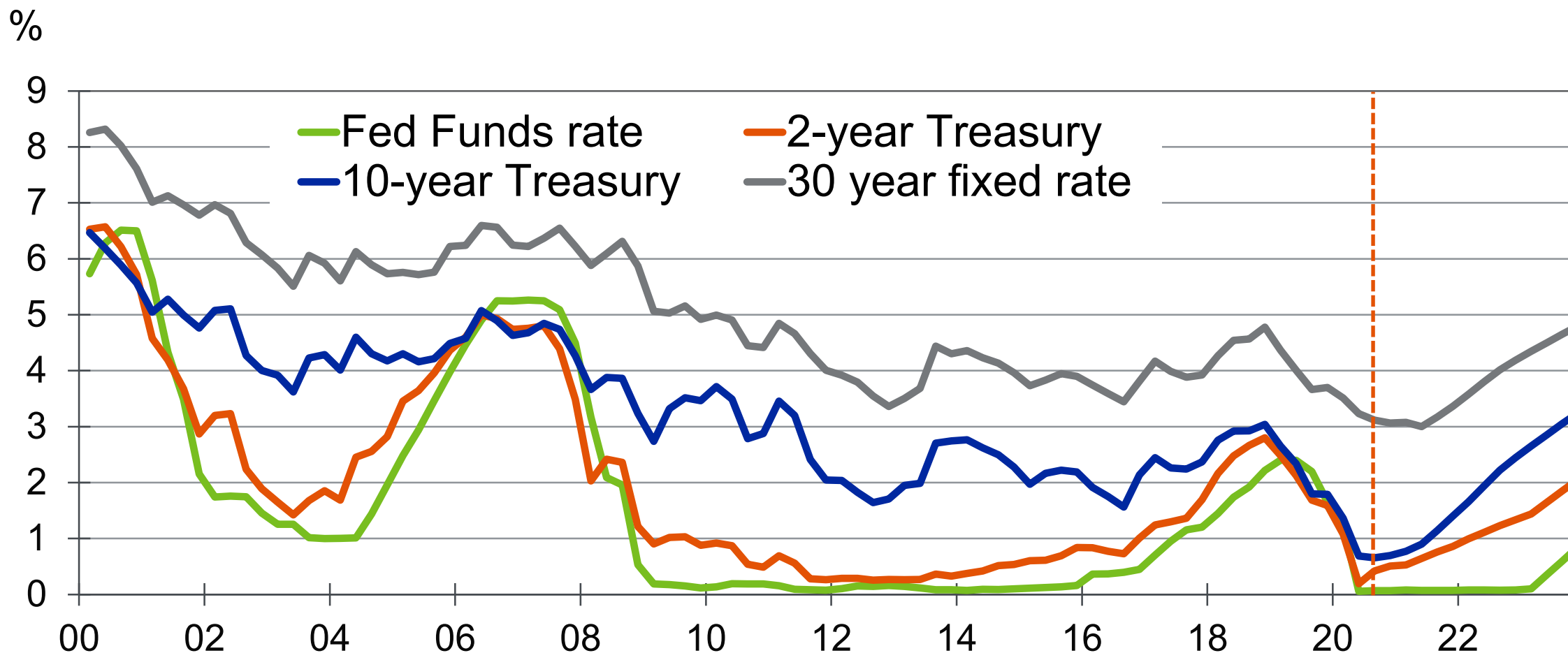


Covid, Housing and the Mortgage Market

Cristian deRitis, Deputy Chief Economist, Moody's Analytics
John Toohig, Head of Whole Loan Trading, Raymond James

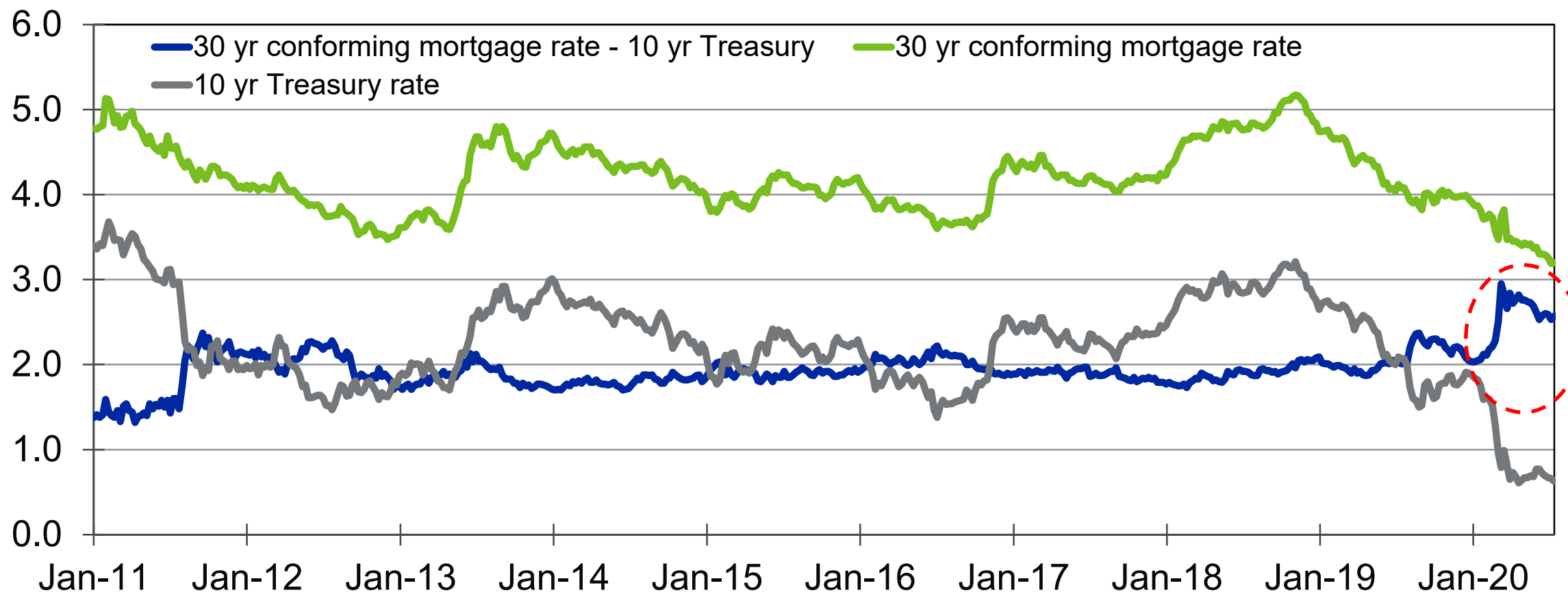
Fed Commits to Zero Lower Bound Through 2022



