



MARQUETTE
UNIVERSITY

College of Business Administration
Center for Real Estate

Thanks for joining!
The conference will begin at 9:15 a.m. CST

**10TH ANNUAL WISCONSIN
RESIDENTIAL REAL ESTATE
SYMPOSIUM**



MARQUETTE
UNIVERSITY

College of Business Administration
Center for Real Estate

WELCOME!

**10TH ANNUAL
WISCONSIN
RESIDENTIAL REAL
ESTATE SYMPOSIUM**

Wednesday, March 23, 2022

GOLD SPONSORS



BLUE SPONSOR



FIRSTWEBER
— REALTORS® —



MARQUETTE
UNIVERSITY

College of Business Administration
Center for Real Estate

TABLE SPONSORS



AGENDA

9:15	Welcome	Andy Hunt Vieth Director, Center for Real Estate <i>Marquette University</i> Mike Ruzicka President <i>Greater Milwaukee Association of REALTORS®</i>
9:30	Capitol and Legislative Update	Tom Larson Executive Vice President of Legal and Public Affairs <i>Wisconsin REALTORS® Association</i>
	Market Economic Update	David Clark, PhD Professor of Economics and Executive Associate Dean <i>Marquette University</i>
	Airbnb in Wisconsin: Impacts on crime, values and liquidity	Anthony Pennington-Cross, PhD Robert B. Bell, Sr. Chair in Real Estate and Professor of Finance <i>Marquette University</i>
10:15	Keynote	Frank Nothaft, PhD Executive and Chief Economist <i>Corelogic</i>
10:45	Q&A	
11:00	Conclusion	



GMAR UPDATE



Mike Ruzicka

President

Greater Milwaukee Association of REALTORS®



MARQUETTE
UNIVERSITY

College of Business Administration
Center for Real Estate

ELEVATING THE IMPACT OF MARQUETTE BUSINESS



bnim

SAVE THE DATE!

MARQUETTE UNIVERSITY CENTER FOR REAL ESTATE PRESENTS



11TH ANNUAL

NATIONAL REAL ESTATE STRATEGIES CONFERENCE

REAL ESTATE GAME-CHANGERS

MAY 4, 2022 | 8 a.m. – 12 p.m.

ALUMNI MEMORIAL UNION | MARQUETTE

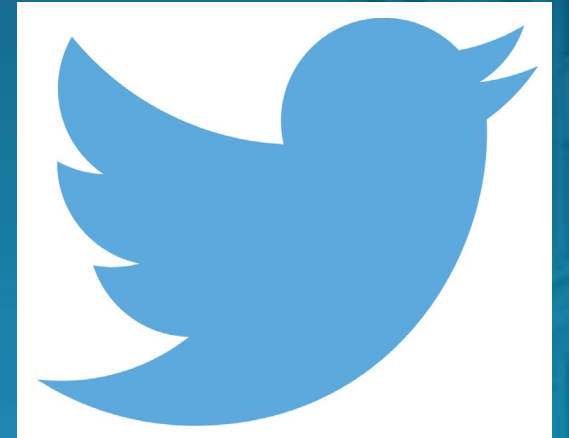
STAY CONNECTED
FOLLOW US!



MARQUETTE.REALESTATE



**MARQUETTE UNIVERSITY
CENTER FOR REAL ESTATE**



@MARQUETTECRE

CAPITOL UPDATE: TOP 3 PRIORITIES



Tom Larson

Executive Vice President of Legal and Public Affairs

Wisconsin REALTORS® Association



MARQUETTE
UNIVERSITY

College of Business Administration
Center for Real Estate

A low-angle photograph of the Wisconsin State Capitol dome, showing the golden statue of Liberty on top. The dome is surrounded by a portico with columns and a balcony. The sky is bright blue with some light clouds.

2022 Legislative Update

Tom Larson

Executive Vice President
Wisconsin REALTORS®
Association

The image shows the interior of a grand, domed capitol building. The architecture is highly ornate, featuring a central fresco of a woman holding a scale and a sword, with the word "LIBERTY" inscribed on a banner. The dome is supported by a series of columns and is decorated with intricate carvings and a grid of decorative panels. The lighting is bright, highlighting the architectural details and the central artwork.

WORKFORCE HOUSING

Workforce Housing Package

- **Workforce housing tax credits (AB 156/SB 172)**
- **Shovel-ready residential development sites (AB 603/SB 629)**
- **Local ARPA funds (AB 605)**
- **Workforce housing materials sales tax exemption (AB 606/SB 631)**
- **Workforce housing rehabilitation loan program (AB 607/SB 877)**
- **Local regulatory reform (AB 608/SB 840)**
- **Local housing investment fund (AB 609)**
- **Property tax assessment reform (AB 610/SB 630)**

Workforce Housing Definition

- Housing costs do not exceed 30% of the household's annual income.
- Household annual income
 - Rental = between 60% and 100% of the county median family income
 - Owner-occupied = Not more than 120% of the county median family income



New Financial Tools

- New WFH tax credit program (\$42M)
- New local infrastructure financing tools
- WHEDA no-interest/low-interest loan program for rehabbing older housing stock
- Directs 10% of local ARPA Funds for WFH



Expedites Approval Process

- Creates a mandatory 90-day local approval process for WFH
- Makes residential a permitted use in vacant, commercial areas
- Creates a “developer’s remedy” to seek court approval of projects
- State program to promote “shovel-ready” development sites



Lowers the Cost

- Sales tax exemption for building materials
- No list/asking prices for property tax assessments
- Creates incentives to reduce local development fees



End Result

- Two bills are awaiting action by Governor Evers
 - **Shovel-ready residential development sites (AB 603/SB 629)**
 - **Workforce housing rehabilitation loan program (AB 607/SB 877)**
- Remaining bills will be re-introduced next legislative session



The image shows the interior of a grand, domed building, likely a state capitol. The dome is ornate, with a central fresco depicting a woman holding a scale and a sword, with the word "LIBERTY" written below her. The dome is supported by a series of columns and arches, and the ceiling is decorated with a grid of square panels. The overall atmosphere is one of grandeur and historical significance.

REGULATORY REFORM

Homeowners' Associations (HOAs)

2021 Wis. Act 199

1. Makes regulations more transparent to property owners and prospective buyers
2. Creates a reasonable statutory framework for consumers to gain information on HOAs



Access Easements

2021 Wis. Act 174

- Eliminates 40-year statutory expiration date
- Access easements run in **perpetuity** IF
 - recorded on or after January 1, 1960.
 - recorded before January 1, 1960 and use can be proven from **physical evidence**.



Foreclosure Equity Theft

AB 889/SB 829

- Requires counties to pay any net proceeds in a property tax foreclosure sale to the former property owner.
 - Counties continue to be fully reimbursed (penalties, interest, costs)
 - All other lien holders are paid off first

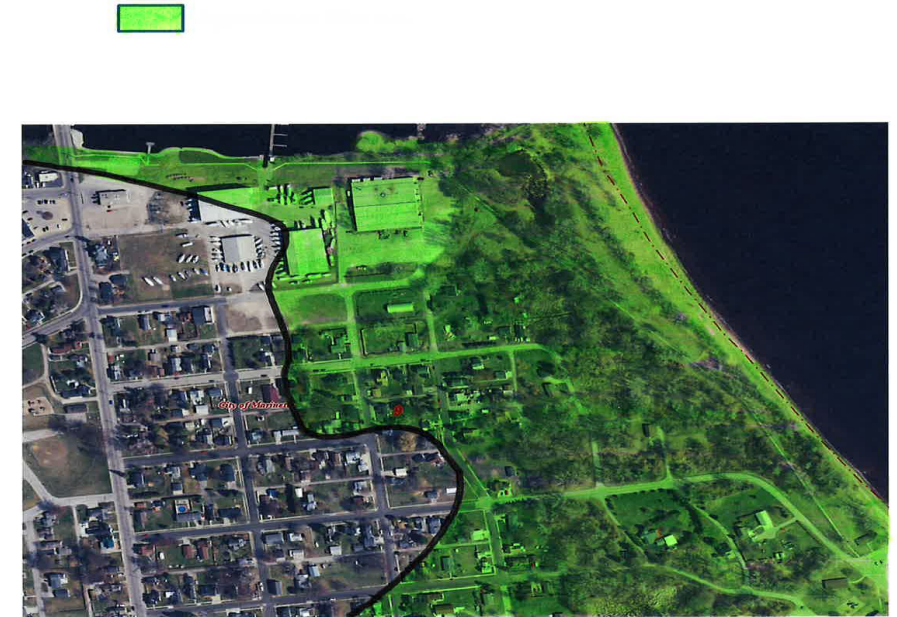


Filled Lands

AB 849/SB 900

The legislation does the following:

- Resolves **title issues** on land formerly lake bed/riverway that has been filled since 1977
- Example – **The Couture Project**, Milwaukee
- Scope of Problem – Every WI **Great Lake City** – MKE, Racine, Kenosha, Sheboygan, Marinette, Ashland, Bayfield, Superior



STATE BUDGET



Tax Cuts

- **Property tax reduction = \$650 million**
 - \$300/year for average home
- **Income tax reduction = \$2.5 billion**
 - \$900/year for average family



Infrastructure

- **Broadband expansion** = \$125 million
 - Federal ARPA funding = \$100 million
- **I-94 East/West** – enumerates expansion project in MKE County and provides \$40 million in bonding
- **K-12 School Funding** – 2/3 funding for K-12 schools (\$128 million)



Wisconsin's Fiscal Situation

- 2023 projected surplus = \$3.8 billion
- Rainy day fund = \$1.7 billion
- AAA bond rating





THANK YOU

MARKET ECONOMIC UPDATE



Dr. David Clark

Executive Associate Dean
College of Business Administration
Marquette University



MARQUETTE
UNIVERSITY

College of Business Administration
Center for Real Estate

The Wisconsin Housing Market in an Uncertain Economy

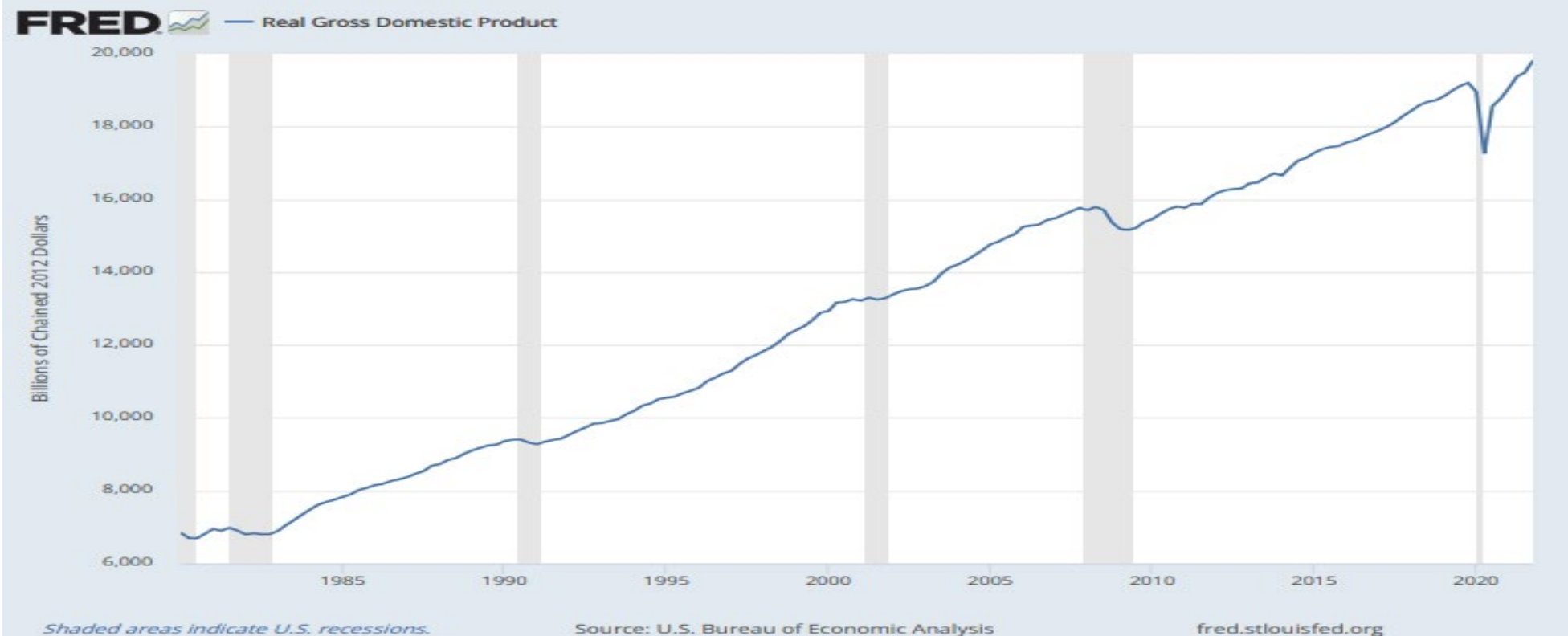
David E. Clark

Professor of Economics

March 23, 2022

Look at Economy First

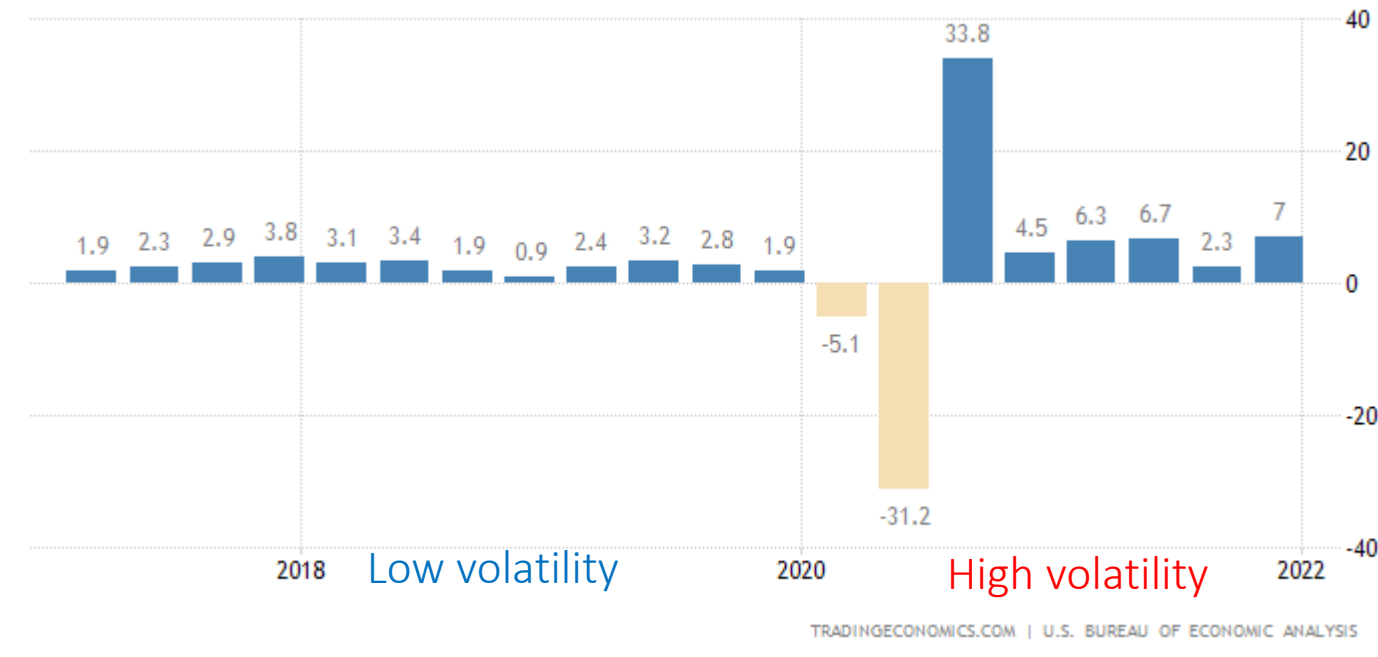
Economic output now above pre-pandemic levels



Source: US Bureau of Economic Analysis

However, it's been a Rocky Ride

Annualized Real GDP Growth



Longest expansion in US history (128 months) was followed by a very short pandemic-induced recession (March/April 2020)

*Annual 2015: 2.9%
Annual 2016: 1.6%
Annual 2017: 2.2%
Annual 2018: 2.9%
Annual 2019: 2.3%
Annual 2020: -3.4%
Annual 2021: 5.7%*

Source: US Bureau of Economic Analysis

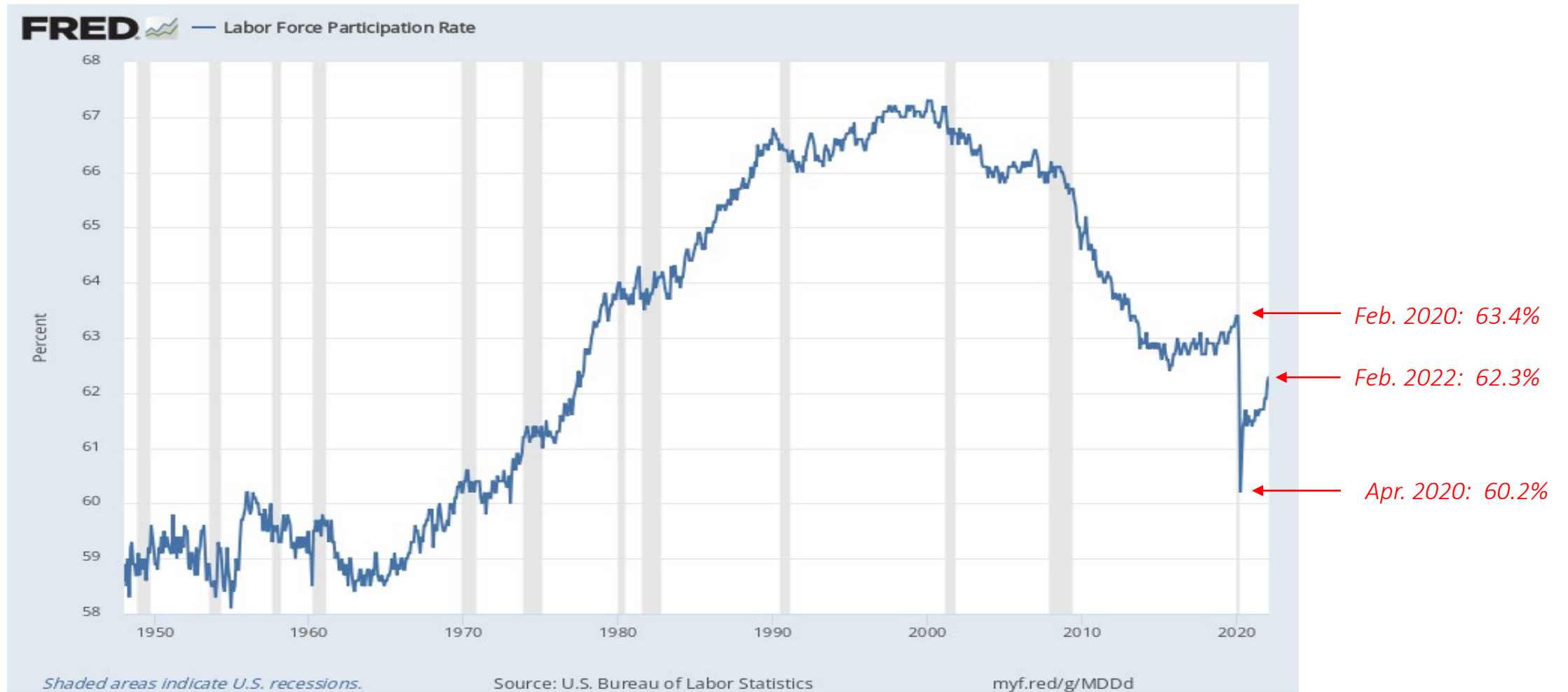
Macroeconomic Headwinds Generate Uncertainty

