

TWENTY TWENTY TWO



**September**

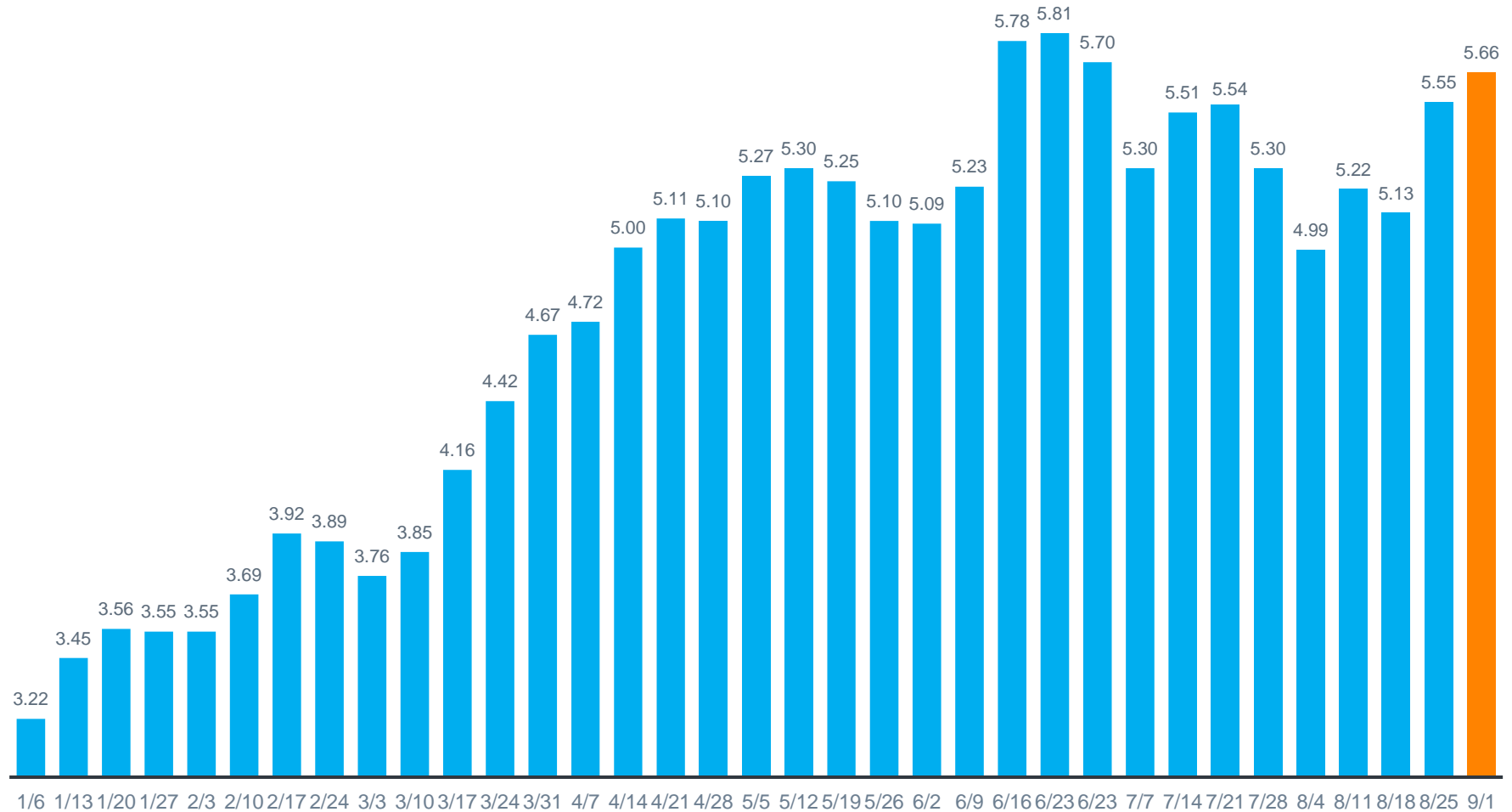
*Housing Update*

# Mortgage Rate Projections



# Mortgage Rates

Freddie Mac 30-Year Fixed Rate, January 2022 to Today



# Mortgage Rate Projections

August 2022

Quarter	Freddie Mac	Fannie Mae	MBA	NAR	Average of All Four
2022 Q4	5.4	4.8	5.2	6.0	<b>5.4%</b>
2023 Q1	5.2	4.7	5.1	6.0	<b>5.3%</b>
2023 Q2	5.2	4.5	5.0	6.0	<b>5.2%</b>
2023 Q3	5.0	4.4	4.9	-	<b>4.8%</b>



After the end-of-summer lull, and as **mortgage rates stabilize**, we may see a **return of buyers** and a relatively **strong fall housing market**.

