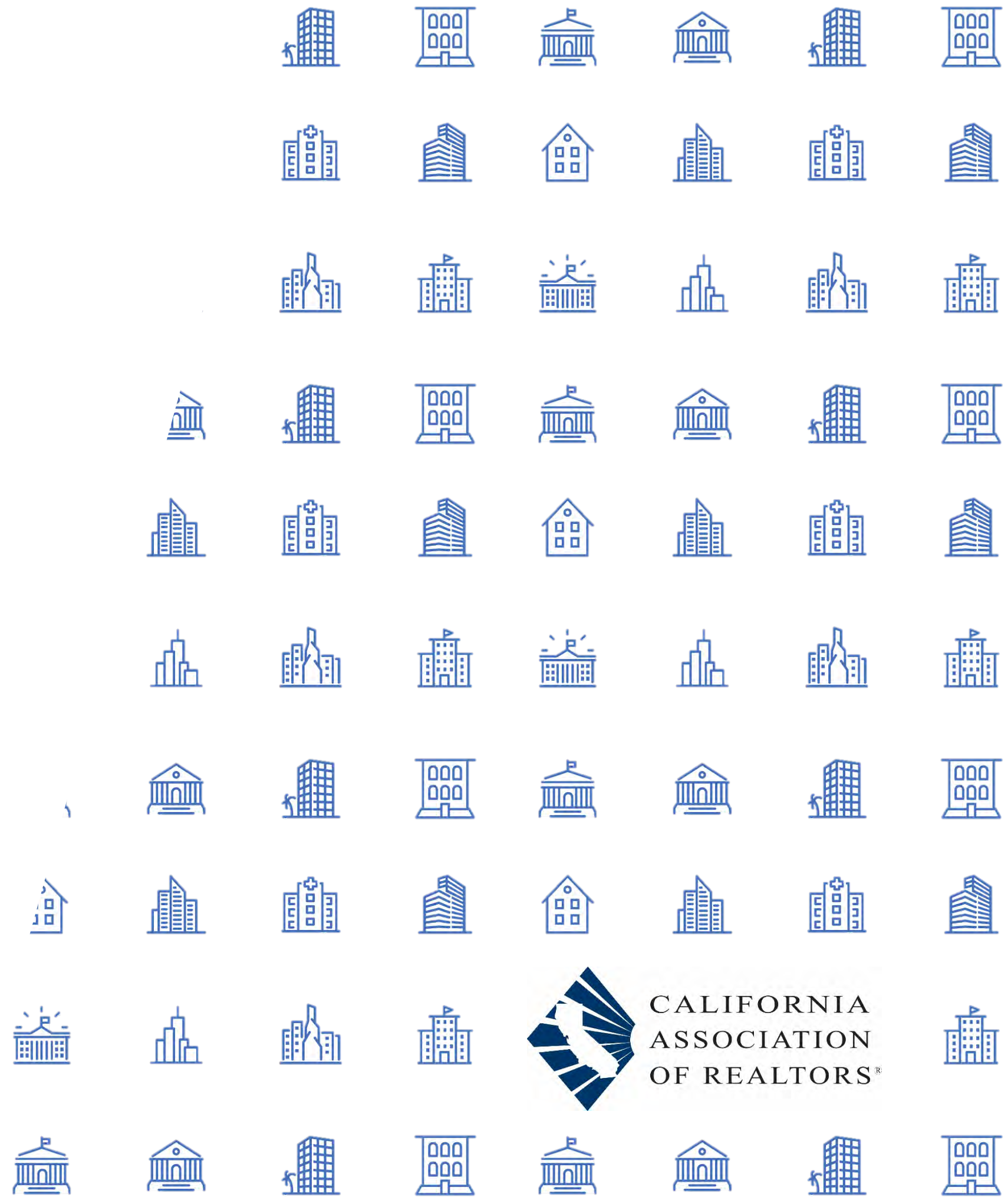


2020 Market Highlights: Assessing the COVID Marketplace

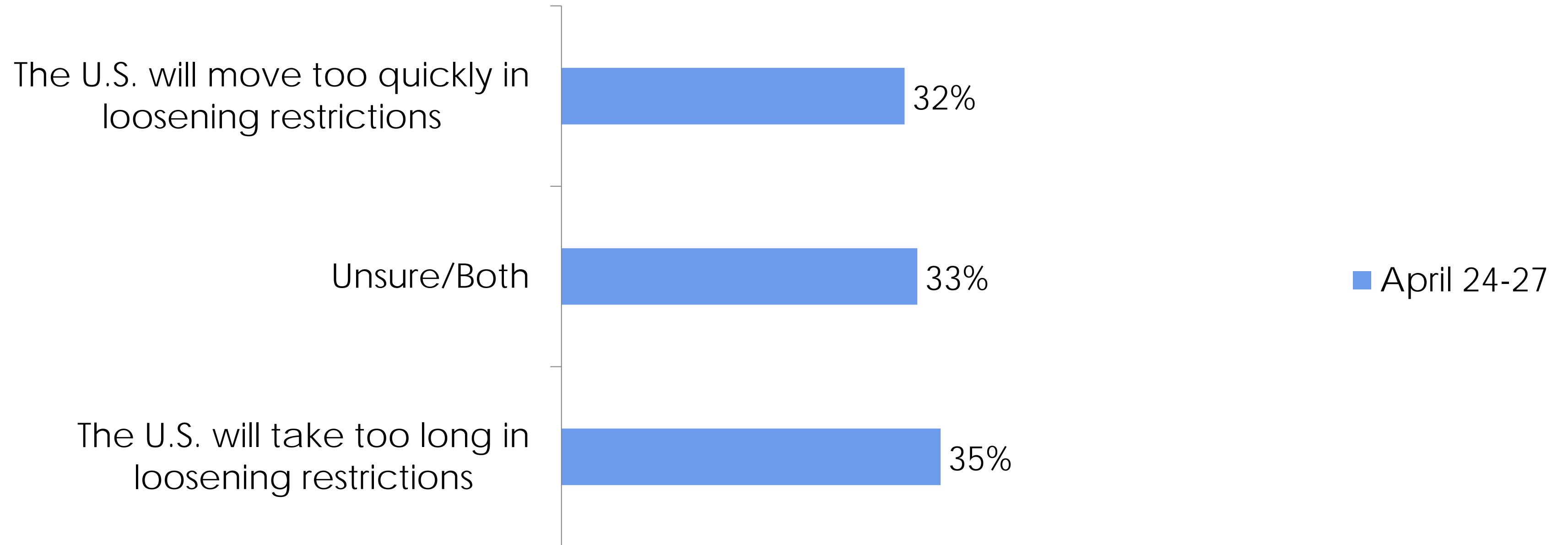


Association Executives
May 11, 2020.
Leslie Appleton-Young
Chief Economist + SVP
California Association of REALTORS®



