

ROSS REALTY GROUP

KELLERWILLIAMS  
*Luxury*  
INTERNATIONAL

## HOUSING UPDATE



JUNE 2021

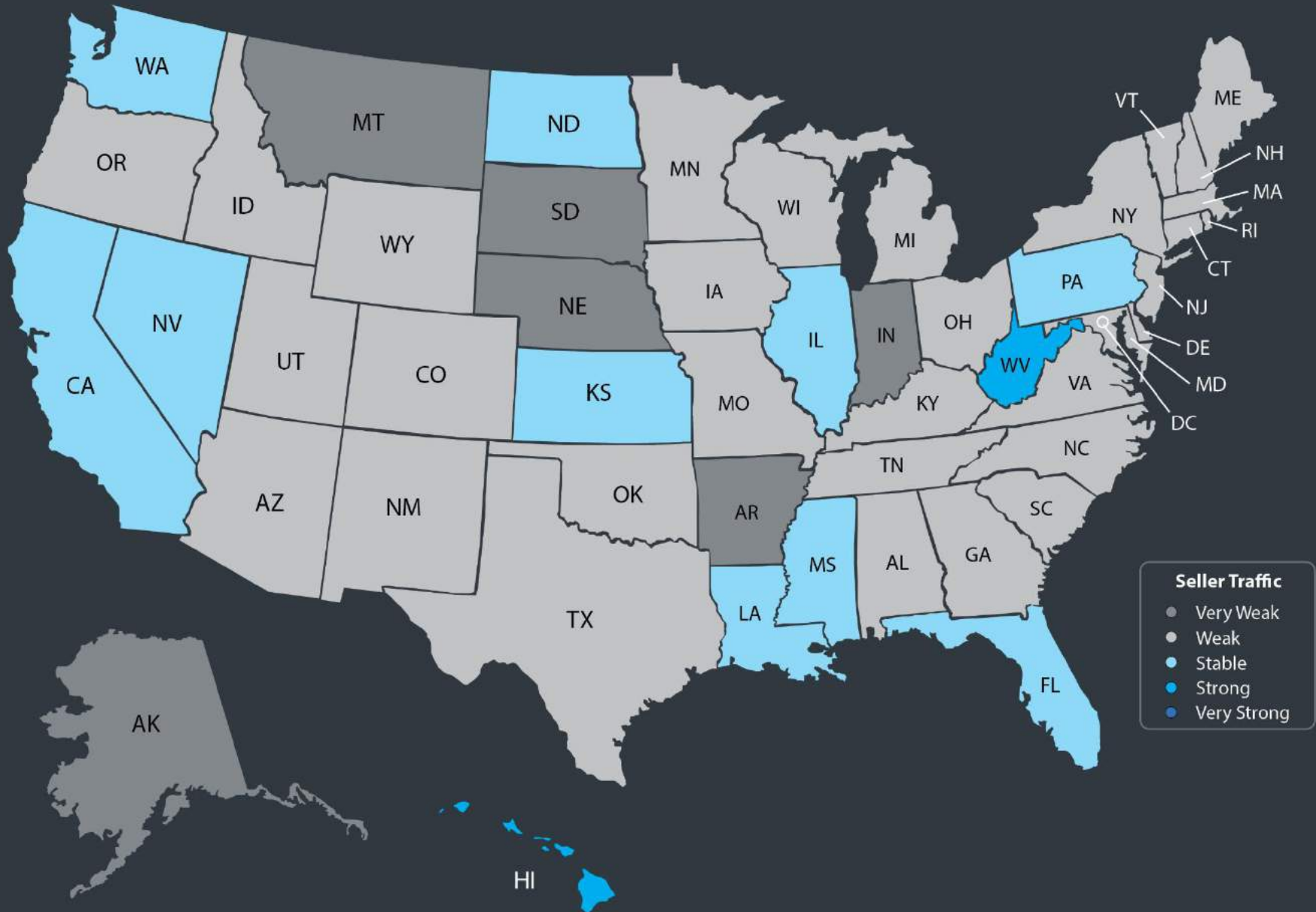


“This month, our broker contacts reported a continuation of robust demand and intense competition from buyers to ‘win’ houses – with bidding wars, all-cash offers, waived contingencies and **rent-free leasebacks** increasingly common in many markets.”

