

2022

Weekly Real Estate Monitor

Residential and Commercial
Markets

February 28-March 3

National Association of REALTORS® Research Group



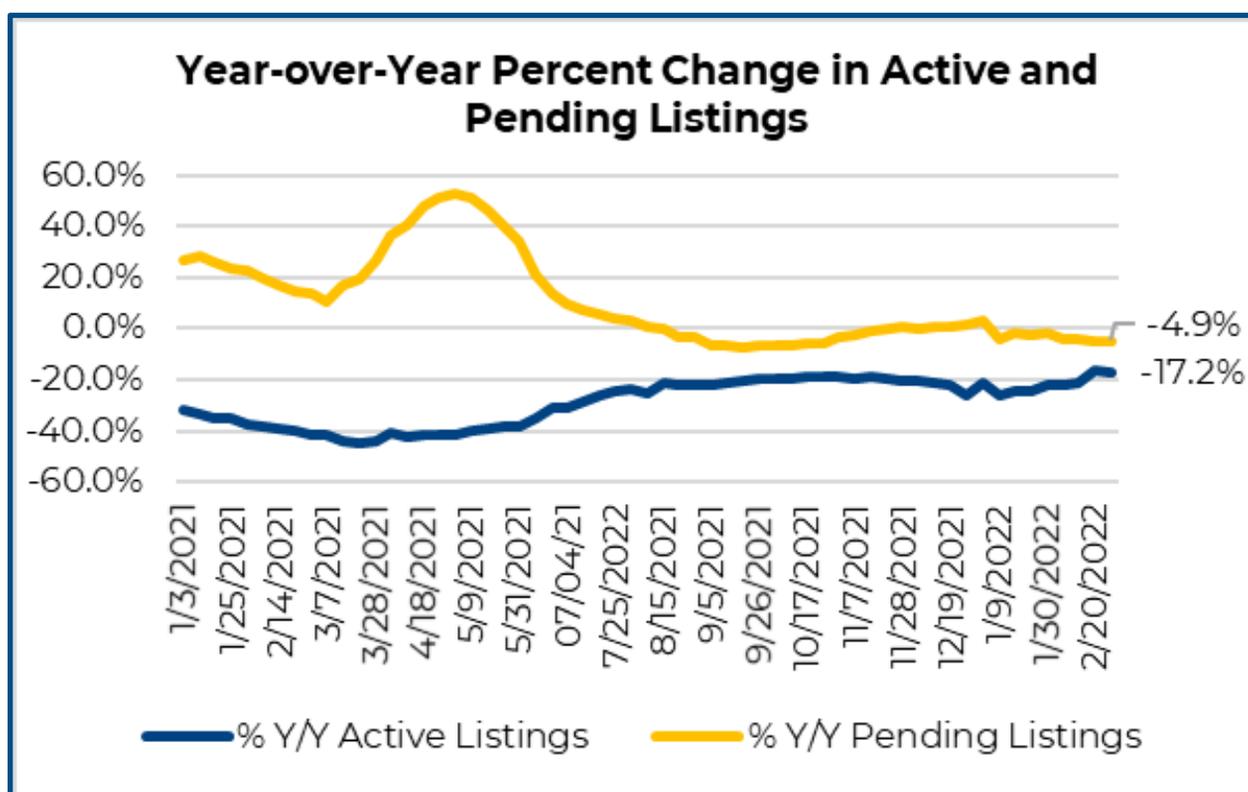
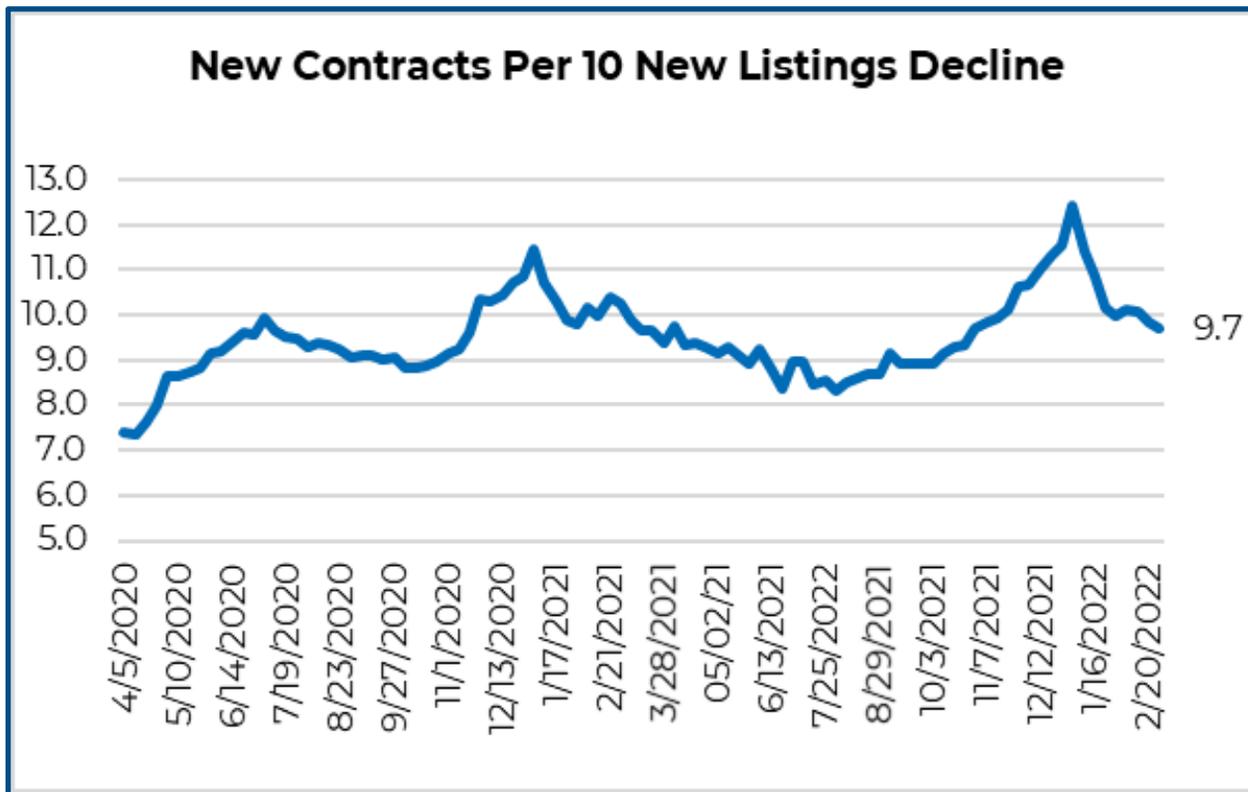
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Fewer New Contracts Signed and New Listings Compared to One Year Ago

New active and new contract signings (pending sales) both declined from one year ago. New listings during the past four weeks were down 0.8% from one year ago (up 1.1% y/y in the prior week) while new contracts signed (pending sales) were down 6.2% from one year ago (down 4.7% y/y in the prior week).

There were 9.7 new contracts signed for every 10 new listings in the past four weeks, an indication that more supply is coming in compared to the pending sales. The stock of active listings was down 17.2% from one year ago while the stock of pending listings was down 4.9%.

