

ROSS REALTY GROUP

KELLERWILLIAMS  
*Luxury*

**July 2024**

*Housing Market Update*

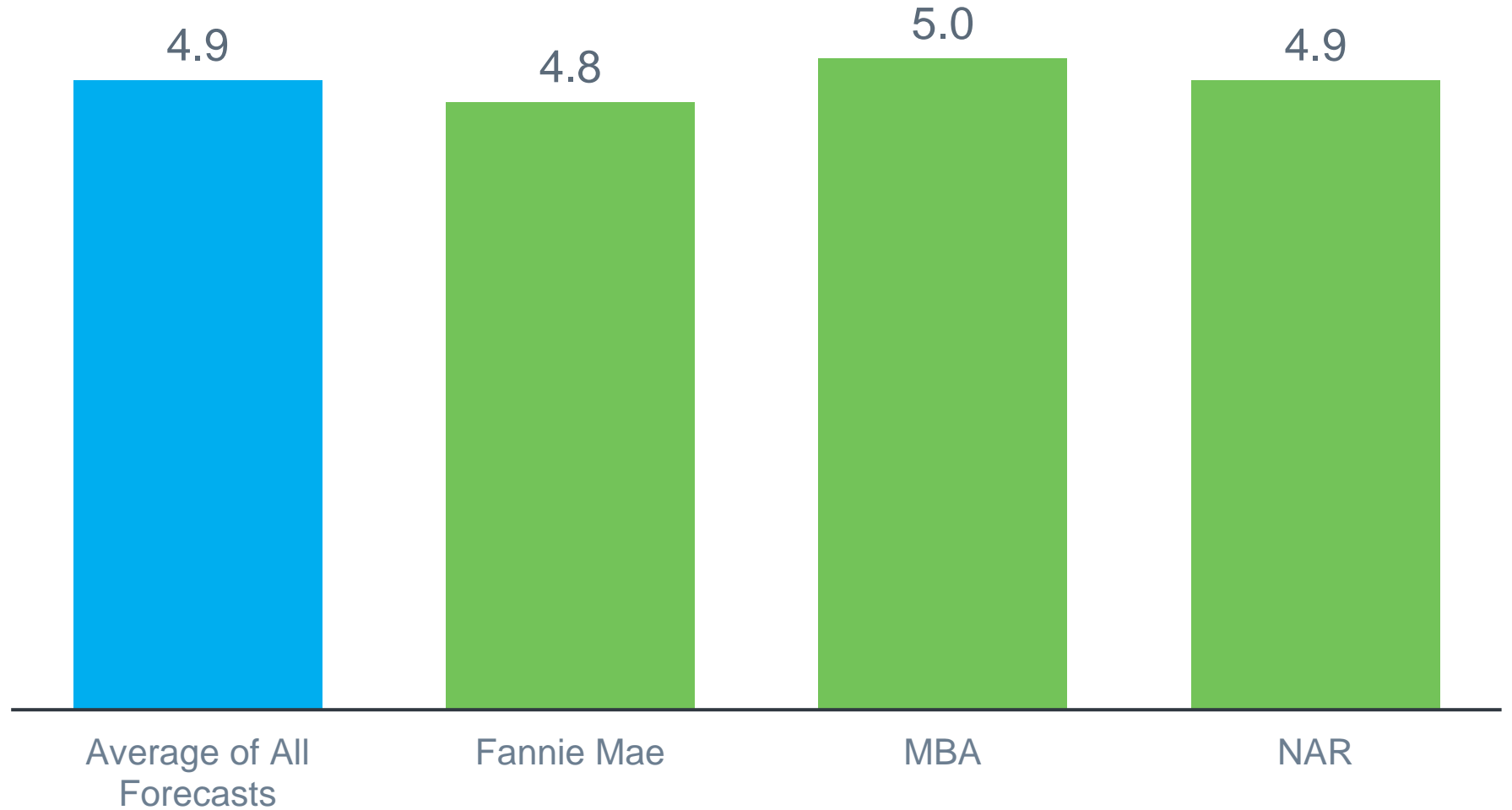


Home sales have lingered at 30-year lows, and since 70 million more Americans live in the country now compared to three decades ago, it's inevitable that sales will rise in coming years. Inventory will grow steadily from more home construction, and various life-changing events will require people to trade up, trade down or move to another location.

