



KEEPING CURRENT MATTERS

April 2024





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

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

CONFUSION LEADS TO **FEAR**

FEAR LEADS TO **PANIC**

PANIC LEADS TO **PARALYSIS**

Which of the Following Statements Do You Agree With Most?

76%

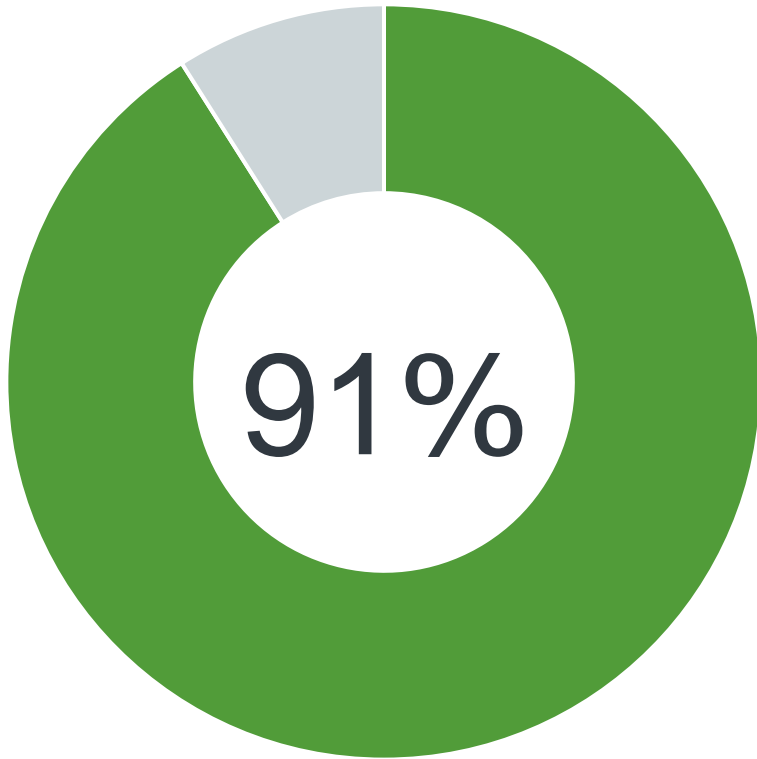


When you buy a home, you should definitely have someone who represents your interests during the whole process.

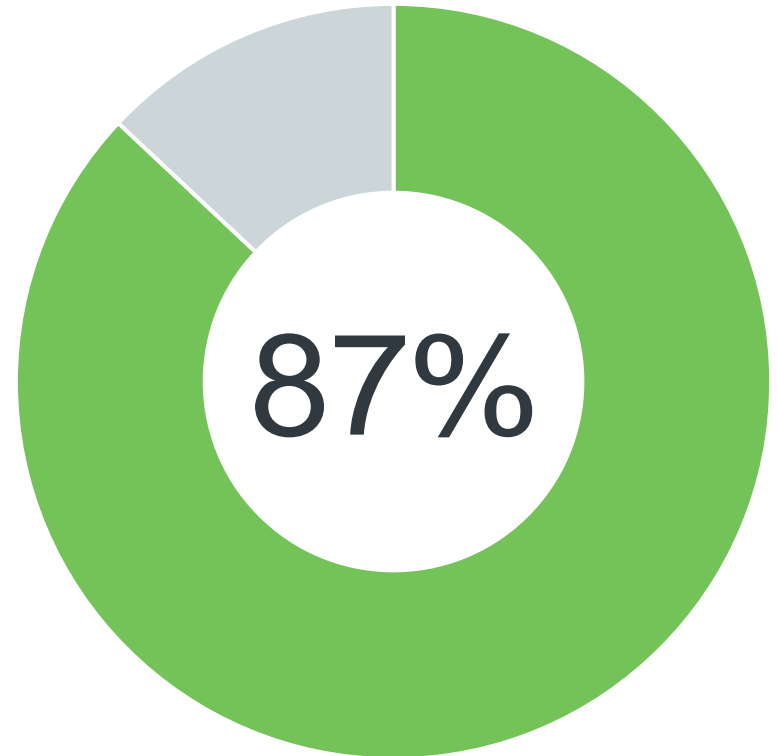
24%



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



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



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

Will Inventory Improve for the Spring Housing Market?

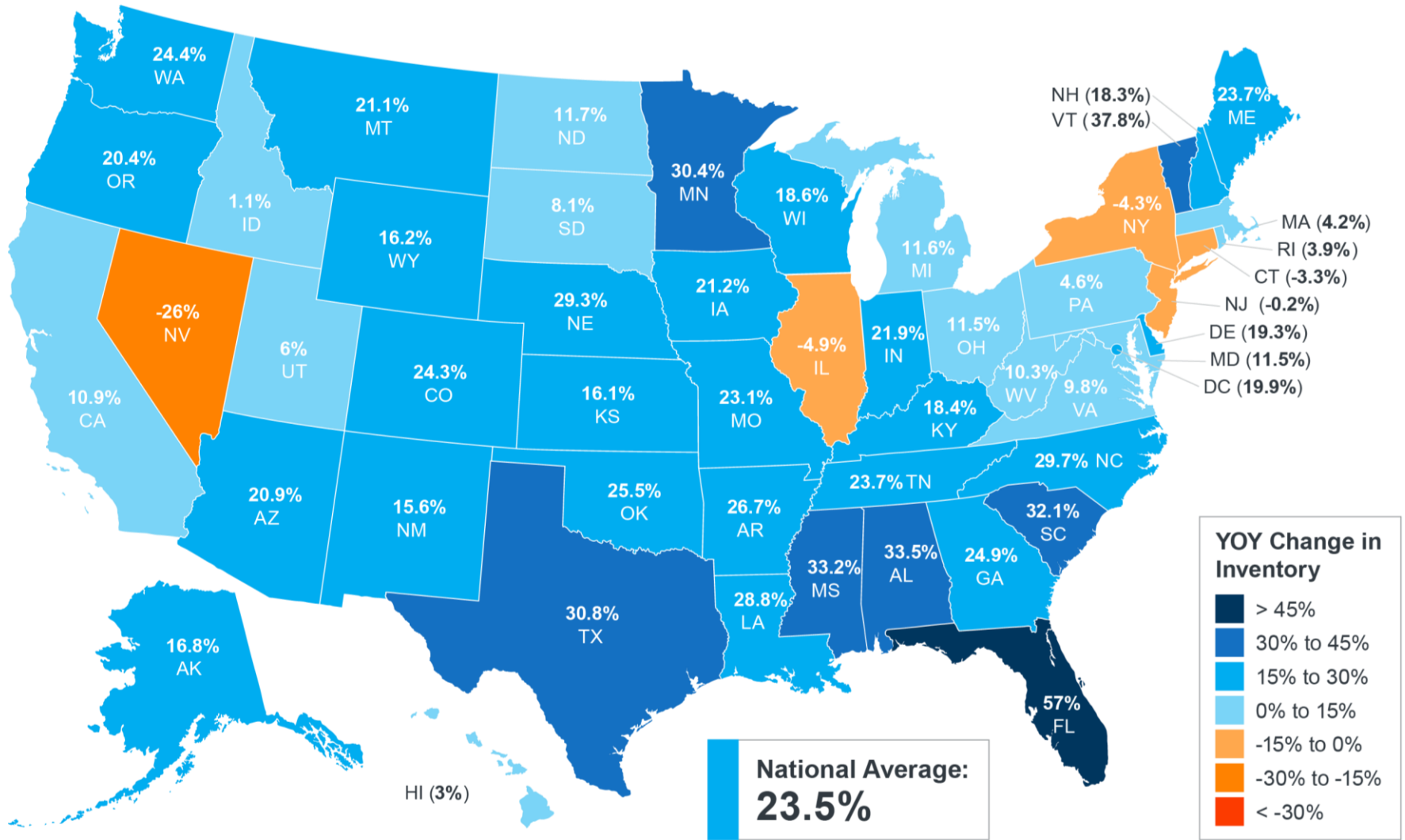




The inventory of homes actively for sale increased in 45 out of 50 of the largest metros compared with last year, and in four large metros, inventory was above pre-pandemic levels.

Change in Inventory

Year-Over-Year, March 2024





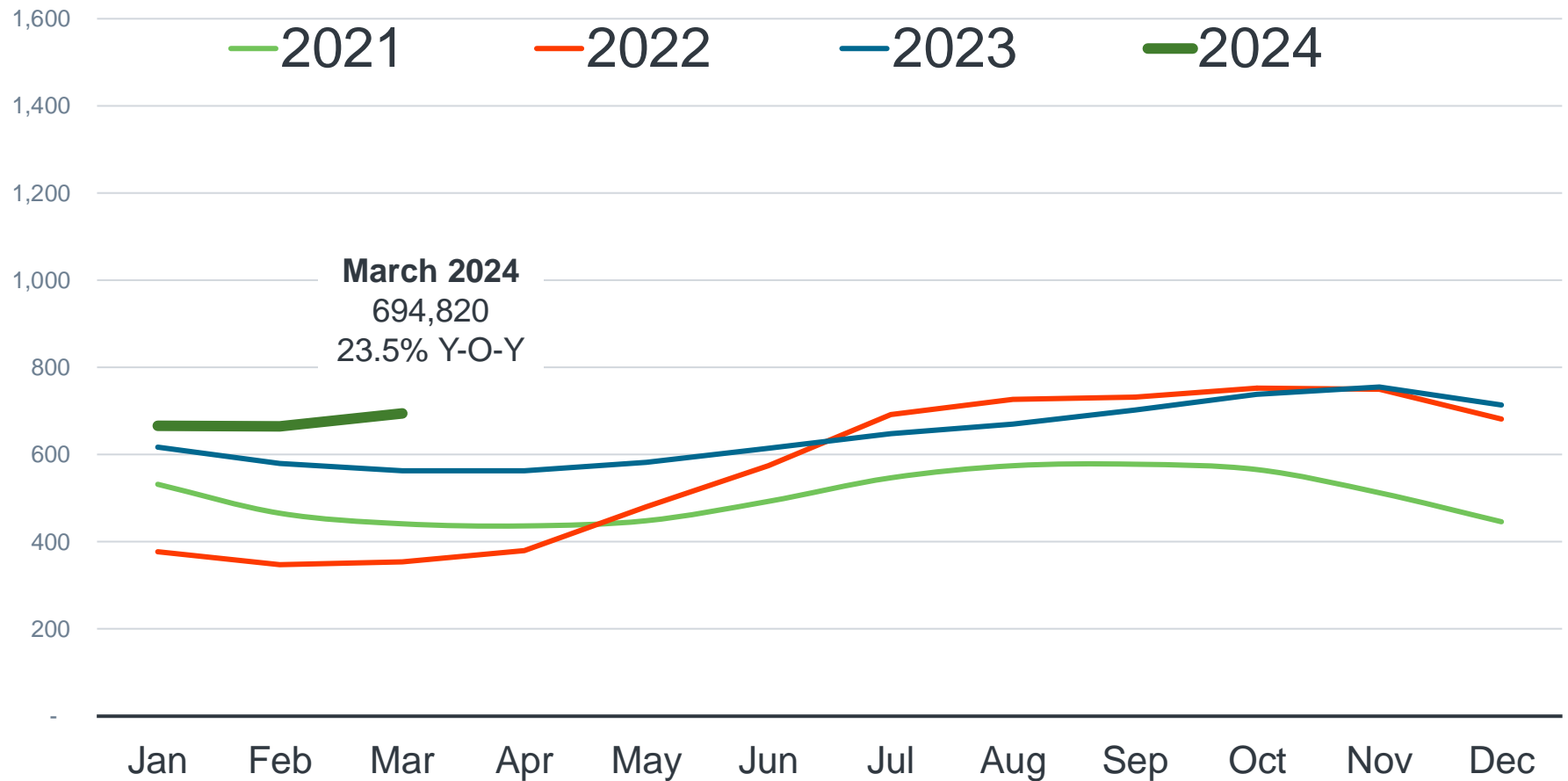
For the first three months of this year, the inventory of homes actively for sale was at its highest level since 2020. However, while inventory this March is much improved compared with the previous three years, it is still down 37.9% compared with typical 2017 to 2019 levels.

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

- Realtor.com

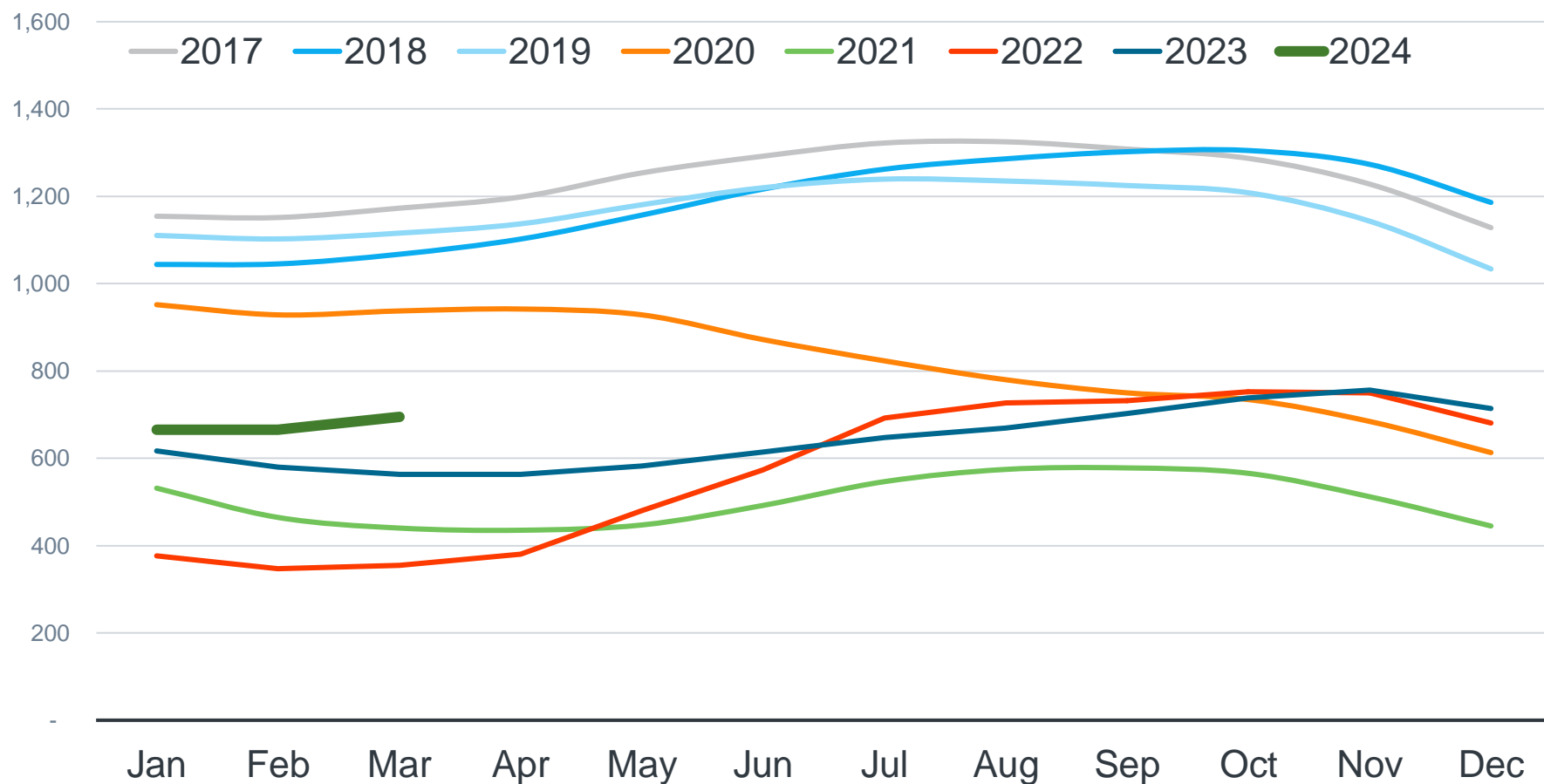
Homes Actively for Sale Increased in 45 out of 50 of the Largest Metros

Active Monthly Listings in Thousands, Compared To Last Year



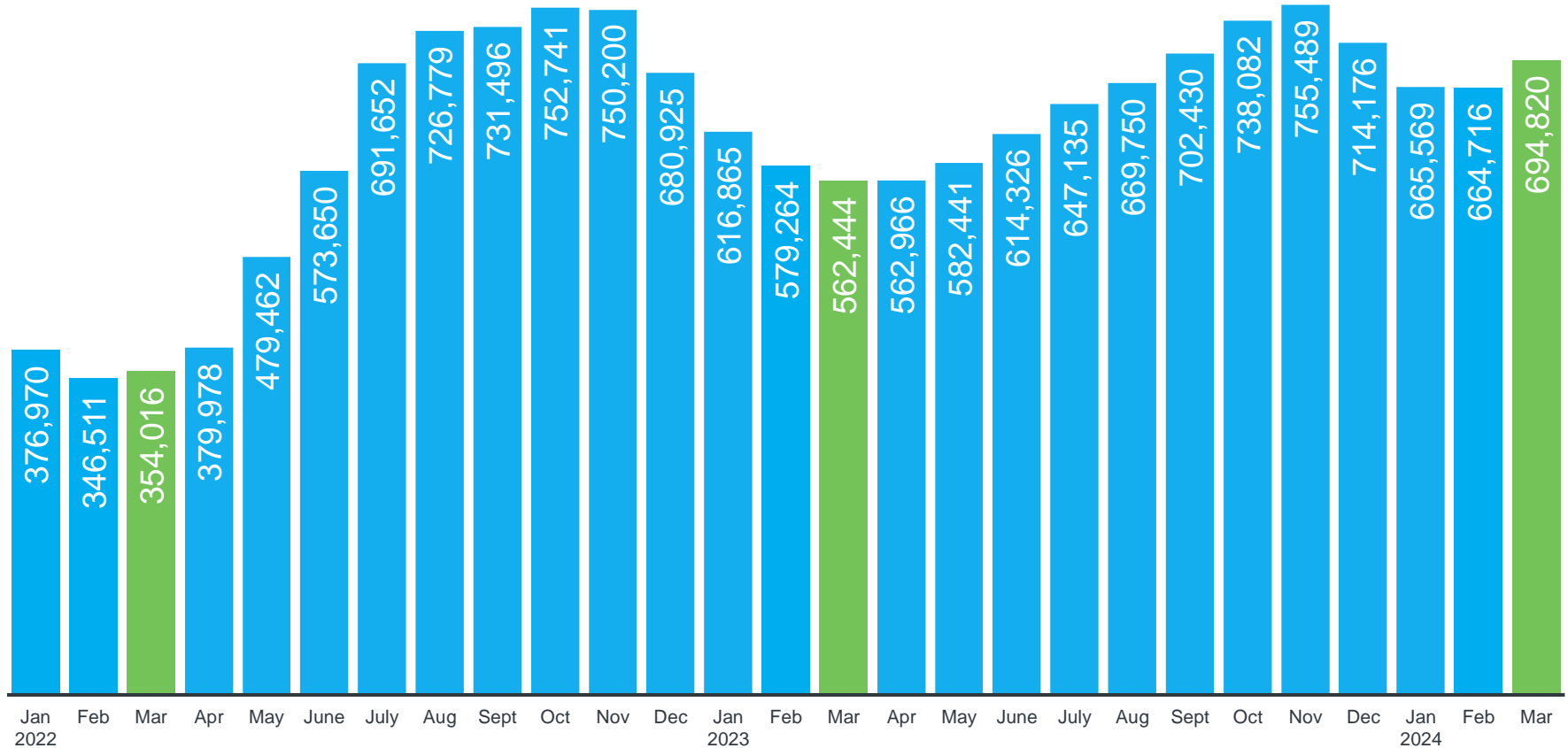
Homes Actively for Sale Increased in 45 out of 50 of the Largest Metros

