

COVID-19 and The U.S. Housing Market

Dr. Ralph B. McLaughlin

Chief Economist and SVP of Analytics

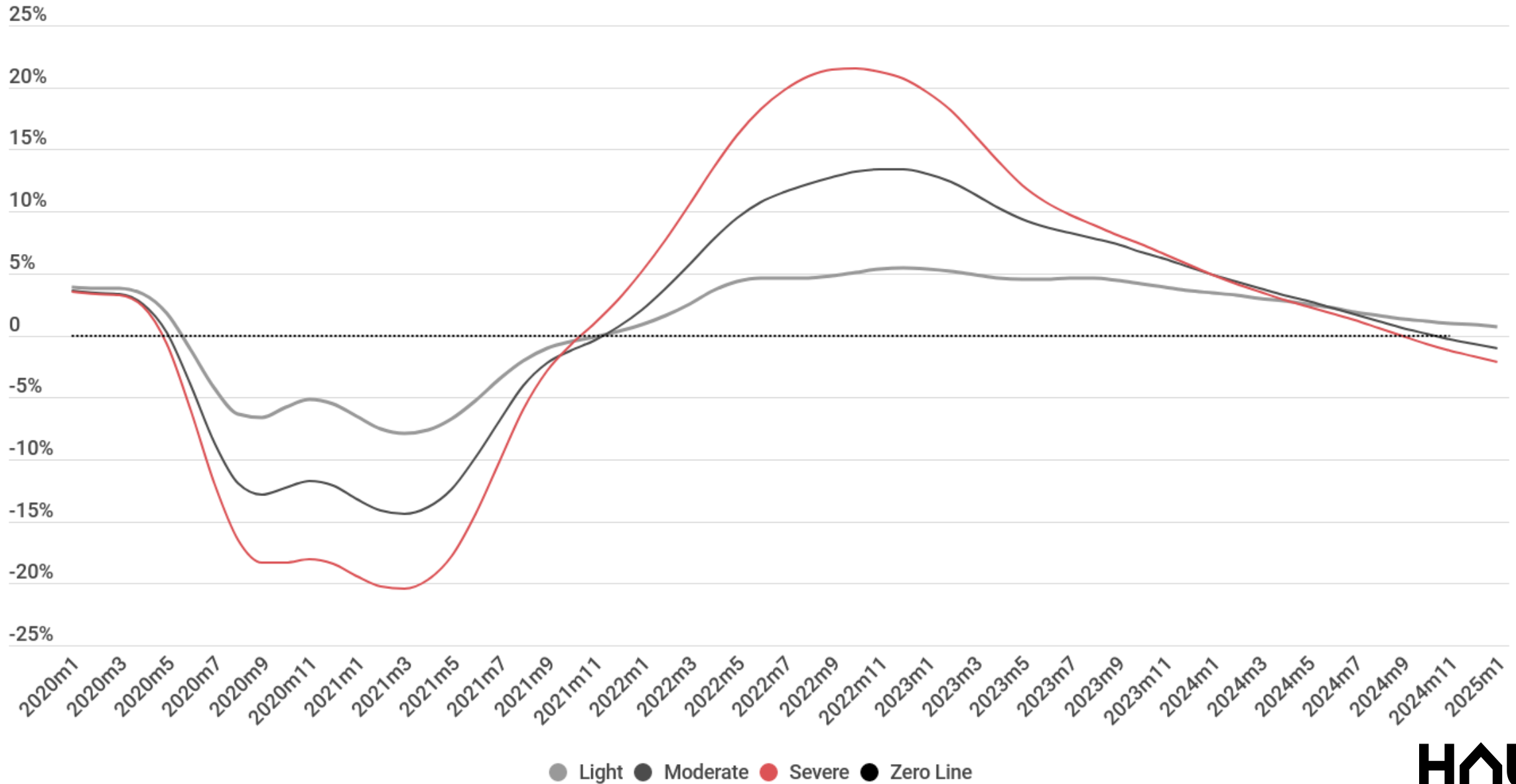
Haus, Inc.



