



THE YEAR AHEAD 12.13.22



REAL ESTATE FORECAST SUMMIT

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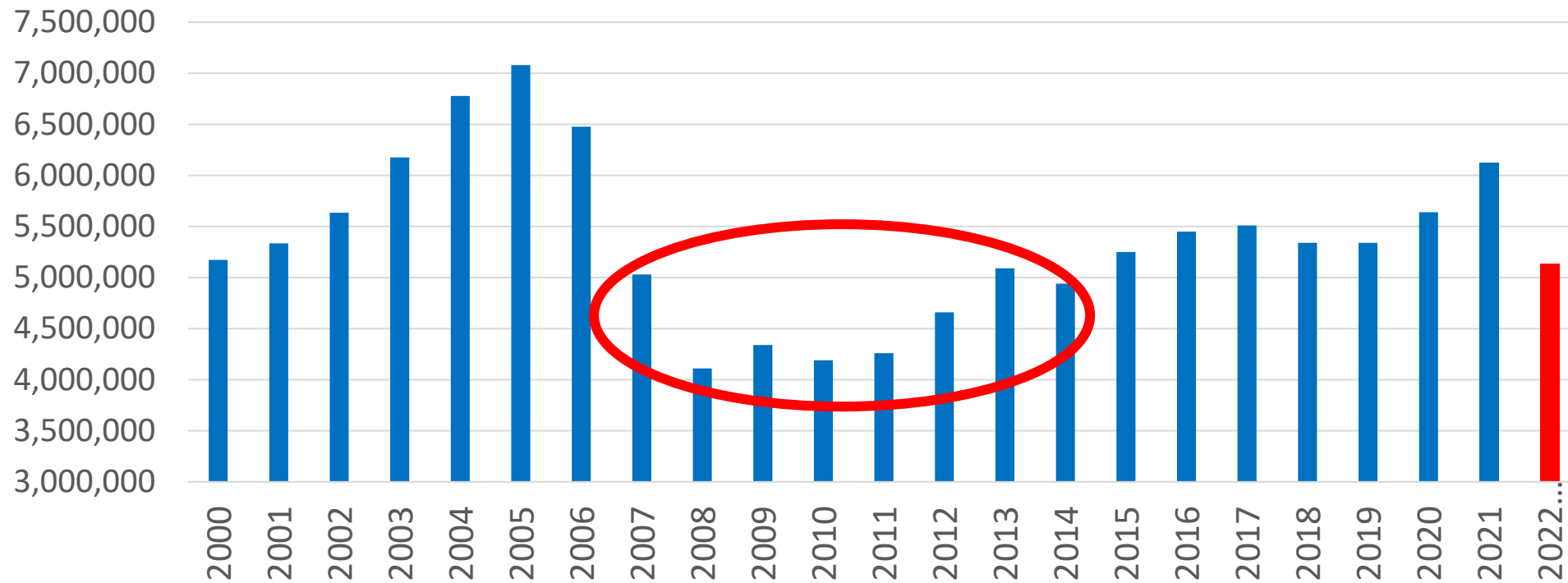


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ECONOMIC AND REAL ESTATE OUTLOOK

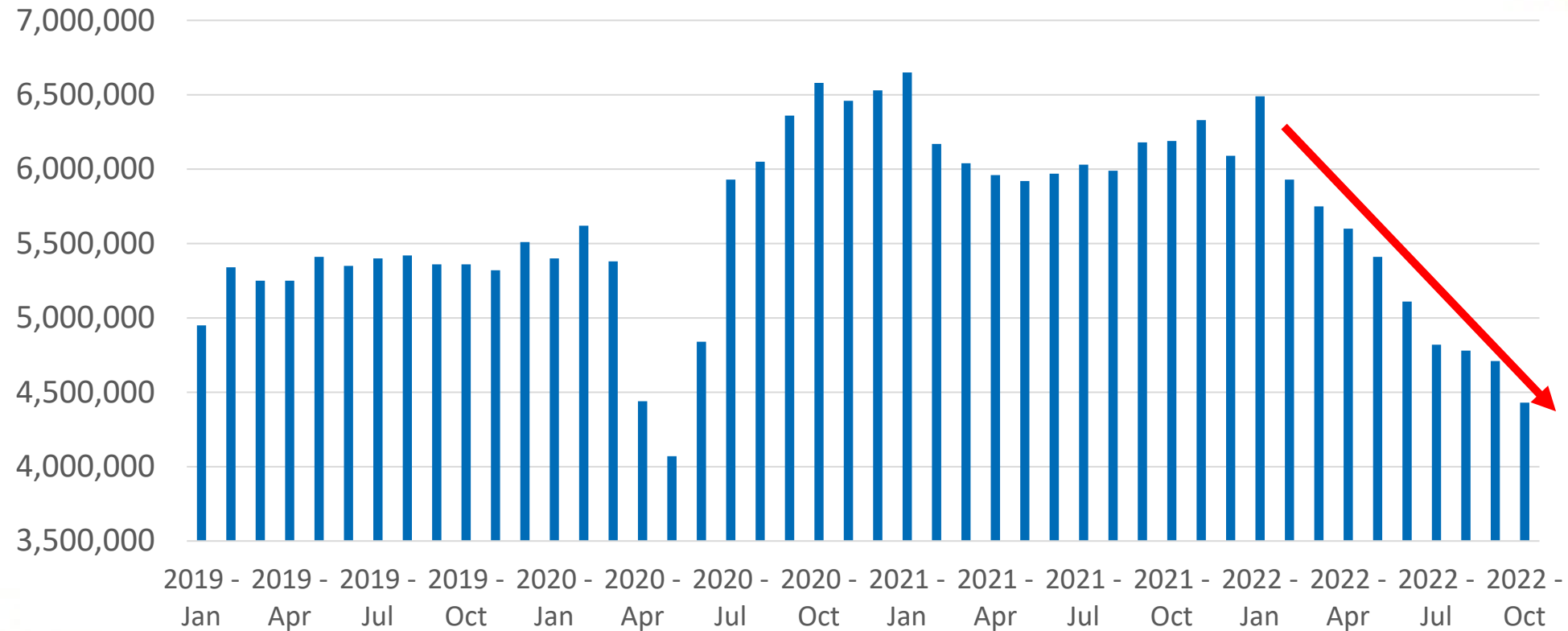
Lawrence Yun, PhD
NAR Chief Economist and
Senior Vice-President for Research

