

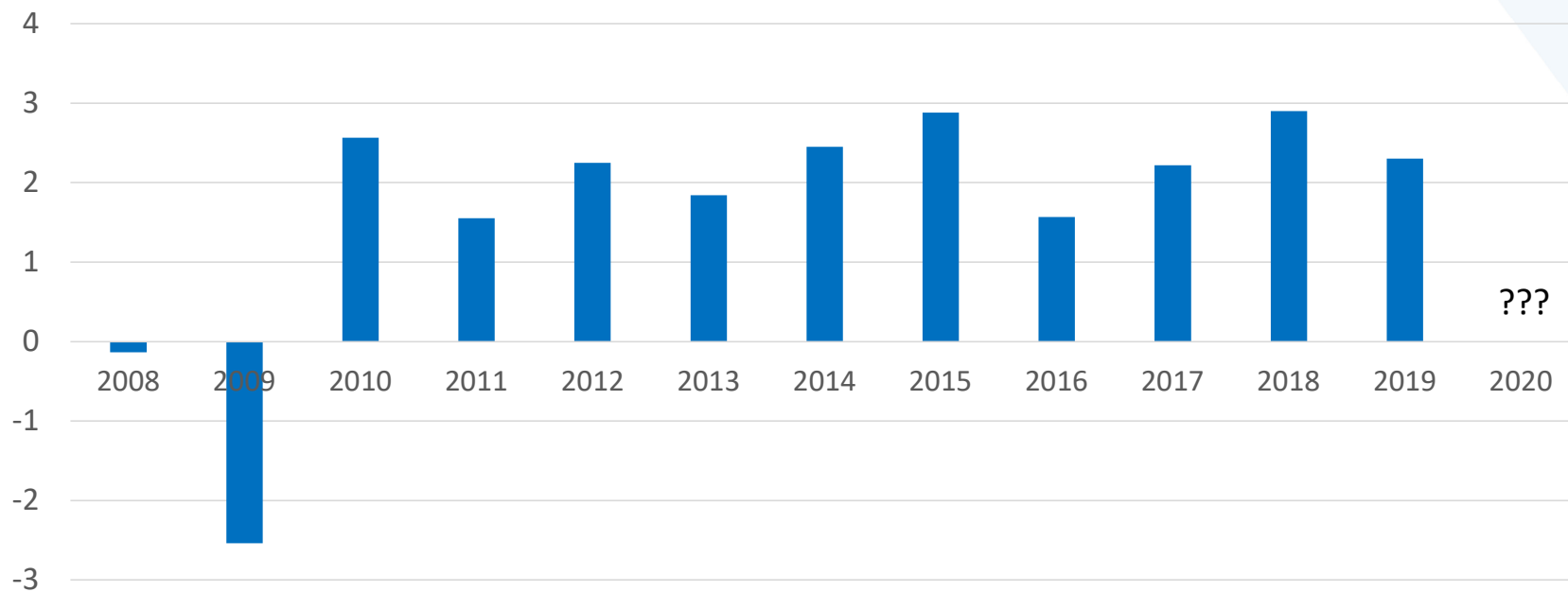


Market Outlook

Week of May 18 to 23

Lawrence Yun
Chief Economist
National Association of REALTORS®

GDP Collapse in 2020 after a decade of growth

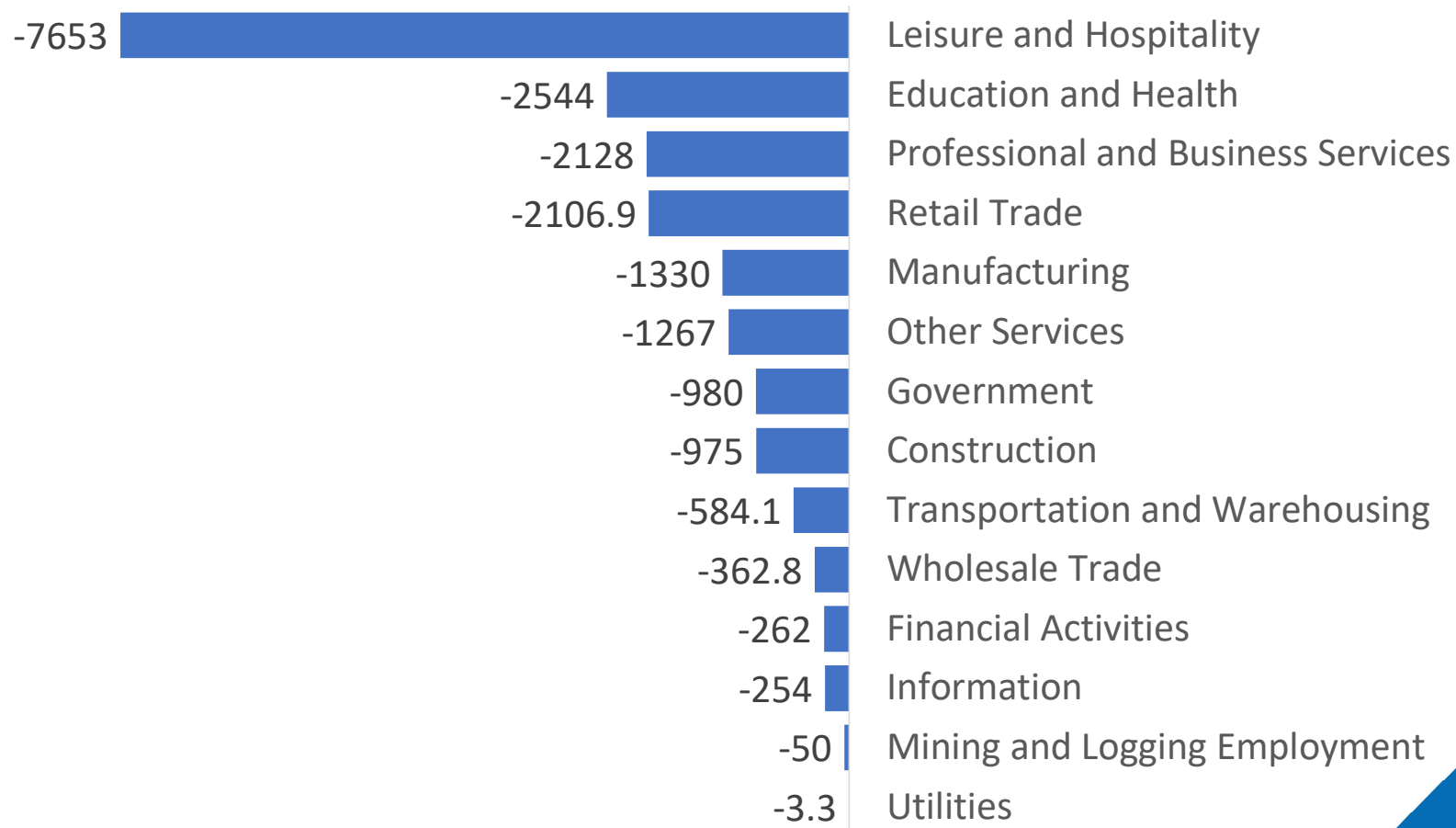


GDP Details in 2020 Q1

2020 Q1	% change annualized rate
GDP	-4.8%
Consumer Spending	-8%
Business Spending	-9%