Look first at supply side challenges

Pandemic-Induced Supply Chain Challenges



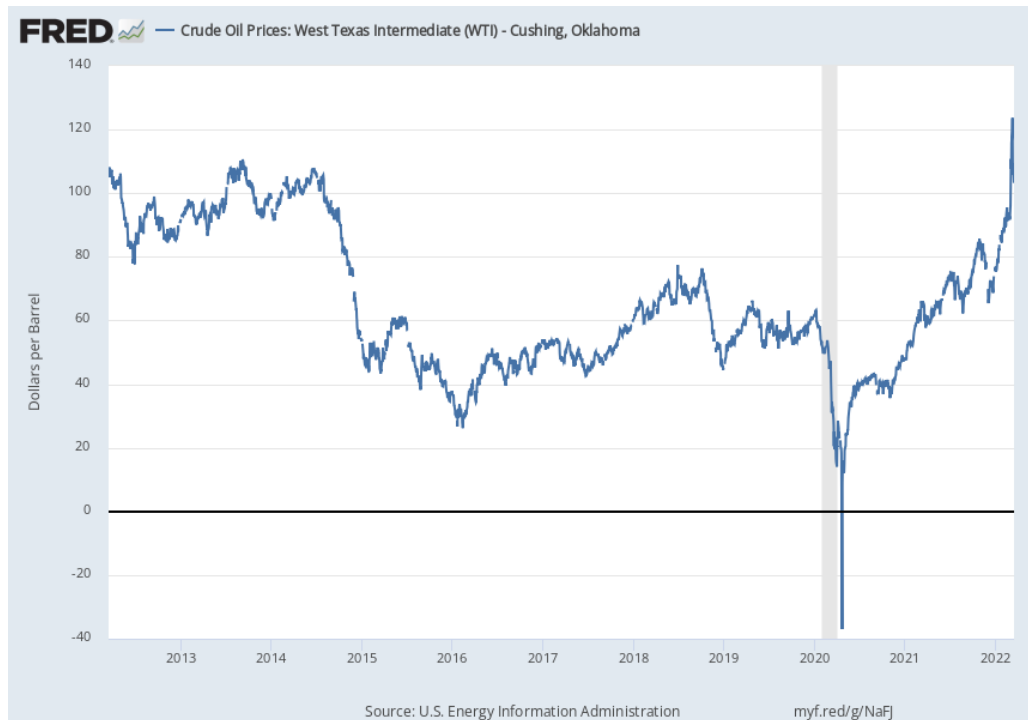
Ongoing labor shortages



Source: US Bureau of Labor Statistics

Energy Price Increases

CRUDE OIL PRICE



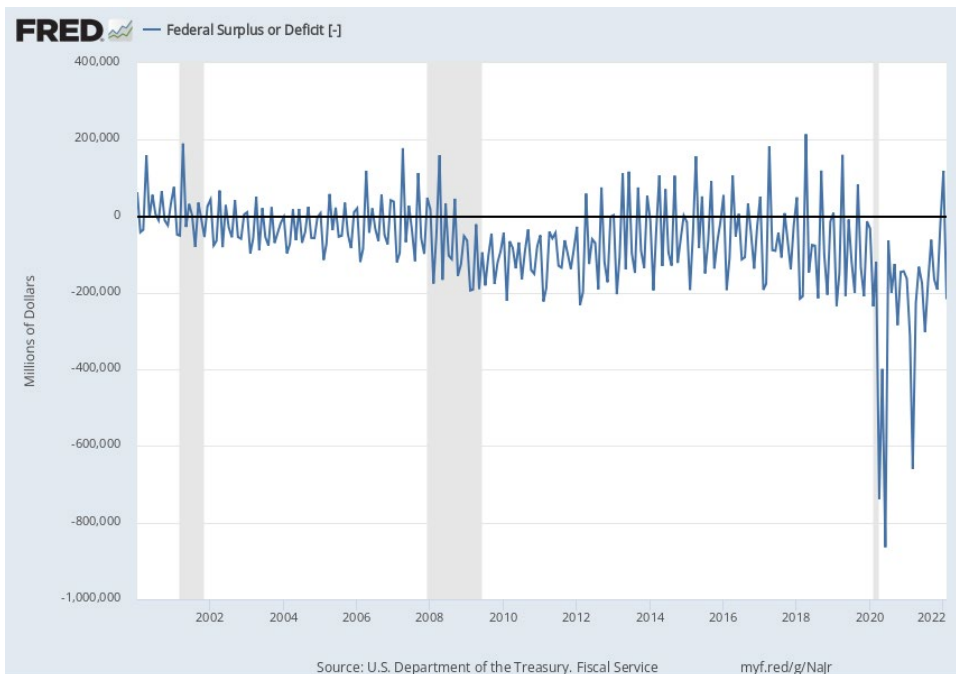
NATURAL GAS – COMPOSITE PRICE



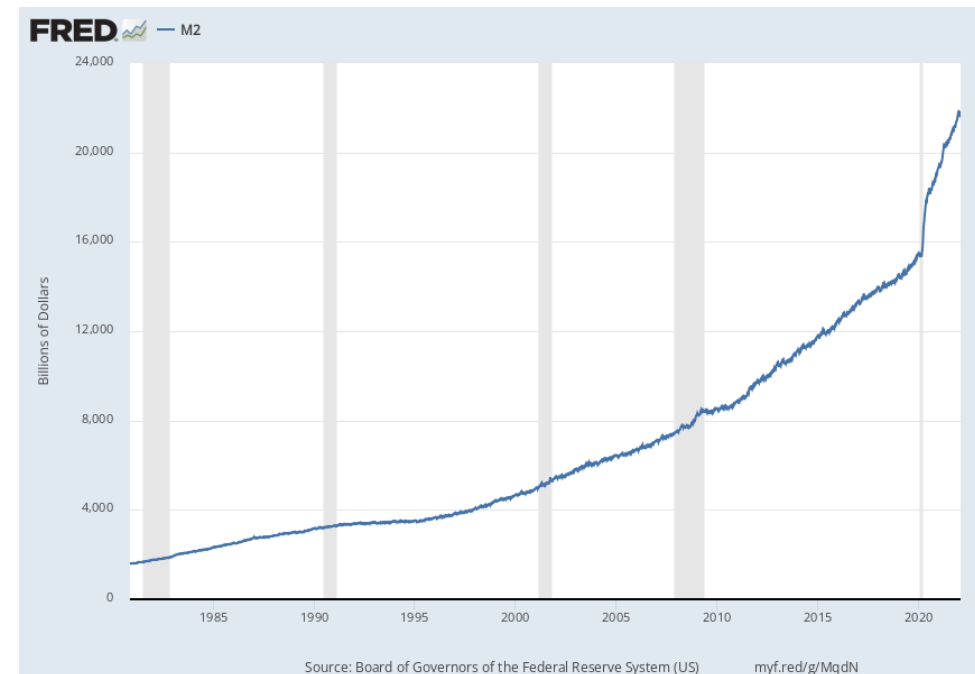
Source: US Energy Information Administration

On Demand Side: Stimulus spending has added significant liquidity

SIGNIFICANT DEFICIT SPENDING



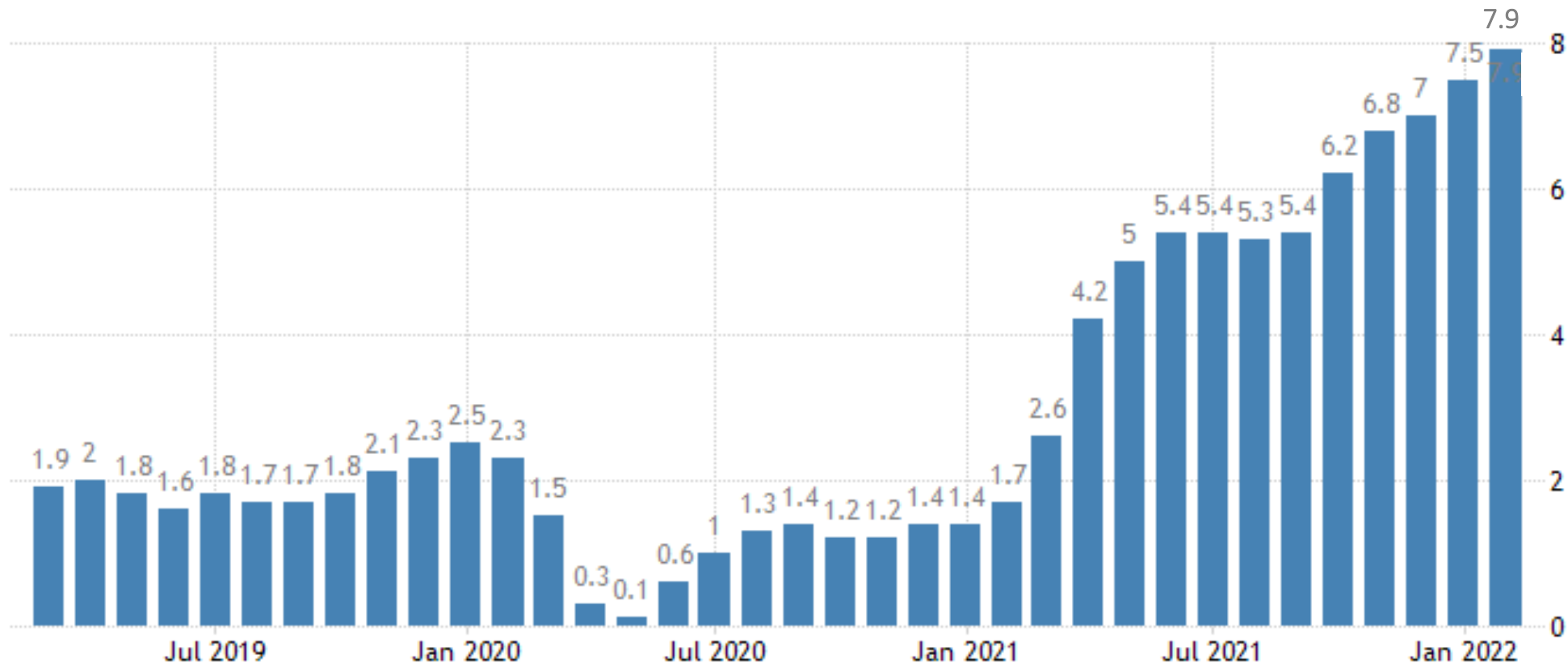
LARGE INCREASE IN M2 MONEY SUPPLY



Source: US Department of Treasury; Federal Reserve

Overall – Strong Inflationary Pressure

(Annualized % change in CPI)



TRADINGECONOMICS.COM | U.S. BUREAU OF LABOR STATISTICS

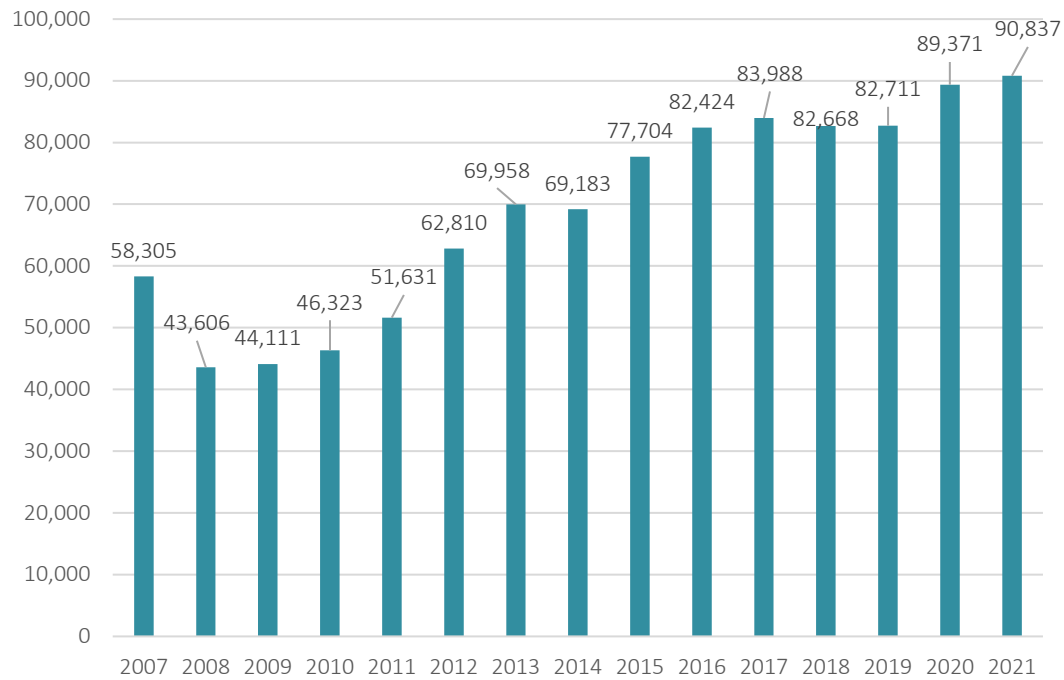
Source: US Bureau of Labor Statistics

Still – We Had Another Record Year for Wisconsin Housing in 2021

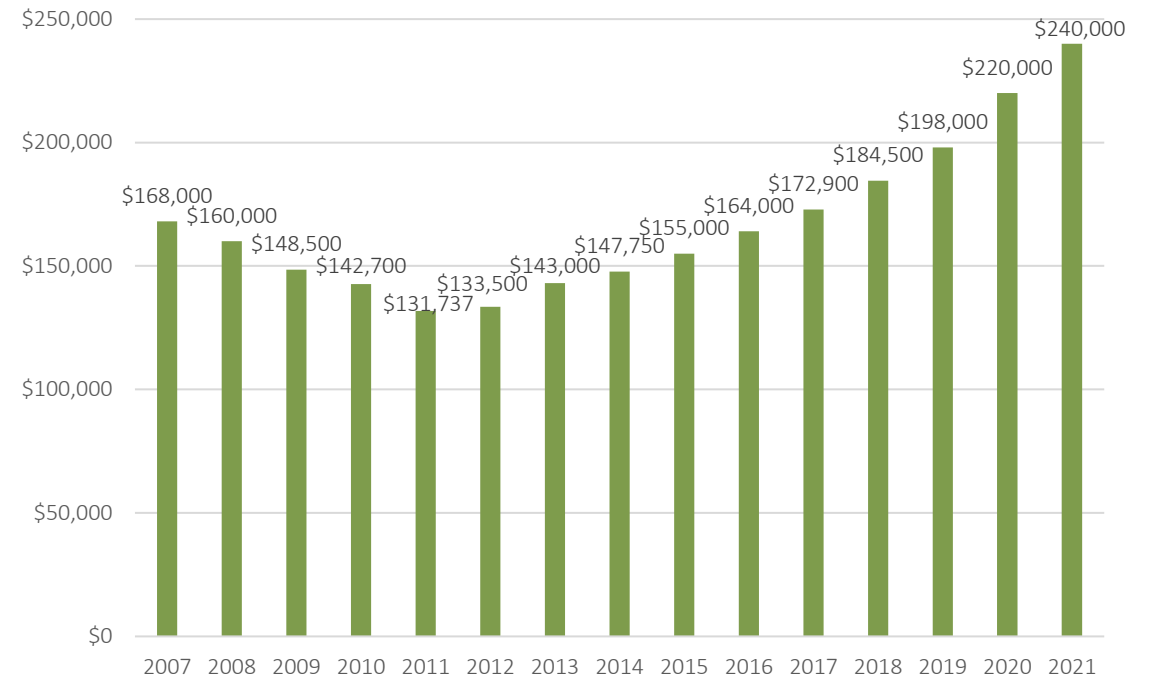
Strong Demand outweighed Weakening Supply

Strong Sales and Robust Home Price Appreciation in 2021

Wisconsin Existing Home Sales



Wisconsin Annualized Median Price

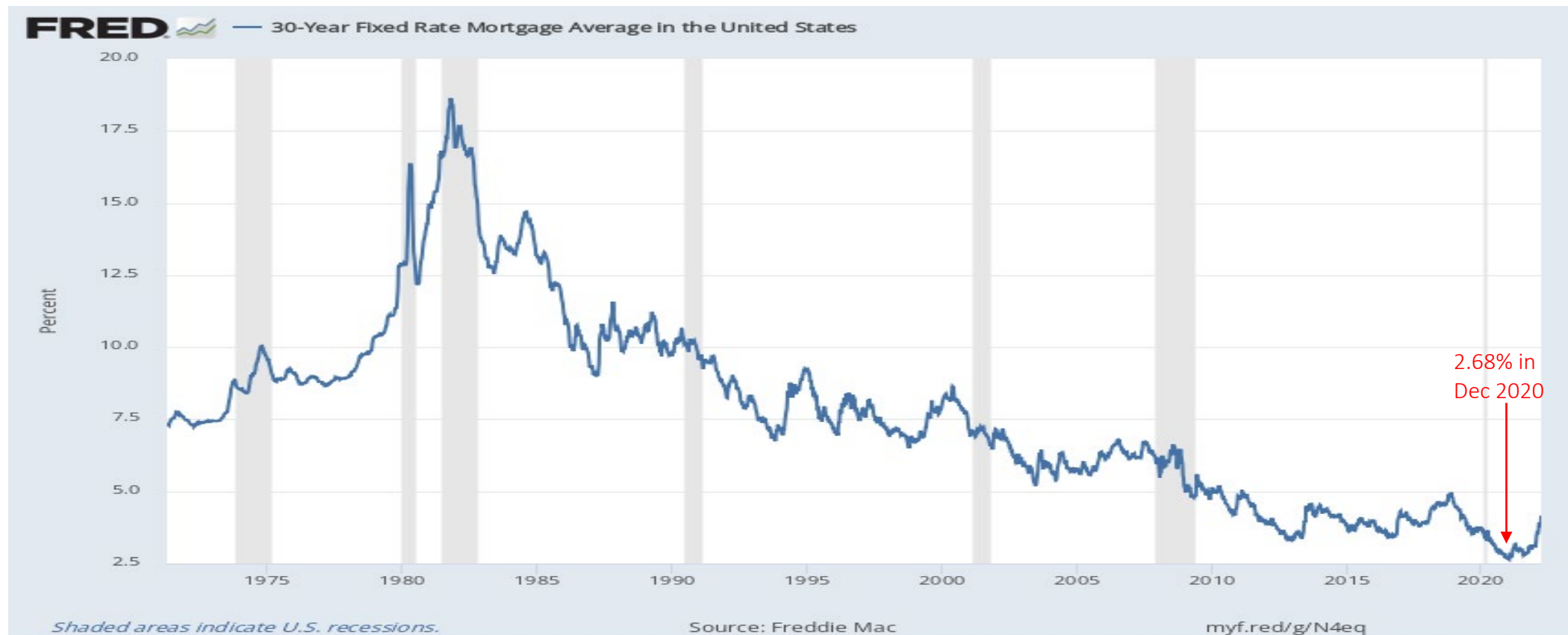


Source: Wisconsin REALTORS® Association

Housing Demand Picture

Economic factors – Mortgage rates, labor market and demographics

Mortgage Rates Rising



Rates in 2021

Jan: 2.74%
Feb: 2.81%
Mar: 3.08%
Apr: 3.06%
May: 2.96%
Jun: 2.98%
Jul: 2.87%
Aug: 2.84%
Sep: 2.90%
Oct: 3.07%
Nov: 3.07%
Dec: 3.10%

Rates in 2022

Jan: 3.45%
Feb: 3.76%

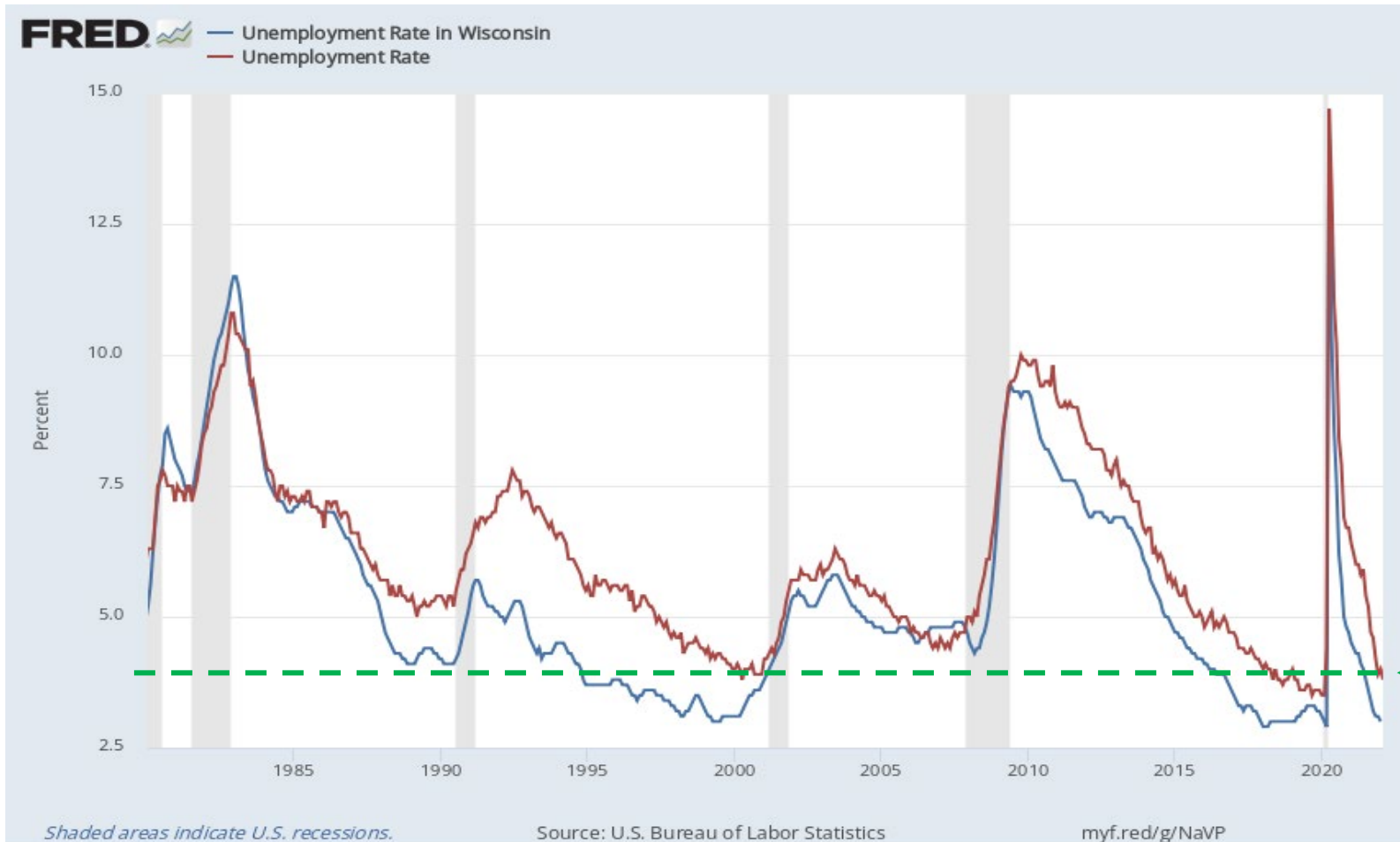
Source: Freddie Mac

State employment still recovering



Source: US Bureau of Labor Statistics

Wisconsin vs. US Unemployment Rate



Unemployment rates peaked in April 2020:

US: 14.7%

WI: 14.1%

Unemployment rates in Jan 2022:

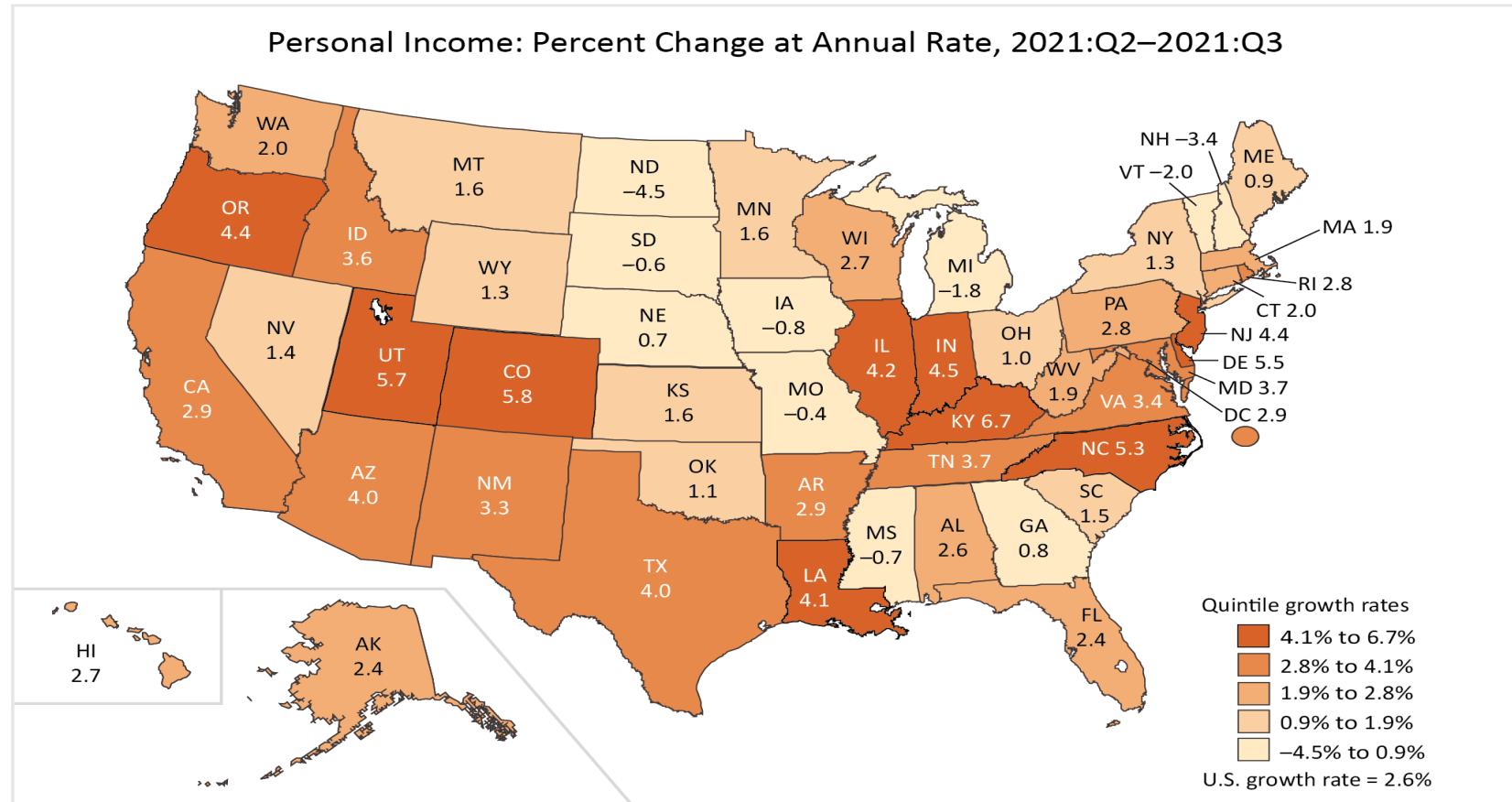
US: 4.0%

WI: 3.0%

4% considered full employment

Source: US Bureau of Labor Statistics

Income growth by state



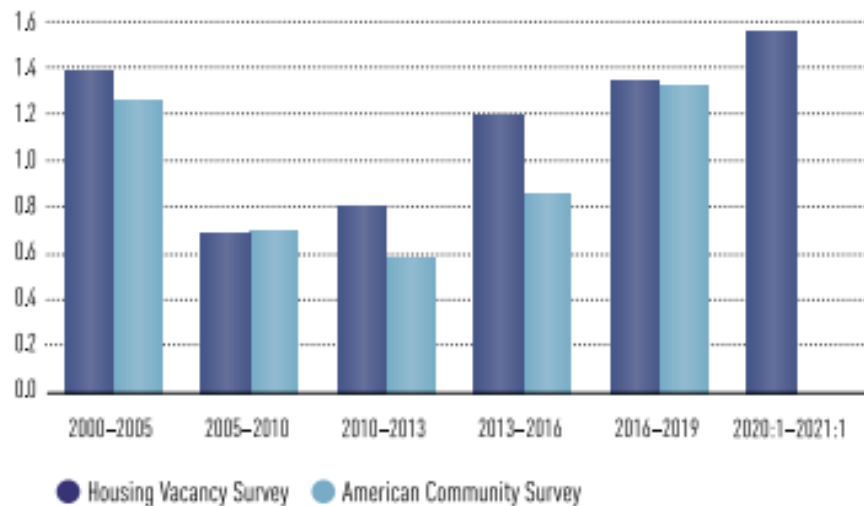
U.S. Bureau of Economic Analysis

Source: US Bureau of Economic Analysis

Demographics: Continued Growth in Households

Early Evidence Points to a Consistent Pickup in Household Growth Despite the Pandemic

Average Annual Increase in Households (Millions)

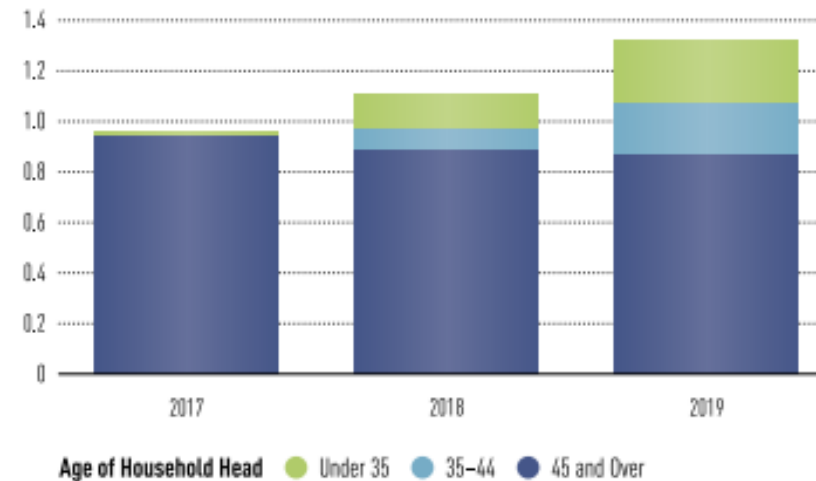


Note: Estimate for 2021:1 is the year-over-year change in the first quarter.

Source: JCHS tabulations of US Census Bureau, Housing Vacancy Surveys and American Community Survey 1-Year Estimates.

Younger Adults Have Given an Increasingly Large Lift to Household Growth

Annual Household Growth (Millions)



Note: Data are 3-year rolling annual averages to reduce volatility.

Source: JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates.

Source: *2021 State of Nations Housing* – Joint Center for Housing Studies

Housing Supply Picture

Very tight supplies

Three Primary Sources of Supply

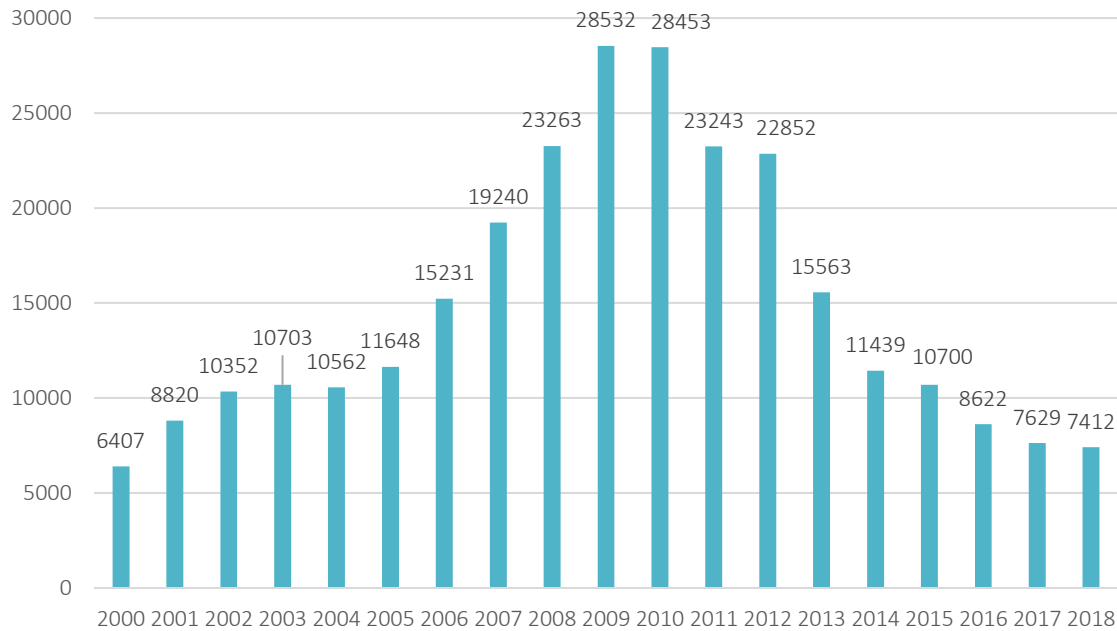
Distressed Properties

Listings of Existing homes

New Construction

Foreclosures remain low

Wisconsin Single Family Foreclosures



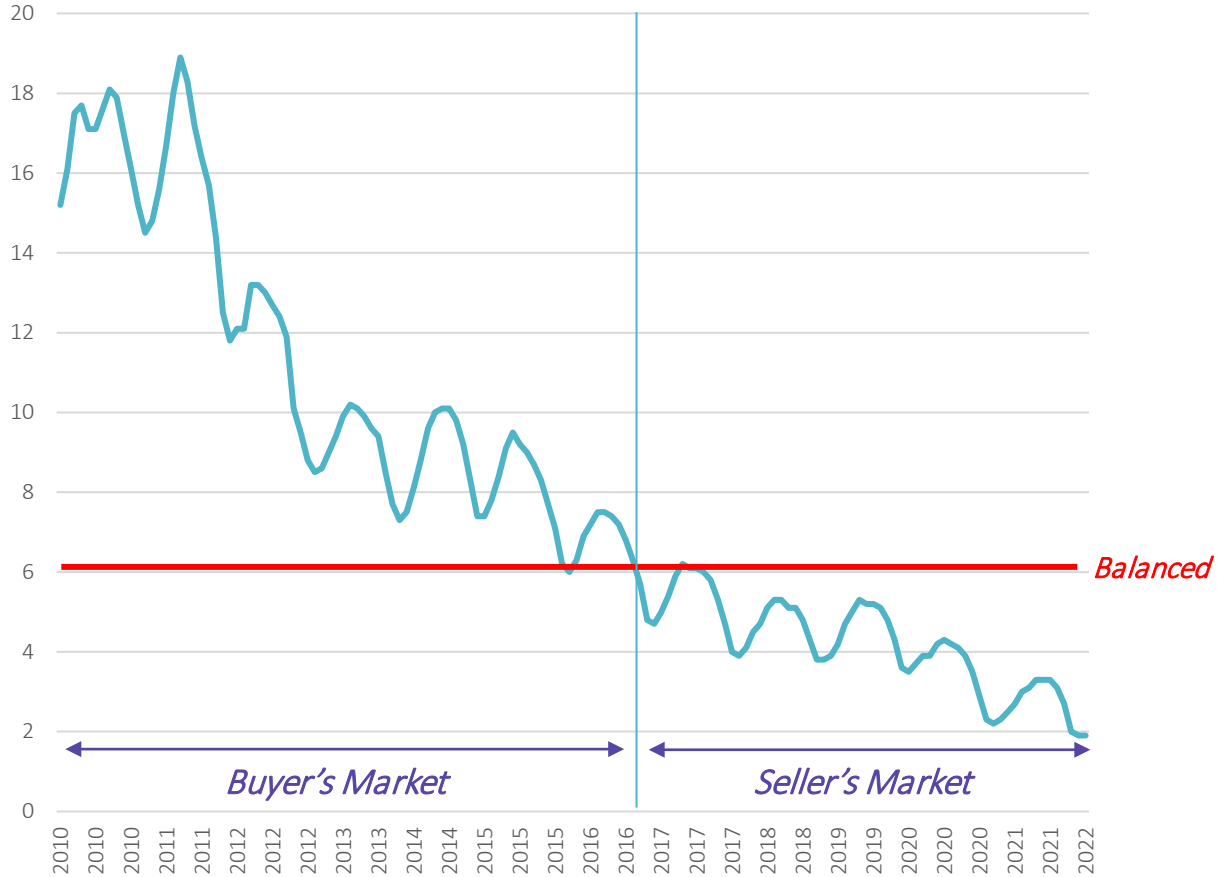
Source: Dr. Russ Kashian;
University of Wisconsin - Whitewater

Region	Foreclosures: Jan-Jun 2021	%change from Jan-Jun 2020	%change from Jan-Jun 2019
US	65,082	-60.7%	-78.1%
Wisconsin	1,134	-35.7%	-71.0%

ATTOM Midyear 2021 US Foreclosure Market Report

Existing Home Inventory

Wisconsin Months of Available Supply



Inventory by Urban Classification

County type	Feb 2022	Feb 2021	Feb 2020
Metropolitan Counties Combined	1.8	2.1	3.1
Micropolitan Counties Combined	1.9	2.4	4.1
Rural Counties Combined	2.2	2.8	5.9
All Wisconsin Counties	1.9	2.2	3.6

Metropolitan counties include: Brown, Calumet, Chippewa, Columbia, Dane, Douglas, Eau Claire, Fond du Lac, Green, Iowa, Kenosha, Kewaunee, La Crosse, Marathon, Milwaukee, Oconto, Ozaukee, Outagamie, Pierce, Racine, Rock, Sheboygan, St. Croix, Washington, Waukesha, and Winnebago.

Micropolitan counties include: Dodge, Dunn, Florence, Grant, Jefferson, Lincoln, Manitowoc, Marinette, Menominee, Portage, Sauk, Shawano, Walworth and Wood.

Rural counties include: Adams, Ashland, Barron, Bayfield, Buffalo, Burnett, Clark, Crawford, Door, Forest, Green Lake, Iron, Jackson, Juneau, Lafayette, Langlade, Marquette, Monroe, Oneida, Pepin, Polk, Price, Rusk, Richland, Sawyer, Taylor, Trempealeau, Vernon, Vilas, Washburn, Waupaca and Waushara.

Source: Wisconsin REALTORS® Association

New Residential Construction Lost Some Momentum

(New 1-Unit Private Housing Units Authorized by Building Permits)



Wisconsin Builders Association reports:

- *Number of SF housing permits pulled in 2021 fell 4.7% compared to 2020*
- *Supply chain delays and higher cost of materials were cited as primary reason*

Source: <https://www.wisbuild.org/news-1/2021permits>

Source: Wisconsin Builders Association; US Bureau of the Census

2022 Housing Picture Thus Far

Summary of Wisconsin Housing Statistics						
	Monthly			Year-to-Date		
	Feb 2022	Feb 2021	% Change	Jan-Feb 2022	Jan-Feb 2021	% Change
Unit Sales	4,300	4,514	-4.7%	8,944	9,294	-3.8%
Median Price	\$235,000	\$215,000	+9.3%	\$233,750	\$211,500	+10.5%
New Listings	5,124	5,550	-17.3%	X	X	X
Total Listings	14,157	17,047	-17.0%	X	X	X
Months of Inventory	1.9	2.2	-13.6%	X	X	X
Average Days on Market	82	95	-13.7%	X	X	X
WI Housing Affordability Index	182	220	-17.3%	X	X	X

Big Picture

Sales down

Prices up

*Inventory tight
and getting
tighter*

Homes moving quickly

Affordability falling

Source: Wisconsin REALTORS® Association

What does the future hold?



Uncertain Future for Economy and Wisconsin Housing

ECONOMY

- Fed has dual mandate – price stability and full employment
- Fed Faces delicate balance:
 - Acknowledges inflation is not transitory
 - Recent Action:
 - *Increasing Federal Funds Rate (effective rate is now 0.33%)*
 - *Going to 2% range by end of 2022*
 - *Will this be enough?*
- Risk is triggering recession
TBD

WISCONSIN HOUSING

- Fed actions hurt mortgage rates in SR but can help in LR
- Affordability slipping as mortgage rates and home prices both increase faster than income levels
- Slight moderation in demand (assuming no recession)
- Modest improvement in supply (demographically driven)
- Will be difficult to have another record year in 2022
- But home prices will continue to rise at robust pace

Thank you!

AIRBNB IN WISCONSIN



Dr. Anthony Pennington-Cross

Bell Chair in Real Estate and Professor of Finance

Marquette University



MARQUETTE
UNIVERSITY

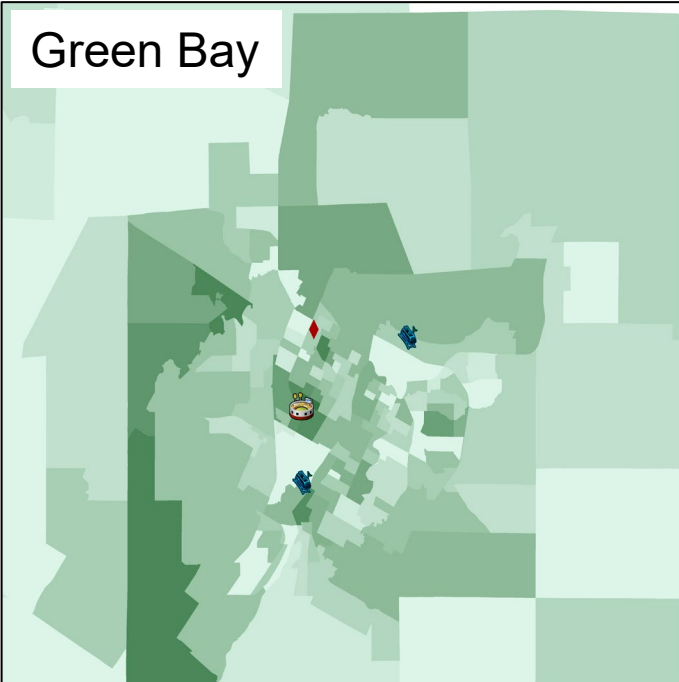
College of Business Administration
Center for Real Estate

Airbnb and Wisconsin – **Property Values, Property Liquidity and Crime**

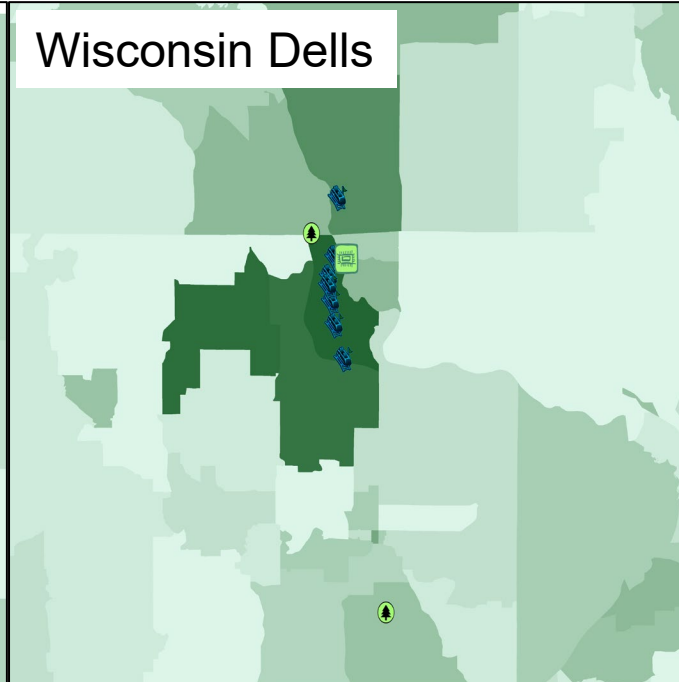
Dr. Anthony Pennington-Cross
Bell Chair of Commercial Real Estate
Marquette University

Where is Airbnb?

