



ROSS REALTY GROUP

KELLERWILLIAMS
Luxury

April 2024

Housing Market Update



Our recent research at 1000WATT tells us that **consumer sentiment on this issue is malleable and volatile.** People have just been blitzed with “NAR agrees to slash commissions” headlines that may ignite mass consumer price sensitivity. But behavioral inertia is strong, and it’s a long way from a headline to the very personal and very serious decision to get help buying a home.

- **Brian Boero**, Co-Founder, 1000WATT

CONFUSION LEADS TO **FEAR**

FEAR LEADS TO **PANIC**

PANIC LEADS TO **PARALYSIS**

Which of the Following Statements Do You Agree With Most?

76%

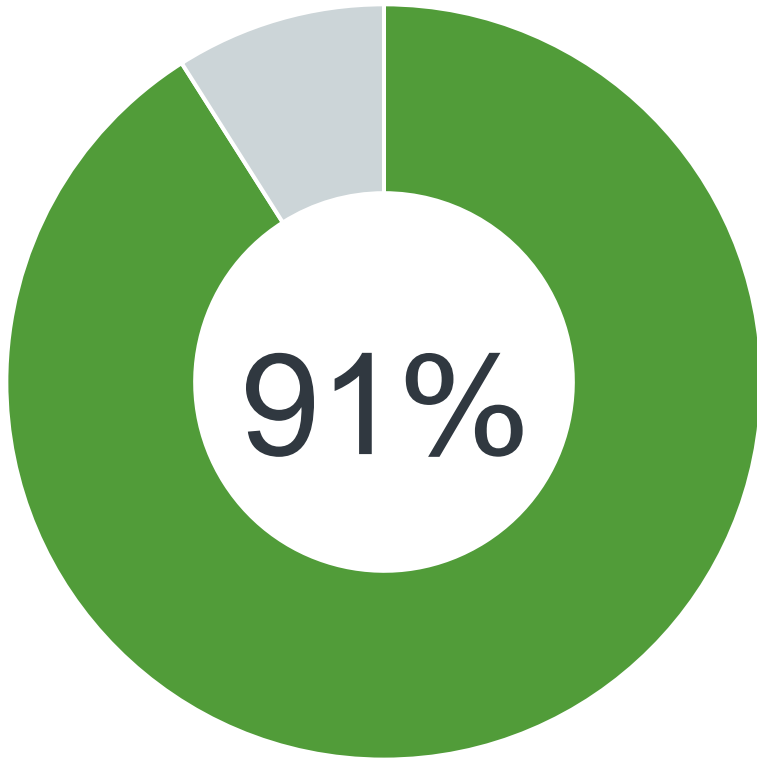


When you buy a home, you should definitely have someone who represents your interests during the whole process.

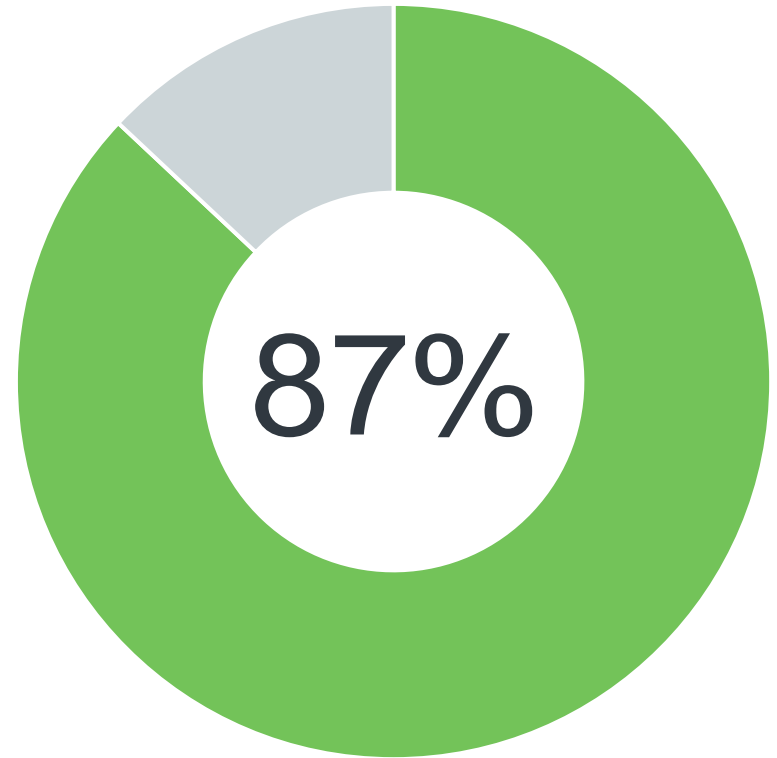
24%



Buying a home is something you can do mostly on your own, perhaps just with a lawyer to help with the paperwork.



Of respondents agree
"It would be **very stressful**
to navigate the home buying
process without a real estate
agent or broker."



Of respondents believe
"A real estate agent or broker
is **an essential, trusted**
advisor for a homebuyer."

Will Inventory Improve for the Spring Housing Market?

