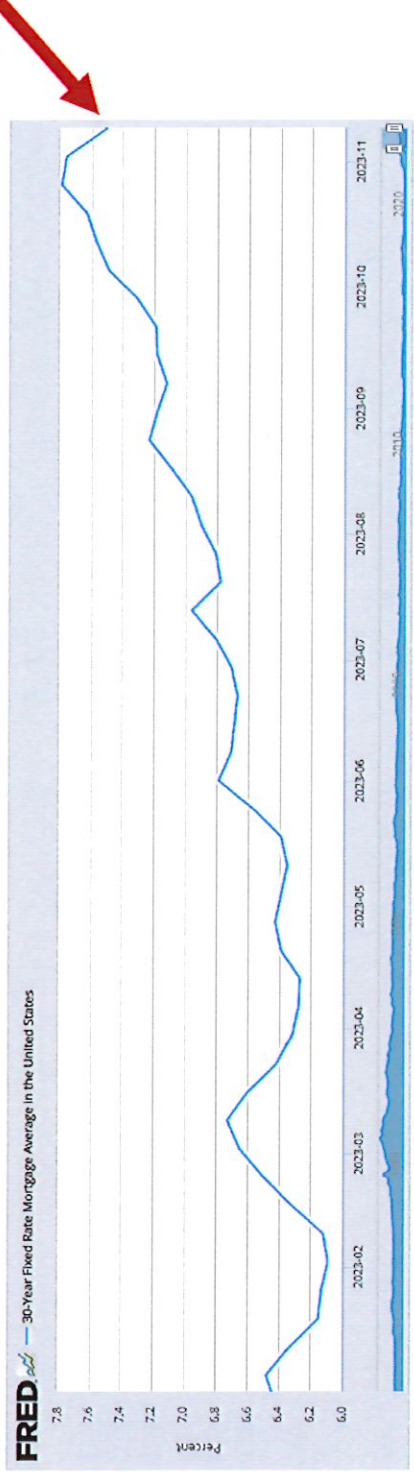


①

Homebuying Activity Impacted by Rates



- After mortgage rates spiked to 8% in October, causing a riot in the real estate industry, we had an epic move lower in mortgage rates over the last two weeks.
- Low inflation numbers this week moved rates from the 8s into the low 7s



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**Mortgage Rates
January 2022 - today**

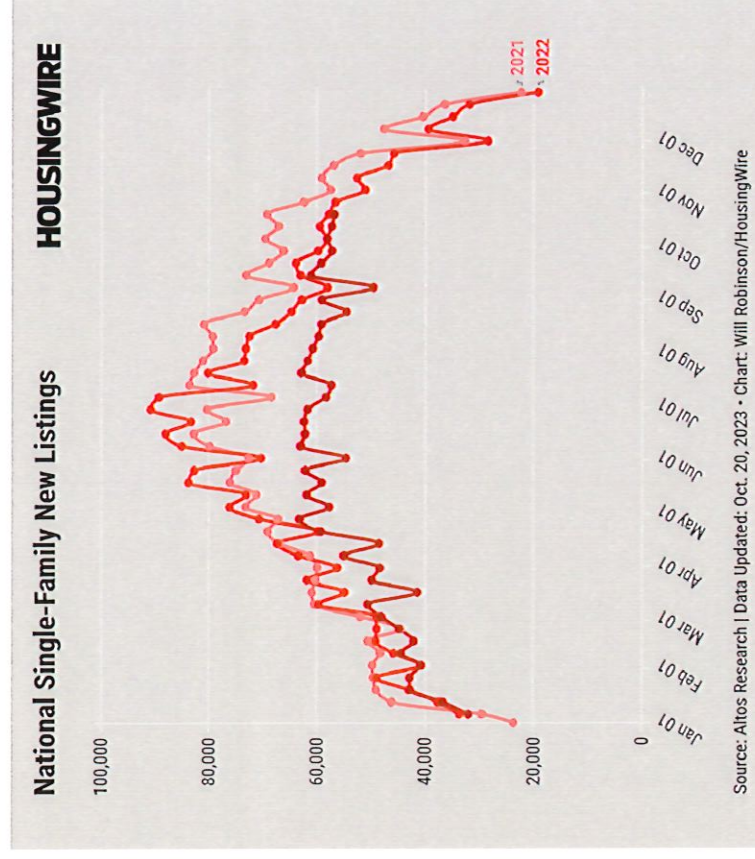
Inventory

Last year, the seasonal peak for inventory was Oct. 28. We might have reached the peak in inventory this week.

