

A photograph of a modern, light-colored villa with a swimming pool and an outdoor dining area. The villa has large glass windows and a covered patio. A dining table with chairs is set up on the patio, and a large umbrella is open. The pool is in the foreground, and a unicorn inflatable is floating in it. The sky is blue with white clouds.

MARKET REPORT

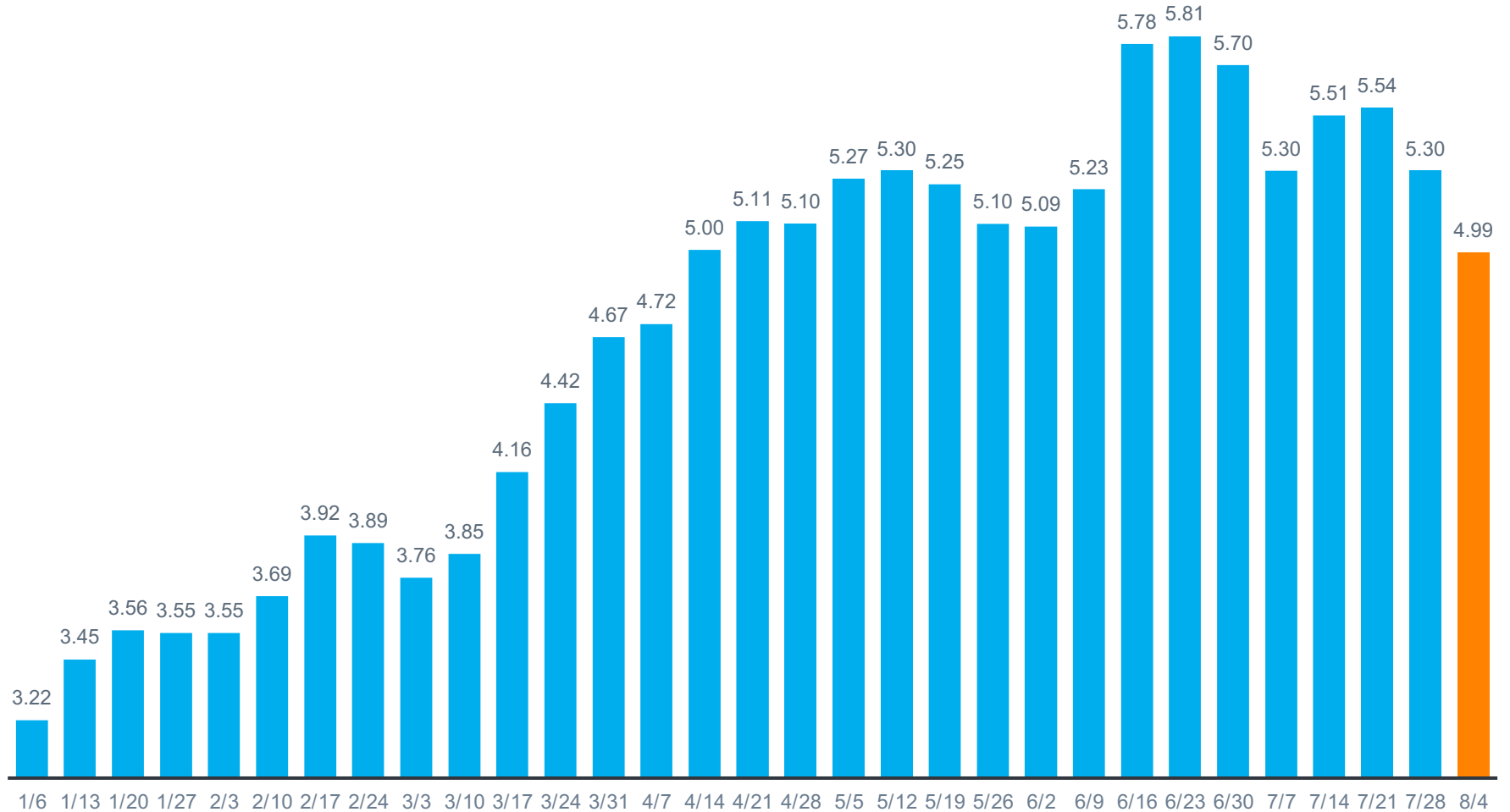
August 2022

What's Happening in the Current Housing Market?



Weekly Mortgage Rates Continue To Fluctuate

Freddie Mac 30-Year Fixed Rate, January 2022–Today



Source: Freddie Mac

What Is a Recession?

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

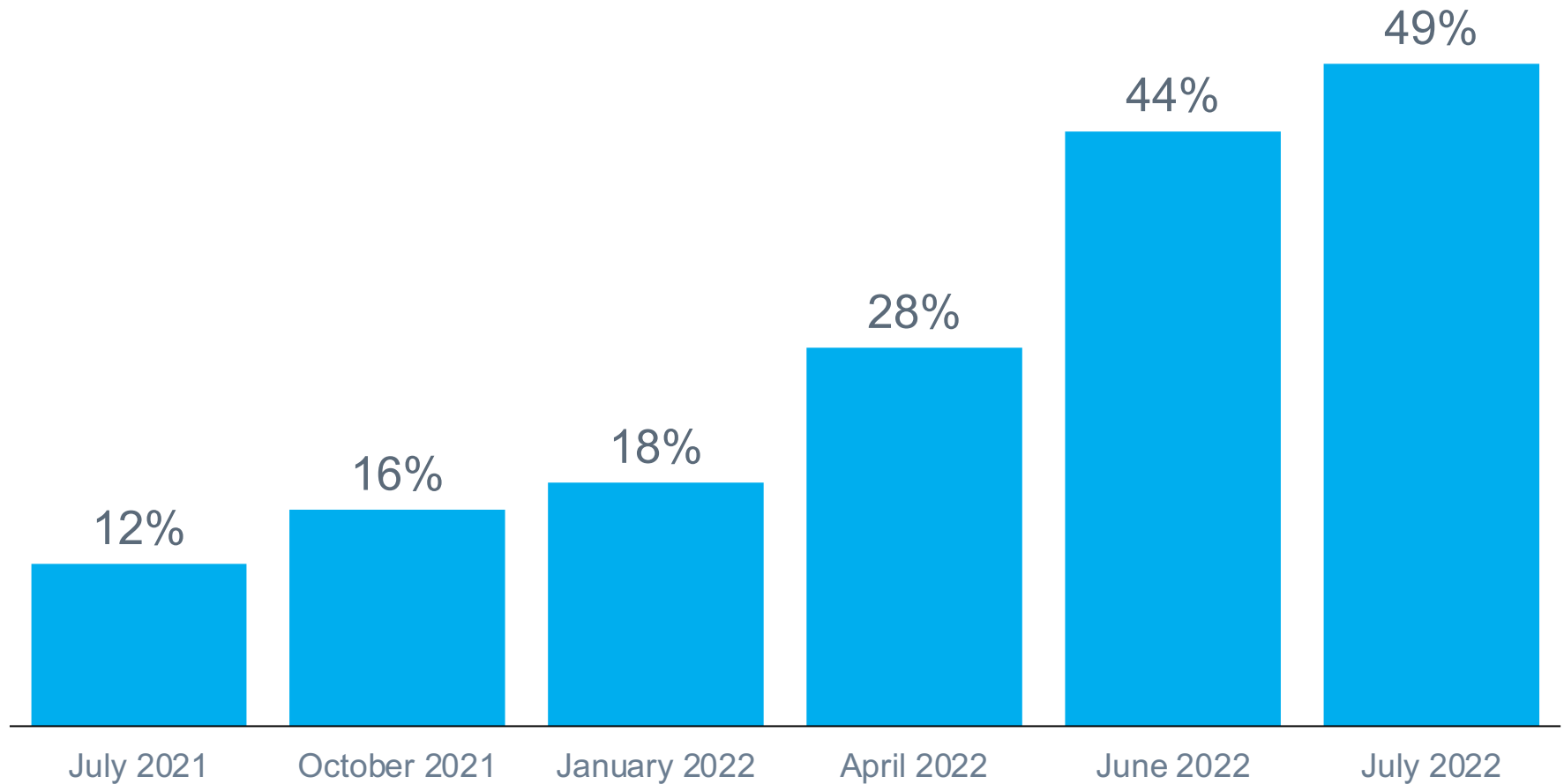
“ . . . a significant decline in economic activity spread across the economy, lasting more than a few months, normally visible in real GDP, real income, employment, industrial production, and wholesale-retail sales.”

Is a Recession 2 Consecutive Quarters of Negative Growth? (1949–2022)

Real GDP: Number of Consecutive Negative Quarters	Start Quarter	End Quarter	Recession
2	Q1 1949	Q2 1949	Yes
3	Q3 1953	Q1 1954	Yes
2	Q4 1957	Q1 1958	Yes
2	Q4 1969	Q1 1970	Yes
3	Q3 1974	Q1 1975	Yes
2	Q2 1980	Q3 1980	Yes
2	Q4 1981	Q1 1982	Yes
2	Q4 1990	Q1 1991	Yes
4	Q3 2008	Q2 2009	Yes
2	Q1 2020	Q2 2020	Yes
2	Q1 2022	Q2 2022	?

Is There a Recession Around the Corner?

Percentage of Economists Surveyed Who Believe We Will See a Recession in the Next 12 Months

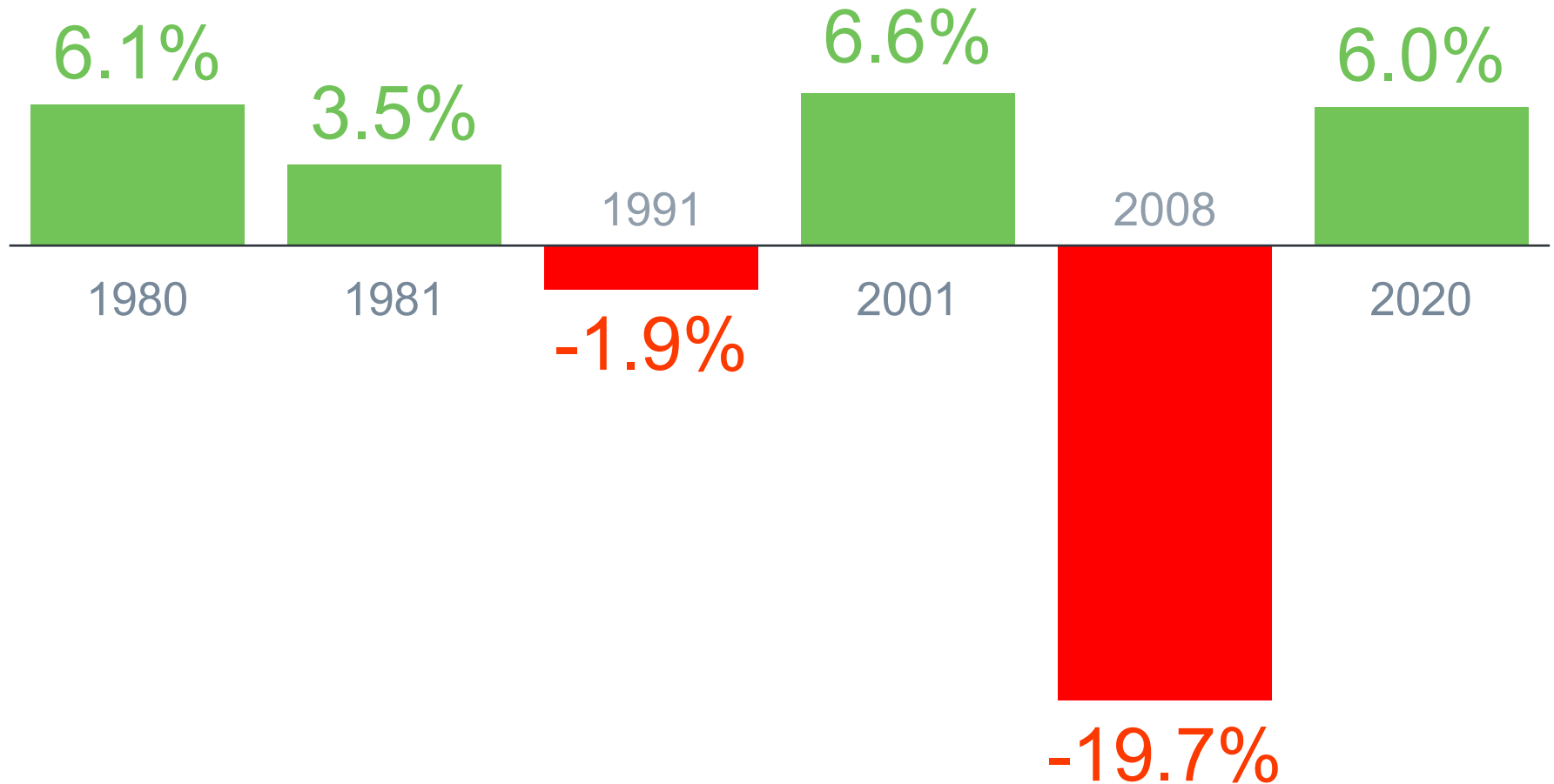




How Would Housing Be Impacted by a Recession?

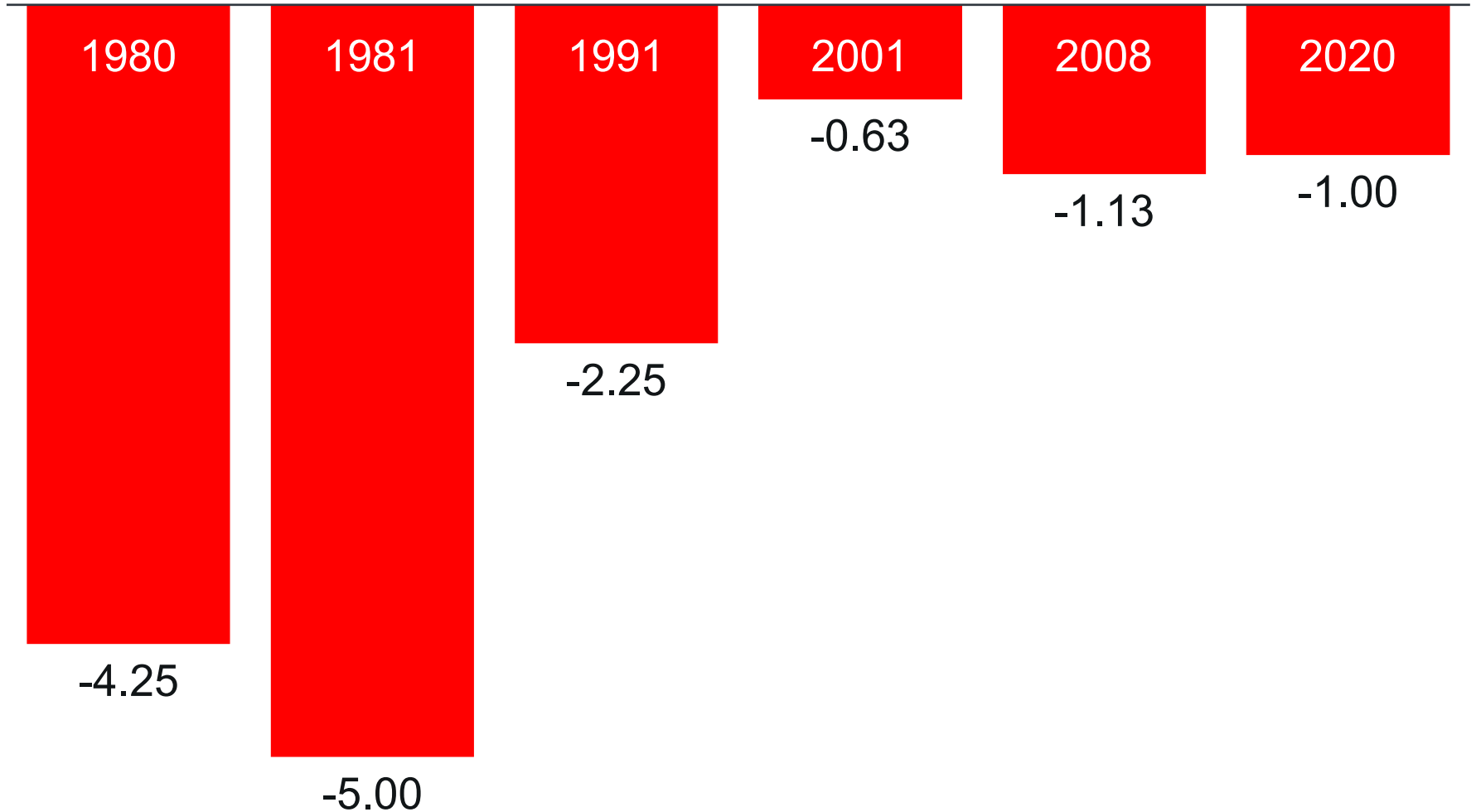
A Recession Does Not Mean Falling Prices

Home Price Change During Last 6 Recessions

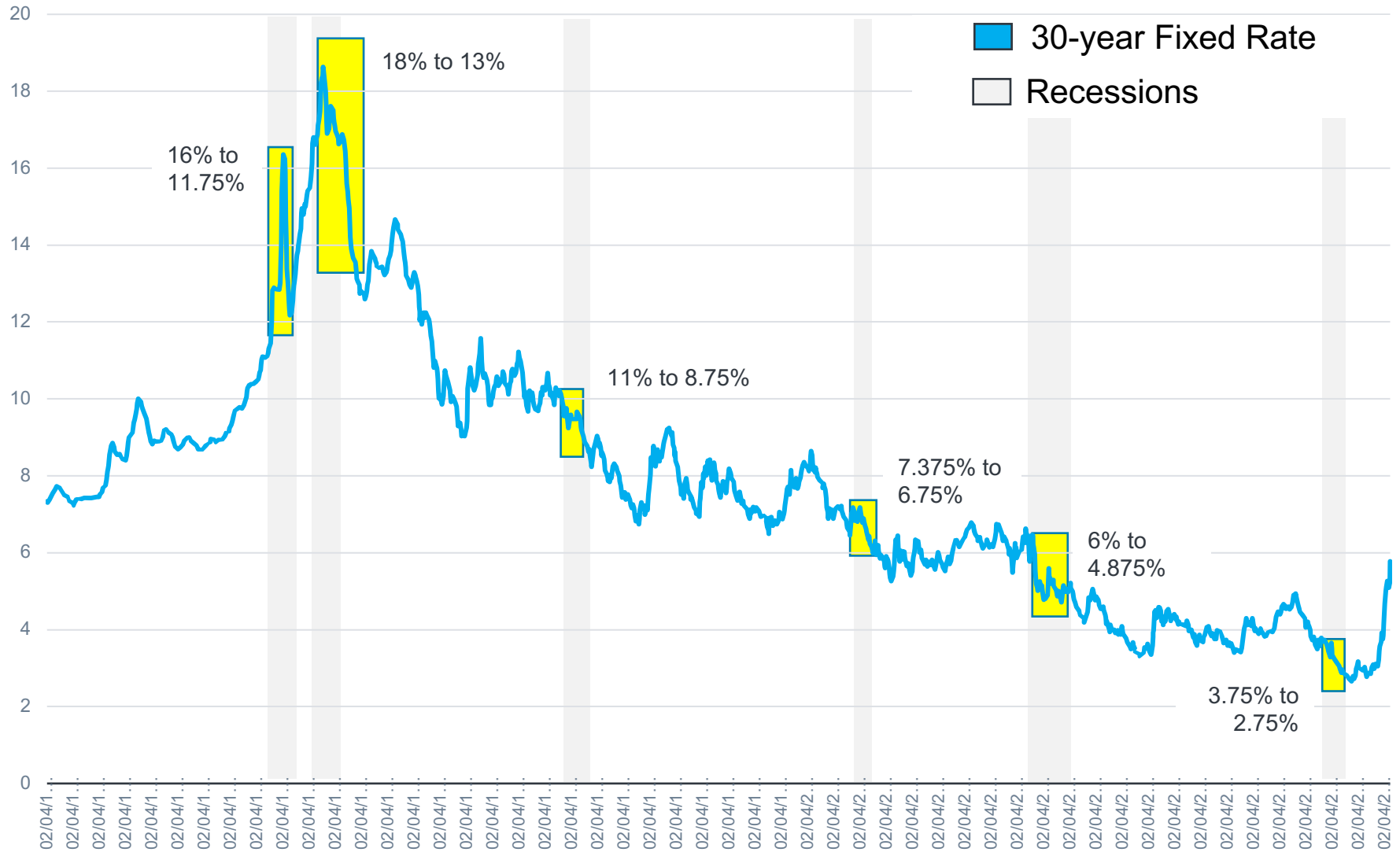


A Recession Means Falling Mortgage Rates

Mortgage Rates in the Last 6 Recessions from Peak to Trough



Mortgage Rates & Recessions





Over the past five recessions, mortgage rates have fallen an average of 1.8 percentage points from the peak seen during the recession to the trough.

And in many cases, they continued to fall after the fact as it takes some time to turn things around even when the recession is technically over.

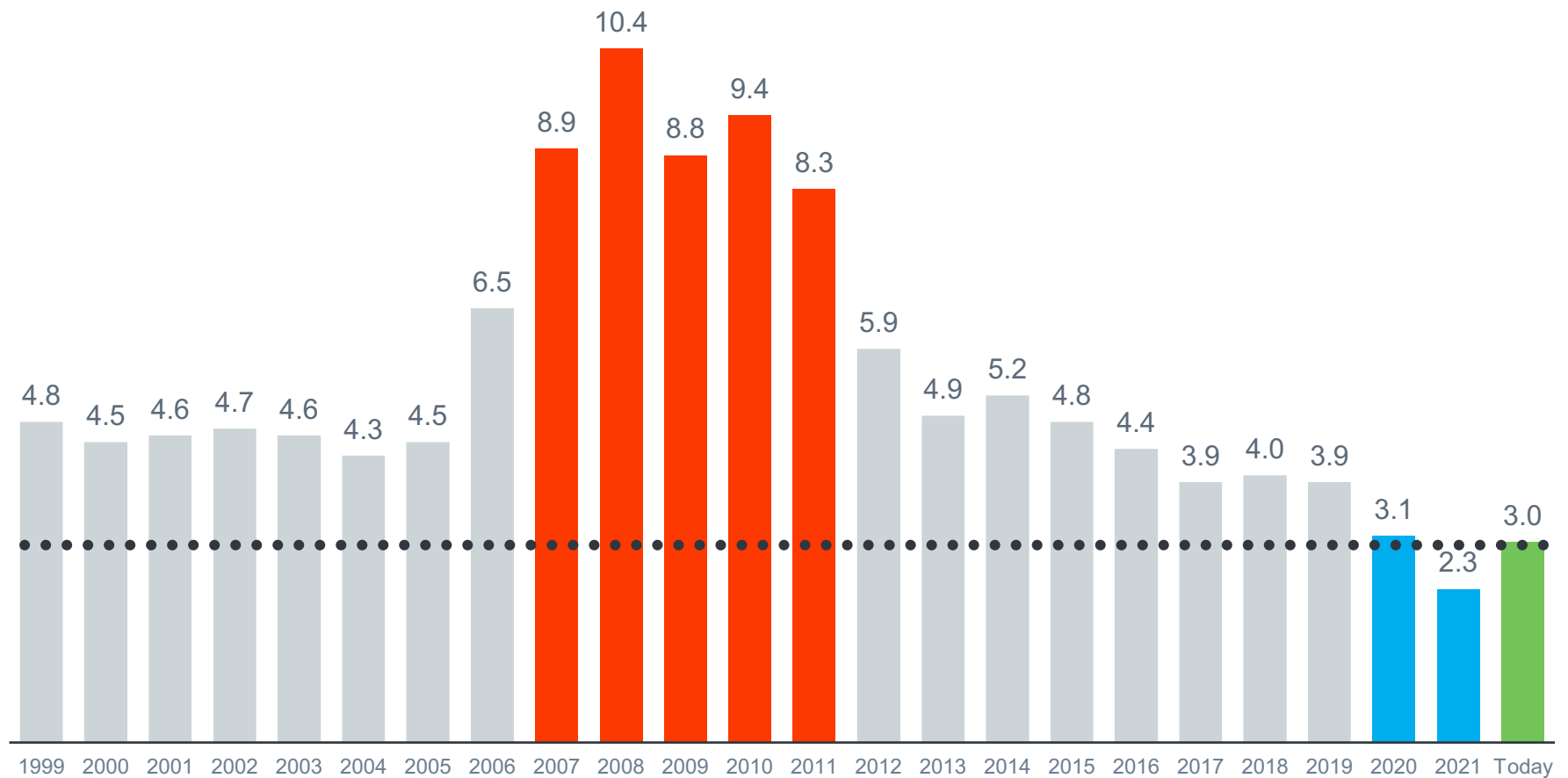
- Fortune

Why the Housing Market Won't Crash



Not Enough Homes for Sale

Total housing inventory registered at the end of June was 1,260,000 units. Unsold inventory sits at a 3.0-month supply at the current sales pace.

