Understanding and Utilizing Today’s Real Estate Data
MATT Dollinger

Why Matt?
YOUR NEXT 60 DAYS:
A BLUEPRINT FOR SUCCESS IN 2014
KCM Divided into Three Sections
Pending Home Sales

100 = Historically Healthy Level
Regional Home Prices (year-over-year)

- **Pacific**: 16.23%
- **Mountain**: 12.52%
- **West North Central**: 4.65%
- **East North Central**: 4.95%
- **Middle Atlantic**: 2.46%
- **South Atlantic**: 7.50%
- **East South Central**: 3.46%
- **New England**: 3.80%

USA Average: 7.22%

FHFA 2013 2Q HPI Report
“The emerging slowdown in home purchases appears to be largely seasonal.”

Thomas Popik
Research Director for the HousingPulse survey
Months Inventory of Homes for Sale

5-6 Months = Normal Market Inventory

NAR 10/2013
Year-over-Year Inventory Levels

<table>
<thead>
<tr>
<th>Month</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>-24%</td>
</tr>
<tr>
<td>February</td>
<td>-20.8%</td>
</tr>
<tr>
<td>March</td>
<td>-16.8%</td>
</tr>
<tr>
<td>April</td>
<td>-14%</td>
</tr>
<tr>
<td>May</td>
<td>-13%</td>
</tr>
<tr>
<td>June</td>
<td>-7.6%</td>
</tr>
<tr>
<td>July</td>
<td>-5%</td>
</tr>
<tr>
<td>August</td>
<td>-6.2%</td>
</tr>
<tr>
<td>Sept</td>
<td>1.8%</td>
</tr>
</tbody>
</table>
Year-over-Year Change in Prices
“Asking home prices give us the first look at where home sale prices are headed, and they point to a slowdown. After rising rapidly in the first half of 2013, asking prices in two thirds of the largest metros are cooling. In fact, asking prices are falling – not just rising more slowly – in 11 of the 100 largest metros, the most markets to see prices slip in six months.”

Jed Kolko
Trulia’s Chief Economist
“The rapid price gains of the last year cannot be sustained and we expect the pace to decline substantially…A slower pace is a positive for housing demand and will help to keep affordability from further eroding.”

Moody’s Analytics
“If home values continued to rise as they have, relatively unchecked, we would almost certainly be headed into another bubble cycle, and nobody wants that…This moderation should help consumers feel more at ease in their decisions to buy and sell, and will help keep the market balanced.”

Stan Humphries
Chief Economist for Zillow
"I define a bubble as a time when people have extravagant expectations, and the expectations are driving home price increases. We don't have the mindset of earlier this century… Affordability is still good compared to any time over the last 50 years."

Robert Shiller
Nobel Prize Winning Economist
ta·per
ˈtāpər/
Verb – to diminish or reduce
Fed announces not to taper bond purchases

Increase in mortgage rates building up to Fed announcement

Decrease in mortgage rates since Fed announcement
“The MBA believes rates will keep pushing upward, going well above 5%.”
## Mortgage Rate Projections

<table>
<thead>
<tr>
<th>Analyst</th>
<th>Projected Rate 4Q 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fannie Mae</td>
<td>5.0%</td>
</tr>
<tr>
<td>National Assoc of Realtors</td>
<td>5.4%</td>
</tr>
<tr>
<td>Freddie Mac</td>
<td>5.1%</td>
</tr>
<tr>
<td>Mortgage Bankers Assoc</td>
<td>5.0%</td>
</tr>
</tbody>
</table>
## Buyer’s Purchasing Power

<table>
<thead>
<tr>
<th>RATE</th>
<th>$360,000</th>
<th>$370,000</th>
<th>$380,000</th>
<th>$390,000</th>
<th>$400,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.00</td>
<td>$2,158</td>
<td>$2,218</td>
<td>$2,278</td>
<td>$2,338</td>
<td>$2,398</td>
</tr>
<tr>
<td>5.75</td>
<td>$2,100</td>
<td>$2,160</td>
<td>$2,218</td>
<td>$2,276</td>
<td>$2,334</td>
</tr>
<tr>
<td>5.50</td>
<td>$2,044</td>
<td>$2,100</td>
<td>$2,158</td>
<td>$2,214</td>
<td>$2,272</td>
</tr>
<tr>
<td>5.25</td>
<td>$1,988</td>
<td>$2,044</td>
<td>$2,098</td>
<td>$2,154</td>
<td>$2,208</td>
</tr>
<tr>
<td>5.00</td>
<td>$1,932</td>
<td>$1,986</td>
<td>$2,040</td>
<td>$2,094</td>
<td>$2,148</td>
</tr>
<tr>
<td>4.75</td>
<td>$1,878</td>
<td>$1,930</td>
<td>$1,982</td>
<td>$2,034</td>
<td>$2,086</td>
</tr>
<tr>
<td>4.50</td>
<td>$1,824</td>
<td>$1,874</td>
<td>$1,926</td>
<td>$1,976</td>
<td>$2,026</td>
</tr>
</tbody>
</table>

