

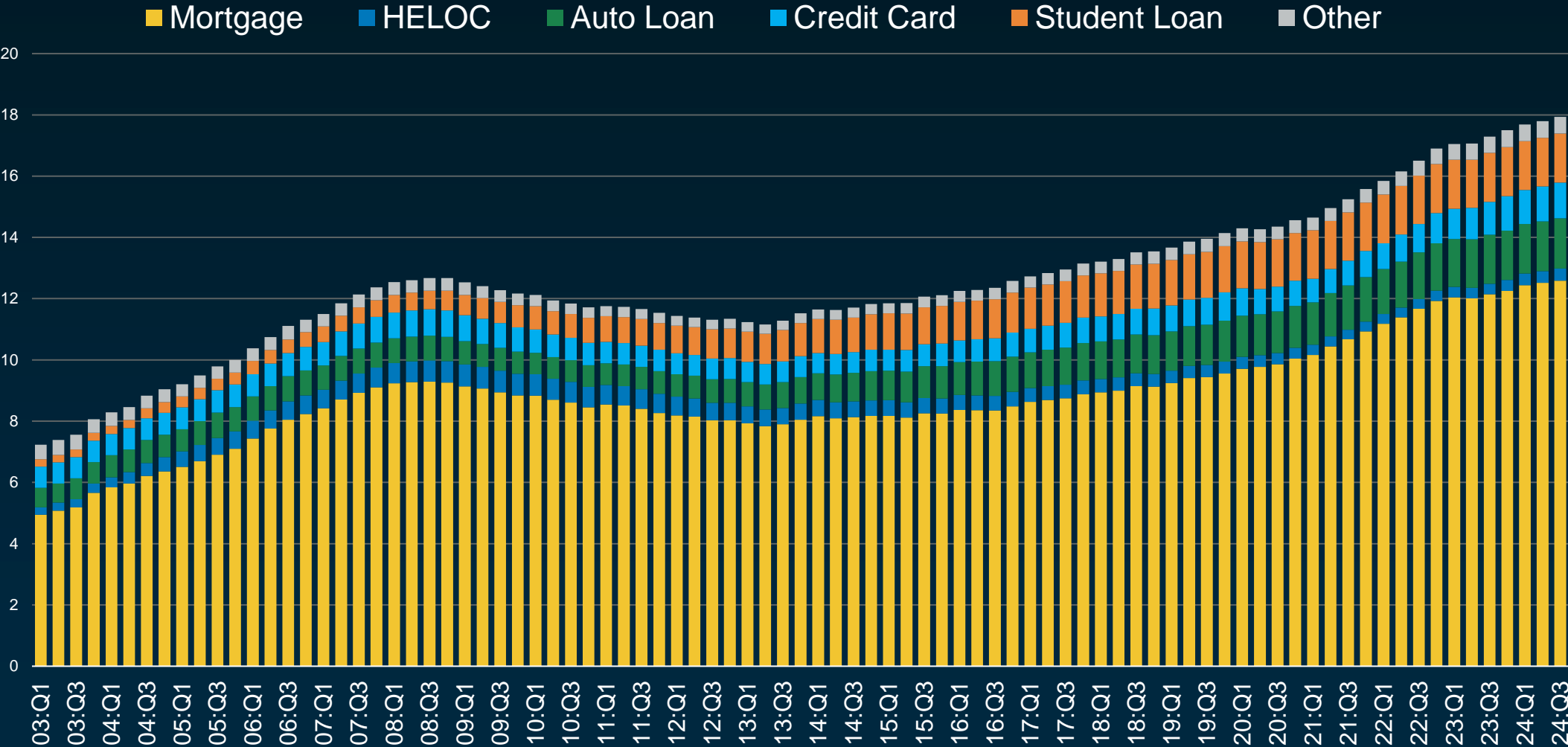


With the recent house price increases, some people are worried about a new housing bubble – but mortgage debt isn't a concern, and lending standards are much better now than during the bubble.

Bill McBride
Housing Analyst, CalculatedRisk

Consumer Debt at Record Level

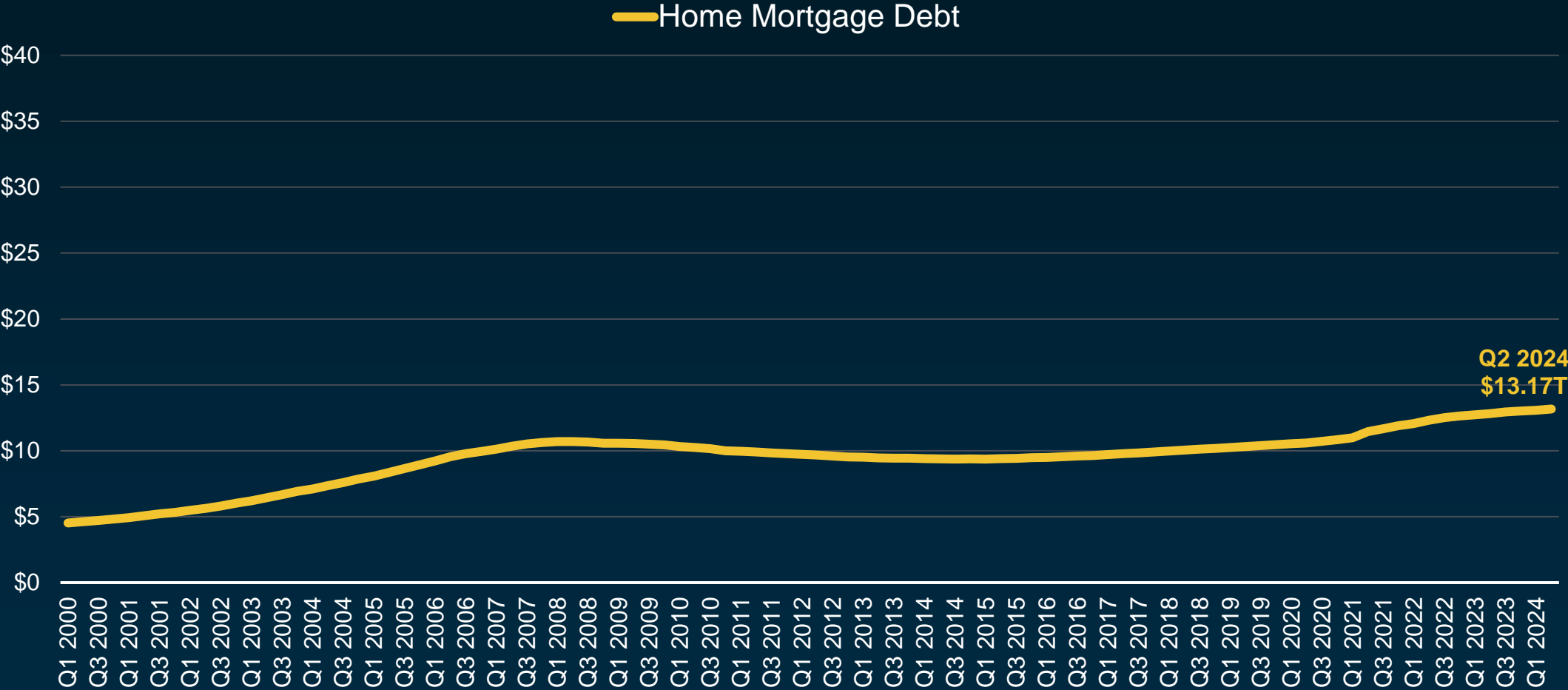
Total Debt Balance and Its Composition, in Trillions



