

KEEPING CURRENT MATTERS



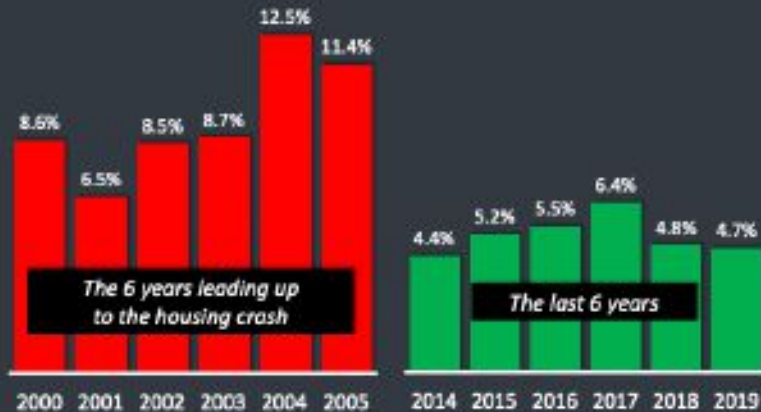
JANUARY 2021



“Market data has always been a powerful tool for real estate, but 2020 marked a new high point for how data was leveraged to encourage informed decisions and to help real estate professionals reinforce their status as market experts...”

ShowingTime
*Positive Takeaways
from 2020*

Annual Home Price Appreciation



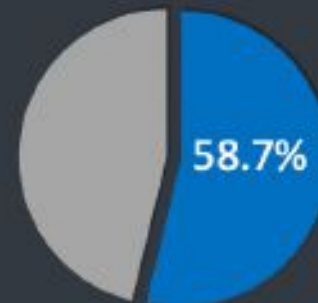
Months Inventory of Homes for Sale



Total Home Equity Cashed Out

by Refinance in Billions

Then...		Now...	
Year	Dollars	Year	Dollars
2005	\$263B	2017	\$71B
2006	\$321B	2018	\$87B
2007	\$240B	2019	\$89B
Total	\$824B	Total	\$247B



of all homes in America have at least 60% equity

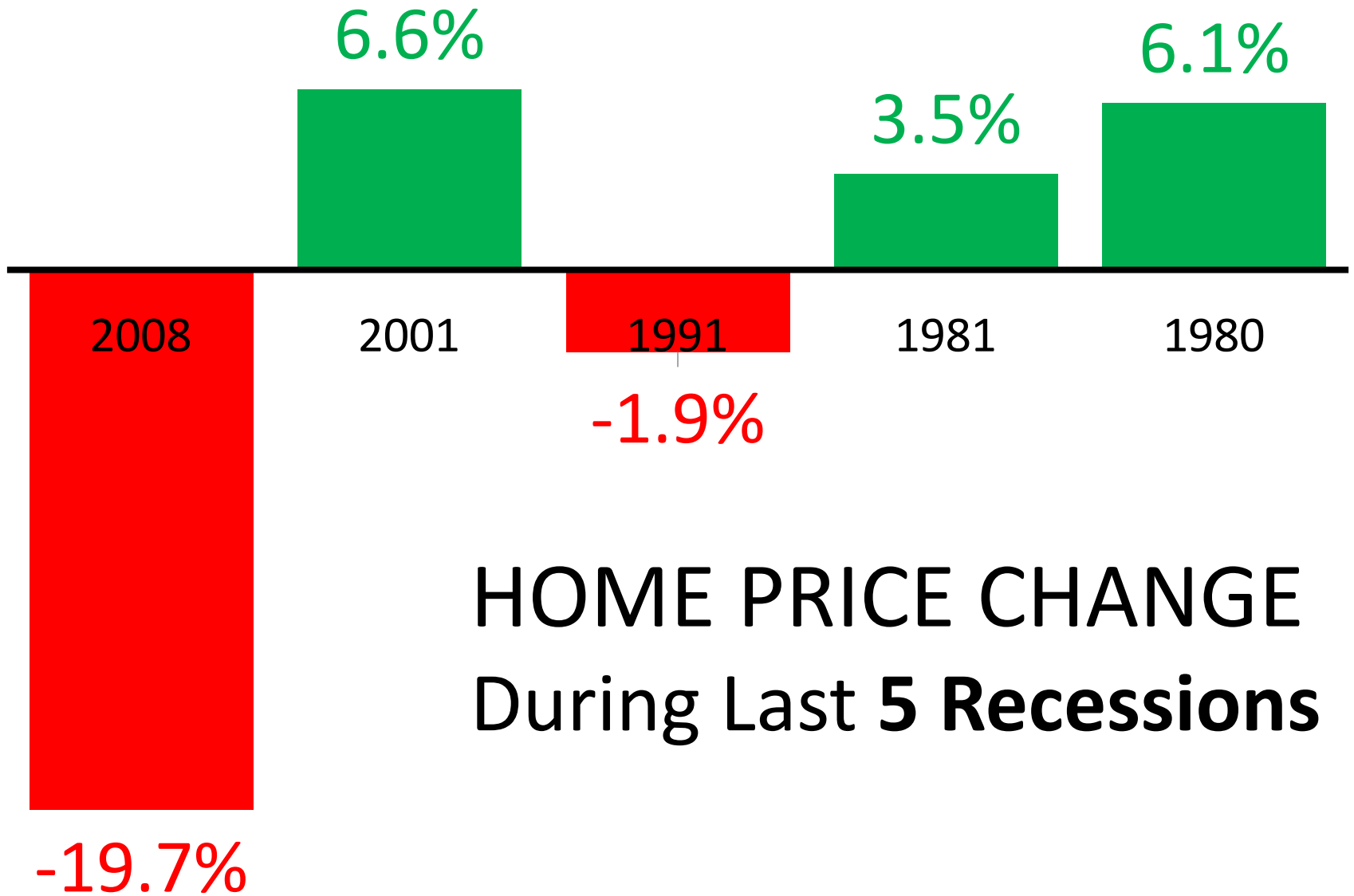
Americans are sitting on tremendous equity

42.1%

of all homes are owned 'free and clear'

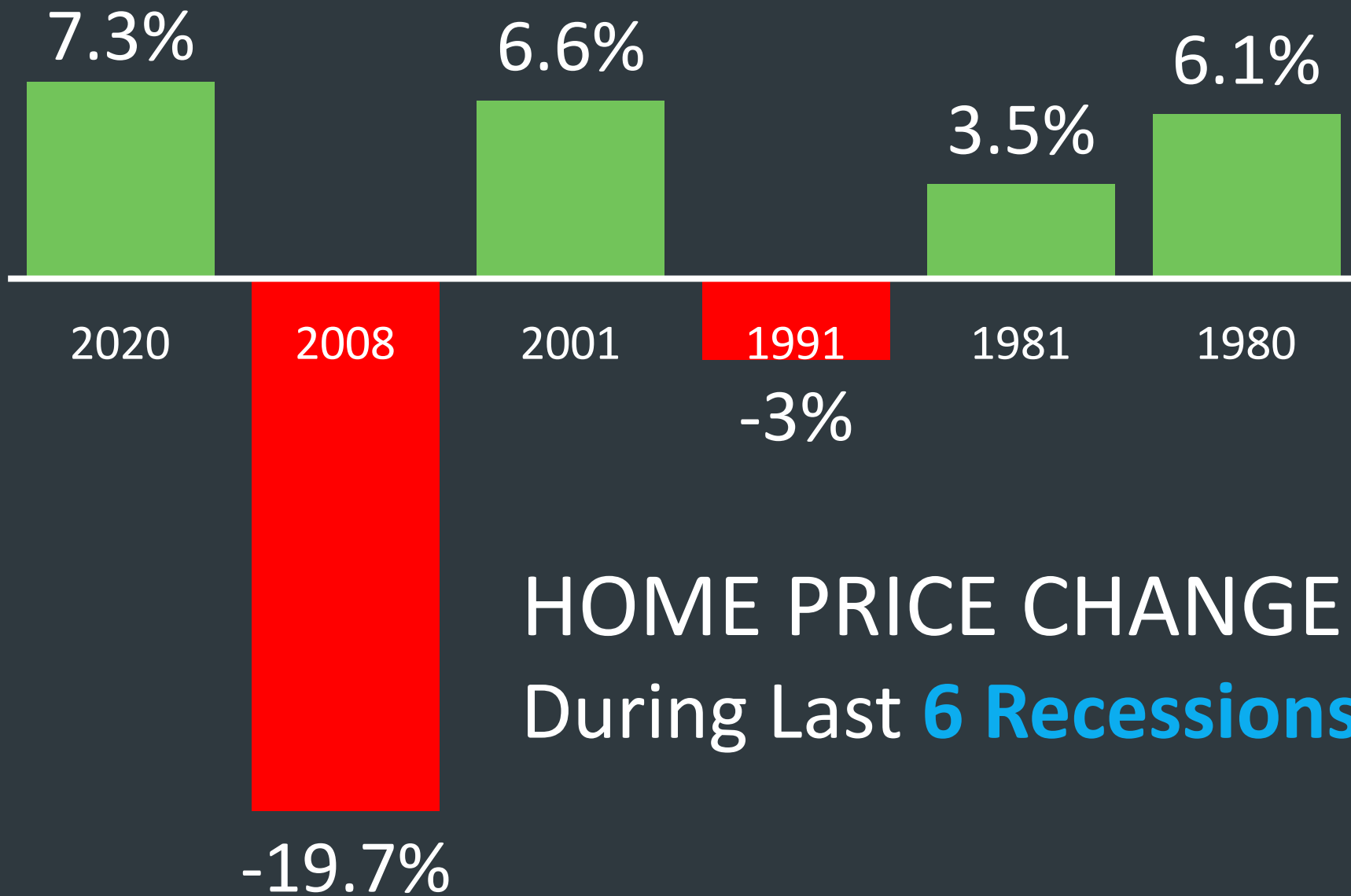
\$177,000

the average equity of the mortgaged homes



HOME PRICE CHANGE During Last 5 Recessions

March 2020



HOME PRICE CHANGE During Last **6 Recessions**



THE GROWTH OF HOME EQUITY

“Over the past year, strong home price growth has created a record level of home equity for homeowners. The average family with a home mortgage loan had \$194,000 in home equity in the third quarter. This provides an important buffer to protect families if they experience financial difficulties and is one reason for the generational-low in foreclosure rates.”

Frank Nothaft

Chief Economist at CoreLogic



American Home Equity Skyrockets

\$17,000

average gain in equity
of mortgaged homes

\$194,000

current average equity
of mortgaged homes

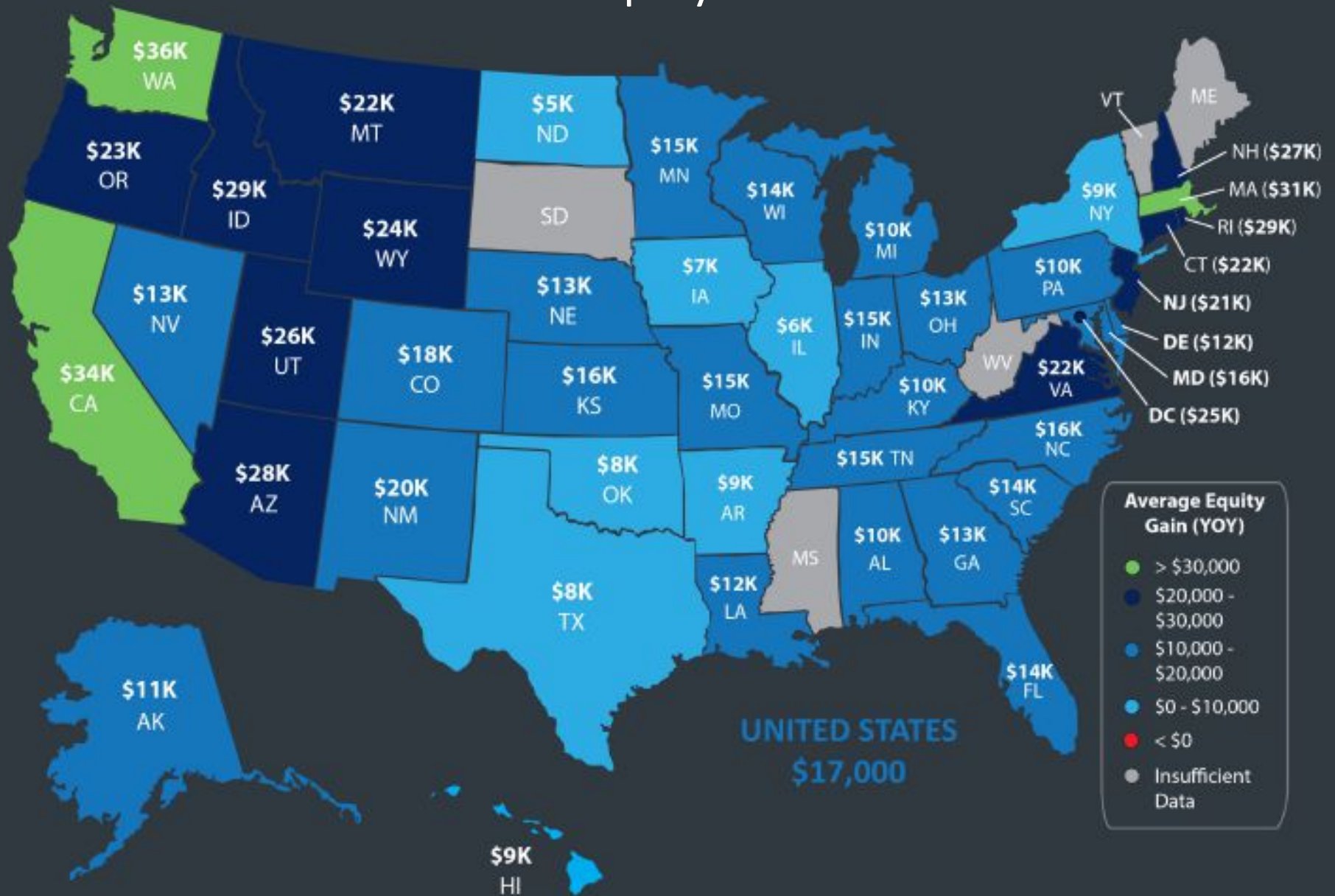
38.2%

of all homes are owned
'free and clear'

10.8%

increase in equity
totaling over \$1 trillion

YOY Equity Gains



“The housing market has remained a strong pillar in an otherwise tumultuous economic year. A sharp rise in demand, spurred by record-low interest rates, continues to bolster homeowner equity. And with many people now spending more time than ever before at home, some homeowners have tapped into their strengthening equity to fund renovations.”

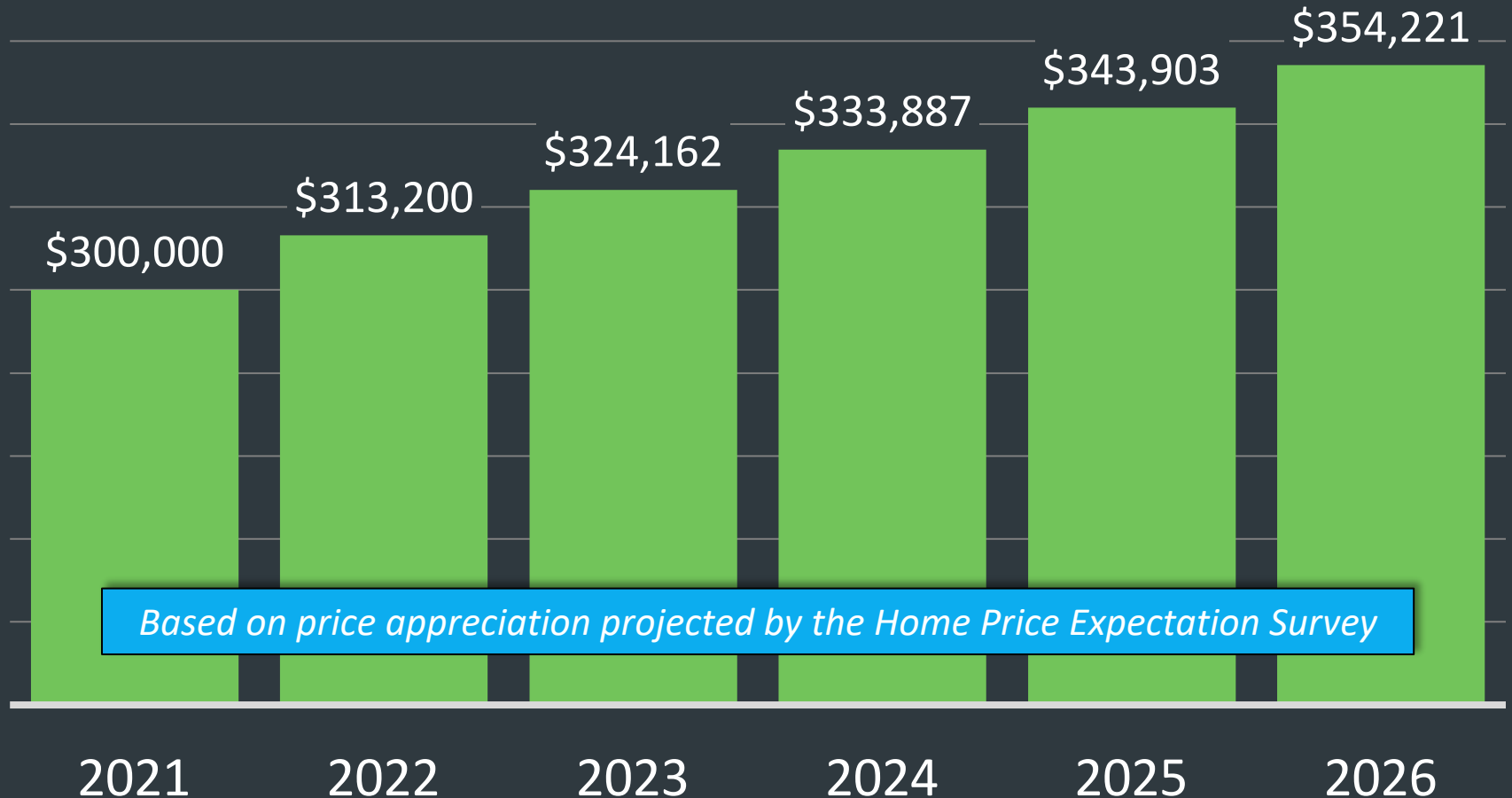
Frank Martell

President and CEO of CoreLogic



\$54,221

potential growth in household wealth over the next five years based solely on increased home equity if you purchase a \$300K home in January 2021





WHATS AHEAD IN 2021...

“The surge in the work-from-home population has **rewritten the playbook for many homebuying and rental decisions**, from when and where to relocate, to what people are looking for in their next residence...”

David Mele

President at Homes.com



“Despite the best intentions of home builders to provide more housing supply, the big short in housing supply will continue into 2021 and likely keep house price appreciation flying high.”

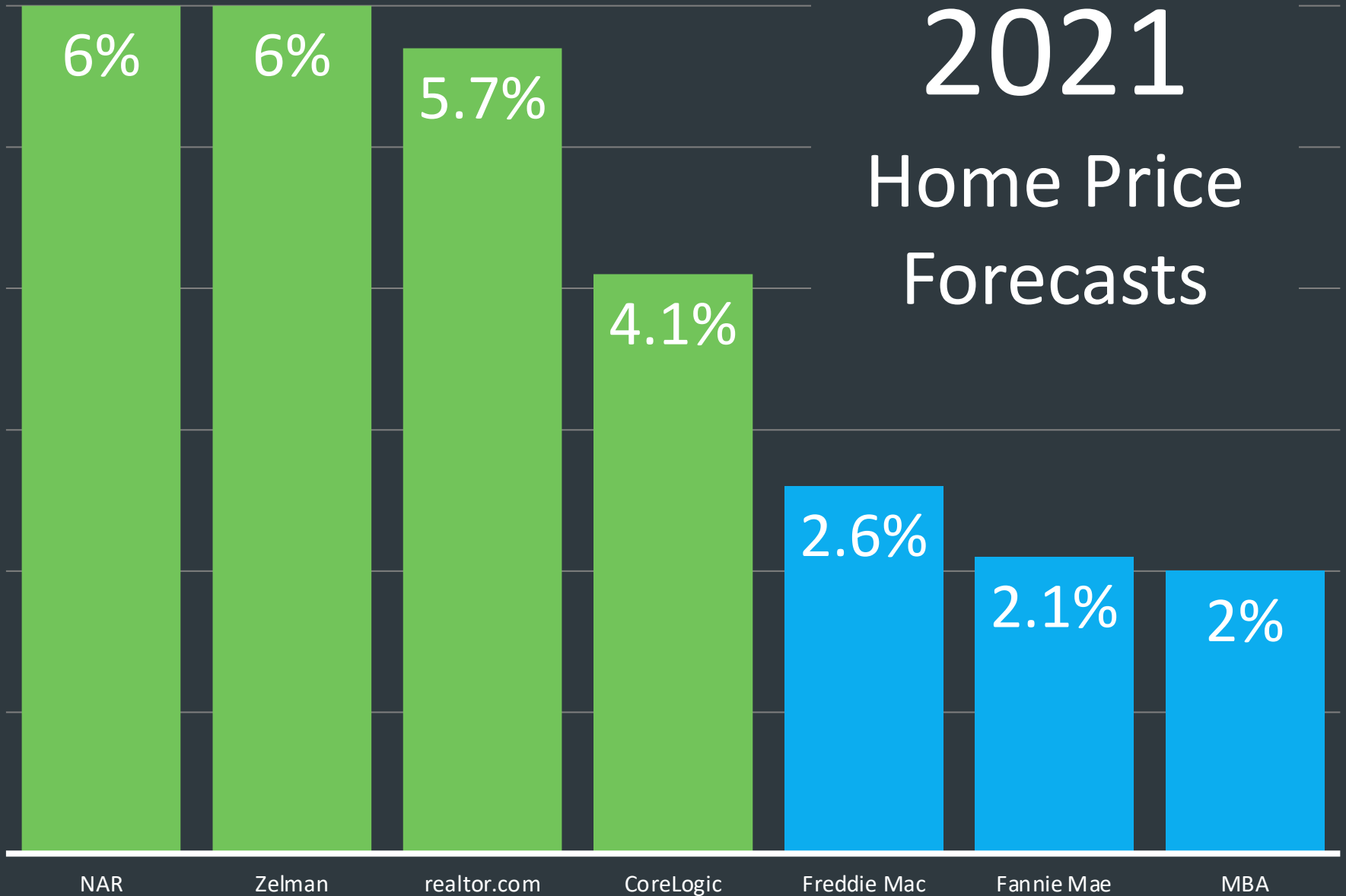
Mark Fleming

Chief Economist at First American



2021

Home Price Forecasts



“The bright spot for buyers is that more homes are likely to become available in the last six months of 2021. That should give folks more options to choose from and take away some of their urgency. With a larger selection, buyers may not be forced to make a decision in mere hours and will have more time to make up their minds...”

