MOODY'S

The Housing Equation: Sales, Starts, and Structural Shortfalls

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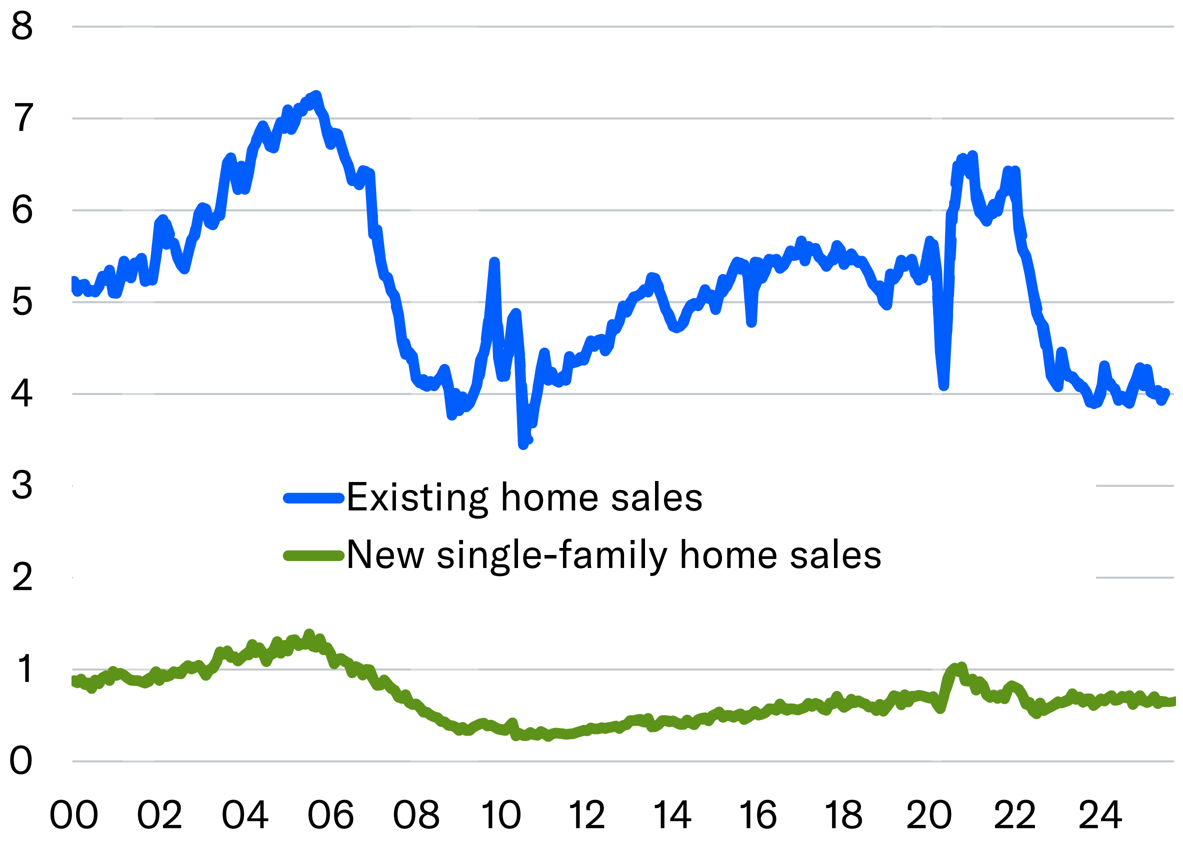
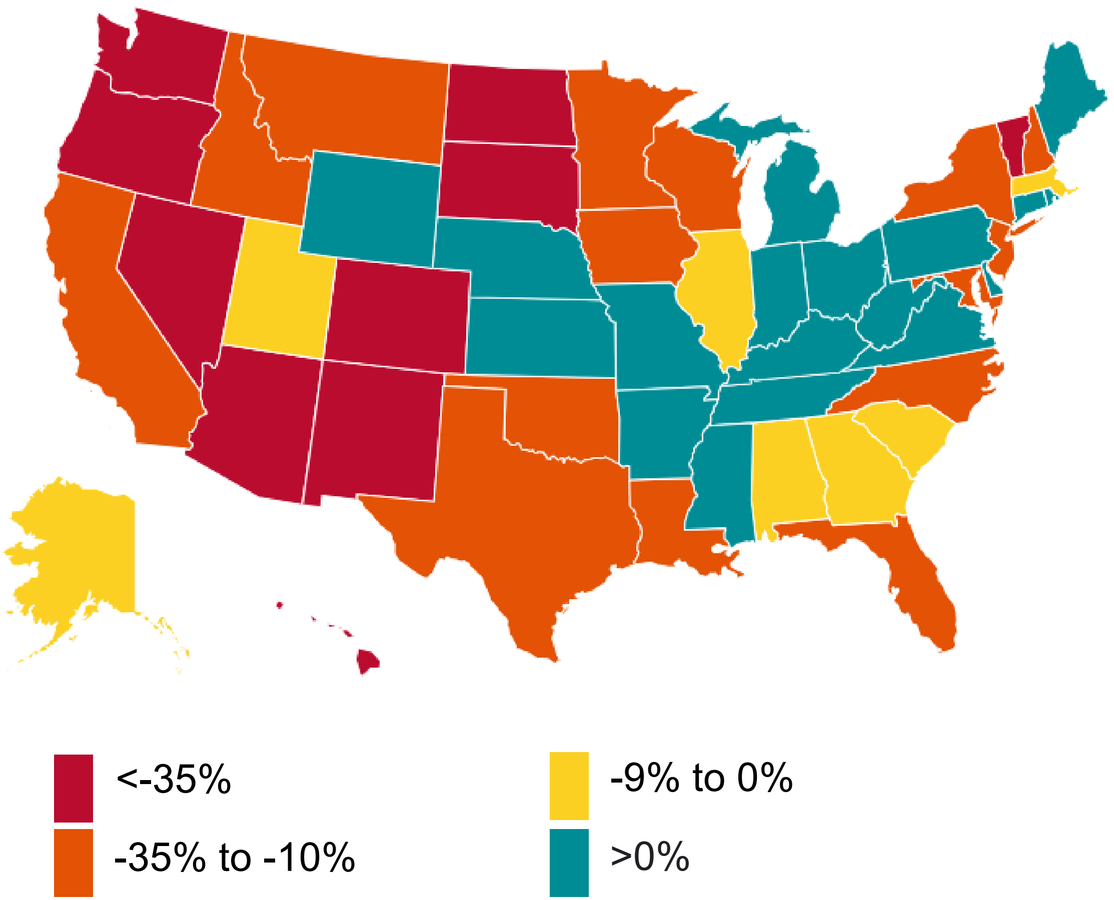
Home Sales Near Recession Lows…

