

ROSS REALTY GROUP

KELLERWILLIAMS
Luxury
INTERNATIONAL

HOUSING UPDATE



MAY 2021



“The main driver of the housing shortfall has been the long-term decline in the construction of single-family homes...That decline has resulted in the decrease in supply of entry-level single-family homes or, "starter homes.”

Sam Khater

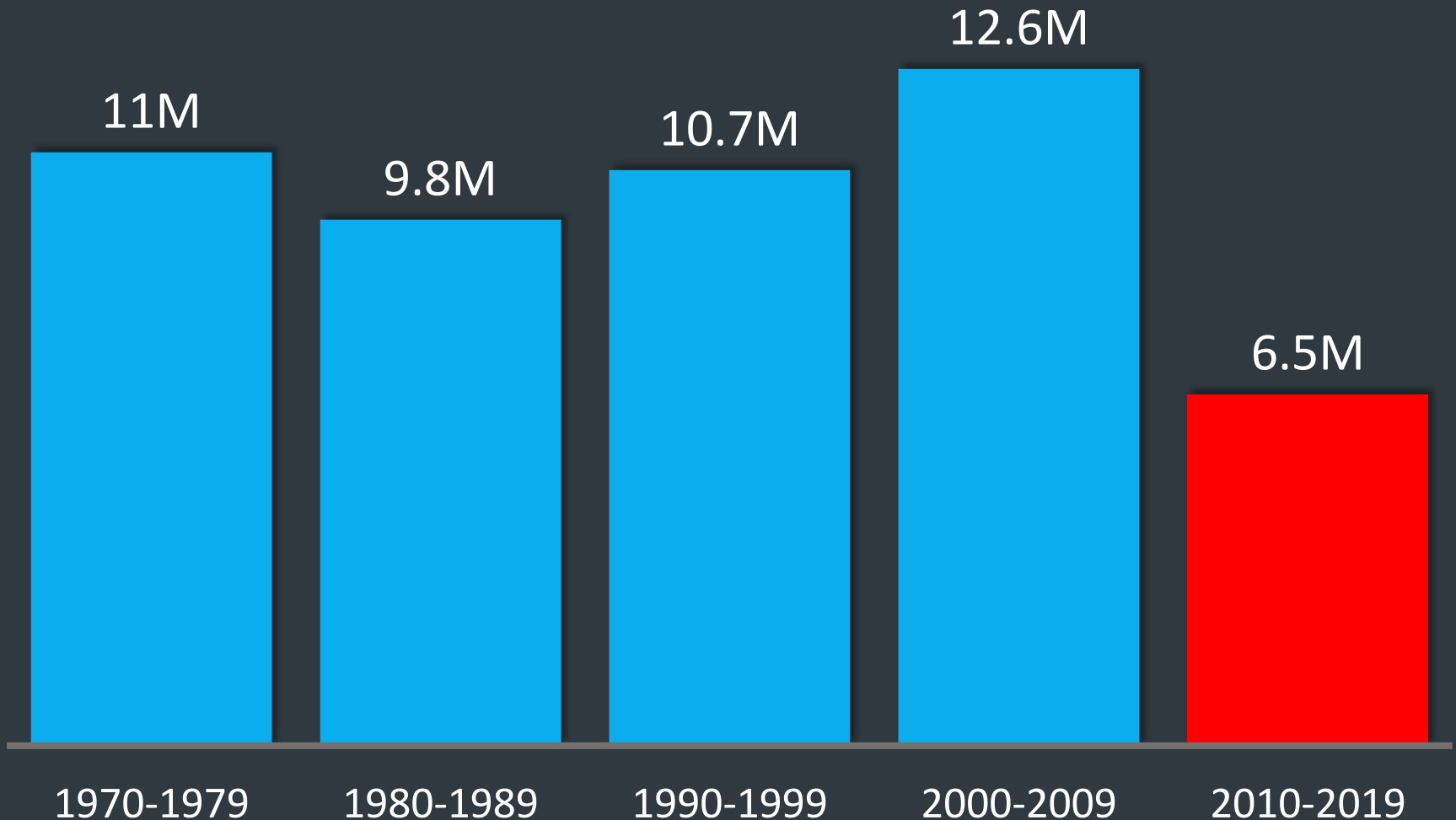
Vice President and Chief Economist
at Freddie Mac

ROSS REALTY GROUP | [YupSOLD.com](https://www.yupsold.com)



Single-Family Housing Units Completed by Decade

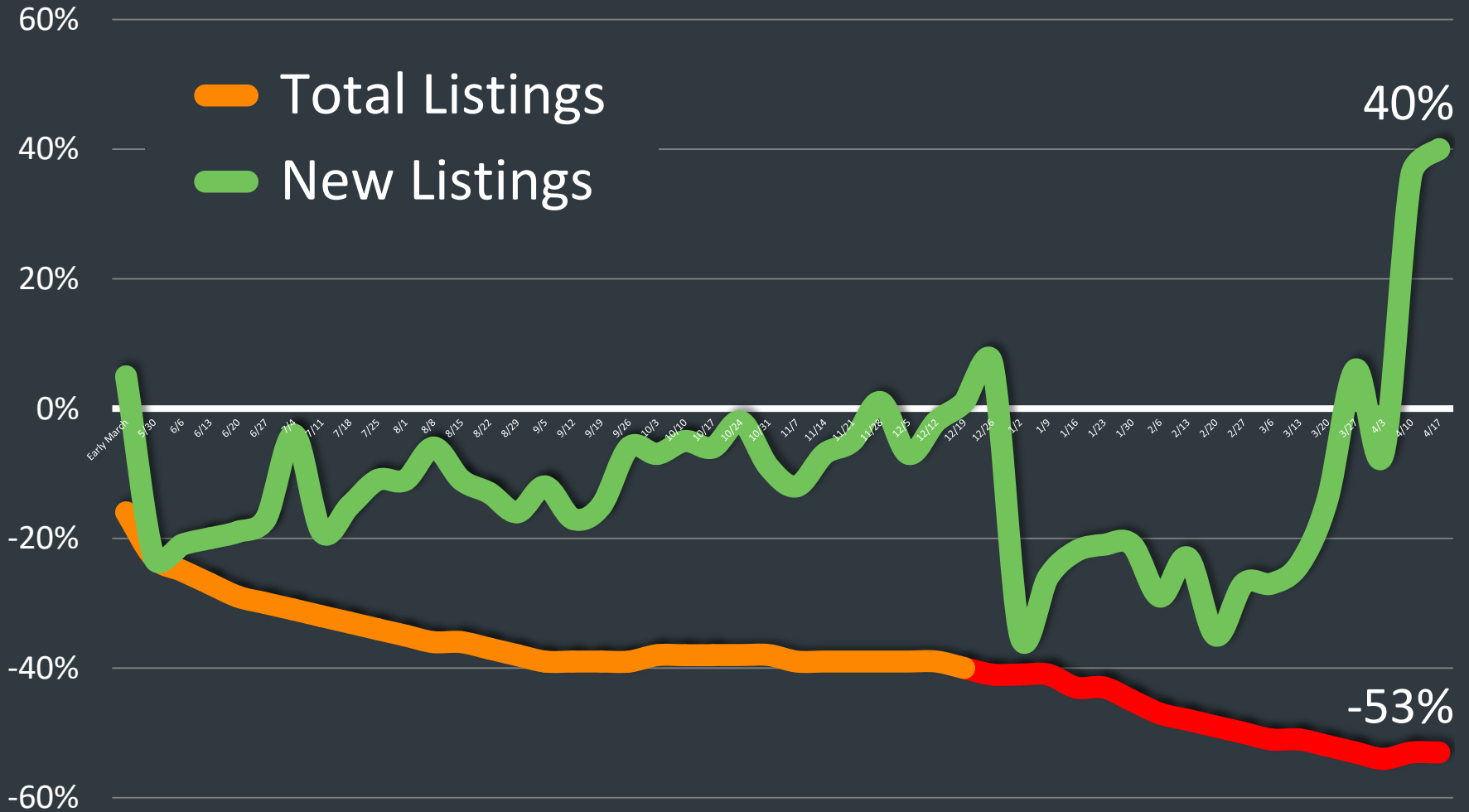
not seasonally adjusted



Google reported last week that the search question **“When is the housing market going to crash?”** spiked 2,450% in the past month.