Residential Investment (Home building, home sales, remodeling)	+21%
Commercial Structure Completion	-7%
Federal and State Government Spending on Investment	Modestly Positive
Personal Income	+2%
Personal Savings	+152%

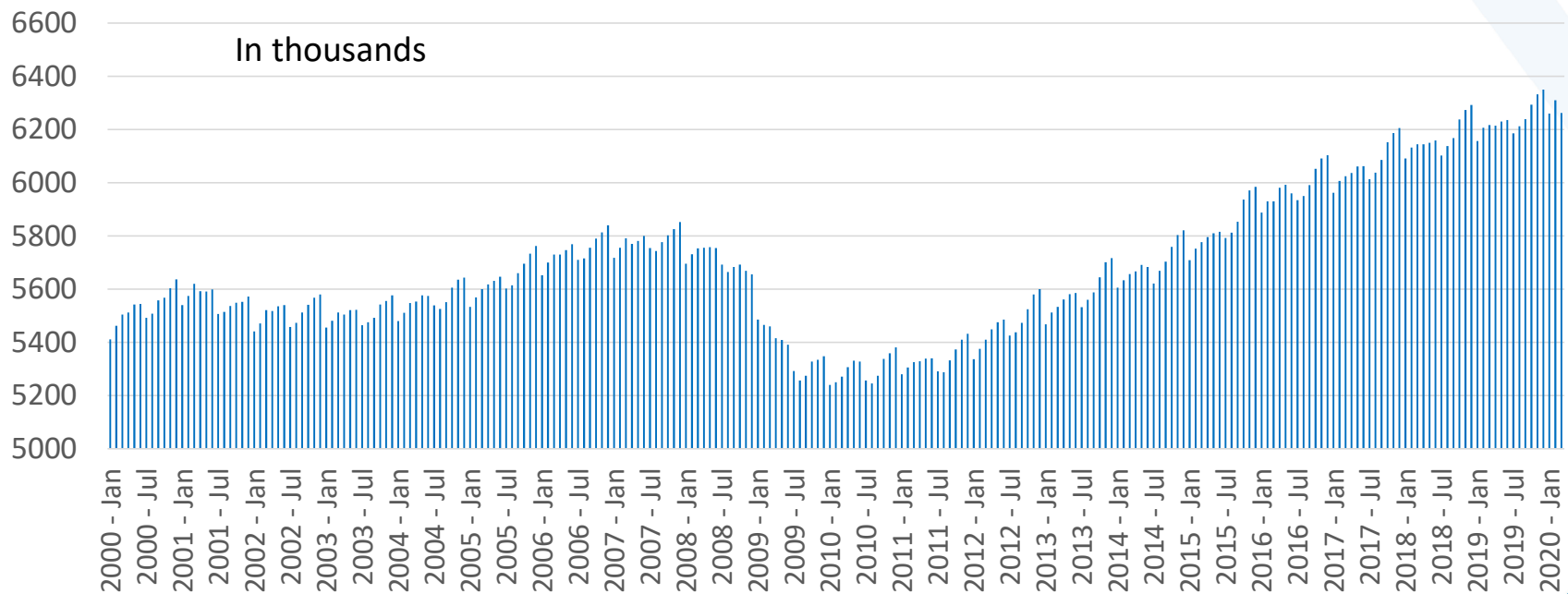
20.5 M jobs lost in April 2020; one in three jobs lost were in leisure/hospitality

Nonfarm Payroll Jobs Lost in April 2020 ('000)