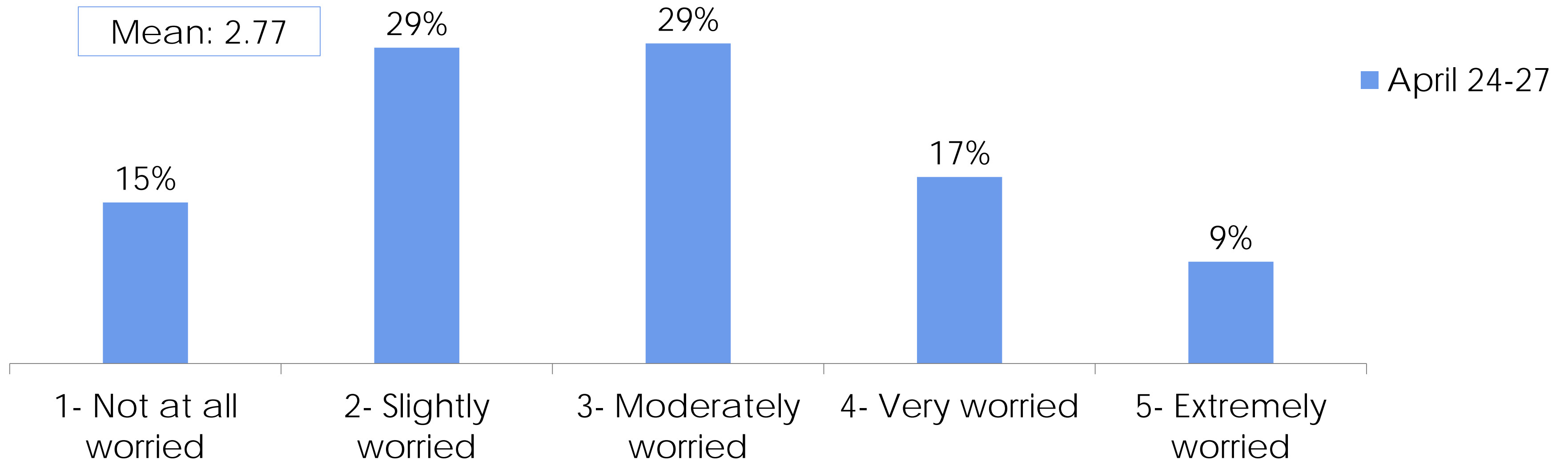
Mixed reactions on what worries members more

Q: Which of the following worries you more?



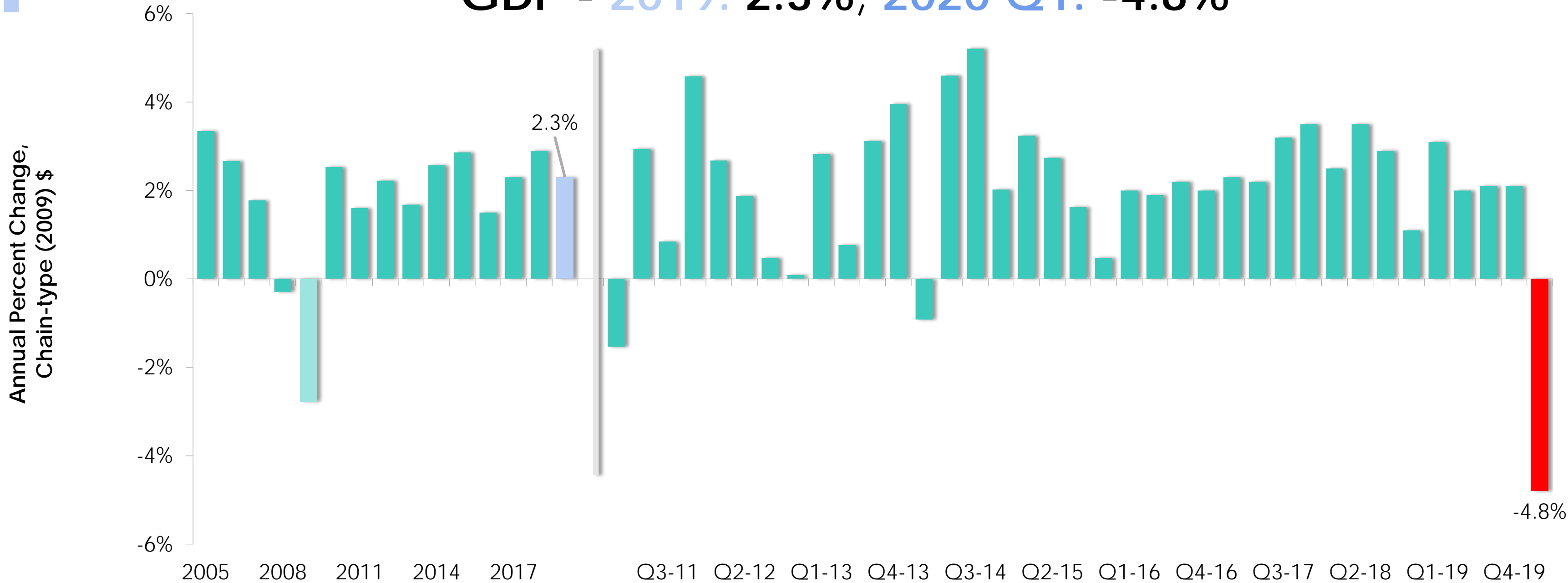
3/4 are at most moderately worried about Coronavirus

Q: How worried are you that you or someone in your immediate family might catch the Coronavirus?



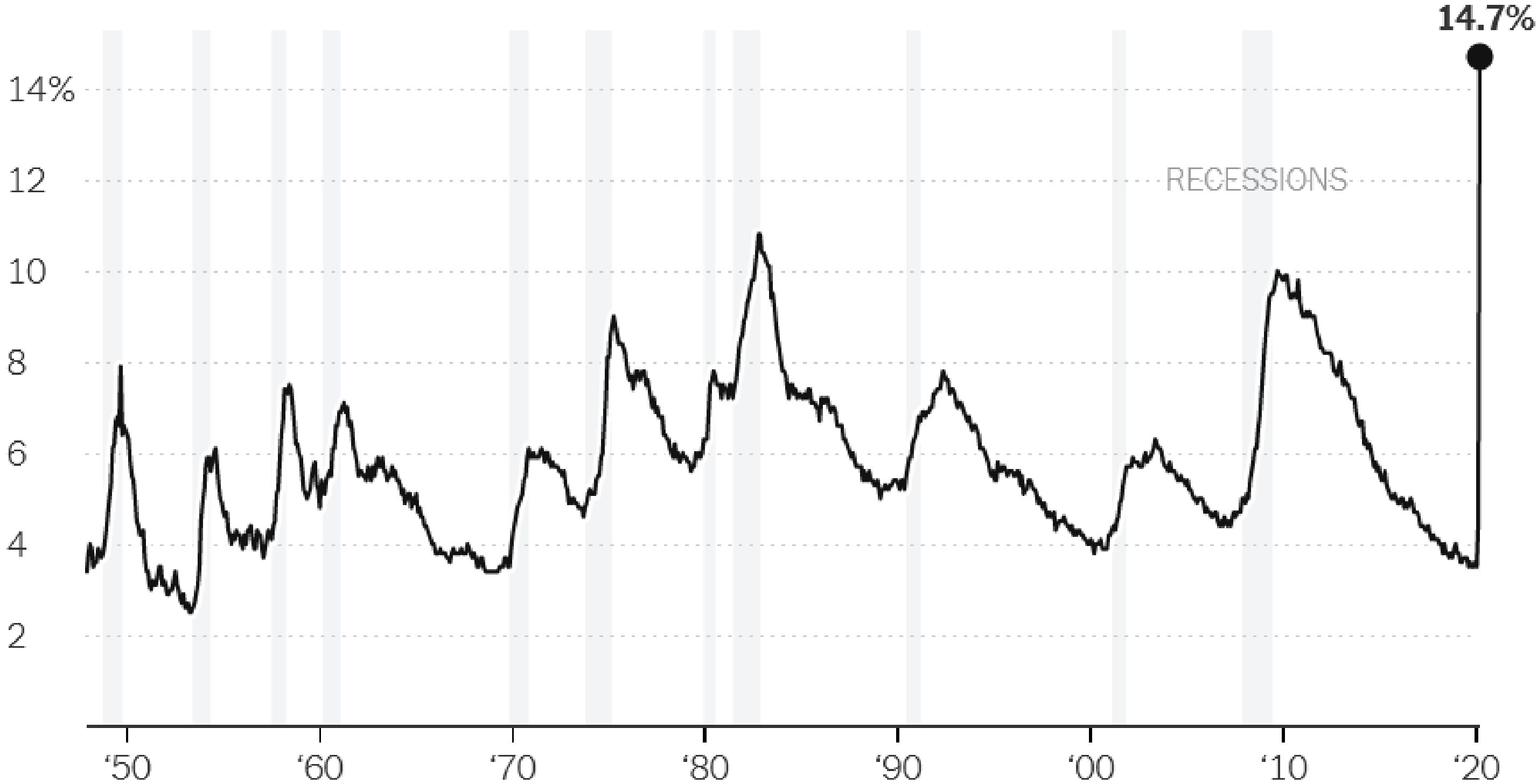
A Sudden and Shattering Shock Longest Expansion in U.S. History is Over

