



KEEPING CURRENT MATTERS

February 2024



Never Forget Who You Are
. . . and What It Took To Get Here

Most agents know
what's happening.

Good agents understand
what's happening.

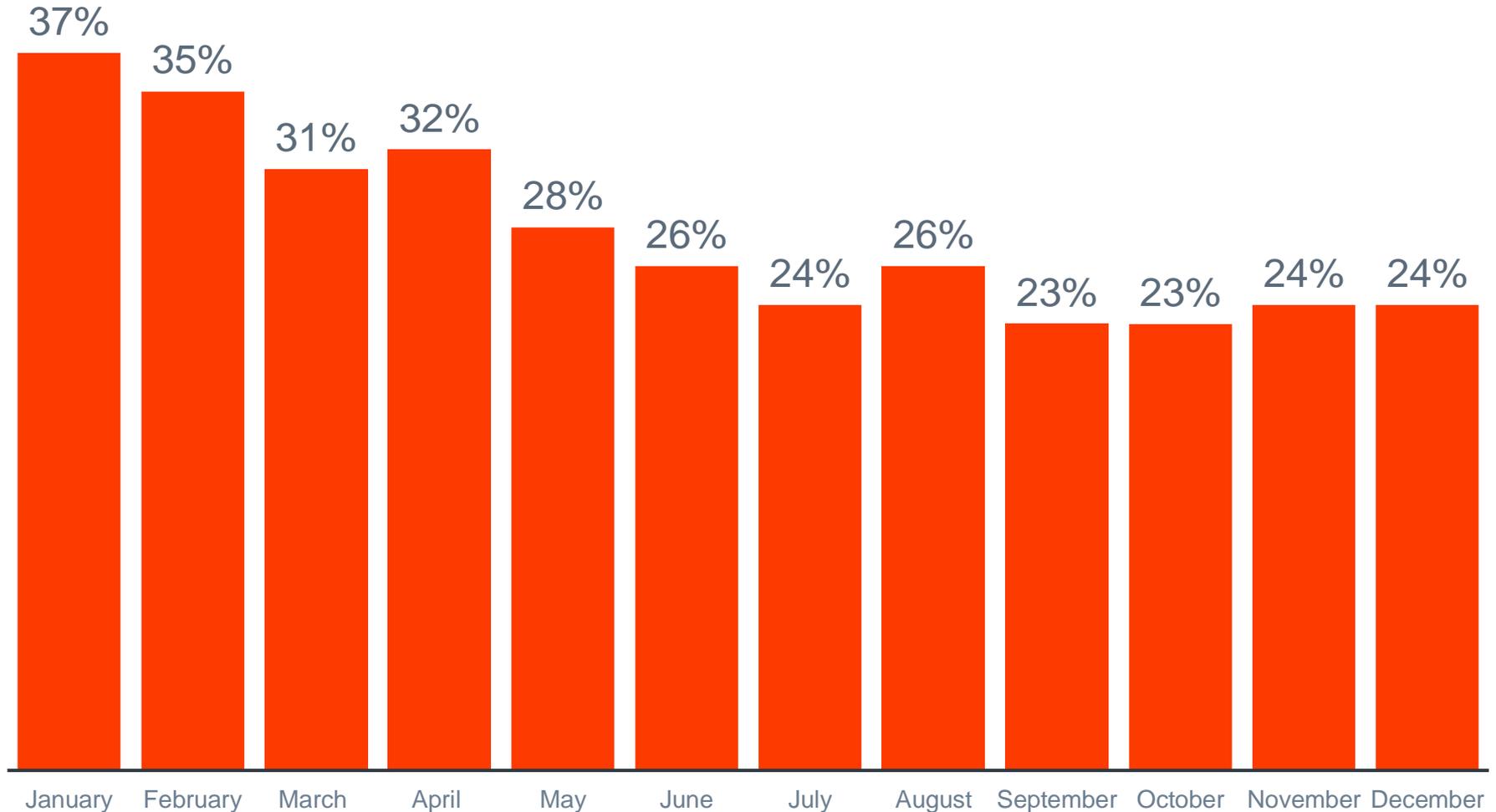
Great agents can explain
what's happening.



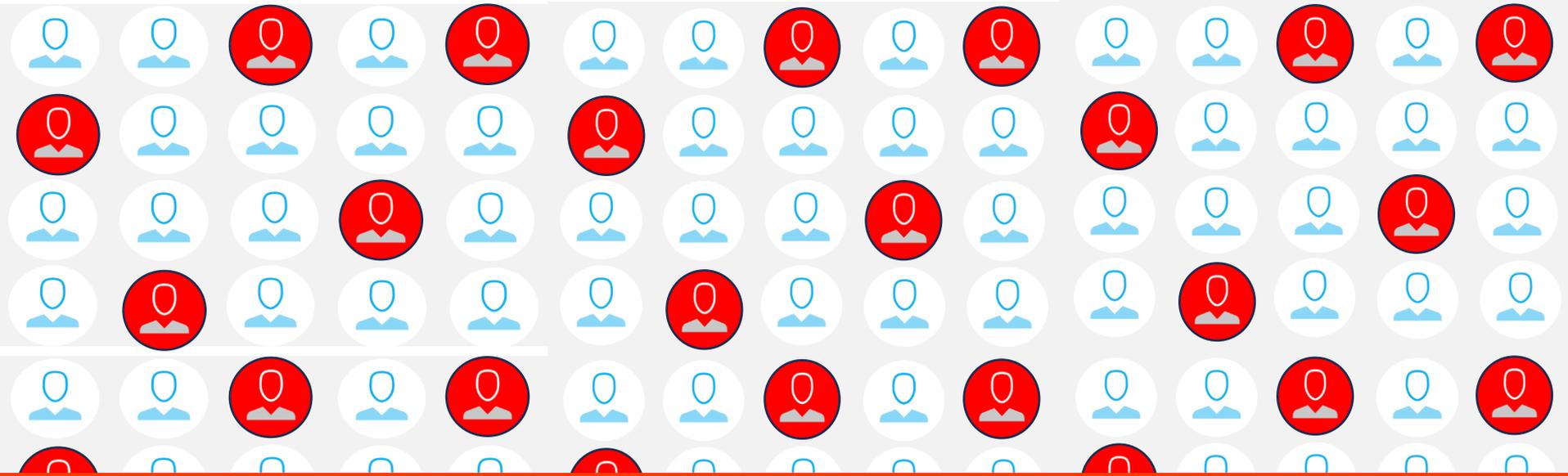
Home Prices

The Narrative We Must Combat

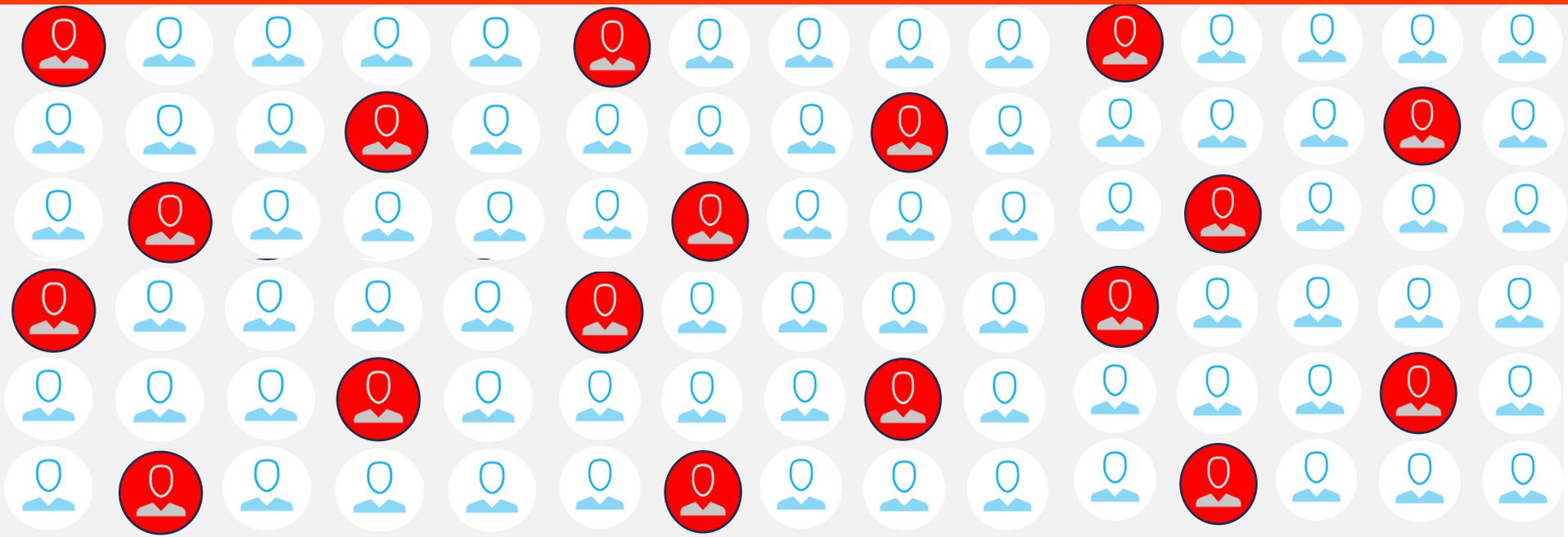
Percent of Americans Who Think Prices Will Go Down over Next 12 Months



Source: Fannie Mae



~ 1 of 4 Still Believe Prices Will Depreciate

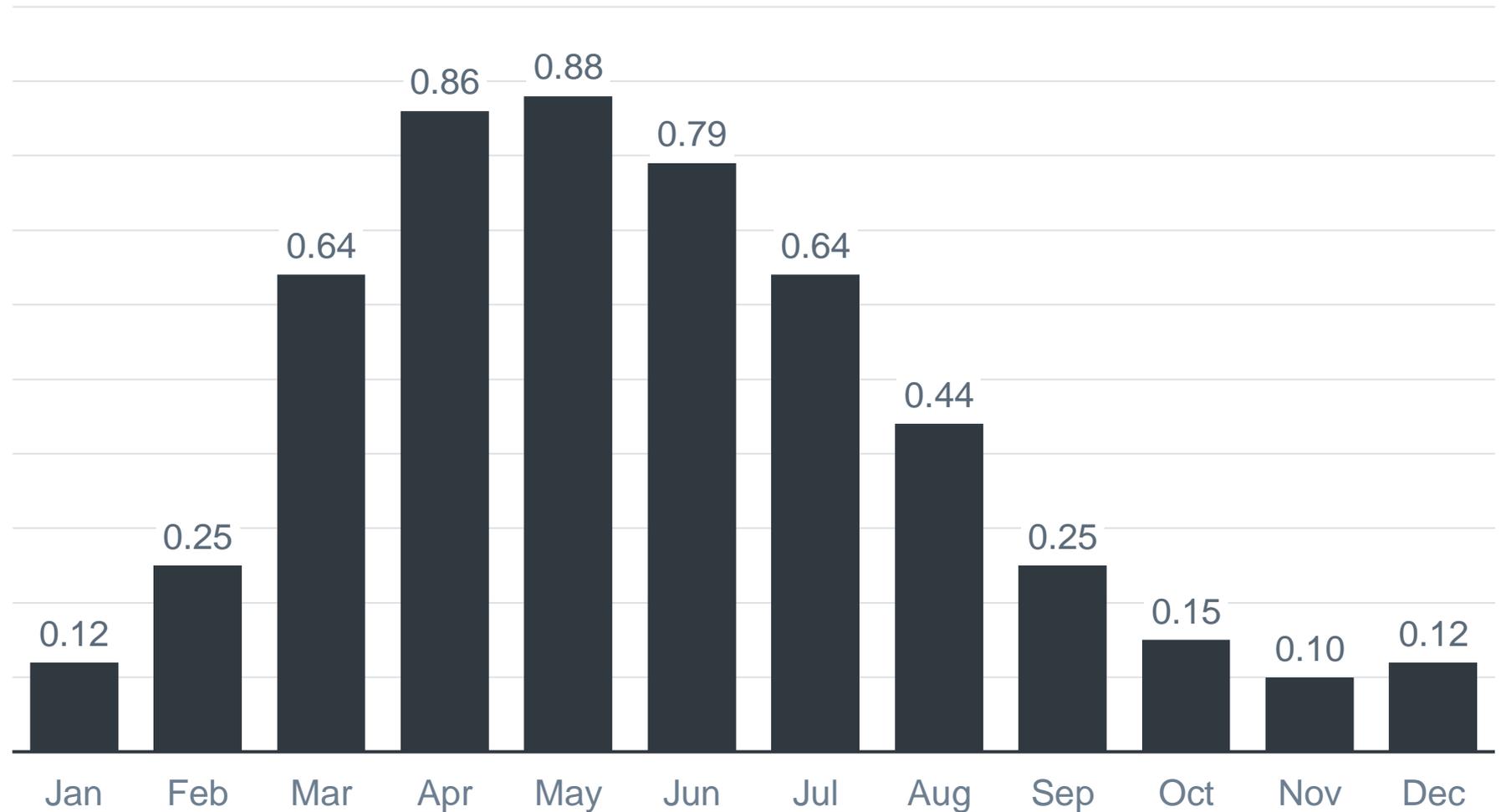




Current Home Price Appreciation

49-Year Average Monthly Price Movement

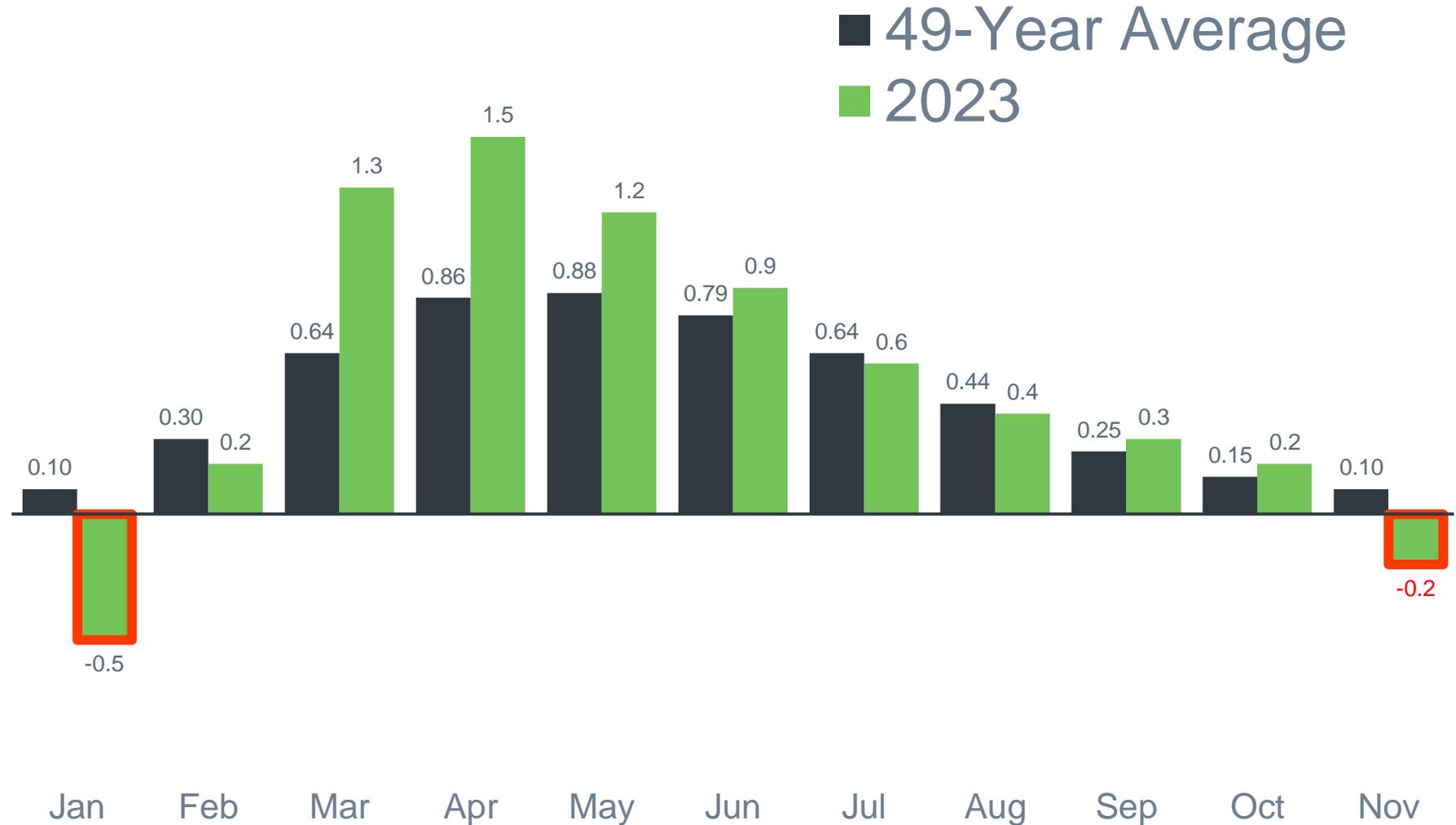
NSA Month-Over-Month 1973–2022



Source: Case-Shiller

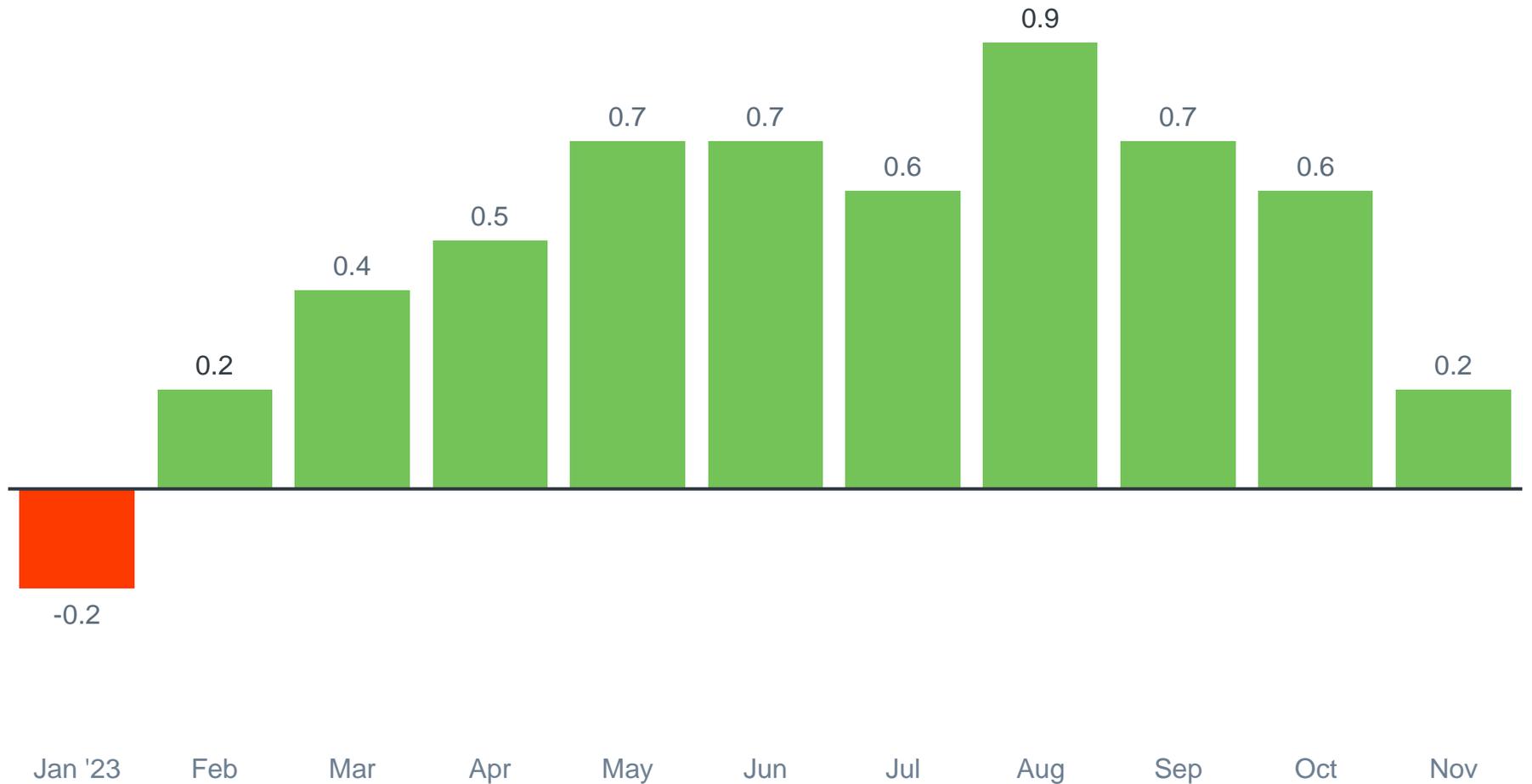
49-Year Average vs. 2023 Price Movement

Month-Over-Month, 1973–2022 and 2023 (Not Seasonally Adjusted)



