

# REALTORS® LEGISLATIVE MEETINGS 2024

MAY 4-9 • WASHINGTON, DC



REALTORS® are members of the National Association of REALTORS



NARdotRealtor



nar.realtor

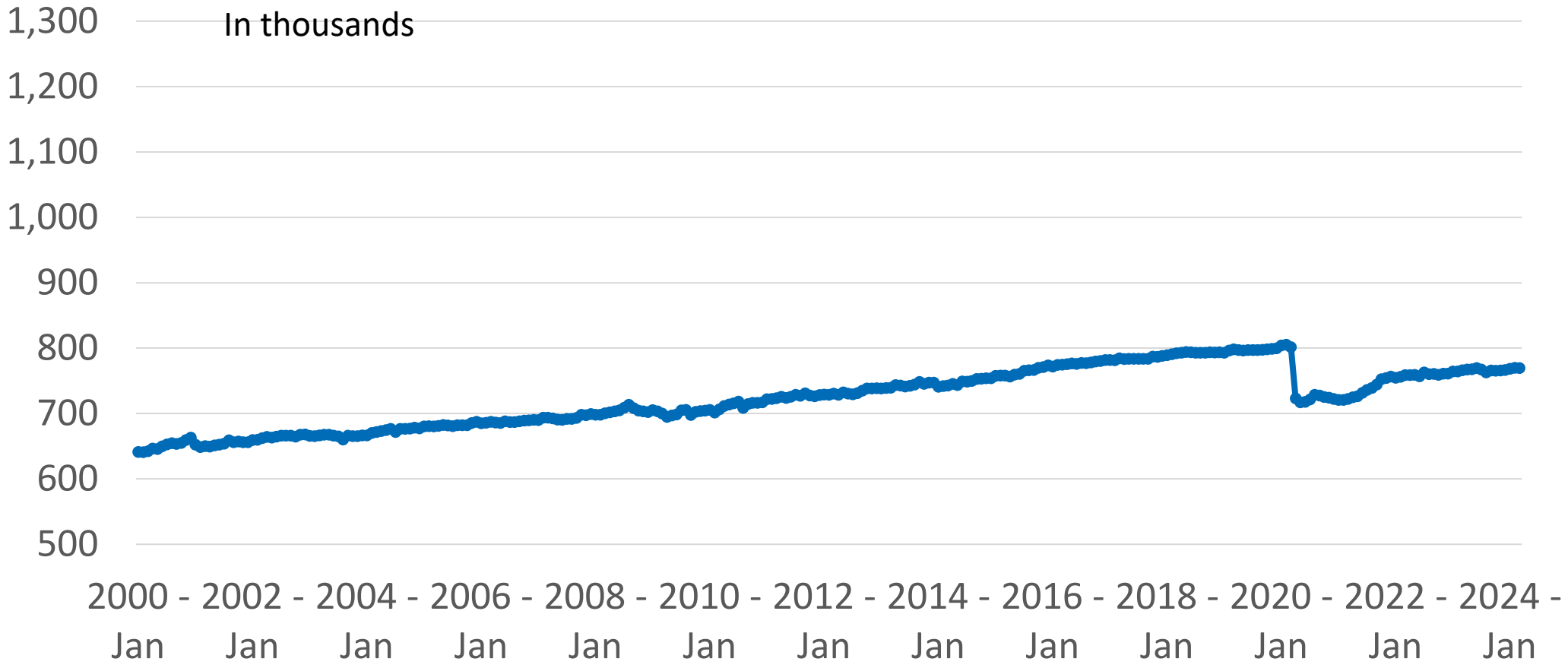
#NARLEGISLATIVE

# Economic Update

---

Lawrence Yun, NAR Chief Economist

# Payroll Jobs in DC ... Below Pre-Covid

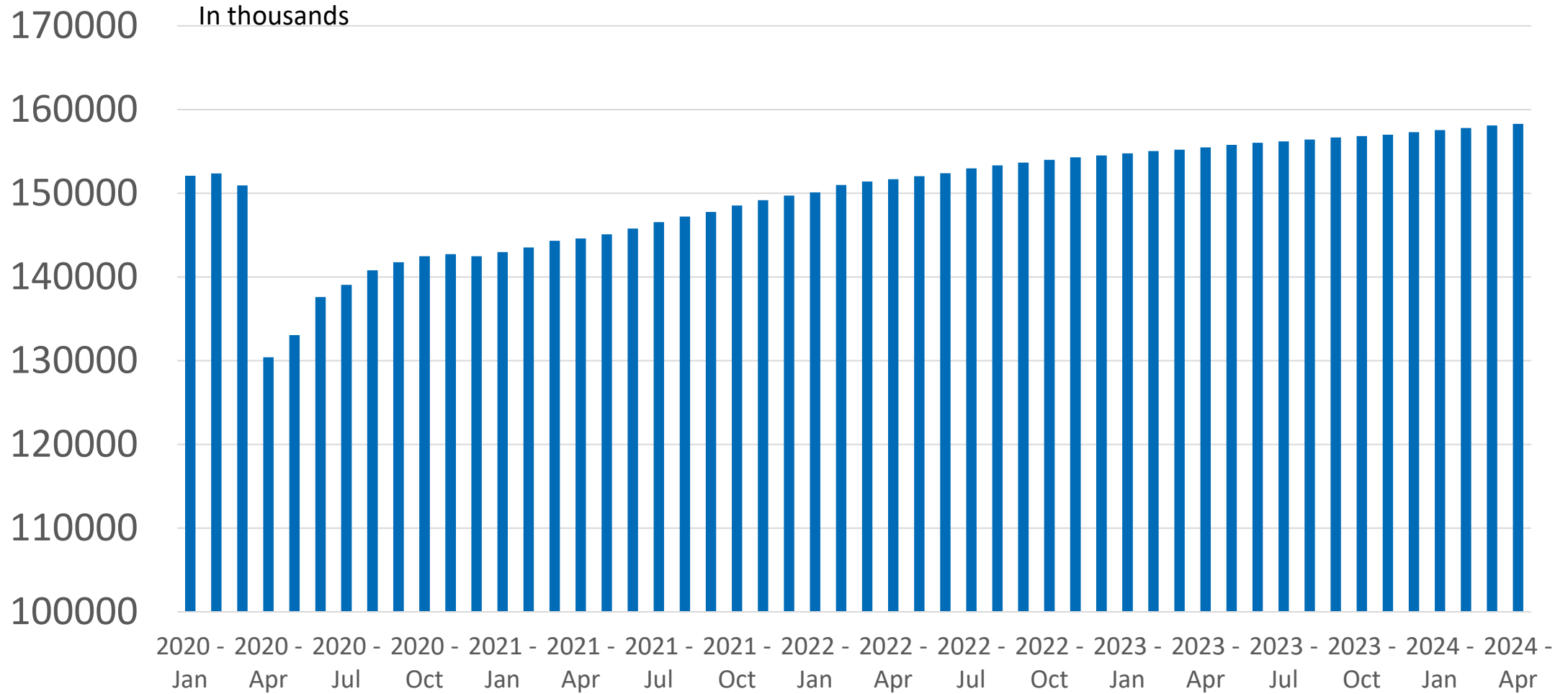


Source: BLS



# Latest Payroll Jobs in April

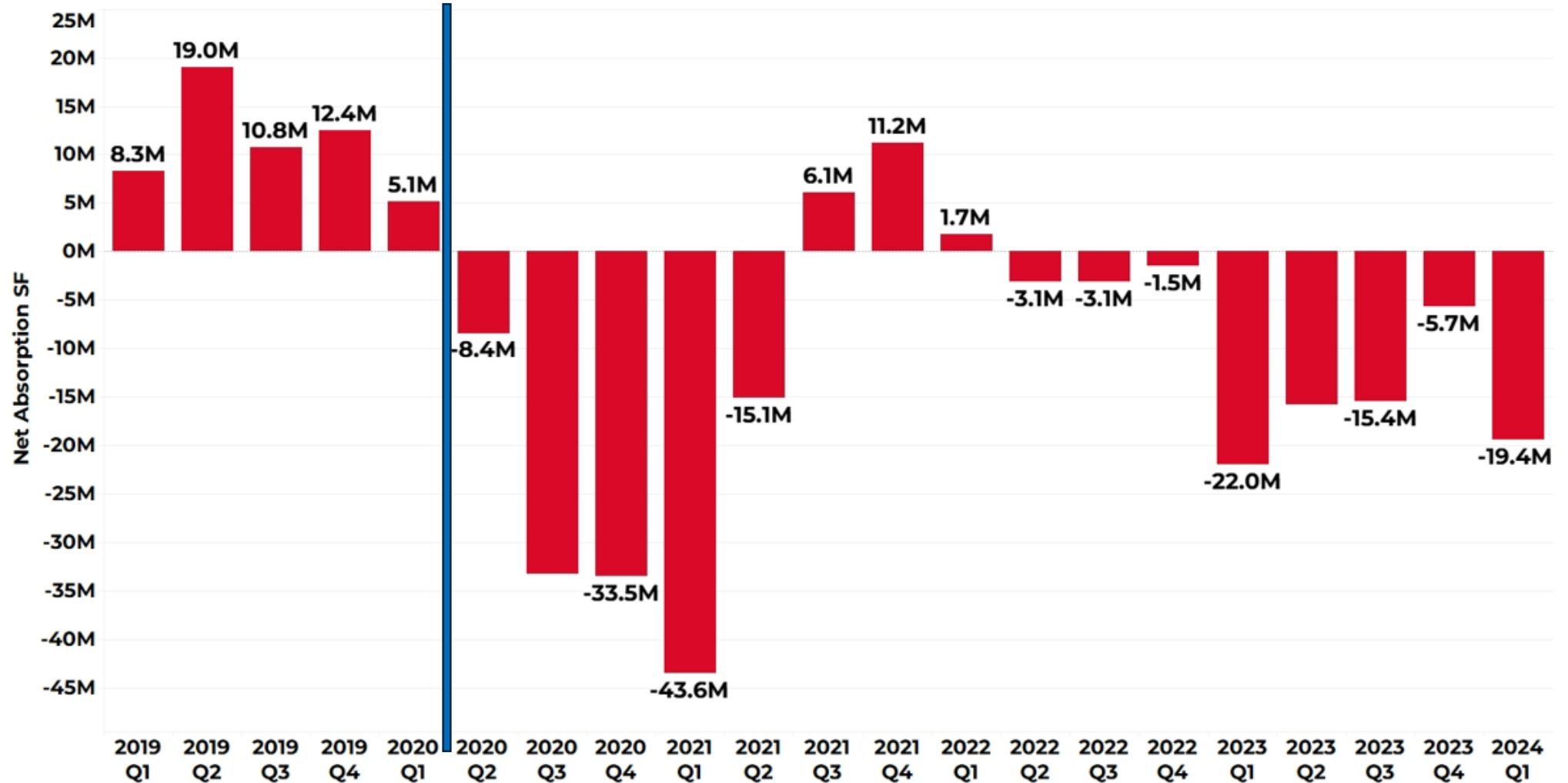
## 6 million more compared to pre-covid highs



