

# 2023



ROSS REALTY GROUP

KELLERWILLIAMS  
*Luxury*

**May**

*Housing Market Update*



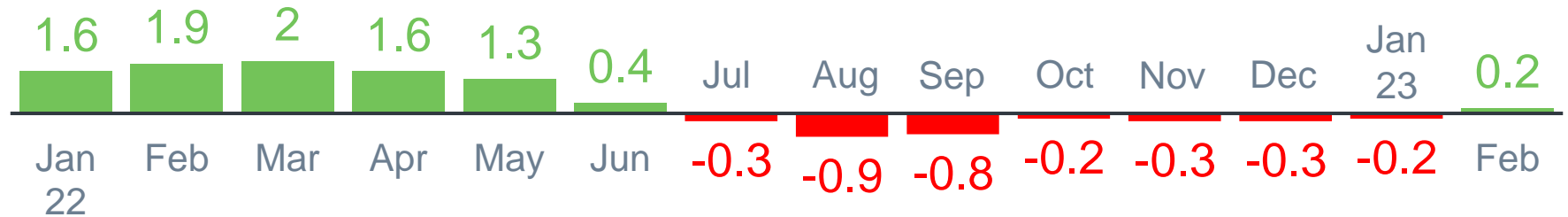
**On a quarterly basis, home prices rose a seasonally adjusted 1.0 percent in Q1 2023 . . .** the fact that prices rose slightly in the first quarter is evidence of significant pent-up mortgage demand, despite ongoing affordability constraints.

- **Doug Duncan**, SVP & Chief Economist, Fannie Mae

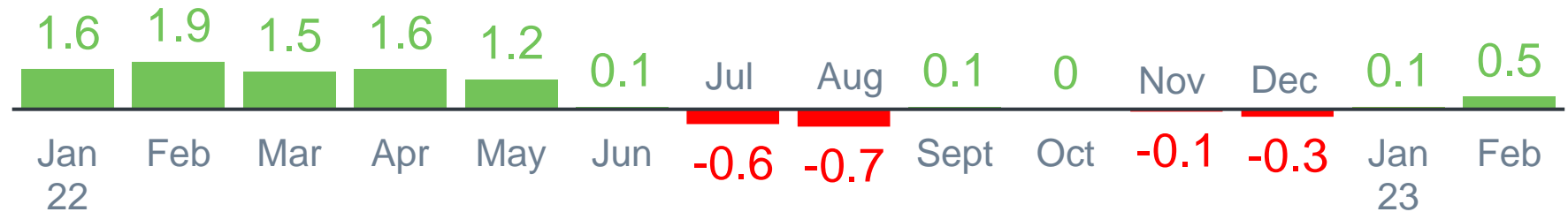
# Have Home Value Declines Stabilized?

M-O-M % Change in Home Values (Seasonally Adjusted)

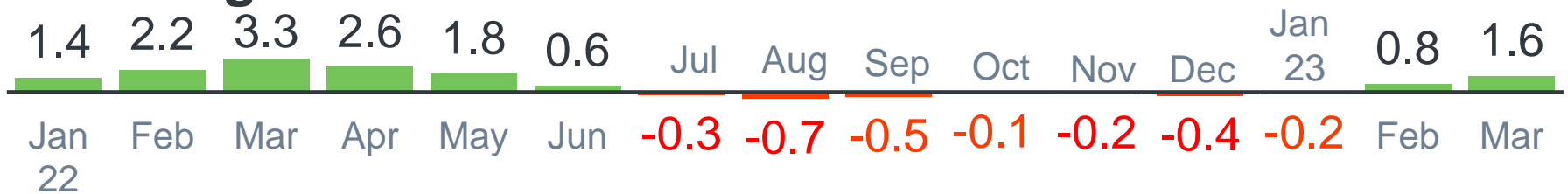
## Case-Shiller



## FHFA



## CoreLogic





Just five months ago, prices were declining on a seasonally adjusted month-over-month basis in 92% of all major U.S. markets. Fast forward to March, and the situation has done a literal 180, with prices now rising in 92% of markets from February.

