

2021

Weekly Housing Market Monitor

March 22-25

National Association of REALTORS®
Research Group



NATIONAL
ASSOCIATION OF
REALTORS®

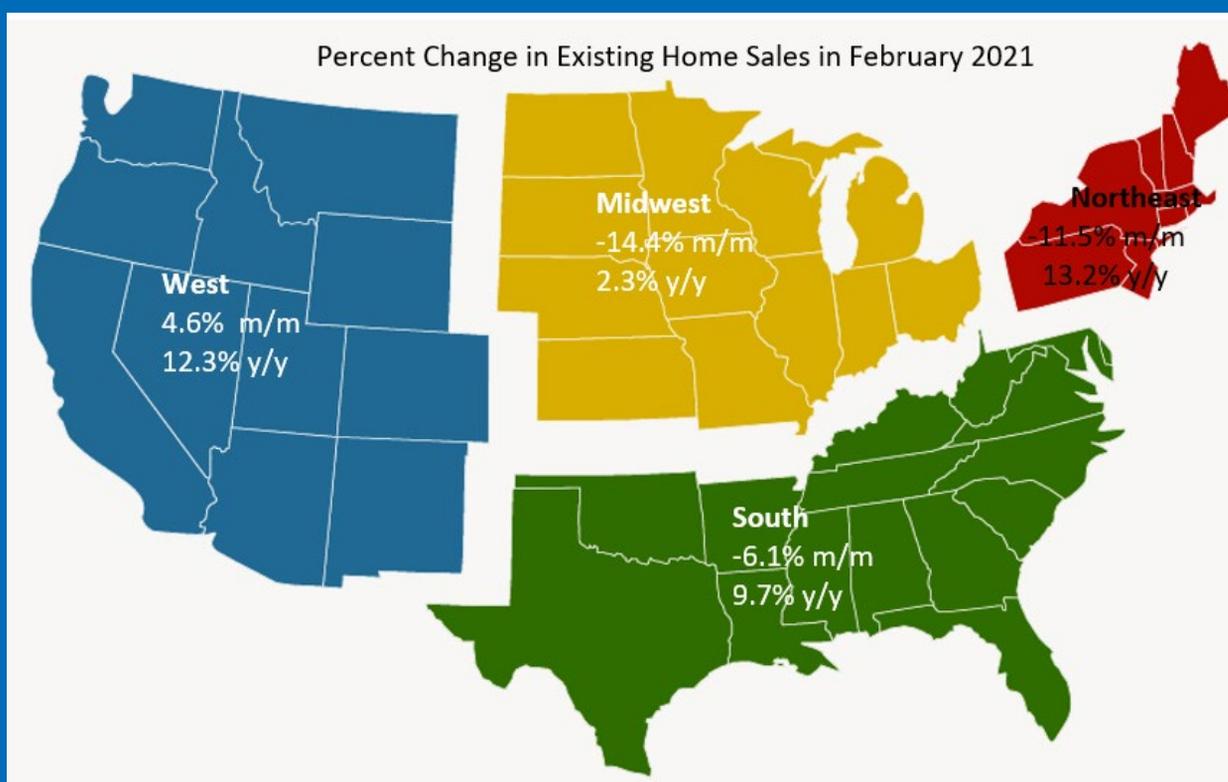
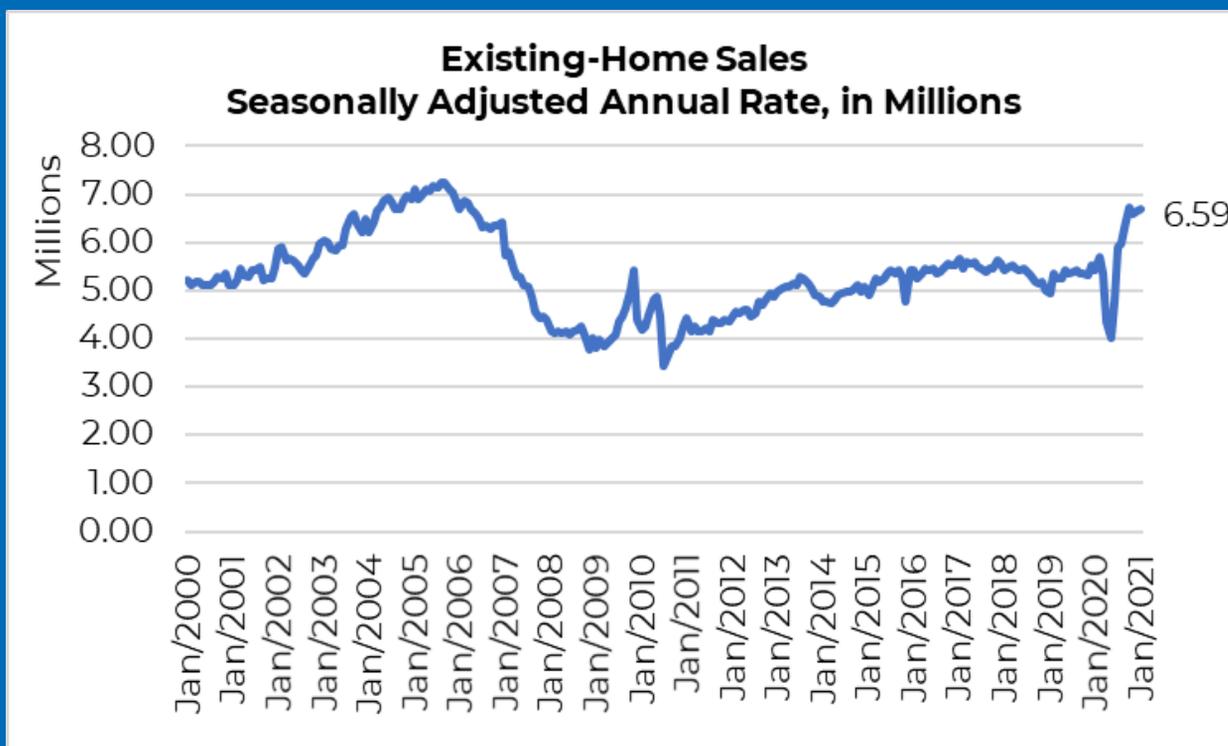
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Existing-Home Sales Decrease to 6.22 Million in February 2021

Constrained by supply and rising mortgage rates, existing-home sales decreased 6.6% in February from the prior month to a seasonally-adjusted annual rate of 6.22 million, with sales down in all regions except the West.

However, sales are still 9.1% higher than last year's level.

With the uptick in mortgage rates, NAR expects sales to slow in the coming months, but sales for will likely hit 6.49 million, 15% higher than the 5.64 million level in 2020.



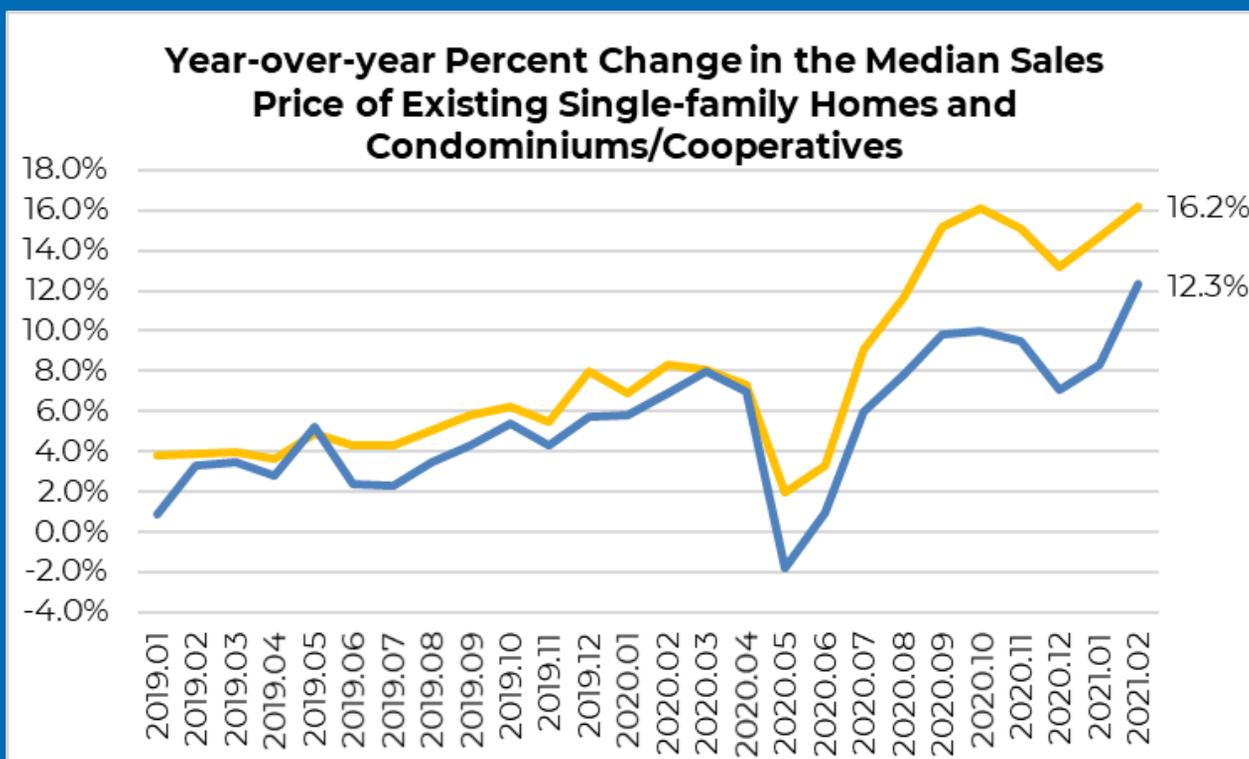
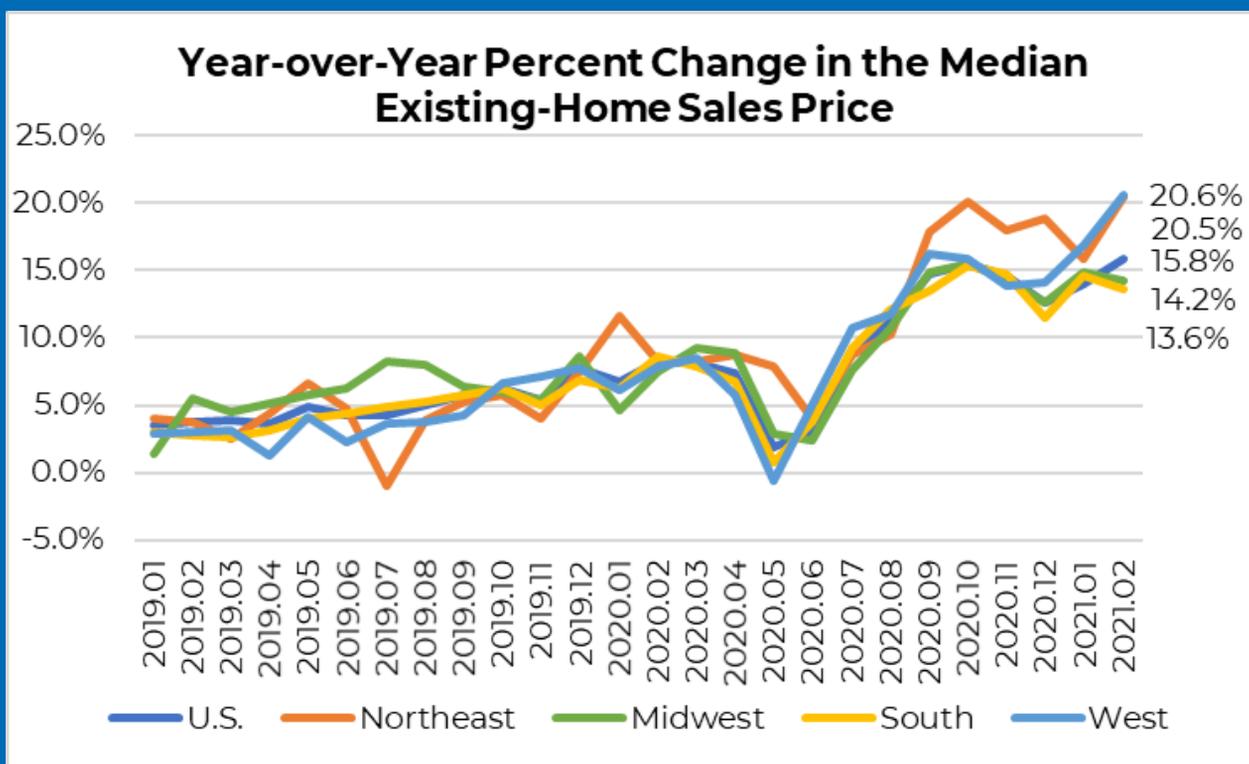
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Median Existing-Home Sales Price Up 15.8% as of February 2021 from One Year Ago