Sources: Federal Reserve, Treasury, Freddie Mac, Moody's Analytics

Mortgage Rate Spreads Widened As 10-Year Fell

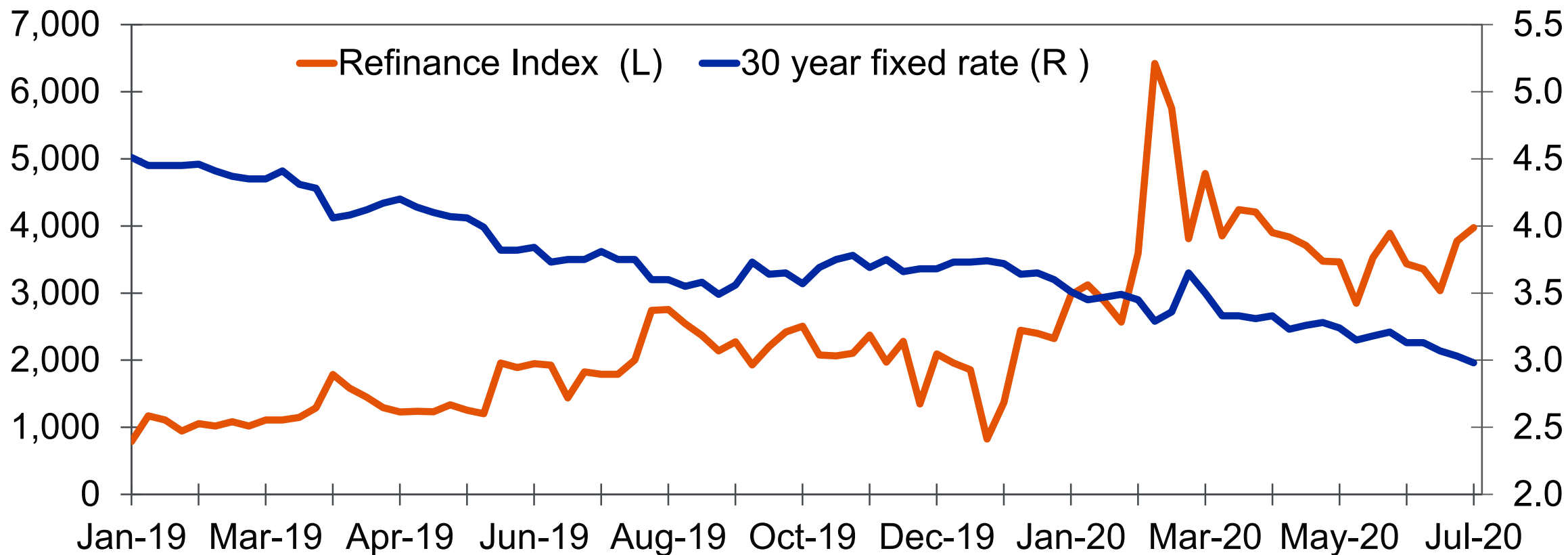
Spread between mortgage rate and 10 year Treasury rate, ppt



Sources: Treasury, Freddie Mac, Moody's Analytics

Refinance Activity Picks Up As Rates Fall to Historic Low

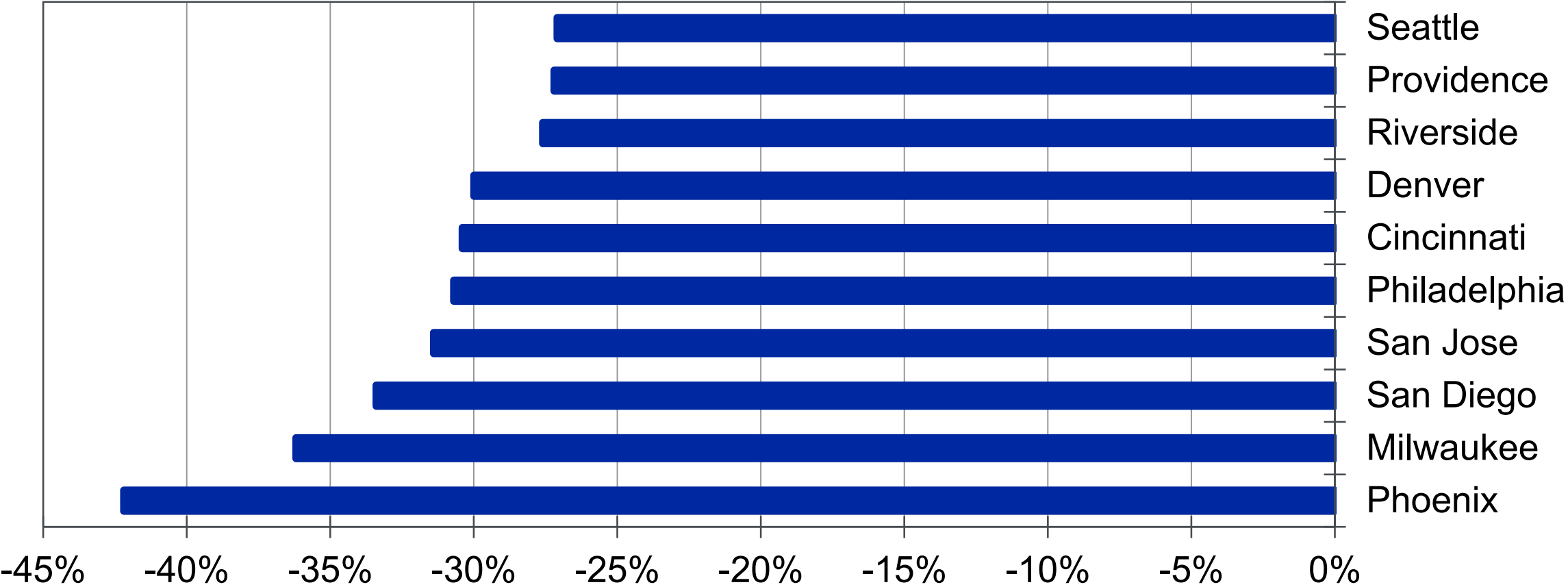
Applications Survey Index, 16mar1990=100, NSA



Sources: MBA, Moody's Analytics

Active Listings Collapsed Across Major Metros...