GDP - 2019: 2.3%; 2020 Q1: -4.8%

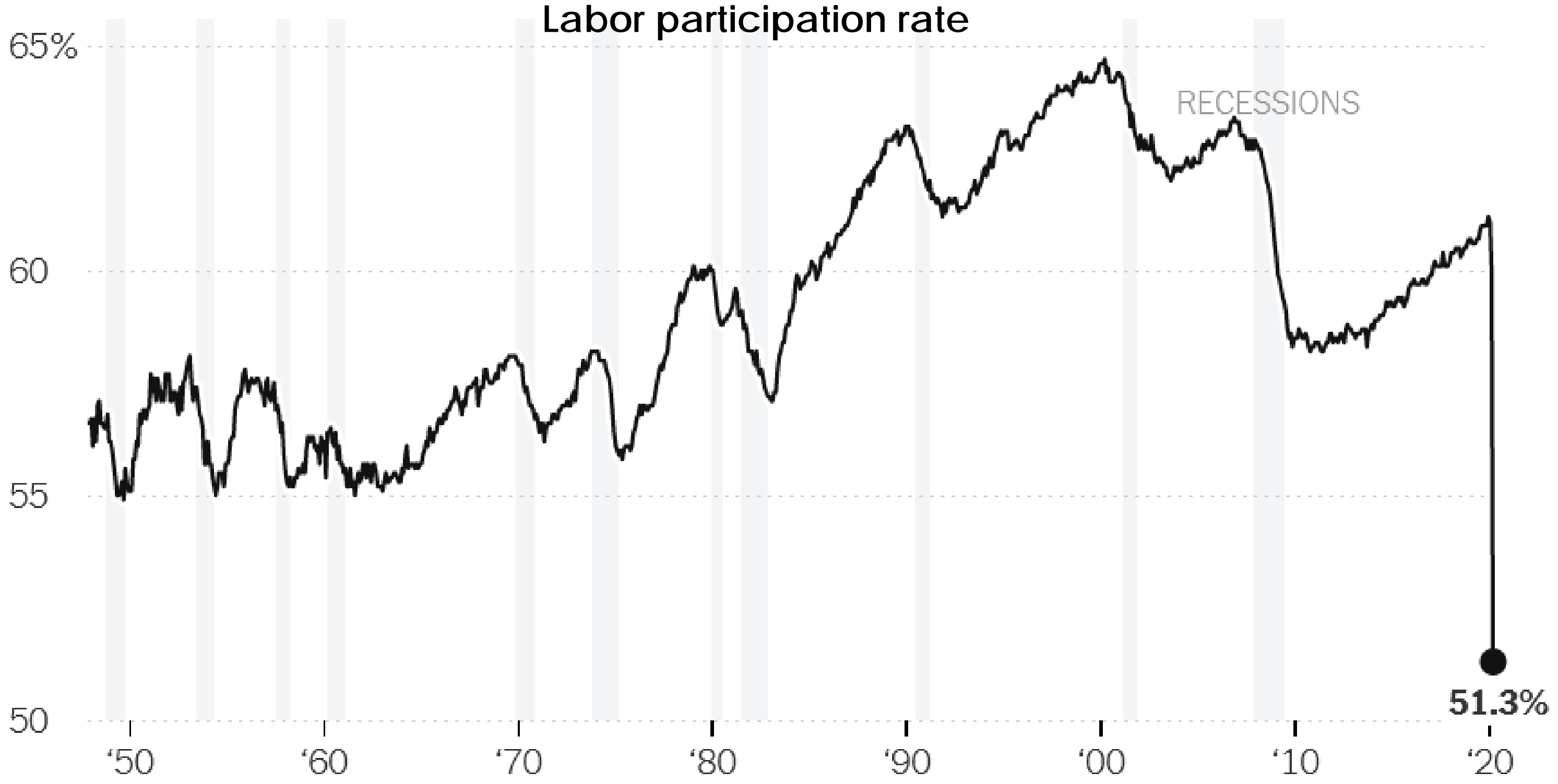




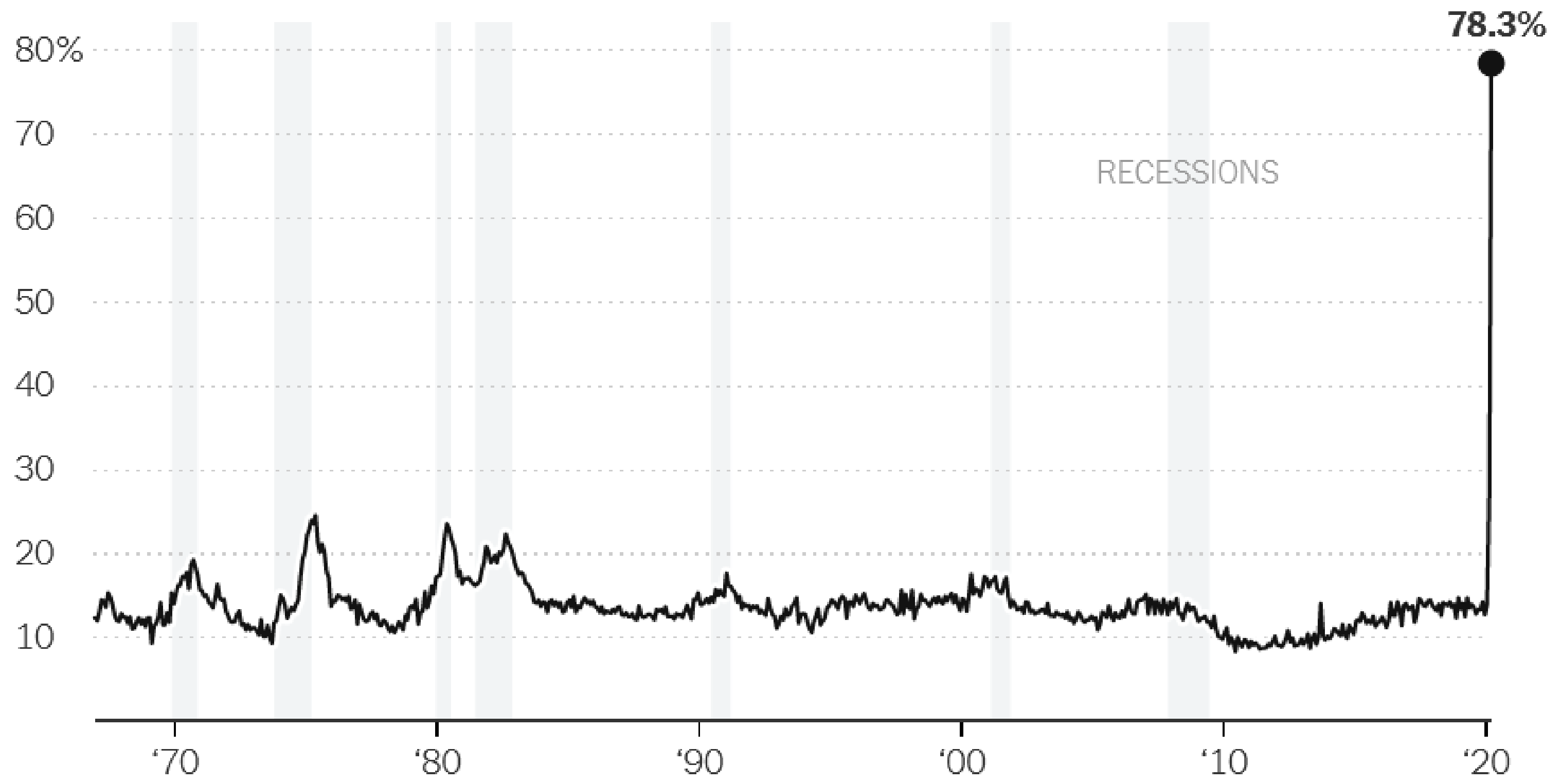
April Unemployment: highest since 1933



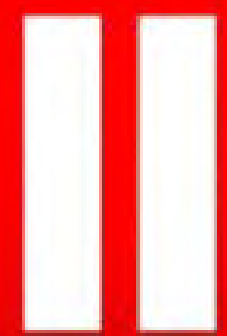
Lowest labor participation on record 51.3%



78.3% are temporary layoffs – sustainable?



