2022

Weekly Real Estate Monitor

Residential and Commercial Markets

May 30-June 2

National Association of REALTORS®
Research Group

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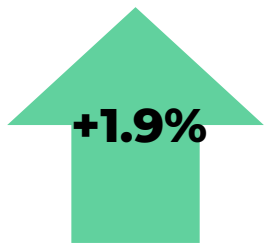
Weekly Real Estate Monitor

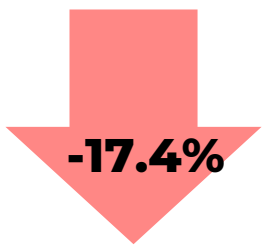
Housing Market at a Glance: the Last Month (ending May 29)

Year-over-year percent change in active listings inventory:



-37.9% one year ago

Year-over-year percent change in pending listings inventory:



+34.1% one year ago

Ratio of pending listings per 10 active listings:

10.4 one year ago

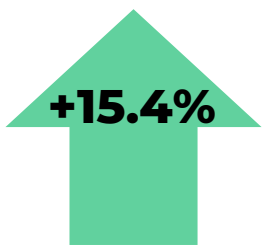
Year-over-year percent change in new listings in the past 4 weeks:

+13.2% one year ago

Year-over-year percent change in pending sales in the past 4 weeks:

+15.1% one year ago

Year-over-year percent change in median sales price:



+19.2% one year ago

Sale-to-list price ratio:

99.7% one year ago

Median days on market:

15 days one year ago

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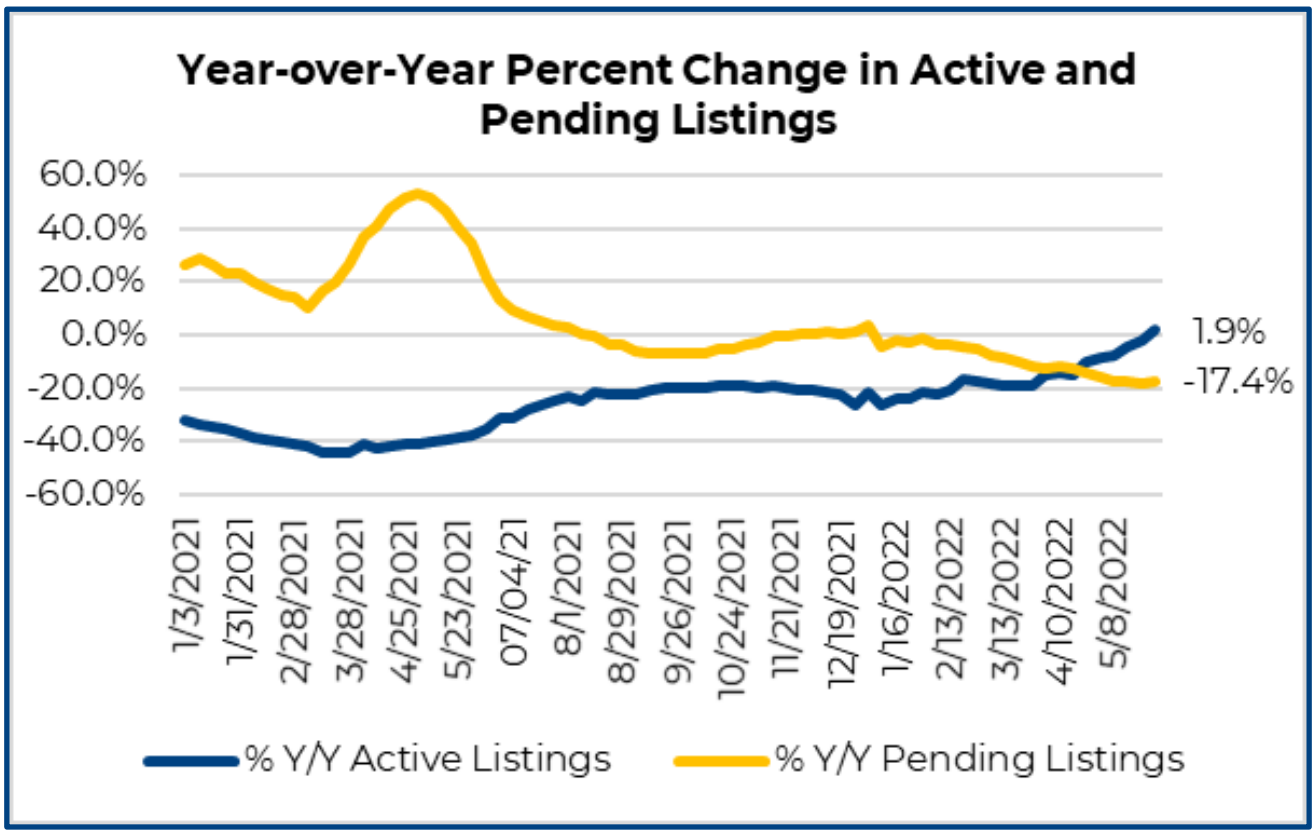
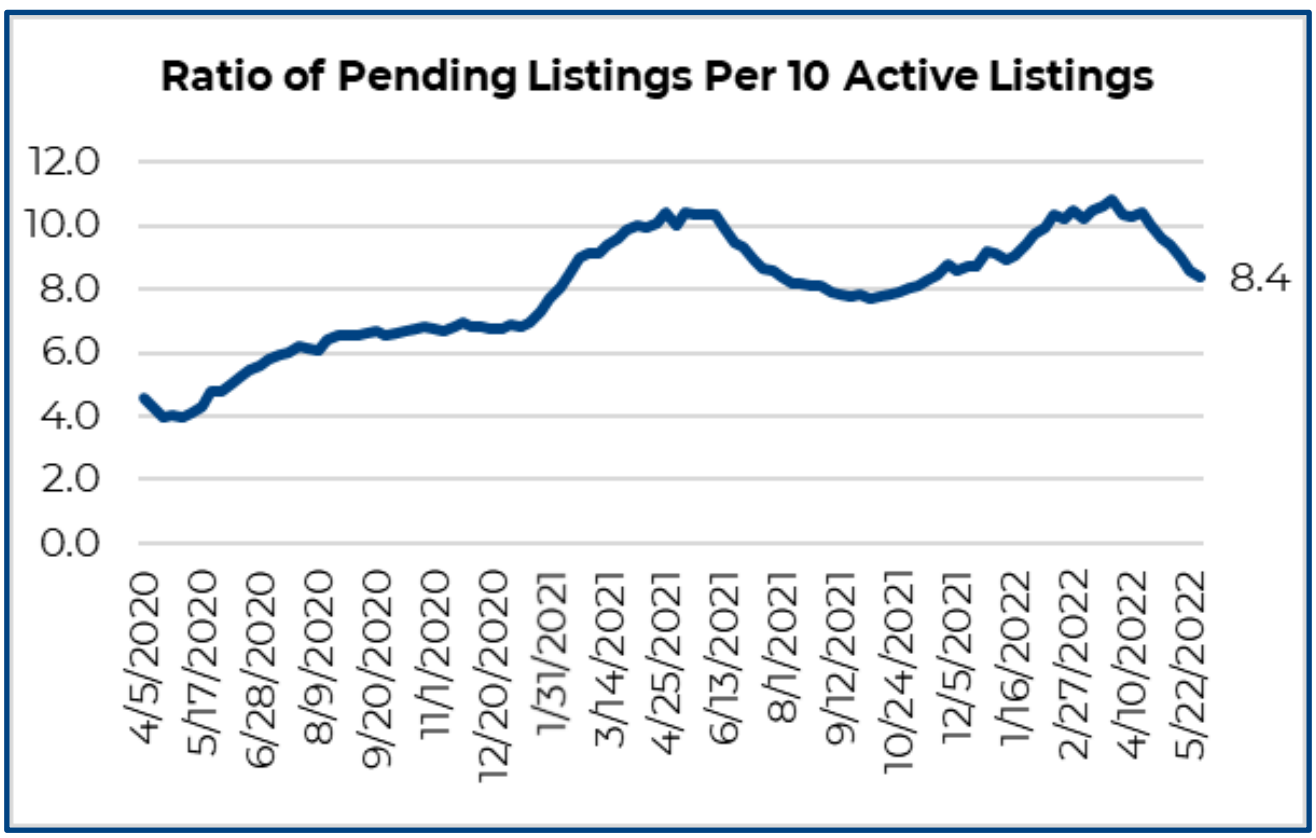
New Listings Outpaced New Contract Signings

New listings are outpacing new contract signings. Based on preliminary data, new contracts signed during the past four weeks decreased by 13.3% on a year-over-year basis while new pending listings were flat from one year ago.

