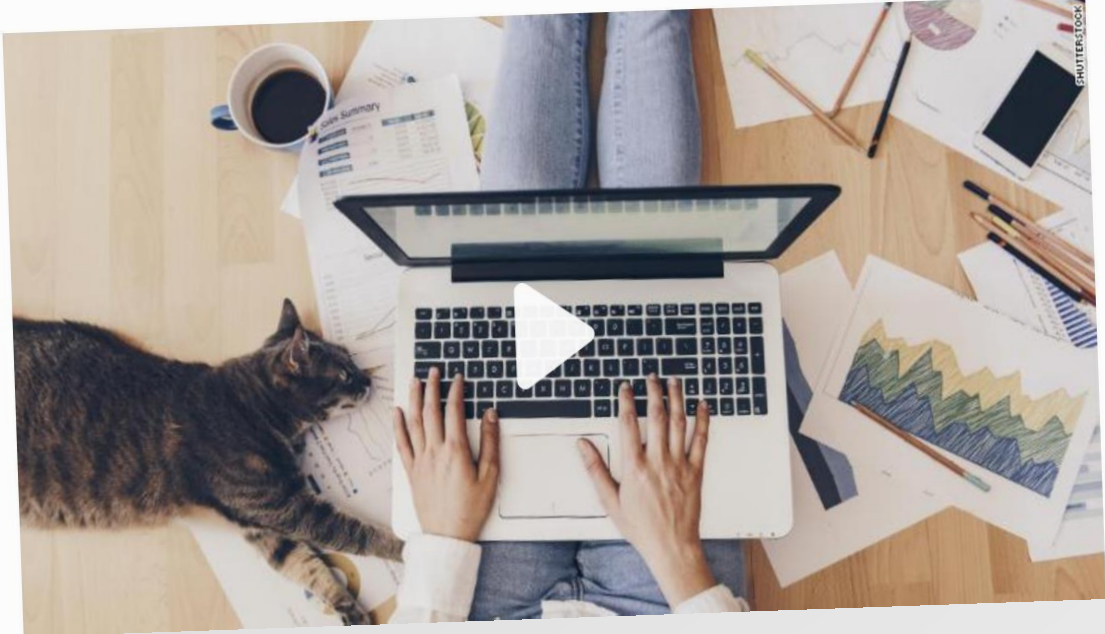
Edition ▾

Americans' mortgage debt soars to a record \$10 trillion




By [Anneken Tappe](#), CNN Business

Updated 3:50 PM ET, Tue November 17, 2020




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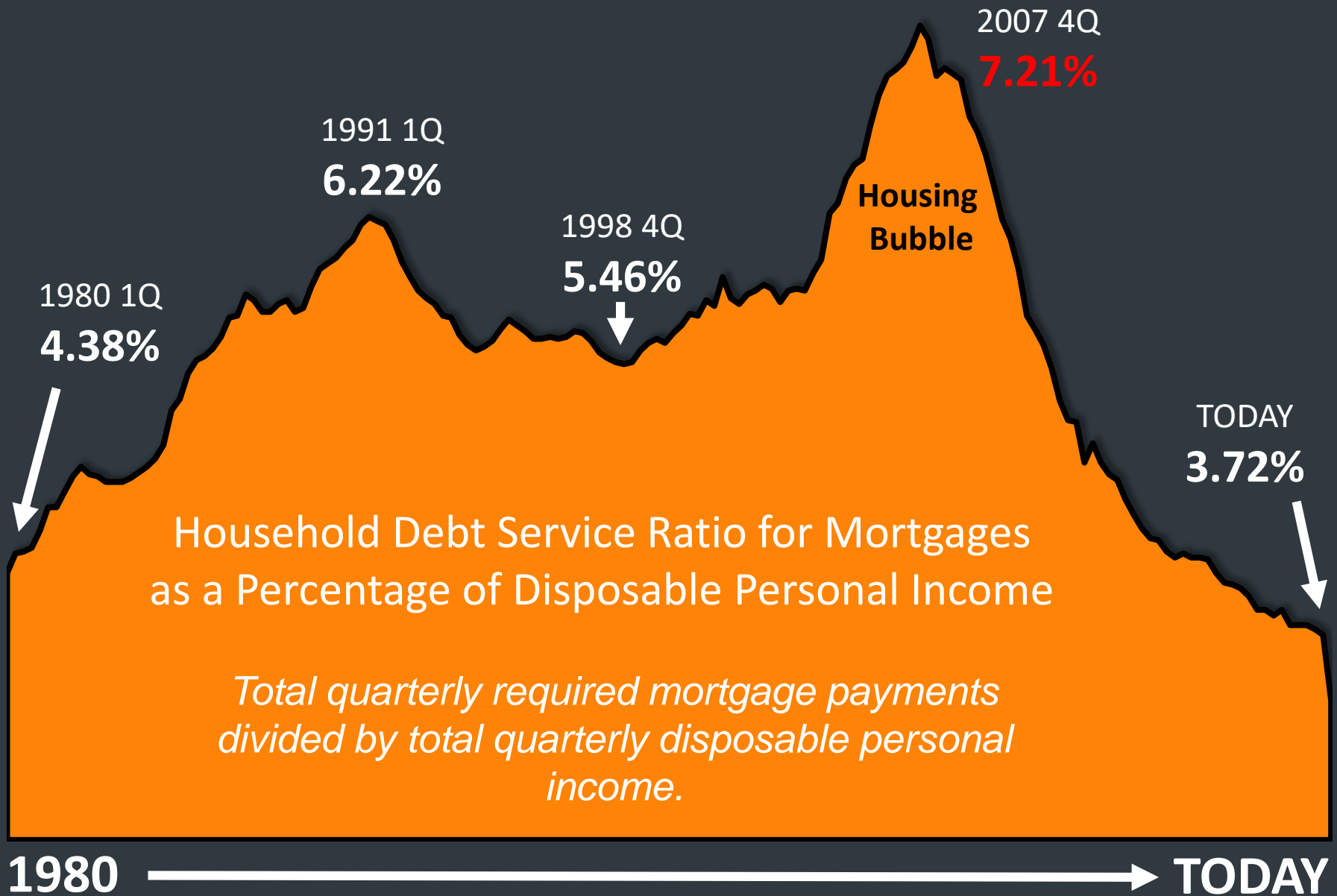
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ROSS REALTY GROUP | [YupSOLD.com](#)

“Mortgage balances - the largest component of household debt - rose by \$85 billion in the third quarter and sat at \$9.86 trillion on September 30. Mortgage originations, which include refinances, were at \$1.05 trillion, the second highest volume in the history of the series and second only to the historic refinance boom in 2003Q3.”

Federal Reserve Bank







Looking Ahead

ROSS REALTY GROUP | YupSOLD.com

“Above all, the 2021 outlook hinges on the course of the coronavirus. Both the recent virus surge and the election make government emergency relief more likely. Next year will also start to show whether two of the big pandemic shifts will endure — from services to goods and from in-office to remote work. Even small shifts in these trends, if permanent, could cause big changes in how businesses hire, how job seekers search, where people live, and how much they earn.”