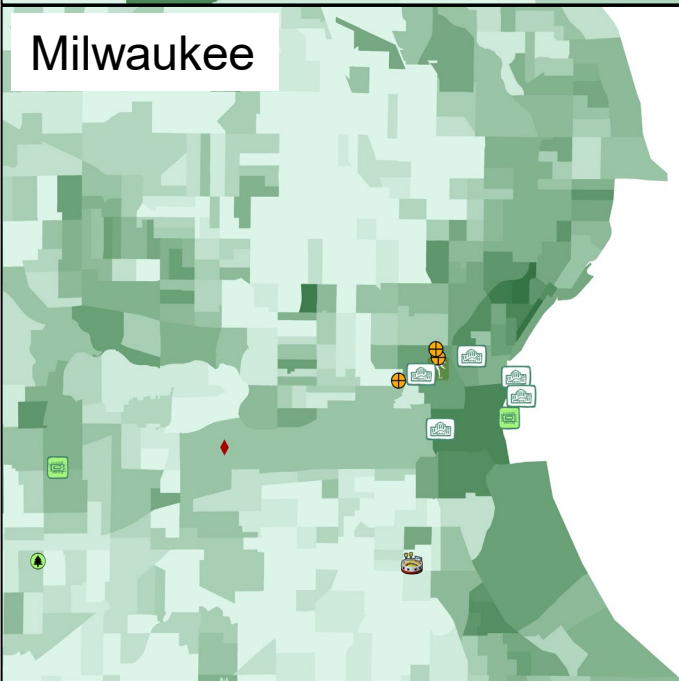
Green Bay



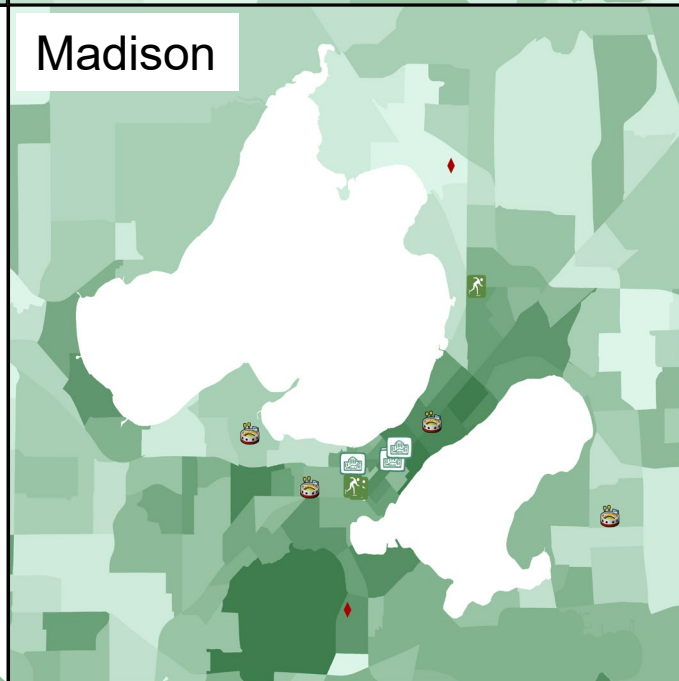
Wisconsin Dells



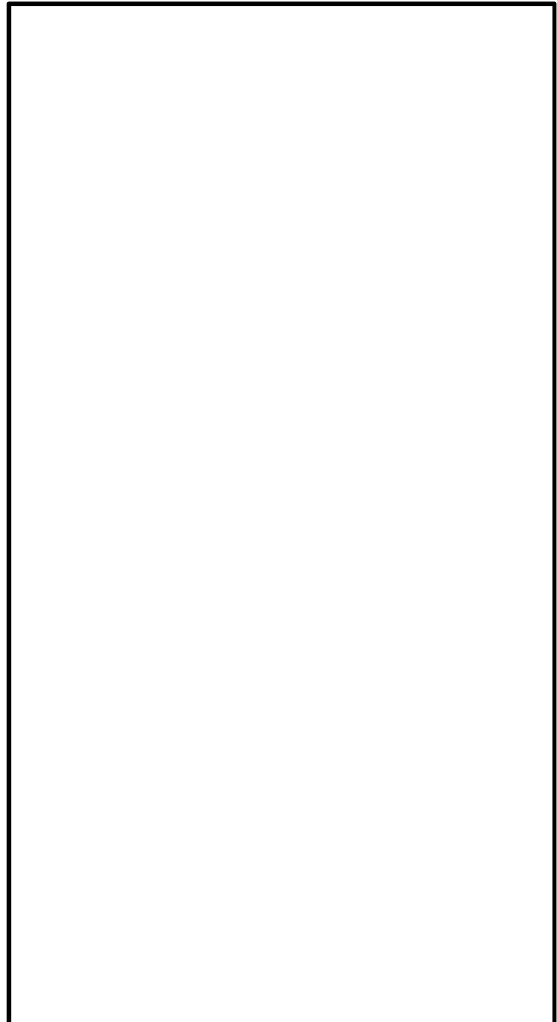
Milwaukee



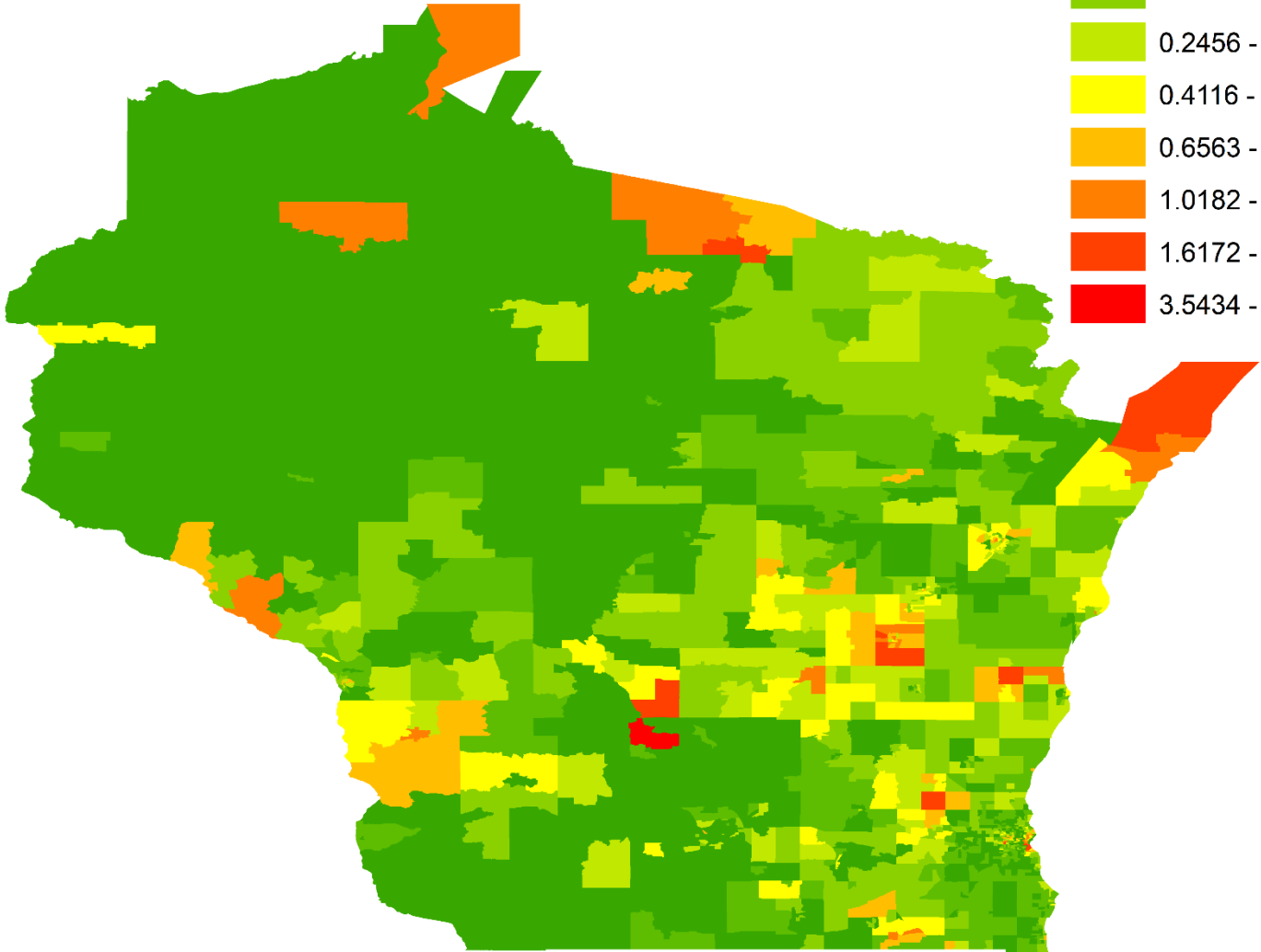
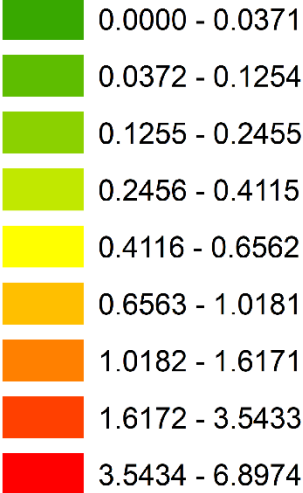
Madison



	Event		National Park
	Basketball		Ice Hockey
	Theme Park		Baseball
			Football



Number Airbnb/Housing Units



Does Airbnb Affect House Values?

Survey Says?

Does Airbnb Affect House Values?

- 2X Airbnb – House Prices up 11%
- **No impacts** – most densely populated areas
 - City of Milwaukee
- **Largest Impacts**
 - More Expensive Housing & Lower Density
 - Door County, the Dells, Pictured Rocks National Seashore and the town of Copper Harbor
- **Seasonal Tourist Demand -- Airbnb “sweet spot”**
 - Highest Density & Largest Impact

Does Airbnb Affect Housing Liquidity?

Number of Sales
Listing Versus Sales Price
Days on the Market

Does Airbnb Affect Housing
Liquidity?

NO

Does Airbnb Affect Crime?

Milwaukee Only

Does Airbnb Affect Crime?

YES

- 10% increase Airbnb crime decreases by 2%
- Impact is not seasonal

Part of a “gentrification” process

restaurants, bars and boutiques also

Sources

- Sergio Gárate Alvarez & Anthony Pennington-Cross (2022): Short-Term, Property Rental Platforms and the Housing Market: House Prices and Liquidity, Journal of Housing Research, DOI: 10.1080/10527001.2022.2033389
- The Effect of the Shared Economy on Crime: Evidence from Airbnb, by Sergio Gárate Alvarez, Anthony Pennington-Cross and Weihua Zhao. Working paper available by request.

KEYNOTE PRESENTATION



Dr. Frank Nothaft

Executive & Chief Economist

Corelogic



MARQUETTE
UNIVERSITY

College of Business Administration
Center for Real Estate

The Emerging Economic Outlook

10th Annual Residential Summit
Frank Nothaft, Chief Economist
March 23, 2022

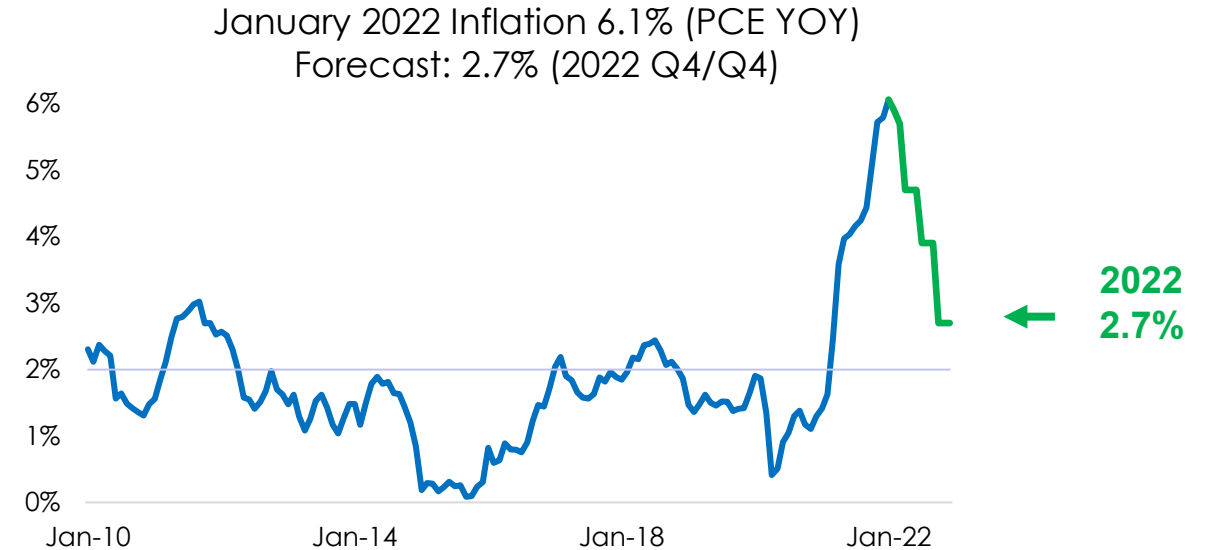
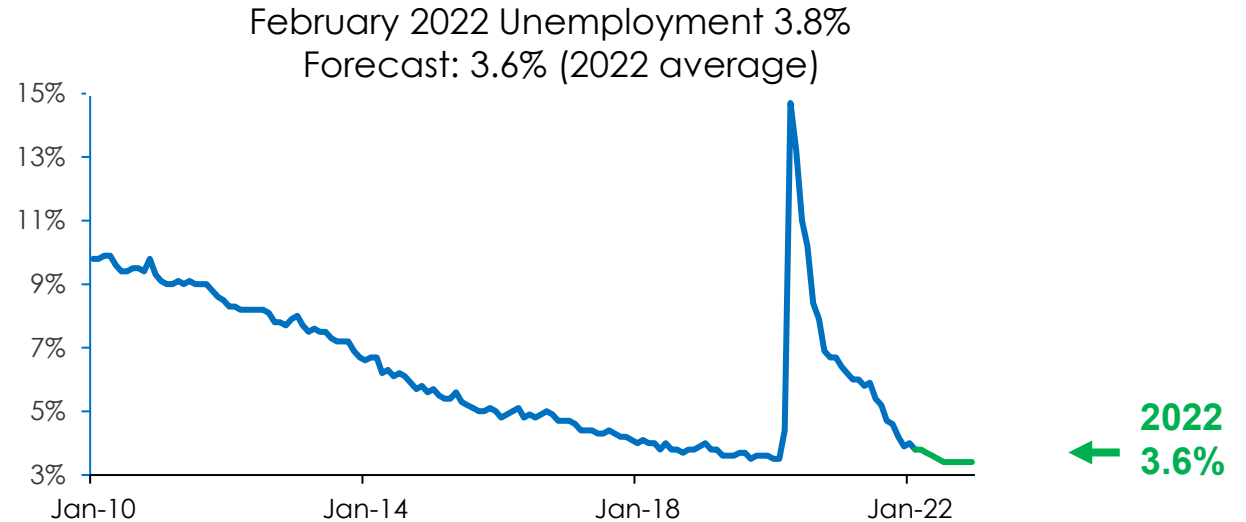


Economic and Housing Market Update

- Fed focus shifts from job creation to inflation risk
 - Inflation likely to remain above Fed's 2% target through 2023
- Demand for single-family homes (to buy or rent) remains strong, supply limited
 - Existing homes are selling fast and many above list price
 - Record 12-month home-price growth, forecast to slow to 4% by January 2023
 - Home-price growth built equity, remodeling projected to rise 17% in coming year
- Mortgage Originations to fall by one-third from 2021 to 2022
 - Home purchase volume up, refinance way down
 - Refinance in 2022: more cash-out, lower credit scores, longer terms
 - Serious delinquency remains elevated; distressed sale uptick in 2022 but no tidal wave

Fed Focus Shifts From Job Creation To Inflation Risk

- Congressional dual mandate:
 - Maximum employment
 - Price stability
- U.S. Unemployment rate 3.8% (Feb.)
 - Feb. 2020: 3.5%, 50-year low
 - “Full employment”: 4.0-4.4%
 - Wisconsin unemployment 3.0% (Jan.)
- Fed’s “price stability” definition:
 - 2% annual avg. (PCE)
 - 2000-2020 avg. inflation 1.8%
 - Jan ‘22 inflation 6.1%, most since Feb ‘82
- Fed funds target now 0.25-0.50%
 - 6 more quarter-point hikes in 2022?
 - By year-end target 1.75-2.0%

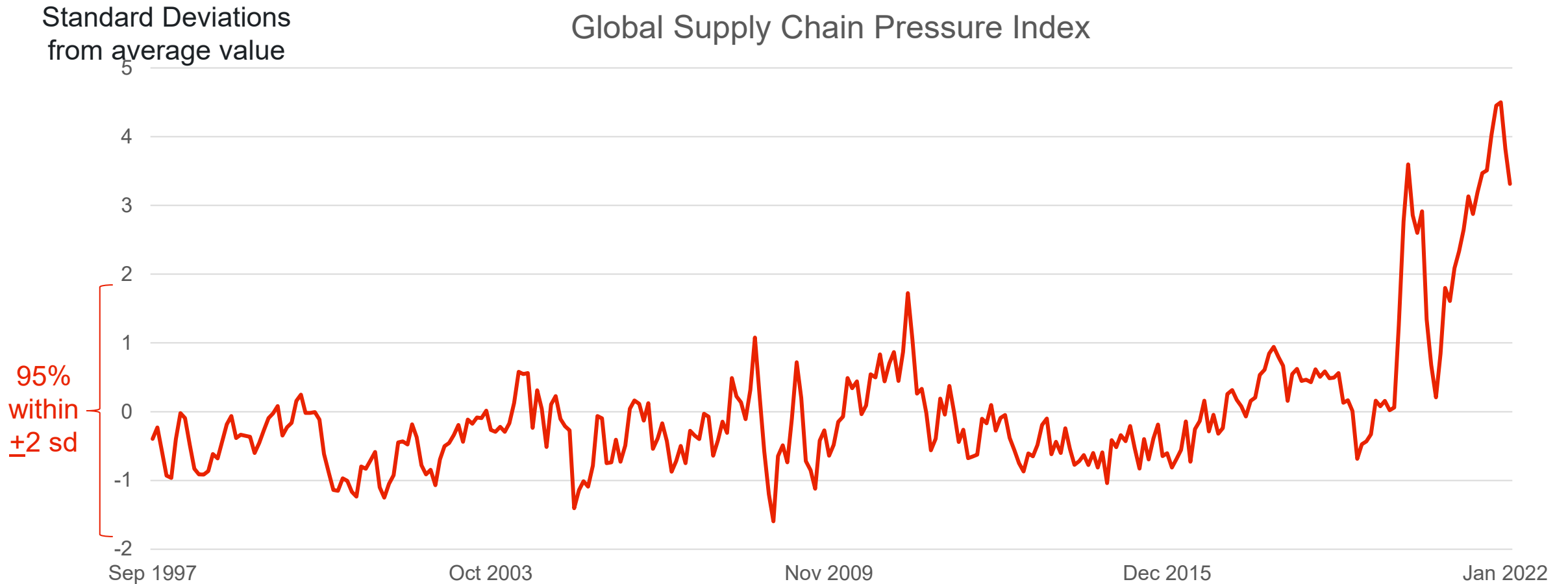


Source: BLS (unemployment rate), BEA (PCE price index), IHS Markit (unemployment and PCE inflation forecast)

Note: “Full employment” estimate from Federal Reserve Board (March 16, 2022, Median ‘Longer run’ projections of FRB members and Bank presidents) and Congressional Budget Office (July 2021, Noncyclical Rate of Unemployment).

