

The coronavirus is certainly having an impact on the housing market. What is typically the busiest time of the year for buying a home, this spring will likely look much different than normal. The shutdown caused by the virus has disrupted everything from new listings to supply chains for home builders. Initially, the current shutdown was predicted to have a similar impact on the housing market that we experienced in the 2008 recession. However, the housing market has remained fairly resilient, due in part to a slowdown in overall transactions. In other words, prices overall haven't changed much because there are so few transactions.

- With a government moratorium on foreclosures, homeowners who've been hit financially by the economic shutdown can delay their mortgage payments. While this is good for homeowners, mortgage servicers could come under pressure to deliver missed payments to bondholders. At this point we simply don't know the potential longer-term damage this might cause.
- According to a Zillow study, in past pandemics home sales have dropped dramatically; however, overall home prices have remained fairly steady. Moreover, given the quarantine, existing homeowners might be more inclined to make renovations or additions, which could be a positive for homebuilders longer-term.