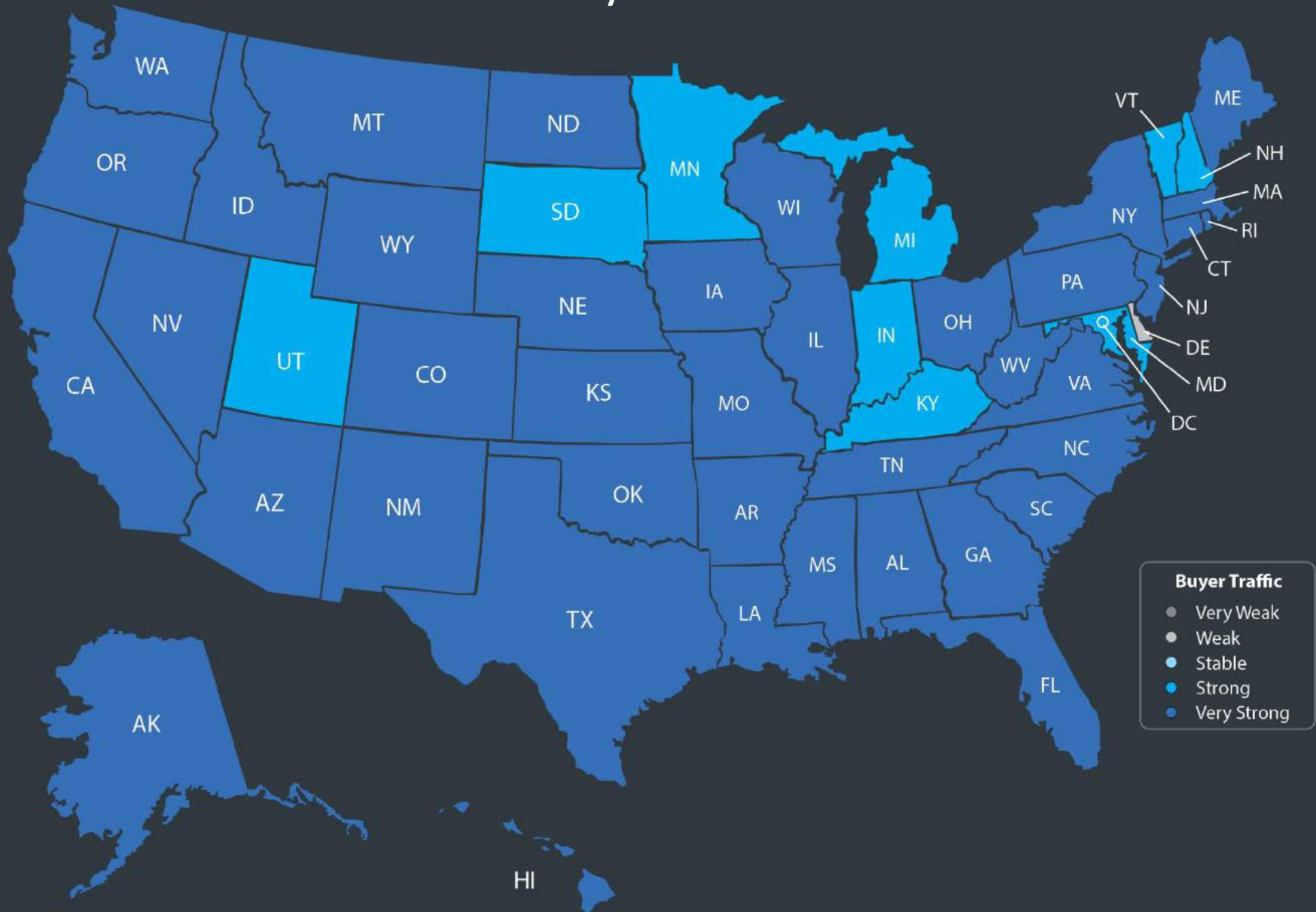
Zelman Broker Survey



# Seller Traffic



# Buyer Traffic



**Buyer Traffic**

- Very Weak
- Weak
- Stable
- Strong
- Very Strong

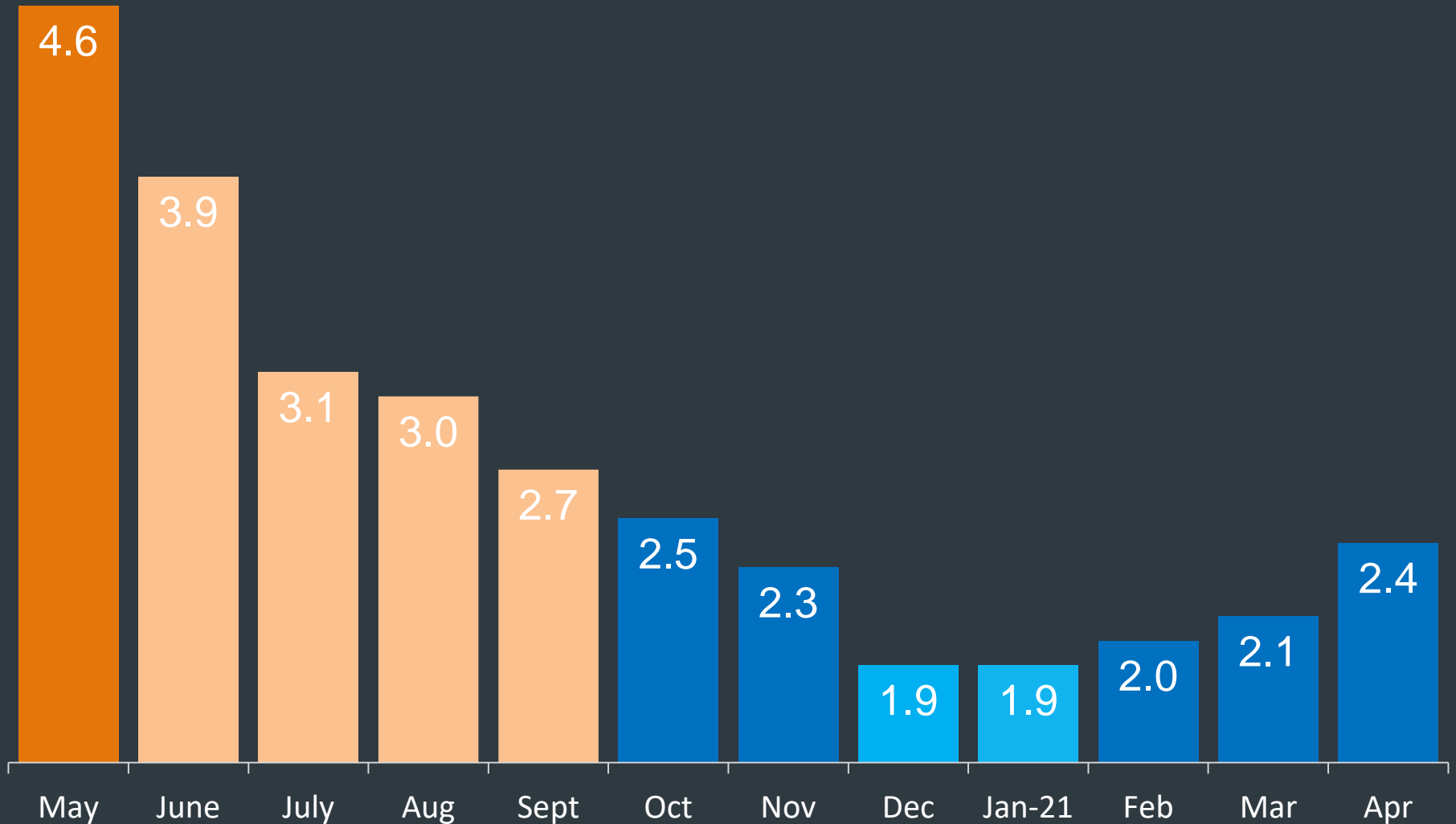
“In this Wild West environment, buyers are doing anything they can to stand out. And more and more, all-cash offers do just that, and can mean the difference between getting that dream home—or winding up empty-handed. *Again.*”