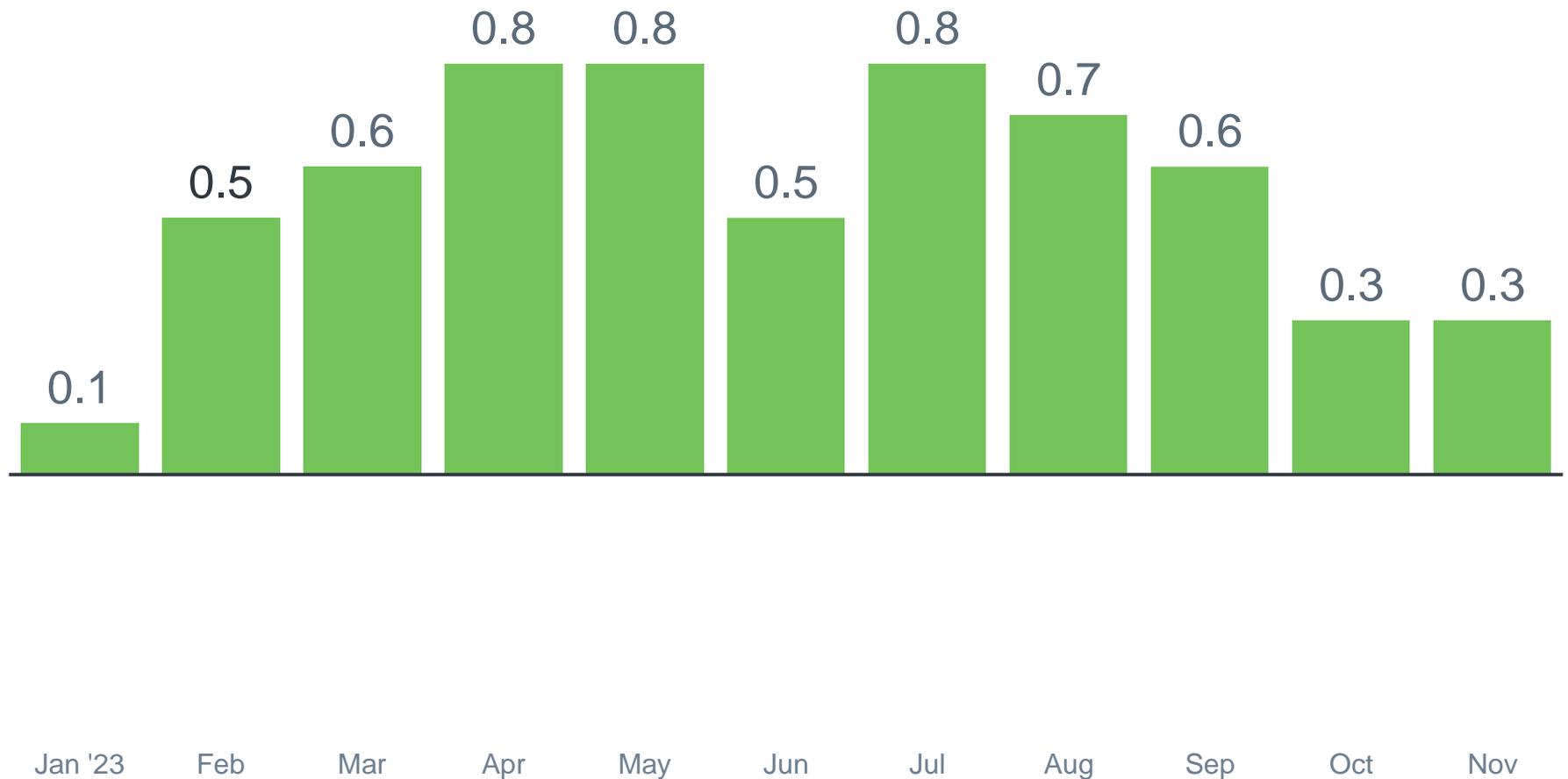
Case-Shiller: Prices

Month-Over-Month Percent Change in Home Values
(Seasonally Adjusted)



FHFA: Prices

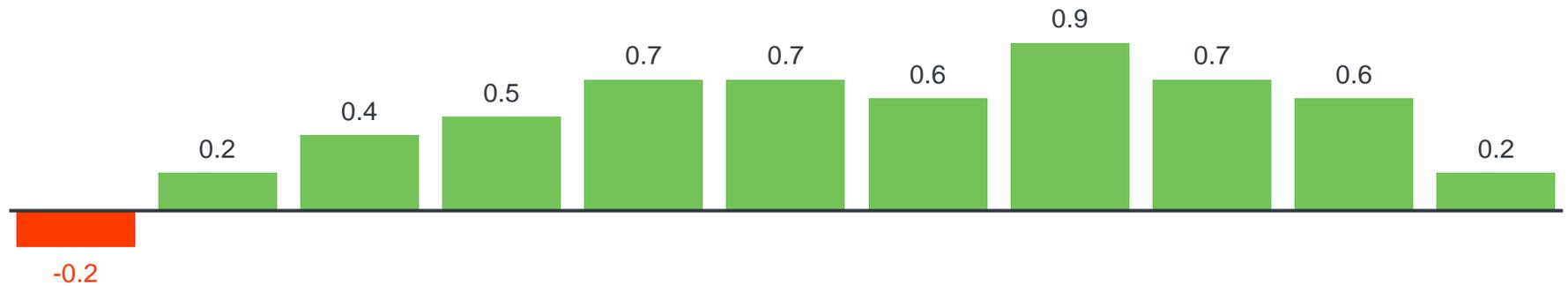
Month-Over-Month Percent Change in Home Values
(Seasonally Adjusted)



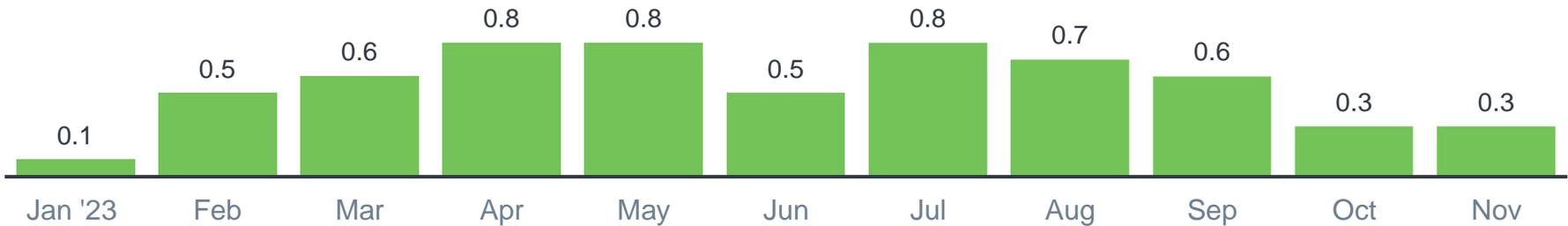
Percent Change in Home Values

Month-Over-Month

Case-Shiller



FHFA





November's year-over-year gain saw the largest growth in U.S. home prices in 2023, with our National Composite rising 5.1%.

- **Brian D. Luke**, Head of Real & Digital Assets, S&P DJI.

House prices rose 6.6% from November 2022 to November 2023.

- **FHFA**, Home Price Index

Case-Shiller Home Price Movement

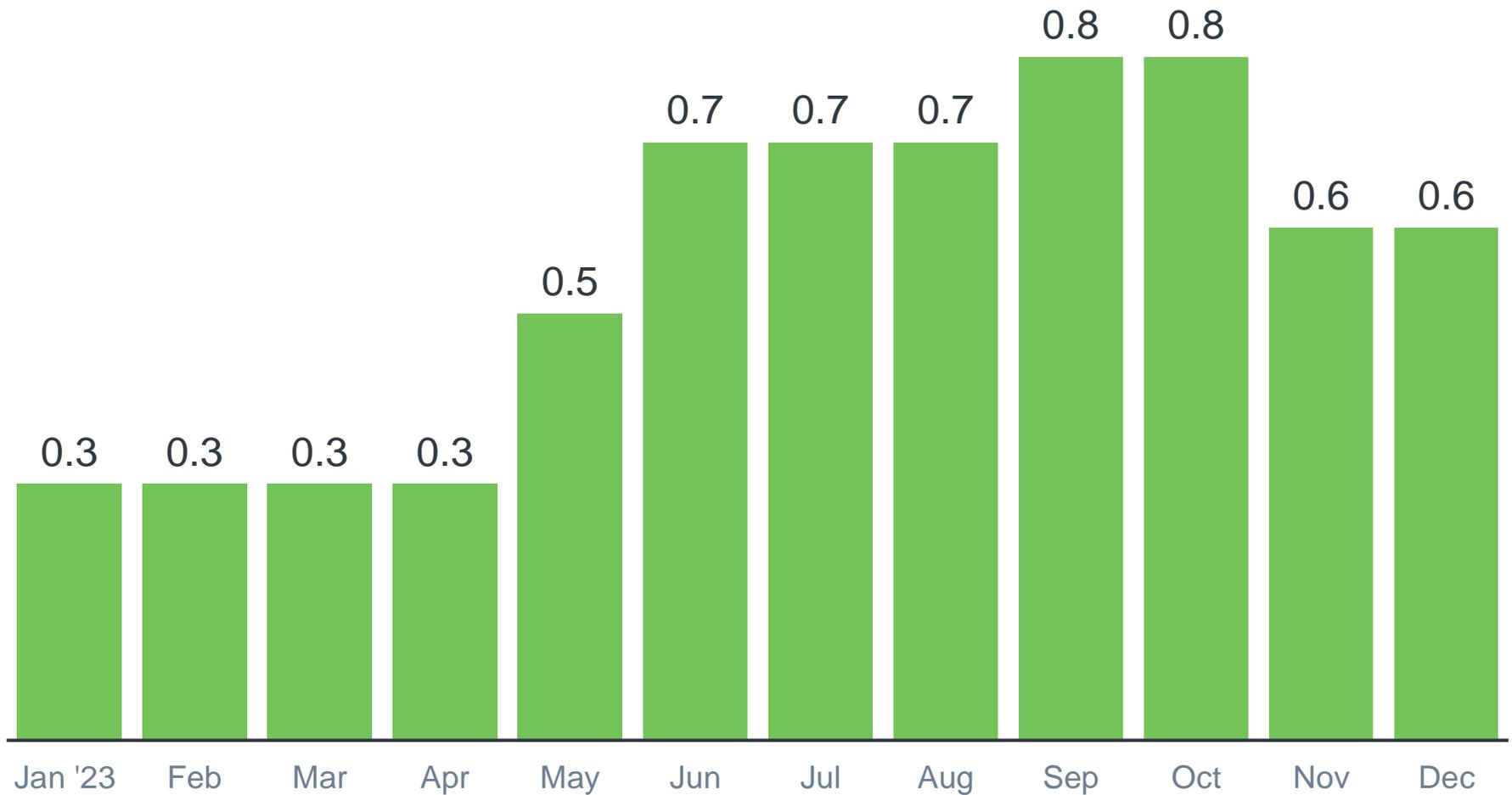
One Year Change in Percent Appreciation in Top 20 Cities

U.S. National: **5.1%**

Metro	% Change	Metro	% Change
Atlanta	5.9%	Miami	7.2%
Boston	7.1%	Minneapolis	2.7%
Charlotte	7.0%	New York	7.4%
Chicago	7.0%	Phoenix	2.5%
Cleveland	7.4%	Portland	-0.7%
Dallas	1.7%	San Diego	8.0%
Denver	1.5%	San Francisco	2.0%
Detroit	8.2%	Seattle	1.6%
Las Vegas	2.1%	Tampa	3.4%
Los Angeles	7.2%	Washington, D.C.	4.7%

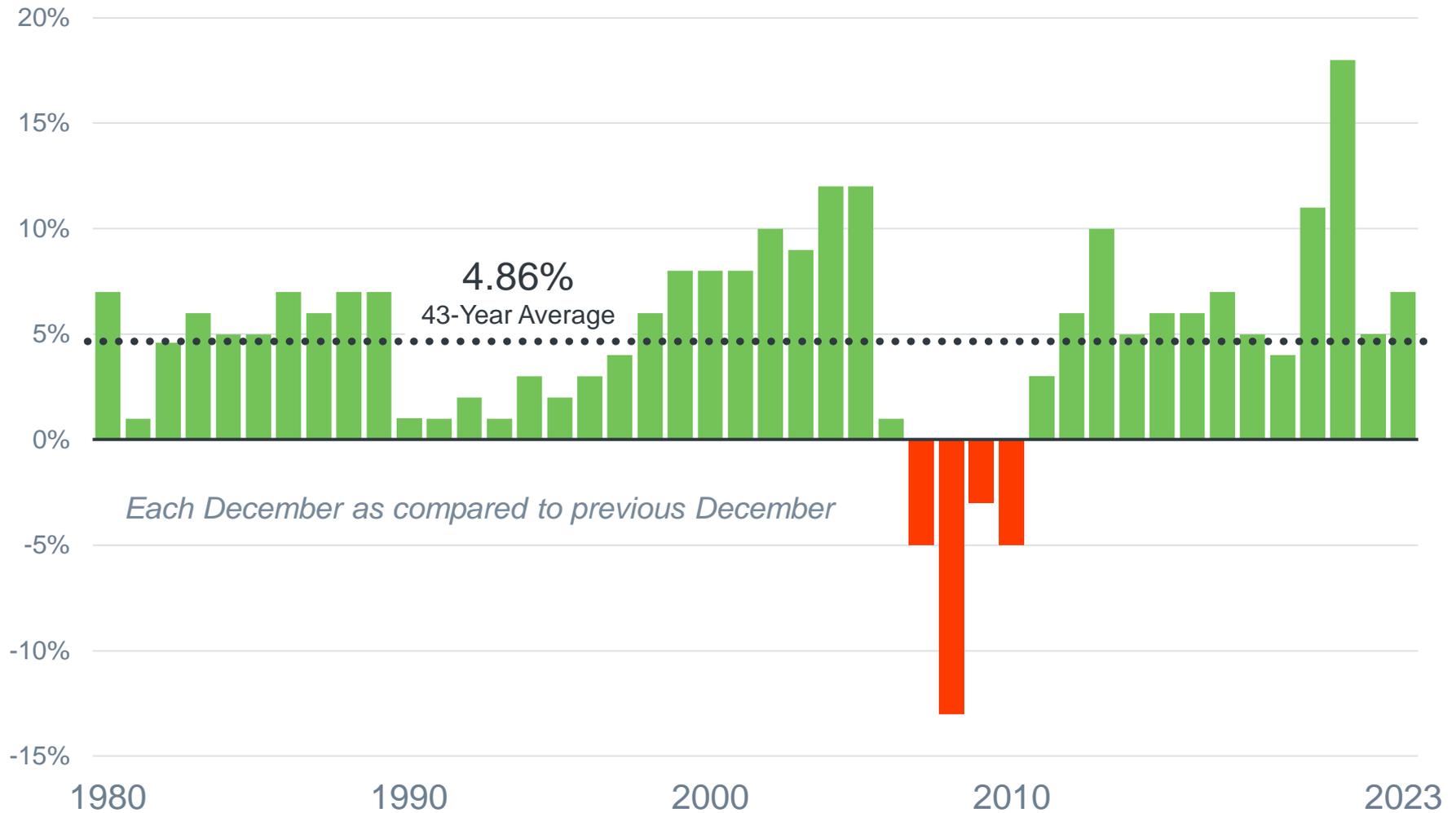
Freddie Mac: Prices

Month-Over-Month Percent Change in Home Values
(Seasonally Adjusted)



Percent of Annual Home Appreciation

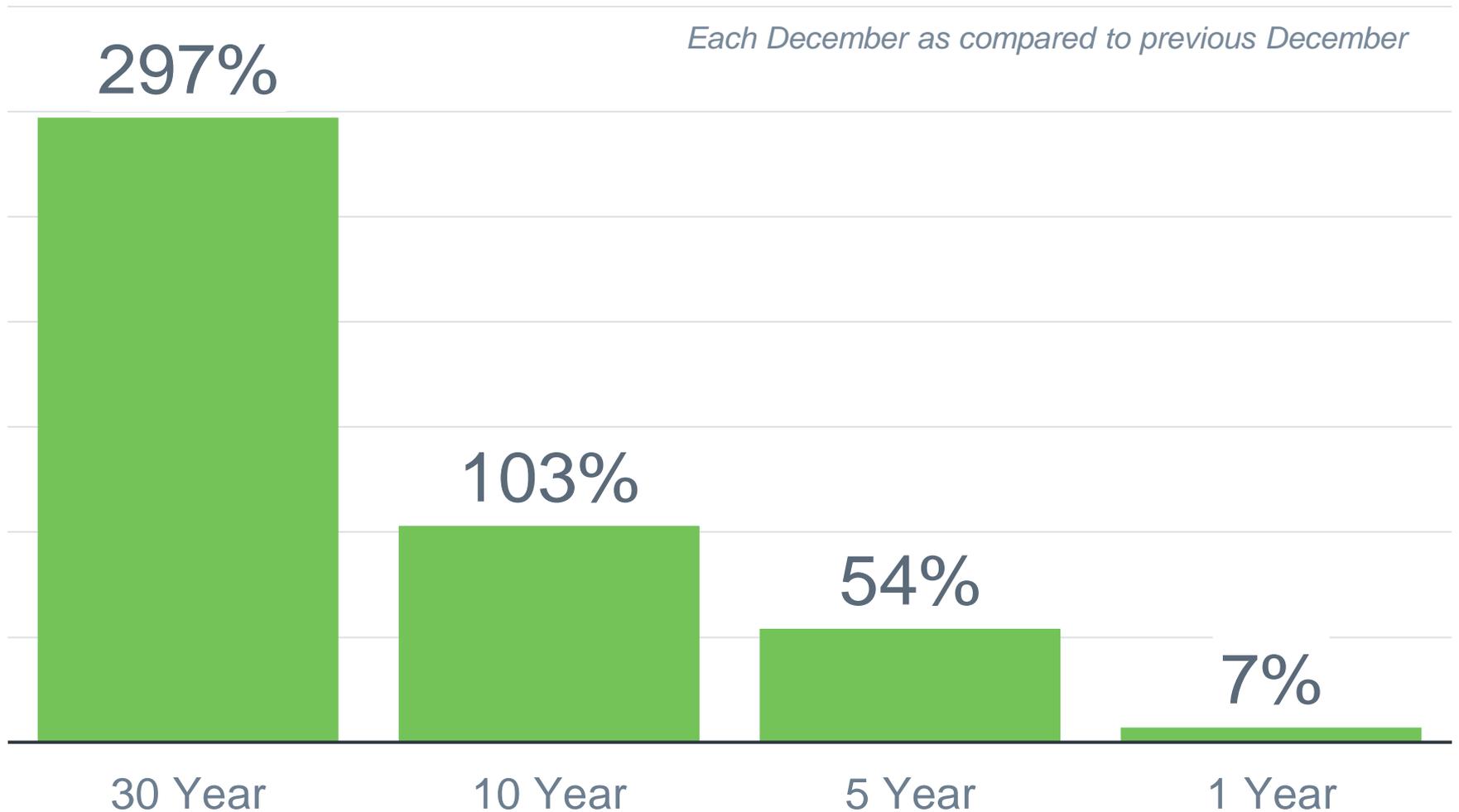
1980–2023, Seasonally Adjusted, Rounded To Nearest Full Number



Each December as compared to previous December

Percent of Home Price Appreciation

Seasonally Adjusted, Rounded To Nearest Full Number



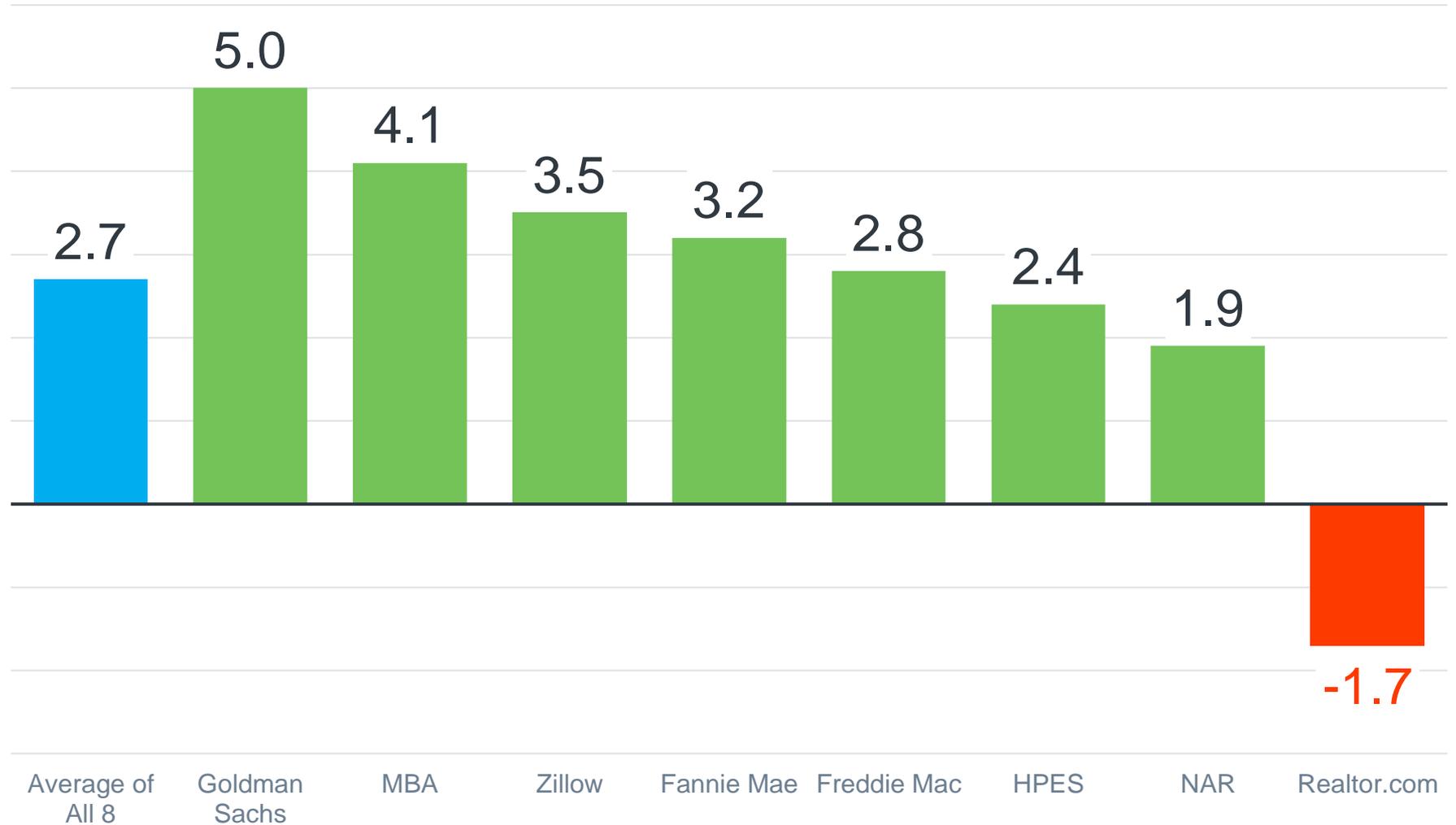
Source: Freddie Mac



Future Home Price Appreciation

2024 Home Price Forecasts

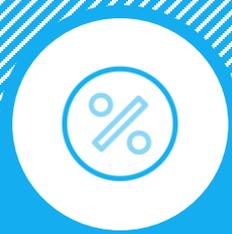
Percent Appreciation/Depreciation as of 1/29/2024



2024 Home Price Forecasts

Forecasts from 11/2023 vs. Current Forecasts

Entity	Original Forecast	Current Forecast
Goldman Sachs	1.9%	5.0%
Mortgage Bankers Association	1.1%	4.1%
Zillow	0.2%	3.5%
Fannie Mae	2.8%	3.2%
Freddie Mac	2.6%	2.8%
Home Price Expectation Survey	2.2%	2.4%
National Association of Realtors	0.7%	1.9%



Mortgage Rates

What Determines the Mortgage Rate?