Source: NY Fed

Home Equity Is Far Outpacing Mortgage Debt

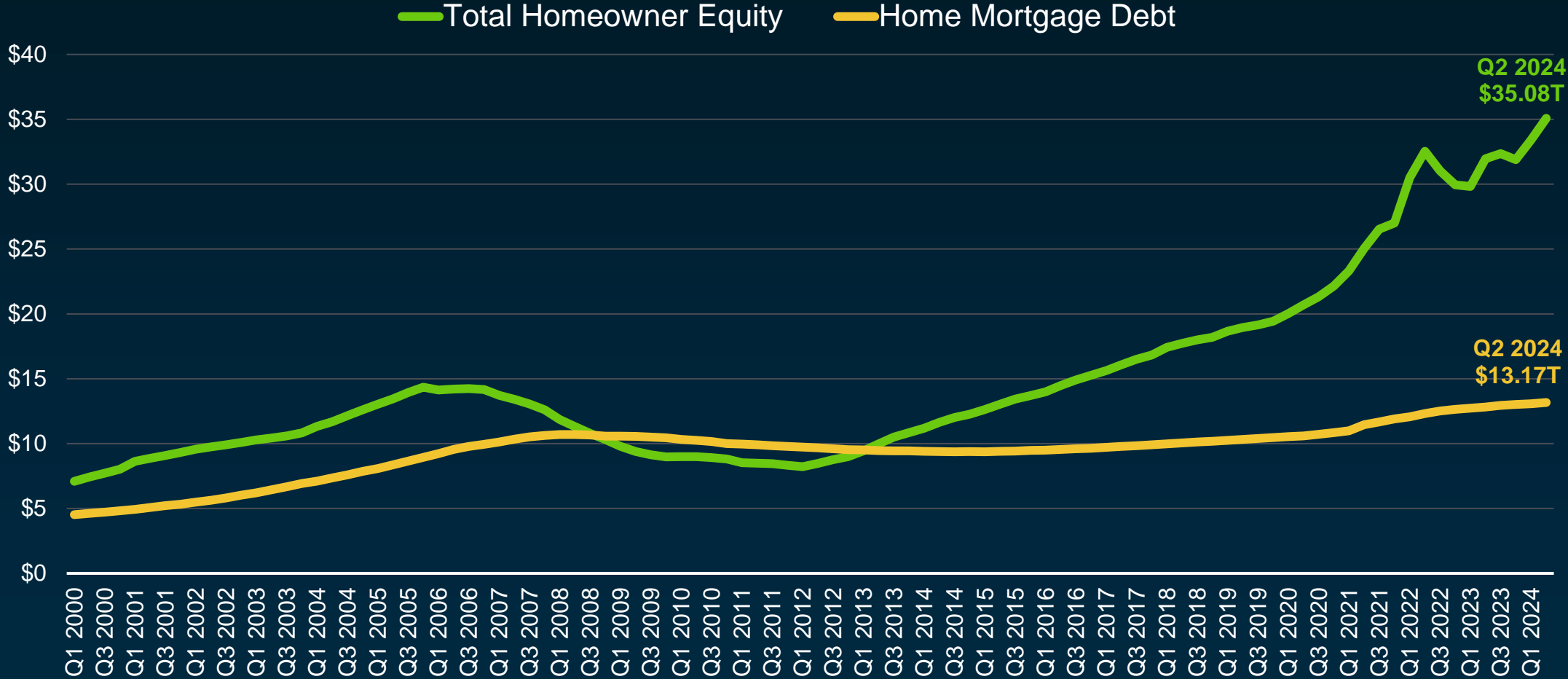
In Trillions



Source: St. Louis Fed

Home Equity Is Far Outpacing Mortgage Debt

In Trillions



Source: St. Louis Fed



Equity growth has begun to moderate along with broader home prices in recent months, but that's **still the largest volume of equity we've seen on record**, adjusting for seasonality

The average homeowner now has \$319K of equity in their home, of which \$207K could be borrowed against while still maintaining a 20% equity cushion.

