Market Outlook

June 2020

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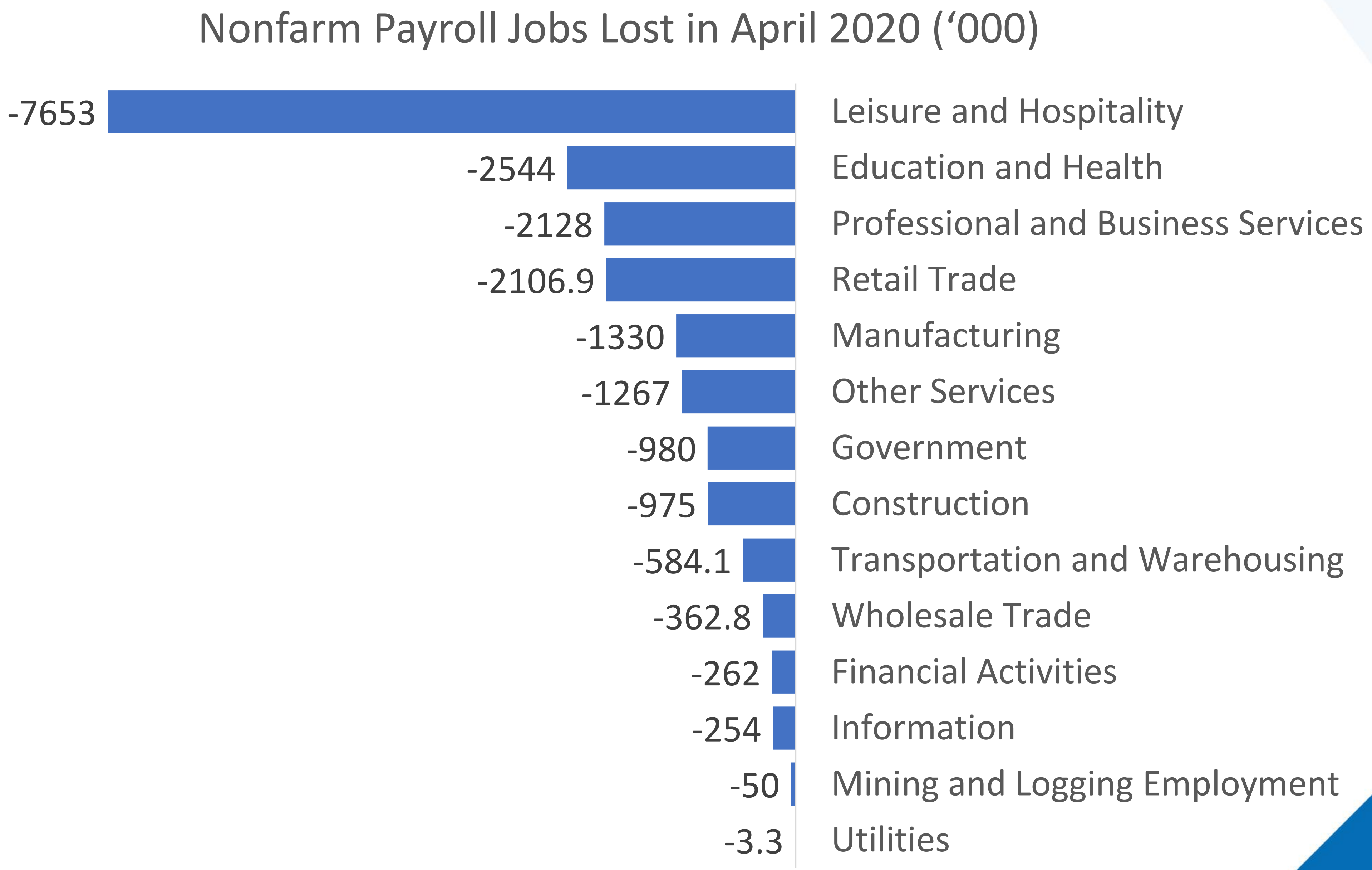
Chief Economist
National Association of REALTORS®

GDP Details in 2020 Q1

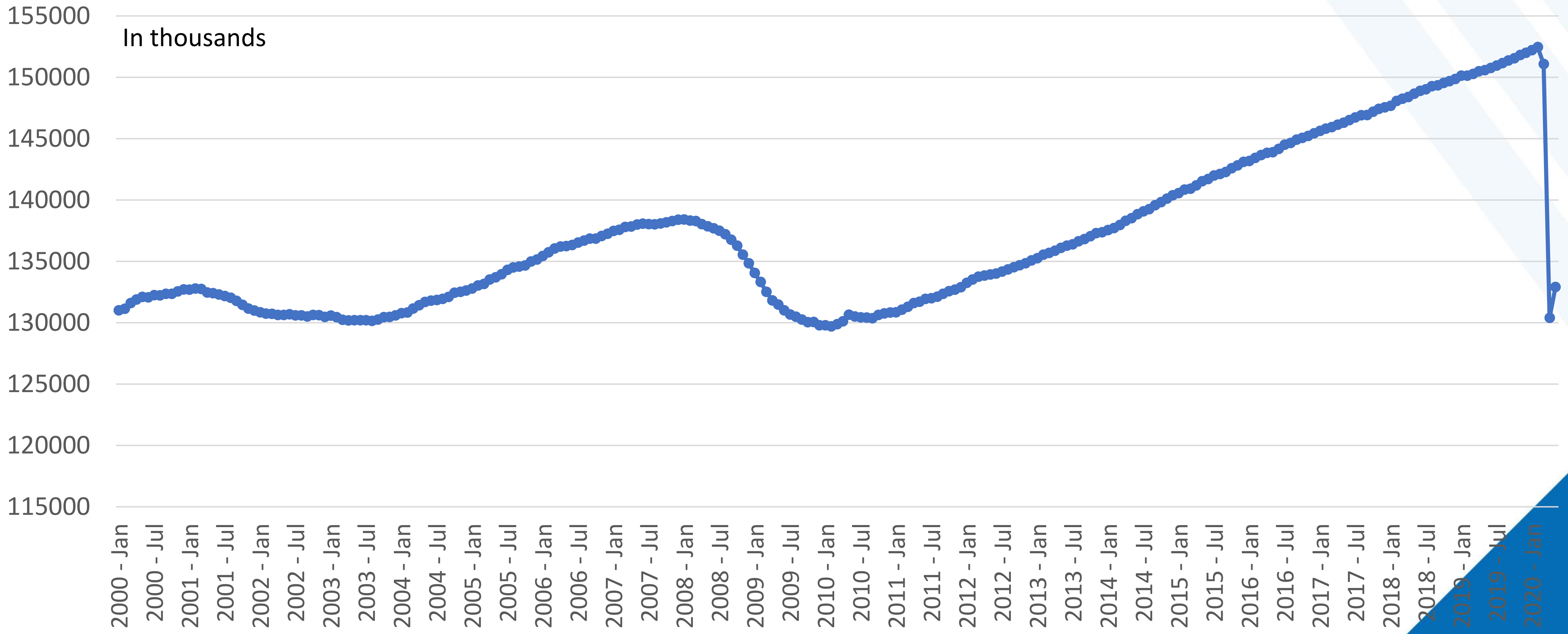
2020 Q1 or April	% change annualized rate
GDP	-5.0%
Consumer Spending	-7%
Business Spending	-8%
Residential Investment (Home building, home sales, remodeling)	+18%
Personal Income in April	+12%
Savings Rate in April	33% (from 8% a year ago)

