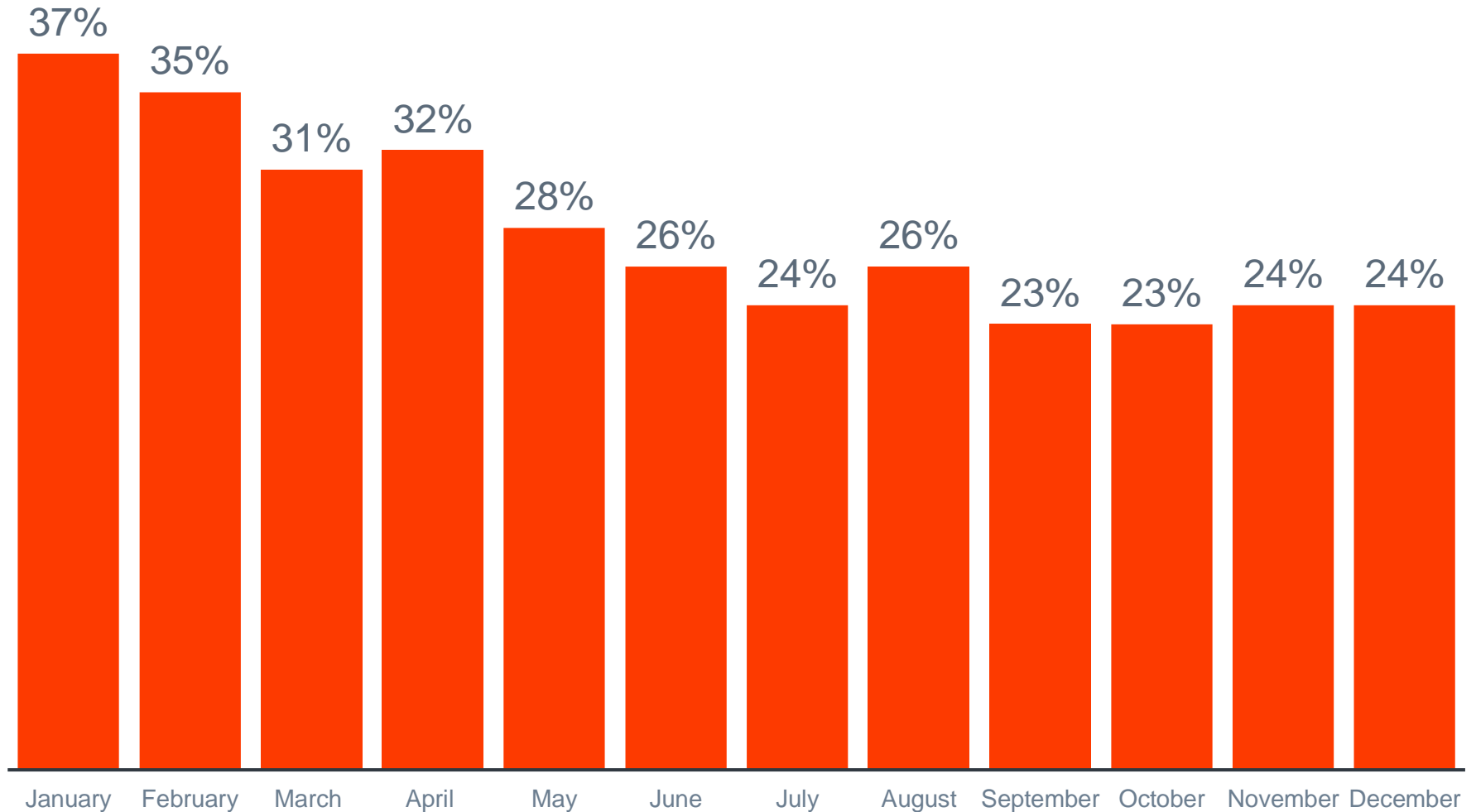




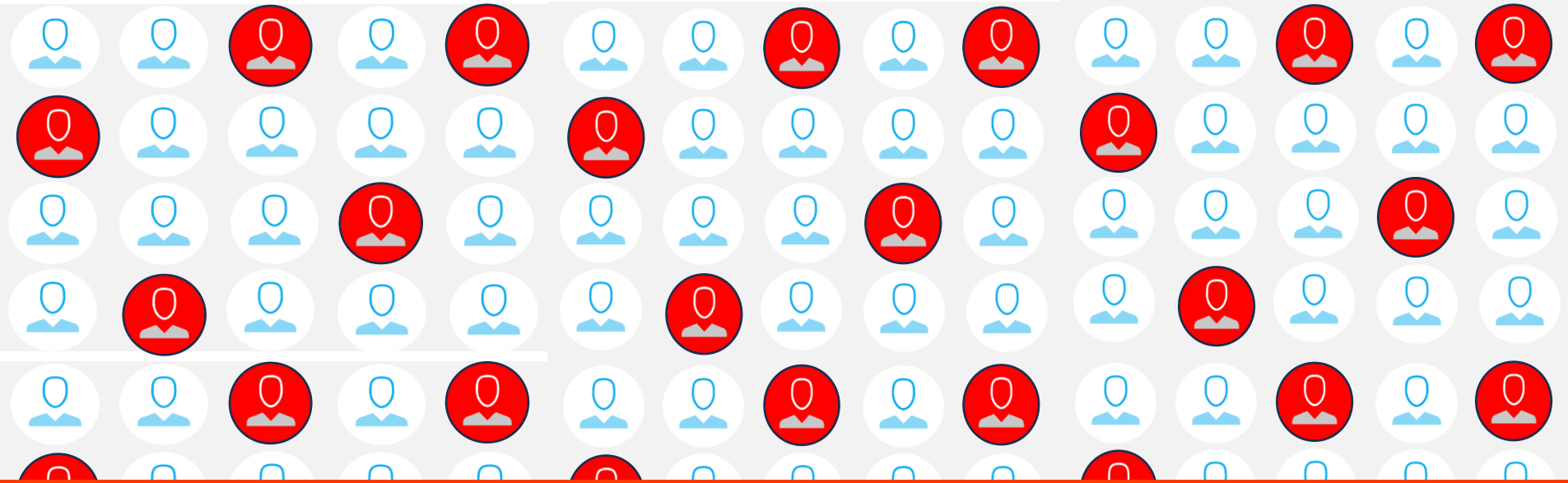
# Home Prices

# The Narrative We Must Combat

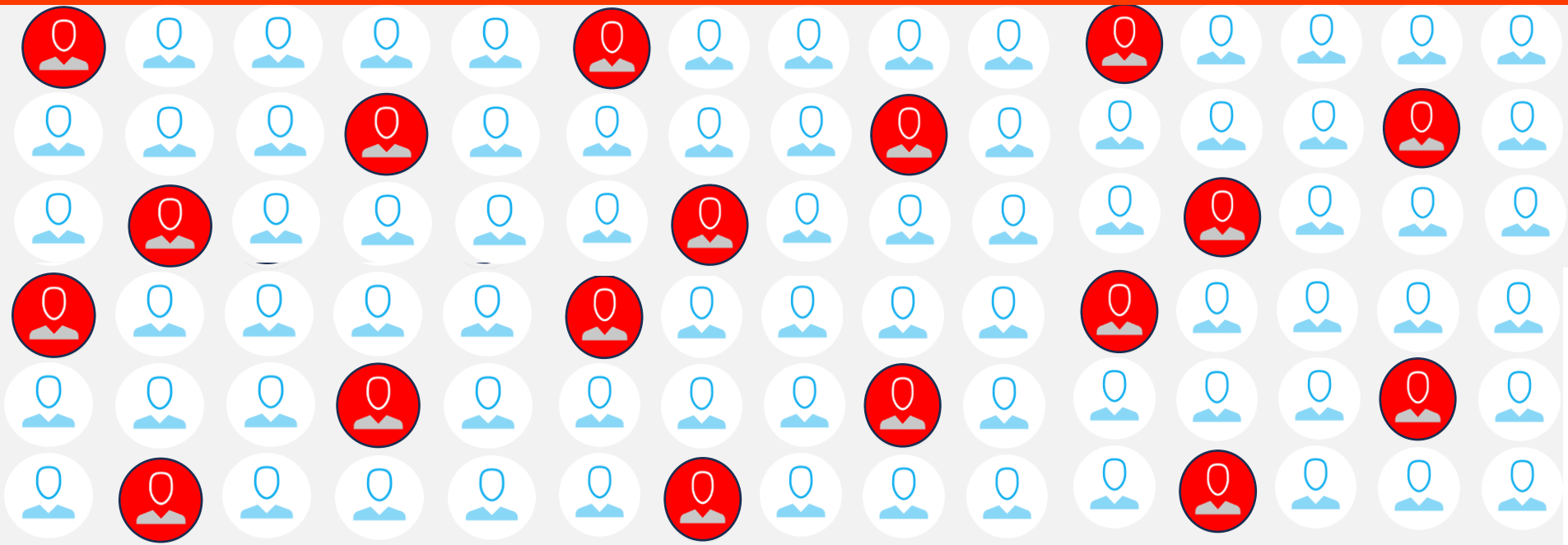
Percent of Americans Who Think Prices Will Go Down over Next 12 Months



Source: Fannie Mae



**~ 1 of 4 Still Believe Prices Will Depreciate**

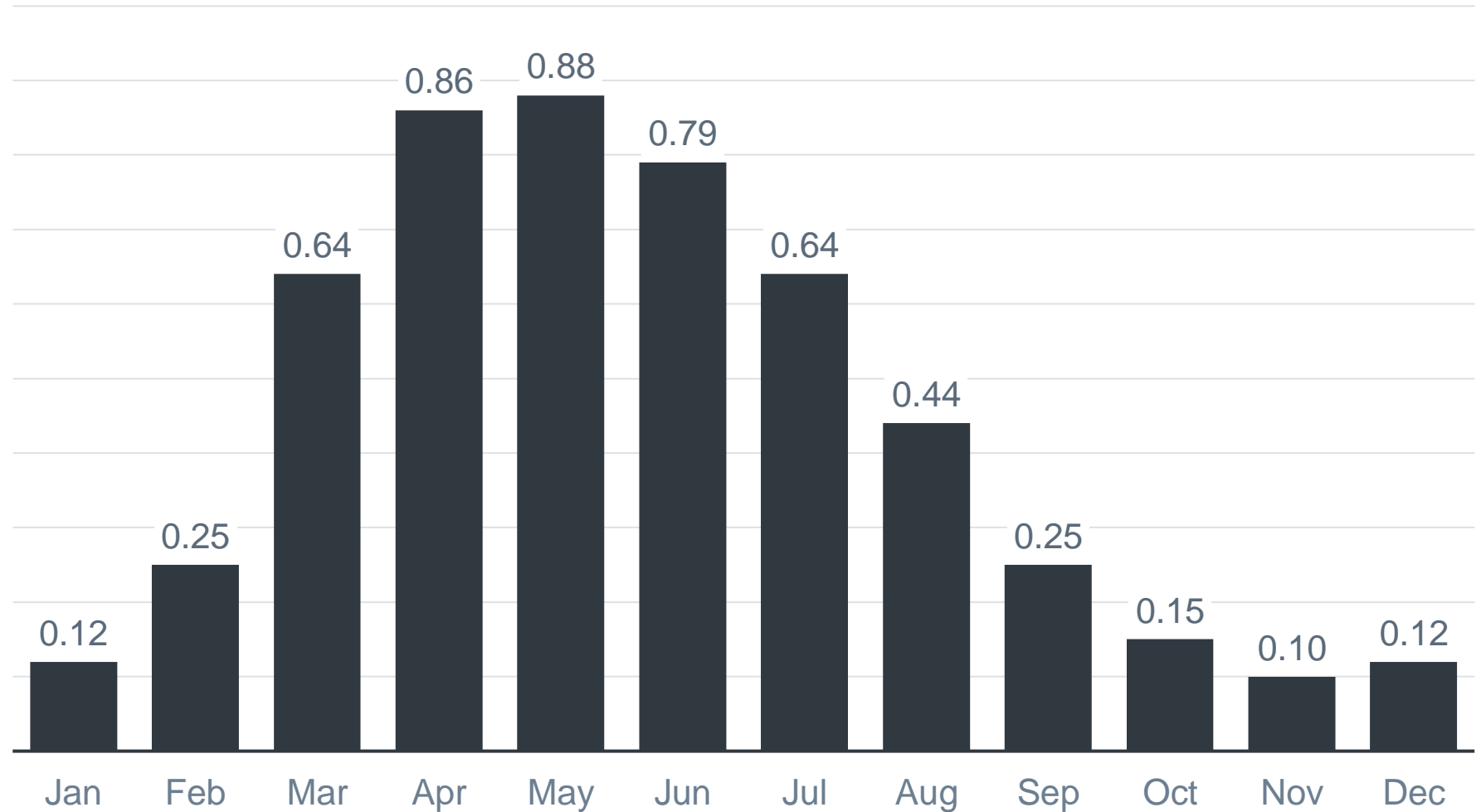




# Current Home Price Appreciation

# 49-Year Average Monthly Price Movement

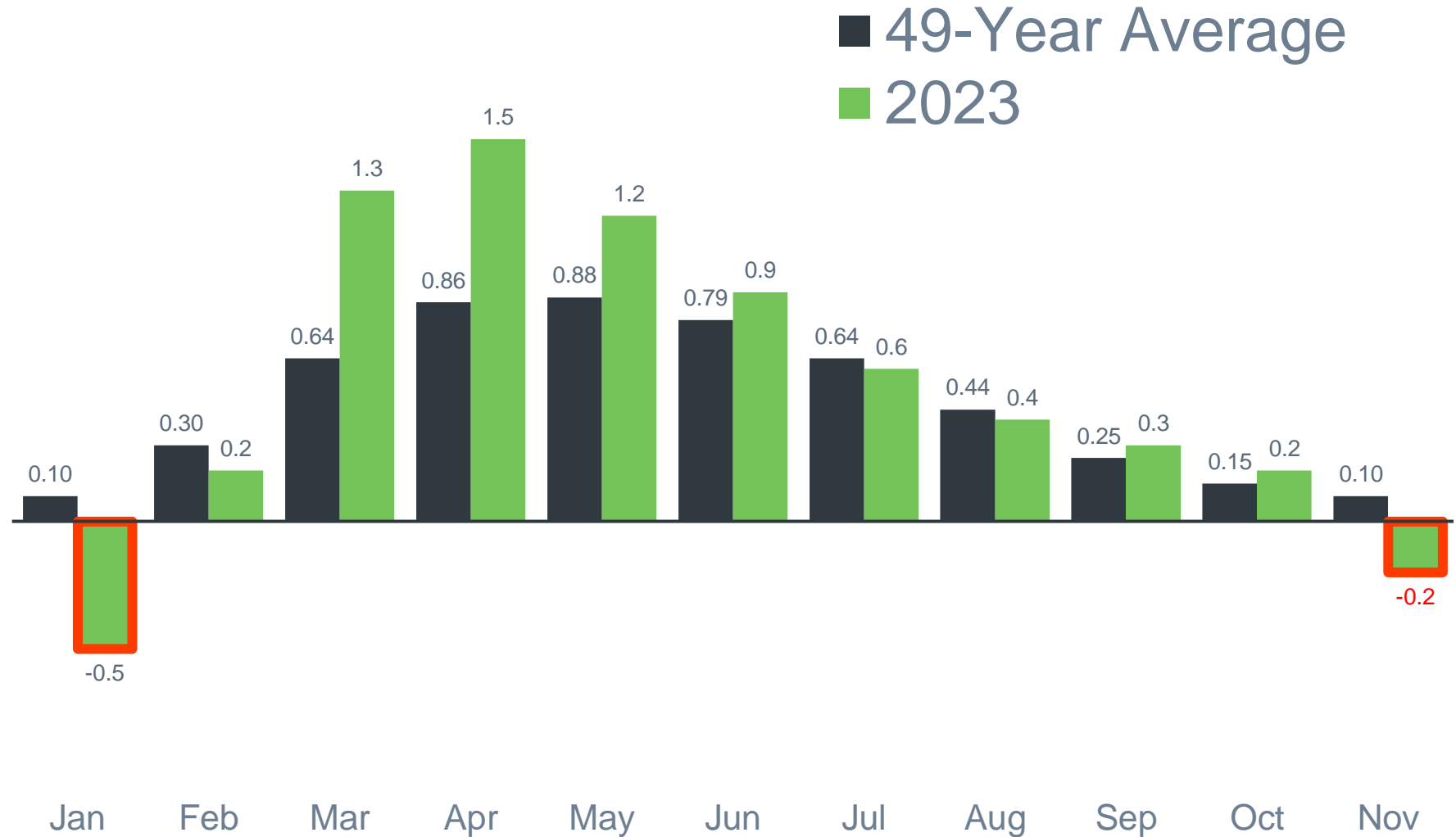
NSA Month-Over-Month 1973–2022



Source: Case-Shiller

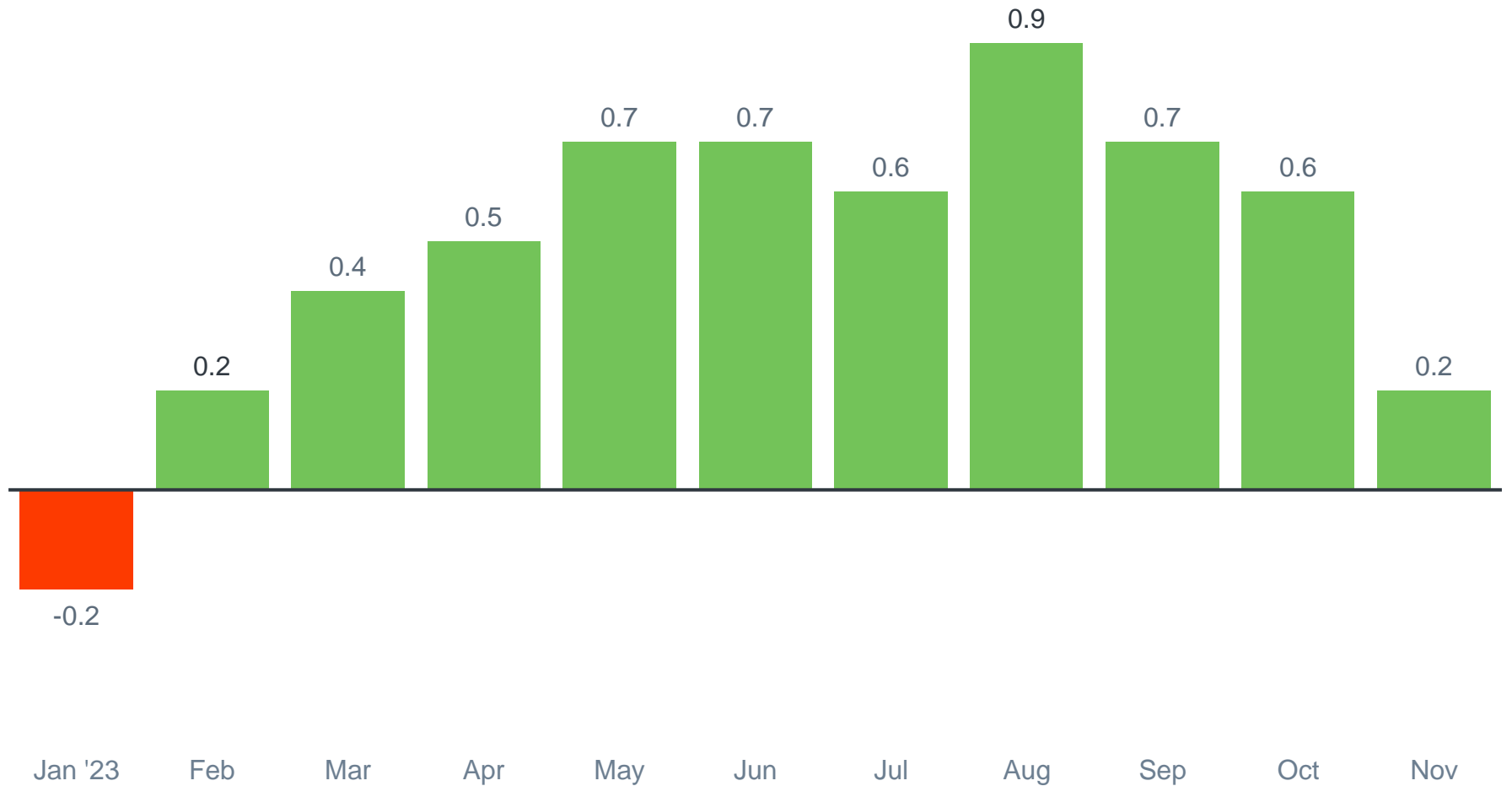
# 49-Year Average vs. 2023 Price Movement

Month-Over-Month, 1973–2022 and 2023 (Not Seasonally Adjusted)



