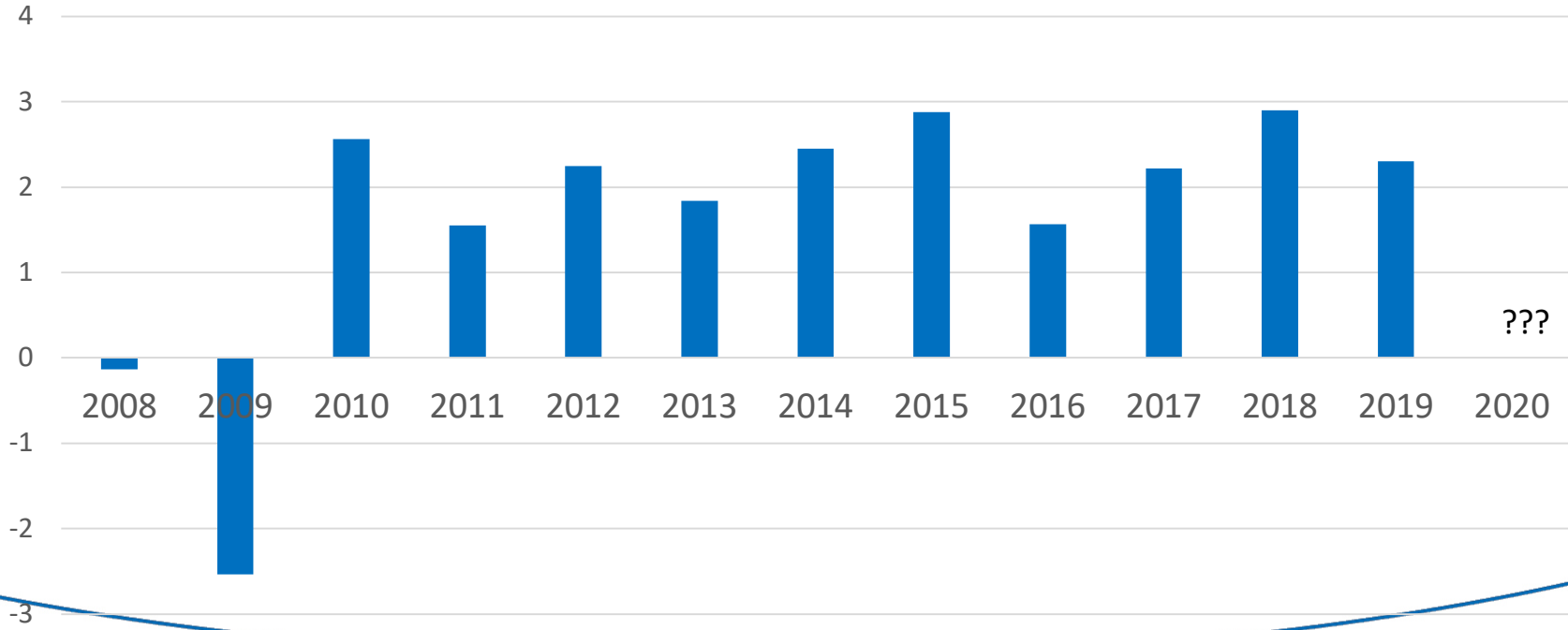


Economic & Real Estate Market Outlook

By Lawrence Yun, Ph.D.
Chief Economist, National Association of REALTORS®

Video Presentation
Week of April 27

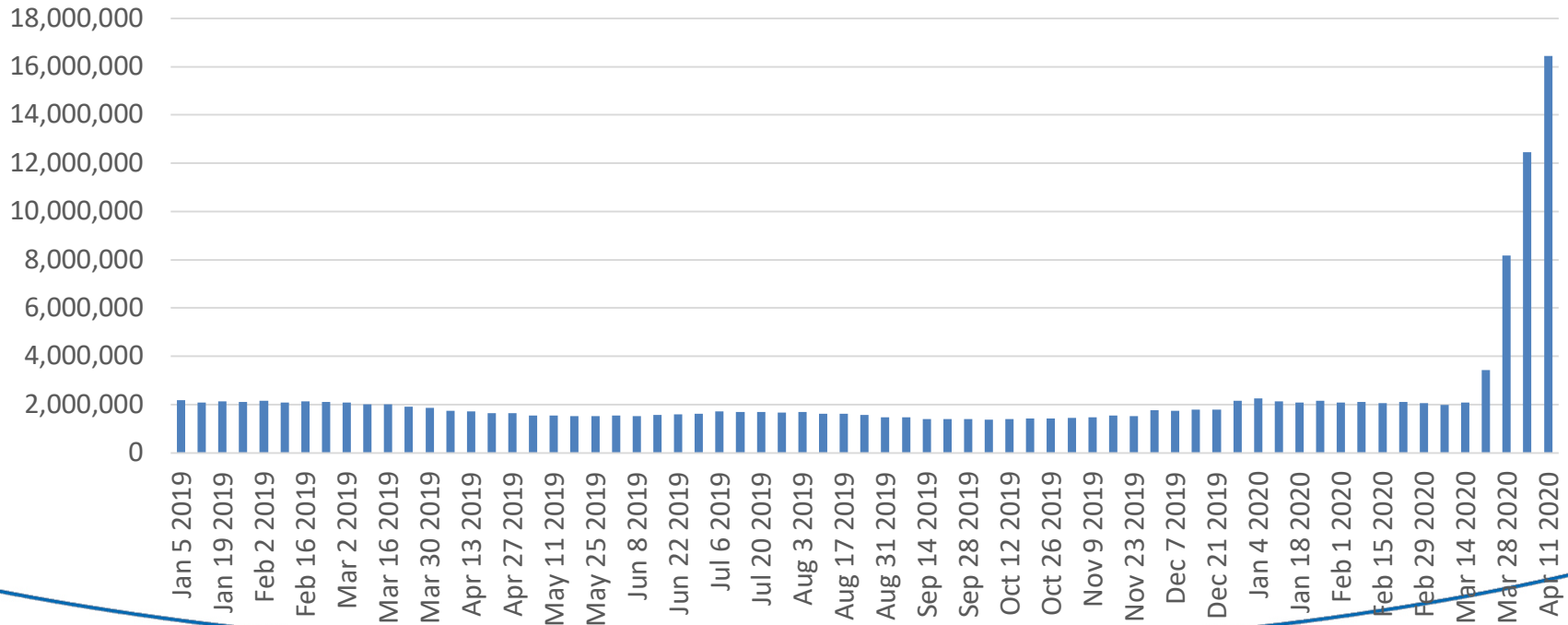
Annual GDP Growth Rate of 2.9% in 2018 but Slowing in 2019 and Ugly in 2020



