

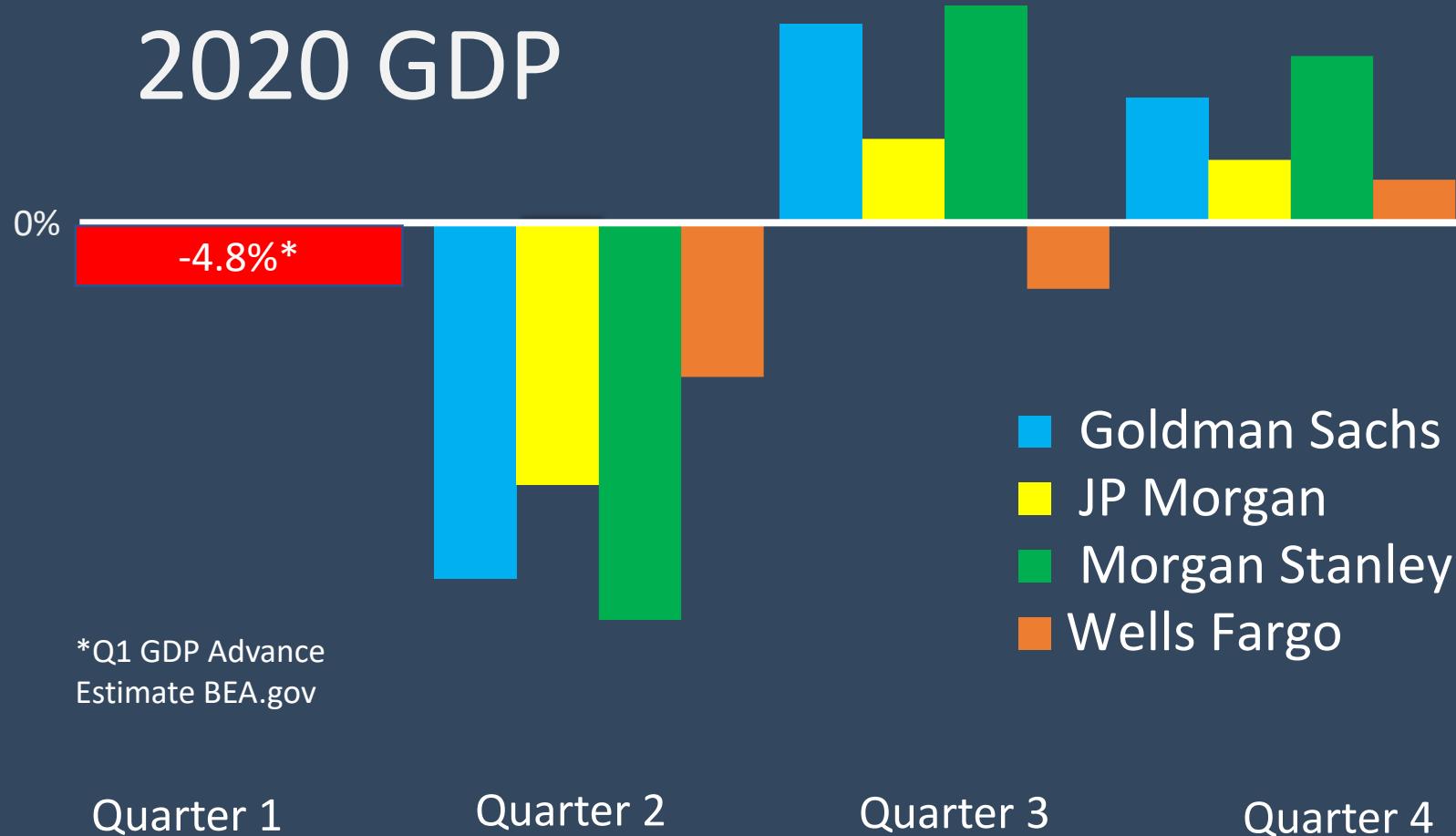
MAY 2020



When is the
economy going
to fully recover?



Major financial institutions are calling for a 2nd half recovery



1. **Business Science** – How has the economy rebounded from similar slowdowns in the past?
2. **Health Science** – When will COVID-19 be under control? Will there be another flareup of the virus this fall?
3. **People Science** – After businesses are fully operational, how long will it take American consumers to return to normal consumption patterns? (Ex: going to the movies, attending a sporting event, or flying).



“Although the uncertainty of the crisis means forecasts of economic activity are more unclear than usual, we expect that most of the economic damage from the virus will be contained to the first half of the year. Going forward, we should see a recovery starting in the 2nd half of 2020.”

Sam Khater

Chief Economist at Freddie Mac

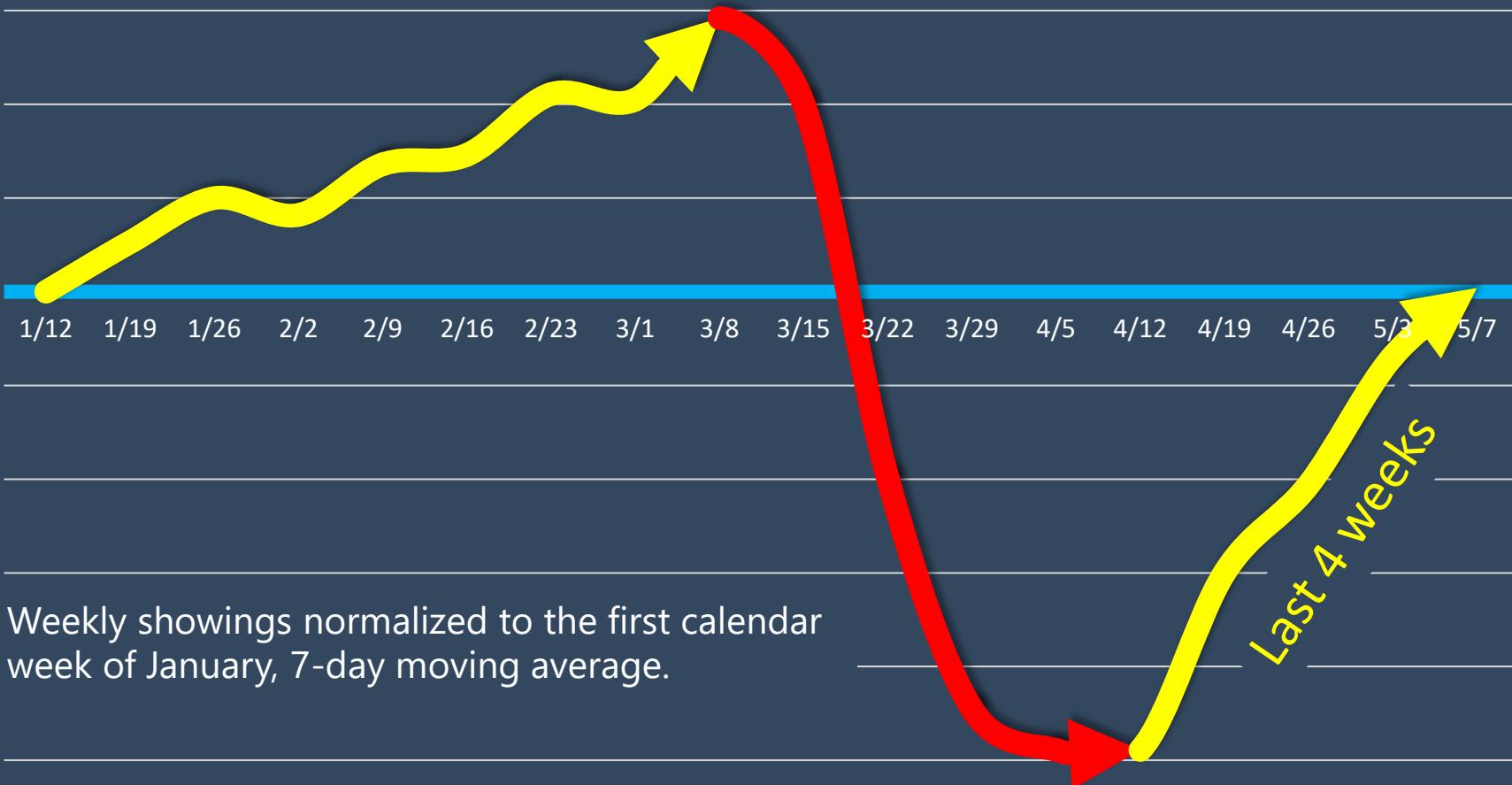


“Evidence is mounting that homebuyers may be coming back to the market, after demand plummeted in the past month due to the coronavirus.”

CNBC



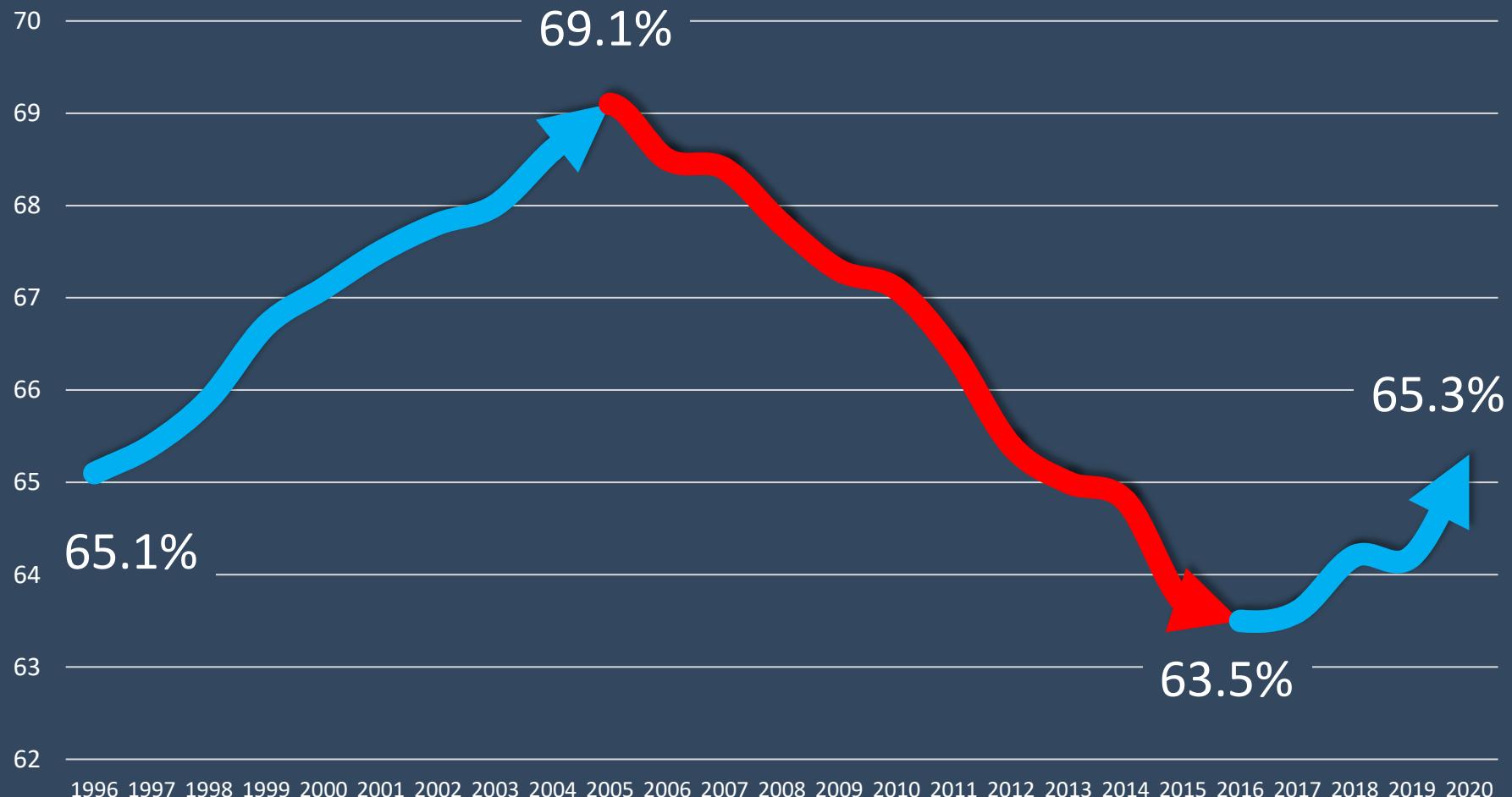
Impact of COVID-19 to Real Estate Showings in North America



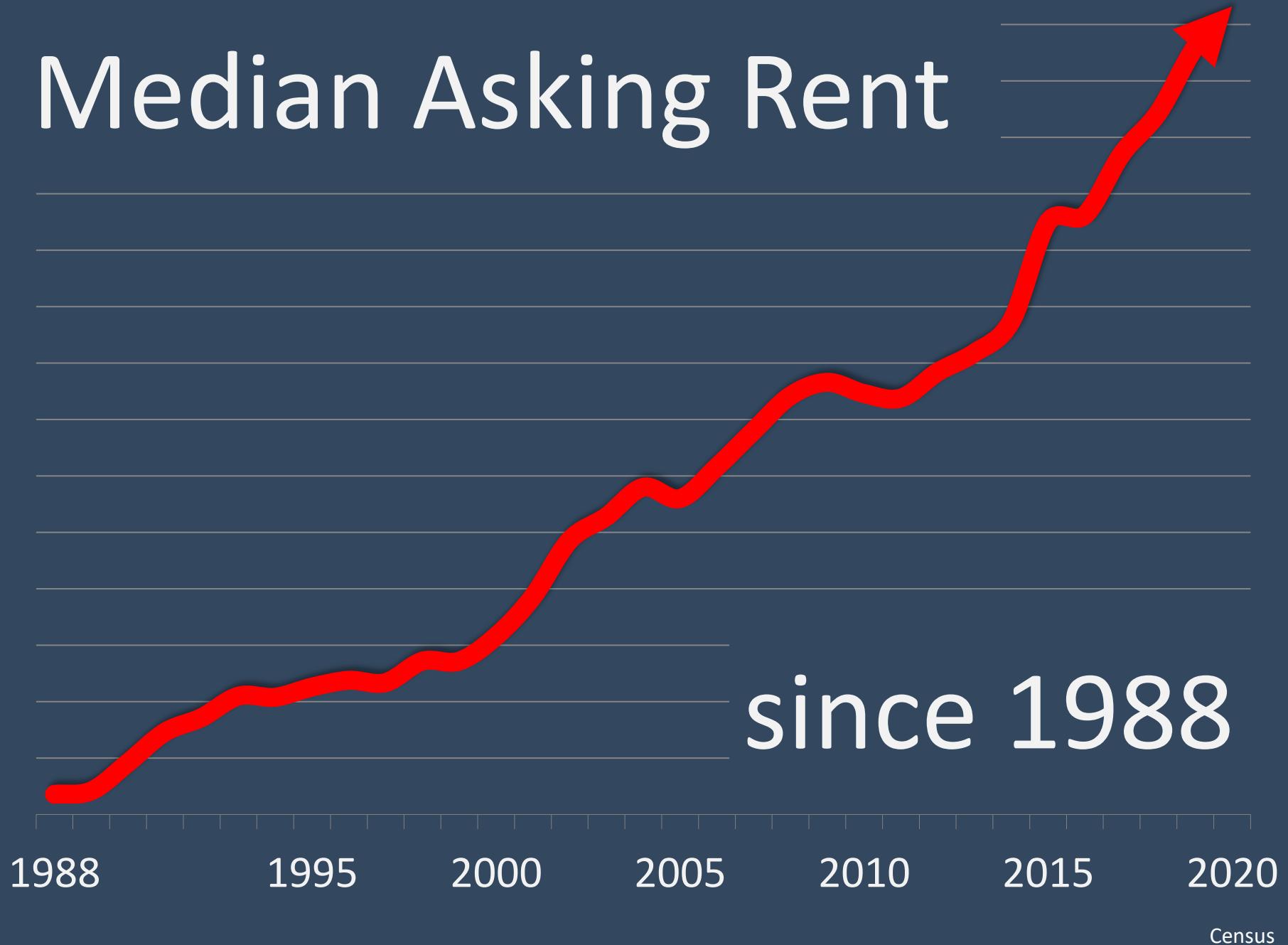
Weekly showings normalized to the first calendar week of January, 7-day moving average.

U.S. Homeownership % Rates

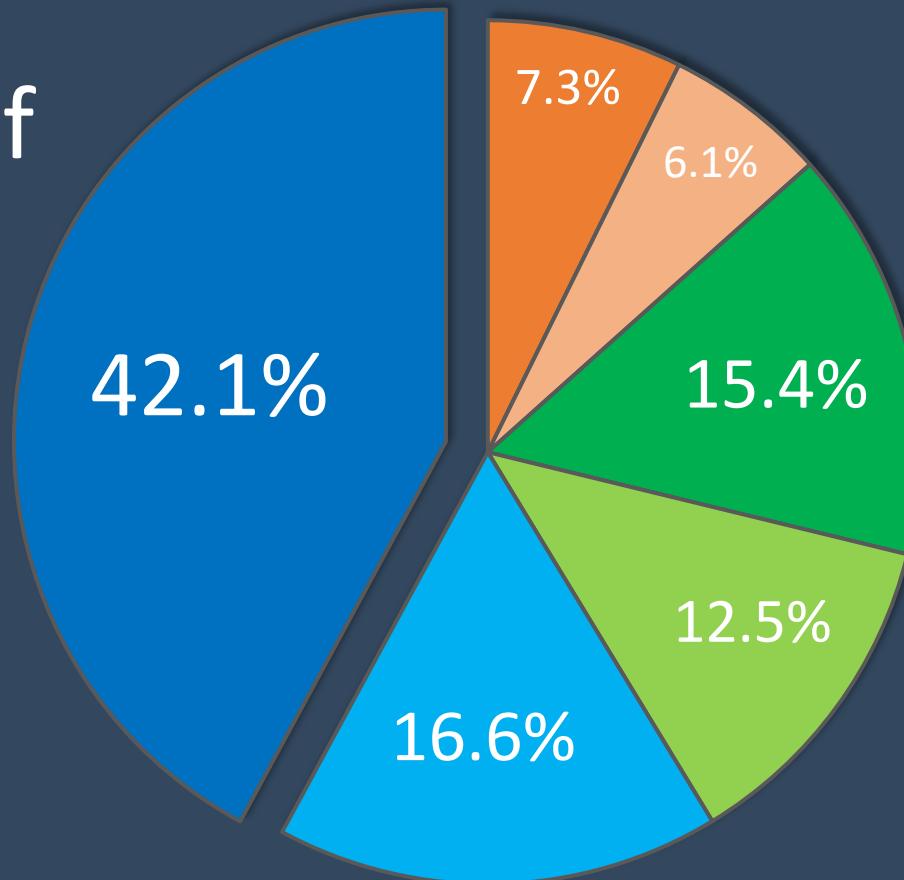
Q1 Results



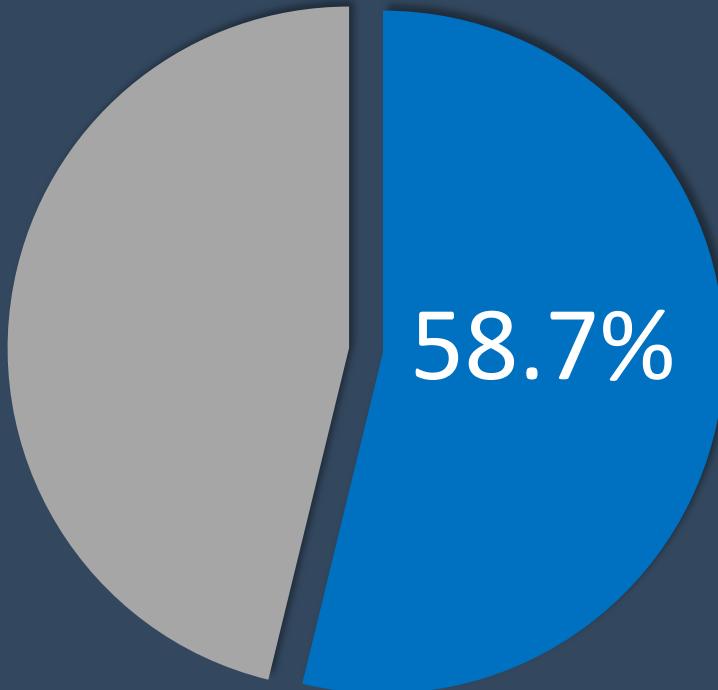
Median Asking Rent



Percentage of Homeowner Equity 2020



■ < 10% ■ 11-20% ■ 21-40%
■ 41-60% ■ 60-99% ■ 100%



of all homes in America have at least 60% equity

Americans are sitting on tremendous equity

42.1%

of all homes are owned
'free and clear'

177,000

the average equity of the
mortgaged homes

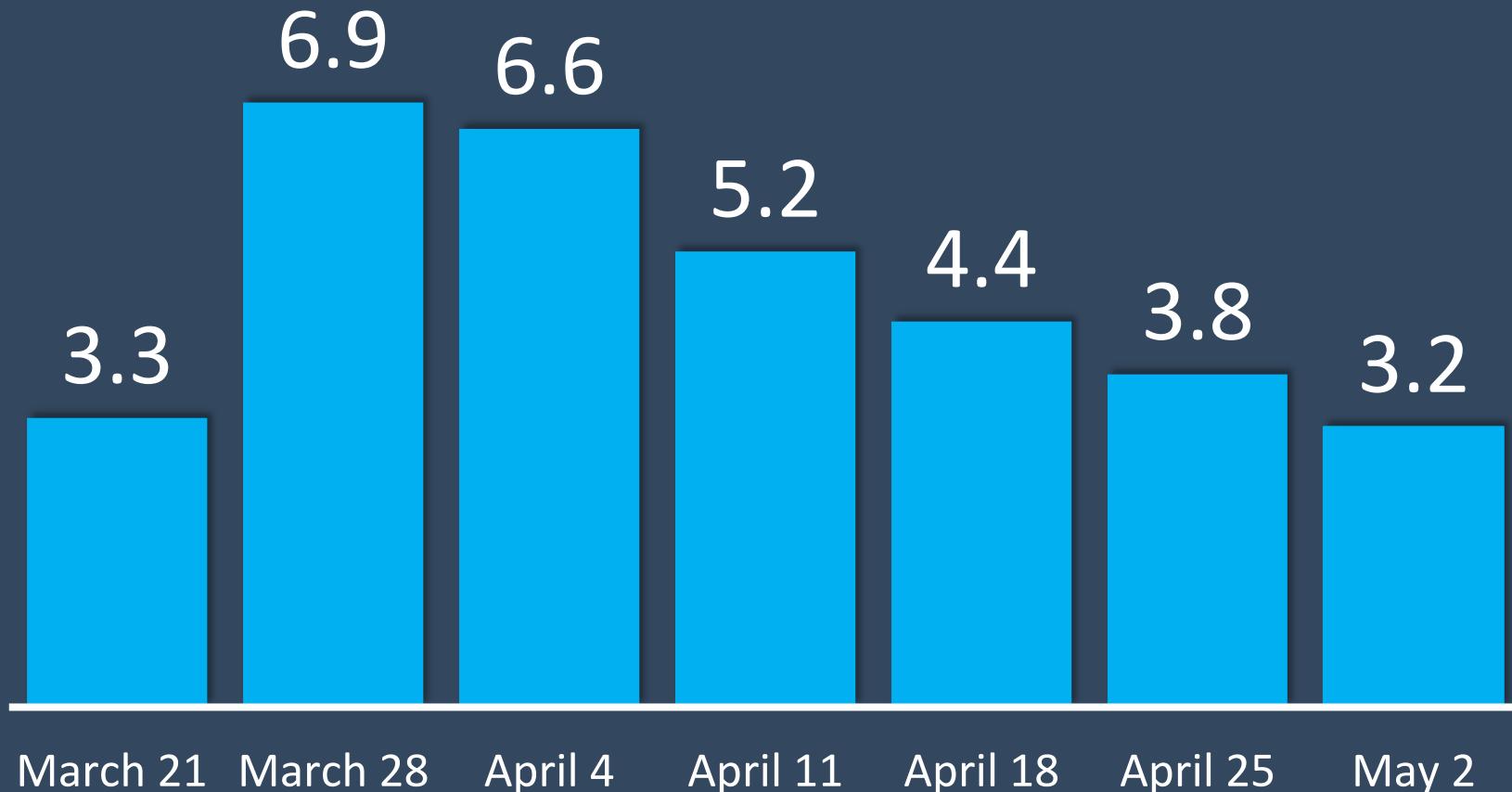


We're
CLOSED

What about all the job losses?