ICE Mortgage Monitor Report



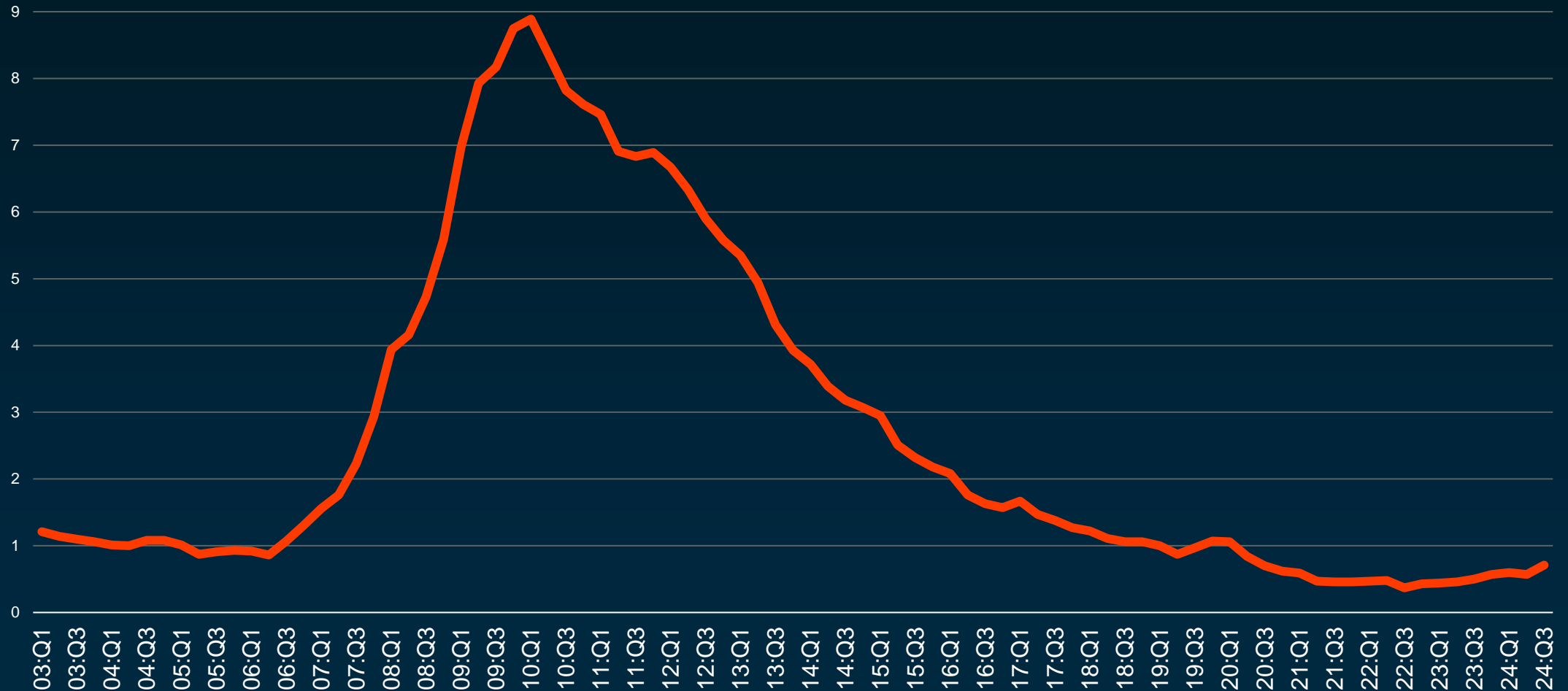
For a homeowner in the early stage of foreclosure, that equity helps them avoid a foreclosure sale, either **by leveraging the equity to pay down past due mortgage bills**, or by selling their property in order to protect the equity they'd otherwise lose at the auction.

Rick Sharga

Founder and CEO, CJ Patrick Company

Serious Mortgage Delinquency Rates Remain Low

Percent of Mortgage Balance 90+ Days Delinquent, Through Q3 2024

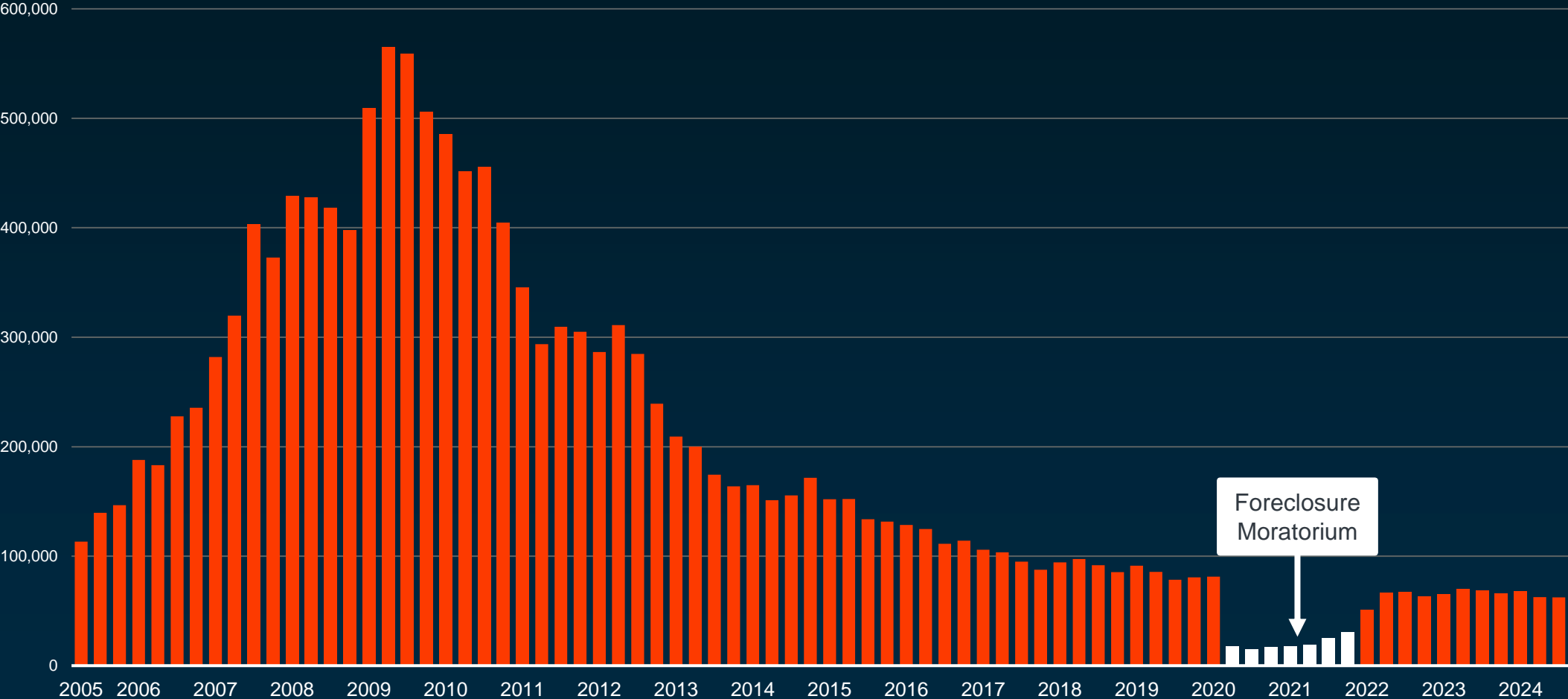




In October 2024, the U.S. housing market experienced a slight uptick in foreclosure activity, with 30,784 properties filing for foreclosure—marking a 4% increase from the previous month **but an 11% decrease year-over-year. This nuanced trend shows foreclosure levels remain relatively low despite monthly rises.**

