

2022

Weekly Real Estate Monitor

Residential and Commercial

Markets

February 21-24

National Association of REALTORS® Research Group



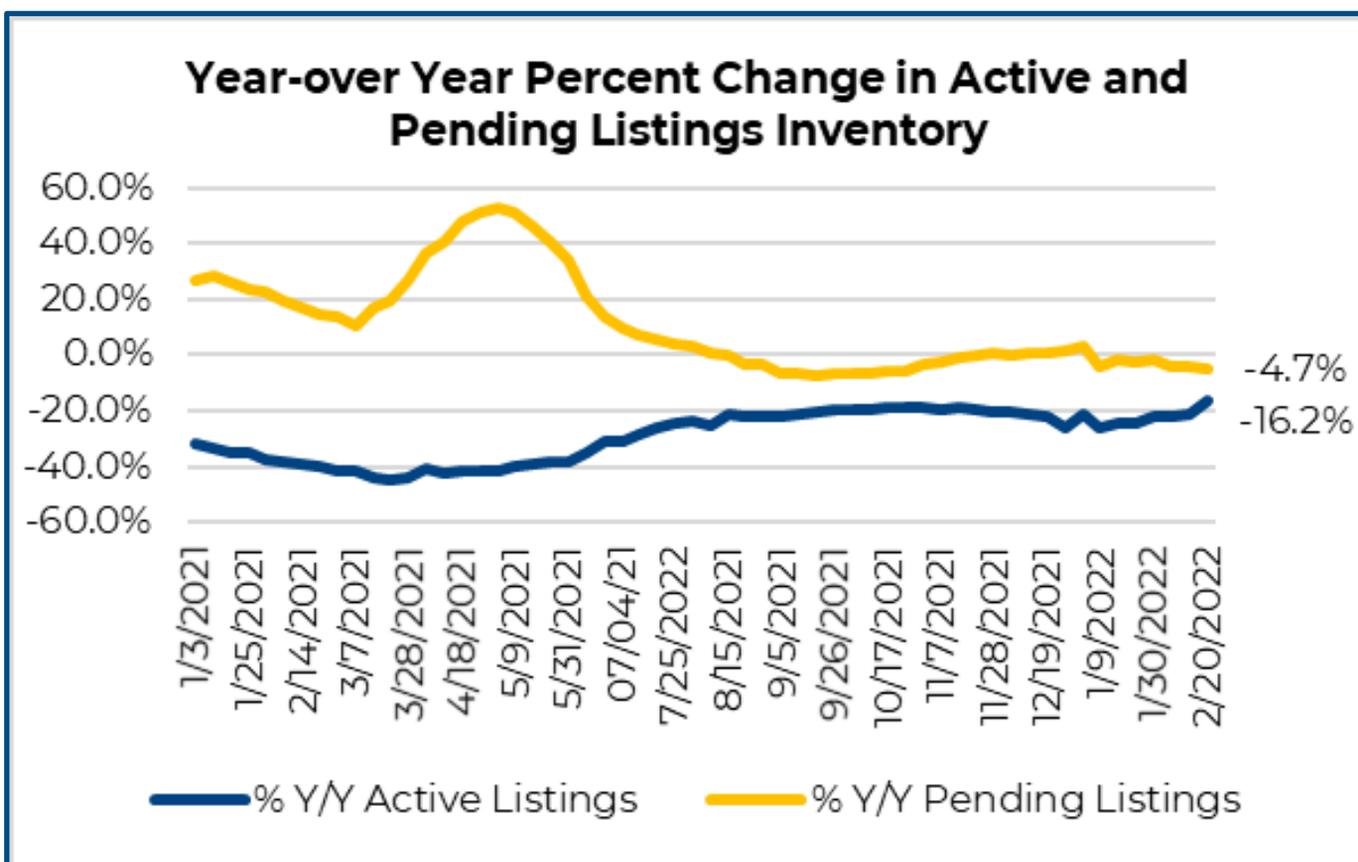
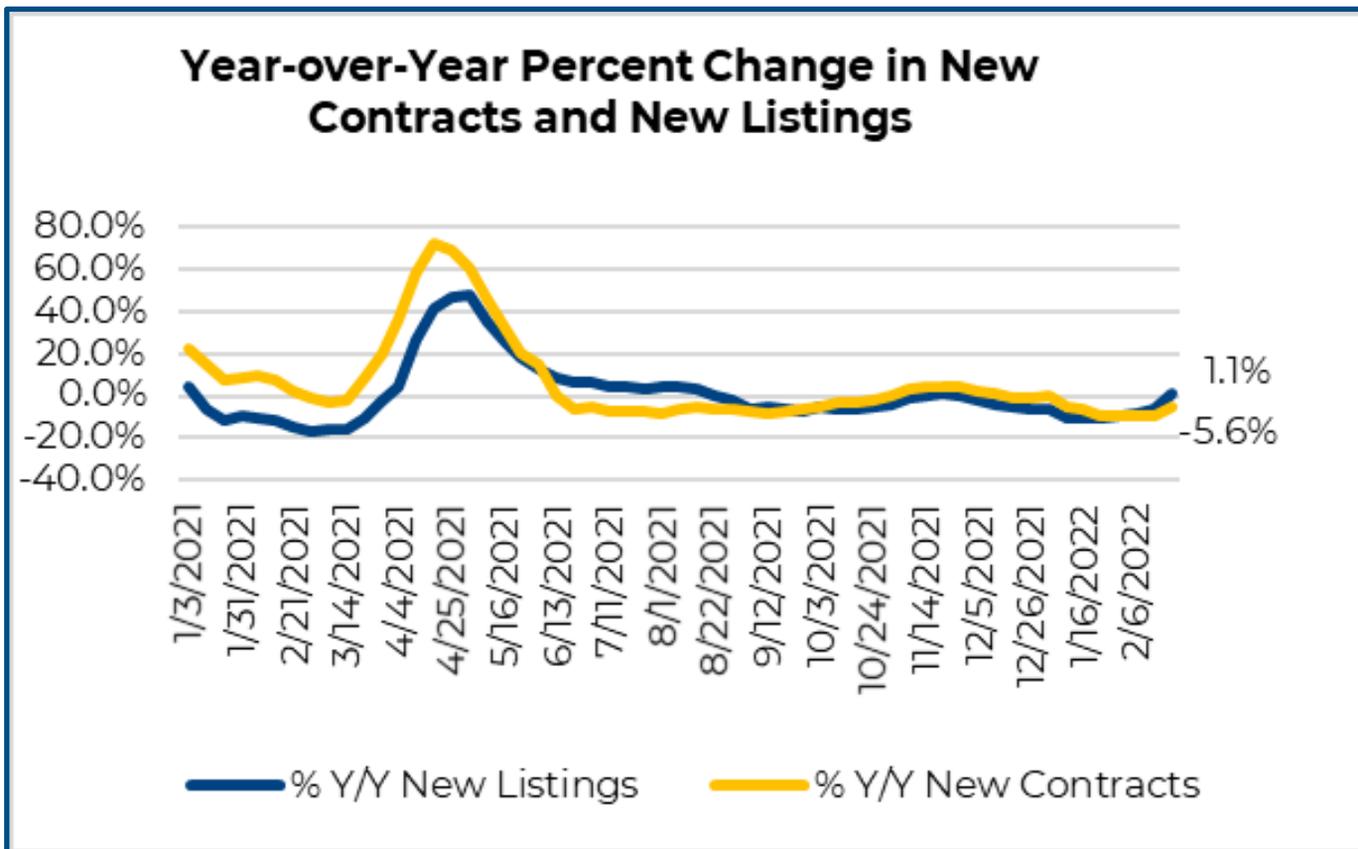
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Weekly Real Estate Monitor

New Homes for Sale Outpaced Contract Signings

Supply conditions improved somewhat. New listings during the past four weeks were up 1.1% from one year ago while new contracts signed were down 4.7% from one year ago.

However, there are still not enough homes on the market, with less than 1 active listing for every pending listing. Active listings are down 16.2% from the level one year ago while the stock of pending listings is down 4.7%.

