

2021

Weekly Housing Market Monitor

June 21-24

National Association of REALTORS®
Research Group



**NATIONAL
ASSOCIATION OF
REALTORS®**

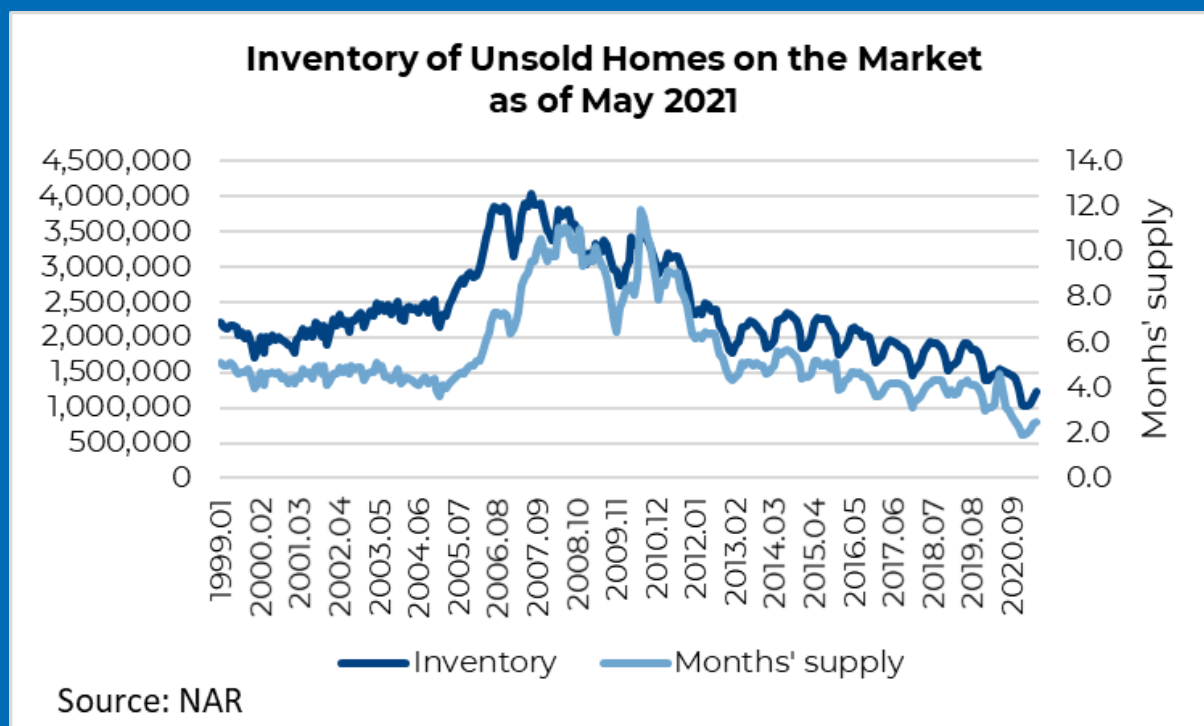
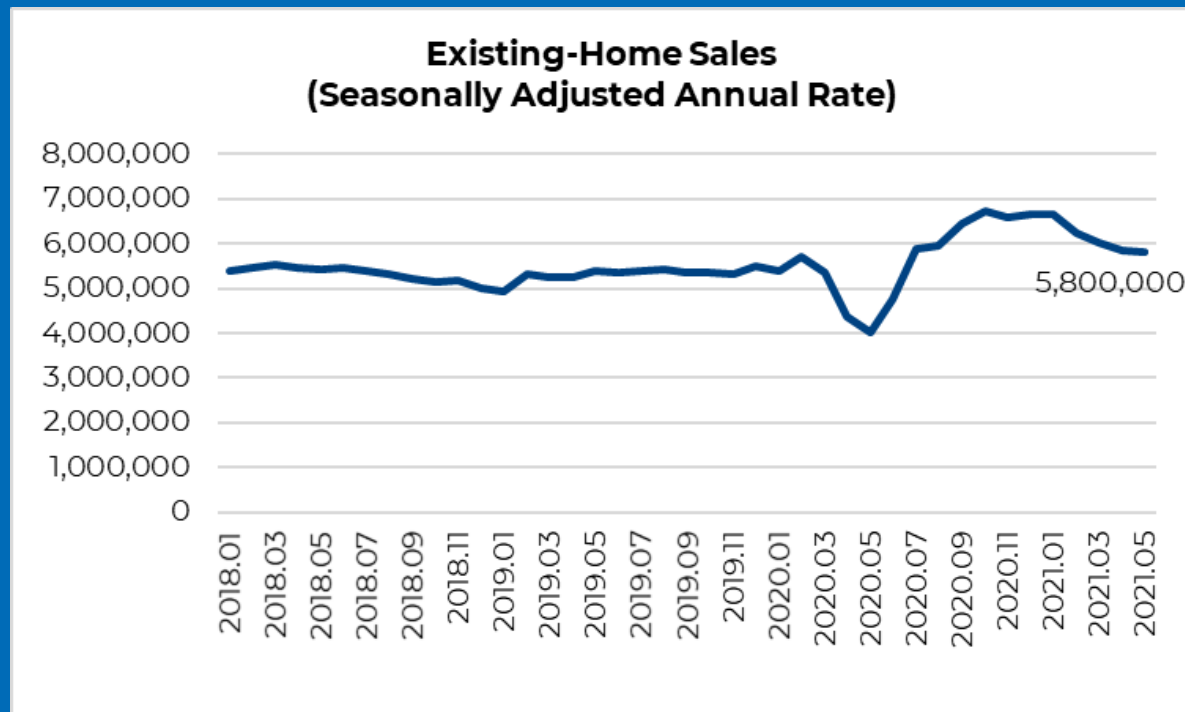
Weekly Housing Market Monitor

Existing-Home Sales Declined 0.9% with Inventory Still Down 20% from One Year Ago*

Existing-home sales continue to normalize after a surge in the second half of 2020. Existing-home sales decreased 0.9% in May 2021, the fourth month of decline, to a seasonally adjusted annual rate of 5.8 million. On a year-to-date basis, existing-home sales are up 24% year-over-year.

The number of homes for sale on the market is improving, albeit slowly. The inventory of unsold existing-homes as of the end of May 2021 stood at 1.23 million, up 7% from one year ago.

Supply is still woefully low, at 2.5 months of the current monthly pace of sales. Compared to one year ago, the inventory of unsold homes was lower by 20.6%.