- **Andy Walden**, VP of Enterprise Research, Black Knight

# Major Change in Fannie Mae Forecast

Fannie Mae's Percent Change in Home Values in 2023

March Report

-4.2%

April Report

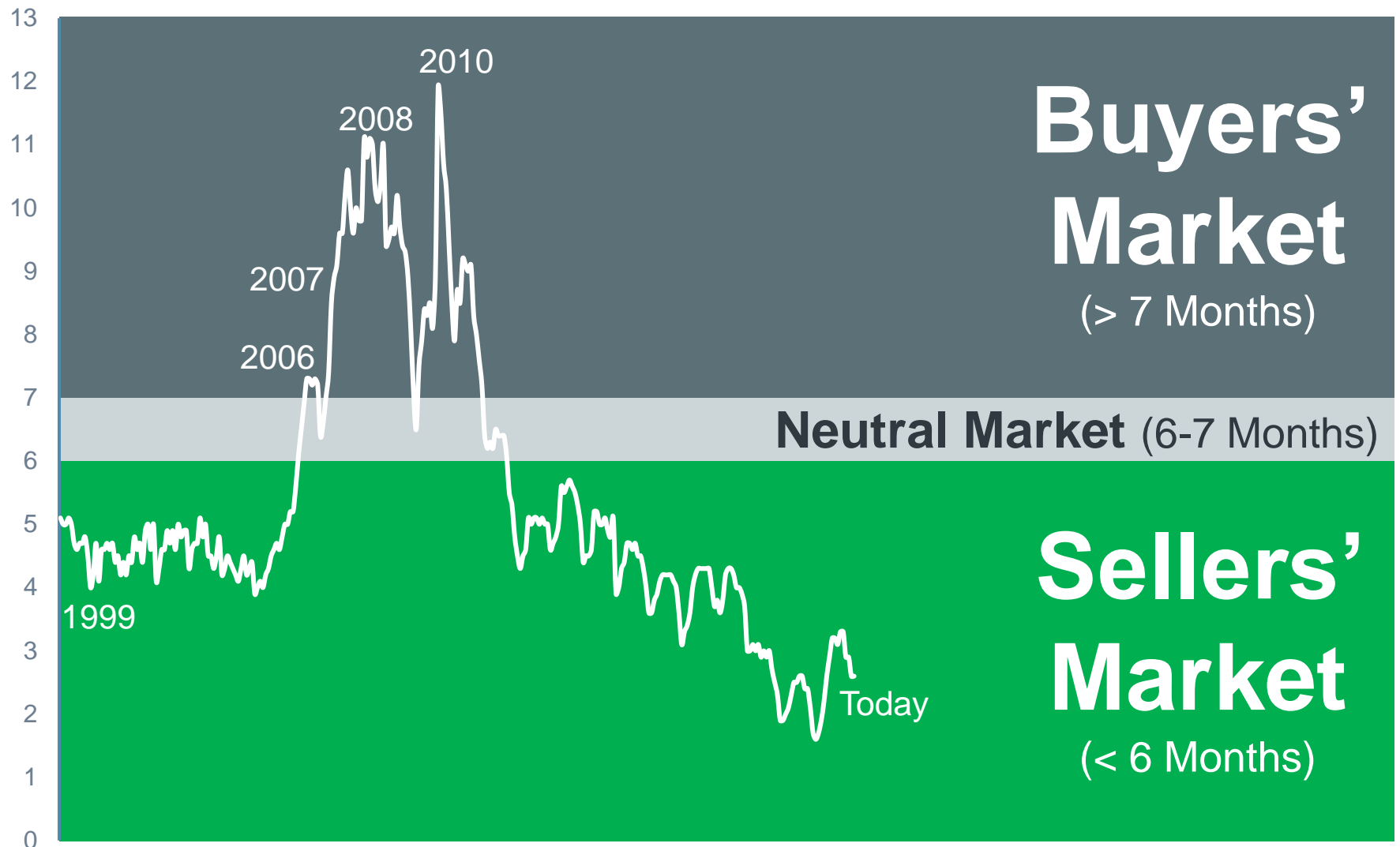
-1.2%

# Inventory & Foreclosure Update



UNCOVER THE FACTS

# Months' Inventory of Homes for Sale



# New Report:

The screenshot shows the top navigation bar of the ATTOM website. On the left is the ATTOM logo. On the right are links for Contact, Events, and Sign In. Below the navigation bar is a breadcrumb trail: Home > Real Estate Trends > Foreclosures > U.S. Foreclosure Activity Continues To Climb In Q1 2023. The main content area features the article title 'U.S. Foreclosure Activity Continues To Climb In Q1 2023' in large, bold black text. Below the title is the byline 'by ATTOM Team | Apr 19, 2023 | Foreclosures, Most Recent Articles'. To the right of the title is a search bar with a red magnifying glass icon. Below the search bar is a 'STAY CONNECTED' section with an envelope icon and the text 'Sign up for updates on'. The entire page is framed by a dark grey header and footer.

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Home > Real Estate Trends > Foreclosures > *U.S. Foreclosure Activity Continues To Climb In Q1 2023*