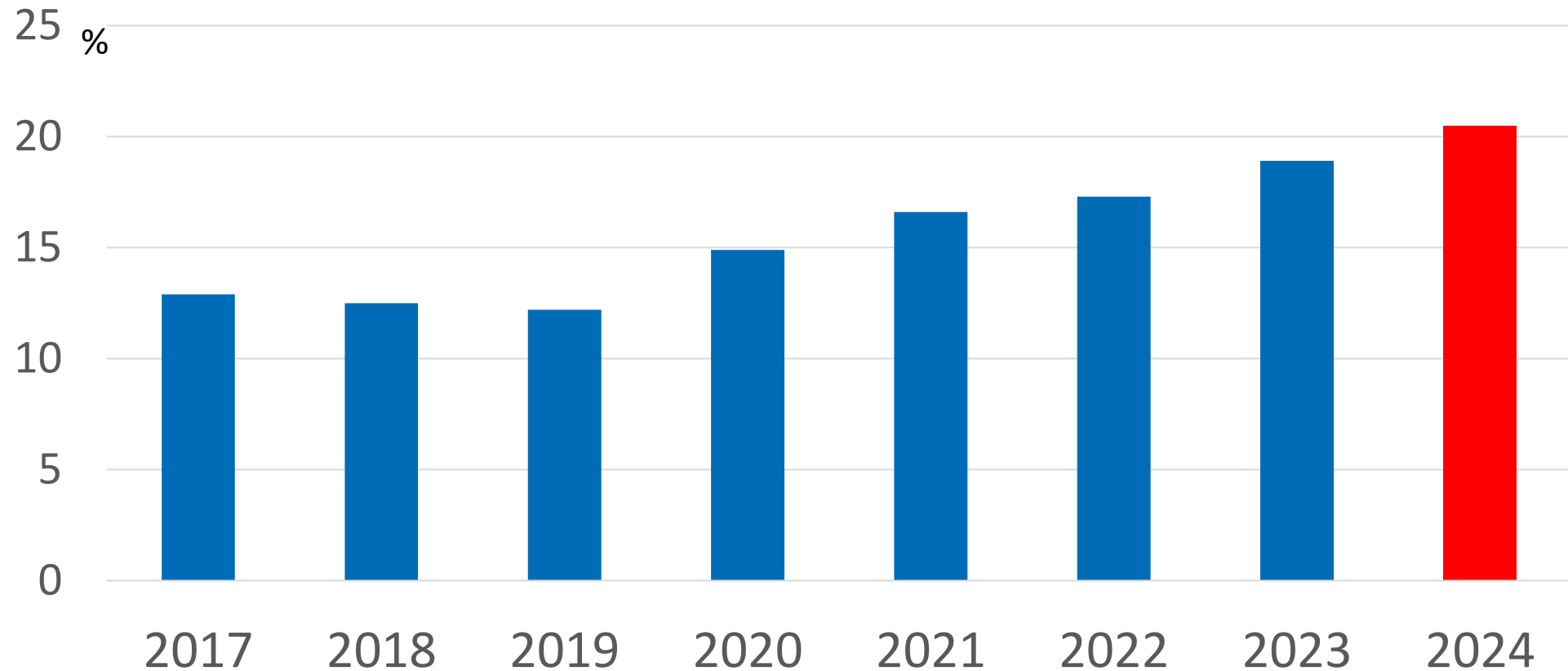
Source: BLS

# Job Gains not leading to Office Demand

## Office Net Absorption ... Pre and Post Covid

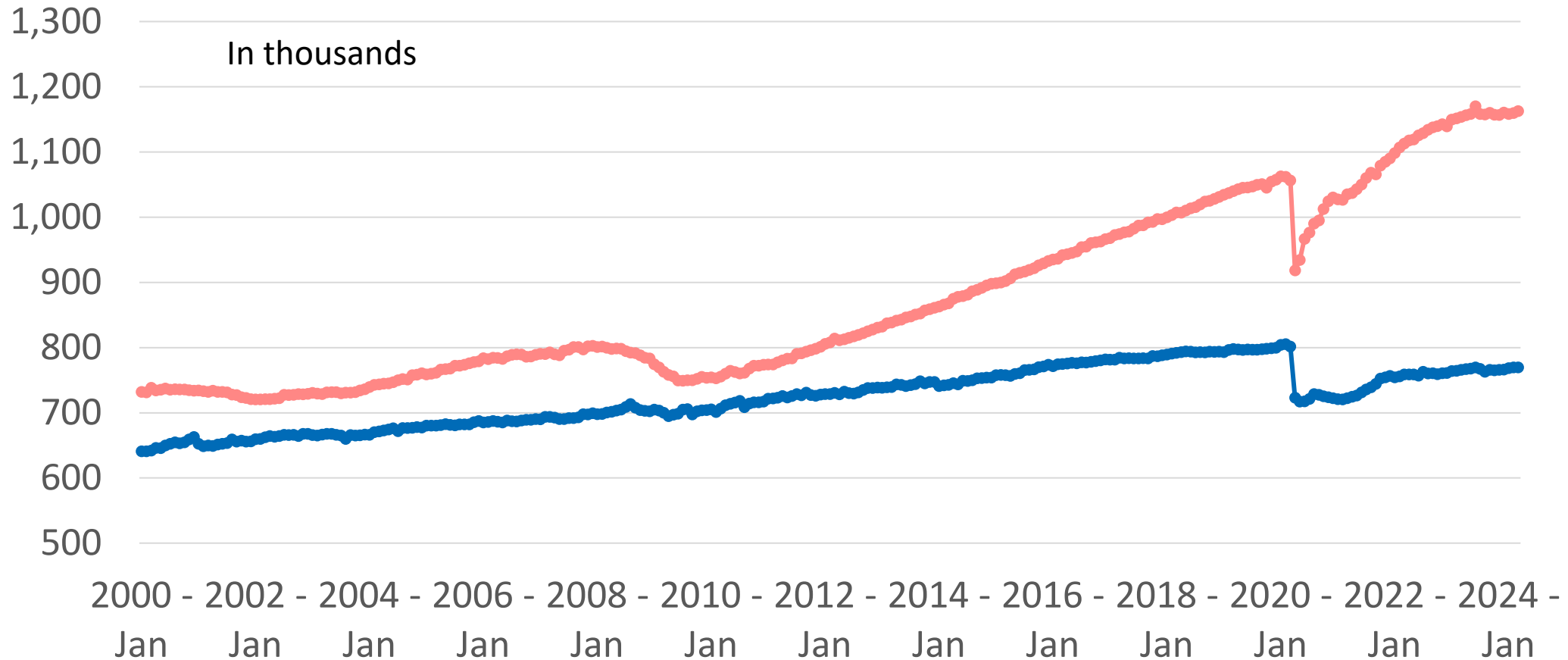


# National Office Vacancy Rate



Source: CBRE/ULI and NAR Forecast

# Payroll Jobs in Nashville >>> DC

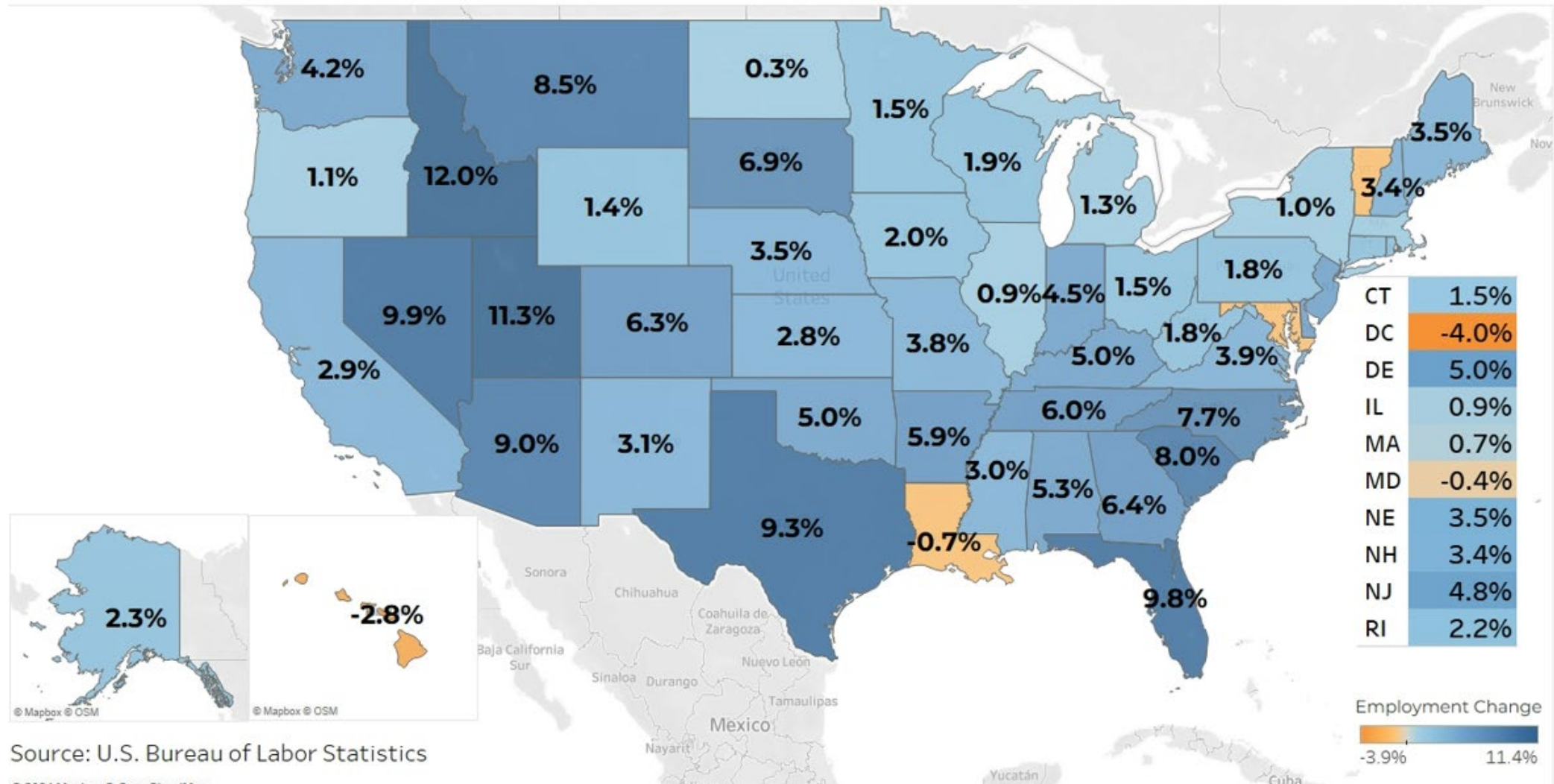