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

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Median Existing-home Sales Price Rose at a Record Pace of 24%*

Amid tight inventory, the median existing-home sales price rose to \$350,300 as of May 2021, up 23.6% from one year ago, with the median single-family home sales price up 24.4% and the median condominium sales price up 21.5%, all record highs since 1969. **

The median prices rose at double-digits across all regions, led by the West (24.3%, \$505,600), followed by the South (22.6%, \$299,400), Midwest (18.1%, \$268,500), and the Northeast (17.1%, \$384,300).

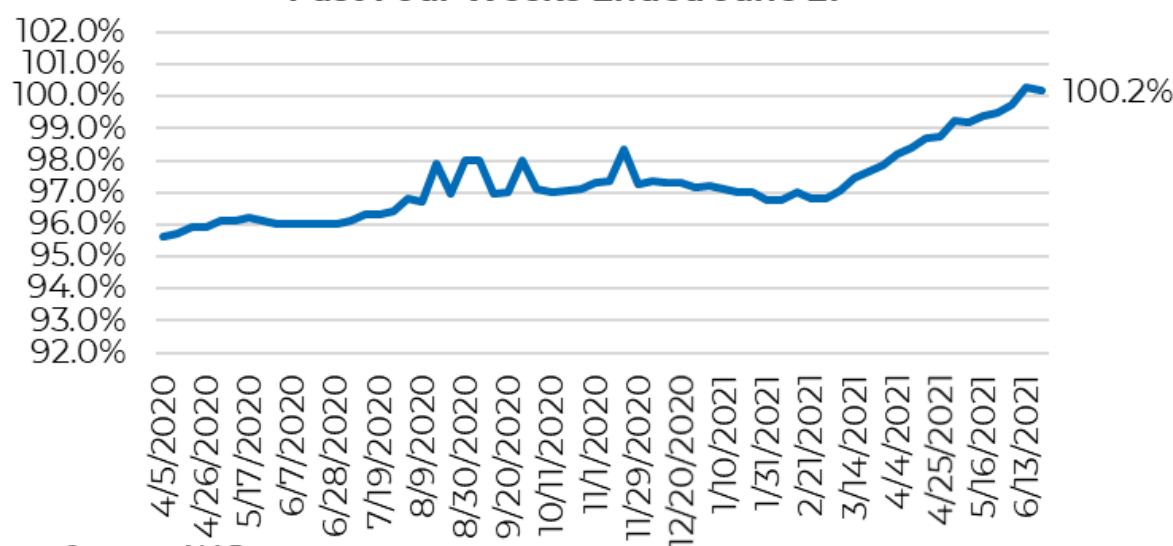
As of June 2021, the average sales prices are on average above the list price, with the average sale to list price ratio at 102%. REALTORS® reported that 54% of offers were above the list price.