The median existing-home sales price rose to \$313,000 as of February, up 15.8% from one year ago.

Median prices rose at double-digits across all regions, led by the West (20.6%), followed by the Northeast (20.5%), Midwest (14.2%), and the South (13.6%).

Prices appreciated more strongly for single-family homes (16.2%) than for condominiums/cooperatives (12.3%).



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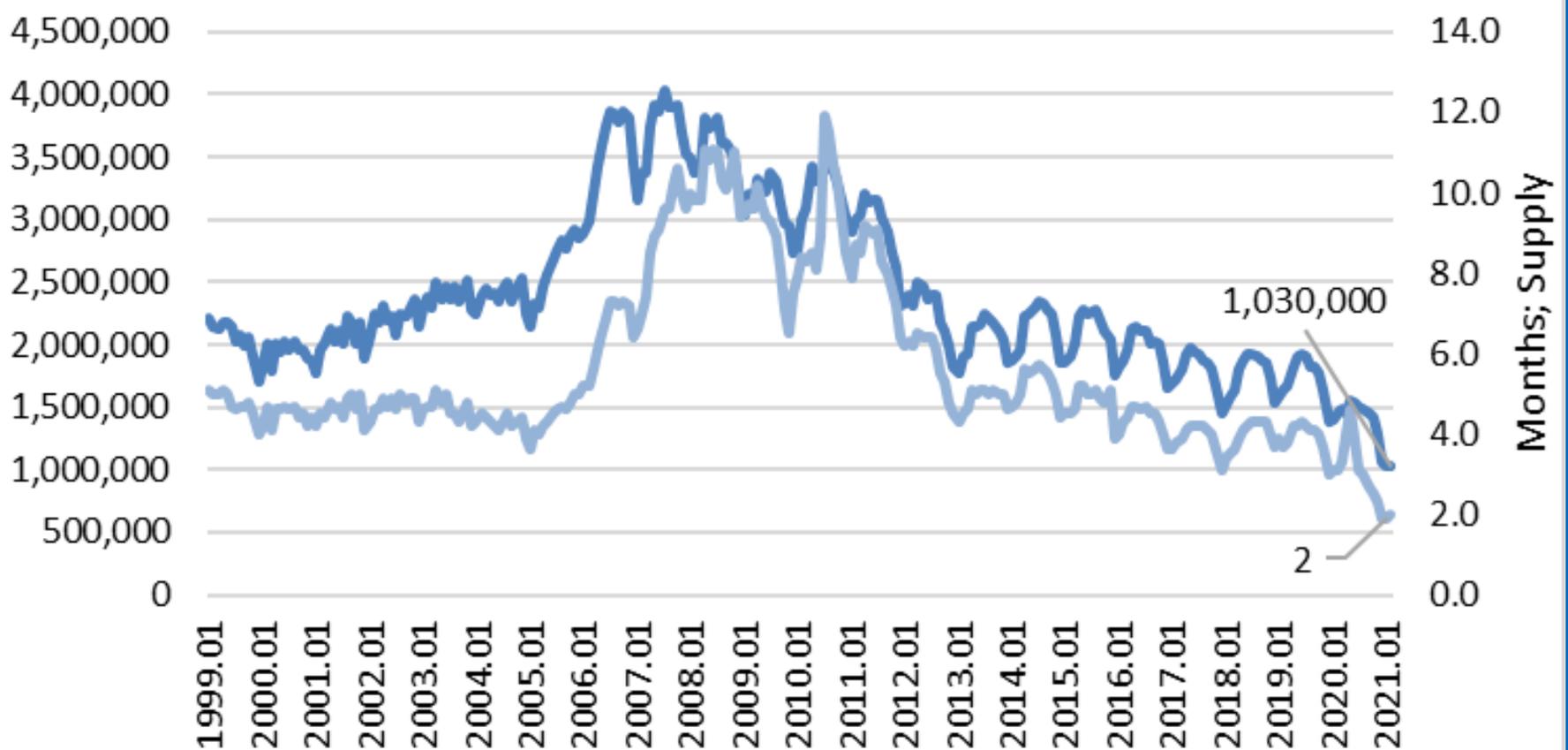
Inventory of Existing-Homes for Sale at End of February 2021 at a Record Low of 1.03 Million

The level of unsold inventory of total existing-homes as of the end of February 2021 held at a record low of 1.03 million (same level in January 2021). Inventory dropped by 29.5% year-over-year, a record decline. Inventory has been declining on a year-over-year basis since June 2019.

The level of inventory is enough to last two months at the current pace of demand, well below a healthy level of six months.

Nationally, inventory has fallen at all price levels, except for homes priced at over \$1 million where inventory of homes for sale is up 2% from one year ago.