Principal and Interest Payments rounded to the nearest dollar amount.
UPDATE
30 Year Fixed Rate Mortgage History

January 2012 – November 2013
RETURN ON INVESTMENT

January 2000 – November 2013

- Dow: 42.1
- S&P: 26
- NASDAQ: -.1
- Real Estate: 64.3

MSN Money.com, Case Shiller
Home Price Expectation Survey

A nationwide panel of over one hundred economists, real estate experts and investment & market strategists.
Average Annual Appreciation

- Pre-Bubble (1987-1999): 3.6%
- Bubble (Jan '00-May '07): 7.9%
- Bust (June '07-Oct '11): -5.9%
- Recovery to Date (Nov '11-Sept '13): 5.1%
- Expectations (2013-2018): 4.2%

Home Price Expectation Survey 2013 4Q
Home Price Expectation Survey

Projected Percentage Increase

- 2014: 4.3%
- 2015: 3.6%
- 2016: 3.5%
- 2017: 3.4%
- 2018: 3.4%
Cumulative Appreciation by 2018

- Pre-Bubble Trend: 23.7%
- Bulls: 40.1%
- All Projections: 28.0%
- Bears: 16.8%
Thinking about moving up to the home of your dreams?
## The Move-Up Seller

<table>
<thead>
<tr>
<th>Comparison – Next Year</th>
<th>Current Home</th>
<th>Move-up Home</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Price</td>
<td>$240,000</td>
<td>$360,000</td>
</tr>
<tr>
<td>Future Price (+5%)</td>
<td>$252,000</td>
<td>$378,000</td>
</tr>
<tr>
<td>Future Gain</td>
<td>$12,000</td>
<td>$18,000</td>
</tr>
<tr>
<td><strong>Total Gain</strong></td>
<td></td>
<td><strong>$6,000</strong></td>
</tr>
</tbody>
</table>
## The Move-Up Seller

<table>
<thead>
<tr>
<th></th>
<th>Price</th>
<th>Rate</th>
<th>P&amp;I</th>
</tr>
</thead>
<tbody>
<tr>
<td>Today</td>
<td>360,000</td>
<td>4.5</td>
<td>1,824.07</td>
</tr>
<tr>
<td>End of Year</td>
<td>378,000</td>
<td>5</td>
<td>2029.19</td>
</tr>
</tbody>
</table>

**Monthly Savings**: $205.12
“You can have brilliant ideas, but if you can't get them across, your ideas won't get you anywhere.”

Lee Iacocca
Average Annual APPRECIATION

3.6%  
7.9%  
5.1%  
4.2%

Pre-BUBBLE  
BUBBLE  
RECOVERY TO DATE  
PROJECTED NOW to 2018

BUST -5.9%

Home Price Expectation Survey 2013 4Q
PROJECTED Percentage Appreciation

- 2014: 4.3%
- 2015: 3.6%
- 2016: 3.5%
- 2017: 3.4%
- 2018: 3.4%

Home Price Expectation Survey 2013 4Q
Cumulative House Appreciation by 2018

- Pre-Bubble Trend: 23.7%
- Bulls: 40.1%
- All Projections: 28%
- Bears: 16.8%

Home Price Expectation Survey 2013 4Q
Typical Sold Price*

FSBO vs. Agent

*The ‘typical’ price is actually the average price in the survey. However, studies have shown that people are more likely to FSBO in markets with lower price points.
Breakdown of the American Family’s Net Worth

- Total Net Worth: $77,300
- Home Equity: $47,500
- Other Assets: $29,800

Homeowners Net Worth...

OVER 30X greater than renters
“In my opinion, Keeping Current Matters is THE easiest, most reliable and comprehensive source for national real estate data today.”
Kevin Miller
If you haven't had a chance, be sure to check out the first of our "Members Only Video Series". We had the opportunity to interview Rivers Pearce, Director of Inbound marketing of BoomTown ROI. During the video we discuss:

* What is inbound marketing and how you can use KCM to leverage it
* The value of data knowledge with the modern consumer
* Why market knowledge is THE differentiator in market...

See More
10 Inexpensive and Effective Ways to use KCM

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A New Leaf Realty
6 Things that Effect Your Buying Power
November 2013

Existing Home Sales

Pending Home Sales

Cumulative House Appreciation by 2018

Mortgage Rate Projections

Recent Rate Movement

What to Know When Buying a Home - Nov. 2013

What to know when buying or selling a home

Author: Matt Dollinger - A New Leaf Realty

In this short slide deck, we at A New Leaf Realty explain some simple factors regarding the national real estate market that current home buyers should know.

1) Existing Home Sales have nationally increased over the past 2 years and have only begun to taper off as of late due to seasonality.

2) Pending Home Sales are still well above historically healthy levels although those too have experienced some seasonality as of late.

3) Currently we are at about a 5 months supply of inventory nationally (MSI) which indicates both appreciation and a seller market. This means home sellers are experiencing increased home value while still remaining in the drivers seat with negotiations.