

COMMERCIAL UPDATE 3.30.22



REAL ESTATE FORECAST SUMMIT

NATIONAL ASSOCIATION OF REALTORS®



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#NARForecastSummit

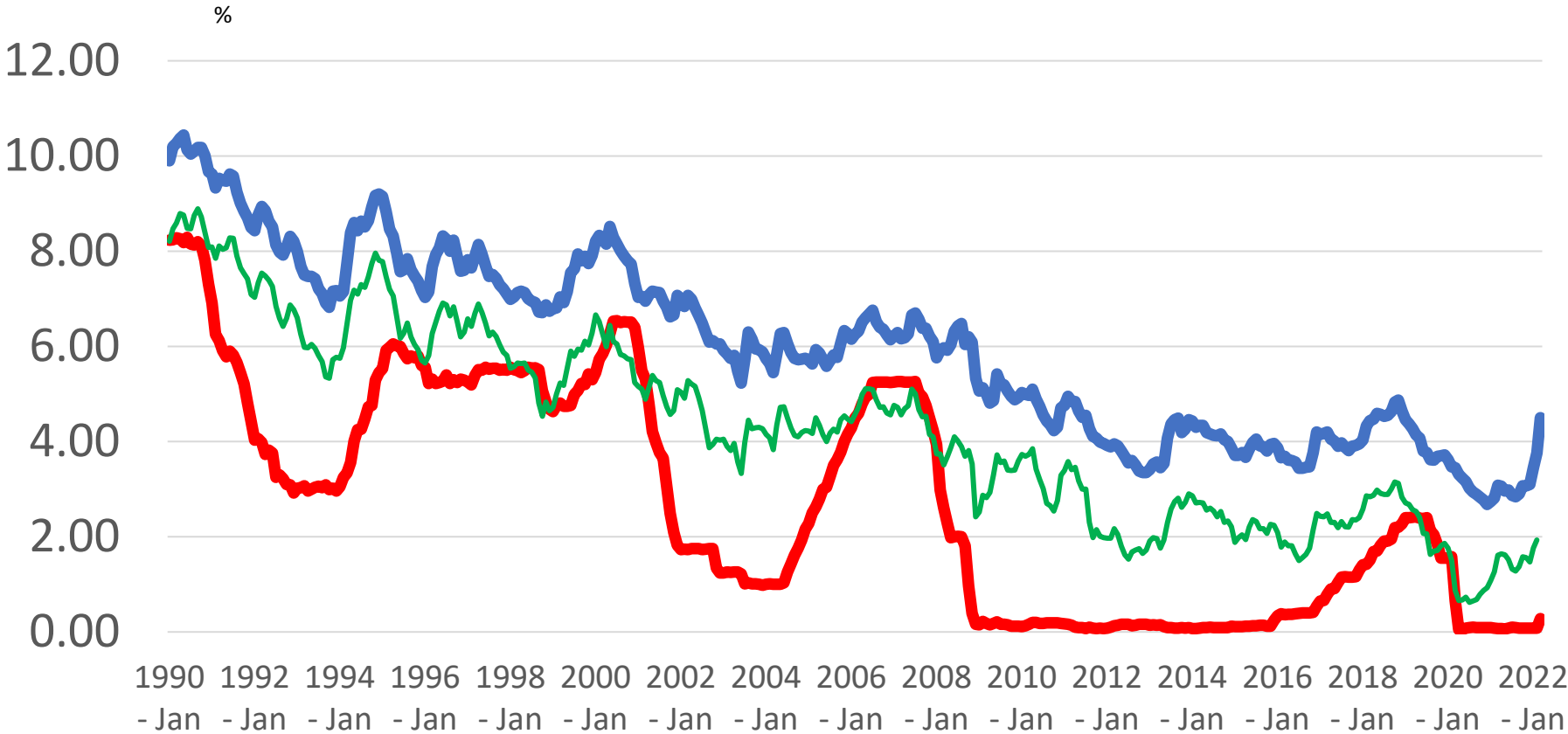


Economic and Commercial Market Outlook

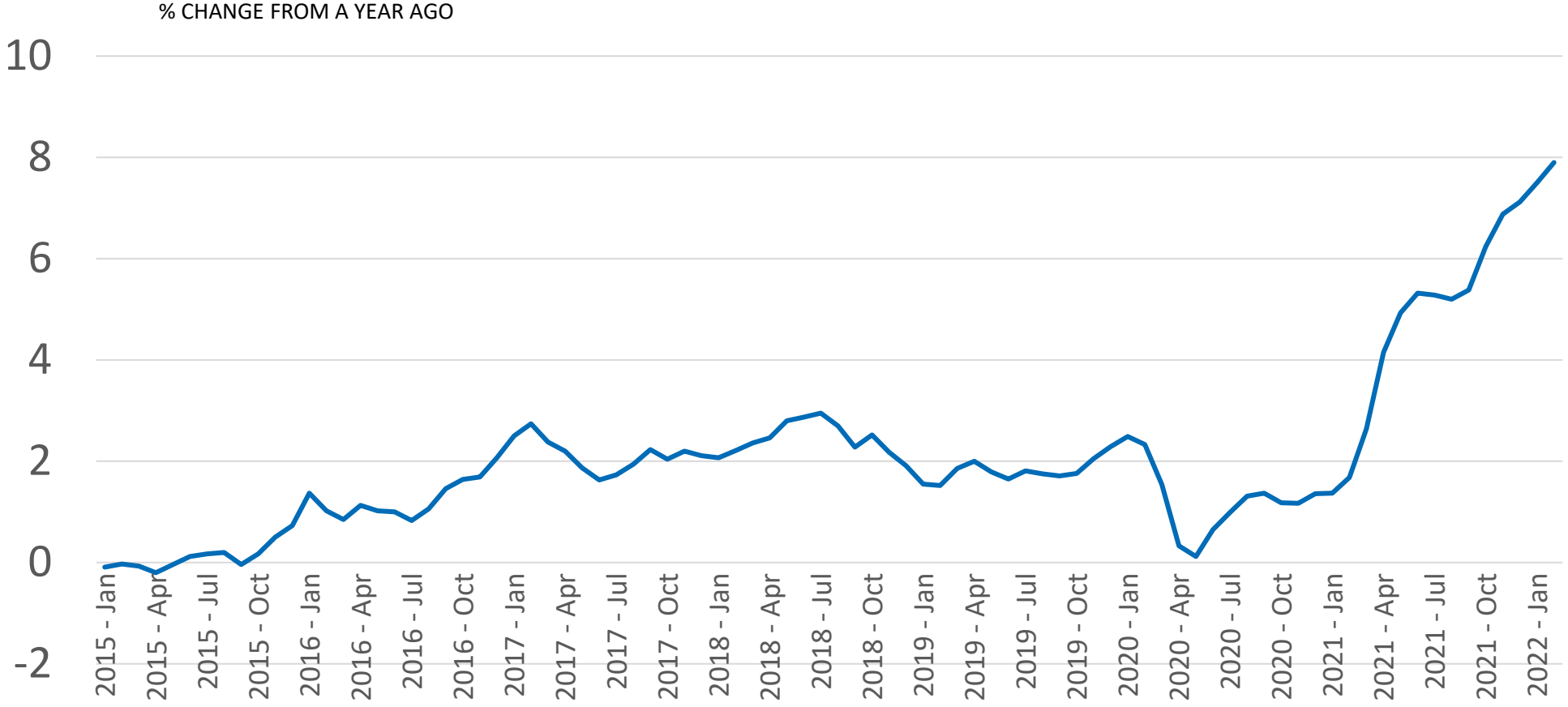
Lawrence Yun, PhD
Chief Economist, Senior Vice President, NAR Research Group