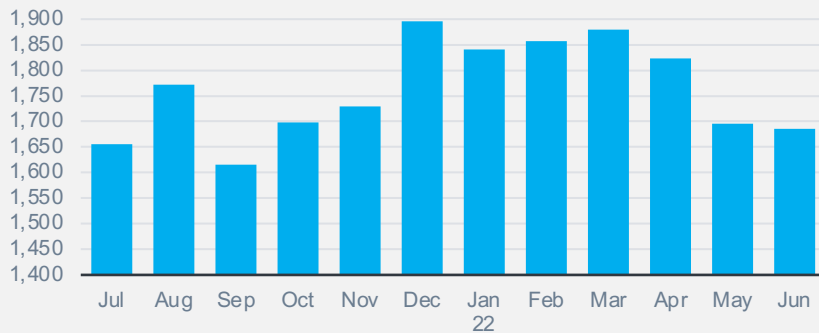


Monthly New Residential Construction

June 2022, in Thousands of Units

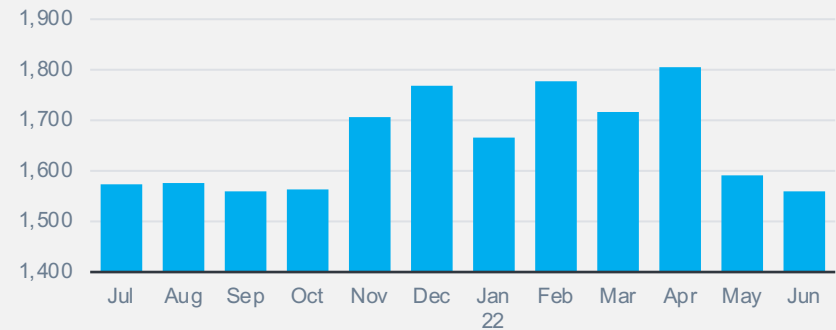
Building Permits

Seasonally adjusted annual rate of 1,685,000



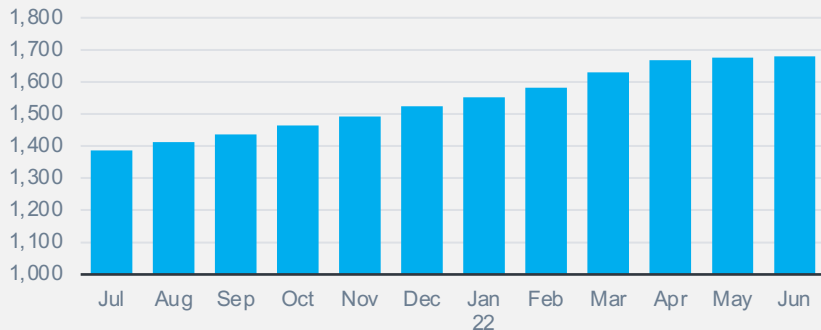
Housing Starts

Seasonally adjusted annual rate of 1,559,000



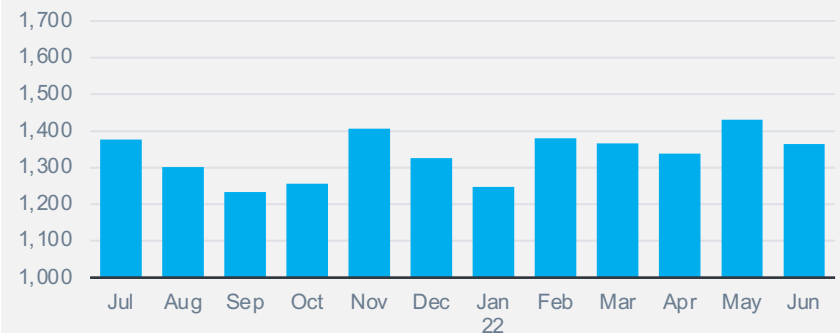
Under Construction at End of Period

Seasonally adjusted annual rate of 1,583,000



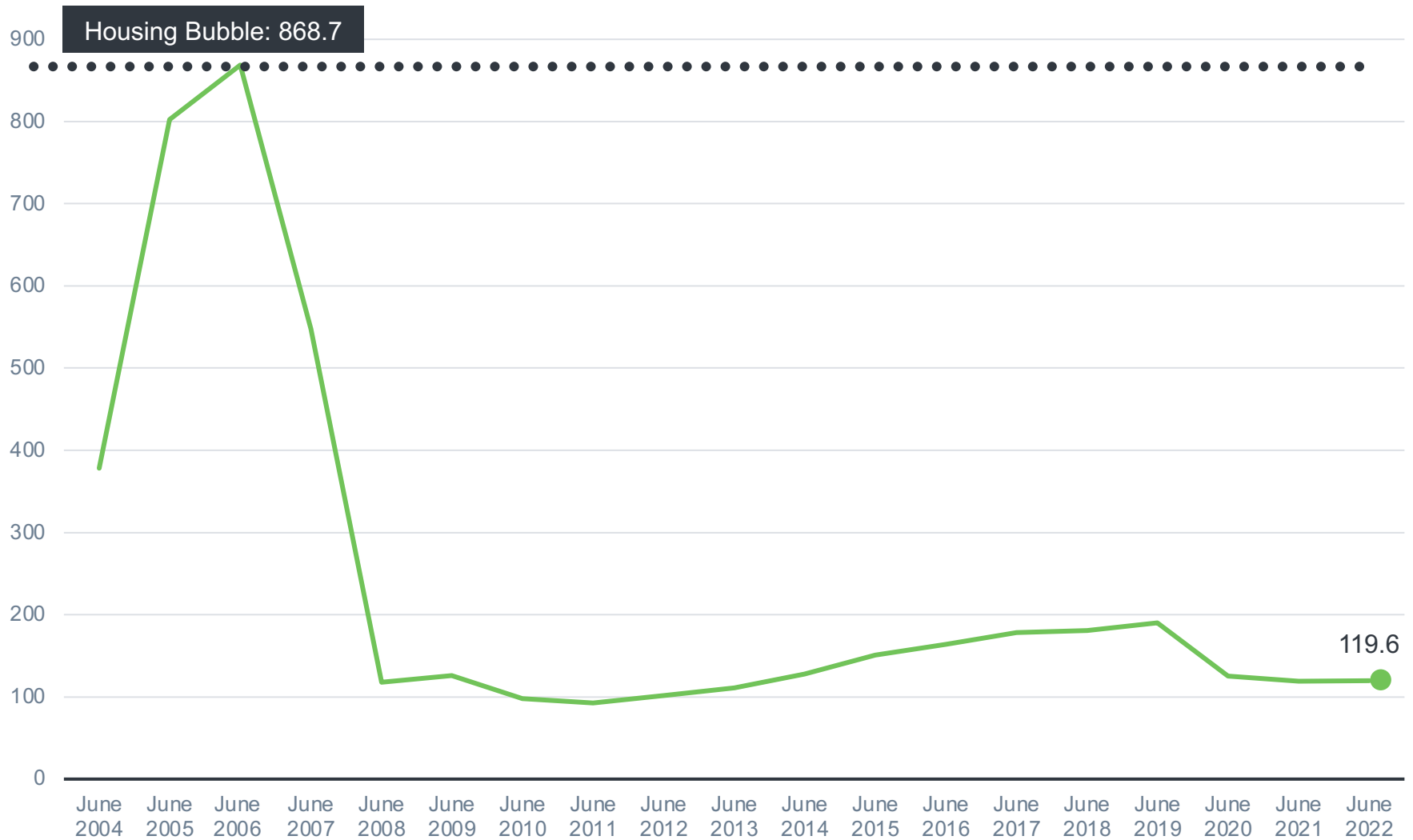
Housing Units Completed

Seasonally adjusted annual rate of 1,365,000



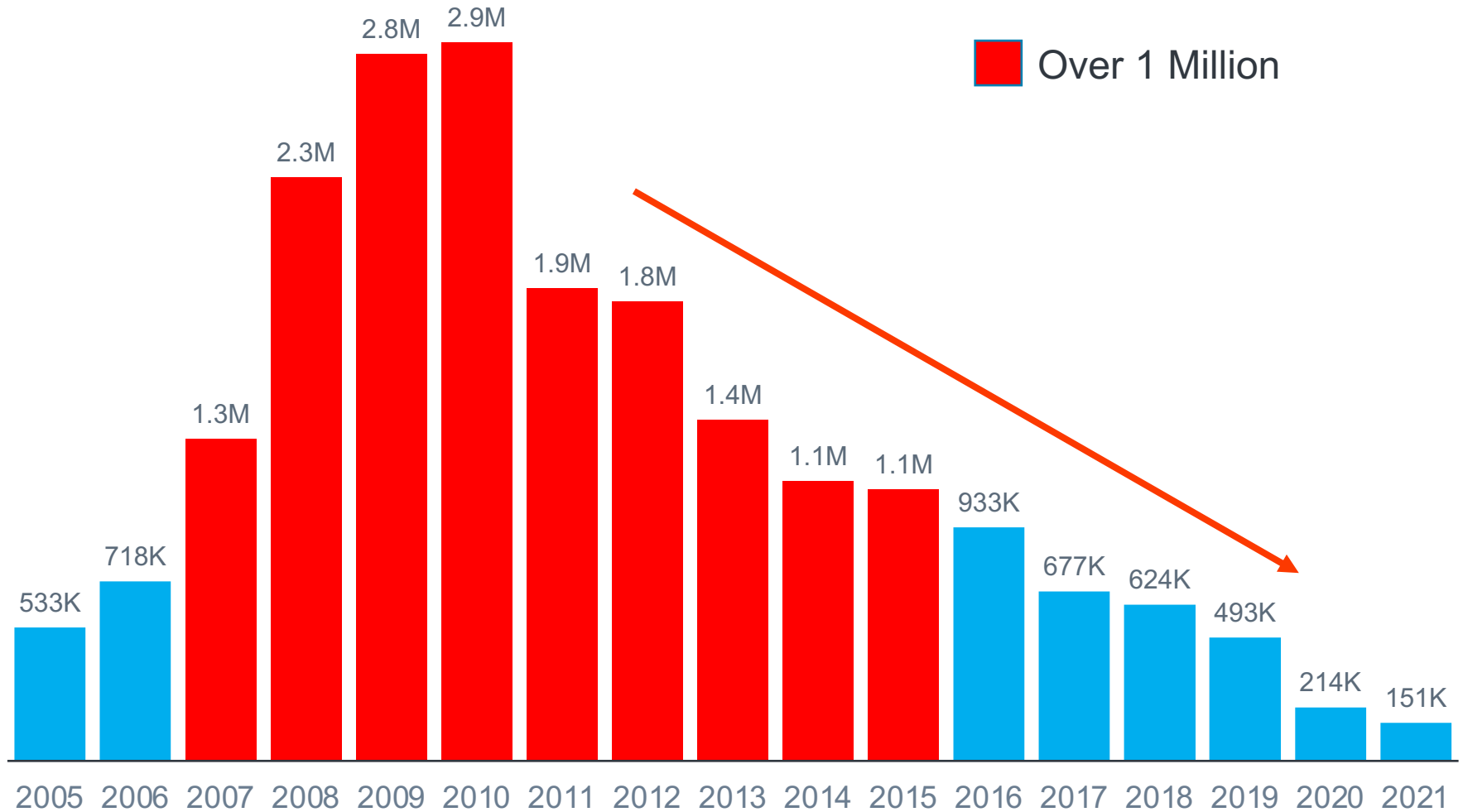
Lending Standards Still Under Control

Historical Data for the Mortgage Credit Availability Index (MCAI)



Foreclosure Activity by Year

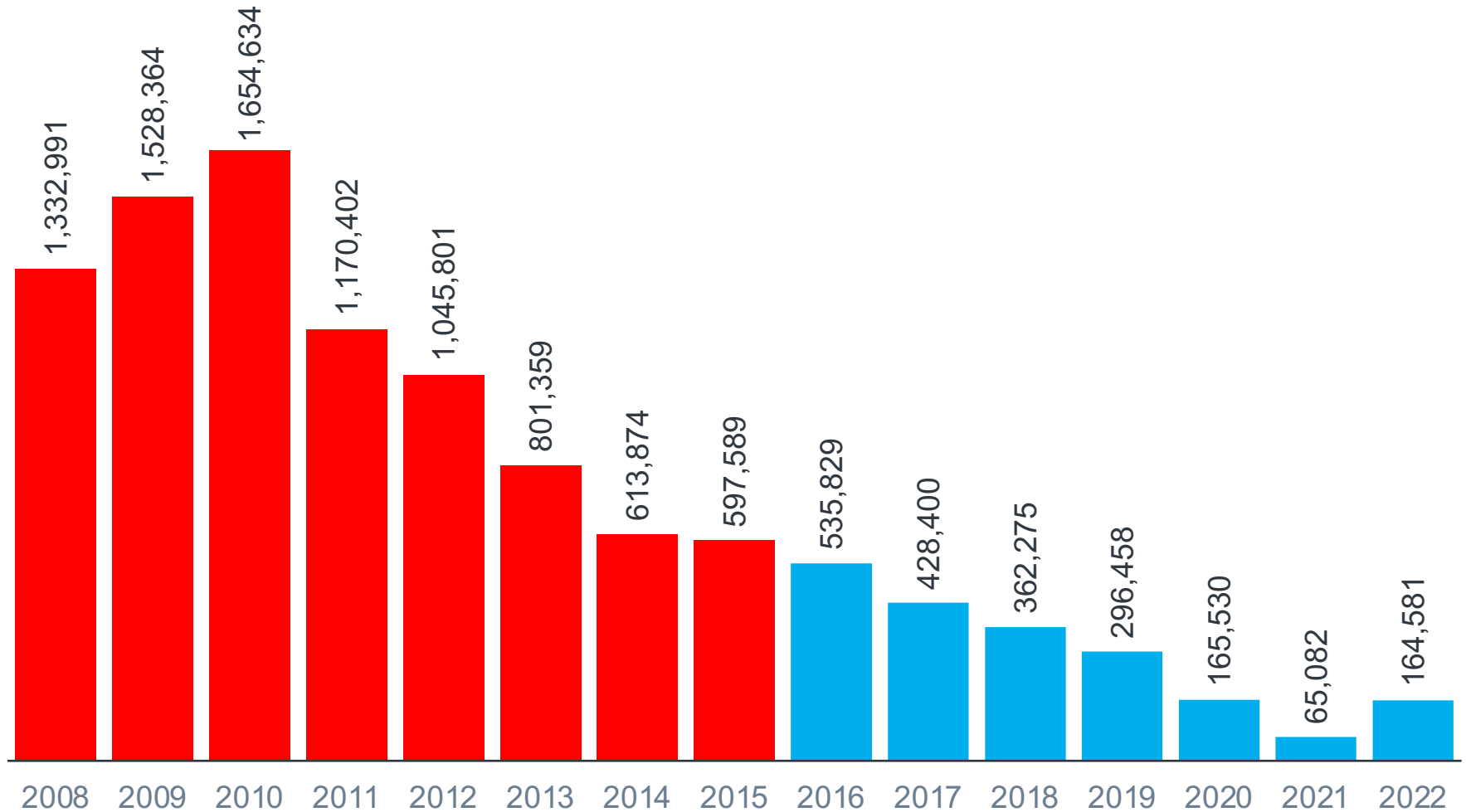
U.S. Properties with Foreclosure Filings: ATTOM 2021 Year-End Report



Source: ATTOM Data Solutions

First-Half Foreclosure Activity by Year

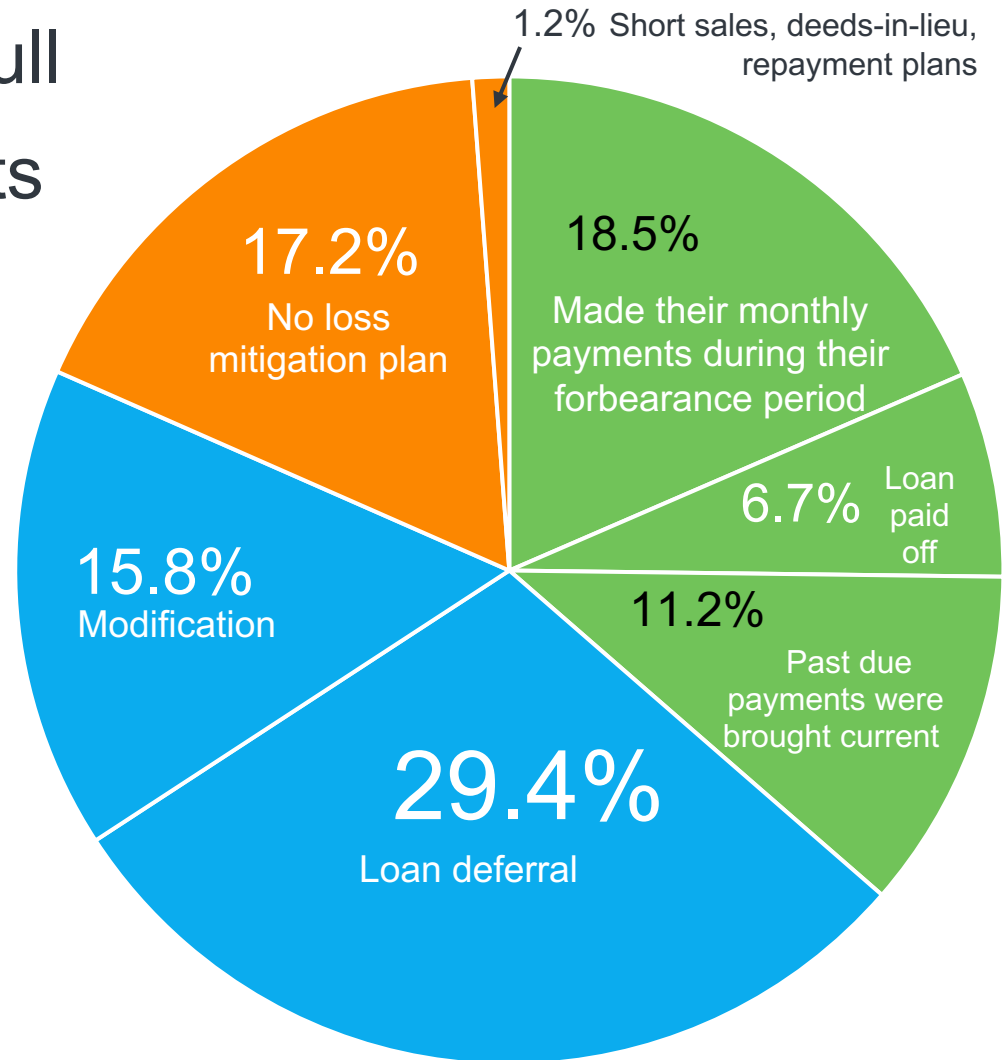
U.S. Properties with Foreclosure Filings: January–June



Source: ATTOM Data Solutions

Loans upon Exiting Forbearance Program

- 36.4% were paid in full
- 45.2% were work outs or repayment plans
- 18.4% were still in trouble



Cumulative forbearance exits for the period from June 1, 2020 through June 30, 2022

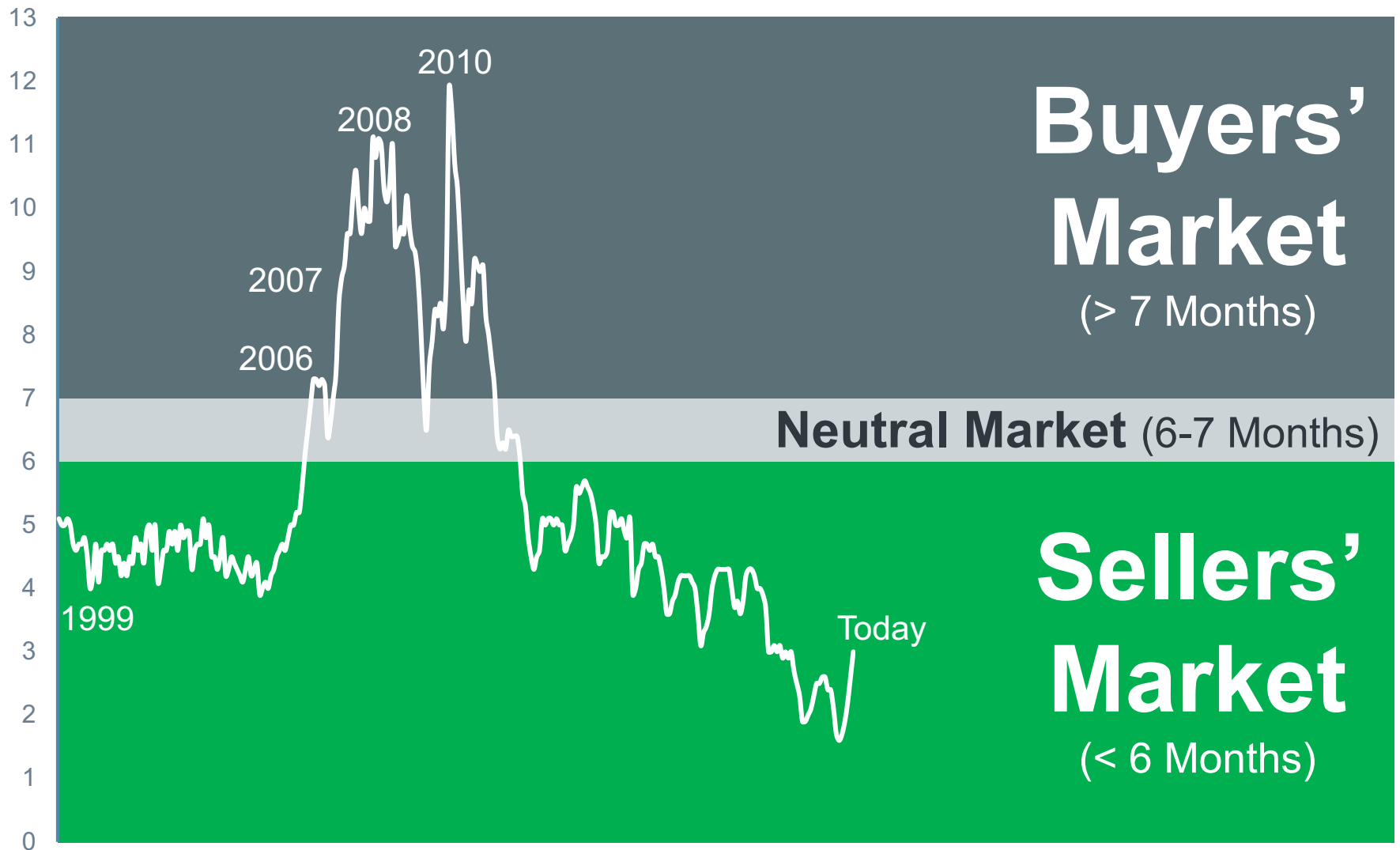


Foreclosure activity across the United States continued its slow, steady climb back to pre-pandemic levels in the first half of 2022. . . .

While overall foreclosure activity is still running significantly below historic averages, the dramatic increase in foreclosure starts suggests that we may be back to normal levels by sometime in early 2023.

- Rick Sharga, Executive VP of Market Intelligence, ATTOM

Months' Inventory of Homes for Sale



What's Ahead for the Rest of 2022?



