2021

Weekly Housing Market Monitor

January 18-21

National Association of REALTORS®
Research Group

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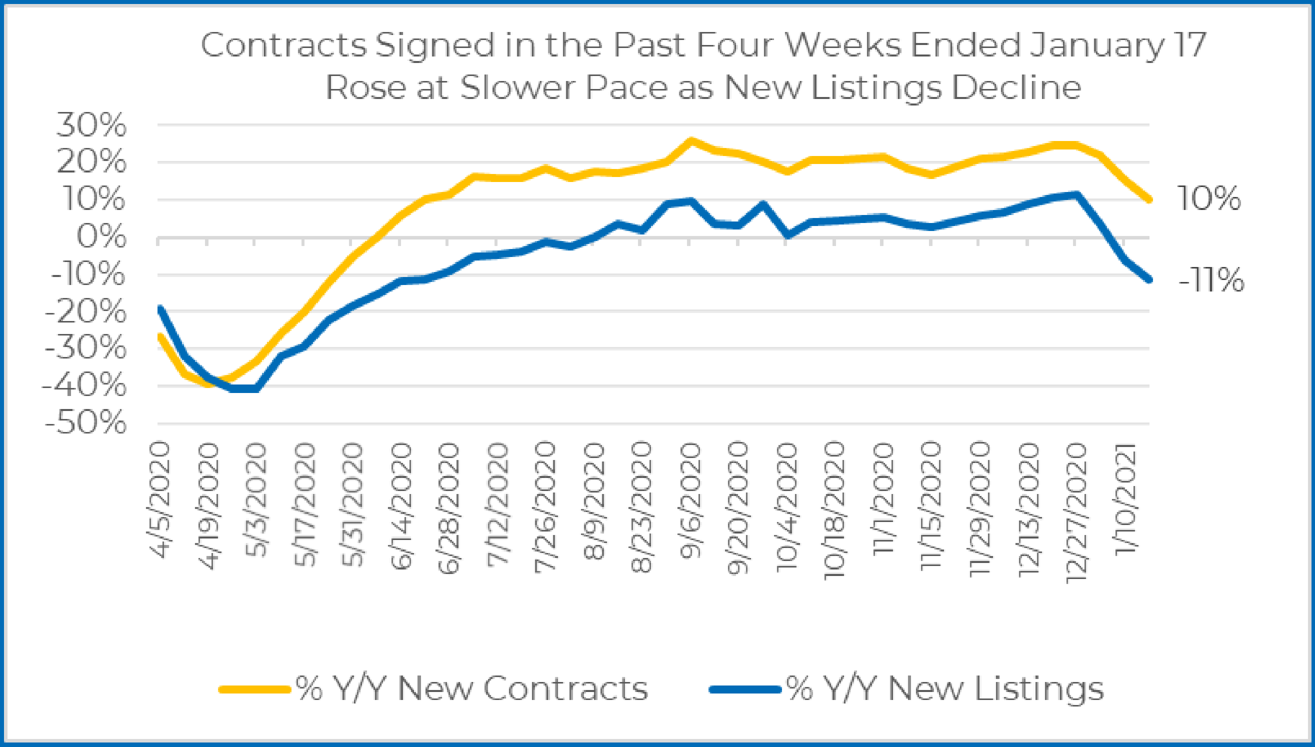
Weekly Housing Market Monitor

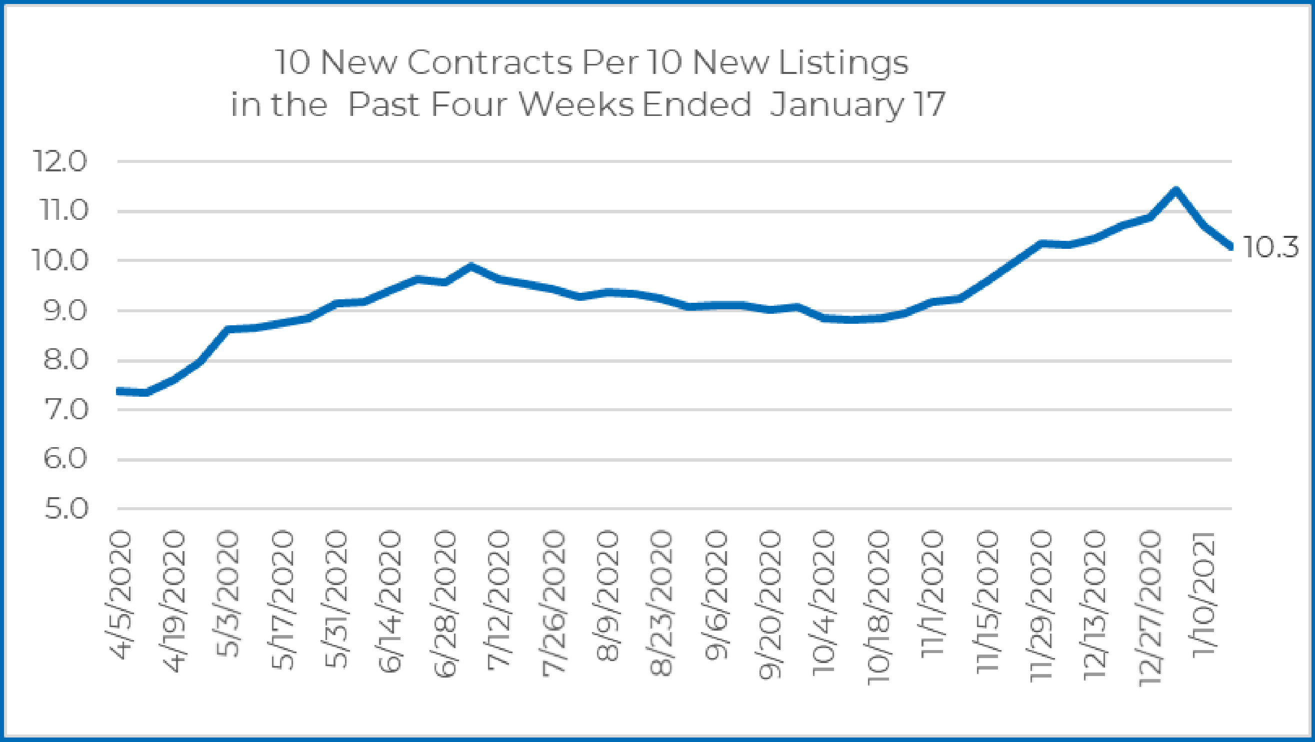
Contracts Signings Up 10% from One Year Ago While Unsold Listings are Down 11%*