realtor.com



# Months Inventory of HOMES FOR SALE

*Last 12 Months*



March 2021 Y-O-Y  
House Appreciation

The Federal Housing Finance Agency  
House Price Index

+13.9%

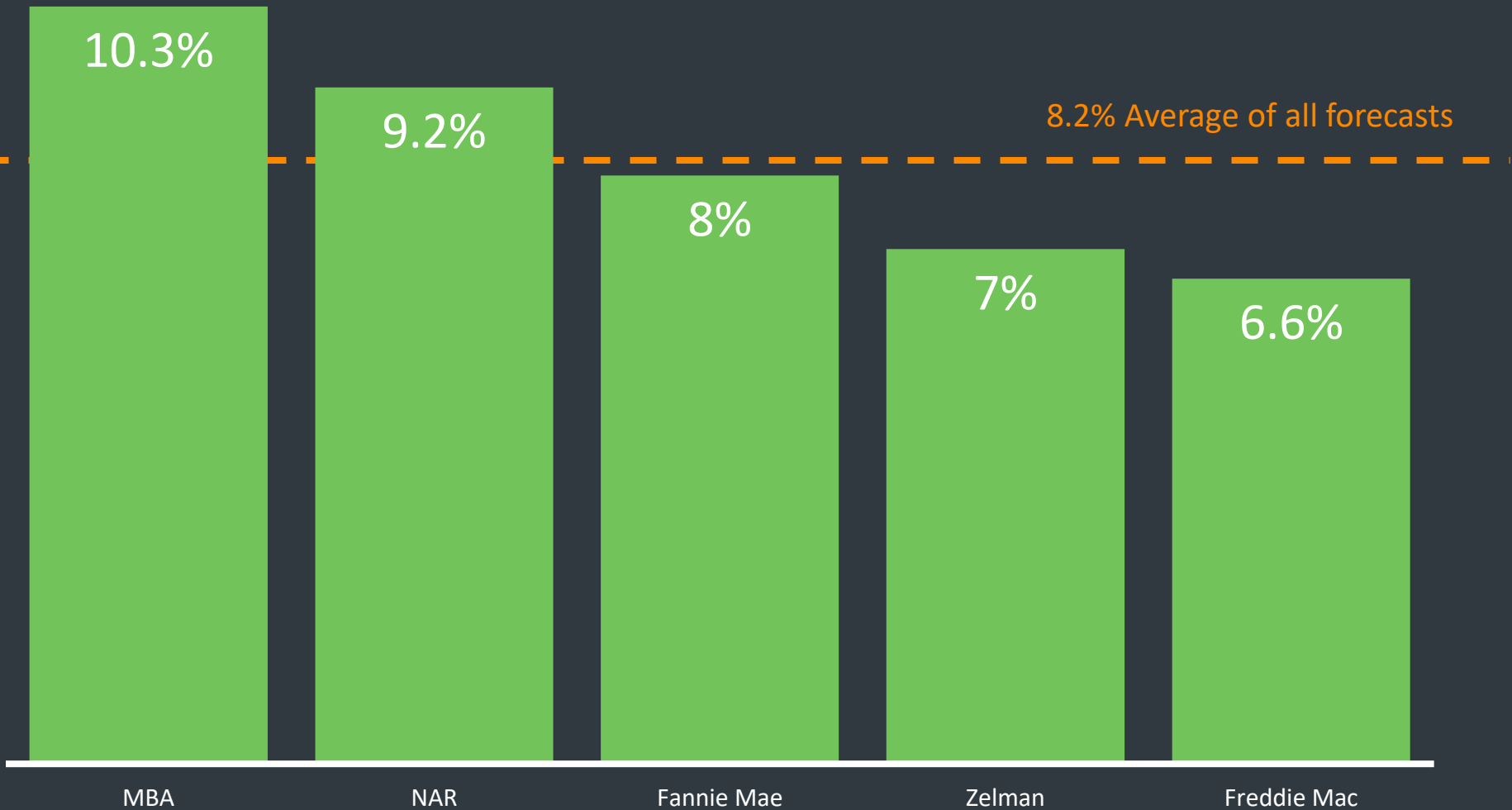
The CoreLogic  
Home Price Insights Report

The S&P Case-Shiller U.S.  
National Home Price Index

+11.3%

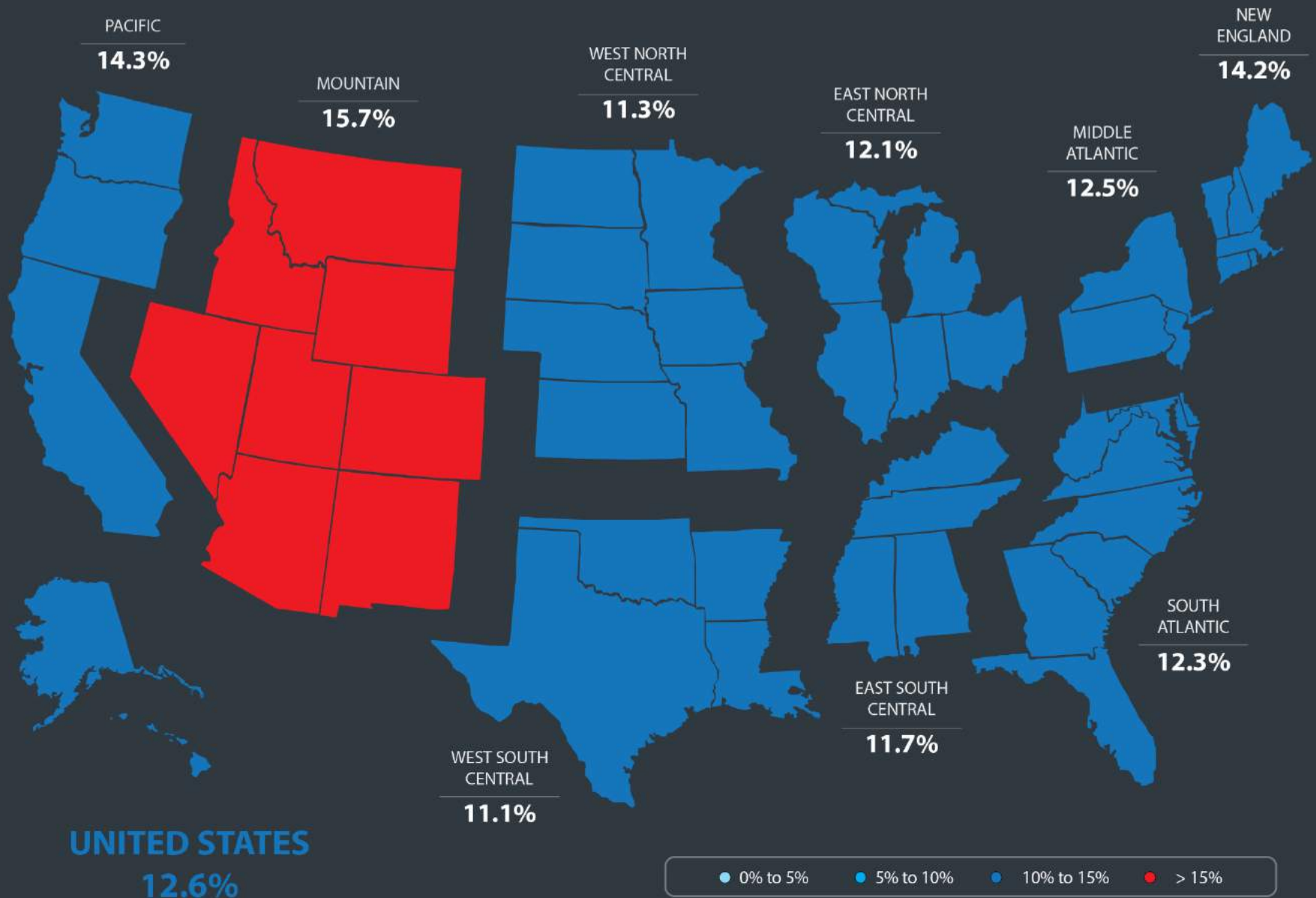
+13.2%

# Home Price Forecasts 2021





# Price Appreciation – YOY, Q1 2021



“If inventory **increases slowly**, house prices will continue to **rise rapidly**, and if inventory **increases sharply**, house price growth will **slow**.”

