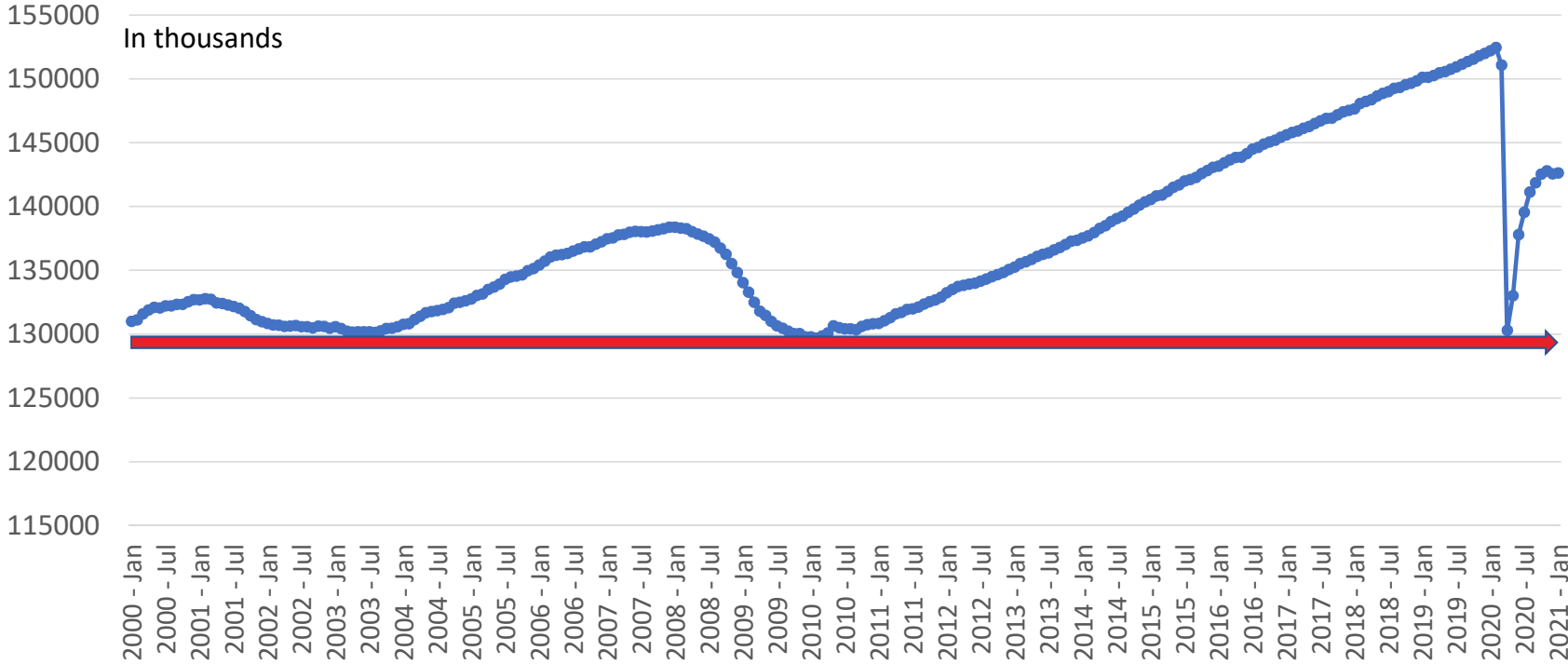


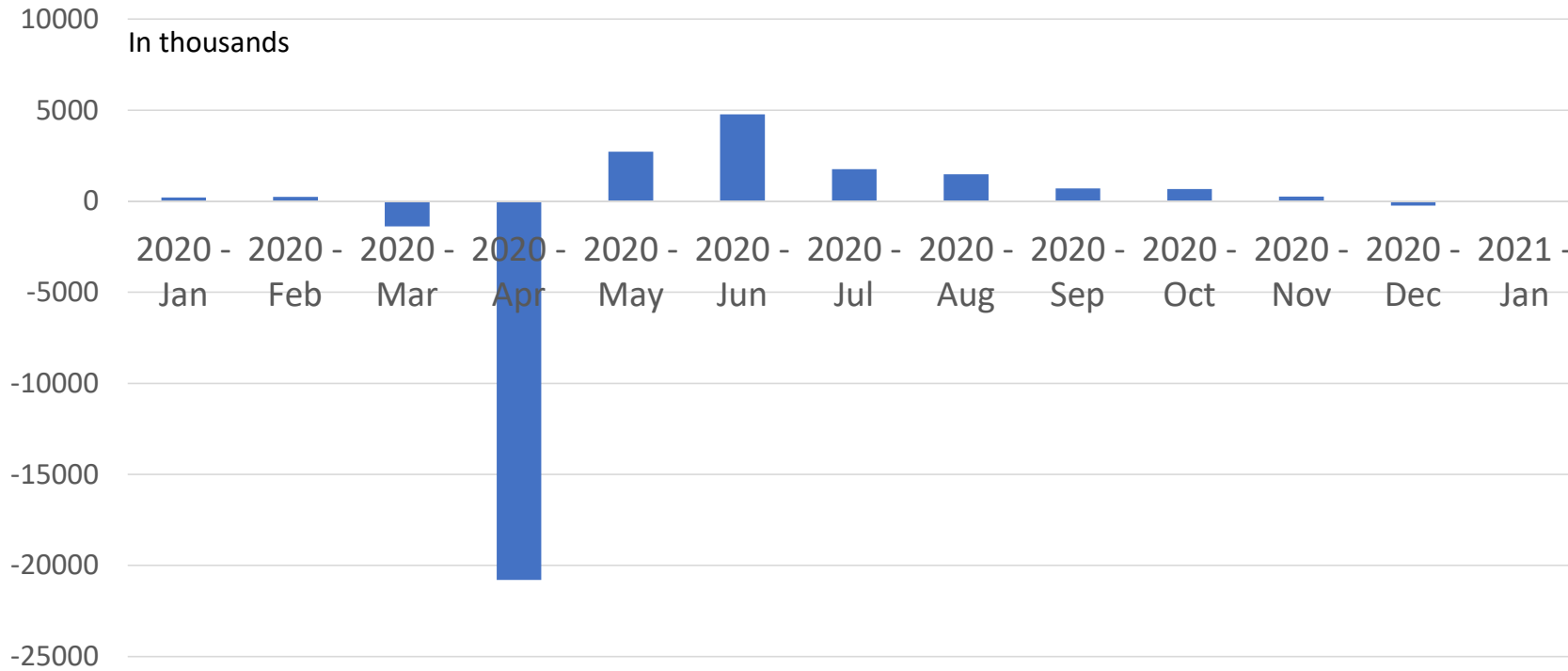
Impact of Pandemic on Real Estate and Economic Outlook

Lawrence Yun
Chief Economist and Senior Vice President
National Association of Realtors®

