

2021

# Weekly Real Estate Monitor

Residential and Commercial Markets

August 23-26

National Association of REALTORS® Research Group



**NATIONAL  
ASSOCIATION OF  
REALTORS®**



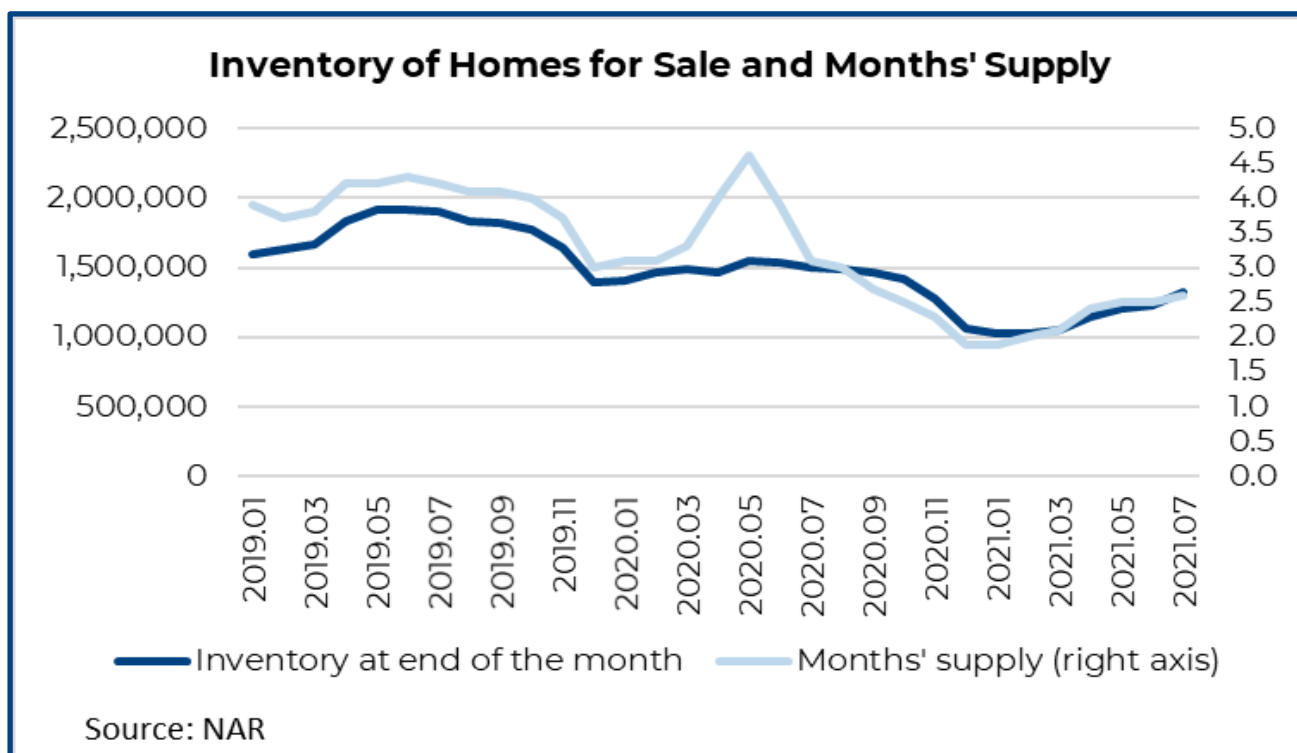
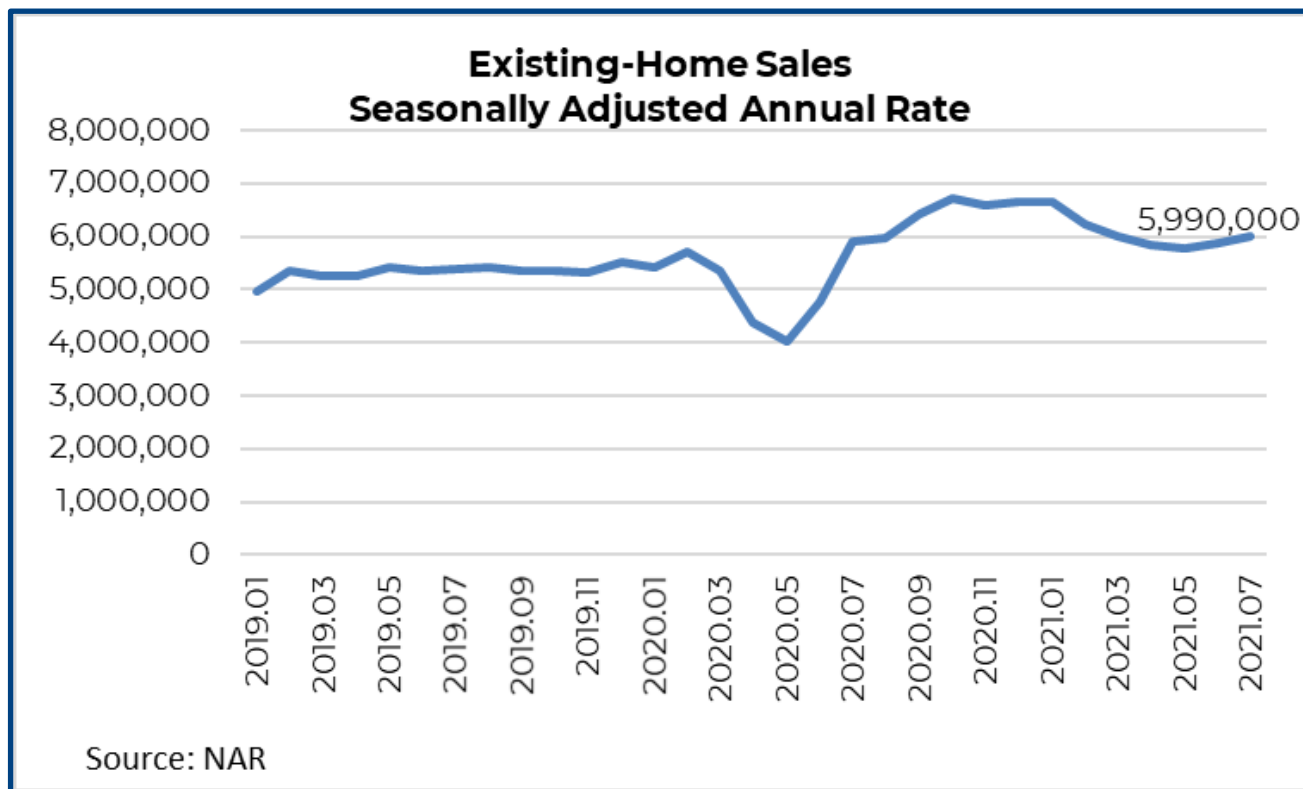
# Weekly Real Estate Monitor

## Existing-Home Sales Climb 2.0% in July

With inventory slightly improving, existing-home sales rose 2% from June to July to a seasonally adjusted annual rate of 5.99 million. This annualized rate is 6% higher than the 5.64 million home sold in 2020.

Compared to June, sales rose at the fastest pace in the Midwest region (3.8%), followed by the West (3.3%) and the South (1.2%), Sales were flat in the Northeast (0%).

The inventory of unsold homes increased 7.3% to 1.32 million from June to July, equivalent to 2.6 months at the current monthly sales pace. However, inventory was down for homes priced at below \$500,000 and was higher from one year ago for homes priced above \$500,000.



% Change in Inventory by Price from 1 Year Ago						
Region	\$0-100K	\$100-250K	\$250-500K	\$500-750K	\$750-1M	\$1M+
U.S.	-27.6%	-25.0%	-10.1%	3.0%	4.8%	2.2%