## U.S. Foreclosure Activity Continues To Climb In Q1 2023

by ATTOM Team | Apr 19, 2023 | Foreclosures, Most Recent Articles

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# Foreclosure Headlines

April 19, 2023

**Bloomberg** US Edition Sign In

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CityLab  
+ Economics

## More Americans Are Losing Their Homes as Foreclosures on US Properties Rise

 CBS News

Foreclosures are on the rise – particularly in Illinois, Delaware and New Jersey

 MSN

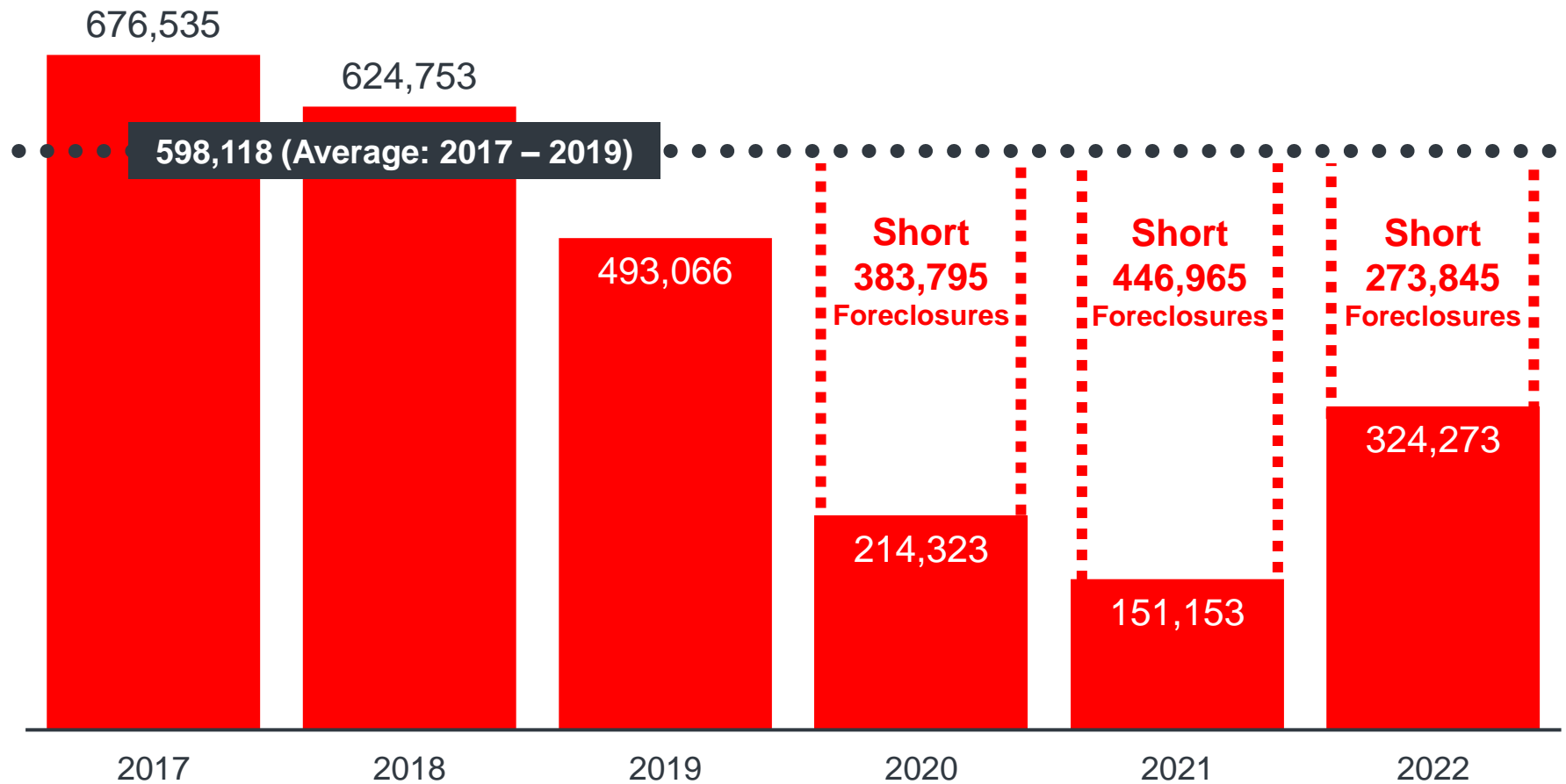
US foreclosure filings jump 22%, and repossessions hit highest level in 3 years

 Realtor.com

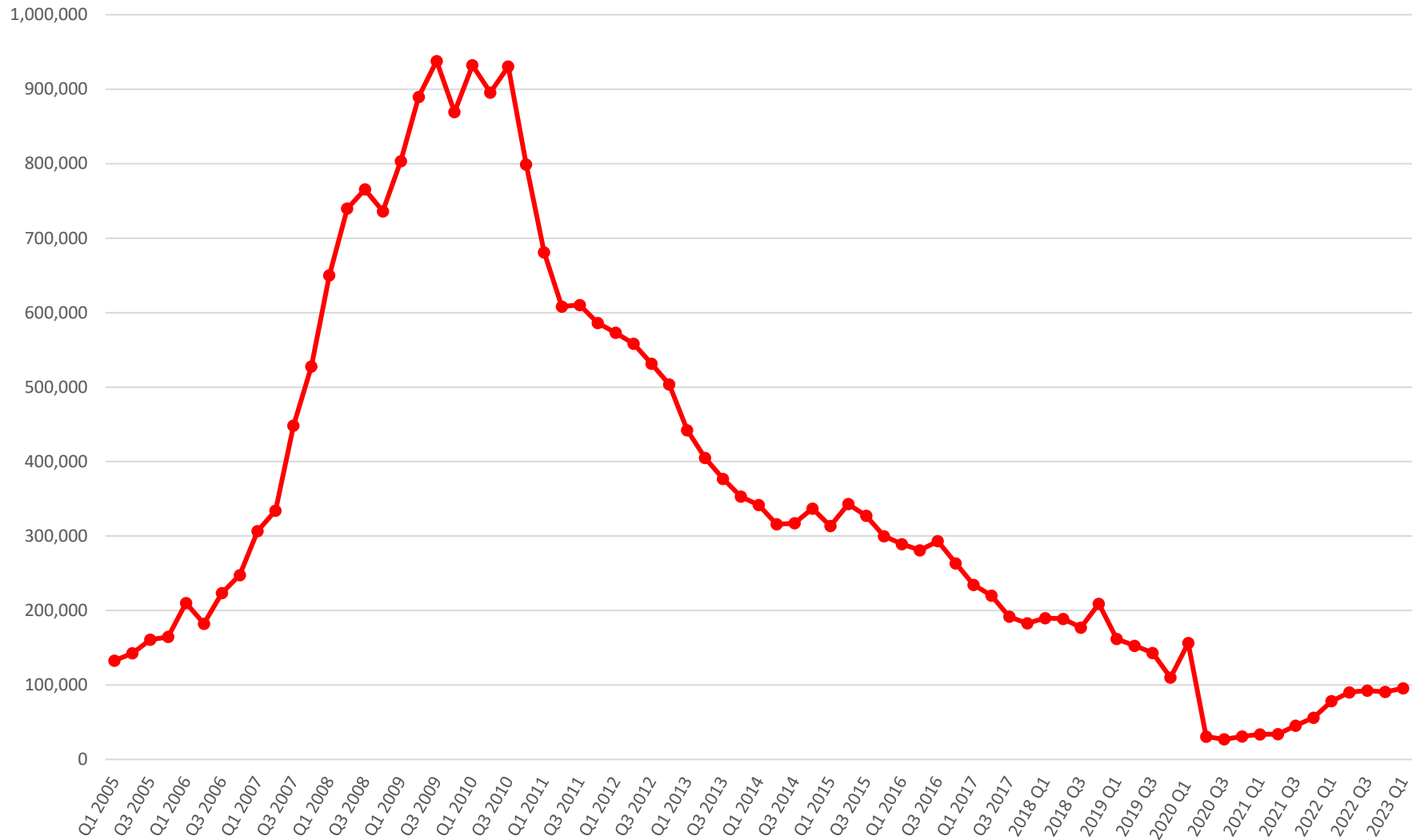
Foreclosures Jump—Is Another Wave About To Flood the Housing Market?