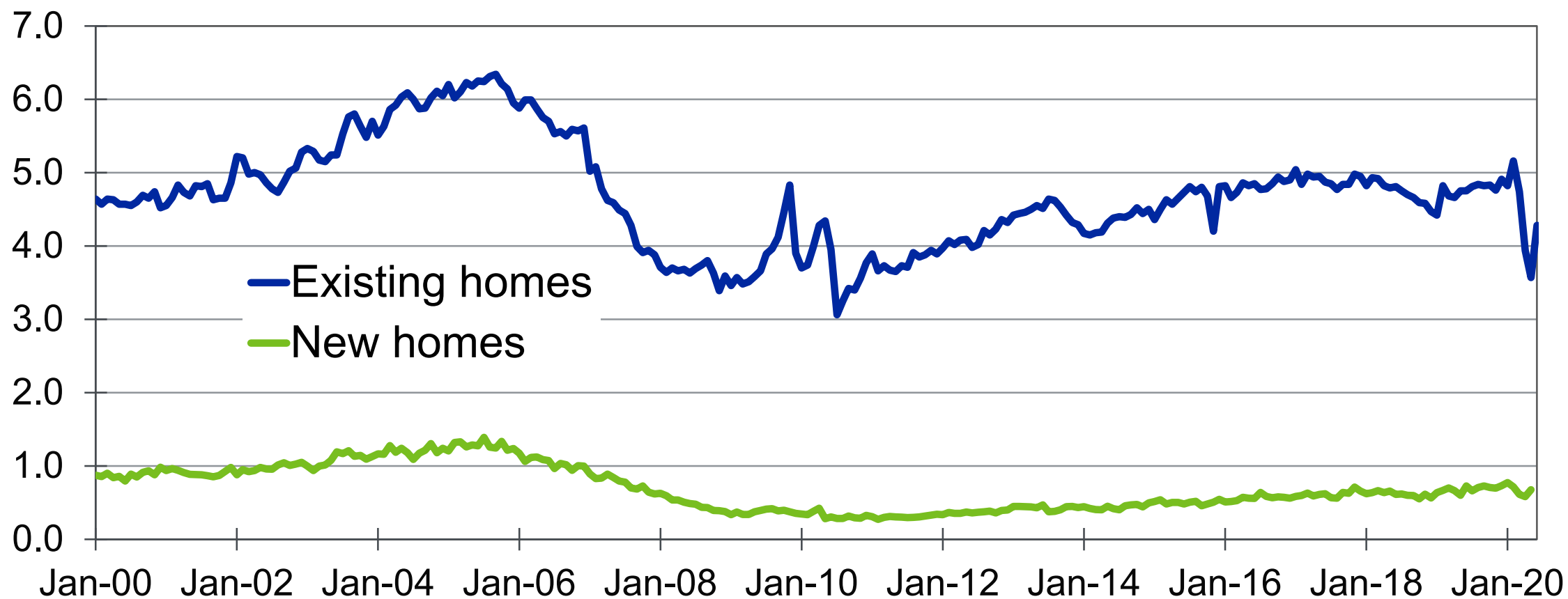
Active listing count in April 2020, % yr ago



Sources: Realtor.com, Moody's Analytics

...But Home Sales Rebounded...

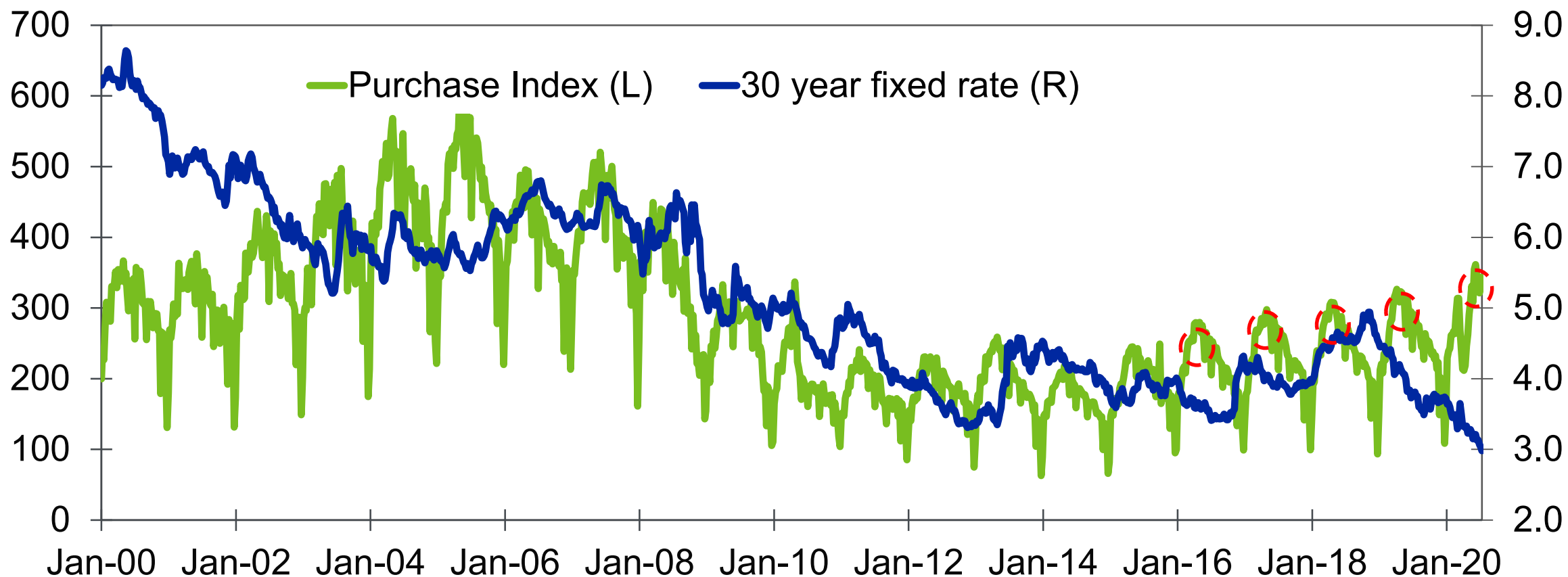
Existing and new single-family home sales, mil, SAAR



