

2021

Weekly Housing Market Monitor

May 31 - June 3

National Association of REALTORS®
Research Group



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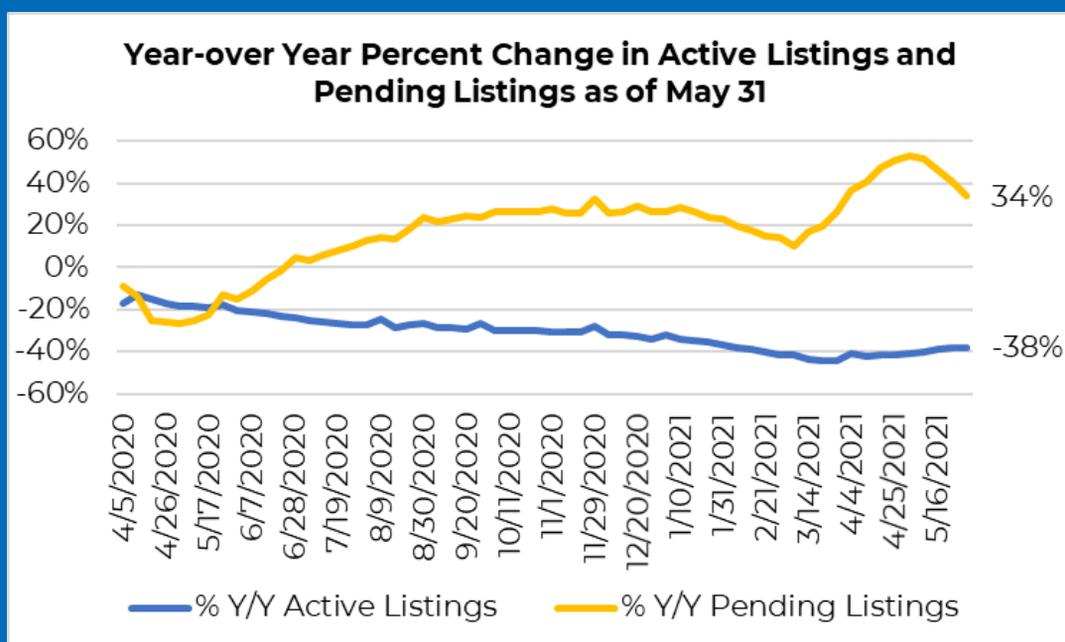
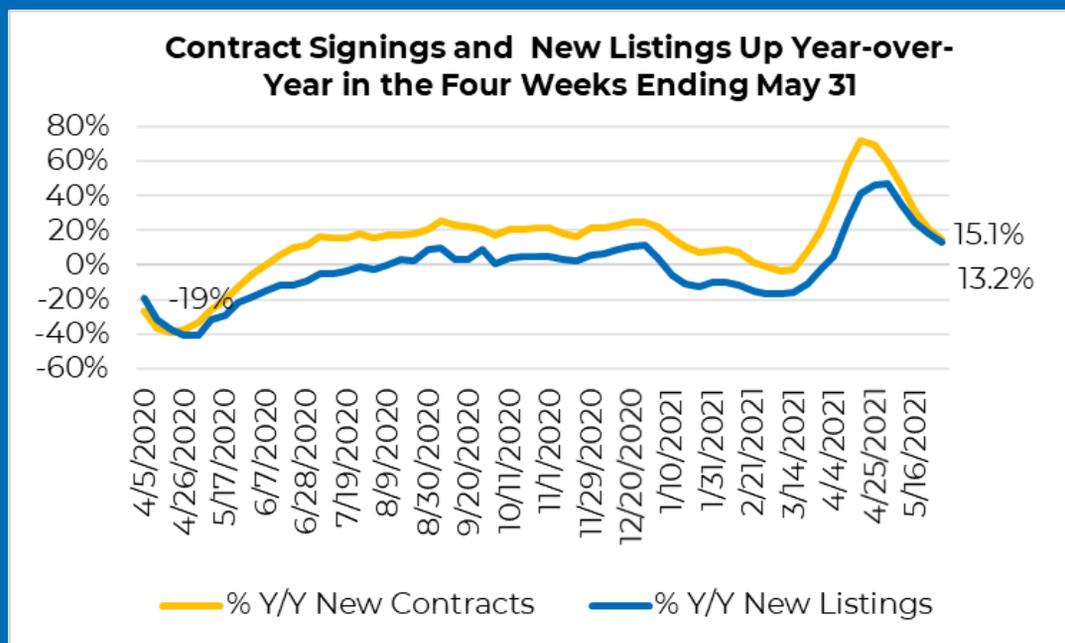
Weekly Housing Market Monitor

