

Mortgage Market Outlook

Prepared for SCG on Real Estate

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Presented by:

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Economic Forecast Summary

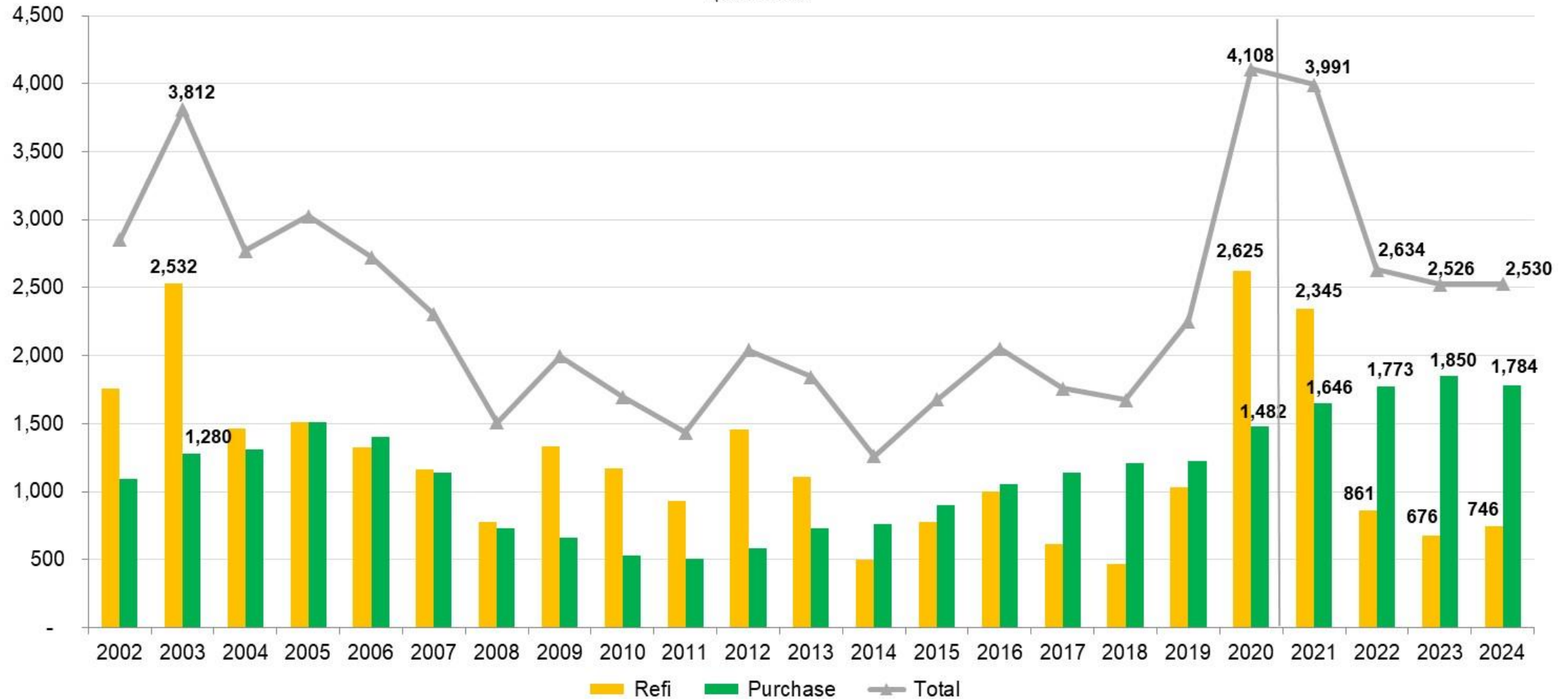
| | 2020 | 2021 | 2022 | 2023 | 2024 |
|------------------|-------------|-------------|-------------|-------------|-------------|
| GDP Growth | -2.3% | 5.6% | 3.1% | 2.5% | 1.9% |
| Inflation | 1.2% | 6.7% | 4.6% | 3.2% | 2.2% |
| Unemployment | 8.1% | 5.4% | 3.6% | 3.4% | 3.8% |
| Fed Funds | 0.125% | 0.125% | 1.875% | 2.625% | 2.625% |
| 10-year Treasury | 0.9% | 1.5% | 2.5% | 2.8% | 2.8% |
| 30-year Mortgage | 2.9% | 3.1% | 4.5% | 4.6% | 4.6% |

