



ZILLOW[®]GROUP

KEYS UNLOCK DREAMS

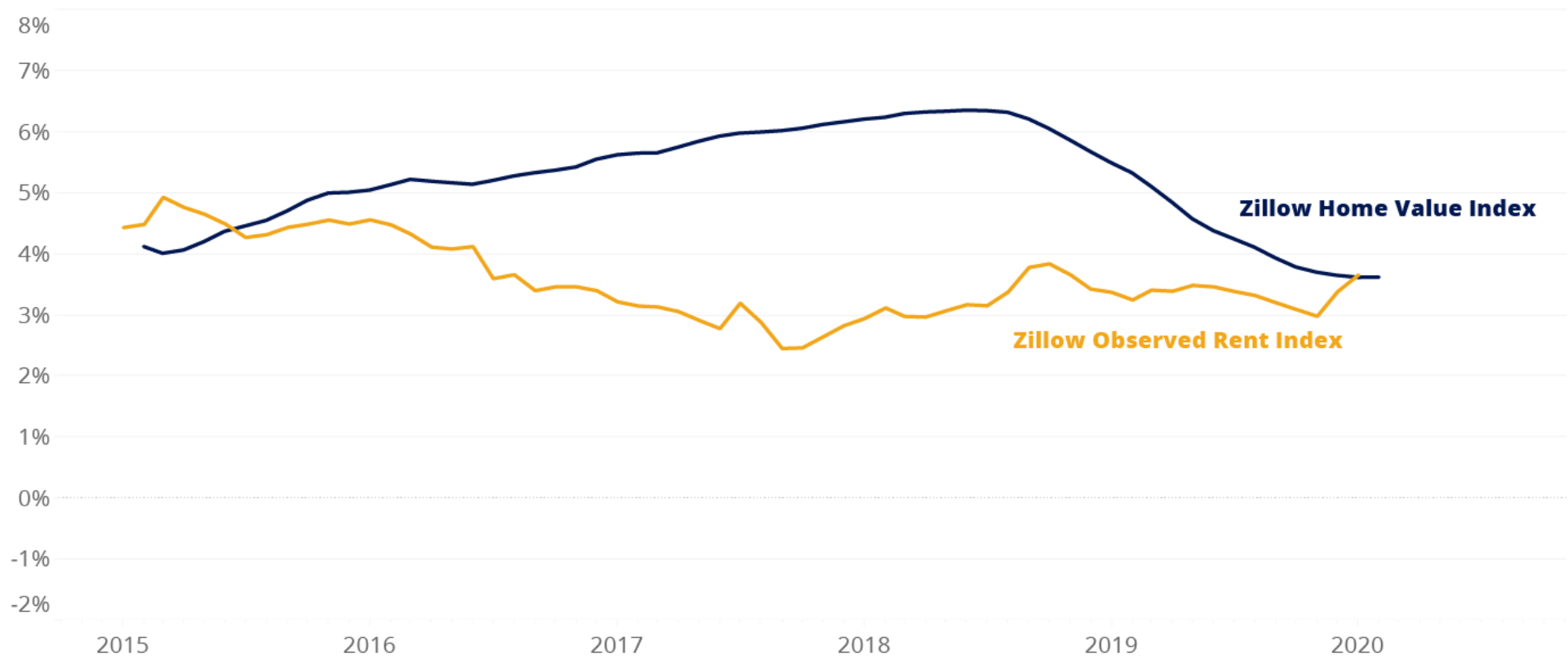
THE CENTRALITY OF HOUSING TO
BUILDING AN EQUITABLE SOCIETY

SVENJA GUDALL
CHIEF ECONOMIST, ZILLOW GROUP



PRIOR TO THE PANDEMIC, HOME VALUES AND RENTS WERE GROWING STEADILY

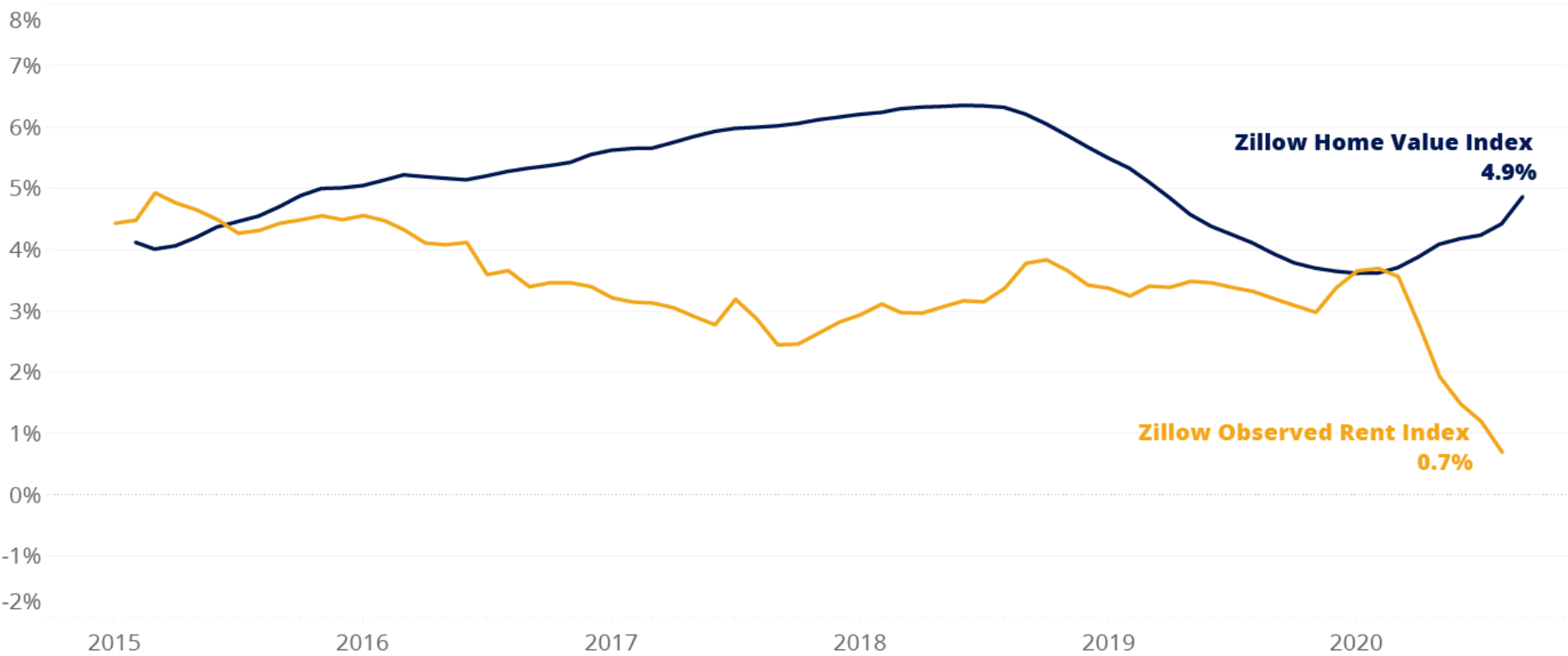
January 2020, Zillow Home Value and Zillow Observed Rent Index YoY



Source : Zillow Home Value Index, Zillow Observed Rent Index
www.nationalfairhousing.org