Preliminary data on contracts signed (pending sales) during the past four weeks ended January 17 were down 10% compared to one year ago due to low level of new listings.

New listings during the past four weeks ended January 17 were 11% lower compared to one year ago.

There are 10 new contracts signed per every 10 new listing, so any new inventory does not sit long on the market.





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* Preliminary data based on a limited number of MLS

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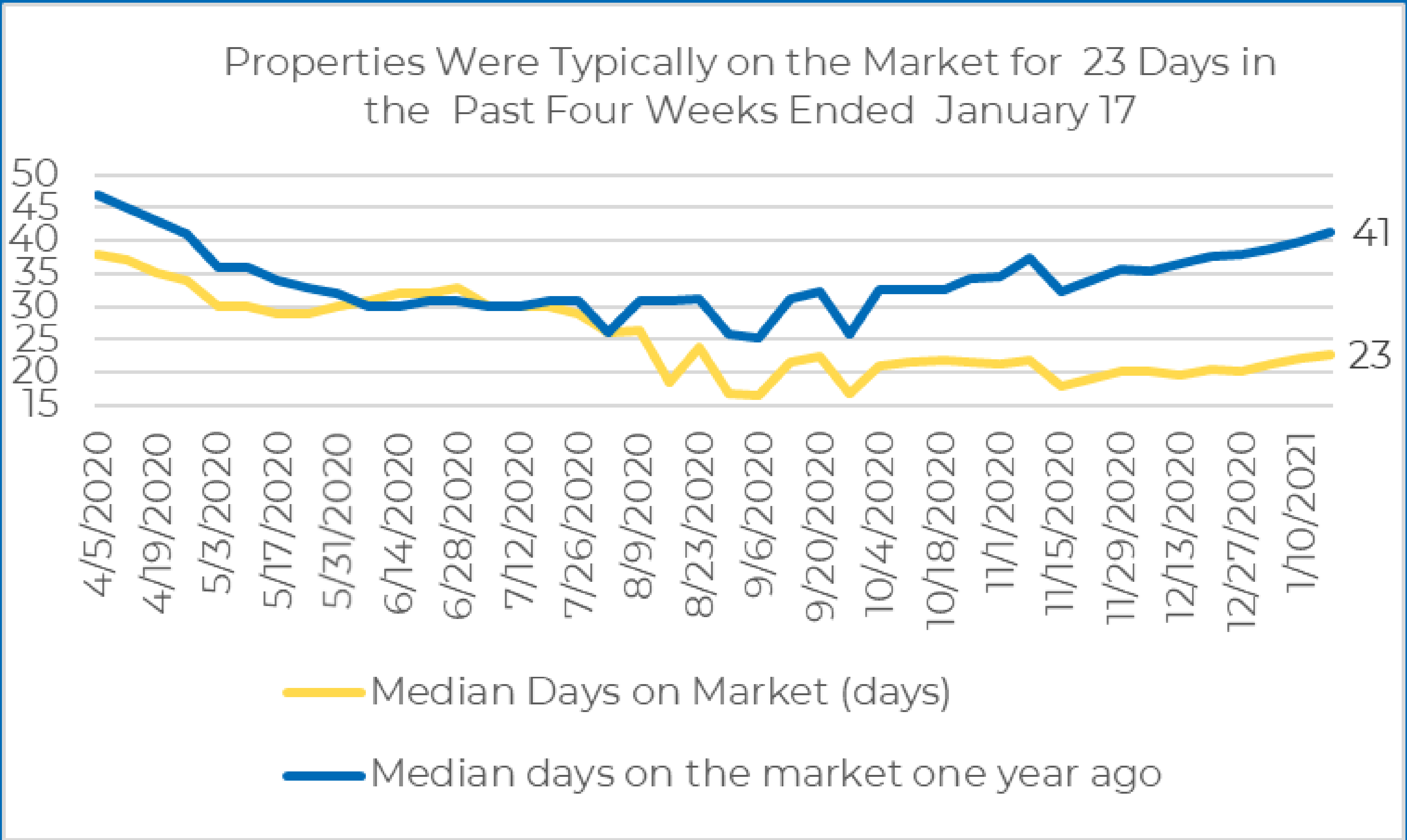
Properties Typically on the Market for 23 Days as Demand Outpaces Supply

With demand outpacing supply, properties were typically on the market for 23 days in the past four weeks ending January 17, compared to 41 days one year ago.



