

2022

# Weekly Real Estate Monitor

## Residential and Commercial Markets

March 14-18

National Association of REALTORS® Research Group



**NATIONAL  
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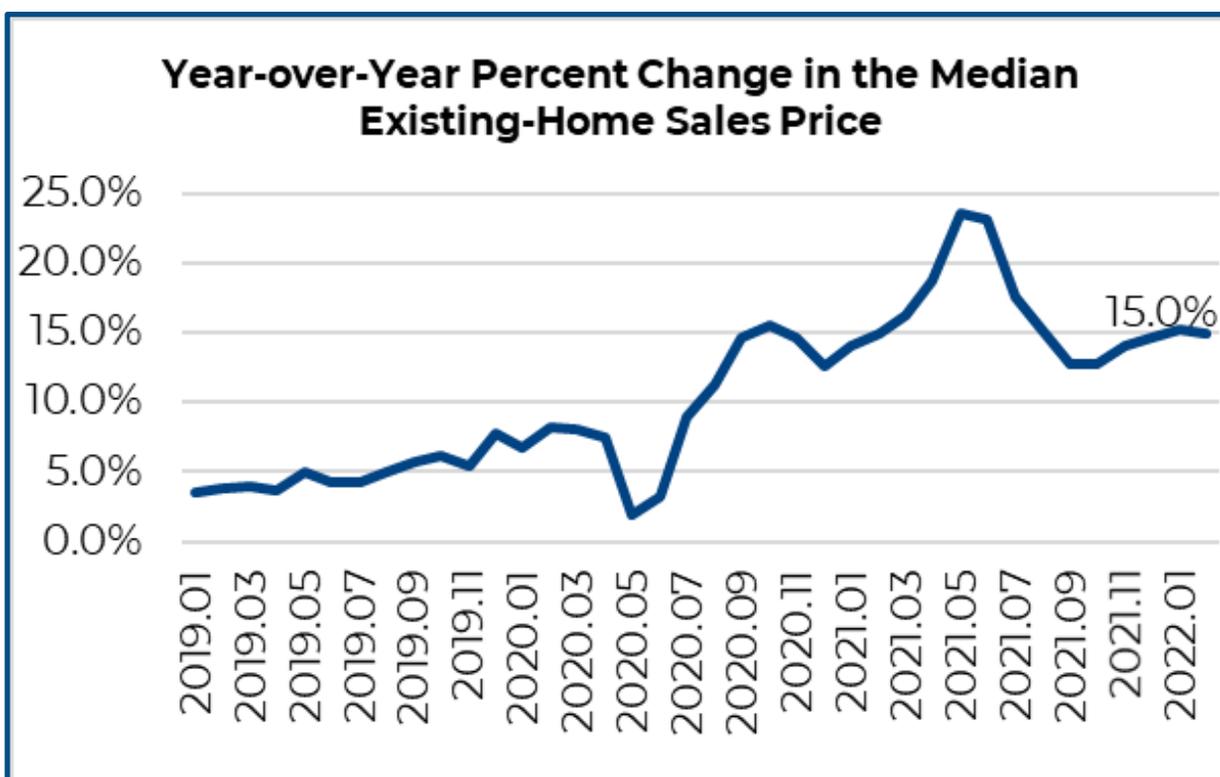
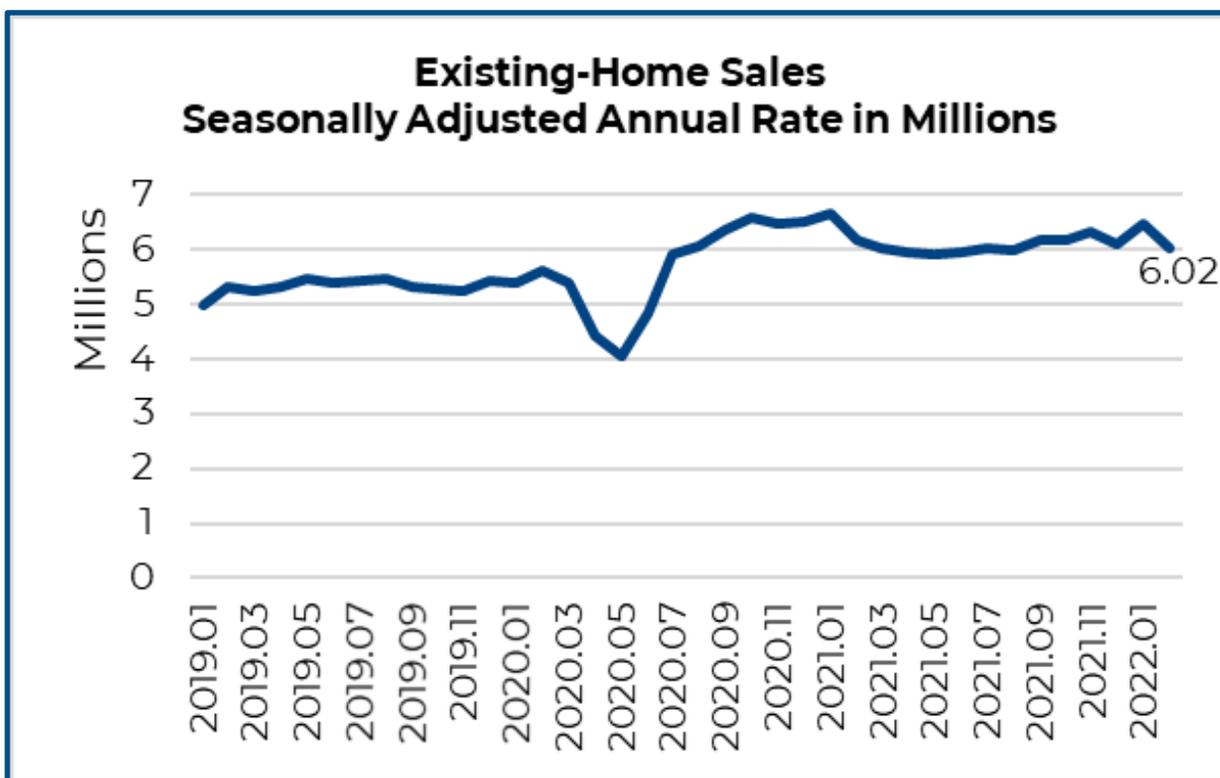
# Weekly Real Estate Monitor

## Existing-home Sales Declined 7.2% in February 2022

Amid rising mortgage rates, existing-home sales measured on seasonally adjusted annual fell 7.2% on a month-over-month basis to 6.02 million in February 2022. Compared to one year ago, sales fell 2.4%, with sales down in three regions (Northeast, -12.7%; Midwest, -1.5%; West, -8.3%) but up in the South region (+3%).

Inventory is improving somewhat but remains tight. The inventory of unsold existing homes (active and pending) slightly increased to 870,000 (850,000 in the prior month) but remains below the level one year ago (1.03 million). The inventory is equivalent to 1.7 months of the monthly sales pace (2.0 months one year ago).

With tight supply, the median existing-home sales price rose 15% on a year-over-year basis, to \$357,300.