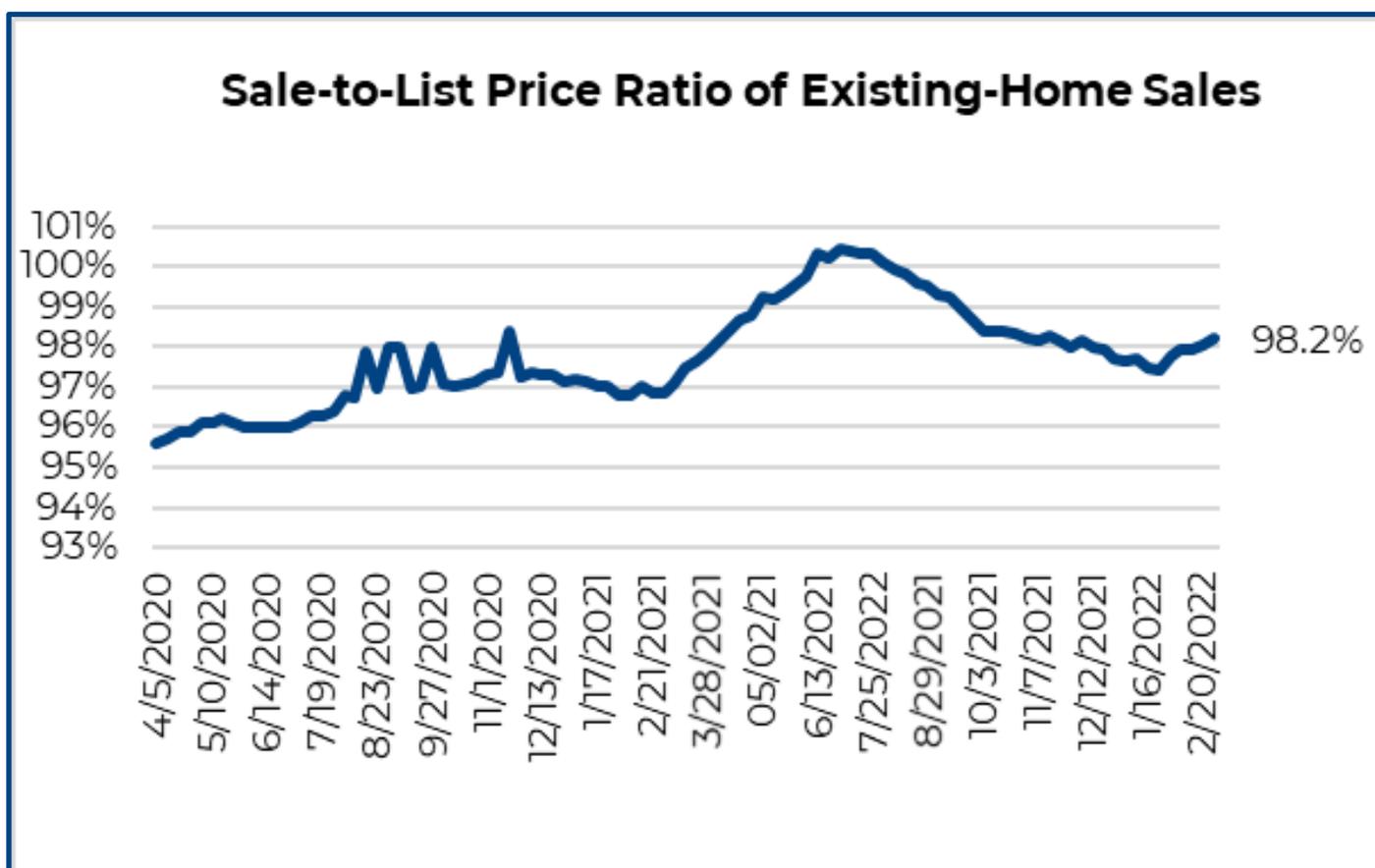
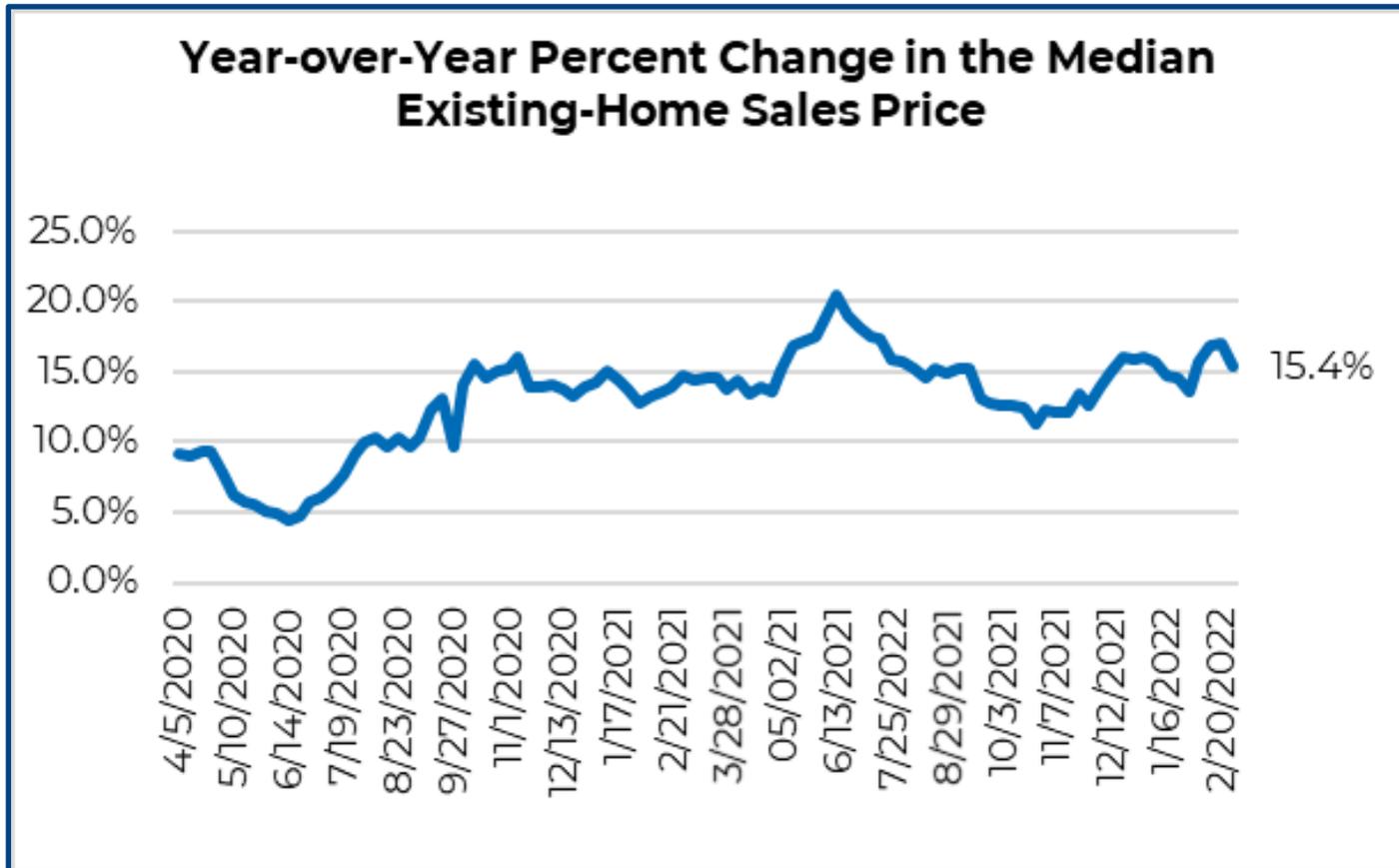


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Median Existing-Home Sale Price Rises to 15%

But even as contract signings are slowing, prices are still rising strongly as inventory of homes for sale remains low. Preliminary data indicates that home sales price on existing-homes sold typically rose 15.4%. In January, the median existing home sales price rose 15.7%.