- **Lawrence Yun**, Chief Economist, NAR

# 2024 Total Home Sales Forecasts

In Millions



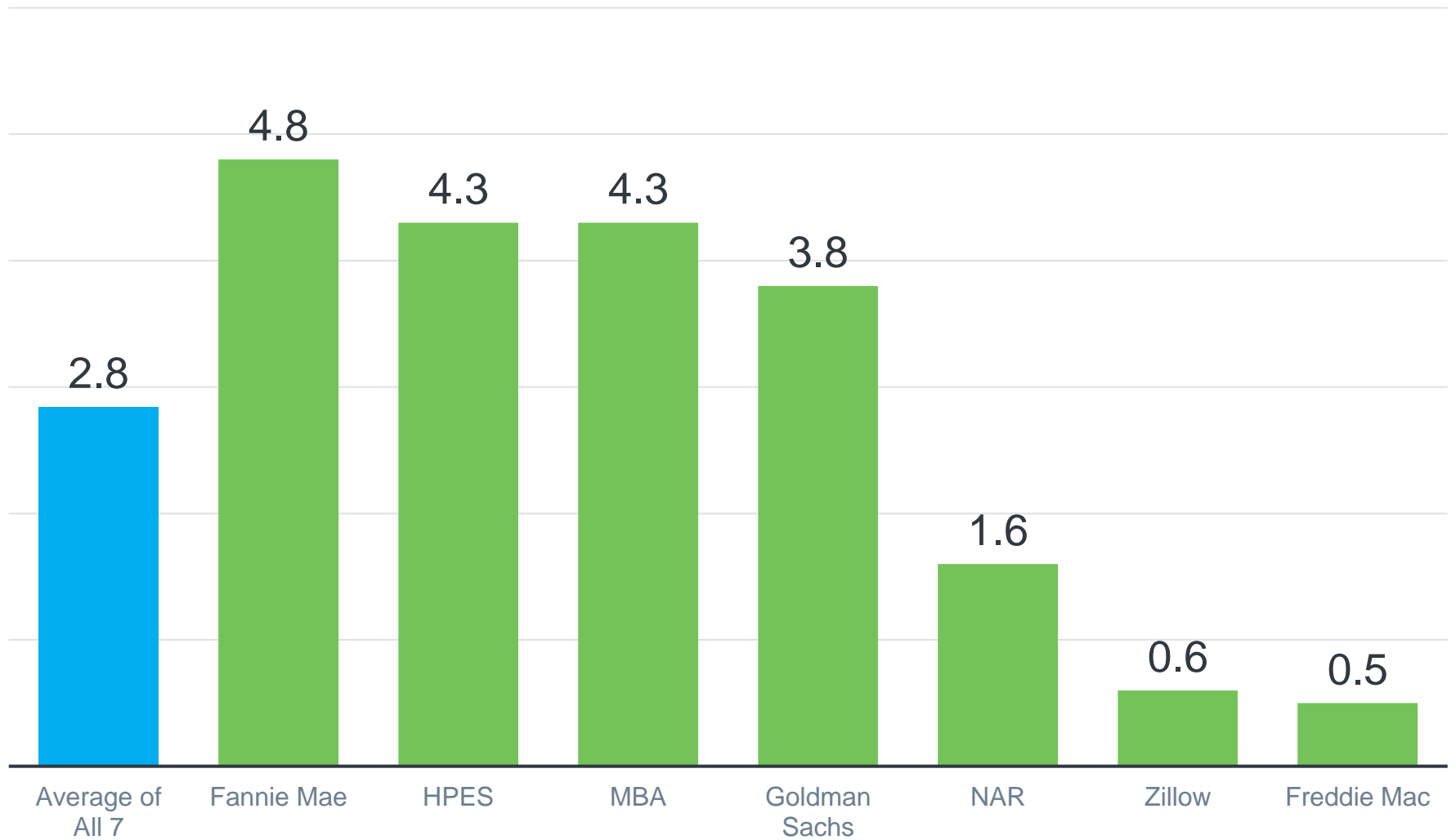


The market is at an interesting point with rising inventory and lower demand. Supply and demand movements suggest easing home price appreciation in upcoming months. Inevitably, more inventory in a job-creating economy will lead to greater home buying, especially when mortgage rates descend.

- **Lawrence Yun**, Chief Economist, NAR

# 2024 Home Price Forecasts

Percent Appreciation/Depreciation

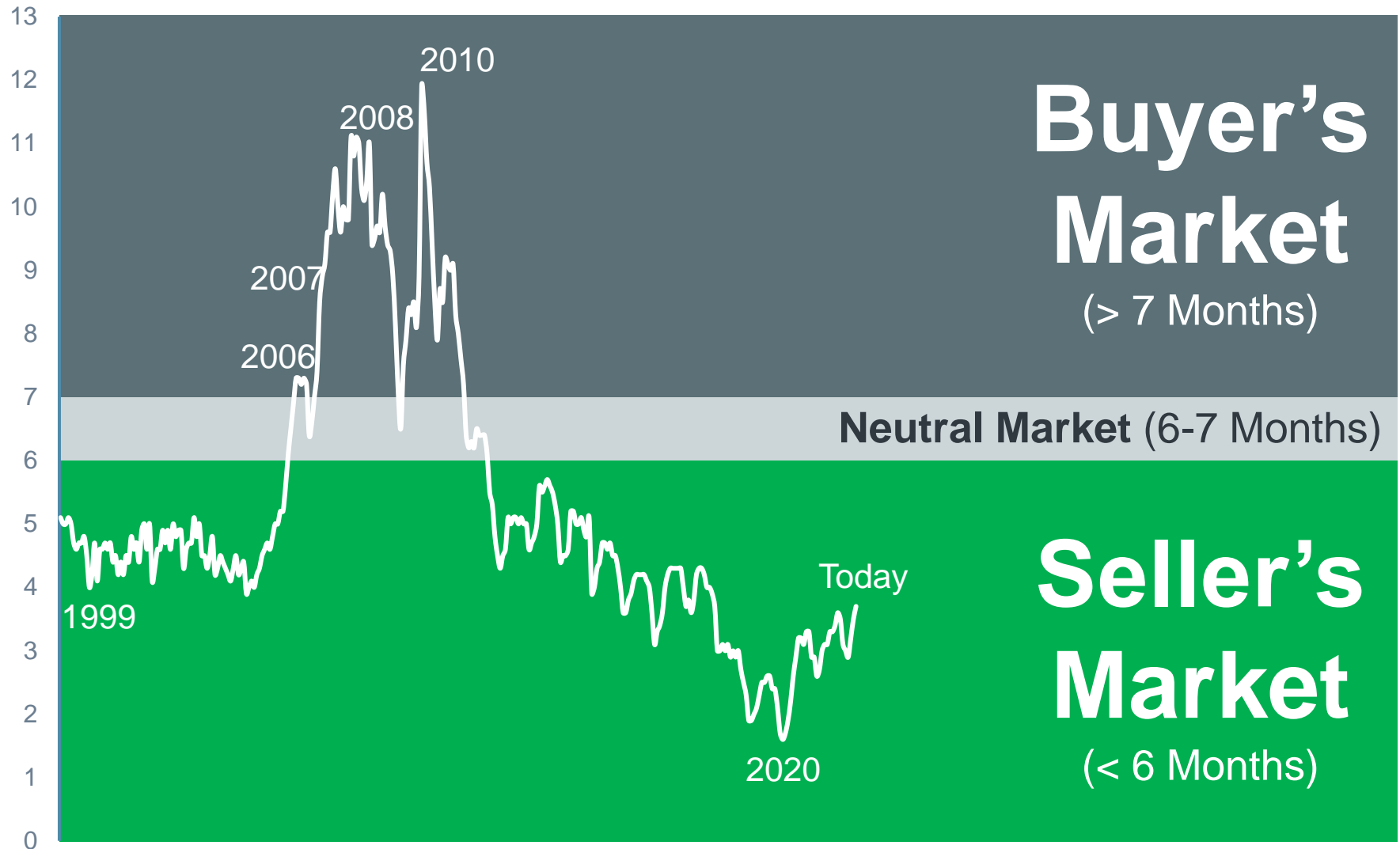




One thing that seems to be pretty solid is that home prices are going to continue to go up, and the reason is that we don't have housing inventory.