Real Estate Forecast Summit: Commercial Update
March 30, 2022

MORTGAGE RATE, 10-YEAR TREASURY, FED FUNDS RATE



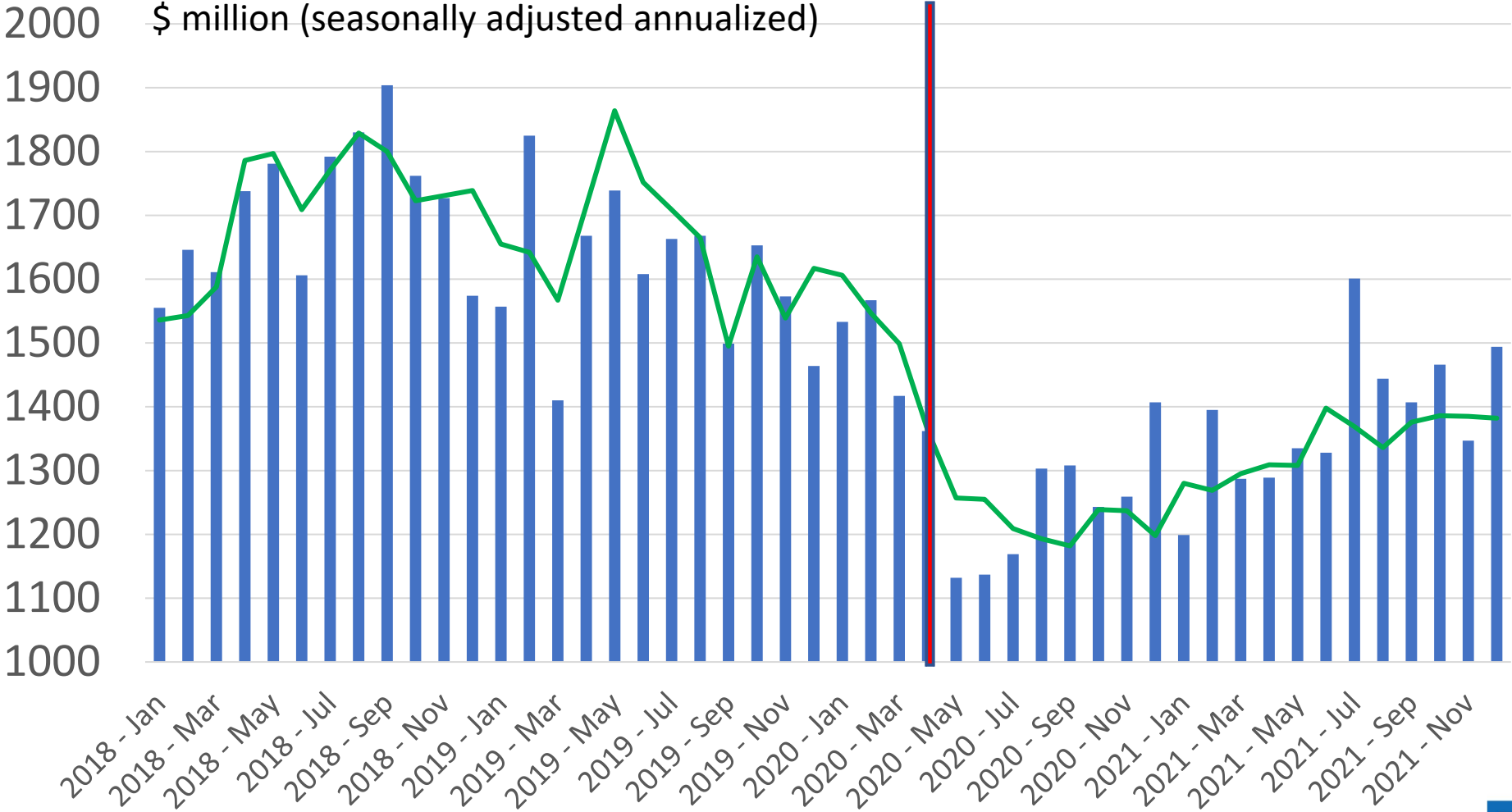
CONSUMER PRICE INFLATION AT 7.9%



