

50^{Years} The Title Company of Jersey

Established in 1972

August 2022



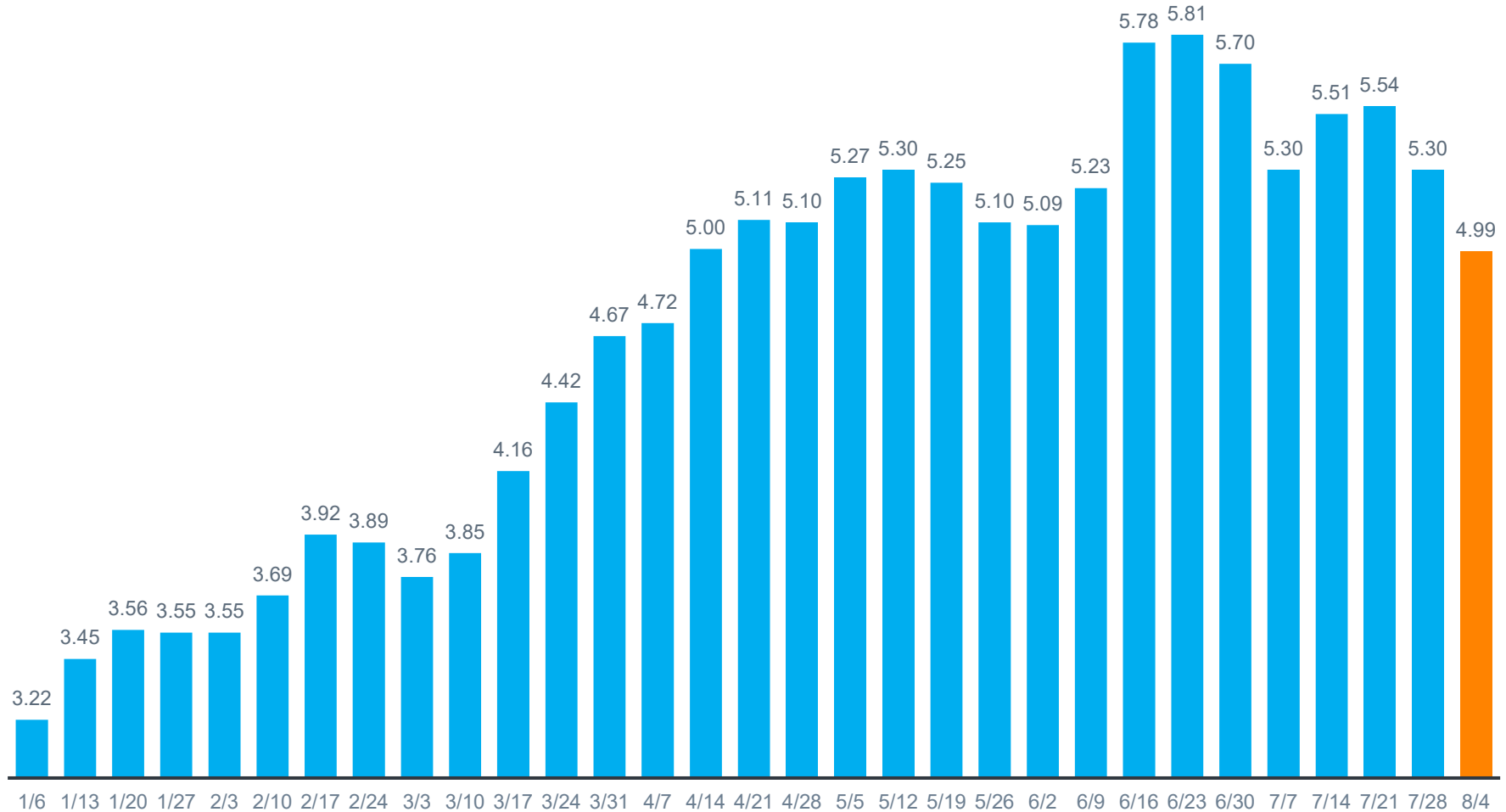
What's Happening in the Current Housing Market?





Weekly Mortgage Rates Continue To Fluctuate

Freddie Mac 30-Year Fixed Rate, January 2022–Today



Source: Freddie Mac



What Is a Recession?

The National Bureau of Economic Research (NBER) defines a recession as:

“ . . . a significant decline in economic activity spread across the economy, lasting more than a few months, normally visible in real GDP, real income, employment, industrial production, and wholesale-retail sales.”



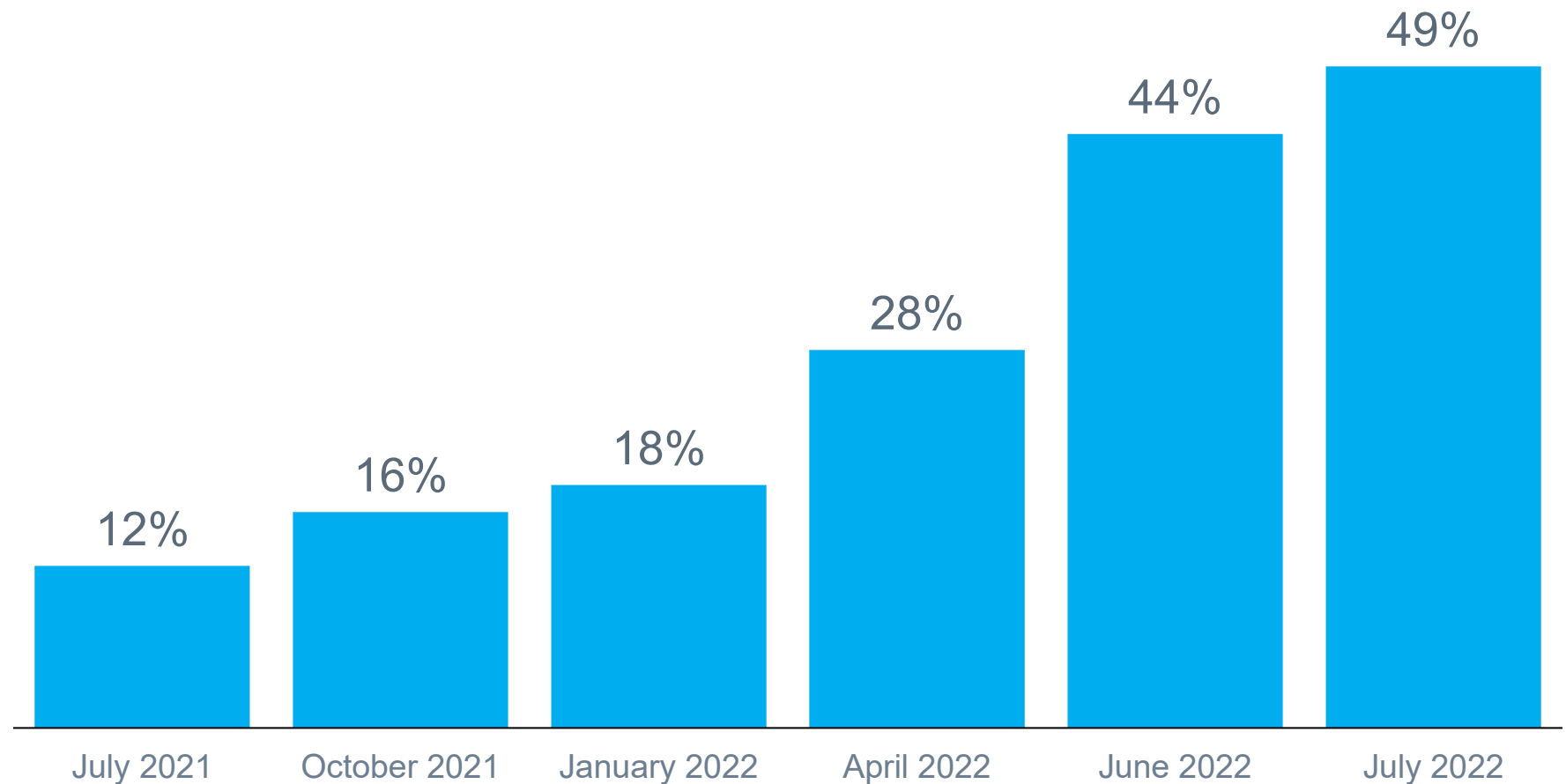
Is a Recession 2 Consecutive Quarters of Negative Growth? (1949–2022)

Real GDP: Number of Consecutive Negative Quarters	Start Quarter	End Quarter	Recession
2	Q1 1949	Q2 1949	Yes
3	Q3 1953	Q1 1954	Yes
2	Q4 1957	Q1 1958	Yes
2	Q4 1969	Q1 1970	Yes
3	Q3 1974	Q1 1975	Yes
2	Q2 1980	Q3 1980	Yes
2	Q4 1981	Q1 1982	Yes
2	Q4 1990	Q1 1991	Yes
4	Q3 2008	Q2 2009	Yes
2	Q1 2020	Q2 2020	Yes
2	Q1 2022	Q2 2022	?



Is There a Recession Around the Corner?

Percentage of Economists Surveyed Who Believe We Will See a Recession in the Next 12 Months



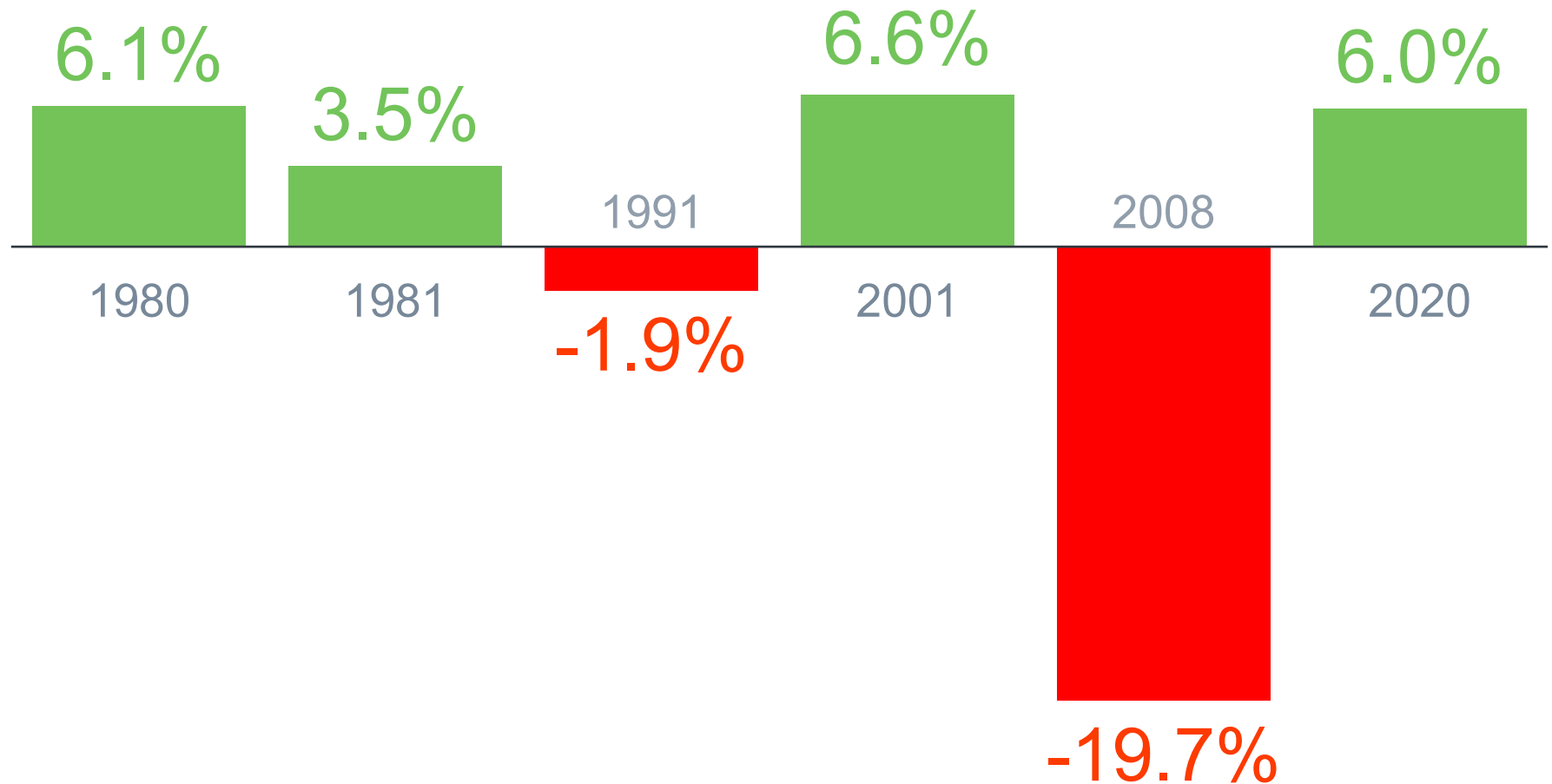


**How Would Housing Be Impacted
by a Recession?**



A Recession Does Not Mean Falling Prices

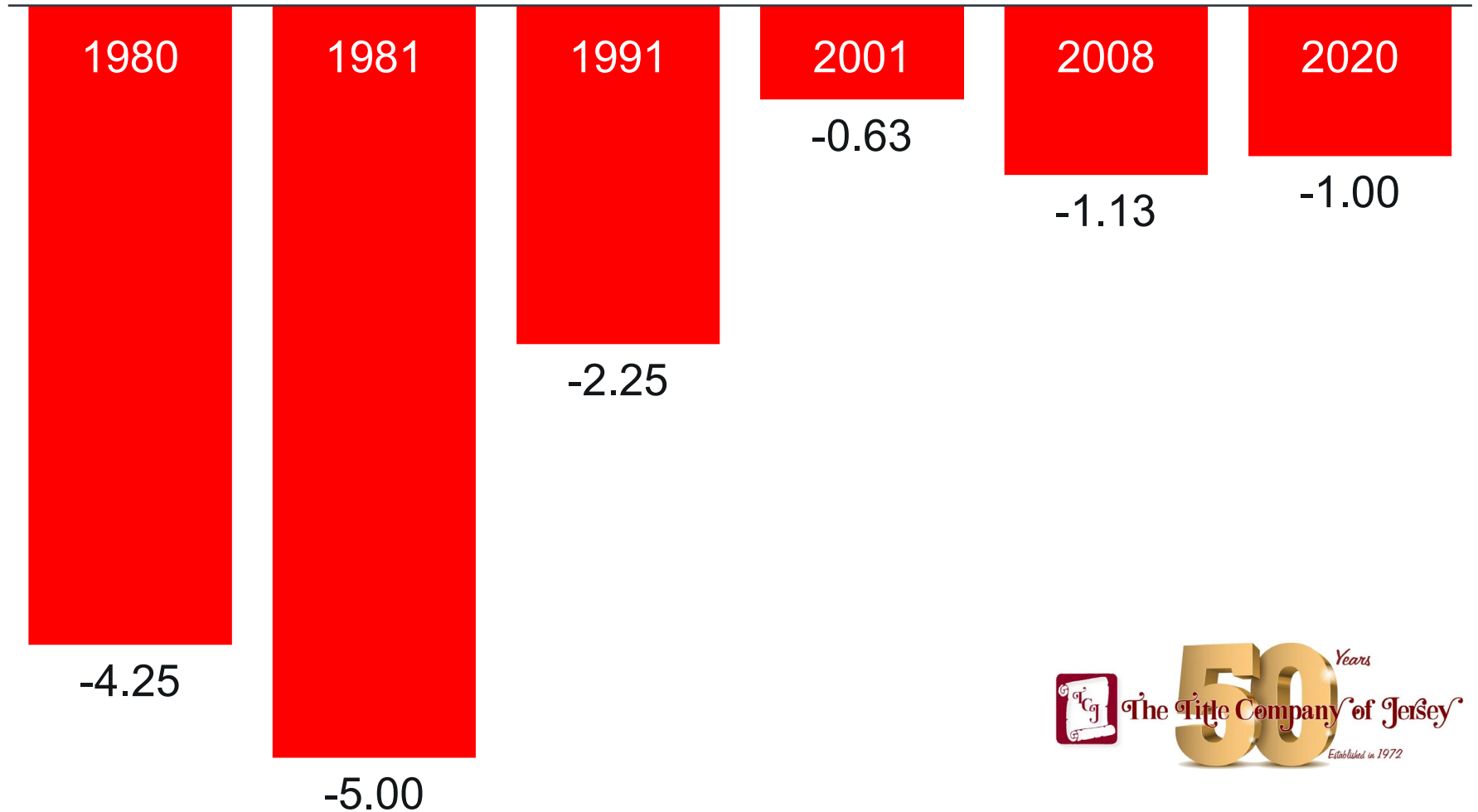
Home Price Change During Last 6 Recessions





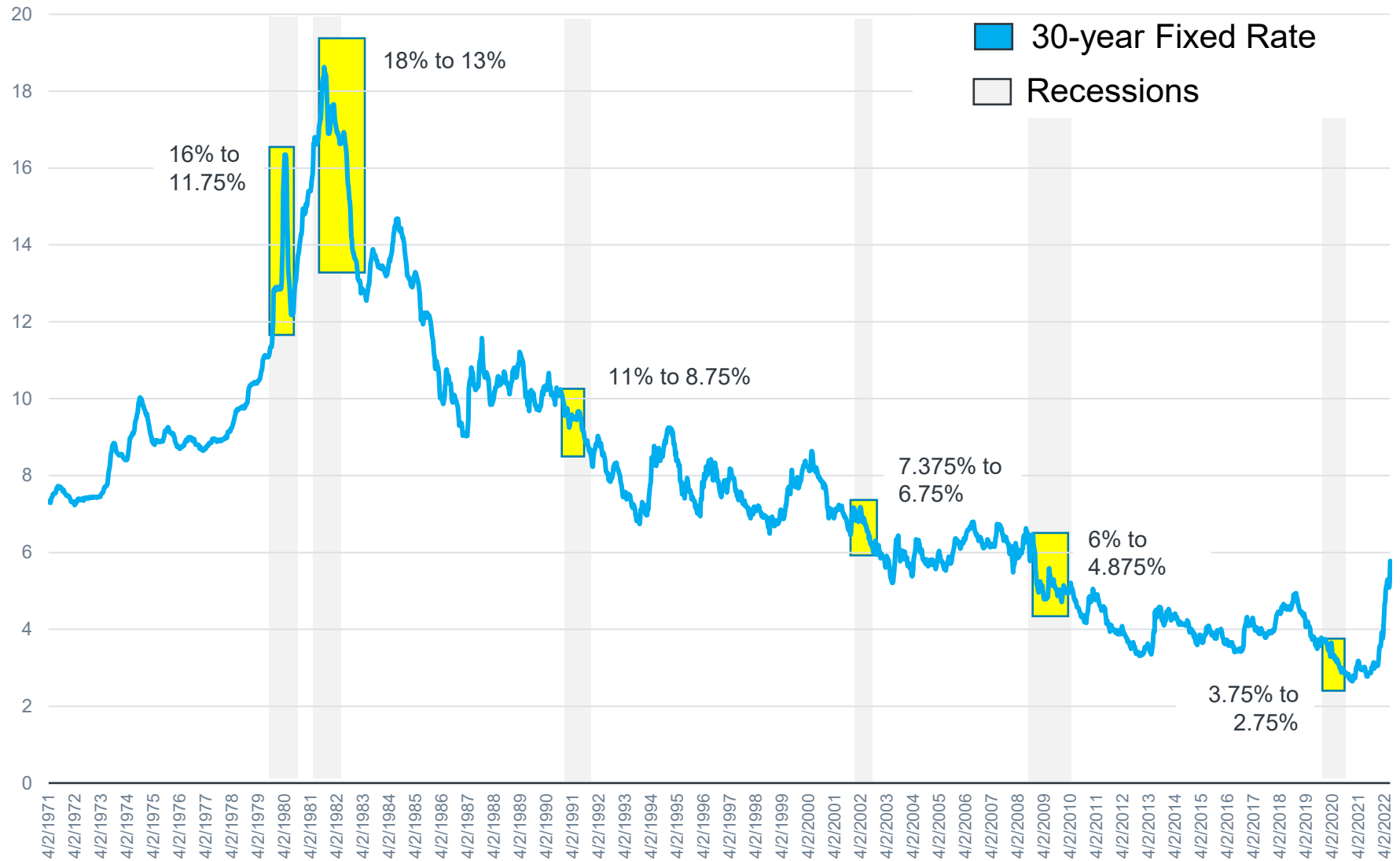
A Recession Means Falling Mortgage Rates

Mortgage Rates in the Last 6 Recessions from Peak to Trough



Source: Freddie Mac, Mortgage Specialists

Mortgage Rates & Recessions



Source: Freddie Mac, Mortgage Specialist



Over the past five recessions, mortgage rates have fallen an average of 1.8 percentage points from the peak seen during the recession to the trough.

And in many cases, they continued to fall after the fact as it takes some time to turn things around even when the recession is technically over.

- Fortune

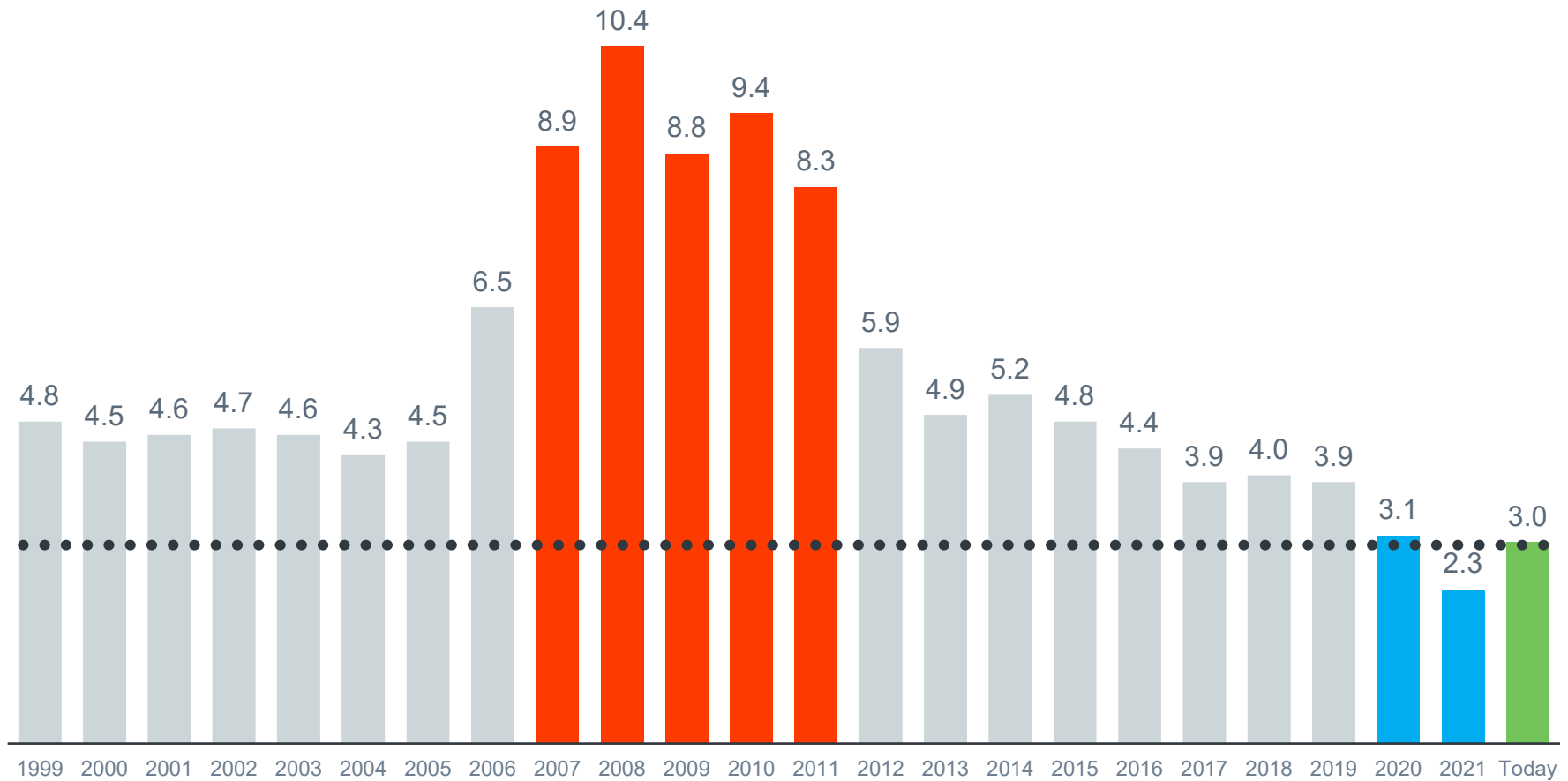
Why the Housing Market Won't Crash





Not Enough Homes for Sale

Total housing inventory registered at the end of June was 1,260,000 units. Unsold inventory sits at a 3.0-month supply at the current sales pace.