- **Jessica Lautz**, Deputy Chief Economist, NAR

# Months' Inventory of Homes for Sale



# Mortgage Rate Projections

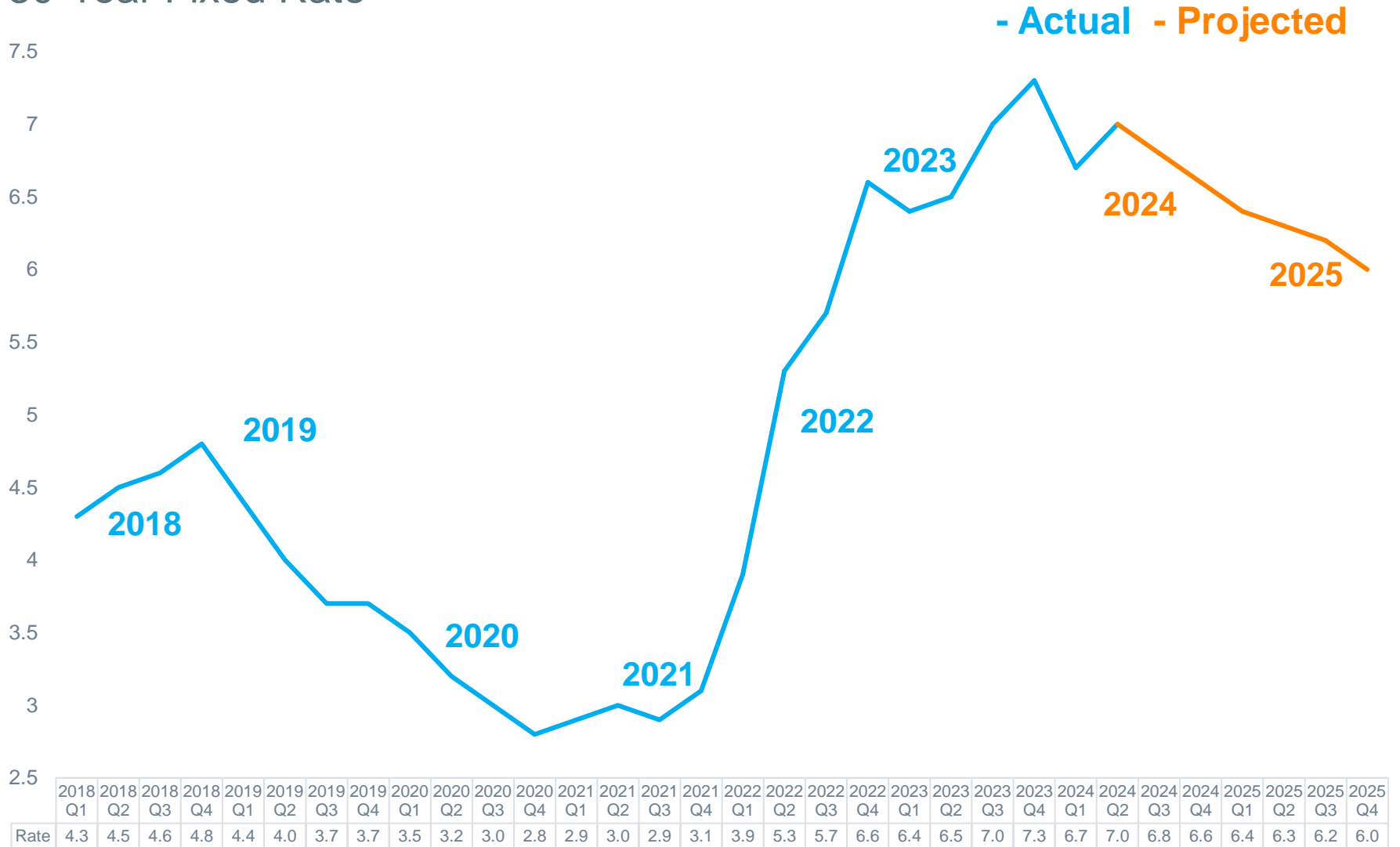
June 2024

Quarter	Fannie Mae	MBA	NAR	Average of All Three
<b>2024 Q3</b>	6.80%	6.80%	6.90%	<b>6.83%</b>
<b>2024 Q4</b>	6.70%	6.60%	6.70%	<b>6.67%</b>
<b>2025 Q1</b>	6.60%	6.40%	6.50%	<b>6.50%</b>
<b>2025 Q2</b>	6.50%	6.30%	6.40%	<b>6.40%</b>



# Mortgage Rates

## 30-Year Fixed Rate



# When Will the Federal Reserve Cut the Fed Funds Rate?

	First Cut
MUFG	July
Barclays	September ←
Citigroup	September ←
Evercore ISI	September ←
Fannie Mae	September ←
Goldman Sachs	September ←
HSBC	September ←
Kalshi	September ←
MBA	September ←
Morgan Stanley	September ←
Nomura	September ←
Oxford Economics	September ←

	First Cut
TD Securities	September ←
UBS	September ←
Wells Fargo	September ←
JP Morgan	November
Bank of America	December
BNPP	December
Deutsche Bank	December
LH Meyer	December
RBC	December
Jefferies	2025
Mizuho	2025
Societe Generale	2025



When it comes to the real estate forecast for the next 5 years, I'm cautiously optimistic. I believe we're going to see a lot of ebb and flow over the next 5 years — some highs, some lows, but overall, a healthy market. Prices should continue to rise, though more slowly, and buyers might enjoy more options as inventory expands. But remember, real estate is profoundly local. What happens on a national scale can manifest differently in your backyard.

- **Dennis Shirshikov**,  
Adjunct Professor of Economics, City University of New York



# **How Will the 2024 Election Affect the Real Estate Market?**



**Presidential election years affect the national housing market and mortgage rates through three interrelated channels: uncertainty, policy expectations, and consumer confidence . . .**

This is because consumers may choose to postpone major purchases or sales until they gain greater confidence in the country's direction.