Home sales, # mil, SAAR



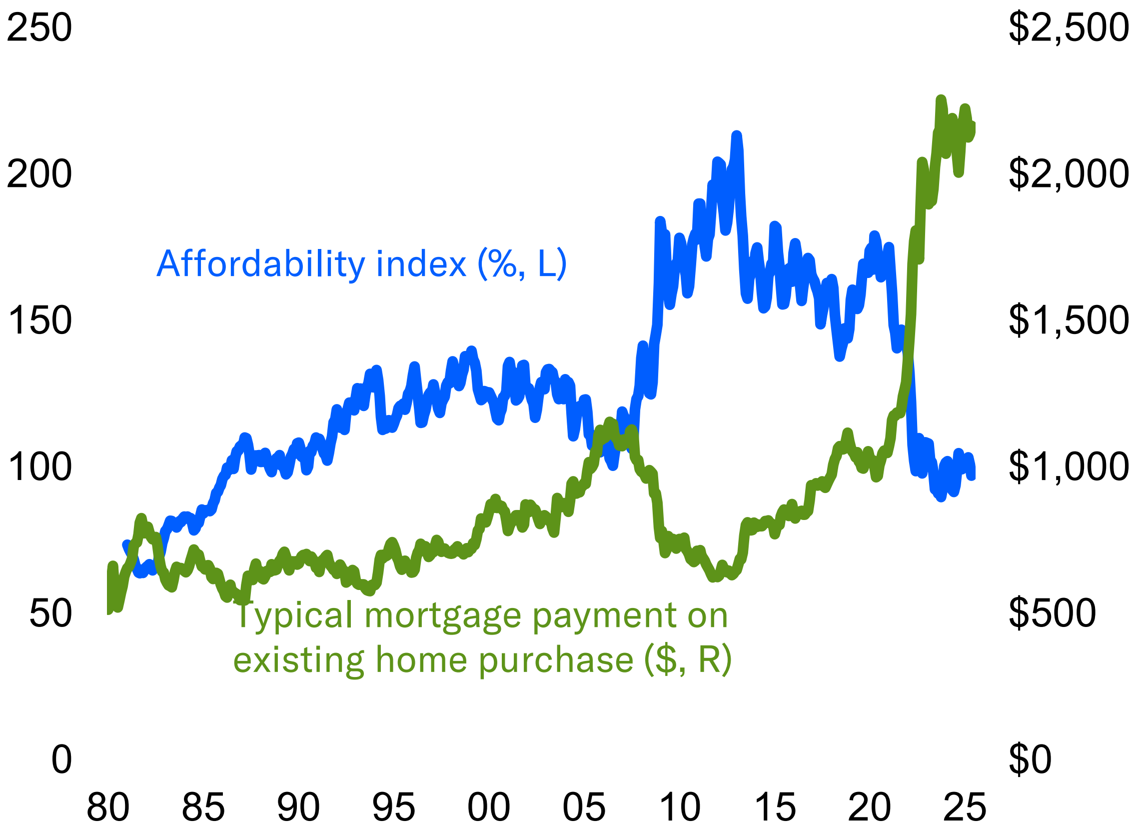
Sources: NAR, Census Bureau, Moody's Analytics

Existing SF home sales, annualized % change



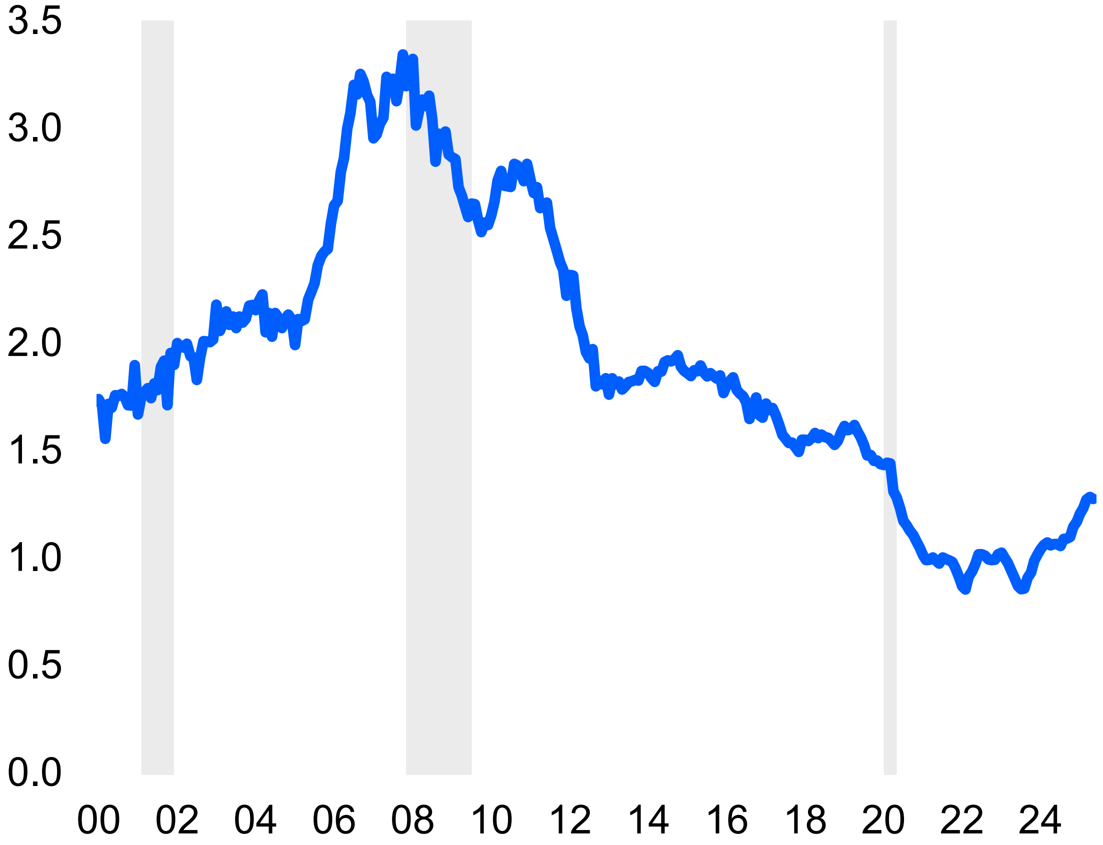
…As Mortgage Rates "Lock Out" Buyers and "Lock In" Owners…

Affordability Index
Median family income/Qualifying income



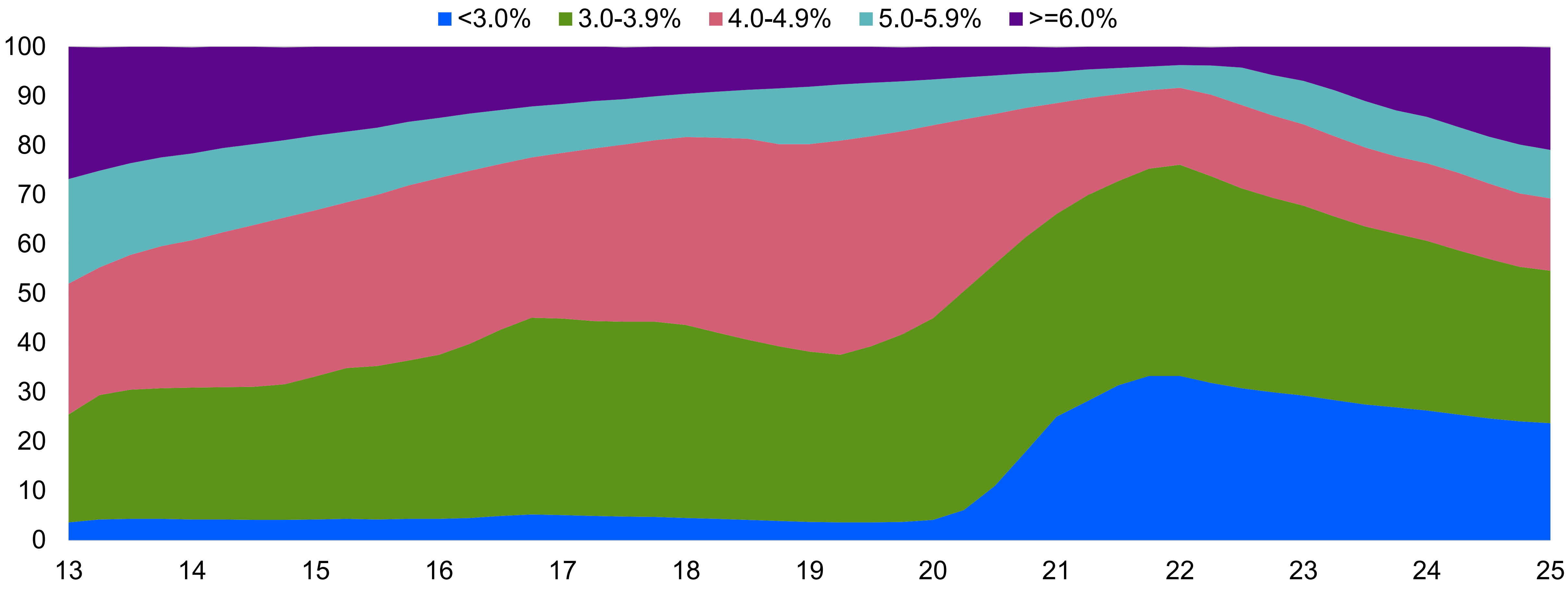
Sources: NAR, Census Bureau, Moody's Analytics