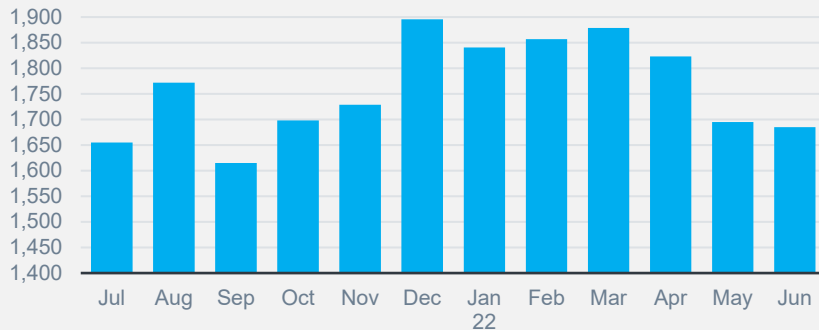


Monthly New Residential Construction

June 2022, in Thousands of Units

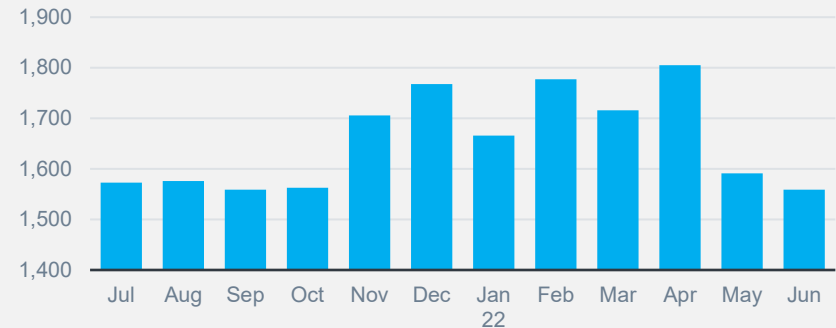
Building Permits

Seasonally adjusted annual rate of 1,685,000



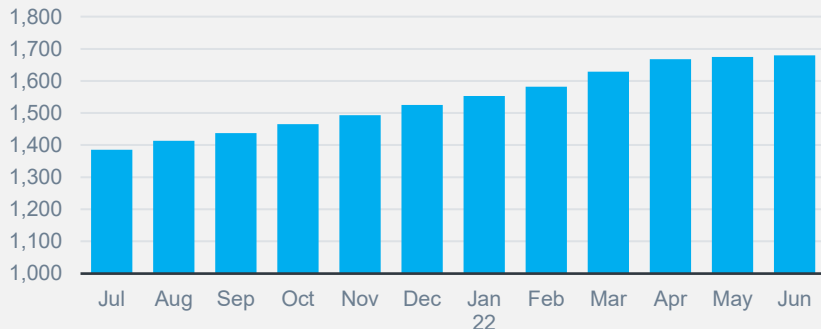
Housing Starts

Seasonally adjusted annual rate of 1,559,000



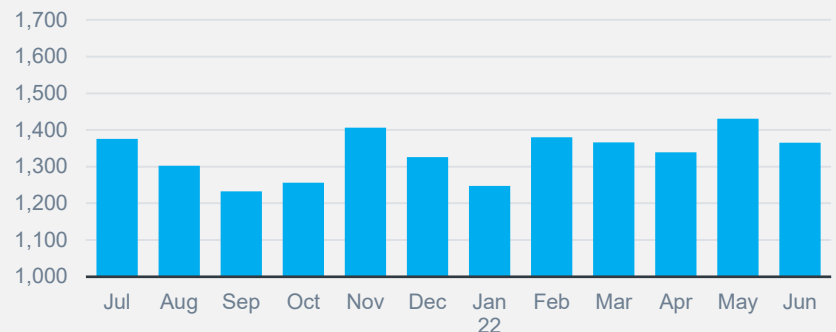
Under Construction at End of Period

Seasonally adjusted annual rate of 1,583,000



Housing Units Completed

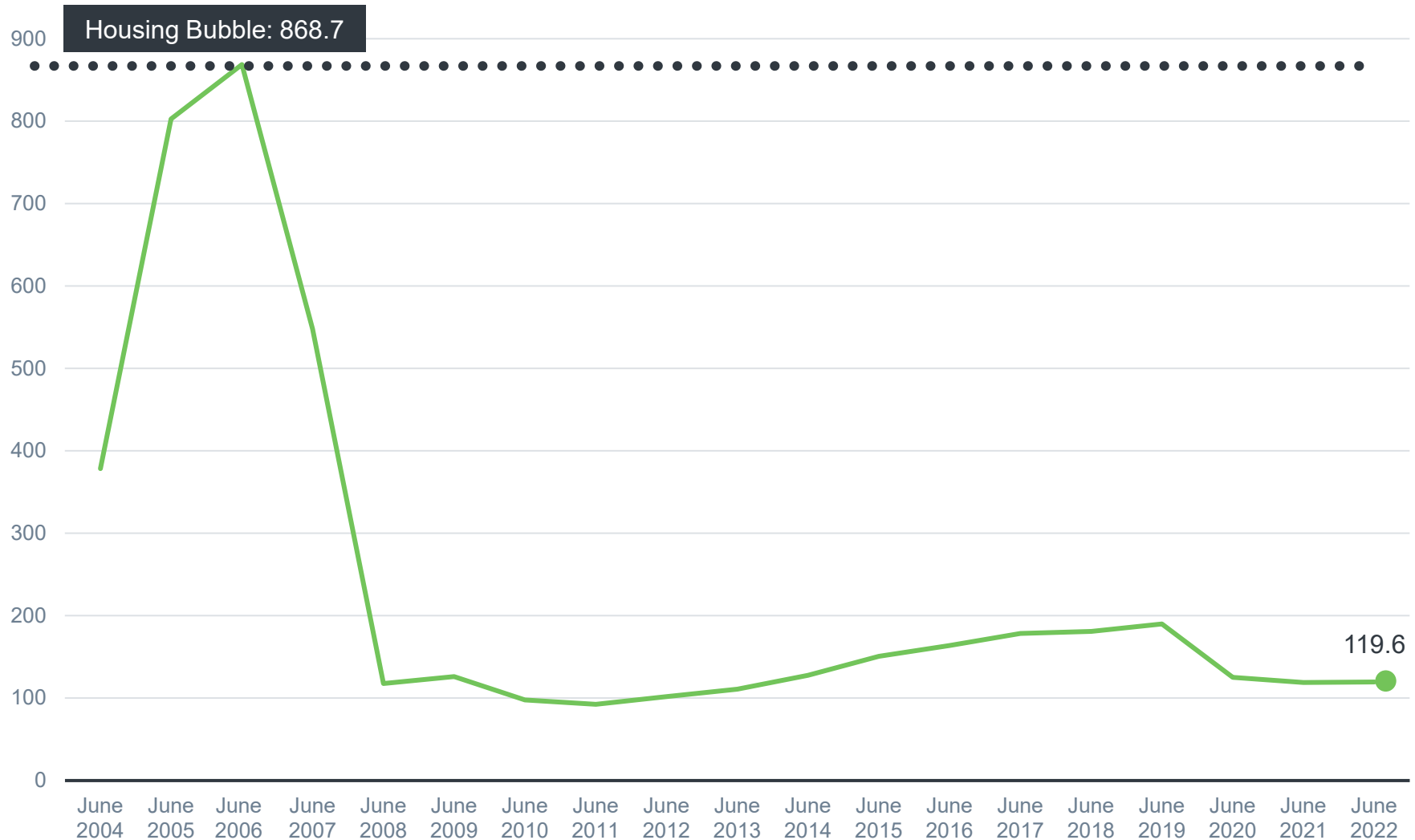
Seasonally adjusted annual rate of 1,365,000





Lending Standards Still Under Control

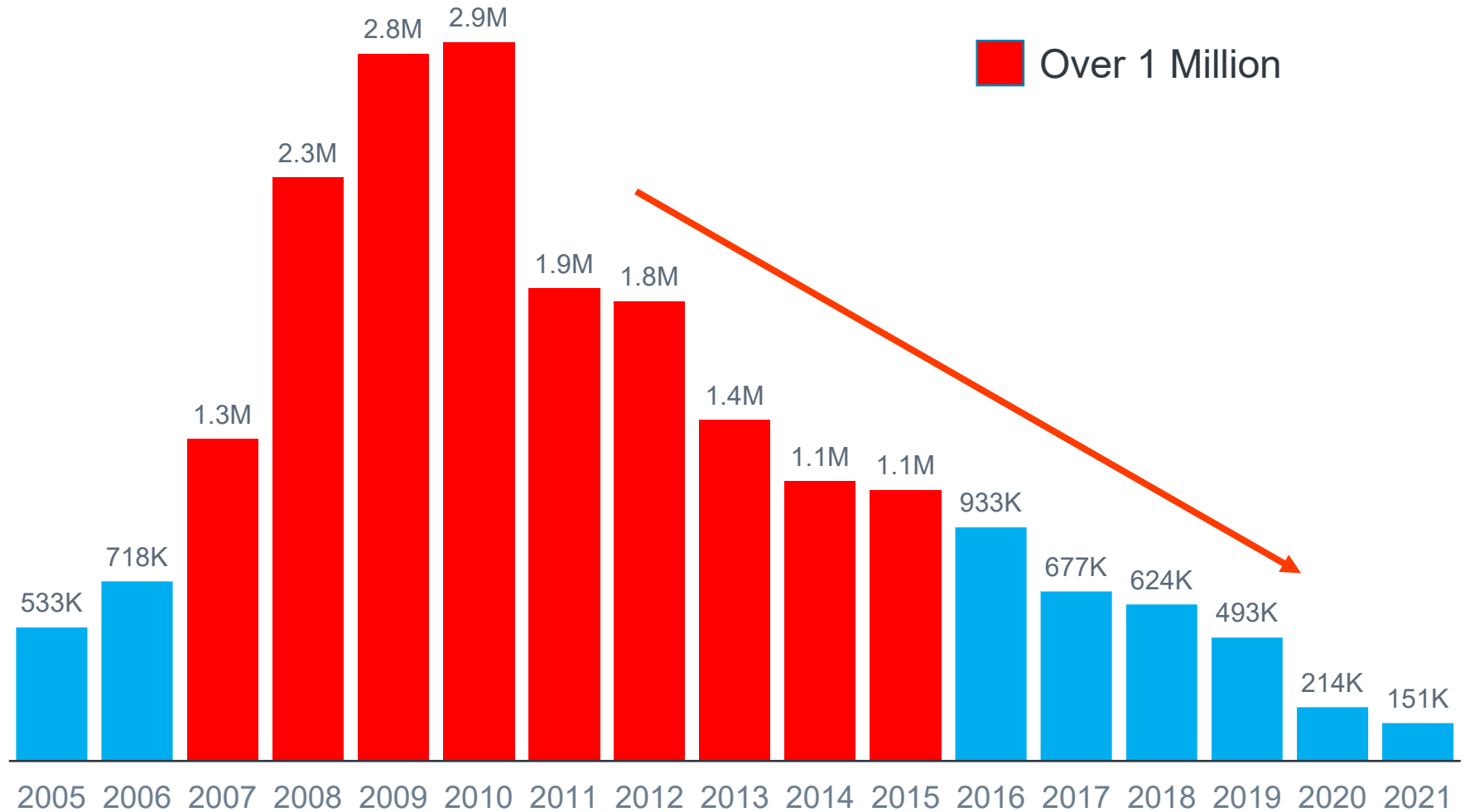
Historical Data for the Mortgage Credit Availability Index (MCAI)





Foreclosure Activity by Year

U.S. Properties with Foreclosure Filings: ATTOM 2021 Year-End Report

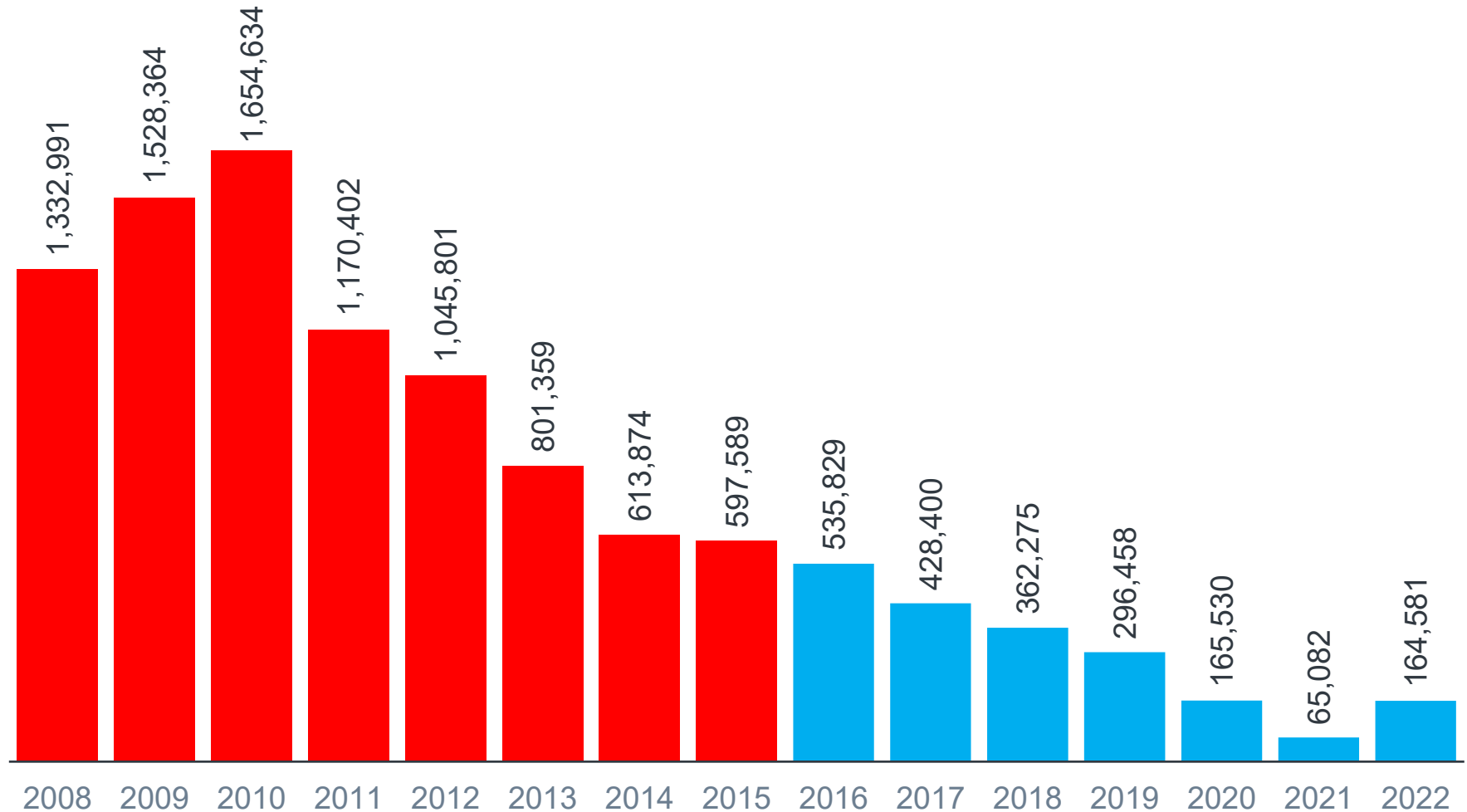


Source: ATTOM Data Solutions



First-Half Foreclosure Activity by Year

U.S. Properties with Foreclosure Filings: January–June

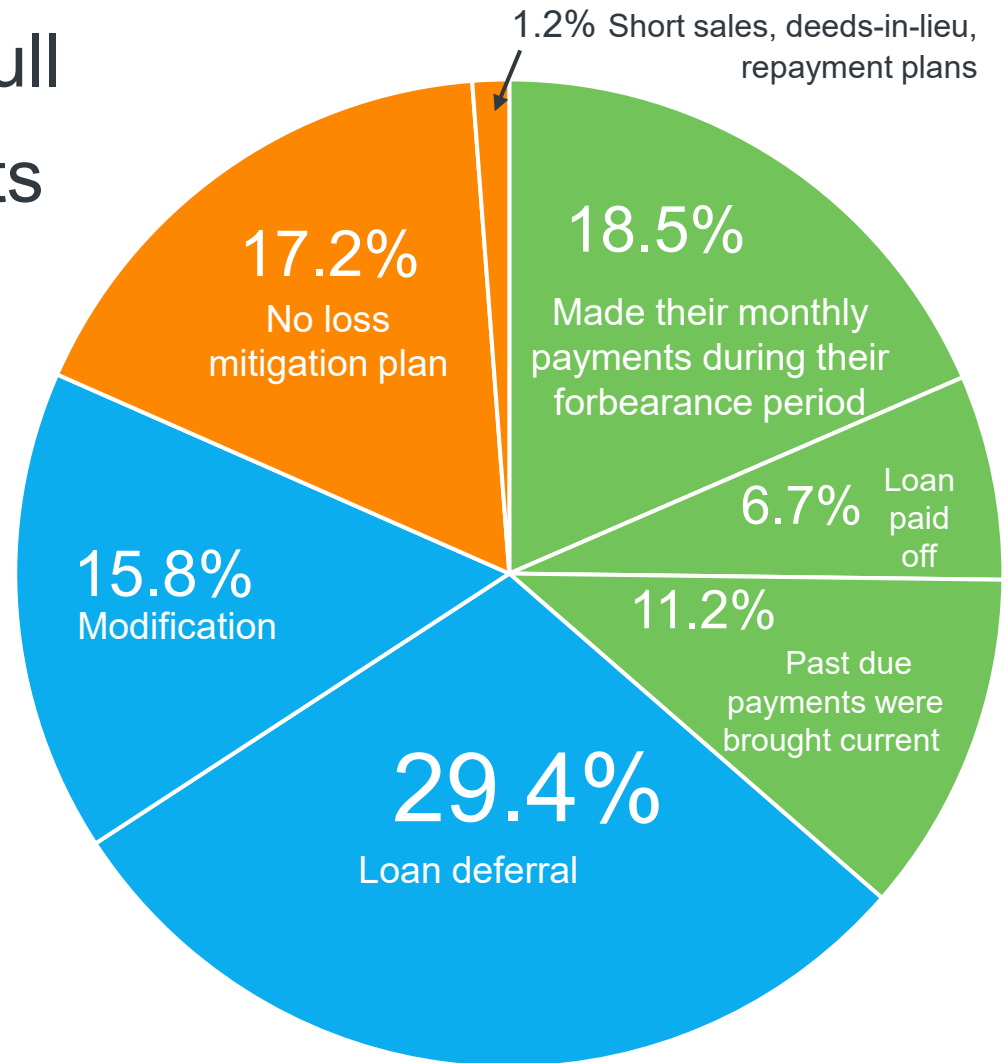


Source: ATTOM Data Solutions



Loans upon Exiting Forbearance Program

- 36.4% were paid in full
- 45.2% were work outs or repayment plans
- 18.4% were still in trouble



*Cumulative forbearance exits
for the period from June 1, 2020
through June 30, 2022*

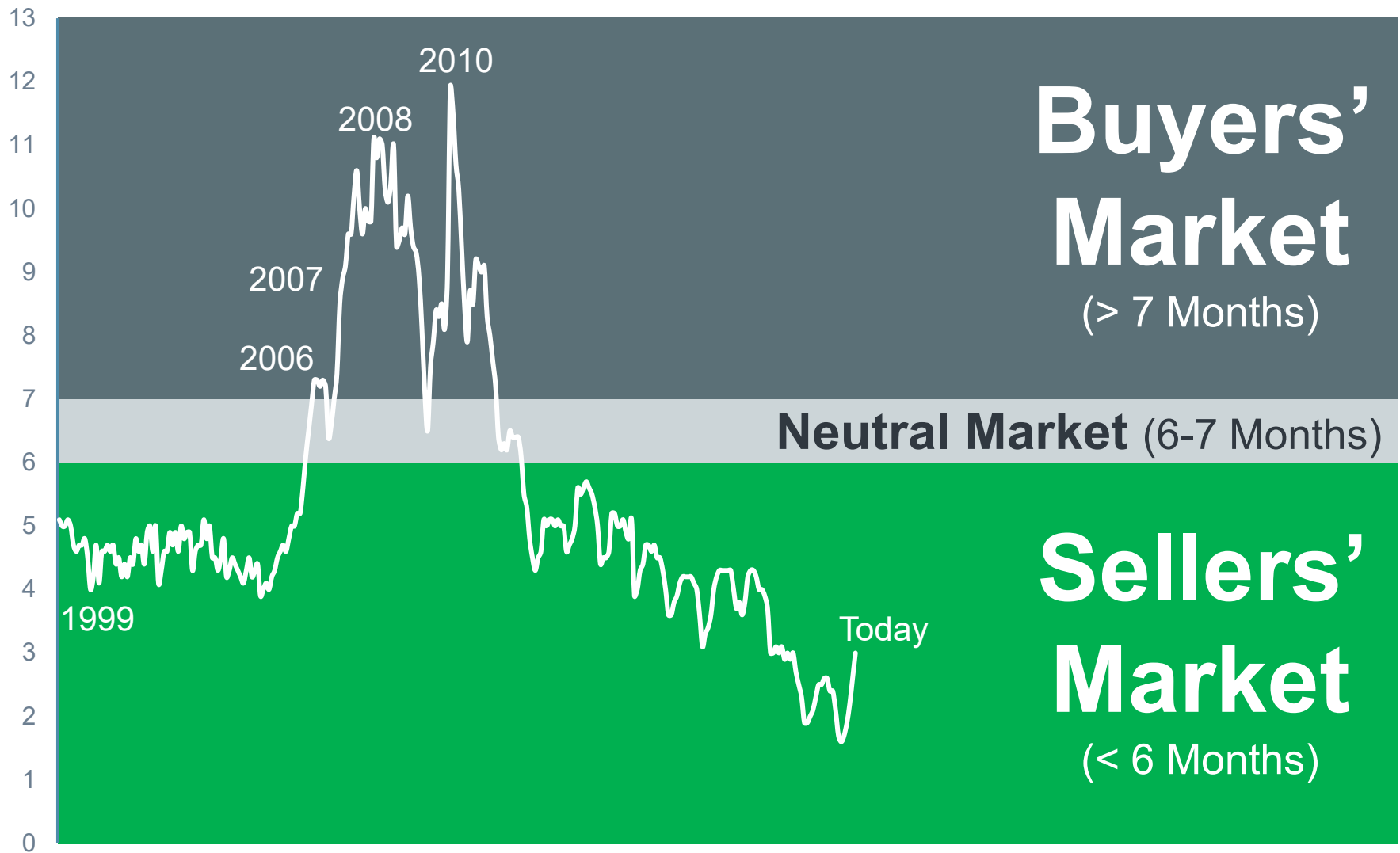


Foreclosure activity across the United States continued its slow, steady climb back to pre-pandemic levels in the first half of 2022. . . .
While overall foreclosure activity is still running significantly below historic averages, the dramatic increase in foreclosure starts suggests that we may be back to normal levels by sometime in early 2023.