- **Al Lord**, Founder and CEO, Lexerd Capital Management

# Recent Elections and Economic Uncertainty

*Global financial crisis and recession*

2008



*Fiscal cliff, major health care expansion review by the Supreme Court, and a European debt crisis*

2012



*The Brexit referendum*

2016



*Global pandemic*

2020



*High inflation and war*

2024



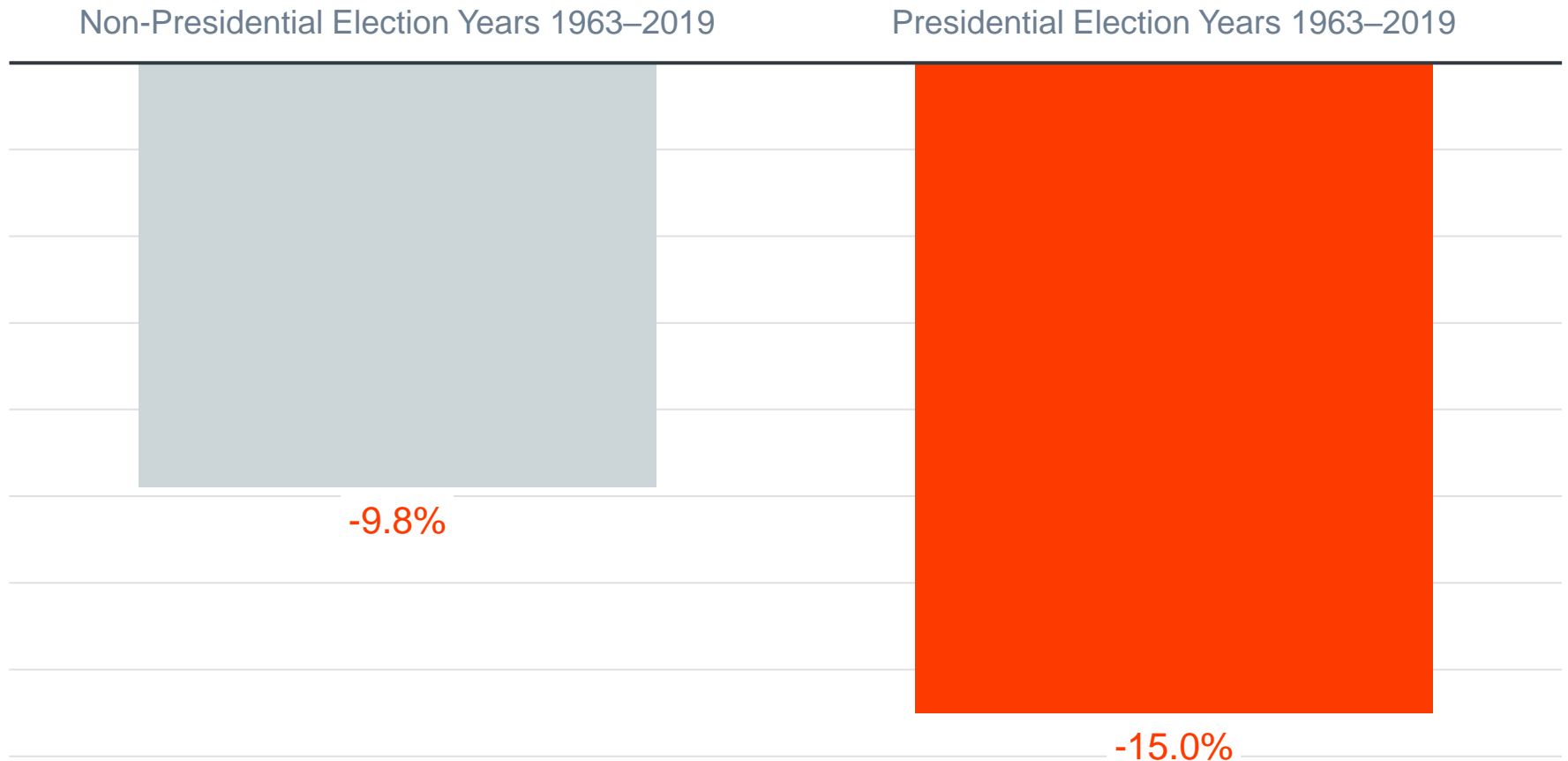


Usually, home sales are unchanged compared to a non-election year with the exception being November. In an election year, November is slower than normal.

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

# Seasonal Drop in Sales Sharper in Presidential Election Years

Percent Change in Actual Monthly New Home Sales, October to November





# Home Sales Went Up After 9 of the Last 11 Presidential Elections

U.S. Annual Existing Home Sales

Election Year	Year After	
<b>1980:</b> 2,973,000	<b>1981:</b> 2,419,000	↓
<b>1984:</b> 2,868,000	<b>1985:</b> 3,214,000	↑
<b>1988:</b> 3,594,000	<b>1989:</b> 3,290,000	↓
<b>1992:</b> 3,431,000	<b>1993:</b> 3,737,000	↑
<b>1996:</b> 4,167,000	<b>1997:</b> 4,374,000	↑
<b>2000:</b> 5,173,000	<b>2001:</b> 5,335,000	↑
<b>2004:</b> 6,778,000	<b>2005:</b> 7,080,000	↑
<b>2008:</b> 4,110,000	<b>2009:</b> 4,340,000	↑
<b>2012:</b> 4,660,000	<b>2013:</b> 5,090,000	↑
<b>2016:</b> 5,450,000	<b>2017:</b> 5,510,000	↑
<b>2020:</b> 5,640,000	<b>2021:</b> 6,120,000	↑



An election year doesn't alter the price trend that is already happening in the market.

- **Ryan Lundquist**, Residential Appraiser and Housing Analyst

# Existing Home Prices Went Up After 7 of the Last 8 Presidential Elections

U.S. Annual Median Sales Price of Existing Single-Family Houses Sold

Election Year	Year After	
1992: \$105,500	1993: \$109,100	↑
1996: \$122,600	1997: \$129,000	↑
2000: \$147,300	2001: \$156,600	↑
2004: \$195,200	2005: \$219,000	↑
2008: \$196,600	2009: \$172,100	↓
2012: \$177,200	2013: \$197,400	↑
2016: \$235,500	2017: \$248,800	↑
2020: \$296,700	2021: \$350,700	↑

# New Home Prices Went Up After 10 of the Last 11 Presidential Elections

U.S. Annual Median Sales Price of New Single-Family Houses Sold

Election Year	Year After	
1980: \$64,600	1981: \$68,900	↑
1984: \$79,900	1985: \$84,300	↑
1988: \$112,500	1989: \$120,000	↑
1992: \$121,500	1993: \$126,500	↑
1996: \$140,000	1997: \$146,000	↑
2000: \$169,000	2001: \$175,200	↑
2004: \$221,000	2005: \$240,900	↑
2008: \$232,100	2009: \$216,700	↓
2012: \$245,200	2013: \$268,900	↑
2016: \$307,800	2017: \$323,100	↑
2020: \$336,900	2021: \$397,100	↑

Source: Census



In December [following an election], and in the following year, the sales that are lost during November are recovered. It isn't that consumers say, 'I'm nervous, and I never want to buy.' They say, 'I'm nervous. Let's just wait to see how things play out.'