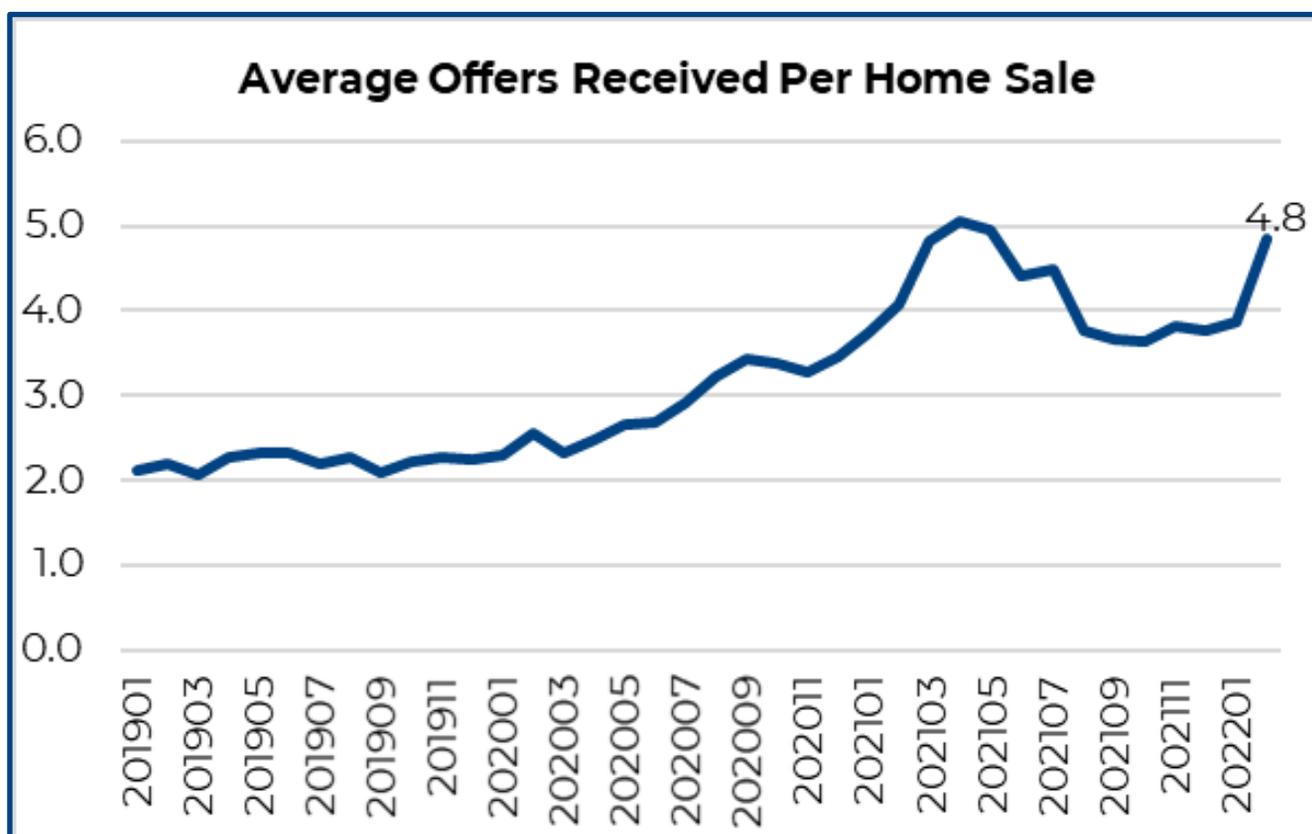
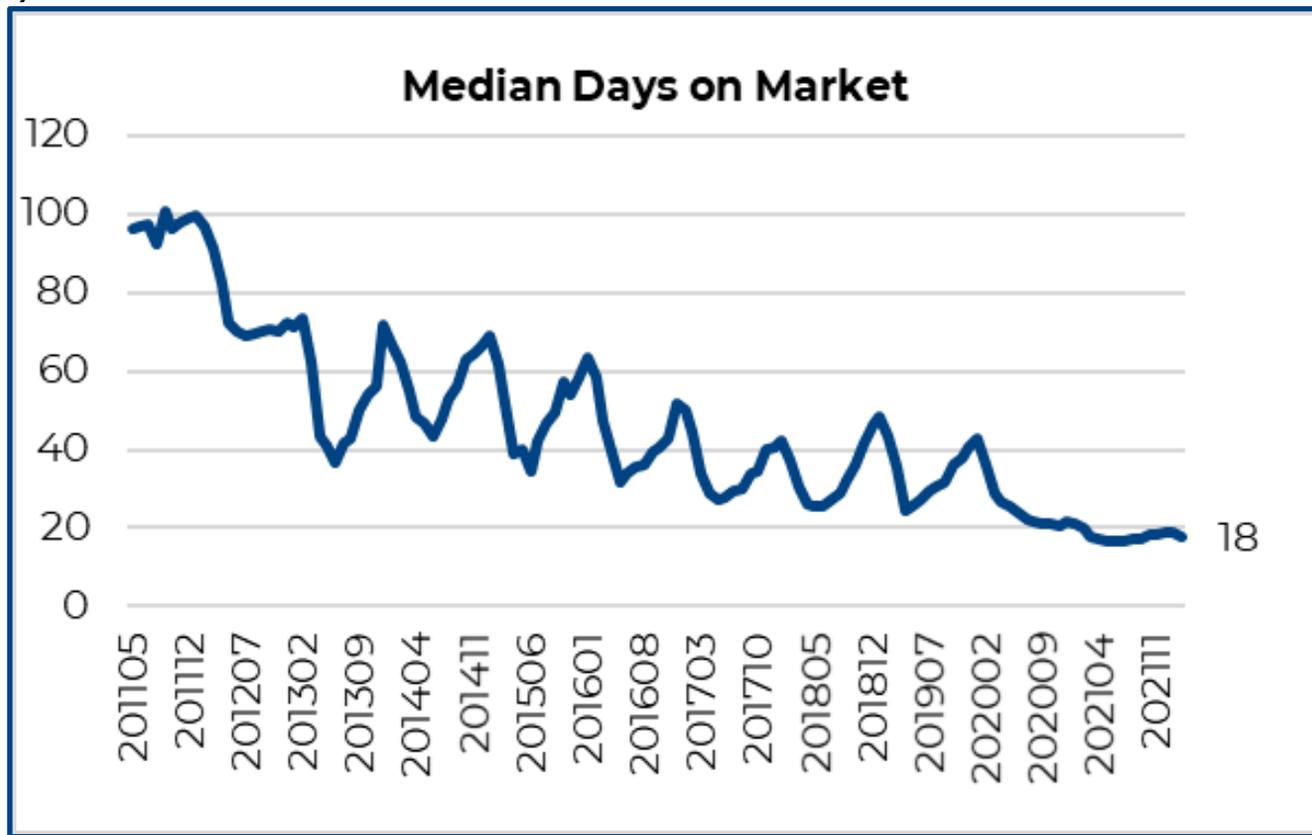
# Weekly Real Estate Monitor

## Properties Sold Faster at 18 Days in February 2022

With a low level of inventory of homes for sale, properties typically sold faster at 18 days (20 days one year ago), according to the [REALTORS® Confidence Index](#) survey. Eighty-four percent of properties typically closed in less than one month.

With the onset of the spring season, REALTORS® reported nearly five offers on average on homes that sold in February 2022, with more offers compared to one year ago (4.1 offers one year ago).

On average, REALTORS® reported taking out four clients during the month (4.3 from one year ago).