Preliminary data indicates that for the first time, the inventory of active listings increased from one year ago, up 1.9%. Meanwhile, the inventory of pending listings (all contracts signed) was down 17.4%.

There were 8.4 pending listings for every 10 active listings (10.4 one year ago).





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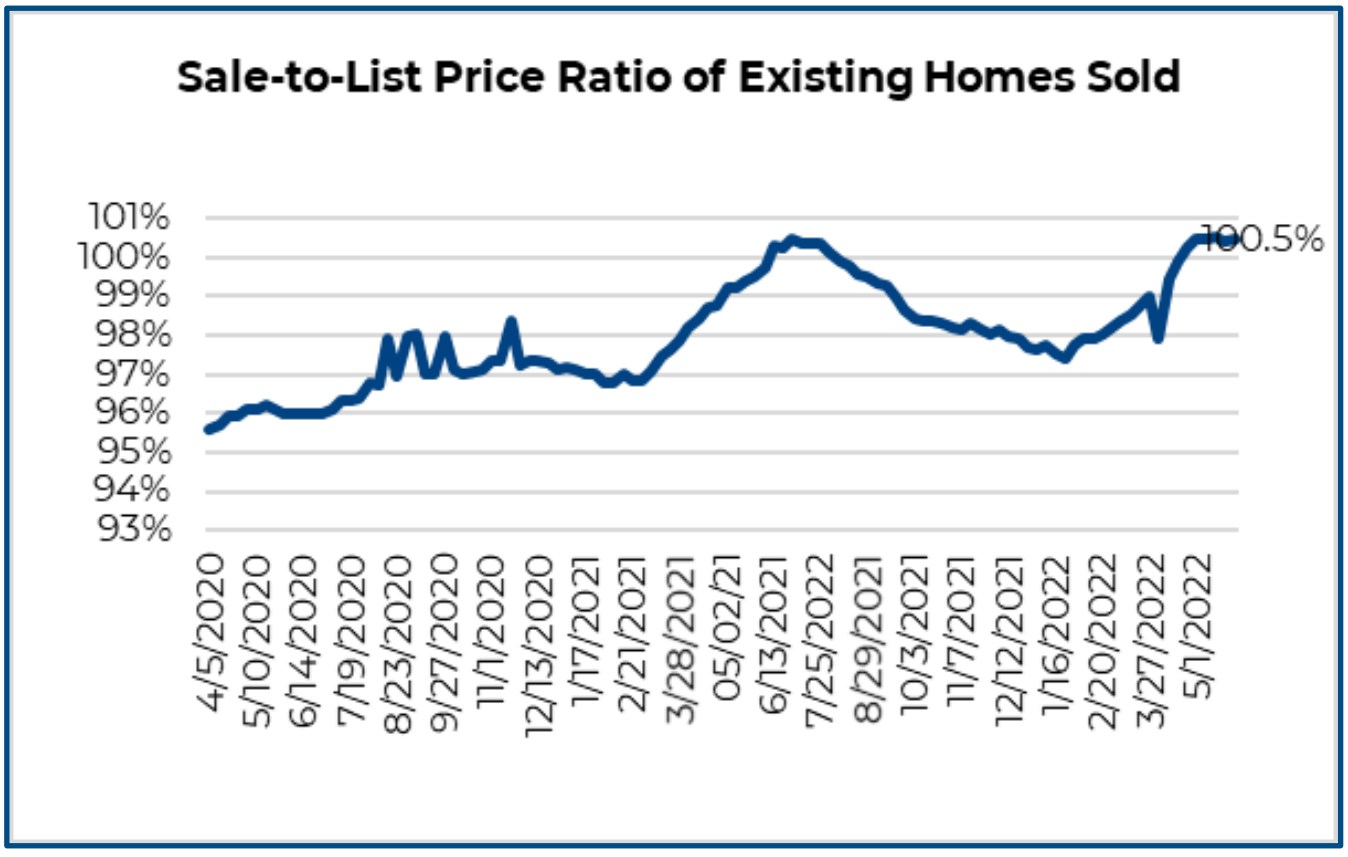
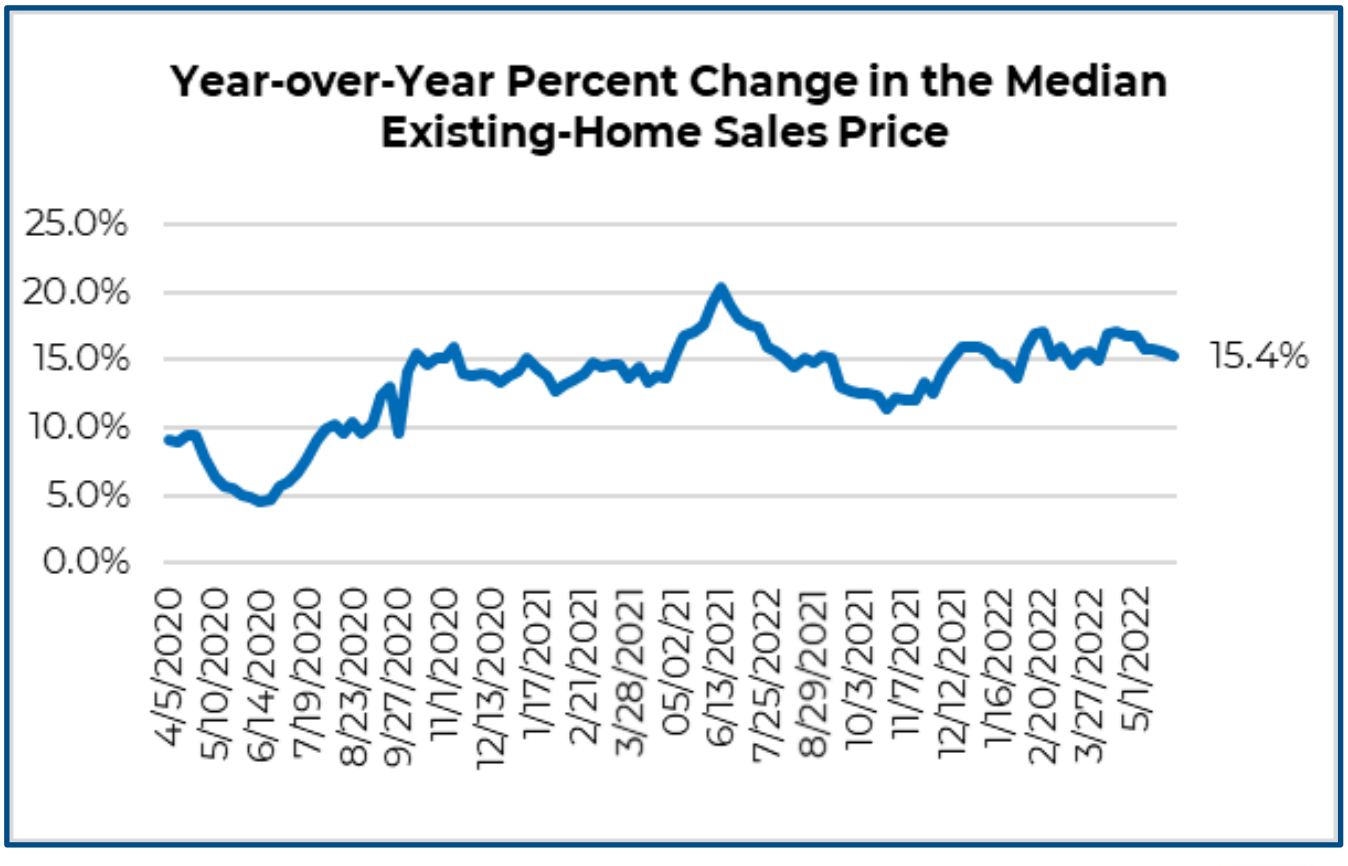
Median Home Prices Rose 15.4%

With slowing demand, the median existing-home sales price on homes sold rose at a slightly slower pace of 15.4% year-over-year (19.2% one year ago). Nonetheless, this is still a fast pace considering the softening of housing demand. Existing-home sales on an annualized basis were down 5.9% from one year ago while new single-family home sales fell 27% year over year.