realtor.com





THE
ECONOMY

More Depth, Less Length

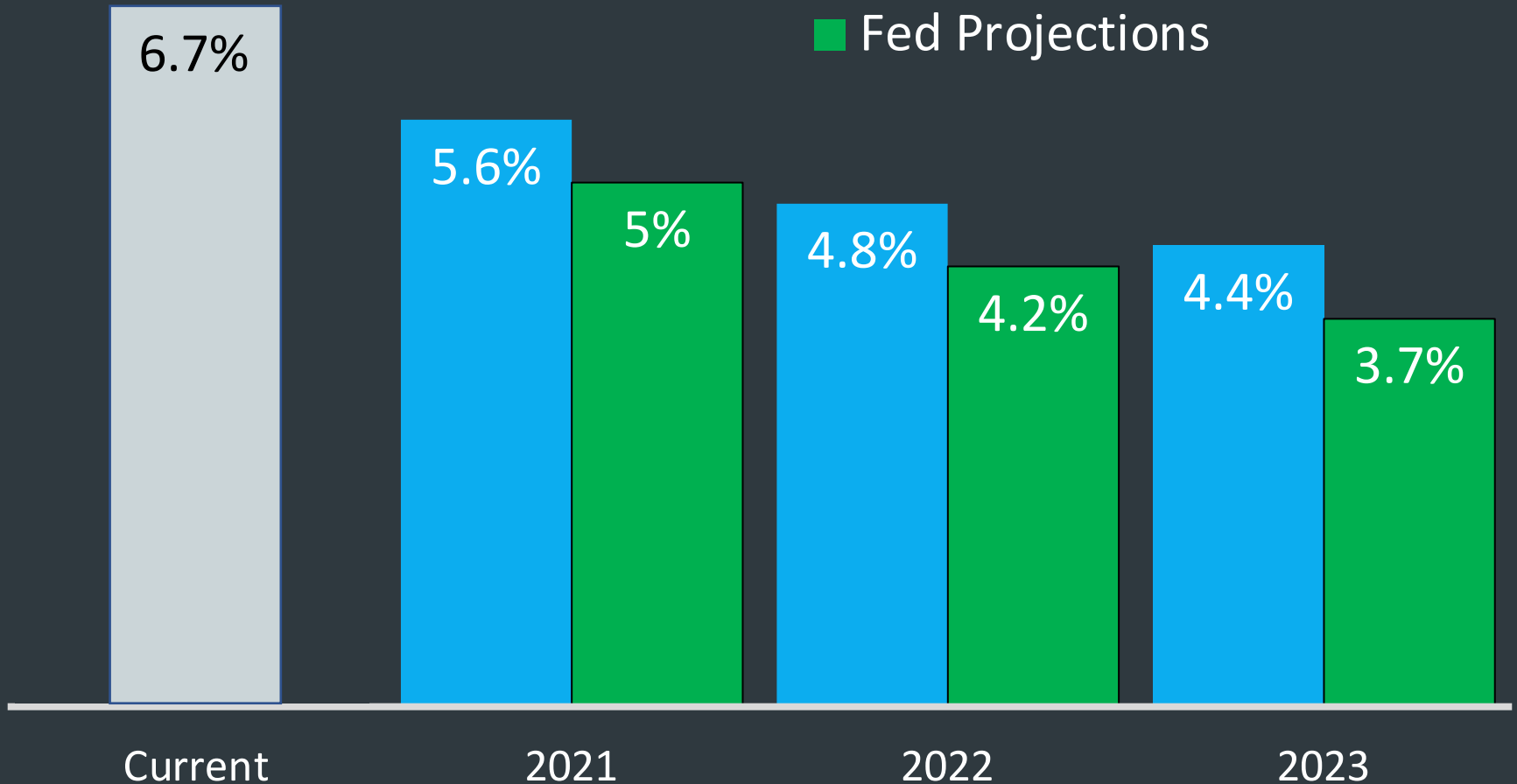


Years for unemployment rate to return to near pre-crisis level

Unemployment Projections

■ WSJ Economists Survey

■ Fed Projections



“Renters are disproportionately hurt by the crisis...

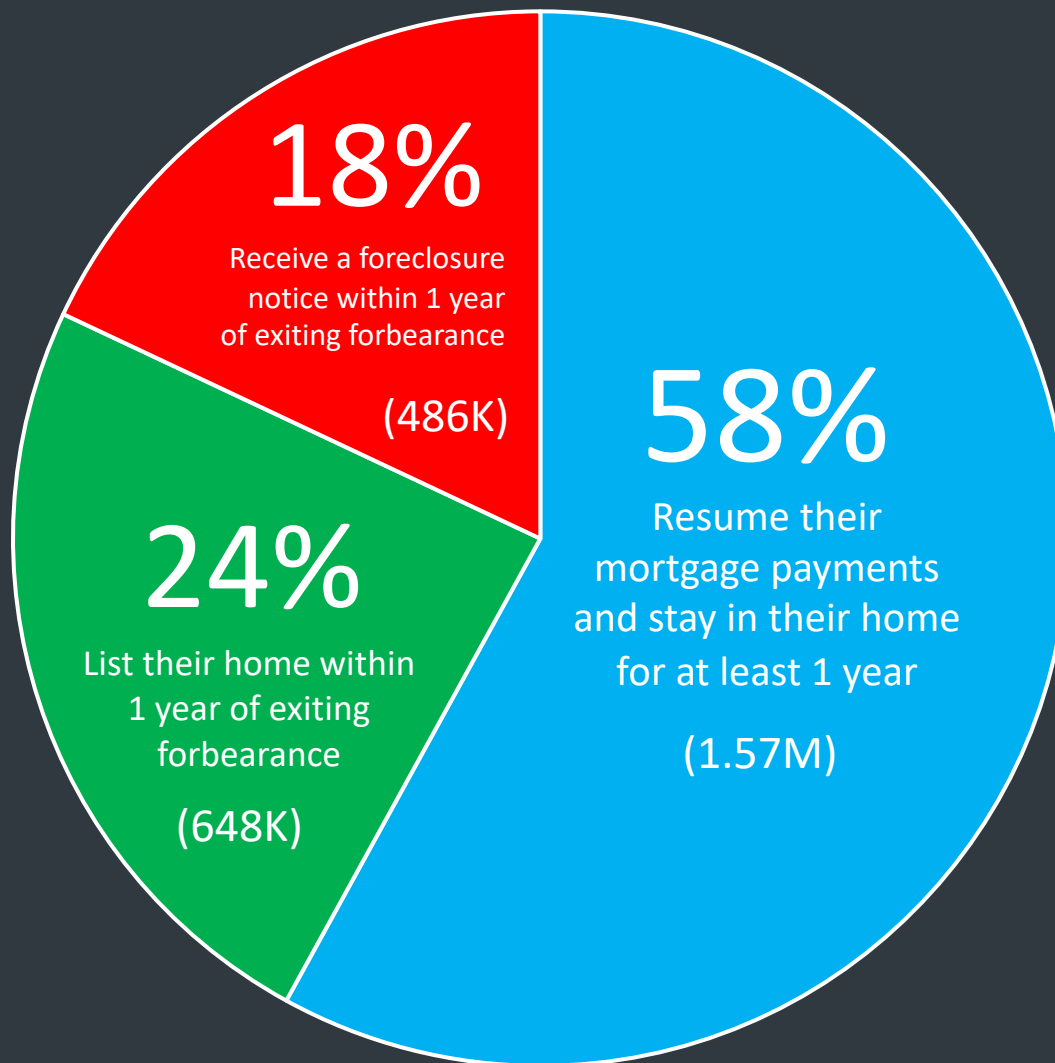
A greater share of renters lost their jobs. That meant losing savings that could have been used for a down payment, and falling behind on bills, which will hurt their credit and make it even more difficult for them to be future homeowners.”

Jung Hyun Choi

Research Associate with the Housing Finance
Policy Center at the Urban Institute



For each of the following possible post-forbearance outcomes, what percentage of these 2.7 million homeowners do you estimate will...



“Treasury rates have really been moving up since the election, but mortgage rates have kept going down...

We’re going to start to see mortgage rates drift up with Treasury rates, as opposed to moving in the opposite direction.”

Michael Fratantoni

Chief Economist at MBA



Date	Mortgage	Interest Rate	P&I*
Today	\$300,000	2.7%	\$1,216.79
2021 4Q	\$317,100**	3.4%**	\$1,406
Difference in Monthly Payment			\$189.21
The difference in the life of the loan (30 Yrs.)			\$68,115.60

**Principal and Interest Payment*

*** 2021 Mortgage Rate and Home Price increase of 5.7% forecasted by realtor.com*



“I do believe that the American dream of homeownership is very strong. It's very much alive from all of the survey data that I've seen. **If you're not a homeowner, you want to be one in the future, whether that's a short-term or a long-term goal.**”

Jessica Lautz

VP of Demographics and Behavioral Insights at NAR



Resources

Slide	Slide Title	Link
2	ShowingTime Quote	https://www.showingtime.com/blog/positive-takeaways-from-2020/?utm_source=feedotter&utm_medium=email&utm_campaign=blog_digest&utm_content=httpswwwshowingtimecomblogpositivetakeawaysfrom2020
4-5	Price Change During Recessions	https://www.corelogic.com/blog/2019/03/housing-recessions-and-recoveries.aspx https://www.corelogic.com/news/gaining-momentum-annual-u.s.-home-prices-appreciated-7.3-in-october-corelogic-reports.aspx
7	Nothaft Quote	https://www.corelogic.com/insights-download/homeowner-equity-report.aspx
8	American Home Equity Skyrockets	https://www.corelogic.com/insights-download/homeowner-equity-report.aspx https://data.census.gov/cedsci/all?q=mortgage
9-10	YOY Equity Gains Map, Martell Quote	https://www.corelogic.com/insights-download/homeowner-equity-report.aspx
11	Potential Growth in Wealth	https://pulsenomics.com/surveys/#home-price-expectations
13	Mele Quote	https://atlantaagentmagazine.com/2020/12/10/remote-workers-could-continue-to-drive-the-post-pandemic-market/
14	Fleming Quote	https://blog.firstam.com/economics/why-the-big-short-in-housing-supply-will-remain-in-2021

Resources

Slide	Slide Title	Link
15	2021 Home Price Forecasts	https://www.corelogic.com/insights-download/home-price-index.aspx nar.realtor www.mba.org www.freddiemac.com www.fanniemae.com https://news.move.com/2020-12-02-Realtor-com-R-2021-Housing-Forecast-Sellers-Will-Get-Top-Dollar-As-Buyers-Struggle-with-Affordability http://zillow.mediaroom.com/2020-12-18-Home-Value-Growth-Breaks-Records-as-Rents-Stabilize https://www.nar.realtor/newsroom/top-economic-and-housing-experts-predict-post-pandemic-rebound-with-continued-job-growth-stable https://www.redfin.com/news/housing-market-predictions-2021/
16	realtor.com Quote	https://www.realtor.com/news/trends/housing-market-2021-forecast/
18	More Depth, Less Length	www.thebalance.com/unemployment-rate-by-year-3305506 www.wsj.com (subscription required) https://www.bls.gov/news.release/pdf/empsit.pdf
19	Unemployment Projections	https://www.thebalance.com/unemployment-rate-by-year-3305506 https://www.wsj.com/graphics/econsurvey/ https://www.bls.gov/news.release/pdf/empsit.pdf https://twitter.com/Neil_Irwin/status/1339284909580574720
20	Choi Quote	https://time.com/5917894/evictions-housing-market-covid/
21	Post-Forbearance Outcomes	https://pulsenomics.com/surveys/#home-price-expectations
22	Fratantoni Quote	https://www.bankrate.com/mortgages/why-rates-are-still-falling-despite-improving-economy/
23	Difference in Monthly Payment	http://www.freddiemac.com/fmac-resources/research/pdf/202010-Forecast-03.pdf https://news.move.com/2020-12-02-Realtor-com-R-2021-Housing-Forecast-Sellers-Will-Get-Top-Dollar-As-Buyers-Struggle-with-Affordability https://www.mortgagecalculator.net/
24	Lautz Quote	https://dsnews.com/news/12-10-2020/the-american-dream-of-homeownership-is-very-much-alive

A close-up photograph of a computer keyboard. The central focus is a large, rectangular blue key with the word "UPDATE" printed in white, bold, sans-serif capital letters. The key is slightly raised and has a subtle gradient. Surrounding it are several other keys: to the left, a key with a closing curly brace "}" and an opening square bracket "["; above it, a key with a forward slash and backslash "/"; to the right, a key with the number "4"; and below it, a large, light-colored key, possibly a spacebar or a function key. The lighting is soft, creating gentle shadows and highlights on the keys' surfaces.

Resources

Slide	Slide Title	Link
31, 51, 63	Confidence Index	https://www.nar.realtor/research-and-statistics/research-reports/realtors-confidence-index
32-34, 42, 51-56	Existing Home Sales	https://www.nar.realtor/topics/existing-home-sales
35-38	New Home Sales	http://www.census.gov/construction/nrs/pdf/newressales.pdf http://www.census.gov/newhomesales http://www.census.gov/construction/nrs/pdf/newressales.pdf
39	Total Home Sales	http://www.census.gov/construction/nrs/pdf/newressales.pdf https://www.nar.realtor/topics/existing-home-sales
40,41	Pending Home Sales	https://www.nar.realtor/research-and-statistics/housing-statistics/pending-home-sales
46-48	Case Shiller	https://www.spglobal.com/spdji/en/indices/indicators/sp-corelogic-case-shiller-20-city-composite-home-price-nsa-index/#news-research
49	CoreLogic Forecasted YOY % Change in Price	https://www.corelogic.com/insights-download/home-price-index.aspx
52-58	Inventory	https://www.nar.realtor/topics/existing-home-sales http://www.census.gov/construction/nrs/pdf/newressales.pdf

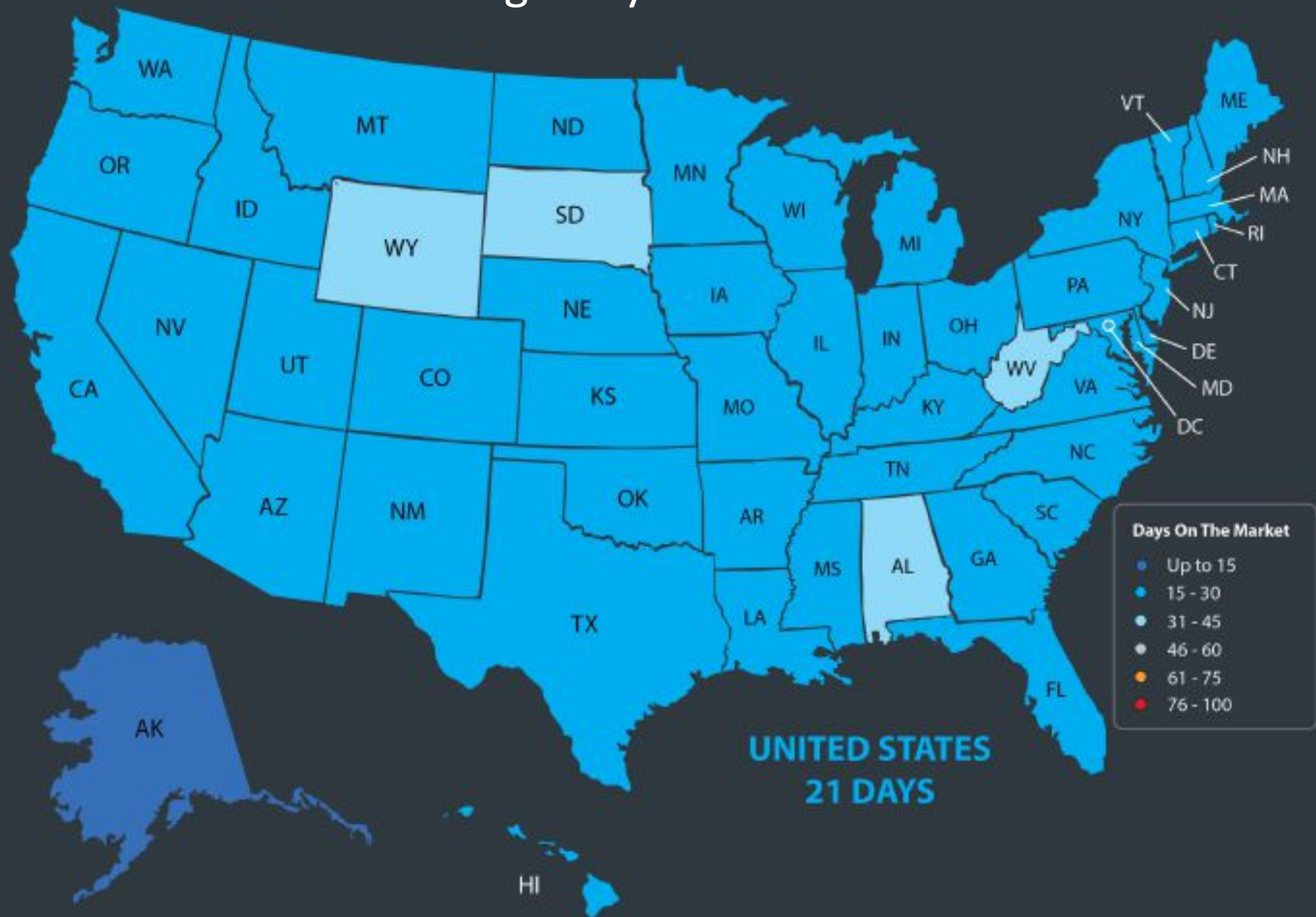
Resources

Slide	Slide Title	Link
60-62	Foot Traffic	http://nar.realtor/infographics/foot-traffic
65,66, 68,69	Mortgage Rates	http://www.freddiemac.com/pmms http://www.freddiemac.com/pmms/pmms_archives.html
67	Mortgage Rate Projections	http://www.freddiemac.com/research/forecast/ 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
71,72	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
73-77	Days To Close, FICO Scores, DTI	http://www.elliemae.com/resources/origination-insight-reports