Inventory of existing homes for sale
mil, SAAR



…with 80% of Mortgages Carrying Rates Below 6%

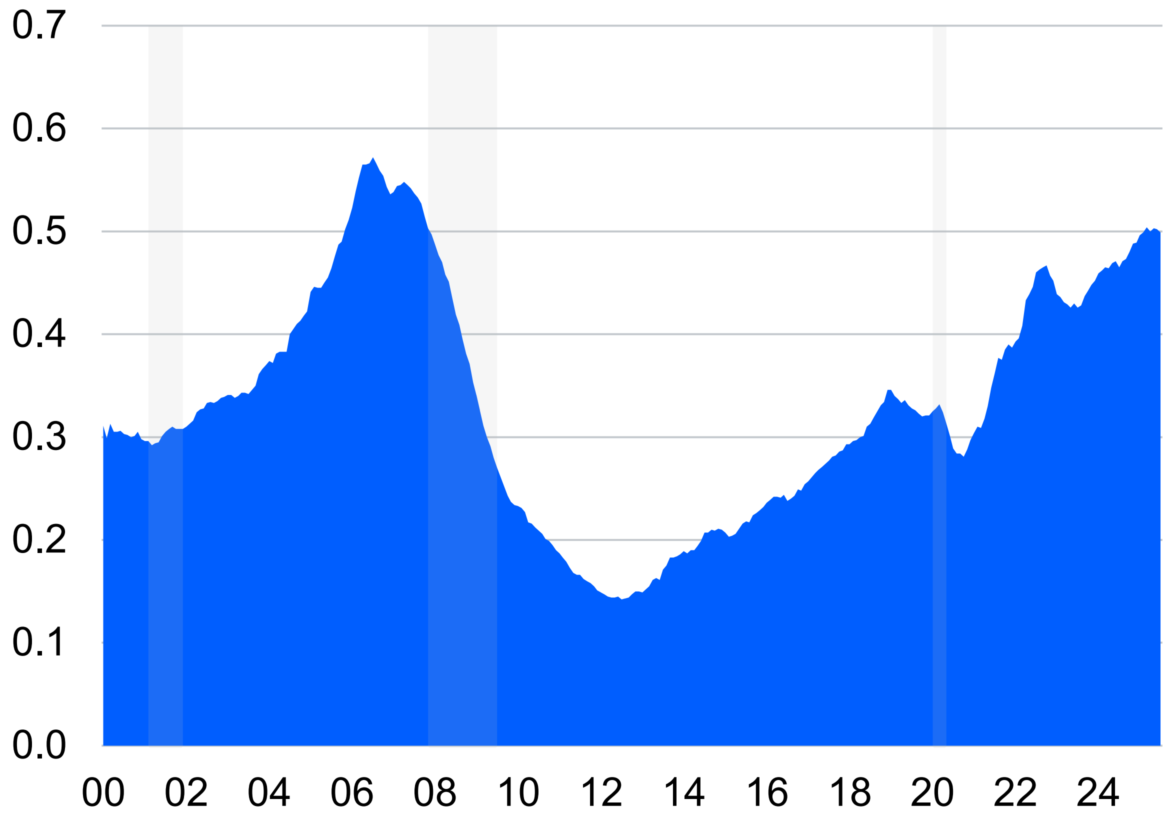
Share of outstanding mortgages by interest rate, % of $