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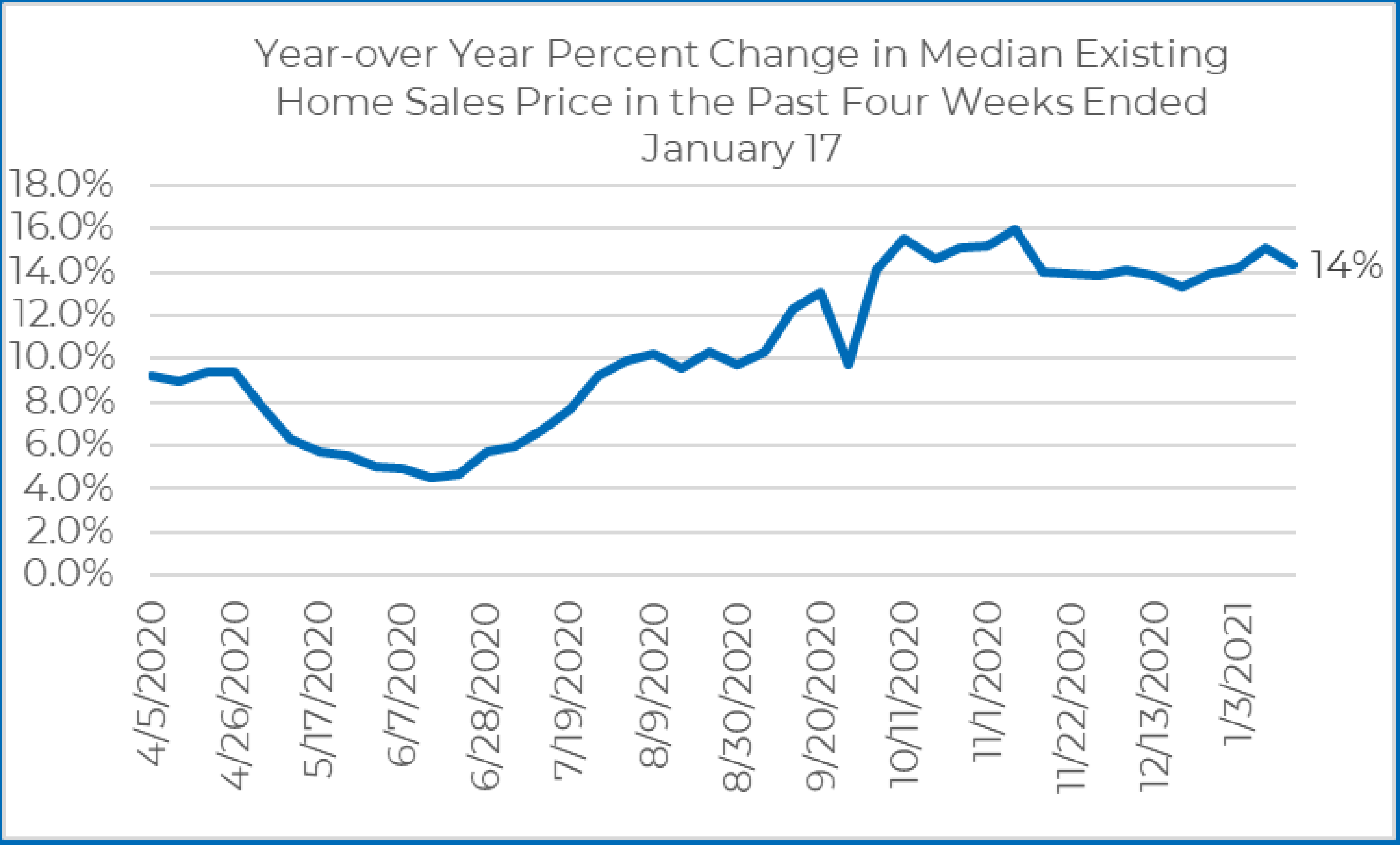
Median Sales Price During Past Four Weeks Ending January 17 Rose 14%

Amid tight supply, the median sales price of homes sold during the past four weeks ending January 17 was up 14% compared to one year ago.

Homes were typically sold at 97% of the listed price.