- **Ali Wolf** (2020)

# Mortgage Rates Decreased Leading Up to 8 of the Last 11 Presidential Elections

Change from July to November of Recent Election Years

Election Year	Change	Difference
1980	12.19% to 14.21%	<b>+2.02%</b>
1984	14.67% to 13.64%	<b>-1.03%</b>
1988	10.43% to 10.27%	<b>-0.16%</b>
1992	8.13% to 8.31%	<b>+0.18%</b>
1996	8.25% to 7.62%	<b>-0.63%</b>
2000	8.15% to 7.75%	<b>-0.40%</b>
2004	6.06% to 5.73%	<b>-0.33%</b>
2008	6.43% to 6.09%	<b>-0.34%</b>
2012	3.55% to 3.35%	<b>-0.20%</b>
2016	3.44% to 3.77%	<b>+0.33%</b>
2020	3.02% to 2.77%	<b>-0.25%</b>



For most Americans, election results will have little direct effect on their income and therefore should not significantly impact their decision to buy or sell a home.

Marry the house.

Date the rate.

*Let's find your home today.*



**YupSOLD.com**



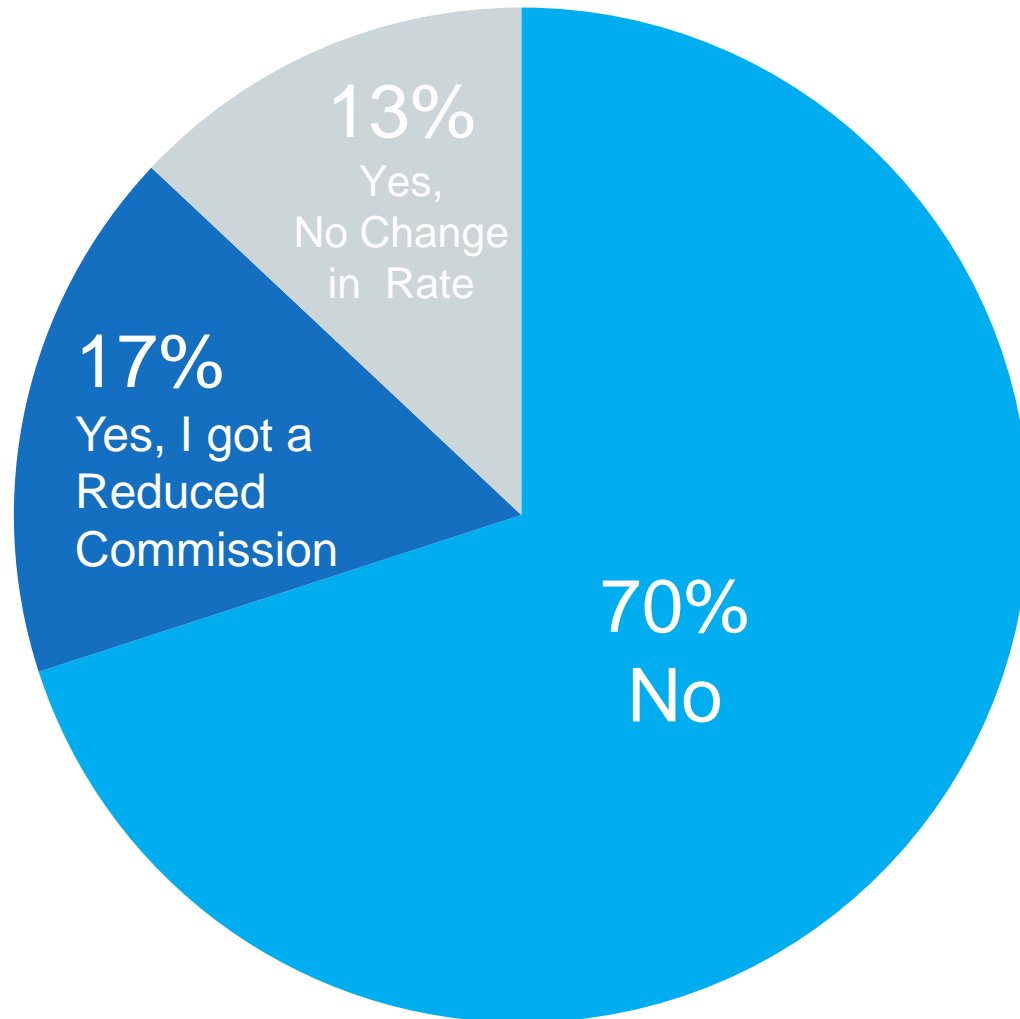




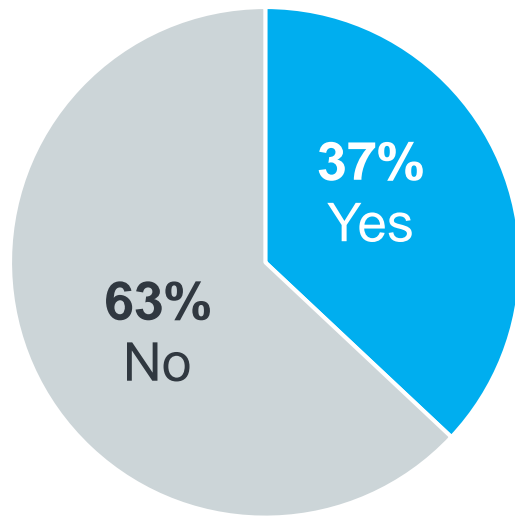
I'm three decades into this business. This is a once-in-a-lifetime opportunity! No different than when you look back over the history of all great businesses, most of them started during recessions, depressions or moments of change. This is not a recession or depression, but it is a moment of change.