Housing and Mortgage Market Forecast Summary

| | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|--------|--------|-------|-------|-------|
| Total housing starts (000s) | 1,397 | 1,598 | 1,709 | 1,792 | 1,675 |
| Single-family housing starts (000s) | 1,004 | 1,127 | 1,221 | 1,347 | 1,278 |
| New home sales (000s) | 828 | 775 | 873 | 966 | 965 |
| Existing home sales (000s) | 5,678 | 6,099 | 6,284 | 6,498 | 6,225 |
| Home price growth (YOY pct chg) | 10.9 | 17.5 | 6.6 | 2.6 | 4.7 |
| Purchase originations (\$billions) | 1,482 | 1,646 | 1,773 | 1,850 | 1,784 |
| Refinance originations (\$billions) | 2,625 | 2,345 | 861 | 676 | 746 |
| Total originations (\$billions) | 4,108 | 3,991 | 2,634 | 2,526 | 2,530 |
| Purchase originations (000s of loans) | 4,917 | 4,876 | 4,817 | 4,955 | 4,600 |
| Refinance originations (000s of loans) | 8,780 | 6,407 | 2,334 | 1,824 | 1,966 |
| Total originations (000s of loans) | 13,696 | 11,284 | 7,151 | 6,779 | 6,566 |

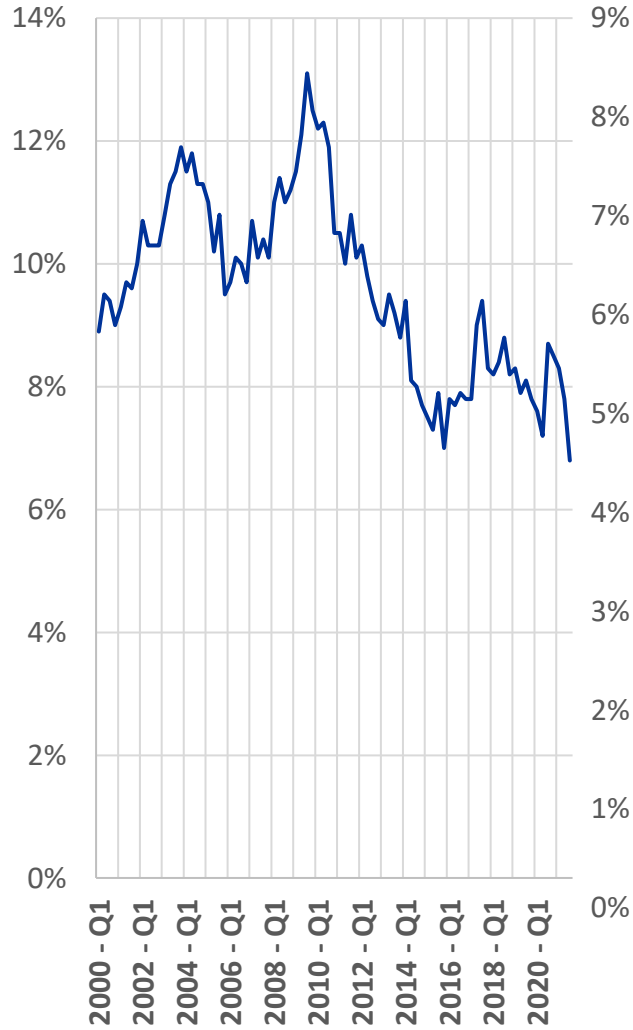
It's All About Rates and Volume

Mortgage Originations History and Forecast
\$billions

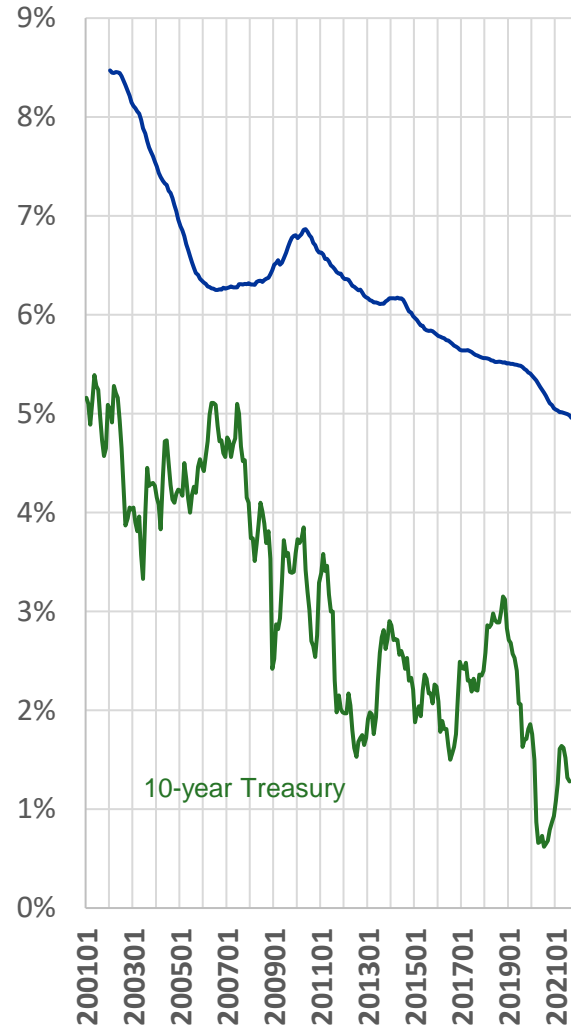


Rental Housing Market Conditions

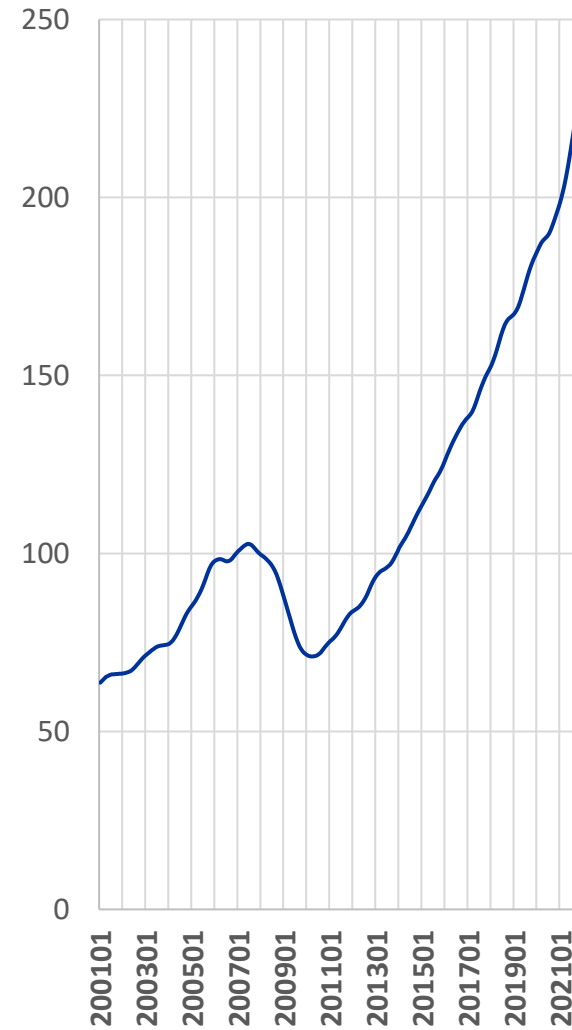
Multifamily Rental Vacancy Rate



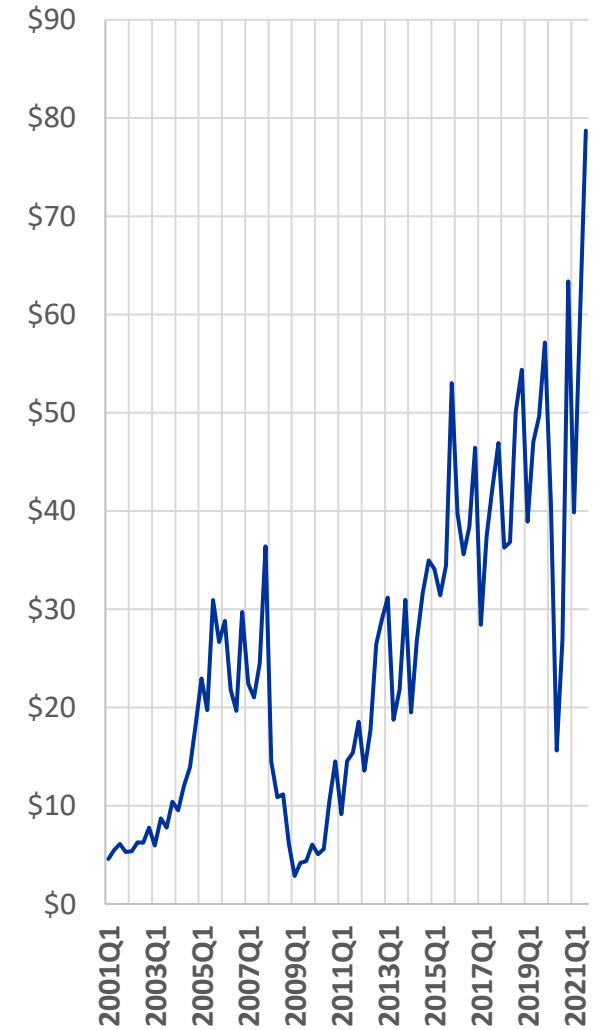
Apartment Cap Rates



Apartment Price Index



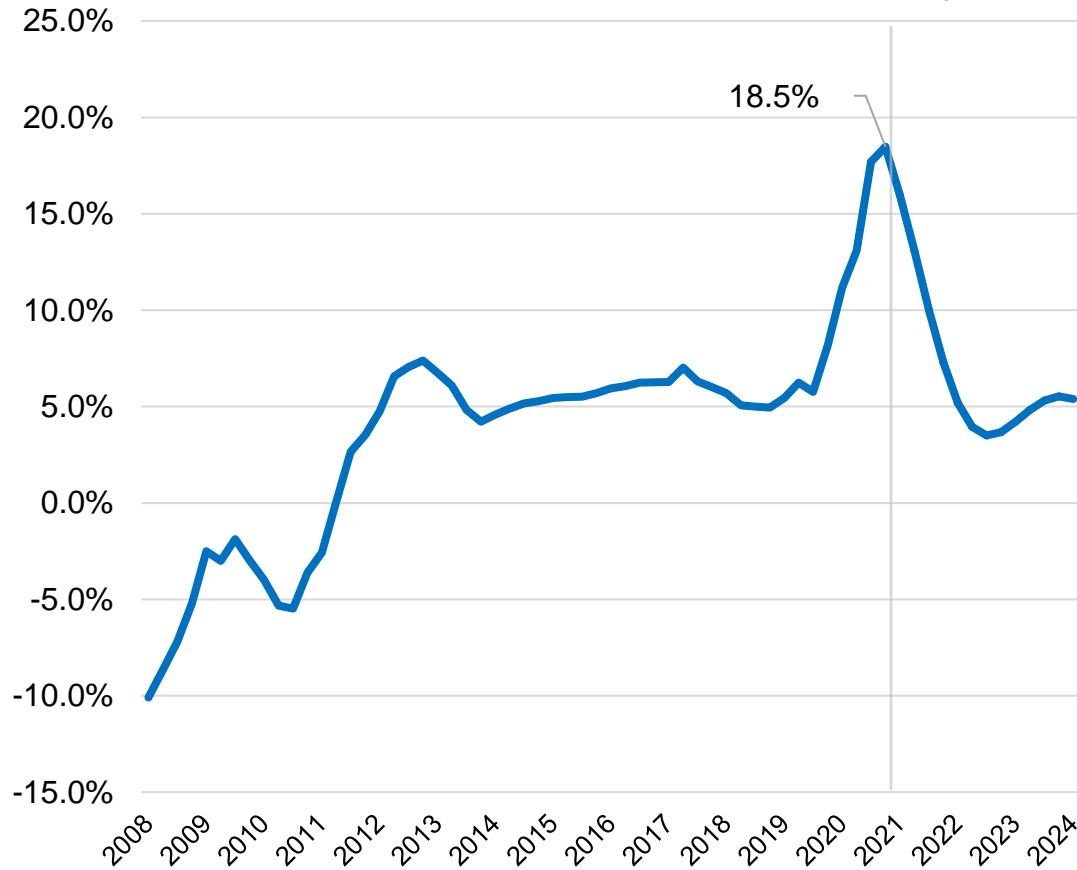
Apartment Sales (\$B)



