



REAL ESTATE MARKET UPDATE

APRIL 2022

CENTURY 21 Signature
Real Estate



Impact of Rising Rates on Housing

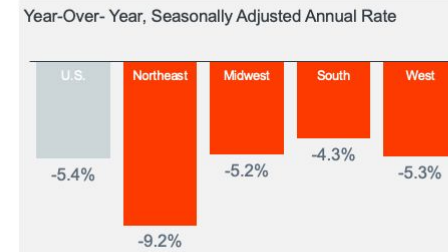
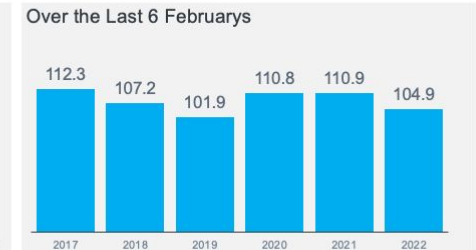
Changes when mortgage rates rise by more than 1%

| Start Date | End Date | Months | Increase | Home Prices | Home Sales |
|----------------|-----------|-----------|--------------|-------------|------------|
| Oct 1993 | Dec 1994 | 14 | 2.38% | +3% | -11% |
| Jan 1996 | Sept 1996 | 8 | 1.2% | +2% | -2% |
| Oct 1998 | May 2000 | 19 | 1.81% | +13% | -2% |
| June 2003 | June 2004 | 12 | 1.06% | +13% | 2% |
| June 2005 | July 2006 | 13 | 1.18% | +7% | -14% |
| Nov 2012 | Dec 2013 | 13 | 1.11% | +11% | -2% |
| Average | | 13 | 1.46% | +8% | -5% |

Source: Freddie Mac

Pending Home Sales

100 = Historically Healthy Level



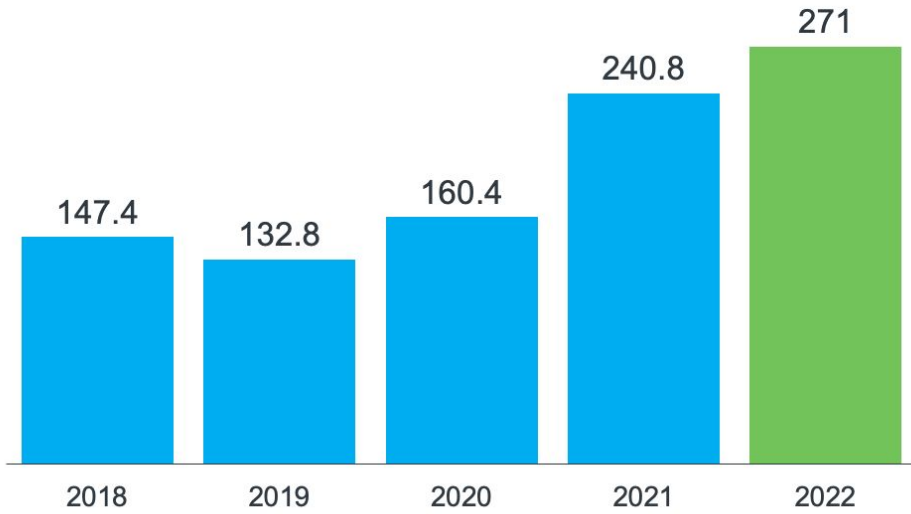
Source: NAR

SLIDE 1

SLIDE 2

Showings Exceed Pre-Pandemic Numbers

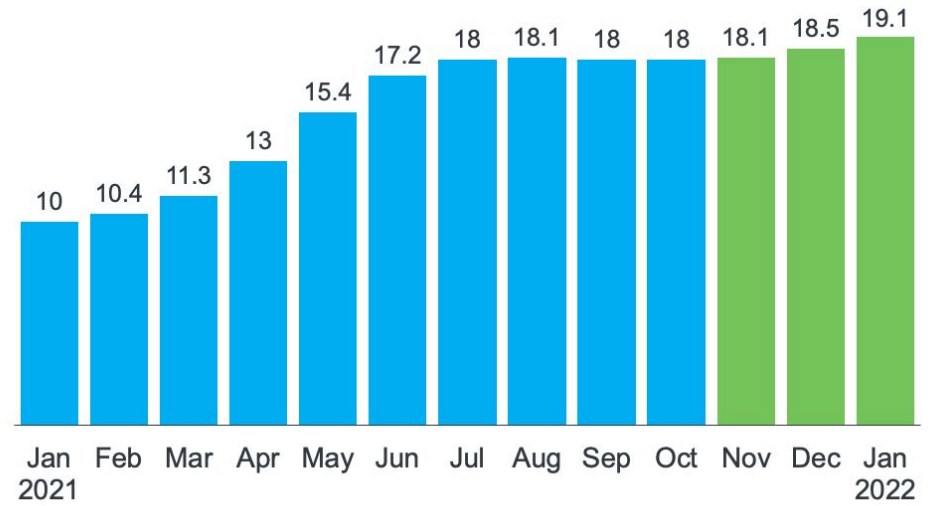
Showing Index over the Last 5 Februarys



Source: ShowingTime

Price Appreciation Accelerating

% Year-Over-Year Price Increases (Monthly)