Bill McBride  
Calculated Risk



“The decline in single-family permits indicates that builders are slowing construction activity as costs rise... While housing starts were strong at the beginning of the year, due to home builders constructing homes that were sold pre-construction, higher costs and limited availability of building materials have now paused some projects.”

Robert Dietz  
Chief Economist at NAHB



“We have strong conviction that we are not experiencing a bubble in U.S. housing...We are not at all suggesting that home price appreciation will maintain its current torrid pace. Home prices will continue to rise, but more gradually.”

Vishwanath Tirupattur

Strategist for Morgan Stanley



# Housing Affordability



“Housing affordability on a year-over-year basis declined in March for the first time since January 2019, ending a more than two-year streak of rising affordability...

House-buying power is likely to remain robust in the months to come, but affordability trends will likely hinge on changes in nominal house price appreciation.”

Mark Fleming  
Chief Economist at First American



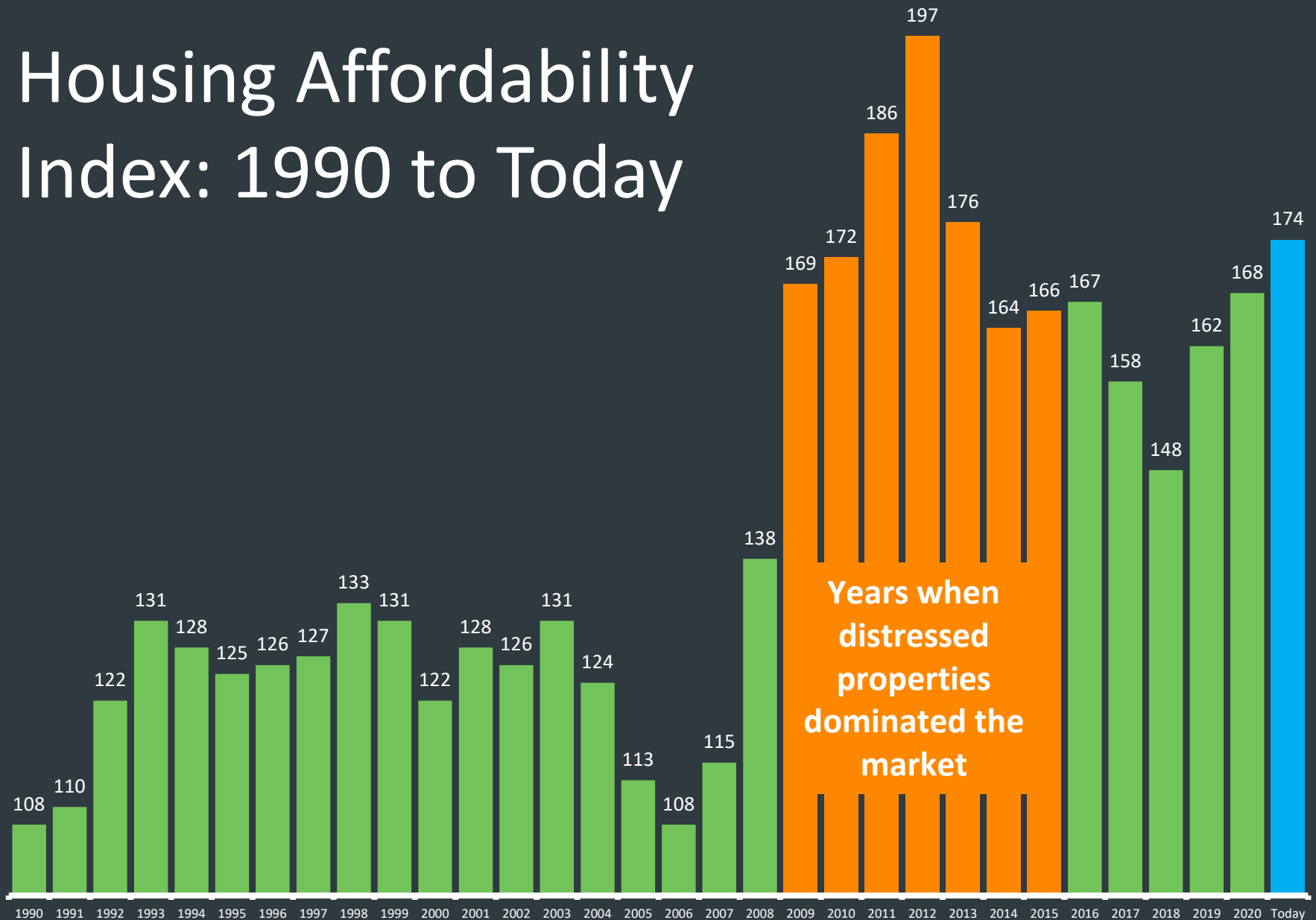
“Looking back at the bubble years, house prices exceeded house-buying power in 2006 nationally, but today house-buying power is nearly twice as high as the median sale price nationally...

Many find it hard to believe, but housing is actually undervalued in most markets and the gap between house-buying power and sale prices indicates there's room for further house price growth in the months to come.”