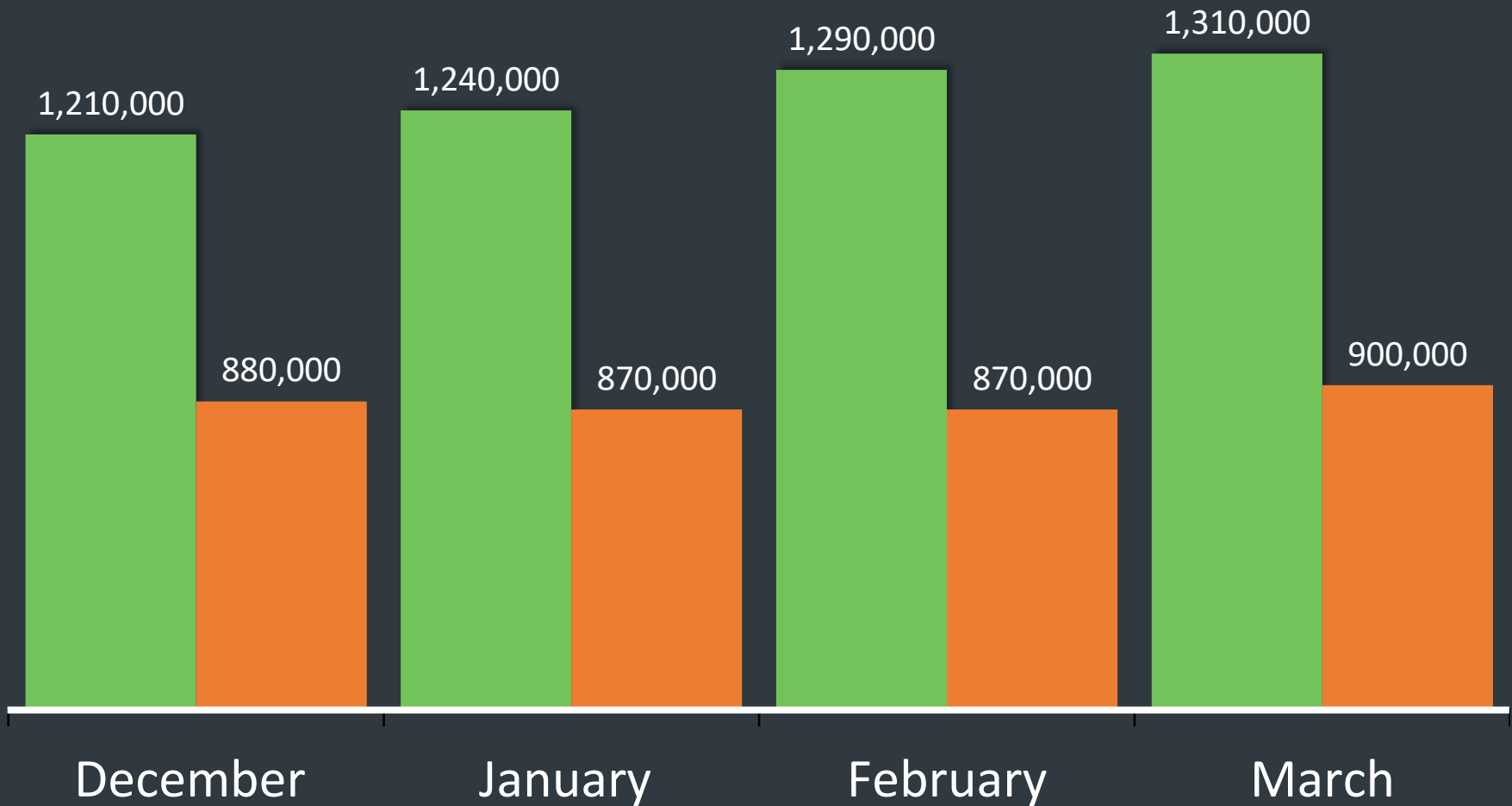


Year-Over-Year Change in Listings



Inventory Levels - SFH

■ 2020 ■ 2021



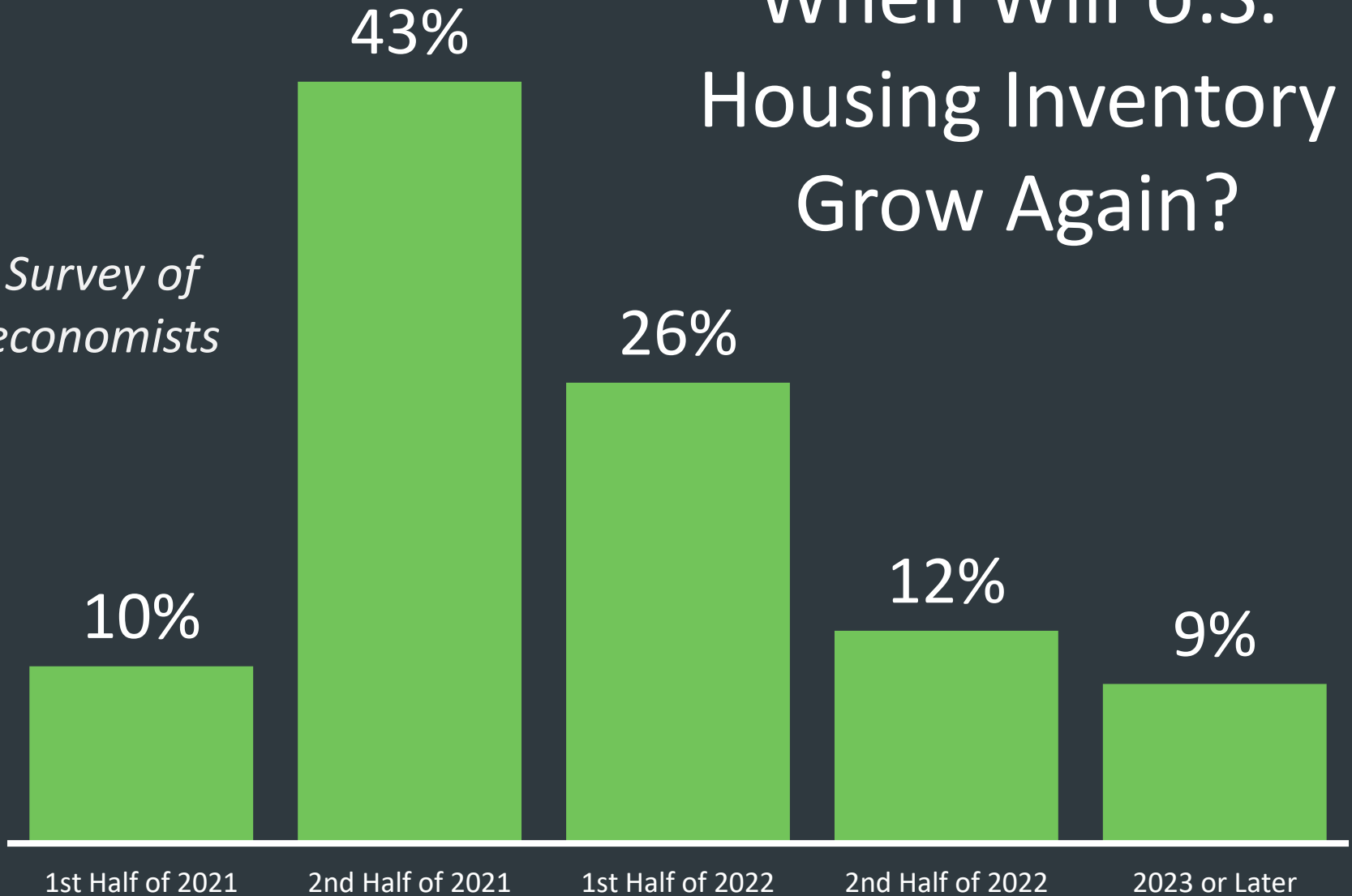
“Demand remains strong as home buyers are snatching listings quickly off the MLS, and it takes approximately 18 days for a home to go from listing to a contract in the current housing market. A year ago, it took 29 days.”