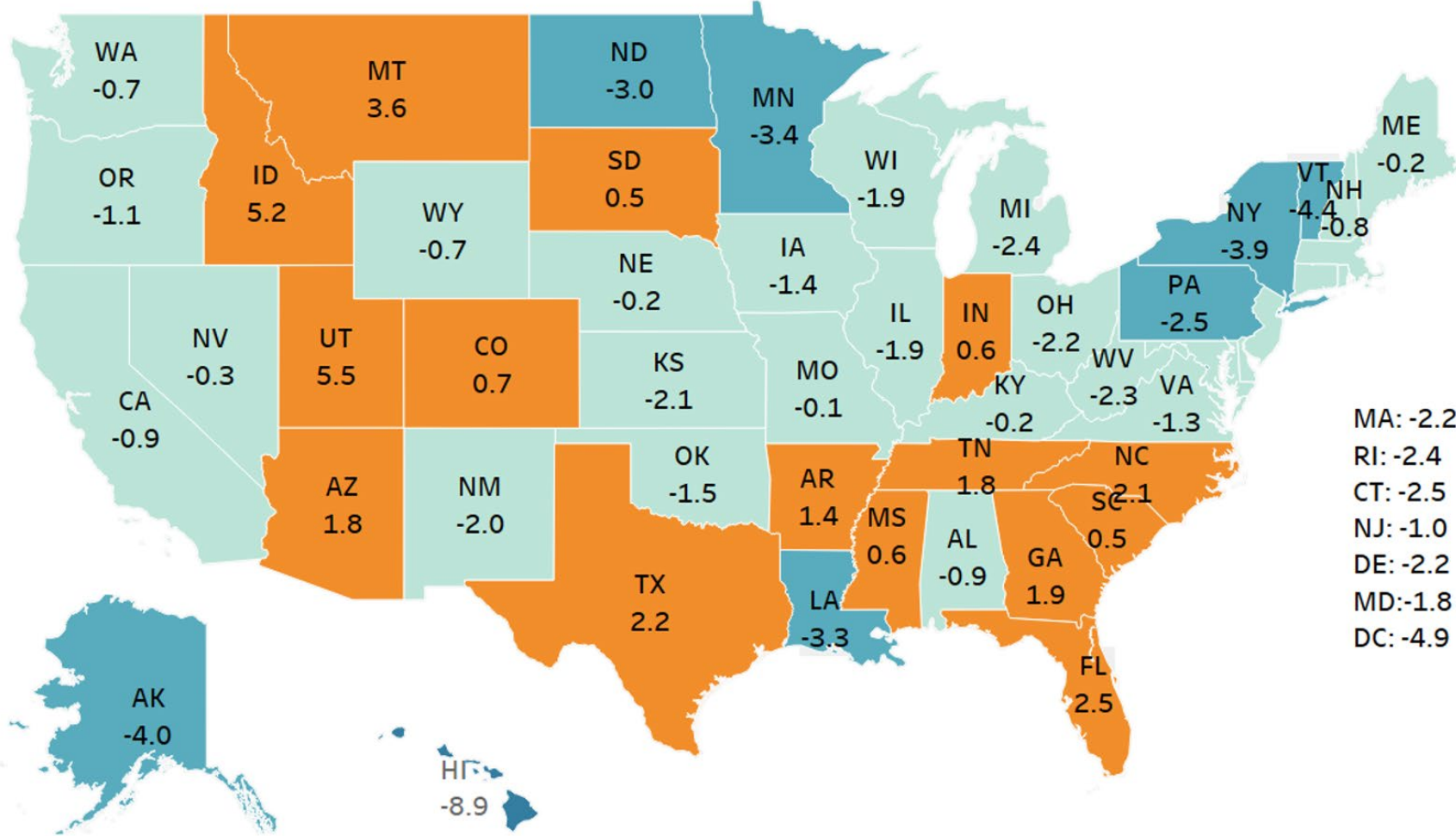
WEST TEXAS CRUDE OIL PRICE



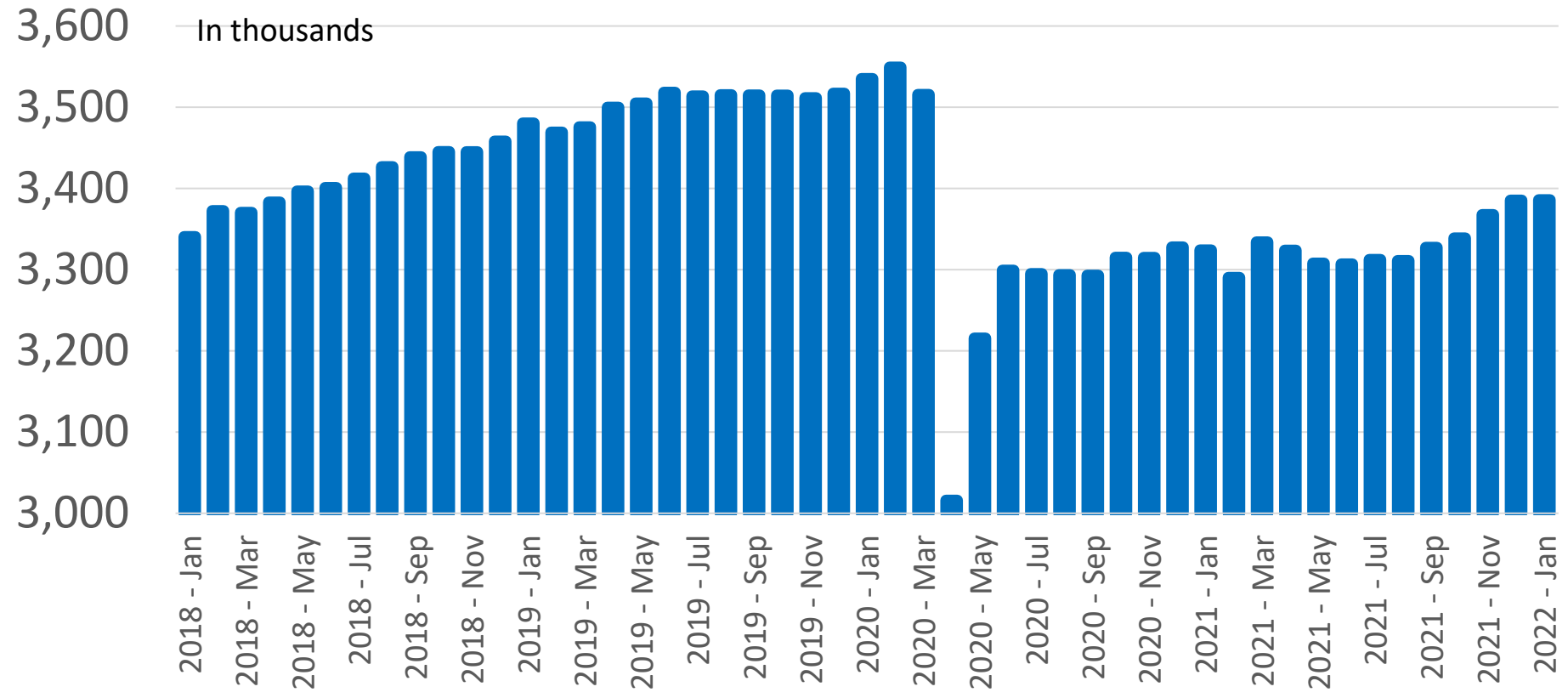
ORDERS AND SHIPMENTS OF DRILLING EQUIPMENT