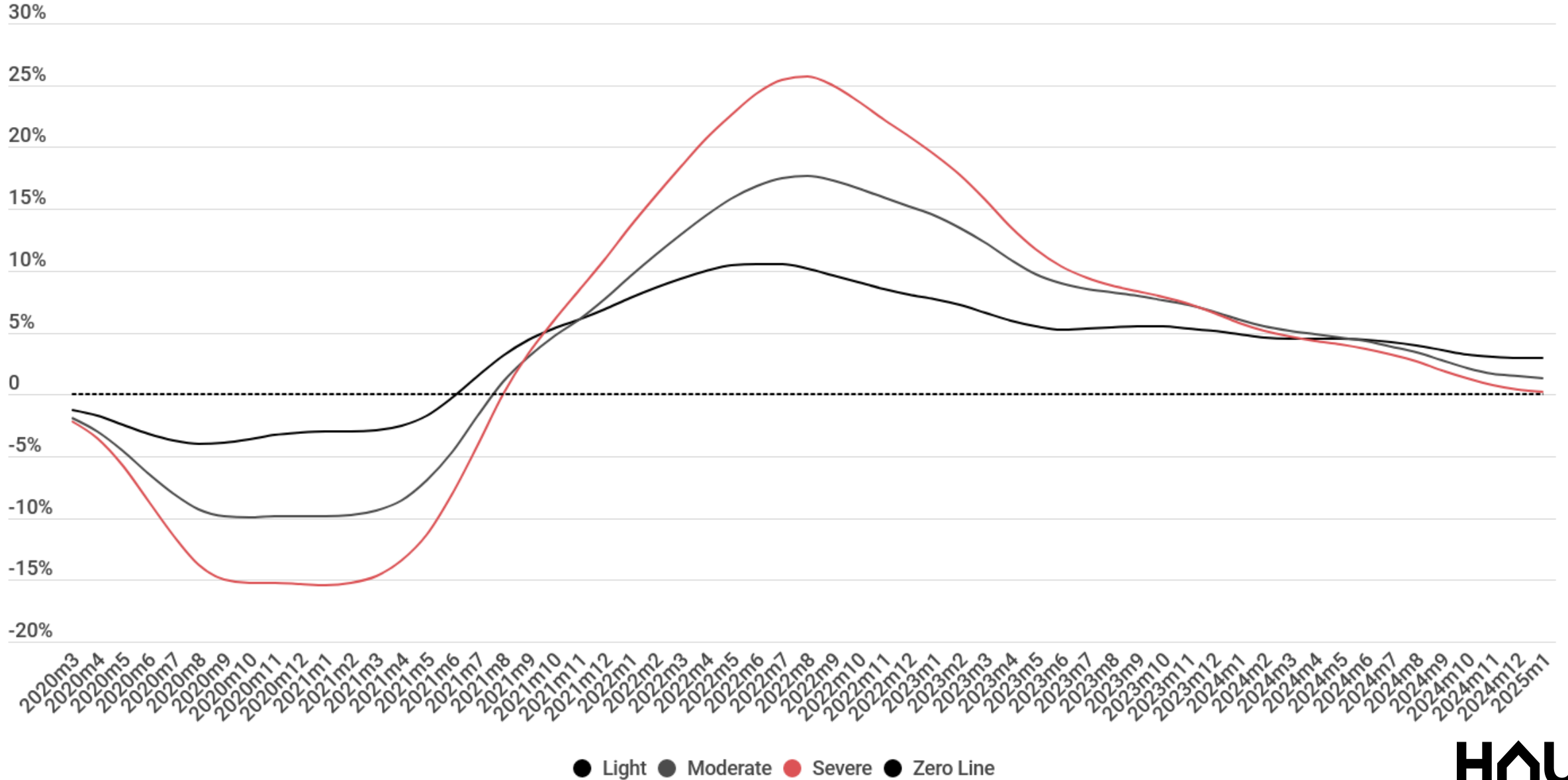
Scenario Summaries

- Light:
 - Containment comes in spring; disaster relief program effective and continuing; no resurgence of COVID19 in fall.
- Moderate:
 - Containment comes in summer; disaster relief program helps but fizzles out; minimal resurgence of COVID19 in fall.
- Severe:
 - Containment takes full year; disaster relief program ineffective and short lived; strong resurgence of COVID19 in fall.