Source: BLS



# Job Gains Since Pre-COVID Record High Payroll Employment

## % change from March 2020 to March 2024

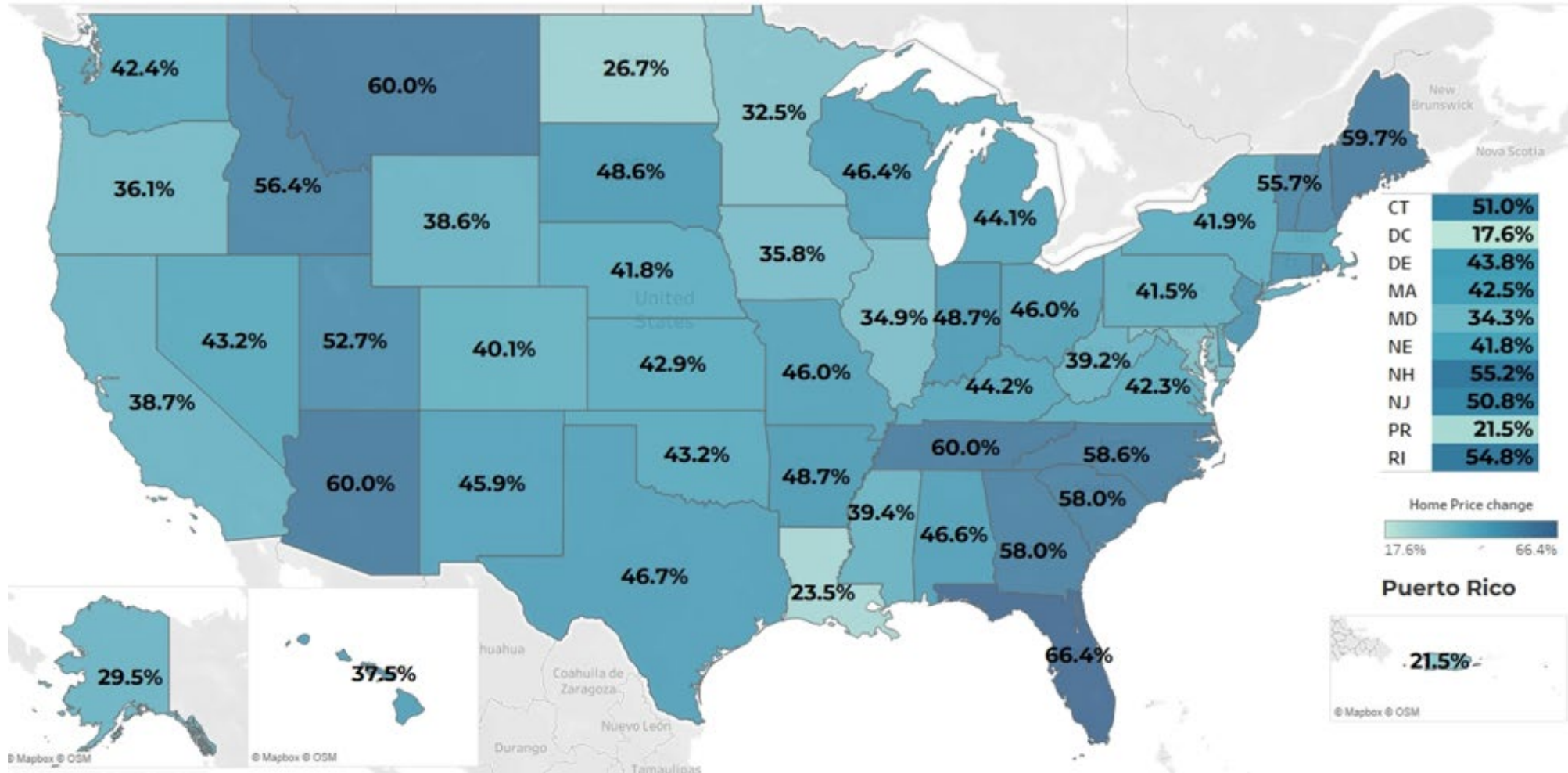


Source: U.S. Bureau of Labor Statistics

Source: NAR Analysis of BLS data

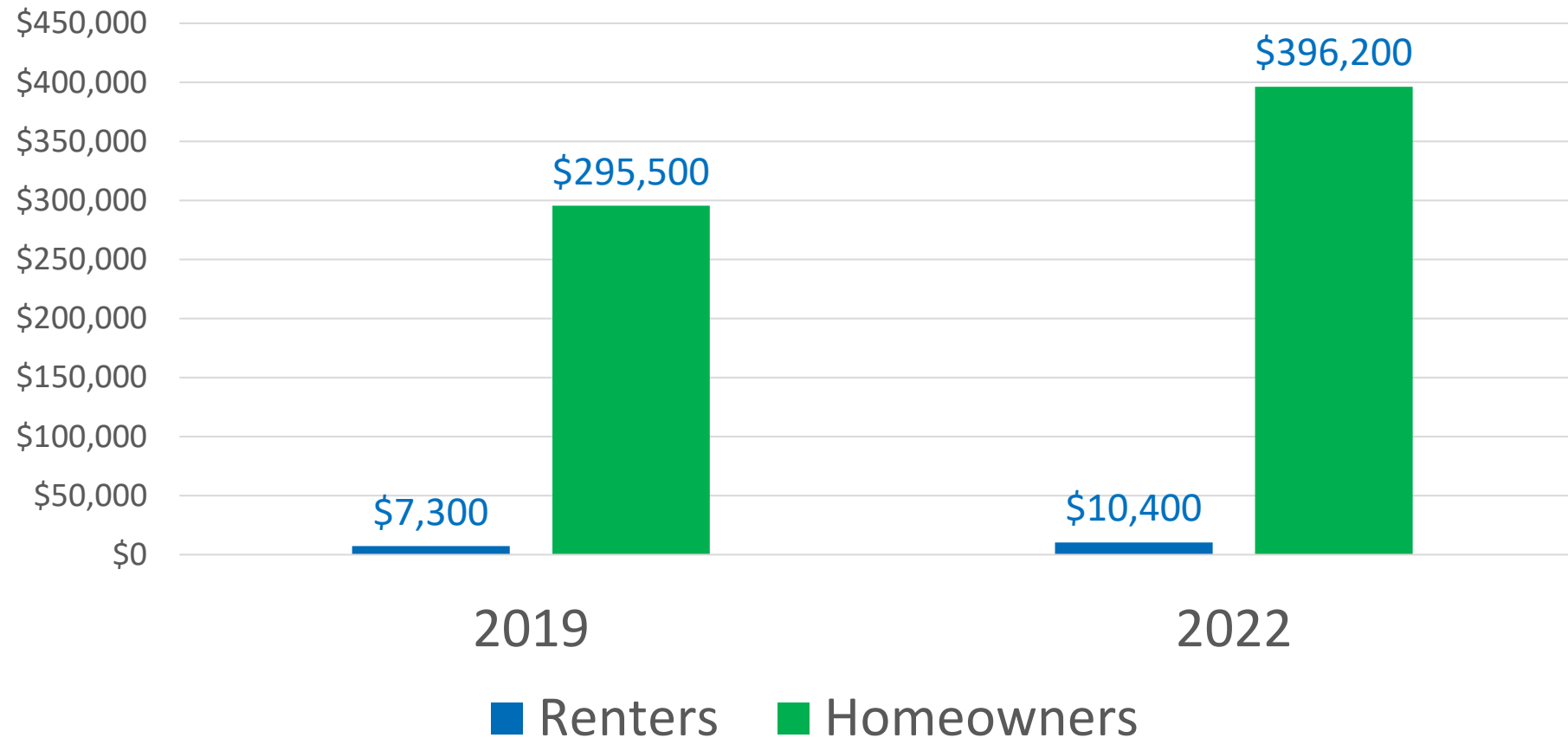