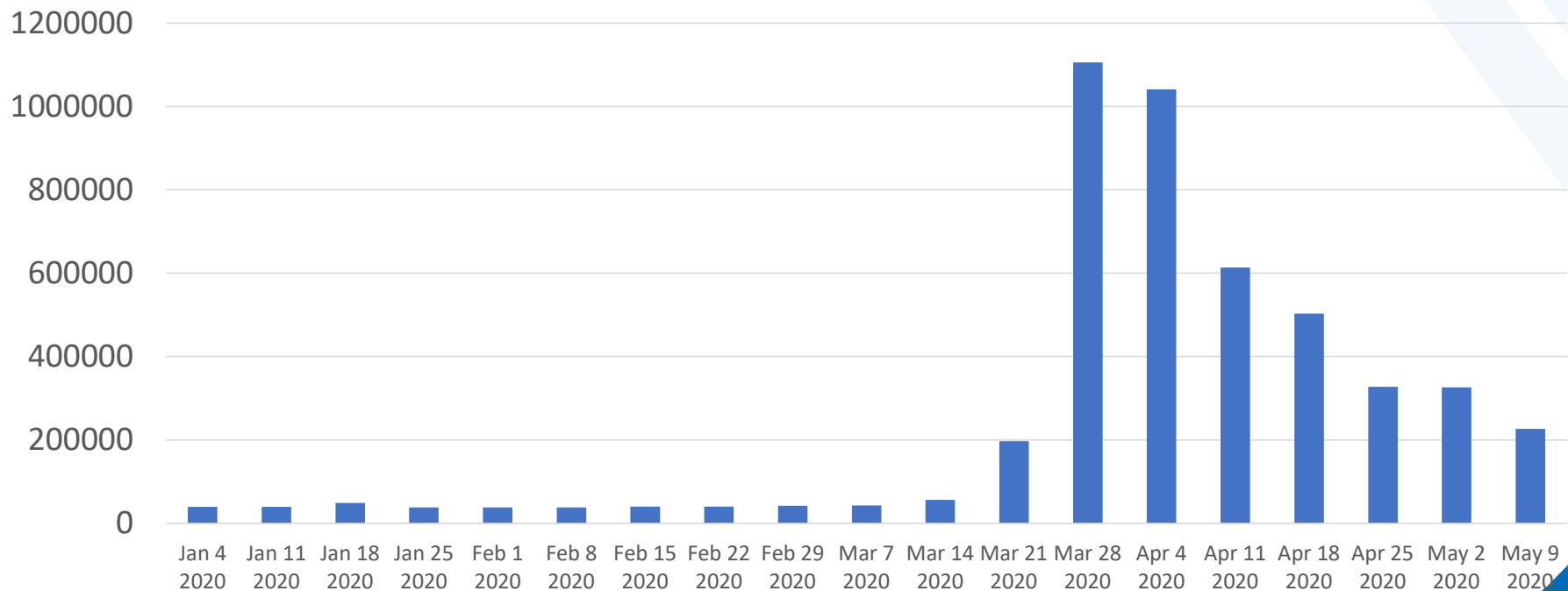


Source: BLS

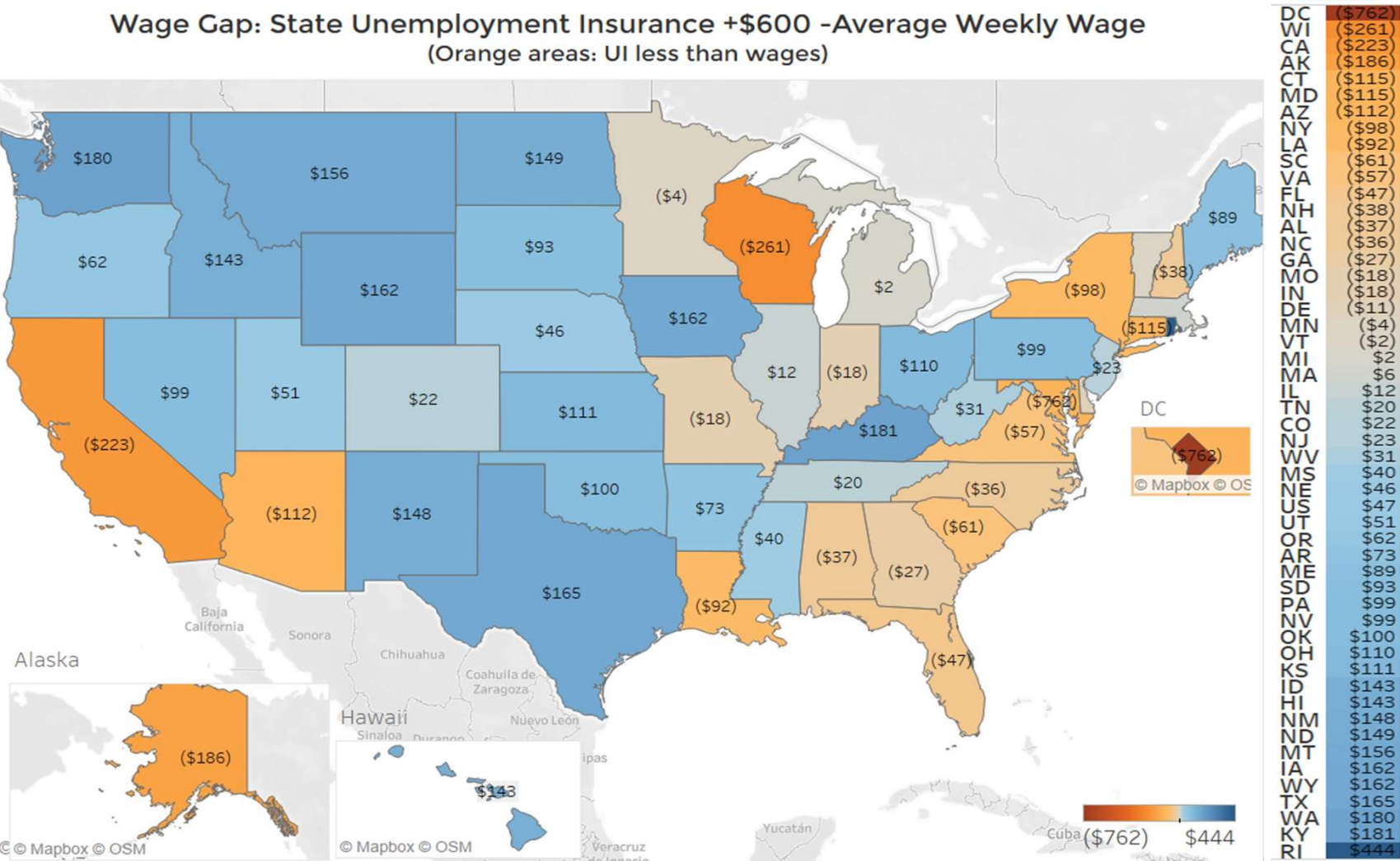
Total Jobs in LA-Orange Counties ... before Pandemic