Annual Existing Home Sales ... Down 16% in 2022 and lowest since 2014



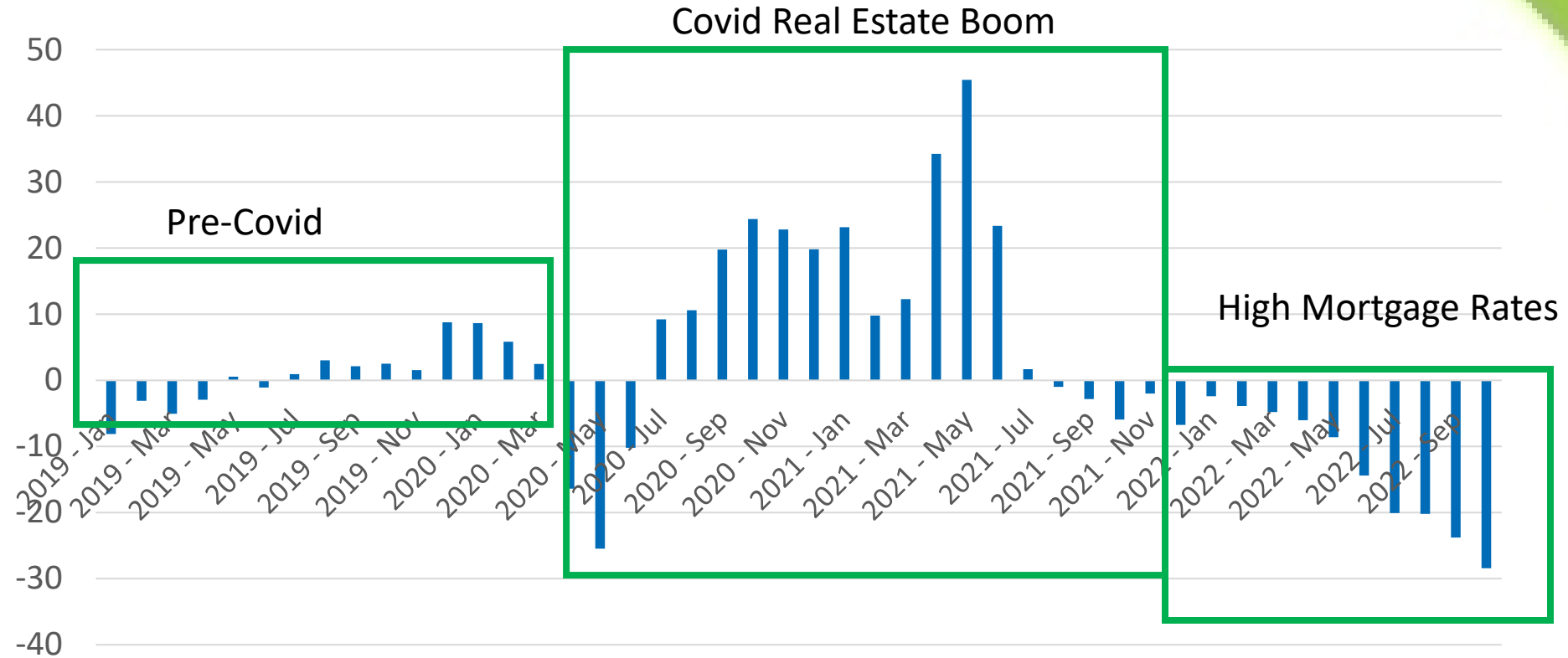
Source: NAR

Existing Home Sales .. Monthly



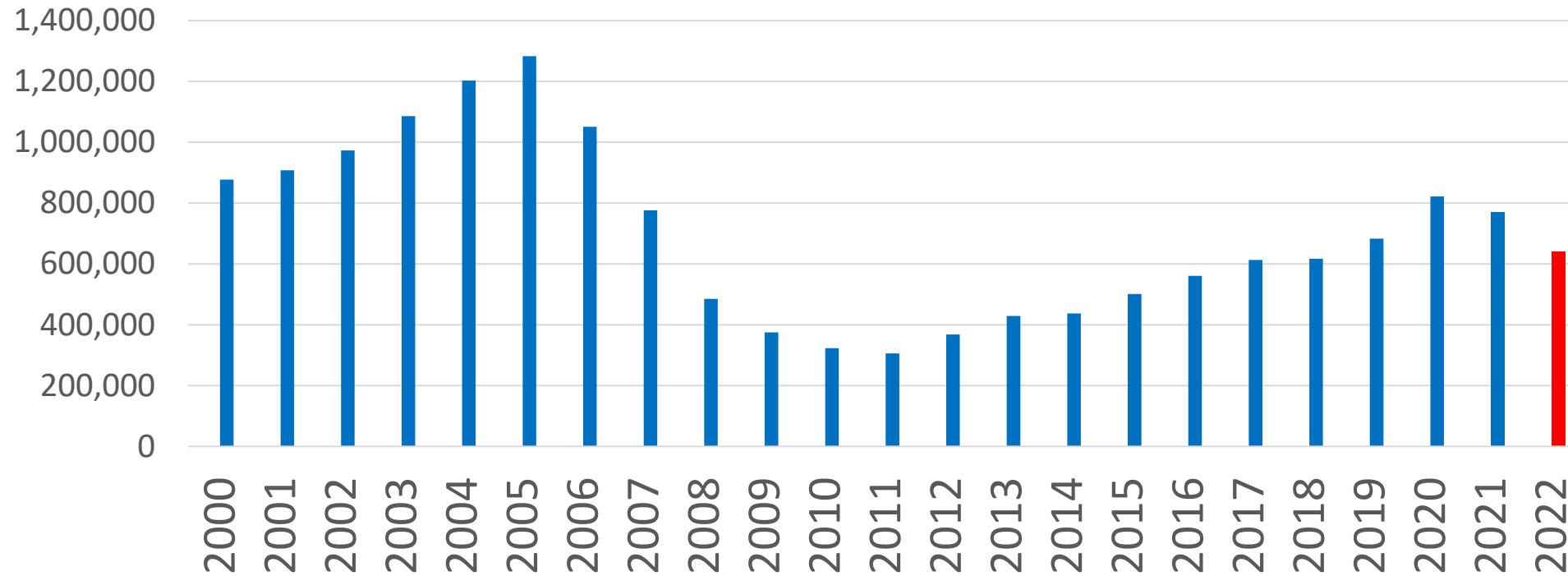
Source: NAR

Sales % change from a year ago



Source: NAR

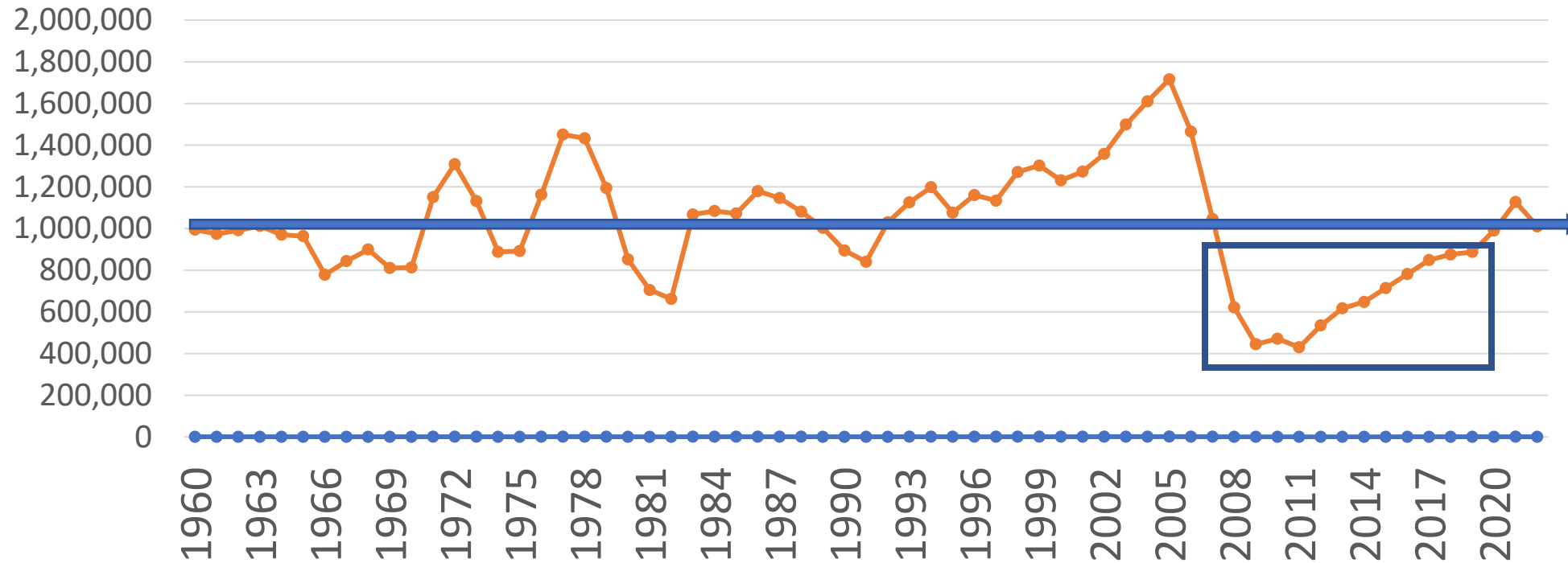
Annual New Home Sales ... Down 17% in 2022 to pre-covid levels