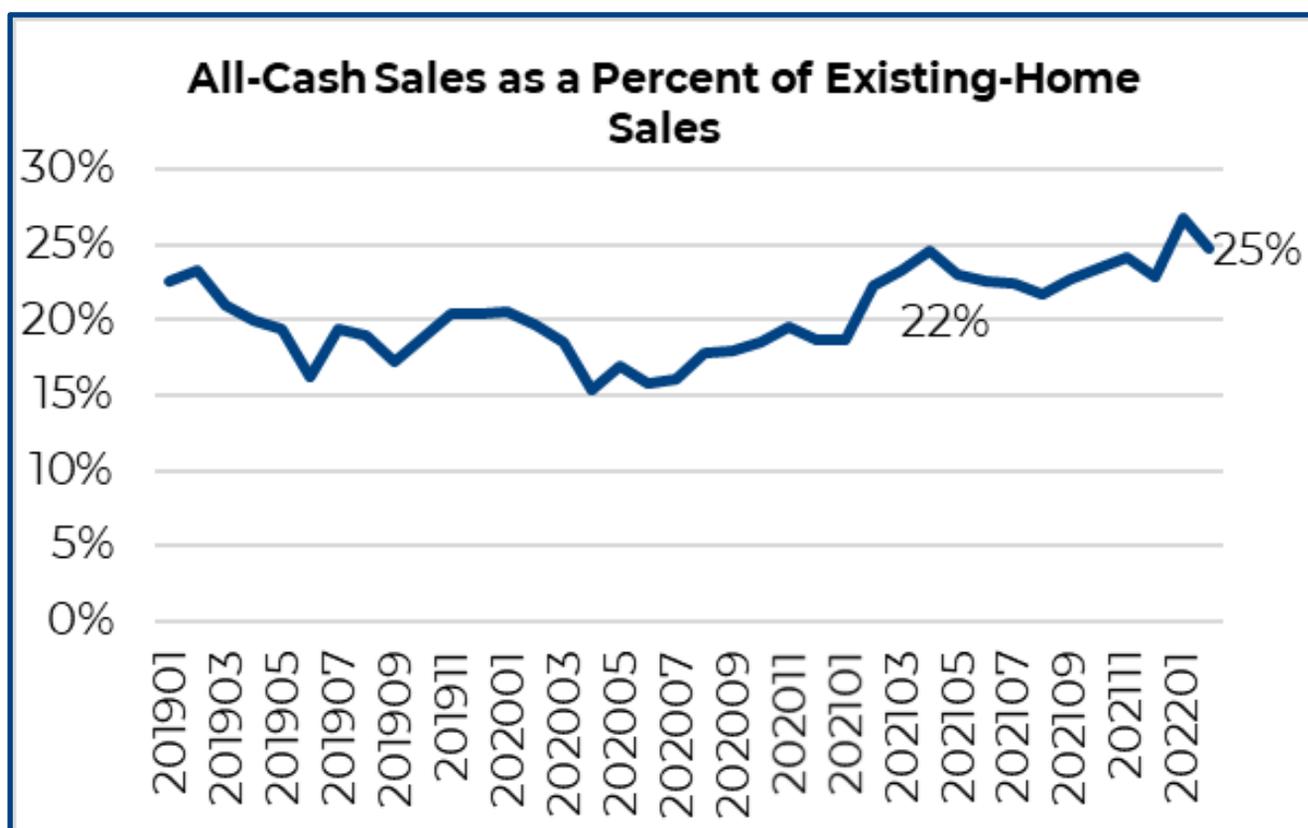
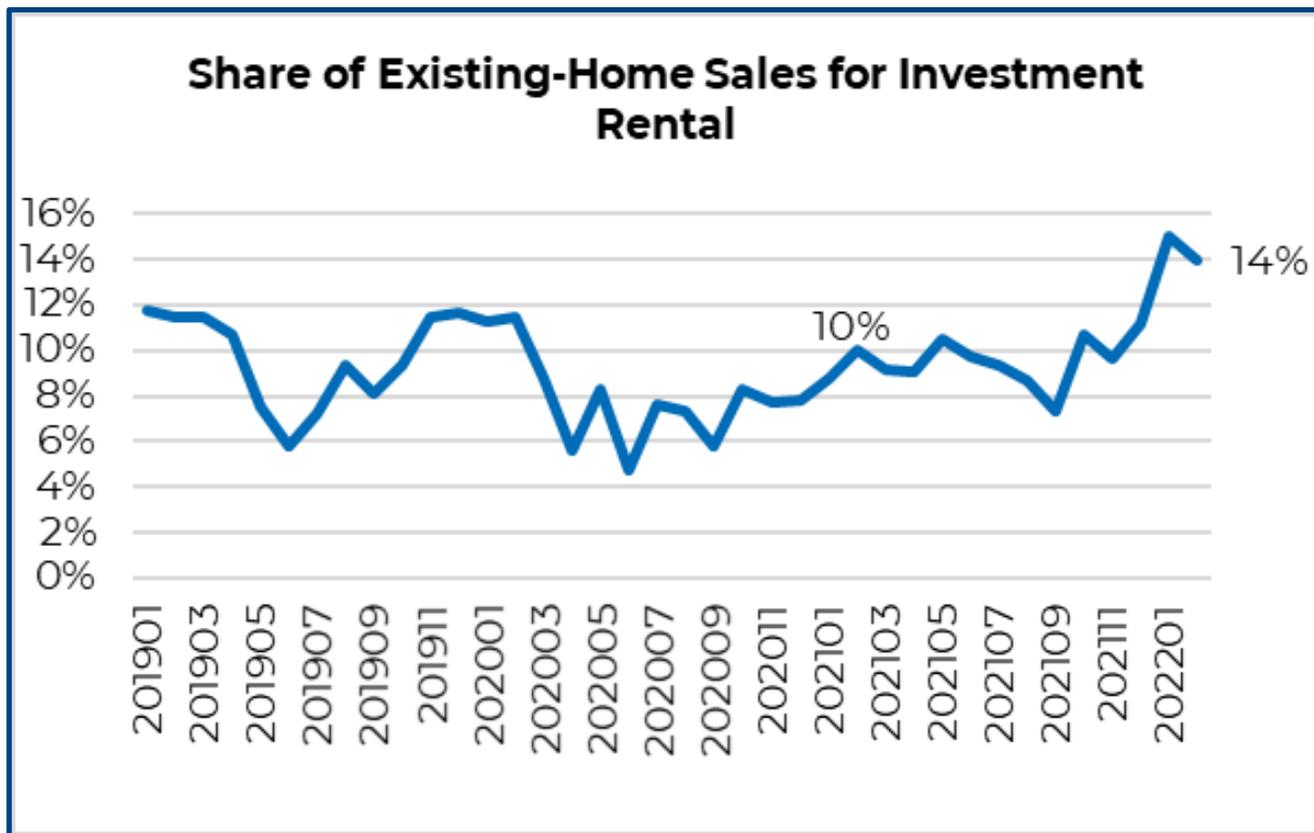
# Weekly Real Estate Monitor

## Investors Made up 14% of Existing-Home Buyers in February 2022

Homebuyers who purchased a home to rent out made up 14% of the market, according to the [REALTORS® Confidence Index survey](#). One year ago, investor buyers just made up just 10%. Vacation home buyers accounted for another 5% of home sales (6% one year ago).