Unsold Inventory at End of the Month and Months' Supply



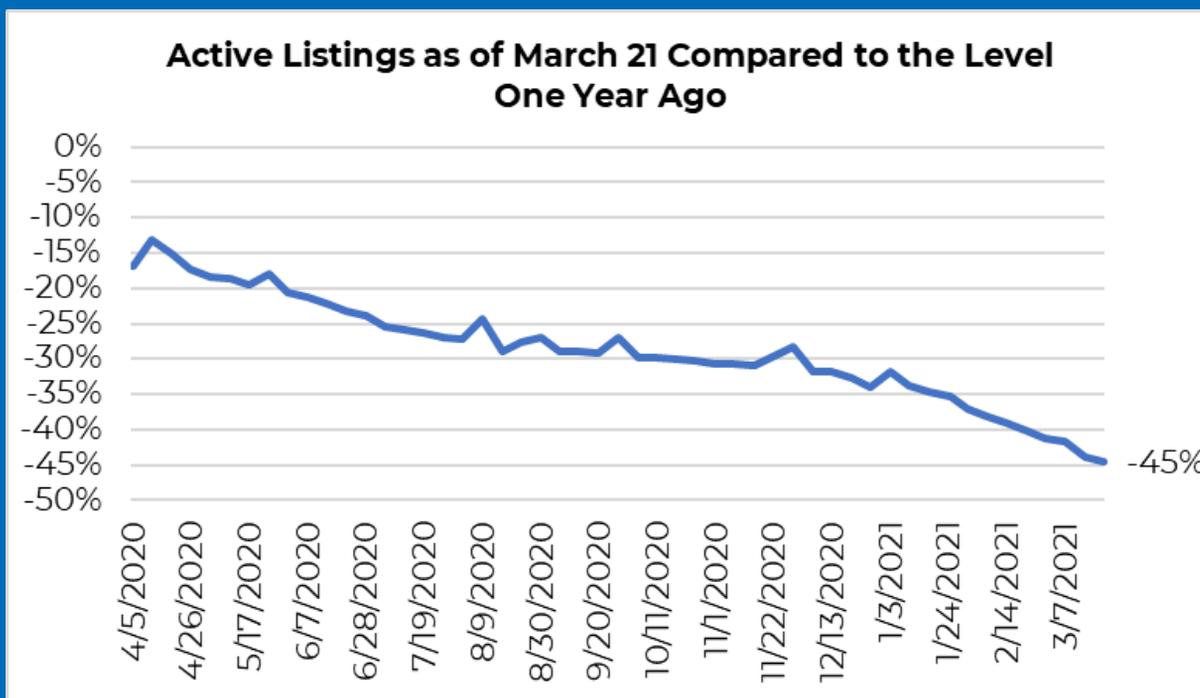
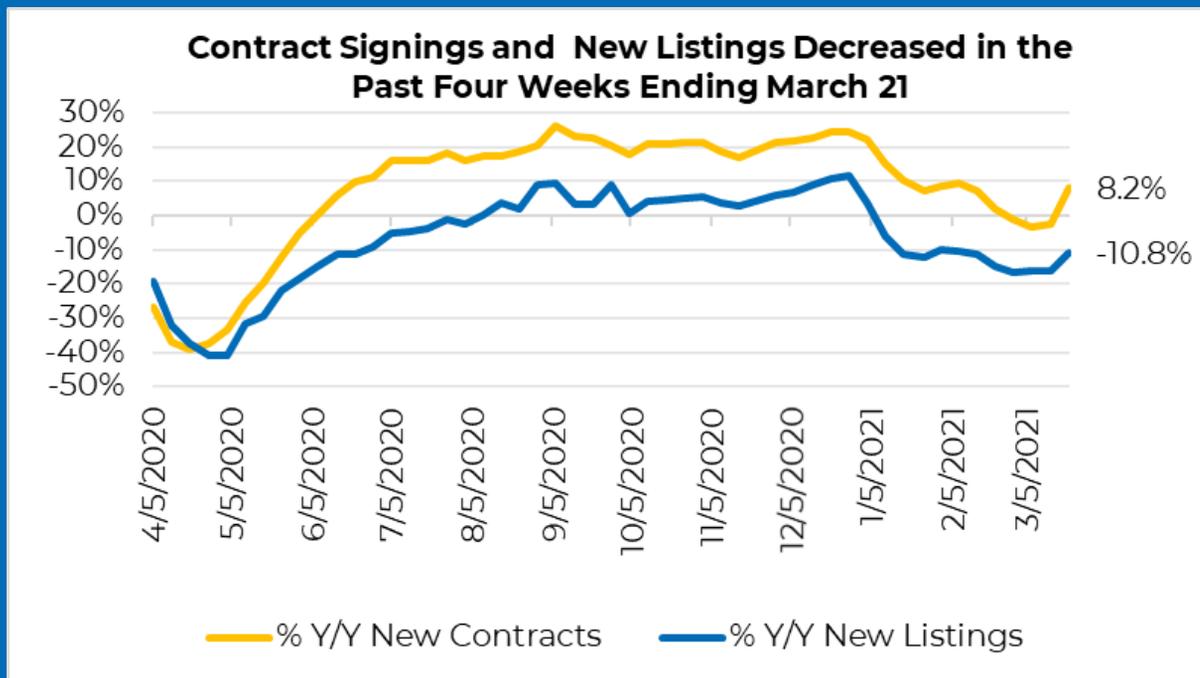
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New Contract Signings Outpace New Listing as of the Week of March 21*

Demand continues to outpace supply. Preliminary data on contracts signed (pending sales) during the past four weeks ending March 21 rose 8.2% from one year ago while new listing decreased 10.8%.

Preliminary data shows an increase in contract signings from one year ago when sales transactions fell as states started imposing stay-in-place orders after U.S. government declared the COVID-19 pandemic a national emergency on March 13.

With the pace of new contract signings ahead of new listings, the stock of active listings of existing-homes as of the week ending March 21 stood at 45% lower from one year ago.



* Based on preliminary data from a sample of about 200 MLS.

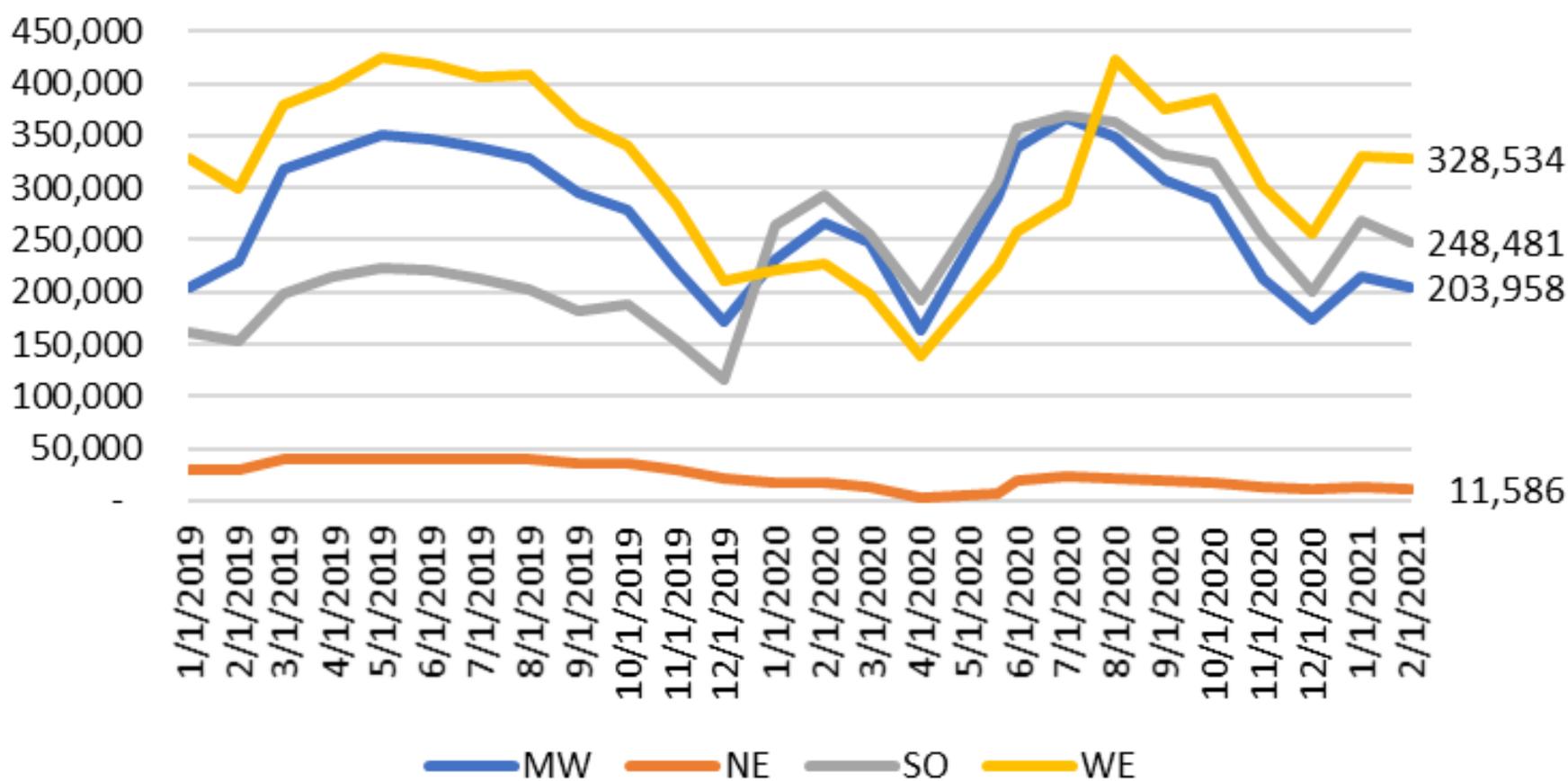
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SentriLock® Home Showings Decrease 4% in February from the Prior Month

In February, there were 792,559 home shown based on SentiLock® Lockboxes showings, a 4% decline from the prior month and a 1% decline from a year ago.

Compared to the prior month, home showings decreased in all regions, with the largest decline in the Northeast (-17.7%), South (-7.2%), and Midwest (-5.5%), and lastly in the West (-0.3%)*.