# Over 1M Fewer Foreclosures in Last 3 Years

U.S. Properties with Foreclosure Filings



# U.S. Properties with Foreclosure Filings



# U.S. Foreclosure Activity Continues To Climb in Q1 2023

- There were 95,712 U.S. properties with **foreclosure filings** during the first quarter of 2023.
- A total of 65,346 U.S. properties **started the foreclosure process** in Q1 2023.
- Nationwide, **1 in every 1,459** housing units had a foreclosure filing in Q1 2023.
- Lenders **repossessed** 12,518 U.S. properties through foreclosure (REO) in Q1 2023.



There's no reason to panic, at least not yet. Foreclosure filings began ticking up in late 2021, after the federal foreclosure moratorium ended. The moratorium was enacted in the early days of COVID-19, when millions of Americans lost their jobs, to prevent a tsunami of homeowners losing their properties.

- **Clare Trapasso**, Executive News Editor, Realtor.com



**“ . . . a mild recession starting later this year, with a recovery over the subsequent two years.”**



Given their assessment of the potential economic effects of the recent banking-sector developments, the staff's projection at the time of the March meeting included a mild recession starting later this year, with a recovery over the subsequent two years.

**- Fed Meeting Summary, March 2023**

## What Is a Recession?

The National Bureau of Economic Research (NBER) defines a recession as:

*“a significant decline in economic activity spread across the economy, lasting more than a few months, normally visible in real GDP, real income, employment, industrial production, and wholesale-retail sales.”*





# How Would Housing Be Impacted by a Recession?



During a traditional recession, the Fed will usually lower interest rates. This creates an incentive for people to spend money and stimulate the economy. **It also typically leads to more affordable mortgage rates, which leads to more opportunity for homebuyers.**