Mortgage Rate Projections

July 2022

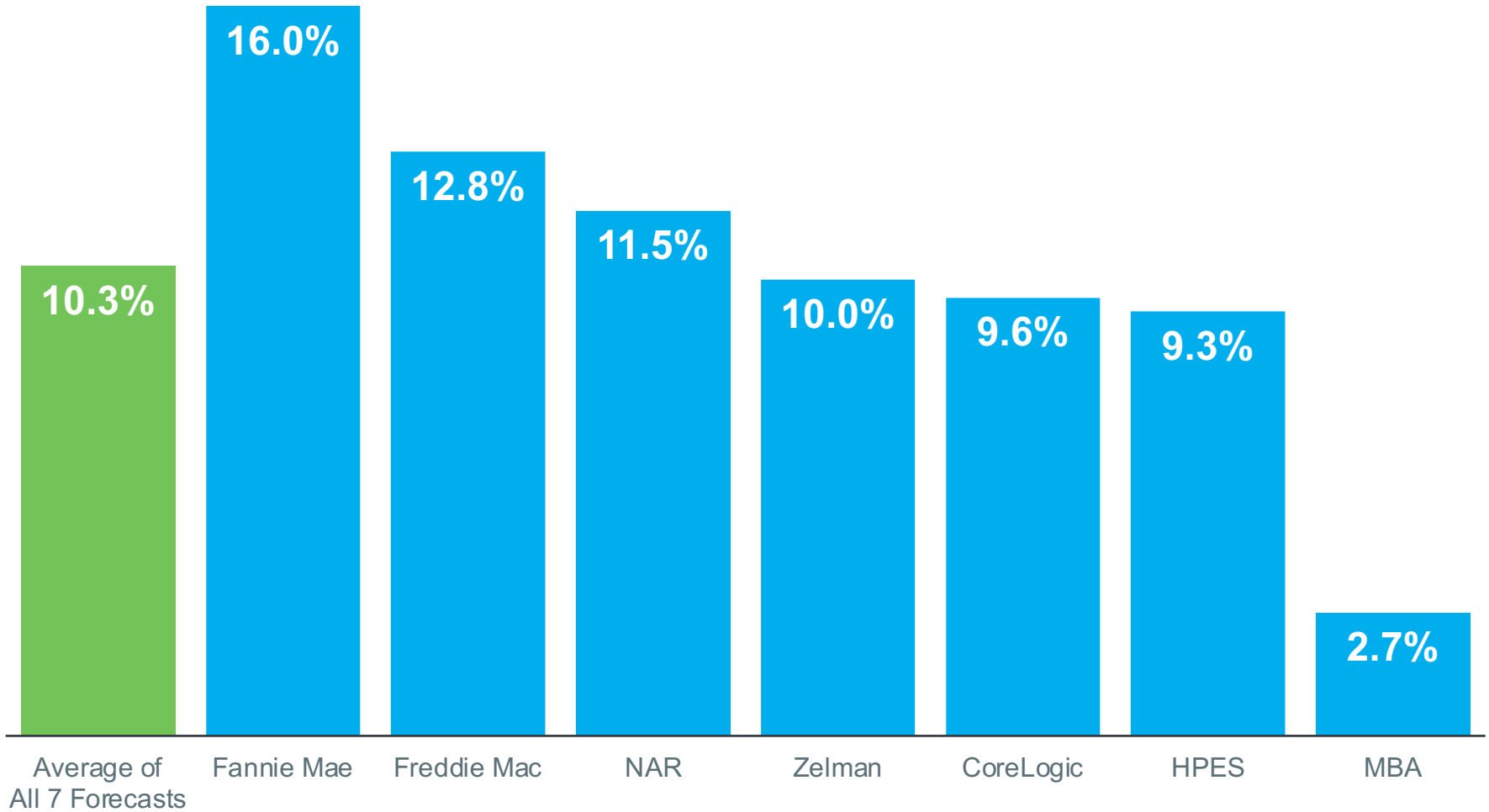
Quarter	Freddie Mac	Fannie Mae	MBA	NAR	Average of All Four
2022 4Q	5.4	5.4	5.2	5.3	5.33%
2023 1Q	5.2	5.3	5.0	5.3	5.20%
2023 2Q	5.2	5.1	5.0	5.4	5.18%
2023 3Q	5.0	5.0	4.9	-	4.97%



There could be “a potential silver lining” for the market, he added, as stabilizing mortgage rates and rising inventory **“may bring some buyers back to the market during the second half of the year.”**

- **CNBC**, Quoting **Joel Kan**, Economist, MBA

Home Price Forecasts for 2022



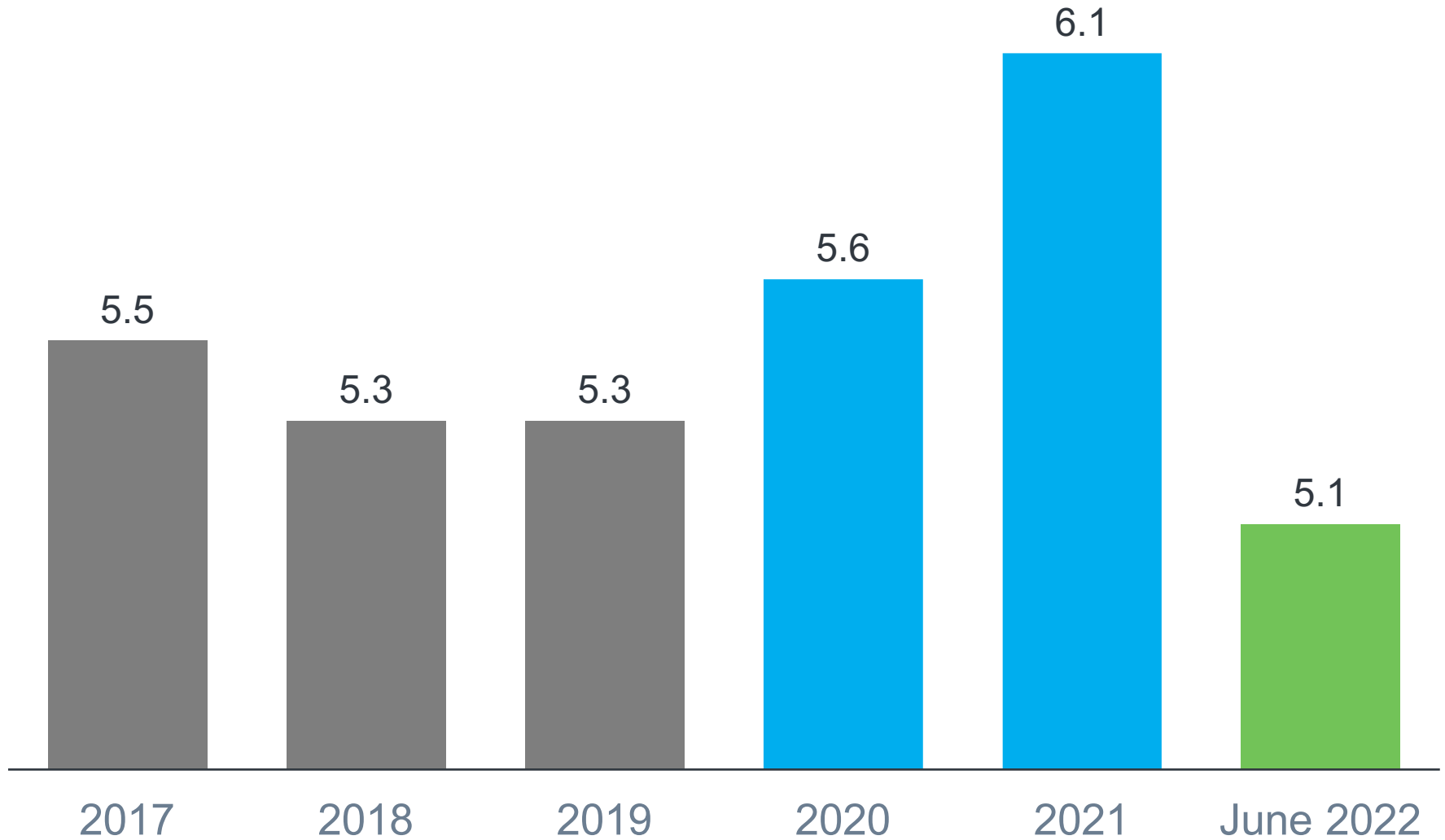


I don't think national housing prices will decline in a meaningful way, . . . but there will be some price declines across the country.

- **Mark Zandi**, Chief Economist, Moody's Analytics

Existing Home Sales

Seasonally Adjusted Annual Rate, in Millions

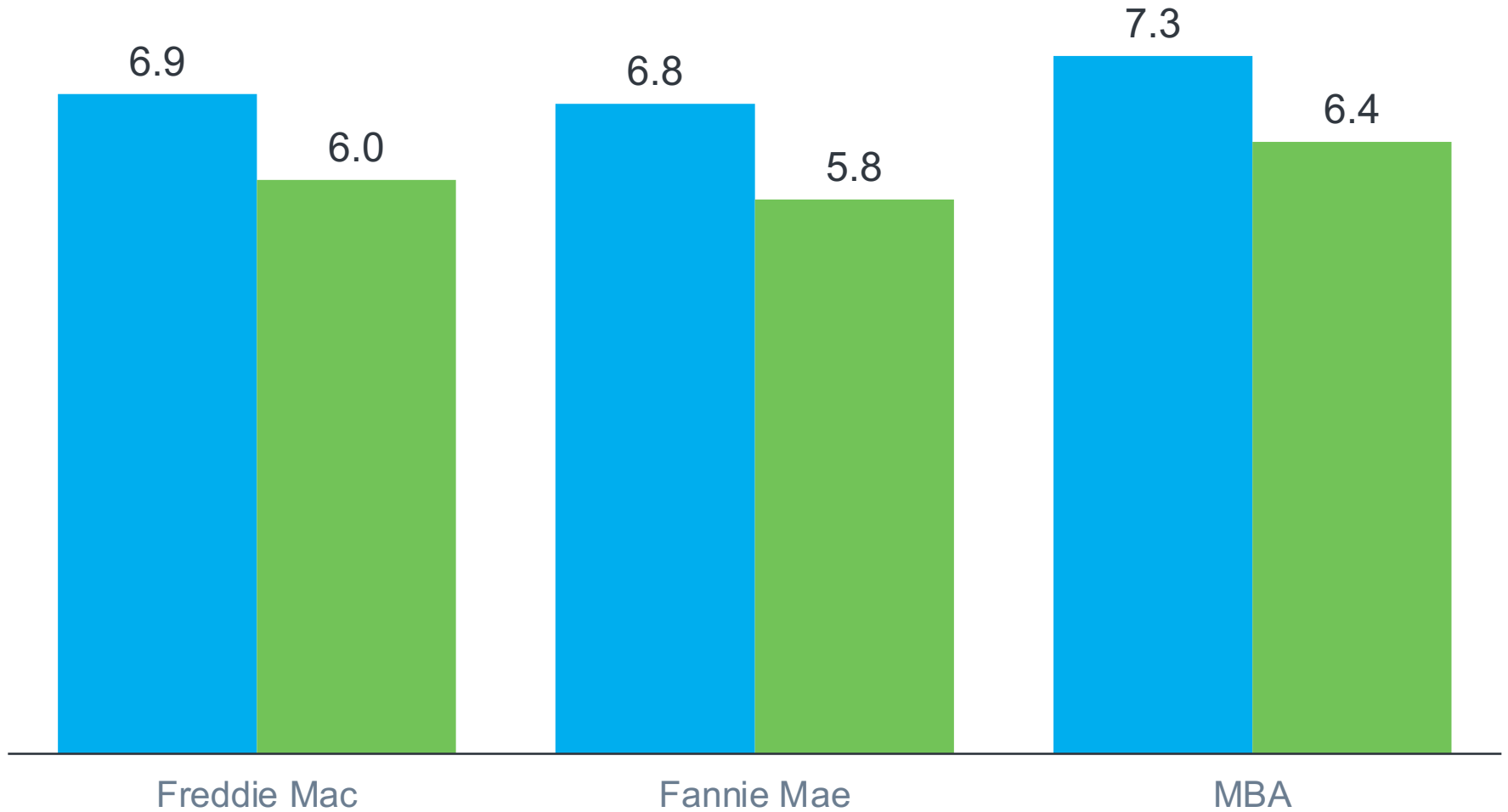


Source: NAR

Total Home Sales Forecast

In Millions

■ January 2022 Forecast ■ July 2022 Forecast



3 Reasons To Buy a Home Today

Fewer Multiple-Offer Scenarios

April 2022

average of **5.5 offers**



May 2022

average of **4.2 offers**



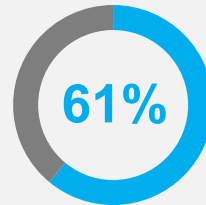
June 2022

average of **3.4 offers**



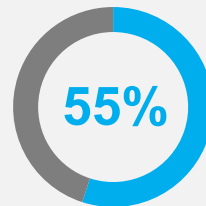
Fewer Homes Selling Above Asking Price

April 2022



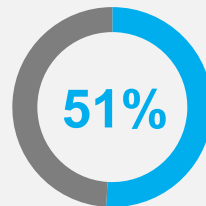
sold over asking

May 2022



sold over asking

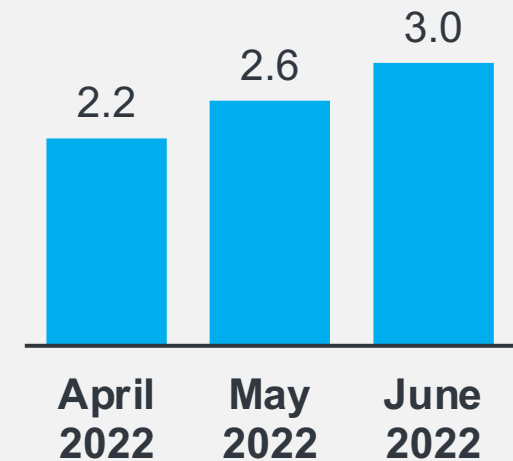
June 2022



sold over asking

Supply of Homes for Sale Is Growing

Months' Supply



Infographic

3 Reasons To Buy a Home in Today's Shifting Market



The housing market is moving away from the frenzy of the past year and it's opening doors for you if you're thinking of buying a home.

1 As buyer demand moderates, you may see the intensity of bidding wars ease.

Fewer Multiple-Offer Scenarios

April 2022: average of 5.5 offers



May 2022: average of 4.2 offers



June 2022: average of 3.4 offers



2 Fewer buyers are bidding over asking price, but it's still a competitive market.

Not as Many Homes Selling Above Asking Price

April 2022



May 2022



June 2022



3 Housing inventory is increasing. That means more options for your home search.

Supply of Homes for Sale Is Growing

Months' Supply



If you're ready to buy a home, now may be the moment you've been waiting for. Partner with a real estate professional to start the homebuying process today.

Fall Buyer & Seller Guides: September 2, 2022



Resources

Slide(s)	Description	Link(s)
3	Mortgage Rate Graph	http://www.freddiemac.com/pmms/ https://freddiemac.qcs-web.com/node/25666/pdf
4	What Is a Recession?	https://www.forbes.com/advisor/investing/what-is-a-recession/#:~:text=NBER%20has%20its%20own%20definition,and%20wholesale%2Dretail%20sales.%E2%80%9D
5	Recession & GDP Table	https://twitter.com/charliebillello/status/1552699775618895873
6	Recession Survey	https://www.wsj.com/articles/economic-forecasting-survey-archive-11617814998 (subscription required)
8	Recession & Pricing Graph	https://www.corelogic.com/blog/2019/03/housing-recessions-and-recoveries.aspx https://www.thebalance.com/the-history-of-recessions-in-the-united-states-3306011 https://www.corelogic.com/intelligence/find-stories/corelogic-hpi-posted-record-year-over-year-growth-in-2021/
9, 10	Recession & Rates	http://www.freddiemac.com/pmms/ https://mtg-specialists.com/2022/05/11/recession-interest-rates-and-real-estate/

Resources

Slide(s)	Description	Link(s)
11	Fortune Quote	https://fortune.com/2019/06/19/next-recession-assets-mortgage-rates/
13	Inventory Graph	https://www.nar.realtor/research-and-statistics/housing-statistics/existing-home-sales
14	New Construction Graphs	https://www.census.gov/construction/nrc/pdf/newresconst.pdf
15	Lending Standards Graph	https://www.mba.org/news-research-and-resources/newsroom https://www.mba.org/news-and-research/newsroom/news/2022/07/12/mortgage-credit-availability-decreased-in-june
16	Foreclosure Activity Graph	https://www.attomdata.com/news/market-trends/foreclosures/attom-year-end-2021-u-s-foreclosure-market-report/
17	First-Half Foreclosure Activity Graph	https://www.attomdata.com/news/market-trends/foreclosures/attom-midyear-2022-u-s-foreclosure-market-report/
18	Loans Upon Exiting Forbearance	https://www.mba.org/news-and-research/newsroom/news/2022/07/18/share-of-mortgage-loans-in-forbearance-decreases-to-081-in-june

Resources

Slide(s)	Description	Link(s)
19	Sharga Quote	https://www.attomdata.com/news/market-trends/foreclosures/attom-midyear-2022-u-s-foreclosure-market-report/
20	Buyers' vs. Sellers' Market Graph	nar.realtor https://www.nar.realtor/topics/existing-home-sales
22	Mortgage Rate Projections	https://www.freddiemac.com/research/forecast/20220720-quarterly-forecast-market-slowdown-will-continue-high-rates-and-prices-exacerbate https://www.fanniemae.com/media/44131/display https://www.mba.org/docs/default-source/research-and-forecasts/forecasts/mortgage-finance-forecast-july-2022.pdf https://cdn.nar.realtor/sites/default/files/documents/forecast-q2-2022-us-economic-outlook-04-27-2022.pdf
23	CNBC/Kan Quote	https://www.cNBC.com/2022/07/27/mortgage-demand-declines-further-even-as-interest-rates-drop-a-bit.html

Resources

Slide(s)	Description	Link(s)
24	Home Price Forecasts	https://www.fanniemae.com/media/44131/display https://www.freddiemac.com/research/forecast/20220720-quarterly-forecast-market-slowdown-will-continue-high-rates-and-prices-exacerbate https://cdn.nar.realtor/sites/default/files/documents/forecast-q3-2022-us-economic-outlook-07-27-2022.pdf https://www.corelogic.com/intelligence/find-stories/corelogic-hpi-posted-record-year-over-year-growth-in-2021/ https://pulsenomics.com/surveys/#home-price-expectations https://www.zelmanassociates.com/ (subscription required) https://www.mba.org/docs/default-source/research-and-forecasts/forecasts/mortgage-finance-forecast-july-2022.pdf
25	Zandi Quote	https://www.housingwire.com/articles/the-nations-housing-market-is-on-a-correction-course/
26	Existing Home Sales Graph	https://www.nar.realtor/research-and-statistics/housing-statistics/existing-home-sales https://cdn.nar.realtor/sites/default/files/documents/ehs-05-2022-overview-2022-06-21.pdf

Resources

Slide(s)	Description	Link(s)
27	Home Sales Forecast	https://www.freddiemac.com/research/forecast?page=0 https://www.fanniemae.com/research-and-insights/forecast/forecast-monthly-archive https://www.mba.org/news-and-research/forecasts-and-commentary/mortgage-finance-forecast-archives
28	Reasons To Buy	https://cdn.nar.realtor/sites/default/files/documents/2022-05-realtors-confidence-index-06-21-2022.pdf https://cdn.nar.realtor/sites/default/files/documents/2022-06-realtors-confidence-index-report-07-20-2022.pdf https://www.nar.realtor/topics/existing-home-sales https://www.nar.realtor/newsroom/existing-home-sales-slid-5-4-in-June https://www.globenewswire.com/news-release/2022/05/19/2447085/0/en/Existing-Home-Sales-Retract-2-4-in-April.html
29	Infographic	https://www.mykcm.com/2022/07/29/three-reasons-to-buy-a-home-in-todays-shifting-market-infographic/



Updates

Resources

Slide(s)	Description	Link(s)
40	Confidence Index	https://www.nar.realtor/research-and-statistics/research-reports/realtors-confidence-index
41-43, 51, 53, 54, 61-65	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/
61-67	Inventory	https://www.nar.realtor/topics/existing-home-sales http://www.census.gov/construction/nrs/pdf/newressales.pdf

Resources

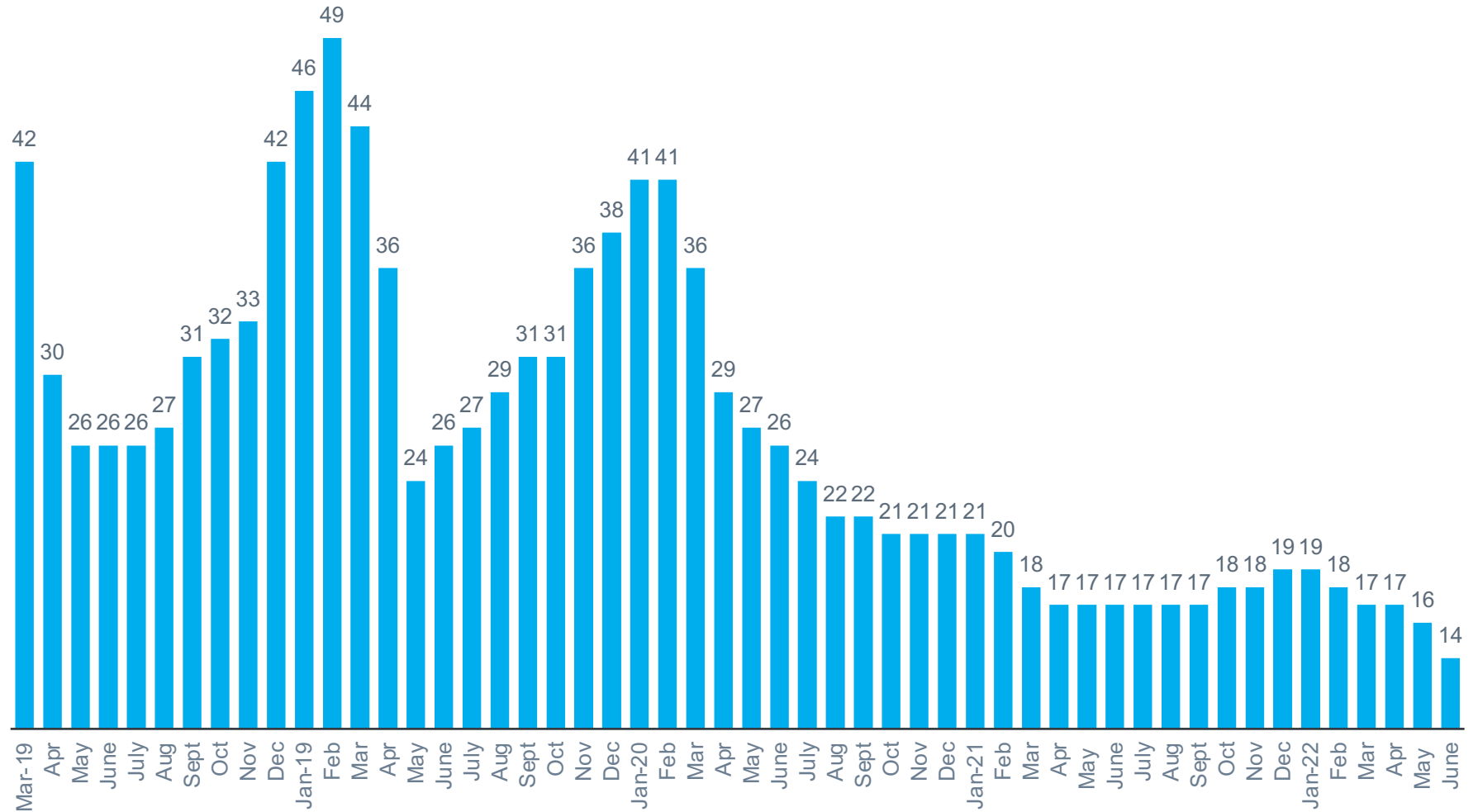
Slide(s)	Description	Link(s)
69	Showing Activity	https://www.showingtime.com/blog/june-2022-showing-index-results/
71, 72, 74, 75	Mortgage Rates	http://www.freddiemac.com/pmms/pmms_archives.html http://www.freddiemac.com/research/forecast/
73	Mortgage Rate Projections	http://www.freddiemac.com/research/forecast/ 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
77, 78	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