Year-over-Year Percent Change in the Median Existing-Home Sales Price



Source: NAR

Sale to List Price Ratio in the Past Four Weeks Ended June 21



Source: NAR

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

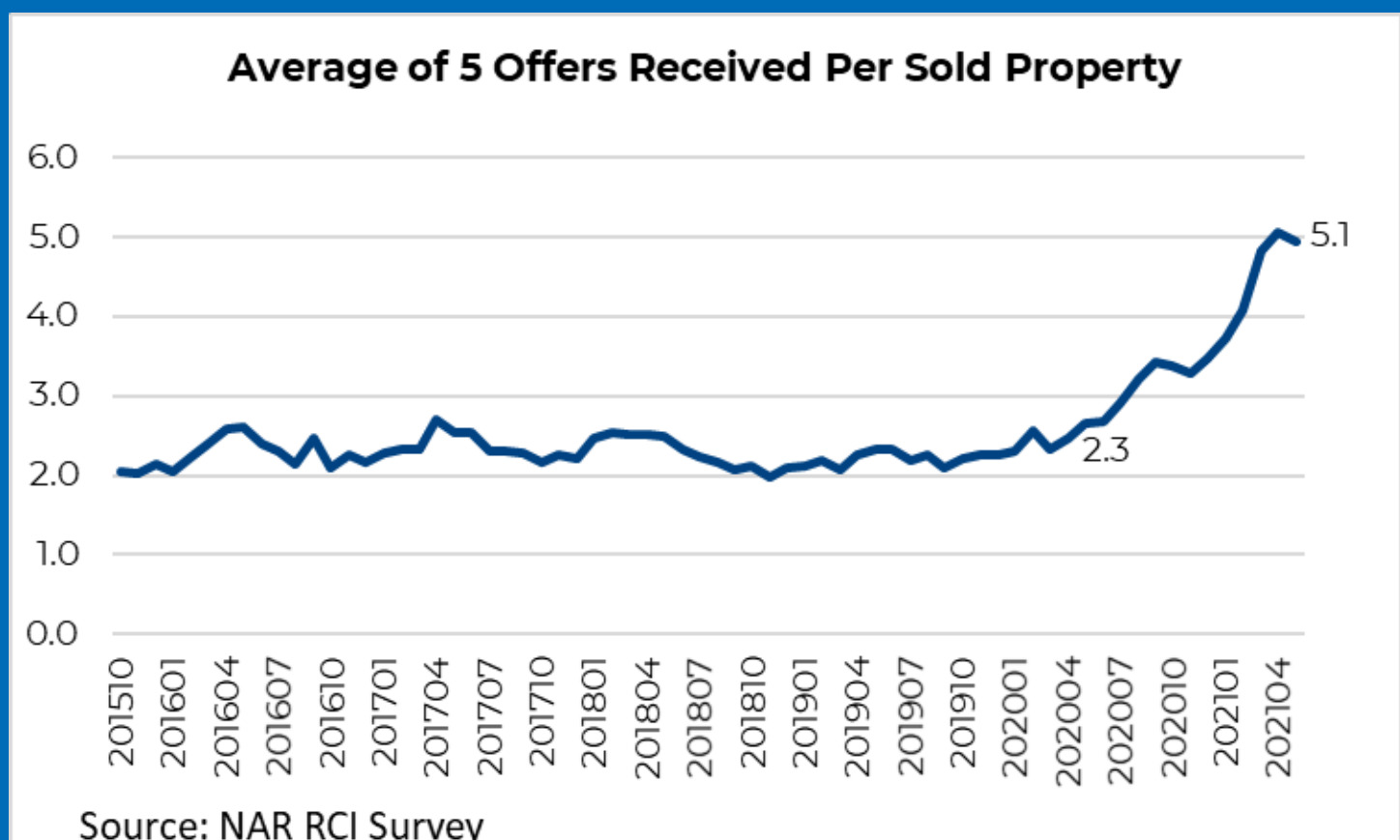
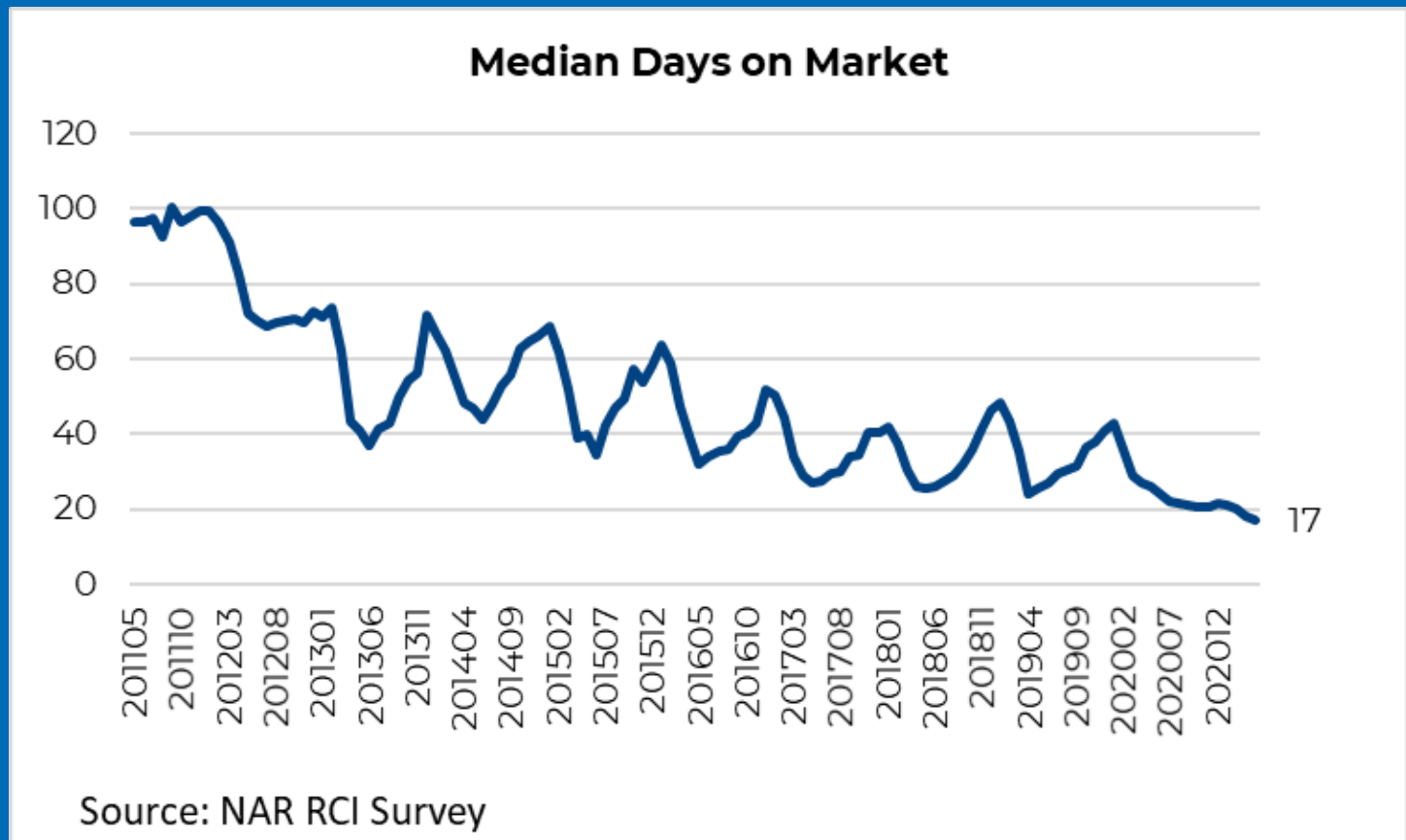
**NAR tracked single-family existing home sales since 1969 and total existing home sales (single-family and condominiums) since 1999. Single-family home sales account for 85% to 90% of sales.

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Properties Typically Sold in 17 Days, with an Average of 5 Offers on a Home that Sold in May 2021

In May 2021, properties typically stayed on the market for 17 days compared to 26 days one year ago, according to a survey of REALTORS® about their transactions during the month. [Download the REALTORS® Confidence Index Report.](#)

On average, a home that sold in May received 5 offers.



