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What you see is what you get!

1. Normal seasonal cycle – just fewer transactions
2. Seasonal ebbs and flow within the yearly housing cycle
3. Restriction of supply will continue throughout 2024+
4. Sellers will move for the same reasons in 2024

Convergence:

Higher home mortgage interest rates are creating a convergence between two scenarios that are restricting supply of resale properties coming on to the market in the normal sequence, especially in the more affordable and mid-price ranges.

Higher home mortgage interest rate

Fewer buyers
(70% have a home to sell)

Result: Fewer Homes for Sale

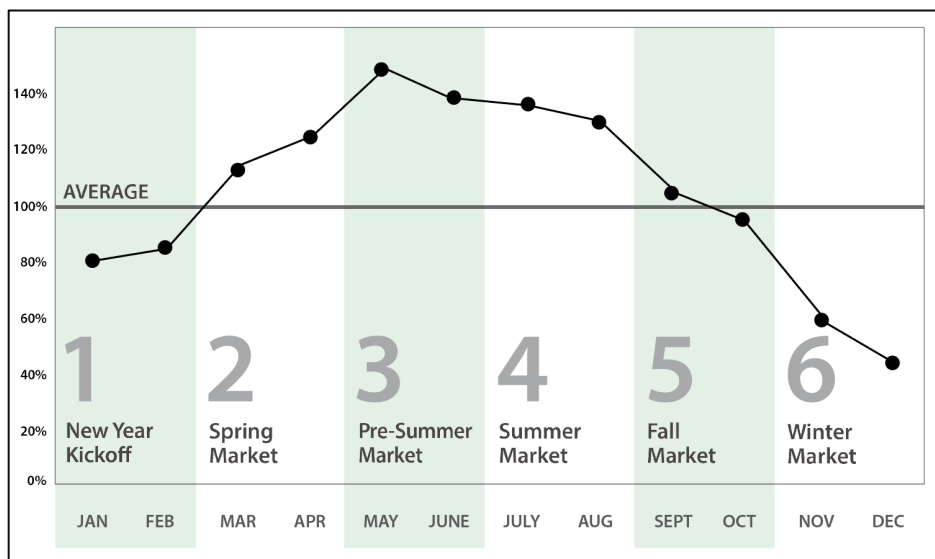
Homeowners locked into sub 4% mortgage

Some are delaying their move
Fewer Sellers

Result: Fewer Homes for Sale

In many areas with fewer homes available for sale and strong buyer activity in the more affordable and mid-price ranges, there is price support. Additionally, we anticipate price increases where there is a shortage of homes for sale.

6 Phases of the Yearly Housing Cycle™ Represents Number of New Resale Listings by Month Typical yearly pattern of new resale listings



Who is moving in today's market?

Life Events

- Job Transition
- Household formation change (Marriage, Divorce, Downsizing, Estate)

Those with major home equity

- Retirees and Seniors (substantial equity)
- 4+ years in home (major equity)
- One third of homeowners have no mortgage debt

Should I purchase today or wait until interest rates come back down?

Answer: Purchase when the timing is right for you

In your local market, if there is a shortage of supply of available homes for sale, we often see an increase in home prices after the first of the year, especially in the more affordable and mid-price ranges.

The math may lean toward purchasing today.

Economists are forecasting that home mortgage interest rates will lower over the year ahead. However, weigh today's higher monthly home mortgage interest payments against the possible increase in home prices.

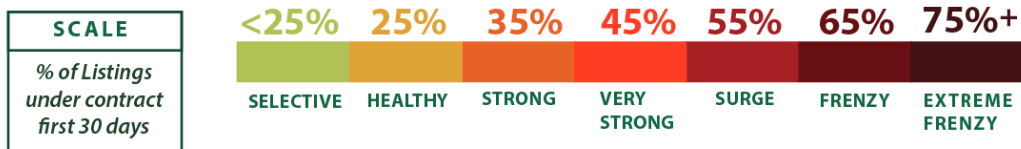
When is the time to refinance?

Answer: Again, it's in the math.

The question: How long are you going to stay in your home?

- Roll refinance fee into new mortgage
- Payback calculation period is usually less than one year

Sales Activity Intensity™ Indicator



In a typical year, the Sales Activity Intensity™ of new resale listings going under contract increases one to two levels in the spring and then mellows back down in intensity over the summer and fall.

The Big Question: Where will home mortgage interest rates be in 2024, and how will that affect the residential market?

Above 7%

Current market conditions

Upper 6%'s

More buyers, a few more listings – higher intensity

Lower 6%'s

Many more buyers, a few more listings – higher intensity – possible price increase

Several economists are forecasting that 2024 home mortgage interest rates will decrease into the 6%'s and go even lower in 2025.

They either will, or they won't.

Separate Markets:

Major Metro Market Areas

- Job growth is the #1 major indicator to a strong housing market

Lifestyle/Destination Markets

- If there is strong sales activity in major metro market areas, there tends to be more homebuyers that relocate to surrounding/lifestyle/destination markets.
- Additionally, those buyers with major home equity are repositioning to these markets for several main reasons:
 - Closer to family and friends
 - Lifestyle and environment
 - Downsizing, second home, investment

Luxury Market

- Currently, great selection and great pricing
- Starting in the fall, winter clean-up of luxury inventory begins (several homes will be taken off market and repositioned for spring)
- When home mortgage interest rates lower and the wealth effect increases, we will see increased luxury sales activity
- Then, musical chairs will happen for selected properties

Chat with your John L. Scott Broker Associate for the following:

For Buyers

Be Buyer Ready, Day One™

If possible, become fully underwritten for a mortgage before purchase agreement.

For Sellers

Be Market Ready, Day One™

Showcase your home in the best light to get the best price.

Seller Listing Launch® - Marketing Your Property

Focuses on the backlog of buyers while we meet new buyers entering the marketplace.

Highest Sales Activity Intensity™ is the first 30 days on the market.

John L. Scott Real Estate

Each year, we provide support to tens of thousands of clients. Being your personal representative and providing transactional excellence is what we do within our business, but the higher purpose of our company is that together, all of us create a positive environment of "Living Life as a Contribution.®"

Supporting our clients, our teammates, and children's healthcare.