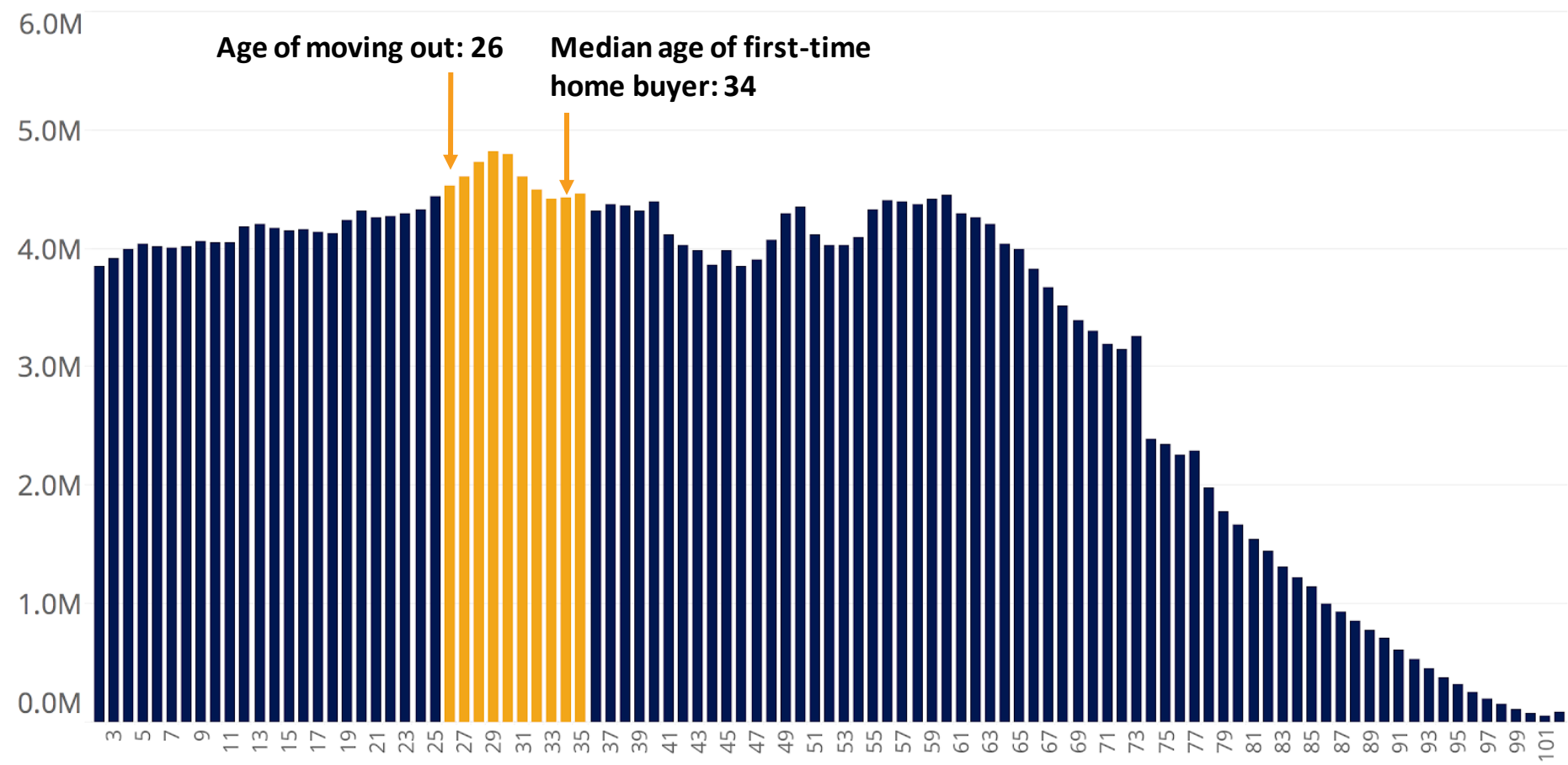
BUT SINCE THEN, THE FOR-SALE AND RENTAL MARKETS HAVE DIVERGED SIGNIFICANTLY

AUGUST 2020, Zillow Home Value and Zillow Observed Rent Index YoY



Source: Zillow Home Value Index, Zillow Observed Rent Index

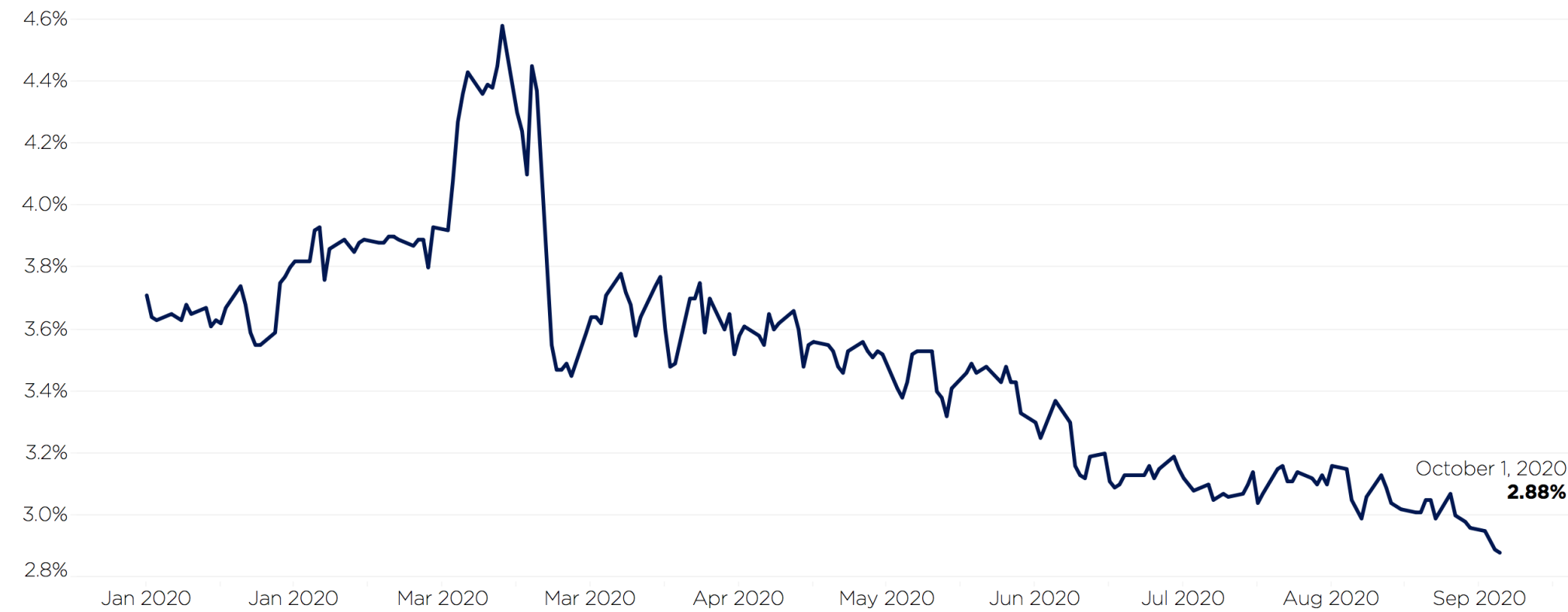
HOUSING DEMAND POWERED IN LARGE PART BY AGING MILLENNIALS AND GEN Z...