Source: Census/HUD

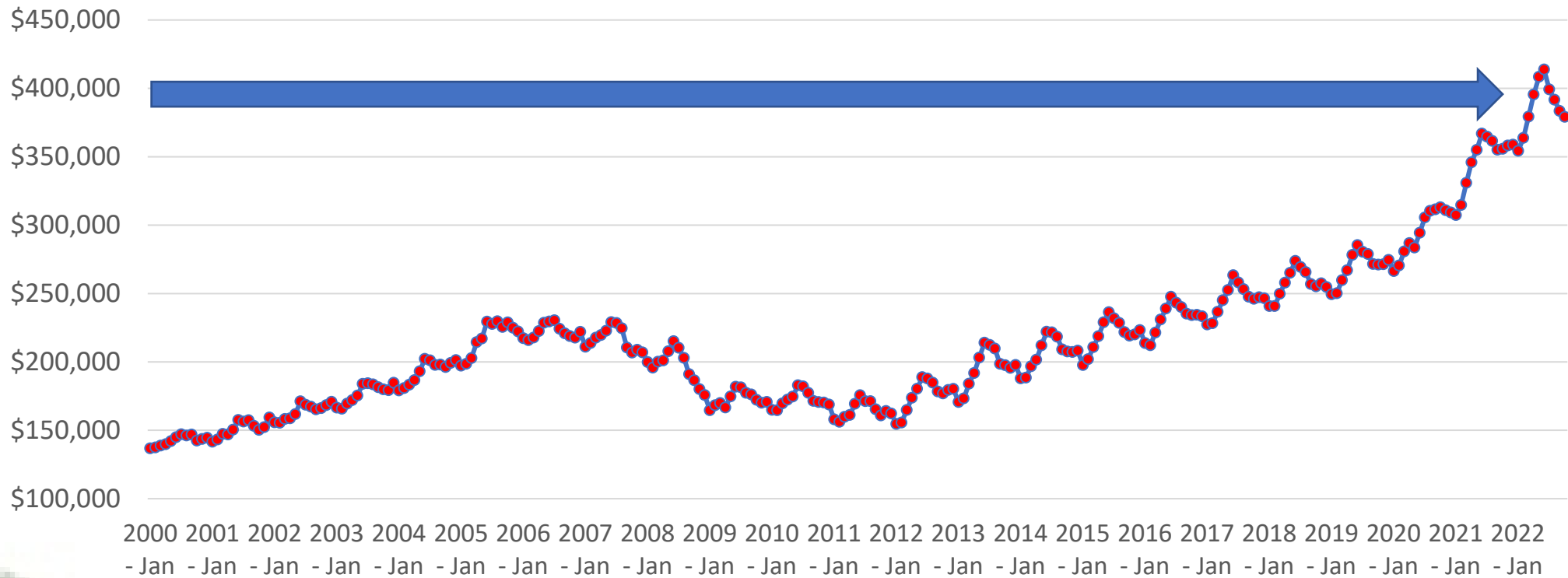
Long-term Single Family Housing Starts

Historical average of 1.02 million per year



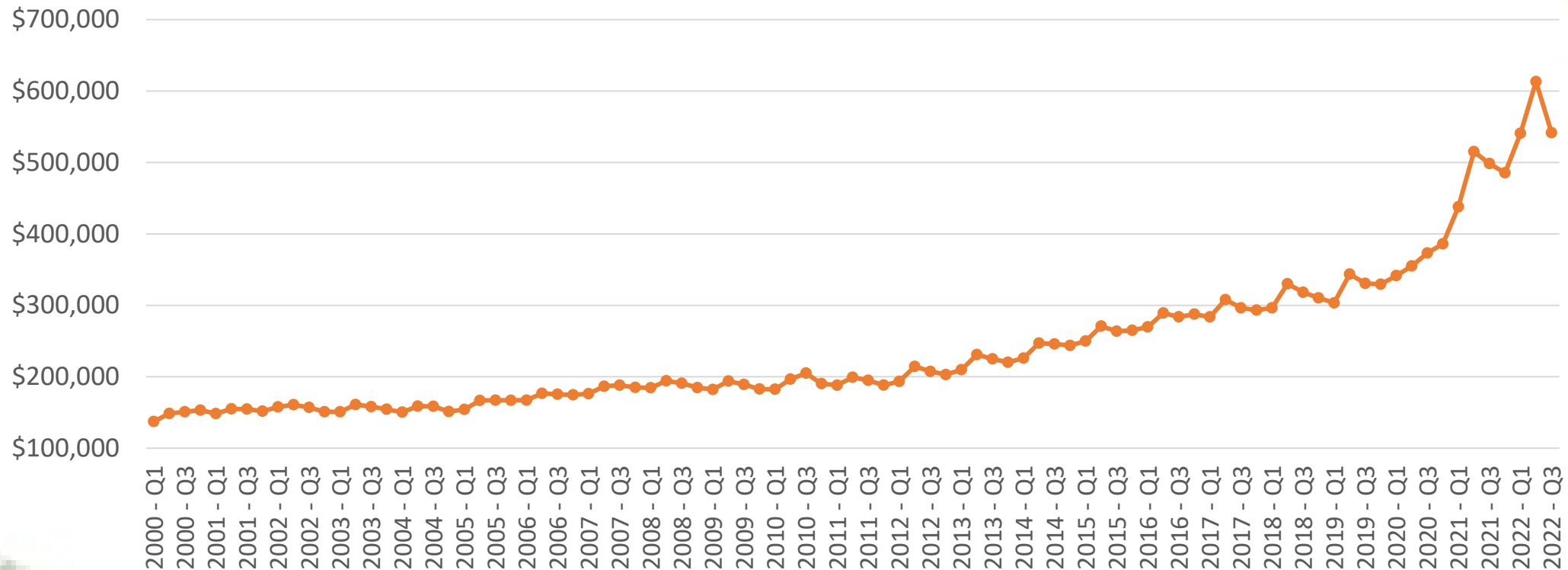
Source: Census/HUD

U.S. Median Home Price



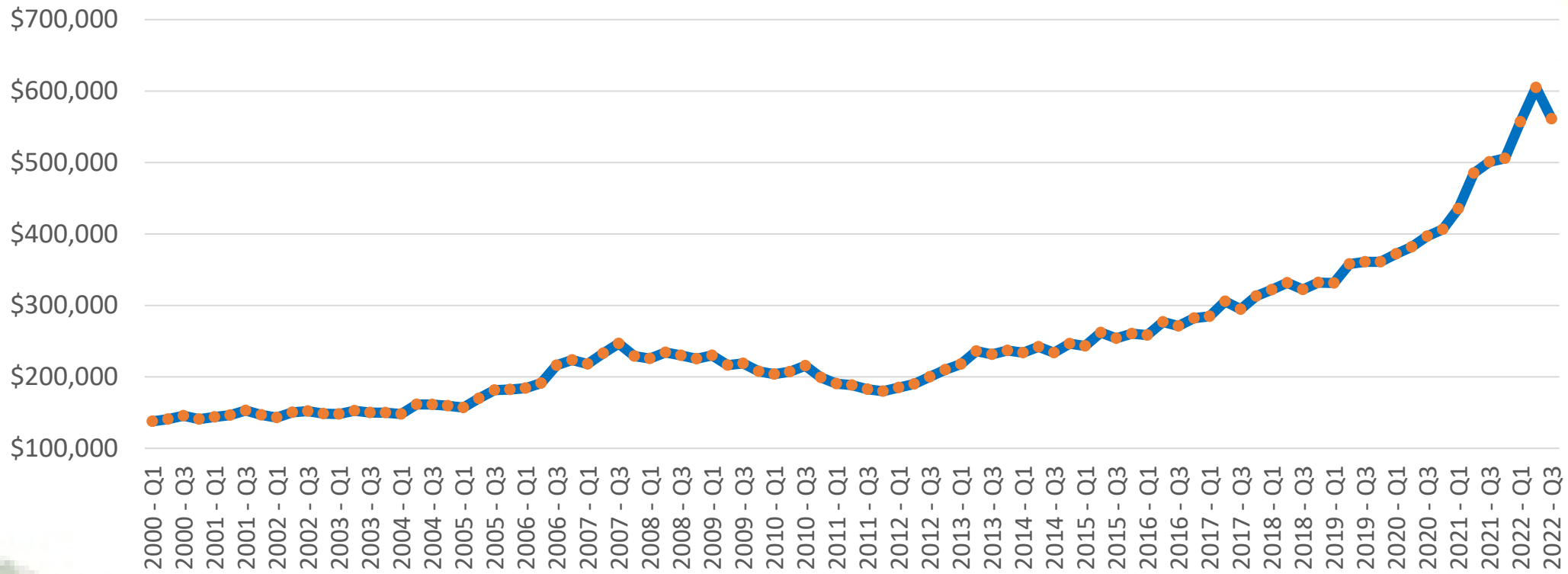
Source: NAR

Austin Median Home Price ... The Next Austin?



Source: NAR

Salt Lake City Median Home Price ... Equally Impressive



Source: NAR

Home Price Crashing Coming?

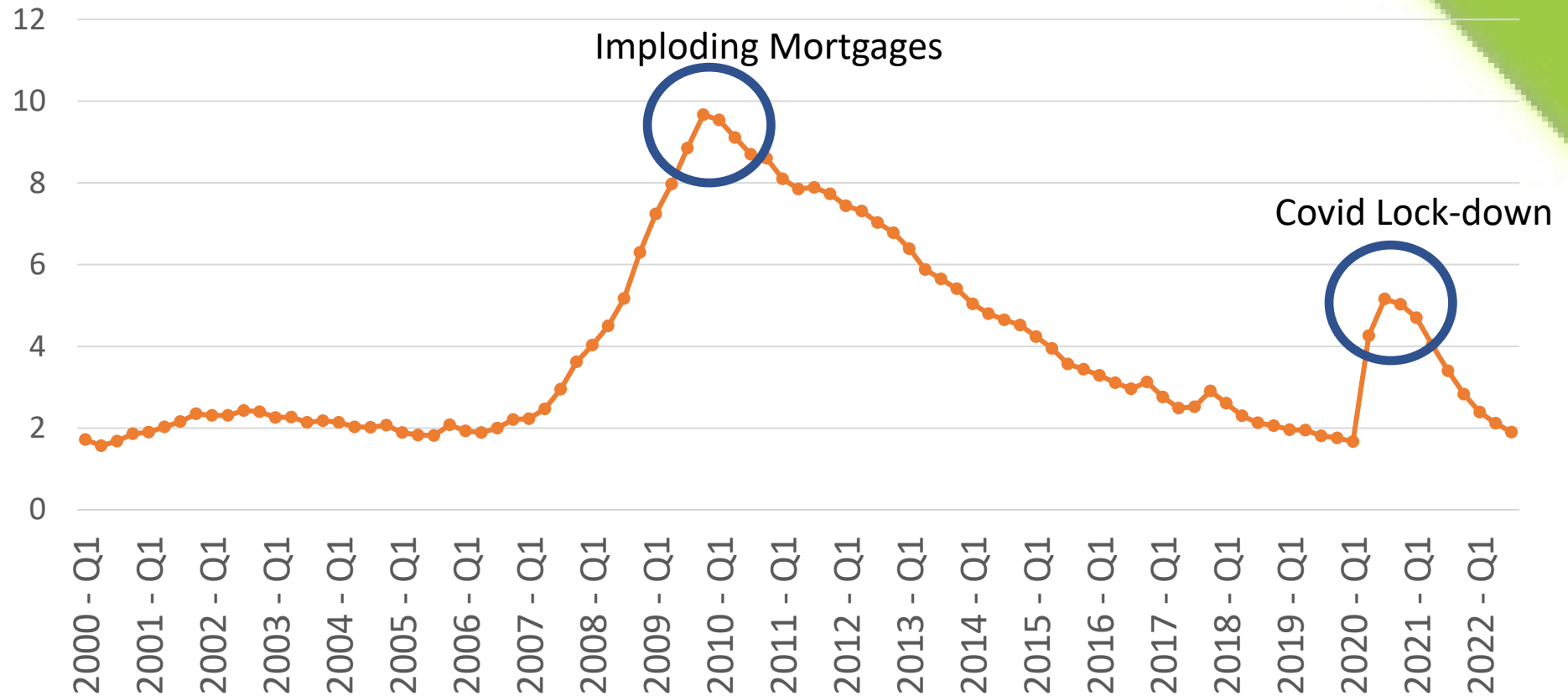
Key Variables	Last Housing Cycle	Current Housing Cycle
Job Cuts (net of gains and losses)	8 million	none
Total Payroll Jobs (W-2 salary jobs)	130 million	153 million
Total Jobs (Household survey)	138 million	158 million
Subprime Loans	Prevalent	Virtually none
5-year cumulative to new home construction before crash	7.65 million	4.6 million
Inventory on Market	3.8 to 4 million	1 to 1.2 million
Mortgage Delinquency	10.1%	3.6%
Homes in Foreclosure	4.6%	0.6%