NAR



When Will U.S. Housing Inventory Grow Again?

Survey of economists



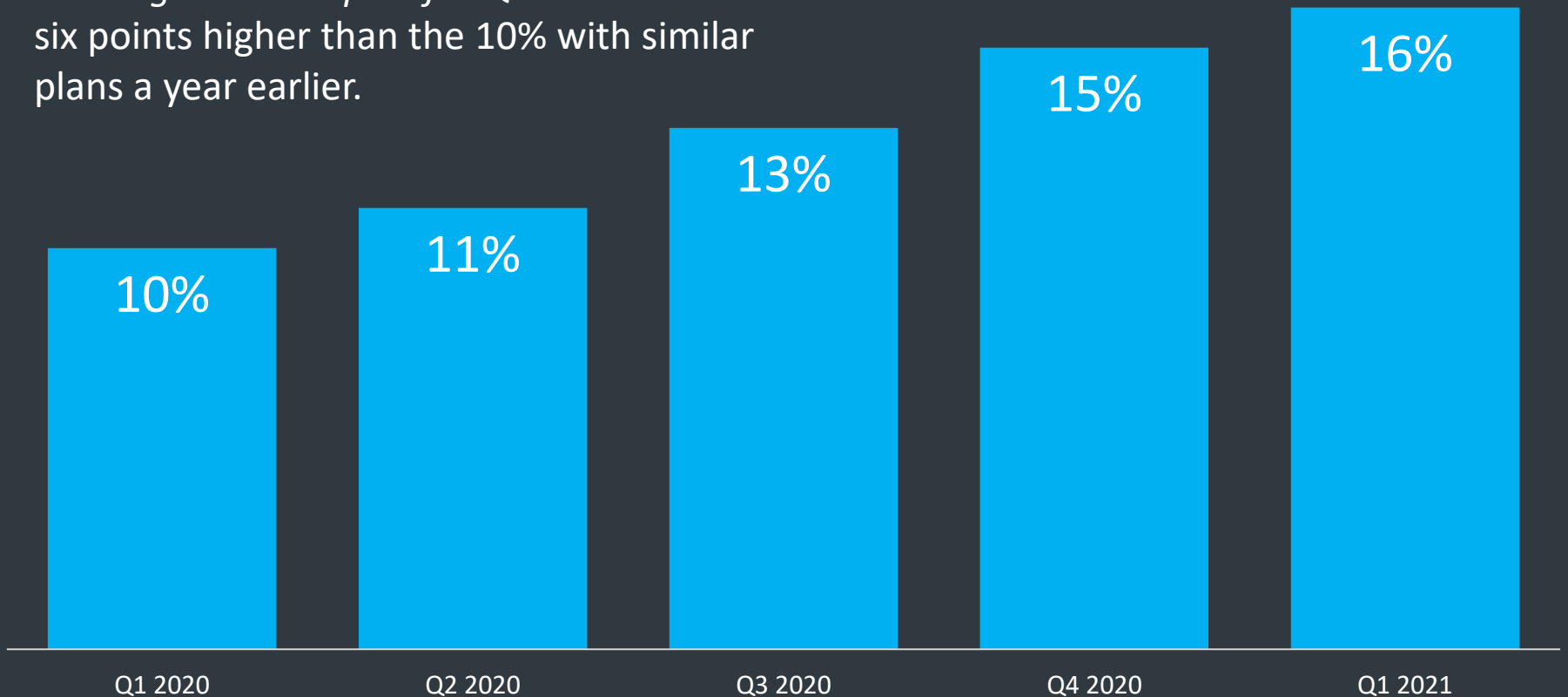
TOP 5 REASONS HOMEOWNERS PLAN TO SELL THIS YEAR



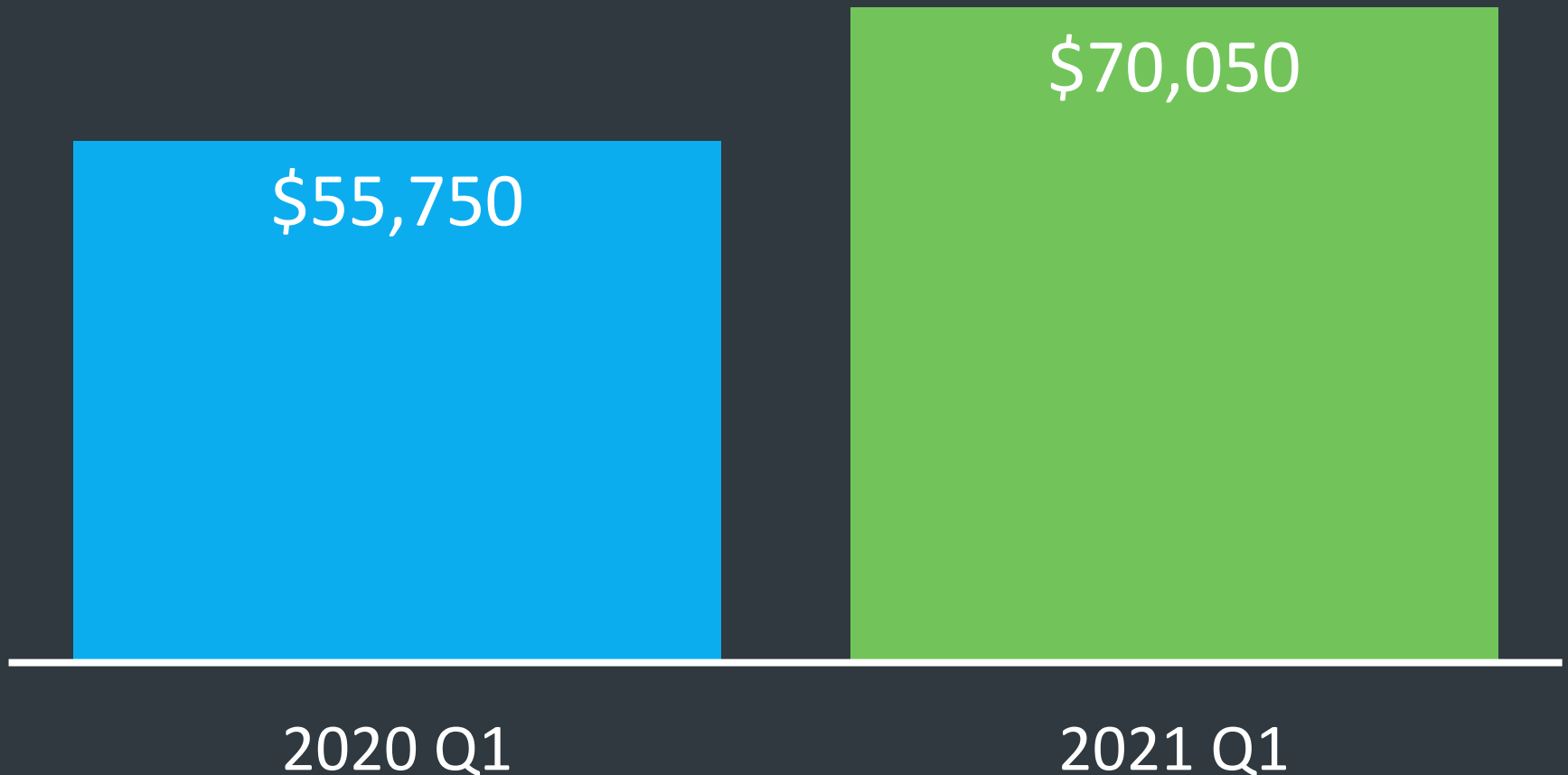
1. Our home no longer meets our needs
2. We can make a profit in the current market
3. We want a smaller house/less work
4. We want to live closer to friends and family
5. We want different features and amenities