Active Monthly Listings in Thousands, Compared To Last Year



Active Monthly Listings in Thousands

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



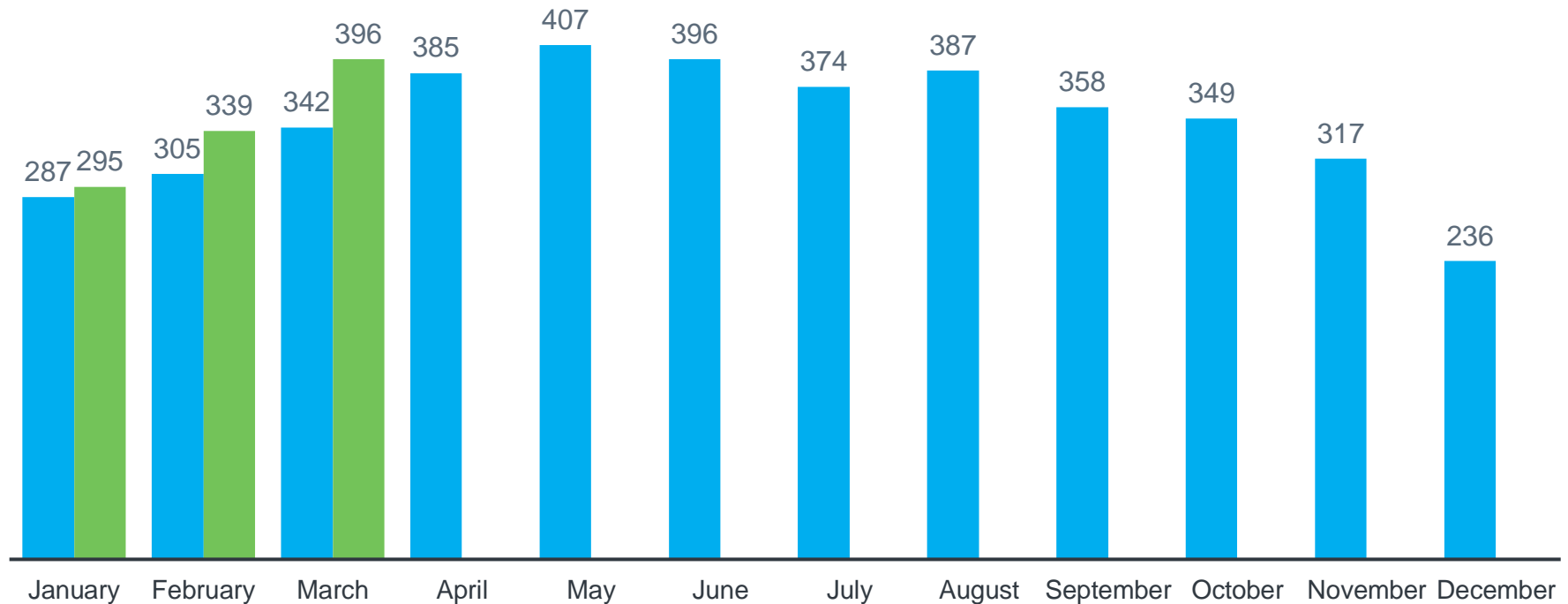


... providing a boost to overall inventory, sellers turned out in higher numbers this March as newly listed homes were 15.5% above last year's levels. This marked the fifth month of increasing listing activity after a 17-month streak of decline.

Newly Listed Homes: 2023 vs. 2024

Year-Over-Year, in Thousands

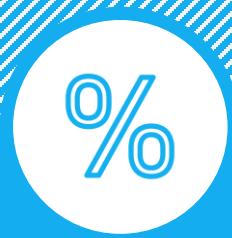
■ 2023 ■ 2024





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

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



Mortgage Rates



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

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

- **NerdWallet**

The Latest Fed Decision

March 20, 2024



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

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



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

- Forbes

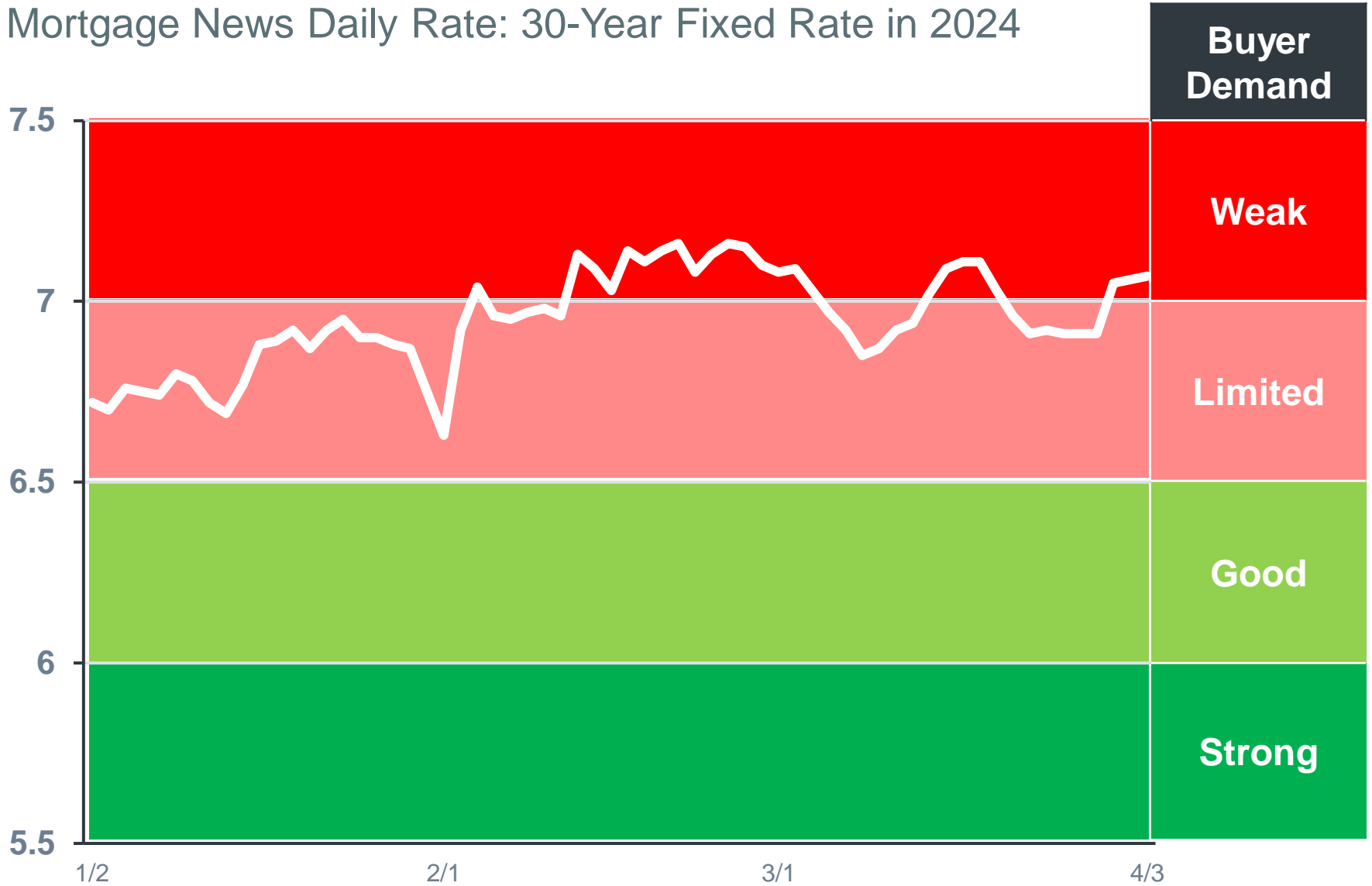
2024 Mortgage Rate Projections

March 2023

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

Demand Based on Rate Environment

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





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

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

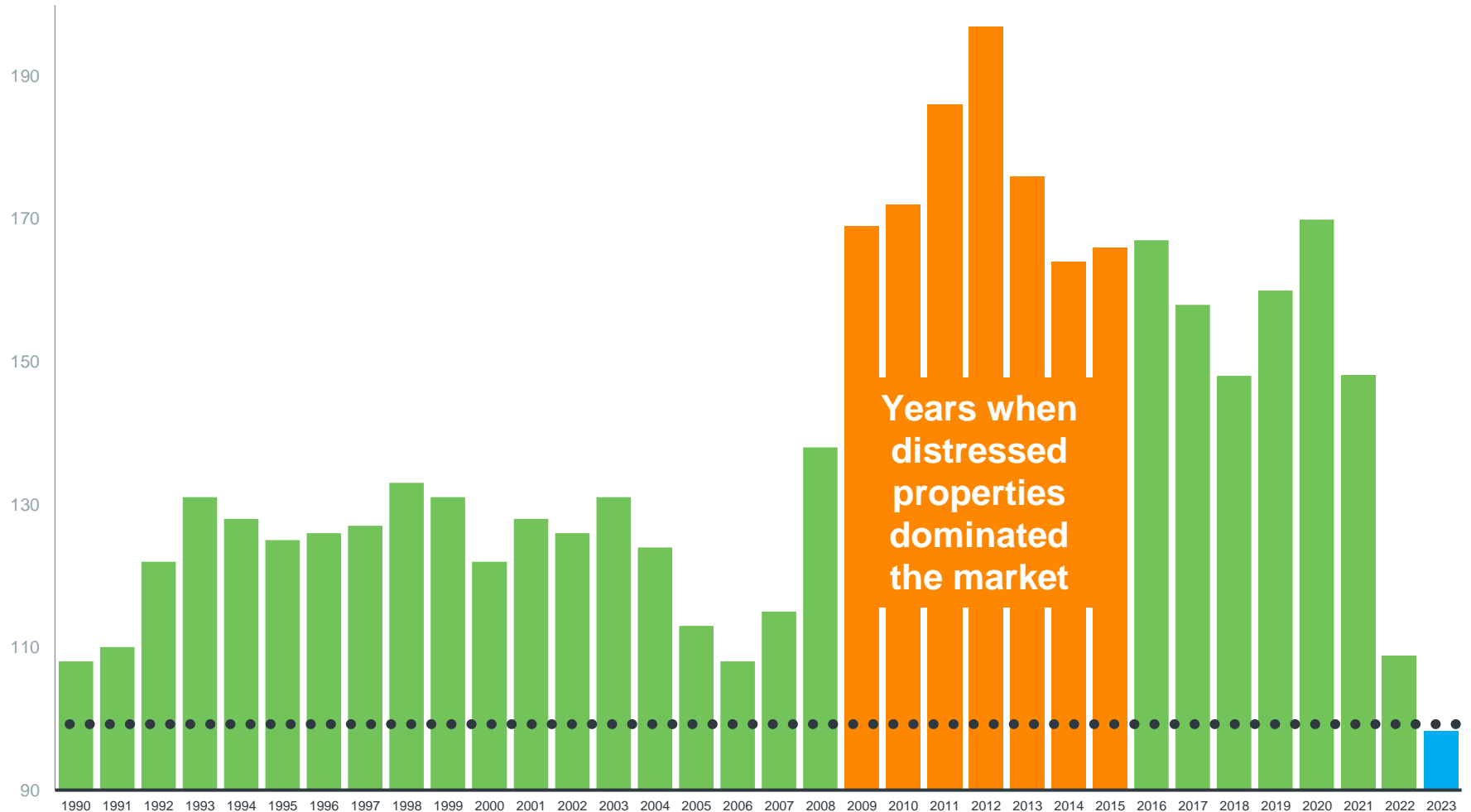


When you zoom out, affordability is still very, very low from a historical perspective.