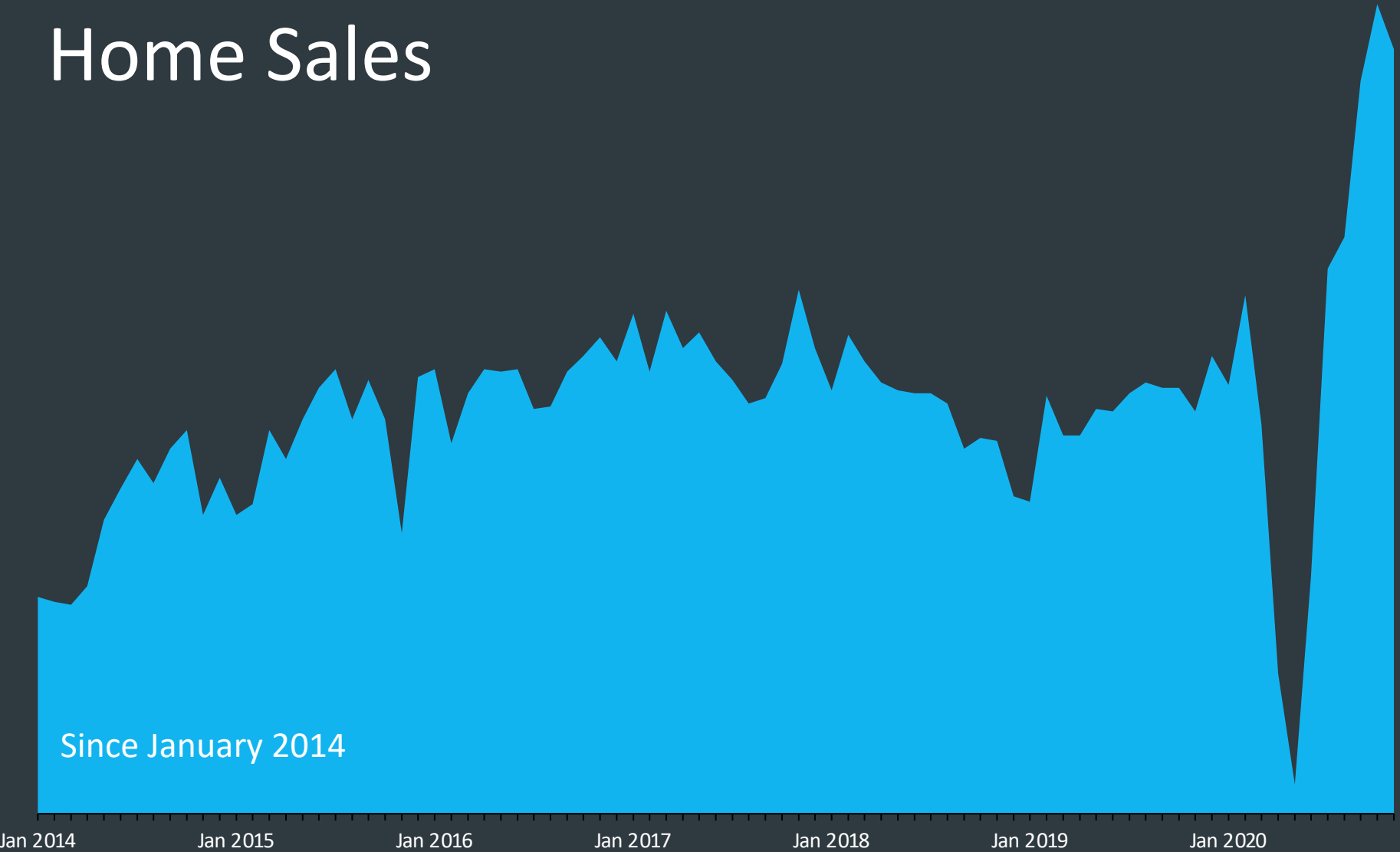
SALES

Average Days on the Market



EXISTING

Home Sales

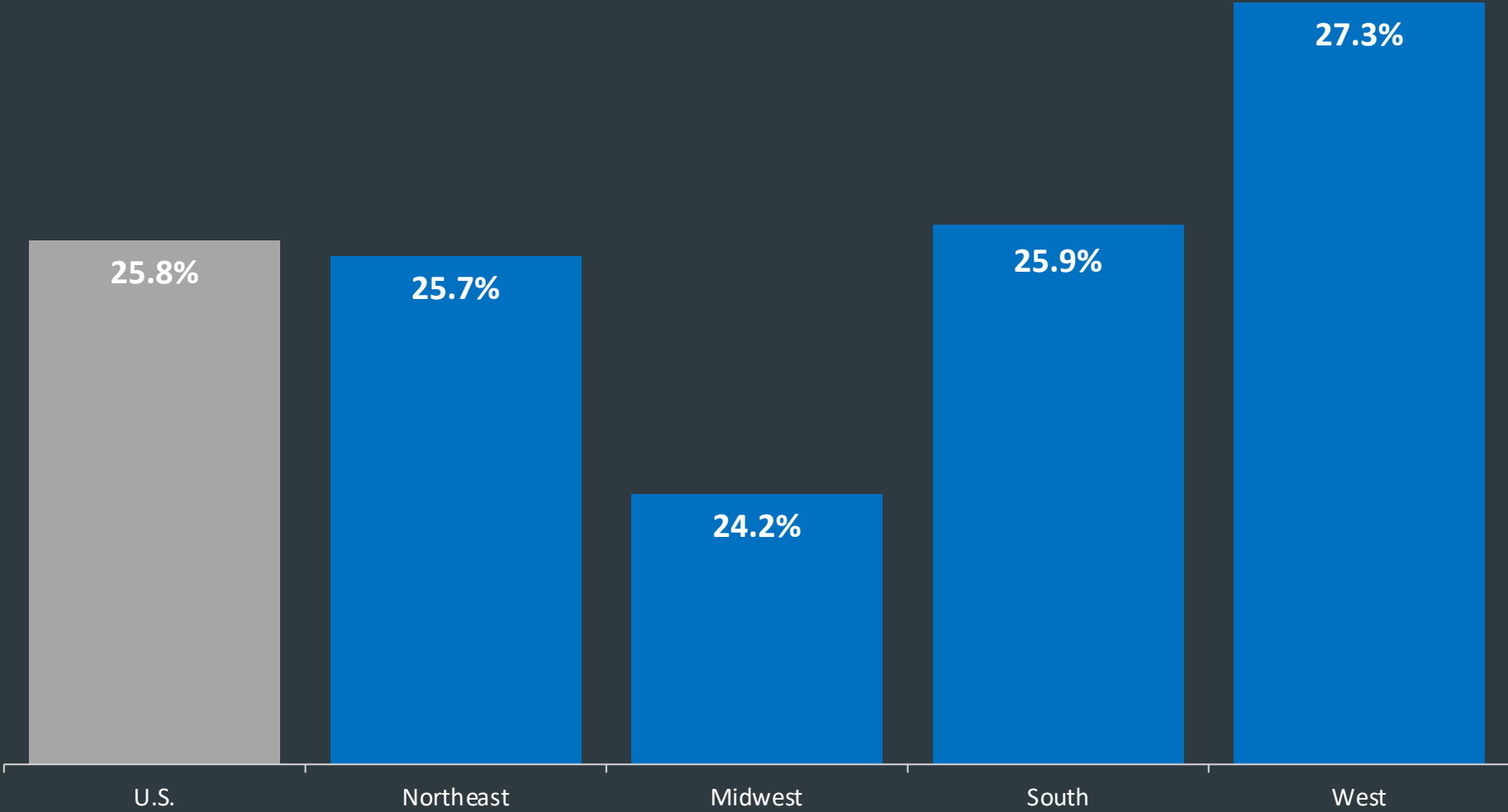


Since January 2014

Jan 2014 Jan 2015 Jan 2016 Jan 2017 Jan 2018 Jan 2019 Jan 2020

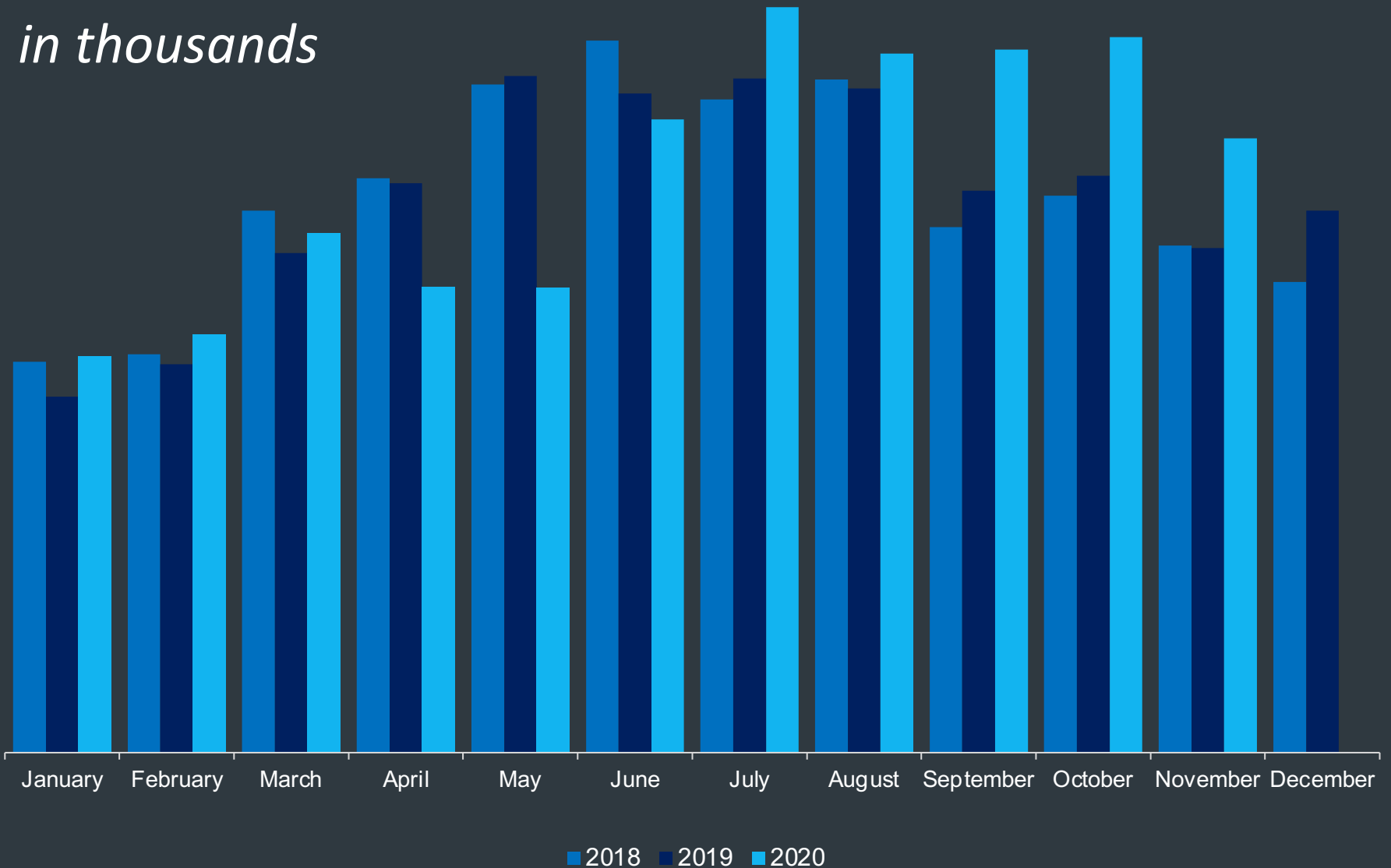
EXISTING Home Sales

Y-O-Y by region

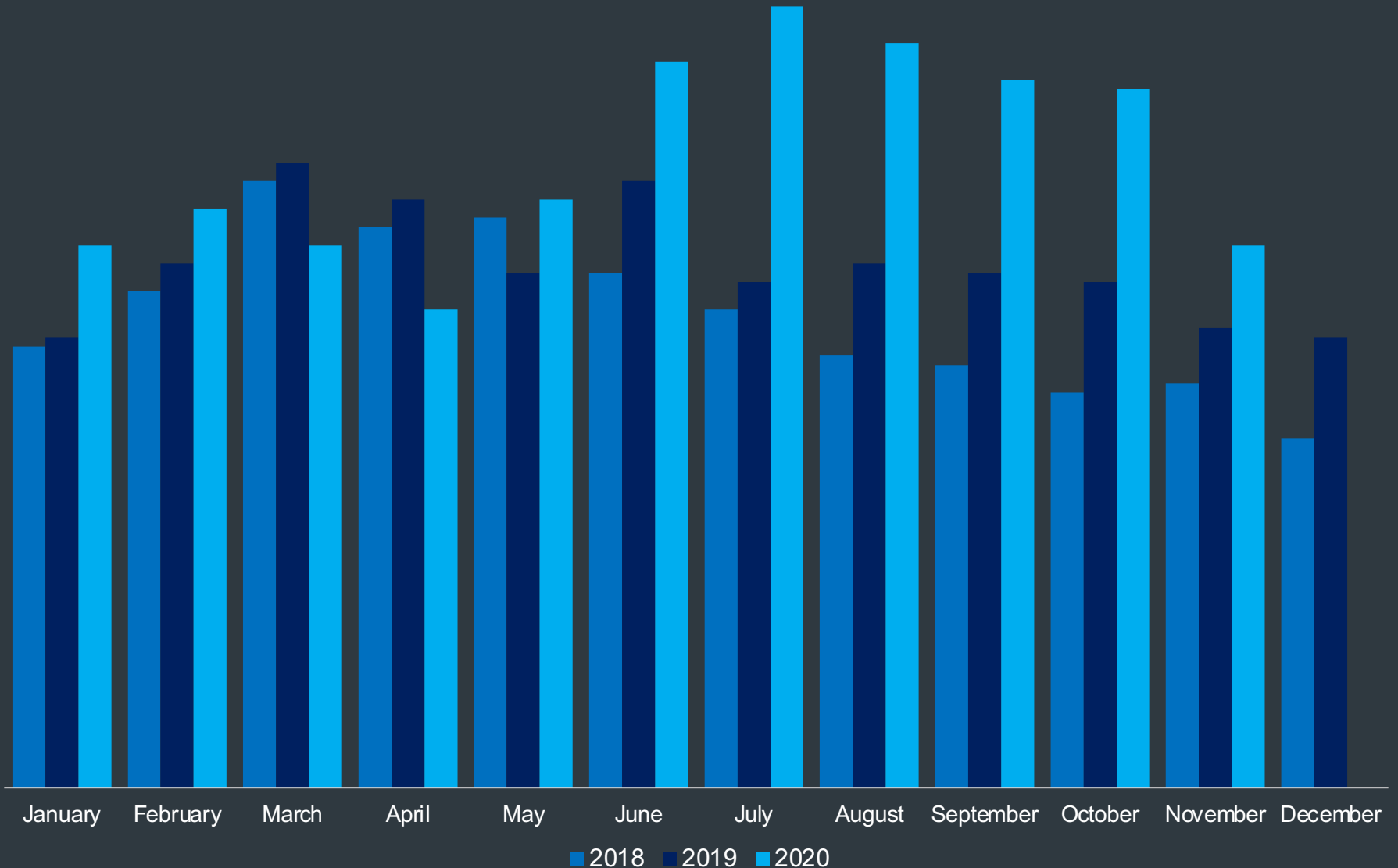


Existing Home Sales

in thousands

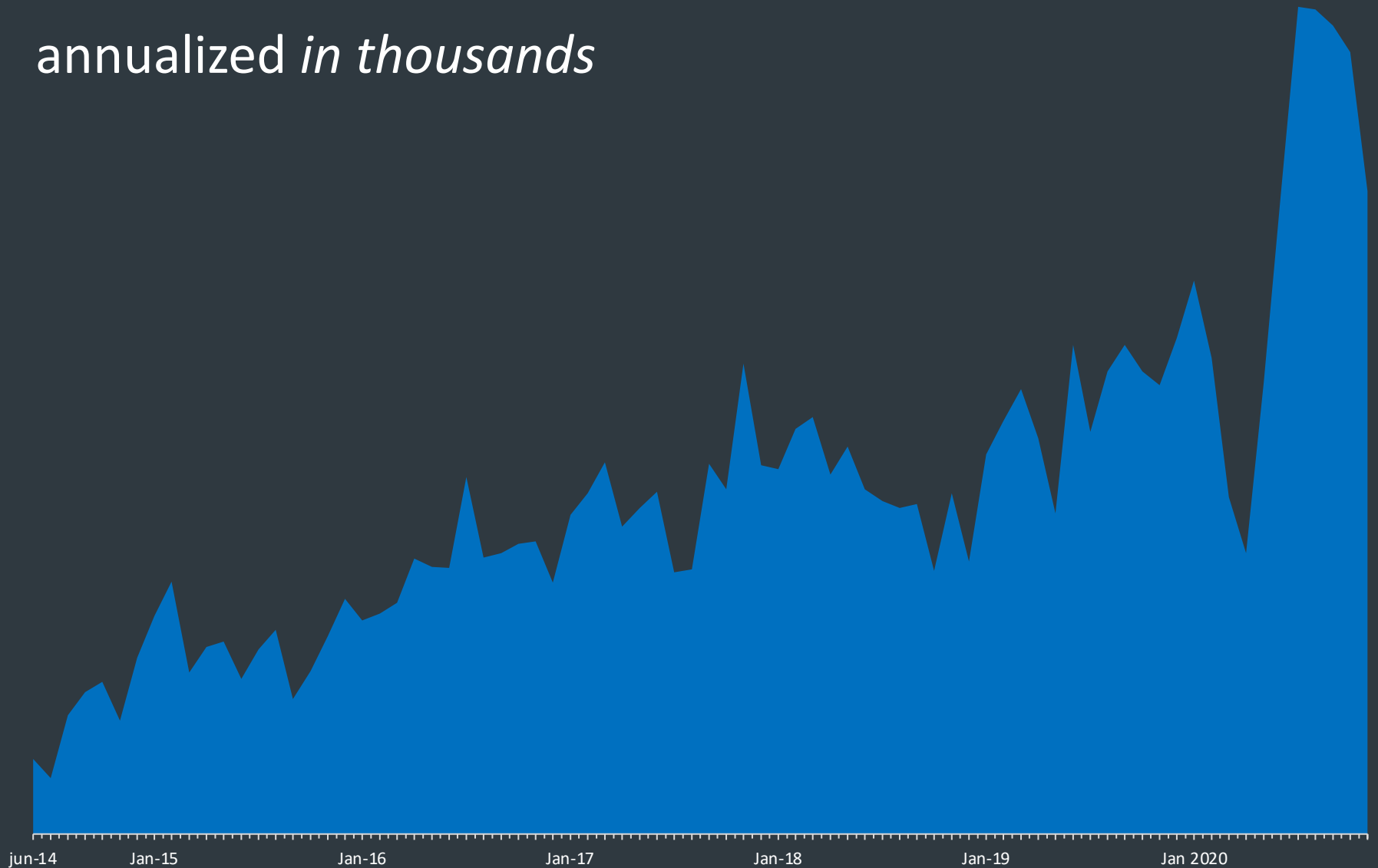


New Home Sales *in thousands*



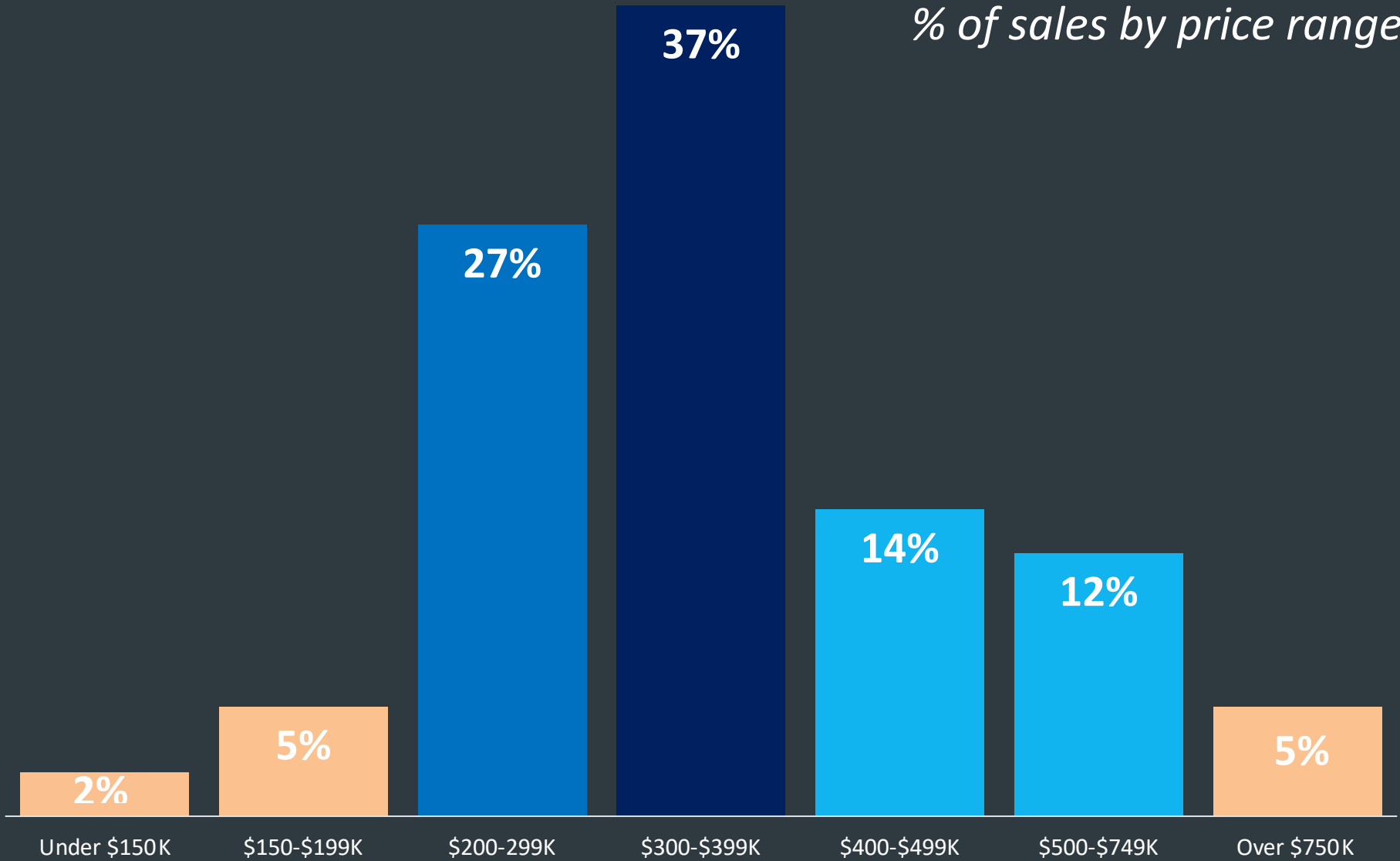
New Home Sales

annualized *in thousands*



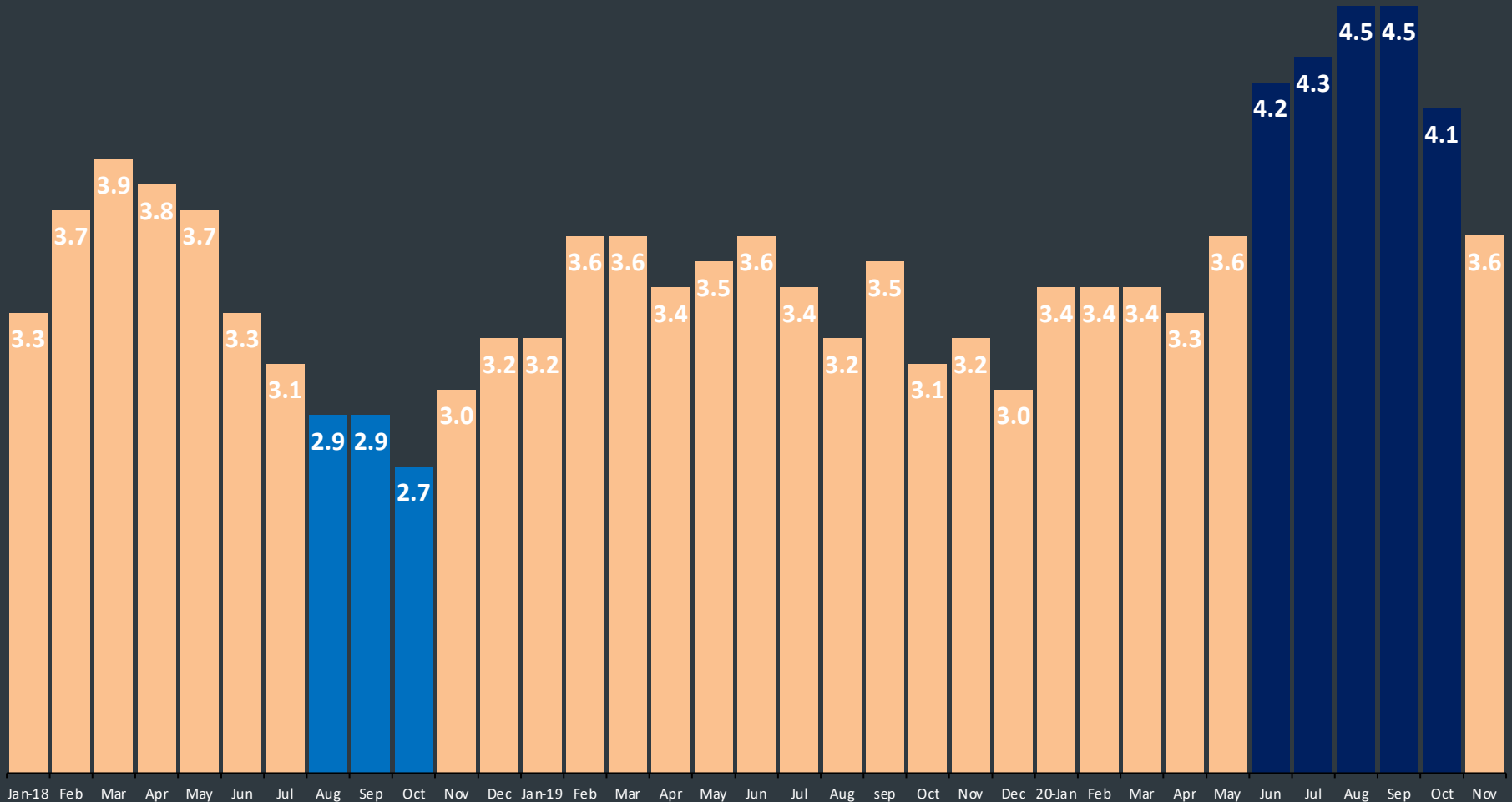
New Home Sales

% of sales by price range

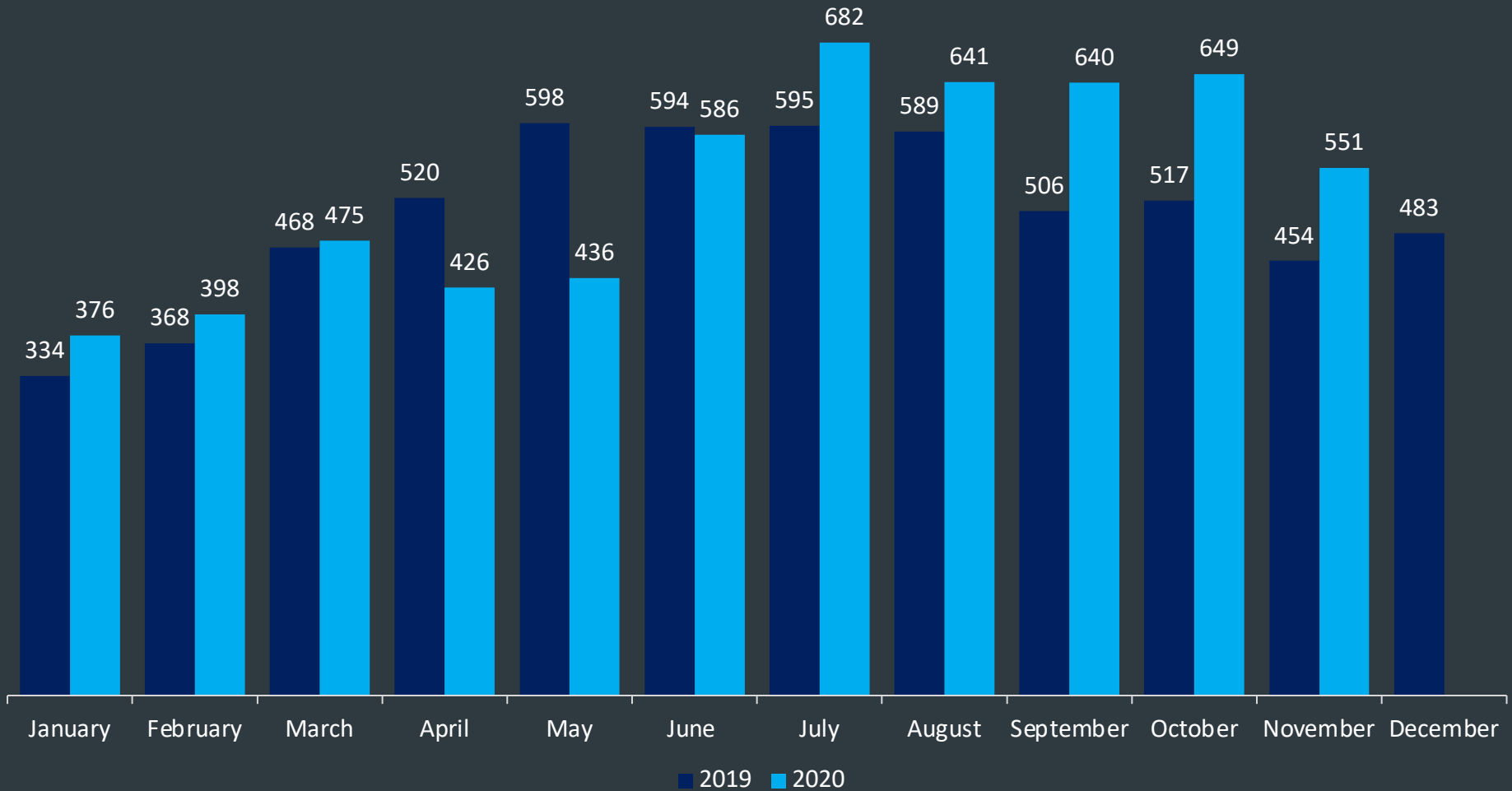


New Homes Selling Fast

(median months from completion to sold)