U.S. Bureau of Labor Statistics Weekly Unemployment Filings

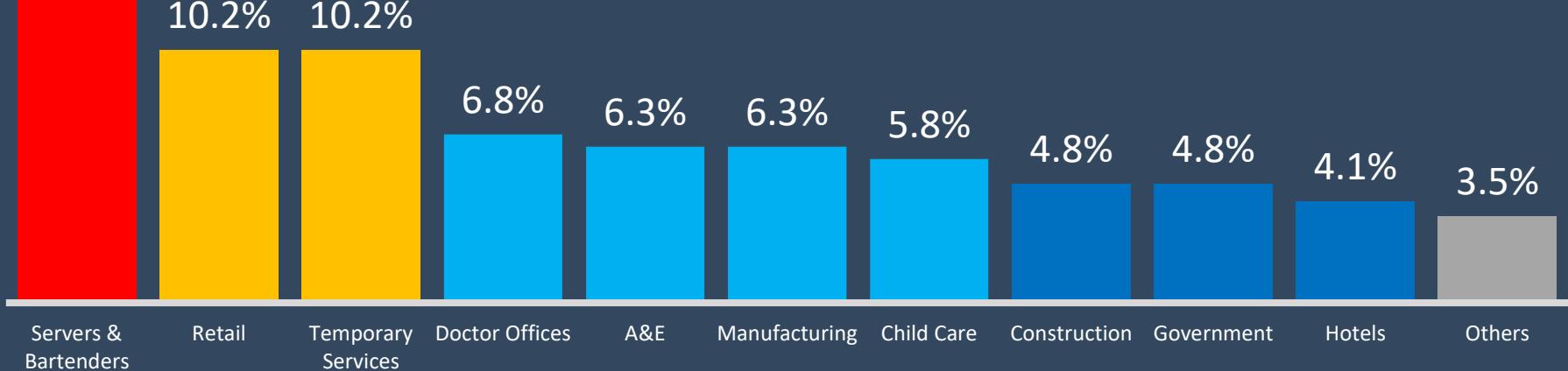
in millions

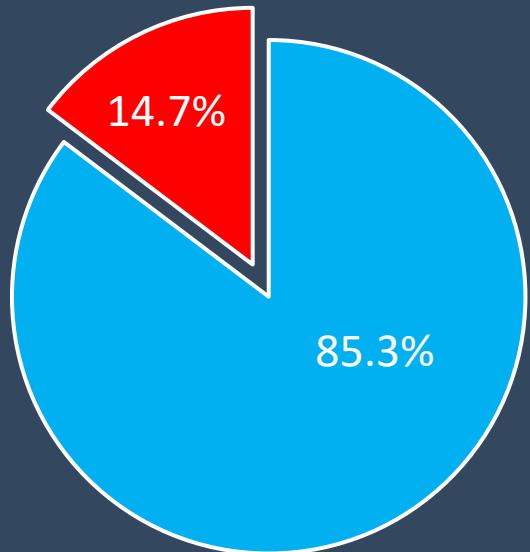


37.6%

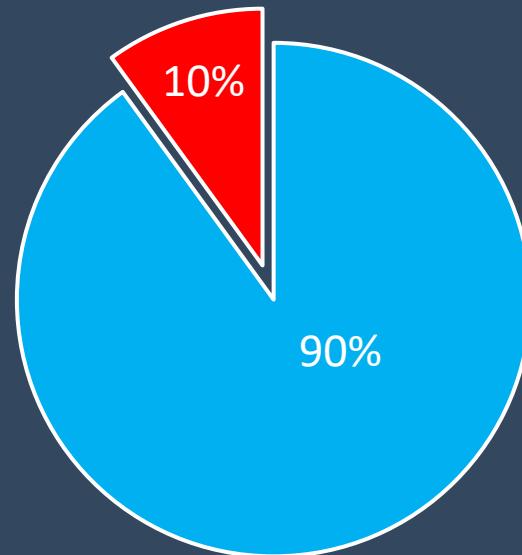
Breakdown of U.S. Bureau of Labor Statistics 5/8/2020

Unemployment Report Covering Up Until 4/12





□ Employed □ Unemployed



□ Temporary □ Permanent

Breakdown of U.S. Bureau of Labor Statistics 5/8/2020

Unemployment Report Covering Up Until 4/12



More Depth, Less Length



Years for unemployment rate to return to pre-crisis level

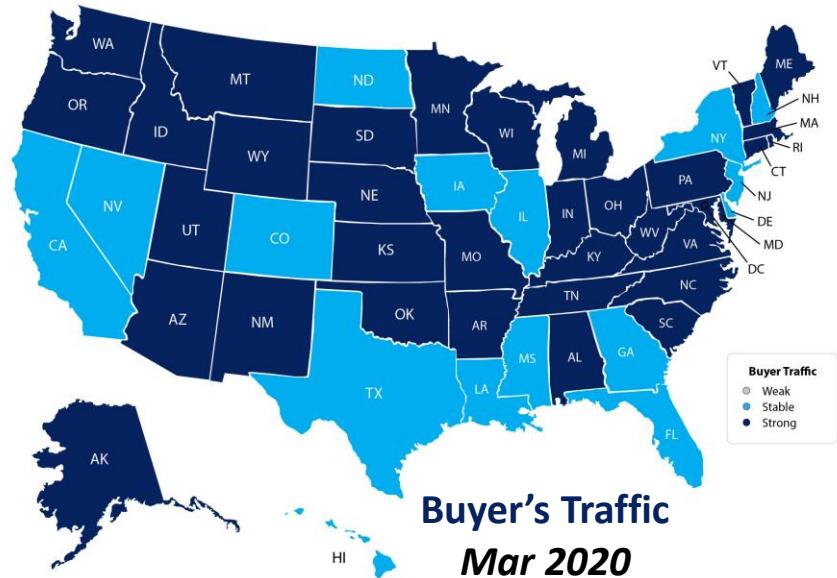
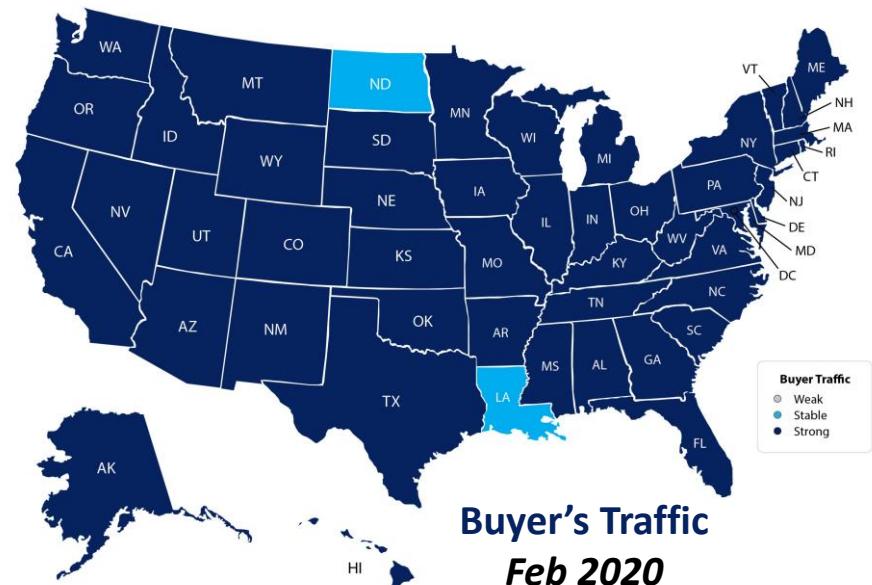
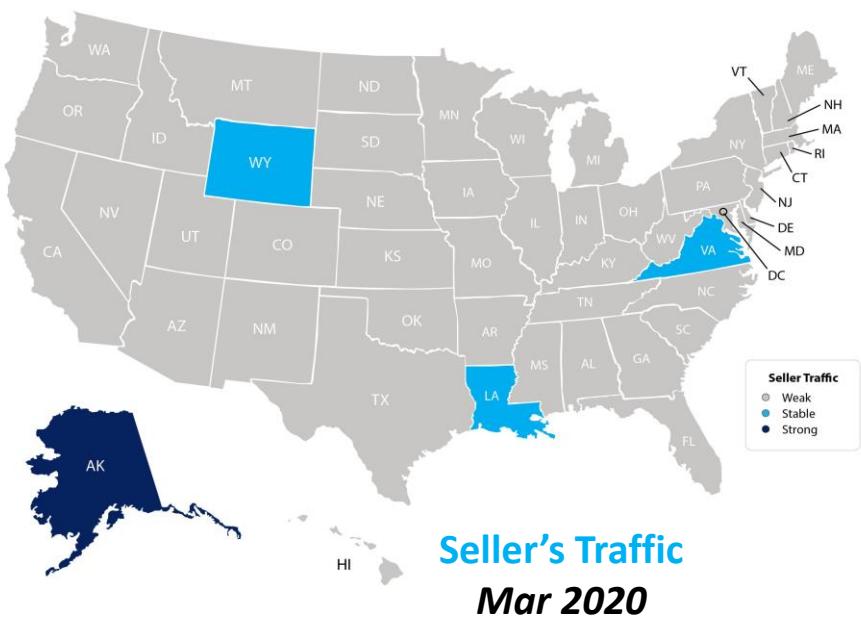
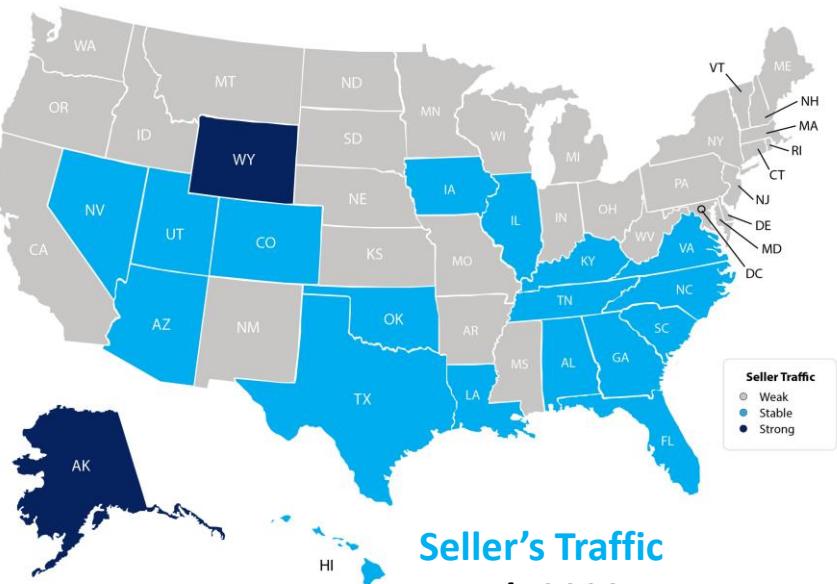
The Biggest Threat



“Housing supply remains at historically low levels, so house price growth is likely to slow, but it’s not likely to go negative.”

Mark Fleming
Chief Economist, First American





* Last numbers available

NAR

What do you need
to do right now?



“The data tells us people are looking for two things right now: **help and comfort**. If you’re able to help them to navigate the current situation, tell them about that...

Think like a caring human being with the resources to help millions. **Then act accordingly, in the mutual interest of business and society.**”

Google



#1

Make your message
simple and effective

#2

Remain hyper-current
on all housing info

#3

Mix micro data with
your macro data

#4

Use VIDEOS on Social
Media & ZOOM Meetings!

Resources

Slide	Slide Title	Link
3	Major Financial Institutions Are Calling for a 2 nd Half Recovery	https://www.goldmansachs.com/insights/pages/gs-research/us-daily-20-mar-2020/report.pdf https://www.jpmorgan.com/global/research/fallout-from-covid19 https://www.marketwatch.com/story/morgan-stanley-releases-new-forecast-showing-us-economy-may-drop-as-much-as-38-2020-04-03 https://olui2.fs.ml.com/Publish/Content/application/pdf/GWMOL/ME-cio-weekly-letter.pdf https://www08.wellsfargomedia.com/assets/pdf/commercial/insights/economics/monthly-outlook/forecast-update-20200325.pdf
6	Khater Quote	http://www.freddiemac.com/fmac-resources/research/pdf/April_2020_Forecast_Press_Release.pdf
7	CNBC Quote	https://www.cnbc.com/2020/04/29/mortgage-applications-to-buy-a-home-make-a-strong-recovery.html
8	Showings Impact	https://www.showingtime.com/impact-of-coronavirus/
9	Homeownership Rates	https://www.census.gov/housing/hvs/files/currighthvspress.pdf
10	Median Asking Rent	http://www.census.gov/housing/hvs/files/currighthvspress.pdf
11	Equity Percentages	https://www.realestateconsulting.com
12	Tremendous Equity	https://www.realestateconsulting.com https://www.corelogic.com/insights-download/loan-performance-insights-report.aspx

Resources

Slide	Slide Title	Link
14	Weekly Unemployment Filings	https://www.dol.gov/ui/data.pdf
15-16	Unemployment Breakdown	https://www.bls.gov/news.release/empsit.nr0.htm
17	More Depth, Less Length	www.thebalance.com/unemployment-rate-by-year-3305506
19	Fleming Quote	https://blog.firstam.com/economics/the-impact-of-the-credit-crunch-on-housing-market-potential
20	Buyer & Seller Traffic Maps	https://www.nar.realtor/research-and-statistics/research-reports/realtors-confidence-index
22	Google Quote	https://www.thinkwithgoogle.com/marketing-resources/organizational-culture/brand-strategy-during-coronavirus/

Resources

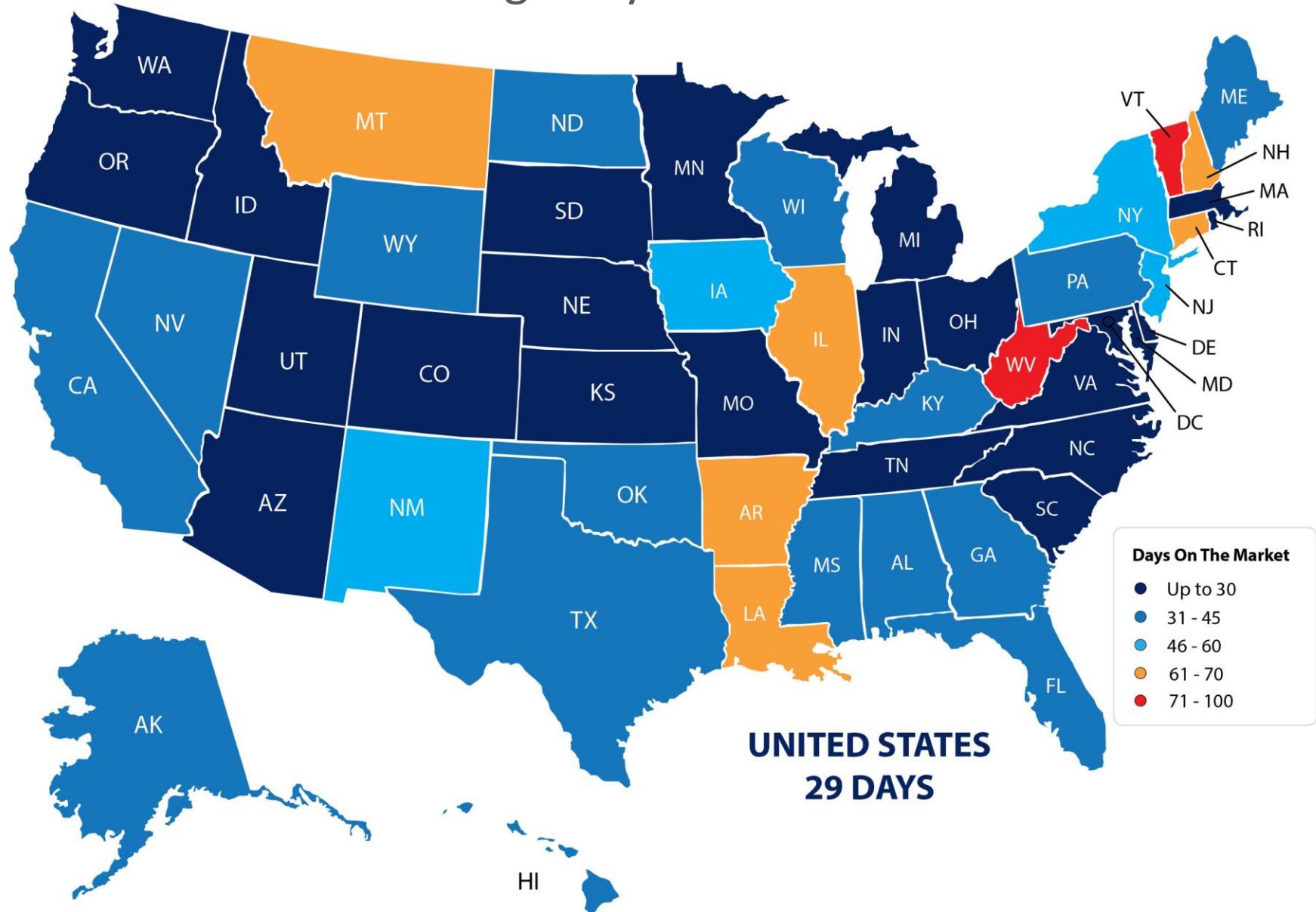
Slide	Slide Title	Link
32, 52, 64	Confidence Index	https://www.nar.realtor/research-and-statistics/research-reports/realtors-confidence-index
33-35, 43, 45-46	Existing Home Sales	https://www.nar.realtor/topics/existing-home-sales
36-39	New Home Sales	http://www.census.gov/construction/nrs/pdf/newressales.pdf http://www.census.gov/newhomesales http://www.census.gov/construction/nrs/pdf/newressales.pdf
40	Total Home Sales	http://www.census.gov/construction/nrs/pdf/newressales.pdf https://www.nar.realtor/topics/existing-home-sales
41-42	Pending Home Sales	https://www.nar.realtor/research-and-statistics/housing-statistics/pending-home-sales
47-49	Case Shiller	http://us.spindices.com/indices/real-estate/sp-case-shiller-20-city-composite-home-price-index
50	CoreLogic Forecasted YOY % Change in Price	https://www.corelogic.com/downloadable-docs/marketpulse/the-marketpulse-vol-8-issue-11-november-2019-screen-112519.pdf
53-59	Inventory	https://www.nar.realtor/topics/existing-home-sales http://www.census.gov/construction/nrs/pdf/newressales.pdf

Resources

Slide	Slide Title	Link
61 -63	Foot Traffic	http://nar.realtor/infographics/foot-traffic
66-67, 69-70	Mortgage Rates	http://www.freddiemac.com/pmms/pmms_archives.html http://www.freddiemac.com/research/forecast/20191220_optimism_heading_into_2020.page?
68	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
72-73	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
74-78	Days To Close, FICO Scores, DTI	http://www.elliemae.com/resources/origination-insight-reports https://static.elliemae.com/pdf/origination-insight-reports/EM_OIR_NOVEMBER2019.pdf