Global Supply Chain Pressure Remains High

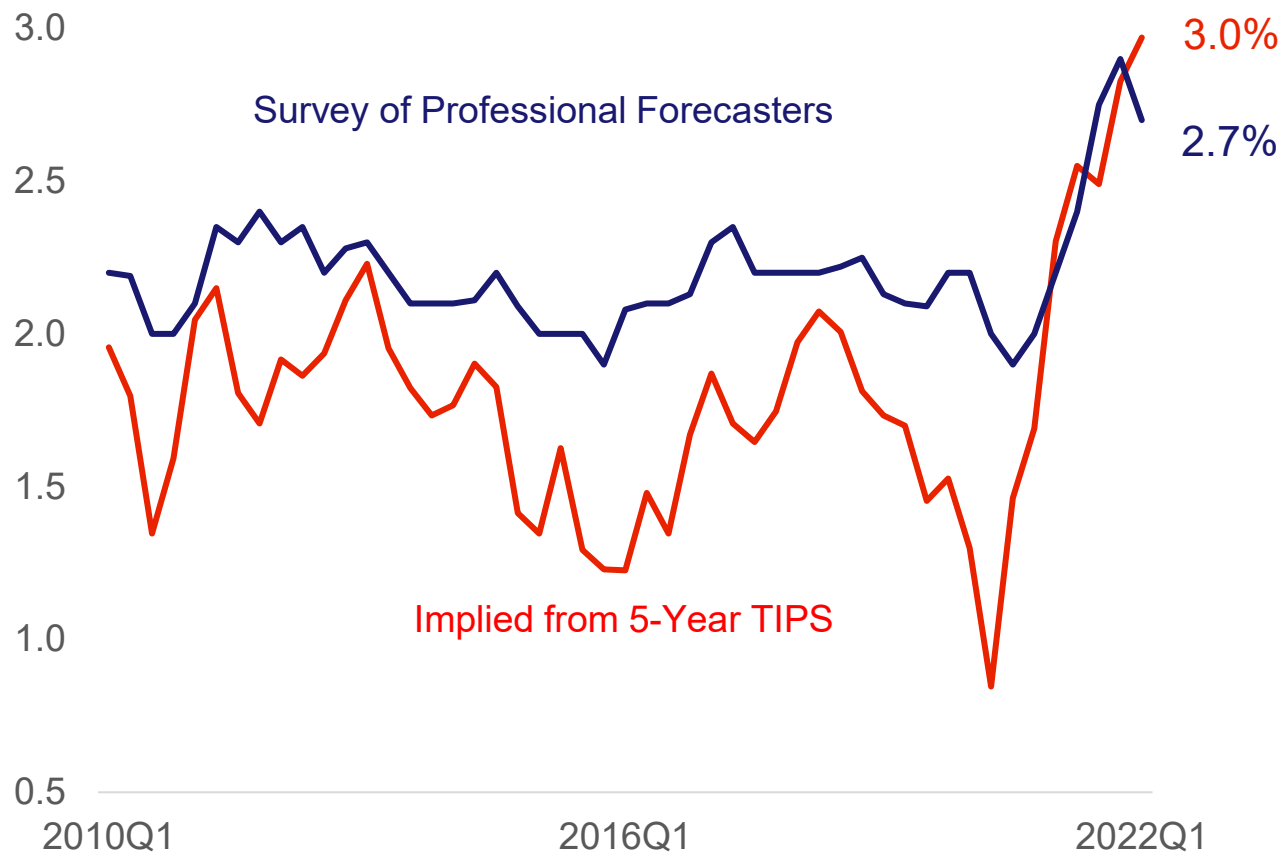
GSCPI uses sea and airfreight shipping costs and supply chain-related components from PMI manufacturing surveys



Inflationary Expectations Rose in 2021

Latest TIPS yields, SPF and SCE show inflation projection above Fed target of 2%

5-Year CPI Inflation Expectations (percent per year)

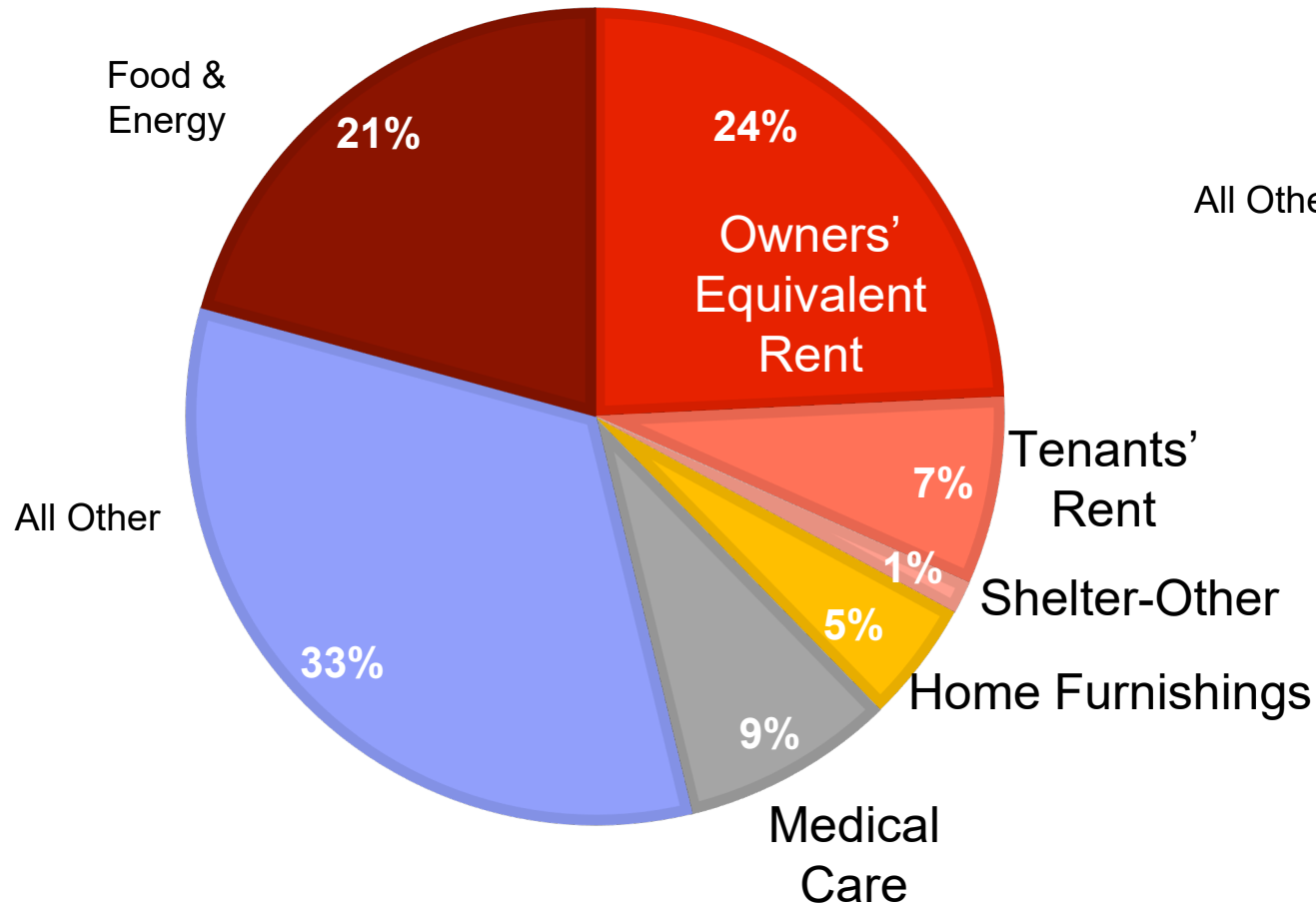


Inflation Forecast (annual percent)

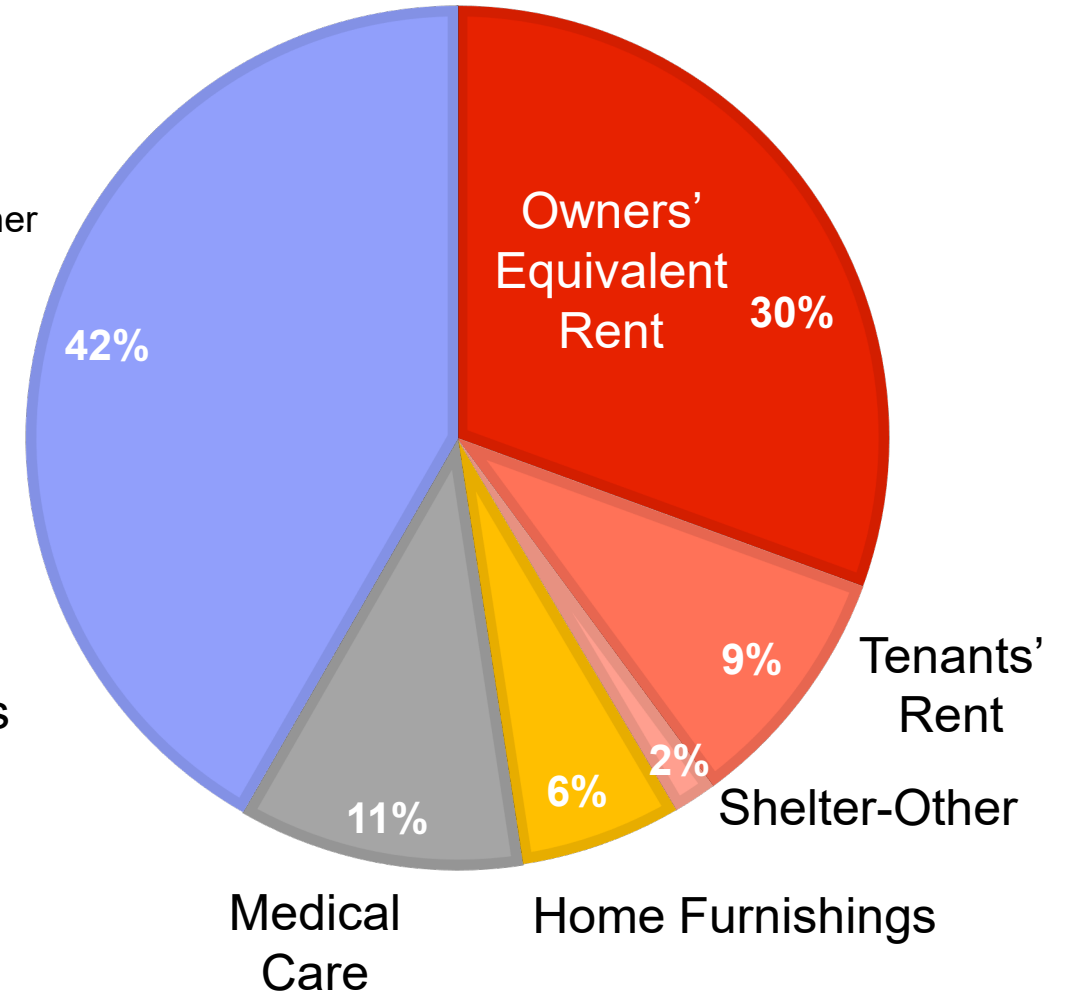


Rent Is 32% of CPI and 40% of Core CPI

Percent of CPI



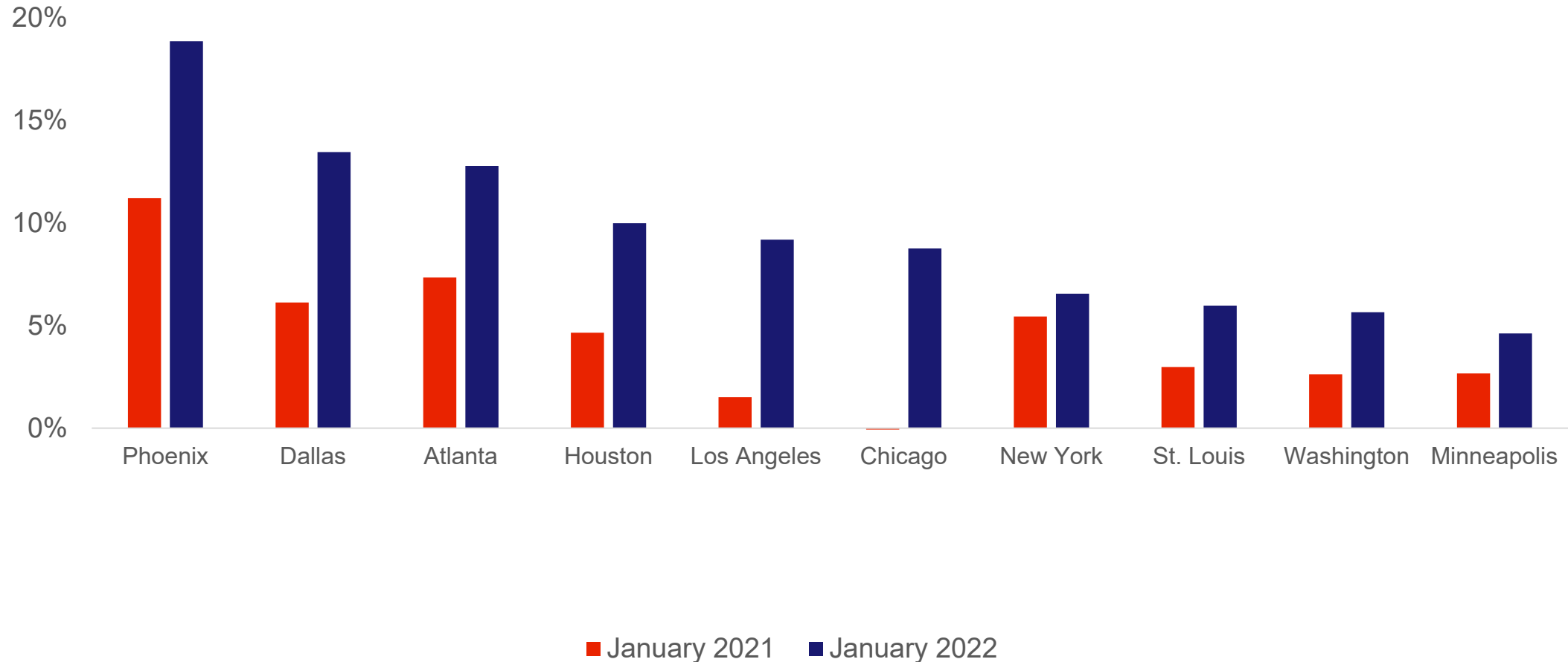
Percent of Core CPI



Source: Bureau of Labor Statistics, December 2021 Consumer Price Index (2019-2020 weights)

Single-Family Rent Growth Quickened in 2021 in Most Areas

CoreLogic Single-Family Rent Index Growth (12-month percent change)

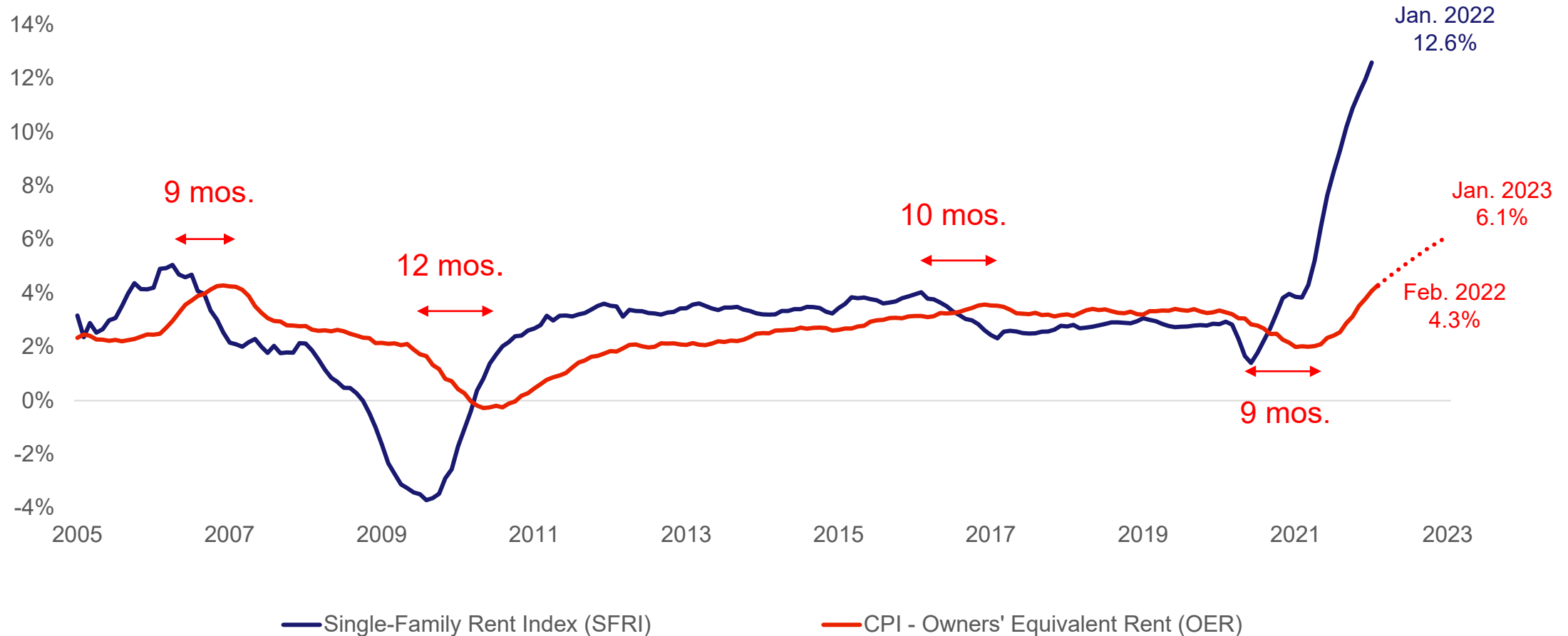


Note: Label shows first city in MSA or Metropolitan Division name; New York excludes Manhattan borough.
Source: CoreLogic Single-Family Rent Index (March 15, 2022).