...AND BY VERY LOW MORTGAGE INTEREST RATES

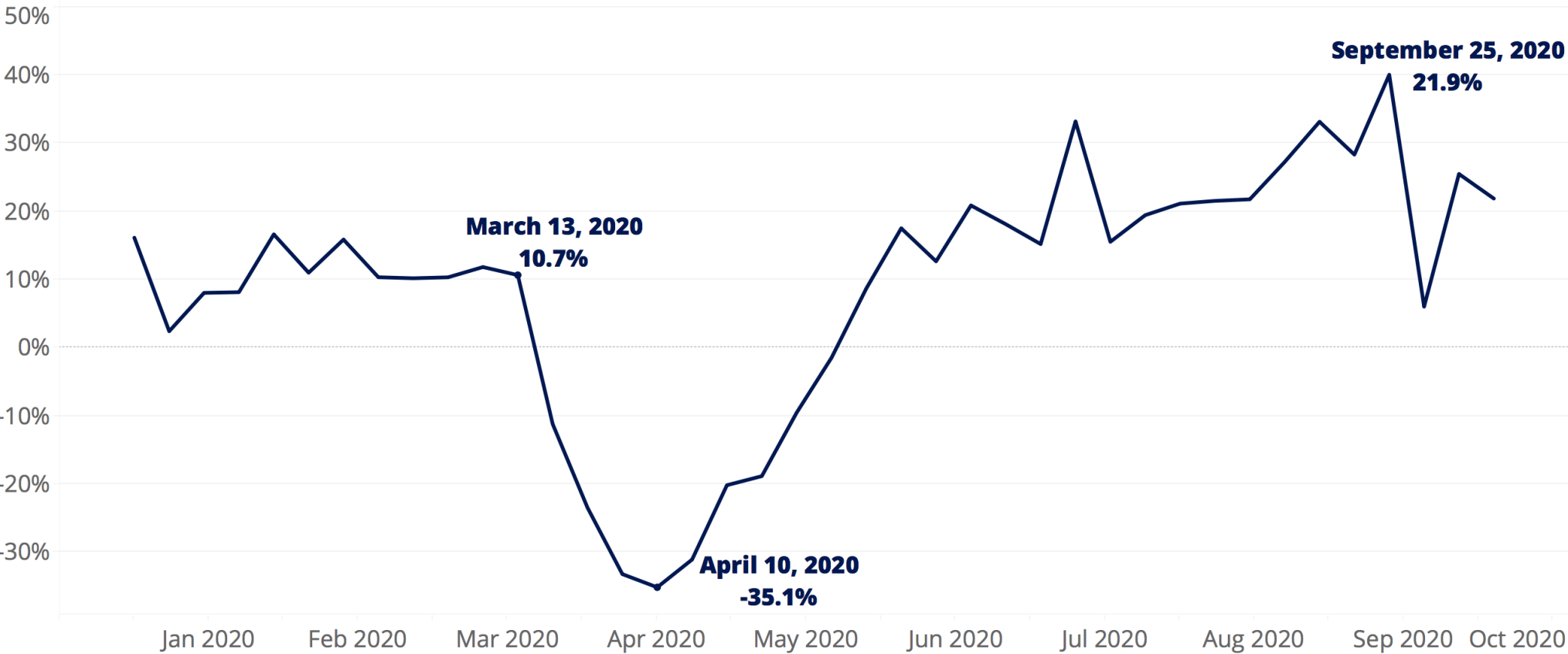
Fixed 30-Year Mortgage Rate

Daily average for borrowers with prime credit and a loan-to-value ratio of 0.8



LOW MORTGAGE RATES ARE LEADING TO MORE MORTGAGE APPLICATIONS

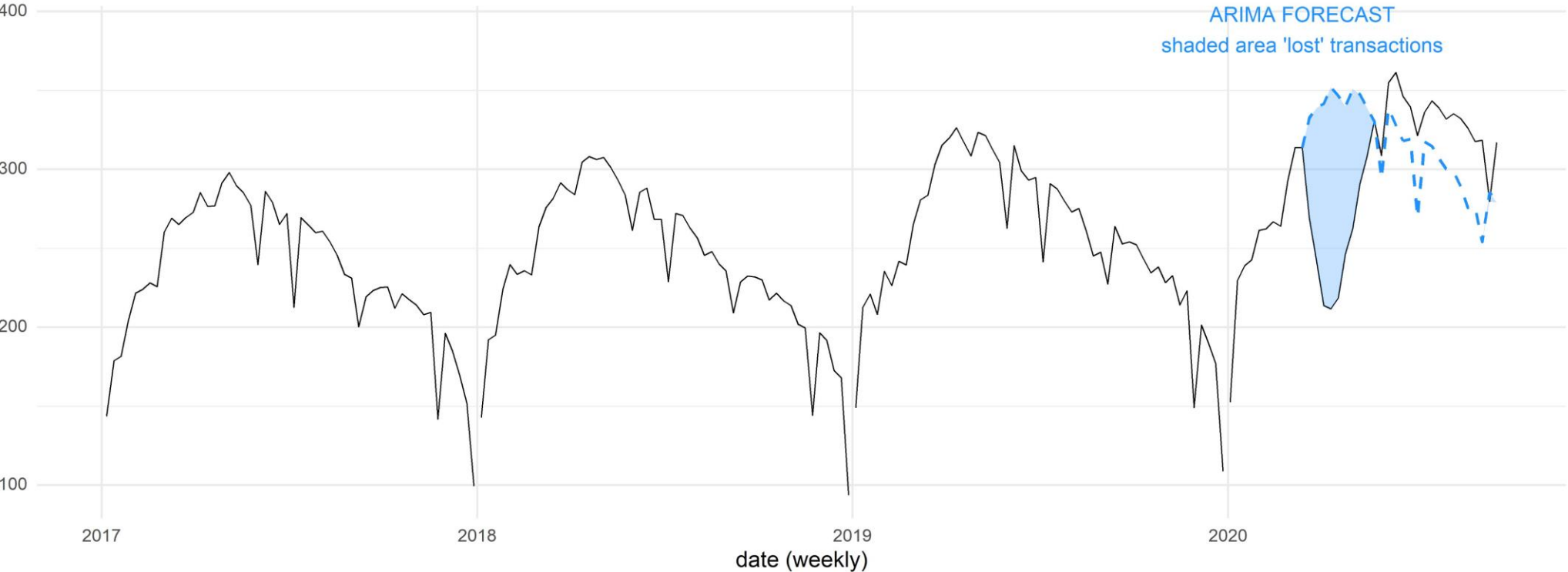
MBA For-Purchase Mortgage Applications Index (YoY)



LOW MORTGAGE RATES ARE LEADING TO MORE MORTGAGE APPLICATIONS

U.S. Mortgage Purchase Activity Rebounds

Purchase Application Index (Mar 16, 1990 =100, not seasonally adjusted) ARIMA fit Jan 1990-Mar 2020

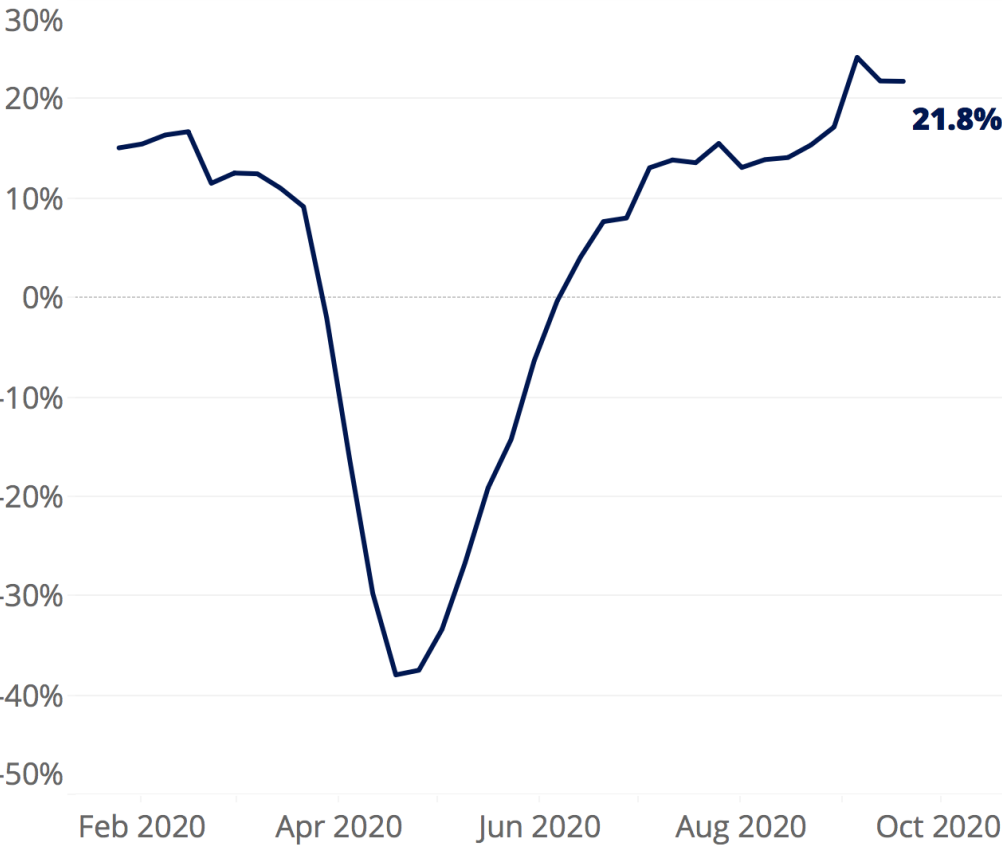


@lenkier Source: Mortgage Bankers Association, data through September 18, 2020
Seasonal autoregressive (1,1,0)(1,1,0)₅₂