- Weekly inventory change: Inventory rose from **566,882 to 566,941**
- Same week last year: Inventory fell from **575,798 to 572,347**
- The inventory bottom for 2022 was **240,194**
- The inventory peak for 2023 so far is **566,941**
- For context, active listings for this week in **2015 were 1,135,887**



2

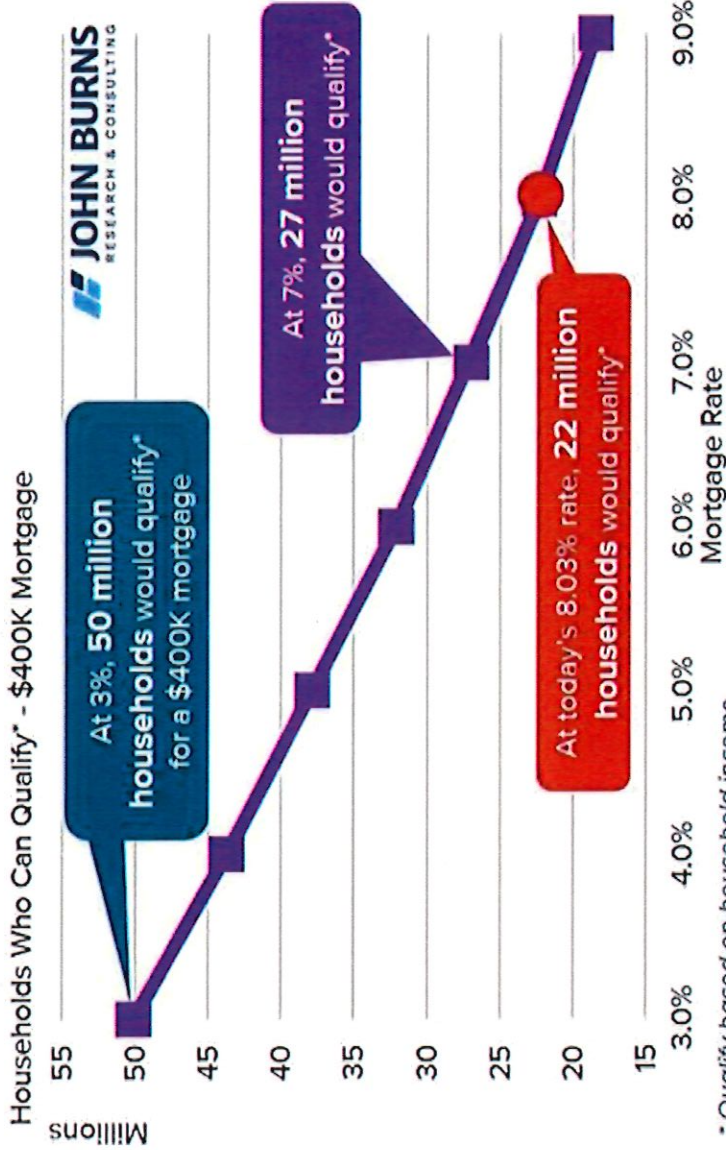


Homebuying Activity Impacted by Rates

3



- Every time rates go up 1%, 5 million more households are removed from the market
- Every time rates go down 1%, 5 million more households enter the market
- 28 million out priced since 2021

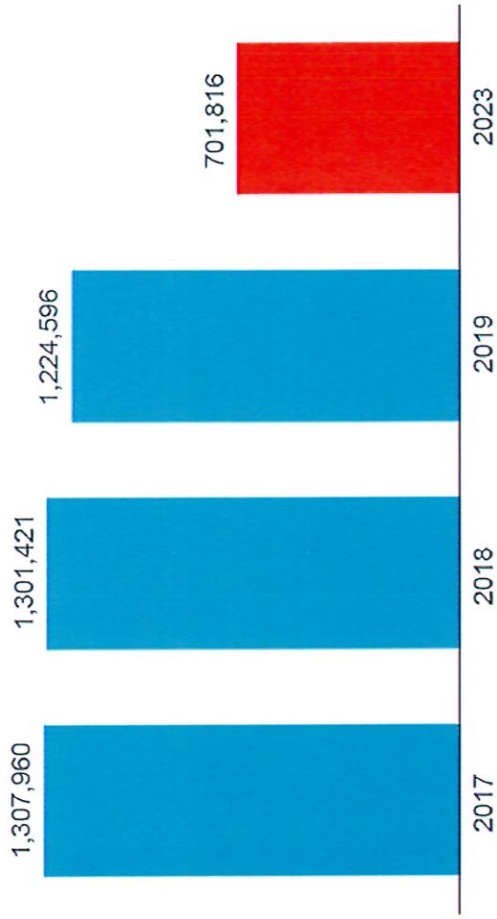


* Qualify based on household income
 Sources: Qualified Remodeler, John Burns Research and Consulting, LLC (Data: 10/20/23)
 As seen in Prime IIC Housing Analysis and Forecast