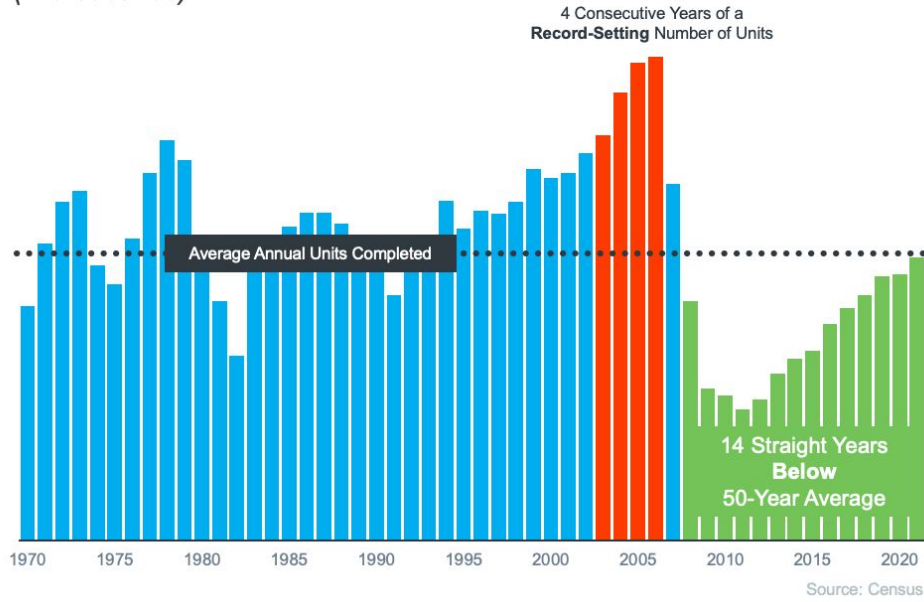
Source: CoreLogic

SLIDE 3

SLIDE 4

Single-Family Housing Units Completed

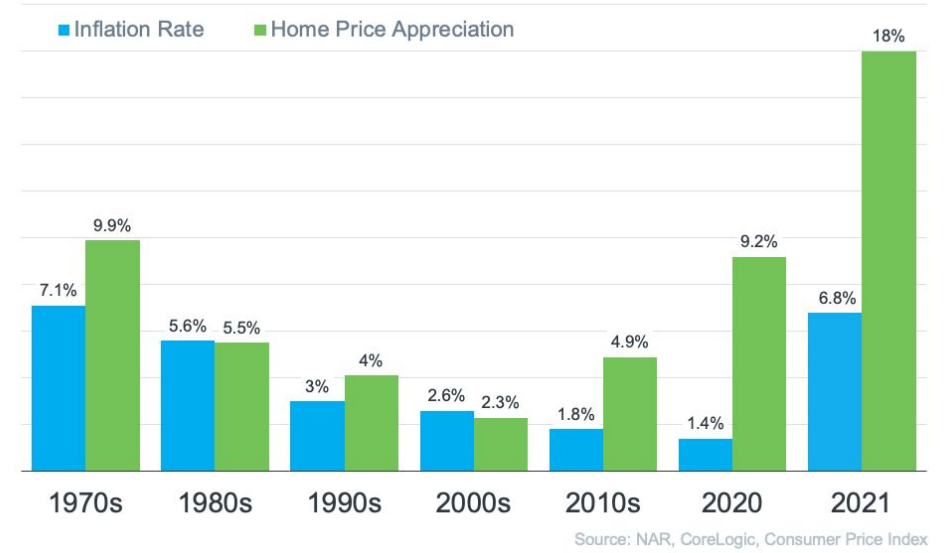
(in thousands)



SLIDE 5

Homeownership: a Hedge Against Inflation

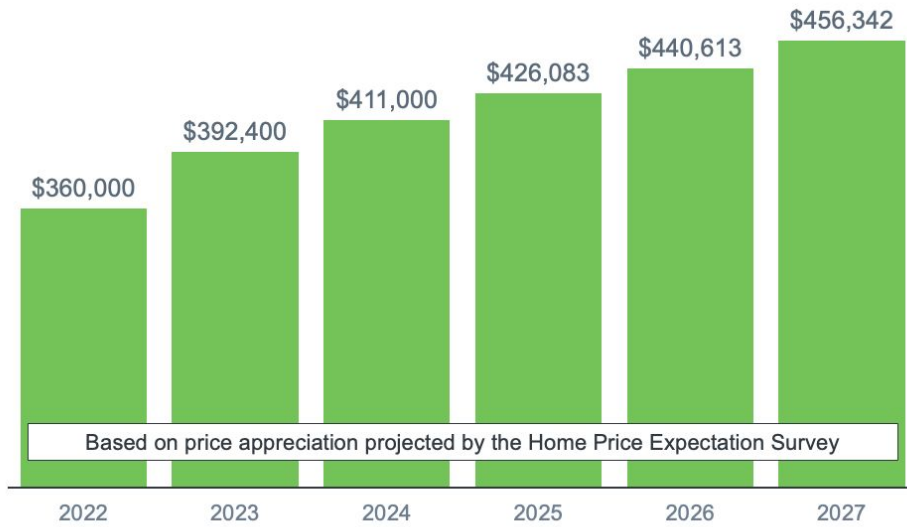
Home Price Appreciation vs. Consumer Price Increases over the Decades