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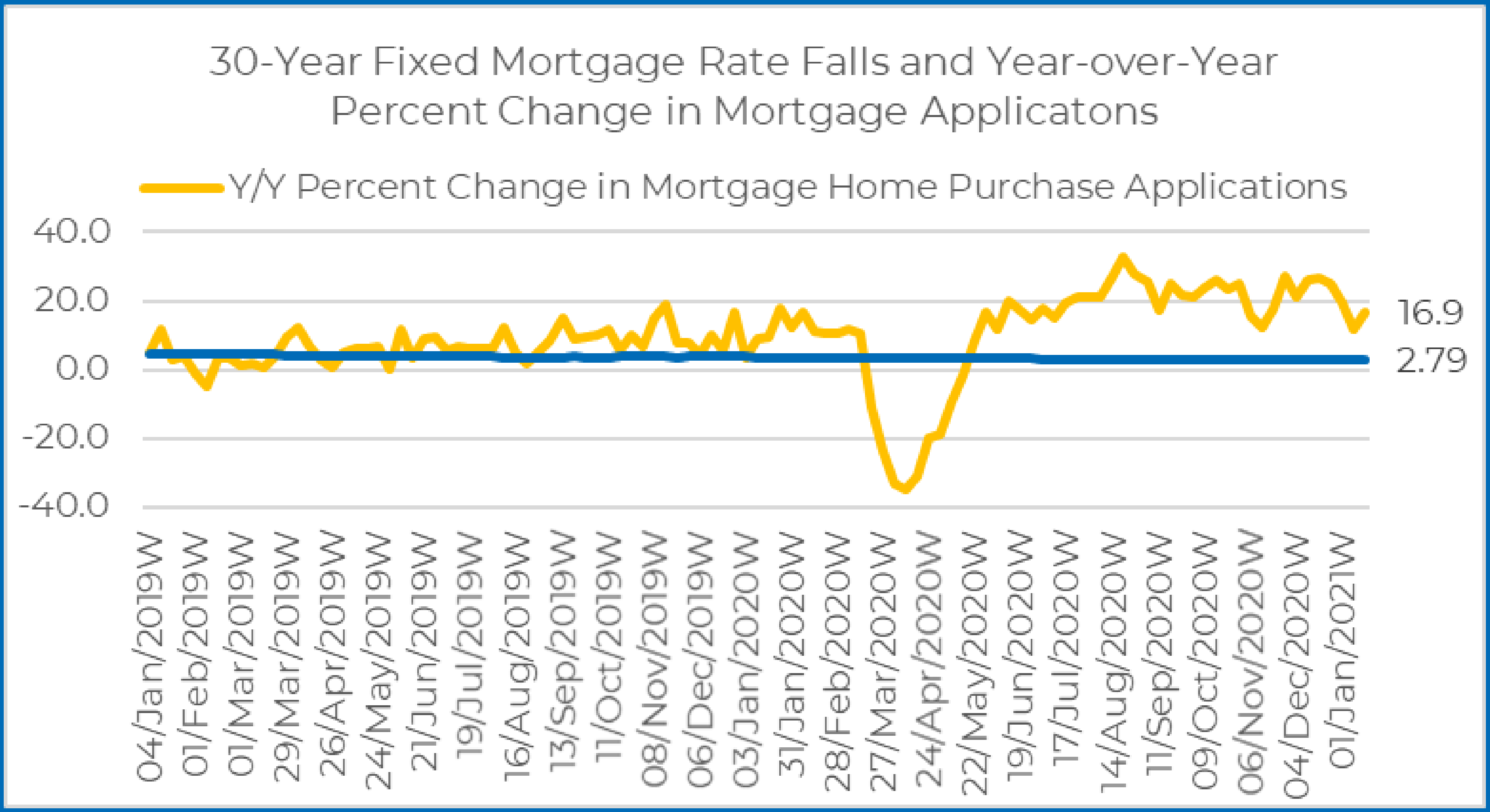
Mortgage Applications up 17% from a Year Ago Even as the 30-Year Mortgage Rate Slightly Rises to 2.79%*

The 30-year year fixed rate mortgage ticked up to 2.79% during the week ending January 15, as the 10-year Treasury Note yield rose to an average of 1.13% during the week ending January 15 from 1.03% the prior week.

Expectations of a higher inflation rate and higher fiscal borrowing (which increases the supply of bonds) are causing an uptick in the 10-year bond rate, which is also putting upward pressure on mortgage rates. In December, the inflation rate ticked up to 1.4% from 1.2% in November.

Fiscal spending is expected to increase under President Biden to rev up the economy, provide economic relief to families impacted by the pandemic, and to reduce income and wealth gaps.**



*The mortgage payment varies by type of home and by borrower.
**https://www.nytimes.com/2021/01/14/business/economy/biden-stimulus-plan.html