With spring nearing, the sale-to-list price ratio ticked up to 98.2%, after dipping to 97% in the week of January 23.

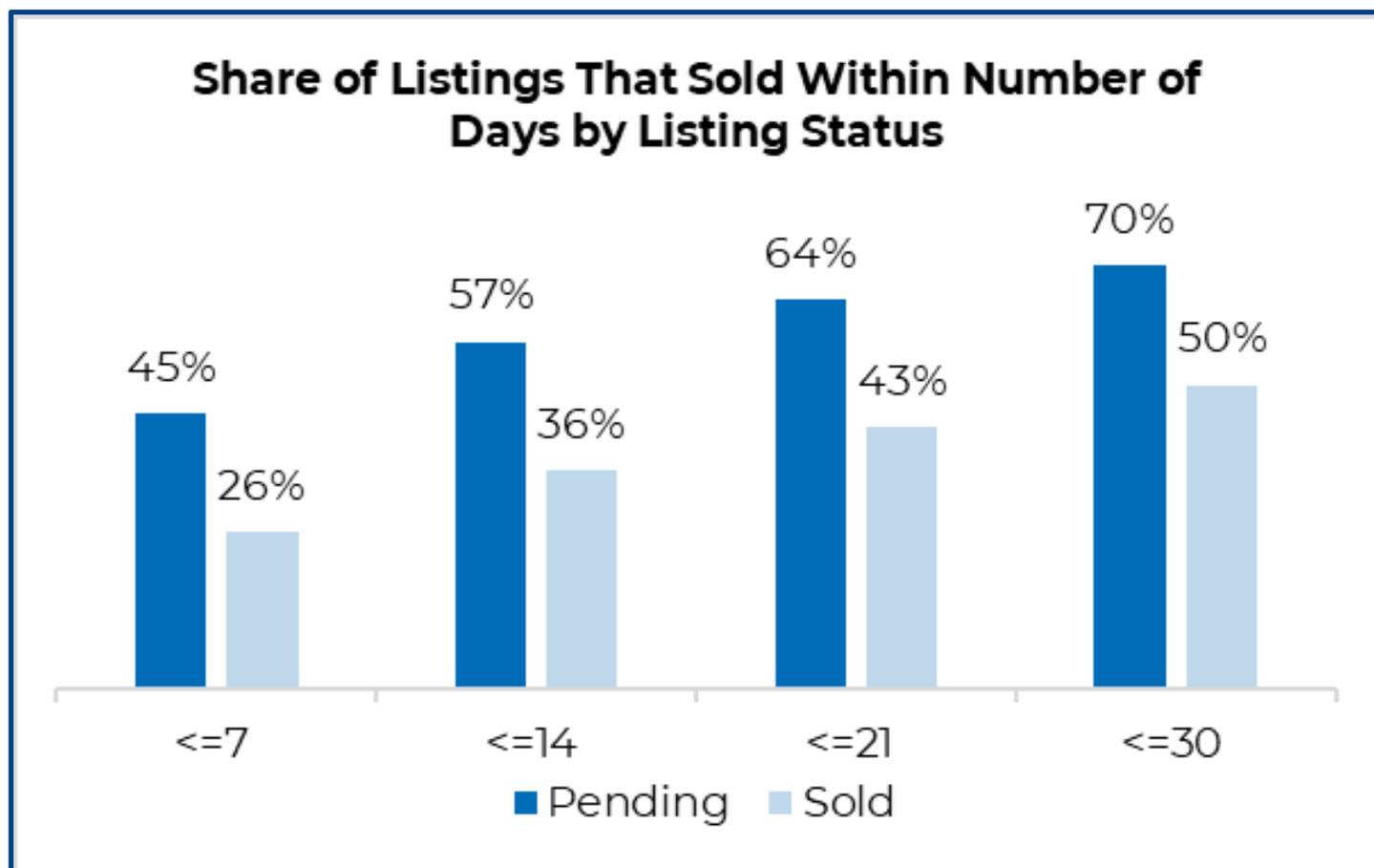
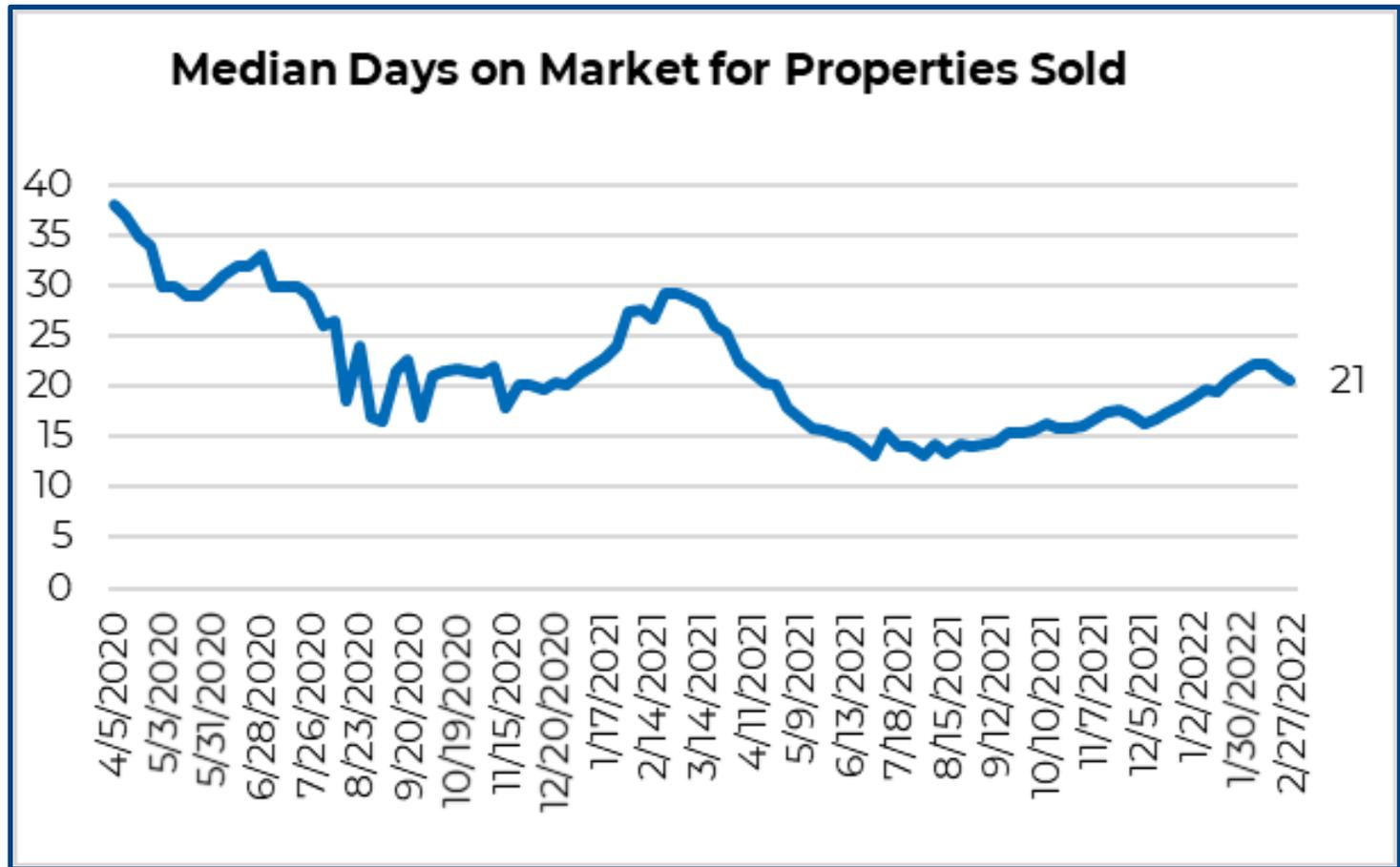


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Properties Typically Sold Faster in 21 Days

With tight supply conditions, properties sold faster, with the median days on market at 21 days, compared to 29 days one year ago.