New Cases of Unemployment Relief in California

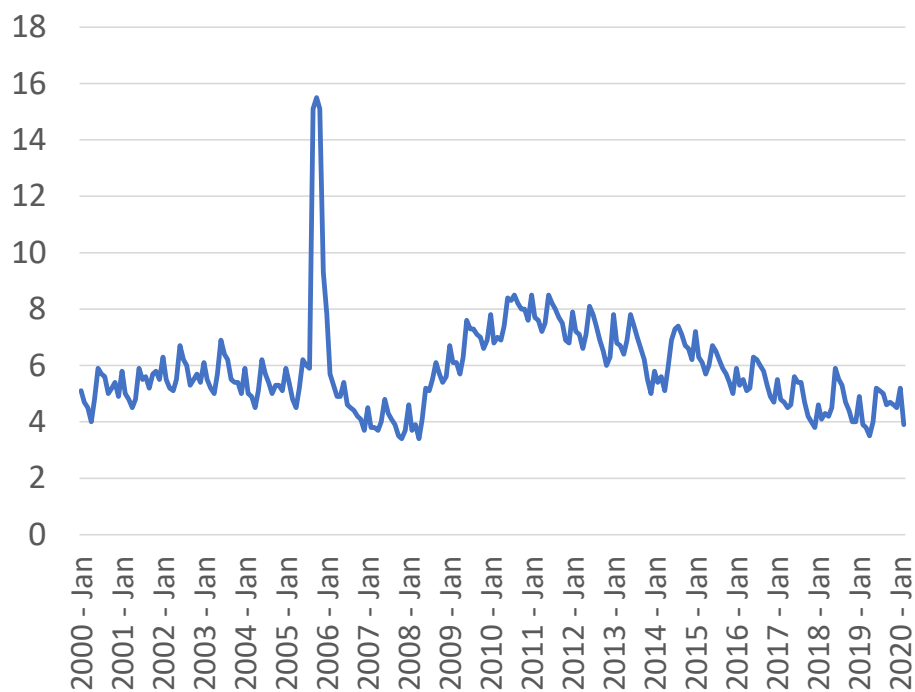


Unemployment insurance benefits don't fully replace wages in some states

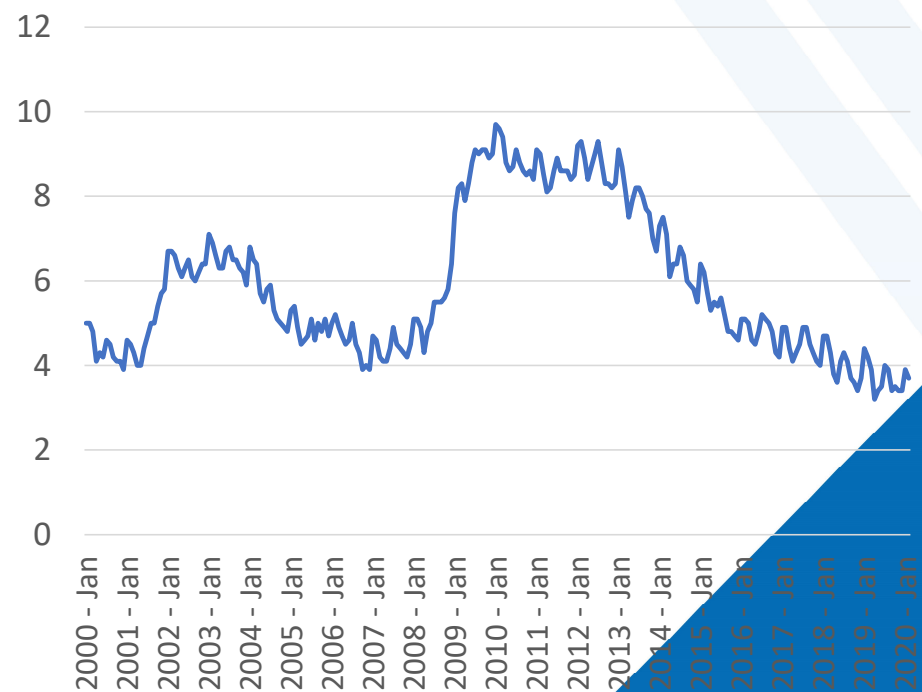


Local Disaster Events: Katrina and 9-11 Unemployment Rates

New Orleans

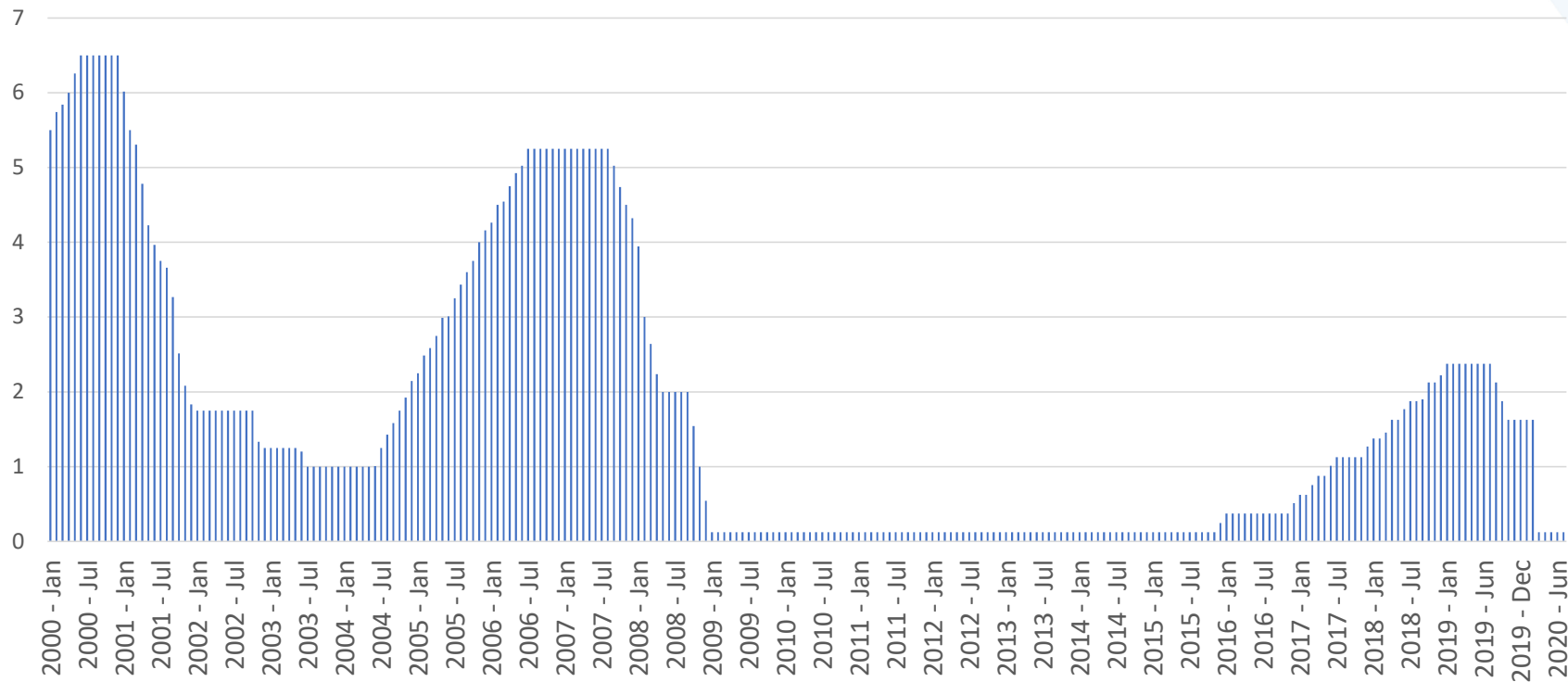


NYC Metro



Federal Reserve All-In Quantitative Easing including buying Corporate Debts

Fed Funds Rate



30-Year Mortgage Rate can fall Further ... Because of Super-low 10-year Treasury Yields ... But Jumbo Loans not Working