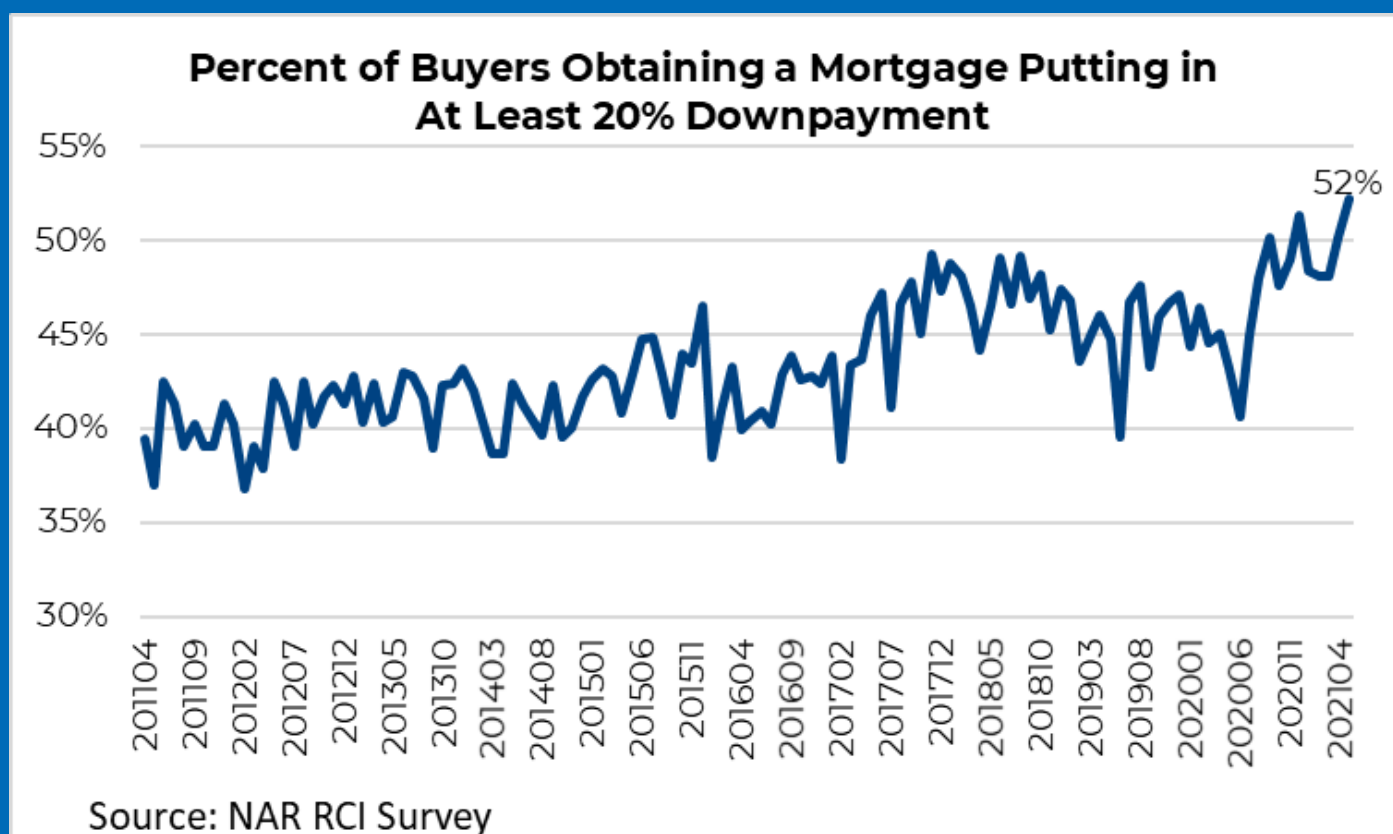
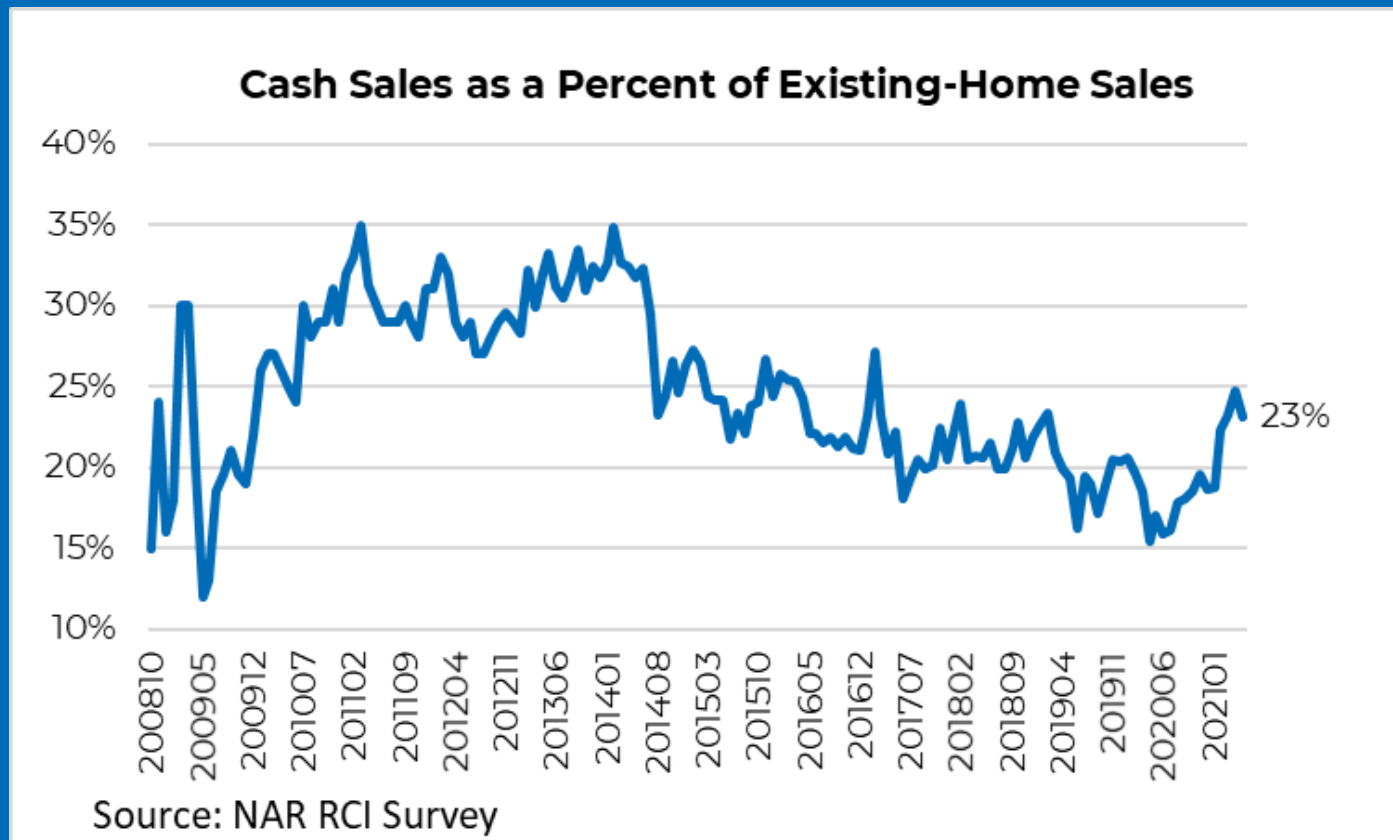
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Cash Buyer Share Rises to 23% in May 2021

Cash sale buyers accounted for 23% of existing-home buyers. One year ago, cash buyers accounted for 17% of sales.

Fifty-two percent of buyers obtaining a mortgage made a down payment of at least 20%.

Among buyers obtaining a mortgage, the share of government-insured loans (FHA, VA, USDA) declined to 23% in May 2021 from 31% one year ago.