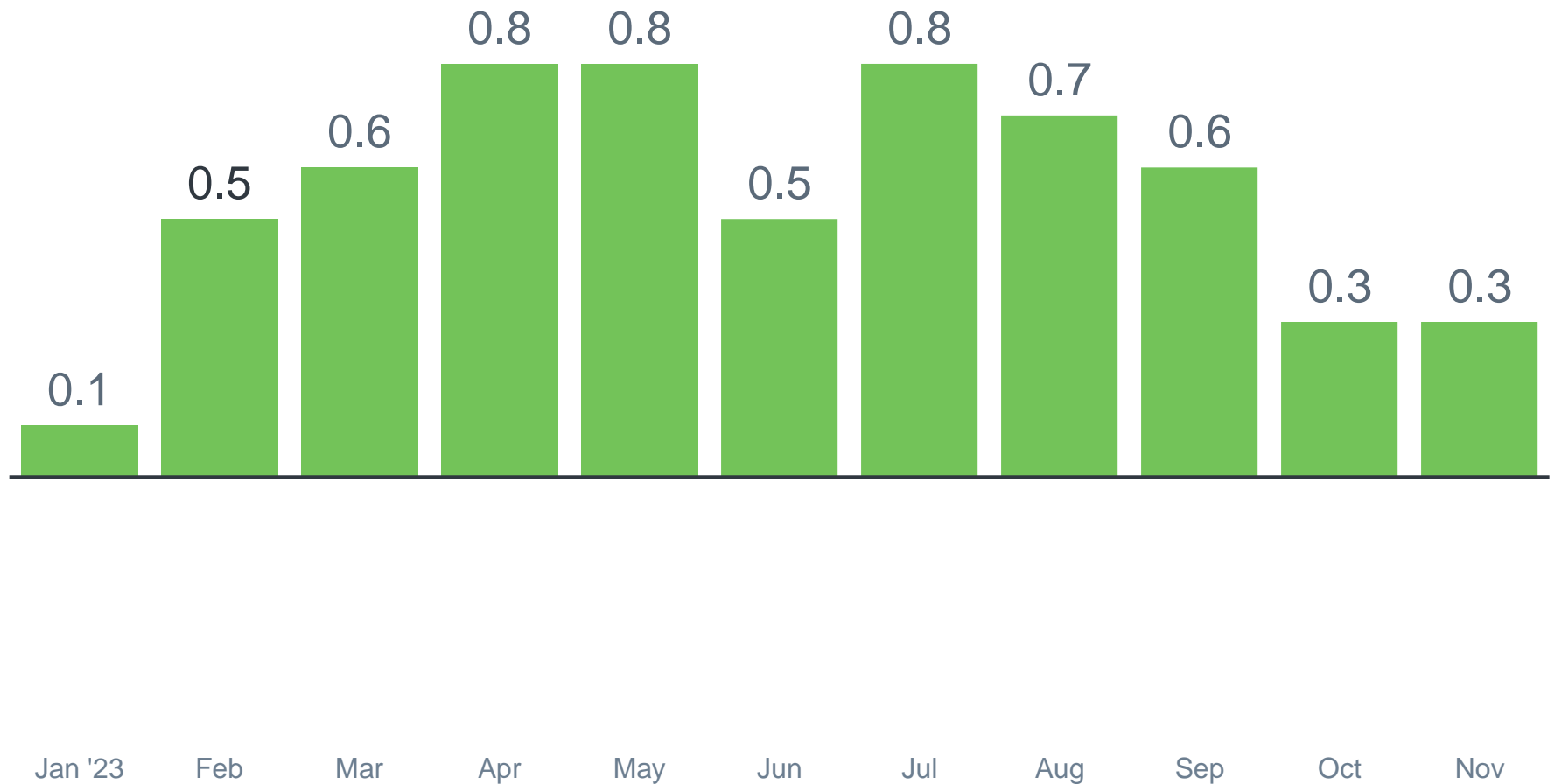
# Case-Shiller: Prices

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



# FHFA: Prices

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

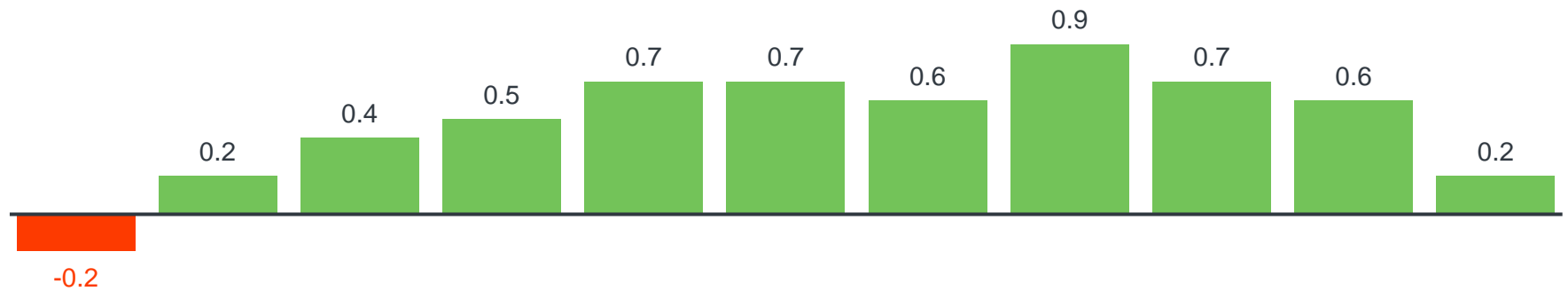




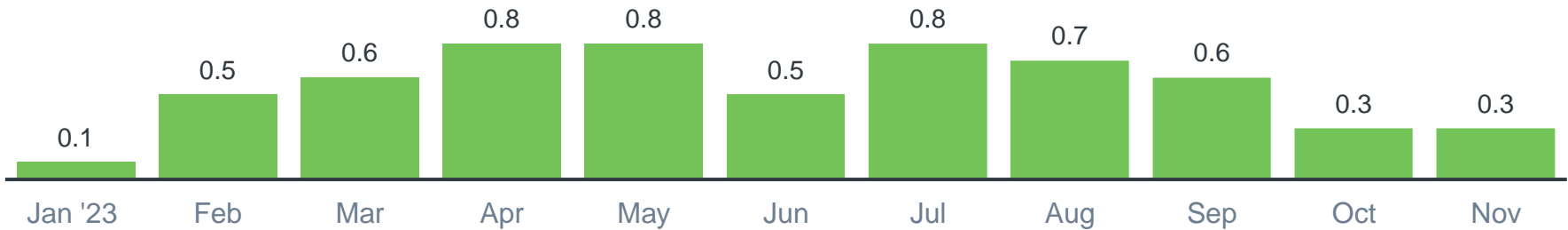
# Percent Change in Home Values

Month-Over-Month

## Case-Shiller



## FHFA





November's year-over-year gain saw the largest growth in U.S. home prices in 2023, with our National Composite rising 5.1%.

- **Brian D. Luke**, Head of Real & Digital Assets, S&P DJI.

House prices rose 6.6% from November 2022 to November 2023.

- **FHFA**, Home Price Index

# Case-Shiller Home Price Movement

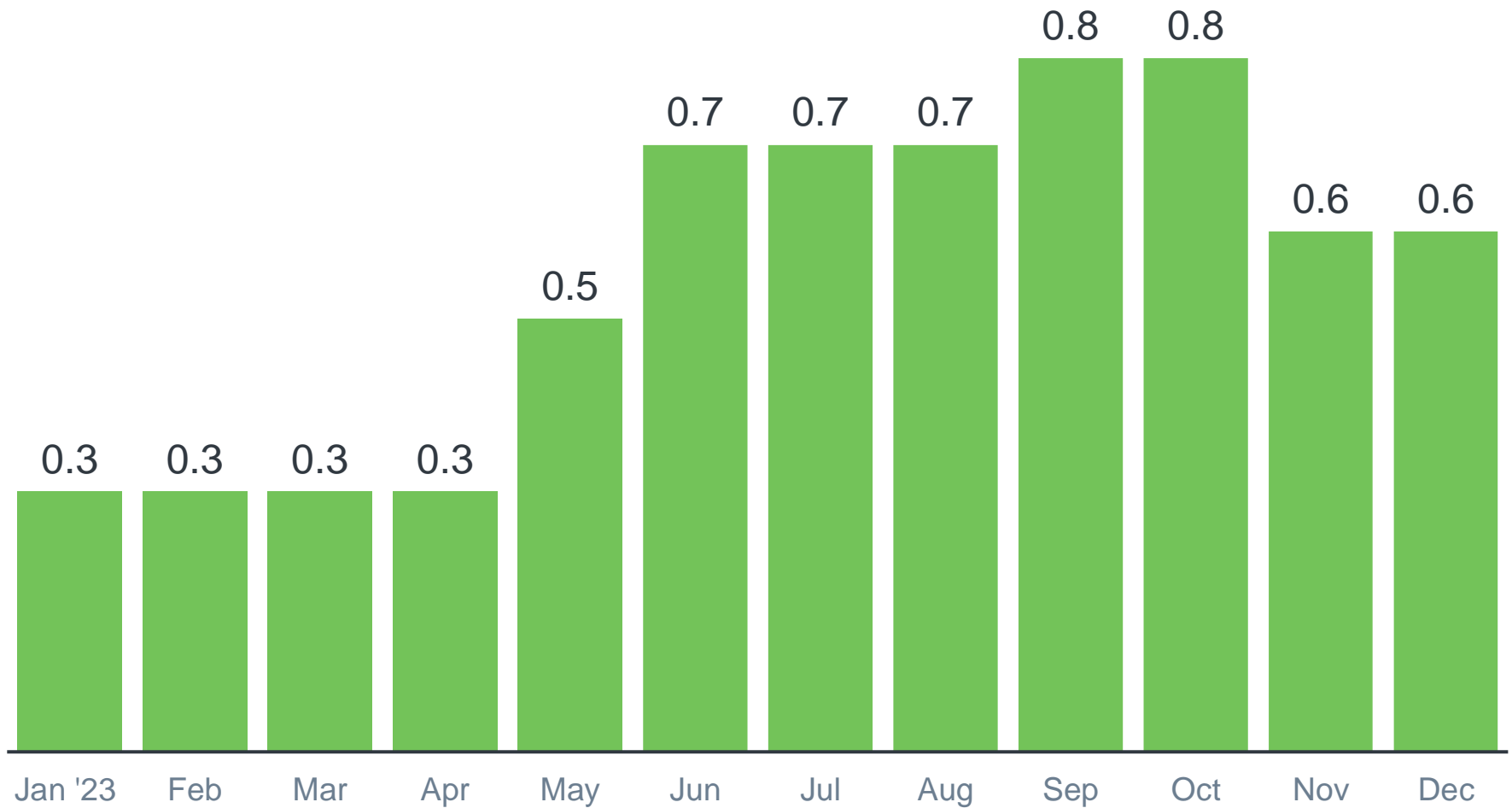
One Year Change in Percent Appreciation in Top 20 Cities

U.S. National: **5.1%**

Metro	% Change	Metro	% Change
Atlanta	5.9%	Miami	7.2%
Boston	7.1%	Minneapolis	2.7%
Charlotte	7.0%	New York	7.4%
Chicago	7.0%	Phoenix	2.5%
Cleveland	7.4%	Portland	-0.7%
Dallas	1.7%	San Diego	8.0%
Denver	1.5%	San Francisco	2.0%
Detroit	8.2%	Seattle	1.6%
Las Vegas	2.1%	Tampa	3.4%
Los Angeles	7.2%	Washington, D.C.	4.7%

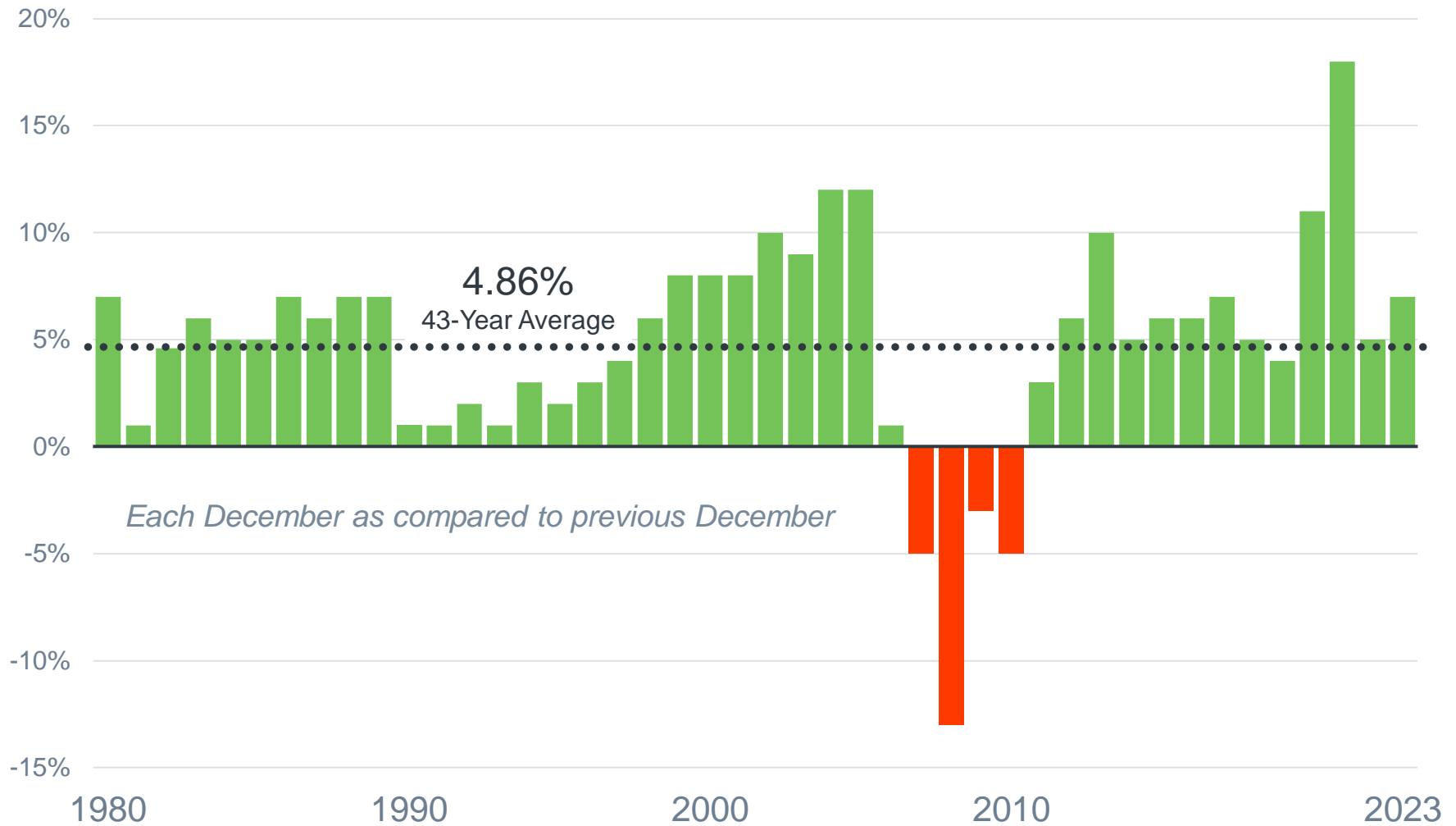
# Freddie Mac: Prices

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



# Percent of Annual Home Appreciation

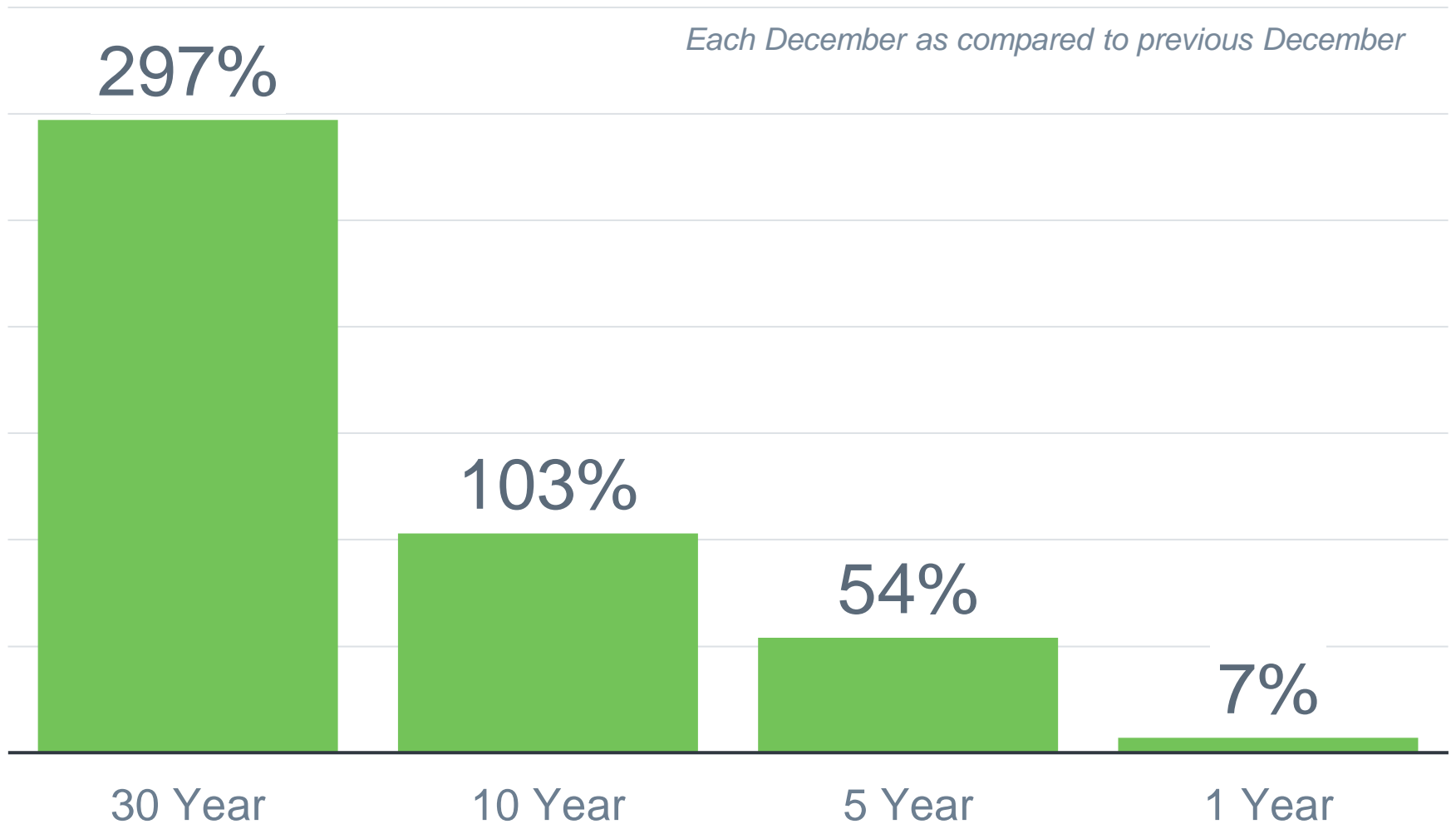
1980–2023, Seasonally Adjusted, Rounded To Nearest Full Number



*Each December as compared to previous December*

# Percent of Home Price Appreciation

Seasonally Adjusted, Rounded To Nearest Full Number



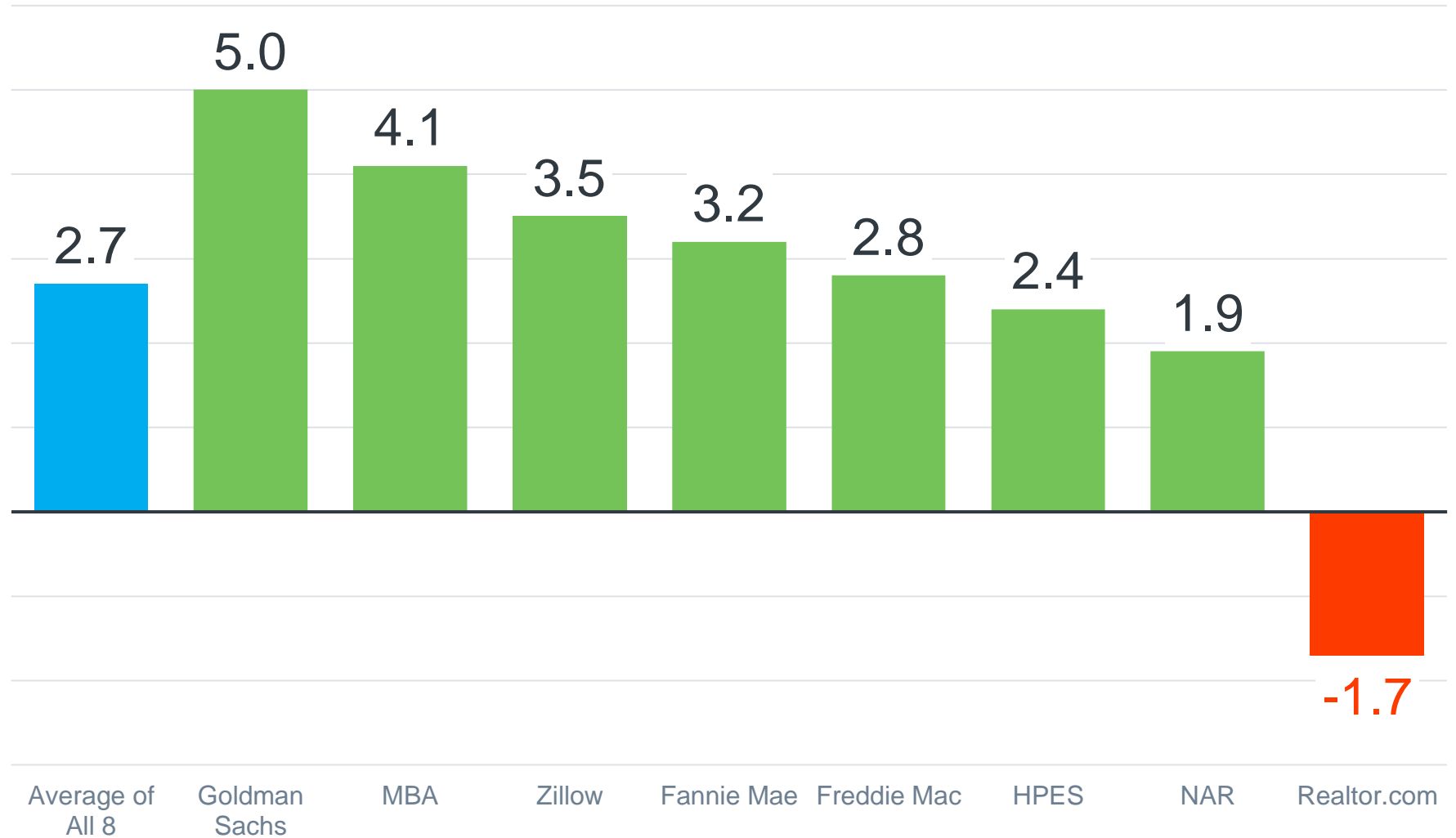
Source: Freddie Mac



# Future Home Price Appreciation

# 2024 Home Price Forecasts

Percent Appreciation/Depreciation as of 1/29/2024





# 2024 Home Price Forecasts

Forecasts from 11/2023 vs. Current Forecasts

Entity	Original Forecast	Current Forecast
Goldman Sachs	1.9%	<b>5.0%</b>
Mortgage Bankers Association	1.1%	<b>4.1%</b>
Zillow	0.2%	<b>3.5%</b>
Fannie Mae	2.8%	<b>3.2%</b>
Freddie Mac	2.6%	<b>2.8%</b>
Home Price Expectation Survey	2.2%	<b>2.4%</b>
National Association of Realtors	0.7%	<b>1.9%</b>