JOBS RECOVERY COMPARED TO PRE-COVID DAYS MARCH 2020 TO FEBRUARY 2022

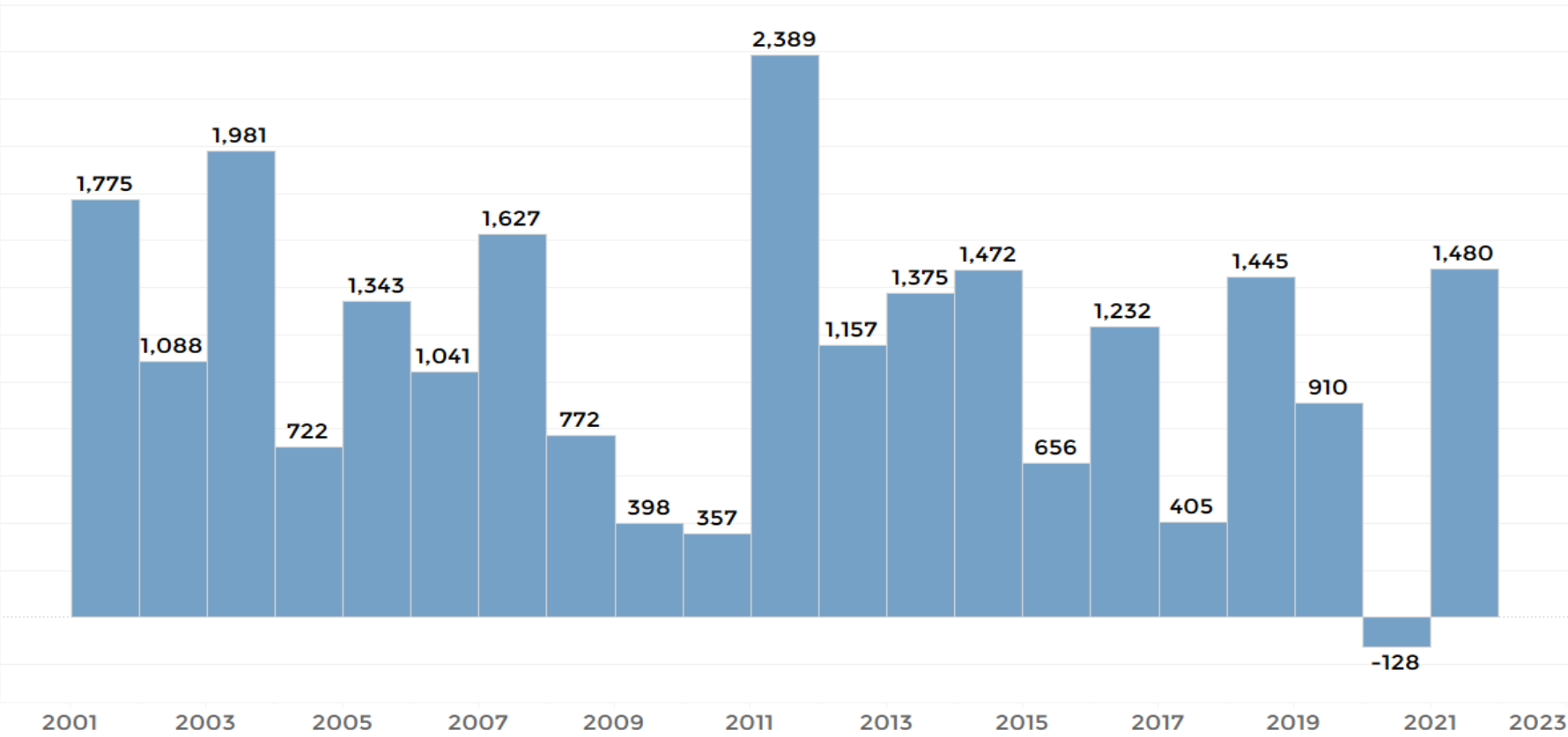


COMMERCIAL REAL ESTATE CONSTRUCTION AND CONTRACTOR JOBS



HOUSEHOLD FORMATION RECOVERS IN 2021

Net Household Formation (in thousands)