- **Rick Sharga**, Executive VP of Market Intelligence, ATTOM



Months' Inventory of Homes for Sale



What's Ahead for the Rest of 2022?



Mortgage Rate Projections

July 2022



Quarter	Freddie Mac	Fannie Mae	MBA	NAR	Average of All Four
2022 4Q	5.4	5.4	5.2	5.3	5.33%
2023 1Q	5.2	5.3	5.0	5.3	5.20%
2023 2Q	5.2	5.1	5.0	5.4	5.18%
2023 3Q	5.0	5.0	4.9	-	4.97%

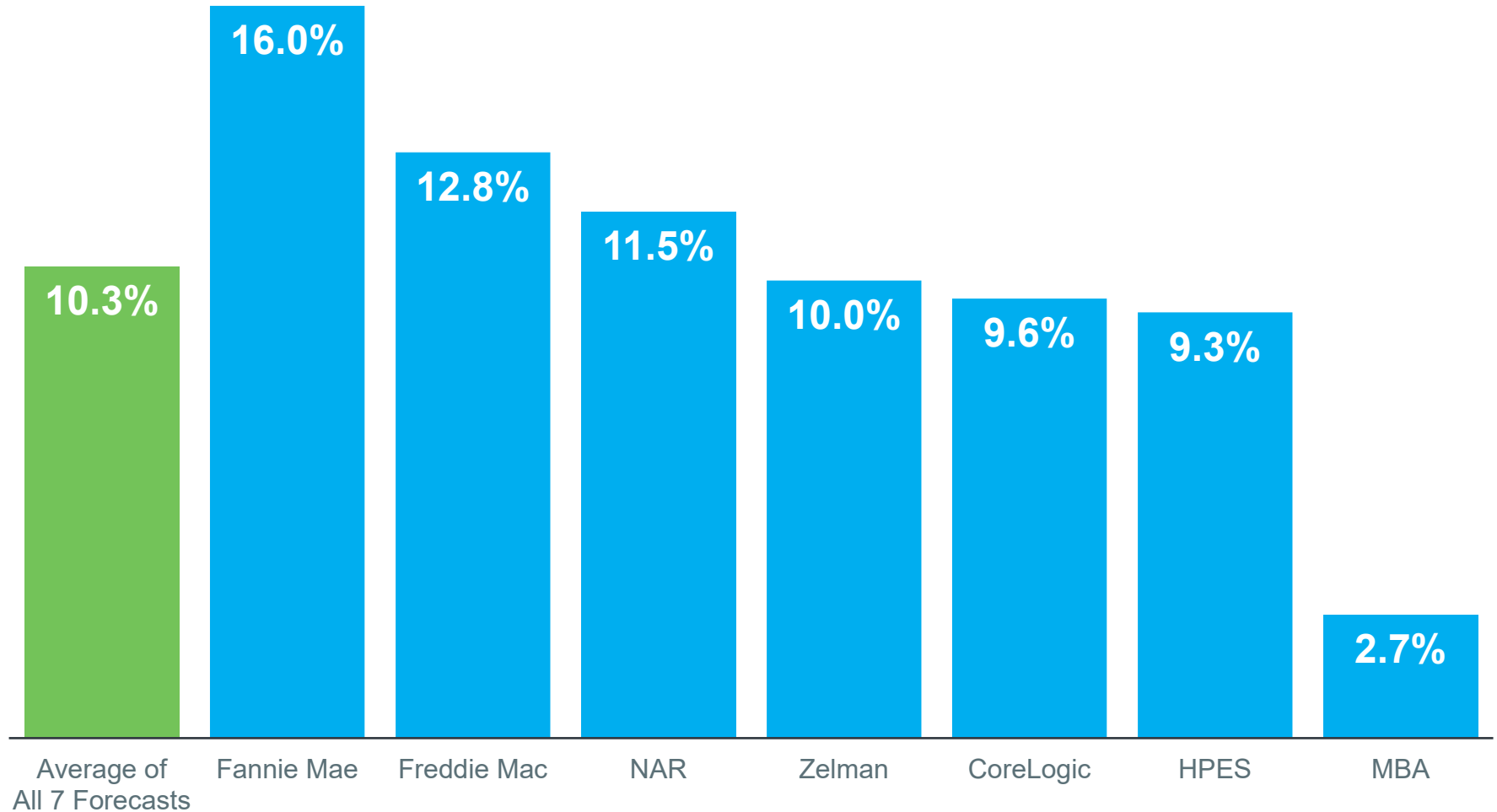


There could be “a potential silver lining” for the market, he added, as stabilizing mortgage rates and rising inventory **“may bring some buyers back to the market during the second half of the year.”**

- **CNBC**, Quoting **Joel Kan**, Economist, MBA



Home Price Forecasts for 2022





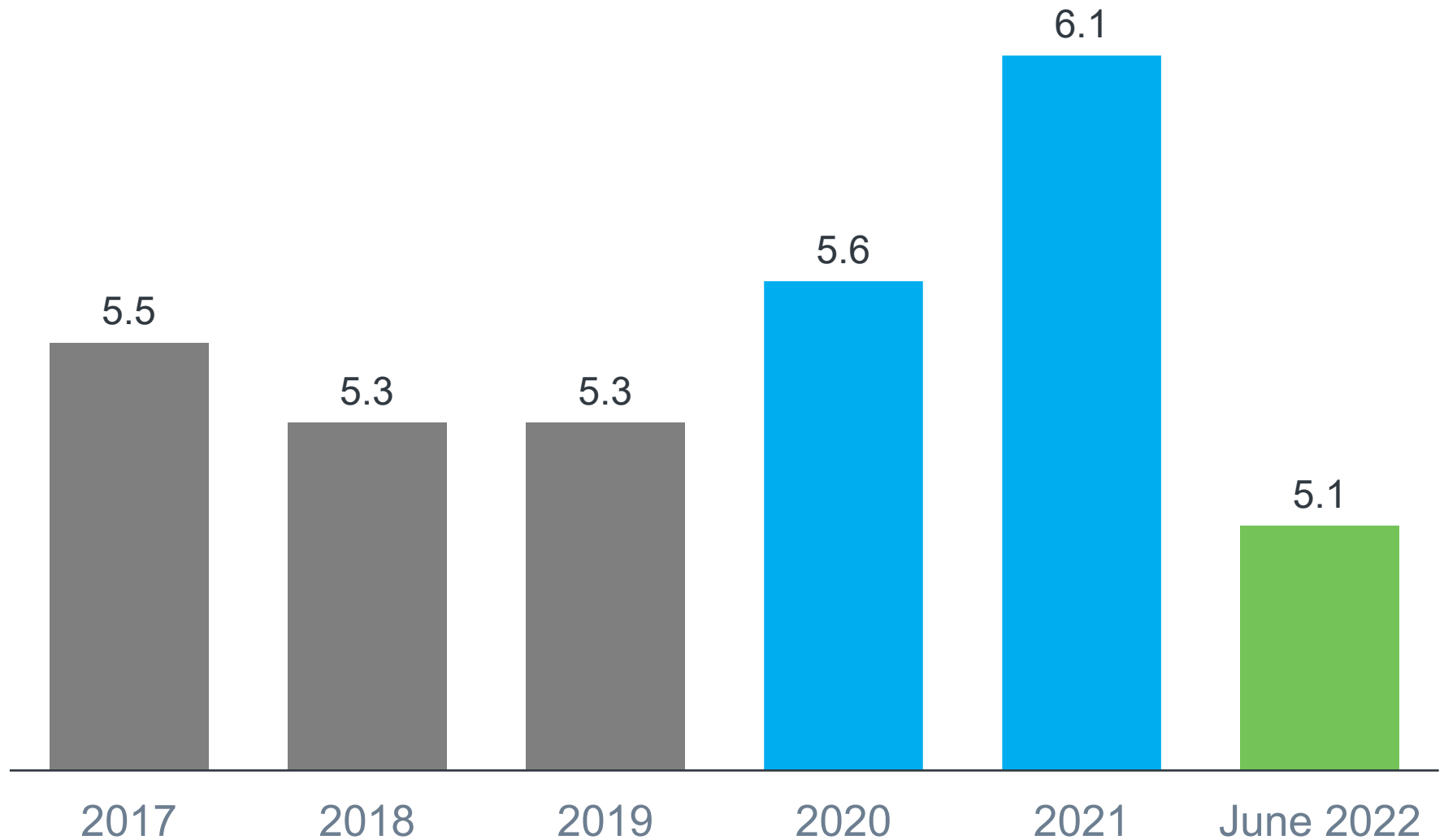
I don't think national housing prices will decline in a meaningful way, . . . but there will be some price declines across the country.

- **Mark Zandi**, Chief Economist, Moody's Analytics



Existing Home Sales

Seasonally Adjusted Annual Rate, in Millions



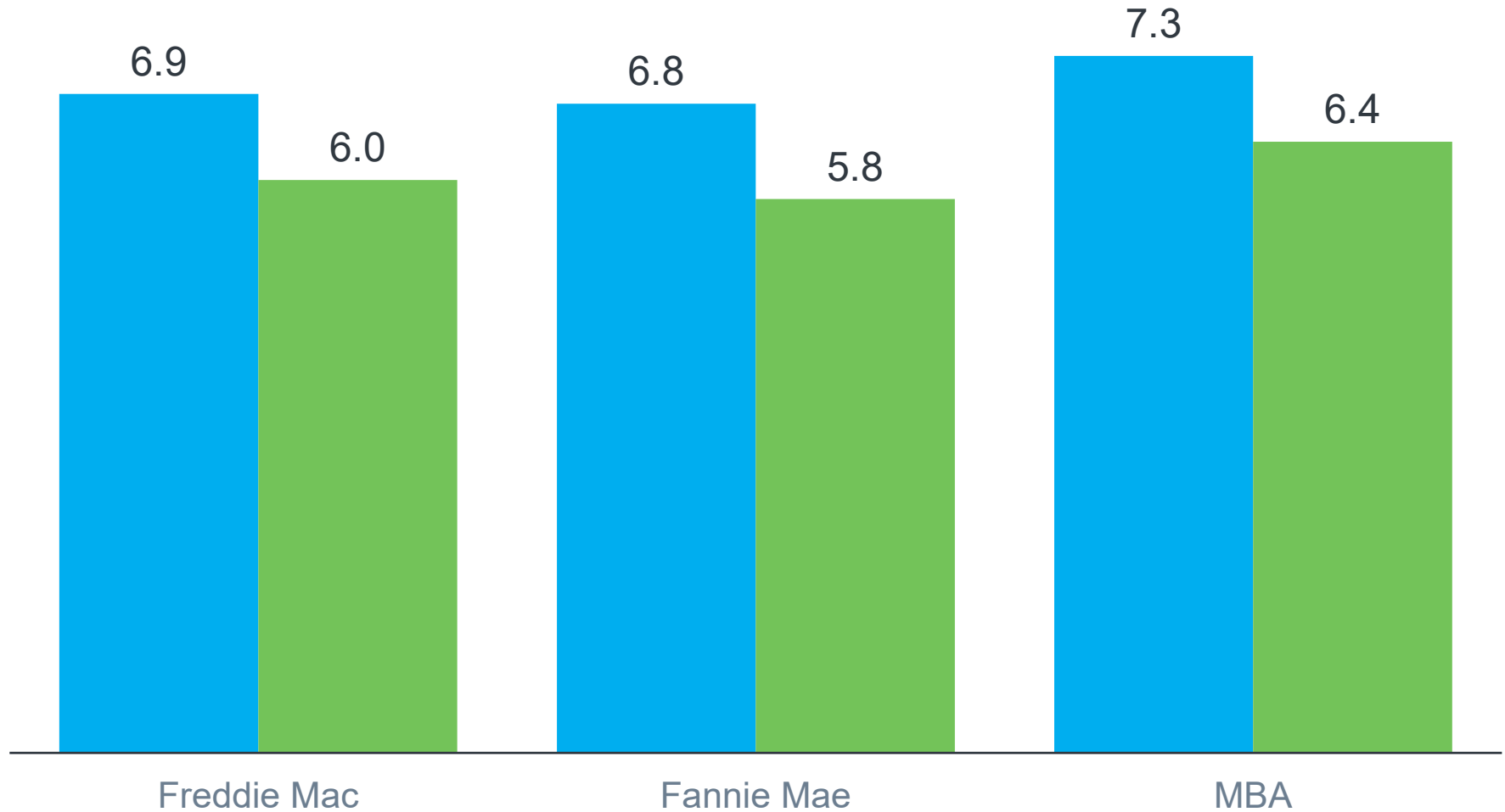
Source: NAR



Total Home Sales Forecast

In Millions

■ January 2022 Forecast ■ July 2022 Forecast



3 Reasons To Buy a Home Today

Fewer Multiple-Offer Scenarios

April 2022

average of **5.5 offers**



May 2022

average of **4.2 offers**



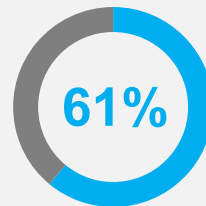
June 2022

average of **3.4 offers**



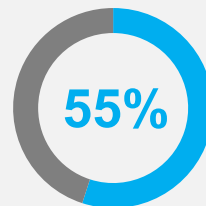
Fewer Homes Selling Above Asking Price

April 2022



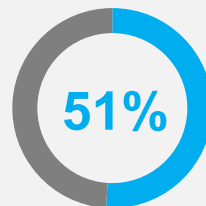
sold
over
asking

May 2022



sold
over
asking

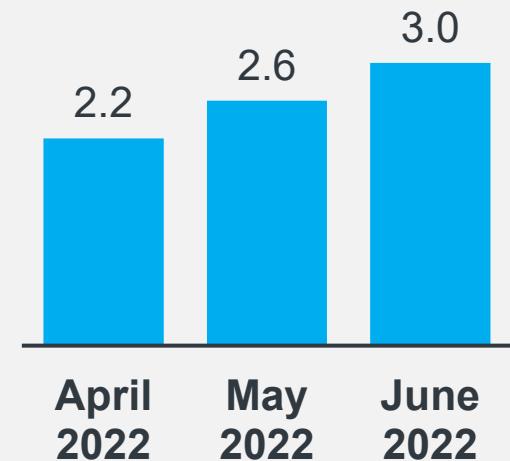
June 2022



sold
over
asking

Supply of Homes for Sale Is Growing

Months' Supply



Infographic



Reasons To Buy a Home in Today's Shifting Market



The housing market is moving away from the frenzy of the past year and it's opening doors for you if you're thinking of buying a home.

1

As buyer demand moderates, you may see the intensity of bidding wars ease.

Fewer Multiple-Offer Scenarios

April 2022: average of 5.5 offers



May 2022: average of 4.2 offers



June 2022: average of 3.4 offers



2

Fewer buyers are bidding over asking price, but it's still a competitive market.

Not as Many Homes Selling Above Asking Price

April 2022



May 2022



June 2022



3

Housing inventory is increasing. That means more options for your home search.

Supply of Homes for Sale Is Growing

Months' Supply



April 2022

May 2022

June 2022

If you're ready to buy a home, now may be the moment you've been waiting for. Partner with a real estate professional to start the homebuying process today.

Resources

Slide(s)	Description	Link(s)
3	Mortgage Rate Graph	http://www.freddiemac.com/pmms/ https://freddiemac.gcs-web.com/node/25666/pdf
4	What Is a Recession?	https://www.forbes.com/advisor/investing/what-is-a-recession/#:~:text=NBER%20has%20its%20own%20definition,and%20wholesale%2Dretail%20sales.%E2%80%9D
5	Recession & GDP Table	https://twitter.com/charliebillello/status/1552699775618895873
6	Recession Survey	https://www.wsj.com/articles/economic-forecasting-survey-archive-11617814998 (subscription required)
8	Recession & Pricing Graph	https://www.corelogic.com/blog/2019/03/housing-recessions-and-recoveries.aspx https://www.thebalance.com/the-history-of-recessions-in-the-united-states-3306011 https://www.corelogic.com/intelligence/find-stories/corelogic-hpi-posted-record-year-over-year-growth-in-2021/
9, 10	Recession & Rates	http://www.freddiemac.com/pmms/ https://mtg-specialists.com/2022/05/11/recession-interest-rates-and-real-estate/

Resources

Slide(s)	Description	Link(s)
11	Fortune Quote	https://fortune.com/2019/06/19/next-recession-assets-mortgage-rates/
13	Inventory Graph	https://www.nar.realtor/research-and-statistics/housing-statistics/existing-home-sales
14	New Construction Graphs	https://www.census.gov/construction/nrc/pdf/newresconst.pdf
15	Lending Standards Graph	https://www.mba.org/news-research-and-resources/newsroom https://www.mba.org/news-and-research/newsroom/news/2022/07/12/mortgage-credit-availability-decreased-in-june
16	Foreclosure Activity Graph	https://www.attomdata.com/news/market-trends/foreclosures/attom-year-end-2021-u-s-foreclosure-market-report/
17	First-Half Foreclosure Activity Graph	https://www.attomdata.com/news/market-trends/foreclosures/attom-midyear-2022-u-s-foreclosure-market-report/
18	Loans Upon Exiting Forbearance	https://www.mba.org/news-and-research/newsroom/news/2022/07/18/share-of-mortgage-loans-in-forbearance-decreases-to-081-in-june

Resources

Slide(s)	Description	Link(s)
19	Sharga Quote	https://www.attomdata.com/news/market-trends/foreclosures/attom-midyear-2022-u-s-foreclosure-market-report/
20	Buyers' vs. Sellers' Market Graph	nar.realtor https://www.nar.realtor/topics/existing-home-sales
22	Mortgage Rate Projections	https://www.freddiemac.com/research/forecast/20220720-quarterly-forecast-market-slowdown-will-continue-high-rates-and-prices-exacerbate https://www.fanniemae.com/media/44131/display https://www.mba.org/docs/default-source/research-and-forecasts/forecasts/mortgage-finance-forecast-july-2022.pdf https://cdn.nar.realtor/sites/default/files/documents/forecast-q2-2022-us-economic-outlook-04-27-2022.pdf
23	CNBC/Kan Quote	https://www.cnn.com/2022/07/27/mortgage-demand-declines-further-even-as-interest-rates-drop-a-bit.html

Resources

Slide(s)	Description	Link(s)
24	Home Price Forecasts	https://www.fanniemae.com/media/44131/display https://www.freddiemac.com/research/forecast/20220720-quarterly-forecast-market-slowdown-will-continue-high-rates-and-prices-exacerbate https://cdn.nar.realtor/sites/default/files/documents/forecast-q3-2022-us-economic-outlook-07-27-2022.pdf https://www.corelogic.com/intelligence/find-stories/corelogic-hpi-posted-record-year-over-year-growth-in-2021/ https://pulsenomics.com/surveys/#home-price-expectations https://www.zelmanassociates.com/ (subscription required) https://www.mba.org/docs/default-source/research-and-forecasts/forecasts/mortgage-finance-forecast-july-2022.pdf
25	Zandi Quote	https://www.housingwire.com/articles/the-nations-housing-market-is-on-a-correction-course/
26	Existing Home Sales Graph	https://www.nar.realtor/research-and-statistics/housing-statistics/existing-home-sales https://cdn.nar.realtor/sites/default/files/documents/ehs-05-2022-overview-2022-06-21.pdf

Resources

Slide(s)	Description	Link(s)
27	Home Sales Forecast	https://www.freddiemac.com/research/forecast?page=0 https://www.fanniemae.com/research-and-insights/forecast/forecast-monthly-archive https://www.mba.org/news-and-research/forecasts-and-commentary/mortgage-finance-forecast-archives
28	Reasons To Buy	https://cdn.nar.realtor/sites/default/files/documents/2022-05-realtors-confidence-index-06-21-2022.pdf https://cdn.nar.realtor/sites/default/files/documents/2022-06-realtors-confidence-index-report-07-20-2022.pdf https://www.nar.realtor/topics/existing-home-sales https://www.nar.realtor/newsroom/existing-home-sales-slides-4-in-June https://www.globenewswire.com/news-release/2022/05/19/2447085/0/en/Existing-Home-Sales-Retract-2-4-in-April.html
29	Infographic	https://www.mykcm.com/2022/07/29/three-reasons-to-buy-a-home-in-todays-shifting-market-infographic/



Updates

Resources

Slide(s)	Description	Link(s)
40	Confidence Index	https://www.nar.realtor/research-and-statistics/research-reports/realtors-confidence-index
41-43, 51, 53, 54, 61-65	Existing Home Sales	https://www.nar.realtor/topics/existing-home-sales
45-47	New Home Sales	http://www.census.gov/construction/nrs/pdf/newressales.pdf http://www.census.gov/newhomesales
48	Total Home Sales	http://www.census.gov/construction/nrs/pdf/newressales.pdf https://www.nar.realtor/topics/existing-home-sales
49, 50	Pending Home Sales	https://www.nar.realtor/research-and-statistics/housing-statistics/pending-home-sales
55-57	Case Shiller	https://www.spglobal.com/spdji/en/indices/indicators/sp-corelogic-case-shiller-20-city-composite-home-price-nsa-index/#news-research
58	CoreLogic Price Forecast	https://www.corelogic.com/intelligence/u-s-home-price-insights/
61-67	Inventory	https://www.nar.realtor/topics/existing-home-sales http://www.census.gov/construction/nrs/pdf/newressales.pdf

Resources

Slide(s)	Description	Link(s)
69	Showing Activity	https://www.showingtime.com/blog/june-2022-showing-index-results/
71, 72, 74, 75	Mortgage Rates	http://www.freddiemac.com/pmms/pmms_archives.html http://www.freddiemac.com/research/forecast/
73	Mortgage Rate Projections	http://www.freddiemac.com/research/forecast/ http://www.fanniemae.com/portal/research-insights/forecast.html https://www.mba.org/news-research-and-resources/research-and-economics/forecasts-and-commentary https://www.nar.realtor/research-and-statistics
77, 78	Mortgage Credit Availability	https://www.mba.org/news-research-and-resources/newsroom https://www.mba.org/news-research-and-resources/research-and-economics/single-family-research/mortgage-credit-availability-index