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

Affordability at Historic Low

Housing Affordability Index, 1990 to 2023



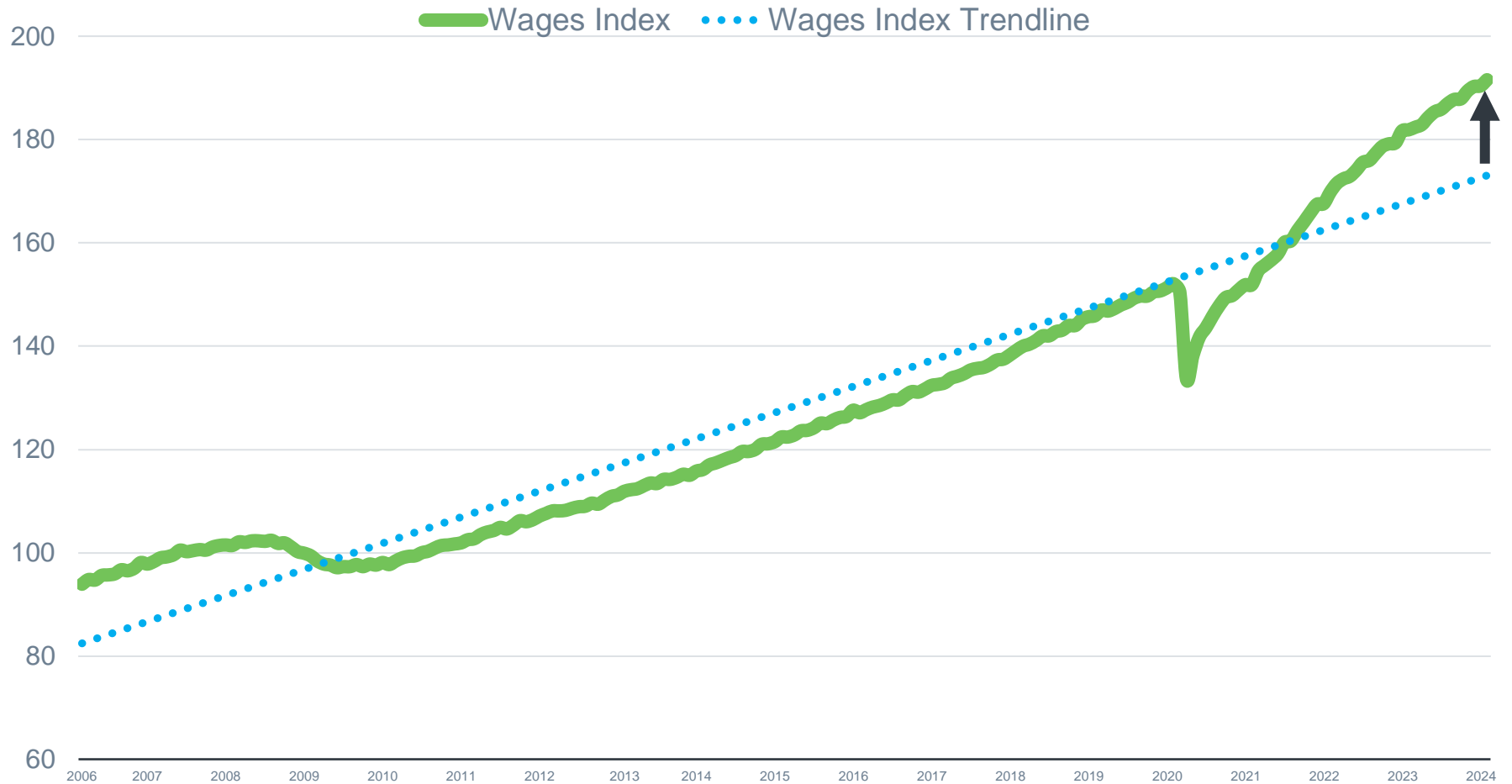
WAGES

MORTGAGE RATES

HOME PRICES

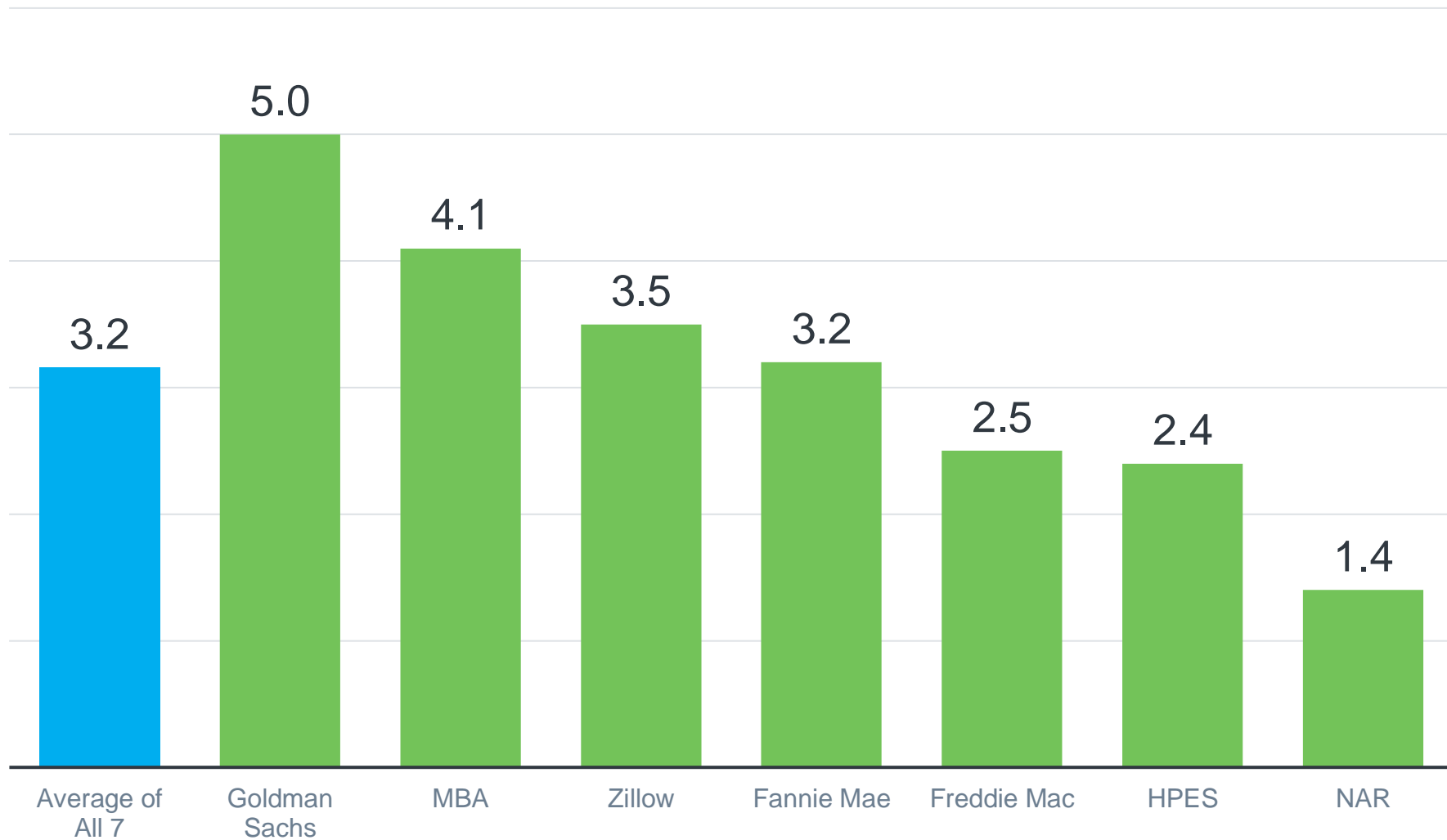
Wages Climbing at a Faster Pace

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



2024 Home Price Forecasts

Percent Appreciation/Depreciation as of 4/2/2024



You Must Have a
Relevant Market Opinion
Based on the Facts

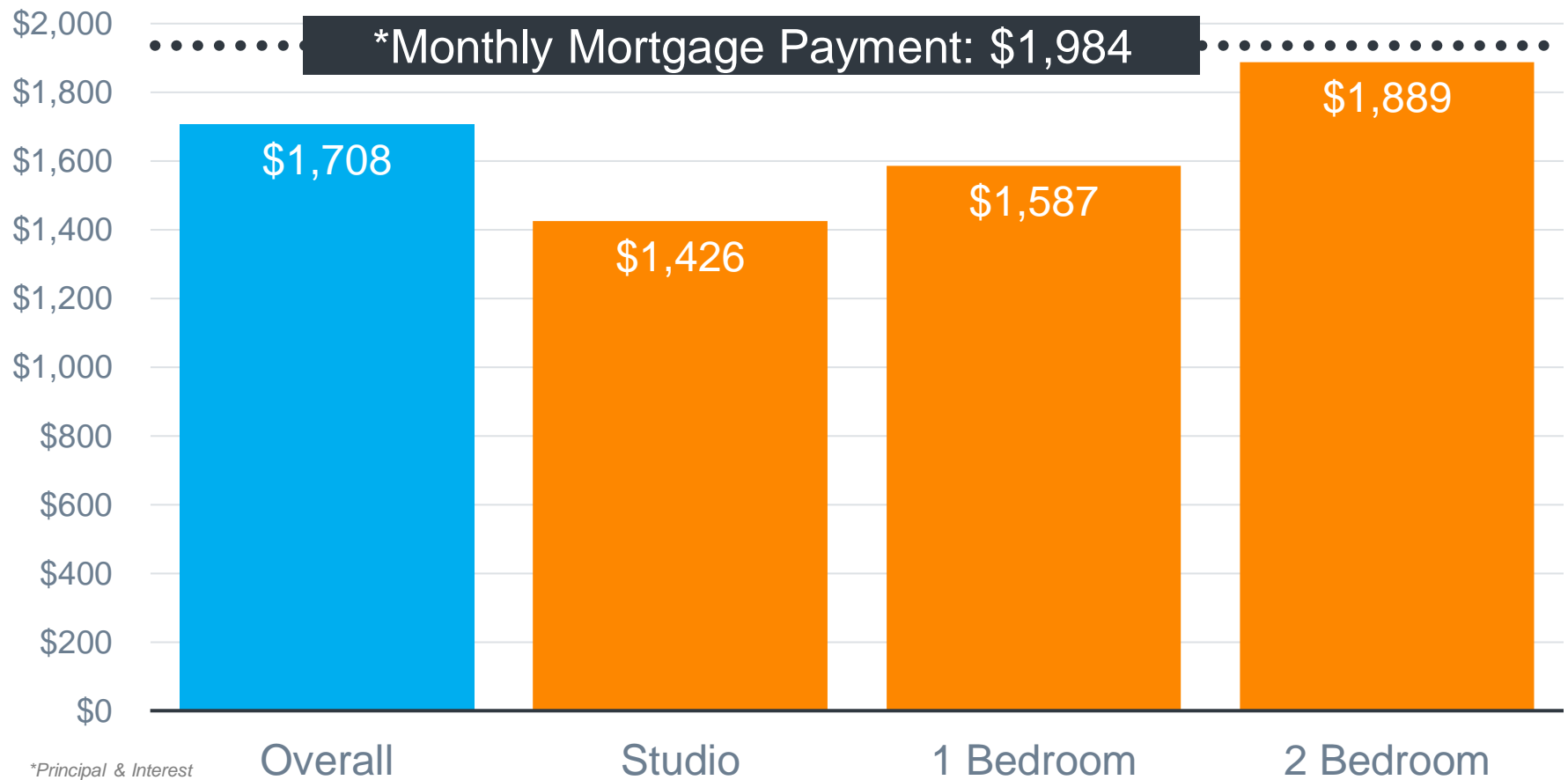




Among the top considerations are the financial costs and benefits of renting versus owning, and one approach is to compare the monthly costs of renting a home against buying a home. **With such cost comparisons, we can identify whether a market favors renting or buying.** This is particularly important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

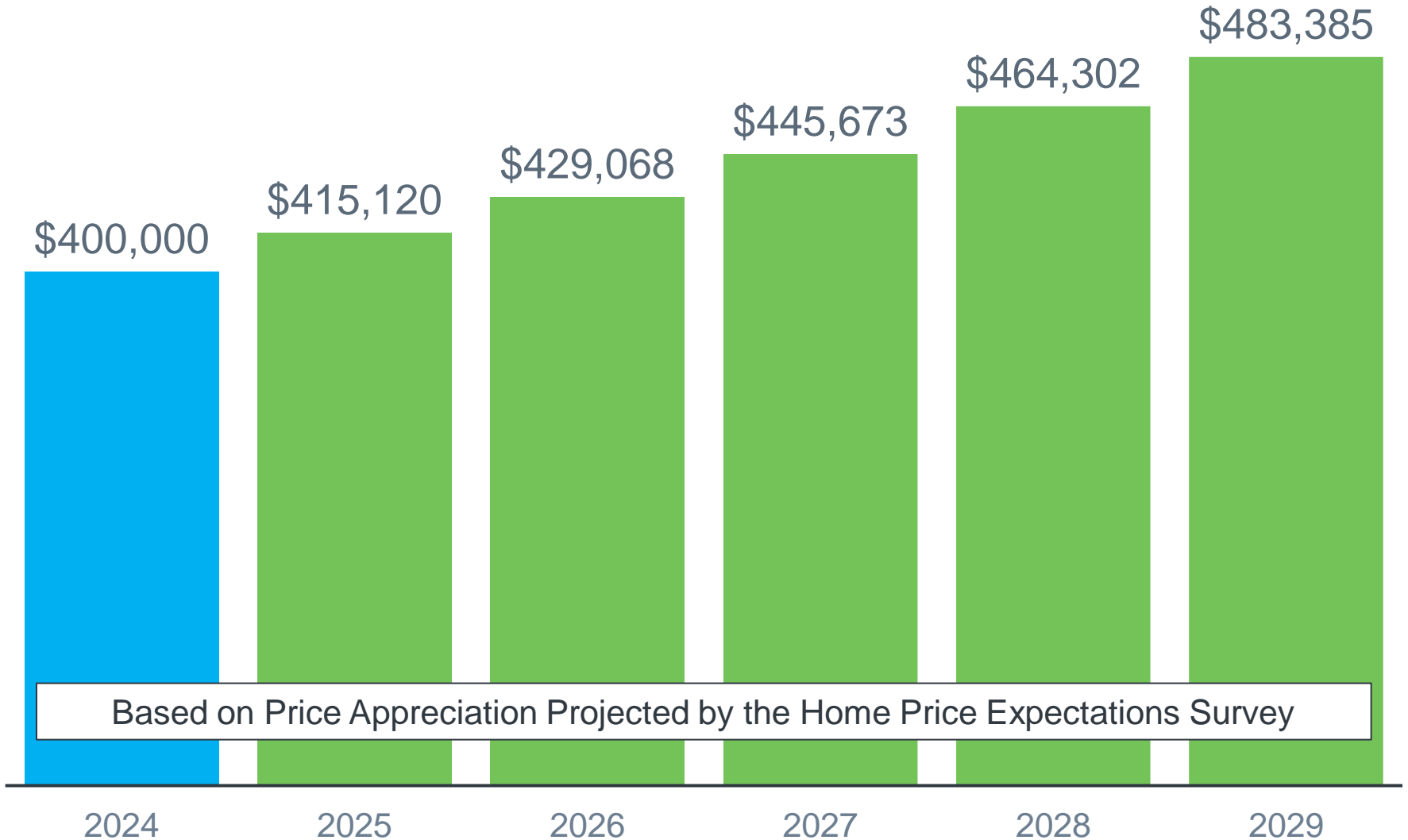
February 2024 Rental Report:

The Median Asking Rent in the 50 Largest Metros



\$83,385

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



Based on Price Appreciation Projected by the Home Price Expectations Survey

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





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

- NerdWallet



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

STEVE HARNEY

Resources

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

Resources

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

Resources

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

Resources

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



Updates

Resources

Slide(s)	Description	Link(s)
43	Confidence Index	https://www.nar.realtor/research-and-statistics/research-reports/realtors-confidence-index
44-46, 53, 55, 56, 63-66	Existing Home Sales	https://www.nar.realtor/topics/existing-home-sales
47-49	New Home Sales	http://www.census.gov/construction/nrs/pdf/newressales.pdf http://www.census.gov/newhomesales
50	Total Home Sales	http://www.census.gov/construction/nrs/pdf/newressales.pdf https://www.nar.realtor/topics/existing-home-sales
51-52	Pending Home Sales	https://www.nar.realtor/research-and-statistics/housing-statistics/pending-home-sales
57-59	Case Shiller	https://www.spglobal.com/spdji/en/indices/indicators/sp-corelogic-case-shiller-20-city-composite-home-price-nsa-index/#news-research
60	CoreLogic Price Forecast	https://www.corelogic.com/intelligence/u-s-home-price-insights/

Resources

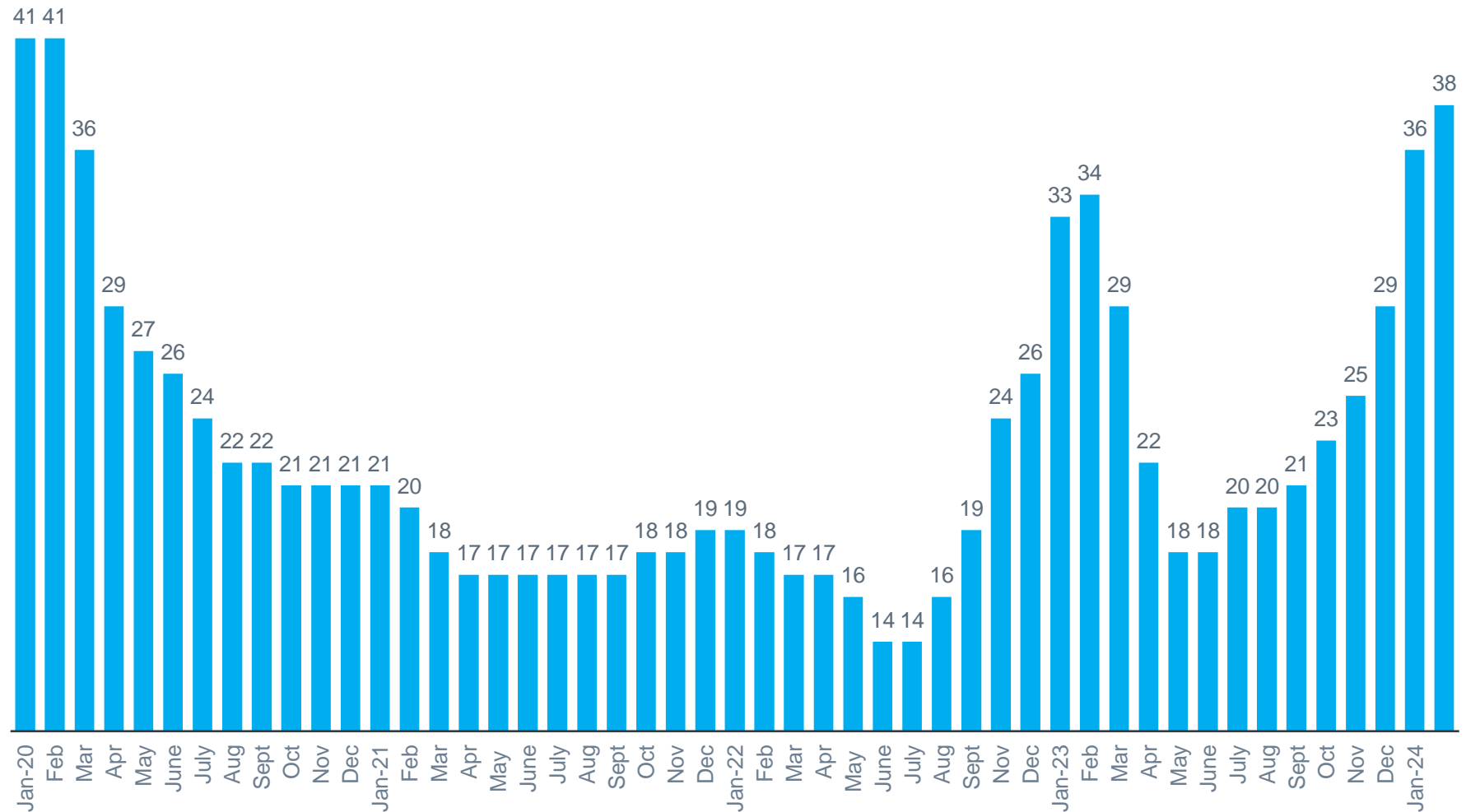
Slide(s)	Description	Link(s)
62-68	Inventory	https://www.nar.realtor/topics/existing-home-sales http://www.census.gov/construction/nrs/pdf/newressales.pdf https://www.realtor.com/research/data/
70	Showing Activity	https://www.showingtime.com/blog/
72, 73, 75, 76	Mortgage Rates	http://www.freddiemac.com/pmms/pmms_archives.html http://www.freddiemac.com/research/forecast/ https://www.mba.org/news-research-and-resources/research-and-economics/forecasts-and-commentary
74	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
78, 79	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