Jed Kolko

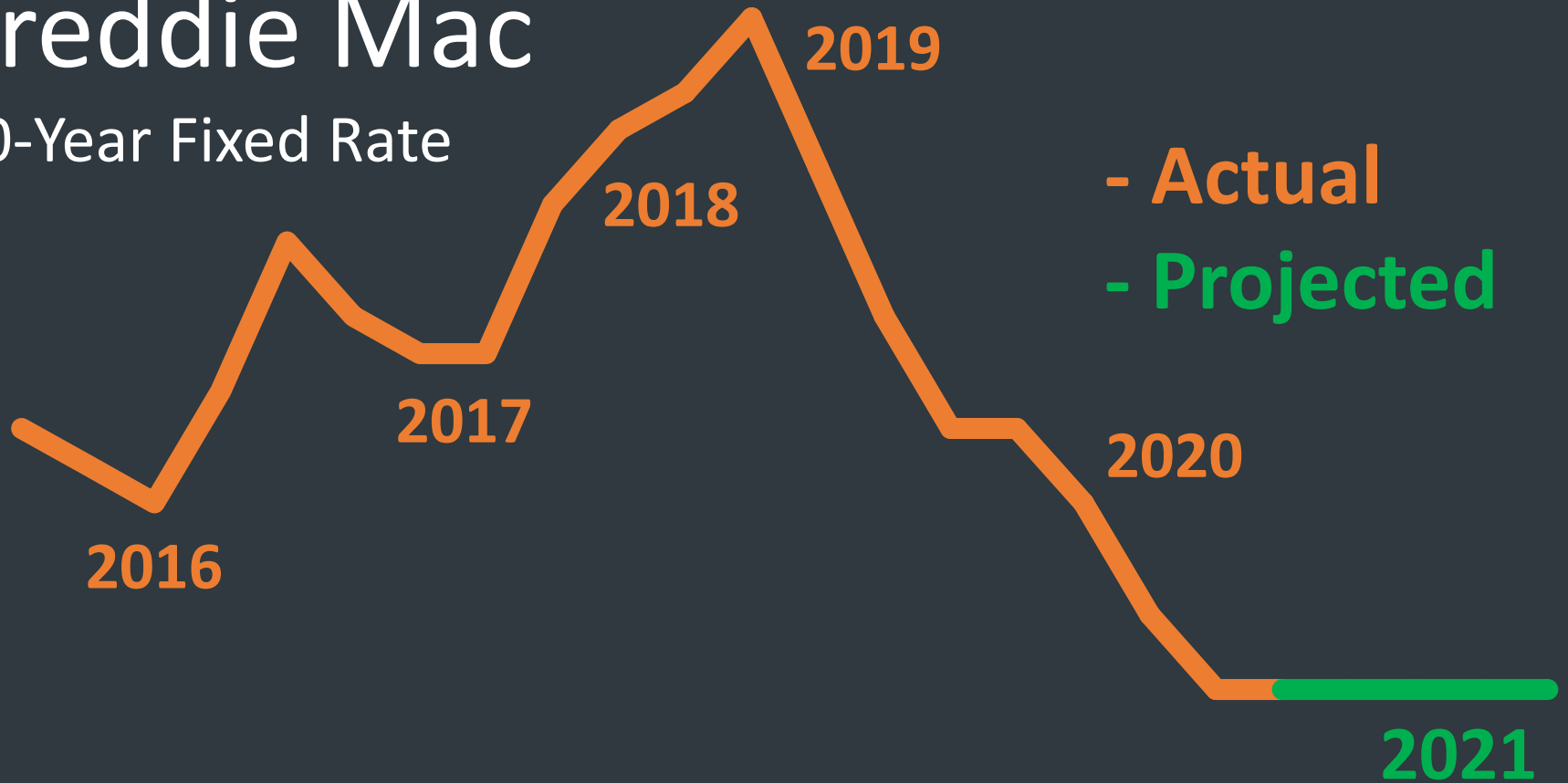
Chief Economist at Indeed



Mortgage Rates

Freddie Mac

30-Year Fixed Rate



	2016	2016	2016	2016	2017	2017	2017	2017	2018	2018	2018	2018	2019	2019	2019	2019	2020	2020	2020	2020	2021	2021	2021	2021
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Rate	3.7	3.6	3.5	3.8	4.2	4.0	3.9	3.9	4.3	4.5	4.6	4.8	4.4	4.0	3.7	3.7	3.5	3.2	3.0	3.0	3.0	3.0	3.0	3.0