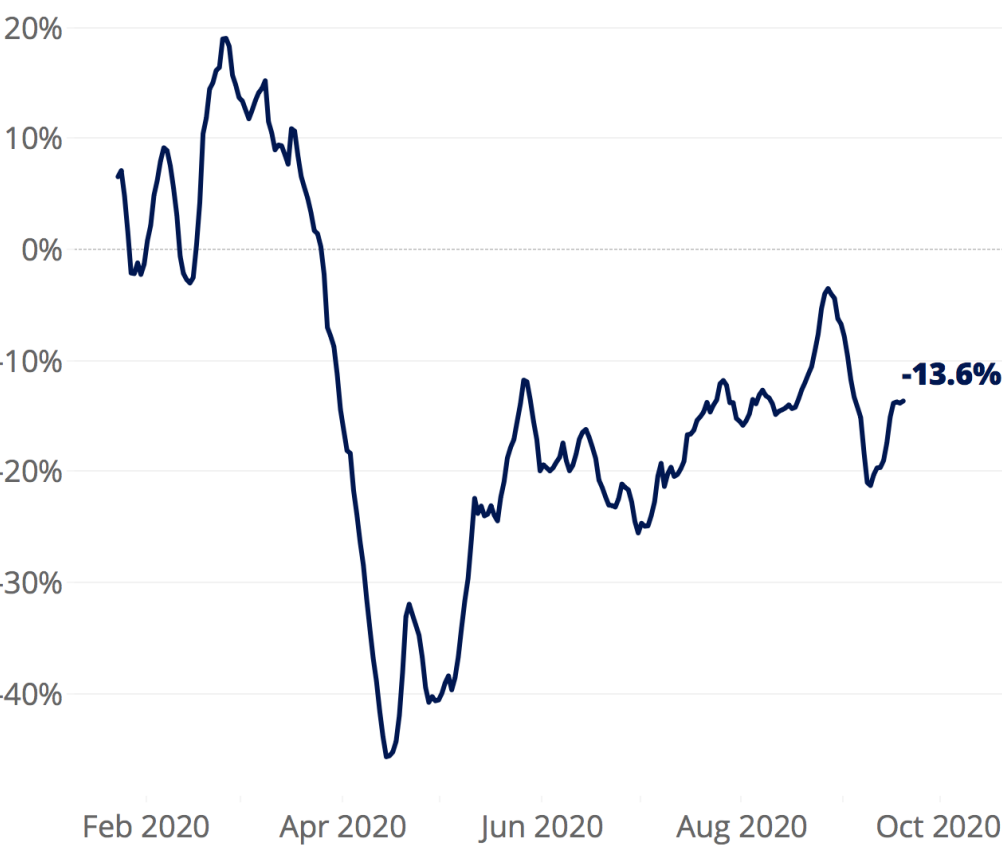


NATIONALLY, BUYERS ARE BACK BUT SELLERS AREN'T

Newly Pending Sales, YoY



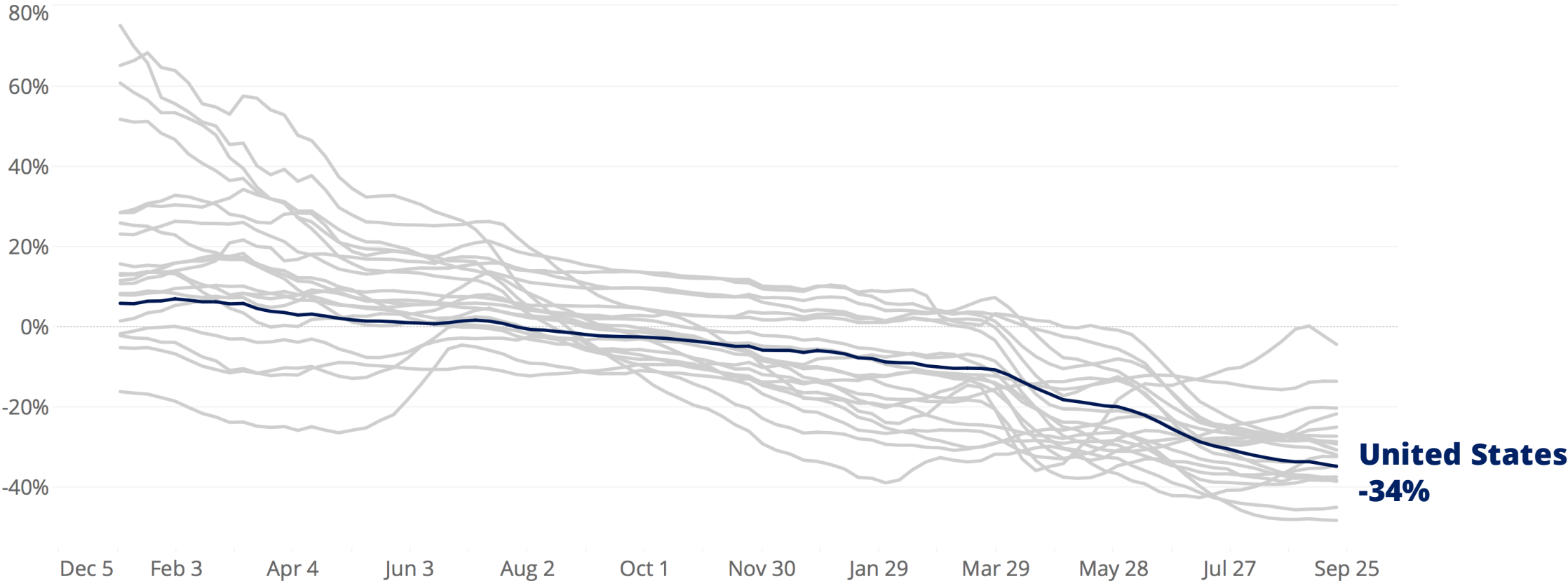
New For-Sale Listings, YoY





THE OVERALL NUMBER OF HOMES FOR SALE IS WAY DOWN, LOCALLY AND NATIONALLY

YoY For-Sale Inventory, For the Top 20 Largest Metros



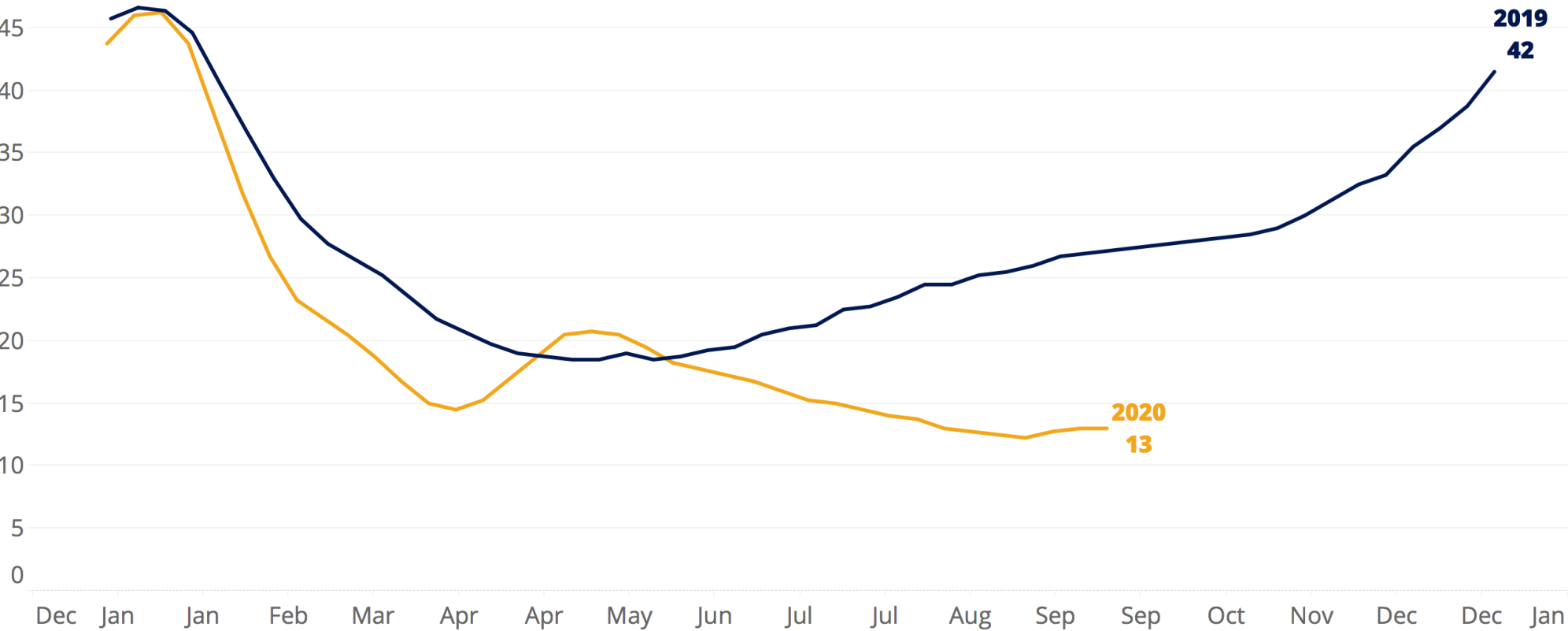
Source: Zillow For-Sale Inventory
www.nationalfairhousing.org

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HIGH DEMAND + LOW INVENTORY = INTENSE COMPETITION. HOMES ARE SELLING VERY FAST.