The 10-Year Yield and the Spread Above It

- Spread (Difference Between the Mortgage Rate and the 10-Year Yield)
- 10-Year Treasury Yield

Mortgage Rate 6.92%



Actual Rate Friday, 2/2/2024

Source: Freddie Mac and CNBC



The spread is not always consistent. It actually widens during periods of economic or geopolitical uncertainty, as has been the case in today's market.

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



A primary driver of the increase in the yield over 2023 was inflation expectations. . . . So the higher the current rate of inflation and, more importantly, the higher the expected future rates of inflation, the higher the yield on the 10-year as investors demand to be compensated for that inflation risk into the future.

- **Mark Fleming**, Chief Economist, First American



There is reason to believe that the rate lock-in effect will ease modestly this year as mortgage rates come down. And you could only imagine if they got below six, then even more people would be again ‘in the money’ and homeowners will become less anchored to that low, low rate that they got a few years ago.

- **Mark Fleming**, Chief Economist, First American



It also appears that mortgage rates are now falling again. They will almost certainly not fall to pandemic lows, although we may soon see rates under 6.0 percent, which would be low by pre-Great Recession standards.

- **Dean Baker**, Senior Economist, Center for Economic Research



We anticipate that after the past several years of extreme volatility in interest rates, the 30-year fixed rate mortgage rate will continue to moderate over the course of 2024, moving toward a rate below 6 percent by year end.

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

Mortgage Rate Projections

Fannie Mae

Quarter	December 2023	January 2024
2024 Q1	7.0%	6.4%
2024 Q2	6.8%	6.2%
2024 Q3	6.6%	6.0%
2024 Q4	6.5%	5.8%

Mortgage Rate Projections

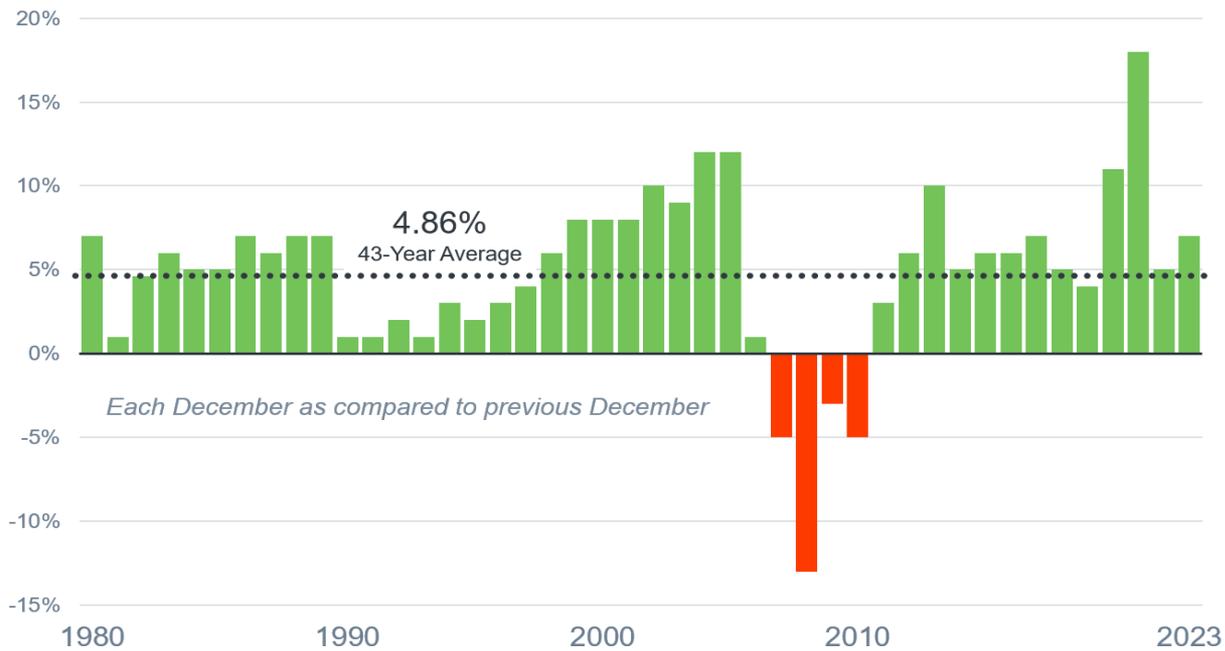
Fannie Mae

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If enough people have the same gut feeling about you, then you have a brand.

- **Marty Neumeier**, Director of CEO Branding, Liquid Agency



The 3 Key Terms that Will Impact the 2024 Housing Market

1.) **“Switching costs”** is a term to describe the economic and psychological costs people feel when switching from one alternative to another. Think switching from a 4% mortgage rate to a 6.5% rate.

2.) **“Seller impatience”** is a term to describe overcoming the sticker shock that has prevented people from moving on with their lives. Think “It is what it is.”

3.) **“Lifestyle changes”** is a term to describe life events that motivate a move. Think pregnancy, marriage, divorce, etc.

*Realize that none talk about numbers.
Each talks about people.*

90-Day Work Plan

- Promote Home Price Stability
- Broadcast the Mortgage Rate
- Get the Slides on Your Phone!
- Build Your Brand on Social!
- Prospect! Prospect! Prospect!
- Never Forget Who You Are

Resources

Slide(s)	Description	Link(s)
5	Americans Prices Graph	https://www.fanniemae.com/research-and-insights/surveys-indices/national-housing-survey/national-housing-survey-archive
8, 9	49-Year Monthly Price Graphs	https://www.spglobal.com/spdji/en/indices/indicators/sp-corelogic-case-shiller-us-national-home-price-nsa-index/#overview
10	Case-Shiller Prices Graph	https://www.spglobal.com/spdji/en/indices/indicators/sp-corelogic-case-shiller-us-national-home-price-nsa-index/#news-research
11	FHFA Prices Graph	https://www.fhfa.gov/DataTools/Downloads/Pages/House-Price-Index.aspx
12	Percent Change in Home Values Graph	https://www.spglobal.com/spdji/en/indices/indicators/sp-corelogic-case-shiller-us-national-home-price-nsa-index/#news-research https://www.fhfa.gov/DataTools/Downloads/Pages/House-Price-Index.aspx https://www.corelogic.com/category/intelligence/reports/home-price-insights/
13	House Prices Rising Quotes	https://www.spglobal.com/spdji/en/documents/indexnews/announcements/20240130-1470316/1470316_cshomeprice-release-0130.pdf

Resources

Slide(s)	Description	Link(s)
14	Case-Shiller Price Movement Table	https://www.spglobal.com/spdji/en/documents/indexnews/announcements/20240130-1470316/1470316_cshomeprice-release-0130.pdf
15-17	Freddie Mac Prices Graphs	https://www.freddiemac.com/research/indices/house-price-index
19-20	2024 Home Price Forecasts Graph and Table	https://www.zillow.com/research/2024-housing-predictions-33447/ https://www.realtor.com/research/2024-national-housing-forecast/ https://cdn.nar.realtor/sites/default/files/documents/forecast-q1-2024-us-economic-outlook-01-26-2024.pdf 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://pulsenomics.com/surveys/ https://www.fanniemae.com/media/50096/display https://www.freddiemac.com/research/forecast/20240122-us-economy-continues-expand

Resources

Slide(s)	Description	Link(s)
22	What Determines Mortgage Rate? Graph	https://www.cnbc.com/quotes/US10Y https://www.freddiemac.com/home
23-25	Odeta Kushi and Mark Fleming Quotes	https://blog.firstam.com/reconomy-podcast/is-the-housing-market-poised-to-rebound-in-2024
26	Dean Baker Quote	https://cepr.net/contrary-to-what-the-washington-post-tells-you-homeownership-rates-for-young-people-are-above-the-pre-pandemic-level/
27	Doug Duncan Quote	https://www.fanniemae.com/newsroom/fannie-mae-news/mortgage-rates-expected-dip-below-6-percent-2024-boosting-home-sales
28-29	Mortgage Rate Projections Tables	https://www.fanniemae.com/media/49866/display https://www.fanniemae.com/media/50096/display



Updates

Resources

Slide(s)	Description	Link(s)
41	Confidence Index	https://www.nar.realtor/research-and-statistics/research-reports/realtors-confidence-index
42-44, 51, 53, 54, 61-64	Existing Home Sales	https://www.nar.realtor/topics/existing-home-sales
45-47	New Home Sales	http://www.census.gov/construction/nrs/pdf/newressales.pdf http://www.census.gov/newhomesales
48	Total Home Sales	http://www.census.gov/construction/nrs/pdf/newressales.pdf https://www.nar.realtor/topics/existing-home-sales
49-50	Pending Home Sales	https://www.nar.realtor/research-and-statistics/housing-statistics/pending-home-sales
55-57	Case Shiller	https://www.spglobal.com/spdji/en/indices/indicators/sp-corelogic-case-shiller-20-city-composite-home-price-nsa-index/#news-research
58	CoreLogic Price Forecast	https://www.corelogic.com/intelligence/u-s-home-price-insights/

Resources

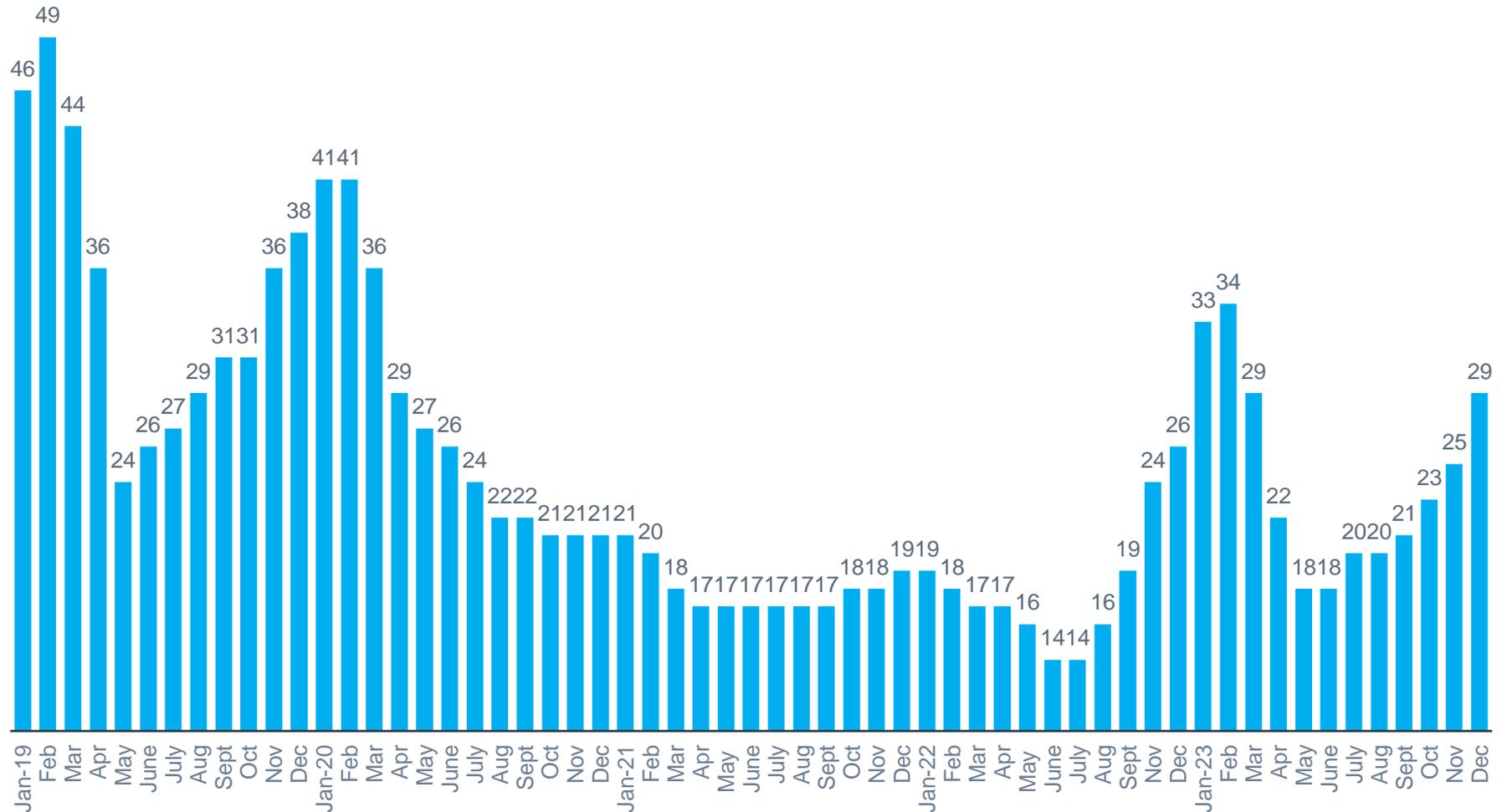
Slide(s)	Description	Link(s)
60-66	Inventory	https://www.nar.realtor/topics/existing-home-sales http://www.census.gov/construction/nrs/pdf/newressales.pdf https://www.realtor.com/research/data/
68	Showing Activity	https://www.showingtime.com/blog/
70, 71, 73, 74	Mortgage Rates	http://www.freddiemac.com/pmms/pmms_archives.html http://www.freddiemac.com/research/forecast/ https://www.mba.org/news-research-and-resources/research-and-economics/forecasts-and-commentary
72	Mortgage Rate Projections	http://www.fanniemae.com/portal/research-insights/forecast.html https://www.mba.org/news-research-and-resources/research-and-economics/forecasts-and-commentary https://www.nar.realtor/research-and-statistics
76, 77	Mortgage Credit Availability	https://www.mba.org/news-research-and-resources/newsroom https://www.mba.org/news-research-and-resources/research-and-economics/single-family-research/mortgage-credit-availability-index