Among new pending contracts during the past four weeks, 45% sold within seven days, a higher rate than the 26% share that sold within seven days of prior contracts signed during the past four weeks.



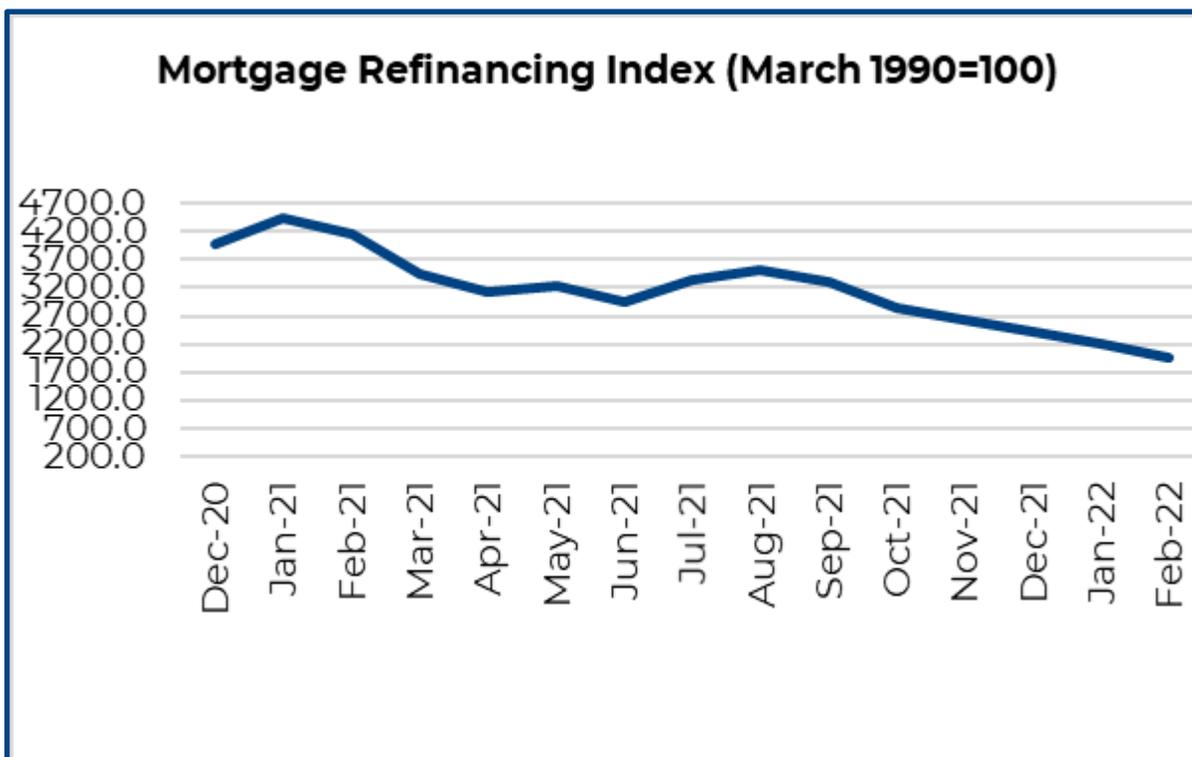
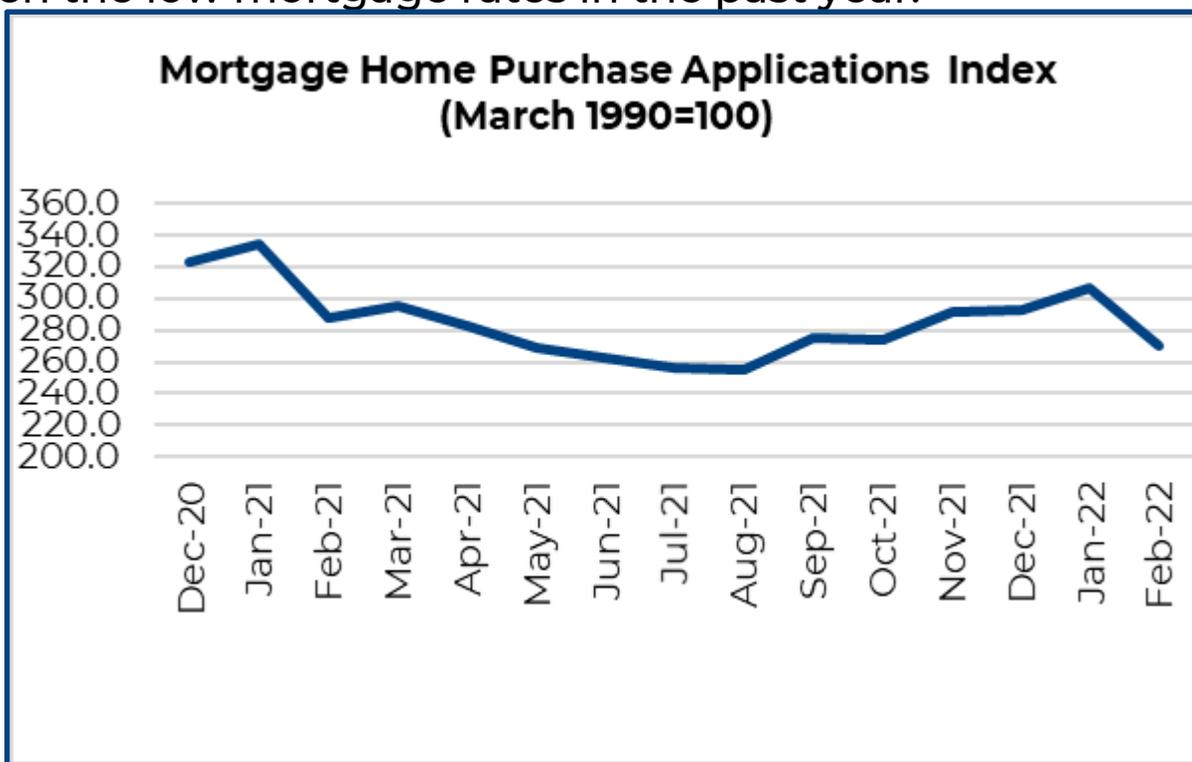
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Mortgage Home Purchase Applications Decreased

Mortgage applications for a home purchase decreased 1.8% from the prior week, according to the MBA's Weekly Mortgage Applications Survey. On average, mortgage purchase applications are down 13.5% in February compared to the prior month and are down 40% from one year ago.

Conventional financing (includes Fannie Mae/Freddie Mac conforming loans) purchase applications decreased -0.9% from the prior week while government-insured financing (FHA, VA, USDA) decreased 4.9%.

Refinancing applications slightly increased 0.5% from the prior week. On average, refinancing applications are down nearly 15% in February from the prior month and 55% 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.