- **Lisa Sturtevant**, Housing Economist

# Home Price Appreciation



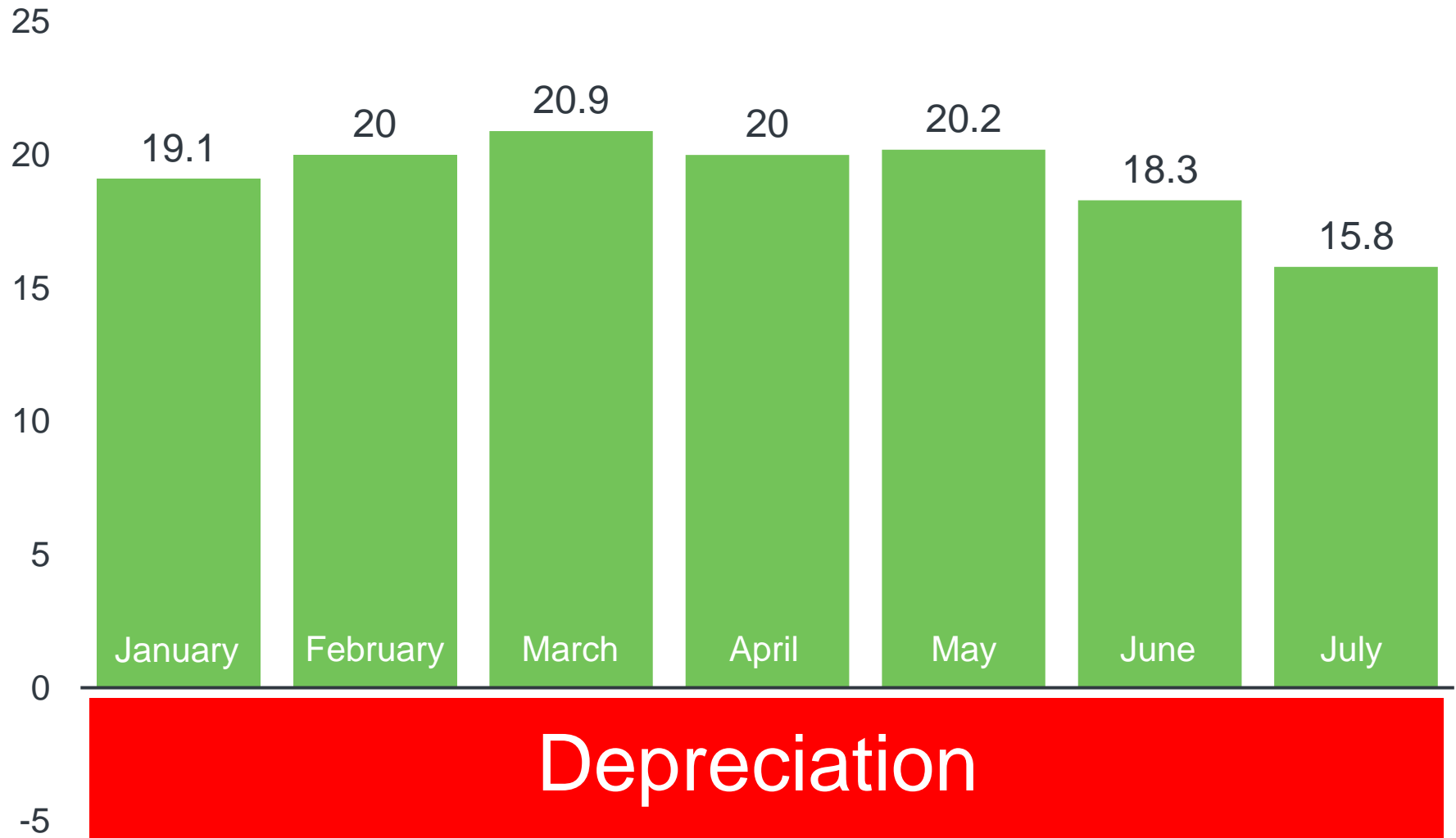


**I don't think national housing prices will decline in a meaningful way . . . but there will be some price declines across the country.**

**- Mark Zandi, Chief Economist, Moody's Analytics**

# Appreciation Slowing, Not Depreciating

% Year-Over-Year Home Price Increases for 2022





**Annual home price growth slowed for the third consecutive month in July but remained elevated at 15.8%.** As 30-year, fixed-rate mortgages neared 6% this summer, some prospective homebuyers pulled back, helping ease overheated and unsustainable price growth. . . . Looking ahead, CoreLogic expects to see **a more balanced housing market, with year-over-year appreciation slowing to 3.8% by July 2023.**