Source: NAR Analysis of BLS, MBA, NAR data



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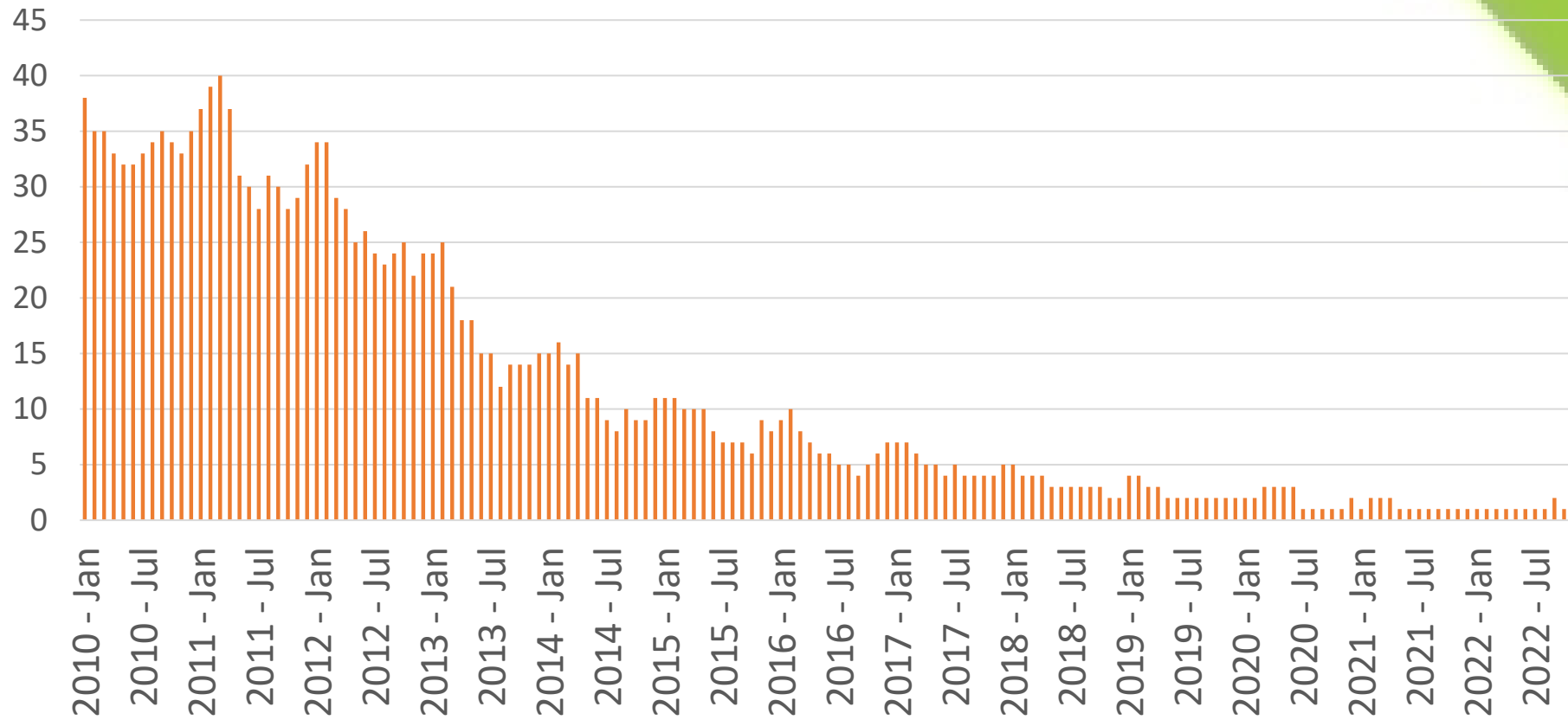
Mortgage Delinquency 90+ days or in Foreclosure