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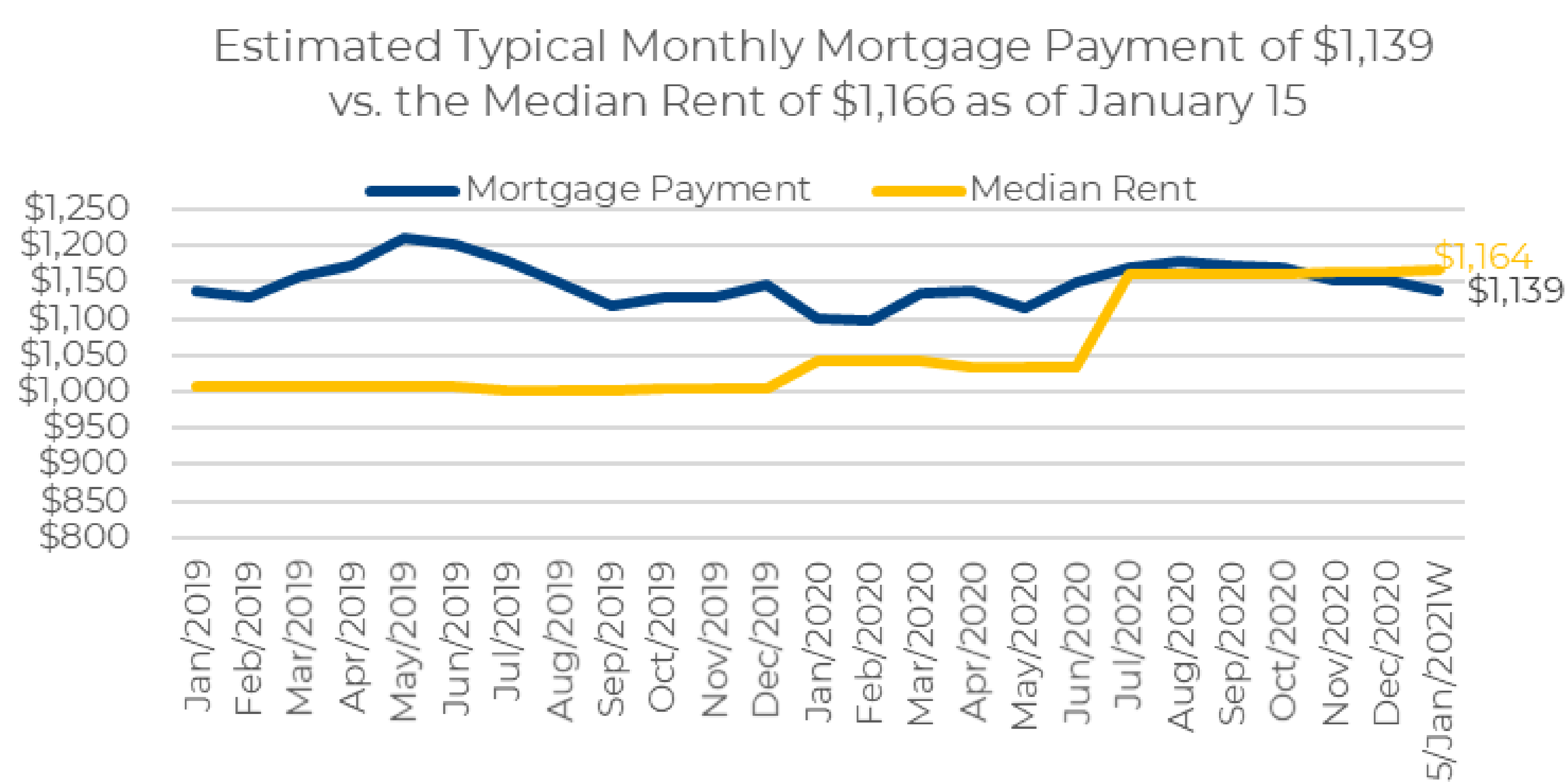
Mortgage Applications up 19% as 30-Year Mortgage Rate Falls to a New Historic Low as of January 8*

Mortgage purchase applications were up 16.2% from one year ago. Due to low mortgage rates, the estimated monthly mortgage payment on a typical single-family home as of January 15 was $1,139, which is below the median rent of $1,164.

NAR forecasts the 30-year fixed rate to average around 3% in 2021 as inflation remains low and the unemployment rate remains elevated. In December, inflation (year-over-year CPI increase) was 1.4%. The unemployment rate has declined to 6.7% as of December but it remains elevated compared to the pre-pandemic level of 3.5% in February 2020.



Calculations based on average rate of 2.65% 30 year fixed rate + 0.7% points as of January 15 and 10% downpayment and a forecasted estimated median existing home sales price of $306,130 based on the prior month's y/y price appreciation ; the median rent is estimated by by applying m/m CPI-Shelter inflation to US Census Bureau quarterly median rent.

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* The mortgage payment varies by type of home and by borrower.