- Bankrate

# Pros vs. Cons of Buying During a Recession

## Pros

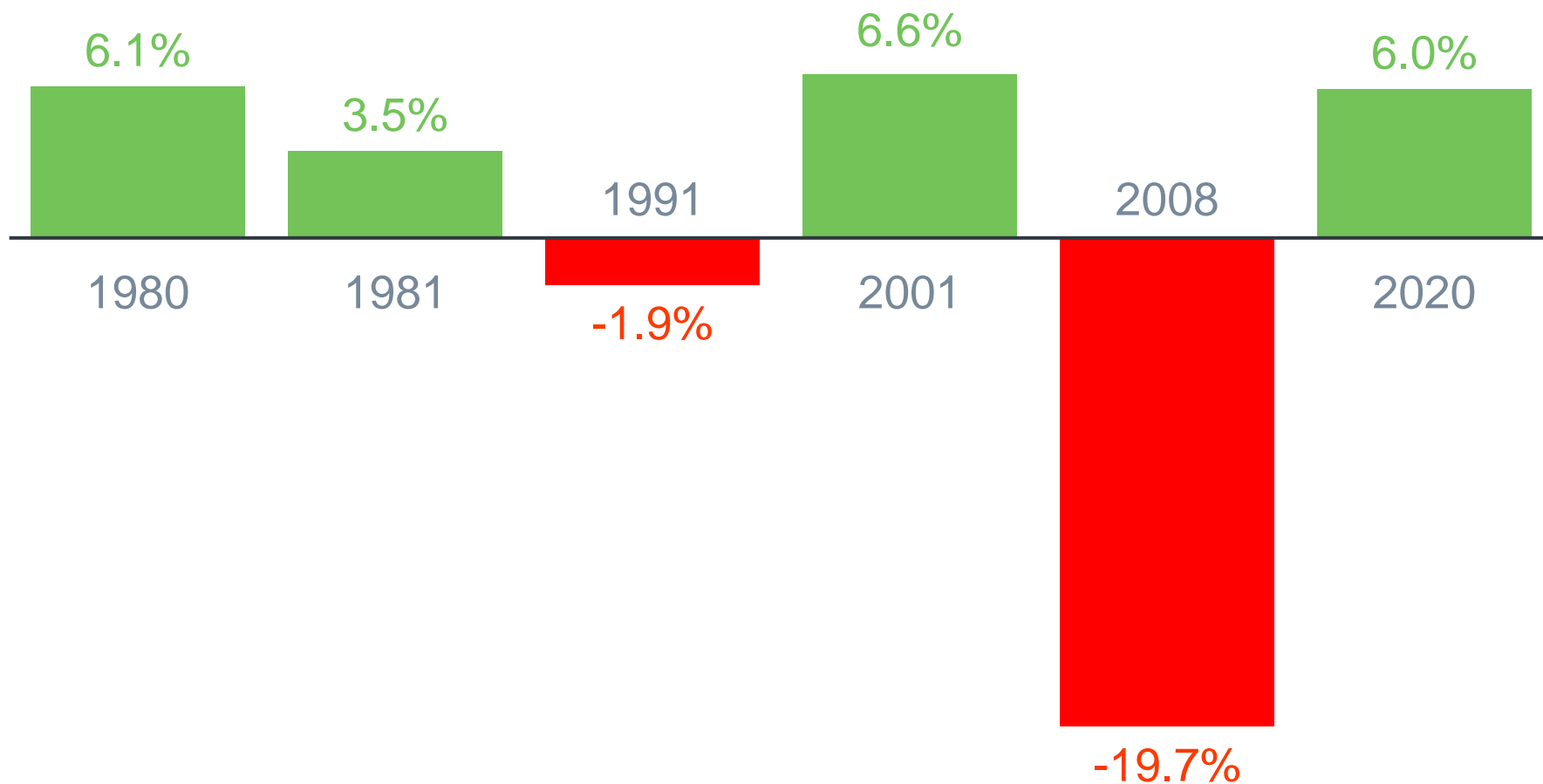
- **Less competition:** A recession often puts people in a difficult financial position, leaving them unable to afford a new home. This results in less competition within the market for those who can still afford it.
- **Lower prices:** With fewer buyers, home sellers will likely no longer see multiple offers or bidding wars for their properties. This can lead to lower home prices.
- **Lower rates:** During a recession, the Federal Reserve will often lower interest rates to stimulate the economy, which can result in more favorable rates for borrowers getting mortgage loans.

## Cons

- **Stricter lending requirements:** To protect their business during a recession, lenders may institute stricter requirements on mortgages to decrease the possibility of a borrower being unable to fulfill a loan.
- **Fewer options available:** With less competition and lower prices, some sellers will take their home off the market or opt to wait it out, leaving less available inventory for buyers to choose from.
- **Economic uncertainty:** Typically, many people lose their jobs during a recession, and other conditions may cause people's finances to be less than stable as well. Liquidity can be important during a period of economic instability, and having your cash tied up in real estate may not be ideal.

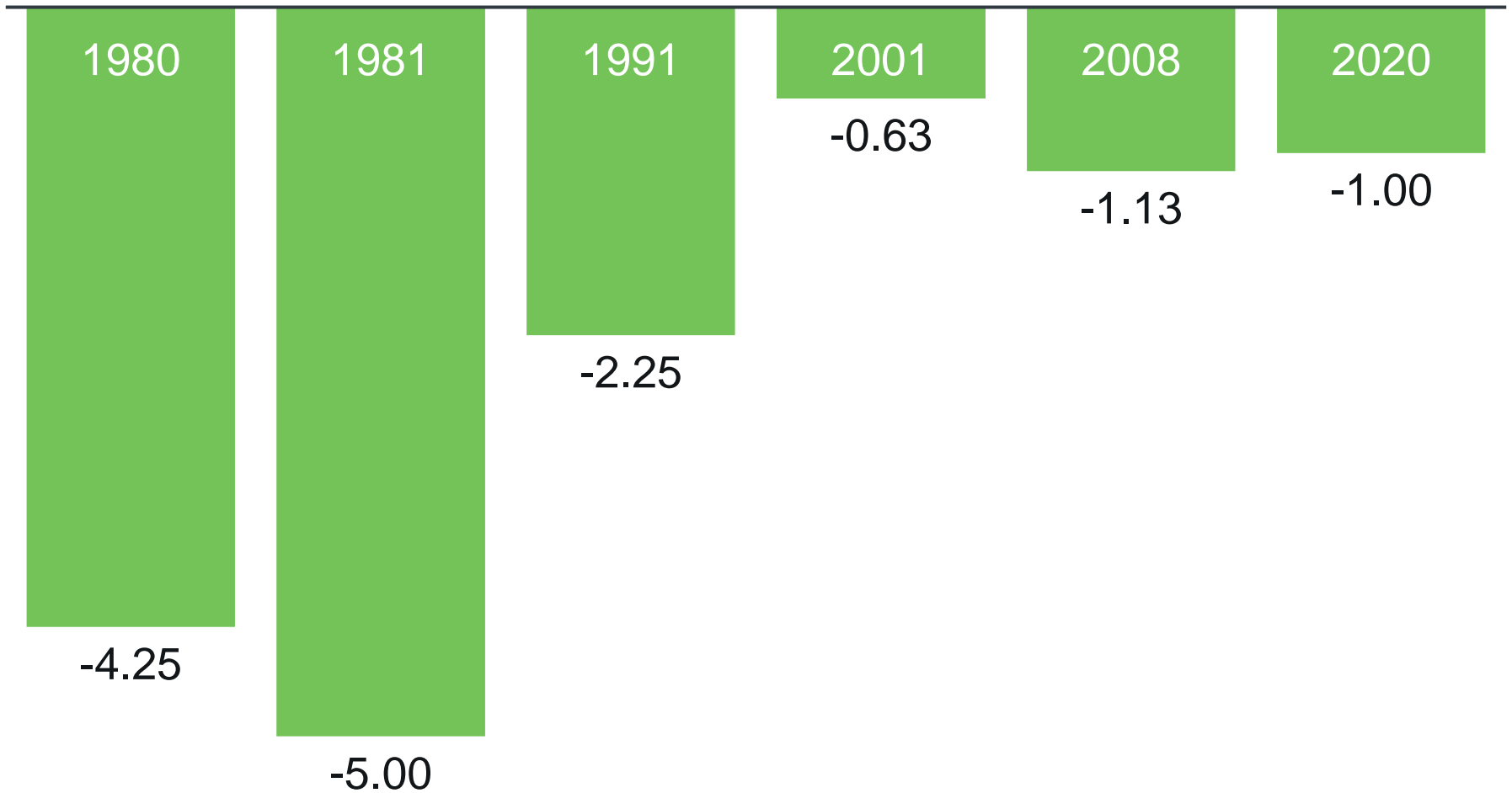
# A Recession Does Not Mean Falling Prices