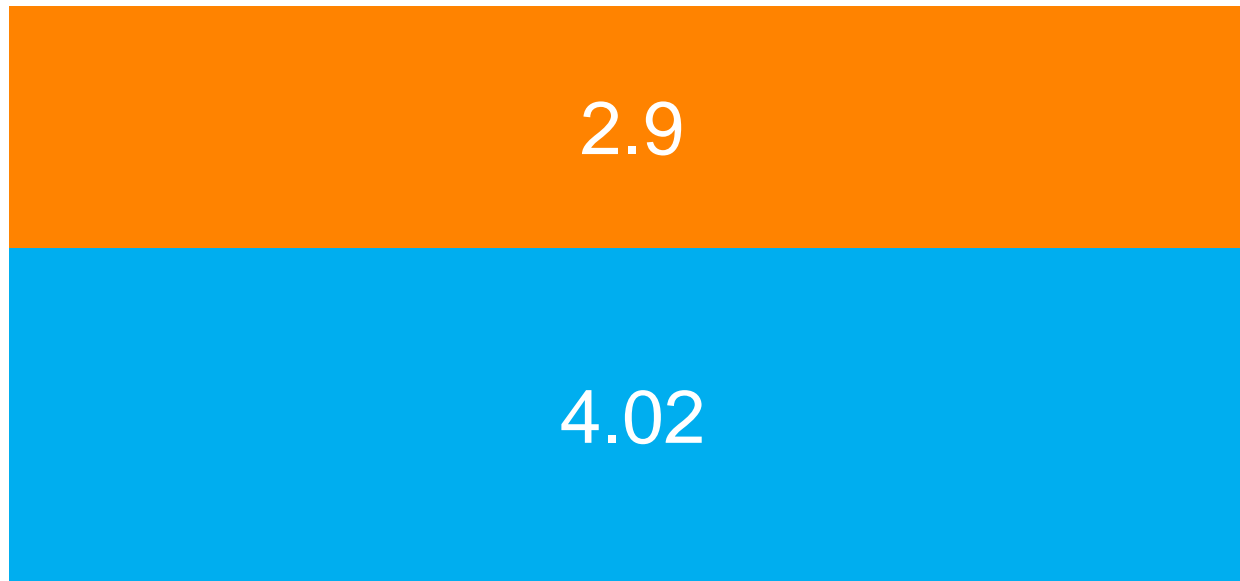
# Mortgage Rates

# What Determines the Mortgage Rate?

The 10-Year Yield and the Spread Above It

- Spread (Difference Between the Mortgage Rate and the 10-Year Yield)
- 10-Year Treasury Yield

## Mortgage Rate 6.92%



Actual Rate Friday, 2/2/2024

Source: Freddie Mac and CNBC



The spread is not always consistent. It actually widens during periods of economic or geopolitical uncertainty, as has been the case in today's market.

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



A primary driver of the increase in the yield over 2023 was inflation expectations. . . . So the higher the current rate of inflation and, more importantly, the higher the expected future rates of inflation, the higher the yield on the 10-year as investors demand to be compensated for that inflation risk into the future.

- **Mark Fleming**, Chief Economist, First American



There is reason to believe that the rate lock-in effect will ease modestly this year as mortgage rates come down. And you could only imagine if they got below six, then even more people would be again ‘in the money’ and homeowners will become less anchored to that low, low rate that they got a few years ago.

- **Mark Fleming**, Chief Economist, First American



It also appears that mortgage rates are now falling again. They will almost certainly not fall to pandemic lows, although we may soon see rates under 6.0 percent, which would be low by pre-Great Recession standards.

- **Dean Baker**, Senior Economist, Center for Economic Research



We anticipate that after the past several years of extreme volatility in interest rates, the 30-year fixed rate mortgage rate will continue to moderate over the course of 2024, moving toward a rate below 6 percent by year end.

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



# Mortgage Rate Projections

Fannie Mae

Quarter	December 2023	January 2024
<b>2024 Q1</b>	7.0%	6.4%
<b>2024 Q2</b>	6.8%	6.2%
<b>2024 Q3</b>	6.6%	6.0%
<b>2024 Q4</b>	6.5%	5.8%

# Mortgage Rate Projections

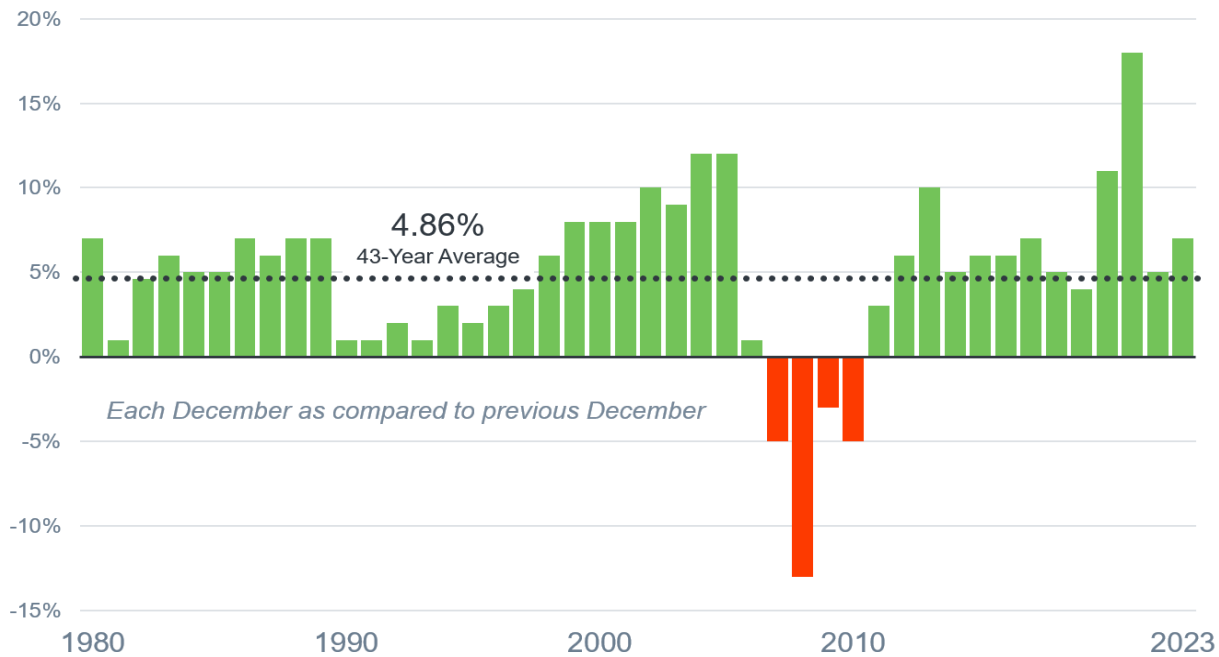
Fannie Mae

Quarter	December 2023	January 2024
<b>2024 Q1</b>	7.0%	6.4%
<b>2024 Q2</b>	6.8%	6.2%
<b>2024 Q3</b>	6.6%	6.0%
<b>2024 Q4</b>	6.5%	5.8%



If enough people have the same gut feeling about you, then you have a brand.

- **Marty Neumeier**, Director of CEO Branding, Liquid Agency



# The 3 Key Terms that Will Impact the 2024 Housing Market

1.) **“Switching costs”** is a term to describe the economic and psychological costs people feel when switching from one alternative to another. Think switching from a 4% mortgage rate to a 6.5% rate.

2.) **“Seller impatience”** is a term to describe overcoming the sticker shock that has prevented people from moving on with their lives. Think “It is what it is.”

3.) **“Lifestyle changes”** is a term to describe life events that motivate a move. Think pregnancy, marriage, divorce, etc.

*Realize that none talk about numbers.  
Each talks about people.*

# 90-Day Work Plan

- Promote Home Price Stability
- Broadcast the Mortgage Rate
- Get the Slides on Your Phone!
- Build Your Brand on Social!
- Prospect! Prospect! Prospect!
- Never Forget Who You Are

# Resources

Slide(s)	Description	Link(s)
5	Americans Prices Graph	<a href="https://www.fanniemae.com/research-and-insights/surveys-indices/national-housing-survey/national-housing-survey-archive">https://www.fanniemae.com/research-and-insights/surveys-indices/national-housing-survey/national-housing-survey-archive</a>
8, 9	49-Year Monthly Price Graphs	<a href="https://www.spglobal.com/spdji/en/indices/indicators/sp-corelogic-case-shiller-us-national-home-price-nsa-index/#overview">https://www.spglobal.com/spdji/en/indices/indicators/sp-corelogic-case-shiller-us-national-home-price-nsa-index/#overview</a>
10	Case-Shiller Prices Graph	<a href="https://www.spglobal.com/spdji/en/indices/indicators/sp-corelogic-case-shiller-us-national-home-price-nsa-index/#news-research">https://www.spglobal.com/spdji/en/indices/indicators/sp-corelogic-case-shiller-us-national-home-price-nsa-index/#news-research</a>
11	FHFA Prices Graph	<a href="https://www.fhfa.gov/DataTools/Downloads/Pages/House-Price-Index.aspx">https://www.fhfa.gov/DataTools/Downloads/Pages/House-Price-Index.aspx</a>
12	Percent Change in Home Values Graph	<a href="https://www.spglobal.com/spdji/en/indices/indicators/sp-corelogic-case-shiller-us-national-home-price-nsa-index/#news-research">https://www.spglobal.com/spdji/en/indices/indicators/sp-corelogic-case-shiller-us-national-home-price-nsa-index/#news-research</a> <a href="https://www.fhfa.gov/DataTools/Downloads/Pages/House-Price-Index.aspx">https://www.fhfa.gov/DataTools/Downloads/Pages/House-Price-Index.aspx</a> <a href="https://www.corelogic.com/category/intelligence/reports/home-price-insights/">https://www.corelogic.com/category/intelligence/reports/home-price-insights/</a>
13	House Prices Rising Quotes	<a href="https://www.spglobal.com/spdji/en/documents/indexnews/announcements/20240130-1470316/1470316_cshomeprice-release-0130.pdf">https://www.spglobal.com/spdji/en/documents/indexnews/announcements/20240130-1470316/1470316_cshomeprice-release-0130.pdf</a>

# Resources

Slide(s)	Description	Link(s)
14	Case-Shiller Price Movement Table	<a href="https://www.spglobal.com/spdji/en/documents/indexnews/announcements/20240130-1470316/1470316_cshomeprice-release-0130.pdf">https://www.spglobal.com/spdji/en/documents/indexnews/announcements/20240130-1470316/1470316_cshomeprice-release-0130.pdf</a>
15-17	Freddie Mac Prices Graphs	<a href="https://www.freddiemac.com/research/indices/house-price-index">https://www.freddiemac.com/research/indices/house-price-index</a>
19-20	2024 Home Price Forecasts Graph and Table	<a href="https://www.zillow.com/research/2024-housing-predictions-33447/">https://www.zillow.com/research/2024-housing-predictions-33447/</a> <a href="https://www.realtor.com/research/2024-national-housing-forecast/">https://www.realtor.com/research/2024-national-housing-forecast/</a> <a href="https://cdn.nar.realtor/sites/default/files/documents/forecast-q1-2024-us-economic-outlook-01-26-2024.pdf">https://cdn.nar.realtor/sites/default/files/documents/forecast-q1-2024-us-economic-outlook-01-26-2024.pdf</a> <a href="https://www.goldmansachs.com/intelligence/pages/us-home-prices-forecast-to-climb-as-mortgage-rates-fall-in-2024.html">https://www.goldmansachs.com/intelligence/pages/us-home-prices-forecast-to-climb-as-mortgage-rates-fall-in-2024.html</a> <a href="https://www.mba.org/news-and-research/forecasts-and-commentary/mortgage-finance-forecast-archives">https://www.mba.org/news-and-research/forecasts-and-commentary/mortgage-finance-forecast-archives</a> <a href="https://pulsenomics.com/surveys/">https://pulsenomics.com/surveys/</a> <a href="https://www.fanniemae.com/media/50096/display">https://www.fanniemae.com/media/50096/display</a> <a href="https://www.freddiemac.com/research/forecast/20240122-us-economy-continues-expand">https://www.freddiemac.com/research/forecast/20240122-us-economy-continues-expand</a>



# Resources

Slide(s)	Description	Link(s)
22	What Determines Mortgage Rate? Graph	<a href="https://www.cnbc.com/quotes/US10Y">https://www.cnbc.com/quotes/US10Y</a> <a href="https://www.freddiemac.com/home">https://www.freddiemac.com/home</a>
23-25	Odetta Kushi and Mark Fleming Quotes	<a href="https://blog.firstam.com/reconomy-podcast/is-the-housing-market-poised-to-rebound-in-2024">https://blog.firstam.com/reconomy-podcast/is-the-housing-market-poised-to-rebound-in-2024</a>
26	Dean Baker Quote	<a href="https://cepr.net/contrary-to-what-the-washington-post-tells-you-homeownership-rates-for-young-people-are-above-the-pre-pandemic-level/">https://cepr.net/contrary-to-what-the-washington-post-tells-you-homeownership-rates-for-young-people-are-above-the-pre-pandemic-level/</a>
27	Doug Duncan Quote	<a href="https://www.fanniemae.com/newsroom/fannie-mae-news/mortgage-rates-expected-dip-below-6-percent-2024-boosting-home-sales">https://www.fanniemae.com/newsroom/fannie-mae-news/mortgage-rates-expected-dip-below-6-percent-2024-boosting-home-sales</a>
28-29	Mortgage Rate Projections Tables	<a href="https://www.fanniemae.com/media/49866/display">https://www.fanniemae.com/media/49866/display</a> <a href="https://www.fanniemae.com/media/50096/display">https://www.fanniemae.com/media/50096/display</a>



# Updates

# Resources

Slide(s)	Description	Link(s)
41	Confidence Index	<a href="https://www.nar.realtor/research-and-statistics/research-reports/realtors-confidence-index">https://www.nar.realtor/research-and-statistics/research-reports/realtors-confidence-index</a>
42-44, 51, 53, 54, 61-64	Existing Home Sales	<a href="https://www.nar.realtor/topics/existing-home-sales">https://www.nar.realtor/topics/existing-home-sales</a>
45-47	New Home Sales	<a href="http://www.census.gov/construction/nrs/pdf/newressales.pdf">http://www.census.gov/construction/nrs/pdf/newressales.pdf</a> <a href="http://www.census.gov/newhomesales">http://www.census.gov/newhomesales</a>
48	Total Home Sales	<a href="http://www.census.gov/construction/nrs/pdf/newressales.pdf">http://www.census.gov/construction/nrs/pdf/newressales.pdf</a> <a href="https://www.nar.realtor/topics/existing-home-sales">https://www.nar.realtor/topics/existing-home-sales</a>
49-50	Pending Home Sales	<a href="https://www.nar.realtor/research-and-statistics/housing-statistics/pending-home-sales">https://www.nar.realtor/research-and-statistics/housing-statistics/pending-home-sales</a>
55-57	Case Shiller	<a href="https://www.spglobal.com/spdji/en/indices/indicators/sp-corelogic-case-shiller-20-city-composite-home-price-nsa-index/#news-research">https://www.spglobal.com/spdji/en/indices/indicators/sp-corelogic-case-shiller-20-city-composite-home-price-nsa-index/#news-research</a>
58	CoreLogic Price Forecast	<a href="https://www.corelogic.com/intelligence/u-s-home-price-insights/">https://www.corelogic.com/intelligence/u-s-home-price-insights/</a>

# Resources

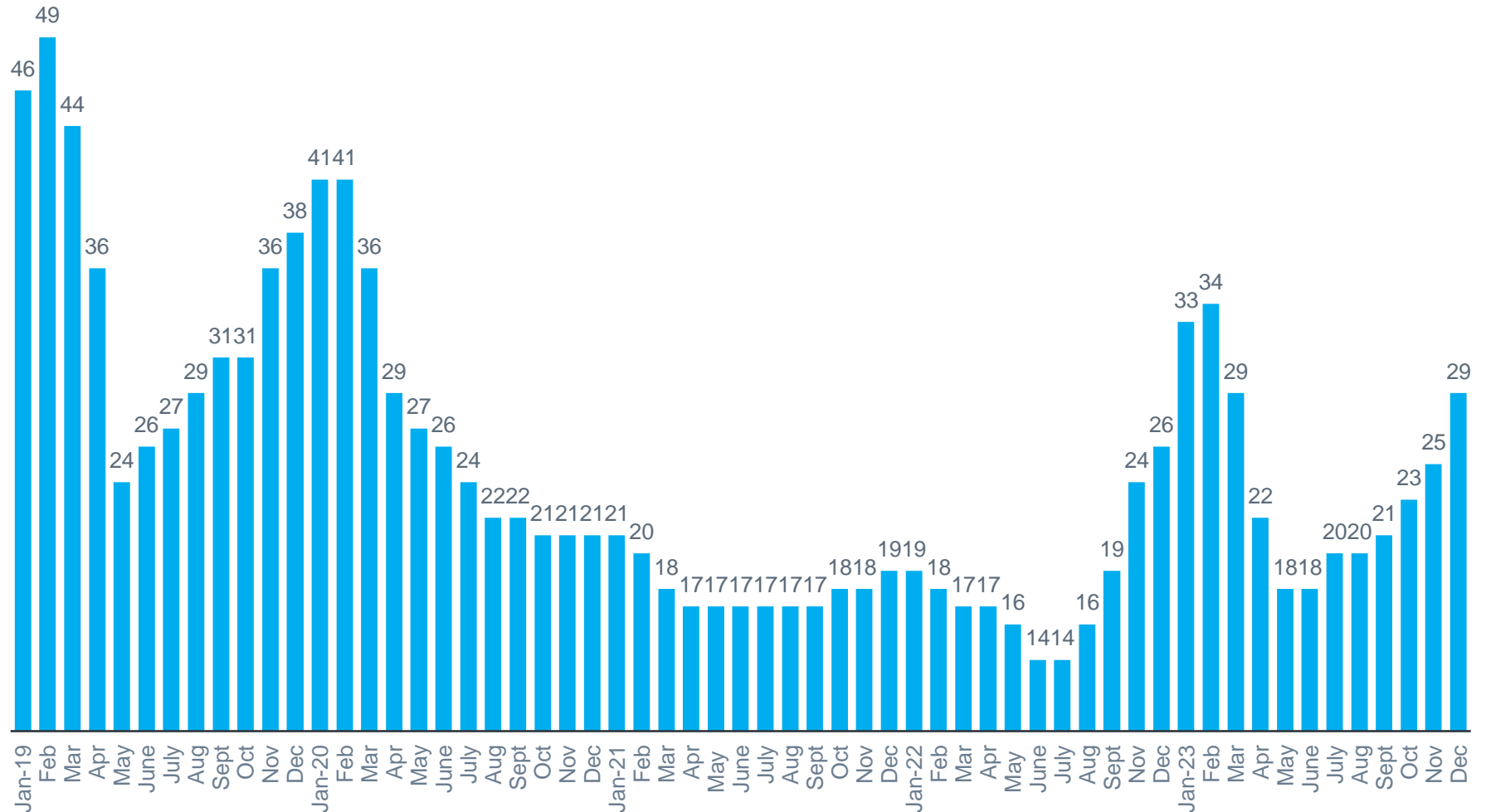
Slide(s)	Description	Link(s)
60-66	Inventory	<a href="https://www.nar.realtor/topics/existing-home-sales">https://www.nar.realtor/topics/existing-home-sales</a> <a href="http://www.census.gov/construction/nrs/pdf/newressales.pdf">http://www.census.gov/construction/nrs/pdf/newressales.pdf</a> <a href="https://www.realtor.com/research/data/">https://www.realtor.com/research/data/</a>
68	Showing Activity	<a href="https://www.showingtime.com/blog/">https://www.showingtime.com/blog/</a>
70, 71, 73, 74	Mortgage Rates	<a href="http://www.freddiemac.com/pmms/pmms_archives.html">http://www.freddiemac.com/pmms/pmms_archives.html</a> <a href="http://www.freddiemac.com/research/forecast/">http://www.freddiemac.com/research/forecast/</a> <a href="https://www.mba.org/news-research-and-resources/research-and-economics/forecasts-and-commentary">https://www.mba.org/news-research-and-resources/research-and-economics/forecasts-and-commentary</a>
72	Mortgage Rate Projections	<a href="http://www.fanniemae.com/portal/research-insights/forecast.html">http://www.fanniemae.com/portal/research-insights/forecast.html</a> <a href="https://www.mba.org/news-research-and-resources/research-and-economics/forecasts-and-commentary">https://www.mba.org/news-research-and-resources/research-and-economics/forecasts-and-commentary</a> <a href="https://www.nar.realtor/research-and-statistics">https://www.nar.realtor/research-and-statistics</a>
76, 77	Mortgage Credit Availability	<a href="https://www.mba.org/news-research-and-resources/newsroom">https://www.mba.org/news-research-and-resources/newsroom</a> <a href="https://www.mba.org/news-research-and-resources/research-and-economics/single-family-research/mortgage-credit-availability-index">https://www.mba.org/news-research-and-resources/research-and-economics/single-family-research/mortgage-credit-availability-index</a>