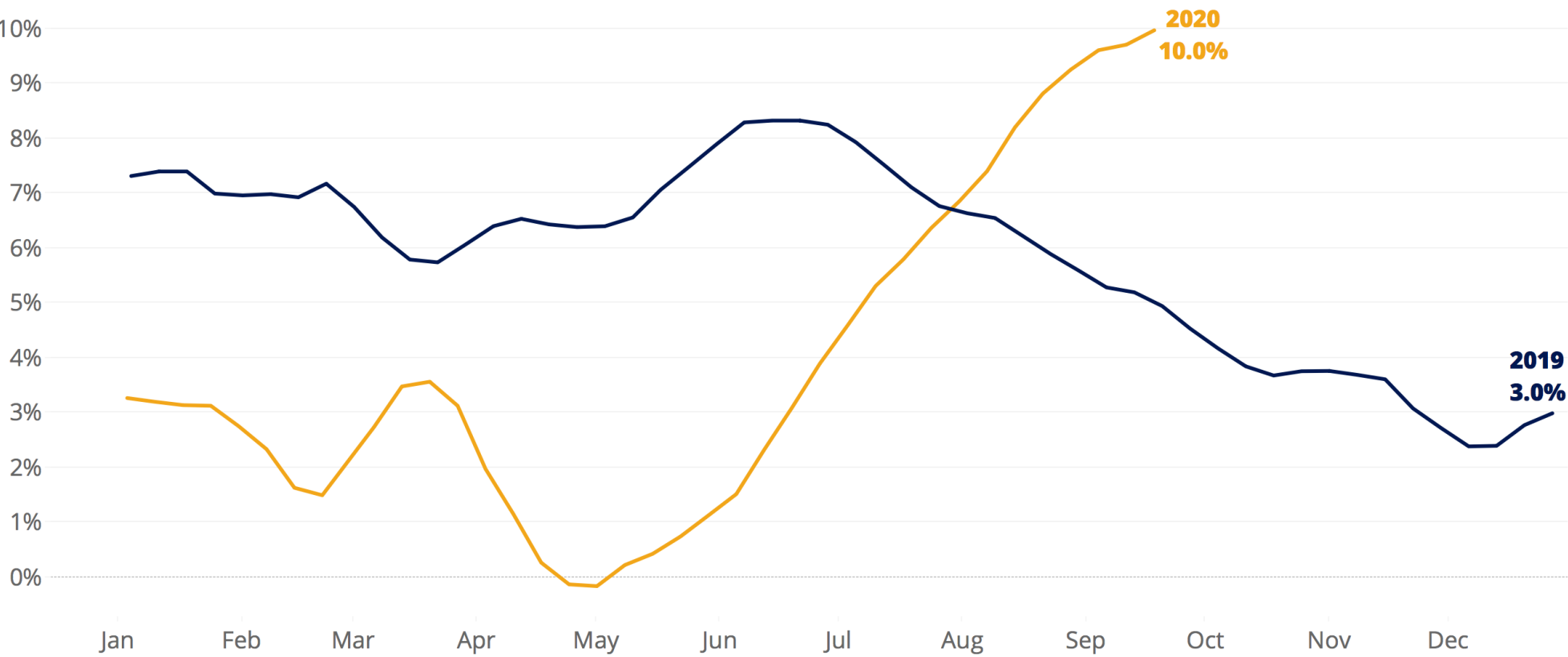
Days To Pending



Source: Zillow Days to Pending
www.nationalfairhousing.org

SELLERS HAVE THE UPPER HAND, AND LIST PRICES ARE RISING QUICKLY

Median List Price, YoY

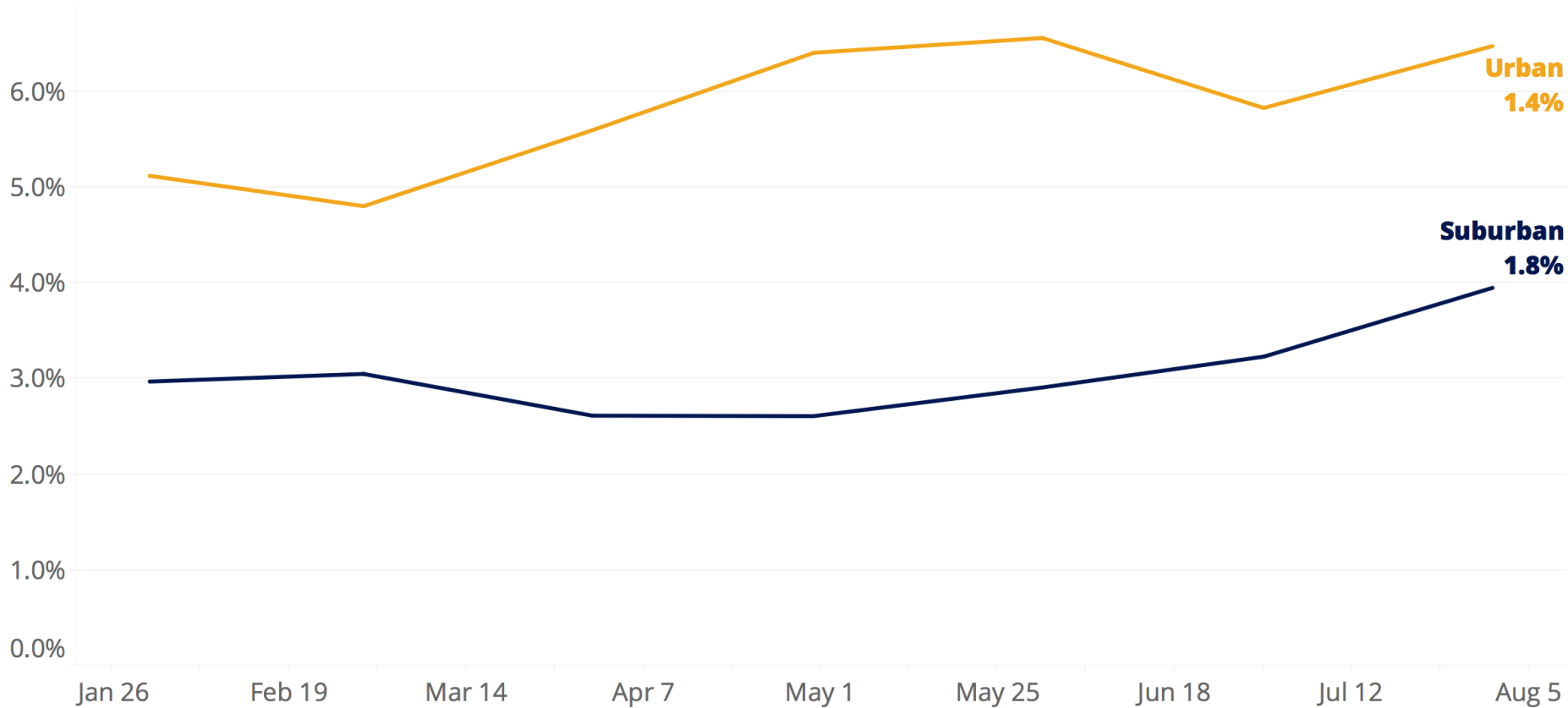


Source: Zillow Median List Price



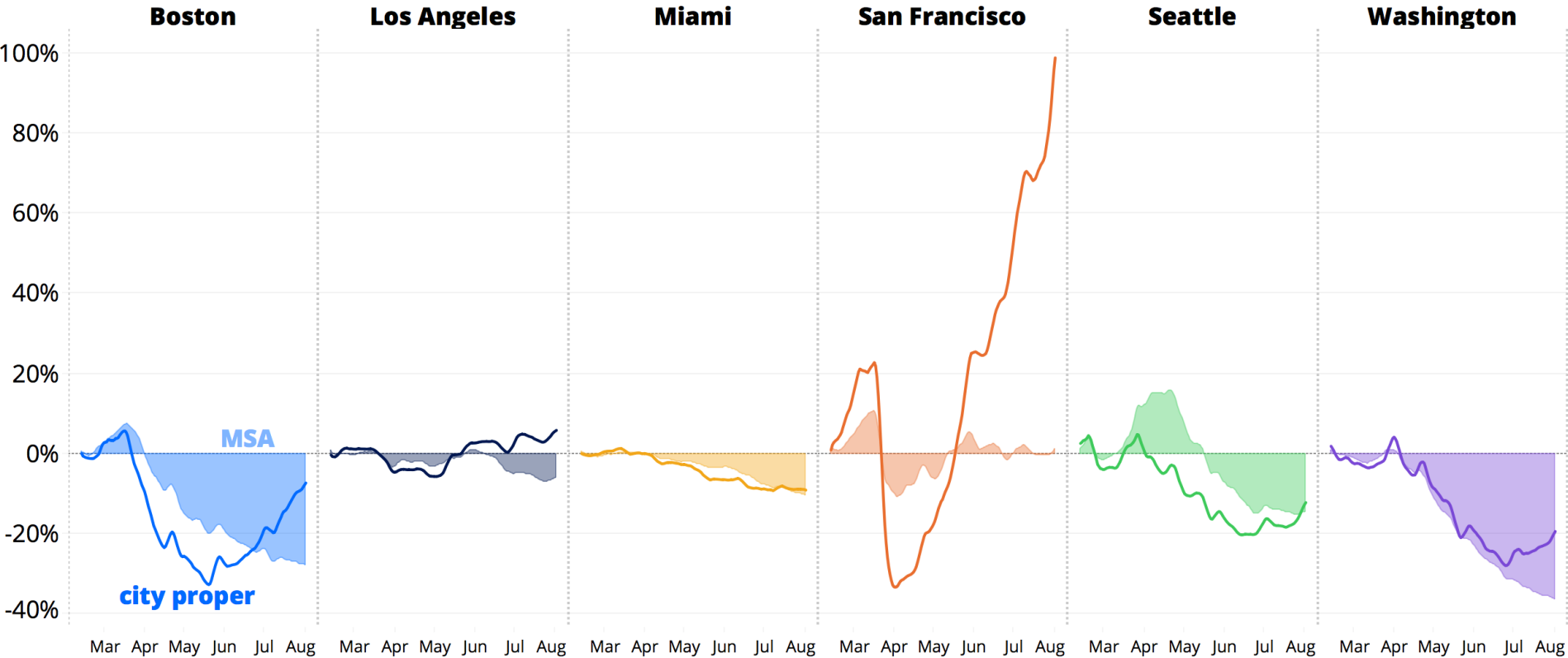
IN GENERAL, URBAN MARKETS REMAIN POPULAR

Zillow Home Value Index, YoY



THOUGH IN SOME PRICEY AREAS, CITY INVENTORY IS REVERSING TRENDS

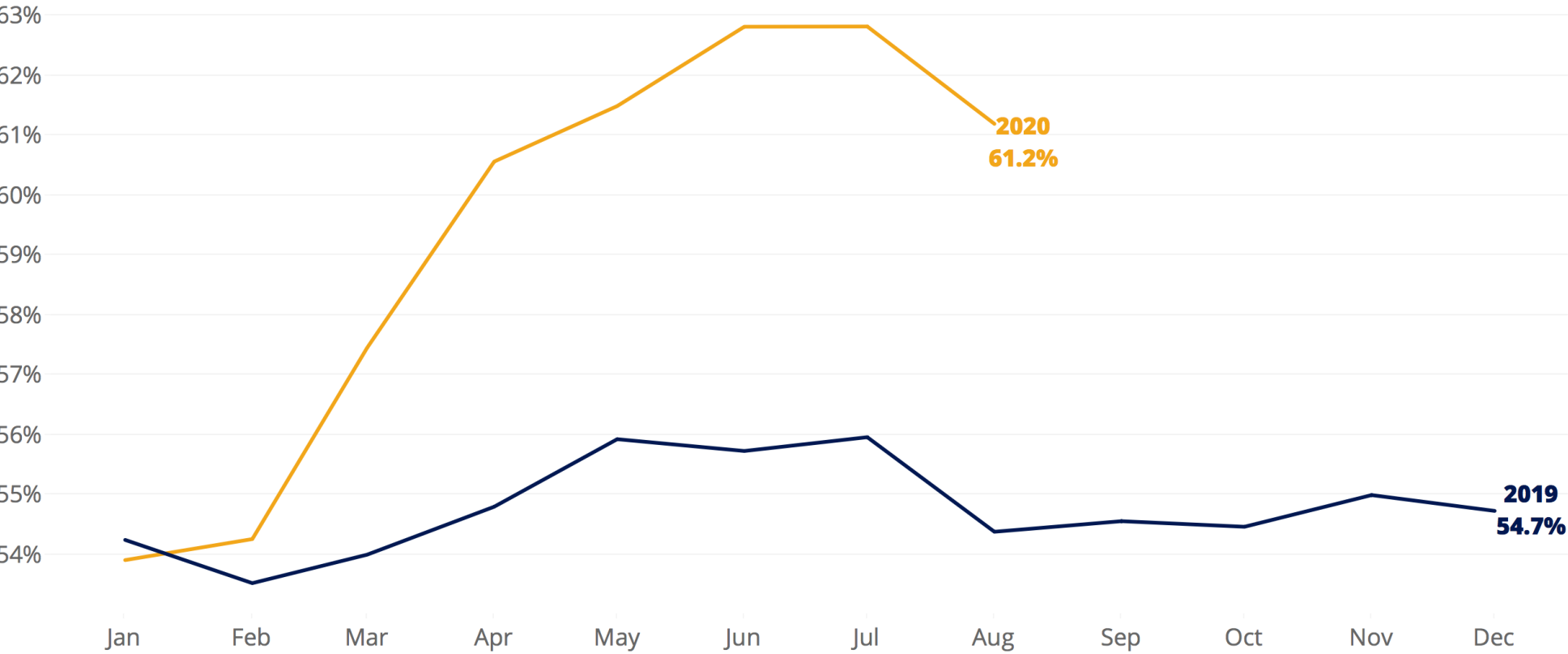
Change in YoY Inventory from February 2020, in **MSA** and **city proper**