Source: Mortgage Bankers Association

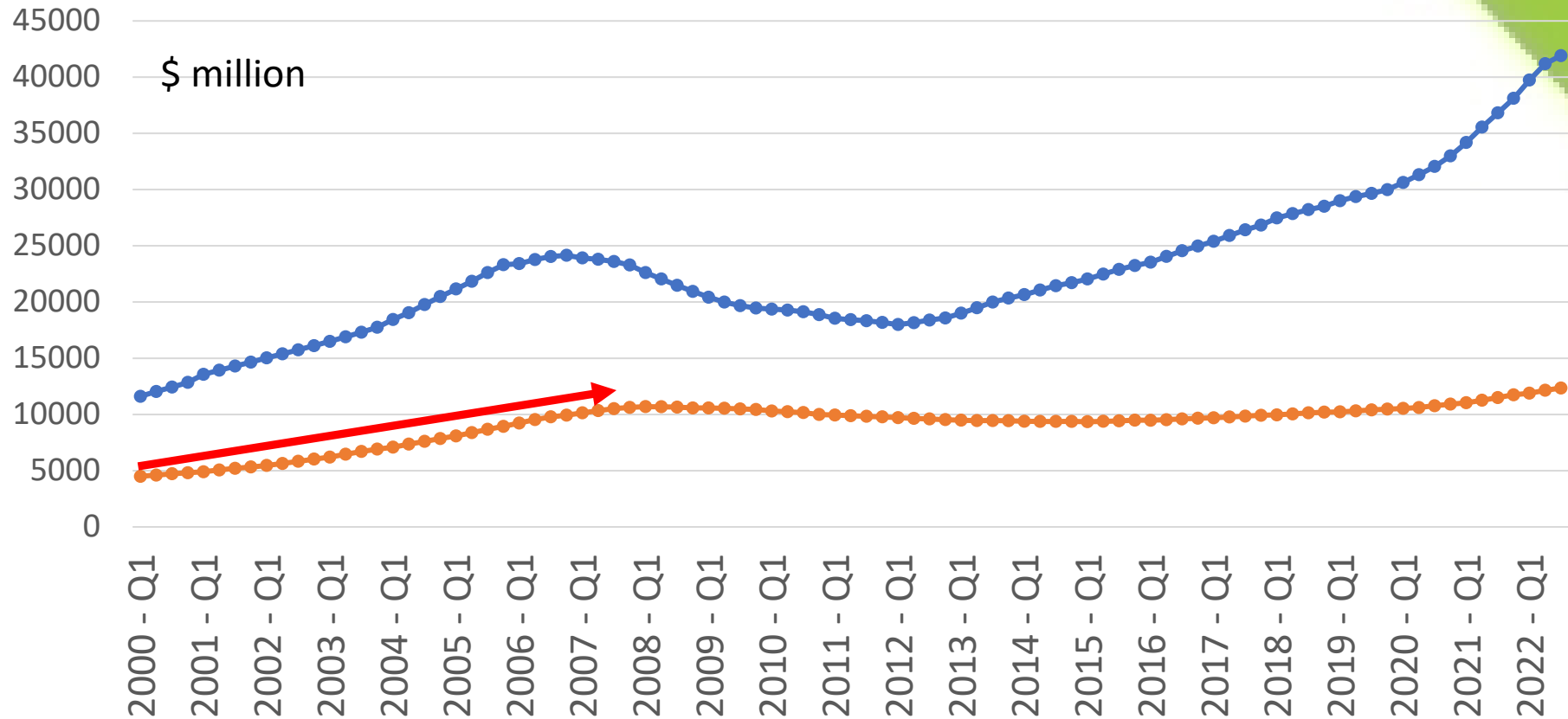
Distressed Home Sales

% of total sales



Source: NAR

Housing Asset and Mortgage Debt



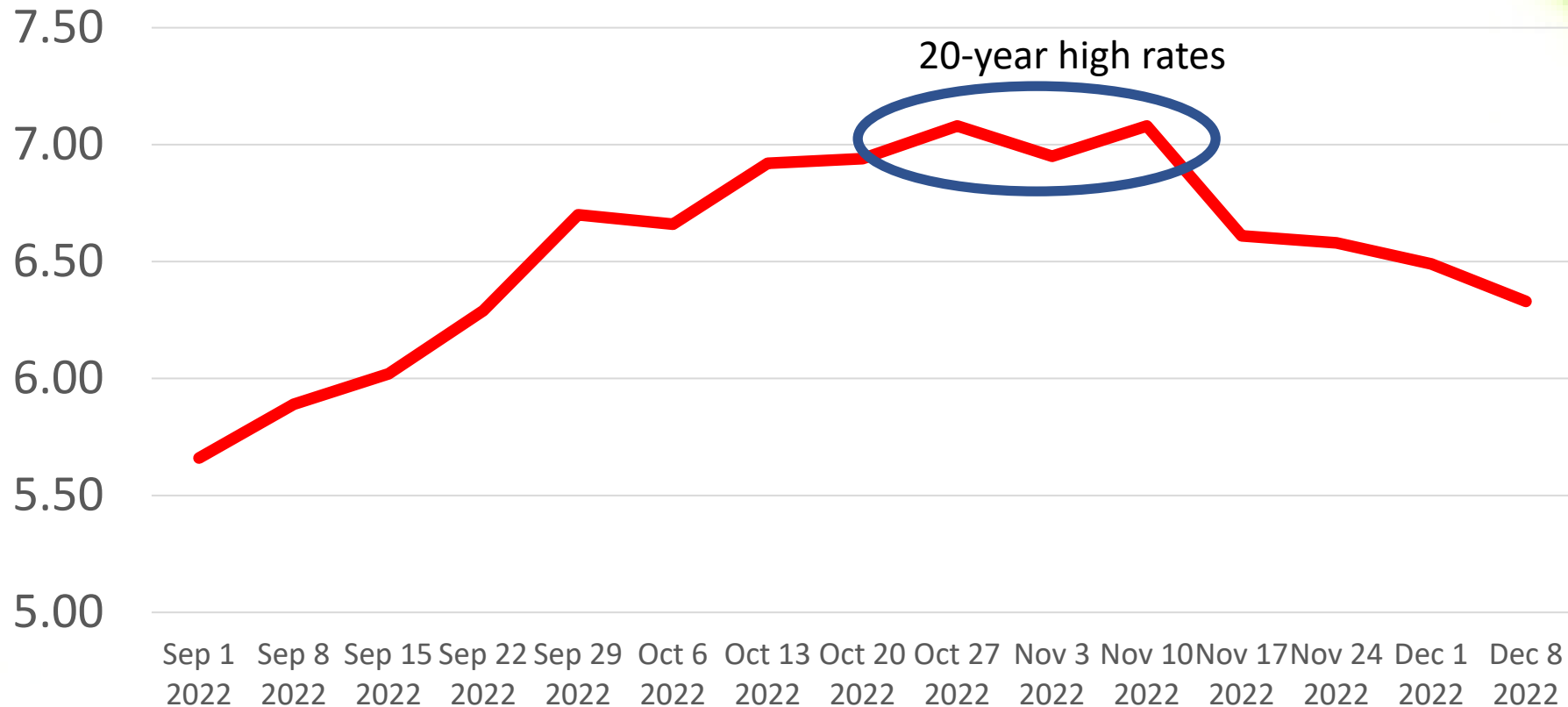
Source: Federal Reserve

Mid-December Market Condition

Market Summary	% vs 2021
Median Sale Price	4.8%
Home Sold	-34.9%
New Contracts	-36.1%
Sale to List Price%	95.1%
Median DOM	24 days
Active Listings	38.1%
New Fresh Listings	-22.0%

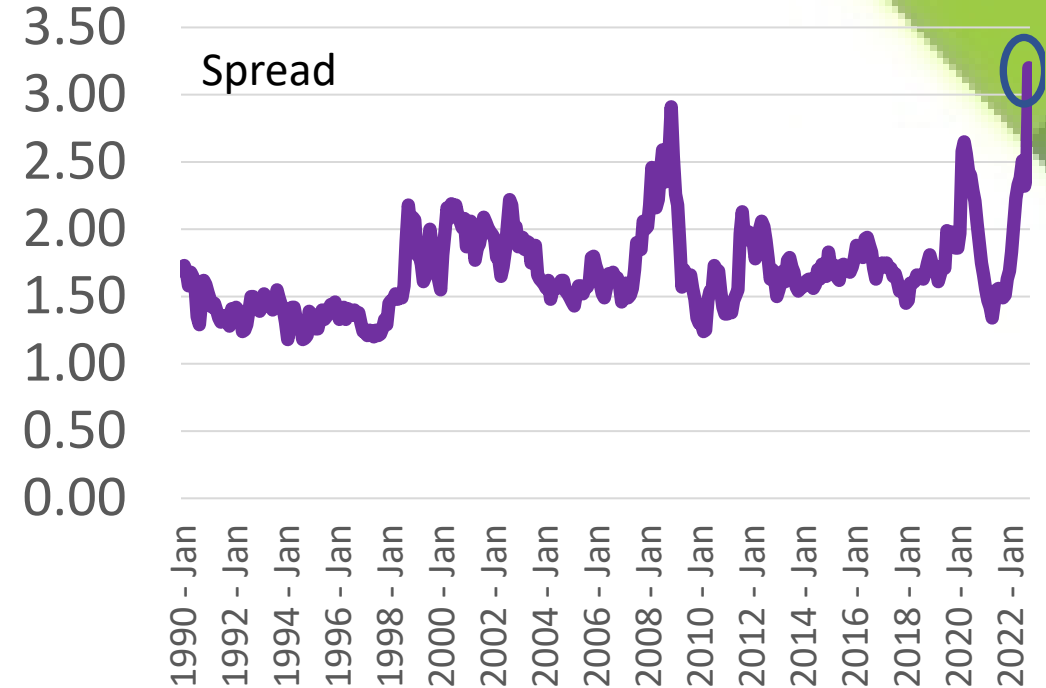
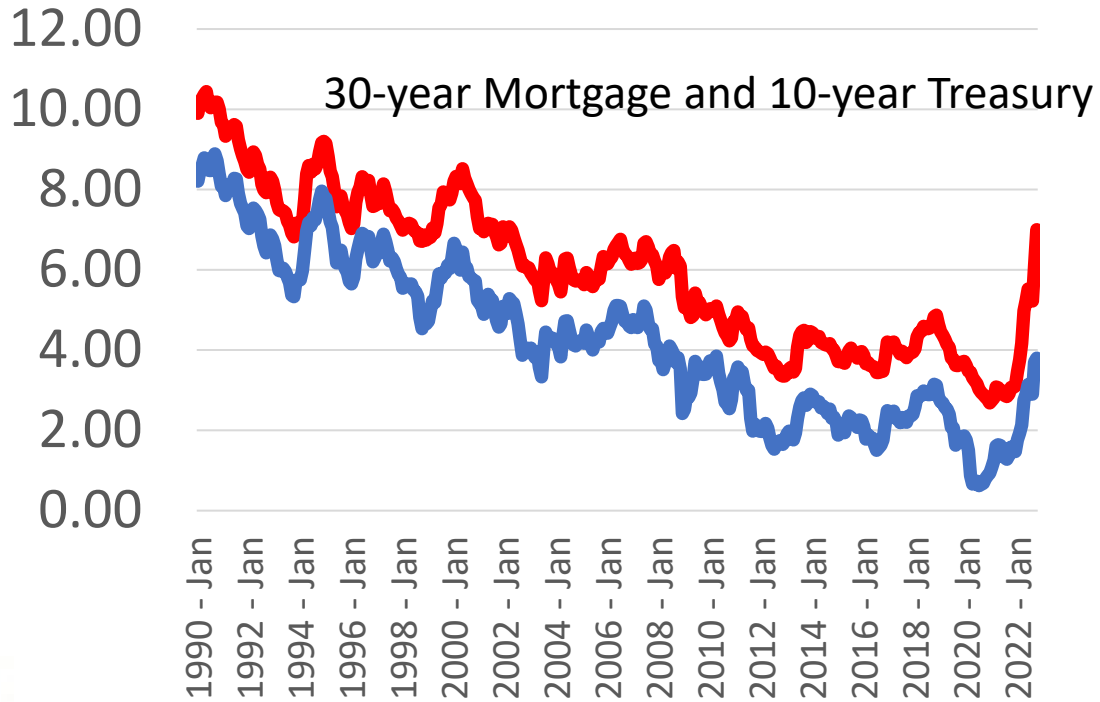
Source: NAR Analysis of MLS data