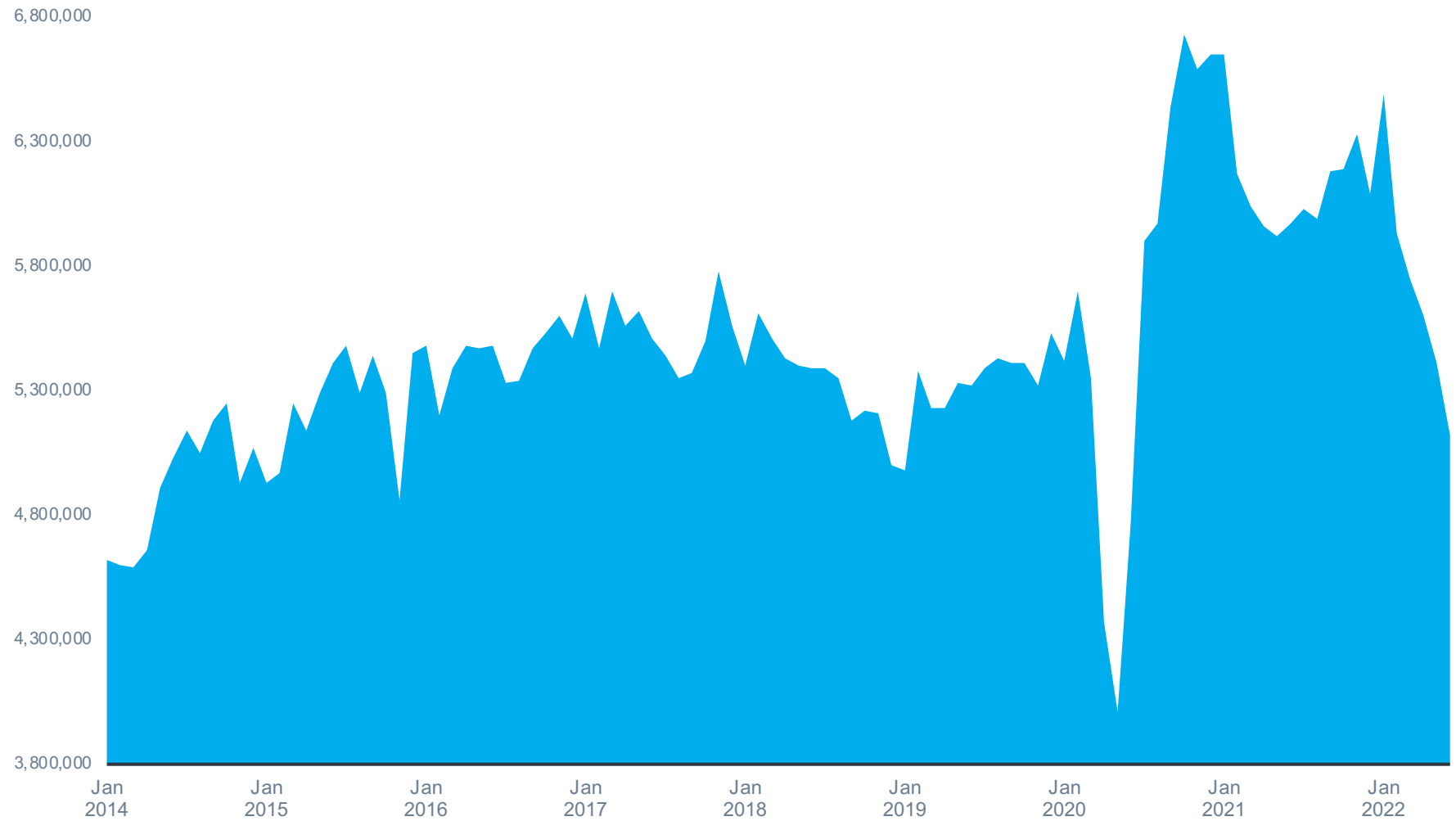
June 2022



Source: NAR

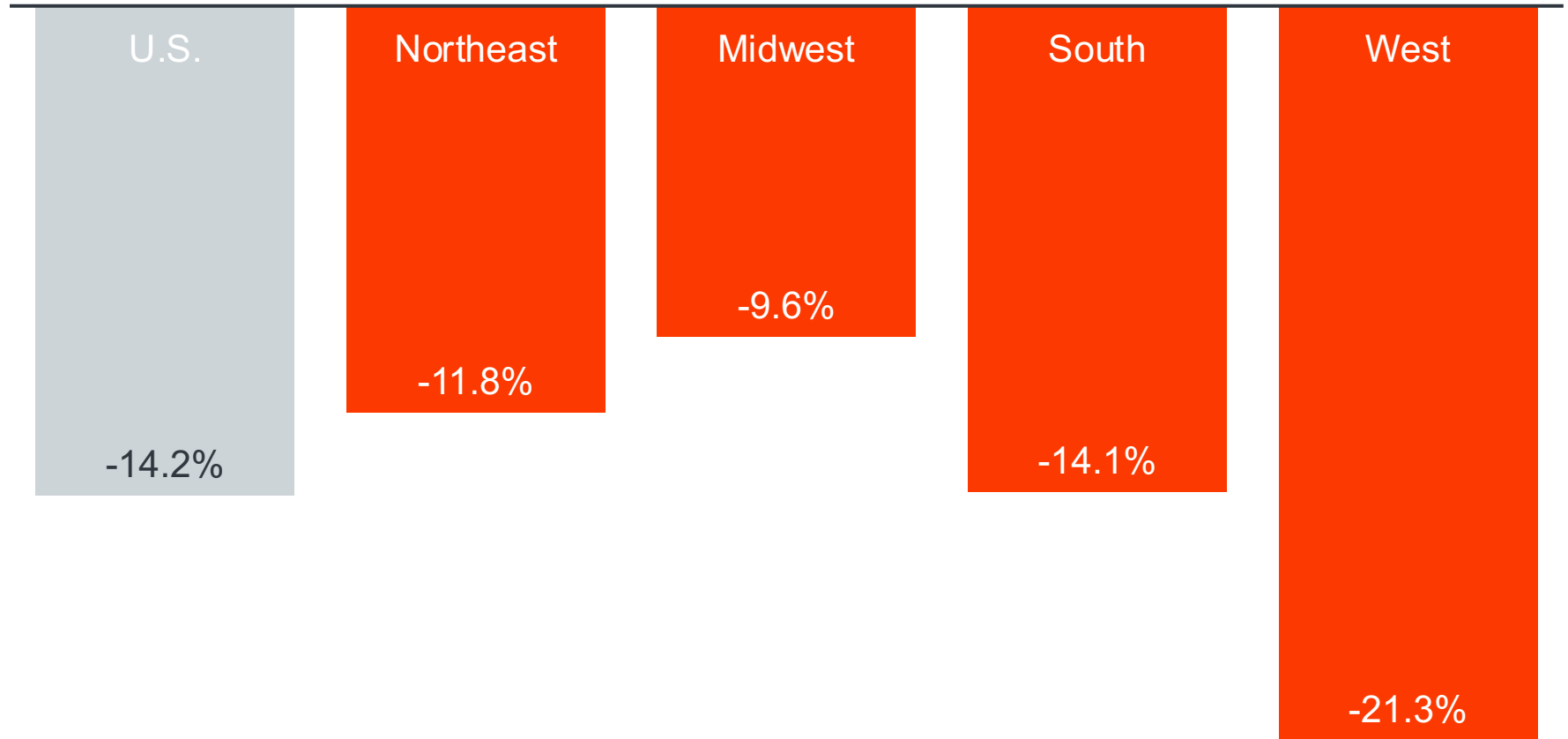
Existing Home Sales

Since January 2014



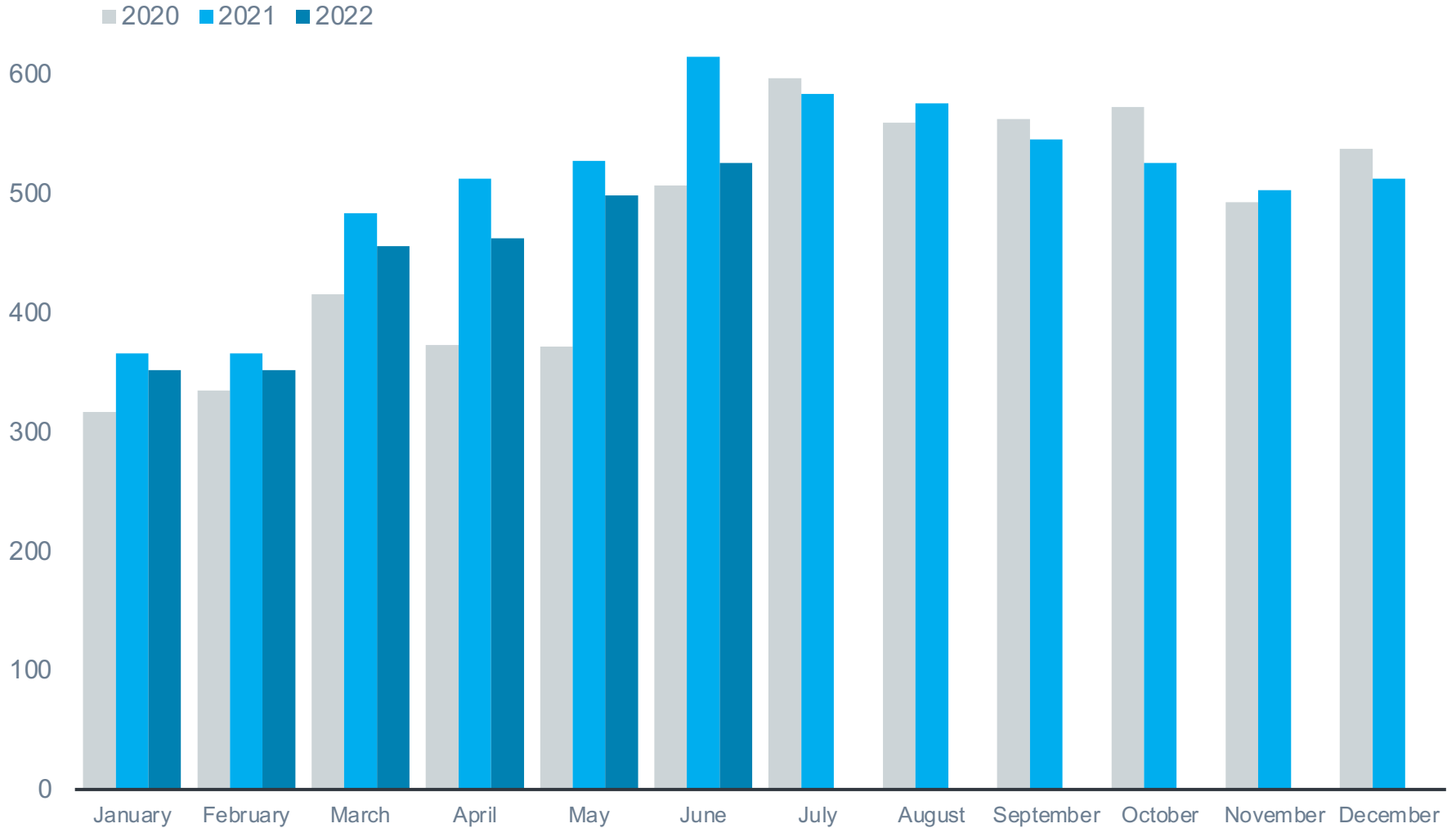
Existing Home Sales

Year-Over-Year, by Region



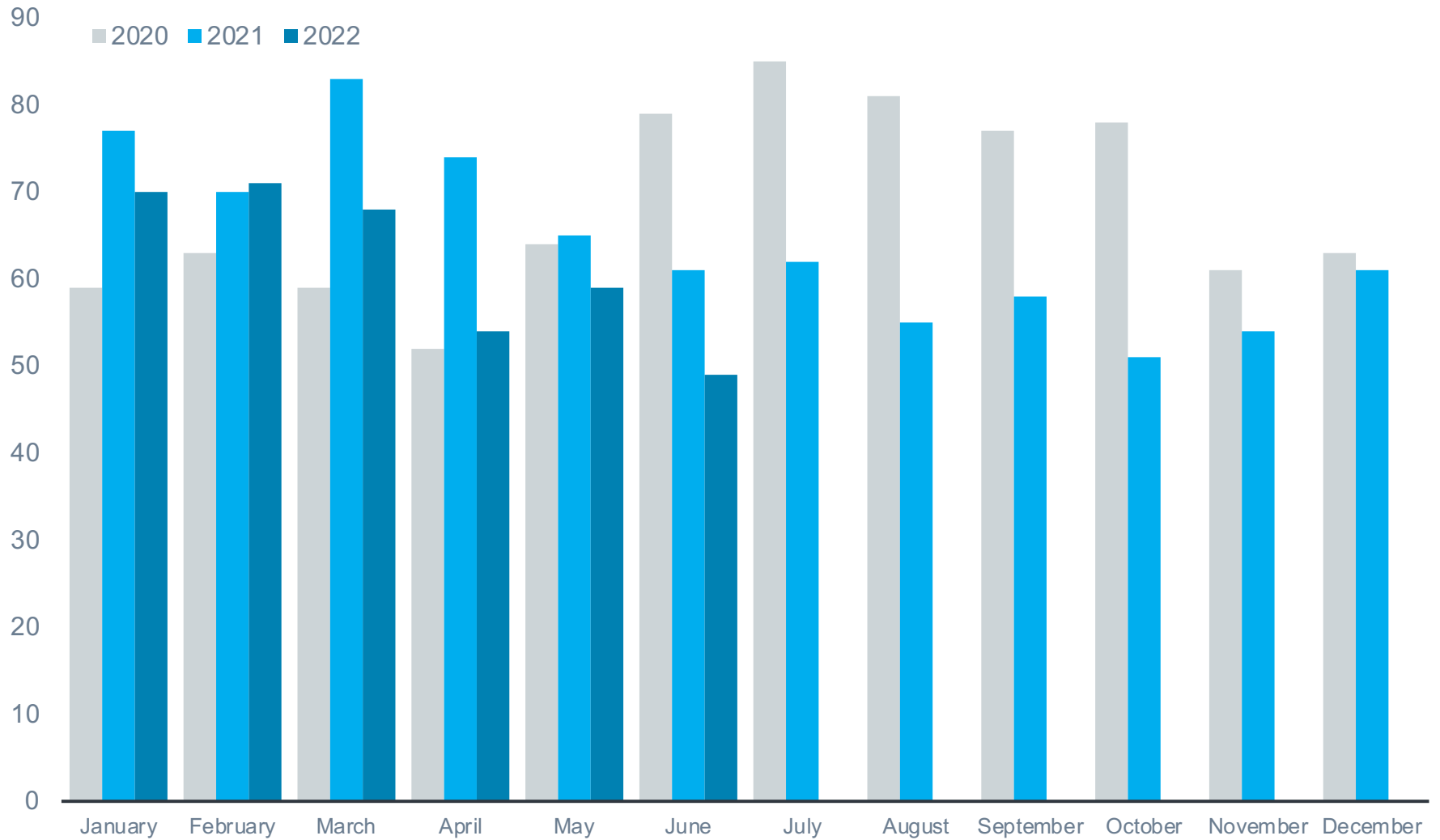
Existing Home Sales

In Thousands



New Home Sales

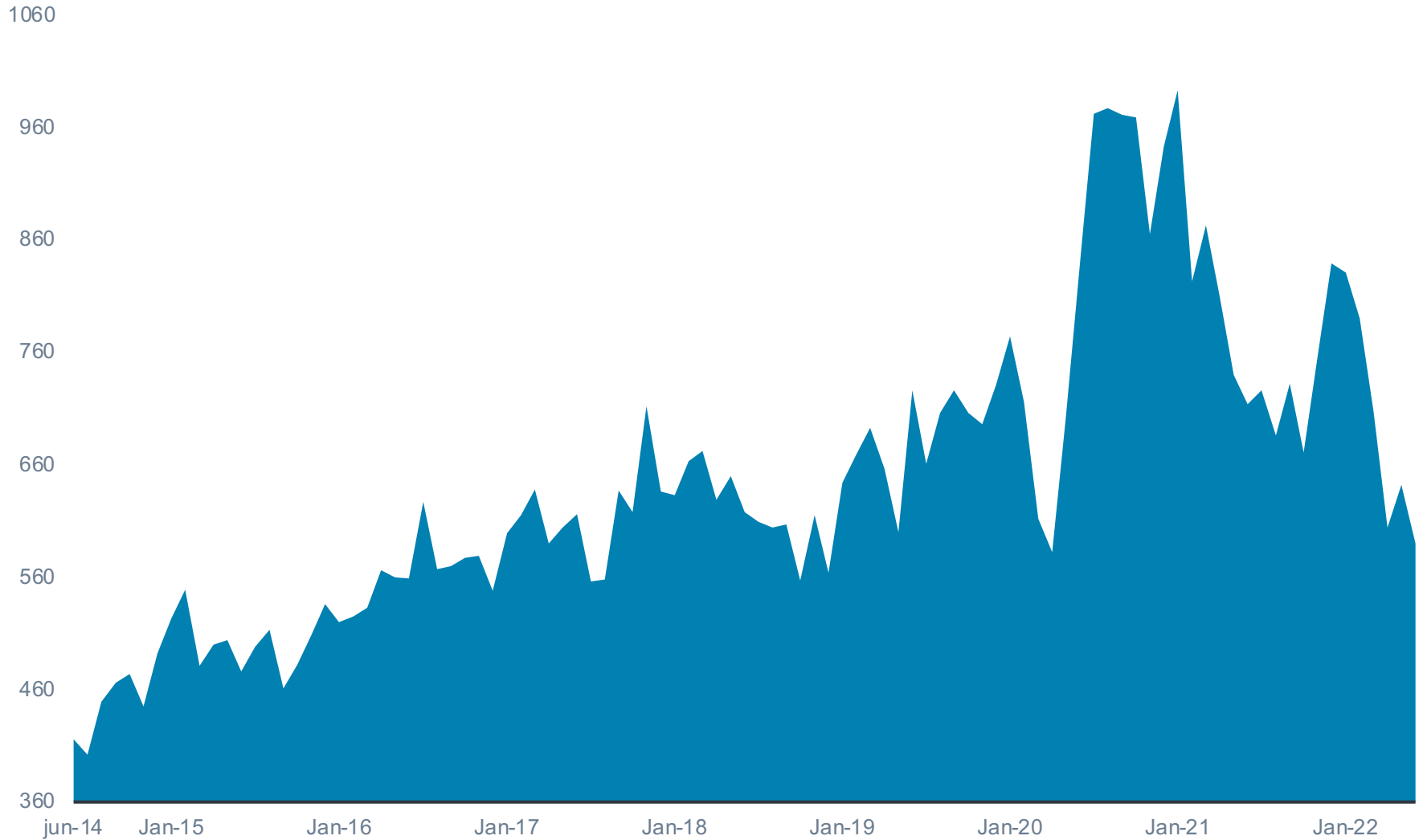
In Thousands



Source: Census

New Home Sales

Annualized in Thousands

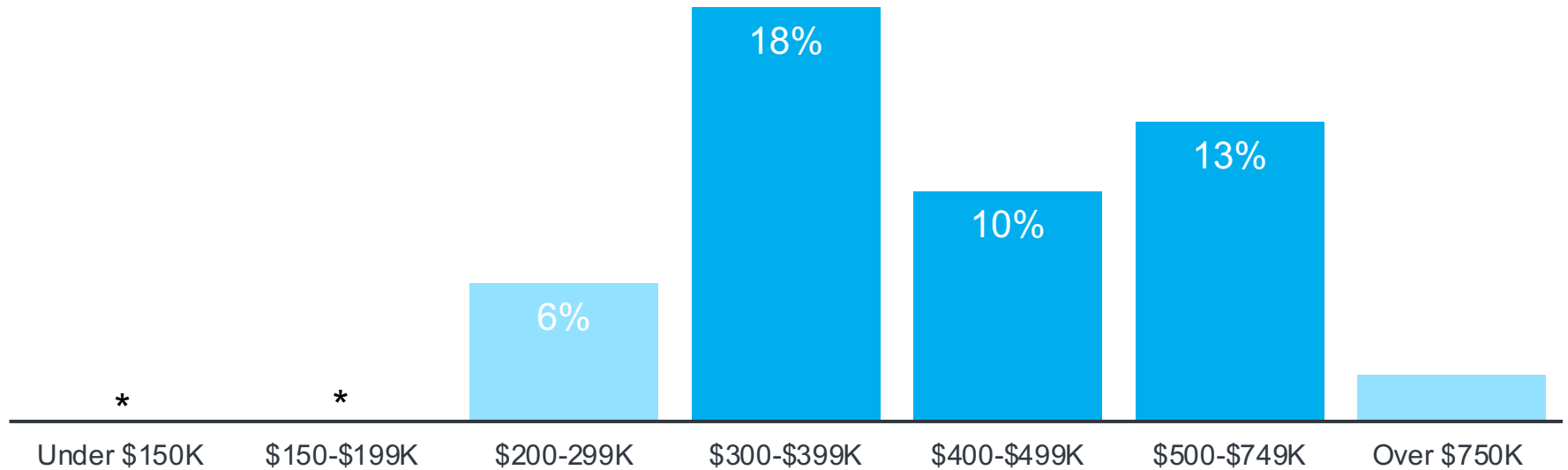


Source: Census

New Home Sales

Percent of Distribution by Price Range

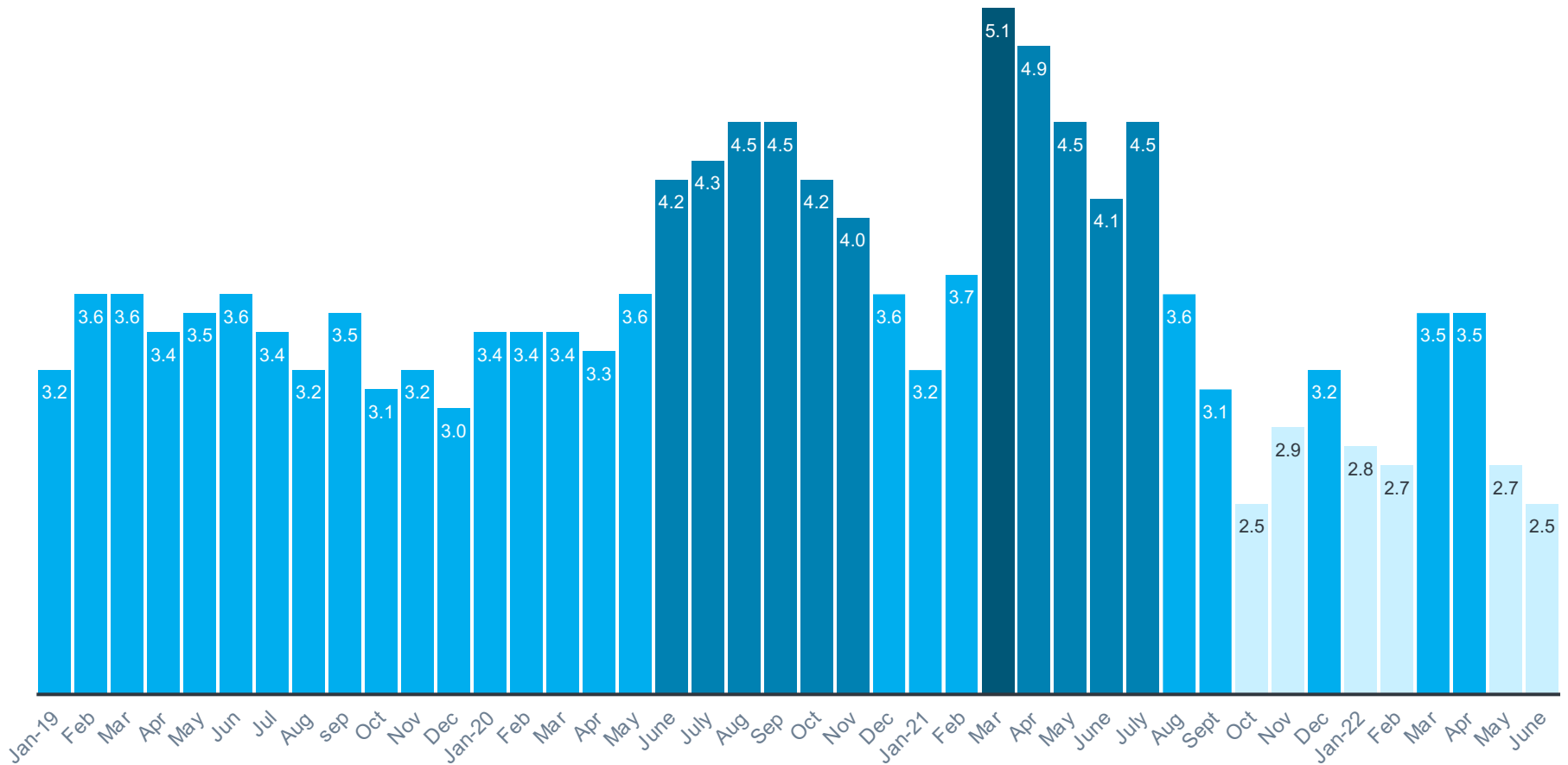
* Less Than 500 Units or Less Than 0.5 Percent