SentriLock® Home Showings By Region



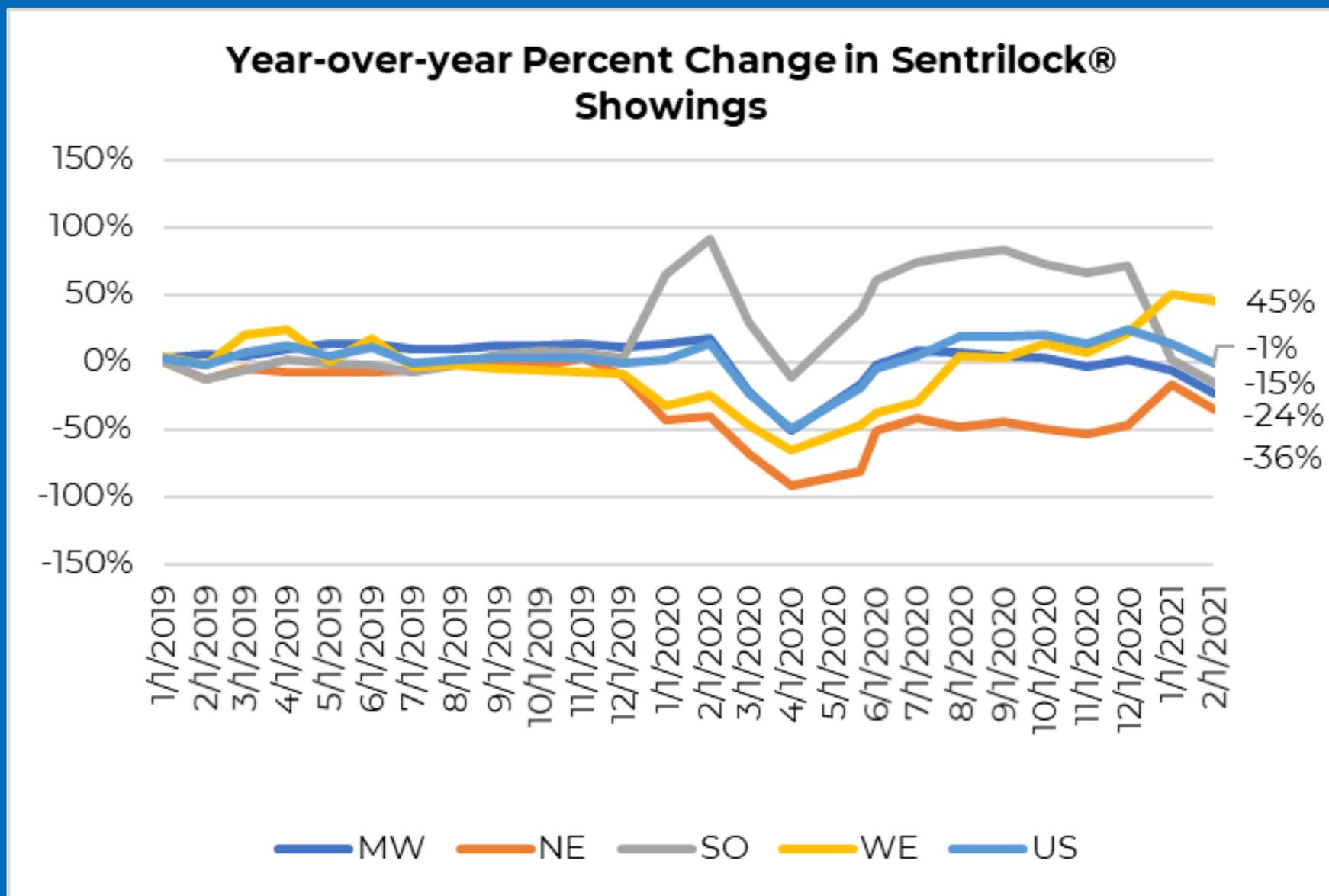
* This data is not adjusted for seasonality so the large declines in the Northeast, South, and Midwest regions could be reflecting in part the severe winter storm that hit these regions in February.

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Sentrilock® Home Showings Decrease 4% in February from the Prior Month

Compared to one year ago, showings rose in the West region (45%), but declined in the Midwest (-24%), South (-15%) and Northeast (-36%) regions.

SentriLock® Lockboxes are used in roughly a third of home showings across the nation. Foot traffic has a strong correlation with future contracts and home sales, so it can be viewed as a peek ahead at sales trends two to three months into the future.



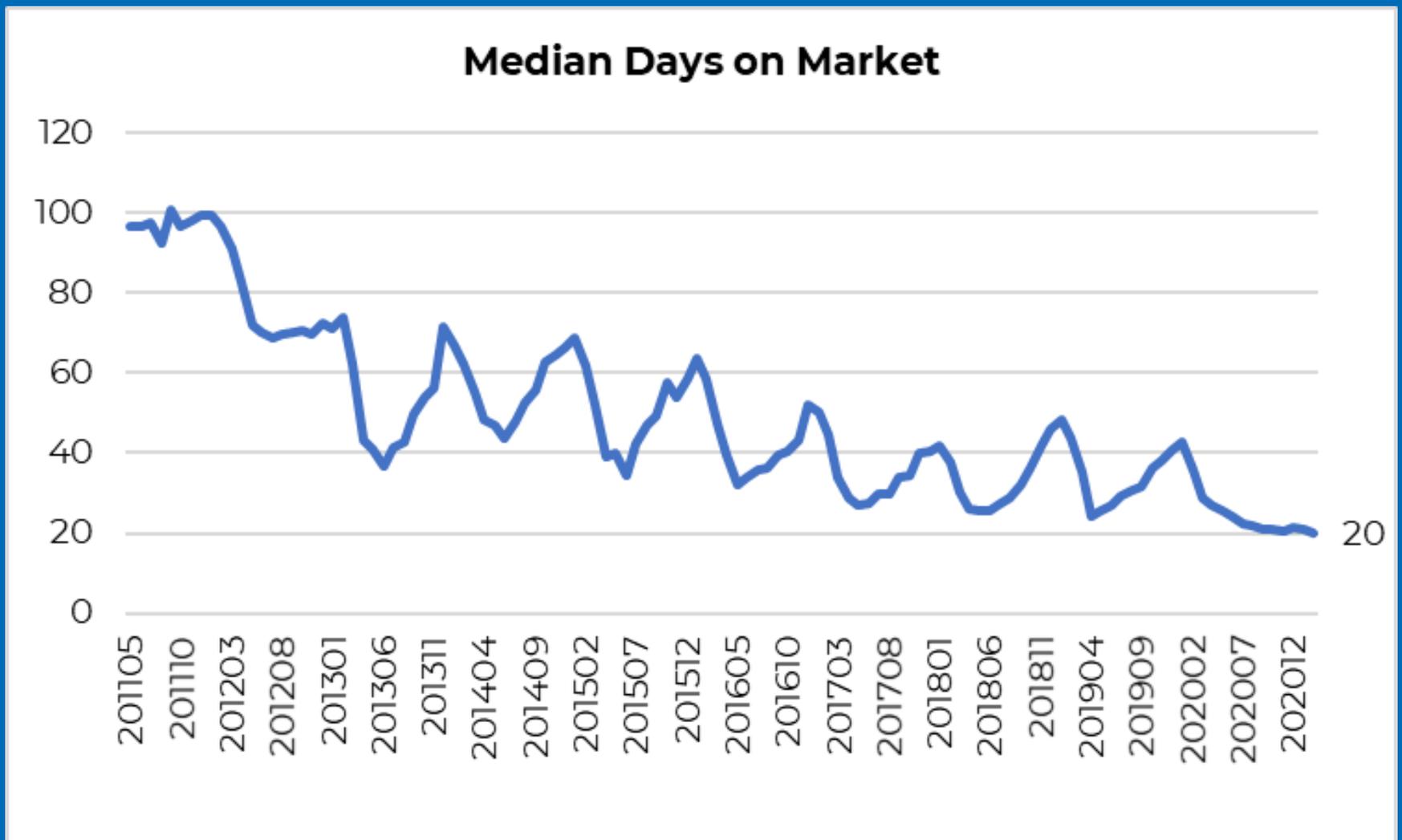
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Properties Typically Sold at 20 Days in February 2021, the Fastest Pace Since 2011

According to the monthly [REALTORS® Confidence Index Survey](#), properties typically stayed on the market for 20 days, a record low since NAR tracked this data in May 2011. REALTORS® reported 74% of existing-homes sold in February 2021 were on the market for less than 30 days.

In the West region, homes priced at \$250,000 to \$750,000 were typically under contract in 8 days. In the South, properties in the \$250,000 to \$750,000 price range were typically under contract in about two weeks*.

REALTORS® reported that there were nearly four offers on average on the sales they closed in February 2021, according to the REALTORS® Confidence Index Survey.