Sources: NAR, Census Bureau, Moody's Analytics

...With Purchase Activity Hitting Cyclical Highs

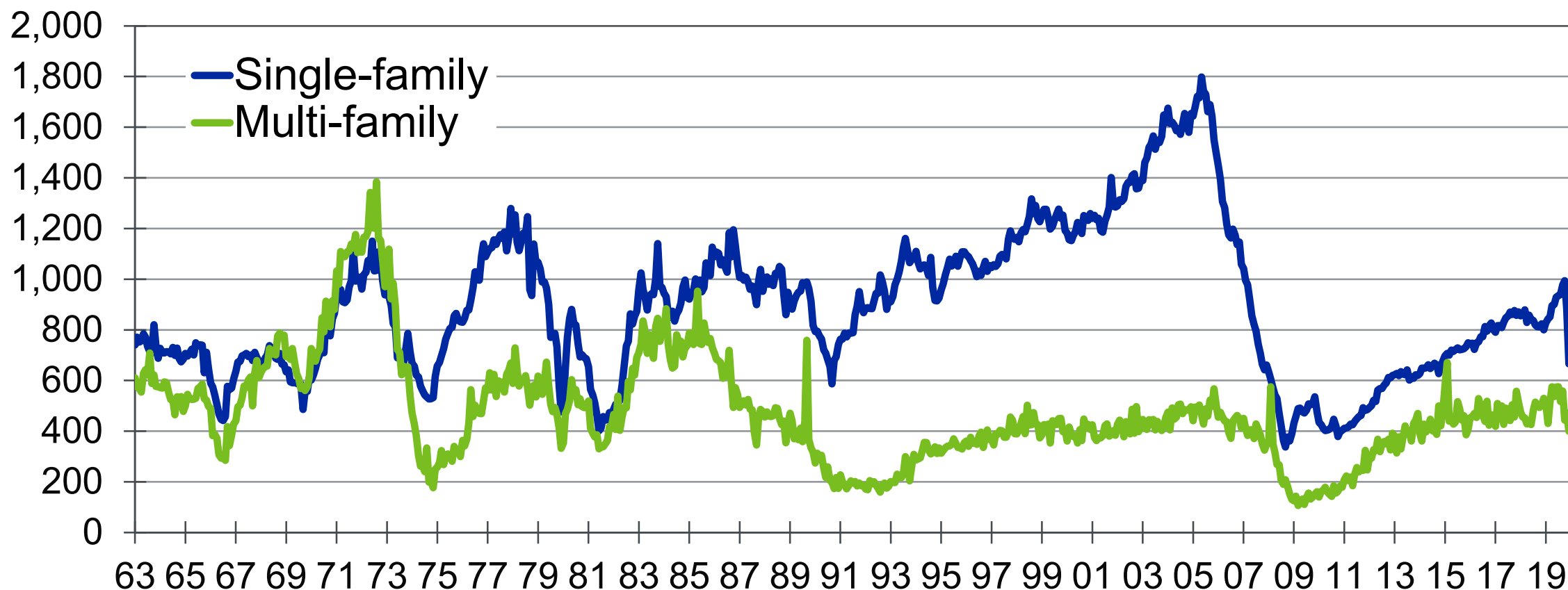
Applications Survey Index, 16mar1990=100, NSA



Sources: MBA, Moody's Analytics

Housing Permits Now Back At March Levels...

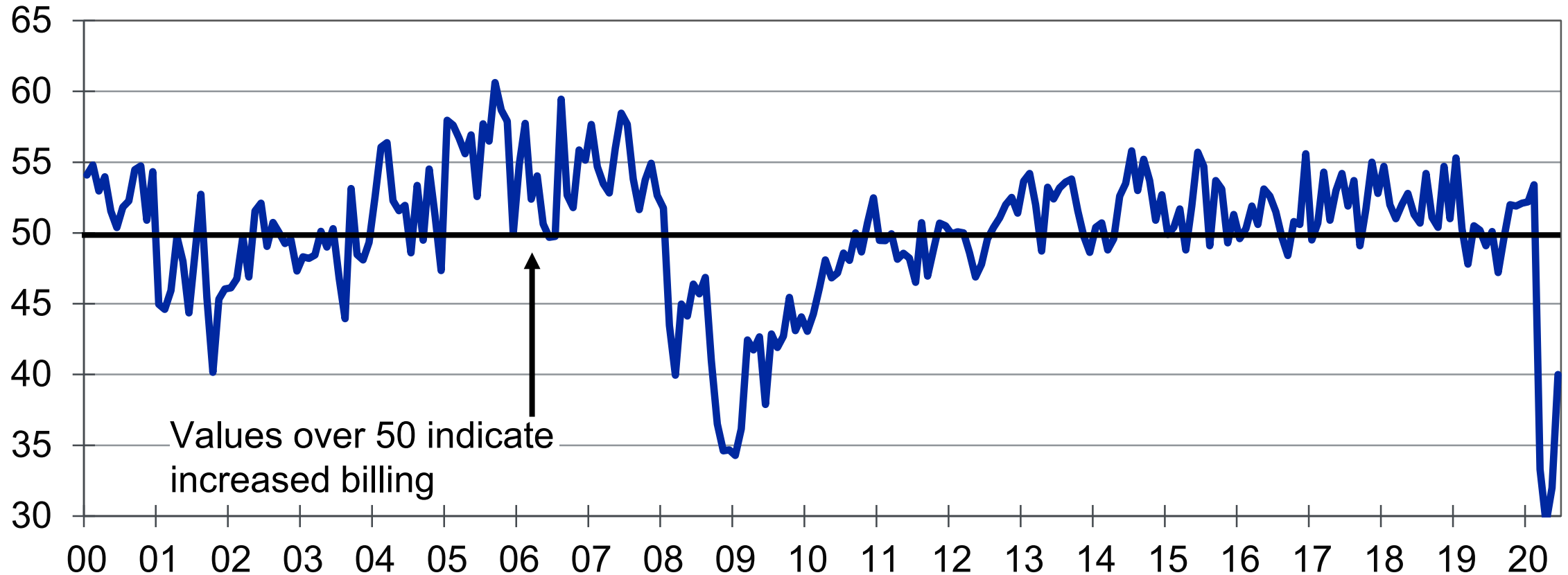
Single-family and multi-family residential housing permits, mil