- **Tom Ferry**, Real Estate Coach and Speaker

# Have You Ever Negotiated the Commission Rate with a Real Estate Agent?



# Awareness of the NAR Settlement Is Relatively Low



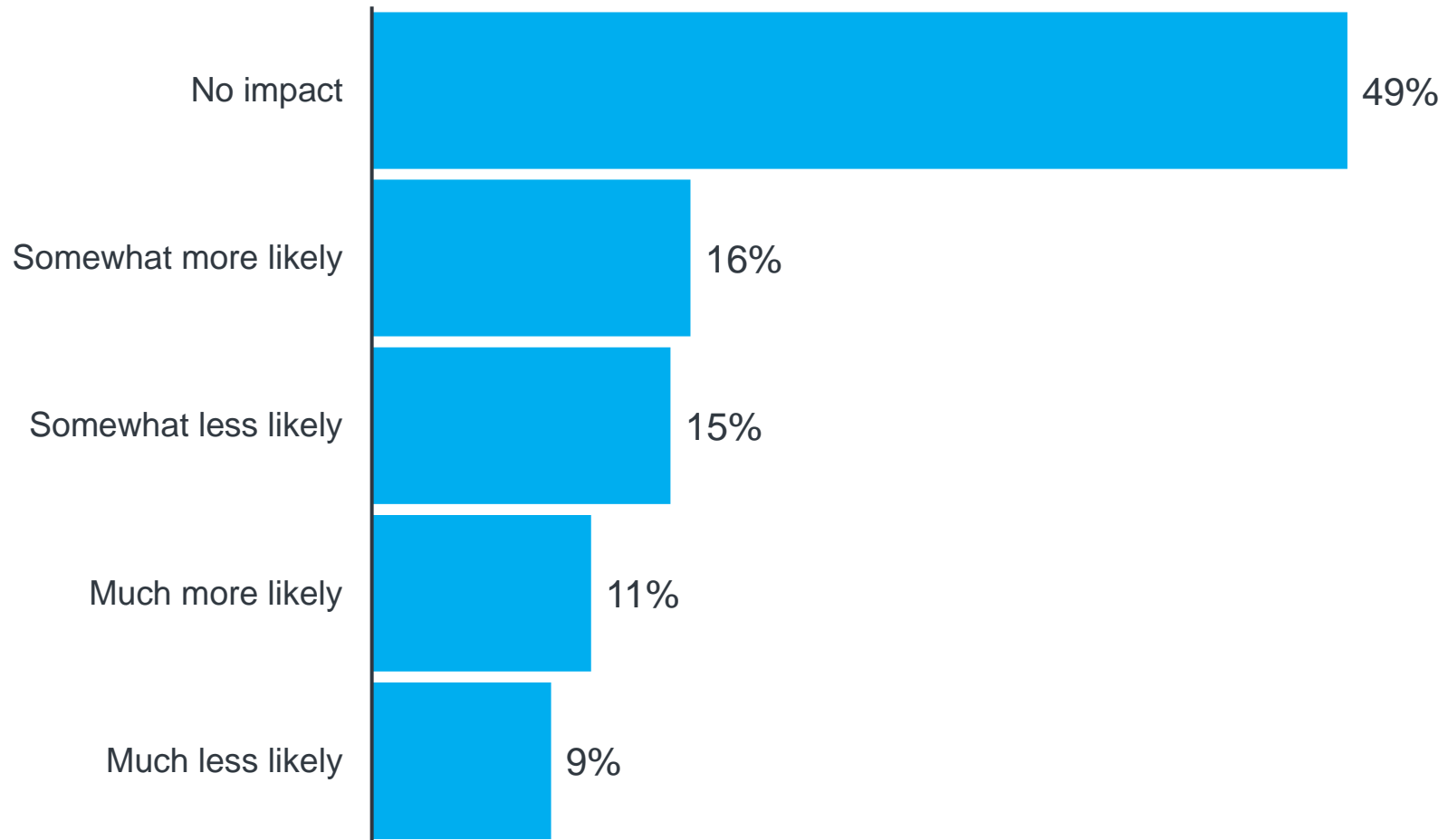
**Only 37% of respondents had heard of the settlement and the proposed changes to industry practices.**

This is after three weeks of heavy media coverage and social media activity, and nearly five months of elevated coverage of the industry in the wake of the Sitzer verdict.

“Remember that our respondents here have both bought and sold in the past five years. They are experienced, vested real estate consumers with a stake in the game. **That 63% of them had not even heard of the settlement news is remarkable.**”

- 1000Watt

# Will the NAR Settlement Impact Whether You Will Use a Real Estate Agent To Sell a Home?

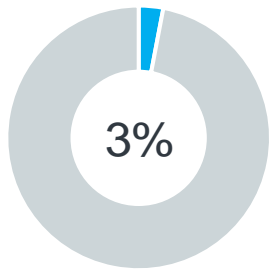




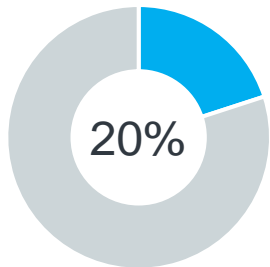
We've gone from a speed market to a skills market. If you can make this transition and develop your skills, you're going to be just fine.

- **Gary Keller**,  
Co-Founder and Chairman of the Board, Keller Williams Realty

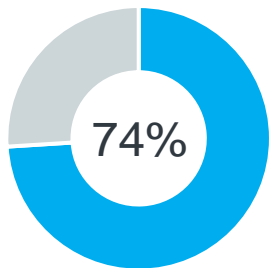
# Which Statement Best Represents Your Opinion About the Issue in The Trial and The Trial Outcome?



Real estate agents are being attacked wrongly, and this trial verdict was wrong



The Nation Association of Realtors and big real estate companies are finally facing consequences for ripping off home buyers and sellers with excessive commissions/fees.



Real estate agents who work with buyers will now have to negotiate how they are compensated directly with those buyer clients, and this makes sense to me.

# Which of These Statements Do You Agree with More?



76%



It is worth paying a real estate agent to help you buy a home because it is a big, complex purchase requiring the expert guidance of a professional

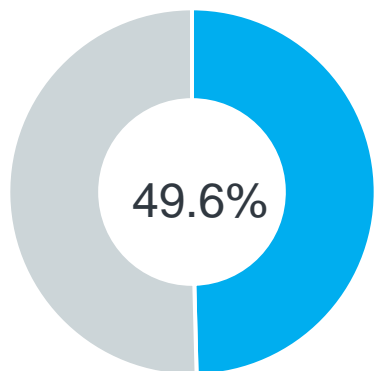


24%

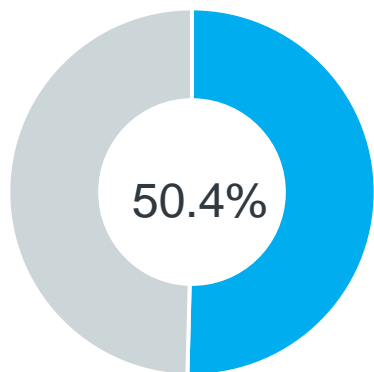


It really isn't necessary to hire a real estate agent to help you buy a home because all homes for sale are online and you can just work with the agent who is selling the home (the "listing" agent).

