



# MARKET REPORT

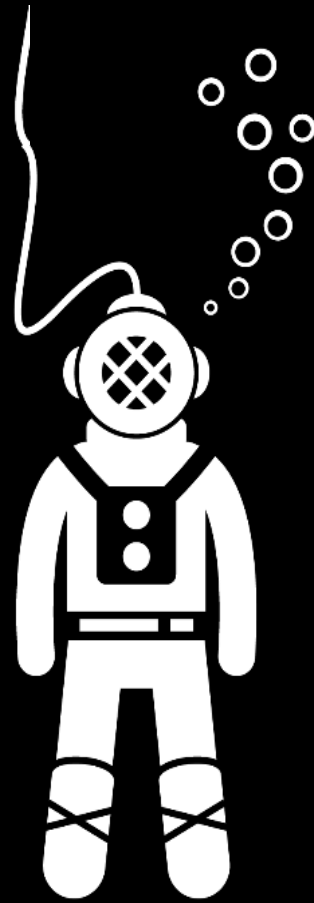
January 2024

Most agents know  
what's happening.

Good agents understand  
what's happening.

Great agents can explain  
what's happening.

# THE DEEP DIVE



Facebook Live

Every Monday 11AM ET/8AM PT  
Keeping Current Matters Facebook Page



## The Truth About Institutional Investors



## FSBOs & Expireds in the New Year

# Keeping Current Matters Page on YouTube



## Housing Inventory and Its Impact on Home Prices



## How Does Homeownership Impact a Family's Net Worth?



# 2024 KCM Forecast

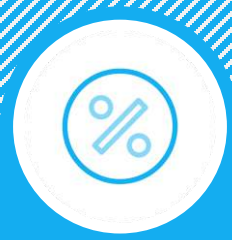


## The Year of “Fives”

- ‘5’ Will Be the Handle (*first number*) on Mortgage Rates by May
- 5.5 Million in Total Home Sales
- 5% Will Be the Approximate Home Price Appreciation Rate

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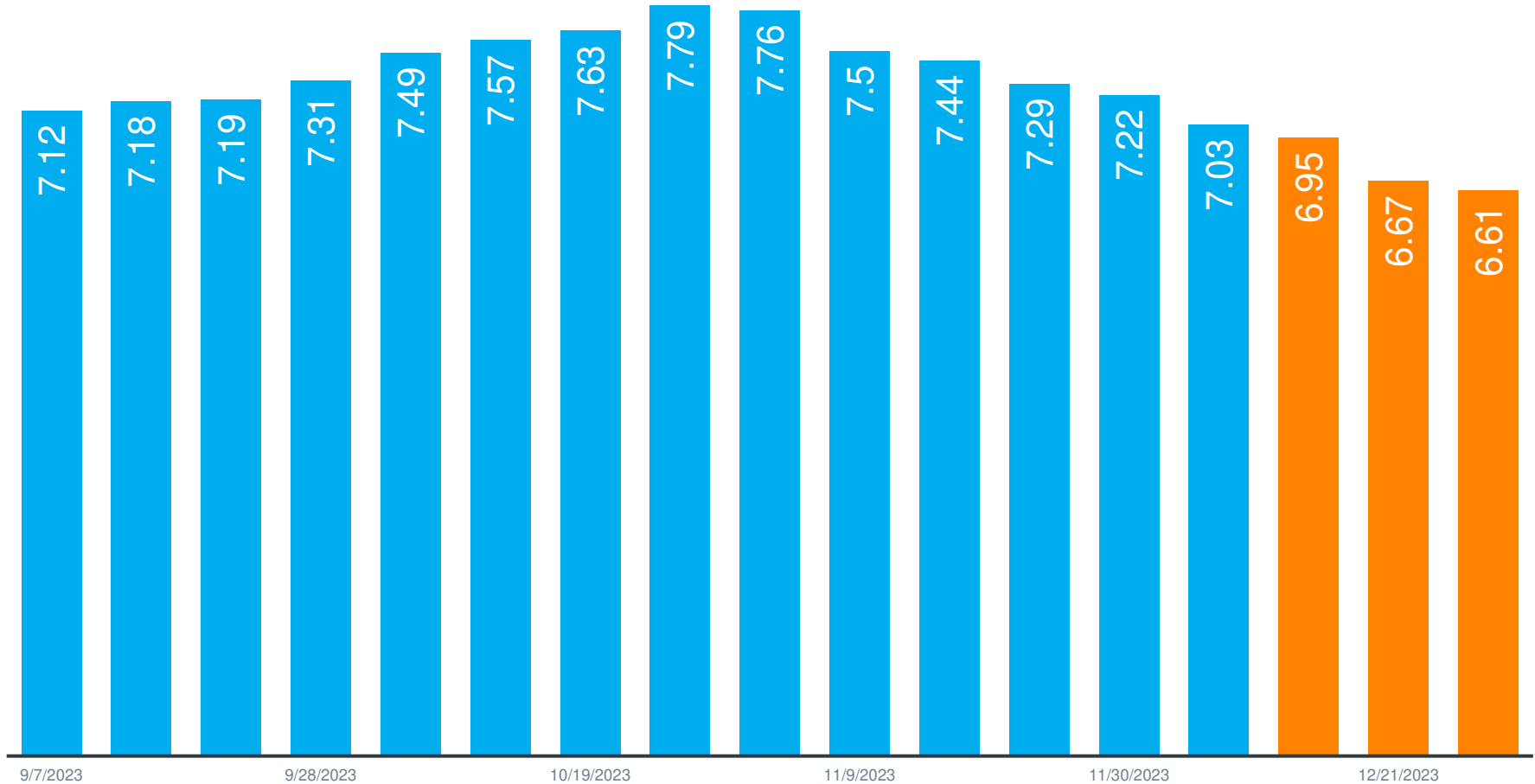
# Mortgage Rates



# Heading into the New Year, Mortgage Rates Remain on a Downward Trend

September 2023–Today

U.S. *Weekly Averages* as of 12/28/2023



Source: Freddie Mac



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



A marked turn can be expected as mortgage rates have plunged in recent weeks.

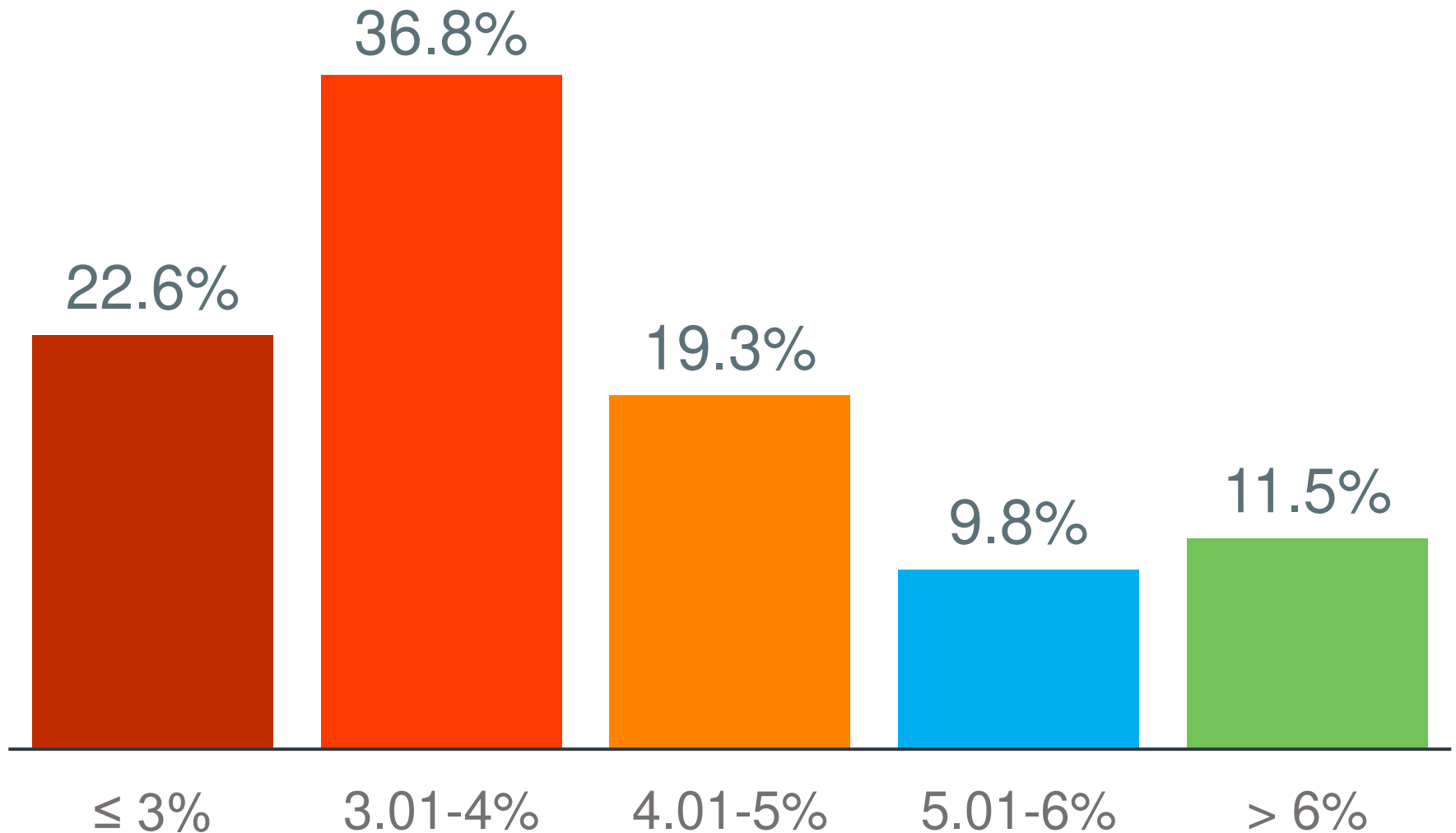
- **Lawrence Yun**, Chief Economist, NAR

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# 78.7% of Mortgage Rates Less Than 5%

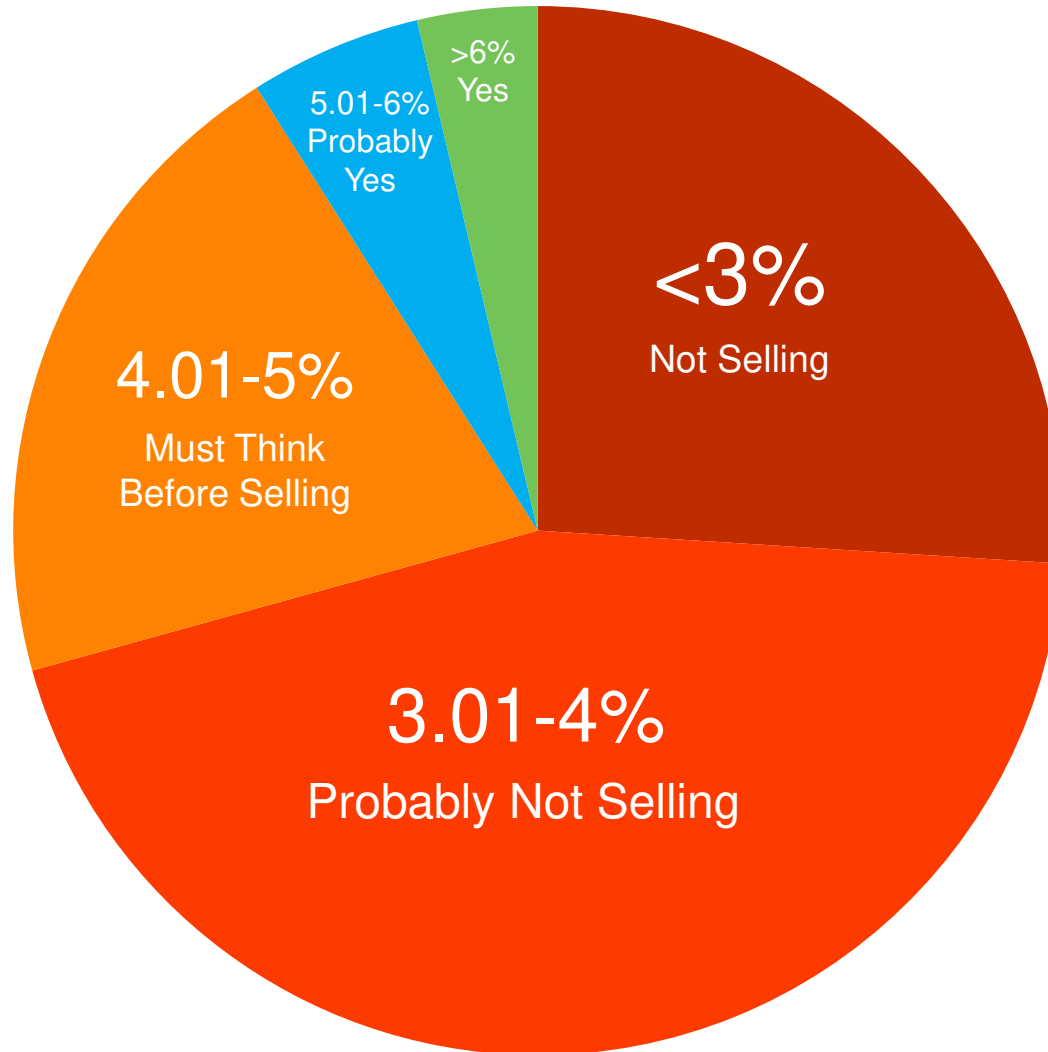
Current FHFA Loans with Mortgage Rate at Time of Origination



Source: FHFA

# “Lock-In Rates” Limit New Inventory

Current FHFA Loans with Mortgage Rate at Time of Origination





We might be at peak “lock-in effect”. Some move-up or lifestyle sellers might be coming to terms with the fact 3% and 4% mortgage rates aren’t returning anytime soon. . . . If the “lock-in effect” eases up further in 2024 . . . it could help boost existing home sales from the very low levels experienced at the end of 2023.

- **Lance Lambert**, Founder, ResiClub





Homeowners who are selling aren't influenced by rates, with 90.5% of successful November sellers stating they were going to sell regardless of what rates were.

- **Erica Plemmons**, Housing Analyst, Bright MLS

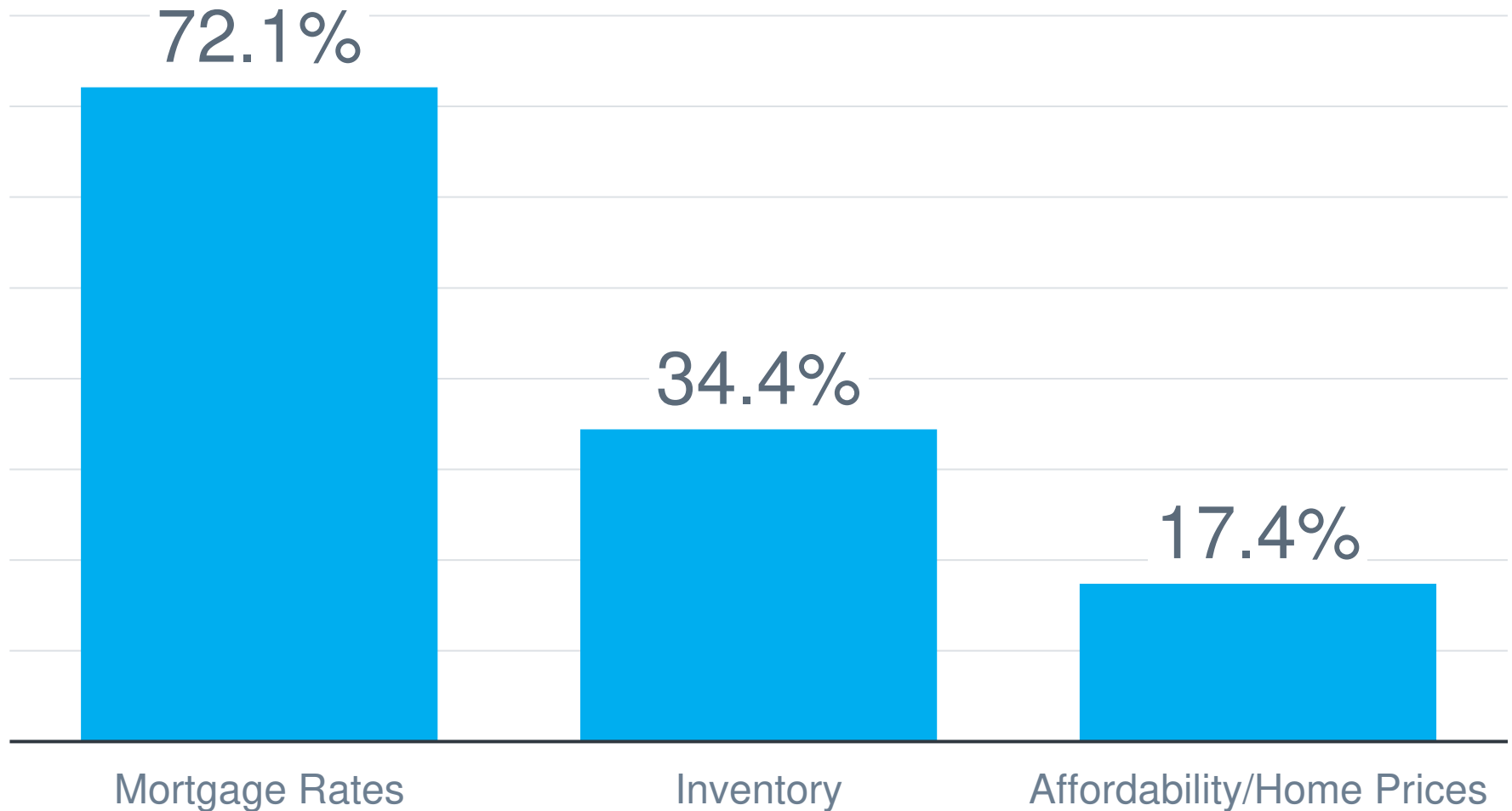


Roughly half (50.6%) of November buyers were going to buy regardless of interest rates and another quarter (23.9%) purchased with cash. Cash will continue to be king even as rates ease next year. And no matter the direction of rates, households buying out of necessity will continue to find a way to purchase.

- **Erica Plemmons**, Housing Analyst, Bright MLS

# Top 3 Reasons Buyers Paused Decision

Reasons Given for Pausing Their Purchase (Multiple Could Be Chosen)



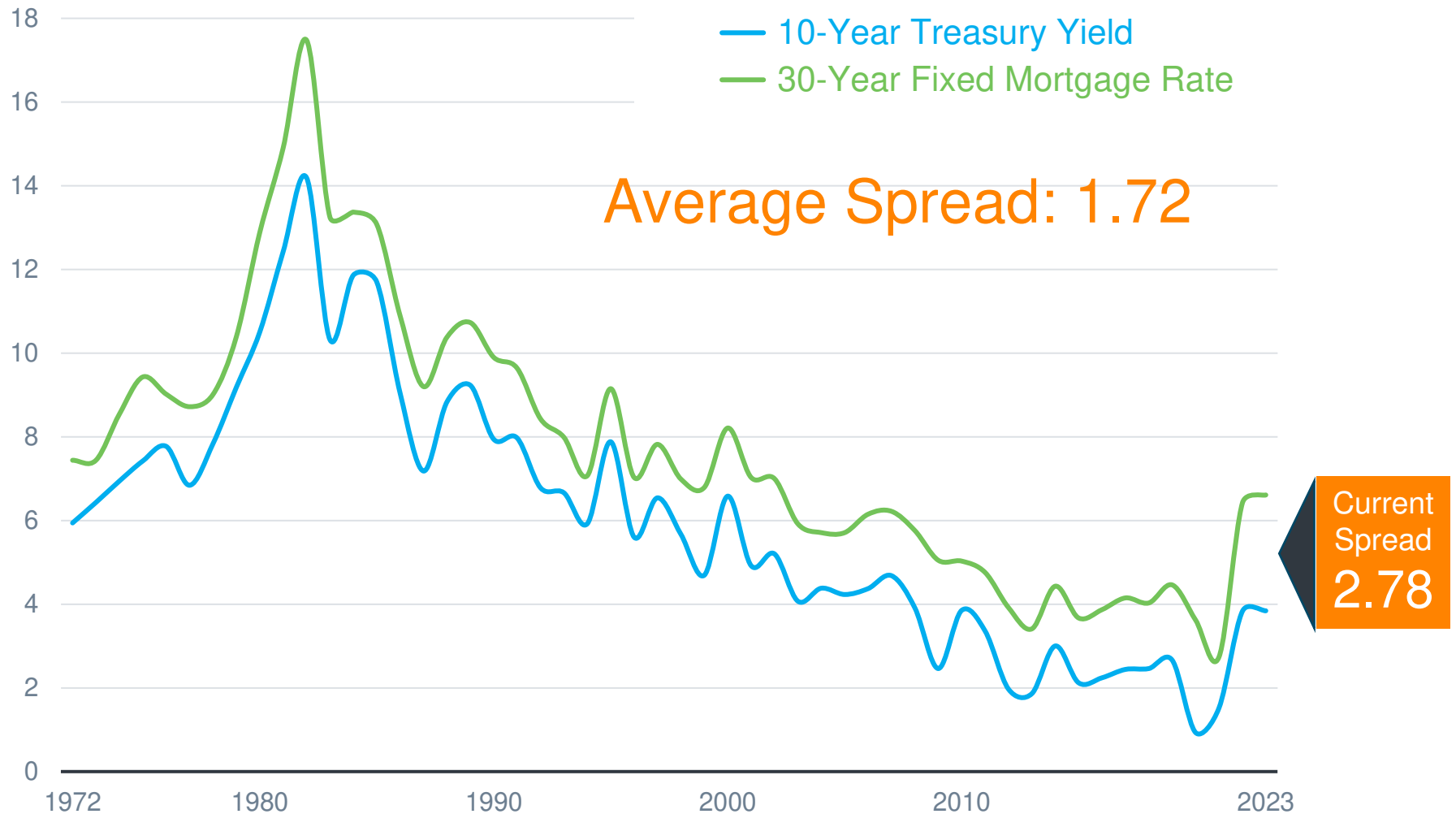
Source: Bright MLS



We now forecast three consecutive 25bp cuts in March, May, and June to reset the policy rate from a level that Powell has recently taken to describing as “well into restrictive territory” rather than just “restrictive”.