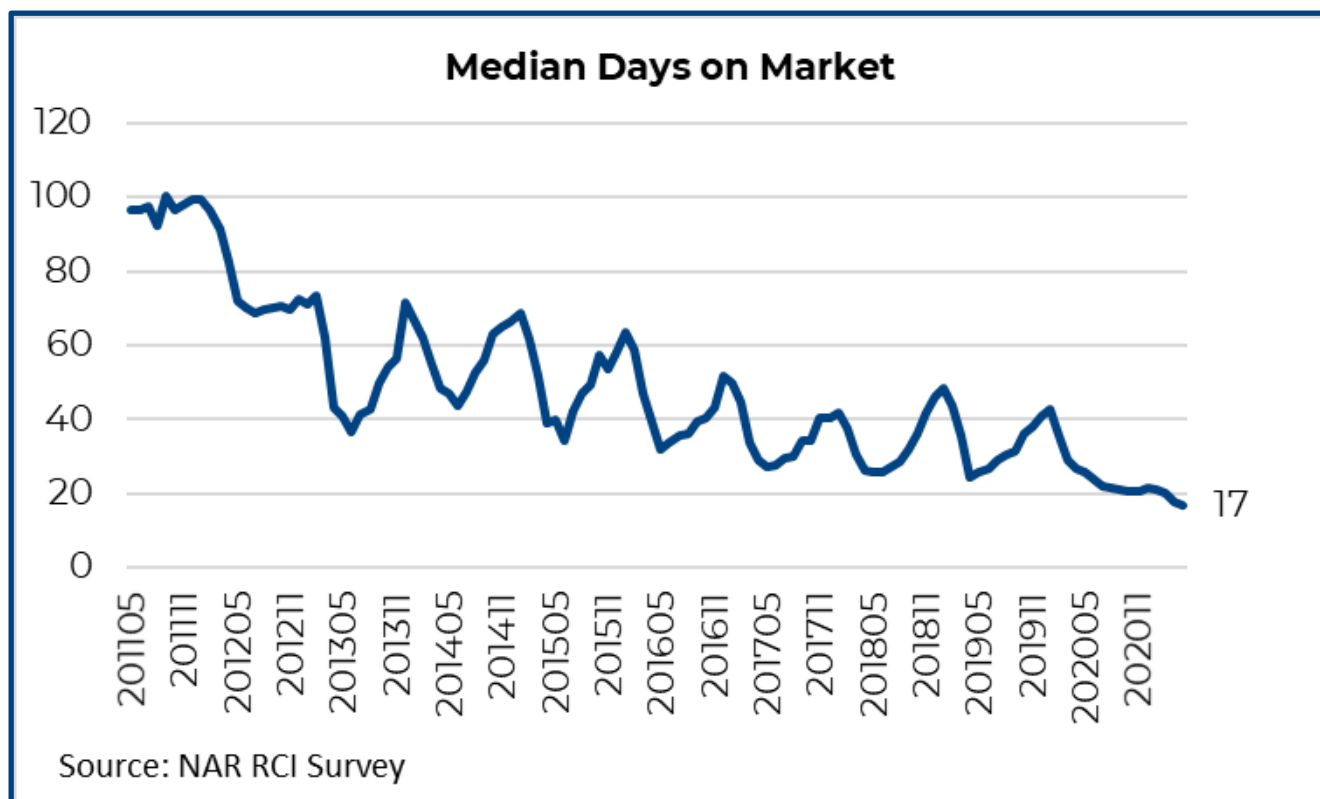
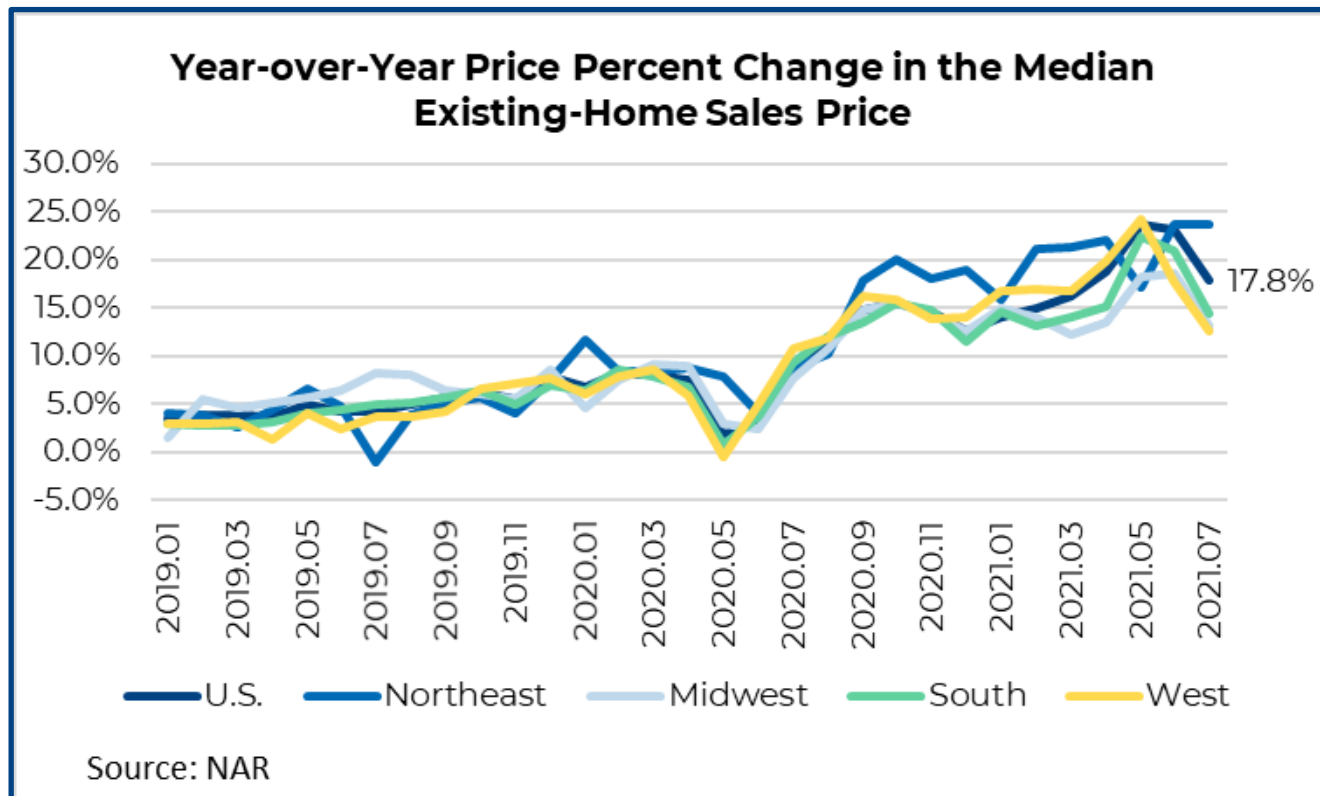
# Weekly Real Estate Monitor

## Median Existing-Home Sales Price Up 17.8% as Homes Typically Sold in 17 Days

With demand slowing and inventory inching up, the median existing-home sales price rose 17.8% year-over-year to \$359,900, a slower pace compared to the prior month (23.2%).

The median sales price of single-family homes rose 18.6% year-over-year to \$367,000, while the median condominium sales price increased at a slower pace of 14.1% year-over-year to \$307,100.

Supply is still tight, with homes continuing to sell more quickly at a median of 17 days from 22 days one year ago.