Home Price Appreciation Elevated, Expected to Moderate

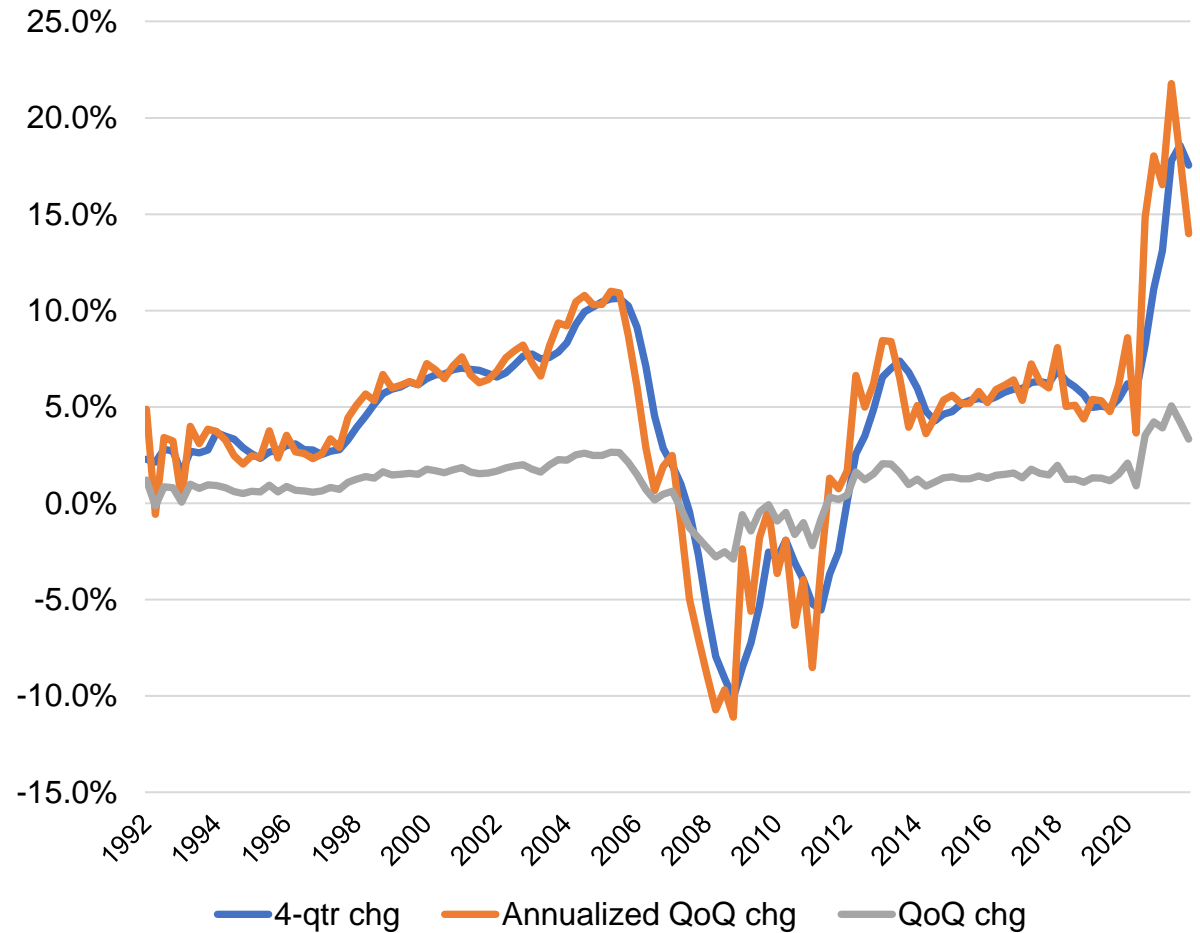
FHFA Purchase Only House Price Index/MBA Forecast