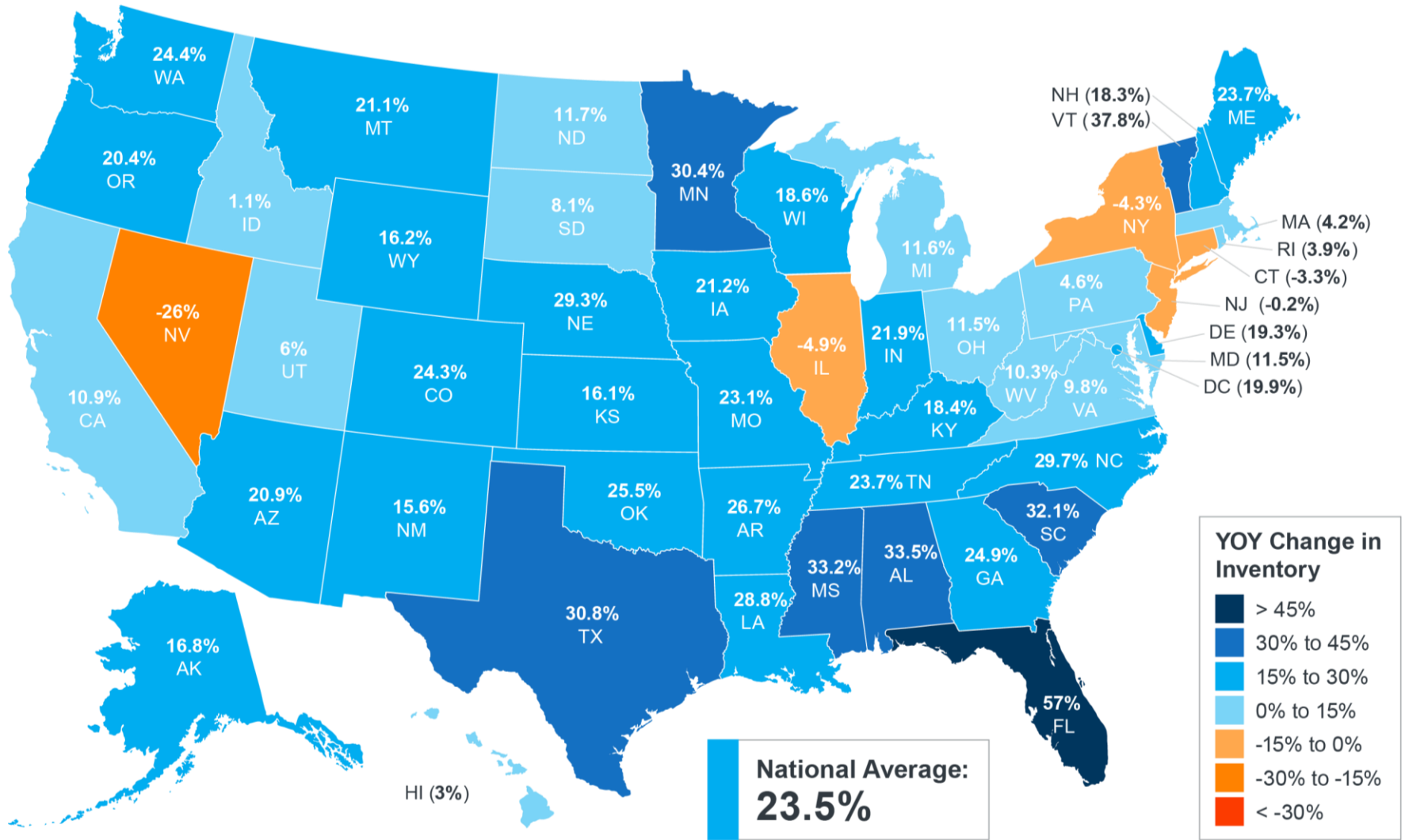




The inventory of homes actively for sale increased in 45 out of 50 of the largest metros compared with last year, and in four large metros, inventory was above pre-pandemic levels.

Change in Inventory

Year-Over-Year, March 2024





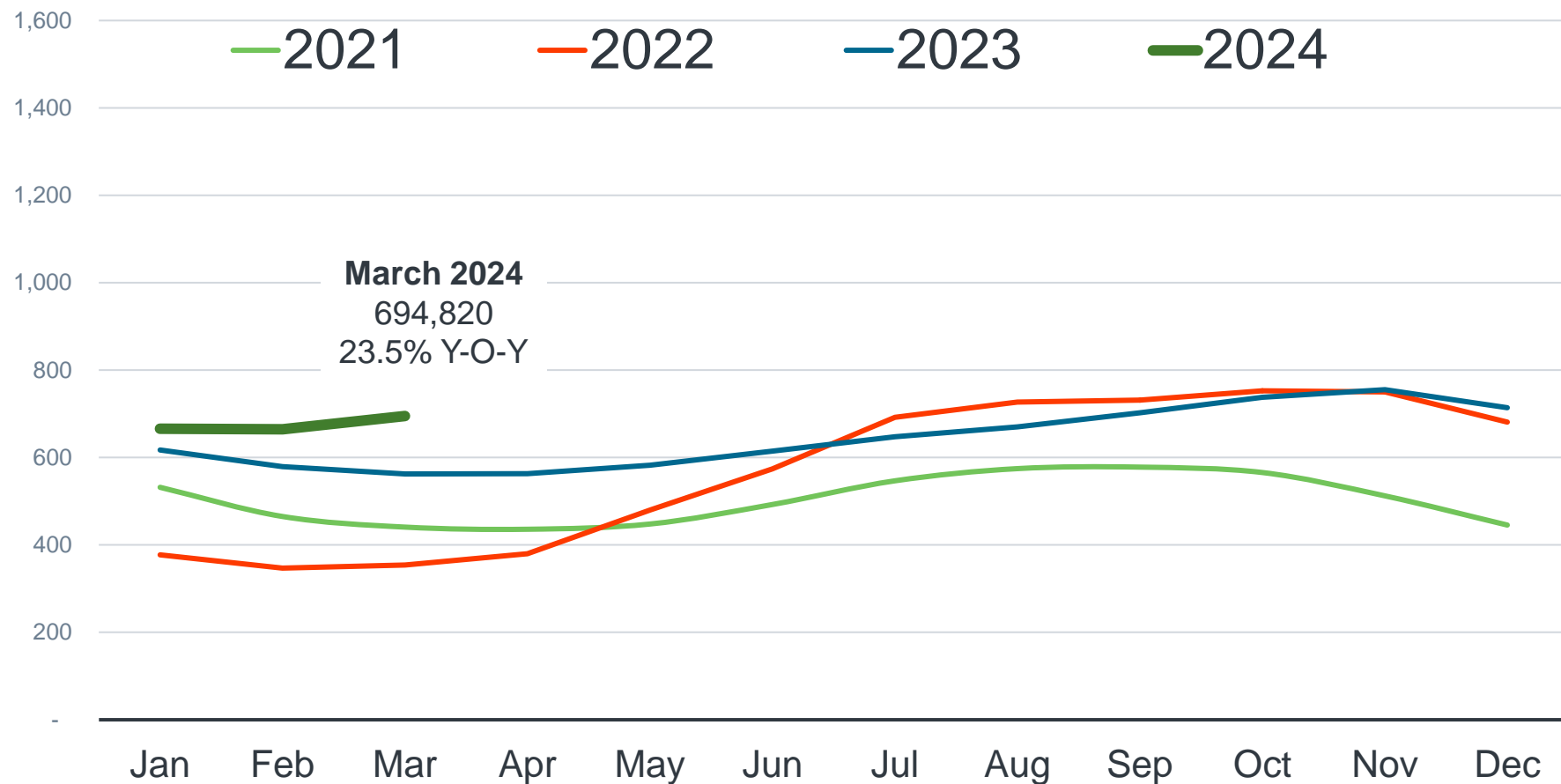
For the first three months of this year, the inventory of homes actively for sale was at its highest level since 2020. However, while inventory this March is much improved compared with the previous three years, it is still down 37.9% compared with typical 2017 to 2019 levels.

In March, as in the previous month, the growth in homes particularly priced in the \$200,000 to \$350,000 range outpaced all other price categories, as home inventory in this range grew by 30.5% compared with last year.