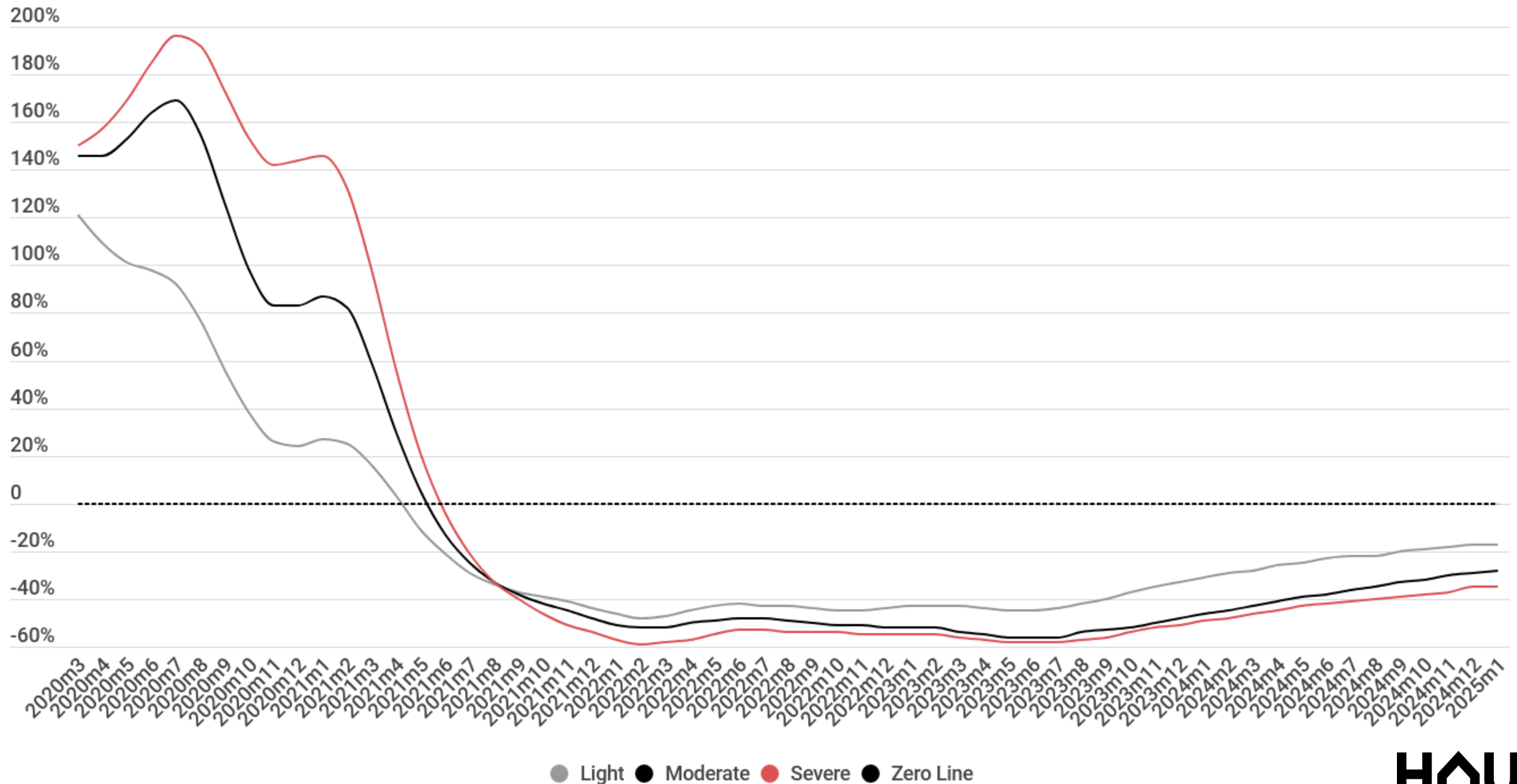
U.S. Single-Family Home Sales YOY% Forecast, March 2020 - Jan 2025