PAUSE



March Sales: -11.5% MTM First YTY decline in 9 months

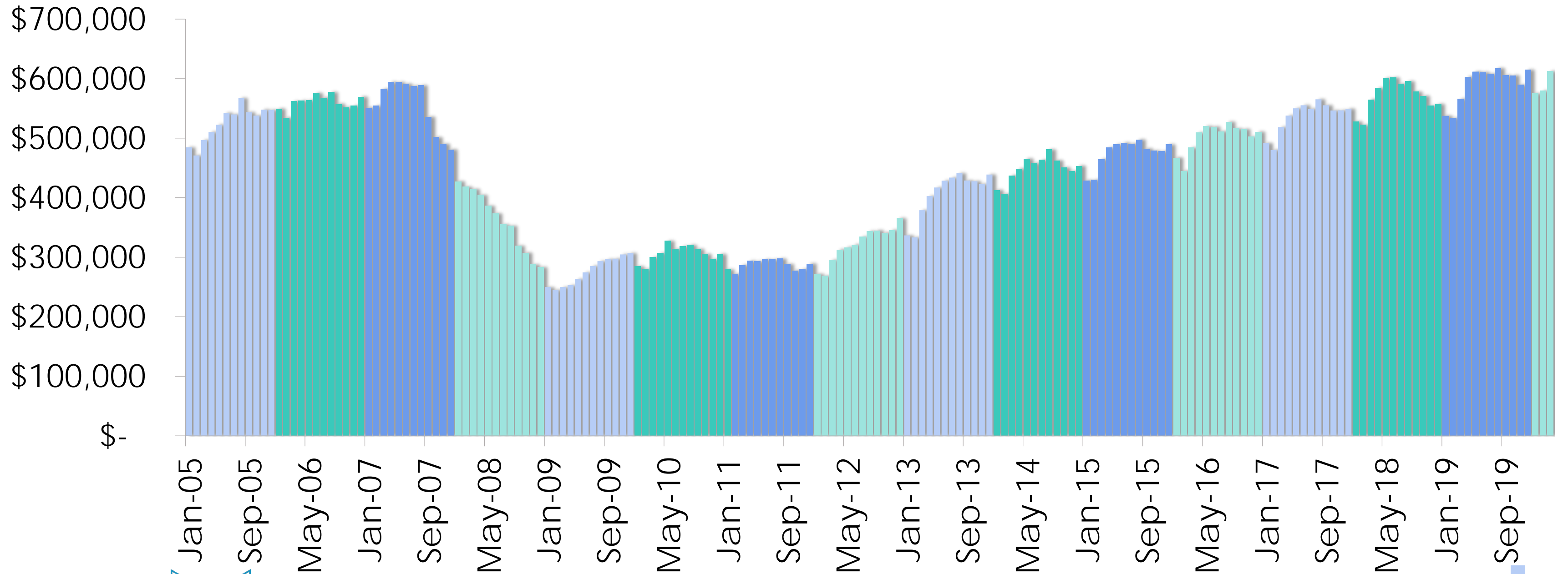
California, March 2020 Sales: **373,070 Units**, -11.5% MTM -6.1% YTY 3.1% YTD,



SERIES: Sales of Existing Single Family Homes
SOURCE: CALIFORNIA ASSOCIATION OF REALTORS®

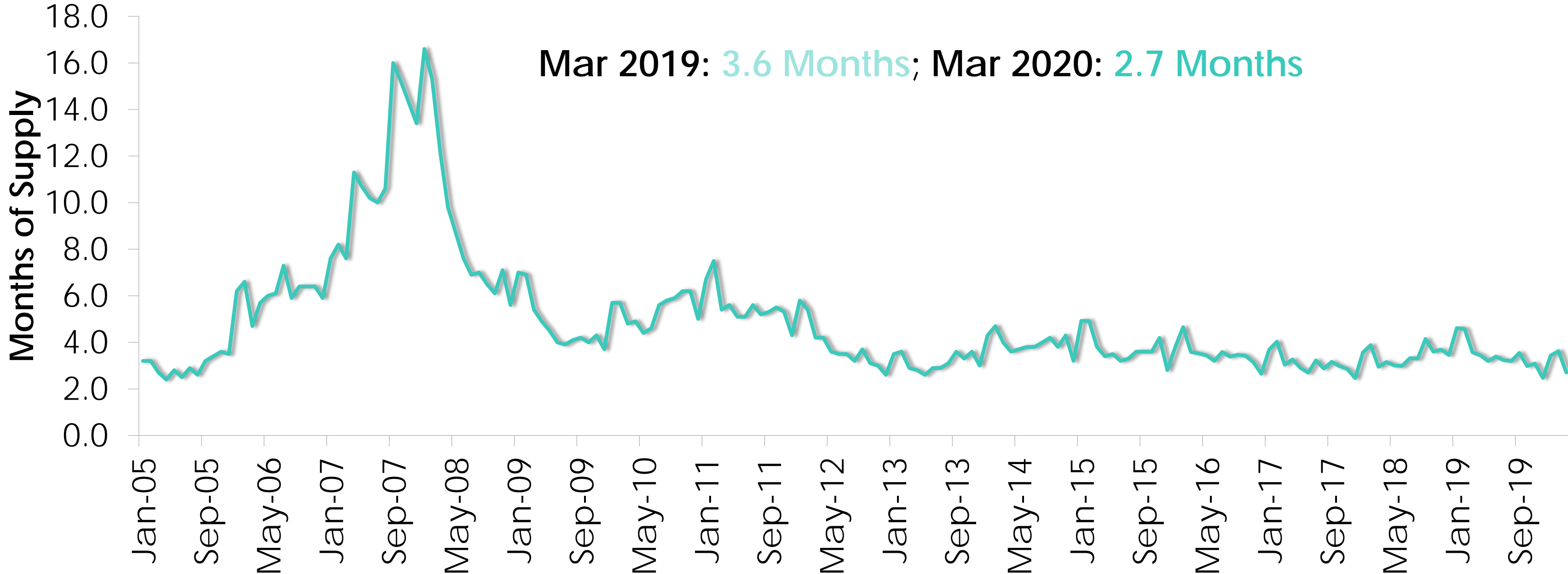
Median price +8.3% YTY - back above \$600k

California, March 2020: \$612,440, 5.6% MTM, 8.3% YTY



SERIES: Median Price of Existing Single Family Homes
SOURCE: CALIFORNIA ASSOCIATION OF REALTORS®