Sources: Census Bureau, Moody's Analytics

...But Demand for Architectural Services Remains Low

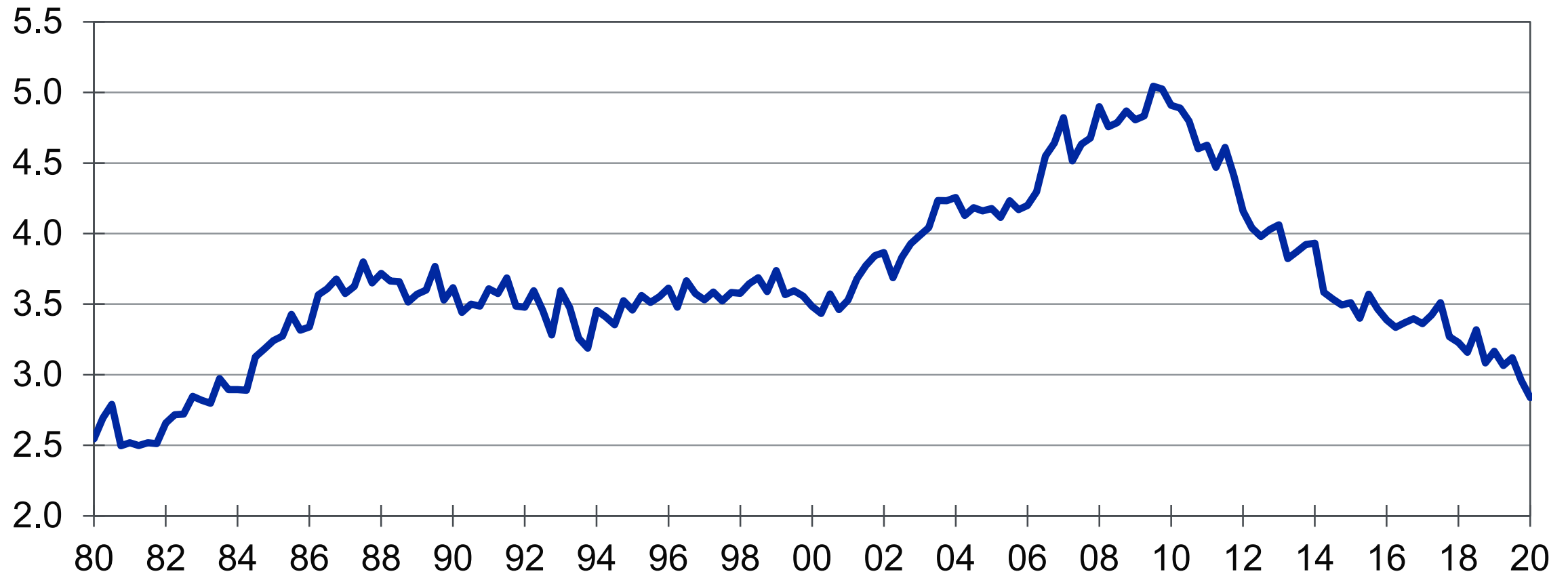
Architecture Billings Index, SA



Sources: AIA, Moody's Analytics

Housing Markets Are Tight, Supporting Prices

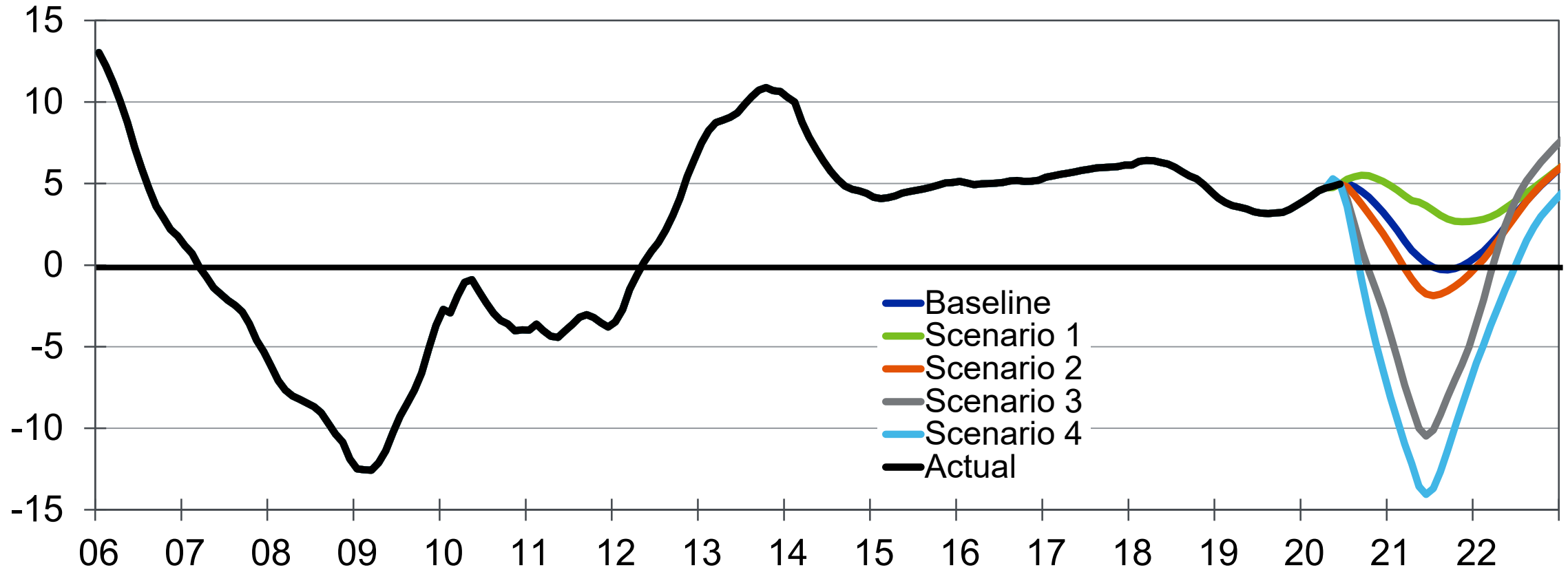
Vacancy rate, homes for sale and rent, %