SLIDE 6

\$96,342

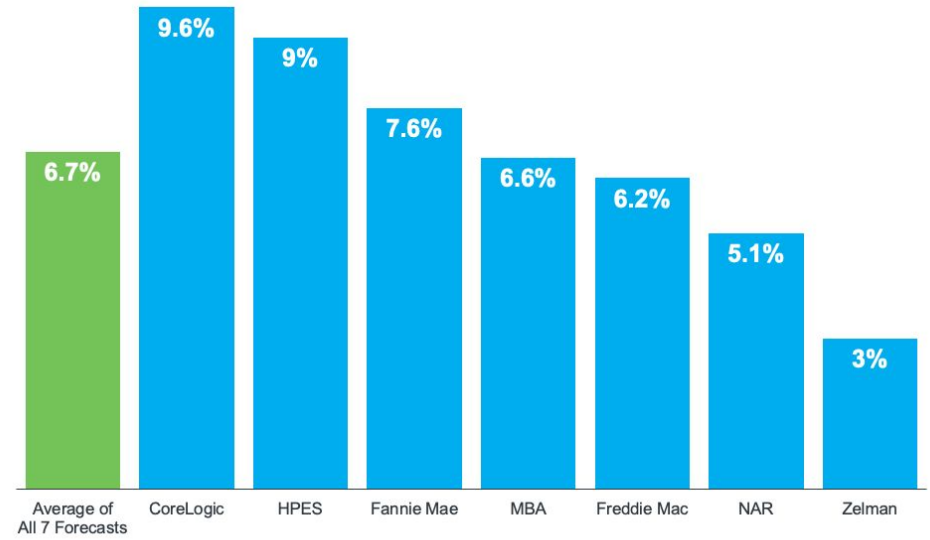
Potential growth in household wealth over the next 5 years based solely on increasing home equity if you purchased a \$360K home in January 2022



Based on price appreciation projected by the Home Price Expectation Survey

Source: Q4 2021 HPES

Home Price Forecasts for 2022



SLIDE 7

SLIDE 8

GREATER DES MOINES MARKET OVERVIEW

RESALE - March 2022

CENTURY 21[®]

Signature Real Estate

| | Total Market | CURRENT RESALE | | | RESALE MARCH 2022 | | | RESALE LAST 12 MONTHS | | | |
|---------------------|---------------------|-----------------|-------------|---------------|-------------------|---------------------|------------------|-------------------------|----------------|------------|----------------|
| | All Active Listings | Active Listings | Pendings | Pending Ratio | Sold this Month | This Month's Supply | This Month's DOM | Closings last 12 Months | Sold per month | Supply | Days on Market |
| 0-\$49,999 | 18 | 18 | 24 | 133.3% | 9 | 2.00 | 63 | 146 | 12.2 | 1.5 | 36 |
| \$50,000-\$74,999 | 12 | 12 | 33 | 275.0% | 22 | 0.55 | 43 | 293 | 24.4 | 0.5 | 31 |
| \$75,000-\$99,999 | 23 | 23 | 49 | 213.0% | 27 | 0.85 | 54 | 495 | 41.3 | 0.6 | 30 |
| \$100,000-\$124,999 | 27 | 28 | 79 | 282.1% | 46 | 0.61 | 39 | 749 | 62.4 | 0.4 | 27 |
| \$125,000-\$149,999 | 53 | 53 | 179 | 337.7% | 68 | 0.78 | 29 | 1226 | 102.2 | 0.5 | 20 |
| \$150,000-\$174,999 | 52 | 52 | 217 | 417.3% | 115 | 0.45 | 33 | 1531 | 127.6 | 0.4 | 19 |
| \$175,000-\$199,999 | 57 | 52 | 198 | 380.8% | 88 | 0.59 | 30 | 1503 | 125.3 | 0.4 | 17 |
| \$200,000-\$249,999 | 124 | 88 | 338 | 384.1% | 160 | 0.55 | 15 | 2398 | 199.8 | 0.4 | 15 |
| \$250,000-\$299,999 | 150 | 63 | 284 | 450.8% | 149 | 0.42 | 20 | 2052 | 171.0 | 0.4 | 14 |
| \$300,000-\$349,999 | 245 | 52 | 170 | 326.9% | 73 | 0.71 | 10 | 1295 | 107.9 | 0.5 | 15 |
| \$350,000-\$399,999 | 335 | 50 | 139 | 278.0% | 78 | 0.64 | 19 | 954 | 79.5 | 0.6 | 16 |
| \$400,000-\$449,999 | 182 | 32 | 98 | 306.3% | 31 | 1.03 | 16 | 553 | 46.1 | 0.7 | 18 |
| \$450,000-\$499,999 | 112 | 25 | 62 | 248.0% | 27 | 0.93 | 19 | 376 | 31.3 | 0.8 | 22 |
| \$500,000-\$549,999 | 70 | 11 | 41 | 372.7% | 12 | 0.92 | 21 | 228 | 19.0 | 0.6 | 26 |
| \$550,000-\$599,999 | 68 | 18 | 35 | 194.4% | 8 | 2.25 | 38 | 163 | 13.6 | 1.3 | 24 |
| \$600,000-\$749,999 | 93 | 20 | 43 | 215.0% | 10 | 2.00 | 48 | 301 | 25.1 | 0.8 | 32 |
| \$750,000 + | 91 | 45 | 48 | 106.7% | 11 | 4.09 | 50 | 230 | 19.2 | 2.3 | 62 |
| Totals | 1712 | 642 | 2037 | 317.3% | 934 | 0.69 | 28 | 14493 | 1207.8 | 0.5 | |
| Last Month | 1666 | 522 | 2948 | 564.8% | 747 | 0.70 | 28 | 17442 | 1453.5 | 0.4 | |
| Last Year | 1682 | | | | | | | | | | |

