

# This is **NOT** a Bubble

The market is hot, but leading economists say it's not going to crash — here's why.

## What Makes the 2021 Market Different?



### Causes of the Last Housing Bubble (2007-2008)

- ✓ Low down payments.
- ✓ Flexible rate mortgages.
- ✓ Oversupply.



**Low Inventory**  
Supply does not outweigh demand.



**Homes for Sale:**  
Early 2021: **1.03 million**<sup>1</sup>  
July 2007: **4 million**<sup>2</sup>

*This is a strong seller's market!*

**Higher Down Payments**  
Homeowners are increasing their down payments, starting out with more equity.



Average down payment: **15.9%**<sup>3</sup>  
Benchmark: **20%**

National Homeowner Equity in 2020: **\$1.5 trillion**<sup>4</sup>

Equity increase of 16.9% year-over-year<sup>4</sup>

**Fixed Rate Mortgages**  
Conventional mortgages increased during the pandemic.



Pre-pandemic: **49.7%**<sup>4</sup>  
Pandemic: **53%**<sup>4</sup>

Buyers are locking in historically low interest rates for the duration of their mortgage.

**Tighter Lending Restrictions**  
Stricter mortgage qualifications have kept buyers within their means, decreasing risk of foreclosure.



**Foreclosure Filings:** March 2008: **234,685**<sup>5</sup>  
March 2021: **11,880**<sup>6</sup>

February 2020: **48,004**<sup>6</sup>  
*This was a 15-year low before pandemic forbearance.*

**Interest rates are low, but so is supply.** While this has increased prices, they are expected to dip once the height of the buying/selling season is over. This is a strong seller's market, but not a housing bubble!

**If you're ready to buy or sell, or just looking for more real estate market insights, give me a call! I'm happy to answer any questions you have.**

SOURCE:  
1. National Association of REALTORS®, "Existing-Home Sales Descend 6.6% in February," March 2021.  
2. REALTOR® Magazine, "Google Searches Reflect Consumers' Market Angst," April 2021.  
3. Lily Katz, "The Trials of a 2021 Homebuyer: More Money, More Competition and More Home Tours," Redfin, March 2021.  
4. CoreLogic, "Homeowner Equity Report Q4 2020."  
5. Ben Rooney, "Foreclosures jump 57% in March," CNN Money, April 2008.  
6. ATTOM Data Solutions.