- **Goldman Sachs**, December FOMC Recap

# For over 50 Years, the 30-Year Mortgage Rate Has Moved in Unison with the 10-year Treasury Yield





# New Construction



The market currently requires a higher level of new construction inventory due to a persistent lack of resale inventory. Newly built homes available for sale accounted for 31% of total homes available for sale in November, compared to an approximate 12% historical average.

**- National Association of Home Builders**

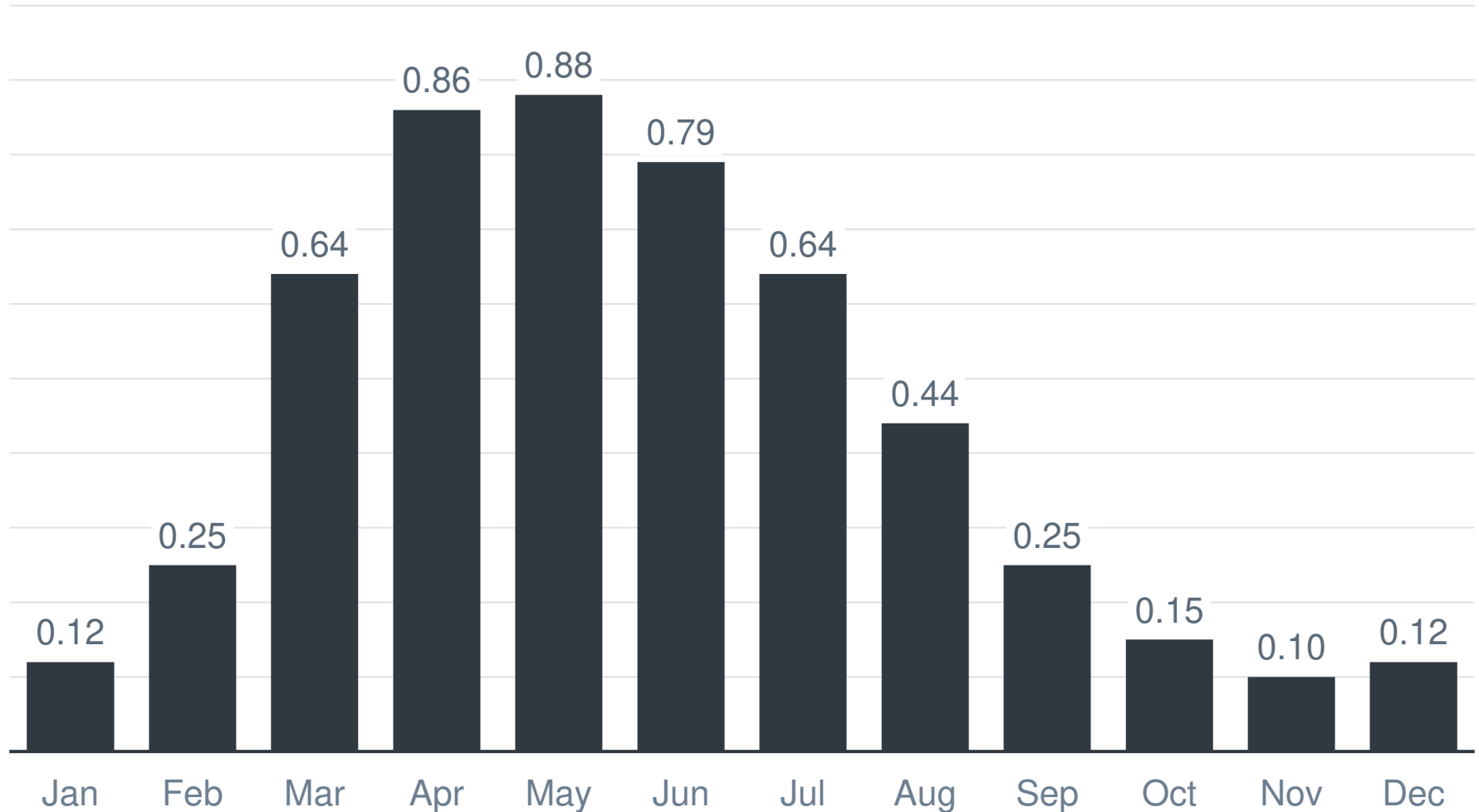




# Home Prices

# 49-Year Average Monthly Price Movement

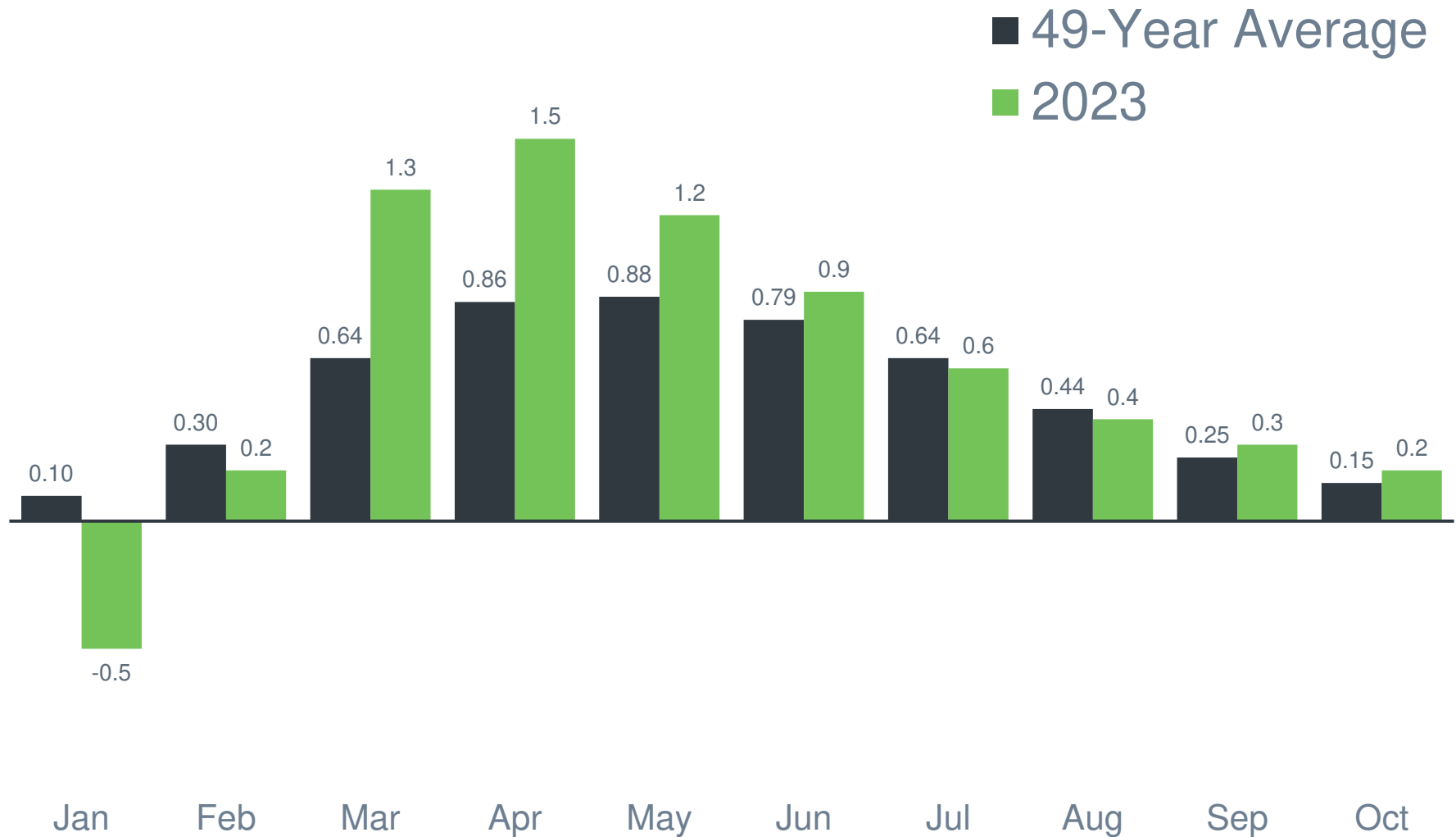
Month-Over-Month, 1973–2022 (Not Seasonally Adjusted)



Source: Case-Shiller

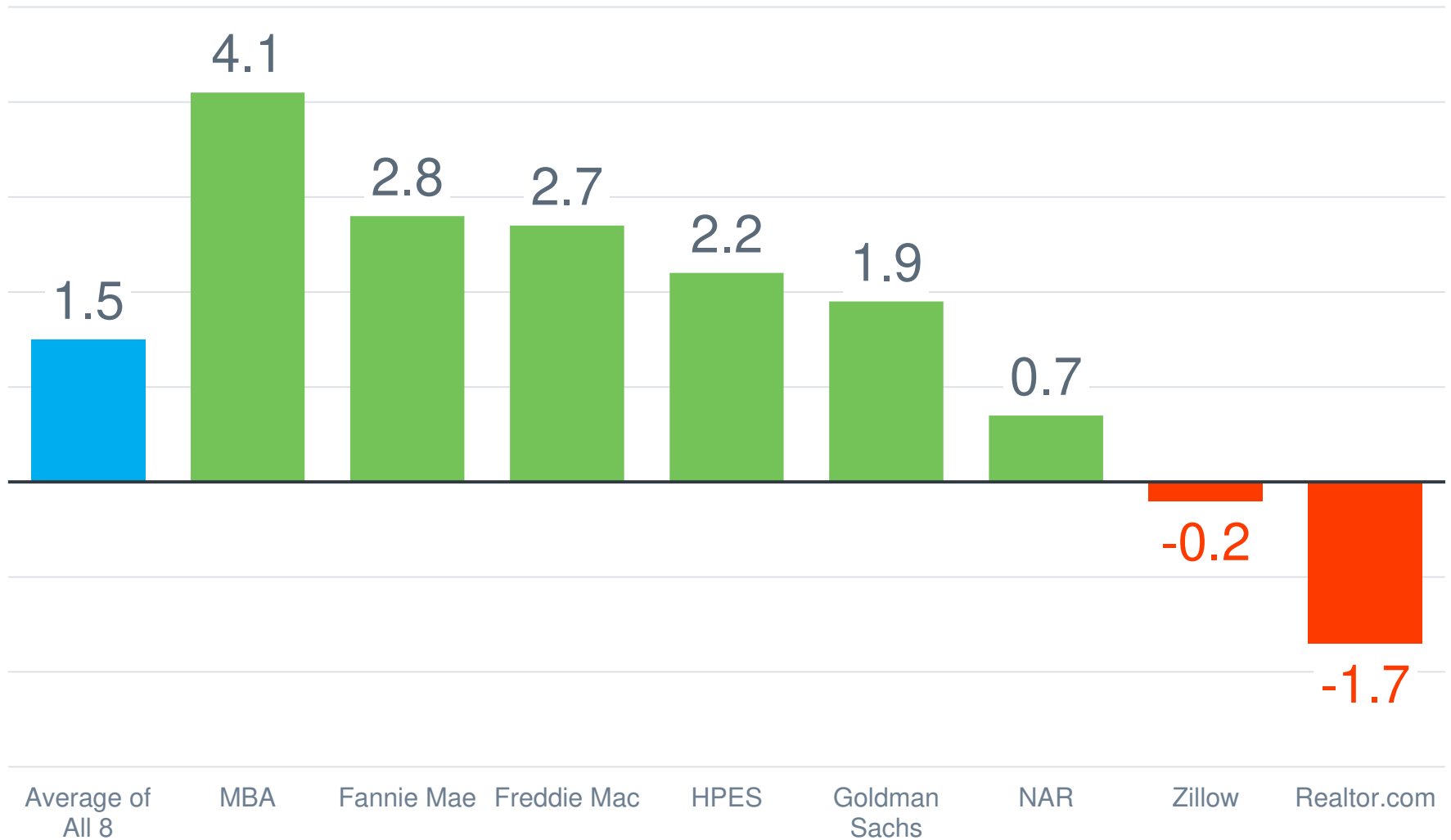
# 49-Year Average vs. 2023 Price Movement

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



# 2024 Home Price Forecasts

Percent Appreciation/Depreciation as of 11/30/2023

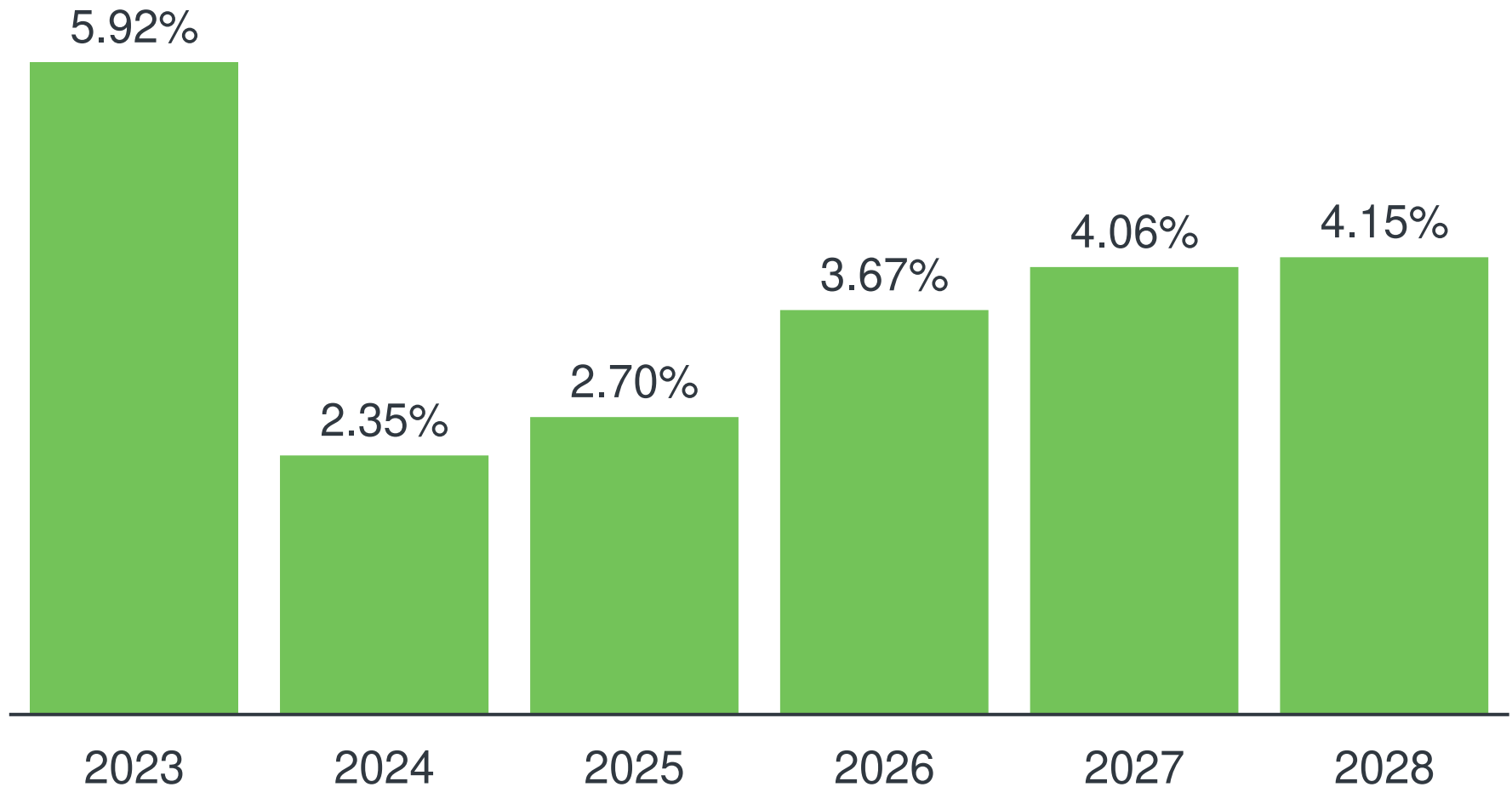


## Home Price Expectation Survey

*Fannie Mae's Home Price Expectations Survey (HPES)*, produced in partnership with *Pulsenomics*, LLC, polls over 100 housing experts across the industry and academia for forecasts of national home price percentage changes in each of the coming five calendar years.

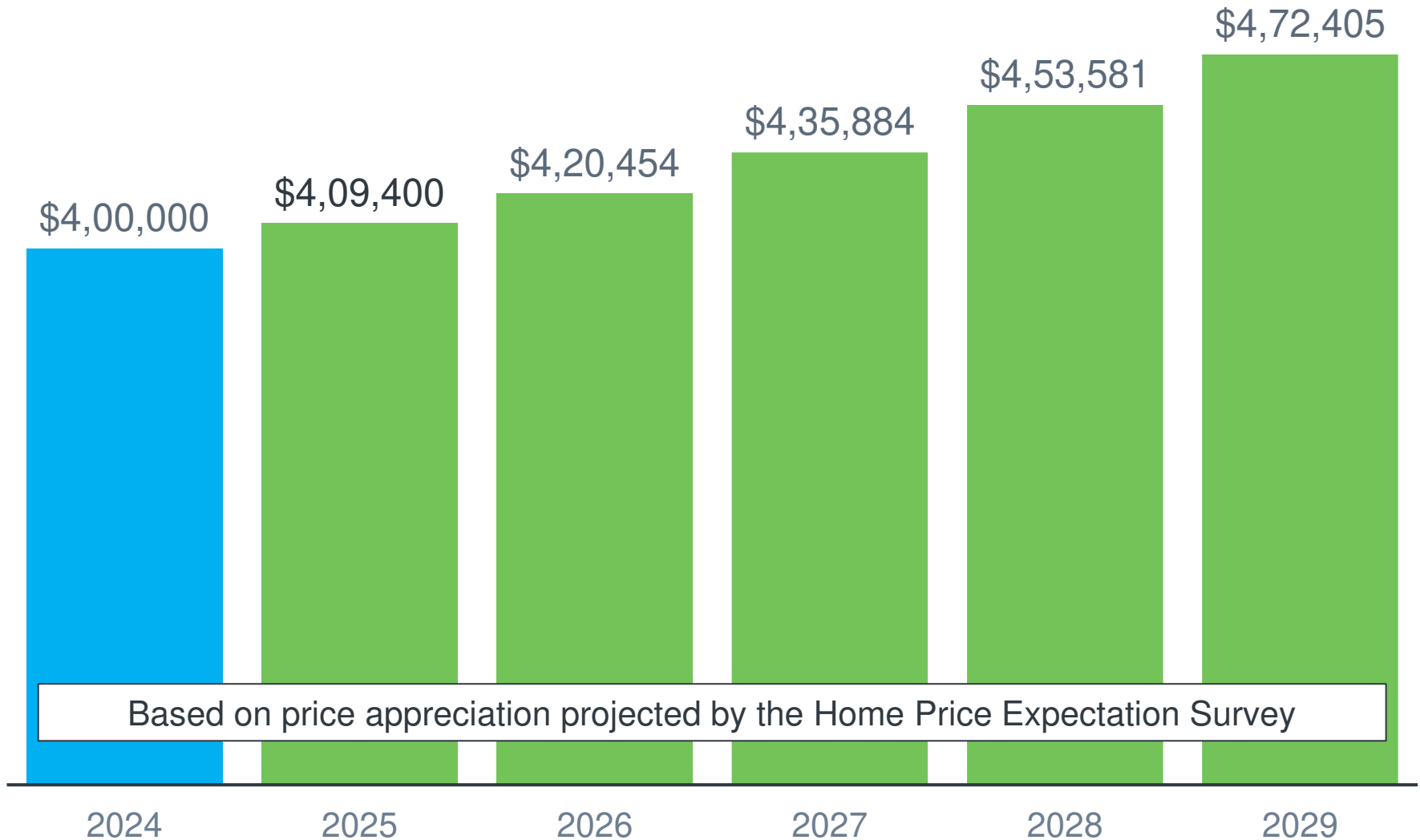
# Estimated Home Price Performance

December to December, as Forecast in Q4 2023



# \$72,405

Potential growth in household wealth over the next 5 years based solely on increased home equity if you purchase a \$400K home in January 2024