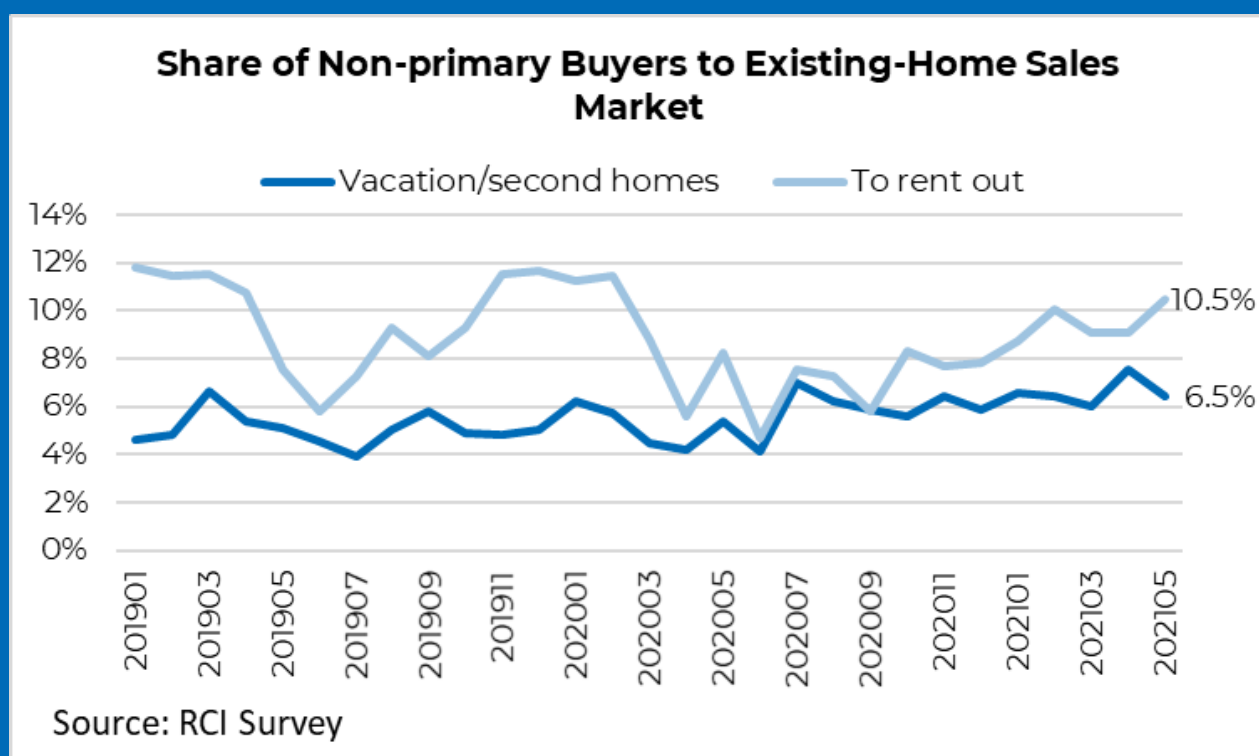
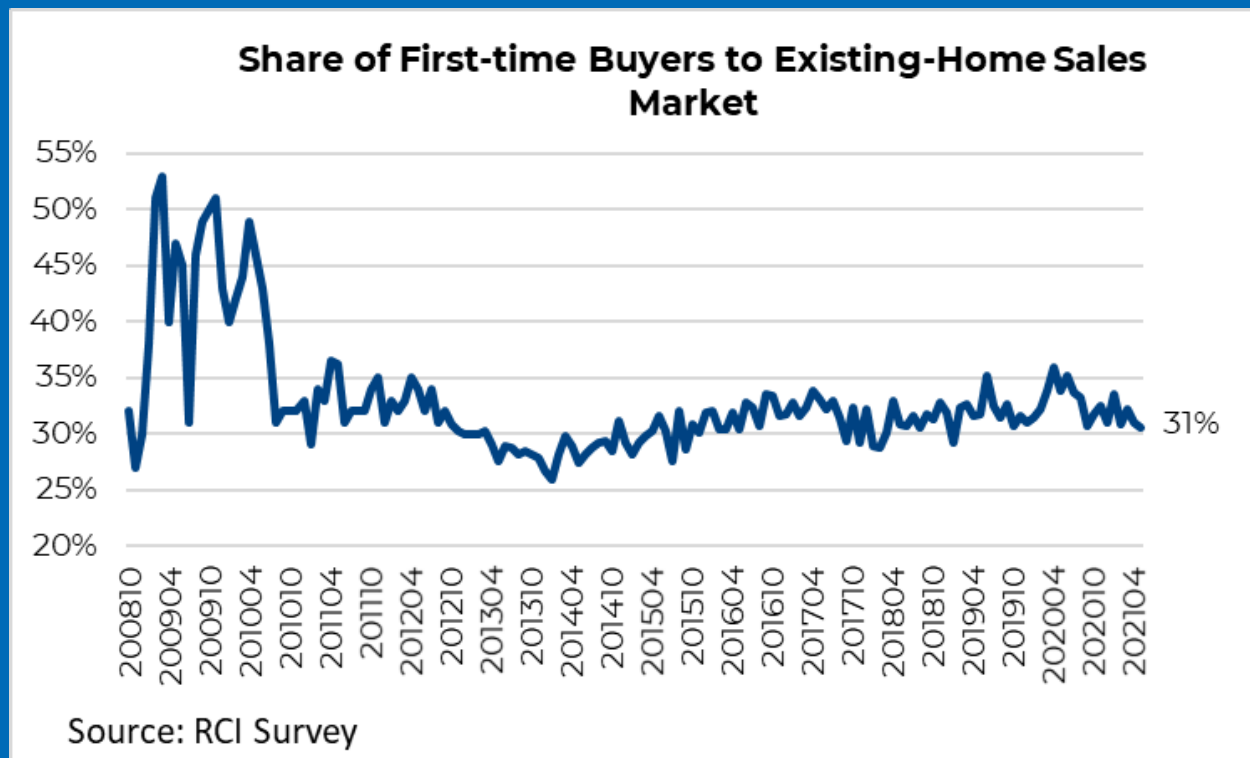


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First-time Buyer Share Decreases to 31% While Vacation Home Sales Share Up at 6.5%

First-time buyers made up 31% of the existing-home sales market, same as in April, but lower compared to 34% one year.

Sales of homes for non-primary residence use rose to 17% from 14% one year ago. Vacation home sales accounted for 6.5% while sales of homes to rent out rose to 10.5% in May 2021. Year-to-date, vacation home sales are up 60% year-over-year, outpacing the 24% gain in total existing home sales. Homebuyers are likely taking more interest in vacation home sales with the flexibility among white-collar workers to work from home. [Download NAR's recently released 2021 Vacation Home Counties Report.](#)