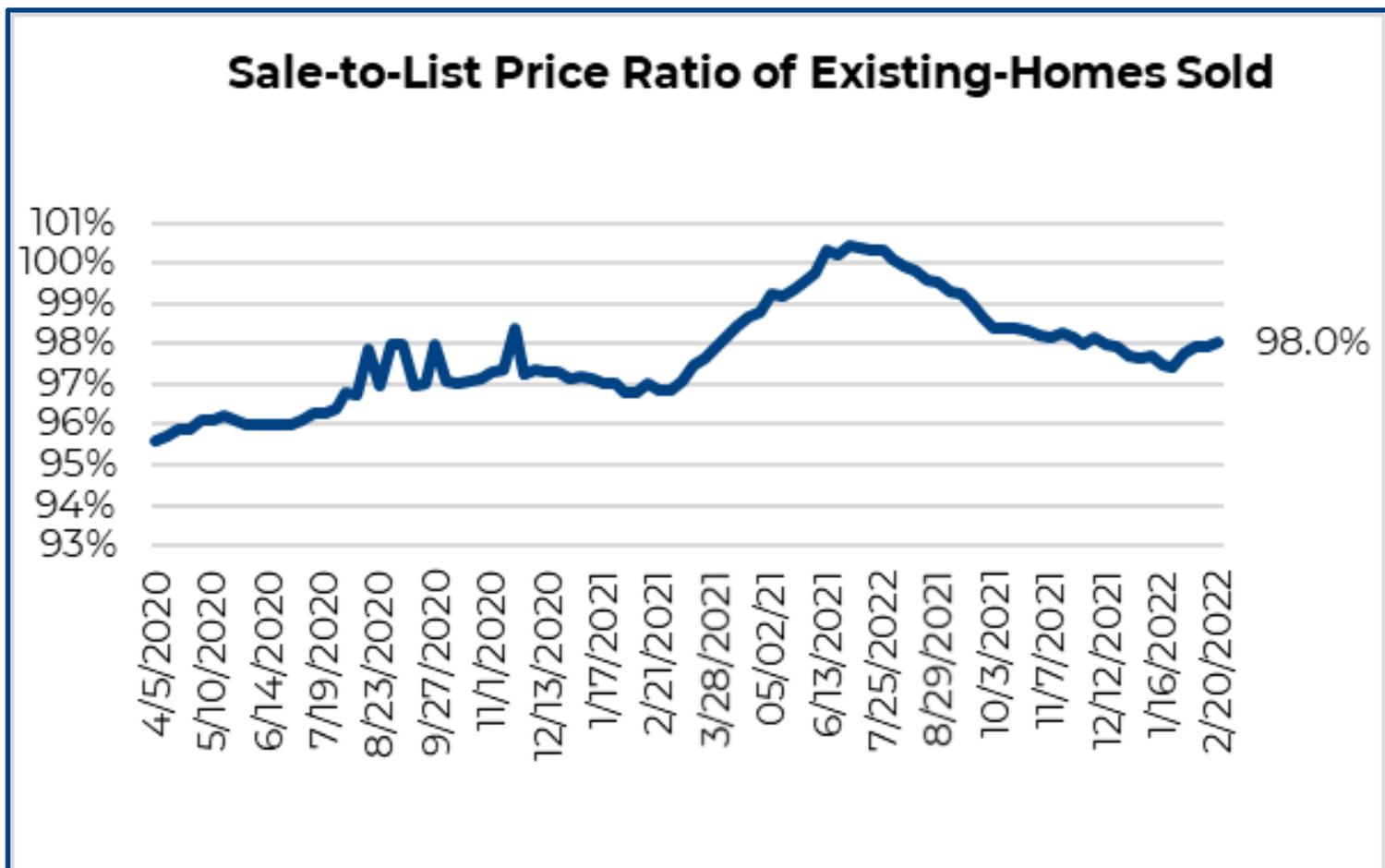
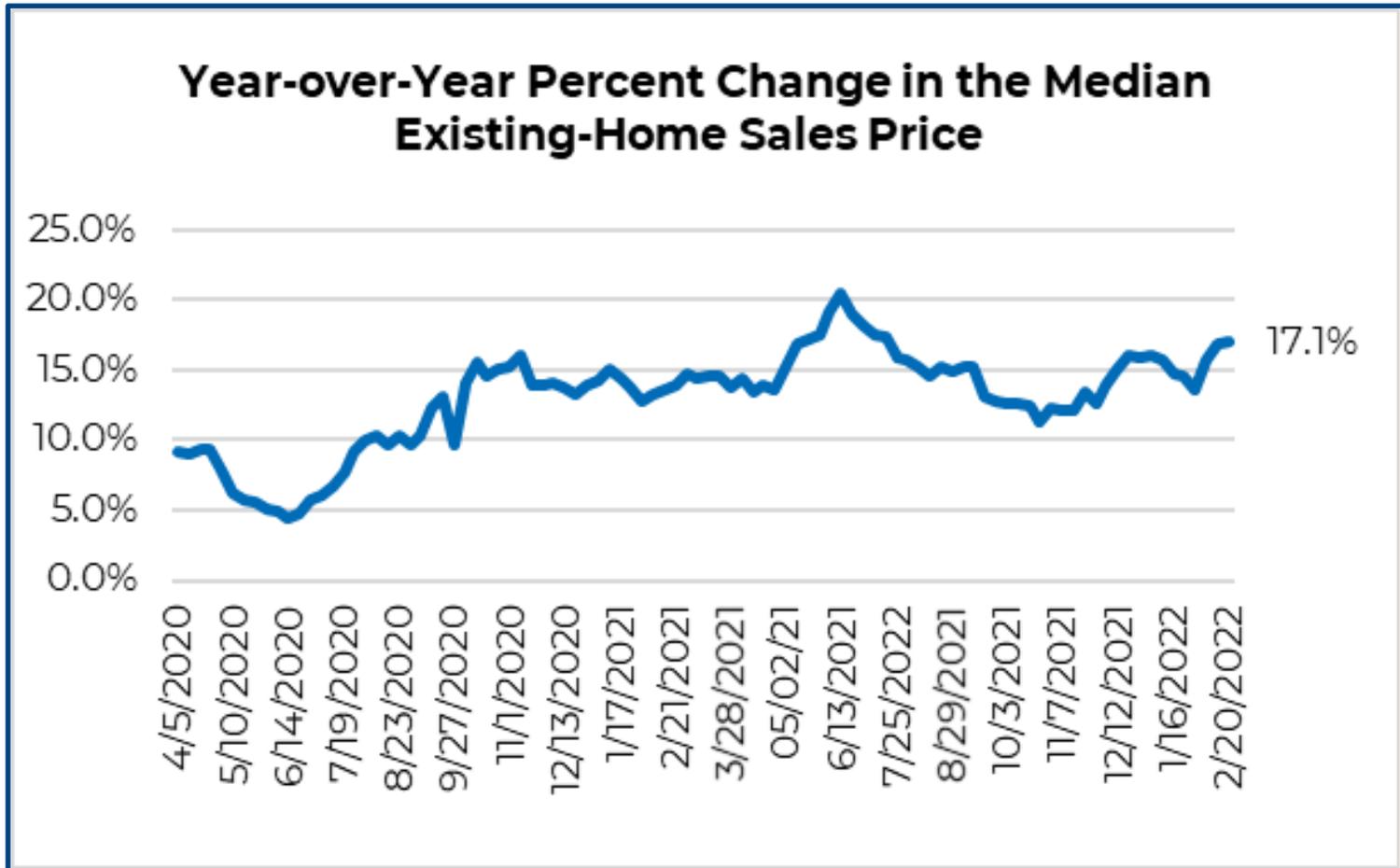


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Median Existing-Home Sale Price Rises at Faster Pace of 17.1%

Preliminary data indicates that home prices are rising at a faster pace, indicating demand is still robust even as mortgage rates are rising. The median price of existing-home sales rose 17.1%. In January, home prices rose at 15.7%.

The sale-to-list price ratio averaged 98%, after dipping to 97%.