U.S. Foreclosure Activity Decreases in Q3 2024

U.S. Foreclosure Starts in Q3 2024

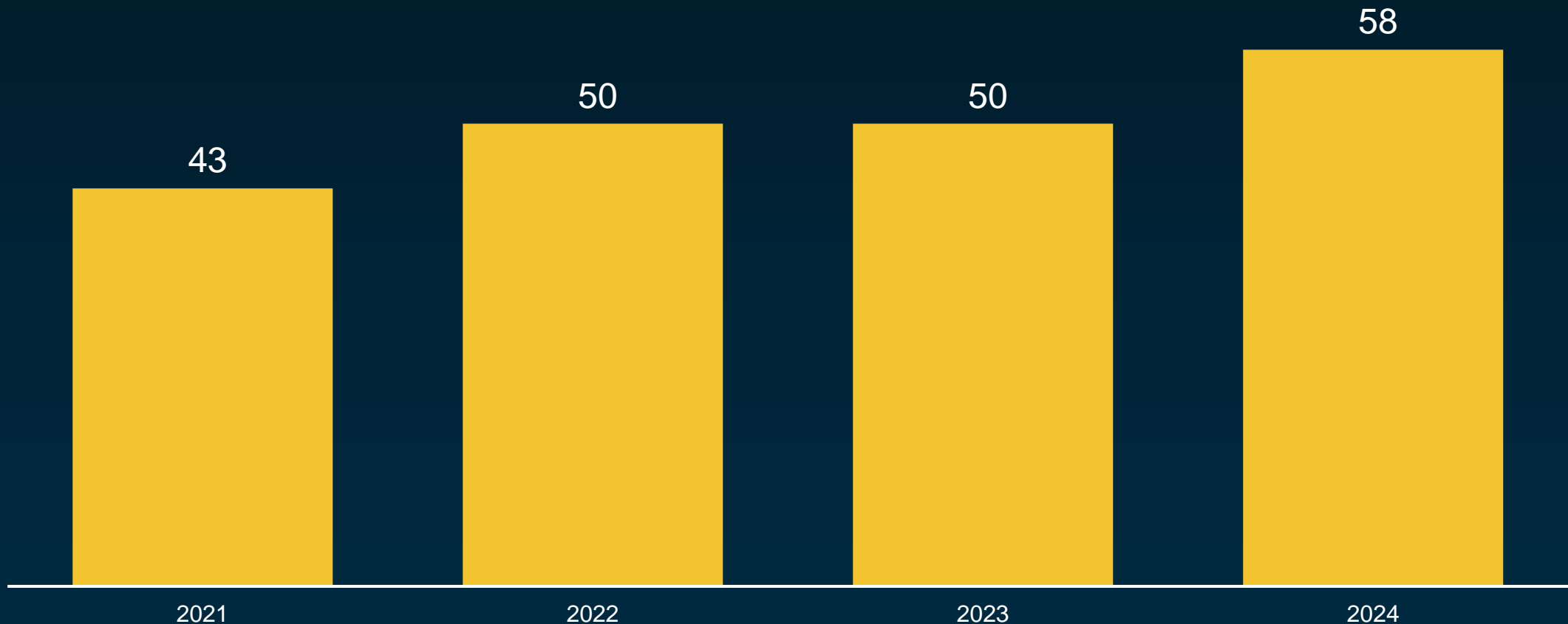




**Expired
Listings**

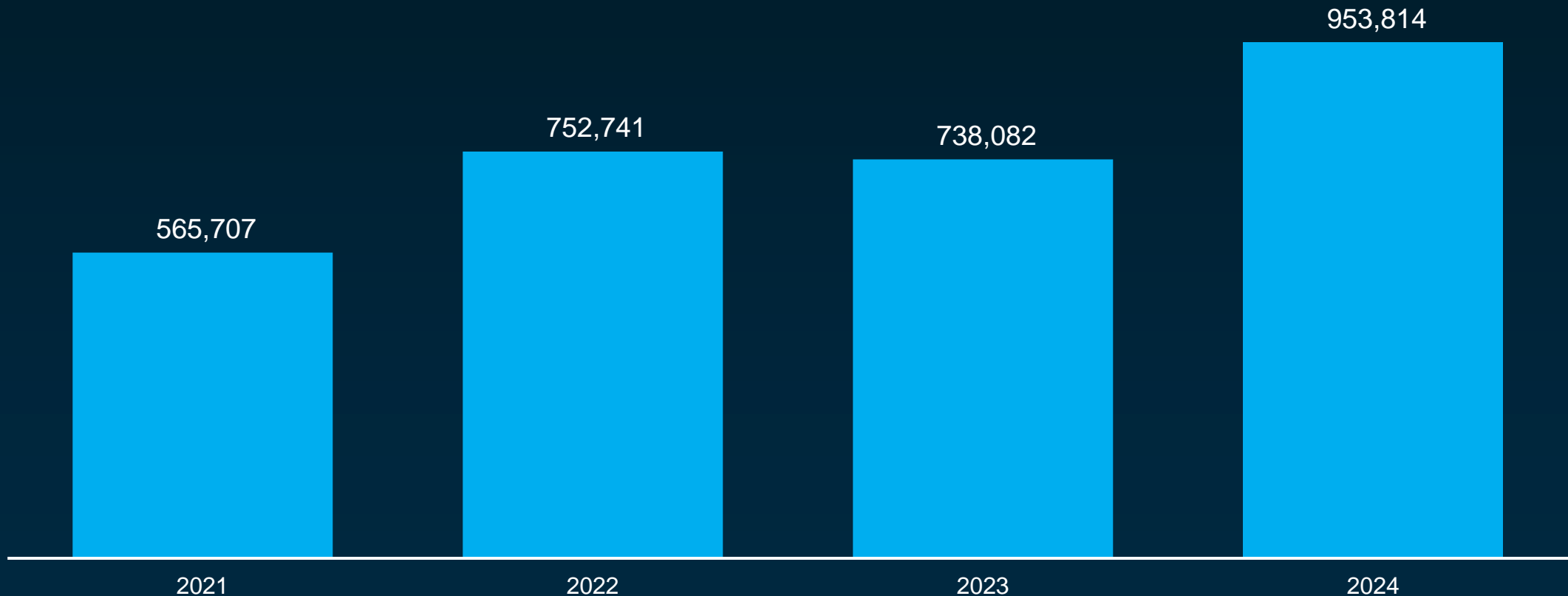
Days on Market Has Risen Since 2021

Median Days on the Market, October of Each Year



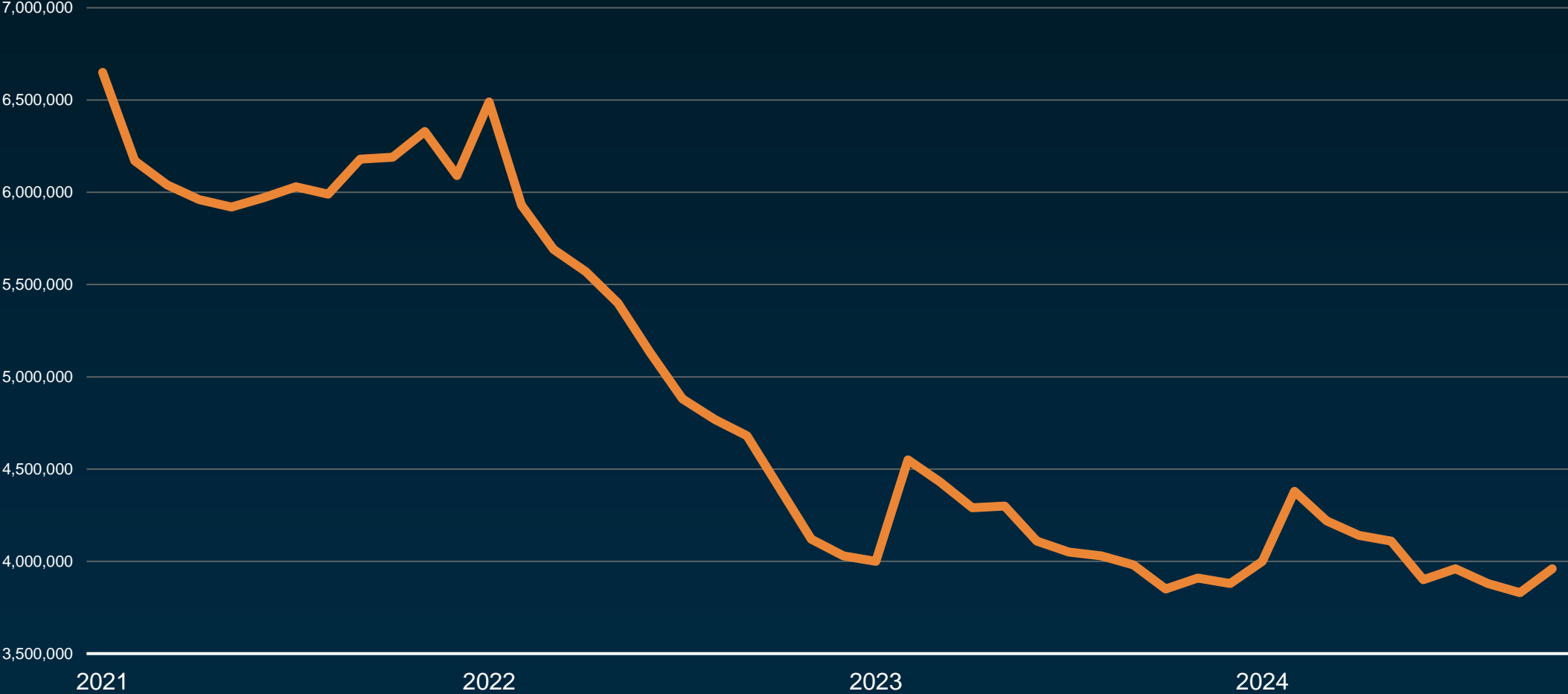
Inventory Has Risen Since 2021

Active Listing Count, October of Each Year



Existing Home Sales Are Down

Seasonally Adjusted Annual Rate of Existing Home Sales Since 2021





Expired Listings

Understand the Seller's 4 Options:



**Re-list With
Their Current
Agent**



**Re-list With
a New Real
Estate Agent**



**Take the
House Off the
Market**



**List the House
For-Sale-By-
Owner (FSBO)**

3 Steps To Winning Expired Listings

The opportunity for real estate professionals lies in understanding three critical steps that, if followed, will lead to winning more business from expired listings.

Step 1: Master the Seller's Psychology



- 1) Rationalization
- 2) Reaction Formation
- 3) Displacement

Step 2: 3 Factors that May Have Prevented the House From Selling



- 1) Having Proper Access
- 2) Making It Look Good
- 3) Pricing It Compellingly

Step 3: Understand the Seller's 4 Options



- 1) Re-List with Their Current Agent
- 2) Take the House Off the Market
- 3) List the House For-Sale-By-Owner (FSBO)
- 4) Re-List with a New Real Estate Agent (you)