Home Sales

Average Days on the Market

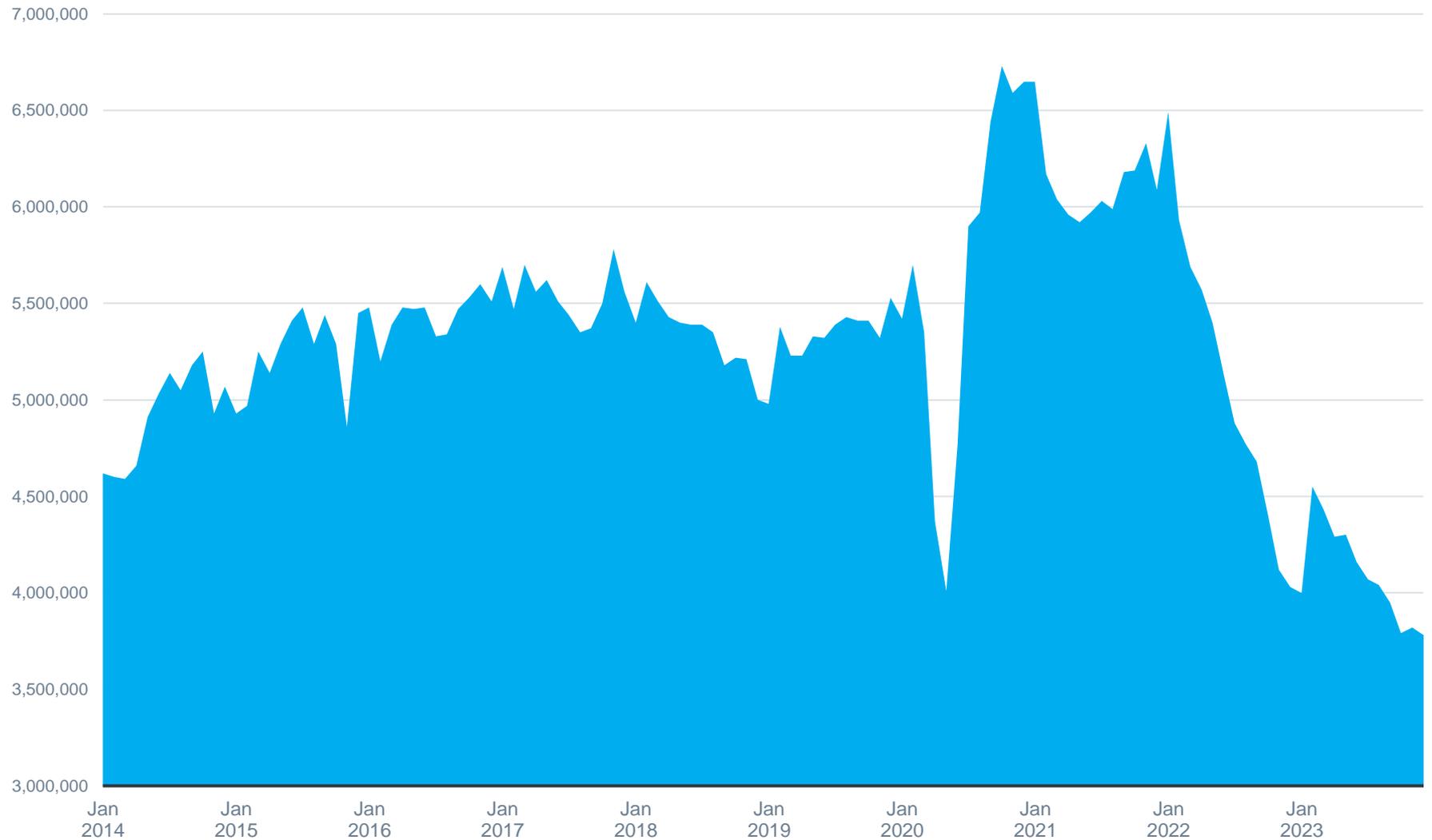
December 2023



Source: NAR

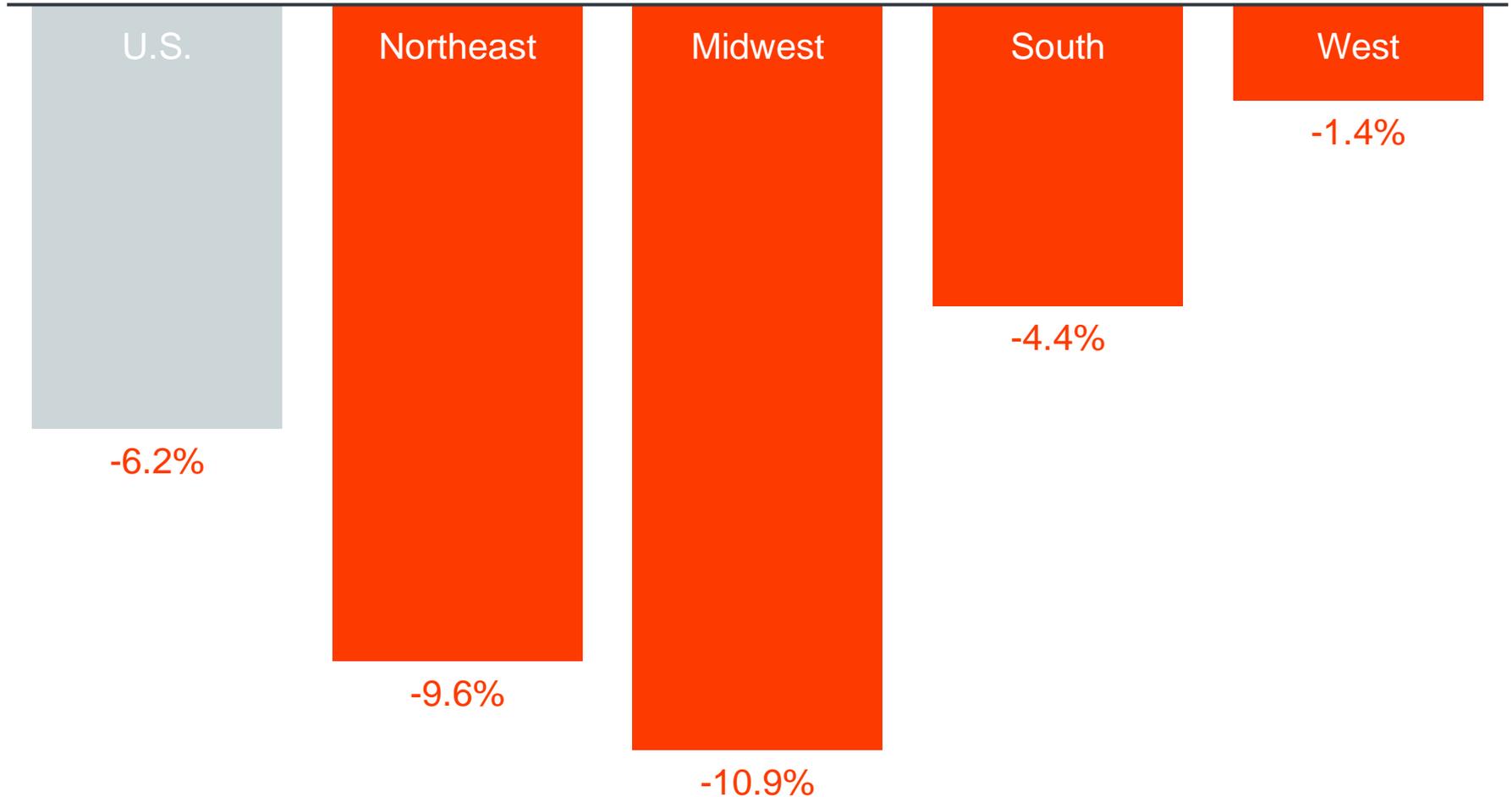
Existing Home Sales

Since January 2014



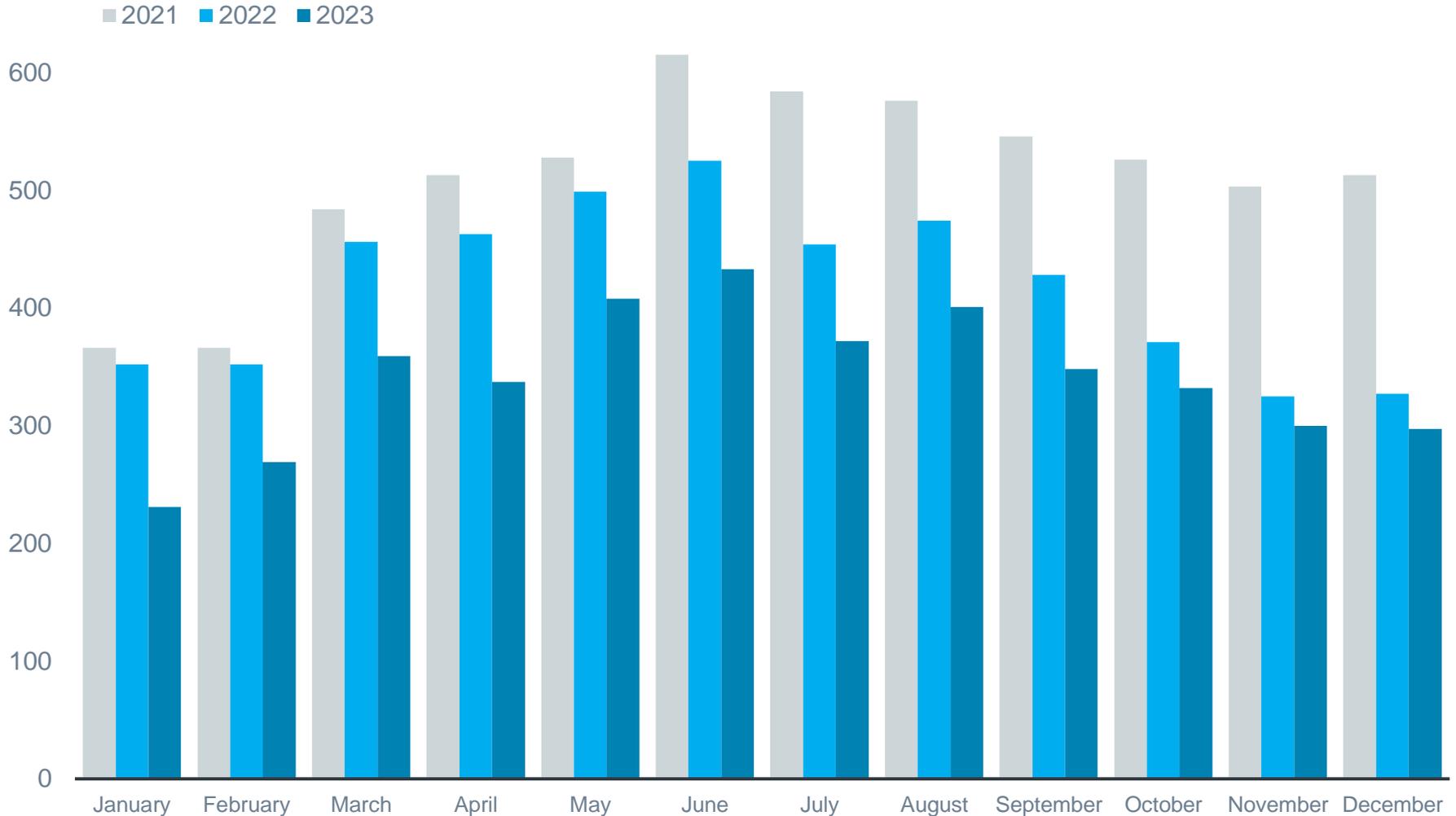
Existing Home Sales

Year-Over-Year, by Region



Existing Home Sales

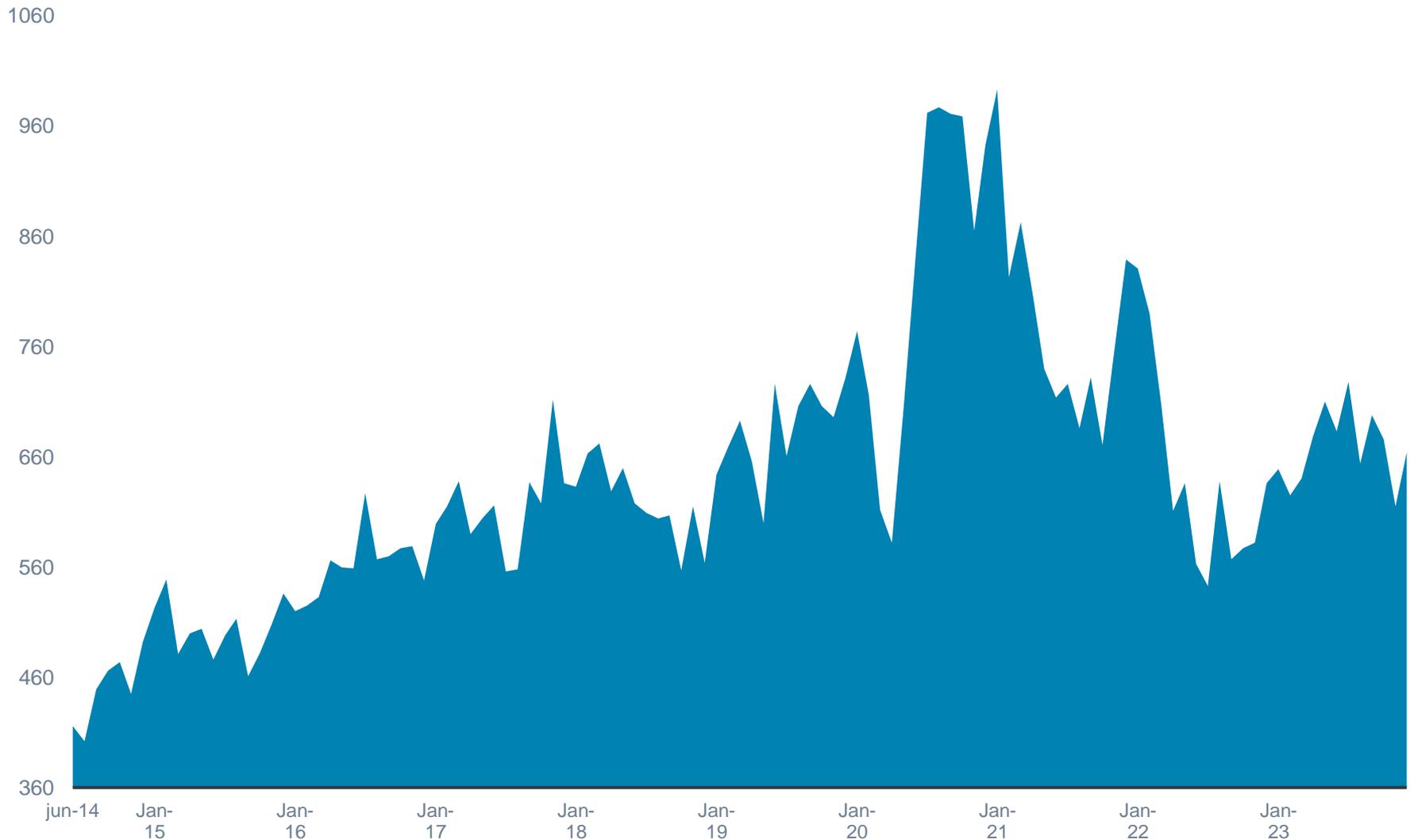
In Thousands



Source: NAR

New Home Sales

Annualized in Thousands

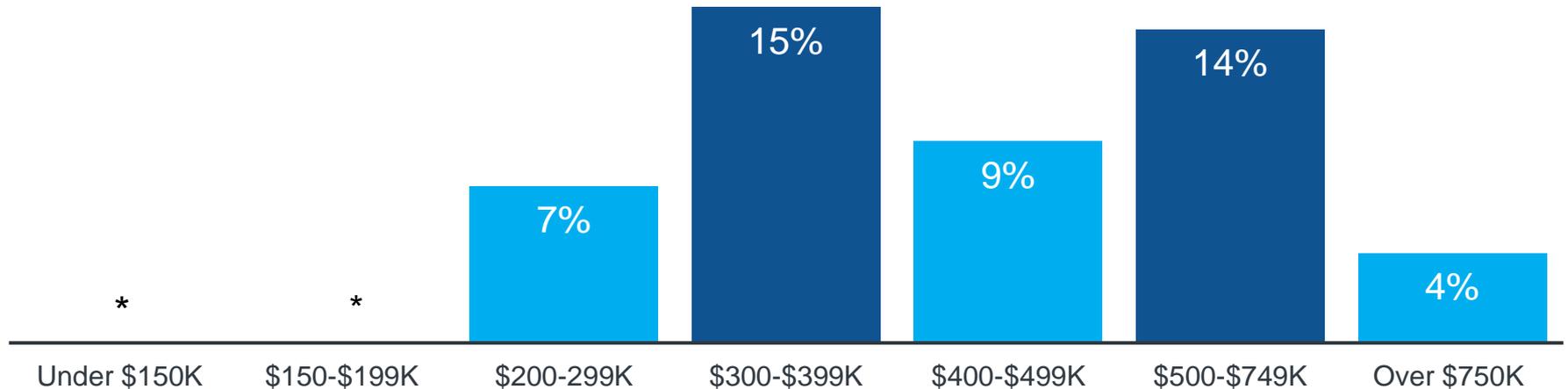


Source: Census

New Home Sales

Percent of Distribution by Price Range

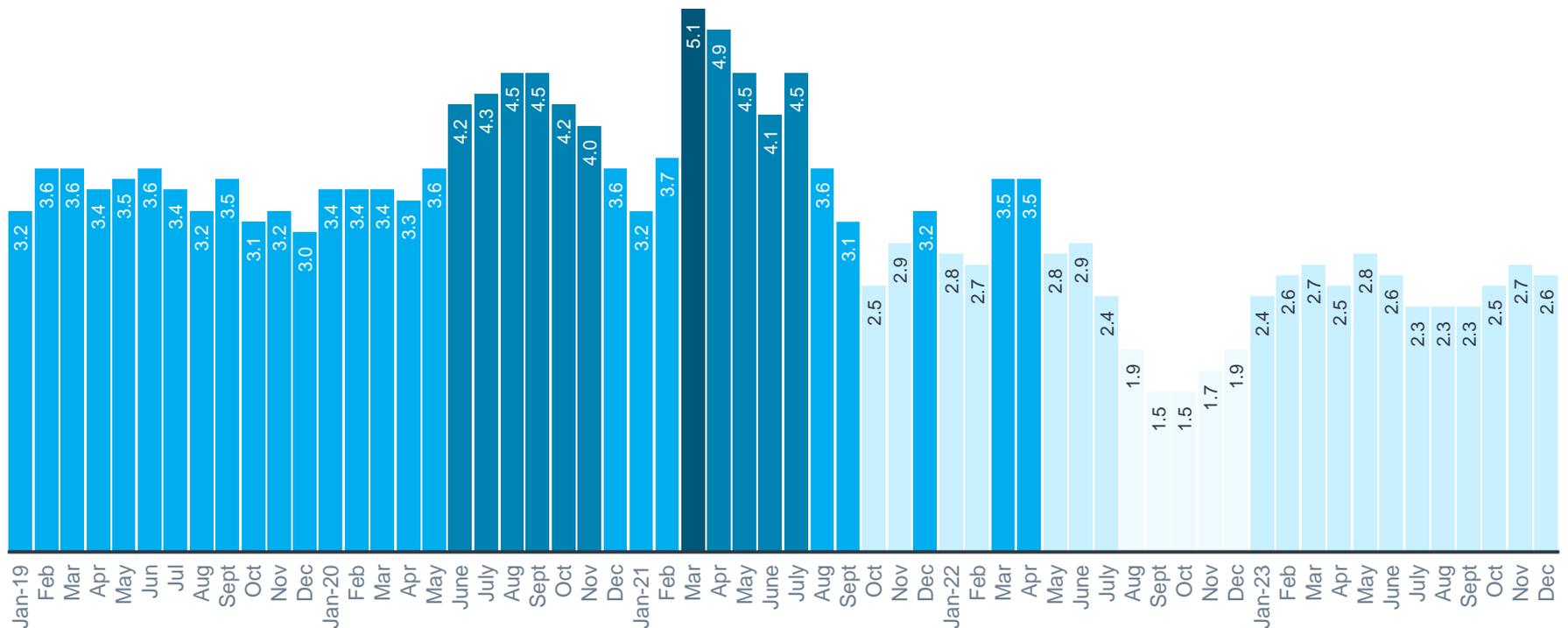
* Less Than 500 Units or Less Than 0.5 Percent