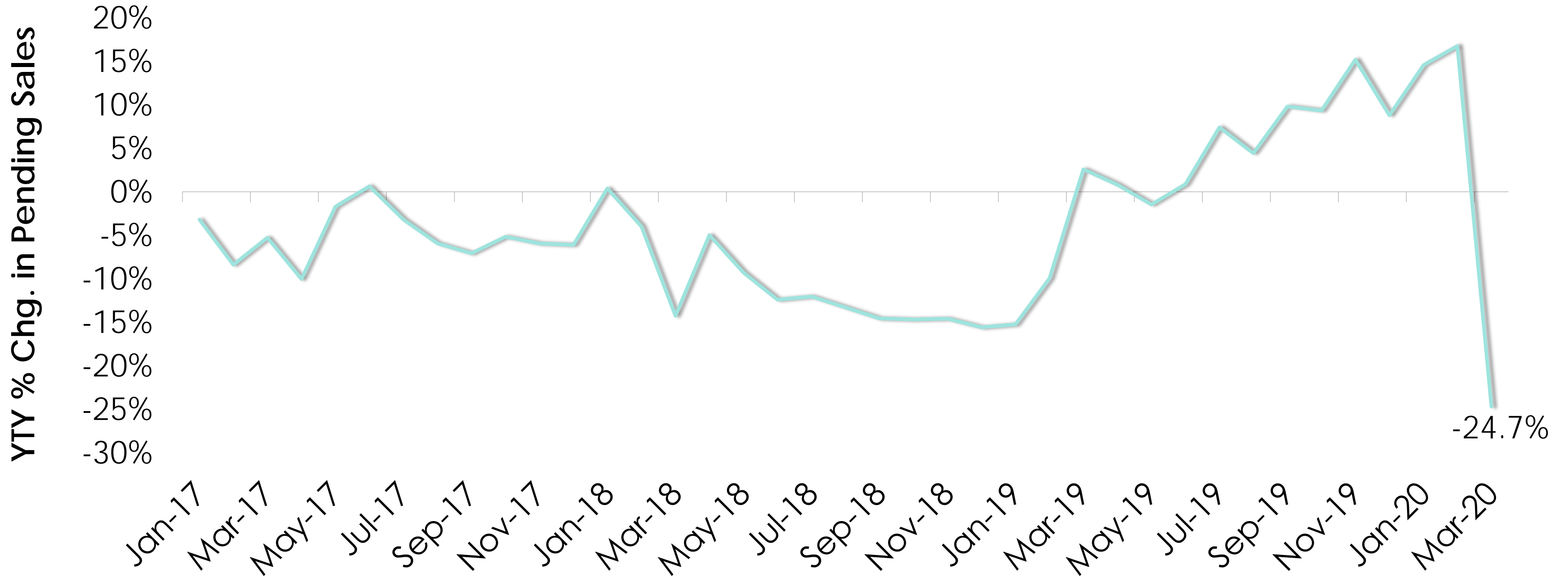
Unsold Inventory Index: New listings dropped in March tightening inventory



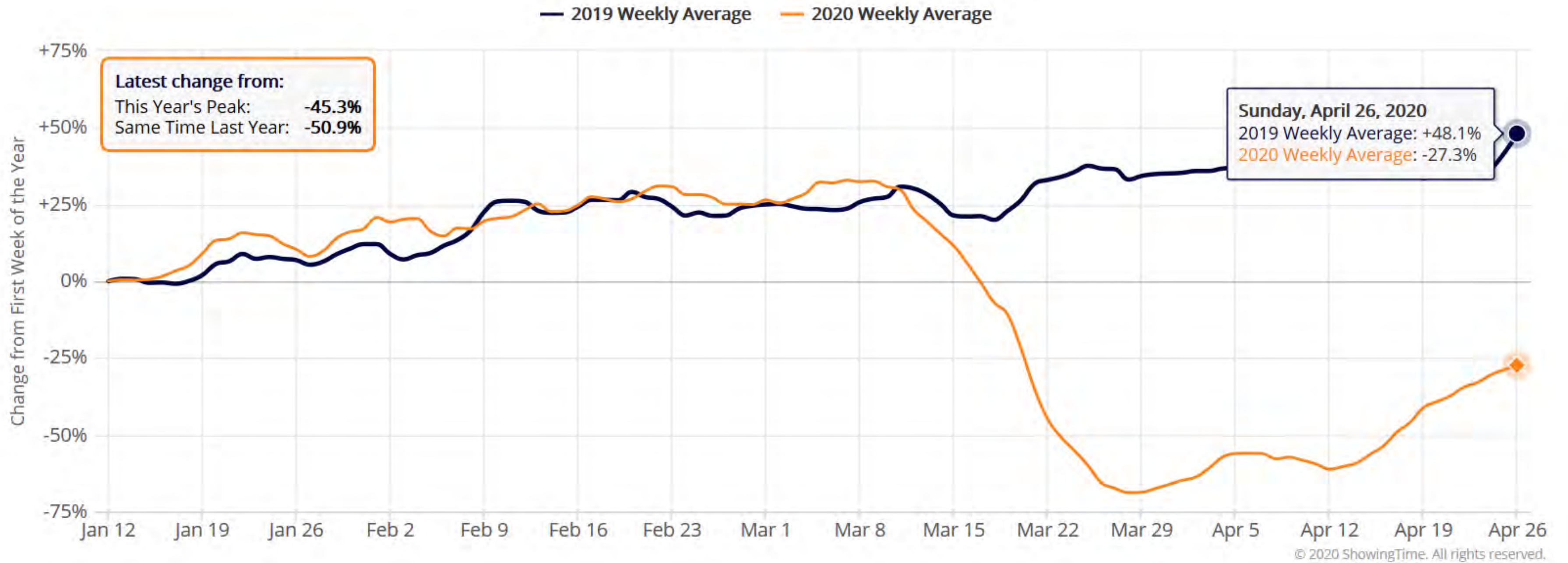
SERIES: Unsold Inventory Index of Existing Single Family Homes
 SOURCE: CALIFORNIA ASSOCIATION OF REALTORS®