On average, homes are still closing at a price slightly higher than the list price, at 100.5% (99.7% one year ago).





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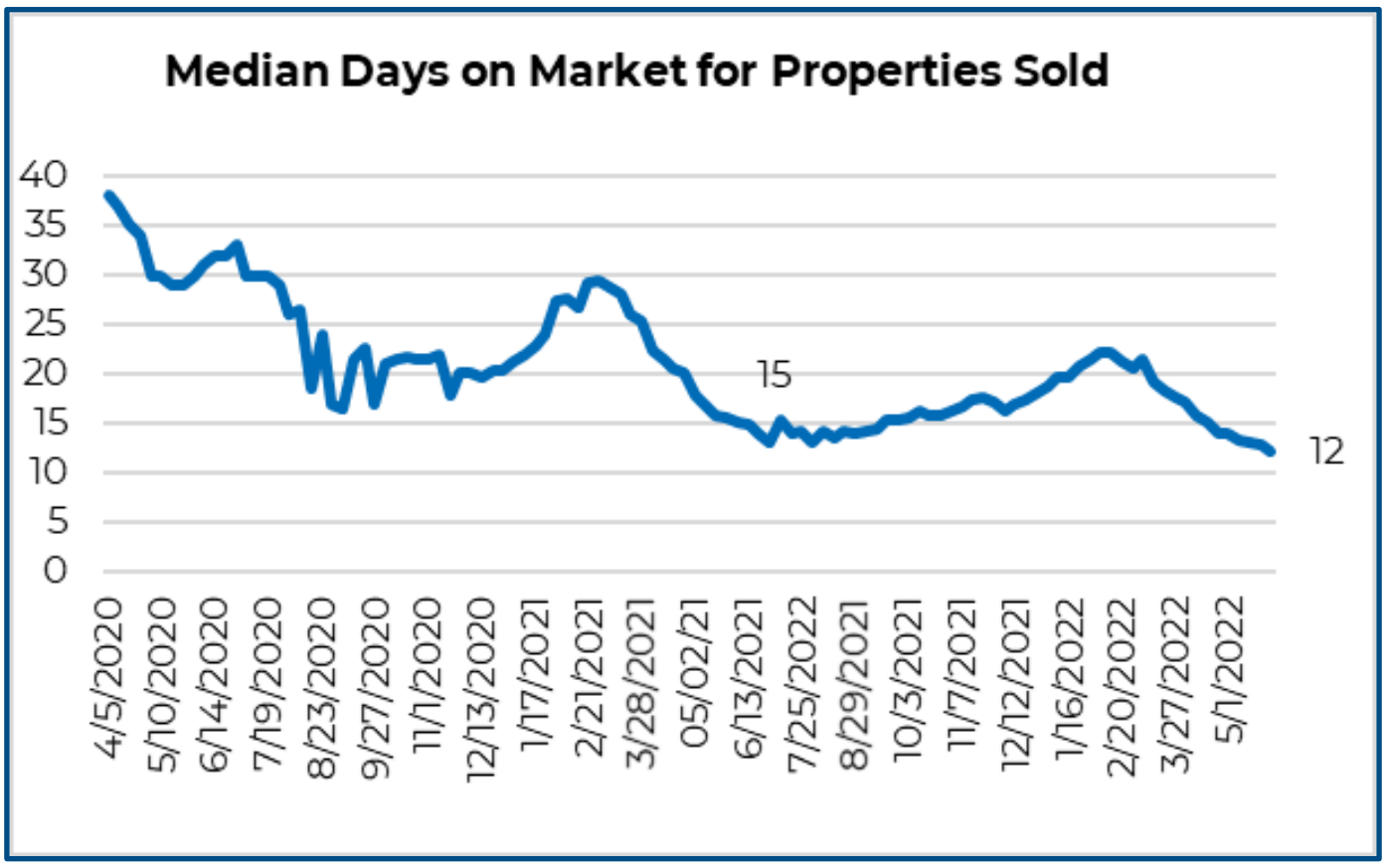
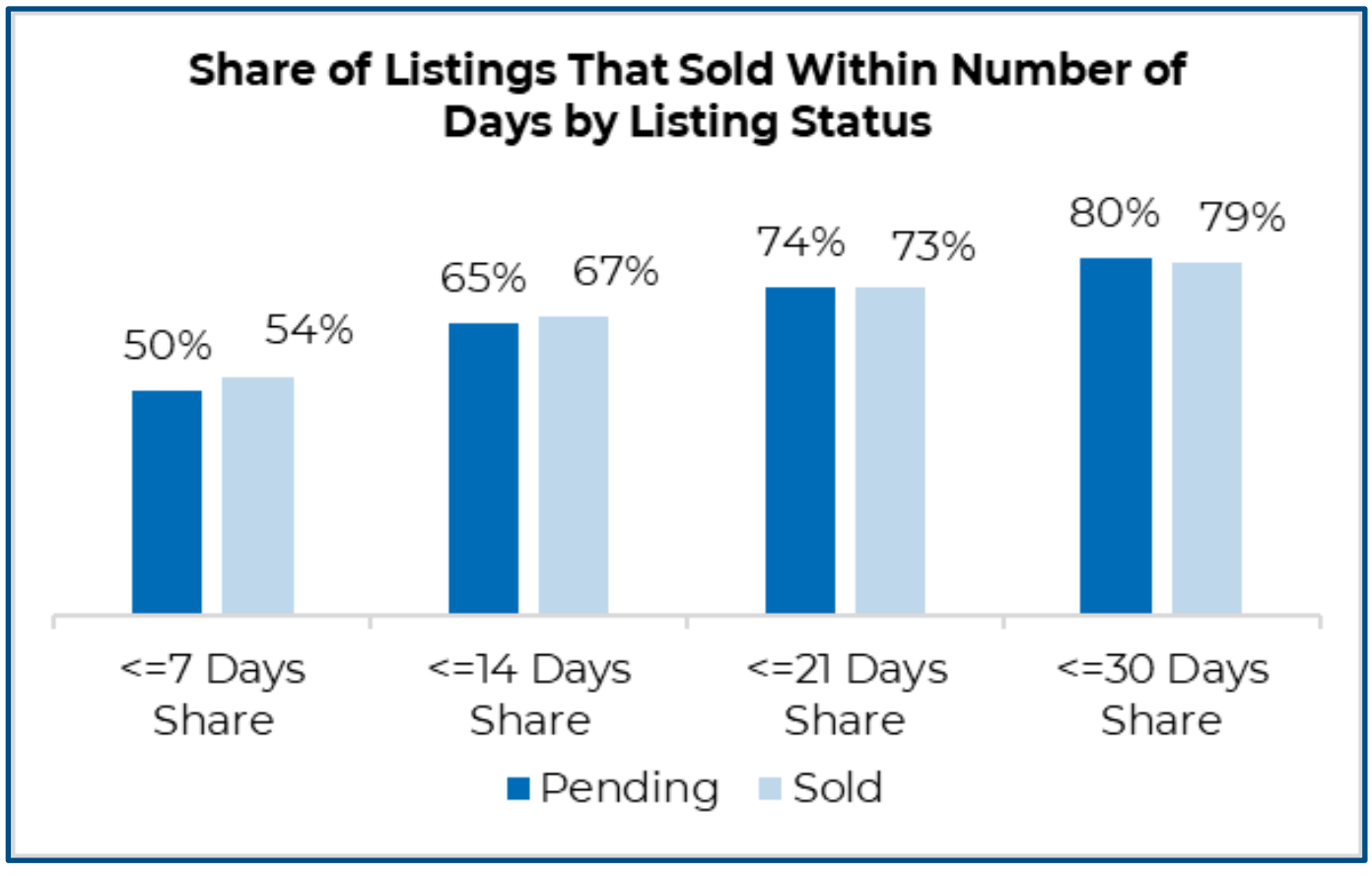
Properties Typically Sold Faster in 12 Days

Despite slowing demand, properties sold faster, with properties that sold in the past four weeks ended May 29 at just 12 days on the market, faster than 15 days one year ago.