Source: Census

New Homes Selling Fast

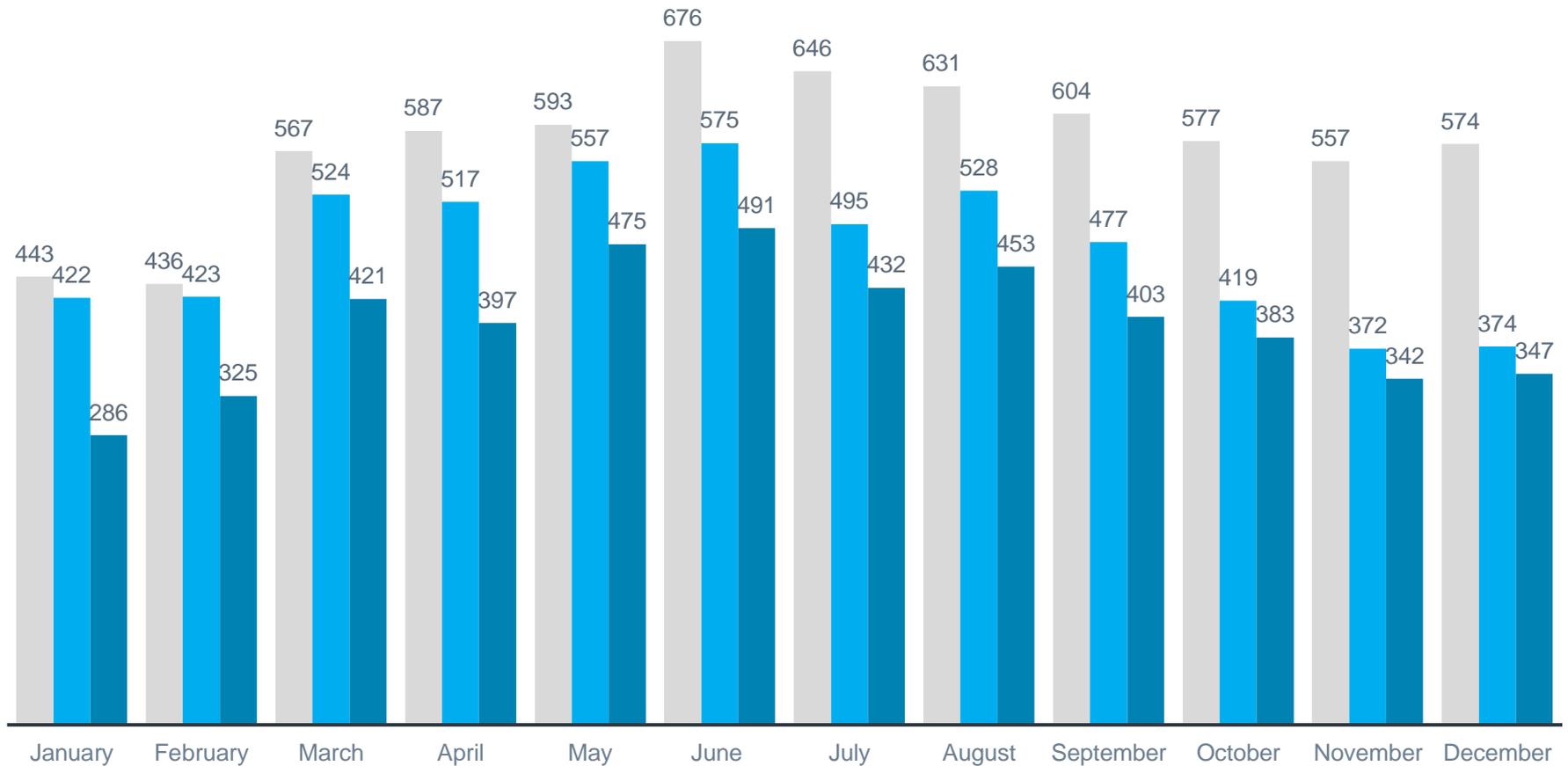
Median Months from Completion to Sold



Total Home Sales

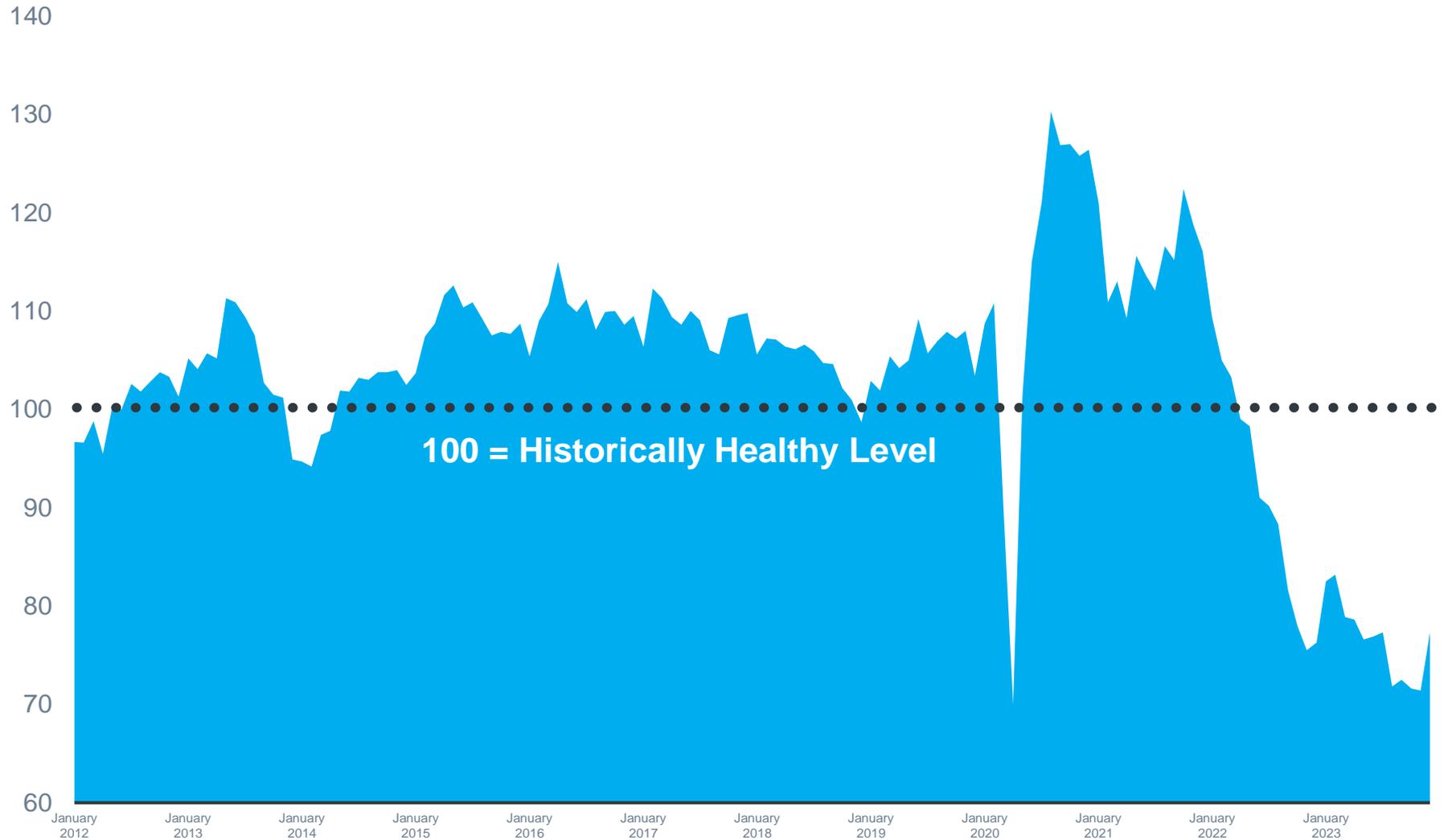
In Thousands

■ 2021 ■ 2022 ■ 2023



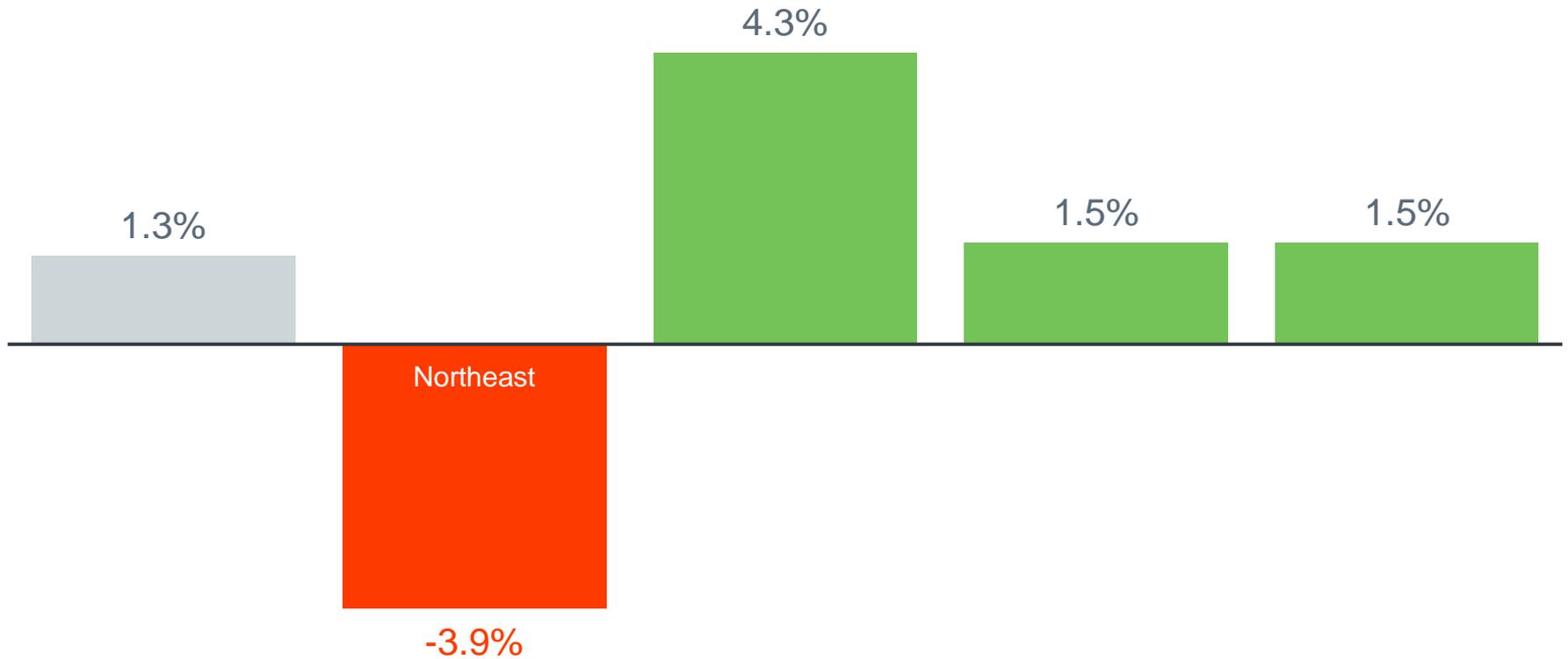
Source: Census

Pending Home Sales



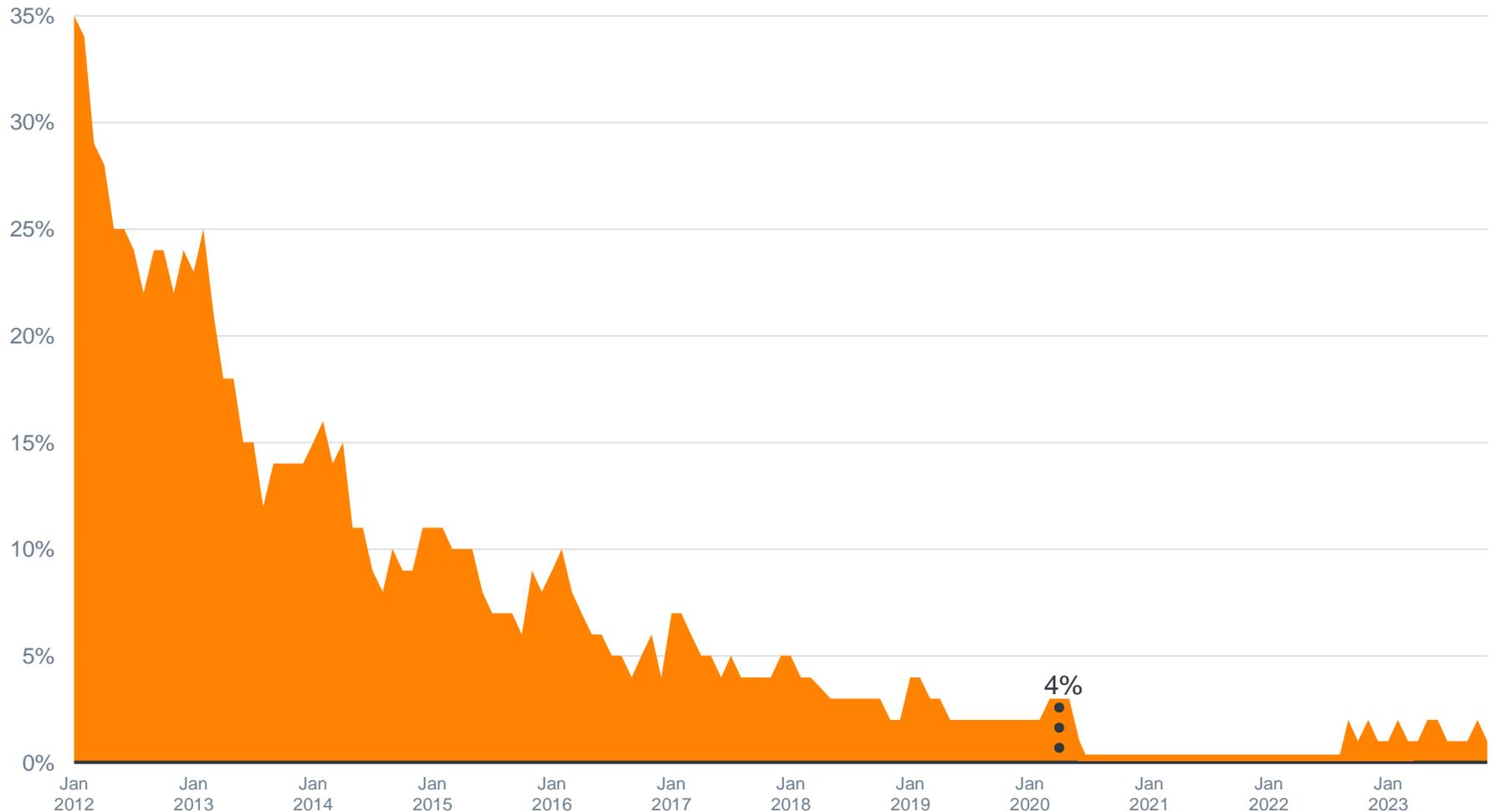
Pending Home Sales

Year-Over-Year by Region



Percentage of Distressed Property Sales

Distressed Sales (Foreclosures and Short Sales) Represented 2% of sales in December.

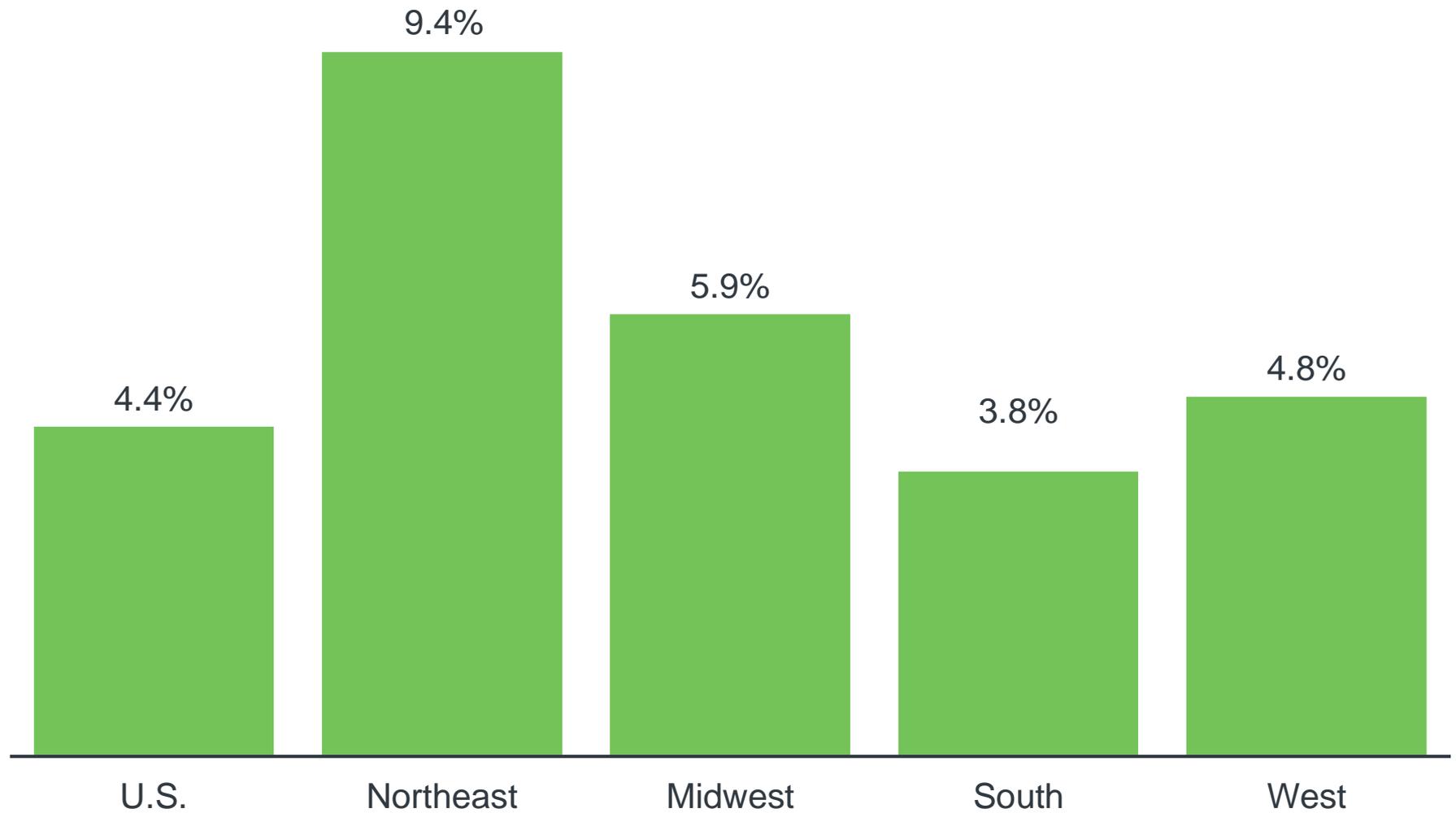




Home Prices

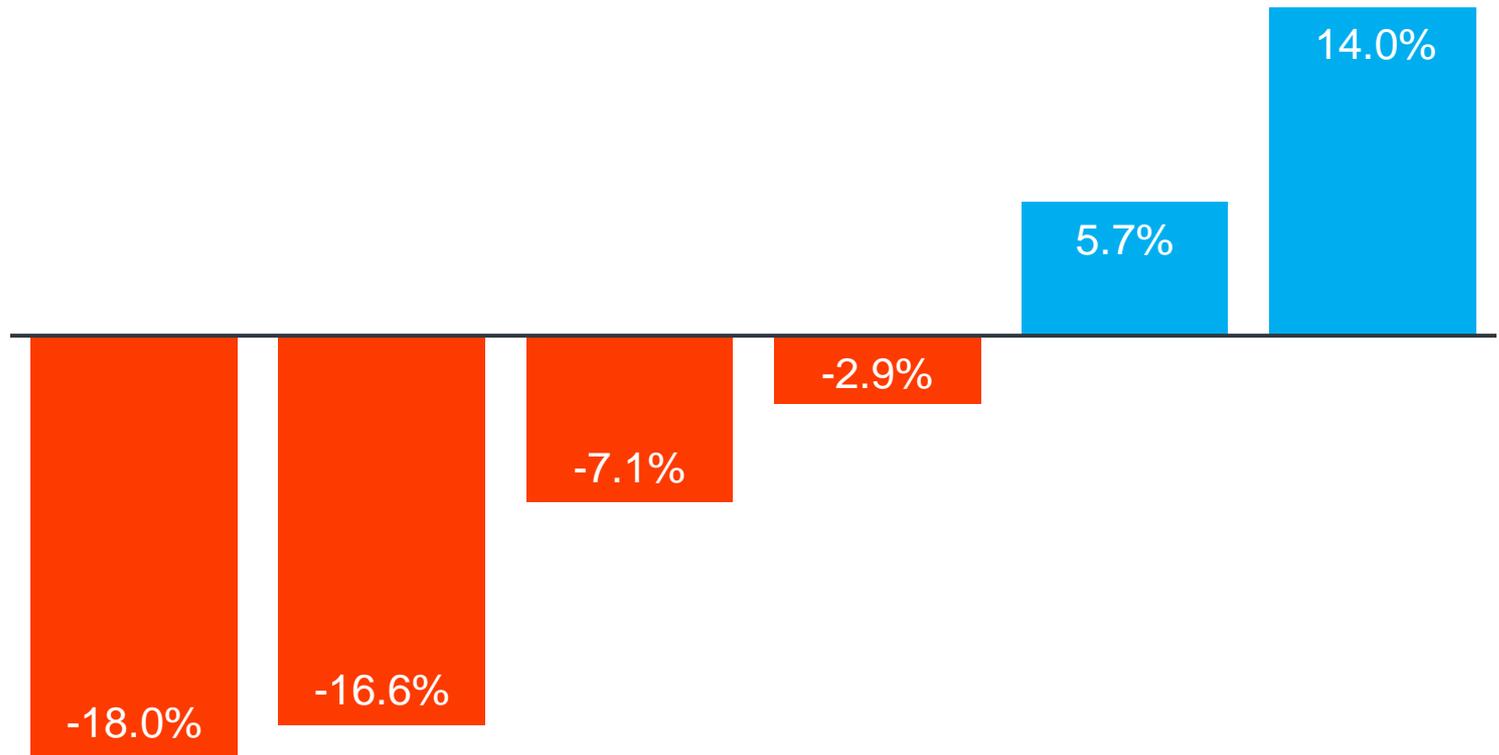
Sales Price of Existing Homes

Year-Over-Year, by Region



% Change in Sales

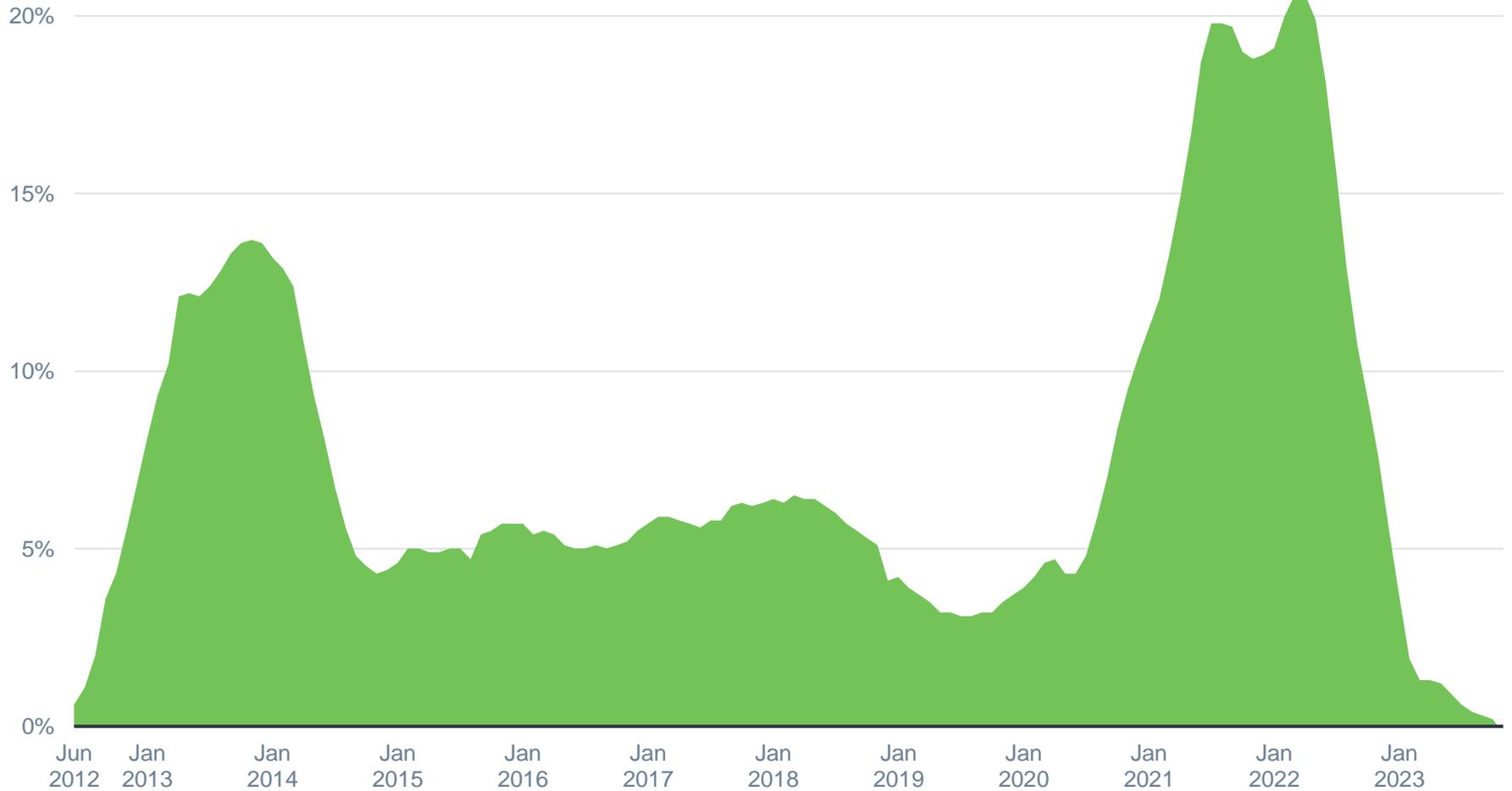
Year-Over-Year, by Price Range



	\$0-100K	\$100-250K	\$250-500K	\$500-750K	\$750K-1M	\$1M+
■ % change in sales	-18.0%	-16.6%	-7.1%	-2.9%	5.7%	14.0%