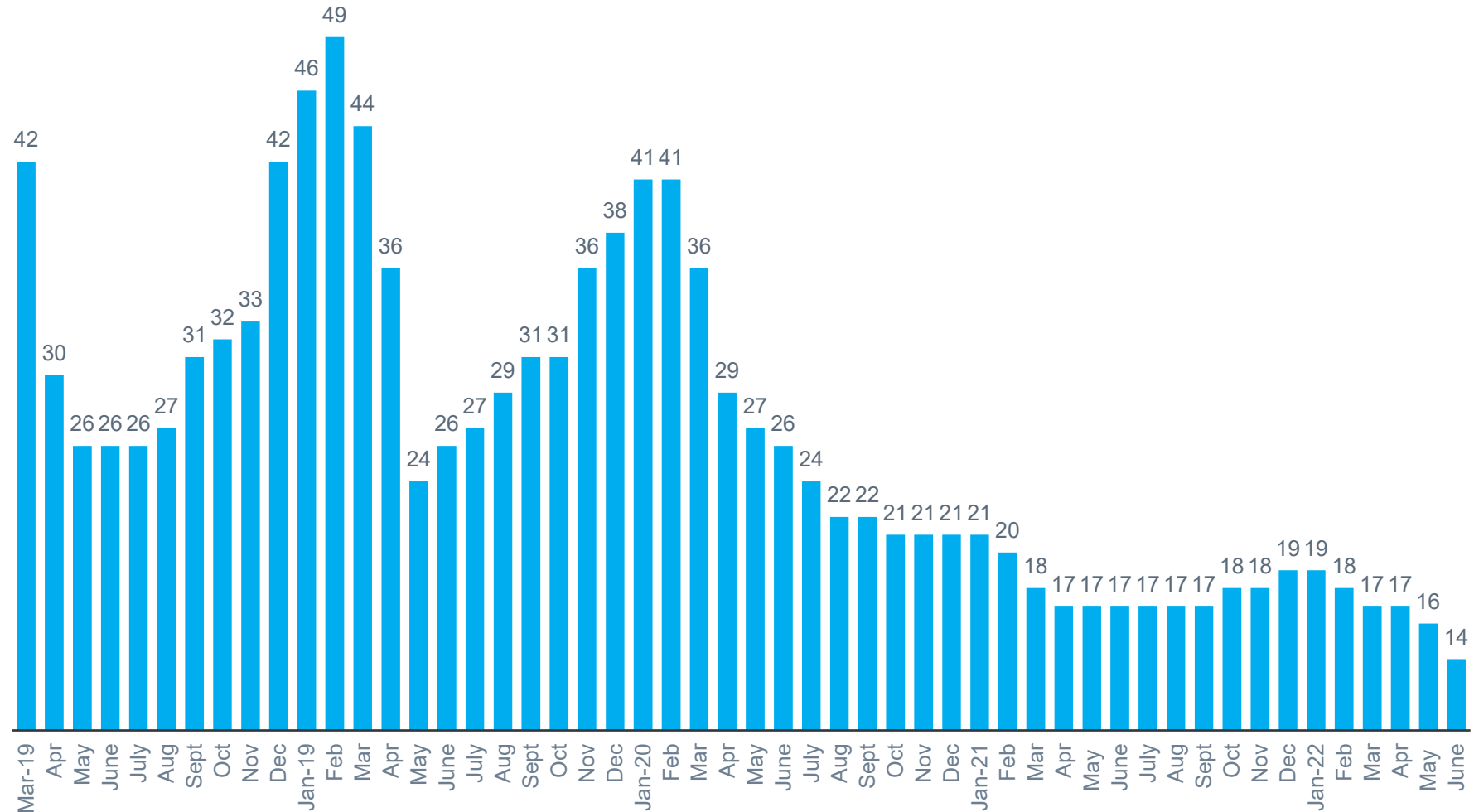


Home Sales



Average Days on the Market

June 2022

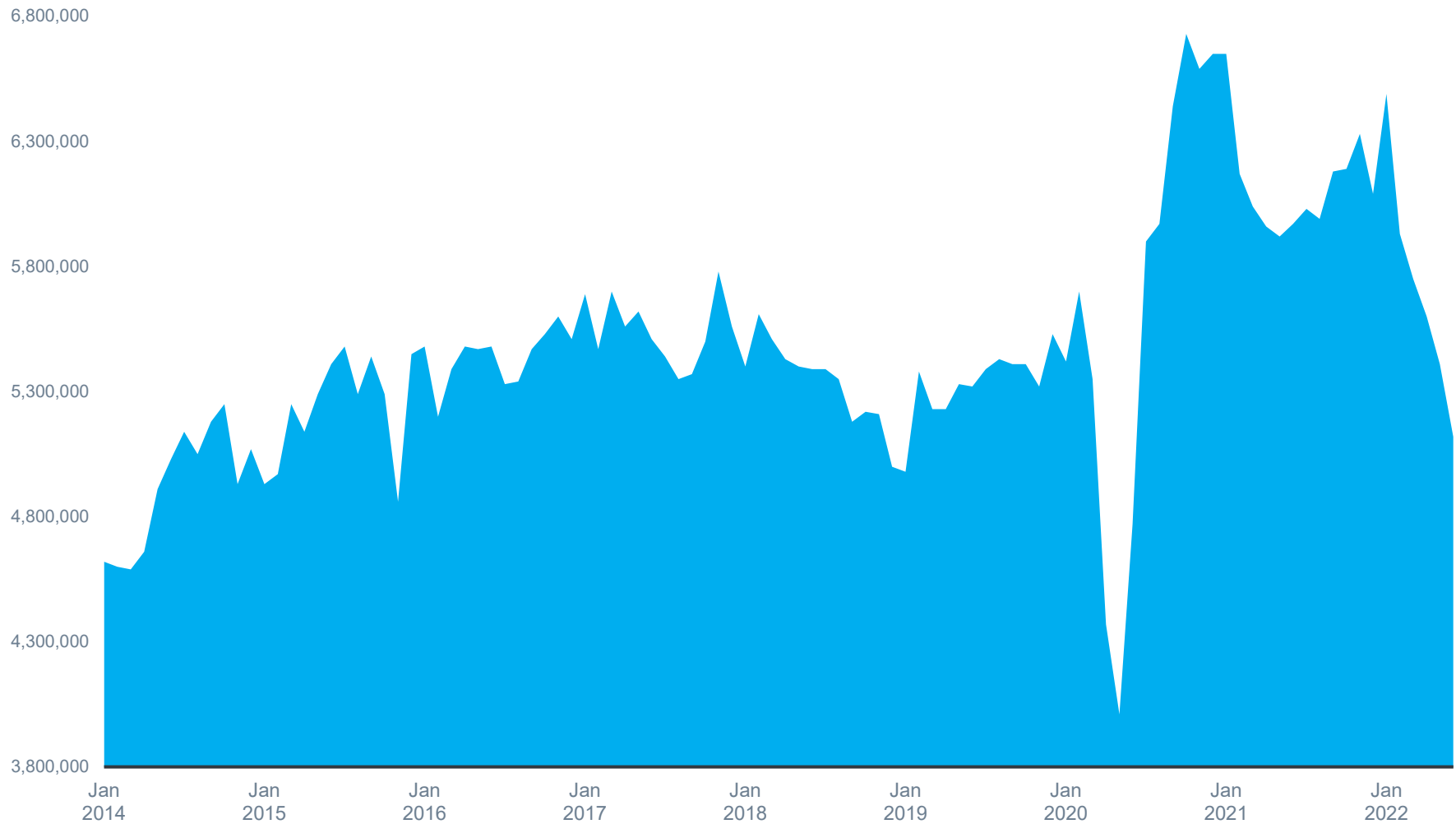


Source: NAR



Existing Home Sales

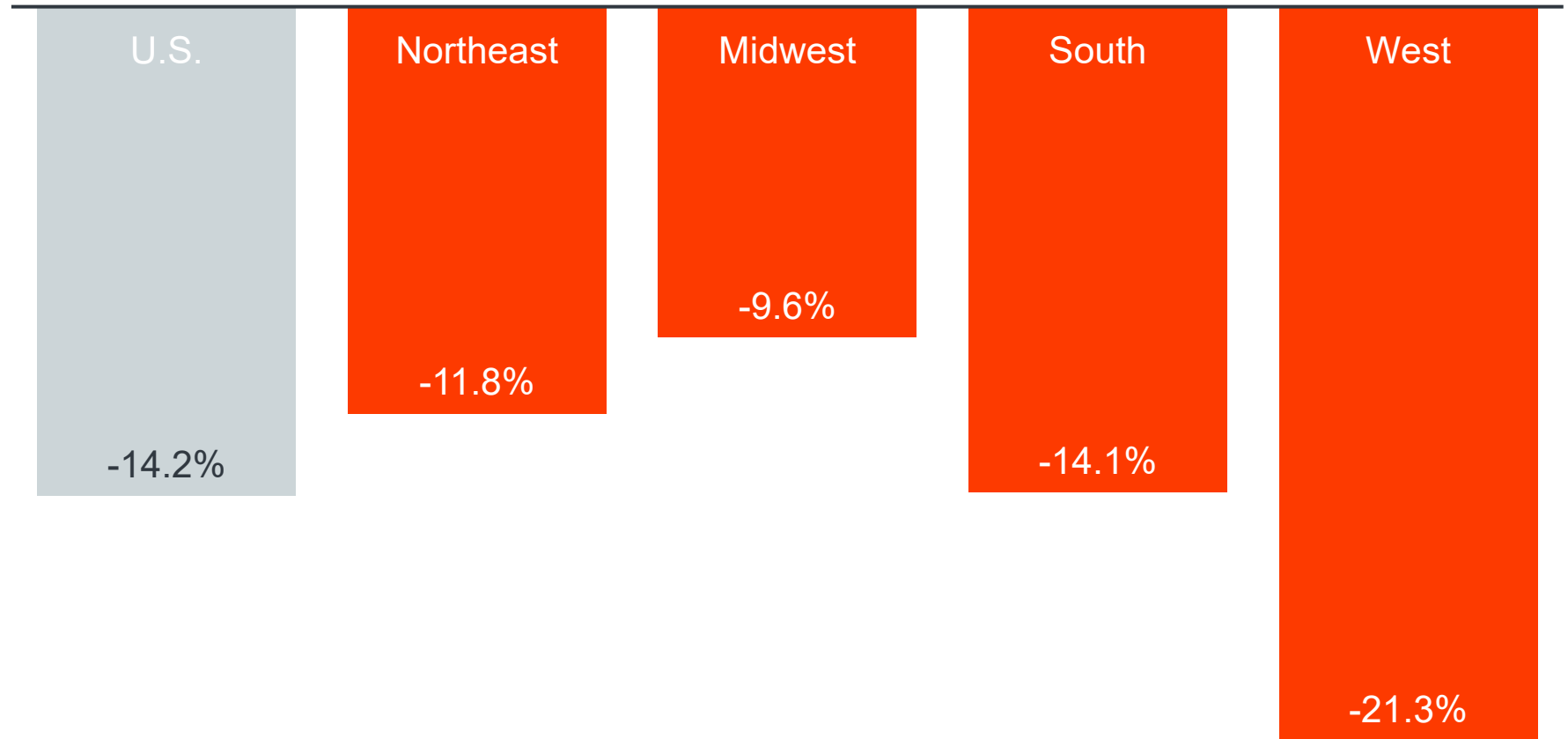
Since January 2014





Existing Home Sales

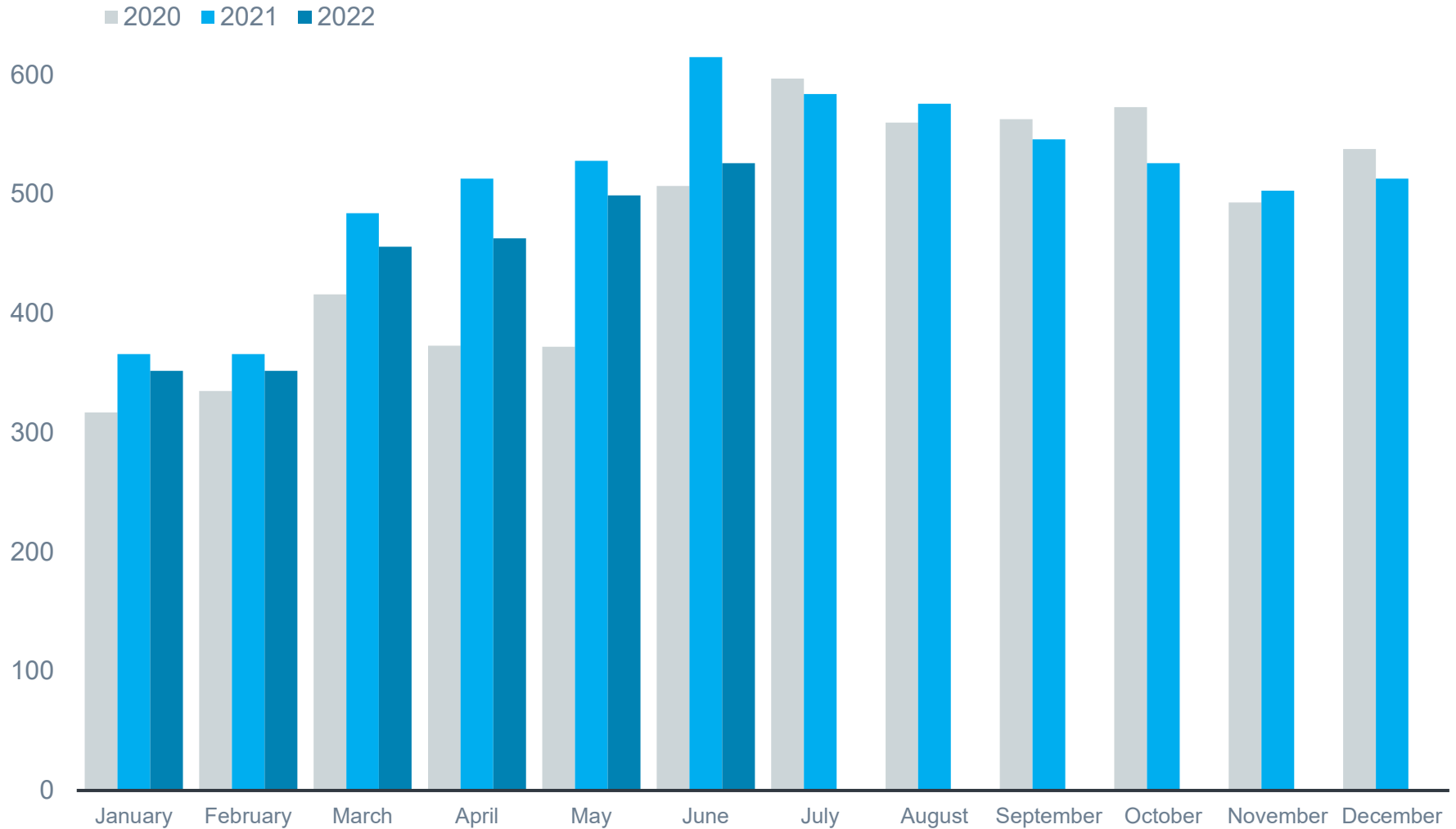
Year-Over-Year, by Region





Existing Home Sales

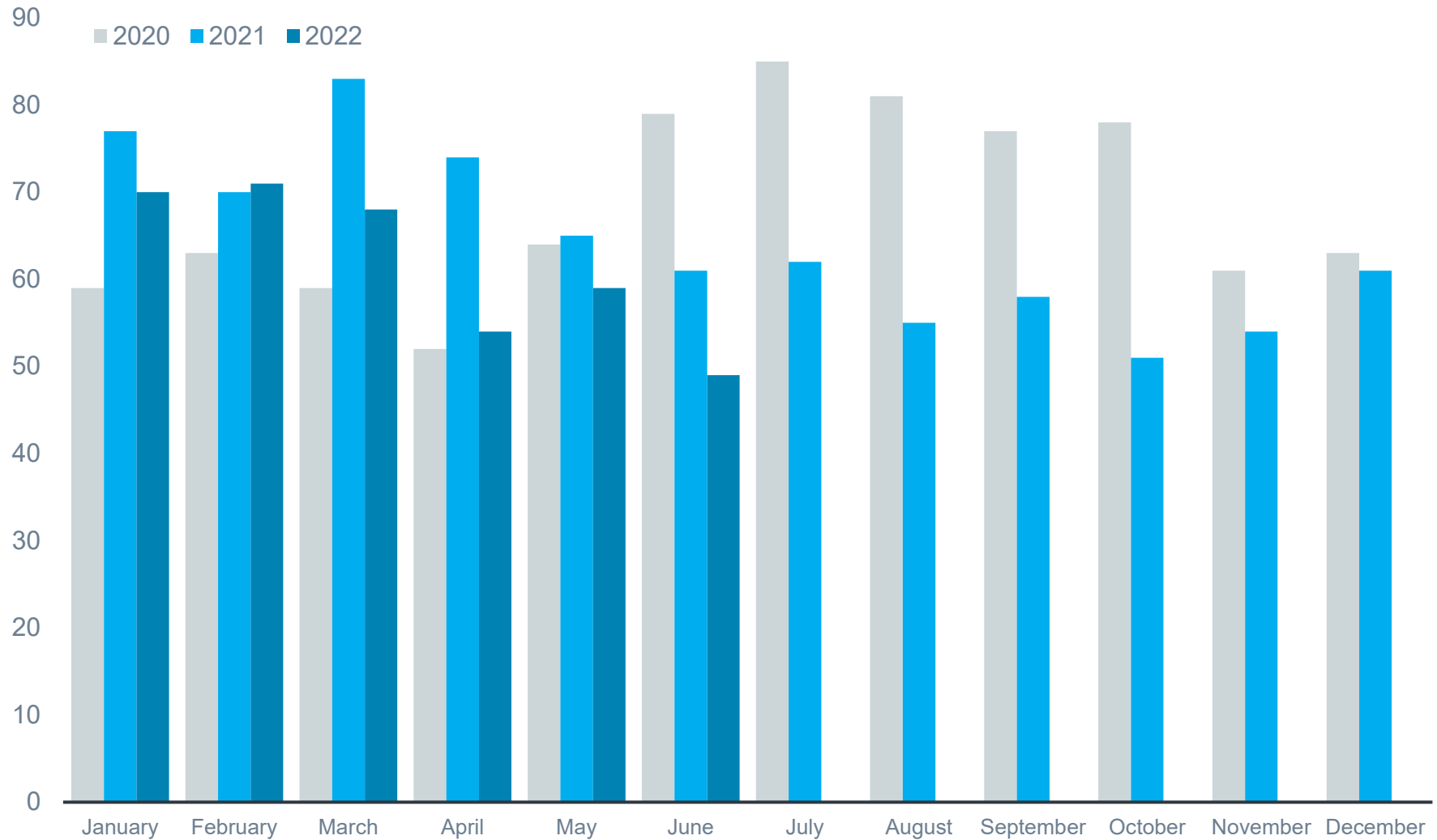
In Thousands





New Home Sales

In Thousands

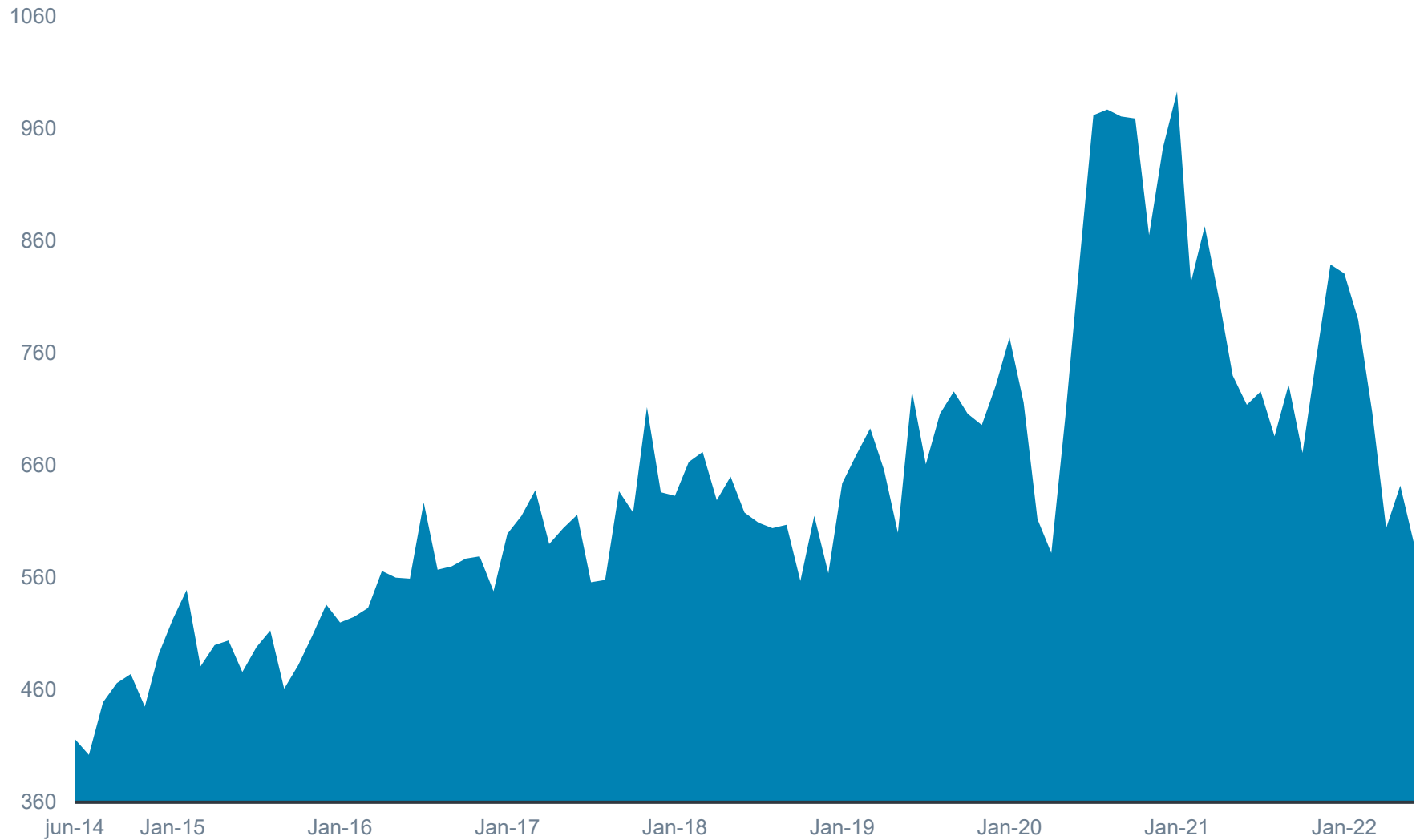


Source: Census



New Home Sales

Annualized in Thousands



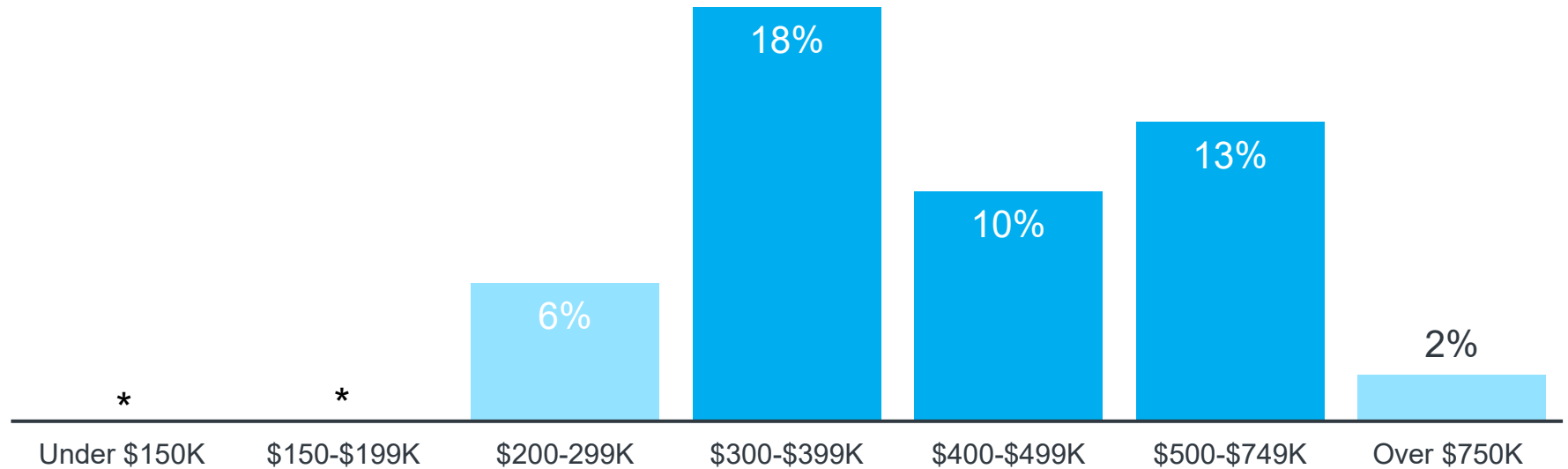
Source: Census



New Home Sales

Percent of Distribution by Price Range