Home Price Change During Last 6 Recessions



# A Recession Means Falling Mortgage Rates

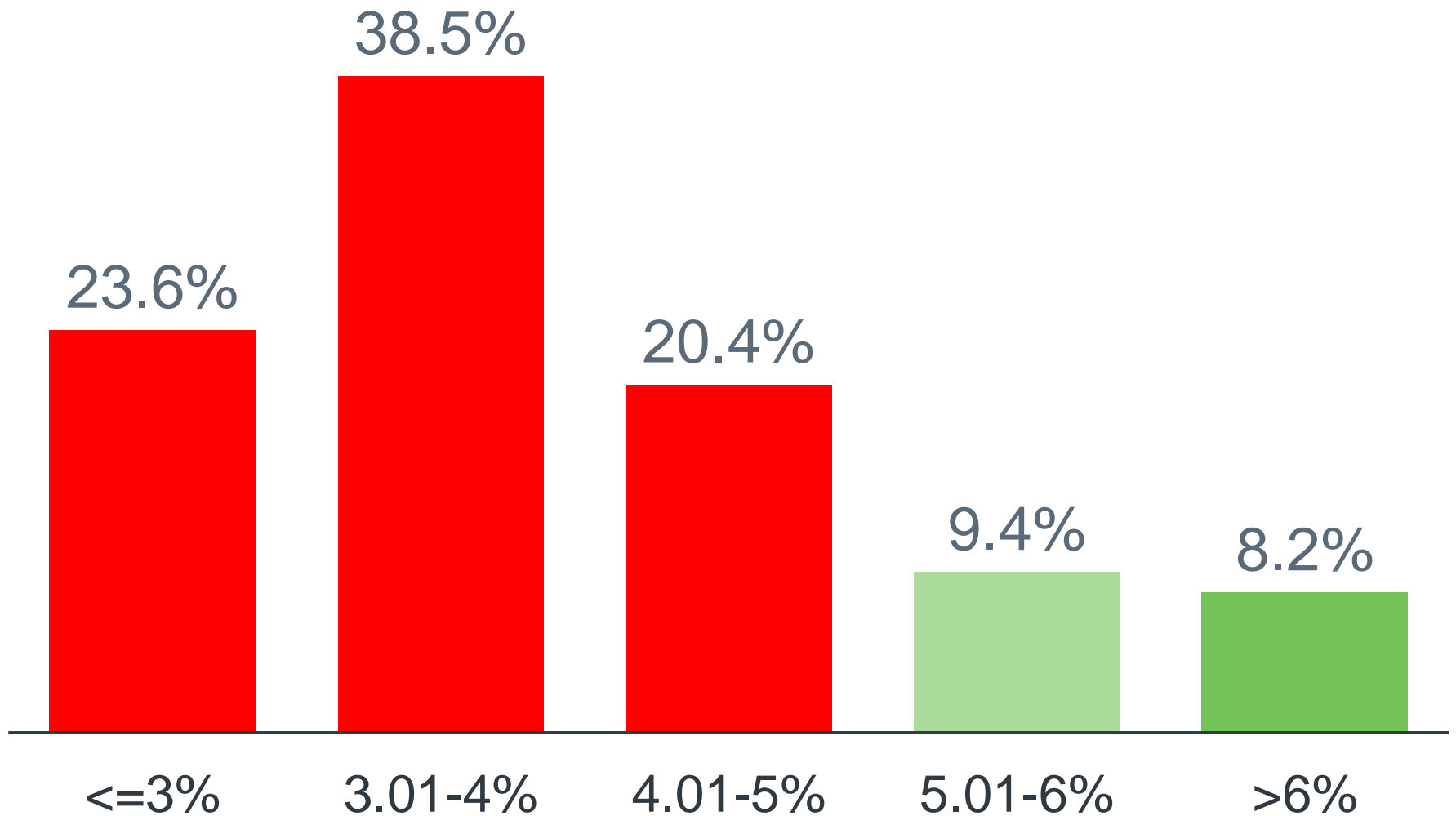
Mortgage Rate Changes During the Last 6 Recessions