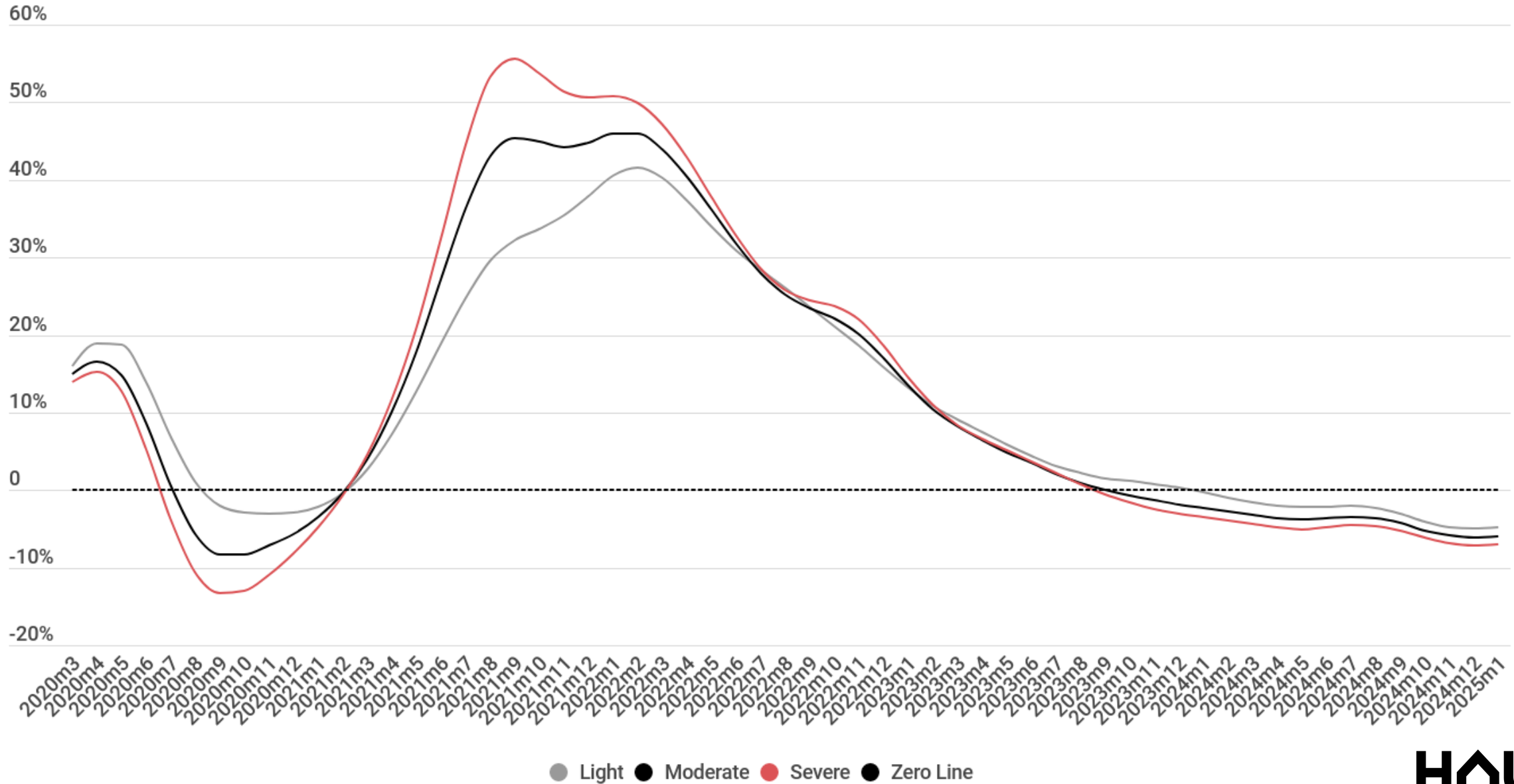
Purchase Originations YOY% (\$BIL) Forecast, March 2020 - Jan 2025



