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Weekly Housing Trends View — Data Week April 10, 2021

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We're now at a period where the year ago comparisons we're making are against the early days of the pandemic when the real estate market, like many of the sectors of the economy, largely hit pause. When comparing today's frenzied market to last year's frozen market, the differences are going to be large. While home prices never declined, they were flat this time last year, which is one of the reasons we're seeing home prices register such large gains compared to that time. A similar story plays out for new listings. In sum, the housing market remains competitive and while the new listings trend is an optimistic sign for hopeful buyers, they still face a challenging market. Fortunately, we are seeing more usual seasonal trends in the housing market this year, and that means we'll likely see a big pick-up in the number of options for buyers as we move toward summer. For sellers, getting in early optimizes odds of a quick sale at a good price before there's too much competition, but that means acting to list now—the best time to sell a home is next week.

Weekly Housing Trends Key Findings

Key Findings:

Median listing prices grew at 18.7 percent over last year, marking 35 consecutive weeks of double-digit price growth. In the second half of 2020, buyers could handle higher prices without batting an eye thanks to falling mortgage rates which meant falling monthly payments even as prices rose, but this may soon change. The monthly payment for the median priced home increased \$100 in the last month thanks to soaring home prices and now climbing mortgage rates. On top of this, although they remain historically low, mortgage rates are expected to increase further later in the year. Thus, affordability will be a growing challenge for home buyers in the months ahead, as prices and rates both climb.

New listings—a measure of sellers putting homes up for sale—notched a 36 percent gain compared to this time last year following last week's 7 percent drop. As we compare to the early days of the pandemic when the spring home buying season was disrupted, we expect to see some big numbers ahead for gains in new listings. This is not only expected, it's needed. The housing market is still relatively under supplied, and buyers can't buy what's not for sale.

Relative to what we saw in 2017 to 2019, March 2021 was still roughly 117,000 new listings lower, adding to the pre-existing early-year gap of more than 200,000 fresh listings that would typically have come to market in January or February. As the weather warms, the key weeks for selling activity are still ahead of us, and we expect to see more new listings growth.

Total active inventory showed a smaller decline for the first time since November 2020, but it remains 53 percent below this time last year. The total number of homes actively available for sale continues to be less than half of what we saw last year, and we're measuring from somewhat lower

early-pandemic levels. However, a bounce back in new sellers as we move into the heart of home selling season is a welcome sign for buyers and one of several contributors to a smaller decline in homes actively for sale this week. Time on market was 18 days faster than last year. Thanks to competitive market dynamics, home buyers have to move quickly to submit offers early enough for consideration by potential sellers. These fast moving conditions can be challenging, especially for first-time home buyers. Roughly half of potential first-time home buyers reported falling in love with a home but not successfully purchasing it. Among these buyers, roughly 4 in 5 of them cited getting outbid or unaffordability as the reason they didn't buy the home they loved.

Data Summary

Recent Weeks:

<i>All Changes</i>	First 2	Week ending Mar	Week ending Apr 3	Week ending Apr
<i>year-over-year</i>	Weeks	27 2021	2021	10 2021
	March			
	2020			
Median Listing	+4.5%	+17.2%	+17.2%	+18.7%
Prices				

New Listings	+5%	+6%	-7%	+36%
Total Listings	-16%	-53%	-54%	-53%
Time on Market	4 days faster	9 days faster	12 days faster	18 days faster