# Home Price Appreciation from Pre-Covid



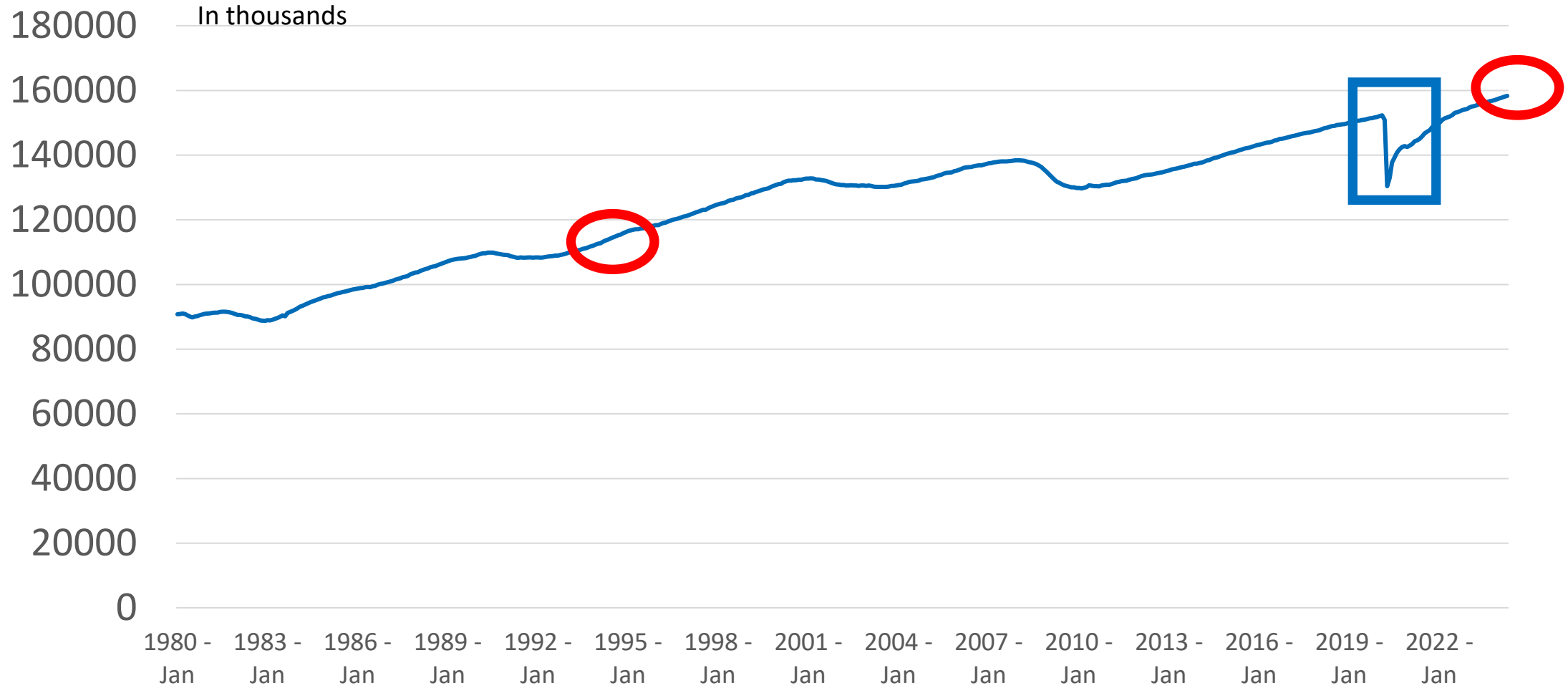
Source: NAR Analysis of FHFA Home Price Index

# Wealth Comparison between Owners and Renters



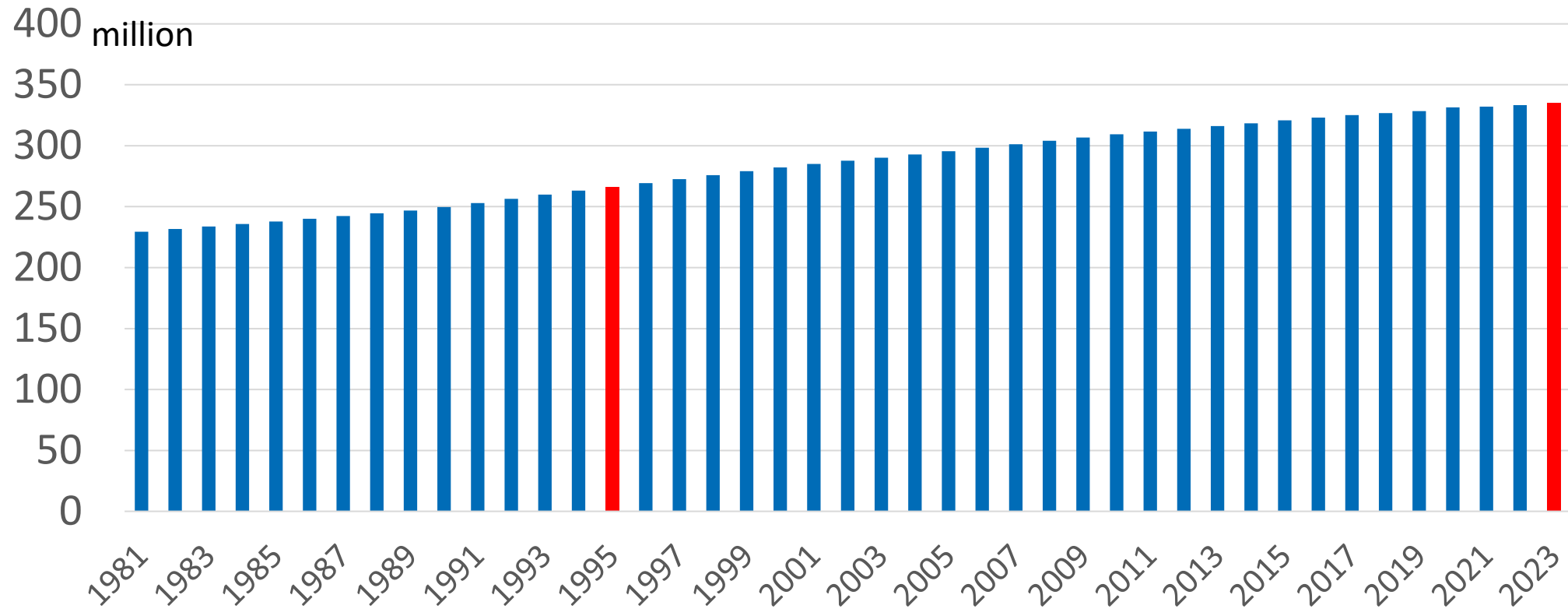
Source: Median Net Worth from Federal Reserve Survey of Consumer Finance

