



KEEPING CURRENT MATTERS

June 2024



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

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

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

What Every Buyer Needs To Know About Home Prices





Buy now, or wait? That's the question prospective homeowners have been struggling to answer in today's housing market. Home prices have been skyrocketing recently, and the Federal Reserve's work to tame inflation sent mortgage rates soaring, too. The combination has led many would-be buyers to pick the "wait" side of the equation.

- Bankrate



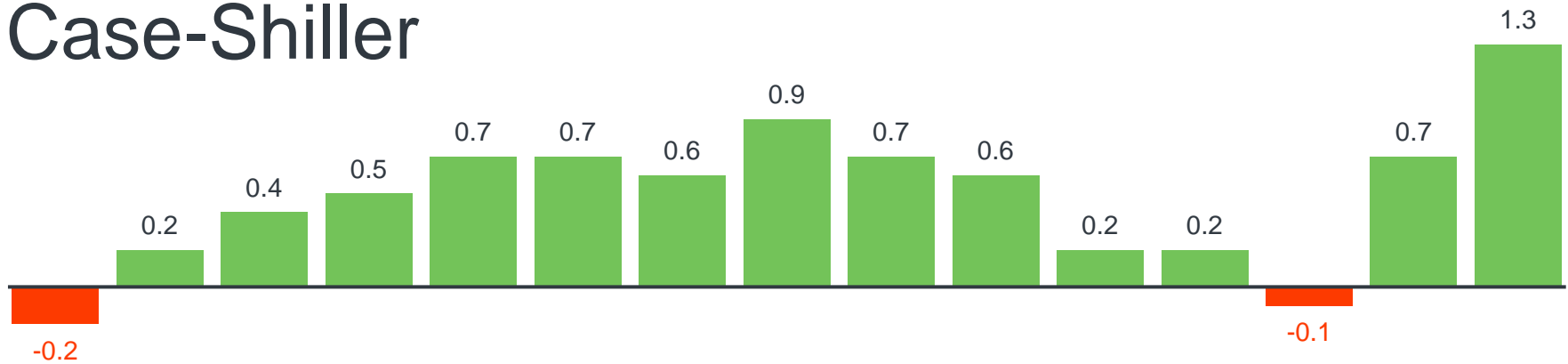
Home buyers face the most difficult affordability conditions in nearly 40 years . . .

- **Jessica Lautz**, Deputy Chief Economist & VP of Research, NAR

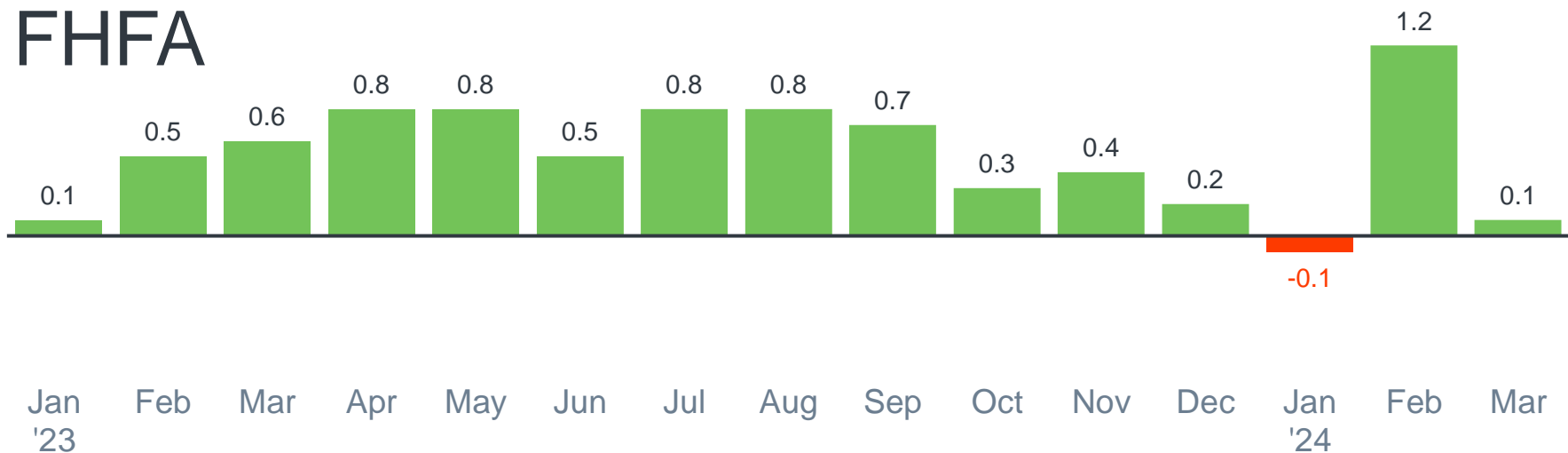
Home Values Climb This Month

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

Case-Shiller



FHFA





Astonishingly, greater than 90 percent of the country's metro areas experience home price growth despite facing the highest mortgage rates in two decades . . . **In the current market, rising prices are the direct result of insufficient housing supply not meeting the full demand.**

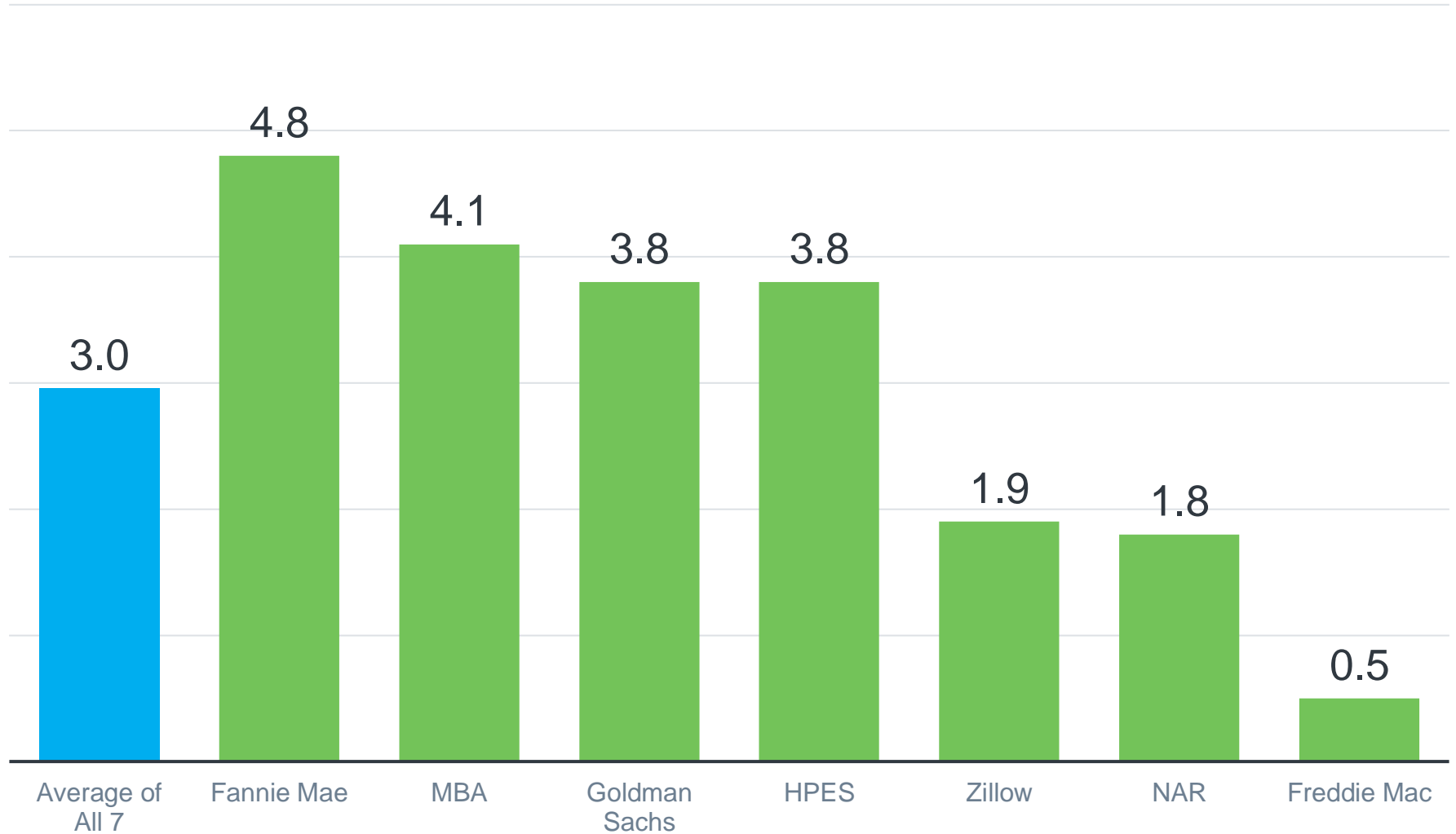
- Lawrence Yun, Chief Economist, NAR



. . . with the continued imbalance between supply and demand, home prices are expected to keep rising.

2024 Home Price Forecasts

Percent Appreciation/Depreciation as of 6/3/2024





In the current market, rising prices are the direct result of insufficient housing supply not meeting the full demand.

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

What Every Buyer Needs To Know About Inventory



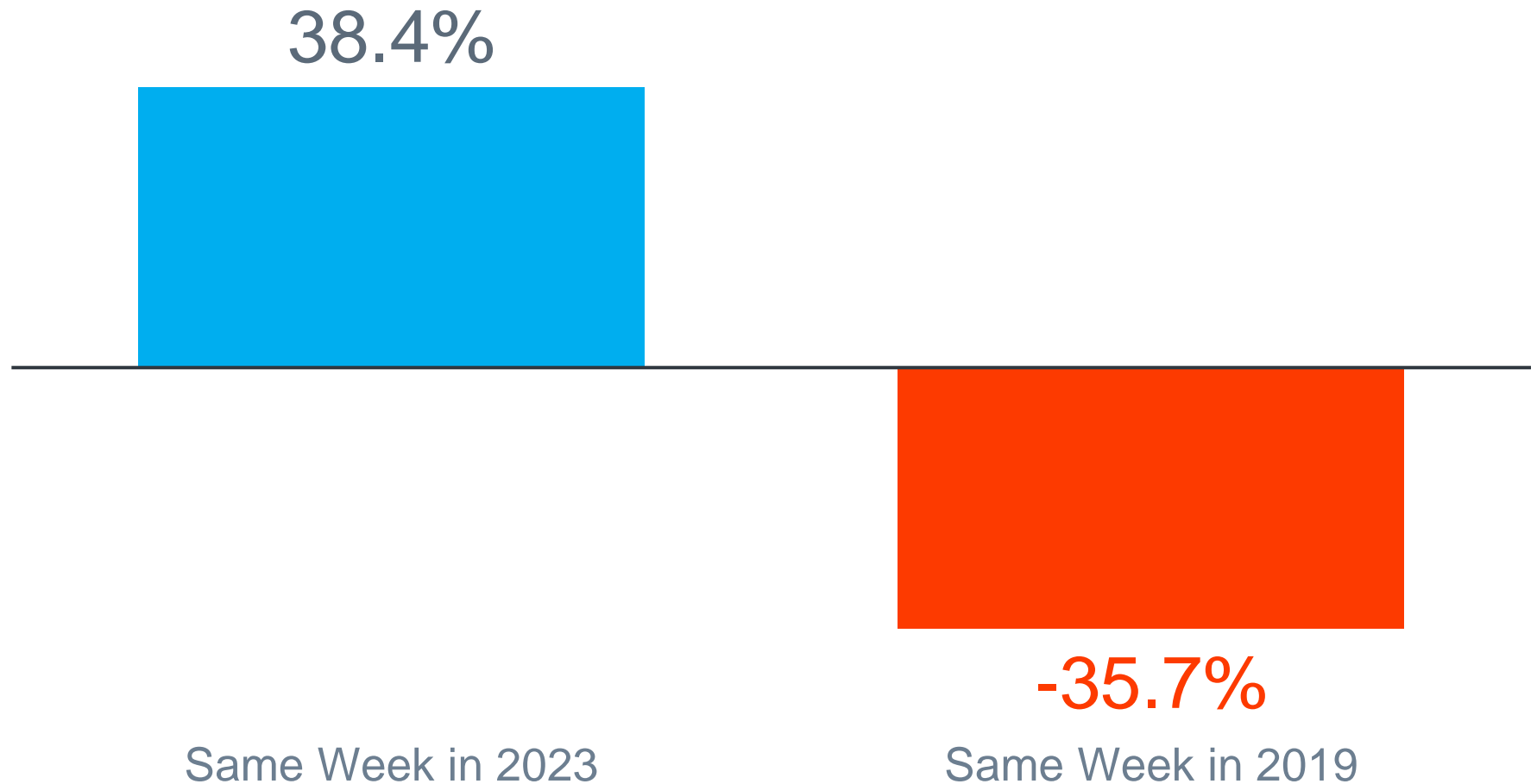


I always like to start with inventory, since inventory usually tells the tale!
And currently inventory is increasing year-over-year but is still well below pre-pandemic levels.