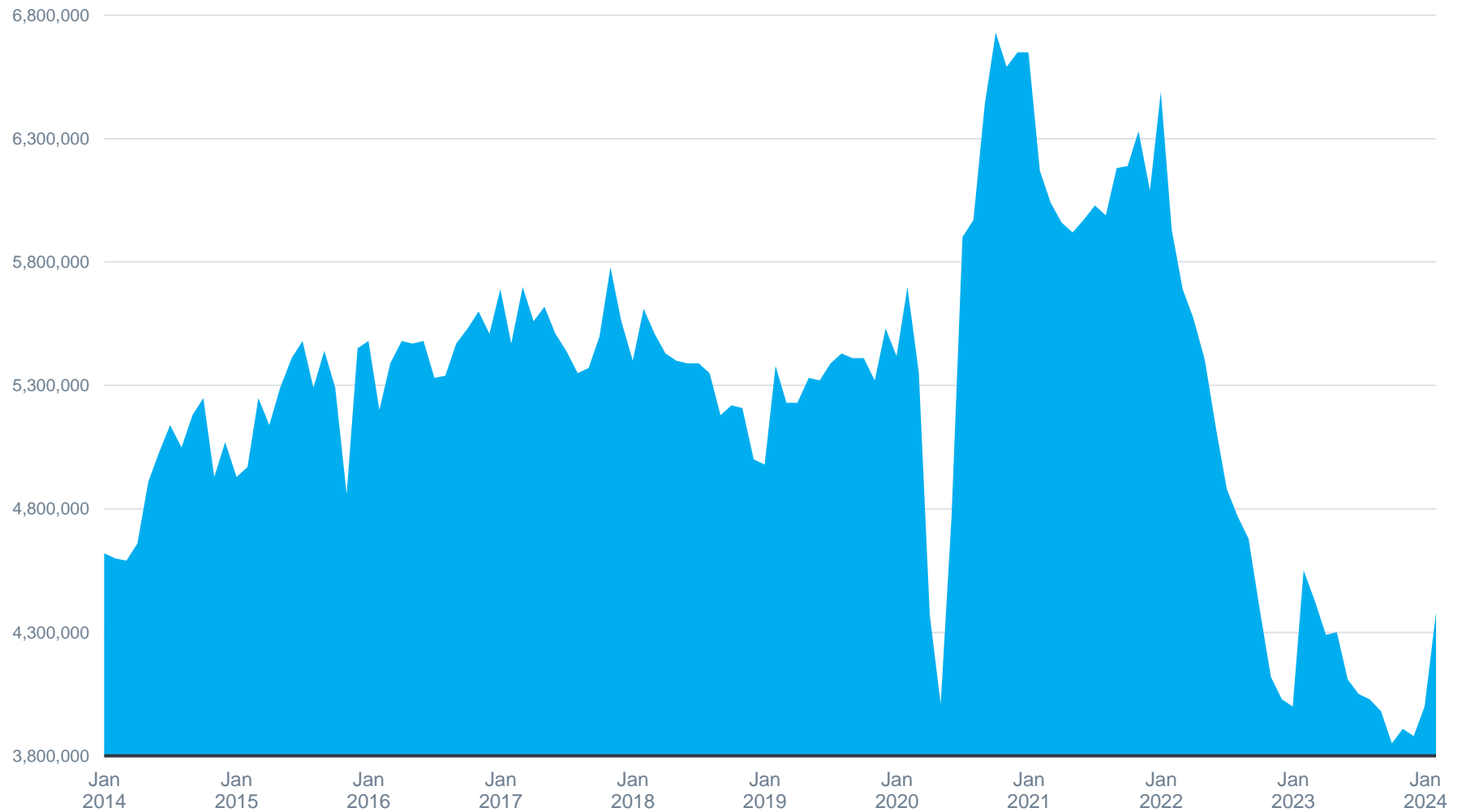
Average Days on the Market

February 2024



Existing Home Sales

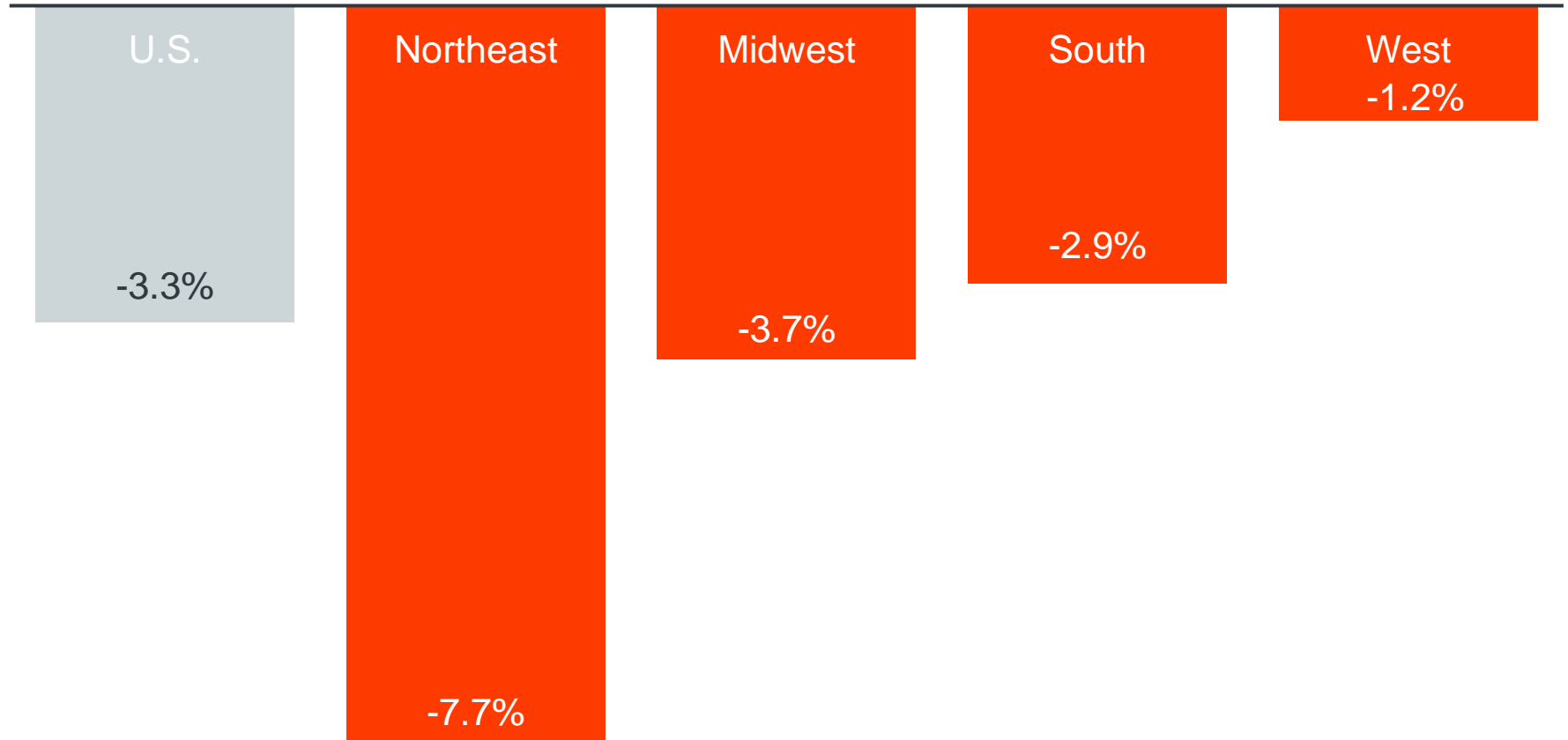
Since January 2014



Source: NAR

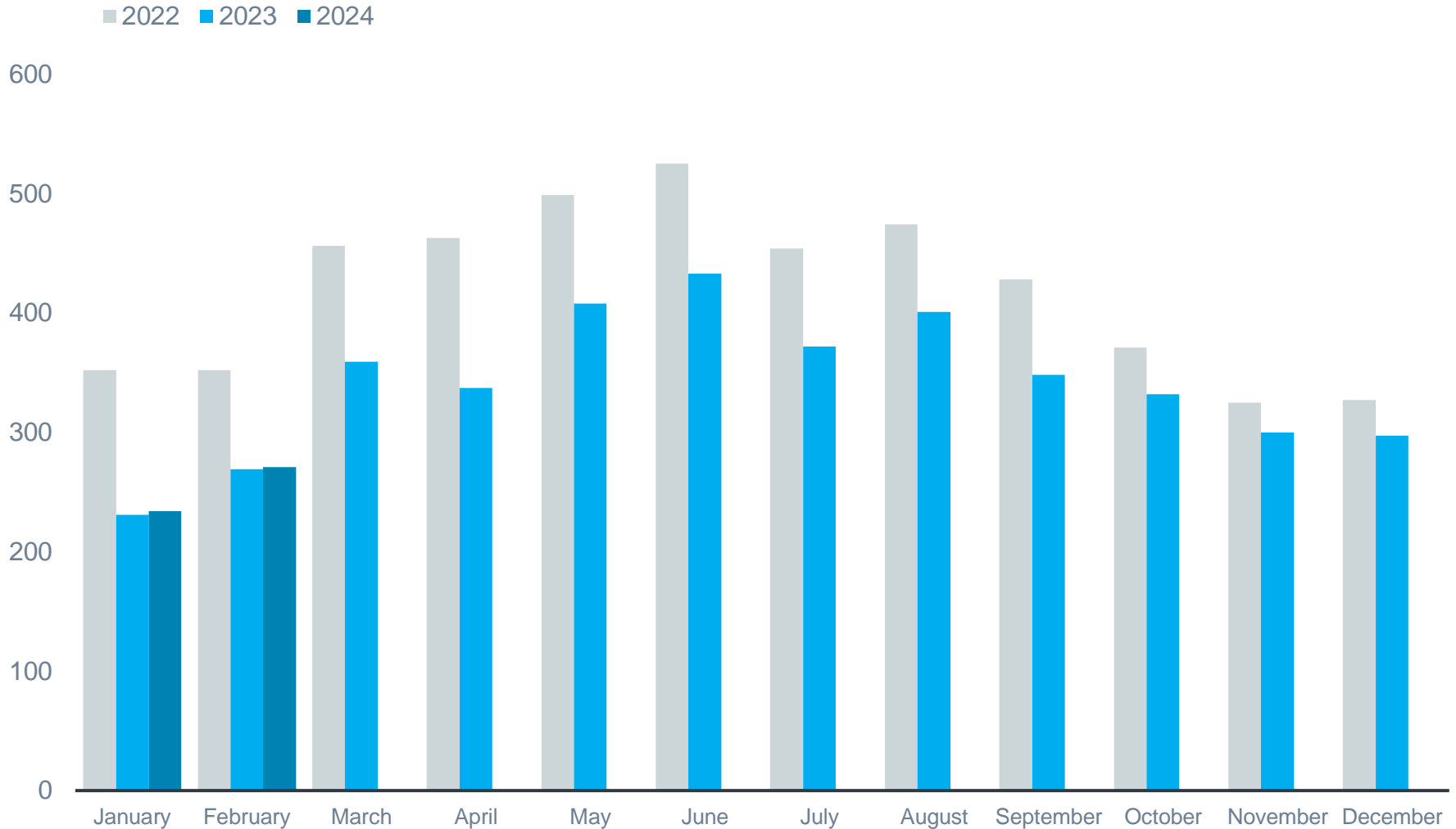
Existing Home Sales

Year-Over-Year, by Region



Existing Home Sales

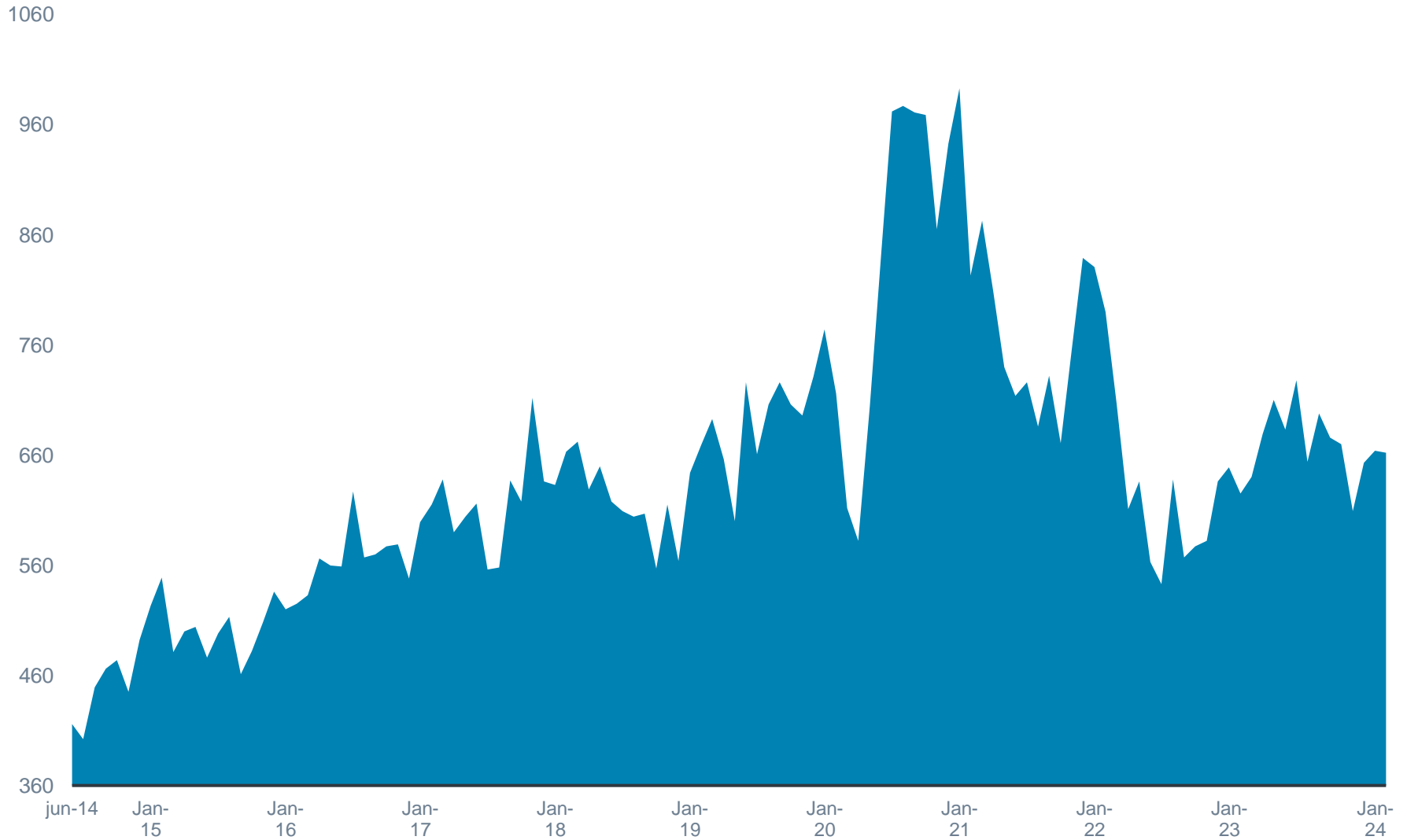
In Thousands



Source: NAR

New Home Sales

Annualized in Thousands

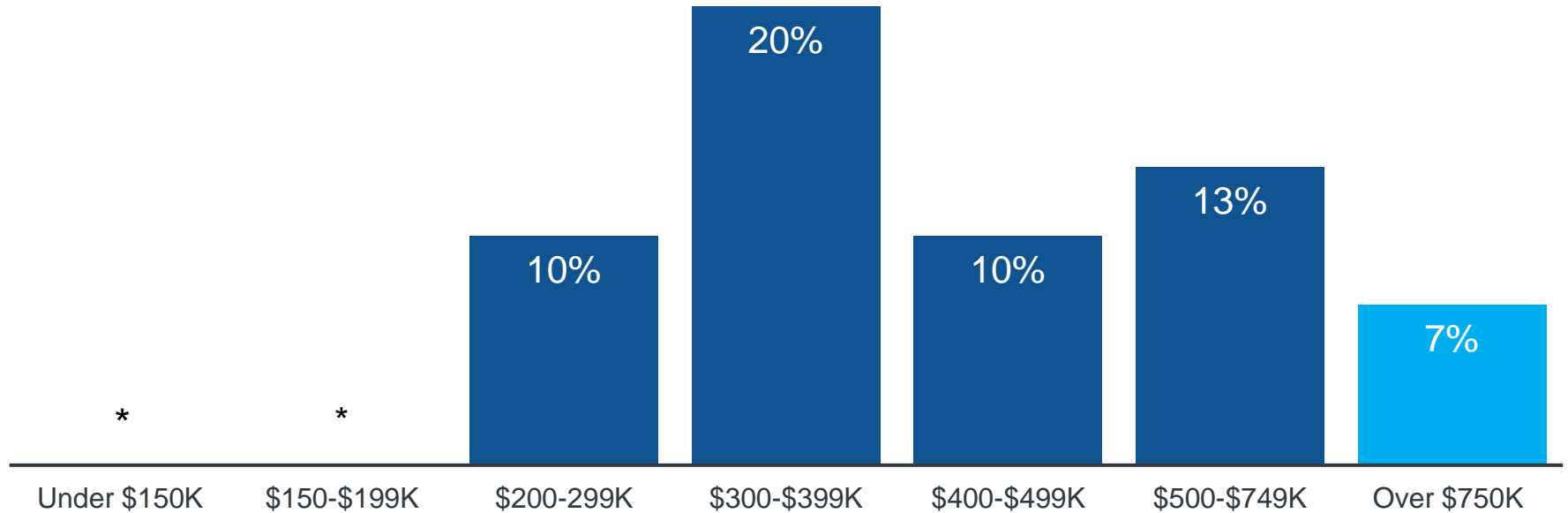


Source: Census

New Home Sales

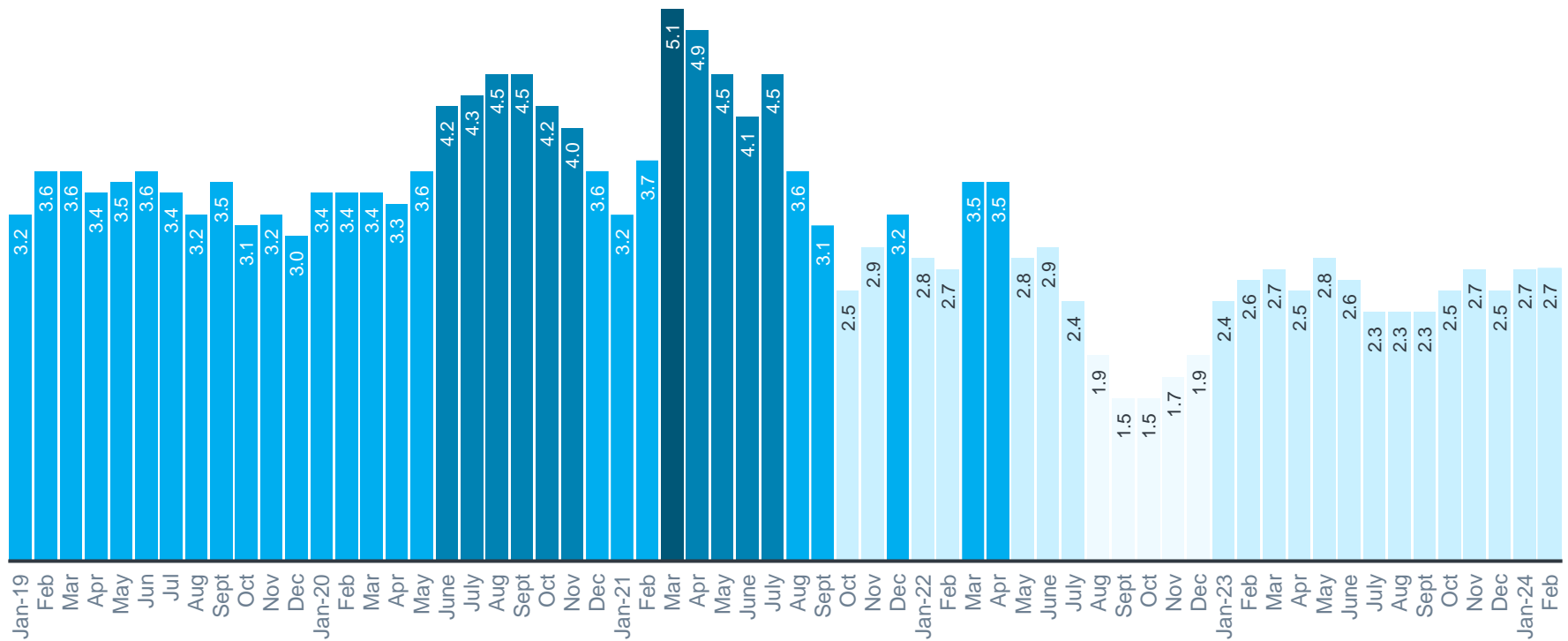
Percent of Distribution by Price Range

* Less Than 500 Units or Less Than 0.5 Percent



New Homes Selling Fast

Median Months from Completion to Sold