However, properties could likely stay longer on the market in the coming months. Among new pending contracts during the past four weeks, 50% sold within seven days, a lower rate than the 54% share on homes sold during the past four weeks.





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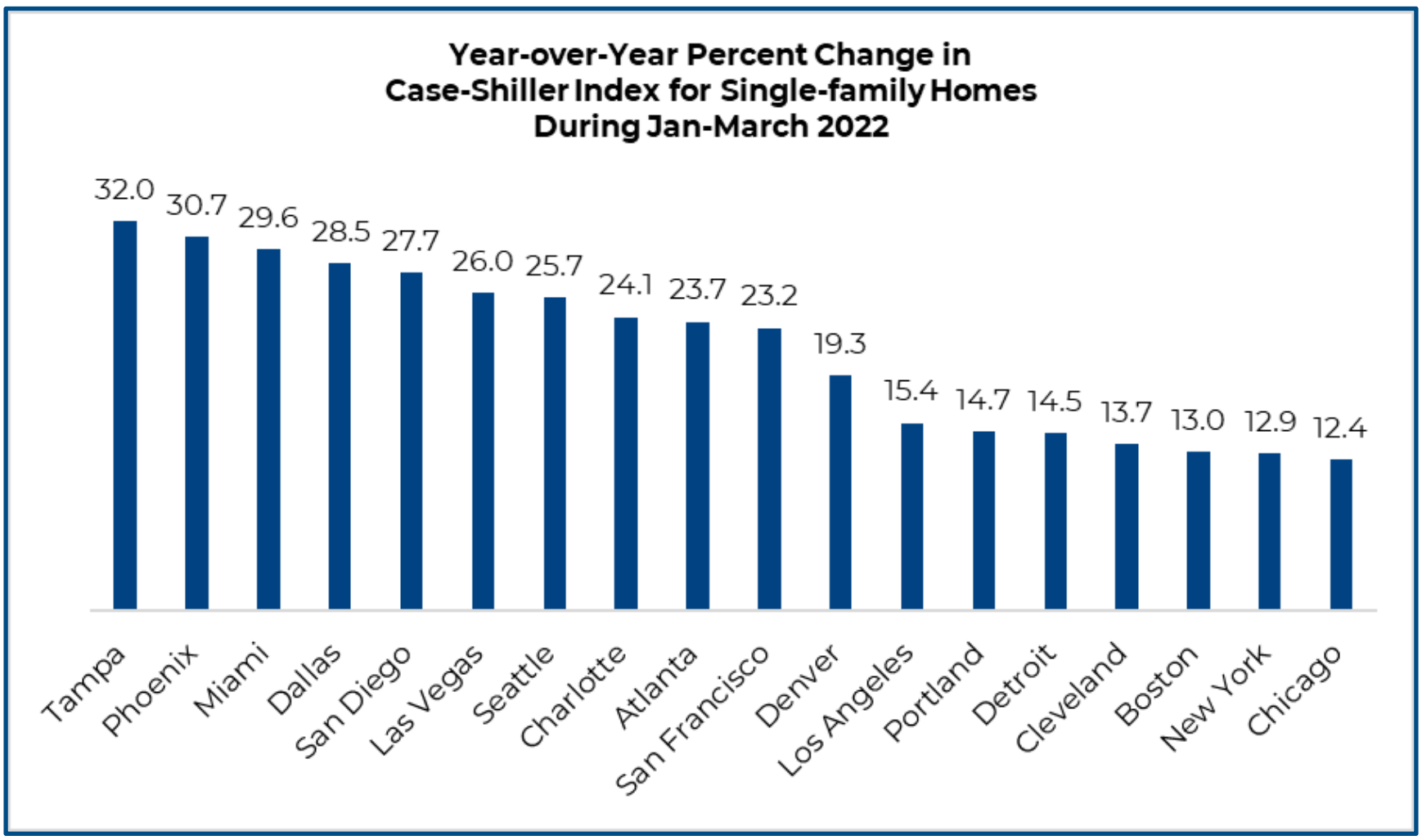
Case-Shiller Index Shows Single-family Home Prices Up 20.6% in March 2022

Single-family existing-home prices rose at a faster pace of 20.6% in the three months ended March, according to the Case-Shiller index. The data reflects sales from January through March, a period marked by the tightest level of inventory of homes on the market, down to just 740,000 units.

The 20-city composite index (which includes “secondary” markets) rose at a faster pace of 21.2% than the 10-city composite index (which includes “primary” markets) which rose at a slower pace of 19.5%. This is yet another indicator that the growth in the housing market demand is occurring in the secondary markets.

Prices are expected to rise at a slower pace over the coming months. NAR’s data shows the year-over-year pace of appreciation of the mix of single-family homes on the market has slowed to 14.8% in April.



