



50 Years

The Title Company of Jersey

Established in 1972

July 2022



Economic Slowdown





Recession Fears Surge Among CEOs Survey Suggests

Three-quarters of global CEOs say we are in a recession or will be in the next 12-18 months, according to a new survey.

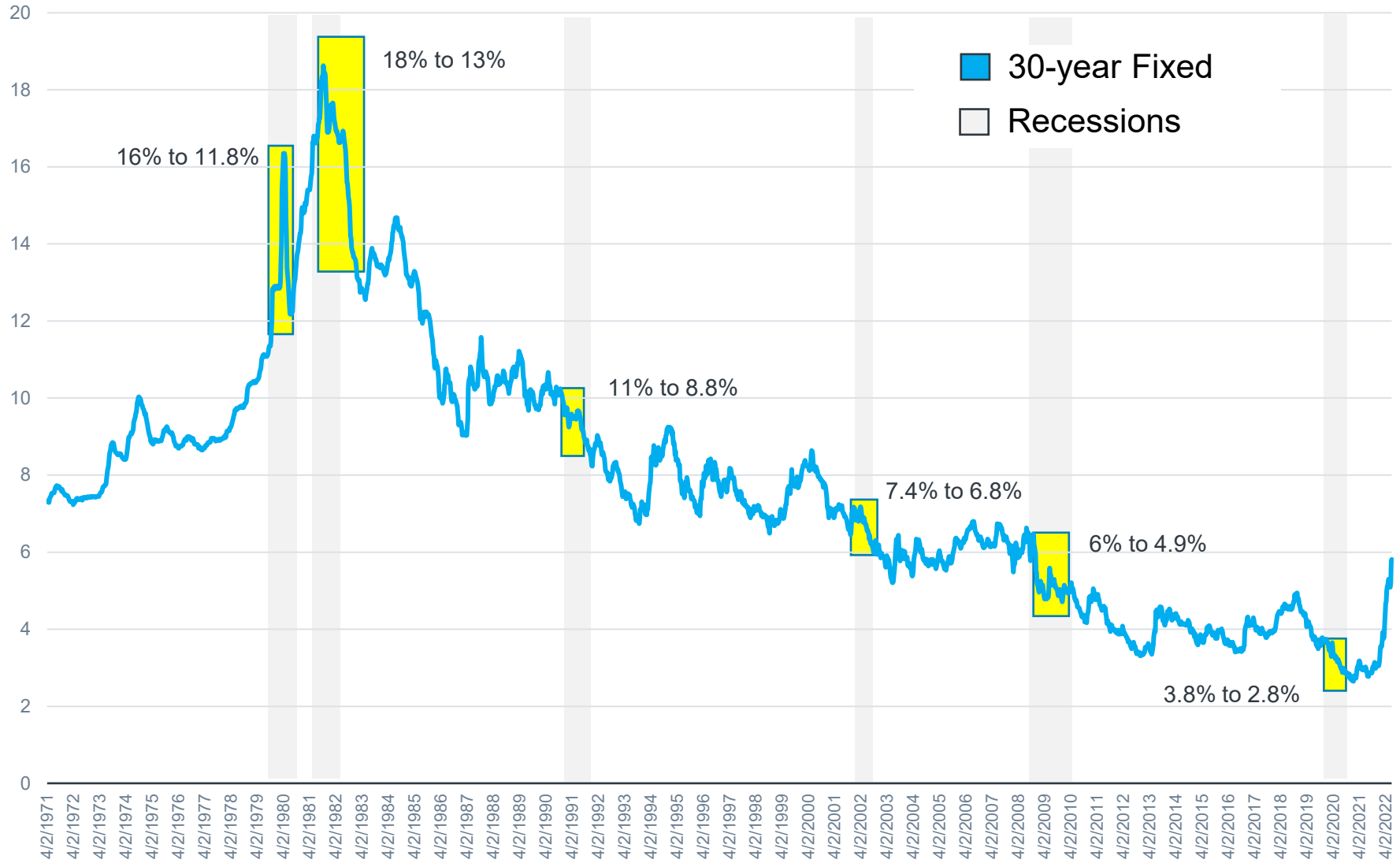
- The Wall Street Journal



Throughout history, during a recessionary period, interest rates go up at the beginning of the recession. But in order to come out of a recession, interest rates are lowered to stimulate the economy moving forward. **Historically, we have seen a repeated uptick in interest rates followed by lowered interest rates.**

- Mortgage Specialist

Mortgage Rates & Recessions



Source: Freddie Mac, Mortgage Specialist

Mortgage Rates & Recessions

Name	Period Range	Duration (months)	Mortgage Rates
1980 Recession	Jan 1980 – July 1980	6 months	16% to 11.8% ↓
1981–1982 Recession	July 1981 – Nov 1982	1 year, 4 months	18% to 13% ↓
Early 1990s Recession	July 1990 – Mar 1991	8 months	11% to 8.8% ↓
Early 2000s Recession	Mar 2001 – Nov 2001	8 months	7.4% to 6.8% ↓
Great Recession	Dec 2007 – June 2009	1 year, 6 months	6% to 4.9% ↓
COVID-19 Recession	Feb 2020 – April 2020	2 months	3.8% to 2.8% ↓



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.

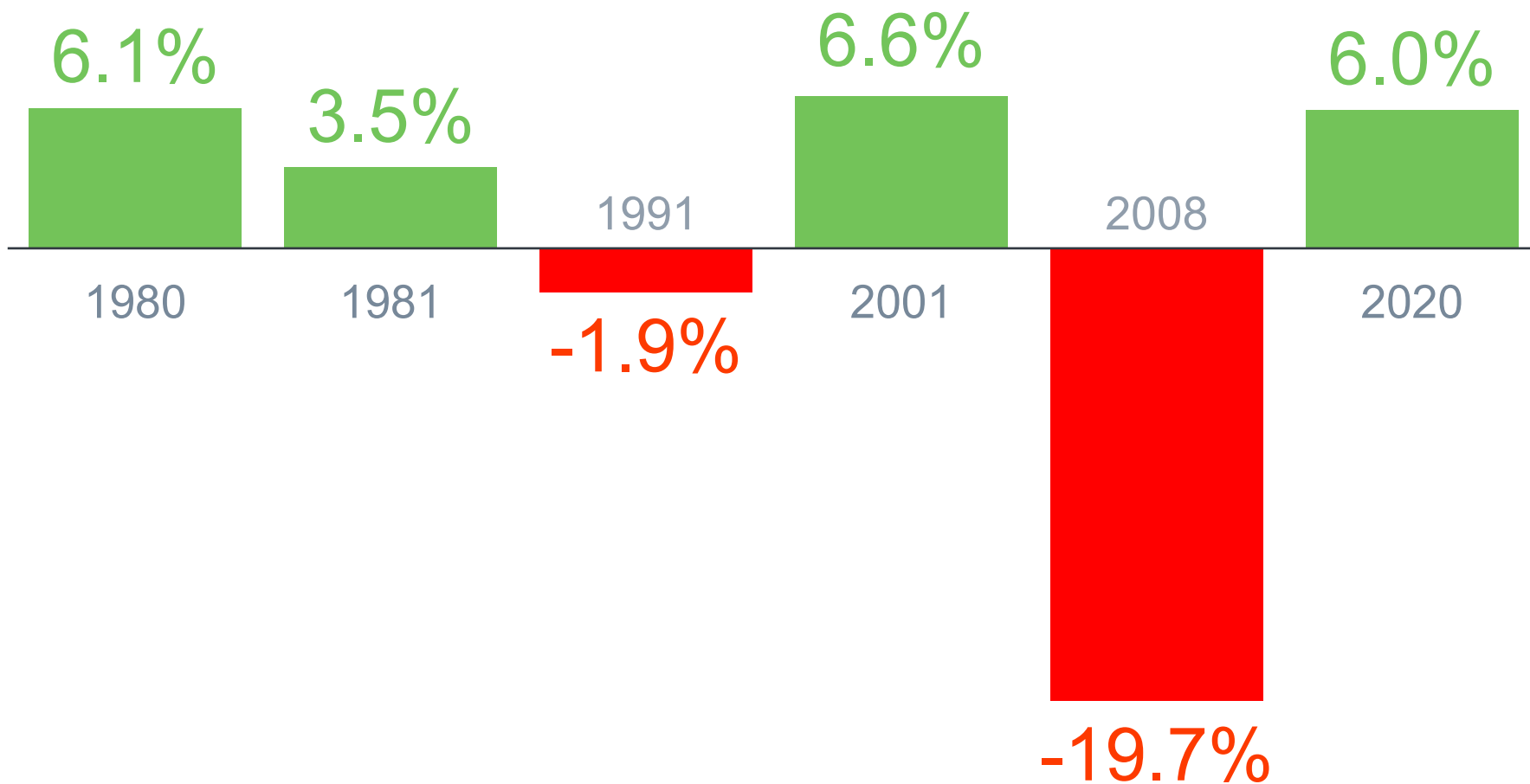
And in many cases, they continued to fall after the fact as it takes some time to turn things around even when the recession is technically over.

- Fortune



Recession Doesn't Equal a Housing Crisis

Home Price Change During Last 6 Recessions



Inventory Update





The Breakdown



1. Offers Received



2. Offers over Asking



3. Sales



4. Inventory





There has been a pickup in the inventory that we've seen recently, but it's not from a big increase in new listings . . . but rather a slowdown in the pace of sales.

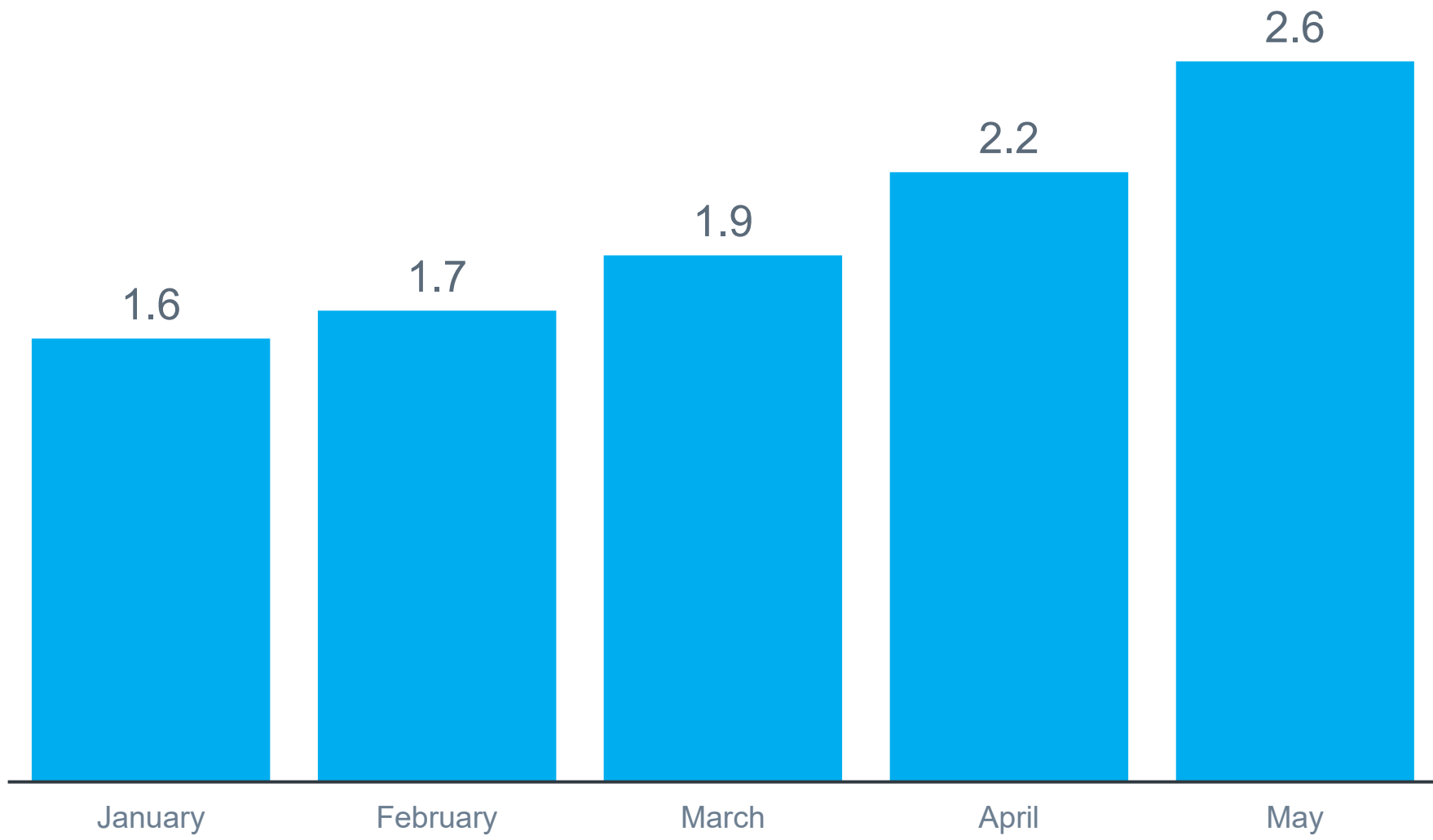
And remember that months' supply measures the inventory of sale relative to the pace of sales. Same inventory, fewer sales, means more months' supply.

- **Mark Fleming**, Chief Economist, First American



Months Inventory of Homes for Sale

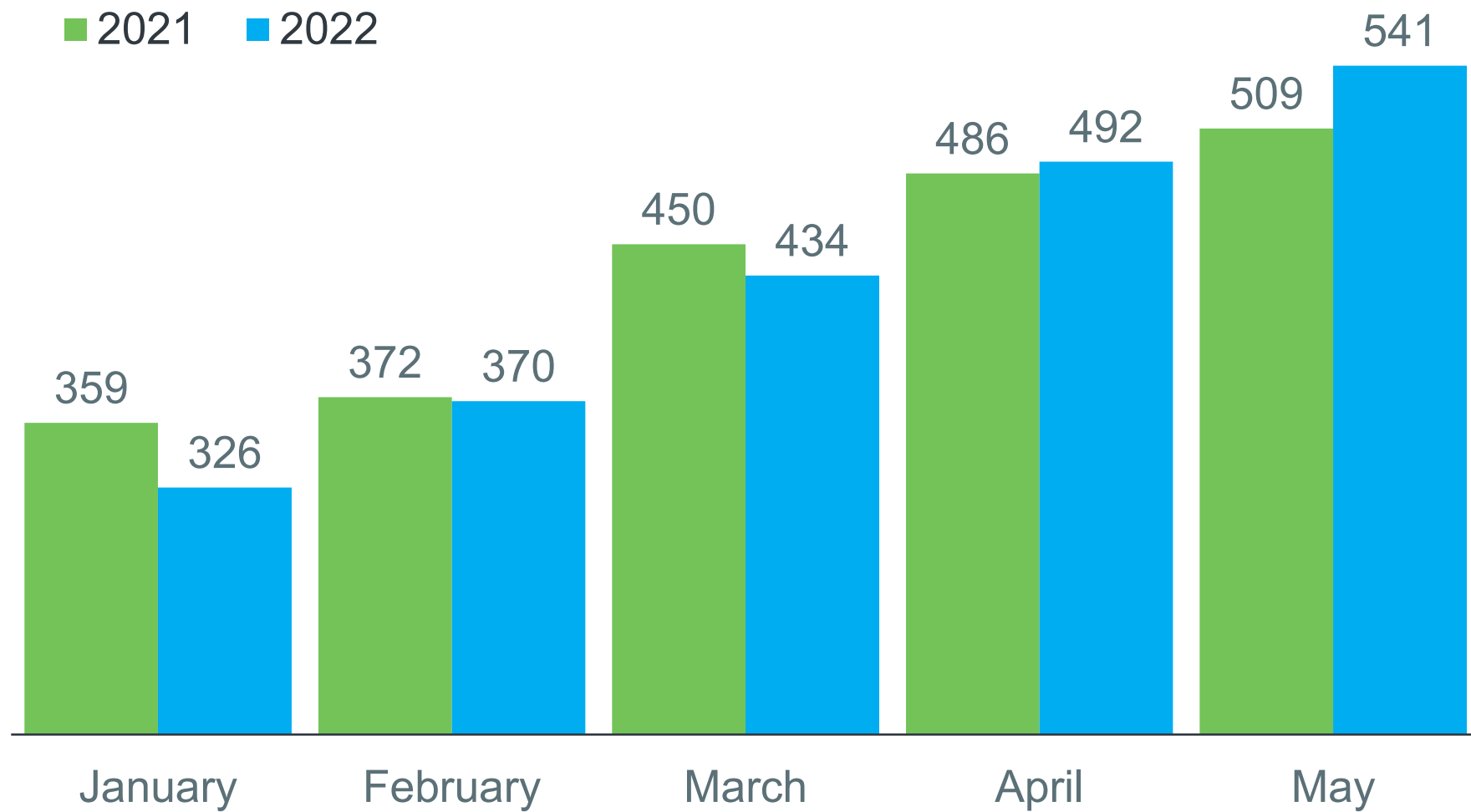
January – May 2022





New Monthly Listing Counts

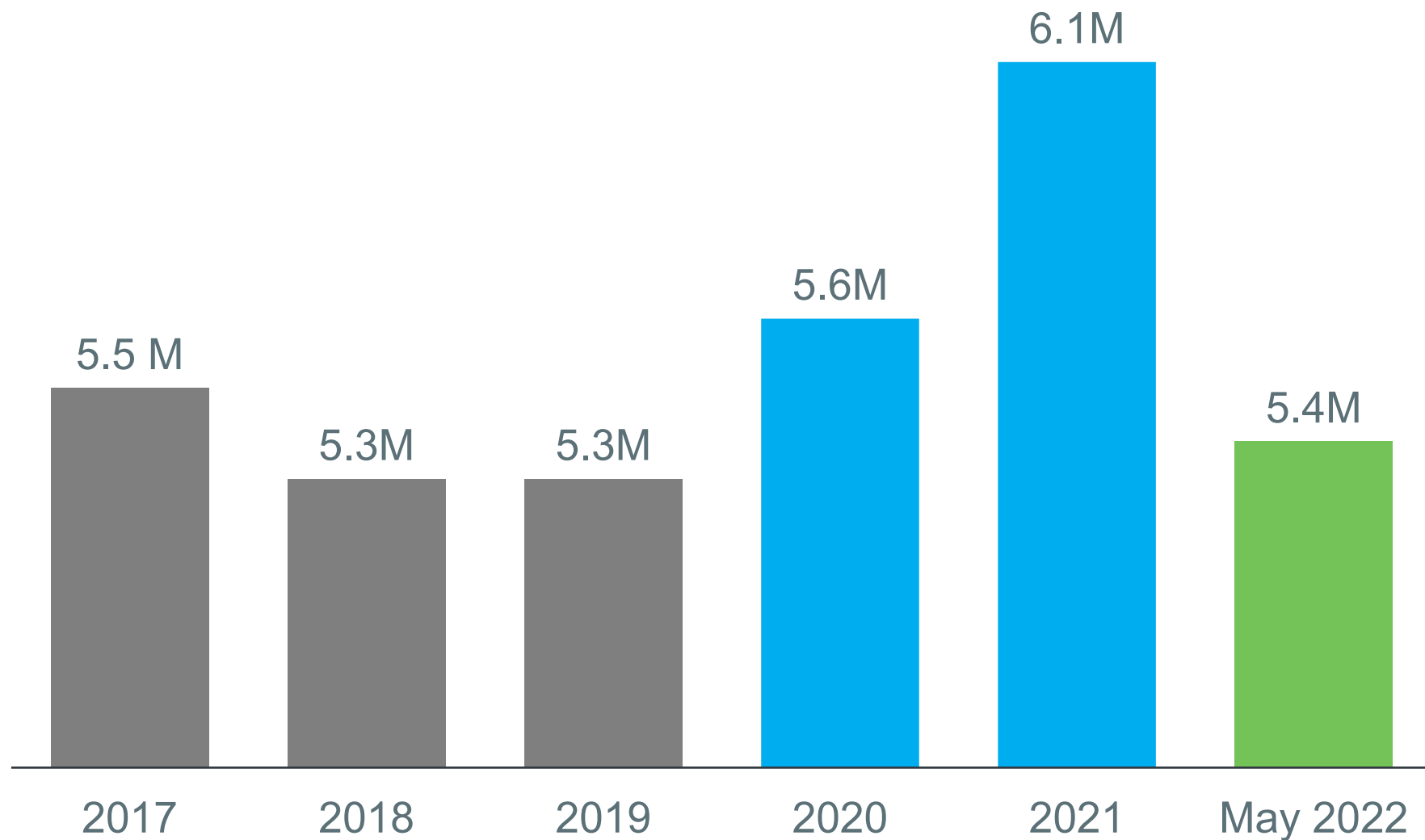
In Thousands





Existing Home Sales

Seasonally Adjusted Annual Rate (in Millions)





Home sales have essentially **returned to the levels seen in 2019** – prior to the pandemic – after two years of gangbuster performance.