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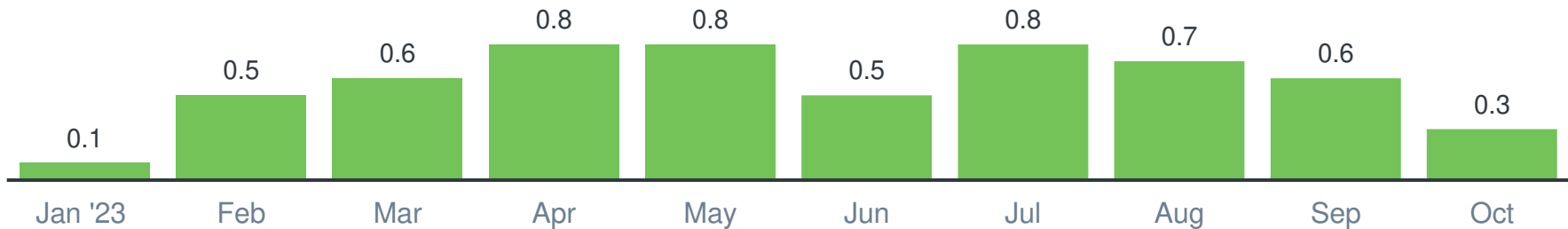
# Percent Change in Home Values

Month-Over-Month

## Case-Shiller

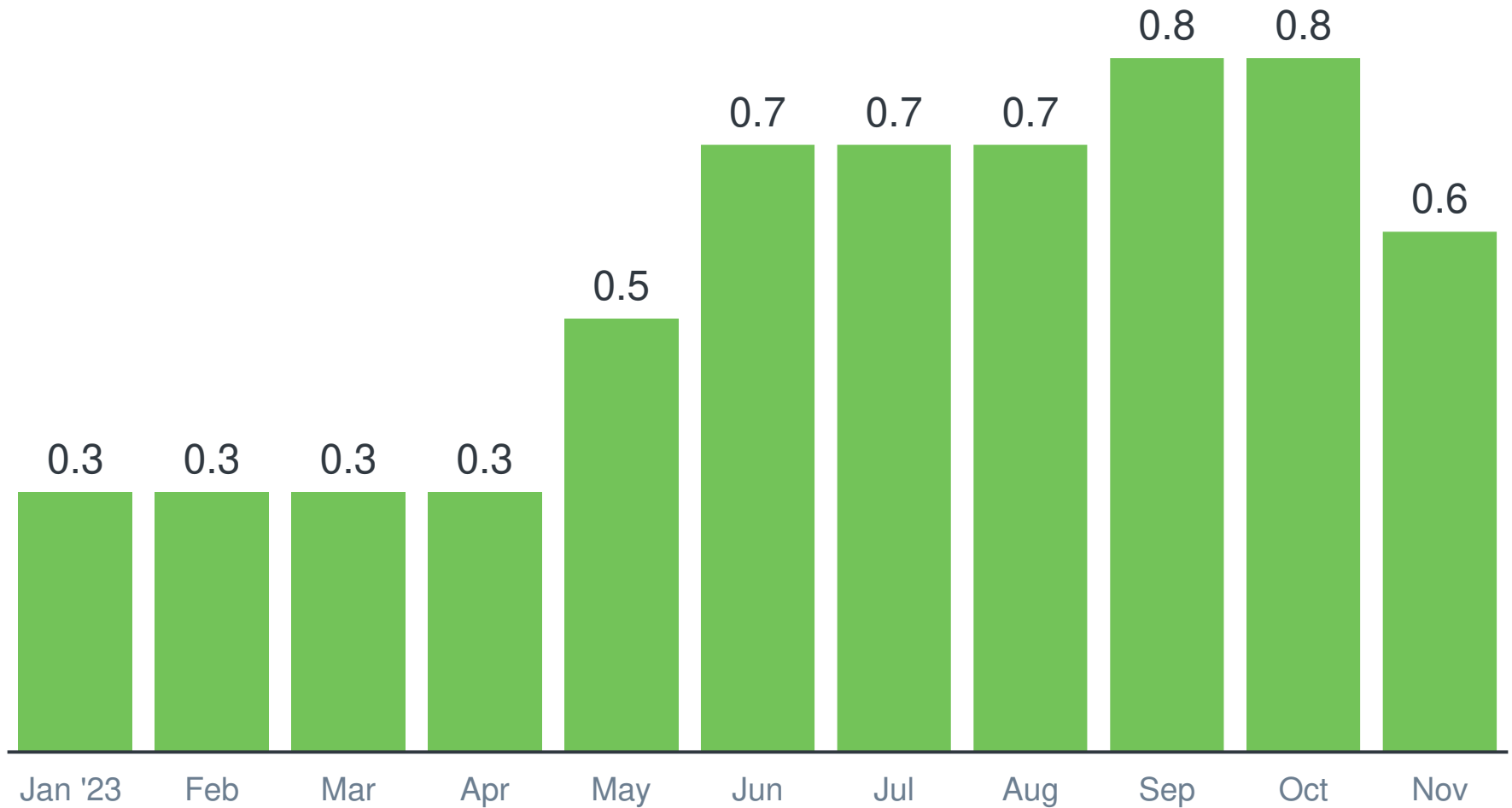


## FHFA



# Freddie Mac: Prices

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



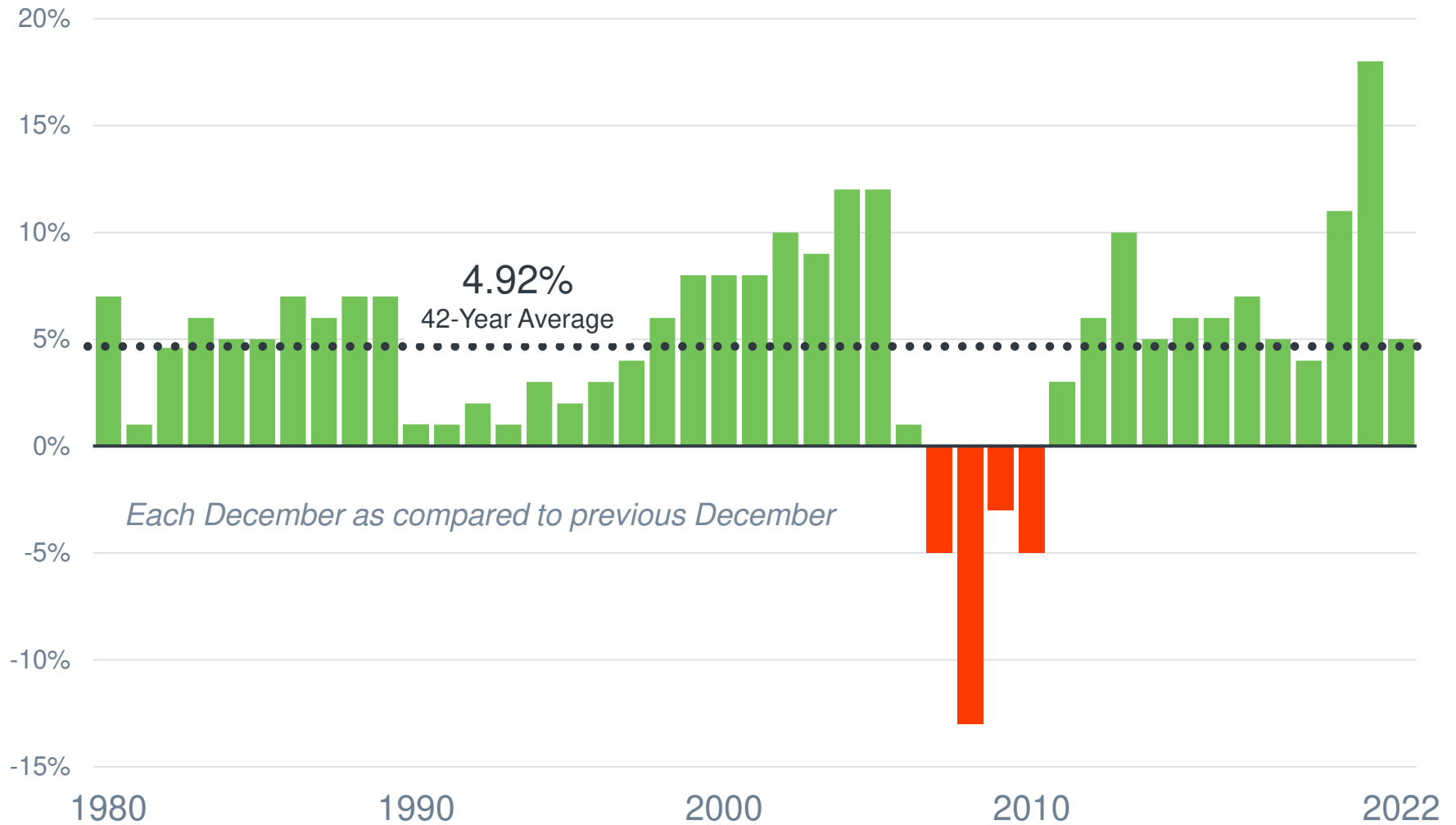


Home price gains in the CoreLogic S&P Case-Shiller Index have increased by [about] 7% since the beginning of the year and are 1% higher than at the peak in 2022, recovering all losses recorded in the second half of 2022.

- **Selma Hepp**, Chief Economist, CoreLogic

# Percent of Annual Home Appreciation

1980–2022, Seasonally Adjusted, Rounded To Nearest Full Number





With mortgage rates dropping, demand for homes in early 2024 is likely to be strong and will again put pressure on prices, similar to trends observed in early 2023 . . . . Most markets will continue to reach new home price highs over the course of 2024.

- **Selma Hepp**, Chief Economist, CoreLogic

# 90-Day Work Plan

- Stay Focused Realizing this is an Election Year
- Become the Expert on **Everything** Real Estate
- Broadcast the Mortgage Rate
- Expireds! FSBOs! Expireds!
- Offer the P.E.A.R. to Everyone
- Prospect! Prospect! Prospect!



# Resources

Slide(s)	Description	Link(s)
9	Mortgage Rate Trend Graph	<a href="https://freddiemac.gcs-web.com/node/28181/pdf">https://freddiemac.gcs-web.com/node/28181/pdf</a>
10	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>
11	Lawrence Yun Quote	<a href="https://www.usatoday.com/story/money/2024/01/01/housing-market-projection-real-estate-2024/72046015007/">https://www.usatoday.com/story/money/2024/01/01/housing-market-projection-real-estate-2024/72046015007/</a>
13, 14	Mortgage Rate Spread Graph	<a href="https://www.fhfa.gov/DataTools/Downloads/Pages/National-Mortgage-Database-Aggregate-Data.aspx">https://www.fhfa.gov/DataTools/Downloads/Pages/National-Mortgage-Database-Aggregate-Data.aspx</a>
15	Lance Lambert Quote	<a href="https://www.resiclubanalytics.com/p/lockin-effect-told-2-maps?utm_source=www.resiclubanalytics.com&amp;utm_medium=newsletter&amp;utm_campaign=the-lock-in-effect-as-told-by-2-maps&amp;jwt_token=eyJ0eXAiOiJKV1QiLCJhbGciOiJIUzI1NiJ9.eyJzdWJzY3JpYmVYX2lkIjoiaZTFhYmVkNWYtMjMwOC00ZDIhLWEzY2YtMmNiNmJkNzg0YTc0IiwiaXhwaWJjoxNzA0MjI1Njg4LjIjPC3MiOiJodHRwczovL2FwcC5iZWVoaWI2LmNvbSIsImhhdCI6MTcwNDA1Njg4OH0.kgtTWNpT6CQaG3sypDr0uRJAnyMH9ozLhjxYVWTThI">https://www.resiclubanalytics.com/p/lockin-effect-told-2-maps?utm_source=www.resiclubanalytics.com&amp;utm_medium=newsletter&amp;utm_campaign=the-lock-in-effect-as-told-by-2-maps&amp;jwt_token=eyJ0eXAiOiJKV1QiLCJhbGciOiJIUzI1NiJ9.eyJzdWJzY3JpYmVYX2lkIjoiaZTFhYmVkNWYtMjMwOC00ZDIhLWEzY2YtMmNiNmJkNzg0YTc0IiwiaXhwaWJjoxNzA0MjI1Njg4LjIjPC3MiOiJodHRwczovL2FwcC5iZWVoaWI2LmNvbSIsImhhdCI6MTcwNDA1Njg4OH0.kgtTWNpT6CQaG3sypDr0uRJAnyMH9ozLhjxYVWTThI</a>

# Resources

Slide(s)	Description	Link(s)
16, 17, 18	Erica Plemmons Quotes and Graph	<a href="https://brightmls.com/article/market-survey-winds-of-change-expected-for-2024">https://brightmls.com/article/market-survey-winds-of-change-expected-for-2024</a>
19	Goldman Sachs Quote	<a href="https://www.gspublishing.com/content/research/en/reports/2023/12/14/05d5d1d1-8b22-41af-917e-cd5862923c9e.html?chl=em&amp;plt=briefings&amp;cid=1215&amp;plc=body">https://www.gspublishing.com/content/research/en/reports/2023/12/14/05d5d1d1-8b22-41af-917e-cd5862923c9e.html?chl=em&amp;plt=briefings&amp;cid=1215&amp;plc=body</a>
20	50 Year Mortgage Rate Graph	<a href="https://www.freddiemac.com/pmms/pmms_archives">https://www.freddiemac.com/pmms/pmms_archives</a> <a href="https://www.macrotrends.net/2016/10-year-treasury-bond-rate-yield-chart">https://www.macrotrends.net/2016/10-year-treasury-bond-rate-yield-chart</a>
22	NAHB Quote	<a href="https://www.nahb.org/news-and-economics/press-releases/2023/12/new-home-sales-down-in-november-but-should-improve-moving-forward">https://www.nahb.org/news-and-economics/press-releases/2023/12/new-home-sales-down-in-november-but-should-improve-moving-forward</a>
24, 25	49-Year Average 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>

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Slide(s)	Description	Link(s)
26	Home Price Forecasts Graph	<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://twitter.com/NewsLambert/status/1730642488346472787">https://twitter.com/NewsLambert/status/1730642488346472787</a> <a href="https://www.mba.org/docs/default-source/research-and-forecasts/forecasts/2023/mortgage-finance-forecast-nov-2023.pdf?sfvrsn=acef26ff_1">https://www.mba.org/docs/default-source/research-and-forecasts/forecasts/2023/mortgage-finance-forecast-nov-2023.pdf?sfvrsn=acef26ff_1</a> <a href="https://pulsenomics.com/surveys/">https://pulsenomics.com/surveys/</a> <a href="https://www.fanniemae.com/media/49661/display">https://www.fanniemae.com/media/49661/display</a> <a href="https://www.freddiemac.com/research/forecast/20231220-us-economy-expanded-in-2023">https://www.freddiemac.com/research/forecast/20231220-us-economy-expanded-in-2023</a>
27	HPES Slide	<a href="https://www.fanniemae.com/research-and-insights/surveys-indices/home-price-expectations-survey-hpes">https://www.fanniemae.com/research-and-insights/surveys-indices/home-price-expectations-survey-hpes</a>
28, 29	Home Price Graphs	<a href="https://pulsenomics.com/surveys/#home-price-expectations">https://pulsenomics.com/surveys/#home-price-expectations</a>

# Resources

Slide(s)	Description	Link(s)
31	Home Values Percent Change 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>
32	Freddie Mac Prices Graph	<a href="https://www.freddiemac.com/research/indices/house-price-index">https://www.freddiemac.com/research/indices/house-price-index</a>
33, 35	Selma Hepp Quotes	<a href="https://www.cnn.com/2023/12/26/business/us-home-prices-record-high-october/index.html">https://www.cnn.com/2023/12/26/business/us-home-prices-record-high-october/index.html</a>
34	Home Appreciation Graph	<a href="https://www.freddiemac.com/research/indices/house-price-index">https://www.freddiemac.com/research/indices/house-price-index</a>



# Updates

# Resources

Slide(s)	Description	Link(s)
45	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>
46-48, 55, 57, 59, 65-68	Existing Home Sales	<a href="https://www.nar.realtor/topics/existing-home-sales">https://www.nar.realtor/topics/existing-home-sales</a>
49-51	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>
52	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>
53-54	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>
59-61	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>
62	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)
64-70	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>
72	Showing Activity	<a href="https://www.showingtime.com/blog/">https://www.showingtime.com/blog/</a>
74, 75, 77, 78	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>
76	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>
80, 81	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>