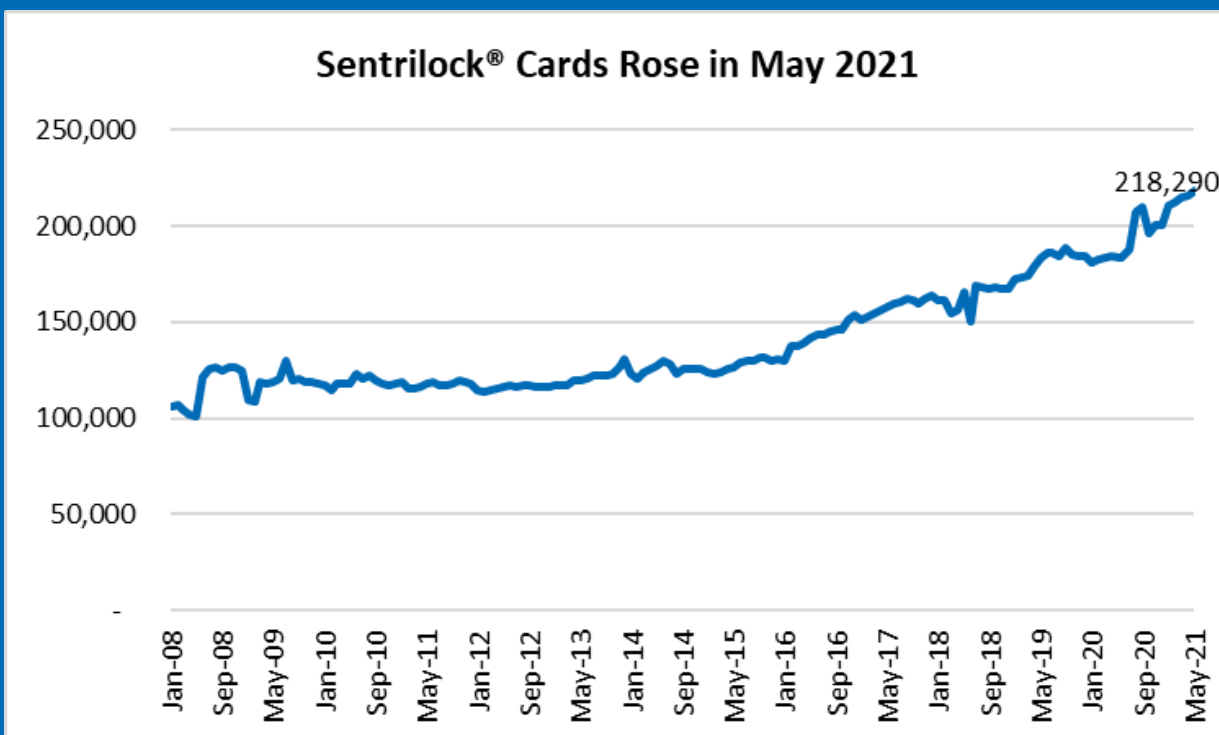
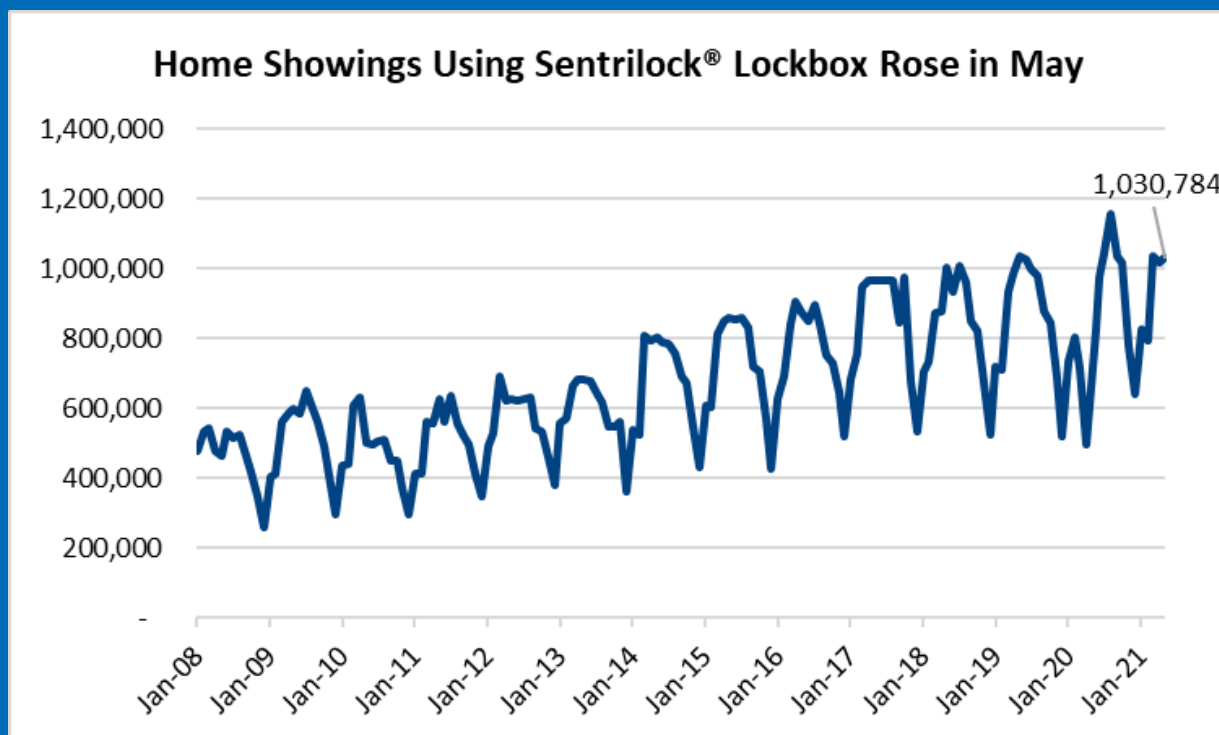
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Home Showings Up 24% in May

Home showings were up 24% year-over-year, according to data from SentiLock®, a lockbox company. Sentrilock® showings totaled 1.03 million for May, up from the 828,611 one year ago, but slightly down from 1.02 million from the prior month.

SentiLock® cards (SentiKey® and SentiCard®) allows REALTORS® to access the Sentrilock® lockbox and is an indicator of the number of REALTORS® who conduct the showing. Total U.S. SentiLock® cards rose 19% year-over-year to 218,290 and were up in all regions in May 2021 except in the Northeast: South (37%), West (23%), Midwest (5%) and Northeast (-1%).