# Total Payroll Jobs ... 40 million more compared to 1995



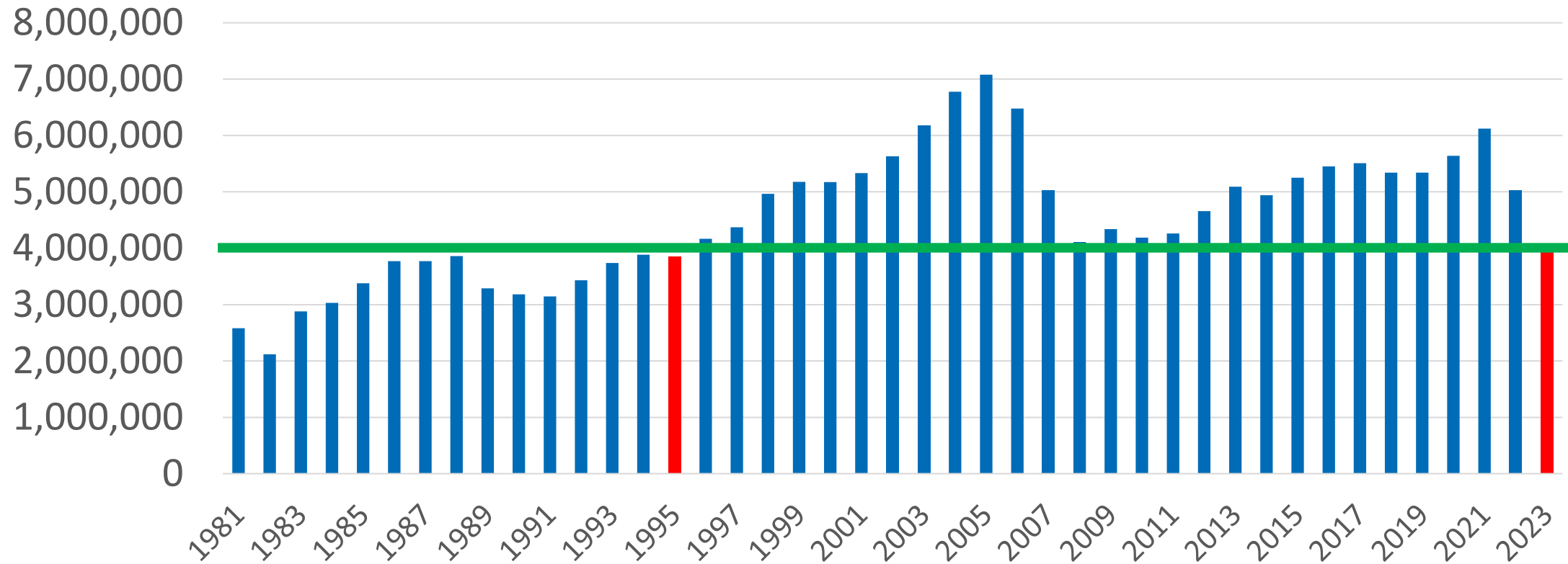
Source: BLS

# U.S. Population .. 70 million more people since 1995



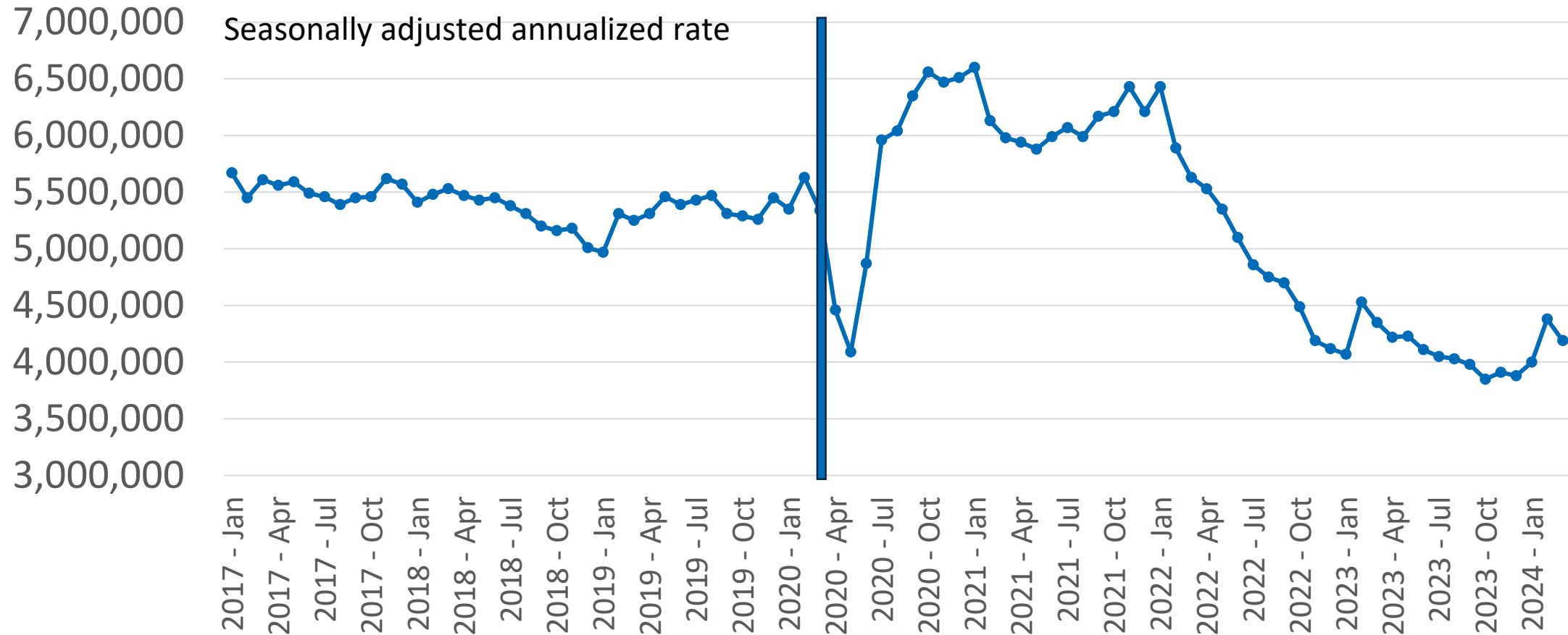
Source: NAR

# Annual Existing Home Sales: Worst Year since 1995



Source: NAR

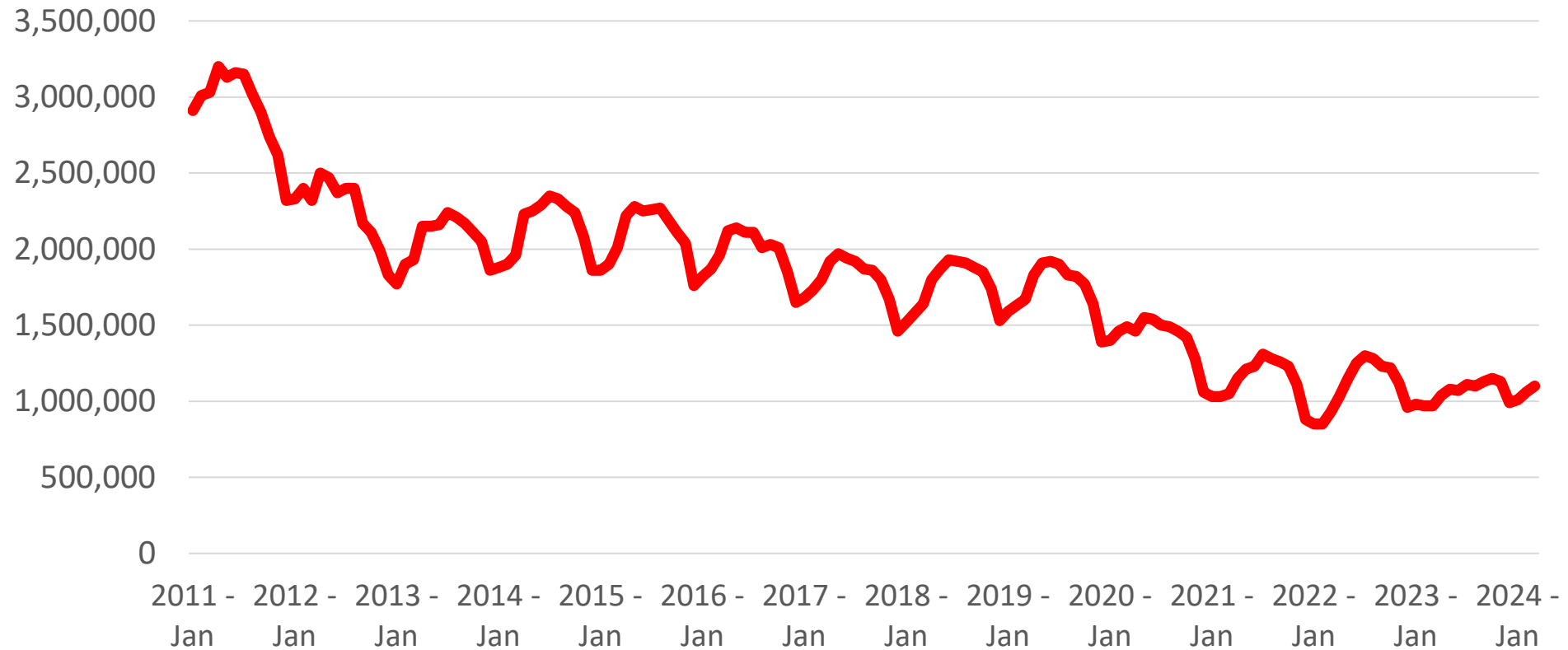
# Monthly Existing Home Sales ... still stuck at 30 year lows



