



TovoData Mortgage Demand Index

Quarterly Mortgage Demand Analysis Conducted in
Partnership with [iLeads.com](https://www.ileads.com)

4Q REPORT 2020

TOV**Data**
PROPERTY CENTRIC DATA



■ TovoData Mortgage Demand Index

The TovoData Mortgage Demand Index (MDI) measures the quarterly concentration of demand for new mortgages based on lead activity for purchase and refinance mortgages by state. The TovoData MDI is also produced as two subindices – the Purchase MDI and the Refinance MDI

The TovoData MDI serves as a predictive indicator for the anticipated concentration of closed mortgages across states in the next quarter.

An index value of:

- ◆ 100 means mortgage demand in a state is the same as the nation during the quarter.
- ◆ >100 means mortgage demand in a state is stronger than the nation during the quarter.
- ◆ <100 means mortgage demand in a state is weaker than the nation during the quarter.

Methodology

The predictive mortgage demand relative to existing housing inventory is measured using iLeads.com tracked demand based on consumer mortgage Internet-based inquiries for mortgages and US Census Bureau data on the count and value of owner-occupied homes with an existing mortgage.

iLeads.com tracked demand for mortgages in one quarter are strong predictors of new, closed mortgages in the following quarter. The demand for mortgages can be influenced by economic factors such as mortgage rates, home prices, and job growth. Tracked demand captures the real-time interest in obtaining a mortgage, reflecting the combined effect of economic conditions on mortgage demand. A TovoData study finds that tracked demand based on consumer intent mortgage leads in one quarter can explain 80% - or four-fifths – of changes in new mortgage activity for the following quarter.

Consumer mortgage demand is analyzed as a share of owner-occupied homes with an existing mortgage to show concentration to only the most relevant subset of housing stock. Housing counts and values for this subset of housing by state are used to balance the results, preventing skews toward states with lower counts and /or median values. The tracked demand count as a share of stock and tracked valuations of mortgage demand as a share of value are combined to calculate the index.

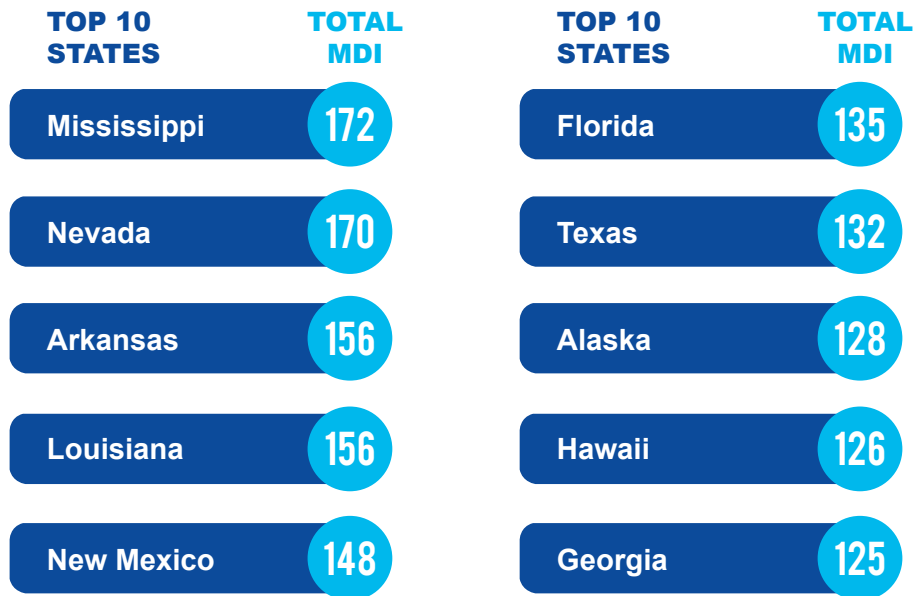
4Q 2020 Results

TovoData MDI

The fourth quarter 2020 TovoData MDI results show strong mortgage demand throughout the southern and western US. These results align with the recent housing demand pattern shifting toward low versus high-cost areas and elevated refinance demand due to historically low mortgage rates.