New Contracts and New Listings Rose at Nearly Same Pace During the Past Four Weeks*

The year-over-year pace of new contracts signed in the past four weeks ending May 31 is starting to align with the pace of new listings, although new contracts are still rising at a somewhat higher pace of 15.1% compared to new listings that rose 13.2% from one year ago.

New listings that came into the market during the past four weeks fell 3.8% from the prior 4-week period while contracts during the past four weeks rose (pending sales) were flat from the prior 4-week.

In terms of inventory (stock) of pending sales and listings as of May 31, the inventory of active listings is down 38% from one year ago, while the inventory of pending listings is higher by 34% from one year ago. The year-over-year change in new pending sales is expected to slow in the coming months as April's year-over-year pace of nearly 70% reflects the rebound from last year's pandemic-induced collapse in housing transactions.



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

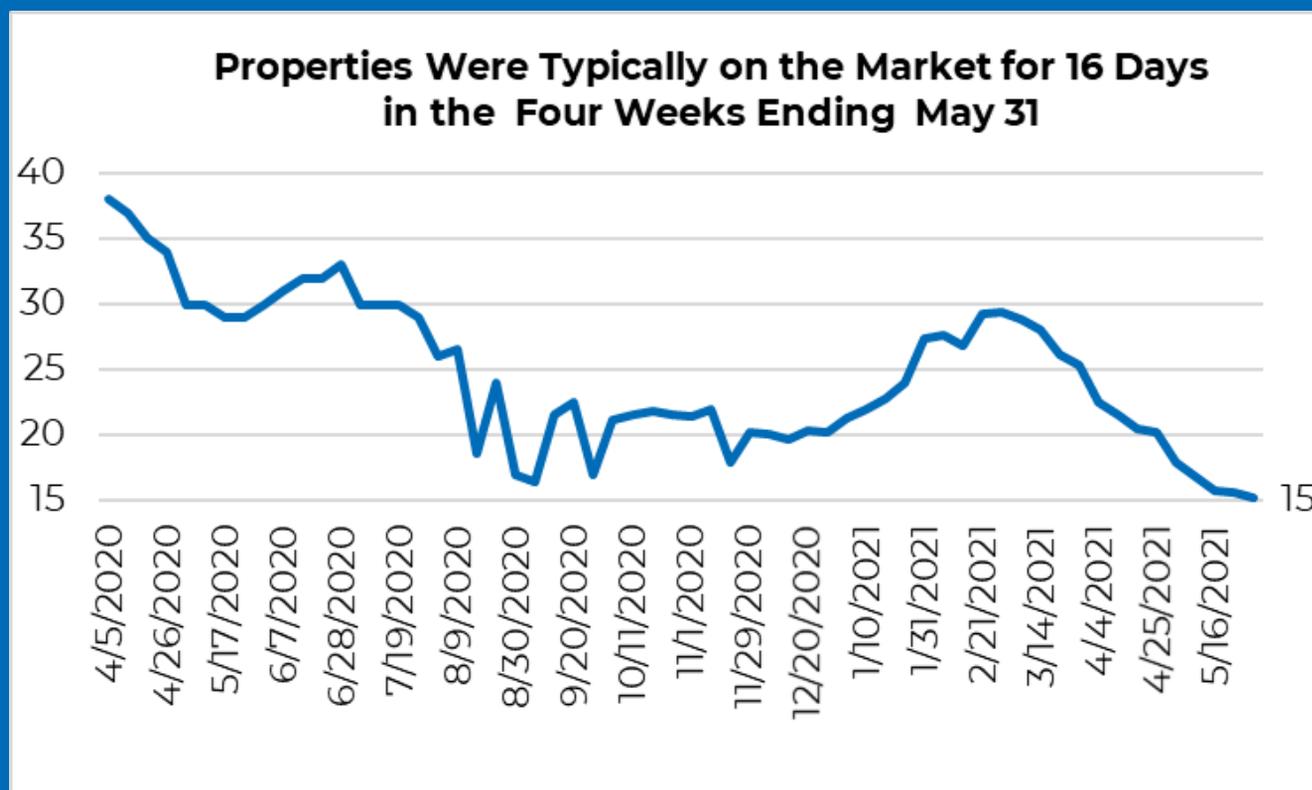
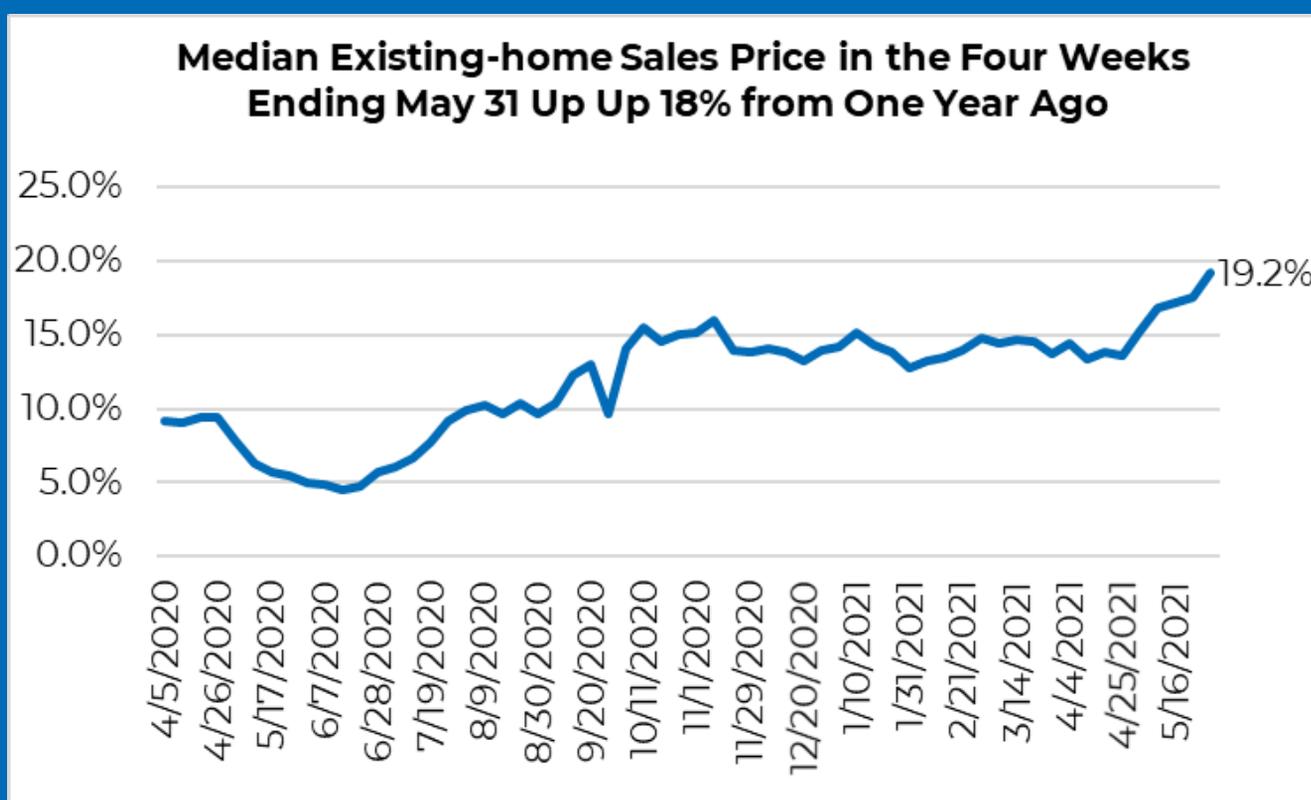
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Median Existing-home Sales Price Up 19% from One Year Ago as Properties Typically Sold in 15 Days*