What lies ahead? March pendings declined sharply with stay-at home orders

April & May Expected MTM Sales Drop: -25-30%



Green Shoot: Showing Activity: YTY Gap Narrowing



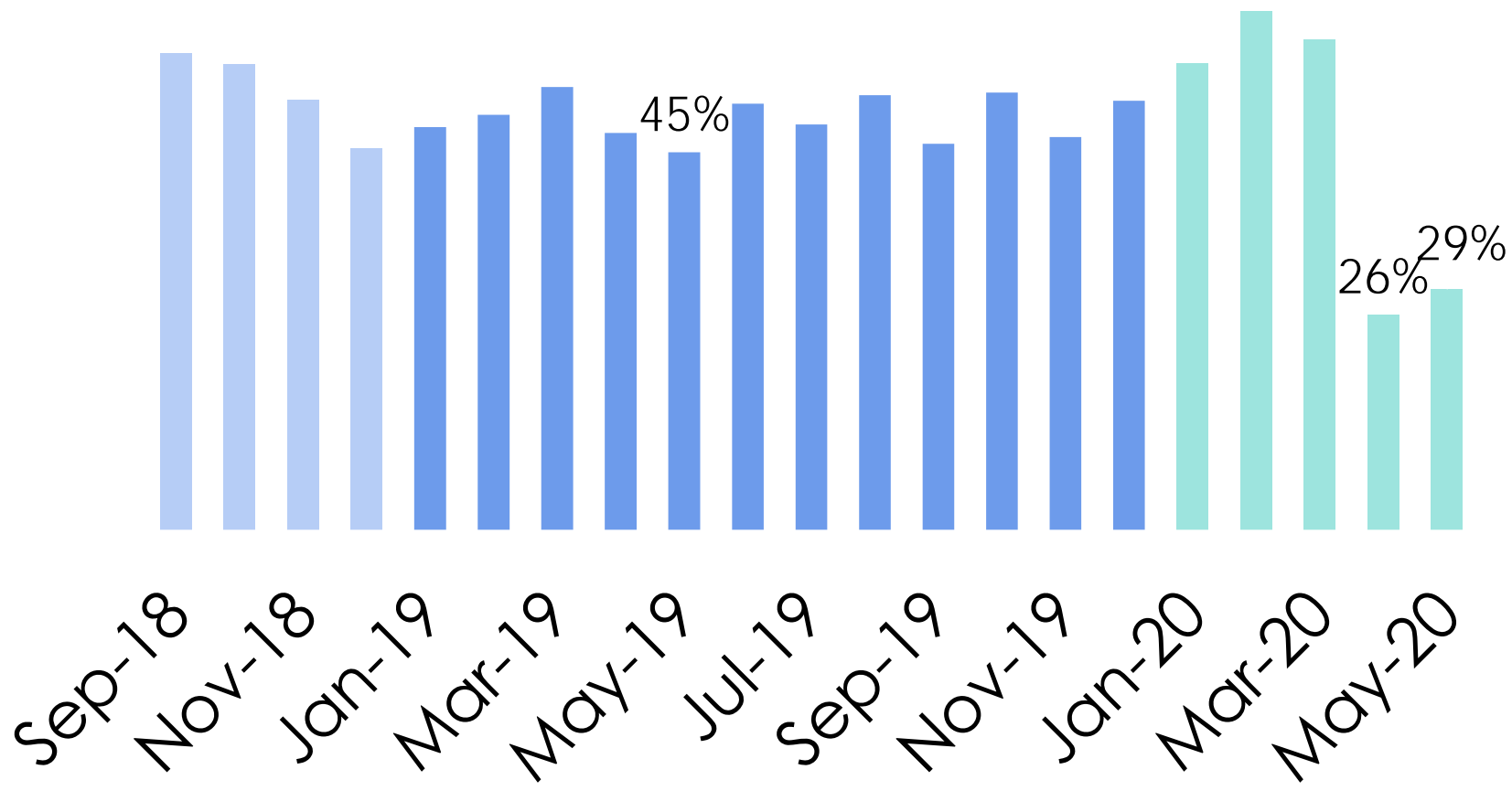
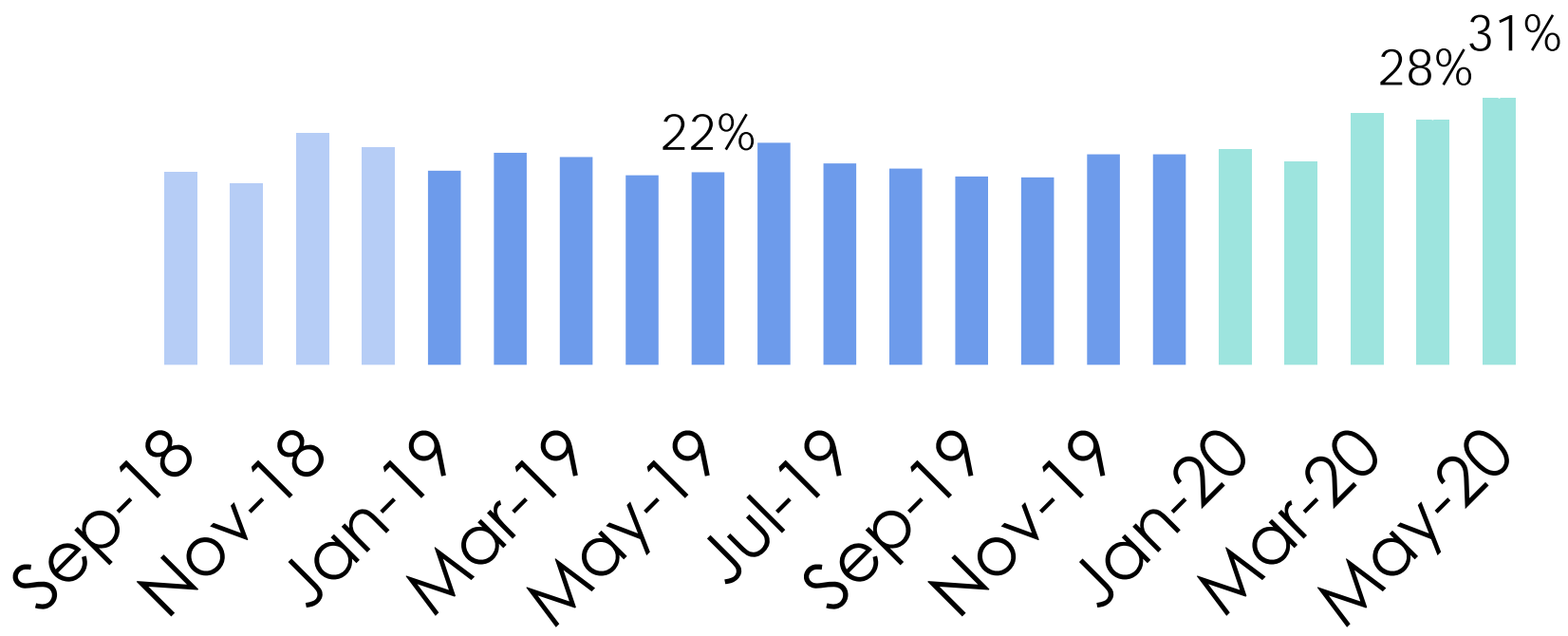


**What's Happening Now:
A look at the weekly
data**

May Rising: Is it a good time to **buy** or **sell**?

Do you think it's a good time to **buy** a home in California?

Do you think it's a good time to **sell** a home in California?

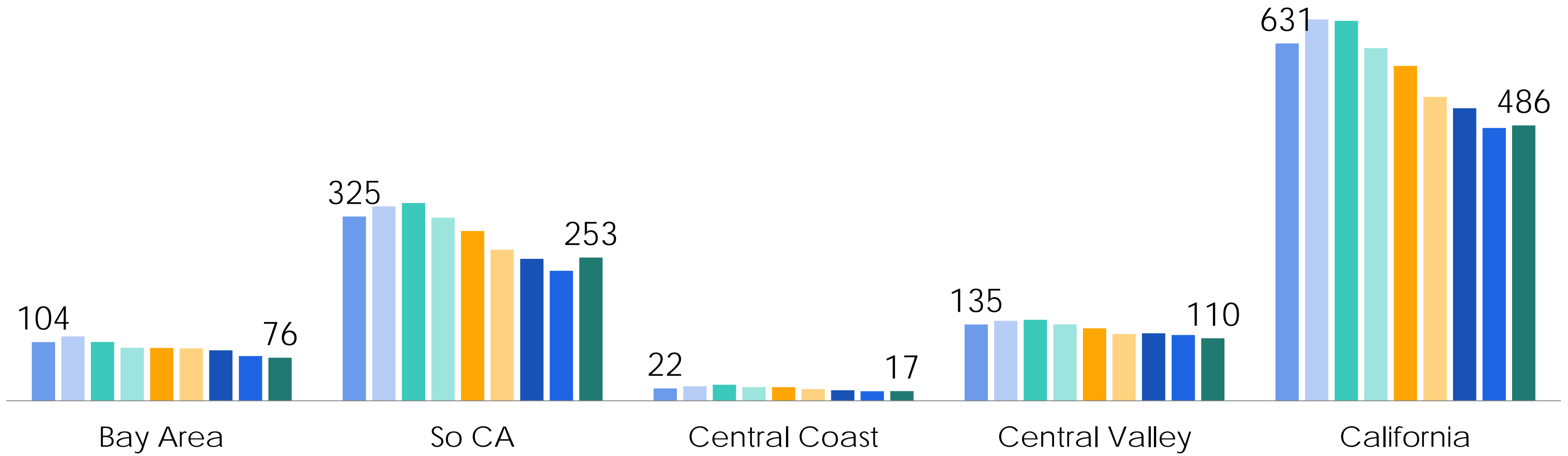
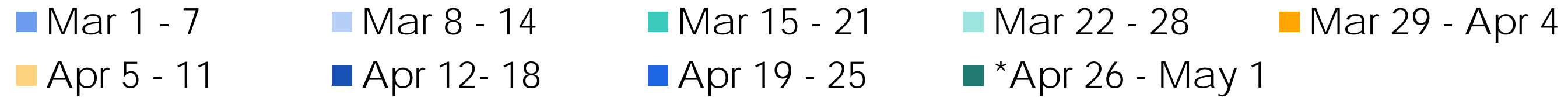