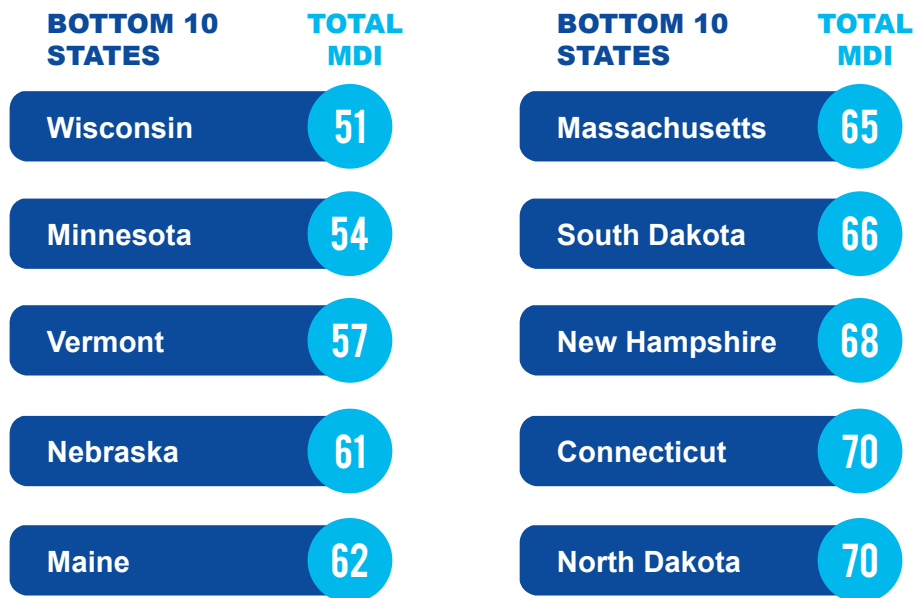
In the fourth quarter of 2020, 20 states had a TovoData MDI over 100, reflecting more concentrated activity versus the nation. Four states had an index of 150 or higher – Mississippi (172), Nevada (170), Arkansas (156), and Louisiana (156). Nevada and Florida (135 in fourth quarter 2020) tend to have an index value over 100 across time, given the concentration of second homes and vacation properties in these states.

TovoData Mortgage Demand Index: Top 10 States 4Q 2020



Source: U.S. Census Bureau, iLeads.com, TovoData.

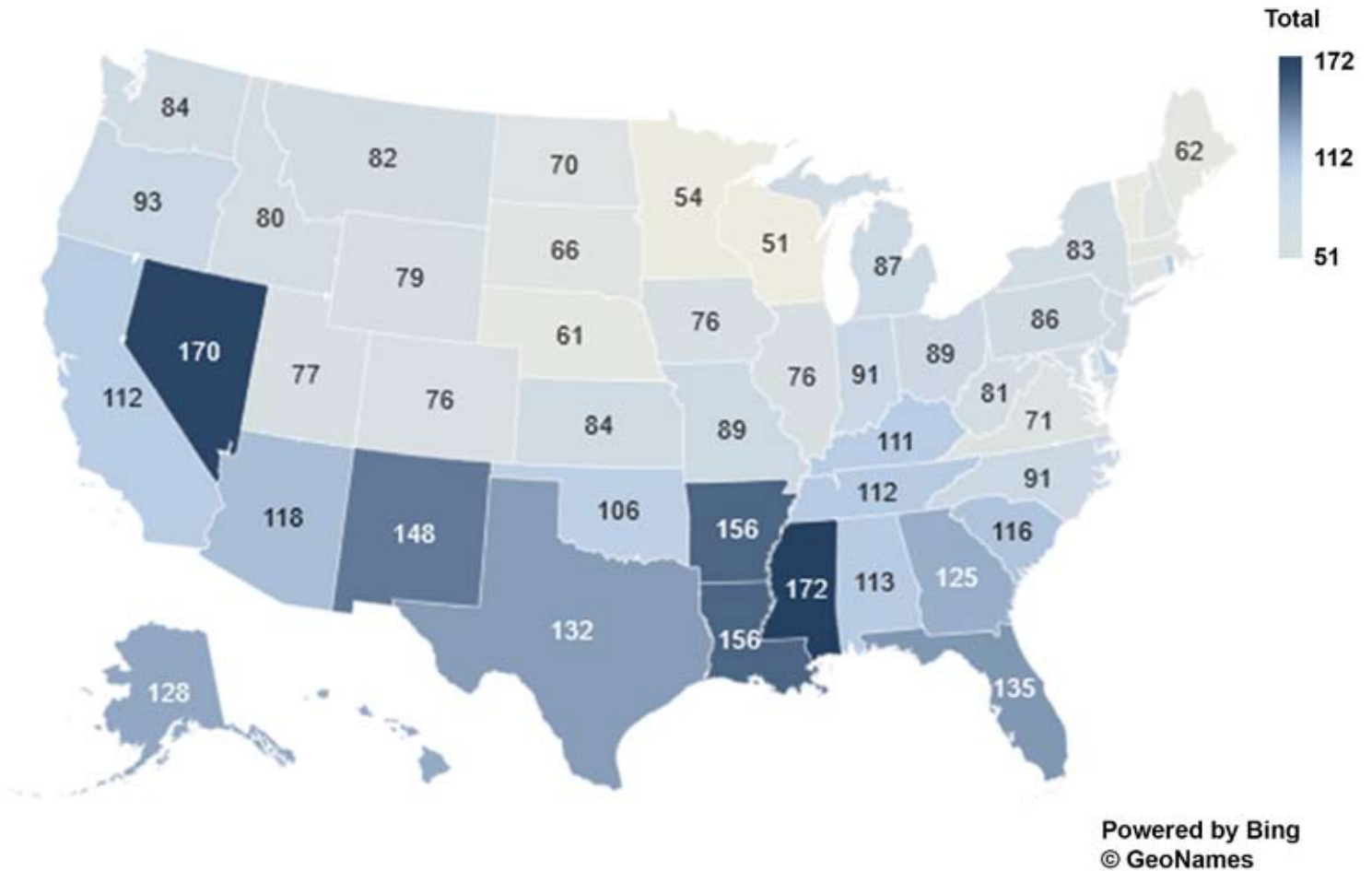
TovoData Mortgage Demand Index: Bottom 10 States 4Q 2020