Single-Family Rent Index Leads CPI Imputed Rent

Last year's rise in single-family rent projects CPI owner imputed rent growth will rise in 2022

12-Month Change (percent)

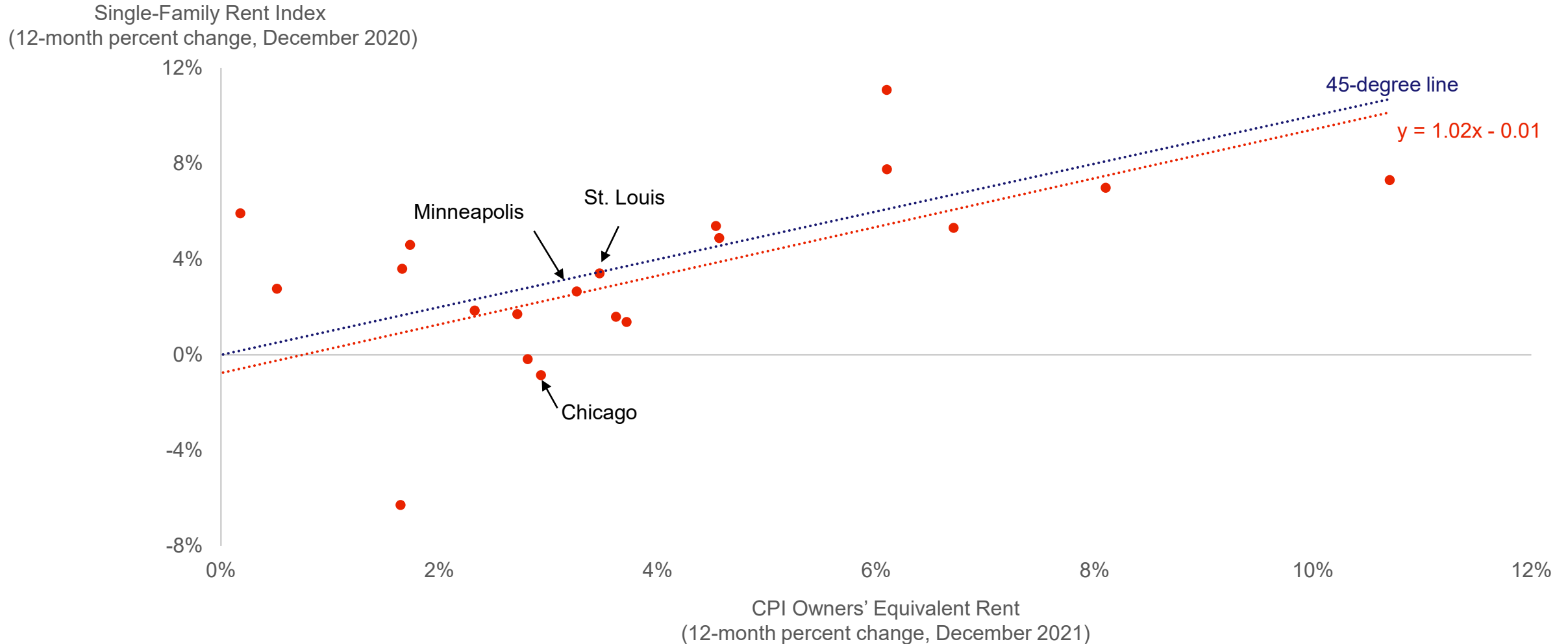


Source: BLS Consumer Price Index (CPI), CoreLogic Single-Family Rent Index (SFRI)

Note: CoreLogic modeled 12-month growth in OER as a function of one-month lag of OER growth rate and 12-month lag of SFRI growth rate with second-order autoregressive correction to forecast OER

Across Metros SF Rent Index Leads CPI Imputed Rent

Rapid rise in single-family rent in 2021 implies CPI rent growth will accelerate in 2022

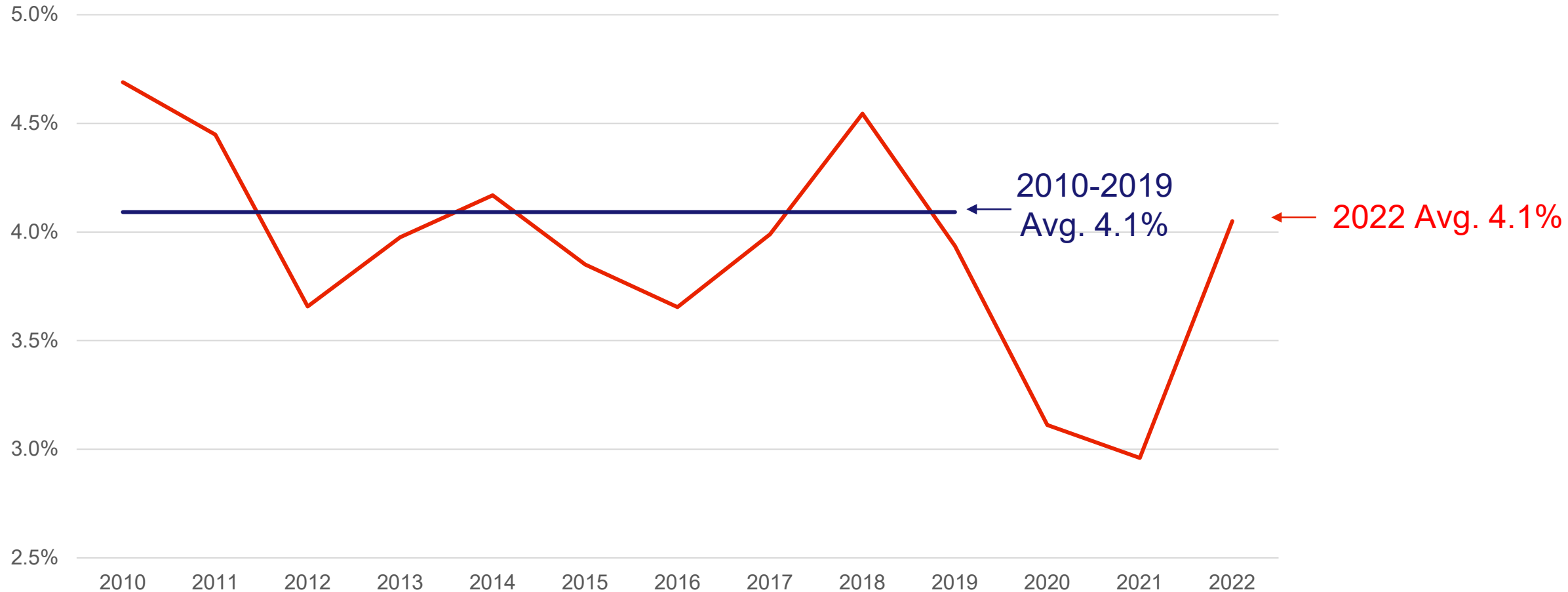


Source: BLS Consumer Price Index (CPI), CoreLogic Single-Family Rent Index (SFRI); each dot is a metro area

Mortgage Rate Forecast: Back to Pre-Pandemic Level

30-year fixed-rate mortgage averaged 3.0% in 2021 – Lowest annual rate on record

30-year Fixed-Rate Mortgage Interest Rate (annual average)

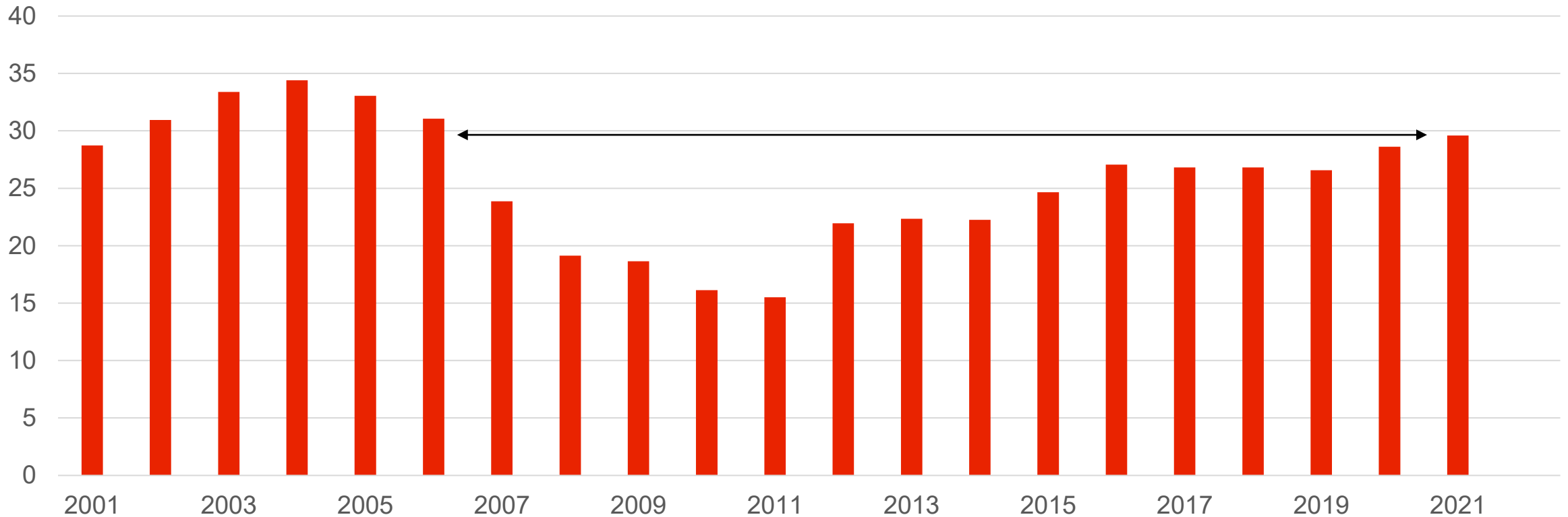


Source: Freddie Mac Primary Mortgage Market Survey® (history), IHS Markit (forecast)

Milwaukee Metro Home Sales Hit 15-year High in 2021

2021 sales were largest number since 2006

Milwaukee Metro Home Sales (thousands)

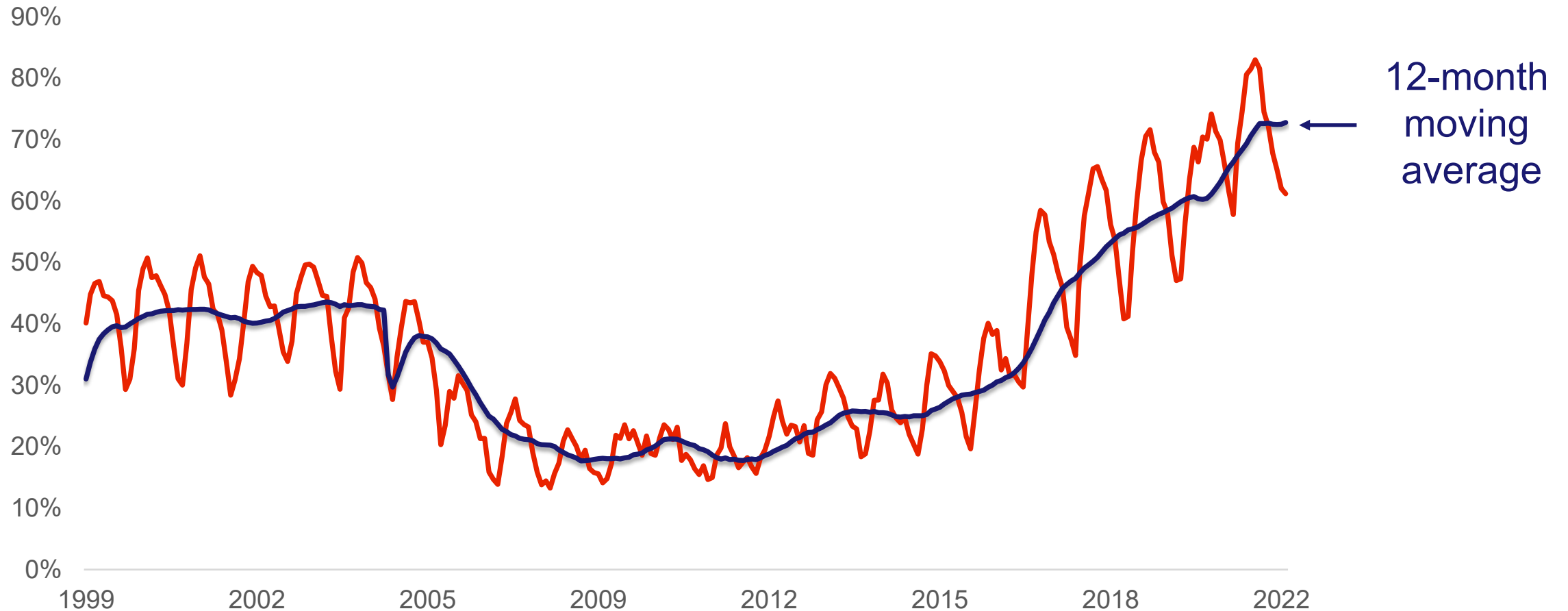


Source: CoreLogic public records, arm's length transactions for Milwaukee-Waukesha Metropolitan Statistical Area

Milwaukee Metro: Existing Homes Sold Fast in 2021

61% of homes were under contract within 30 days in Feb 2022

Percent of Homes were under contracts within 30 days of List Date

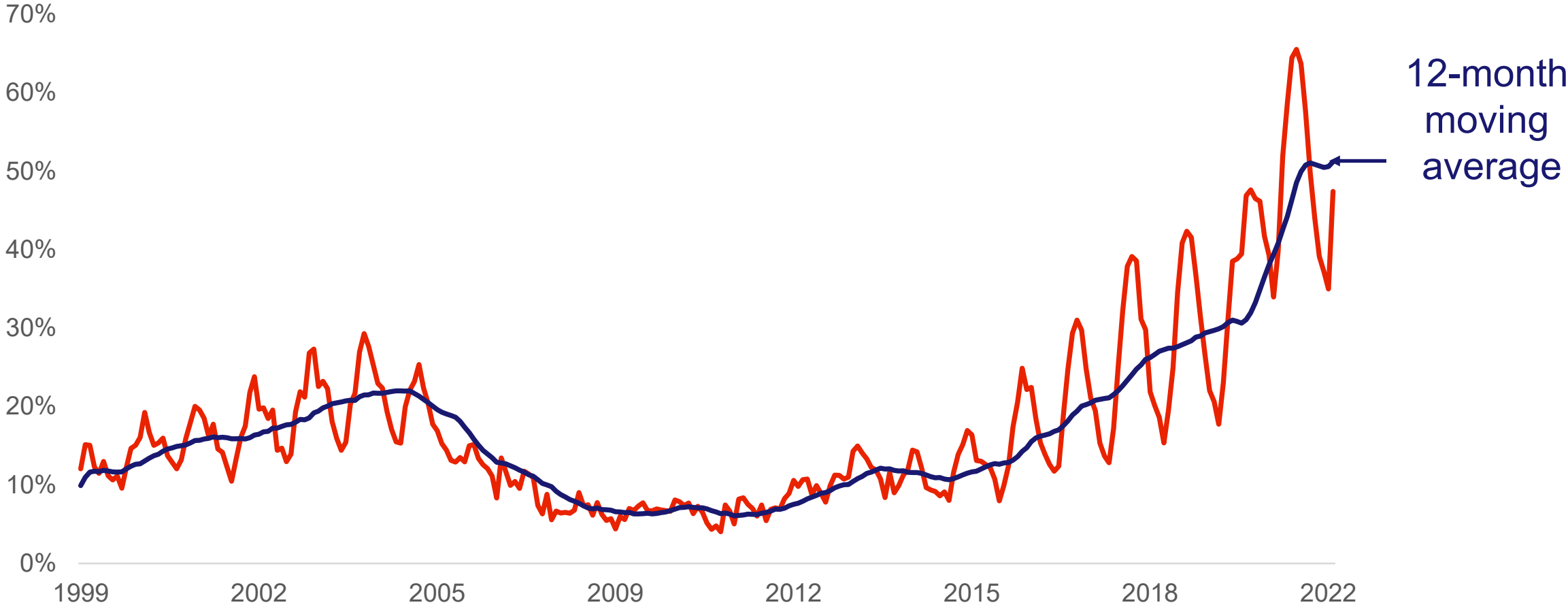


Source: CoreLogic MLS

Milwaukee Metro: Buyer Competition Hit New High in 2021

Nearly one-half of homes sold over the list price in Feb 2022

Percent of Homes Sold with Sales Price Above List Price

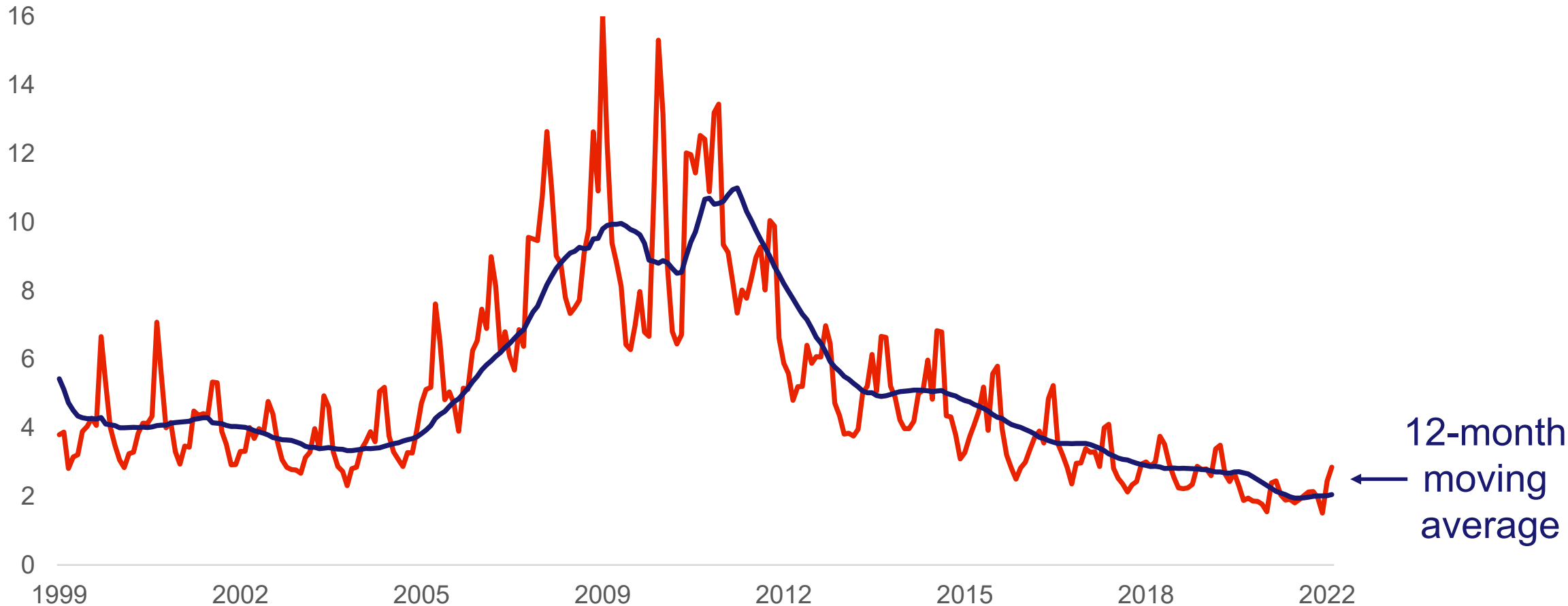


Source: CoreLogic MLS

Milwaukee Metro: Lowest Months Supply since 1999

Feb 2022: 2 Months Supply (12-month average)

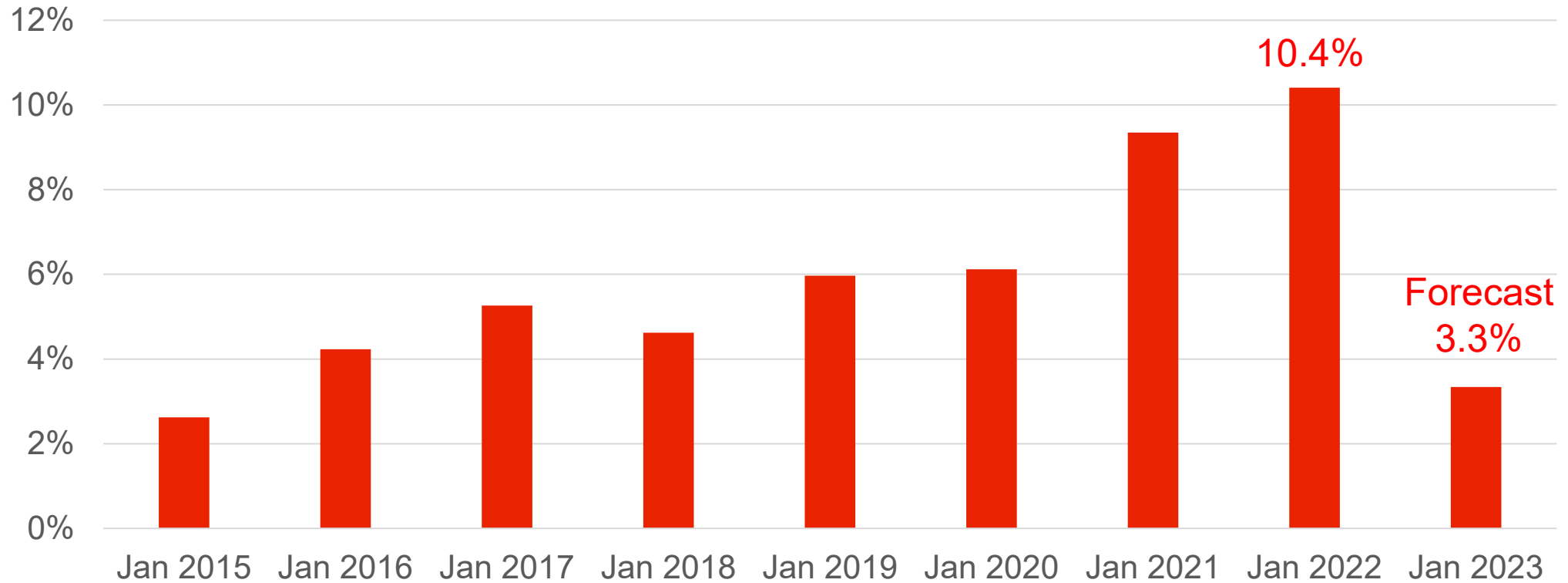
Months Supply of Unsold Listings



Source: CoreLogic MLS

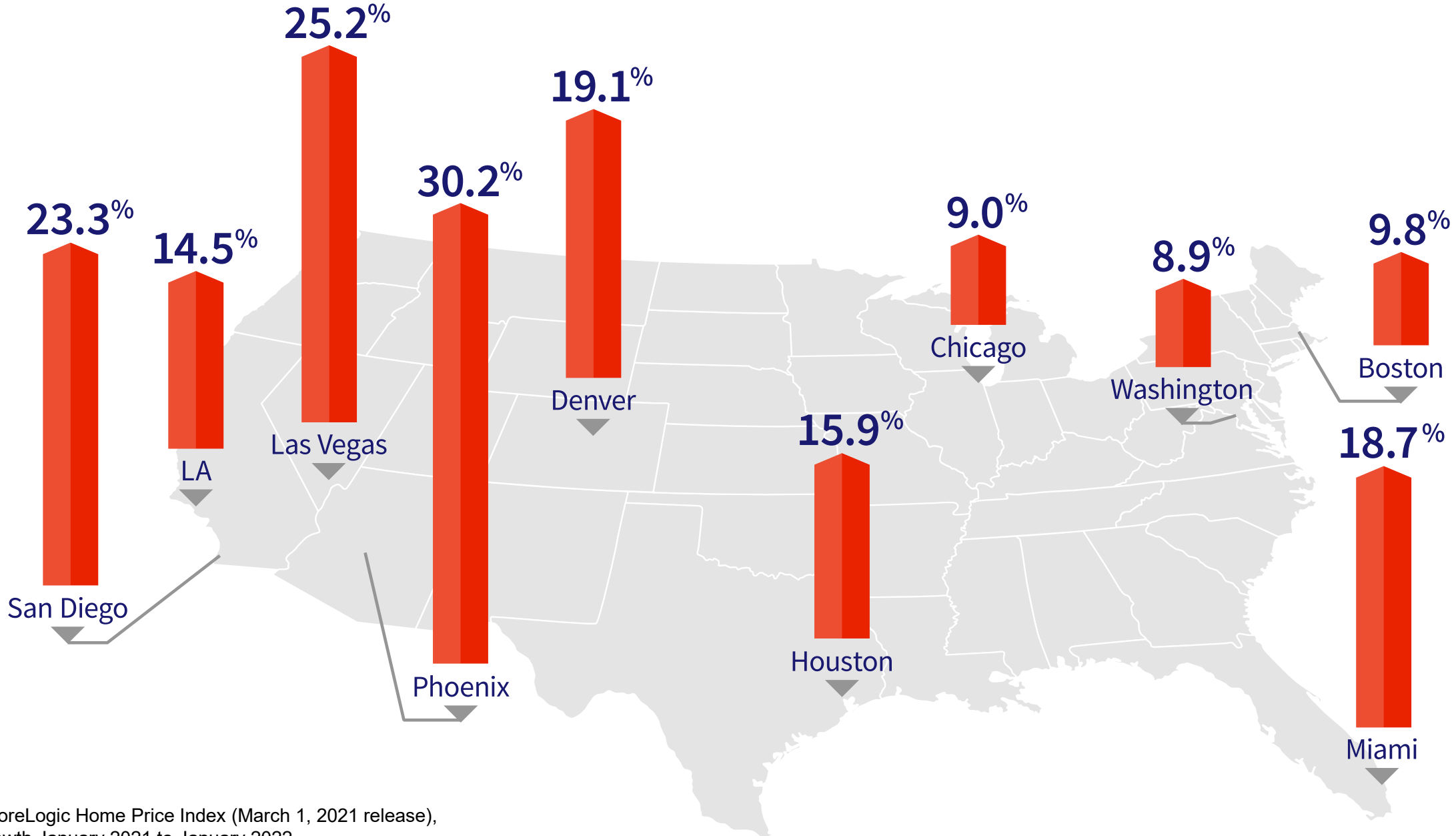
Milwaukee Metro: Largest Price Gain Since 2006