Source: Zillow For-Sale Inventory

MILLIONS OF YOUNG ADULTS HAVE MOVED BACK HOME

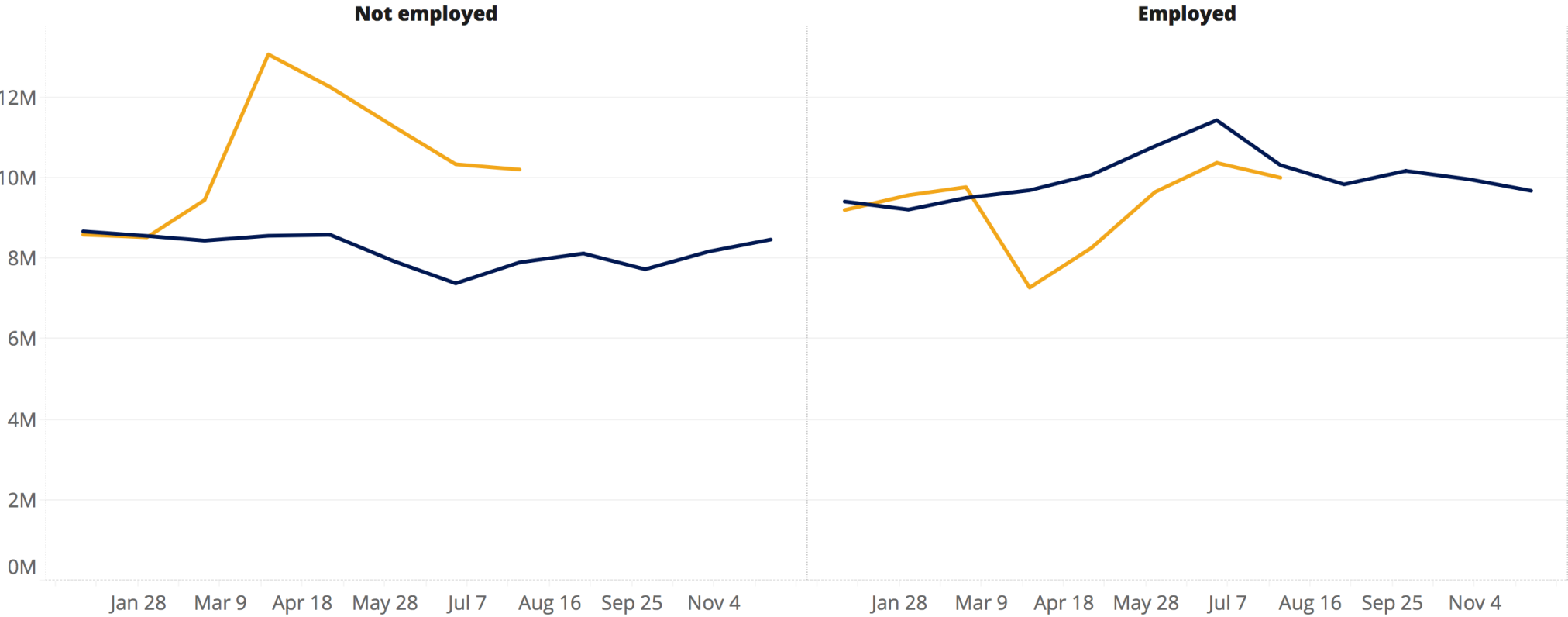
Share of 18-25 year olds living with parents in 2019 and 2020



Source : U.S. Census Bureau, Current Population Survey

THE INCREASE IS DRIVEN BY 18-25 YEAR-OLDS WHO ARE UNEMPLOYED AND/OR NOT AT SCHOOL

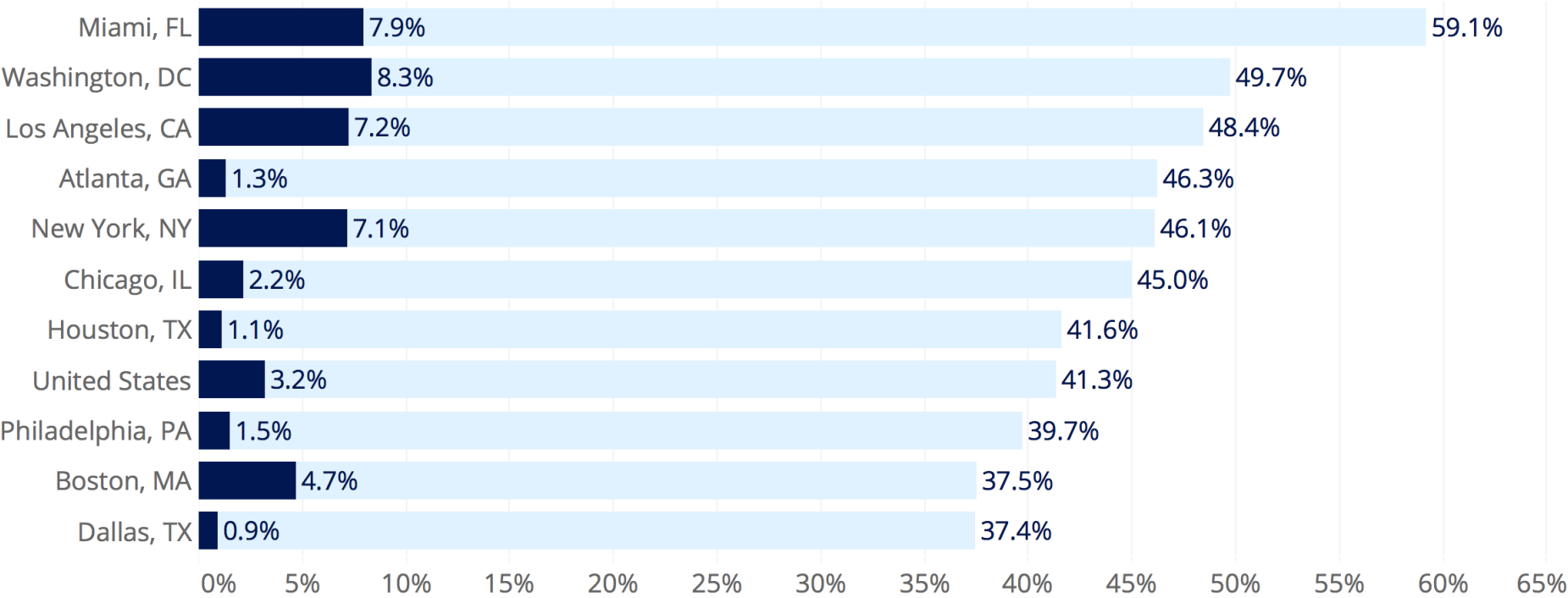
Number of 18-25 year olds living with parents or grandparents in 2019 and 2020



Zillow Economic Research | Source: U.S. Census Bureau, Current Population Survey, via IPUMS-CPS, University of Minnesota, www.ipums.org.