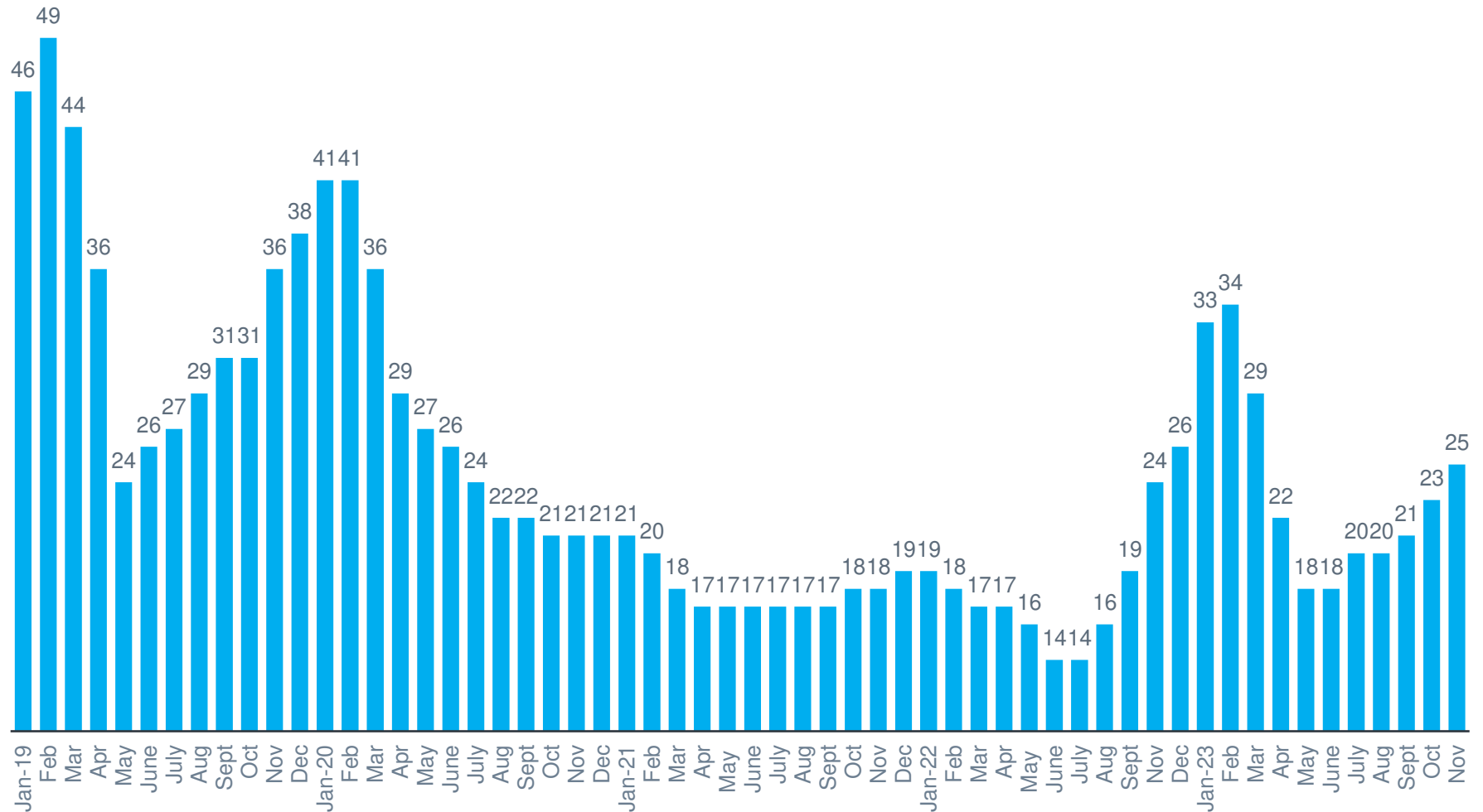


# Home Sales



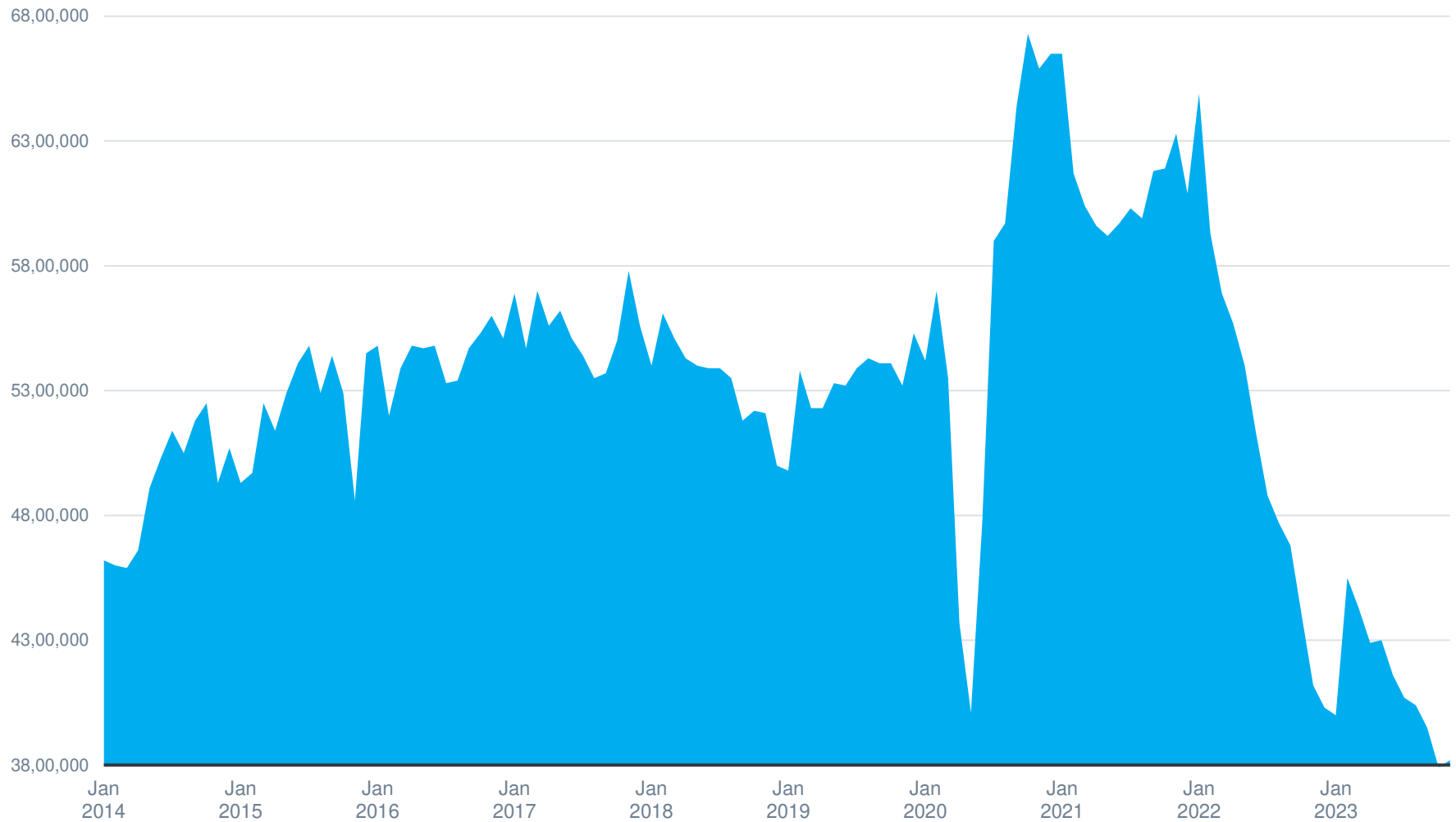
# Average Days on the Market

November 2023



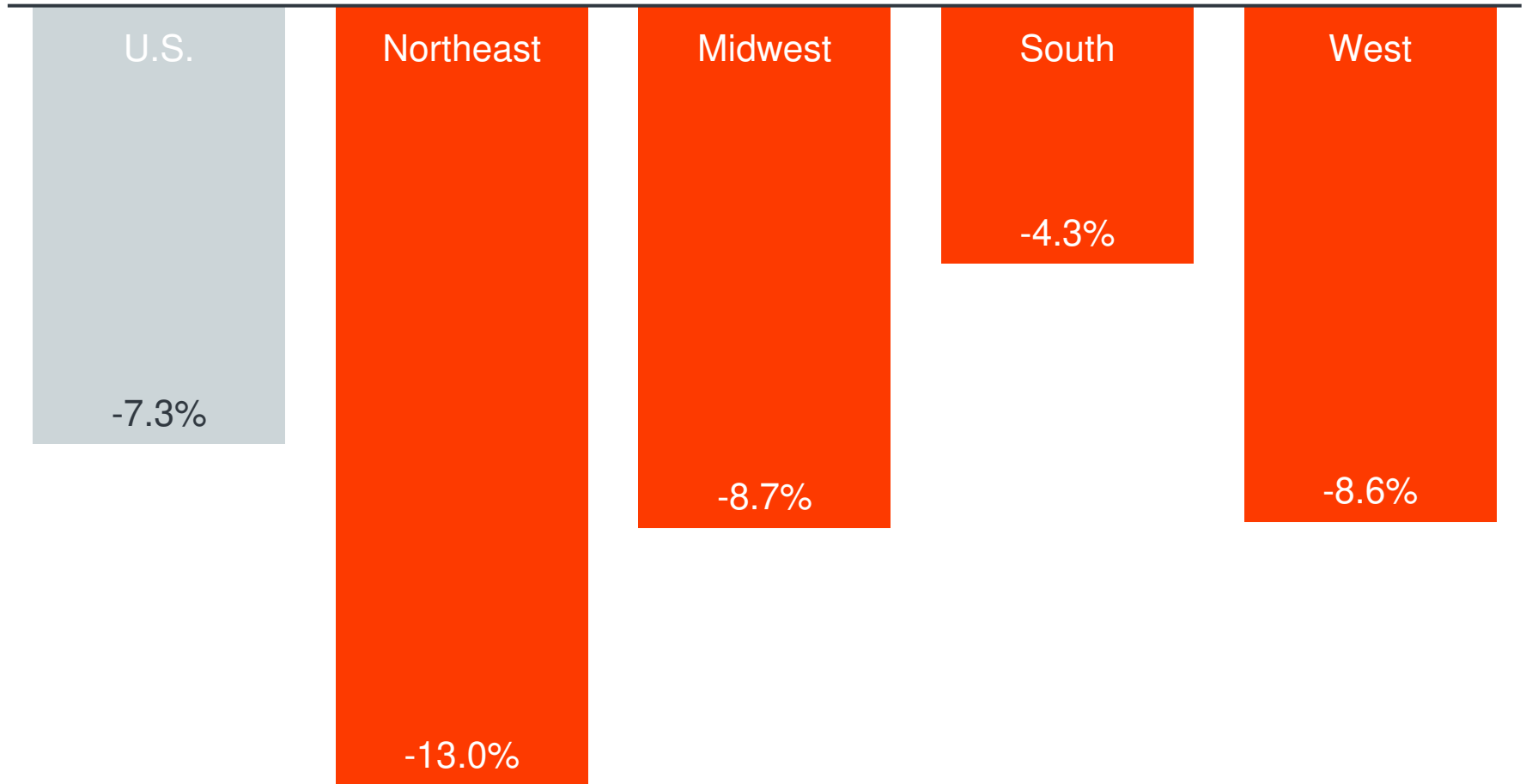
# Existing Home Sales

Since January 2014



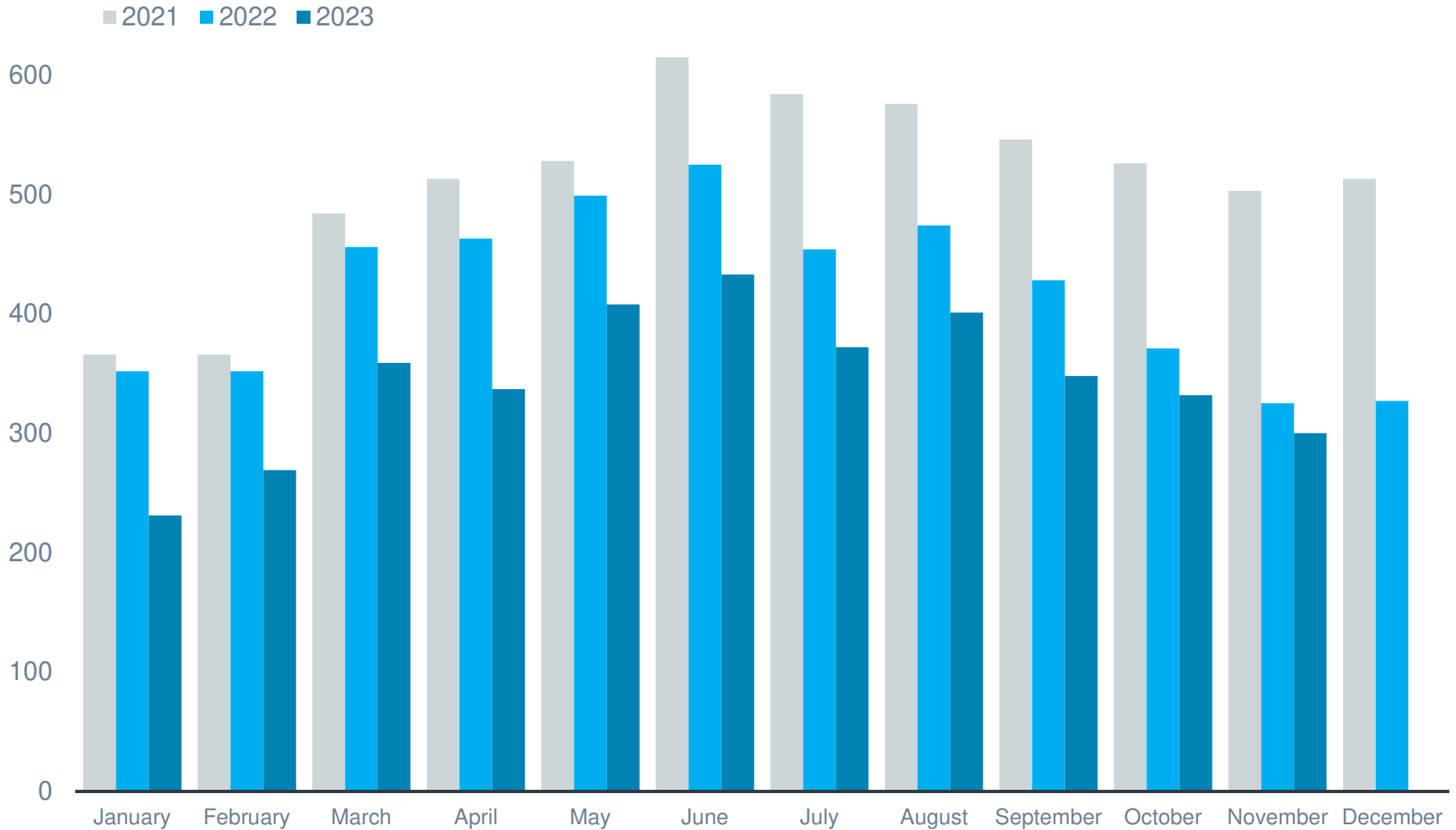
# Existing Home Sales

Year-Over-Year, by Region



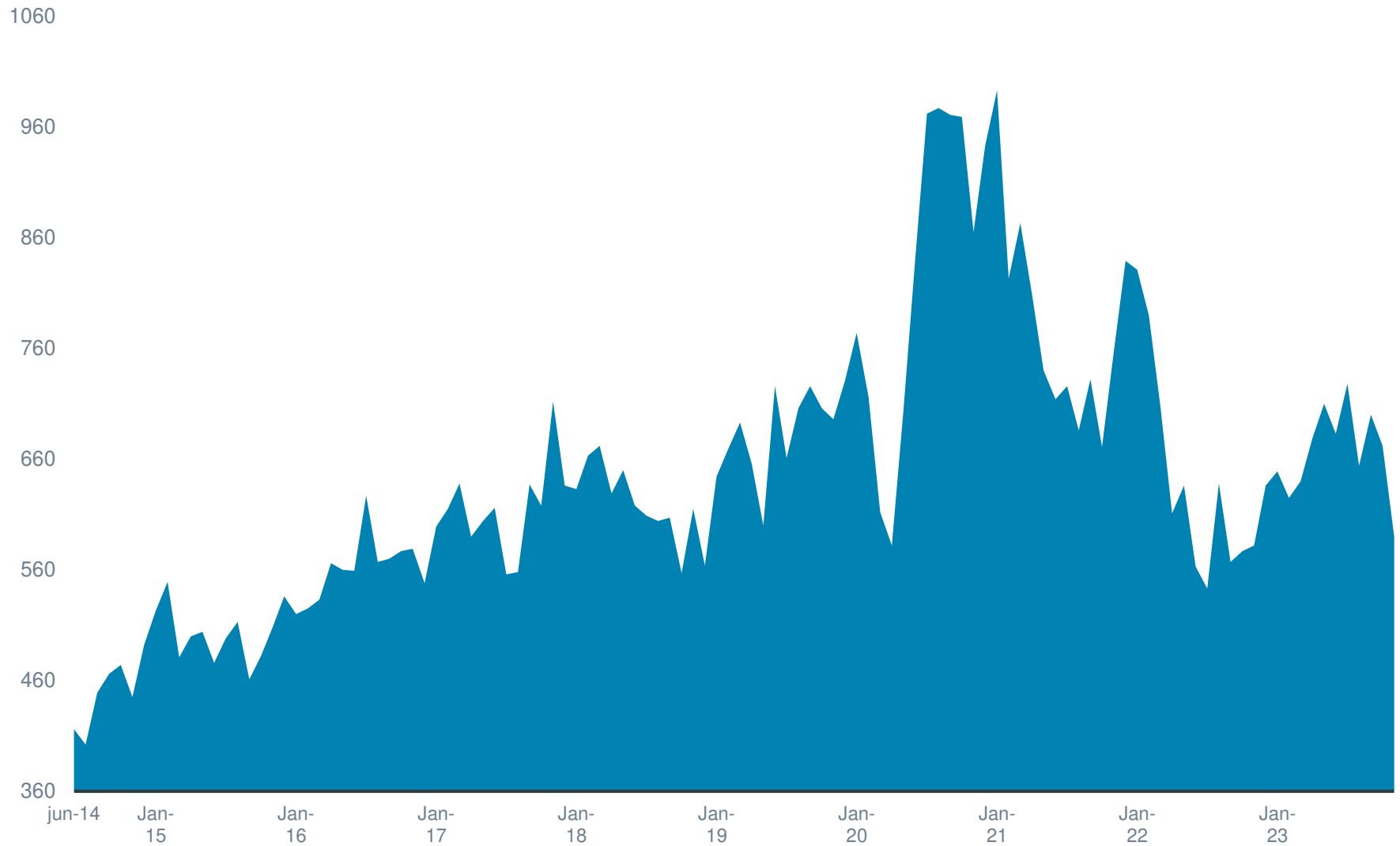
# Existing Home Sales

In Thousands



# New Home Sales

Annualized in Thousands

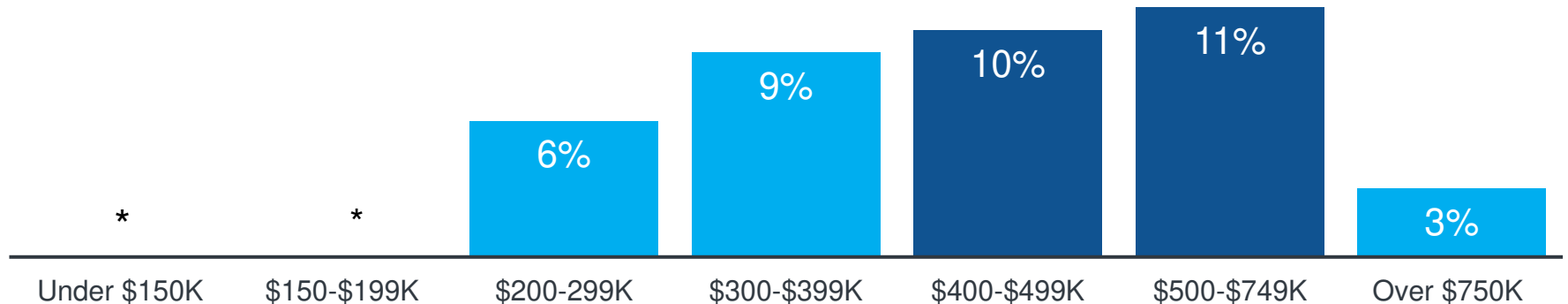


Source: Census

# New Home Sales

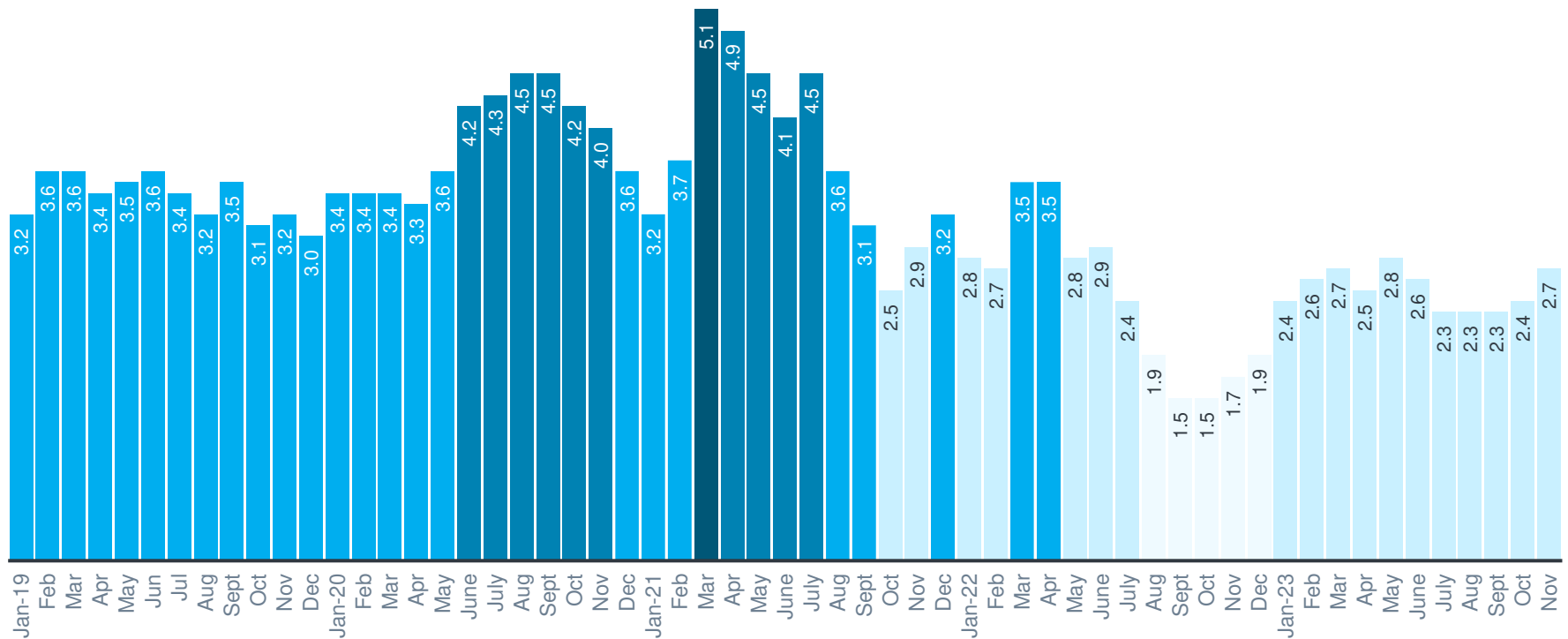
## Percent of Distribution by Price Range