- Realtor.com

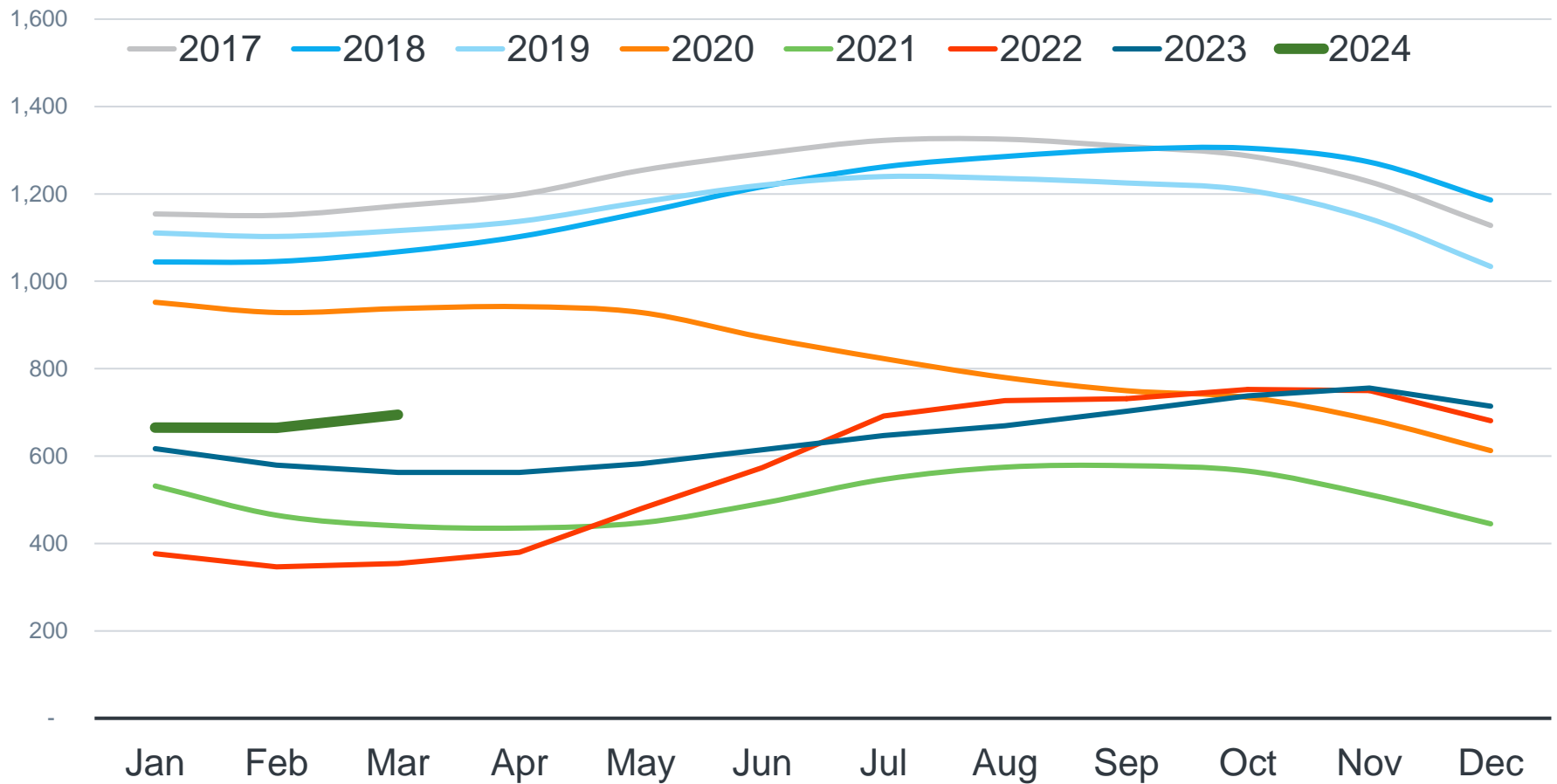
Homes Actively for Sale Increased in 45 out of 50 of the Largest Metros

Active Monthly Listings in Thousands, Compared To Last Year



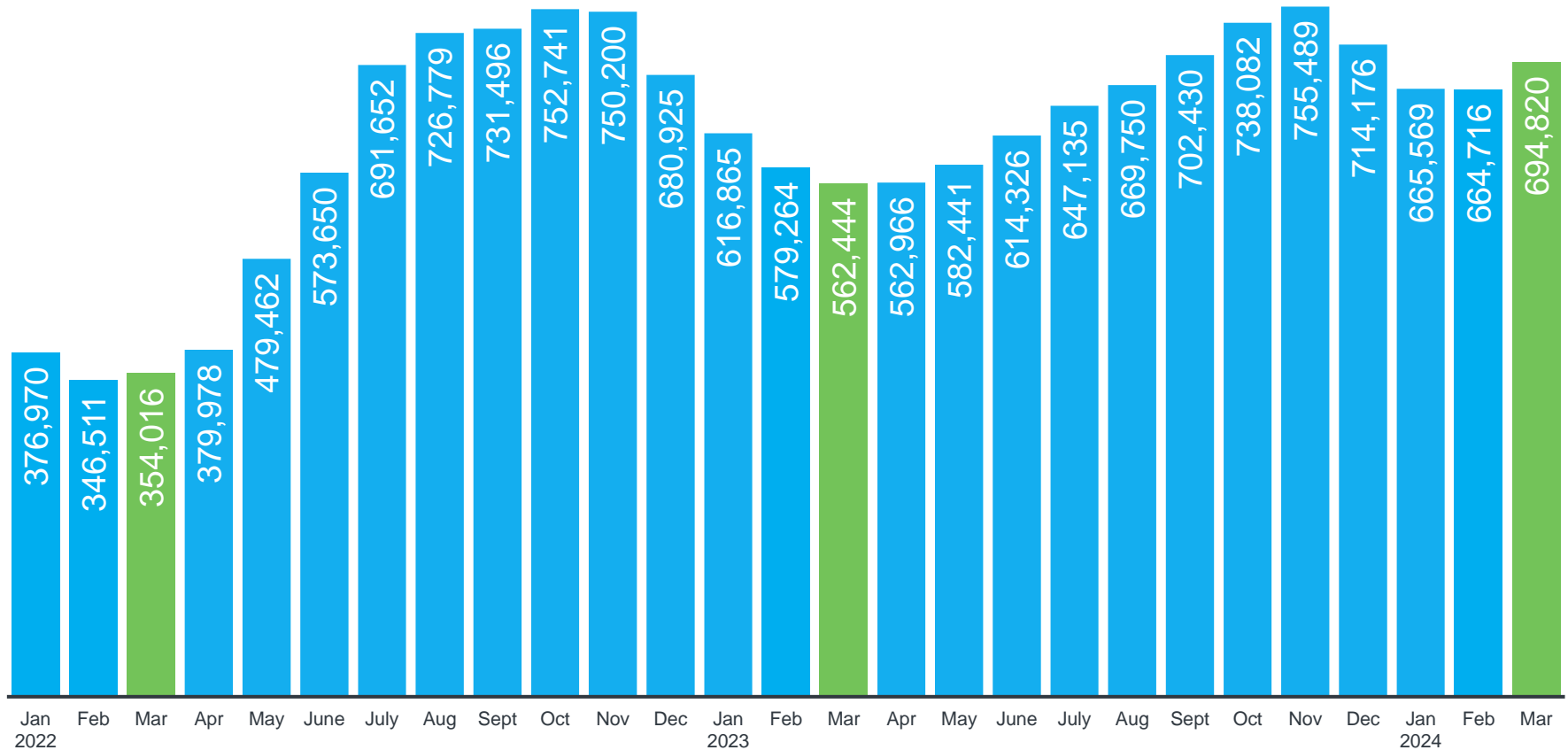
Homes Actively for Sale Increased in 45 out of 50 of the Largest Metros

Active Monthly Listings in Thousands, Compared To Last Year



Active Monthly Listings in Thousands

“There were 23.5% more homes actively for sale on a typical day in March compared with the same time in 2023.”