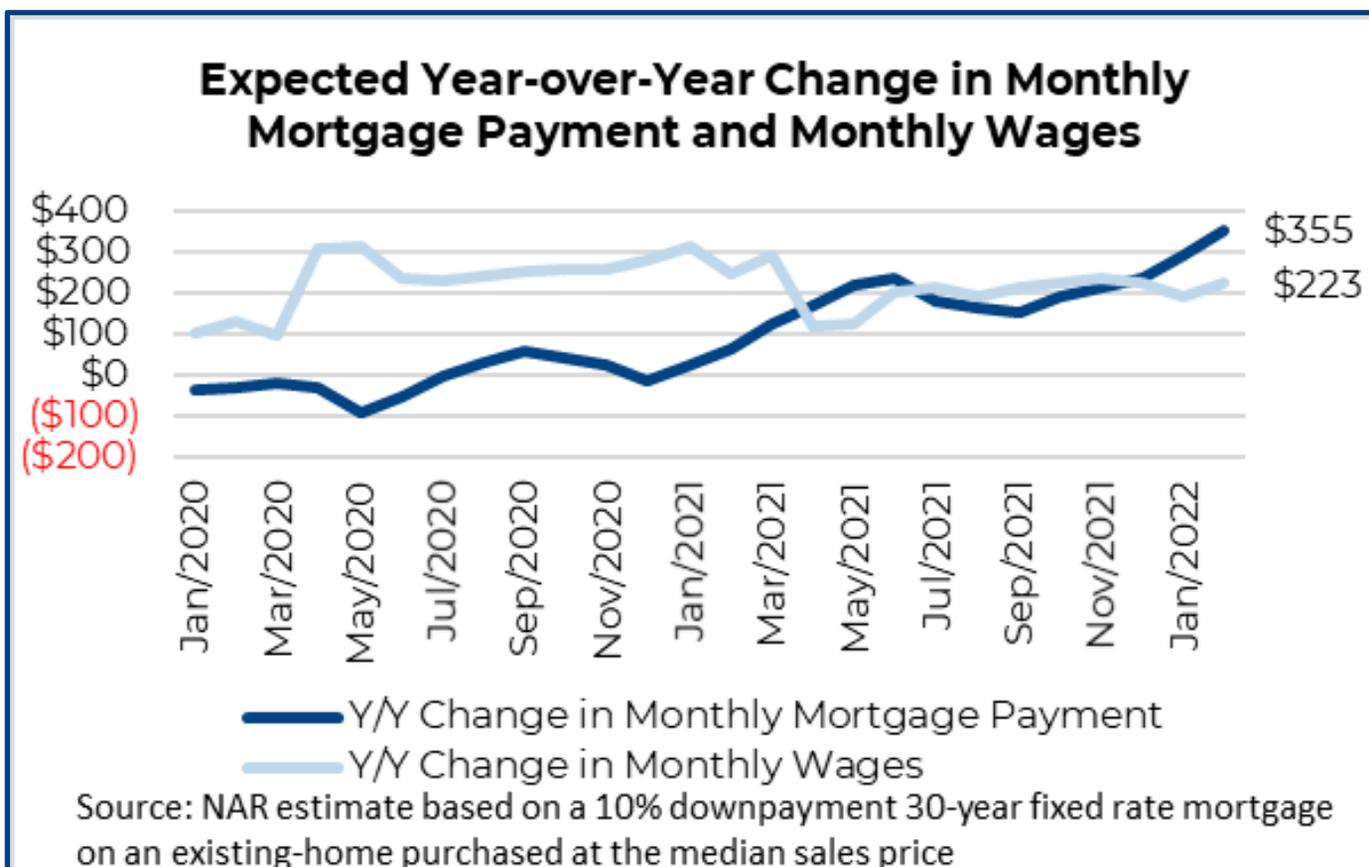
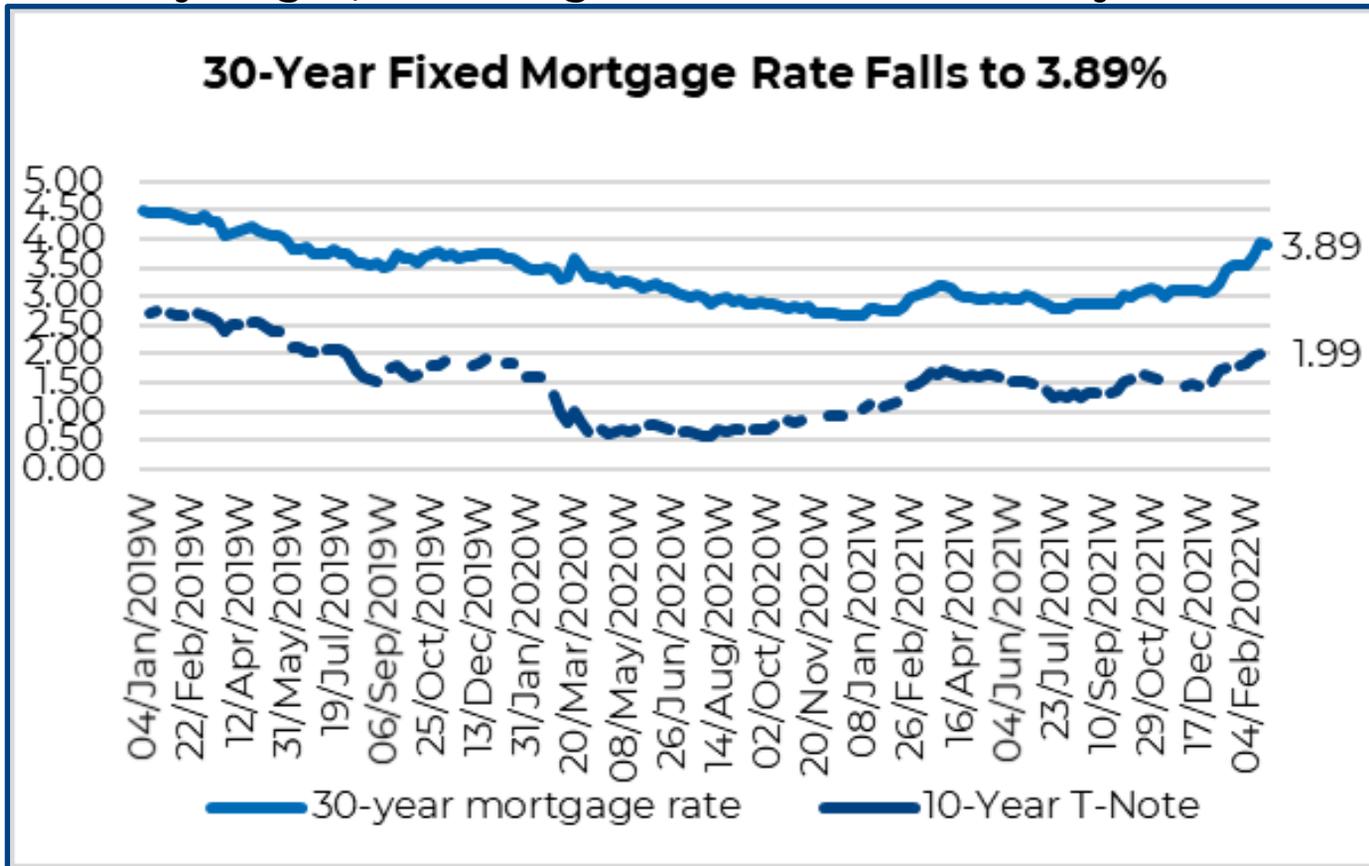


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Typical Monthly Mortgage Up \$355 from One Year Ago

The 30-year fixed mortgage rate fell back to 3.89% as investors sought the safety of bonds (causing bond prices to increase and rates to fall). As of the morning of March 2, the 10-year T-note was hovering at 1.79% after hitting 2.04% on February 15.