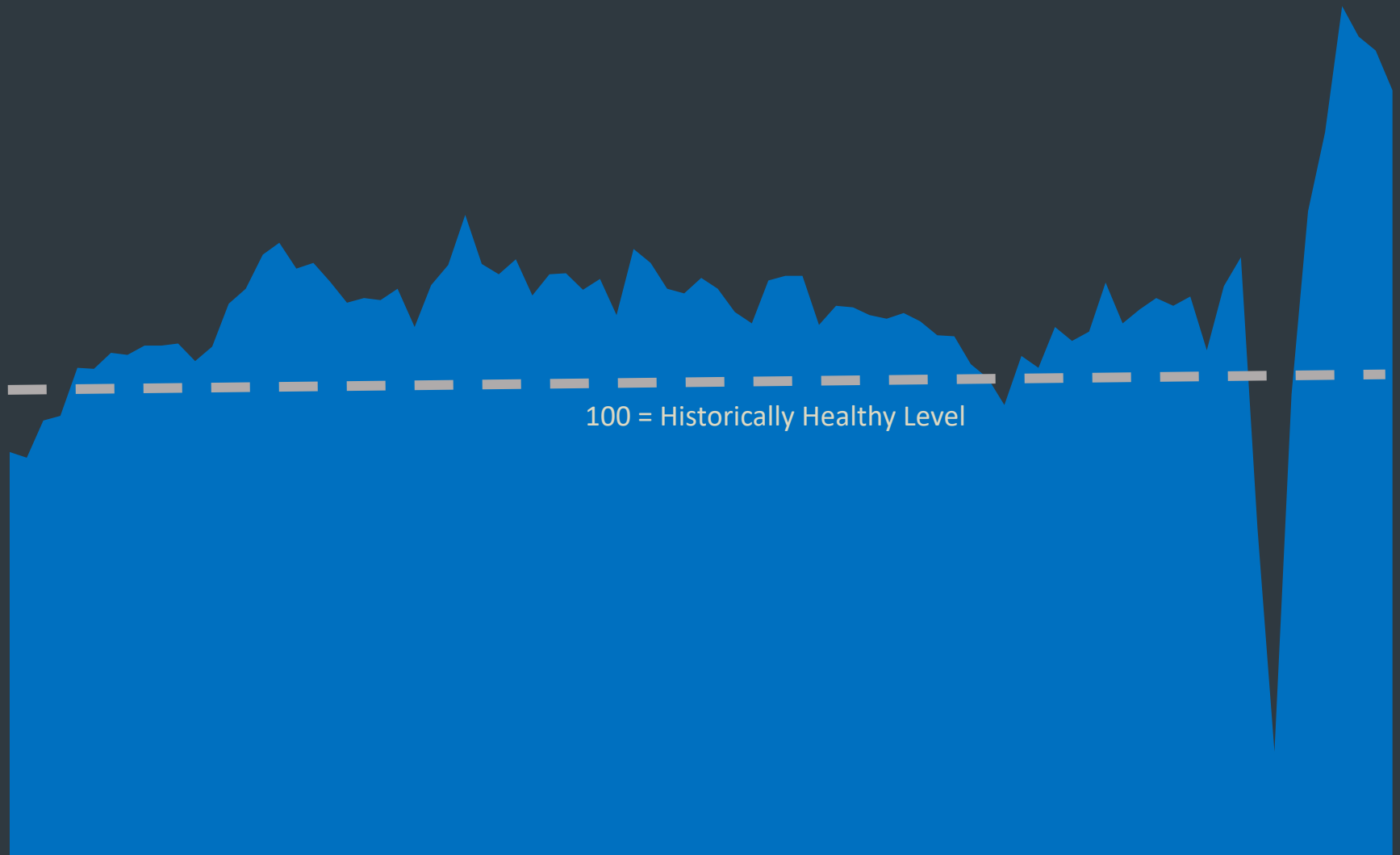


Total Home Sales *in thousands*

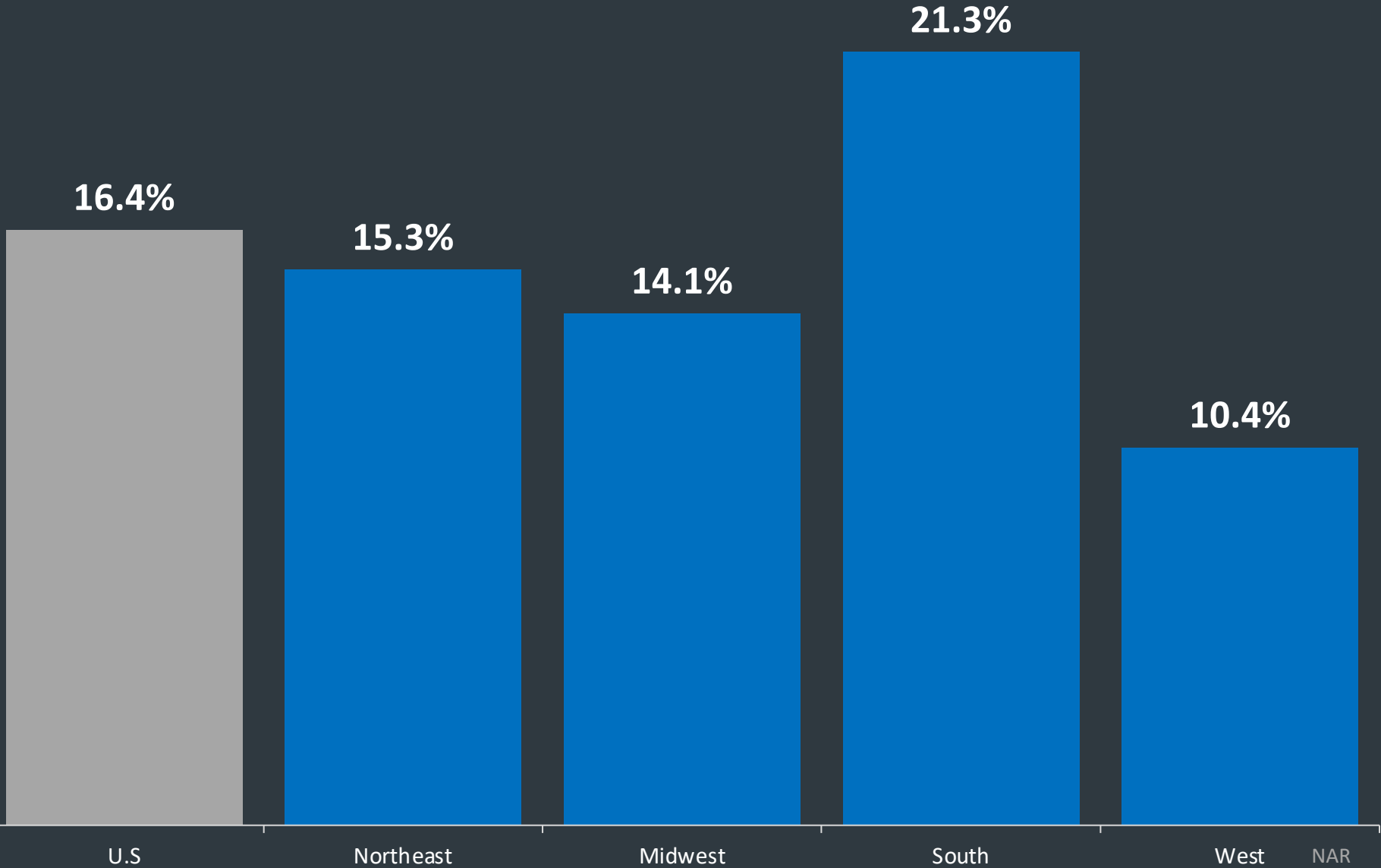


PENDING Home Sales

since 2014



Pending Home Sales *Year-Over-Year By Region*

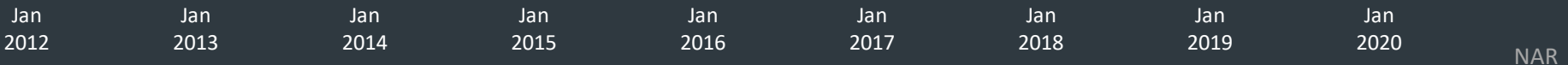


35%

Percentage of Distressed Property Sales

Distressed sales – foreclosures and short sales – represented less than 1% of sales in November

January 2012 - Today

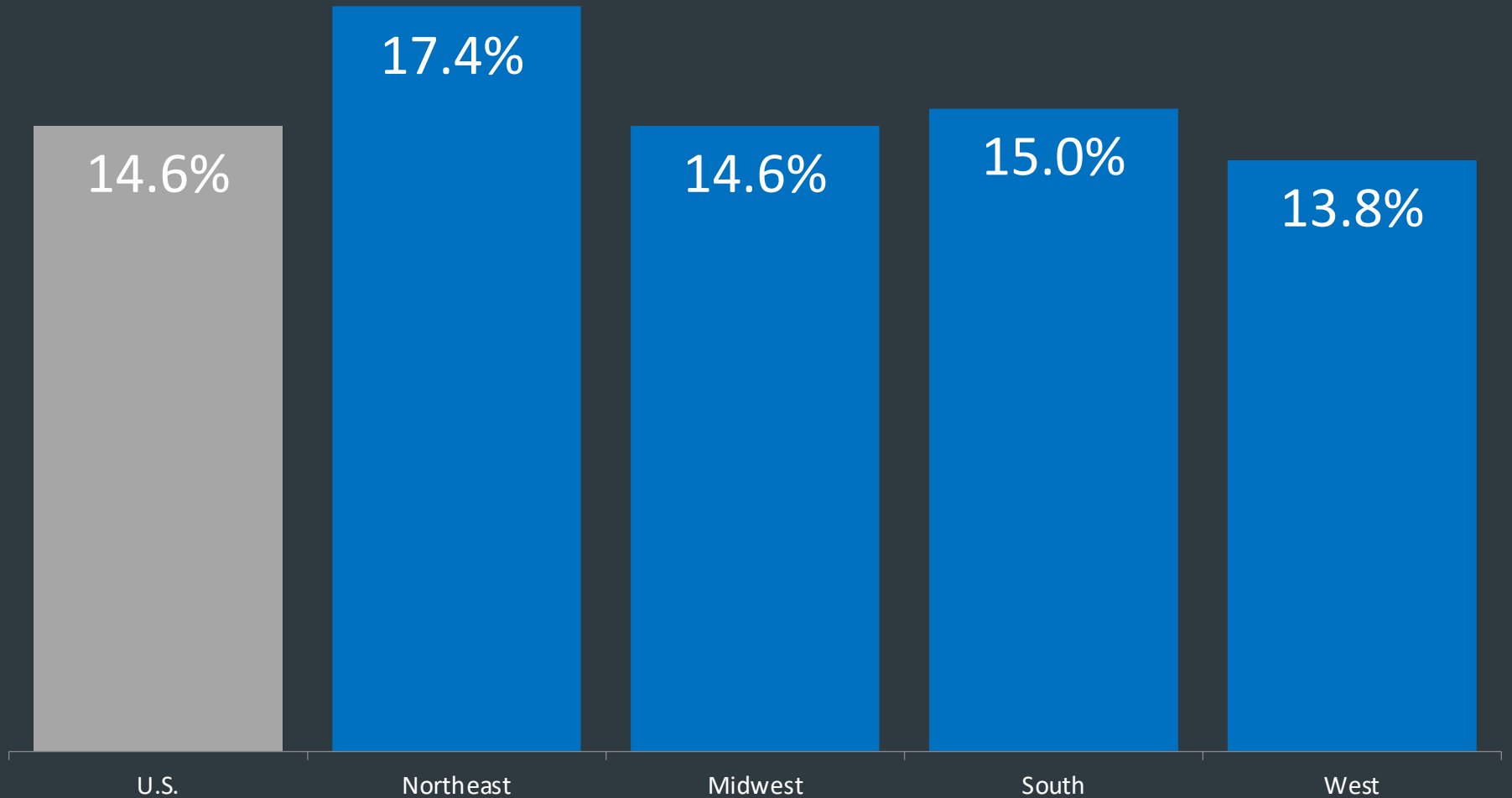


A black and white image of a puzzle where the pieces form a US dollar bill. The central focus is the portrait of Benjamin Franklin. Two red puzzle pieces are missing from the puzzle, one on the left side and one at the bottom center. A semi-transparent black box with white text is overlaid on the right side of the image.