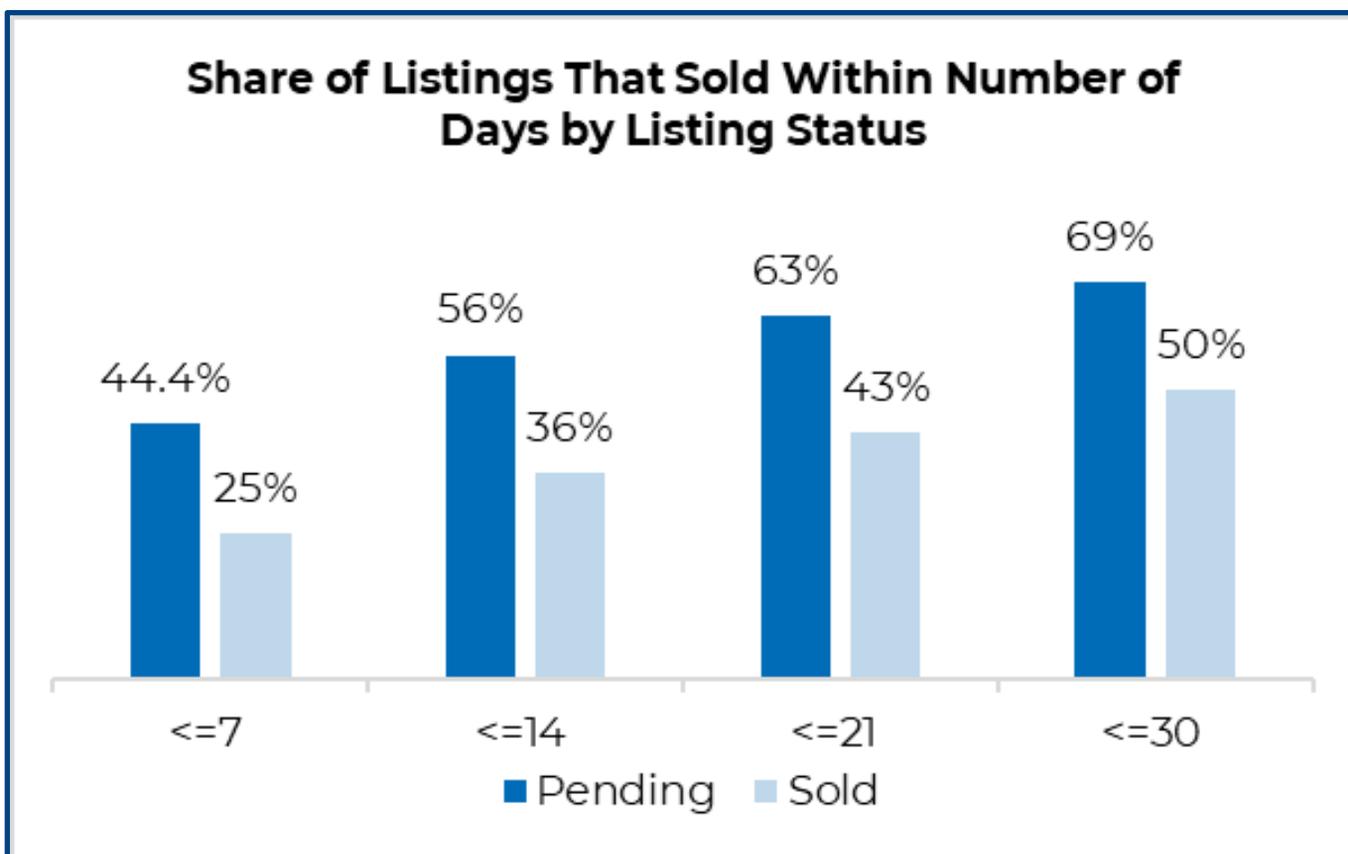
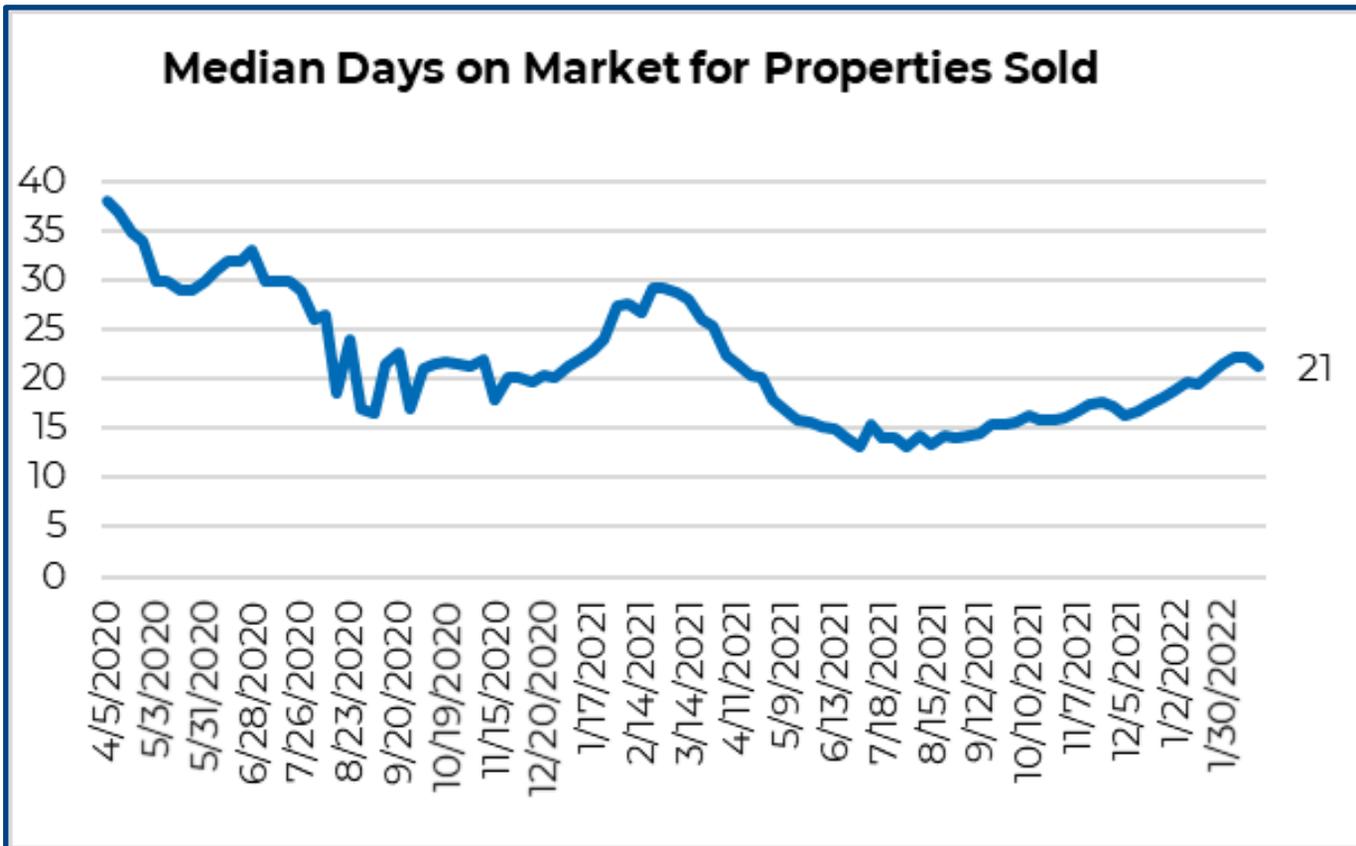


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Properties Typically Sold Faster in 21 Days

Properties sold faster with the median days on market at 21 days, compared to 29 days one year ago.

A higher fraction of pending listings sold within 7 days, at 44%, compared to the fraction of sold listings that sold within 7 days, at 25%. Pending listings were typically on the market for just 10 days while closed sales were typically on the market for 31 days. This means that recent properties that went into contract sold more quickly than listings that went into contract in the earlier months.