With a forecasted median existing-home sales price of \$359,675 for February, a homeowner will typically pay \$1,513 on a 10% down payment 30-year loan, or \$355 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

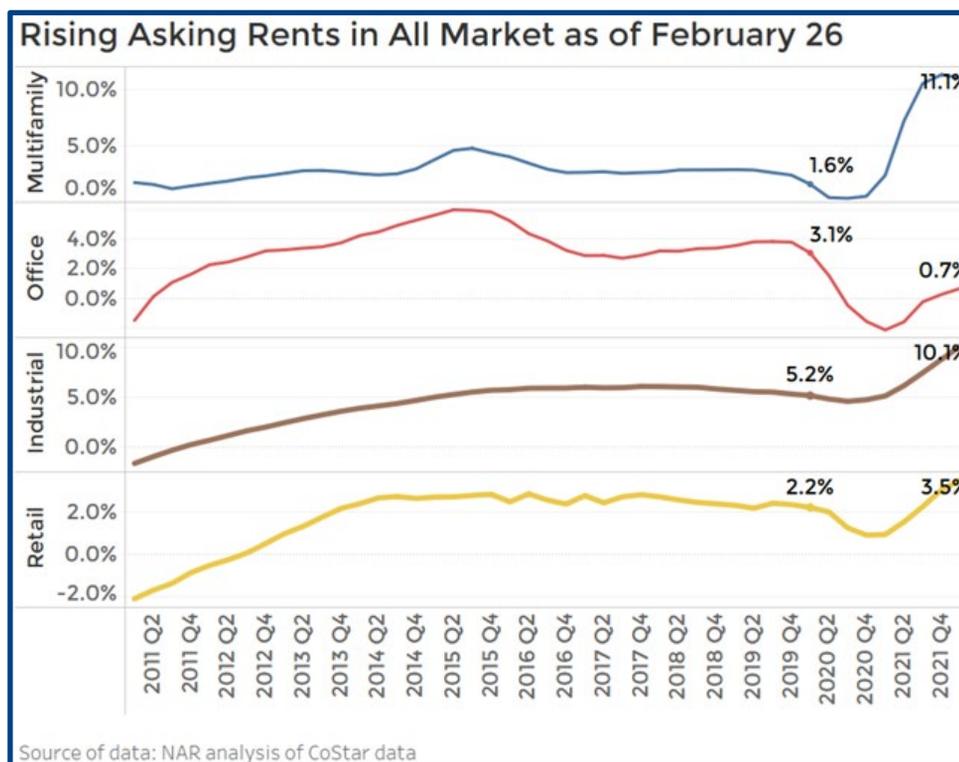
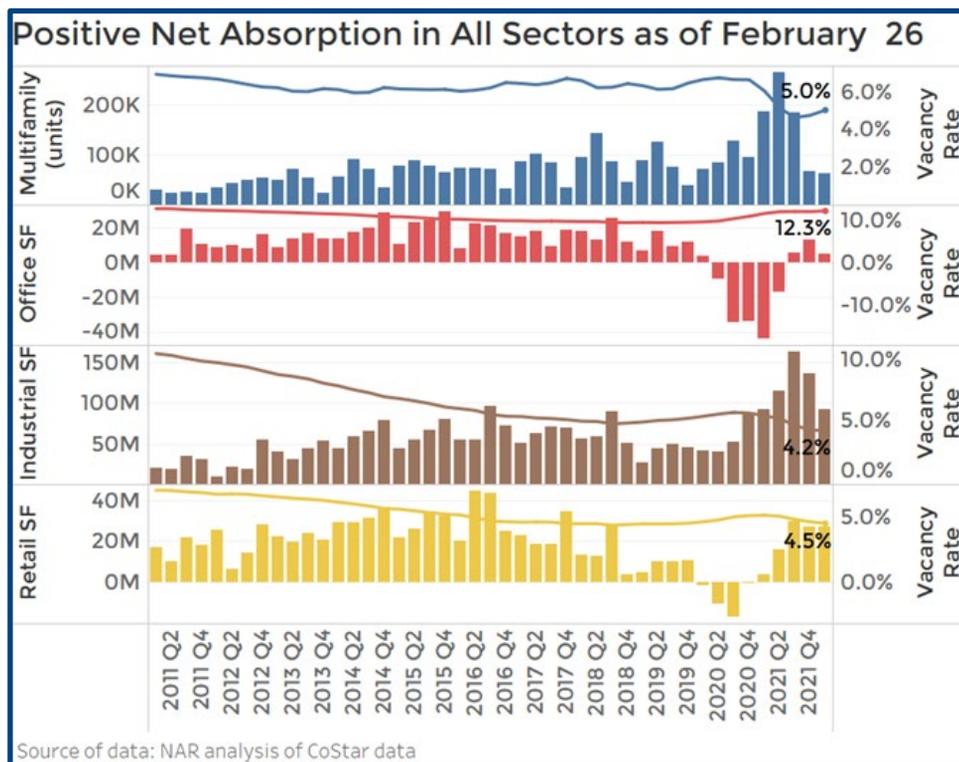
In the multifamily apartment market, 61,936 units were absorbed on a net basis in the past three months, with a vacancy rate of 5.0%, and year-over-year asking rent growth of 11.1%.

In the office market, 5 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, 92.6 million square feet was absorbed on a net basis in the past three months. The sector has the lowest vacancy rate, at 4.2% and the highest rent growth of 10.1%.

In the retail property market, 27.4 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 [Latest 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 note has moved upwards since the pandemic.