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



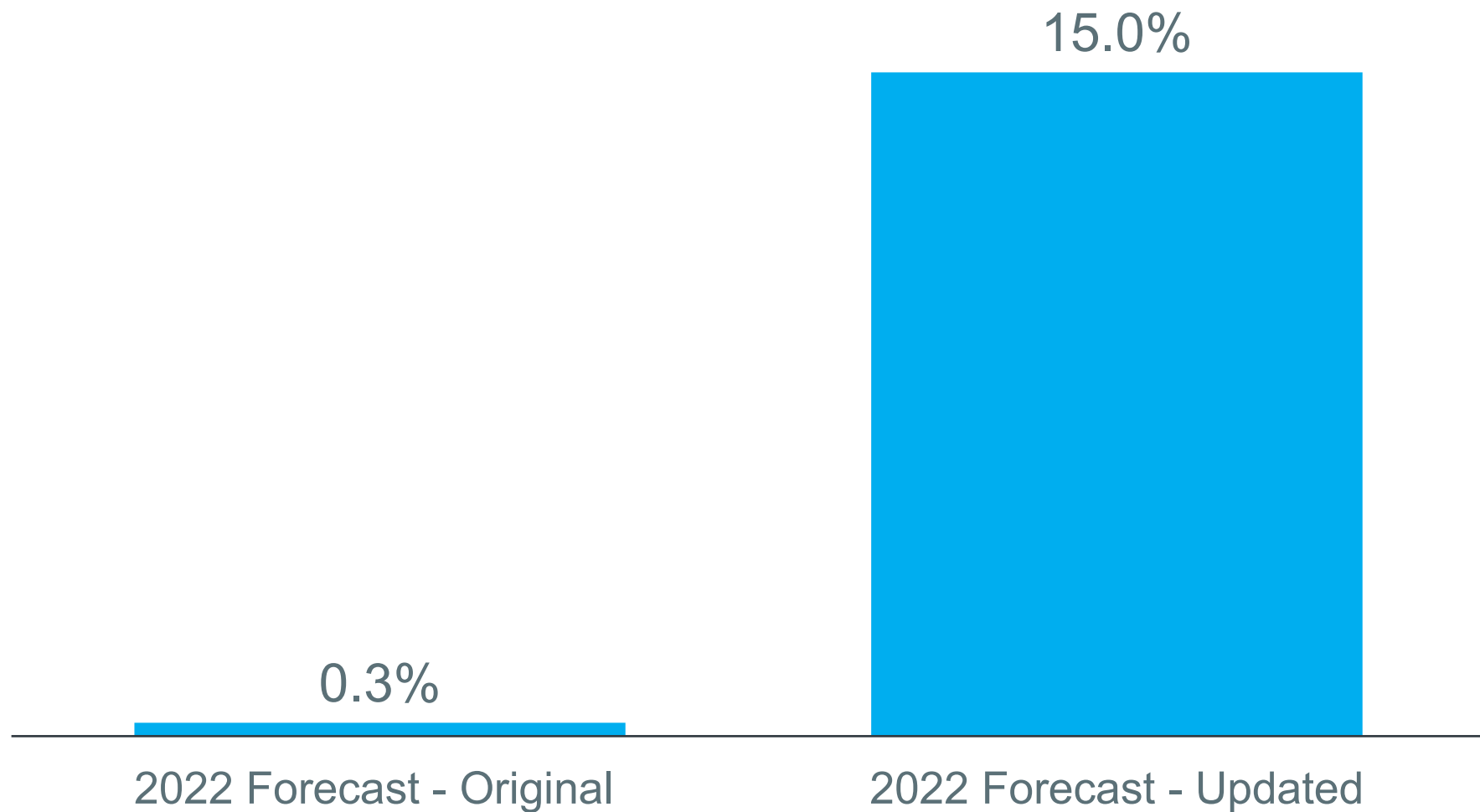
Active inventory continued to grow, rising 21% above one year ago. . . .

In other words, we're starting to add more options, but the market needs even more before home shoppers have a selection that's roughly equivalent to the pre-pandemic housing market.

- **Danielle Hale**, Chief Economist, Realtor.com



2022 Forecast Update: Inventory





We should start to see less competition, fewer bidding wars and, therefore, less upward price pressure. In fact, a simple analysis shows that a one-month increase in the months' supply results in a 3% decline in annualized house price growth. And our preliminary house price index is already **showing moderation in house prices in April.**

- **Mark Fleming**, Chief Economist, First American

Should I buy a home right now?



National and Local Headlines:

FINANCE • HOUSING

The cooling housing market enters into the Great Deceleration

BY LANCE LAMBERT
May 26, 2022 4:05 AM EDT

Home prices decelerate, as the housing market downshifts

by Liz Hughes June 02, 2022

REAL ESTATE

Buying a home at the wrong time can backfire big time. Here's why it may pay to wait.

Maurie Backman The Motley Fool

Published 6:00 a.m. ET June 18, 2022



Decelerating home prices

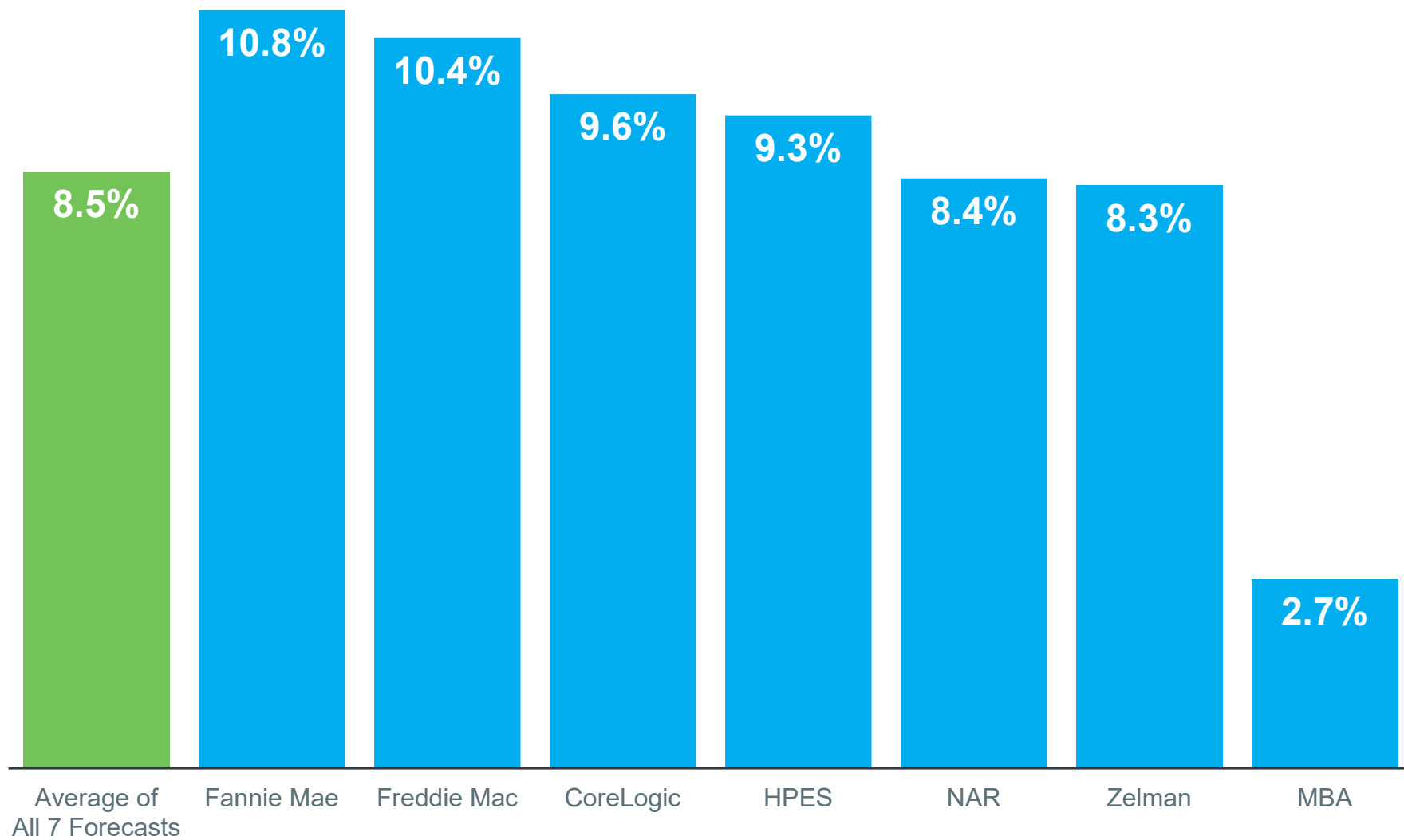
Do not mean

Depreciating home prices





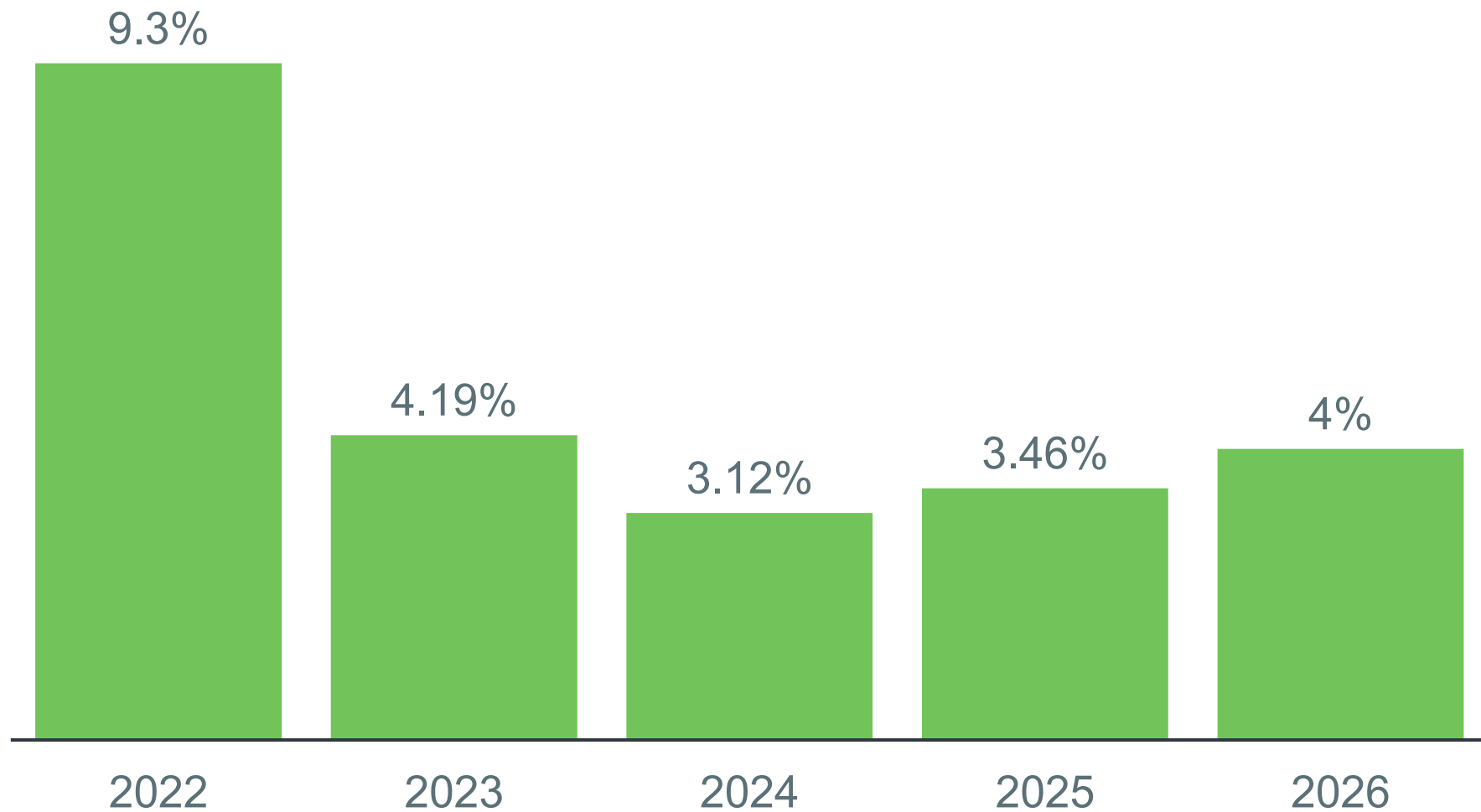
Home Price Forecasts for 2022





Estimated Home Price Performance

December to December, as Forecast in Q2 2022



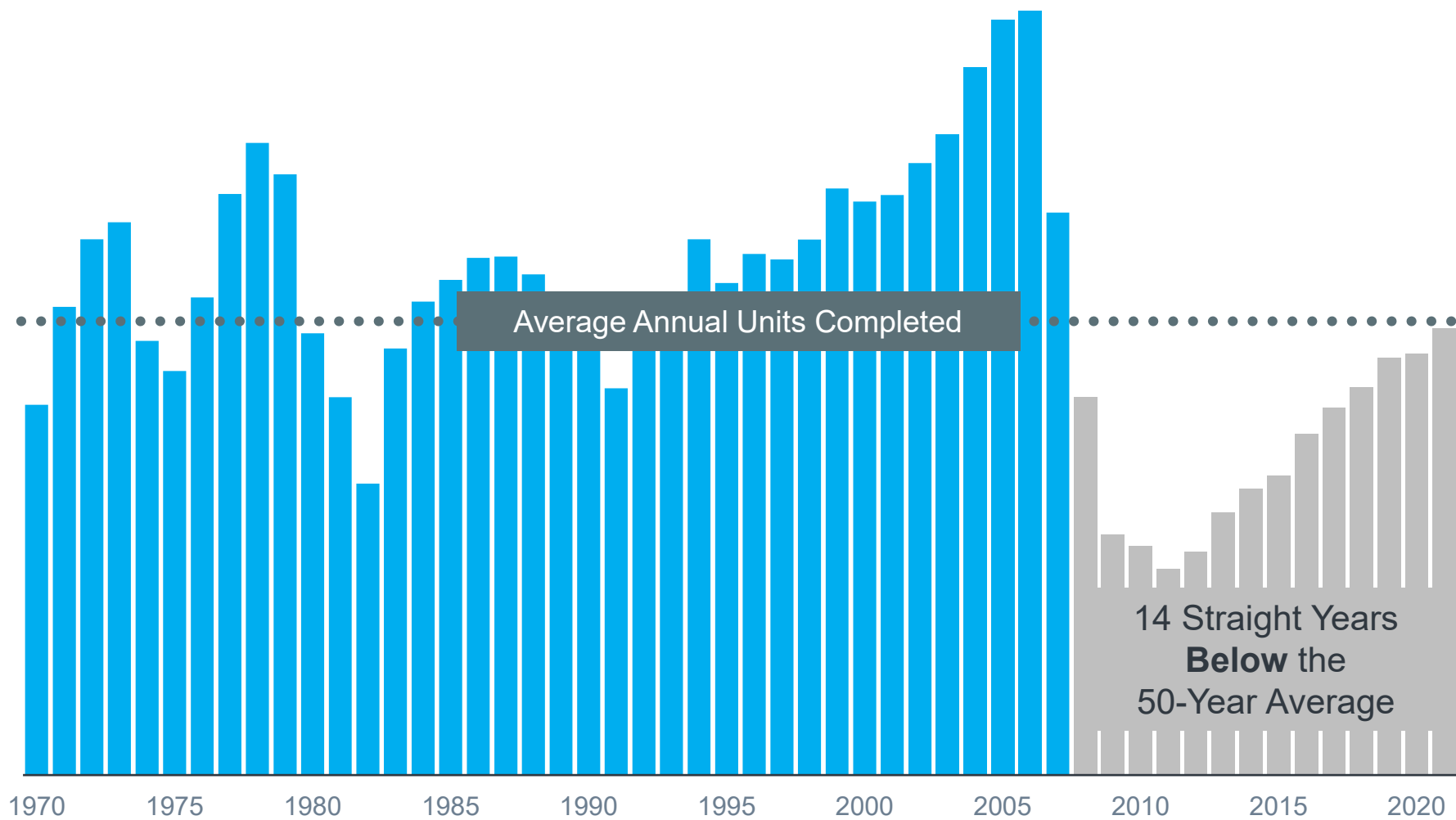


The root issue of what drives house prices almost always is supply and demand. . . .
now interest rates affect that. When interest rates go up, guess what, fewer buyers. The demand goes down thus prices are going to soften or not be as cray-cray as they have been. And that's what we're seeing right now.

- **David Ramsey, Personal Finance Personality**

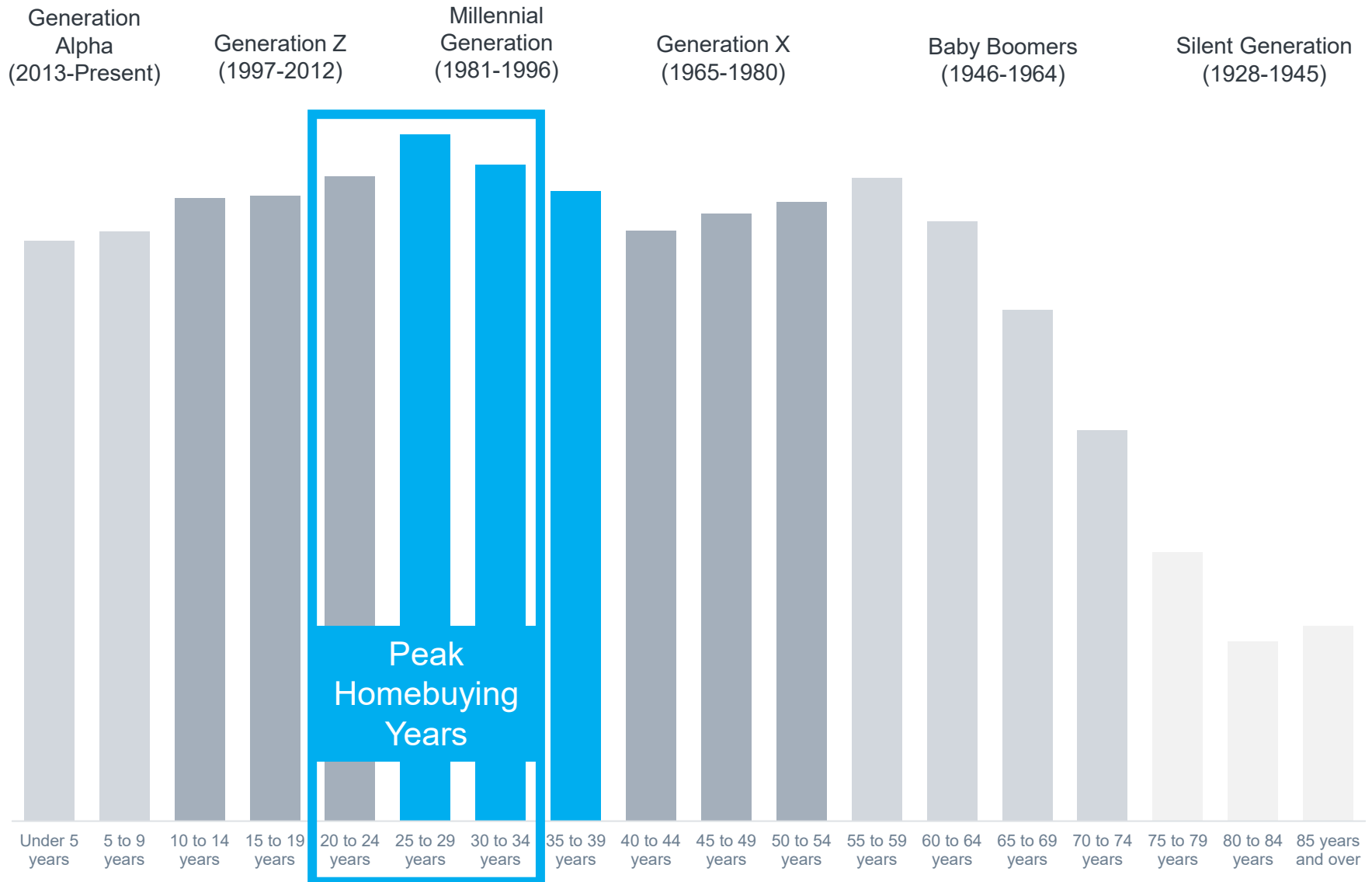


Single-Family Housing Units Completed





U.S. Population by Generation





... Experts don't believe the market is in a bubble or a crash is in the cards, like during the Great Recession. **The nation is still suffering from a housing shortage that has reached crisis proportions at a time when many millennials are reaching the age when they start to consider homeownership.** That's likely to keep prices high.