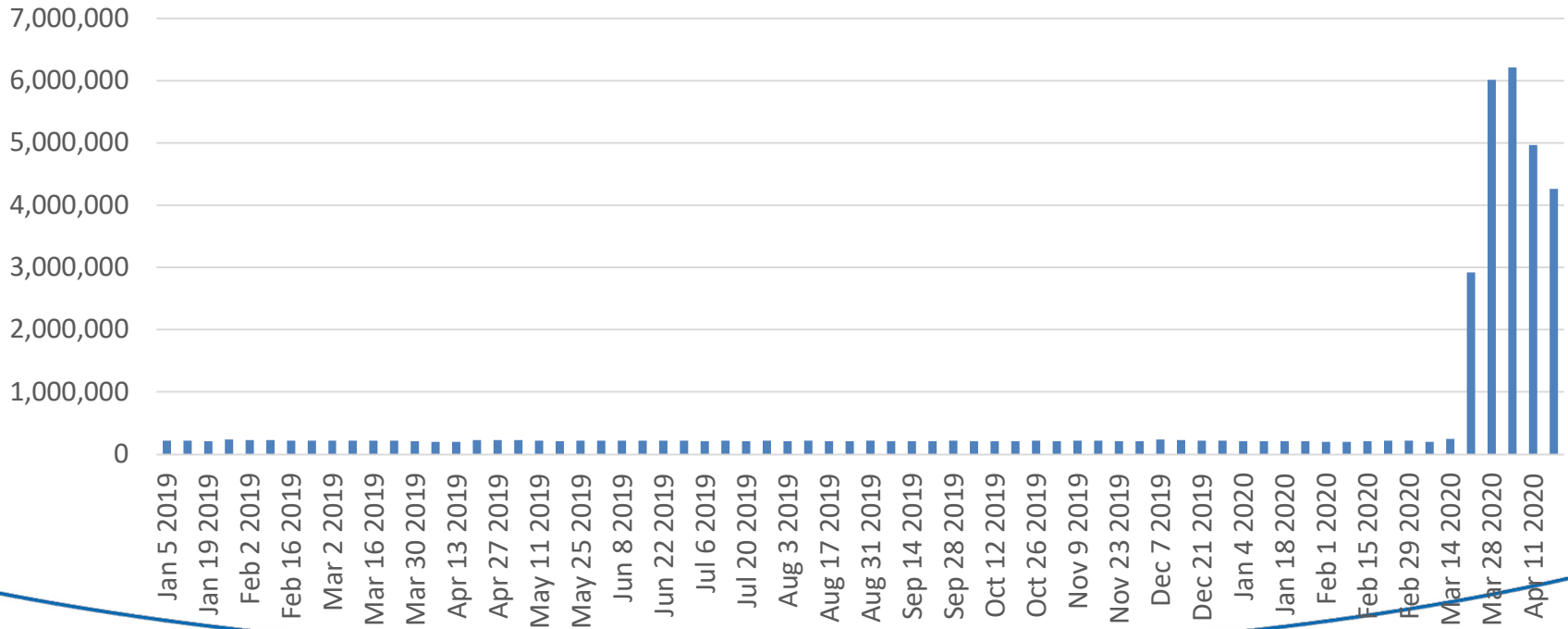
Consumers Saving, Not Spending

| 2020 Q1 | % change annualized rate |
|---|--------------------------|
| GDP | -4.8% |
| Consumer Spending | -8% |
| Business Spending | -9% |
| Residential Investment (Home building, home sales, remodeling) | +21% |
| Personal Income | +2% |
| Personal Savings | +152% |