Source: Census

New Homes Selling Fast

Median Months from Completion to Sold

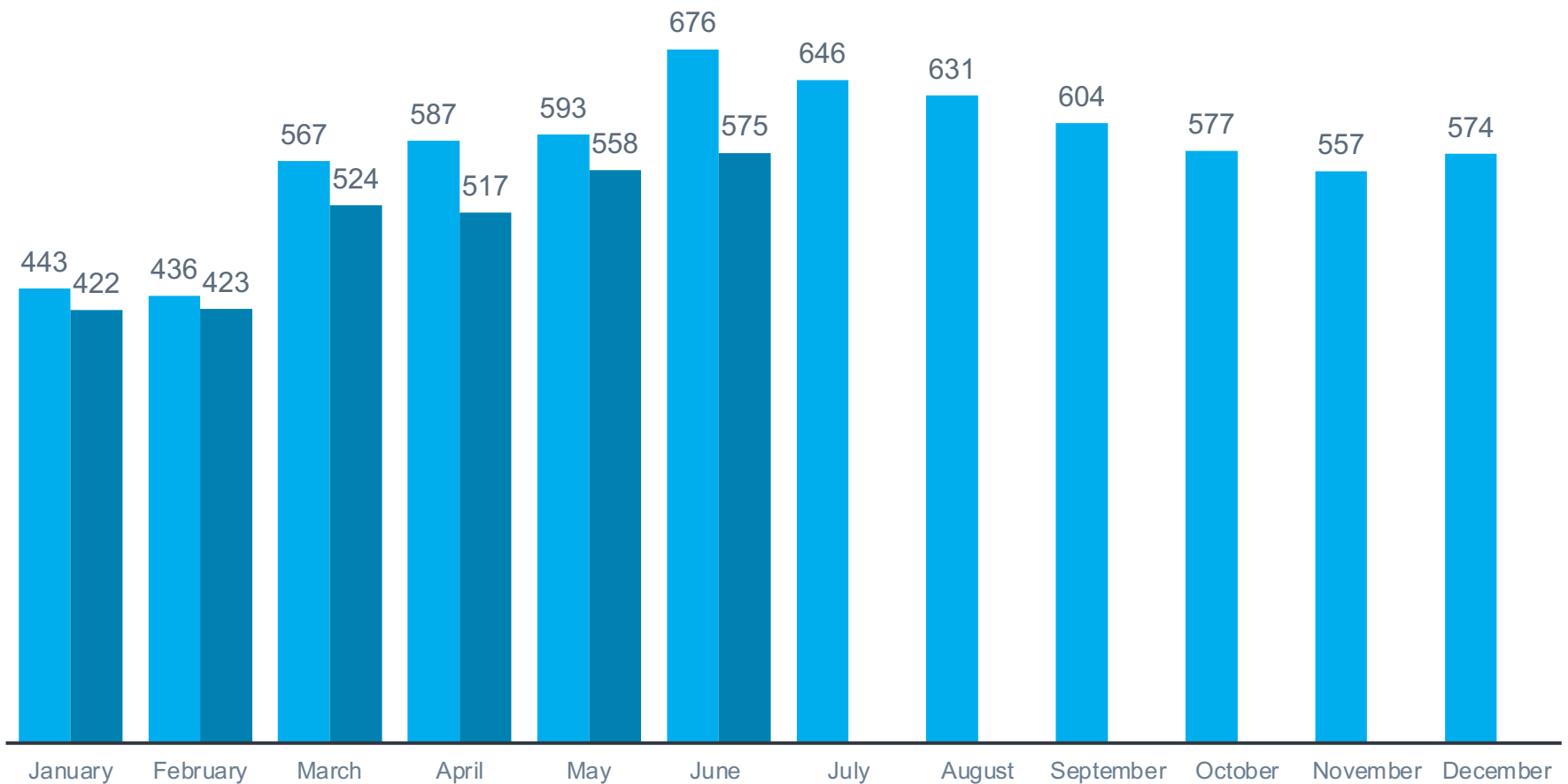


Source: Census

Total Home Sales

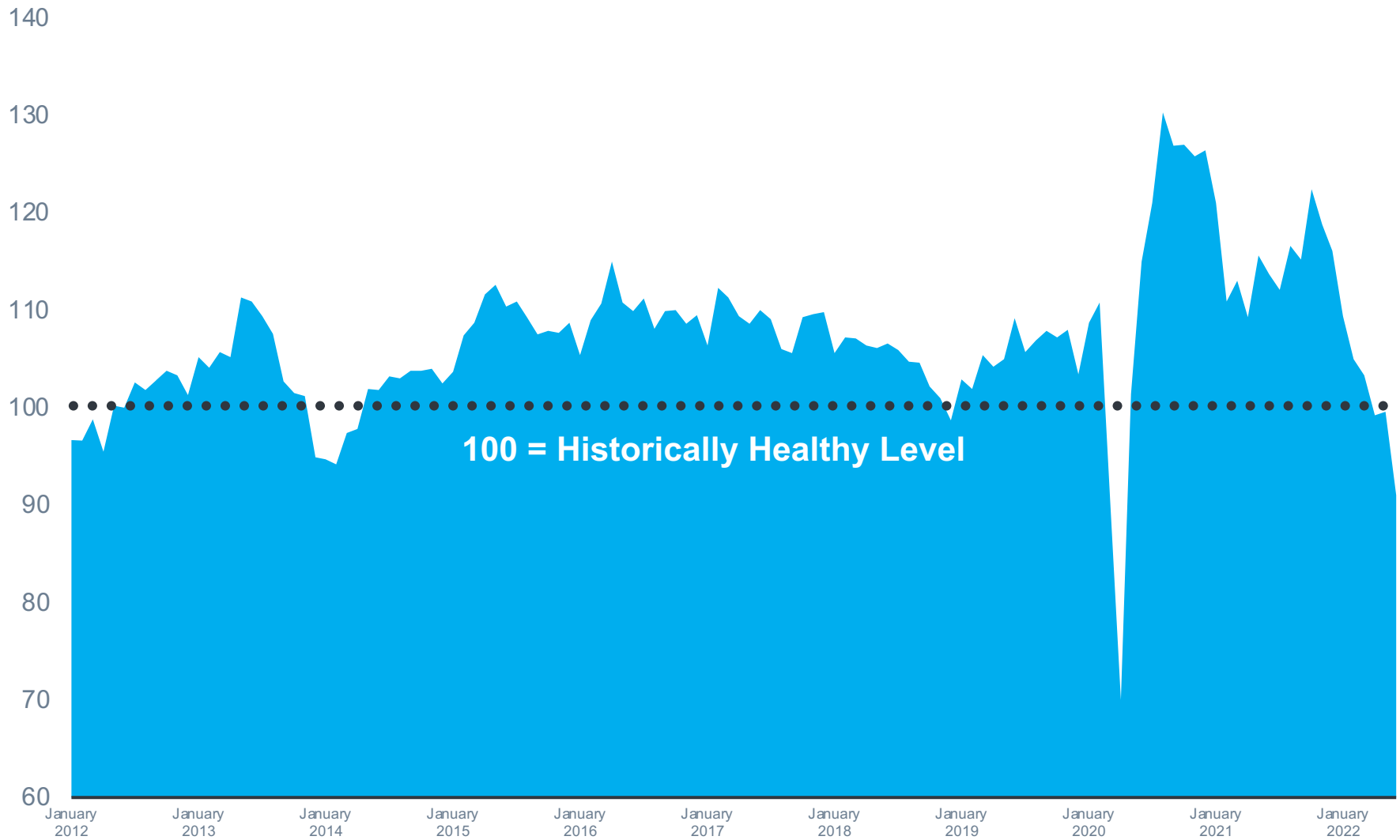
In Thousands

■ 2021 ■ 2022



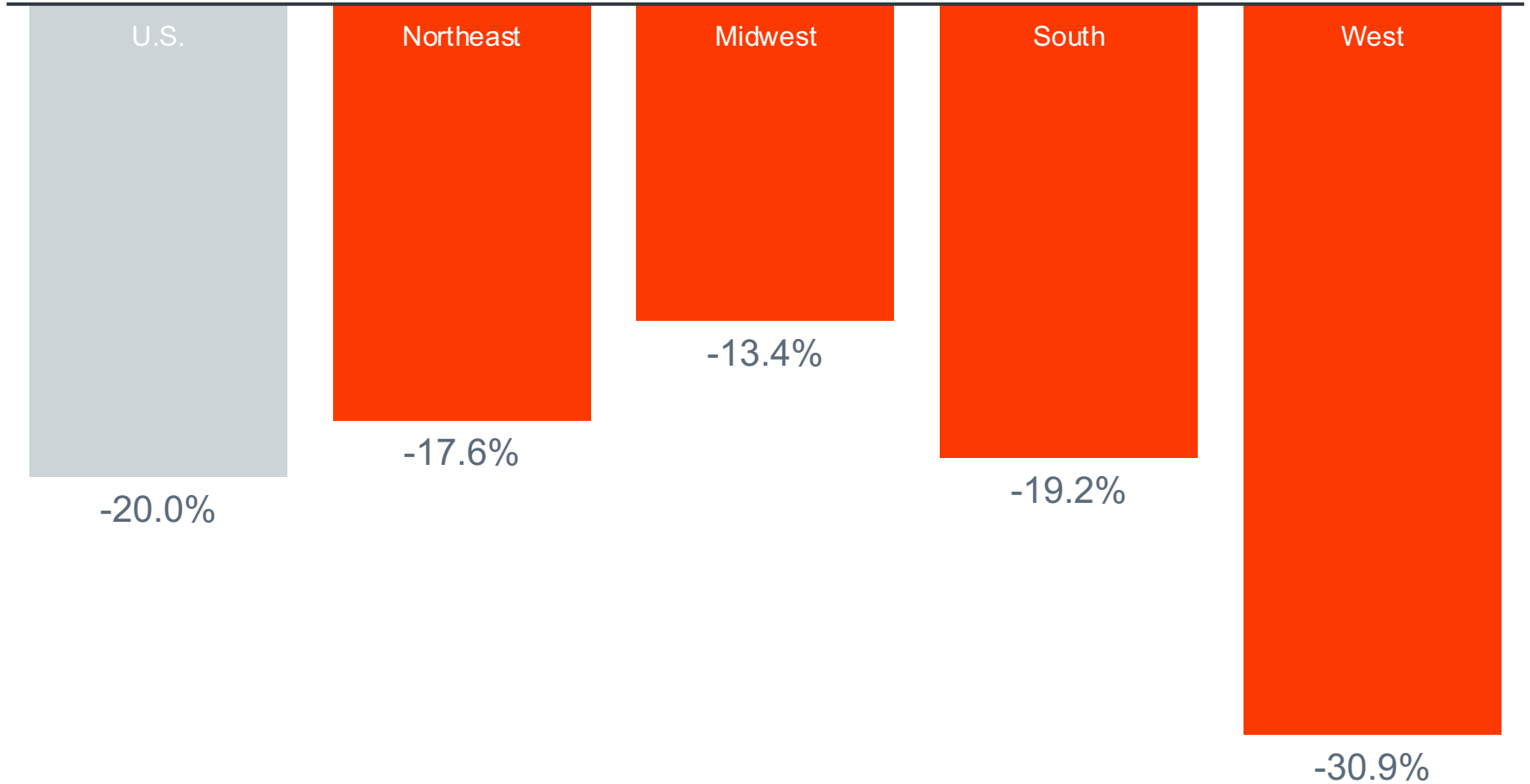
Source: Census

Pending Home Sales



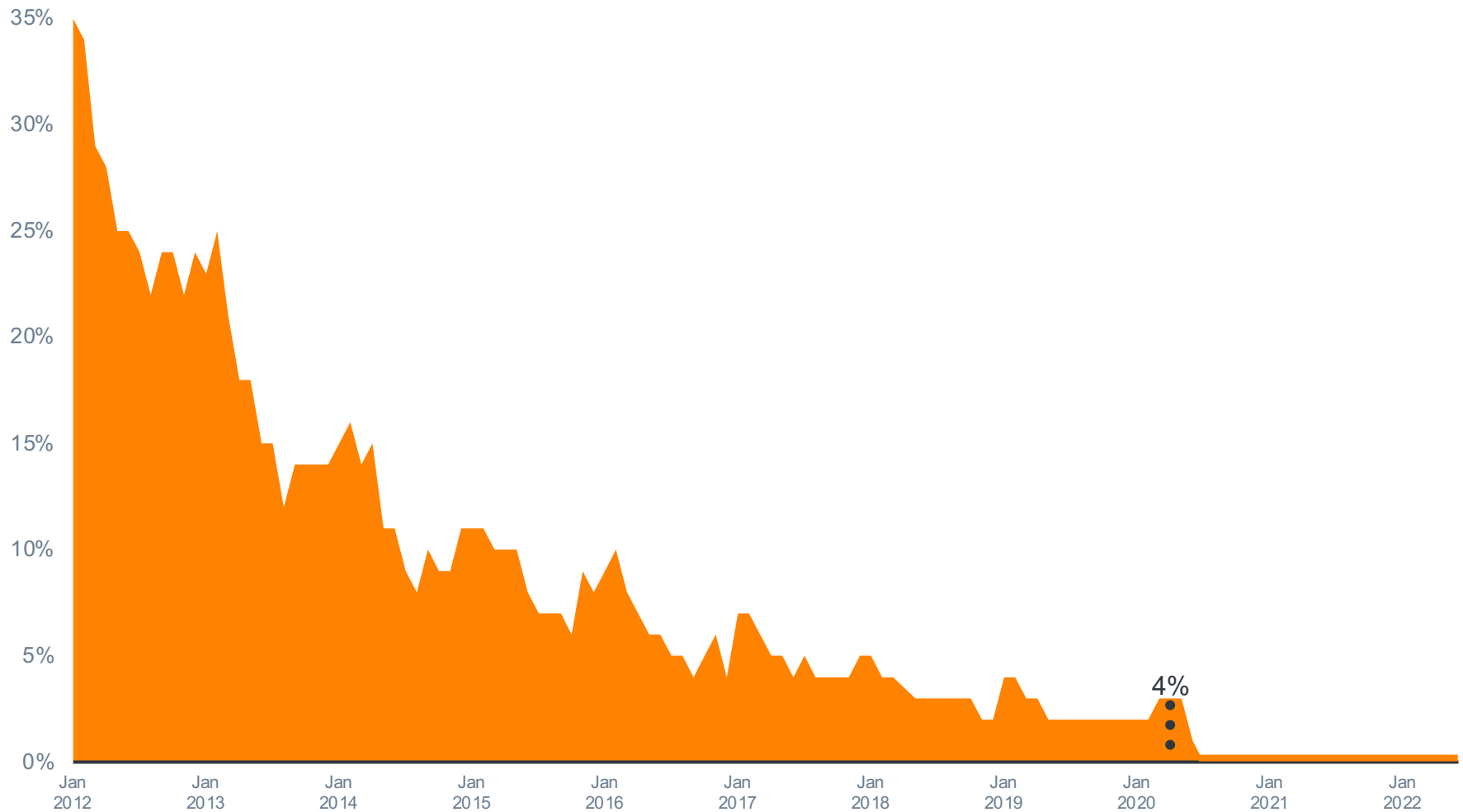
Pending Home Sales

Year-Over-Year by Region



Percentage of Distressed Property Sales

Distressed Sales (*Foreclosures and Short Sales*) represented Less Than 1% of Sales in June.