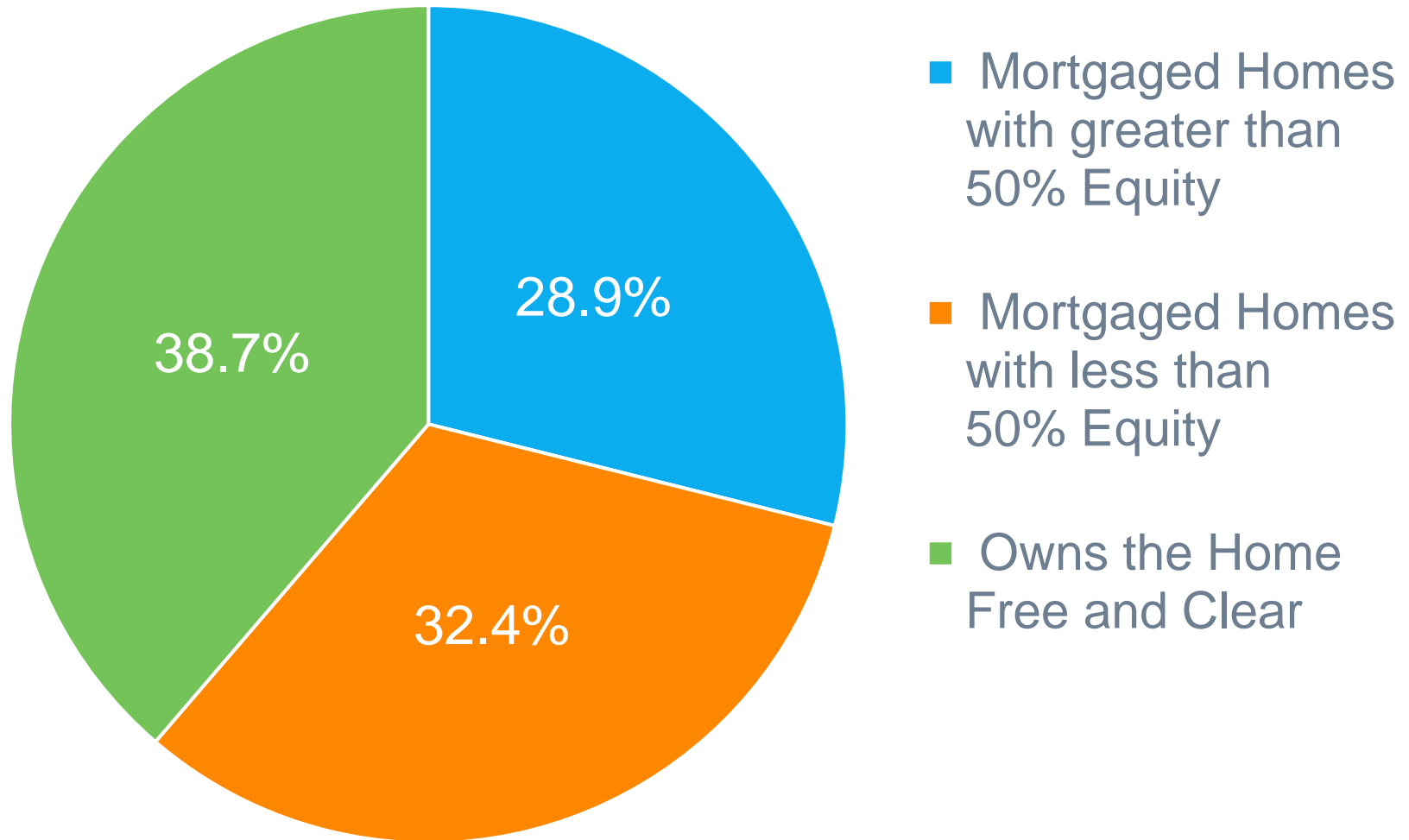
# Current Rate on Existing Mortgages

Q4 2022



# Americans Sitting on Tremendous Equity

67.6% Have Paid off Their Mortgage or Have at Least 50% Equity





# Resources

Slide(s)	Description	Link(s)
2	Duncan Quote	<a href="https://www.fanniemae.com/research-and-insights/surveys-indices/fannie-mae-home-price-index">https://www.fanniemae.com/research-and-insights/surveys-indices/fannie-mae-home-price-index</a>
3	M-O-M Change in Home Values Graph	<a href="https://www.spglobal.com/spdji/en/indices/indicators/sp-corelogic-case-shiller-us-national-home-price-nsa-index/#news-research">https://www.spglobal.com/spdji/en/indices/indicators/sp-corelogic-case-shiller-us-national-home-price-nsa-index/#news-research</a> <a href="https://www.fhfa.gov/DataTools/Downloads/Pages/House-Price-Index.aspx">https://www.fhfa.gov/DataTools/Downloads/Pages/House-Price-Index.aspx</a> <a href="https://www.corelogic.com/intelligence/us-home-price-insights-may-2023/">https://www.corelogic.com/intelligence/us-home-price-insights-may-2023/</a>
4	Walden Quote	<a href="https://www.cnn.com/2023/05/02/home-prices-rise-in-march-amid-competitive-spring-market.html">https://www.cnn.com/2023/05/02/home-prices-rise-in-march-amid-competitive-spring-market.html</a>
5	Fannie Mae Forecast Graph	<a href="https://www.fanniemae.com/media/46846/display">https://www.fanniemae.com/media/46846/display</a>
7	Months' Inventory Graph	<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>
8	New Foreclosure Report	<a href="https://www.attomdata.com/news/market-trends/foreclosures/attom-q1-2023-u-s-foreclosure-market-report/">https://www.attomdata.com/news/market-trends/foreclosures/attom-q1-2023-u-s-foreclosure-market-report/</a>