Demand is still strong, judging by the pace of price appreciation and how fast properties are staying on the market. The median existing-home sales price of transactions in the past four weeks ending May 31 rose a blistering 19.2% from one year ago.

The sales to list price ratio rose to 99.7% compared to 96% one year ago.

With demand outpacing supply, homes typically sold within 15 days compared to 30 days at about this same period last year.



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

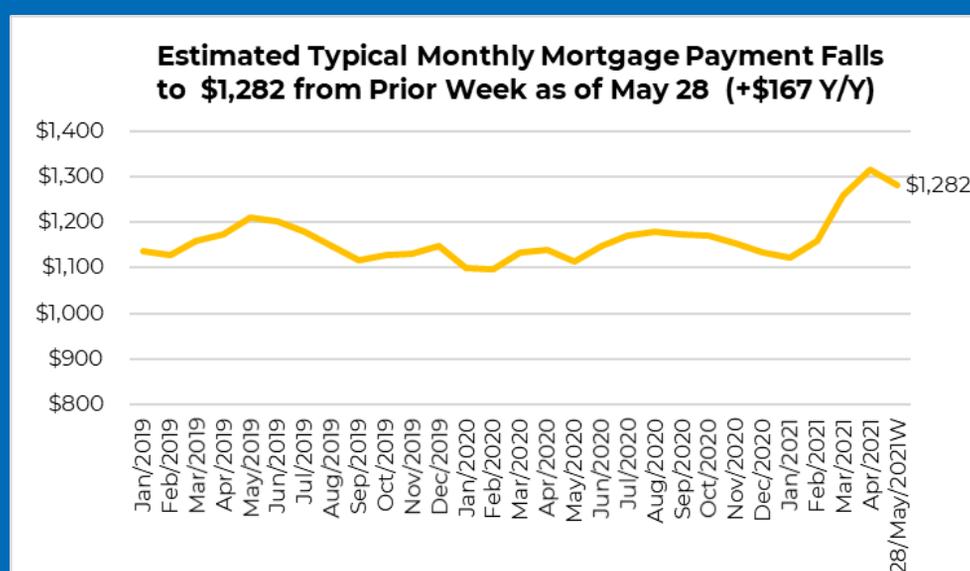
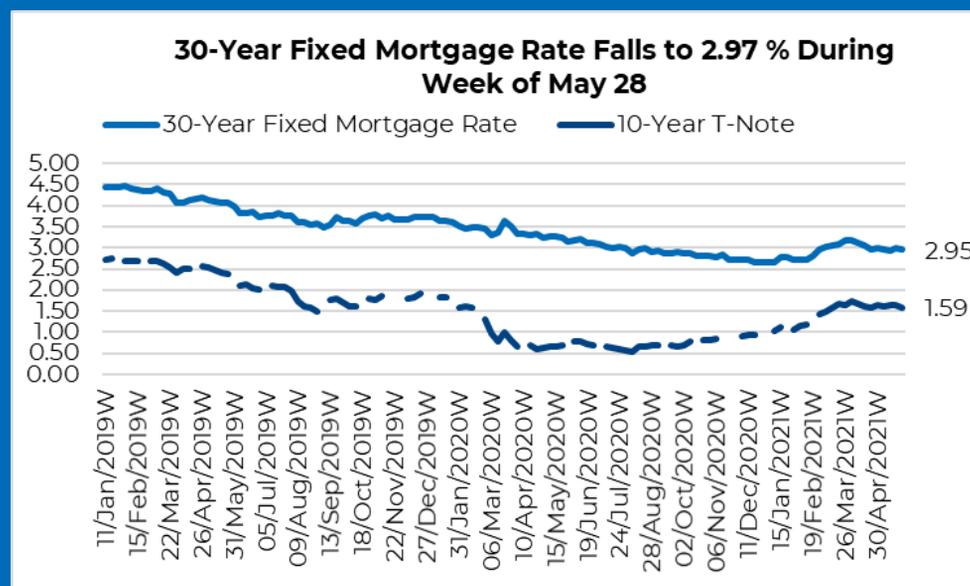
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30-Year Mortgage Rate Falls Below 3% Resulting in Lower Mortgage Payment from Prior Week*