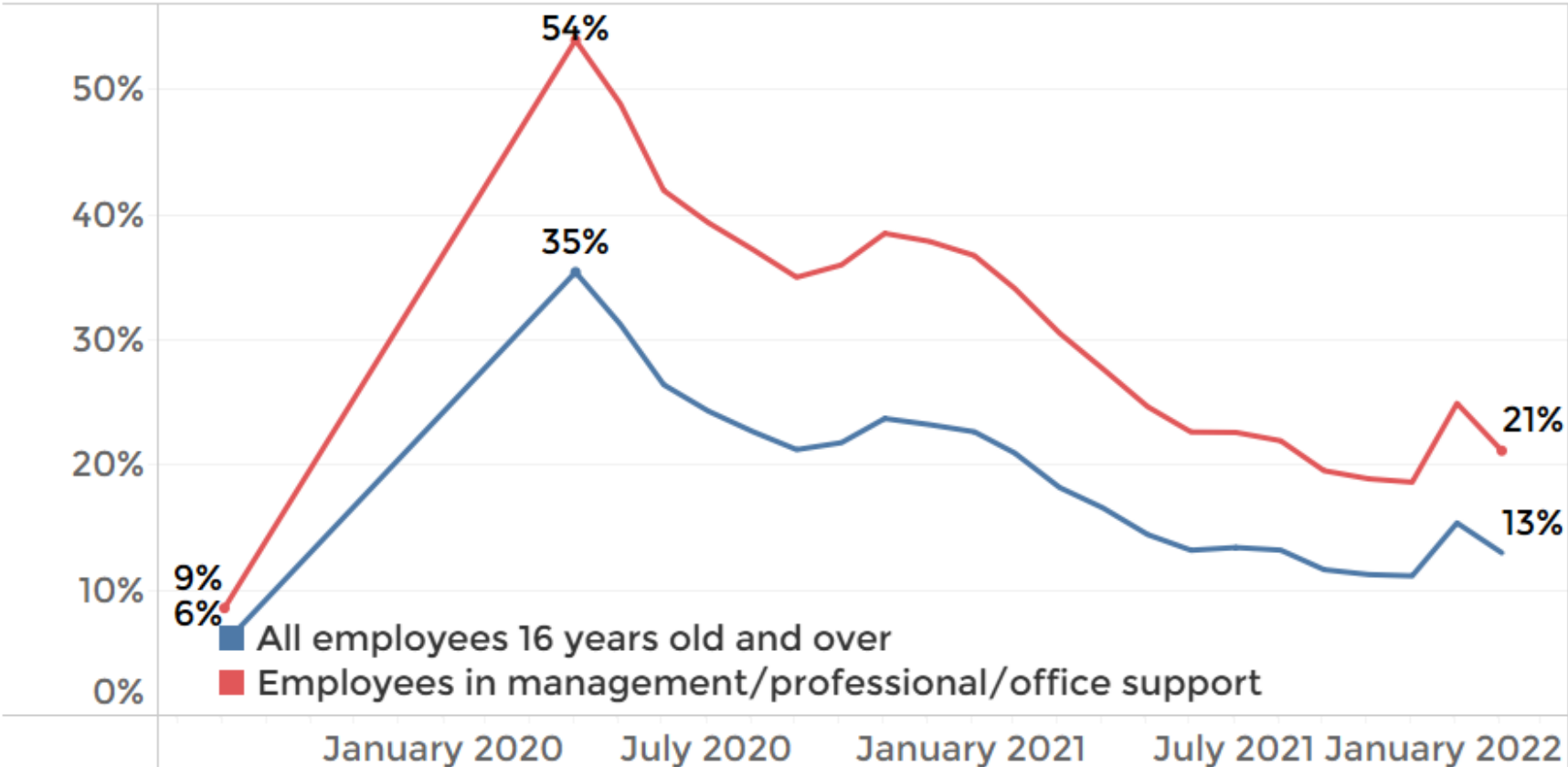


Source: US Census Bureau, Current Population Survey (as of March)



WORKERS HEADING BACK TO THE OFFICE

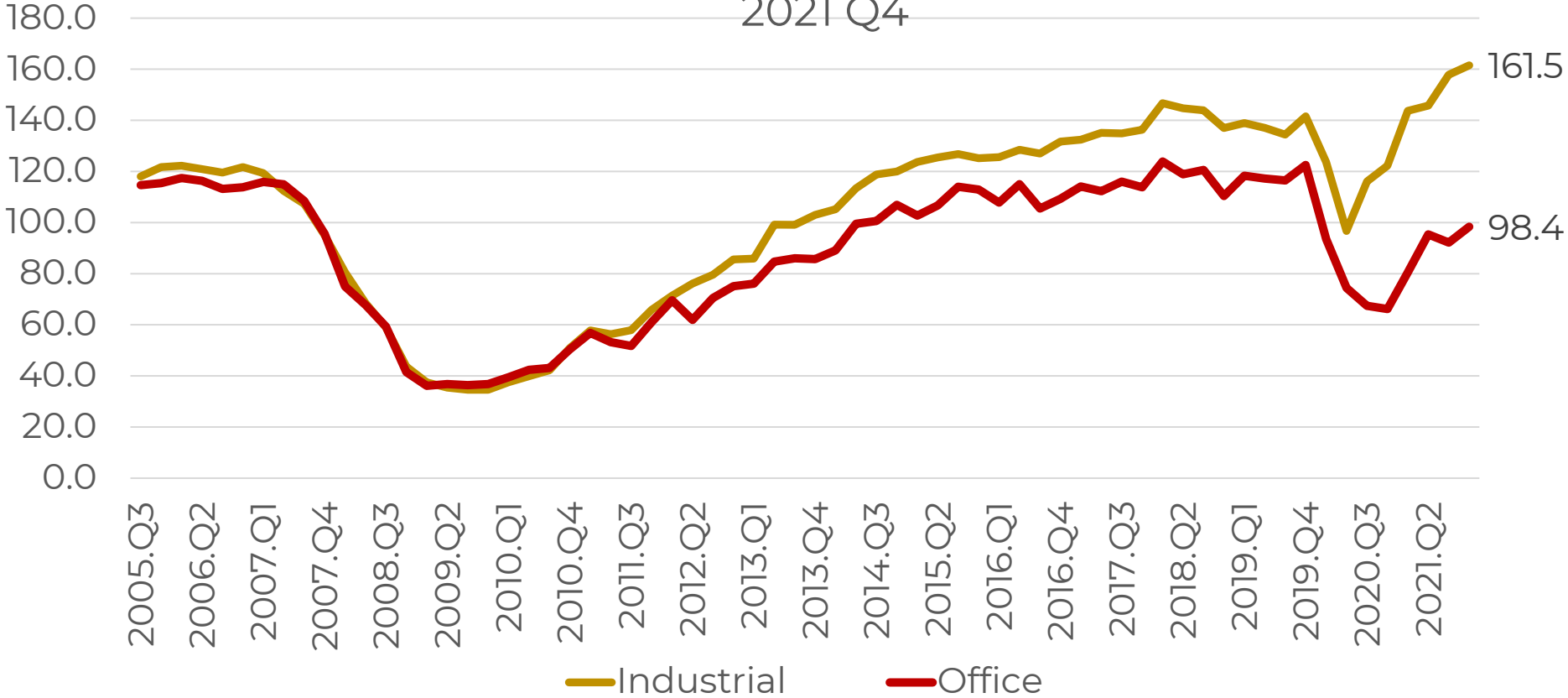
Percent of employed 16 years old and over who teleworked as of February 2022



Source: Bureau of Labor Statistics COVID Supplement and 2019 American Community Survey. Office-using occupations are management, professional and related occupations and office administrative support workers.