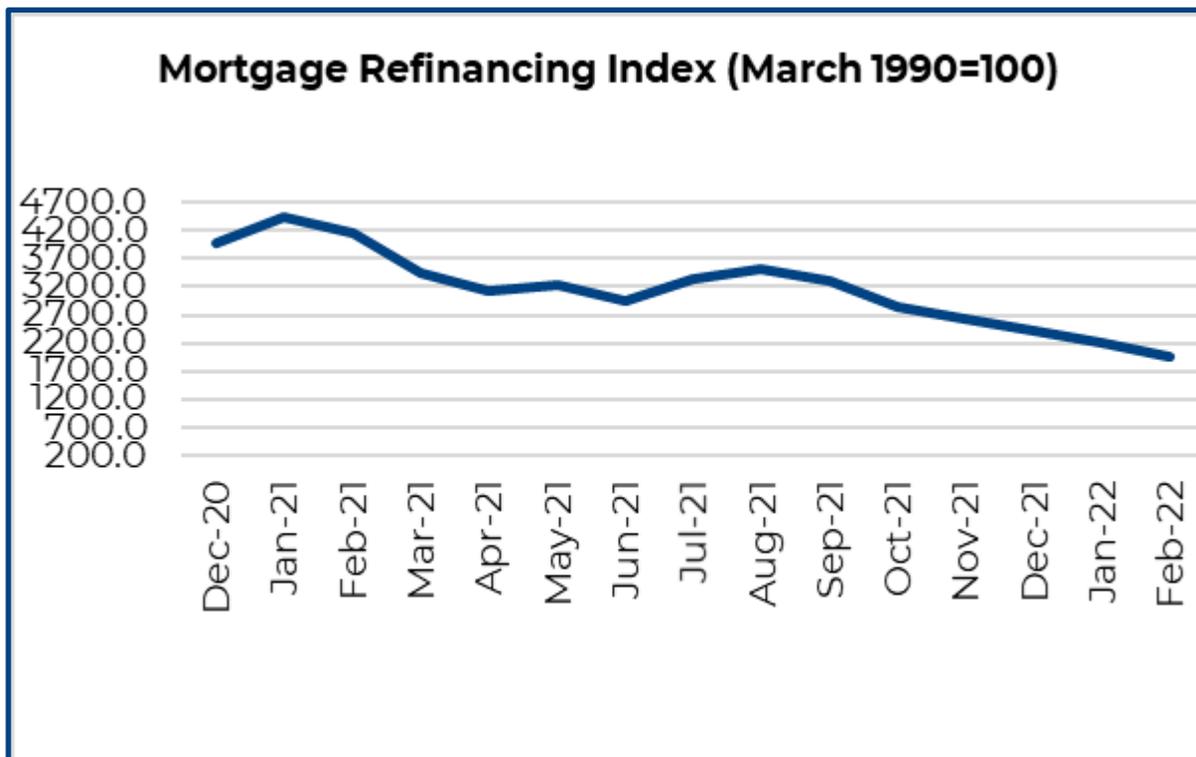
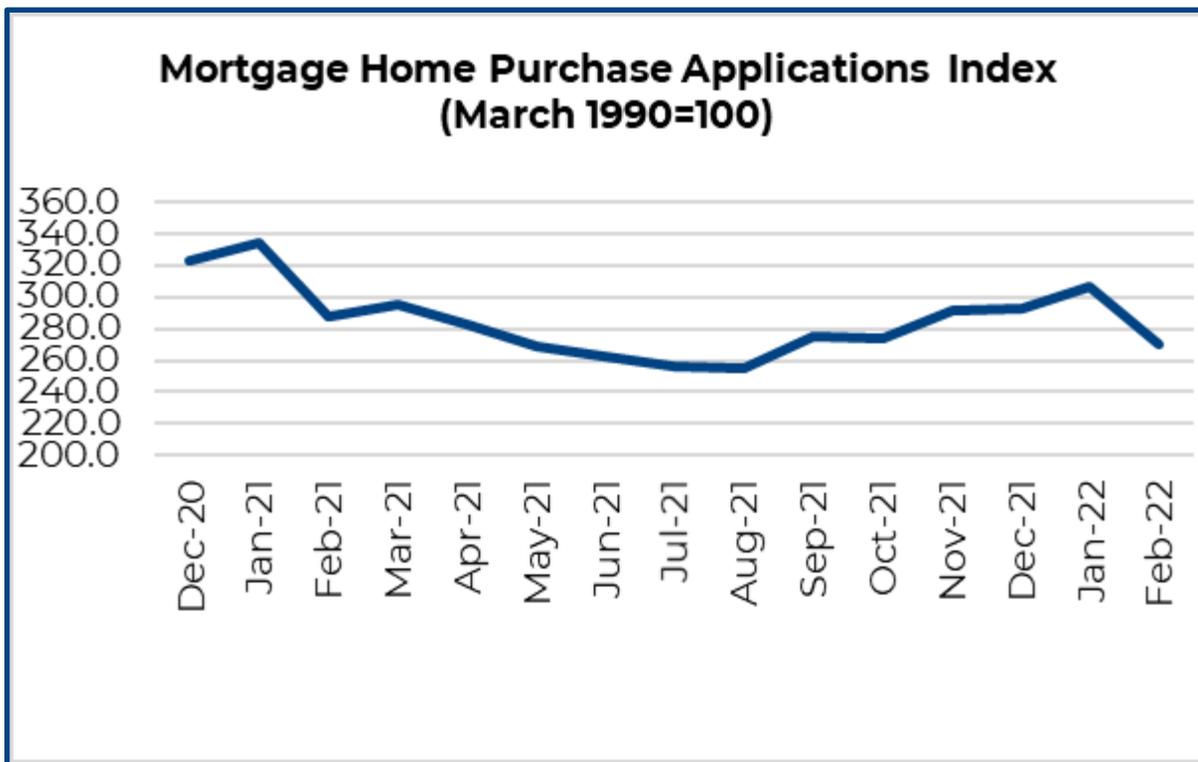
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Mortgage Home Purchase Applications Decreased

Mortgage applications for a home purchase decreased 5.4% from the prior week, according to the MBA's Weekly Mortgage Applications Survey. On average, mortgage purchase applications are down 10.9% in February compared to the prior month and are down 38% from one year ago.

Conventional financing (includes Fannie Mae/Freddie Mac conforming loans) purchase applications decreased -10.2% from the prior week while government-insured financing (FHA, VA, USDA) decreased 9.8%.

Refinancing applications decreased 15.6% from the prior week and were down 56% from one year ago. Expect a decline in refinancing activity for the most part in 2022 due to rising mortgage rates and with most home buyers likely to have already refinanced given the low mortgage rates in the past year.