Sources: Census Bureau, Moody's Analytics

But Home Prices Could Tumble Hard

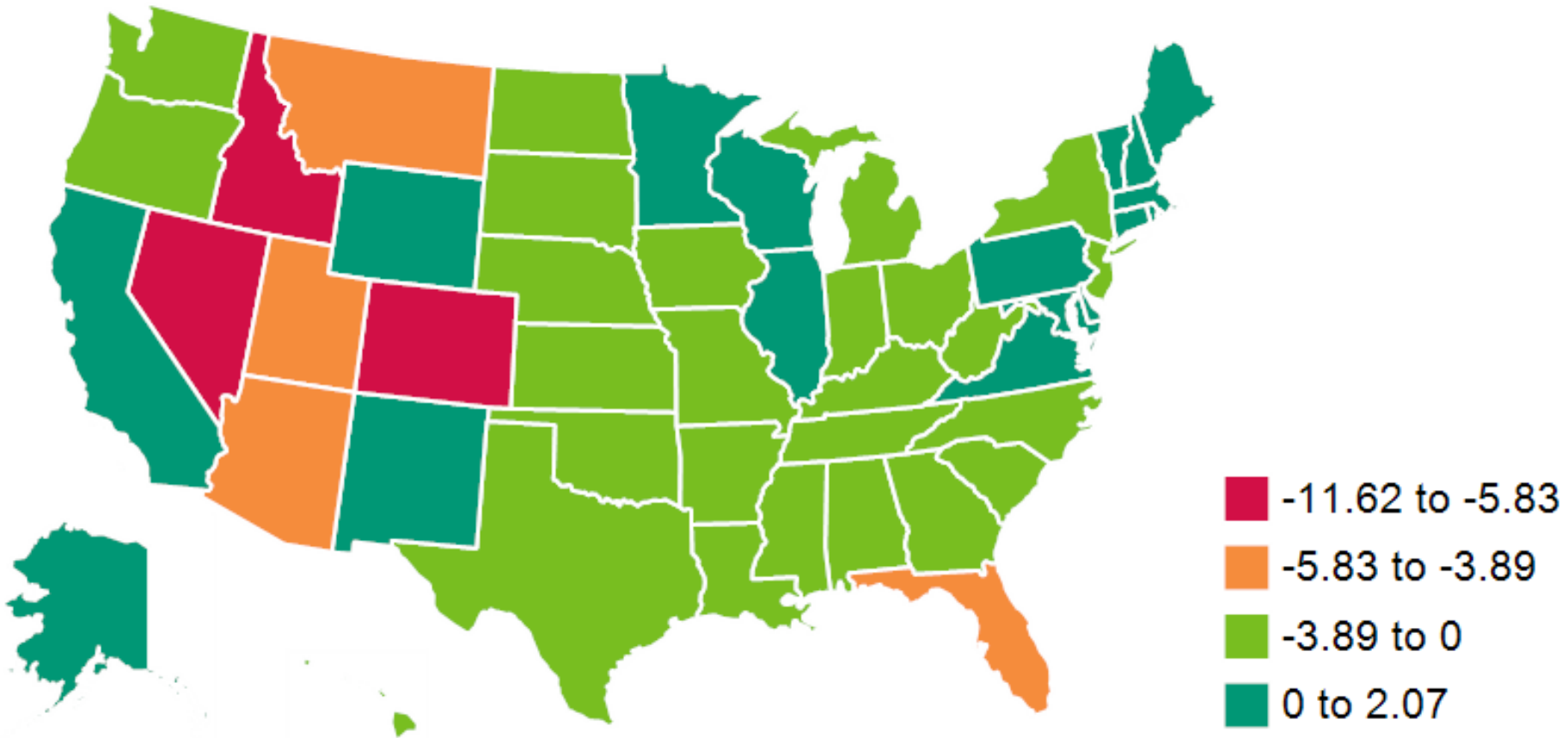
Case-Shiller Home Price Index, % yr ago



Sources: Corelogic, Moody's Analytics

The West Expected to Face Larger Price Declines

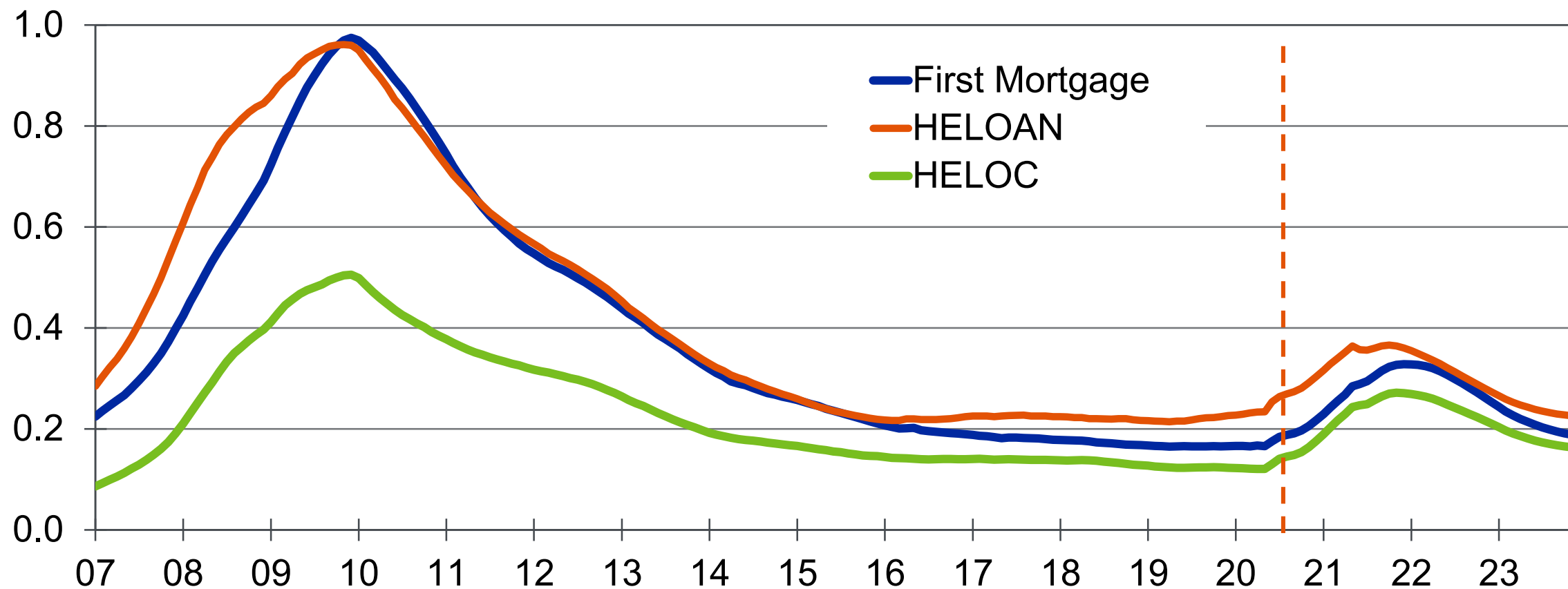
Baseline forecast FHFA purchase-only index for 2021Q3, % yr ago