- **Bill McBride**, Founder, Calculated Risk

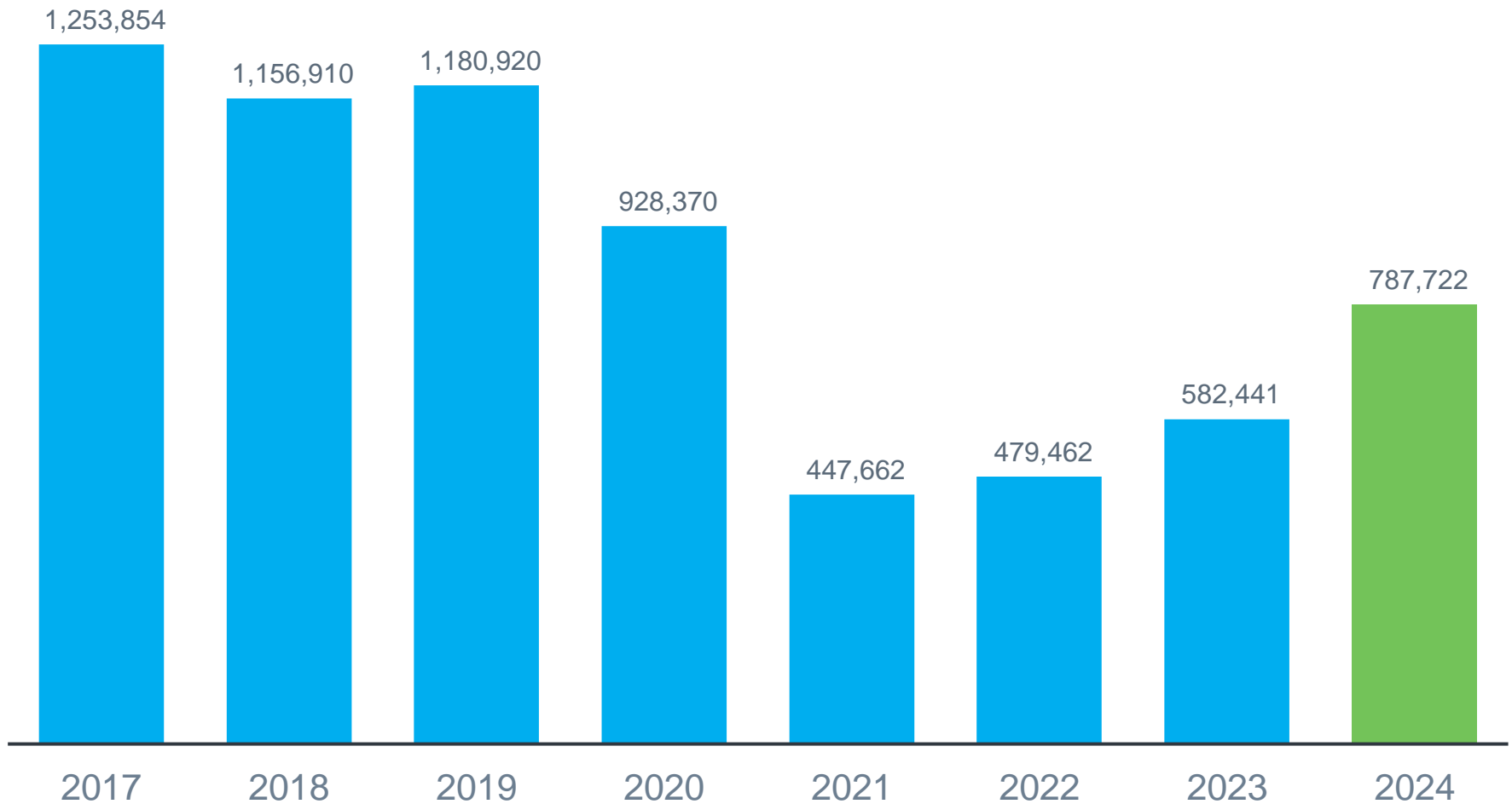
Inventory Rising, But Still Low

Compared to the Same Weeks in 2023 and 2019



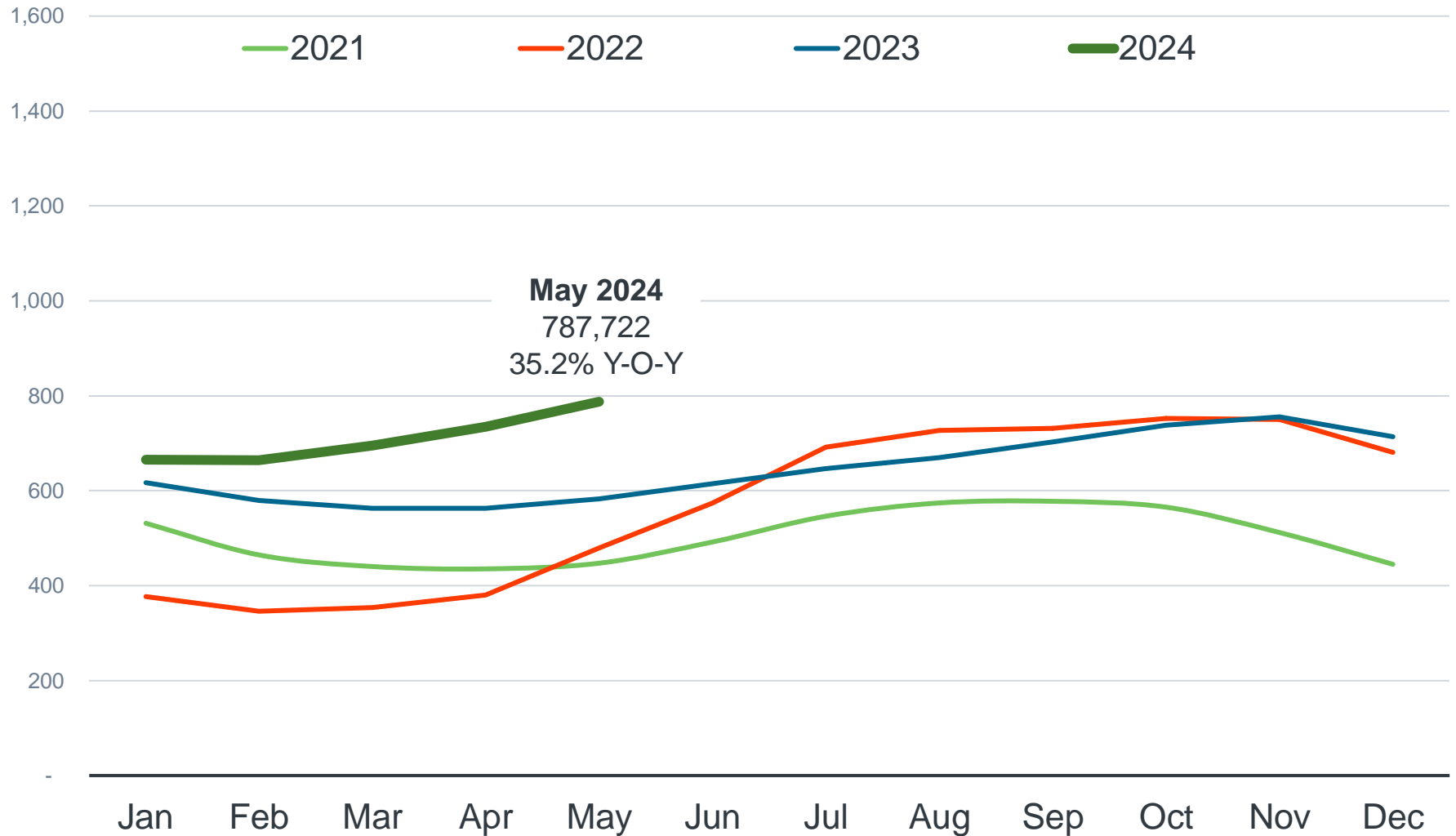
Existing Home Inventory

Active Listings, May of Each Year



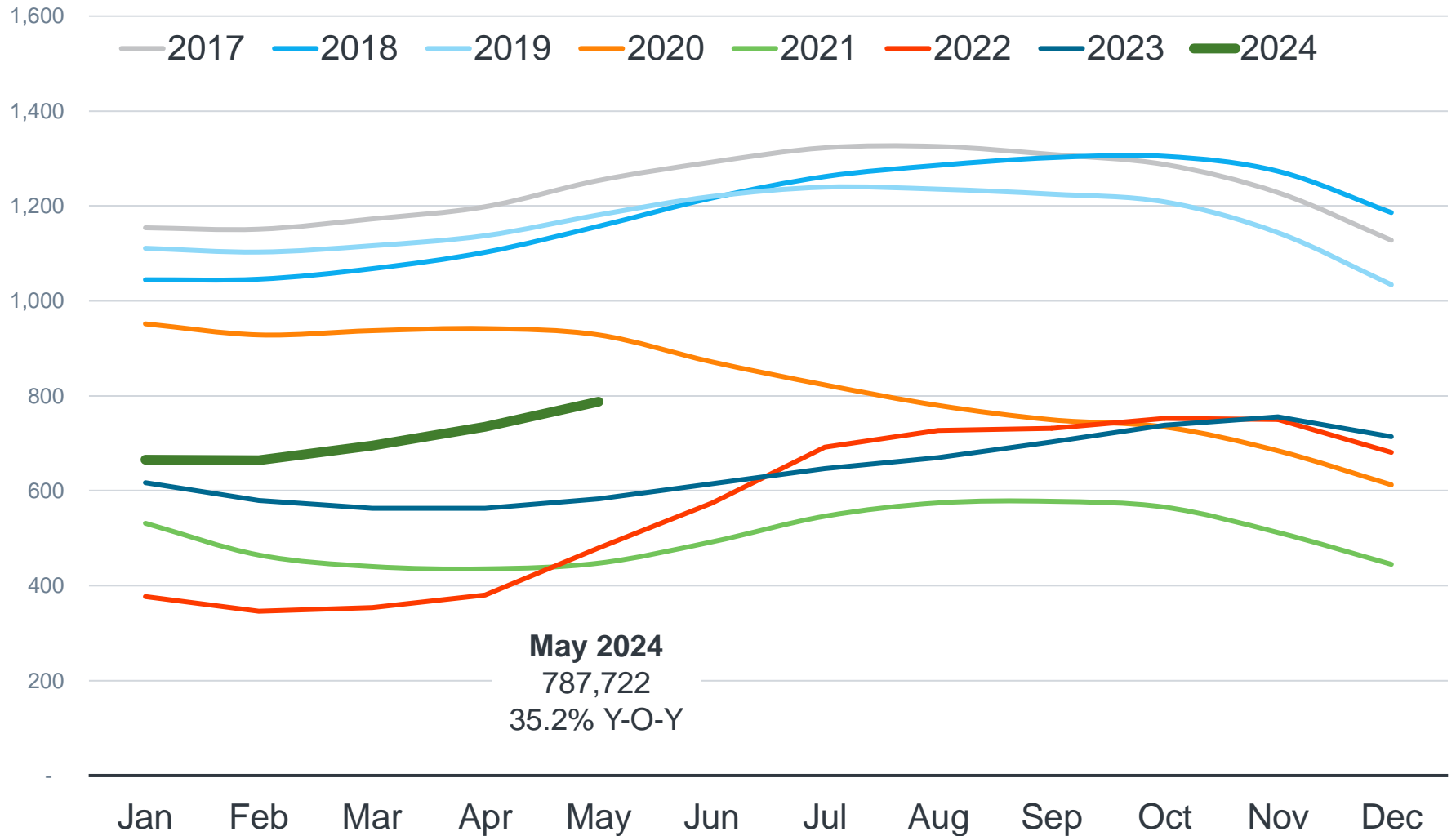
Inventory Continues To Improve

Active Monthly Listings Counts in Thousands



Inventory Continues To Improve

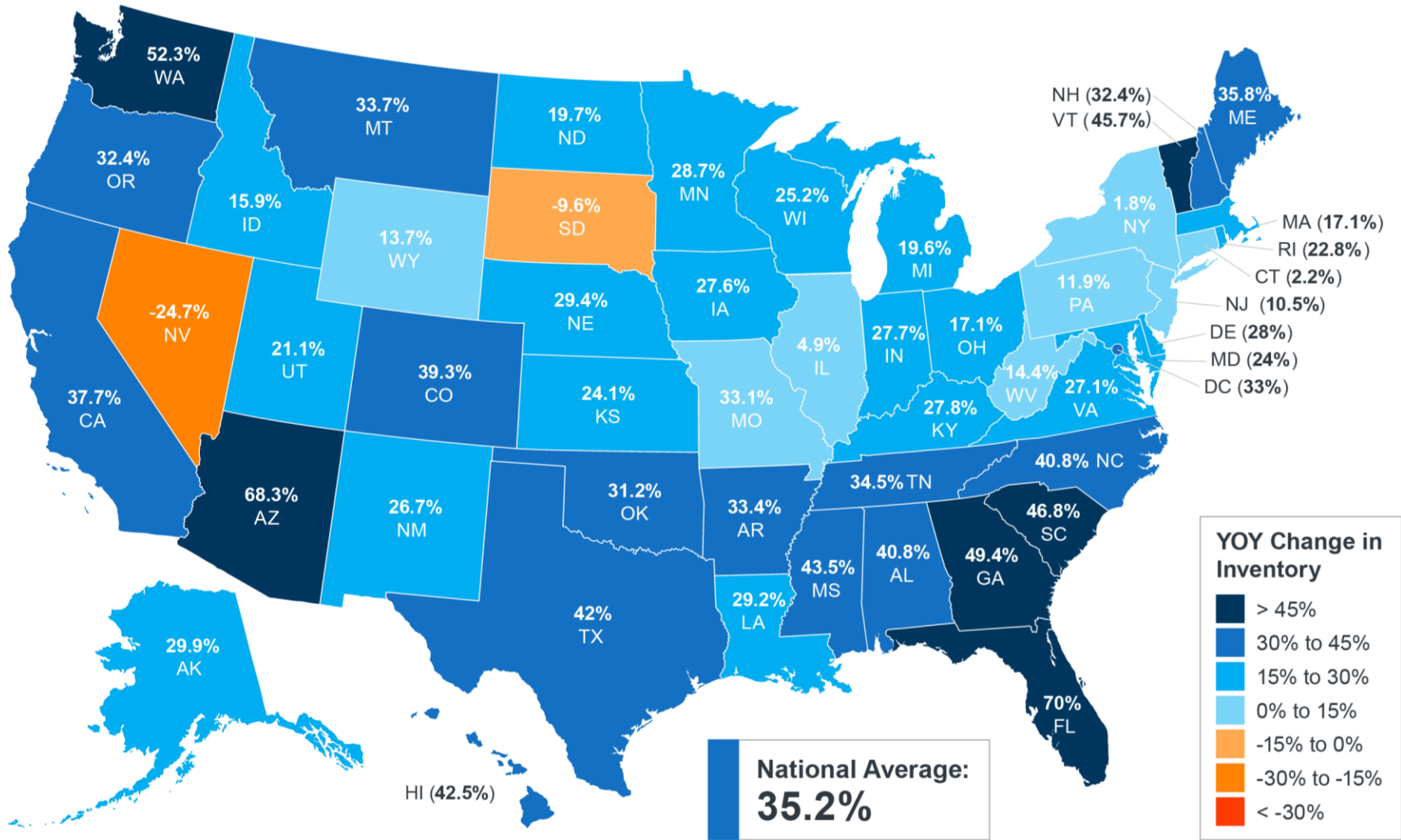
Active Monthly Listings Counts in Thousands



May 2024
787,722
35.2% Y-O-Y

Change in Inventory

Year-Over-Year, May 2024

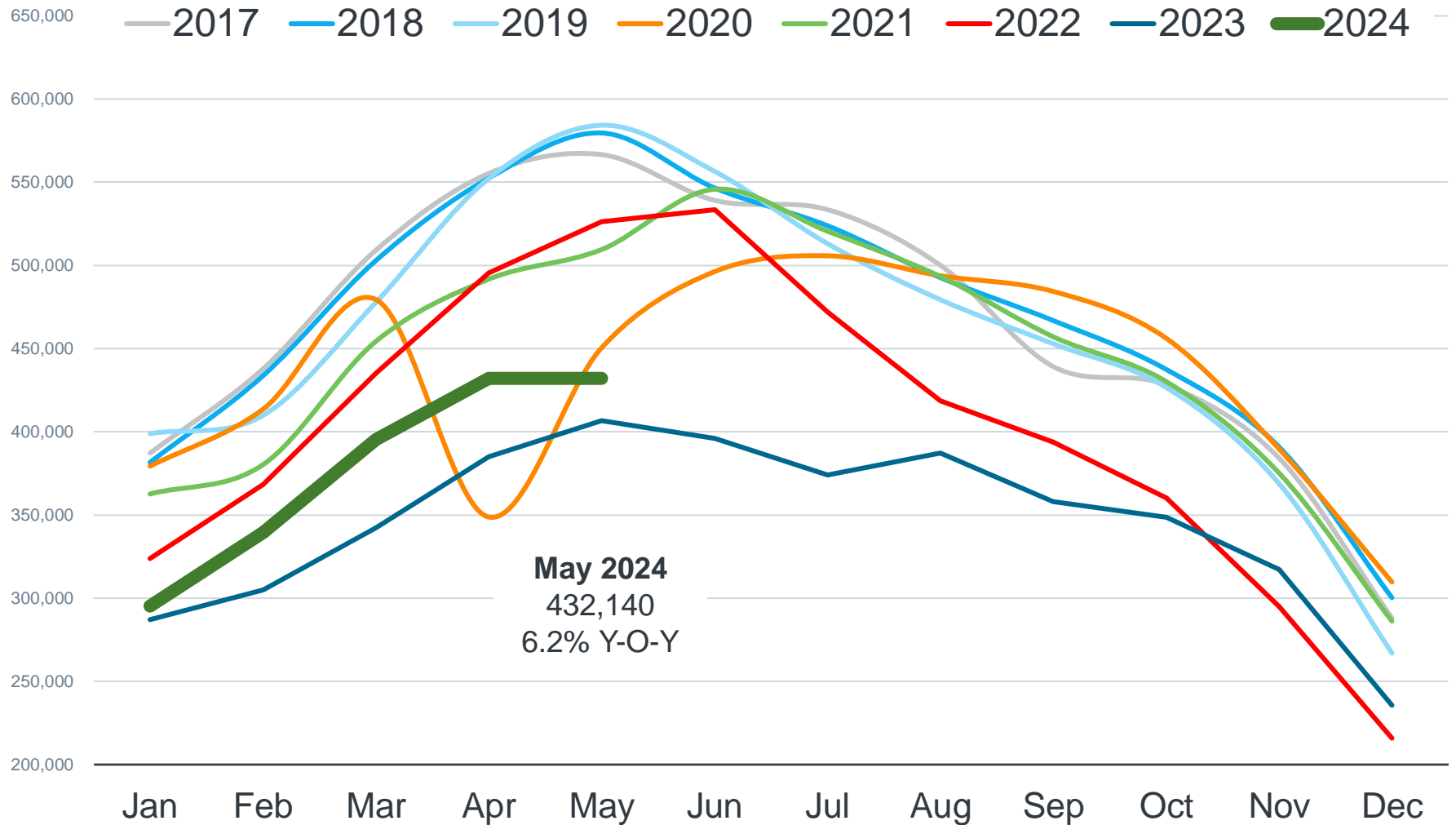




... sellers continued to list their homes in higher numbers this May as newly listed homes were 6.2% above last year's levels. While a notable deceleration from last month's 12.2% growth rate, it marks the seventh month of increasing listing activity after a 17-month streak of decline.

New Listings Above Last Year's Level

Monthly Counts





Why are new listings up year-over-year?

The lock-in effect is easing a bit as the initial mortgage rate shock recedes in the rearview mirror, and as some sellers come to terms with the fact that **their life circumstances have changed, and sub-4% mortgage rates aren't returning anytime soon.** Additionally, some newbie investors who piled into the market during the boom are realizing that being a landlord isn't easy.

- Lance Lambert, Co-Founder, ResiClub

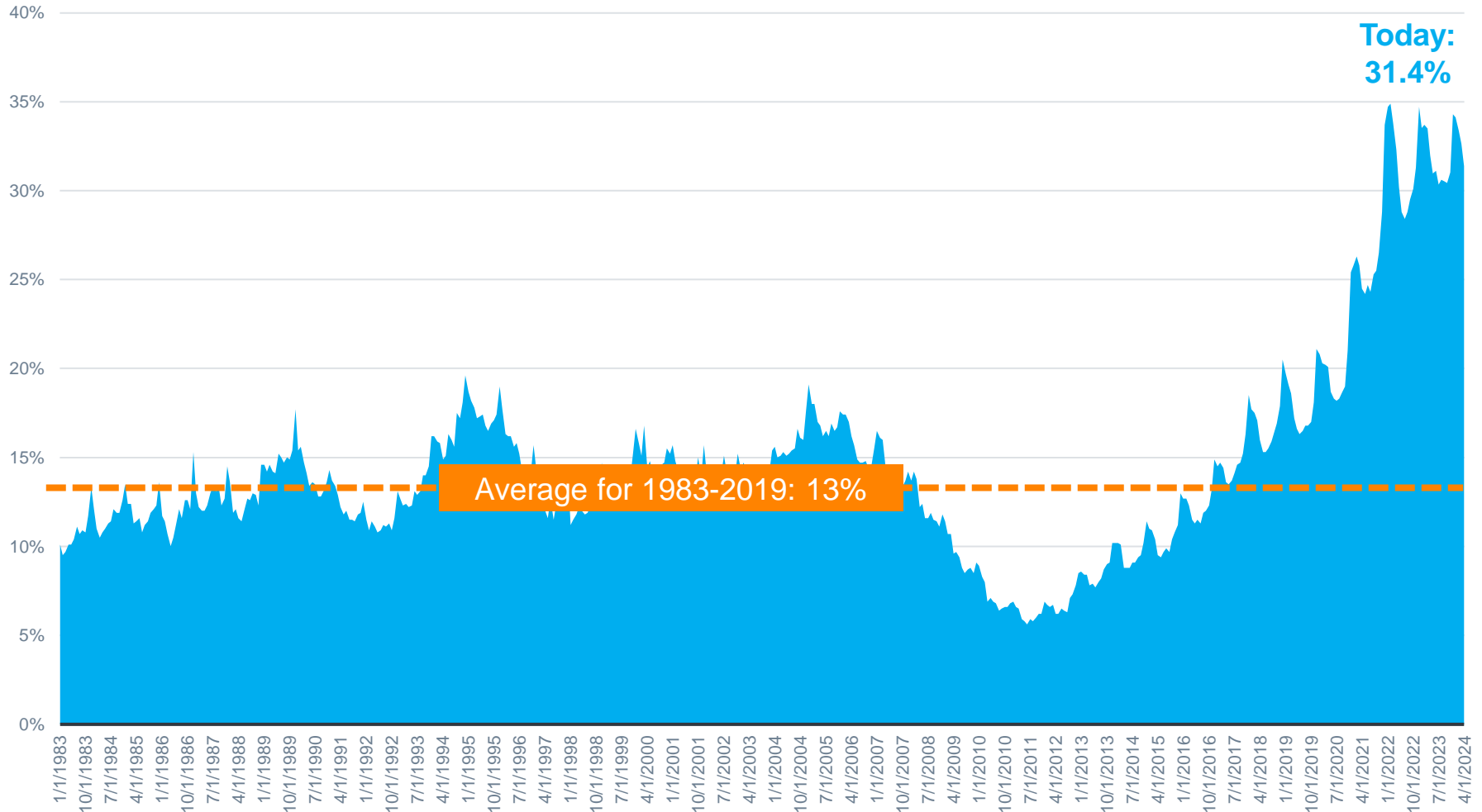


. . . after two years of higher mortgage rates, sellers are slowly coming back into the market.

We'll continue to have gradually more sellers.

- **Mike Simonsen**, CEO and Founder, Altos Research

1 in 3 Homes on the Market Today Are New Construction



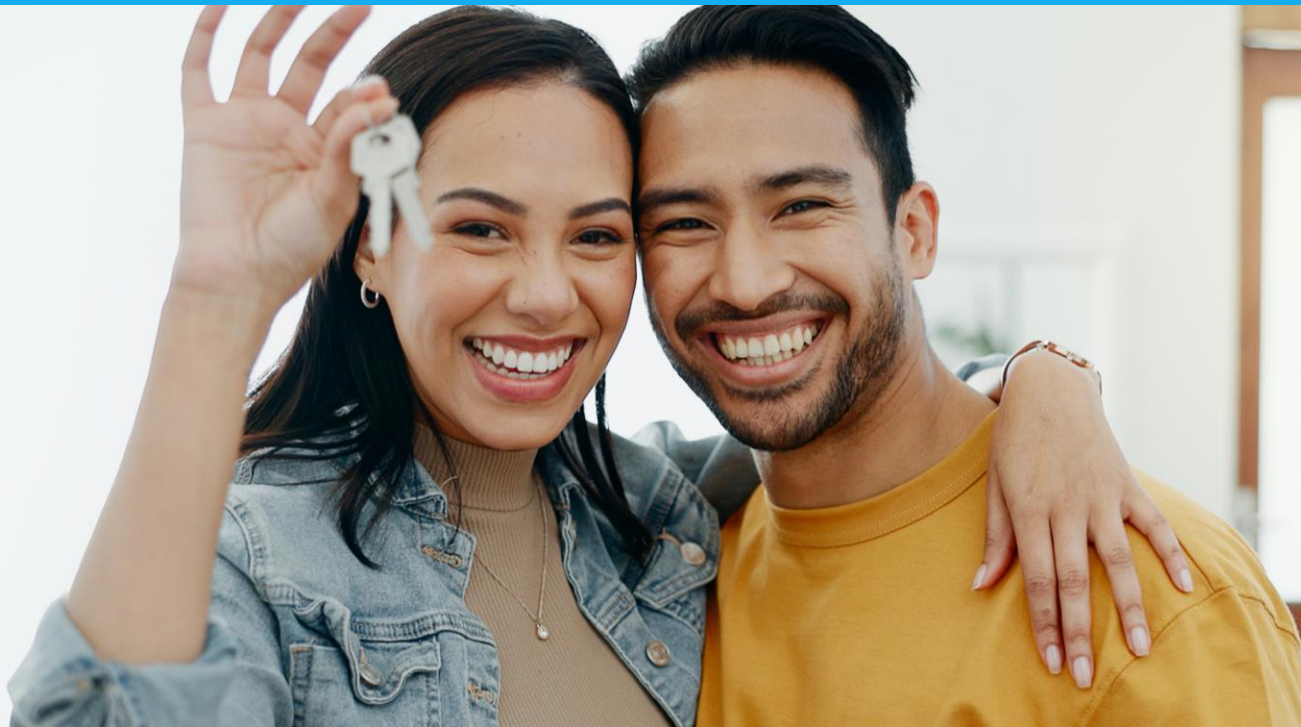
Source: NAR, Census



The new home market has been an outsized share of the housing inventory, **so homebuilders have been able to attract prospective home buyers who are seeing very limited supply in the existing home market.**

- **Lisa Sturtevant**, Chief Economist, Bright MLS

Homeownership





Americans say it's the worst time ever to buy a home



By [Matt Egan](#), CNN

🕒 4 minute read · Published 12:01 PM EDT, Thu May 9, 2024



Housing Market Predictions For 2024: When Will Home Prices Be Affordable Again?

ASK REAL ESTATE

I Hired an Agent to Sell My Home. Do I Have to Pay the Buyer's Broker Now?

The legal settlements roiling the real estate industry are changing the way commissions get paid. But the change could come slowly.

