

This is **NOT** a Bubble

The market is hot, but leading economists say it's not going to crash — here's why.

What Makes the 2021 Market Different?



Causes of the Last Housing Bubble (2007-2008)

- ✓ Low down payments.
- ✓ Flexible rate mortgages.
- ✓ Oversupply.




Low Inventory
Supply does not outweigh demand.



Homes for Sale:
Early 2021:
1.03 million¹
July 2007:
4 million²

This is a strong seller's market!

Higher Down Payments
Homeowners are increasing their down payments, starting out with more equity.




Average down payment:
15.9%³
Benchmark: **20%**

National Homeowner Equity in 2020:
\$1.5 trillion⁴

Equity increase of 16.9% year-over-year⁴

Fixed Rate Mortgages




Conventional mortgages increased during the pandemic.

Pre-pandemic: **49.7%**⁴
Pandemic: **53%**⁴

Buyers are locking in historically low interest rates for the duration of their mortgage.

Tighter Lending Restrictions



Stricter mortgage qualifications have kept buyers within their means, decreasing risk of foreclosure.

Foreclosure Filings:

March 2008:	234,685 ⁵	February 2020:	48,004 ⁶
March 2021:	11,880 ⁶	<i>This was a 15-year low before pandemic forbearance.</i>	

Interest rates are low, but so is supply. While this has increased prices, they are expected to dip once the height of the buying/selling season is over. This is a strong seller's market, but not a housing bubble!

If you're ready to buy or sell, or just looking for more real estate market insights, give me a call! I'm happy to answer any questions you have.

SOURCE:
1. National Association of REALTORS®, "Existing-Home Sales Descend 6.6% in February," March 2021.
2. REALTOR® Magazine, "Google Searches Reflect Consumers' Market Angst," April 2021.
3. Lily Katz, "The Trials of a 2021 Homebuyer: More Money, More Competition and More Home Tours," Redfin, March 2021.
4. CoreLogic, "Homeowner Equity Report Q4 2020."
5. Ben Rooney, "Foreclosures jump 57% in March," CNN Money, April 2008.
6. ATTOM Data Solutions.