* Less Than 500 Units or Less Than 0.5 Percent

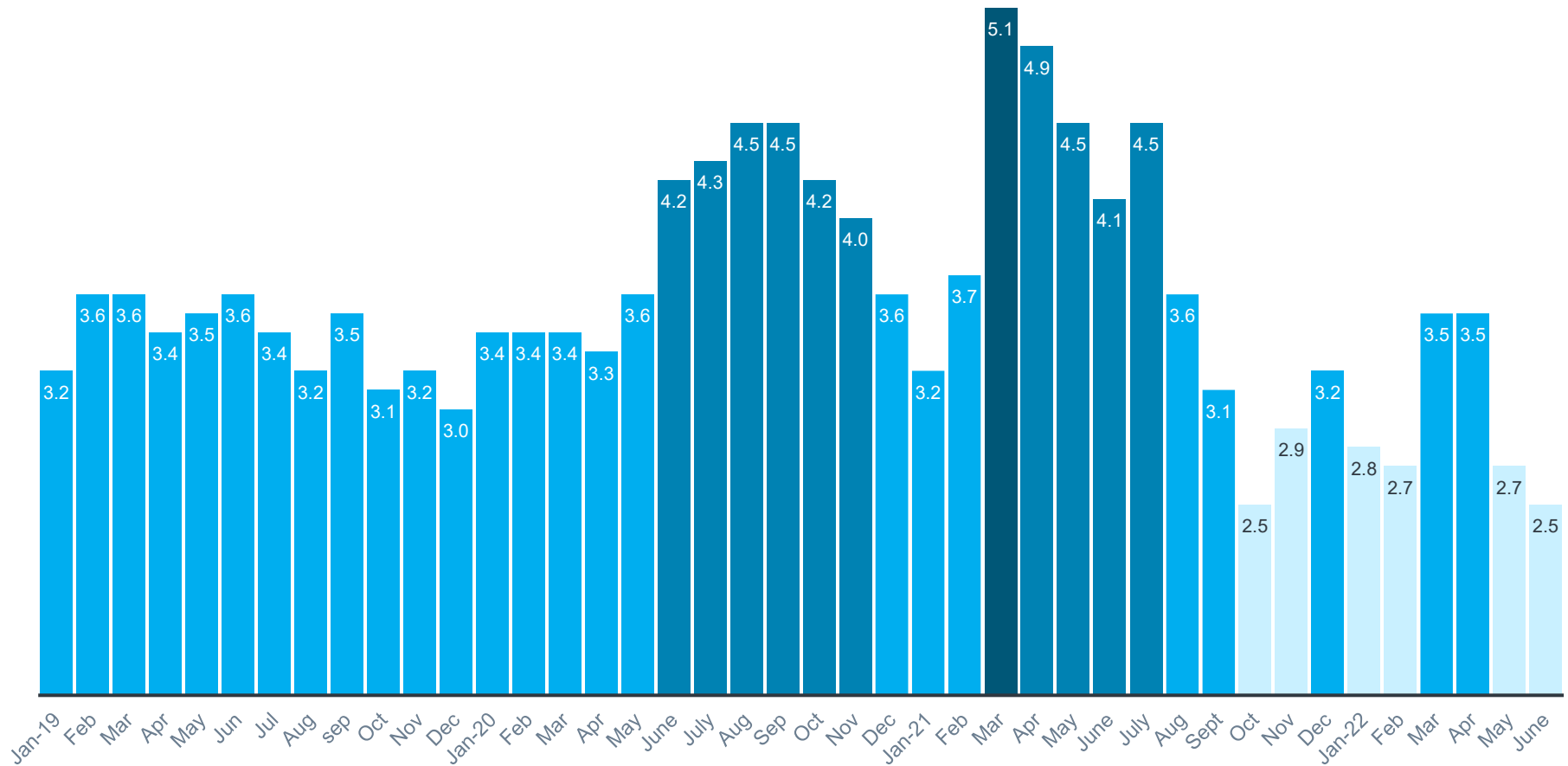


Source: Census



New Homes Selling Fast

Median Months from Completion to Sold



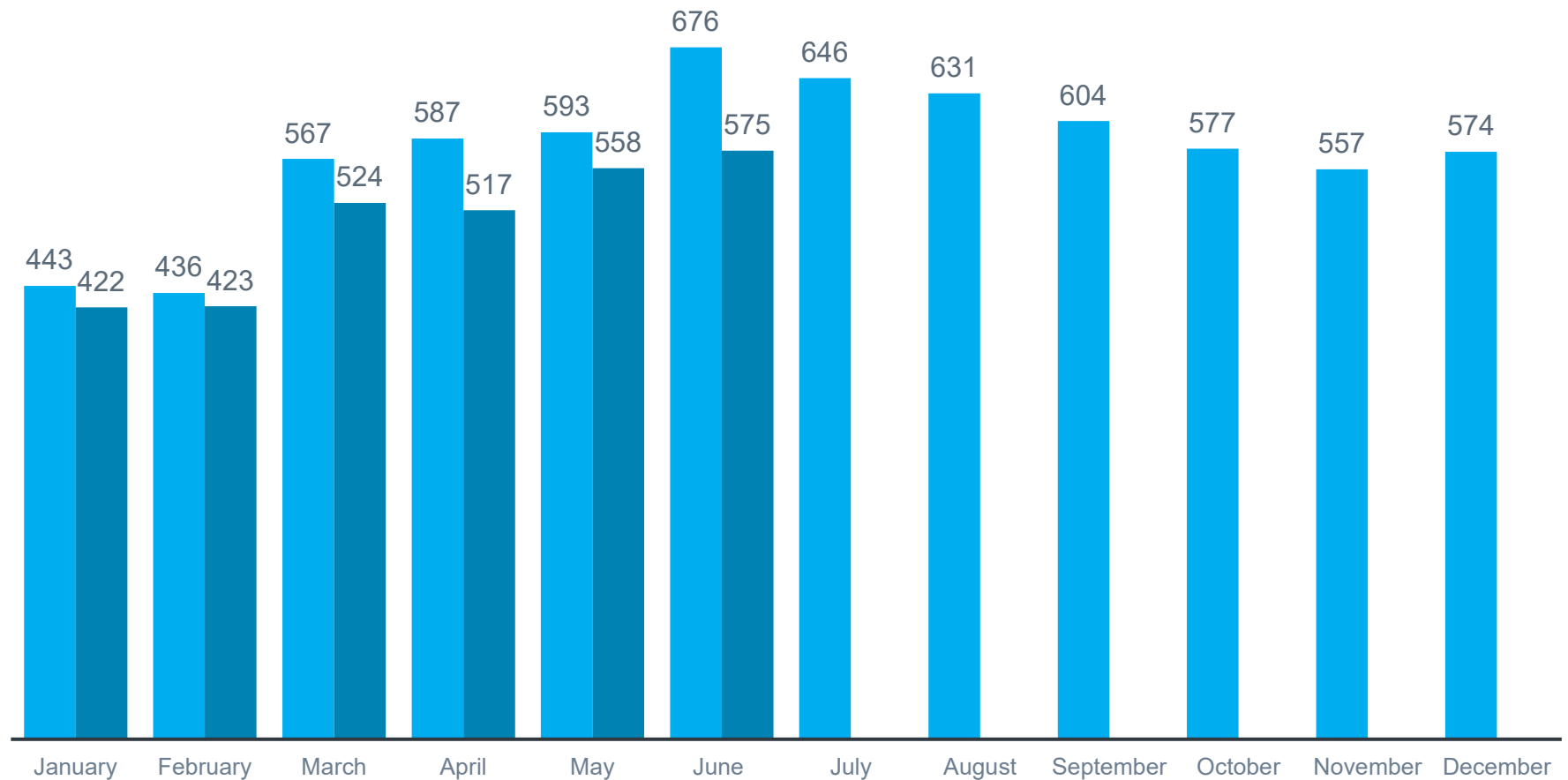
Source: Census



Total Home Sales

In Thousands

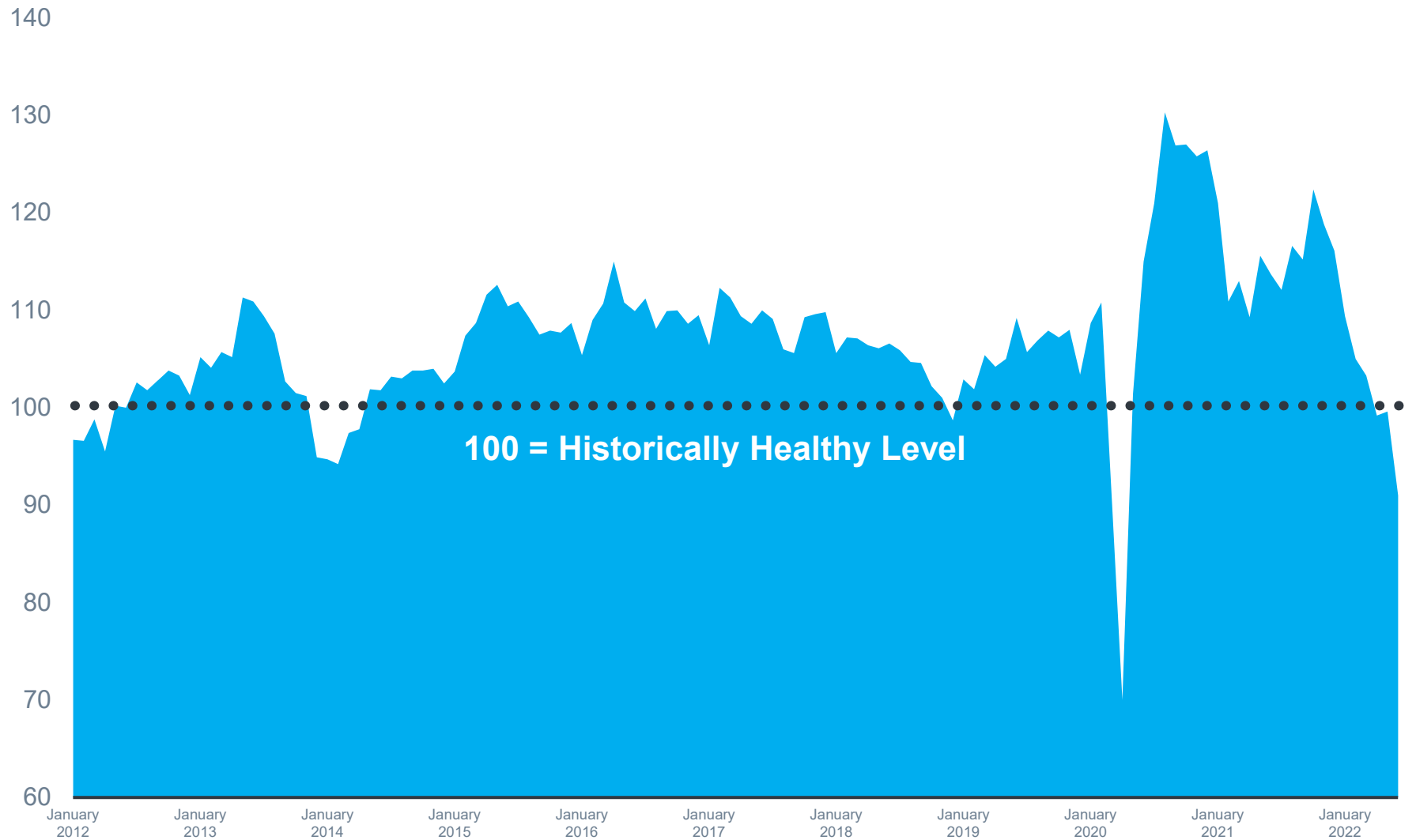
■ 2021 ■ 2022



Source: Census



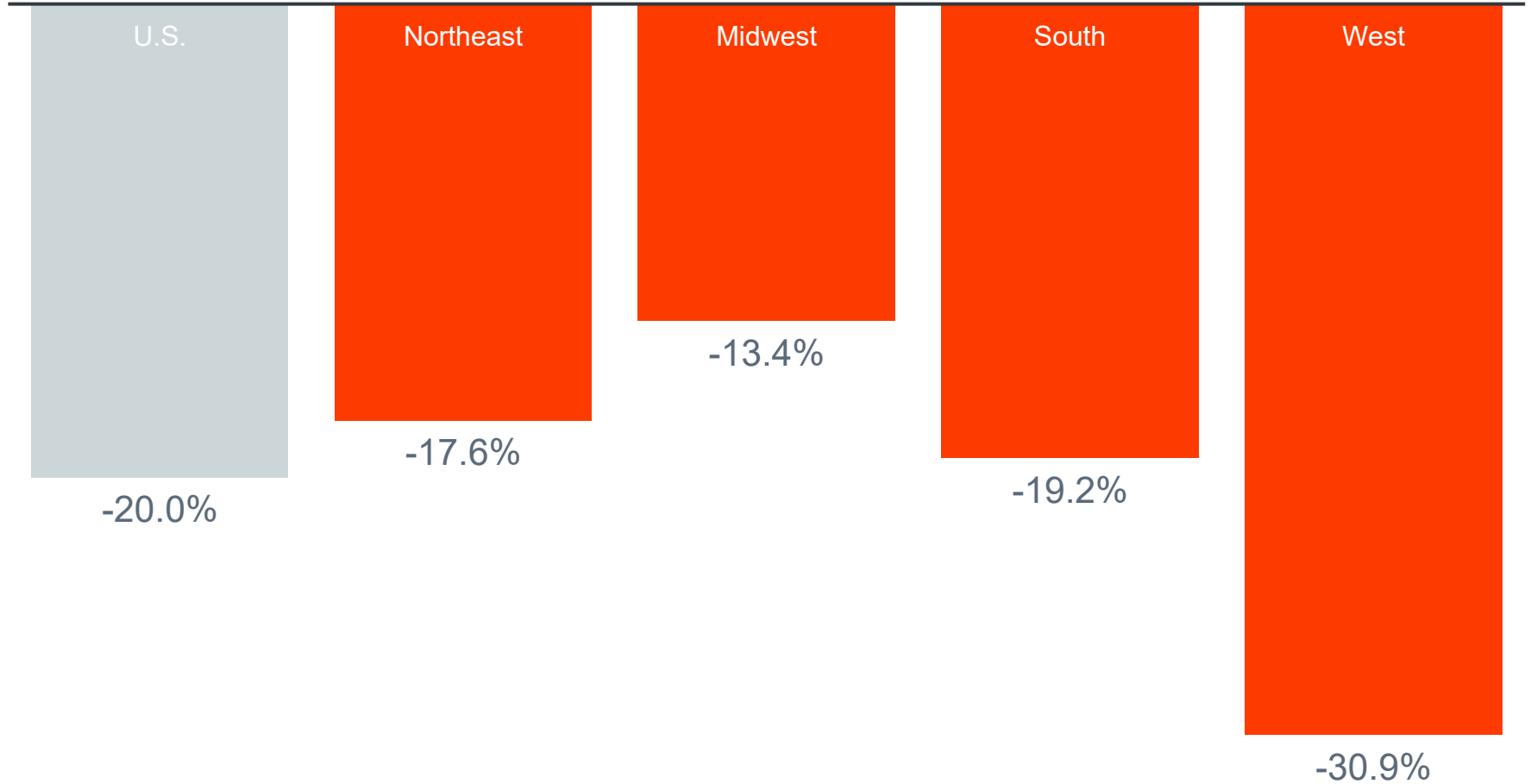
Pending Home Sales





Pending Home Sales

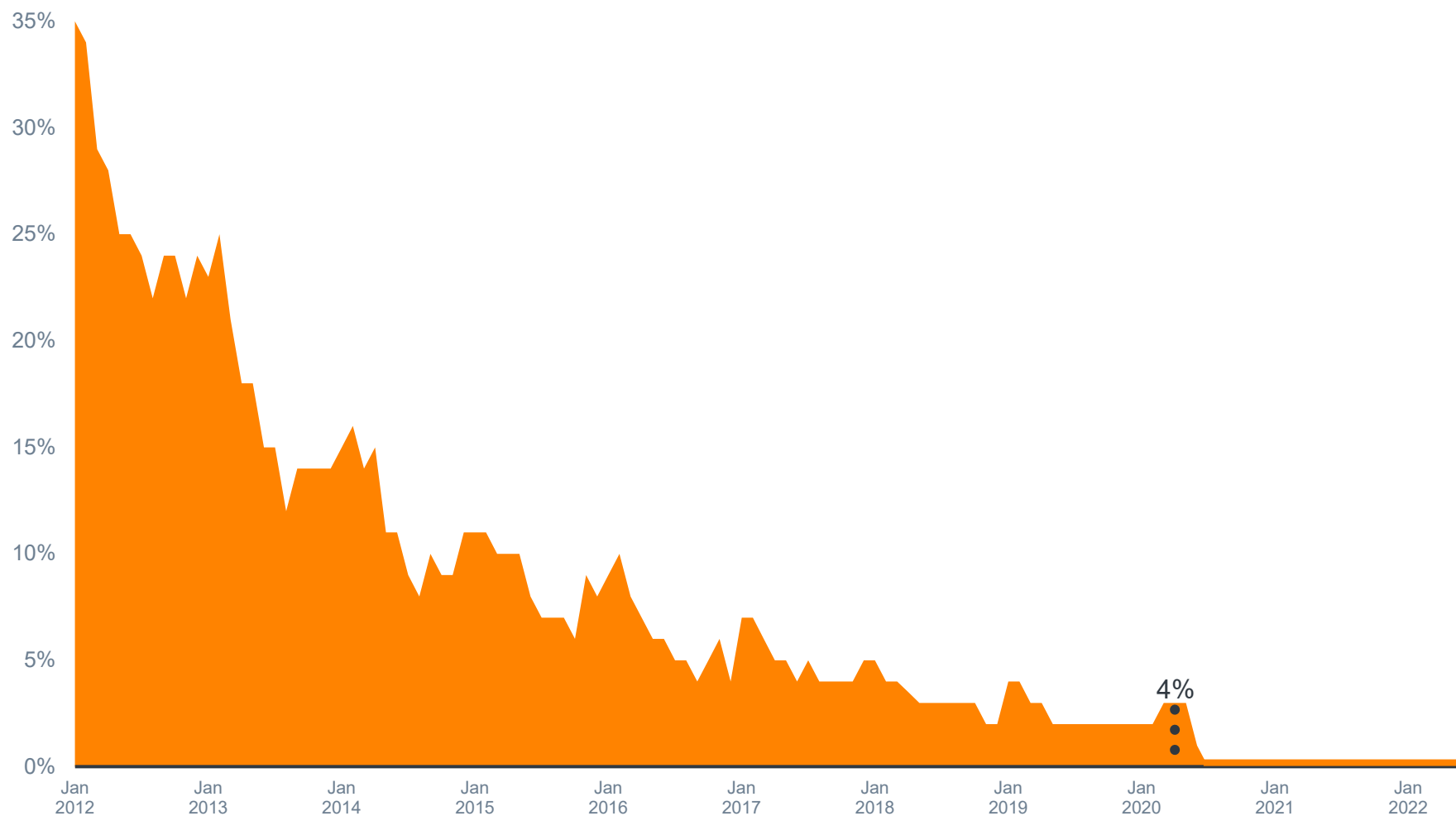
Year-Over-Year by Region





Percentage of Distressed Property Sales

Distressed Sales (*Foreclosures and Short Sales*) represented Less Than 1% of Sales in June.