SIOR® MEMBERS REPORTED STRONGER INDUSTRIAL AND OFFICE MARKET CONDITIONS VS. YEAR-AGO

SIOR Commercial Real Estate Index by Property Sector in 2021 Q4



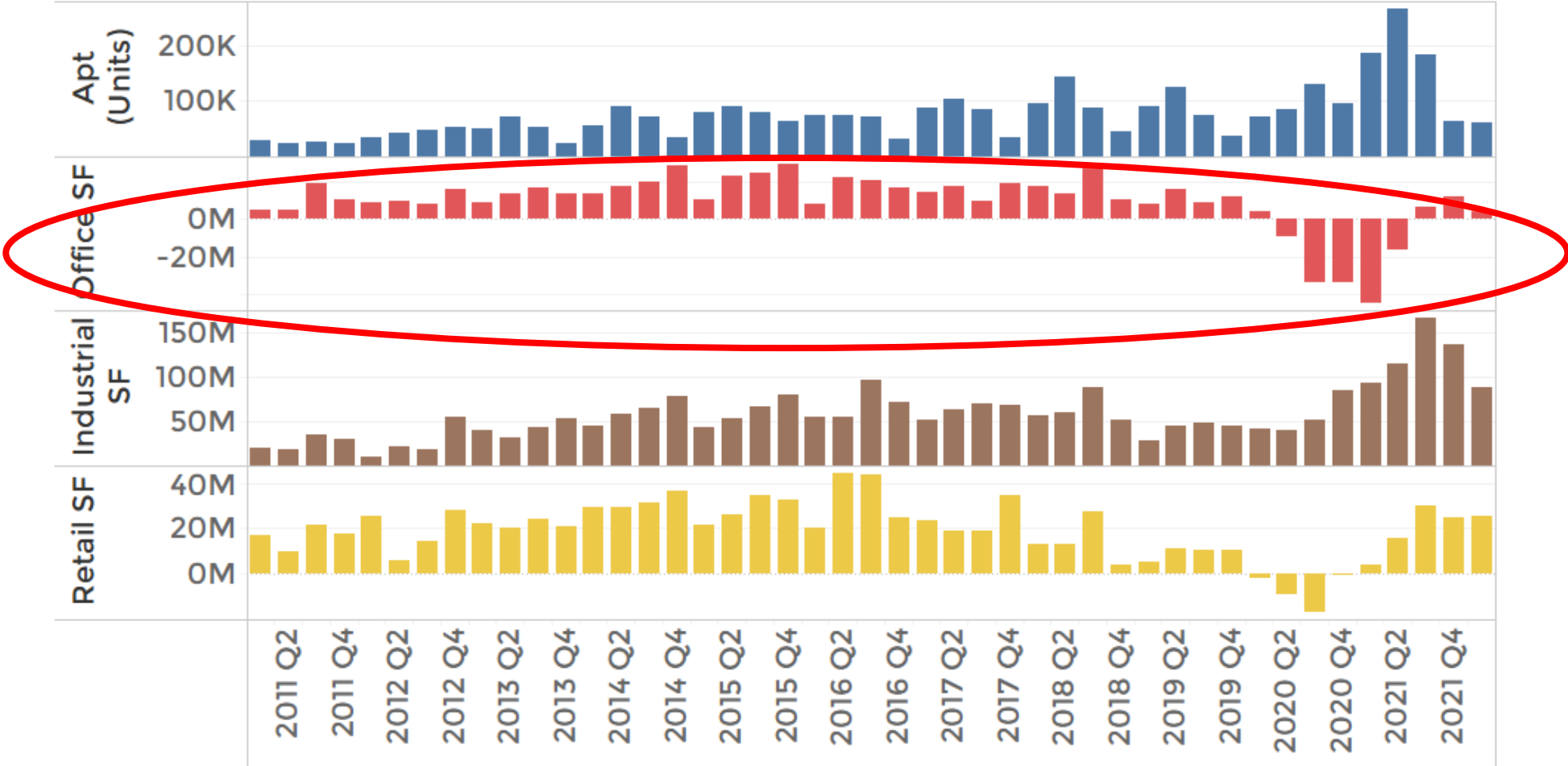
Source: NAR/SIOR

Source: SIOR, NAR



OCCUPANCY INCREASES ACROSS ALL MARKETS