\* Less Than 500 Units or Less Than 0.5 Percent



# New Homes Selling Fast

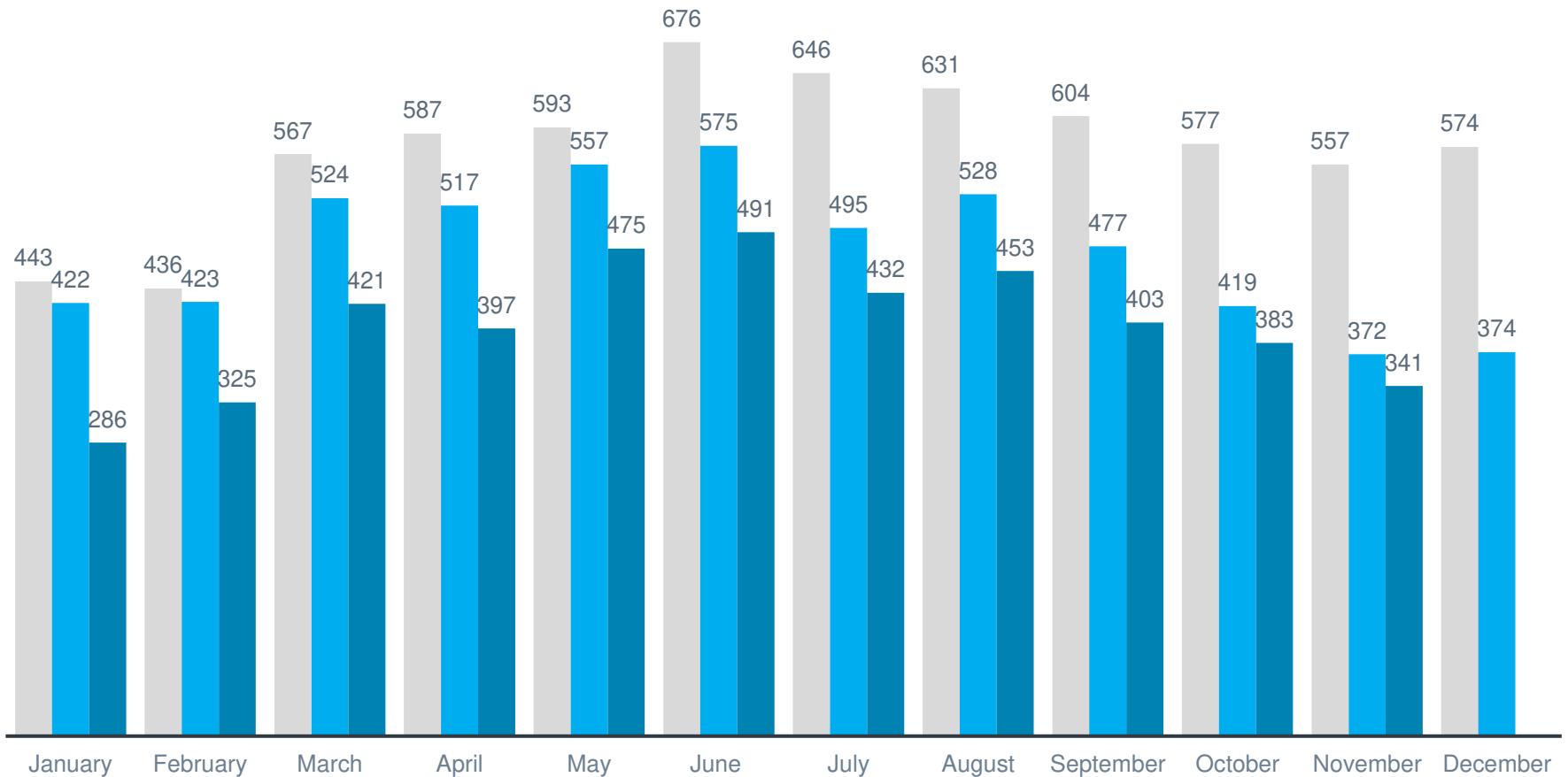
Median Months from Completion to Sold



# Total Home Sales

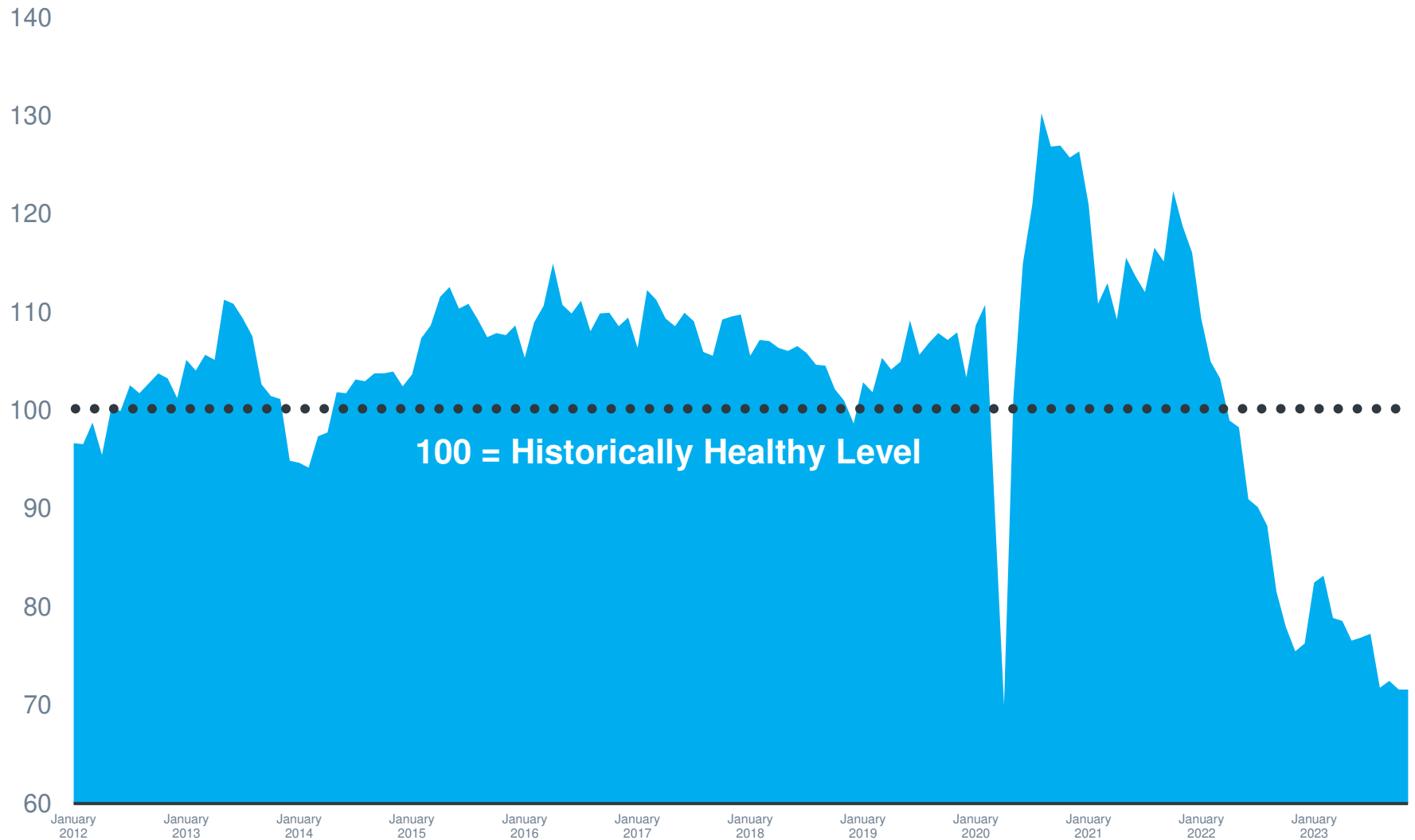
In Thousands

■ 2021 ■ 2022 ■ 2023



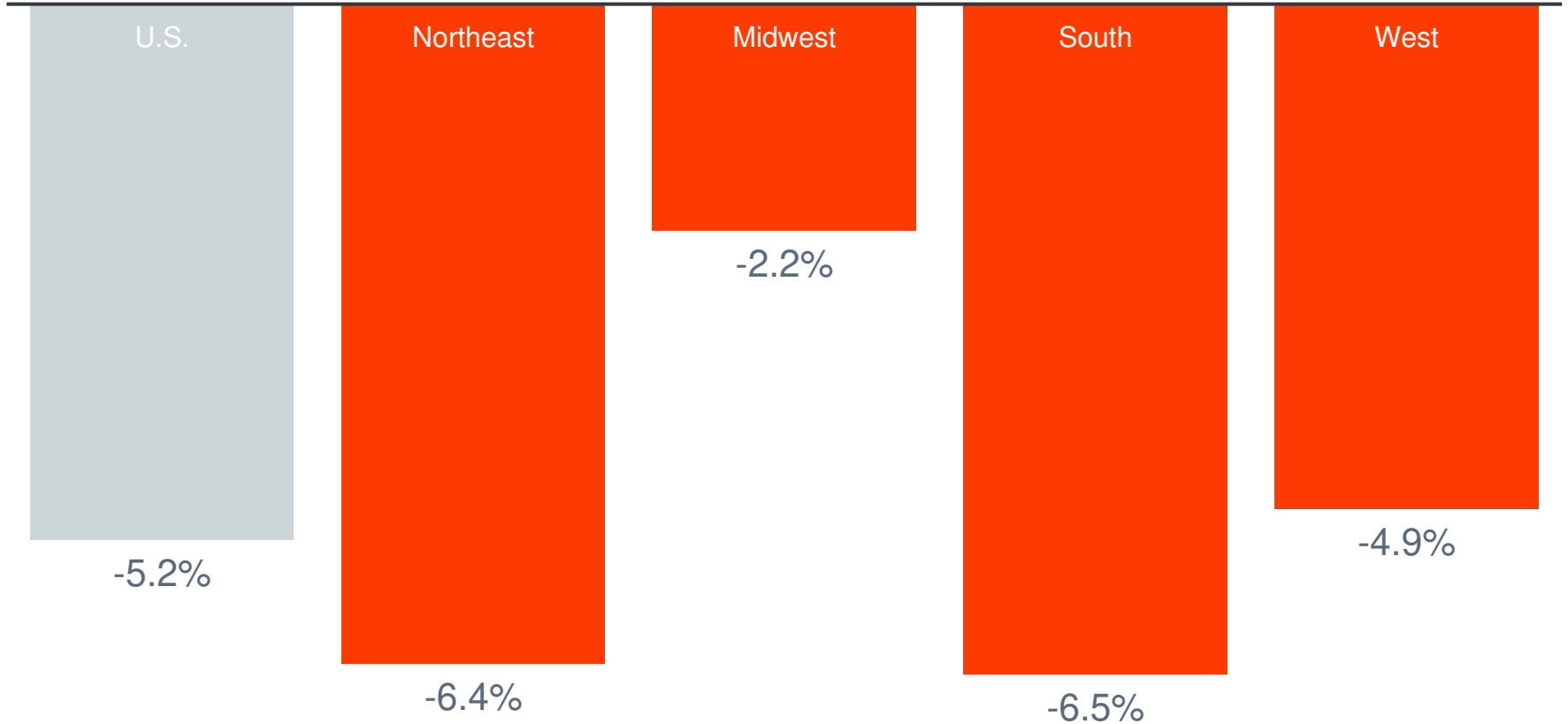


# Pending Home Sales



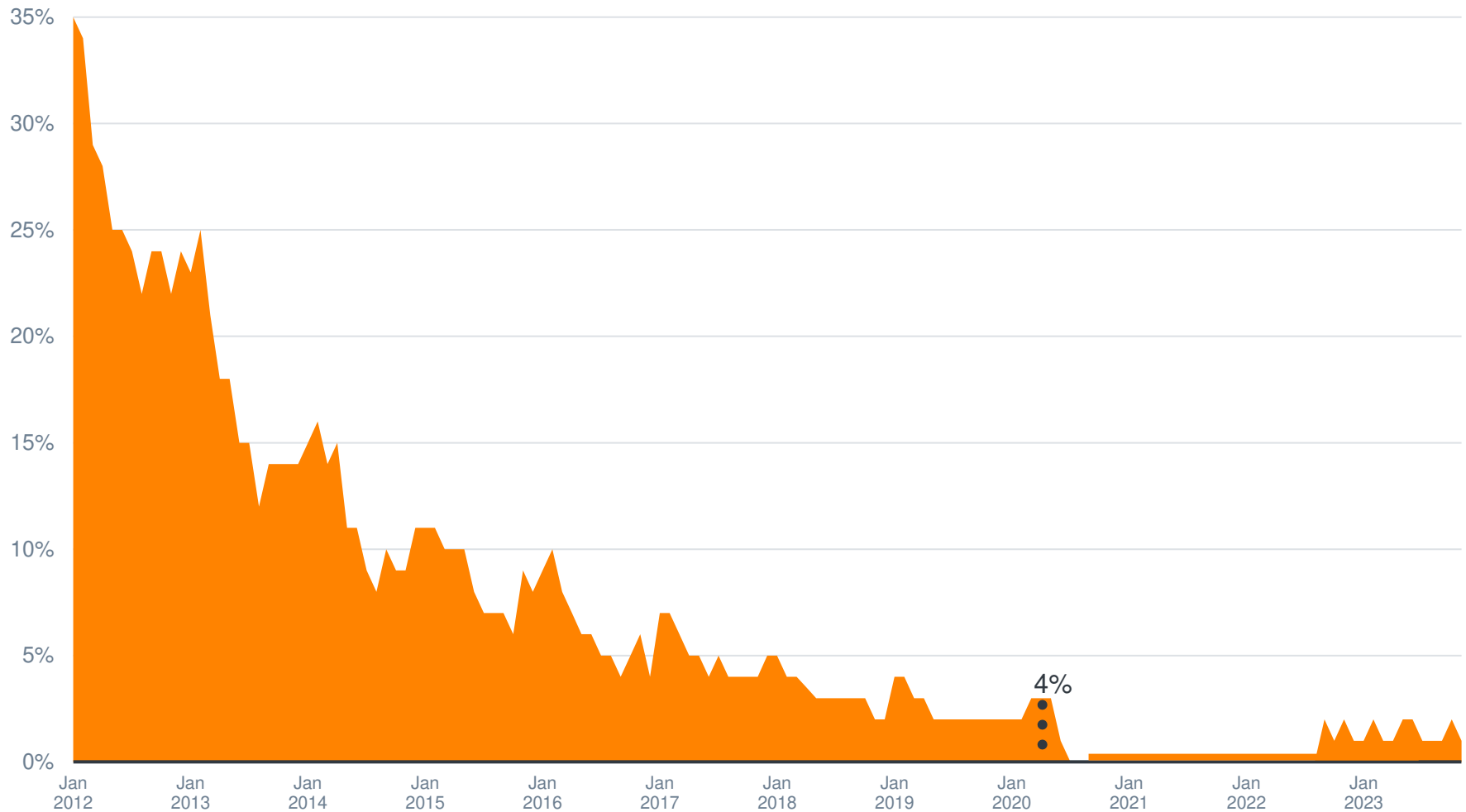
# Pending Home Sales

Year-Over-Year by Region



# Percentage of Distressed Property Sales

Distressed Sales (Foreclosures and Short Sales) Represented 1% of sales in November.

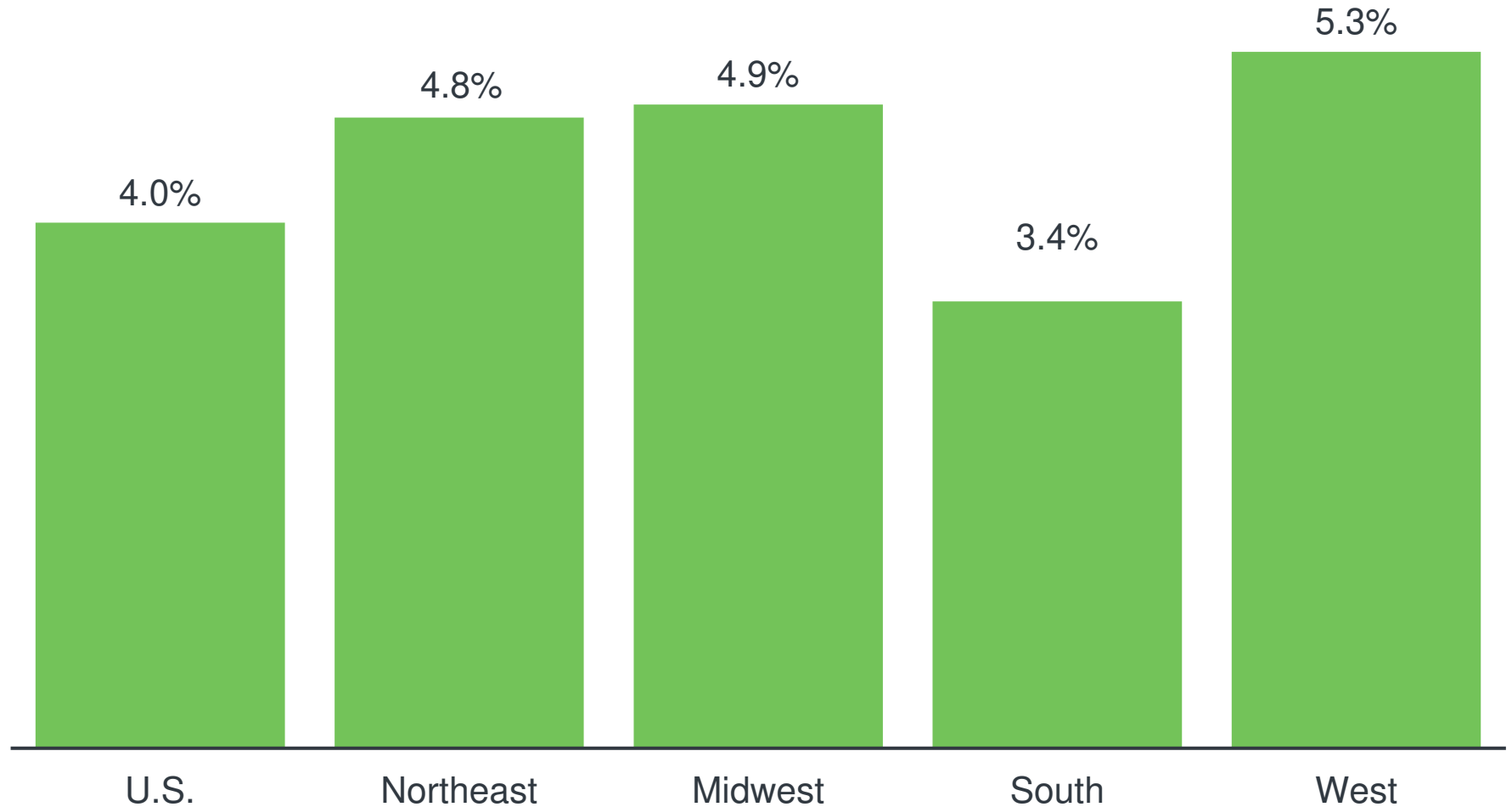




# Home Prices

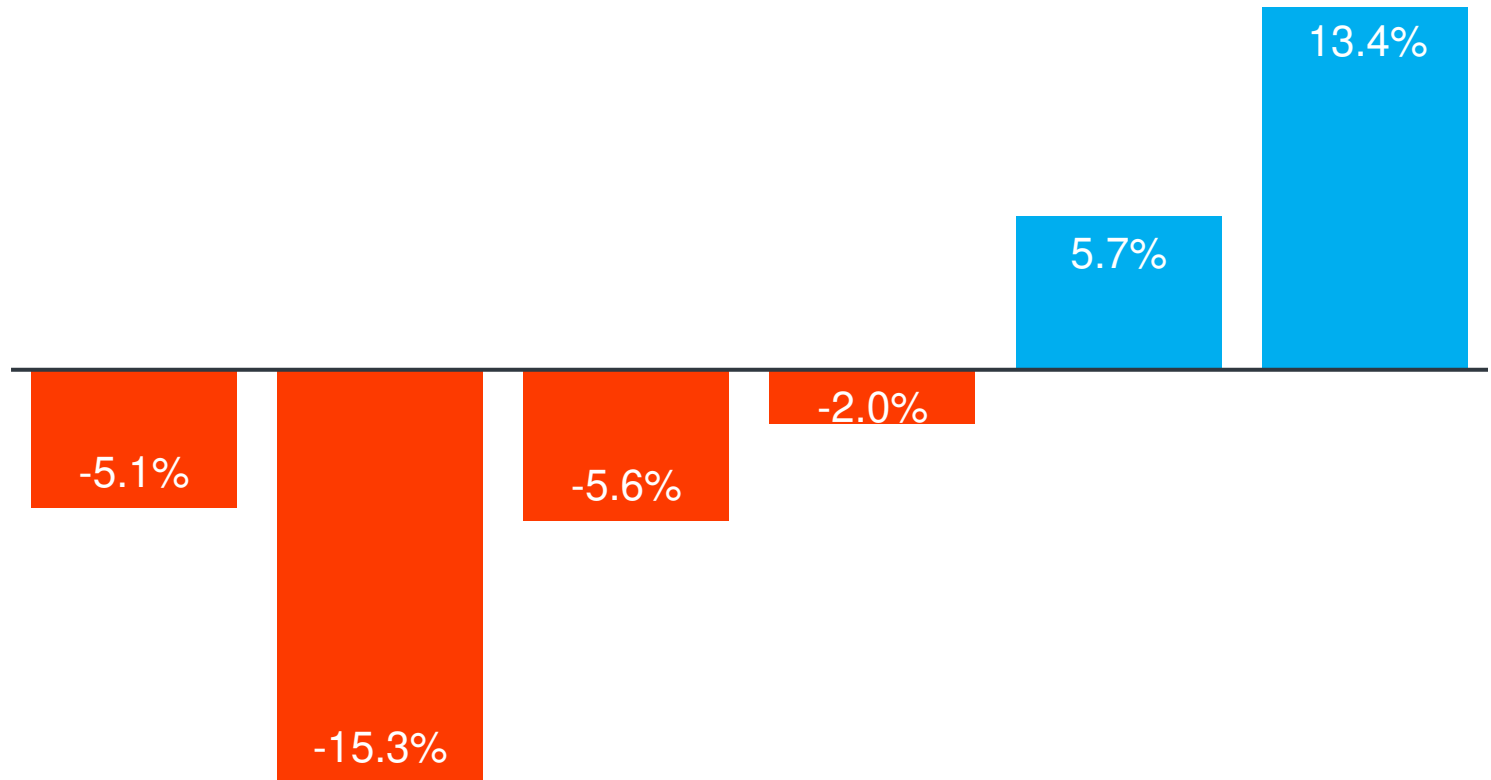
# Sales Price of Existing Homes

Year-Over-Year, by Region



# % Change in Sales

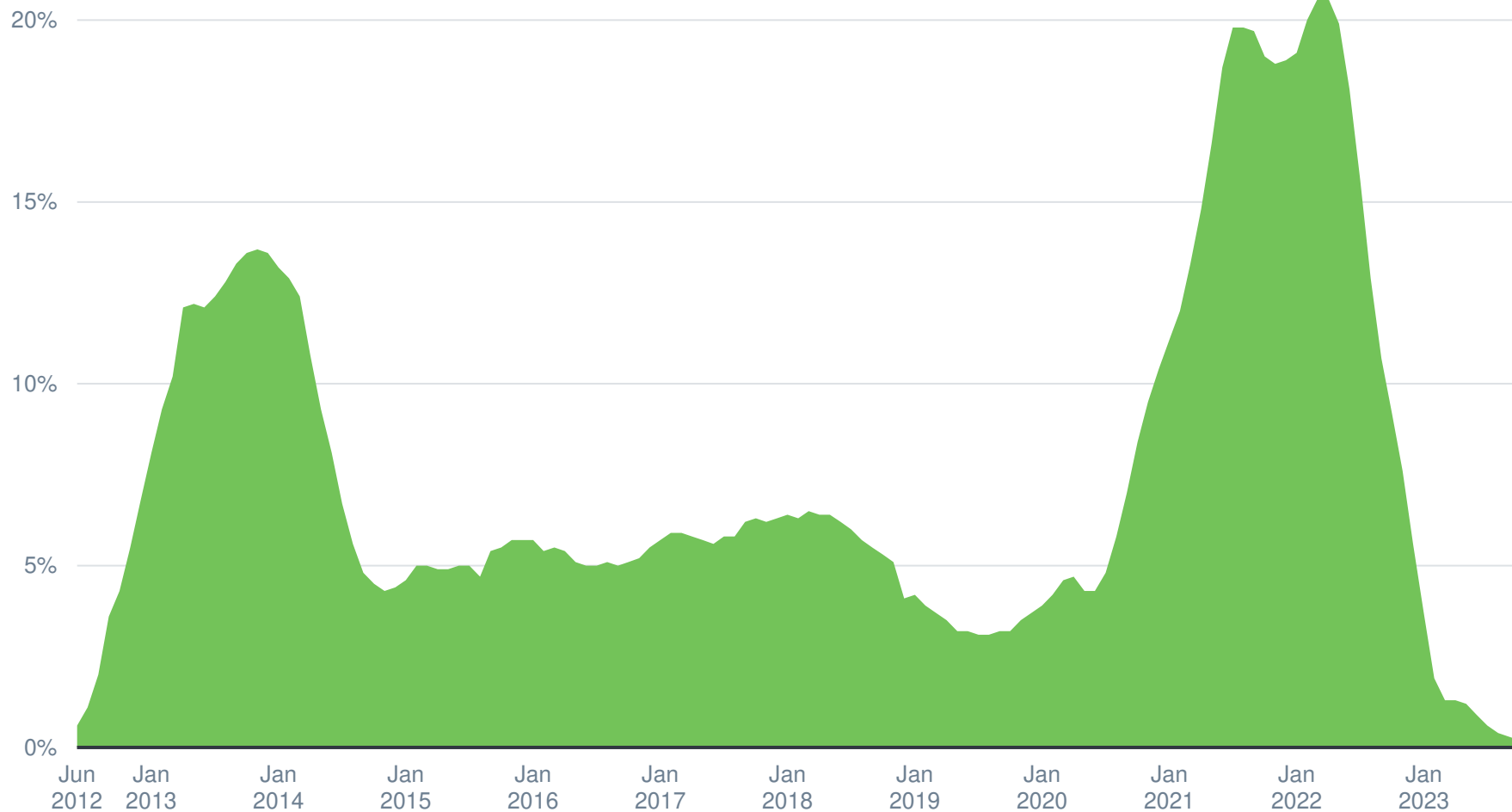
Year-Over-Year, by Price Range



	\$0-100K	\$100-250K	\$250-500K	\$500-750K	\$750K-1M	\$1M+
■ % change in sales	-5.1%	-15.3%	-5.6%	-2.0%	5.7%	13.4%