20.5 M jobs lost in April 2020



ce: BLS

Total Payroll Jobs in the U.S.



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Total Jobs in Phoenix-Scottsdale

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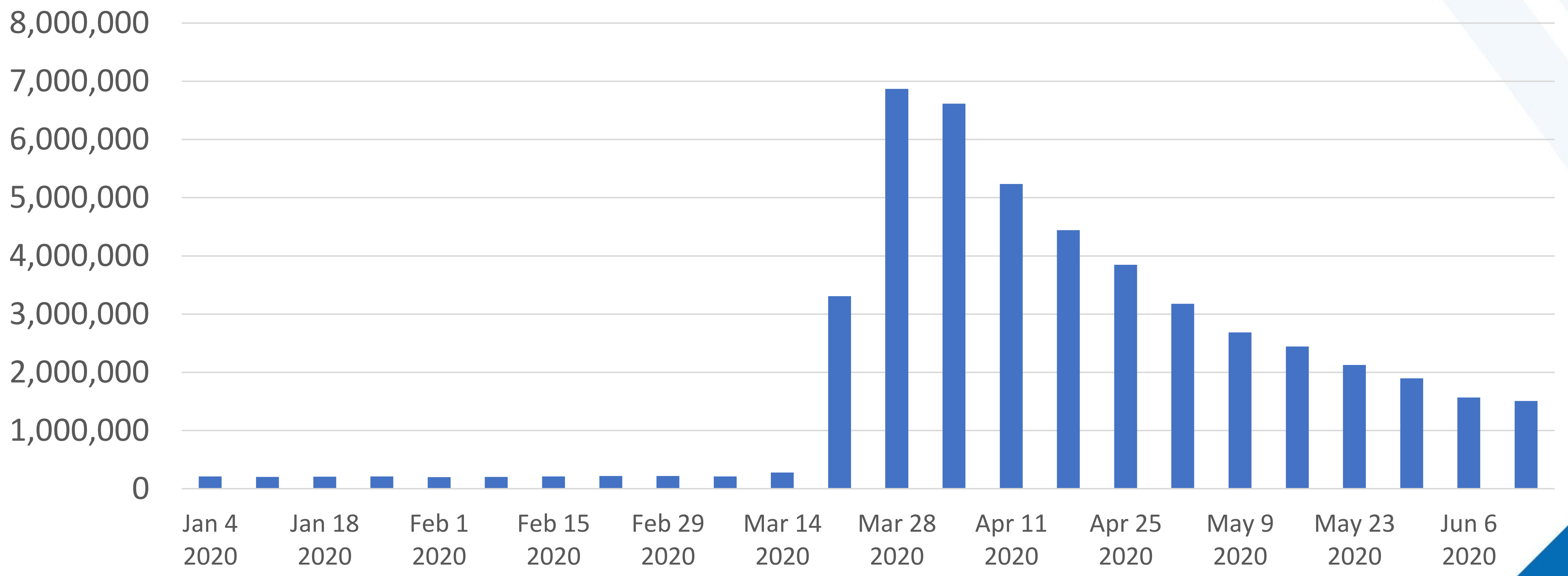
New Cases of Unemployment Relief … 45 million cumulative



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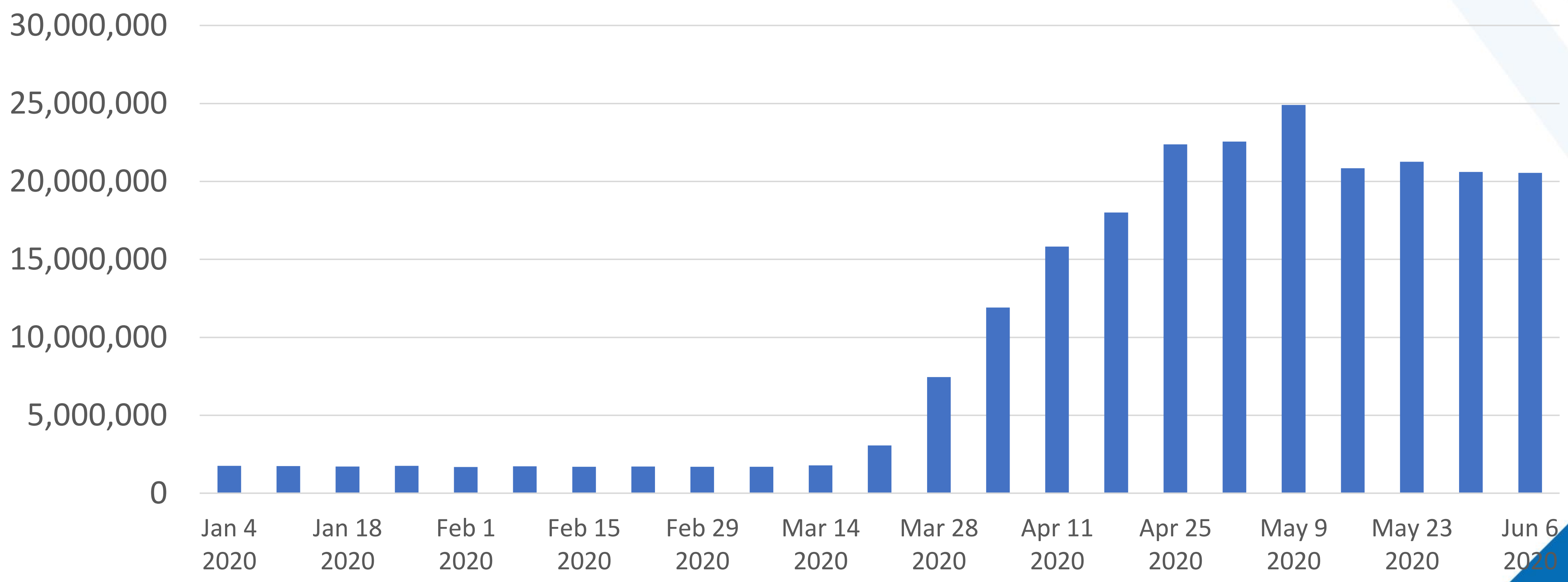
Total Cases of Unemployment Relief .. 21 million total