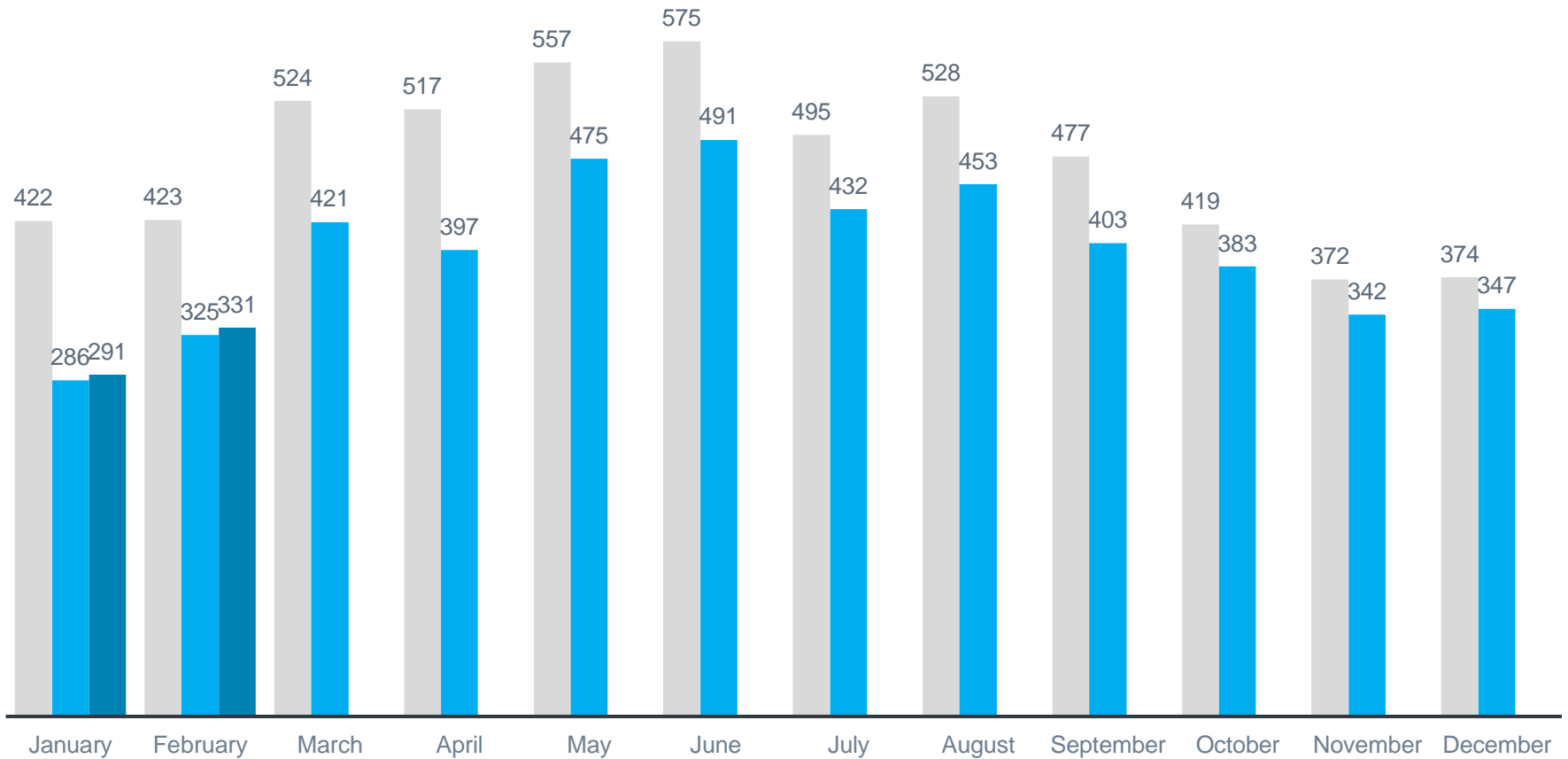


Source: Census

Total Home Sales

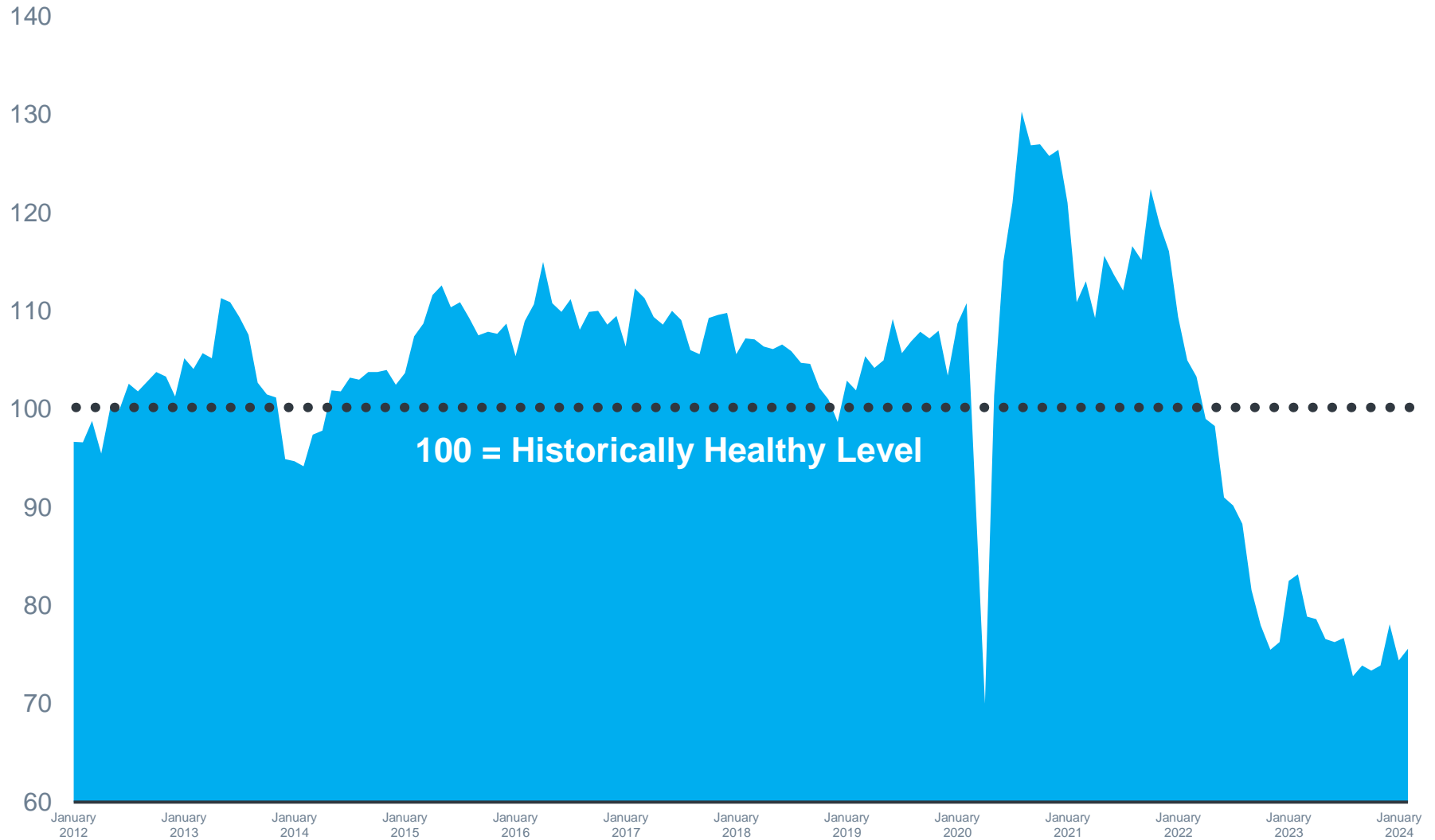
In Thousands

■ 2022 ■ 2023 ■ 2024



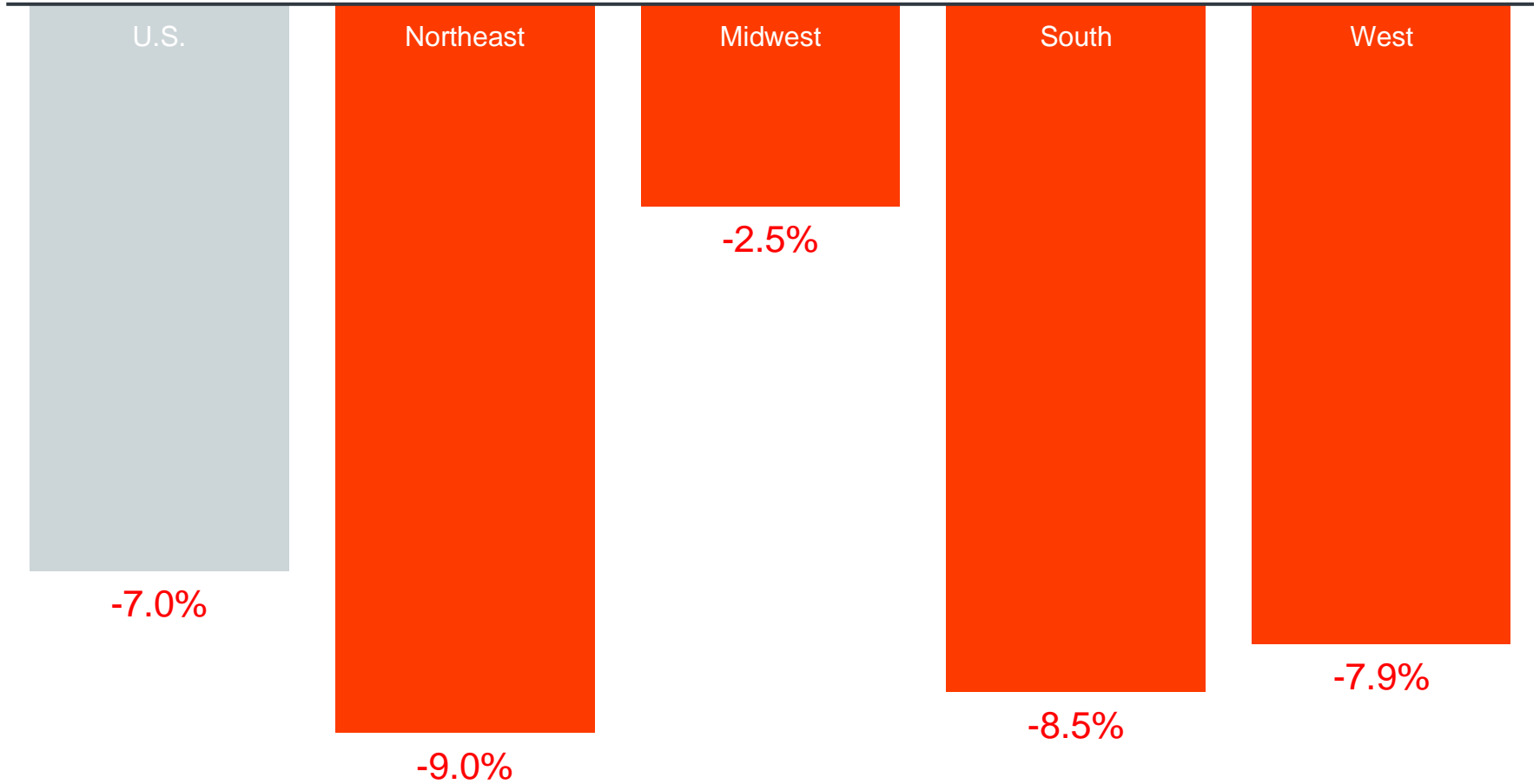
Source: Census

Pending Home Sales



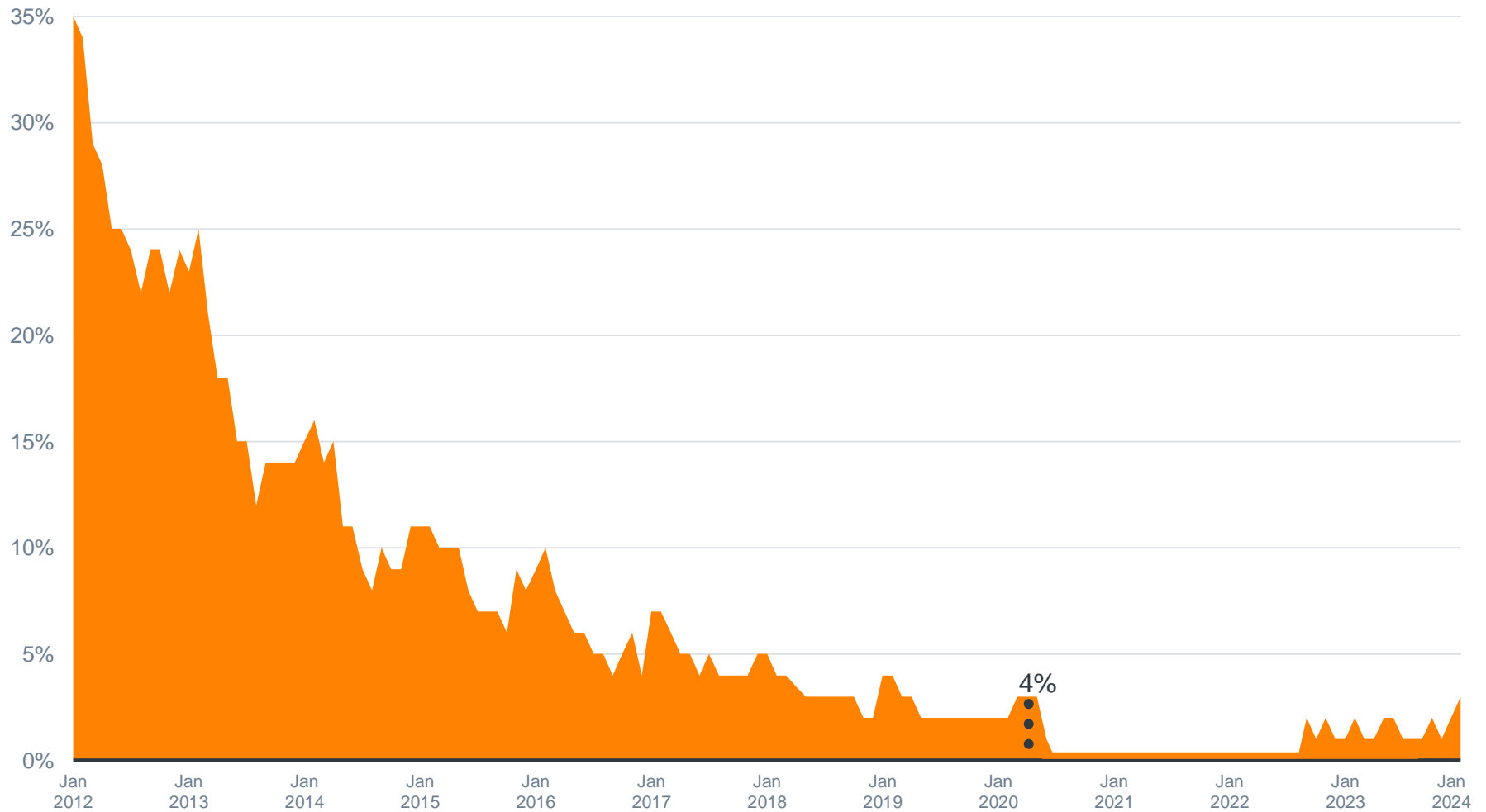
Pending Home Sales

Year-Over-Year by Region



Percentage of Distressed Property Sales

Distressed Sales (Foreclosures and Short Sales) Represented 3% of sales in February.

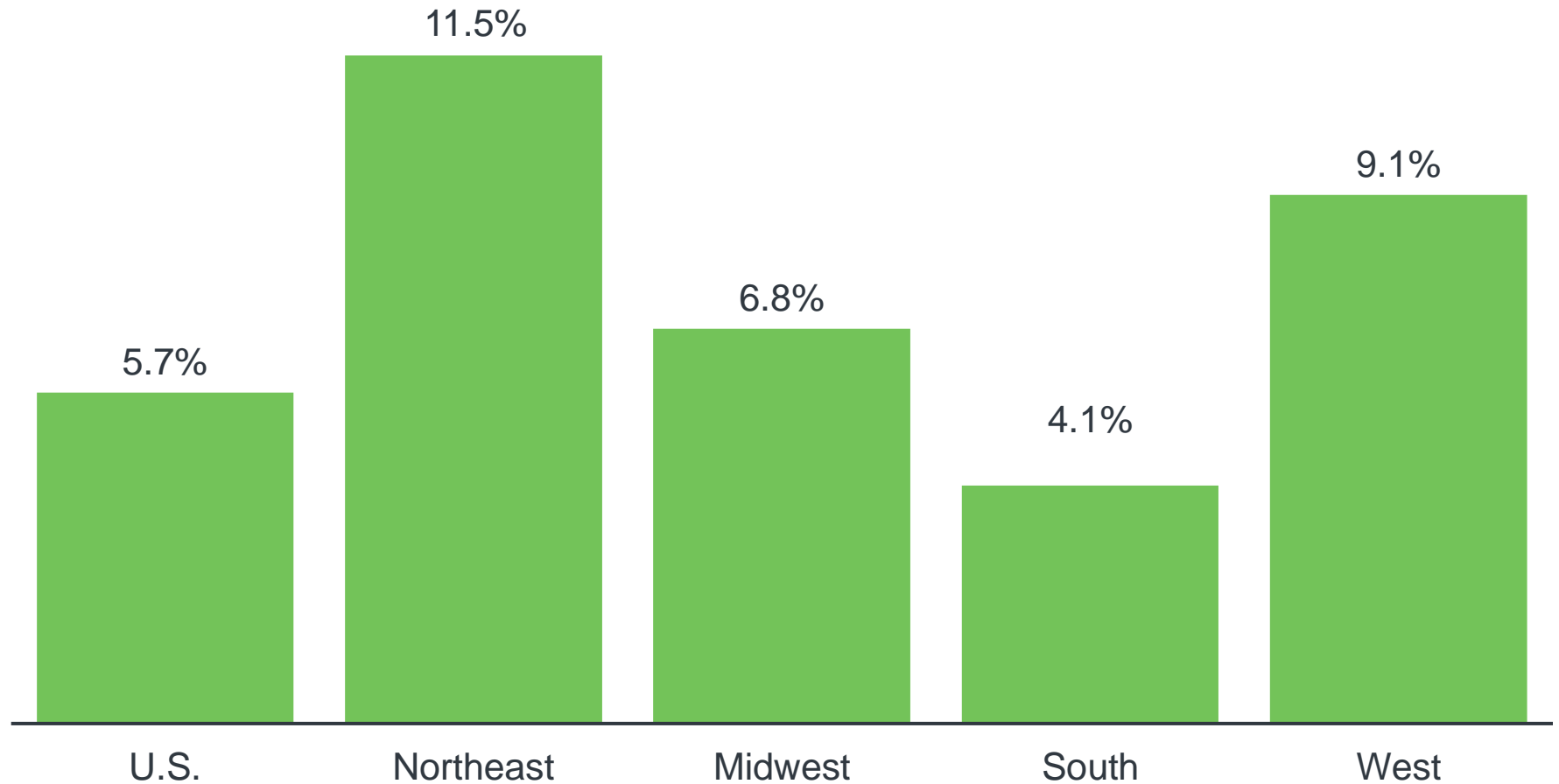




Home Prices

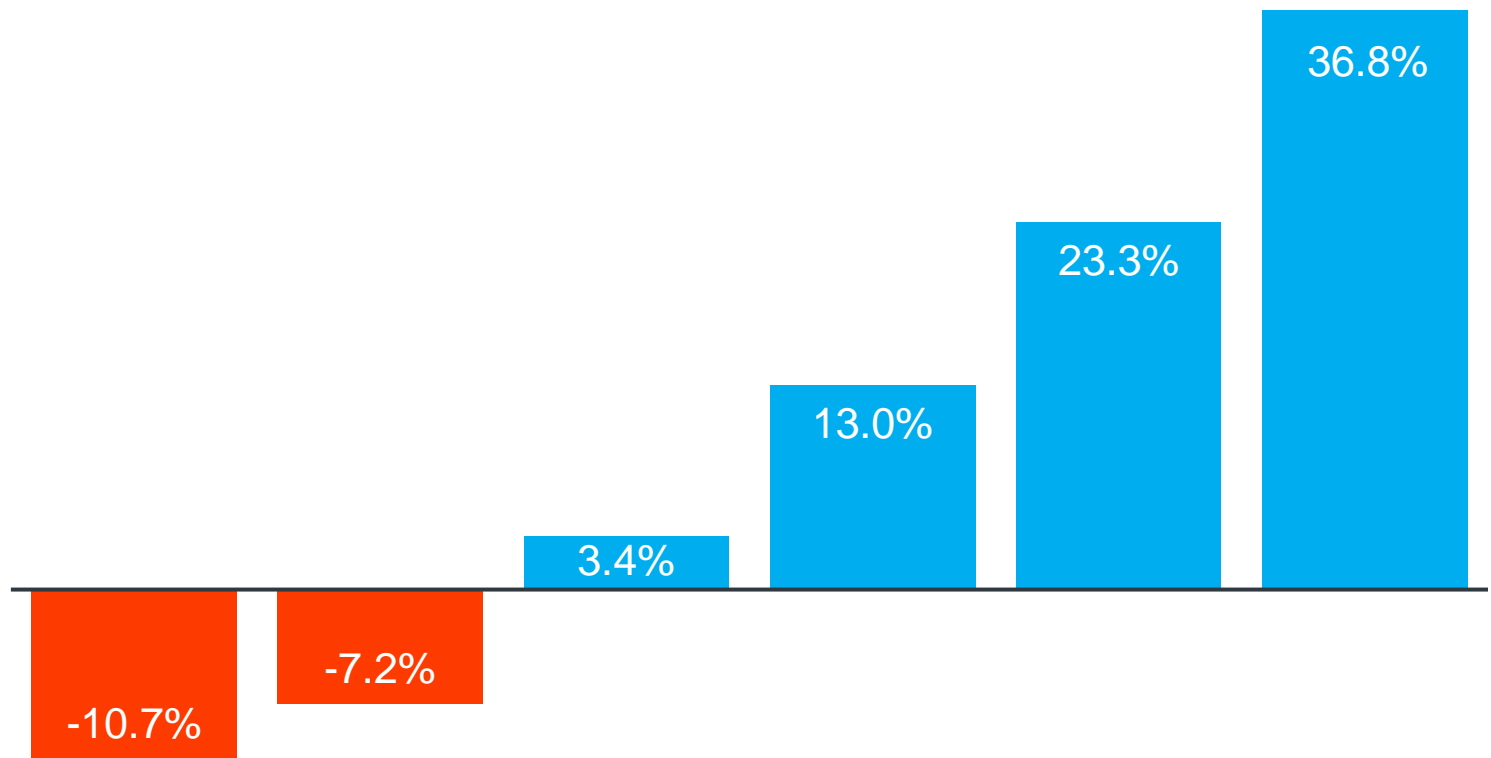
Sales Price of Existing Homes

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	-10.7%	-7.2%	3.4%	13.0%	23.3%	36.8%