[Read the full report here.](#)



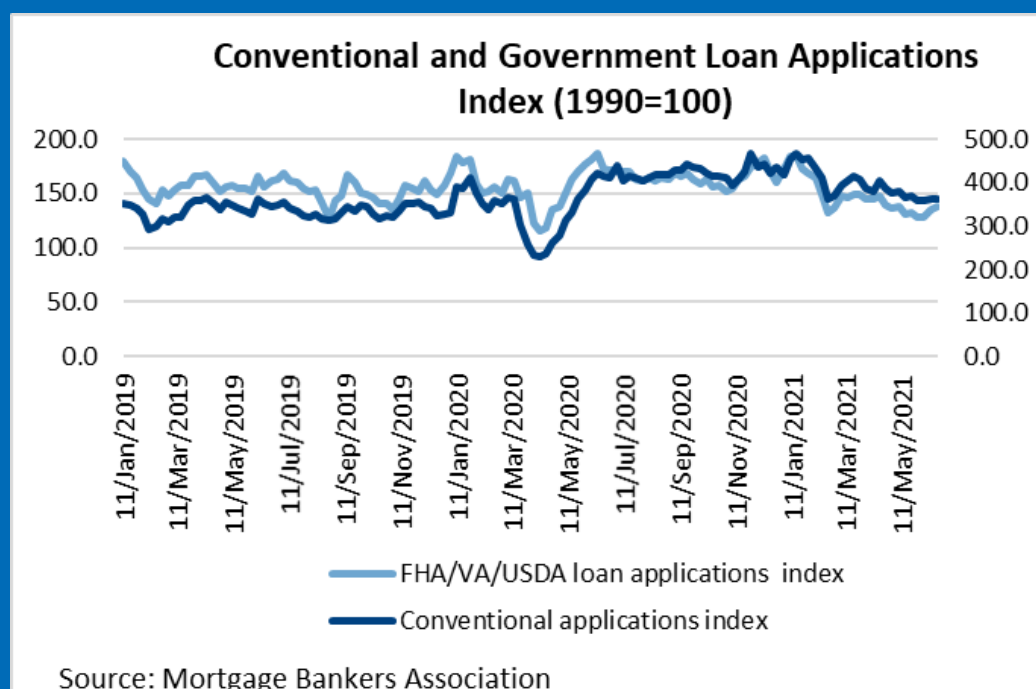
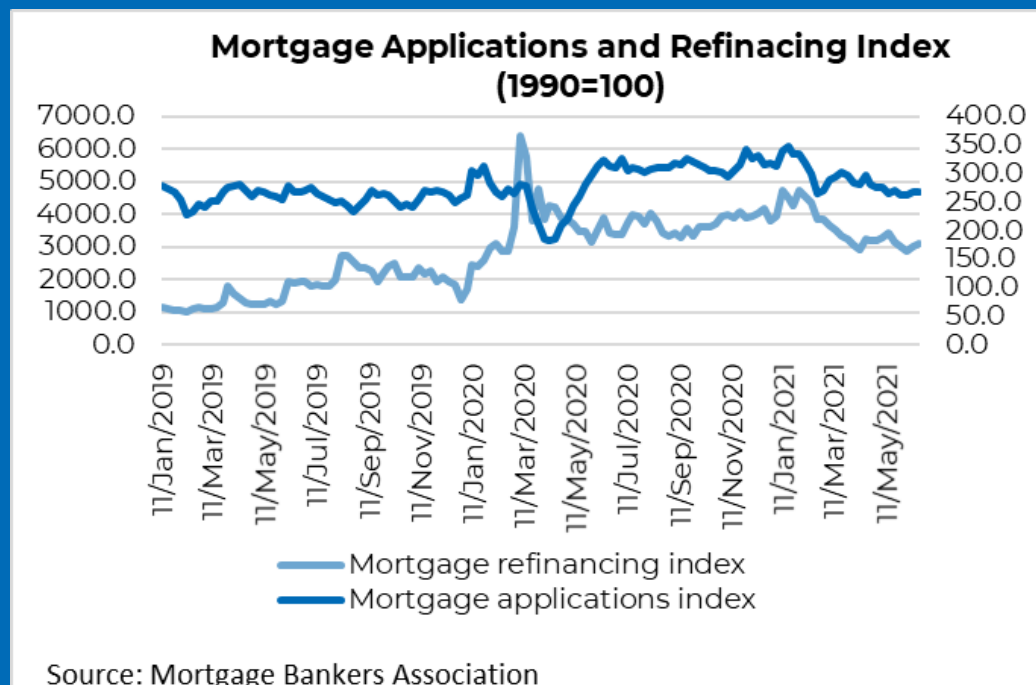
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Weekly Mortgage Purchase Applications Slightly Up

Mortgage purchase applications rose for the third straight week during the week of June 18, up 0.6% from the prior week, according to the Mortgage Bankers Association's (MBA) Weekly Mortgage Applications Survey. However, purchase applications are still down 14% compared to one year ago when purchase applications rebounded strongly after a pandemic-induced slump in April and May 2020.

Conventional home purchase loan applications (Fannie/Freddie guaranteed loans) were up 0.3% from the prior week while government-insured loan applications (FHA/VA/USDA) were up 1.9%. Government loan applications (FHA, VA, USDA) which typically cater to first-time borrowers have declined since 2020, an indication that first-time buyers are having a tougher time obtaining a mortgage despite low interest rates.

Refinancing applications rose 2.6% from the previous week.



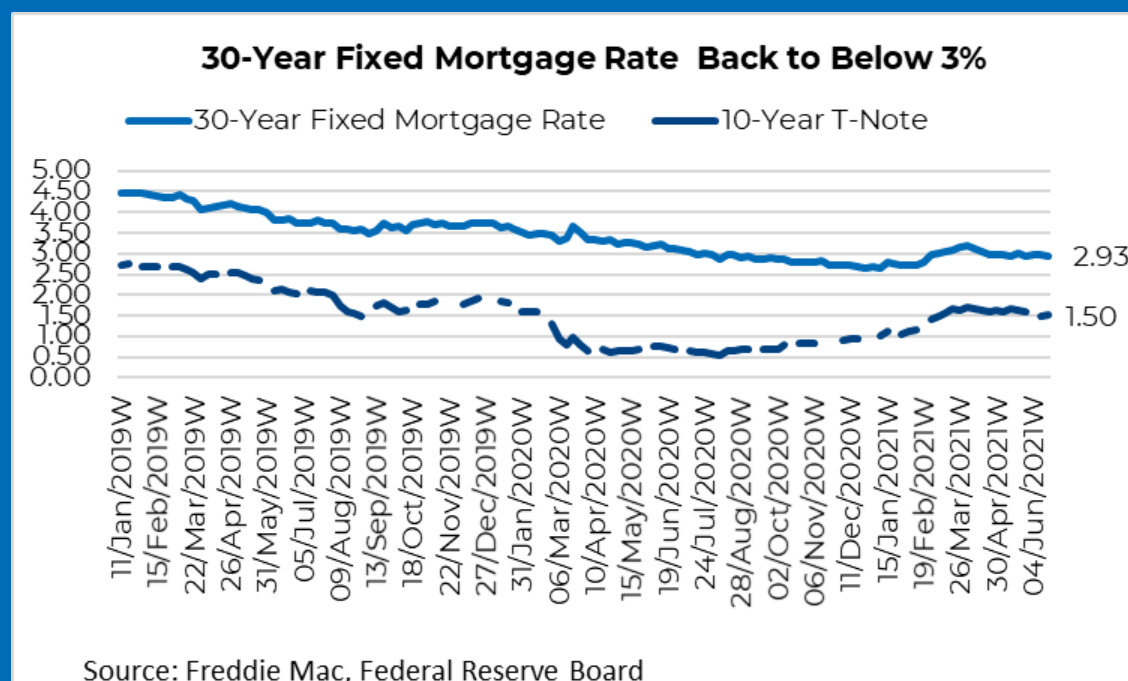
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30-Year Fixed Mortgage Rate Falls to 2.93%*