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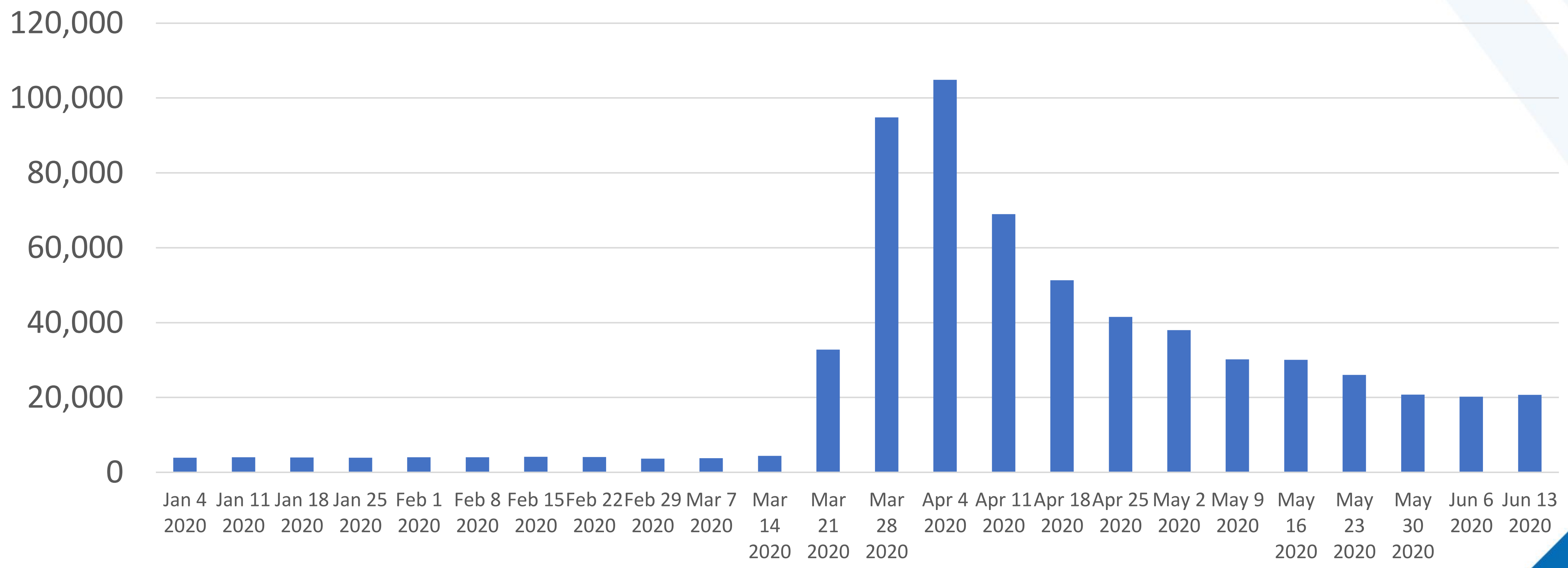
New Cases of Unemployment Relief in Arizona



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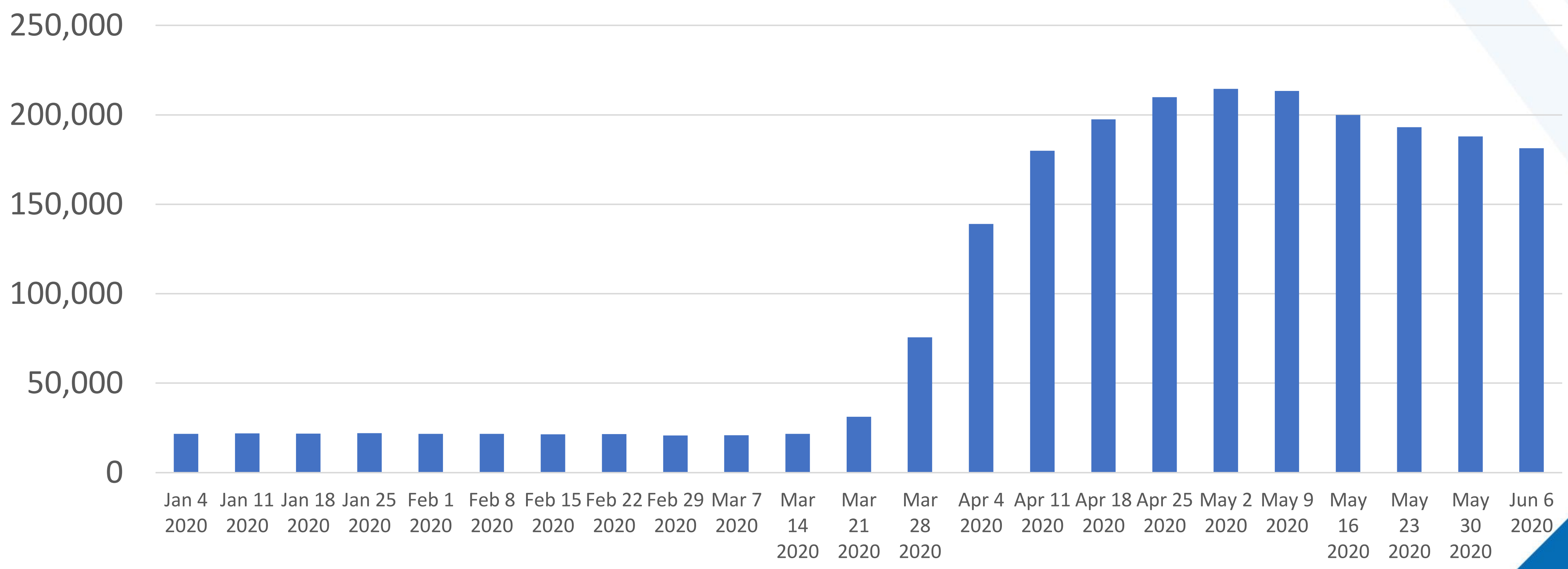
Total Cases of Unemployment Relief in Arizona