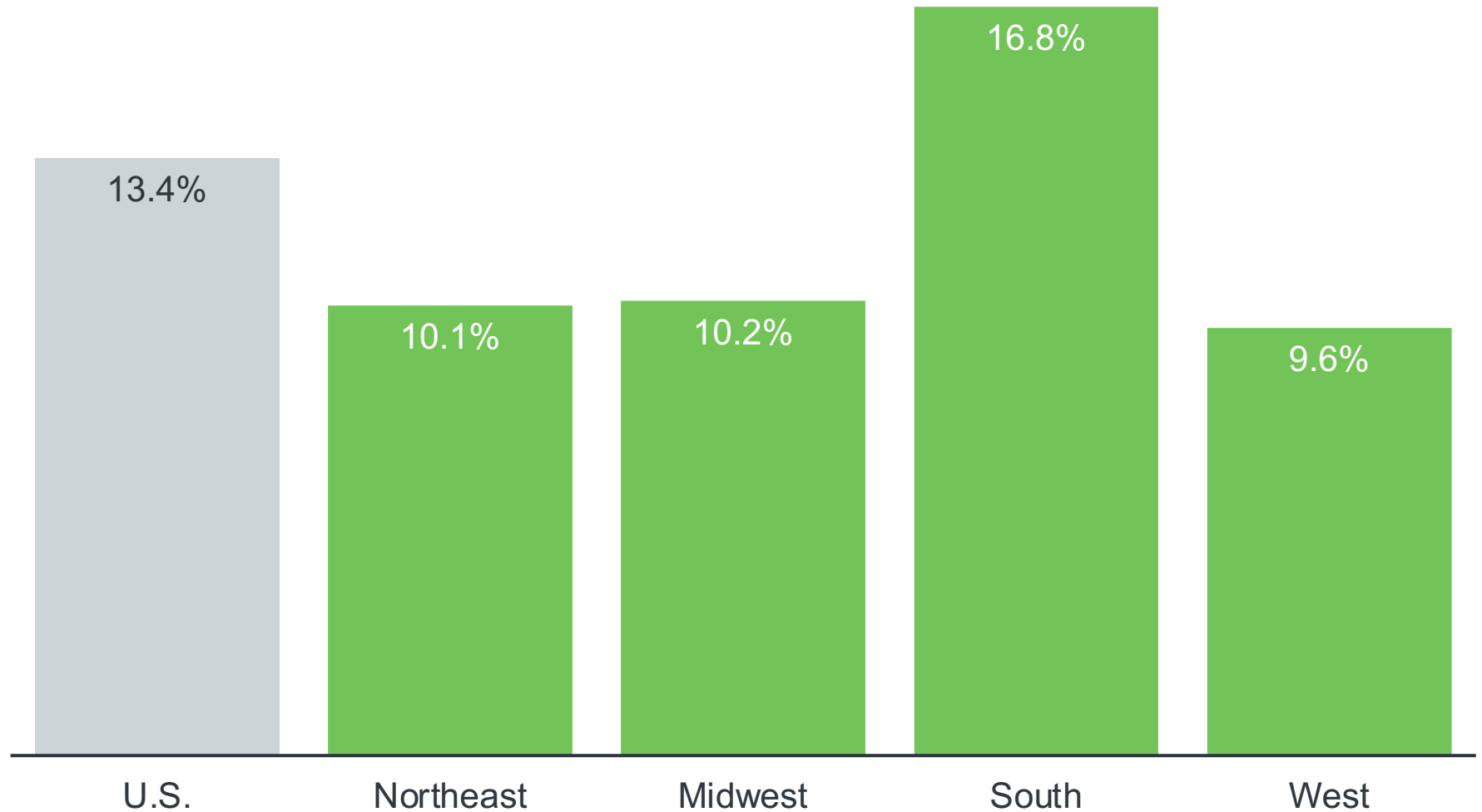




Home Prices

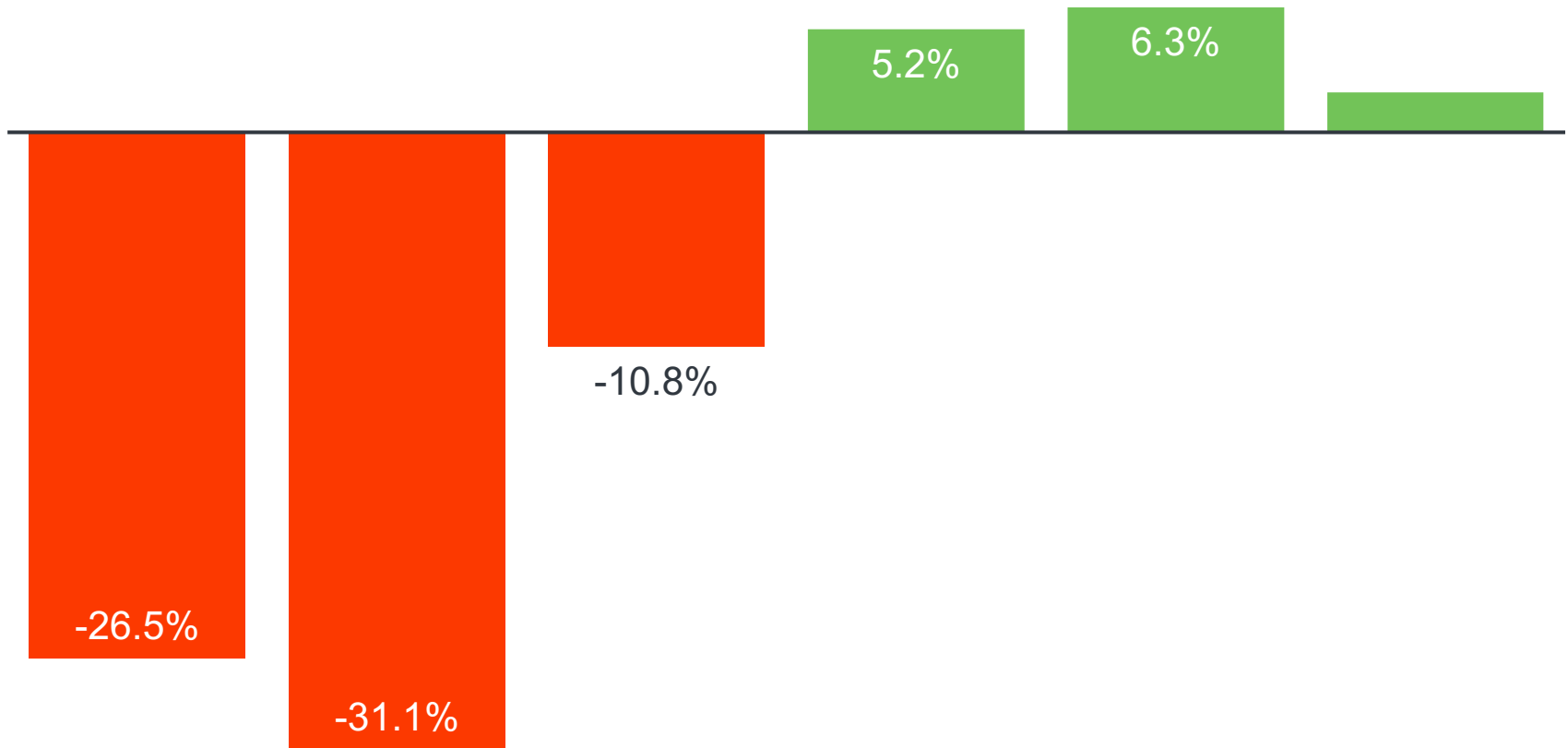
Sales Price of Existing Homes

Year-Over-Year, by Region



% Change in Sales

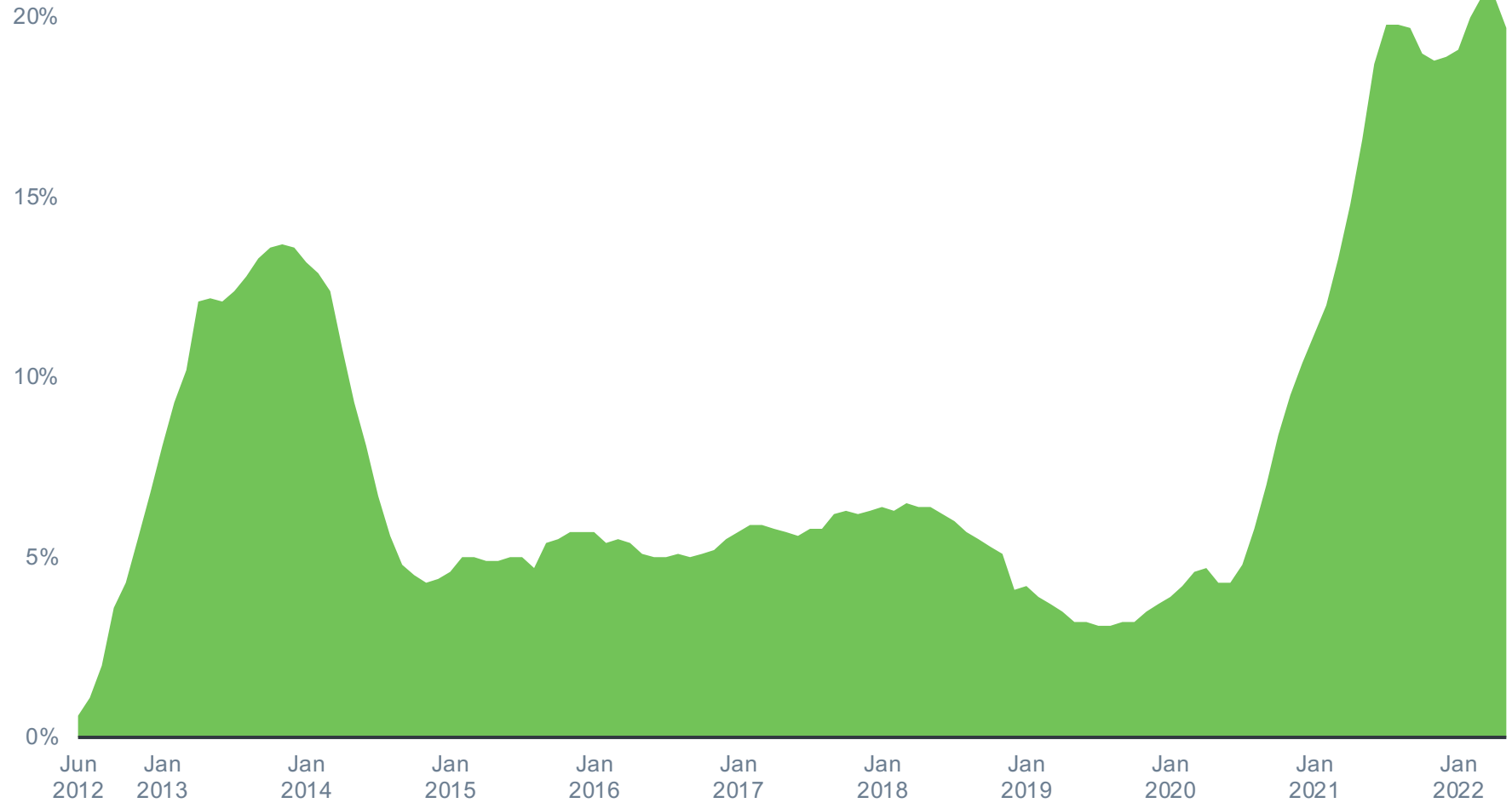
Year-Over-Year, by Price Range



	\$0-100K	\$100-250K	\$250-500K	\$500-750K	\$750K-1M	\$1M+
%	-26.5%	-31.1%	-10.8%	5.2%	6.3%	2.0%

Change in Home Prices

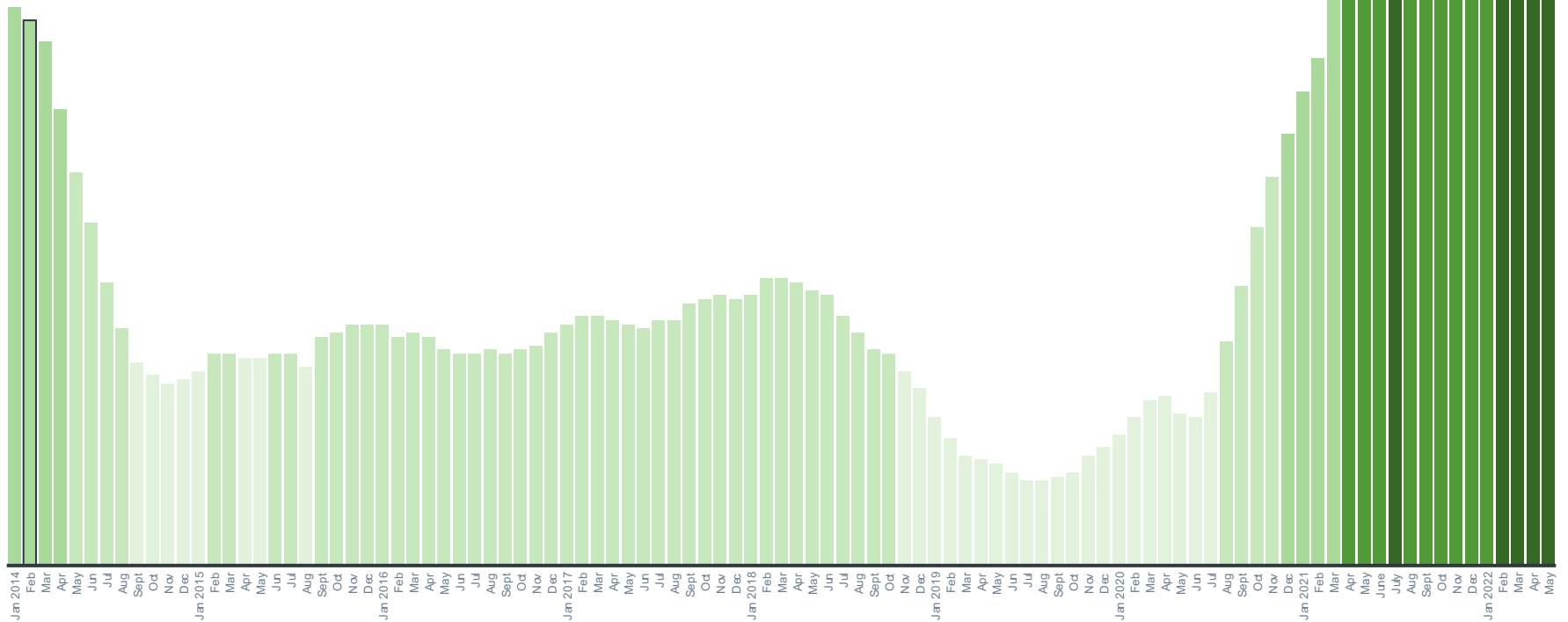
Year-Over-Year



Source: S&P Case-Shiller

Change in Home Prices

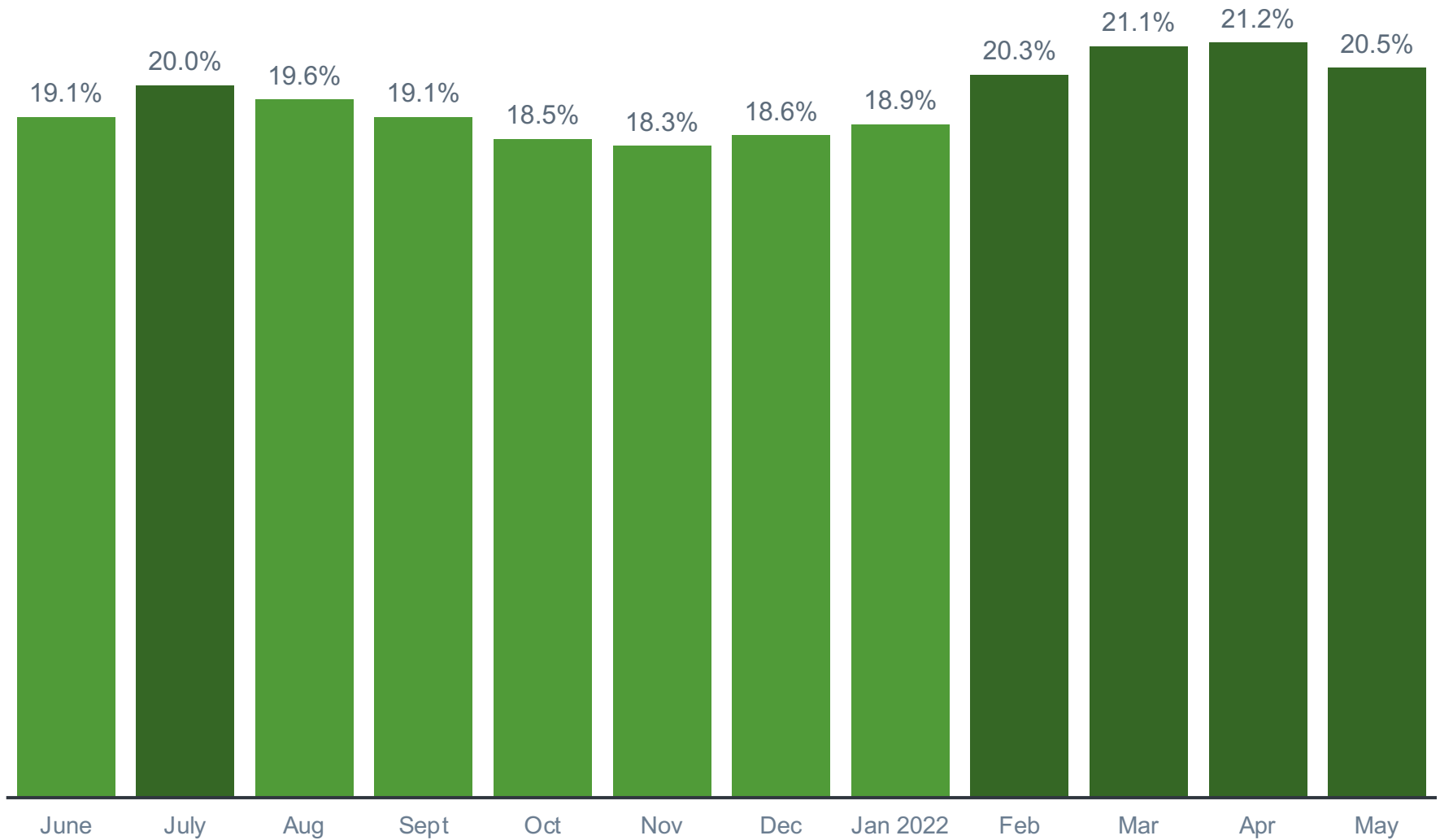
Year-Over-Year, 20 City Composite



Source: S&P Case-Shiller

Change in Home Prices

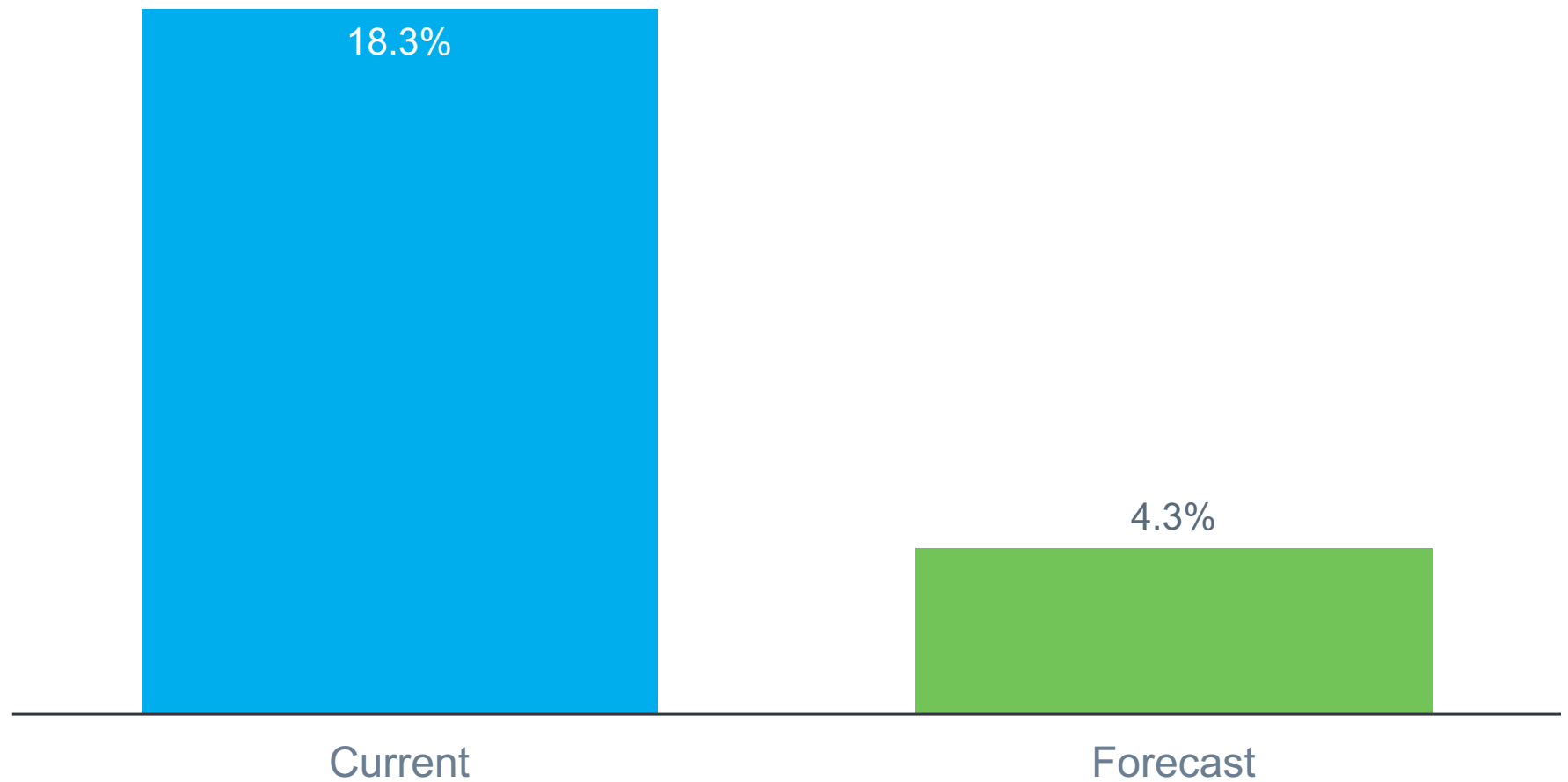
Year-Over-Year, 20 City Composite



Source: S&P Case-Shiller

Year-Over-Year % Change in Price

June 2022

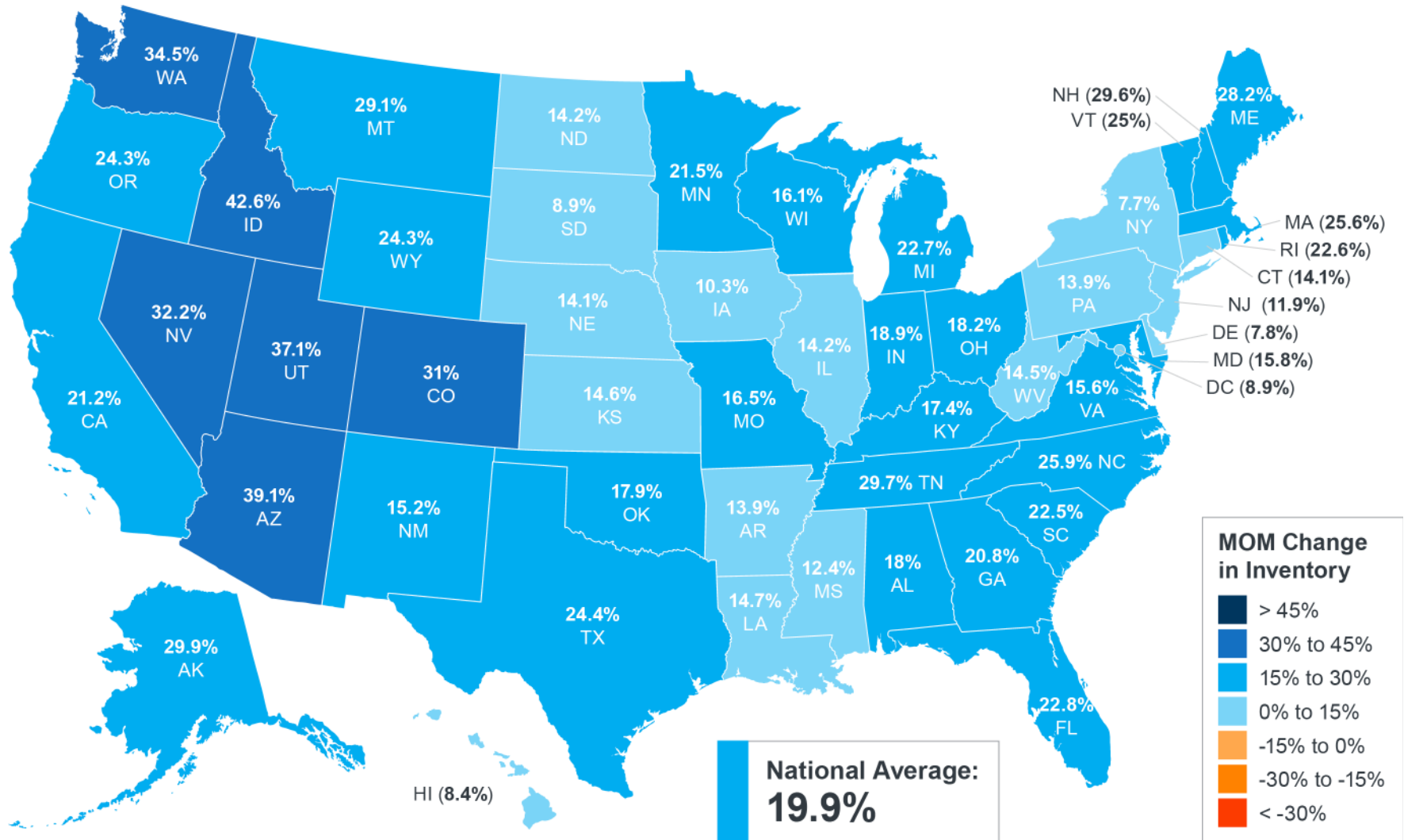




Housing Inventory

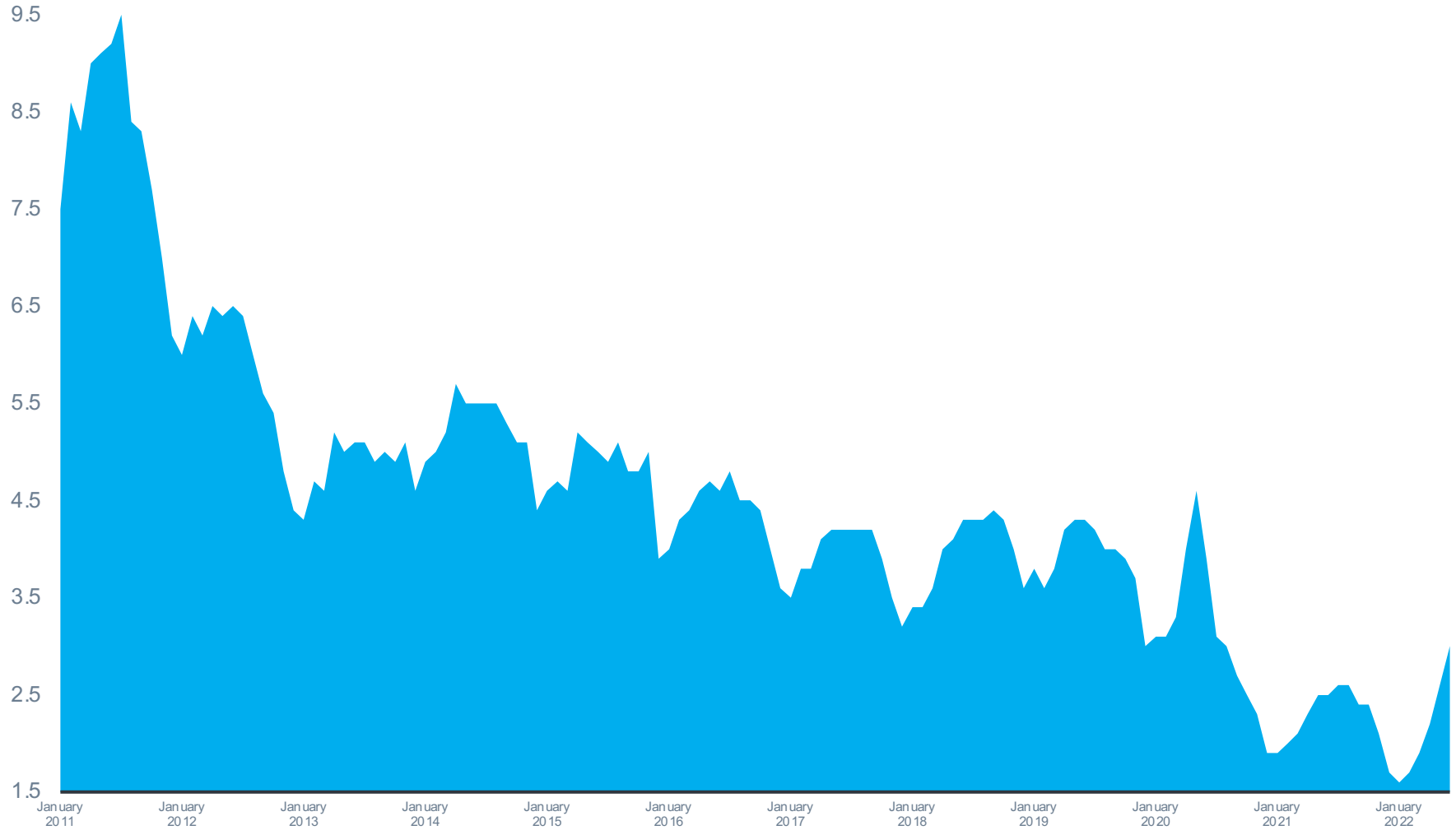
Change in Inventory

Month-Over-Month, June 2022



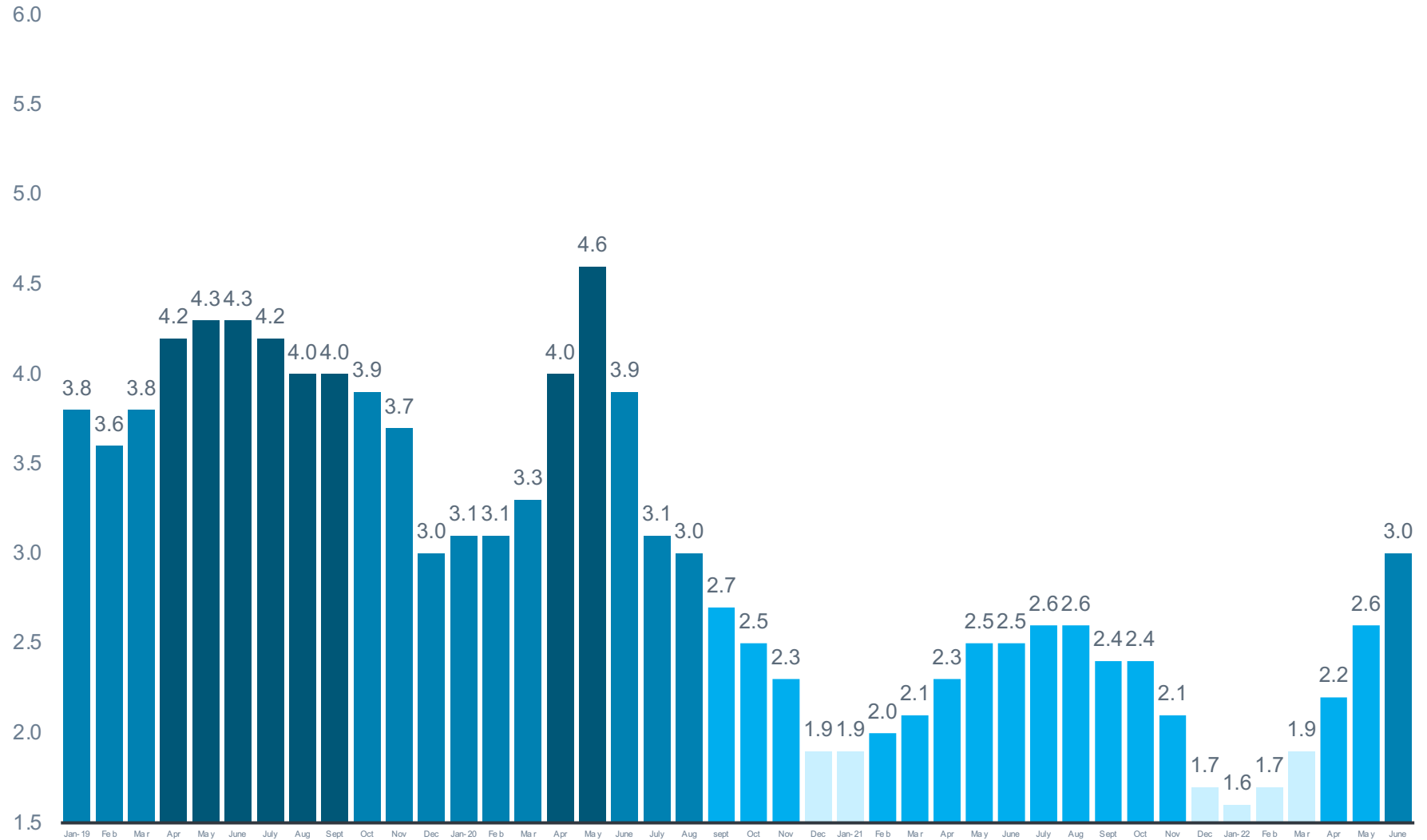
Months Inventory of Homes for Sale

2011 - Today



Months Inventory of Homes for Sale

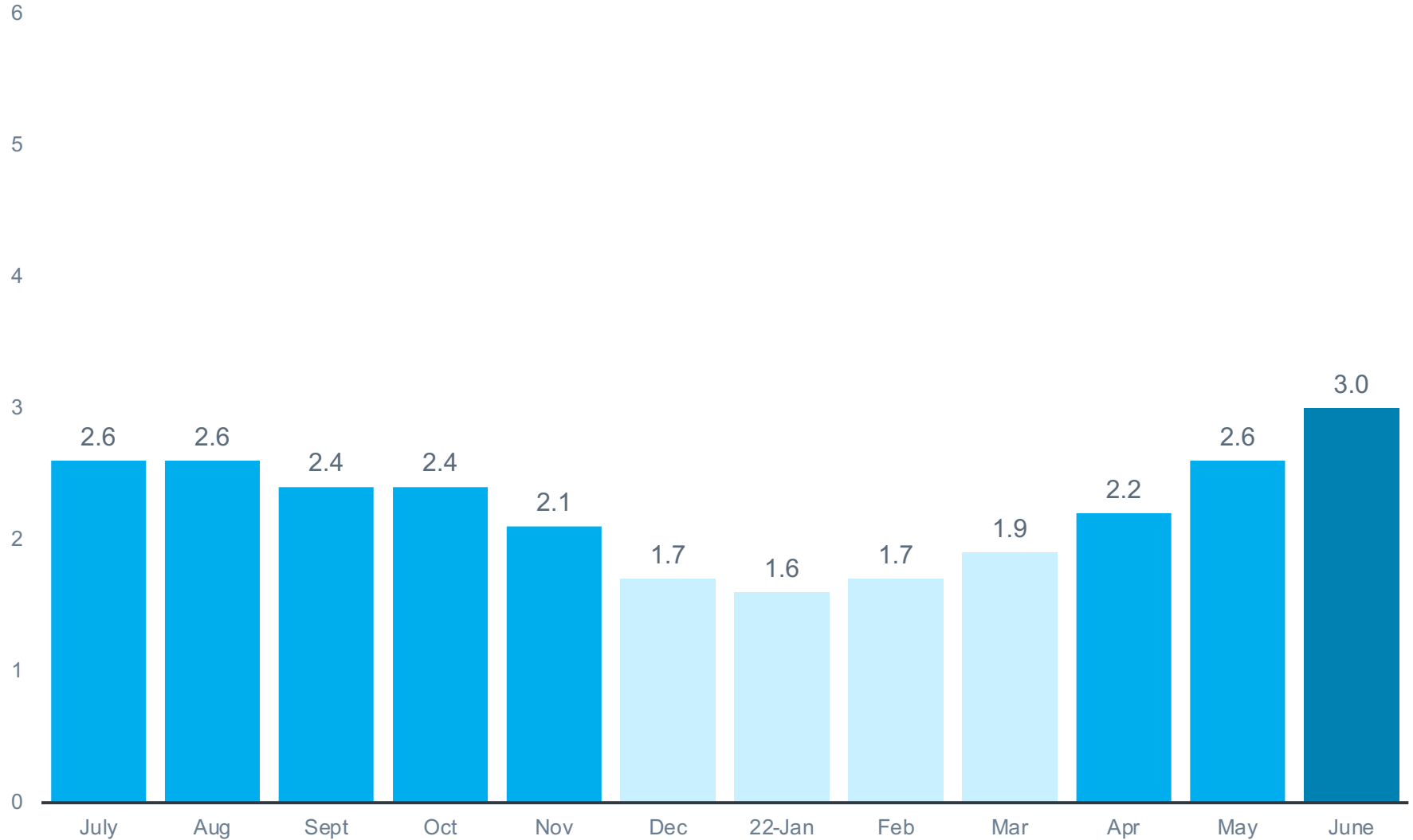
Since 2019



Source: NAR