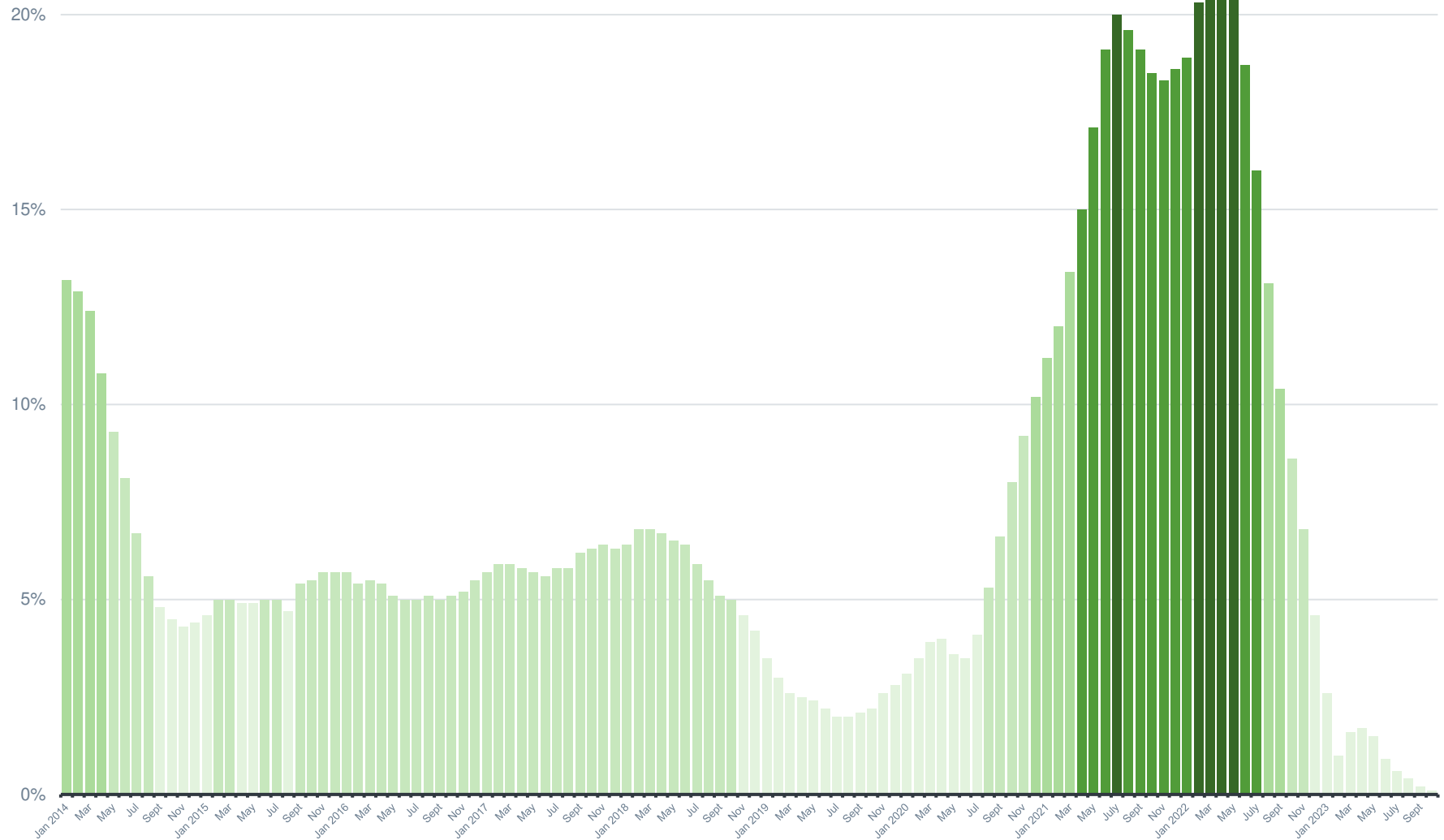
# Change in Home Prices

Year-Over-Year



# Change in Home Prices

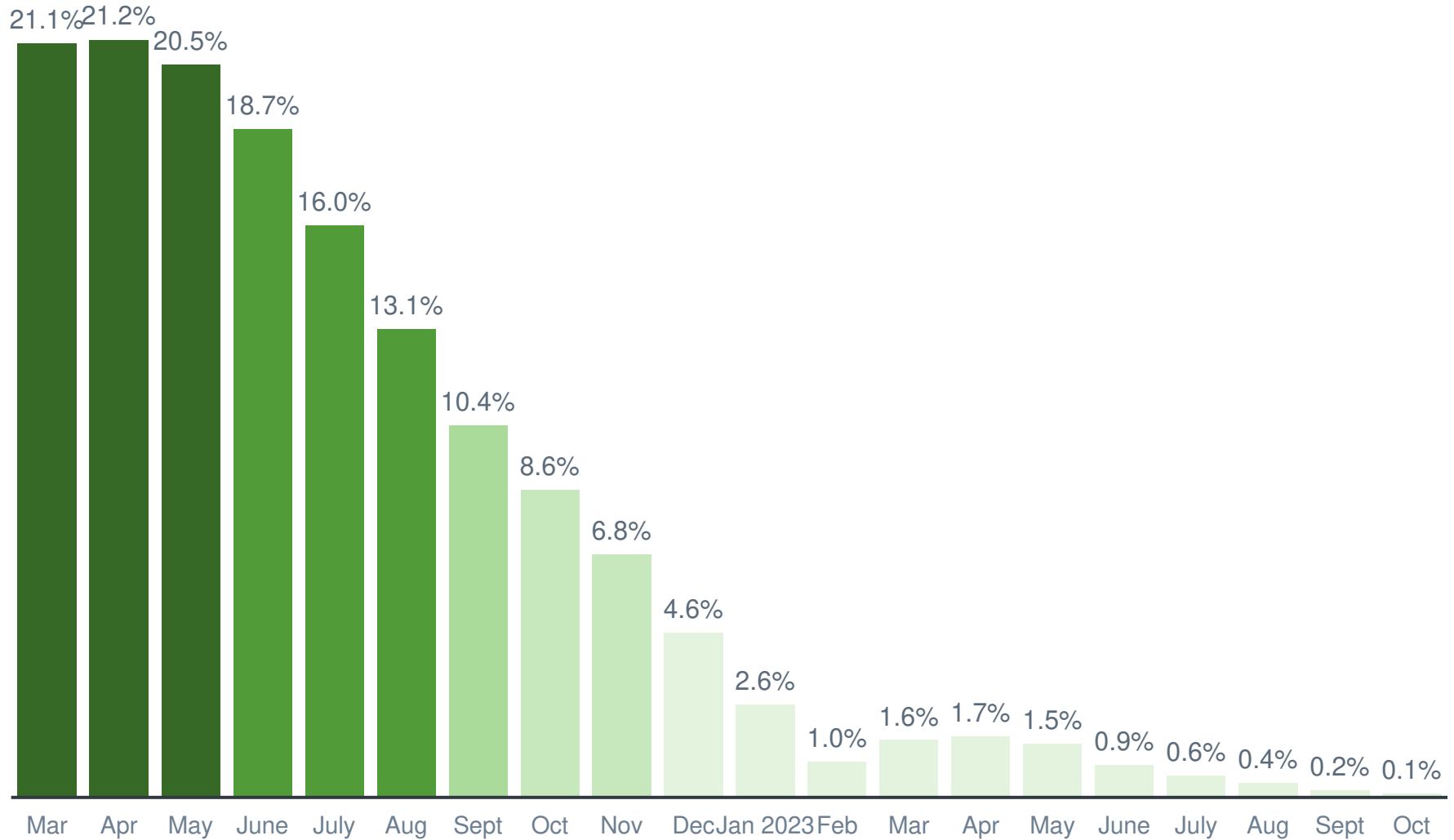
Year-Over-Year, 20 City Composite





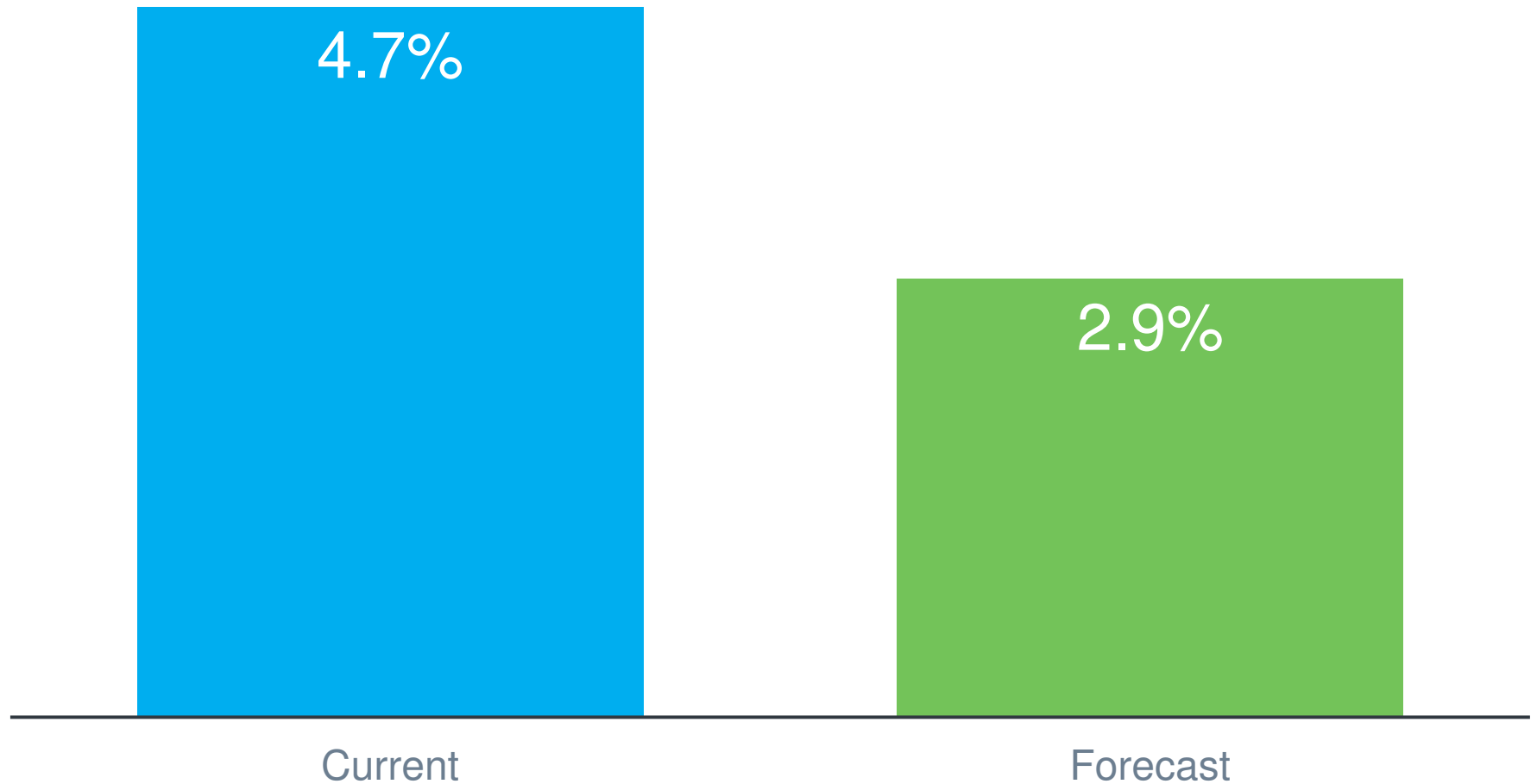
# Change in Home Prices

Year-Over-Year, 20 City Composite



# Year-Over-Year % Change in Price

US Home Price Insights – October 2023

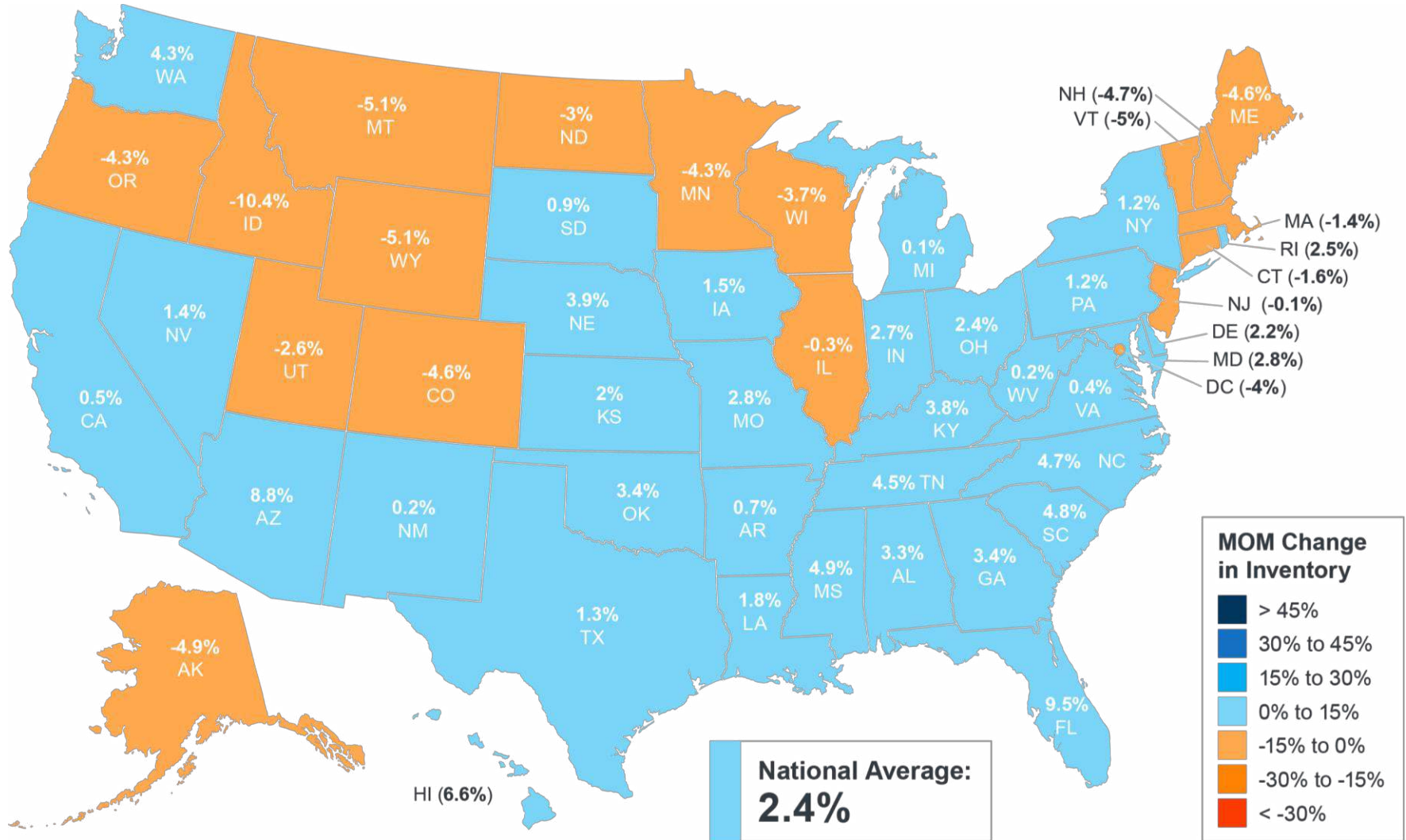




# Housing Inventory

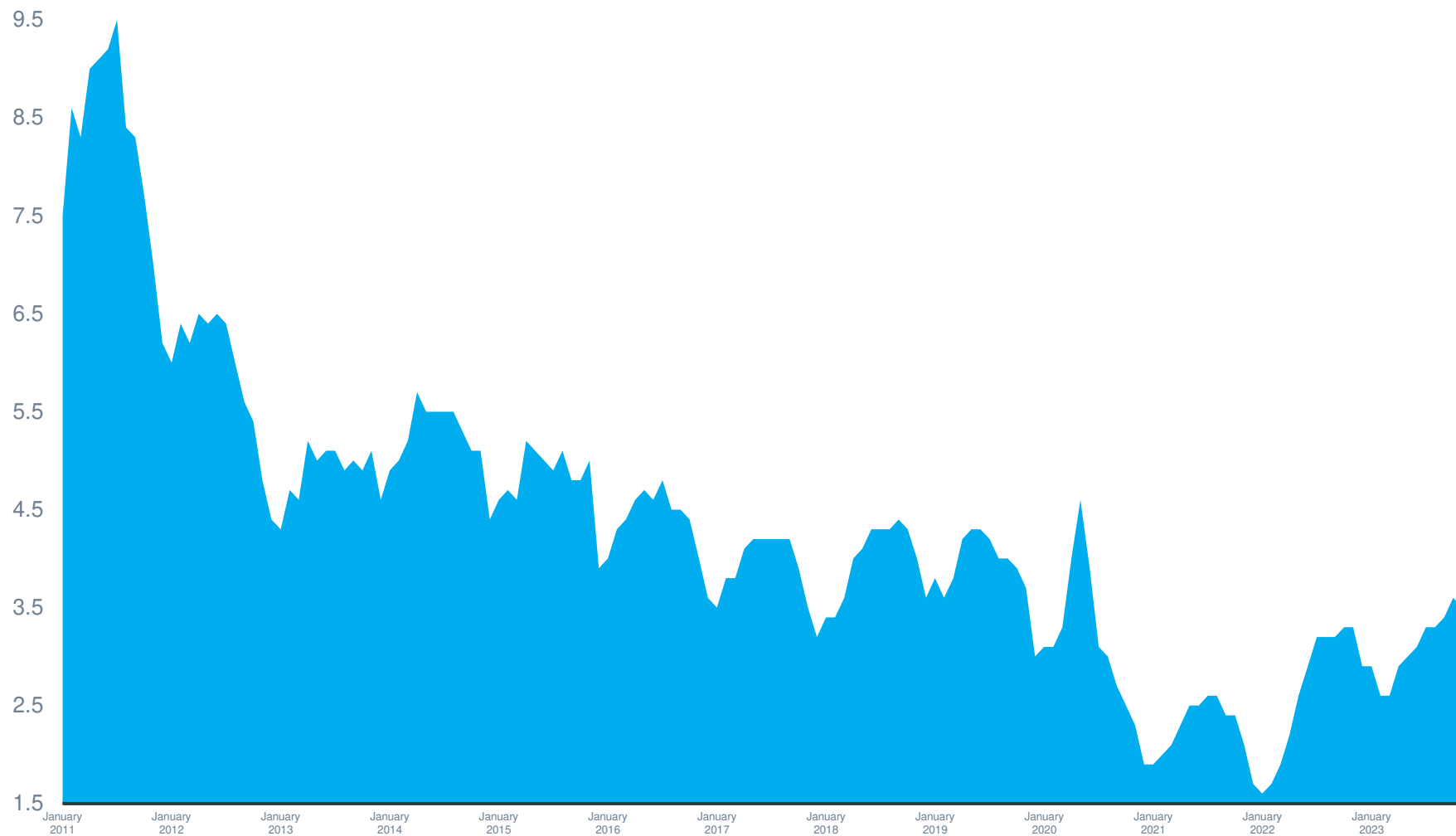
# Change in Inventory

Month-Over-Month, November 2023



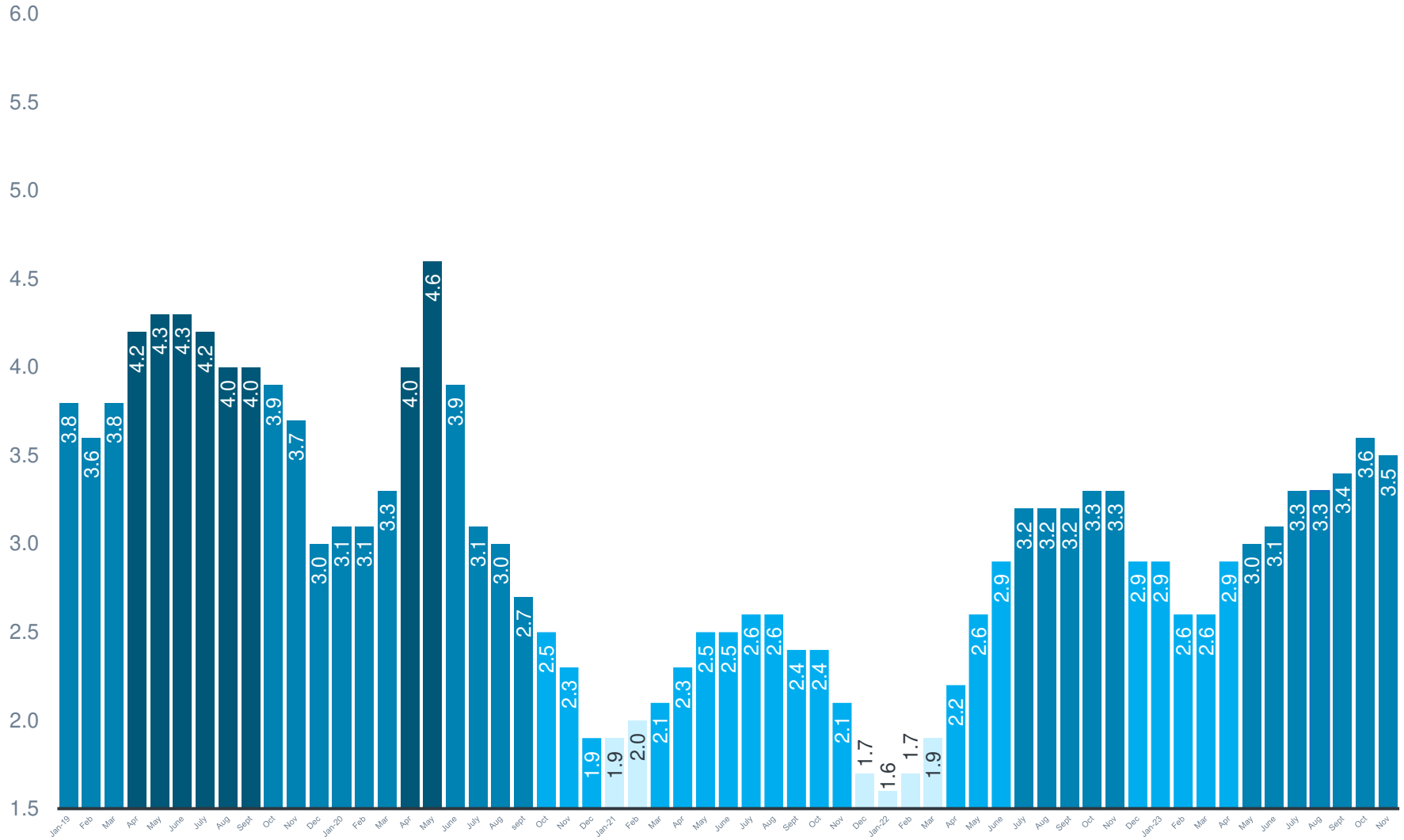
# Months Inventory of Homes for Sale

2011 - Today

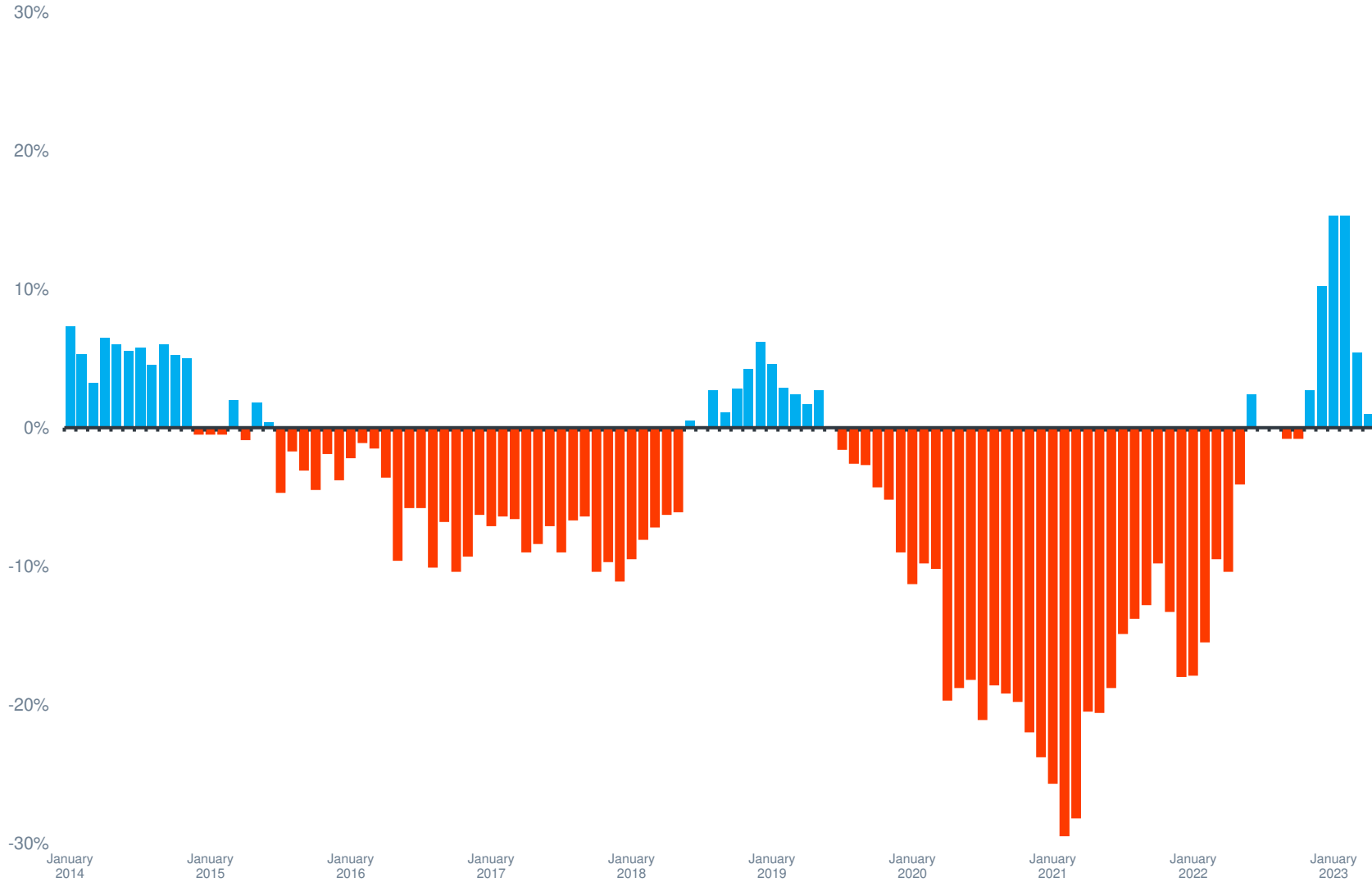


# Months Inventory of Homes for Sale

Since 2019

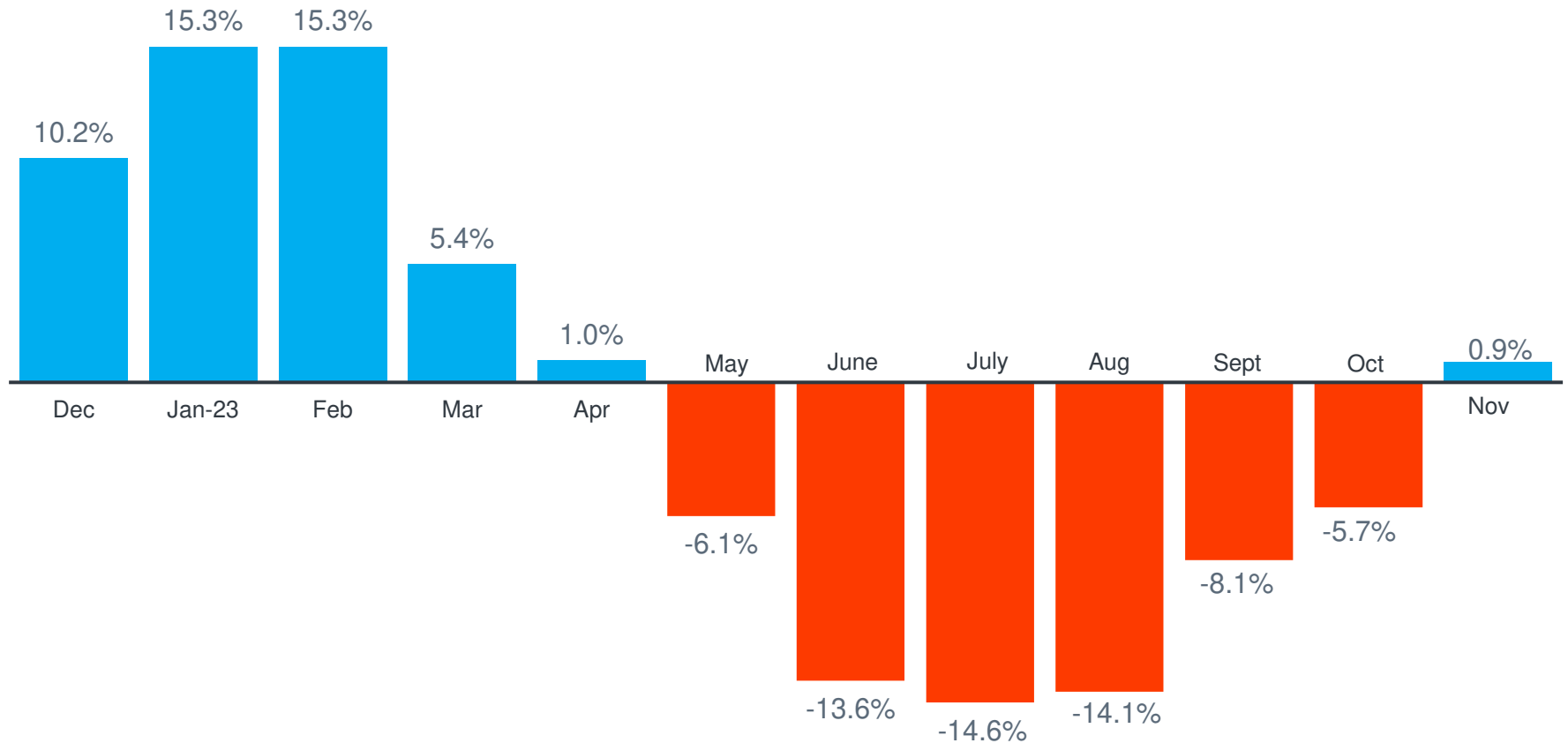


# Year-Over-Year Inventory Levels



# Year-Over-Year Inventory Levels

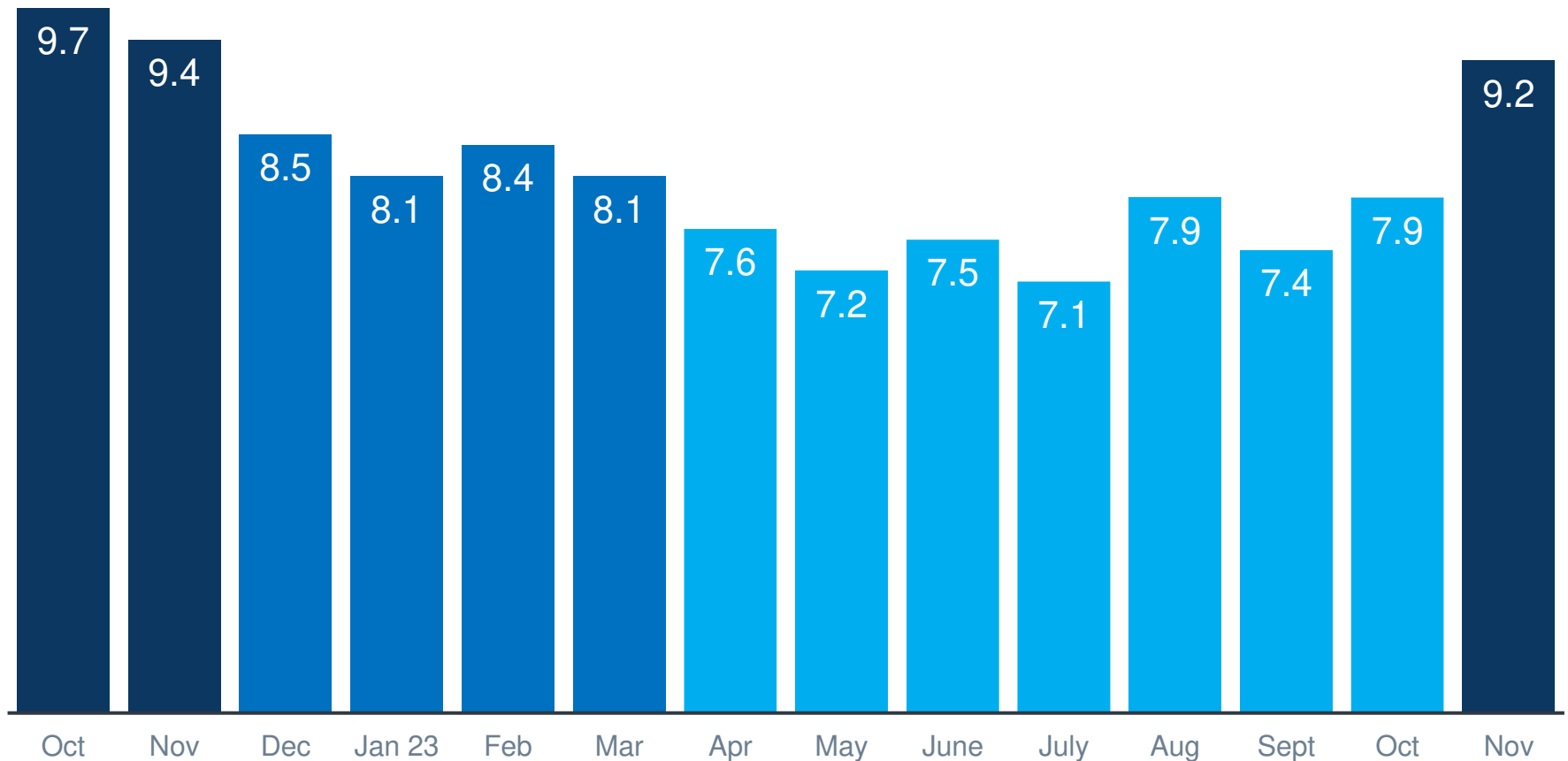