Prospective Homebuyers Planning To Buy a Home in Next 12 Months

16% of American adults are considering the purchase of a home in the next 12 months according to NAHB's *Housing Trends Report for Qtr1'21*. That's six points higher than the 10% with similar plans a year earlier.



Average Profit for Home Sellers Increased 26%



This “is not a bubble.
It is simply
lack of supply.”

Lawrence Yun
Chief Economist at NAR



RESERVE NOTE
UNITED STATES OF AMERICA



WASHINGTON



SERIES 2006

Henry

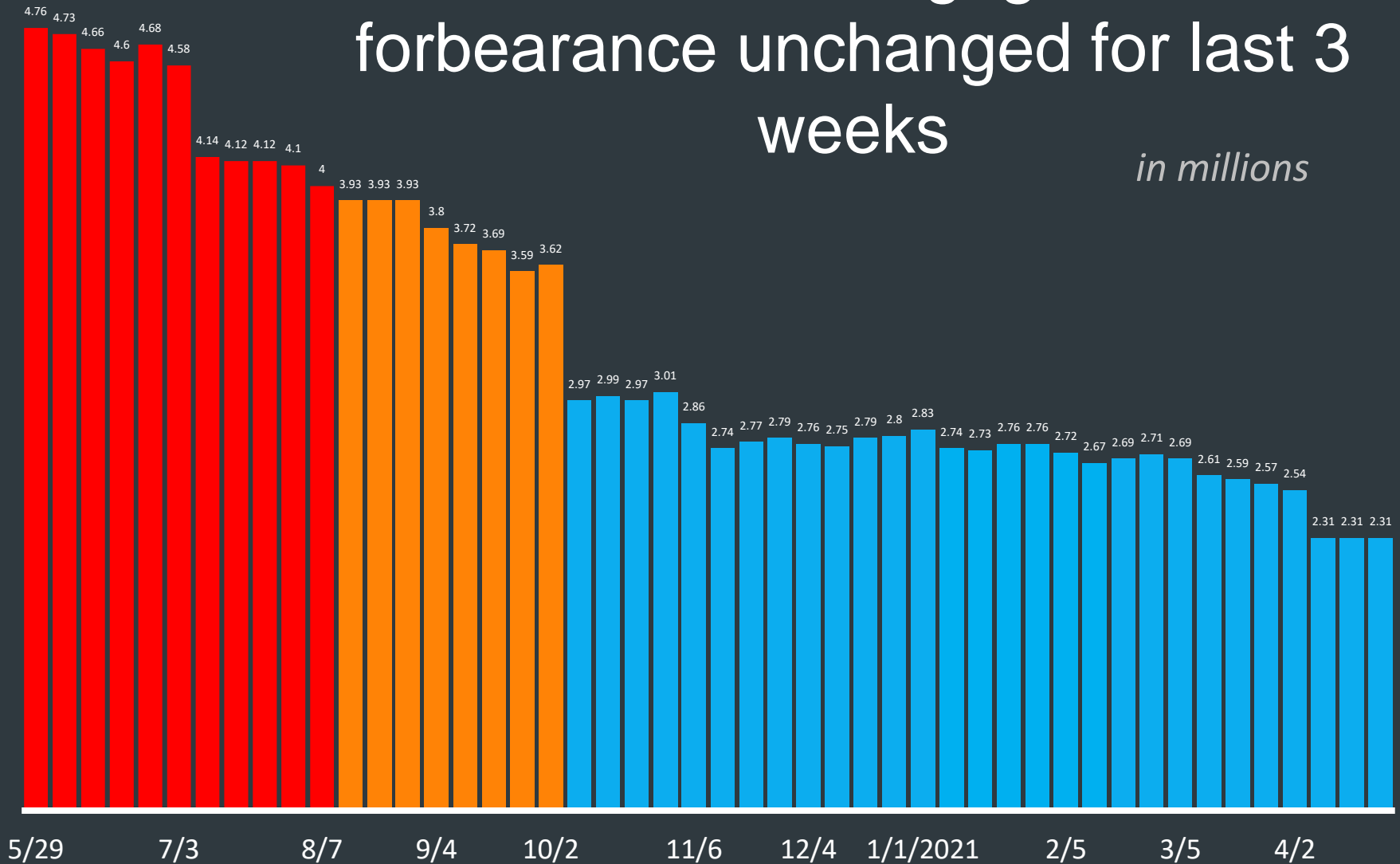
Secretary

ONE DOLLAR

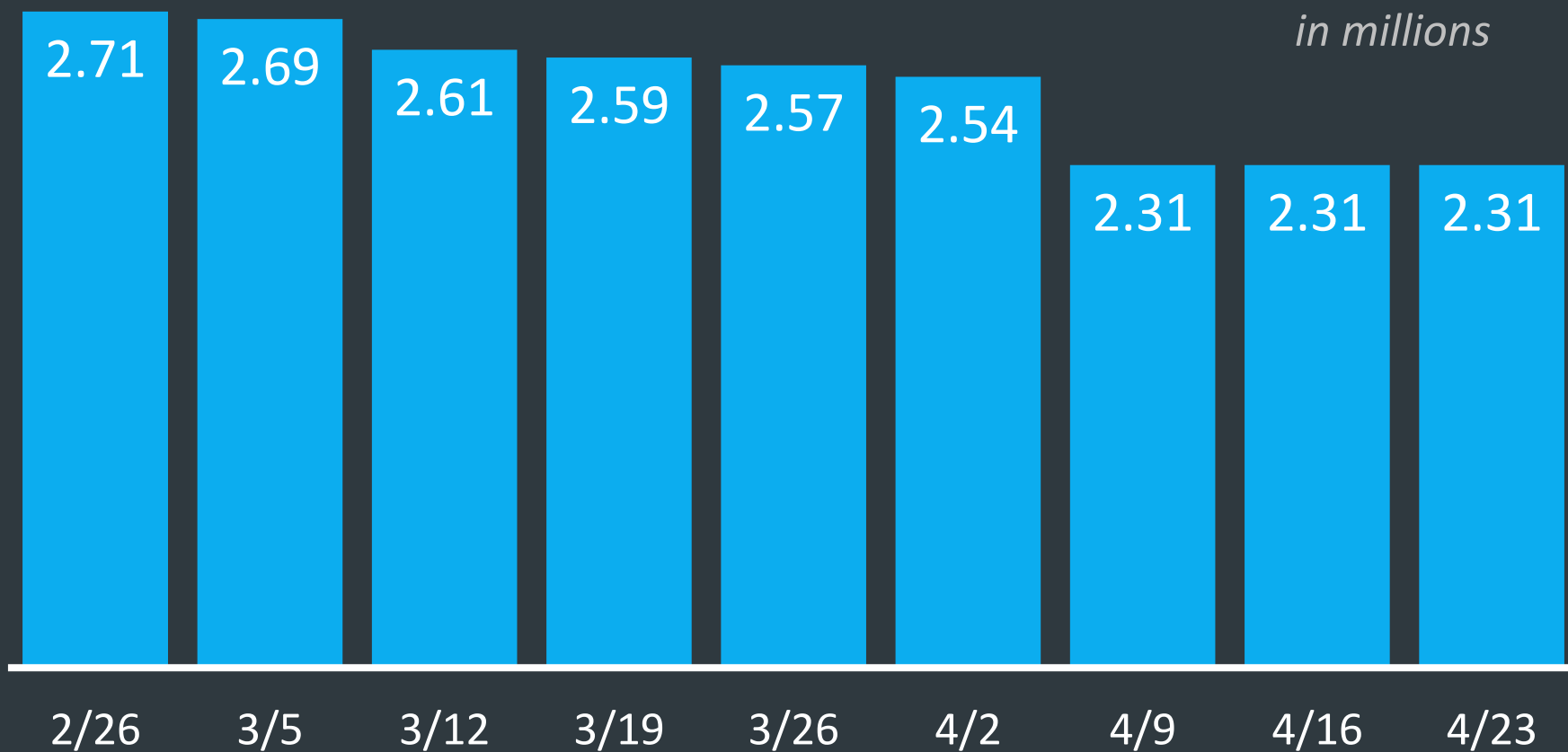
FORBEARANCE UPDATE

The number of mortgages in active forbearance unchanged for last 3 weeks

in millions

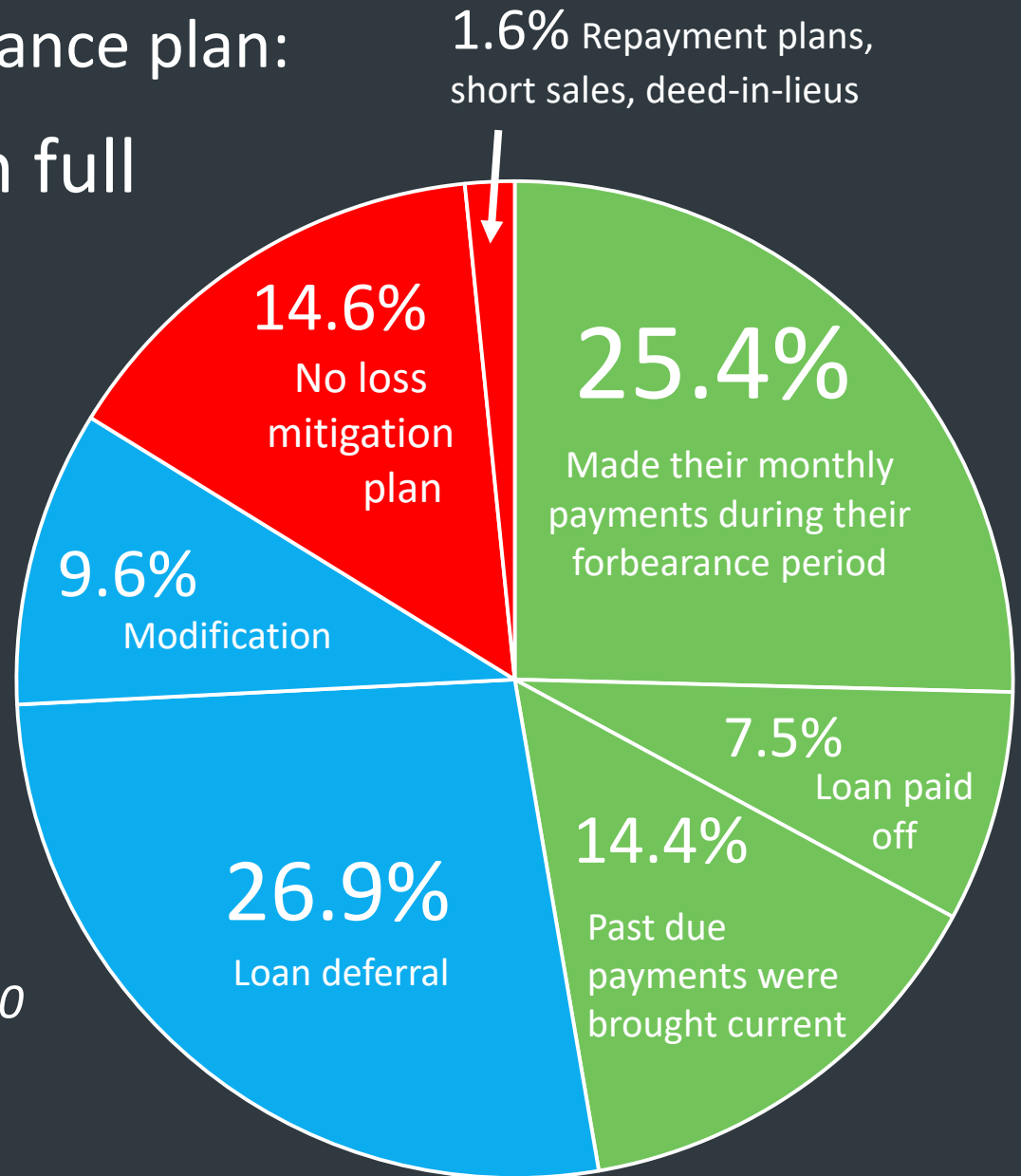


400K Mortgages Left Forbearance in Last Two Months



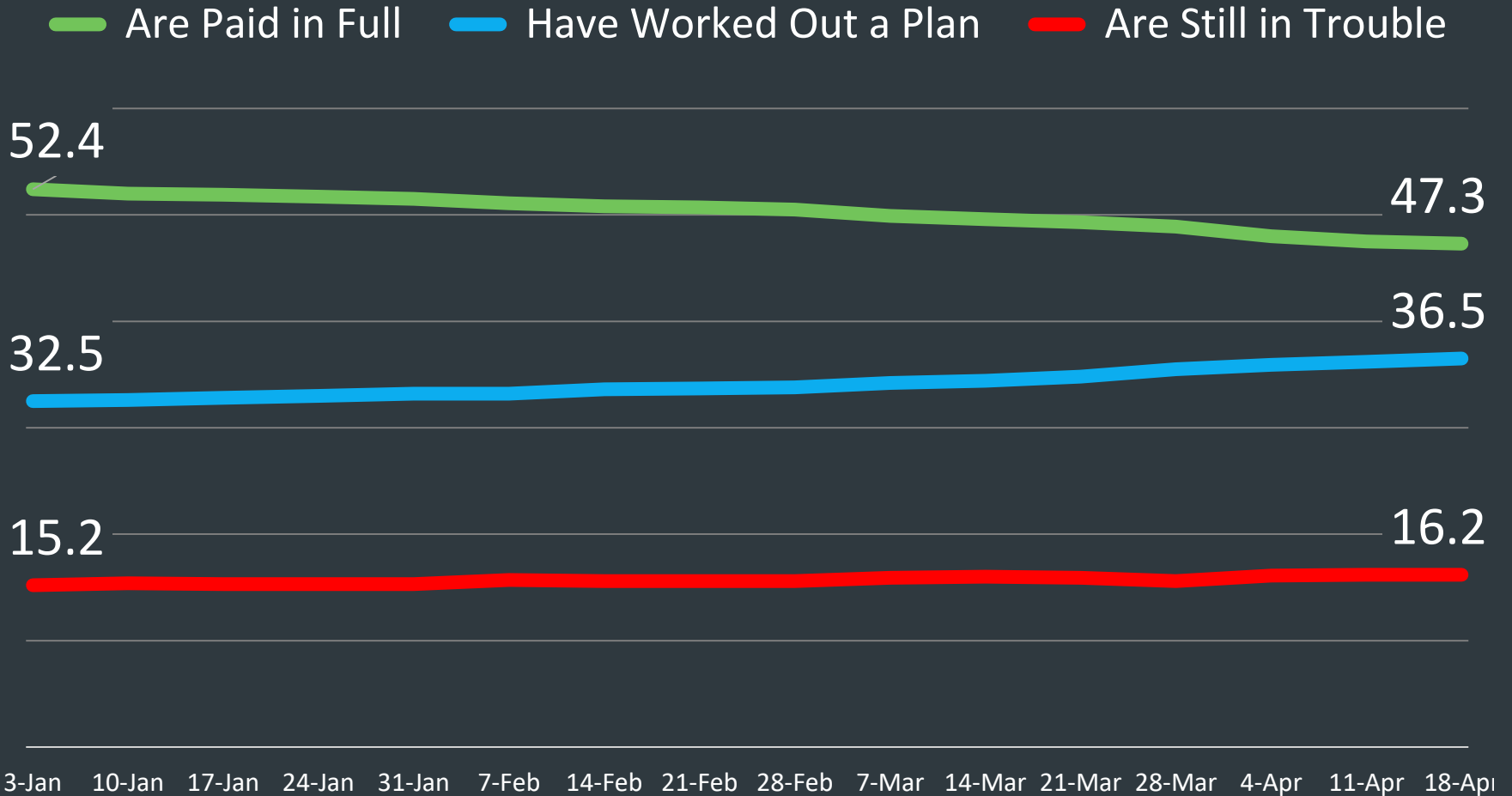
Upon exit from forbearance plan:

- 47.3% were paid in full
- 36.5% worked out repayment plan
- 16.2% were still in trouble



Cumulative forbearance exits for the period from June 1, 2020 through April 18, 2021

Upon leaving forbearance, % of borrowers who...



“I think the math speaks for itself how well the forbearance program has worked, and it’s one of the few times in my career that I have seen a government-initiated program adopted as well and executed as well by the industry as this one.”

Rick Sharga
EVP of RealtyTrac



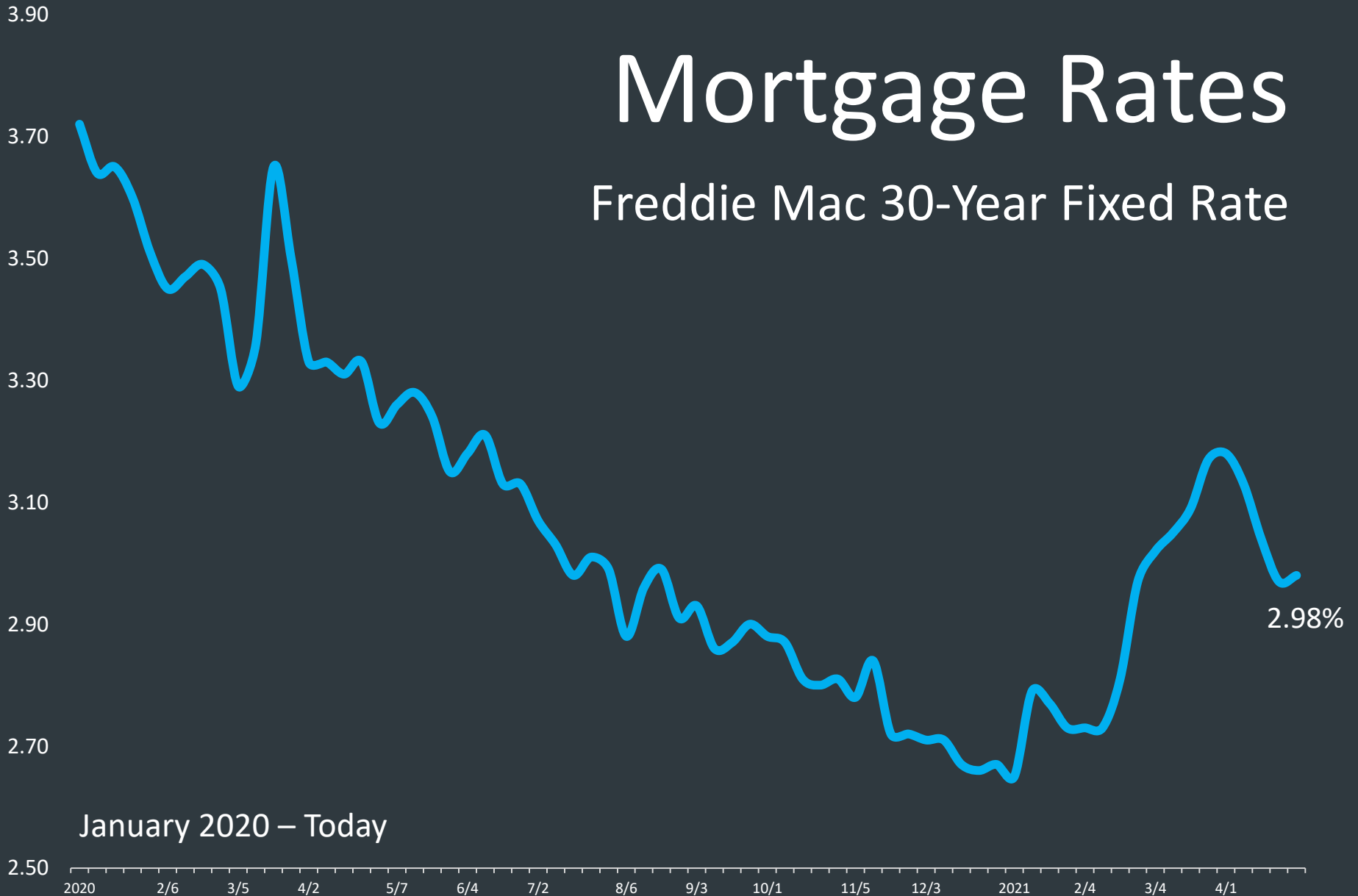
“Consumers were more upbeat about their income prospects last month—and many appear eager to spend. The survey found 8.9% of Americans plan to buy a home in the next six months, the biggest share in records going back to 1978.”