- Realtor.com

Resources

Slide(s)	Description	Link(s)
3	WSJ Quote	https://www.wsj.com/articles/recession-fears-surge-among-ceos-survey-suggests-11655458200
4	Mortgage Specialist Quote	https://mtg-specialists.com/2022/05/11/recession-interest-rates-and-real-estate/
5-6	Mortgage Rates & Recessions	http://www.freddiemac.com/pmms/ https://mtg-specialists.com/2022/05/11/recession-interest-rates-and-real-estate/ https://en.wikipedia.org/wiki/List_of_recessions_in_the_United_States
7	Fortune Quote	https://fortune.com/2019/06/19/next-recession-assets-mortgage-rates/
8	Recession Doesn't Equal a Housing Crisis	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/

Resources

Slide(s)	Description	Link(s)
10	The Breakdown	https://cdn.nar.realtor/sites/default/files/documents/2022-05-realtors-confidence-index-06-21-2022.pdf
11	Fleming Quote - Inventory	https://blog.firstam.com/economics/the-reconomy-podcast-heres-how-we-know-that-housing-supply-is-still-low
12	Months Inventory	https://www.nar.realtor/topics/existing-home-sales https://www.nar.realtor/newsroom/existing-home-sales-fell-3-4-in-may-median-sales-price-surpasses-400000-for-the-first-time
13	New Monthly Listings	https://www.realtor.com/research/data/
14	Existing Home Sales	https://www.nar.realtor/research-and-statistics/housing-statistics/existing-home-sales https://www.nar.realtor/newsroom/existing-home-sales-retract-2-4-in-april
15	Yun Quote	https://www.nar.realtor/newsroom/existing-home-sales-fell-3-4-in-may-median-sales-price-surpasses-400000-for-the-first-time
16	Hale Quote	https://www.realtor.com/research/weekly-housing-trends-view-data-week-june-18-2022/

Resources

Slide(s)	Description	Link(s)
17	Inventory Forecast Update	https://news.move.com/2022-06-13-Realtor-com-R-2022-Forecast-Update-Real-Estate-Gets-a-Refresh-from-the-Frenzy
18	Fleming Quote - Prices	https://blog.firstam.com/economics/the-reconomy-podcast-heres-how-we-know-that-housing-supply-is-still-low
20	Headlines	https://fortune.com/2022/05/26/the-cooling-housing-market-enters-into-the-great-deceleration/ https://bostonagentmagazine.com/2022/06/02/home-prices-decelerate-as-the-housing-market-downshifts/ https://www.usatoday.com/story/money/personalfinance/real-estate/2022/06/18/why-you-should-delay-buying-home/50369959/

Resources

Slide(s)	Description	Link(s)
22	Price Forecasts	https://www.fanniemae.com/media/43571/display https://www.freddiemac.com/research/forecast/20220418-quarterly-forecast-purchase-market-will-remain-solid-even-mortgage-rates-rise 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://cdn.nar.realtor/sites/default/files/documents/forecast-q2-2022-us-economic-outlook-04-27-2022.pdf https://www.zelmanassociates.com/ (with subscription) https://www.mba.org/docs/default-source/research-and-forecasts/forecasts/mortgage-finance-forecast-june-2022.pdf?sfvrsn=e3eb1d80_1
23	HPES	https://pulsenomics.com/surveys/#home-price-expectations
24	Ramsey Quote	https://www.youtube.com/watch?v=NDDwGqTVAdU

Resources

Slide(s)	Description	Link(s)
25	Single-Family Housing Units Completed	www.census.gov/construction/nrc/xls/co_cust.xls
26	Population by Generation	https://data.census.gov/cedsci/table?q=United%20States&t=Populations%20and%20People&g=0100000US&tid=ACST5Y2020.S0101 https://www.nar.realtor/newsroom/nar-report-shows-share-of-millennial-home-buyers-continues-to-rise
27	Realtor.com Quote	https://www.realtor.com/news/trends/housing-market-showing-signs-of-correction-what-buyers-sellers-need-to-know/



Updates

Resources

Slide(s)	Description	Link(s)
37	Confidence Index	https://www.nar.realtor/research-and-statistics/research-reports/realtors-confidence-index
38-40, 48, 50, 51, 58-62	Existing Home Sales	https://www.nar.realtor/topics/existing-home-sales
41-44	New Home Sales	http://www.census.gov/construction/nrs/pdf/newressales.pdf http://www.census.gov/newhomesales
45	Total Home Sales	http://www.census.gov/construction/nrs/pdf/newressales.pdf https://www.nar.realtor/topics/existing-home-sales
46, 47	Pending Home Sales	https://www.nar.realtor/research-and-statistics/housing-statistics/pending-home-sales
52-54	Case Shiller	https://www.spglobal.com/spdji/en/indices/indicators/sp-corelogic-case-shiller-20-city-composite-home-price-nsa-index/#news-research
55	CoreLogic Price Forecast	https://www.corelogic.com/intelligence/u-s-home-price-insights/
58-64	Inventory	https://www.nar.realtor/topics/existing-home-sales http://www.census.gov/construction/nrs/pdf/newressales.pdf

Resources

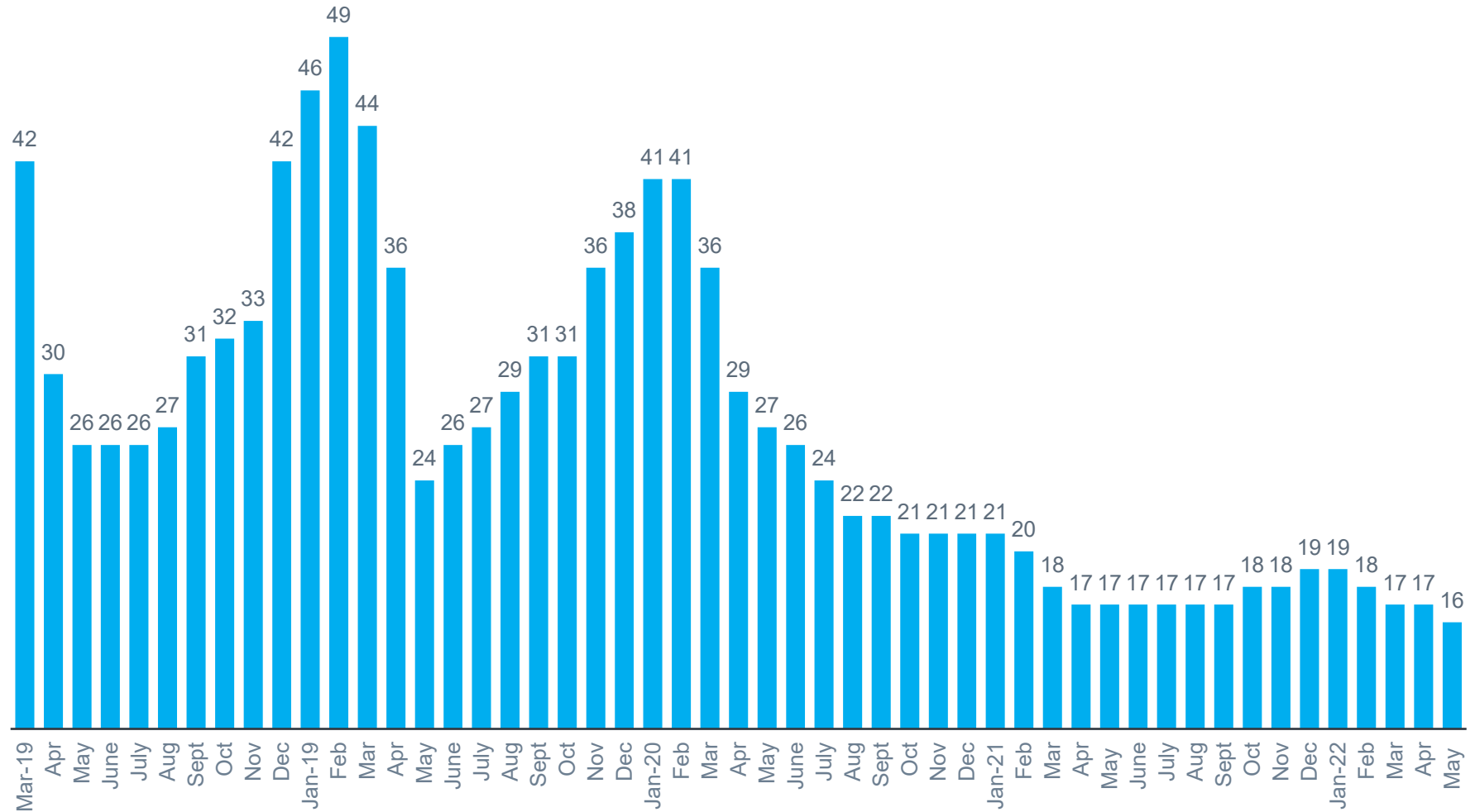
Slide(s)	Description	Link(s)
66	Showing Activity	https://www.showingtime.com/blog/may-2022-showing-index-results/
68, 69, 71, 72	Mortgage Rates	http://www.freddiemac.com/pmms/pmms_archives.html http://www.freddiemac.com/research/forecast/
70	Mortgage Rate Projections	http://www.freddiemac.com/research/forecast/ 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
74, 75	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