Last 12 Months





# New Home Monthly Inventory

Seasonally Adjusted, Last 13 Months

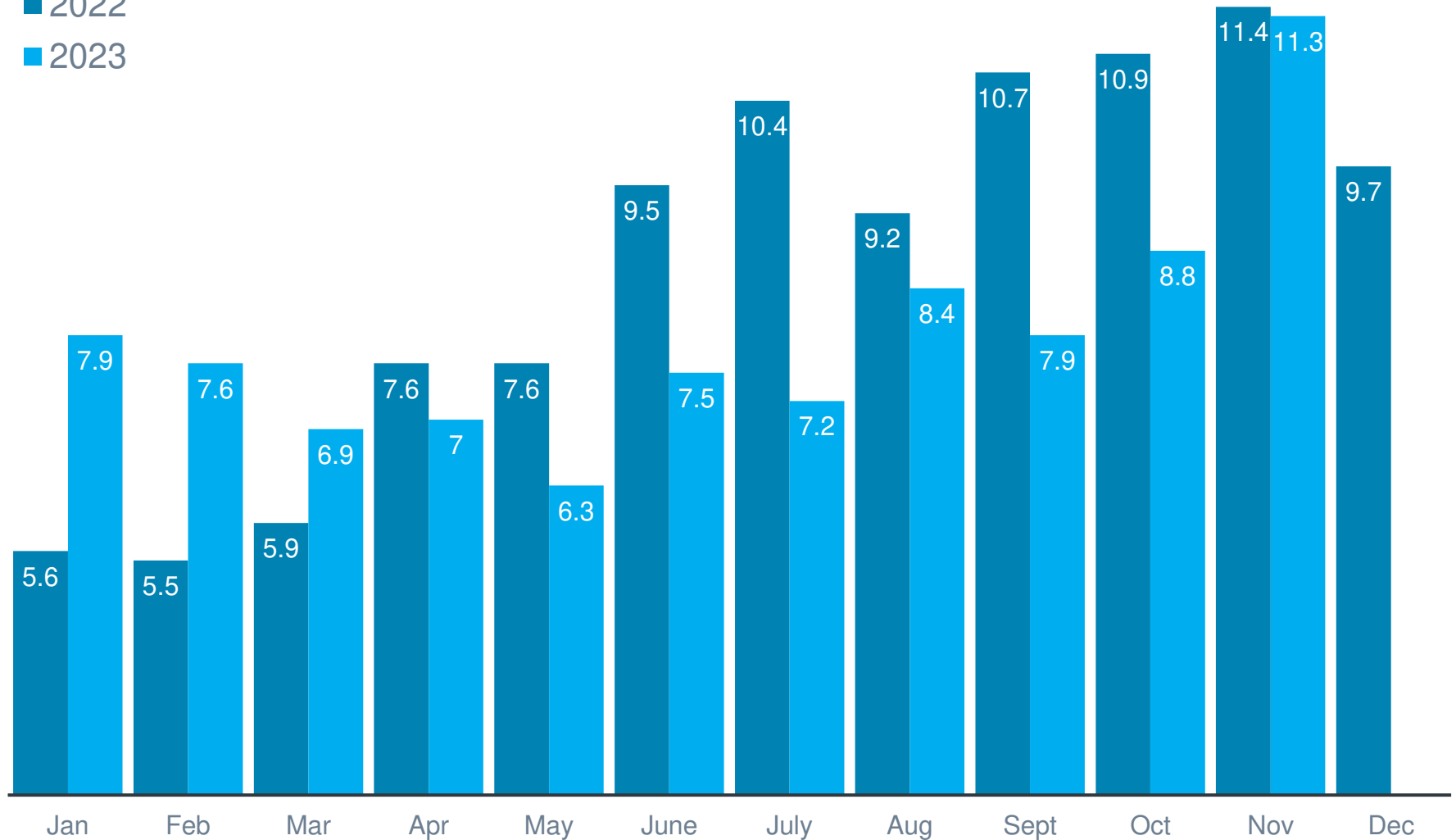


# New Home Monthly Inventory

Non-Seasonally Adjusted

■ 2022

■ 2023





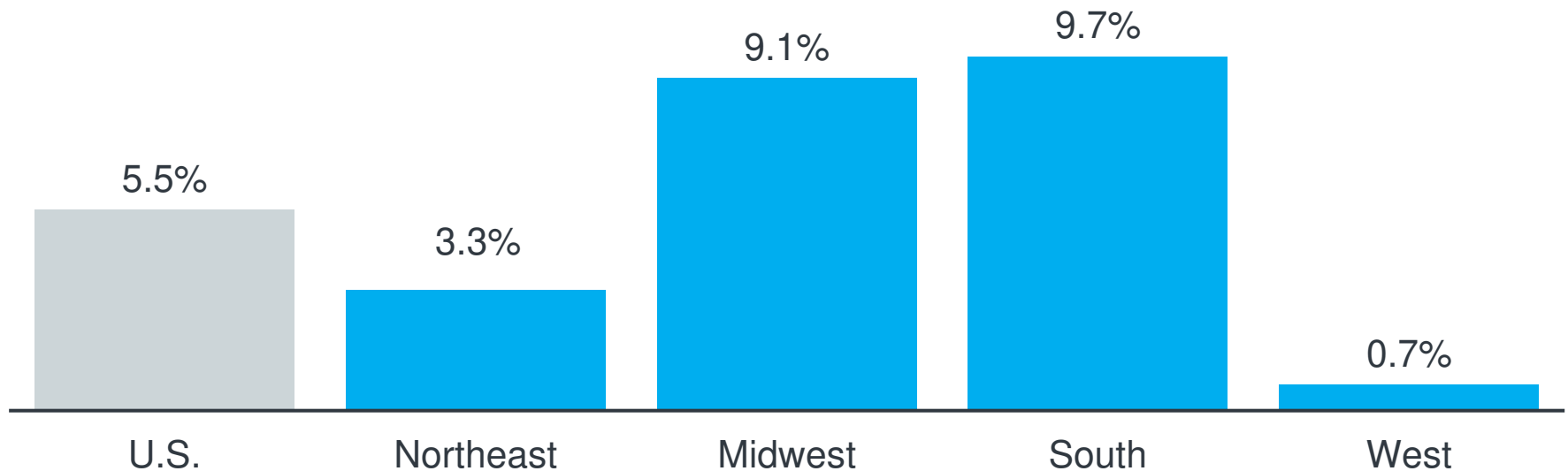
# Buyer Demand

# Home Showings Declined Compared to August Numbers, but Still Remain Above Pre-Pandemic Levels

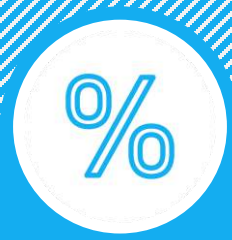
*Year-Over-Year Increase in Showing Activity, September 2023*

**Michael Lane**, Vice President & General Manager, Showing Time

“Buyers and sellers remain active in every economic environment, including when mortgage rates are high. . . . Buyers determined to find a home they love will continue visiting homes with their agents, and as we mentioned previously, some sellers are reducing prices, which presents an opportunity for those buyers.”