Total Cases: Unemployment Insurance Filers

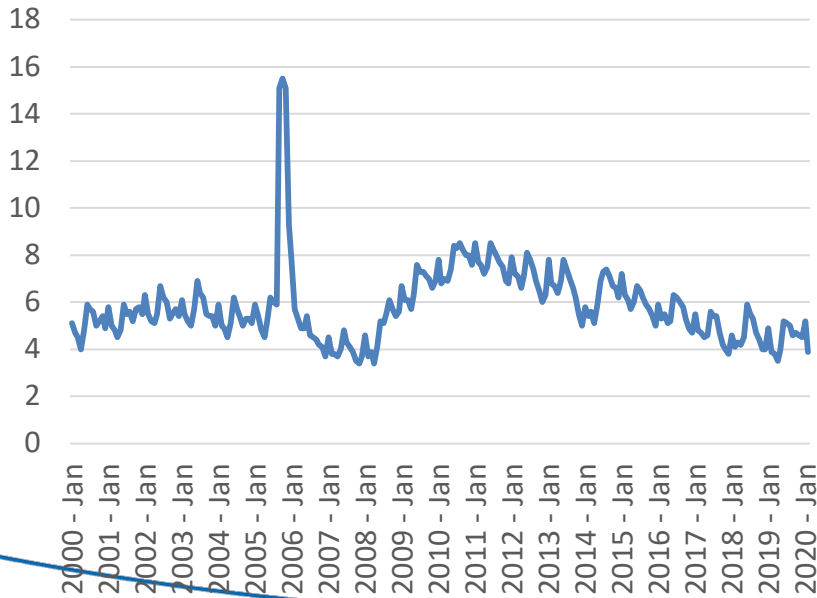


New Cases: Unemployment Insurance Filers

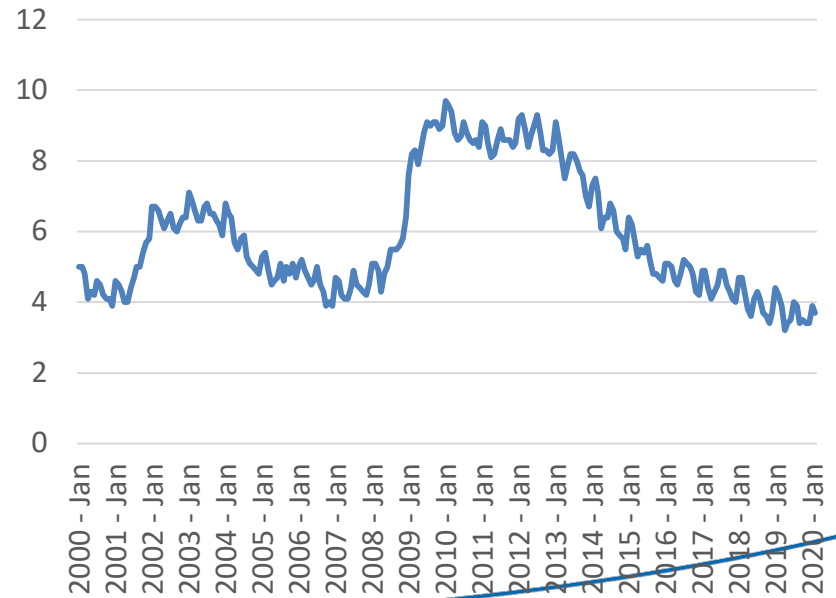