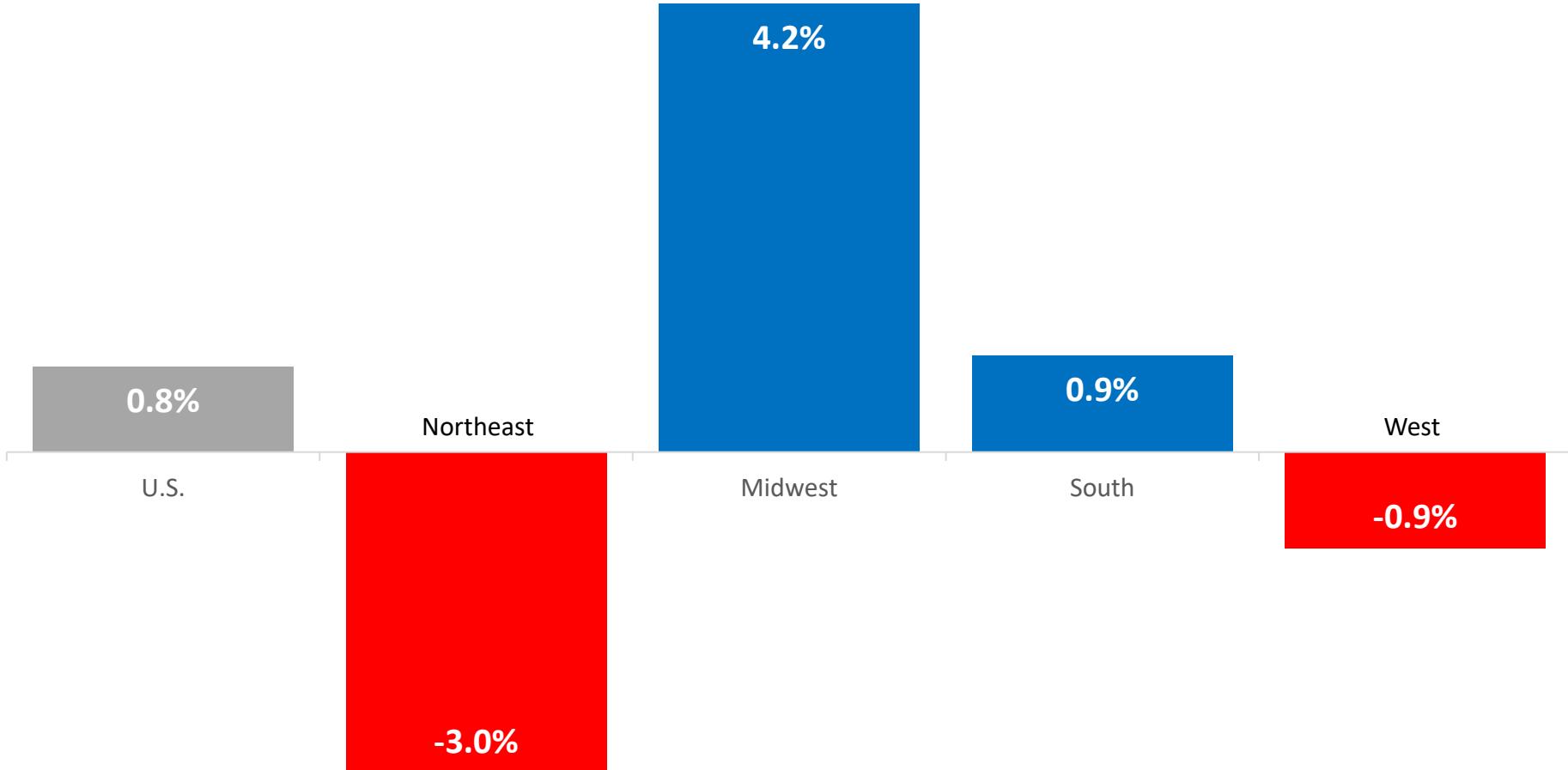
Average Days on the Market



EXISTING Home Sales

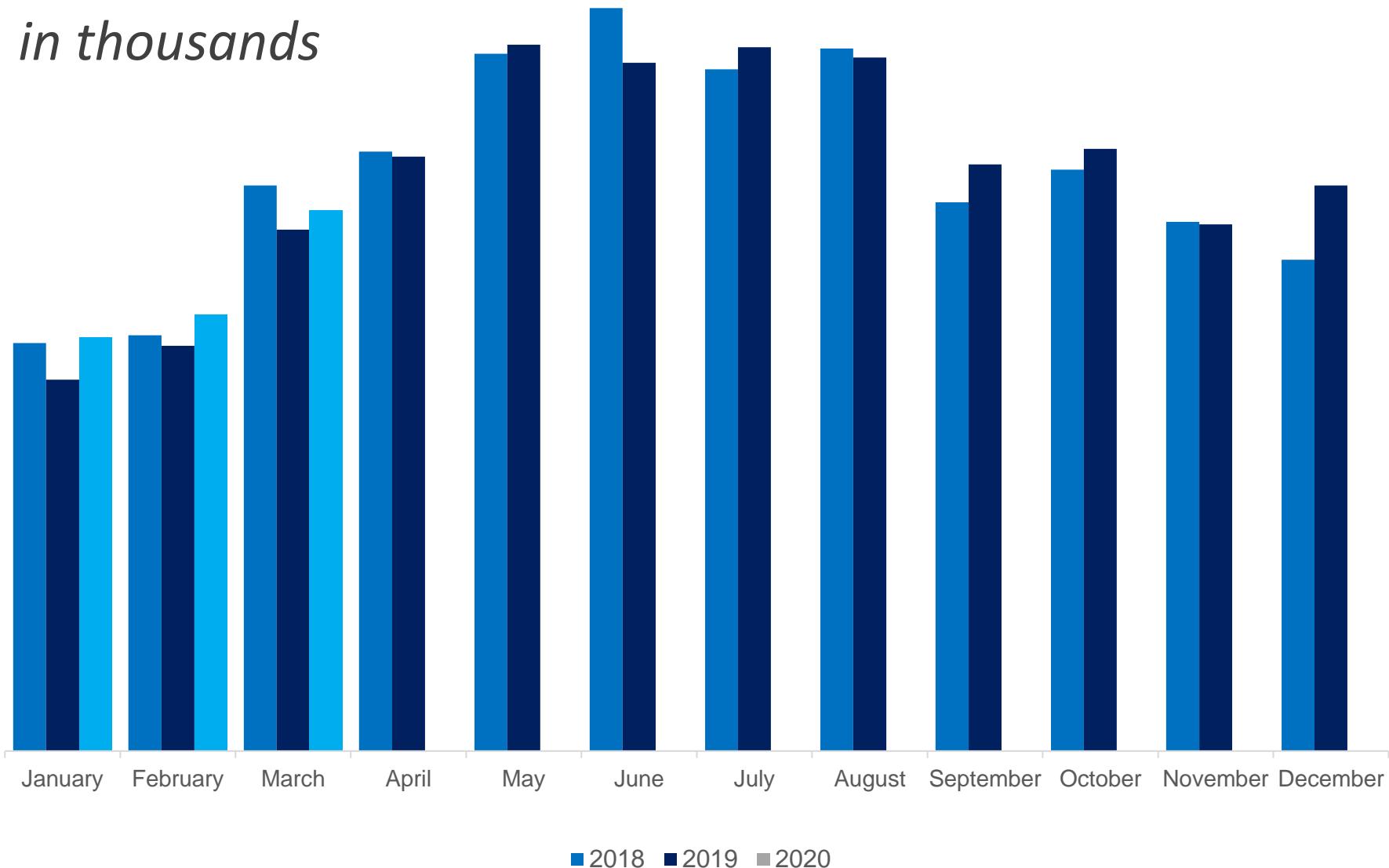


EXISTING Home Sales Y-O-Y by region



Existing Home Sales

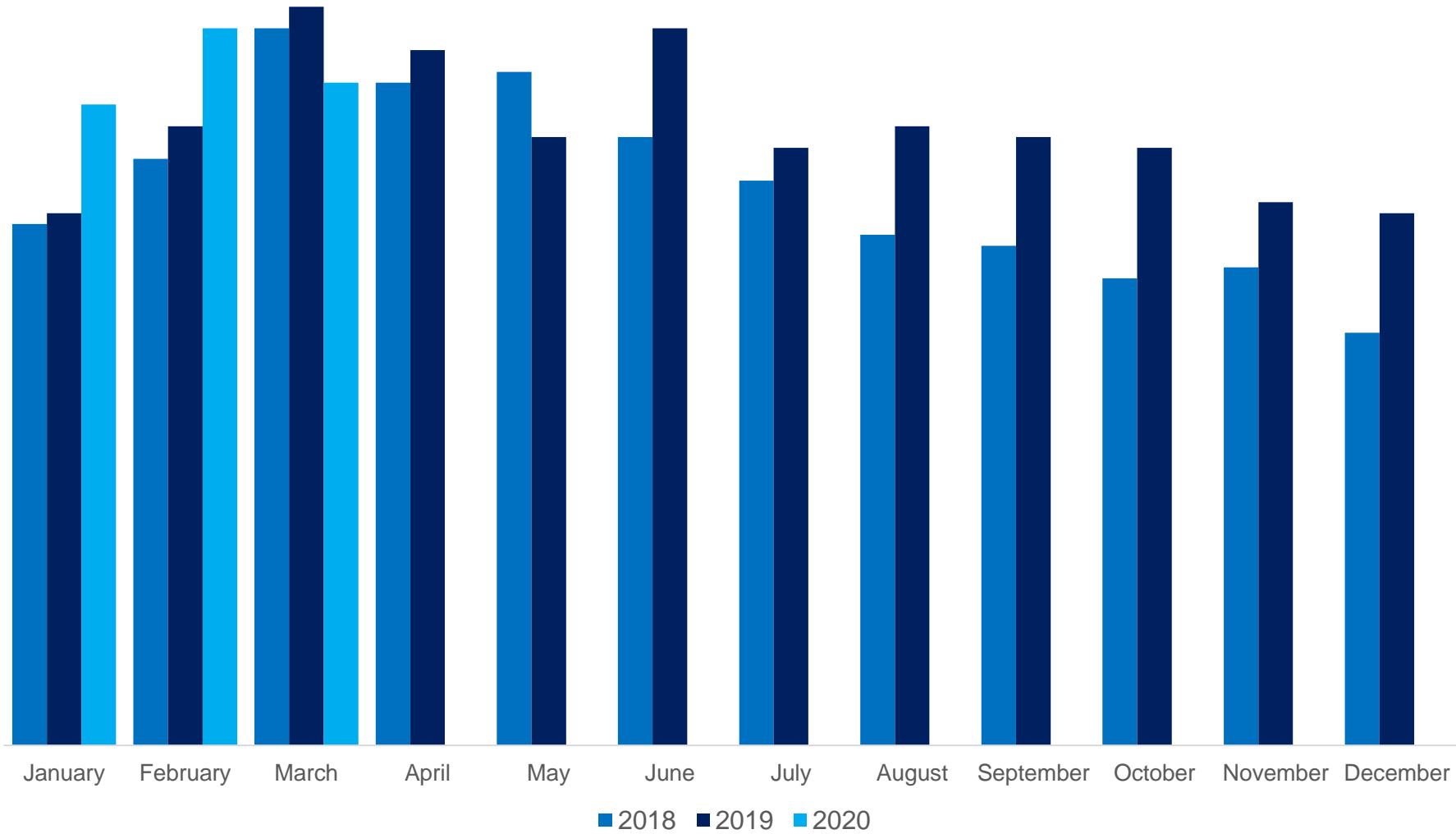
in thousands



■ 2018 ■ 2019 ■ 2020

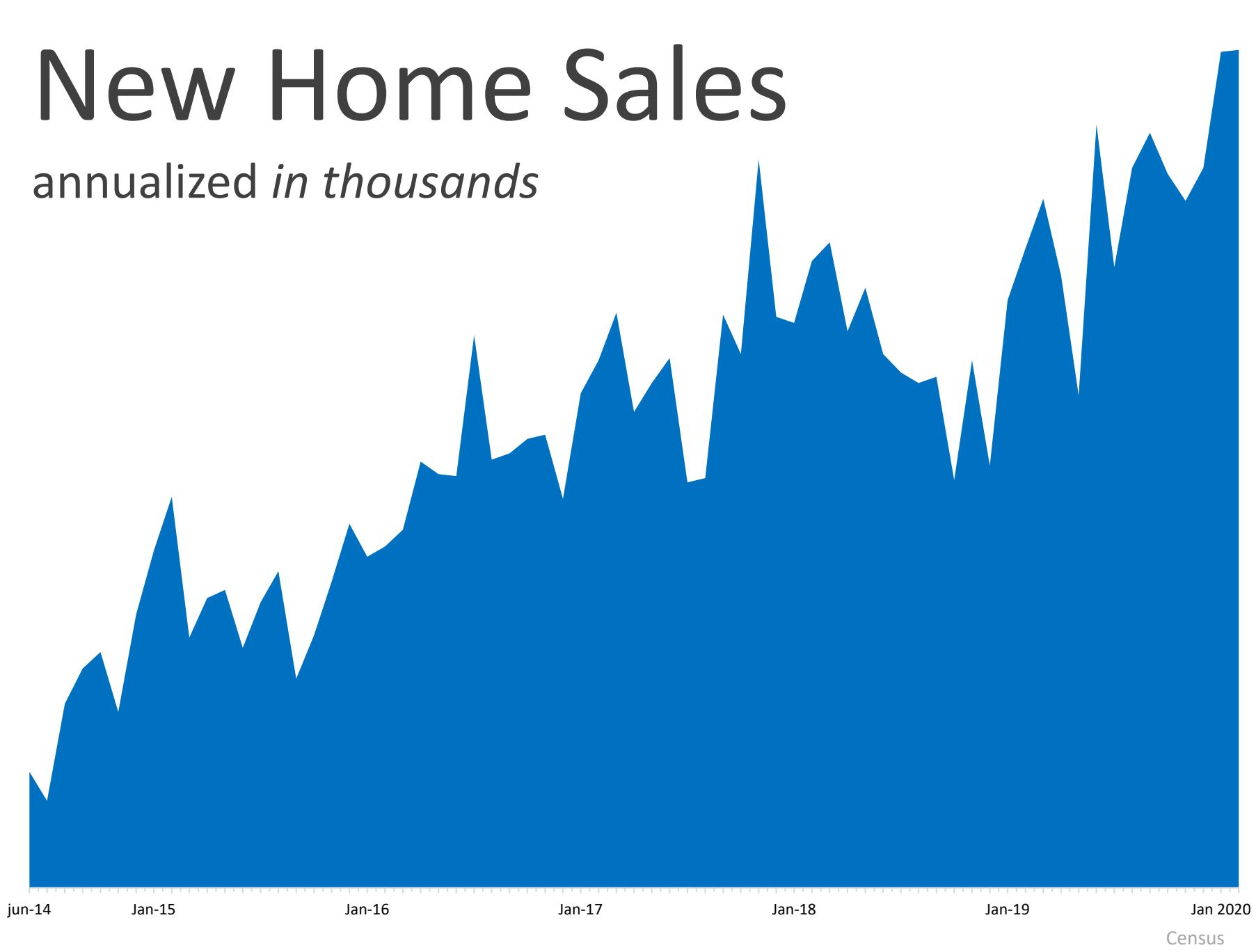
Census & NAR

New Home Sales *in thousands*



New Home Sales

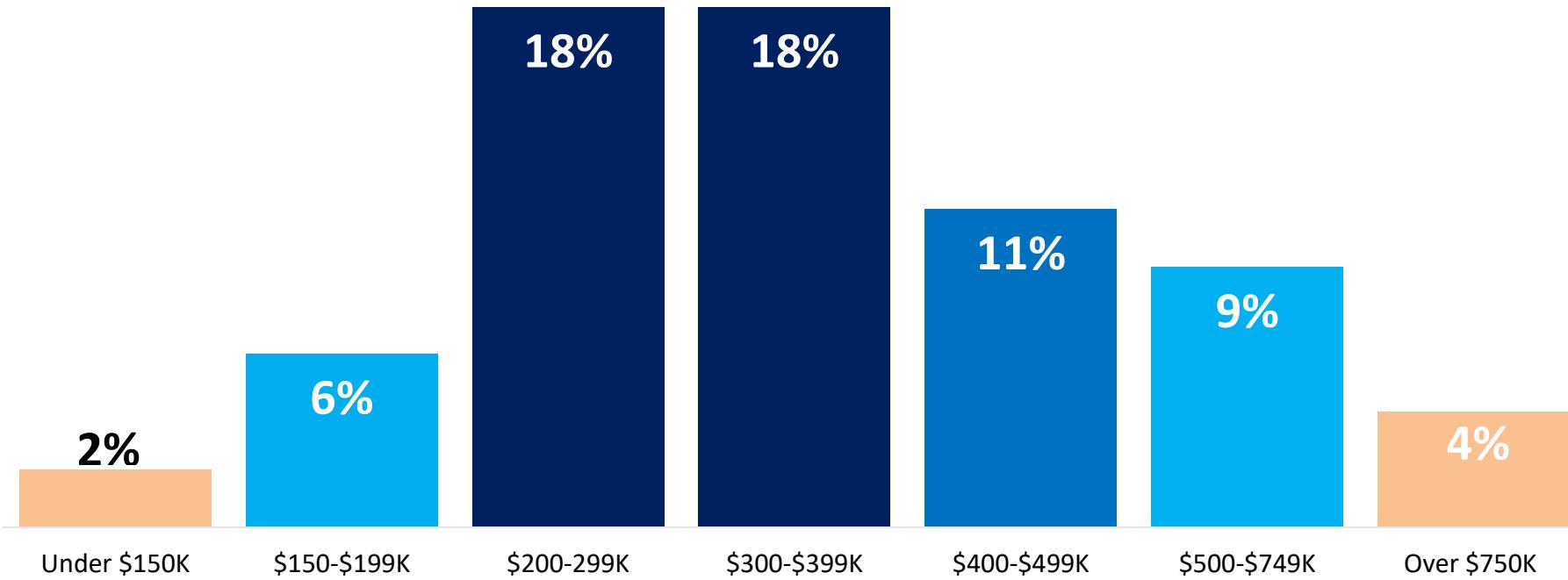
annualized *in thousands*



Census

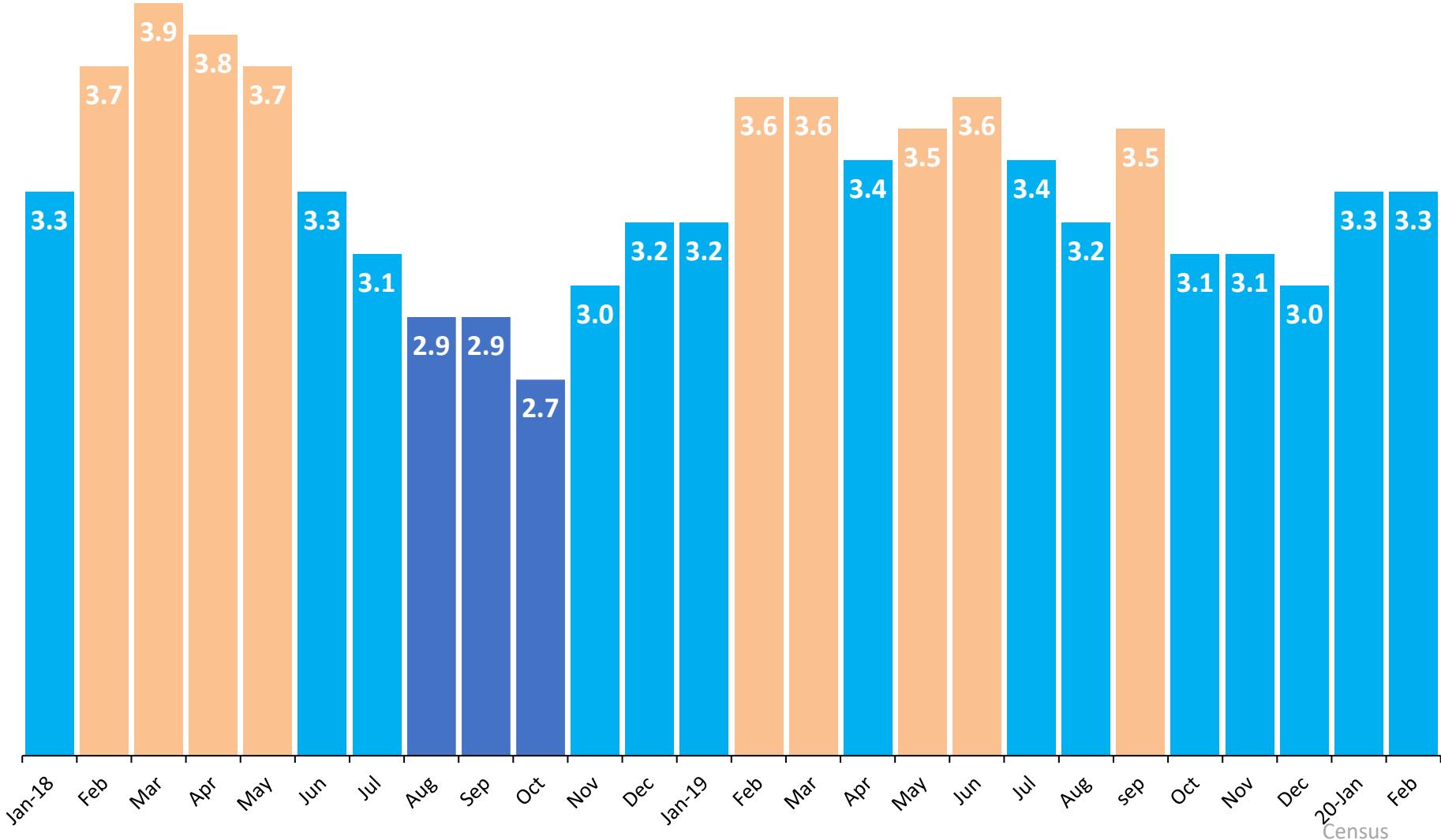
New Home Sales

% of sales by price range

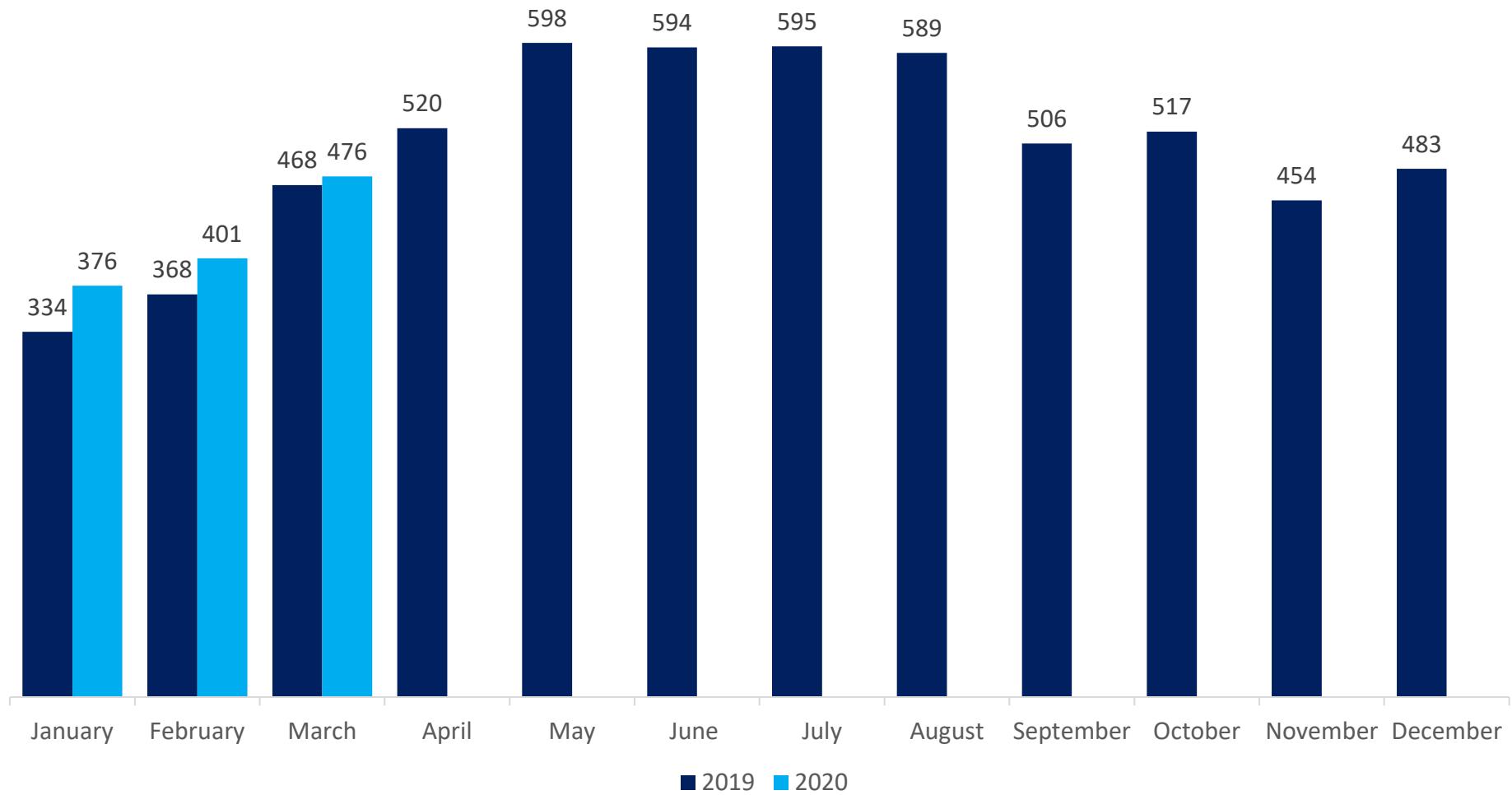


New Homes Selling Fast

(median months from completion to sold)