The share of first-time buyers has generally trended downwards, to 29% (31% one year ago).

With more investor buyers, the share of cash sales has generally trended upwards, to 25% (22% one year ago).



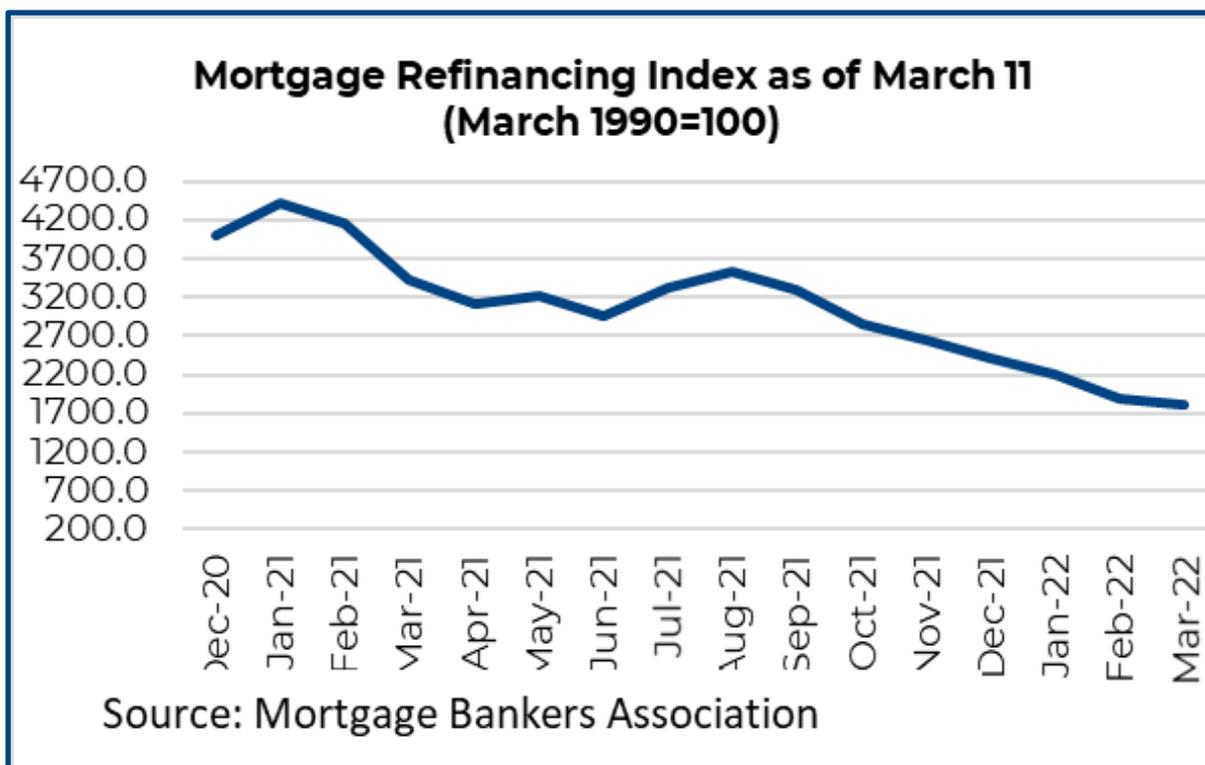
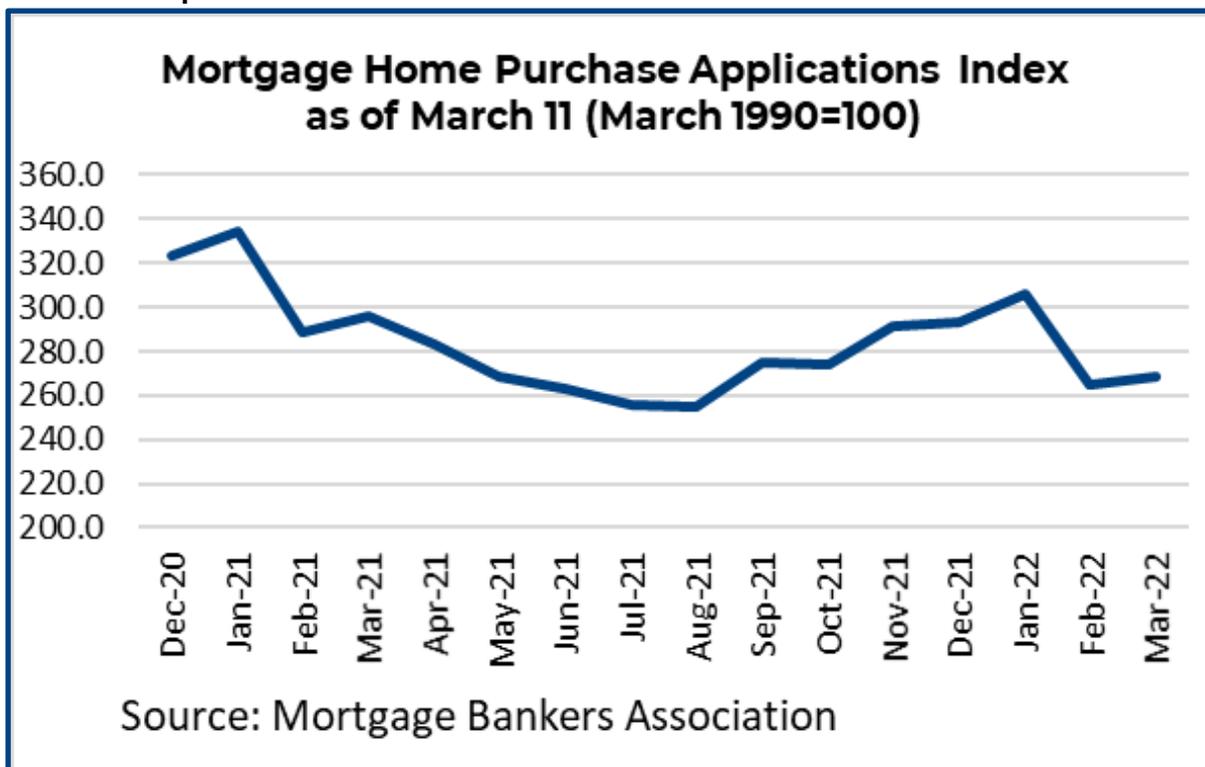
# Weekly Real Estate Monitor

## Mortgage Home Purchase Applications Increased

Mortgage applications for a home purchase during the week of March 11 increased for the second straight week, at 0.7% on a week-over-week basis (8.6% in the prior week), according to the MBA's Weekly Mortgage Applications Survey. Borrowers are likely trying to lock in at the current rates before rates move higher.

Compared to applications in the prior week, conventional financing (Fannie Mae/Freddie Mac conforming loans) purchase applications increased for the second straight week at 0.7% while government-insured financing (FHA, VA, USDA) also increased for the second straight week at 0.6%.

However, refinancing applications decreased 2.8% from the prior week. From one year ago, applications are down 49.3%. Expect a decline in refinancing as interest rates continue to move upwards in 2022.