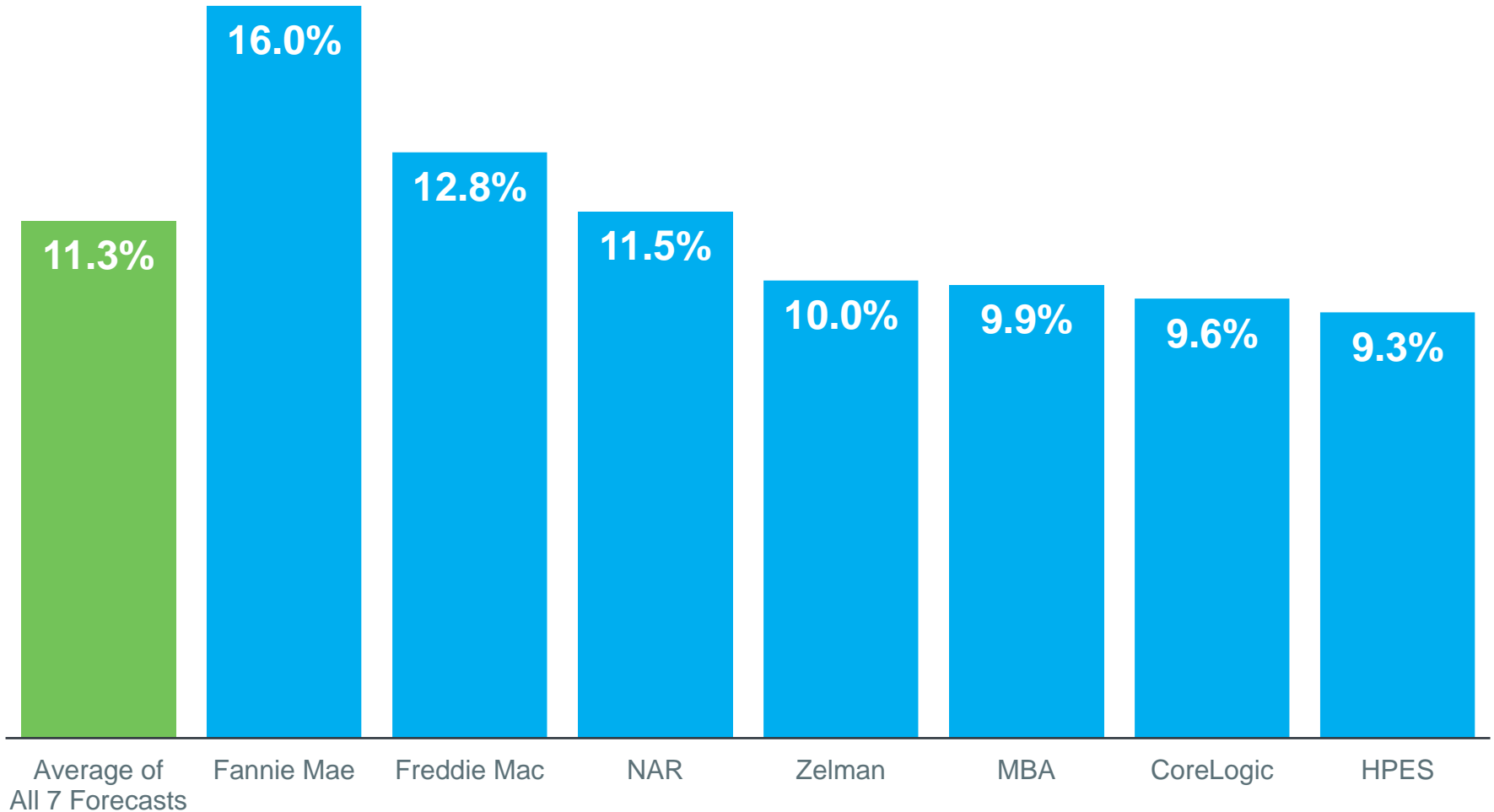
- **CoreLogic**, Latest Home Price Insights Report

# Many Experts Raise Home Price Forecasts

January Forecasts for 2022 Home Price Appreciation  
Compared to the Latest Forecasts

