Weekly Housing Market Monitor

2020 Member Safety Report

- 23% of REALTORS® experienced a situation that made them fear for their personal safety or safety of their personal information.
- REALTORS® reported feeling unsafe during open houses and showings (31%).
- 5% of REALTORS® said they had been a victim of a crime while working as a real estate professional.
- REALTORS® were likely to encounter crimes after receiving a threatening or inappropriate email, text message, phone call, or voicemail (35%) or during an open house (17%).
- 49% of members choose to carry self-defense weapons.
- 58% of members use a smartphone safety app to track whereabouts and alert colleagues in case of an emergency.

Situation in Which REALTOR® Feared for Their Personal Safety

- During an open house: 31%
- During a showing: 31%
- While meeting a new client for the first time at a secluded location/property: 27%
- After receiving a threatening or inappropriate email, text message, phone call, or voicemail: 27%
- Other: 23%
- While meeting a new client for the first time in a public place: 8%
- While driving a client in your car: 3%

Read the full report here.
New Contract Signings Rose Nearly 20% from a Year Ago in the Past Four Weeks*

Contract signings (pending sales) during the past four weeks ended August 30 were up 20% from one year ago.

![Chart showing new contracts and new listings]

More people are also listing homes, with new listings now at 9% year-over-year.

As listings continue to also recover, there were 9 new pending contracts for every 10 new listings in the past four weeks ended August 23, a little less than the 9.9 ratio in the past four weeks through July 5.

![Chart showing 9 new contracts per 10 new listings]

This indicates that supply conditions have improved somewhat in August, which should be temper the rise in prices.

* Preliminary data based on a limited number of MLS
Properties were typically on the market for 17 days at 98% of the list price.

Properties sold more quickly in the past four weeks ended August 30, with the median days on market falling to 17 days, compared to 38 days in the past four weeks ended April 4.

On average, properties also sold at 98% of the list price in the past four weeks ended August 30, compared to 96% in the past four weeks ended April 4.
Based on preliminary information of sales transactions during the four weeks ended August 30, the median existing homes sales prices in 40 areas were up at over 5% in except in St. Louis Missouri (NAR releases the official price figures on a quarterly basis).
Mortgage Applications Up 33% Year-over-Year *

The 30-year fixed mortgage rate decreased to 2.91% in the week of August 28 (2.99% week of August 21), but are about 70 basis points from one year ago (3.58%).

Given the low mortgage rate, purchase applications surged to 33% from one year ago during the week ended August 21. Mortgage purchase applications have been trending above last year’s levels since mid-May.

* This calculation is for analytical purpose and is intended to show broadly how mortgage payments are changing relative to rent. Consult your lender for an estimate of your mortgage payment that will depend on other factors such as income, debt, downpayment, and credit score.
Mortgage rates are expected to remain low for quite some time, as the Federal Open Market Committee reiterated on August 27 its long-run policy of anchoring monetary policy to achieving a long-run inflation of 2%. In July, inflation stood at 1%. Inflation has weakened since February (2.3%) as the unemployment rate has increased to 10.2% as of July since February (3.5%).

As of the week ended August 28, the monthly mortgage payment on a single-family home with a median sales price of $307,800 financed with a 30-year fixed rate mortgage at 20% down payment was $1,034, which is slightly below the estimated median rent of $1,037.

Calculations based on average rate of 2.91% 30-year fixed rate + 0.8% points as of August 28 at $307,800 median price of single-family home (July), 20% downpayment; August median rent is estimated by applying mm CPI-Shelter inflation to US Census Bureau median rent for June of $1,003

* This calculation is for analytical purpose and is intended to show broadly how mortgage payments are changing relative to rent. Consult your lender for an estimate of your mortgage payment that will depend on other factors such as income, debt, downpayment, and credit score.
Low Mortgage Rates Make Homeownership Affordable Compared to Renting

In 40 of 242 cities (17%), the monthly mortgage payment is less than the median rent as of July 2020

Median rent is from ApartmentList.com; mortgage payment is based on a 30-year loan with mortgage rate based on Freddie Mac’s 30-year fixed contract rate, a 20% downpayment, and a home purchased at the median existing home sales price as of July 2020.
New residential construction spending measured at a seasonally adjusted annual rate increased in July after three months of continuous decline, a plus factor for housing supply. Spending for single and multifamily housing rose 0.6% on a month-over-month basis, with stronger pickup in multi-family (4.9%) compared to single-family (3.1%).

However, the level of construction spending is still 2% below last year’s level. New residential construction, measured in units, rose 1.496 million in July.