Mark Fleming  
Chief Economist at First American

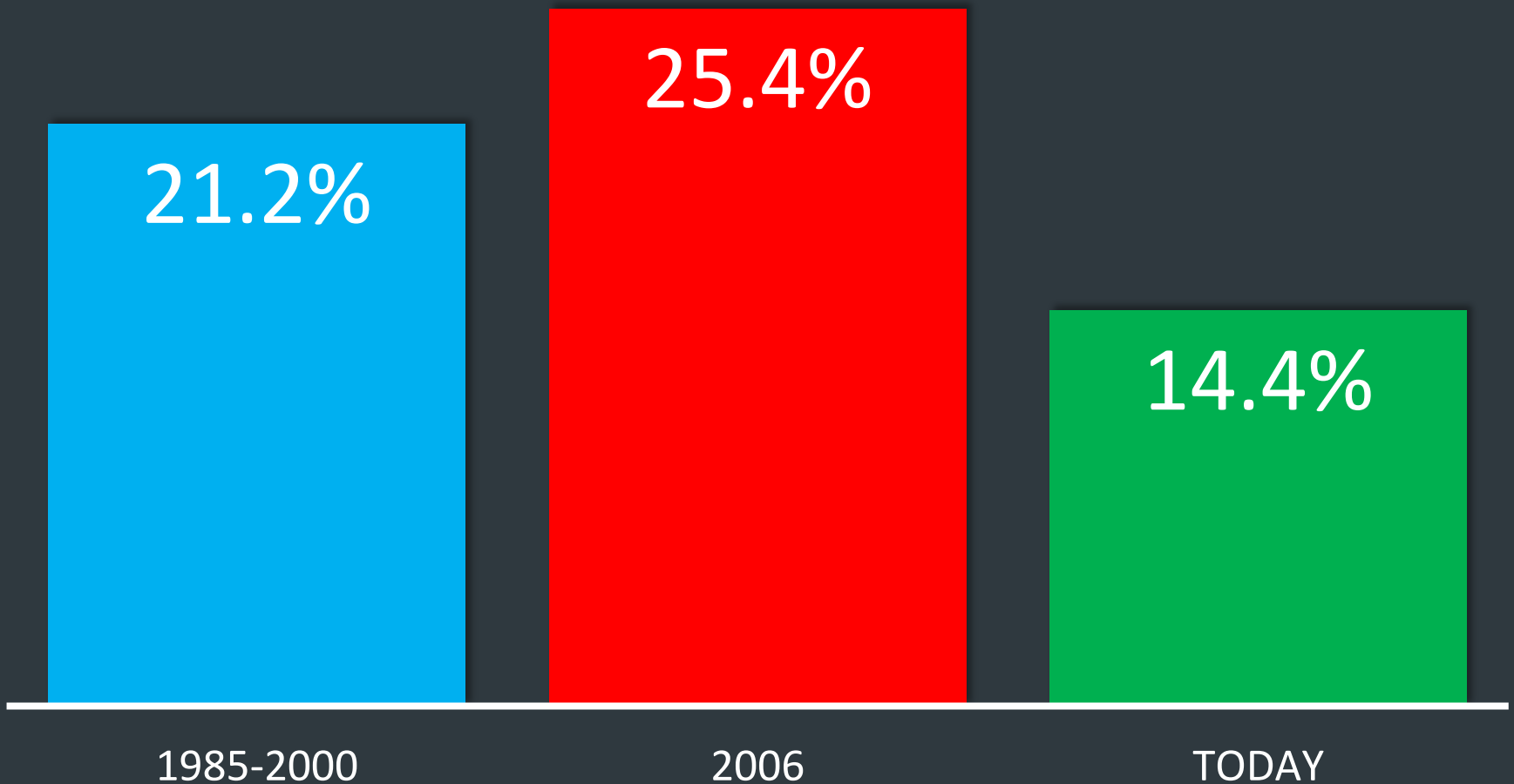


# Housing Affordability Index: 1990 to Today





# Percent of the median income needed to purchase the median-priced home



“Contrary to popular belief, owning one’s own home is frequently more affordable than renting. It is cheaper to buy a home than it is to rent in 2/3 of American counties.”

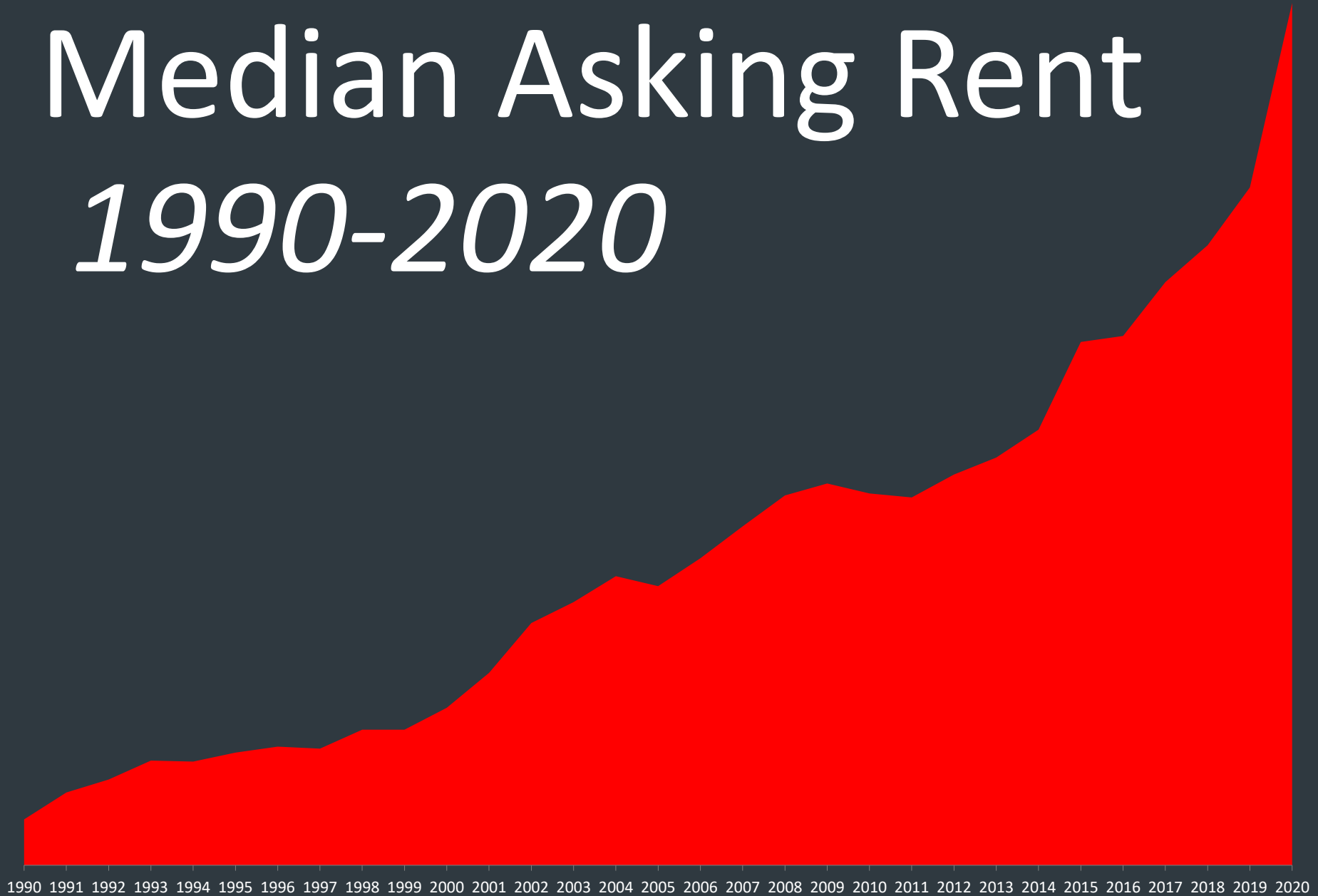
Mike Loftin

Homeownership Is Affordable Housing

ROSS REALTY GROUP | [YupSOLD.com](http://YupSOLD.com)



# Median Asking Rent *1990-2020*



“We need to stop seeing housing as a reward for financial success and instead see it as a critical tool that can facilitate financial success.

Affordable homeownership is not the capstone of economic well-being; it is the cornerstone.”