Source: NAR

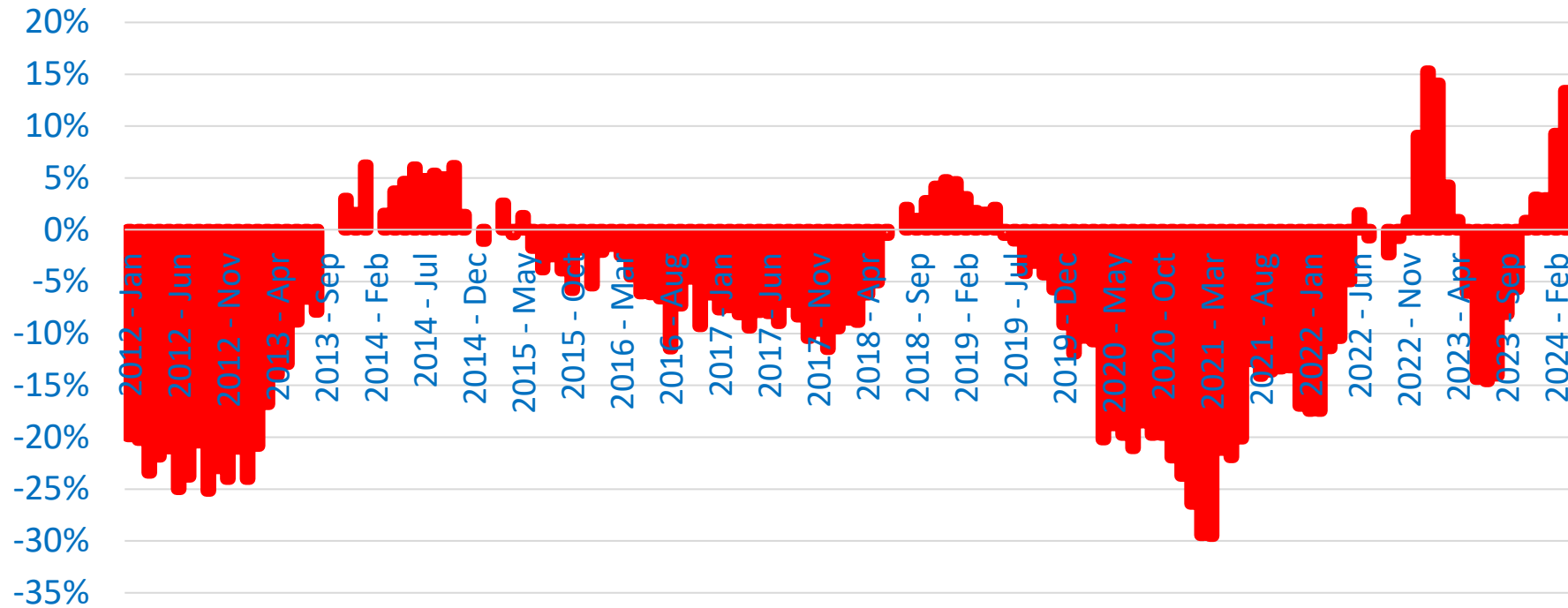


# Inventory of Existing Homes



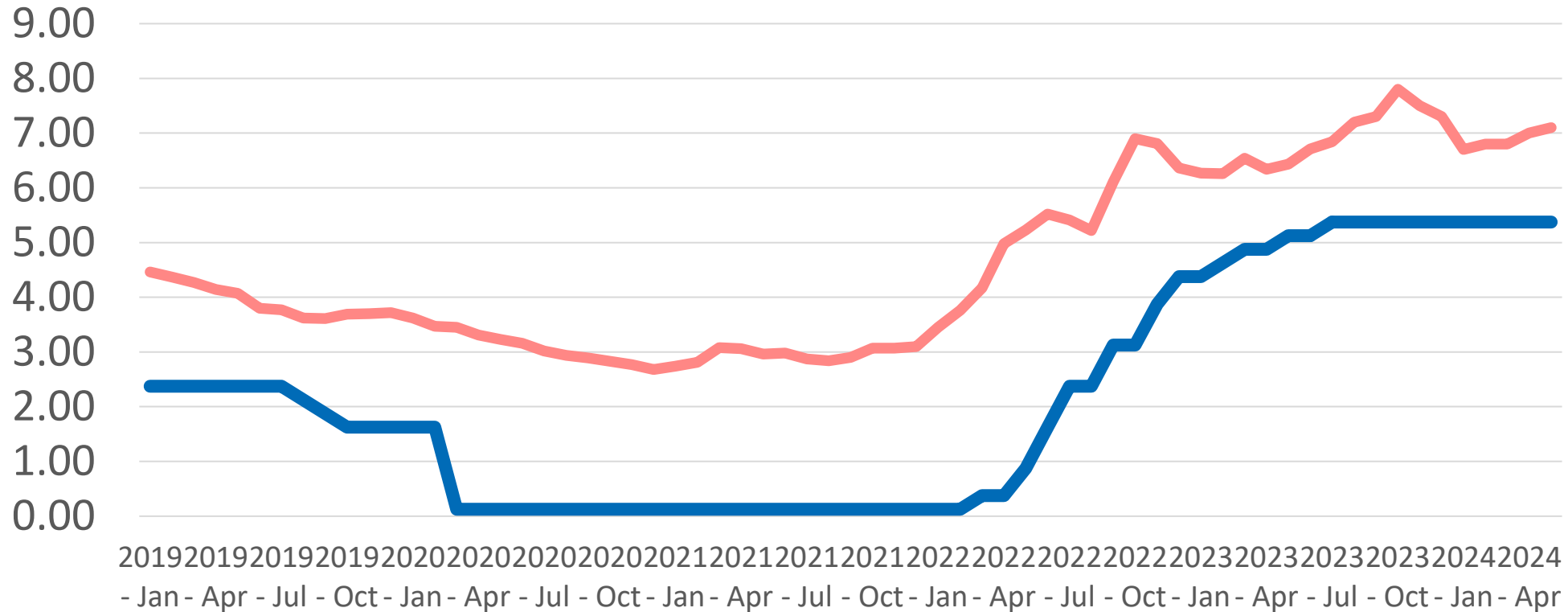
Source: NAR

# Change in Inventory of Existing Homes (% change from a year ago)



Source: NAR

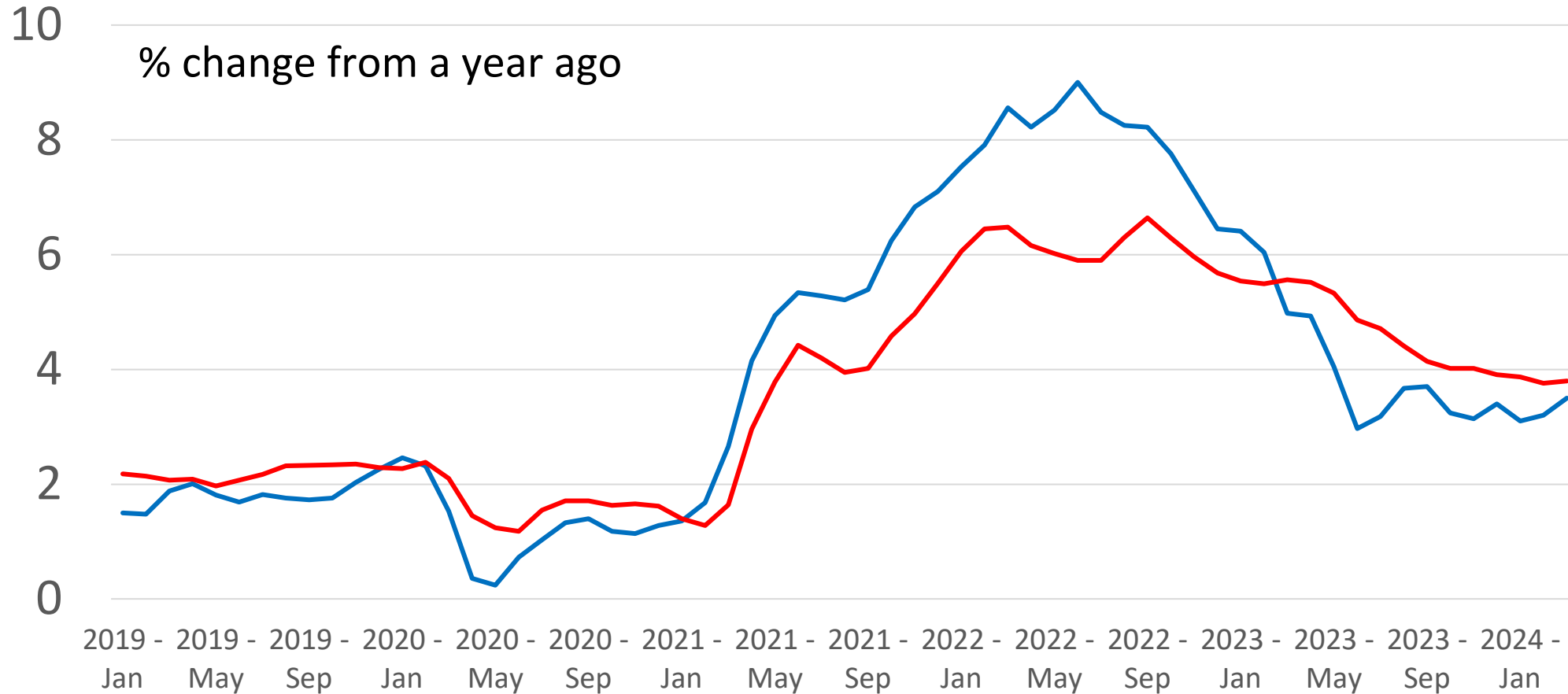
# 30-year Mortgage and Fed Funds Rate ... High Rate Environment