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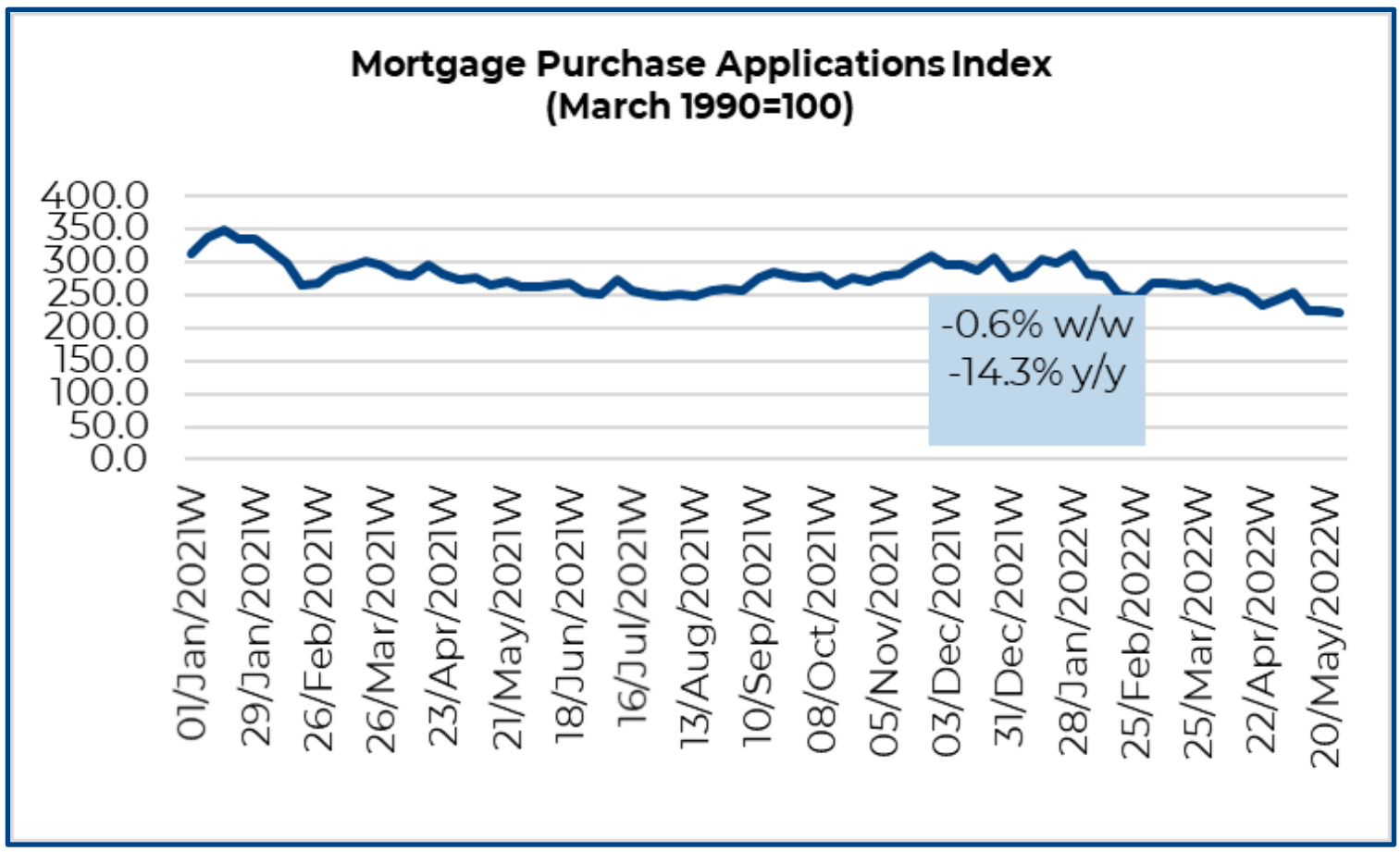
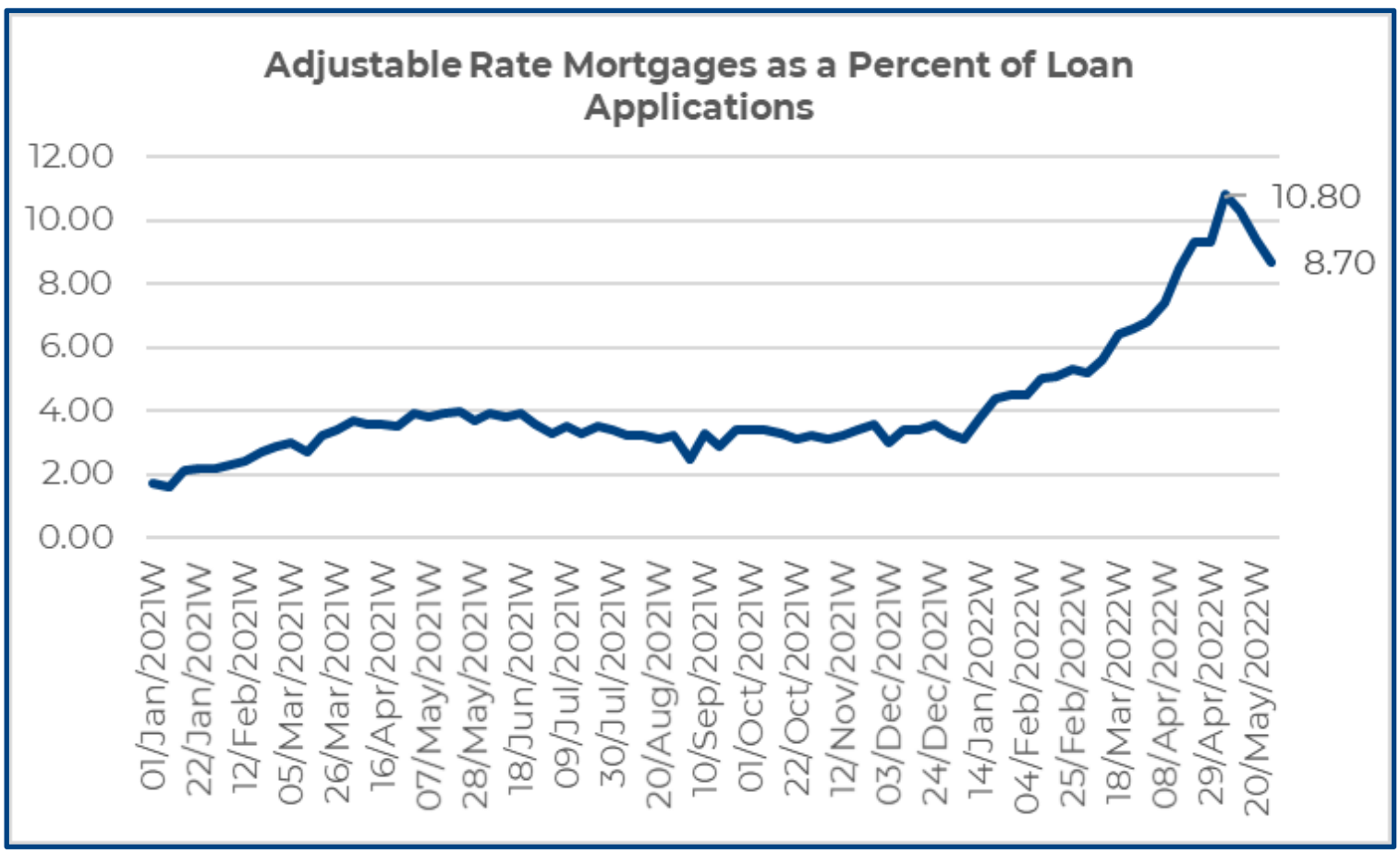
Mortgage Home Applications Tick Up Slightly

Mortgage applications for a home purchase fell 0.6%, according to the MBA Weekly Mortgage Applications Survey.

After spiking to nearly a share of nearly 11% in the week of May 6, the share of adjustable-rate mortgages (ARM) has trended downwards to 8.7%. Borrowers may be started to get worried about the uncertainty of the future path of mortgage rates and shifting back to a 30-year fixed rate.





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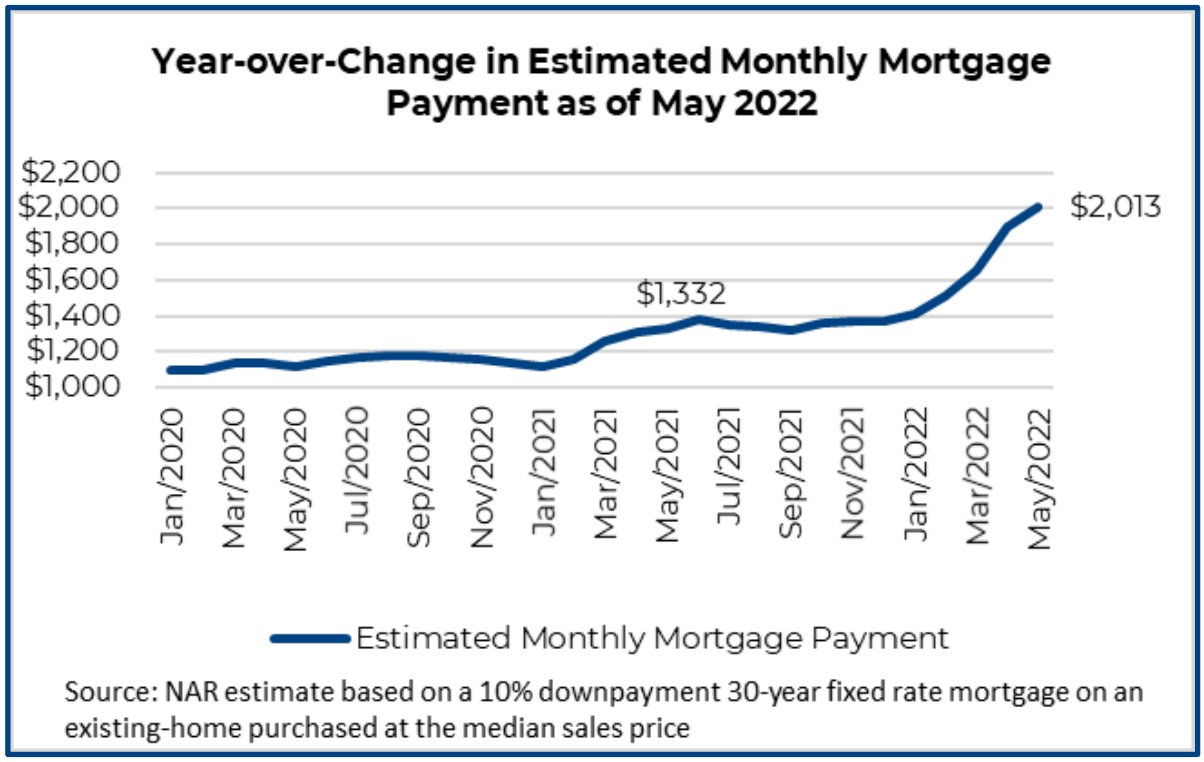
Monthly Mortgage Payment Rises by $680 from One Year Ago; Income Needed to Afford a Mortgage Rises to Nearly $97,000