Wall Street Journal



Mortgage Rates

Freddie Mac 30-Year Fixed Rate



January 2020 – Today

Mortgage Rate Projections

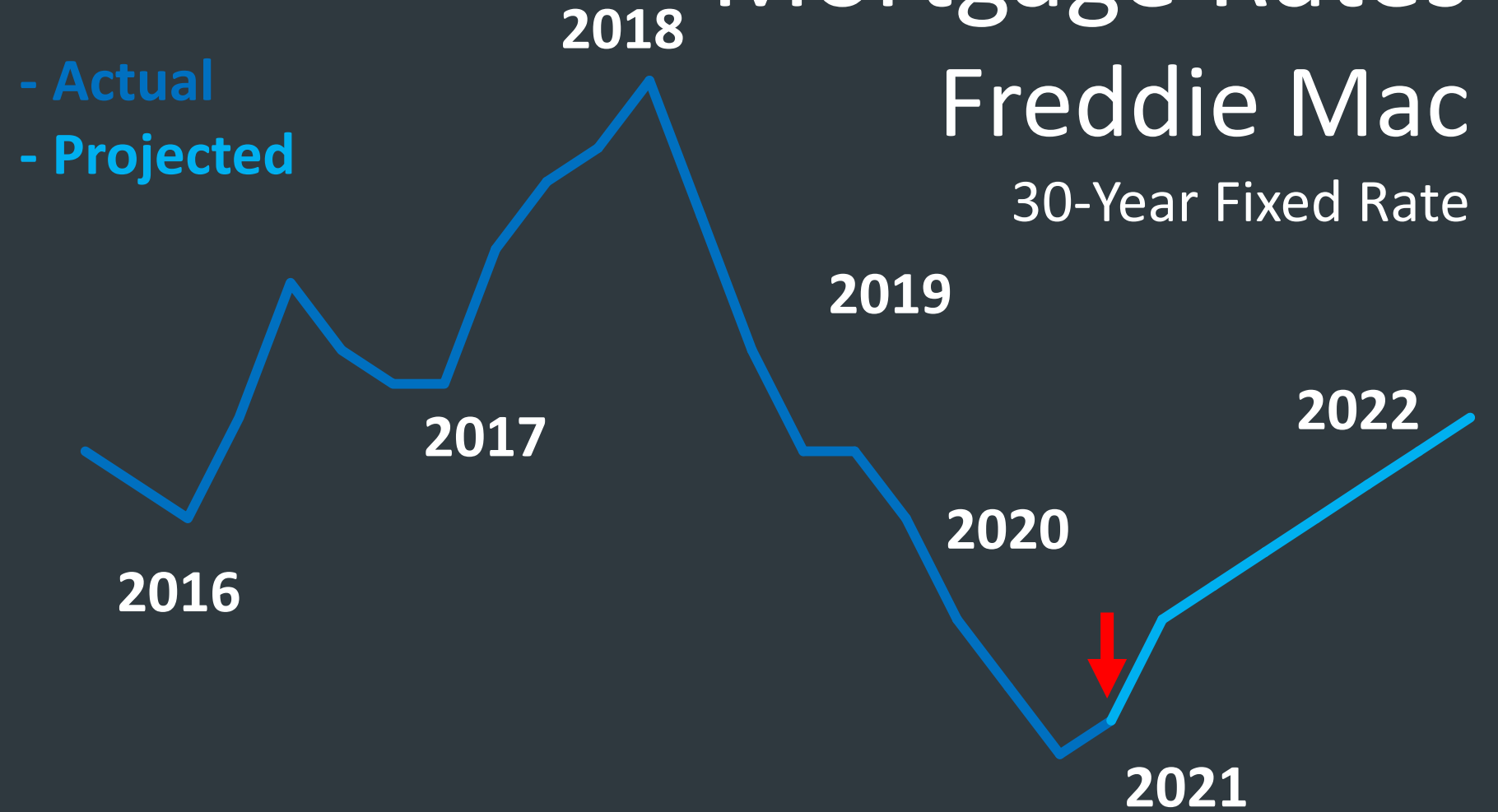
Quarter	Freddie Mac	Fannie Mae	MBA	NAR	Average of All Four
2021 3Q	3.3	3.3	3.6	3.2	3.35%
2021 4Q	3.4	3.4	3.7	3.4	3.47%
2022 1Q	3.5	3.5	3.9	3.5	3.6%
2022 2Q	3.6	3.5	4.1	3.5	3.67%