Weekly Closed Sales % Chg last week

CA: +.9%

Closed sales leveling off

Average Daily Closed Sales



**Closed sales for the latest week will likely be revised upward due to recording delays.

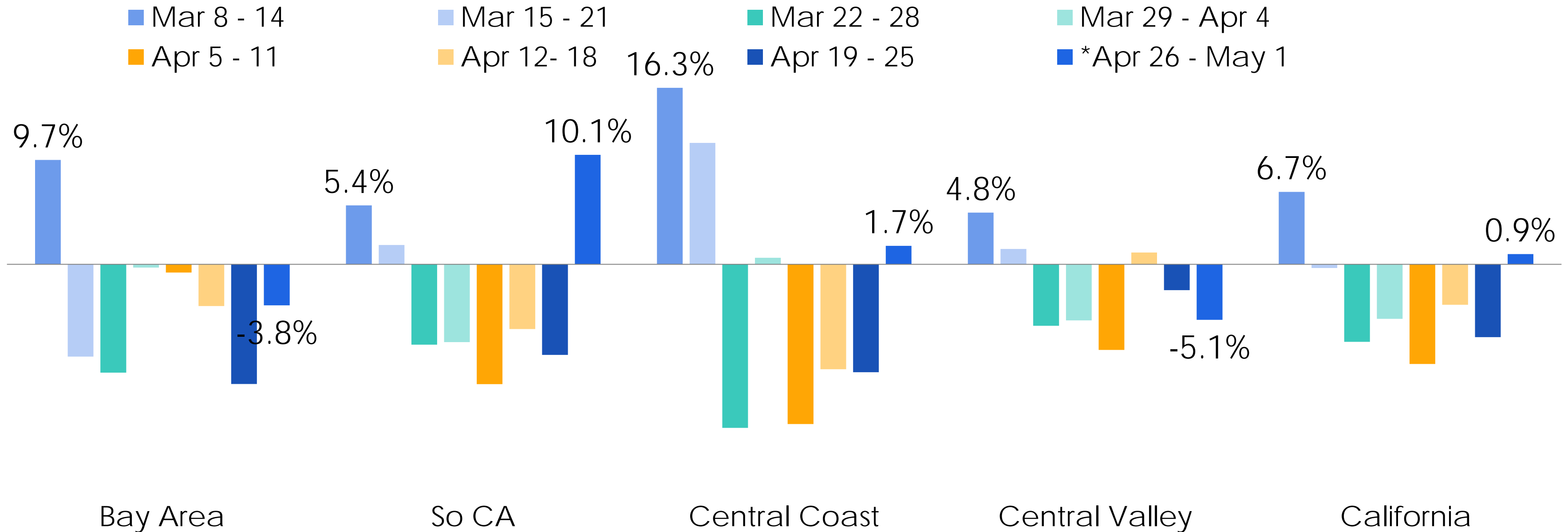


SOURCE: CALIFORNIA ASSOCIATION OF REALTORS®

*Notes: Due to cut-off time, latest week includes 6 days only

California closed sales showed weekly gain for the 1st time in 7 weeks

% Chg. in Closed Sales from Prior Week (Daily Average)



**Closed sales for the latest week will likely be revised upward due to recording delays.



SOURCE: CALIFORNIA ASSOCIATION OF REALTORS®

*Notes: Due to cut-off time, latest week includes 6 days only

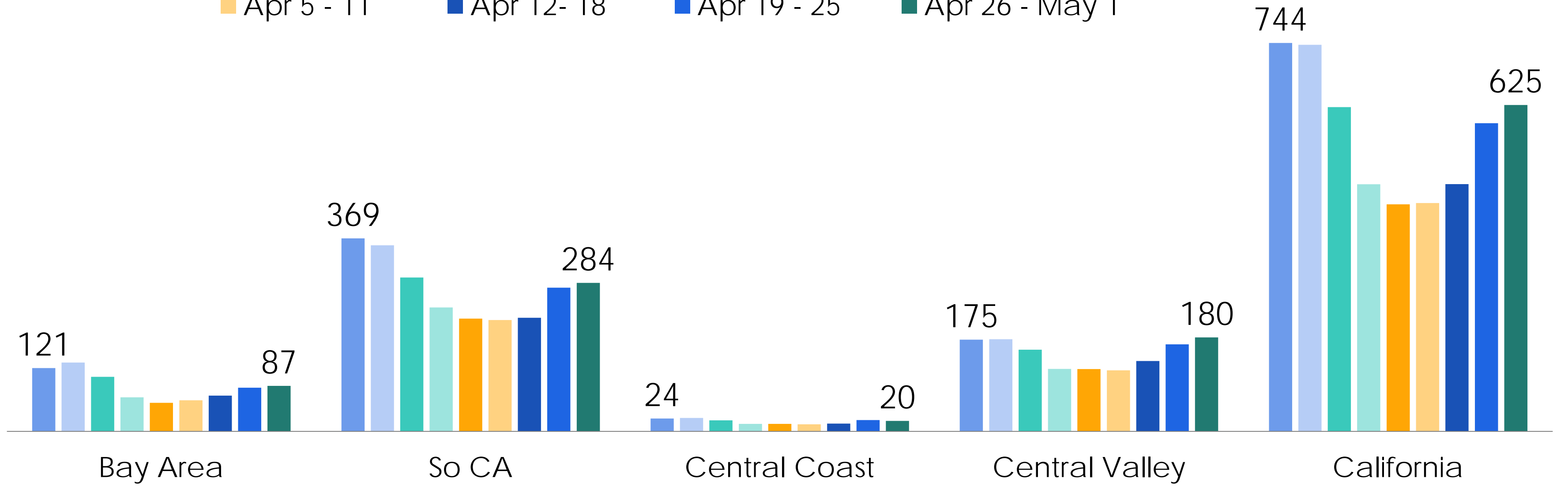
Weekly Pending Sales % Chg last week

CA: +5.9%

Pending sales continued to rise...

Average Daily Pending Sales

■ Mar 1 - 7 ■ Mar 8 - 14 ■ Mar 15 - 21 ■ Mar 22 - 28 ■ Mar 29 - Apr 4
■ Apr 5 - 11 ■ Apr 12- 18 ■ Apr 19 - 25 ■ Apr 26 - May 1



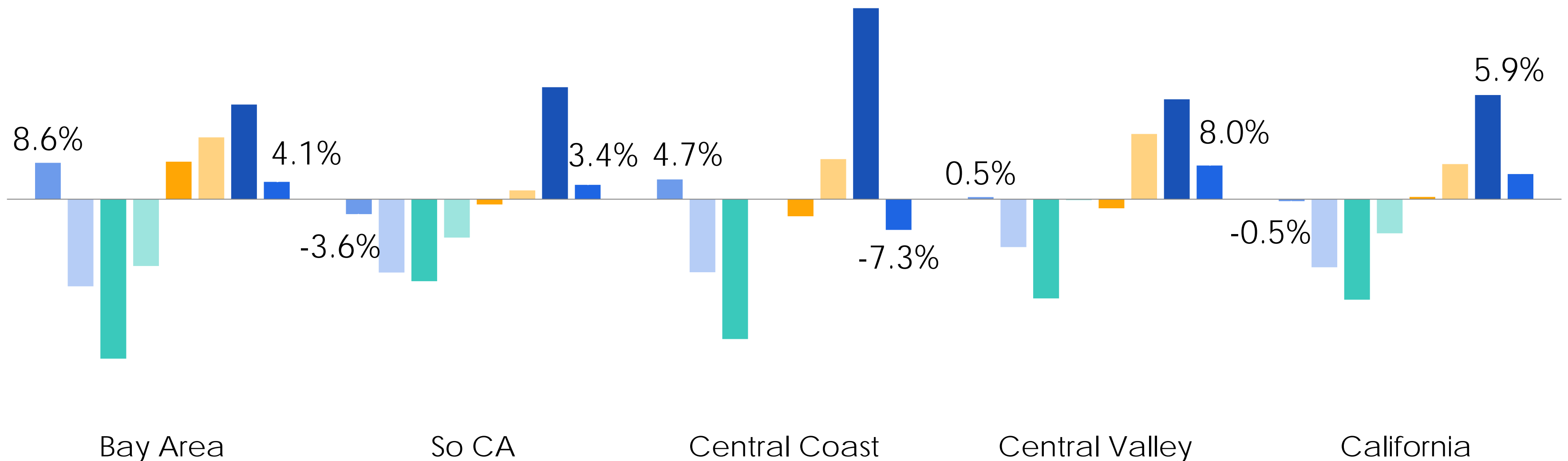
SOURCE: CALIFORNIA ASSOCIATION OF REALTORS®