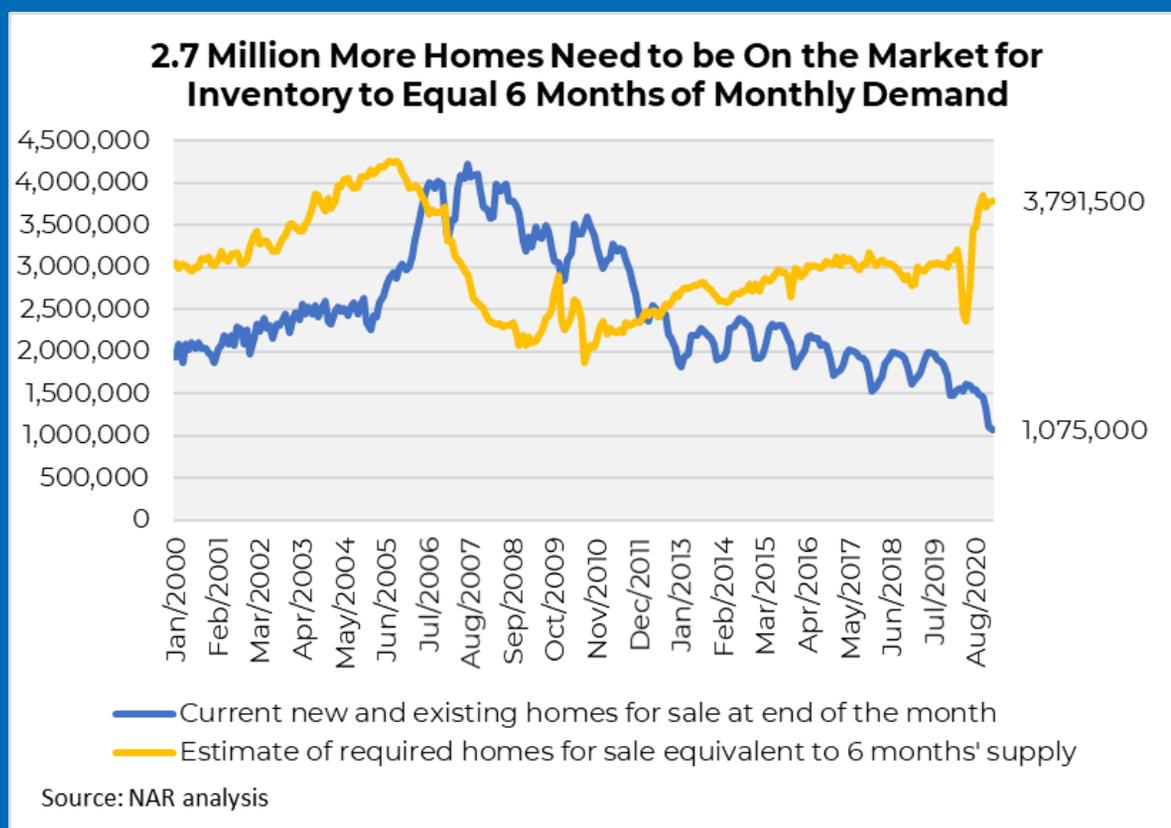
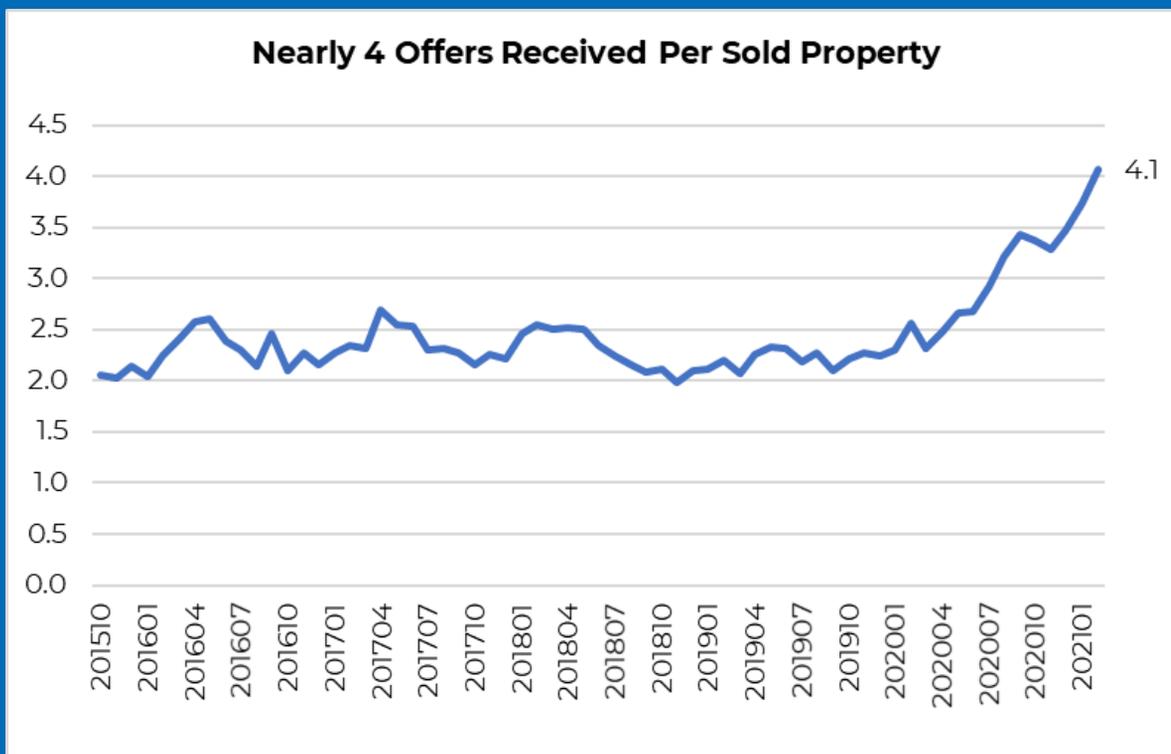
* Based on a sample of MLS data

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Four Offers Per Home Sold in February 2021

On average, there were four offers per home sold (closed) in February, according to NAR's latest [February REALTORS® Confidence Index Report](#). One year ago, there were two to three buyers for every home sold.

The intense competition has led to double-digit price growth and properties selling in record time. To meet six months of this monthly pace of demand, 3.79 million homes needed to be on the market as of January 2021, a shortage of 2.72 million homes from the current inventory of new and existing-homes for sale of 1.075 million in February. Read analysis in the [Economists Outlook](#).



* Based on a sample of MLS data

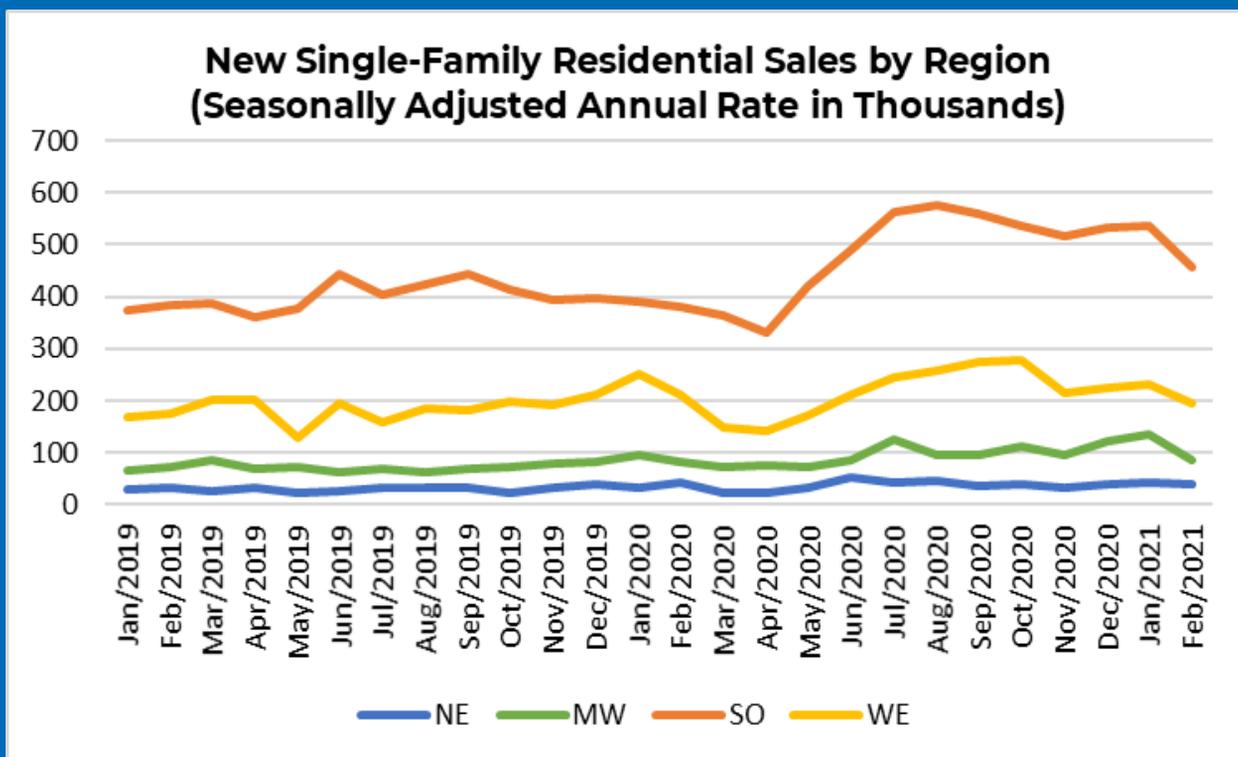
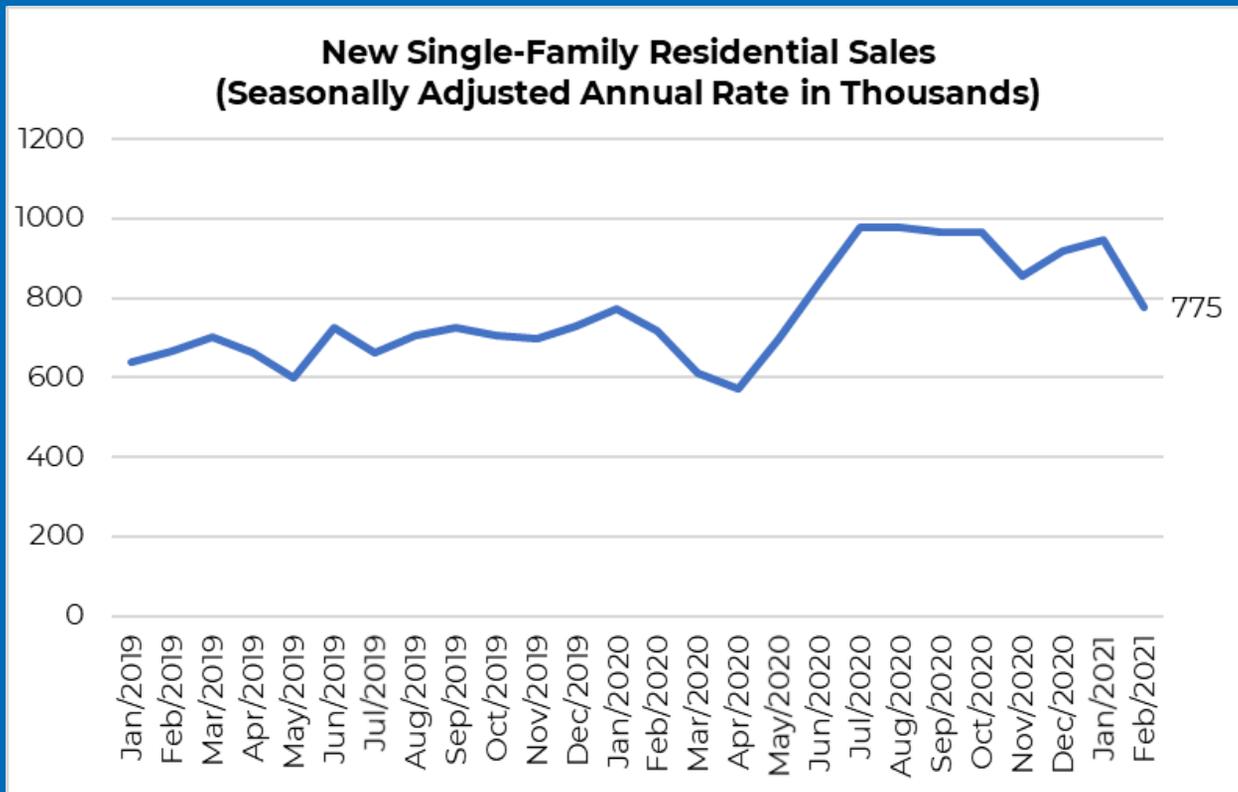
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New Single-family Residential Decline 18% in February from Prior Month, But Still 8% Higher from a Year Ago

New single-family residential sales measured on a seasonally adjusted annual rate decreased 18% in February 2021 from the prior month.