Source: U.S. Treasury and Federal Reserve

# CPI ... 3.5% in March ... Not yet 2%

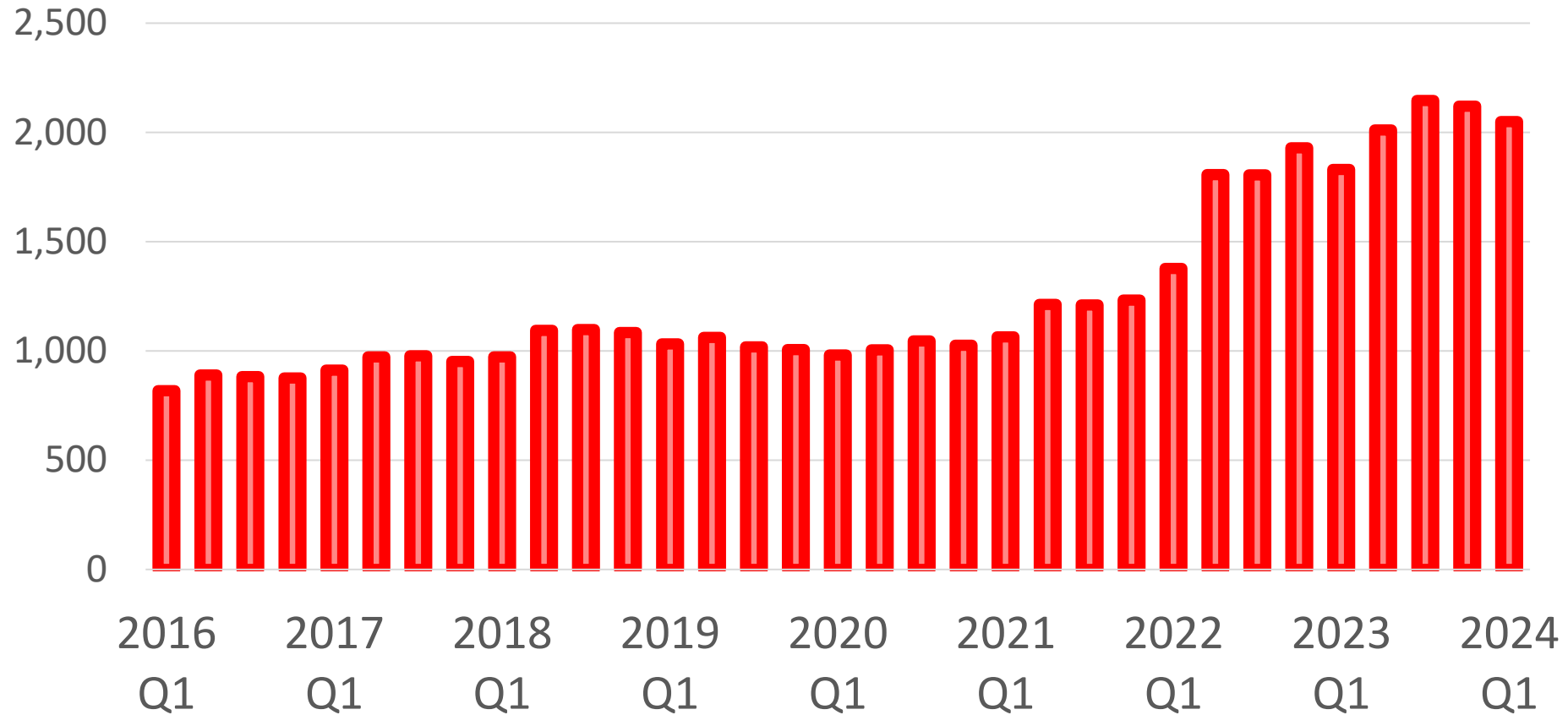
## Core CPI (in red)



Source: BLS

# Monthly Payment for 1<sup>st</sup> time Homebuyer

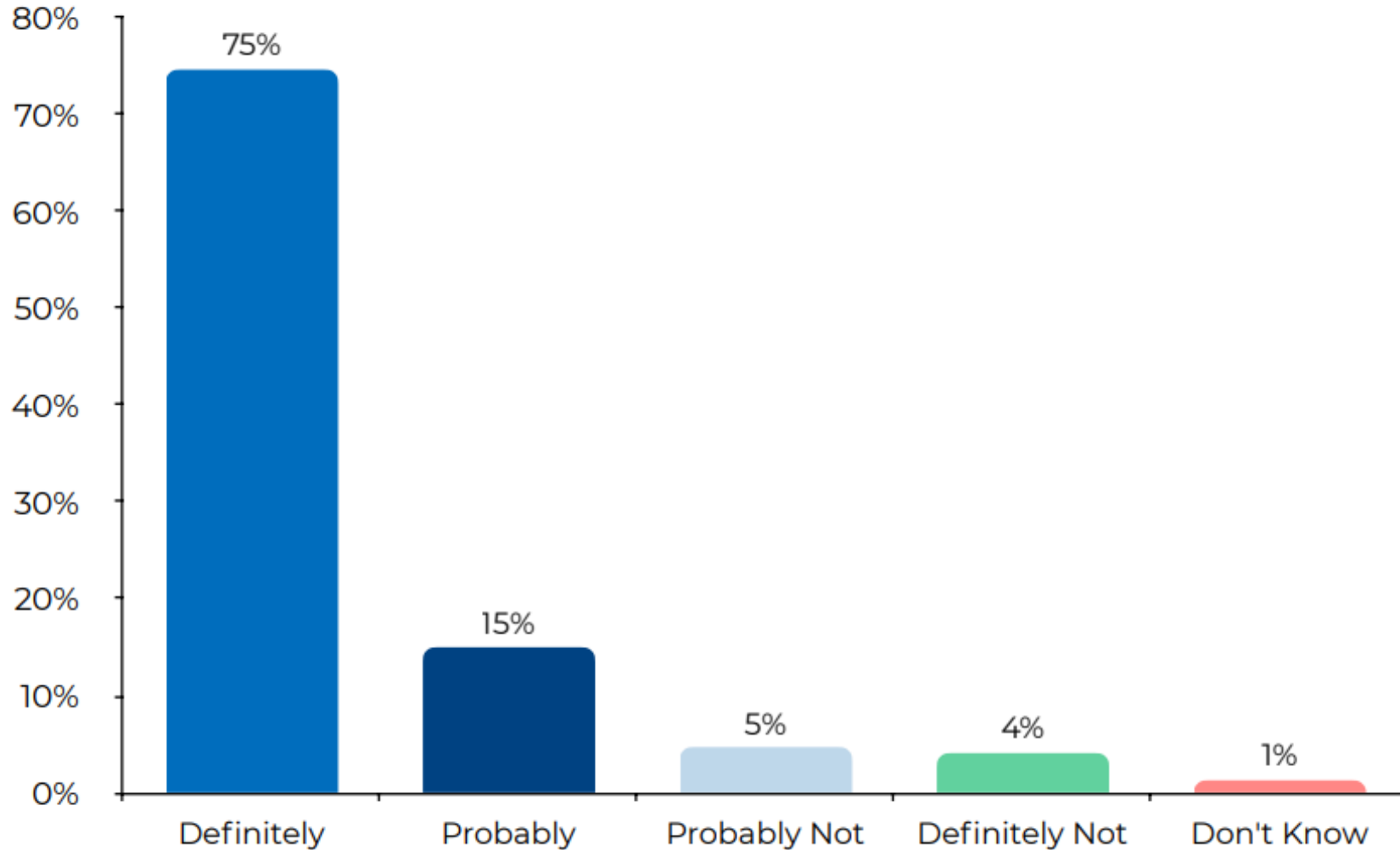
## 10% downpayment and 80% of Median Home Price



Source: NAR

# Would Homebuyer Use the Same Agent Again or Recommend to Others?

*(Percentage Distribution)*





# NAR Membership Dynamics ... Resembles Restaurant Industry entry and exit

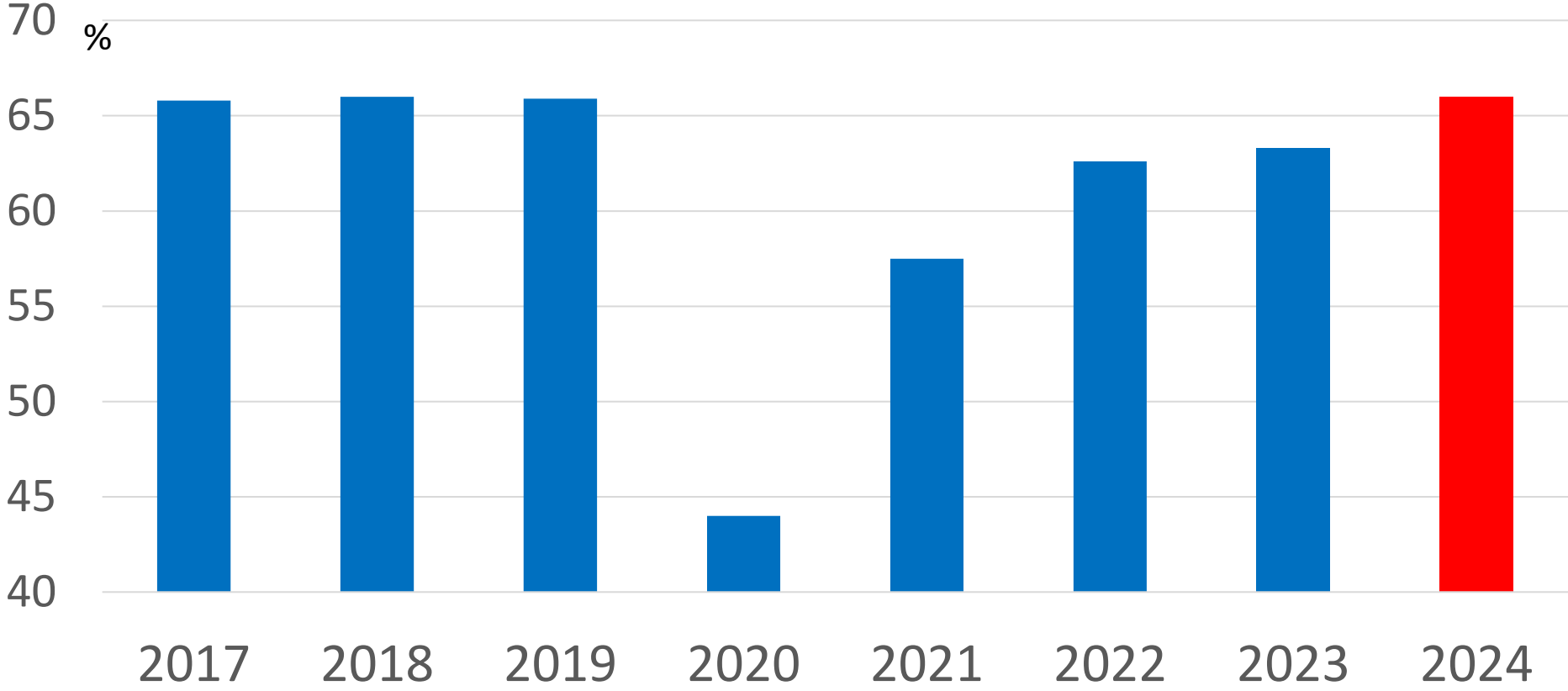
New Members in 2023	136,374
Exiting Members in 2023	162,741
Annual Net Change in 2023	Net Loss of 26,367