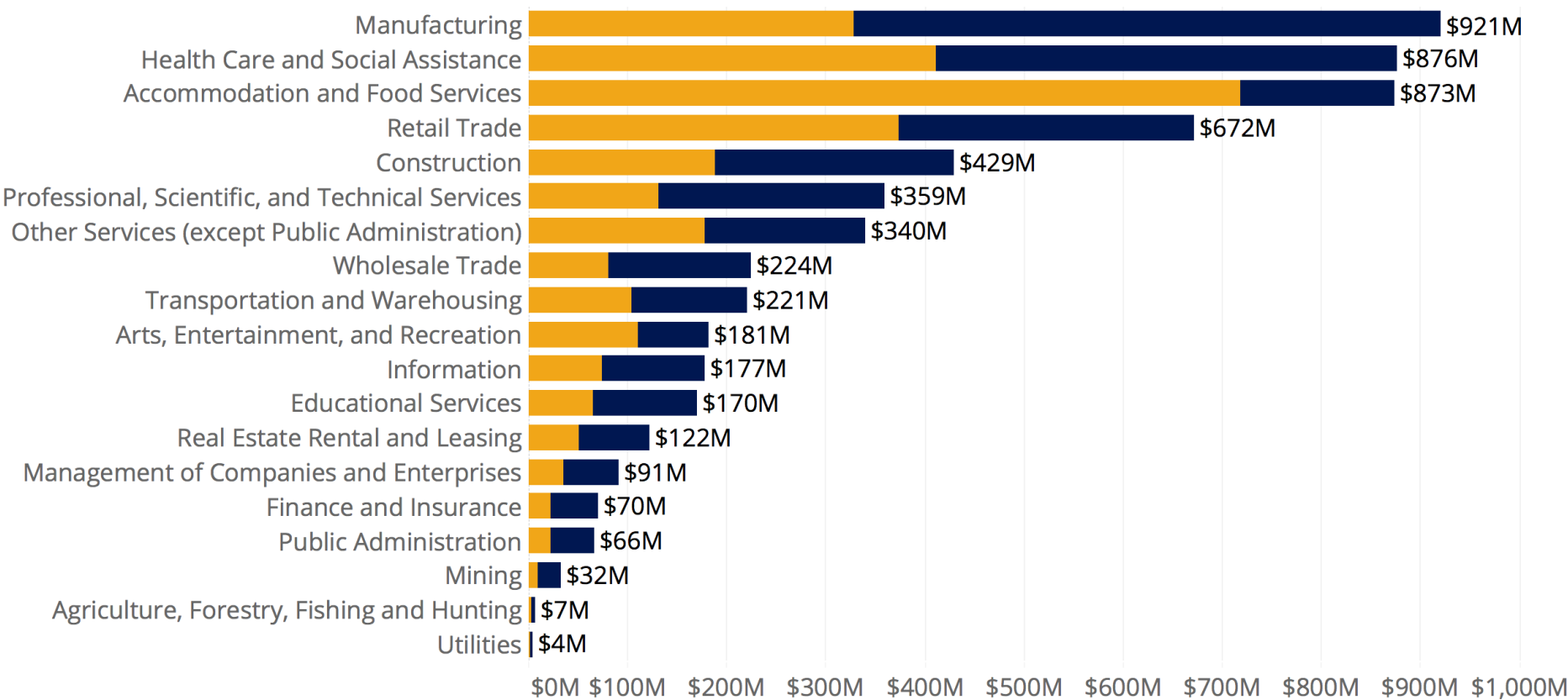
WITHOUT THE \$600 A LOT MORE HOUSEHOLDS ARE RENT BURDENED

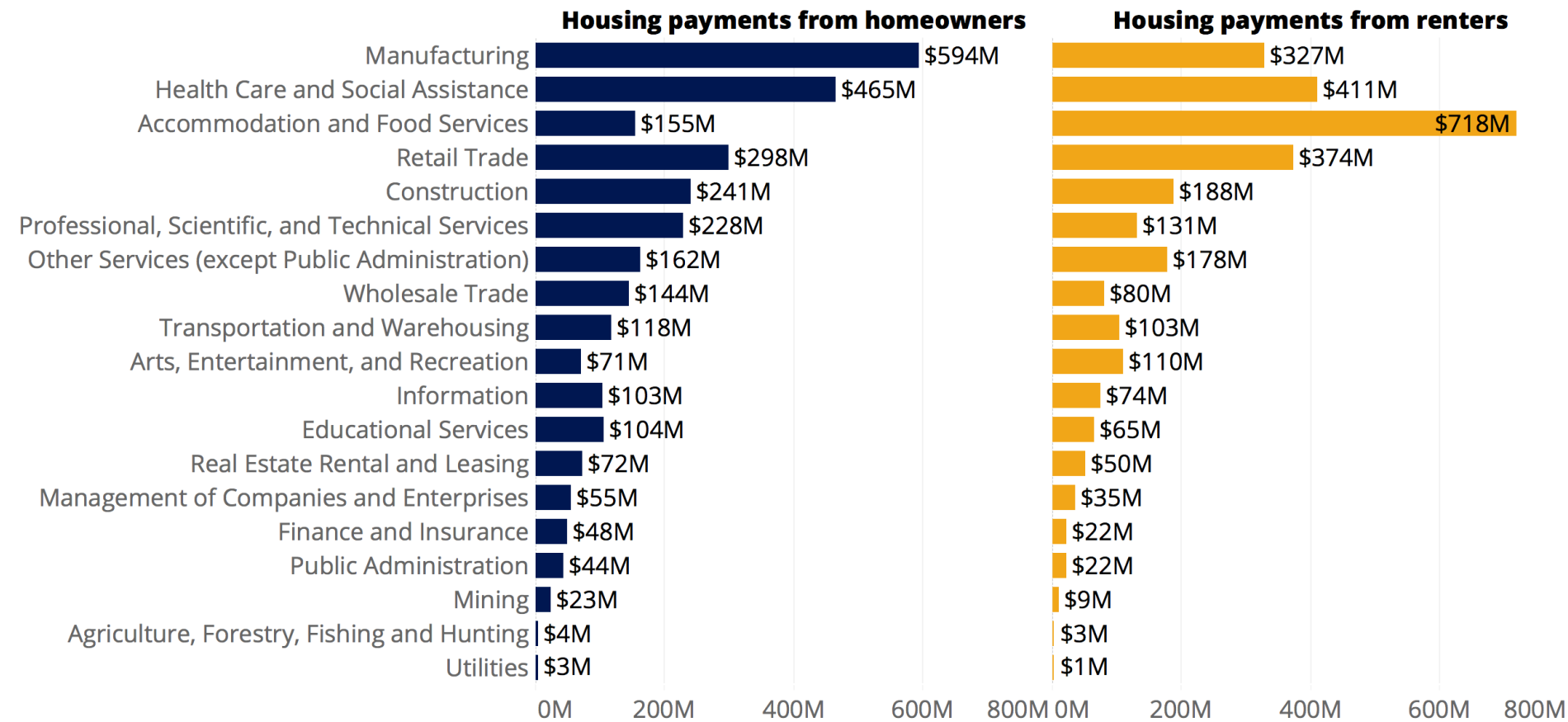
Share of households that are severely housing burdened **with state unemployment insurance and additional \$600/week** and **without additional \$600/week**



Source: U.S. Census Bureau, ACS 2018 and Federal Reserve Bank of St. Louis.

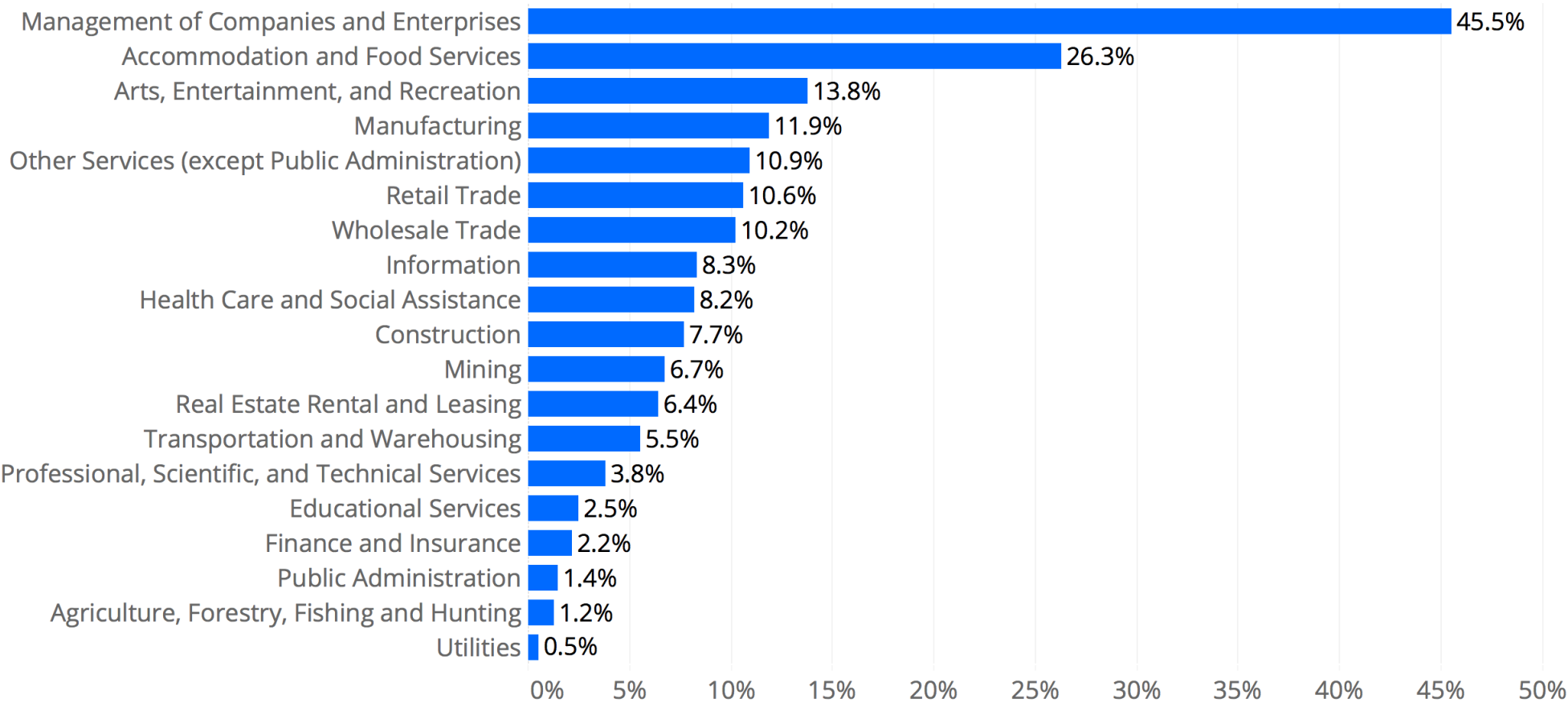
Housing payments owed by newly unemployed **homeowners** and **renters** in each industry