May 2022

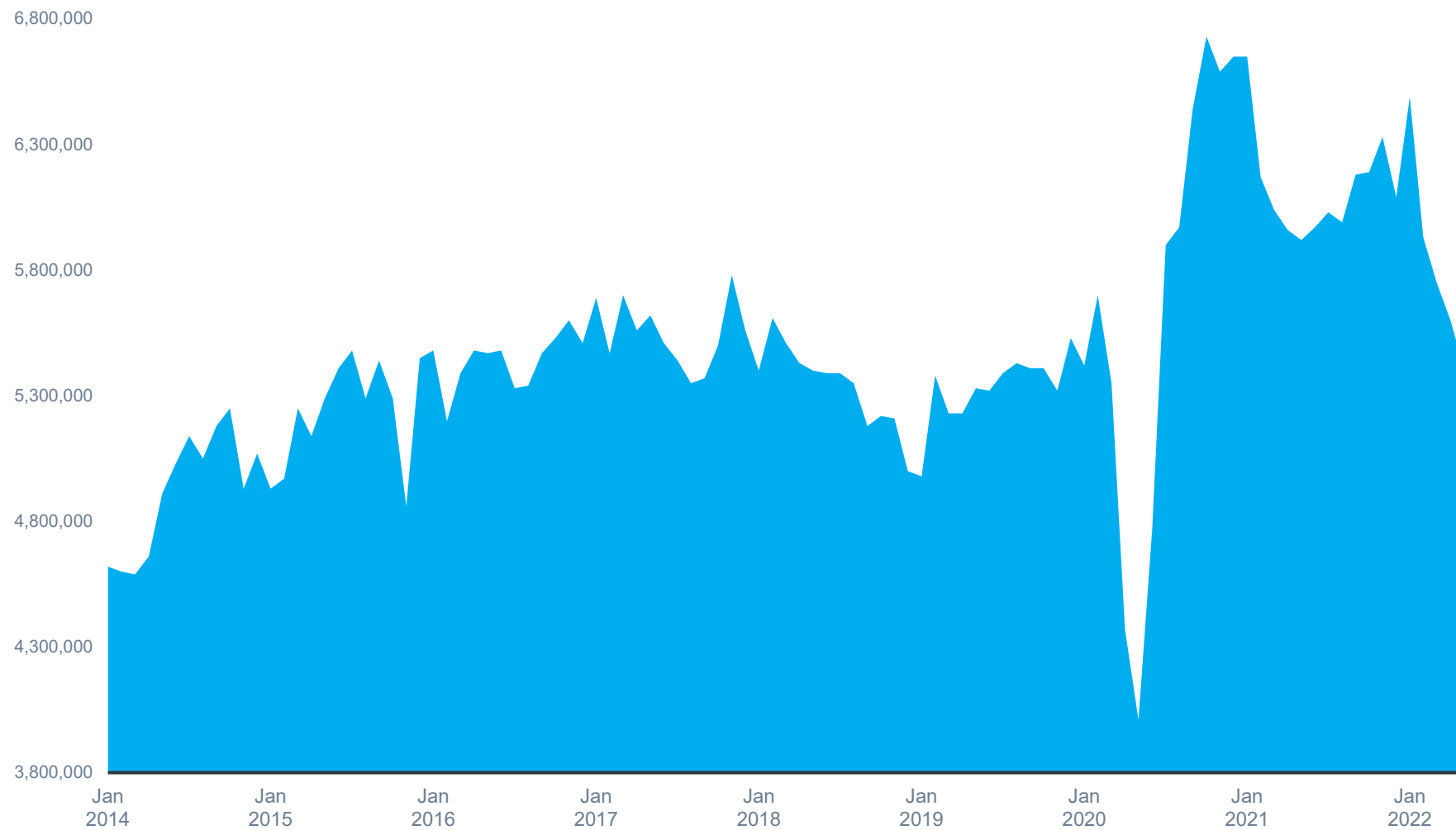


Source: NAR



Existing Home Sales

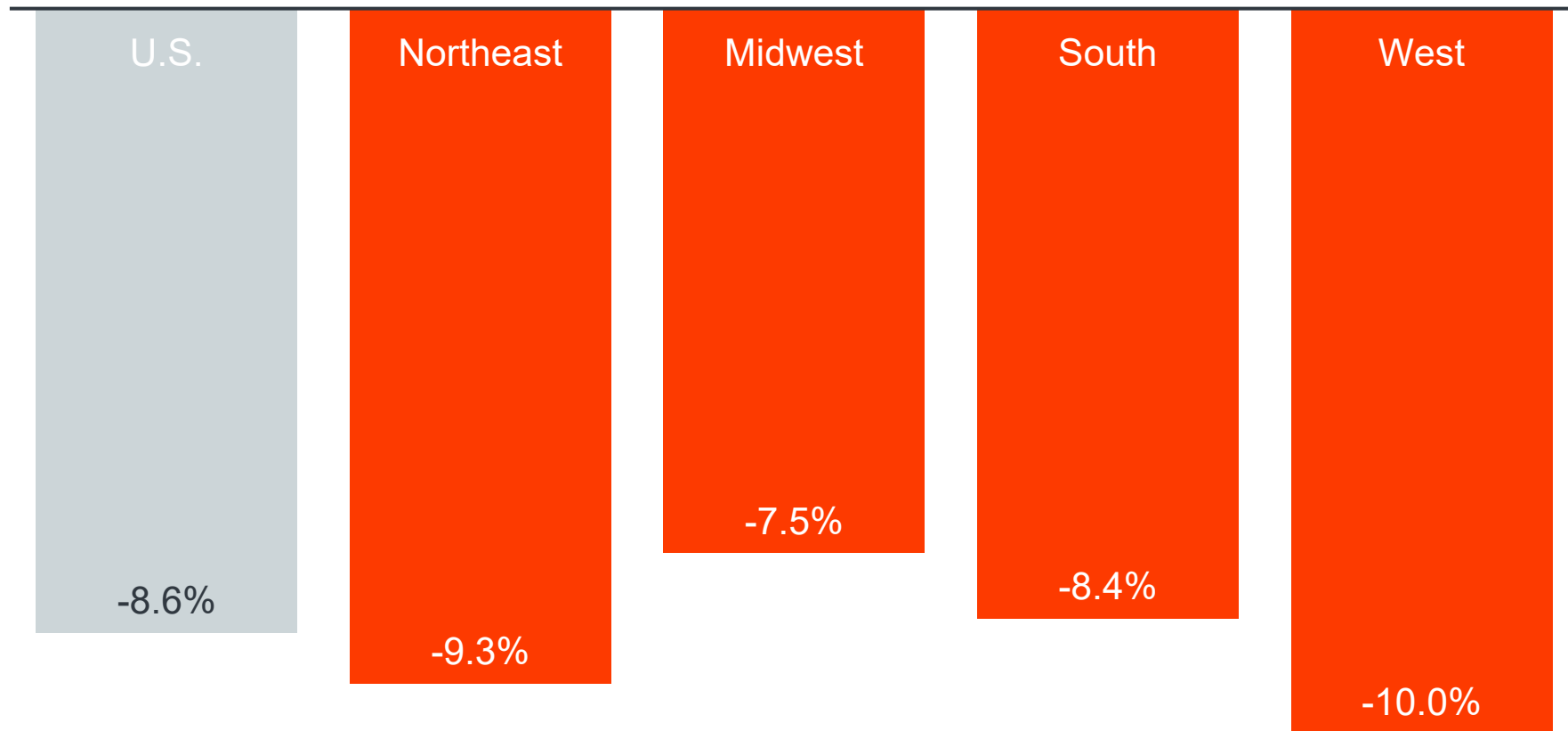
Since January 2014





Existing Home Sales

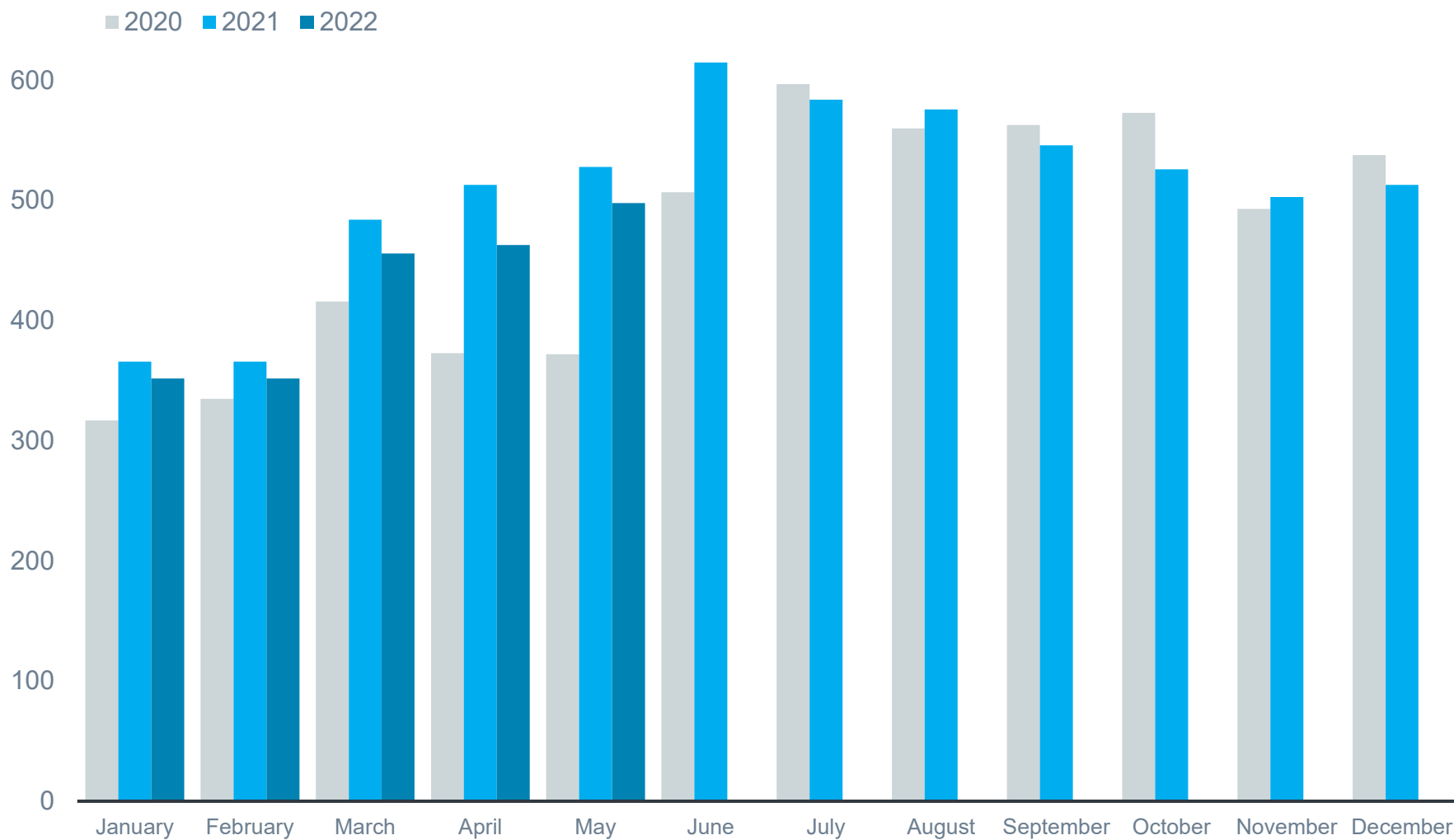
Year-Over-Year, by Region





Existing Home Sales

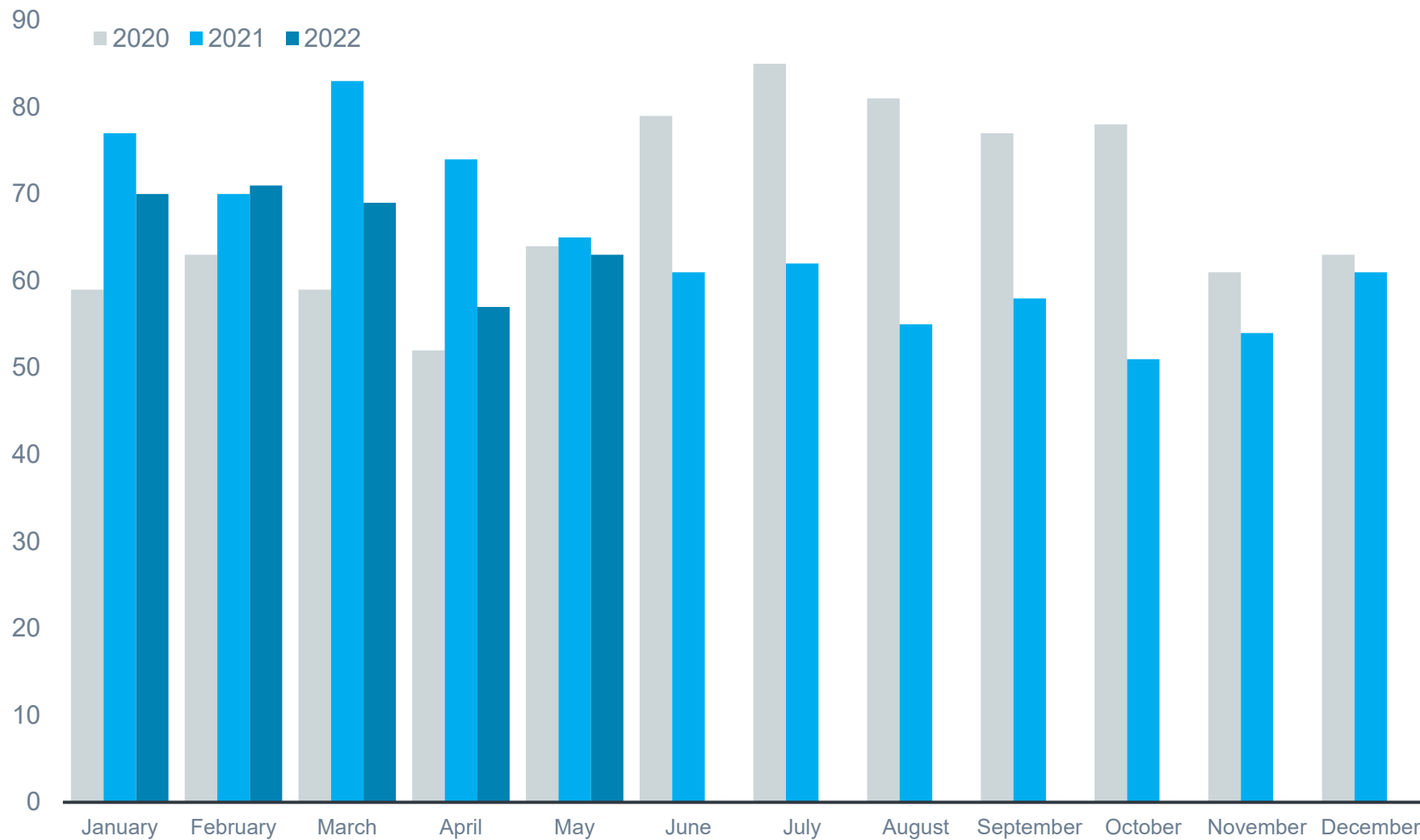
In Thousands





New Home Sales

In Thousands

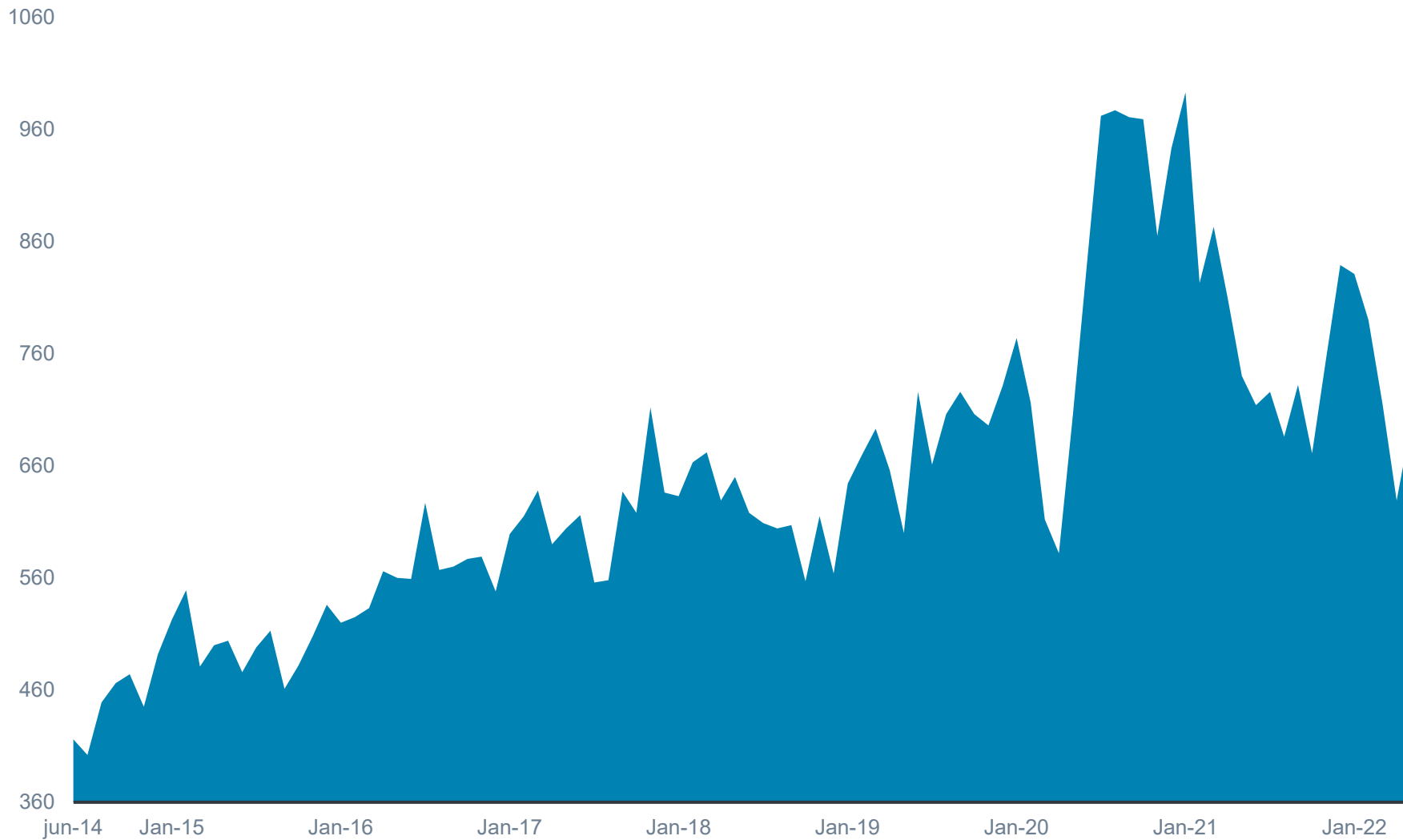


Source: Census



New Home Sales

Annualized in Thousands



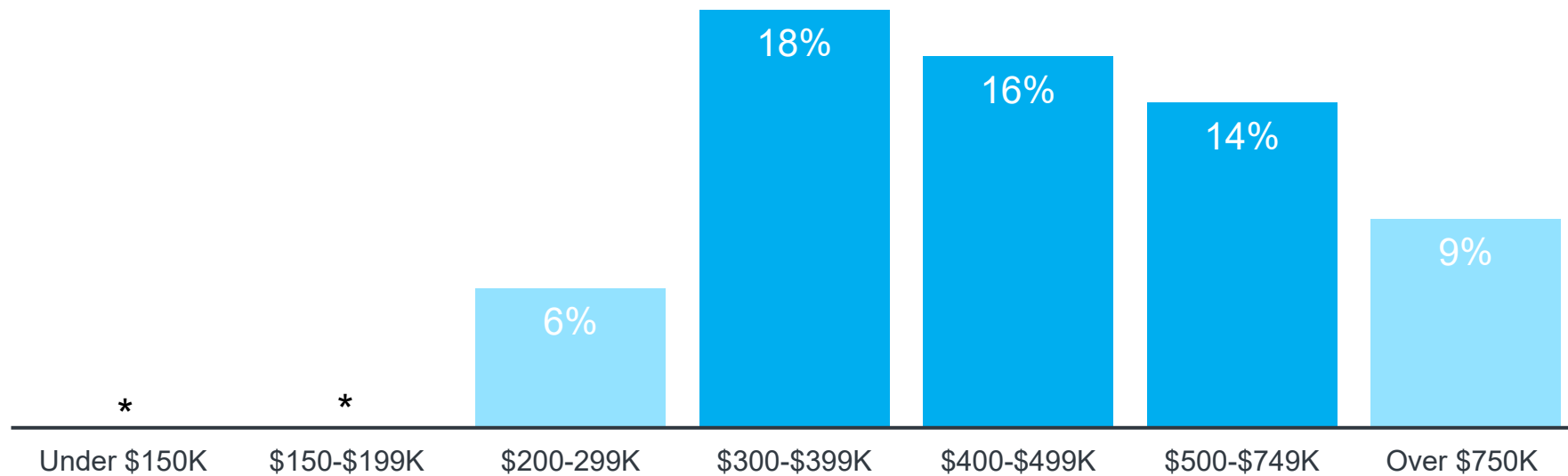
Source: Census



New Home Sales

Percent of Distribution by Price Range

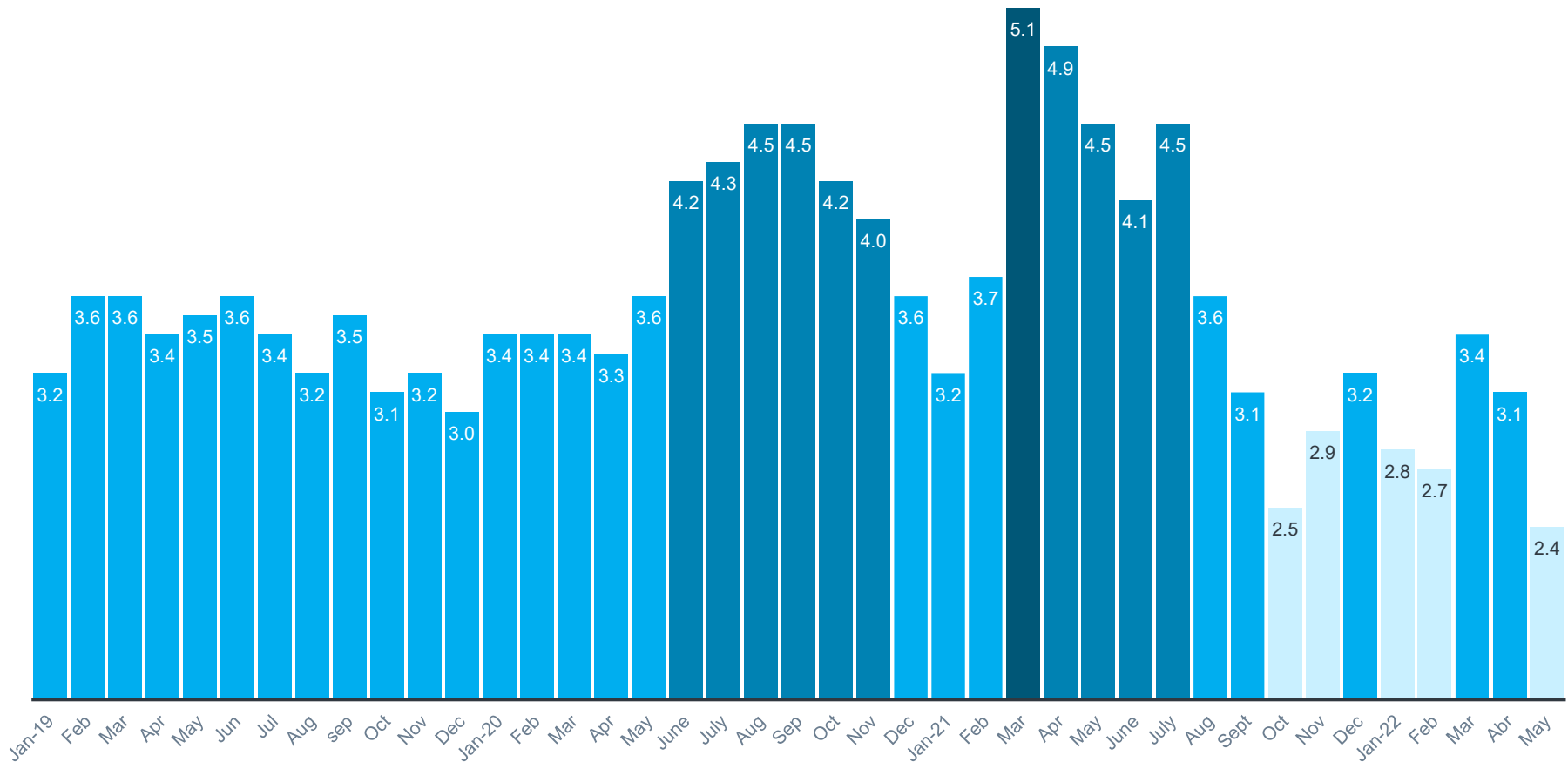
* Less Than 500 Units or Less Than 0.5 Percent