Non-seasonally adjusted, year over year change

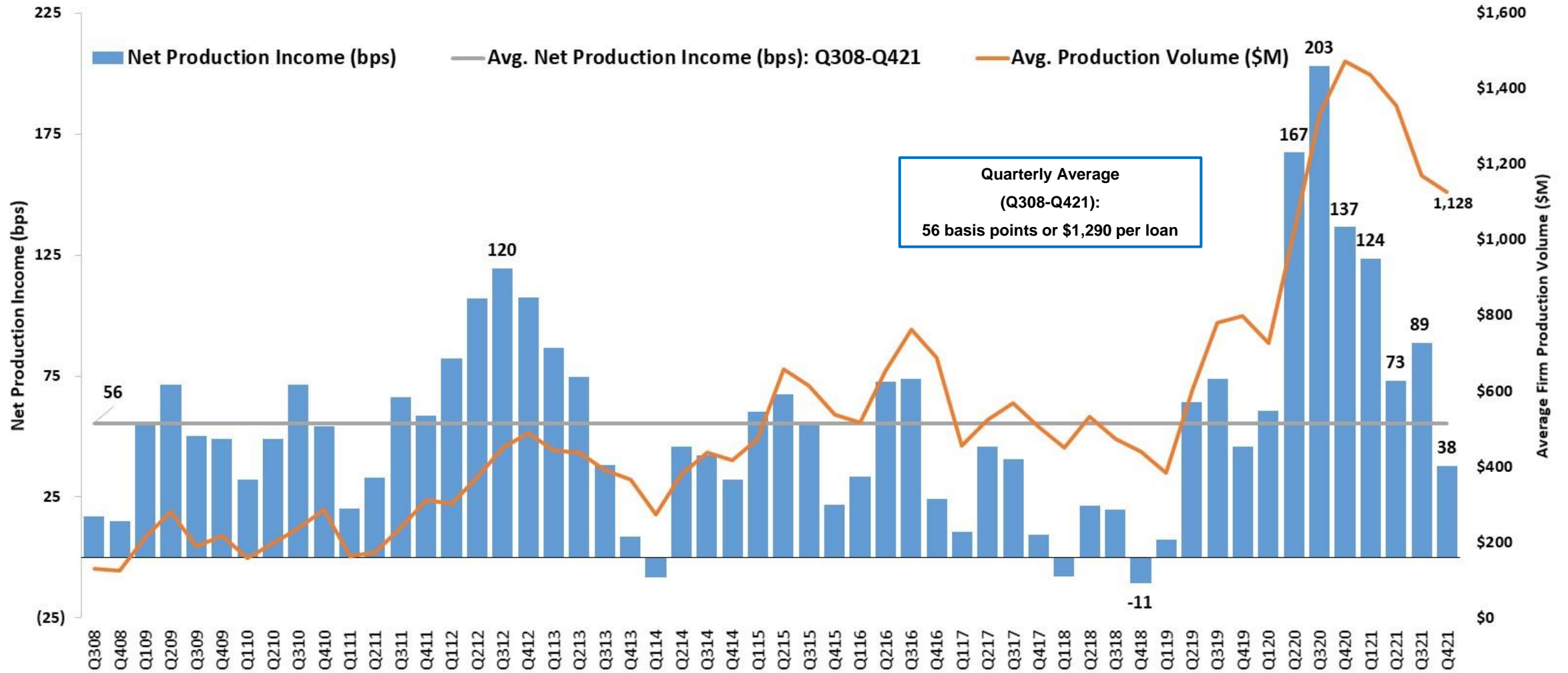


FHFA Purchase-Only House Price Index