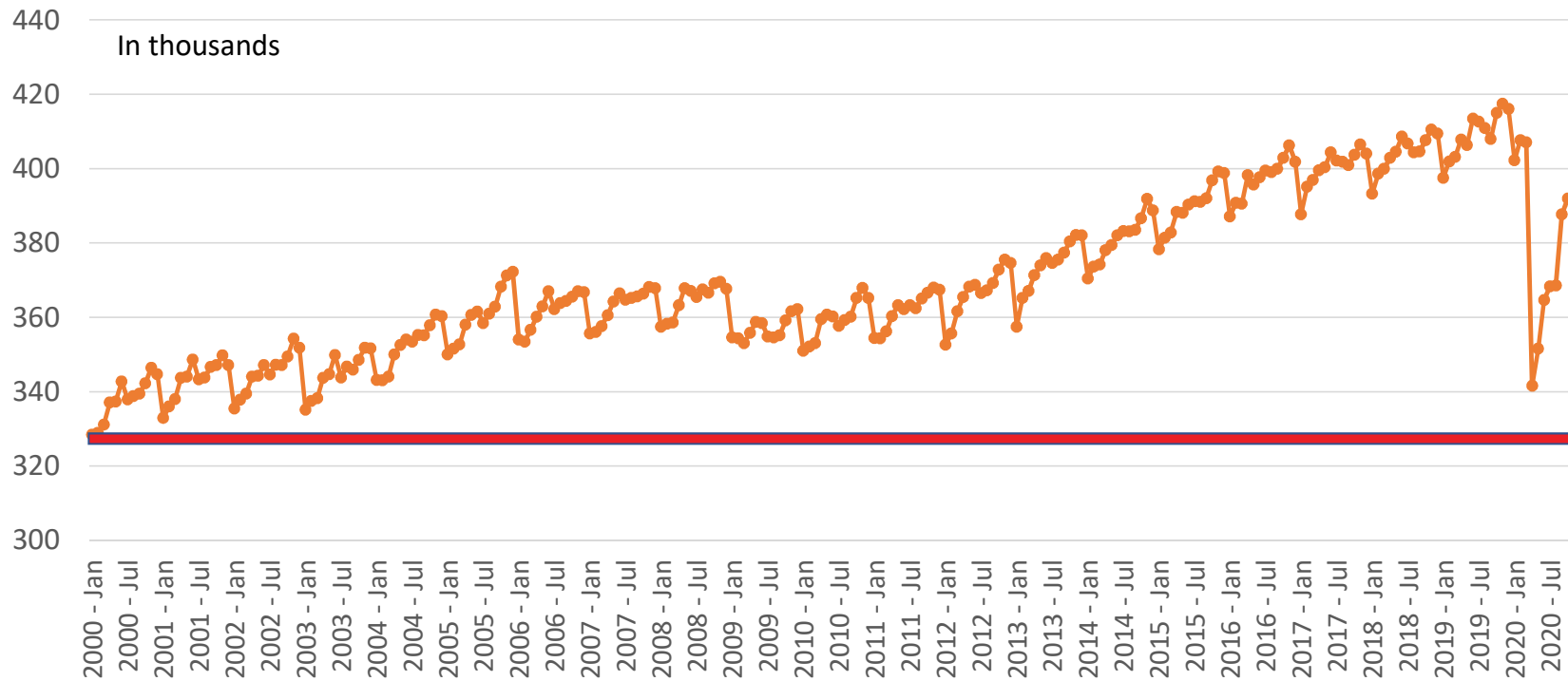
Jobs Recovery need another 10 million to get us to prior peak