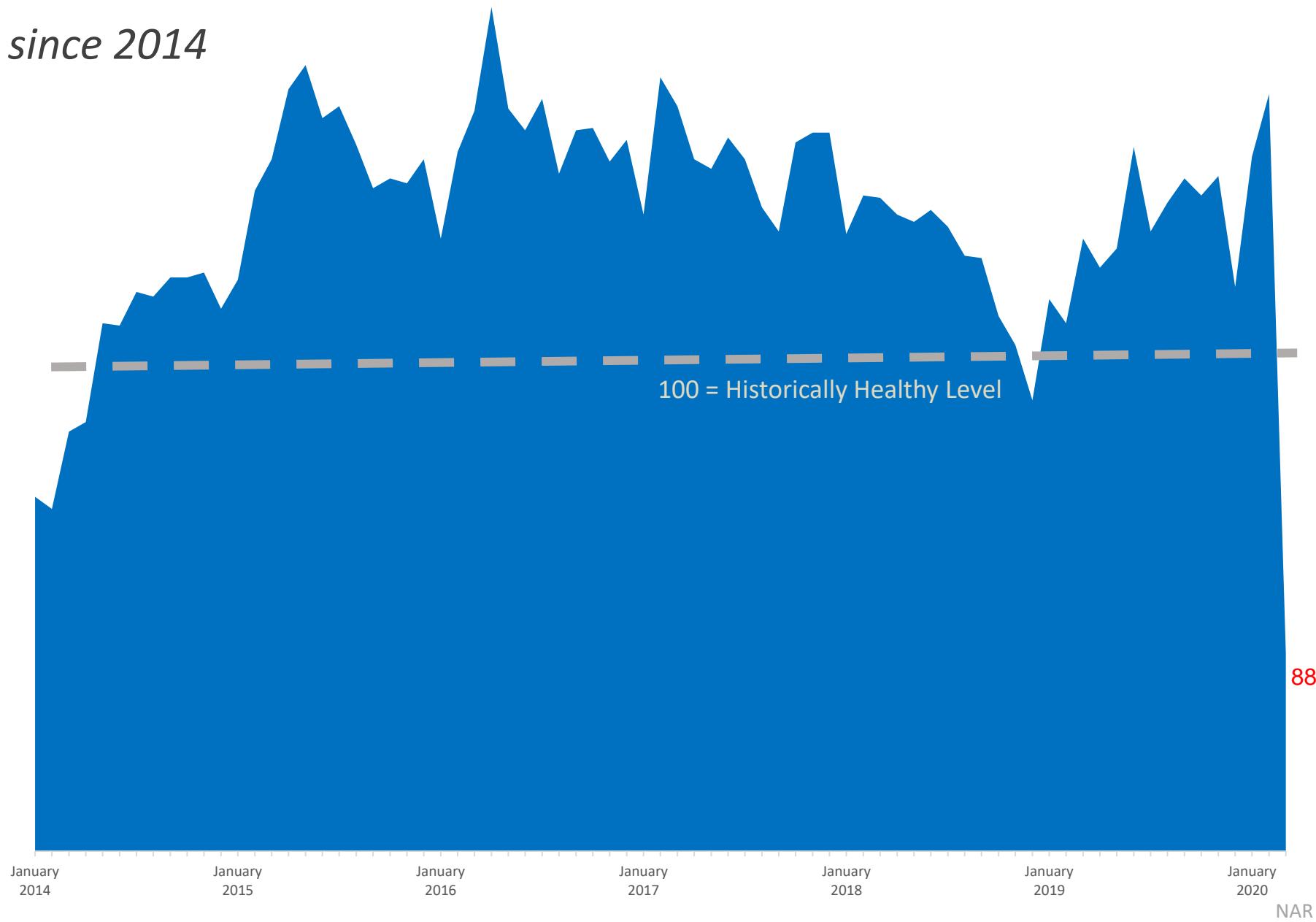


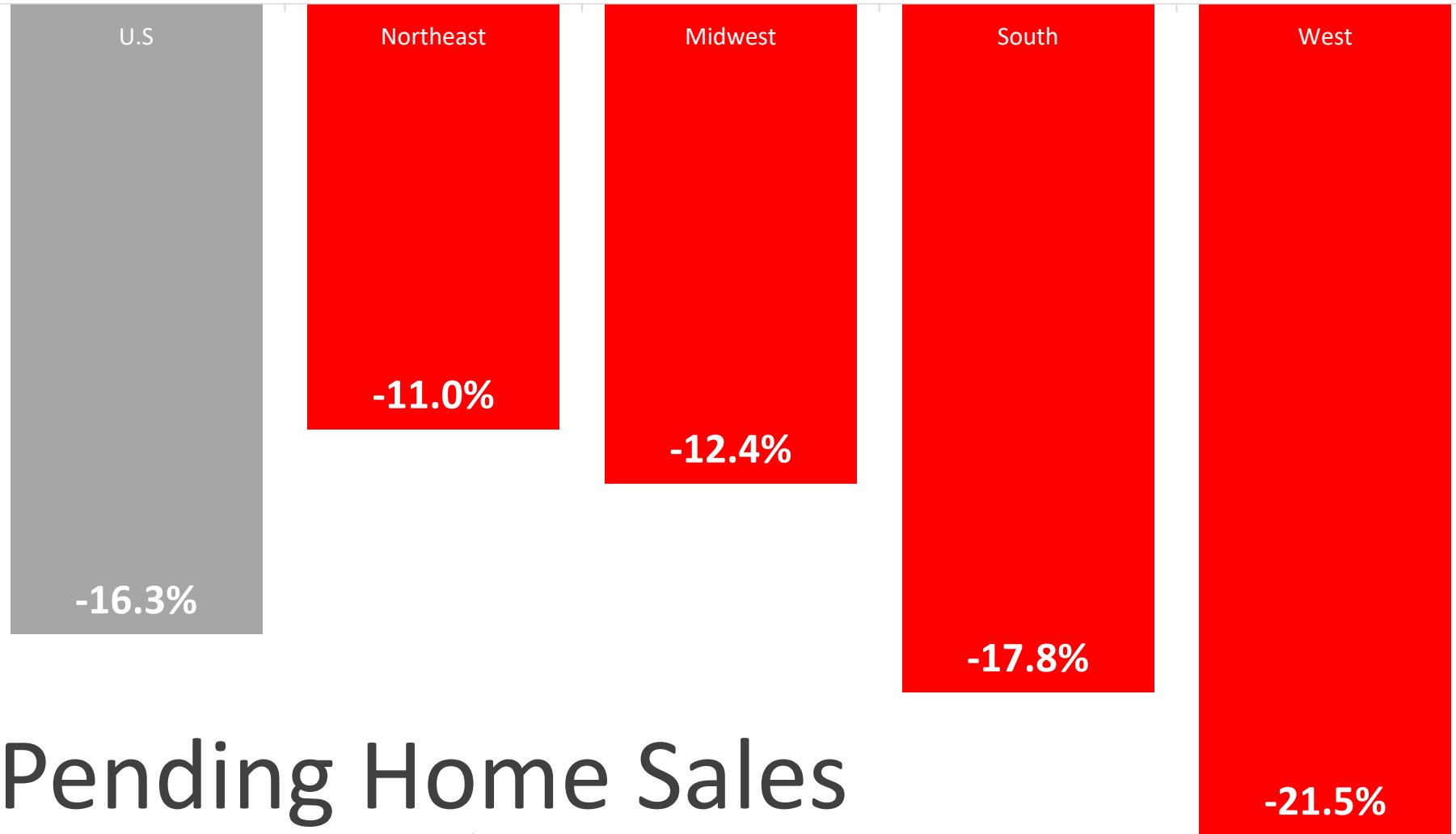
Total Home Sales *in thousands*



PENDING Home Sales

since 2014



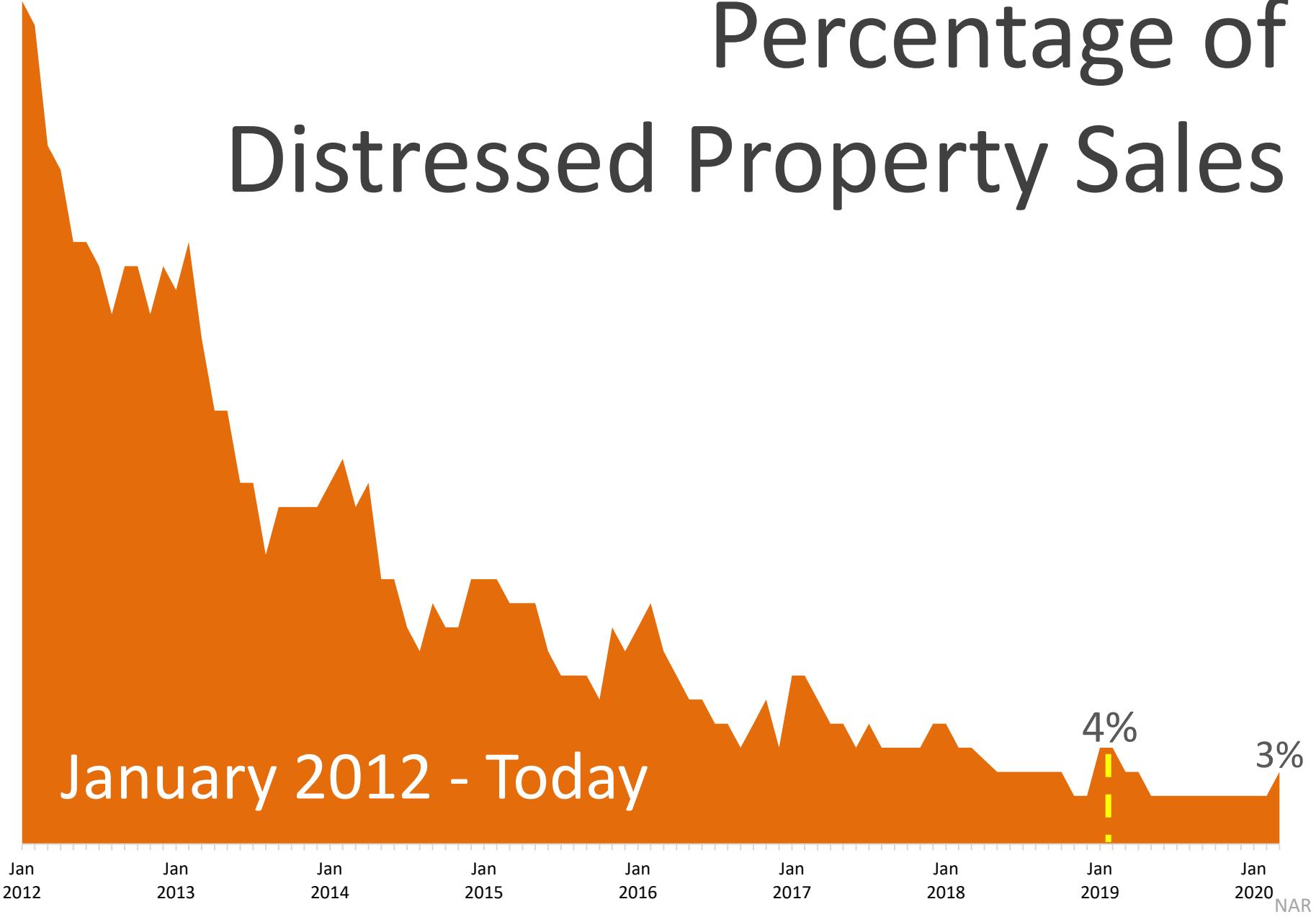


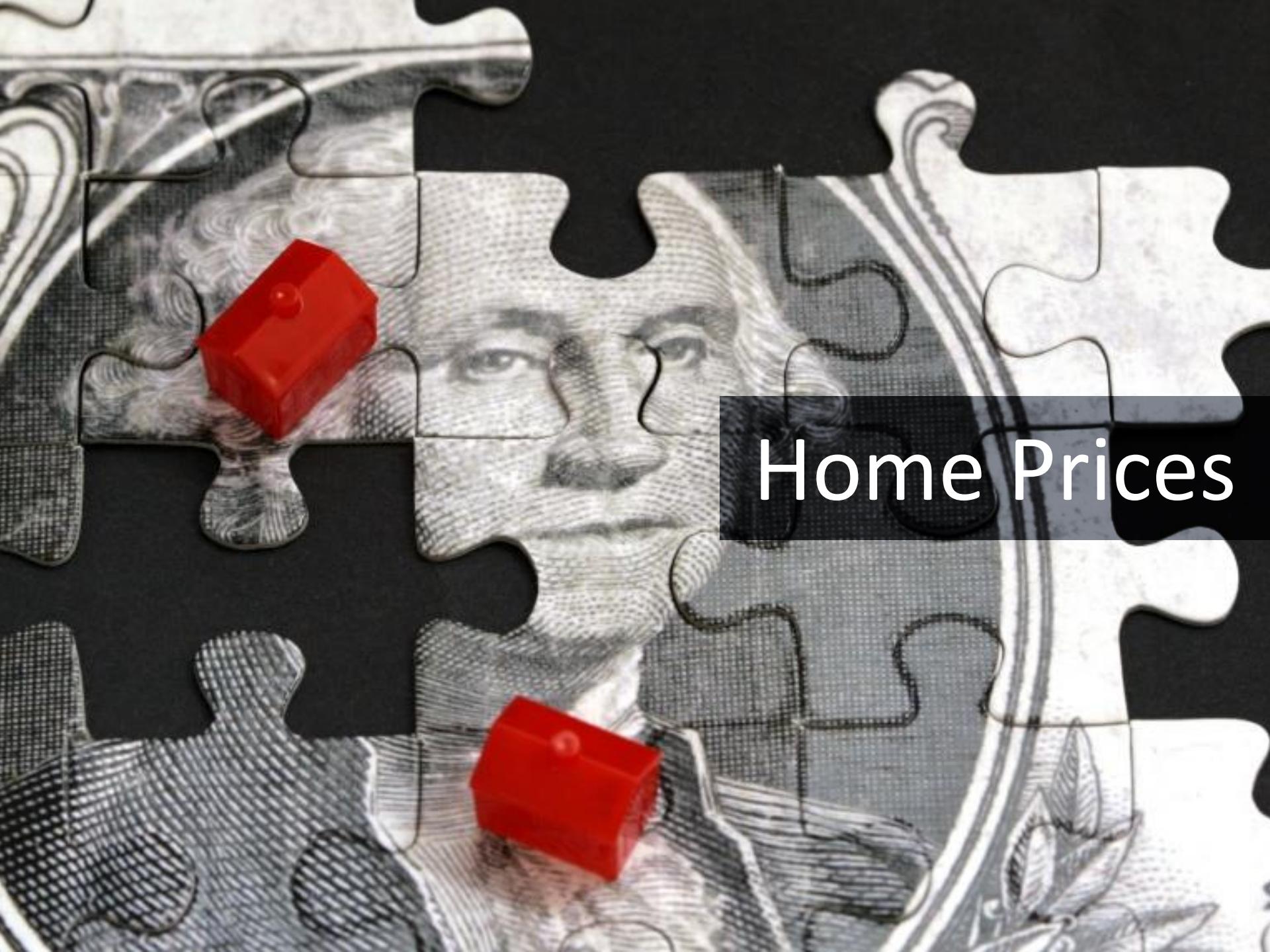
Pending Home Sales

Year-Over-Year By Region

35%

Percentage of Distressed Property Sales

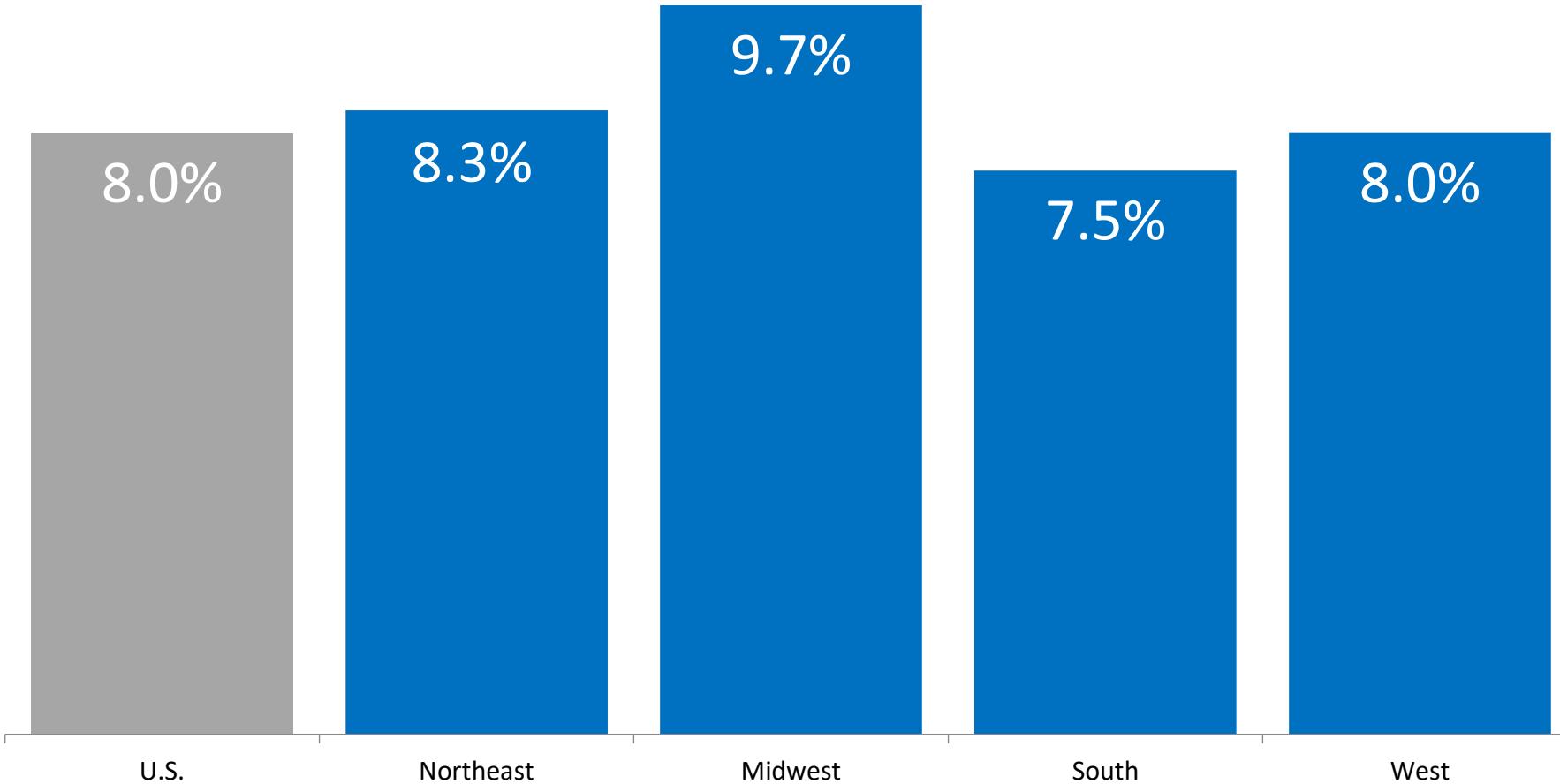


A black and white jigsaw puzzle featuring a portrait of a man with glasses and a mustache. Two red, toy-like house models are placed on the puzzle pieces. One is positioned on the upper left piece, and the other is on the lower middle piece. The puzzle pieces are black and white, with some featuring a grid pattern.