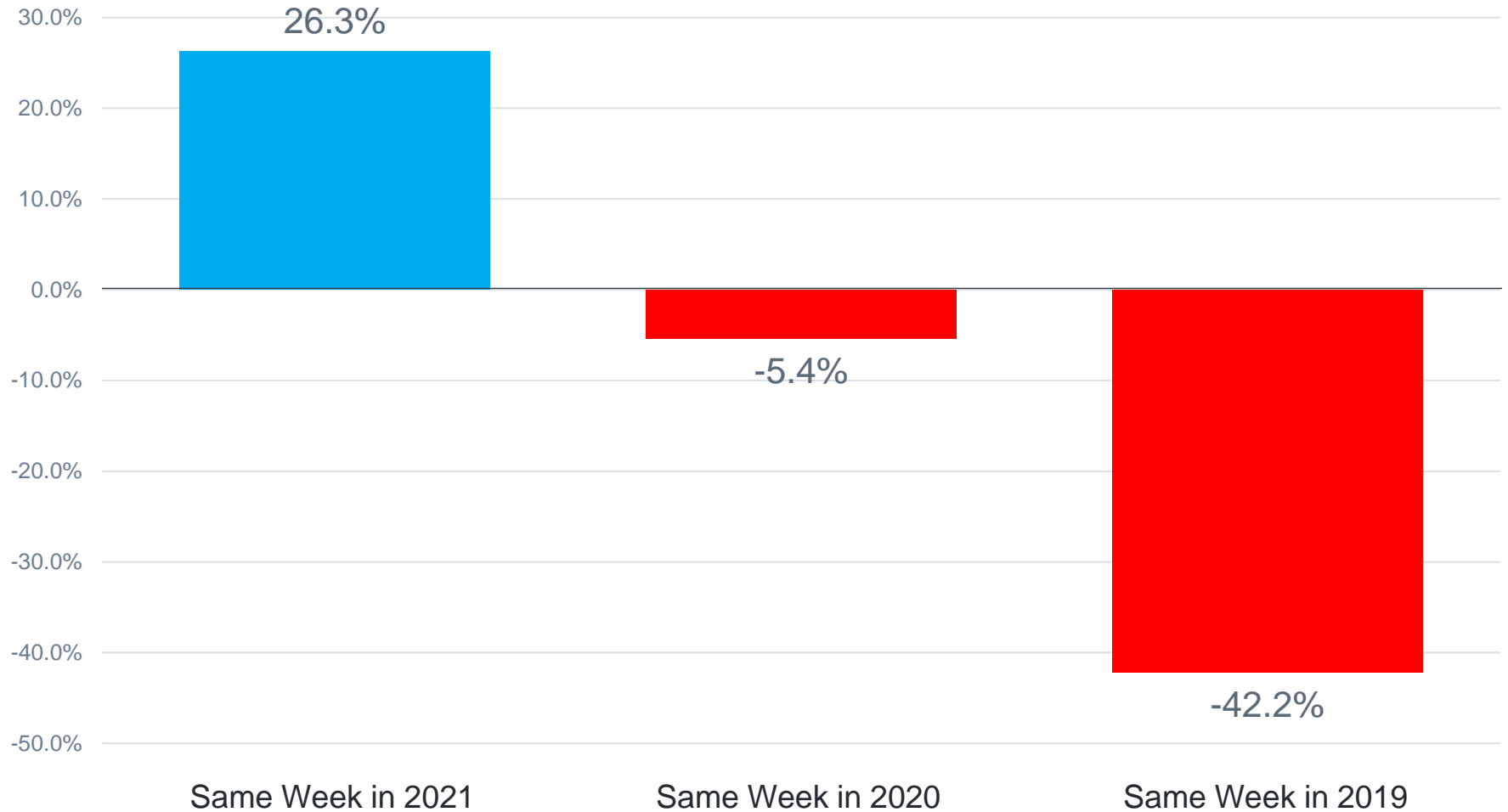
Source	January 2022 Appreciation Forecast	Latest 2022 Appreciation Forecast
Fannie Mae	7.6%	16.0%
Freddie Mac	6.2%	12.8%
NAR	5.1%	11.5%
Zelman	3.0%	10.0%
MBA	5.1%	9.9%
HPES	6.3%	9.3%