Hopeful Signs on Mortgage Rates ... 4 straight weeks of decline



Source: Freddie Mac

Further Decline in Mortgage Rates Possible ... As the spread with 10-year Treasury narrows



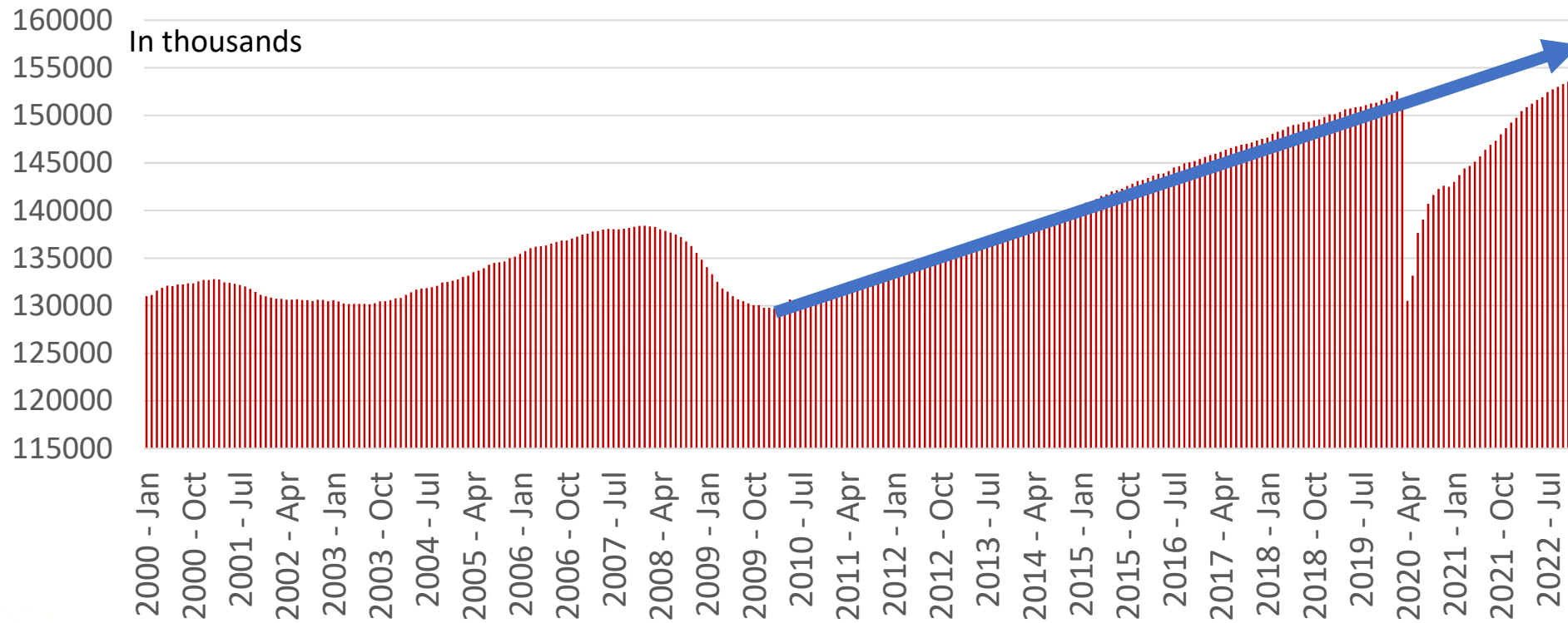
Source: Freddie Mac and U.S. Treasury

Unemployment Rate ... back to normal



Source: BLS

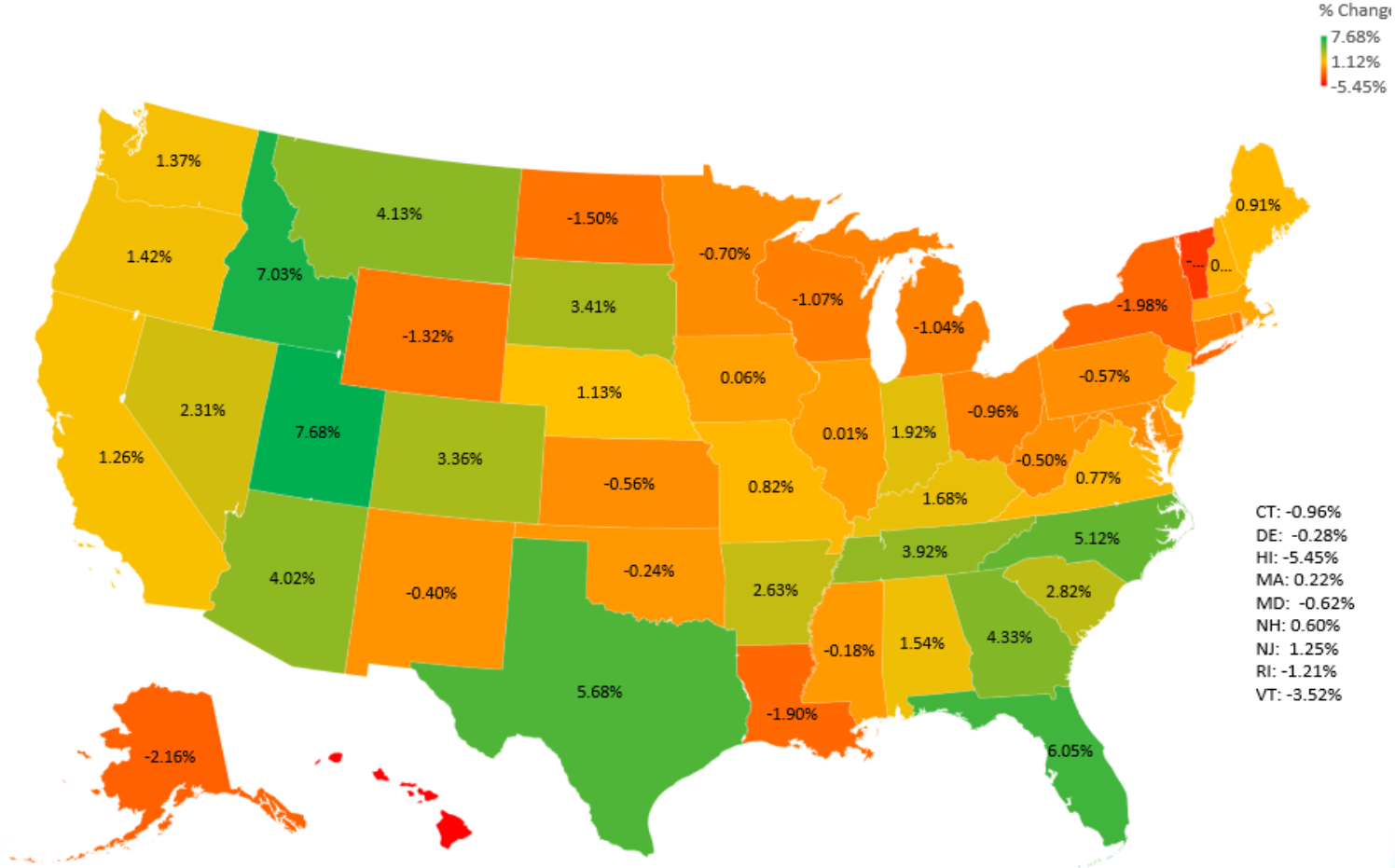
Payroll Jobs ... record high but below trend