Source: Census

New Homes Selling Fast

Median Months from Completion to Sold



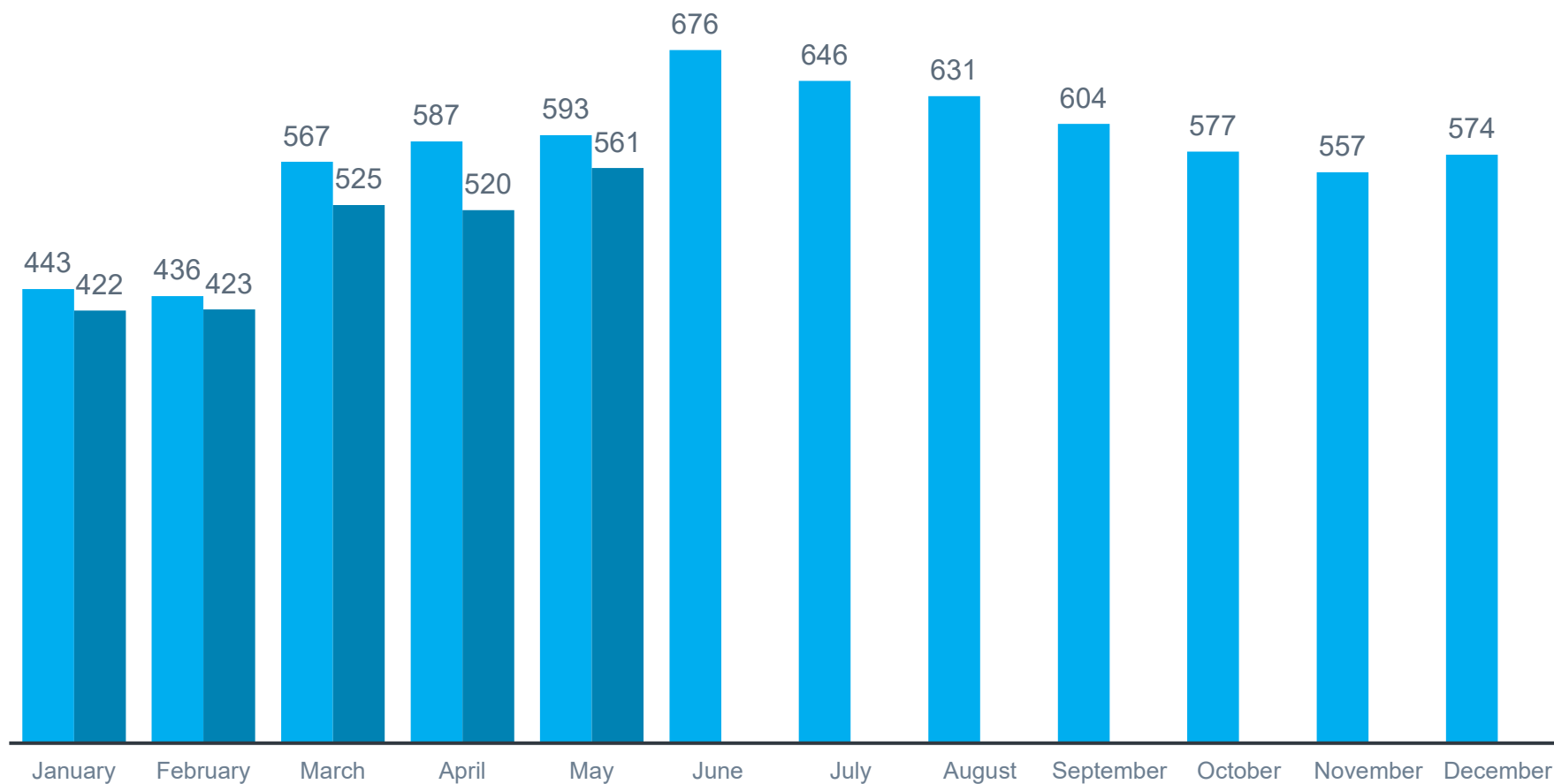
Source: Census



Total Home Sales

In Thousands

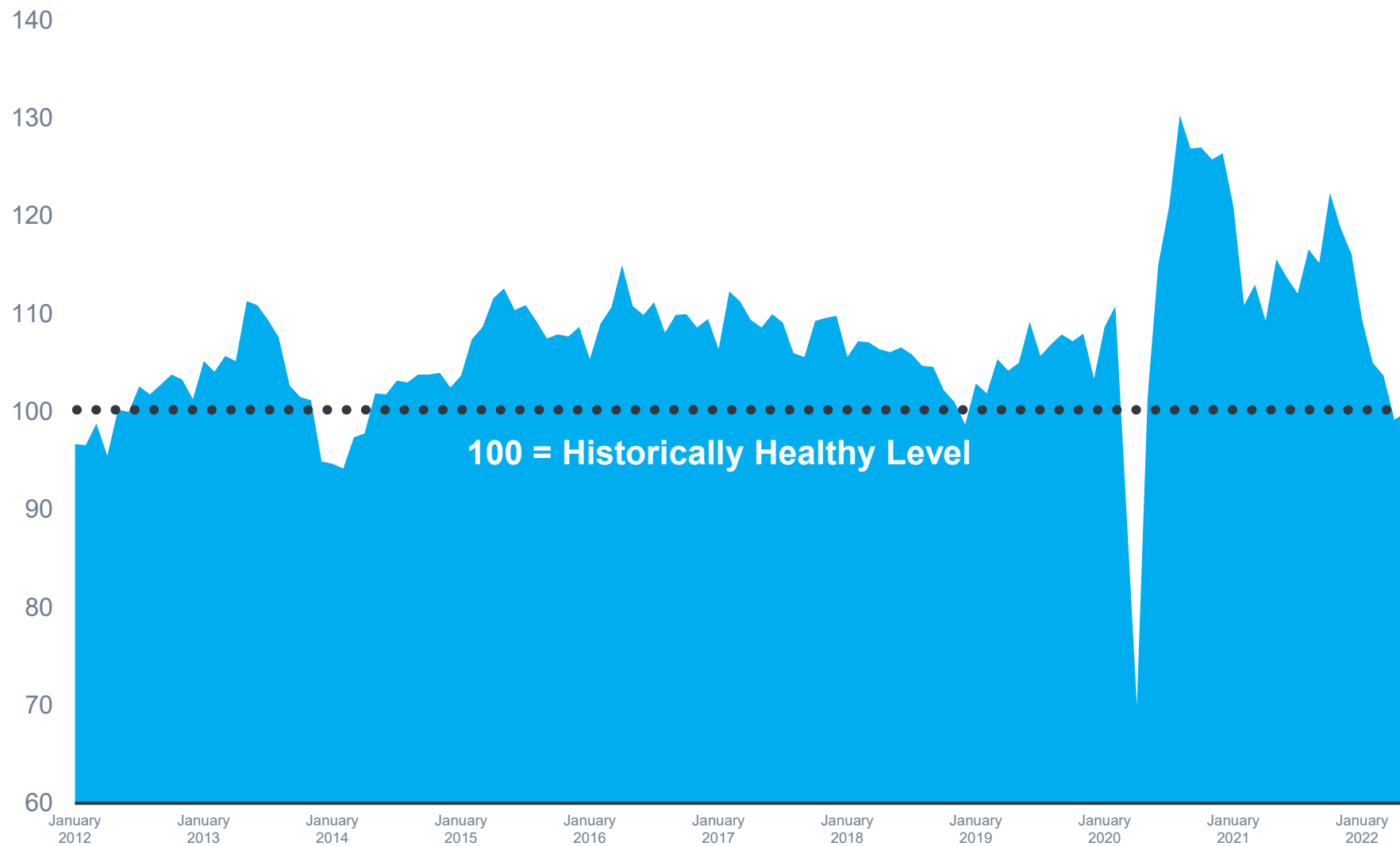
■ 2021 ■ 2022



Source: Census



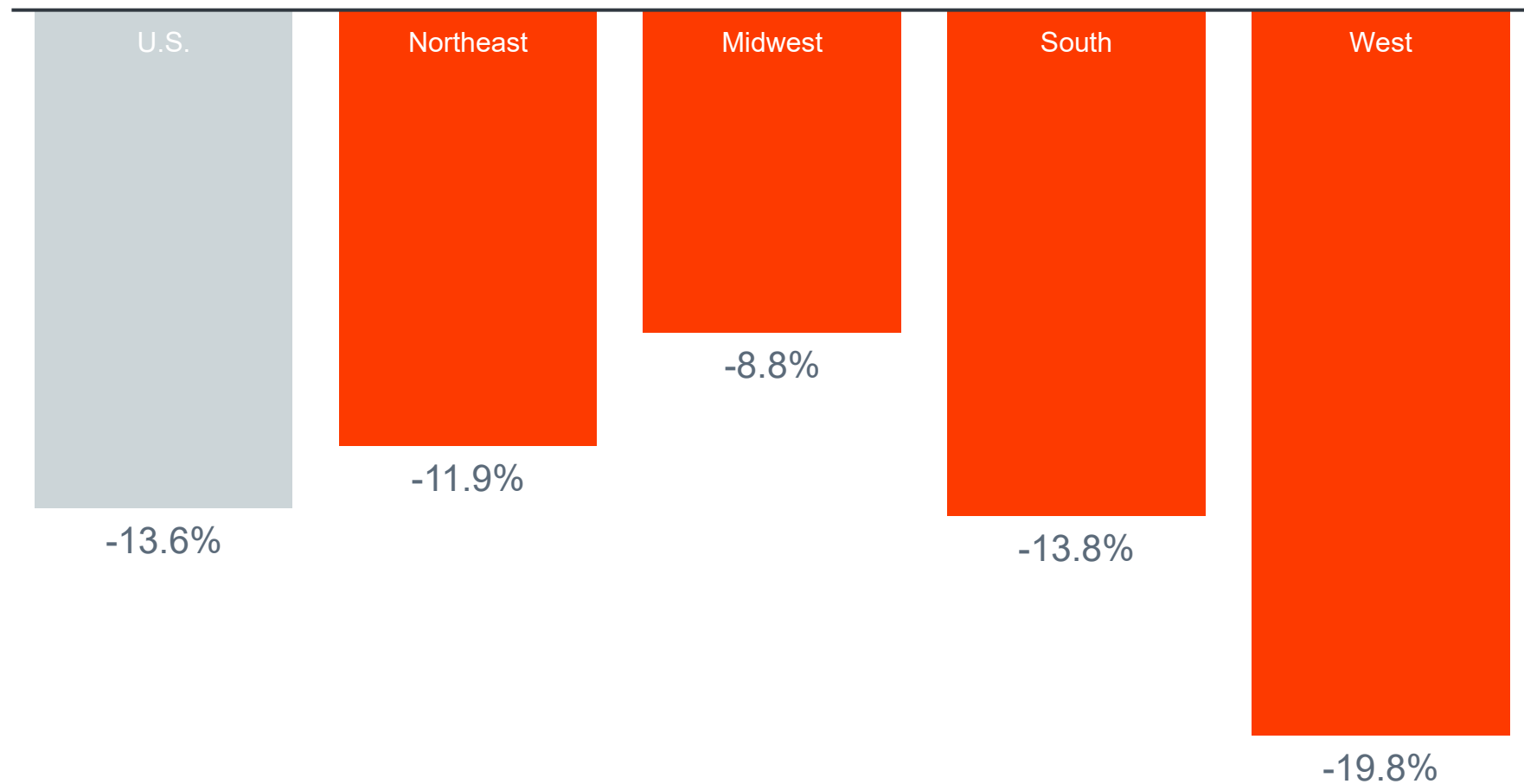
Pending Home Sales





Pending Home Sales

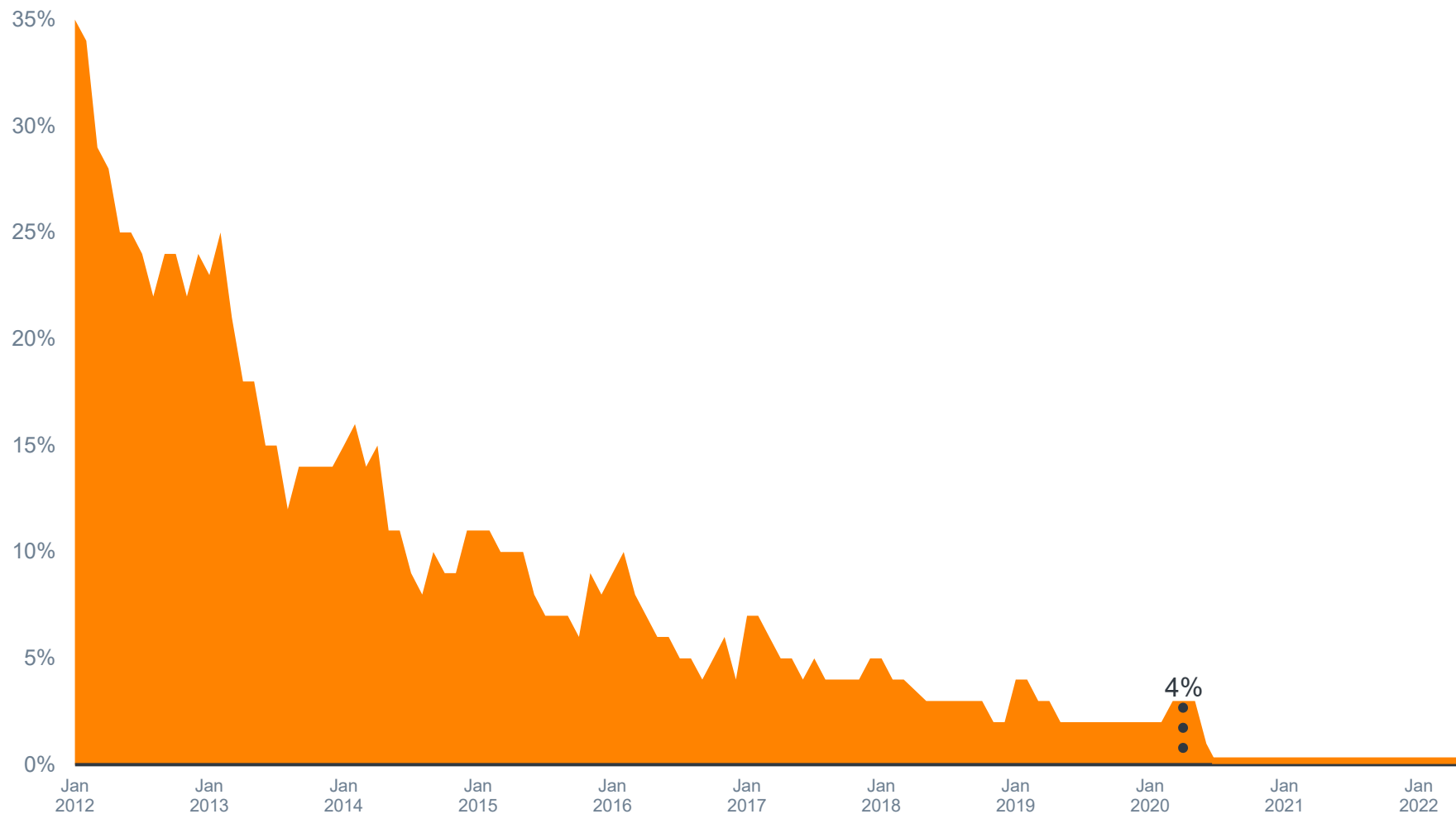
Year-Over-Year by Region





Percentage of Distressed Property Sales

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



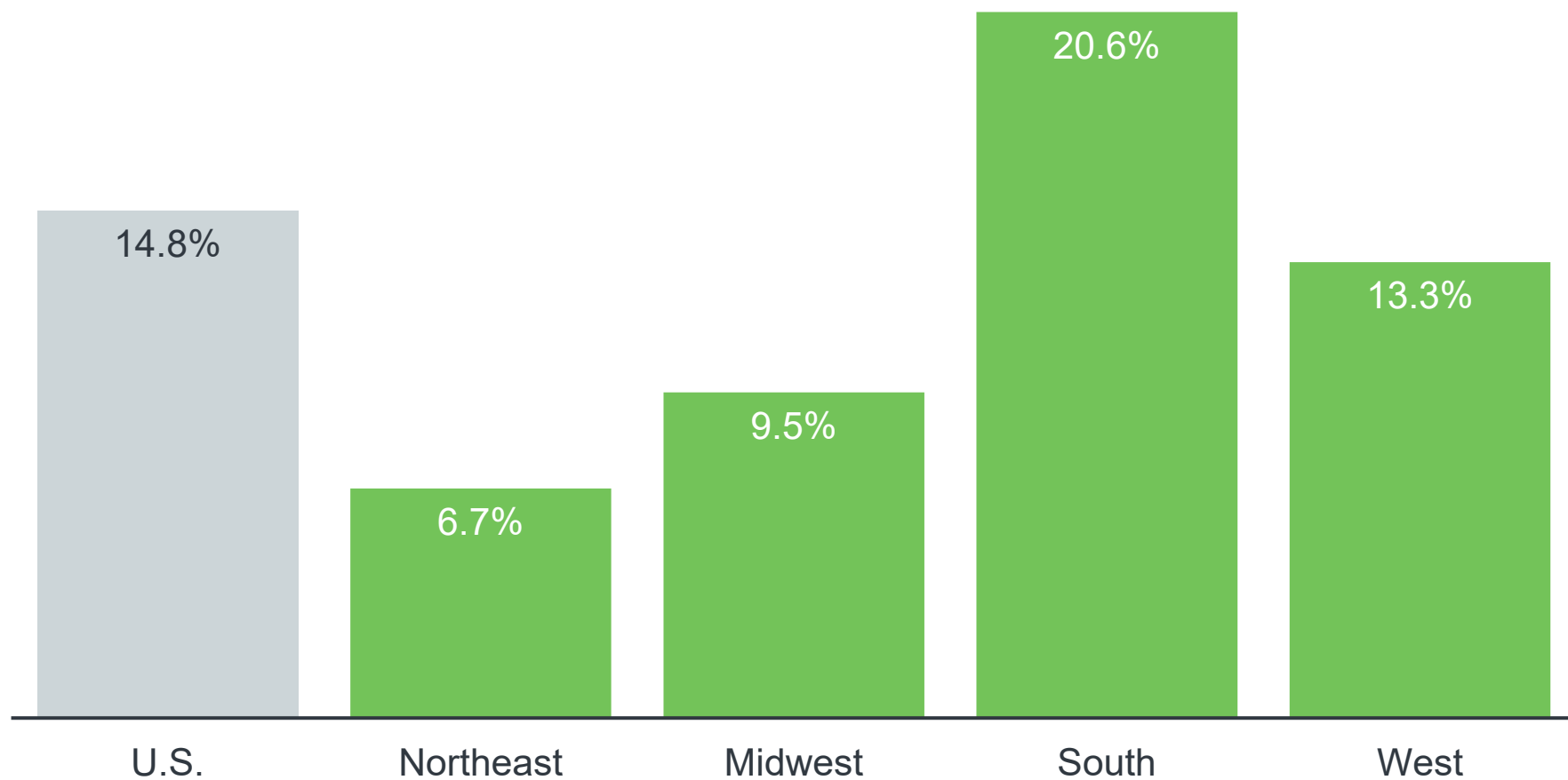


Home Prices



Sales Price of Existing Homes

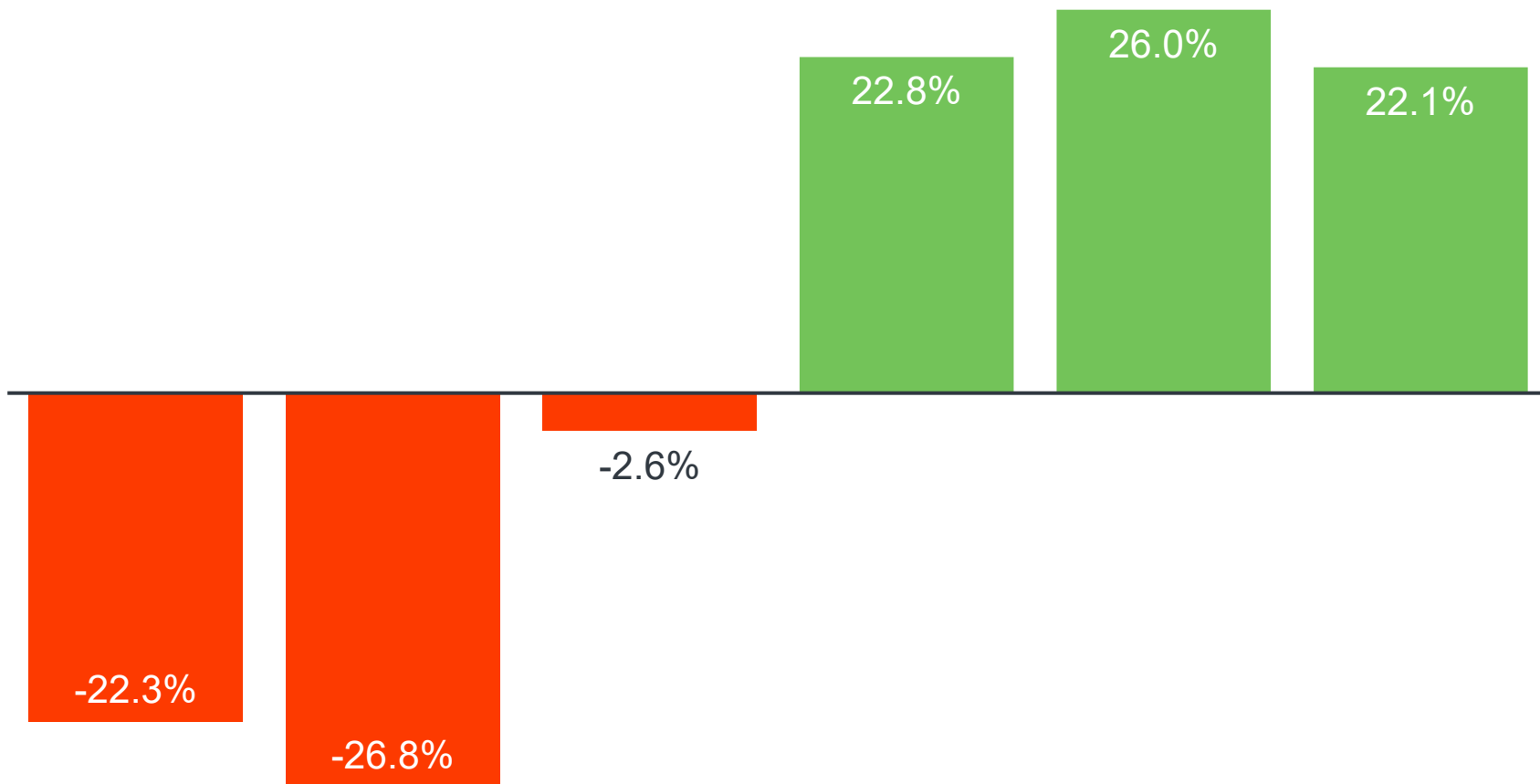
Year-Over-Year, by Region





% Change in Sales

Year-Over-Year, by Price Range

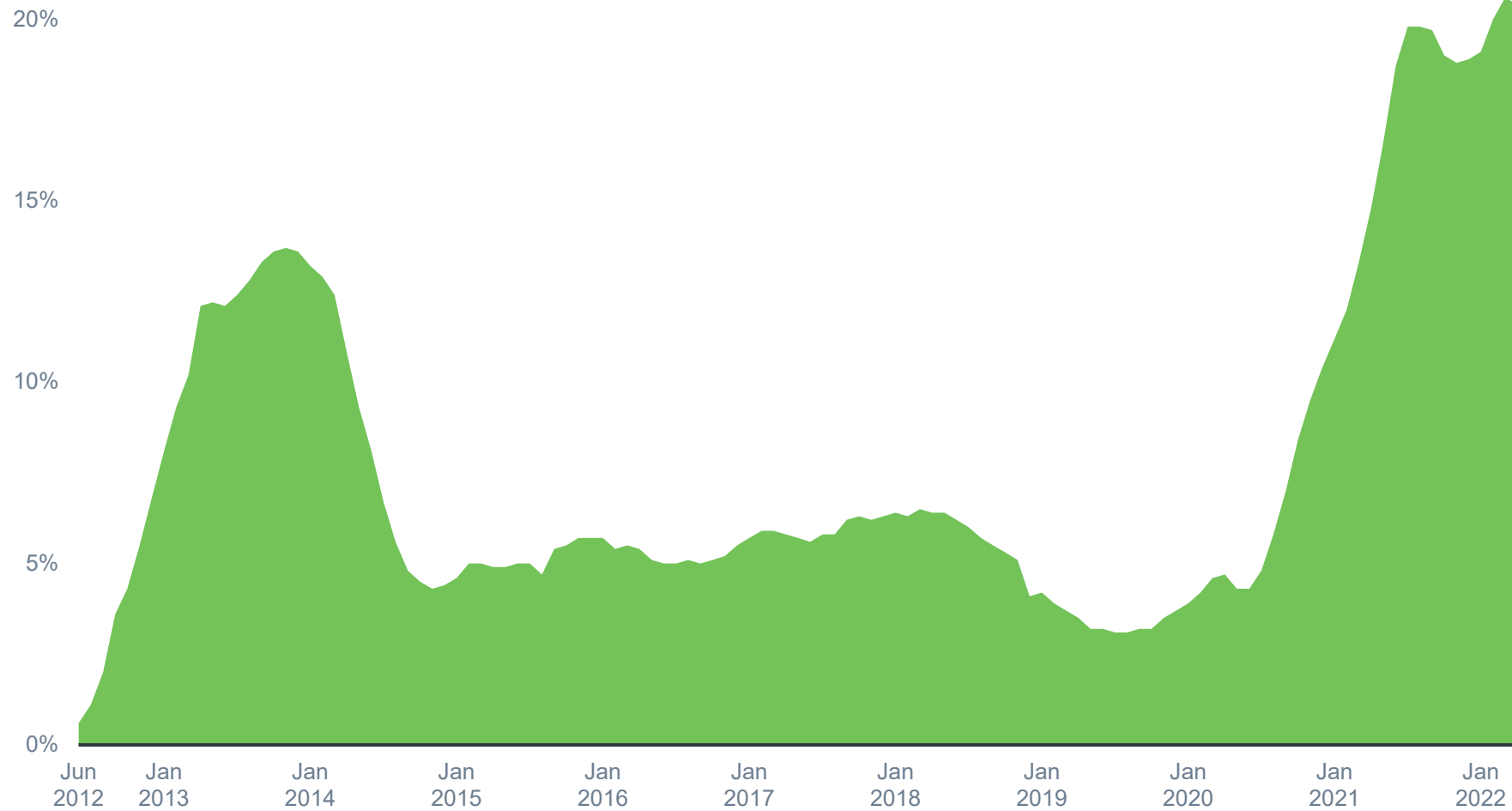


	\$0-100K	\$100-250K	\$250-500K	\$500-750K	\$750K-1M	\$1M+
%	-22.3%	-26.8%	-2.6%	22.8%	26.0%	22.1%



Change in Home Prices

Year-Over-Year

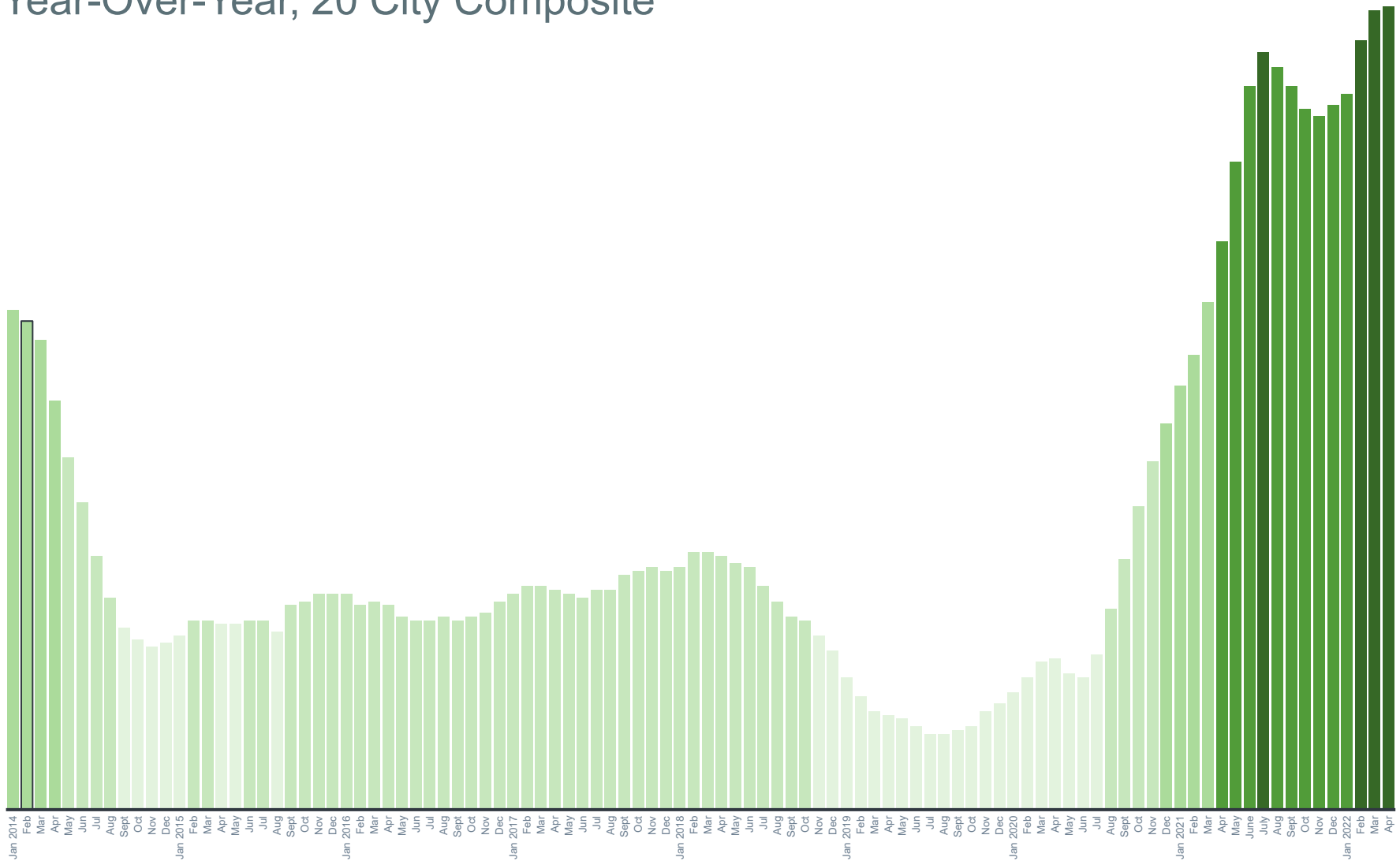


Source: S&P Case-Shiller