12-Month Change (percent): Milwaukee-Waukesha



Source: CoreLogic Home Price Index and HPI Forecast (March 1, 2022)

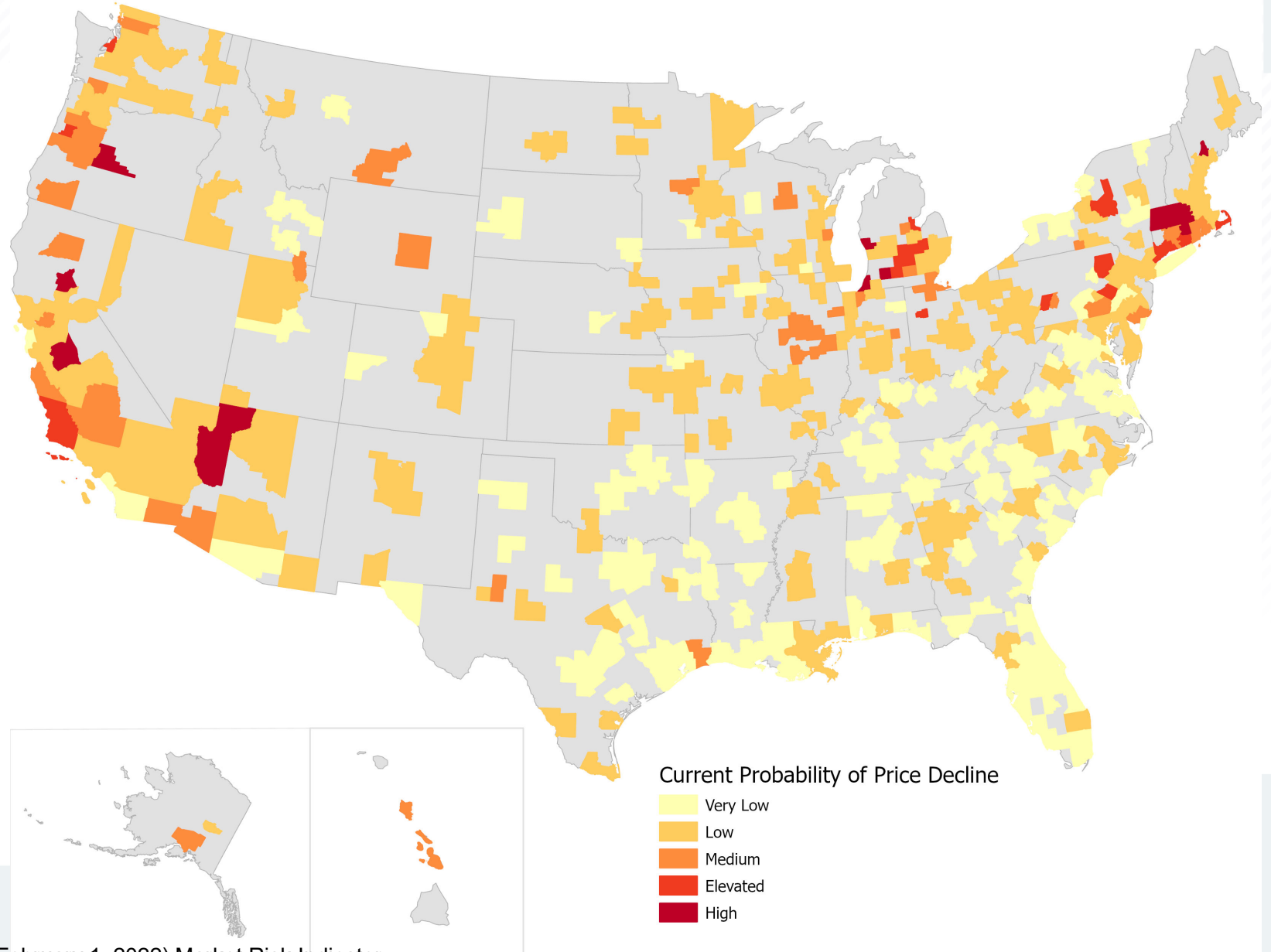
Price Growth Has Been Robust Across Metros...



Source: CoreLogic Home Price Index (March 1, 2021 release), annual growth January 2021 to January 2022

....And the Risk of Price Declines Remains Low

- 33% of metros have less than 10% probability of price decline over the next 12 months
- 12 metros have more than 50% probability
- West, Northeast and Michigan relatively higher probability



Top 5 Metros		Probability of Risk of Price Decline in 12 Months
1	Prescott, AZ	+70%*
2	Merced, CA	+70%*
3	Lake Havasu City, AZ	+70%*
4	Worcester, MA-CT	+70%*
5	Kalamazoo, MI	50-70%*

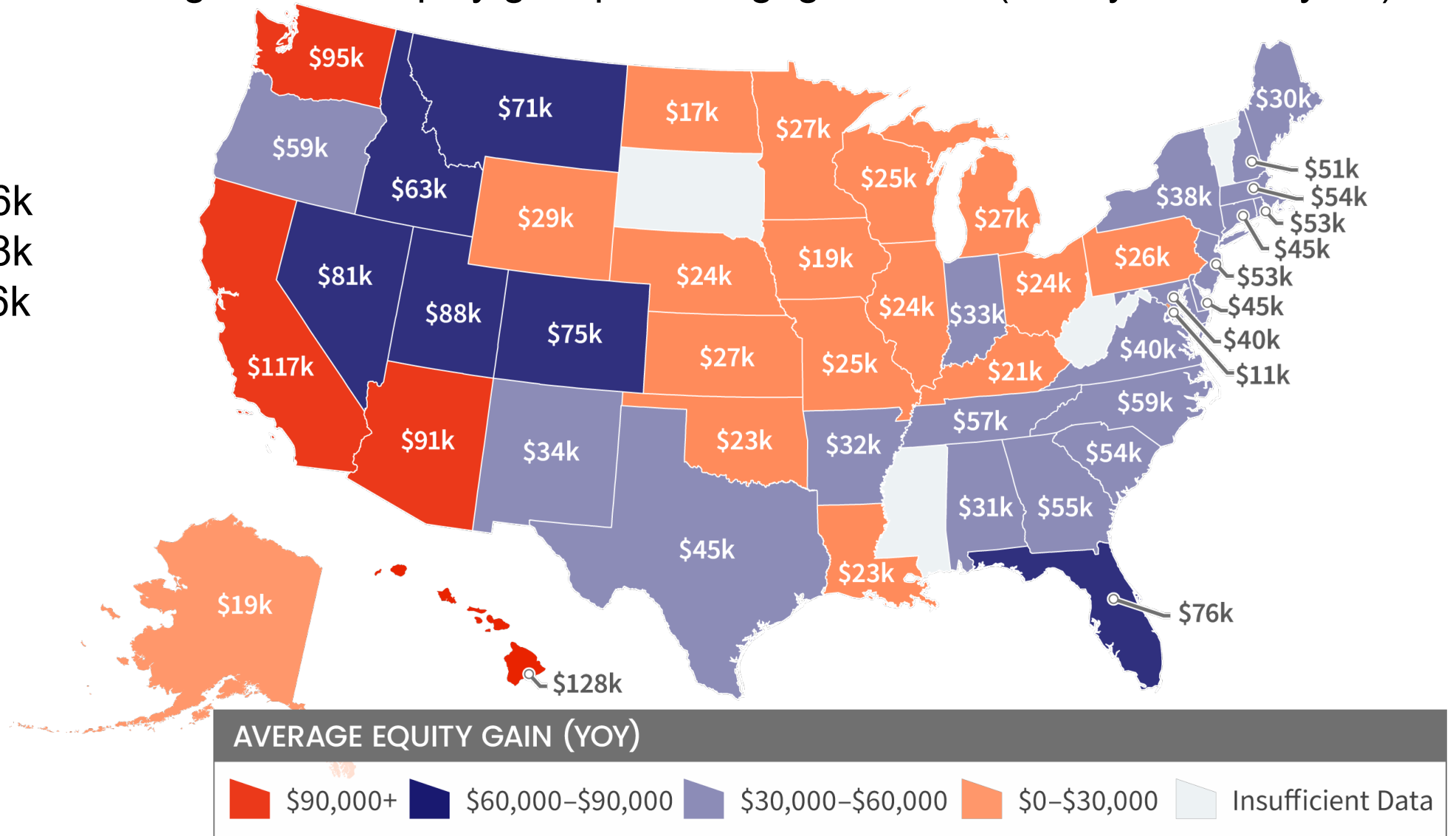
* Confidence score 50-75%



Average Homeowner Gained \$55.3K in Equity Last Year

U.S.: \$55,300 average annual equity gain per mortgaged home (Dec. year-over-year)

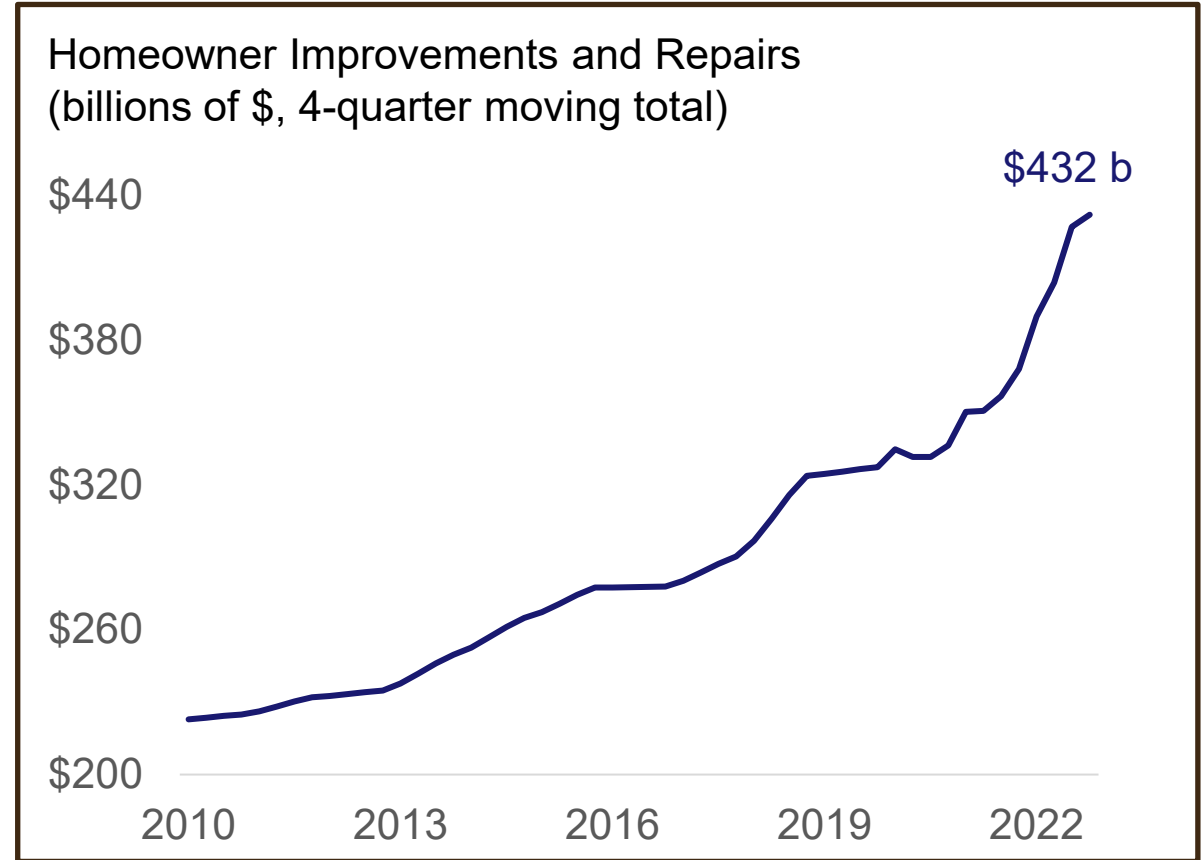
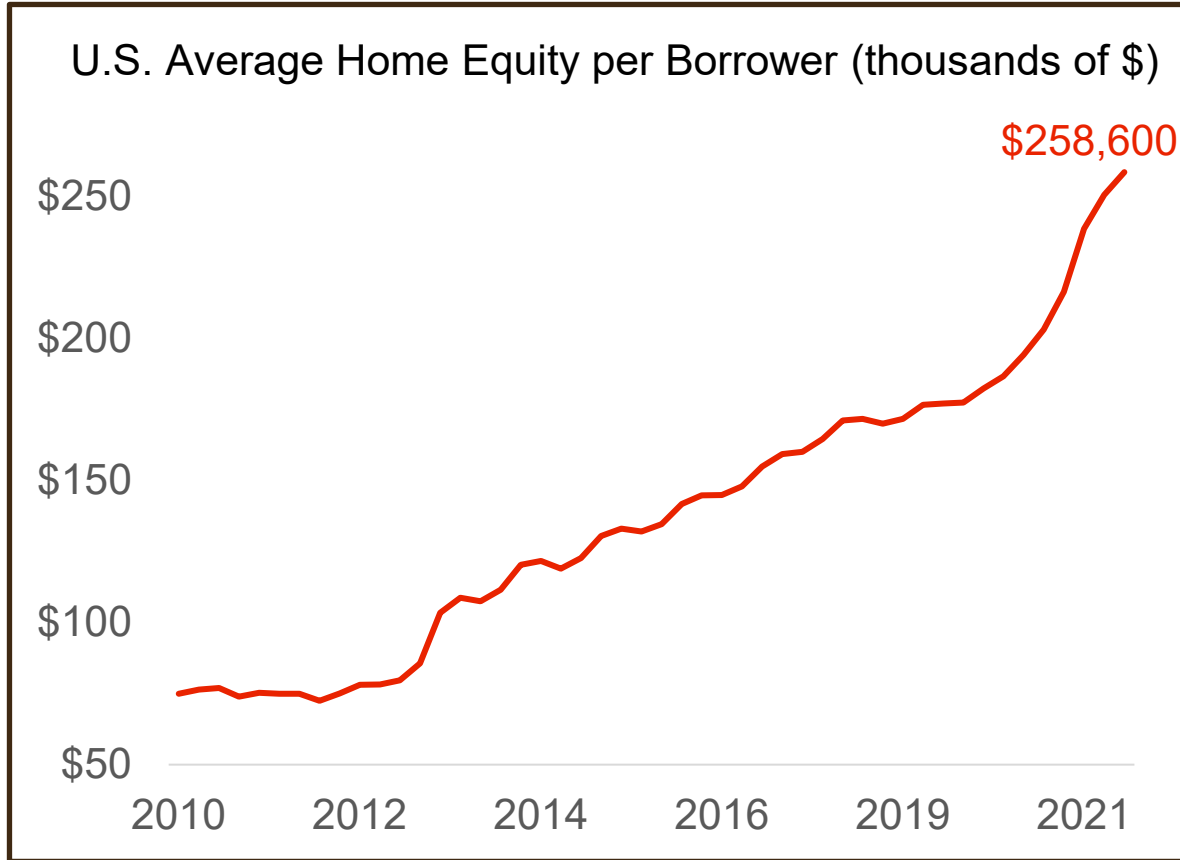
Green Bay \$26k
 Madison \$28k
 Milwaukee \$26k



Source: CoreLogic Home Equity Report for 2021Q4 (March 10, 2022)

Home Equity & SIP Drive Home Improvement Spend

Remodeling expenditures forecast to rise 17% in 2022 to \$432 billion



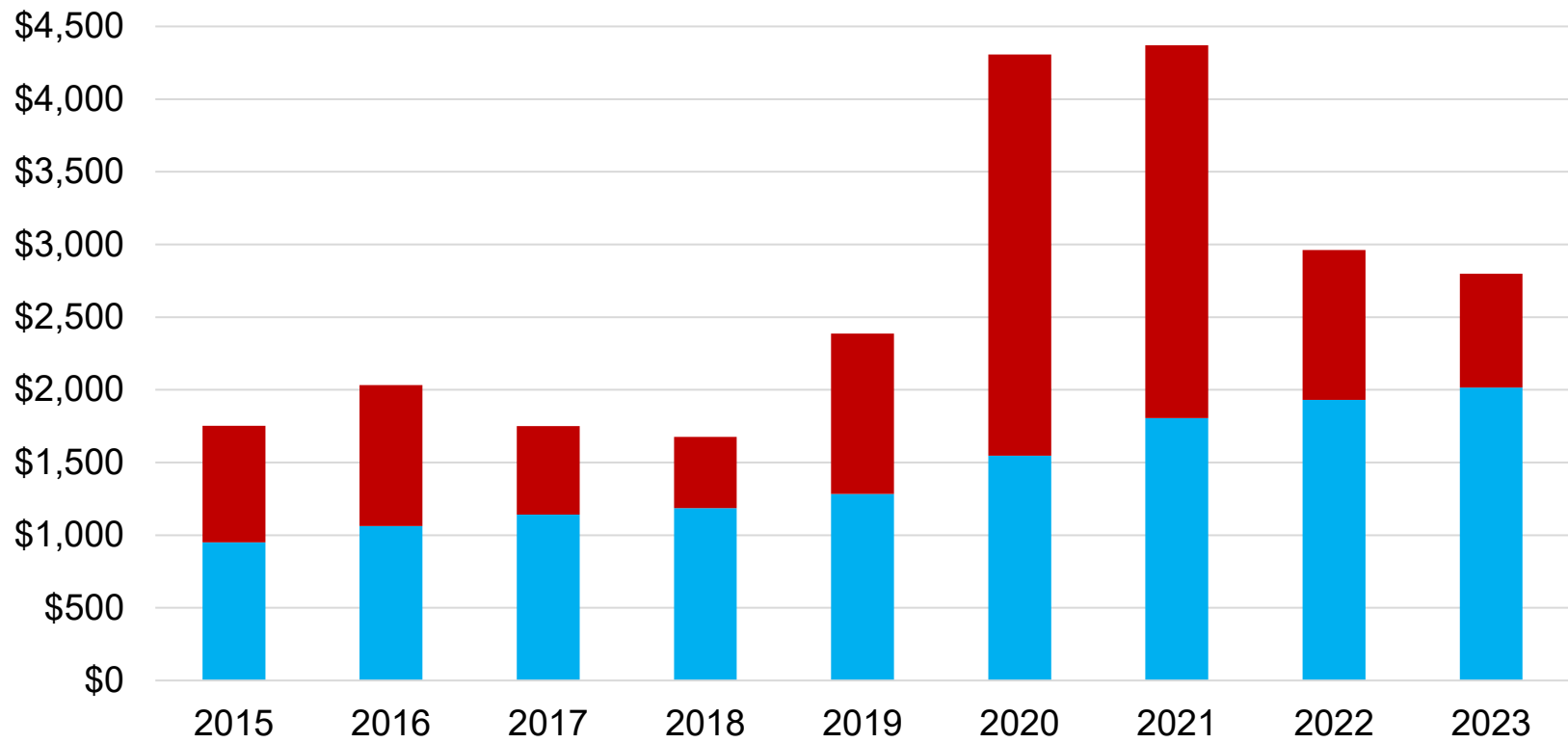
Source: CoreLogic Home Equity Report for 2021Q4 (March 10, 2022), Harvard Joint Center for Housing Studies LIRA (January 20, 2022); Improvements include remodels, replacements, additions, and structural alterations that increase the value of homes.