FSBO

For-Sale-by-Owner

Source: NAR



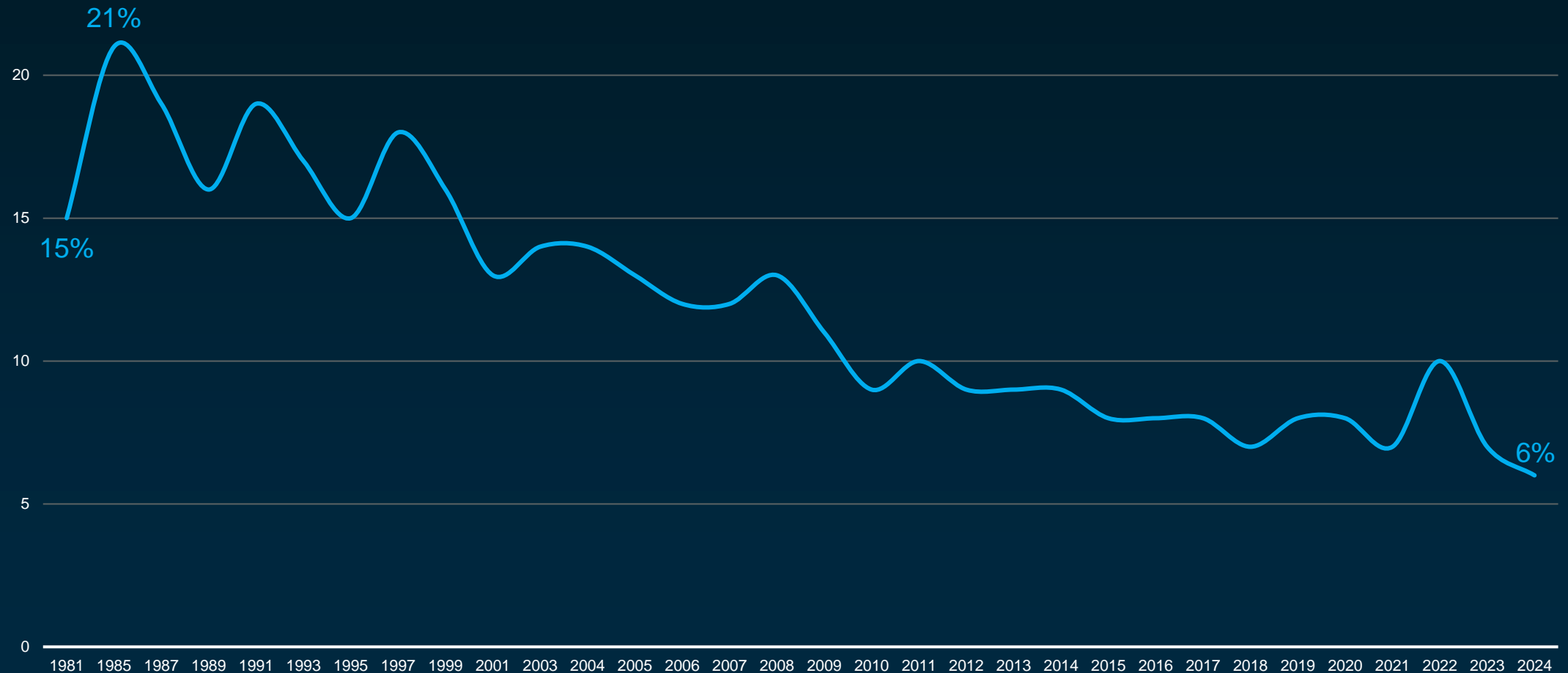


90% of sellers sold with the assistance of a real estate agent, up from 89% last year, and **only 6% were FSBO sales**. The share of FSBO sellers was a historical low.

NAR

FSBOs as a Percent of All Home Sales

The Percent of Homes Selling as a FSBO Decreased to 6% in 2024 a Historical Low



Where FSBOs Found Their Buyers?

6% of Recent Home Sales Were FSBO Sales This Year



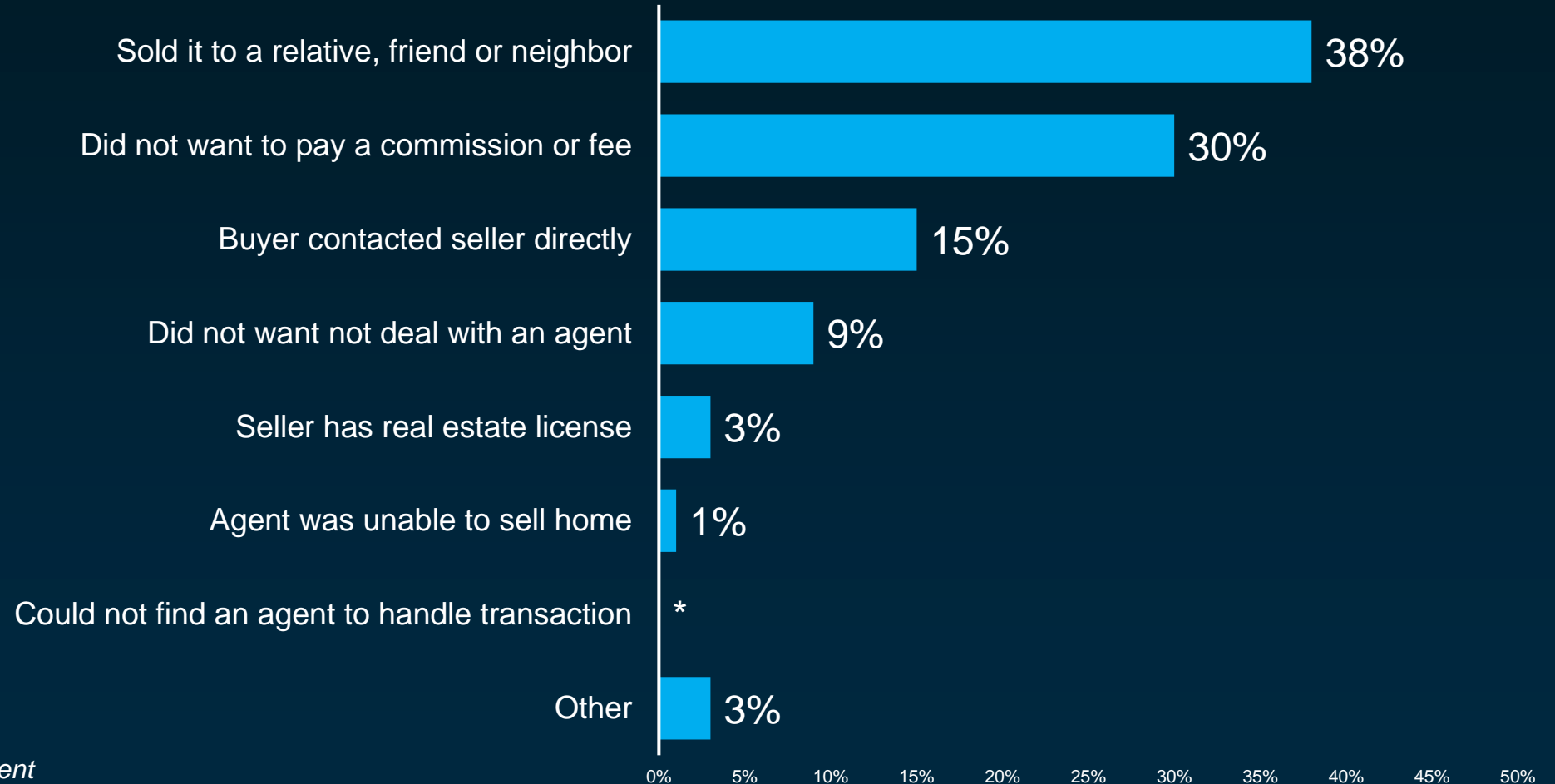
6% of recent home sales were FSBO sales this year, 4% of them knew the buyer.