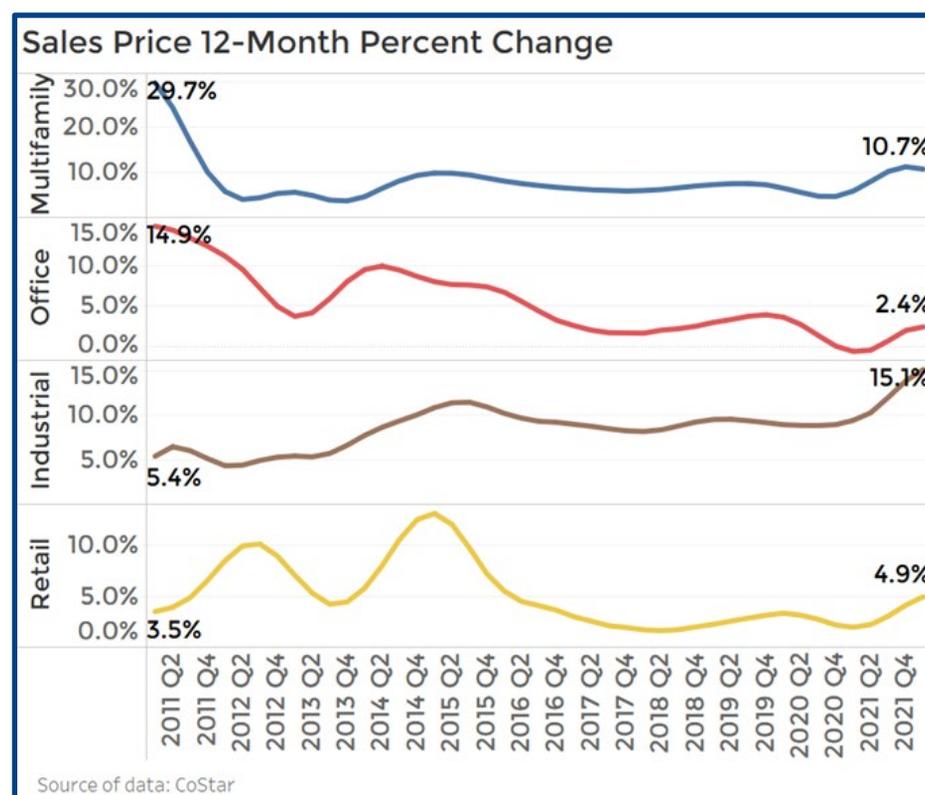
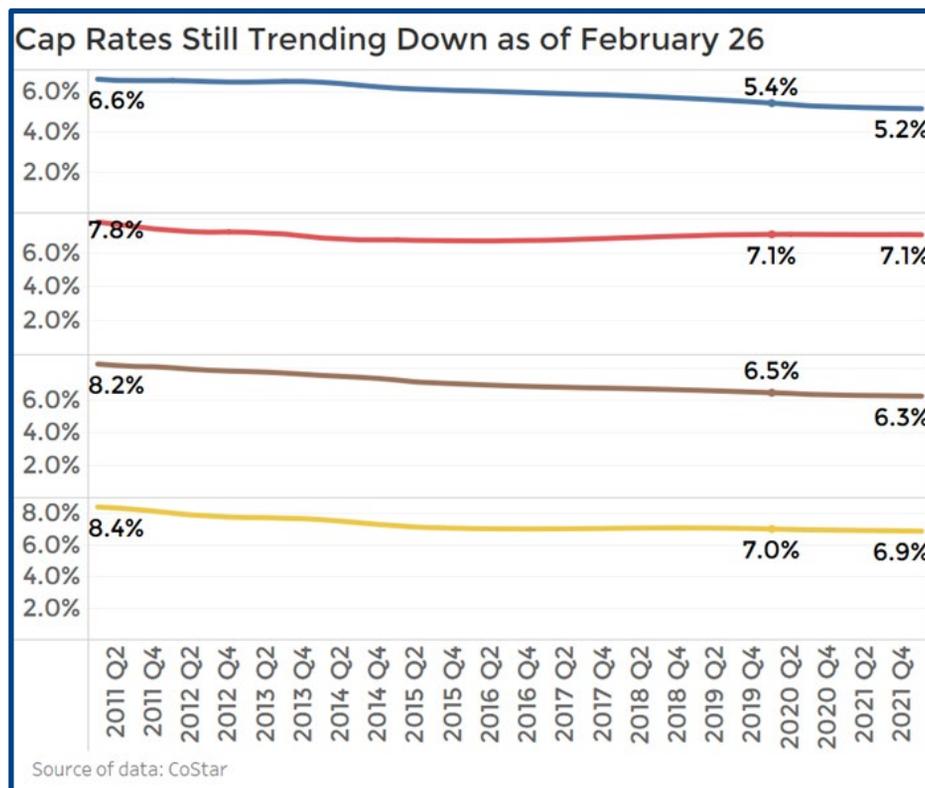
The multifamily market has the lowest cap rate, at 5.2% (5.4% in 2020 Q1). On average, sales prices are up 10.7% year-over-year.

In the office market, the cap rate was 7.1% (7.1% in 2020 Q1), with commercial prices up 2% on average.

In the industrial market, the cap rate fell to 6.3% (6.5% in 2020 Q1), with commercial prices up 15.1% year-over-year.

In the retail market, the cap rate was 6.9% (7% in 2020 Q1), with commercial prices up 4.9% year-over-year.

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Apartment Units Under Construction as of 2021 Q4 Among Metros with at least 250,000

	Units \mp	As a Pct of Inventory	Vacancy Rate	Market Asking Rent/Unit	Y/Y Market Asking Rent Growth	Market Cap Rate
New York - NY	55,247	3.8%	2.3%	\$2,861	5.6%	4.3%
Dallas-Fort Worth - TX	29,402	3.7%	5.8%	\$1,423	15.2%	4.9%
Washington - DC	29,175	5.5%	6.5%	\$1,962	9.7%	4.7%
Phoenix - AZ	28,777	8.4%	5.4%	\$1,551	21.9%	4.1%
Los Angeles - CA	26,994	2.7%	3.6%	\$2,098	6.7%	4.0%
Austin - TX	25,111	10.2%	6.1%	\$1,597	20.6%	4.4%
Seattle - WA	23,629	6.6%	5.0%	\$1,875	10.6%	4.0%
Atlanta - GA	22,313	4.8%	5.9%	\$1,581	18.7%	4.7%
Houston - TX	19,488	3.0%	7.2%	\$1,238	9.7%	5.4%
Denver - CO	19,129	7.1%	6.4%	\$1,696	12.9%	4.3%
Nashville - TN	18,008	12.7%	5.8%	\$1,522	16.9%	4.8%
Miami - FL	15,964	9.2%	3.5%	\$2,017	17.6%	4.7%
Orlando - FL	15,266	8.1%	5.4%	\$1,659	24.5%	4.5%
Boston - MA	14,776	6.0%	4.3%	\$2,519	11.1%	4.4%
Charlotte - NC	14,029	7.3%	6.6%	\$1,466	17.7%	4.5%
Minneapolis - MN	13,080	5.3%	5.8%	\$1,365	3.6%	5.4%
Philadelphia - PA	12,192	3.7%	3.8%	\$1,549	9.9%	5.3%
Tampa - FL	10,396	5.2%	4.6%	\$1,662	24.8%	4.7%

Source: NAR analysis of CoStar data

Top Metros with Office Space Under Construction as a Percent of Inventory as of 2021 Q4

	As a Pct of Inventory	Under Construction SF	Vacancy Rate	Market Rent/SF	Market Cap Rate
San Jose - CA	5.5%	7,596,501	12.2%	\$62	5.1%
Boston - MA	4.7%	16,785,152	9.6%	\$41	6.0%
Seattle - WA	4.6%	10,182,322	9.6%	\$38	5.7%
Salt Lake City - UT	3.5%	2,731,323	9.2%	\$24	7.4%
San Diego - CA	3.5%	4,120,703	11.2%	\$37	6.3%
Nashville - TN	3.4%	3,395,808	10.2%	\$29	7.1%
Charlotte - NC	3.1%	4,004,308	11.4%	\$30	6.7%
Miami - FL	2.8%	3,086,918	10.5%	\$41	6.2%
Raleigh - NC	2.6%	1,984,401	8.3%	\$28	7.1%
New York - NY	2.4%	22,838,992	11.7%	\$57	5.4%
Washington - DC	2.0%	10,363,958	14.9%	\$39	7.2%
San Antonio - TX	2.0%	1,759,229	9.4%	\$27	8.7%
Jacksonville - FL	2.0%	1,324,974	9.3%	\$22	8.0%
Cleveland - OH	1.6%	1,772,607	8.0%	\$19	9.9%
Tulsa - OK	1.6%	844,424	12.2%	\$17	9.7%
Dallas-Fort Worth - TX	1.6%	6,675,919	18.0%	\$28	7.1%
Columbus - OH	1.6%	1,793,575	9.3%	\$21	8.8%
Atlanta - GA	1.5%	5,110,071	13.7%	\$27	7.3%
Saint Louis - MO	1.5%	2,250,465	8.4%	\$21	8.7%
Grand Rapids - MI	1.5%	592,032	6.7%	\$19	9.0%
Sacramento - CA	1.4%	1,539,575	10.1%	\$27	7.3%
Los Angeles - CA	1.4%	6,057,710	13.7%	\$41	5.6%
San Francisco - CA	1.4%	2,605,291	13.6%	\$62	4.7%
Las Vegas - NV	1.4%	922,311	10.8%	\$25	7.5%

Source: NAR analysis of CoStar data

Top Markets with Industrial Space Under Construction as a Percent of Inventory as of 2021 Q4