Localized Disaster Events: Unemployment Rates

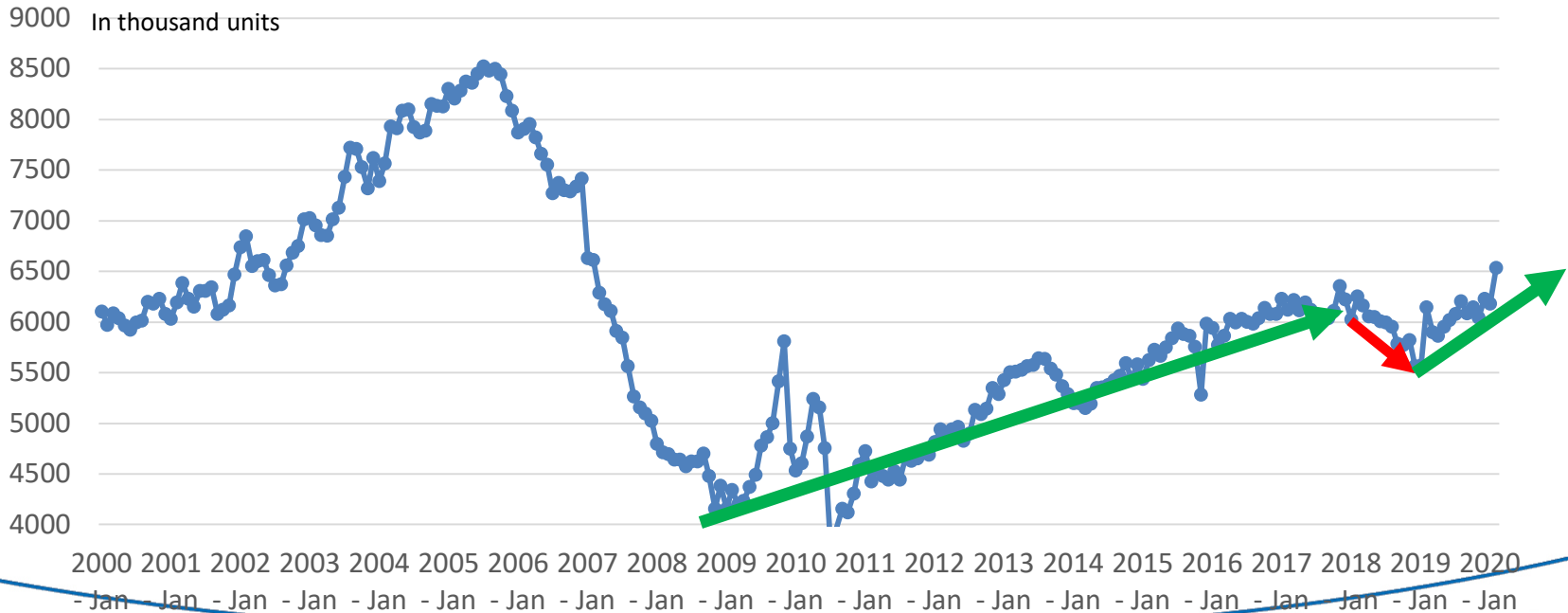
New Orleans



NYC Metro



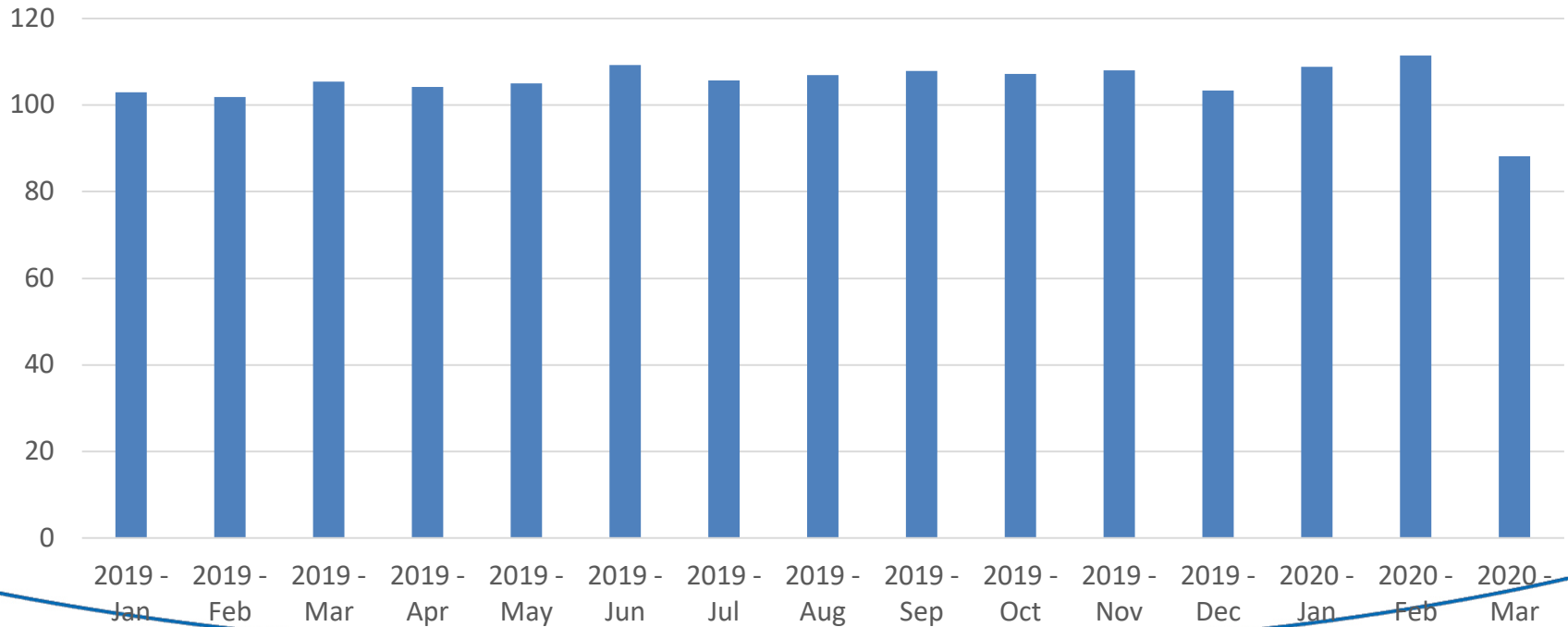
Existing and New Home Sales Bursting Higher Pre-Pandemic