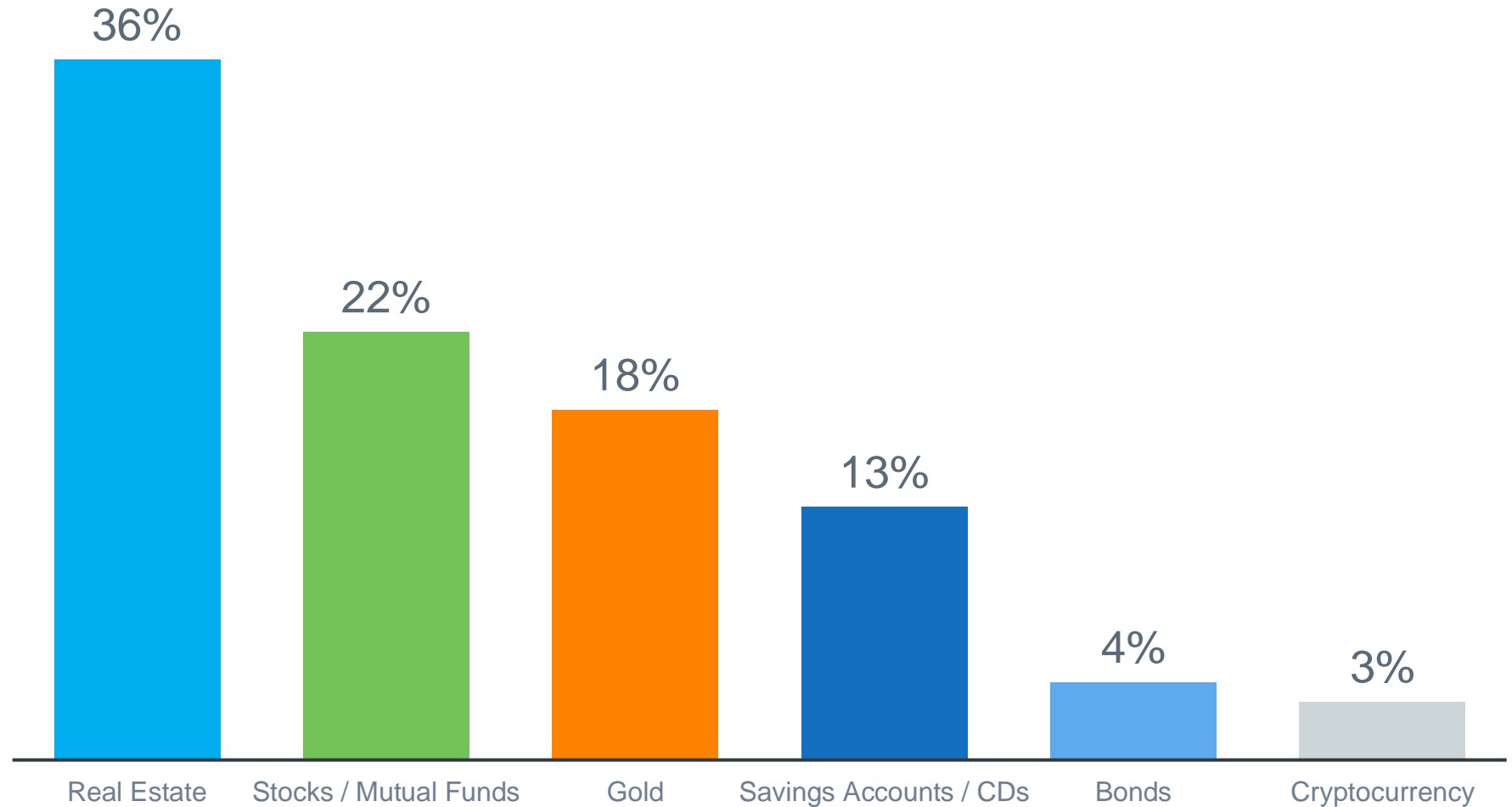
ennings

Mortgages

Updated: May 23, 2024, 1:35pm

America's Opinion of Best Long-Term Investment

2024



Source: Gallup

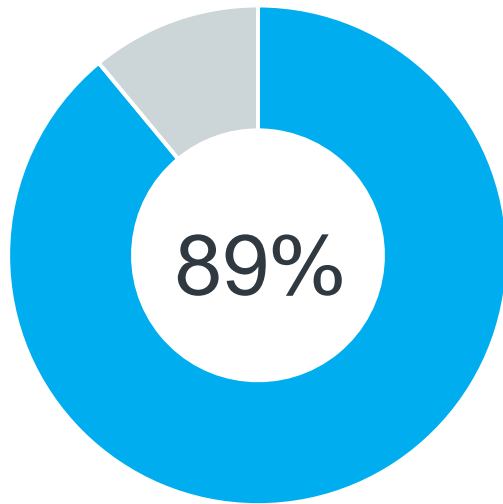


. . . our research continues to show that the vast majority of prospective homebuyers overwhelmingly feel buying a home, now or in the future, is the best decision for them in the long run.

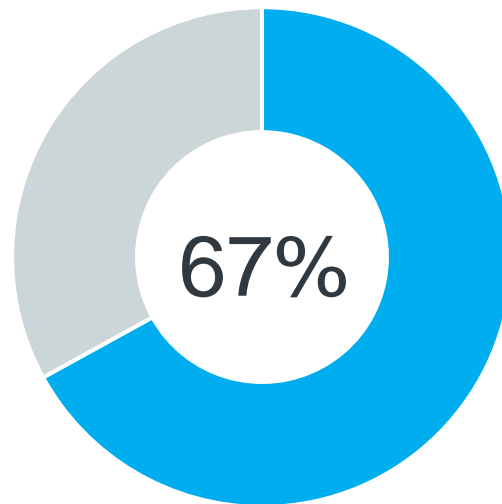
- **Matt Vernon**, Head of Consumer Lending, Bank of America

Emotional Value of Homeownership

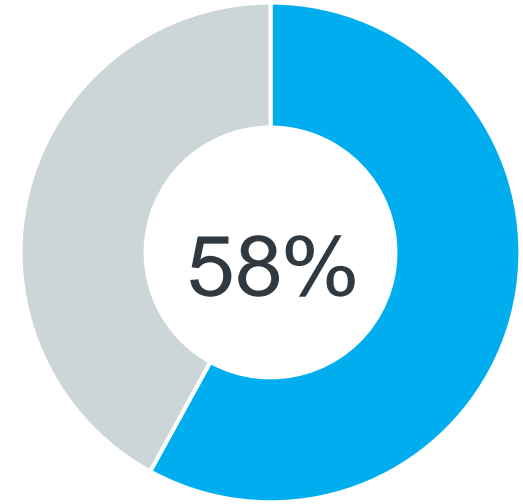
Most homeowners and renters agree on the many financial and emotional benefits of homeownership:



Said that the idea of owning a home brings emotional fulfillment rather than added stress



Of prospective homebuyers would prefer to own a home for the sense of permanence and emotional stability it provides, rather than the flexibility of renting



Of prospective homebuyers said that owning a home is the best long-term decision for them to have control over their own living space



The decision between renting and owning a home is a significant one, impacting your finances, lifestyle, and future. While renting offers flexibility and minimal responsibility for maintenance, **owning a house brings a suite of benefits that can have lasting positive effects on your life and financial well-being.**

Benefits of Owning a Home Instead of Renting

Lifestyle



Security and Stability



Freedom to Customize



Community Involvement

Financial



Building Equity



Tax Advantages



Stable Monthly Payments



Investment Potential

Long-Term



No Landlord Dependency



A Forced Saving Plan



Potential for Rental Income



Interest rates sure do get a lot of attention. But they shouldn't be the only part of your home buying decision-making process. After all, the answer to the question "is right now a good time to buy a house" boils down to whether the time is right for you: To start your new chapter. To invest in what makes you happy.

- **Houselogic**

3 Reasons Owning a Home Is Preferable to Renting



Having a sense of privacy and security (94%)



Having a good place for your family (91%)



Having a good place to raise your children (90%)



Our homes offer space to reflect our tastes, ethos, and routines without external judgment . . . Hanging favorite artwork, surrounding ourselves with favorite colors and developing layouts reflective of personal lifestyles are all ways our homes offer opportunities for self-expression.

- **Sarah Barnard**, Interior Designer

Summer Buyer & Seller Guides: Available Now



Things To Consider When Selling Your House
SUMMER 2024 EDITION

Things To Consider When Buying a Home
SUMMER 2024 EDITION

A Checklist for Selling Your House
As you get ready to sell your house, add these items to your to-do list. A real estate professional will also provide you with other helpful information.

The Best Way To Keep Track of Mortgage Rate Trends
If you're thinking about buying a home, chances are you've got mortgage rates on your mind. You've heard they impact how much you can afford in your monthly mortgage payment, and you want to make sure you're factoring that in as you plan your move. But, it can feel a bit overwhelming to keep track of it all. Here's what you need to know.

The Top 5 Reasons You Need an Agent When Buying a Home
If you've decided you're ready to buy, chances are you're trying to figure out what to do first. It can feel a bit overwhelming to know where to start, but the good news is you don't have to navigate all of that alone.

What's Impacting Mortgage Rates?
Rates have been volatile – that means they're bouncing around a bit. And, you may be wondering, why? The answer is complicated because rates are affected by so many factors. Things like what's happening in the broader economy and the job market, the current inflation rate, decisions made by the Federal Reserve, geopolitical uncertainty, and more have an impact. Lately, all of those factors have come into play, and it's caused the volatility we've seen. As Odeta Kushi, Deputy Chief Economist at First American, explains:
"Ongoing inflation deceleration, a slowing economy and even geopolitical uncertainty can contribute to lower mortgage rates. On the other hand, data that signals upside risk to inflation may result in higher rates."

91%
Of respondents agree "to receive very essential changes to the home buying process that will assist agent or broker."

87%
Of respondents believe "A real estate agent or broker is an essential, trusted advisor for a homebuyer."
Source: Bright MLS

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Real Estate Agent
Keeping Current Matters
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(831) 787-6200

Resources

Slide(s)	Description	Link(s)
4	Bankrate Quote	https://www.bankrate.com/real-estate/should-i-buy-a-house-now-or-wait/
5	Jessica Lautz Quote	https://www.investopedia.com/affordability-main-obstacle-for-home-buyers-7970500
6	Home Values Climb 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
7	Lawrence Yun Quote	https://www.inman.com/2024/05/08/us-home-prices-rise-in-93-of-all-housing-markets-in-q1-nar-says/#:~:text=%E2%80%9CAstonishingly%2C%20greater%20than%2090%20percent,not%20meeting%20the%20full%20demand.%E2%80%9D
8	The Mortgage Reports Quote	https://themortgagereports.com/112212/state-of-the-housing-market-spring

Resources

Slide(s)	Description	Link(s)
9	Home Price Forecasts Graph	https://x.com/NewsLambert/status/1797659853403672983/photo/1 https://img03.en25.com/Web/MortgageBankersAssociation/%7B3a3cfd7-a920-4329-8953-167a89666546%7D_Mortgage_Finance_Forecast_Apr_2024.pdf https://www.zillow.com/research/home-value-sales-forecast-33822/ https://www.fanniemae.com/media/50986/display https://www.freddiemac.com/research/forecast/20240418-economic-growth-moderated-labor-market-robust https://pulsenomics.com/surveys/ https://www.nar.realtor/newsroom/pending-home-sales-ascended-3-4-in-march
10	Lawrence Yun Quote	https://www.nar.realtor/newsroom/more-than-90-percent-of-metro-areas-home-price-increase-1Q-2024
12	Bill McBride Quote	https://www.calculatedriskblog.com
13	Inventory Rising Graph	https://www.calculatedriskblog.com/2024/06/housing-june-3rd-weekly-update.html

Resources

Slide(s)	Description	Link(s)
14-17, 19	Existing Home Inventory Visuals	https://www.realtor.com/research/data/
18	Realtor.com Quote	https://www.realtor.com/research/may-2024-data/
20	Lance Lambert Quote	https://www.resiclubanalytics.com/p/persistence-lockin-effect-eased-not-vanished
21	Mike Simonsen Quote	https://blog.altosresearch.com/home-price-signals-point-to-flat-growth
22	New Construction Graph	https://www.nar.realtor/research-and-statistics/housing-statistics/existing-home-sales https://www.census.gov/construction/nrs/current/index.html https://www.census.gov/housing/hvs/data/histtabs.html
23	Lisa Sturtevant Quote	https://www.forbes.com/advisor/mortgages/real-estate/housing-market-predictions/

Resources

Slide(s)	Description	Link(s)
26	Forbes Headlines	https://www.forbes.com/advisor/mortgages/real-estate/housing-market-predictions/ https://www.cnn.com/2024/05/09/business/housing-market-good-time-to-buy/index.html https://www.nytimes.com/2024/04/06/realestate/i-hired-an-agent-to-sell-my-home-do-i-have-to-pay-the-buyers-broker-now.html
27	Best Long-Term Investment Graph	https://news.gallup.com/poll/645107/stocks-gold-down-americans-best-investment-ratings.aspx
28	Matt Vernon Quote	https://www.builderonline.com/data-analysis/a-majority-of-prospective-home-buyers-fear-the-long-term-impact-of-renting_o
29	Emotional Value of Homeownership Pie Charts	https://institute.bankofamerica.com/content/dam/bank-of-america-institute/economic-insights/homebuyer-insights-report-q1-2024.pdf
30	FinHabits Quote	https://finhabits.com/what-are-the-advantages-of-owning-a-house-instead-of-renting/

Resources

Slide(s)	Description	Link(s)
31	FinHabits Rent vs Own	https://finhabits.com/what-are-the-advantages-of-owning-a-house-instead-of-renting/
32	Houselogic Quote	https://www.houselogic.com/buy/7-benefits-of-buying-a-home/
33	3 Reasons Rent vs Own	https://www.fanniemae.com/research-and-insights/perspectives/consumers-homeownership-aspirations-remain-high-despite-higher-home-prices-and-interest-rates
34	Sarah Barnard Quote	https://www.forbes.com/home-improvement/home/thankful-for-home/
35	Buyer & Seller Guides	https://www.mykcm.com/resources



Updates

Resources

Slide(s)	Description	Link(s)
45	Confidence Index	https://www.nar.realtor/research-and-statistics/research-reports/realtors-confidence-index
46-48, 55, 57, 58, 65-68	Existing Home Sales	https://www.nar.realtor/topics/existing-home-sales
49-51	New Home Sales	http://www.census.gov/construction/nrs/pdf/newressales.pdf http://www.census.gov/newhomesales
52	Total Home Sales	http://www.census.gov/construction/nrs/pdf/newressales.pdf https://www.nar.realtor/topics/existing-home-sales
53-54	Pending Home Sales	https://www.nar.realtor/research-and-statistics/housing-statistics/pending-home-sales
59-61	Case Shiller	https://www.spglobal.com/spdji/en/indices/indicators/sp-corelogic-case-shiller-20-city-composite-home-price-nsa-index/#news-research
62	CoreLogic Price Forecast	https://www.corelogic.com/intelligence/u-s-home-price-insights/

Resources

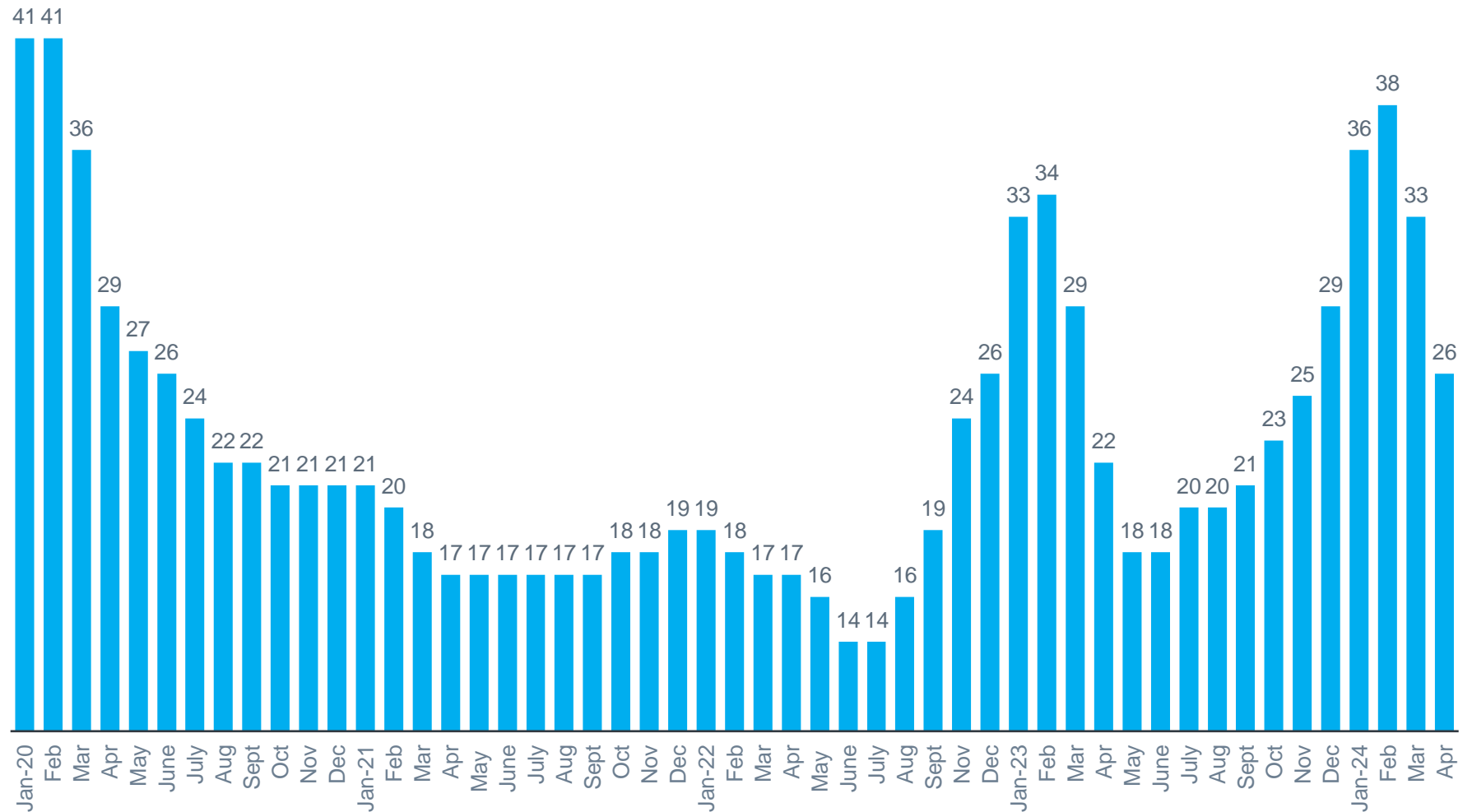
Slide(s)	Description	Link(s)
64-70	Inventory	https://www.nar.realtor/topics/existing-home-sales http://www.census.gov/construction/nrs/pdf/newressales.pdf https://www.realtor.com/research/data/
72	Showing Activity	https://www.showingtime.com/blog/
74, 75, 77, 78	Mortgage Rates	http://www.freddiemac.com/pmms/pmms_archives.html http://www.freddiemac.com/research/forecast/ https://www.mba.org/news-research-and-resources/research-and-economics/forecasts-and-commentary
76	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
80, 81	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