Information deemed reliable but not guaranteed. Source: Des Moines Area Association of Realtors

GREATER DES MOINES MARKET OVERVIEW

NEW CONSTRUCTION - March 2022

CENTURY 21

Signature Real Estate

| | Total Market | CURRENT NEW CONSTRUCTION | | | NEW CONSTRUCTION MARCH 2022 | | | NEW CONSTRUCTION LAST 12 MONTHS | | | |
|---------------------|---------------------|--------------------------|-------------|---------------|-----------------------------|---------------------|------------------|---------------------------------|----------------|------------|----------------|
| | All Active Listings | Active Listings | Pendings | Pending Ratio | Sold this Month | This Month's Supply | This Month's DOM | Closings last 12 Months | Sold per month | Supply | Days on Market |
| 0-\$199,999 | 246 | 5 | 6 | 120.0% | 2 | 2.50 | 306 | 52 | 4.3 | 1.2 | 130 |
| \$200,000-\$249,999 | 122 | 35 | 88 | 251.4% | 12 | 2.92 | 134 | 317 | 26.4 | 1.3 | 102 |
| \$250,000-\$299,999 | 150 | 87 | 164 | 188.5% | 41 | 2.12 | 109 | 819 | 68.3 | 1.3 | 94 |
| \$300,000-\$349,999 | 245 | 193 | 223 | 115.5% | 65 | 2.97 | 113 | 768 | 64.0 | 3.0 | 99 |
| \$350,000-\$399,999 | 335 | 286 | 227 | 79.4% | 65 | 4.40 | 113 | 482 | 40.2 | 7.1 | 77 |
| \$400,000-\$449,999 | 182 | 150 | 118 | 78.7% | 32 | 4.69 | 106 | 243 | 20.3 | 7.4 | 66 |
| \$450,000-\$499,999 | 112 | 87 | 126 | 144.8% | 18 | 4.83 | 122 | 193 | 16.1 | 5.4 | 78 |
| \$500,000-\$549,999 | 71 | 59 | 63 | 106.8% | 14 | 4.21 | 78 | 120 | 10.0 | 5.9 | 67 |
| \$550,000-\$599,999 | 70 | 51 | 38 | 74.5% | 14 | 3.64 | 74 | 97 | 8.1 | 6.3 | 86 |
| \$600,000-\$749,999 | 93 | 74 | 61 | 82.4% | 18 | 4.11 | 97 | 132 | 11.0 | 6.7 | 65 |
| \$750,000+ | 91 | 46 | 53 | 115.2% | 9 | 5.11 | 100 | 73 | 6.1 | 7.6 | 68 |
| Totals | 1717 | 1073 | 1167 | 108.8% | 290 | 3.70 | 88 | 3296 | 274.7 | 3.9 | 87 |
| Last Month | 1598 | 1136 | 1100 | 96.8% | 175 | 6.49 | 88 | 3459 | 288.3 | 3.9 | 87 |
| Last Year | 1780 | | | | | | | | | | |

Information deemed reliable but not guaranteed. Source: Des Moines Area Association of Realtors

ANKENY MARKET OVERVIEW

RESALE - March 2022

CENTURY 21[®]