Inventory of Homes for Sale



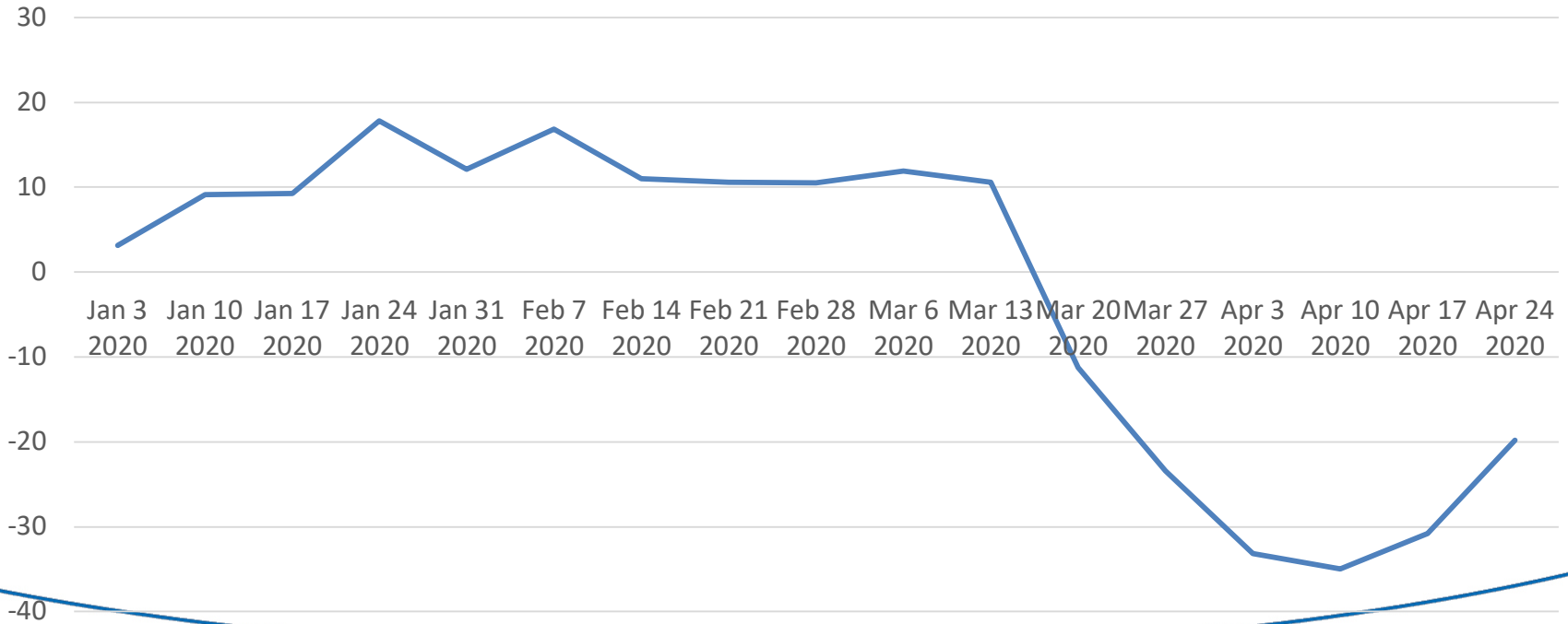
Pending Contracts Down 21% in March



Home Sales

| | Annualized Rate | Year over year change |
|---------|-----------------|-----------------------|
| 2018 | 5.34 million | |
| 2019 | 5.34 million | 0% |
| 2020 Q1 | 5.48 million | +5% |
| 2020 Q2 | 3.2 million | -39% |
| 2020 Q3 | 4.7 million | -13% |
| 2020 Q4 | 5.1 million | -6% |