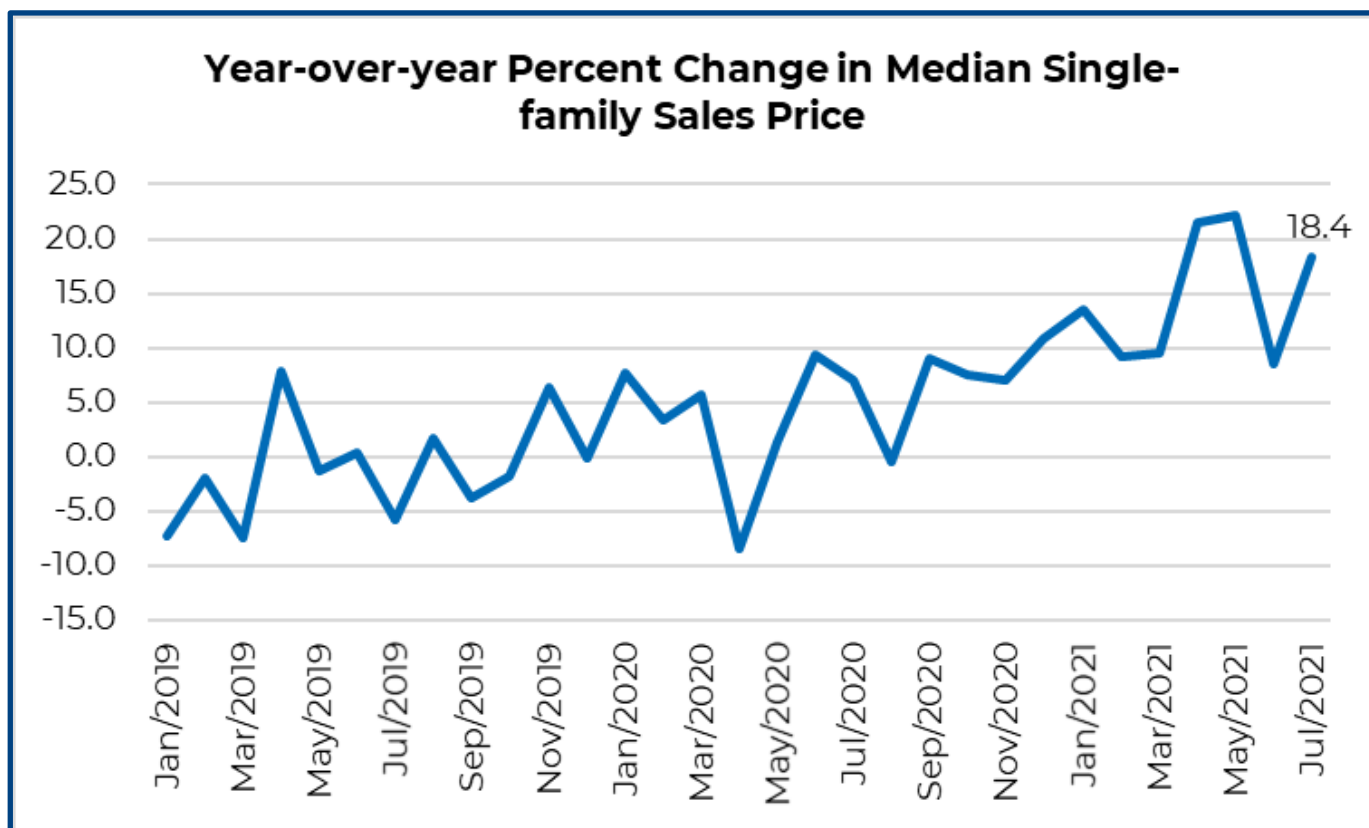
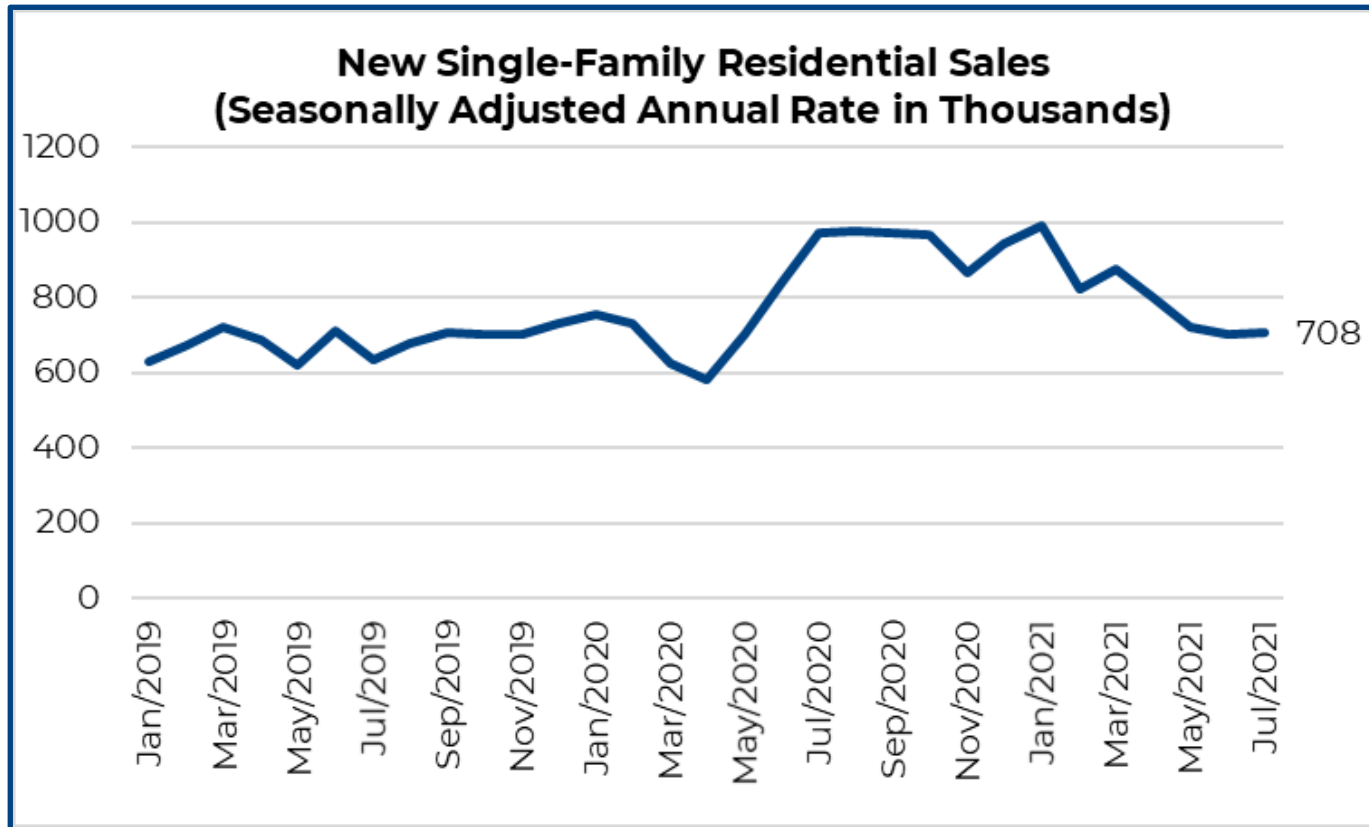
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## New Single-family Home Sales Increase 1% in July; Median New Homes Sales Price Increase 18%

Sales of single-family home also climbed back up 1% in July to a seasonally adjusted annual rate of 708,000. However, sales are down 17% from one year ago.

The median sales price of new single-family homes rose 18% from one year ago, to \$390,500.

New home sales are likely to continue to increase in the next months due to an uptick in inventory that is equivalent to 6.2 months of monthly demand, from 4.2 months in June.



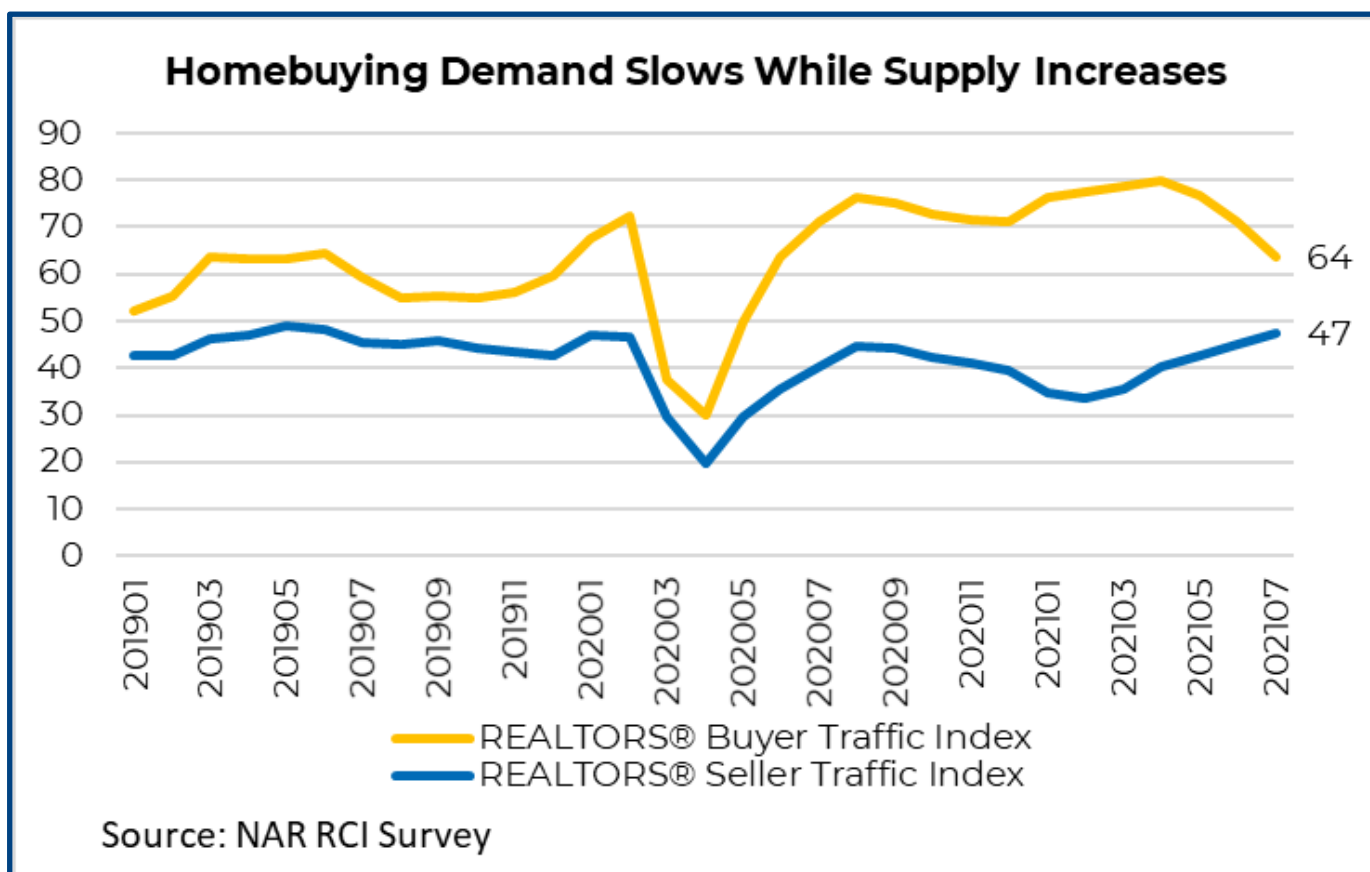
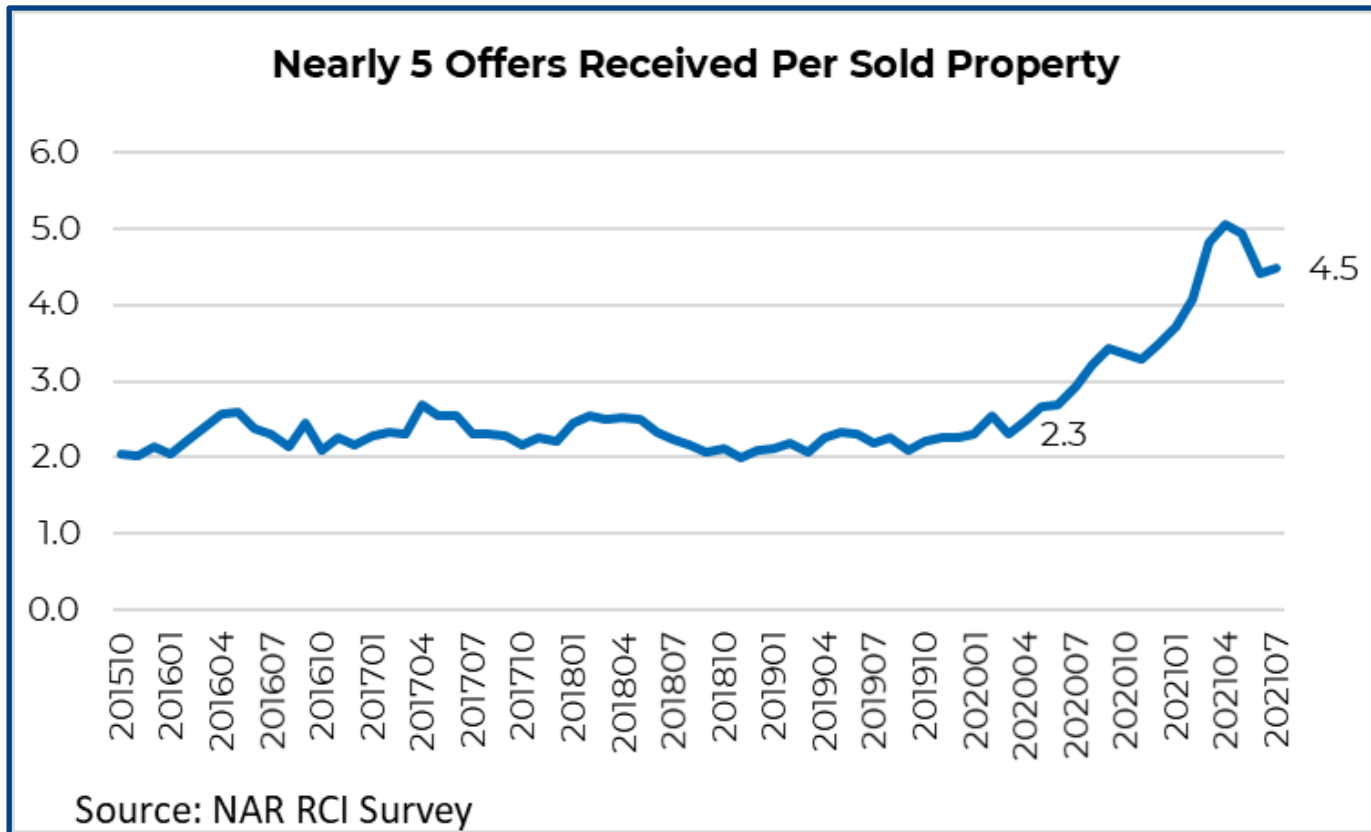
# Weekly Real Estate Monitor