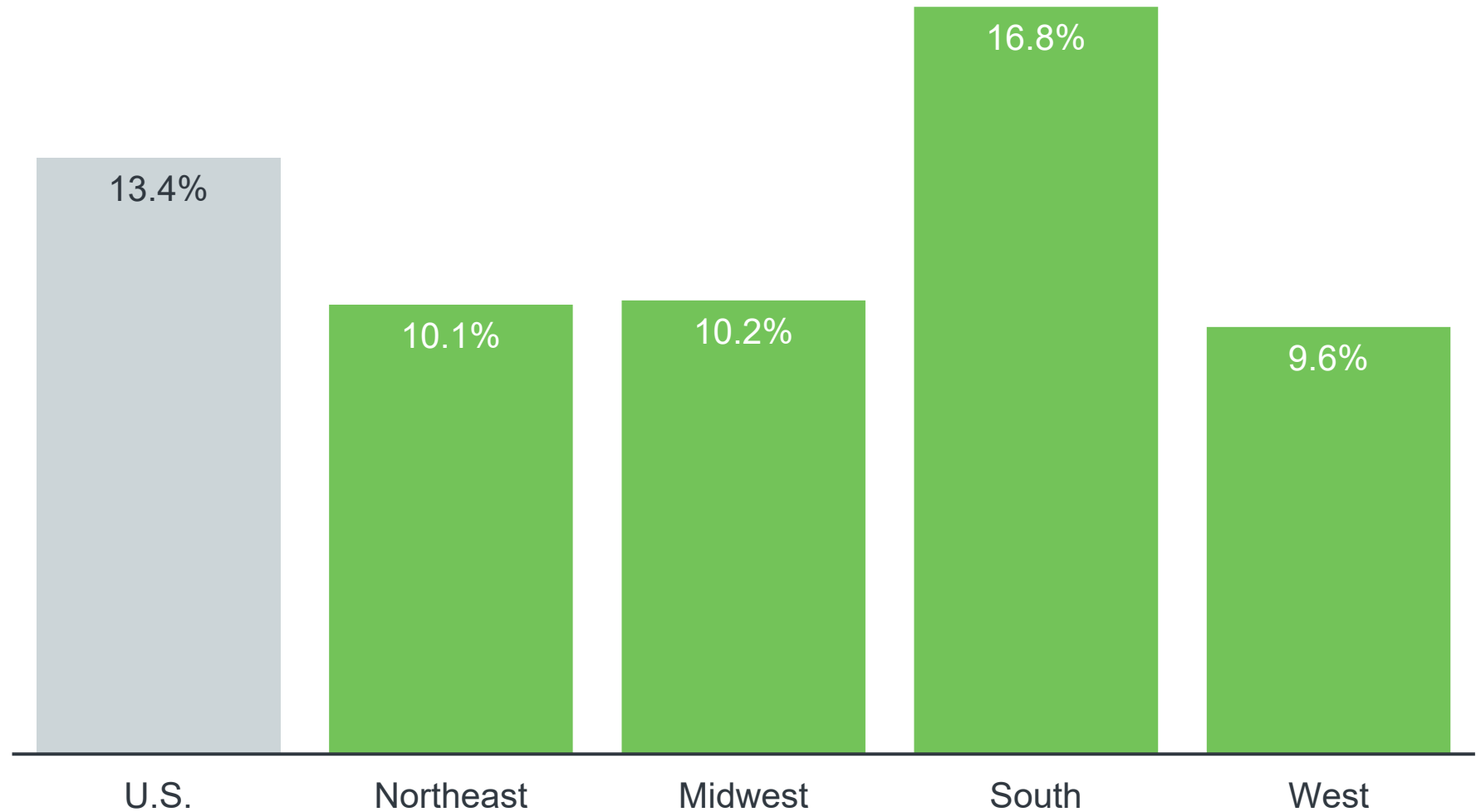


Home Prices



Sales Price of Existing Homes

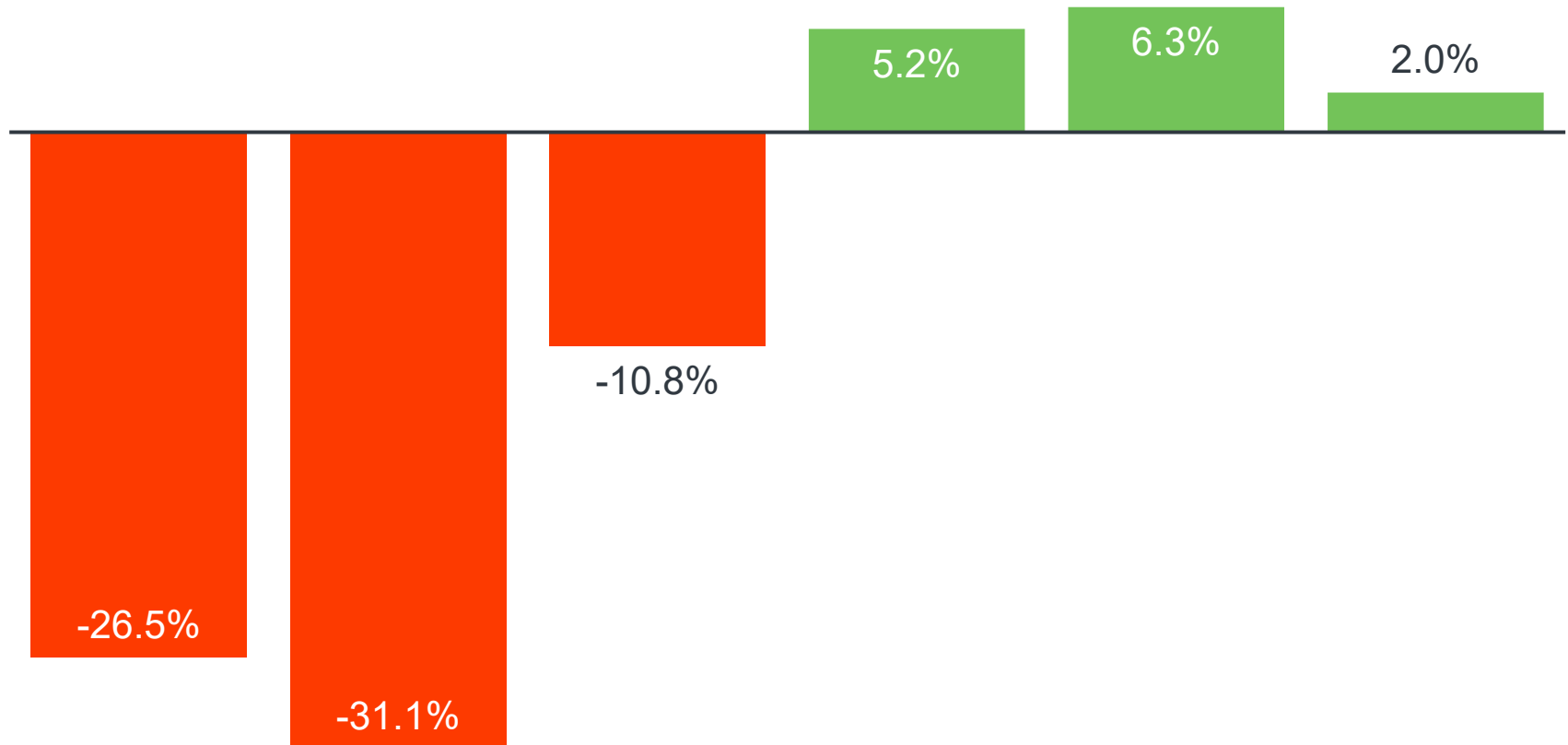
Year-Over-Year, by Region





% Change in Sales

Year-Over-Year, by Price Range

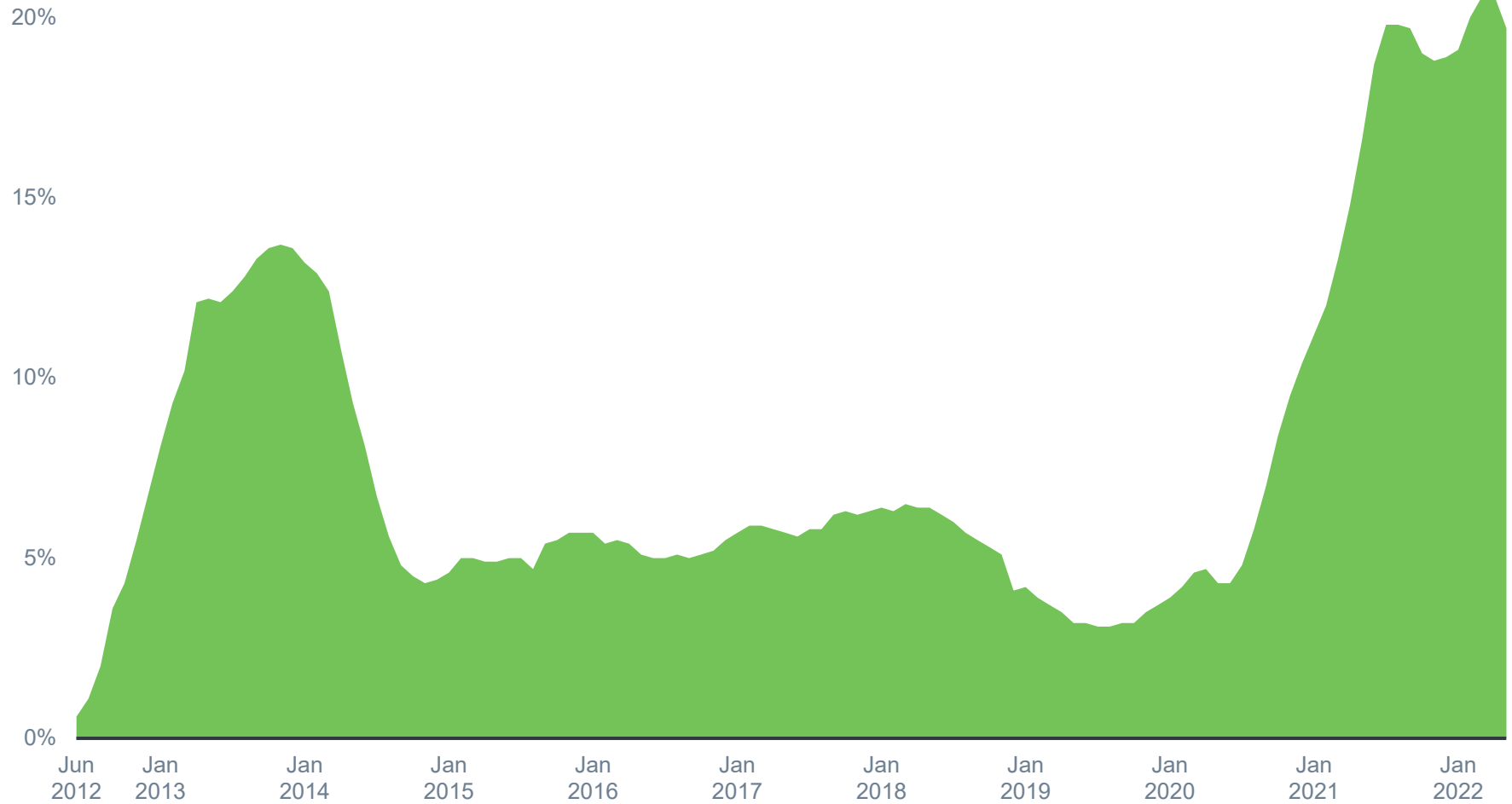


	\$0-100K	\$100-250K	\$250-500K	\$500-750K	\$750K-1M	\$1M+
%	-26.5%	-31.1%	-10.8%	5.2%	6.3%	2.0%



Change in Home Prices

Year-Over-Year

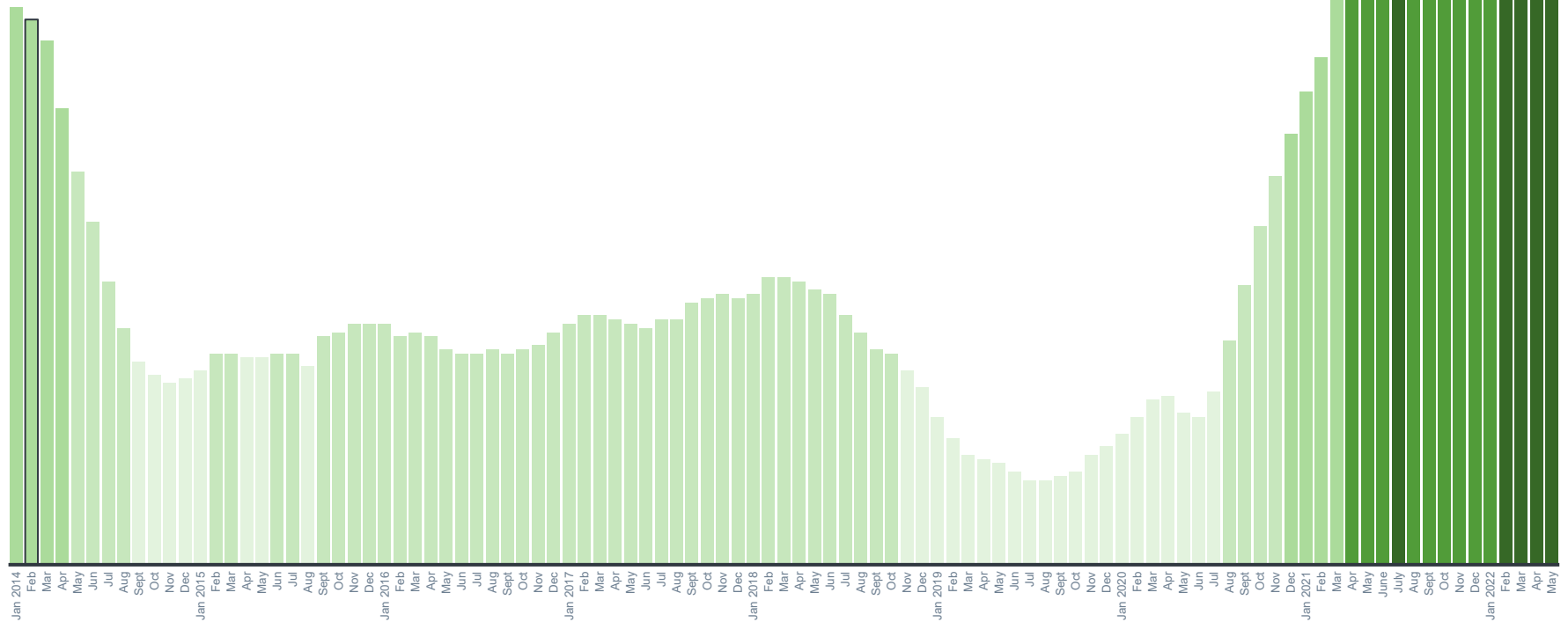


Source: S&P Case-Shiller



Change in Home Prices

Year-Over-Year, 20 City Composite

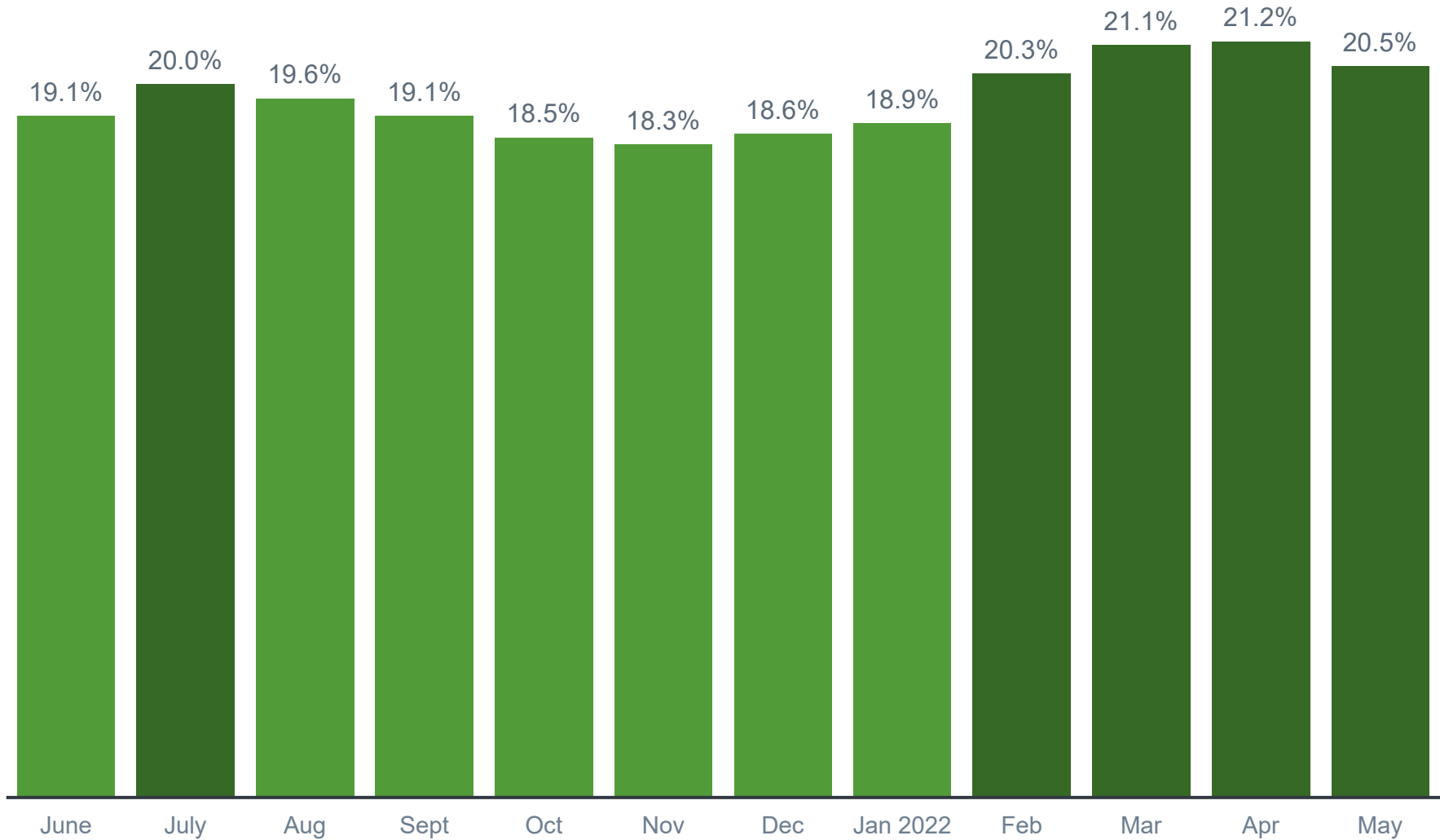


Source: S&P Case-Shiller



Change in Home Prices

Year-Over-Year, 20 City Composite

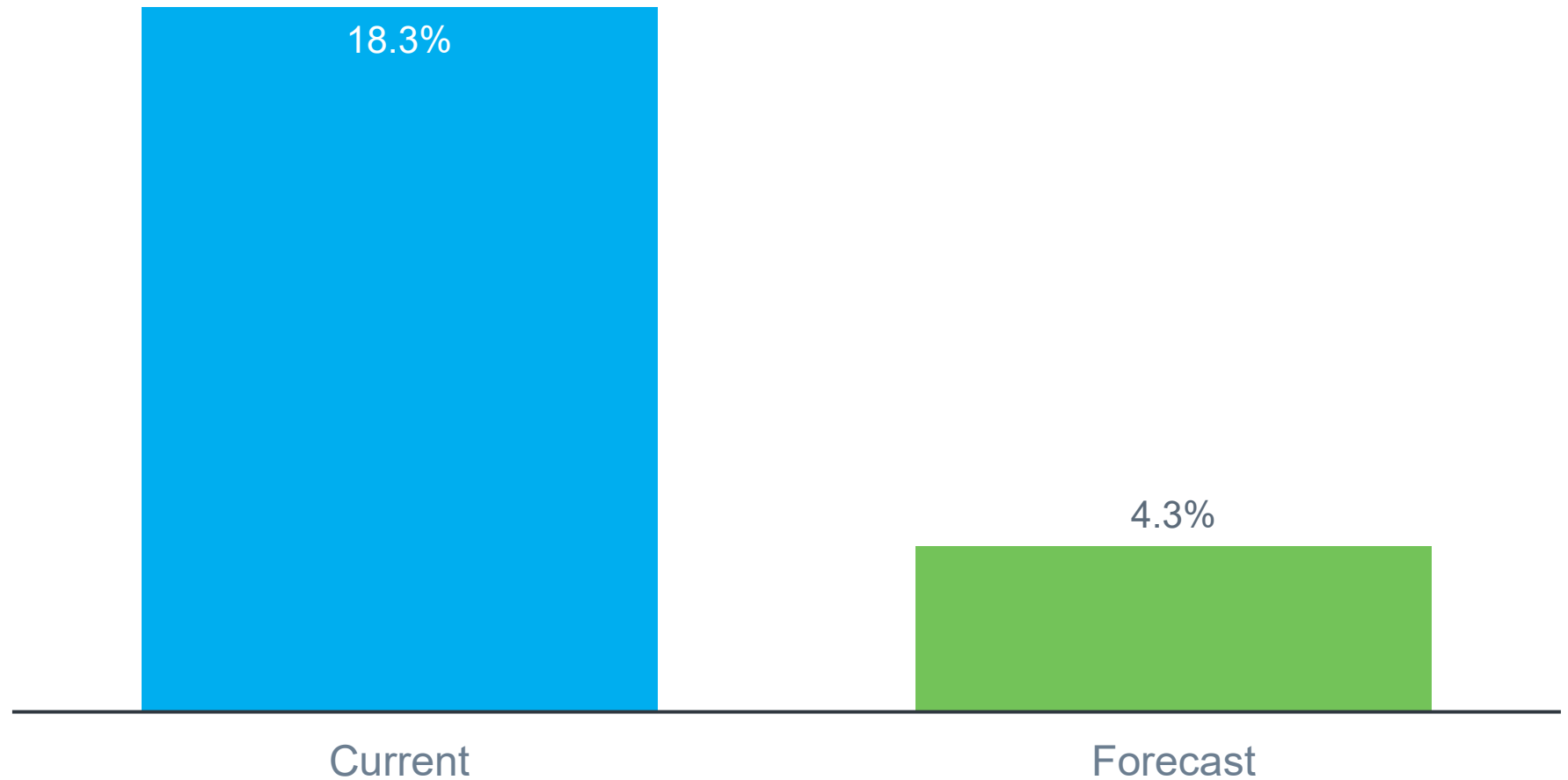


Source: S&P Case-Shiller



Year-Over-Year % Change in Price

June 2022

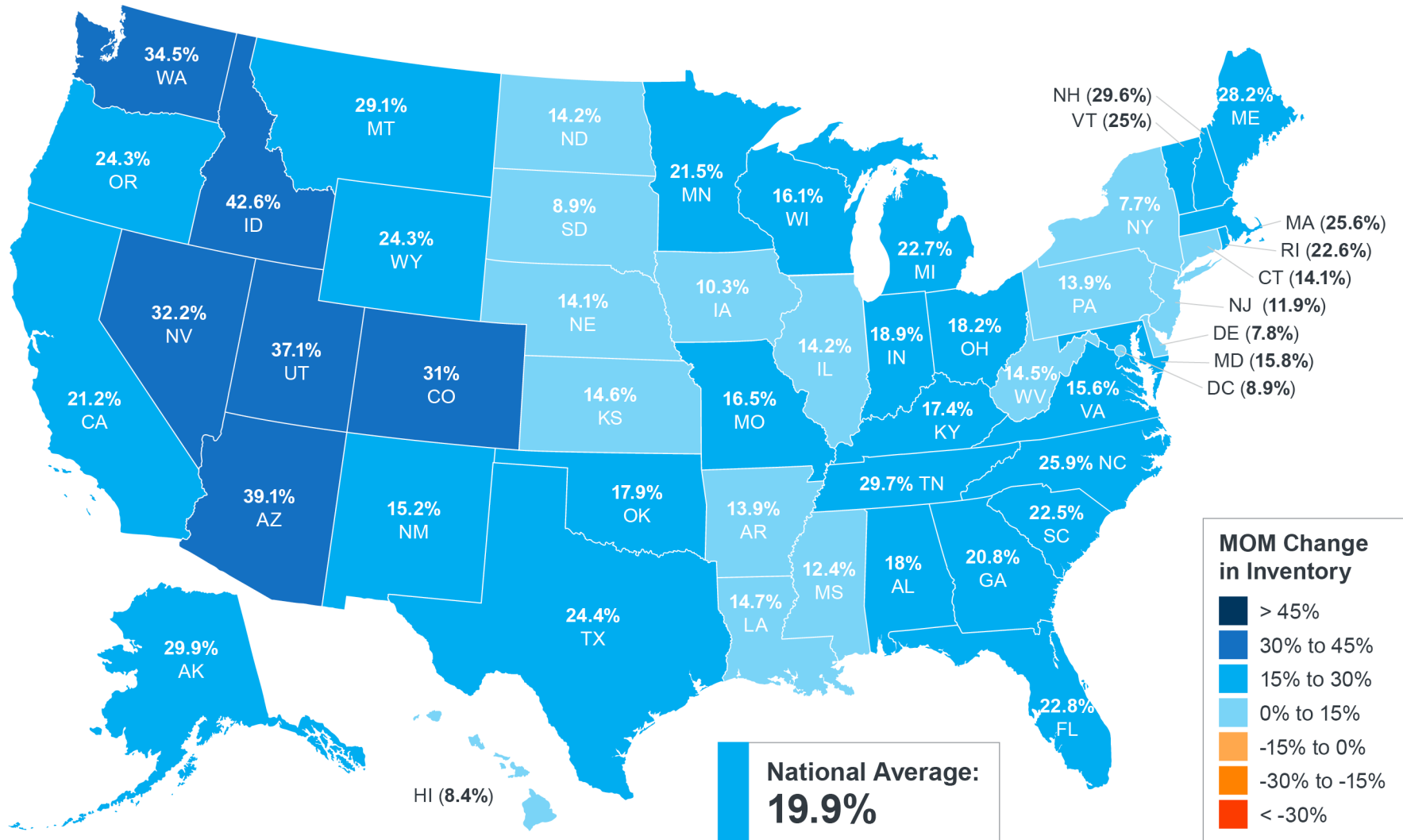




Housing Inventory

Change in Inventory

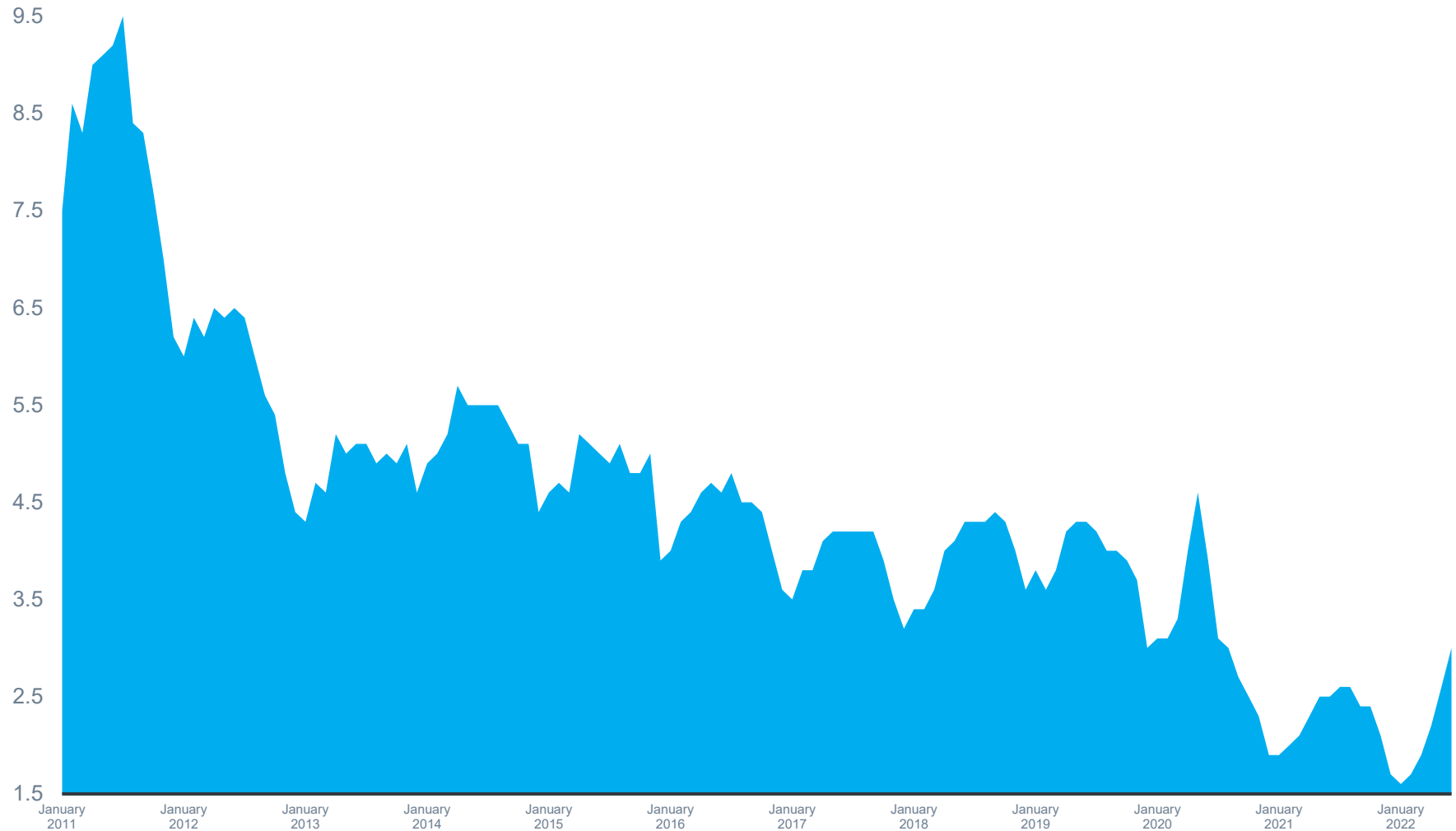
Month-Over-Month, June 2022