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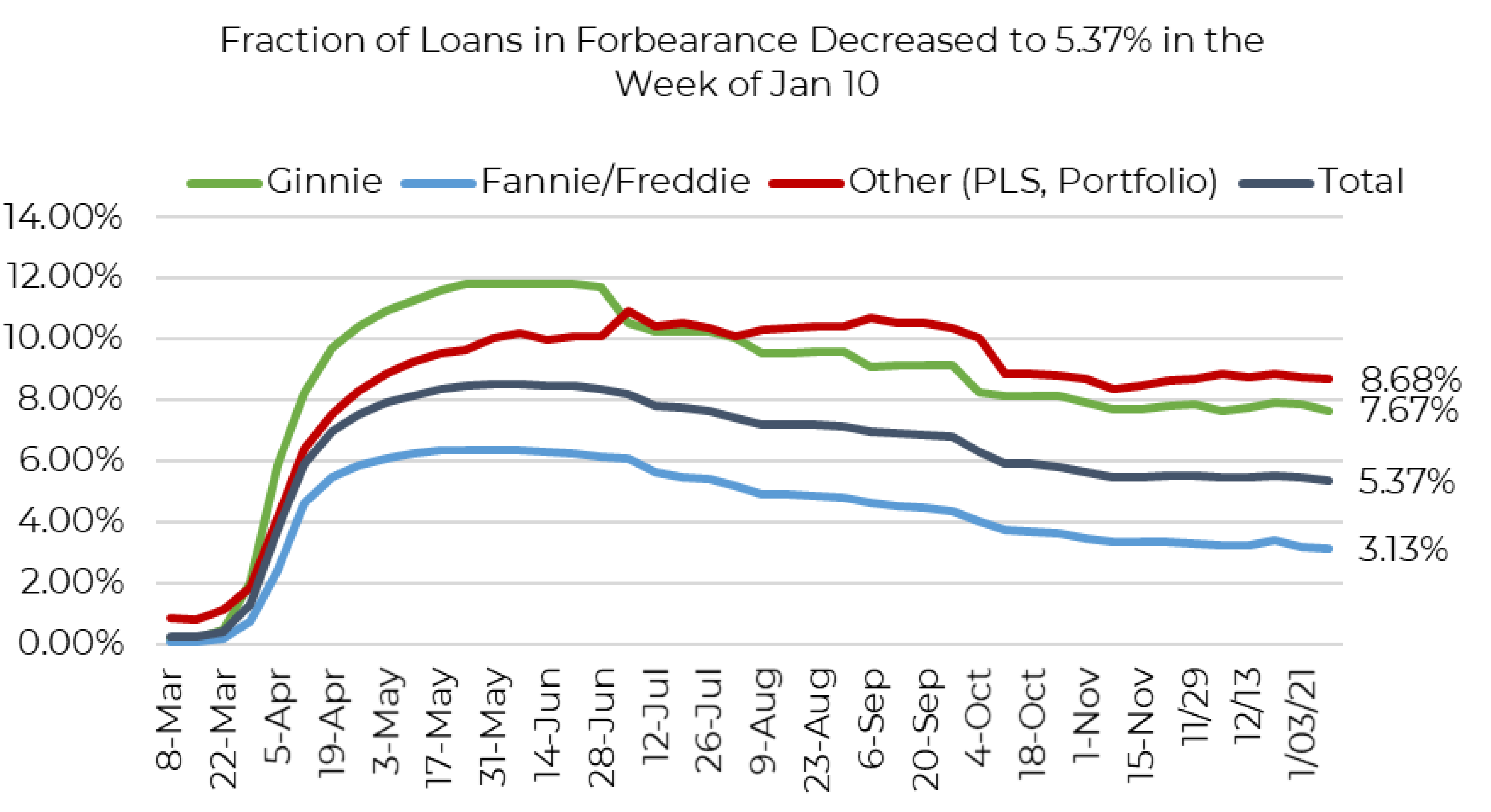
Fraction of Loans in Forbearance Continues to Decline to 5.37% as of January 10

The fraction of loans in forbearance declined to 5.37% as of the week of January 10. The Mortgage Bankers Association estimates that 2.7 million homeowners are in forbearance plans.

Of the homeowners who exited forbearance during June 1, 2020-January 10, 2020, most homeowners exited with a repayment plan, loan modification, or loan deferral. Of those who had requested forbearance, 7.4% exited forbearance by refinancing their home or selling their home. However, 13% exited forbearance without a loss mitigation plan in place yet.