# Home Sales

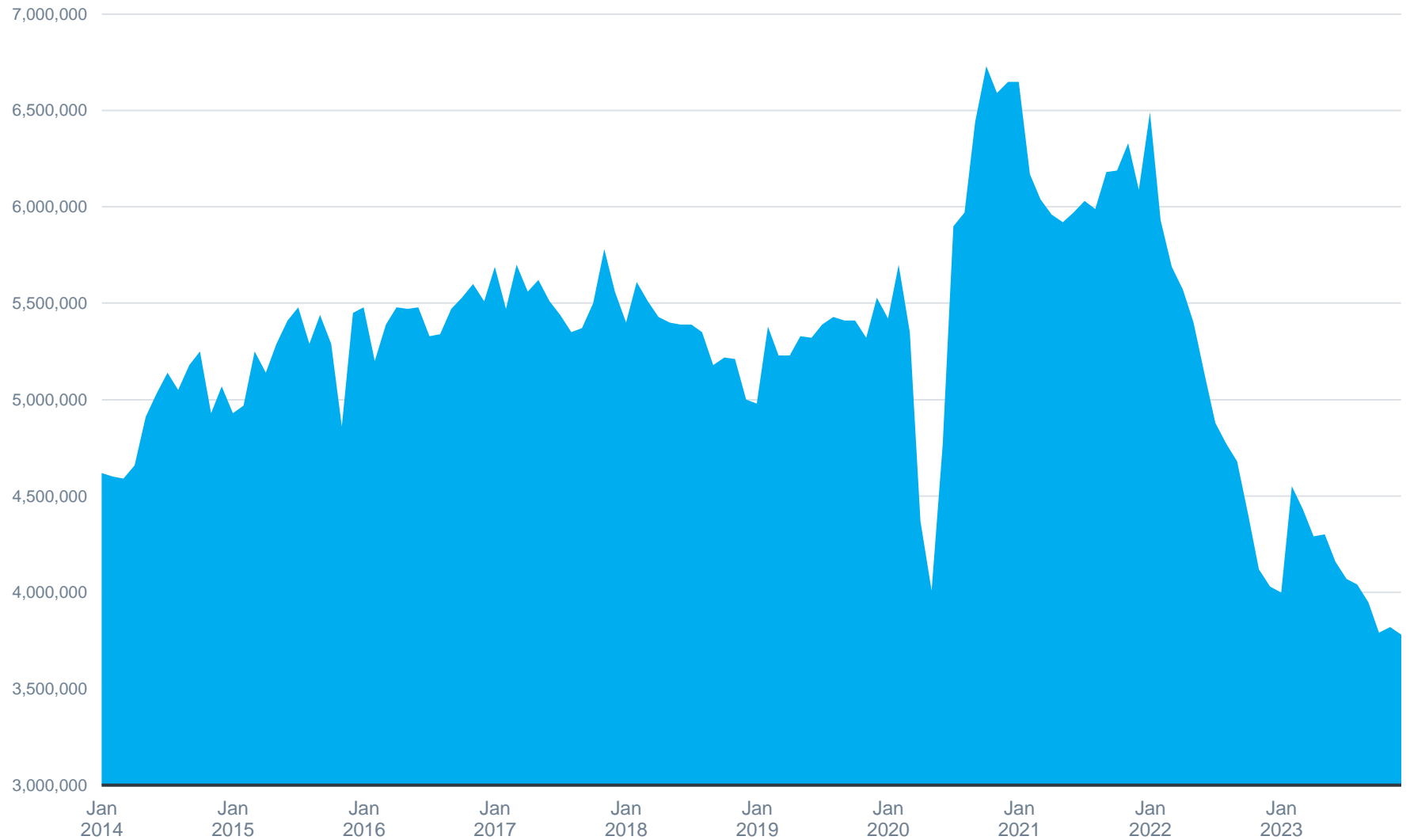
# Average Days on the Market

December 2023



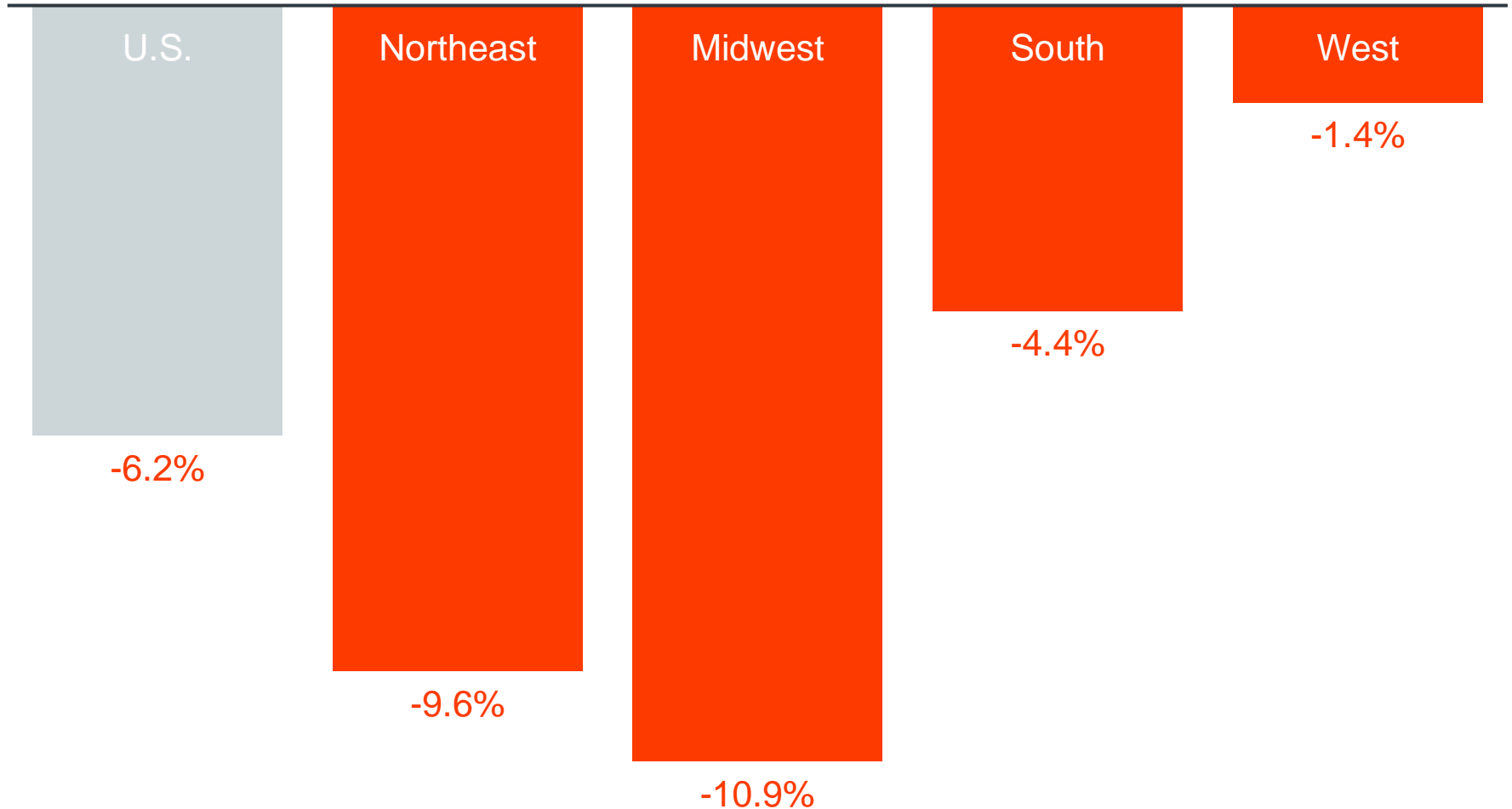
# Existing Home Sales

Since January 2014



# Existing Home Sales

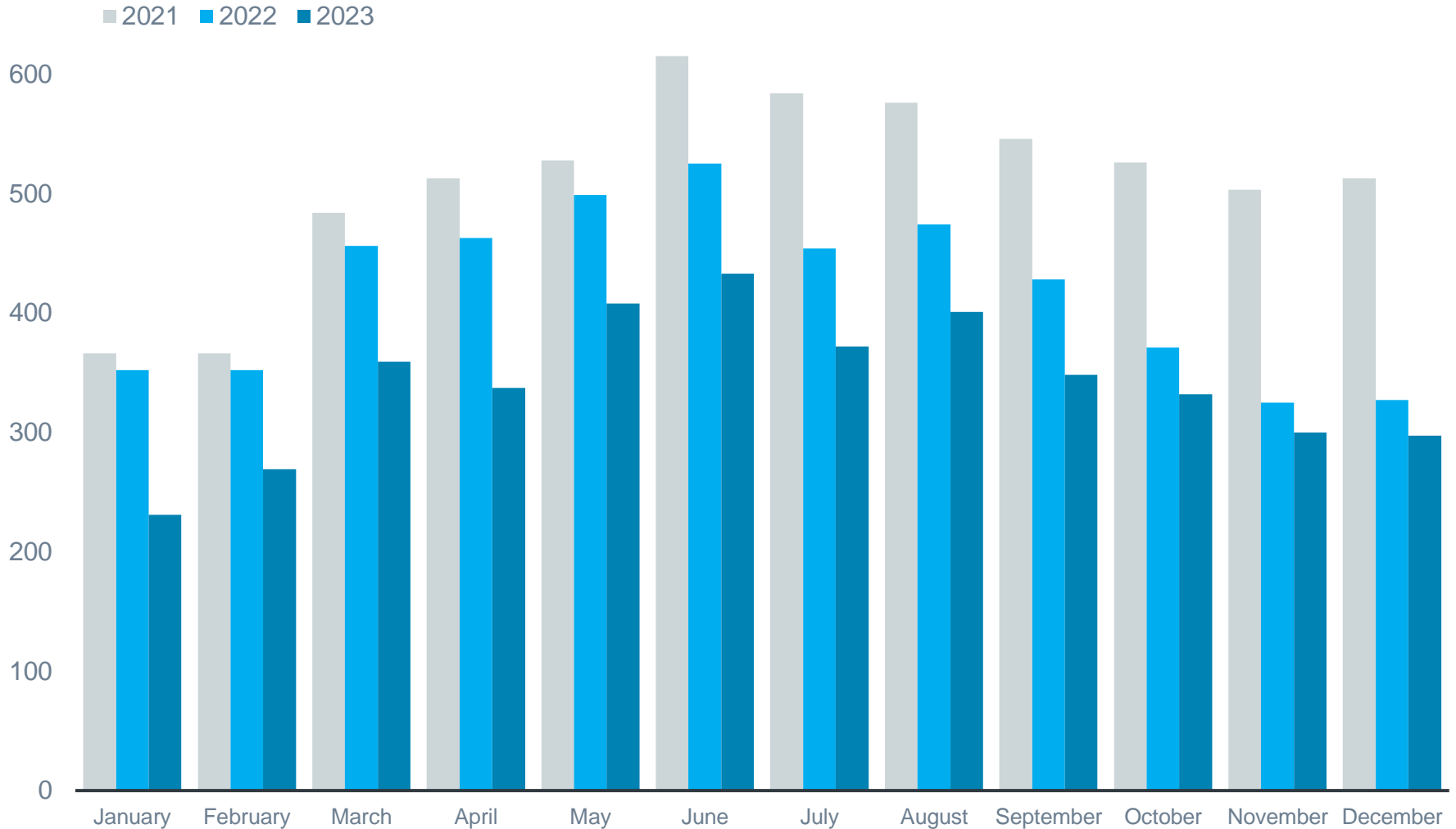
Year-Over-Year, by Region





# Existing Home Sales

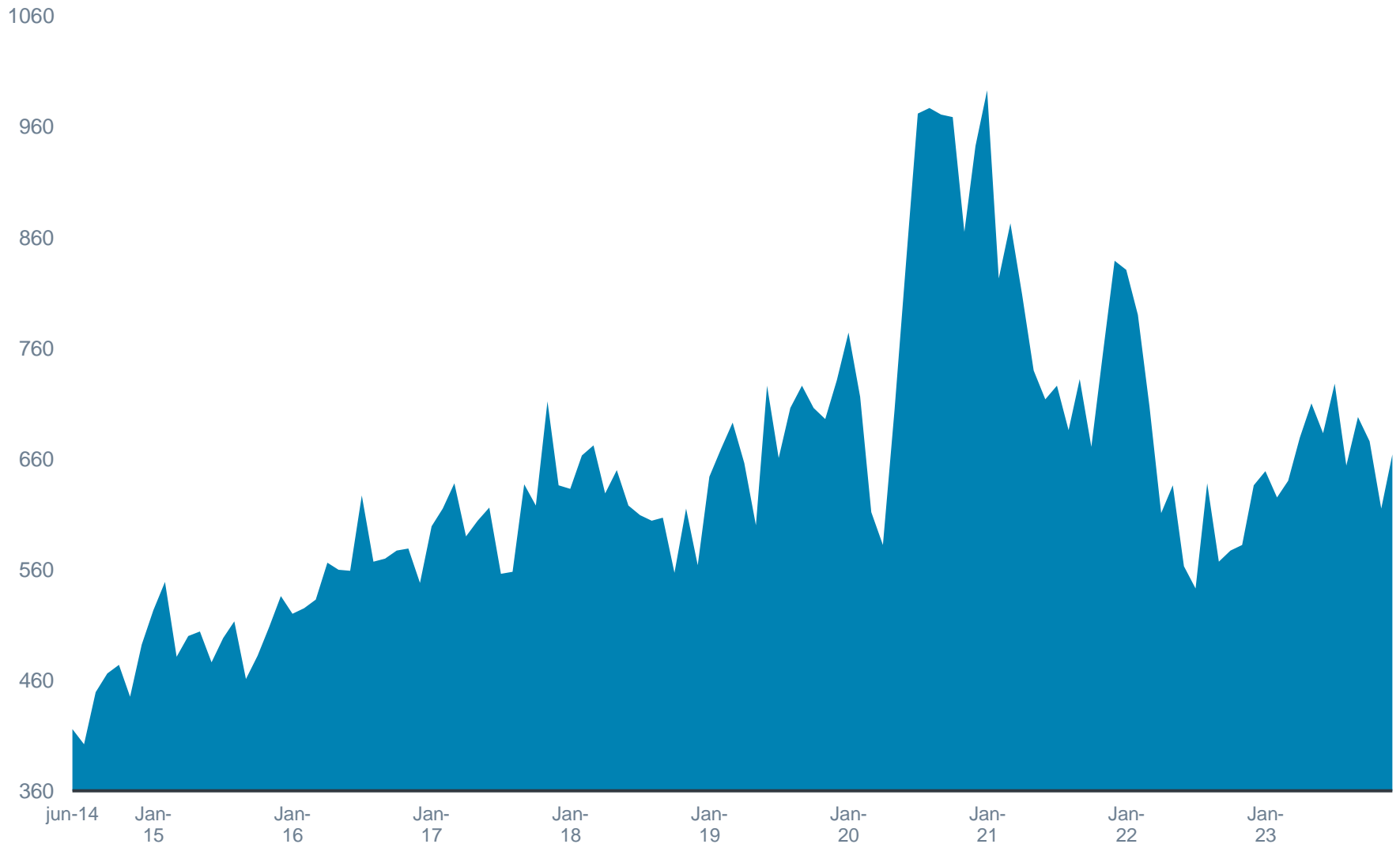
In Thousands



Source: NAR

# New Home Sales

Annualized in Thousands

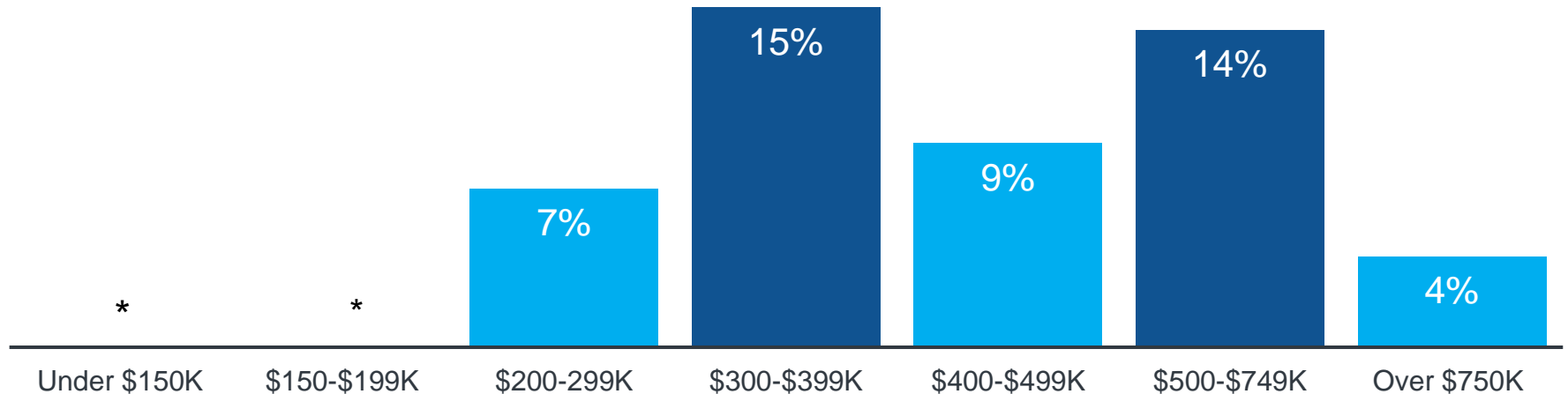


Source: Census

# New Home Sales

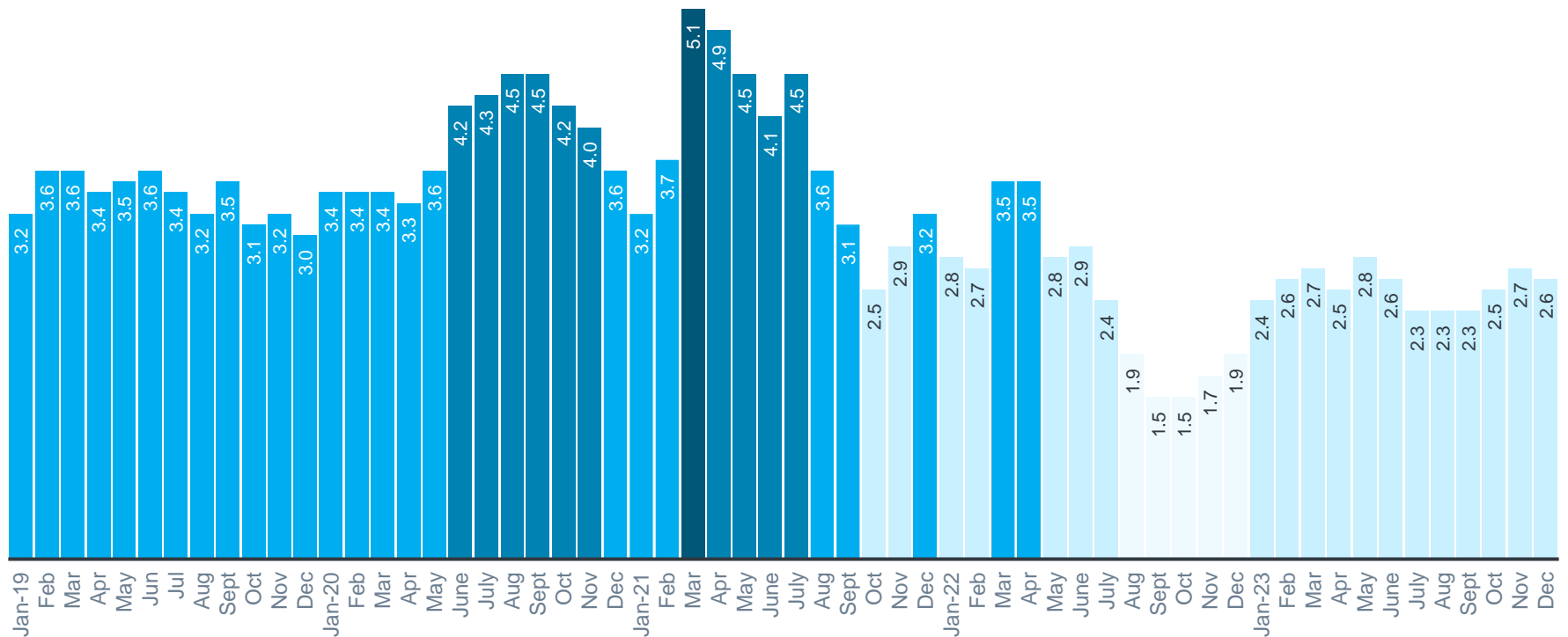
## Percent of Distribution by Price Range