Months Inventory of Homes for Sale

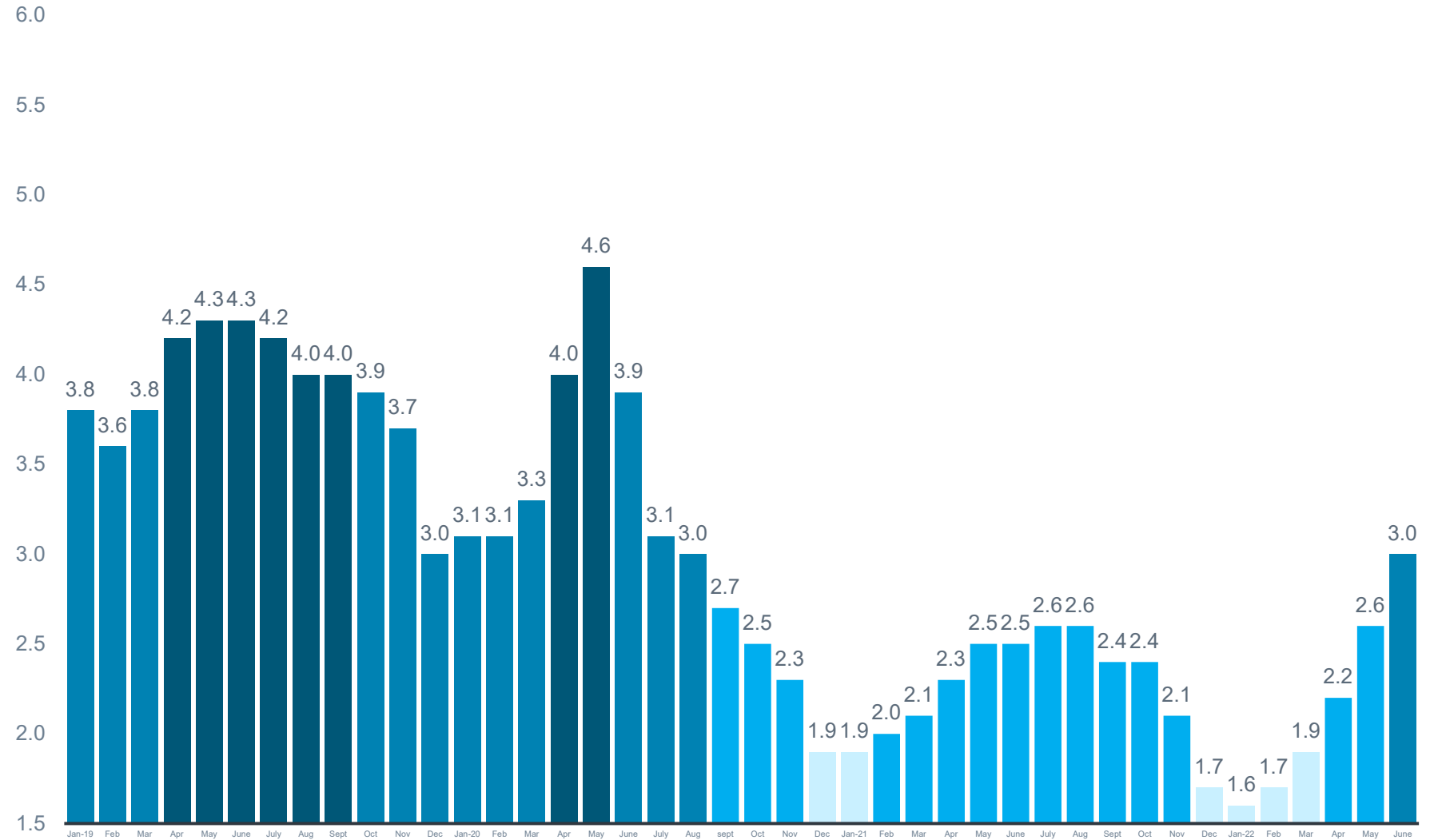
2011 - Today





Months Inventory of Homes for Sale

Since 2019



Source: NAR



Months Inventory of Homes for Sale

Last 12 Months

6

5

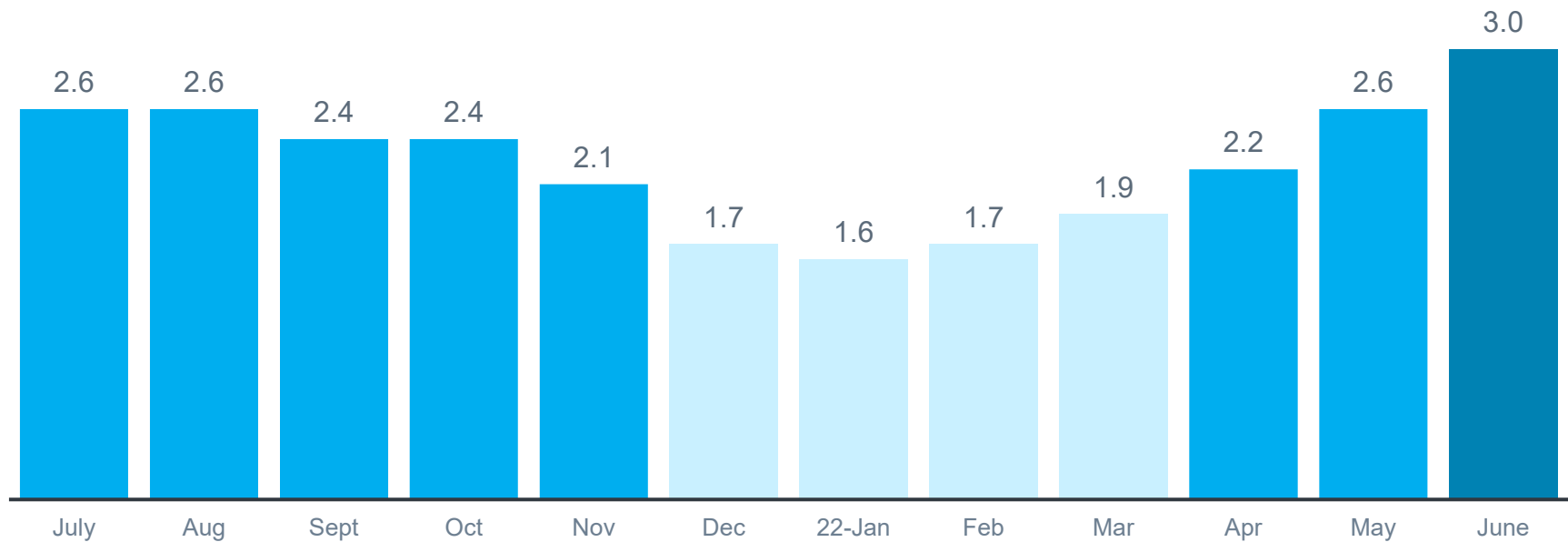
4

3

2

1

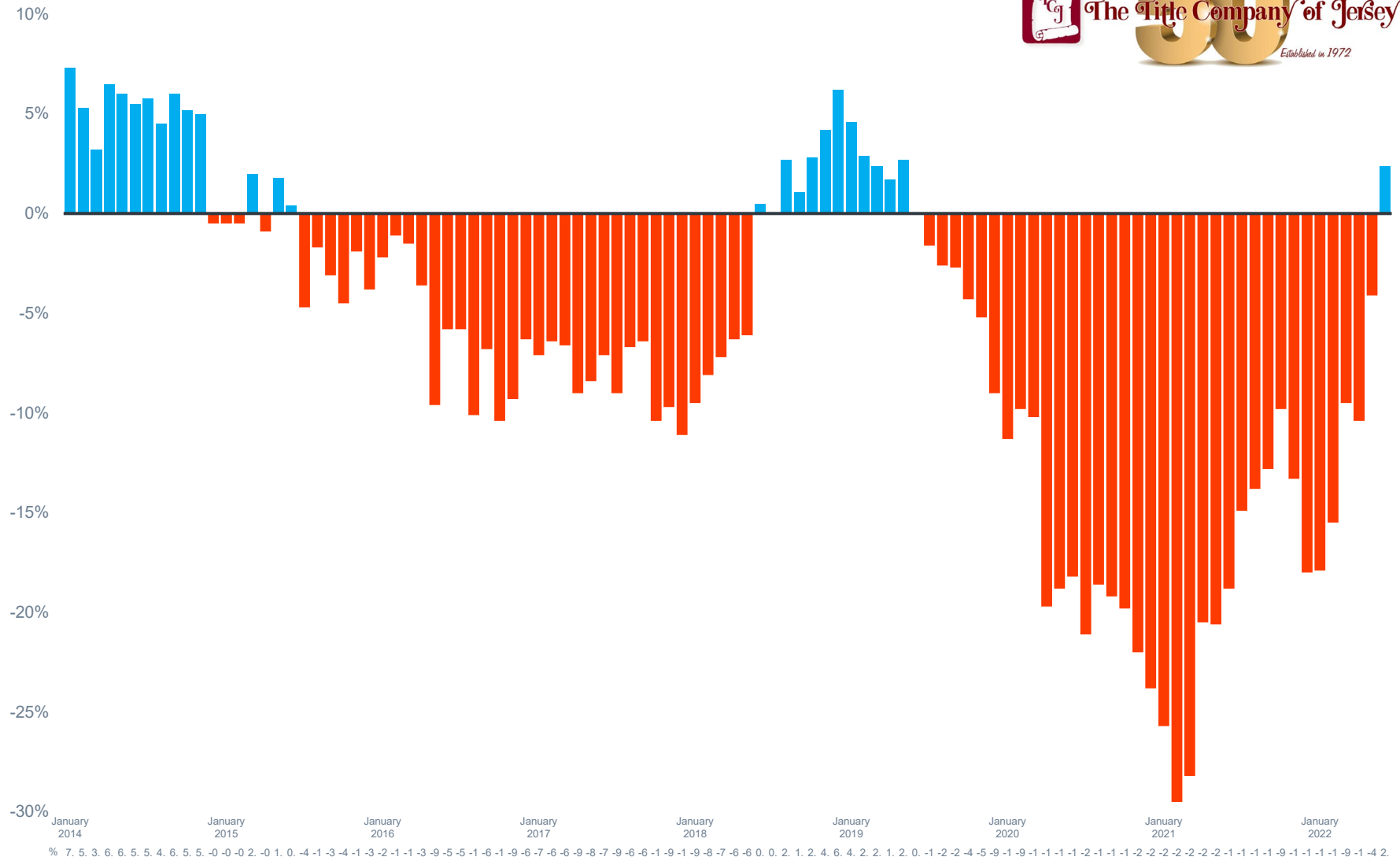
0



Source: NAR



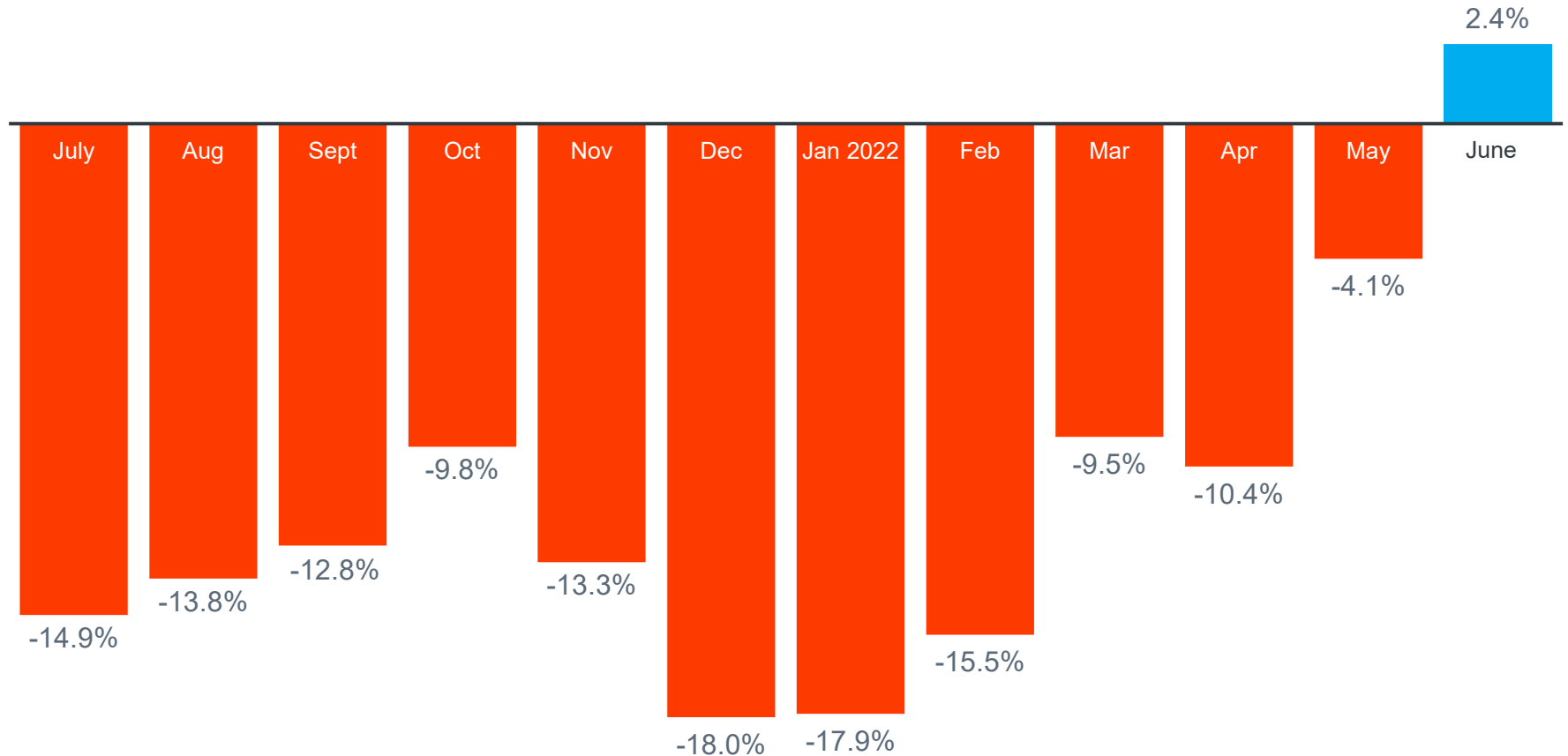
Year-Over-Year Inventory Levels





Year-Over-Year Inventory Levels

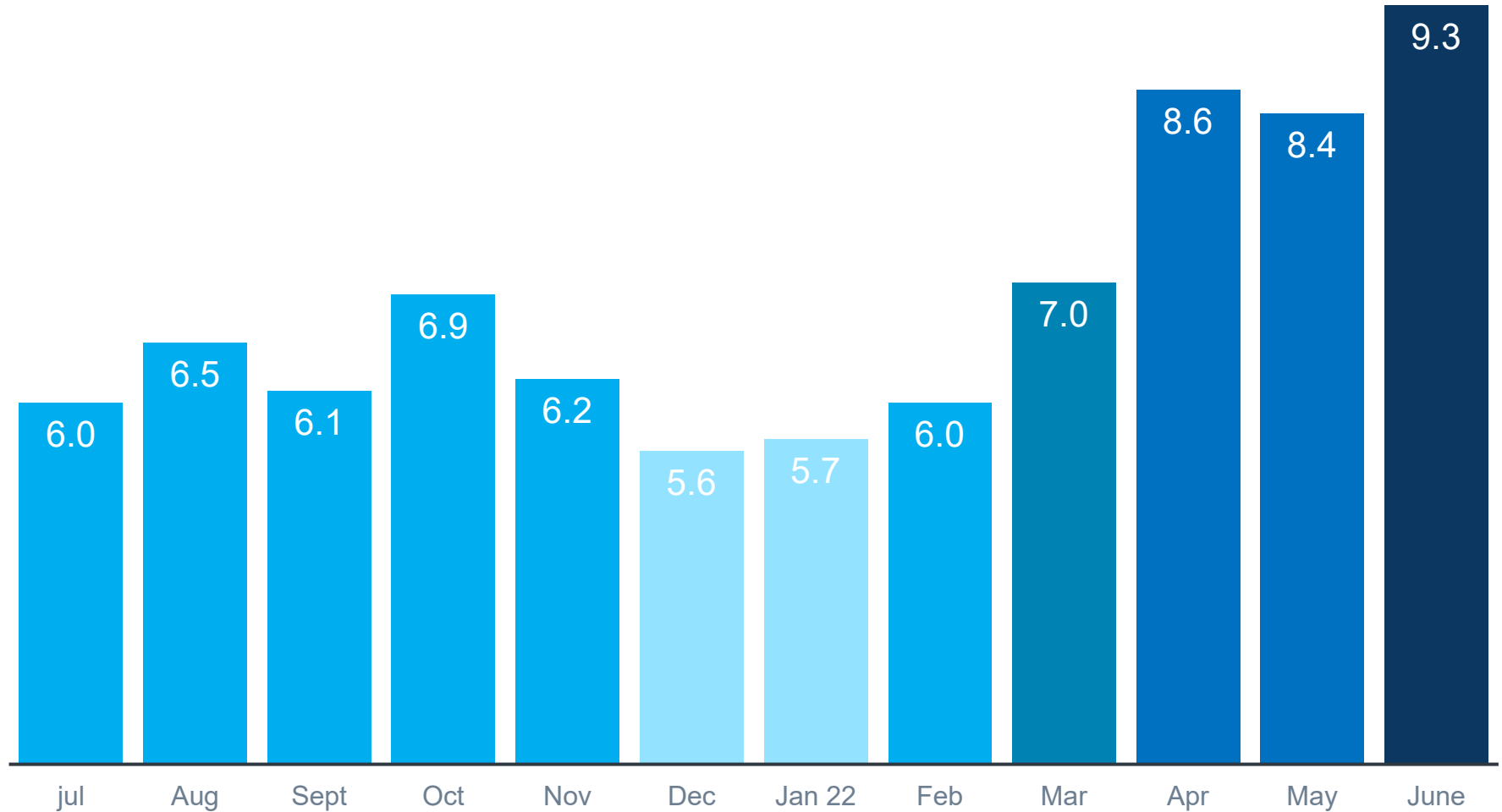
Last 12 Months





New Home Monthly Inventory

Seasonally Adjusted, Last 12 Months



Source: Census

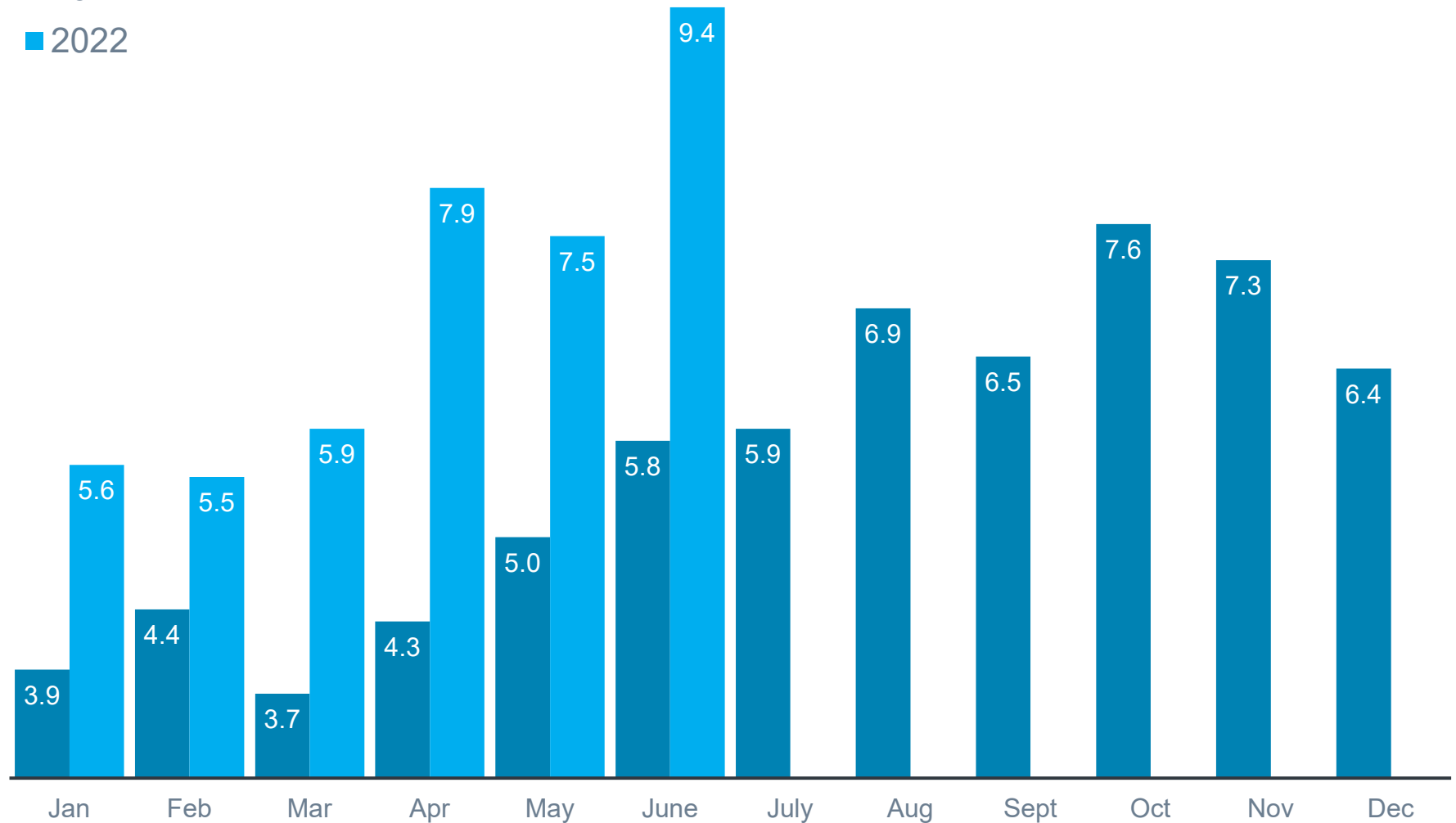


New Home Monthly Inventory

Non-Seasonally Adjusted

■ 2021

■ 2022



Source: Census



Buyer Demand

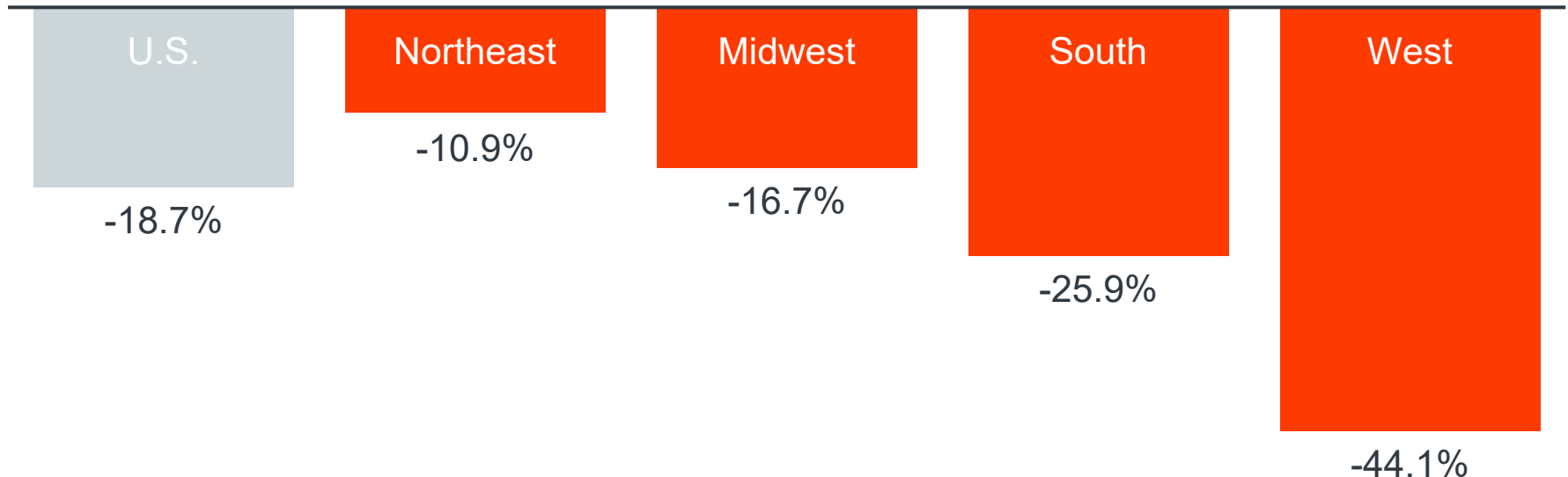


Buyer Demand Cools as Showings Decline from Record-Breaking Highs

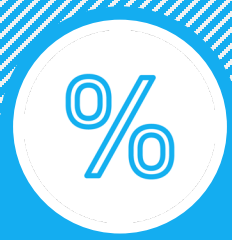
Year-Over-Year Increase in Showing Activity, June 2022