Sales decreased across all regions: Northeast (-12%), Midwest (-38%), South (-15%), and West (-16%).

However, sales are still up 8% from one year ago, with year-over-year gains in the South (20%) and Midwest (5%) that offset the declines in the Northeast (-12%) and the West (-8%).



* Based on a sample of MLS data

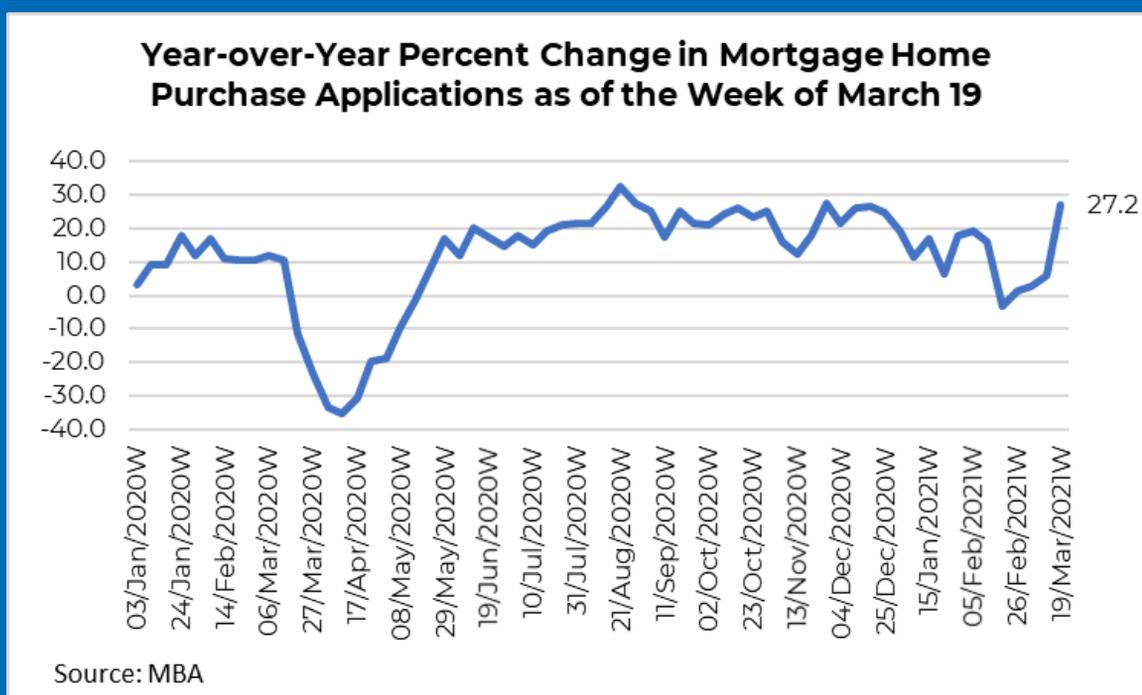
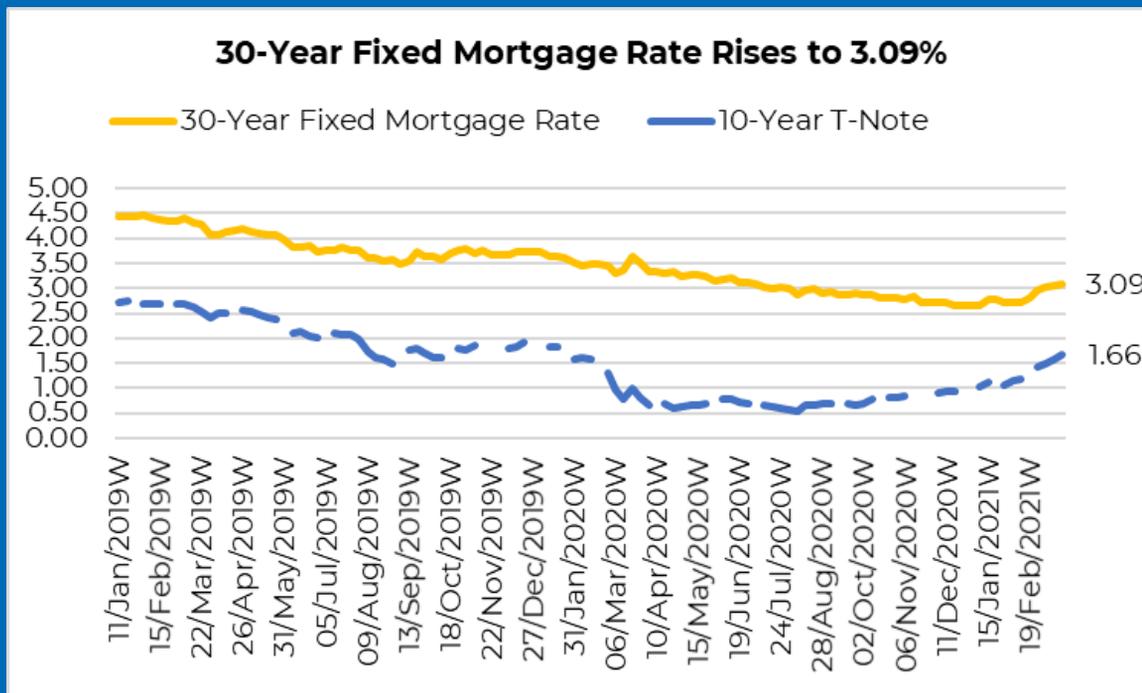
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30-Year Fixed Mortgage Rate Rises to 3.09%, but Mortgage Applications Trending Up*

The 30-year year fixed mortgage rate the week ending March 19 rose to 3.09 as the benchmark 10-year Treasury note rose to 1.66%, with investors moving away from bonds and towards stocks, in anticipation of improving economic conditions for many businesses with the vaccine distribution ahead of schedule.

But even with mortgage rates rising, mortgage applications have picked up, with applications 27% higher from one year ago, perhaps as borrowers try to beat the expected rise in mortgage rates.

Chief Economist Lawrence Yun now expects the 30-year fixed mortgage rate to average 3.5% in 2021.



Source: MBA

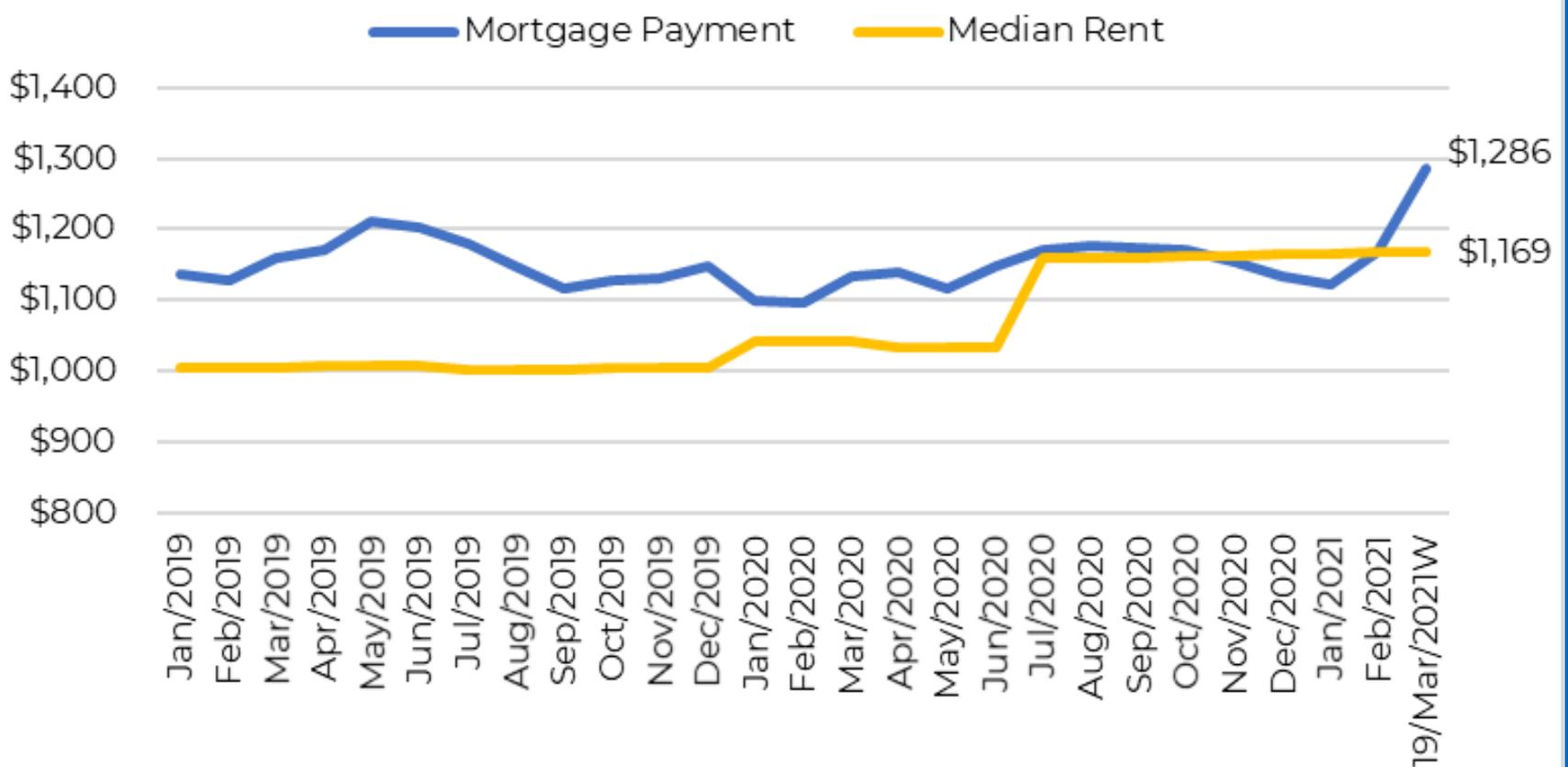
*The mortgage payment varies by type of home and by borrower.