# Home Price Forecasts for 2022



# Inventory Is Still Historically Low

Week Ending September 2<sup>nd</sup>

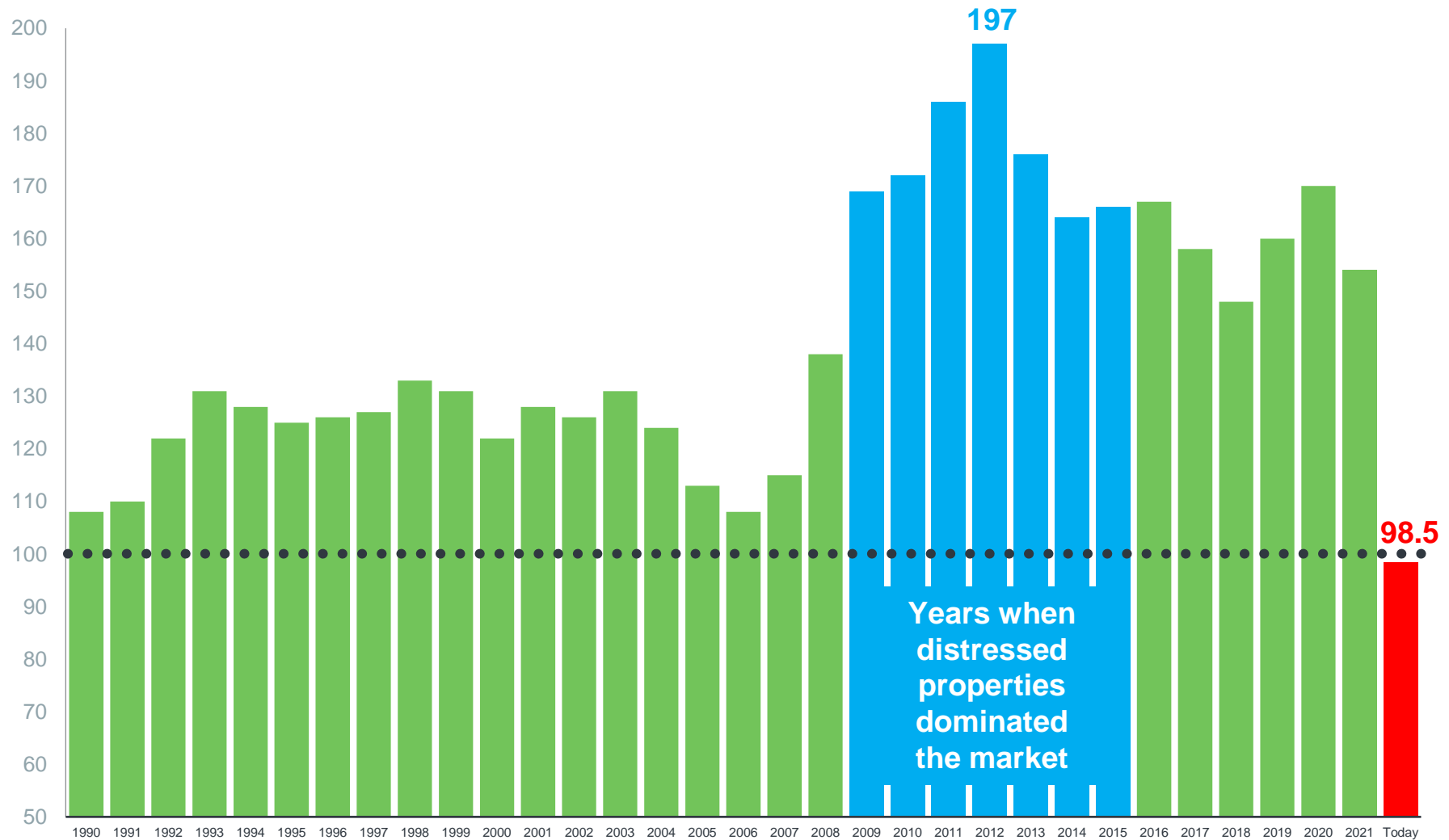


# Affordability



# Affordability at Historically Low Level

Housing Affordability Index, 1990 to Today



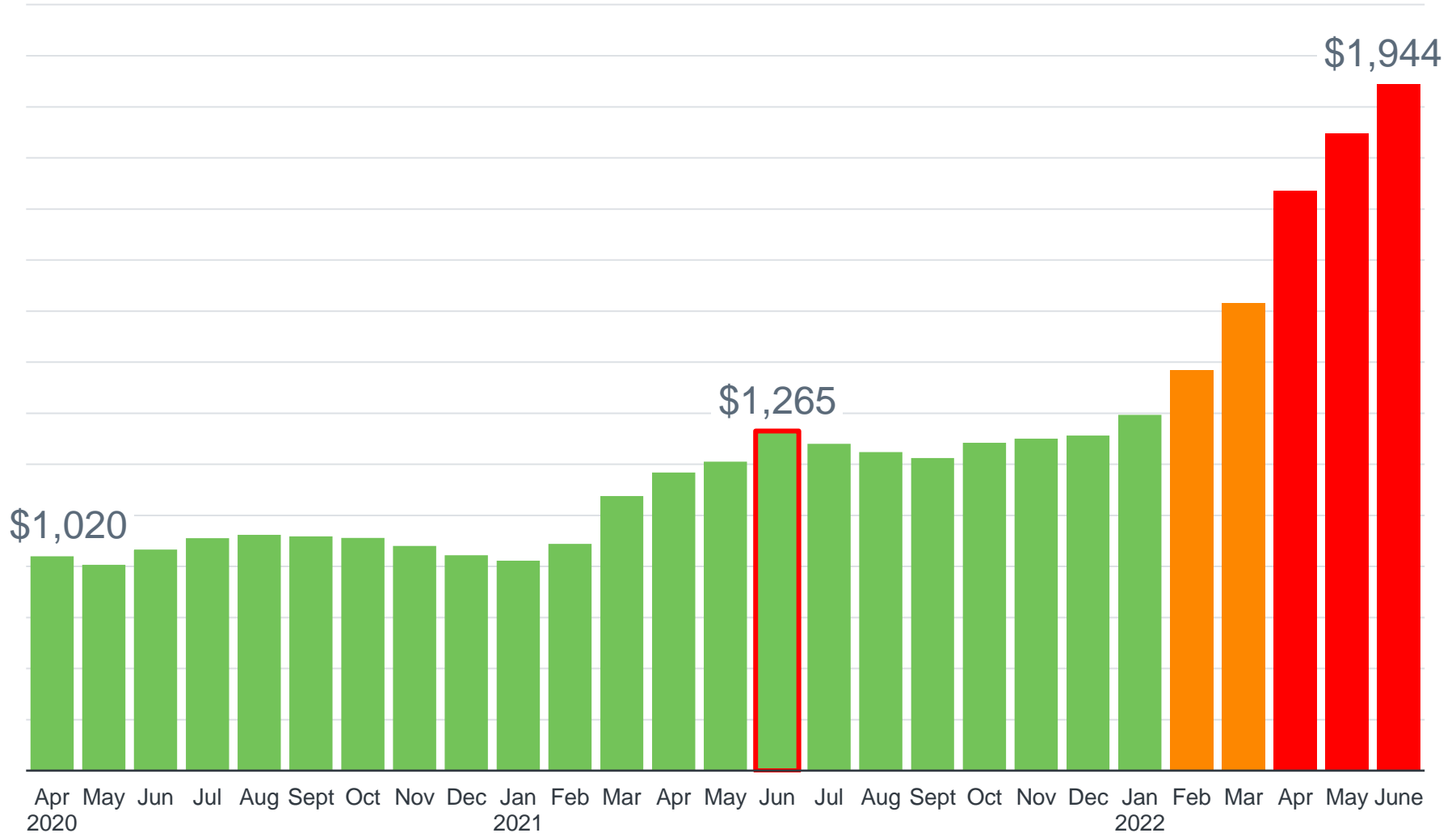


Compared to one year ago,  
the monthly mortgage payment  
rose to \$1,944 from \$1,265,  
an increase of 53.7%.