Change in Home Prices

Year-Over-Year, 20 City Composite

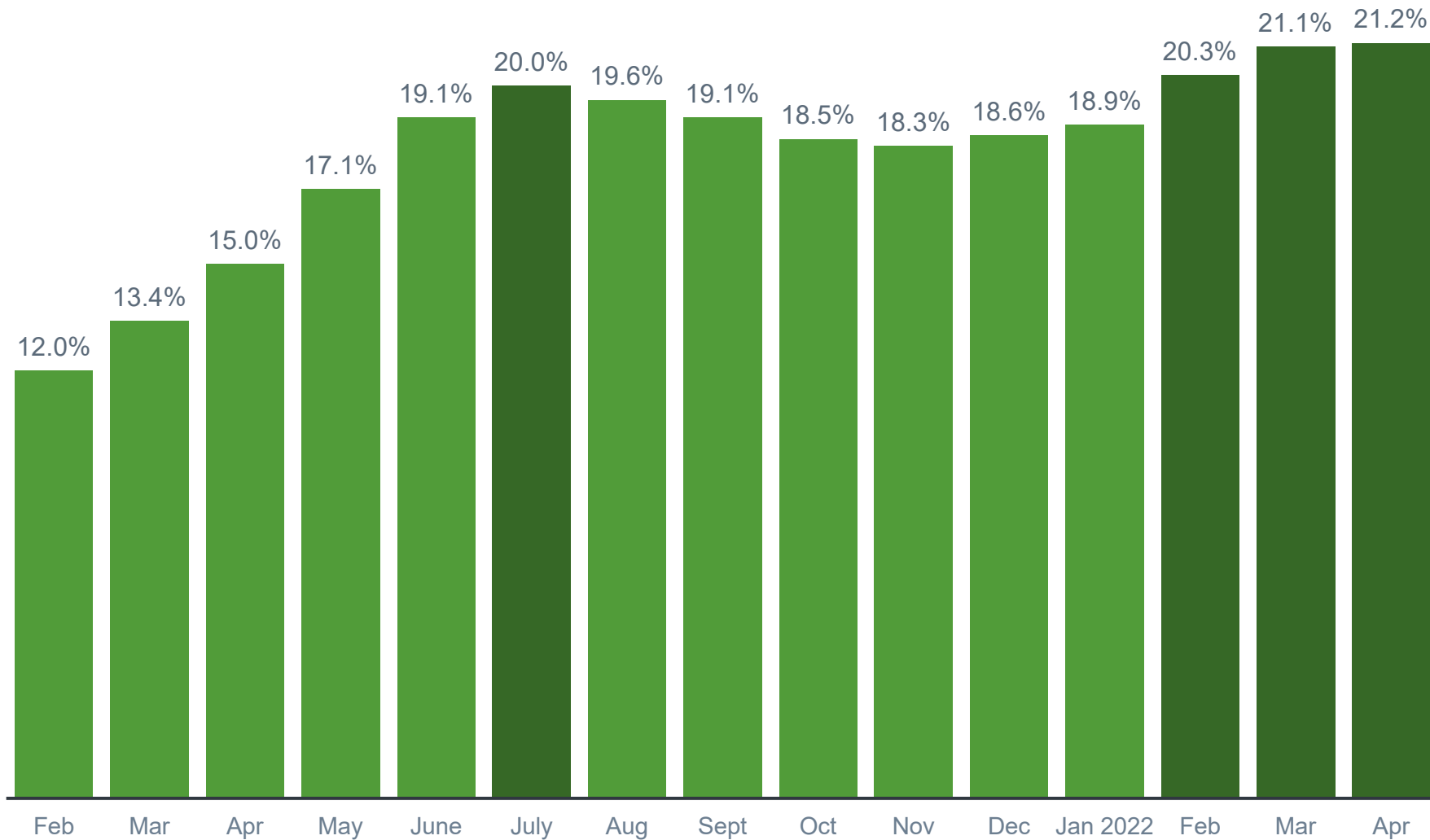


Source: S&P Case-Shiller



Change in Home Prices

Year-Over-Year, 20 City Composite

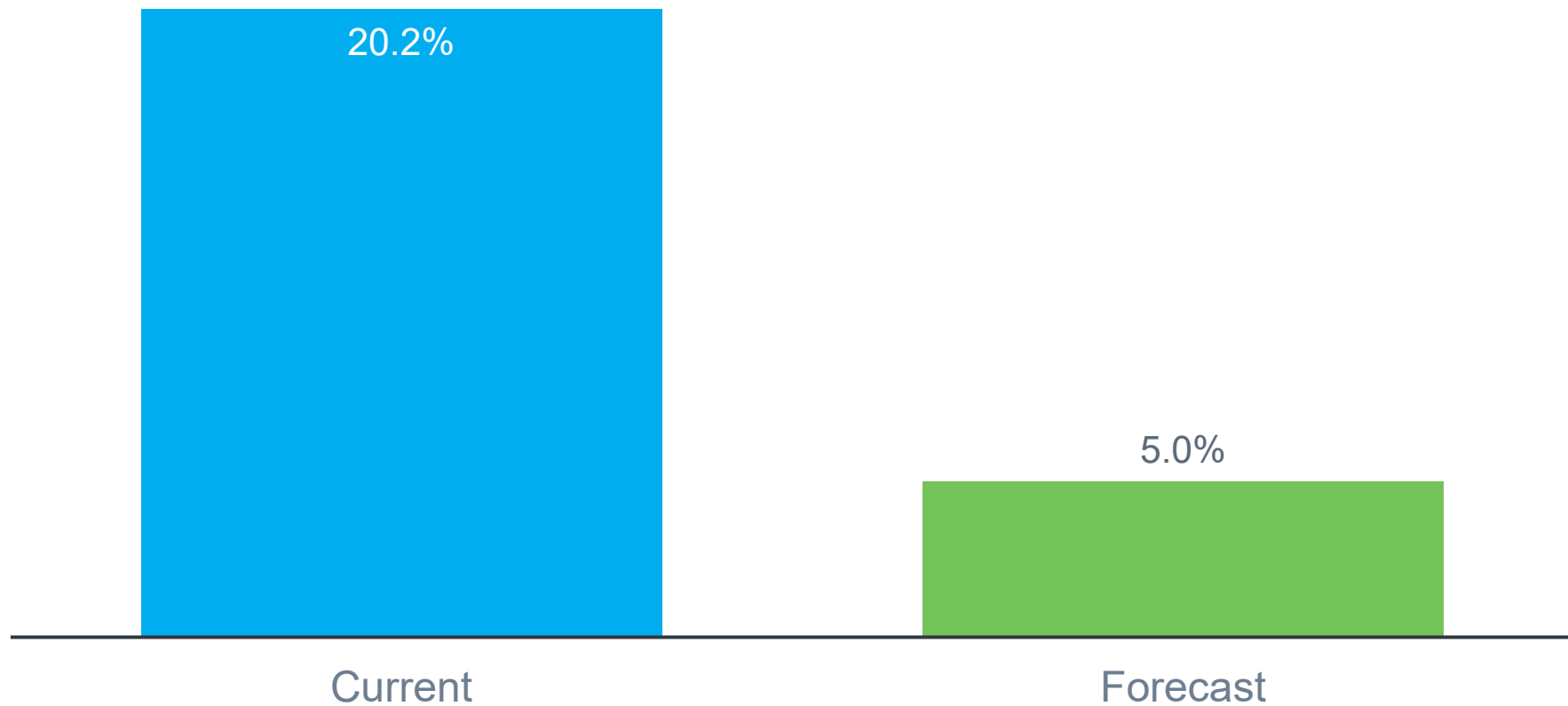


Source: S&P Case-Shiller



Year-Over-Year % Change in Price

May 2022

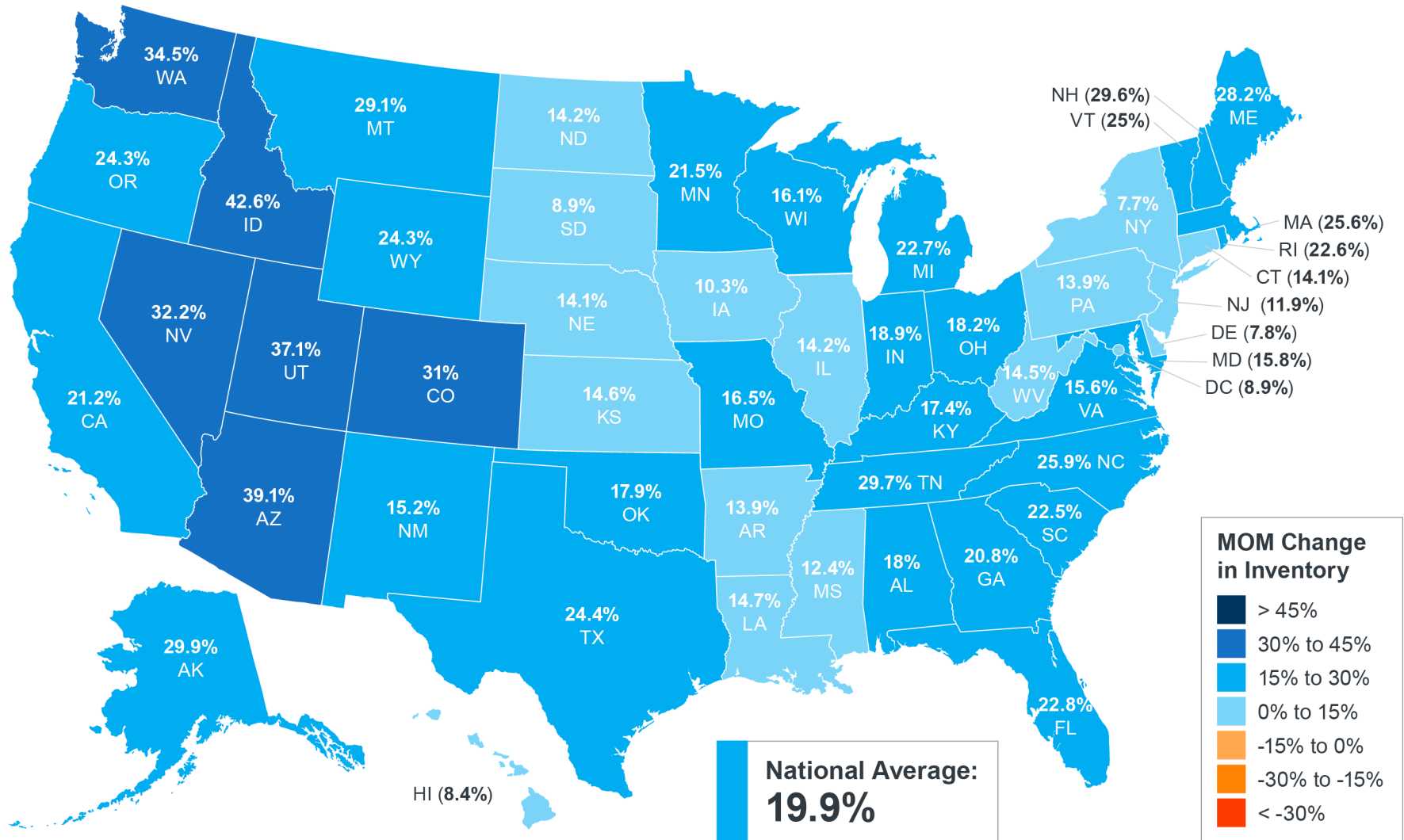




Housing Inventory

Change in Inventory

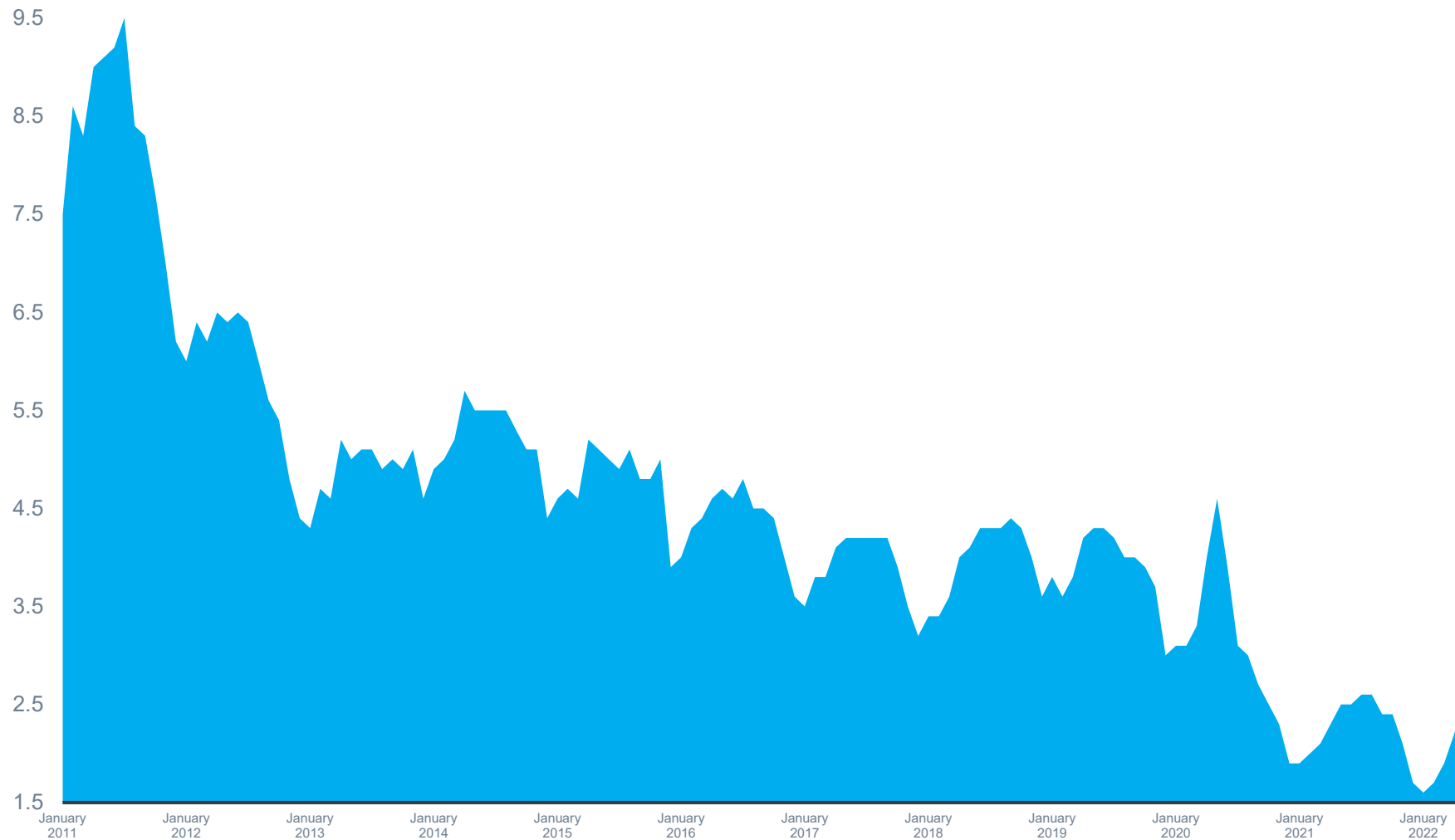
Month-Over-Month, June 2022





Months Inventory of Homes for Sale

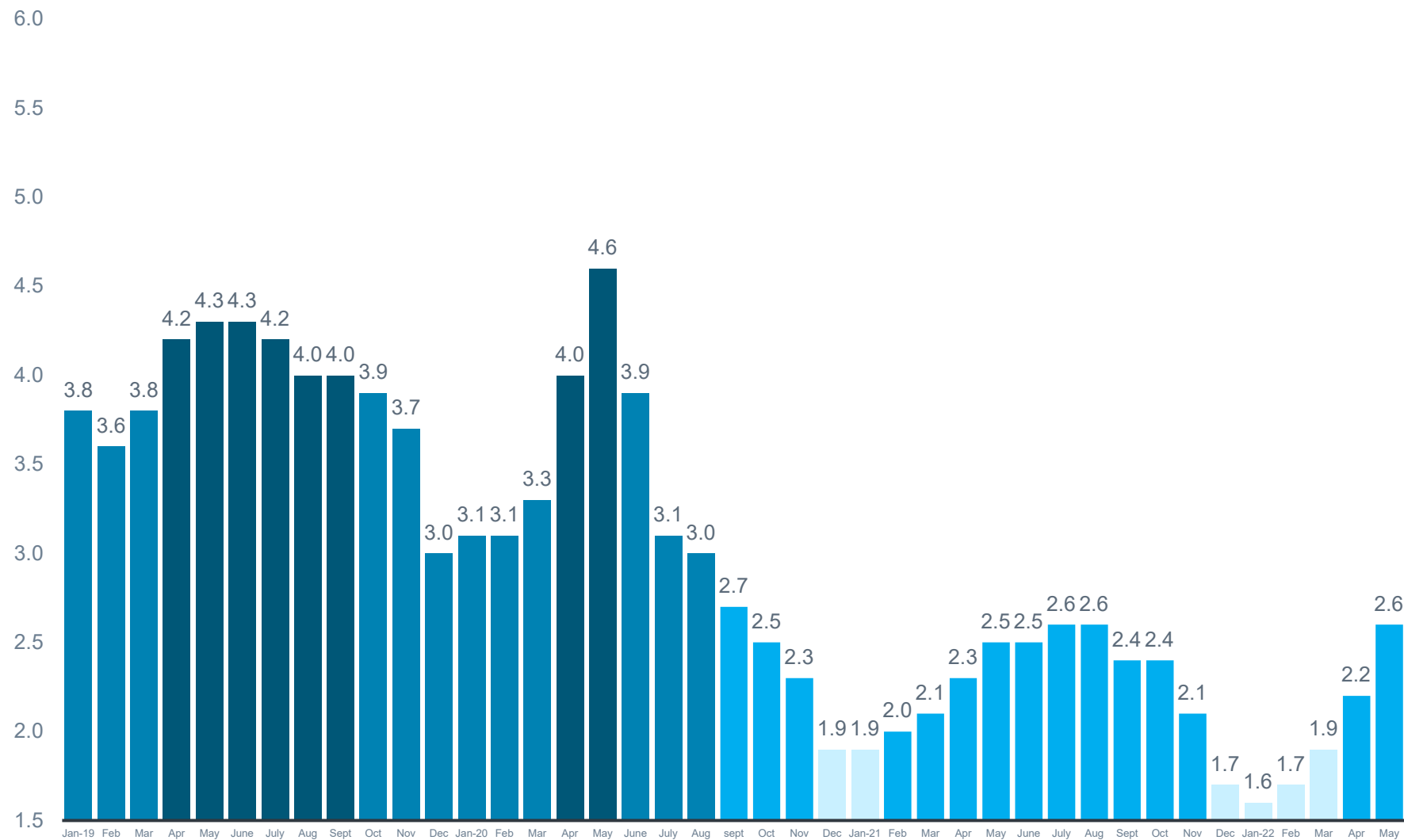
2011 - Today





Months Inventory of Homes for Sale

Since 2019





Months Inventory of Homes for Sale

Last 12 Months

6

5

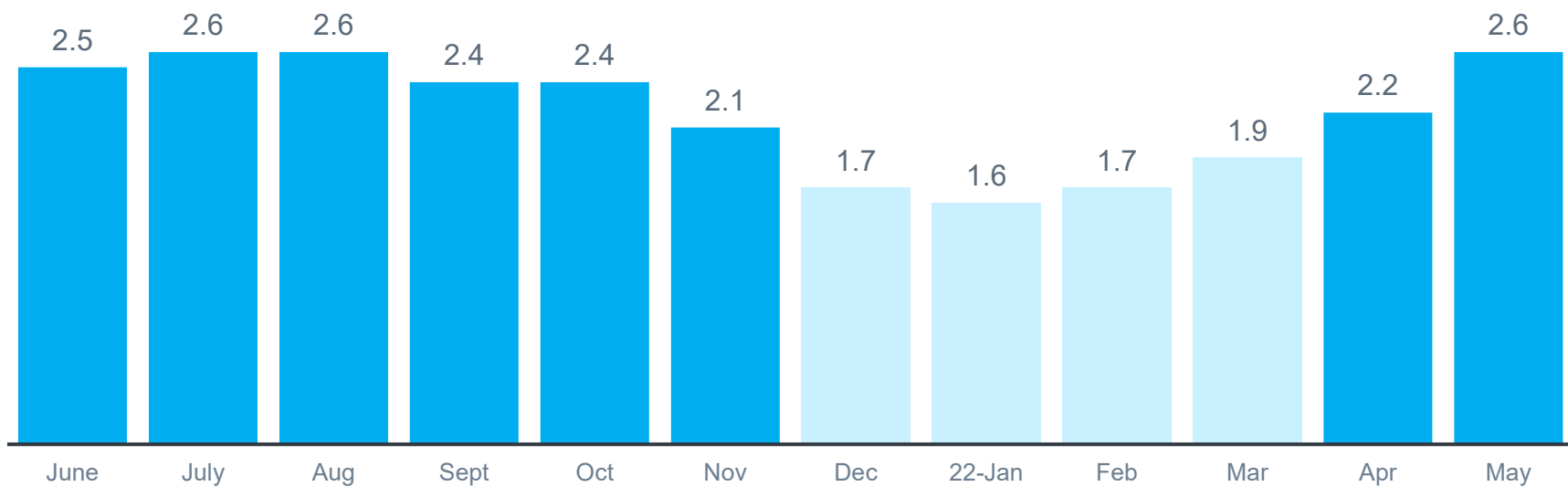
4

3

2

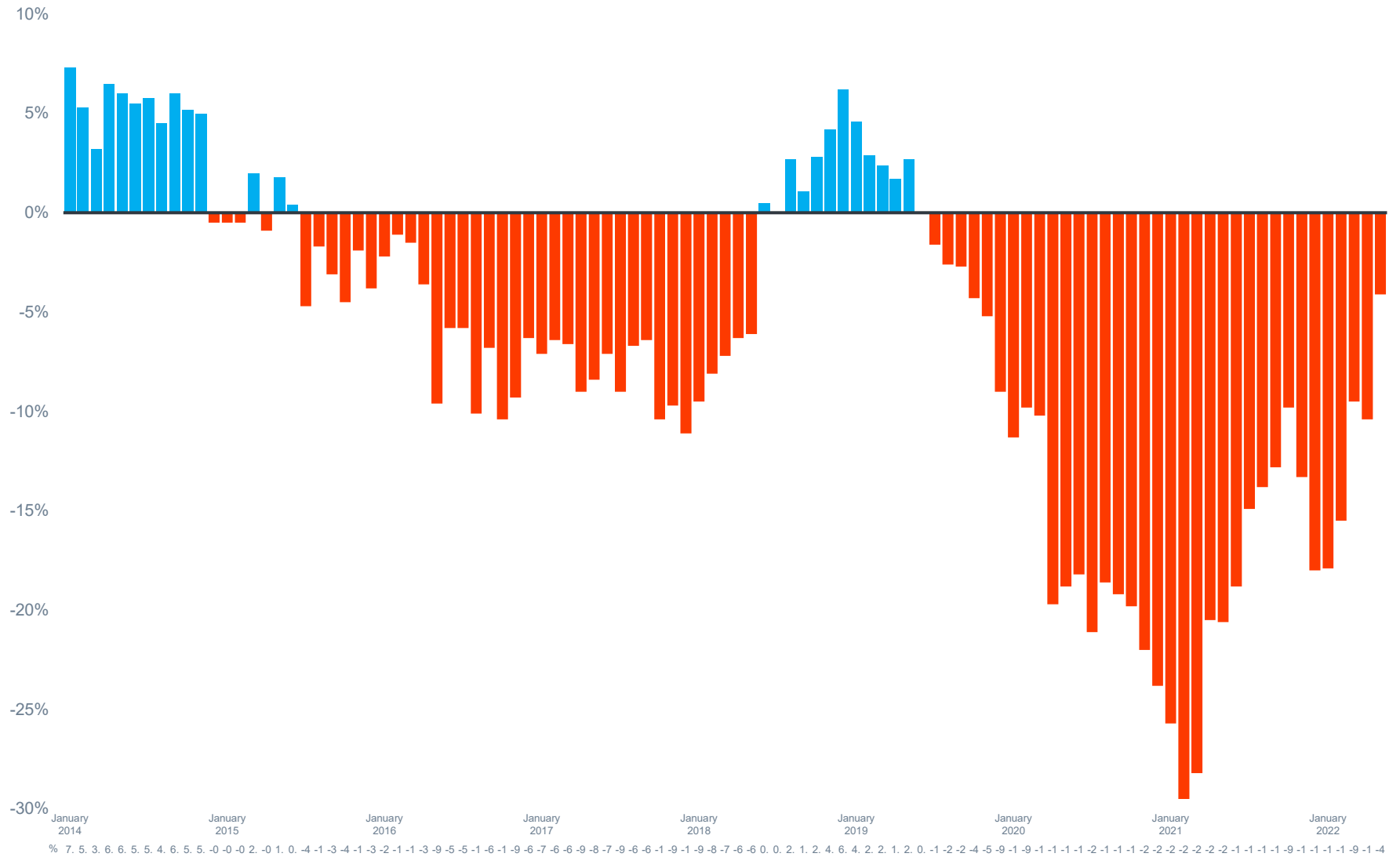
1

0



Source: NAR

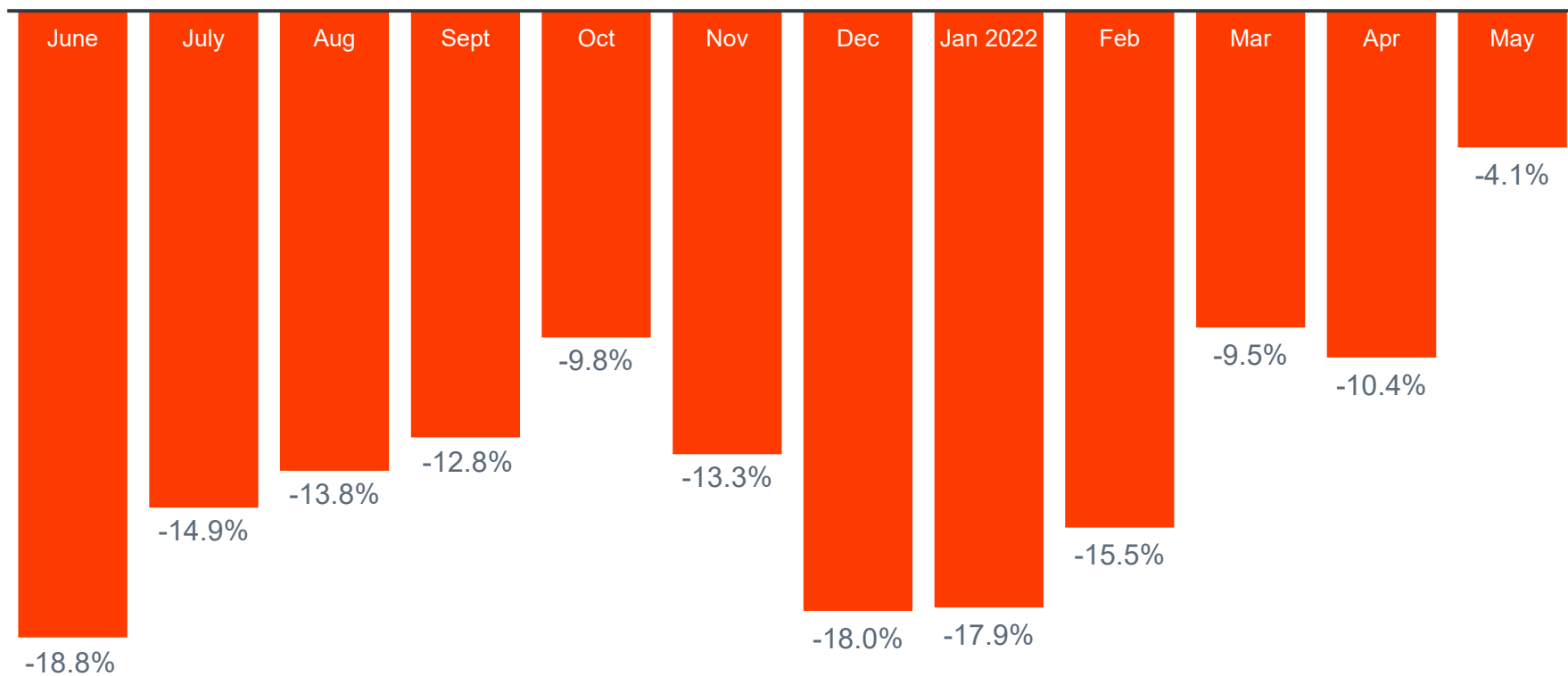
Year-Over-Year Inventory Levels





Year-Over-Year Inventory Levels

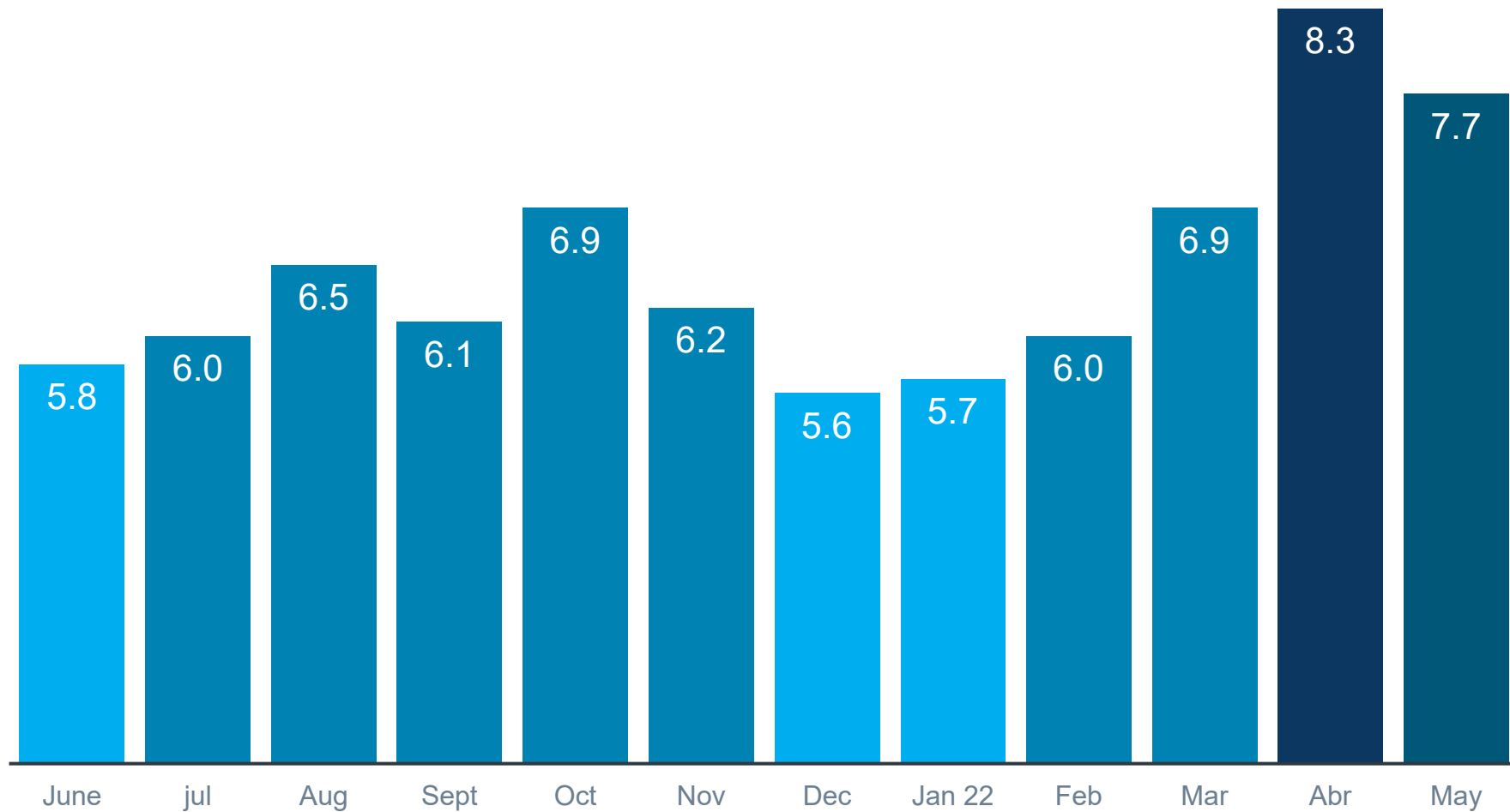
Last 12 Months





New Home Monthly Inventory