Home Prices

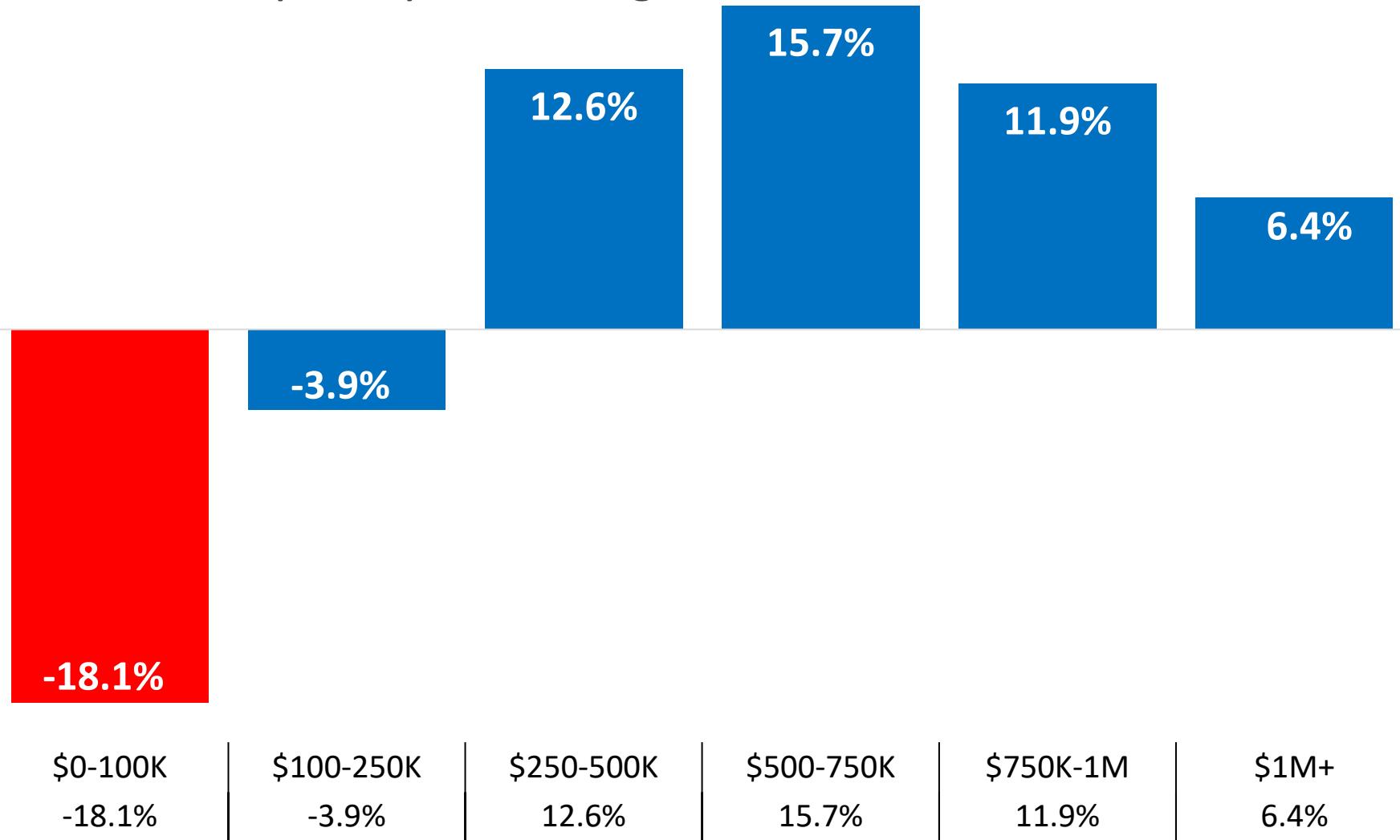
EXISTING Home Prices

Y-O-Y by region



% Change in Sales

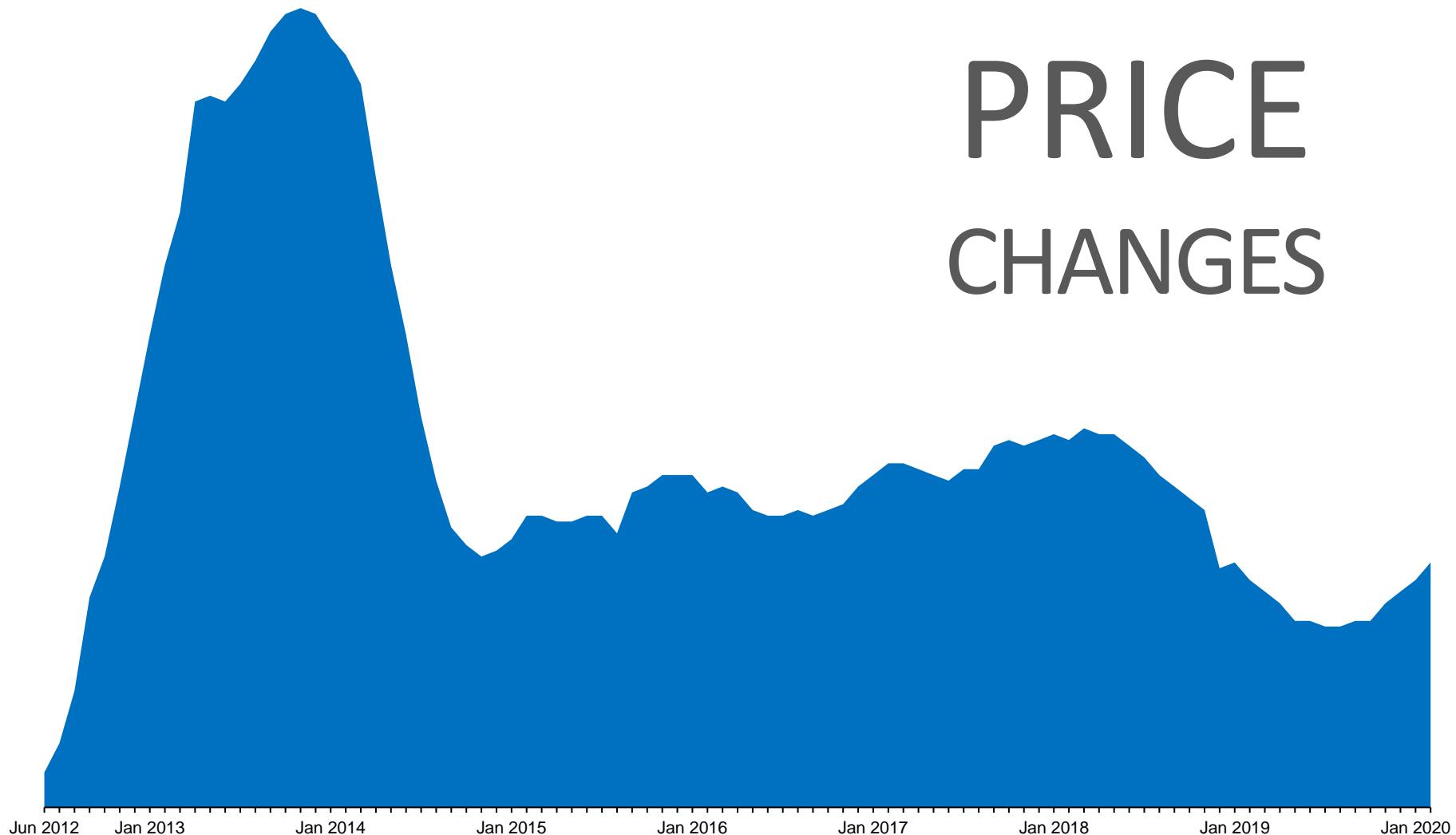
from last year by Price Range



Case Shiller

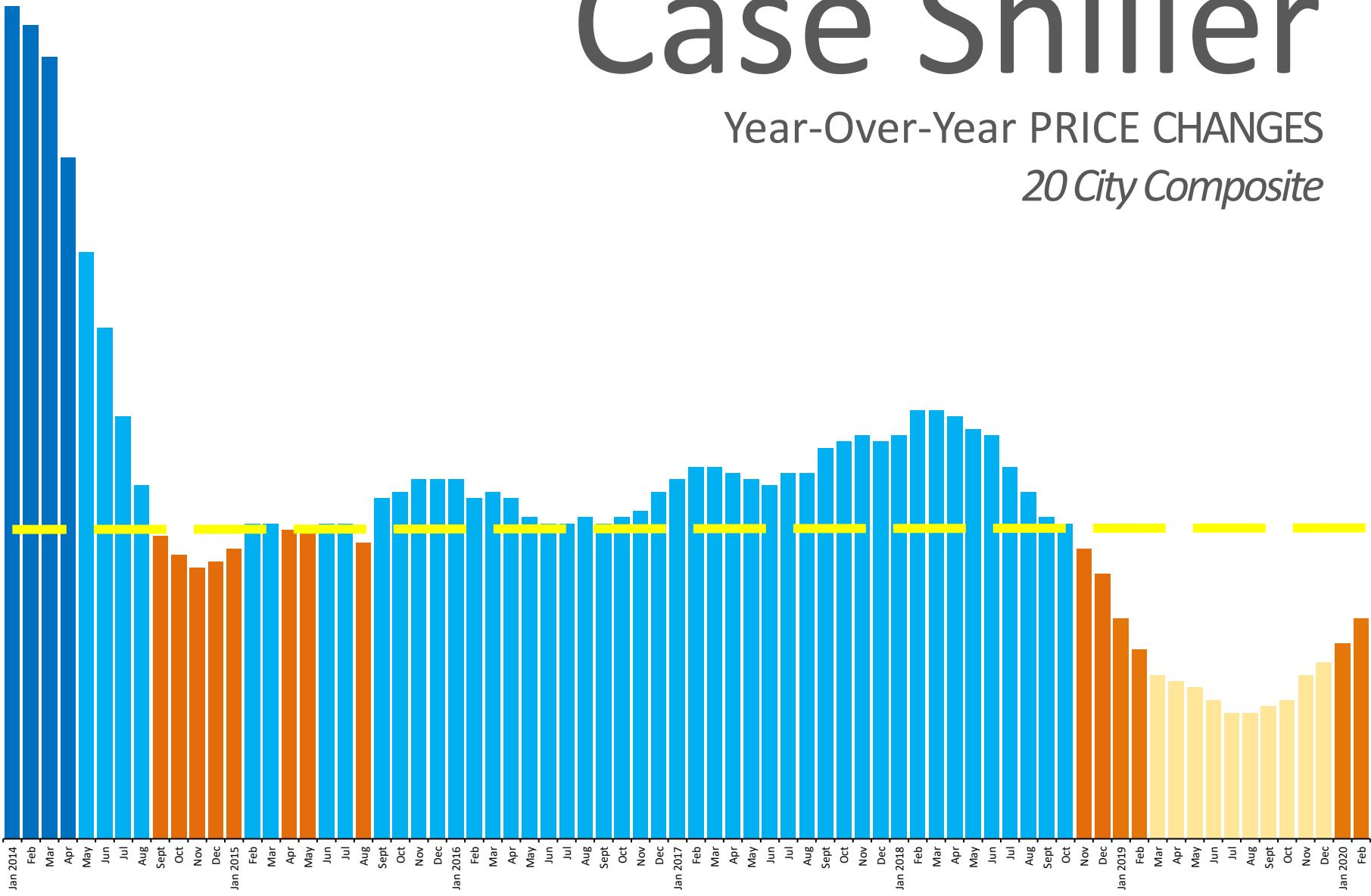
Year-Over-Year

PRICE
CHANGES



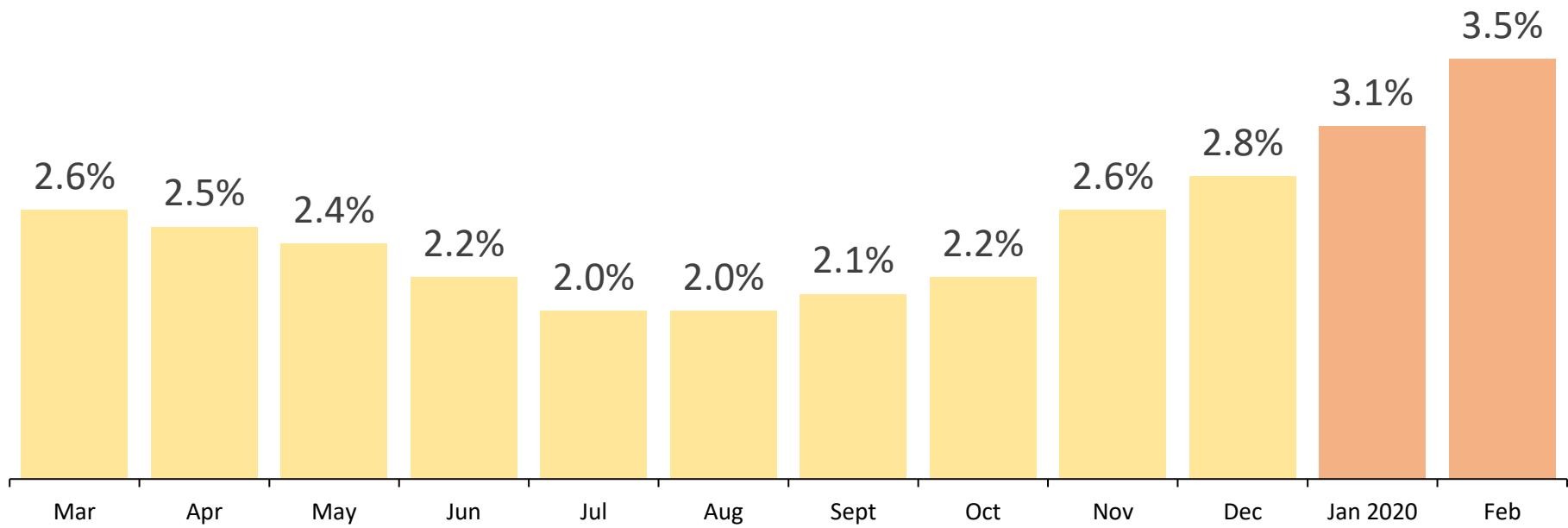
Case Shiller

Year-Over-Year PRICE CHANGES
20 City Composite

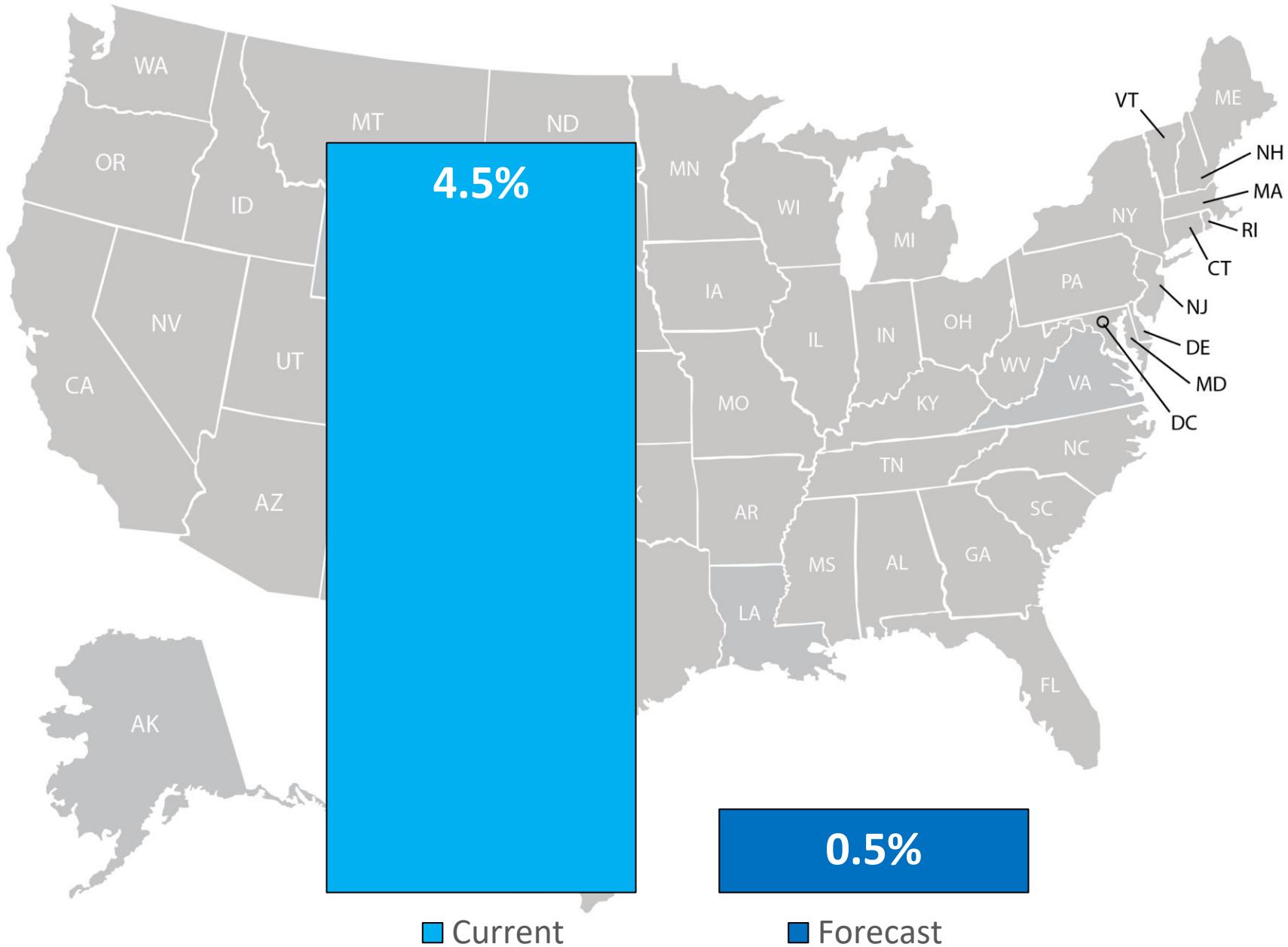


Case Shiller

Year-Over-Year PRICE CHANGES
20 City Composite



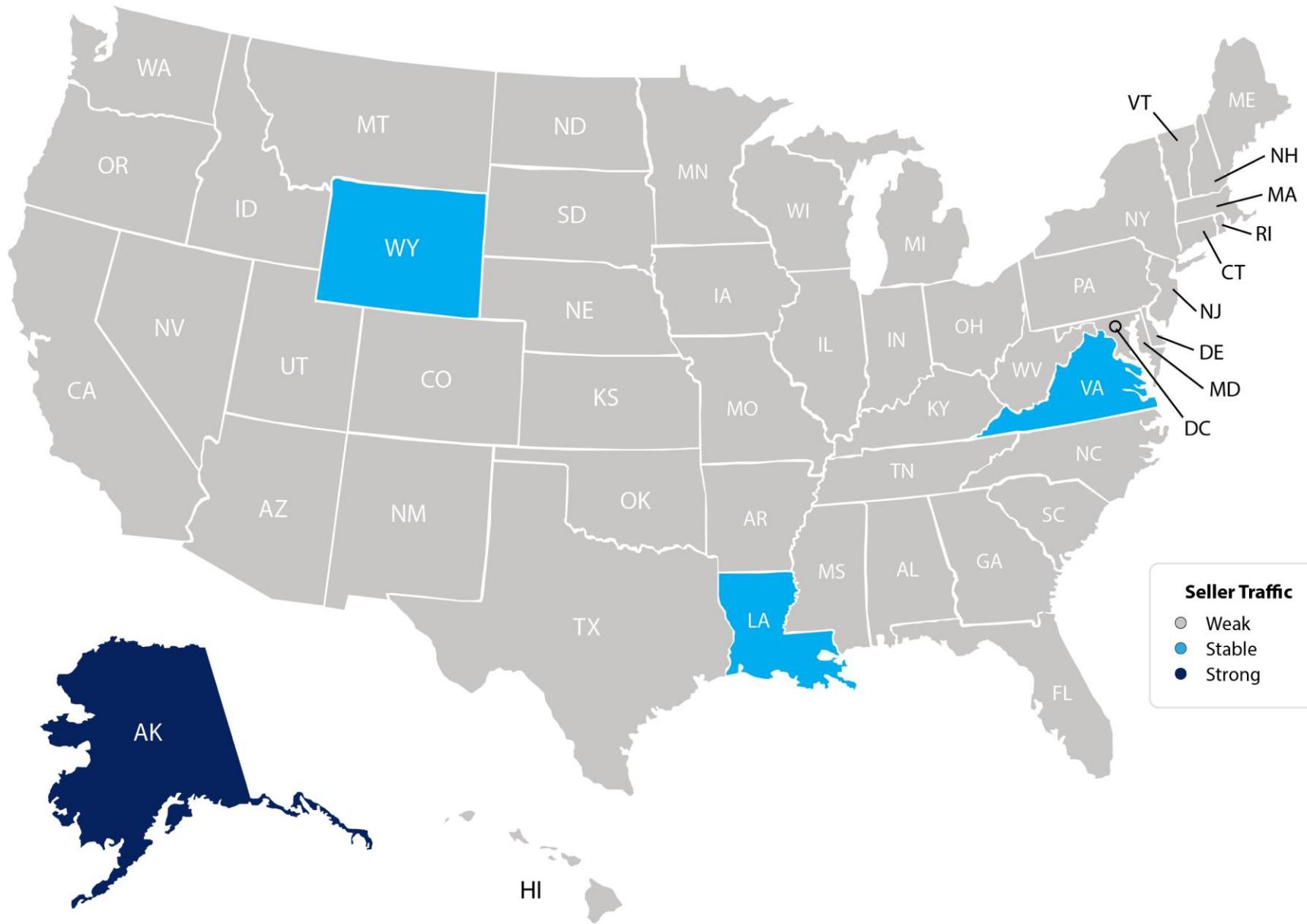
Forecasted Year-Over-Year % Change in Price