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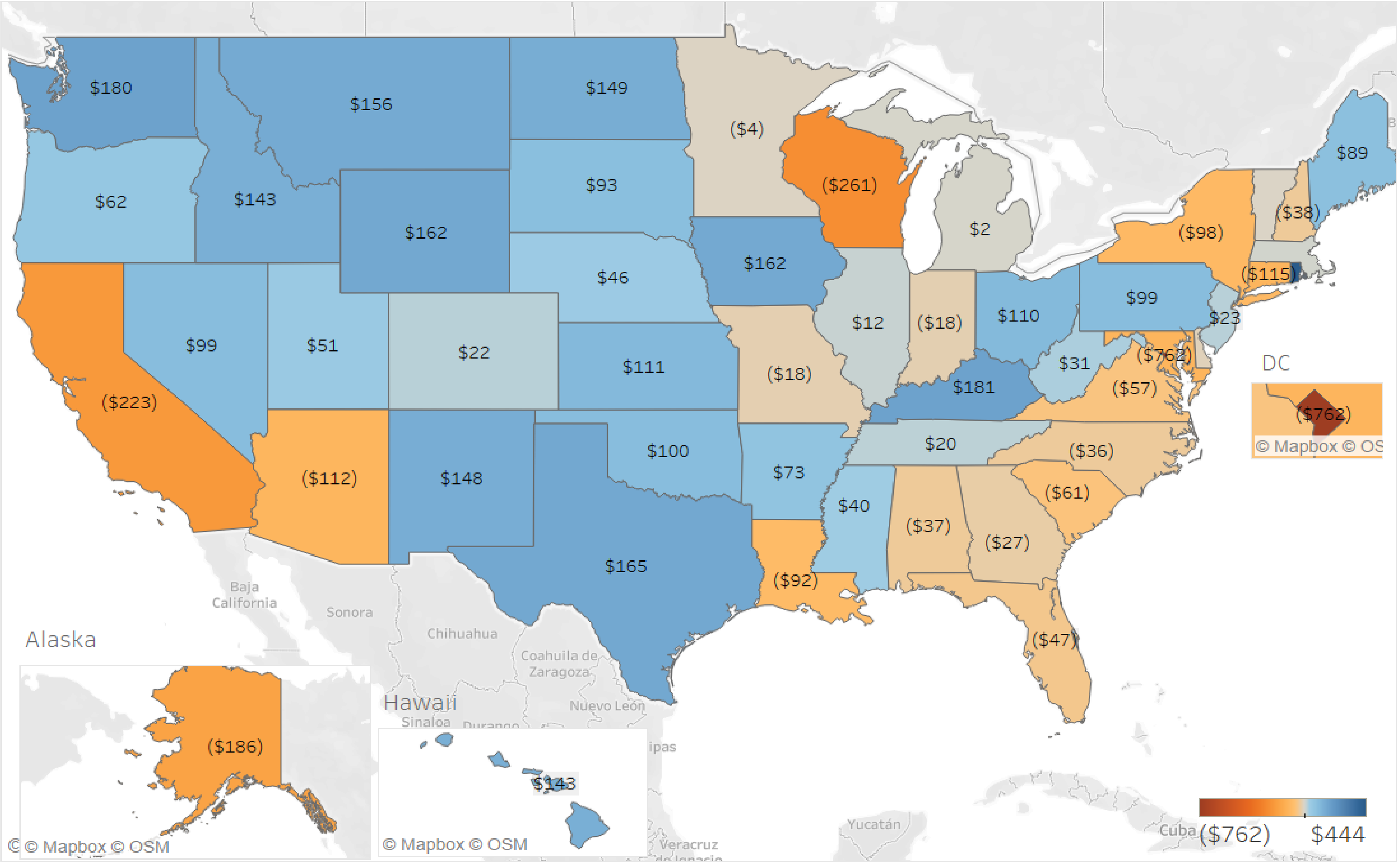
Unemployment insurance benefits don't fully replace wages in some states

Wage Gap: State Unemployment Insurance +$600 -Average Weekly Wage

(Orange areas: UI less than wages)



DC	($762)
WI	($261)
CA	($223)
AK	($186)
CT	($115)
MD	($115)
AZ	($112)
NY	($98)
LA	($92)
SC	($61)
VA	($57)
FL	($47)
NH	($38)
AL	($37)
NC	($36)
GA	($27)
MO	($18)
IN	($18)
DE	($11)
MN	($4)
VT	($2)
MI	$2
MA	$6
IL	$12
TN	$20
CO	$22
NJ	$23
WV	$31
MS	$40
NE	$46
US	$47
UT	$51
OR	$62
AR	$73
ME	$89
SD	$93
PA	$99
NV	$99
OK	$100
OH	$110
KS	$111
ID	$143
HI	$143
NM	$148
ND	$149
MT	$156
IA	$162
WY	$162
TX	$165
WA	$180
KY	$181
RI	$444