For 38% of all FSBO sellers, the main reason to sell via FSBO was because they sold to a relative, friend, or neighbor.

Most Important Reason for Selling Home as FSBO

Percent Distribution, All FSBO, 2024



* Less than 1 percent

Top 5 Most Difficult Task for FSBO Sellers

Percent of Respondents, All FSBO, 2024

Getting the Price Right

17%

Selling Within the Length
of Time Planned

13%

Understanding and
Performing paperwork

10%

Preparing or Fixing Up
The Home for Sale

9%

Having Enough Time To Devote
to All Aspects of the Sale

5%

Looking Ahead





I don't expect to see a meaningful increase in the supply of existing homes for sale until mortgage rates are back down in the low 5% range.

Rick Sharga
Founder and CEO, CJ Patrick Company

Mortgage Rate Projections

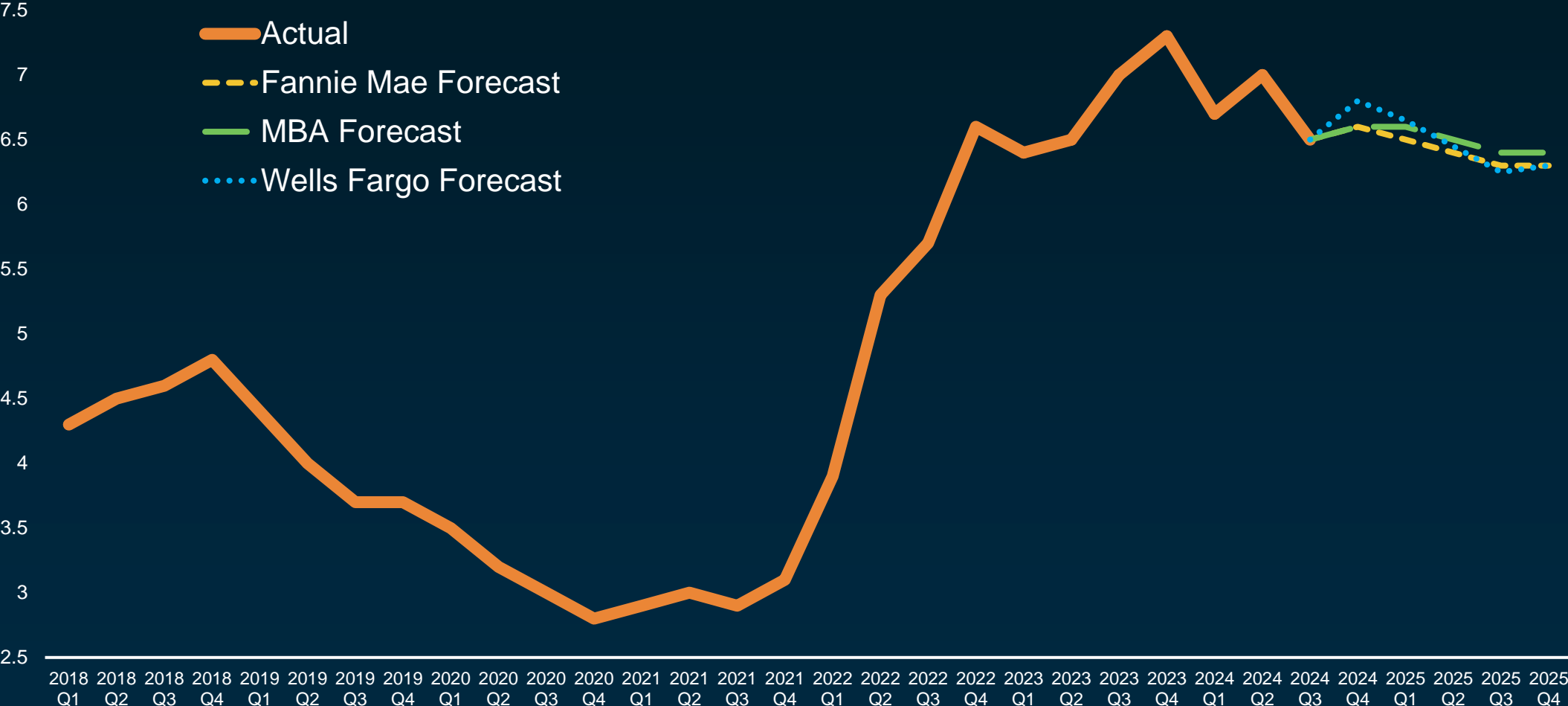
30-Year Fixed Rate, As of 12/4/2024

Quarter	Fannie Mae	MBA	Wells Fargo	Average of All Three
2024 Q4	6.60%	6.60%	6.80%	6.67%
2025 Q1	6.50%	6.60%	6.65%	6.58%
2025 Q2	6.40%	6.50%	6.45%	6.45%
2025 Q3	6.30%	6.40%	6.25%	6.32%
2025 Q4	6.30%	6.40%	6.30%	6.33%