Michael Lane, Vice President & General Manager, Showing Time

“Most markets are experiencing a slowdown in buyer activity, especially compared to the historically high traffic seen last year... While summer is a slower time of year for real estate compared to spring, the dip we’re seeing compared to last June suggests this slowing is more about a re-balancing of an overheated market than just marking the end of the home shopping season.”



Source: ShowingTime

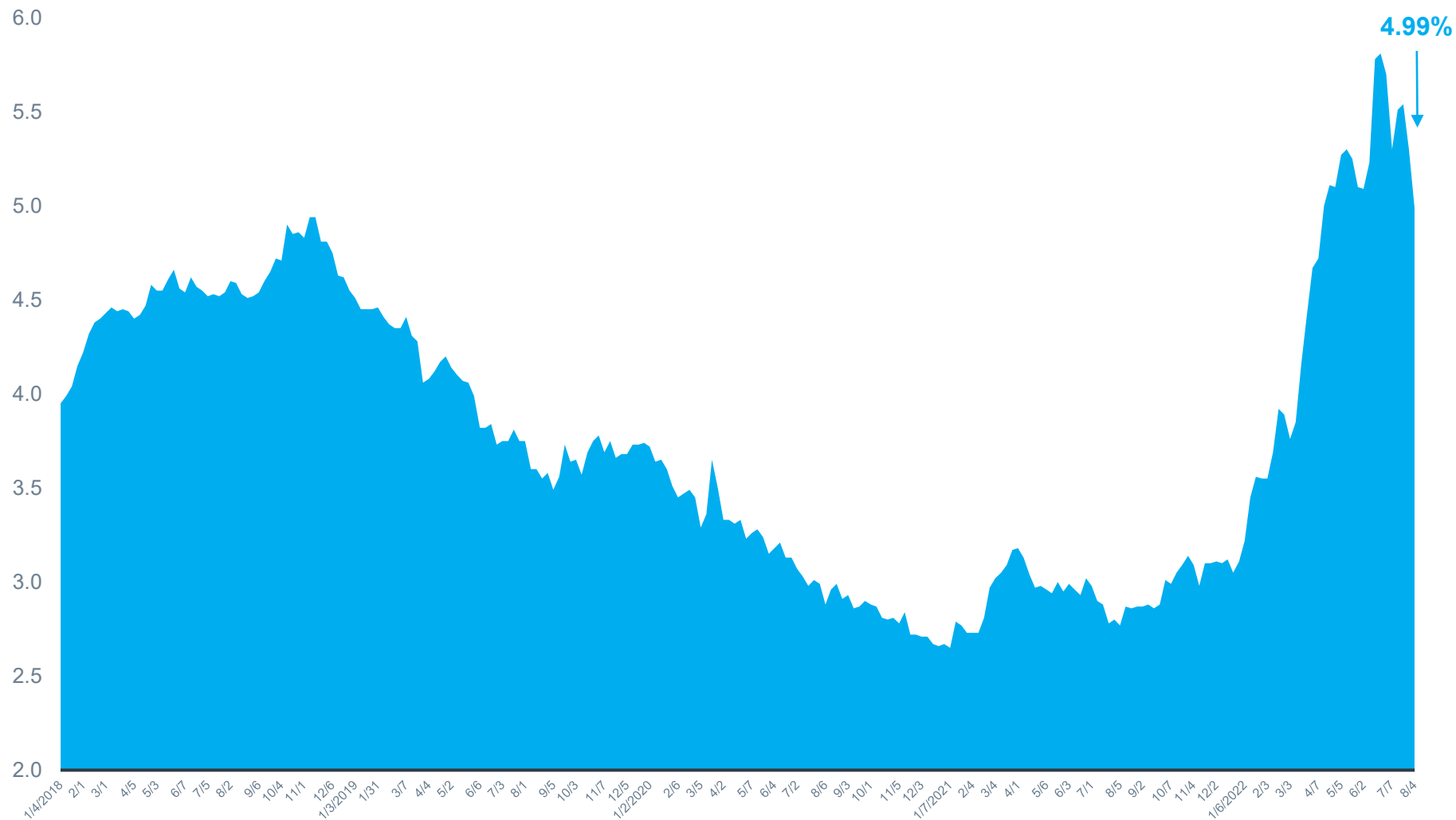


Mortgage Rates



Mortgage Rates

30-Year Fixed Rate, January 2018–Today

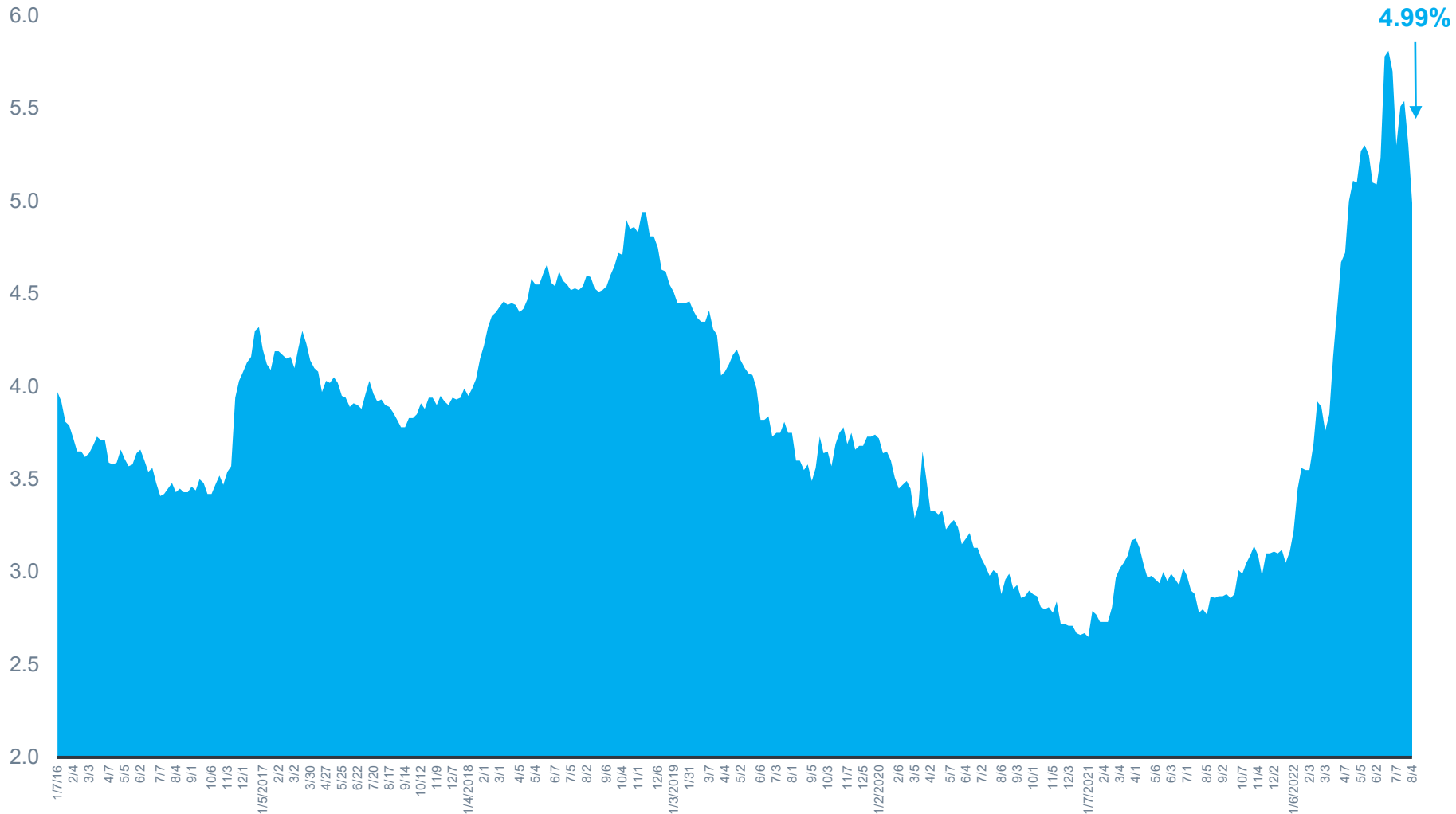


Source: Freddie Mac



Mortgage Rates

30-Year Fixed Rate, January 2016–Today



Source: Freddie Mac



Mortgage Rate Projections

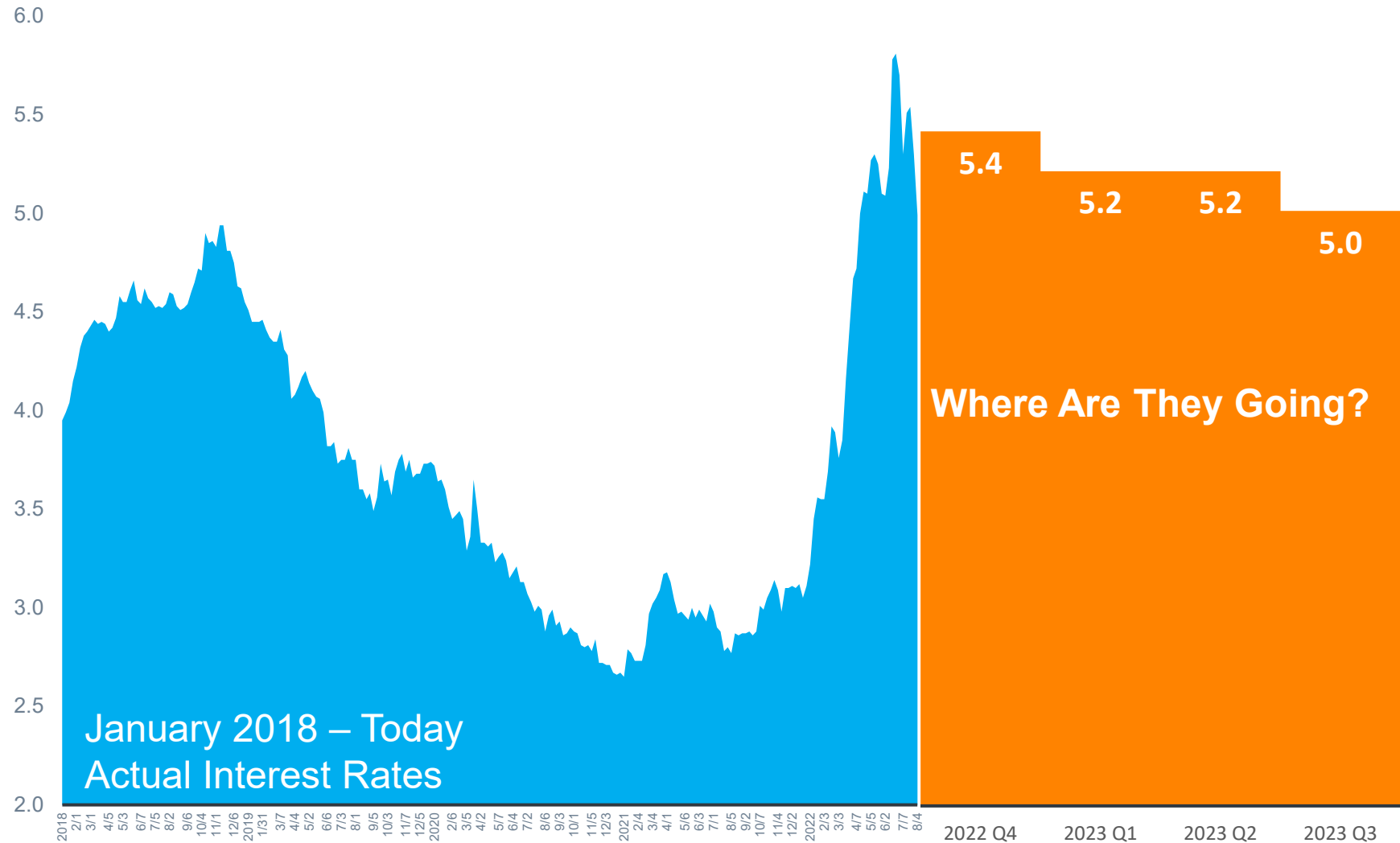
July 2022

Quarter	Freddie Mac	Fannie Mae	MBA	NAR	Average of All Four
2022 4Q	5.4	5.4	5.2	6.0	5.50%
2023 1Q	5.2	5.3	5.0	6.0	5.38%
2023 2Q	5.2	5.1	5.0	6.0	5.33%
2023 3Q	5.0	5.0	4.9	-	4.97%



Mortgage Rates

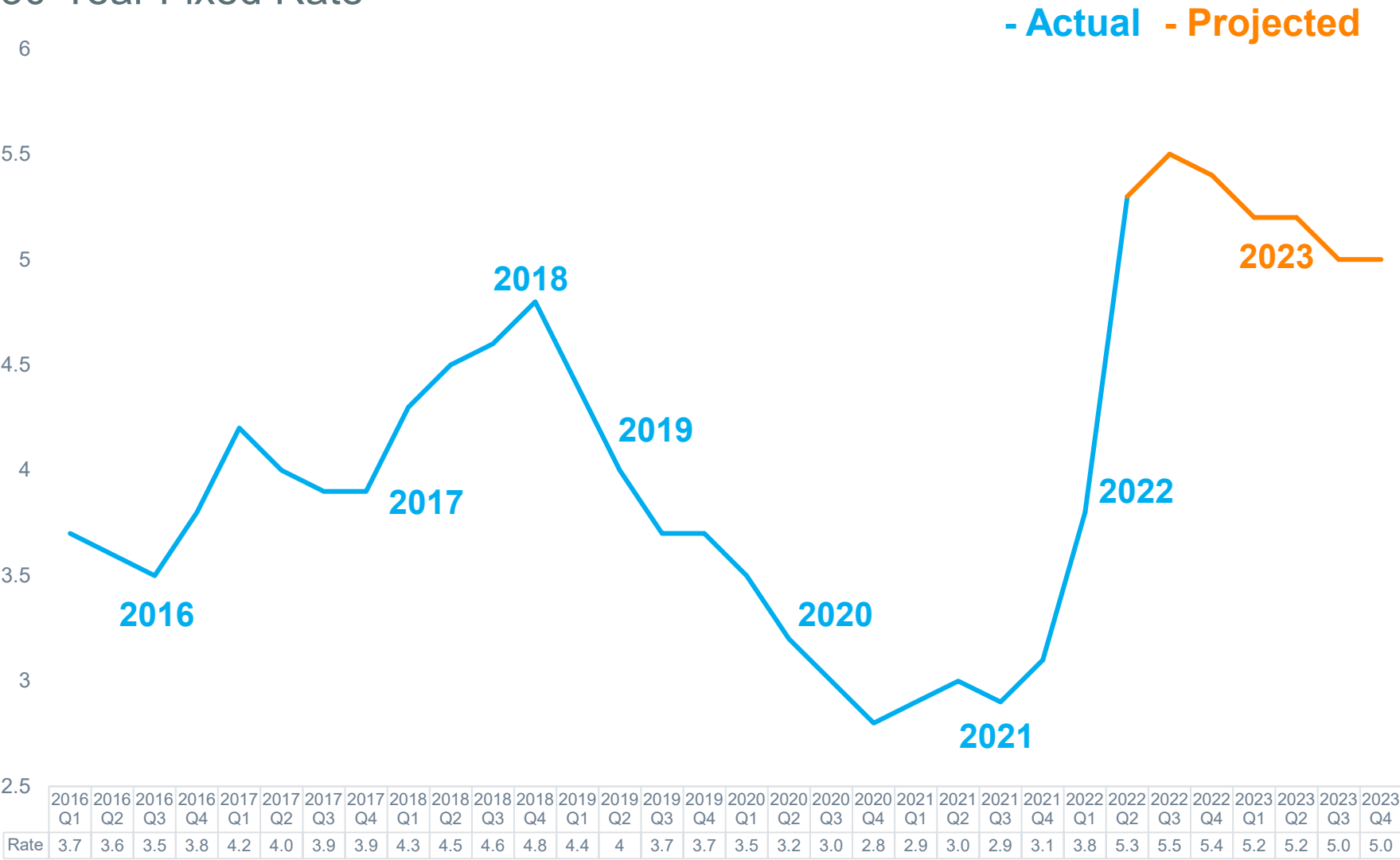
30-Year Fixed Rate

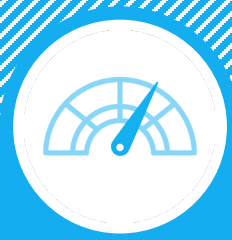




Mortgage Rates

30-Year Fixed Rate



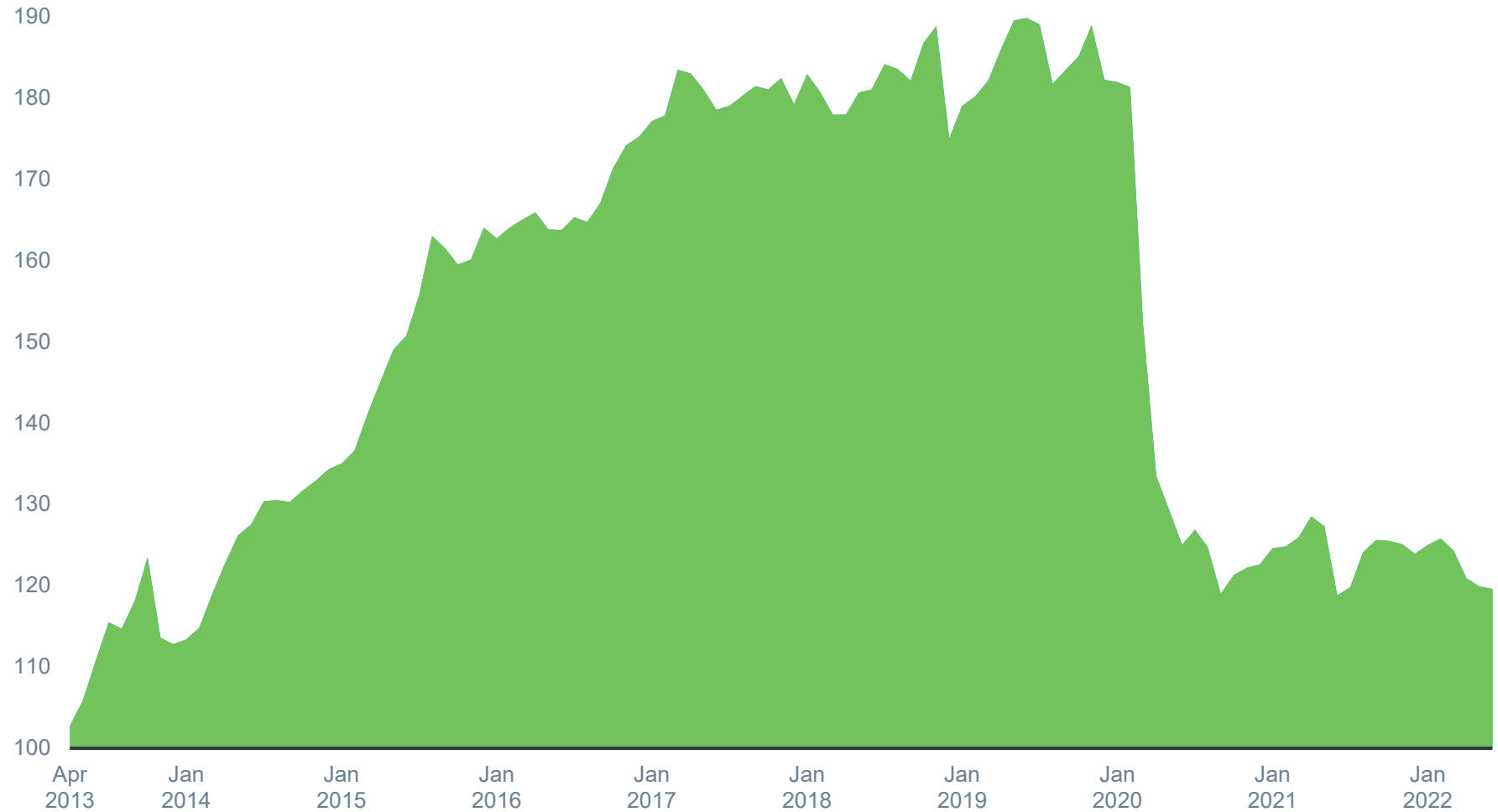


Mortgage Credit Availability



Mortgage Credit Availability Index (MCAI)

June 2022



Source: MBA



Lending Standards Still Under Control

Historic Data for the Mortgage Credit Availability Index (MCAI)