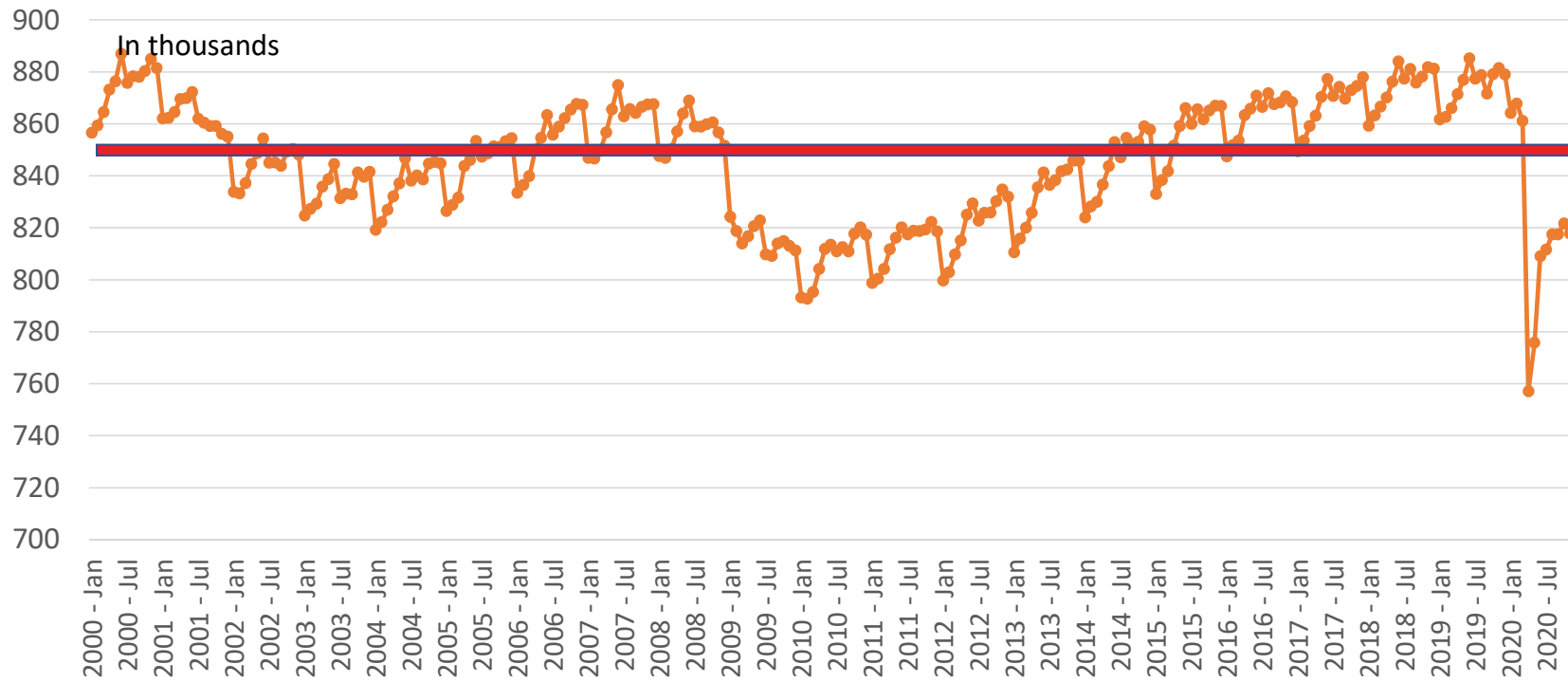
Monthly Job Additions Fizzling Out



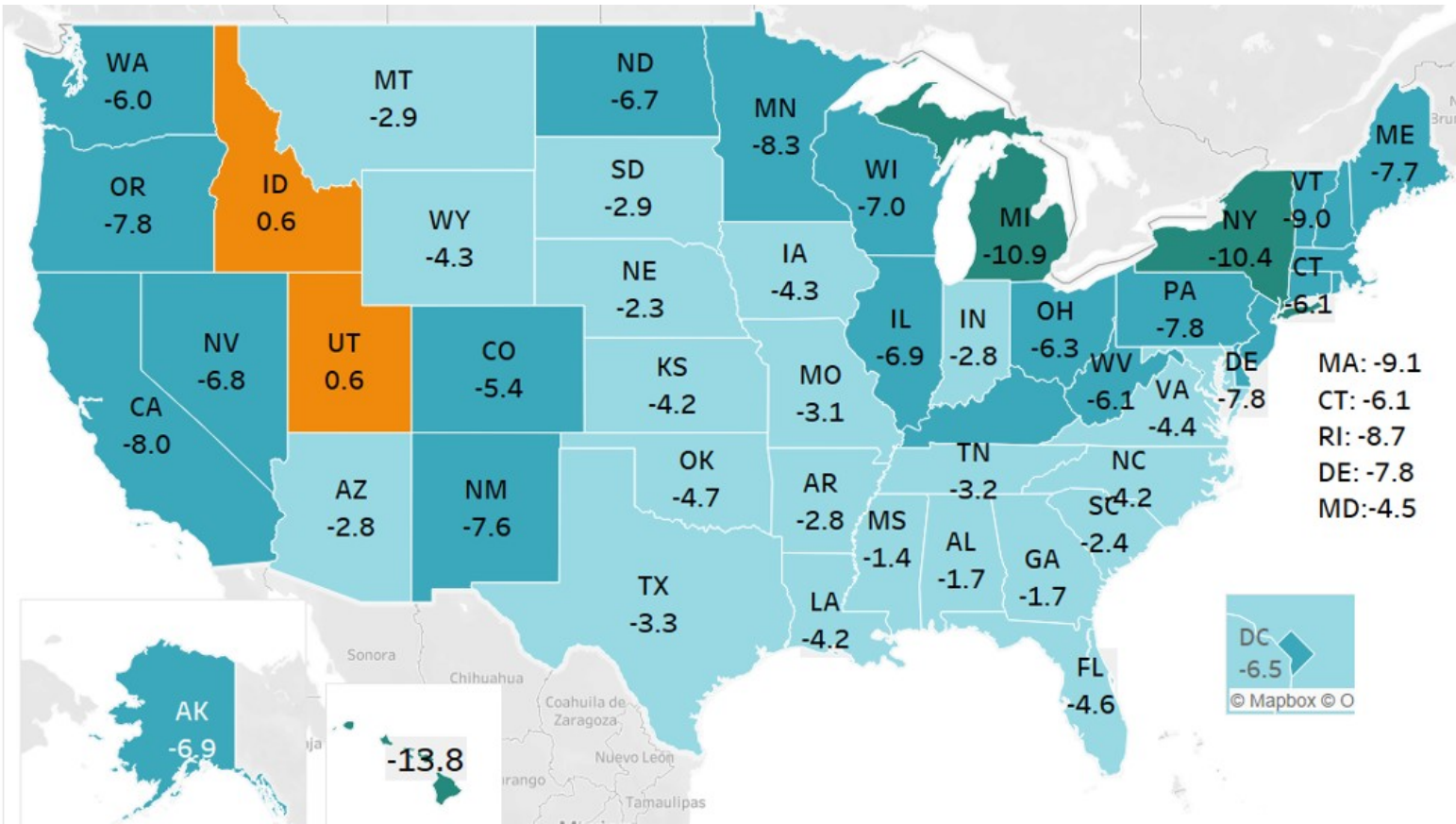
Madison



Milwaukee



State level Differences in Job Change from one year ago to December

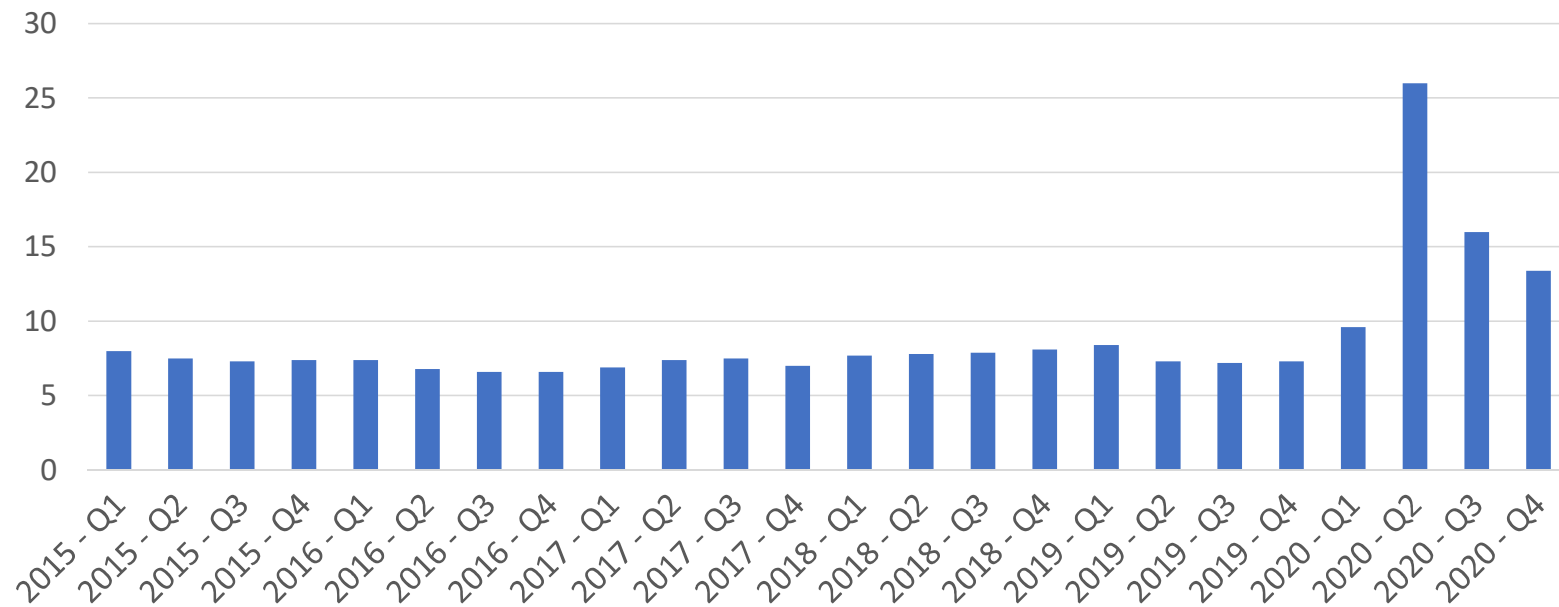


GDP is Lower but Income boosted from stimulus checks

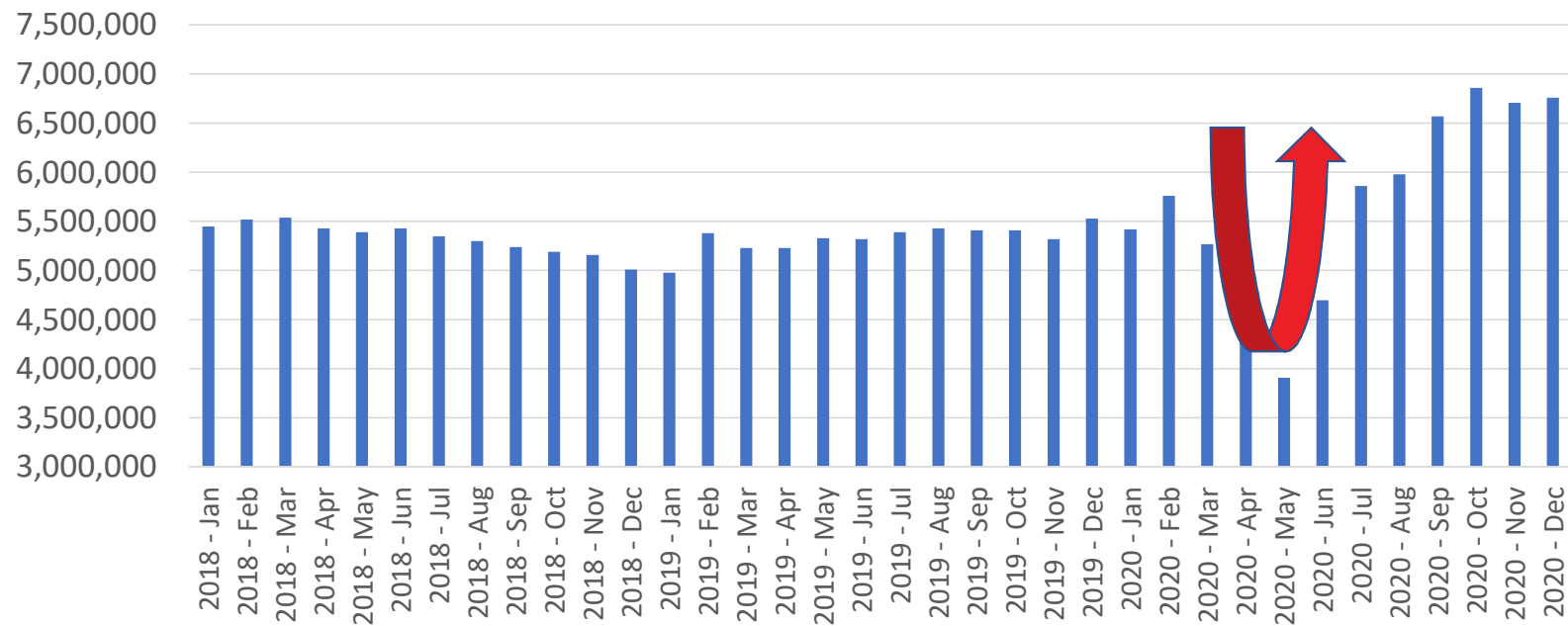
(\$ billion)