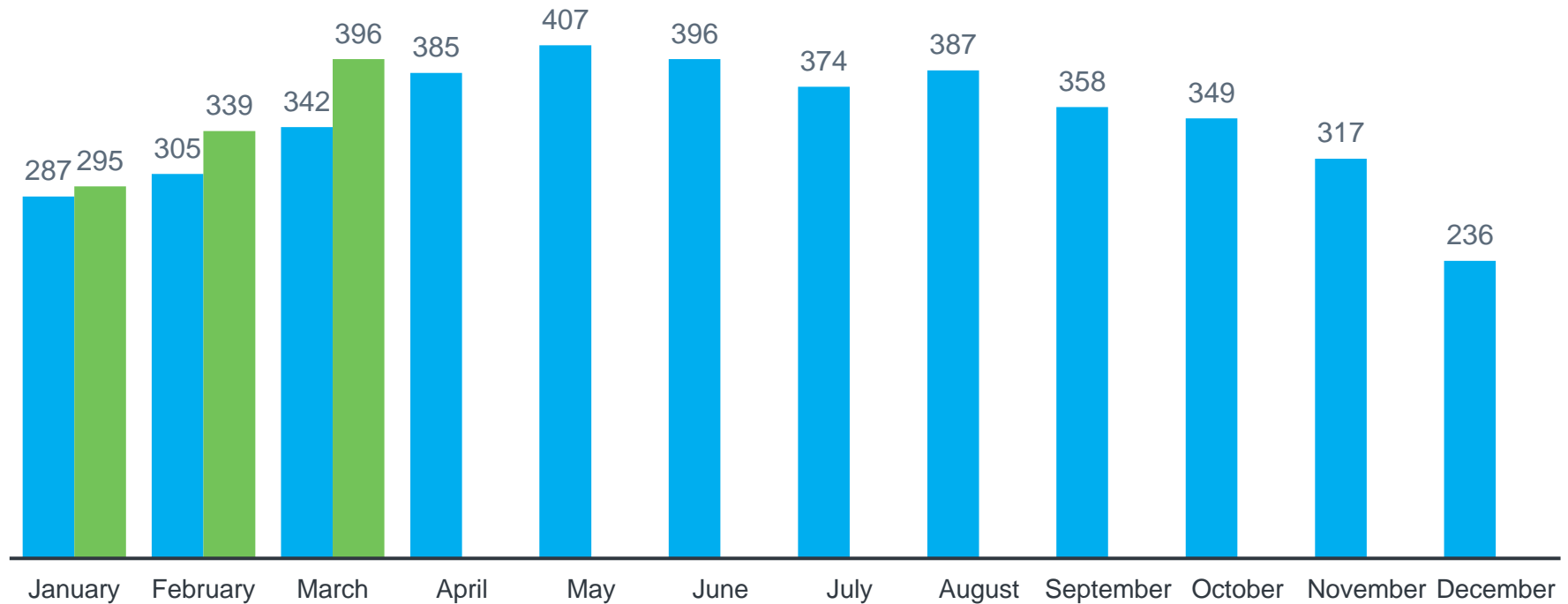


... providing a boost to overall inventory, sellers turned out in higher numbers this March as newly listed homes were 15.5% above last year's levels. This marked the fifth month of increasing listing activity after a 17-month streak of decline.

Newly Listed Homes: 2023 vs. 2024

Year-Over-Year, in Thousands

■ 2023 ■ 2024

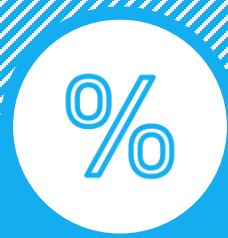


Source: Realtor.com



Consumer attitudes toward home-selling conditions increased markedly in February, with current homeowners, **in particular, expressing greater optimism that it's a 'good time to sell,'** a development that may foreshadow an upcoming increase in existing home listings.

- **Doug Duncan**, Senior VP and Chief Economist, Fannie Mae



Mortgage Rates



The Federal Reserve influences mortgage rates but doesn't set them. At its March 20, 2024, meeting, the central bank kept the federal funds rate unchanged and said it will keep an eye on economic developments to decide what its next rate move will be.

Mortgage rates are influenced by many elements, including the inflation rate, the pace of job creation, and whether the economy is growing or shrinking. The Federal Reserve's monetary policy is a factor, too, and is set by the Federal Open Market Committee.

- NerdWallet

The Latest Fed Decision

March 20, 2024



The committee decided to **maintain** the target range for the federal funds rate at 5 ¼ to 5 ½ percent

Fed holds rates steady and maintains three cuts coming sometime this year



. . . current expectations are that the Fed will start to cut rates at some point between June and September. The exact timing depends on how incoming economic data looks. The Fed's March meeting did not set up the prospect of a near-term interest rate cut, but a summer cut appears likely.