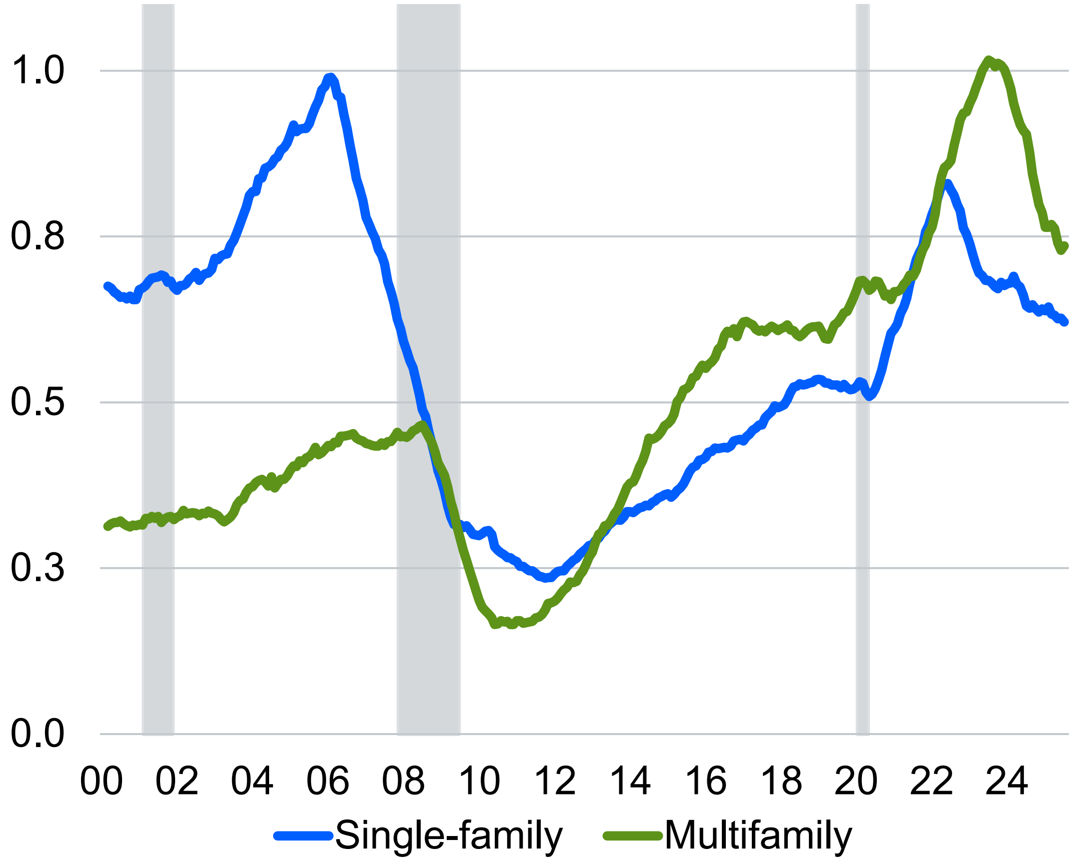
Sources: FHFA, Moody's Analytics

Homebuilder Sentiment Near Record Low as Inventories Pile Up

Inventory of new homes for sale, # mil, SAAR

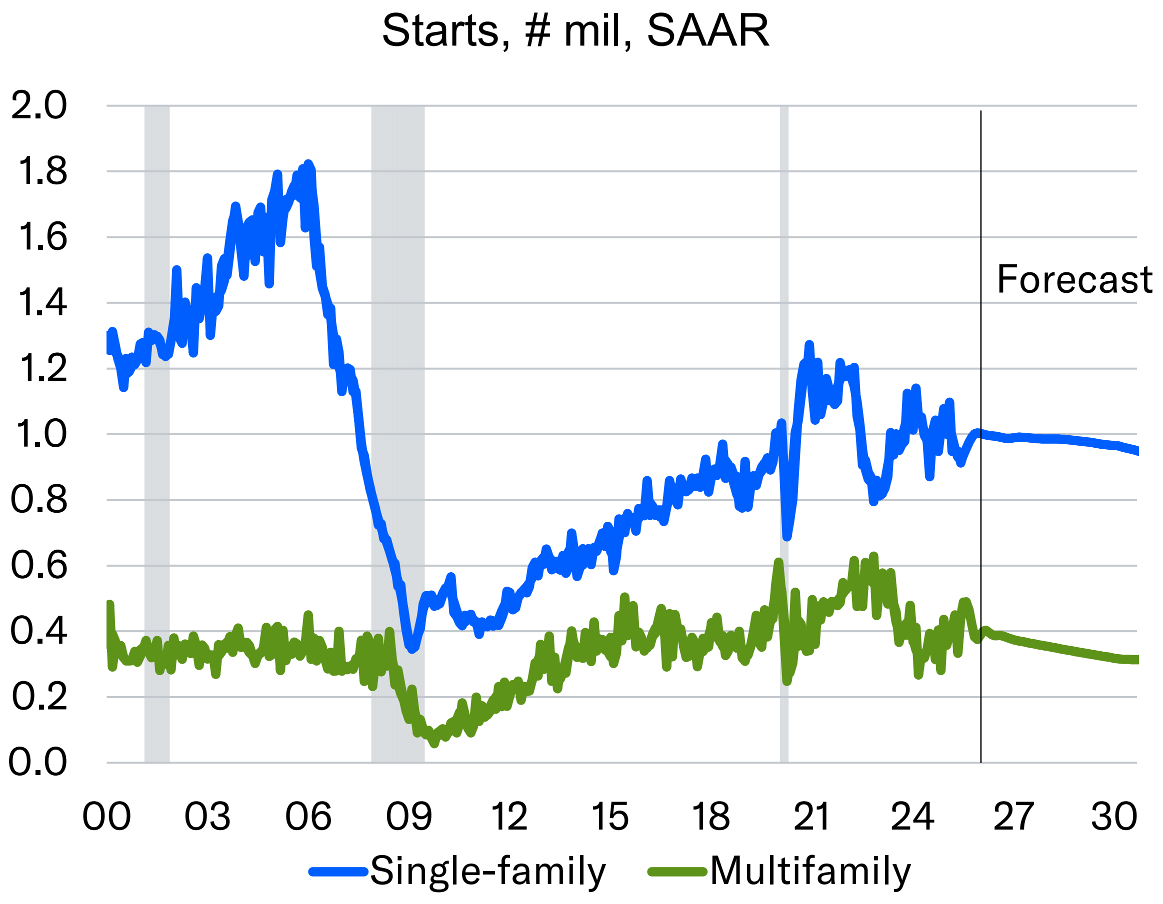


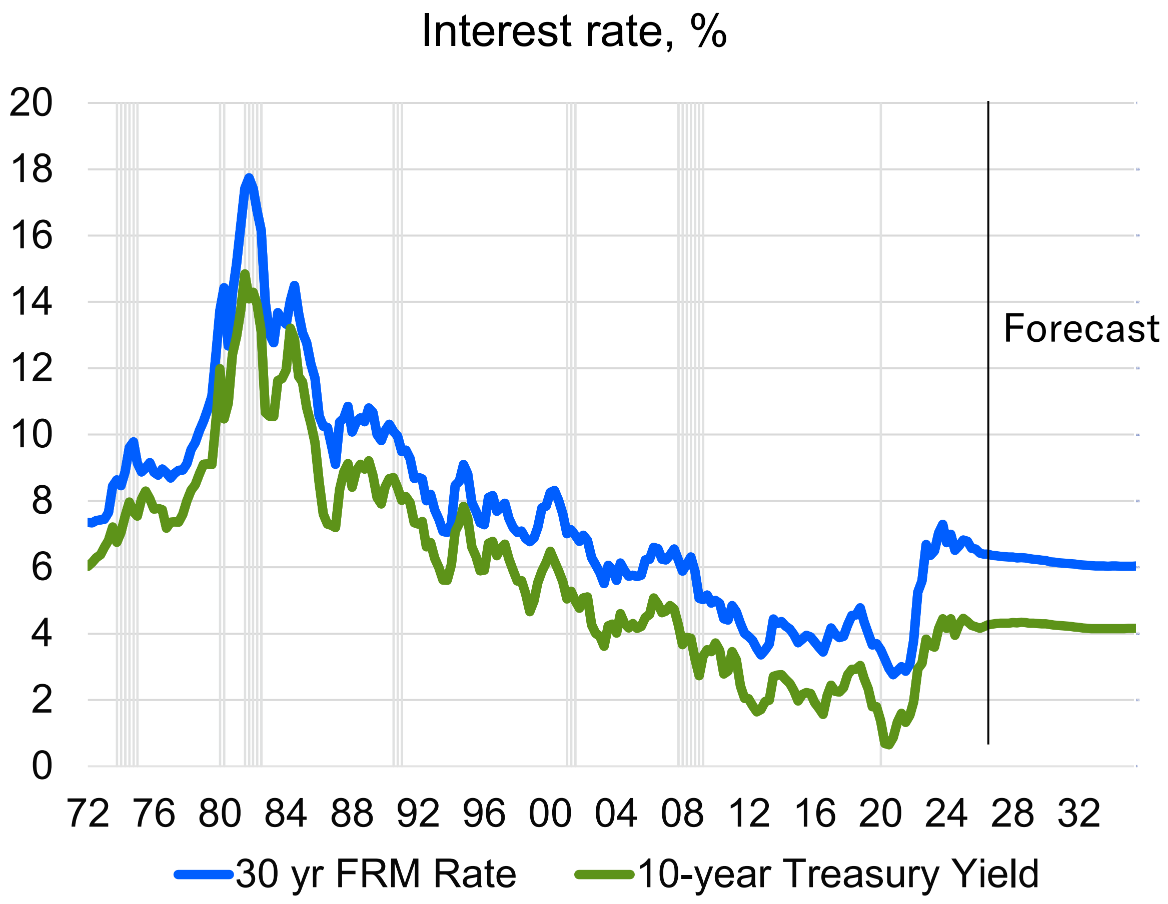
Units under construction, mil



Sources: Census Bureau, Moody's Analytics

Rates, Costs, and Restrictions to Limit Homebuilding…

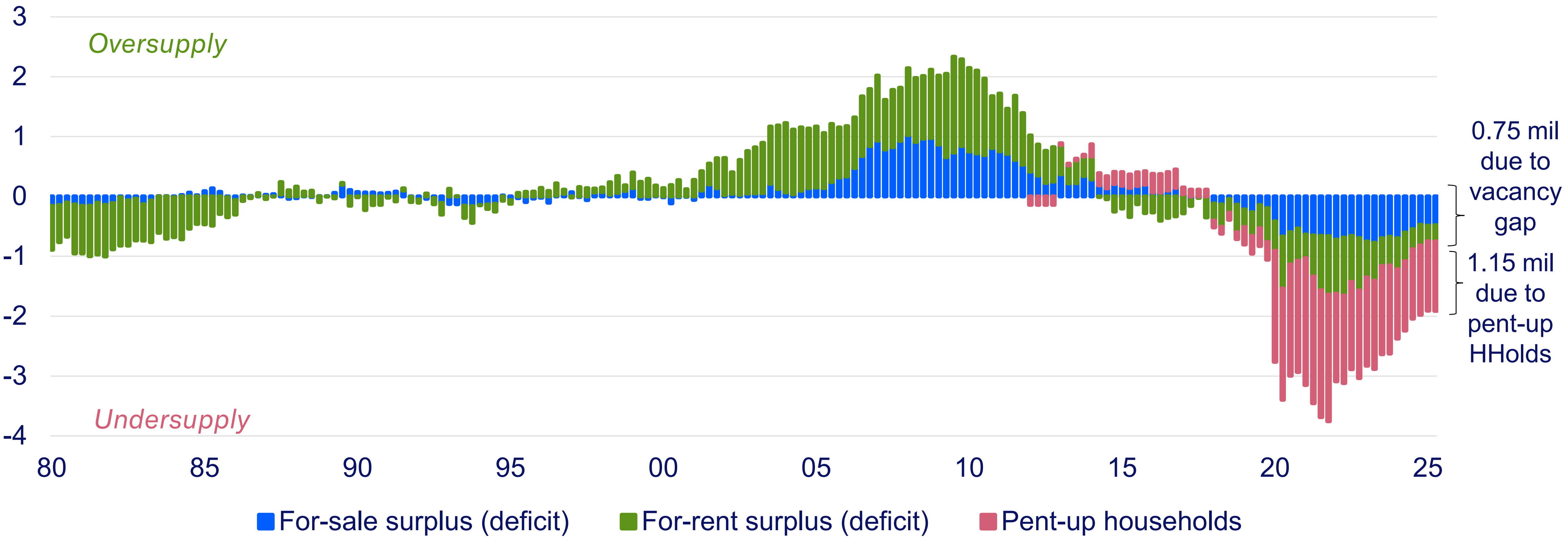




Sources: Census Bureau, Moody's Analytics