## Homebuying Demand is Slowing

The average number of offers received per sold property decreased to 4.5, down from a peak of 5.1 in April.

The average number of clients taken on a home tour during the month decreased to 4.4, down from 5.1 in April.

The REALTORS® Buyer Traffic Index decreased to 64 from 80 in April. Demand is still broadly stronger compared to one year ago (index is greater than 50) but a lower index in July from April shows demand is easing.



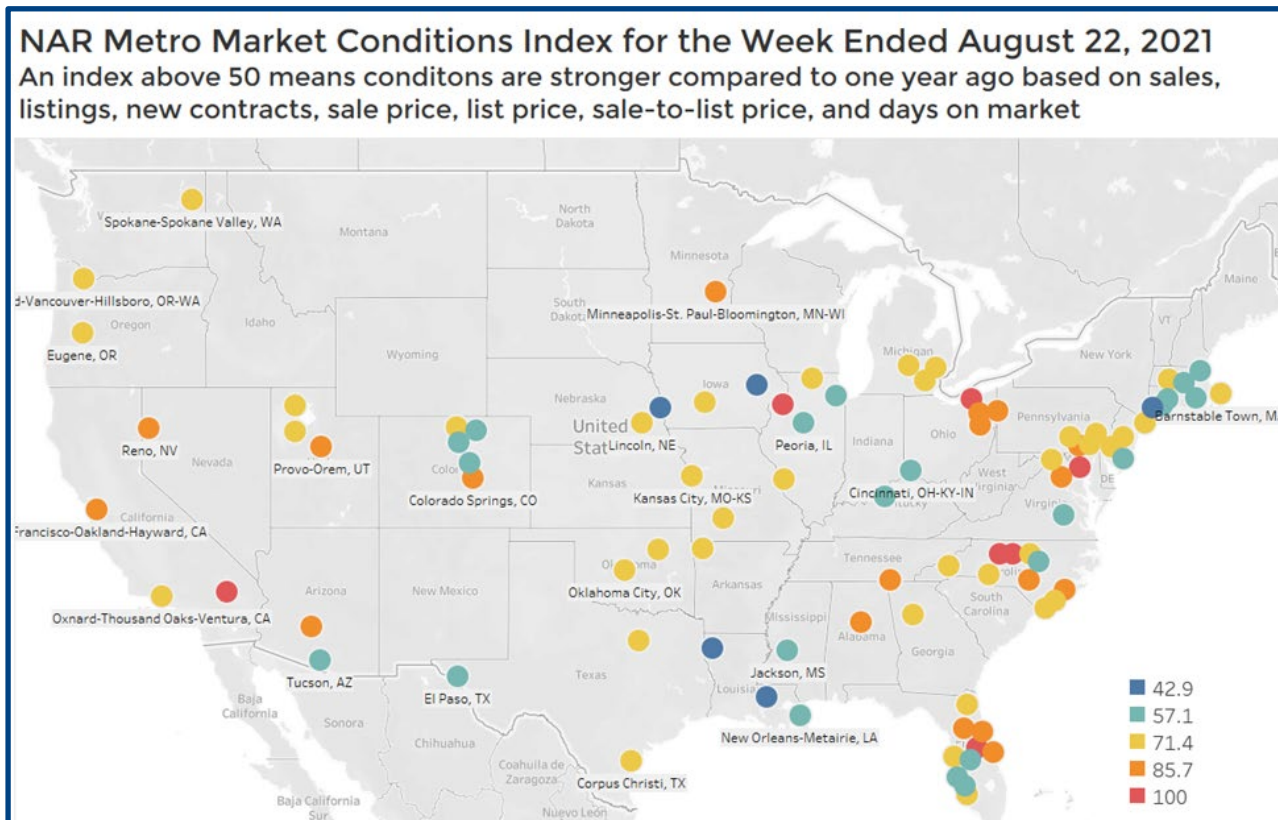
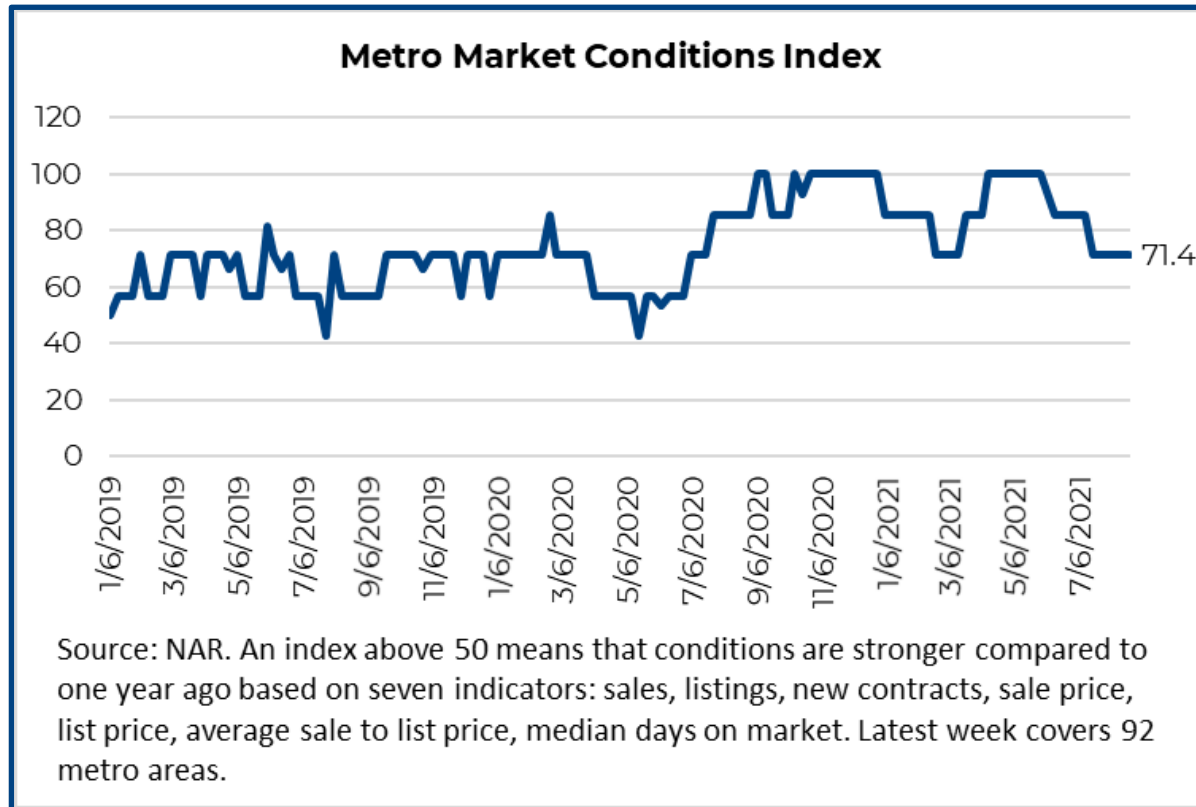