Home Prices

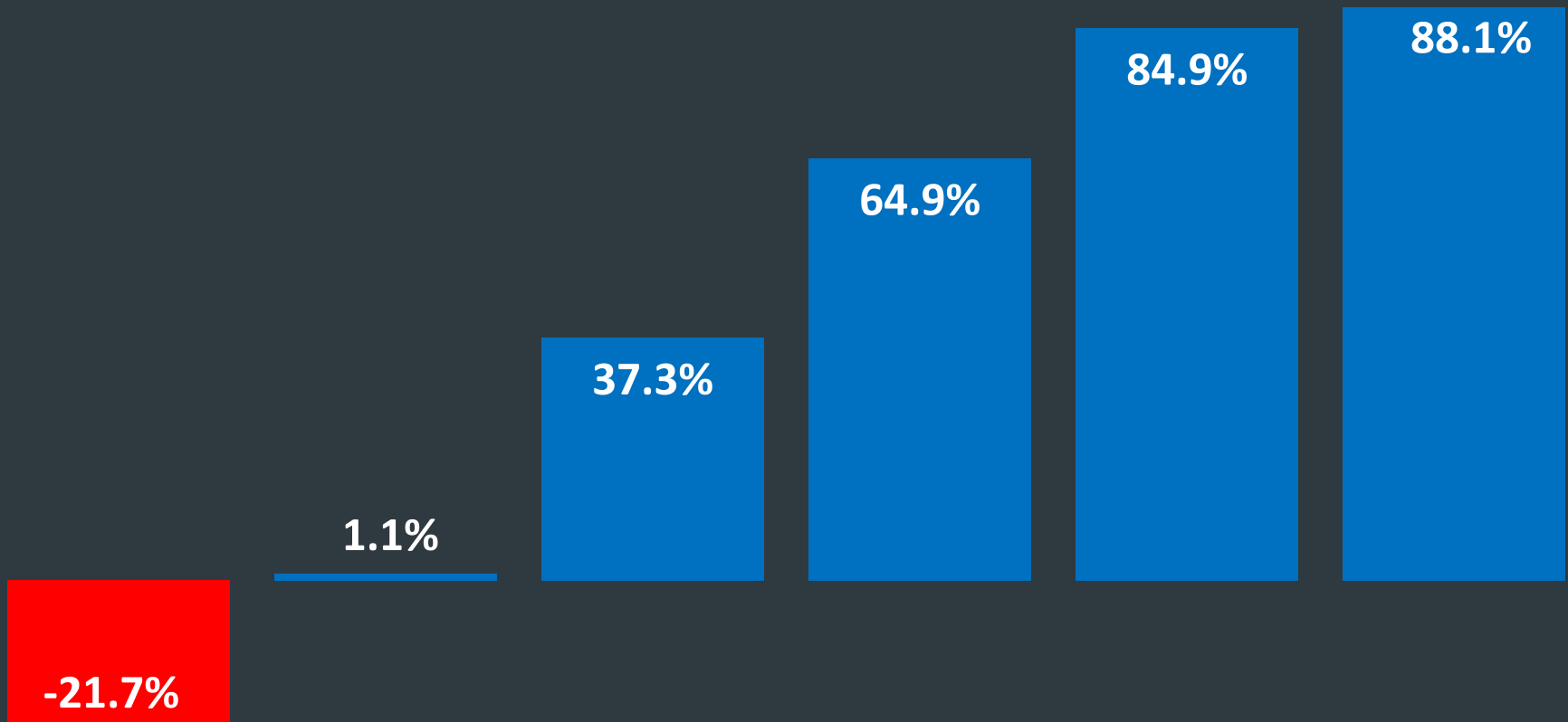
EXISTING Home Prices

Y-O-Y by region



% Change in Sales

from last year by Price Range

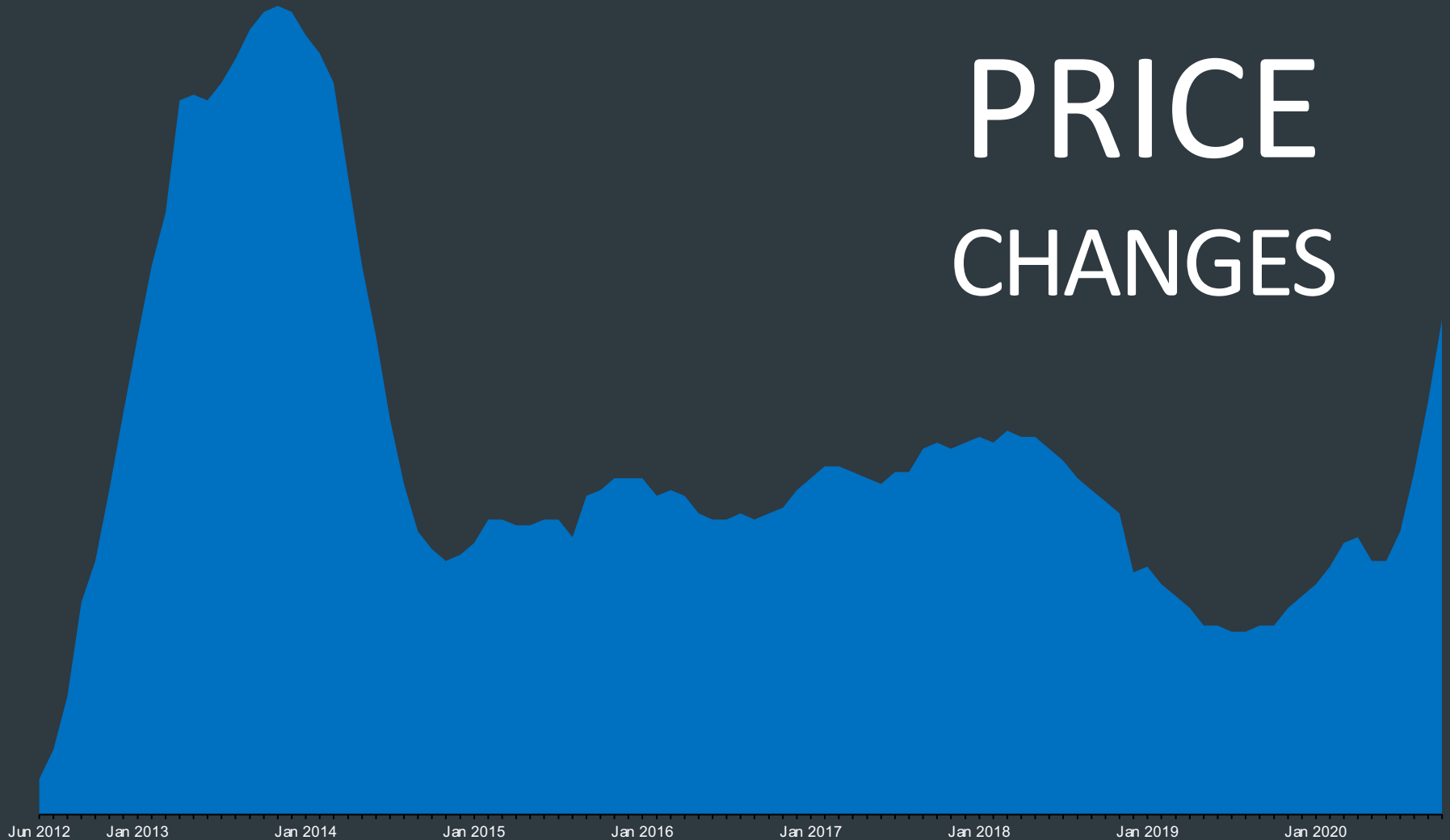


	\$0-100K	\$100-250K	\$250-500K	\$500-750K	\$750K-1M	\$1M+
%	-21.7%	1.1%	37.3%	64.9%	84.9%	88.1%

Case Shiller

Year-Over-Year

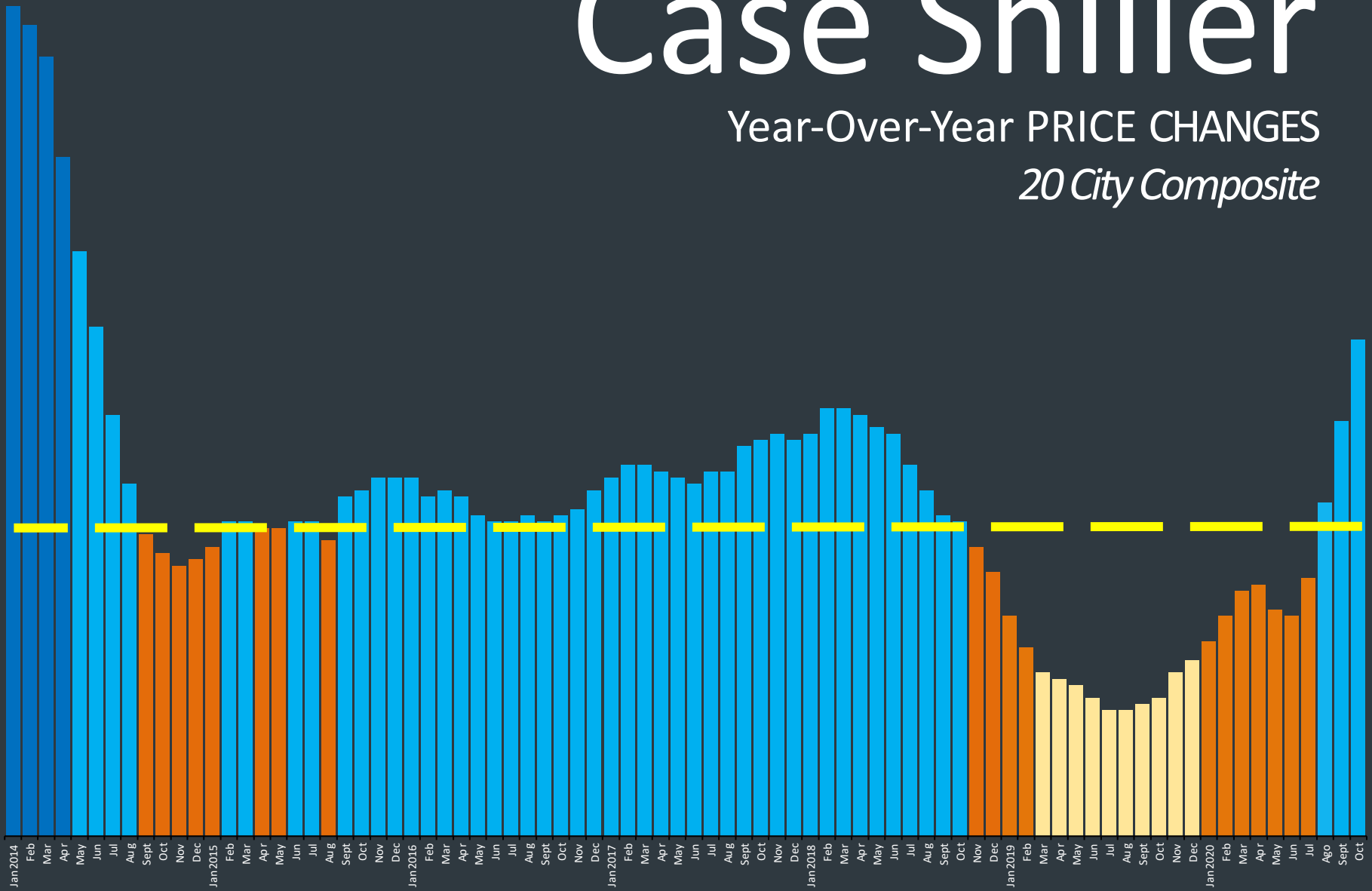
PRICE
CHANGES



Case Shiller

Year-Over-Year PRICE CHANGES

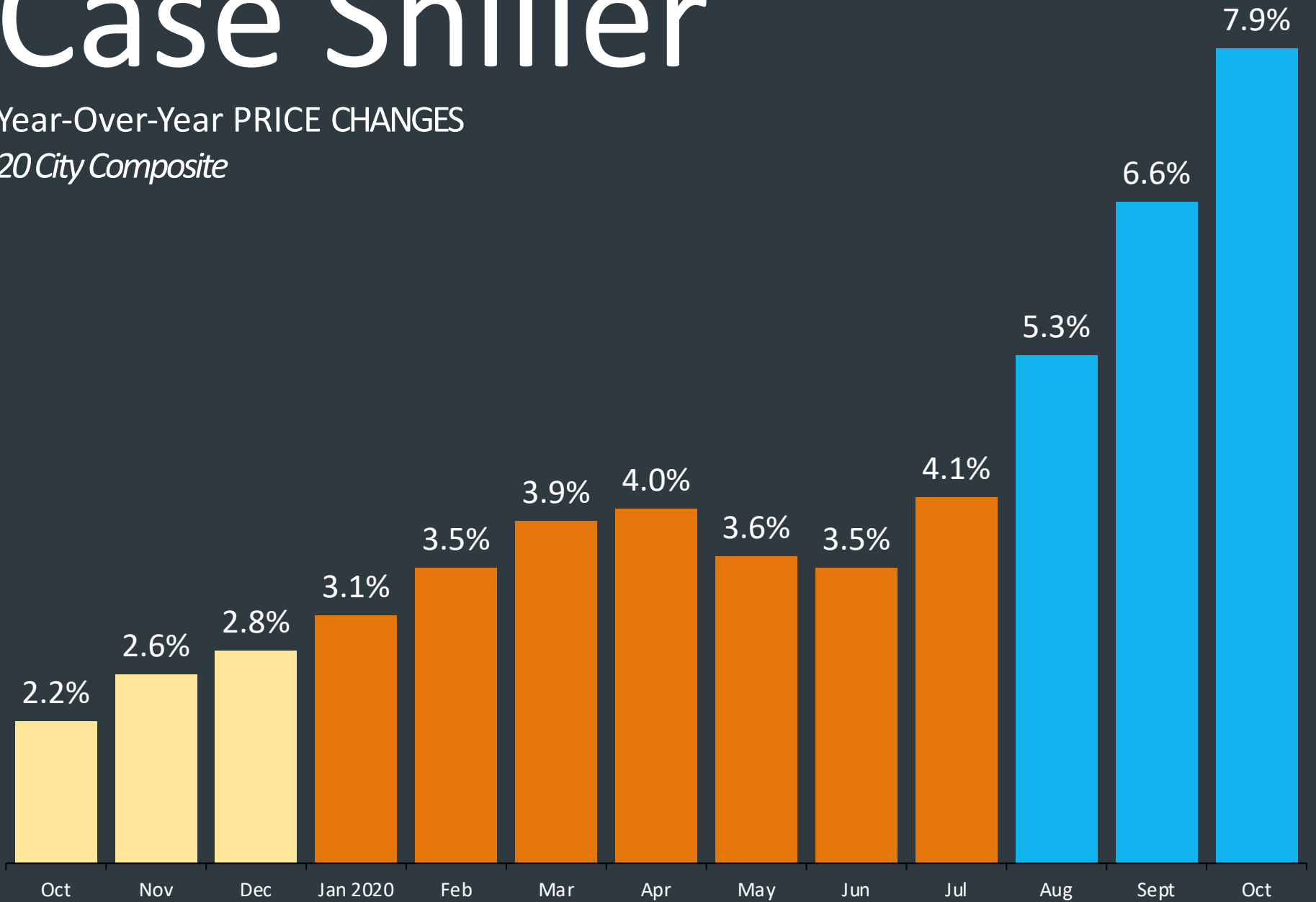
20 City Composite



Case Shiller

Year-Over-Year PRICE CHANGES

20 City Composite



Year-Over-Year % Change in Price

8.2%

2.5%

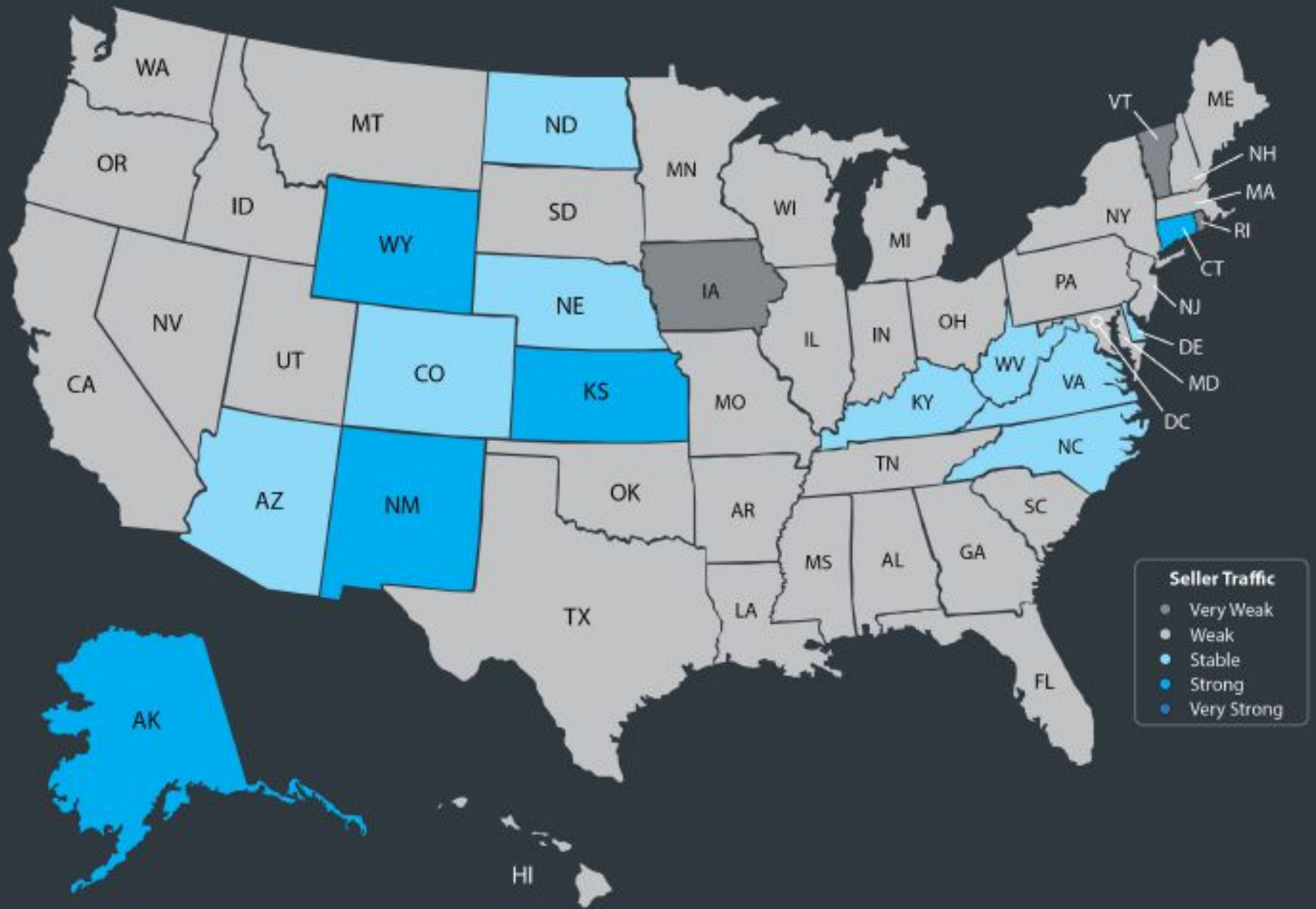
■ Current

■ Forecast

HOUSING INVENTORY



Seller Traffic Index

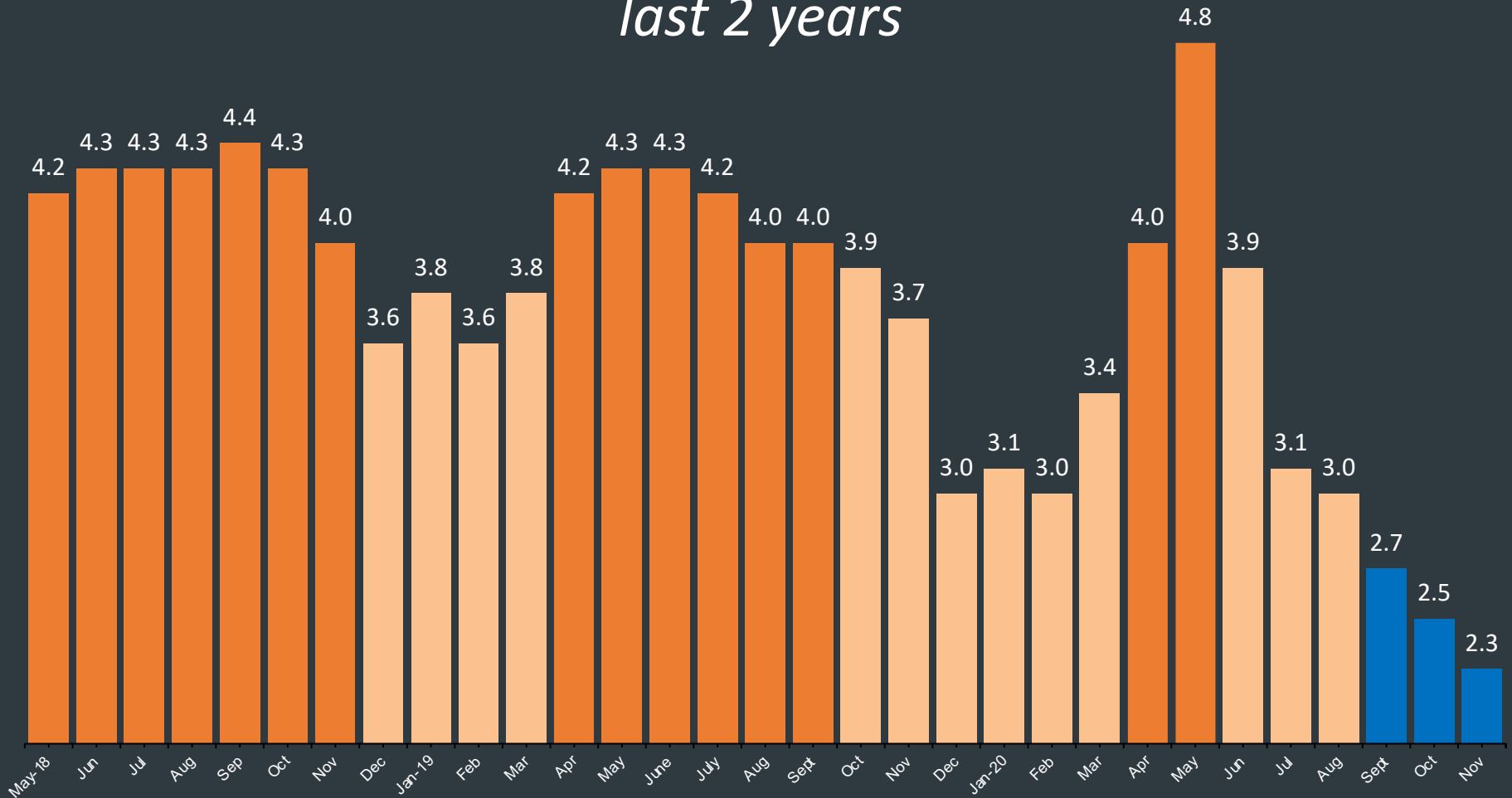


Months Inventory of HOMES FOR SALE 2011 - Today



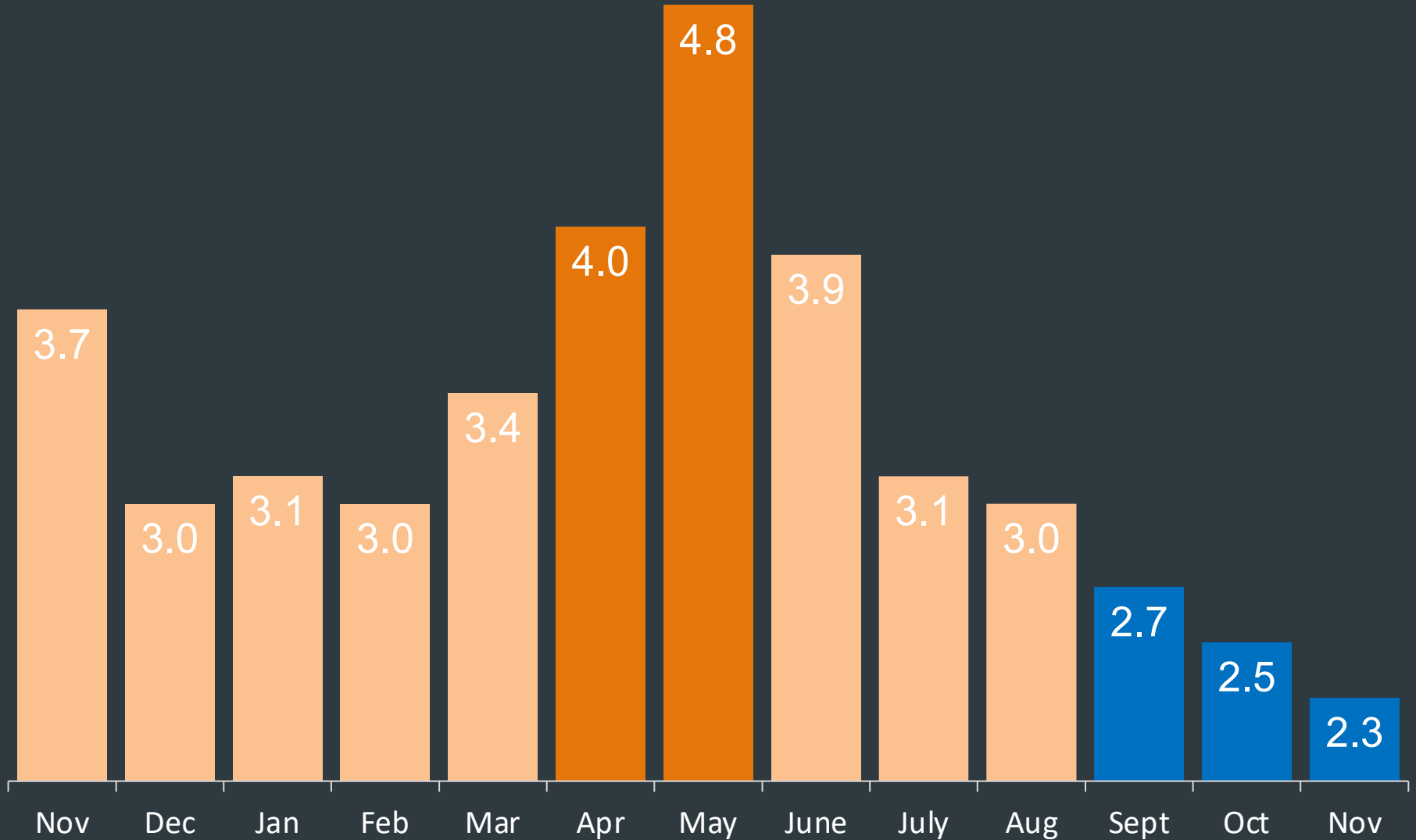
Months Inventory of HOMES FOR SALE

last 2 years



Months Inventory of HOMES FOR SALE

Last 12 Months



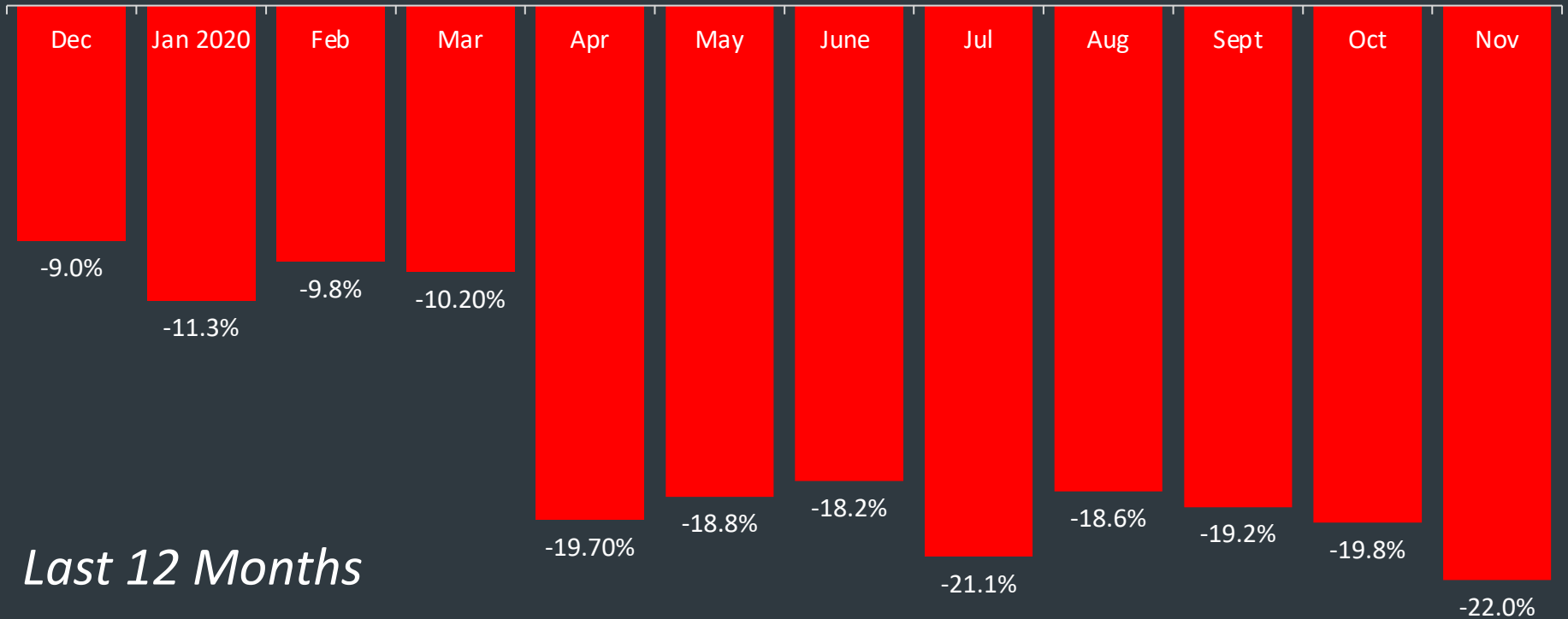
Year-over-Year Inventory Levels



January 2014 January 2015 January 2016 January 2017 January 2018 January 2019 January 2020