- Forbes

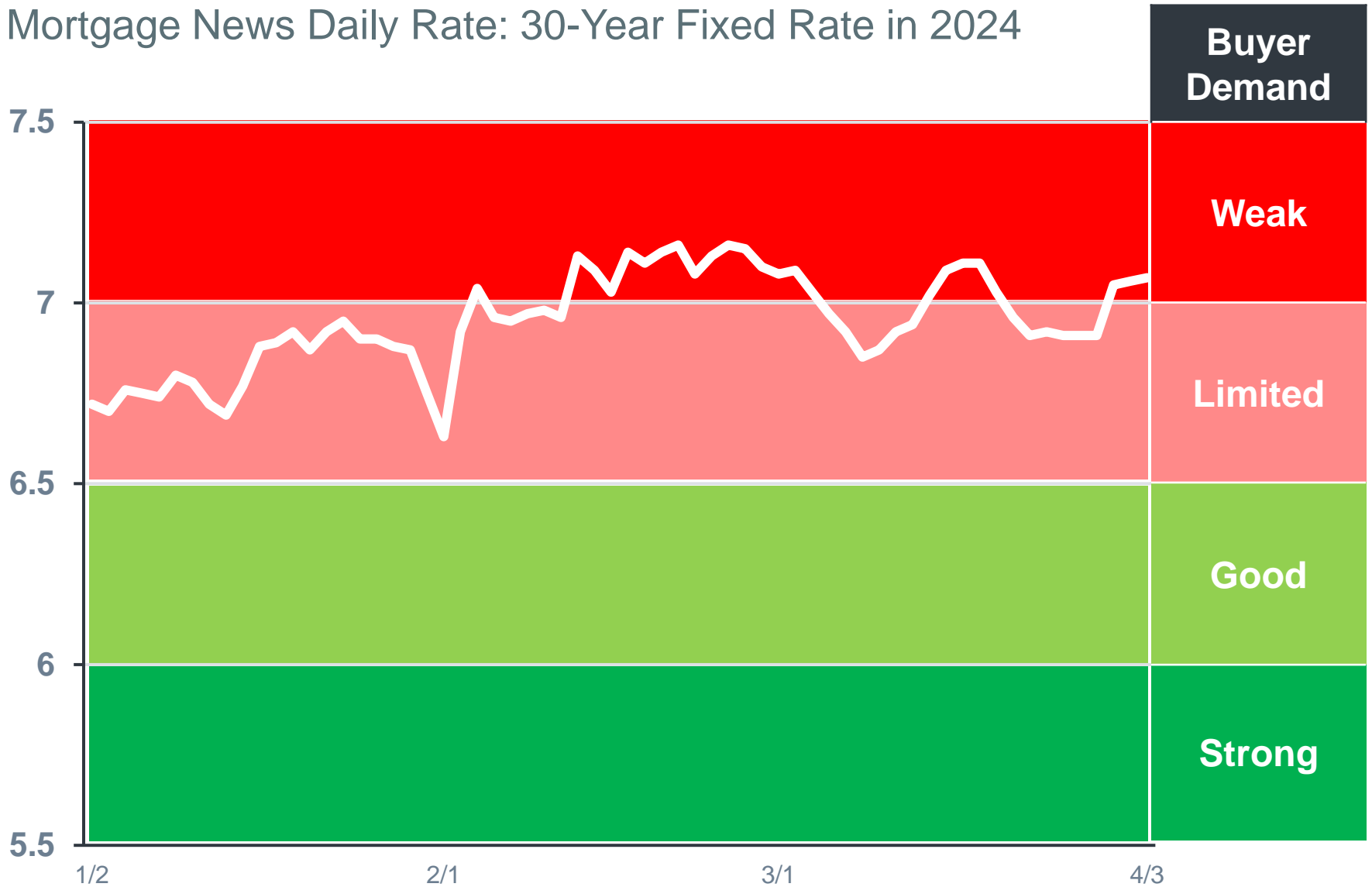
2024 Mortgage Rate Projections

March 2024

Quarter	Fannie Mae	MBA	NAR	Average of All Three
2024 Q1	6.70%	6.80%	6.80%	6.77%
2024 Q2	6.70%	6.60%	6.60%	6.63%
2024 Q3	6.60%	6.30%	6.30%	6.40%
2024 Q4	6.40%	6.10%	6.10%	6.20%

Demand Based on Rate Environment

Mortgage News Daily Rate: 30-Year Fixed Rate in 2024





Housing demand has been on a steady rise due to population and job growth, though the actual timing of purchases will be determined by prevailing mortgage rates and wider inventory choices.

- **Lawrence Yun**, Chief Economist, National Association of Realtors

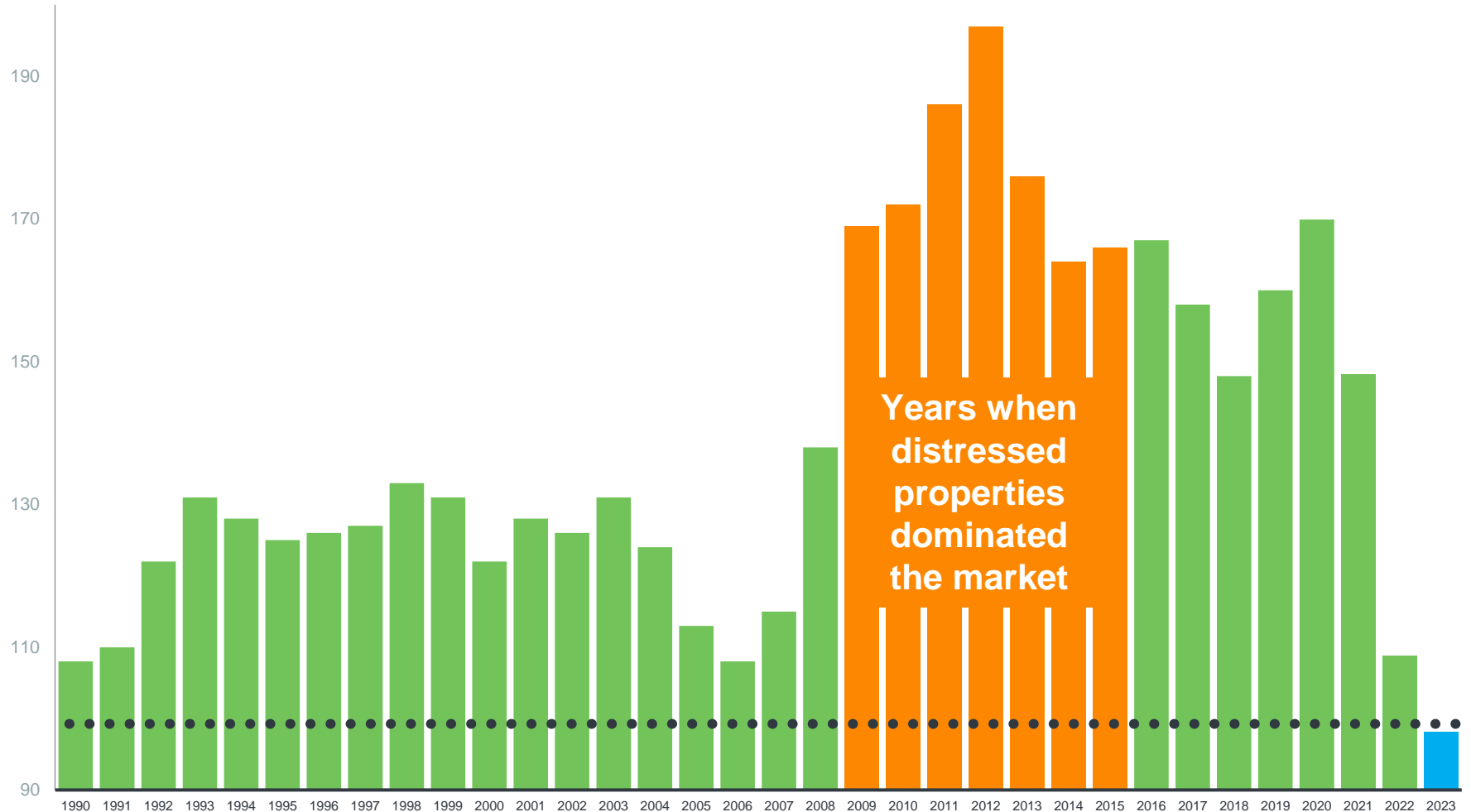


When you zoom out, affordability is still very, very low from a historical perspective.