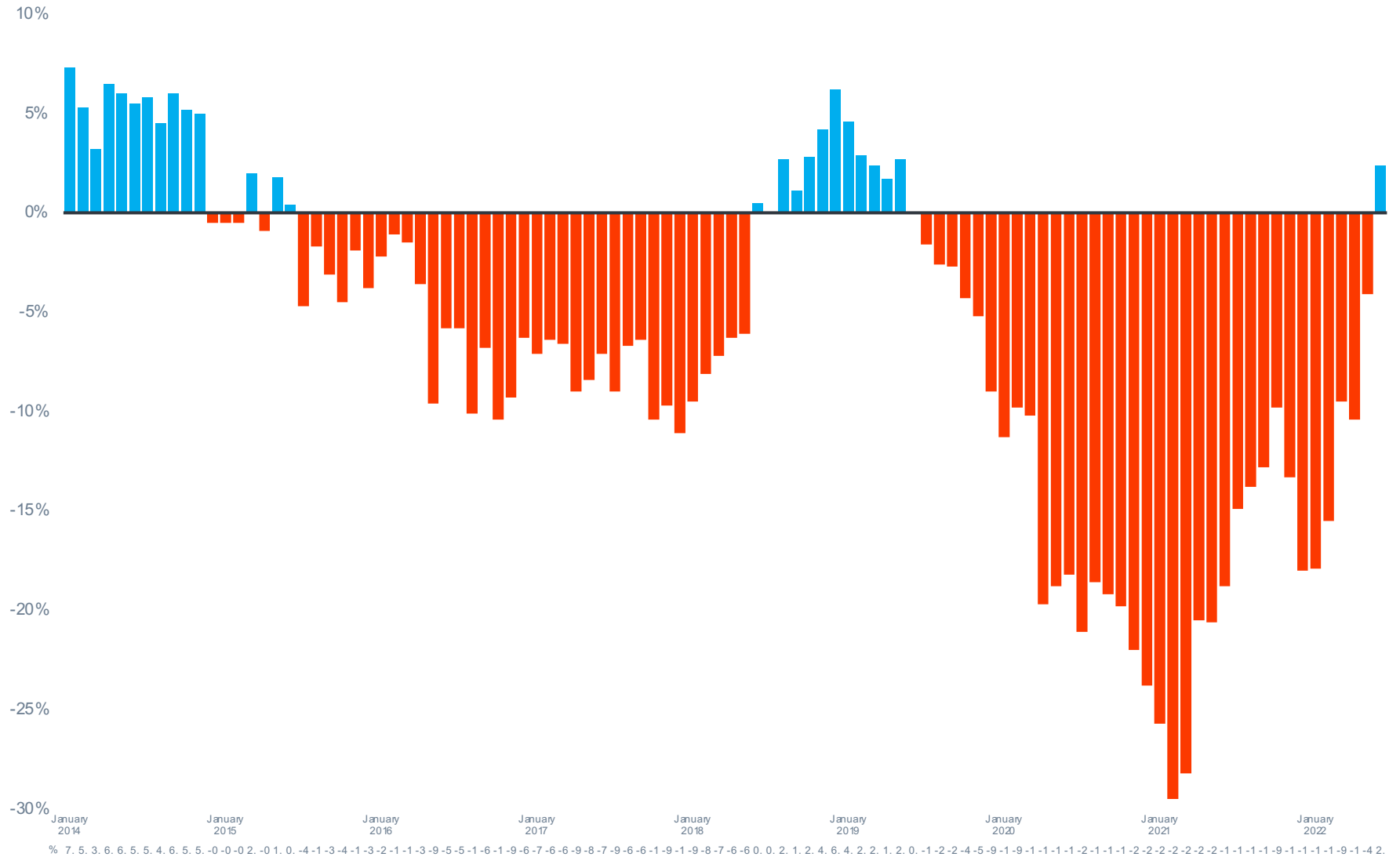
Months Inventory of Homes for Sale

Last 12 Months



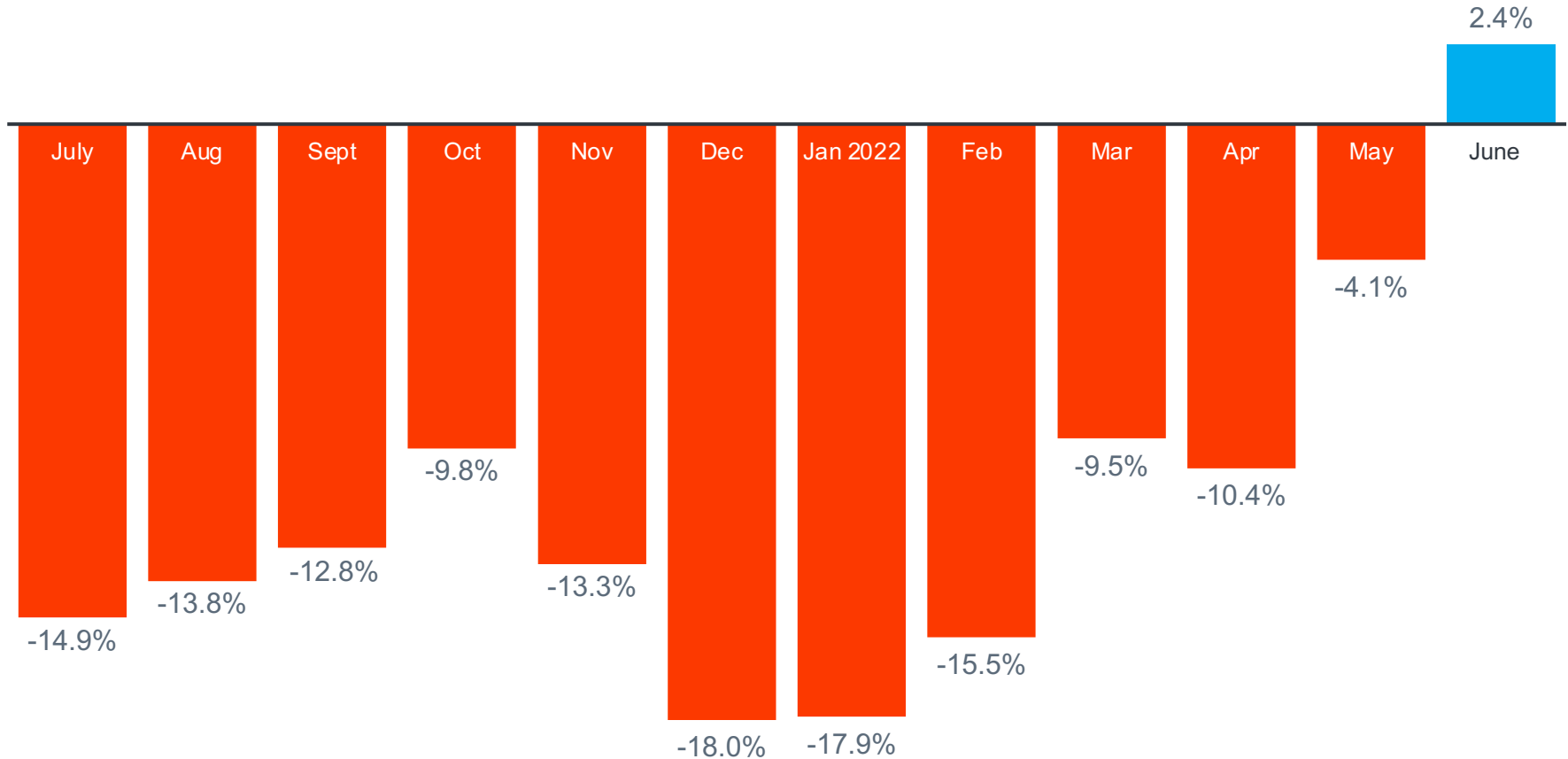
Source: NAR

Year-Over-Year Inventory Levels



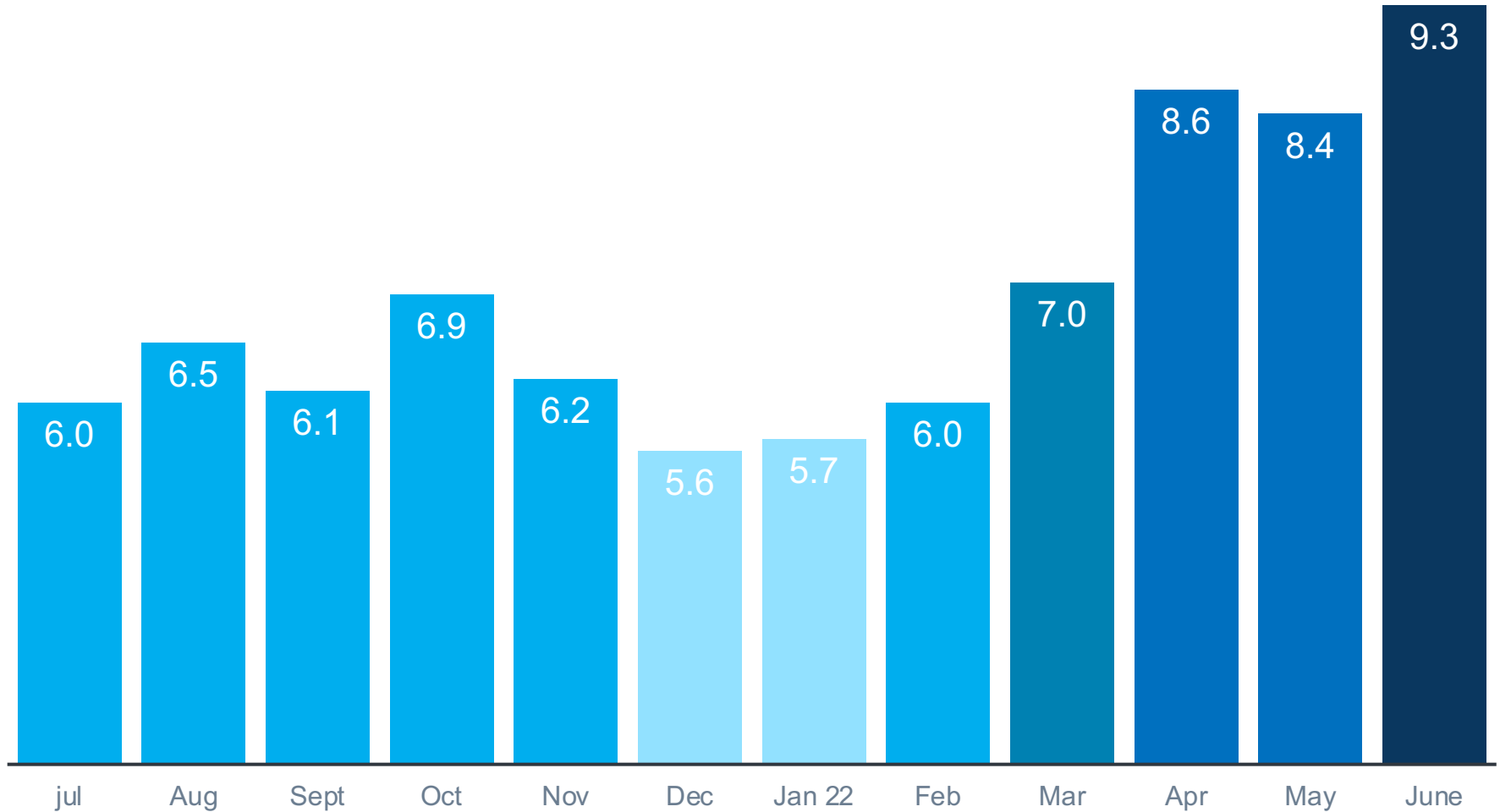
Year-Over-Year Inventory Levels

Last 12 Months



New Home Monthly Inventory

Seasonally Adjusted, Last 12 Months

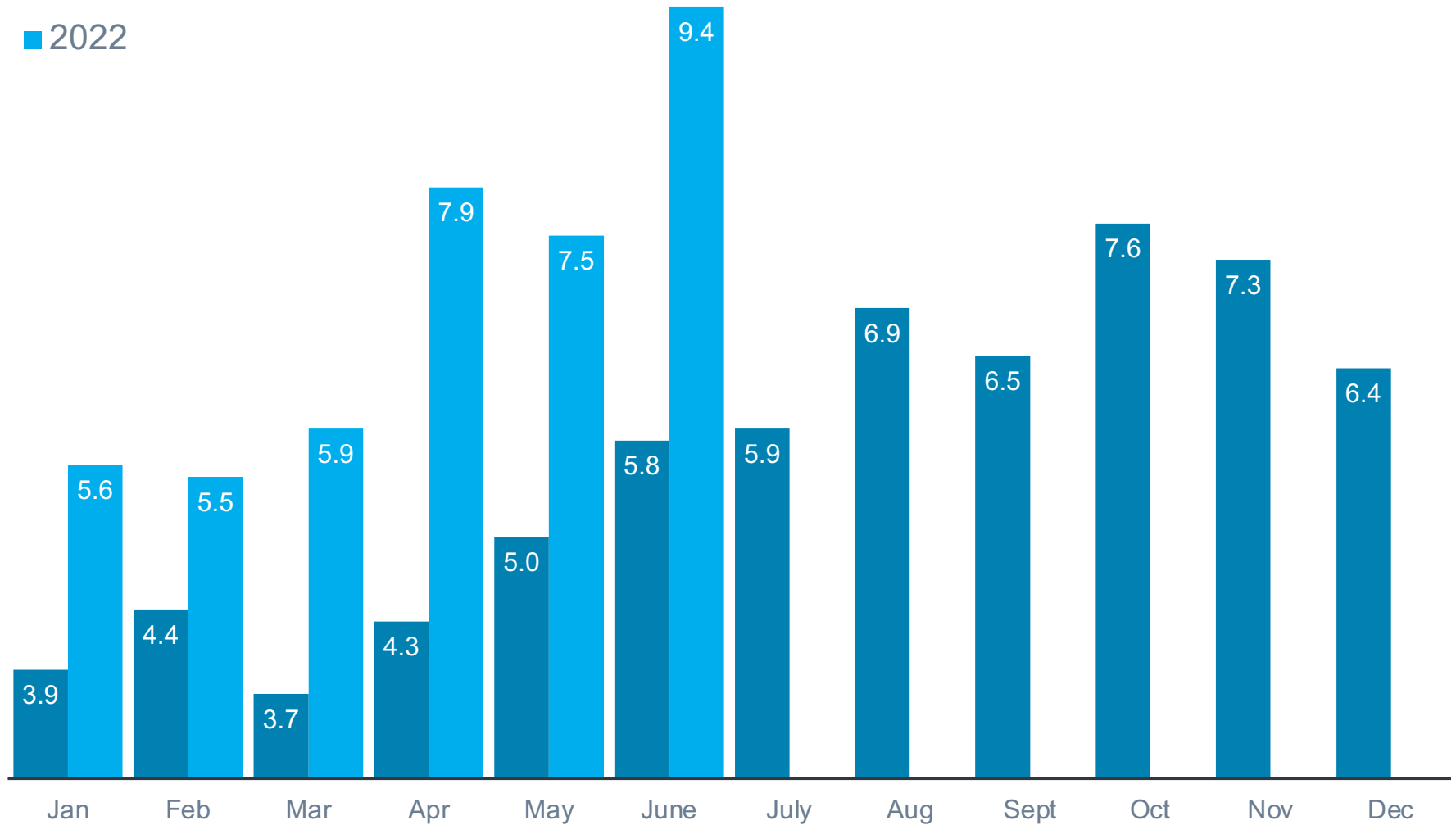


Source: Census

New Home Monthly Inventory

Non-Seasonally Adjusted

- 2021
- 2022



Source: Census



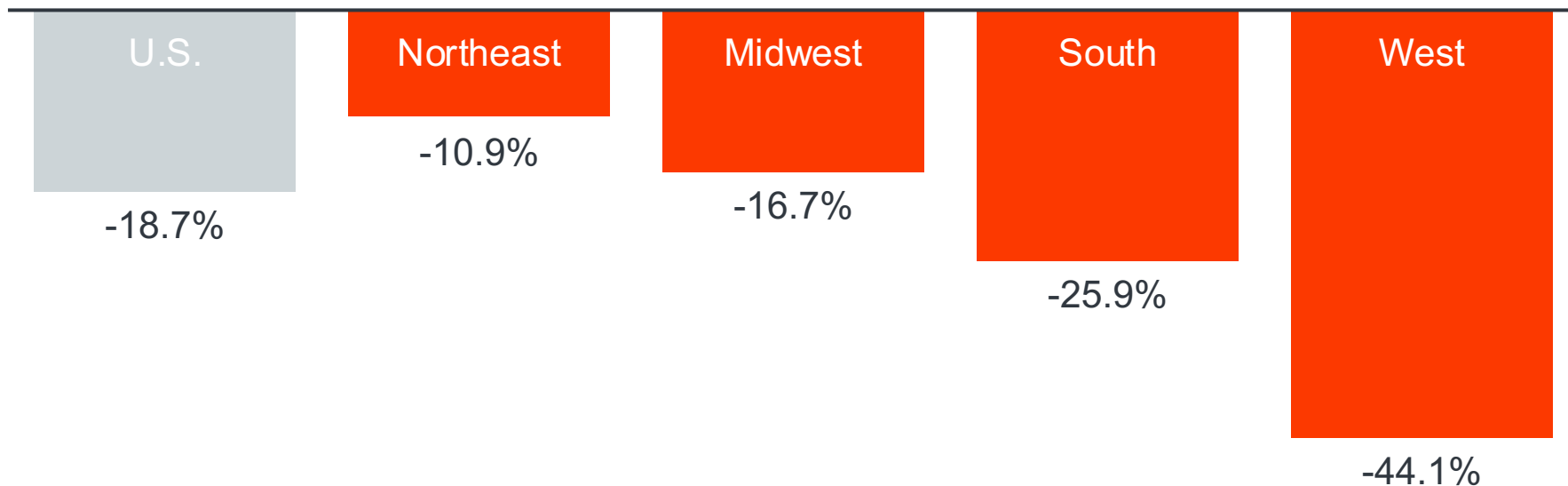
Buyer Demand

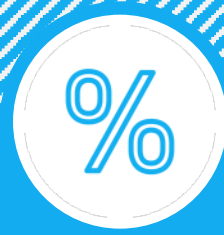
Buyer Demand Cools as Showings Decline from Record-Breaking Highs

Year-Over-Year Increase in Showing Activity, June 2022

Michael Lane, Vice President & General Manager, Showing Time

“Most markets are experiencing a slowdown in buyer activity, especially compared to the historically high traffic seen last year... While summer is a slower time of year for real estate compared to spring, the dip we’re seeing compared to last June suggests this slowing is more about a re-balancing of an overheated market than just marking the end of the home shopping season.”