# Weekly Real Estate Monitor

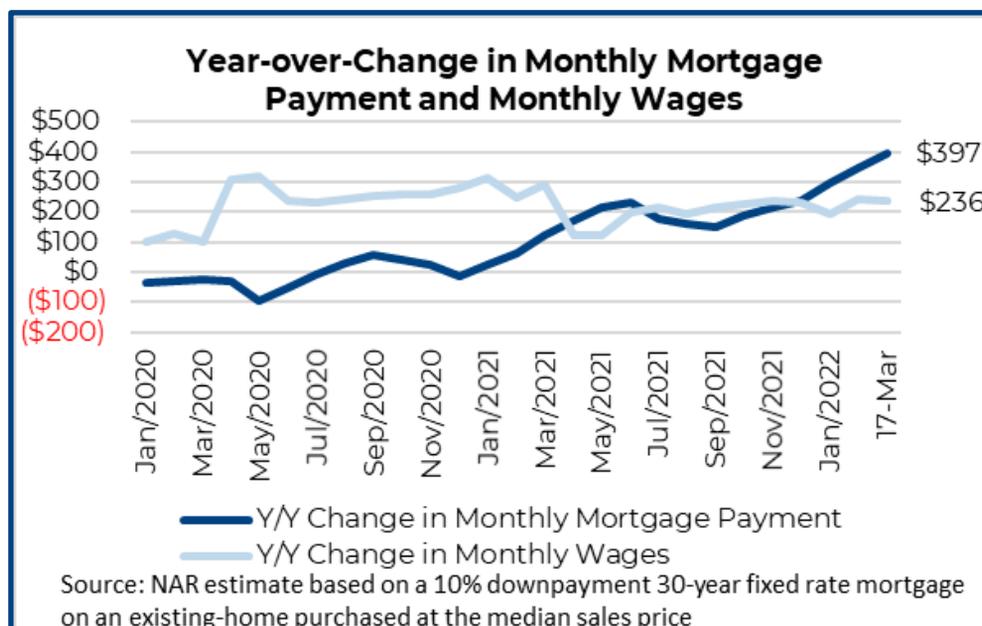
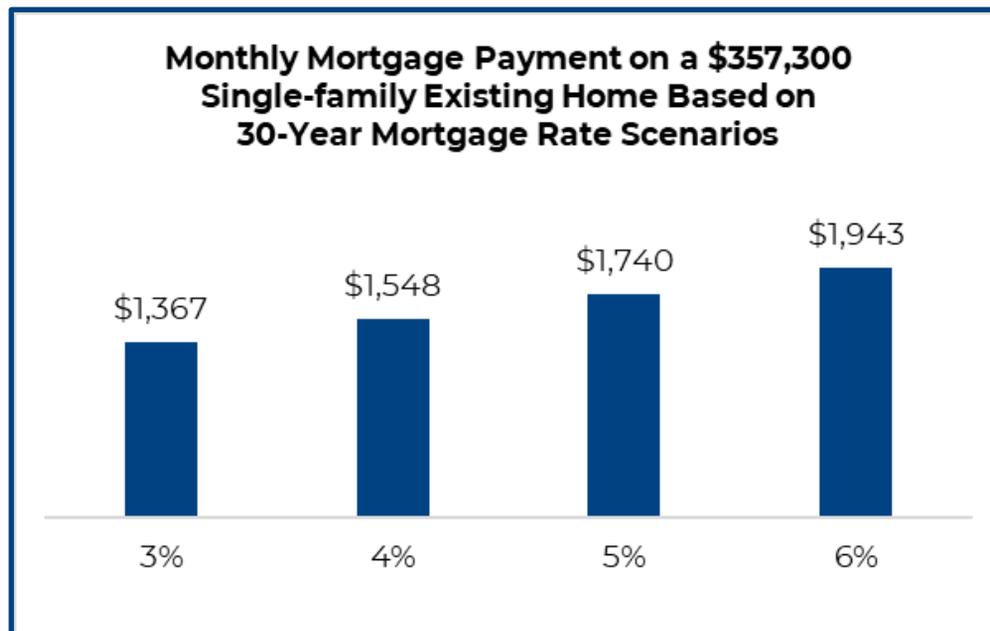
## 30-Year Fixed Mortgage Rate Surges to 4.16% after Federal Reserve Hikes Rates

The FOMC started the first of a series of interest rate hikes yesterday to control inflation. It raised the federal funds rate—the rate banks borrow from the Federal Reserve—by 0.25%.

More rate hikes are anticipated in 2022 and through 2023 with the median fed funds rate at 2.5% to 2.75%. This will bring the 30-year fixed mortgage rate to 6.5% to 6.75% by end of 2023. However, the Federal Reserve Board also signaled that the course of monetary policy can change based on the impact of the Russia-Ukraine conflict on the US economy.

Based on the median sales price of \$357,300 in February and 0.8% in fees, the monthly mortgage payment increases from \$1,367 with a 3% mortgage rate to \$1,943 with a 6% mortgage rate, assuming a 10% down payment.

With a forecasted median existing-home sales price of \$375,245 for March, a homeowner will typically pay \$1,657 on a 10% down payment 30-year loan, or \$397 more in monthly mortgage compared to one year ago, outpacing monthly wage gains of \$236 compared to one year ago.



