

This Is Not a Bubble

The housing market is hot but leading economists say a crash is not imminent.

Causes of the Last Housing Bubble

(2007-2008)

- ✓ Low down payments
- ✓ Flexible mortgage rates
- ✓ Oversupply

Why 2021 is Different:

The current combination of low inventory and high buyer demand means the risk of overbuilding is minimal.

Existing Homes For Sale 2021:

1.16 MILLION*

*As of April 2021

Existing Homes For Sale July 2007:

4 MILLION



Down Payments Are Up

More money down means more equity at the start. Leading up to the market crash in 2008, down payments were low.

Typical Down Payment in 2021:

15.9%

Down Payment in 2007:

9%

In 2007, **45% of first-time buyers financed 100% of their home** compared to only **17%** in 2020.

More Fixed-Rate Mortgages

Before the 2008 market crash, more buyers gambled with adjustable-rate and fixed-then adjustable-rate mortgages.

Buyers With Adjustable-Rate and Fixed-Then Adjustable-Rate Mortgages:

2020: **4%**

2007: **15%**

Lending Restrictions Are Tight

It's harder to qualify for a mortgage you can't afford. Foreclosure filings were at a 15-year low in February 2020 before pandemic forbearance.

Foreclosure Filings:

March 2008:

234,685

February 2020:

48,004

April 2021:

11,810

SOURCES: Redfin, National Association of REALTORS®, Attom Data Solutions