Source: Mortgage Bankers Association's Weekly Forbearance and Call Volume Survey

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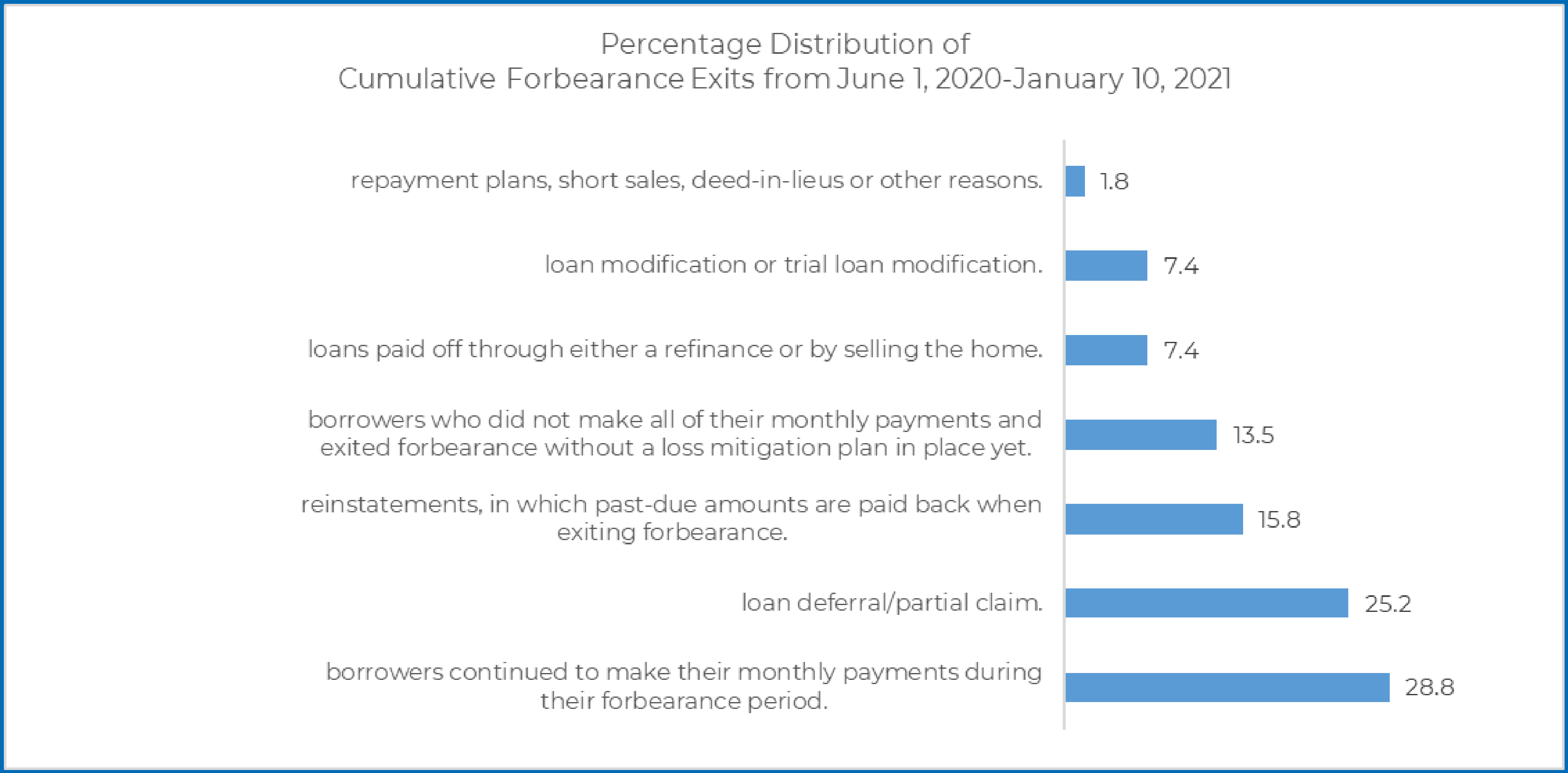
Fraction of Loans in Forbearance Continues to Decline to 5.37% as of January 10

On December 2, the **Federal Housing and Finance Agency announced** that Fannie Mae and Freddie Mac will extend the moratorium on single-family foreclosures and real estate owned (REO) evictions until at least January 31, 2021. Homeowners have until this date to file their first initial claim for forbearance of 180 days and can request an extension of 180 days.



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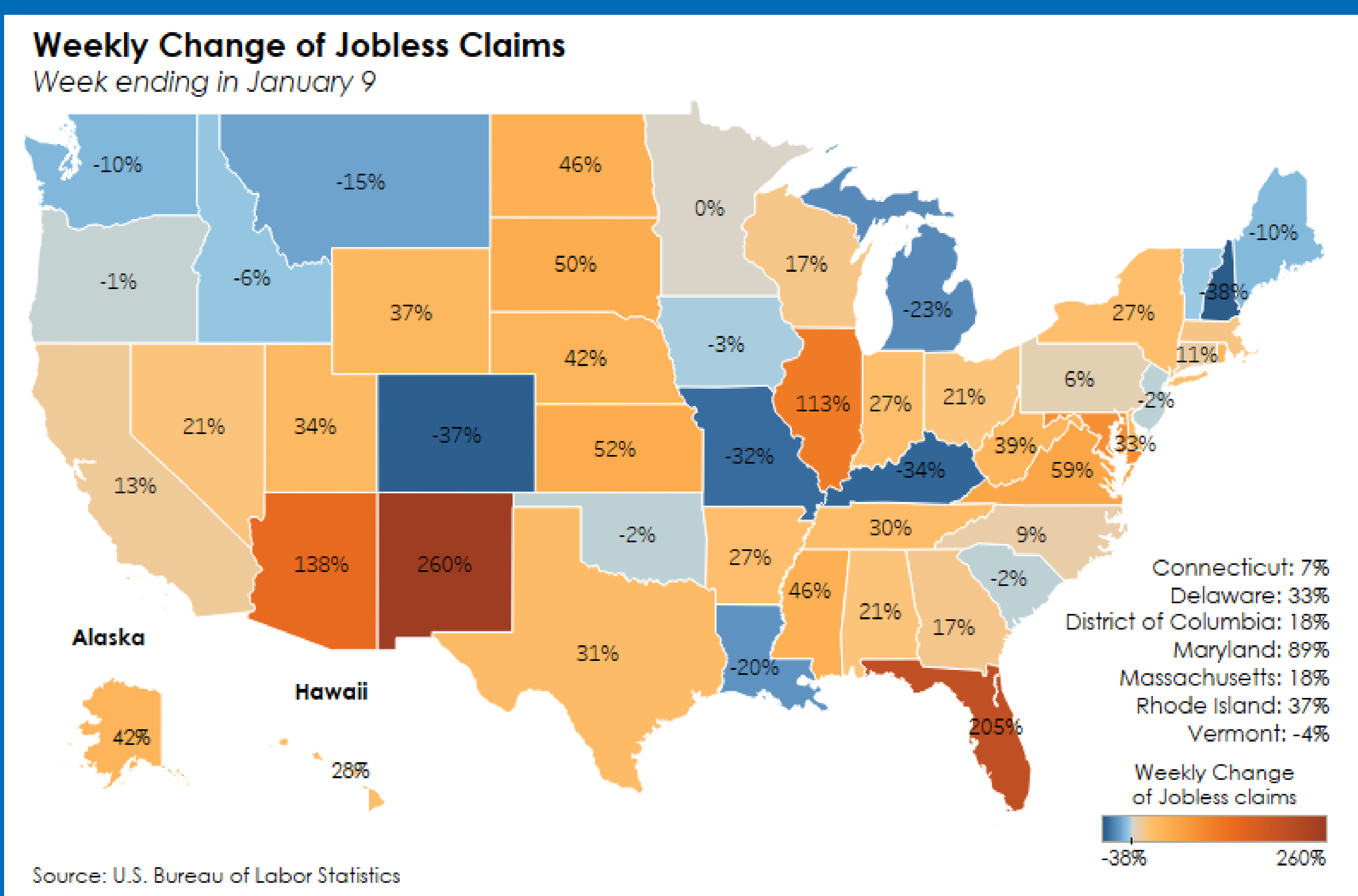
Jobless Claims