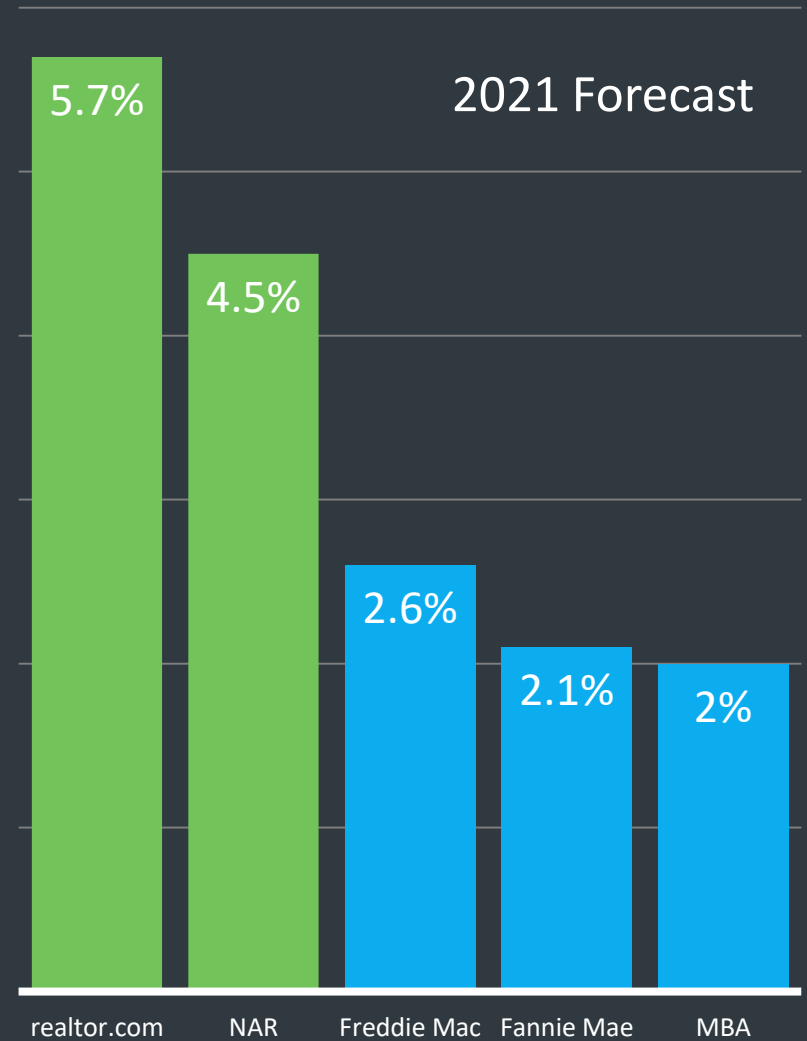
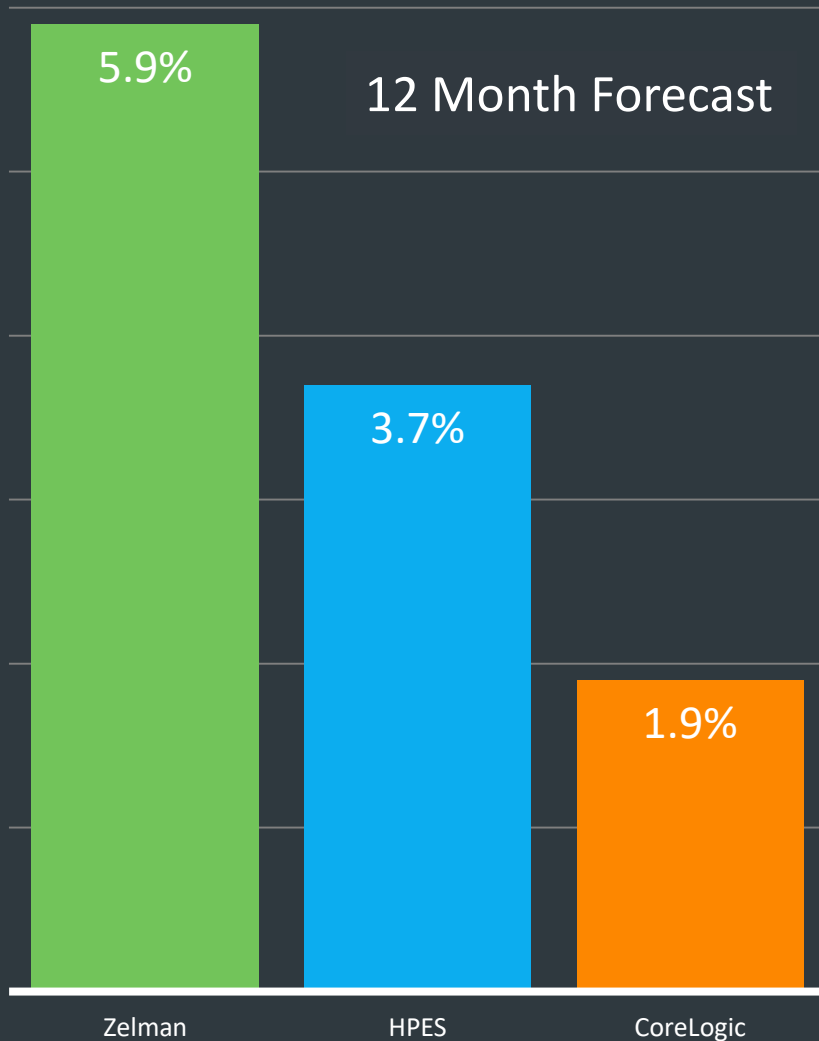
“We expect home sales in 2021 to come in 7.0% above 2020 levels, following a more normal seasonal trend and building momentum through the spring and sustaining the pace in the second half of the year. While home sales are expected to lose some momentum over the last months of 2020, the shallower than normal seasonal slowdown creates a higher base of activity leading into 2021 that is roughly maintained for the first half of the year. As vaccines for the coronavirus become broadly available to the public, and economic growth reflects the resumption of more normal patterns of consumer spending, home sales gain even more in the second half of the year.”