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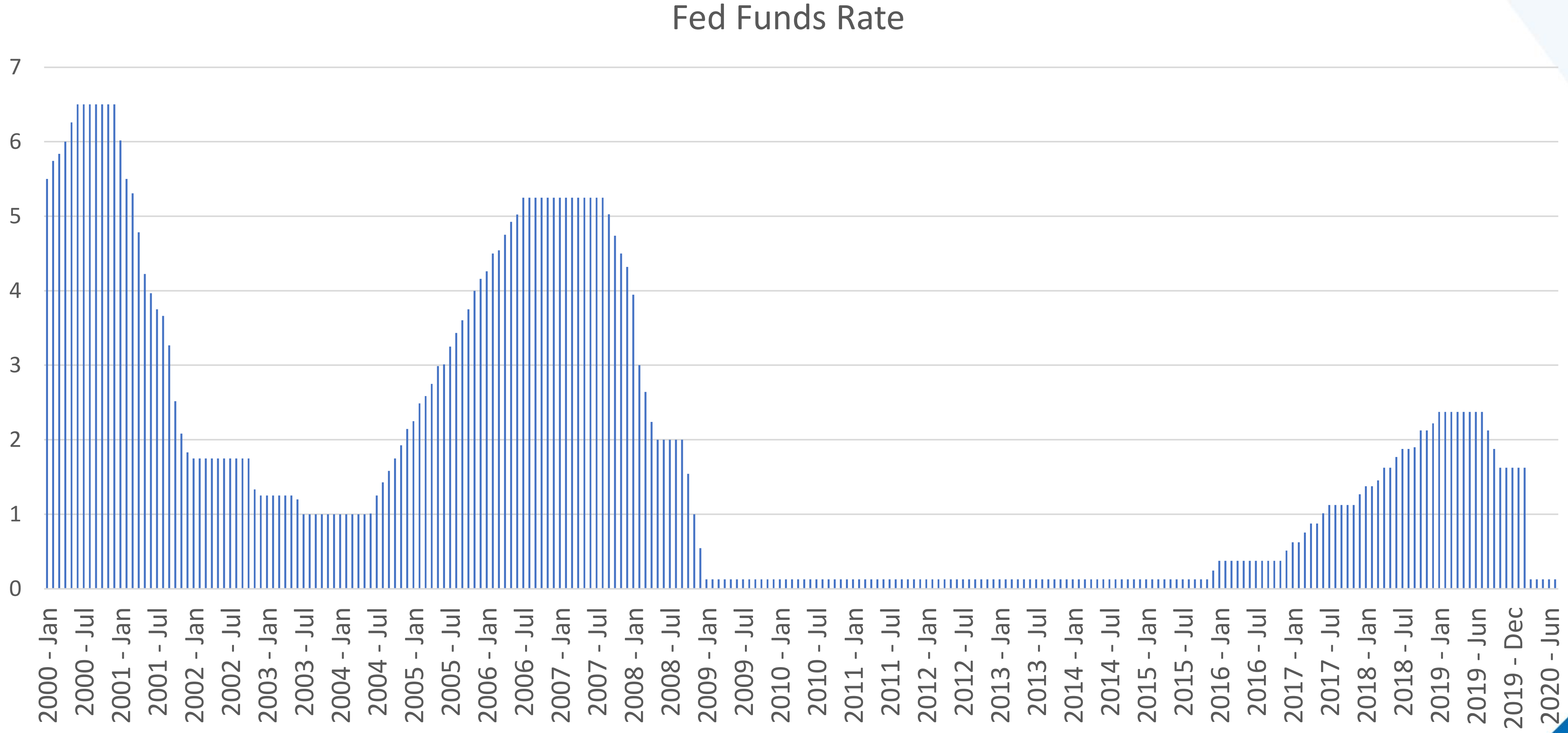
Federal Reserve All-In
Quantitative Easing including buying Corporate Debts



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30-Year Mortgage Rate can fall Further …
Because of Super-low 10-year Treasury Yields …
But Jumbo Loans not Working

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Inventory

Low Pre-Pandemic … Lower During Pandemic

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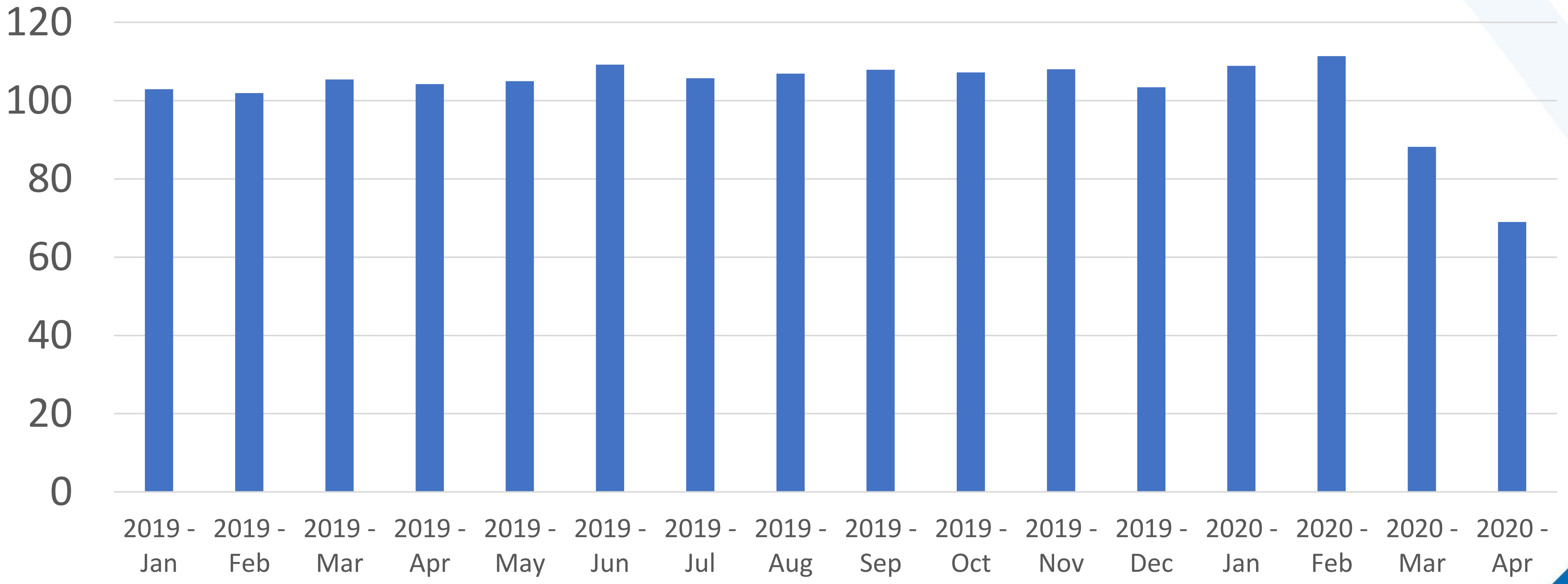
Pending Contracts … March and April Pandemic Impact … Improve in May … Even Better in Later Months