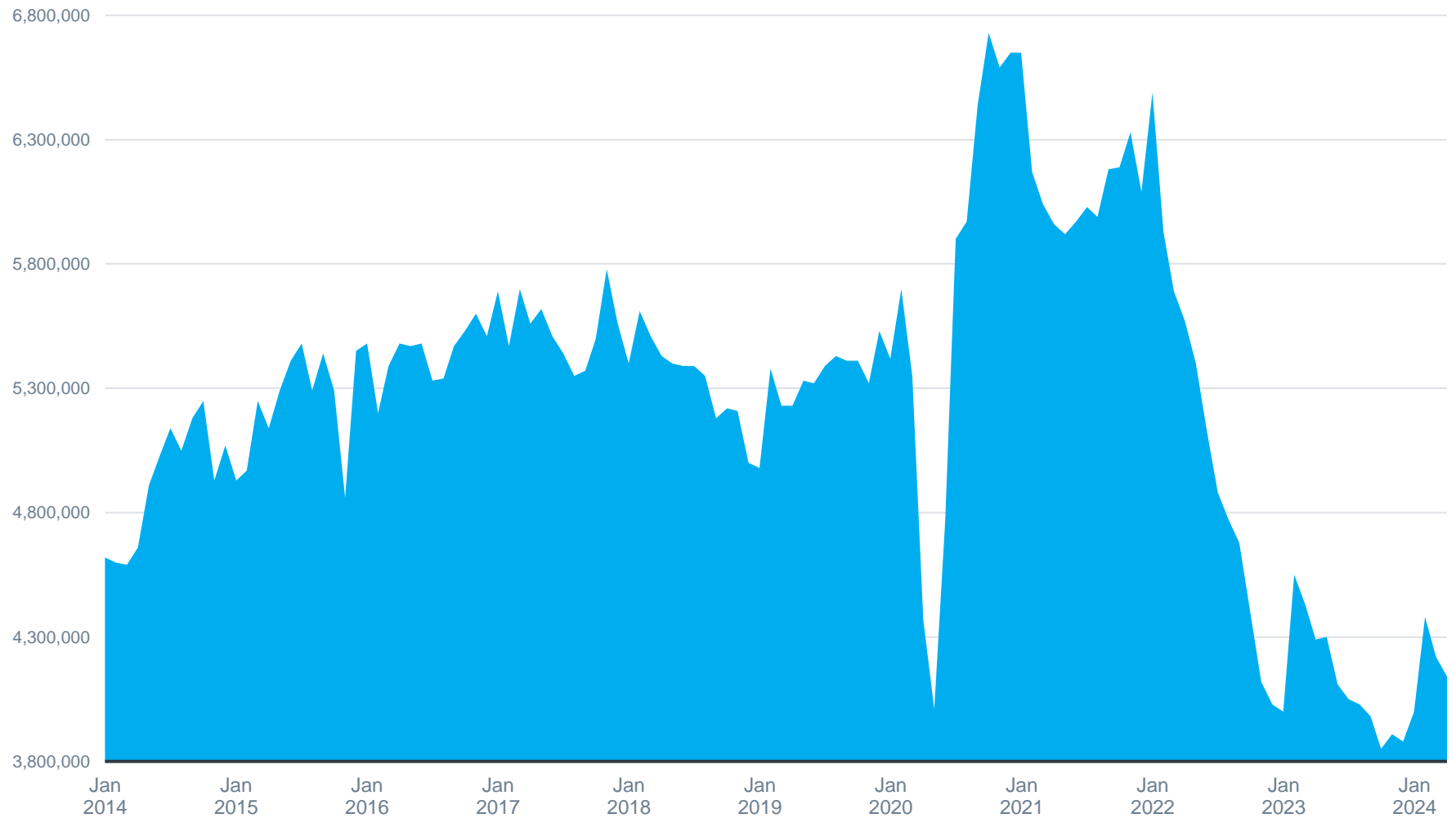
Average Days on the Market

April 2024



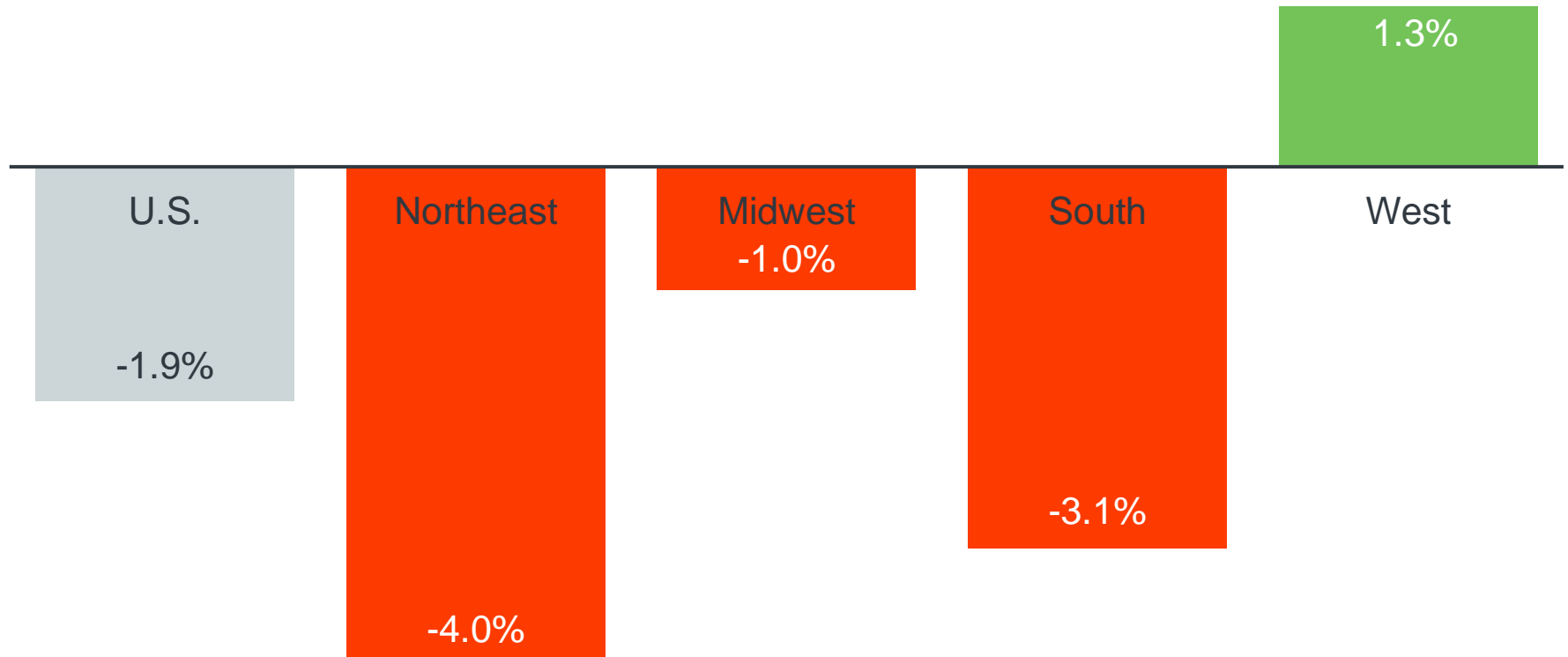
Existing Home Sales

Since January 2014



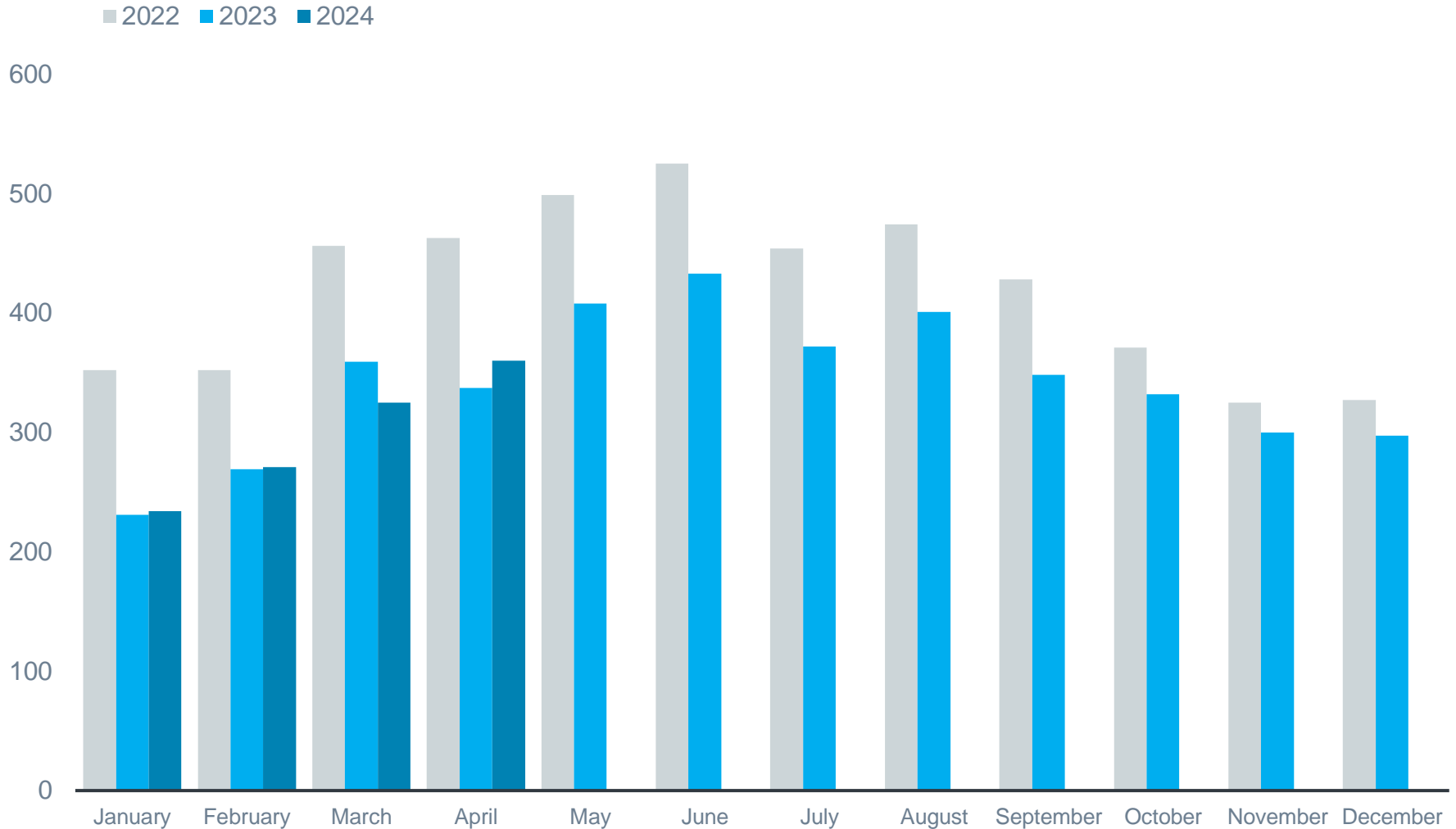
Existing Home Sales

Year-Over-Year, by Region



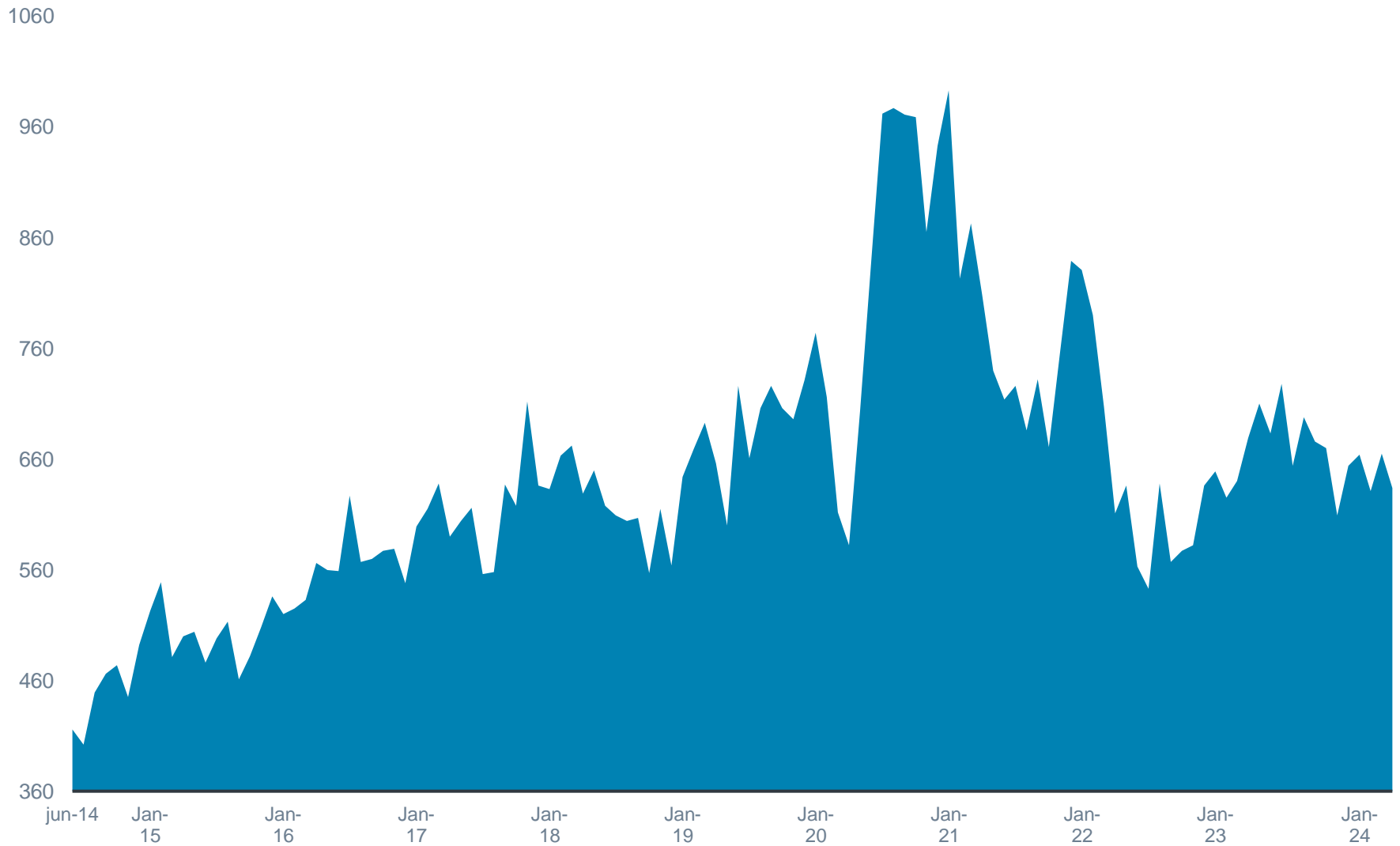
Existing Home Sales

In Thousands



New Home Sales

Annualized in Thousands

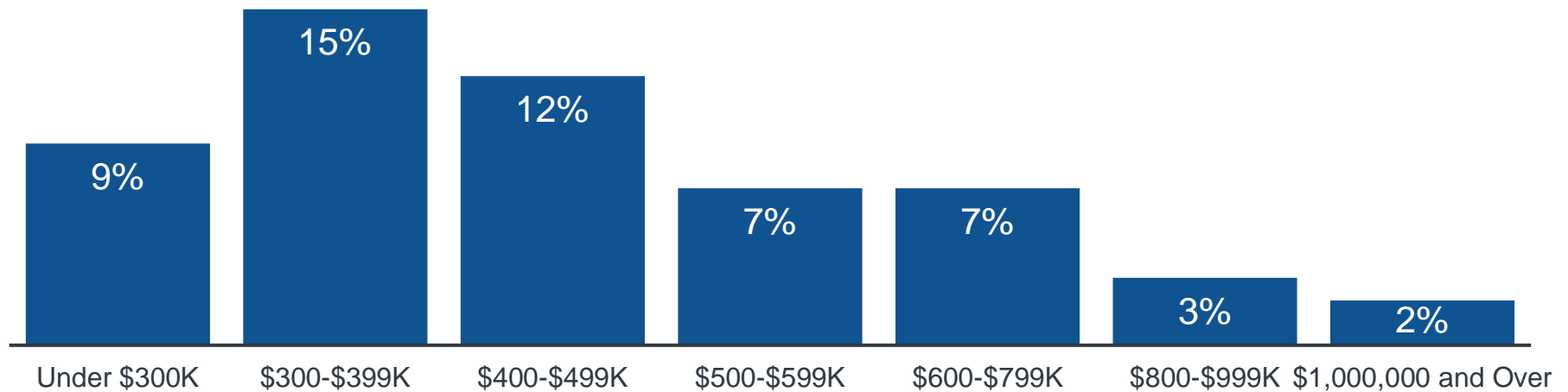


Source: Census

New Home Sales

Percent of Distribution by Price Range

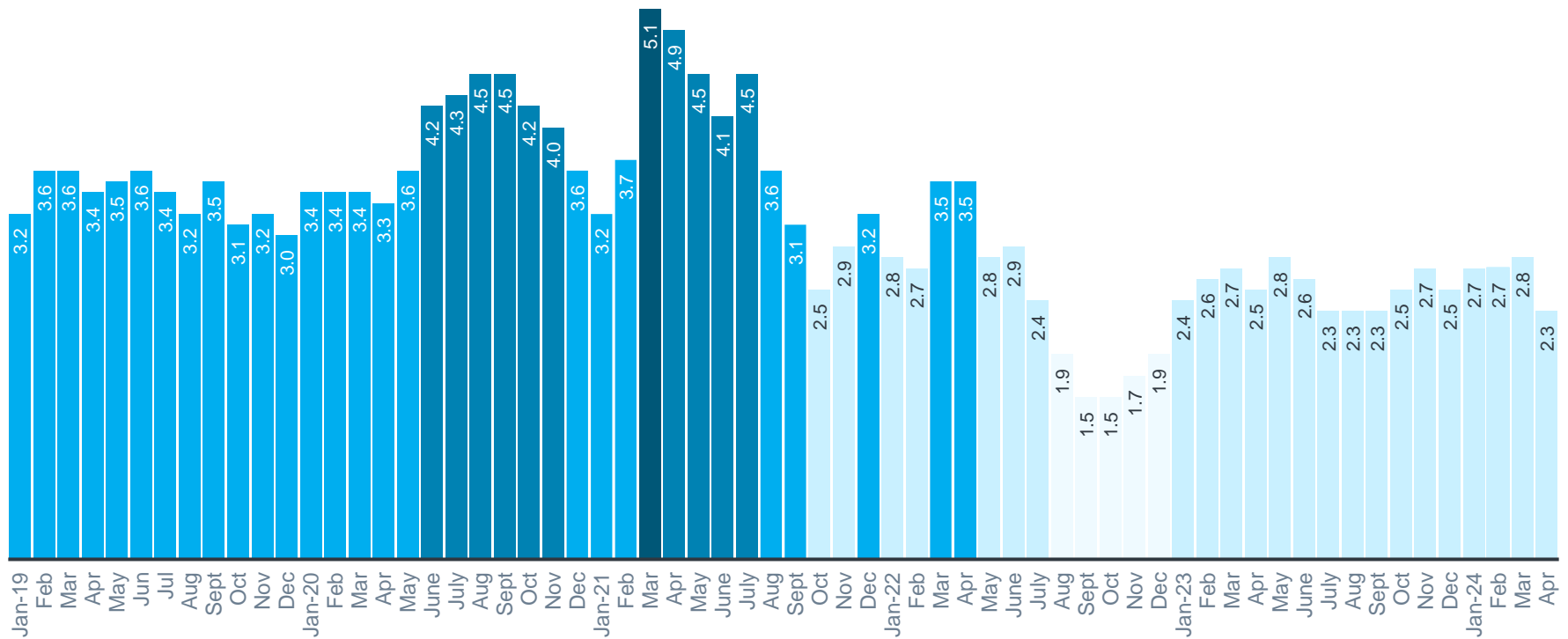
* Less Than 500 Units or Less Than 0.5 Percent