| | GDP (% change from a year ago) | Personal Income (% change from a year ago) |
|---------|--------------------------------------|--|
| 2020 Q2 | -8.5% | +10.7% |
| 2020 Q4 | -1.2% | +4.3% |

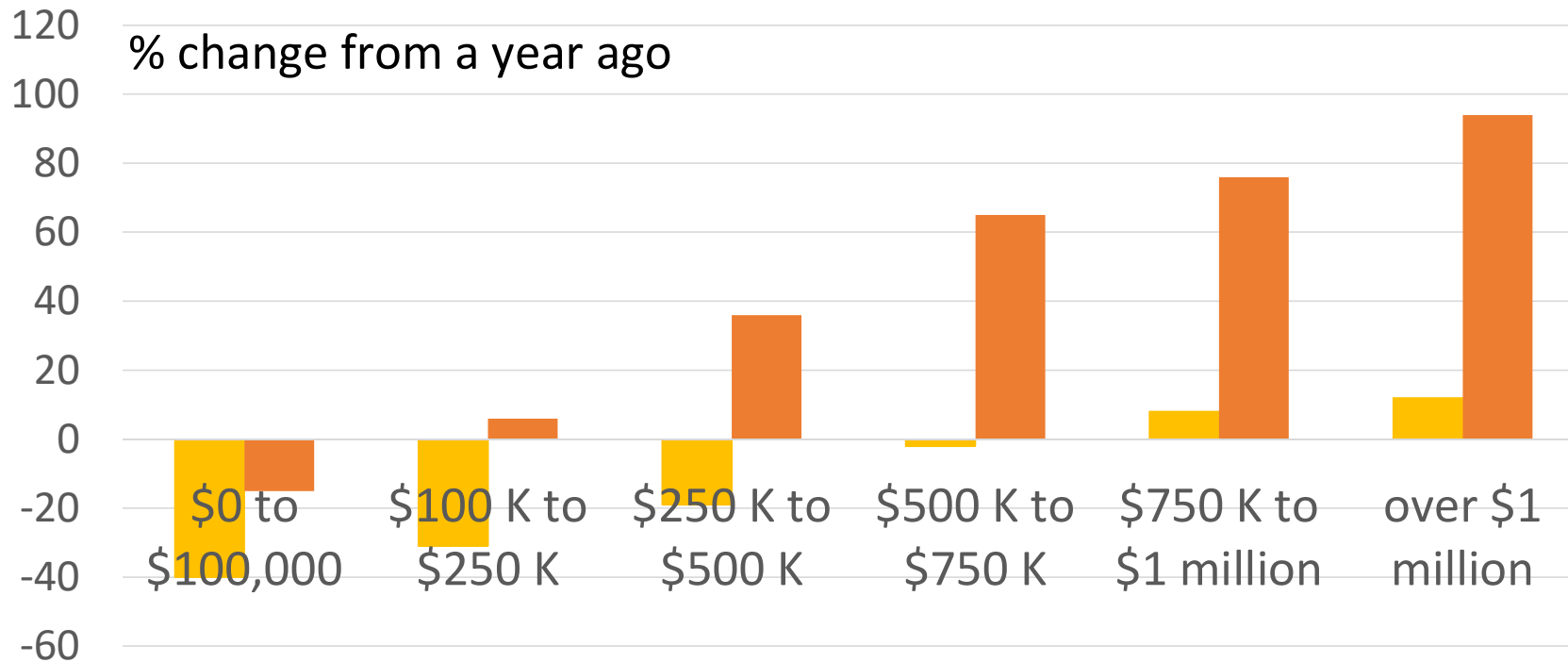
Savings Rate still elevated ... ready to pump up the economy after vaccine