…Despite A Housing Deficit of 1.9 Million Homes…

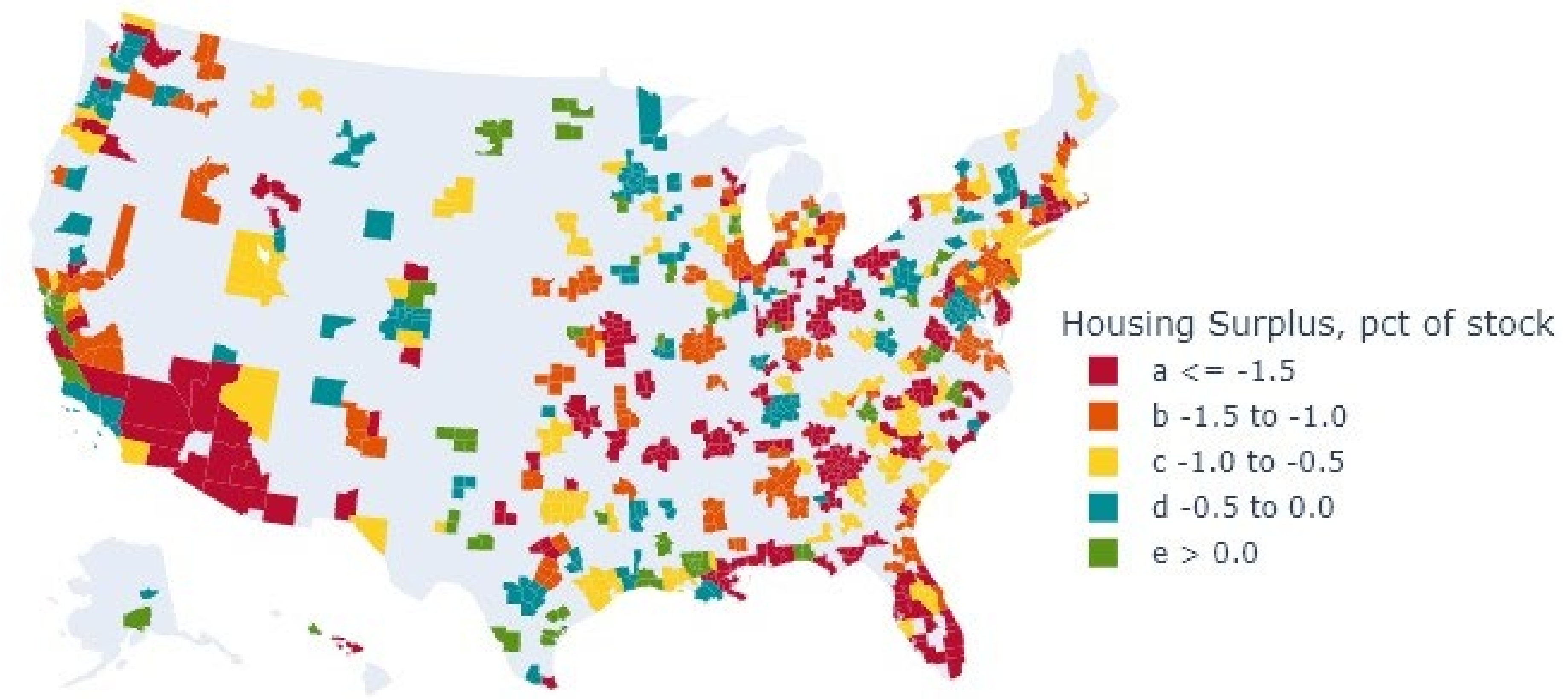
Over/undersupply of housing units, mil



Sources: Census Bureau, Moody's Analytics

…With Housing Shortages Dispersed Across the Country

Housing surplus (deficit) implied by vacancy rate, % of housing stock

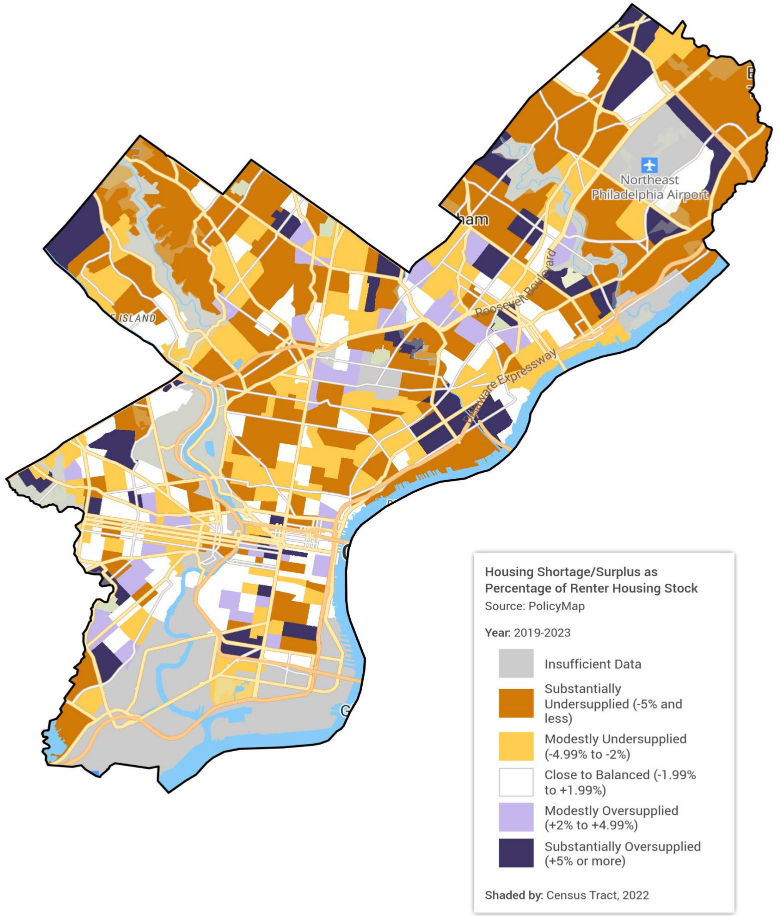


Sources: Census Bureau, Moody's Analytics

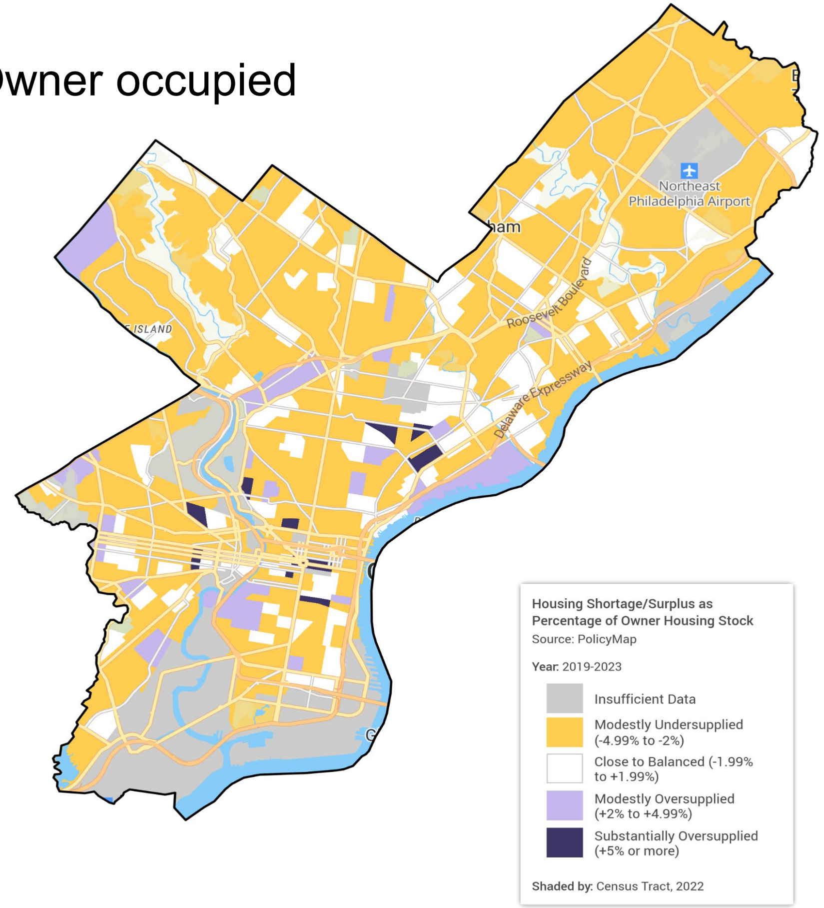
Philadelphia Shortages More Pronounced in Lower Income Rentals