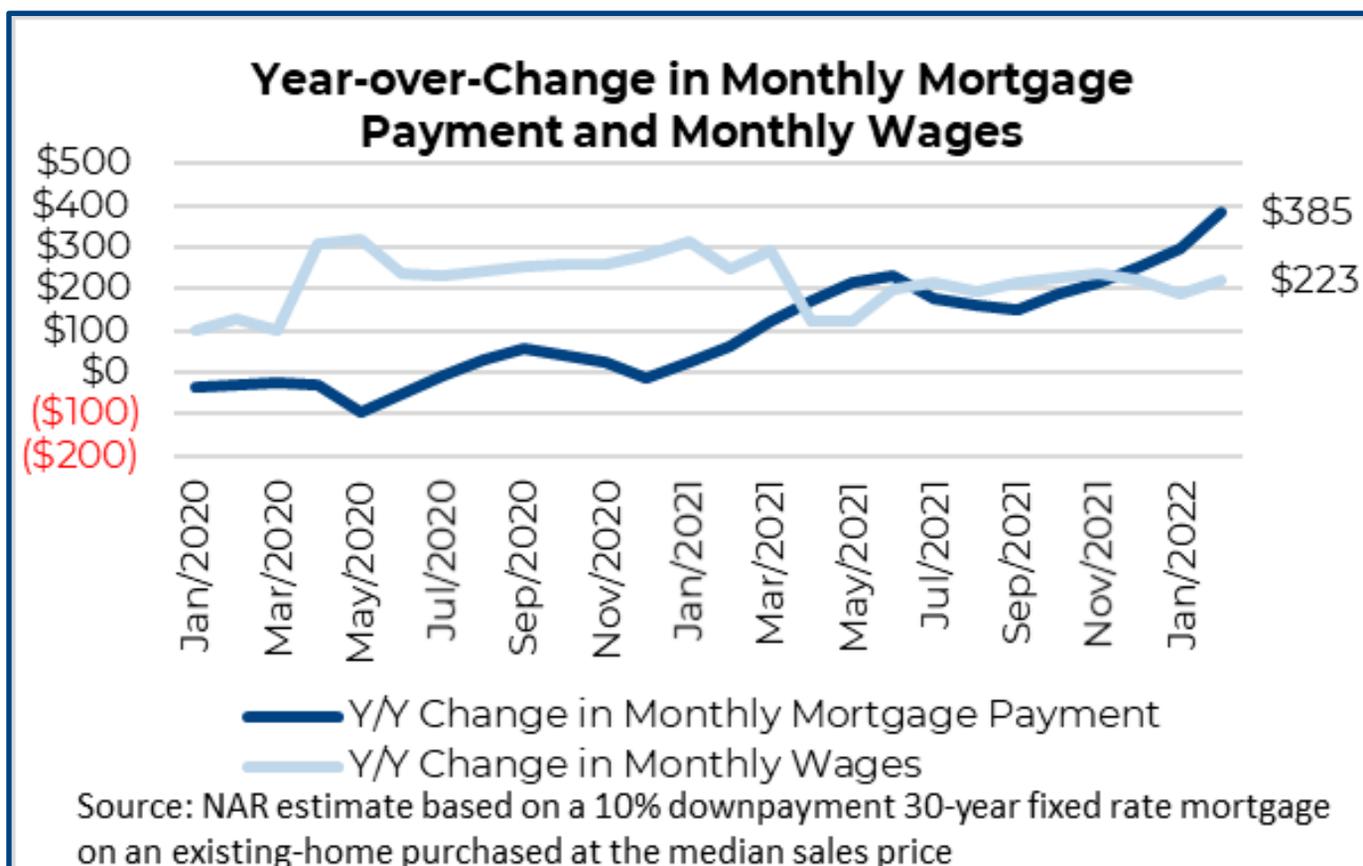
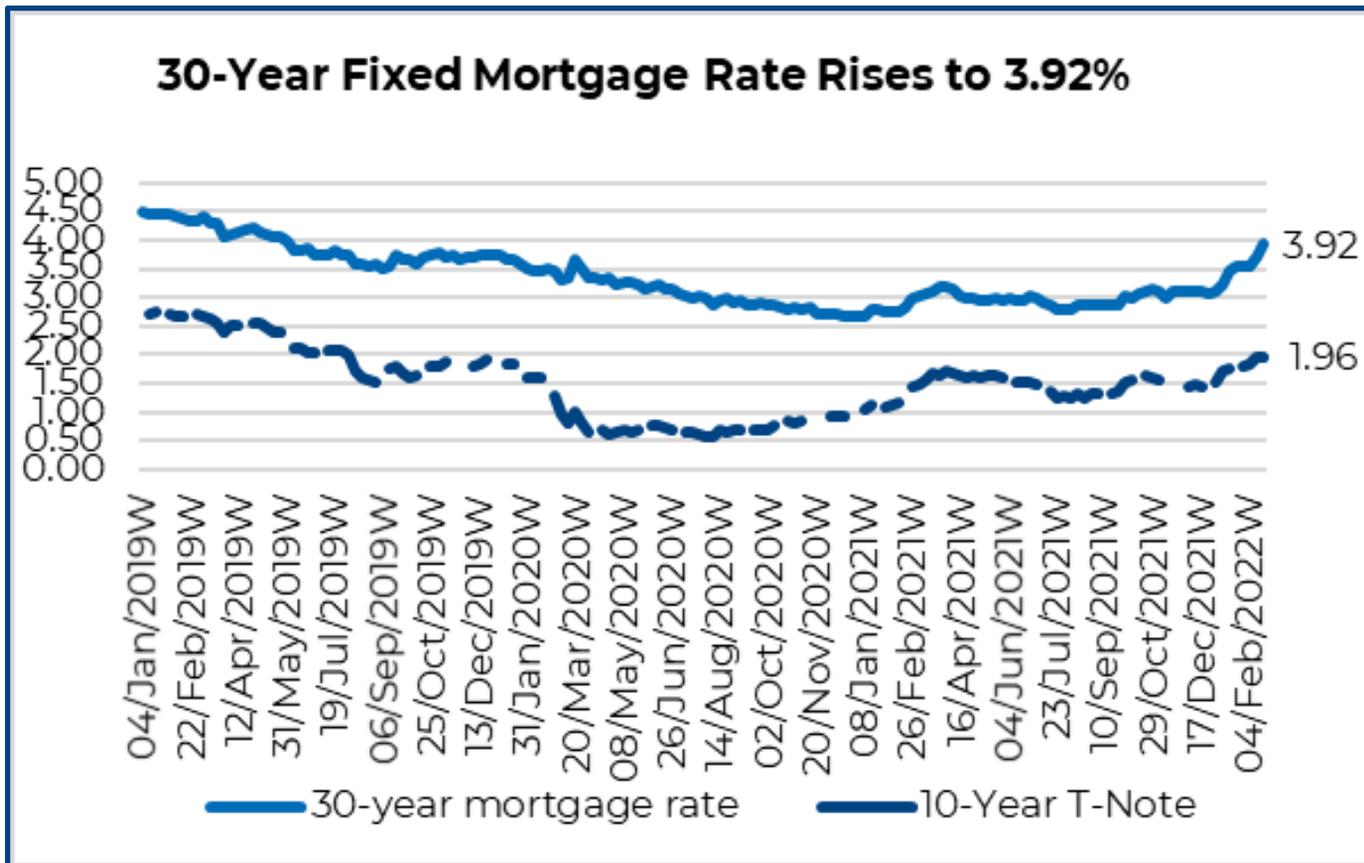


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Typical Monthly Mortgage Up \$385 from One Year Ago as Mortgage Rate Hits 3.92%

The 30-year fixed mortgage rate rose to 3.92% as the 10-year T-note hit 1.99%.

With a forecasted median existing-home sales price of \$359,790 for February, a homeowner will typically pay \$1,543 on a 10% down payment 30-year loan, or \$385 more in monthly mortgage compared to one year ago. This outpaces the \$223 increase in monthly wages, indicating a decline in affordability.



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Positive Net Absorption in All Core Commercial Real Estate Sectors