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## Metro Market Conditions Index Indicates Slowing Demand in 92 Tracked Markets

NAR's Metro Market Conditions Index decreased to 71.4 during the week ended August 22. While the index indicates that metro market condition in 92 markets tracked by this index shows demand is still strong from one year ago (index is over 50), the index is down from 100 in May 2021. \*

While demand is slowing, 95% of 92 metro areas are still showing stronger conditions compared to one year ago except Omaha, Nebraska; Cedar Rapids, Iowa; Baton Rouge, Louisiana; Shreveport Louisiana; and Bridgeport, Connecticut (blue areas on the map).



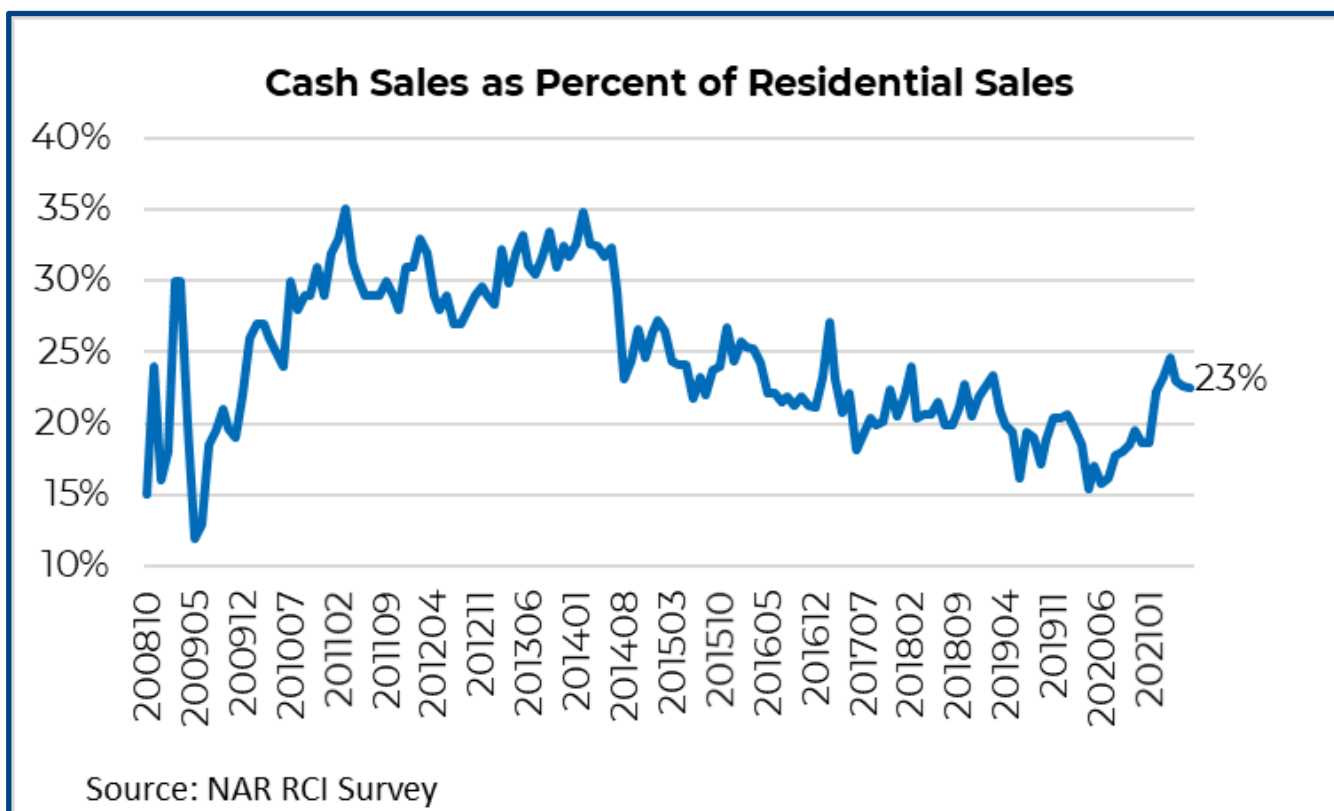
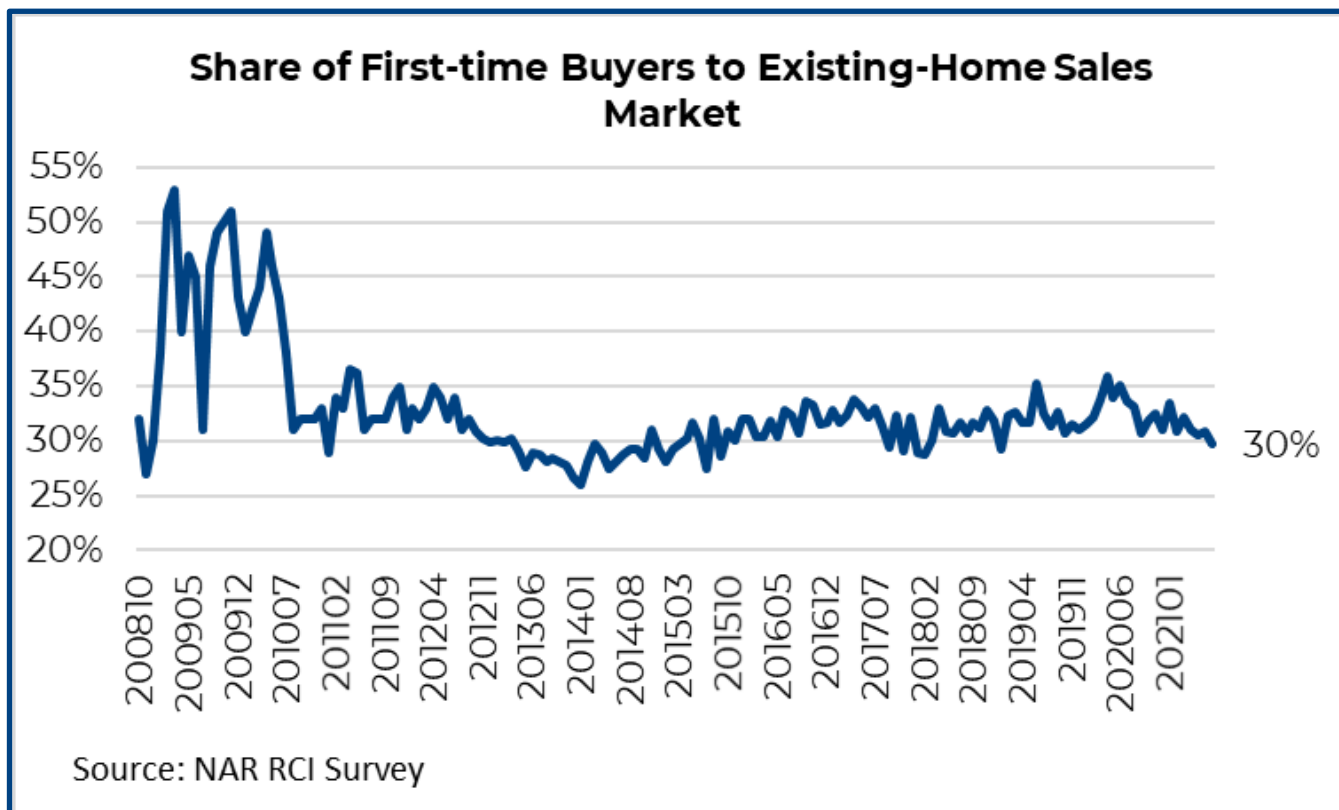
\* The diffusion index provides an aggregate measure based on 7 indicators: sales, listings, new contracts, sale price, list price, average sale to list price, median days on market. Each indicator is coded 100= +y/y change; 50= no y/y change; 0= y/y decline) except for days on market where a decline is given a value of 100. The average is then calculated and an index above 50 means conditions are broadly stronger compared to one year ago.

# Weekly Real Estate Monitor

## First-time Buyer Share Trends Down to 30% as All-Cash Buyers Rise to 23%

The share of first-time buyers purchases to the total market decreased to 30% in July from 34% one year ago and 31% in the prior month. The lack of supply of homes, especially at the lower end of the market, higher down payment, and tougher competition from all-cash buyers have made a home purchase more difficult for first-time buyers.