Housing shortage/surplus, % of housing stock

Rental



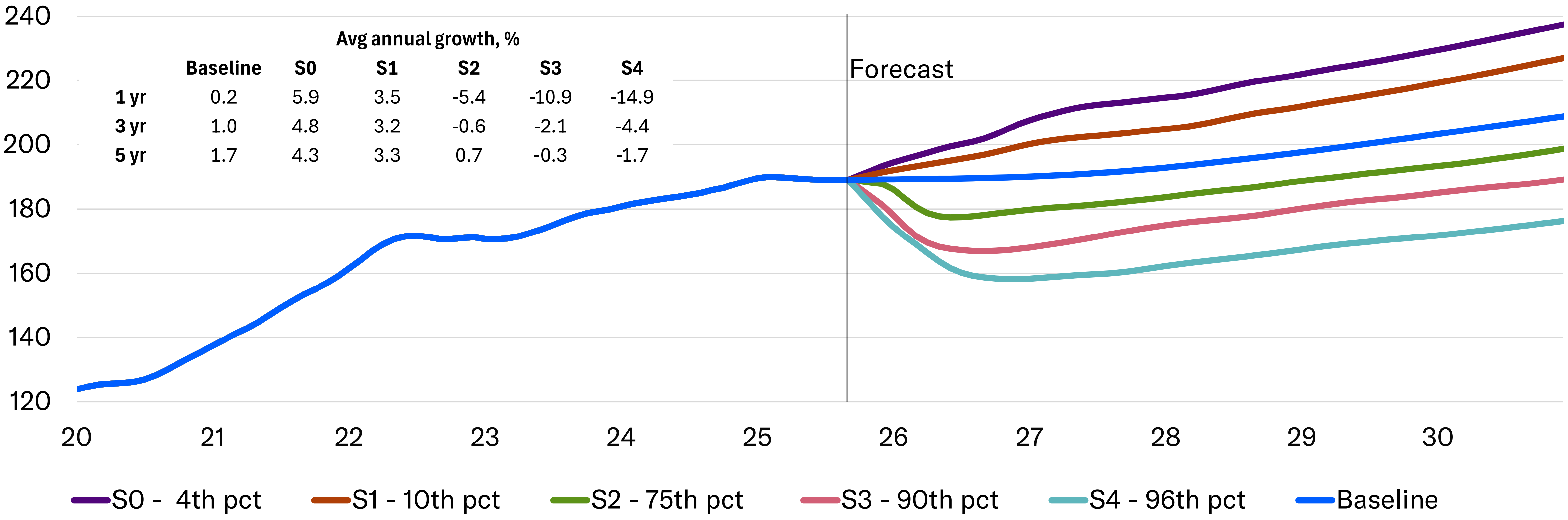
Owner occupied



Sources: PolicyMap, Reinvestment Fund, Moody's Analytics

National House Prices To Flatten, But a Crash is Unlikely

Moody's Analytics house price, 2015=100

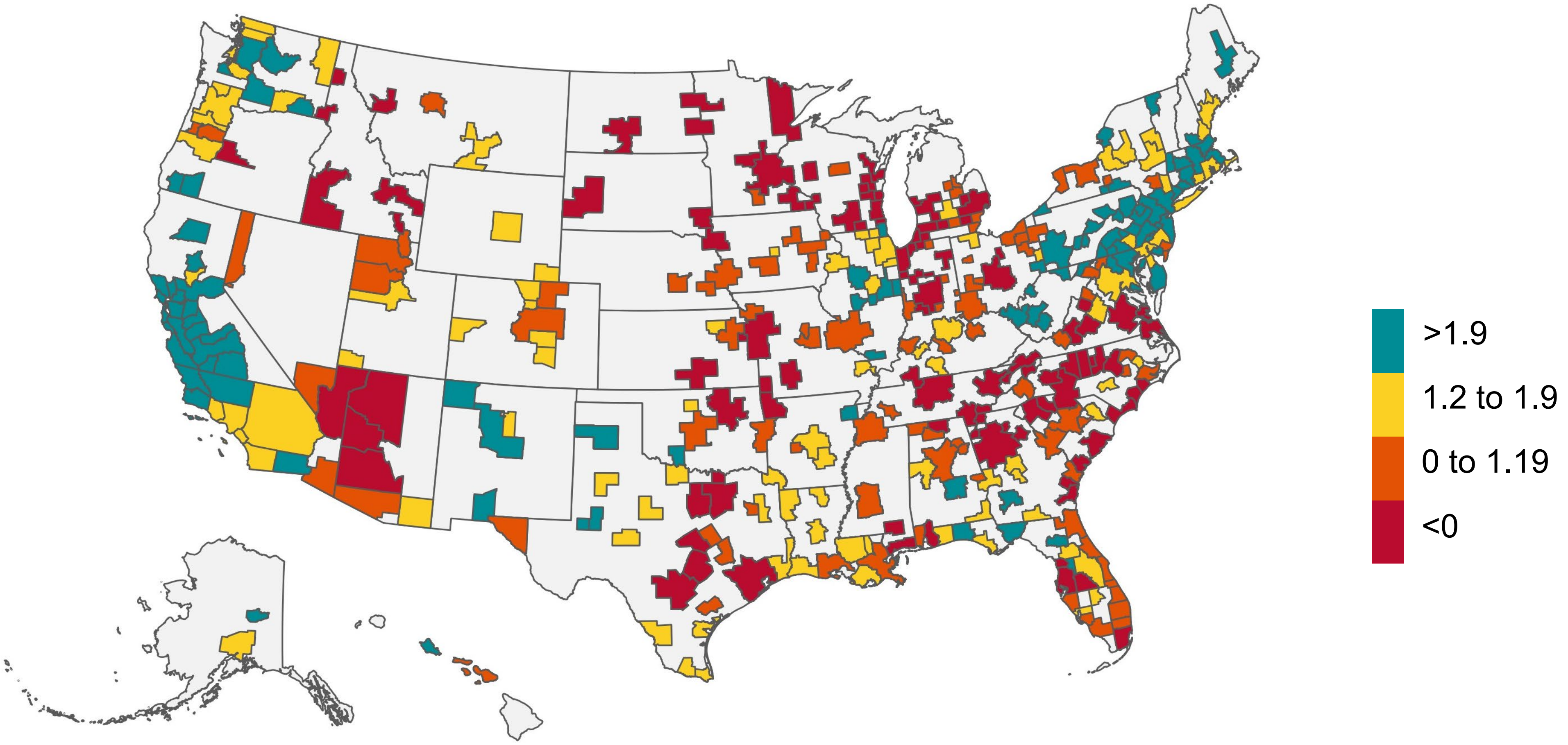


	Baseline	S0	S1	S2	S3	S4
1 yr	0.2	5.9	3.5	-5.4	-10.9	-14.9
3 yr	1.0	4.8	3.2	-0.6	-2.1	-4.4
5 yr	1.7	4.3	3.3	0.7	-0.3	-1.7