\* Less Than 500 Units or Less Than 0.5 Percent



# New Homes Selling Fast

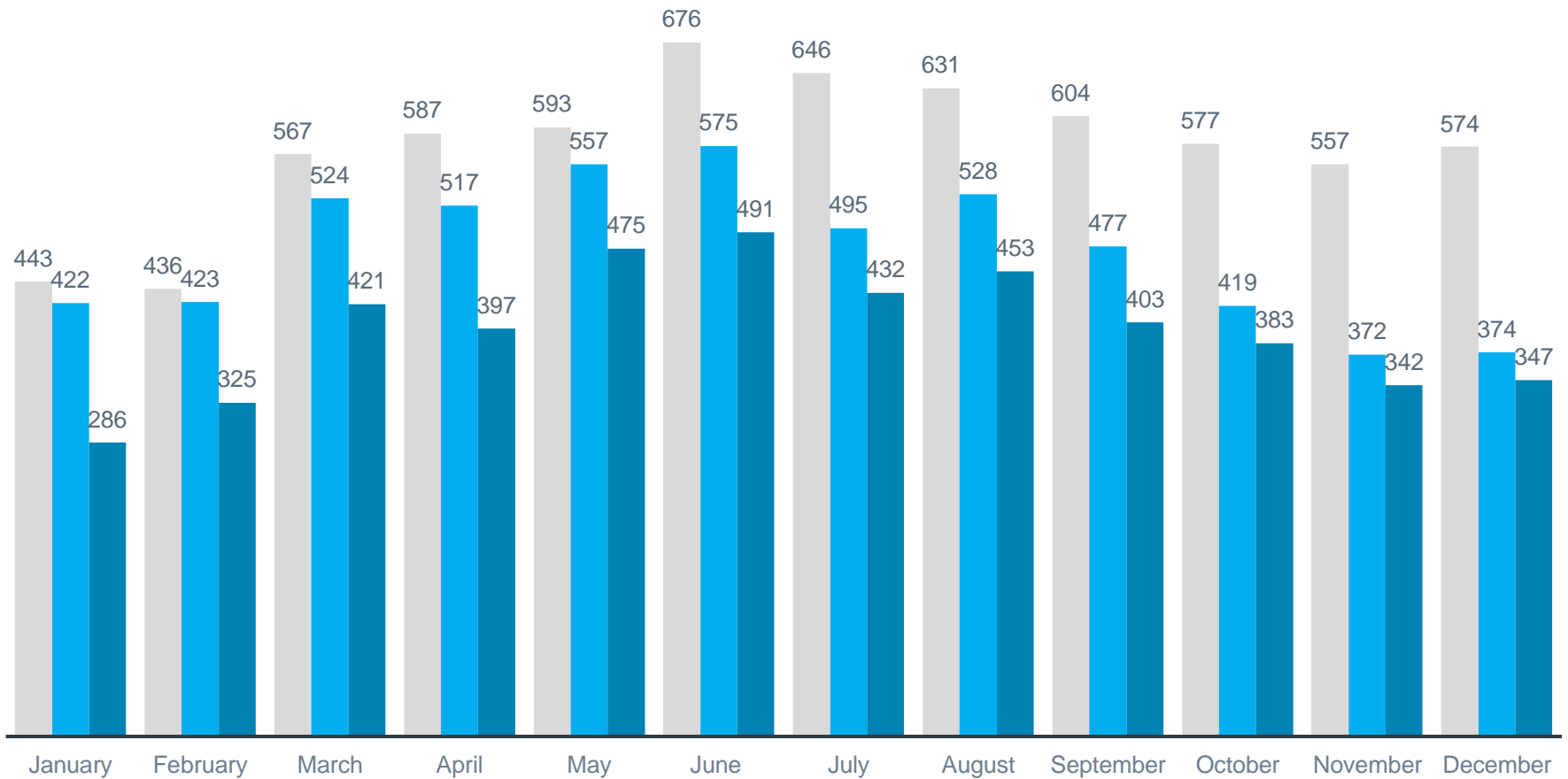
Median Months from Completion to Sold



# Total Home Sales

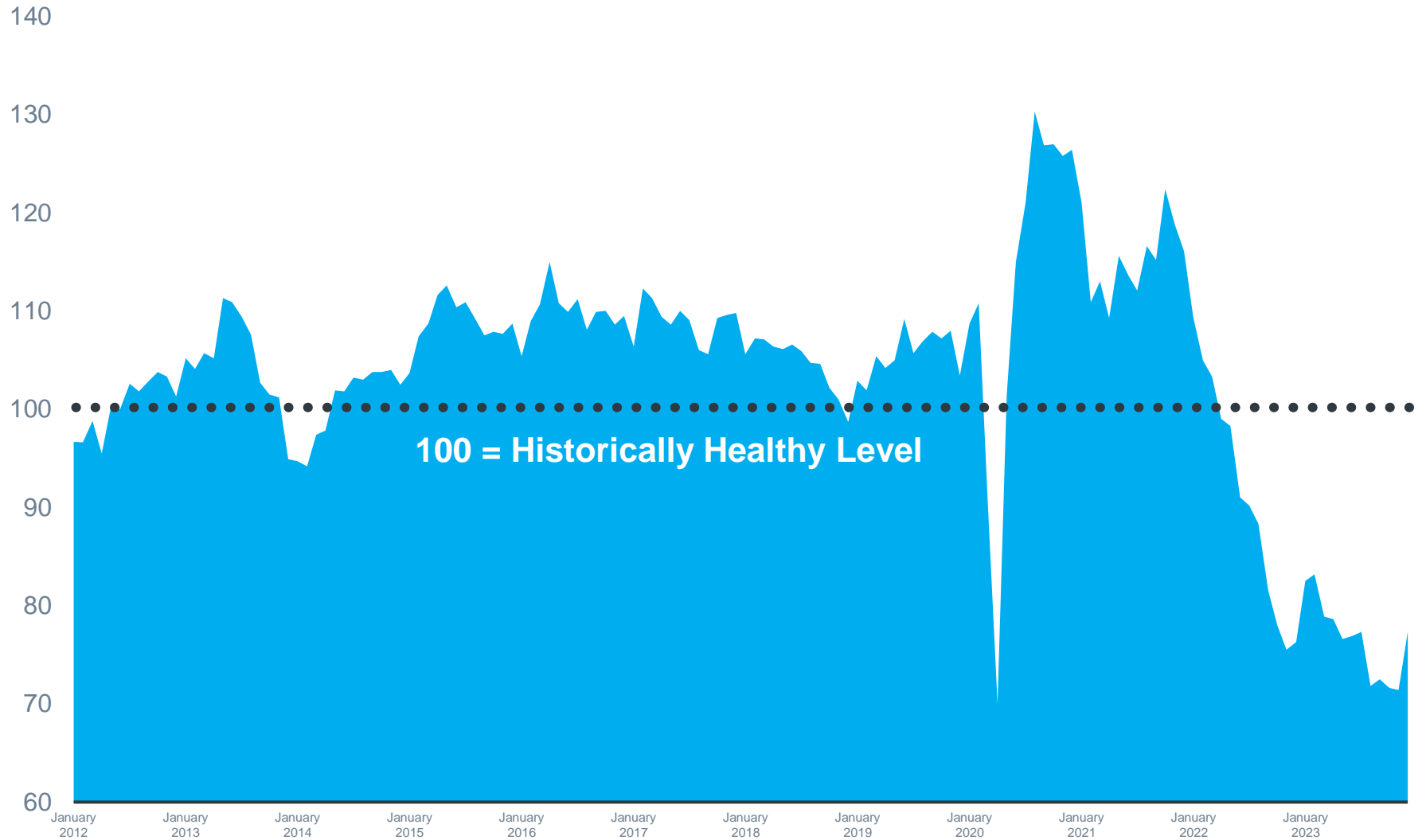
In Thousands

■ 2021 ■ 2022 ■ 2023



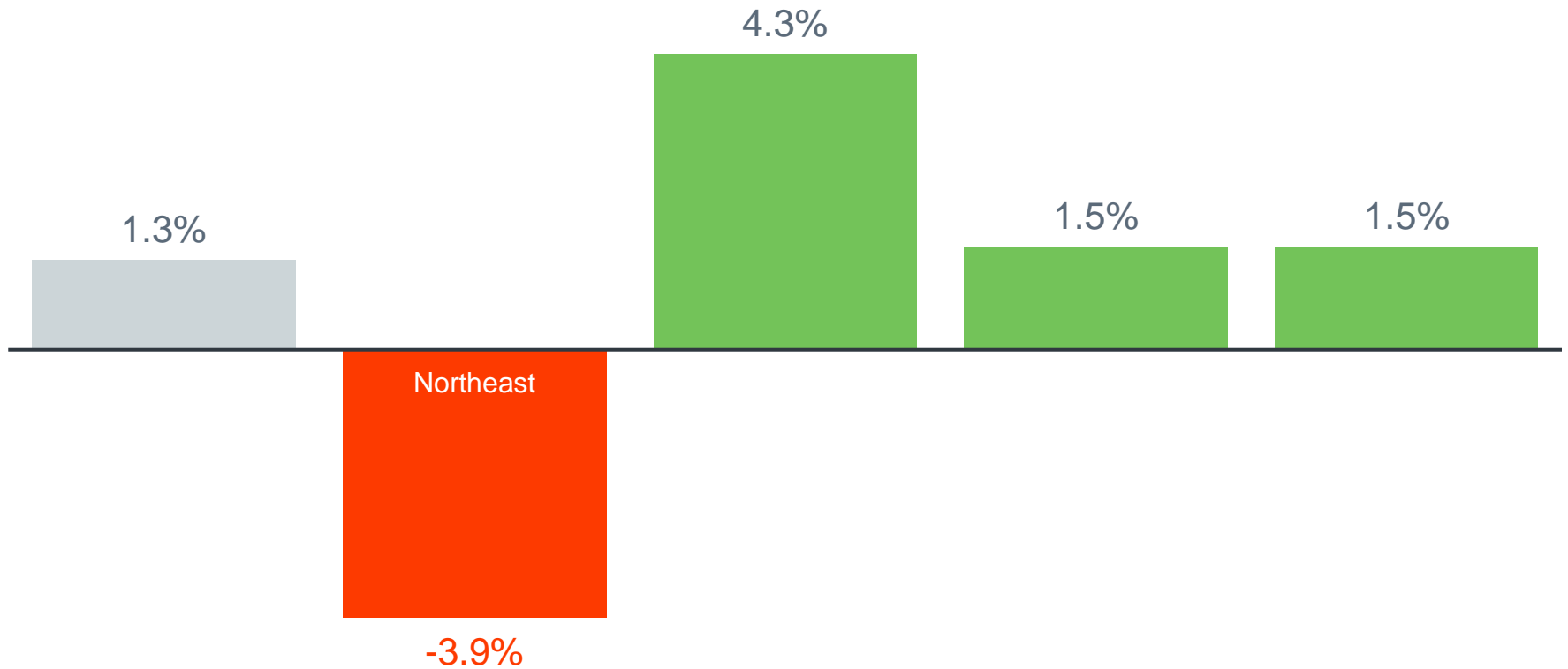
Source: Census

# Pending Home Sales



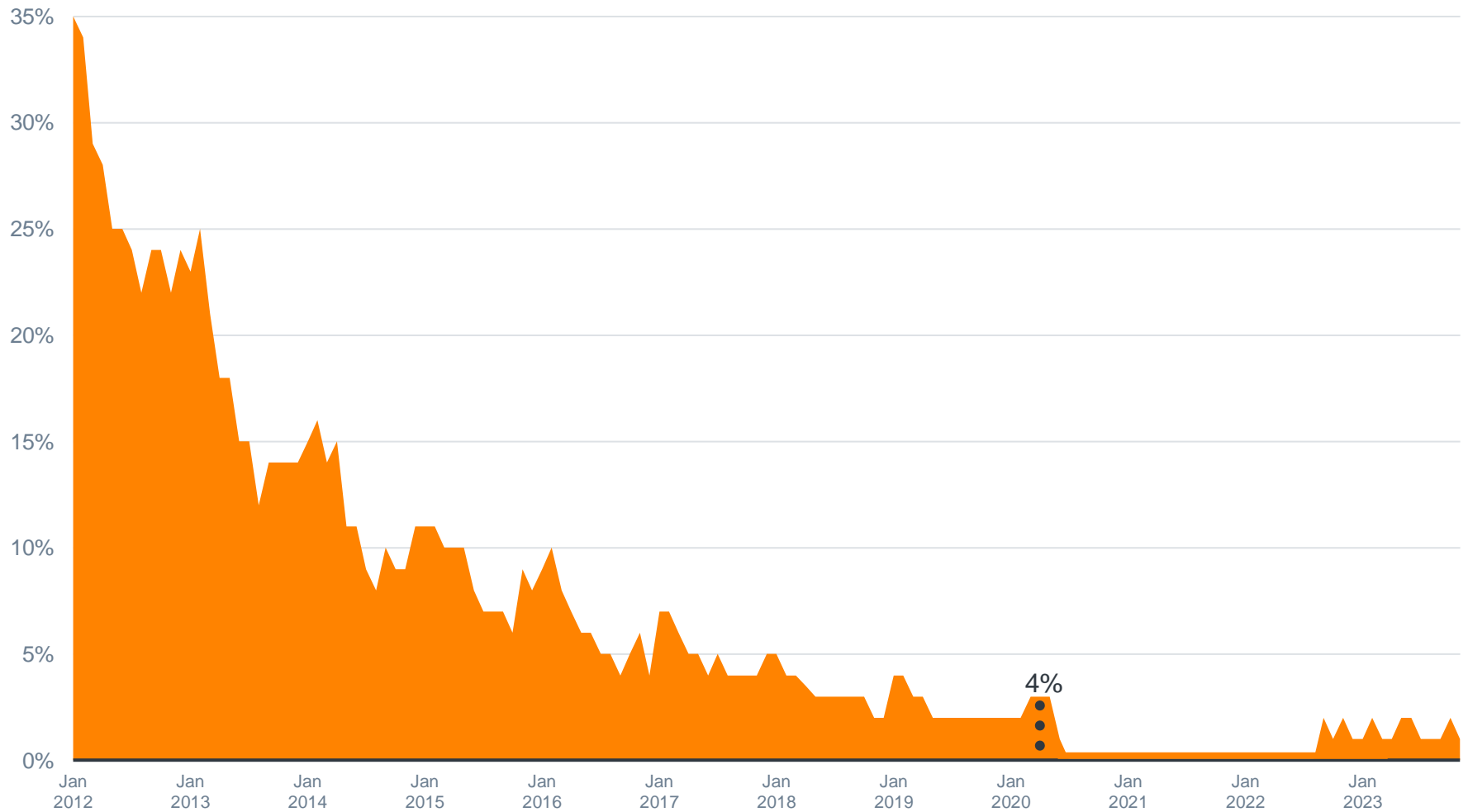
# Pending Home Sales

Year-Over-Year by Region



# Percentage of Distressed Property Sales

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



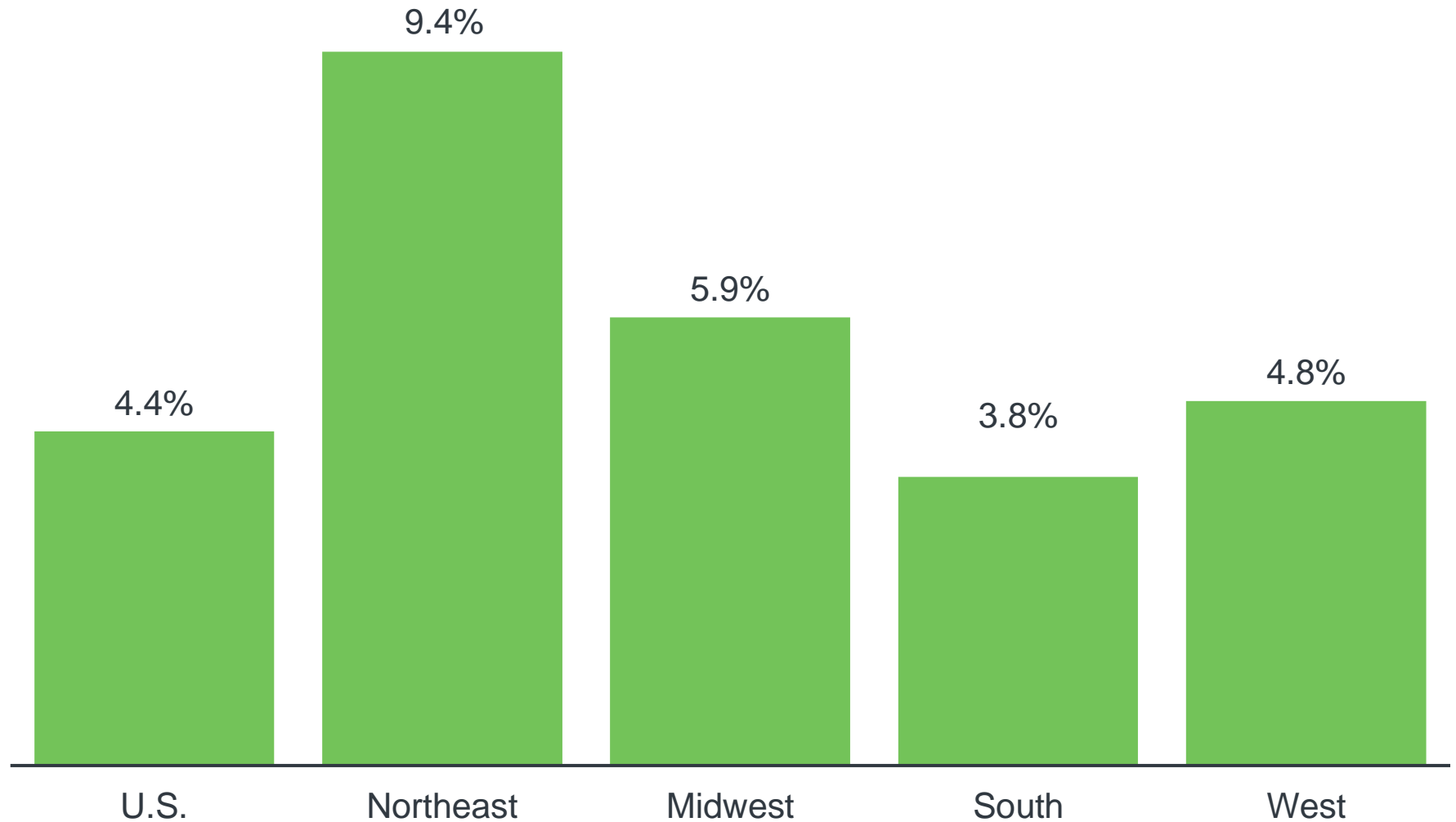




# Home Prices

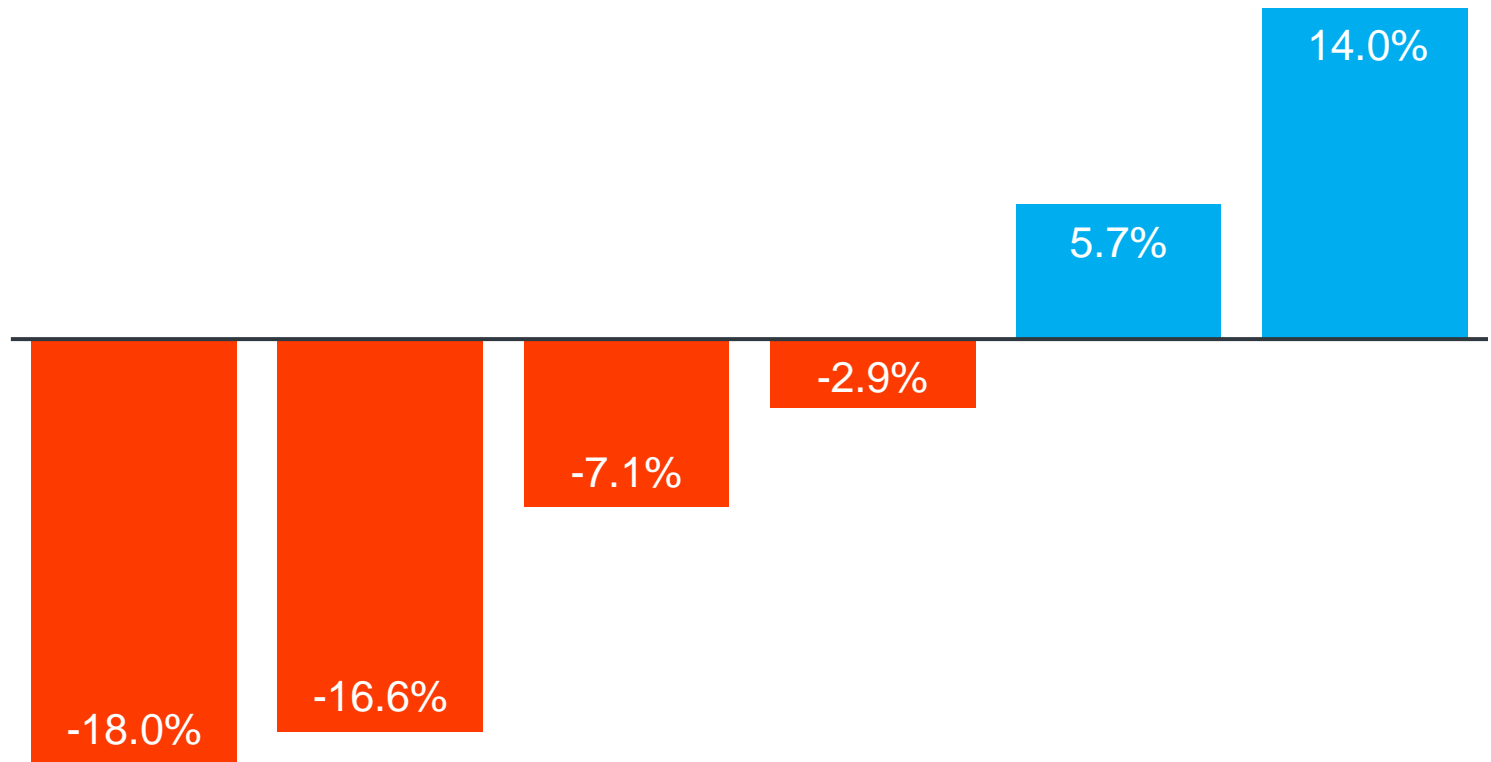
# Sales Price of Existing Homes

Year-Over-Year, by Region



# % Change in Sales

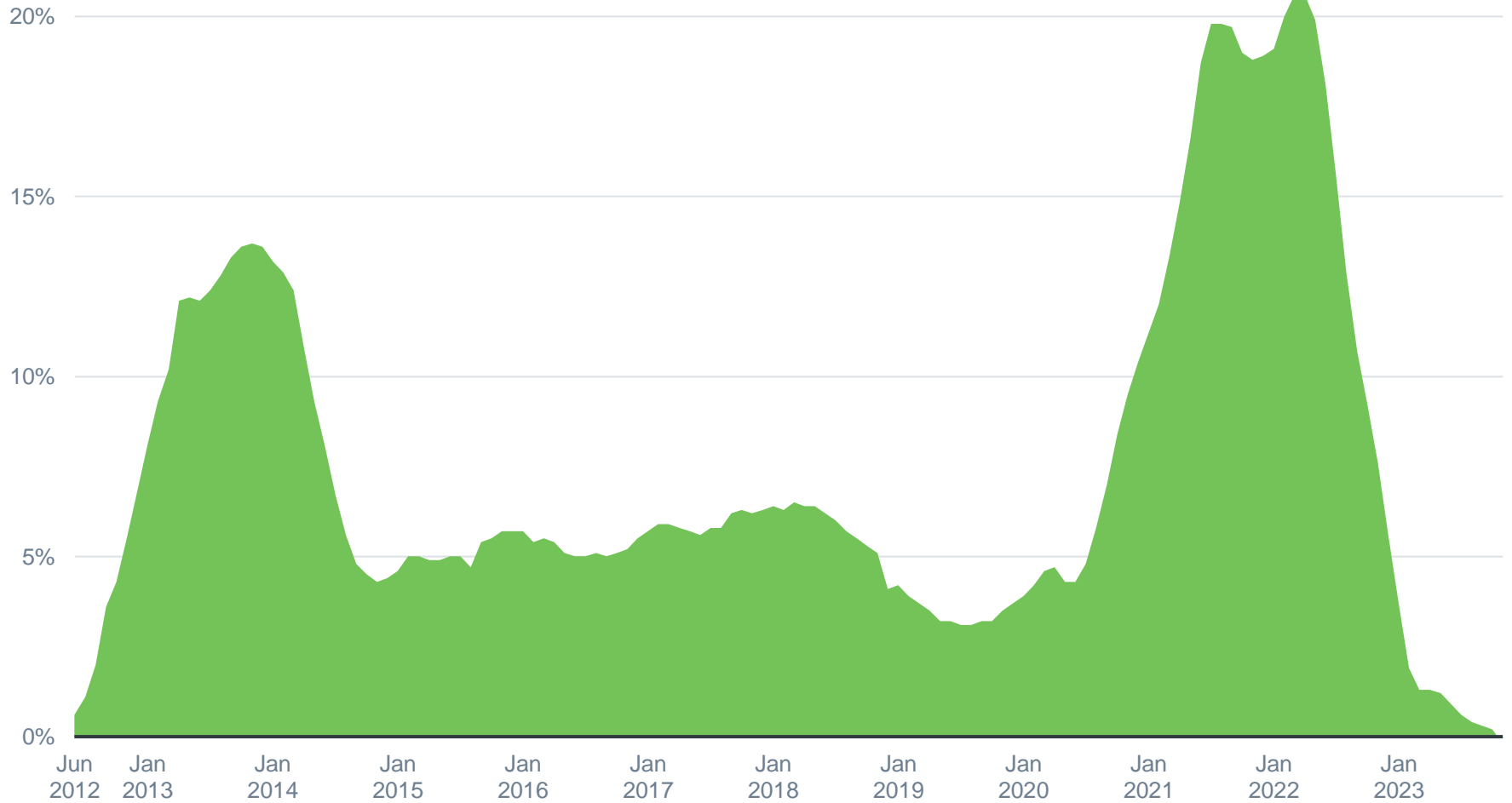
Year-Over-Year, by Price Range



	\$0-100K	\$100-250K	\$250-500K	\$500-750K	\$750K-1M	\$1M+
% change in sales	-18.0%	-16.6%	-7.1%	-2.9%	5.7%	14.0%