Source: U.S. Census Bureau, iLeads.com, TovoData.

Nevada leading mortgage activity is concentrated in the Las Vegas metro area. In Mississippi, the Jackson metro, Gulf Coast cities, and Memphis suburbs account for 35% of 4Q 2020 leading mortgage activity in the state. The Jackson metro accounts for roughly the same amount of leading activity of the other two areas combined, but home values tied to activity in the Memphis suburbs and Gulf Coast are nearly double that for Jackson metro.

TovoData MDI, 4Q 2020



Source: U.S. Census Bureau, iLeads.com, TovoData.

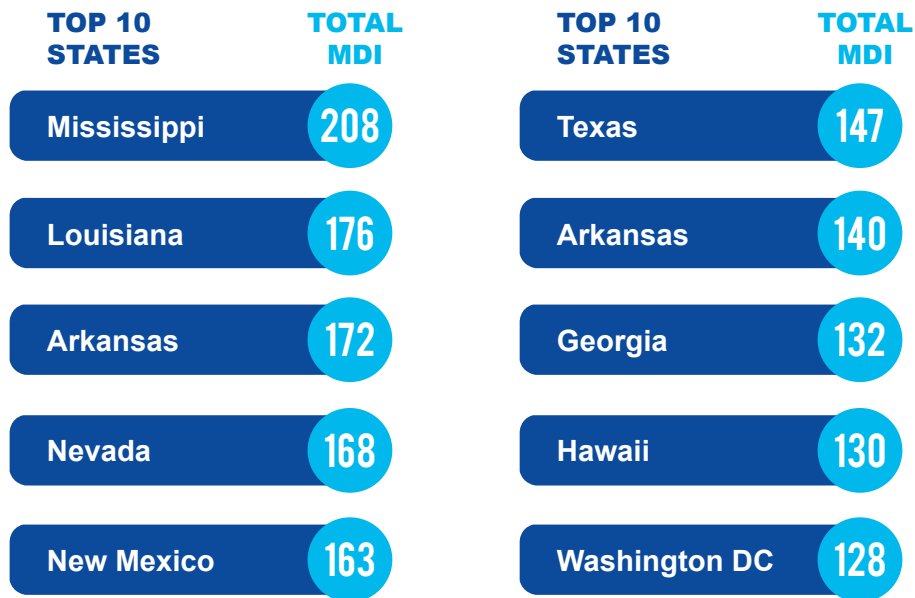
TovoDataPurchaseMortgage Demand Index

The Purchase MDI provides the same measure of mortgage demand concentration by state, but only for purchase mortgages. In the fourth quarter 2020, 19 states had a TovoData Purchase MDI of 100 or more, with five states at 150 or higher.

TovoData Purchase Mortgage Demand Index

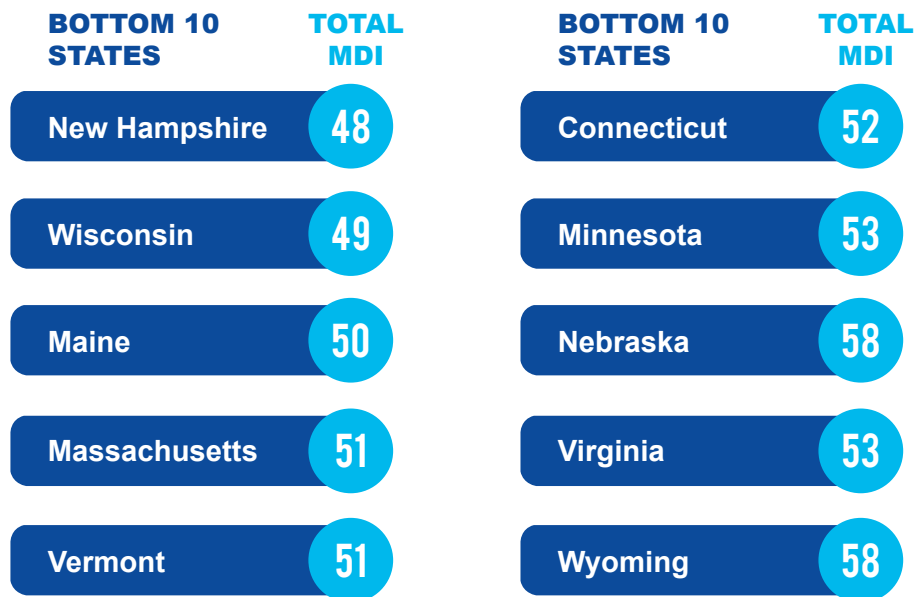
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TovoData Purchase Mortgage Demand Index: Top 10 States 4Q 2020