Source: NAR

## The Larger Price Cuts the Longer the Days on Market (April 2024)

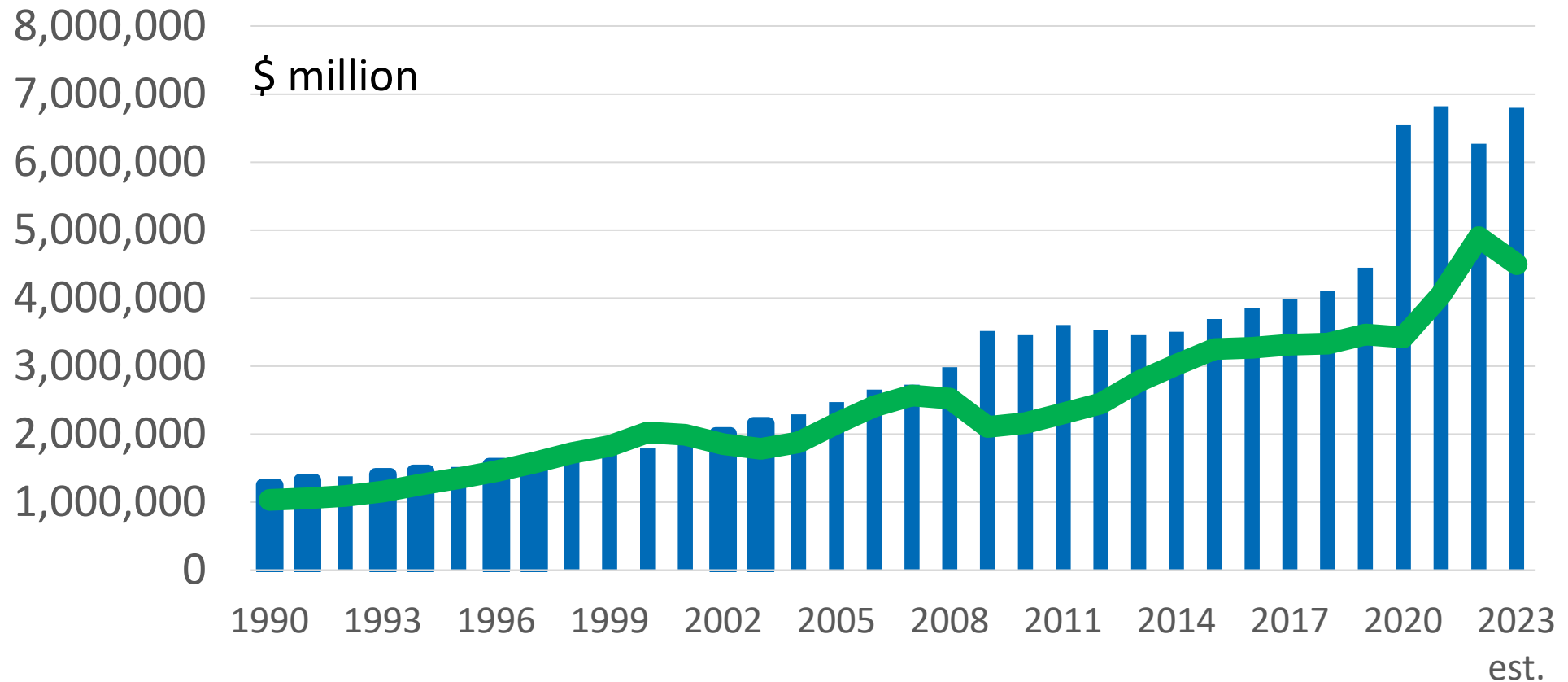
Days on Market	Price on Pending	Price cut on Closing
0 to 14	4.6%	4.9%
15 to 21	4.6%	5.1%
22 to 30	4.7%	5.5%
31 to 60	5.4%	6.5%
61 to 90`	6.4%	7.9%
91 to 120	7.4%	9.2%
120 +	9.3%	11.6%

# National Hotel Occupancy Rate (proxy for Short-term Rental Demand)



Source: CBRE/ULI and NAR Forecast

# Government Deficit Further Pressuring Rate Rise? Government Outlay > Tax Revenue



Source: Congressional Budget Office

**What Happens to Deficit  
if there is a job cutting recession?**

**Nothing left to fight the recession  
other than Print Money**

# Permanently High Inflation and Inflation Hedge

- **Gold**
- **Commodities**
- **Bitcoin and Crypto Currencies**
- **Land and Real Estate**

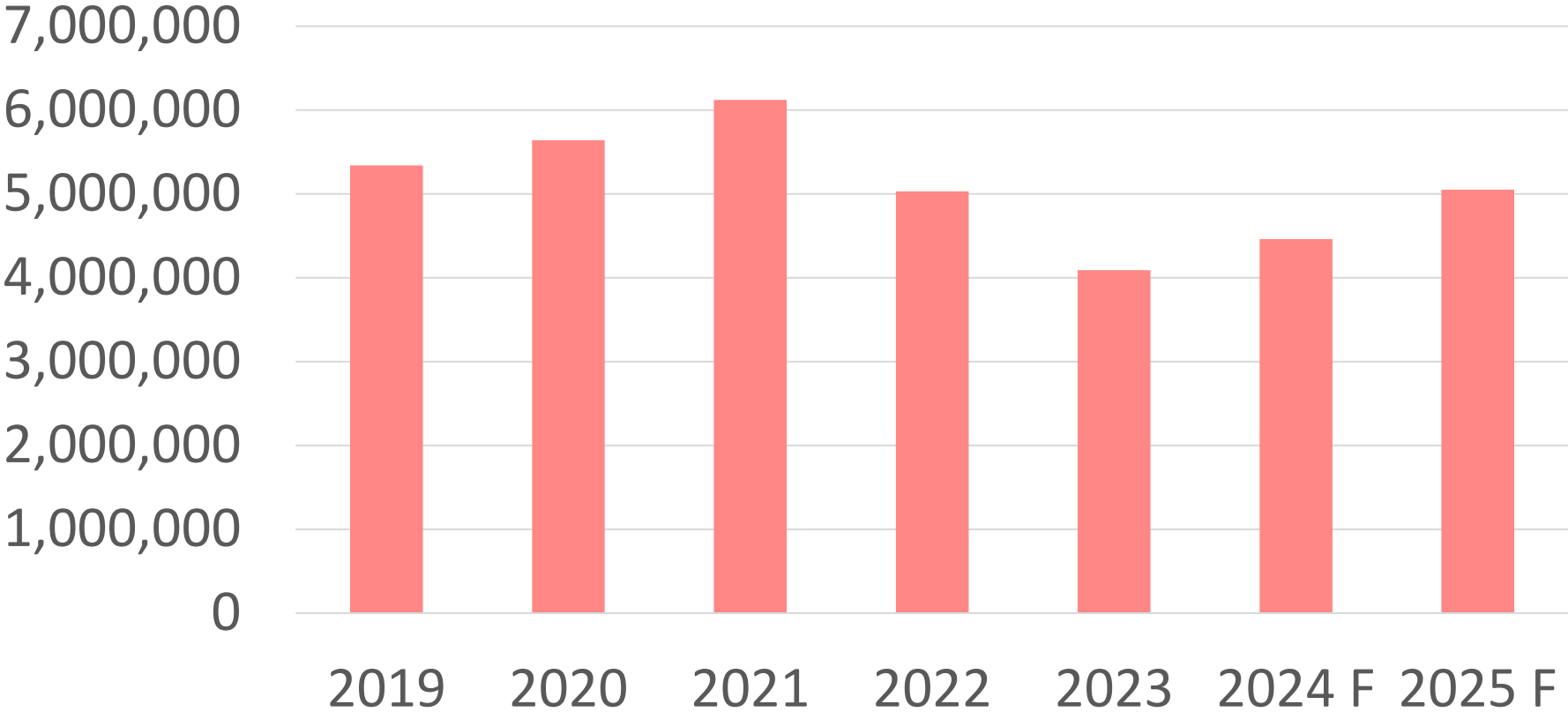


# Forecast: Long-term Interest Rates to Fall

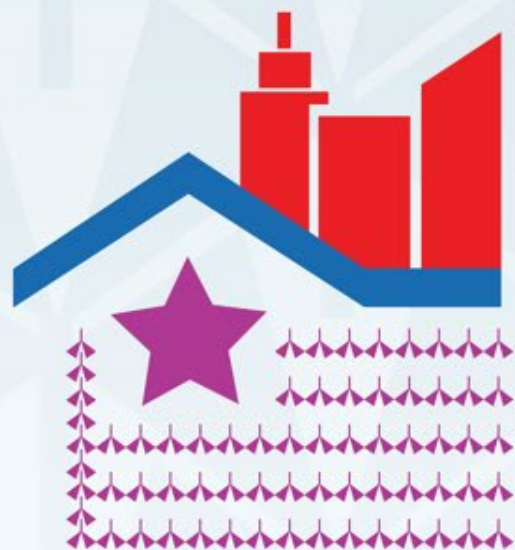
- 1. Rents will calm down further ... Holds down CPI ... and make the Fed cut interest rates**
- 2. Community banks are suffering from high interest rates**
- 3. Credit Spread is abnormally high**

# Home Sales Forecast: 4.5 million in 2024 and 5 million in 2025

## Further Gains in 8 of the next 10 years



Source: NAR forecast and HUD



# REALTORS<sup>®</sup> LEGISLATIVE MEETINGS 2024

MAY 4-9 • WASHINGTON, DC



REALTORS<sup>®</sup> are members of the National Association of REALTORS



NARdotRealtor



nar.realtor

#NARLEGISLATIVE