# Weekly Real Estate Monitor

## Positive Net Absorption in Commercial Market

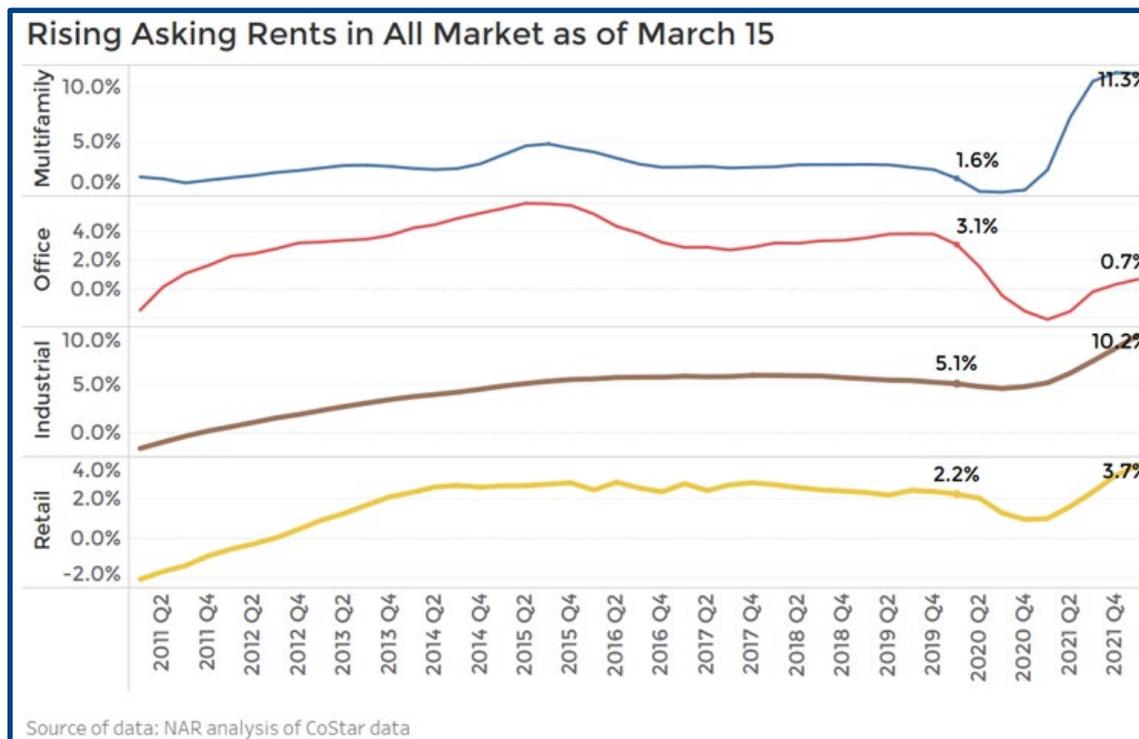
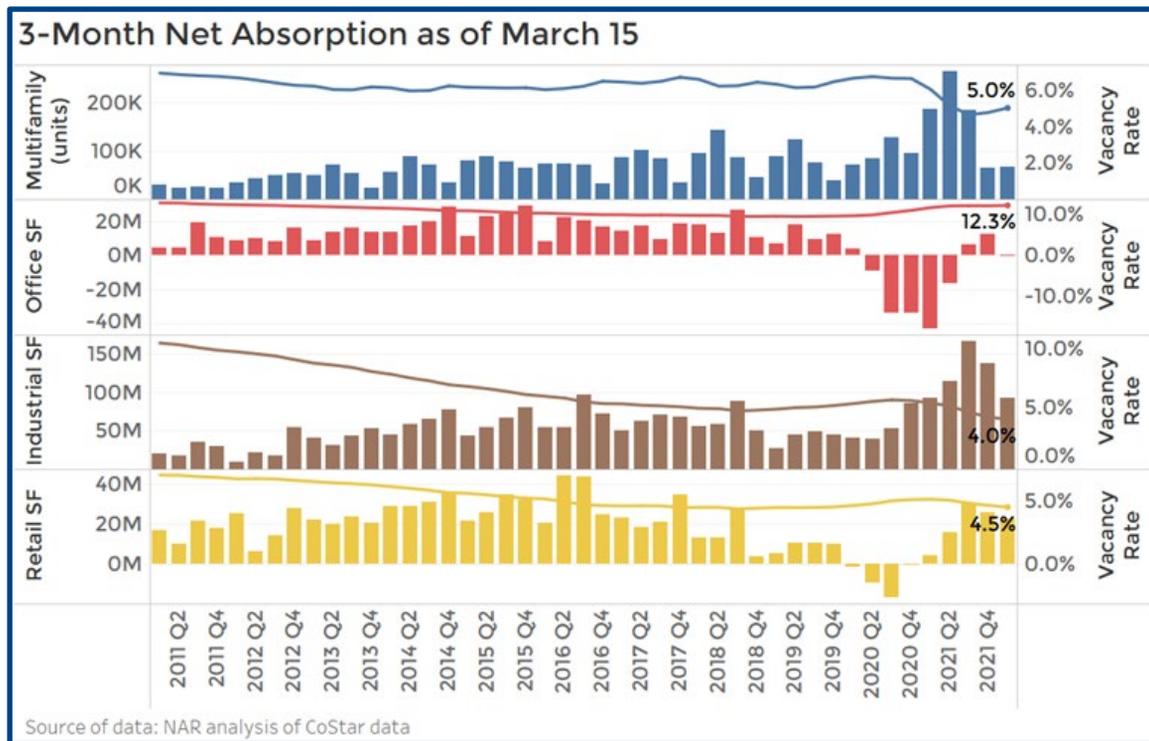
In the multifamily apartment market, 68,845 units were absorbed on a net basis in the past three months as of March 15, with a vacancy rate of 5.0%, and year-over-year asking rent growth of 11.3%.

In the office market, office occupancy was slightly up at 161,088 square feet of office space 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, 92.6 million square feet was absorbed on a net basis in the past three months. The sector has the lowest vacancy rate, at 4.0% and the highest rent growth of 10.2%.

In the retail property market, 22.9 million square feet absorbed in the past three months. The vacancy rate is at 4.5%, and rents are rising 3.7% year-over-year.

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



# Weekly Real Estate Monitor

## Commercial Cap Rates

Cap rents continued to trend downwards relative to pre-pandemic levels even as the 10-year Treasury note has moved upwards since the pandemic.

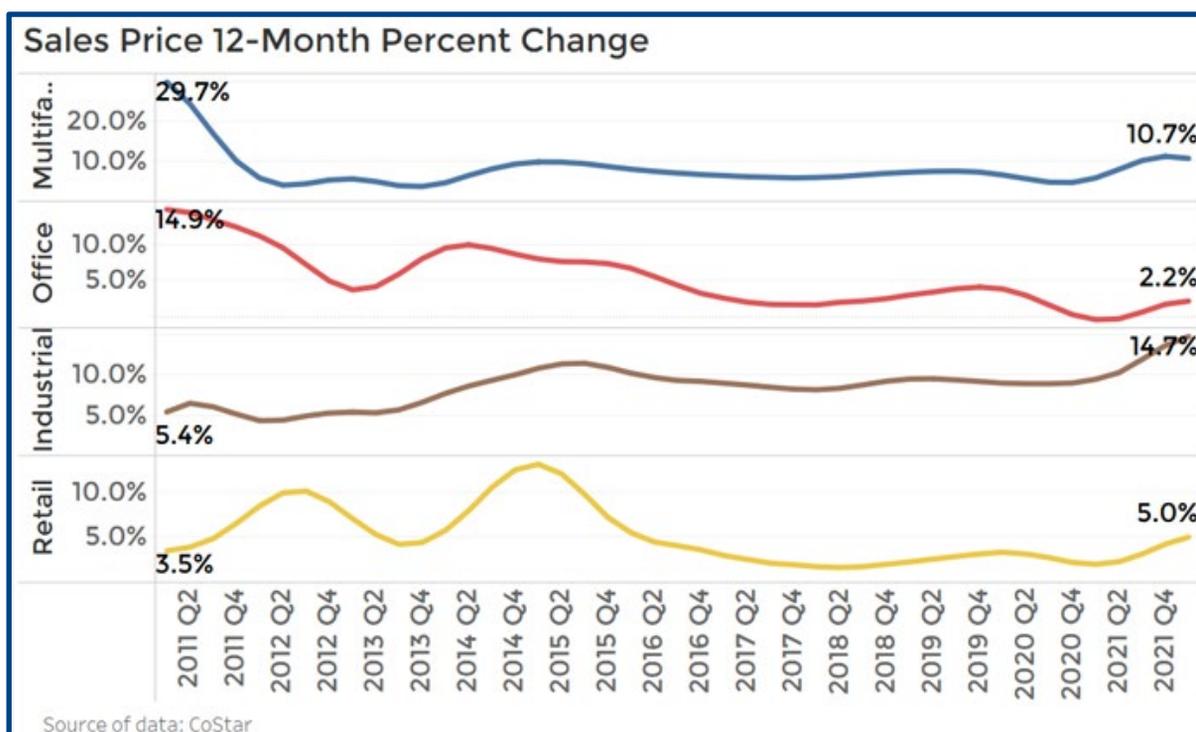
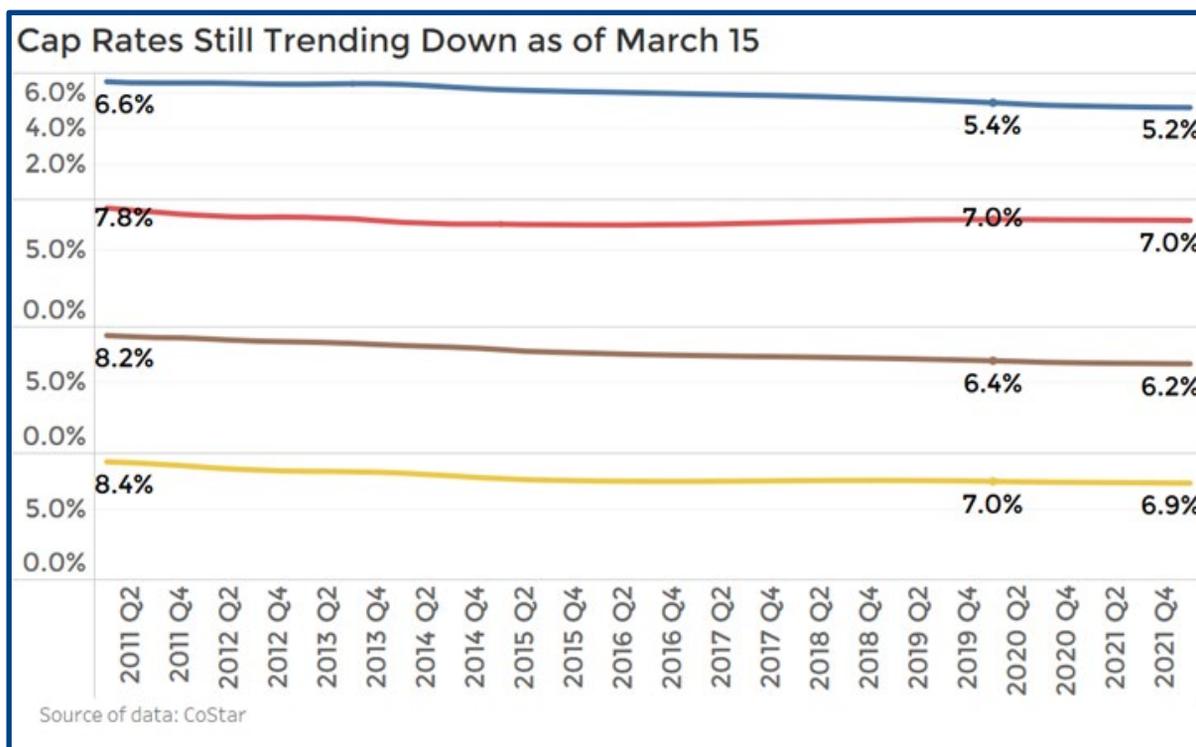
The multifamily market has the lowest cap rate, at 5.2% (5.4% in 2020 Q1). On average, sales prices are up 10.7% year-over-year.