Source: U.S. Census Bureau, iLeads.com, TovoData.

TovoData Purchase Mortgage Demand Index: Bottom 10 States 4Q 2020

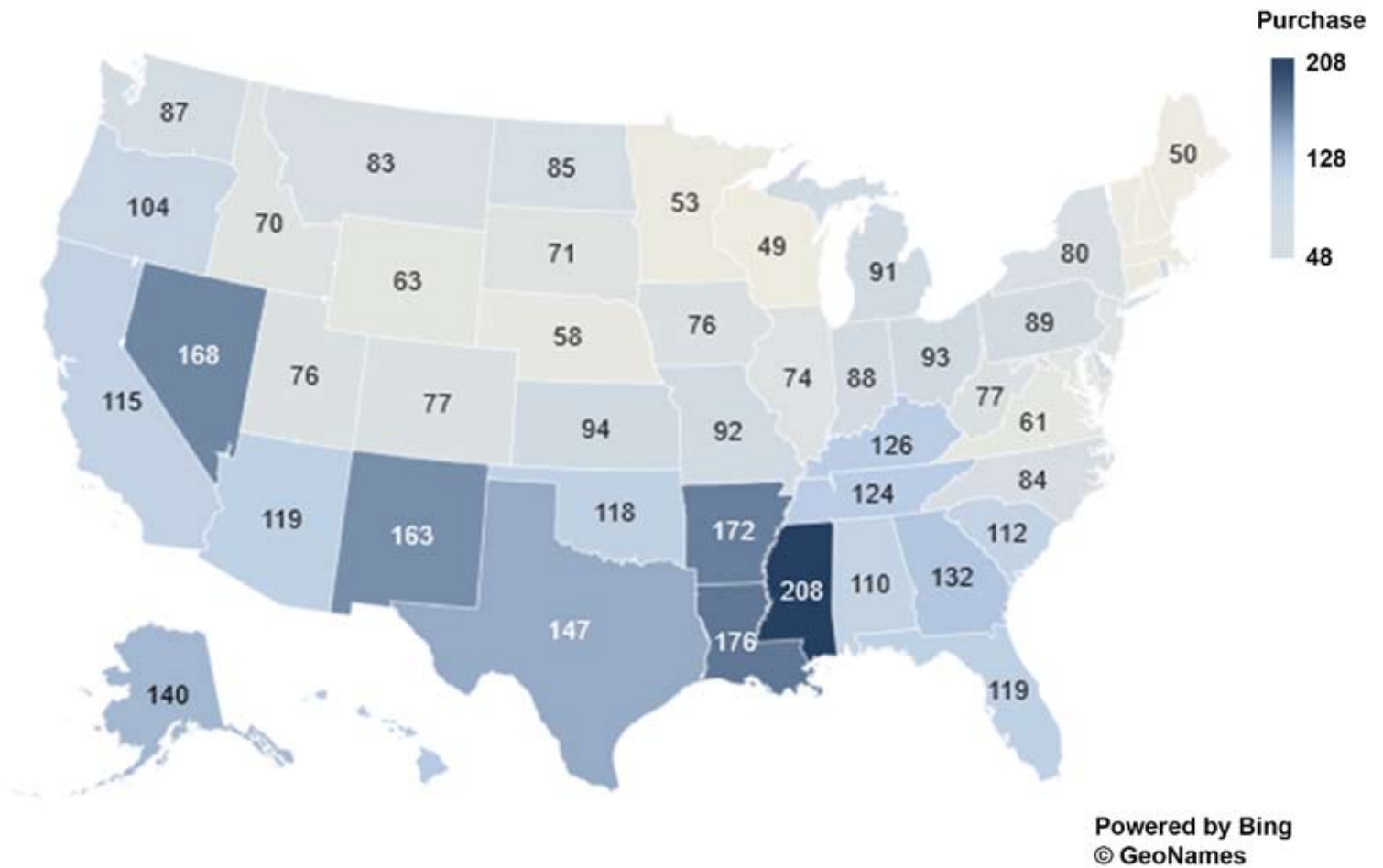


Source: U.S. Census Bureau, iLeads.com, TovoData.