Sources: FHFA, Moody's Analytics

Higher Losses, But No Housing Bust 2.0

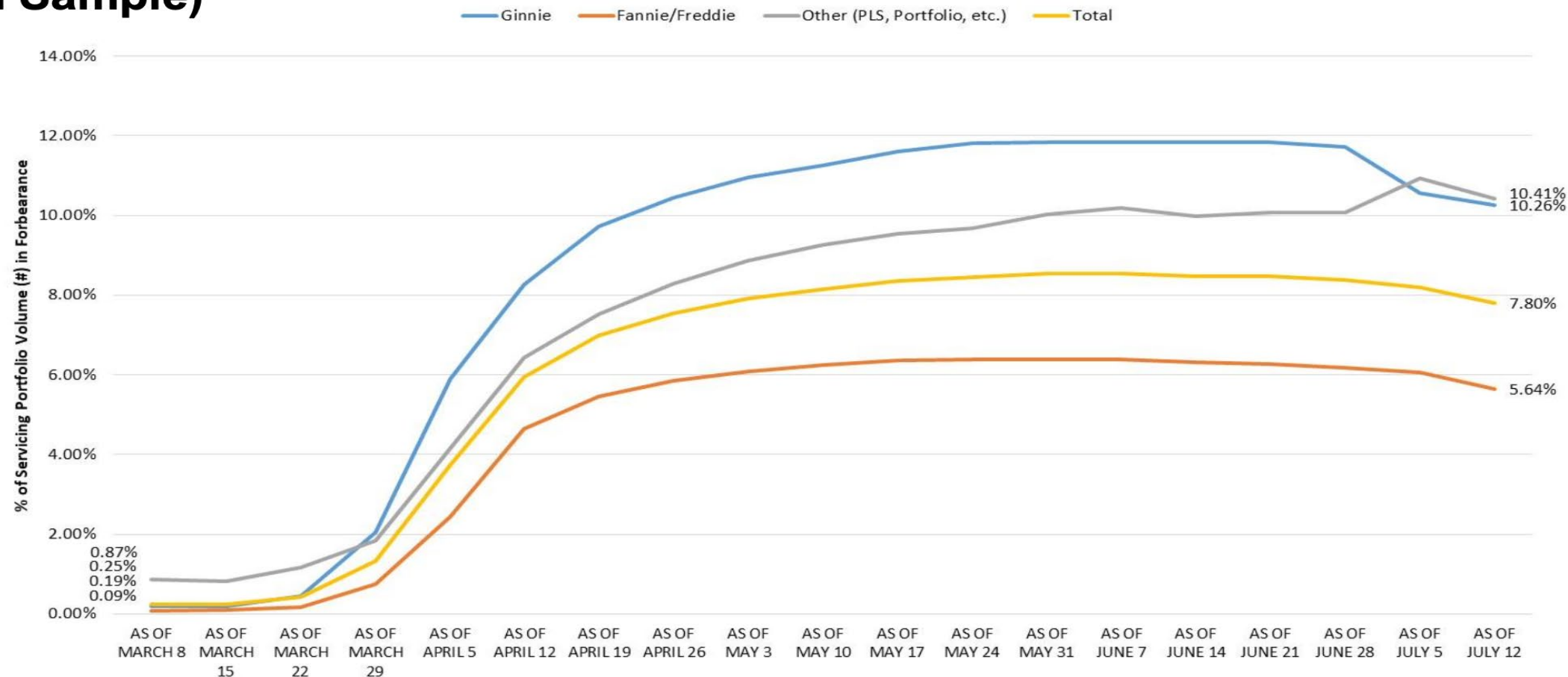
90 days delinquent, % of outstanding balance, 12-mo MA



