New Contract Signings Up 26% in the Past Four Weeks*

Contract signings during the past four weeks ending September 6 were up 26% from one year ago.

More people are also listing homes, with new listings now up by nearly 10% year-over-year.

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

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

* Preliminary data based on a limited number of MLS

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Weekly Housing Market Monitor

New Contracts in the Past Four Weeks Ended September 6 Up 26% from One Year Ago

9 New Contracts Per 10 New Listings in the Past Four Weeks Ended September 6
Properties were Typically on the Market for 16 Days at 98% of the List Price

Properties sold more quickly in the past four weeks ending September 6, with the median days on market falling to 16 days, compared to 25 days one year ago.

On average, properties also sold at 98% of the list price in the past four weeks ending September 6, compared to 96% in the past four weeks ending April 4.
Weekly Housing Market Monitor

Strong Price Growth in Many Metro Areas

Based on preliminary information of sales transactions during the four weeks ending September 6, the median existing homes sales prices in 40 areas tracked by NAR were up at over 5% in 37 metro areas. Prices rose year-over-year except in Ann Arbor, Michigan, and Reno, Nevada (NAR releases the official price figures on a quarterly basis).

Year-over-Year Percent Change in the Median Existing Home Sales Price in Past Four Weeks Ended September 6

- Tulsa, OK: 31%
- Bridgeport-Stamford-Norwalk, CT: 26%
- Atlantic City-Hammonton, NJ: 25%
- Omaha-Council Bluffs, NE-IA: 21%
- Cincinnati, OH-KY-IN: 20%
- Miami-Fort Lauderdale-West Palm Beach, FL: 17%
- Atlanta-Sandy Springs-Roswell, GA: 17%
- Kansas City, MO-KS: 16%
- Phoenix-Mesa-Scottsdale, AZ: 15%
- Spokane-Spokane Valley, WA: 15%
- Provo-Orem, UT: 15%
- Worcester, MA-CT: 15%
- Louisville/Jefferson County, KY-IN: 14%
- Colorado Springs, CO: 14%
- Denver-Aurora-Lakewood, CO: 14%
- Oklahoma City, OK: 13%
- Tampa-St. Petersburg-Clearwater, FL: 11%
- Riverside-San Bernardino-Ontario, CA: 11%
- Philadelphia-Camden-Wilmington, PA-NJ-DE-MD: 11%
- El Paso, TX: 11%
- Washington-Arlington-Alexandria, DC-VA-MD-WV: 11%
- Charlotte-Concord-Gastonia, NC-SC: 11%
- Myrtle Beach-Conway-North Myrtle Beach, SC-NC: 11%
- Baltimore-Columbia-Towson, MD: 11%
- Boston-Cambridge-Newton, MA-NH: 11%
- Pittsburgh, PA: 11%
- Orlando-Kissimmee-Sanford, FL: 10%
- Hartford-West Hartford-East Hartford, CT: 10%
- Chicago-Naperville-Elgin, IL-IN-WI: 10%
- North Port-Sarasota-Bradenton, FL: 10%
- Dallas-Fort Worth-Arlington, TX: 9%
- Minneapolis-St. Paul-Bloomington, MN-WI: 9%
- Raleigh, NC: 9%
- Salt Lake City, UT: 8%
- Jacksonville, FL: 8%
- Cleveland-Elyria, OH: 8%
- Portland-Vancouver-Hillsboro, OR-WA: 7%
- St. Louis, MO-IL: 4%
- Ann Arbor, MI: -3%
- Reno, NV: -4%
**Weekly Housing Market Monitor**

**Mortgage Applications Up 33% Year-over-Year * **

The 30-year fixed mortgage rate slightly rose to 2.93% in the week of September 4 (2.91% in the week of August 28), but are low by historical standards and about 60 basis points from one year ago (3.53%).

Given the low mortgage rate, purchase applications are up 28% from one year ago during the week ended August 28, though slightly lower than the 33% year-over-year increase in the past week. 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.
Weekly Housing Market Monitor

Mortgage Applications Up 33% Year-over-Year

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%), and inflation remains elevated at 8.4% in August relative to February 2020 (3.5%).

As of the week ending September 4, 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 $1,037, which is slightly below the estimated median rent of $1,040.

*Based on the price index for personal consumption expenditures.
Unemployment Rate Continues to Fall, Now at 8.4% in August

During August, 3.7 million workers 16 years old and above found employment (self-employment or on payroll), bringing the total number of 16 years old and over who found employment during May-August to 13.9 million, bringing down the unemployment rate to 8.4%.

Civilian Employment as of August 2020:
13.9 Million Workers During May-August with 11.5 Million Needed to Regain Employment

However, civilian employment is still short by 11.5 million compared to February 2020.

Of the 10.6 million payroll jobs created during May through August, 56% were in leisure and hospitality (arts, entertainment, recreation, food services, accommodation) and in retail trade.

These are also the industries that have shed the most jobs.

Sustained job growth is helping sustain the housing market recovery, and helping homeowners and renters make payments on mortgage and rent. The Mortgage Bankers Association reported that the share of mortgages with a forbearance request decreased for the eighth straight week to 7.44%.
Unemployment has been broad-based, declining across races and ethnicities since unemployment peaked in April.

However, relative to the unemployment rate in February, unemployment has increased the most among Asians (2.5% to 10.7%), then Blacks (5.8% to 13%), Hispanics (4.4% to 10.5%), with the least increase among whites (3.1% to 7.3%).

Unemployment has also declined among workers above 25 years old and across all levels of educational background after peaking in April.

However, relative to February, workers with less than a high school diploma saw the highest increase in unemployment rate (5.7% to 12.6%) while unemployment among college workers rose by a smaller rate (1.9% to 5.3%).
24% of Workers Teleworked as of August

The fraction of workers who are teleworking has been slowly trending down since May, according to the Bureau of Labor Statistics supplemental survey. In May, 35% of employed workers teleworked, but that has steadily declined to just 24.3% in August.

The trend continues to decline but where the figure will settle is still evolving. About 5% of workers worked from home prior to the coronavirus pandemic.

The size of the workforce that will work from home during all or parts of the week will impact the demand for office space and the office locations (CBD or suburban).

Download NAR’s 2020 Work from Home Counties report.
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.

Hawaii, New York, Massachusetts, Connecticut, Florida, Texas, and California are the states with 20% or more of businesses that are not open in August compared to January.
States continue to balance allowing businesses and places of recreation to open safely.

The level of mobility and engagement slightly improved during the week of August 29 to -36% below the pre-coronavirus level 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 the District of Columbia (-55%), Louisiana (-51%), Maryland (-50%), California (-49%), New Jersey (-48), and Texas (46%).
Public interest in open houses dropped 34% last week compared to a year earlier. However, interest for open houses has increased significantly since the beginning of April (120%). At local level, interest remains strong in North Dakota, Connecticut and Montana.

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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