All-cash sales accounted for 23% of transactions in July, up from 16% in July 2020. Some iBuyers and fin-tech companies provide cash financing for buyers to make an all-cash offer or who make an all-cash offer for the buyer and hold the property until the buyer gets mortgage financing. [Read more here.](#)



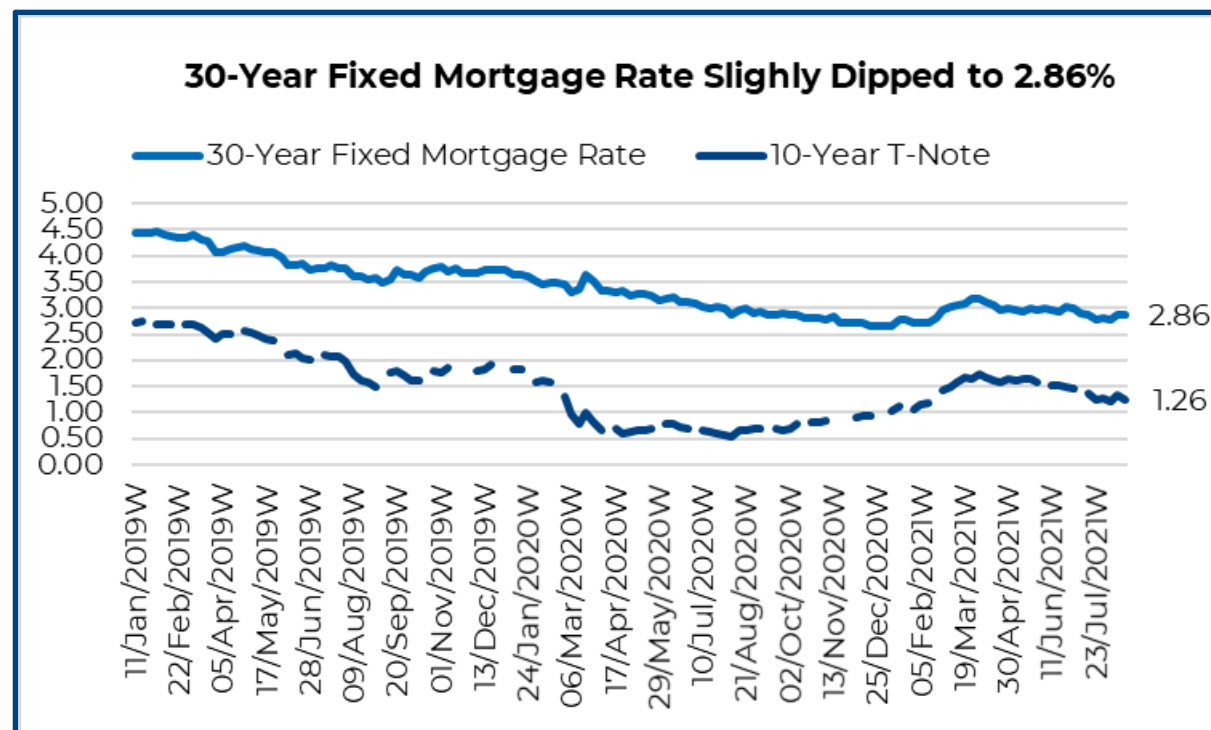
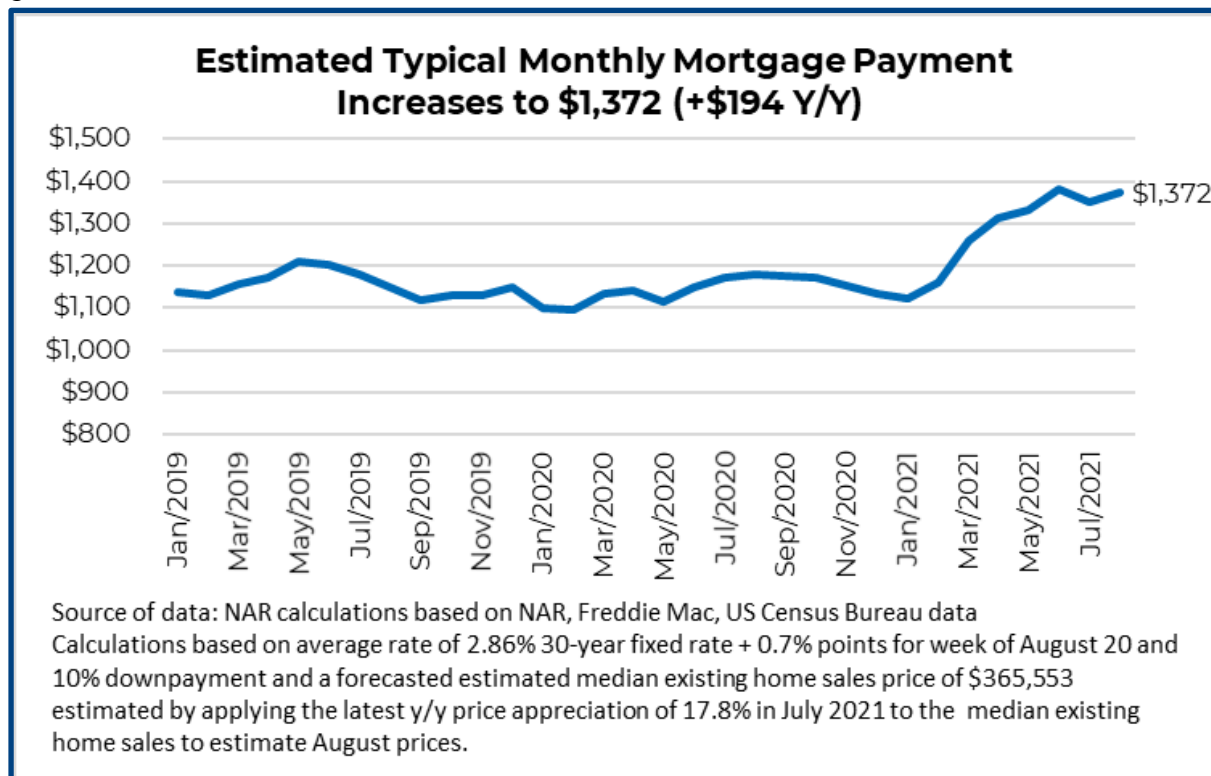
# Weekly Real Estate Monitor

## Monthly Mortgage Payment Increases \$194 from One Year Ago as the 30-Year Fixed Mortgage Rate Slightly Falls to 2.86%

The 30-year fixed mortgage rate slightly inched down again to 2.86% during the week of August 20 following the decline in the 10-year T-note to 1.26%, a bellwether of mortgage rates. The price of Treasury notes rose (so the rate fell) on concerns about the economic impact of the surge in Delta-variant cases.

With home prices up 18% from one year ago, the estimated monthly mortgage payment on a typical home as of the week of August 20 rose to \$1,372, up \$194/month from one year ago, making a home purchase less affordable. In June, NAR's Housing Affordability Index fell to 146.3.

Chief Economist Lawrence Yun expects the 30-year fixed mortgage rate to increase to 3.3% by the 4th quarter of 2021 and to average 3.6% in 2022 with inflation hitting 5.4% in June and July.