Seasonally adjusted, percent change

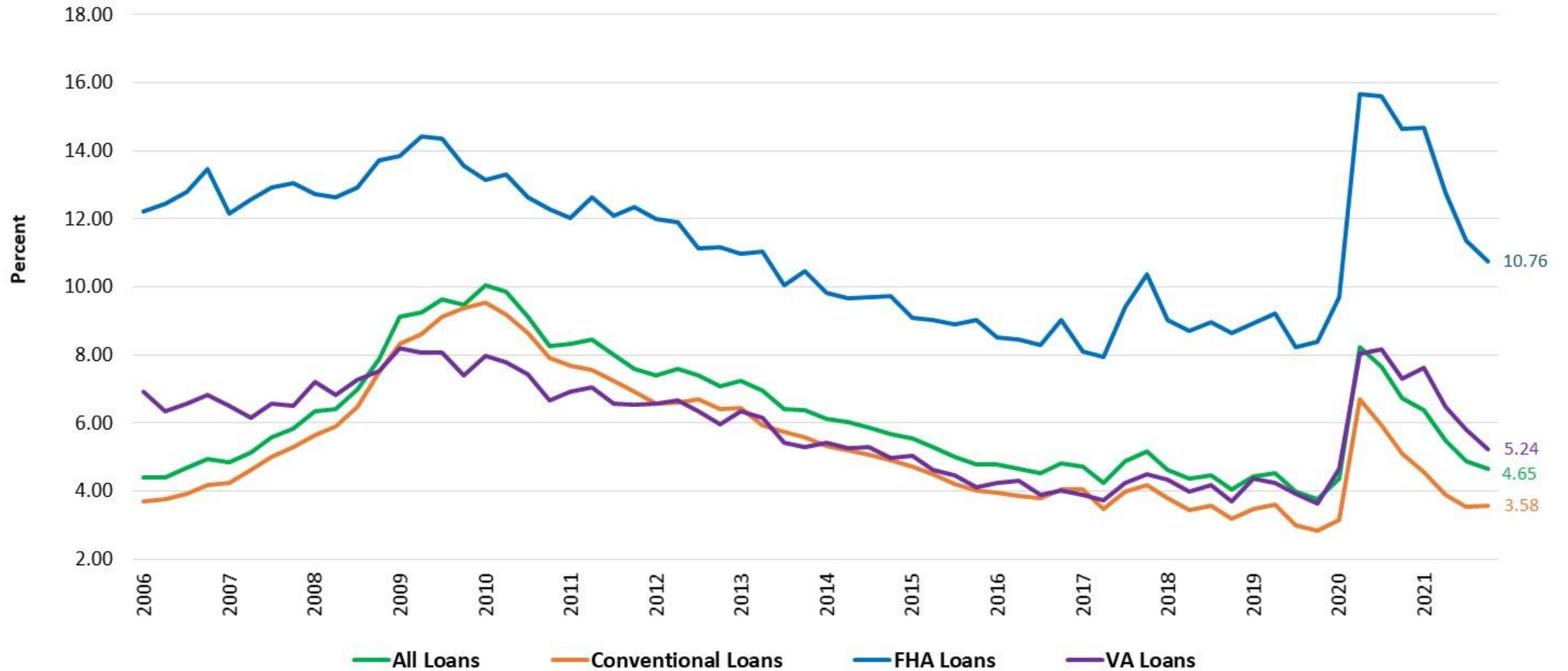


Lenders Experience Both “Feast” and “Famine”