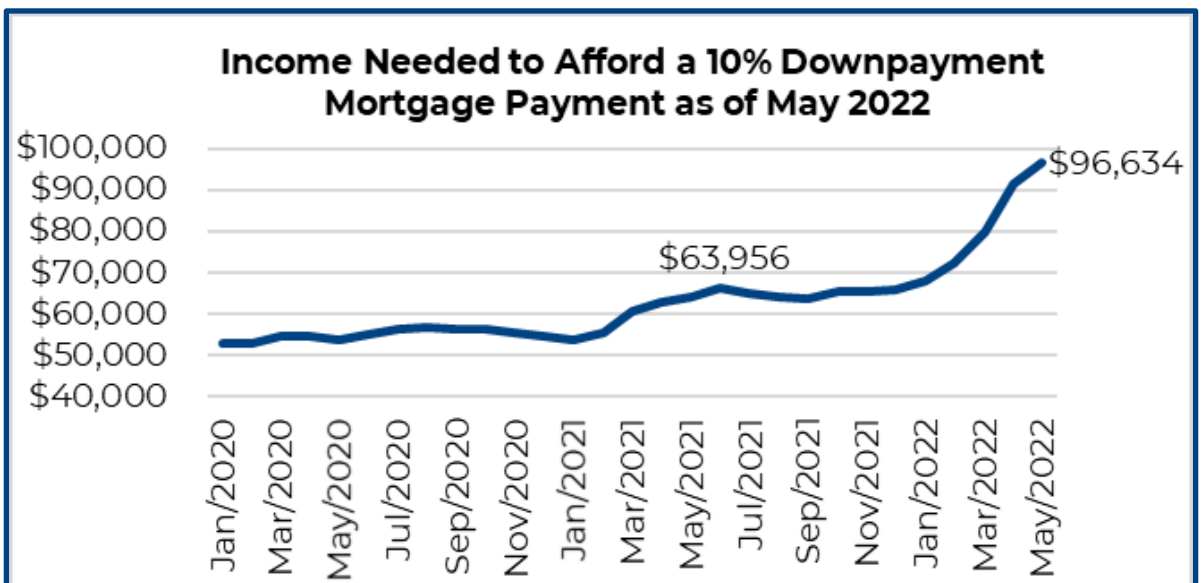
With a forecasted median existing-home sales price expected to hit over $400,000 in May and a 30-year fixed mortgage rate that averaged 5.23%, a homeowner will typically pay $2,013 on a 10% downpayment 30-year loan, or nearly $700 more in monthly mortgage compared to one year ago, up 52% year-over-year. Meanwhile, estimated monthly wages are up by just $210.

A family needs an income of at least $96,634 to afford a mortgage, up from $63,956 one year ago, or about $33,000 more. NAR considers a mortgage payment affordable if it is less than 25% of income.

For a 1-earner family, the annual mortgage payment rises to 42% of the annualized average weekly wage ($1,108 weekly, $57,766 annualized), which means a family needs to have more than one worker in the family to afford a home.



Source: NAR estimate based on a 10% downpayment 30-year fixed rate mortgage on an existing-home purchased at the median sales price



Source: NAR estimate based on a 10% downpayment 30-year fixed rate mortgage on an existing-home purchased at the median sales price and mortgage payment is 25% of income

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Rising Occupancy in Apartment and Office Properties in 2022 Q2

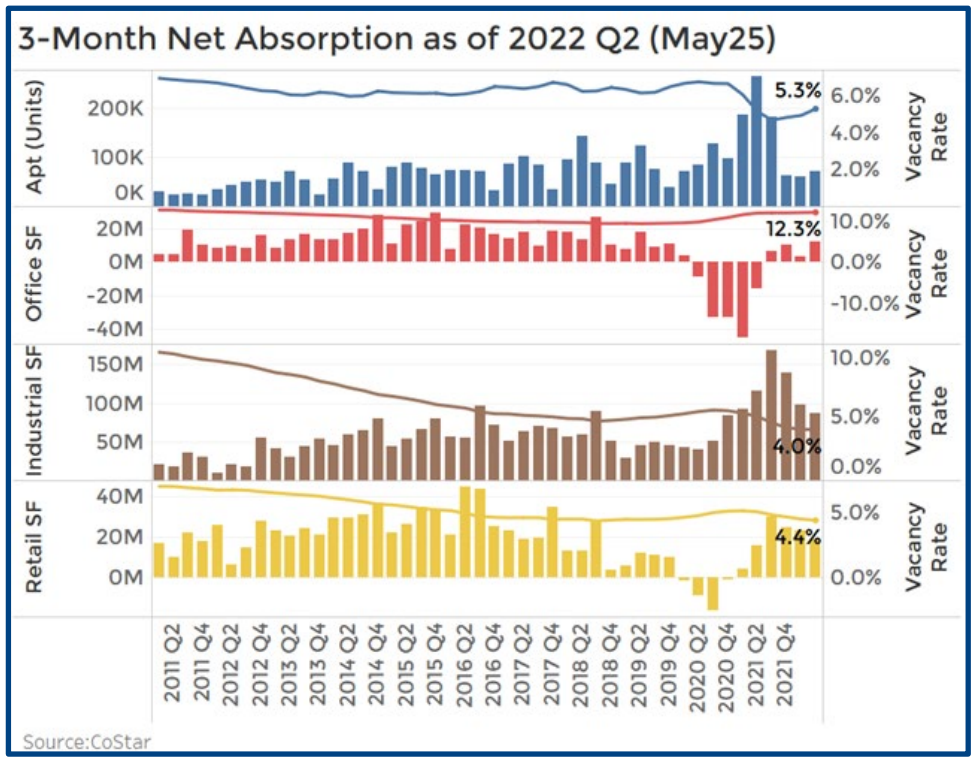
With mortgage rates hovering at 5%, the absorption of multifamily apartment units increased to 75,567 units compared to the prior quarter (61,494). With more deliveries than units absorbed, the vacancy rate slightly increased to 5.3% and rent growth has climbed down to 9.7% from the double-digit pace in past months.