Mississippi, Louisiana, Arkansas, and New Mexico have higher purchase mortgage index values in the fourth quarter than total index values. This indicates that the states have a higher concentration of home-buyer demand than refinancing demand. Other states with large, positive differences between the purchase index and total index are Texas (147), Washington DC (128), and North Dakota (85).

The Greater Houston and Dallas-Fort Worth metro areas lead fourth quarter 2020 purchase mortgage demand in Texas, accounting for 53% of tracked demand. Within metro areas, the most active Texas cities were Houston and San Antonio. In New Mexico, interest in purchase mortgages is concentrated in Albuquerque, accounting for half of tracked demand in cities. Las Cruces is a distant second at 8% of tracked city-level purchase mortgage demand.

TovoDataPurchase Mortgage Demand Index: 4Q 2020



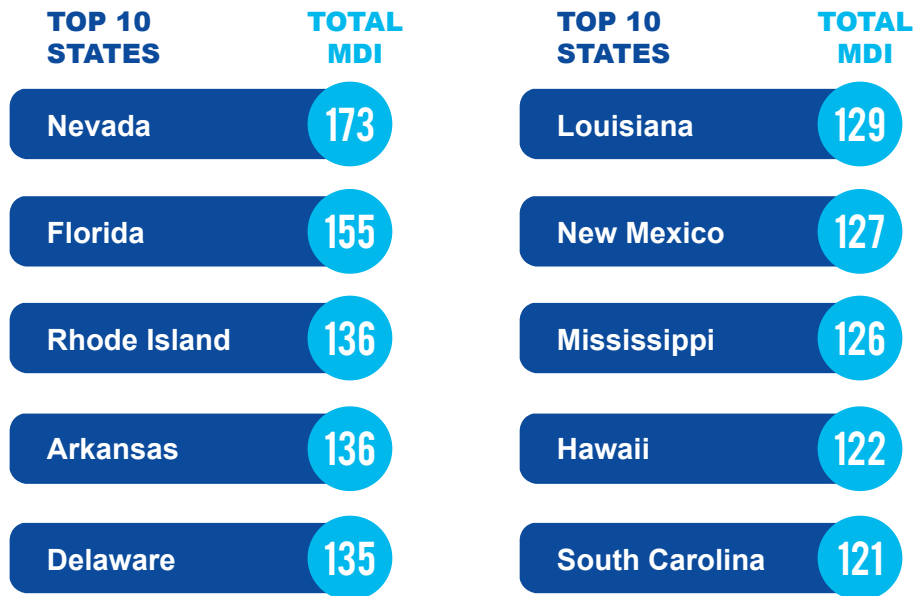
Source: U.S. Census Bureau, iLeads.com, TovoData.

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Refinance Mortgage Demand Index

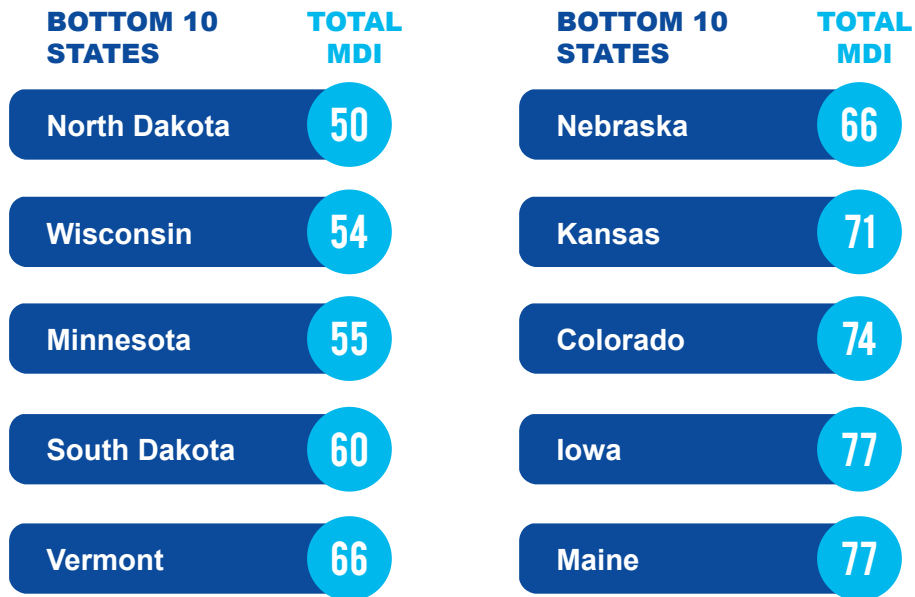
The TovoData Refinance MDI was over 100 in 18 states in the fourth quarter 2020, while only two states had an index value of 150 or higher. Nevada (173) and Florida (155) had the most refinancing demand relative to existing mortgages in the fourth quarter.

