NAR Broker Power Hour

Economic Issues and Trends

Lawrence Yun
Chief Economist
Economic Recession based on GDP Contractions?

Source: Department of Commerce
Which Components Contributed to GDP and Which Not?

Source: Department of Commerce
Retail Inventory

Source: Census

In $ million

Retail Inventory-to-Sales Ratio

Source: Census

- 2015 - Jan
- 2016 - Jan
- 2017 - Jan
- 2018 - Jan
- 2019 - Jan
- 2020 - Jan
- 2021 - Jan
- 2022 - Jan
Bizarre Labor Market: More Job Openings than Unemployed

Source: BLS
Construction Job Openings – Record High

Source: BLS
Extra Number of People Not Even Looking for Job Compared to Pre-Covid

Source: BLS
Jobs Now versus Pre-Covid Days
(June 2022 vs. March 2020)

Source: NAR

Map showing the percentage change in employment across states, with states in darker colors indicating a greater percentage decrease in jobs compared to March 2020.

Source: U.S. Bureau of Labor Statistics
Office Vacancy Rates

2022 Q1 versus 2020 Q1

Source: CoStar
Pending Home Sales Index - Monthly

Source: NAR
Solid Buffer of Housing Wealth
Housing Asset Valuation minus Mortgage Debt

Source: Federal Reserve

2000 - Q1
2001 - Q1
2002 - Q1
2003 - Q1
2004 - Q1
2005 - Q1
2006 - Q1
2007 - Q1
2008 - Q1
2009 - Q1
2010 - Q1
2011 - Q1
2012 - Q1
2013 - Q1
2014 - Q1
2015 - Q1
2016 - Q1
2017 - Q1
2018 - Q1
2019 - Q1
2020 - Q1
2021 - Q1
2022 - Q1

$ billion
Share Distressed Sales (Foreclosures/Short Sales)

Source: REALTORS® Confidence Index: www.nar.realtor/research-and-statistics/research-reports/realtors-confidence-index
Average Number of Offers Received on Most Recent Sale

Source: REALTORS® Confidence Index: www.nar.realtor/research-and-statistics/research-reports/realtors-confidence-index
Share All-Cash Buyers

Source: REALTORS® Confidence Index: www.nar.realtor/research-and-statistics/research-reports/realtors-confidence-index
Price Adjustment on Ratified Contract from List

**Price**

- 0.00%
- -2.00%
- -4.00%
- -6.00%
- -8.00%
- -10.00%
- -12.00%

**Source:** NAR

- 0 to 7
- 8 to 14
- 15 to 21
- 22 to 30
- 31 to 60
- 61 to 90
- 91 to 120
- 120+
Inventory .... Turning Higher but Still Inadequate

Source: NAR
Single-Family Housing Starts

Source: HUD

In thousand units


Source: HUD
Inventory of Newly Constructed Homes by:
Not Started, Under Construction, Finished

Source: HUD
Median Months to Sell after Completion

Source: HUD
Multifamily Housing Starts

Source: HUD

In thousand units

Rental Vacancy Rate

Source: BLS
Rental Rents Accelerating
(from a year ago and annualized rate)

Source: BLS
First-time Buyers Still Suppressed

Source: REALTORS® Confidence Index: www.nar.realtor/research-and-statistics/research-reports/realtors-confidence-index
Existing Home Sales - Annual

Source: NAR
Absent International Buyers

Number of Existing-Home Purchases by Foreign Buyers (Thousand Units)

<table>
<thead>
<tr>
<th>Year</th>
<th>Non-resident (Type A)</th>
<th>Resident (Type B)</th>
<th>Number of Homes Purchased</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>105</td>
<td>105</td>
<td>210.8</td>
</tr>
<tr>
<td>2012</td>
<td>103</td>
<td>103</td>
<td>206.2</td>
</tr>
<tr>
<td>2013</td>
<td>98</td>
<td>98</td>
<td>192.5</td>
</tr>
<tr>
<td>2014</td>
<td>118</td>
<td>118</td>
<td>232.6</td>
</tr>
<tr>
<td>2015</td>
<td>99</td>
<td>99</td>
<td>208.9</td>
</tr>
<tr>
<td>2016</td>
<td>89</td>
<td>89</td>
<td>214.9</td>
</tr>
<tr>
<td>2017</td>
<td>120</td>
<td>120</td>
<td>284.5</td>
</tr>
<tr>
<td>2018</td>
<td>105</td>
<td>105</td>
<td>266.8</td>
</tr>
<tr>
<td>2019</td>
<td>73</td>
<td>73</td>
<td>183.1</td>
</tr>
<tr>
<td>2020</td>
<td>60</td>
<td>60</td>
<td>154.0</td>
</tr>
<tr>
<td>2021</td>
<td>45</td>
<td>45</td>
<td>107.0</td>
</tr>
<tr>
<td>2022</td>
<td>42</td>
<td>42</td>
<td>98.6</td>
</tr>
</tbody>
</table>

Note: Based on transactions in the 12 months ending March of each year.

Source: NAR
Fannie Mae: Is It a Good Time to Buy?

Source: Fannie Mae
<table>
<thead>
<tr>
<th>Variable</th>
<th>1-year ahead</th>
<th>Annual average over 5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Price Growth</td>
<td>5.1%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Rent Growth</td>
<td>6.6%</td>
<td>4.4%</td>
</tr>
<tr>
<td>Buying is Good Financial Investment</td>
<td>73.6%</td>
<td>N/A</td>
</tr>
<tr>
<td>Buying is Bad Financial Investment</td>
<td>6.6%</td>
<td>N/A</td>
</tr>
</tbody>
</table>
## Forecast

<table>
<thead>
<tr>
<th>Year</th>
<th>Unit Sales</th>
<th>Home Price</th>
<th>Dollar Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>0.0%</td>
<td>+4.9%</td>
<td>+5%</td>
</tr>
<tr>
<td>2020</td>
<td>+5.6%</td>
<td>+9.1%</td>
<td>+15%</td>
</tr>
<tr>
<td>2021</td>
<td>+8.5%</td>
<td>+16.9%</td>
<td>+25%</td>
</tr>
<tr>
<td>2022 forecast</td>
<td>-13%</td>
<td>+11%</td>
<td>-2%</td>
</tr>
<tr>
<td>2023 forecast</td>
<td>0%</td>
<td>+2%</td>
<td>+2%</td>
</tr>
</tbody>
</table>

Source: NAR
Thank You!