Seasonally Adjusted, Last 12 Months



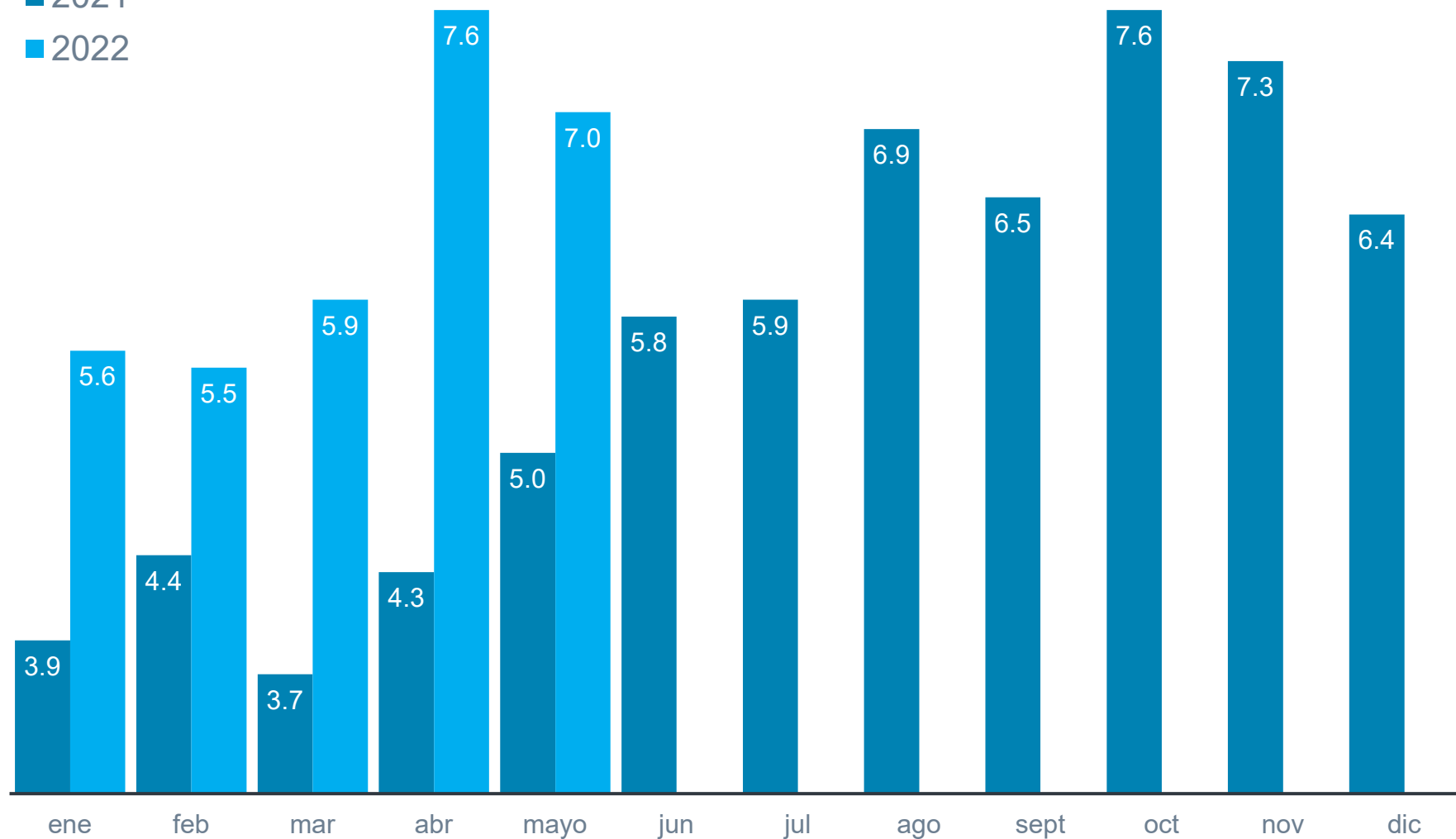
Source: Census



New Home Monthly Inventory

Non-Seasonally Adjusted

■ 2021
■ 2022



Source: Census



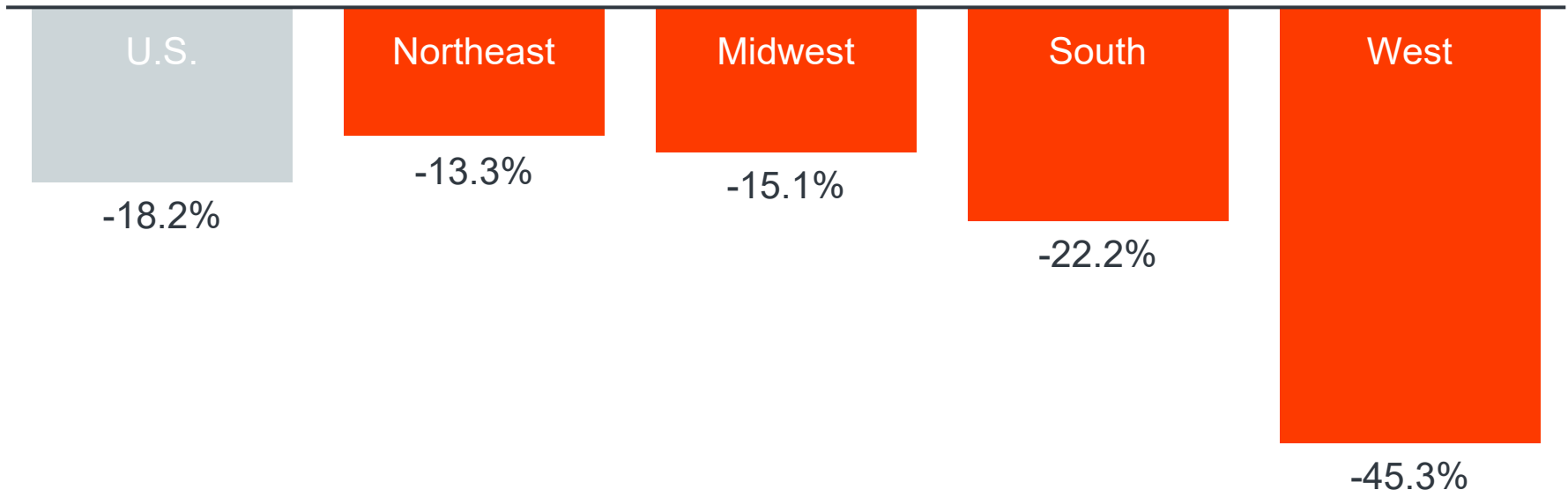
Buyer Demand

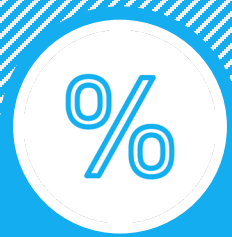
Showing Activity Continues to Slow Nationwide

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

Michael Lane, Vice President & General Manager, Showing Time

“Showing activity continues to be at levels lower than we’re used to seeing at this time of year, pointing to a market in transition... Following the surge in mortgage rates, it’s reasonable to expect that showing activity will continue to ease, especially when compared to last year’s historic numbers.”

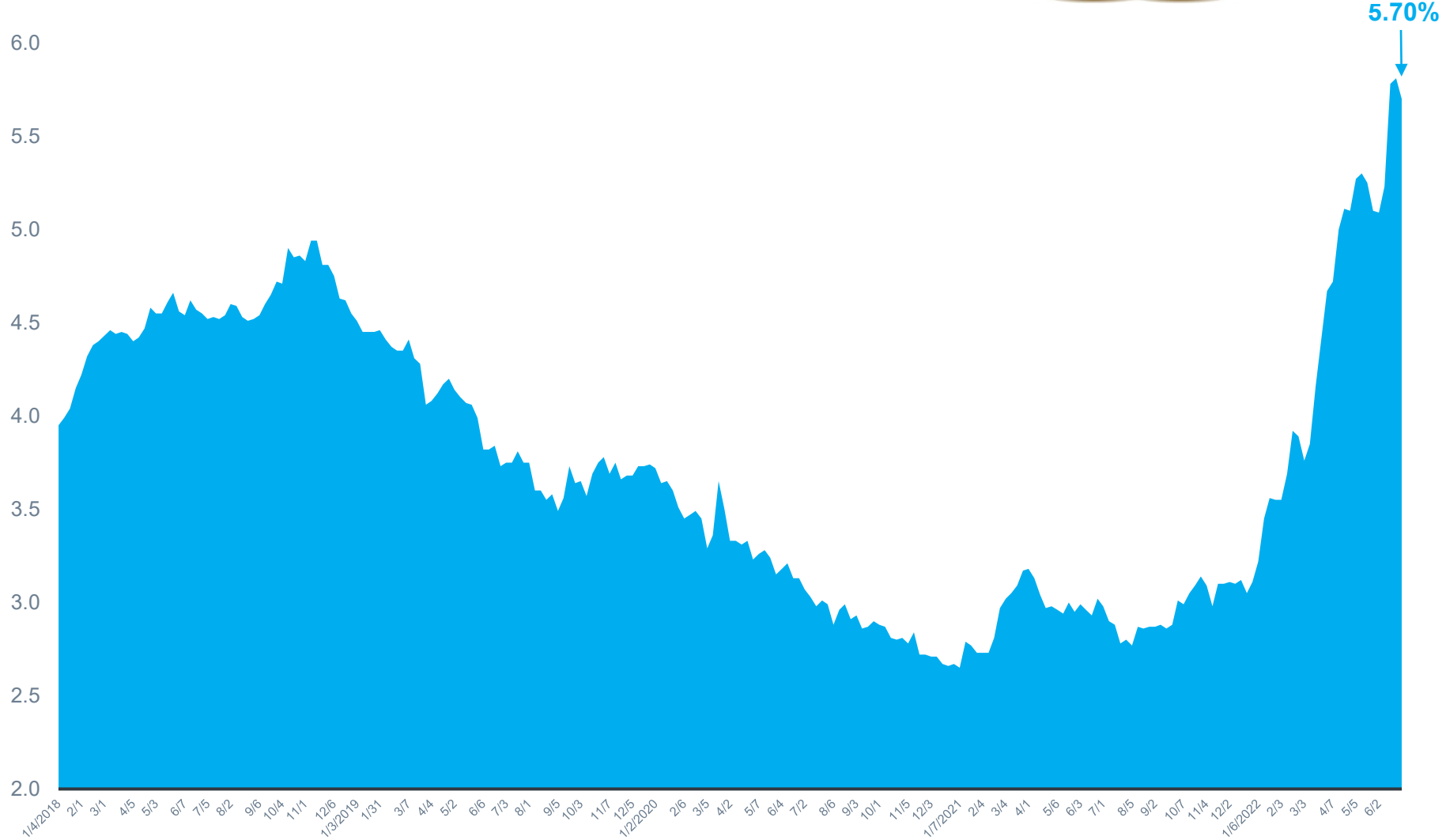




Mortgage Rates

Mortgage Rates

30-Year Fixed Rate, January 2018–Today

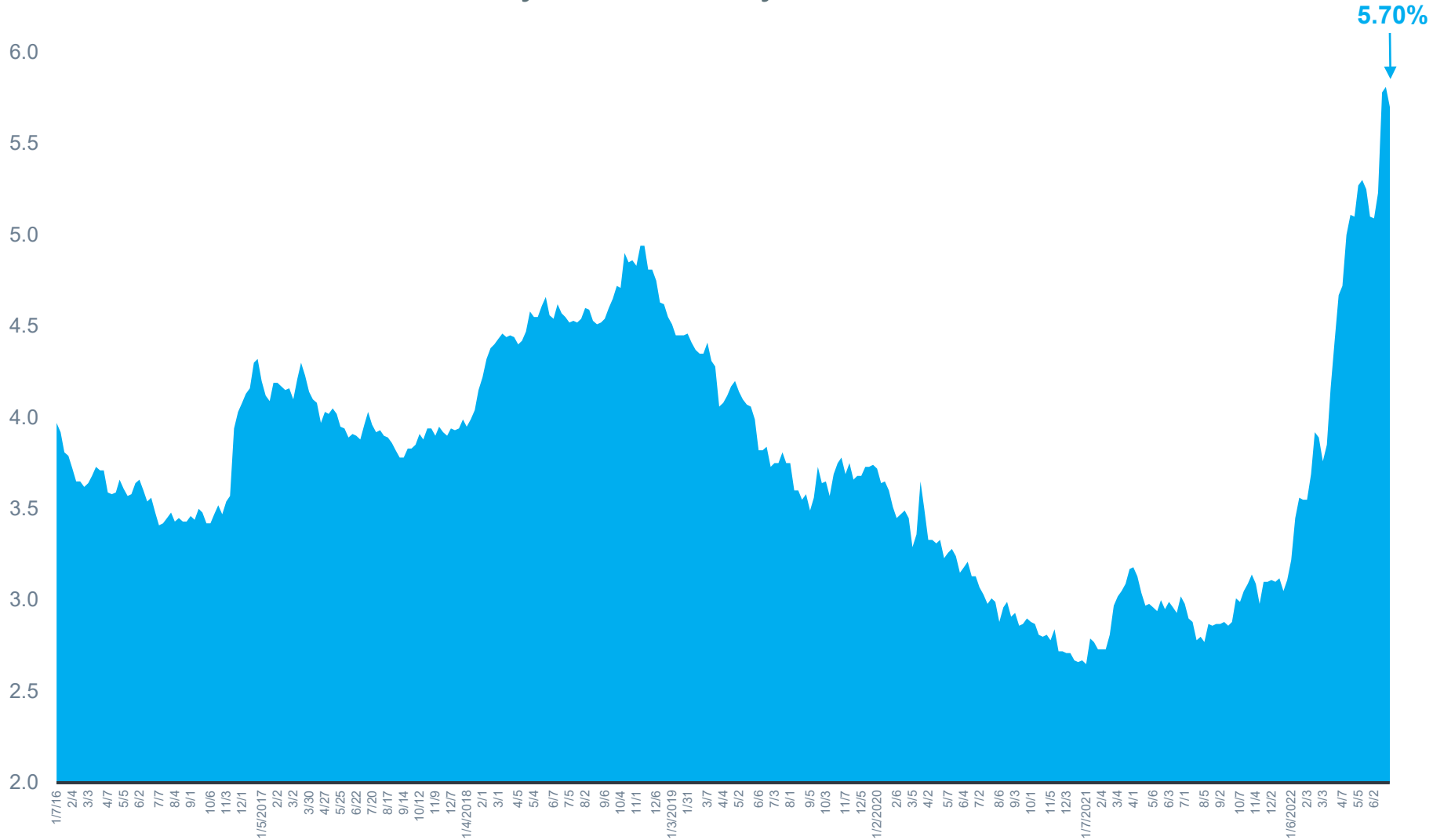


Source: Freddie Mac



Mortgage Rates