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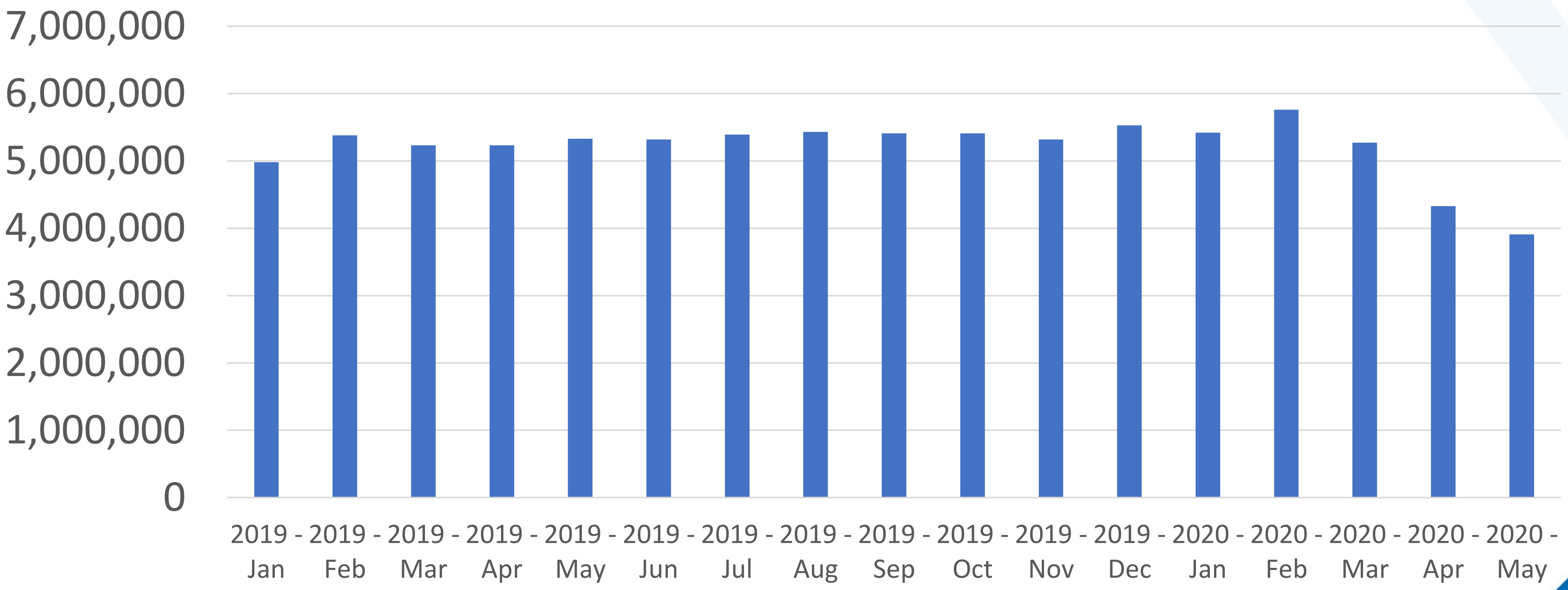
Sales Closings (annualized rate) … Cyclical Low in May



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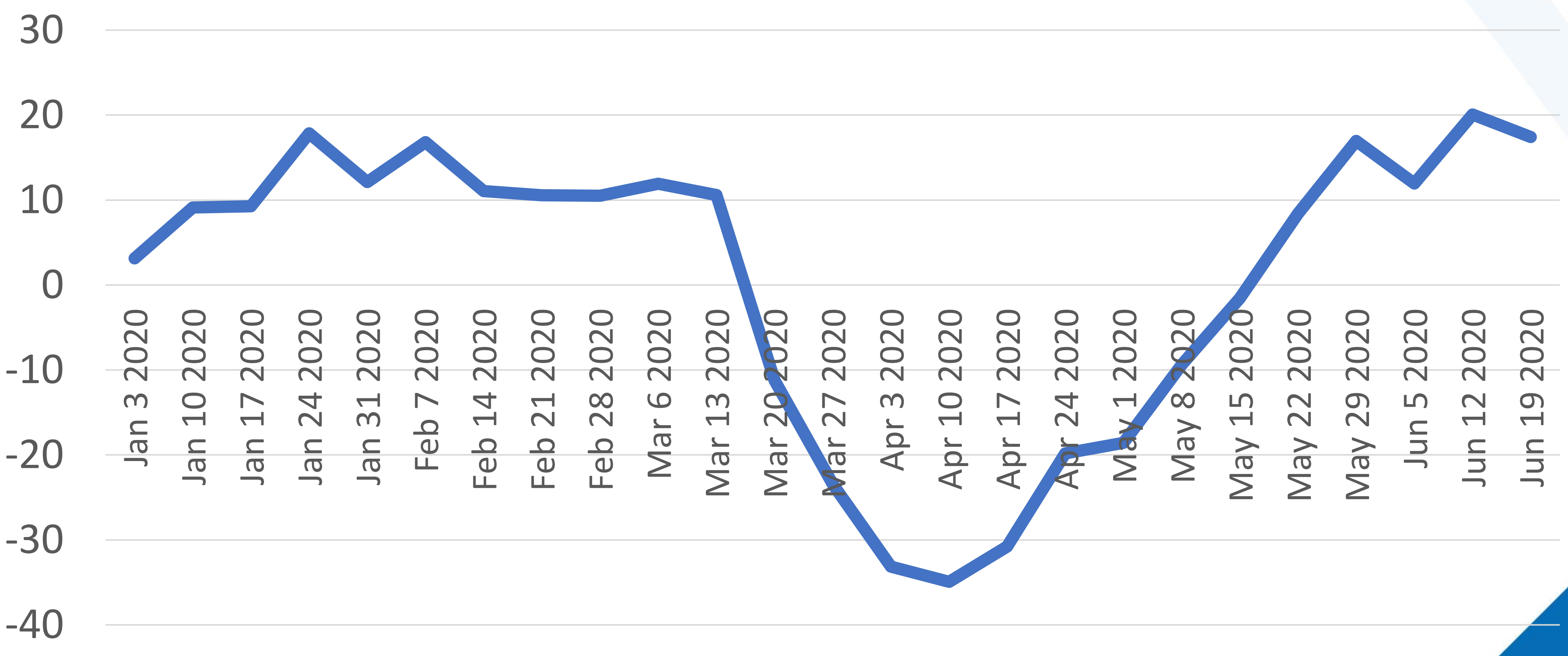
Early Phase of Home Buying Process
Mortgage Application to Buy a Home … Worst is Over !