Source: BLS

Some States Doing Better than Other

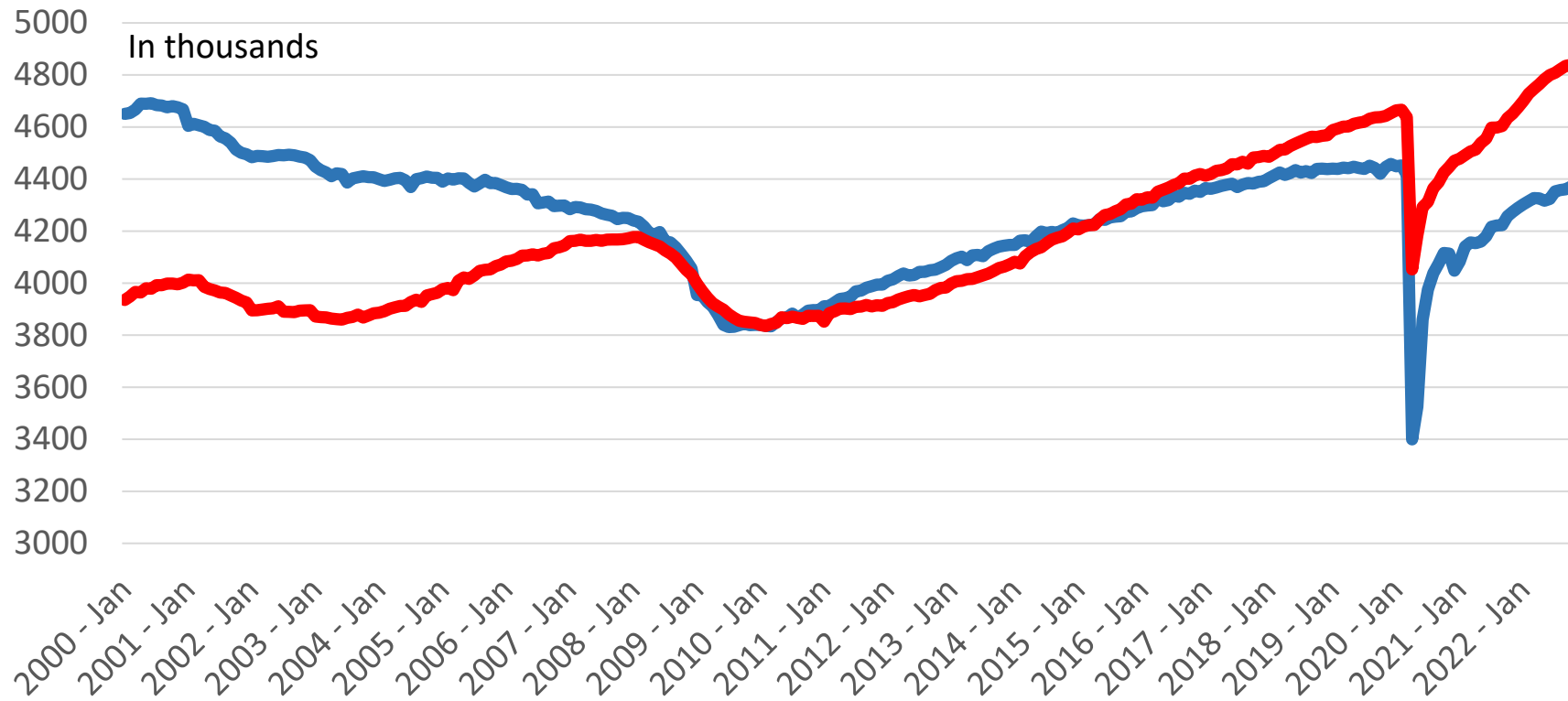
Payroll Job Additions from pre-Covid days (October)



Source: NAR Analysis of BLS data

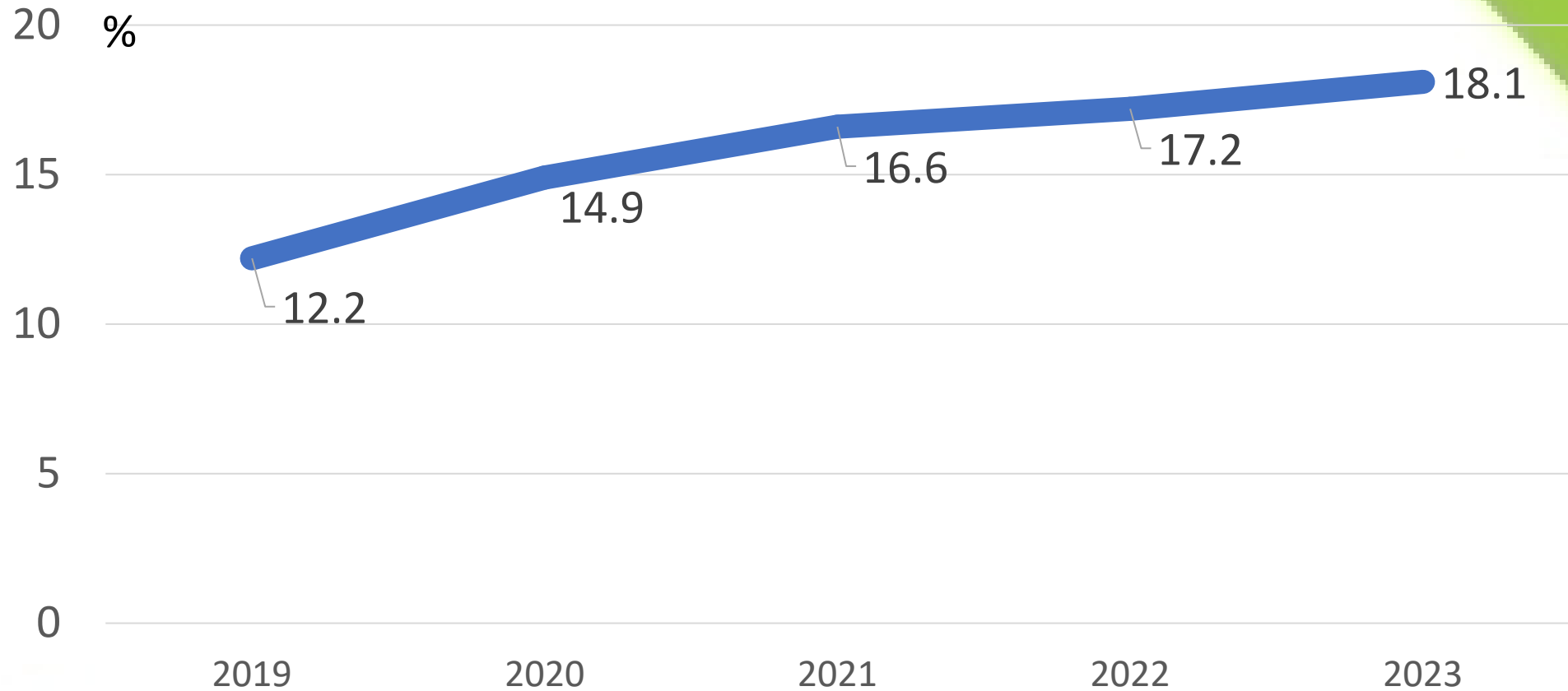
Georgia vs. Michigan

Long-Term Job Performance



Source: NAR Analysis of BLS data

Office Vacancy Rate



Source: CBRE and NAR Forecast

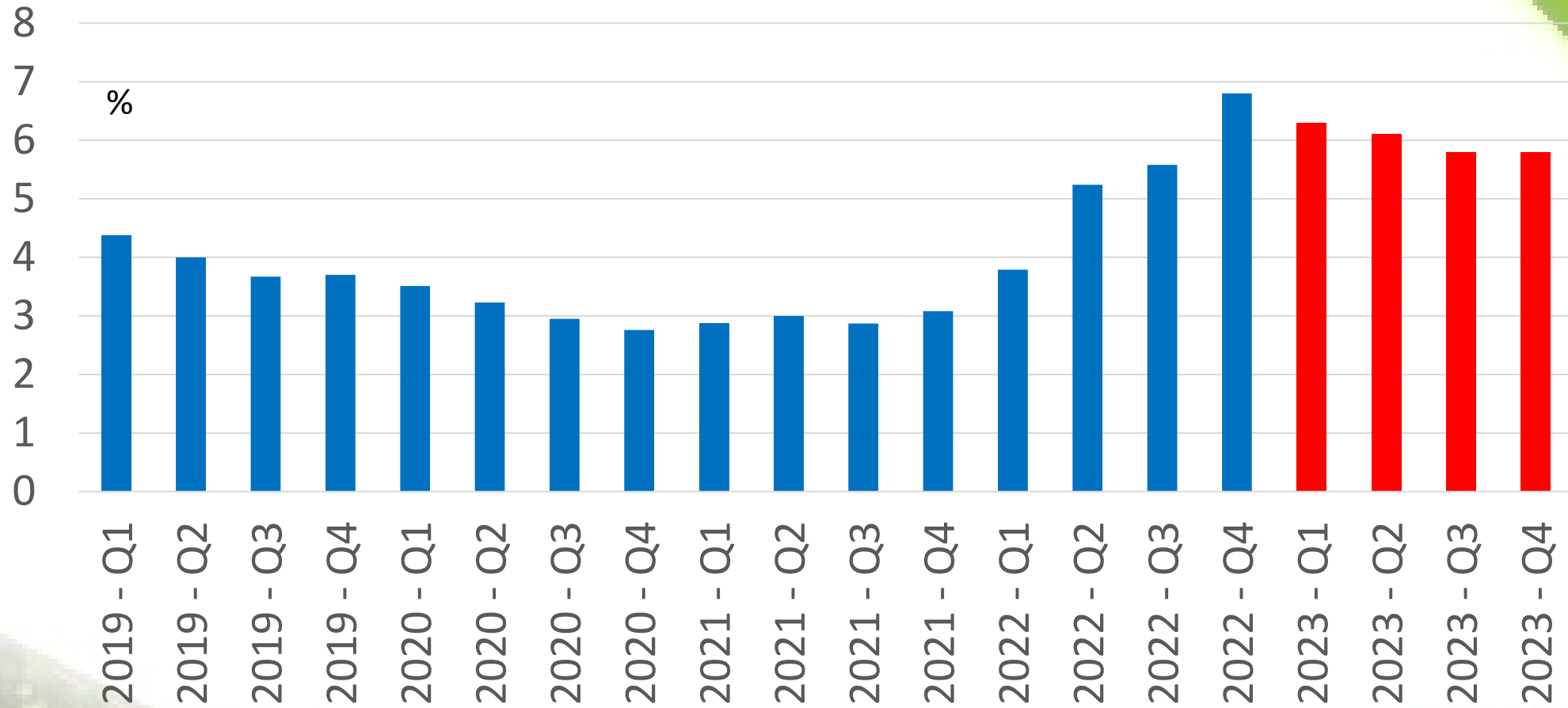
The Next Austin or Salt Lake City?