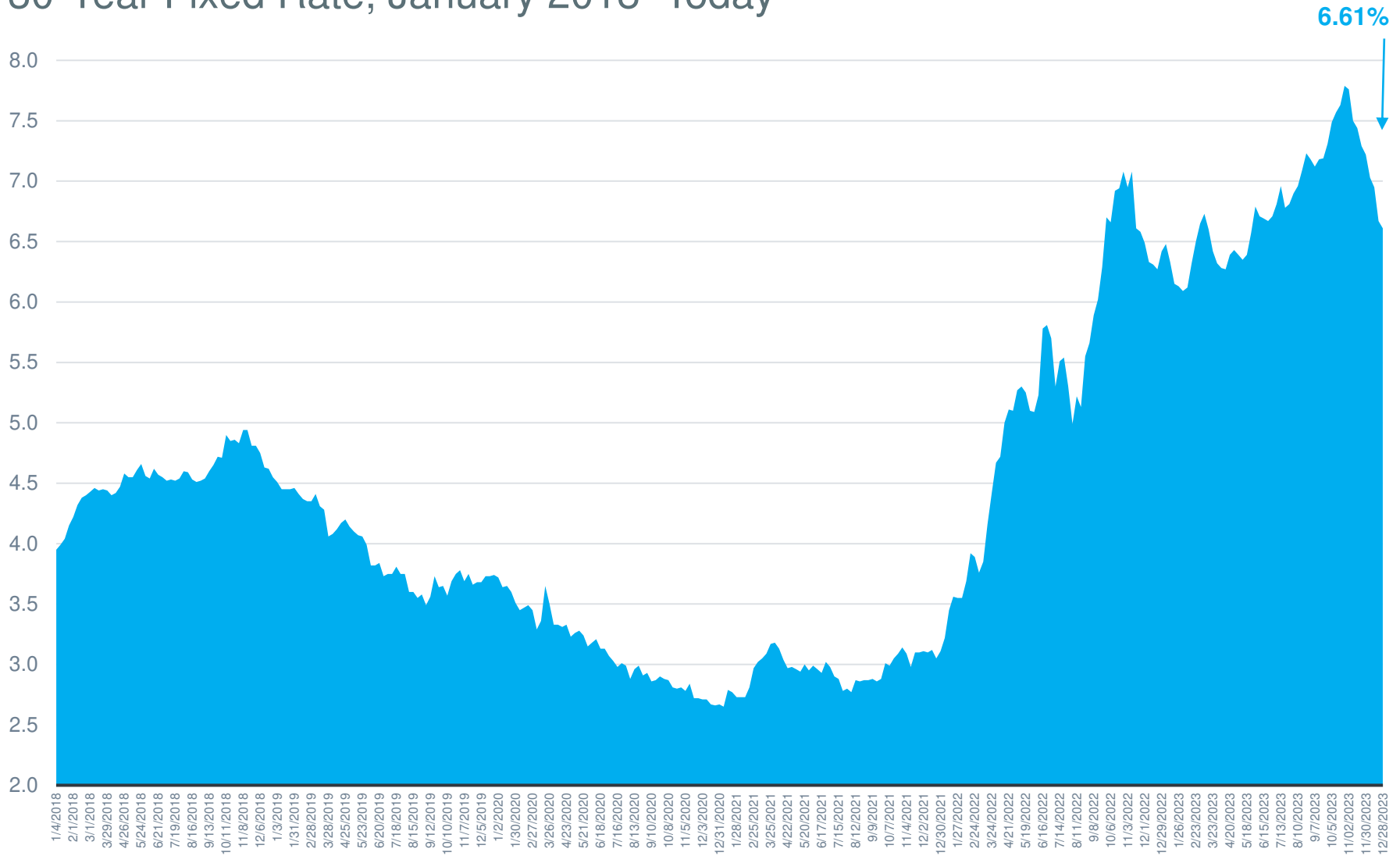
Source: ShowingTime



# Mortgage Rates

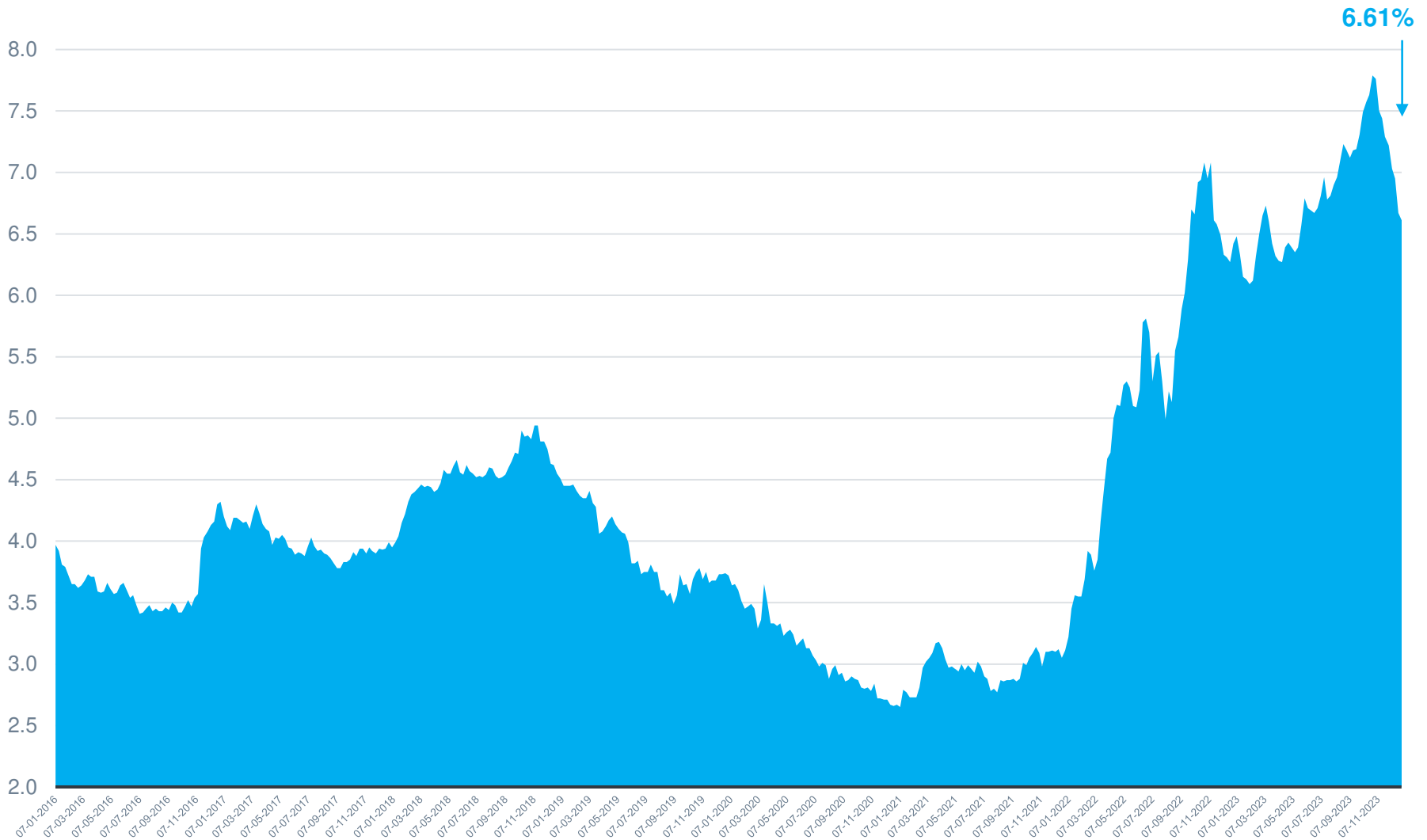
# Mortgage Rates

30-Year Fixed Rate, January 2018–Today



# Mortgage Rates

30-Year Fixed Rate, January 2016–Today



# Mortgage Rate Projections

January 2023

Quarter	Fannie Mae	MBA	NAR	Average of All Three
2023 Q4	7.40%	7.40%	7.80%	7.53%
2024 Q1	7.00%	7.00%	7.50%	7.17%
2024 Q2	6.80%	6.60%	6.90%	6.77%
2024 Q3	6.60%	6.30%	6.50%	6.47%



# Mortgage Rates

## 30-Year Fixed Rate

8.0

7.0

6.0

5.0

4.0

3.0

2.0

2019 1-31 3-7 4-4 5-2 6-6 7-3 8-1 9-5 10-3 11-7 12-5 2020 2-6 3-5 4-2 5-7 6-4 7-2 8-6 9-3 10-1 11-5 12-3 2021 2-4 3-4 4-1 5-6 6-3 7-1 8-5 9-2 10-7 11-4 12-2 2022 2-3 3-3 4-7 5-5 6-2 7-7 8-4 9-1 10-6 11-3 12-1 1-5 2-2 3-2 4-6 5-4 6-1 7-6 8-3 9-7 10-5 11-9 12-7

January 2019 – Today  
Actual Interest Rates

7.5

7.1

6.6

6.3

Where Are They Going?

2023 Q4

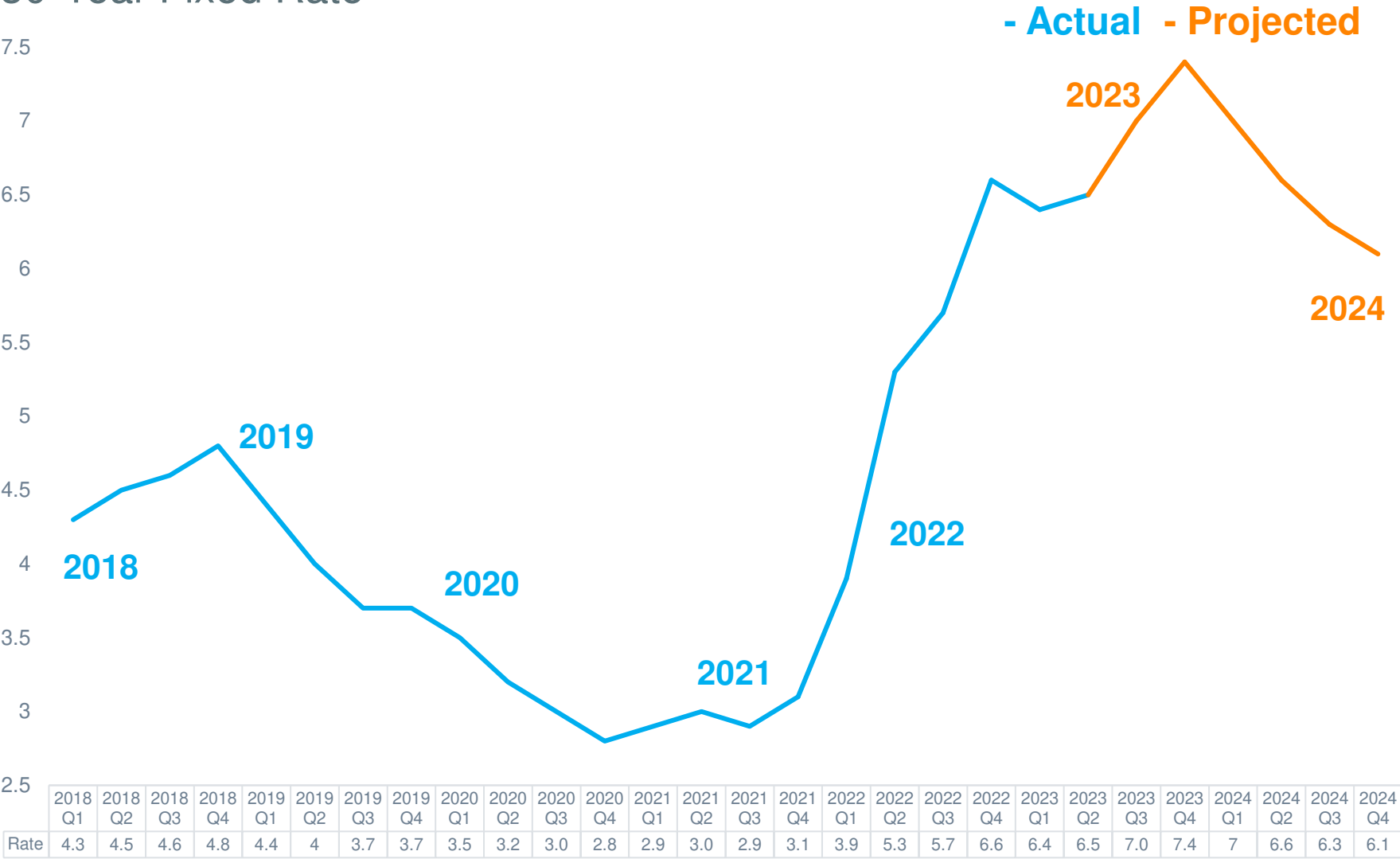
2024 Q1

2024 Q2

2024 Q3

# Mortgage Rates

## 30-Year Fixed Rate

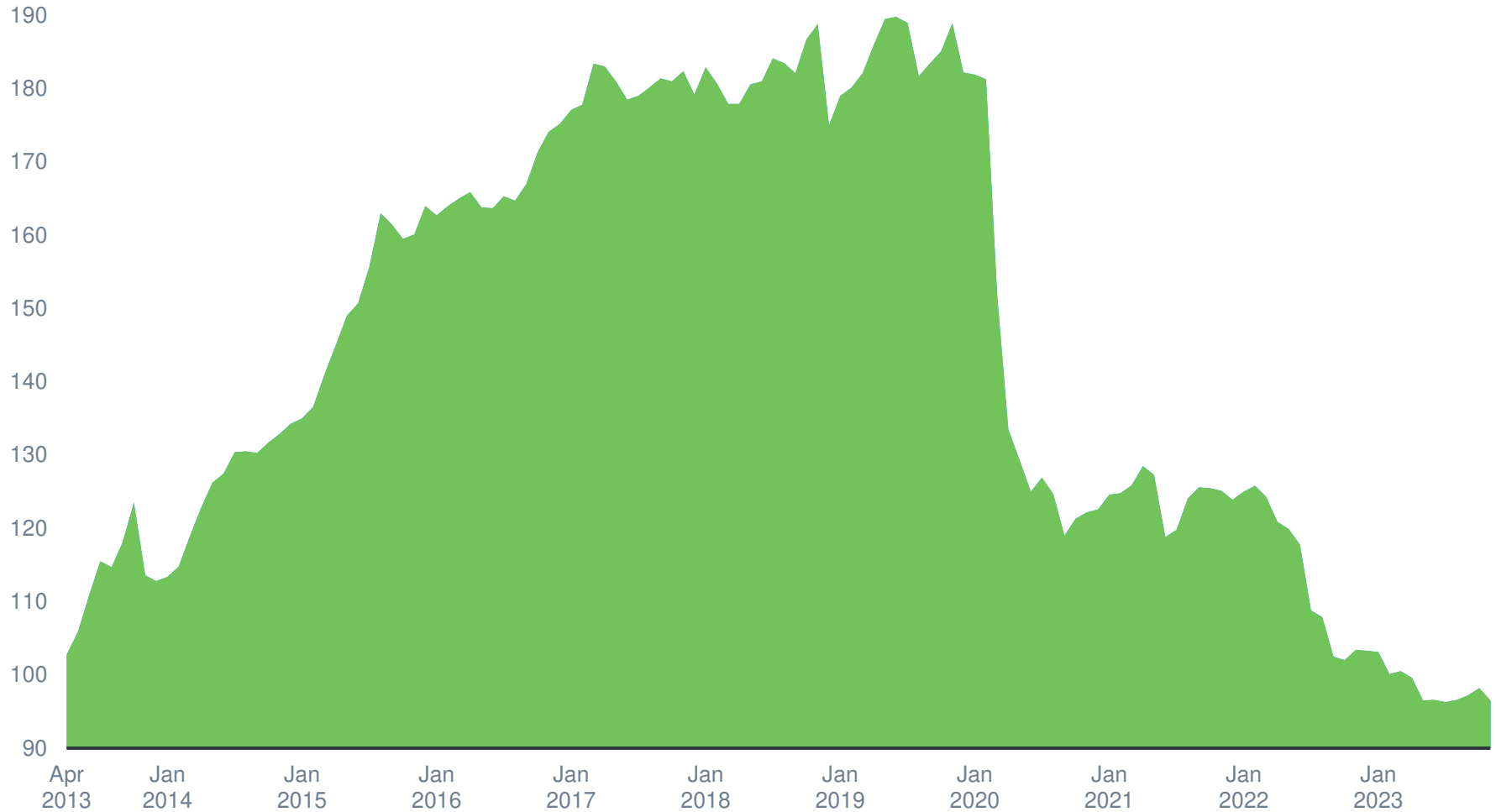




# Mortgage Credit Availability

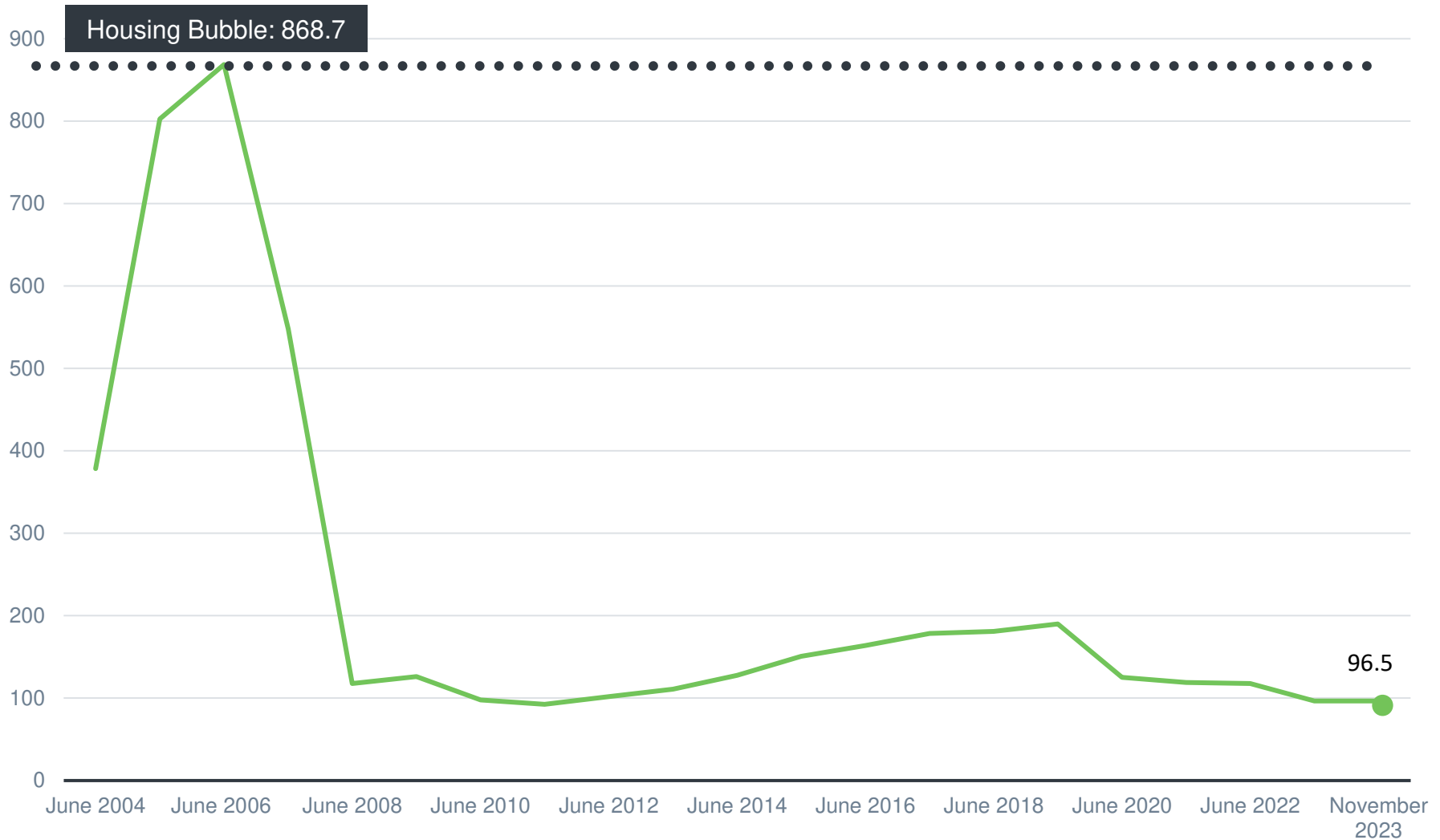
# Mortgage Credit Availability Index (MCAI)

November 2023



# Lending Standards Still Under Control

Historic Data for the Mortgage Credit Availability Index (MCAI)





# KEEPING CURRENT MATTERS

## January 2024