HOUSING SUPPLY

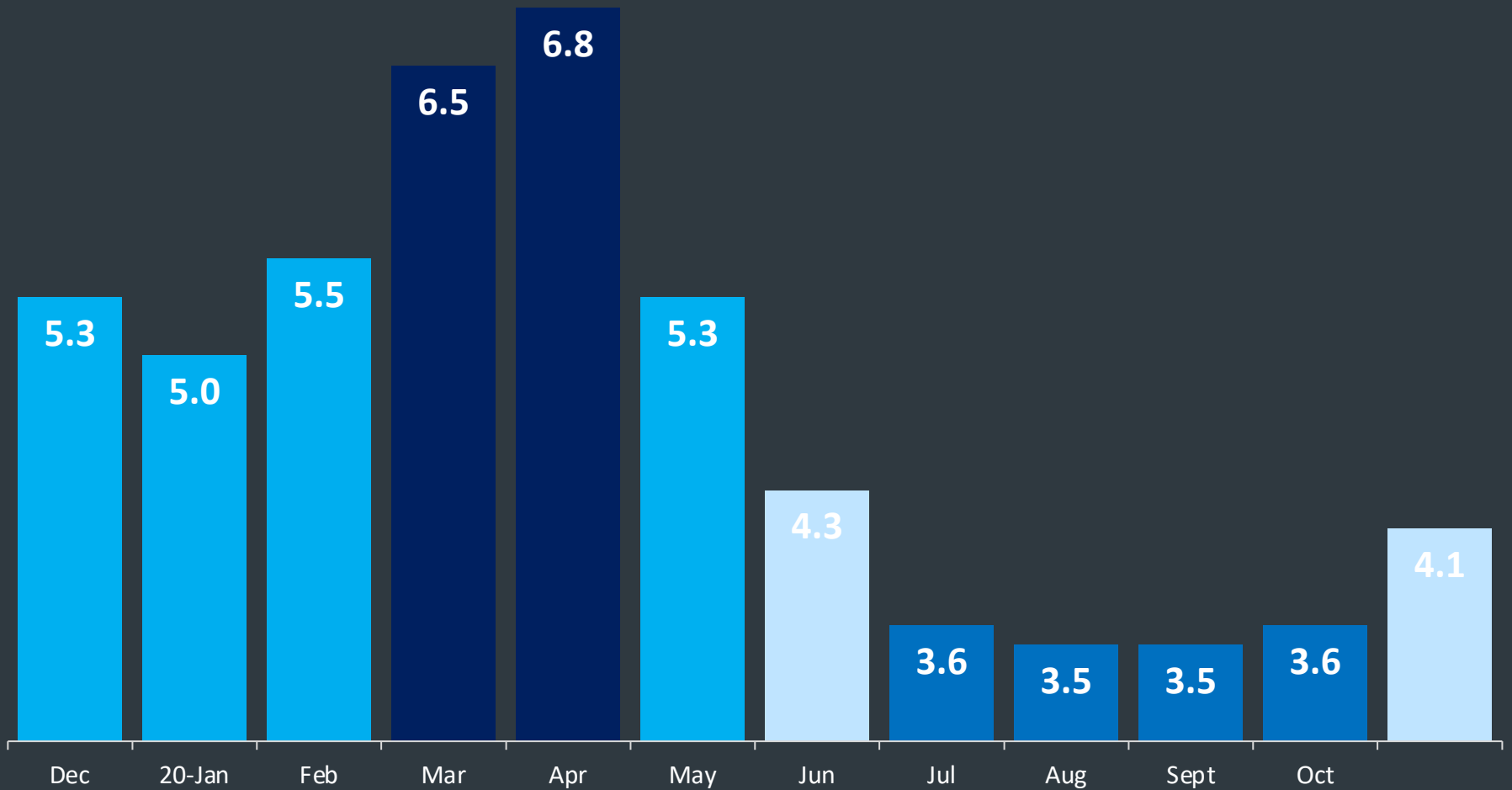
Year-Over-Year



New Home Inventory

months supply

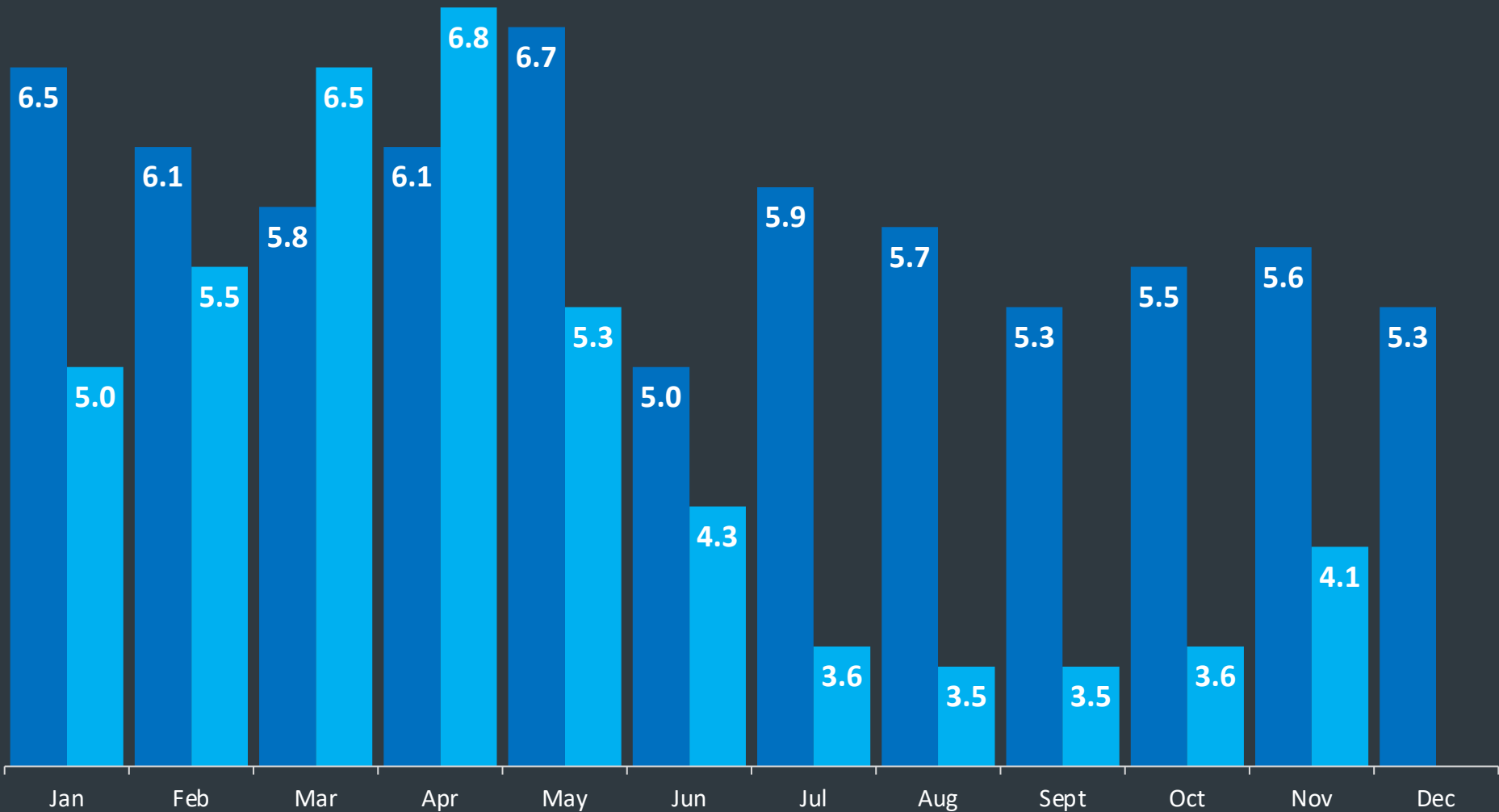
Last 12 Months



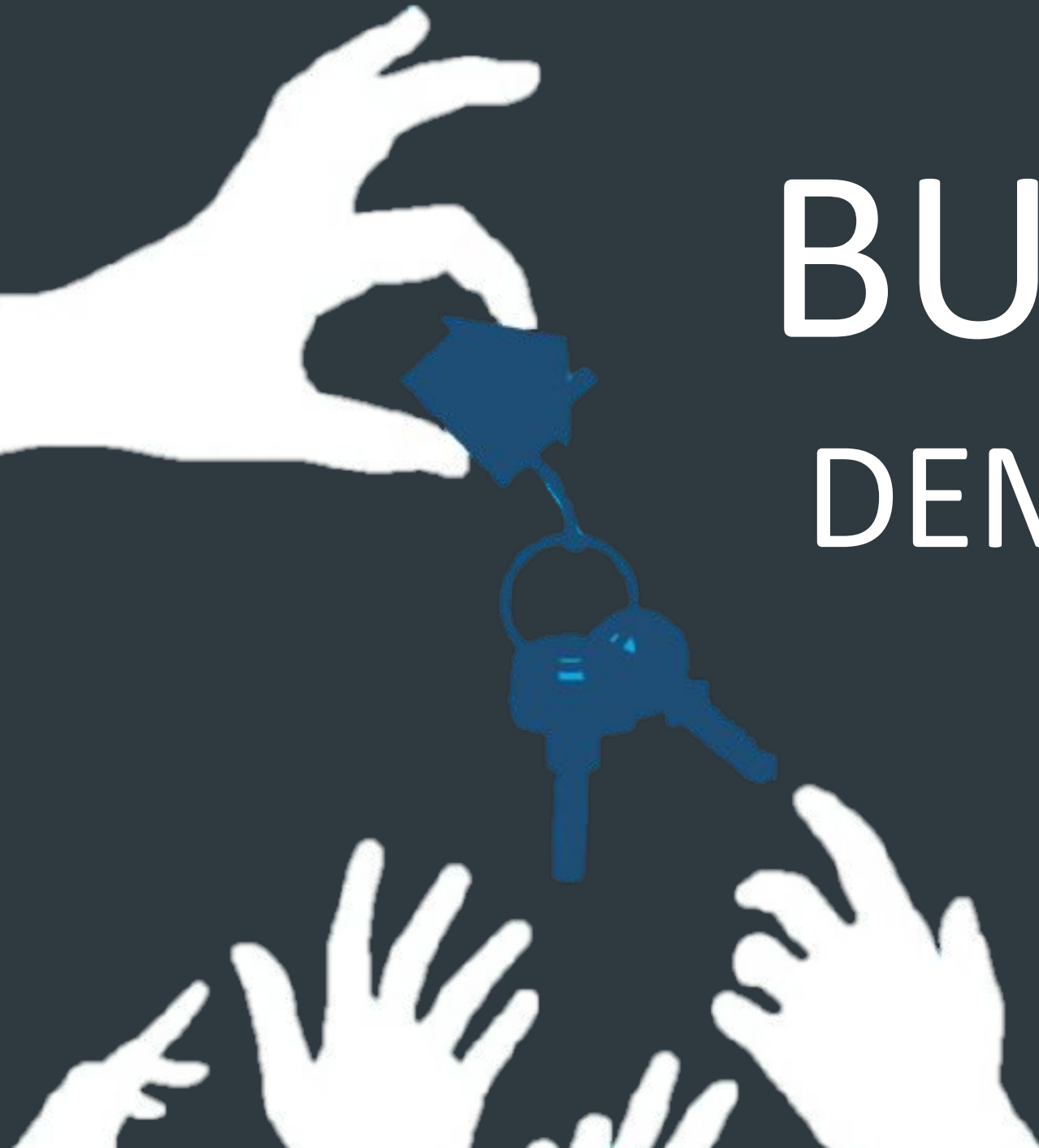
New Home Inventory

months supply

■ 2019 ■ 2020

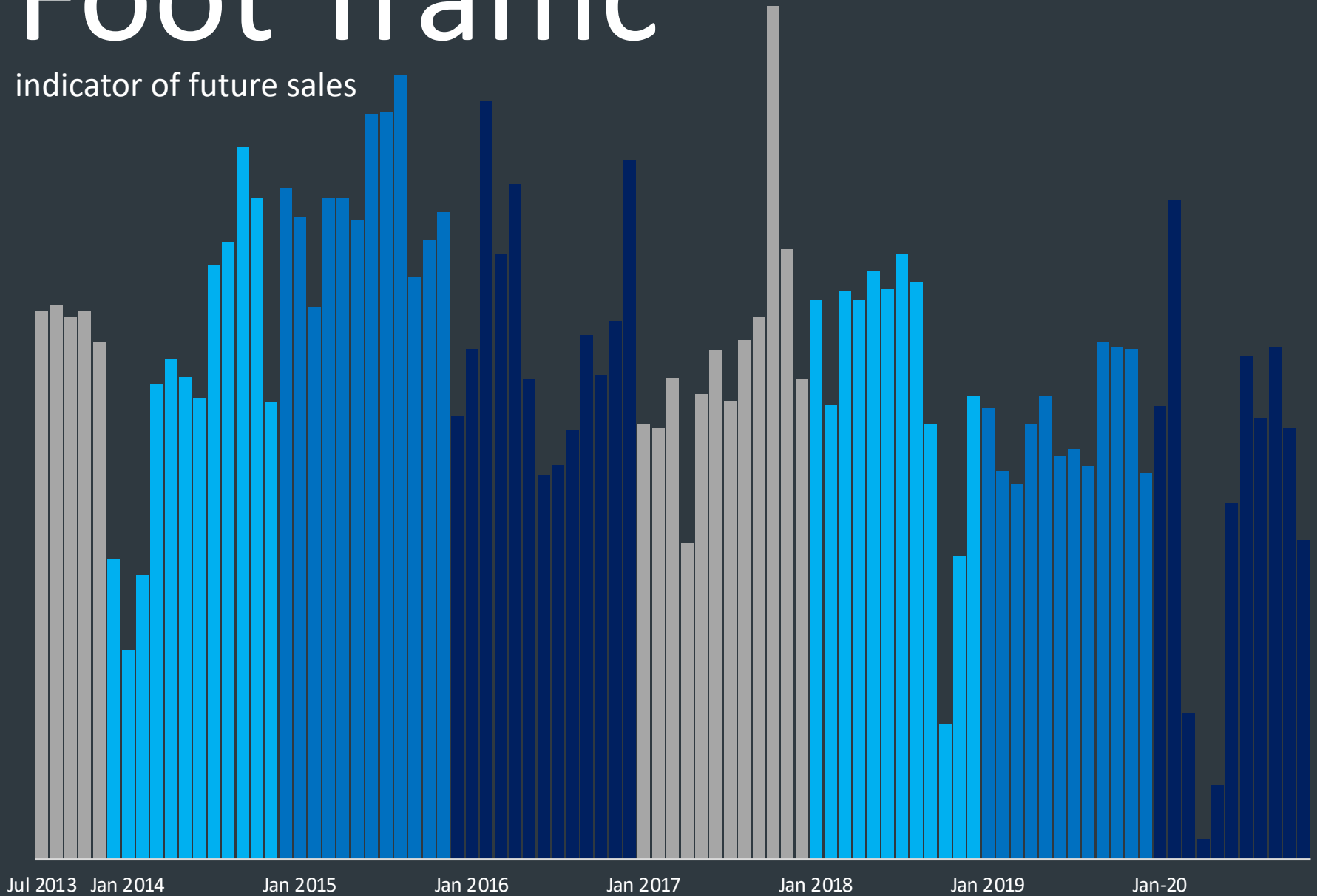


BUYER DEMAND



Foot Traffic

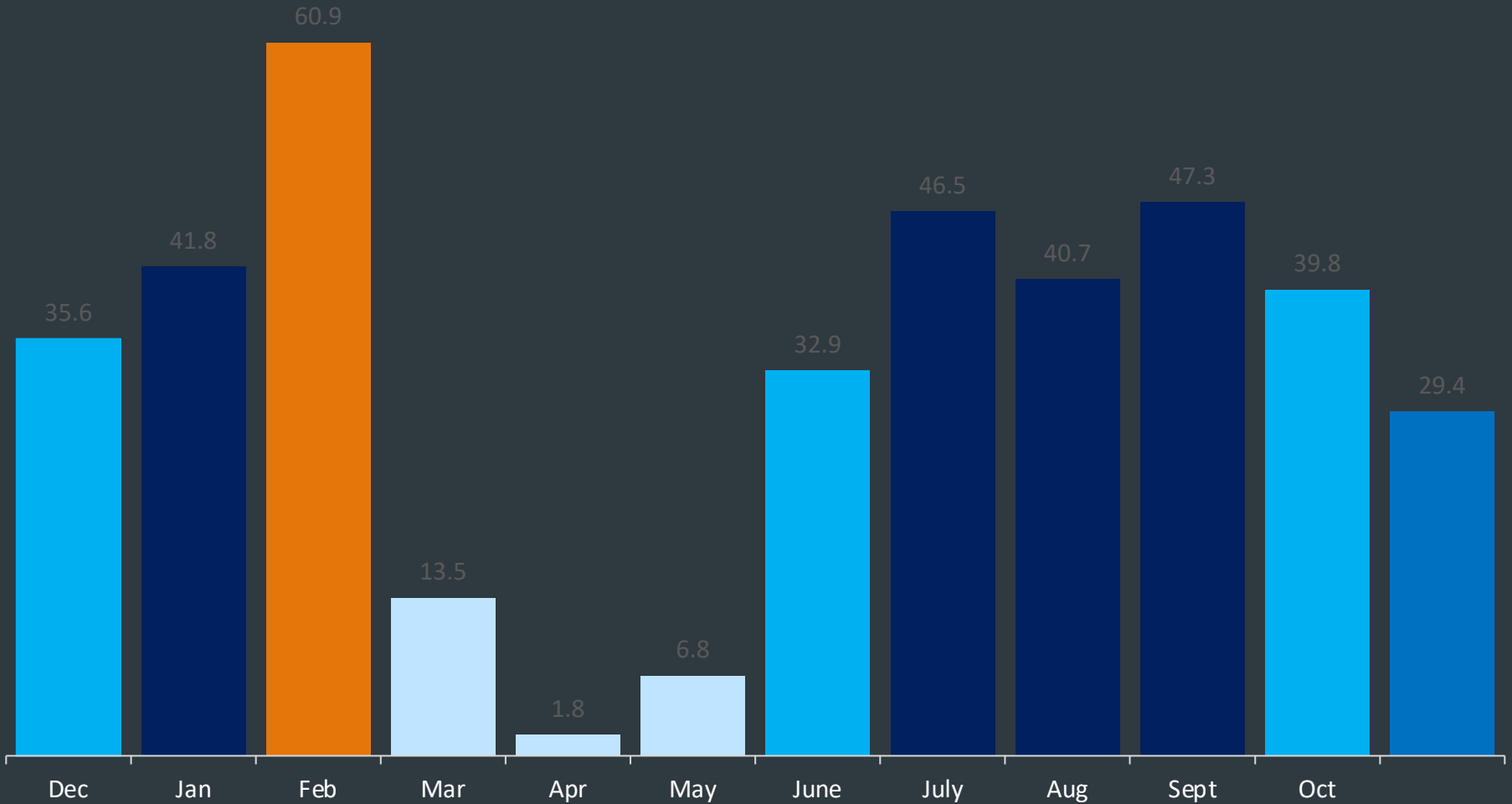
indicator of future sales



Foot Traffic

Last 12 Months

Indicator of future sales

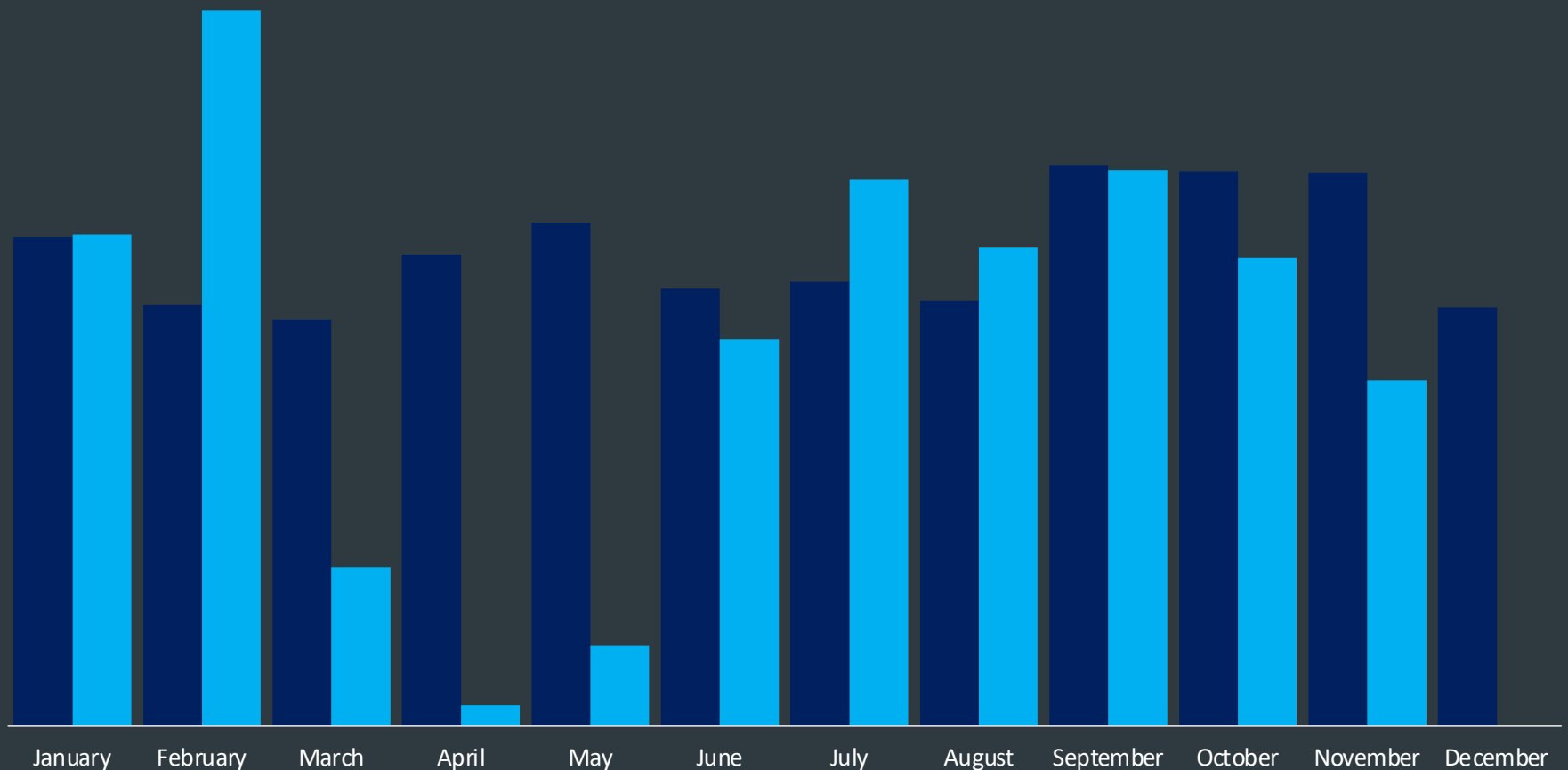


Foot Traffic

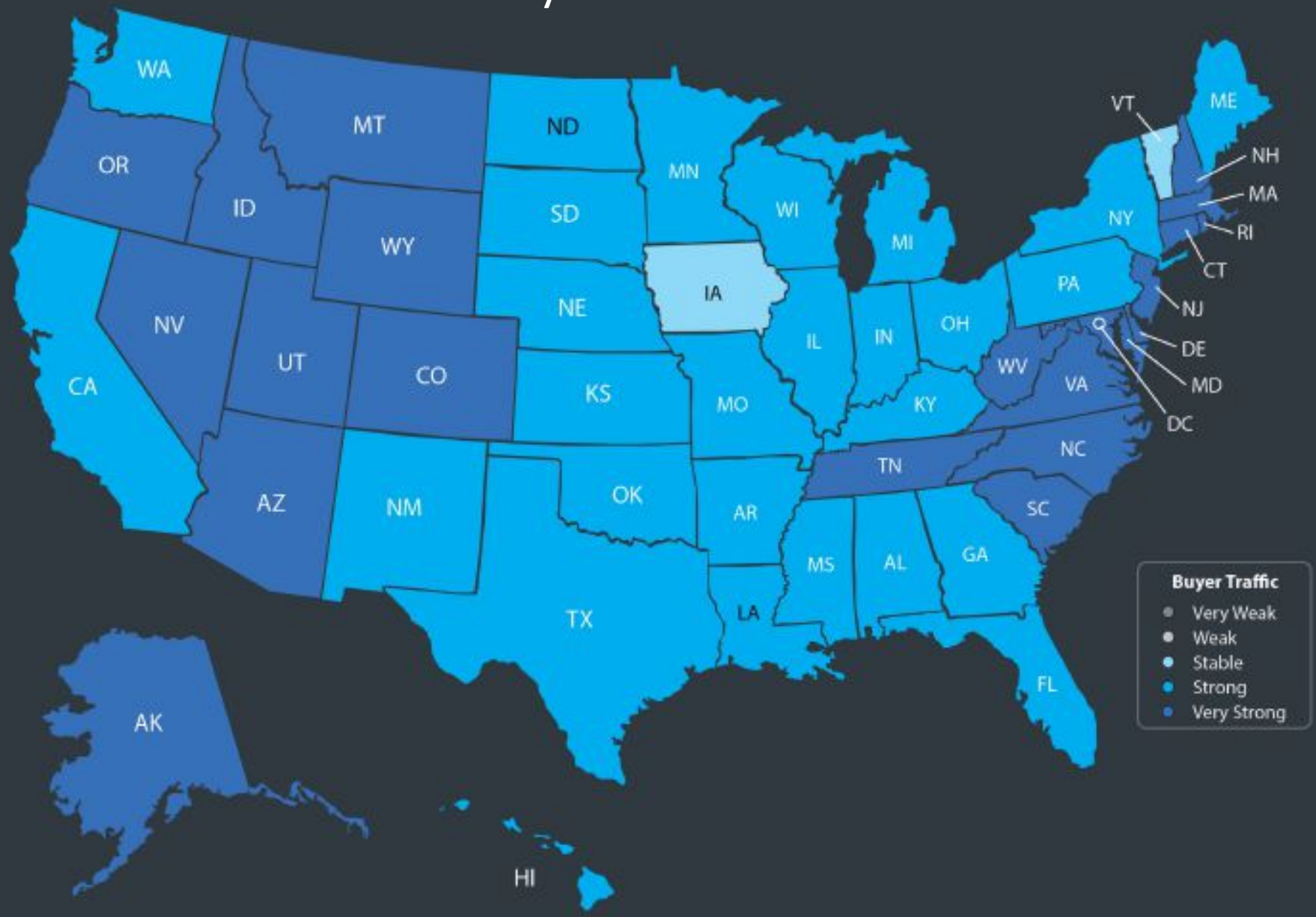
indicator of future sales

■ 2019

■ 2020



Buyer Traffic Index

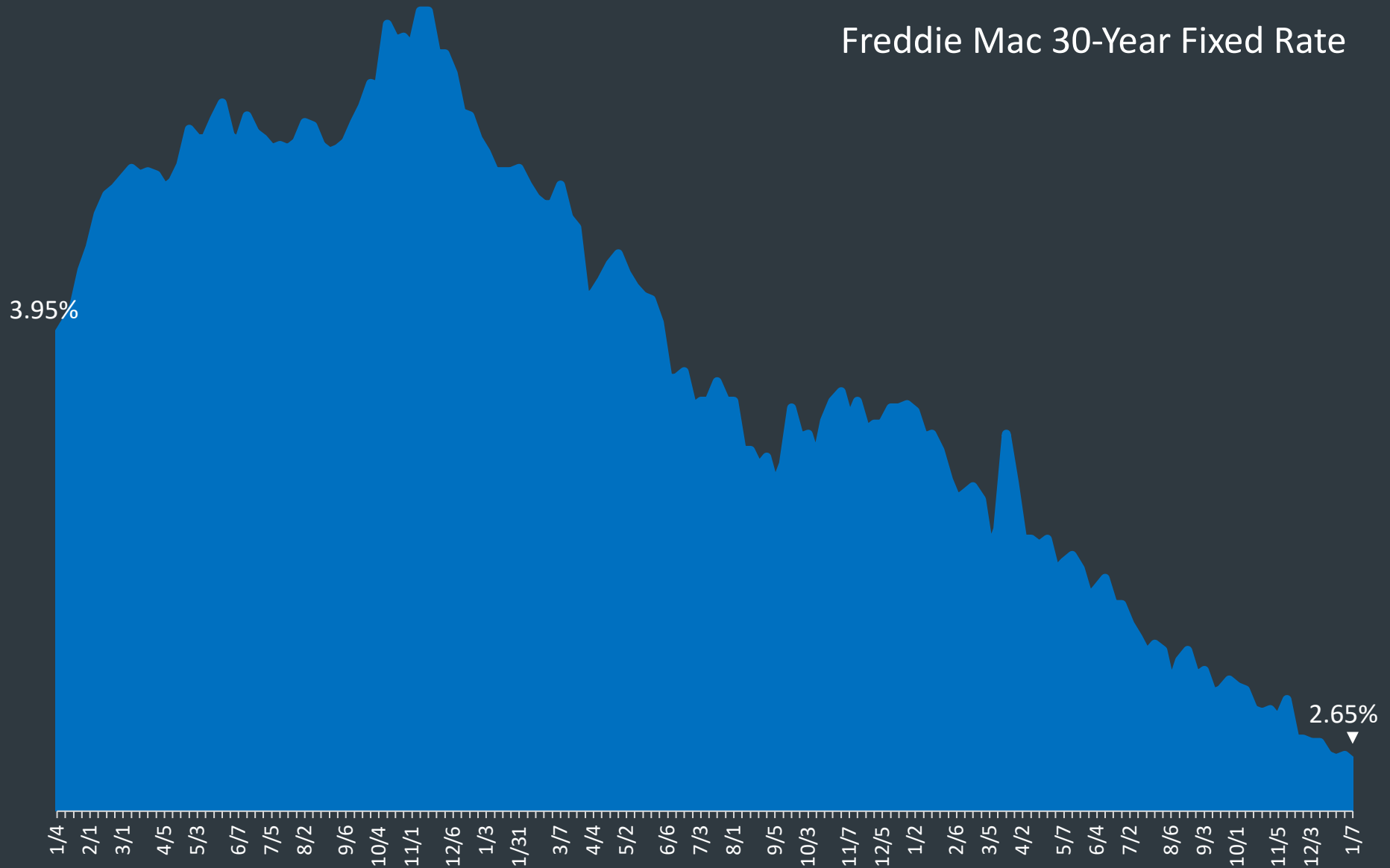


INTEREST RATES



Mortgage Rates

Freddie Mac 30-Year Fixed Rate



30-Year Fixed

Rate Mortgages
from Freddie Mac

3.97%

1/7/16 2/4 3/3 4/7 5/5 6/2 7/7 8/4 9/1 10/6 11/3 12/1 1/5/2017 2/2 3/2 3/30 4/27 5/25 6/22 7/20 8/17 9/14 10/12 11/9 12/7 1/4/2018 2/1 3/1 4/5 5/4 6/7 7/5 8/2 9/6 10/4 11/1 12/6 1/3/2019 1/31 3/7 4/4 5/2 6/6 7/3 8/1 9/5 10/3 11/7 12/5 1/2/2020 2/6 3/5 4/2 5/7 6/4 7/2 8/6 9/3 10/1 11/5 12/3 1/7