# Change in Home Prices

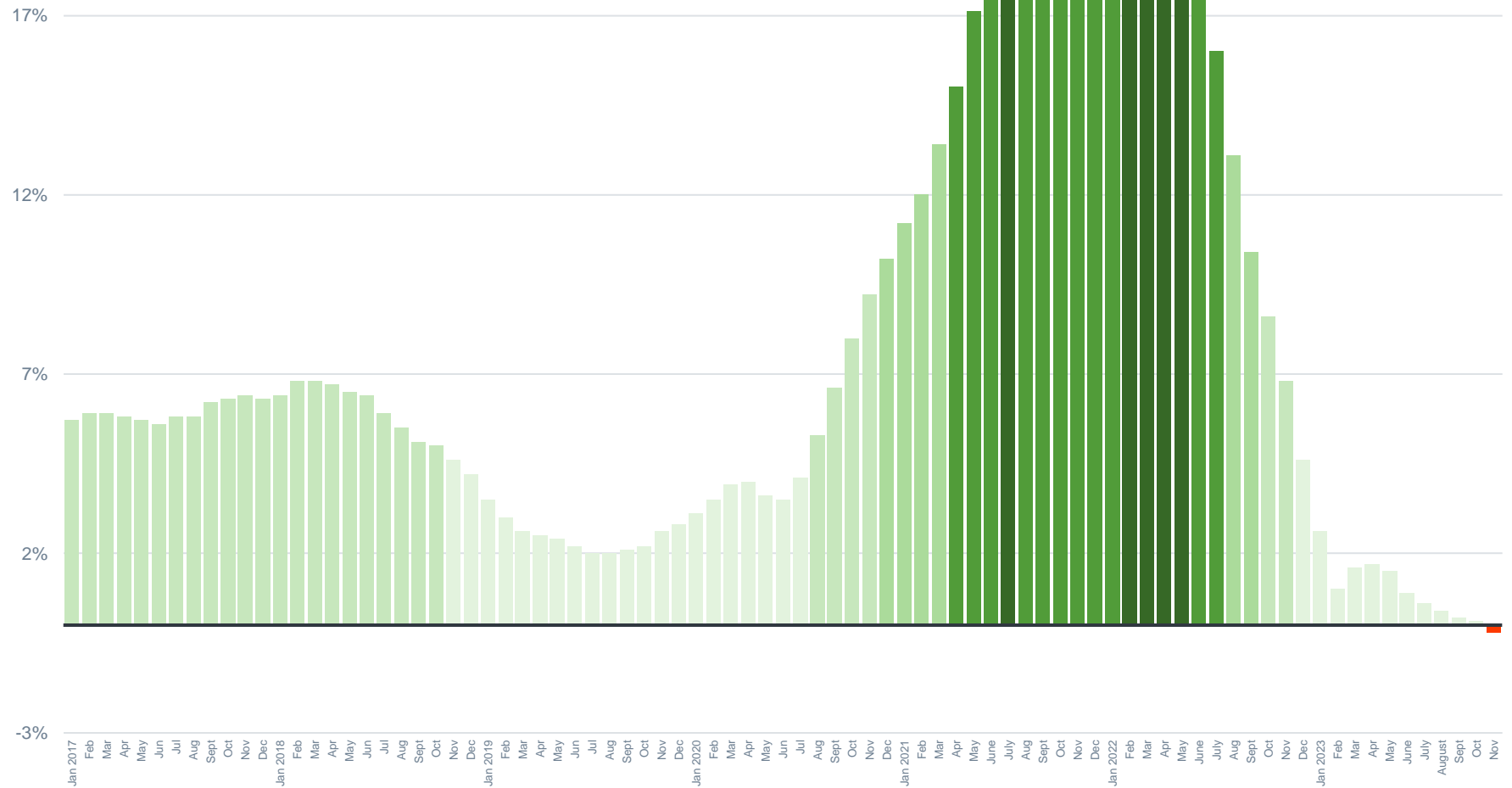
Year-Over-Year



Source: S&P Case-Shiller

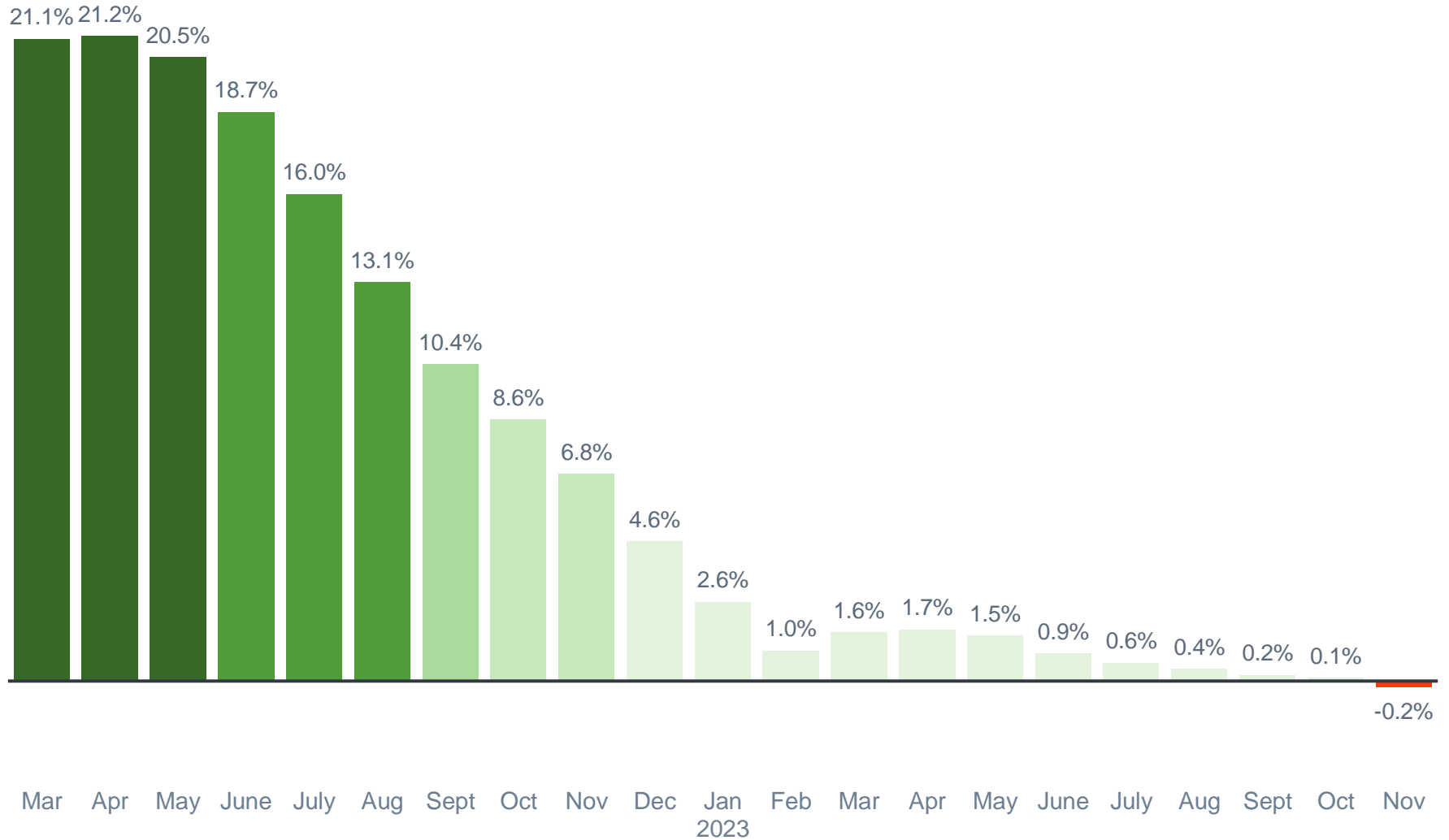
# Change in Home Prices

22%  
Year-Over-Year, 20 City Composite



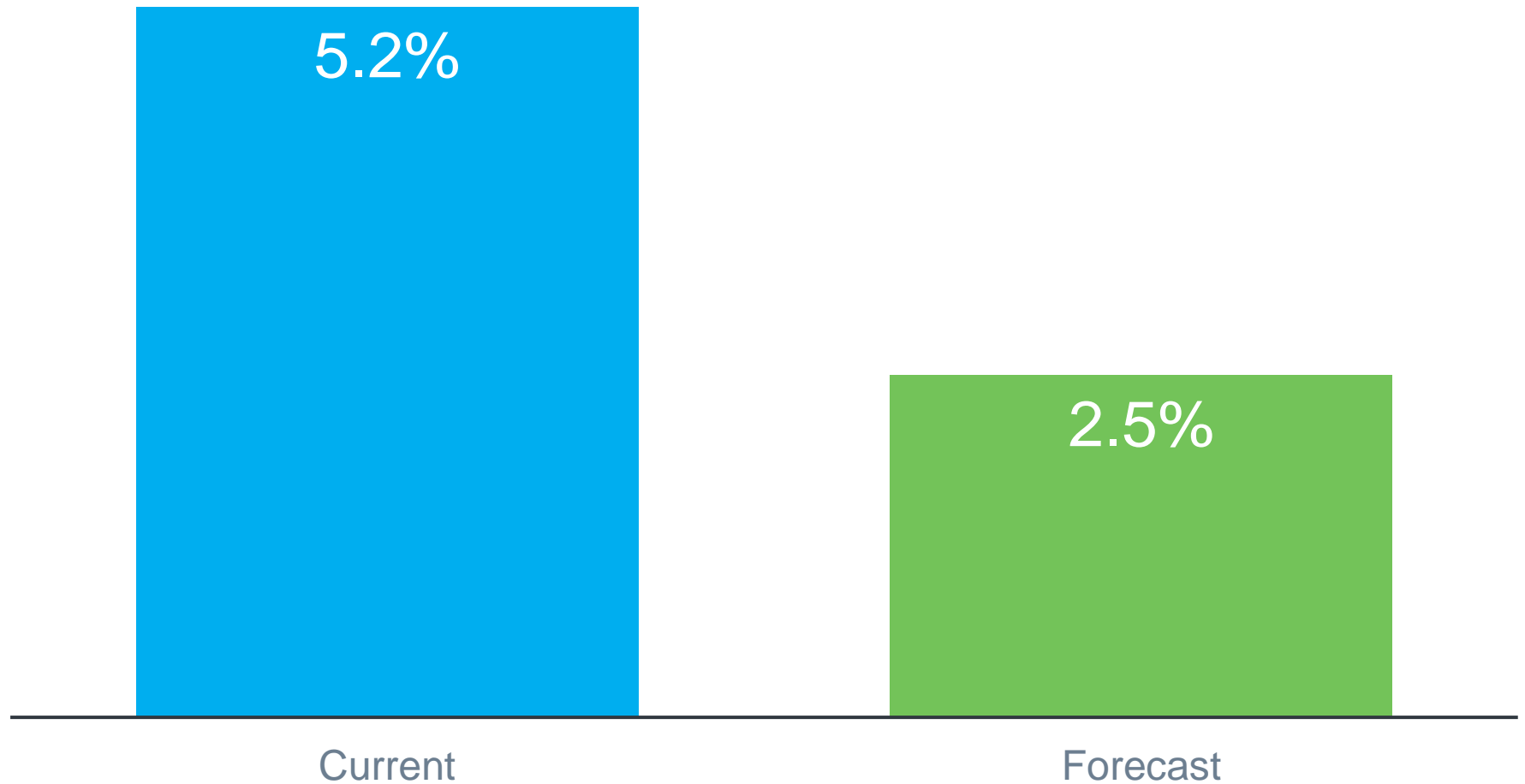
# Change in Home Prices

Year-Over-Year, 20 City Composite



# Year-Over-Year % Change in Price

US Home Price Insights – November 2023



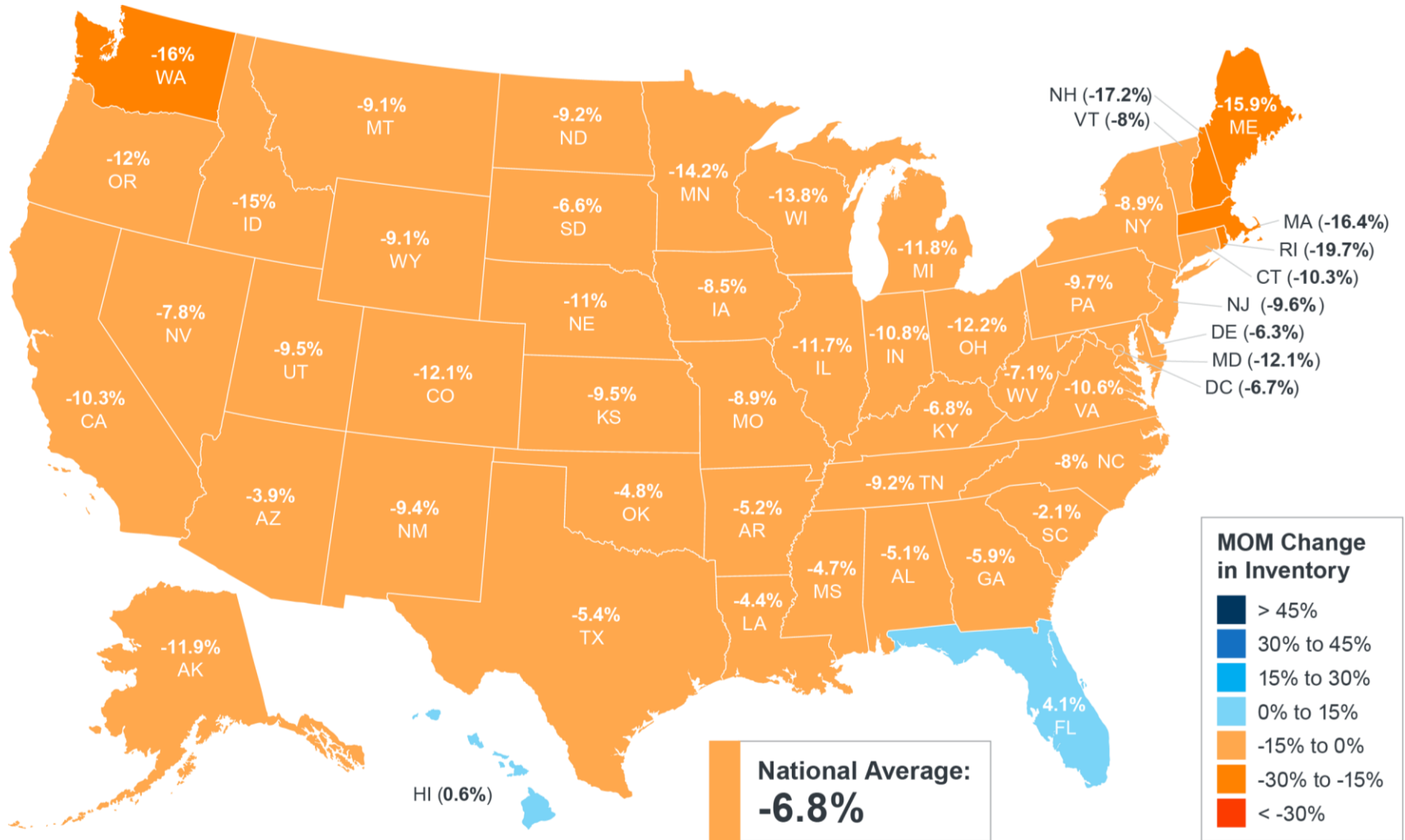


# Housing Inventory



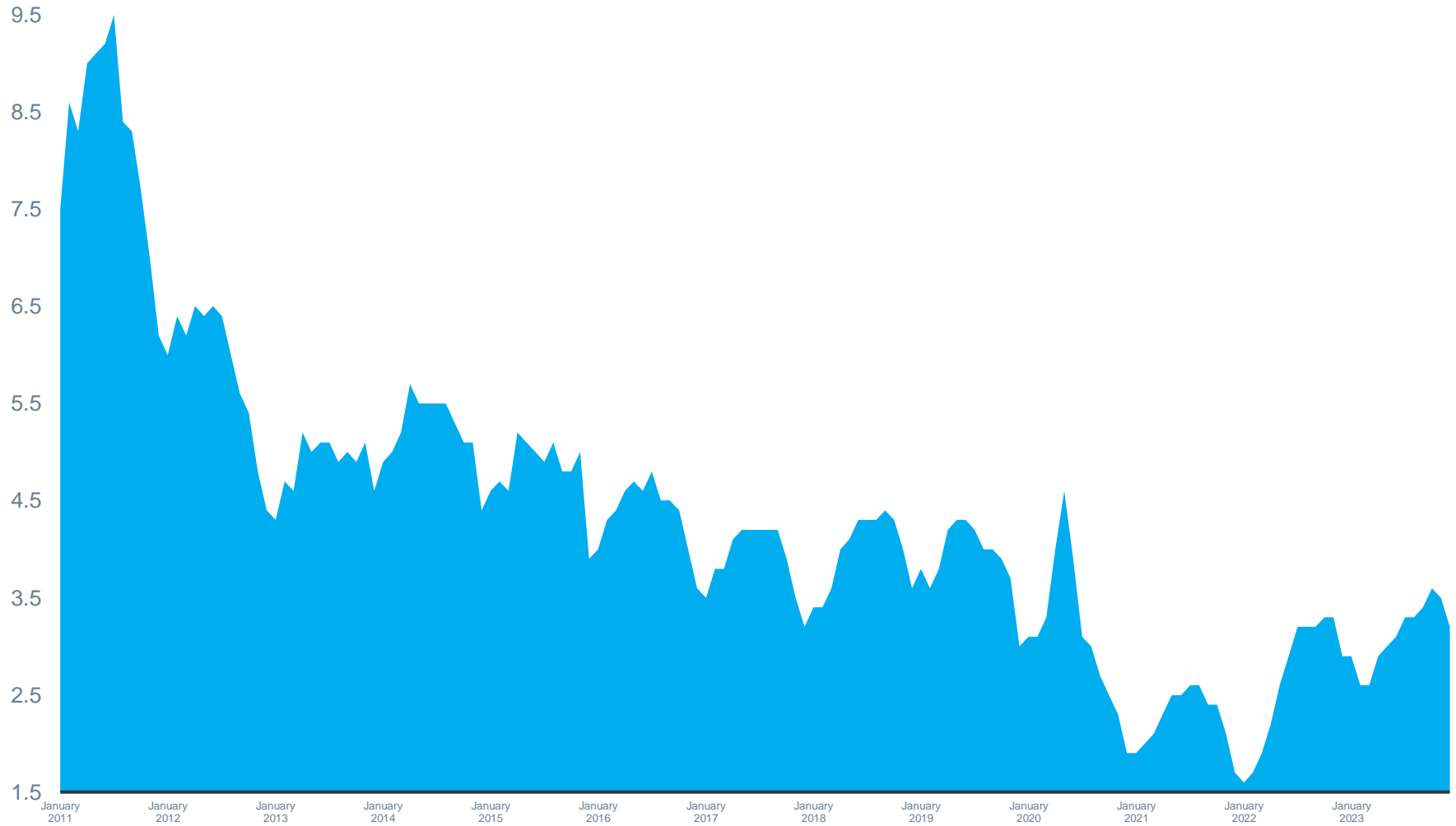
# Change in Inventory

Month-Over-Month, January 2024



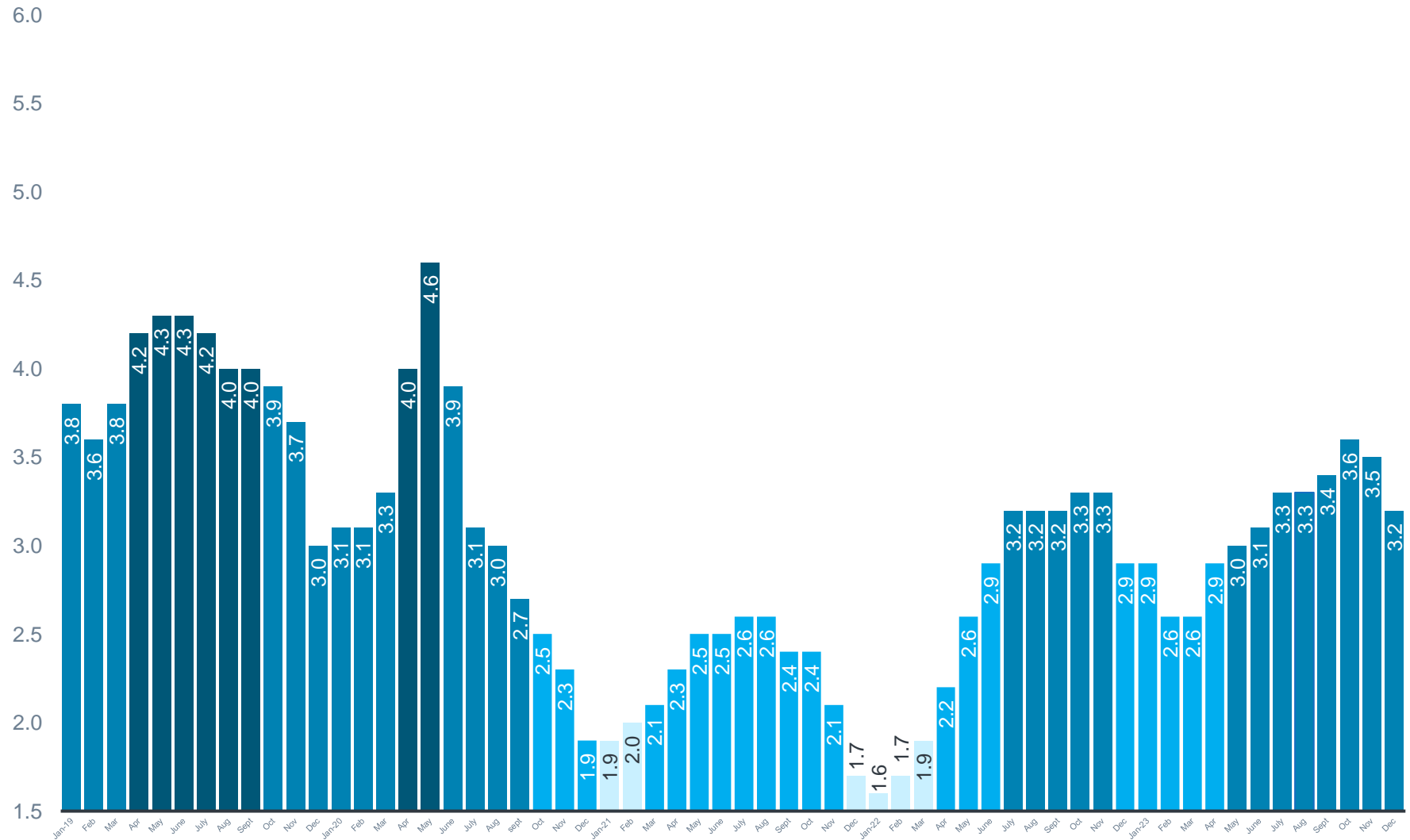
# Months Inventory of Homes for Sale

2011 - Today



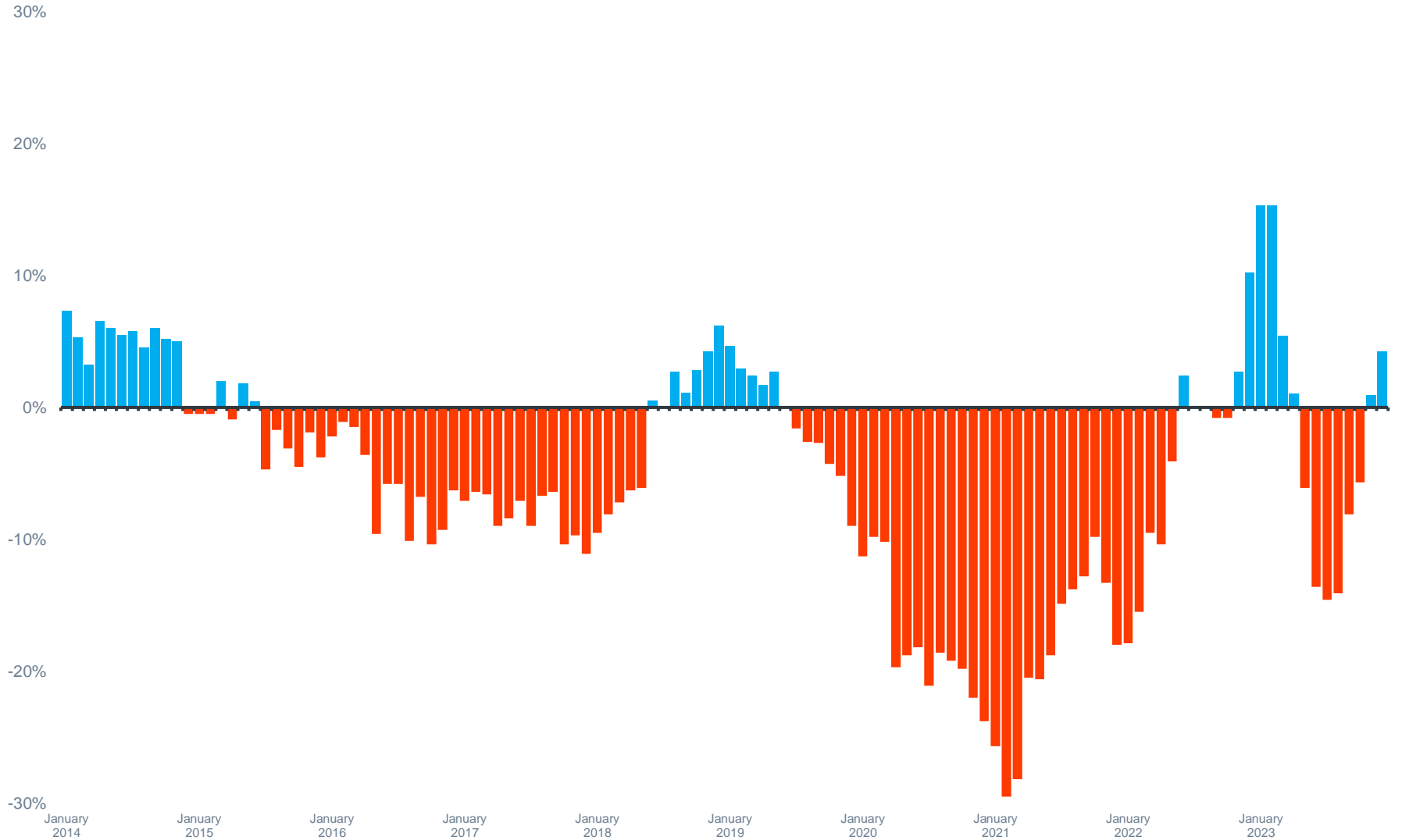
# Months Inventory of Homes for Sale

Since 2019