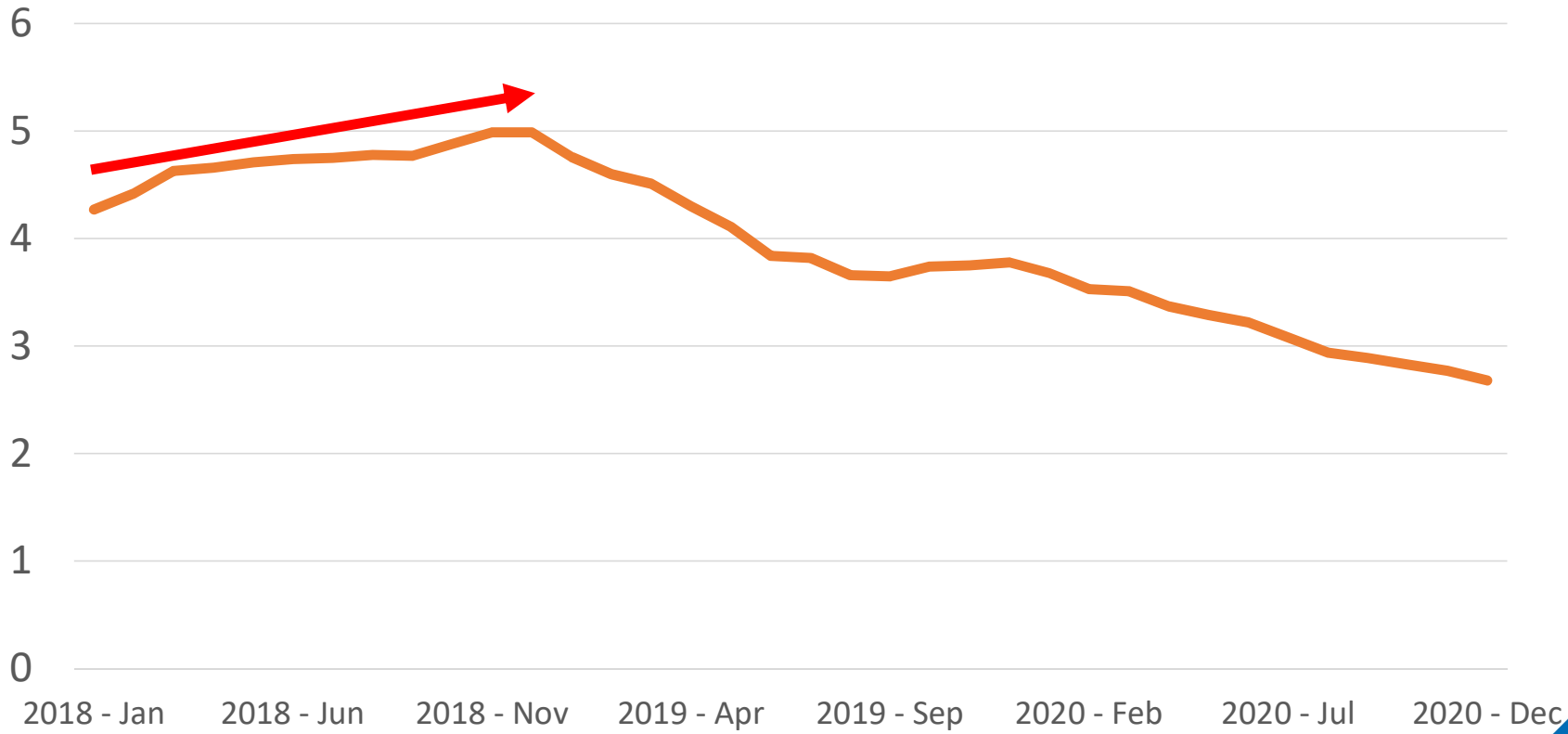
National Existing Home Sales



Changes in Inventory and Home Sales by Price Buckets

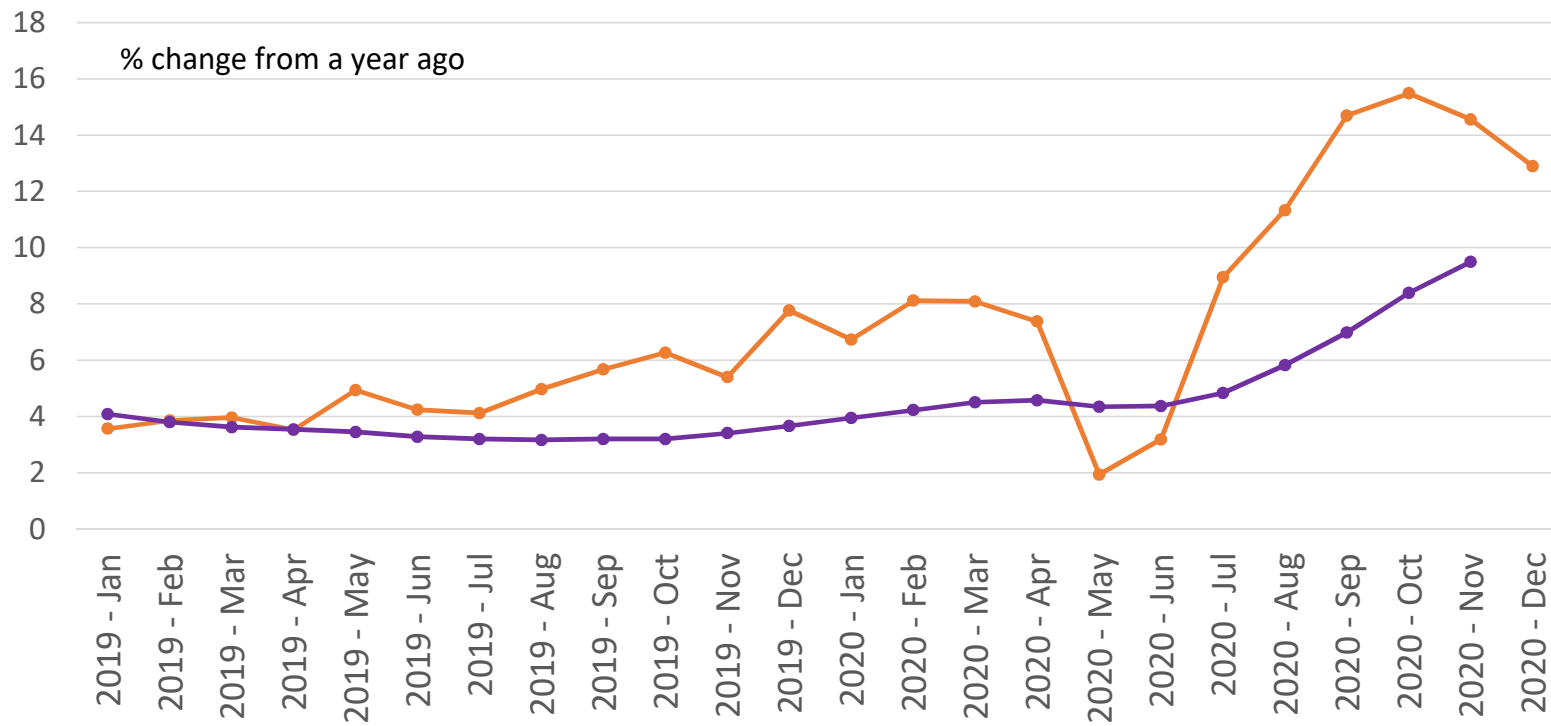


30-Year Mortgage Rates



Home Price Appreciation:

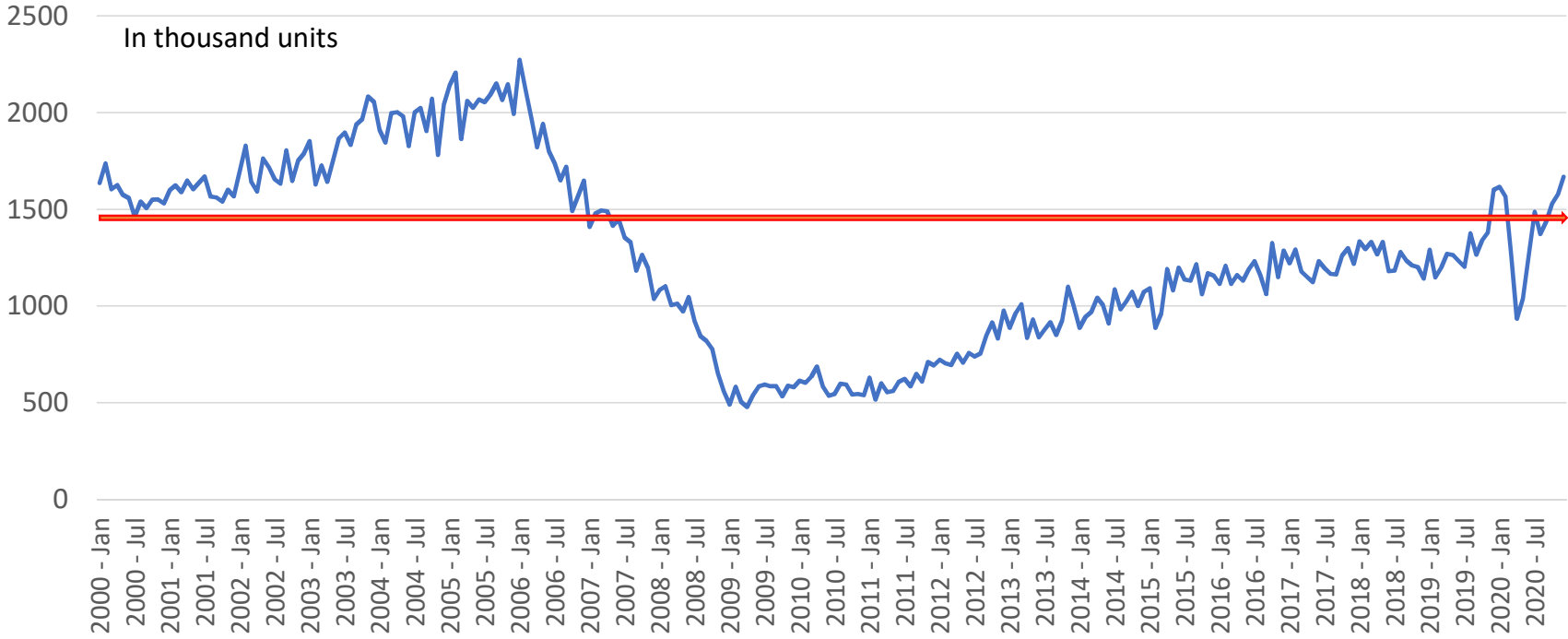
NAR Median Price (13% in Dec.) versus Case-Shiller Repeat Price Index (9.5% in Nov.)