In the office market, the cap rate held at 7% (7% in 2020 Q1), with commercial prices up 2.2% on average.

In the industrial market, the cap rate slid to 6.3% (6.4% in 2020 Q1) with commercial prices up 14.7% year-over-year.

In the retail market, the cap rate was 6.9% (7% in 2020 Q1), with commercial prices up 5% year-over-year.

Download the [Latest 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 March 15)

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	39,876	6.2%	\$1,464	15.3%	4.8%
New York - NY	35,024	2.4%	\$2,891	5.8%	4.3%
Houston - TX	32,989	7.6%	\$1,266	9.9%	5.4%
Los Angeles - CA	32,746	3.5%	\$2,134	7.8%	4.0%
Washington - DC	20,290	6.5%	\$2,002	9.8%	4.7%
Austin - TX	18,238	7.9%	\$1,642	18.3%	4.4%
Chicago - IL	16,812	5.6%	\$1,581	8.3%	5.8%
Boston - MA	14,114	4.2%	\$2,578	11.0%	4.3%
Seattle - WA	14,088	5.6%	\$1,921	10.7%	4.1%
Orlando - FL	13,818	5.5%	\$1,727	24.5%	4.4%
Minneapolis - MN	11,485	6.0%	\$1,390	4.0%	5.4%
Atlanta - GA	11,265	6.3%	\$1,604	16.3%	4.7%
Denver - CO	10,603	6.7%	\$1,754	13.3%	4.3%
Charlotte - NC	10,543	7.3%	\$1,499	16.1%	4.5%
Philadelphia - PA	10,295	3.8%	\$1,573	9.5%	5.3%
Miami - FL	9,942	3.5%	\$2,098	18.8%	4.7%
San Antonio - TX	9,584	6.1%	\$1,208	12.9%	5.3%
Nashville - TN	9,263	6.9%	\$1,582	18.6%	4.8%
Phoenix - AZ	8,832	6.4%	\$1,580	18.6%	4.1%
Portland - OR	8,174	5.2%	\$1,550	9.3%	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 (March 15)

Geography Name	12-Month Absorption in Sq.Ft	Vacancy Rate	Market Rent/SF	Market Rent Growth 12 Mo	Market Cap Rate
Boston - MA	3,739,132	9.8%	\$41	1.4%	5.9%
San Jose - CA	3,422,888	12.2%	\$63	1.5%	5.0%
Dallas-Fort Worth - TX	3,174,616	17.8%	\$28	1.4%	7.1%
Austin - TX	2,482,333	13.9%	\$42	2.3%	6.0%
Atlanta - GA	2,444,533	14.0%	\$27	1.1%	7.2%
Houston - TX	2,030,433	18.7%	\$28	-0.2%	8.0%
Las Vegas - NV	1,820,247	10.4%	\$25	4.2%	7.5%
Palm Beach - FL	1,620,551	8.6%	\$38	6.3%	6.5%
San Diego - CA	1,475,987	11.2%	\$37	2.3%	6.3%
Nashville - TN	1,438,754	10.6%	\$29	1.4%	7.1%
Sacramento - CA	1,382,896	10.2%	\$27	1.6%	7.3%
Miami - FL	1,328,066	10.3%	\$41	5.0%	6.1%
Salt Lake City - UT	1,178,944	9.9%	\$24	2.8%	7.4%
Oklahoma City - OK	1,157,761	9.6%	\$19	0.8%	9.2%
Provo - UT	1,137,263	8.3%	\$22	2.2%	8.4%
Orlando - FL	1,058,001	7.8%	\$26	3.1%	7.6%
Boise - ID	1,028,455	4.2%	\$20	2.3%	8.7%
Omaha - NE	929,402	8.2%	\$23	1.4%	9.1%
San Francisco - CA	904,536	14.2%	\$62	-1.6%	4.7%
Worcester - MA	823,640	8.0%	\$21	0.5%	9.1%
Fort Myers - FL	765,266	4.1%	\$21	4.3%	7.8%

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 March 15)