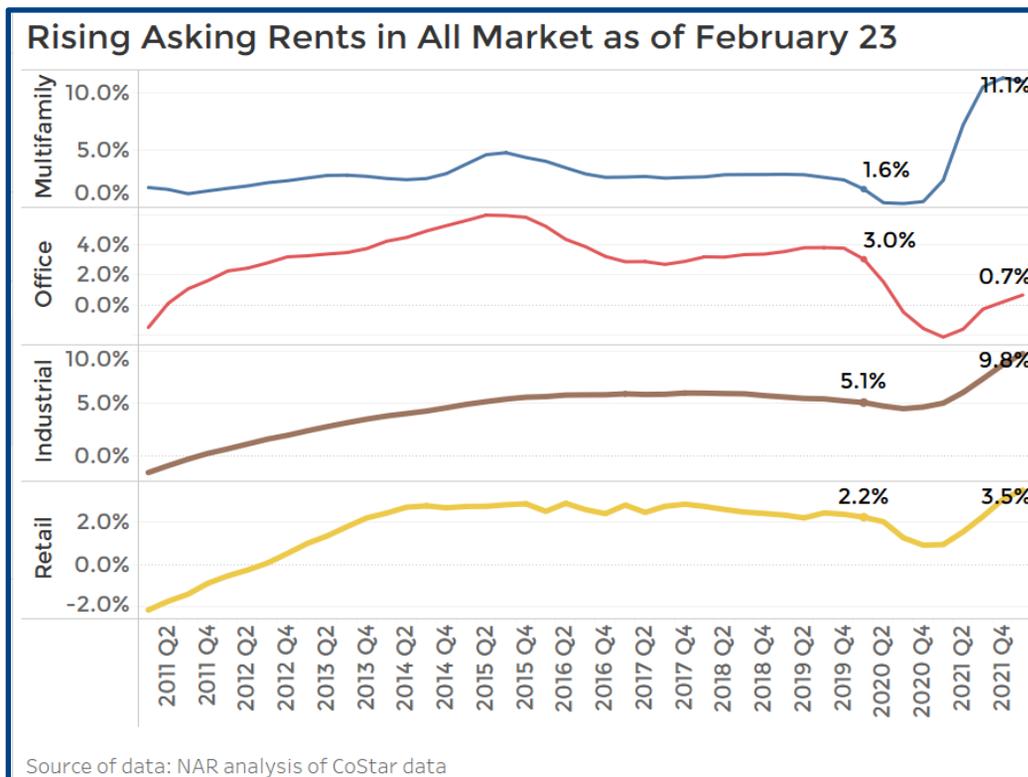
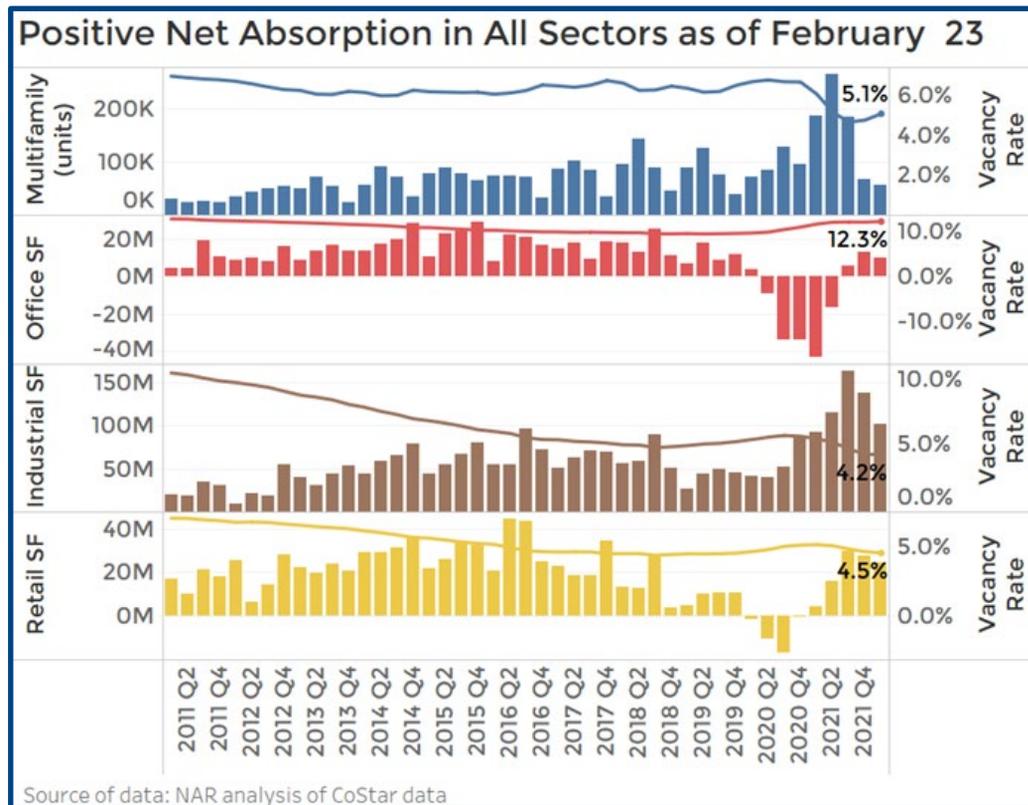
In the multifamily apartment market, 56,515 units were absorbed on a net basis in the past three months, with a vacancy rate of 5.1%, and year-over-year asking rent growth of 11.1%.

In the office market, 9.9 million square feet of office space was absorbed on a net basis in the past three months, with a vacancy rate of 12.3%. Asking rents are rising, at 0.7% year-over-year.

In the industrial market, 102 million square feet was absorbed on a net basis in the past three months. The sector has the lowest vacancy rate, at 4.2% and the highest rent growth of 9.8%.

In the retail property market, 24 million square feet absorbed in the past three months. The vacancy rate is at 4.5%, and rents are rising 3.5% year-over-year.

Download the [January Commercial Market Insights Report](#) and [Commercial Metro Market Reports](#).



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Commercial Cap Rates

Cap rents continued to trend downwards relative to pre-pandemic levels even as the 10-year Treasury notes has been trending upwards during the year to 2%.

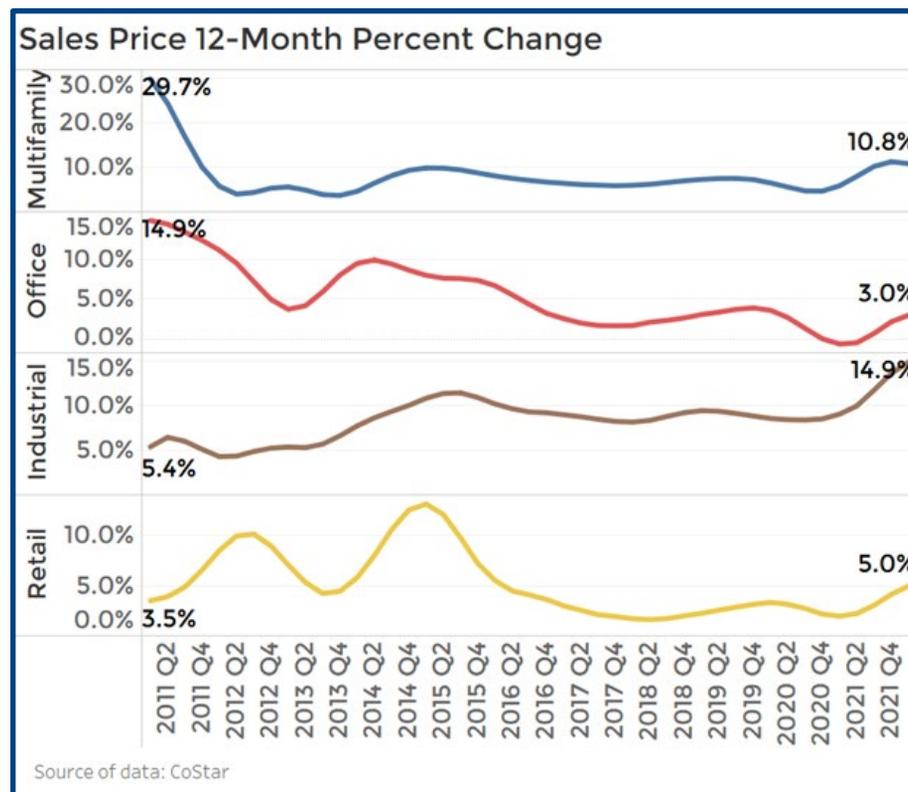
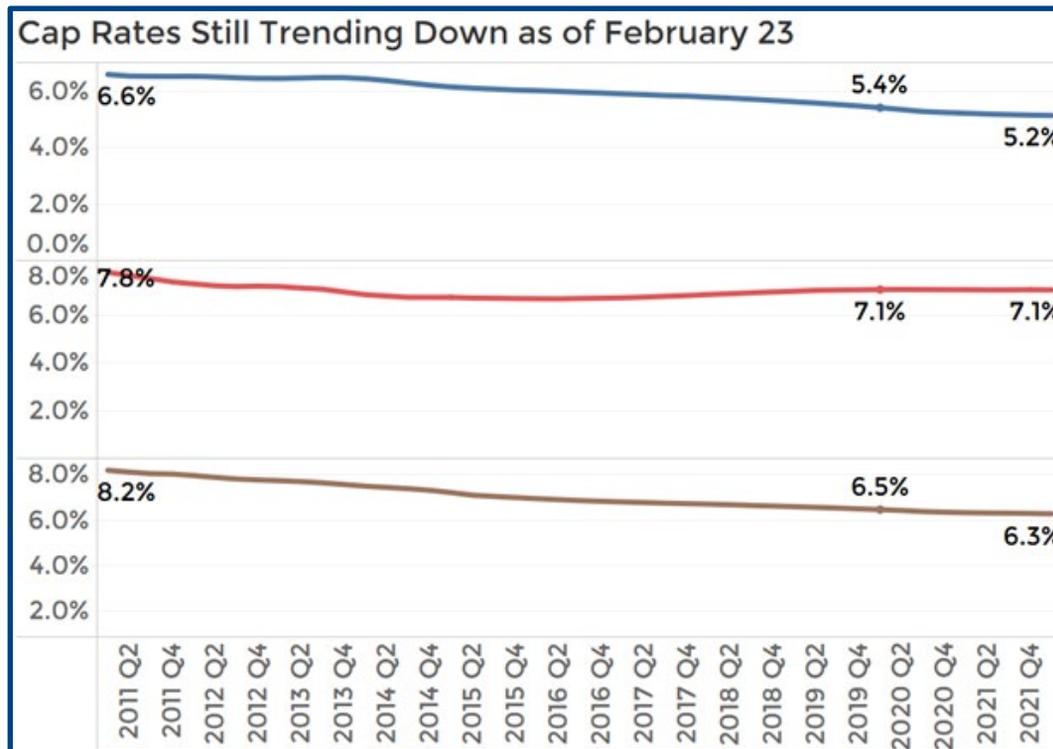
The multifamily market has the lowest cap rate among the core property markets, with a cap rate of 5.2% (5.4% in 2020 Q1). On average, sales prices are rising 10.8% year-over-year.