(J)

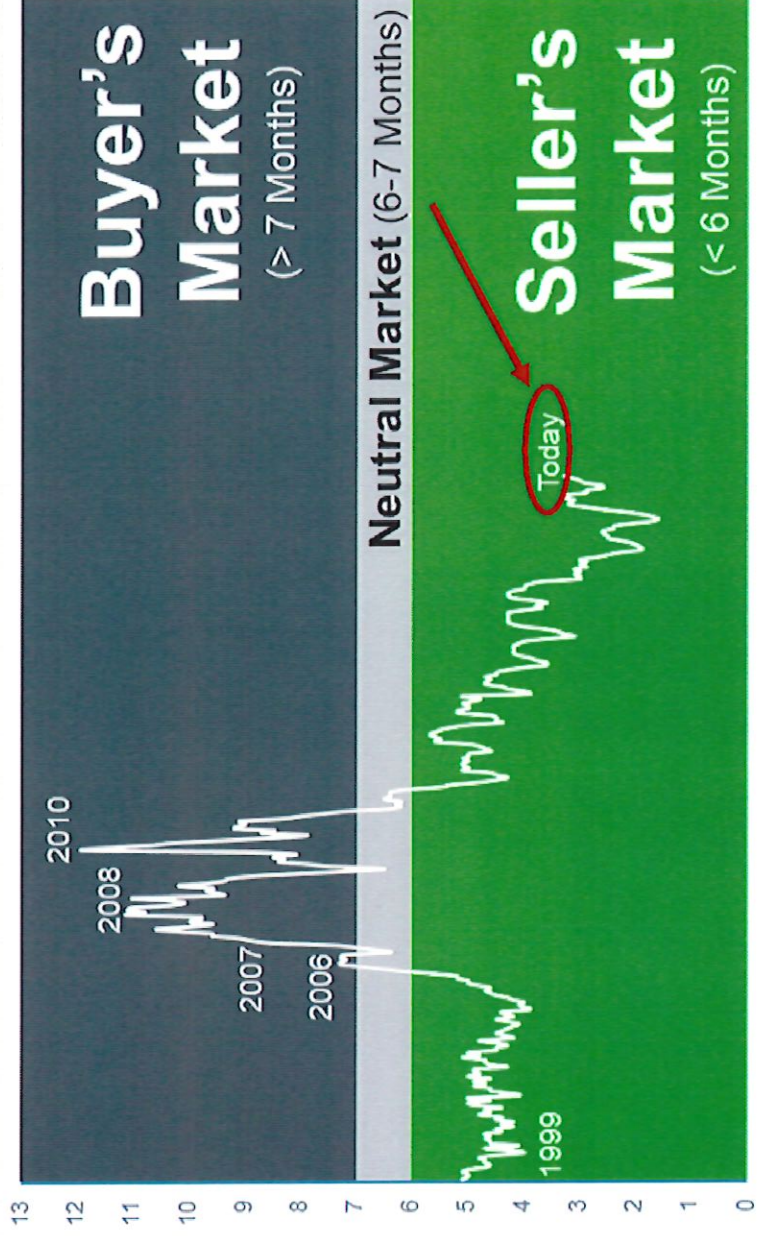
THE SUPPLY OF HOMES FOR SALE IS STILL LOW

Active Monthly Listings Counts, September of Each Year



- Buyers have fewer choices, which is leading to homes still selling fast and receiving multiple offers.