Geography Name	12-Month Net Absorption in Sq. Ft.	Vacancy Rate	Market Rent/SF	Market Rent Growth 12 Mo	Market Cap Rate
Chicago - IL	41,982,544	4.7%	\$8.3	8.6%	6.7%
Dallas-Fort Worth - TX	40,585,928	5.5%	\$7.9	12.0%	5.7%
Houston - TX	37,200,152	6.2%	\$8.1	5.7%	6.4%
Inland Empire - CA	31,255,520	1.4%	\$10.9	10.8%	4.3%
Atlanta - GA	29,869,328	3.5%	\$7.5	13.2%	5.9%
Phoenix - AZ	23,234,320	4.5%	\$10.2	13.8%	5.7%
Indianapolis - IN	19,101,724	3.4%	\$6.5	10.0%	7.2%
Philadelphia - PA	16,838,156	4.0%	\$9.0	13.4%	6.4%
Columbus - OH	15,885,950	2.6%	\$6.3	14.5%	6.6%
New York - NY	13,548,637	3.3%	\$16.5	9.8%	5.1%
Las Vegas - NV	11,735,591	2.0%	\$11.4	15.1%	5.1%
Memphis - TN	11,013,569	6.8%	\$4.5	10.9%	7.4%
Savannah - GA	9,720,376	1.6%	\$7.0	13.9%	6.1%
Lehigh Valley - PA	9,322,355	4.5%	\$7.3	10.4%	5.9%
Detroit - MI	8,789,805	4.2%	\$8.0	10.6%	8.6%
Charlotte - NC	7,895,239	5.1%	\$7.3	11.5%	6.4%
Kansas City - MO	7,297,719	4.4%	\$6.2	8.5%	7.5%
Washington - DC	7,094,934	4.2%	\$14.0	10.8%	6.1%
Nashville - TN	6,482,112	4.1%	\$9.6	14.2%	5.9%
Cincinnati - OH	5,640,457	4.2%	\$6.0	10.0%	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 March 15)

Geography Name	12-Month Net Absorption in Sq. Ft.	Vacancy Rate	Market Rent/SF	Market Rent Growth 12 Mo	Market Cap Rate
Dallas-Fort Worth - TX	6,851,108	5.0%	\$21.0	5.1%	6.5%
Houston - TX	6,046,457	5.4%	\$21.4	3.9%	7.0%
Atlanta - GA	5,175,912	4.3%	\$19.6	6.0%	7.1%
Chicago - IL	3,667,968	5.9%	\$20.0	3.0%	7.3%
New York - NY	3,508,768	4.0%	\$45.0	2.2%	6.0%
Phoenix - AZ	3,122,508	6.4%	\$21.0	5.8%	6.8%
San Antonio - TX	2,169,383	4.2%	\$20.1	2.5%	6.4%
Detroit - MI	2,019,142	5.1%	\$17.6	5.4%	7.9%
Tampa - FL	1,997,981	3.6%	\$21.8	7.1%	6.6%
Austin - TX	1,885,741	3.4%	\$27.5	5.0%	6.2%
Orlando - FL	1,799,172	3.9%	\$25.1	6.8%	6.8%
Indianapolis - IN	1,700,302	3.7%	\$17.3	7.0%	7.9%
Las Vegas - NV	1,635,350	5.6%	\$29.0	11.0%	6.1%
Philadelphia - PA	1,602,997	4.8%	\$21.4	2.1%	7.0%
Charlotte - NC	1,496,971	3.7%	\$21.3	5.8%	7.0%
Boston - MA	1,391,133	2.8%	\$24.6	2.1%	6.3%
Denver - CO	1,308,616	4.6%	\$23.9	2.4%	6.3%
Washington - DC	1,285,914	5.0%	\$29.8	2.4%	6.2%
Oklahoma City - OK	984,554	5.0%	\$16.0	4.9%	7.8%
Columbus - OH	440,591	4.0%	\$17.1	2.5%	7.9%

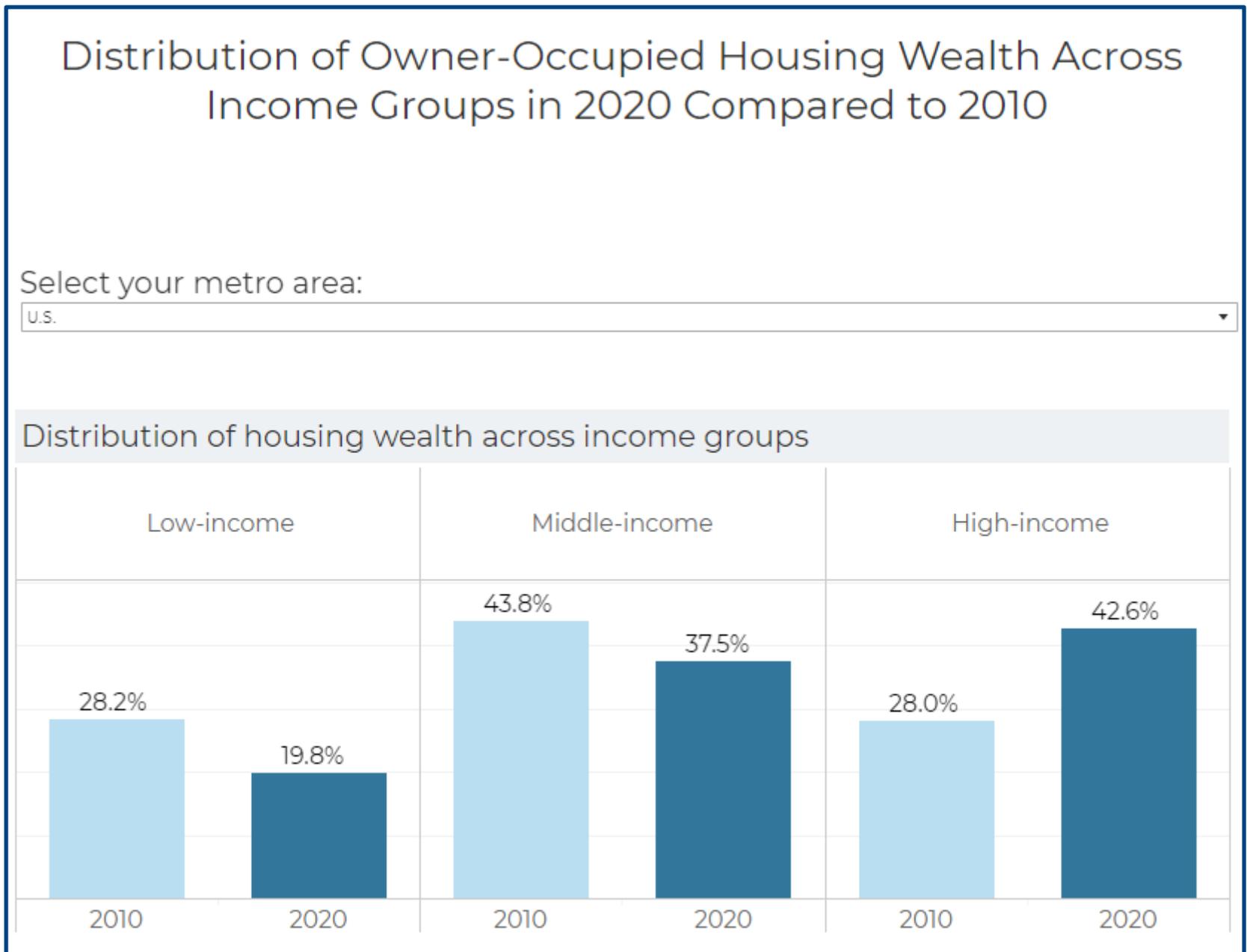
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# Weekly Real Estate Monitor

## More Interesting Data

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[Read the full article here](#)



### Commercial Weekly: Florida's Hot Rental Market Leads to Highest Share of Cost-burdened Renters

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