Mike Loftin

Homeownership Is Affordable Housing



# Homes *with At Least 50%* Equity Skyrocket

ATTOM Data Solutions  
2021 Q1 Home Equity Report  
shows major gains **again**

**17.8 Million**

residential properties with a  
mortgage were equity-rich  
(at least 50% equity)

**31.9%**

residential properties with a  
mortgage were equity-rich  
(at least 50% equity)

**38%**

of all homes are owned  
'free and clear'  
(meaning without a mortgage)



# TOP FINANCIAL INSTITUTIONS ADVICE

“Homebuyers—interest rates are still historically low, though they are inching up. Housing prices have spiked during the last six-to-nine months, but we don’t expect them to fall soon, **and we believe they are more likely to keep rising**. If you are looking to purchase a new home, conditions now may be better than 12 months hence...Those who remember the housing bubble of 2006-2007 may be nervous watching U.S. housing prices soar now. But the previous bubble was fueled by speculative buying, which we do not think is the case today.”

**J.P. Morgan**  
Insights Report



“There are reasons to believe that this is likely to be an unusually long and strong housing expansion. Demand is very strong because the biggest demographic cohort in history is moving through the household-formation and peak home-buying stages of its life cycle. Coronavirus-related preference changes have also sharply boosted home buying demand. At the same time, supply is unusually tight, with available homes for sale at record-low levels. Double-digit price gains are rationing the supply.”

Merrill Lynch  
Capital Market Outlook





“Strong demand for housing looks sustainable. Even before the pandemic, demographic tailwinds and historically-low mortgage rates had pushed demand to high levels. ... consumer surveys indicate that household buying intentions are now the highest in 20 years...As a result, the model projects double-digit price gains both this year and next.”

Goldman Sachs  
Research Note on Housing

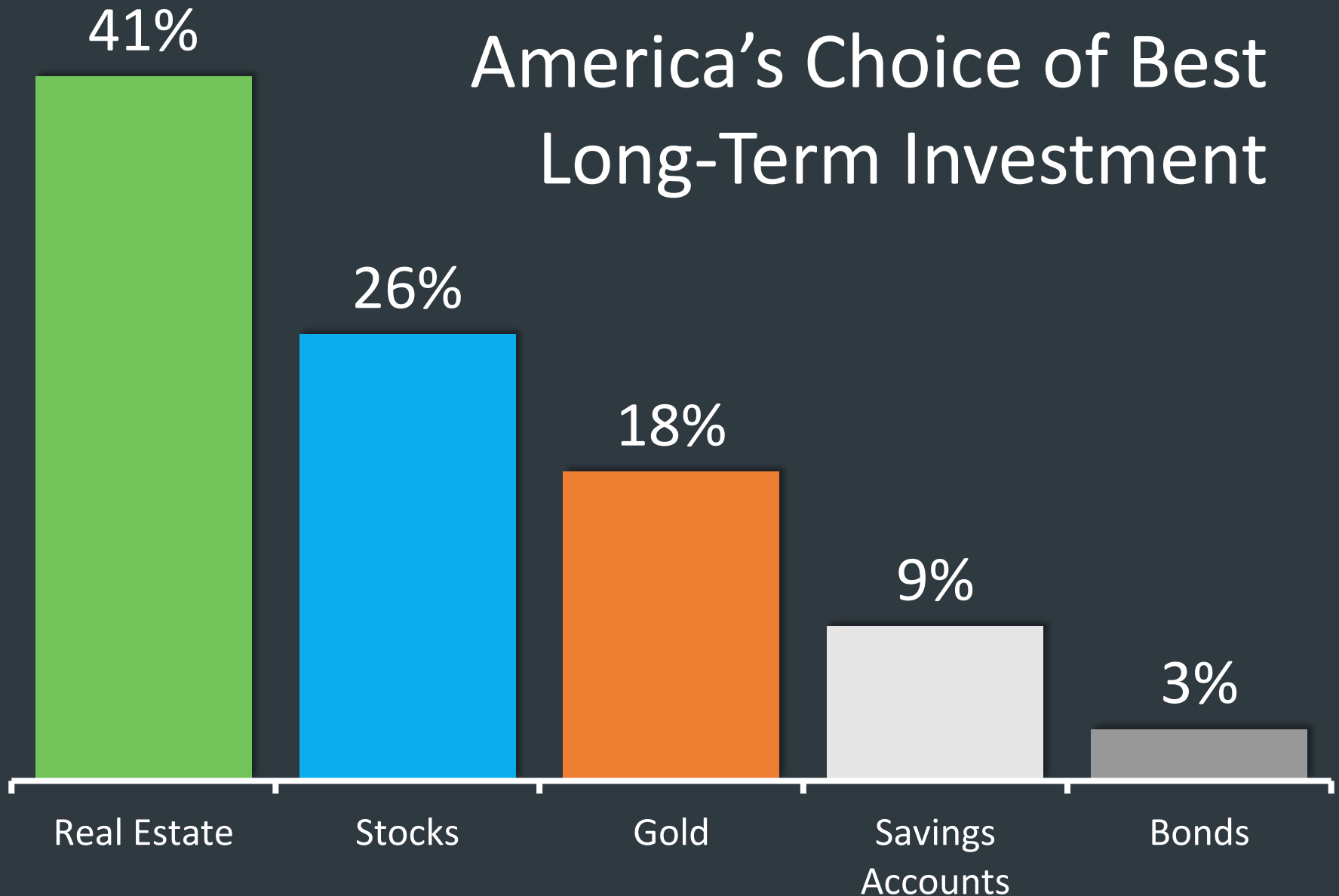


“Unlike 15 years ago, the euphoria in today's home prices comes down to the simple logic of supply and demand. And we at Morgan Stanley conclude that this time the sector is on a sustainably, sturdy foundation...This robust demand and highly challenged supply, along with tight mortgage lending standards, may continue to bode well for home prices. Higher interest rates and post pandemic moves could likely slow the pace of appreciation, but the upward trajectory remains very much on course.”