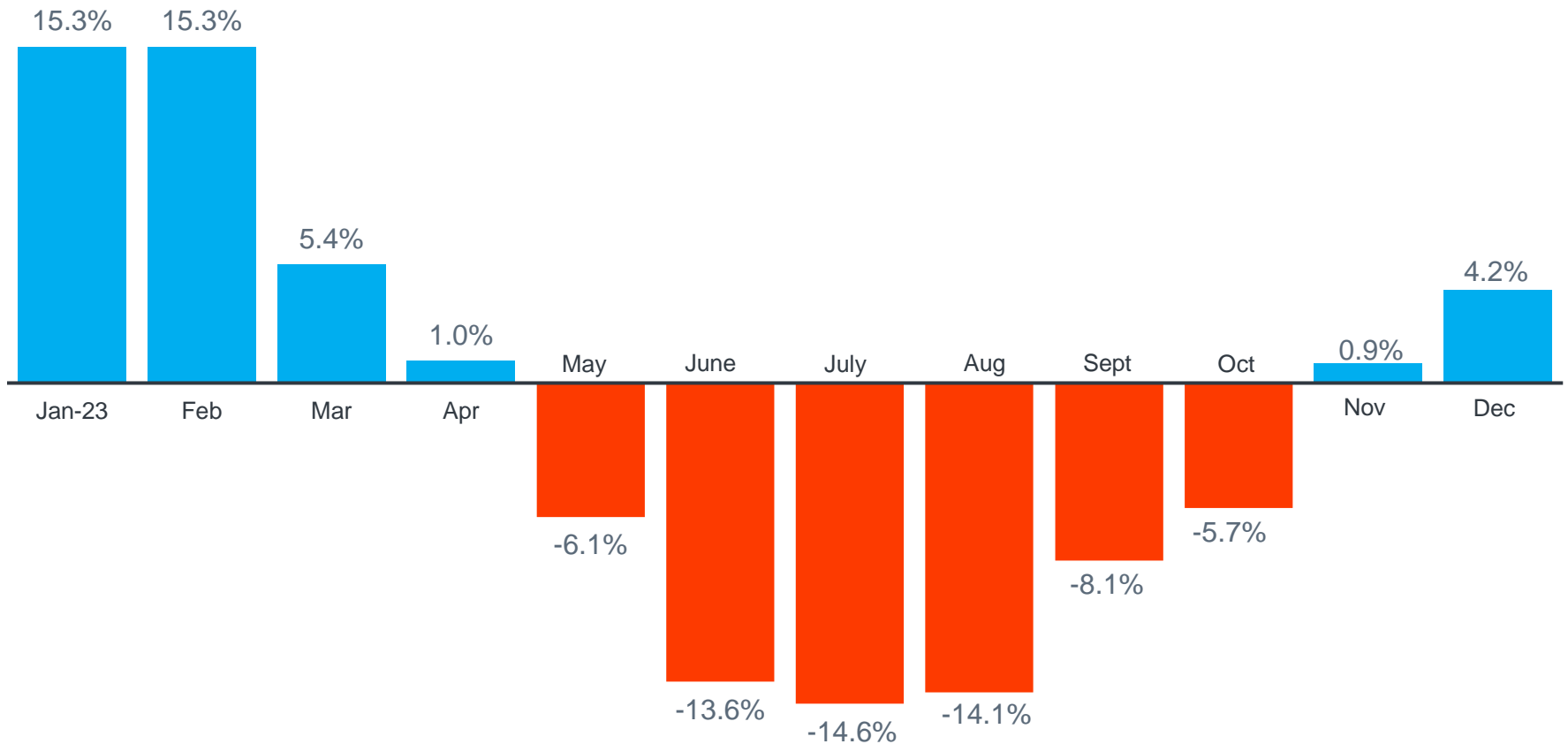
Source: NAR

# Year-Over-Year Inventory Levels



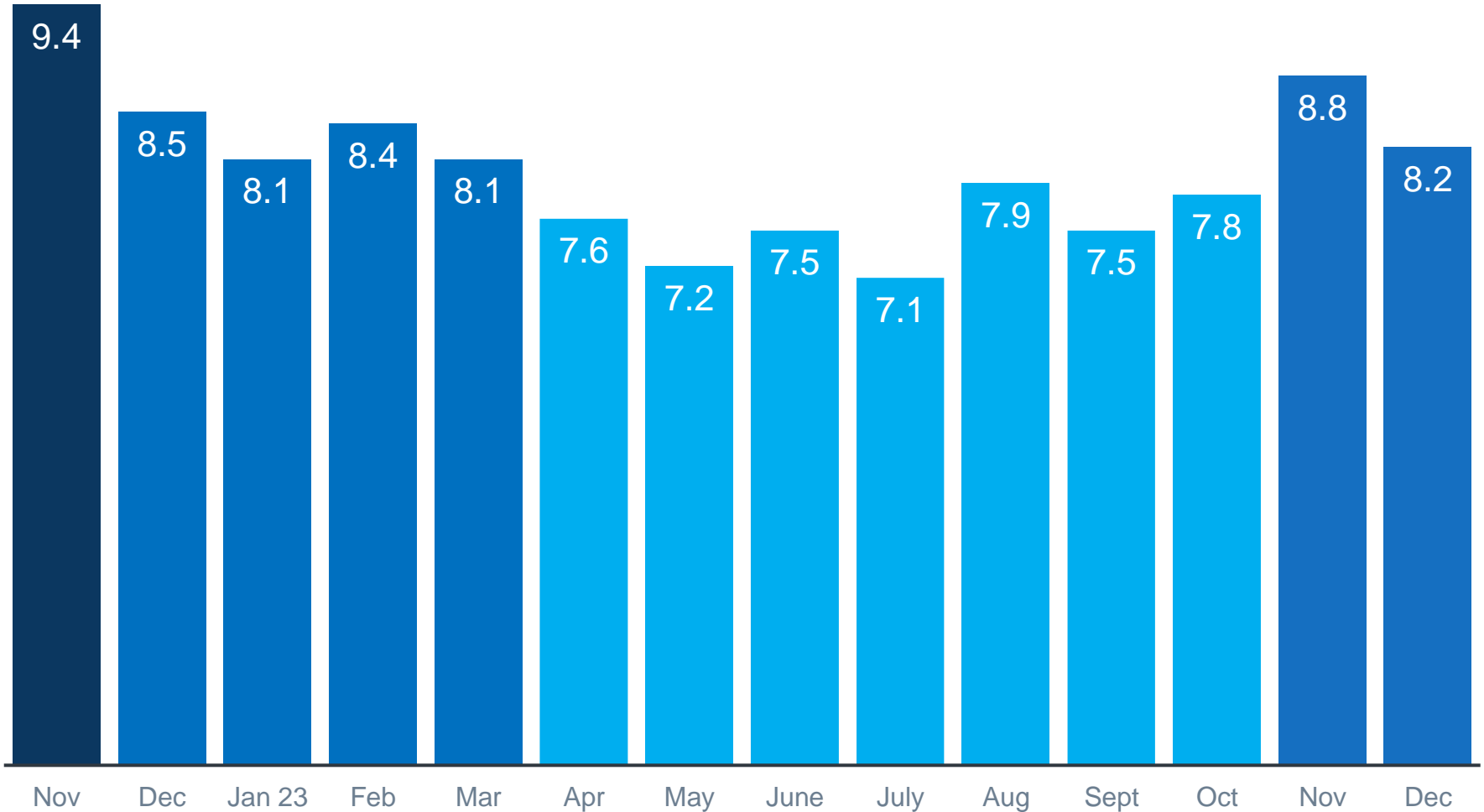
# Year-Over-Year Inventory Levels

Last 12 Months



# New Home Monthly Inventory

Seasonally Adjusted, Last 13 Months

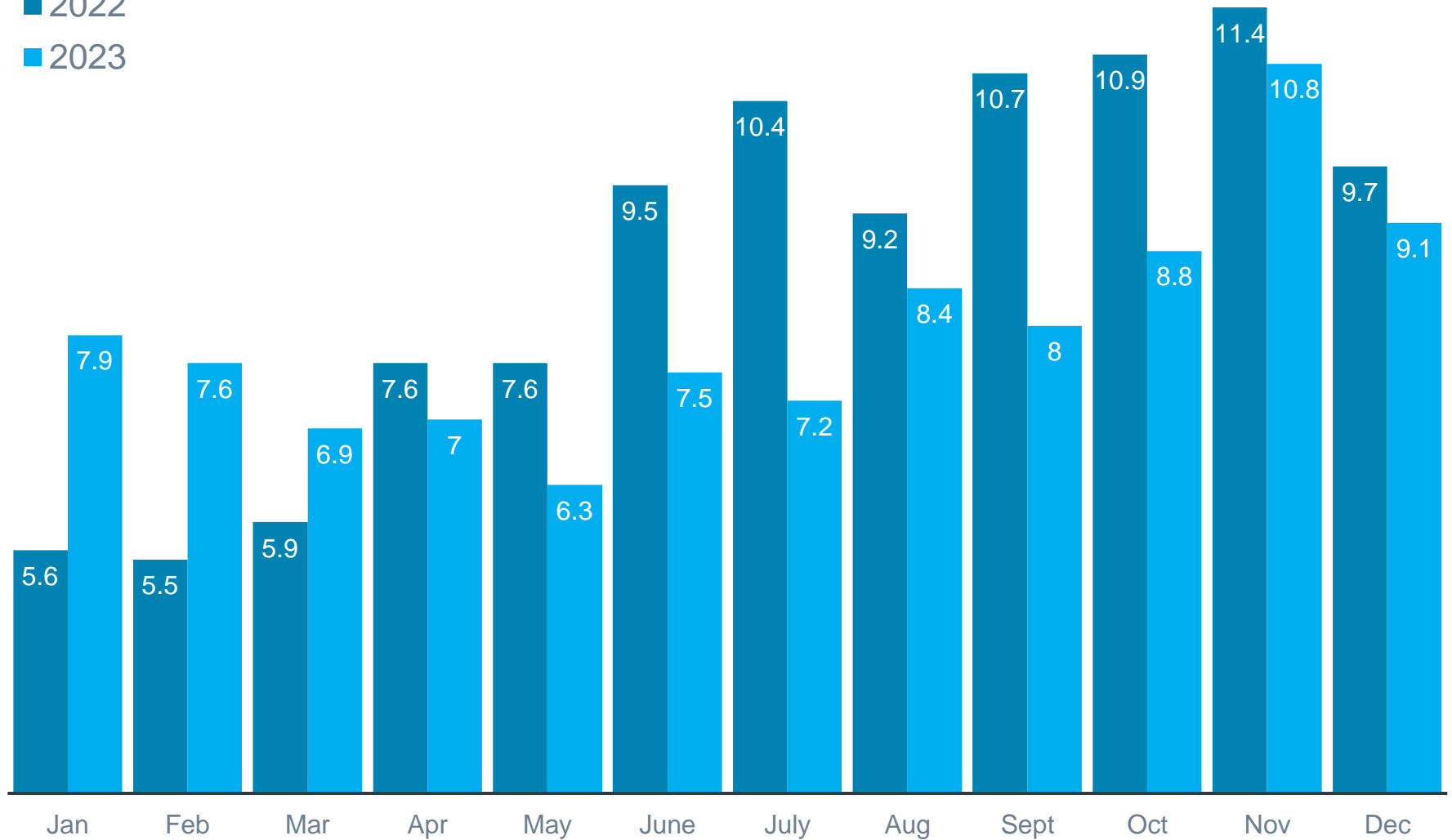


Source: Census

# New Home Monthly Inventory

Non-Seasonally Adjusted

■ 2022  
■ 2023



Source: Census

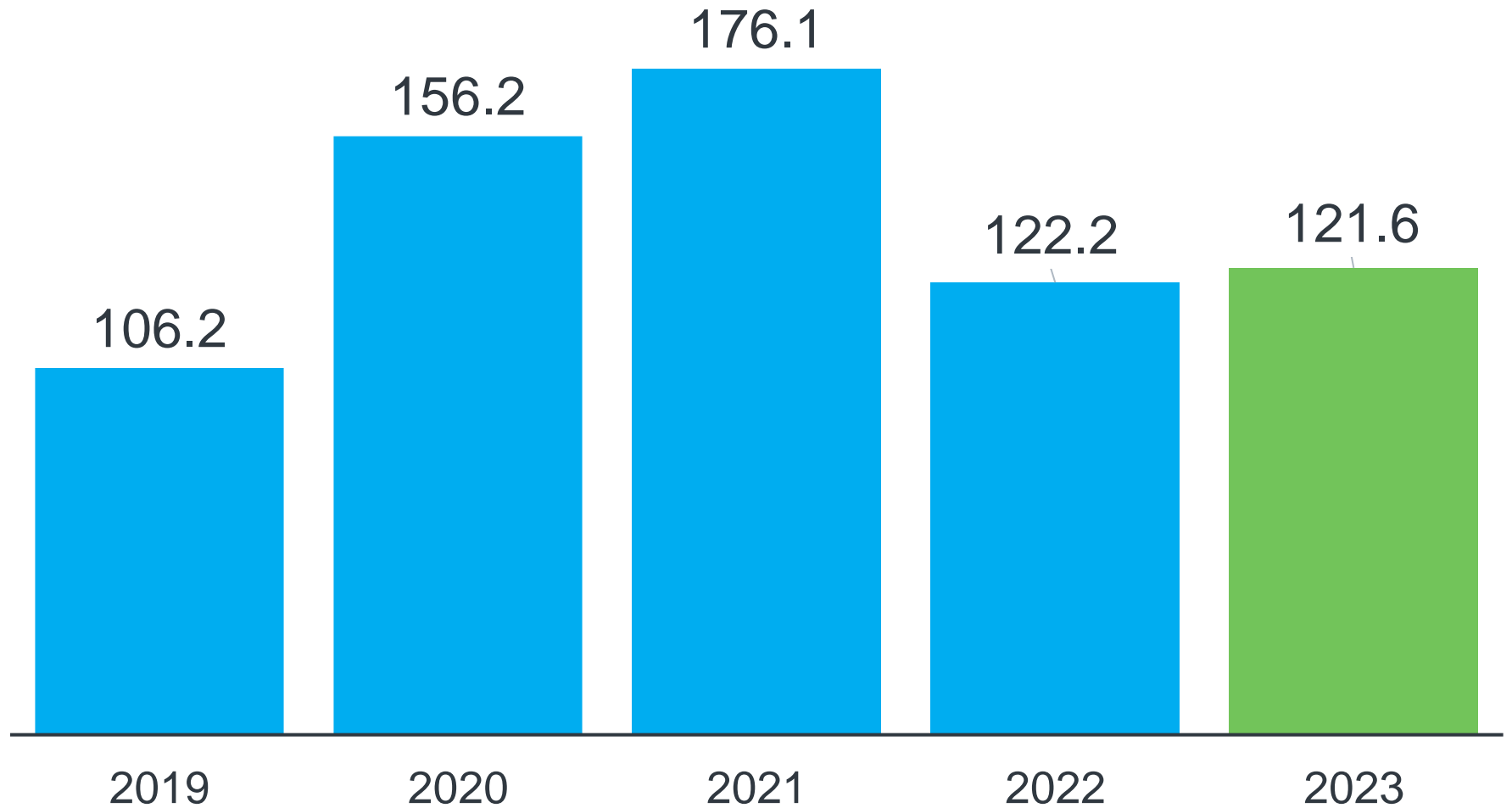


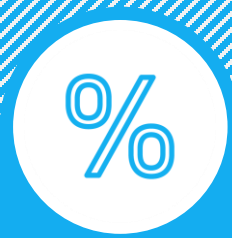
# Buyer Demand



# Showing Index

Showing Index over the Last 5 Decembers

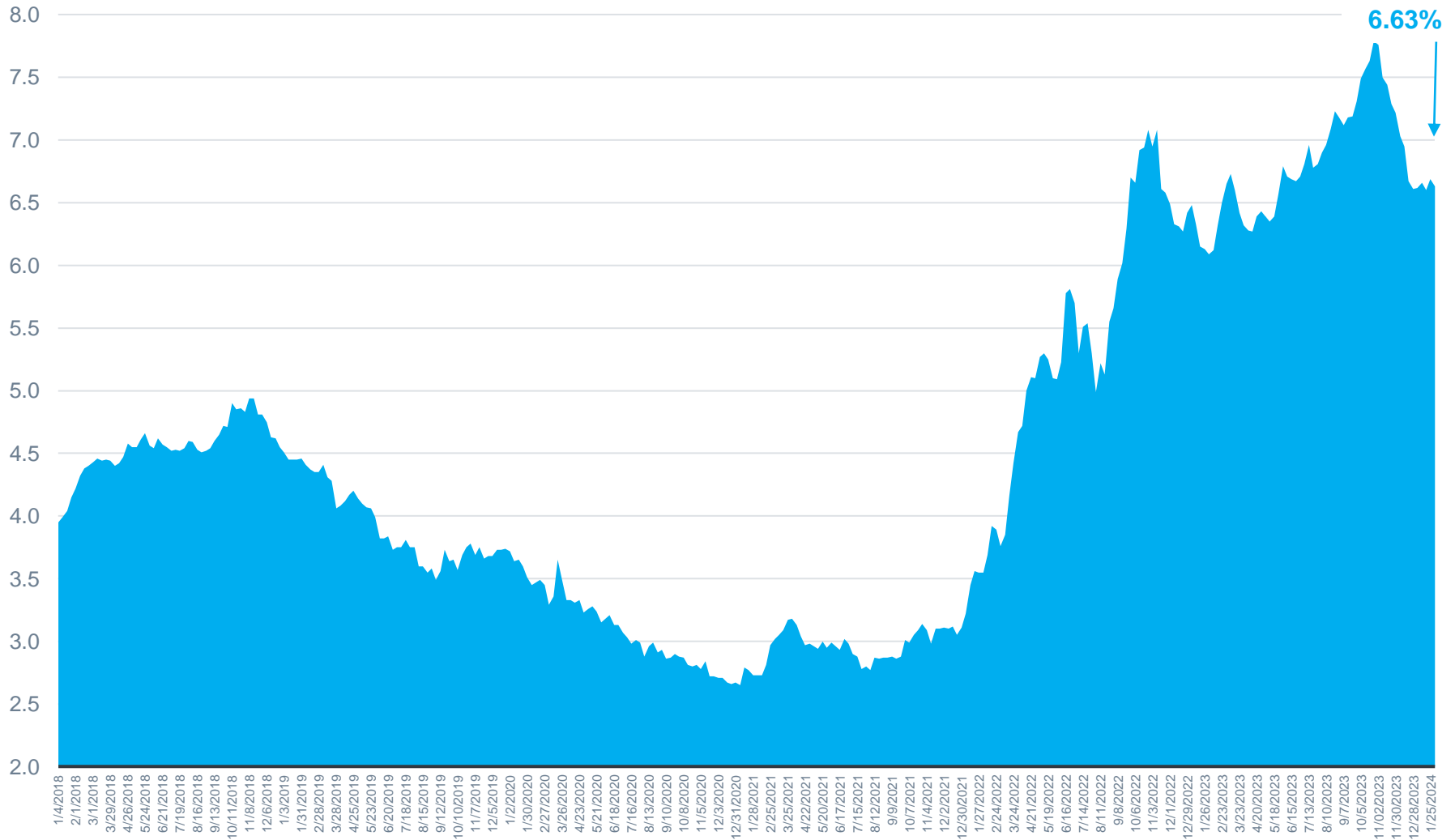




# Mortgage Rates

# Mortgage Rates

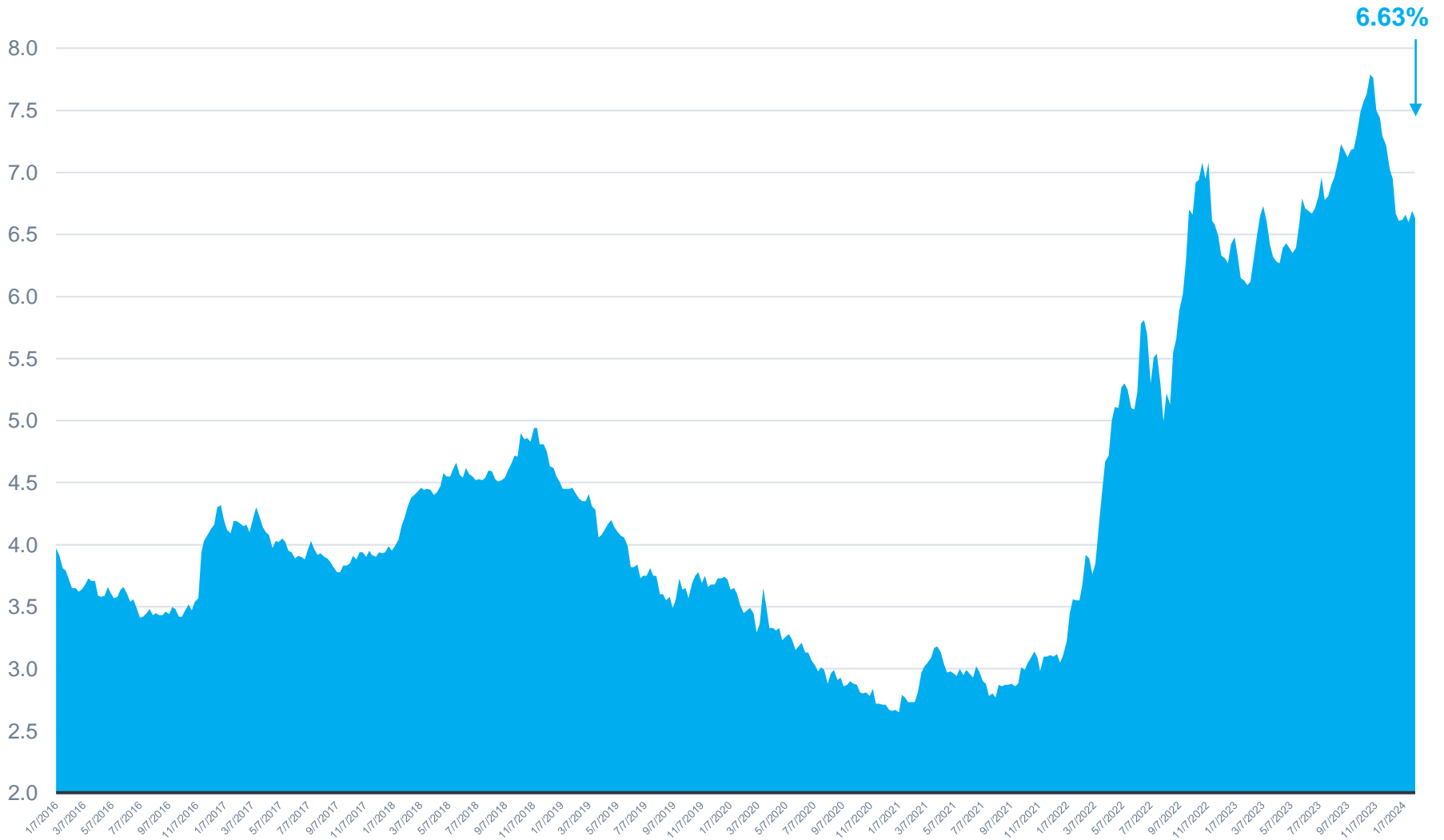
30-Year Fixed Rate, January 2018–Today



Source: Freddie Mac