- **Odeta Kushi**, Deputy Chief Economist, First American

Affordability at Historic Low

Housing Affordability Index, 1990 to 2023



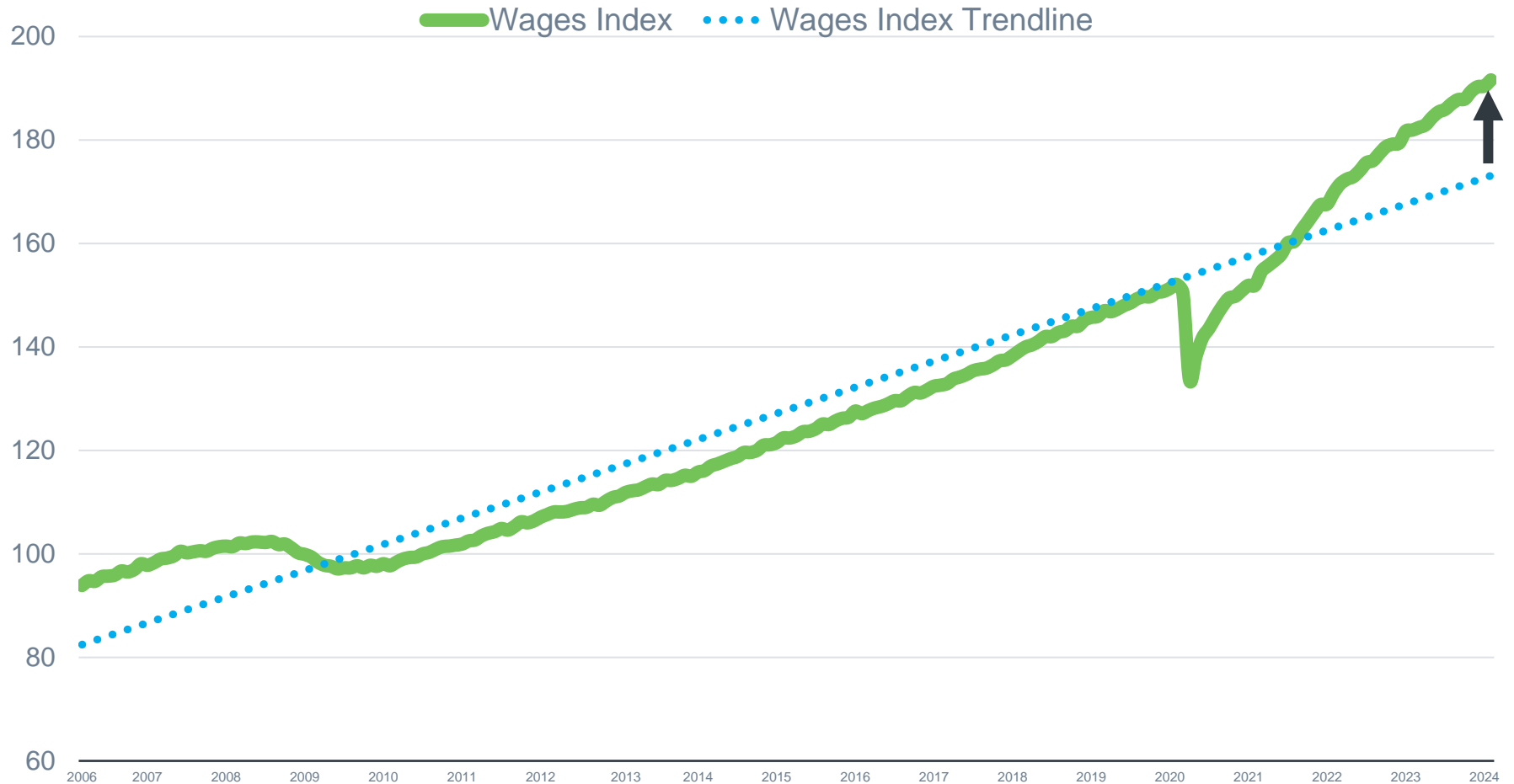
WAGES

MORTGAGE RATES

HOME PRICES

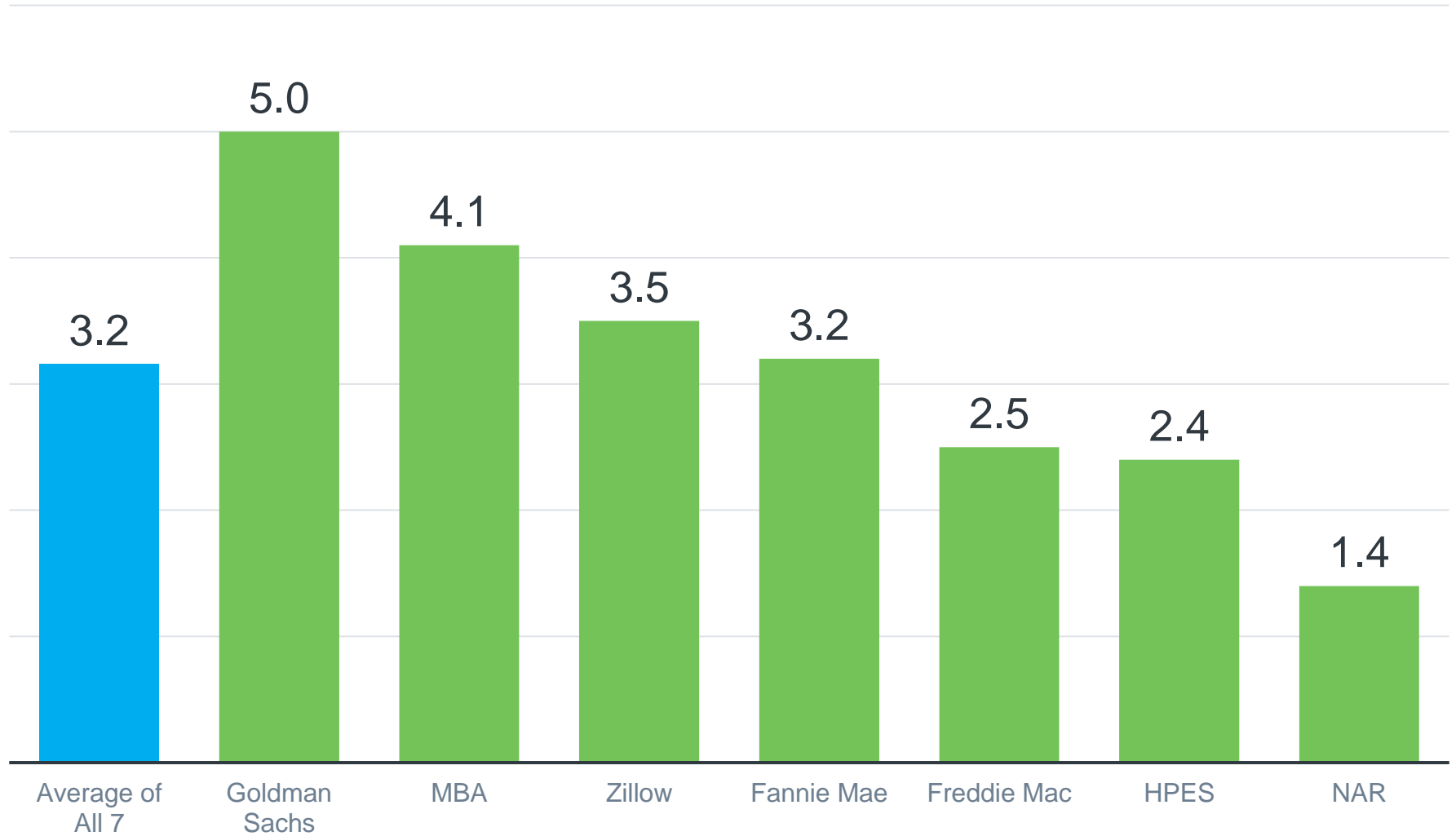
Wages Climbing at a Faster Pace

Weekly Changes in the Index Measuring the Total Amount of Money Paid to All Workers in the Private Sector