2.65%



Mortgage Rate Projections

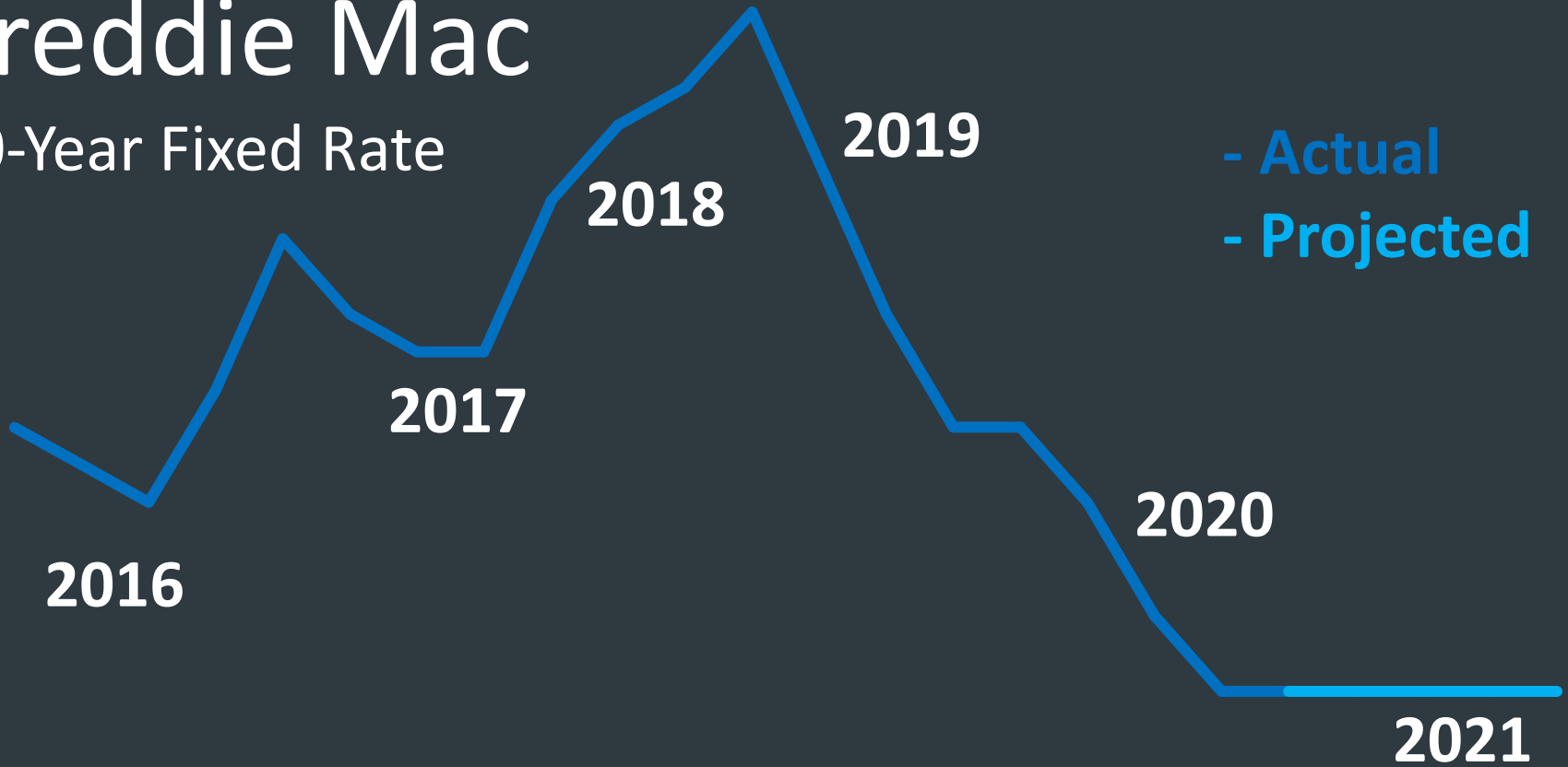
Quarter	Freddie Mac	Fannie Mae	MBA	NAR	Average of All Four
2021 1Q	3.0	2.7	2.9	2.9	2.87%
2021 2Q	3.0	2.7	3.0	3.0	2.92%
2021 3Q	3.0	2.8	3.2	3.1	3.02%
2021 4Q	3.0	2.8	3.2	3.2	3.05%

Mortgage Rates

Freddie Mac

30-Year Fixed Rate

- Actual
- Projected

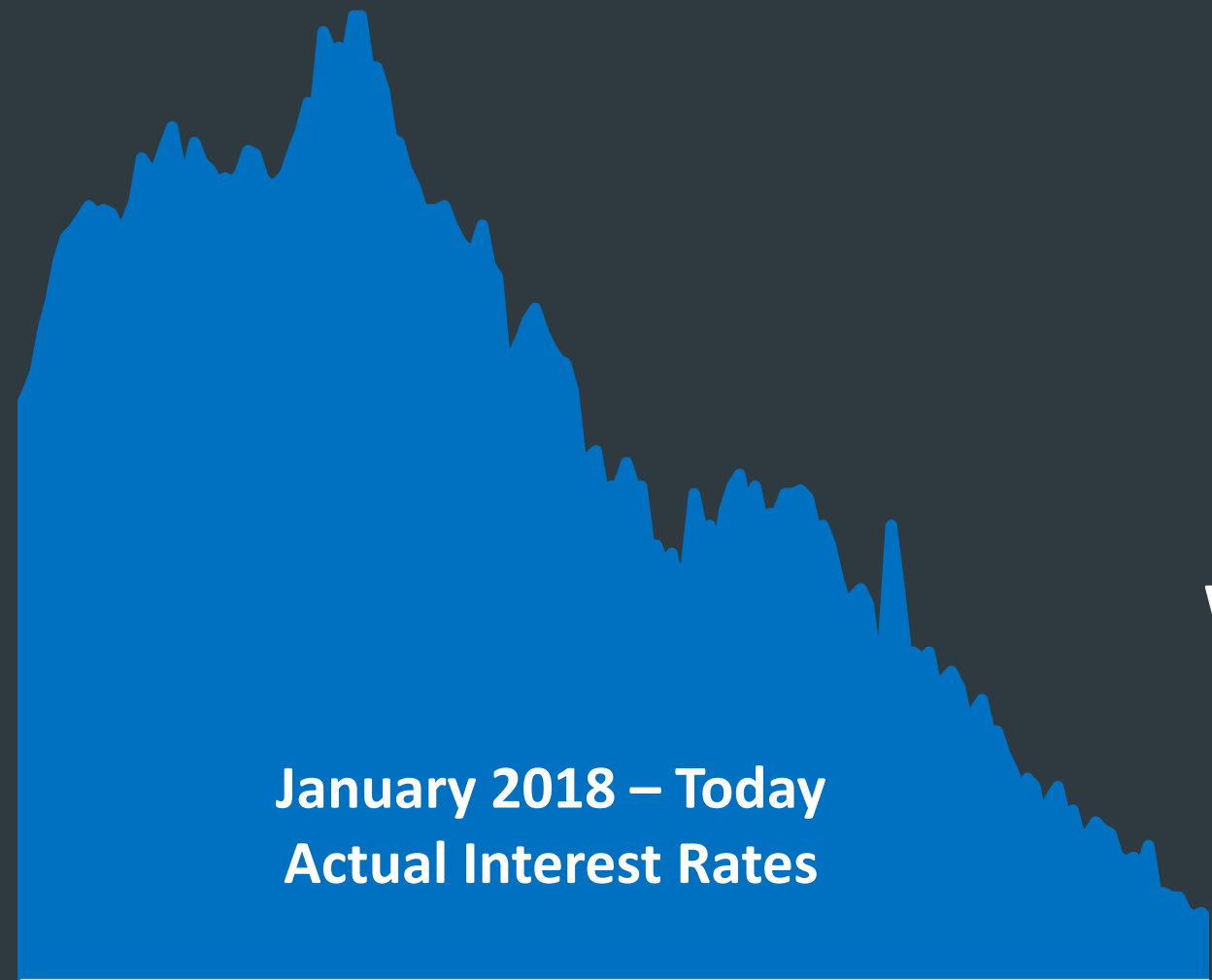


	2016	2016	2016	2016	2017	2017	2017	2017	2018	2018	2018	2018	2019	2019	2019	2019	2020	2020	2020	2020	2021	2021	2021	2021
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Rate	3.7	3.6	3.5	3.8	4.2	4.0	3.9	3.9	4.3	4.5	4.6	4.8	4.4	4	3.7	3.7	3.5	3.2	3.0	3.0	3.0	3.0	3.0	3.0

Mortgage Rates

Freddie Mac

30-Year Fixed Rate



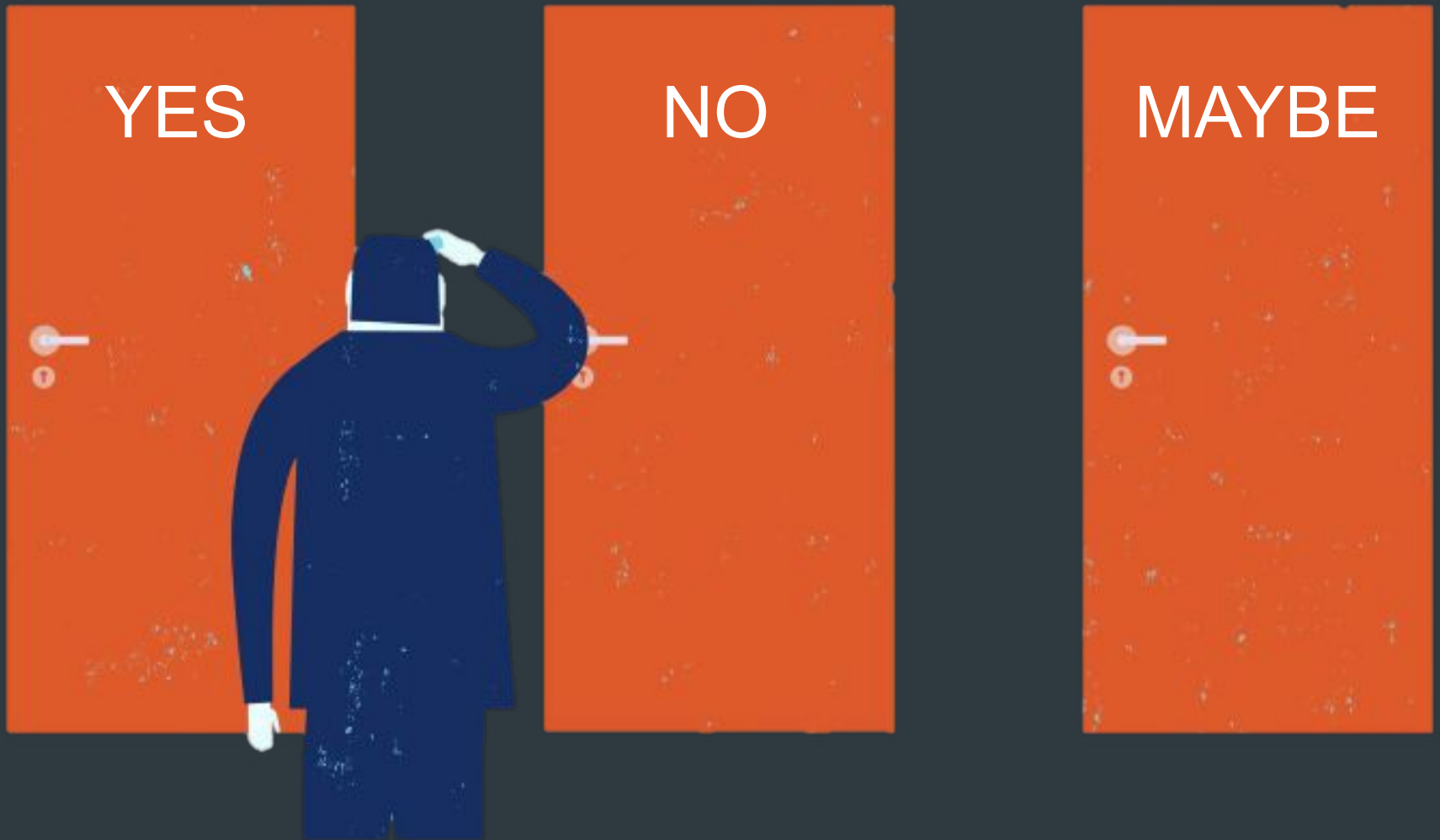
January 2018 – Today
Actual Interest Rates

Where Are They Going?



