Title: The Effect of COVID-19 on Home Prices and Sales

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Abstract: I analyze the effect of COVID-19 on home prices and sales in the United States. I do so using a dataset on approved purchase mortgage applications. The mortgage data have many of the key variables also available in housing transaction data such as sales price and location of the property, but have two important advantages for studying the effect of COVID-19. First, I receive the data with a lag of only a few days, meaning that I can track the housing market response to COVID-19 in close to real time. Second, the data record the date at which the borrower and lender agree on the mortgage rate. I show that this rate lock date is a good proxy for the date at which the buyer and seller agree to the home sale and price that is associated with the mortgage application. By associating home prices and sales with their agreement date, I can more accurately measure their response to high frequency developments related to COVID-19.

Data Description: The data are from a software platform that lenders use to lock in mortgage rates for borrowers. The dataset cover roughly 1/3 of all mortgage originations in the U.S. and is a fairly representative sample of all originated mortgages. The data include the purchase price of the house, date of mortgage rate lock, zip code of the house, and detailed borrower characteristics. The data are available beginning in 2013.

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