2024 Home Price Forecasts

Percent Appreciation/Depreciation as of 4/2/2024



Have questions about
Real Estate?
Let's connect today.

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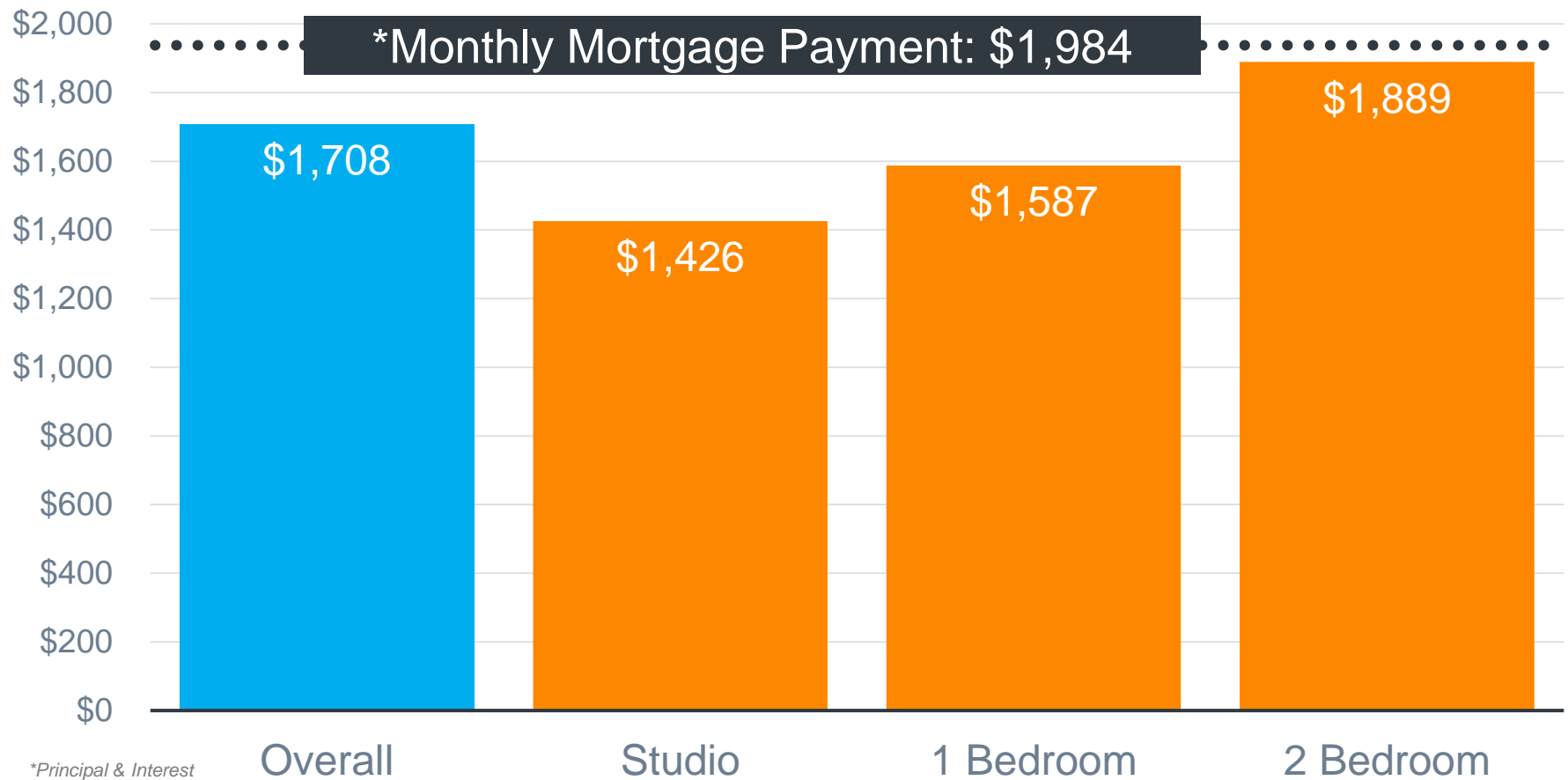




Among the top considerations are the financial costs and benefits of renting versus owning, and one approach is to compare the monthly costs of renting a home against buying a home. **With such cost comparisons, we can identify whether a market favors renting or buying.** This is particularly important given today's landscape marked by elevated mortgage rates and still-high home prices posing substantial challenges for would-be homeowners.

