THE YEAR AHEAD 12.15.21
REAL ESTATE FORECAST SUMMIT
NATIONAL ASSOCIATION OF REALTORS®

#NARForecastSummit
Unemployment Rate ... back to normal

Source: BLS
Payroll Jobs … not back to normal

Source: BLS
Jobs Recovery Variation

Percent Change in Nonfarm Payroll Employment
October 2021 vs. March 2020

Source: BLS
Existing Home Sales … Monthly

Source: NAR
Existing Home Sales ... Annual

Source: NAR
New Home Sales ... Annual

Source: Census/HUD
Median Home Price

Source: NAR
Top 10 Hidden Gems of the Housing Market

Fayetteville-Springdale-Rogers, AR-MO
Dallas-Fort Worth-Arlington, TX
Knoxville, TN
Spartanburg, SC
Huntsville, AL
Pensacola-Ferry Pass-Brent, FL
Palm Bay-Melbourne-Titusville, FL
Tucson, AZ
San Antonio-New Braunfels, TX

Source: National Association of Realtors®. A market is a hidden gem if its median home price-to-median family income ratio is at the lower end of the distribution of 378 markets relative to the distribution of its combined set of market fundamentals, namely, job growth, wage growth, population growth, population to housing permits, net domestic migration to population, share of population ages 25 to 44 years old, and fraction of households with broadband services.
Consumer Price Inflation ... 6.8%

Source: BLS
2021 NAR Real Estate Forecast Survey

Outlook of Economists/Experts Who Participated in the 2021 NAR Real Estate Forecast Summit Survey*

<table>
<thead>
<tr>
<th>Category</th>
<th>Median Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inflation rate</td>
<td>4.0</td>
</tr>
<tr>
<td>Home price appreciation</td>
<td>5.7</td>
</tr>
<tr>
<td>Number of FOMC interest rate hikes of 25 bp each</td>
<td>2</td>
</tr>
</tbody>
</table>

*Median values of 23 respondents
Inflation Forecast: 4%

What is your inflation rate forecast for next year?
Median: 4%

Source: NAR 2021 Real Estate Forecast Survey
## Expected Interest Rate Hikes: 2

How many times do you expect the Federal Open Market Committee to raise rates next year, in increment of 25 basis points?
Median: 2 times

| 0 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 |

Source: NAR 2021 Real Estate Forecast Survey
Expected Home Price Change: 5.7%

How do you see home sales prices changing next year?
Median: 5.7%

Source: NAR 2021 Real Estate Forecast Survey
NAR THANKS THE 2021 FORECAST SURVEY RESPONDENTS

Calvin Schnure, Chief Economist, Nareit
Michael Fratantoni, Chief Economist, Mortgage Bankers Association
KC Conway, Principal and Founder, Red Shoe Economics
Rebecca Rockey, Global Head of Economic Analysis and Forecasting, Cushman and Wakefield
Frank Nothaft, Chief Economist, Corelogic
Dana M Peterson, Chief Economist, The Conference Board
Vanessa Perry, Professor of Strategic Management and Public Policy, George Washington University
James Gaines, Research Economist, Real Estate Center at Texas A&M University
Ken H. Johnson, Associate Dean, Graduate Programs, College of Business, Florida Atlantic University
Richard Fry, Senior Economist, Pew Research Center
Jim Costello, Senior Vice-President, Real Capital Analytics
Victor Calanog, Head of Commercial Real Estate Economics, Moody’s Analytics
Ali Wolf, Chief Economist, All Things Housing
Timothy H. Savage, Faculty Director, Schack Institute, New York University
Lisa Sturtevant, Chief Economist, Virginia REALTORS®
James Breeze, Senior Director, Global Head of Industrial and Logistics Research, CBRE
David W. Berson, Chief Economist and Senior Vice-President, Nationwide Insurance
Danushka Nanayakarra, Associate Vice President, Forecasting and Analysis, National Association of Home Builders
Issi Romem, Economist and Founder at Metrosight, Fellow, Terner Center, UC Berkeley
Daniel Bachman, Economist, Deloitte
Danielle Hale, Chief Economist, Realtor.com
Lawrence Yun, Chief Economist, NAR
THANK YOU

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