# If You Were **Selling Your House** Right Now, Which of the Following Statements Would Make More Sense to You?



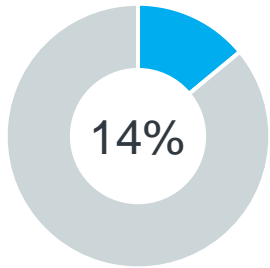
You do not have to compensate the agent who represents a buyer, but **you many want to because it motivates more agents to find a qualified buyer**, and also reduces the cash a buyer needs to purchase your home, which may mean they are more likely to offer the price you want.



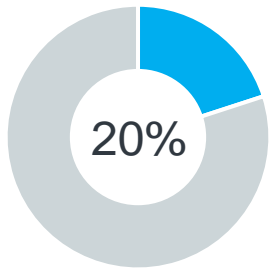
You should not offer to compensate the agent who represents a buyer because **that agent should get paid directly by their own client**. This will reduce the total commission you pay but may make it harder for some buyers to afford your home.



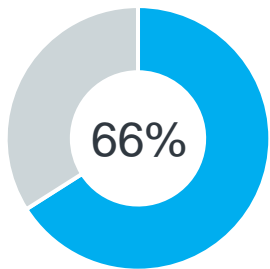
# If You Were Hiring a Real Estate Agent To **Help You Buy** a Home Right Now, Which of the Following Payment Options Would You Be Most Likely To Choose:



Pay the agent **an hourly rate of \$100 per hour** to complete just the tasks I need them to perform.



Pay the agent **a flat fee of \$10,000** to provide any services needed during my home buying process.



Pay the agent **a fee equal to 2.5% of the purchase of the home I purchase**, with no fee payable if I eventually decide not to buy.



So, if your mindset is that this is the single greatest time to be alive because I have a ton of value to deliver, I love serving customers, and I am a great problem solver, you're going to love this market.

- **Jimmy Burgess**, CEO,  
Berkshire Hathaway HomeServices Beach Properties of Florida

Most agents **know**  
what's happening.

Good agents **understand**  
what's happening.

Great agents can **explain**  
what's happening.



# Resources

Slide(s)	Description	Link(s)
2	Lawrence Yun Quote	<a href="https://www.nar.realtor/newsroom/pending-home-sales-ascended-3-4-in-march">https://www.nar.realtor/newsroom/pending-home-sales-ascended-3-4-in-march</a>
3	Total Home Sales Forecasts Chart	<a href="https://www.fanniemae.com/media/51616/display">https://www.fanniemae.com/media/51616/display</a> <a href="https://img03.en25.com/Web/MortgageBankersAssociation/%7Bb6d58e6f-e78a-4fd4-bef9-65cb74bf18cc%7D_Mortgage_Finance_Forecast_Jun_2024.pdf">https://img03.en25.com/Web/MortgageBankersAssociation/%7Bb6d58e6f-e78a-4fd4-bef9-65cb74bf18cc%7D_Mortgage_Finance_Forecast_Jun_2024.pdf</a> <a href="https://cdn.nar.realtor/sites/default/files/documents/forecast-q2-2024-us-economic-outlook-06-27-2024.pdf">https://cdn.nar.realtor/sites/default/files/documents/forecast-q2-2024-us-economic-outlook-06-27-2024.pdf</a>
4	Lawrence Yun Quote	<a href="https://www.nar.realtor/newsroom/pending-home-sales-dropped-2-1-in-may">https://www.nar.realtor/newsroom/pending-home-sales-dropped-2-1-in-may</a>

# Resources

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5	Home Price Forecasts Graph	<a href="https://x.com/NewsLambert/status/1797659853403672983/photo/1">https://x.com/NewsLambert/status/1797659853403672983/photo/1</a> <a href="https://img03.en25.com/Web/MortgageBankersAssociation/%7B7e604828-7f2c-4117-a76f-fe8f3e6bdafc%7D_Mortgage_Finance_Forecast_May_2024.pdf">https://img03.en25.com/Web/MortgageBankersAssociation/%7B7e604828-7f2c-4117-a76f-fe8f3e6bdafc%7D_Mortgage_Finance_Forecast_May_2024.pdf</a> <a href="https://www.zillow.com/research/home-value-sales-forecast-33822/">https://www.zillow.com/research/home-value-sales-forecast-33822/</a> <a href="https://www.fanniemae.com/media/51616/display">https://www.fanniemae.com/media/51616/display</a> <a href="https://www.freddiemac.com/research/forecast/20240418-economic-growth-moderated-labor-market-robust">https://www.freddiemac.com/research/forecast/20240418-economic-growth-moderated-labor-market-robust</a> <a href="https://pulsenomics.com/surveys/">https://pulsenomics.com/surveys/</a> <a href="https://cdn.nar.realtor/sites/default/files/documents/forecast-q2-2024-us-economic-outlook-06-27-2024.pdf">https://cdn.nar.realtor/sites/default/files/documents/forecast-q2-2024-us-economic-outlook-06-27-2024.pdf</a>
6	Jessica Lautz	<a href="https://finance.yahoo.com/news/housing-experts-revise-mortgage-rate-forecasts-for-remainder-of-2024-113354358.html">https://finance.yahoo.com/news/housing-experts-revise-mortgage-rate-forecasts-for-remainder-of-2024-113354358.html</a>
7	Months' Inventory of Homes for Sale Graph	<a href="https://www.nar.realtor/topics/existing-home-sales">https://www.nar.realtor/topics/existing-home-sales</a> <a href="https://cdn.nar.realtor/sites/default/files/documents/ehs-05-2024-overview-2024-06-21.pdf">https://cdn.nar.realtor/sites/default/files/documents/ehs-05-2024-overview-2024-06-21.pdf</a>