Sources: Fannie Mae, MBA, Wells Fargo

Mortgage Rates & Projections

30-Year Fixed Rate, As of 12/4/2024



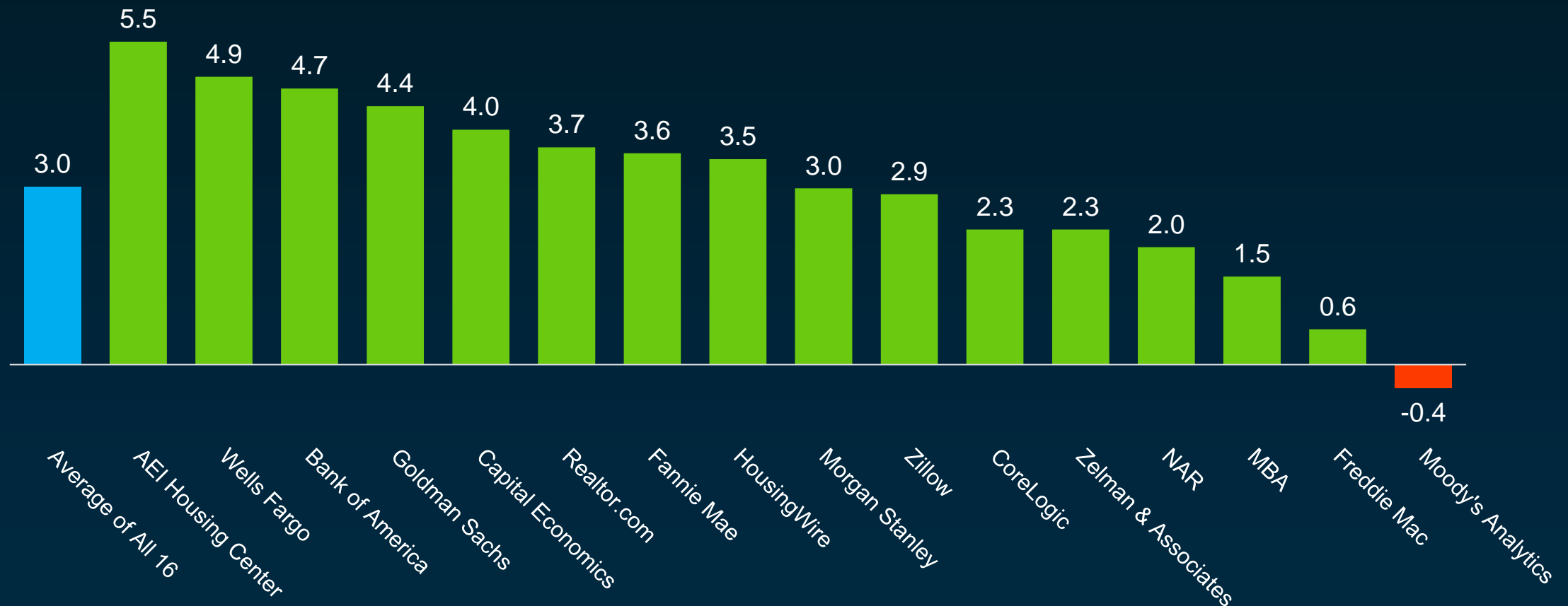


Lower mortgage rates are expected to boost the housing market, but the lift will be modest given continued tightness in the existing inventory and homebuyers staying on the sidelines expecting further rate declines.

Freddie Mac

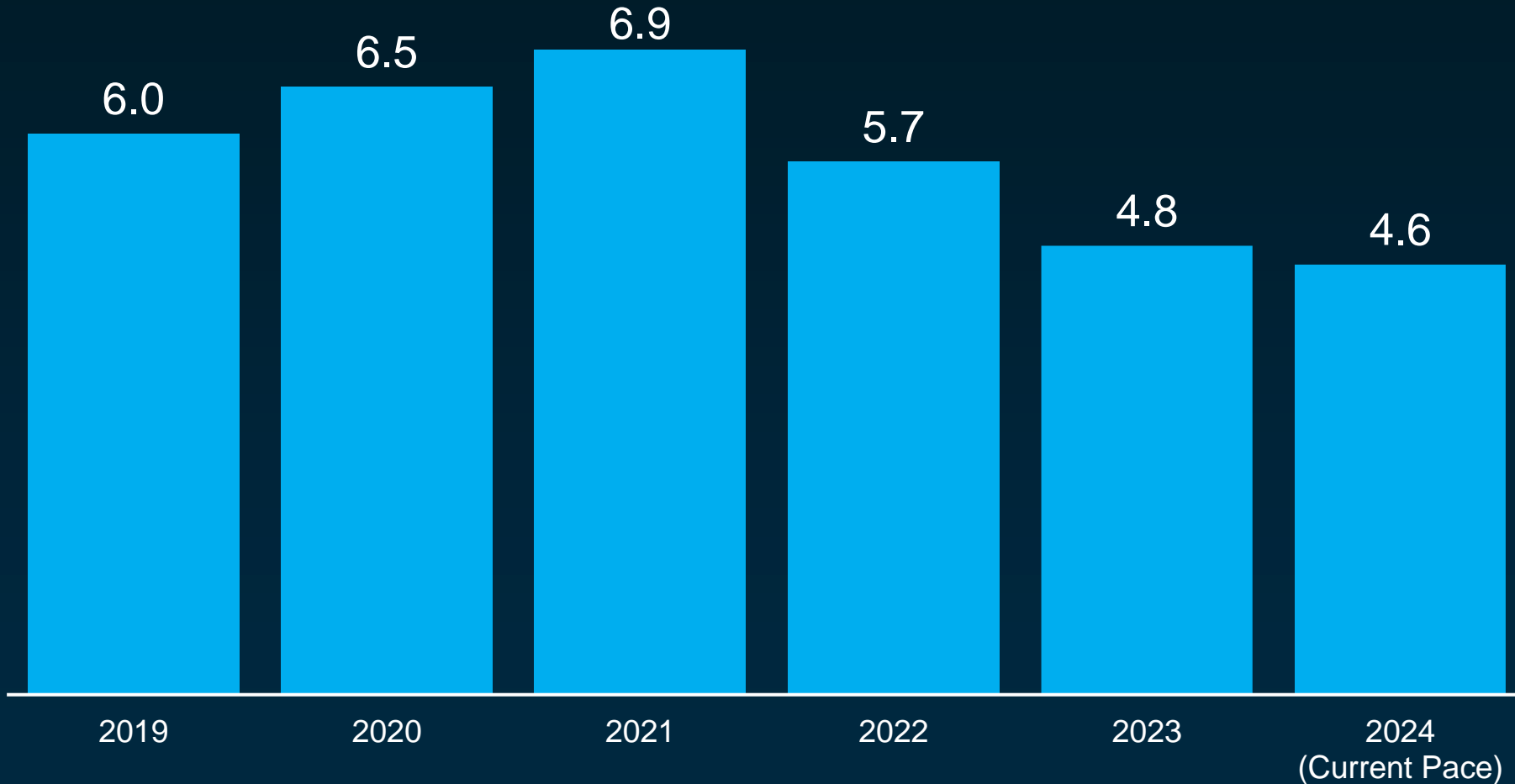
2025 Home Price Forecasts

Percent Appreciation as of 12/4/2024



Total Home Sales Forecast To Rise

In Millions, 2019–2025





Looking ahead to 2025, my baseline expectation is that **single-family home construction** is poised to steadily increase, bolstered by modest declines in financing costs for builders and buyers and by the scarcity of existing homes due to the mortgage rate lock-in effect.

Odetta Kushi

Deputy Chief Economist, First American