The Next Austin or Salt Lake City?

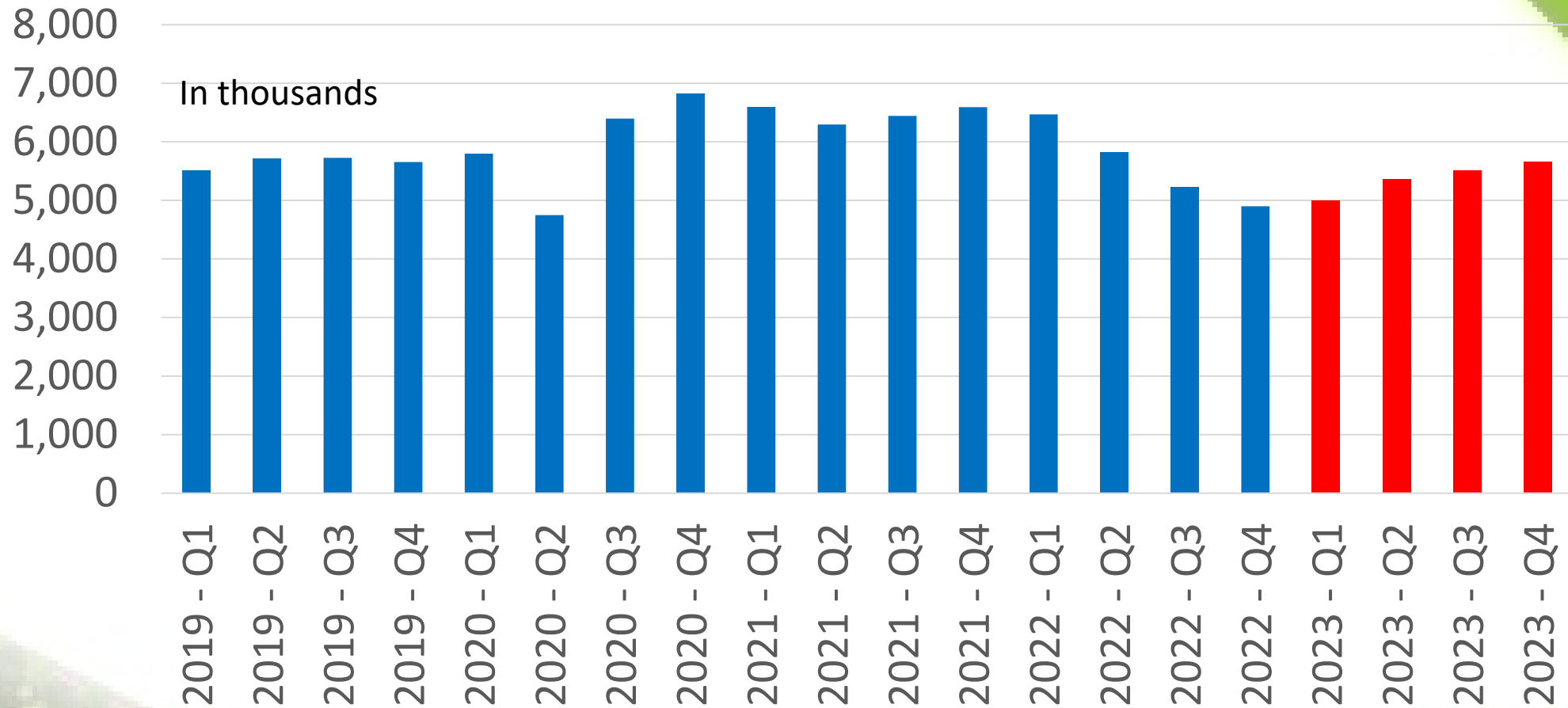
Top 10 Markets to Outperform in 2023	
1.	Atlanta-Sandy Springs-Marietta, GA
2.	Raleigh, NC
3.	Dallas-Ft. Worth-Arlington, TX
4.	Fayetteville-Springdale-Rogers, AR-MO
5.	Greenville-Anderson-Mauldin, SC
6.	Charleston-North Charleston, SC
7.	Huntsville, AL
8.	Jacksonville, FL
9.	San Antonio-New Braunfels, TX
10.	Knoxville, TN

Mortgage Rate Forecast



Source: NAR Analysis of BLS, MBA, NAR data

Home Sales Forecast (new + existing)

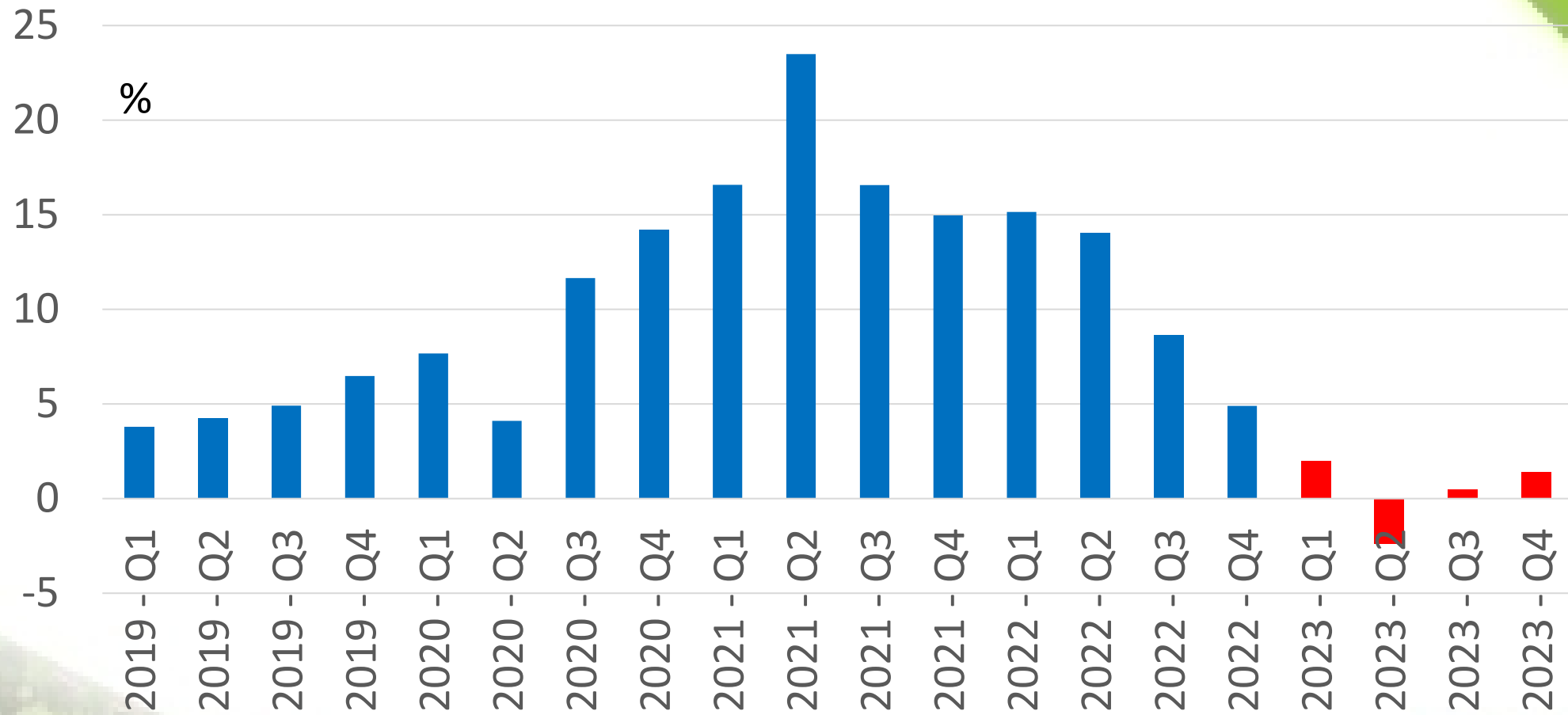


Source: NAR



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Home Price Growth Forecast



Source: NAR Median Home Price

Annual Forecast

Year	Unit Sales	Home Price	Dollar Volume
2019	0.0%	+4.9%	+5%
2020	+5.6%	+9.1%	+15%
2021	+8.5%	+16.9%	+25%
2022 estimate	-16.2%	+9.6%	-6%
2023 forecast	-7%	+0%	-7%
2024 forecast	+10%	+5%	+15%

Source: NAR

THANK YOU



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