In contrast, the value of construction put in place for lodging, office, and other commercial buildings continued to decline in July. Construction is down 5% from one year ago due to the decline in construction for lodging (-13%) and office (-9%).

However, construction of buildings for commercial uses rose 2% due to the increase in construction for warehouses (+20%).
Top 1% Work from Home Counties

In 2018, 8M workers 16 years old or over (5.3% of workers), worked at home. The pandemic period has shown that workers can work at home productively, so is likely to become part of the work culture.

NAR estimated a Work from Home Score for 3,142 counties based on the current fraction of workers already working from home, internet connectivity, the fraction of workers in office-using industries, home affordability, level of urbanization, and the overall attractiveness of a county that is captured by its population growth from 2014 through 2019.

Why use the NAR Work from Home Score? County governments may use the score as a competitiveness indicator, attracting companies in technology, finance, or management. Companies can also use the measure to assess their remote work policy. Finally, a prospective homebuyer can use the score as a first-step indicator to identify counties that offer supportive conditions for working from home.

Top Work from Home Counties

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<thead>
<tr>
<th>Work from Home Score</th>
<th>County, State</th>
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<tbody>
<tr>
<td>1.9</td>
<td>Forsyth County, Georgia</td>
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<td>1.7</td>
<td>Douglas County, Colorado</td>
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<td>Los Alamos County, New Mexico</td>
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<td>Collin County, Texas</td>
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<td>Loudoun County, Virginia</td>
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<td>Williamson County, Tennessee</td>
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<td>Delaware County, Ohio</td>
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<td>Broomfield County, Colorado</td>
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<td>Cobb County, Georgia</td>
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<td>Falls Church city, Virginia</td>
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<td>Mecklenburg County, North Carolina</td>
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<td>Carver County, Minnesota</td>
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<td>Lincoln County, South Dakota</td>
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<td>Boulder County, Colorado</td>
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<td>1.1</td>
<td>Fairfax County, Virginia</td>
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Read the full report here.
1.6 Million More Past Due Mortgages in the Second Quarter Compared to the First Quarter

As 20 million people lost employment in the second quarter, the number of mortgages at least 30 days past due rose to 3.1 million in the second quarter from 1.53 million in the first quarter, or a net increase of 1.6 million past due mortgages, according to data from the Mortgage Bankers Association.

Sustained job recovery should help control any sustained rise in past due loans. Compared to April, civilian employment had increased by 10.1 million as of July (see State Employment Monitor).

Loans in forbearance are not forgiven so Realtors® and associations need to educate homeowners to seek forbearance if necessary and work out repayment options through a repayment plan, deferral, or a loan modification so that the monthly mortgage payments are not burdensome to repay.

* Under the CARES Act, the lender or loan servicer may not foreclose on the homeowner until at least December 31, 2020, and the homeowner has the right to request and obtain a forbearance for up to 180 days and to request and obtain an extension for up to another 180 days (for a total of up to 360 days). CFPB,
Small businesses are starting to open, with nearly 80% open as of July 31

Small businesses in restaurants, food and beverage, retail, and services are about 80% open compared to the number of businesses opened in January, based on a time scheduling application (Homebase) that is used by about 100,000 businesses.

New York, Massachusetts, Washington, DC, Hawaii, California are the states with 25% or more less businesses open in July compared to January.

Only South Dakota had more businesses opened compared to the level in January.
Weekly Housing Market Monitor

Mobility Slightly Improved

States continue to balance allowing businesses and place of recreation to open safely.

The level of mobility and engagement slightly improved during the week of August 15 to -38.2% below the pre-coronavirus level, from -45% below in the prior week, based on the Dallas Federal Reserve Mobility and Engagement Index.

Source: Dallas Fed Mobility and Engagement Index
Weekly Housing Market Monitor

Mobility Slightly Improved

With state governments continuing to take steps to prevent a resurgence of coronavirus cases and to open businesses safely, mobility remains lowest in California (-51%), Maryland (-50.8%), New Jersey (-49.8%), Washington, DC (-47%), and Texas (46.6%). Mobility is also low in Connecticut, Massachusetts, Delaware, Illinois, and Minnesota.
Public interest in open houses has decreased last week by 45% compared to a year earlier. However, there are more people searching for open houses compared to mid-April. At local level, interest remains strong in Montana, Connecticut, Montana and Wyoming.

For more information on recent trends in your metro area, see the **Local Market Reports**. NAR Research produces the Local Market Reports (LMRs) quarterly, which provide insights into the fundamentals and direction of the nation's largest metropolitan housing markets.
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