The 30-year fixed mortgage rate fell to 2.93% in the week of June 18, staying below 3% for four straight weeks, with the 10-year T-note slightly just up to 1.51%. The 10-year T-note has not moved much upwards even as the inflation rate on consumer spending hit 5% year-over-year in May as the Federal Reserve continues to steer inflation and inflation expectations to 2%. (To note, the 24-month core inflation is already running at 2.1%).

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.

With the median existing-home sales price up 24% year-over-year as of April, the estimated monthly mortgage payment as of June 11 rose to \$1,378, up \$228/month from one year ago, making a home purchase less affordable. In April, [**NAR's Housing Affordability Index**](#) fell to 155.8.



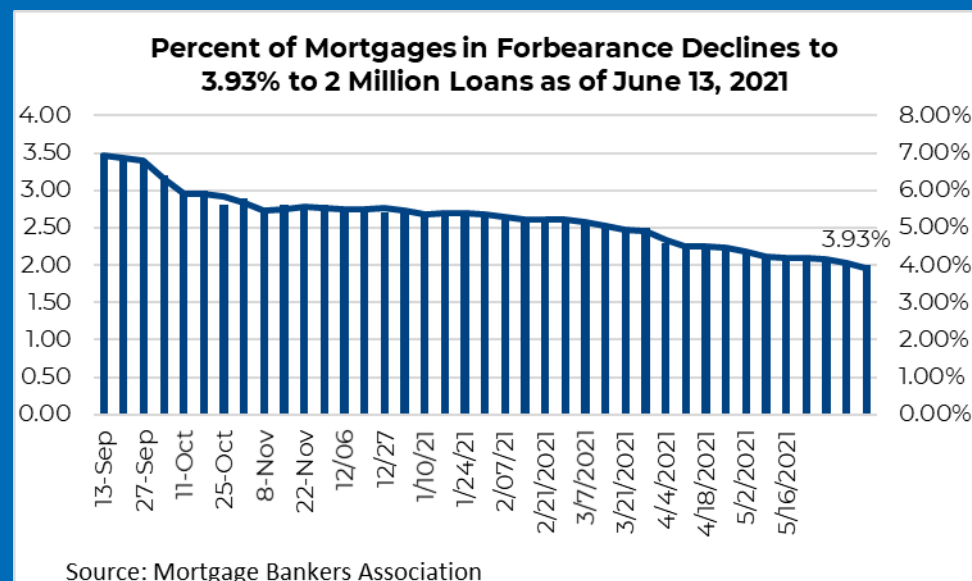
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Number of Loans in Forbearance Declines to 2 Million

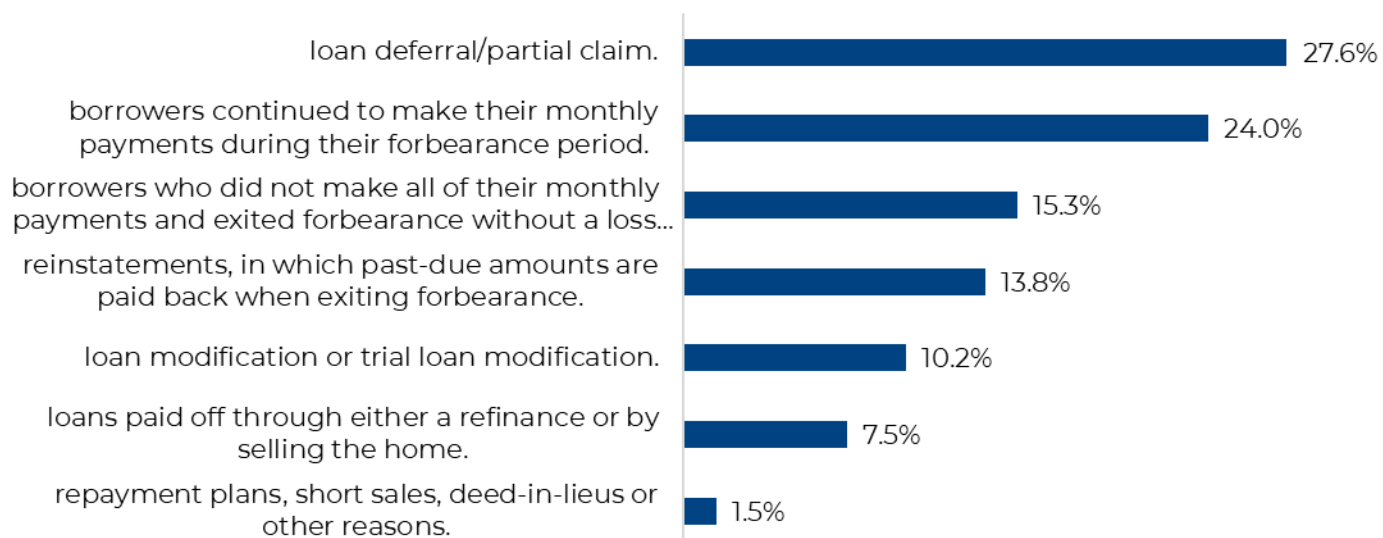
The fraction of loans in forbearance fell further to below 4% for the first time, to 3.93% during the week of June 13, with 2 million loans in forbearance plans, according to the Mortgage Bankers Association.

Most distressed borrowers are working out payment options with lenders to keep their homes. Of the homeowners who exited forbearance during June 1, 2020-June 13, 2021, 7.5% exited forbearance by refinancing their home or selling their home and less than 2% ended in a short sale or deed-in-lieu (and other reasons).

However, 15.3% of borrowers have exited forbearance without a loss mitigation in place, which can put these borrowers in distress later on. With an average of 2.62 million loans in forbearance during September 2020-June 13, 2021, that yields about 400,000 borrowers who exited without a loss mitigation plan.



Percentage Distribution of Cumulative Forbearance Exits from June 1, 2020-June 13, 2021



Source: Mortgage Bankers Association

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