Source: Moody's Analytics

Selected Markets in the West and South Are Particularly Fragile

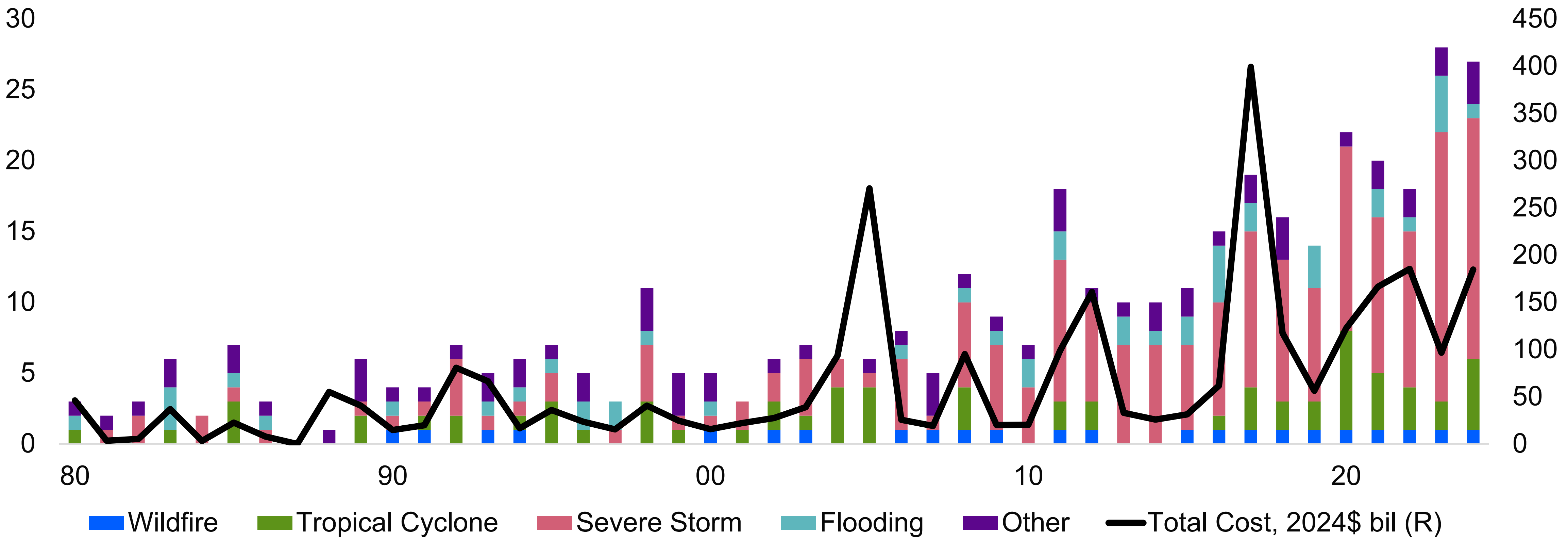
Moody's Analytics house price indexes, annualized % change, 2025Q2 to 2027Q2



Sources: Moody's Analytics

Severe Weather Events Increase in Frequency and Cost

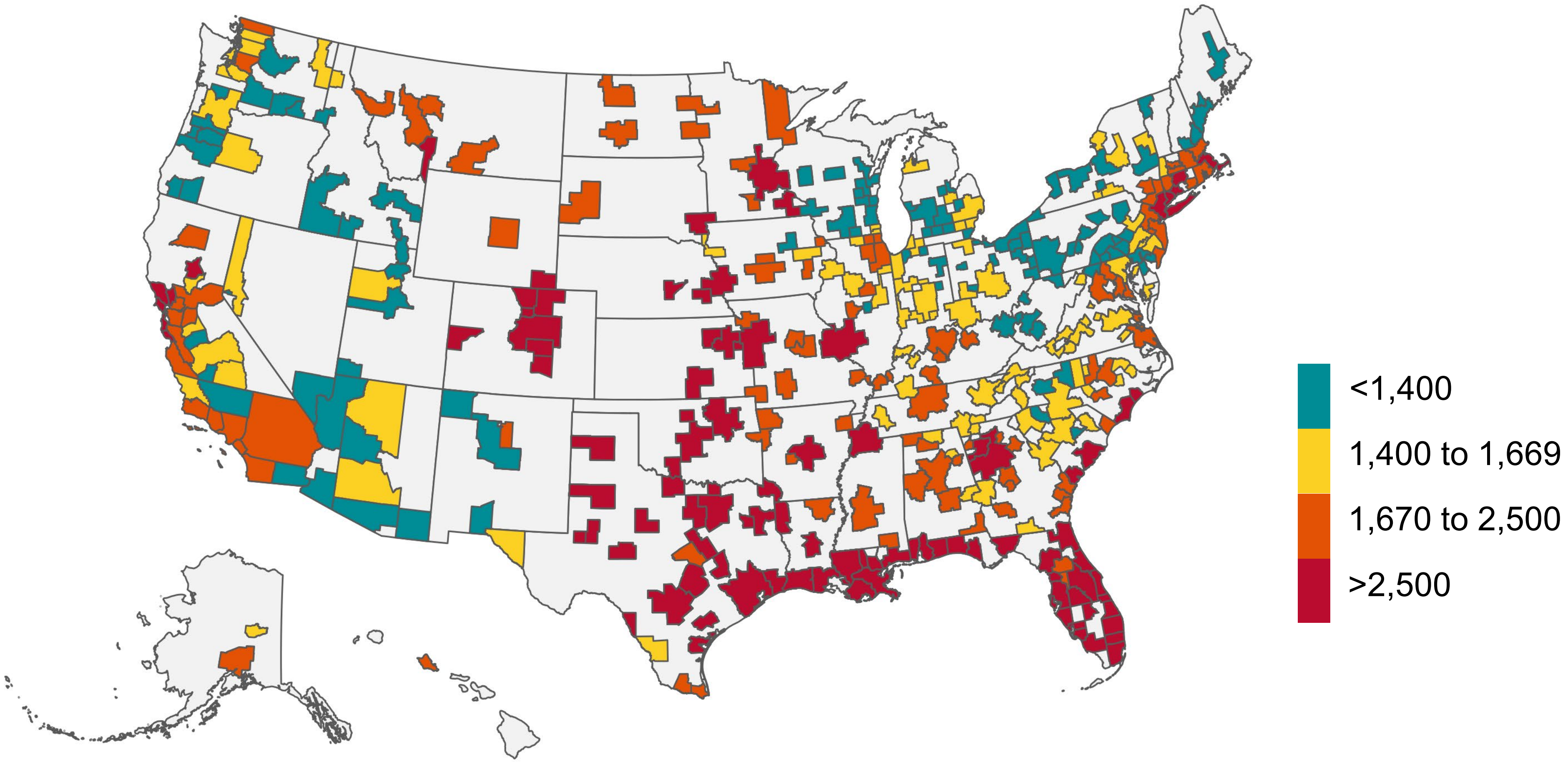
Billion-dollar weather and climate disaster events, #



Sources: NOAA, Moody's Analytics

Homeowners Insurance Premiums Vary Considerably by Area

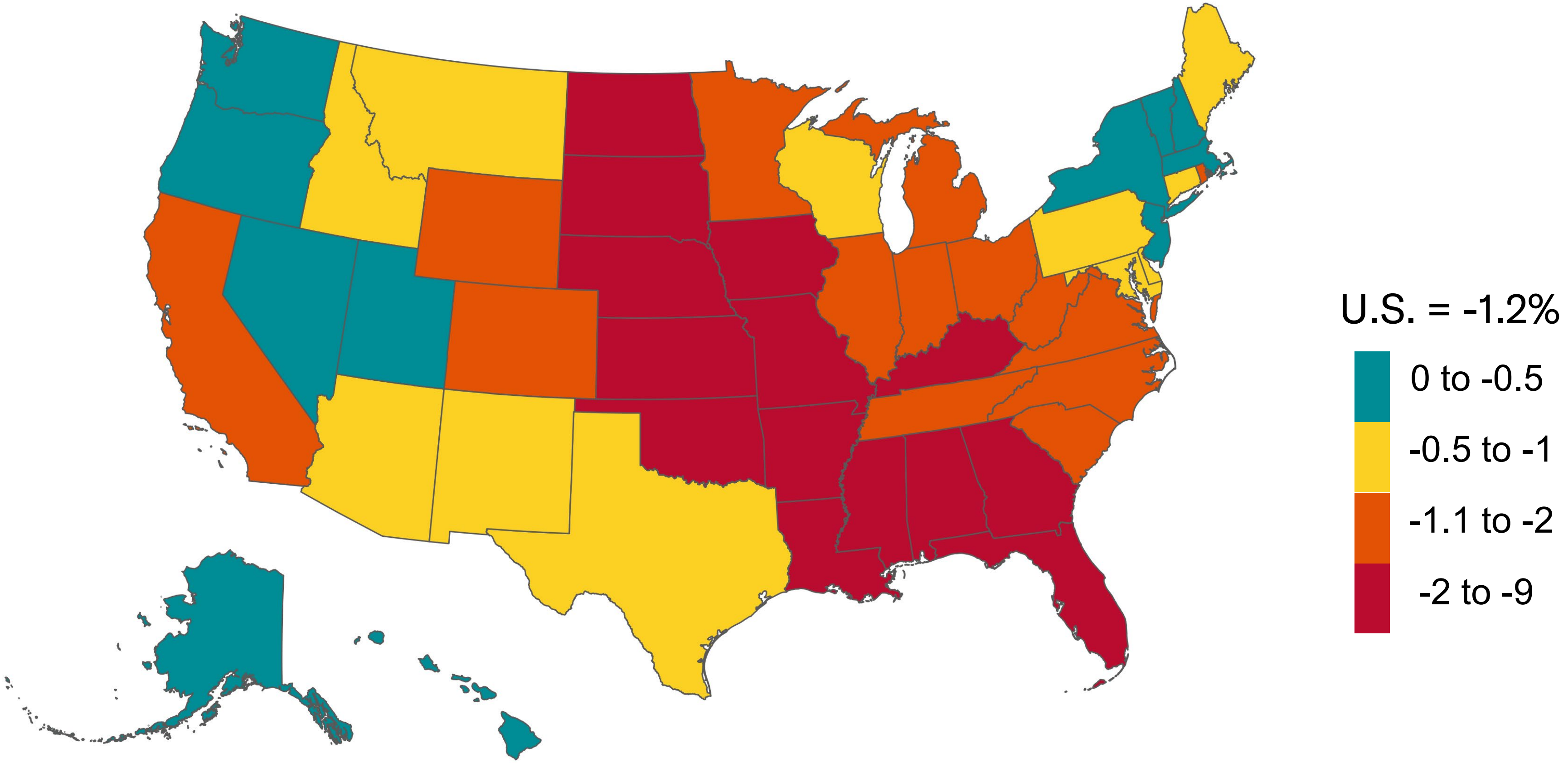
Avg annual homeowners' insurance premium, $