**Morgan Stanley**  
Thoughts On The Market Podcast



# America's Choice of Best Long-Term Investment

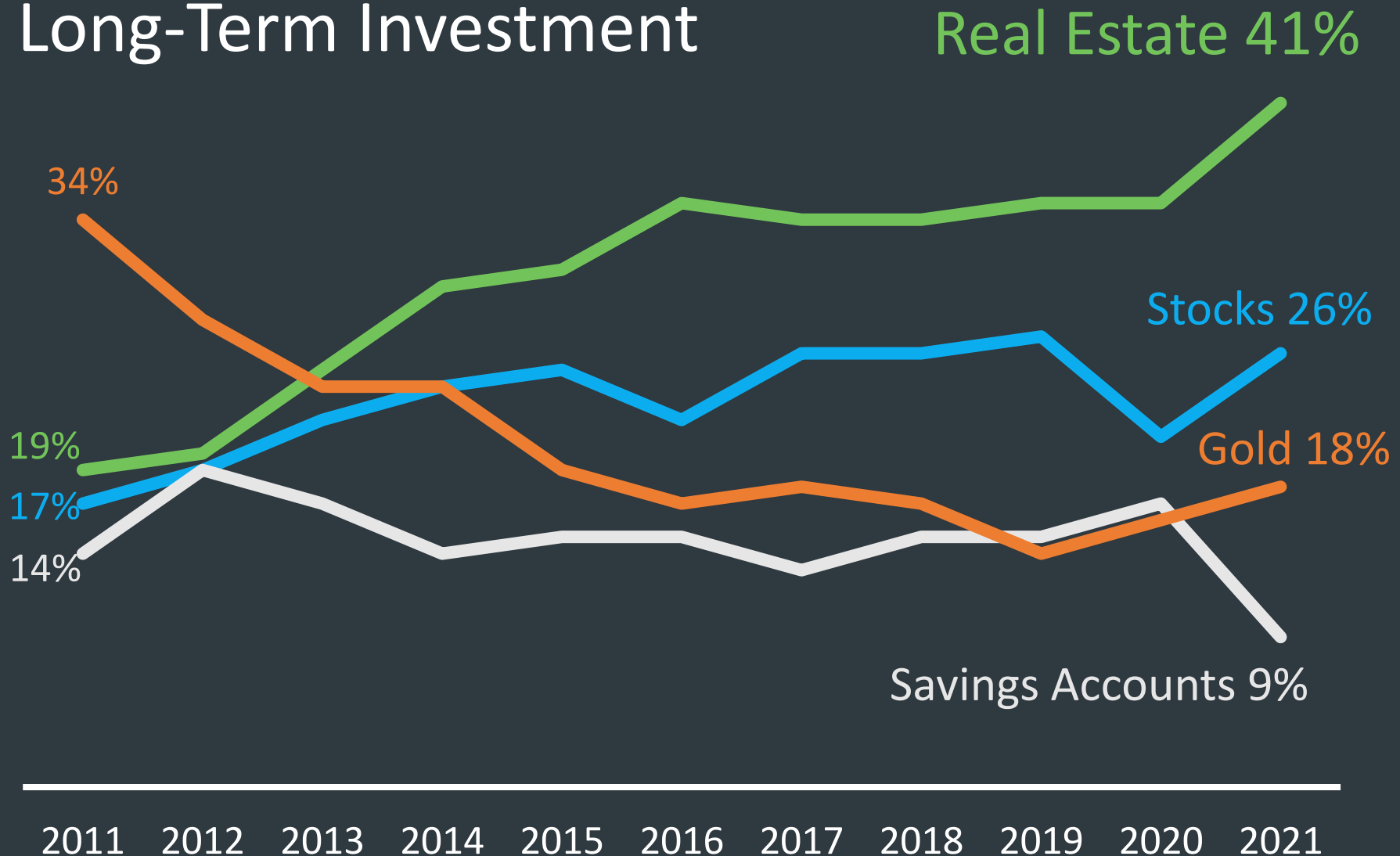


“The 41% choosing real estate is the highest selecting any of the five investment options in the 11 years Gallup has asked this question.”

Gallup



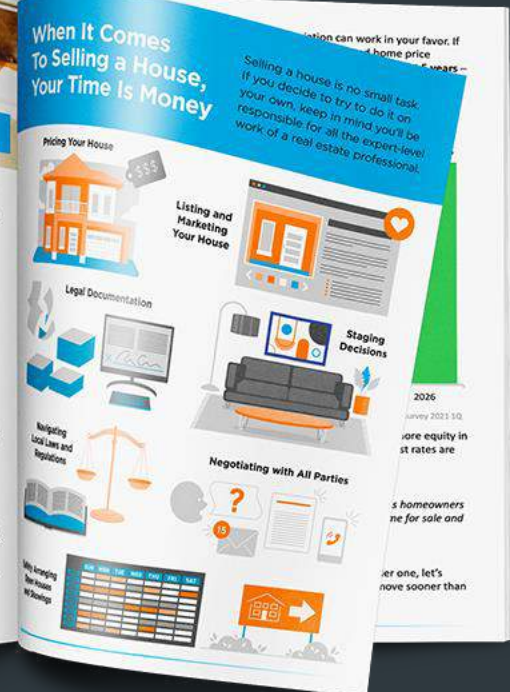
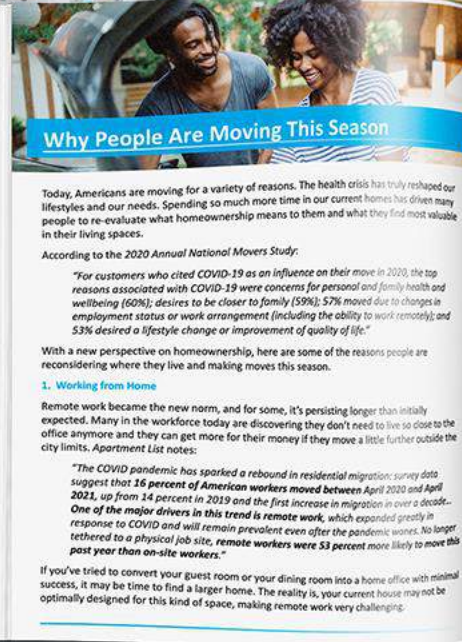
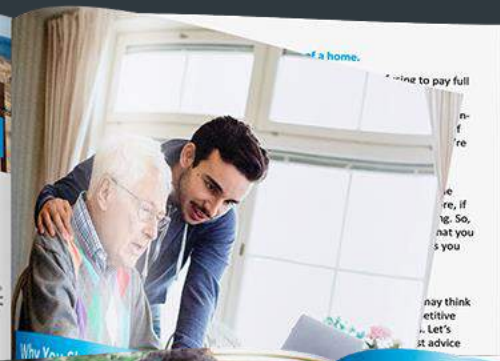
# Americans' Choice for Best Long-Term Investment



# Summer 2021 Buyer & Seller Guides

## Available Now

Ask for  
yours  
today!