Signature Real Estate

| | Total Market | CURRENT RESALE | | | RESALE MARCH 2022 | | | RESALE LAST 12 MONTHS | | | |
|---------------------|---------------------|----------------|------------|---------------|-------------------|---------------------|------------------|-------------------------|----------------|------------|----------------|
| | All Active Listings | Active | Pendings | Pending Ratio | Sold this Month | This Month's Supply | This Month's DOM | Closings last 12 Months | Sold per month | Supply | Days on Market |
| 0-\$49,999 | 0 | 0 | 0 | N/A | 0 | N/A | 0 | 0 | 0.0 | N/A | 0 |
| \$50,000-\$74,999 | 0 | 0 | 0 | N/A | 0 | N/A | 0 | 0 | 0.0 | N/A | 0 |
| \$75,000-\$99,999 | 0 | 0 | 1 | N/A | 0 | N/A | 0 | 11 | 0.9 | 0.0 | 8 |
| \$100,000-\$124,999 | 1 | 1 | 4 | 400.0% | 5 | 0.20 | 0 | 27 | 2.3 | 0.4 | 47 |
| \$125,000-\$149,999 | 1 | 1 | 5 | 500.0% | 2 | 0.50 | 4 | 101 | 8.4 | 0.1 | 12 |
| \$150,000-\$174,999 | 1 | 1 | 11 | 1100.0% | 7 | 0.14 | 5 | 96 | 8.0 | 0.1 | 9 |
| \$175,000-\$199,999 | 1 | 1 | 14 | 1400.0% | 8 | 0.13 | 15 | 108 | 9.0 | 0.1 | 13 |
| \$200,000-\$249,999 | 10 | 5 | 27 | 540.0% | 13 | 0.38 | 4 | 246 | 20.5 | 0.2 | 8 |
| \$250,000-\$299,999 | 19 | 7 | 35 | 500.0% | 19 | 0.37 | 5 | 315 | 26.3 | 0.3 | 8 |
| \$300,000-\$349,999 | 36 | 2 | 22 | 1100.0% | 13 | 0.15 | 5 | 240 | 20.0 | 0.1 | 11 |
| \$350,000-\$399,999 | 77 | 8 | 34 | 425.0% | 15 | 0.53 | 4 | 175 | 14.6 | 0.5 | 13 |
| \$400,000-\$449,999 | 20 | 7 | 19 | 271.4% | 6 | 1.17 | 19 | 93 | 7.8 | 0.9 | 15 |
| \$450,000-\$499,999 | 11 | 2 | 29 | 1450.0% | 4 | 0.50 | 3 | 67 | 5.6 | 0.4 | 18 |
| \$500,000 + | 37 | 11 | 17 | 154.5% | 4 | 2.75 | 23 | 78 | 6.5 | 1.7 | 32 |
| Totals | 214 | 46 | 218 | 473.9% | 96 | 0.48 | 6 | 1557 | 129.8 | 0.4 | 14 |
| Last Month | 207 | 29 | 184 | 634.5% | 62 | 0.47 | 10 | 1530 | 127.5 | 0.2 | 14 |
| Last Year | 250 | | | | | | | | | | |

Information deemed reliable but not guaranteed. Numbers reflect Residential Properties in the City of Ankeny only. Source: Des Moines Area Association of Realtors

ANKENY MARKET OVERVIEW



NEW CONSTRUCTION - March 2022

| | Total Market | CURRENT NEW CONSTRUCTION | | | NEW CONSTRUCTION FEBRUARY 2022 | | | NEW CONSTRUCTION LAST 12 MONTHS | | | |
|---------------------|---------------------|--------------------------|------------|---------------|--------------------------------|---------------------|------------------|---------------------------------|----------------|------------|----------------|
| | All Active Listings | Active | Pendings | Pending Ratio | Sold this Month | This Month's Supply | This Month's DOM | Closings last 12 Months | Sold per month | Supply | Days on Market |
| 0-\$199,999 | 2 | 0 | 0 | N/A | 0 | N/A | 0 | 27 | 2.3 | 0.0 | 174 |
| \$200,000-\$249,999 | 5 | 1 | 21 | 2100.0% | 6 | 0.17 | 117 | 84 | 7.0 | 0.1 | 102 |
| \$250,000-\$299,999 | 20 | 12 | 26 | 216.7% | 9 | 1.33 | 125 | 169 | 14.1 | 0.9 | 105 |
| \$300,000-\$349,999 | 38 | 34 | 61 | 179.4% | 19 | 1.79 | 116 | 201 | 16.8 | 2.0 | 125 |
| \$350,000-\$399,999 | 76 | 67 | 53 | 79.1% | 17 | 3.94 | 153 | 129 | 10.8 | 6.2 | 92 |
| \$400,000-\$449,999 | 19 | 13 | 26 | 200.0% | 3 | 4.33 | 243 | 57 | 4.8 | 2.7 | 75 |
| \$450,000-\$499,999 | 11 | 10 | 19 | 190.0% | 7 | 1.43 | 124 | 41 | 3.4 | 2.9 | 79 |
| \$500,000 + | 40 | 27 | 32 | 118.5% | 9 | 3.00 | 69 | 82 | 6.8 | 4.0 | 52 |
| Totals | 211 | 164 | 238 | 145.1% | 70 | 2.34 | 118.375 | 790 | 65.8 | 2.5 | 101 |
| <i>Last Month</i> | 205 | 177 | 232 | 131.1% | 37 | 4.78 | 89.375 | 762 | 63.5 | 2.8 | 99 |
| <i>Last Year</i> | 250 | | | | | | | | | | |

Information deemed reliable but not guaranteed. Numbers reflect Residential Properties in the City of Ankeny only. Source: Des Moines Area Association of Realtors

AMES MARKET OVERVIEW

RESALE - March 2022

CENTURY 21[®]