Source: Census

New Homes Selling Fast

Median Months from Completion to Sold

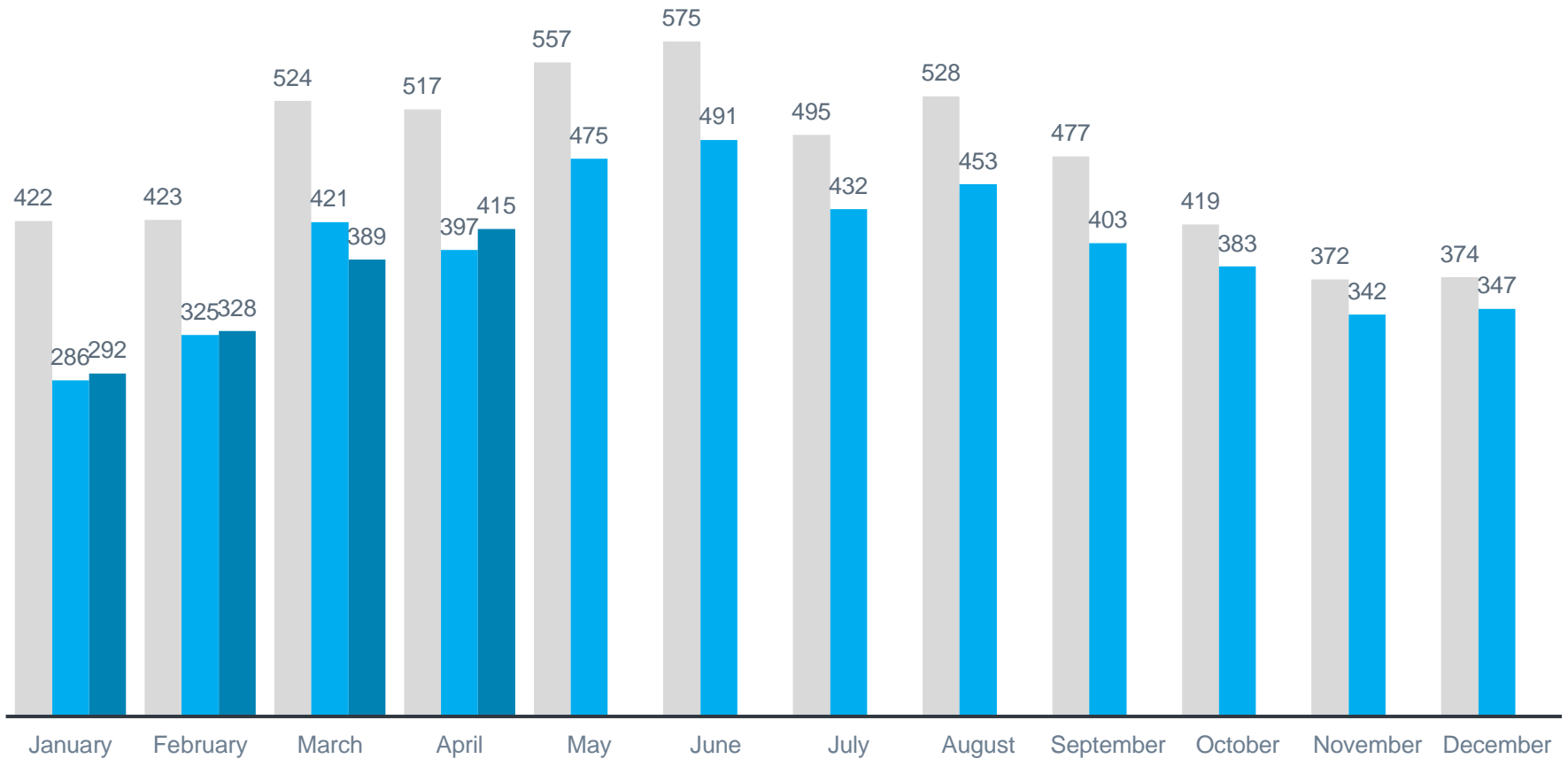


Source: Census

Total Home Sales

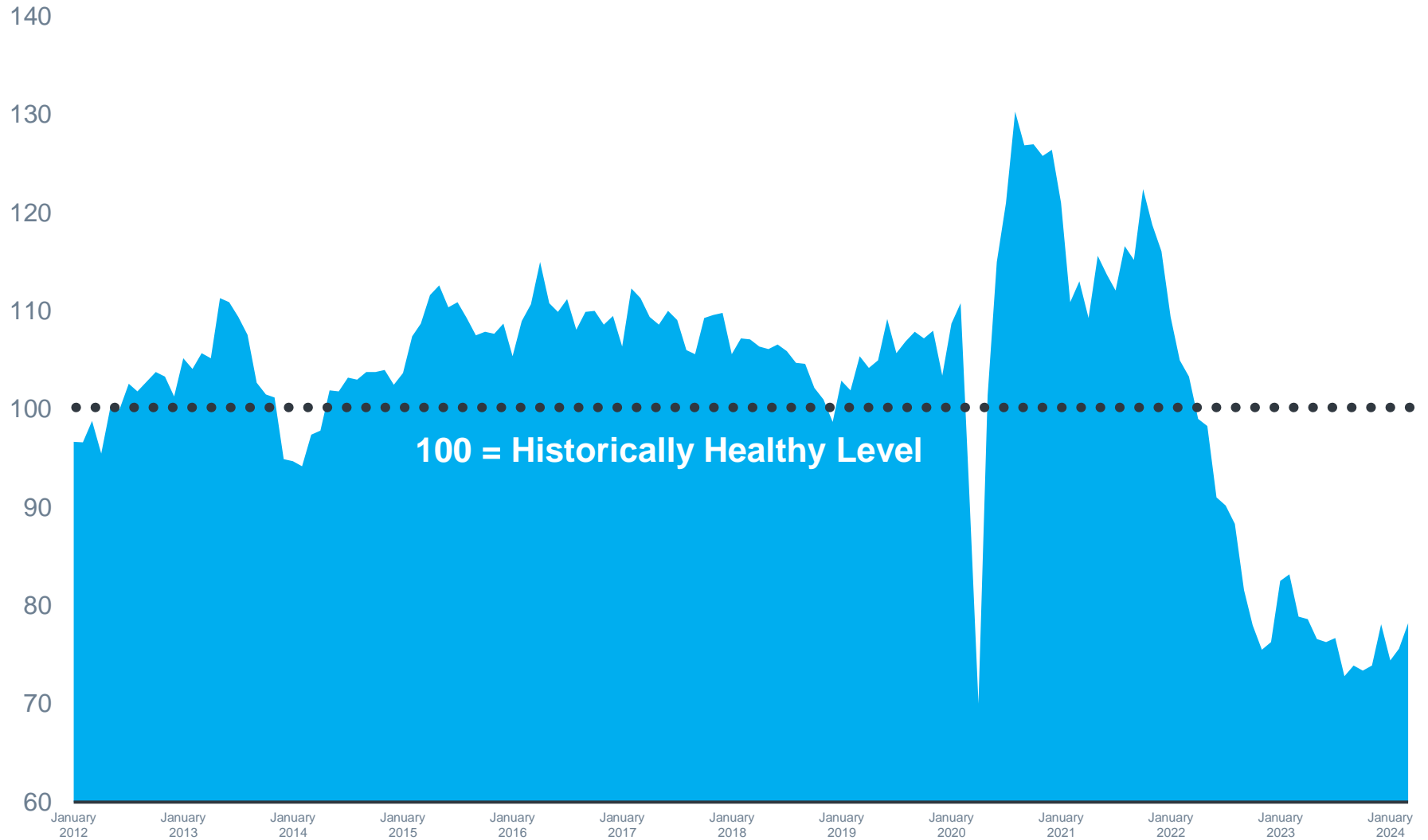
In Thousands

■ 2022 ■ 2023 ■ 2024



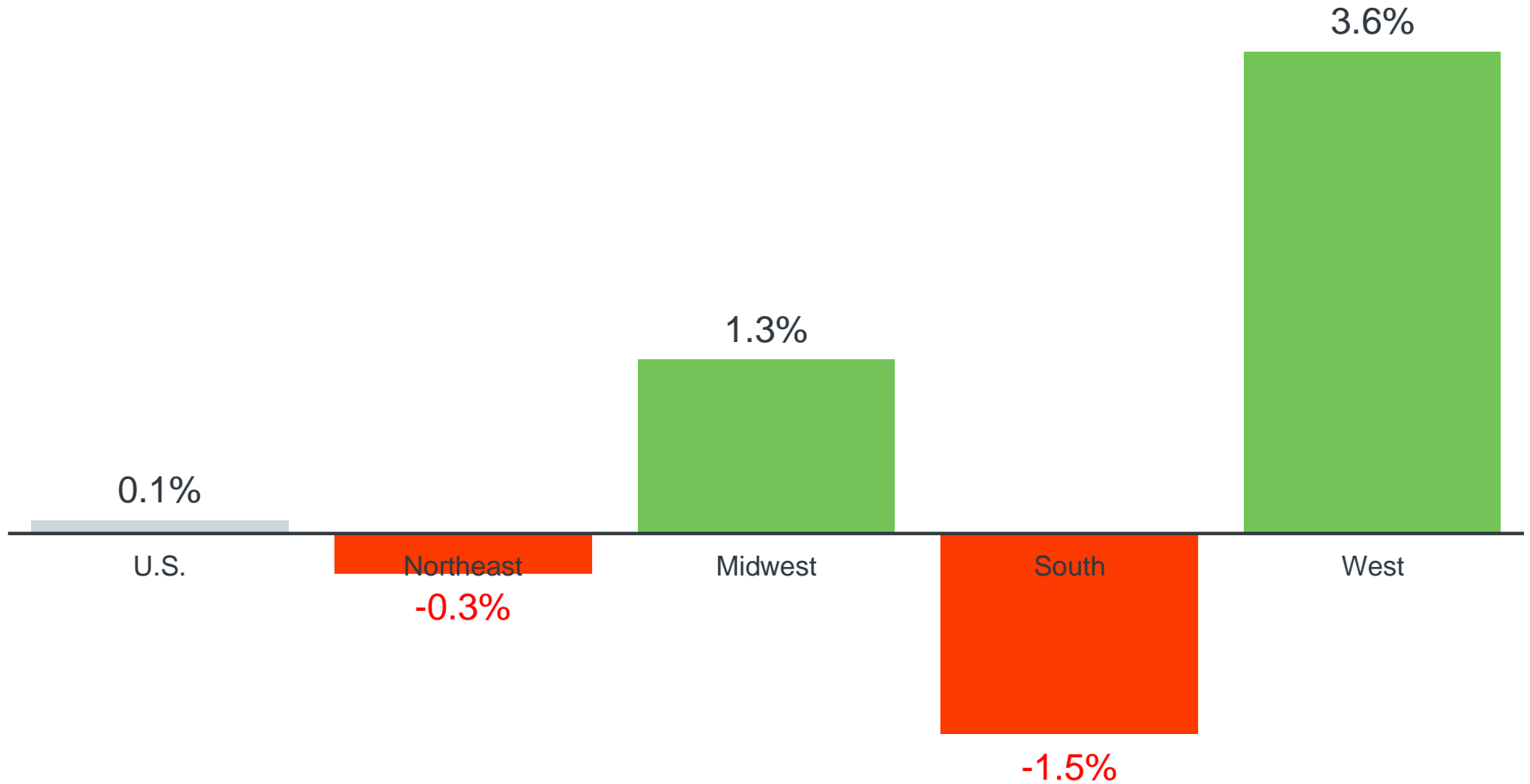
Source: Census

Pending Home Sales



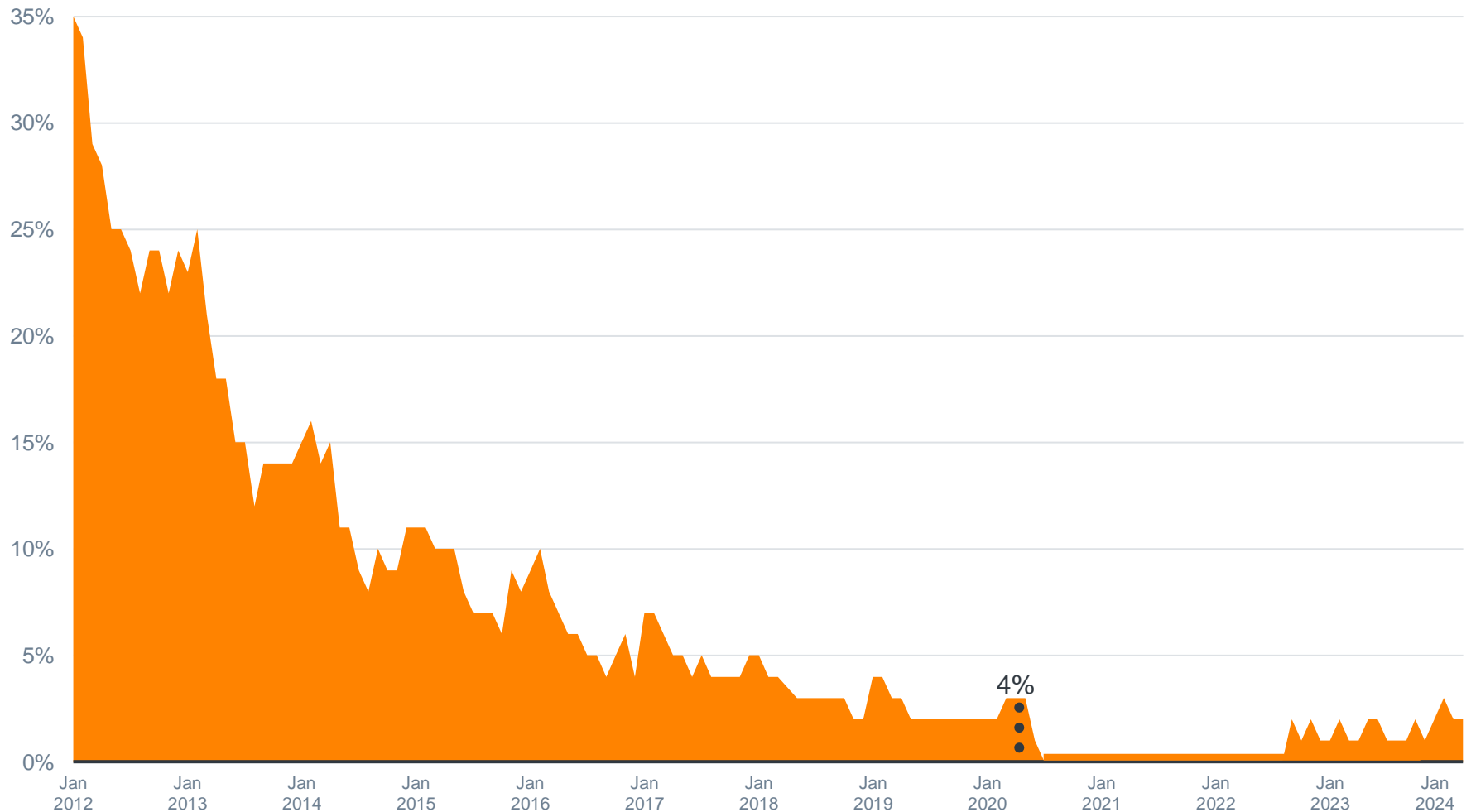
Pending Home Sales

Year-Over-Year by Region



Percentage of Distressed Property Sales

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

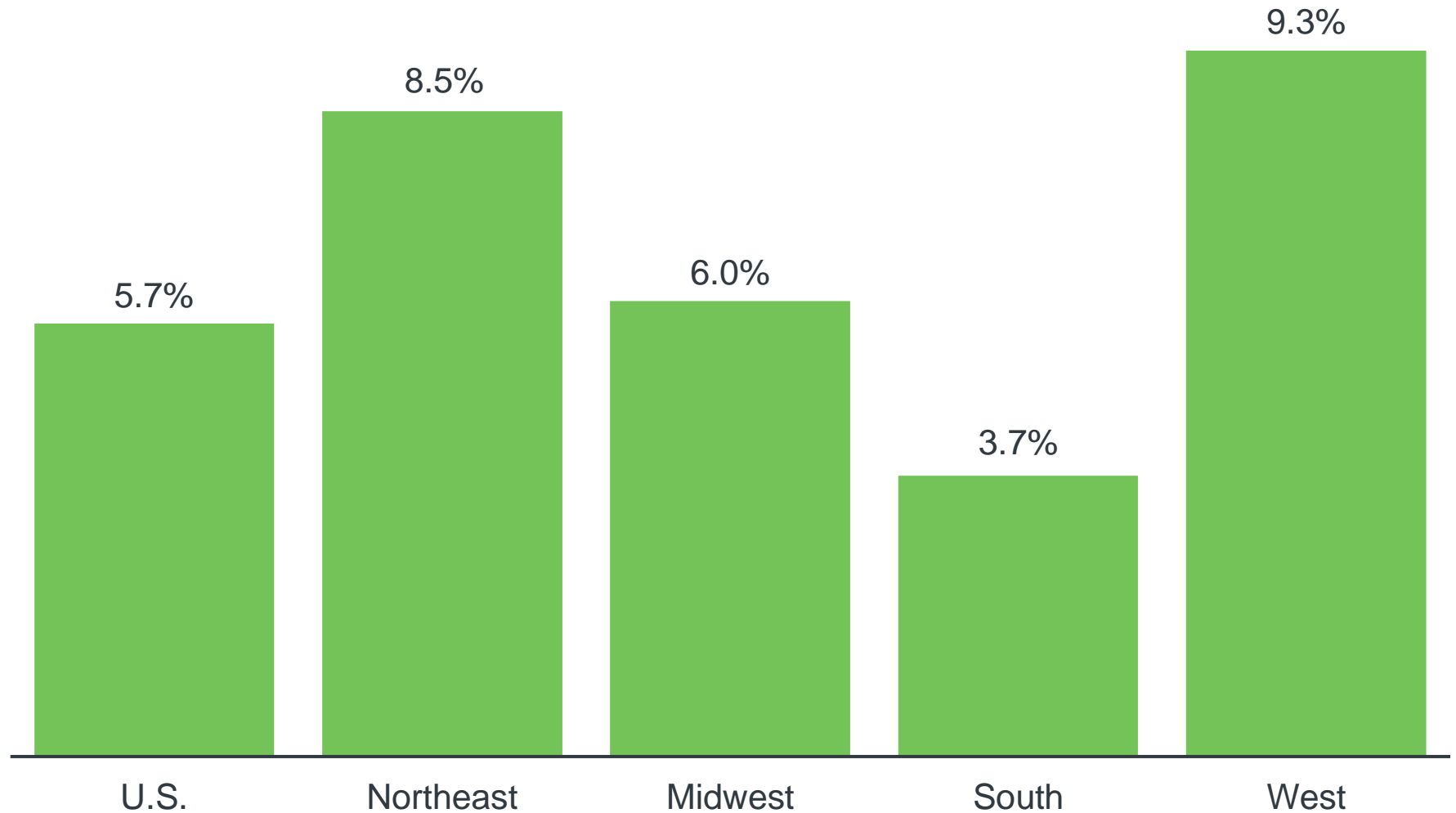




Home Prices

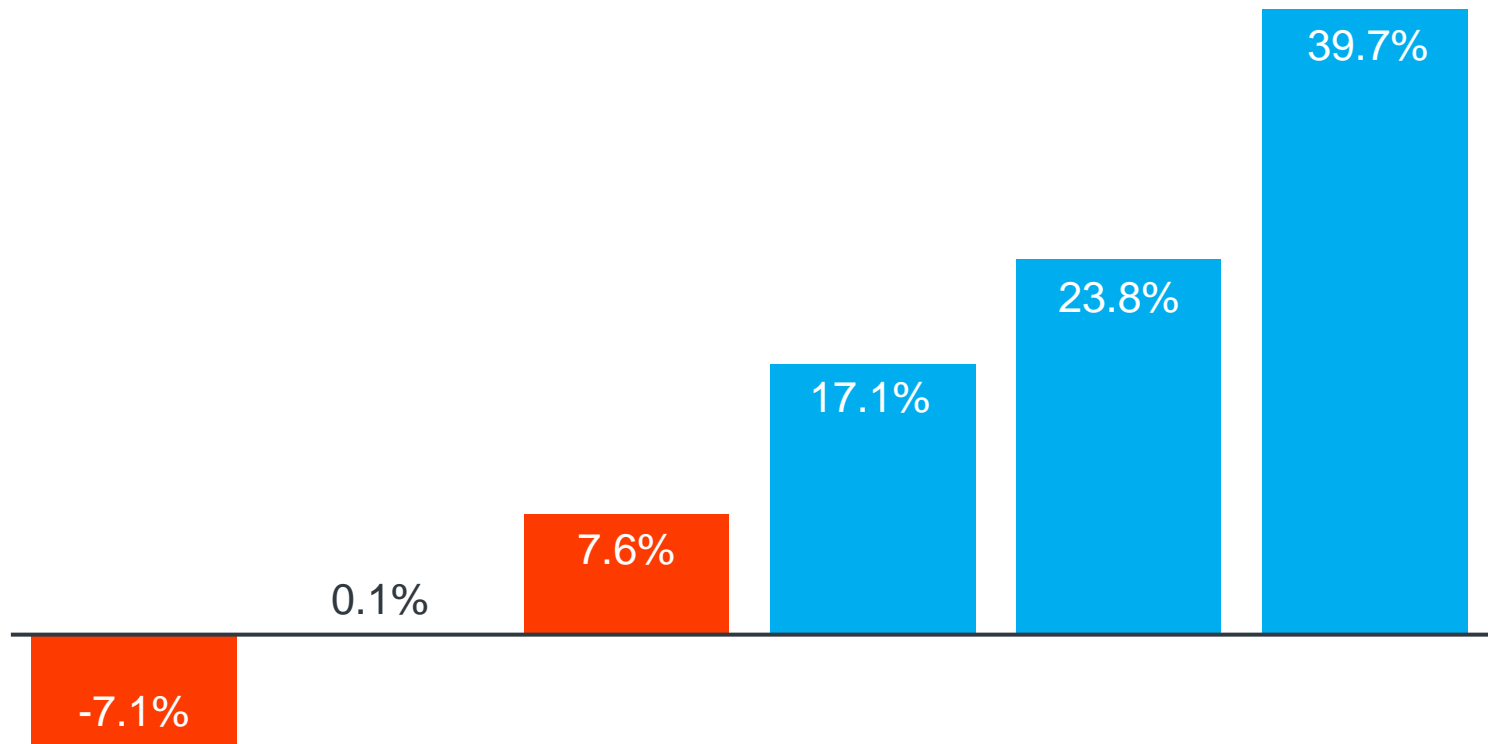
Sales Price of Existing Homes

Year-Over-Year, by Region



% Change in Sales

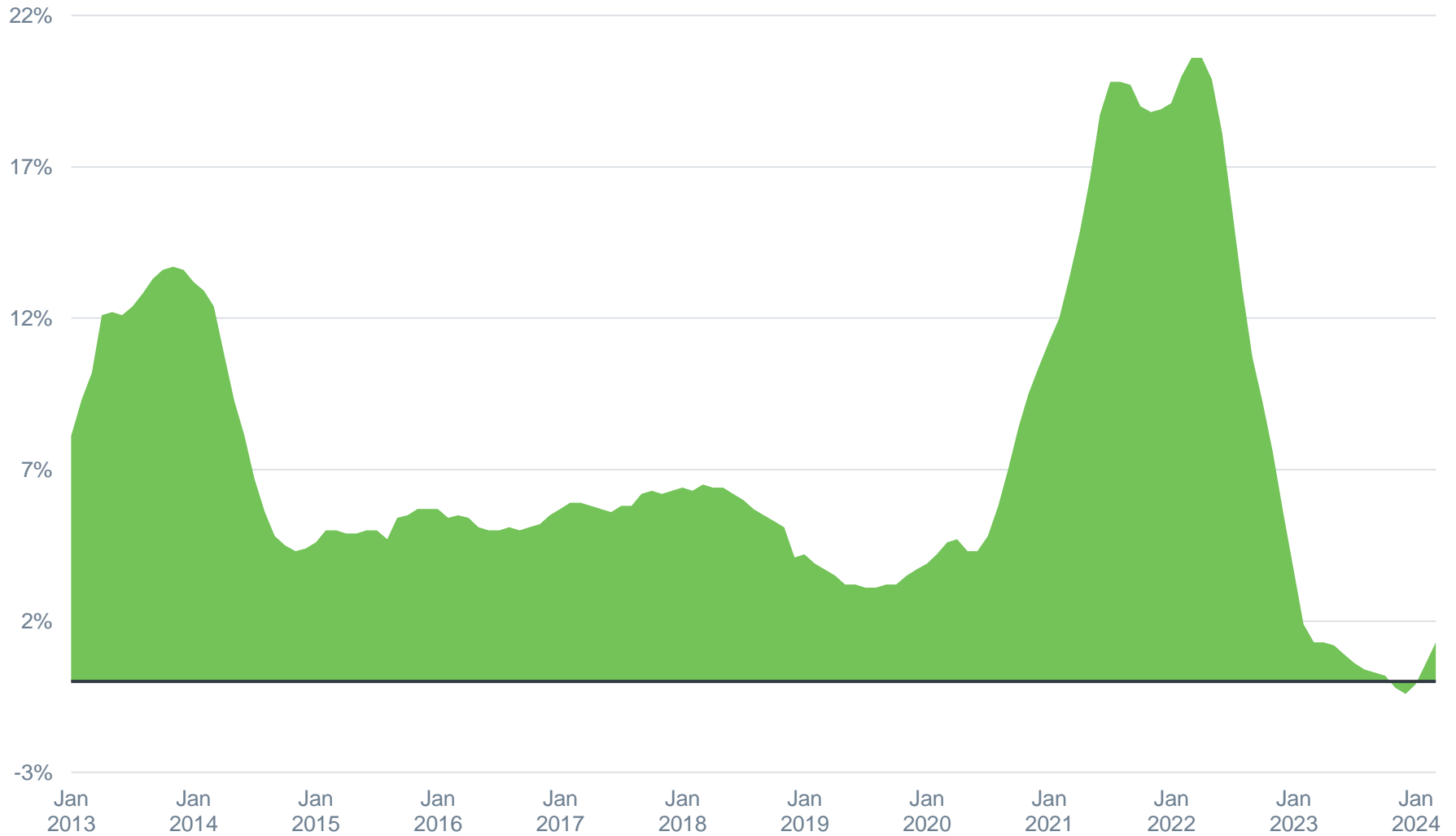
Year-Over-Year, by Price Range



	\$0-100K	\$100-250K	\$250-500K	\$500-750K	\$750K-1M	\$1M+
% change in sales	-7.1%	0.1%	7.6%	17.1%	23.8%	39.7%