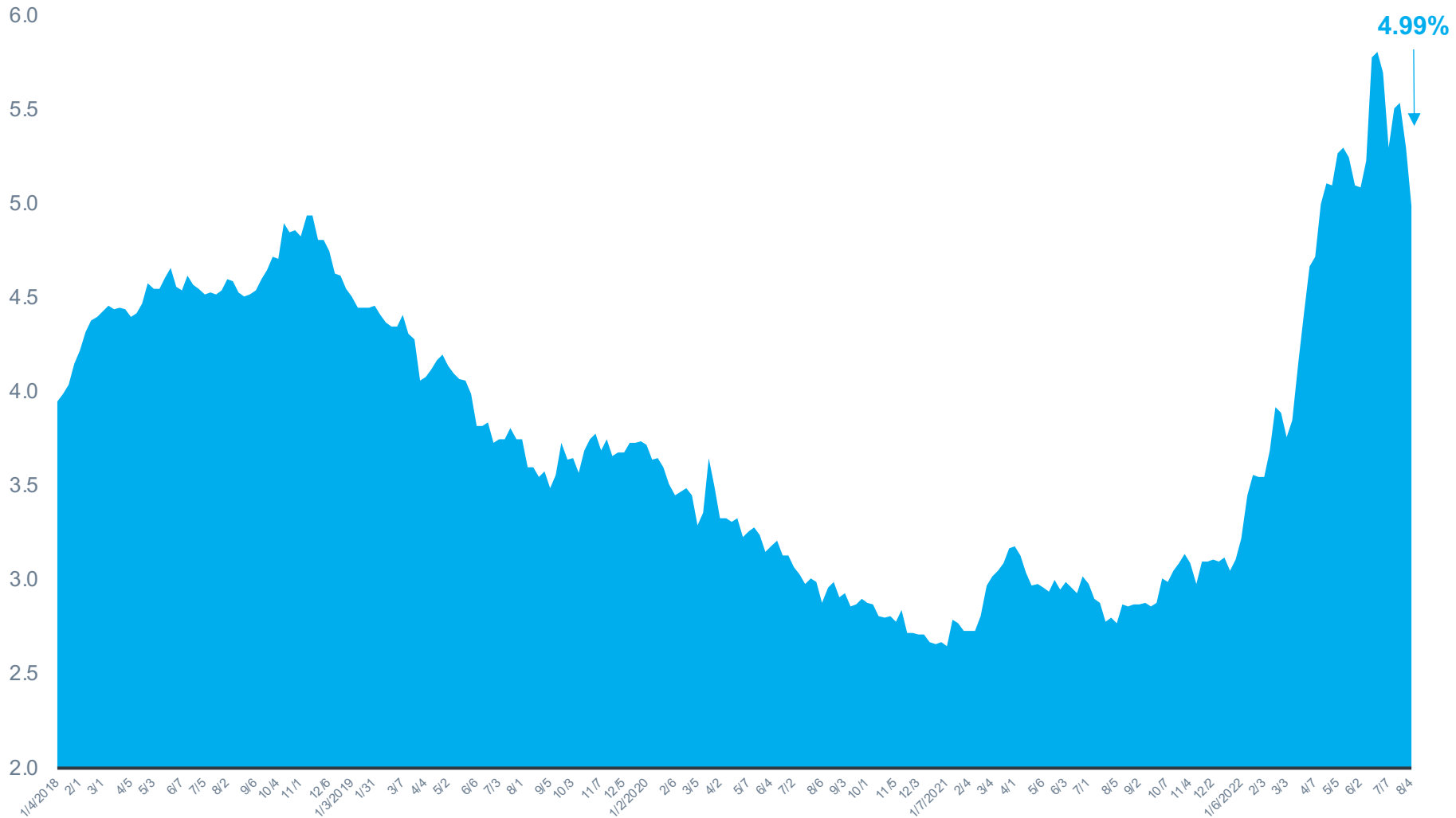




Mortgage Rates

Mortgage Rates

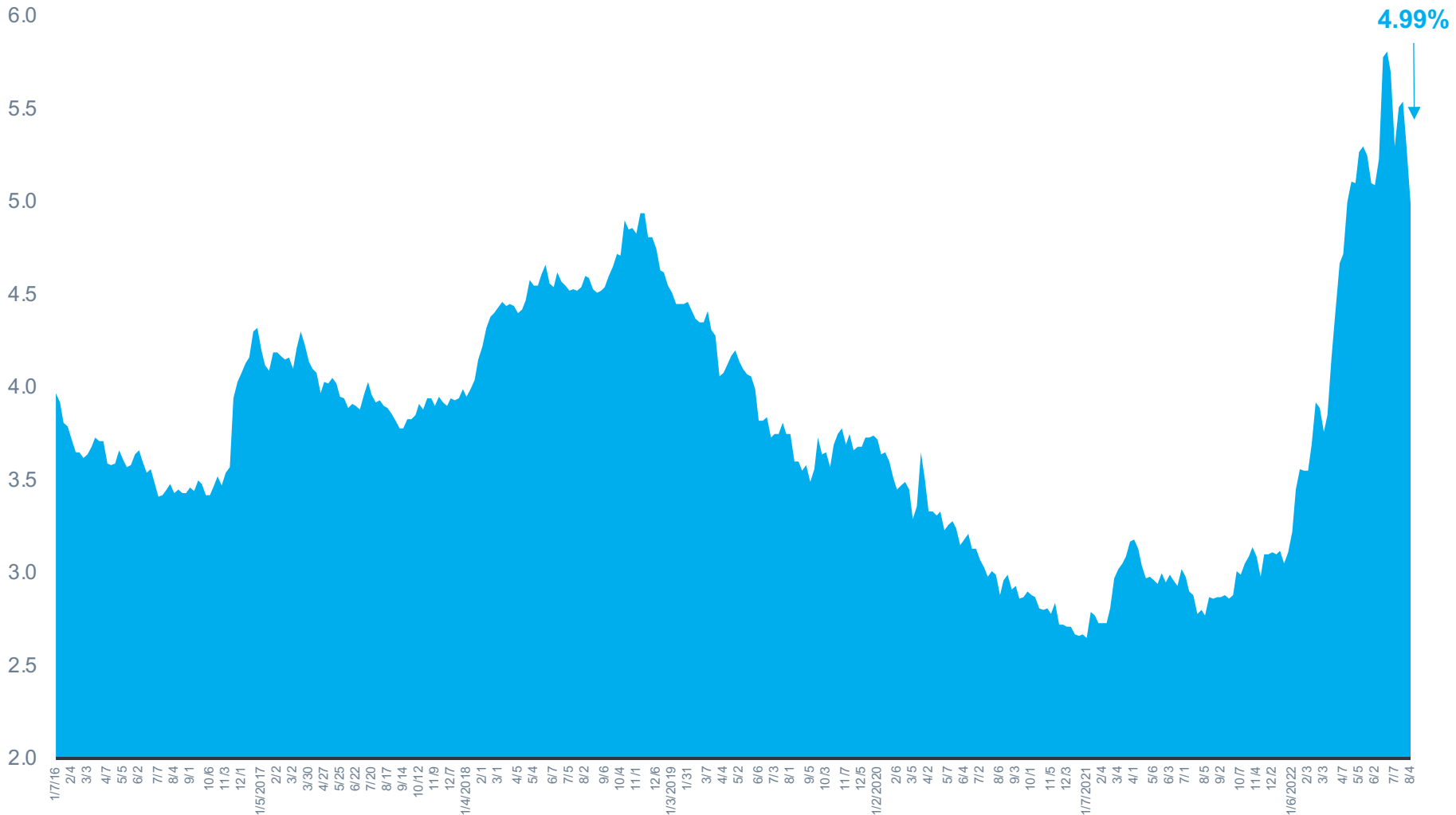
30-Year Fixed Rate, January 2018–Today



Source: Freddie Mac

Mortgage Rates

30-Year Fixed Rate, January 2016–Today



Source: Freddie Mac

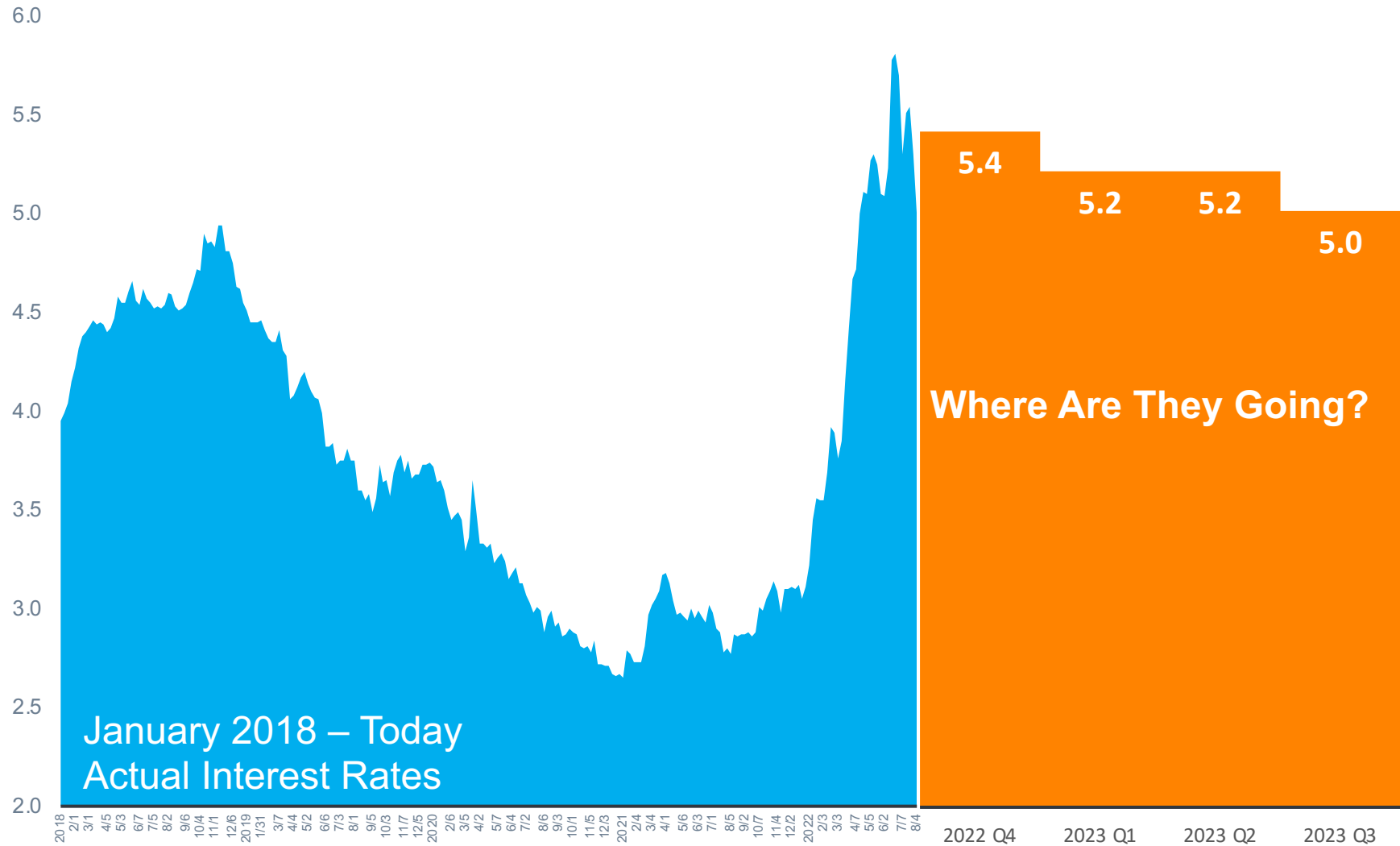
Mortgage Rate Projections

July 2022

Quarter	Freddie Mac	Fannie Mae	MBA	NAR	Average of All Four
2022 4Q	5.4	5.4	5.2	6.0	5.50%
2023 1Q	5.2	5.3	5.0	6.0	5.38%
2023 2Q	5.2	5.1	5.0	6.0	5.33%
2023 3Q	5.0	5.0	4.9	-	4.97%

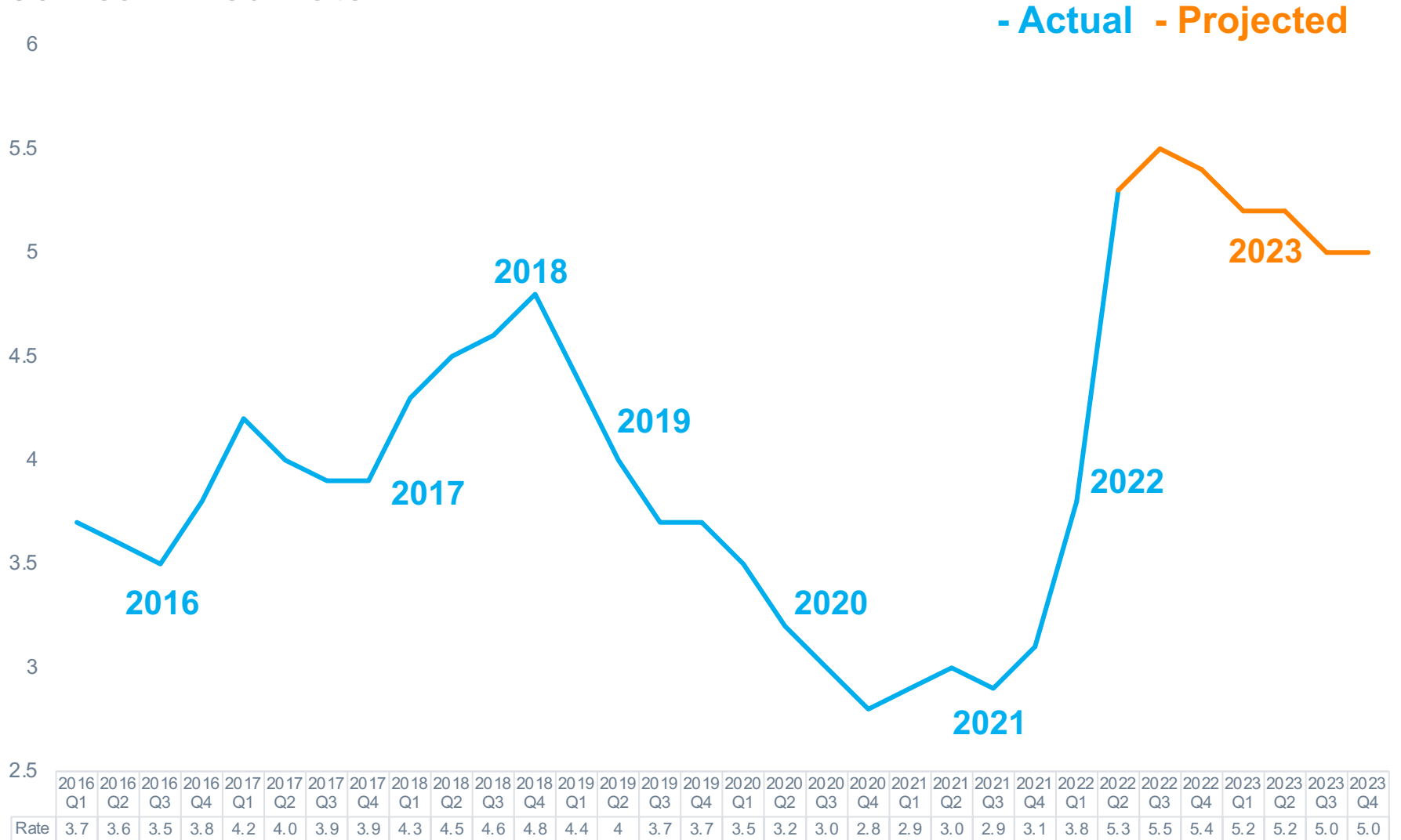
Mortgage Rates

30-Year Fixed Rate



Mortgage Rates

30-Year Fixed Rate

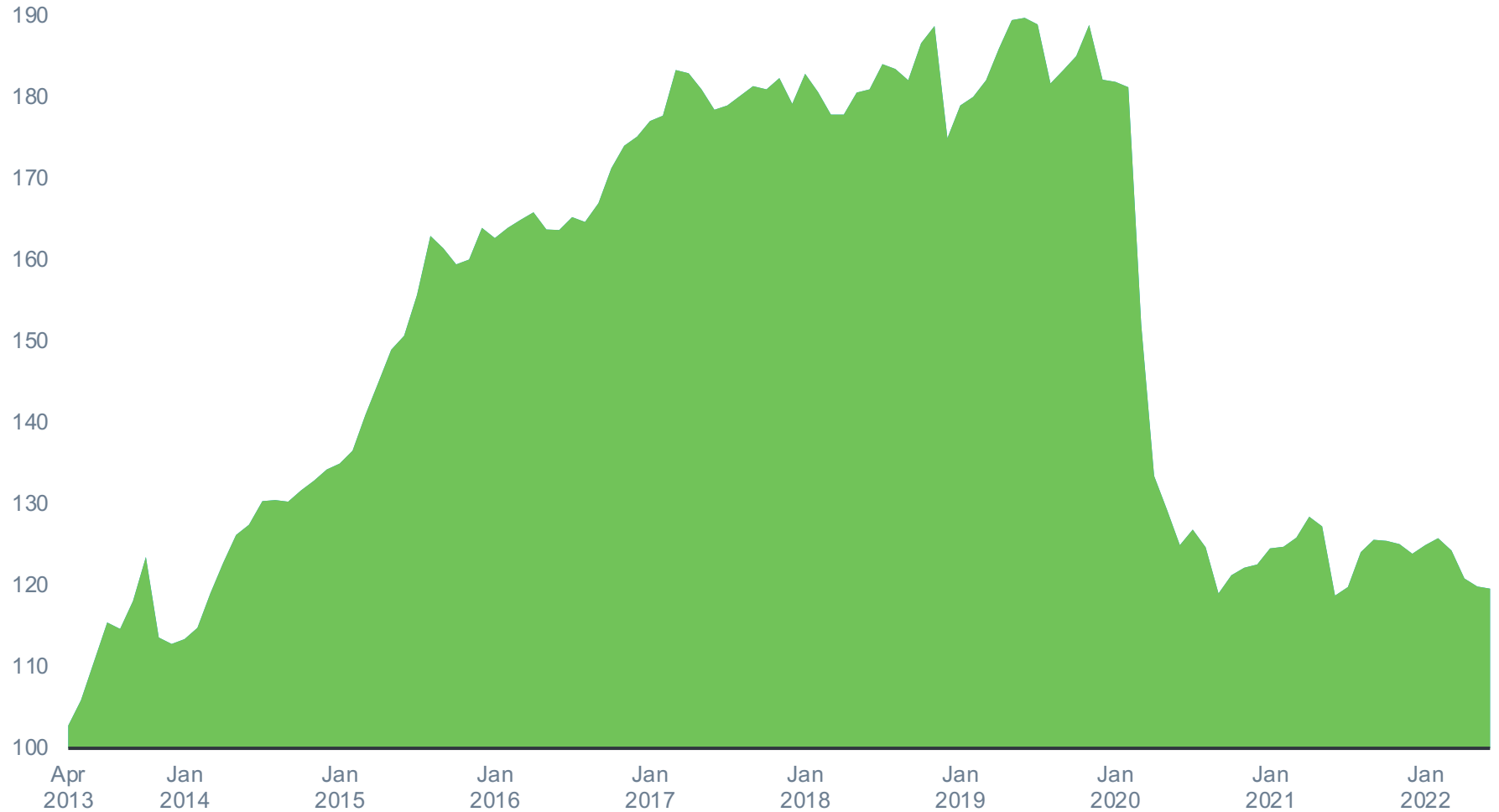




Mortgage Credit Availability

Mortgage Credit Availability Index (MCAI)

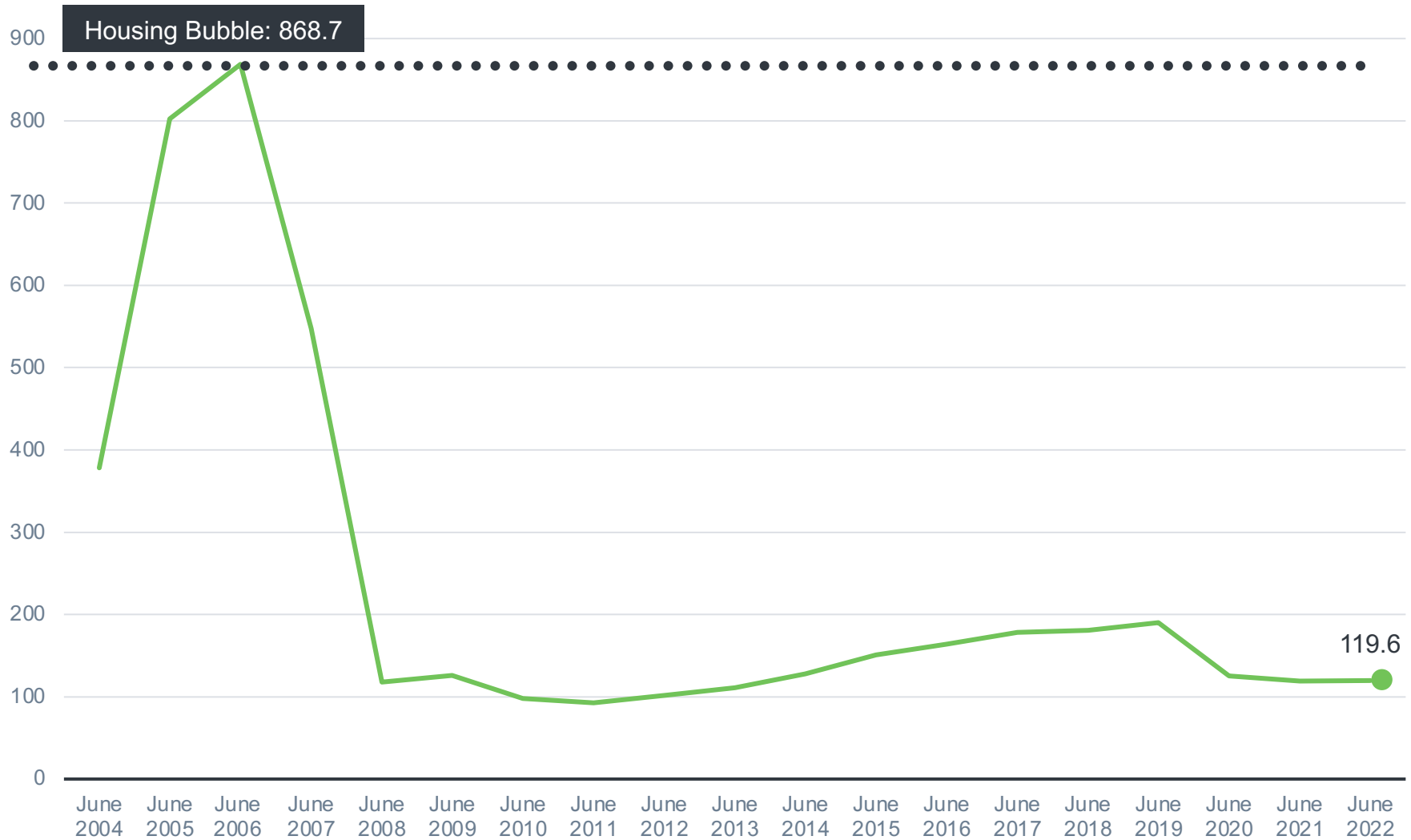
June 2022

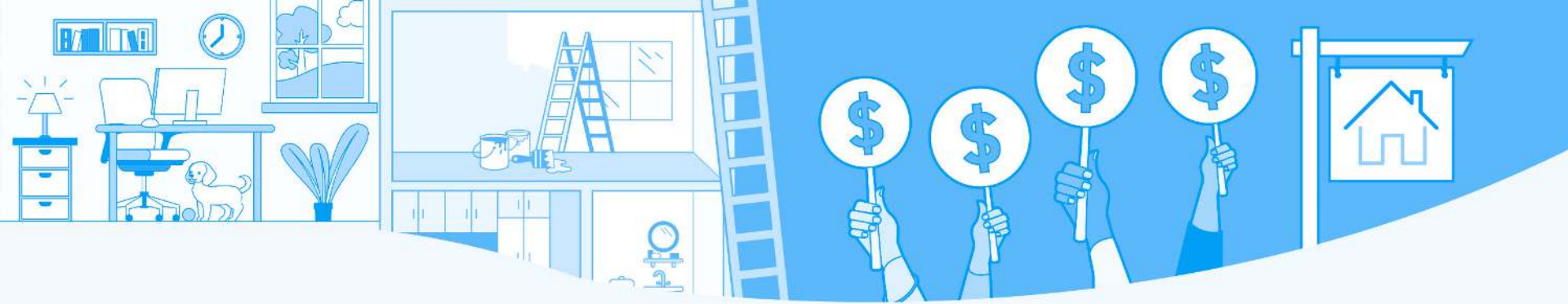


Source: MBA

Lending Standards Still Under Control

Historic Data for the Mortgage Credit Availability Index (MCAI)





KEEPING CURRENT MATTERS

August 2022