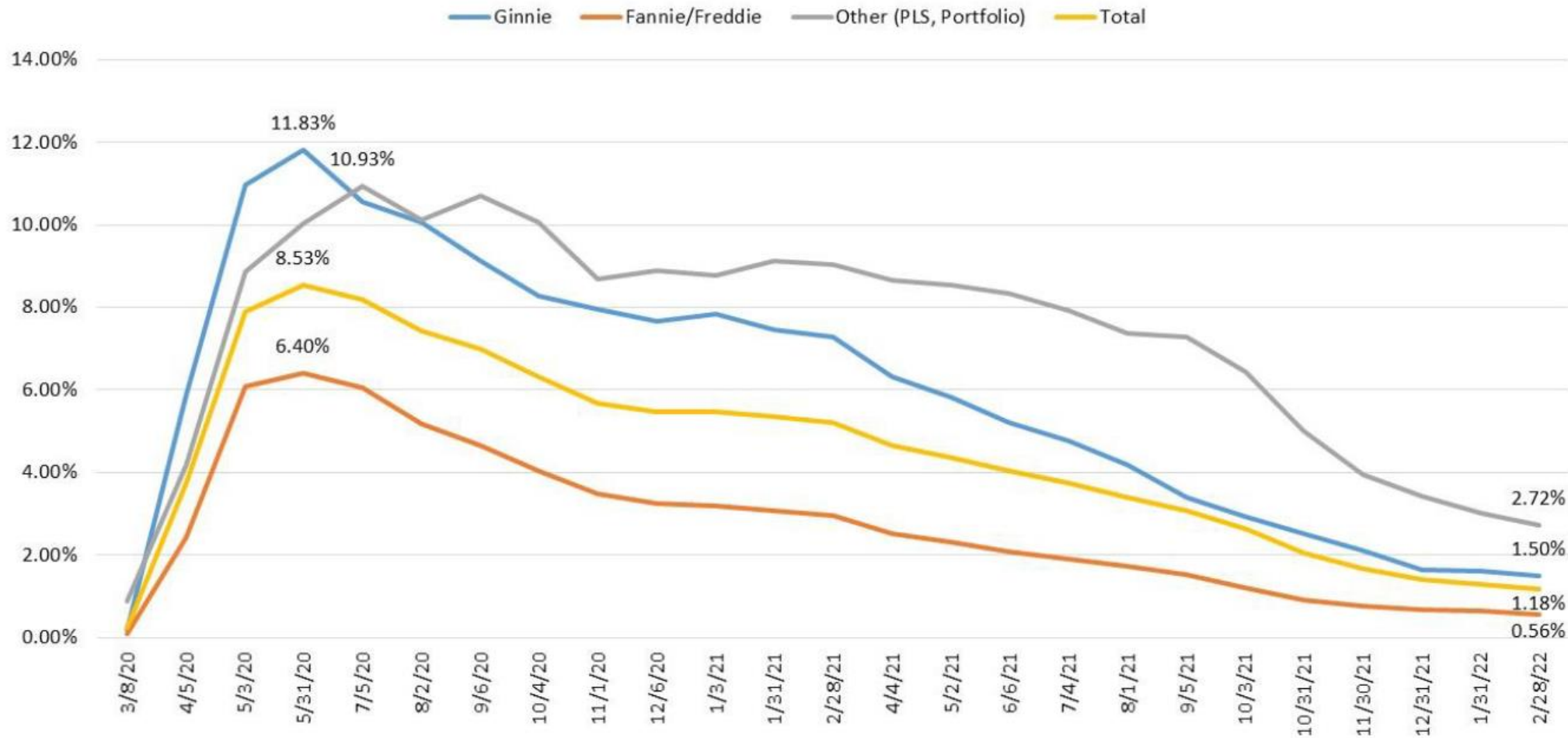


Mortgage Delinquency Rates by Loan Type

Seasonally adjusted, based on loan counts, excludes loans in foreclosure



% of Servicing Portfolio in Forbearance by Investor Type Over Time (Full Sample)



Contact Information and MBA Resources

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