Change in Home Prices

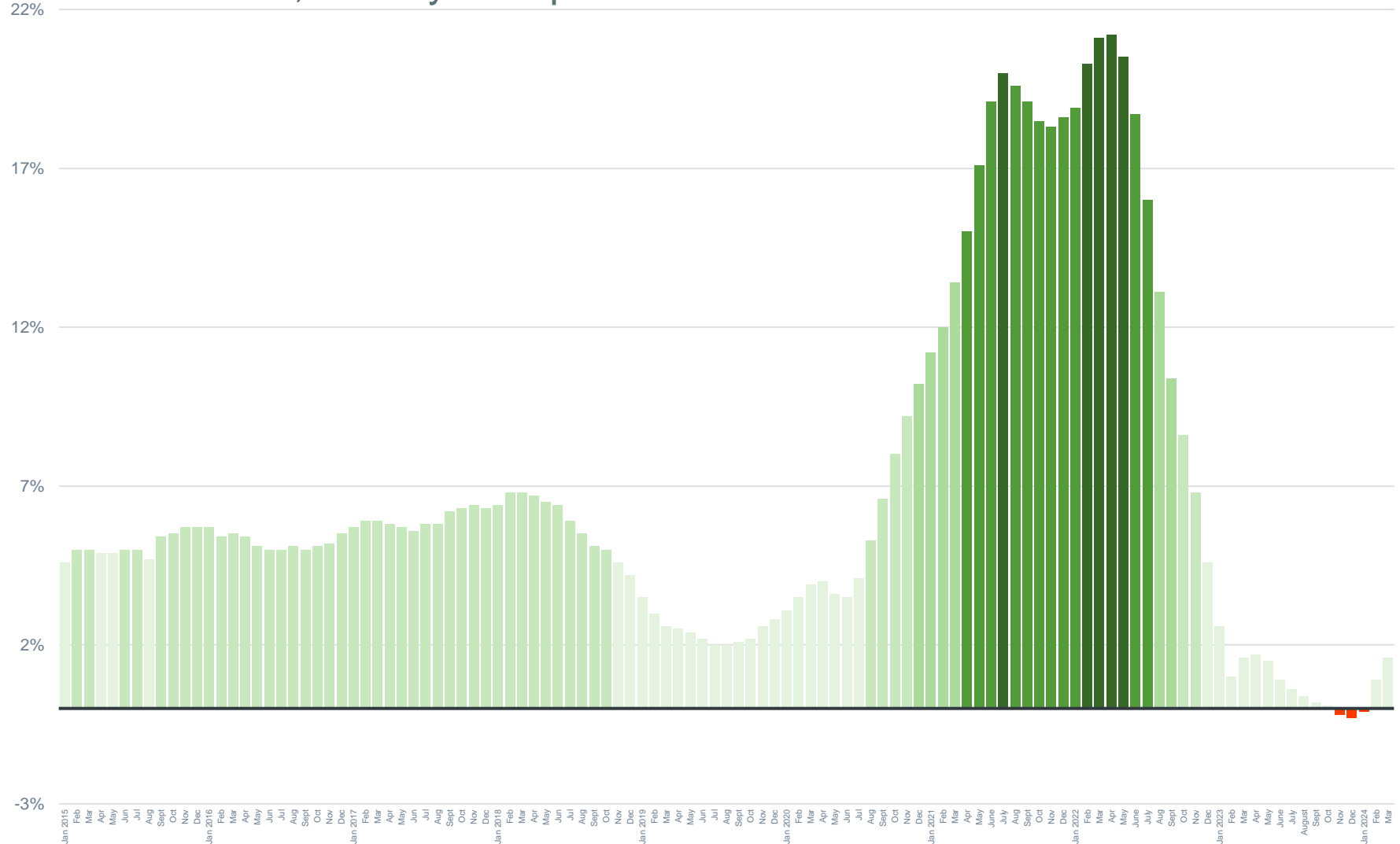
Year-Over-Year



Source: S&P Case-Shiller

Change in Home Prices

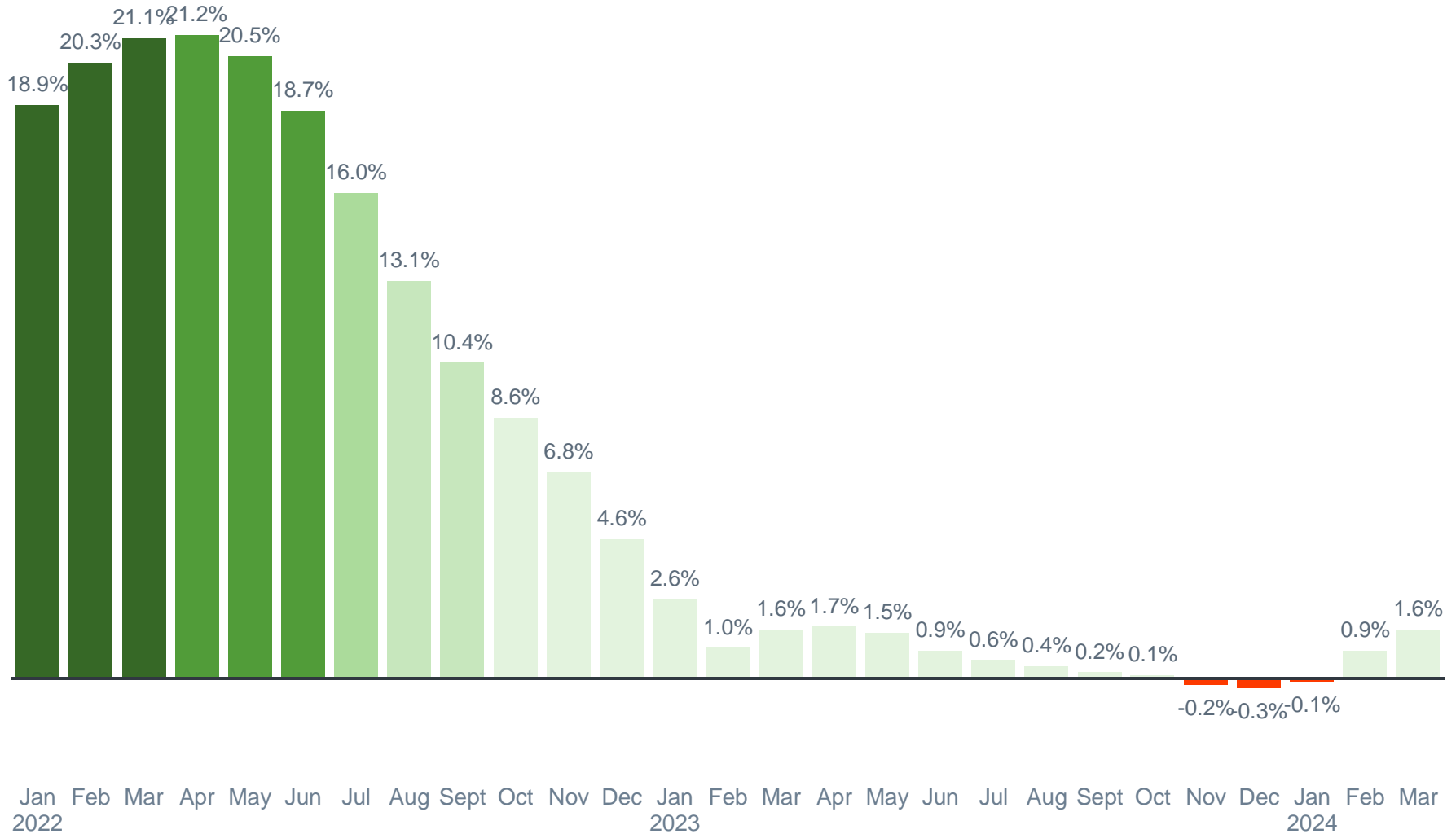
Year-Over-Year, 20 City Composite



Source: S&P Case-Shiller

Change in Home Prices

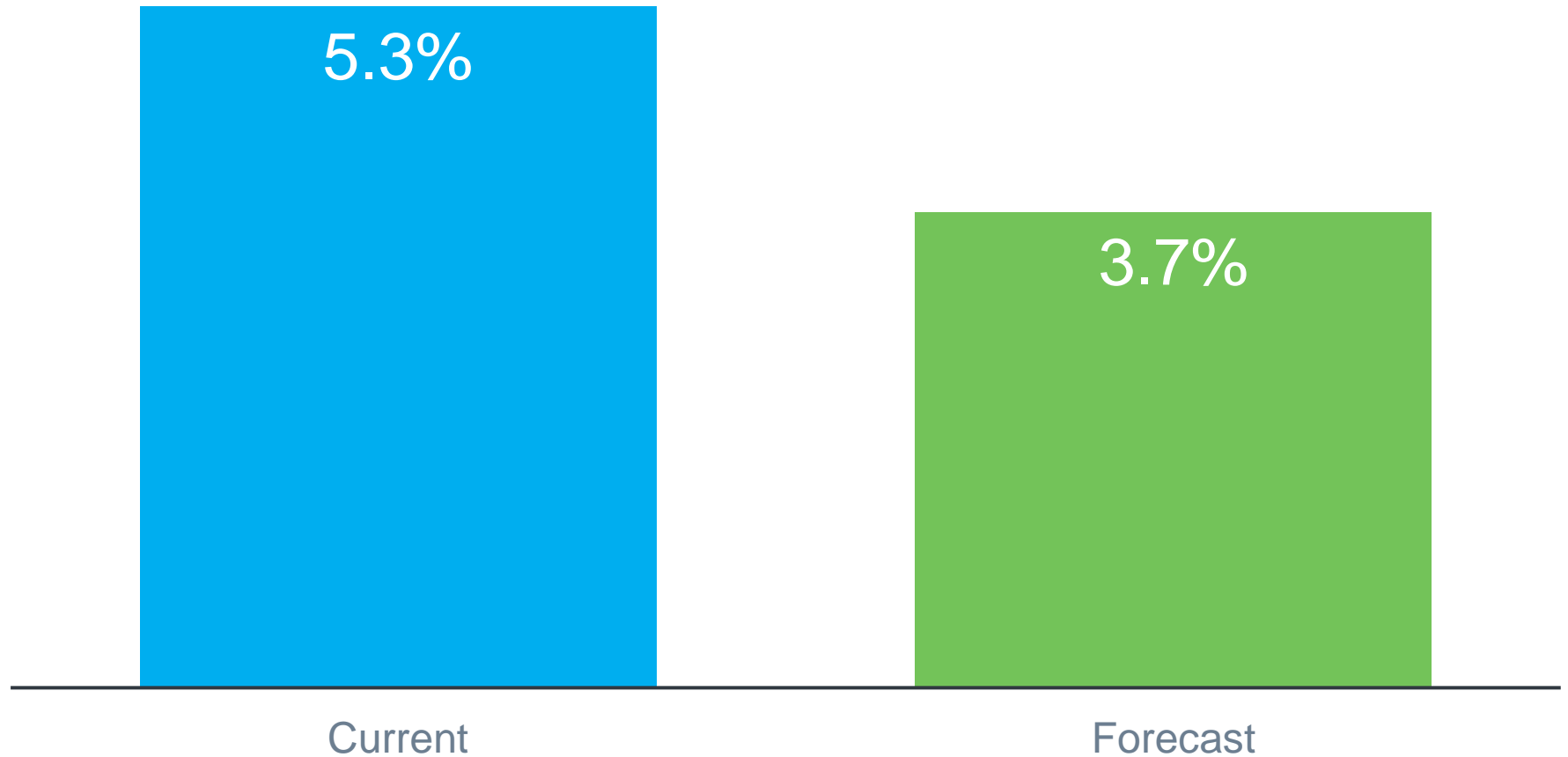
Year-Over-Year, 20 City Composite



Source: S&P Case-Shiller

Year-Over-Year % Change in Price

US Home Price Insights – March 2024

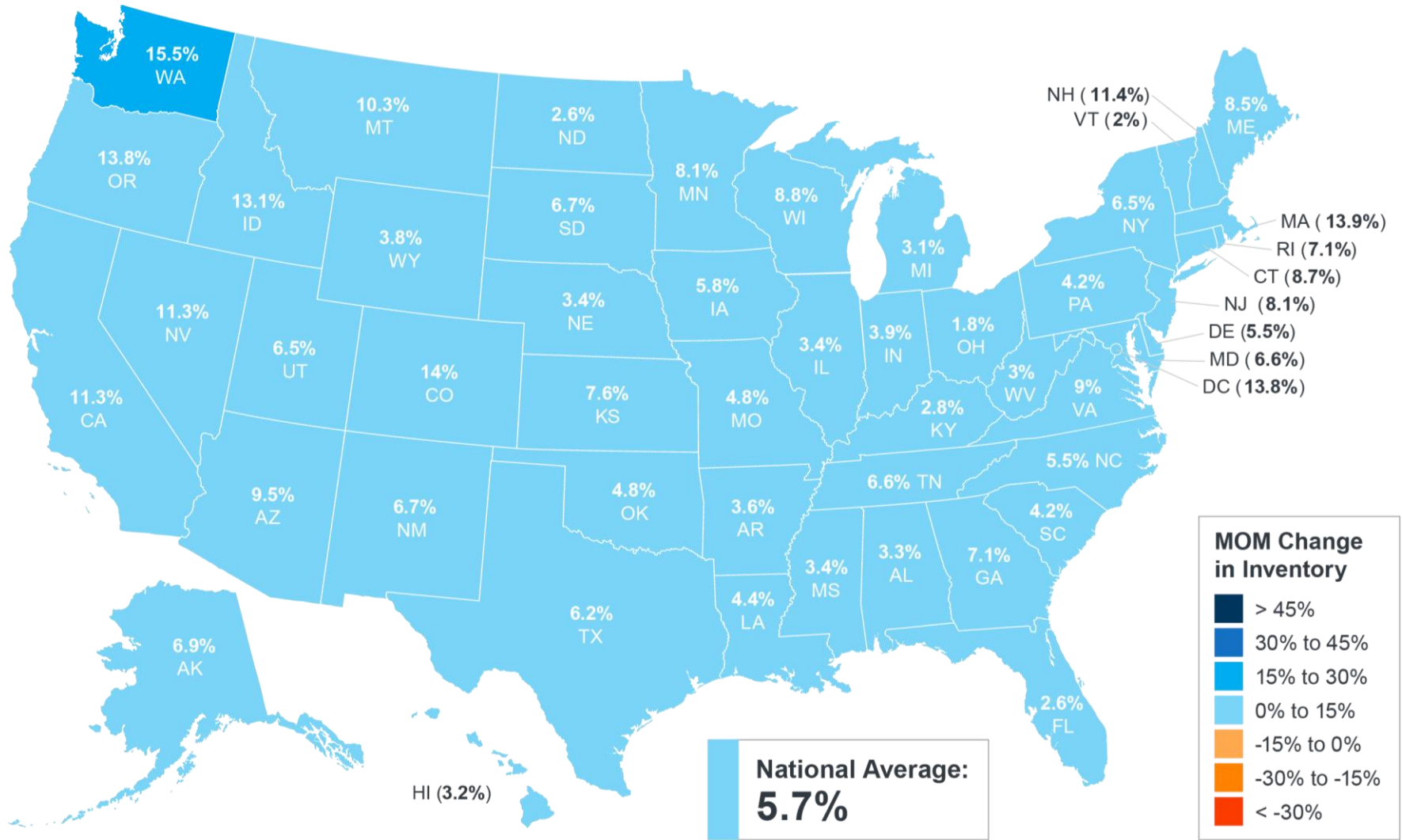




Housing Inventory

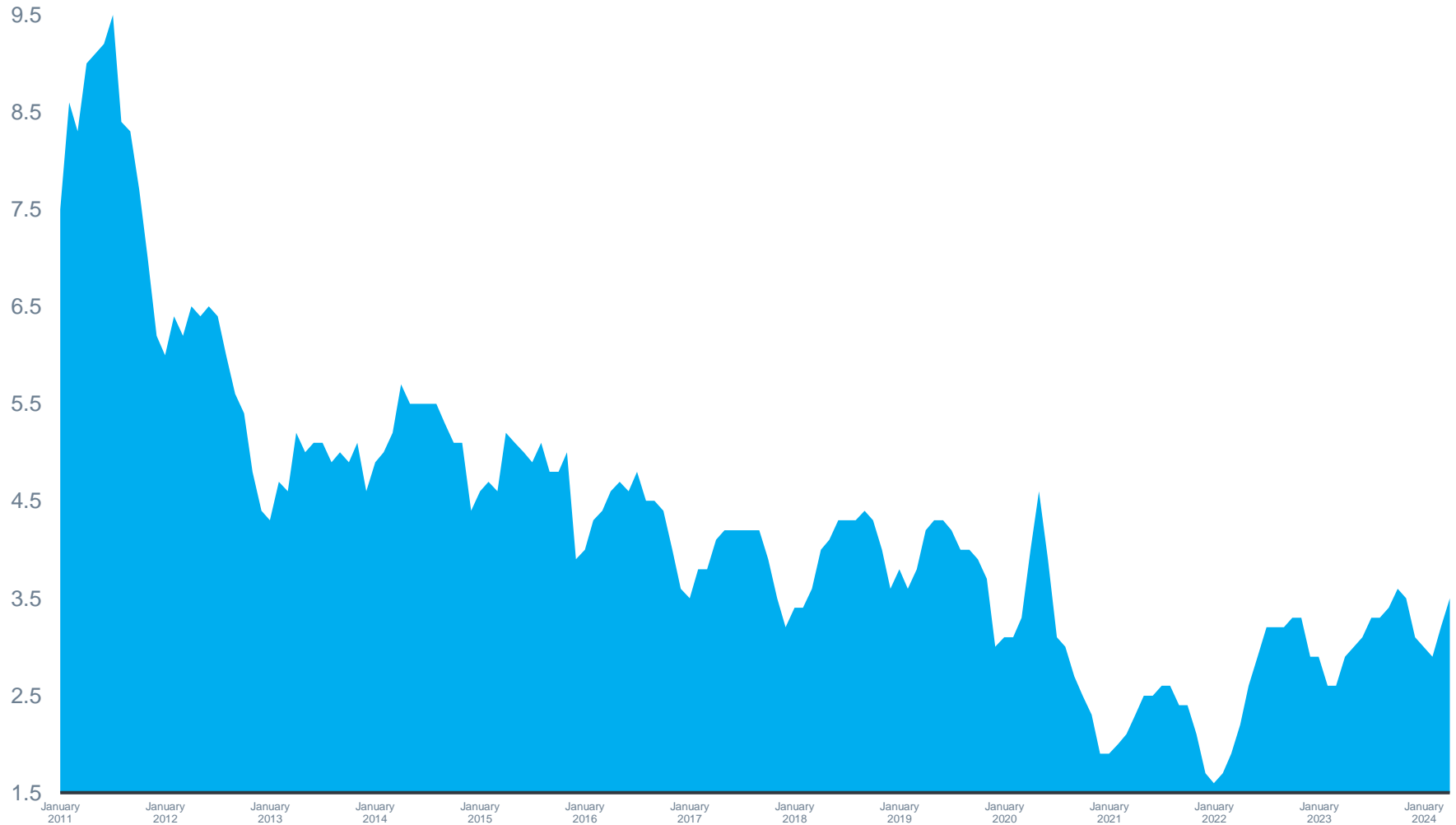
Change in Inventory

Month-Over-Month, April 2024



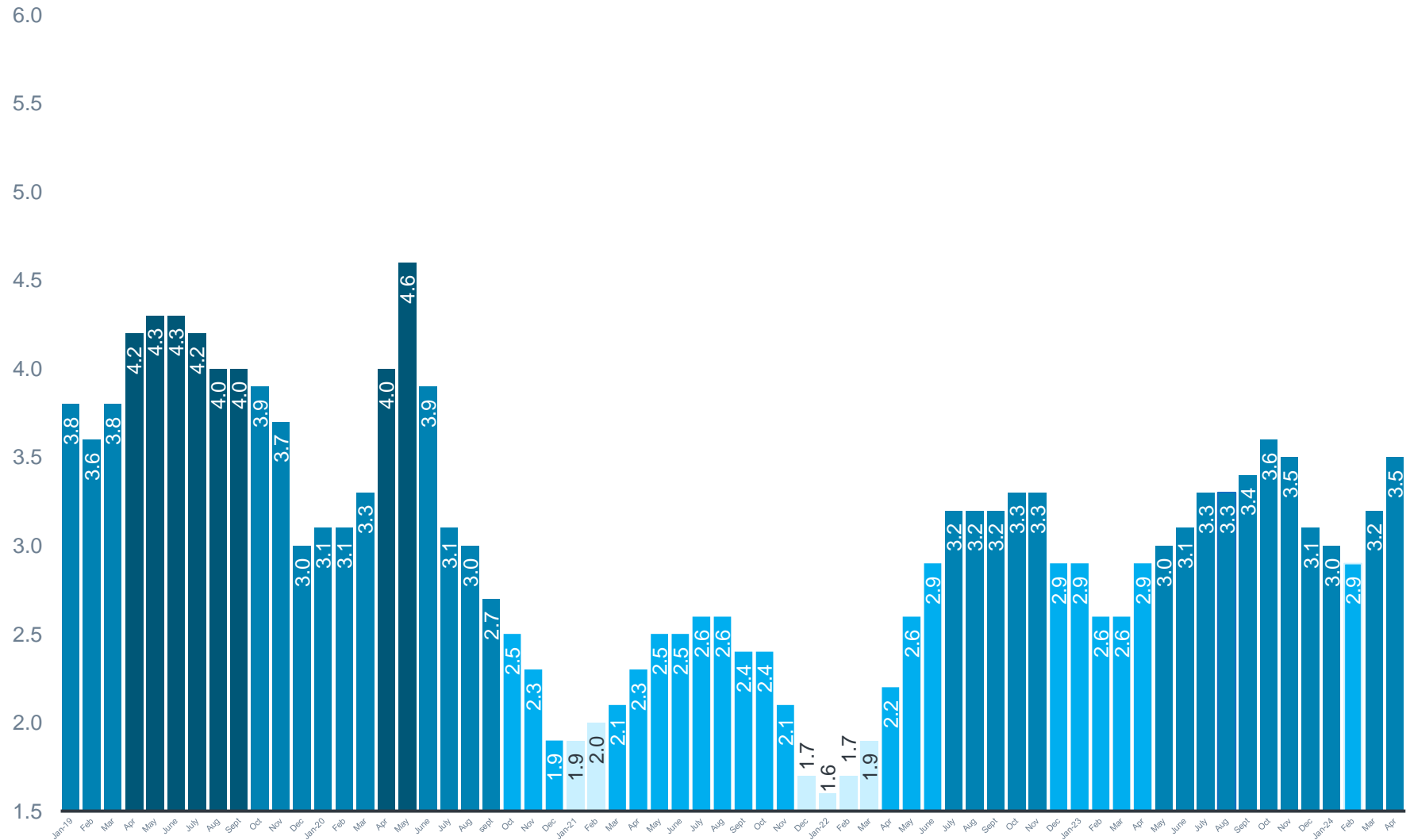
Months Inventory of Homes for Sale

2011 - Today

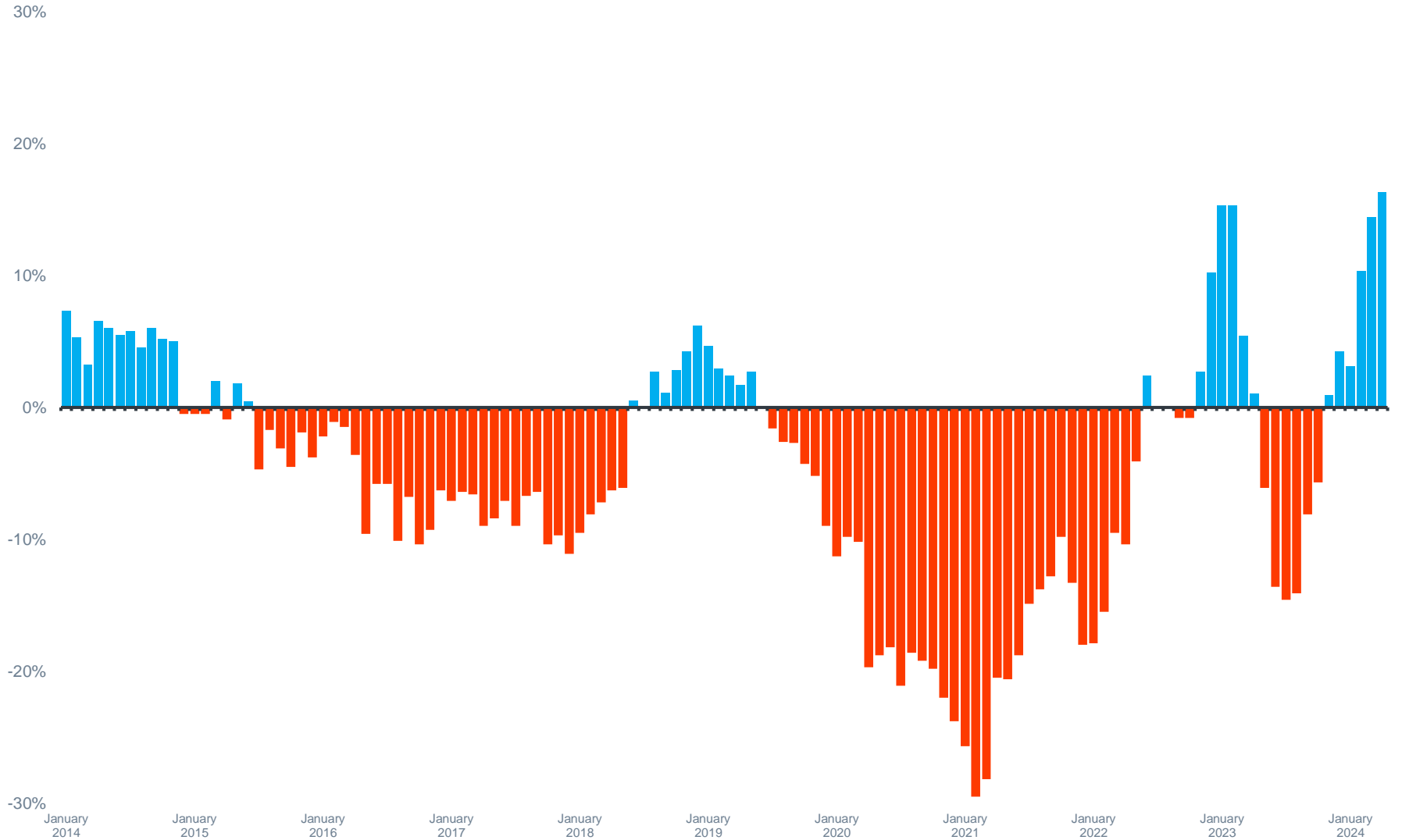