Mortgage Rates

Freddie Mac

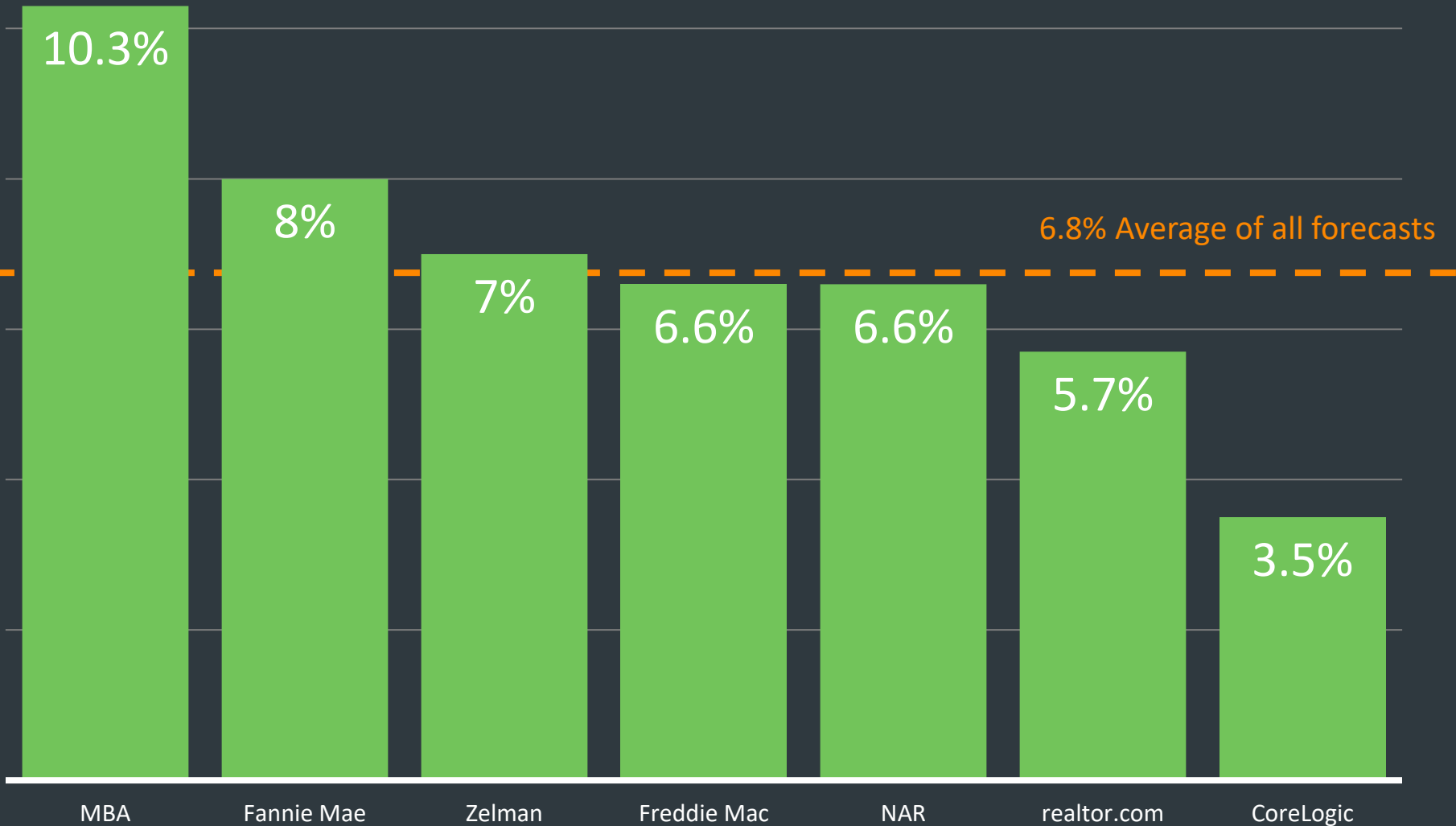
30-Year Fixed Rate

- Actual
- Projected



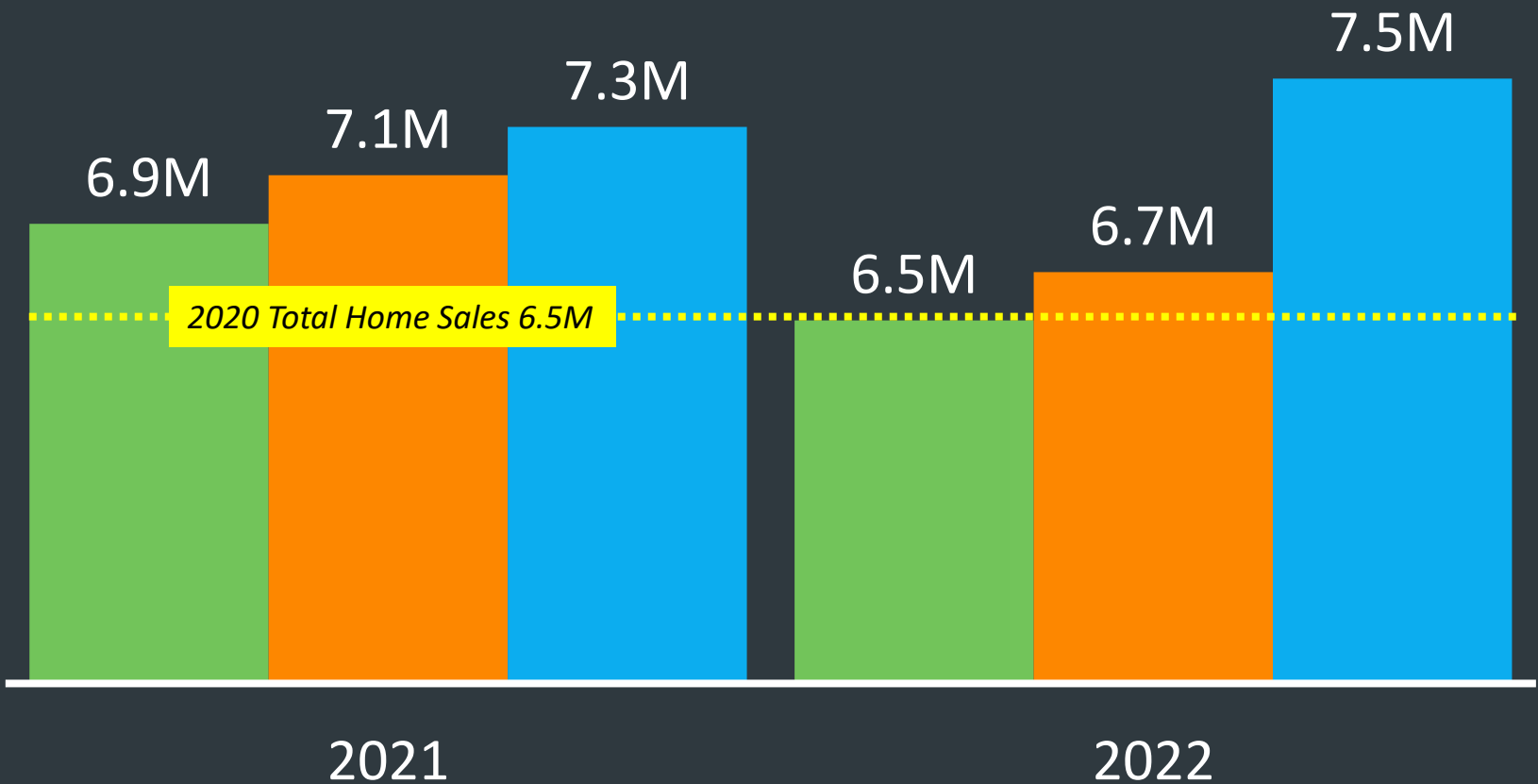
	2016	2016	2016	2016	2017	2017	2017	2017	2018	2018	2018	2018	2019	2019	2019	2019	2020	2020	2020	2020	2021	2021	2021	2021	2022	2022	2022	2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Rate	3.7	3.6	3.5	3.8	4.2	4.0	3.9	3.9	4.3	4.5	4.6	4.8	4.4	4	3.7	3.7	3.5	3.2	3.0	2.8	2.9	3.2	3.3	3.4	3.5	3.6	3.7	3.8

Home Price Forecasts 2021



Home Sales Forecasted to Increase Nicely in 2021 and Do Well in 2022

■ Fannie Mae ■ Freddie Mac ■ MBA



**“Perception is strong and sight weak.
In strategy it is important
to see distant things as if they were close
and to take a distanced view of close things.”**

Miyamoto Musashi

Legendary Japanese Swordsman & Philosopher

Summer 2021 Buyer & Seller Guides

Available June 4th



Resources

Slide	Slide Title	Link
2	Khater Quote	http://www.freddie.mac.com/perspectives/sam_khater/20210415_single_family_shortage.page
3	New Construction	https://www.census.gov/econ/currentdata/dbsearch?program=RESCONST&startYear=1959&endYear=2020&categories=COMPLETIONS&dataType=SINGLE&geoLevel=US&notAdjusted=1&submit=GET+DATA&releaseScheduleId=
4	Google Searches	https://www.cnbc.com/2021/04/13/when-is-the-housing-market-going-to-crash-consumers-ask.html
5	YOY Change in Listings	https://www.realtor.com/research/tag/housing-inventory/
6	Inventory Levels	https://cdn.nar.realtor/sites/default/files/documents/ehs-02-2021-single-family-only-2021-03-22.pdf
7	NAR Quote	https://www.nar.realtor/blogs/economists-outlook/march-2021-existing-home-sales-drop-while-prices-continue-to-climb
8	Inventory Growth Projections	https://pulsenomics.com/wp-content/uploads/2021/04/Q1_2021_Special_Report.pdf
9	Reasons to Sell	https://www.realtor.com/research/potential-sellers-boost-housing-2021/
10	Prospective Homebuyers	https://eyeonhousing.org/2021/04/covid-19-continues-to-fuel-desire-for-homeownership/
11	Profit for Sellers	https://www.attomdata.com/news/market-trends/home-sales-prices/attom-data-solutions-q1-2021-u-s-home-sales-report/
12	Yun Quote	https://www.axios.com/housing-boom-bubble-mortgage-50b573de-94f0-4d7c-a34d-b2b40d9dc664.html
14, 15	Forbearance Rates	https://www.blackknightinc.com/blog-posts/

Resources

Slide	Slide Title	Link
16, 17	Upon Exiting Forbearance	https://www.mba.org/news-research-and-resources/newsroom
18	Sharga Quote	https://www.housingwire.com/articles/cfpb-begins-cracking-down-on-mortgage-servicers/
19	WSJ Quote	https://economics.cmail20.com/t/ViewEmail/d/C1782F21C38163062540EF23F30FEDED/5323CD85A2087AFD22947492D9797BBC
20	Mortgage Rates	http://www.freddiemac.com/pmms https://freddiemac.gcs-web.com/node/22646/pdf
21	Mortgage Rate Projections	http://www.freddiemac.com/research/forecast/20210414_quarterly_economic_forecast.page https://www.fanniemae.com/media/38961/display https://www.mba.org/news-research-and-resources/research-and-economics/forecasts-and-commentary https://cdn.nar.realtor/sites/default/files/documents/forecast-Q2-2021-us-economic-outlook-04-29-2021.pdf
22	Freddie Mac Projection	http://www.freddiemac.com/research/forecast/20210414_quarterly_economic_forecast.page
23	Price Forecasts	https://www.corelogic.com/insights-download/home-price-index.aspx nar.realtor mba.org http://www.freddiemac.com/research/forecast/20210114_quarterly_economic_forecast.page https://news.move.com/2020-12-02-Realtor-com-R-2021-Housing-Forecast-Sellers-Will-Get-Top-Dollar-As-Buyers-Struggle-with-Affordability http://zillow.mediaroom.com/2020-12-18-Home-Value-Growth-Breaks-Records-as-Rents-Stabilize https://www.nar.realtor/newsroom/top-economic-and-housing-experts-predict-post-pandemic-rebound-with-continued-job-growth-stable https://www.redfin.com/news/housing-market-predictions-2021/
24	Homes Sales Forecast	https://www.mba.org/news-research-and-resources/research-and-economics/forecasts-and-commentary https://www.fanniemae.com/media/38961/display http://www.freddiemac.com/research/forecast/20210414_quarterly_economic_forecast.page