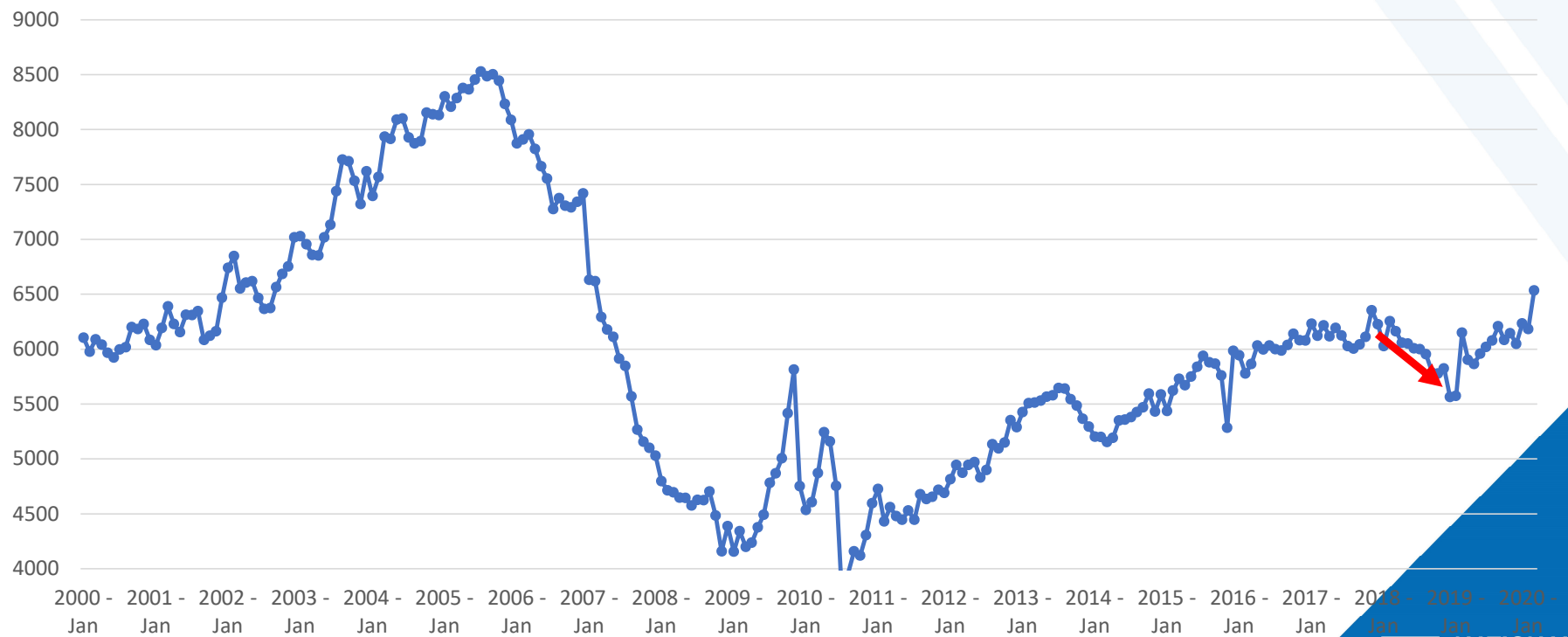


Inventory

Low Pre-Pandemic ... Lower During Pandemic

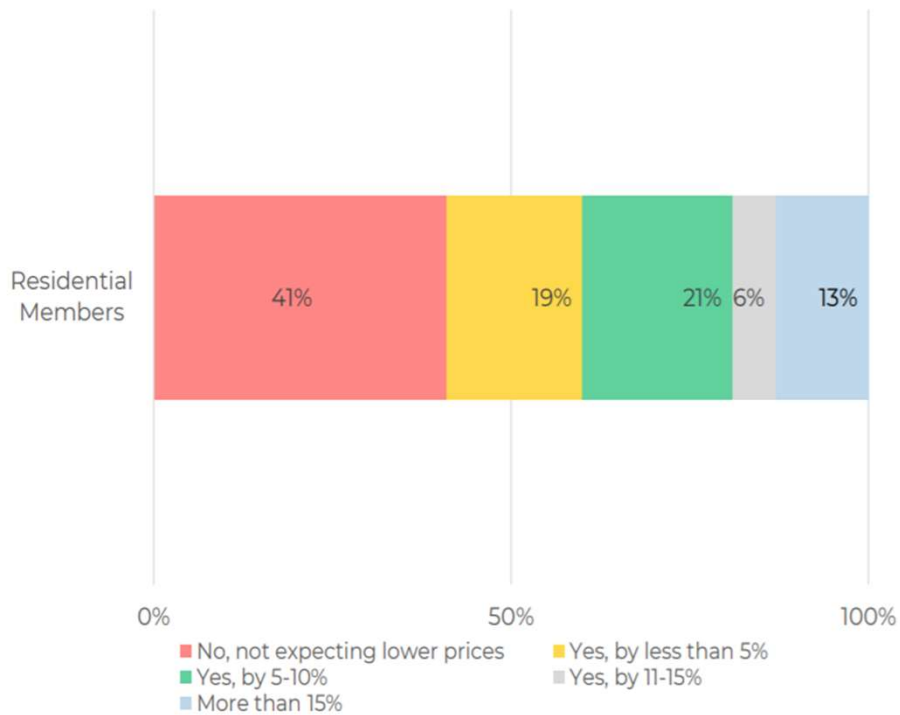


Home Sales Strong Pre-Pandemic