Change in Home Prices

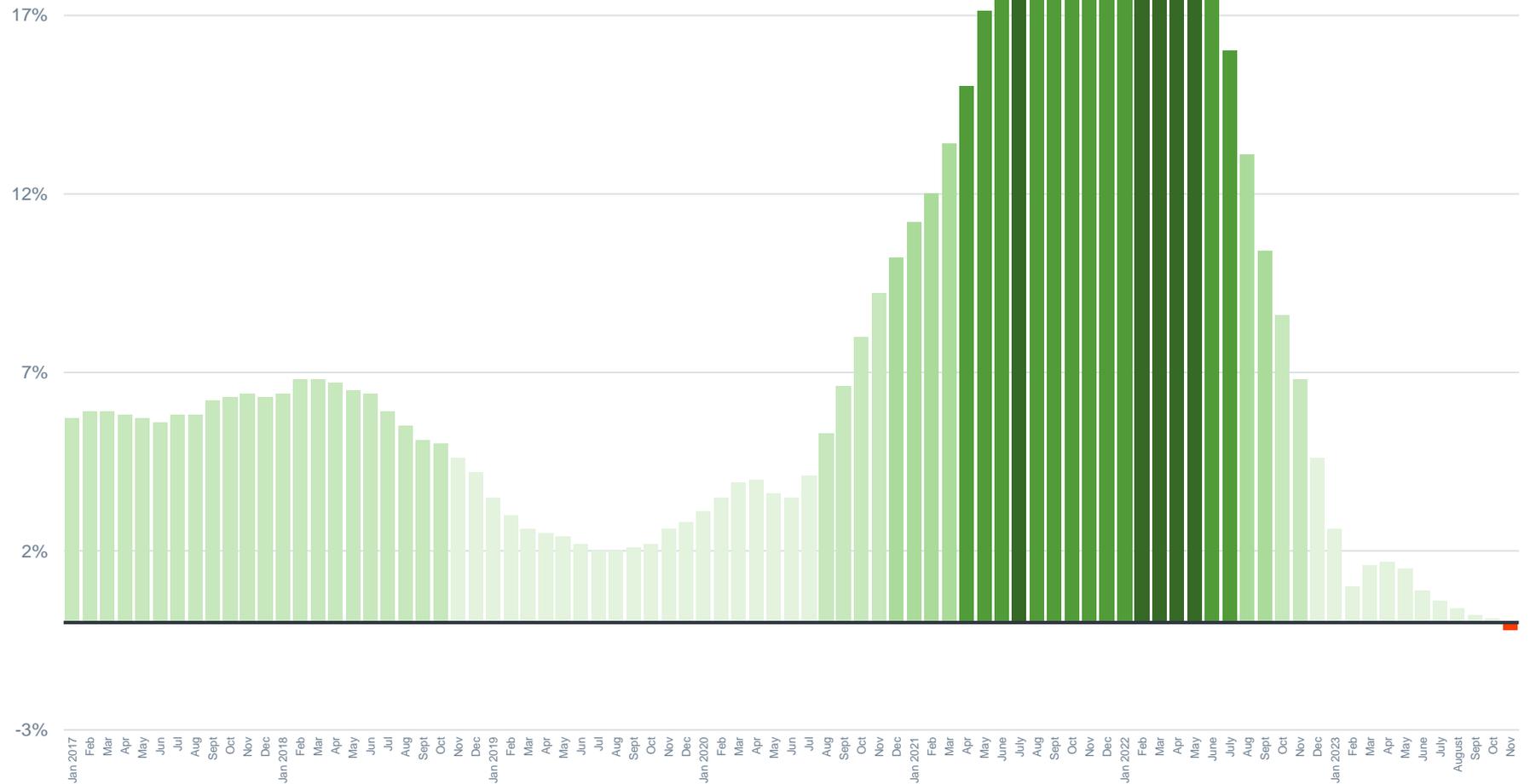
Year-Over-Year



Source: S&P Case-Shiller

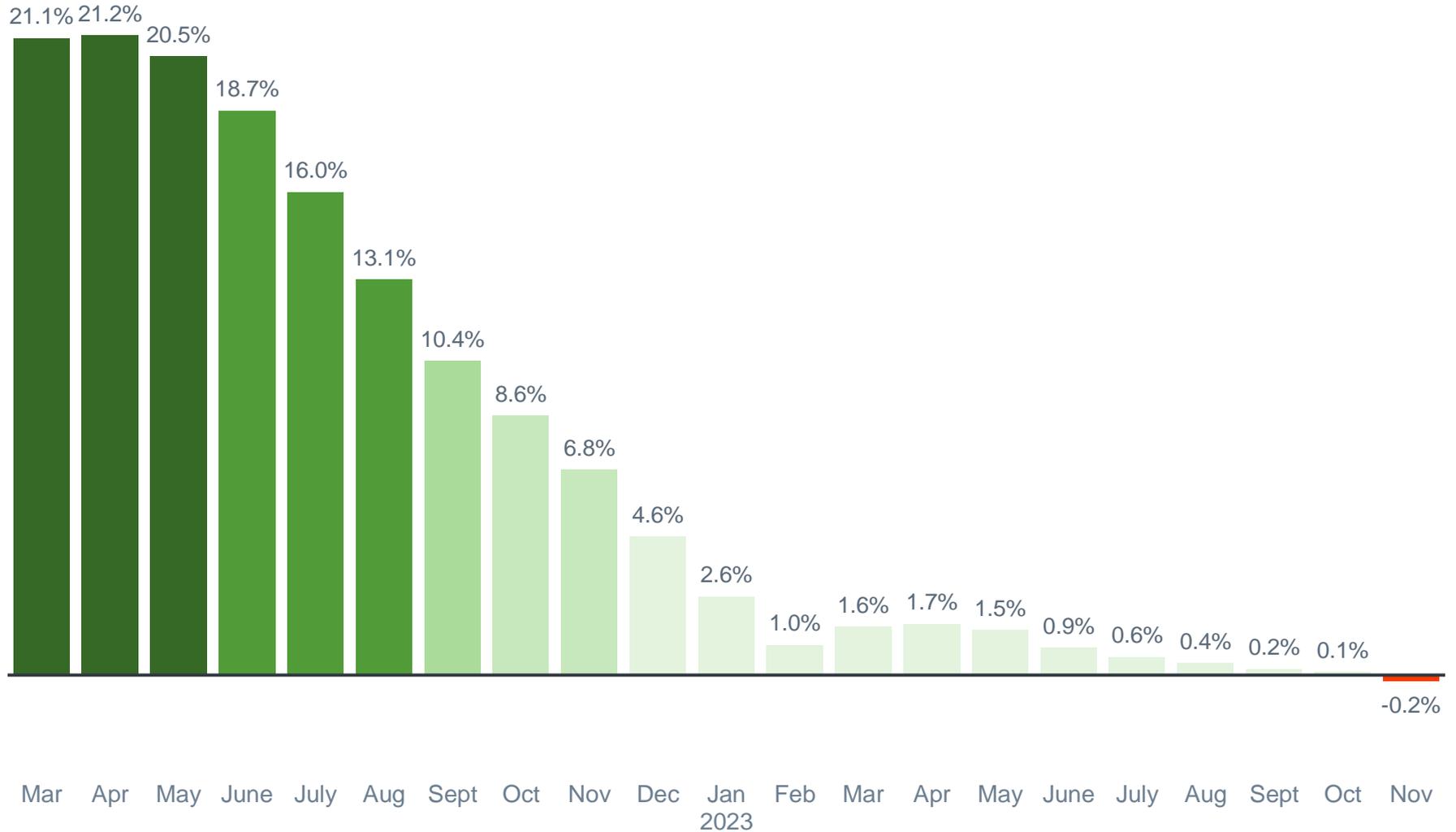
Change in Home Prices

22%
Year-Over-Year, 20 City Composite



Change in Home Prices

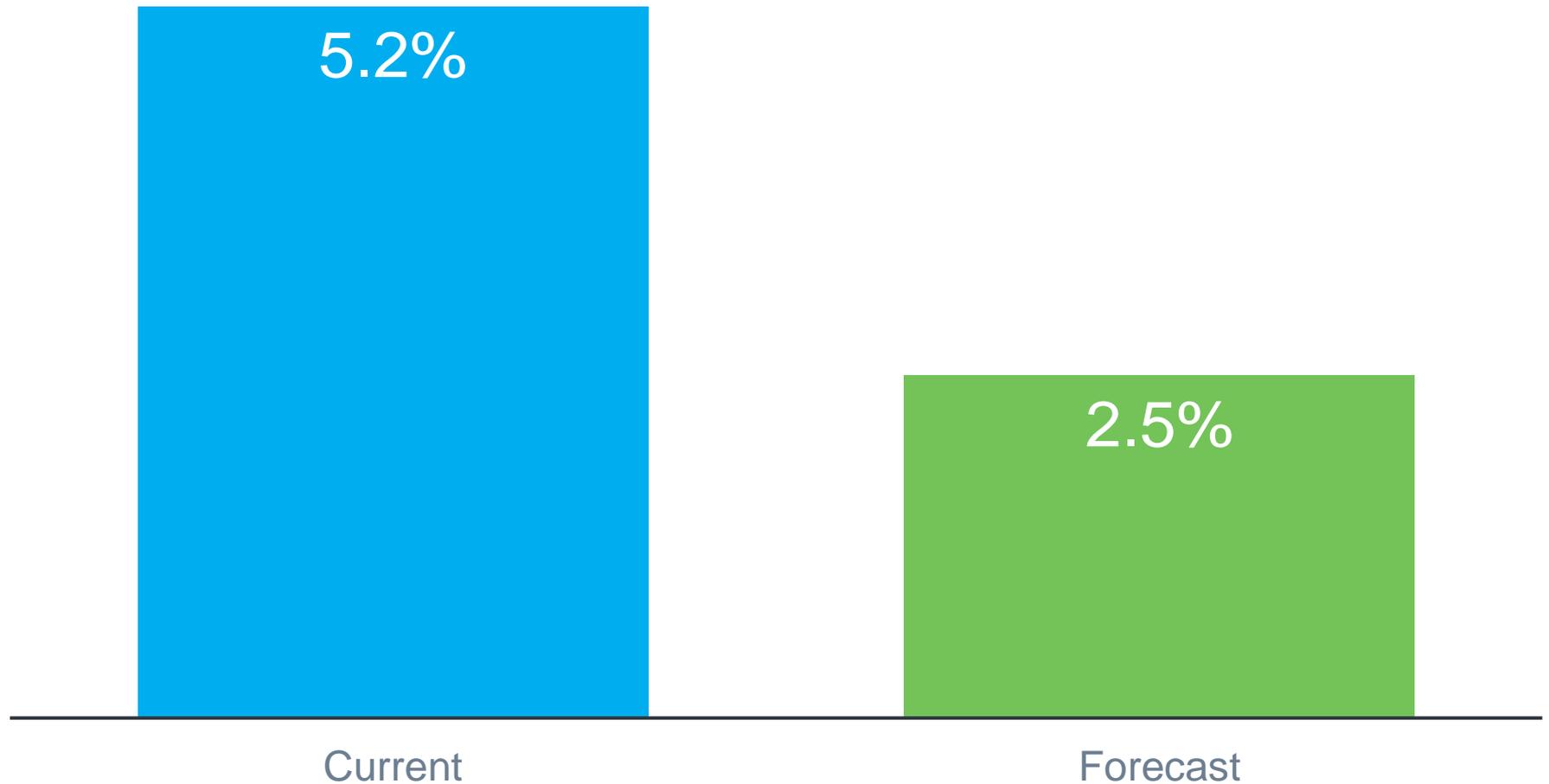
Year-Over-Year, 20 City Composite



Source: S&P Case-Shiller

Year-Over-Year % Change in Price

US Home Price Insights – November 2023

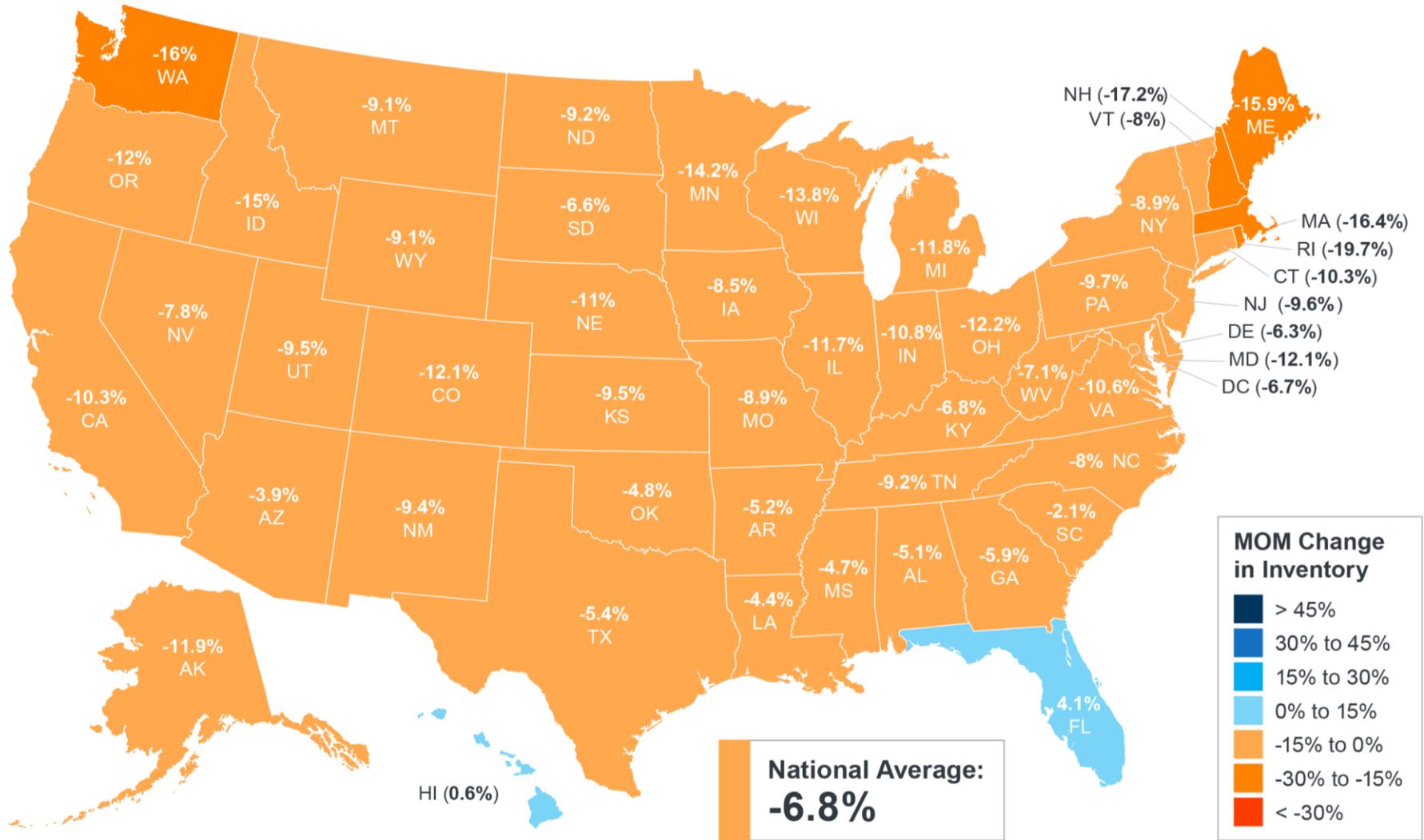




Housing Inventory

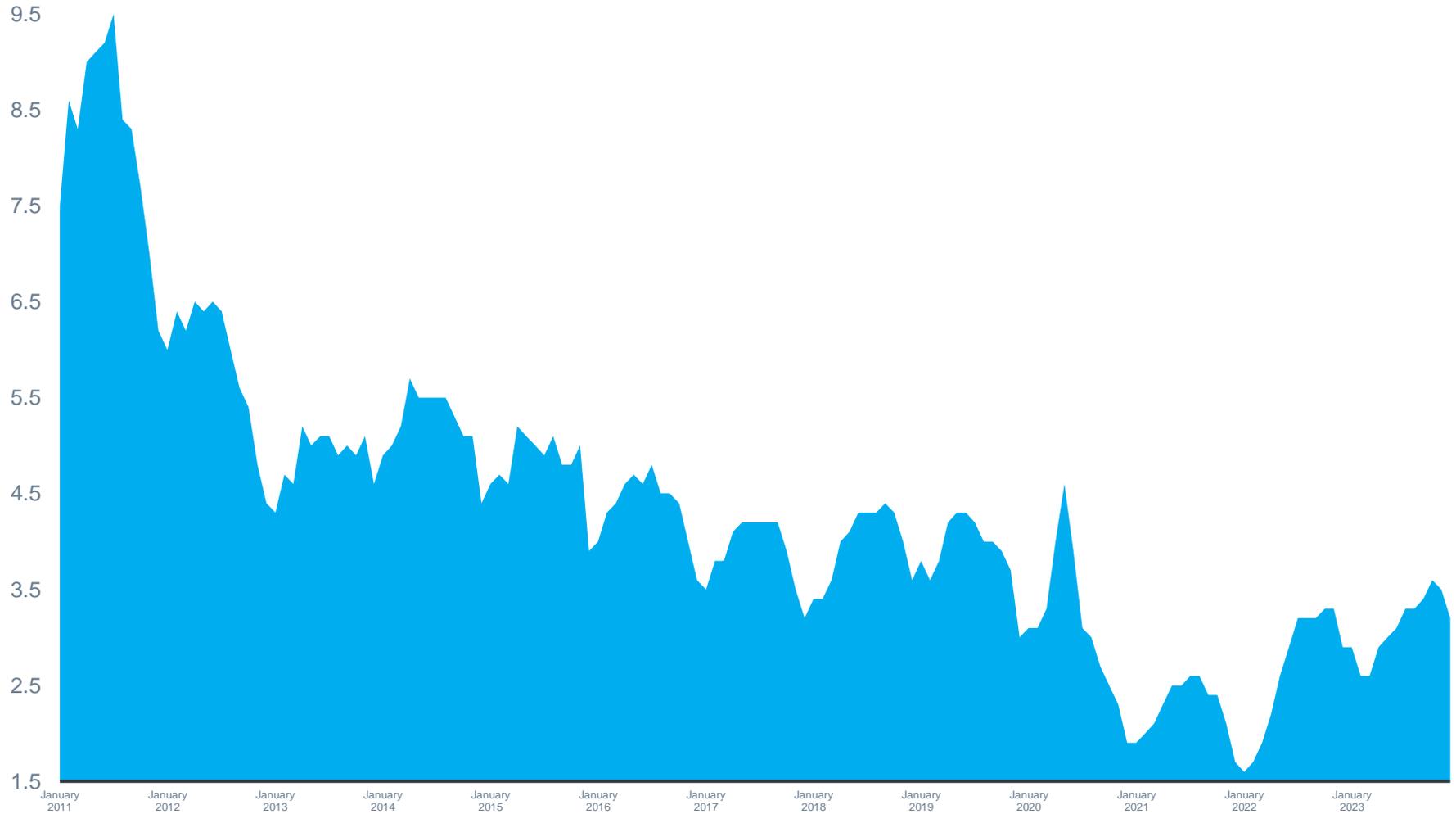
Change in Inventory

Month-Over-Month, January 2024



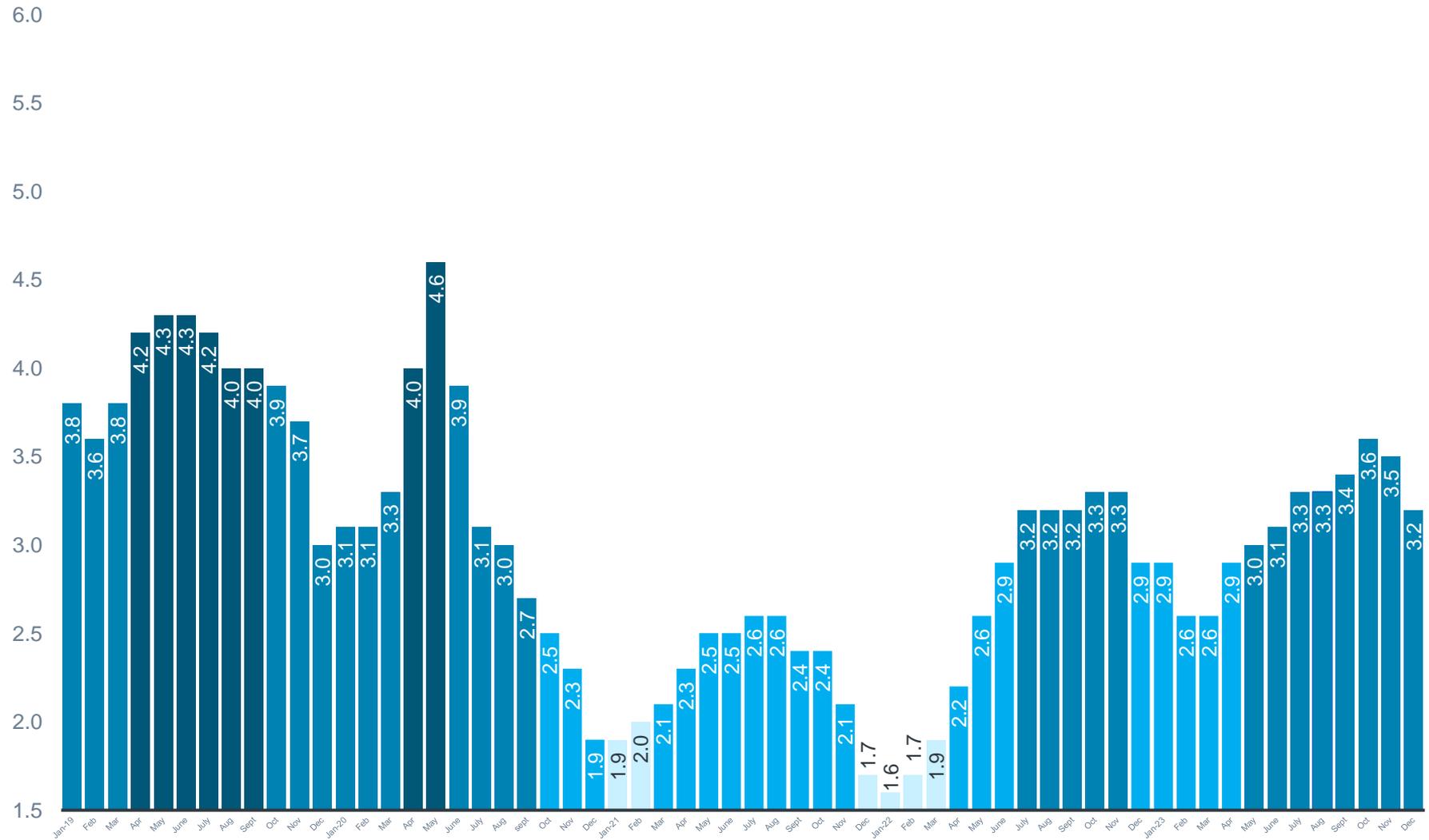
Months Inventory of Homes for Sale

2011 - Today



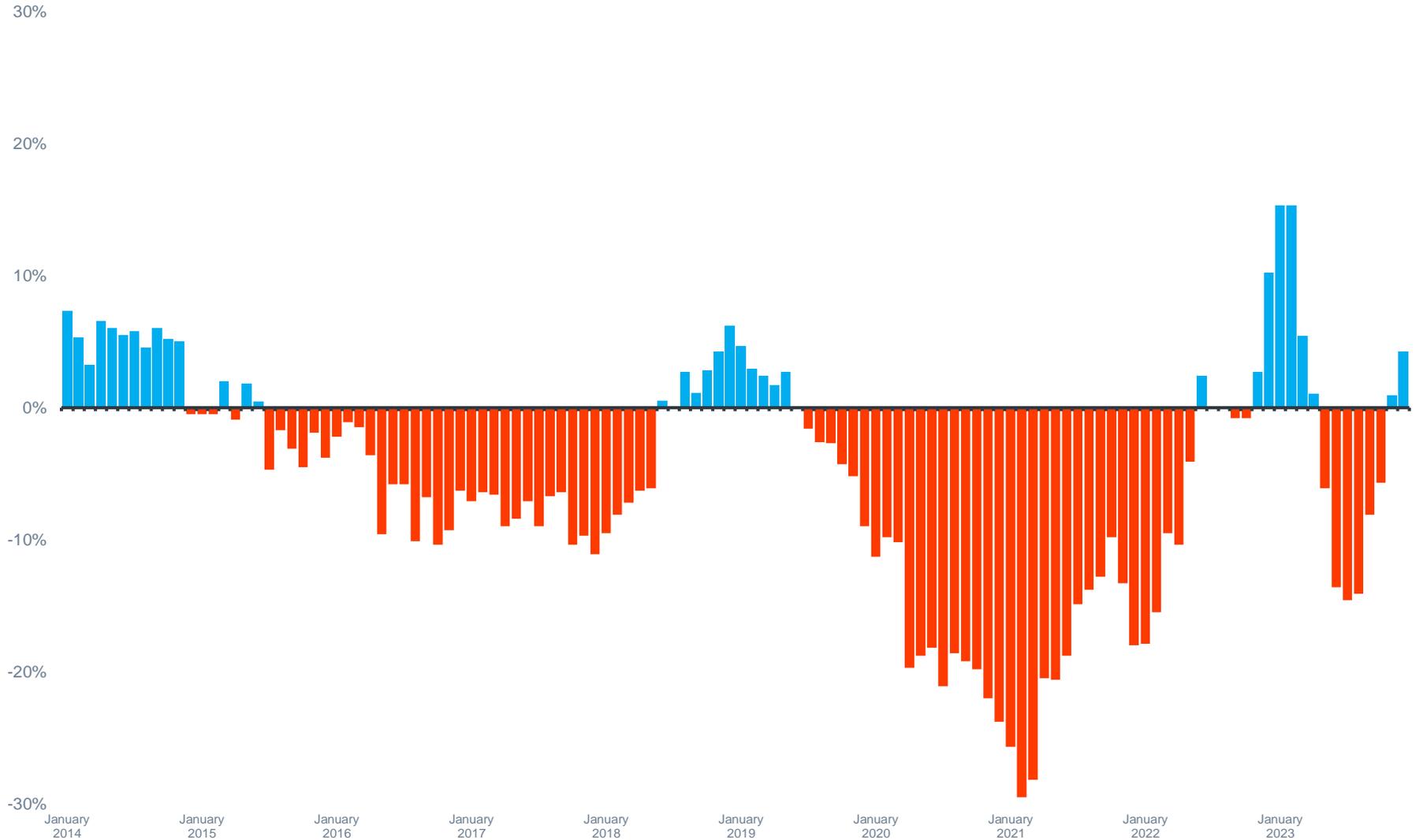
Months Inventory of Homes for Sale