- NAR

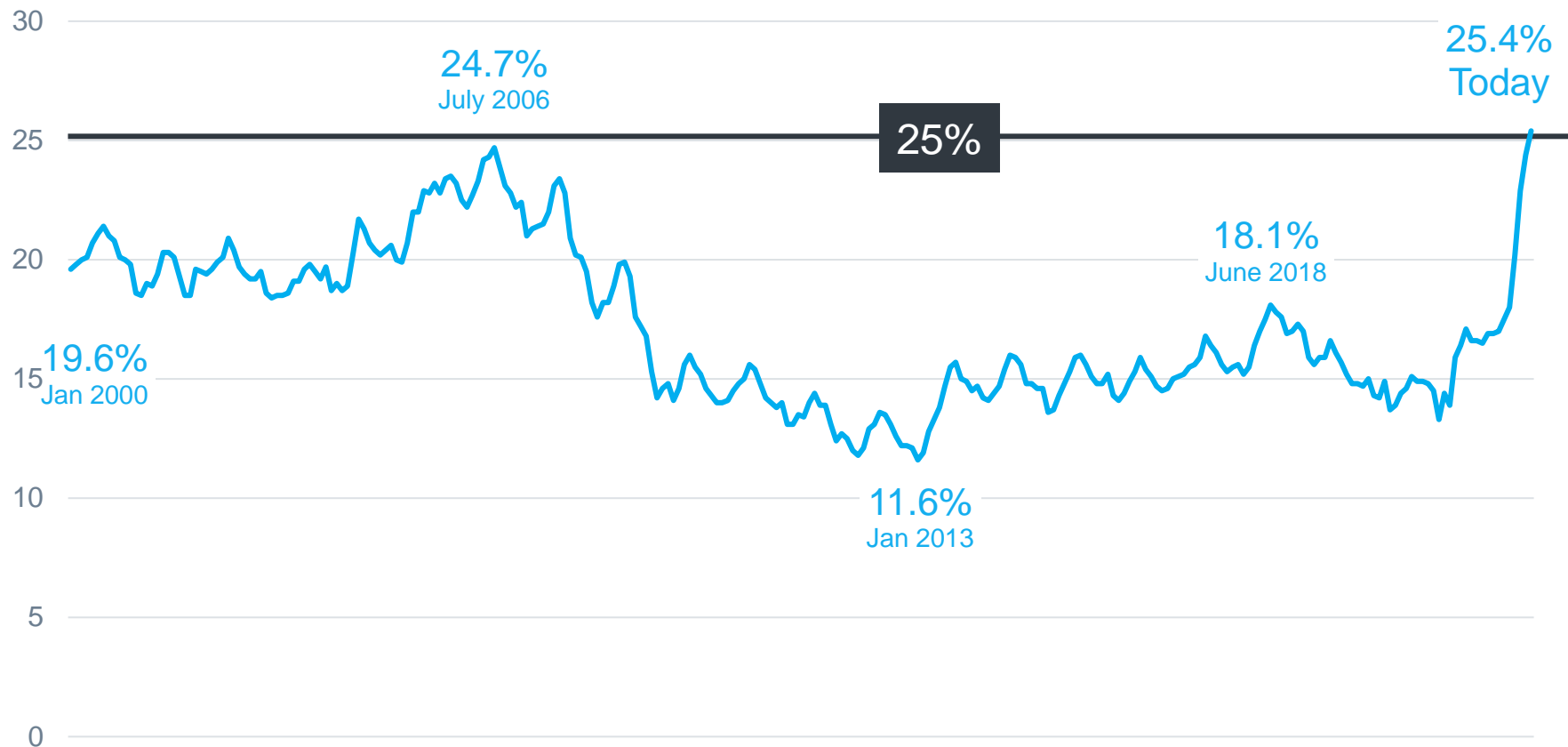
# Monthly Mortgage Payments Increasing

Monthly Mortgage Payments



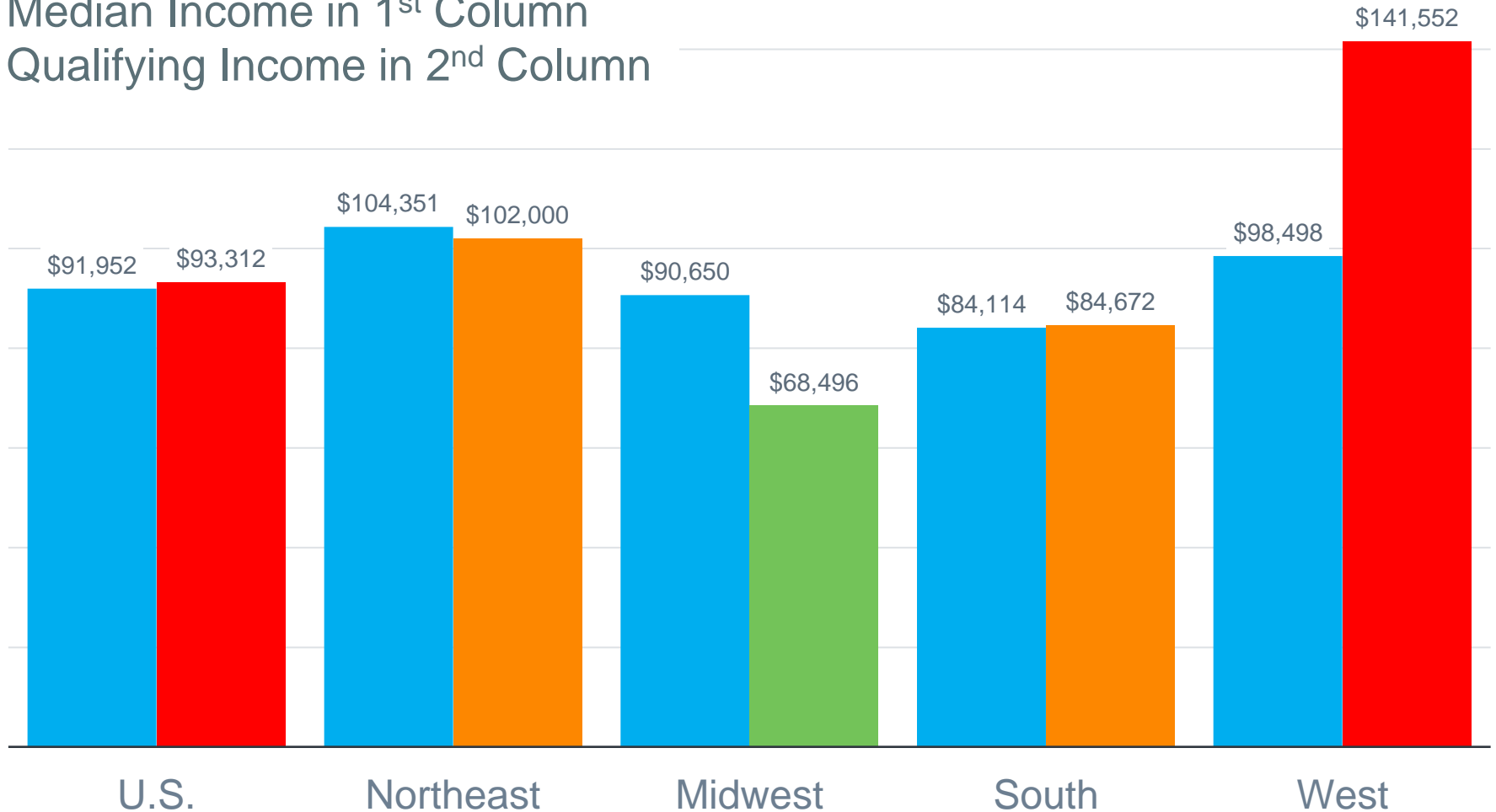
# Mortgage Payment to Income Ratio (2000-2021)