TovoData Refinance Mortgage Demand Index: Top 10 States 4Q 2020



Source: U.S. Census Bureau, iLeads.com, TovoData.

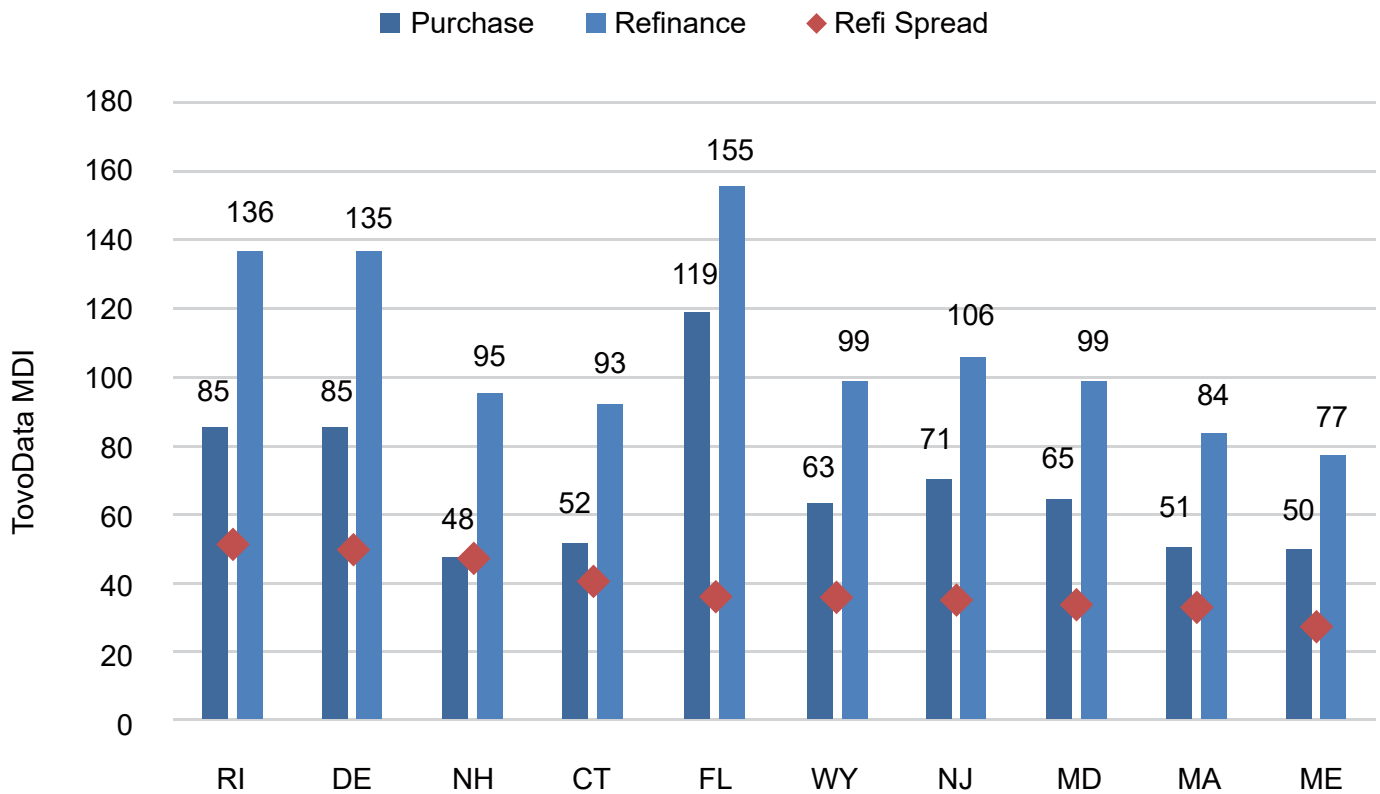
TovoData Refinance Mortgage Demand Index: Bottom 10 States 4Q 2020



Source: U.S. Census Bureau, iLeads.com, TovoData.

Refinance mortgage demand, however, is stronger than purchase demand in 27 states. Seven states had a refinance index that was 20 points or more above their total index. Northeast states comprise most of this group with five states in that region – Rhode Island (136), Delaware (135), New Jersey (106), New Hampshire (95), and Connecticut (93). The other two states are Florida (155) and Wyoming (99).