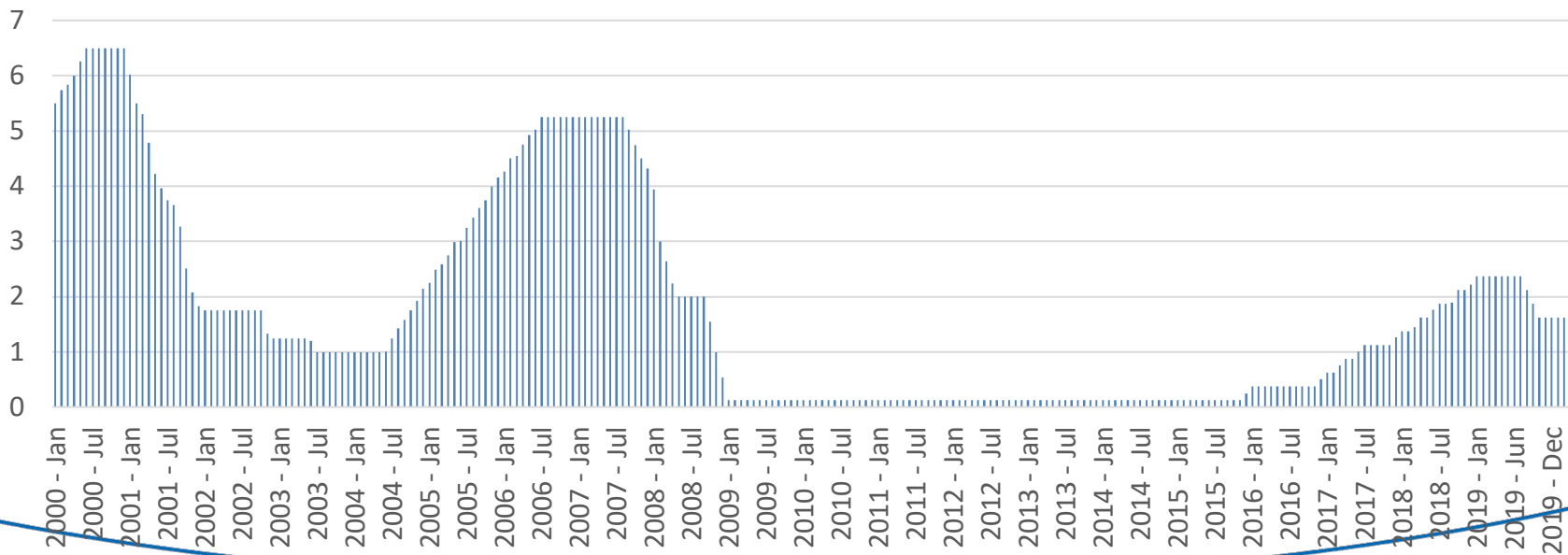
Mortgage Applications for Purchase



Federal Reserve Monetary Policy

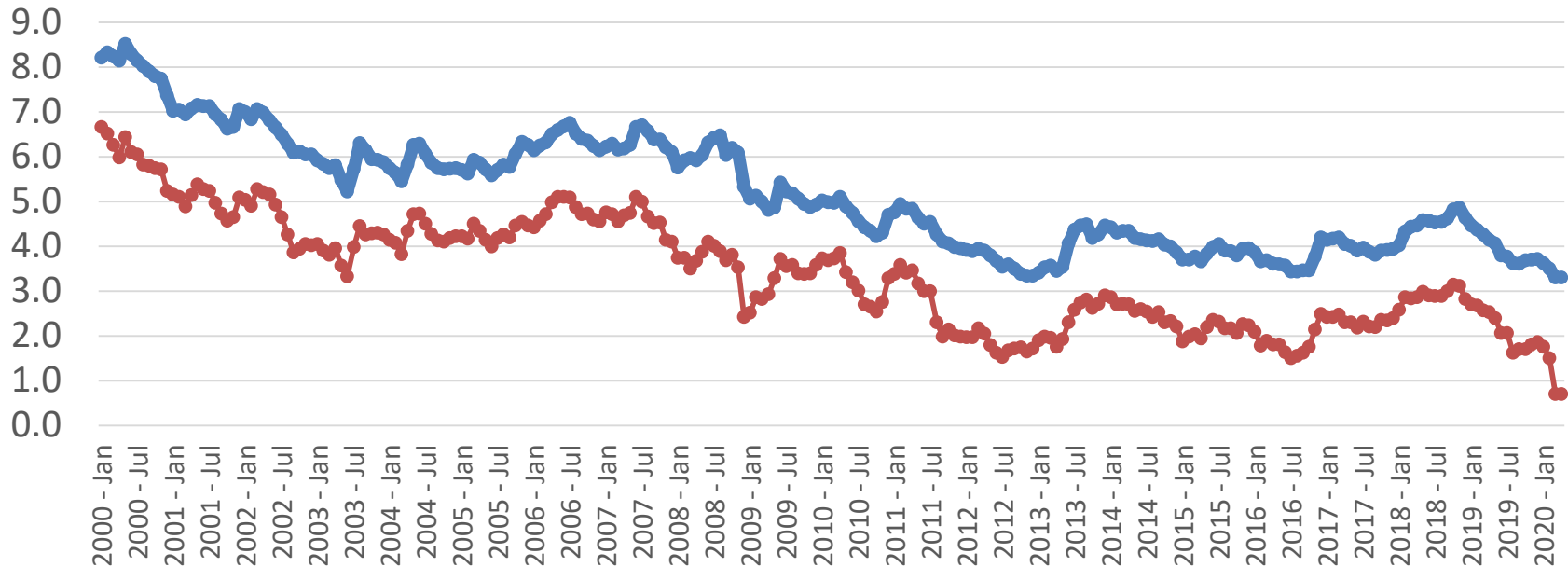
All-In

Fed Funds Rate



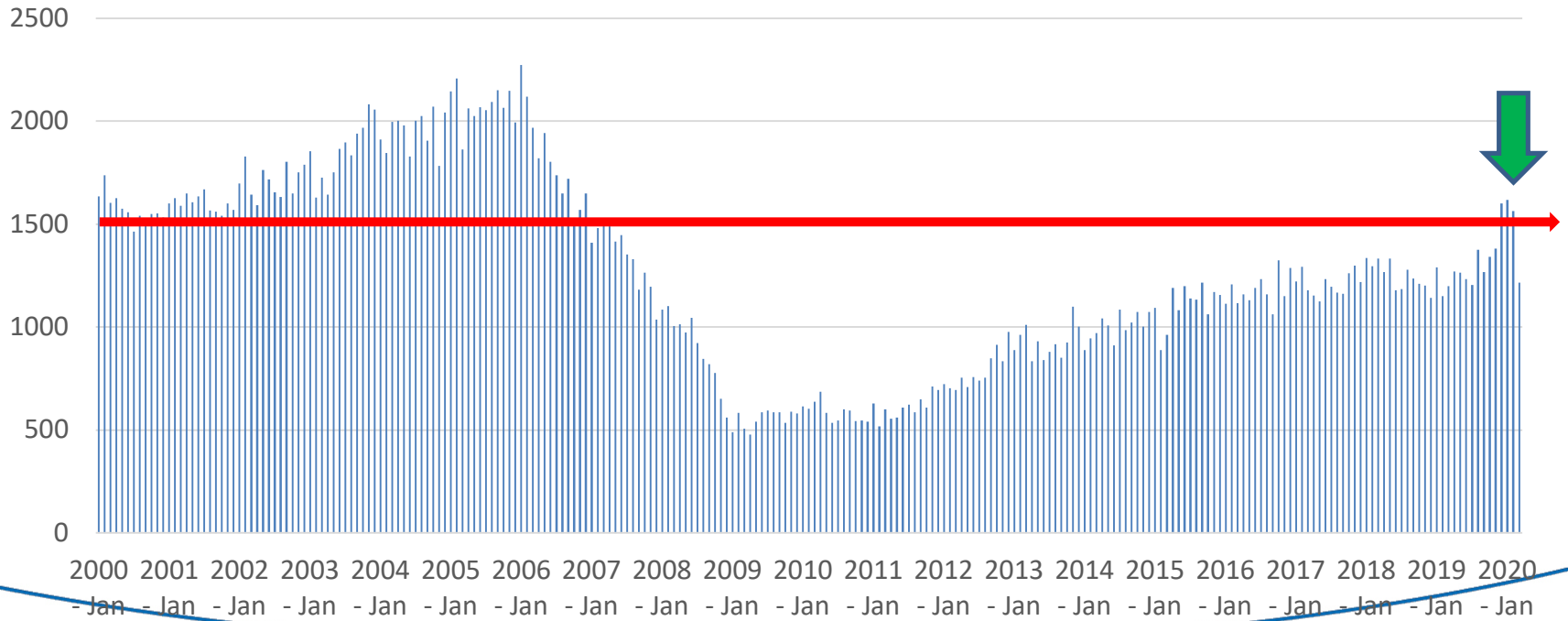