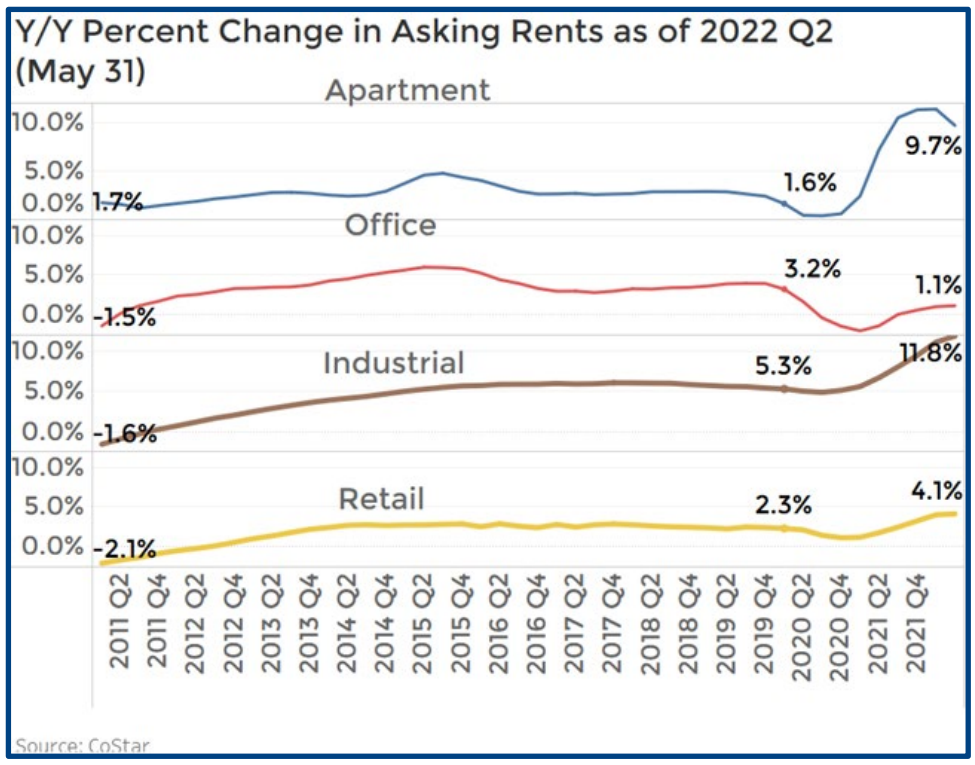
As workers return to the office, 14 million square feet (MSF) was absorbed in the past three months, from 3.4 MSF in the first quarter, with asking rents up 1.1% year-over-year. The vacancy rate remains elevated at 12.3%.

After a surge in 2021, absorption of industrial space has slowed to 83 MSF on a net basis in the three months. However, this property market has the lowest vacancy rate at 4% and the highest rent growth at 11.8%.

In the retail property market, 20.4 MSF was absorbed in the past three months, a little slower than the 23 MSF in the first quarter, with neighborhood centers picking up the demand. The vacancy rate is at 4.4%, with rents up 4.1% year-over-year.

Download the Latest Commercial Market Insights Report and Commercial Metro Market Reports.





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Commercial Sales Deals Exceed Pre-Pandemic Levels Except in Office Sector

Commercial sales deals rose robustly during the past four quarters across all core property types, with the largest sales volume in the multifamily market. Multifamily acquisitions totaled $262.5 billion, surpassing the $167 billion deals prior to the pandemic. Sales deals for industrial properties were at $119.6 billion, surpassing the pre-pandemic level of $74.1 billion. In retail, total sales deals hit $91.3 billion, surpassing the pre-pandemic deals of $67.9 billion. Only the office sector has a smaller sales volume of $105.6 billion compared to the pre-pandemic level of $124.6 billion.

Commercial sales prices increased on average across all markets, with the strongest pace for industrial properties at 16.5% year-over-year, followed by multifamily (10.4%). Even office values have recovered (+3.1%) and prices of retail properties are also up (+5.9%), even with the continuing challenge from e-commerce.

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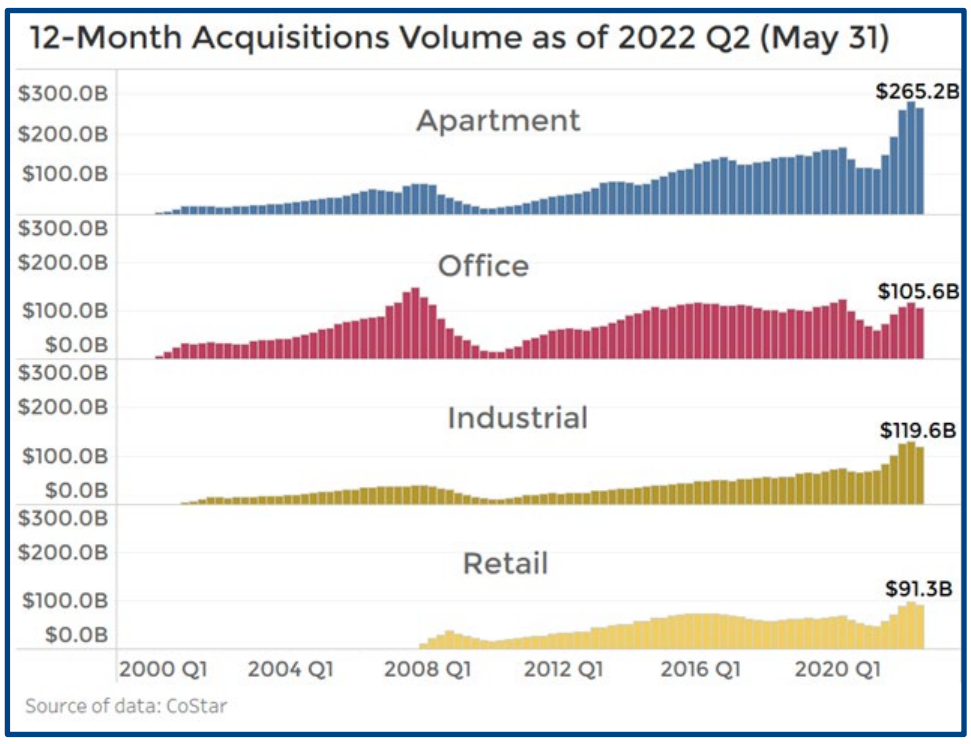

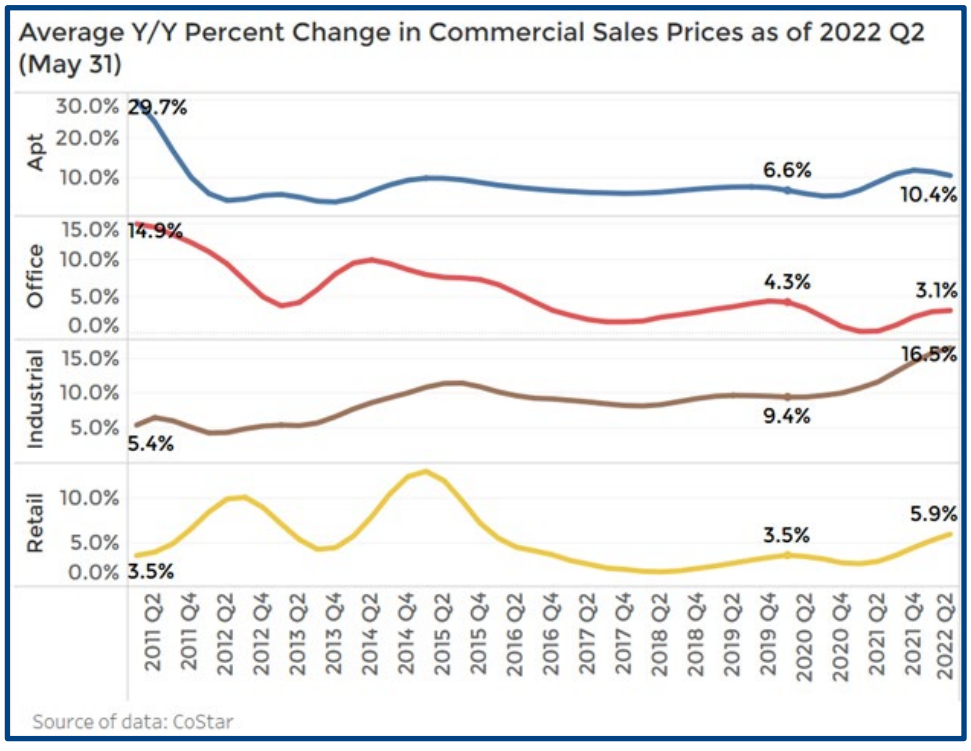

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Top 20 Multifamily Markets by 12-Month Net Absorption
as of May 31