More Americans filed a new unemployment claim last week. In fact, the number of unadjusted initial claims rose to 1.15 million, the highest level since the end of July. It is an increase of 231,335 from the prior week, as the re-closing of some businesses in some states is contributing to more layoffs. In the meantime, continued claims, which measure the number of people receiving checks for regular unemployment benefits, also rose by 474,180 to nearly 5.9 million as more people apply for extended benefits. This program provides compensation to the unemployed after they exhaust both their regular unemployment insurance benefits of 20 weeks and the Pandemic Emergency Unemployment Compensation (PEUC) benefits of 13 weeks. Nearly 380,000 more people applied for extended benefits for the week ending December 26, the most recent period for which data is available.

At the local level, 16 states reported a decrease in new claims. Compared to the previous week, New Hampshire (-38%) had the largest drop in layoffs followed by Colorado (-37%) and Kentucky (-34%). In contrast, unadjusted advance claims increased in New Mexico (260%), Florida (205%), and Arizona (138%).



[Click here to read the full analysis.]

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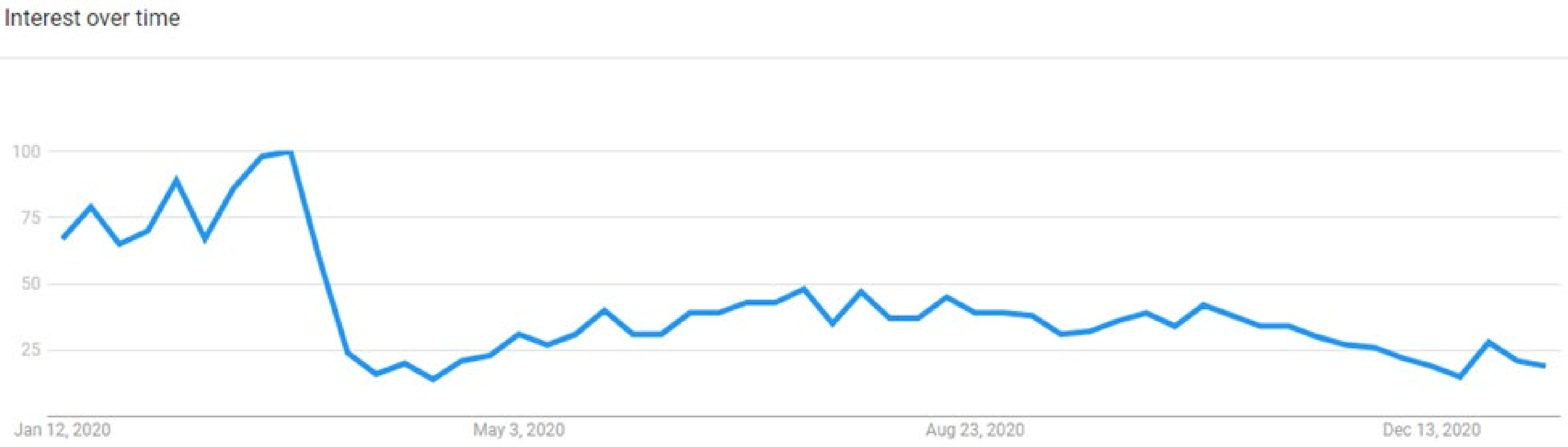
Open Houses

Due to the recent resurgence of COVID-19 cases, fewer people are searching to attend an in-person open house. While "virtual" has become the new normal for many real estate agents and consumers, open houses are now conducted virtually using various tools and technologies. Specifically, public interest for in-person open houses dropped by 72% compared to a year earlier. At the local level, interest is relatively stronger in Kansas, Connecticut and Wyoming.



Source: Google Trends

For more information on the latest residential, commercial, and market trends, read the Economists' Outlook Blog.

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The Mission of the NATIONAL ASSOCIATION OF REALTORS® Research Group is to produce timely, data driven market analysis and authoritative business intelligence to serve members, and inform consumers, policymakers and the media in a professional and accessible manner.

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