Since 2019



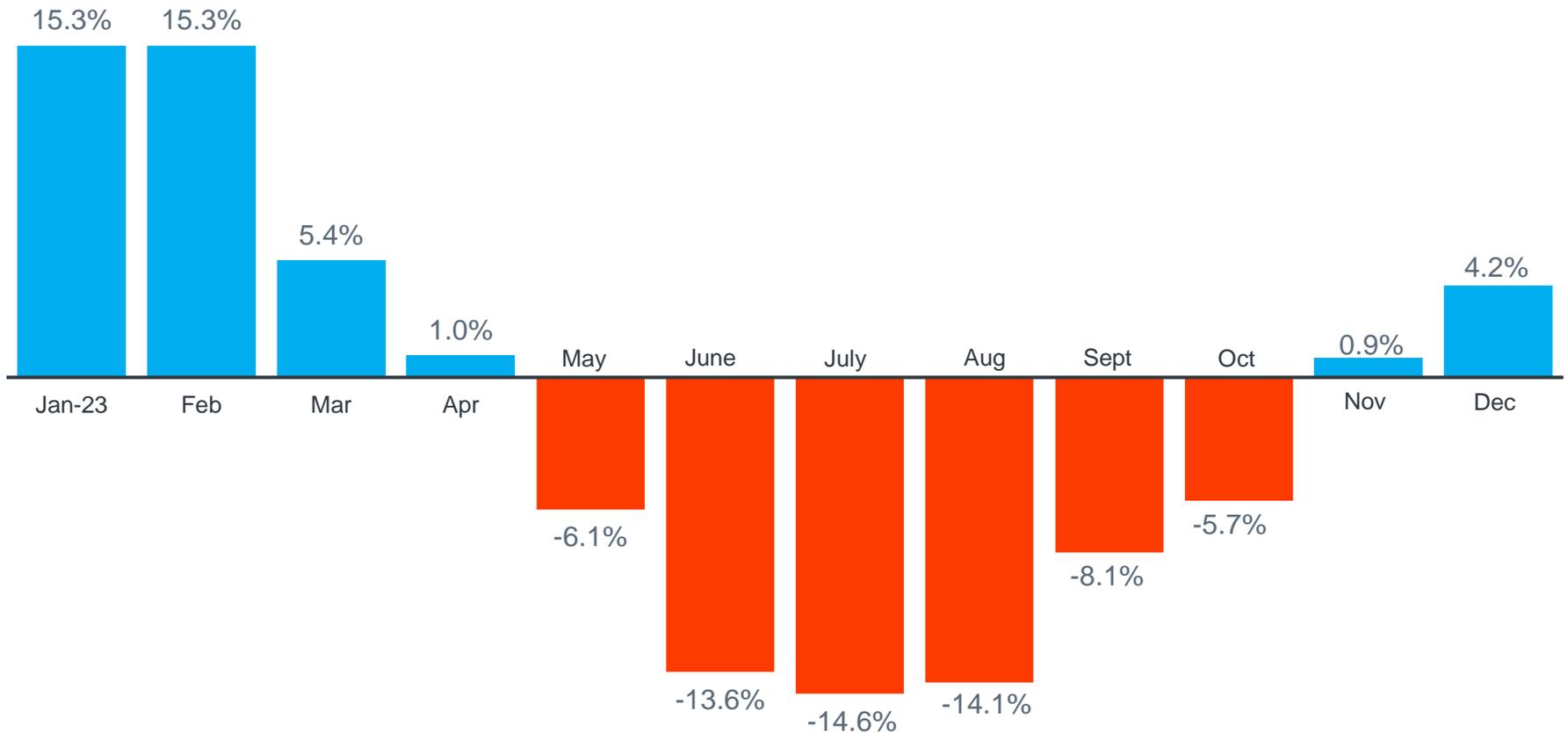
Source: NAR

Year-Over-Year Inventory Levels



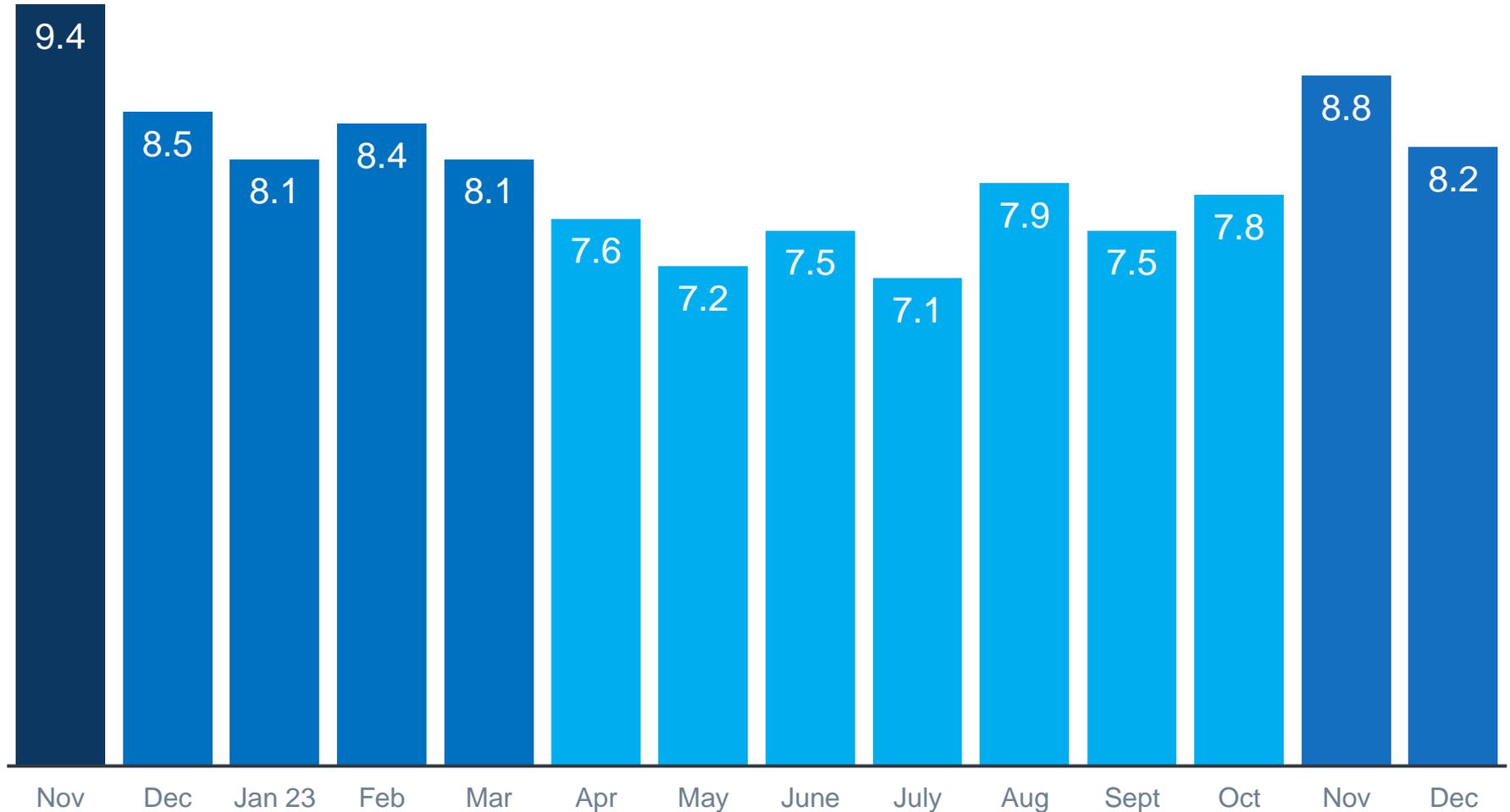
Year-Over-Year Inventory Levels

Last 12 Months



New Home Monthly Inventory

Seasonally Adjusted, Last 13 Months

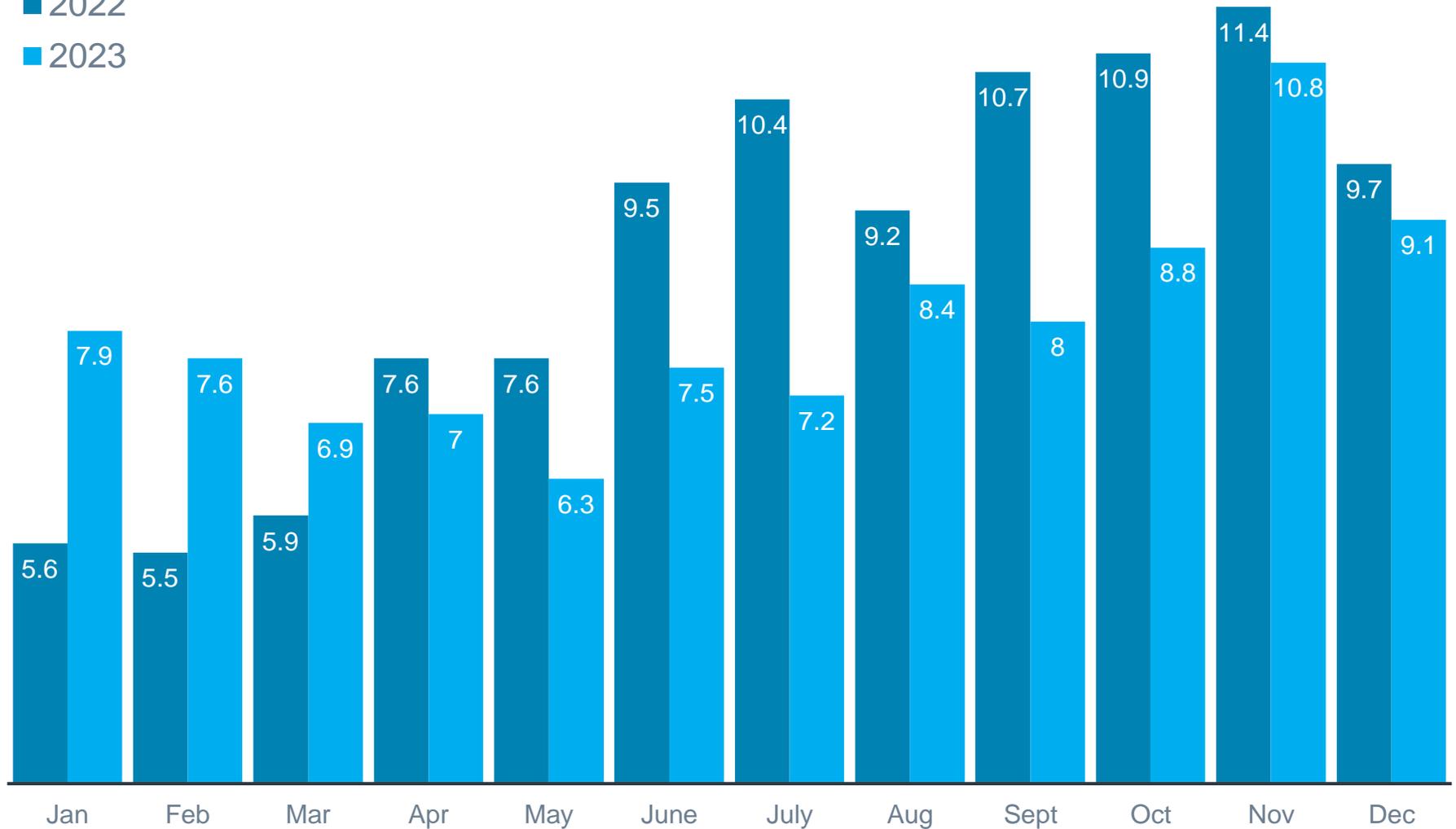


Source: Census

New Home Monthly Inventory

Non-Seasonally Adjusted

■ 2022
■ 2023



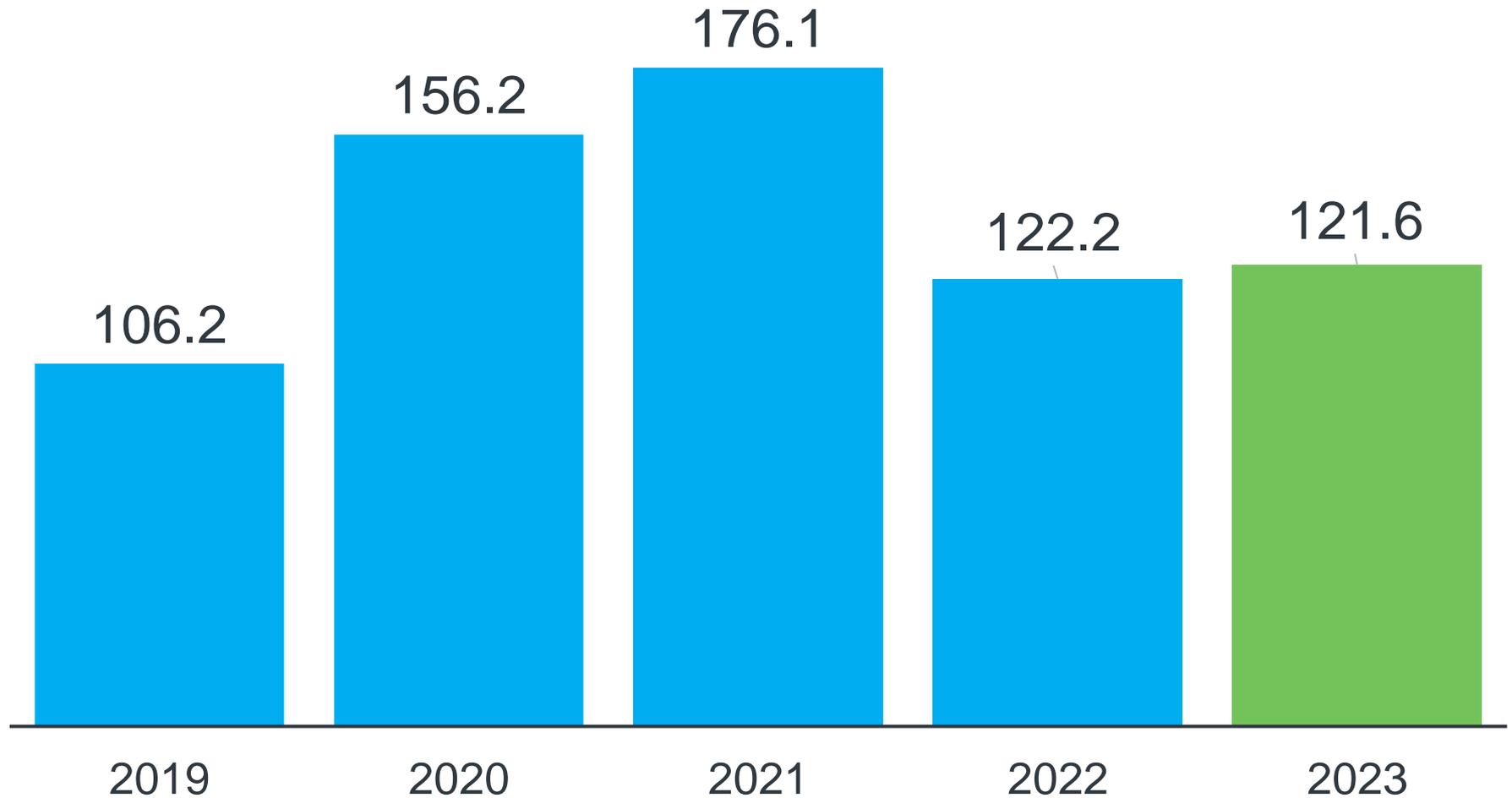
Source: Census

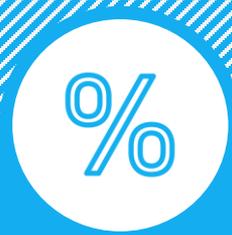


Buyer Demand

Showing Index

Showing Index over the Last 5 Decembers

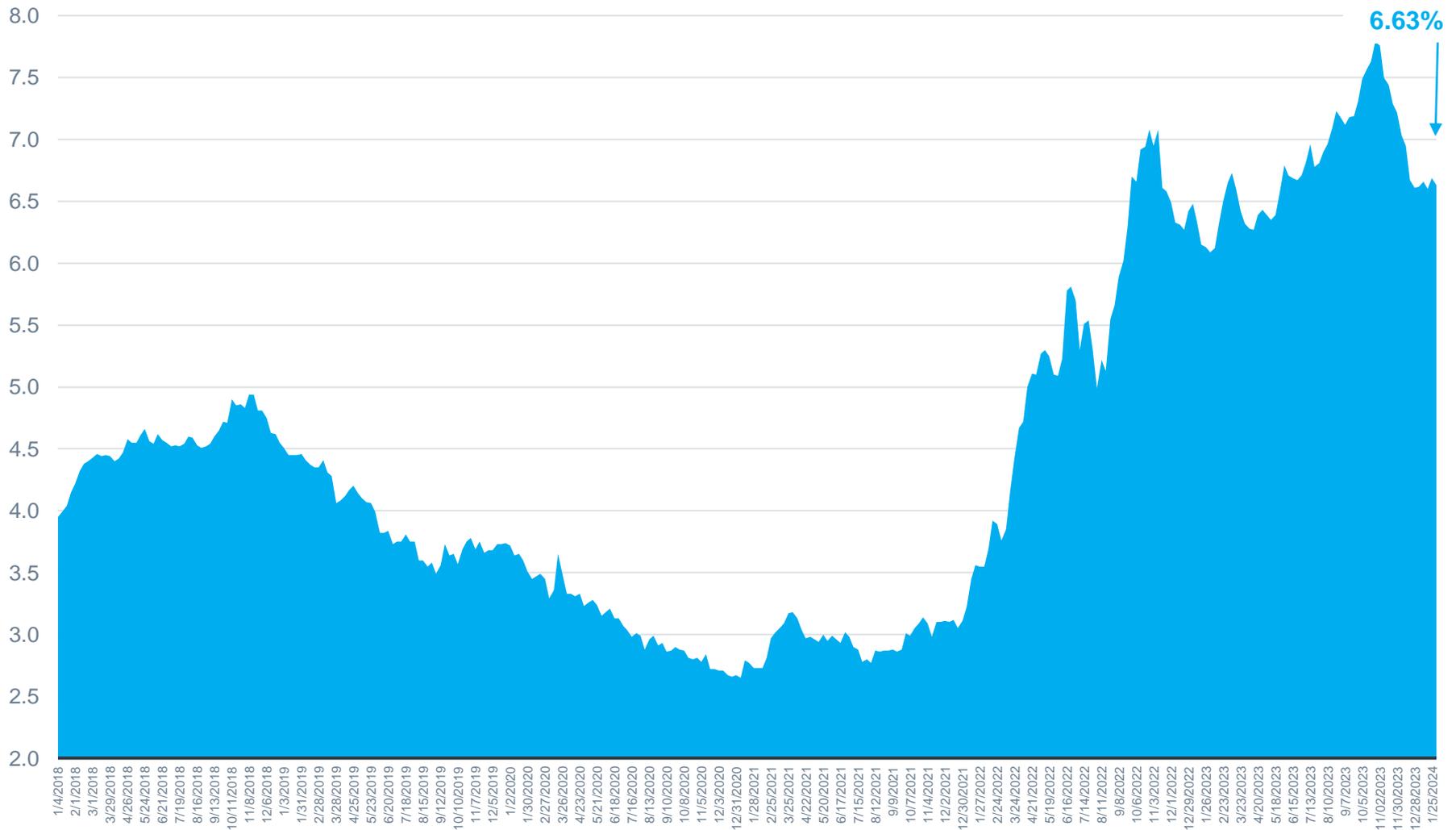




Mortgage Rates

Mortgage Rates

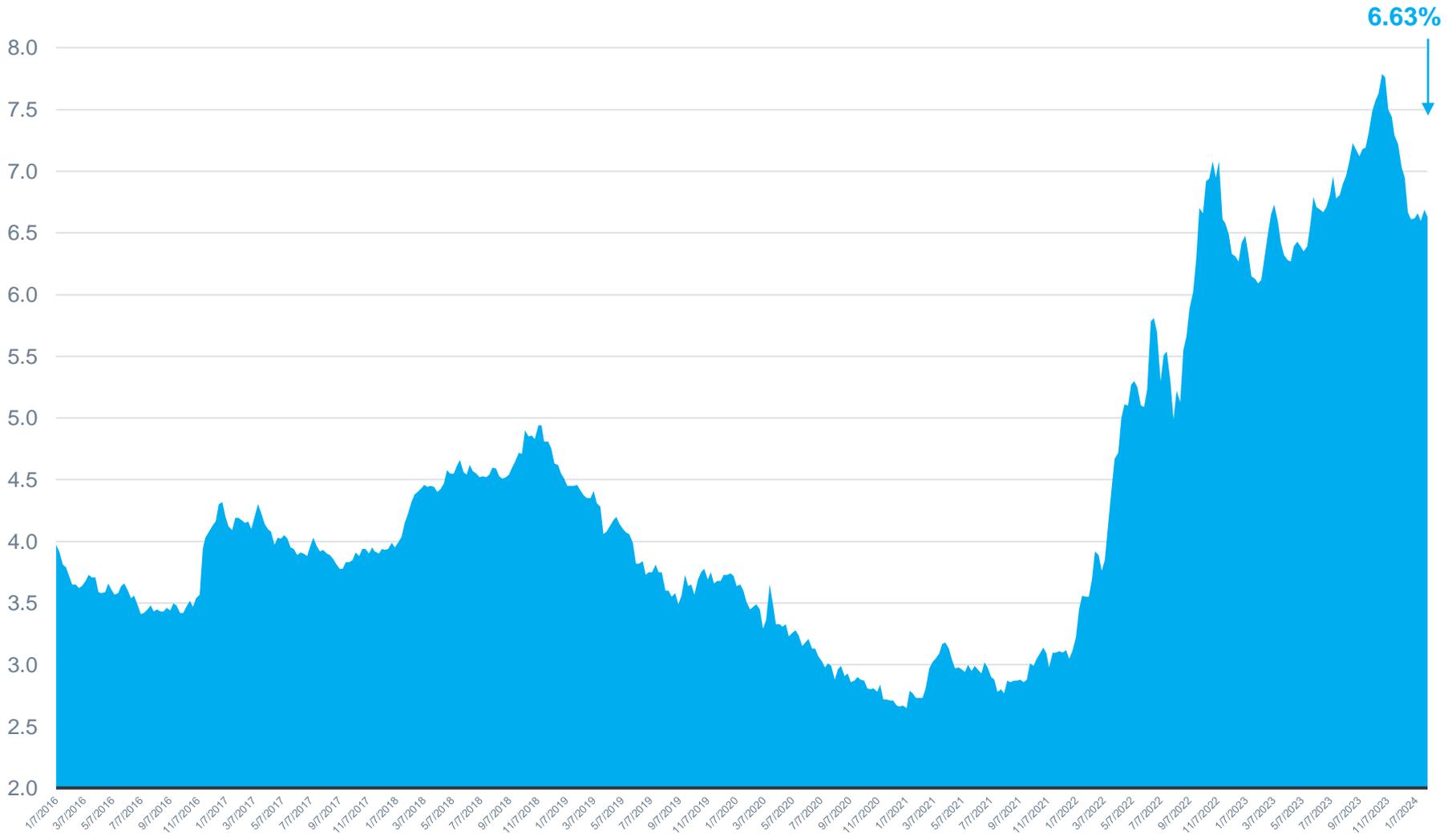
30-Year Fixed Rate, January 2018–Today



Source: Freddie Mac