30-Year Fixed Rate, January 2016–Today



Source: Freddie Mac



Mortgage Rate Projections

June 2022

Quarter	Freddie Mac	Fannie Mae	MBA	NAR	Average of All Four
2022 4Q	5.0	5.0	5.0	5.3	5.07%
2023 1Q	5.0	5.0	5.0	5.3	5.07%
2023 2Q	5.0	4.9	5.0	5.4	5.07%
2023 3Q	5.0	4.8	4.8	-	4.86%



Mortgage Rates

30-Year Fixed Rate

6.0

5.5

5.0

4.5

4.0

3.5

3.0

2.5

2.0

2018 2/1 3/1 4/5 5/3 6/7 7/5 8/2 9/6 10/4 11/1 12/6 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

January 2018 – Today
Actual Interest Rates

5.0

5.0

5.0

5.0

Where Are They Going?

2022 Q4

2023 Q1

2023 Q2

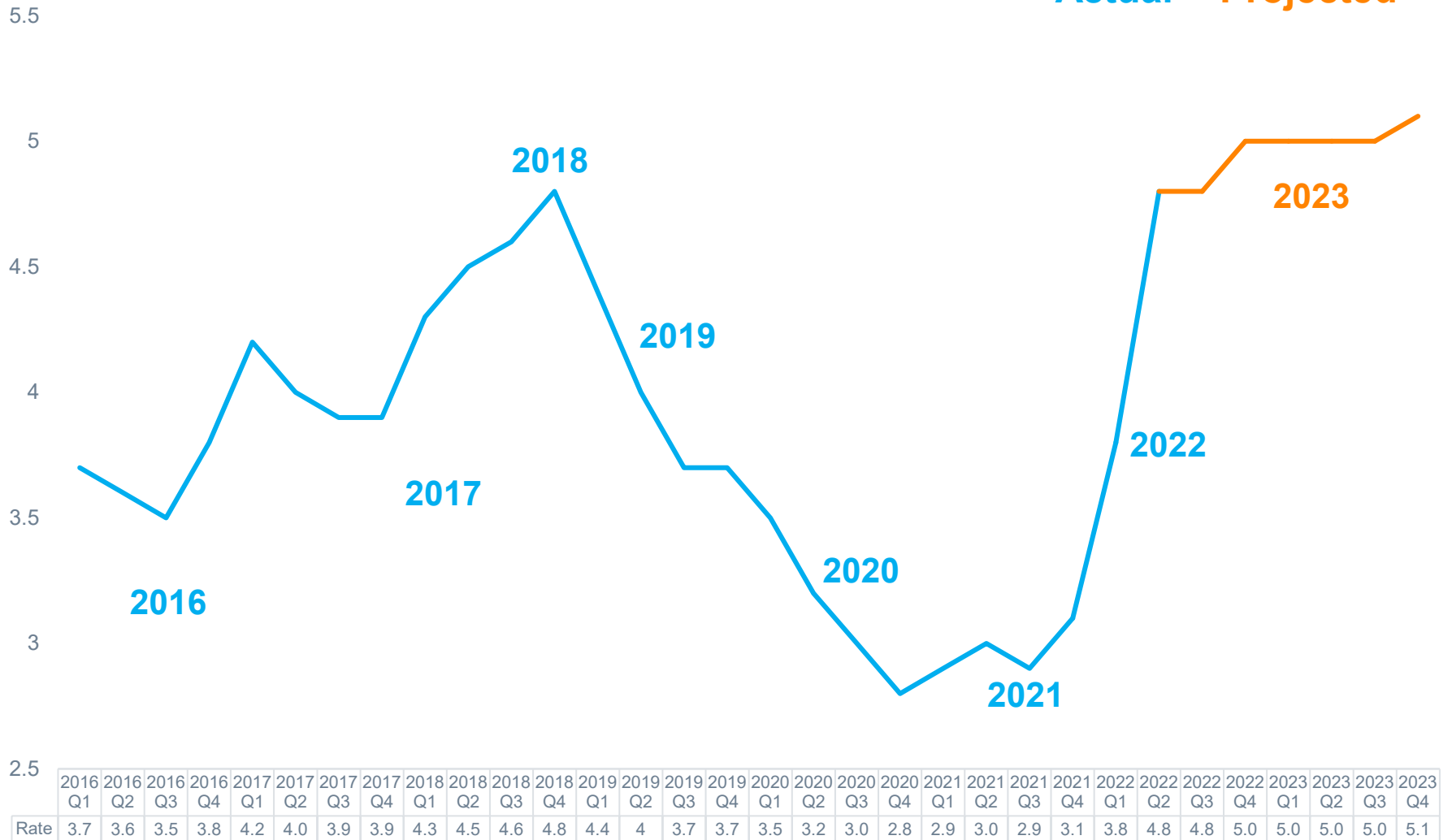
2023 Q3

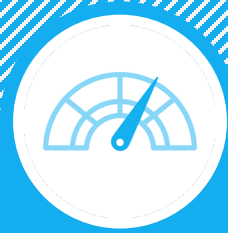


Mortgage Rates

30-Year Fixed Rate

- Actual - Projected



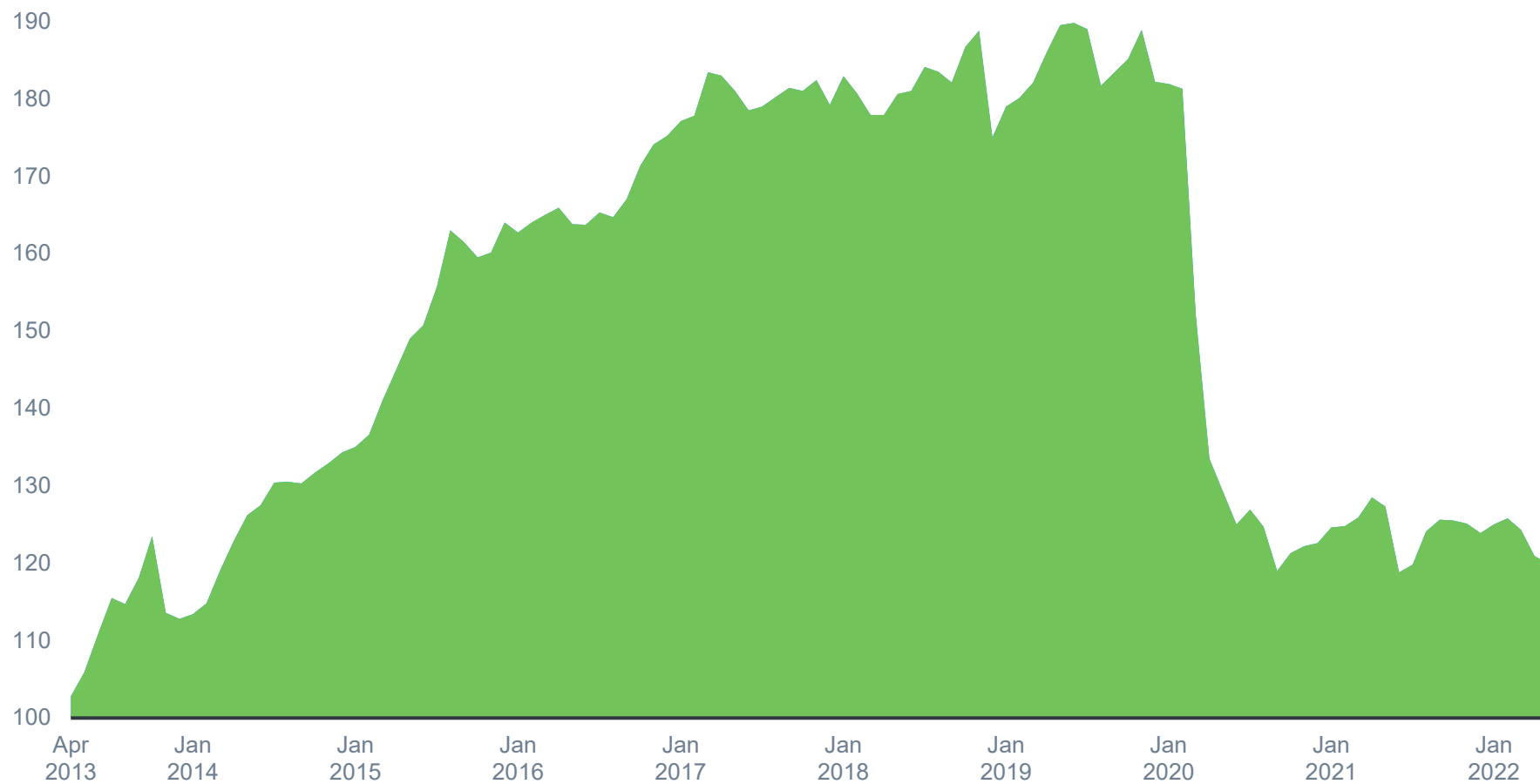


Mortgage Credit Availability



Mortgage Credit Availability Index (MCAI)

May 2022





Lending Standards Still Under Control

Historic Data for the Mortgage Credit Availability Index (MCAI)