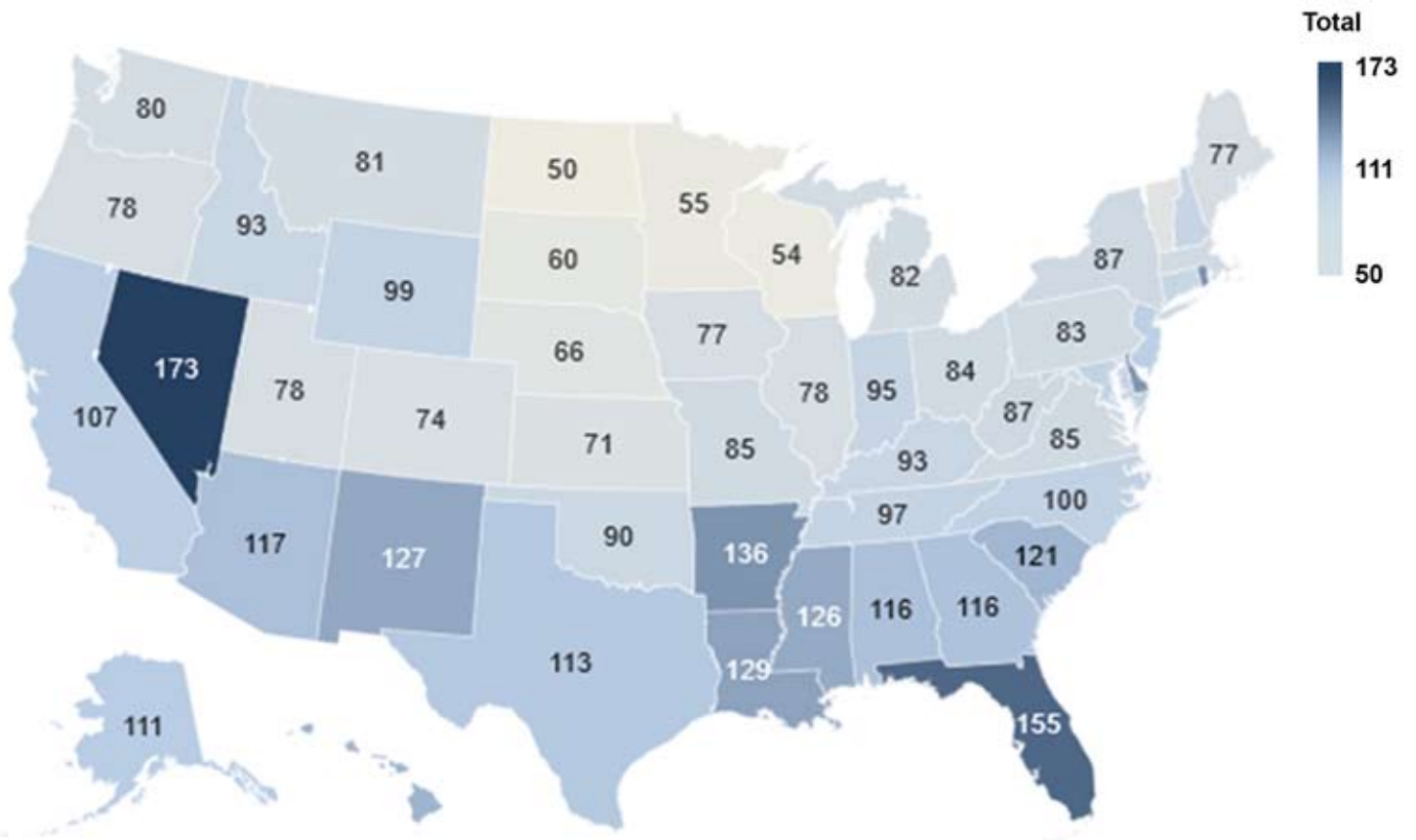
Top 10 States by Refinance MDI Spread to Purchase MDI, 4Q 2020



Source: U.S. Census Bureau, iLeads.com, TovoData.

In Florida, the higher refinance index reflects the concentration of demand as a share of home values. Across the state, the average home value of iLeads.com tracked refinance demand is 16% higher than the tracked purchase mortgage demand. The gap is wider within Florida metropolitan areas, at 27%, with demand concentrated in the Miami-Fort Lauderdale, Orlando, and Tampa-St. Petersburg metro areas.

