There is risk to the upside

<table>
<thead>
<tr>
<th>Answer choice</th>
<th>%</th>
<th>% w/opinion</th>
<th>Expected Home Value Change* Through 2027 (Cumulative)</th>
<th>Risk Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is risk to the upside</td>
<td>34</td>
<td>32%</td>
<td>19.4%</td>
<td>33%</td>
</tr>
<tr>
<td>There is risk to the downside</td>
<td>34</td>
<td>32%</td>
<td>15.3%</td>
<td>44%</td>
</tr>
<tr>
<td>The risk is balanced</td>
<td>36</td>
<td>34%</td>
<td>19.6%</td>
<td>35%</td>
</tr>
<tr>
<td>No Response</td>
<td>3</td>
<td>3%</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Total</td>
<td>107</td>
<td>100%</td>
<td>17.8%</td>
<td>3.3%</td>
</tr>
</tbody>
</table>

*Mean expectations of respondents by answer choice. 107 panelists participated in this quarter's survey.

There is risk to the downside

The risk is balanced

No Response

Total

Household Formation

How significant and lasting a negative impact—if any—do you expect the resumption of federal student loan payments to have on each of the following?

Expected Negative Impact

- 27% Significant
- 61% Insignificant
- 12% None

Expected Duration

- 22% None
- 13% < 1 year
- 37% 1 - 2 years
- 13% 3 - 4 years
- 14% 5+ years

Figures do not sum to 100% due to rounding.
How significant and lasting a negative impact—if any—do you expect the resumption of federal student loan payments to have on each of the following? (cont’d)

**Homeownership Rate**

- **Expected Negative Impact**
  - 35% Significant
  - 6% Insignificant
  - 59% None
  - 83 Respondents

- **Expected Duration**
  - 11% None
  - 12% < 1 year
  - 37% 1 - 2 years
  - 20% 3 - 4 years
  - 20% 5+ years
  - 75 Respondents

**Mortgage Affordability**

- **Expected Negative Impact**
  - 58% Significant
  - 30% Insignificant
  - 12% None
  - 83 Respondents

- **Expected Duration**
  - 9% None
  - 9% < 1 year
  - 38% 1 - 2 years
  - 26% 3 - 4 years
  - 17% 5+ years
  - 76 Respondents

**Mortgage Delinquency**

- **Expected Negative Impact**
  - 65% Significant
  - 9% Insignificant
  - 26% None
  - 81 Respondents

- **Expected Duration**
  - 16% None
  - 19% < 1 year
  - 38% 1 - 2 years
  - 14% 3 - 4 years
  - 12% 5+ years
  - 73 Respondents

**Rent Affordability**

- **Expected Negative Impact**
  - 52% Significant
  - 7% Insignificant
  - 41% None
  - 81 Respondents

- **Expected Duration**
  - 9% None
  - 14% < 1 year
  - 45% 1 - 2 years
  - 18% 3 - 4 years
  - 13% 5+ years
  - 76 Respondents

*Figures do not sum to 100% due to rounding.*
Supplemental Questions

Topic: Age & Market Share of First-Time Home Buyers

The most recent NAR Profile of Home Buyers and Sellers study revealed that the median age of repeat home buyers and first-time home buyers hit all-time highs in 2022—each jumping by 3 years, to 59 years and 36 years, respectively—and that the first-time buyer share (among primary residence buyers) fell to an all-time low.

About how much time do you expect will pass before...

...the median age of first-time buyers returns to its 2021 level (33) or lower?

- 15%
- 37%
- 48%

1 - 2 years  3 - 4 years  5+ years

About how much time do you expect will pass before...

...the first-time buyer share of primary residence purchasers returns to its 2021 level (34% or higher)?

- 19%
- 39%
- 42%

1 - 2 years  3 - 4 years  5+ years

86 Respondents
Q3 2023 Home Price Expectations Survey - Supplemental Questions
Field Period: July 31 - August 14, 2023

Topic: Rated Home Equity Investment Securities

A few weeks ago, the first guidelines for rated home equity investment-backed securities were published—a critical first step to foster product design standards and to create secondary market liquidity. (Home Equity Investments—HEIs—are contracts that enable homeowners to tap equity without borrowing against, or selling, their homes: a homeowner receives a lump sum cash payment from the HEI investor in exchange for a fixed, minority stake in their property; thus, the investor shares in any change—increase or decrease—in the home’s value). In certain markets, institutional purchasers of newly-built and existing single-family homes have some observers fretting that individual buyers are being crowded-out of homeownership.

In certain markets, institutional purchasers of newly-built and existing single-family homes have some observers fretting that individual buyers are being crowded-out of homeownership.

Which of the following choices best reflects your view re: the potential appeal of HEI-backed securities to institutional investors (e.g., as an alternative or complement to buy-to-rent/build-to-rent/i-buying strategies, mortgage-backed securities or other credit instruments)?

- Very limited: 16%
- Somewhat limited: 44%
- Somewhat significant: 33%
- Very significant: 7%

In recent years, record-high home prices have driven home equity to record levels.

Which of the following choices best reflects your view re: the potential appeal of HEI contracts to homeowners as a debt-free liquidity and risk management product (e.g., to monetize a portion of their accumulated home equity to diversify wealth, mitigate exposure to home price risk, pay-down/avoid high cost loans)?

- Very limited: 12%
- Somewhat limited: 37%
- Somewhat significant: 44%
- Very significant: 7%

82 Respondents
Chart excludes indeterminate responses