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30-Year Fixed Mortgage Rate Rises to 3.09%, but Mortgage Applications Trending Up*

With rising home prices and mortgage rates, the typical estimated monthly mortgage payment on a typical existing home financed with a 10% down payment and 30-year mortgage as of March 19 is estimated to be at \$1,286, which is now trending above the estimated median rent of \$1,169.

Estimated Typical Monthly Mortgage Payment of \$1,286 vs. the Median Rent of \$1,169 as of March 19



Calculations based on average rate of 3.09% 30 year fixed rate + 0.7% points in week of March 19 and 10% downpayment and a forecasted estimated median existing home sales price of \$325,050; the median rent is estimated by applying m/m CPI-Shelter inflation to US Census Bureau quarterly median rent.

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

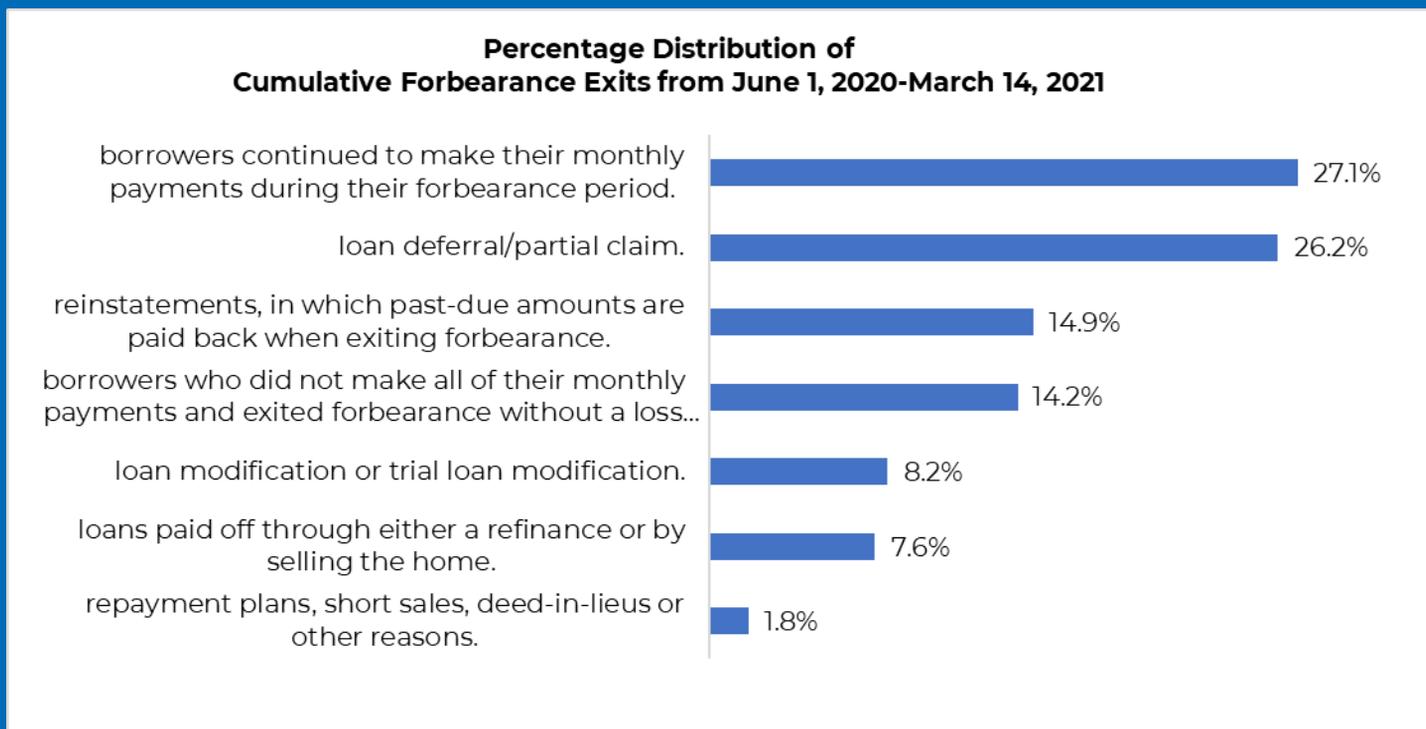
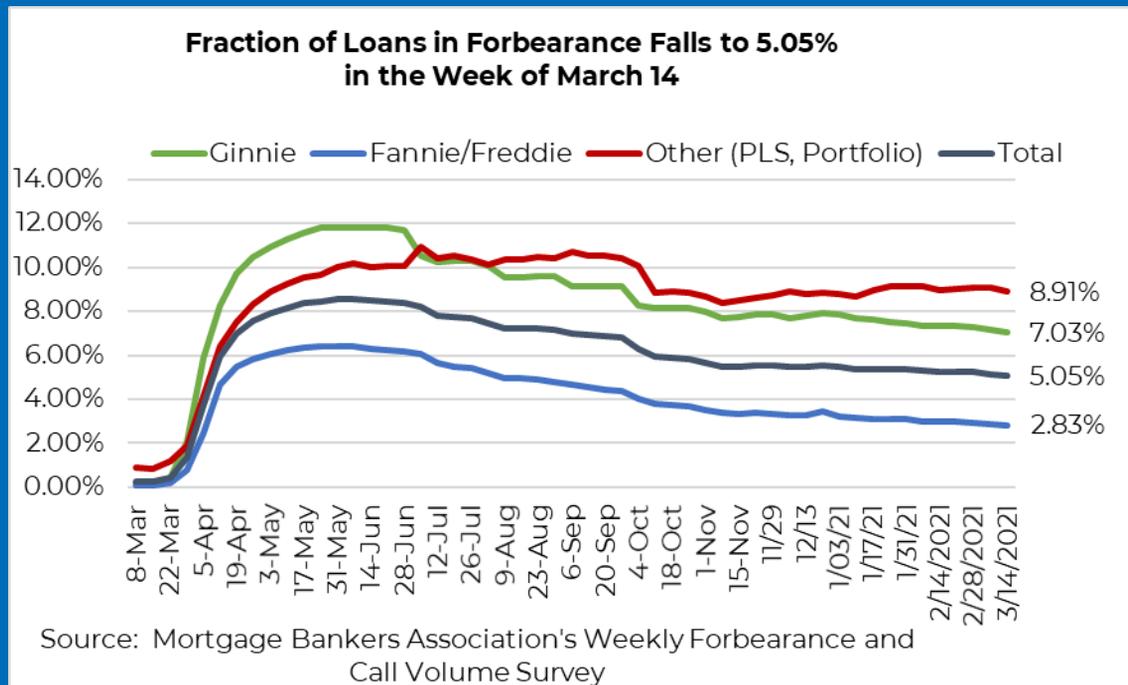
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Fraction of Loans in Forbearance Declines to 5.05% in the Week of March 14

The fraction of loans in forbearance slightly decreased to 5.05% during the week of March 14 (5.14% in the prior week). The Mortgage Bankers Association estimates that 2.5 million homeowners are in forbearance plans.

Of the homeowners who exited forbearance during June 1, 2020-March 14, 2021, 7.6% exited forbearance by refinancing their home or selling their home. With home prices rising, less than 2% ending in a short sale or deed-in-lieu (and other reasons).

President Biden announced on February 16 that it would extend the moratorium on mortgage forbearance and foreclosure through the end of June 30, 2021 which was scheduled to end on March 31, 2021.



Weekly Housing Market Monitor

Jobless Claims a Year into the Pandemic

A year after the pandemic hit our country, jobless claims remain elevated near 800,000. Although claims are significantly lower than the beginning of the pandemic, nearly 3 times as many people applied to receive unemployment benefits last week compared to pre-pandemic. However, that's not the case for every state. It's worth noting that fewer people currently apply to receive unemployment benefits in Kansas and New Jersey. Specifically, the number of initial claims in Kansas was 1,240 last week compared to 1,732 pre-pandemic. Respectively, nearly 700 fewer people applied for unemployment benefits in New Jersey last week compared to pre-pandemic. Nevertheless, jobless claims are still elevated in Ohio, Virginia, Illinois, Indiana and Alabama. As the COVID-19 vaccine is becoming more widely available across the country and the new stimulus is on the way, more businesses are expected to return to full capacity, boosting employment growth.