HOUSING INVENTORY



Seller Traffic Index

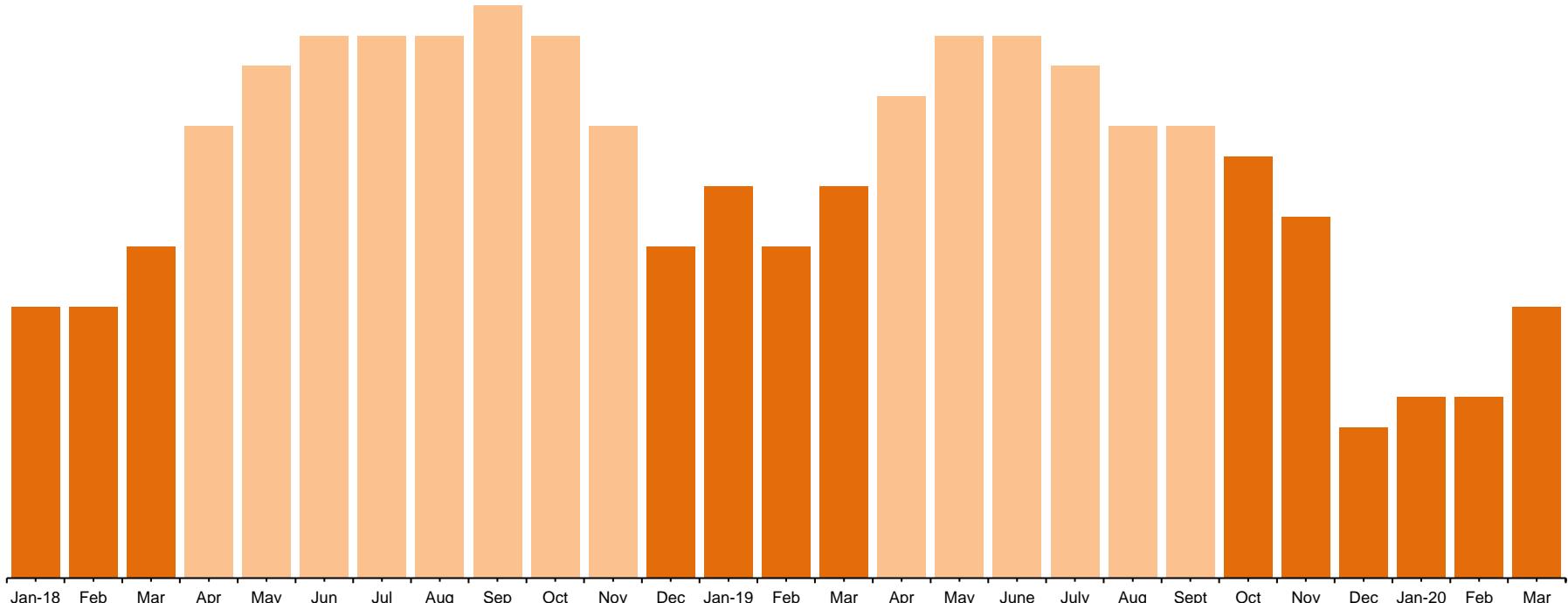


Months Inventory of **HOMES FOR SALE** 2011 - Today



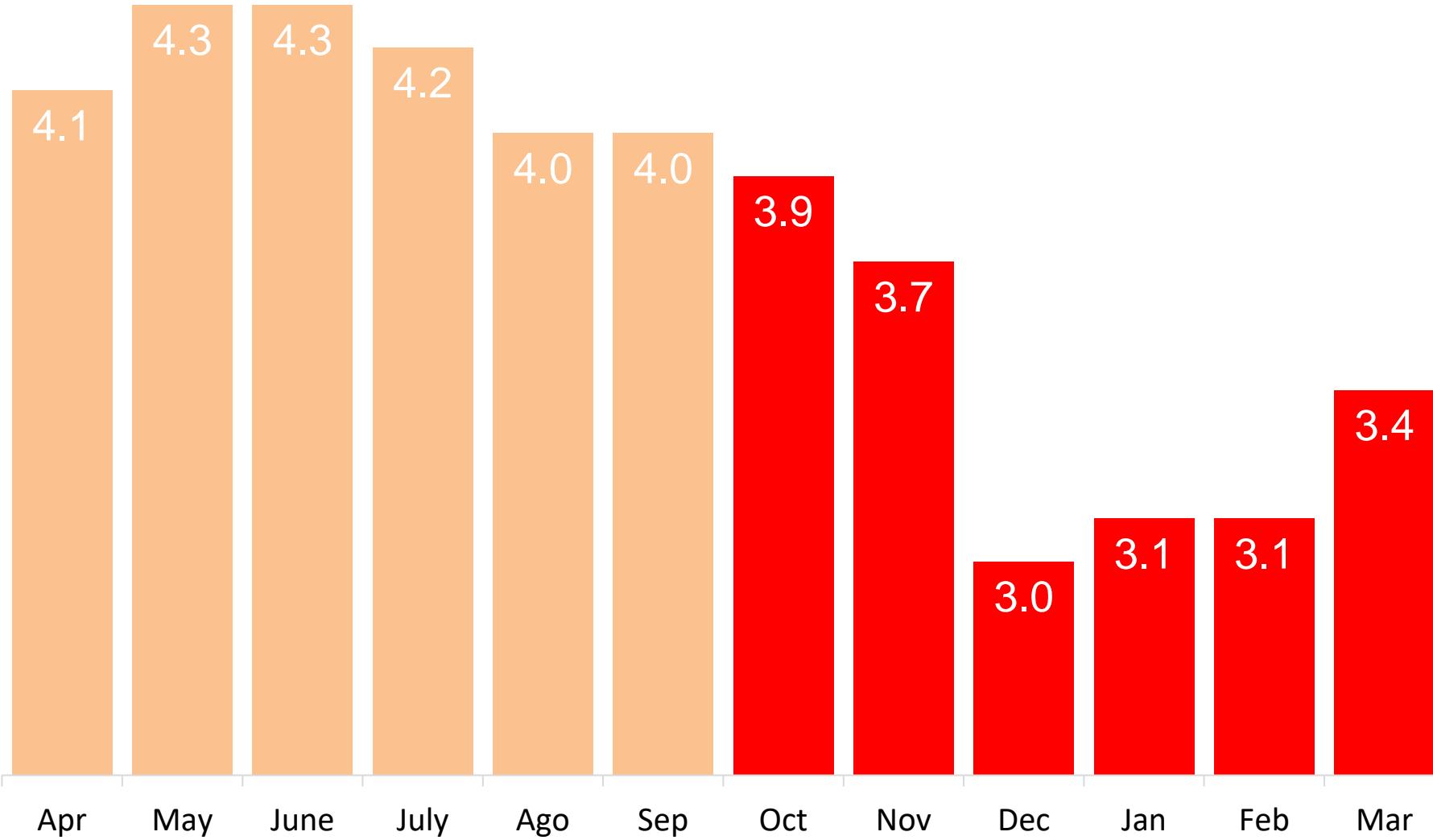
Months Inventory of HOMES FOR SALE

last 2 years

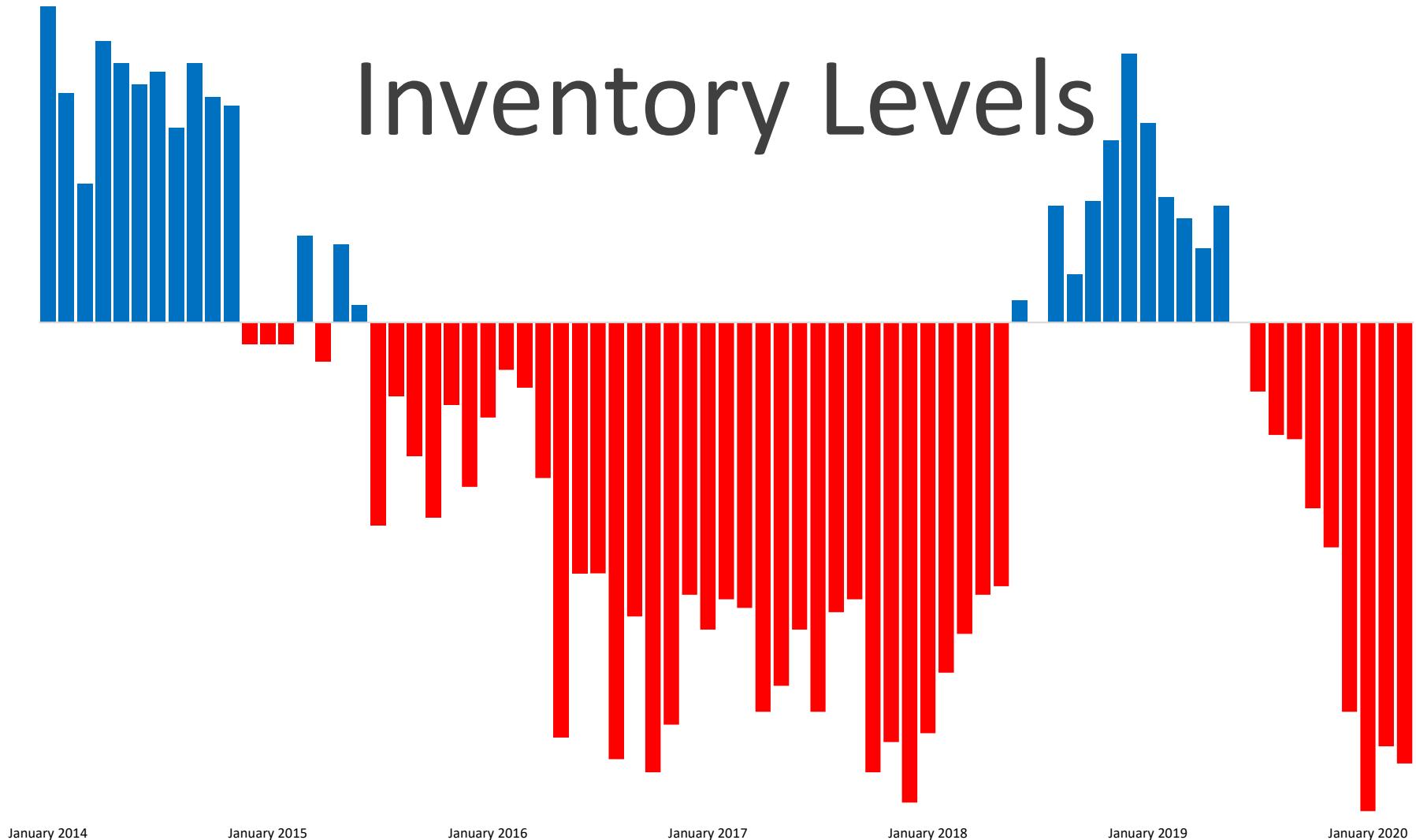


Months Inventory of HOMES FOR SALE

Last 12 Months

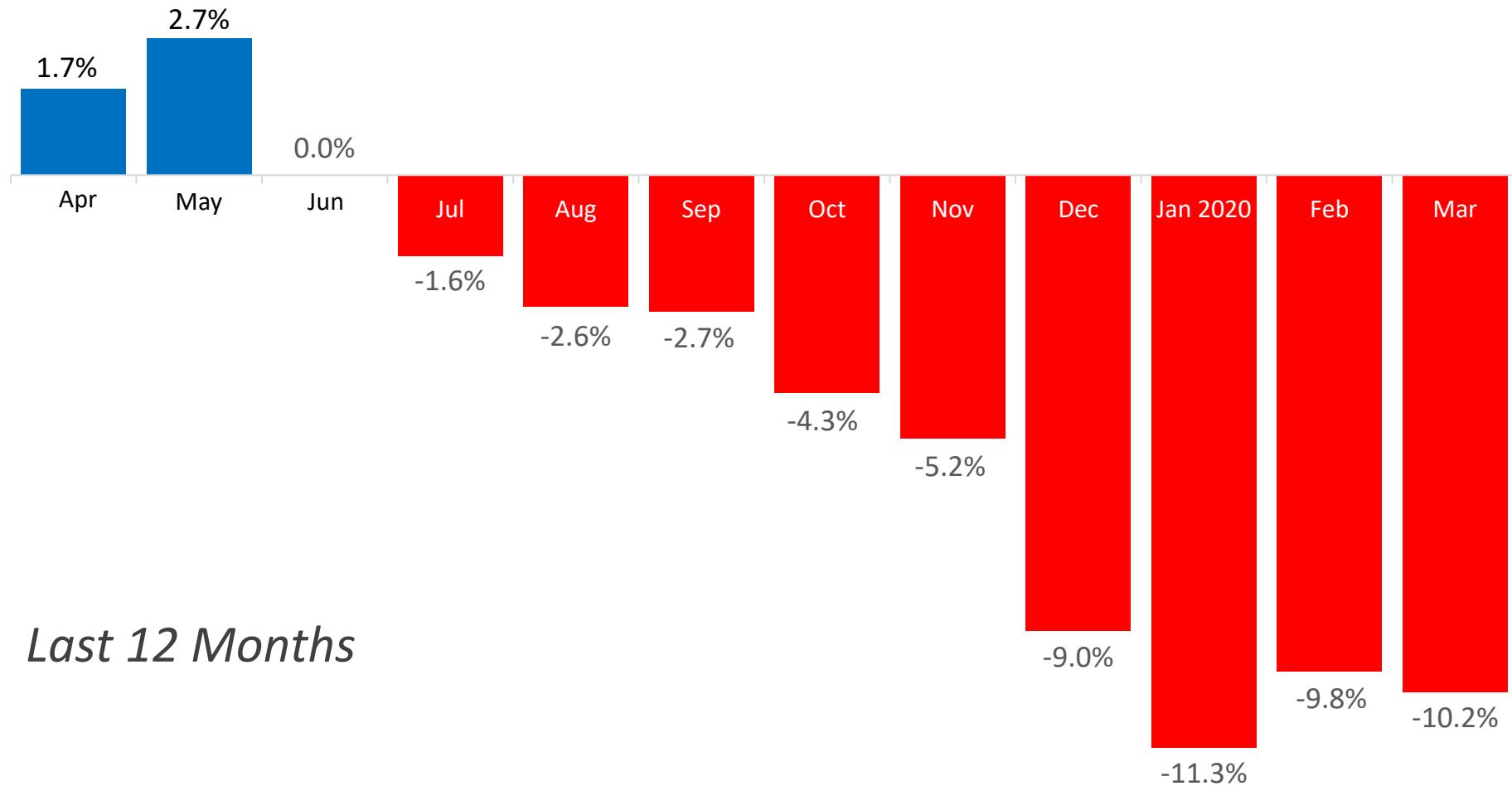


Year-over-Year Inventory Levels



HOUSING SUPPLY

Year-Over-Year



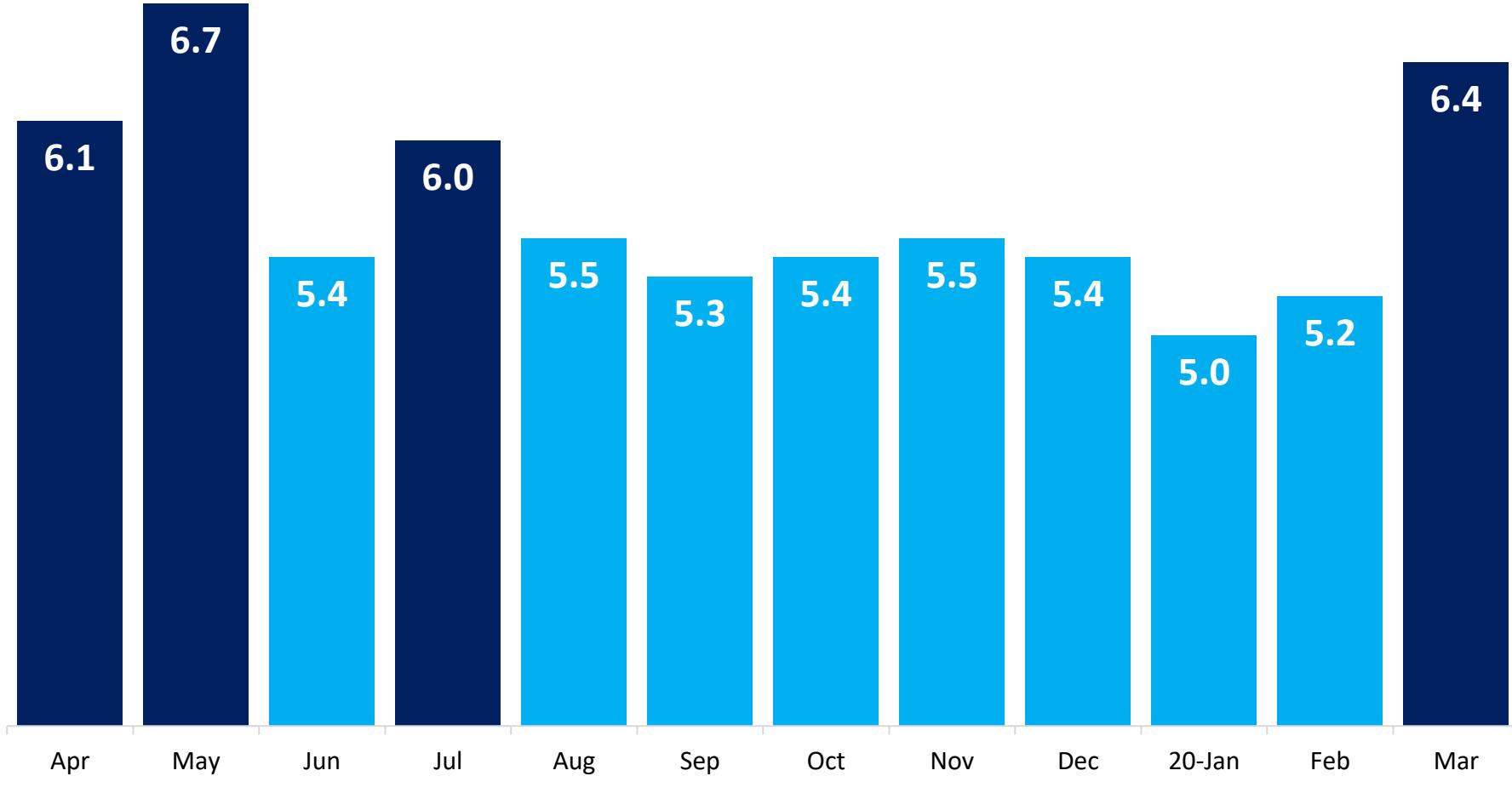
Last 12 Months

NAR

New Home Inventory

months supply

Last 12 Months

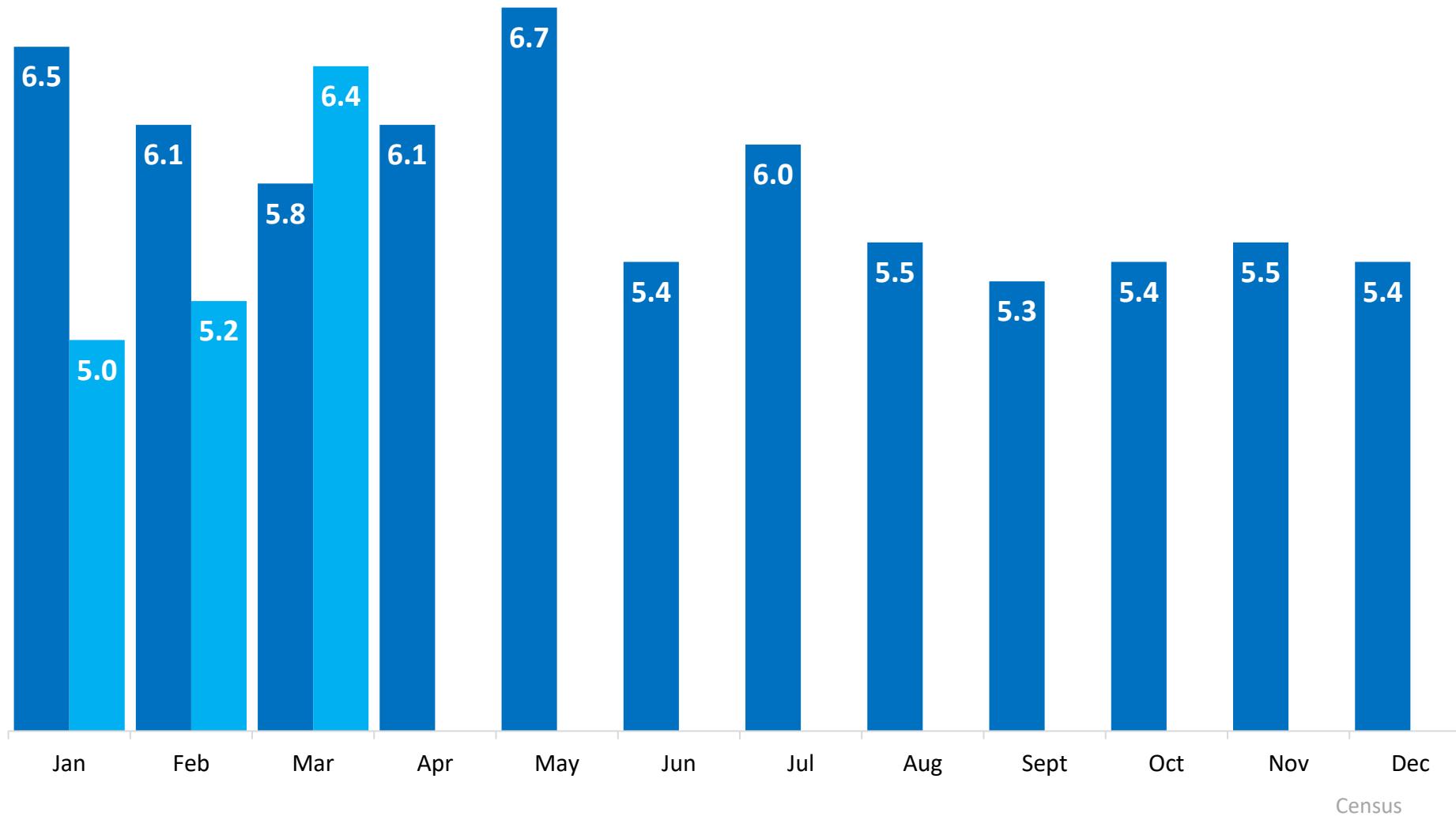


Census

New Home Inventory

months supply

■ 2019 ■ 2020

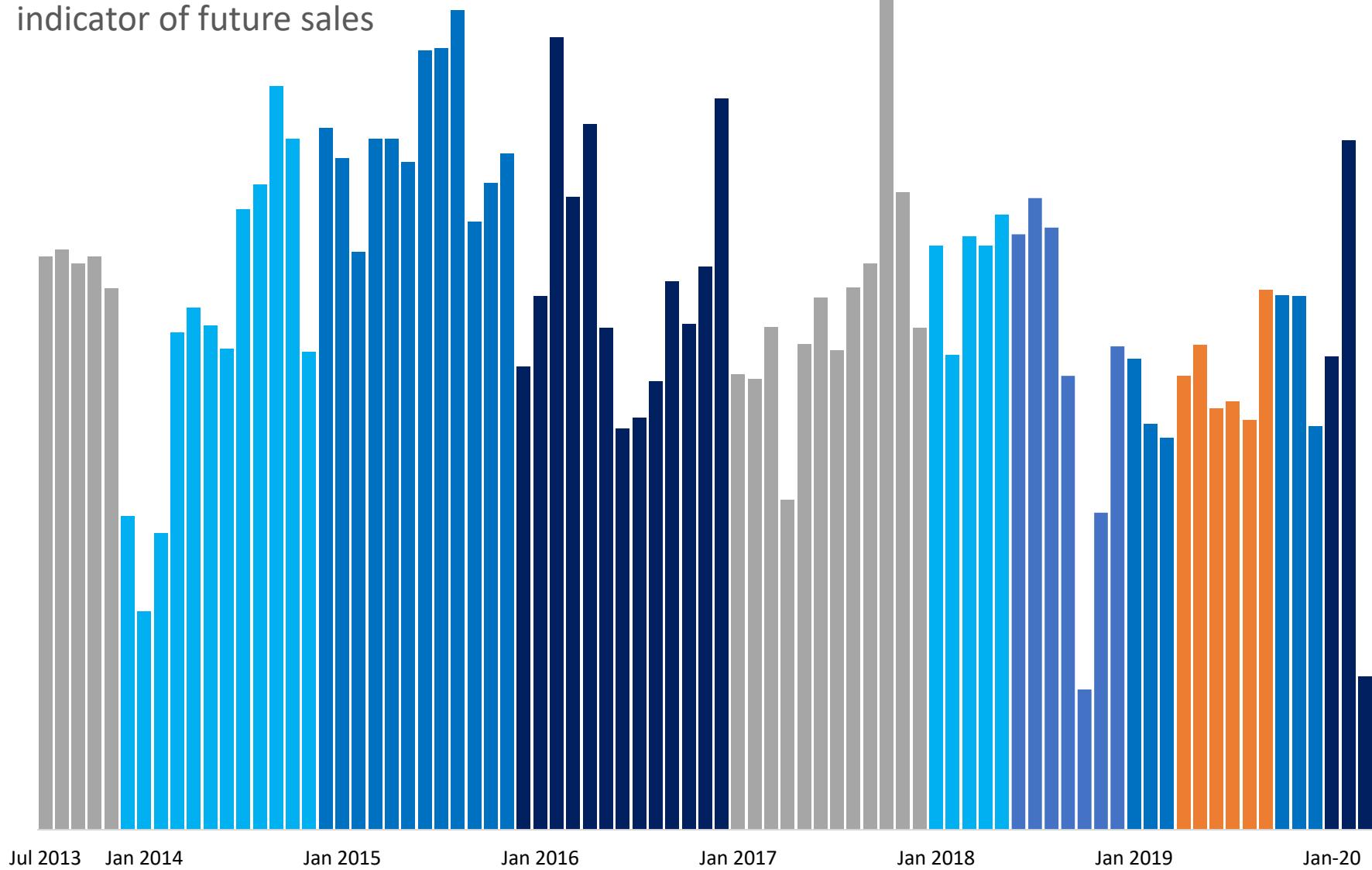


BUYER DEMAND



Foot Traffic

indicator of future sales

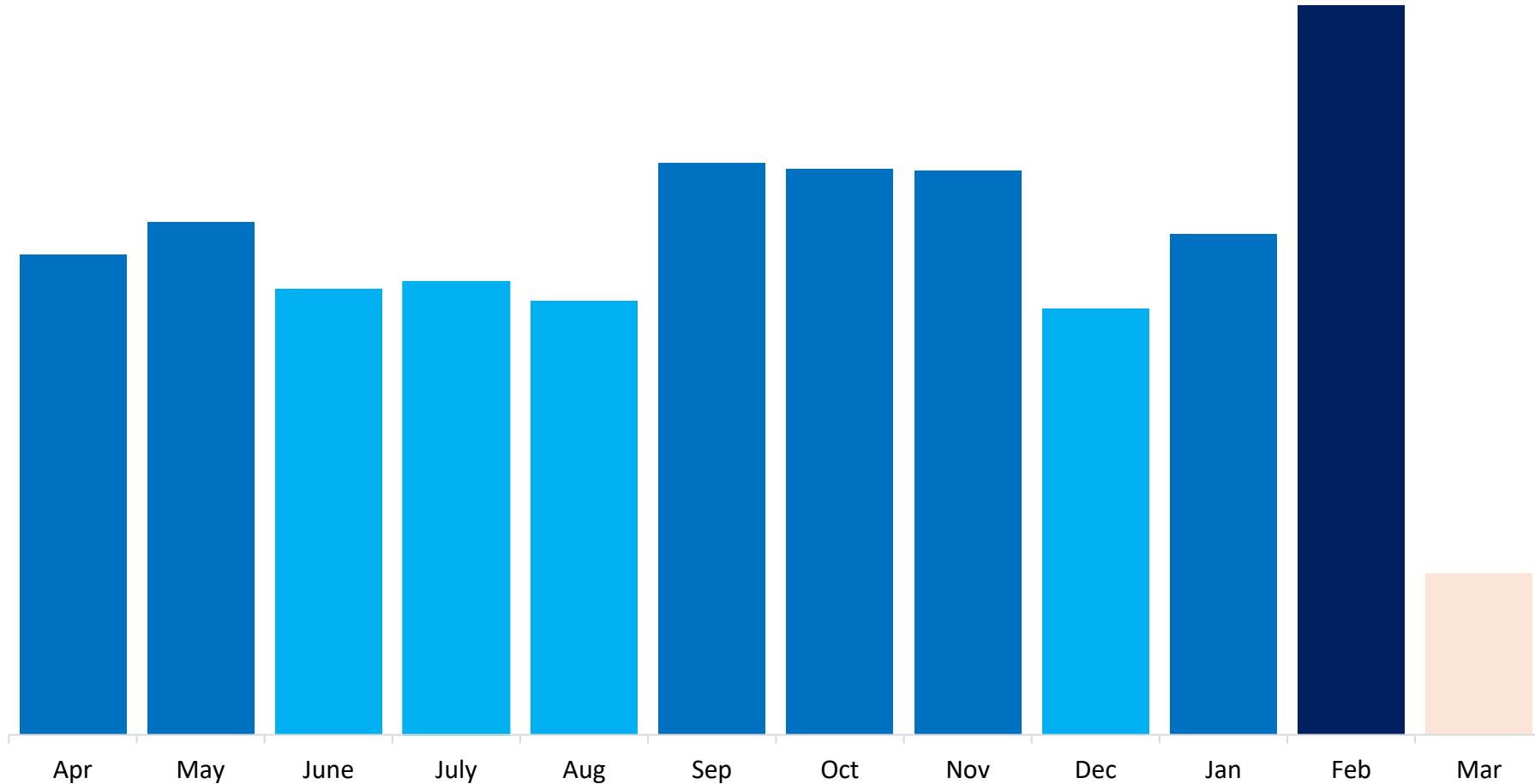


NAR

Foot Traffic

Last 12 Months

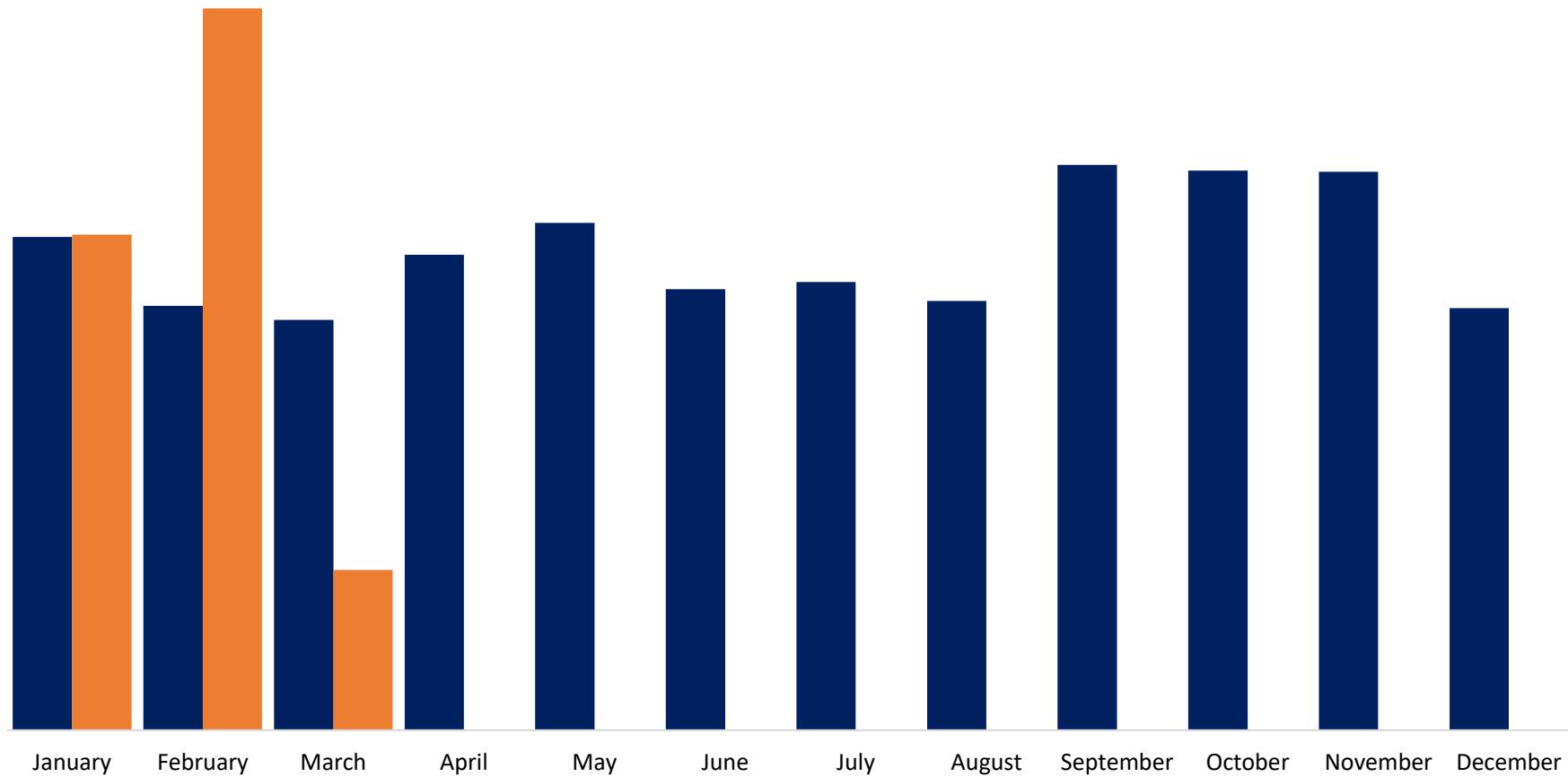
Indicator of future sales