Geography Name	12-Month Absorption, Units	Vacancy Rate	Market Asking Rent/Unit	Y/Y Market Asking Rent Growth	Total Return	Market Cap Rate
New York - NY	30,778	2.6%	$2,972	6.1%	5.5%	4.3%
Dallas-Fort Worth - TX	23,963	6.6%	$1,533	13.5%	17.6%	4.7%
Los Angeles - CA	21,369	3.5%	$2,168	6.7%	8.8%	4.0%
Houston - TX	18,920	7.8%	$1,294	7.5%	11.5%	5.3%
Washington - DC	16,932	6.1%	$2,088	8.6%	10.8%	4.6%
Austin - TX	12,432	7.8%	$1,726	13.5%	16.1%	4.4%
Chicago - IL	10,699	5.4%	$1,639	7.4%	10.6%	5.7%
Boston - MA	9,985	4.3%	$2,718	9.9%	12.1%	4.3%
Orlando - FL	9,639	6.0%	$1,835	19.8%	21.5%	4.3%
Seattle - WA	9,355	6.3%	$2,020	9.8%	10.6%	4.0%
Minneapolis - MN	8,734	6.5%	$1,417	3.6%	7.8%	5.4%
Denver - CO	8,137	6.9%	$1,848	10.3%	14.3%	4.2%
Charlotte - NC	7,488	7.6%	$1,594	15.4%	21.5%	4.4%
Columbus - OH	5,499	5.2%	$1,192	9.5%	13.9%	6.1%
Portland - OR	5,298	5.0%	$1,613	8.9%	9.8%	4.5%
Tampa - FL	4,775	6.2%	$1,779	15.0%	19.2%	4.6%
San Antonio - TX	4,454	6.9%	$1,242	9.9%	13.5%	5.2%
Phoenix - AZ	4,218	7.5%	$1,612	10.5%	22.7%	4.0%
Atlanta - GA	3,081	6.9%	$1,657	10.9%	18.8%	4.6%
Las Vegas - NV	-1,244	6.5%	$1,491	13.0%	22.2%	4.3%

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 12-Month Net Absorption
as of May 31

Geography Name	12-Month Absorption in Sq.Ft	Vacancy Rate	Market Rent/SF	Market Rent Growth 12 Mo	Market Cap Rate
Austin - TX	3,365,355	12.5%	$43	2.7%	5.8%
Dallas-Fort Worth - TX	3,321,502	17.5%	$29	1.8%	6.9%
Houston - TX	1,900,096	18.8%	$29	0.2%	7.9%
San Diego - CA	1,792,670	10.8%	$37	3.0%	6.1%
Palm Beach - FL	1,514,352	8.5%	$39	7.0%	6.4%
Sacramento - CA	1,353,711	10.2%	$28	1.7%	7.2%
Las Vegas - NV	1,347,452	10.4%	$25	4.3%	7.4%
Provo - UT	1,185,910	7.9%	$22	2.0%	8.3%
Miami - FL	1,135,461	10.0%	$43	6.5%	5.9%
Orlando - FL	1,129,123	7.7%	$26	2.8%	7.6%
Orange County - CA	1,097,912	11.3%	$31	0.8%	6.0%
Charlotte - NC	1,020,920	11.9%	$30	2.6%	6.6%
Boise - ID	957,564	3.7%	$20	2.8%	8.4%
Salt Lake City - UT	875,896	9.4%	$24	2.3%	7.2%
Nashville - TN	839,782	10.5%	$29	1.7%	7.0%
Inland Empire - CA	825,082	6.0%	$24	3.1%	7.1%
Denver - CO	819,151	14.2%	$29	2.0%	7.1%
Raleigh - NC	791,949	8.0%	$28	3.1%	7.1%
Durham - NC	778,217	8.9%	$26	1.3%	7.1%
Phoenix - AZ	765,826	14.1%	$27	3.4%	7.1%

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

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Top Industrial Real Estate Markets by 12-Month Net Absorption as of May 31

Geography Name	12-Month Net Absorption in Sq. Ft.	Vacancy Rate	Market Rent/SF	Market Rent Growth 12 Mo	Market Cap Rate
Houston - TX	39,833,724	5.8%	$8.4	7.1%	6.4%
Chicago - IL	38,522,432	4.5%	$8.4	8.5%	6.7%
Dallas-Fort Worth - TX	34,073,928	5.6%	$8.2	13.9%	5.6%
Inland Empire - CA	26,493,264	1.7%	$12.2	18.3%	4.0%
Phoenix - AZ	24,253,476	4.5%	$10.7	14.5%	5.7%
Atlanta - GA	22,613,512	3.9%	$7.8	14.4%	5.9%
Indianapolis - IN	17,739,312	3.4%	$6.7	11.8%	7.1%
Columbus - OH	17,611,564	2.7%	$6.7	17.2%	6.4%
Philadelphia - PA	14,373,004	4.3%	$9.4	12.4%	6.4%
Austin - TX	13,536,966	3.6%	$13.3	11.2%	6.3%
New York - NY	11,299,504	3.3%	$17.1	11.0%	5.1%
Charlotte - NC	11,290,385	4.5%	$7.5	11.9%	6.4%
Memphis - TN	11,166,923	6.0%	$4.6	9.7%	7.4%
Kansas City - MO	10,627,075	4.3%	$6.5	10.4%	7.4%
San Antonio - TX	10,474,840	3.5%	$9.3	9.2%	6.7%
Cincinnati - OH	10,208,094	3.6%	$6.2	12.2%	7.2%
Nashville - TN	9,414,022	4.0%	$9.8	13.8%	5.8%
Savannah - GA	9,375,006	1.5%	$7.2	14.5%	6.0%
Denver - CO	8,794,932	5.0%	$11.4	9.1%	5.9%
Las Vegas - NV	8,426,841	1.6%	$11.8	15.2%	5.0%

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 12-Month Net Absorption as of May 31

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	7,376,691	4.9%	$21.6	6.0%	6.4%
Houston - TX	6,507,947	5.3%	$21.6	4.0%	6.9%
Atlanta - GA	4,928,167	4.2%	$20.0	6.5%	7.0%
Phoenix - AZ	4,308,143	6.1%	$21.5	6.4%	6.7%
Chicago - IL	3,758,991	5.8%	$20.3	3.2%	7.3%
New York - NY	3,493,424	4.0%	$45.0	1.3%	6.0%
San Antonio - TX	2,434,756	4.1%	$20.2	3.1%	6.3%
Tampa - FL	2,386,915	3.4%	$22.4	7.5%	6.5%
Detroit - MI	2,256,484	5.0%	$18.0	6.0%	7.8%
Orlando - FL	2,144,385	3.8%	$25.9	9.0%	6.6%
Austin - TX	2,077,290	3.2%	$27.7	4.3%	5.9%
Philadelphia - PA	1,948,612	4.6%	$21.4	2.7%	7.0%
Las Vegas - NV	1,708,820	5.4%	$29.5	10.5%	6.0%
Jacksonville - FL	1,596,384	3.7%	$21.3	9.7%	6.9%
Charlotte - NC	1,556,678	3.5%	$22.1	7.9%	6.9%
Boston - MA	1,446,412	2.8%	$25.0	2.5%	6.2%
Indianapolis - IN	1,418,398	3.6%	$17.6	7.4%	7.9%
Denver - CO	1,263,742	4.5%	$24.5	4.0%	6.2%
Columbus - OH	1,025,276	3.8%	$17.5	3.8%	7.8%
Washington - DC	1,012,080	5.2%	$30.3	3.0%	6.1%

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

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