Months Inventory of Homes for Sale

Since 2019

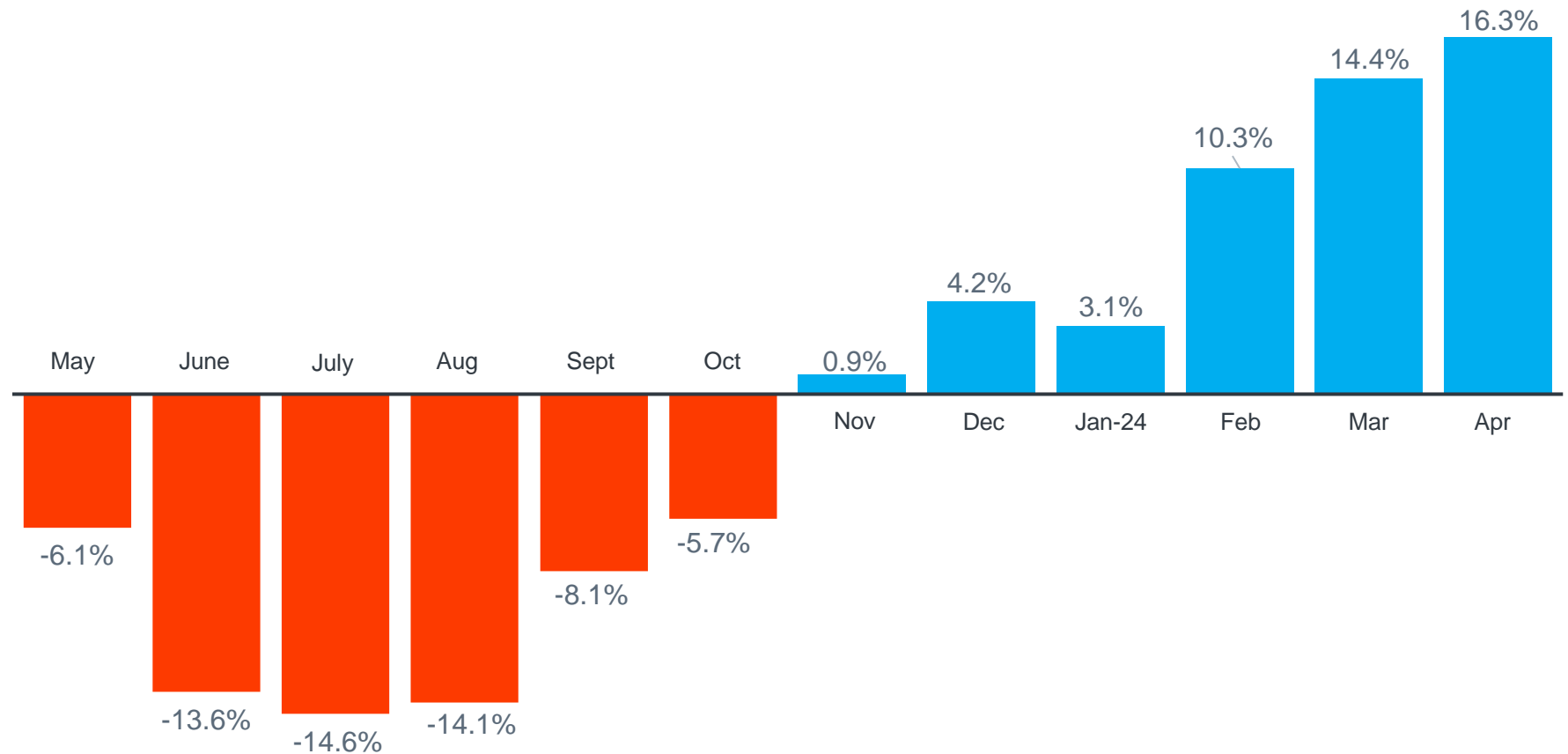


Year-Over-Year Inventory Levels



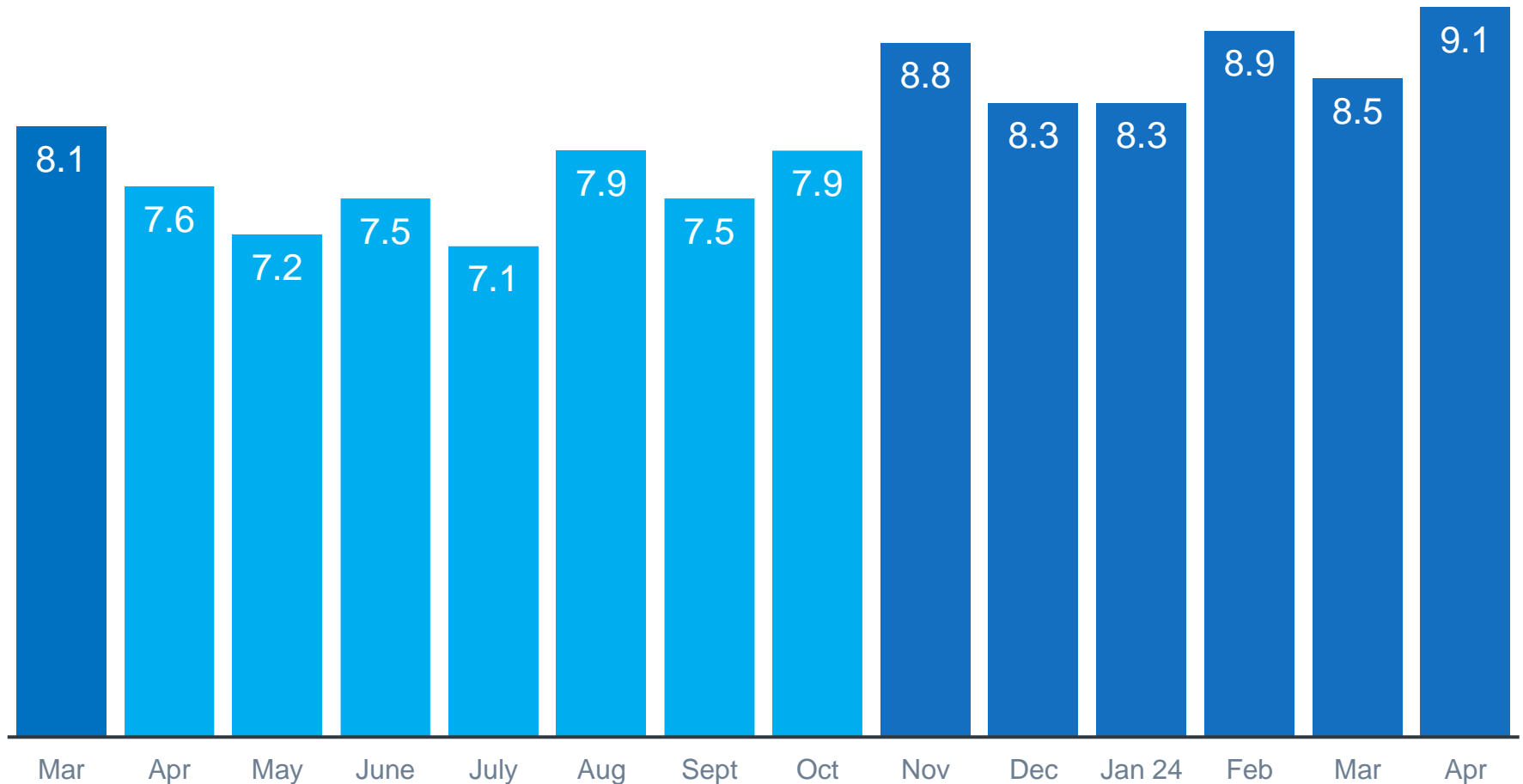
Year-Over-Year Inventory Levels

Last 12 Months



New Home Monthly Inventory

Seasonally Adjusted, Last 13 Months

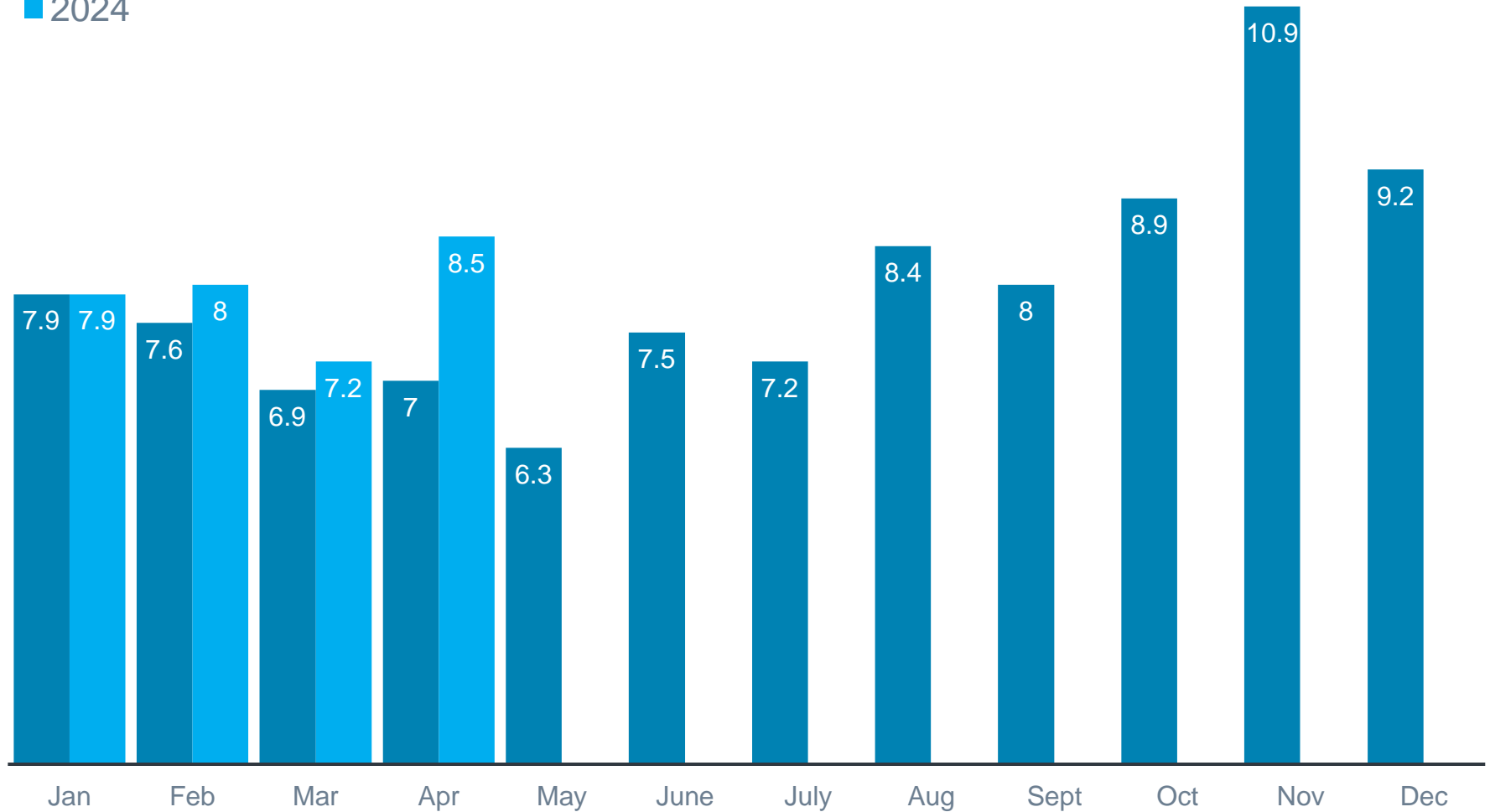


New Home Monthly Inventory

Non-Seasonally Adjusted

■ 2023

■ 2024



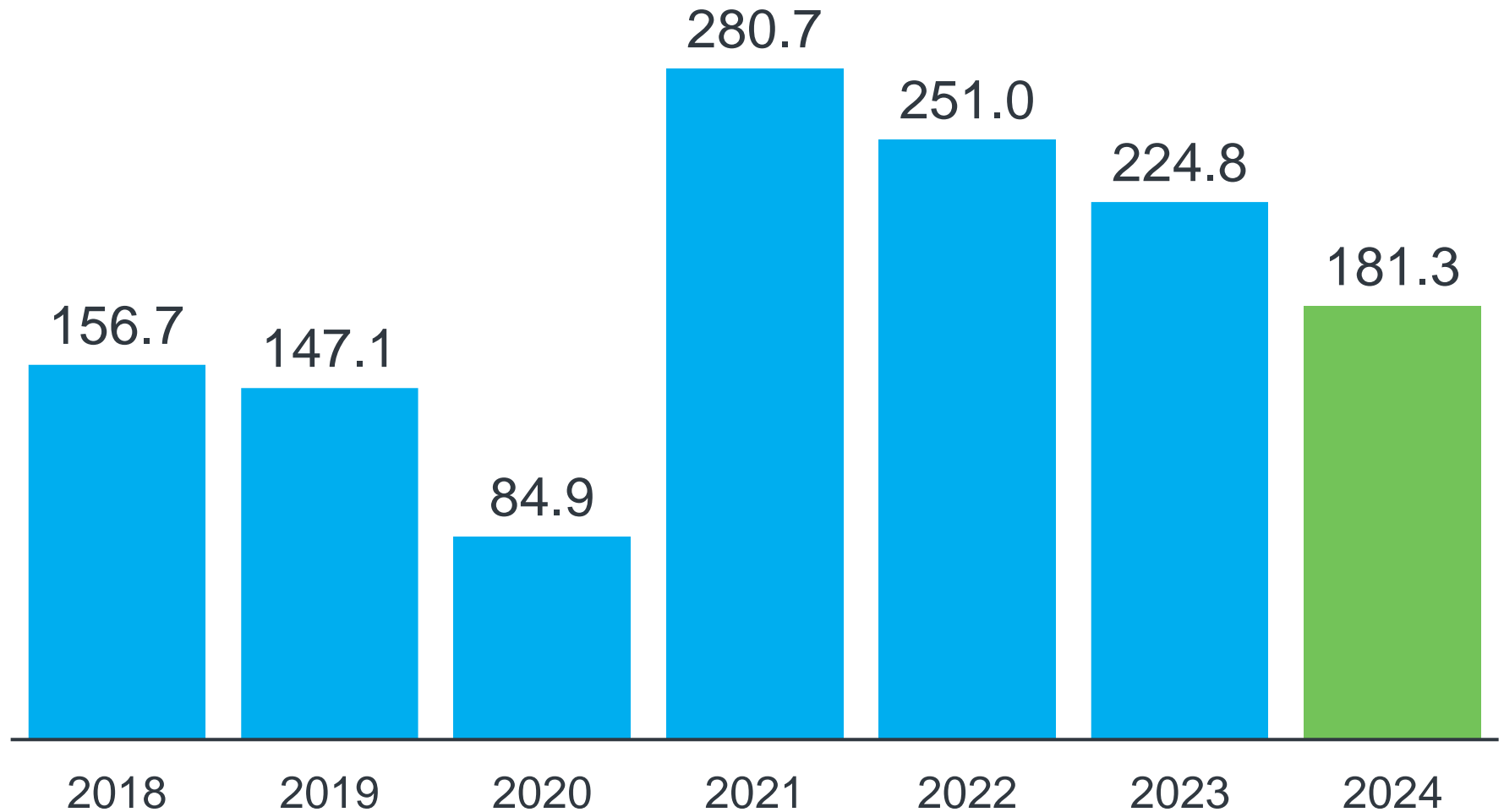
Source: Census



Buyer Demand

Showing Index Still Remain Above Pre-pandemic Levels

Showing Index over Last 7 Aprils

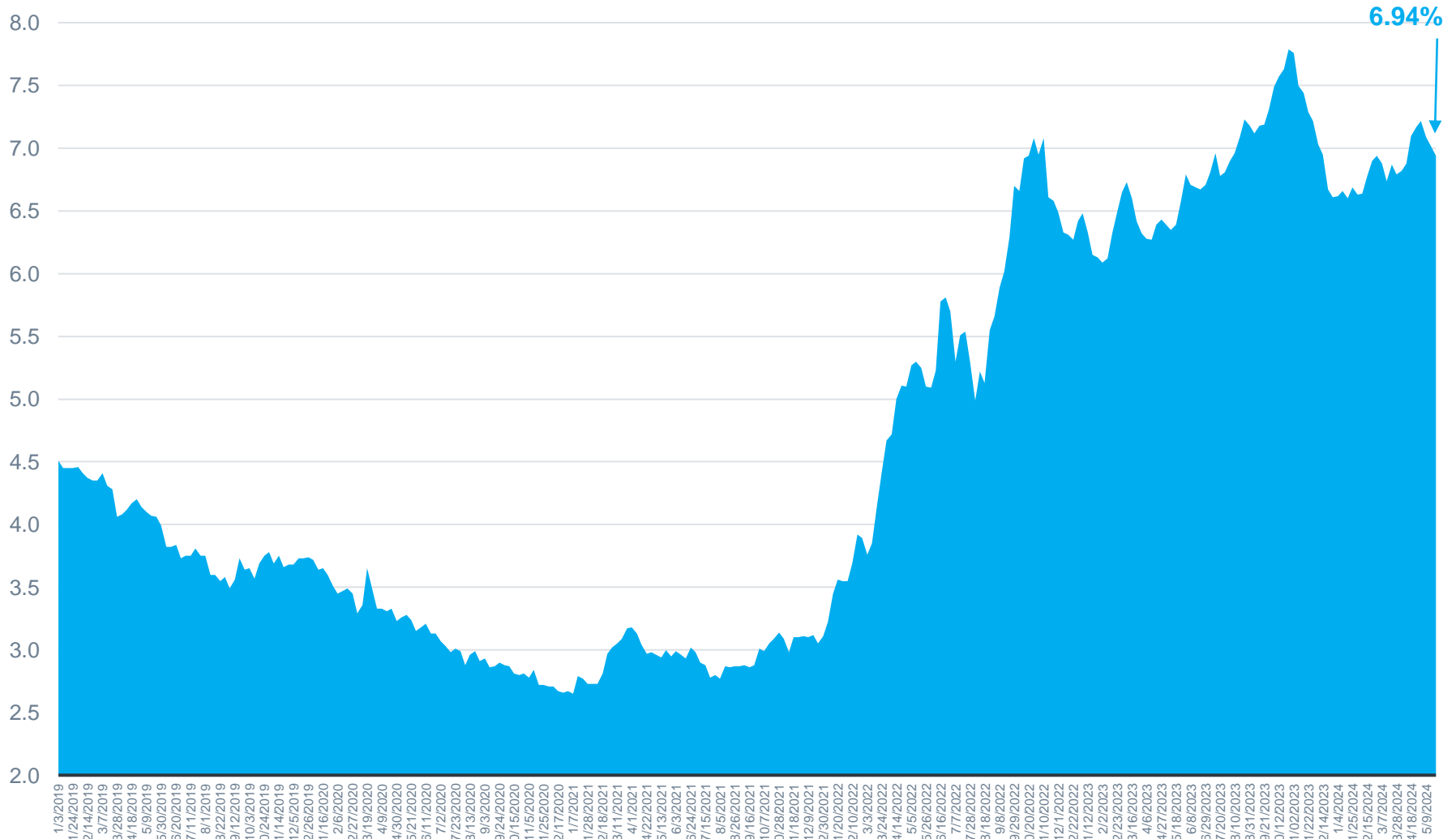




Mortgage Rates

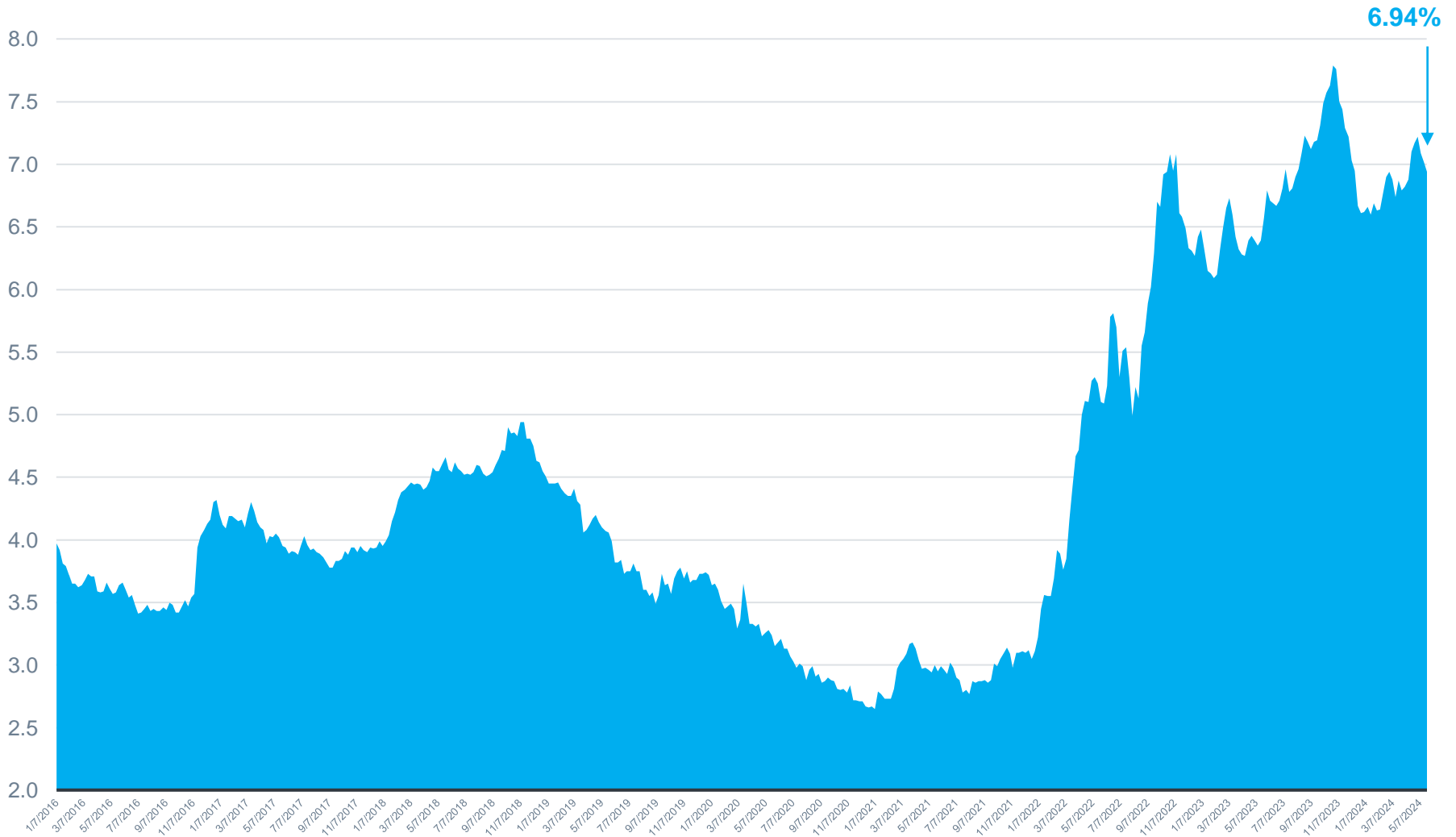
Mortgage Rates

30-Year Fixed Rate, January 2018–Today