RECENTLY UNEMPLOYED WORKERS OWE MANY MILLIONS IN HOUSING COSTS

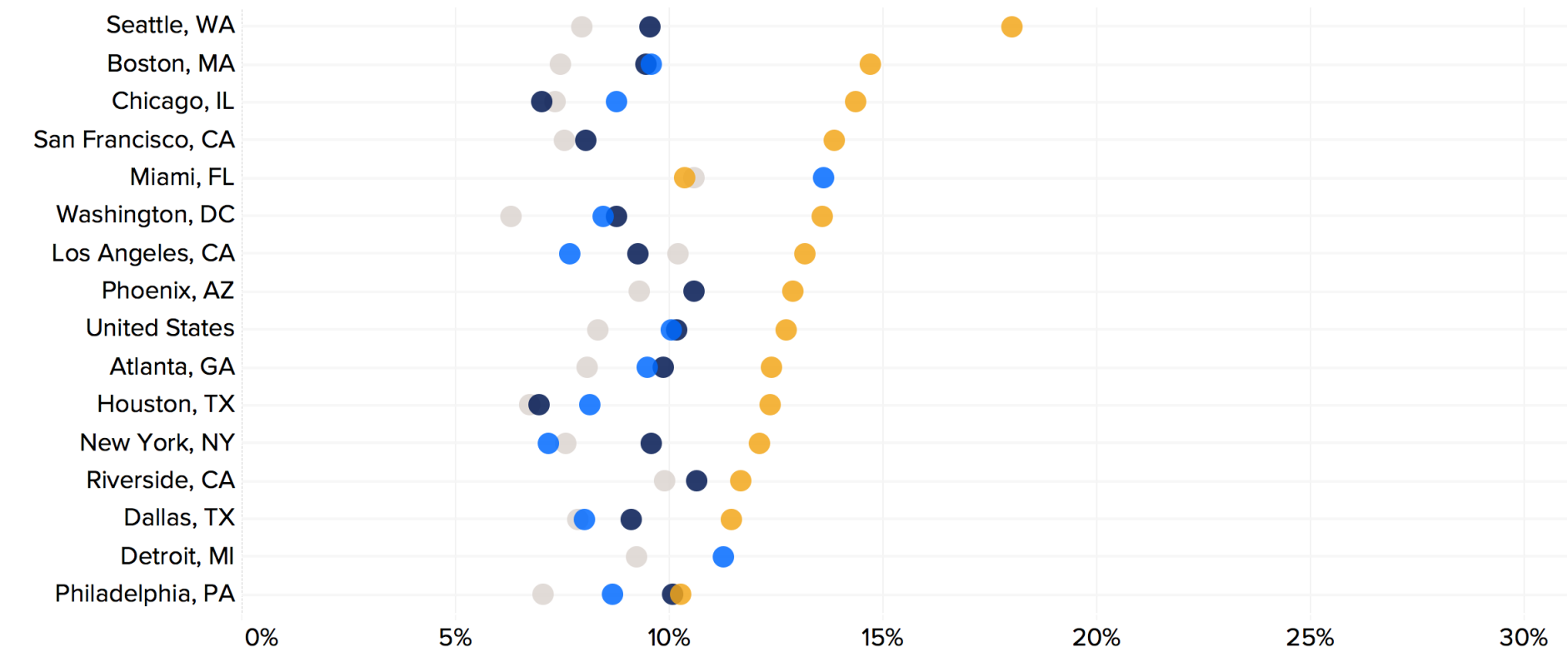
Share of housing payments owed by newly unemployed in each industry





PEOPLE OF COLOR ARE DISPROPORTIONATELY EMPLOYED IN HIGHLY IMPACTED INDUSTRIES

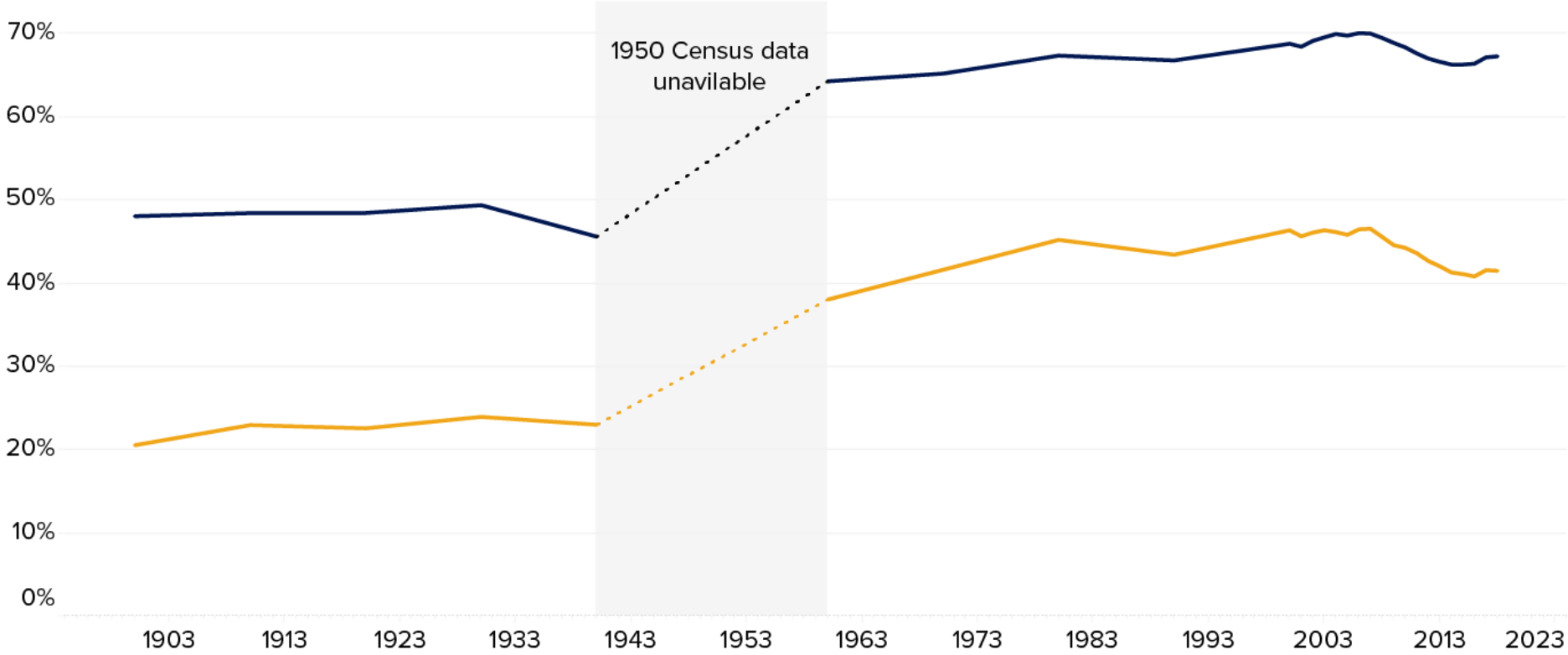
Share of local workforce employed in food/arts, by **Latinx**, **Black**, **Asian** and **white** households



Note: Data for all groups in all metros is not available. Only races with at least 100 observations in a metro were included.
Source: U.S. Census Bureau; American Community Survey, 2018.

THE BLACK/WHITE HOMEOWNERSHIP GAP IS AS WIDE TODAY AS IT WAS IN 1900

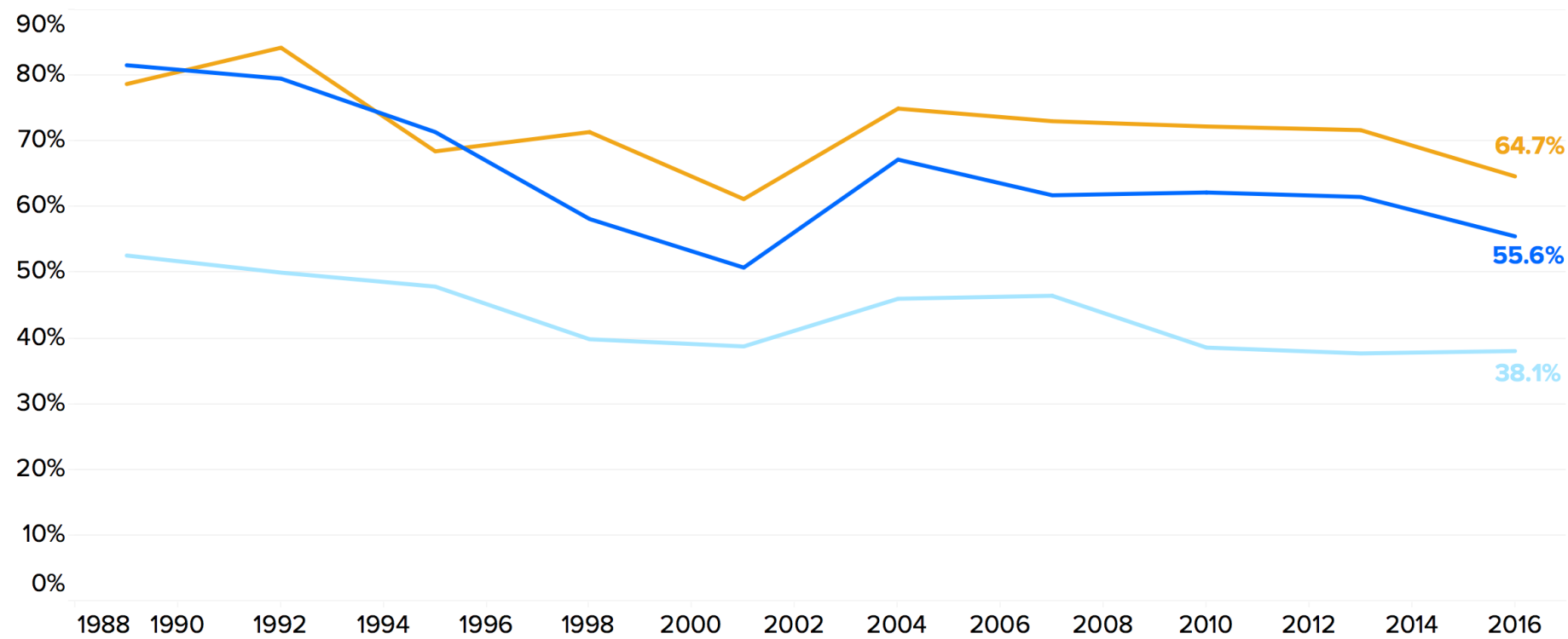
Homeownership rate for **black** and **non-black** households



Source: U.S. Census Bureau, Current Population Survey/Housing Vacancy Survey, January 30, 2020.

HOMEOWNERS OF COLOR HAVE A LARGER SHARE OF THEIR WEALTH IN THEIR HOMES

Share of net worth held in home for **black**, **Latinx**, and **white** homeowners.



Source: Zillow analysis of the Federal Reserve Board, Survey of Consumer Finances, 1989-2016.

NFHA

THANK YOU