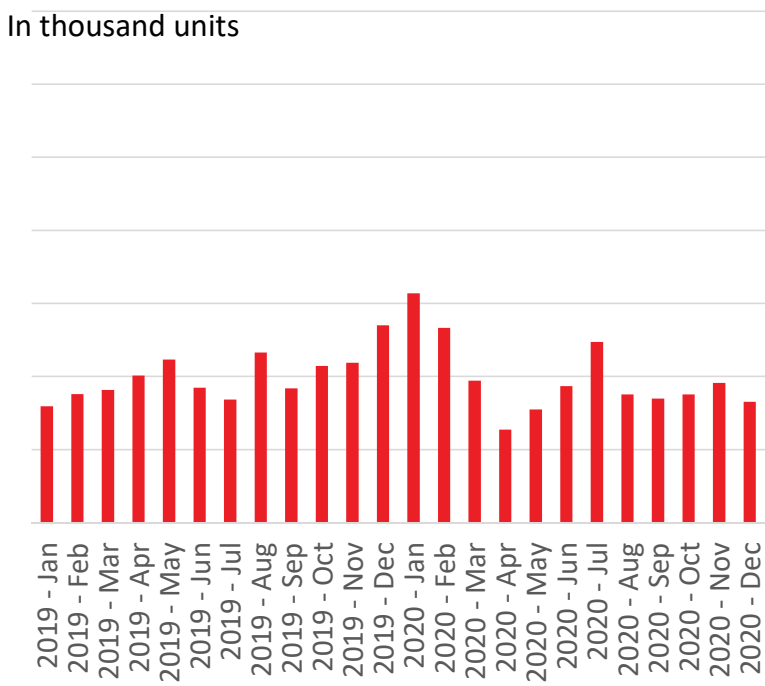
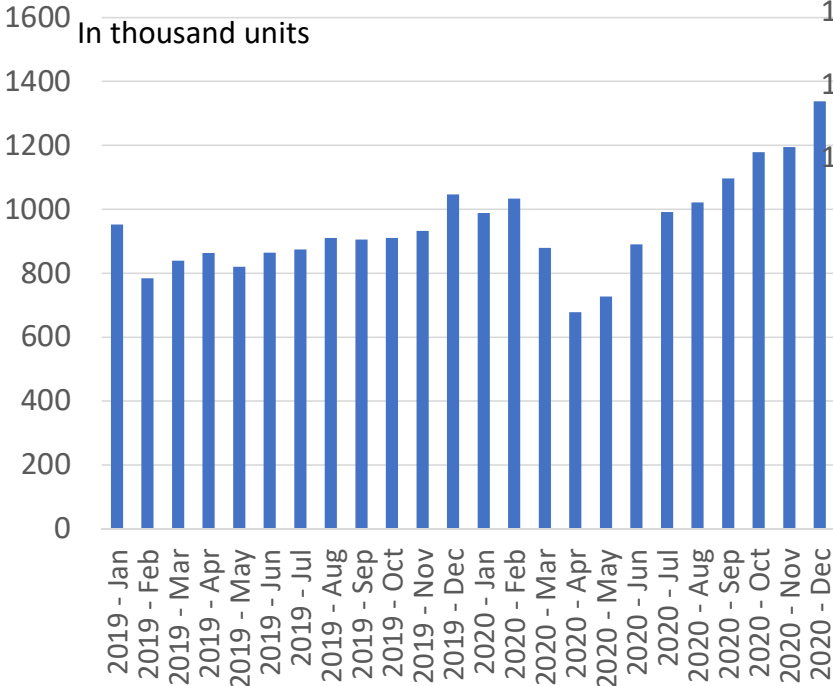
Months Supply of Existing Home Inventory



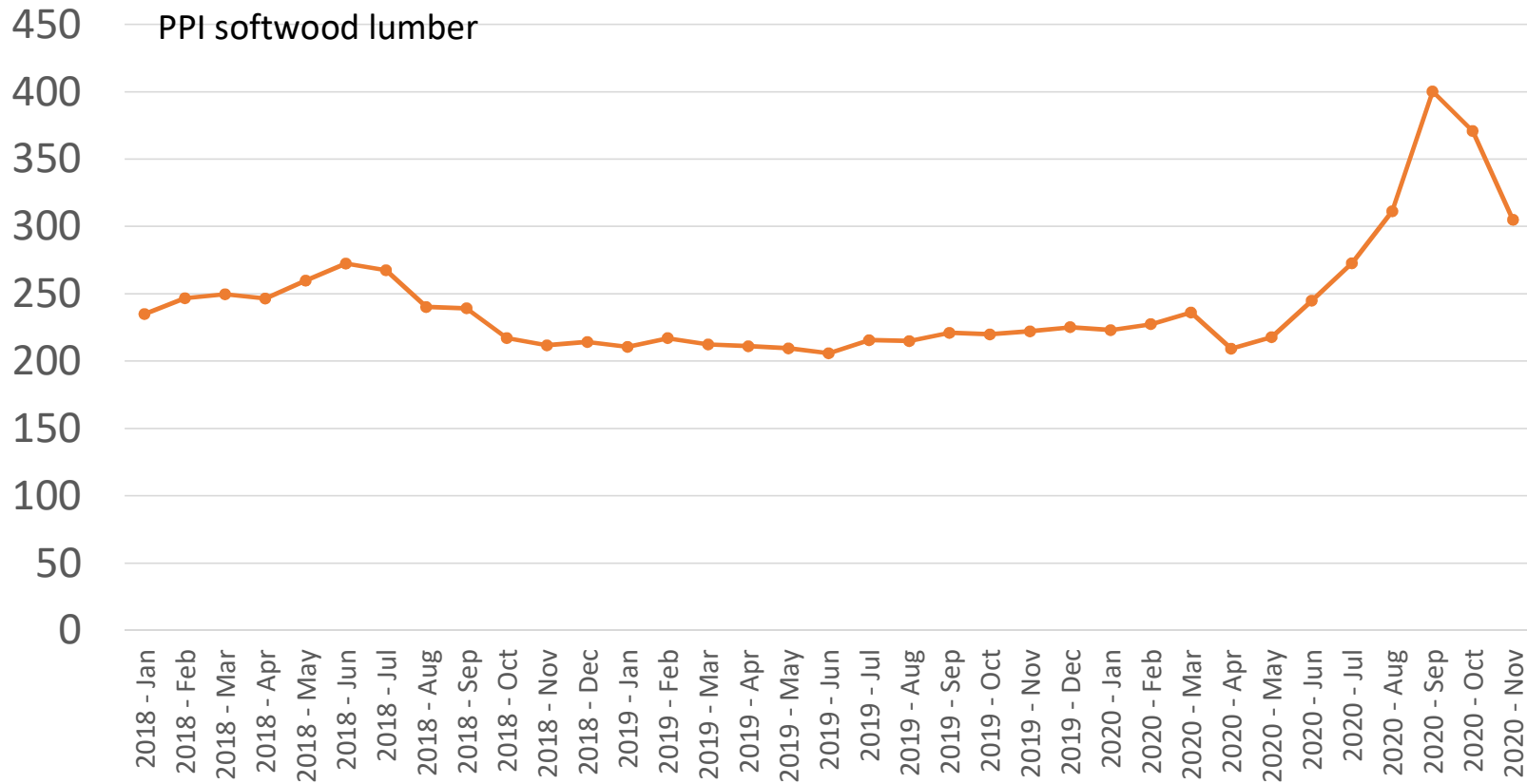
Housing Starts ... moving higher after 13 years of underproduction