Mortgage Rates

30-Year Fixed Rate, January 2016–Today



Source: Freddie Mac

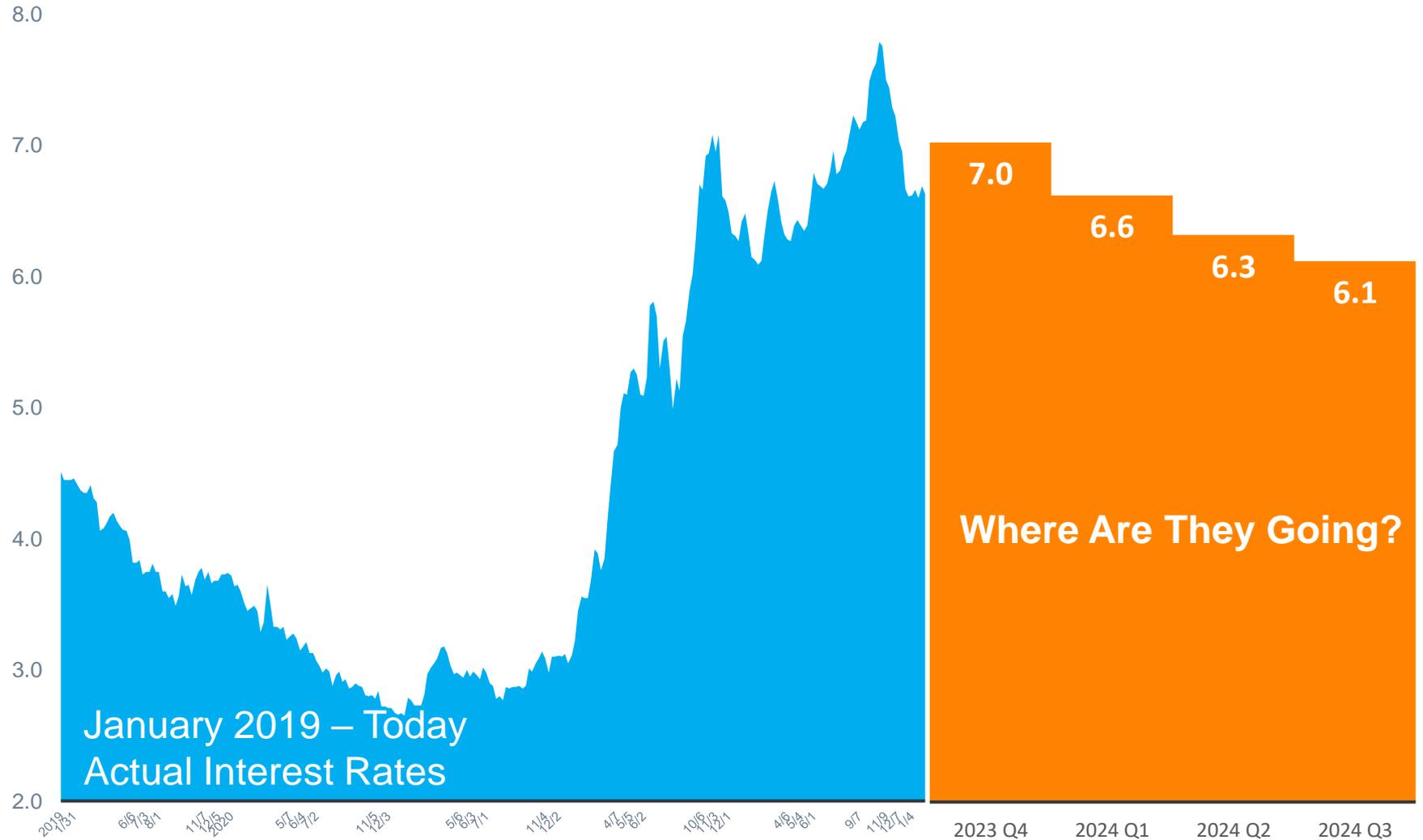
Mortgage Rate Projections

January 2023

Quarter	Fannie Mae	MBA	NAR	Average of All Three
2024 Q1	6.40%	7.00%	6.80%	6.73%
2024 Q2	6.20%	6.60%	6.60%	6.47%
2024 Q3	6.00%	6.30%	6.30%	6.20%
2024 Q4	5.80%	6.10%	6.10%	6.00%

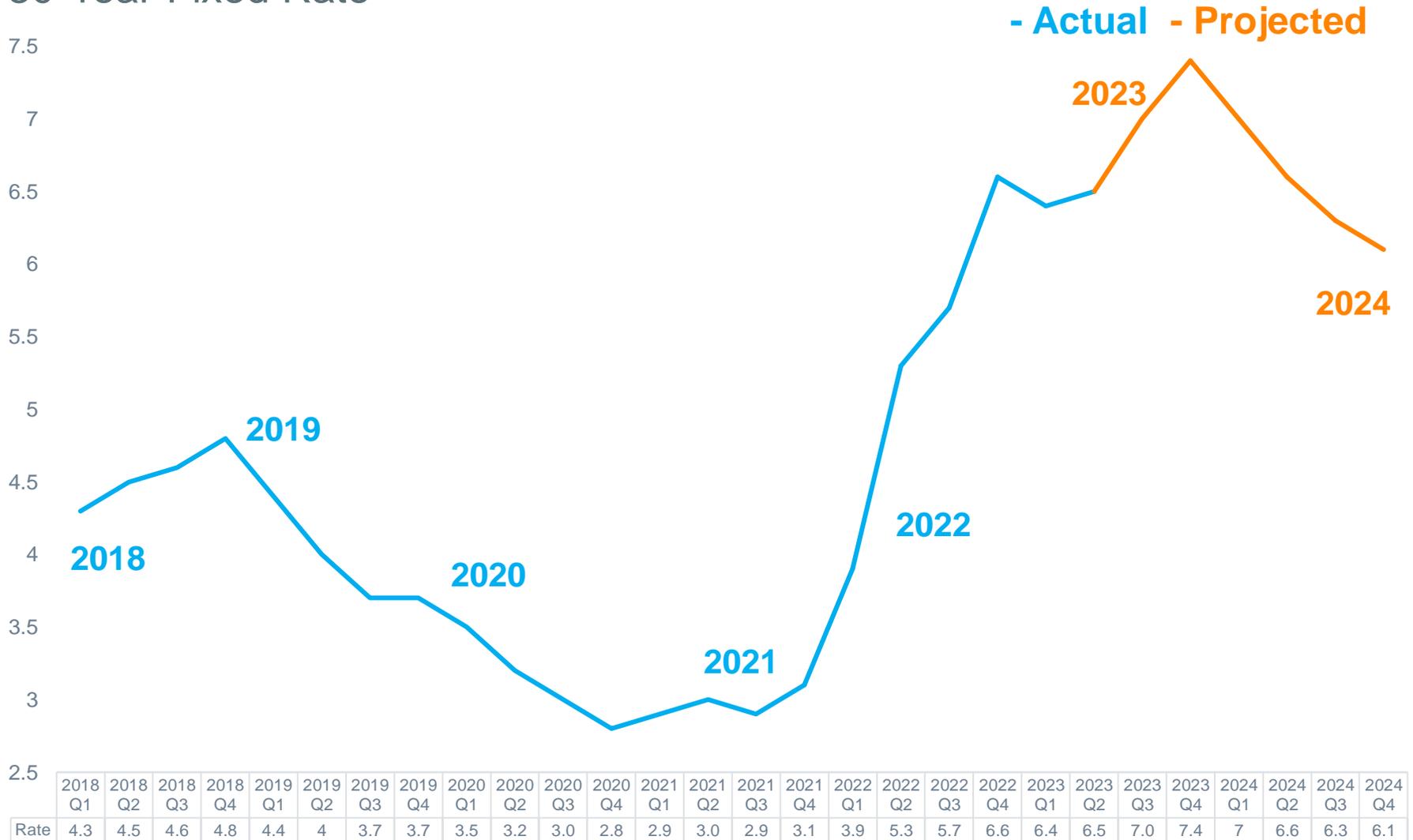
Mortgage Rates

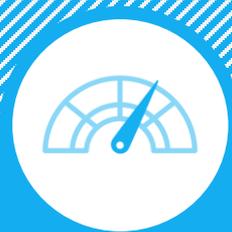
30-Year Fixed Rate



Mortgage Rates

30-Year Fixed Rate

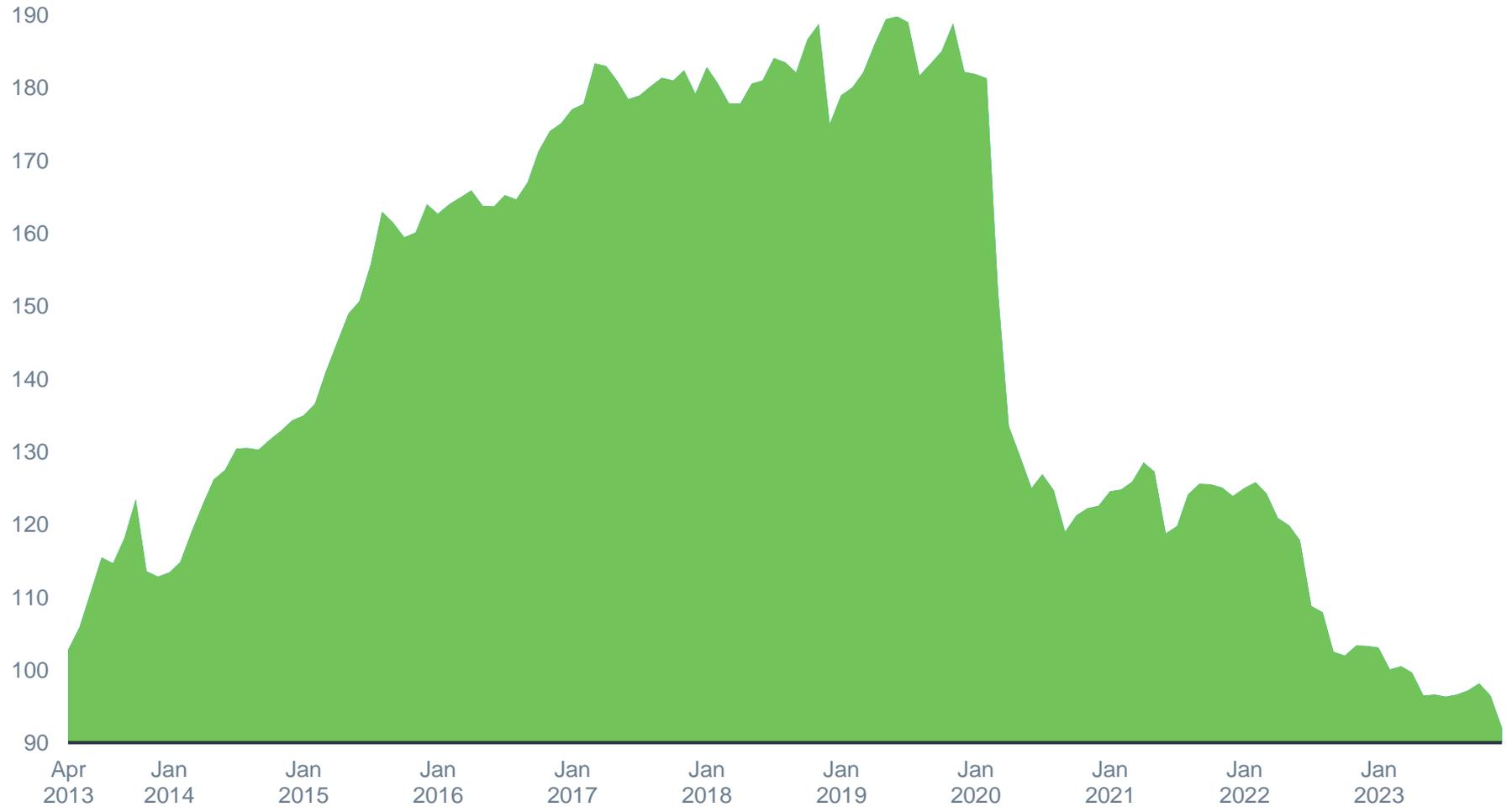




Mortgage Credit Availability

Mortgage Credit Availability Index (MCAI)

December 2023



Source: MBA

Lending Standards Still Under Control

Historic Data for the Mortgage Credit Availability Index (MCAI)