Change in Home Prices

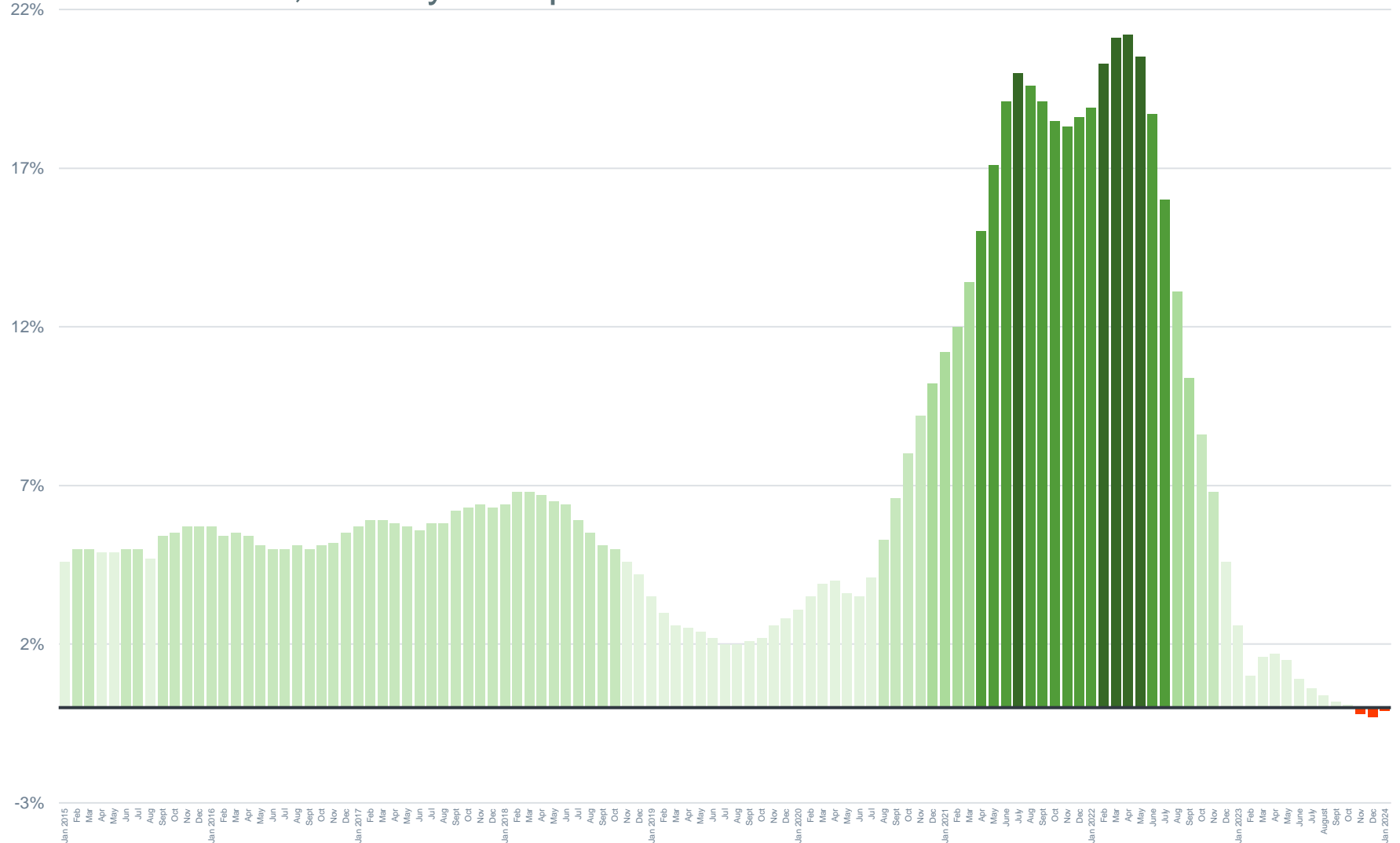
Year-Over-Year



Source: S&P Case-Shiller

Change in Home Prices

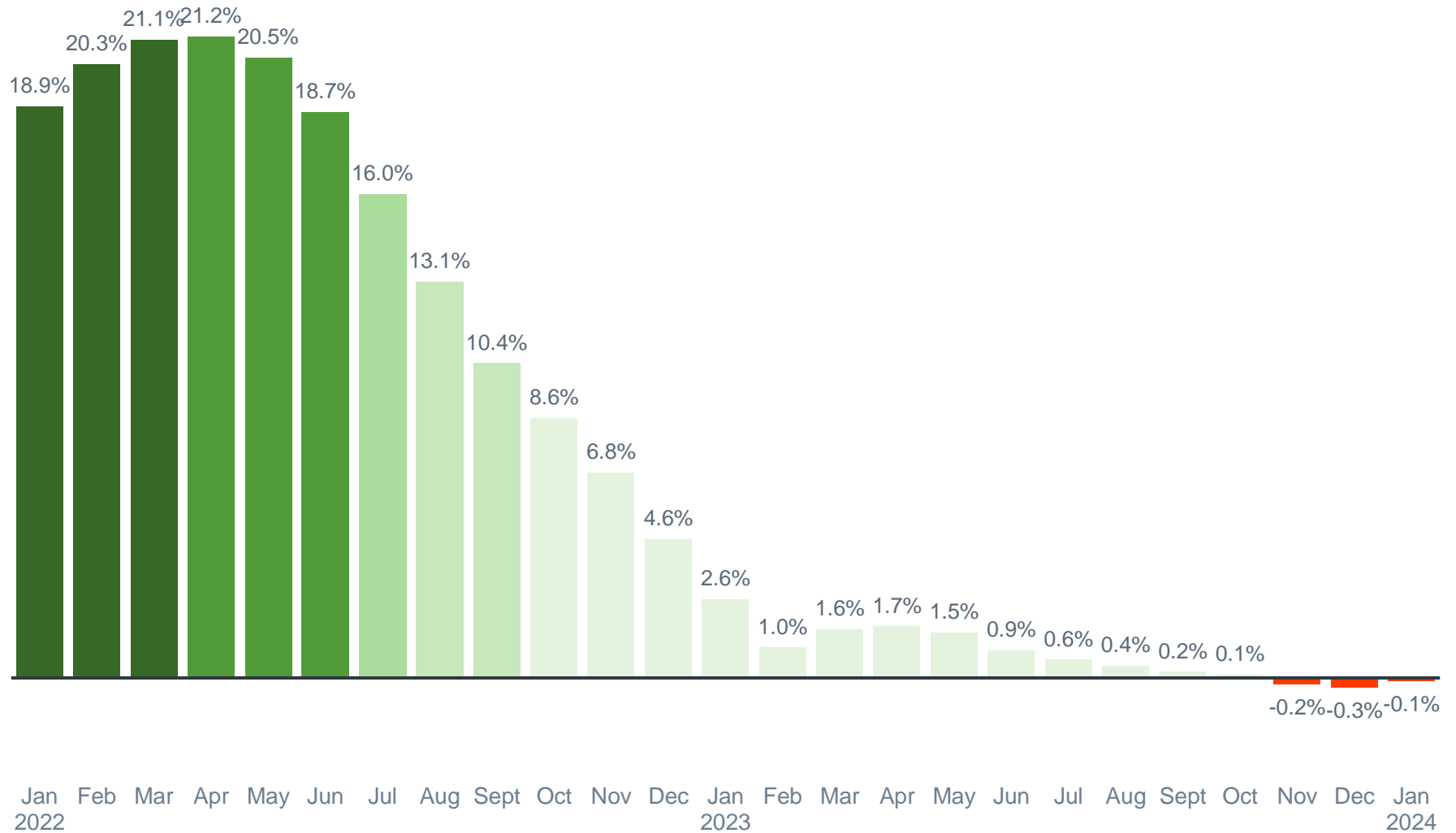
Year-Over-Year, 20 City Composite



Source: S&P Case-Shiller

Change in Home Prices

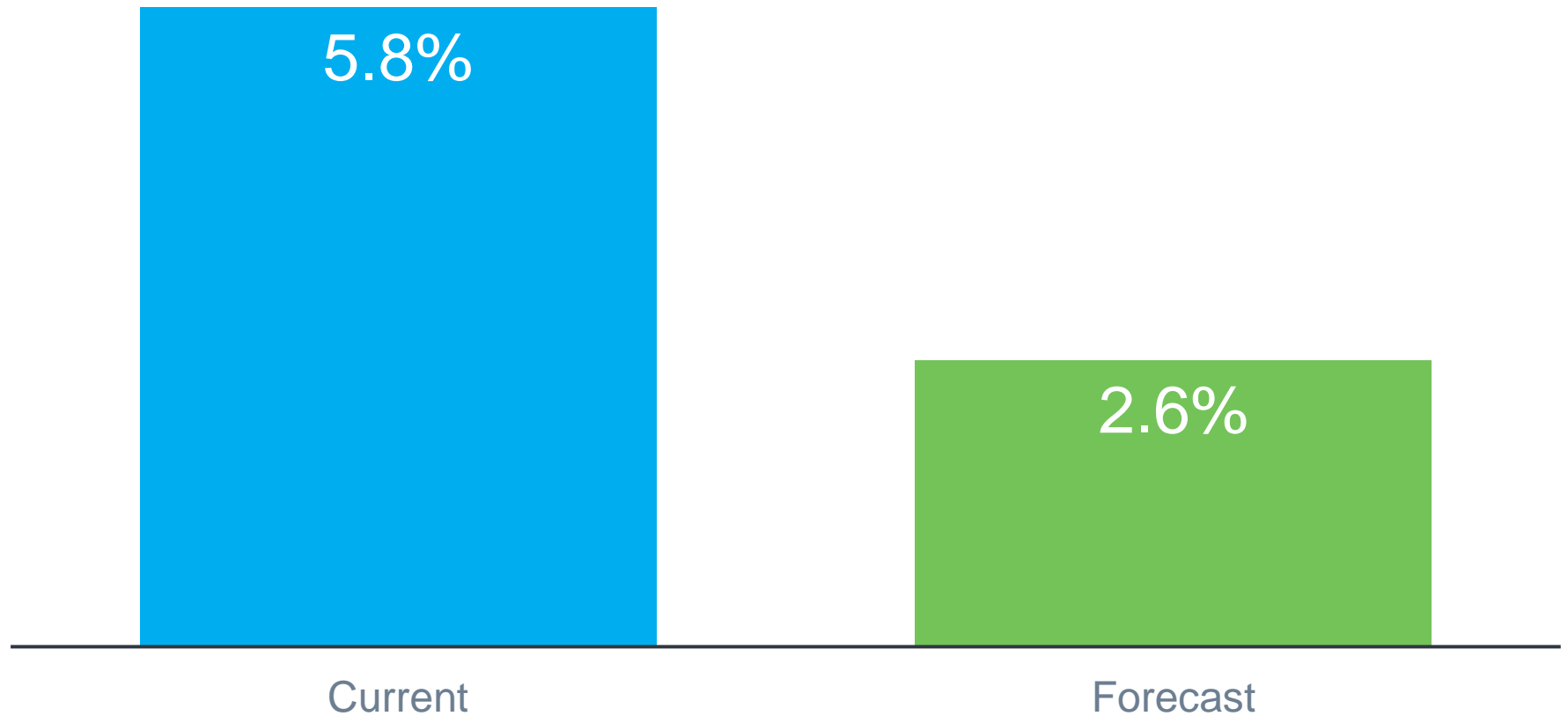
Year-Over-Year, 20 City Composite



Source: S&P Case-Shiller

Year-Over-Year % Change in Price

US Home Price Insights – January 2024

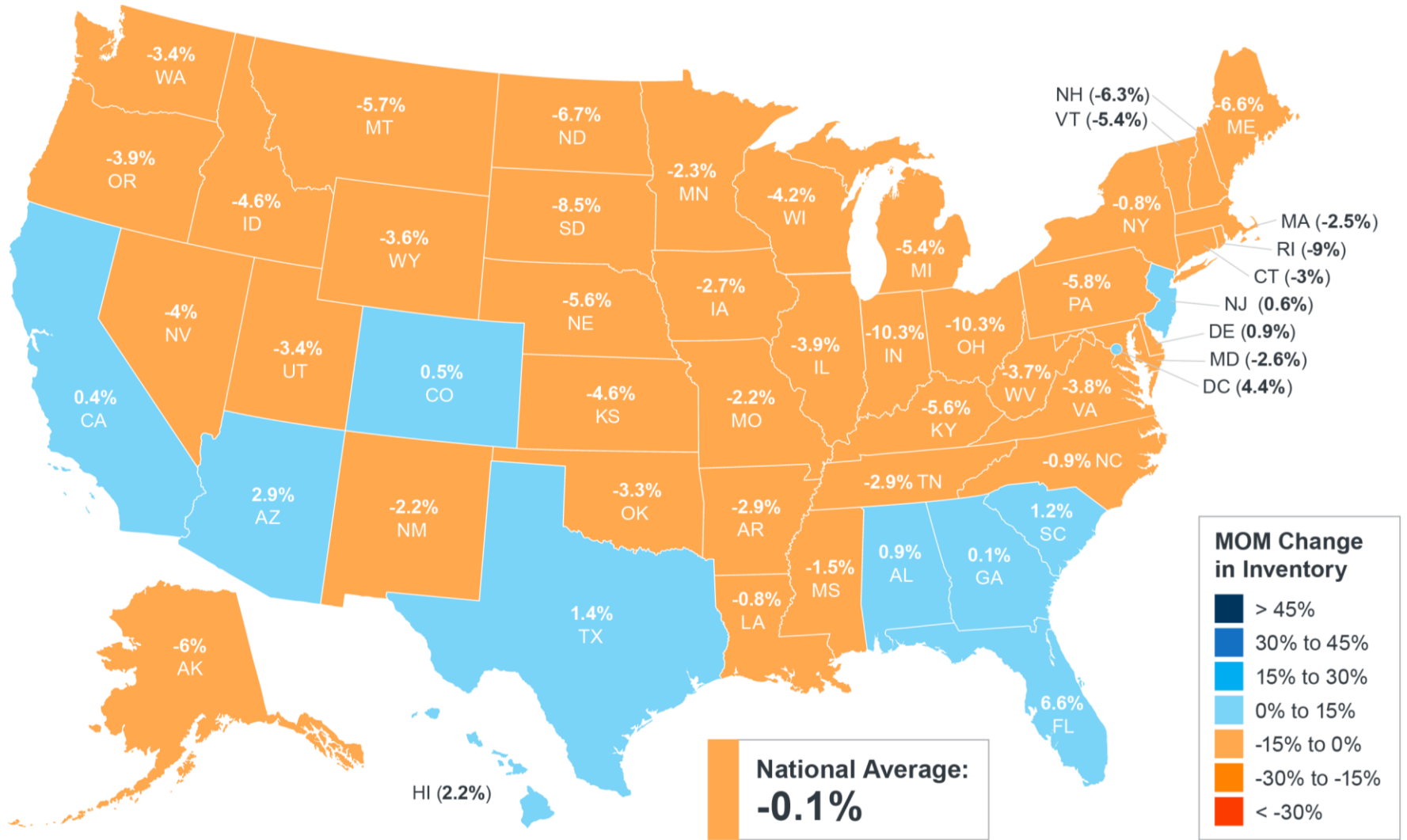




Housing Inventory

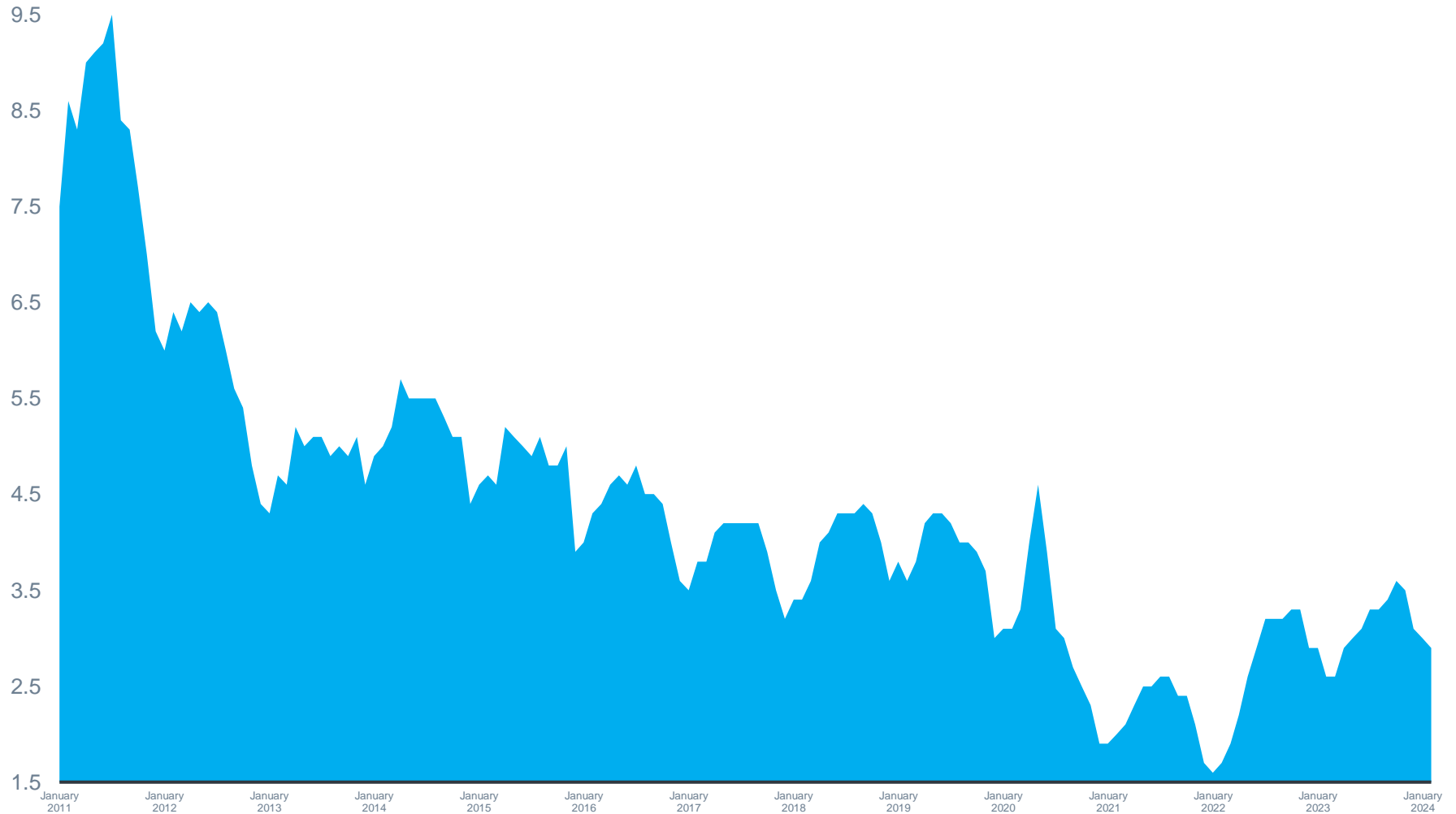
Change in Inventory

Month-Over-Month, February 2024



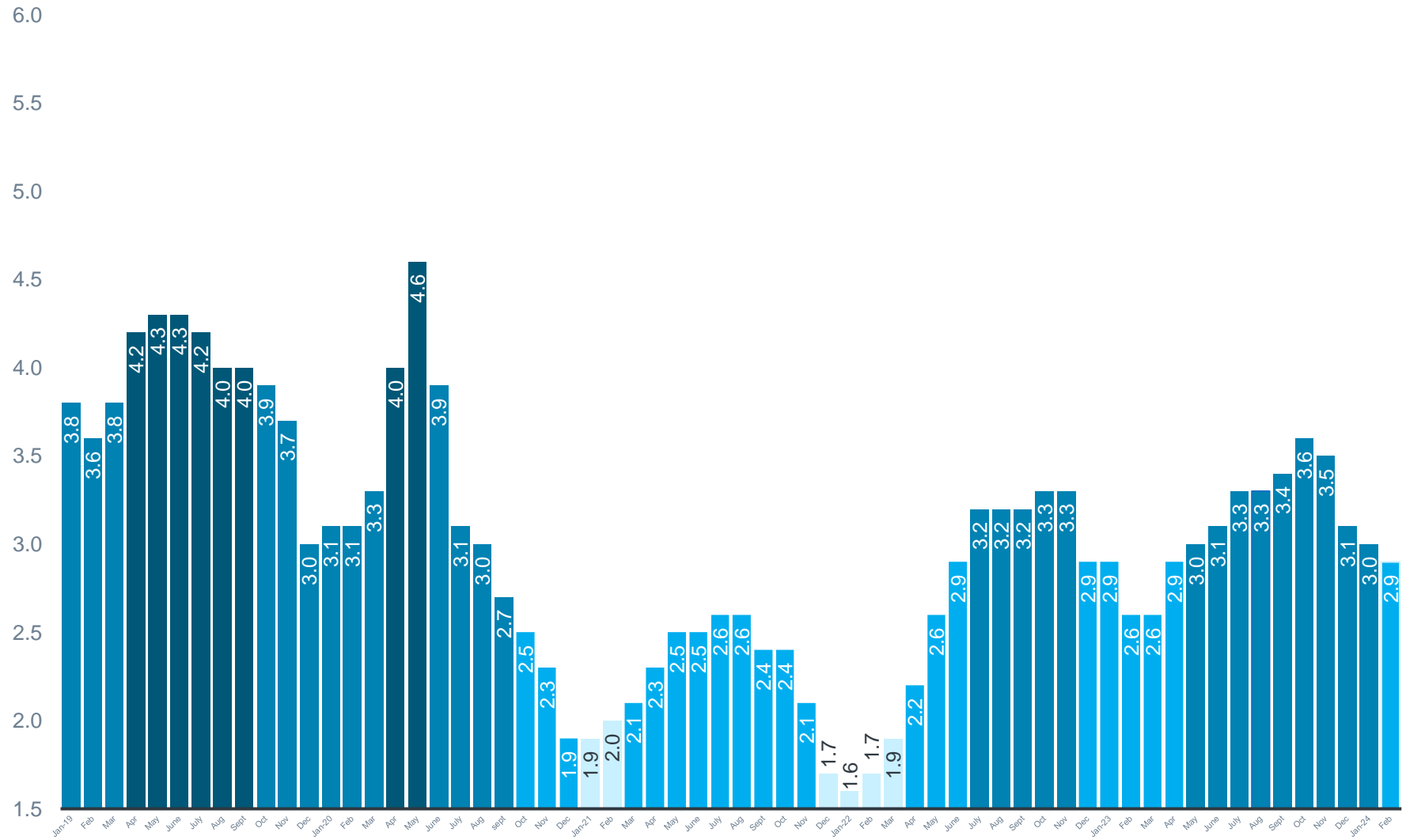
Months Inventory of Homes for Sale

2011 - Today

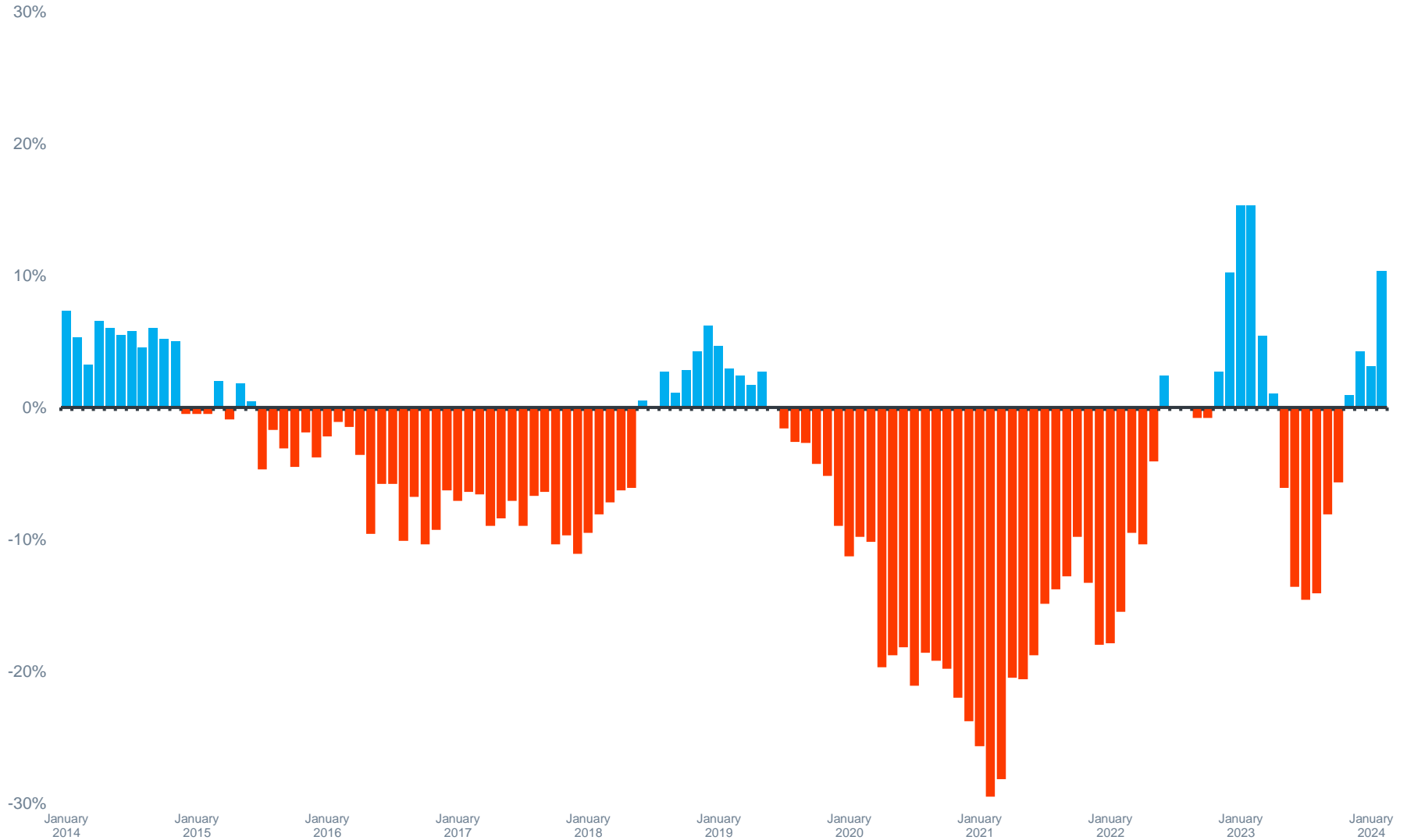