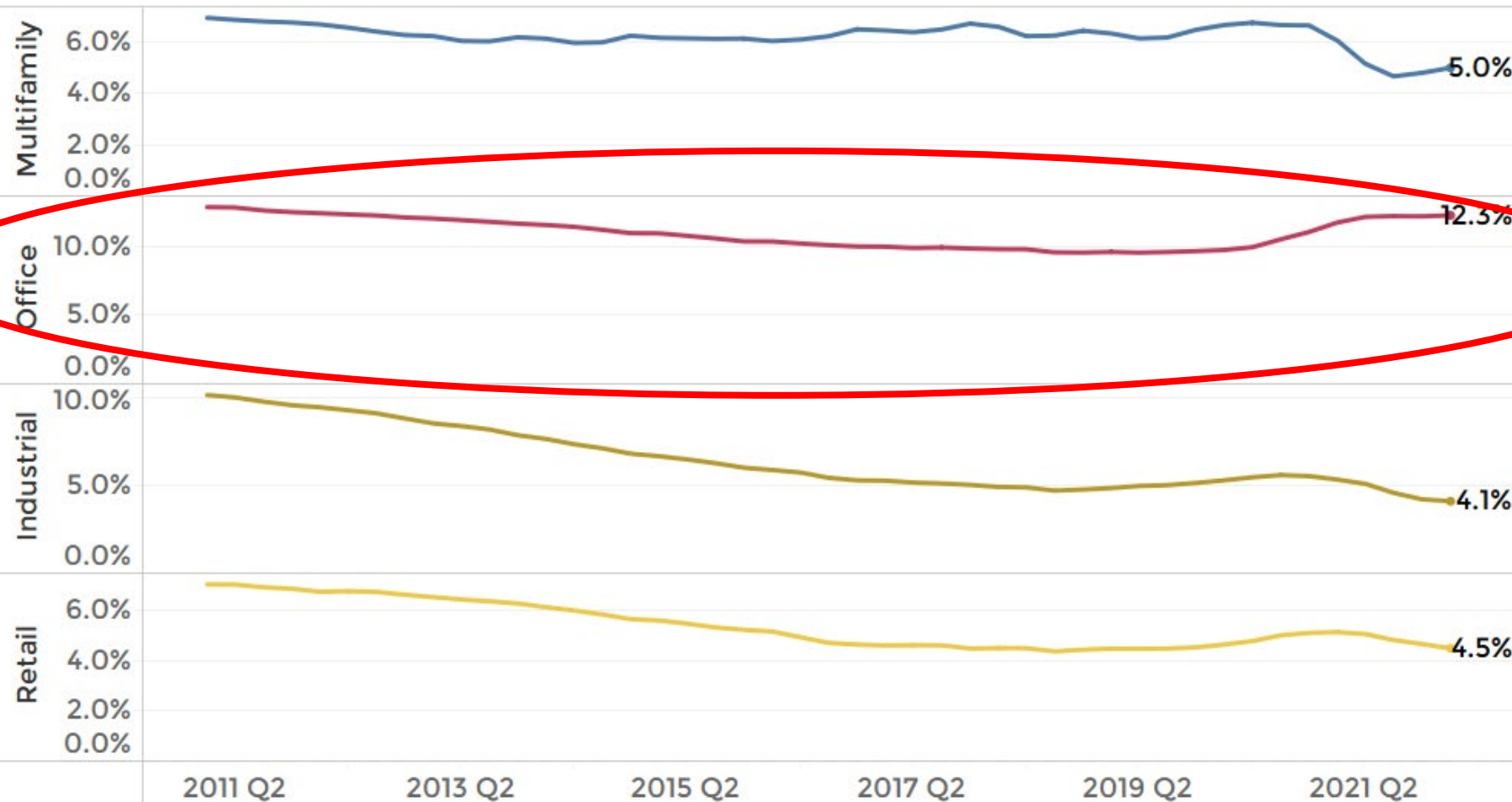
3-Month Net Absorption as of March 26



Source: CoStar

VACANCY RATES DECLINE EXCEPT IN OFFICE MARKET

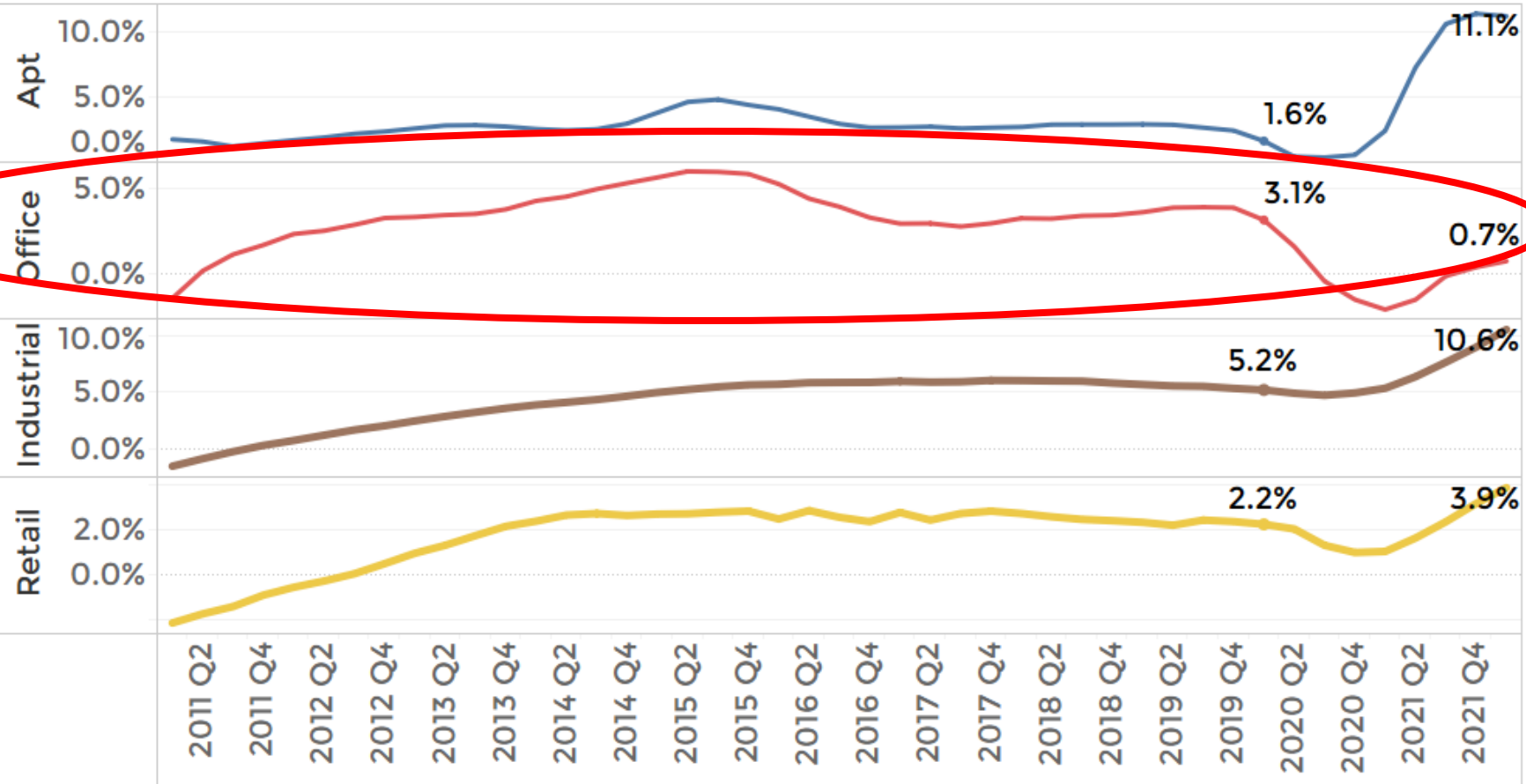
Vacancy Rates as of March 26



Source: CoStar

APARTMENT AND INDUSTRIAL ARE STRONGEST SECTORS

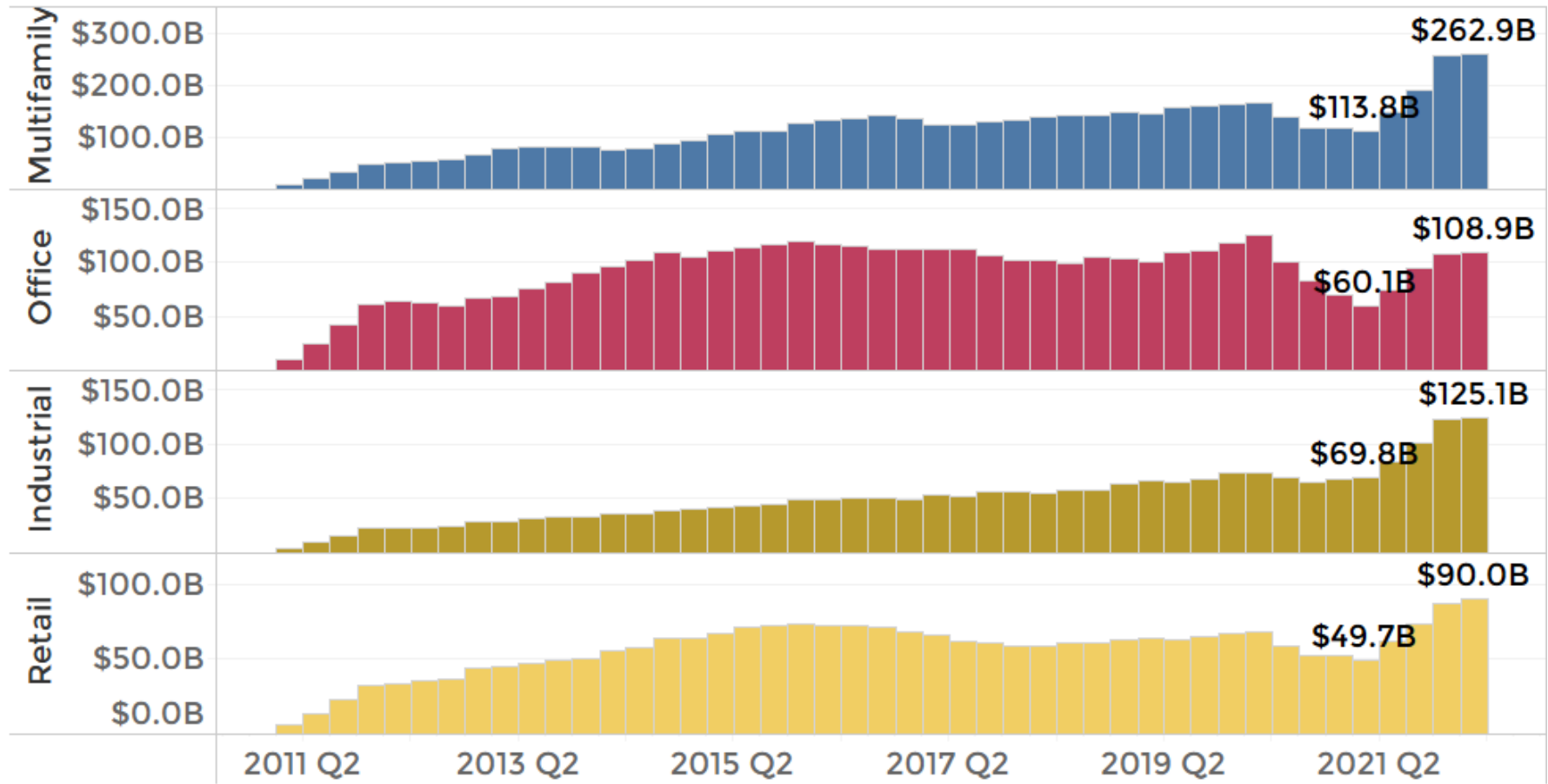