Geography Name	Under Construction as a Percent of Inventory (SF)	Under Construction SF	Market Rent/SF	Market Cap Rate
Savannah - GA	19.4%	17,657,078	\$6.6	6.1%
Phoenix - AZ	8.7%	33,848,892	\$9.8	5.8%
Indianapolis - IN	7.2%	26,351,154	\$6.3	7.3%
Dallas-Fort Worth - TX	5.9%	60,454,264	\$7.6	5.7%
Las Vegas - NV	5.6%	8,735,633	\$10.9	5.2%
Columbus - OH	5.2%	16,893,784	\$6.0	6.6%
Nashville - TN	4.4%	11,040,988	\$9.3	5.9%
Inland Empire - CA	4.2%	29,498,706	\$10.7	4.3%
Lehigh Valley - PA	4.2%	6,290,910	\$7.1	5.9%
Kansas City - MO	4.0%	13,259,549	\$6.1	7.5%
Atlanta - GA	3.9%	29,895,810	\$7.2	6.0%
Philadelphia - PA	3.7%	21,608,268	\$8.8	6.4%
Charlotte - NC	3.6%	12,427,718	\$7.1	6.5%
Washington - DC	3.0%	8,122,462	\$13.5	6.2%
Memphis - TN	2.5%	7,505,042	\$4.4	7.4%
Houston - TX	2.3%	17,037,012	\$8.0	6.4%
Chicago - IL	2.2%	29,431,504	\$8.1	6.7%
New York - NY	1.6%	13,877,738	\$15.9	5.2%
Detroit - MI	1.6%	9,808,890	\$7.8	8.6%
Cincinnati - OH	0.9%	3,052,933	\$5.8	7.4%

Source: NAR analysis of CoStar data

Top Markets with Retail Space Under Construction as a Percent of Inventory as of 2021 Q4

Geography Name	Under Constn as Percent of Inventory	Under Construction SF	Market Rent/SF	Market Cap Rate
Houston - TX	1.0%	4,198,549	\$21.3	7.0%
Austin - TX	1.0%	1,106,265	\$27.0	6.2%
Las Vegas - NV	0.9%	1,075,793	\$28.3	6.1%
Dallas-Fort Worth - TX	0.8%	3,573,375	\$20.6	6.6%
Columbus - OH	0.8%	960,644	\$16.9	7.9%
Orlando - FL	0.7%	1,060,796	\$24.5	6.8%
San Antonio - TX	0.7%	981,352	\$20.1	6.4%
Atlanta - GA	0.6%	2,266,011	\$19.4	7.1%
Phoenix - AZ	0.6%	1,462,407	\$20.5	6.8%
Washington - DC	0.6%	1,480,984	\$29.5	6.2%
New York - NY	0.5%	2,890,822	\$45.2	6.0%
Tampa - FL	0.4%	611,348	\$21.6	6.5%
Denver - CO	0.3%	526,958	\$24.0	6.3%
Detroit - MI	0.3%	754,492	\$17.5	7.8%
Boston - MA	0.3%	671,021	\$24.4	6.3%
Oklahoma City - OK	0.2%	234,783	\$15.8	7.8%
Charlotte - NC	0.2%	294,250	\$21.0	7.0%
Chicago - IL	0.2%	1,108,985	\$19.8	7.3%
Indianapolis - IN	0.2%	221,339	\$16.8	8.0%
Philadelphia - PA	0.2%	509,114	\$21.4	7.1%

Source: NAR analysis of CoStar data

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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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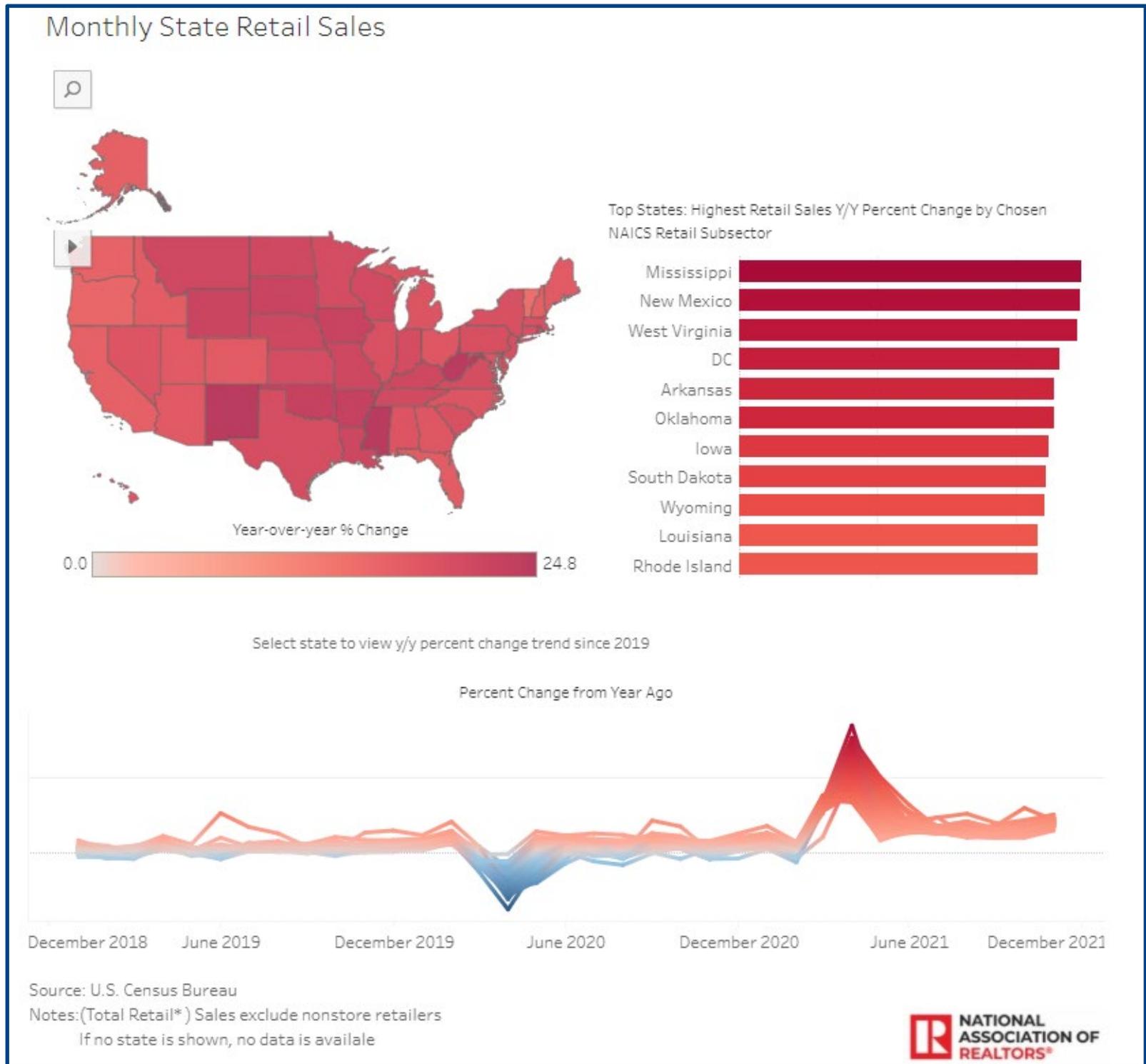
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More Interesting Data

Monthly State Retail Sales: January 2019 to November 2021

[Read the full article here](#)



Commercial Weekly: Office Occupancy Rose in 84% of Metro Areas as of 2022 Q1

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