After a short-lived increase to above 3%, Freddie Mac's 30-year fixed mortgage rate fell again to below 3% in the week of May 28, to 2.95% as the 10-year T-note also fell to 1.59%. However, with inflation rates rising, Chief Economist Lawrence Yun expects the 30-year fixed mortgage rate to move towards 3.5% by the end of 2021 and the inflation rate to average 2.7% in 2021 due to higher raw material prices (e.g., oil prices, lumber).

Mortgage applications for a home purchase on a seasonally adjusted level fell 3.1% while refinancing applications were down 4.6% from the prior week, with the changes partly reflecting the effect of the higher mortgage rates in March and April (above 3%).

NAR estimates that for a typical home purchased during the week of May 28, the typical estimated monthly mortgage payment at 10% down payment slightly decreased to \$1,282 from the prior week (\$1,315) but is still \$167 more than the mortgage payment one year ago.



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

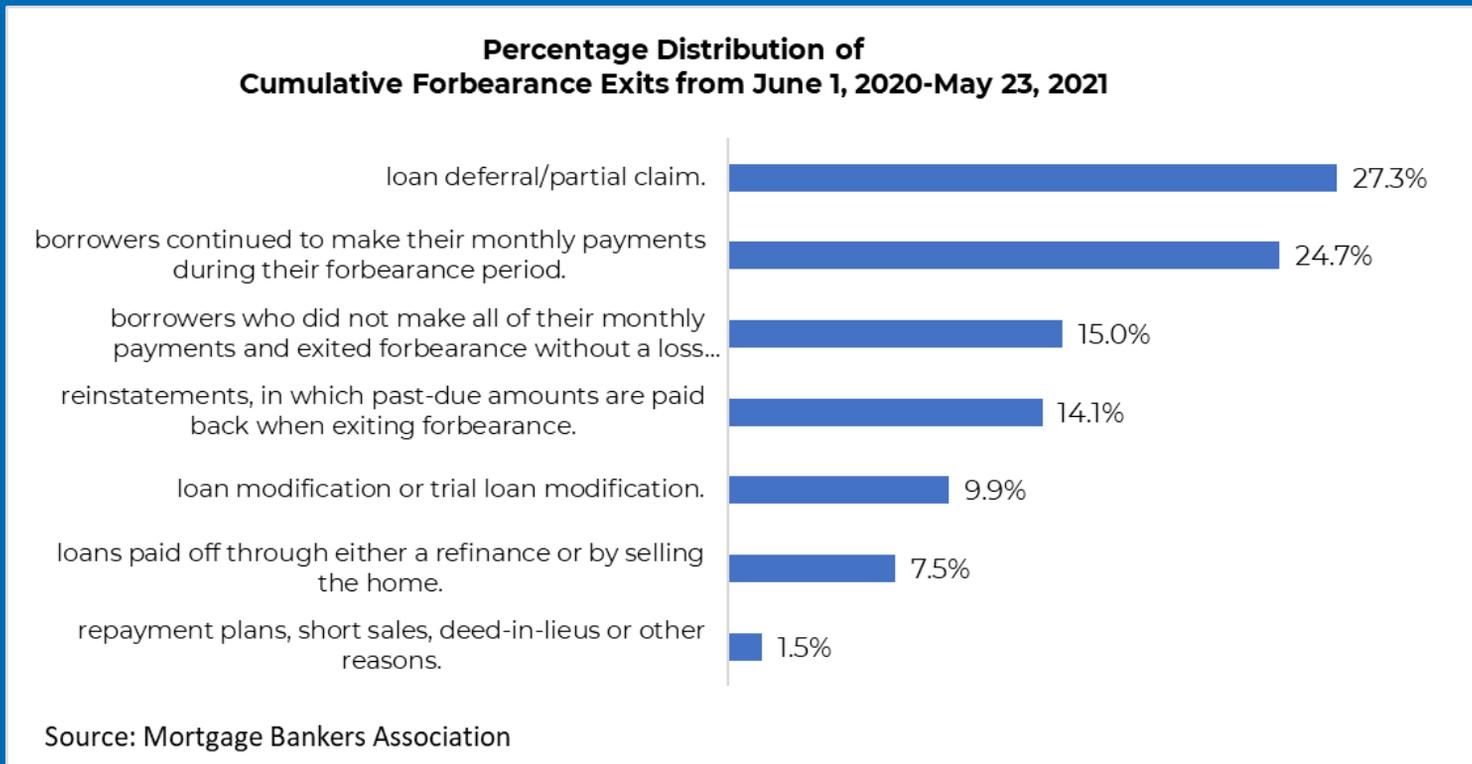
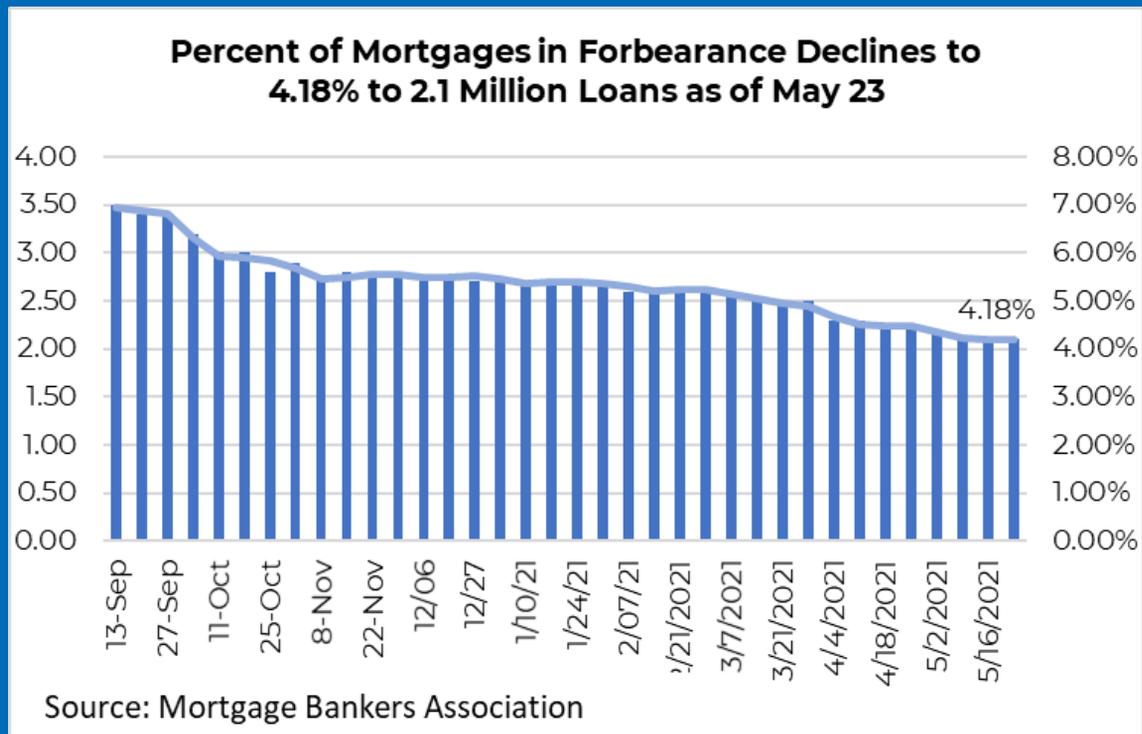
Source of data: NAR calculations based on NAR, Freddie Mac, US Census Bureau data
Calculations based on average rate of 2.95% 30-year fixed rate + 0.7% points for week of May 28 and 10% downpayment and a forecasted estimated median existing-home sales price of \$337,669 estimated by applying the latest y/y price appreciation of 19.1%