Danielle Hale

Chief Economist at realtor.com



Home Price Forecasts



“Any foreclosure increases
will likely be quickly
absorbed by the market.
It will not lead to any
price declines.”

Lawrence Yun

Chief Economist at NAR



Now Available: Winter 2021 Buyer & Seller Guides



Why You Shouldn't Wait Until Spring to Buy a Home

The housing market recovery has been nothing short of remarkable. Many experts agree the turnaround from the nation's economic pause is playing out extremely well for real estate, so it's framing up to be an ideal time to buy a home for those who are ready to make a purchase. Here's a dive into some of the biggest wins for homebuyers this season.

- 1. Mortgage Rates Are Low**

In 2020, mortgage rates hit all-time lows more than a dozen times, falling below 3% for the first time ever. Continued low rates have set buyers up for significant long-term gains. *realtor.com* notes:

"Given this means homes could cost potentially tens of thousands less over the lifetime of the loan."

Essentially, it's less expensive to borrow money for a home loan today, a huge opportunity for buyers to capitalize on right now, before rates start to rise.
- 2. Buying Is More Affordable Than Renting**

This trend toward low mortgage rates has made the typical monthly payment (including principal and interest) less expensive for buyers. According to *realtor.com*:

"Over the past year, many counties have seen the difference between the cost to purchase a home compared to the cost to rent a home improve toward favoring buying a home."

Buying a home versus renting one may be a game-changer, as it amplifies long-term savings for homeowners. When paying a mortgage, as opposed to paying rent, that money is reinvested back in your favor. Instead of contributing to your landlord's savings, you're contributing to your own net worth. This is a term called equity, and it is one of the biggest financial benefits of owning a home.

Key Terms to Know in the Homebuying Process

Here's a list of some of the most common terms in the homebuying process.