Months Inventory of Homes for Sale

Since 2019

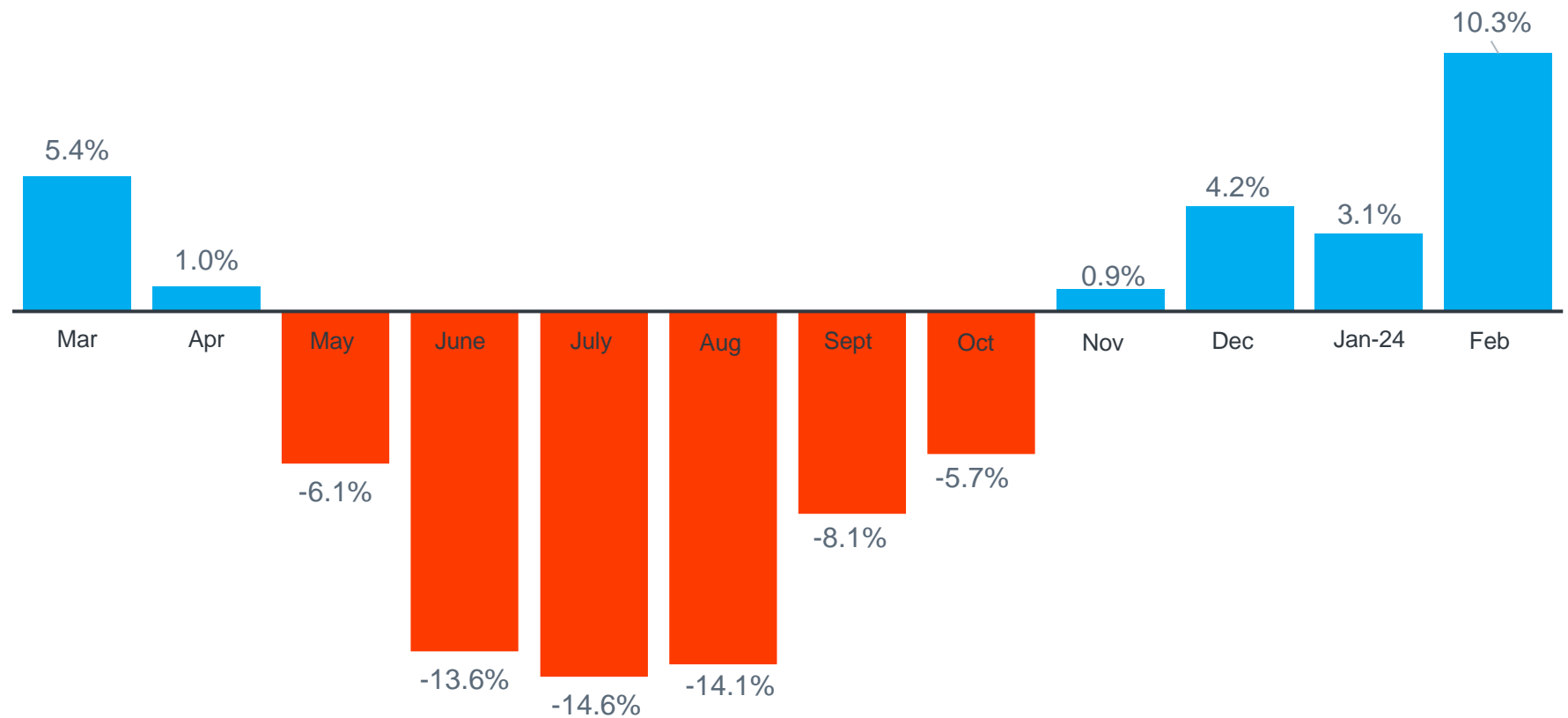


Year-Over-Year Inventory Levels



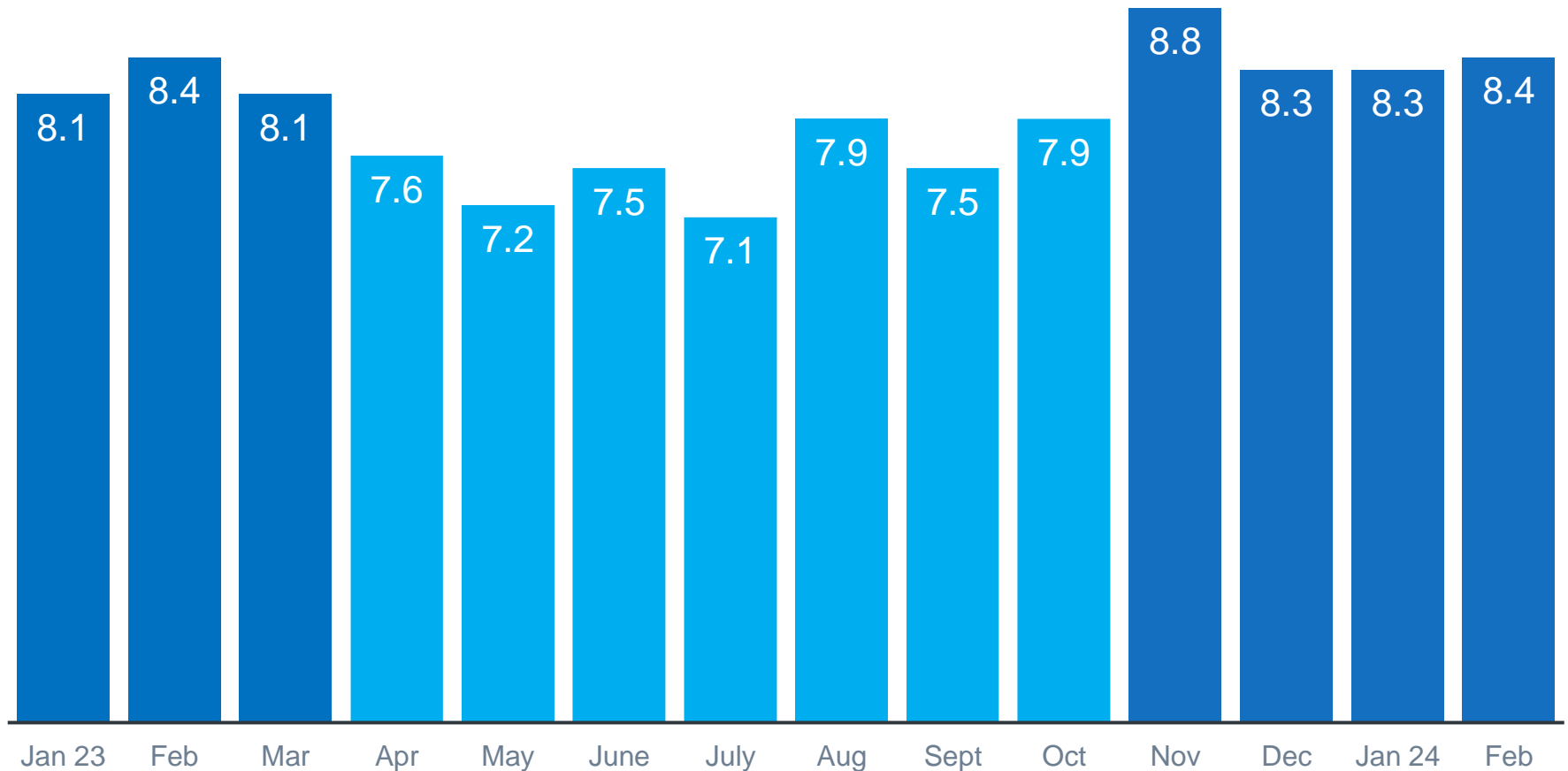
Year-Over-Year Inventory Levels

Last 12 Months



New Home Monthly Inventory

Seasonally Adjusted, Last 13 Months

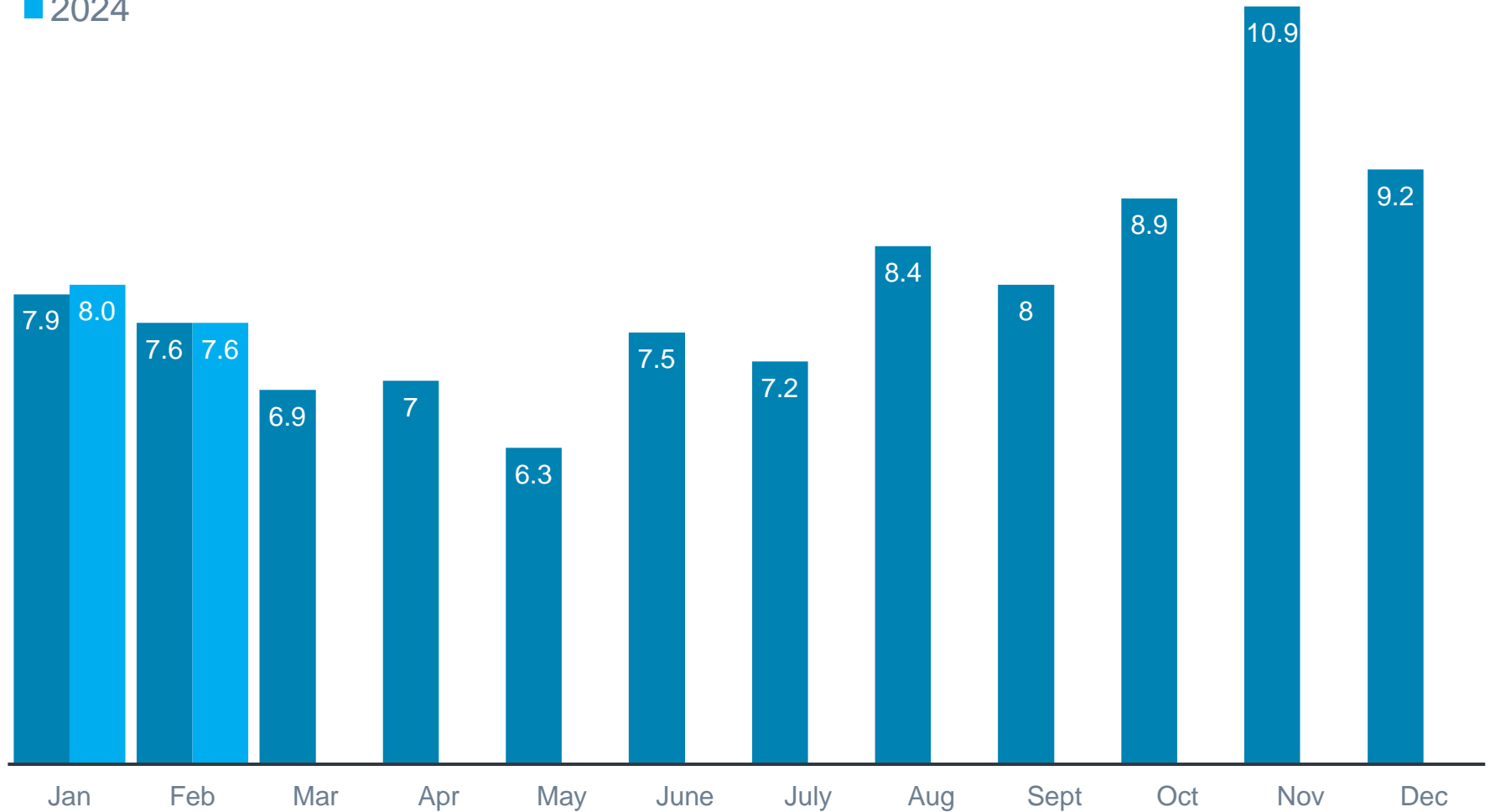


New Home Monthly Inventory

Non-Seasonally Adjusted

■ 2023

■ 2024



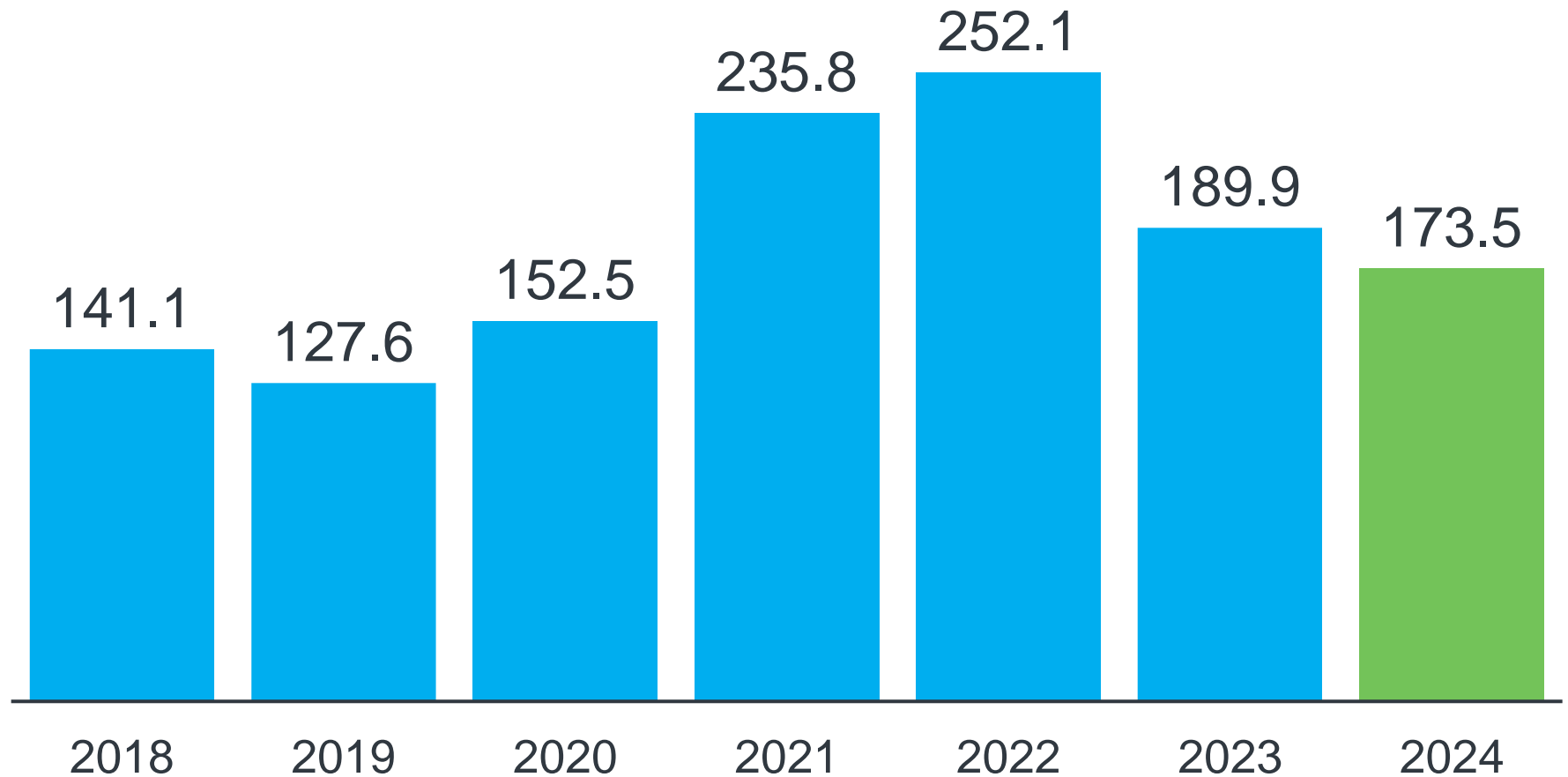
Source: Census



Buyer Demand

Showing Index Still Remain Above Pre-pandemic Levels

Showing Index over Last 7 Januarys

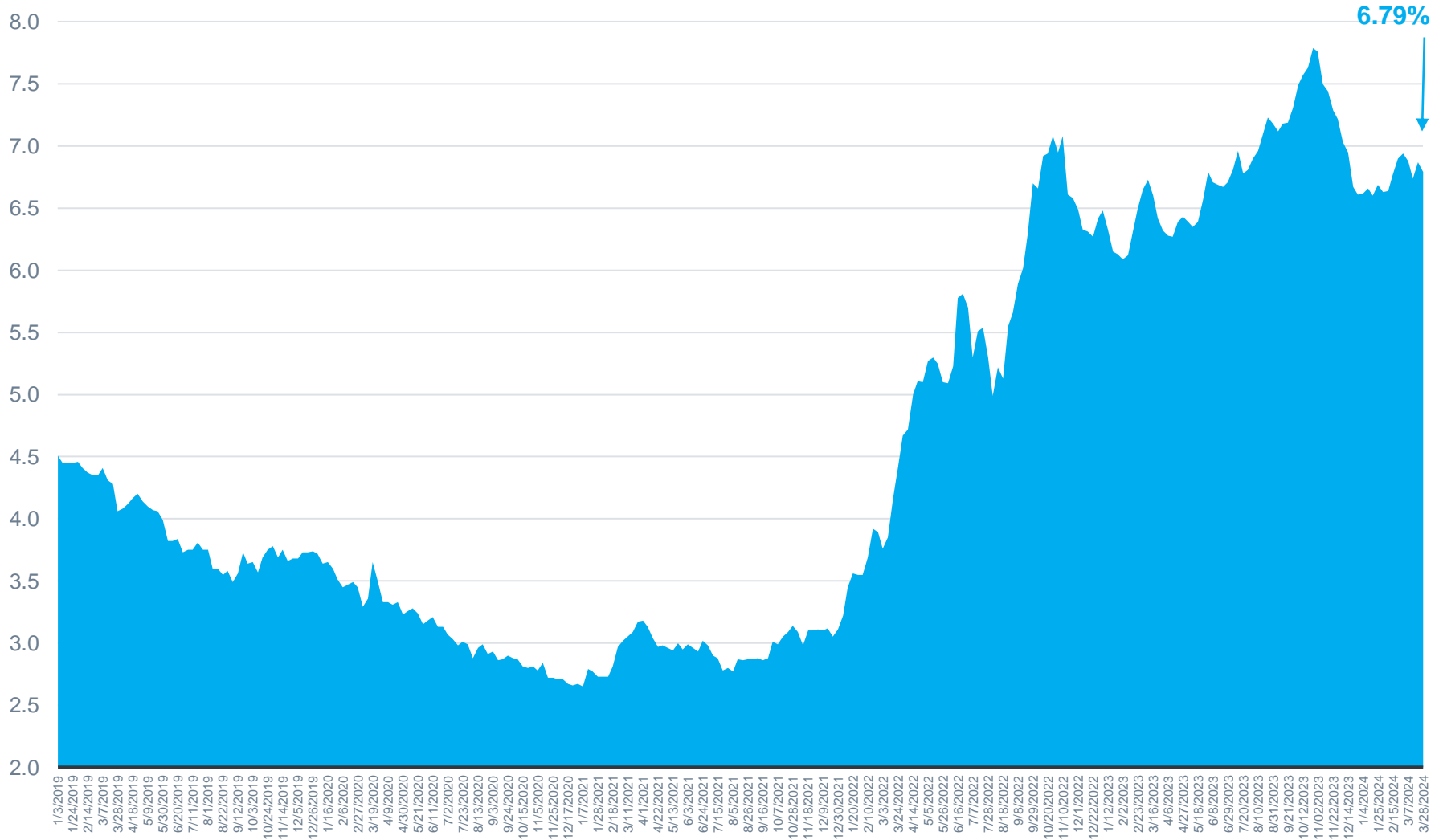




Mortgage Rates

Mortgage Rates

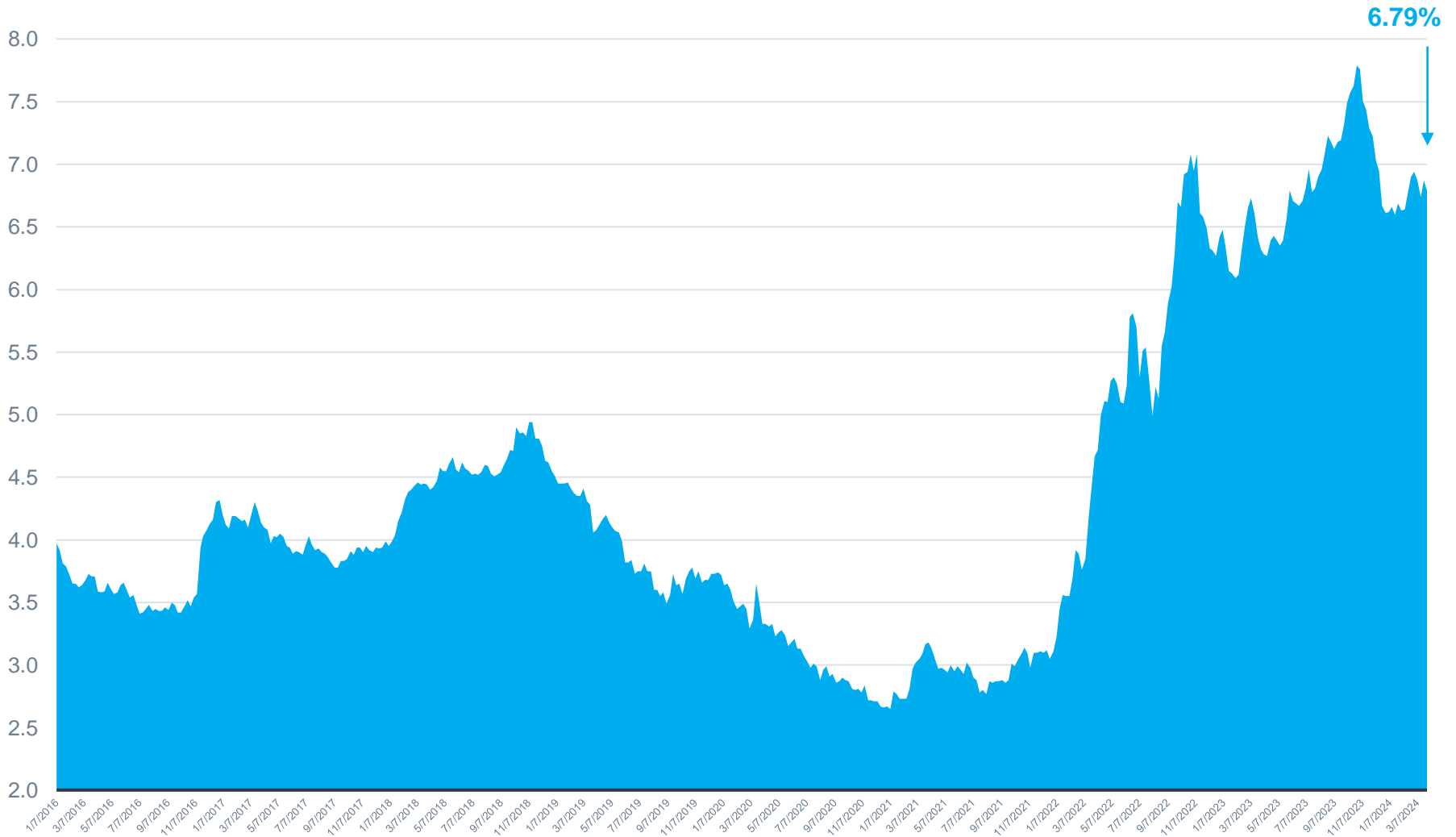
30-Year Fixed Rate, January 2018–Today