Signature Real Estate

| | Total Market | CURRENT RESALE | | | RESALE MARCH 2022 | | | RESALE LAST 12 MONTHS | | | |
|---------------------|---------------------|----------------|------------|---------------|-------------------|---------------------|------------------|-------------------------|----------------|------------|----------------|
| | All Active Listings | Active | Pendings | Pending Ratio | Sold this Month | This Month's Supply | This Month's DOM | Closings last 12 Months | Sold per month | Supply | Days on Market |
| 0-\$49,999 | 6 | 6 | 3 | 50.0% | 1 | 6.00 | 138 | 21 | 1.8 | 3.4 | 38 |
| \$50,000-\$74,999 | 2 | 2 | 5 | 250.0% | 2 | 1.00 | 58 | 42 | 3.5 | 0.6 | 38 |
| \$75,000-\$99,999 | 9 | 9 | 8 | 88.9% | 2 | 4.50 | 76 | 80 | 6.7 | 1.4 | 36 |
| \$100,000-\$124,999 | 9 | 9 | 13 | 144.4% | 5 | 1.80 | 35 | 103 | 8.6 | 1.0 | 21 |
| \$125,000-\$149,999 | 10 | 10 | 32 | 320.0% | 7 | 1.43 | 4 | 198 | 16.5 | 0.6 | 17 |
| \$150,000-\$174,999 | 6 | 6 | 29 | 483.3% | 10 | 0.60 | 39 | 193 | 16.1 | 0.4 | 19 |
| \$175,000-\$199,999 | 8 | 8 | 34 | 425.0% | 9 | 0.89 | 44 | 201 | 16.8 | 0.5 | 16 |
| \$200,000-\$249,999 | 18 | 13 | 48 | 369.2% | 25 | 0.52 | 25 | 348 | 29.0 | 0.4 | 17 |
| \$250,000-\$299,999 | 21 | 17 | 65 | 382.4% | 17 | 1.00 | 31 | 272 | 22.7 | 0.8 | 25 |
| \$300,000-\$349,999 | 13 | 10 | 28 | 280.0% | 6 | 1.67 | 22 | 156 | 13.0 | 0.8 | 15 |
| \$350,000-\$399,999 | 18 | 10 | 18 | 180.0% | 7 | 1.43 | 21 | 125 | 10.4 | 1.0 | 30 |
| \$400,000-\$449,999 | 21 | 17 | 18 | 105.9% | 4 | 4.25 | 57 | 74 | 6.2 | 2.8 | 30 |
| \$450,000-\$499,999 | 11 | 9 | 14 | 155.6% | 4 | 2.25 | 8 | 46 | 3.8 | 2.3 | 21 |
| \$500,000 + | 12 | 11 | 25 | 227.3% | 3 | 3.67 | 89 | 81 | 6.8 | 1.6 | 46 |
| Totals | 164 | 137 | 340 | 248.2% | 102 | 1.34 | 33 | 1940 | 161.7 | 0.8 | 22 |
| Last Month | 158 | 119 | 283 | 193.5% | 78 | 1.41 | 42 | 1975 | 163.9 | 0.1 | 23 |
| Last Year | 216 | | | | | | | | | | |

Information deemed reliable but not guaranteed. Source: Central Iowa Board of Realtors

NE IOWA MARKET OVERVIEW

March 2022

CENTURY 21

Signature Real Estate

| | CURRENTLY | | | | March 2022 | | | LAST 12 MONTHS | | | | | | |
|---------------------|-----------------|------------------|------------|---------------|-----------------|---------------------|------------------|-------------------------|----------------|------------|------------------|------------------|---------------------------|----------------|
| | Active Listings | New Construction | Pendings | Pending Ratio | Sold this Month | This Month's Supply | This Month's DOM | Closings last 12 Months | Sold per month | Supply | Avg List Price | Avg Sale Price | Sales to List Price Ratio | Days on Market |
| 0-\$49,999 | 23 | 0 | 32 | 139.1% | 18 | 1.28 | 42 | 244 | 20.3 | 1.1 | \$37,757 | \$33,004 | 87.4% | 46 |
| \$50,000-\$74,999 | 22 | 0 | 31 | 140.9% | 14 | 1.57 | 86 | 327 | 27.3 | 0.8 | \$66,316 | \$62,535 | 94.3% | 60 |
| \$75,000-\$99,999 | 29 | 0 | 51 | 175.9% | 27 | 1.07 | 38 | 469 | 39.1 | 0.7 | \$90,737 | \$87,603 | 96.5% | 43 |
| \$100,000-\$124,999 | 17 | 0 | 41 | 241.2% | 29 | 0.59 | 29 | 399 | 33.3 | 0.5 | \$115,467 | \$112,411 | 97.4% | 39 |
| \$125,000-\$149,999 | 31 | 0 | 66 | 212.9% | 25 | 1.24 | 36 | 591 | 49.3 | 0.6 | \$138,431 | \$137,309 | 97.6% | 26 |
| \$150,000-\$174,999 | 15 | 0 | 50 | 333.3% | 41 | 0.37 | 23 | 498 | 41.5 | 0.4 | \$163,065 | \$161,584 | 99.1% | 24 |
| \$175,000-\$199,999 | 17 | 0 | 59 | 347.1% | 17 | 1.00 | 25 | 379 | 31.6 | 0.5 | \$187,131 | \$185,722 | 99.2% | 18 |
| \$200,000-\$249,999 | 24 | 5 | 62 | 258.3% | 33 | 0.73 | 20 | 488 | 40.7 | 0.6 | \$223,538 | \$222,238 | 99.4% | 30 |
| \$250,000-\$299,999 | 25 | 7 | 50 | 200.0% | 17 | 1.47 | 39 | 331 | 27.6 | 0.9 | \$275,301 | \$272,883 | 99.1% | 41 |
| \$300,000-\$349,999 | 34 | 17 | 35 | 102.9% | 14 | 2.43 | 33 | 186 | 15.5 | 2.2 | \$322,476 | \$321,008 | 99.5% | 35 |
| \$350,000-\$399,999 | 12 | 2 | 16 | 133.3% | 11 | 1.09 | 26 | 157 | 13.1 | 0.9 | \$371,354 | \$371,567 | 100.1% | 27 |
| \$400,000-\$449,999 | 9 | 2 | 9 | 100.0% | 5 | 1.80 | 93 | 103 | 8.6 | 1.0 | \$422,754 | \$431,353 | 102.0% | 36 |
| \$450,000-\$499,999 | 14 | 8 | 11 | 78.6% | 3 | 4.67 | 14 | 42 | 3.5 | 4.0 | \$480,350 | \$473,649 | 98.6% | 34 |
| \$500,000 + | 17 | 5 | 11 | 64.7% | 12 | 1.42 | 72 | 93 | 7.8 | 2.2 | \$619,299 | \$608,354 | 98.2% | 62 |
| Totals | 289 | 46 | 524 | 181.3% | 266 | 1.09 | 69 | 4307 | 358.9 | 0.8 | \$292,831 | \$290,102 | 99.1% | 43 |
| Last Month | 257 | 43 | 443 | 172.40% | 208 | 1.24 | 69 | 4368 | 364.0 | 0.7 | \$293,726 | \$288,957 | 98.4%% | 46 |