Assumes a 30-Year Fixed Rate Mortgage with a 20% Down Payment on a Median-Priced Home with a Median Income (P&I payment to income)



# Median Household Income vs. Qualifying Income

Median Income in 1<sup>st</sup> Column  
Qualifying Income in 2<sup>nd</sup> Column



# Three Things Buyers Can Do Today

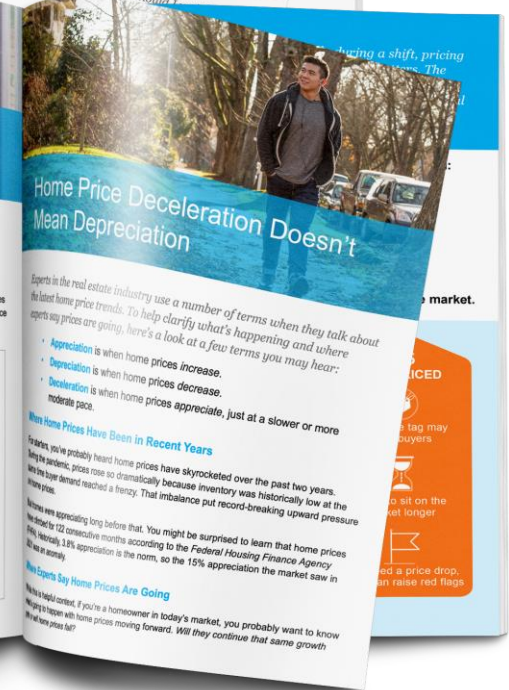
1. Expand search area and criteria
2. Explore alternative financing options
3. Look for grants, gift funds, etc.  
[downpaymentresource.com](http://downpaymentresource.com)



We are in a place where strategy discussions and planning are critically important to make sure we can thrive during these challenging times. Stay nimble, stay informed, and remember: **Housing is traditionally one of the first sectors to slow as the economy shifts but is also one of the first to rebound.**

- **Ali Wolf**, Chief Economist, Zonda

# Fall Buyer & Seller Guides: Now Available



# Resources

Slide(s)	Description	Link(s)
3	Mortgage Rates Graph	<a href="https://freddiemac.gcs-web.com/node/25841/pdf">https://freddiemac.gcs-web.com/node/25841/pdf</a> <a href="http://www.freddiemac.com/pmms/">http://www.freddiemac.com/pmms/</a>
4	Mortgage Rate Projections	<a href="https://www.freddiemac.com/research/forecast/20220720-quarterly-forecast-market-slowdown-will-continue-high-rates-and-prices-exacerbate">https://www.freddiemac.com/research/forecast/20220720-quarterly-forecast-market-slowdown-will-continue-high-rates-and-prices-exacerbate</a> <a href="https://www.fanniemae.com/media/44466/display">https://www.fanniemae.com/media/44466/display</a> <a href="https://www.mba.org/docs/default-source/research-and-forecasts/forecasts/mortgage-finance-forecast-aug-2022.pdf">https://www.mba.org/docs/default-source/research-and-forecasts/forecasts/mortgage-finance-forecast-aug-2022.pdf</a> <a href="https://cdn.nar.realtor/sites/default/files/documents/forecast-q3-2022-us-economic-outlook-07-27-2022.pdf">https://cdn.nar.realtor/sites/default/files/documents/forecast-q3-2022-us-economic-outlook-07-27-2022.pdf</a>
5	Sturtevant Quote	<a href="https://www.linkedin.com/feed/update/urn:li:activity:6971118504129257476/">https://www.linkedin.com/feed/update/urn:li:activity:6971118504129257476/</a>
7	Zandi Quote	<a href="https://www.housingwire.com/articles/the-nations-housing-market-is-on-a-correction-course/">https://www.housingwire.com/articles/the-nations-housing-market-is-on-a-correction-course/</a>
8, 9	Appreciation Graph & CoreLogic Quote	<a href="https://www.corelogic.com/intelligence/u-s-home-price-insights-september-2022/">https://www.corelogic.com/intelligence/u-s-home-price-insights-september-2022/</a>