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Fraction of Loans in Forbearance Declines to 4.18%

The fraction of loans in forbearance continues to fall to 4.18% during the week of May 23, with 2.1 million loans in forbearance plans, according to the Mortgage Bankers Association.

Most distressed borrowers are working out payment options with lenders to keep their homes. Of the homeowners who exited forbearance during June 1, 2020-May 23, 2021, 7.5% exited forbearance by refinancing their home or selling their home and less than 2% ending in a short sale or deed-in-lieu (and other reasons). On 2.1 million mortgages in forbearance in the past week, that's equivalent to 199,500 homes.



Weekly Housing Market Monitor

Prices of Softwood Lumber and Structural Metal Products Continue to Soar

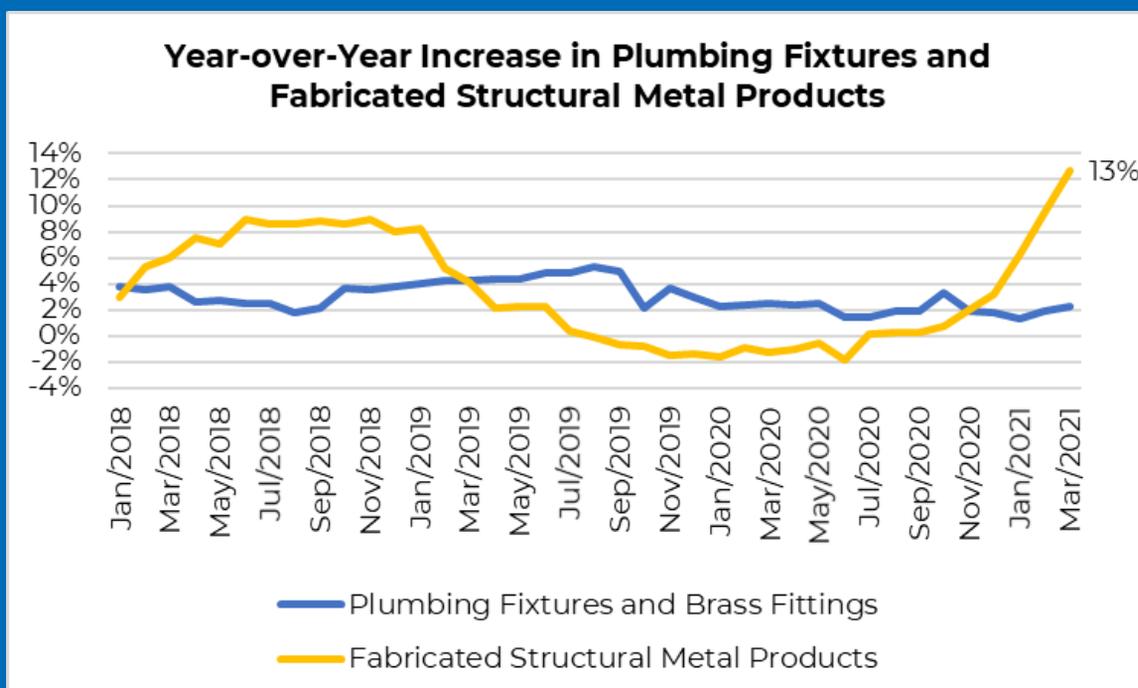
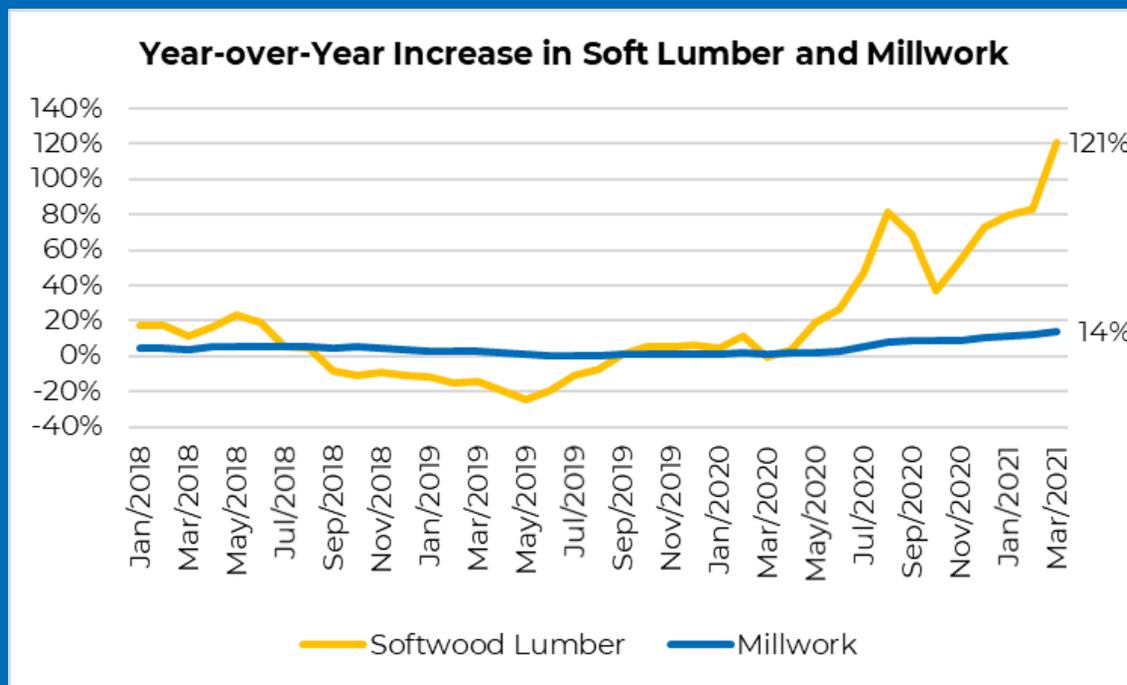
Prices of softwood* lumber continue to increase, with the producer price index up 121% from one year ago. Products include not just dimensional lumber, but plywood, OSB, particle and fiberboard, shakes and shingles.