2021 Q1 2021 Q2 2021 Q3 2021 Q4

Mortgage Credit Availability



Mortgage Credit Availability

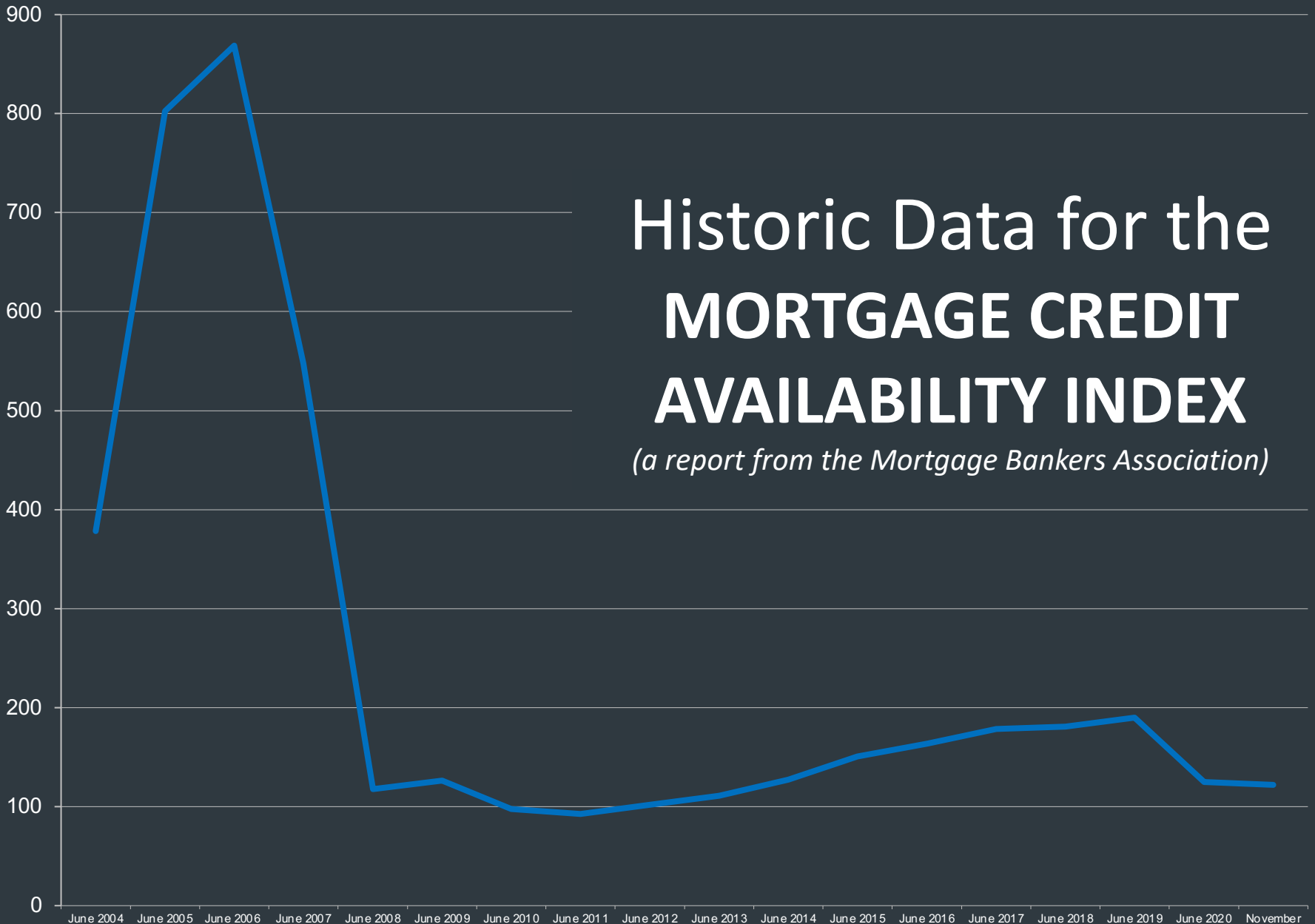
The chart displays the Mortgage Credit Availability Index (MCAI) as a blue area plot. The x-axis is labeled with months and years: Apr 2013, Jan 2014, Jan 2015, Jan 2016, Jan 2017, Jan 2018, Jan 2019, and Jan 2020. The y-axis represents the index value, though no numerical scale is provided. The index starts at a low point in April 2013, rises to a peak in early 2014, dips slightly, then rises steadily through 2015 and 2016. It reaches a higher peak in early 2017, followed by a period of relative stability with minor fluctuations through 2018 and 2019. A sharp decline is visible in early 2020, reaching a low point by the end of the period shown.

Month	Year	Approximate MCAI Value
Apr	2013	Low
Jan	2014	Low-Mid
Jan	2015	Mid
Jan	2016	High
Jan	2017	Very High
Jan	2018	High
Jan	2019	High
Jan	2020	Very High
Jan	2020	Low

*Mortgage Credit Availability Index (MCAI), a report
from the Mortgage Bankers Association*

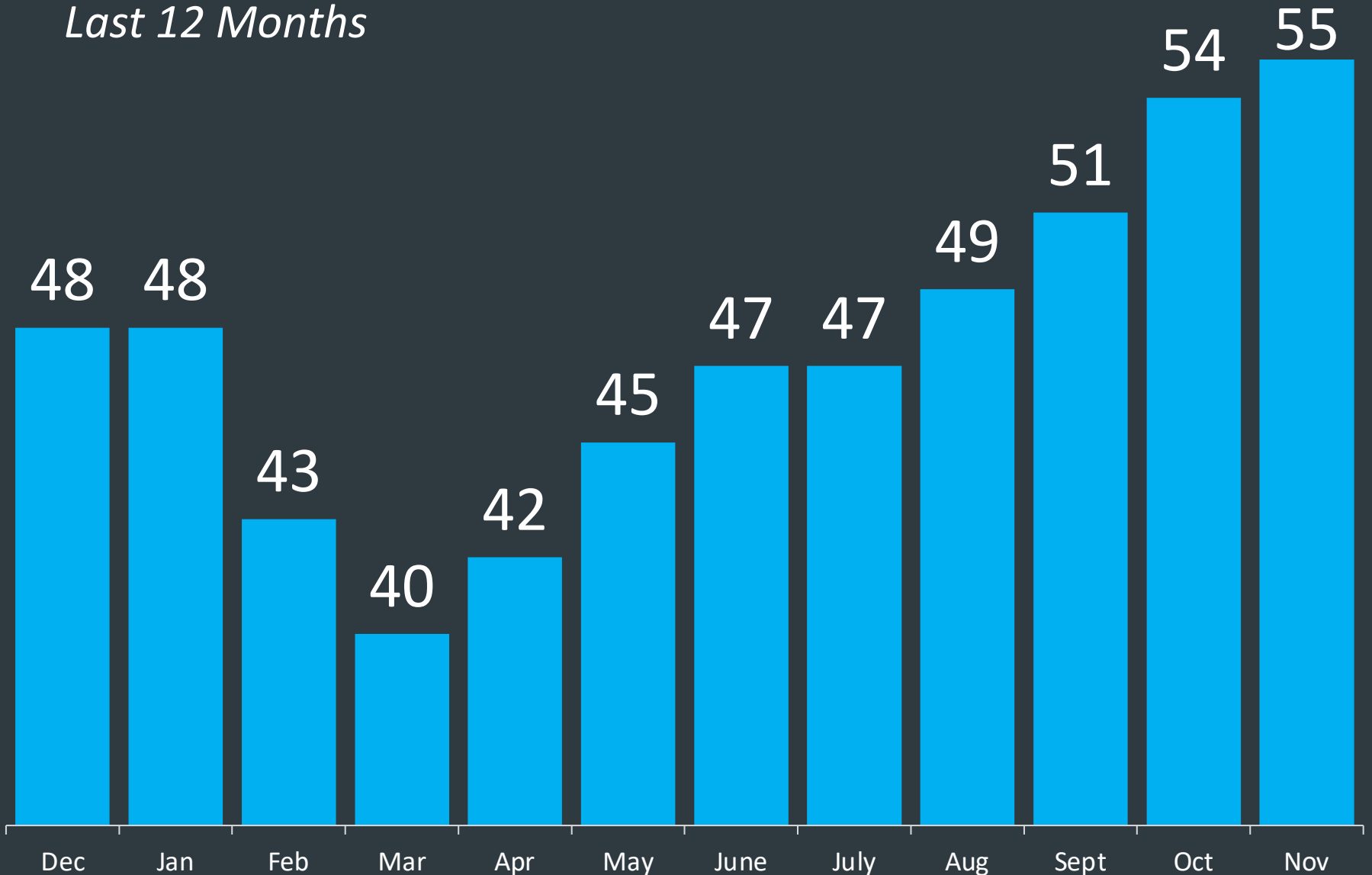
Historic Data for the **MORTGAGE CREDIT AVAILABILITY INDEX**

(a report from the Mortgage Bankers Association)



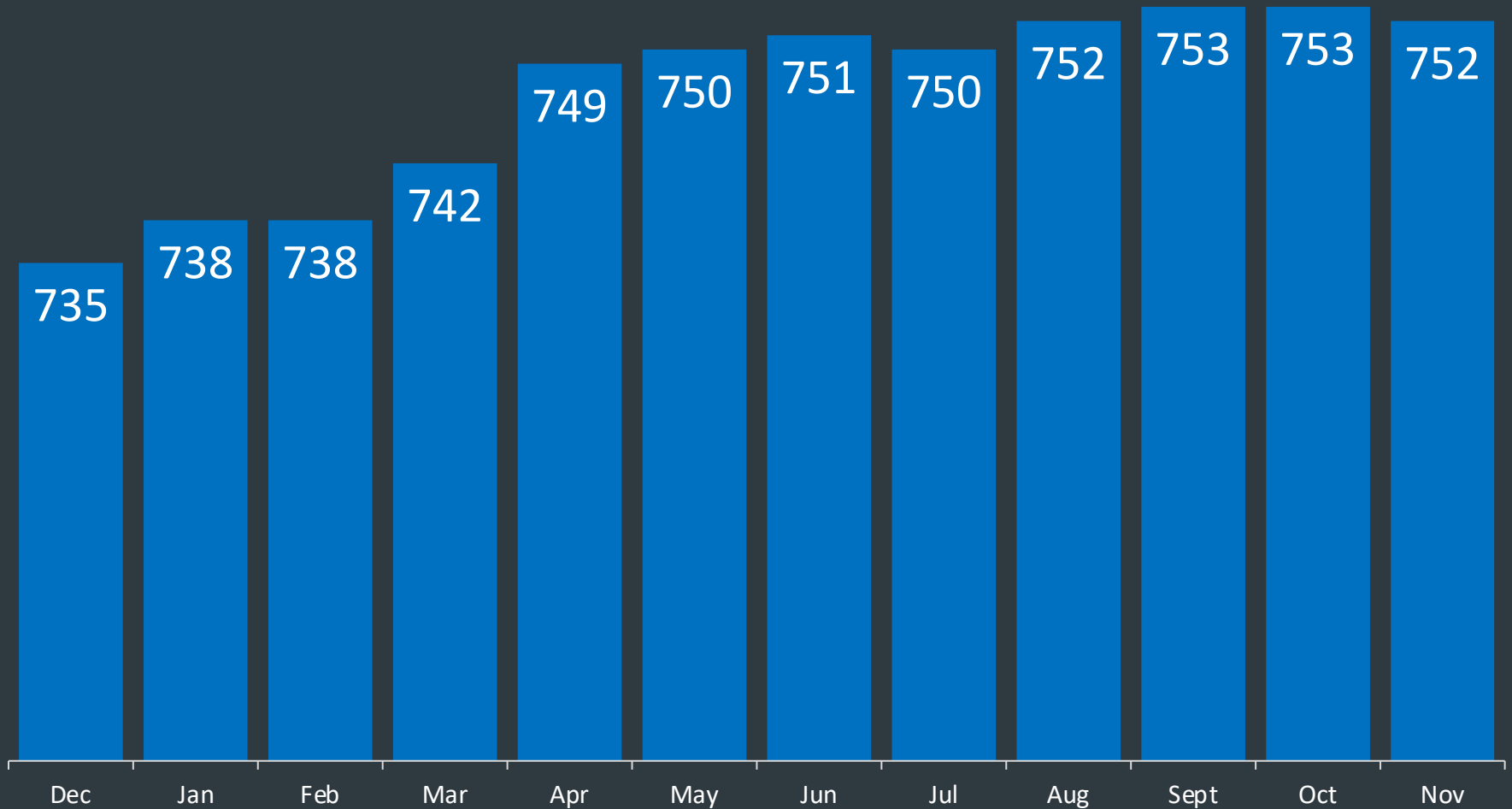
Average Days To Close A Loan

Last 12 Months

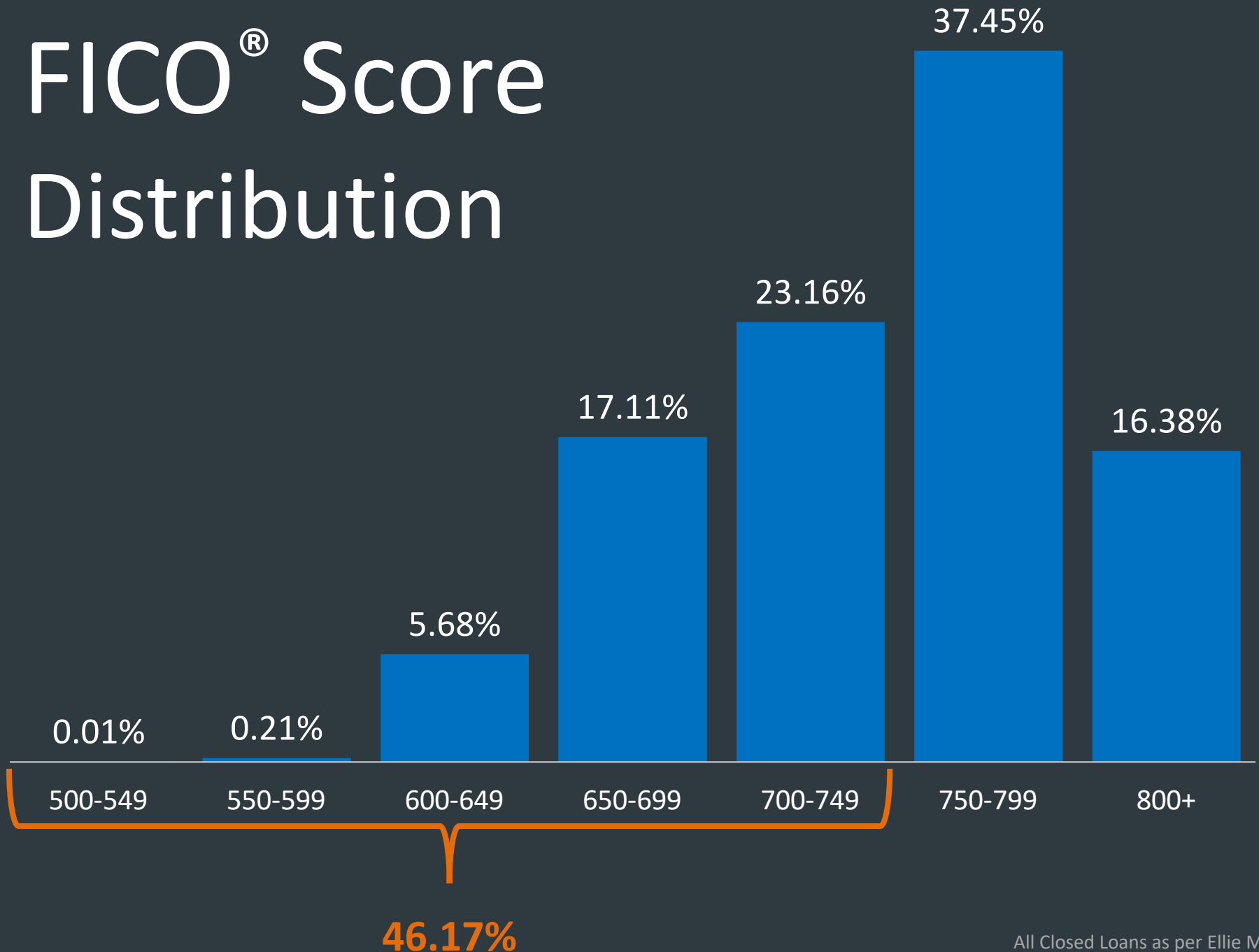


FICO[®] Score Requirements

Last 12 months

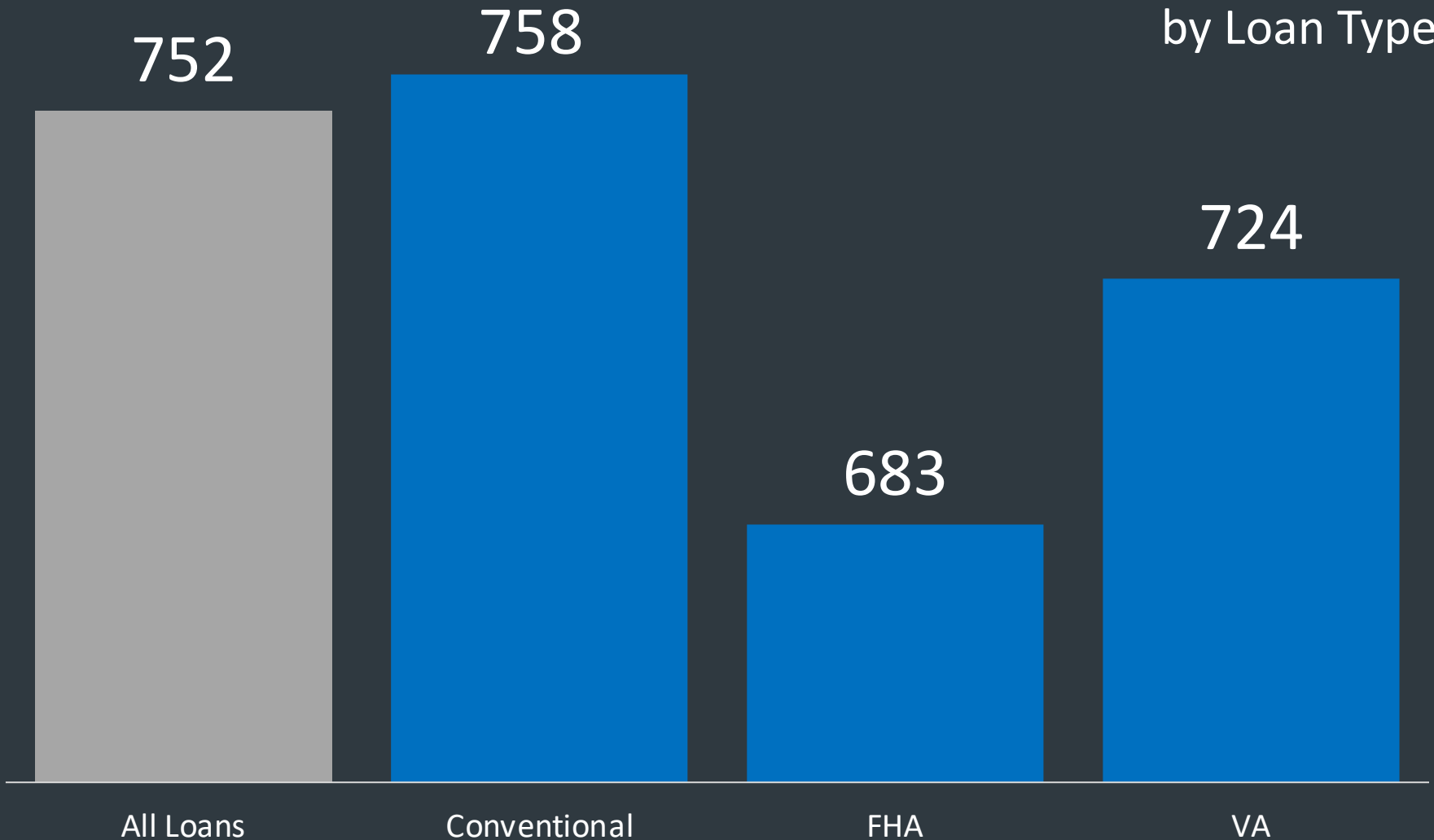


FICO[®] Score Distribution



Average FICO[®] Score

for Closed Purchase Loans
by Loan Type



Average Back End DTI

for Closed Purchase Loans by Loan Type