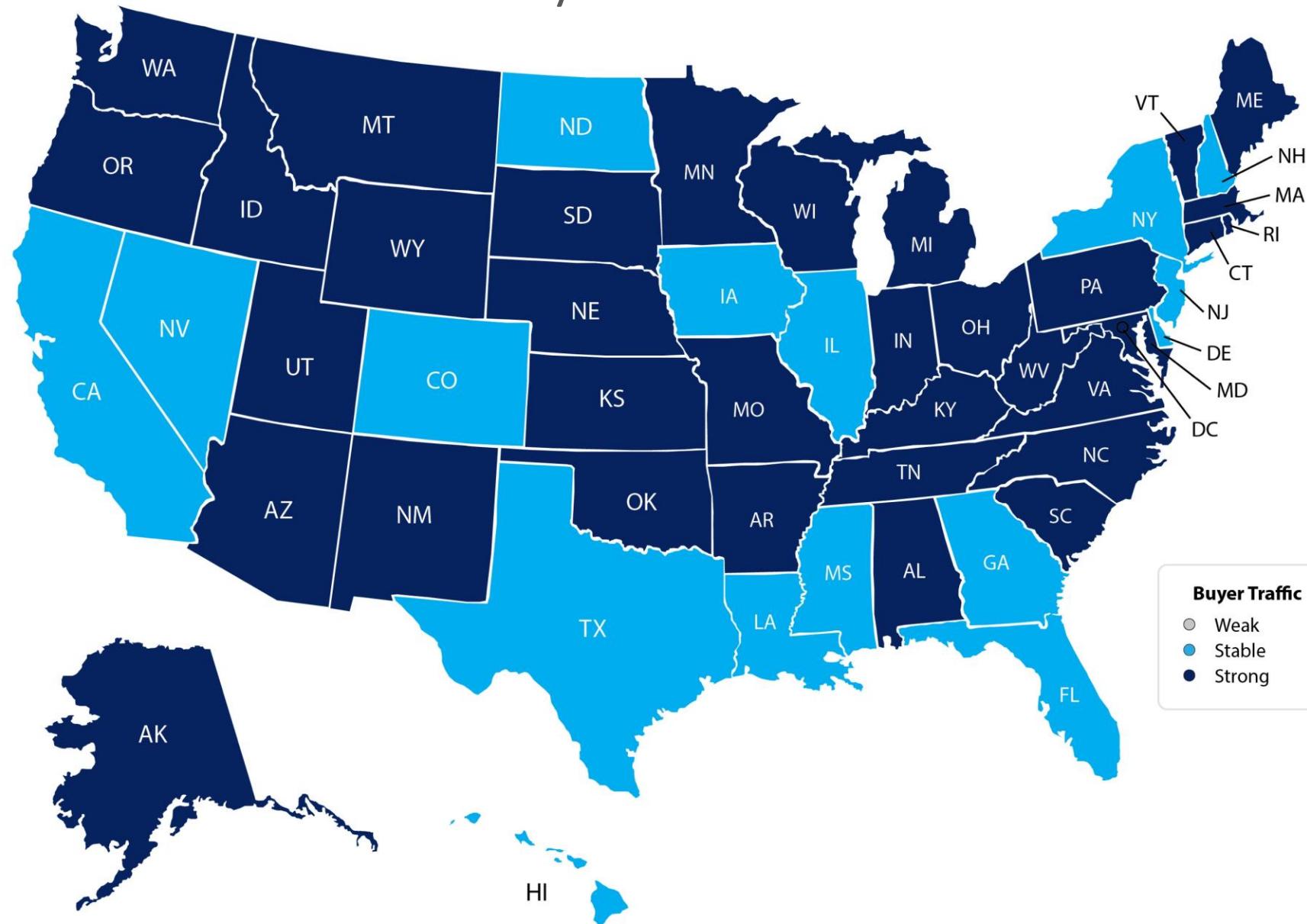
Foot Traffic

indicator of future sales

■ 2019
■ 2020



Buyer Traffic Index

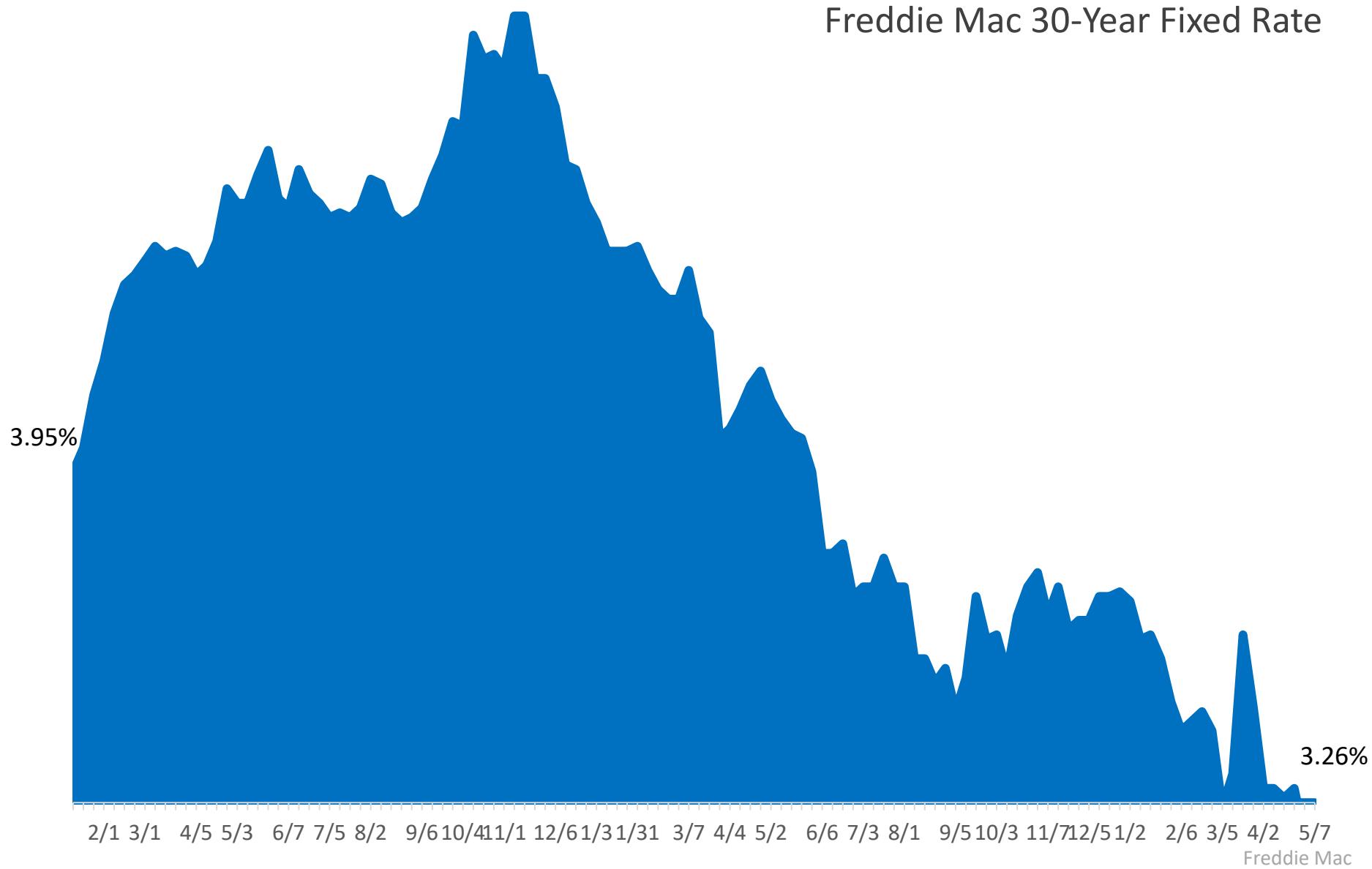


INTEREST RATES



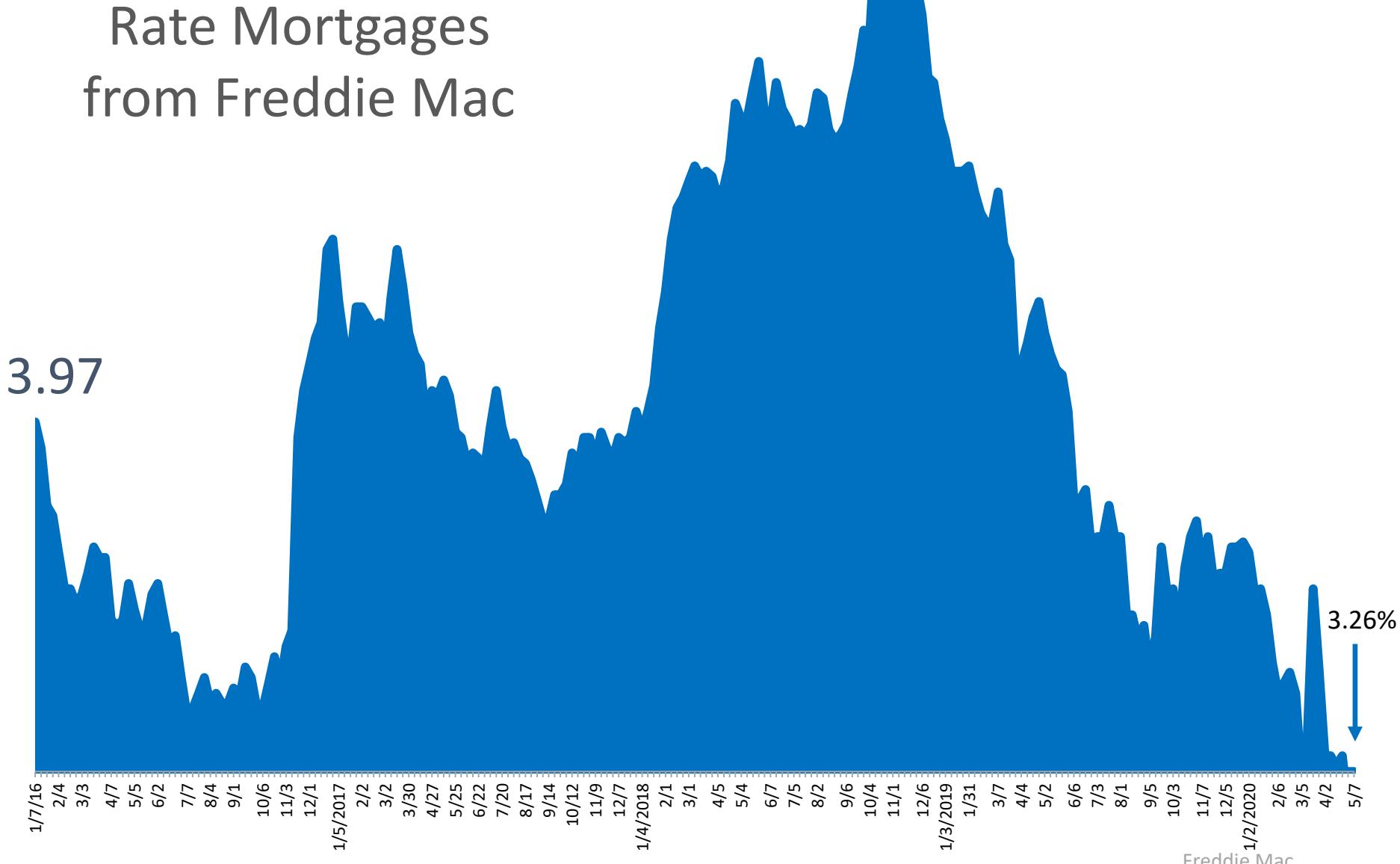
Mortgage Rates

Freddie Mac 30-Year Fixed Rate



30-Year Fixed

Rate Mortgages
from Freddie Mac



Mortgage Rate Projections

Quarter	Freddie Mac	Fannie Mae	MBA	NAR	Average of All Four
2020 2Q	3.3	3.3	3.6	3.7	3.47%
2020 3Q	3.2	3.1	3.6	3.8	3.42%
2020 4Q	3.2	3.0	3.5	3.9	3.40%
2021 1Q	3.1	3.0	3.5	4.0	3.40%

Mortgage Rates

Freddie Mac

30-Year Fixed Rate

- Actual
- Projected

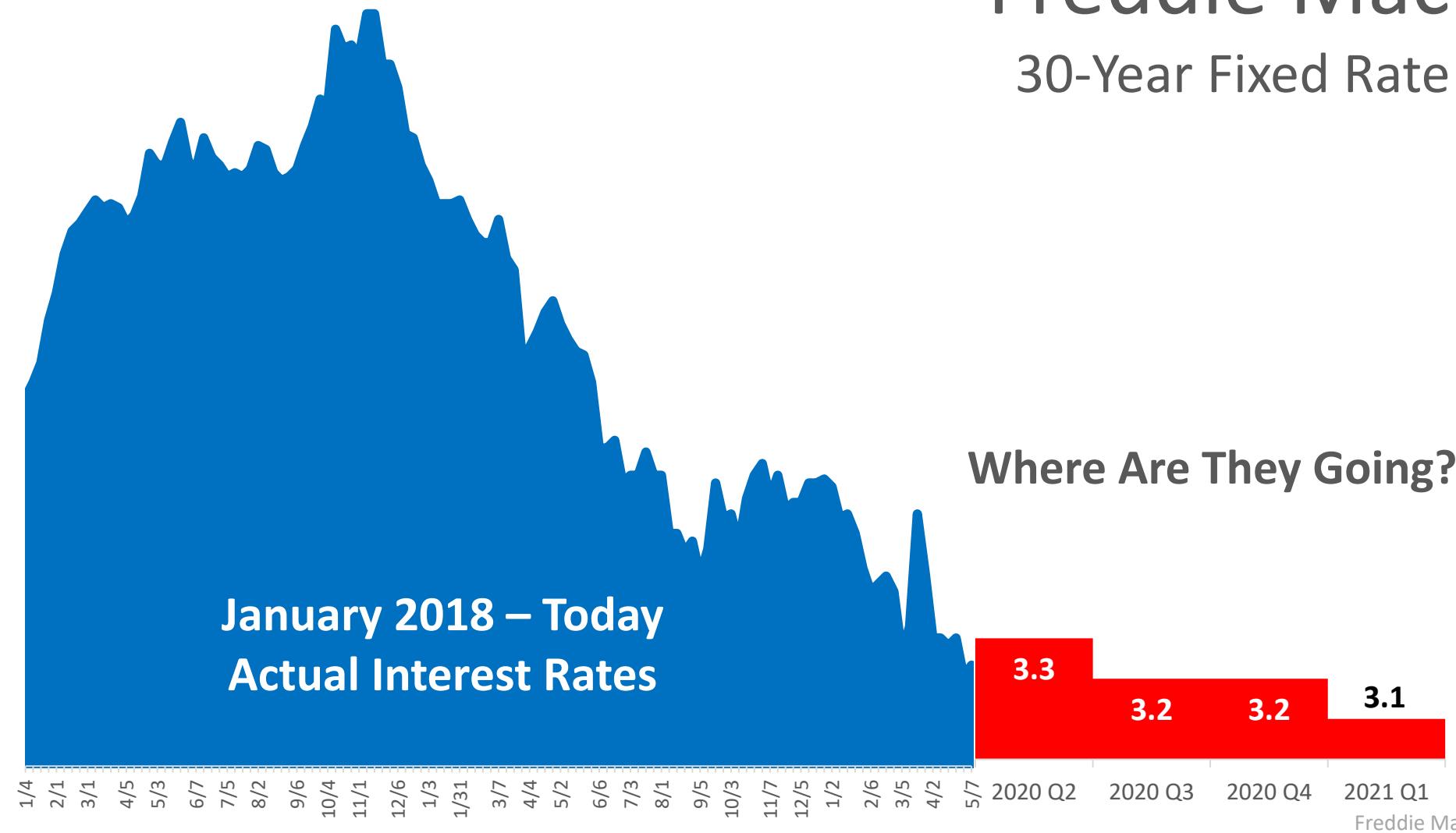


2016	2016	2016	2016	2017	2017	2017	2017	2018	2018	2018	2018	2019	2019	2019	2019	2020	2020	2020	2020	2021	2021	2021	2021	
Q1	Q2	Q3	Q4																					
Rate	3.7	3.6	3.5	3.8	4.2	4.0	3.9	3.9	4.3	4.5	4.6	4.8	4.4	4	3.7	3.7	3.5	3.3	3.2	3.2	3.1	3.1	3.1	3.1