Jobless claims a year after the pandemic

Fewer layoffs in Kansas and New Jersey

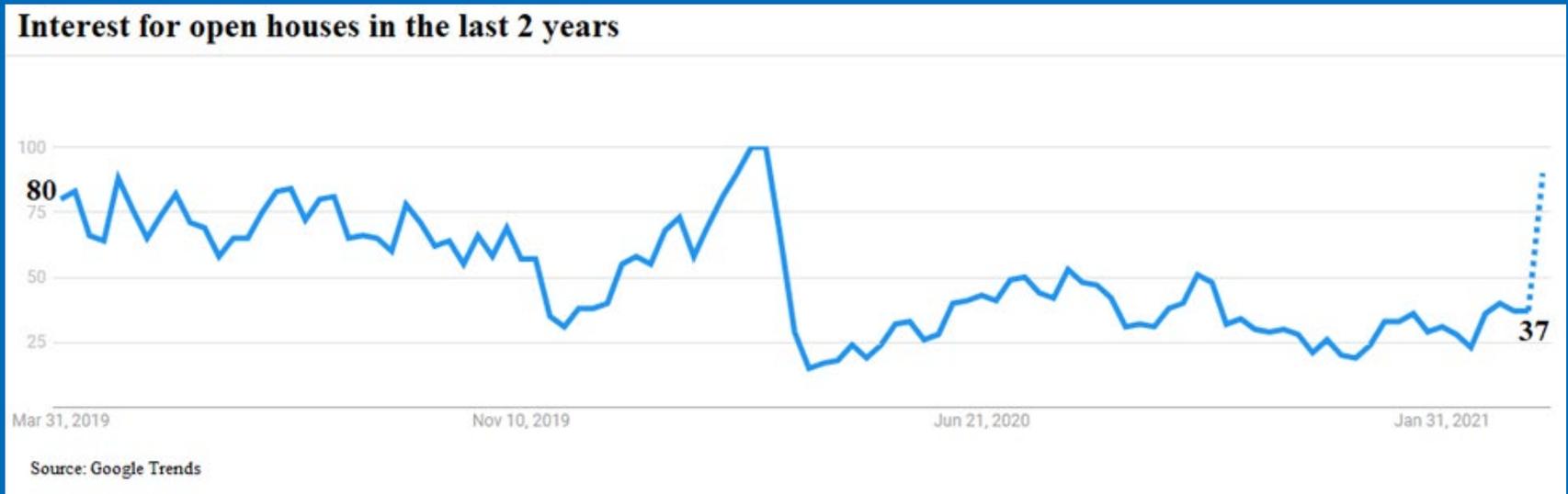
	March 13, 2021	Jan-19 to Feb-20		March 13, 2021	Jan-19 to Feb-20
Alabama	15,796	2,533	Missouri	6,499	3,871
Alaska	3,365	944	Montana	1,449	981
Arizona	4,636	3,870	Nebraska	1,545	777
Arkansas	2,689	1,843	Nevada	10,605	2,312
California	108,562	41,023	New Hampshire	2,604	532
Colorado	12,043	1,953	New Jersey	8,872	9,569
Connecticut	4,656	3,340	New Mexico	2,670	837
Delaware	1,807	632	New York	45,662	16,659
District of Columbia	1,152	533	North Carolina	7,419	3,219
Florida	16,709	6,155	North Dakota	613	482
Georgia	21,939	5,906	Ohio	113,492	7,187
Hawaii	2,694	1,200	Oklahoma	6,510	1,917
Idaho	3,414	1,217	Oregon	6,518	4,284
Illinois	74,630	9,621	Pennsylvania	19,293	14,610
Indiana	17,989	2,732	Rhode Island	4,102	1,109
Iowa	5,973	2,922	South Carolina	2,752	2,437
Kansas	1,243	1,732	South Dakota	293	239
Kentucky	10,118	3,056	Tennessee	7,580	2,586
Louisiana	5,388	1,980	Texas	70,369	13,610
Maine	1,811	729	Utah	2,282	1,129
Maryland	7,920	3,204	Vermont	798	545
Massachusetts	18,741	5,885	Virginia	23,839	2,646
Michigan	11,060	7,408	Washington	12,058	6,693
Minnesota	9,033	3,860	West Virginia	3,941	1,169
Mississippi	7,015	1,166	Wisconsin	12,295	5,756
			Wyoming	758	427

[Click here to read the full analysis.](#)

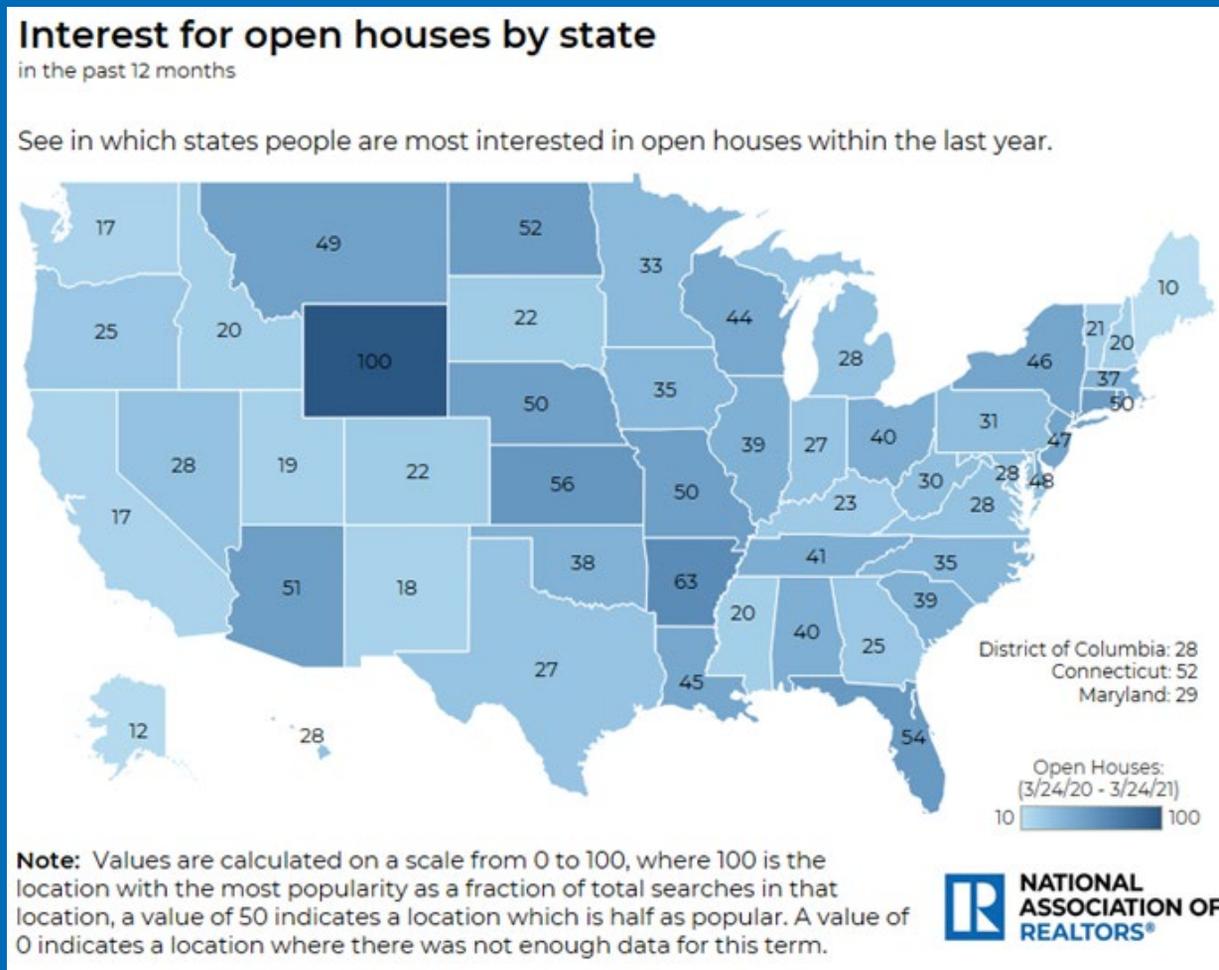
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Open Houses

More people are searching to attend an in-person open house. Specifically, public interest for in-person open houses is 60% higher than a year earlier. Keep in mind that since the pandemic struck our country one year earlier, year-over-year comparisons are going to be much higher for the next several months. However, interest for open houses is lower by 54% compared to 2 years earlier.



At the local level, interest is relatively stronger in Wyoming, Arkansas and Kansas.



[For more information on the latest residential, commercial, and market trends, read the Economists' Outlook Blog.](#)

Weekly Housing Market Monitor

Home Buyers and Sellers Generational Trends Report

Since 2013, the National Association of REALTORS® has produced the Home Buyers and Sellers Generational Trends Report. This report provides insights into differences and similarities across generations of home buyers and sellers. The home buyer and seller data is taken from the annual Profile of Home Buyers and Sellers.

Millennial buyers 22 to 30 years (Younger Millennials) and buyers 31 to 40 years (Older Millennials) continue to make up the largest share of home buyers at 37%: Older Millennials at 23% and Younger Millennials at 14% of the share of home buyers. Millennials have been the largest share of buyers since the 2014 report. Buyers 41 to 55 (Gen Xers) consisted of 24% of recent home buyers. This group continues to be the highest earning home buyers with a median income of \$113,300 in 2019. For the report, buyers 56 to 65 (Younger Baby Boomers) and buyers 66 to 74 (Older Baby Boomers) were broken into two separate categories as they have differing demographics and buying behaviors. Buyers 56 to 65 consisted of 18% of recent buyers and buyers 66 to 74 consisted of 14% of recent buyers. Buyers 75 to 95 (The Silent Generation) represented the smallest share of buyers at 5%.

All generations of buyers continued to utilize a real estate agent or broker as their top resource to help them buy and sell their home.

METHOD OF HOME PURCHASE

Exhibit 4-1 (Percentage Distribution)

	AGE OF HOME BUYER						
	All Buyers	22 to 30	31 to 40	41 to 55	56 to 65	66 to 74	75 to 95
Through a real estate agent or broker	88%	91%	89%	88%	87%	87%	84%
Directly from builder or builder's agent	6	3	5	7	7	8	9
Directly from the previous owner	5	5	6	5	6	4	5
Knew previous owner	3	3	4	3	4	3	2
Did not know previous owner	2	2	2	2	2	1	3

[Read and download the full report here](#)

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