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8	Mortgage Rate Projections Table	<a href="https://www.fanniemae.com/media/51616/display">https://www.fanniemae.com/media/51616/display</a> <a href="https://img03.en25.com/Web/MortgageBankersAssociation/%7Bb6d58e6f-e78a-4fd4-bef9-65cb74bf18cc%7D_Mortgage_Finance_Forecast_Jun_2024.pdf">https://img03.en25.com/Web/MortgageBankersAssociation/%7Bb6d58e6f-e78a-4fd4-bef9-65cb74bf18cc%7D_Mortgage_Finance_Forecast_Jun_2024.pdf</a> <a href="https://cdn.nar.realtor/sites/default/files/documents/forecast-q2-2024-us-economic-outlook-06-27-2024.pdf">https://cdn.nar.realtor/sites/default/files/documents/forecast-q2-2024-us-economic-outlook-06-27-2024.pdf</a>
9	Mortgage Rates Graph	<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> <a href="https://img03.en25.com/Web/MortgageBankersAssociation/%7Bb6d58e6f-e78a-4fd4-bef9-65cb74bf18cc%7D_Mortgage_Finance_Forecast_Jun_2024.pdf">https://img03.en25.com/Web/MortgageBankersAssociation/%7Bb6d58e6f-e78a-4fd4-bef9-65cb74bf18cc%7D_Mortgage_Finance_Forecast_Jun_2024.pdf</a>
10	Fed Funds Rate Cut Table	<a href="https://x.com/NickTimiraos/status/1800128276725469193">https://x.com/NickTimiraos/status/1800128276725469193</a> <a href="https://www.housingwire.com/articles/u-s-job-creation-exceeds-forecasts-signals-delays-in-rate-cuts/">https://www.housingwire.com/articles/u-s-job-creation-exceeds-forecasts-signals-delays-in-rate-cuts/</a>
11	Dennis Shirshikov Quote	<a href="https://themortgagereports.com/107380/real-estate-forecast-next-5-years">https://themortgagereports.com/107380/real-estate-forecast-next-5-years</a>
12	AI Lord Quote	<a href="https://themortgagereports.com/112291/how-do-presidential-elections-affect-real-estate">https://themortgagereports.com/112291/how-do-presidential-elections-affect-real-estate</a>

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14	Recent Elections and Economic Uncertainty Timeline	<a href="https://www.foxbusiness.com/real-estate/real-estate-how-2024-election-impact-market">https://www.foxbusiness.com/real-estate/real-estate-how-2024-election-impact-market</a>
15	Ali Wolf Quote	<a href="https://www.realtor.com/news/trends/from-surging-layoffs-to-a-presidential-election-what-will-2024-bring-for-the-housing-market/">https://www.realtor.com/news/trends/from-surging-layoffs-to-a-presidential-election-what-will-2024-bring-for-the-housing-market/</a>
16	Election Years Seasonal Drop in Sales Chart	<a href="https://researchwiseny.btig.com/ResearchLibraryAnalec/DownloadResearch.aspx?E=cafidk-b">https://researchwiseny.btig.com/ResearchLibraryAnalec/DownloadResearch.aspx?E=cafidk-b</a>
17	Home Sales Up After Elections Table	<a href="https://www.huduser.gov/periodicals/ushmc/fall08/hist_data.pdf">https://www.huduser.gov/periodicals/ushmc/fall08/hist_data.pdf</a> <a href="https://www.nar.realtor/research-and-statistics/housing-statistics/existing-home-sales">https://www.nar.realtor/research-and-statistics/housing-statistics/existing-home-sales</a>
18	Ryan Lundquist Quote	<a href="https://sacramentoappraisalblog.com/2023/11/08/the-housing-market-during-a-presidential-election-year">https://sacramentoappraisalblog.com/2023/11/08/the-housing-market-during-a-presidential-election-year</a>
19	Existing Home Prices Up After Elections Table	<a href="https://www.nar.realtor/research-and-statistics/housing-statistics/existing-home-sales">https://www.nar.realtor/research-and-statistics/housing-statistics/existing-home-sales</a>

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20	New Home Prices Up After Elections Table	<a href="https://www.census.gov/construction/chars/">https://www.census.gov/construction/chars/</a>
21	Ali Wolf Quote	<a href="https://www.forbes.com/sites/dimawilliams/2020/02/16/here-is-what-a-presidential-election-means-for-home-sales-and-prices/?sh=30dd225325fc">https://www.forbes.com/sites/dimawilliams/2020/02/16/here-is-what-a-presidential-election-means-for-home-sales-and-prices/?sh=30dd225325fc</a>
22	Mortgage Rates Decreased After Elections Table	<a href="https://www.freddiemac.com/pmms/archive">https://www.freddiemac.com/pmms/archive</a>
23	Bankrate Quote	<a href="https://www.bankrate.com/real-estate/election-year-housing-market/">https://www.bankrate.com/real-estate/election-year-housing-market/</a>
25	Tom Ferry Quote	<a href="https://www.inman.com/2024/06/13/tom-ferry-the-nar-settlement-is-a-once-in-a-lifetime-opportunity/">https://www.inman.com/2024/06/13/tom-ferry-the-nar-settlement-is-a-once-in-a-lifetime-opportunity/</a>
26	Negotiated Commission Pie Chart	<a href="https://listwithclever.com/research/real-estate-commission-changes-2024/?utm_source=press+release&amp;utm_medium=pr&amp;utm_campaign=agent_survey_2024">https://listwithclever.com/research/real-estate-commission-changes-2024/?utm_source=press+release&amp;utm_medium=pr&amp;utm_campaign=agent_survey_2024</a>



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27	NAR Settlement Awareness Low Pie Chart	<a href="https://1000watt.net/">https://1000watt.net/</a>
28	NAR Settlement Impact Chart	<a href="https://listwithclever.com/research/real-estate-commission-changes-2024/?utm_source=press+release&amp;utm_medium=pr&amp;utm_campaign=agent_survey_2024">https://listwithclever.com/research/real-estate-commission-changes-2024/?utm_source=press+release&amp;utm_medium=pr&amp;utm_campaign=agent_survey_2024</a>
29	Gary Keller Quote	<a href="https://www.inman.com/2024/06/13/tom-ferry-the-nar-settlement-is-a-once-in-a-lifetime-opportunity/">https://www.inman.com/2024/06/13/tom-ferry-the-nar-settlement-is-a-once-in-a-lifetime-opportunity/</a>
30-33	Opinions on NAR Survey	<a href="https://1000watt.net/">https://1000watt.net/</a>
34	Jimmy Burgess Quote	<a href="https://www.inman.com/2024/06/13/tom-ferry-the-nar-settlement-is-a-once-in-a-lifetime-opportunity/">https://www.inman.com/2024/06/13/tom-ferry-the-nar-settlement-is-a-once-in-a-lifetime-opportunity/</a>