*Notes: Due to cut-off time, latest week includes 6 days only

Pending sales growth slowed in latest week

% Chg. in Pending Sales from Prior Week (Daily Average)

- Mar 8 - 14
- Mar 15 - 21
- Mar 22 - 28
- Mar 29 - Apr 4
- Apr 5 - 11
- Apr 12- 18
- Apr 19 - 25
- Apr 26 - May 1



SOURCE: CALIFORNIA ASSOCIATION OF REALTORS®

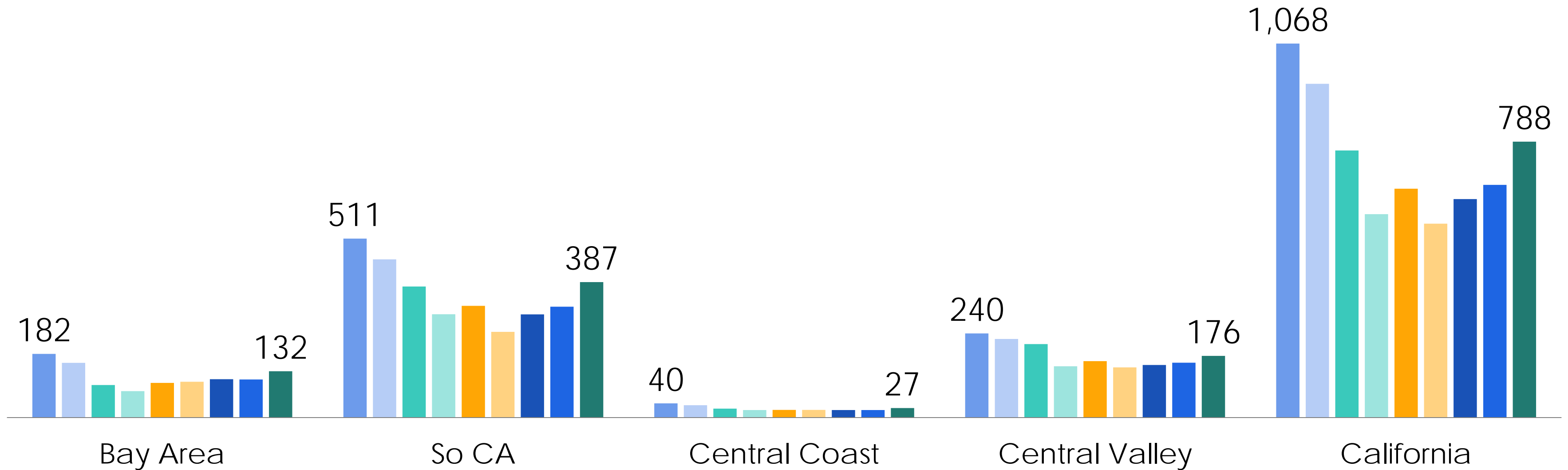
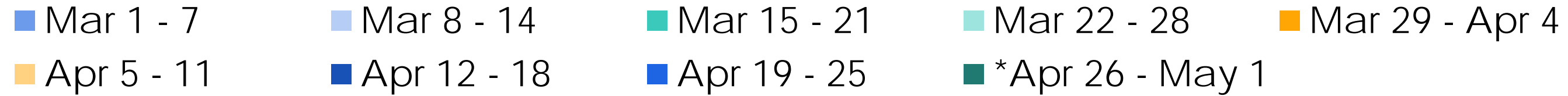
*Notes: Due to cut-off time, latest week includes 6 days only

Weekly New Listings % Chg last week

CA: +18.6%

California new listings reached highest level since SIP

Average Daily New Listings

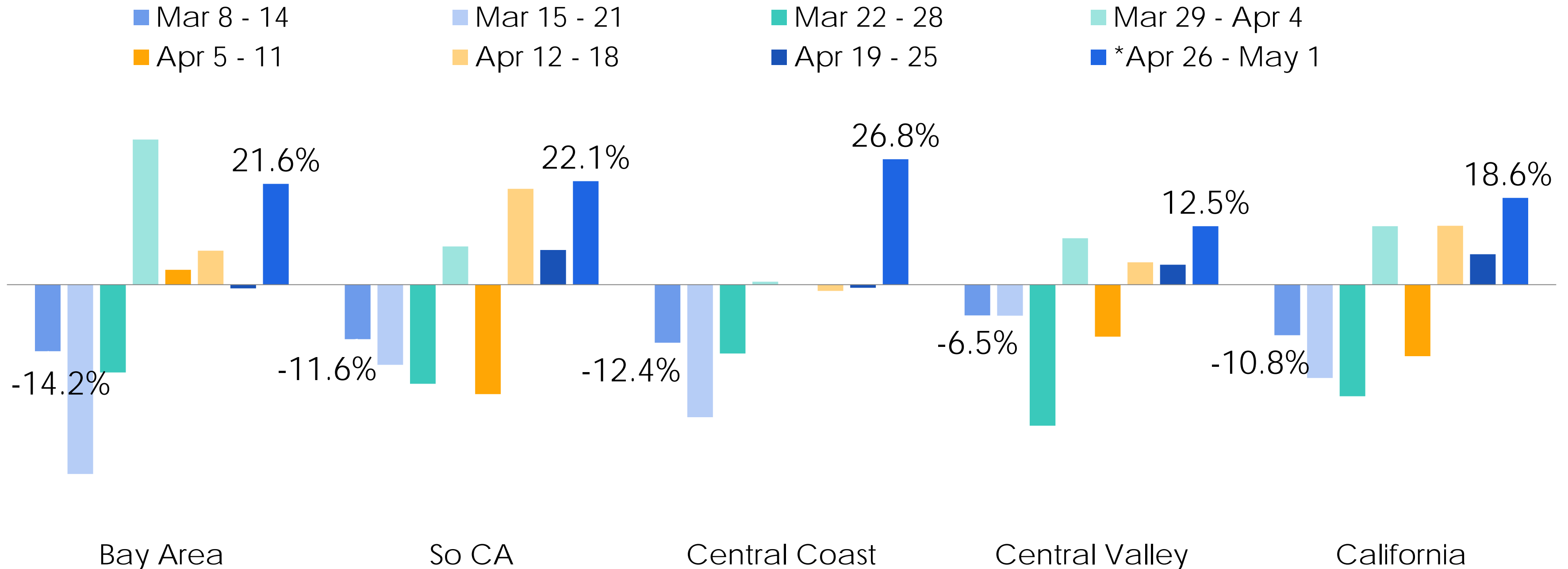


SOURCE: CALIFORNIA ASSOCIATION OF REALTORS®

*Notes: Due to cut-off time, latest week includes 6 days only

New listings surged in the latest week

% Chg. in New Listings from Prior Week (Daily Average)



SOURCE: CALIFORNIA ASSOCIATION OF REALTORS®

*Notes: Due to cut-off time, latest week includes 6 days only



Forecast?

Forecasting the COVID 2020 Market – Scenarios > Single Point Forecasts

Scenario 1: Stay at home order lifted on May 15, but some social distancing measures remain in place throughout the summer. No second wave expected in the fall

2020	30-FRM	GDP	Sales	Sales <u>qtq%</u> Chg.	Sales <u>yty%</u> Chg.	Home Price	Price <u>qtq%</u> Chg.	Price <u>yty%</u> Chg.
Q1	3.46%	-2.3%	396,810	-1.2%	3.1%	\$589,120	-3.0%	7.9%
Q2	2.92%	-27.5%	258,930	-34.7%	-34.9%	\$575,460	-2.3%	-5.5%
Q3	2.92%	12.2%	320,810	23.9%	-21.2%	\$566,350	-1.6%	-7.1%
Q4	3.08%	2.4%	348,560	8.6%	-13.3%	\$553,280	-2.3%	--8.9%
2020	3.10%	-2.8%	331,280		-16.7%	\$570,700		-3.7%

NAR Forecast: Sales -13.5%
 Prices +1.3%





Thank You

This presentation can be found on
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Speeches & Presentations
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