Sources: Census Bureau, Moody's Analytics

Long-Term House Price Growth Reduced by Higher Insurance Costs

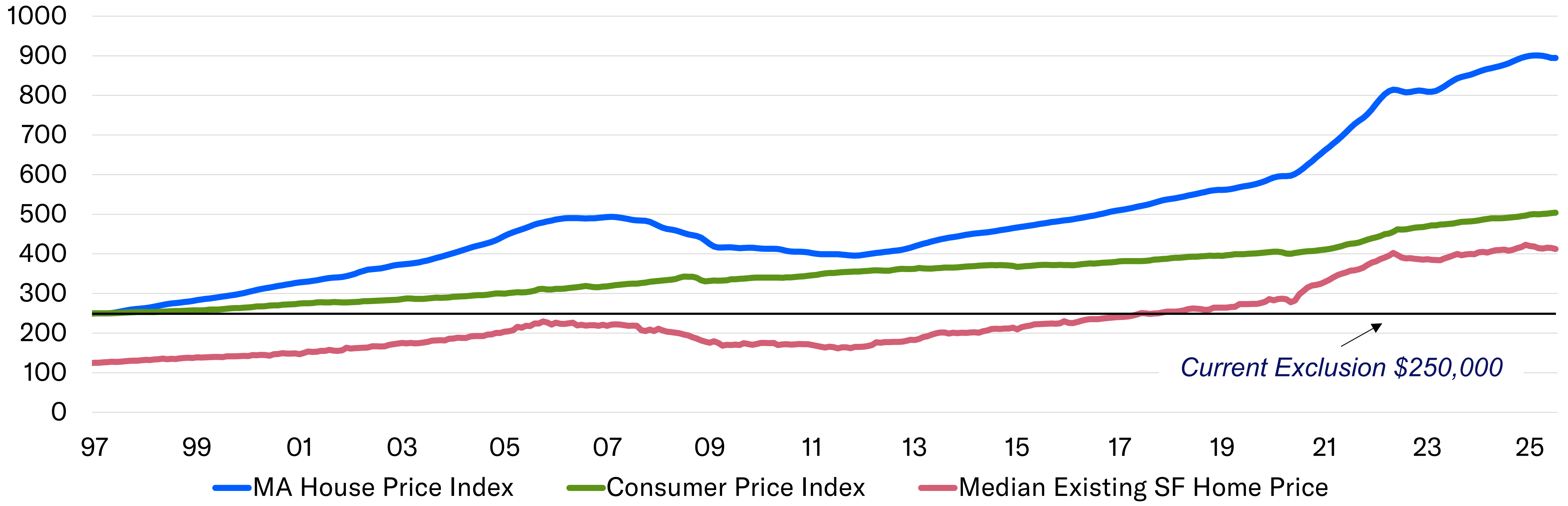
Reduction in House Prices from Baseline after 30 years, %



Sources: Census Bureau, Moody's Analytics

Capital Gains Taxes "Lock In" Some Long-Time Homeowners…

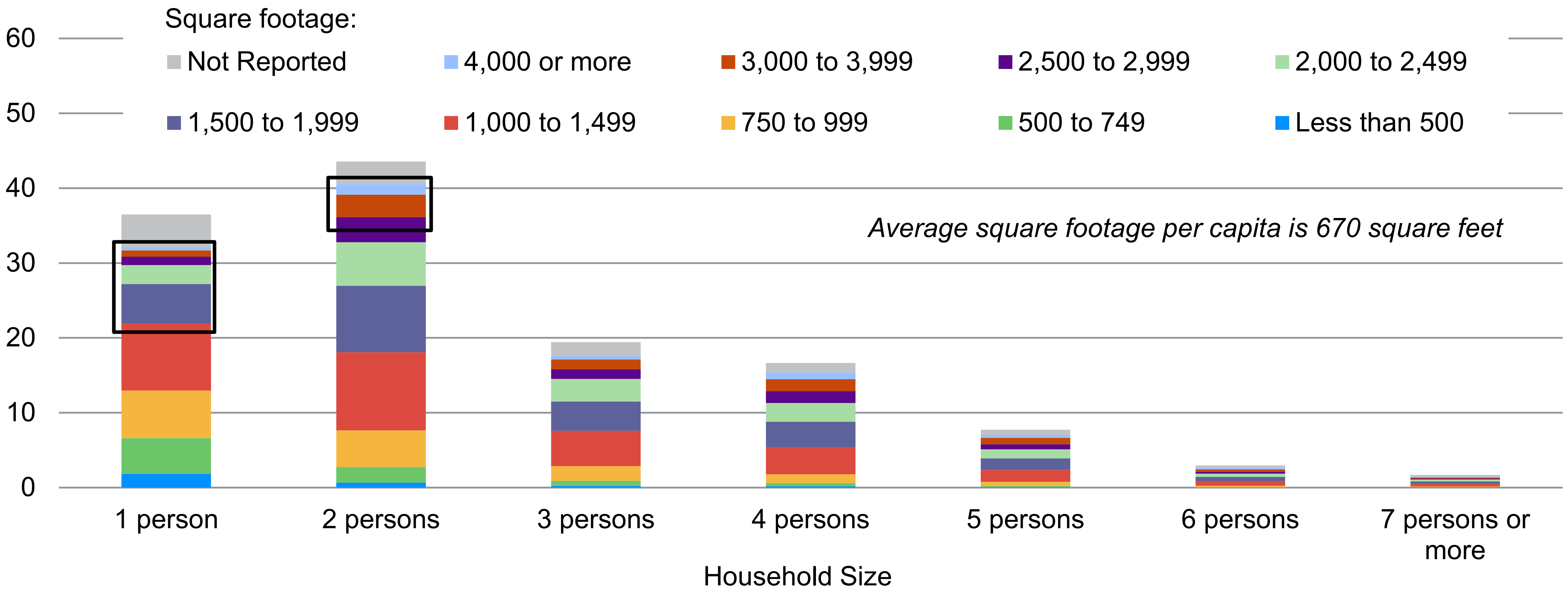
Capital Gains Tax Exclusion for Single Filers, $ ths, indexed to…



Source: Moody's Analytics

…With Millions of Households Potentially "Over-Housed"

housing units by square footage and size of household, mil



Source: Census, Moody's Analytics

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