Mortgage Rates tied to 10-year Treasury

Jumbo market not working



Housing Starts

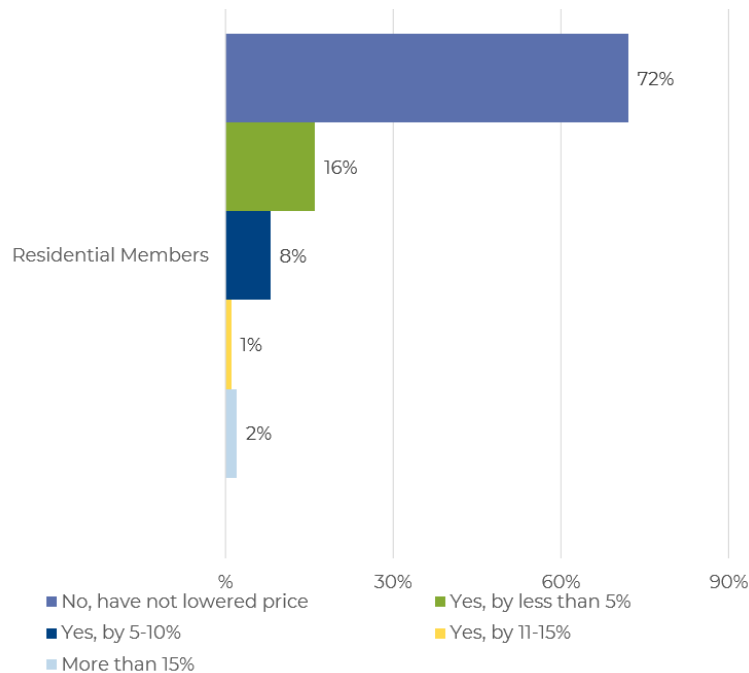
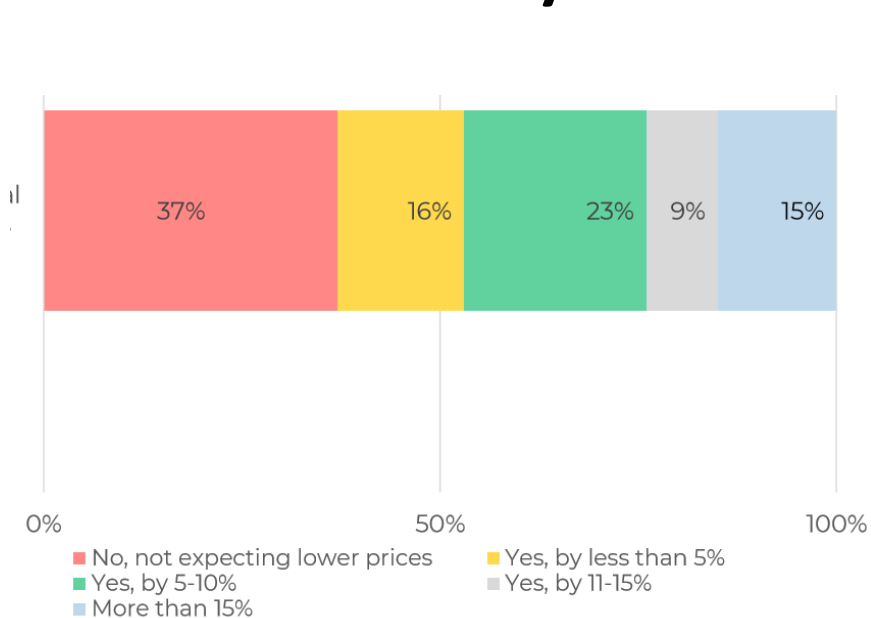
Above 1.5 million for 3 straight months