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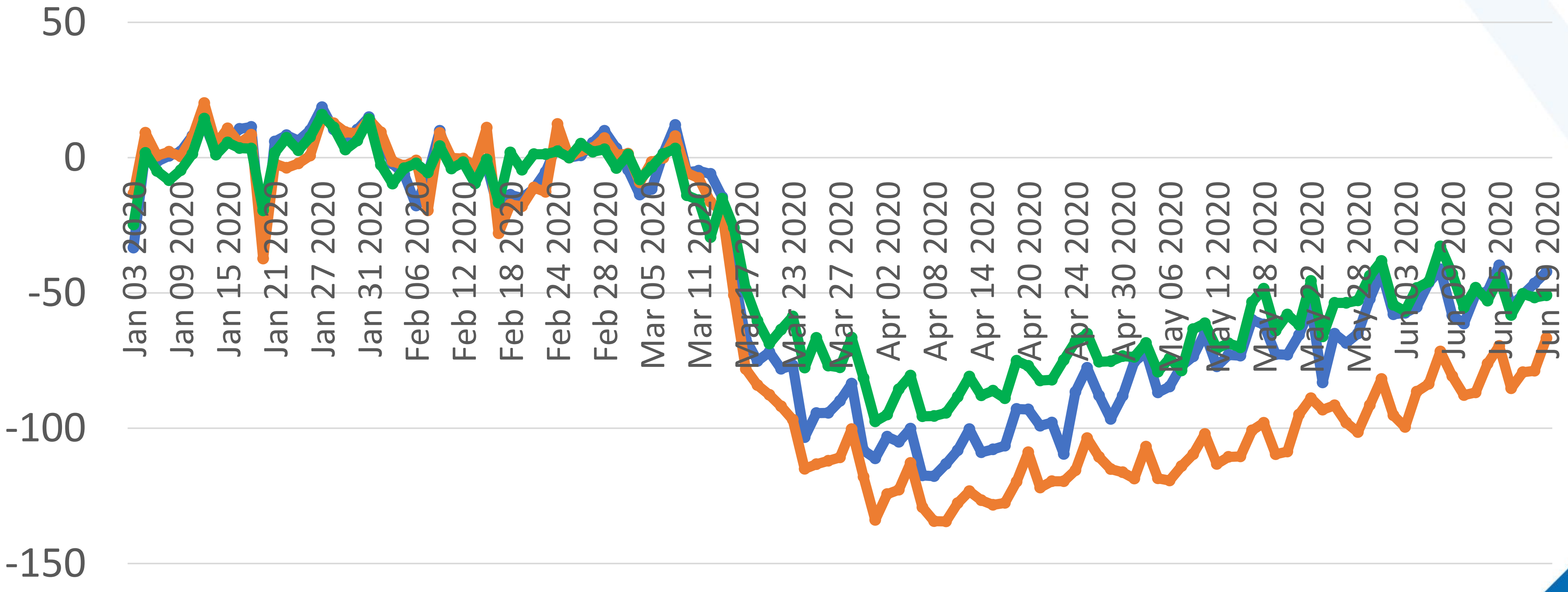
Mobility Index … cell phone location movements AZ and GA above NY