Single-family housing starts doing better than multifamily starts



Price of Softwood Lumber



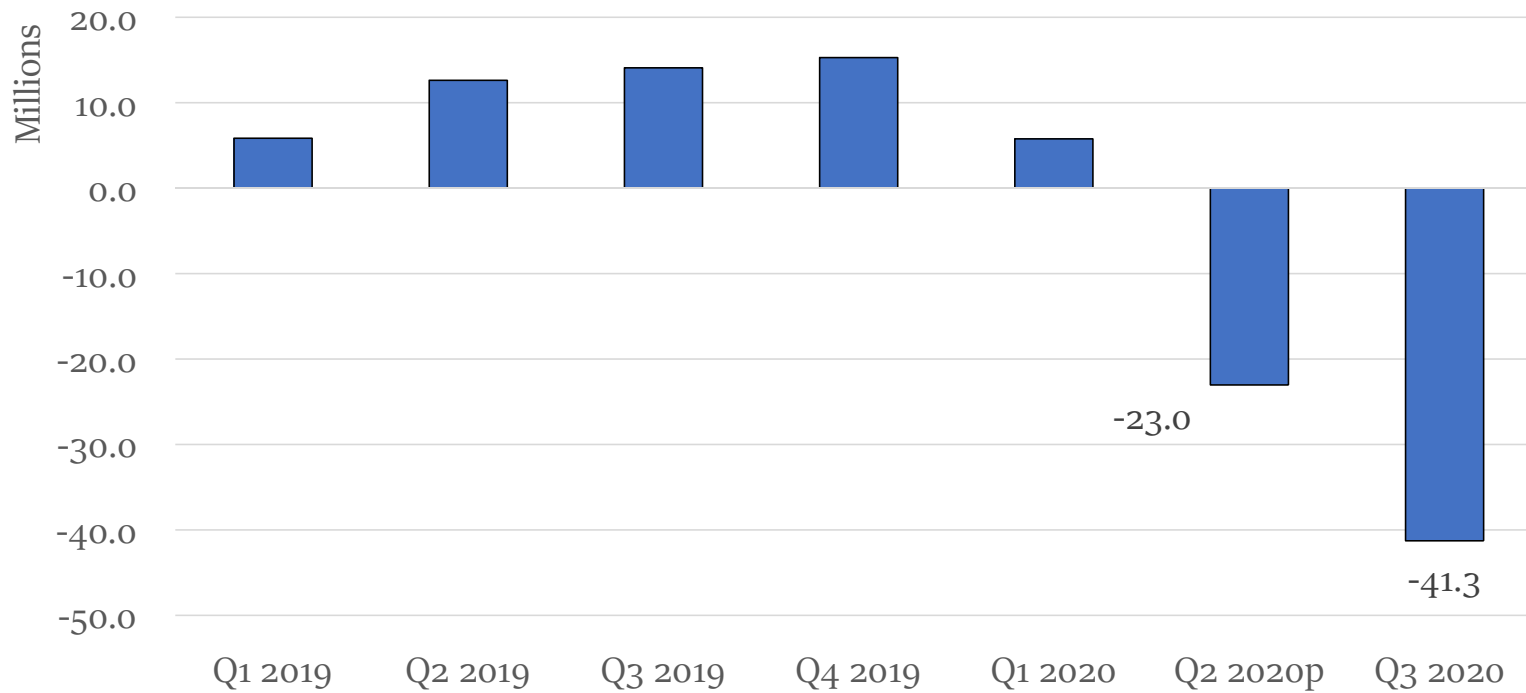


Commercial Real Estate and Work-From-Home Preference

Office Occupancy Falls (-74 million square feet in Q2 and Q3)