Source: Freddie Mac

Mortgage Rates

30-Year Fixed Rate, January 2016–Today



Source: Freddie Mac

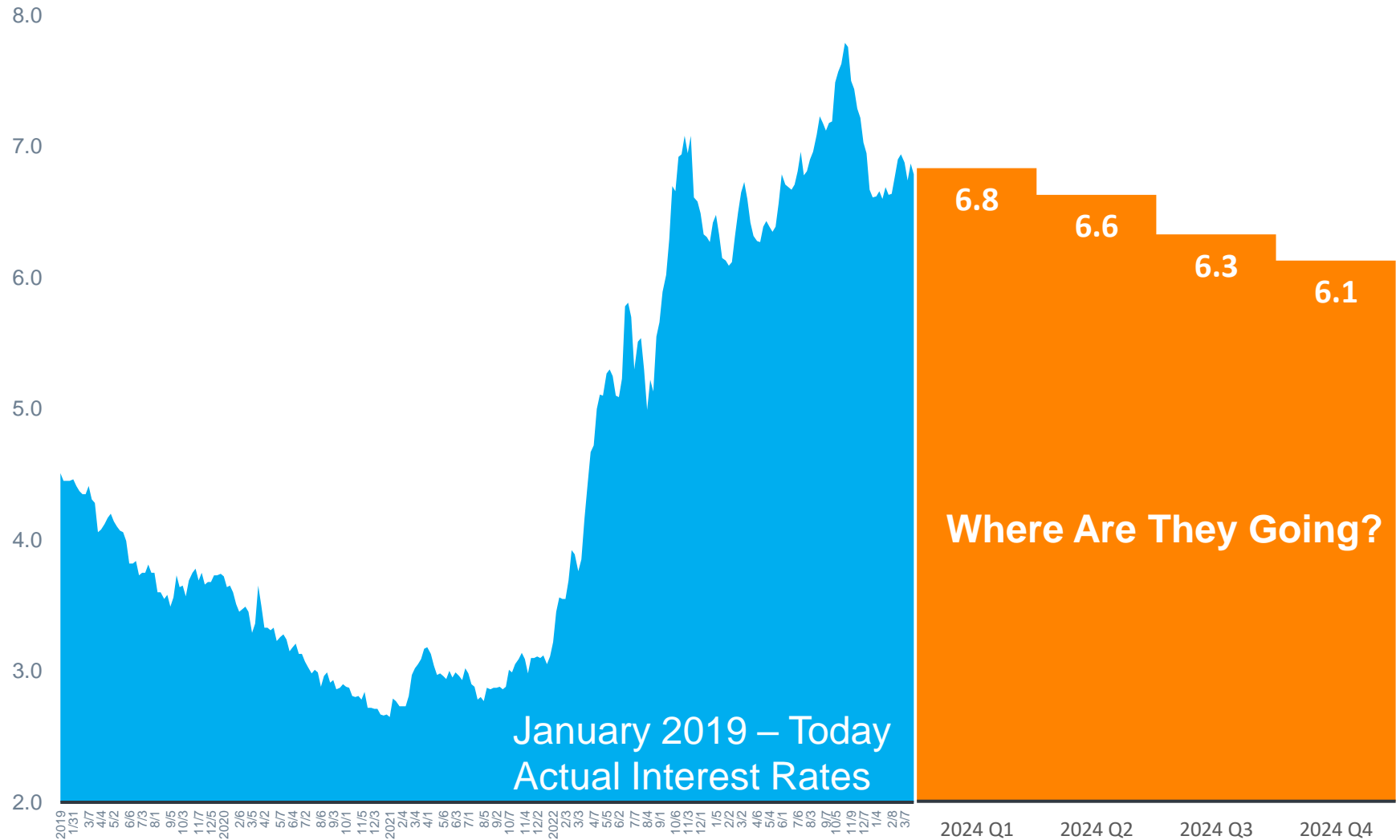
Mortgage Rate Projections

January 2023

Quarter	Fannie Mae	MBA	NAR	Average of All Three
2024 Q1	6.50%	6.80%	6.80%	6.70%
2024 Q2	6.30%	6.60%	6.60%	6.50%
2024 Q3	6.10%	6.30%	6.30%	6.23%
2024 Q4	5.90%	6.10%	6.10%	6.03%

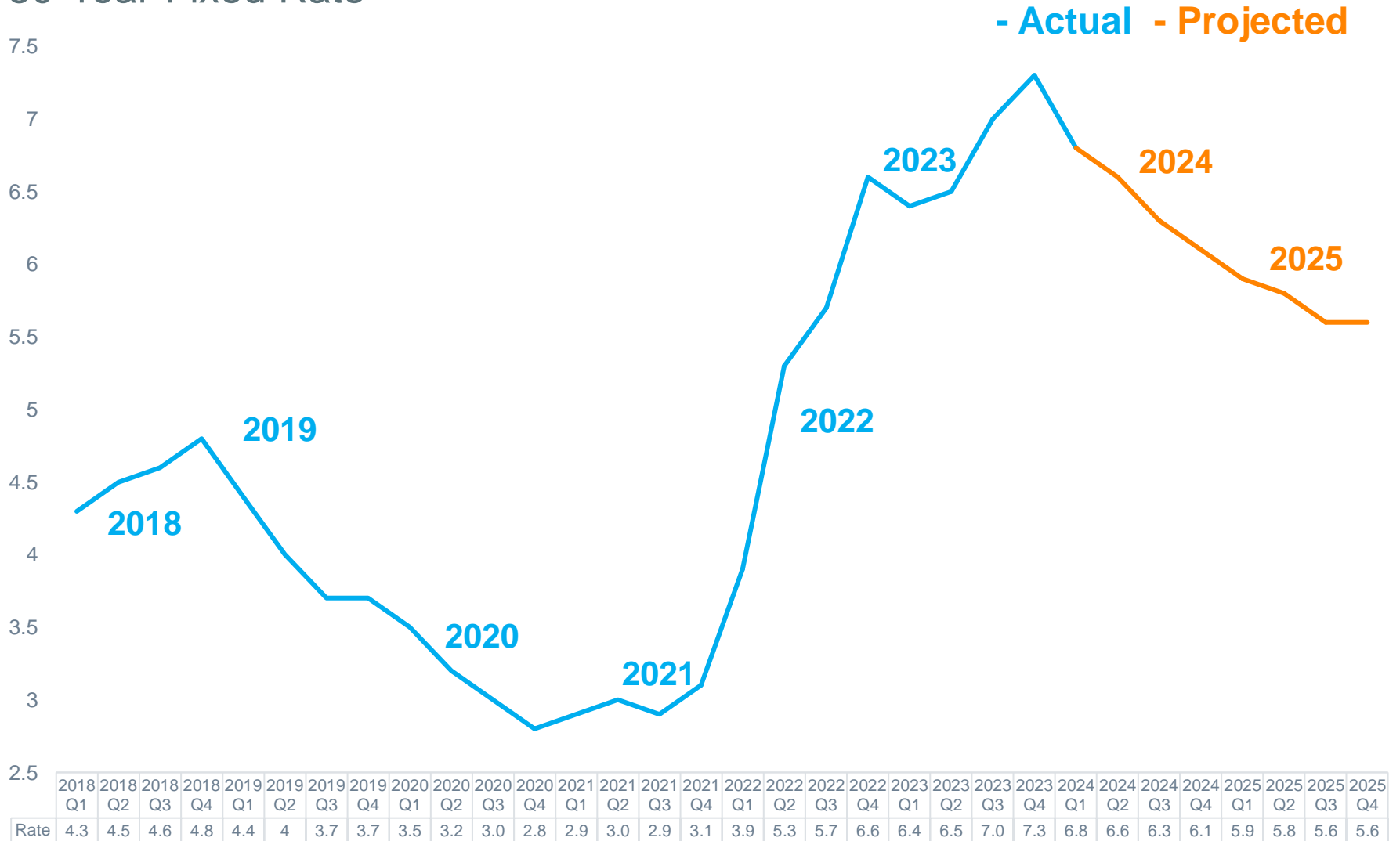
Mortgage Rates

30-Year Fixed Rate



Mortgage Rates

30-Year Fixed Rate

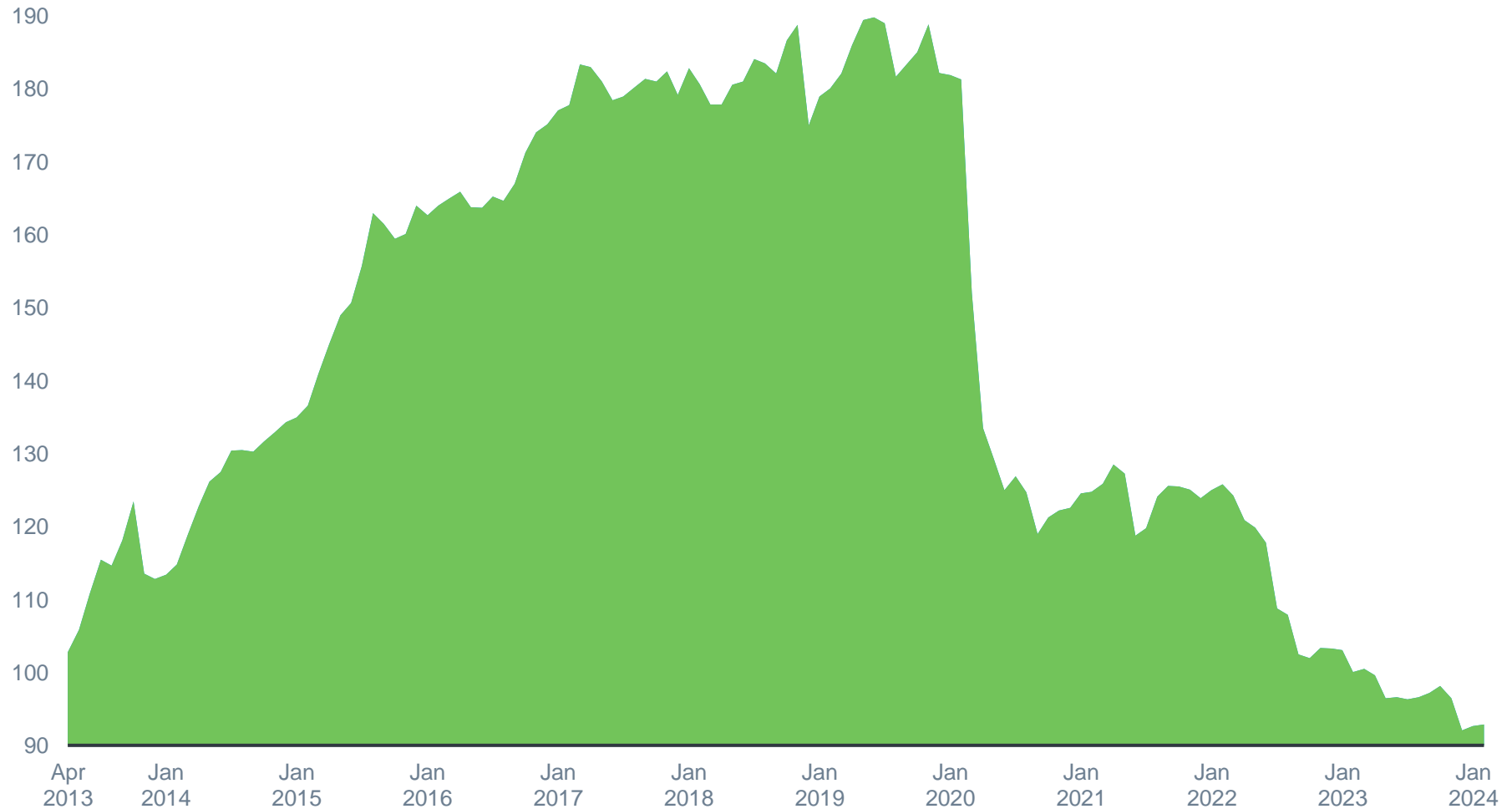




Mortgage Credit Availability

Mortgage Credit Availability Index (MCAI)

February 2024



Source: MBA

Lending Standards Still Under Control

Historic Data for the Mortgage Credit Availability Index (MCAI)