Sources: Equifax, Moody's Analytics

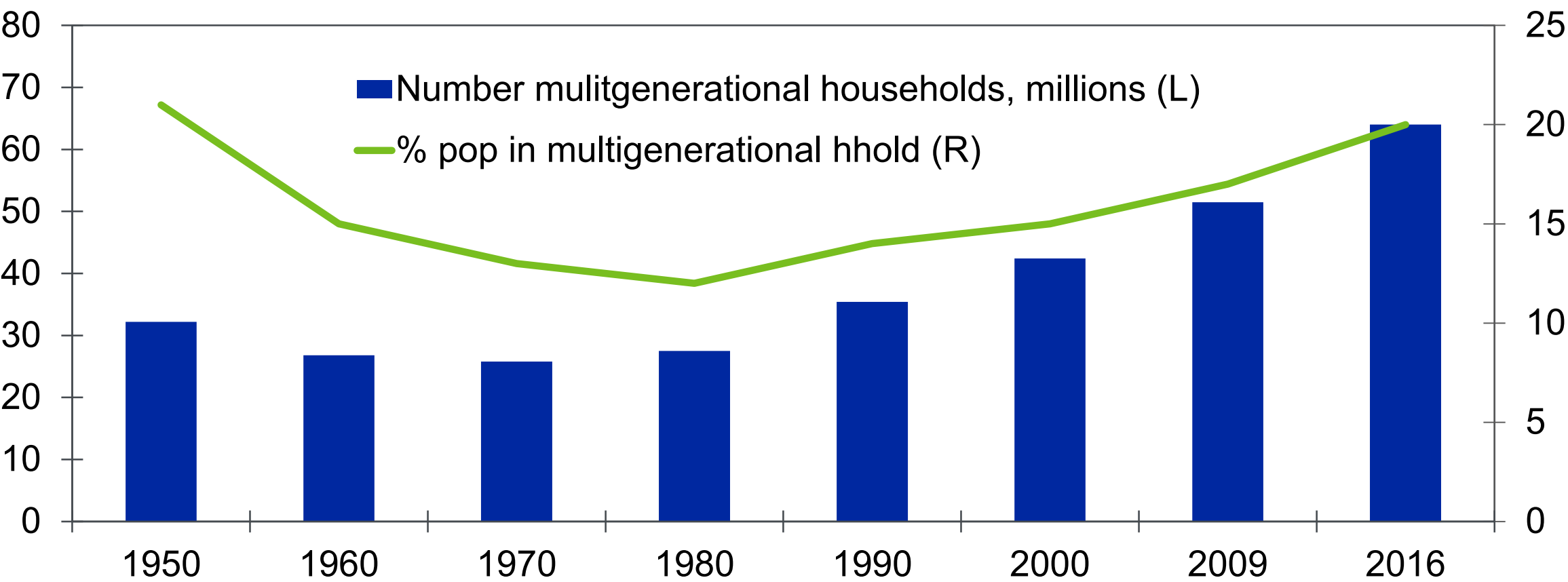
Forbearance Volume Slowly Declines

% of Servicing Portfolio Volume in Forbearance by Investor Type over Time (Full Sample)



Sources: MBA, Moody's Analytics

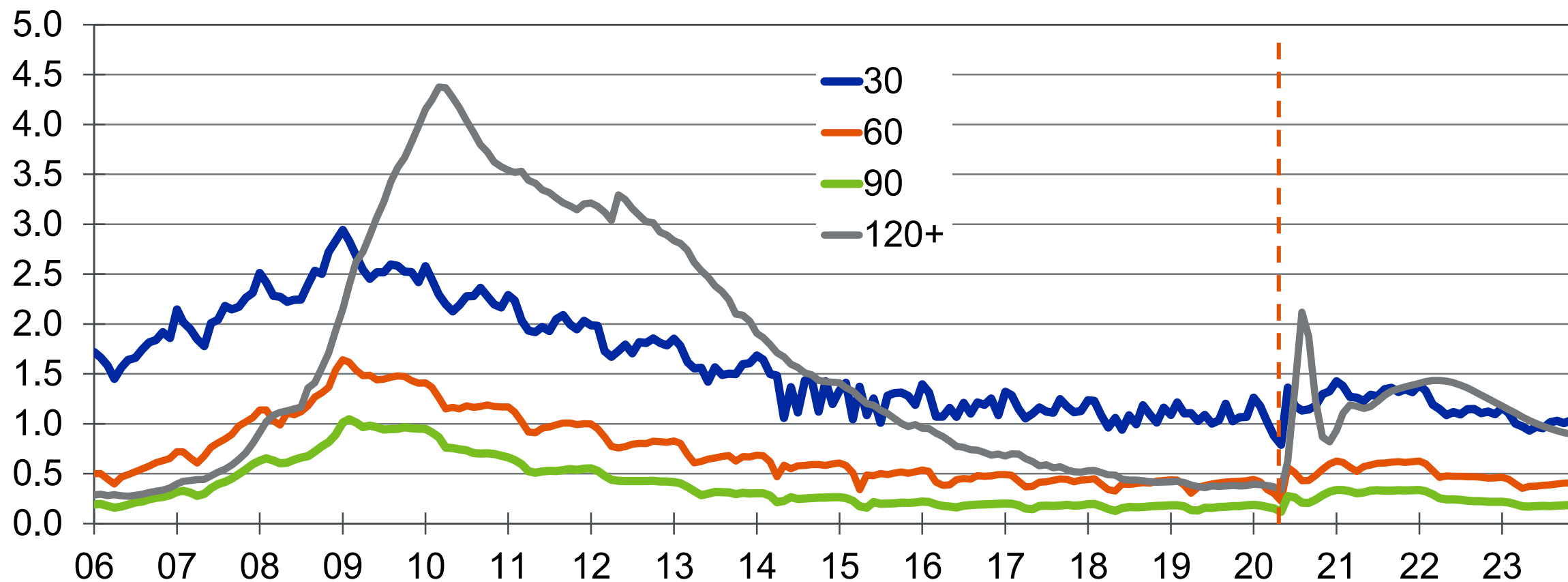
Could COVID Accelerate Multigenerational Housing Trends?



Sources: Pew Research, Moody's Analytics

Mortgage Delinquencies Fall to Historic Low...For Now

Delinquency rate, % of outstanding balance



Sources: Equifax, Moody's Analytics



Contact Us:

John Toohig

Head of Whole Loan Trading

Raymond James

John.Toohig@RaymondJames.com

Cris deRitis

Deputy Chief Economist

Moody's Analytics

help@economy.com

Contact Us: Economics & Business Analytics Offices

West Chester, EBA-HQ

+1.610.235.5299

121 North Walnut Street, Suite 500
West Chester PA 19380
USA

New York, Corporate-HQ

+1.212.553.1653

7 World Trade Center, 14th Floor
250 Greenwich Street
New York, NY 10007
USA

London

+44.20.7772.5454

One Canada Square
Canary Wharf
London E14 5FA
United Kingdom

Toronto

416.681.2133

200 Wellington Street West, 15th Floor
Toronto ON M5V 3C7
Canada

Prague

+420.22.422.2929

Washingtonova 17
110 00 Prague 1
Czech Republic

Sydney

+61.2.9270.8111

Level 10
1 O'Connell Street
Sydney, NSW, 2000
Australia

Singapore

+65.6511.4400

6 Shenton Way
#14-08 OUE Downtown 2
Singapore 068809

Shanghai

+86.21.6101.0172

Unit 2306, Citigroup Tower
33 Huayuanshiqiao Road
Pudong New Area, 200120
China

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