Net Absorption of Office Space

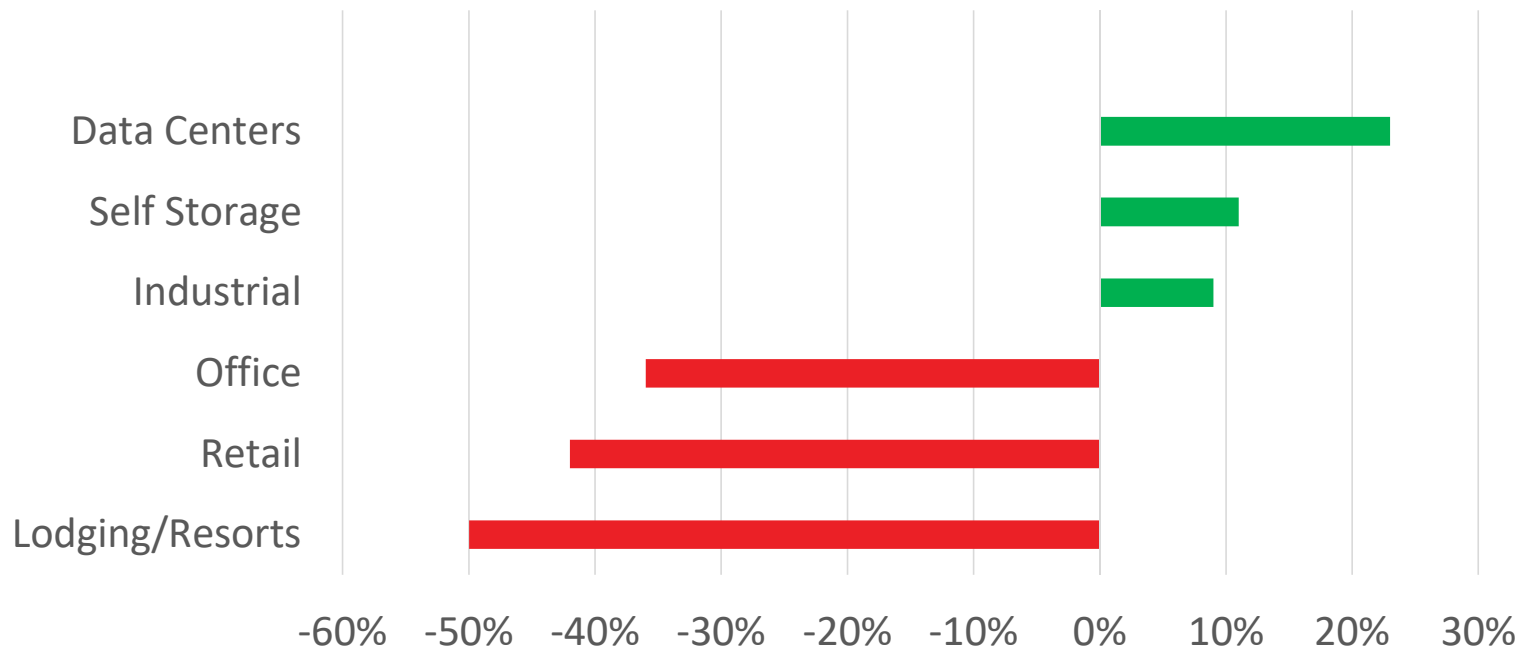
■ United States



Source: Cushman and Wakefield

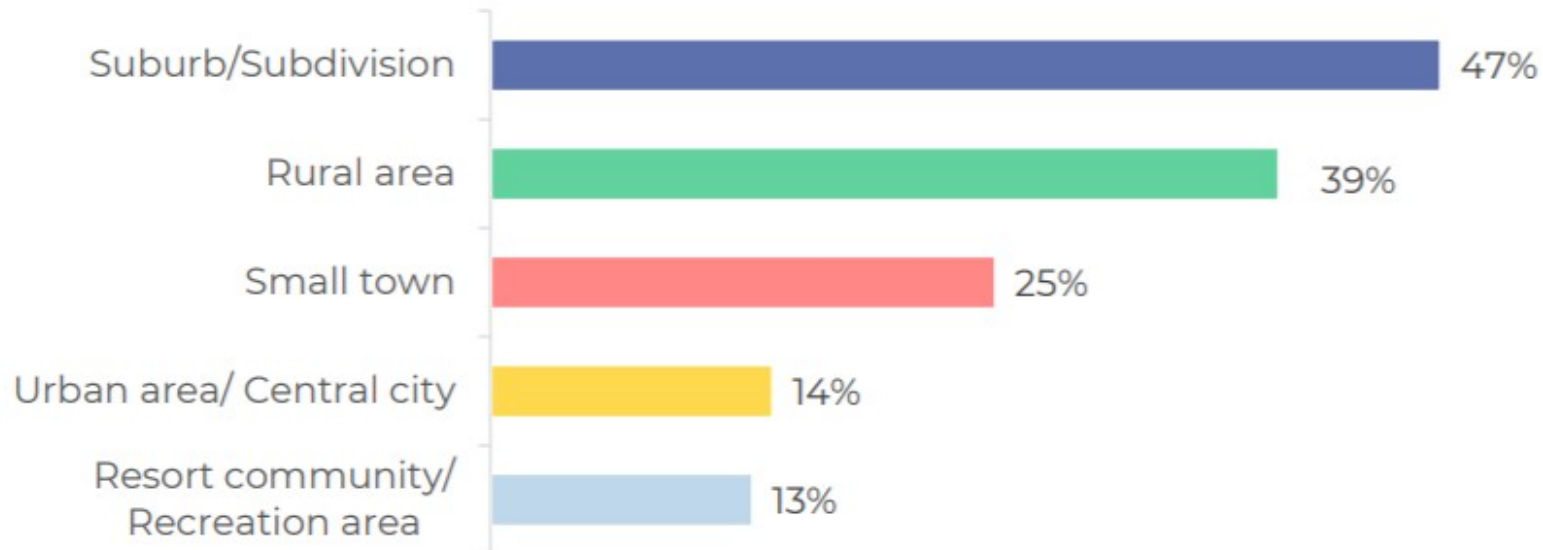
NAREIT Stock Market Return ... which sector is outperforming?

(2020 year-to-date, October 30)



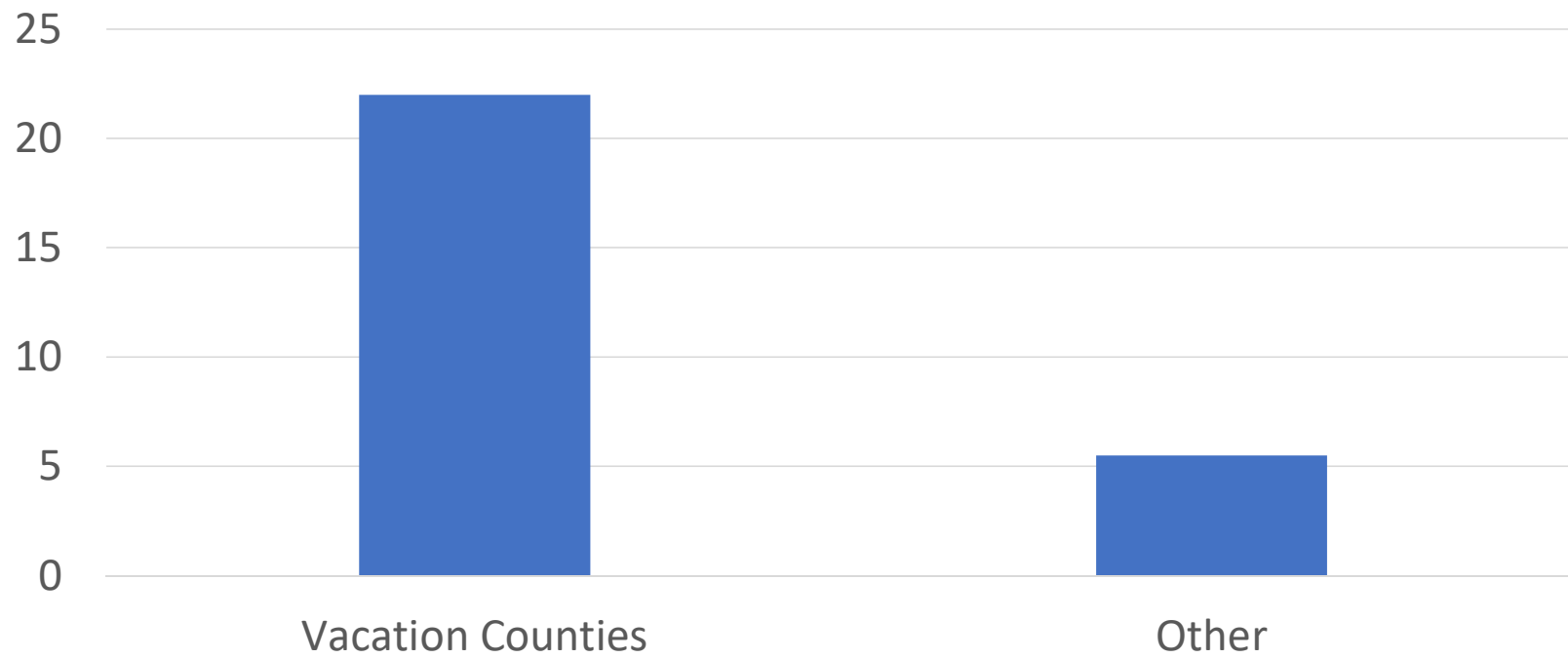
REALTOR® Survey about their Clients Residential Choice

WHICH BEST DESCRIBES THE LOCATIONS OF THE HOMES IN WHICH THESE CLIENTS ARE NOW INTERESTED IN PURCHASING? (CHECK ALL THAT APPLY)





Home Sales in Vacation Counties much Stronger



Economic Forecast

| | 2019 | 2020 | 2021 Forecast |
|-----------------------------|--------------|-------------|------------------|
| GDP Growth | 2.3% | -3.5% | +4% |
| Job Gains | +2.2 million | - 9 million | + 3 million |
| 10-Year Treasury | 2.1% | 0.9% | 1.2% |
| Consumer Price Inflation | 1.8% | 1.3% | 2.3% |

Housing Market Forecast

| | 2019 | 2020 | 2021 Forecast |
|---------------------|------|------|---------------|
| Mortgage Rates | 3.9% | 3.0% | 3.1% |
| New Home Sales | +11% | +19% | +24% |
| Existing Home Sales | 0% | +6% | +15% |
| Home Price | +5% | +7% | +3% |



Thank You