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9	Foreclosure Headlines	<a href="https://www.bloomberg.com/news/articles/2023-04-19/foreclosures-on-us-properties-continued-to-rise-in-first-quarter">https://www.bloomberg.com/news/articles/2023-04-19/foreclosures-on-us-properties-continued-to-rise-in-first-quarter</a> <a href="https://www.cbsnews.com/news/home-foreclosures-rise-housing-real-estate-2023/">https://www.cbsnews.com/news/home-foreclosures-rise-housing-real-estate-2023/</a> <a href="https://www.msn.com/en-us/money/realestate/us-foreclosure-filings-jump-22percent-and-repossessions-hit-highest-level-in-3-years/ar-AA1a46On?li=BBnb7Kz">https://www.msn.com/en-us/money/realestate/us-foreclosure-filings-jump-22percent-and-repossessions-hit-highest-level-in-3-years/ar-AA1a46On?li=BBnb7Kz</a> <a href="https://www.realtor.com/news/trends/foreclosures-jump-is-another-wave-about-to-flood-the-housing-market/">https://www.realtor.com/news/trends/foreclosures-jump-is-another-wave-about-to-flood-the-housing-market/</a>
10	Foreclosure Gap Graph	<a href="https://www.attomdata.com/news/market-trends/foreclosures/attom-year-end-2022-u-s-foreclosure-market-report/">https://www.attomdata.com/news/market-trends/foreclosures/attom-year-end-2022-u-s-foreclosure-market-report/</a>
11, 12	Foreclosure Filings	<a href="https://www.attomdata.com/news/market-trends/foreclosures/attom-q1-2023-u-s-foreclosure-market-report/">https://www.attomdata.com/news/market-trends/foreclosures/attom-q1-2023-u-s-foreclosure-market-report/</a>
13	Trapasso Quote	<a href="https://www.realtor.com/news/trends/foreclosures-jump-is-another-wave-about-to-flood-the-housing-market/">https://www.realtor.com/news/trends/foreclosures-jump-is-another-wave-about-to-flood-the-housing-market/</a>
14	Fed Quote	<a href="https://www.federalreserve.gov/monetarypolicy/files/fomcmi-utes20230322.pdf">https://www.federalreserve.gov/monetarypolicy/files/fomcmi-utes20230322.pdf</a>

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15	March 2023 Fed Meeting Summary Quote	<a href="https://www.cnn.com/2023/04/12/fed-expects-banking-crisis-to-cause-a-recession-this-year-minutes-show.html">https://www.cnn.com/2023/04/12/fed-expects-banking-crisis-to-cause-a-recession-this-year-minutes-show.html</a>
16	What Is a Recession?	<a href="https://www.forbes.com/advisor/investing/what-is-a-recession/#:~:text=NBER%20has%20its%20own%20definition,and%20wholesale%2Dretail%20sales.%E2%80%9D">https://www.forbes.com/advisor/investing/what-is-a-recession/#:~:text=NBER%20has%20its%20own%20definition,and%20wholesale%2Dretail%20sales.%E2%80%9D</a>
18	Bankrate Quote	<a href="https://www.bankrate.com/real-estate/buying-home-during-recession/">https://www.bankrate.com/real-estate/buying-home-during-recession/</a>
19	Pros vs. Cons List	<a href="https://www.bankrate.com/real-estate/buying-home-during-recession/#should-you-buy">https://www.bankrate.com/real-estate/buying-home-during-recession/#should-you-buy</a>

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20	Recession & Prices Graph	<a href="https://www.corelogic.com/blog/2019/03/housing-recessions-and-recoveries.aspx">https://www.corelogic.com/blog/2019/03/housing-recessions-and-recoveries.aspx</a> <a href="https://www.thebalance.com/the-history-of-recessions-in-the-united-states-3306011">https://www.thebalance.com/the-history-of-recessions-in-the-united-states-3306011</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>
21	Recession & Rates Graph	<a href="http://www.freddiemac.com/pmms/">http://www.freddiemac.com/pmms/</a> <a href="https://mtg-specialists.com/2022/05/11/recession-interest-rates-and-real-estate/">https://mtg-specialists.com/2022/05/11/recession-interest-rates-and-real-estate/</a>
23	Current Rate on Existing Mortgages Graph	<a href="https://www.fhfa.gov/DataTools/Downloads/Pages/National-Mortgage-Database-Aggregate-Data.aspx">https://www.fhfa.gov/DataTools/Downloads/Pages/National-Mortgage-Database-Aggregate-Data.aspx</a>
24	American Home Equity Graph	<a href="https://data.census.gov/cedsci/all?q=mortgage">https://data.census.gov/cedsci/all?q=mortgage</a> <a href="https://www.attomdata.com/news/market-trends/home-sales-prices/attom-q1-2023-u-s-home-equity-and-underwater-report/">https://www.attomdata.com/news/market-trends/home-sales-prices/attom-q1-2023-u-s-home-equity-and-underwater-report/</a>