Coronavirus Impact

Survey of Home Price during Pandemic

Buyers ... Sellers

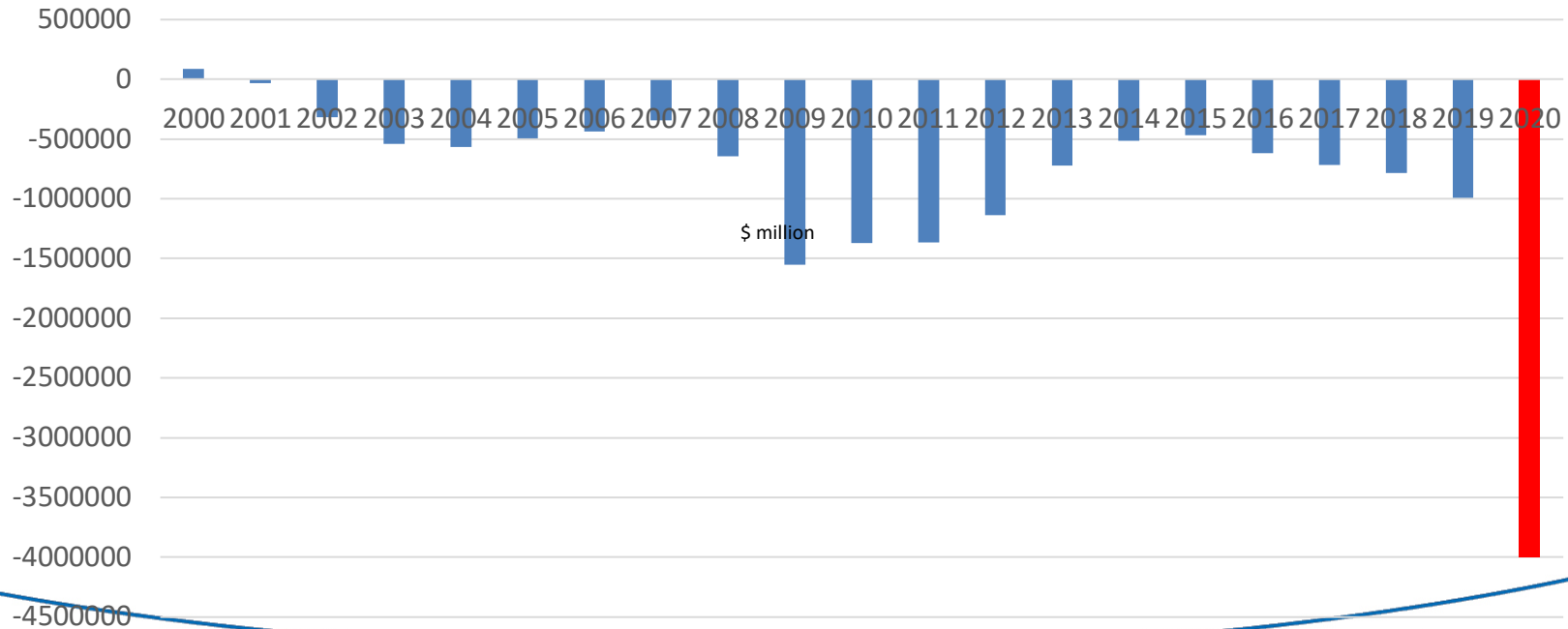


Massive Stimulus Help

- Replace loss income quickly
 - SBA Loans and Economic Injury Disaster Loans
 - Unemployment insurance with \$600 per week enhancement
- Mortgage delayed payments
- Foreclosure and eviction freeze for few months
- QE for mortgages, corporate debt, muni-bonds, everything

Federal Deficit

(one-year measure of overspending)



Economic Forecast: Highly Uncertain

| | 2019 | 2020 Forecast | 2021 Forecast |
|-------------|-------------|---------------|---------------|
| GDP Growth | 2.3% | -4.5% | +3% |
| Job Gains | 2.2 million | - 4 million | + 2 million |
| Home Prices | 4.8% | 0% to 2% | 1% to 3% |
| Home Sales | 0% | -10% to -15% | +13 to +18% |

Thank You !