Mortgage Rates

Freddie Mac

30-Year Fixed Rate



Mortgage Credit Availability

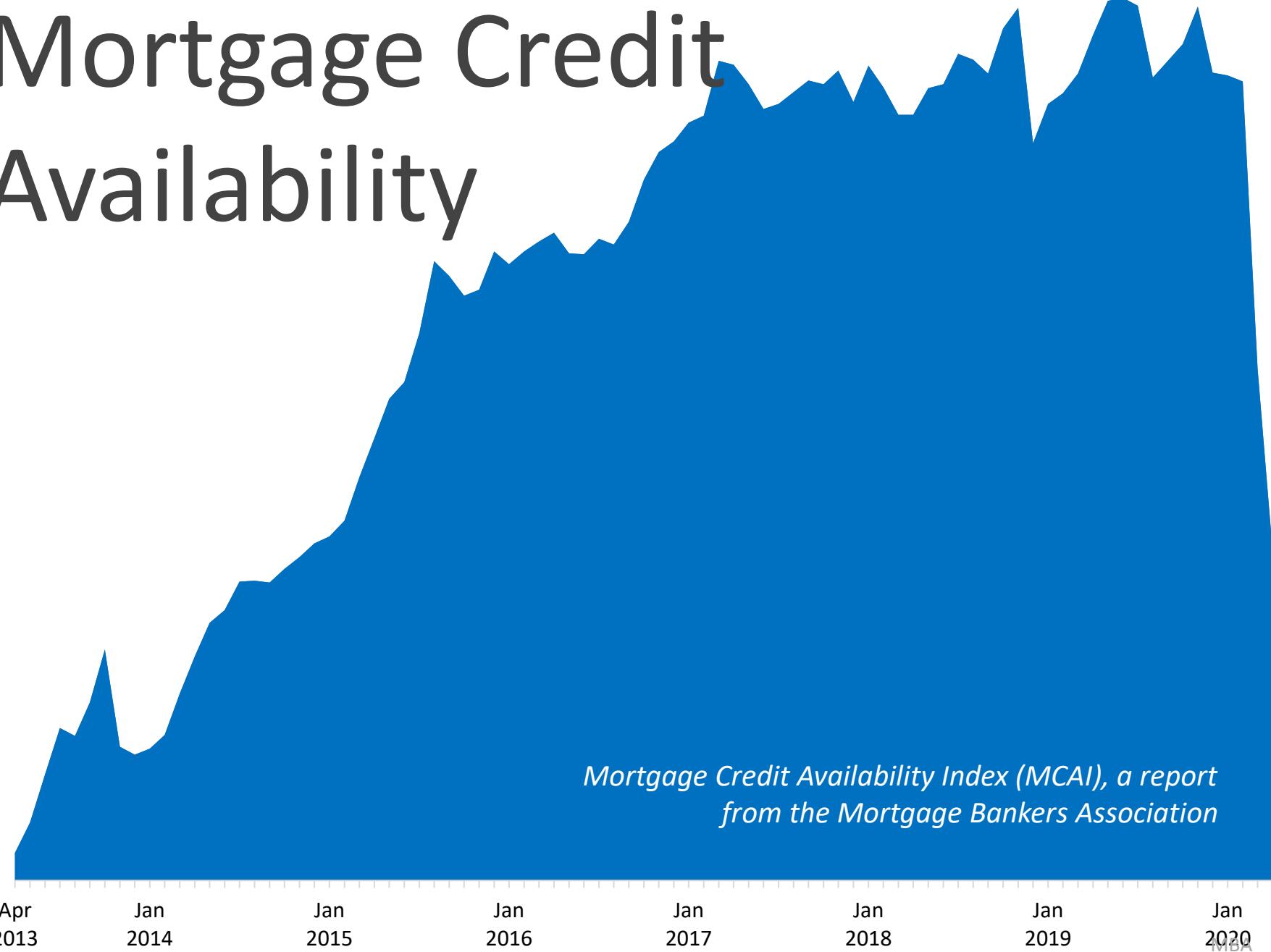
YES

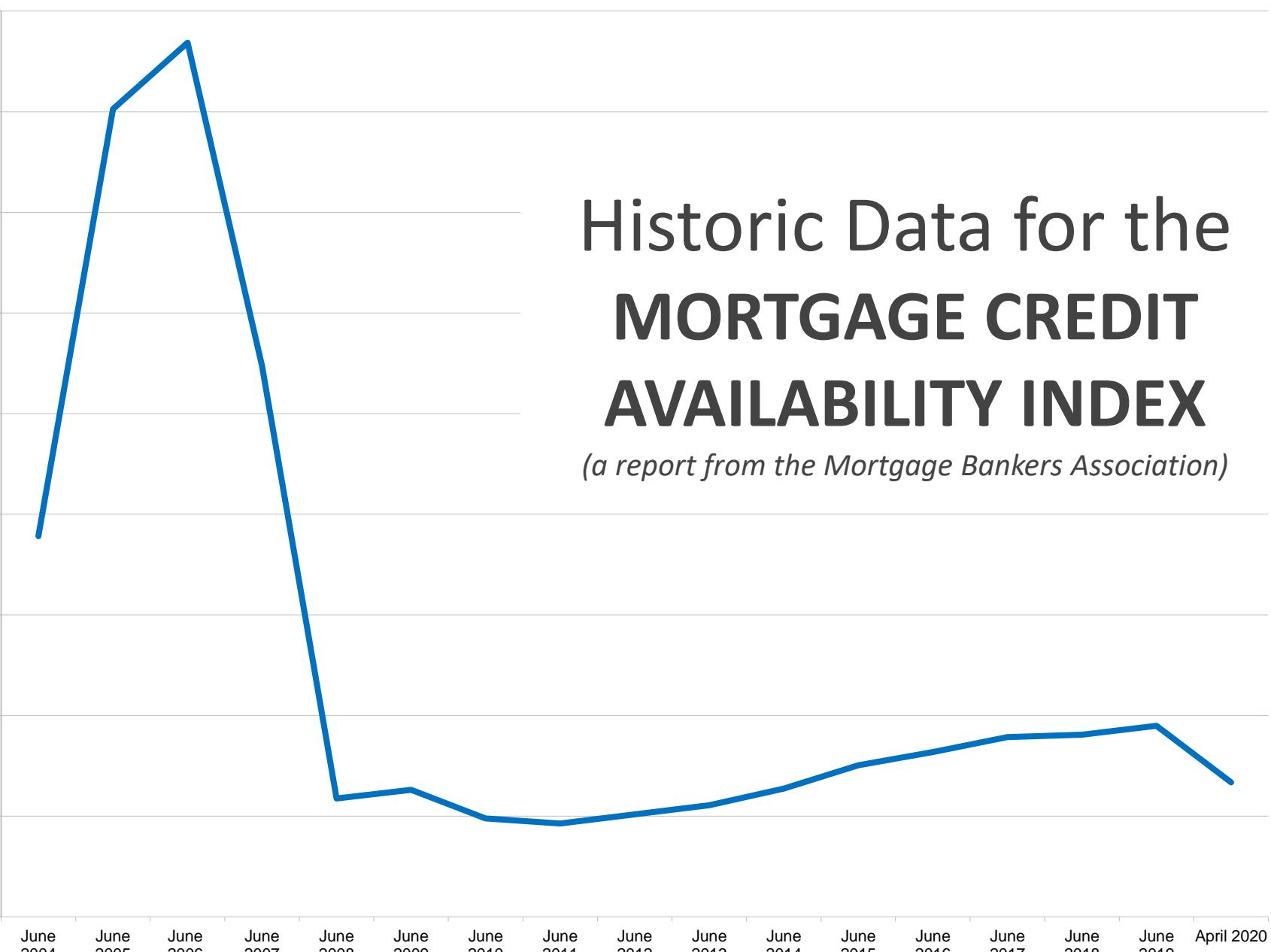
NO

MAYBE



Mortgage Credit Availability



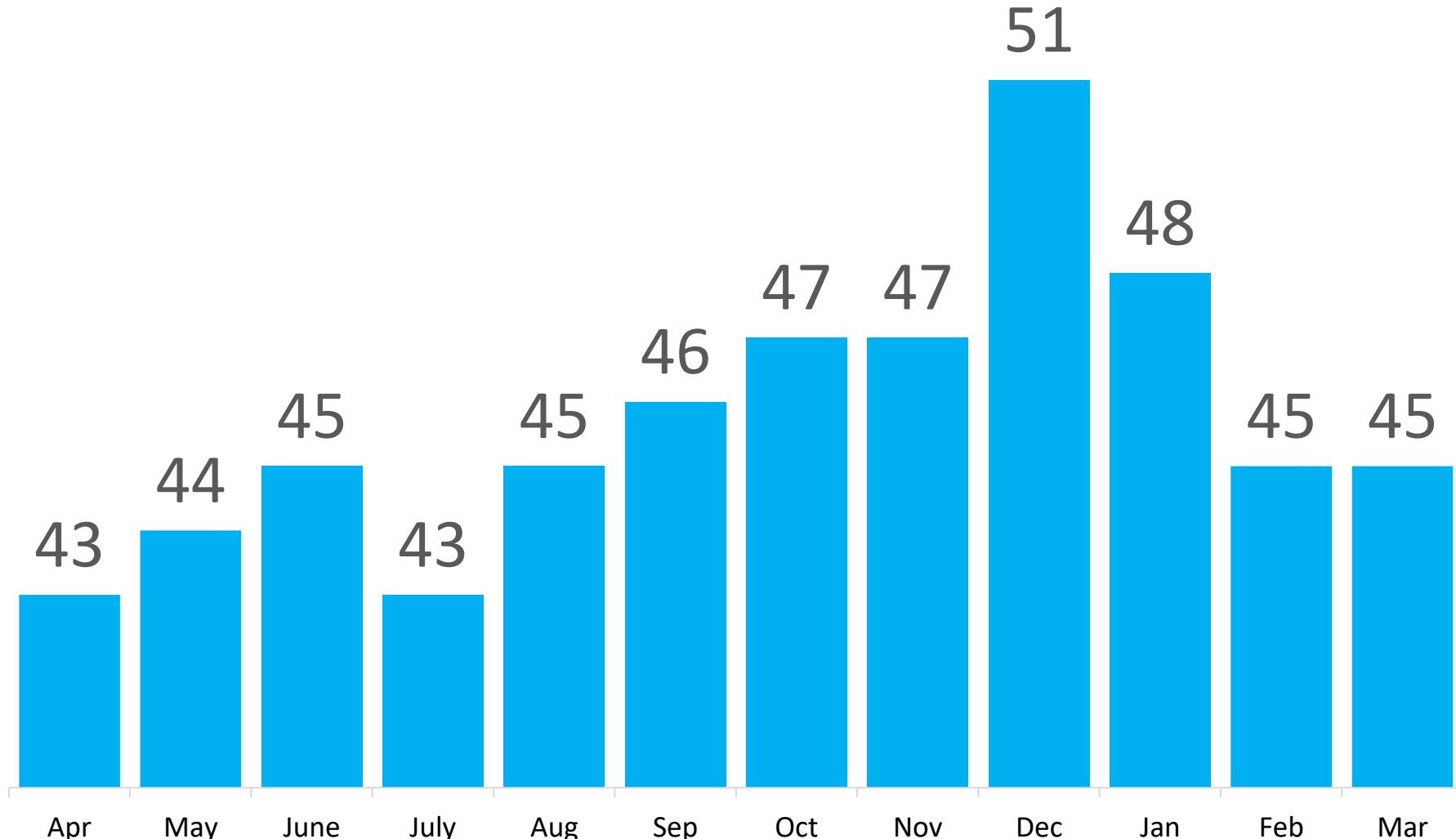


Historic Data for the MORTGAGE CREDIT AVAILABILITY INDEX

(a report from the Mortgage Bankers Association)

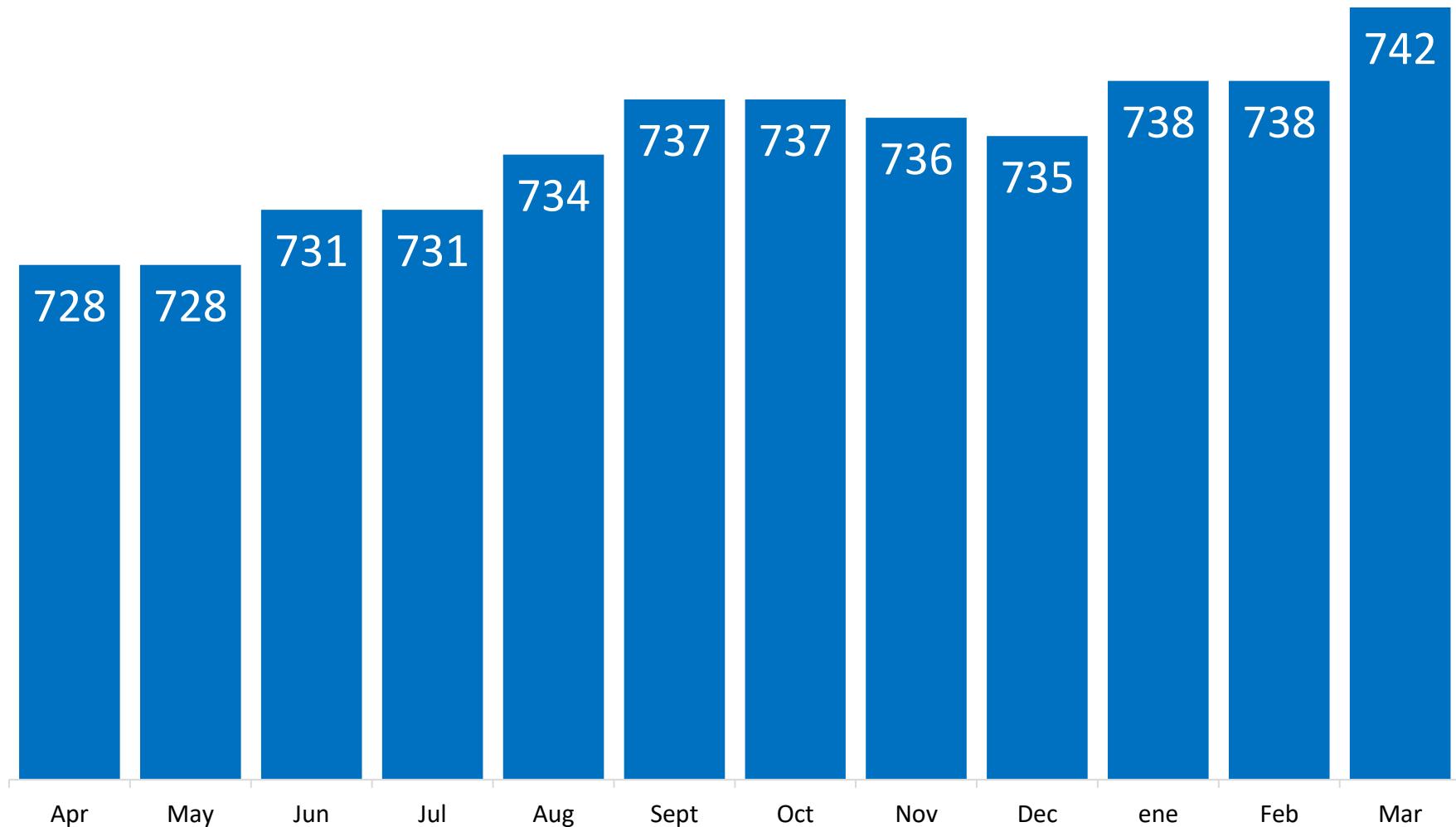
Average Days To Close A Loan

Last 12 Months

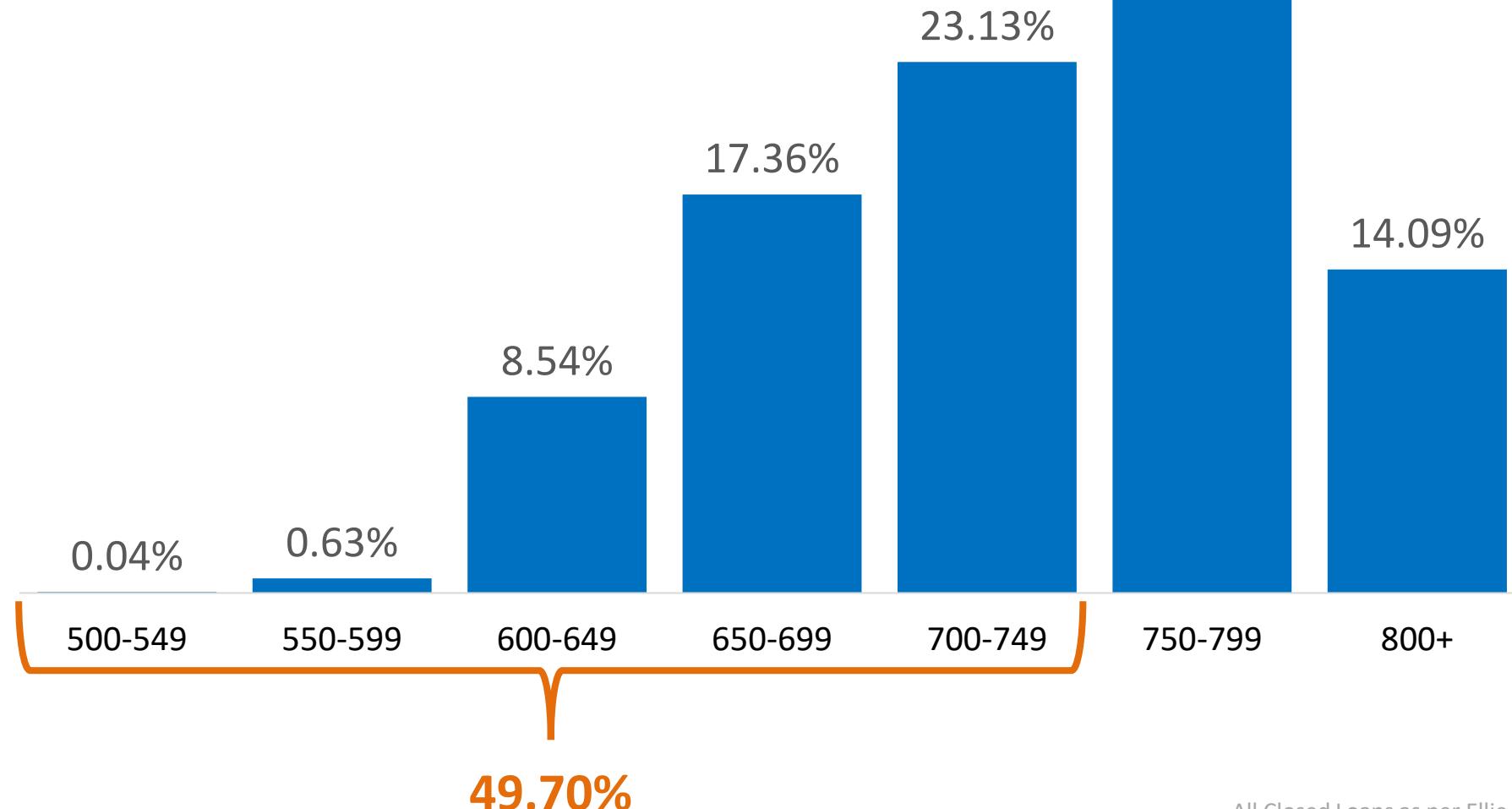


FICO® Score Requirements

Last 12 months

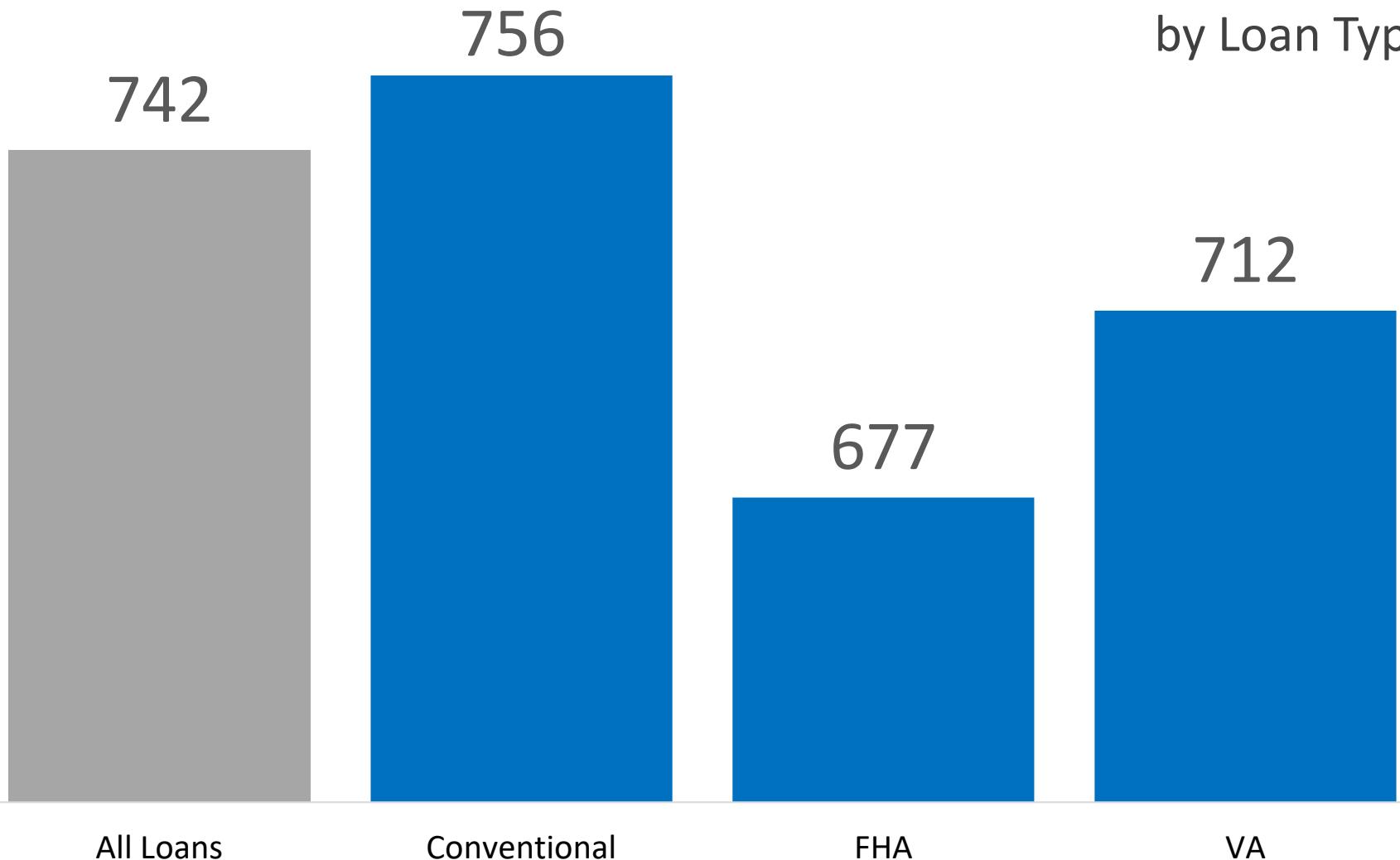


FICO® Score Distribution



Average FICO® Score

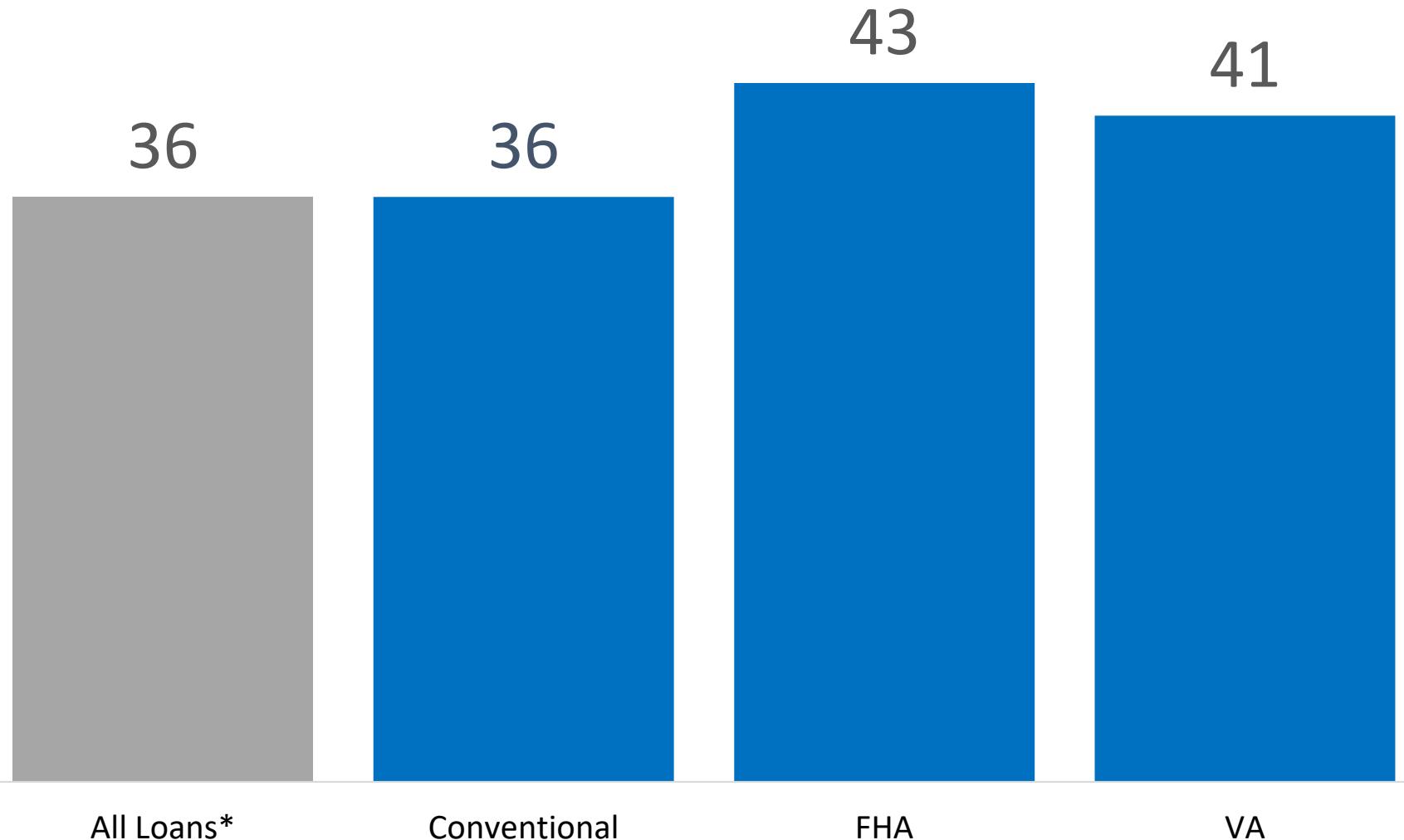
for Closed Purchase Loans
by Loan Type



All Closed Loans as per Ellie Mae

Average Back End DTI

for Closed Purchase Loans by Loan Type



All Closed Loans as per Ellie Mae