# Mortgage Rates

30-Year Fixed Rate, January 2016–Today



Source: Freddie Mac

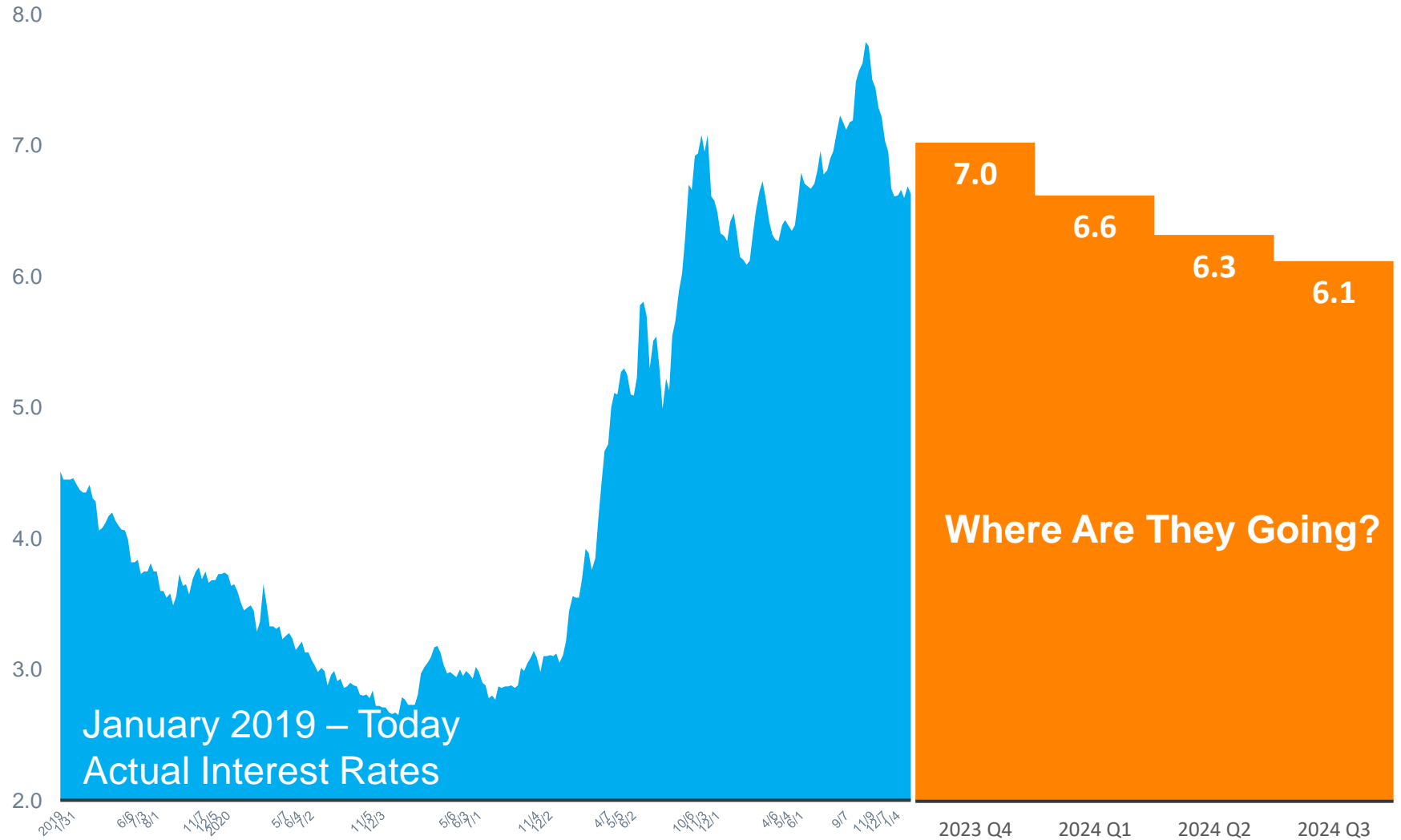
# Mortgage Rate Projections

January 2023

Quarter	Fannie Mae	MBA	NAR	Average of All Three
<b>2024 Q1</b>	6.40%	7.00%	6.80%	<b>6.73%</b>
<b>2024 Q2</b>	6.20%	6.60%	6.60%	<b>6.47%</b>
<b>2024 Q3</b>	6.00%	6.30%	6.30%	<b>6.20%</b>
<b>2024 Q4</b>	5.80%	6.10%	6.10%	<b>6.00%</b>

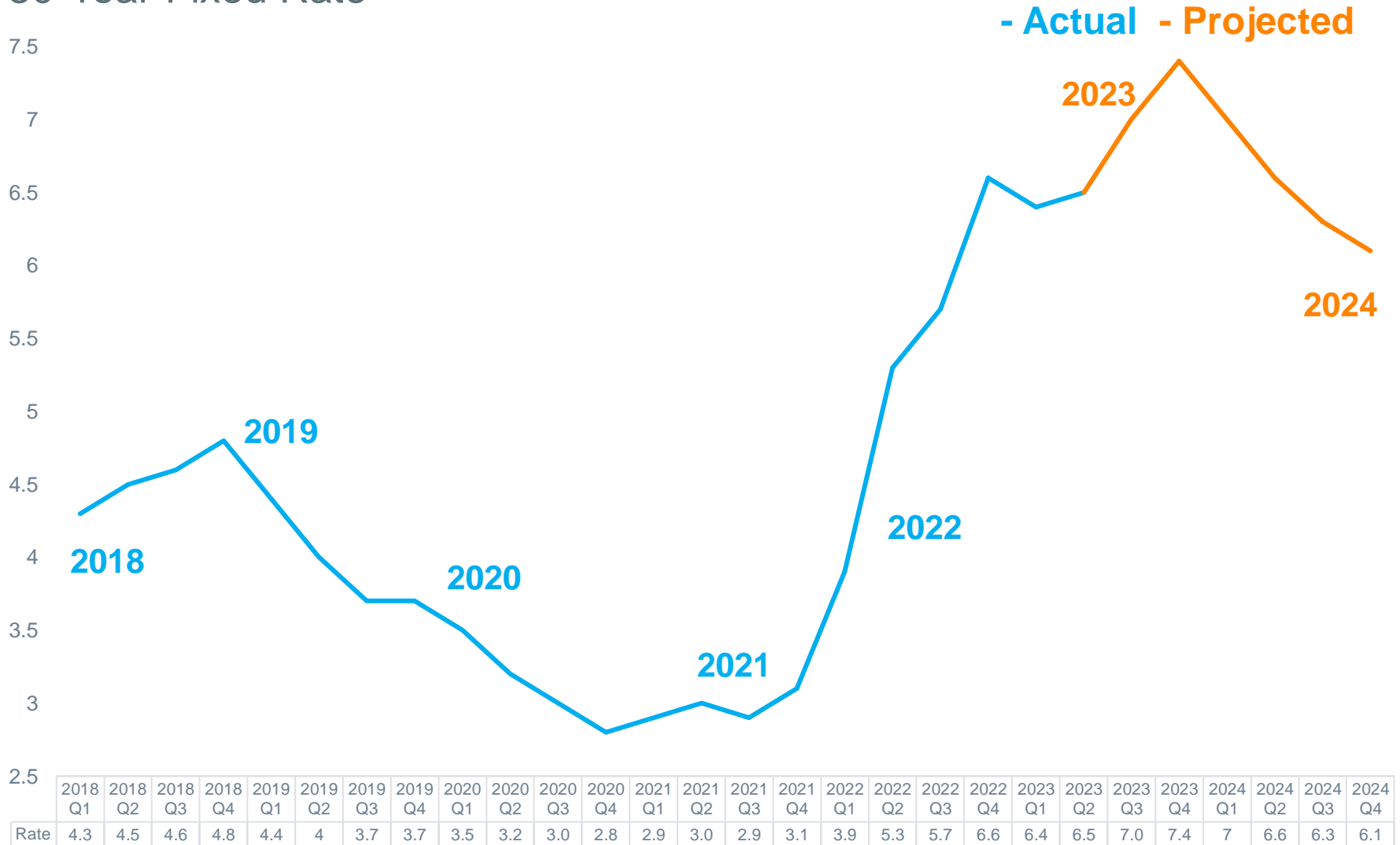
# Mortgage Rates

## 30-Year Fixed Rate



# Mortgage Rates

## 30-Year Fixed Rate



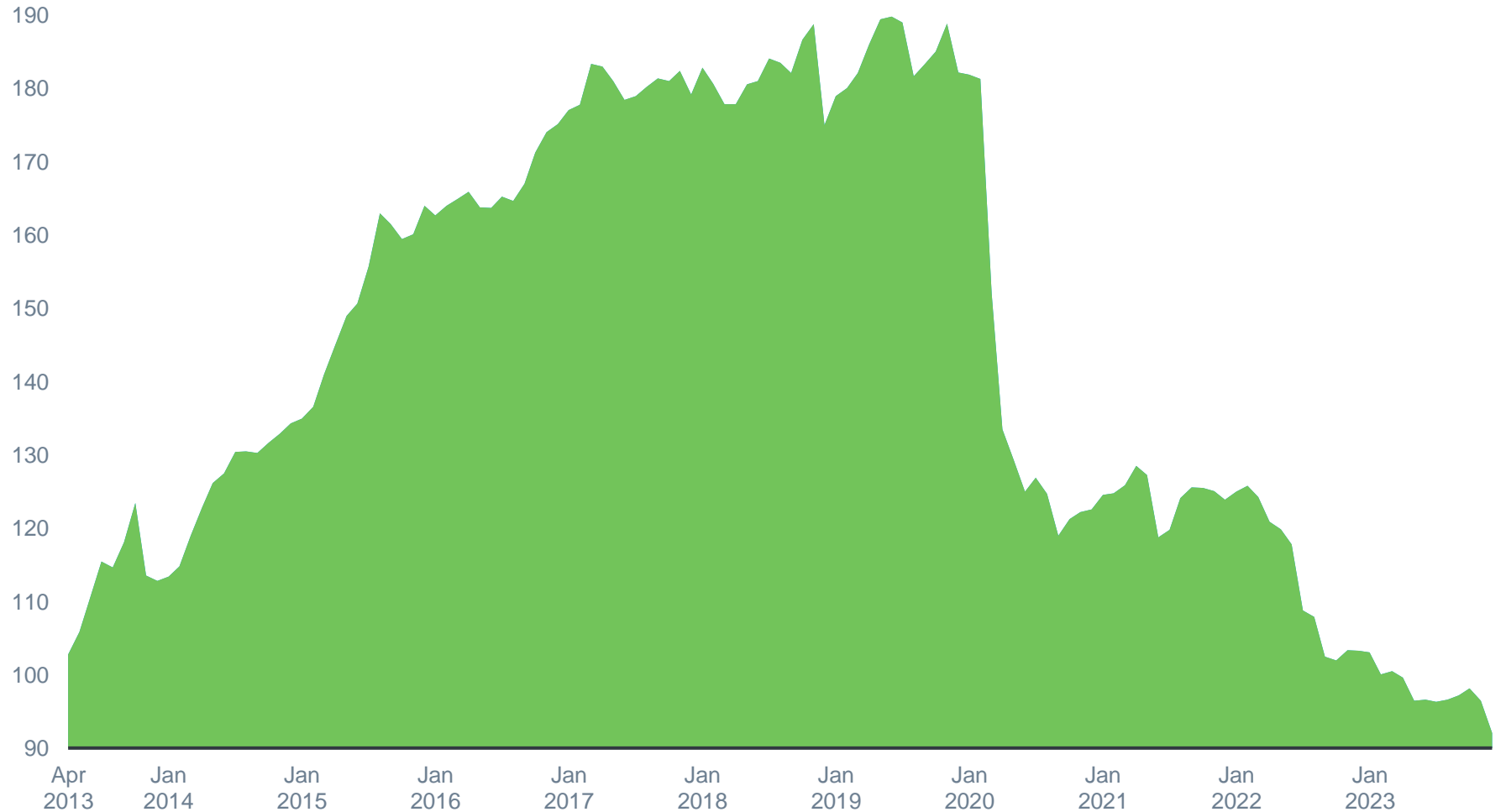


# Mortgage Credit Availability



# Mortgage Credit Availability Index (MCAI)

December 2023



# Lending Standards Still Under Control

Historic Data for the Mortgage Credit Availability Index (MCAI)