TovoData Refinance Mortgage Demand Index: 4Q 2020



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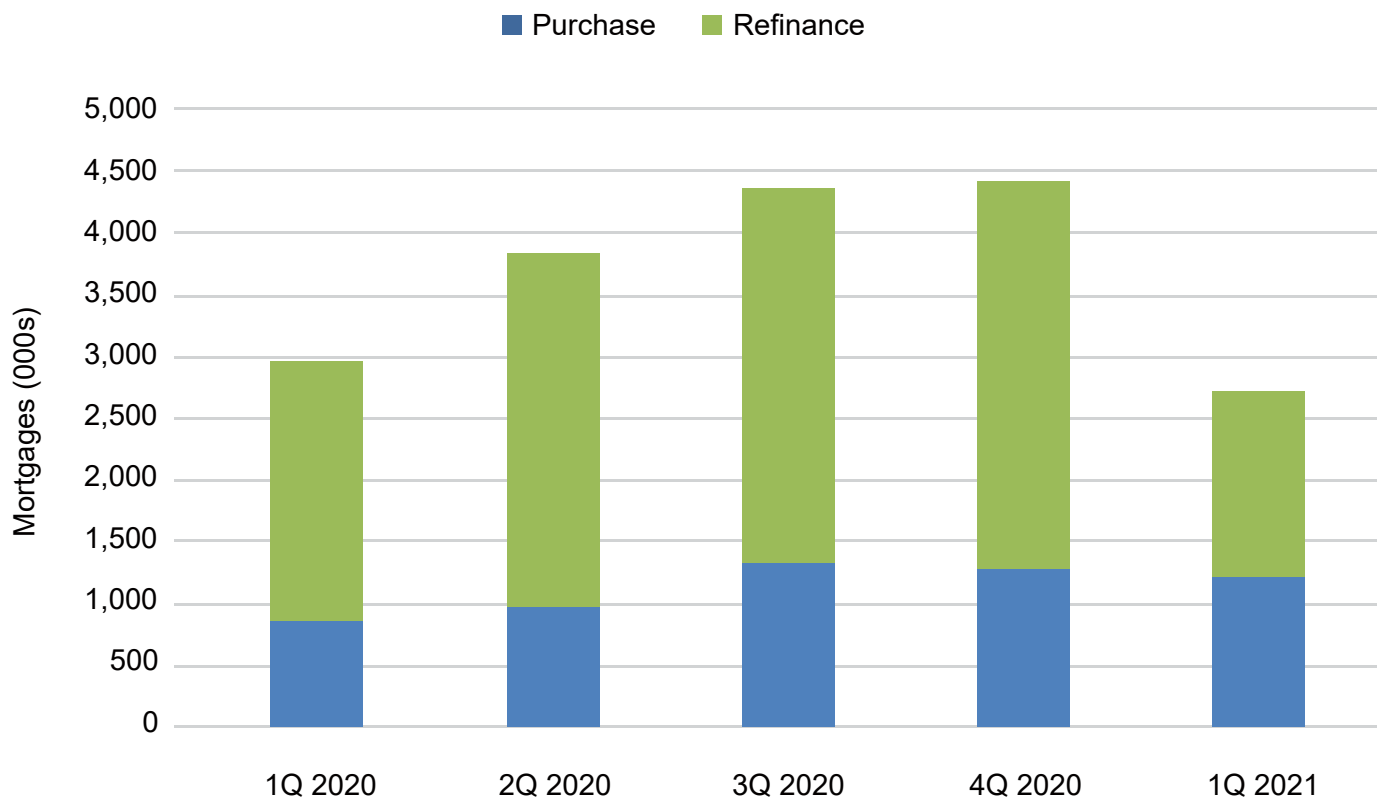
Source: U.S. Census Bureau, iLeads.com, TovoData.

1Q 2021 Mortgage Demand Outlook

Given the strong predictive power of iLeads.com tracked mortgage demand, TovoData can estimate closed mortgages in the US for the following quarter. The outlook for first quarter 2021 is 2.7 million closed purchase and refinance mortgages, down 8% from the first quarter 2020.

However, the breakout between purchase and finance mortgages is estimated to be more evenly split than a year ago. In the first quarter of 2020, 70% of mortgages were for refinancing and this quarter, that share is expected to be 55% due to the strength in tracked demand for purchase mortgages.

TovoData Mortgage Outlook, 1Q 2021



Source: iLeads.com, TovoData.

About iLeads.com

iLeads.com combines intent-based consumer lead with property, mortgage, and homeownership data collected from multiple leading public record data providers to fuel customer acquisition data, tools, and insight analytics solutions. No other marketing, customer acquisition, or customer analytics provider provides today's smart marketers with the depth and breadth of solutions empowered by the iLeads data set to reach 100% of U.S. homeowners. You can find more information about the company at iLeads.com

About TovoData

TovoData is a leading data and analytics company that provides real estate, property ownership, and mortgage data. TovoData's property data is available via its real estate API, bulk, match & append and marketing lists. Leading mortgage lenders, insurance providers, direct marketers, and real estate service providers look to TovoData for the most current, accurate data to fuel their apps, SaaS and business. You can find more information about the company at TovoData.com