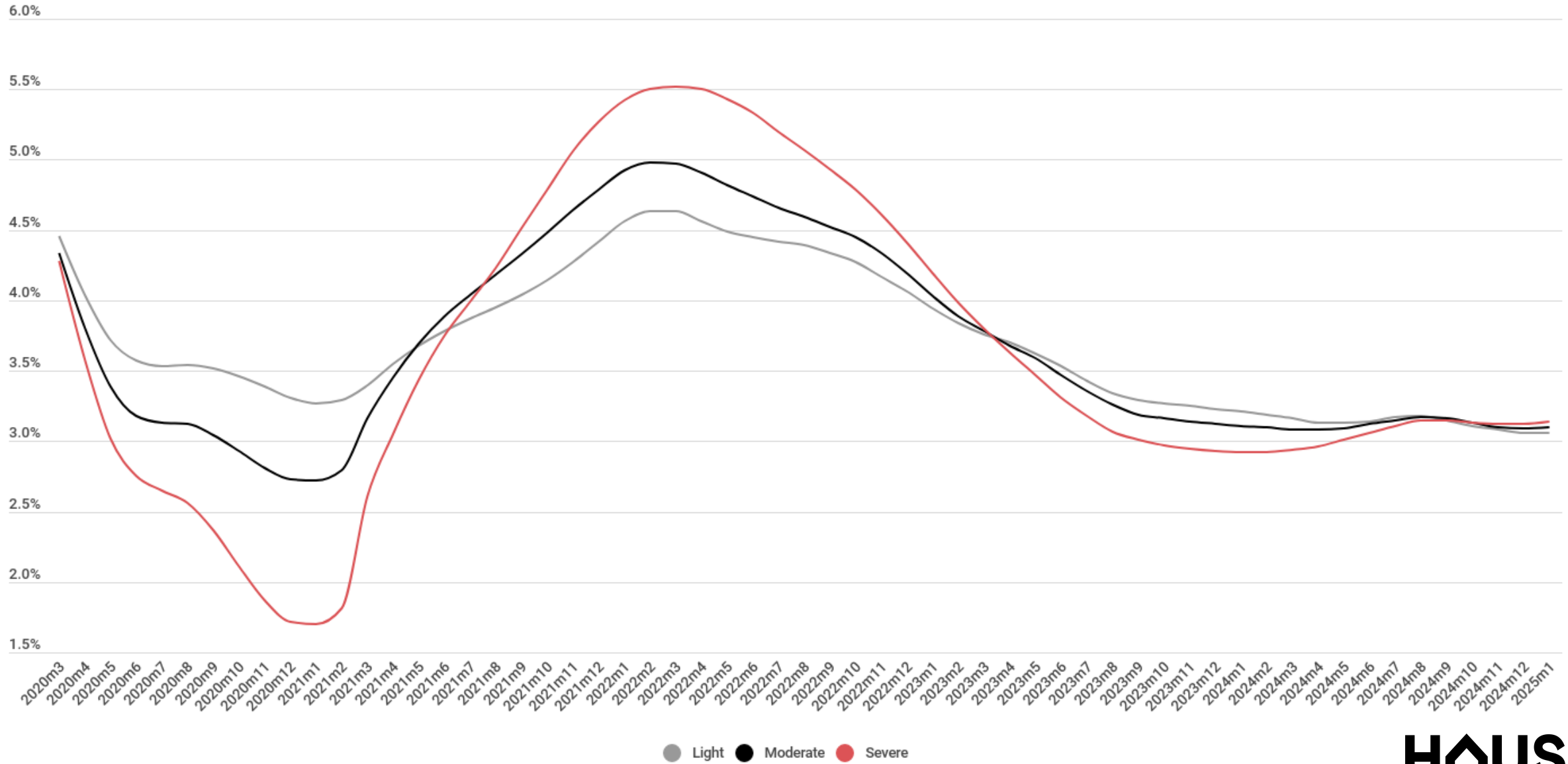
Refinance Originations YOY% (\$BIL) Forecast, March 2020 - Jan 2025



Single Family Permits YOY% Forecast, March 2020 - Jan 2025



U.S. Single-Family Home Prices YOY% Forecast, March 2020 - Jan 2025



Summary of Haus-ing Market Forecast

- Existing home sales hit hardest, falling between 7-20% over next year
 - Inventory drying up, demand hits pause button.
 - Sales fall more than purchase originations as investors also shy away from market.
- Purchase mortgage originations dip, but rebound relatively quickly
 - Pent-up demand rebounds ASAP.
 - Young buyers take advantage of historically low rates
- Refinancing continues to skyrocket as mortgage rates dip below historic lows.
- Home building sector pushes to get approvals through approval process, but then sharp pullback by EOY.
- Home prices remain sticky-downwards because of federal directives/assistance.
 - No massive spike in foreclosures due to suspension/forbearance/deferral programs.