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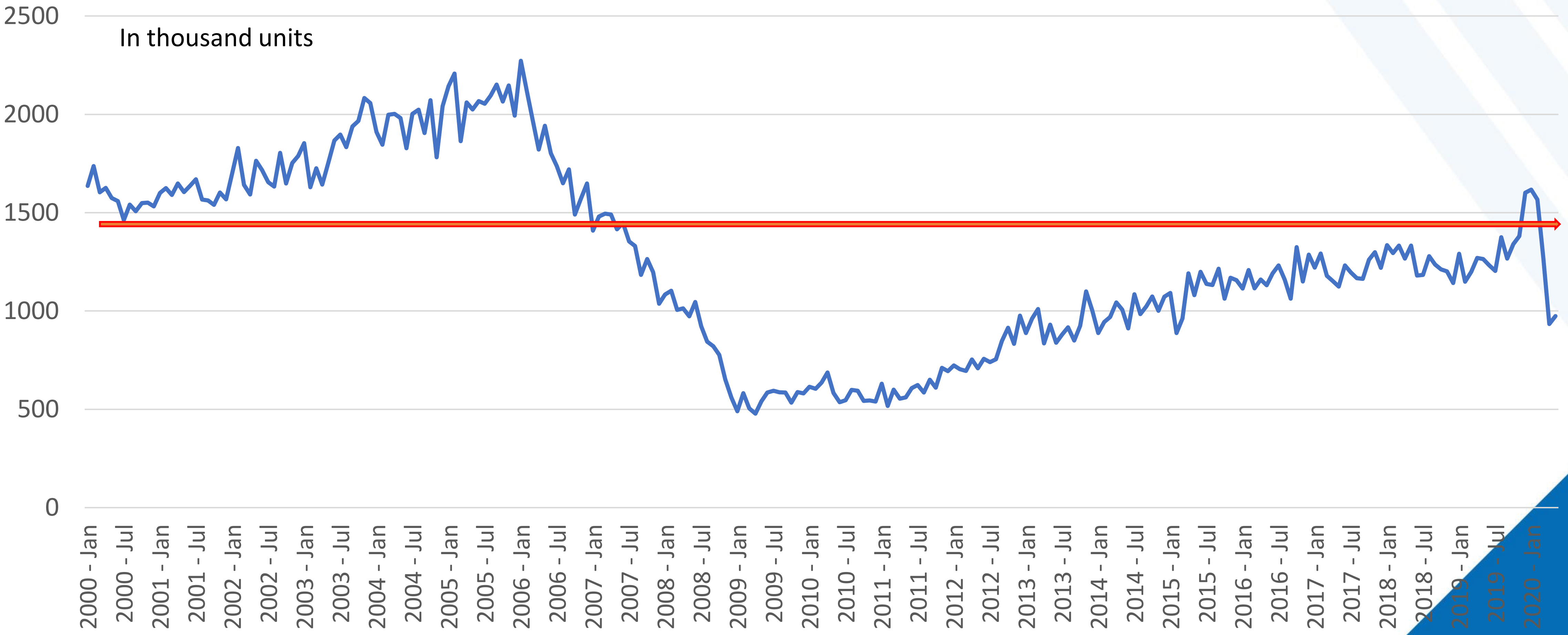
Insufficient Housing Starts … Housing Shortage
Falling Below Normal Again during Pandemic



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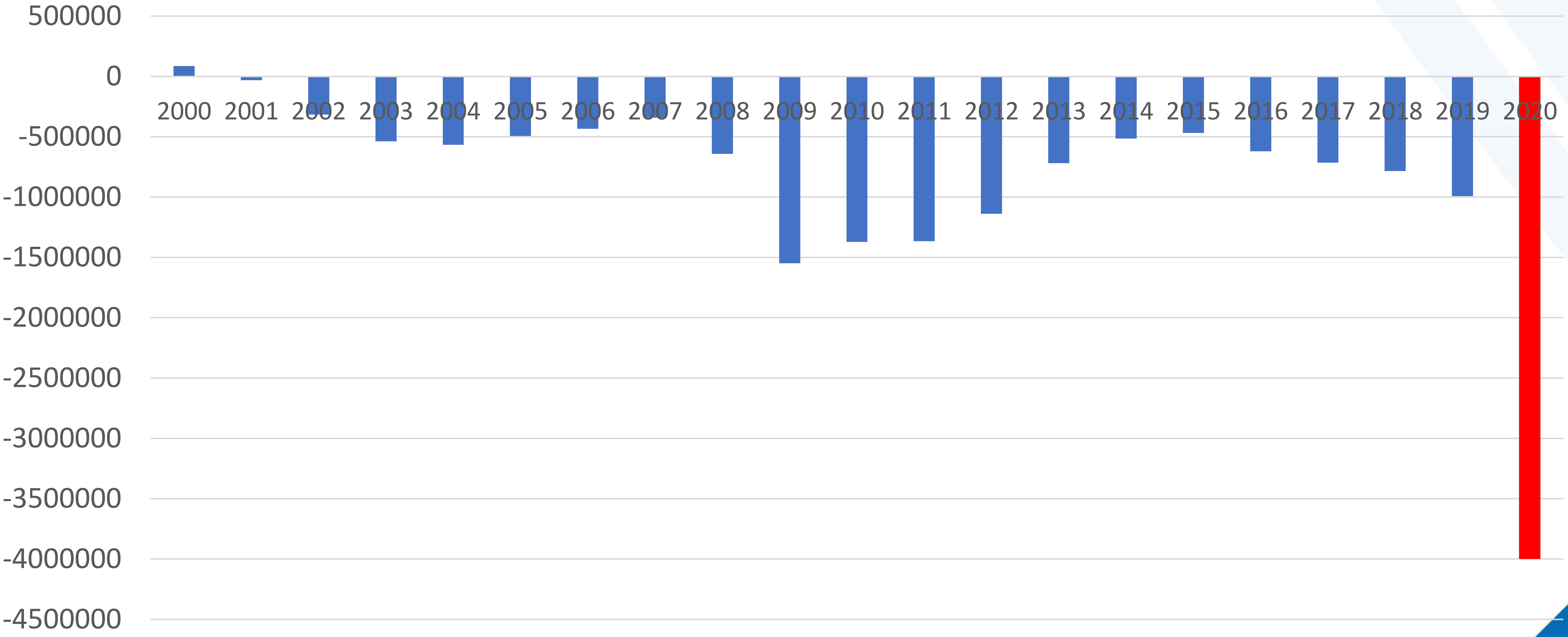
Federal Budget Deficit … $4 trillion in 2020 … Who will buy U.S. debt?



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OUTLOOK 2020-2021

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2020 Quarterly Forecast

	Annualized Rate	Year over year change
2018	5.34 million	
2019	5.34 million	
2020 Q1 actual	5.48 million	+5%
2020 Q2	3.8 million	-28%
2020 Q3	4.7 million	-13%
2020 Q4	5.1 million	-6%

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Annual Forecast

	2019	2020 Forecast	2021 Forecast
GDP Growth	2.3%	-4.5%	+3%
Job Gains	2.2 million	- 4 million	+ 2 million
Home Prices	4.8%	3% to 5%	1% to 3%
Home Sales	0%	-10% to -13%	+13 to +18%

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Permanent Changes after Pandemic

Virtual Office Meetings

More Remote Working

Less Traffic near City Centers

Move Further Out

Larger House

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Thank You