In the office market, the median cap rate was 7.1% (7.1% in 2020 Q1). Prices are rising 3% year-over-year.

In the industrial market, the median cap rate fell to 6.3% (6.5% in 2020 Q1). Prices are rising 14.9% year-over-year.

In the retail market, the median cap rate was 6.9% (7% in 2020 Q1). Prices are rising 5% year-over-year.

Download the [January Commercial Market Insights Report](#) and [Commercial Metro Market Reports](#).



Top 20 Multifamily Real Estate Markets by Net Absorption as of 2022 Q1 (three months through February 23)

Geography Name	12-Month Absorption in Units	Vacancy Rate	Market Asking Rent/Unit	Y/Y Market Asking Rent Growth	Market Cap Rate
Dallas-Fort Worth - TX	39,385	6.2%	\$1,458	15.0%	4.8%
New York - NY	34,578	2.5%	\$2,889	5.7%	4.3%
Houston - TX	33,643	7.5%	\$1,262	9.6%	5.4%
Los Angeles - CA	30,819	3.6%	\$2,132	7.7%	4.0%
Washington - DC	20,082	6.7%	\$2,001	9.7%	4.7%
Austin - TX	17,234	7.7%	\$1,643	18.5%	4.4%
Chicago - IL	16,769	5.7%	\$1,574	7.9%	5.8%
Boston - MA	14,283	4.2%	\$2,575	10.6%	4.3%
Orlando - FL	13,919	5.6%	\$1,714	23.9%	4.4%
Seattle - WA	13,673	5.5%	\$1,927	10.7%	4.0%
Atlanta - GA	11,687	6.3%	\$1,600	16.2%	4.7%
Minneapolis - MN	10,683	6.3%	\$1,386	3.9%	5.4%
Philadelphia - PA	10,444	3.9%	\$1,571	8.8%	5.3%
Charlotte - NC	10,444	7.2%	\$1,493	15.9%	4.5%
Denver - CO	10,230	6.8%	\$1,748	13.1%	4.3%
Miami - FL	10,092	3.7%	\$2,093	18.7%	4.6%
San Antonio - TX	9,462	6.1%	\$1,203	12.7%	5.3%
Nashville - TN	9,164	7.0%	\$1,571	17.8%	4.8%
Phoenix - AZ	8,233	6.4%	\$1,577	18.9%	4.1%
Portland - OR	7,790	5.3%	\$1,547	9.0%	4.5%

Source: CoStar. The cap rate is a modeled cap rate based on sales transactions data for some properties.

Top 20 Office Real Estate Markets by Net Absorption as of 2022 Q1 (three months through February 23)

CBSA Code	Geography Name	12-Month Absorption in Sq.Ft	Vacancy Rate	Market Rent/SF	Market Rent Growth 12 Mo	Market Cap Rate
14460	Boston - MA	3,804,106	9.8%	\$41	1.5%	5.9%
19100	Dallas-Fort Worth - TX	3,277,271	17.8%	\$28	1.3%	7.1%
12420	Austin - TX	3,249,343	13.9%	\$42	2.2%	6.0%
41940	San Jose - CA	2,959,907	12.5%	\$62	1.6%	5.1%
12060	Atlanta - GA	2,791,619	13.9%	\$27	1.2%	7.3%
29820	Las Vegas - NV	1,806,554	10.4%	\$25	4.4%	7.5%
34980	Nashville - TN	1,621,659	10.5%	\$29	1.5%	7.2%
40900	Sacramento - CA	1,507,263	10.0%	\$27	1.7%	7.3%
41620	Salt Lake City - UT	1,237,439	10.0%	\$24	2.9%	7.3%
39340	Provo - UT	1,085,872	8.5%	\$22	2.2%	8.4%
39580	Raleigh - NC	1,032,890	8.2%	\$28	2.7%	7.1%
36740	Orlando - FL	1,019,412	7.9%	\$26	3.1%	7.6%
40140	Inland Empire - CA	752,191	6.5%	\$24	2.7%	7.4%
41700	San Antonio - TX	669,519	10.1%	\$27	1.3%	8.7%
16740	Charlotte - NC	626,169	12.0%	\$30	1.6%	6.7%
42660	Seattle - WA	275,128	10.1%	\$38	1.5%	5.7%
45300	Tampa - FL	214,353	9.1%	\$25	2.4%	7.7%
38060	Phoenix - AZ	24,872	14.2%	\$27	2.7%	7.3%
19820	Detroit - MI	-539,973	11.7%	\$21	0.3%	9.3%
28140	Kansas City - MO	-1,264,287	10.0%	\$21	1.0%	8.2%

Source: CoStar. The cap rate is a modeled cap rate based on sales transactions data for some properties.

Top 20 Industrial Real Estate Markets by Net Absorption as of 2022 Q1 (three months through February 23)

CBSA Code	Geography Name	12-Month Net Absorption ¹ in Sq. Ft.	Vacancy Rate	Market Rent/SF	Market Rent Growth 12 Mo	Market Cap Rate
19100	Dallas-Fort Worth - TX	41,199,404	5.6%	\$7.9	11.7%	5.7%
16980	Chicago - IL	37,644,432	4.9%	\$8.3	8.8%	6.7%
26420	Houston - TX	31,408,740	6.7%	\$8.1	5.8%	6.5%
40140	Inland Empire - CA	31,305,608	2.3%	\$11.1	12.3%	4.3%
12060	Atlanta - GA	28,817,258	3.7%	\$7.5	13.4%	6.0%
38060	Phoenix - AZ	23,270,848	6.1%	\$10.2	13.4%	5.7%
26900	Indianapolis - IN	21,350,932	3.9%	\$6.5	9.5%	7.3%
18140	Columbus - OH	14,923,649	3.2%	\$6.3	13.5%	6.6%
37980	Philadelphia - PA	14,631,584	4.7%	\$9.1	13.6%	6.4%
35614	New York - NY	13,880,942	3.3%	\$16.4	9.3%	5.2%
42340	Savannah - GA	10,638,780	4.5%	\$6.9	13.8%	6.1%
10900	Lehigh Valley - PA	9,764,819	4.2%	\$7.3	10.2%	5.9%
29820	Las Vegas - NV	9,688,399	2.7%	\$11.3	14.1%	5.1%
16740	Charlotte - NC	9,363,418	5.1%	\$7.3	11.4%	6.5%
32820	Memphis - TN	9,130,266	6.2%	\$4.5	10.9%	7.4%
19820	Detroit - MI	8,453,418	4.4%	\$8.0	11.0%	8.6%
47900	Washington - DC	8,052,439	4.4%	\$13.9	10.4%	6.2%
28140	Kansas City - MO	7,547,778	4.8%	\$6.2	7.9%	7.5%
34980	Nashville - TN	6,856,544	4.3%	\$9.7	15.0%	5.9%
17140	Cincinnati - OH	6,499,625	4.2%	\$6.0	10.7%	7.4%

Source: CoStar. The cap rate is a modeled cap rate based on sales transactions data for some properties.

