

# Bubble or Not?

- 2007 vs 2021 -



## 2007 "BUBBLE" DOMINATED BY:

- 100% Financing (no equity/no down)
- Interest only loans (no principal reduction)
- ARMs (payment not secure, will adjust)
- Very few cash transactions (leveraged)
- Appraisers pressured by lenders/RE agents
- Unstable buyers - No credit, no problem!
- Multiple home purchases at once, anyone could be an investor w/ \$0 down
- Jobs (growth in construction, tourism (cyclical industries))

## 2021 MARKET DOMINATED BY:

- Today, a down payment/ reserves required
- 30-yr Fxd. Principal/Interest loans the norm
- Today, 30-yr fxd loans, fully amortized (equity)
- More cash than ever in markets (confidence)
- Appraisers report to 3rd party agency now
- More stable buyers - better credit/more cash
- Intent to occupy & large down required for investors
- Jobs (growth in health, financial, and Tech industries - less cyclical/diverse industries)



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