# Resources

Slide(s)	Description	Link(s)
10	Experts Raise Home Price Forecasts	<a href="https://www.fanniemae.com/research-and-insights/forecast/forecast-monthly-archive">https://www.fanniemae.com/research-and-insights/forecast/forecast-monthly-archive</a> <a href="https://www.freddiemac.com/research/forecast?page=0">https://www.freddiemac.com/research/forecast?page=0</a> <a href="https://www.nar.realtor/research-and-statistics">https://www.nar.realtor/research-and-statistics</a> <a href="https://zelmanandassociates.com">https://zelmanandassociates.com</a> (subscription necessary) <a href="https://pulsenomics.com/surveys/#home-price-expectations">https://pulsenomics.com/surveys/#home-price-expectations</a> <a href="https://www.mba.org/news-and-research/forecasts-and-commentary/mortgage-finance-forecast-archives">https://www.mba.org/news-and-research/forecasts-and-commentary/mortgage-finance-forecast-archives</a>
11	Price Forecasts Graph	<a href="https://www.fanniemae.com/media/44461/display">https://www.fanniemae.com/media/44461/display</a> <a href="https://www.freddiemac.com/research/forecast/20220720-quarterly-forecast-market-slowdown-will-continue-high-rates-and-prices-exacerbate">https://www.freddiemac.com/research/forecast/20220720-quarterly-forecast-market-slowdown-will-continue-high-rates-and-prices-exacerbate</a> <a href="https://cdn.nar.realtor/sites/default/files/documents/forecast-q3-2022-us-economic-outlook-07-27-2022.pdf">https://cdn.nar.realtor/sites/default/files/documents/forecast-q3-2022-us-economic-outlook-07-27-2022.pdf</a> <a href="https://www.corelogic.com/intelligence/find-stories/corelogic-hpi-posted-record-year-over-year-growth-in-2021/">https://www.corelogic.com/intelligence/find-stories/corelogic-hpi-posted-record-year-over-year-growth-in-2021/</a> <a href="https://pulsenomics.com/surveys/#home-price-expectations">https://pulsenomics.com/surveys/#home-price-expectations</a> <a href="https://www.zelmanassociates.com/">https://www.zelmanassociates.com/</a> (subscription required) <a href="https://www.mba.org/docs/default-source/research-and-forecasts/forecasts/mortgage-finance-forecast-aug-2022.pdf">https://www.mba.org/docs/default-source/research-and-forecasts/forecasts/mortgage-finance-forecast-aug-2022.pdf</a>

# Resources

Slide(s)	Description	Link(s)
12	Inventory Graph	<a href="https://www.calculatedriskblog.com/2022/09/housing-september-5th-update-inventory.html">https://www.calculatedriskblog.com/2022/09/housing-september-5th-update-inventory.html</a>
14	Affordability Graph	<a href="https://www.nar.realtor/blogs/economists-outlook/housing-affordability-conditions-fade-as-mortgage-rates-push-monthly-payments-higher-in-june-2022">https://www.nar.realtor/blogs/economists-outlook/housing-affordability-conditions-fade-as-mortgage-rates-push-monthly-payments-higher-in-june-2022</a>
15	NAR Quote	<a href="https://www.nar.realtor/blogs/economists-outlook/housing-affordability-conditions-fade-as-mortgage-rates-push-monthly-payments-higher-in-june-2022">https://www.nar.realtor/blogs/economists-outlook/housing-affordability-conditions-fade-as-mortgage-rates-push-monthly-payments-higher-in-june-2022</a>
16	Mortgage Payments Graph	<a href="https://www.nar.realtor/blogs/economists-outlook/housing-affordability-conditions-fade-as-mortgage-rates-push-monthly-payments-higher-in-june-2022">https://www.nar.realtor/blogs/economists-outlook/housing-affordability-conditions-fade-as-mortgage-rates-push-monthly-payments-higher-in-june-2022</a> <a href="https://cdn.nar.realtor/sites/default/files/documents/hai-06-2022-housing-affordability-index-2022-08-11.pdf">https://cdn.nar.realtor/sites/default/files/documents/hai-06-2022-housing-affordability-index-2022-08-11.pdf</a>
17, 18	Payment to Income Graphs	<a href="https://www.nar.realtor/blogs/economists-outlook/housing-affordability-conditions-fade-as-mortgage-rates-push-monthly-payments-higher-in-june-2022">https://www.nar.realtor/blogs/economists-outlook/housing-affordability-conditions-fade-as-mortgage-rates-push-monthly-payments-higher-in-june-2022</a>
20	Wolf Quote	<a href="https://www.builderonline.com/data-analysis/single-family-housing-demand-will-remain-solid-for-the-next-decade_o?">https://www.builderonline.com/data-analysis/single-family-housing-demand-will-remain-solid-for-the-next-decade_o?</a>