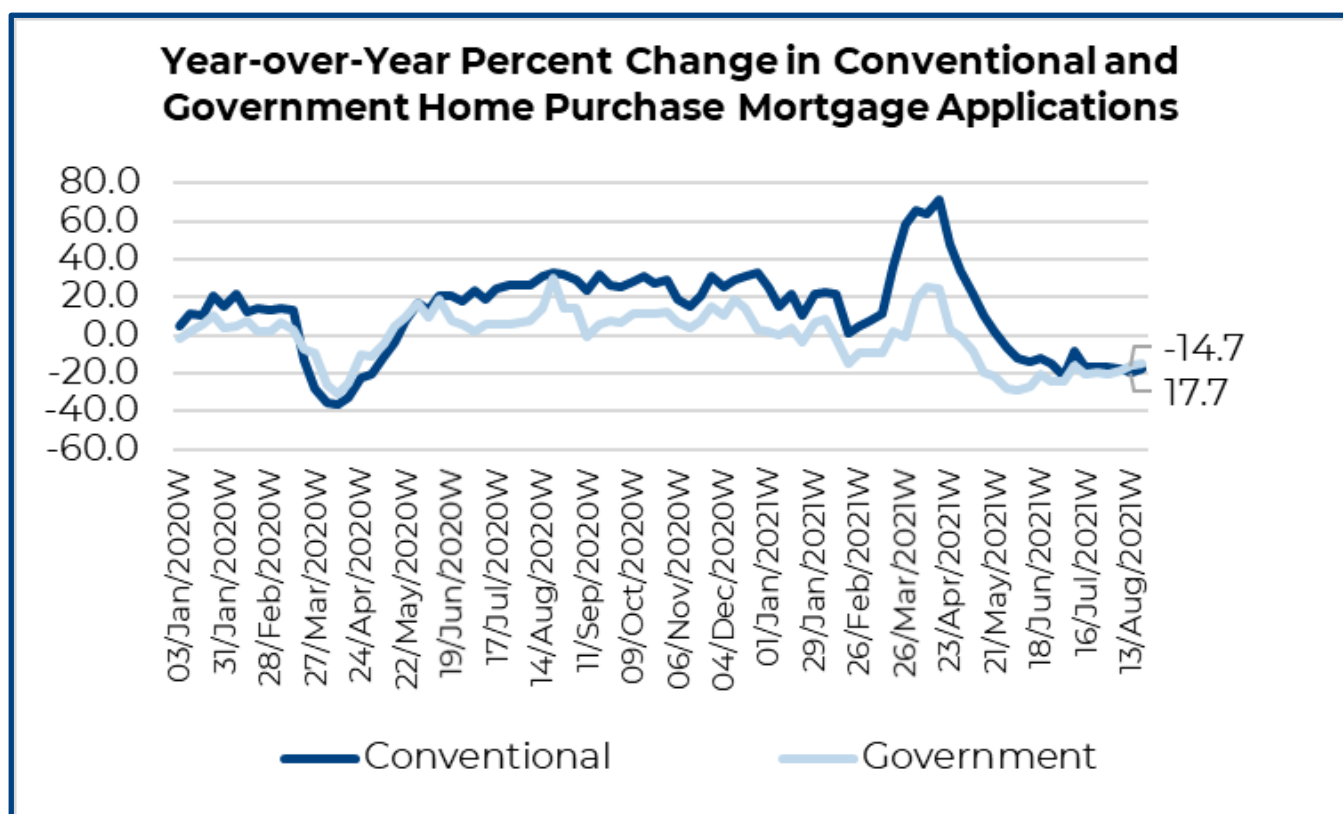
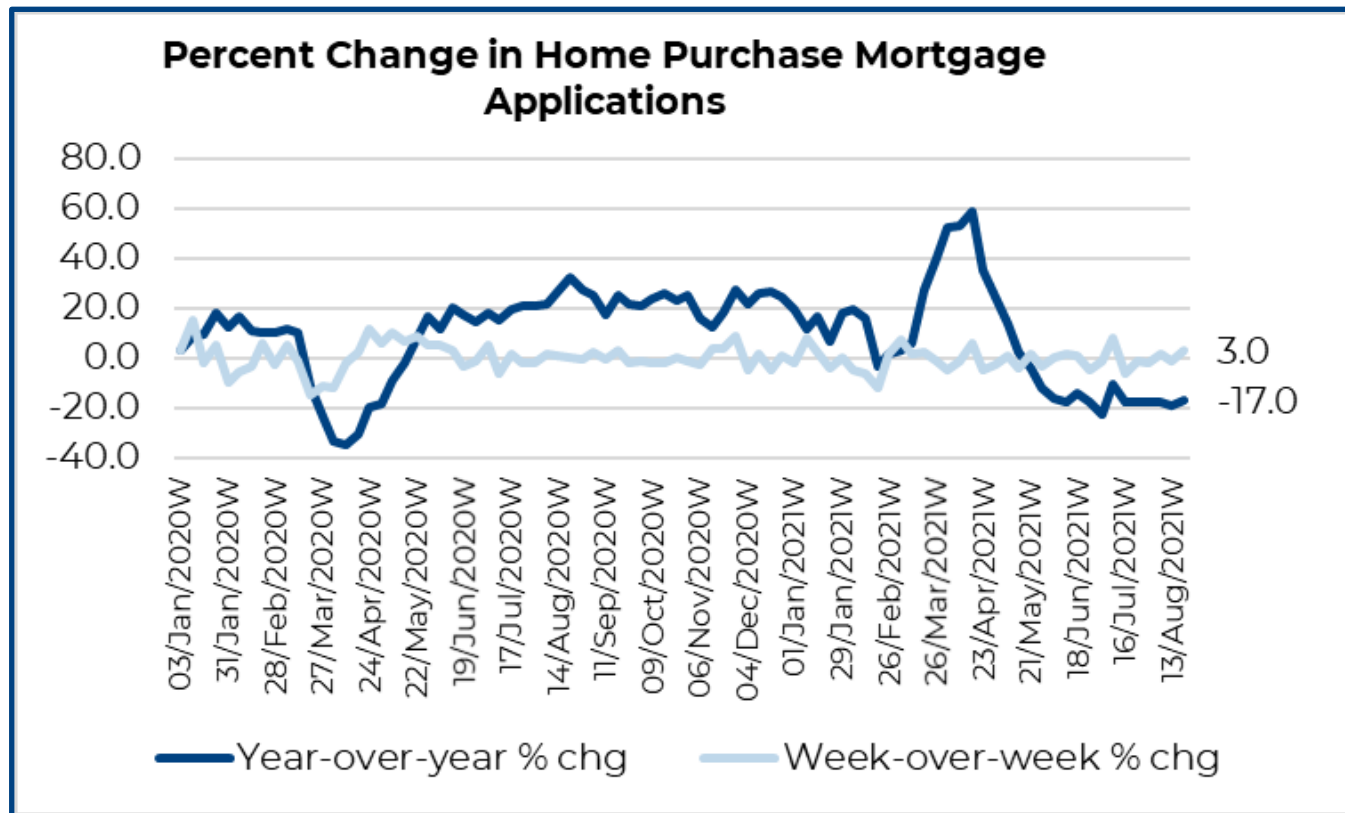
# Weekly Real Estate Monitor

## Weekly Mortgage Applications Increase 3% from the Prior Week

Mortgage purchase applications have been volatile, but applications for a home purchase rose 3% from the prior week, but applications are down 17% from one year ago, according to the MBA's Weekly Mortgage Applications Survey.

Both government-insured (FHA, VA, USDA) and conventional (includes Fannie Mae/Freddie Mac) home purchase loan applications rose from the prior week, but applications are down from one year ago.

Refinancing applications increased 0.9% from the prior week and 2.9% from one year ago. Mortgage rates have hovered at the low 3% since 2020 so most higher rate mortgages have likely been refinanced already.



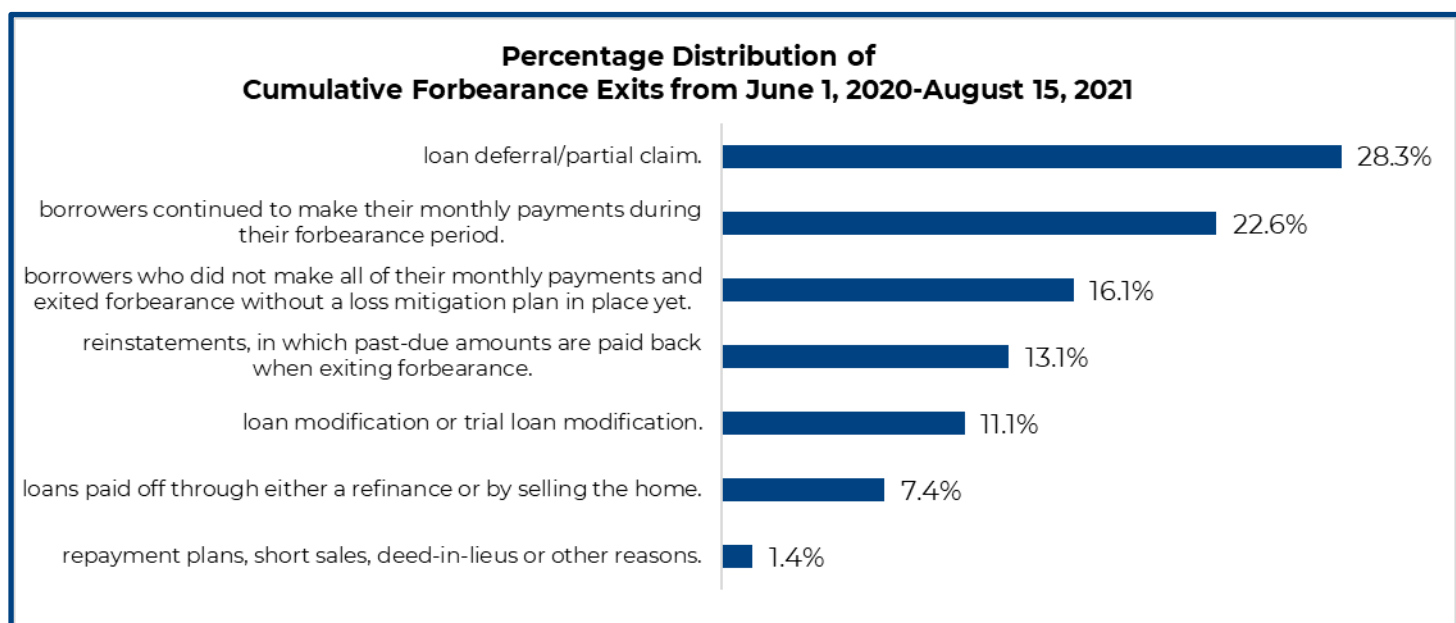
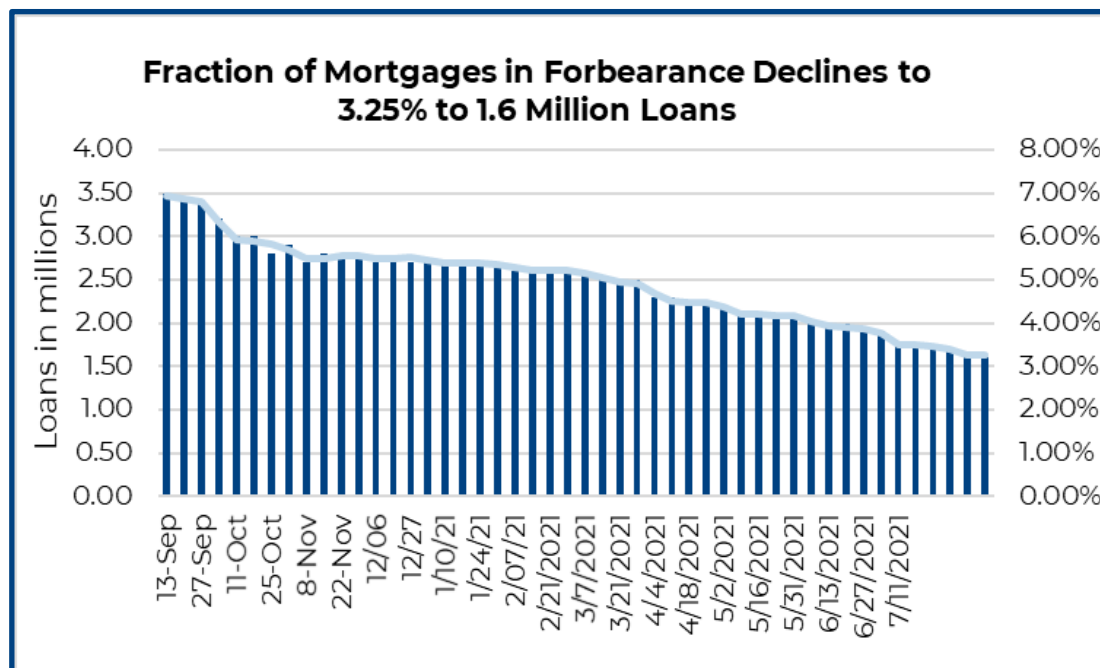
# Weekly Real Estate Monitor