NAHB estimates that lumber prices have added \$35,872 to the price of an average new single-family home, and \$12,966 to the market value of an average new multifamily home**. Reduced operations from sawmills in the early phase of the pandemic reduced production, but the main driving force behind higher lumber prices is the demand for both new construction and remodeling projects.

The cost of fabricated structural products has also increased by 13% year-over-year despite the drop in commercial construction. The value of non-residential construction put in place measured at an annual rate was down 4% as of April.

* Softwood used in structural framing, sheathing, flooring and underlayment, interior wall and ceiling finishing, cabinets, doors, windows, roofing, siding, soffit and fascia, and exterior features such as garages, porches, decks, railing, fences, and landscape walls.

** [Mortgage News Daily](#),



**NATIONAL ASSOCIATION OF REALTORS®
RESEARCH GROUP**

Lawrence Yun, PhD
Chief Economist & Senior Vice President

Jessica Lautz, Doctor of Real Estate
Vice President, Demographics and Behavioral Insights

Gay Cororaton
Senior Economist and Director of Housing and Commercial Research

Nadia Evangelou
Senior Economist and Director of Forecasting

Meredith Dunn
Research Manager

Michael Hyman
Research Data Specialist

Hua Zhong
Data Scientist

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NATIONAL ASSOCIATION OF REALTORS®
RESEARCH GROUP
500 New Jersey Avenue, NW
Washington, DC 20001
202.383.1000