Information deemed reliable but not guaranteed. Source: Northeast Iowa Board of Realtors. Numbers reflect residential properties in the following cities: Cedar Falls, Waterloo, Waverly, Clarksville, Denver, Elk Run, Evansdale, Gladbrook, Grundy Center, Hudson, Readlyn, Reinbeck, Shell Rock, Sumner, Tripoli, Washburn, Plainfield

Realtors® Affordability Distribution Score
August 2018

| State | Score | % Change of Score from a year earlier | Change of Score from a year earlier |
|----------------------|-------|---------------------------------------|-------------------------------------|
| Alabama | 0.92 | -2.1% | -0.02 |
| Alaska | 1.01 | -1.9% | -0.02 |
| Arizona | 0.65 | -9.7% | -0.07 |
| Arkansas | 0.92 | -7.1% | -0.07 |
| California | 0.55 | -1.8% | -0.01 |
| Colorado | 0.65 | 0.0% | 0 |
| Connecticut | 0.77 | -2.5% | -0.02 |
| Delaware | 0.9 | -4.3% | -0.04 |
| District of Columbia | 0.64 | -1.5% | -0.01 |
| Florida | 0.64 | -3.0% | -0.02 |
| Georgia | 0.77 | -6.1% | -0.05 |
| Hawaii | 0.5 | -2.0% | -0.01 |
| Idaho | 0.62 | -13.9% | -0.1 |
| Illinois | 0.96 | -26.2% | -0.34 |
| Indiana | 1.05 | -6.3% | -0.07 |
| Iowa | 1.07 | -5.3% | -0.06 |
| Kansas | 1.05 | -5.4% | -0.06 |
| Kentucky | 0.96 | -1.0% | -0.01 |
| Louisiana | 0.9 | -1.1% | -0.01 |
| Maine | 0.84 | -1.2% | -0.01 |
| Maryland | 0.92 | -4.2% | -0.04 |
| Massachusetts | 0.66 | -2.9% | -0.02 |
| Michigan | 0.99 | -5.7% | -0.06 |
| Minnesota | 0.93 | -5.1% | -0.05 |
| Mississippi | 0.87 | -3.3% | -0.03 |
| Missouri | 1.01 | -4.7% | -0.05 |
| Montana | 0.63 | -1.6% | -0.01 |
| Nebraska | 0.89 | -5.3% | -0.05 |
| Nevada | 0.61 | -16.4% | -0.12 |
| New Hampshire | 0.85 | -4.5% | -0.04 |
| New Jersey | 0.78 | -8.2% | -0.07 |
| New Mexico | 0.82 | -4.7% | -0.04 |
| New York | 0.64 | -7.2% | -0.05 |
| North Carolina | 0.79 | 0.0% | 0 |
| North Dakota | 0.95 | -4.0% | -0.04 |
| Ohio | 1.07 | -4.5% | -0.05 |
| Oklahoma | 1 | -2.9% | -0.03 |
| Oregon | 0.57 | -1.7% | -0.01 |
| Pennsylvania | 1 | -2.9% | -0.03 |

| | | | |
|----------------------|-------------|--------------|--------------|
| Rhode Island | 0.62 | 0.0% | 0 |
| South Carolina | 0.8 | -3.6% | -0.03 |
| South Dakota | 0.83 | -2.4% | -0.02 |
| Tennessee | 0.8 | -4.8% | -0.04 |
| Texas | 0.73 | -5.2% | -0.04 |
| Utah | 0.72 | -6.5% | -0.05 |
| Vermont | 0.8 | -5.9% | -0.05 |
| Virginia | 0.91 | -2.2% | -0.02 |
| Washington | 0.63 | -14.9% | -0.11 |
| West Virginia | 1 | -3.8% | -0.04 |
| Wisconsin | 0.94 | -3.1% | -0.03 |
| Wyoming | 0.91 | -7.1% | -0.07 |
| United States | 0.81 | -5.8% | -0.05 |

Note: In general, the higher the Score, the higher the Affordability.