- APPRAISAL**
A professional analysis used to estimate the value of a home. A necessary step in validating a home's worth to you and your lender as you secure financing.
- CLOSING COSTS**
The fees required to complete the real estate transaction. Paid at closing, they include taxes, fees, title insurance, financing costs, and items that must be prepaid or escrowed. Ask your lender for a complete list of closing cost items.
- CREDIT SCORE**
A number ranging from 300-850 that's based on an analysis of your credit history. Home lenders determine the likelihood you'll repay future debts.
- DOWN PAYMENT**
Down payments are typically 3-20% of the purchase price of the home. Some 0% down programs are also available. Ask your lender for more information.
- MORTGAGE RATE**
The interest rate you pay to borrow money when buying a home. The lower the rate, the better.
- PRE-APPROVAL LETTER**
A letter from a lender indicating you qualify for a mortgage of a specific amount. This is a critical step in today's competitive market.
- REAL ESTATE PROFESSIONAL**
An individual who provides services in buying and selling homes. Real estate professionals are there to help you through the confusing paperwork, find your dream home, negotiate any of the details that come up, and so you know exactly what's going on in the housing market.

The best way to ensure your homebuying process is a confident one is to find a real estate pro who will guide you through every aspect of the transaction with 'the heart of a teacher' by putting your needs first.

“This winter may be one of the best winters for sales activity... on a winter-to-winter comparison, this could be one of the best breakout years just based on the fact that pending contracts are at such a higher level.”

Lawrence Yun
Chief Economist at NAR



The value of virtual events

“Virtual events exploded in popularity due to the pandemic, but they’re proving to be a high value opportunity regardless.

Not only can they be just as engaging and exciting as in-person events, they allow you to bring together a wider audience.”

Eventbrite



Resources

Slide	Slide Title	Link
2	Housing Market Recovery Index	https://www.realtor.com/research/housing-market-recovery-index/
3	move.com Quote	https://news.move.com/2020-11-19-Realtor-com-R-Weekly-Housing-Report-Buyers-and-Sellers-Jump-Back-in-Post-Election
4	Active Forbearances	https://www.blackknightinc.com/blog-posts/forbearance-numbers-see-another-slight-uptick/
5	Upon Exit from Forbearance Plan	https://www.mba.org/2020-press-releases/november/share-of-mortgage-loans-in-forbearance-decreases-to-547-percent
6	5 Steps to Ask for Forbearance	https://www.youtube.com/watch?v=0UzmTxYmw94 https://www.consumerfinance.gov/coronavirus/mortgage-and-housing-assistance/
8	Lazzara Quote	https://www.spglobal.com/spdji/en/documents/indexnews/announcements/20201124-1264559/1264559_cshomeprice-release-1124.pdf
9	Compound Annual Price Appreciation	https://www.fhfa.gov/AboutUs/Reports/ReportDocuments/2020Q3_HPI.pdf
10, 11	Existing Home Median Sales Price	https://ycharts.com/indicators/sales_price_of_existing_homes
12	Inventory & Home Prices	nar.realtor
13	Yun Quote (Inventory)	https://magazine.realtor/news-and-commentary/feature/article/2020/11/the-double-edged-housing-boom
14	Record Mortgage Debt	www.cnn.com/2020/11/17/economy/third-quarter-household-debt/index.html
15	Federal Reserve Bank Quote	https://www.newyorkfed.org/newsevents/news/research/2020/20201117

Resources

Slide	Slide Title	Link
16	Household Debt Service Ratio	https://www.federalreserve.gov/releases/housedebt/
18	Kolko Quote	https://www.hiringlab.org/2020/12/01/2020-labor-market-review-2021-outlook/
19	Mortgage Rates	http://www.freddiemac.com/research/forecast/20201014_quarterly_economic_forecast.page?
20	Hale Quote	https://www.realtor.com/research/2021-national-housing-forecast/
21	Home Price Forecasts	https://www.corelogic.com/insights-download/home-price-index.aspx www.pulsenomics.com www.zelmanassociates.com (subscription required) nar.realtor www.mba.org www.freddiemac.com www.fanniemae.com https://news.move.com/2020-12-02-Realtor-com-R-2021-Housing-Forecast-Sellers-Will-Get-Top-Dollar-As-Buyers-Struggle-with-Affordability
22, 24	Yun Quote (Foreclosure, Winter Sales)	https://magazine.realtor/daily-news/2020/11/18/yun-real-estate-could-see-best-winter-ever
25	Eventbrite Quote	https://www.eventbrite.com/blog/11-virtual-event-ideas/