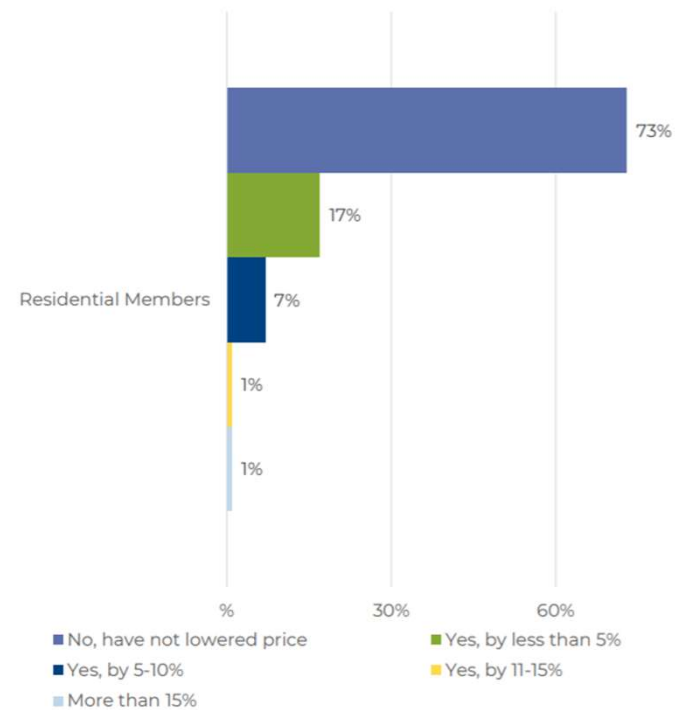


60% of Buyers and 90% of Sellers believe Stable Price

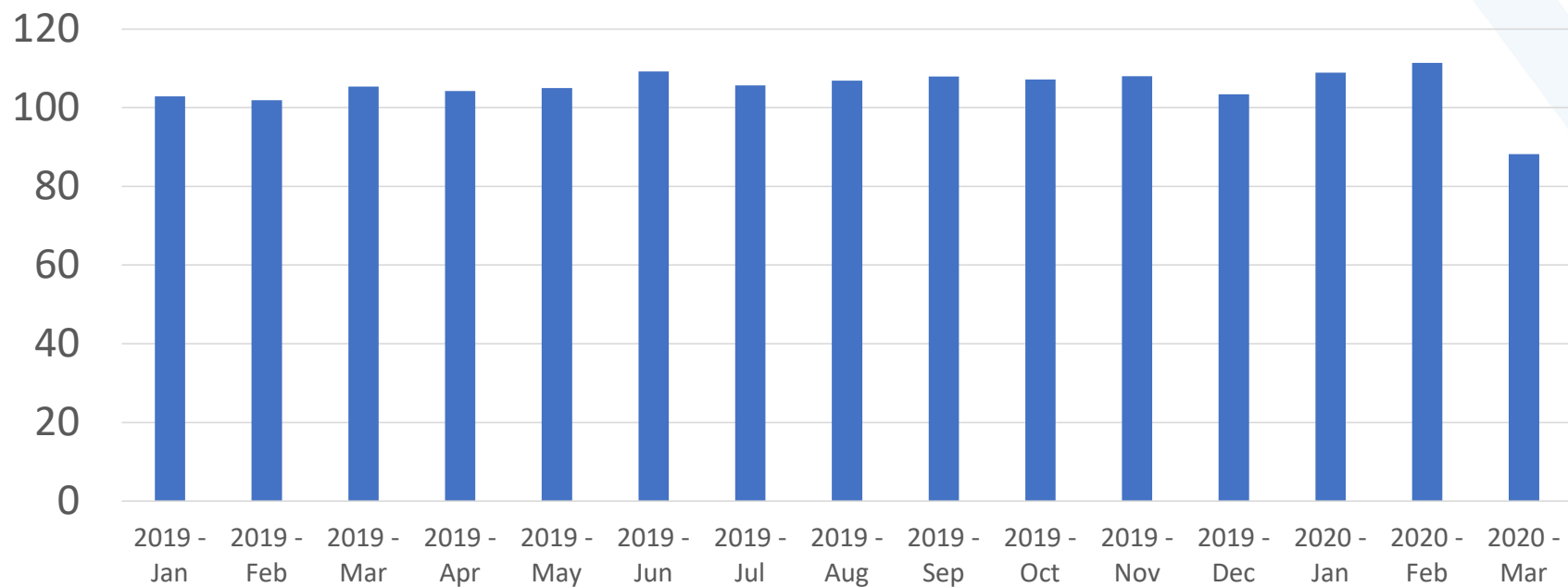
IN GENERAL, ARE HOME BUYERS EXPECTING LOWER PRICES NOW?