## Fraction of Loans in Forbearance Declines to 3.25%

The fraction of loans in forbearance continued to trend downwards to 3.25% of total mortgages. The number of borrowers with loan forbearance stands at 1.6 million, according to the MBA.

Most distressed borrowers are working out payment options with lenders to keep their homes, with 75.1% of homeowners in forbearance having a loss mitigation plan. Of the homeowners who exited forbearance during June 1, 2020—August 15, 2021, 7.4% exited forbearance by refinancing their home or selling their home and 1.4% ended in a short sale or deed-in-lieu (and other reasons). With an average of 2.5 million loans in forbearance during September 2020—August 15, 2021, that has added 182,00 homes for sale during this 12-month period.

However, 16.1% of borrowers have exited forbearance without a loss mitigation in place, which can put these borrowers in distress later. With an average of 2.5 million loans in forbearance during September 2020—August 15, 2021, that yields about nearly 400,000 borrowers who exited without a loss mitigation plan. This is equivalent to only about 1 month of the current pace of existing-home sales (483,333) and should not cause a decline in home prices.



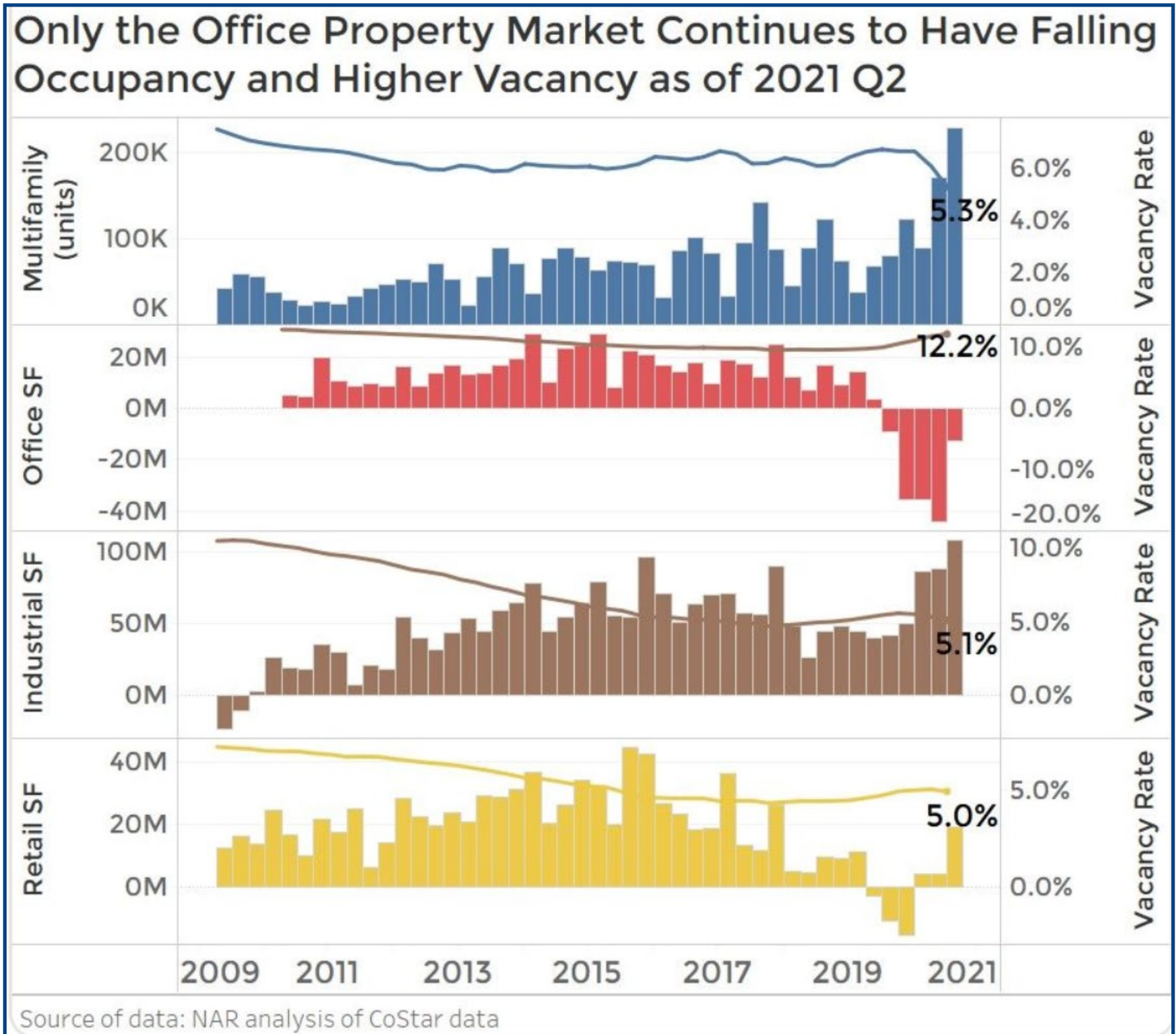
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## Mid-size Metros Show Stronger Commercial Market Conditions as of 2021 Q2

As of the second quarter of 2021, the largest metro areas (with populations of at least 2 million) are experiencing tougher commercial market conditions compared to smaller markets.

The office market continues to see rising vacancy rates, while vacancy rates are trending below pre-pandemic levels in the multifamily, industrial, and retail markets, according to NAR's analysis of 390 markets.

[Read the full report here.](#)





# Weekly Real Estate Monitor

## 2021 January – June Migration Trends Report

Do you want to know where people move a year into the pandemic? In this report, the National Association of REALTORS® analyzed the latest migration trends. Here are some highlights:

During the first half of the year:

- fewer people moved compared to a year earlier. As millions of Americans are already vaccinated, people are no longer rushing to relocate. Nevertheless, a year earlier, people “panic-moved,” leaving their homes due to the pandemic.
- people continue to move away from urban centers while small towns and rural areas attract even more movers. The share of inbound moves for urban areas was 48.5% - indicating migration losses - compared to 54.6% for rural areas – migration gains.
- when people don’t move to more affordable areas, they choose to move to a home near the ocean or with a nice mountain view. Barnstable Town, MA (63%) and Portland, ME (56%) were the top areas with the most migration gains, although homes are more expensive than the national median.
- families moved to small cities. Nearly 30% of the inbound moves in small towns and micropolitan areas were made by families, compared to 24% of the moves in metropolitan areas. Rural areas are also attracting families as the share of inbound moves rose to 22.8% from 22.0% a year earlier.
- individuals moved to urban centers. Seventy percent of movers in urban centers were individuals. Fewer individuals moved to a smaller city compared to a year earlier.
- businesses moved away from urban centers following the urban–rural migration trend. The share of inbound moves for businesses was 47% in urban centers compared to 65% in small towns and rural areas.



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