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Millions of homebuyers in America have been priced out since the start of the year — economists say it's likely to get worse

(Ryan Hogg Apr 9, 2022, 9:34 AM)

- More than 9 million homebuyers in America have been priced out of the market since January.
- A rise in all-cash offers and investor purchases is mainly hurting first-time buyers' chances.
- But prices aren't expected to come down, with the supply of homes for sale in the US at record lows.

Rising US interest rates designed to slow inflation have priced more than 9 million homebuyers in America out of the housing market since the start of the year, according to a leading property economist.

Nadia Evangelou, senior economist and head of forecasting at the National Association of Realtors, said more than 3 million millennials had been priced out of buying a home since January, with the average monthly price of paying off a home in the US rising by nearly \$270.

The US Fed has increased interest rates twice this year, with six more rate hikes expected by the end of 2022. That has already led to a big jump in mortgage costs, with the 30-year fixed-rate average now exceeding 4.7%, after beginning the year around 3%.

| Mortgage term | Average mortgage interest rate | Average refinance interest rate |
|----------------------|---------------------------------------|--|
| 30-year fixed | 4.82 | 4.66 |
| 20-year fixed | 4.48 | 4.53 |
| 15-year fixed | 3.94 | 3.93 |
| 7/1 ARM | 4.28 | 4.30 |
| 5/1 ARM | 4.19 | 4.10 |
| 30-year FHA | 4.48 | 4.34 |
| 30-year VA | 4.39 | 4.23 |

*Accurate as of 4/11/2022

Evangelou said affordability had fallen through the pandemic as house prices rose more quickly than incomes. At the same time, more people were buying second homes with their increased equity, while cash transactions and purchases by investment groups jumped.

In California, the NAR said the monthly cost of paying off the median mortgage is more than \$500 higher than in January, with fewer than 30% of first-time buyers in the state able to buy a home.

The NAR estimates investors make up 22% of buyers across the US, compared with 15% a year ago, while all-cash offers account for 27% of purchases against 19% in early 2020. Conversely, the share of purchases by first-time buyers fell to 27% from 33% last year.

"As more people compete for that smaller pool of homes, prices will go up," Evangelou said.

But although housing affordability may be plummeting, that doesn't mean Americans are likely to lose their homes if the real estate bubble bursts. Insider's Ben Wick reported.

Still, many homebuyers remain frustrated at the situation.

Actuarial accountant Rachel Linehan, and her partner Dan, both 23, have been trying to buy a home in Frammingham, Massachusetts, for the last four months. In that time, she said that a "pretty brutal" market of rising rates had shrunk their budget by up to \$100,000, limiting the range of available homes in their preferred area.

Linehan recalls arriving at an open house viewing and waiting in a line stretching around the corner. She felt she and her partner had a "pretty good shot" of buying a home, with a good salary, no debt, and no kids.

"It's pretty demoralizing. We went in feeling pretty hopeful but that hope has diminished over time to the point where we are feeling pretty small," she said. "We're getting to the point where we might give up soon."

A falling margin of affordability has been exacerbated by supply shortages, which Evangelou said are the worst on record, with 850,000 homes for sale in January.

She said it means the availability of homes for middle-class buyers has fallen 60% since the beginning of the pandemic, with one affordable listing for every 125 households now compared to one for every 45 households in 2019.

Jonathan Tatum, a 27-year-old revenue data manager, finds he is routinely competing with up to 40 other buyers to purchase a home in Atlanta, Georgia.

Buyers' newfound willingness to pay the appraisal gap, which is the difference between the bank's valuation of a home and the price under offer, was locking Tatum out.

He said: "If I see a home that's a \$550,000 home, even though I can afford the mortgage and the monthly payment, there's no way I could afford a \$75,000 payment and a \$50,000 appraisal gap on top of that."

Other obstacles, like a growing trend of unpaid rent-back agreements, where sellers demand to live in their home after sale rent-free until they find a new property, made most offers a non-starter, he added.

Tatum, who has grown numb to rejection, sees no other option than to continue to try and buy, having seen prices rise since he graduated from college in 2018.

He said: "I don't see people magically wanting to not own a home. If you want a home, it's probably because you don't want to rent anymore.

"Waiting is only going to make it worse."

It is a sentiment echoed by Evangelou, with the NAR forecasting sustained price rises, though at a slower rate of between 4% and 6% this year.

"If you are in a position to buy a home, if you feel financially secure, just go for it. Because don't expect mortgage rates to come down," Evangelou said.

Economists at the NAR say the only solution is for a strong push to build more houses in the US to accommodate a growing market of priced-out Americans. Until then, growing numbers will continue to fight for a shrinking stock of homes.

ARTICLE: [Business Insider](#)