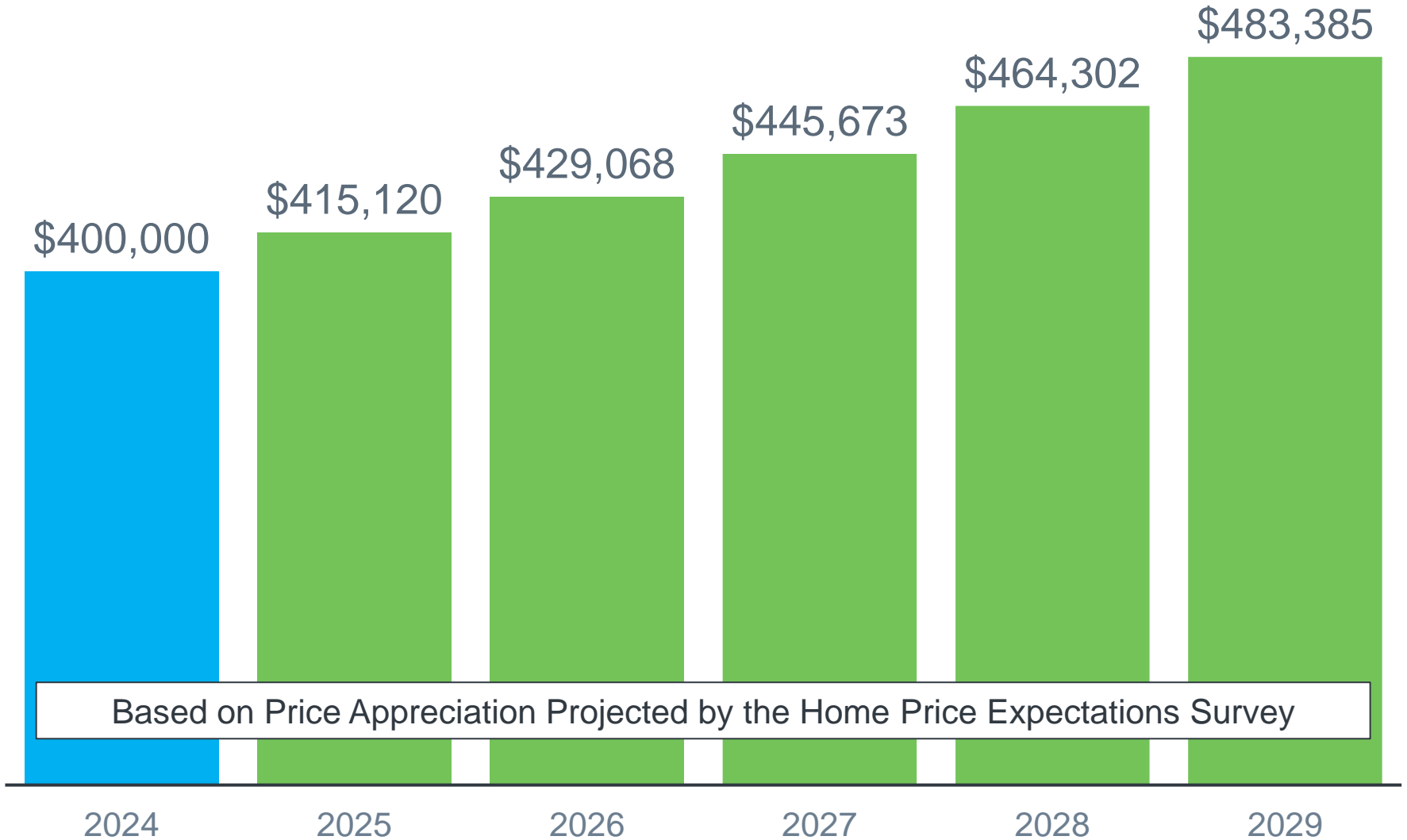
February 2024 Rental Report:

The Median Asking Rent in the 50 Largest Metros



\$83,385

Potential growth in household wealth over the next 5 years based solely on increased home equity if you purchase a \$400K home in January 2024



Based on Price Appreciation Projected by the Home Price Expectations Survey

$$\begin{array}{r} \text{Equity/} \\ \text{Home Appreciation} \\ \\ \text{Cost of Buying} \\ \hline \end{array} \begin{array}{r} \$83,385 \\ \\ - \$16,560 \\ \hline \\ \$66,825 \end{array}$$





From high prices to low inventory, potential home buyers know it's gnarly out there. But if you're ready for homeownership, **the long-term benefit of buying often outweighs the pain of toughing out the search — even these days.**

- NerdWallet



The **character** you show over the next 60-90 days will play a huge part in the **reputation** you enjoy over the next 10 years.

STEVE HARNEY

Resources

Slide(s)	Description	Link(s)
2	Boero Quote	https://1000watt.us1.list-manage.com/track/click?u=4f41542477b1a23075498fcb0&iid=081c716530&e=a66ba4b1c3
4	Agree With Statement Graph	https://www.nvar.com/docs/default-source/pdfs/bright-mls-resources---value-of-a-buyer/value-of-a-buyer's-agent---broker-webinar-slides.pdf
5	Agree in Value of Agent Pie Charts	https://www.instagram.com/p/C4s29gqscJ-/?igsh=MWt6OGlqdmQycXVjMA%3D%3D&img_index=3 https://www.nvar.com/docs/default-source/pdfs/bright-mls-resources---value-of-a-buyer/value-of-a-buyer's-agent---broker-webinar-slides.pdf
7, 9, 13	Realtor.com Quotes	https://www.realtor.com/research/march-2024-data/
8, 10, 11, 12, 14	Realtor.com Visuals	https://www.realtor.com/research/data/
15	Duncan Quote	https://www.fanniemae.com/research-and-insights/surveys-indices/national-housing-survey

Resources

Slide(s)	Description	Link(s)
17	NerdWallet Quote	https://www.nerdwallet.com/article/mortgages/fed-mortgage-rates
18	Latest Fed Decision	https://twitter.com/GregDaco/status/1770511580146405828/photo/1
19	Forbes Quote	https://www.forbes.com/sites/simonmoore/2024/03/26/no-change-in-interest-rates-expected-at-feds-may-meeting/?sh=1af82f9247fa
20	2024 Mortgage Rate Projections Table	https://www.fanniemae.com/media/50801/display https://img03.en25.com/Web/MortgageBankersAssociation/%7B915bf161-325b-47f7-982a-c01d1e64f829%7D_Mortgage_Finance_Forecast_Mar_2024.pdf https://cdn.nar.realtor//sites/default/files/documents/forecast-q1-2024-us-economic-outlook-01-26-2024.pdf
21	Demand Rate Environment Graph	https://www.mortgagenewsdaily.com/mortgage-rates
22	Yun Quote	https://twitter.com/NAR_Research/status/1770814522678296648

Resources

Slide(s)	Description	Link(s)
23	Kushi Quote	https://www.marketplace.org/2024/03/25/mortgage-rates-have-fallen-but-are-homes-more-affordable/
24	Affordability Low Graph	https://cdn.nar.realtor/sites/default/files/documents/hai-12-2023-housing-affordability-index-2024-02-08.pdf
26	Wages Climbing Graph	https://fred.stlouisfed.org/series/CES0500000017
27	2024 Home Price Forecasts Graph	https://www.goldmansachs.com/intelligence/pages/us-home-prices-forecast-to-climb-as-mortgage-rates-fall-in-2024.html https://www.mba.org/news-and-research/forecasts-and-commentary/mortgage-finance-forecast-archives https://www.zillow.com/research/2024-housing-predictions-33447/ https://www.fanniemae.com/media/50801/display https://www.freddiemac.com/research/forecast/20240320-us-economy-remains-robust https://pulsenomics.com/surveys/ https://cdn.nar.realtor/sites/default/files/documents/forecast-q1-2024-us-economic-outlook-01-26-2024.pdf
29	Realtor.com Quote	https://www.realtor.com/research/february-2024-rent/

Resources

Slide(s)	Description	Link(s)
30	February 2024 Rental Report Graph	https://www.realtor.com/research/february-2024-rent/ https://cdn.nar.realtor/sites/default/files/documents/hai-01-2024-housing-affordability-index-2024-03-08.pdf
31, 32	Home Price Appreciation Graph & Calculation	https://pulsenomics.com/surveys/#home-price-expectations
33	NerdWallet Quote	https://www.nerdwallet.com/article/mortgages/buying-a-house-in-2024
34	Harney Quote	https://www.instagram.com/p/C5L0H5zM514/?igsh=MXRrd3pndXZhMmtvZA==