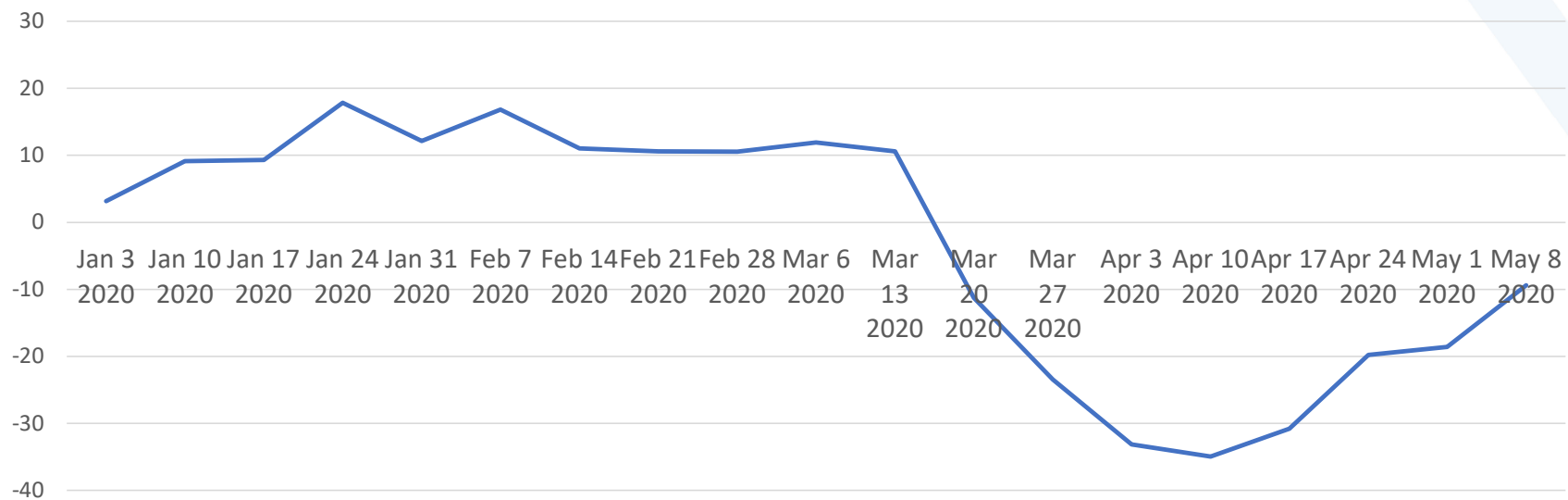
IN GENERAL, HAVE ANY OF YOUR HOME SELLERS RECENTLY REDUCED PRICE TO ATTRACT BUYERS?



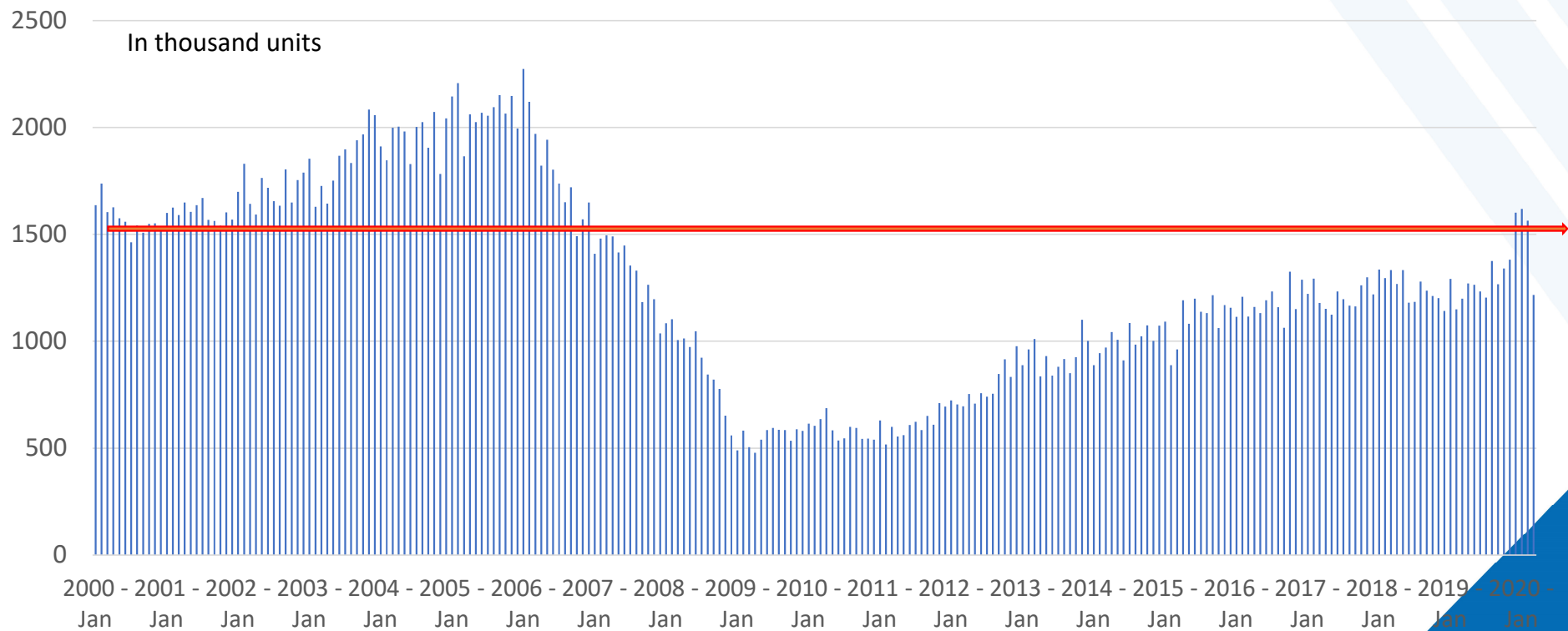
Pending Contracts ... March Pandemic Impact shaves 20%