Month's Inventory of Homes for Sale



Source: NAR



④

Mortgage Rate Projections

Quarter	Fannie Mae
2023 Q4	7.10%
2024 Q1	6.80%
2024 Q2	6.60%
2024 Q3	6.40%

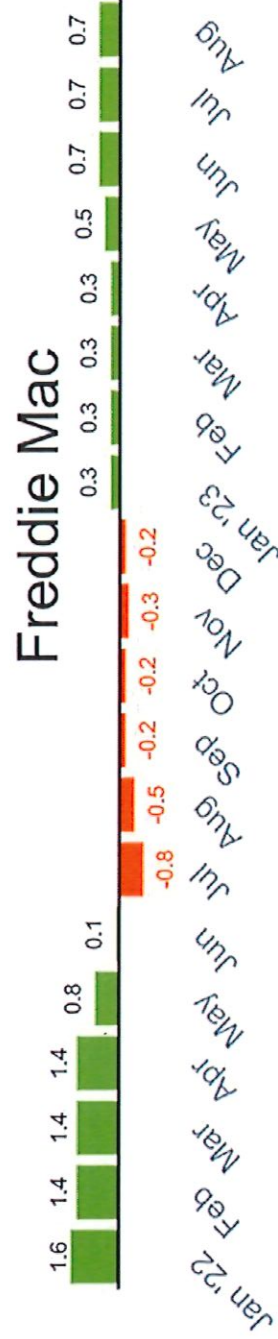


*numbers released last week at National Mortgage Bankers Association Meeting



Percent Change in Home Values

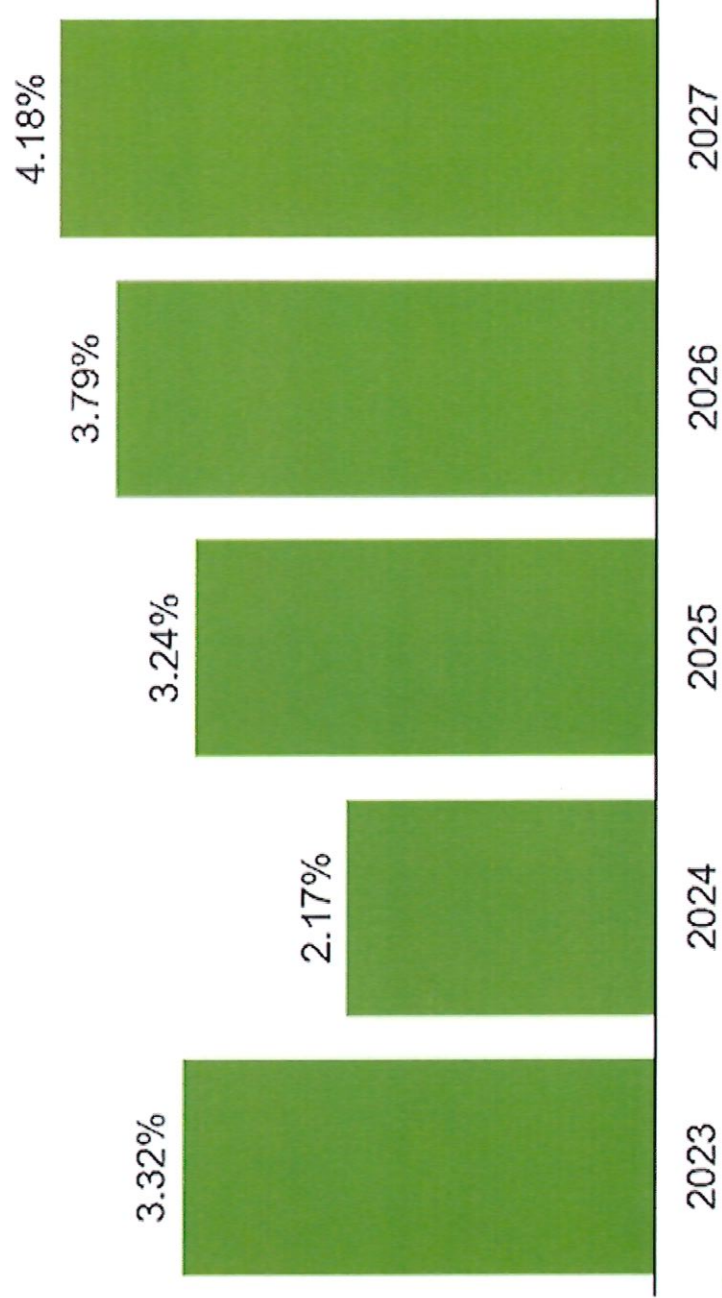
Month-Over-Month, Zillow, Black Knight, & Freddie Mac (Seasonally Adjusted)



8

Estimated Home Price Performance

December to December, as Forecasted in Q3 2023



9

Strength in Housing

- The strength boils down to supply and demand. Back in 2007, we had 4 million homes up for grabs. Fast forward to now, just a little over 1 million available.
- Meanwhile, our population has grown by a staggering 34 million people! That means millions more are competing for significantly fewer homes, which pushes home prices higher.
- While it's true rising interest rates have decreased demand, there are 2 million new households being formed every year and they all need a place to call home. With builders supplying only about 1.4 million new homes, there's a clear imbalance.
- This imbalance is why home prices increased by 6% in 2022, defying the media headlines calling for a housing crash. This year, we are forecasting 5 to 7% annual growth in home prices this year!



19

HOW HOME PRICES HAVE GROWN OVER TIME

Percent Change in Home Prices over the Years

297.66%



30 Years

57.27%



5 Years

Source: FHFA

KEEPING CURRENT MATTERS



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