Top 20 Retail Real Estate Markets by Net Absorption as of 2022 Q1 (three months through February 23)

CBSA Code	Geography Name	12-Month Net Absorption ¹ in Sq. Ft.	Vacancy Rate	Market Rent/SF	Market Rent Growth 12 Mo	Market Cap Rate
26420	Houston - TX	6,357,579	5.5%	\$21.5	4.0%	6.9%
19100	Dallas-Fort Worth - TX	6,336,694	5.3%	\$21.0	4.9%	6.5%
12060	Atlanta - GA	5,222,289	4.3%	\$19.7	6.9%	7.1%
16980	Chicago - IL	3,751,294	5.8%	\$20.0	3.1%	7.3%
35614	New York - NY	3,726,019	4.0%	\$44.9	1.8%	6.0%
38060	Phoenix - AZ	3,192,365	6.4%	\$20.8	5.3%	6.8%
41700	San Antonio - TX	2,138,181	4.2%	\$20.3	3.6%	6.4%
37980	Philadelphia - PA	2,083,421	4.7%	\$21.4	2.0%	7.1%
45300	Tampa - FL	2,073,579	3.6%	\$21.7	6.7%	6.6%
19820	Detroit - MI	2,032,245	5.1%	\$17.7	5.6%	7.8%
12420	Austin - TX	1,871,987	3.5%	\$27.5	5.2%	6.2%
36740	Orlando - FL	1,777,290	4.0%	\$25.0	6.4%	6.8%
29820	Las Vegas - NV	1,646,721	5.7%	\$29.0	10.8%	6.1%
16740	Charlotte - NC	1,575,897	3.7%	\$21.3	5.9%	7.0%
14460	Boston - MA	1,545,487	2.8%	\$24.6	2.0%	6.3%
26900	Indianapolis - IN	1,511,230	3.8%	\$17.0	5.1%	8.0%
19740	Denver - CO	1,370,812	4.6%	\$24.1	2.9%	6.3%
47900	Washington - DC	997,350	5.2%	\$29.9	2.6%	6.2%
36420	Oklahoma City - OK	986,290	5.0%	\$16.0	4.6%	7.8%
18140	Columbus - OH	536,751	3.9%	\$17.1	3.0%	7.9%

Source: CoStar. The cap rate is a modeled cap rate based on sales transactions data for some properties.

Weekly Real Estate Monitor

More Interesting Data

A Snapshot of Race and Home Buying in America 2022

[Read the full report here](#)

This report looks at homeownership trends, mortgage market and affordability by race, and home buyer demographics from the 2021 Profile of Home Buyers and Sellers, home buyers and fair housing.

2022

Snapshot of Race and Home Buying in America

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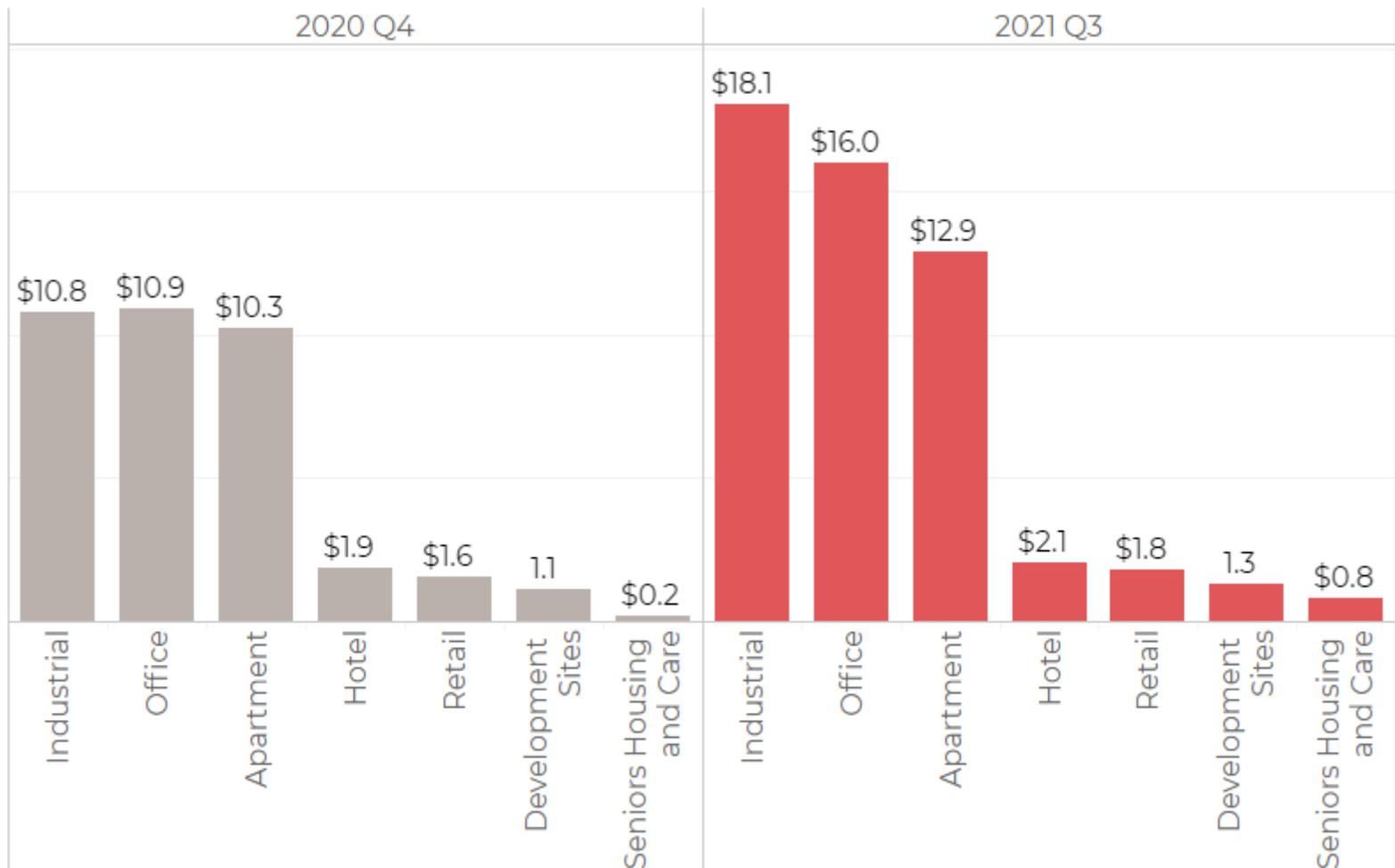
More Interesting Data

Foreign Investor Acquisitions of U.S. Commercial Real Estate Increased 49% in 2021

[Read the full article here](#)

A strong recovery in 2021 in the U.S. commercial real estate market attracted foreign investors who purchased an estimated \$57.7 billion in U.S. commercial real estate in 2021, up 49% from 2020.

4-Quarter Cross-border flows by type of property in billion dollars



Source: Real Capital Analytics

Commercial Weekly: Retail Leasing Activity Rebounded

- [Read the full article here](#)

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The Mission of the NATIONAL ASSOCIATION OF REALTORS® Research Group is to produce timely, data driven market analysis and authoritative business intelligence to serve members, and inform consumers, policymakers and the media in a professional and accessible manner.

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