MBA & GSEs Forecast Drop in Mortgage Originations in 2022

2022 forecast is 27% *above* 2019; but *down* 31% from 2021

--Forecast--

Single-family Mortgage Originations (Billions of U.S. dollars)



	<u>2022</u>	<u>2023</u>
Total:	-32%	-6%
Refi:	-60%	-24%
Purch:	+7%	+4%

Refinance

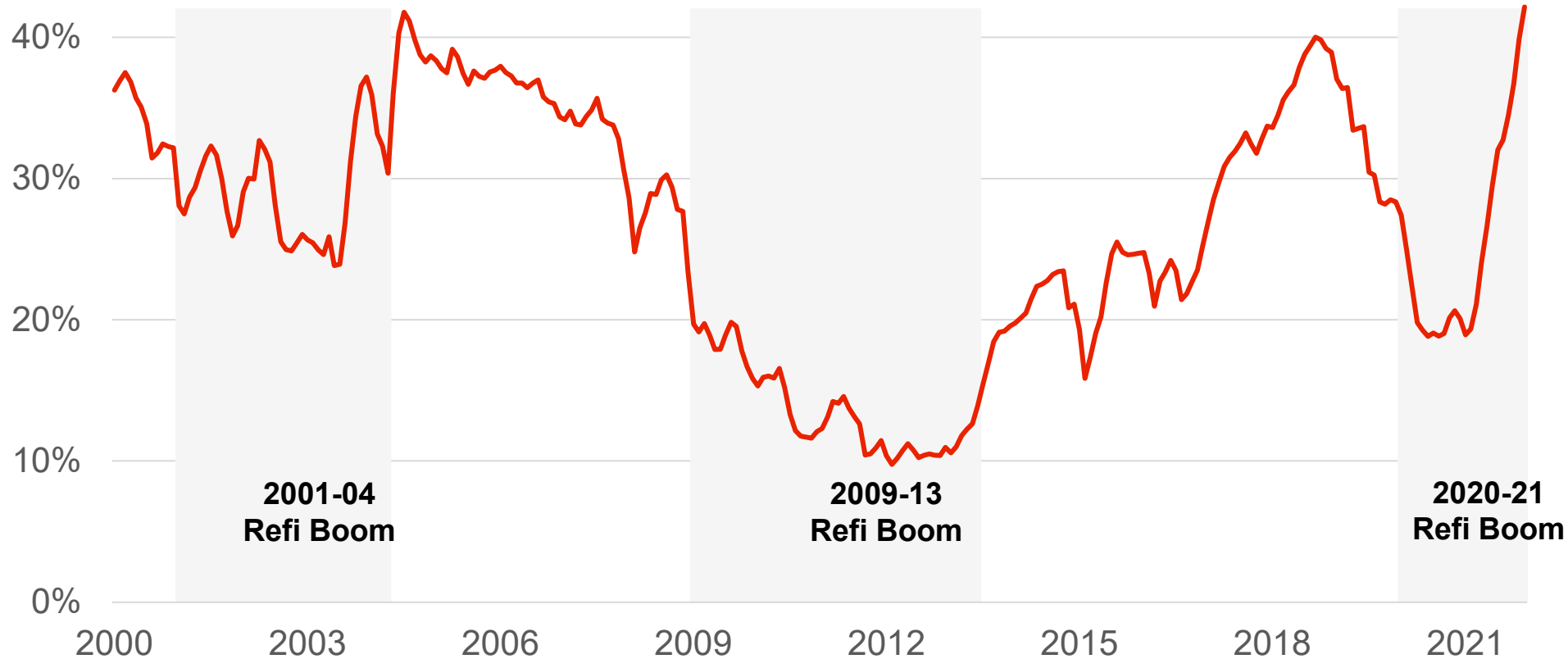
Purchase

Source: Originations for 2015-2020 are from CoreLogic public records (benchmarked to HMDA through 2020); 2021 to 2023 are an average of the latest projections released by Mortgage Bankers Association, Fannie Mae and Freddie Mac. Originations exclude HELOCs.

Less Refinance & Mix Shifts toward Cash-out

Higher mortgage rates will likely lead to rising cash-out share

Cash out refinances as a share of \$ refinance originations



- Refi originations drop 60% in 2022
- Larger cash-out mix in 2022 refi
- Lower avg. credit score for 2022 refi
- Longer avg. term for 2022 refi

Source: CoreLogic Public Records (first liens); a refinance is a 'cash-out' if the principal amount of the new loan is at least 5 percent or at least \$5,000 greater than the origination principal of the paid-off loan.

Wisconsin Home Mortgage Activity



2021 Originations:

- 86K home-purchase loans, 181K refinance loans
- \$55 billion
- \$207K average

Milwaukee:

- \$16.5 billion, \$235K avg.

Madison:

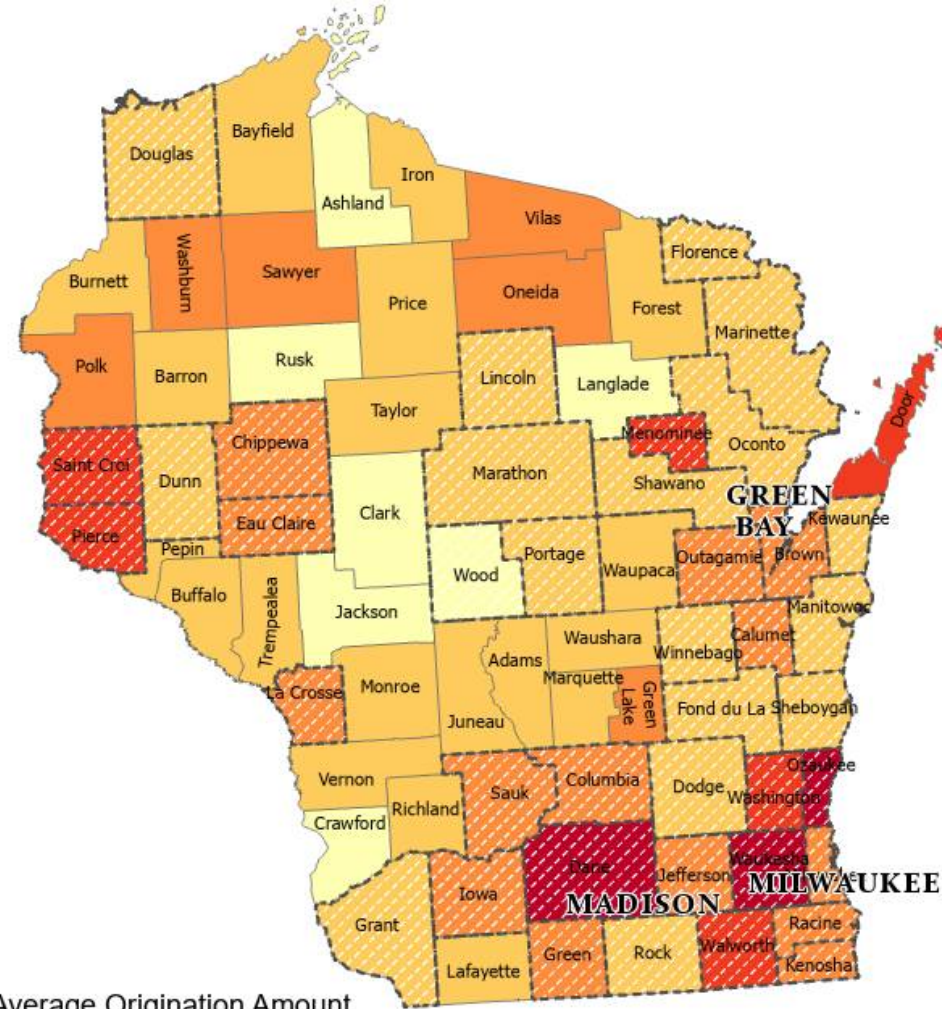
- \$8.3 billion, \$252K avg.

Green Bay Metro:

- \$2.9 billion, \$191K avg.

Non-metro:

- \$6.2 billion, \$177K avg.



Origination Amount (\$Bil)

- Less than 0.1
- 0.11 - 0.20
- 0.21 - 0.50
- 0.51 - 1.00
- More than 1

--- CBSA Boundary

Average Origination Amount

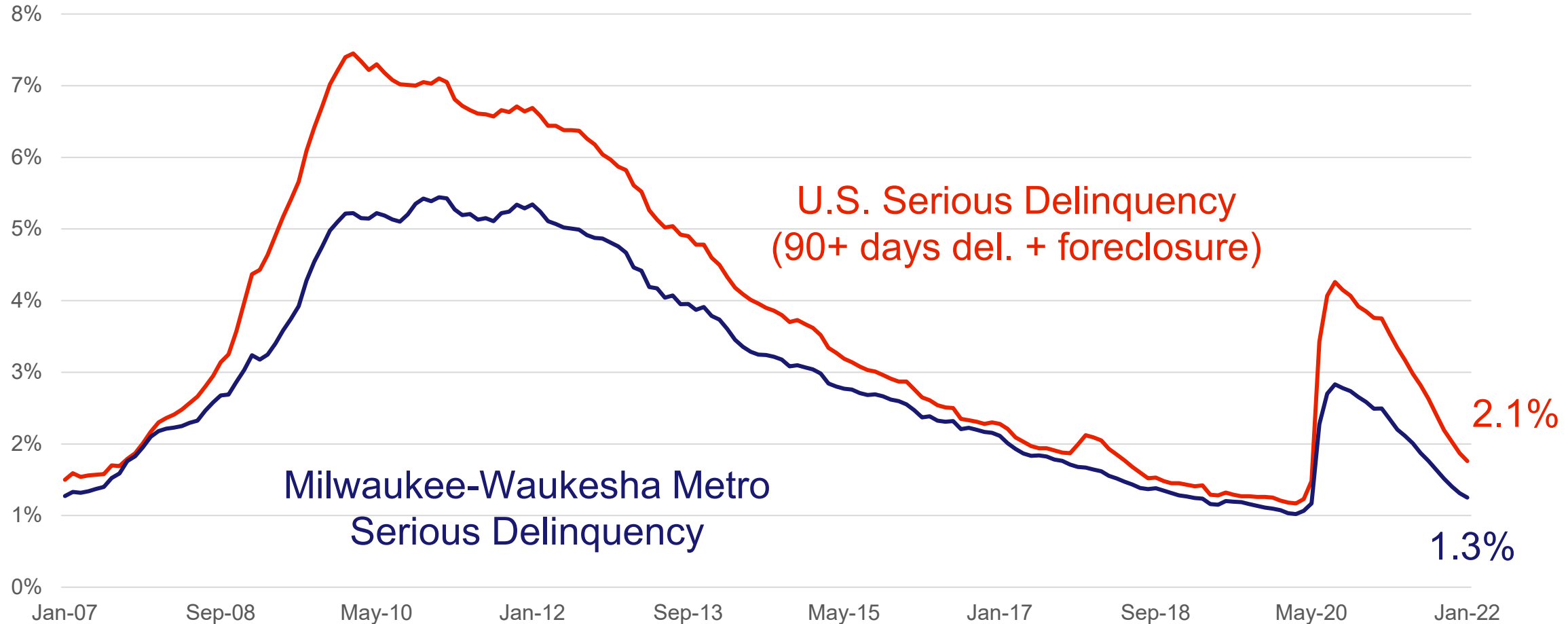
- Less than \$150,000
- \$150,001 - \$200,000
- \$200,001 - \$250,000
- \$250,001 - \$300,000
- More than \$300,000

--- CBSA Boundary

D90+ Declining, Almost Back to pre-Pandemic Rate

Expect an uptick in distressed sales in 2022

Serious Delinquency Rate (Percent of Active Loans)

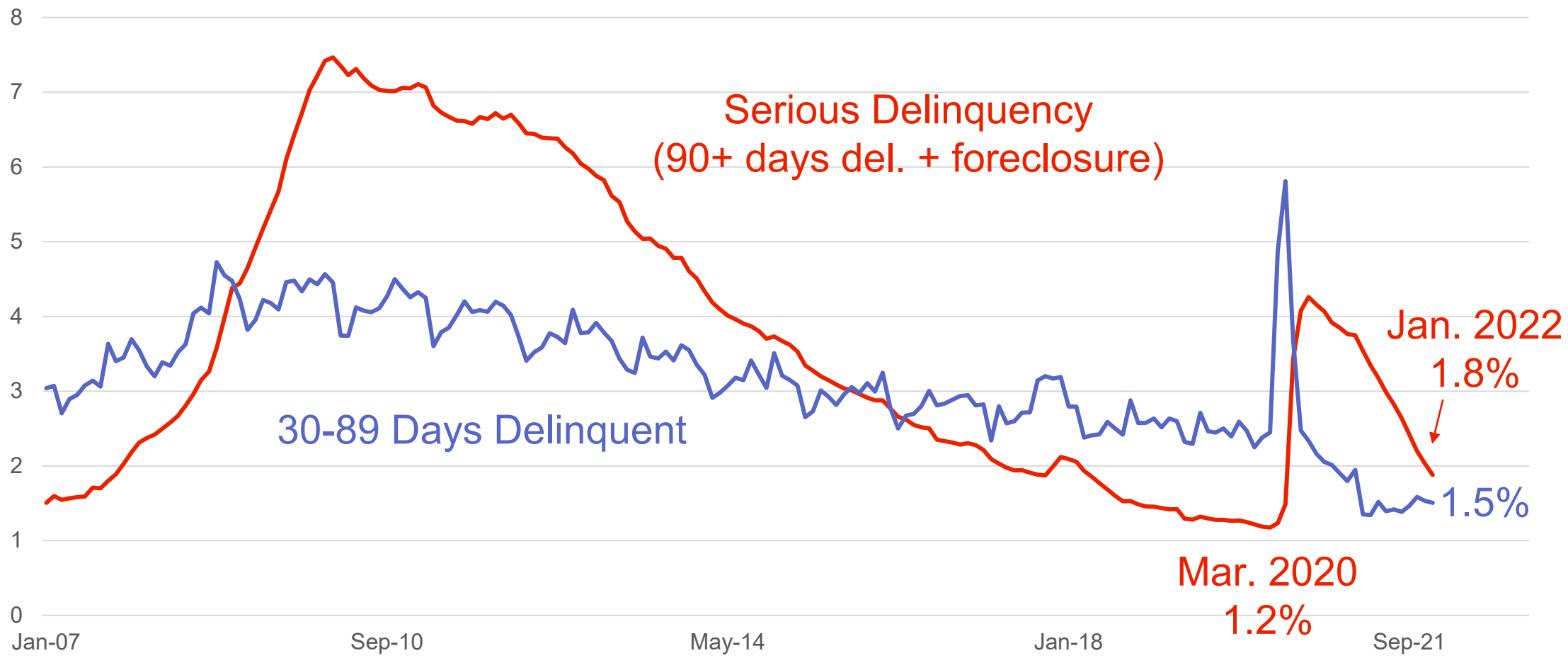


Source: CoreLogic TrueStandings Servicing; serious delinquency is at least 90 days delinquent or in foreclosure proceedings

Delinquency Stays Low with Uptick in Distressed Sales

30-89 day delinquency at a generational low; total past due lowest since March 2020

Serious Delinquency Rate (Percent of Active Loans)

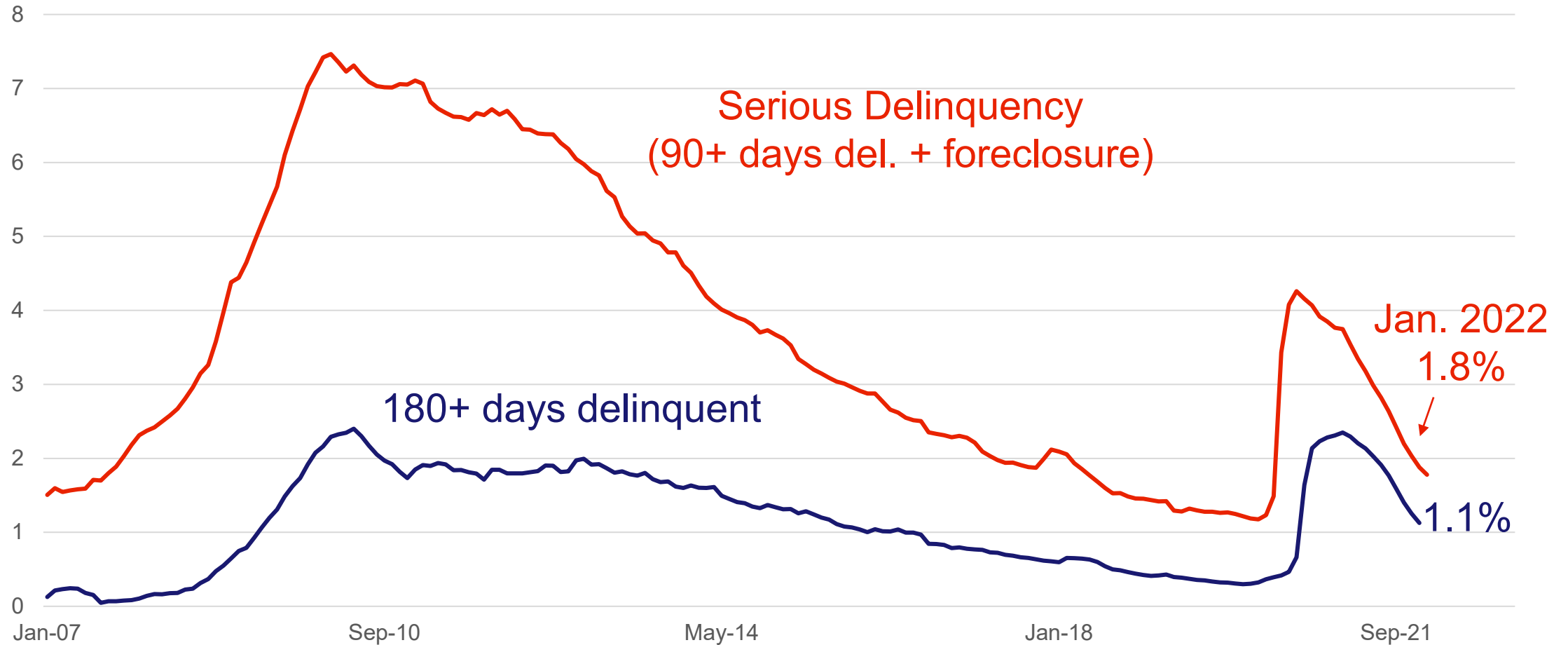


Source: CoreLogic TrueStandings Servicing; serious delinquency is at least 90 days delinquent or in foreclosure proceedings

Delinquency Stays Low with Uptick in Distressed Sales

About 600K borrowers have missed 6 or more monthly payments as of November 2021

Serious Delinquency Rate (Percent of Active Loans)



Source: CoreLogic TrueStandings Servicing; serious delinquency is at least 90 days delinquent or in foreclosure proceedings

Where to find more information

Look for regular updates to our housing forecast, commentary and data at

<https://www.corelogic.com/intelligence/>

@CoreLogicInc

@DrFrankNothaft

The views, opinions, forecasts and estimates herein are those of the CoreLogic Office of the Chief Economist, are subject to change without notice and do not necessarily reflect the position of CoreLogic or its management. The Office of the Chief Economist makes every effort to provide accurate and reliable information, however, it does not guarantee accuracy, completeness, timeliness or suitability for any particular purpose.

CORELOGIC and the CoreLogic logo are trademarks of CoreLogic, Inc. and/or its subsidiaries.

Q&A



MARQUETTE
UNIVERSITY

College of Business Administration
Center for Real Estate

GOLD SPONSORS



BLUE SPONSOR



FIRSTWEBER
— REALTORS® —



MARQUETTE
UNIVERSITY

College of Business Administration
Center for Real Estate

TABLE SPONSORS



THANK YOU!



MARQUETTE
UNIVERSITY

BE THE DIFFERENCE.