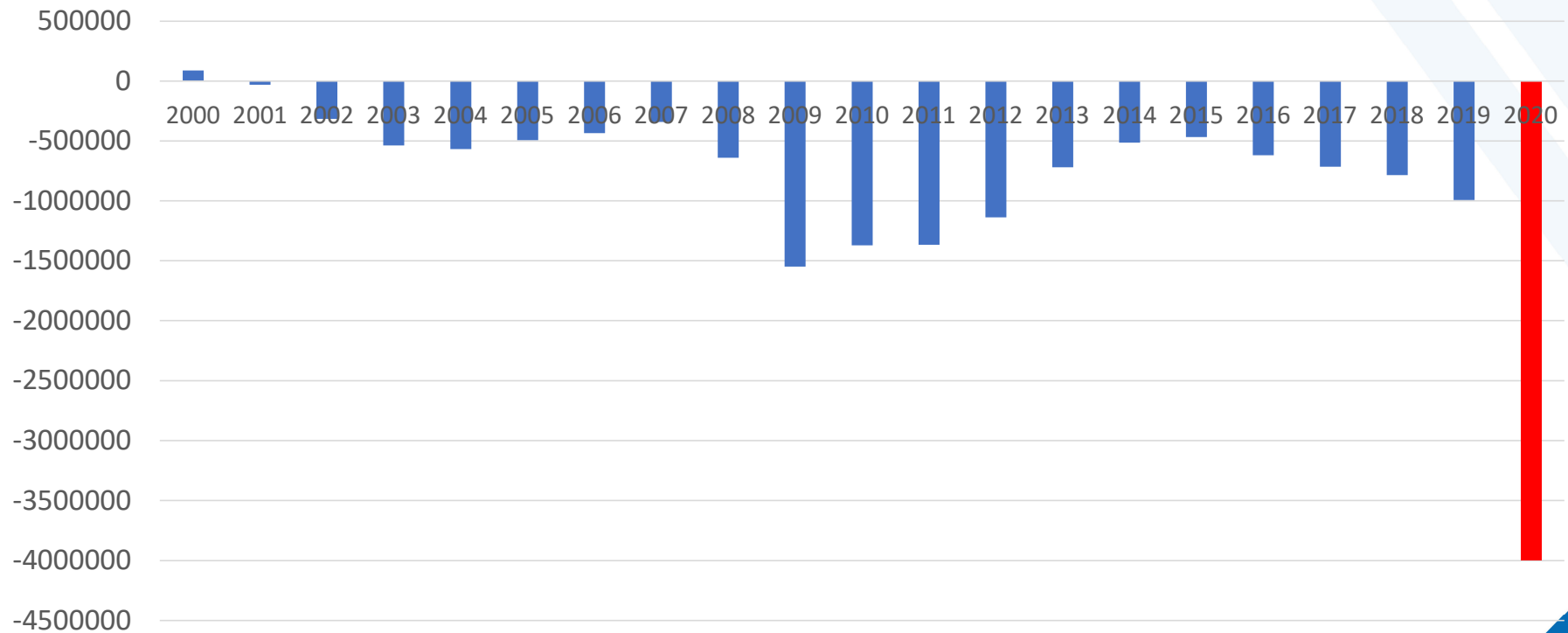
Mortgage Application to Buy a Home ... Worst is Over?



Housing Shortage ... Falling Below Normal Again during Pandemic



Federal Budget Deficit ... \$4 trillion in 2020 ... Who will buy U.S. debt?





OUTLOOK 2020- 2021

2020 Quarterly Forecast

	Annualized Rate	Year over year change
2018	5.34 million	
2019	5.34 million	
2020 Q1 actual	5.48 million	+5%
2020 Q2	3.2 million	-39%
2020 Q3	4.7 million	-13%
2020 Q4	5.1 million	-6%

Annual Forecast

	2019	2020 Forecast	2021 Forecast
GDP Growth	2.3%	-4.5%	+3%
Job Gains	2.2 million	- 4 million	+ 2 million
Home Prices	4.8%	0% to 2%	1% to 3%
Home Sales	0%	-10% to -15%	+13 to +18%

Permanent Changes after Pandemic

End of Open-Houses ??

Virtual Office Meetings

More Remote Working

Less Traffic near City Centers

Move Further Out

Larger House



THANK YOU



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