# Resources

Slide	Slide Title	Link
2	Zelman Broker Survey	<a href="https://www.zelmanassociates.com/research/reports/2021/05/real-estate-broker-survey-continued-price-surge-re">https://www.zelmanassociates.com/research/reports/2021/05/real-estate-broker-survey-continued-price-surge-re</a> (subscription required)
3-4	Traffic Maps	<a href="https://cdn.nar.realtor/sites/default/files/documents/REALTOR_Confidence_Index_052021.pdf">https://cdn.nar.realtor/sites/default/files/documents/REALTOR_Confidence_Index_052021.pdf</a>
5	realtor.com Quote	<a href="https://www.realtor.com/news/trends/money-talks-ten-metros-where-people-are-buying-more-homes-in-cash/">https://www.realtor.com/news/trends/money-talks-ten-metros-where-people-are-buying-more-homes-in-cash/</a>
6	Months Inventory	nar.realtor <a href="https://www.nar.realtor/topics/existing-home-sales">https://www.nar.realtor/topics/existing-home-sales</a> <a href="https://www.nar.realtor/newsroom/existing-home-sales-decline-2-7-in-april">https://www.nar.realtor/newsroom/existing-home-sales-decline-2-7-in-april</a>
7	Appreciation	<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="https://www.fhfa.gov/Media/PublicAffairs/Pages/US-House-Prices-Rise-12pt6-Percent-over-the-Last-Year-Up-3pt5-Percent-in-the-First-Quarter.aspx">https://www.fhfa.gov/Media/PublicAffairs/Pages/US-House-Prices-Rise-12pt6-Percent-over-the-Last-Year-Up-3pt5-Percent-in-the-First-Quarter.aspx</a> <a href="https://www.spglobal.com/spdji/en/documents/indexnews/announcements/20210525-1381359/1381359_cshomeprice-release-0525.pdf">https://www.spglobal.com/spdji/en/documents/indexnews/announcements/20210525-1381359/1381359_cshomeprice-release-0525.pdf</a>
7	DS News Quote	<a href="https://dsnews.com/daily-dose/02-08-2021/foreclosures-2021-what-to-expect-in-the-months-ahead">https://dsnews.com/daily-dose/02-08-2021/foreclosures-2021-what-to-expect-in-the-months-ahead</a>
8	Pricing Forecasts	<a href="https://cdn.nar.realtor/sites/default/files/documents/forecast-Q2-2021-us-economic-outlook-04-29-2021.pdf">https://cdn.nar.realtor/sites/default/files/documents/forecast-Q2-2021-us-economic-outlook-04-29-2021.pdf</a> <a href="http://www.mba.org">www.mba.org</a> <a href="http://www.freddiemac.com/research/forecast/index.page">http://www.freddiemac.com/research/forecast/index.page</a> <a href="https://www.nar.realtor/newsroom/top-economic-and-housing-experts-predict-post-pandemic-rebound-with-continued-job-growth-stable">https://www.nar.realtor/newsroom/top-economic-and-housing-experts-predict-post-pandemic-rebound-with-continued-job-growth-stable</a>
9	Price Appreciation Map	<a href="https://www.fhfa.gov/DataTools/Tools/Pages/House-Price-Index-(HPI).aspx">https://www.fhfa.gov/DataTools/Tools/Pages/House-Price-Index-(HPI).aspx</a>
10	McBride Quote	<a href="https://www.calculatedriskblog.com/2021/05/the-long-and-windy-road.html">https://www.calculatedriskblog.com/2021/05/the-long-and-windy-road.html</a>



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Slide	Slide Title	Link
11	Dietz Quote	<a href="https://nahbnow.com/2021/05/construction-cools-as-costs-climb/">https://nahbnow.com/2021/05/construction-cools-as-costs-climb/</a>
12	Tirupattur Quote	<a href="https://finance.yahoo.com/news/why-morgan-stanley-is-convinced-the-housing-market-isnt-in-a-bubble-193156861.html?guccounter=1">https://finance.yahoo.com/news/why-morgan-stanley-is-convinced-the-housing-market-isnt-in-a-bubble-193156861.html?guccounter=1</a>
14-15	Fleming Quote	<a href="https://blog.firstam.com/economics/why-housing-affordability-sank-for-the-first-time-in-over-two-years">https://blog.firstam.com/economics/why-housing-affordability-sank-for-the-first-time-in-over-two-years</a> <a href="https://blog.firstam.com/economics/house-prices-are-hot-but-is-housing-overvalued">https://blog.firstam.com/economics/house-prices-are-hot-but-is-housing-overvalued</a>
16	Housing Affordability Index	<a href="https://www.nar.realtor/blogs/economists-outlook/housing-affordability-increases-in-march-as-incomes-surge">https://www.nar.realtor/blogs/economists-outlook/housing-affordability-increases-in-march-as-incomes-surge</a>
17	Median Income and Median-Priced Home	<a href="http://zillow.mediaroom.com/2018-09-06-Mortgage-Burden-Exceeds-Historic-Levels-in-10-of-the-Largest-U-S-Markets">http://zillow.mediaroom.com/2018-09-06-Mortgage-Burden-Exceeds-Historic-Levels-in-10-of-the-Largest-U-S-Markets</a> <a href="https://www.nar.realtor/blogs/economists-outlook/housing-affordability-increases-in-march-as-incomes-surge">https://www.nar.realtor/blogs/economists-outlook/housing-affordability-increases-in-march-as-incomes-surge</a>
18, 20	Loftin Quote	<a href="https://www.urban.org/sites/default/files/publication/104214/homeownership-is-affordable-housing_0.pdf">https://www.urban.org/sites/default/files/publication/104214/homeownership-is-affordable-housing_0.pdf</a>
19	Median Asking Rent	<a href="http://www.census.gov/housing/hvs/files/currenthvspress.pdf">http://www.census.gov/housing/hvs/files/currenthvspress.pdf</a>
21	Equity	<a href="https://www.attomdata.com/news/market-trends/home-sales-prices/attom-data-solutions-q1-2021-u-s-home-equity-underwater-report">https://www.attomdata.com/news/market-trends/home-sales-prices/attom-data-solutions-q1-2021-u-s-home-equity-underwater-report</a> <a href="https://constructioncoverage.com/research/where-residents-have-paid-off-homes">https://constructioncoverage.com/research/where-residents-have-paid-off-homes</a>



# Resources

Slide	Slide Title	Link
23	J.P. Morgan Quote	<a href="https://privatebank.jpmorgan.com/gl/en/insights/living/do-you-want-to-jump-into-the-us-housing-market">https://privatebank.jpmorgan.com/gl/en/insights/living/do-you-want-to-jump-into-the-us-housing-market</a>
24	Merrill Lynch Quote	<a href="https://olui2.fs.ml.com/Publish/Content/application/pdf/GWMOL/CMO_4-26-21_Merrill.pdf">https://olui2.fs.ml.com/Publish/Content/application/pdf/GWMOL/CMO_4-26-21_Merrill.pdf</a>
25	Goldman Sachs Quote	<a href="https://www.calculatedriskblog.com/2021/05/goldman-on-housing-double-digit-price.html">https://www.calculatedriskblog.com/2021/05/goldman-on-housing-double-digit-price.html</a>
26	Morgan Stanley Quote	<a href="https://www.morganstanley.com/ideas/thoughts-on-the-market-us-housing">https://www.morganstanley.com/ideas/thoughts-on-the-market-us-housing</a>
28-30	Best Investment	<a href="https://news.gallup.com/poll/349607/americans-expect-home-prices-rise-divided-buying.aspx">https://news.gallup.com/poll/349607/americans-expect-home-prices-rise-divided-buying.aspx</a>