Mortgage Rates

30-Year Fixed Rate, January 2016–Today



Source: Freddie Mac

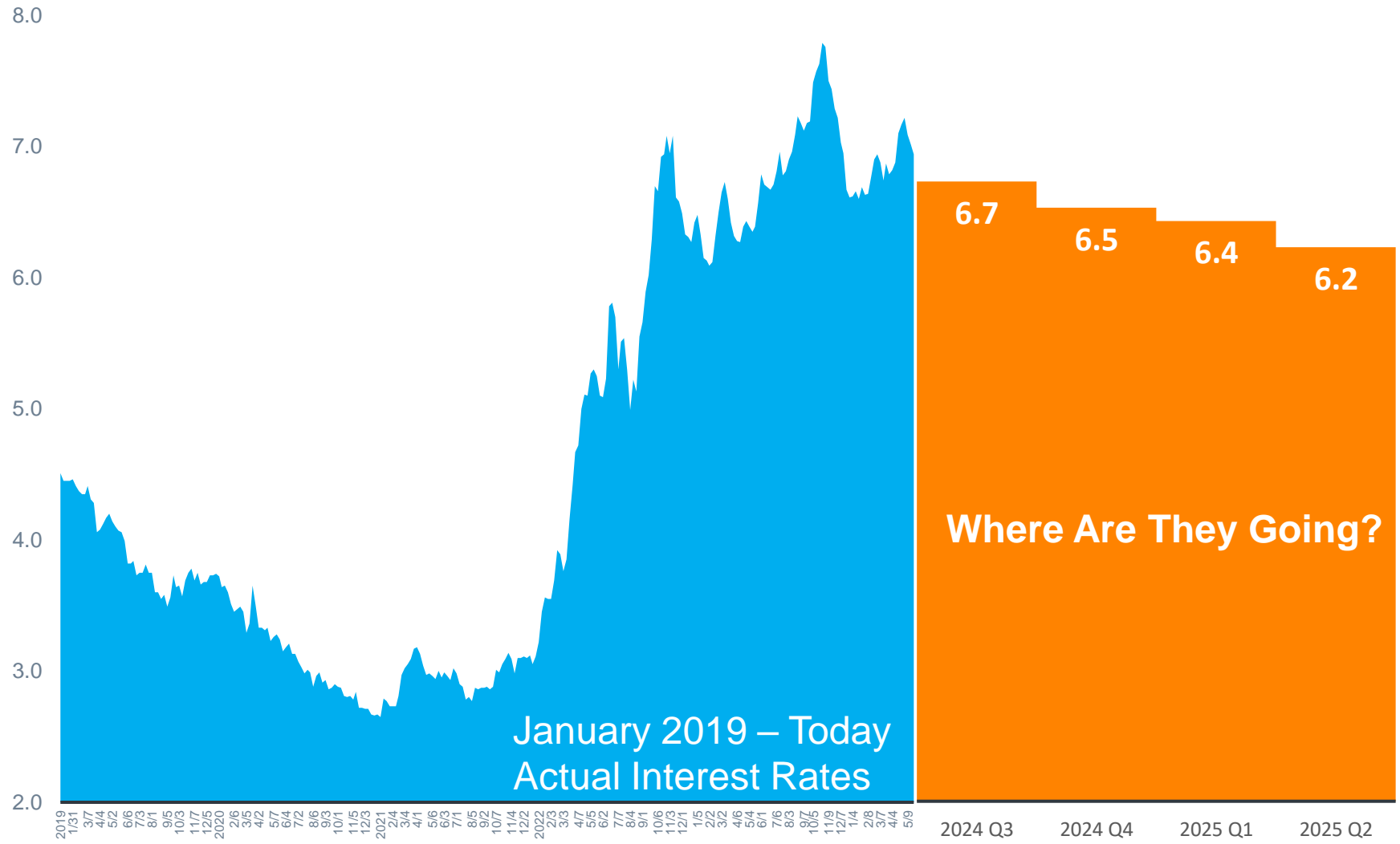
Mortgage Rate Projections

May 2024

Quarter	Fannie Mae	MBA	NAR	Average of All Three
2024 Q3	7.10%	6.70%	6.70%	6.83%
2024 Q4	7.00%	6.50%	6.50%	6.67%
2025 Q1	6.90%	6.40%	6.30%	6.53%
2025 Q2	6.80%	6.20%	6.20%	6.40%

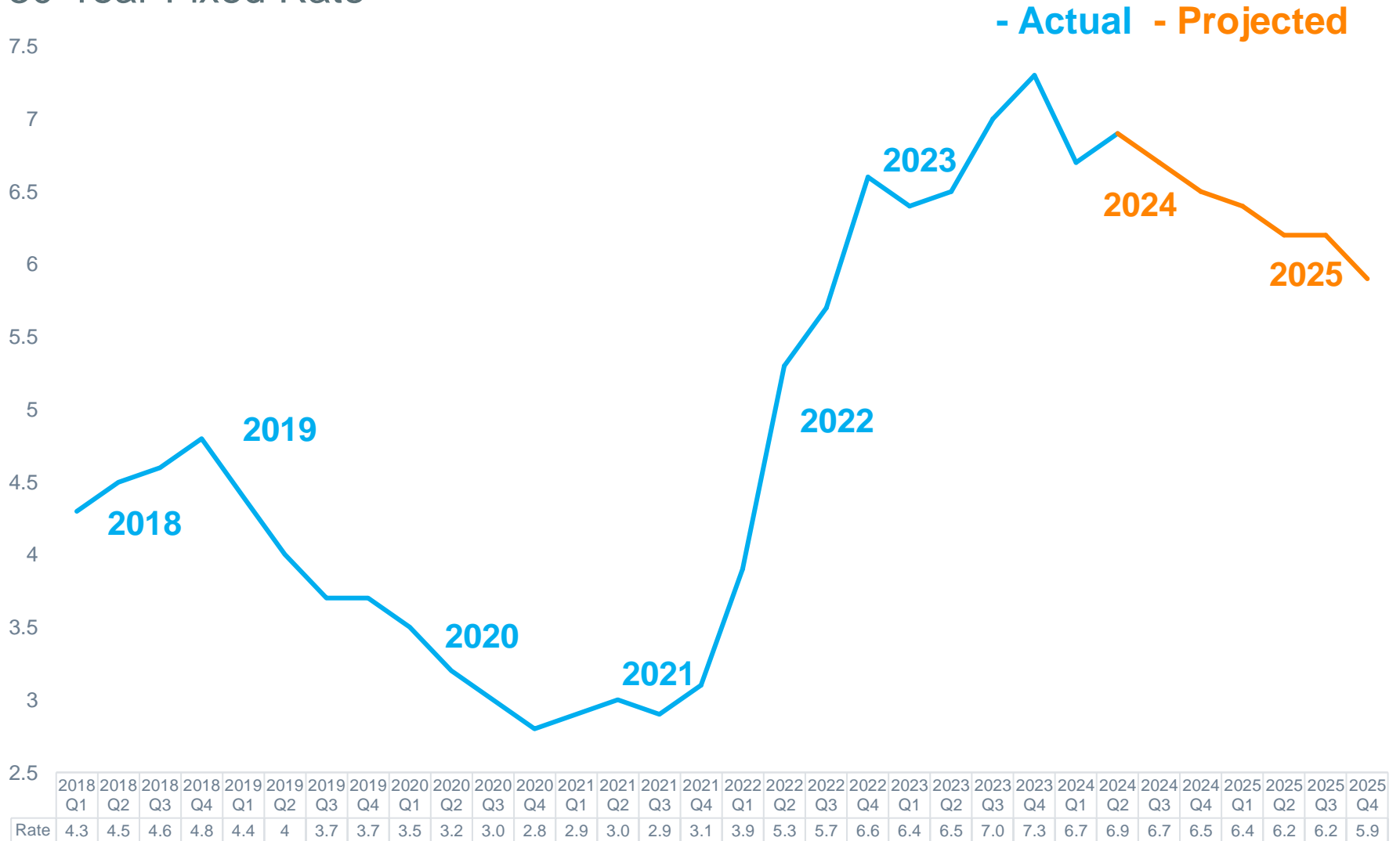
Mortgage Rates

30-Year Fixed Rate



Mortgage Rates

30-Year Fixed Rate

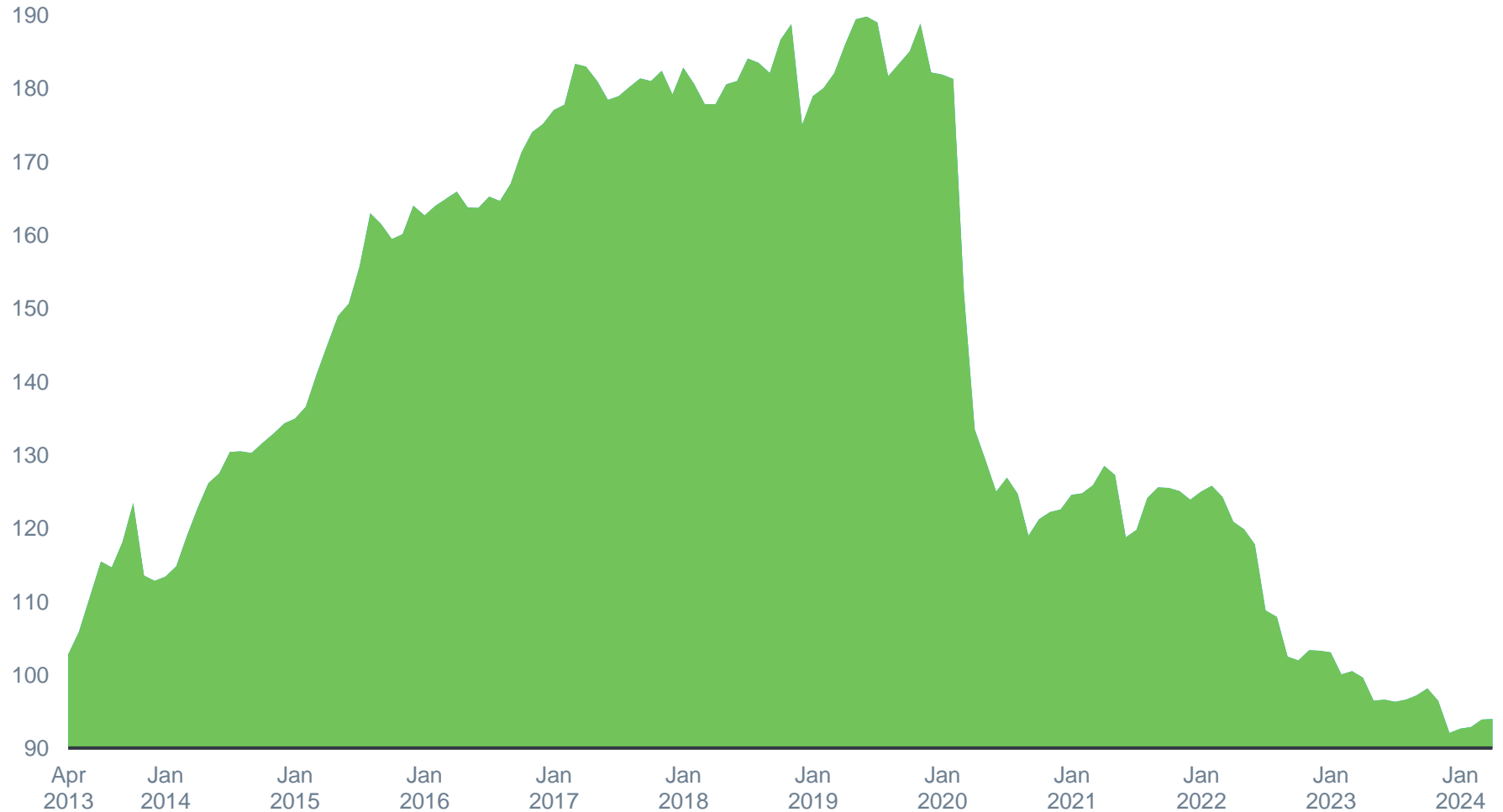




Mortgage Credit Availability

Mortgage Credit Availability Index (MCAI)

April 2024



Source: MBA

Lending Standards Still Under Control

Historic Data for the Mortgage Credit Availability Index (MCAI)