Rising Asking Rents in All Market as of March 26



Source: CoStar

INVESTORS STEPPED UP ACQUISITIONS IN 2021

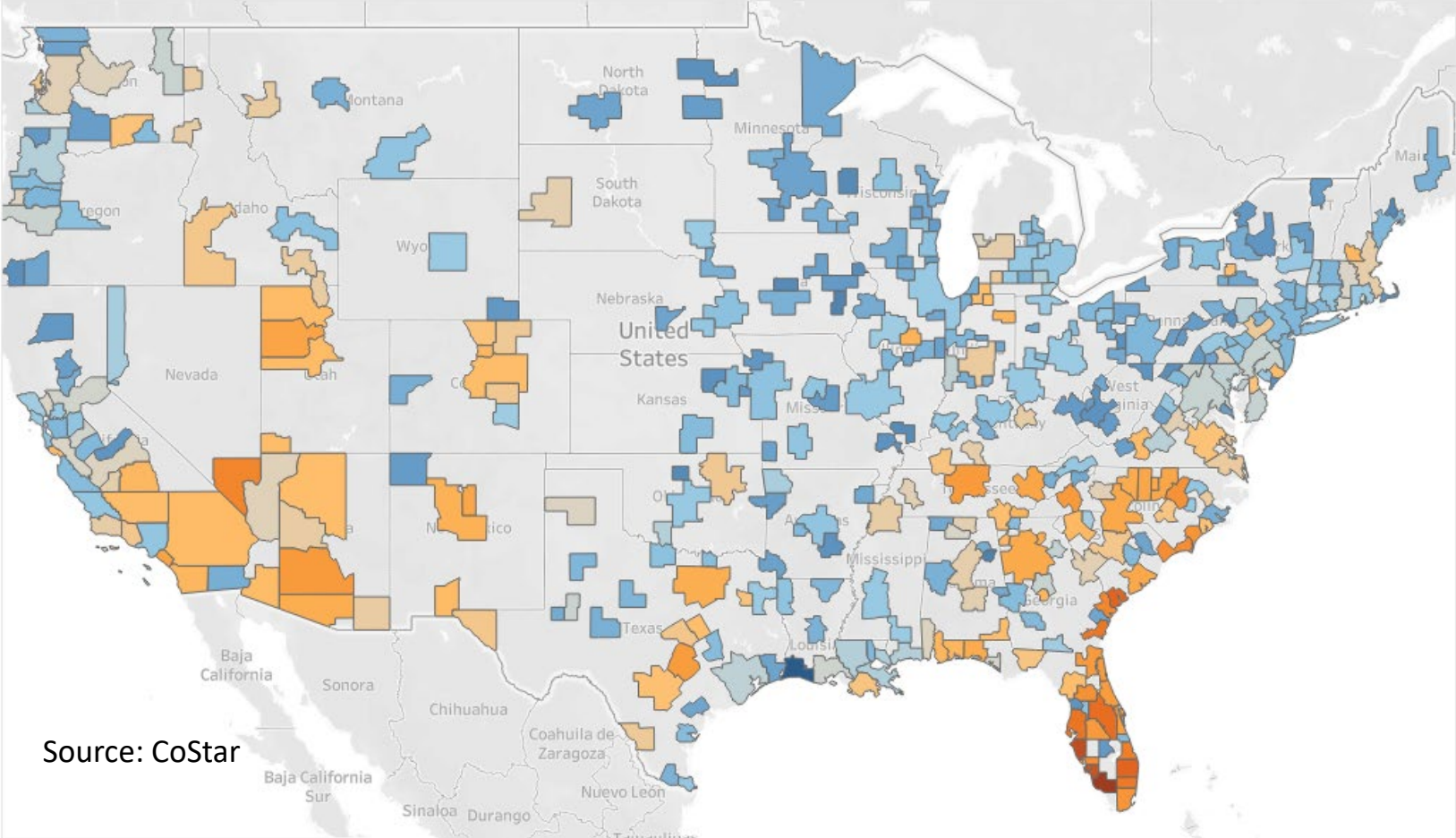
4-Quarter Sales Volume as of March 26



Source of data: CoStar

DOUBLE-DIGIT RENT GROWTH IN SUNBELT AND MOUNTAIN STATES

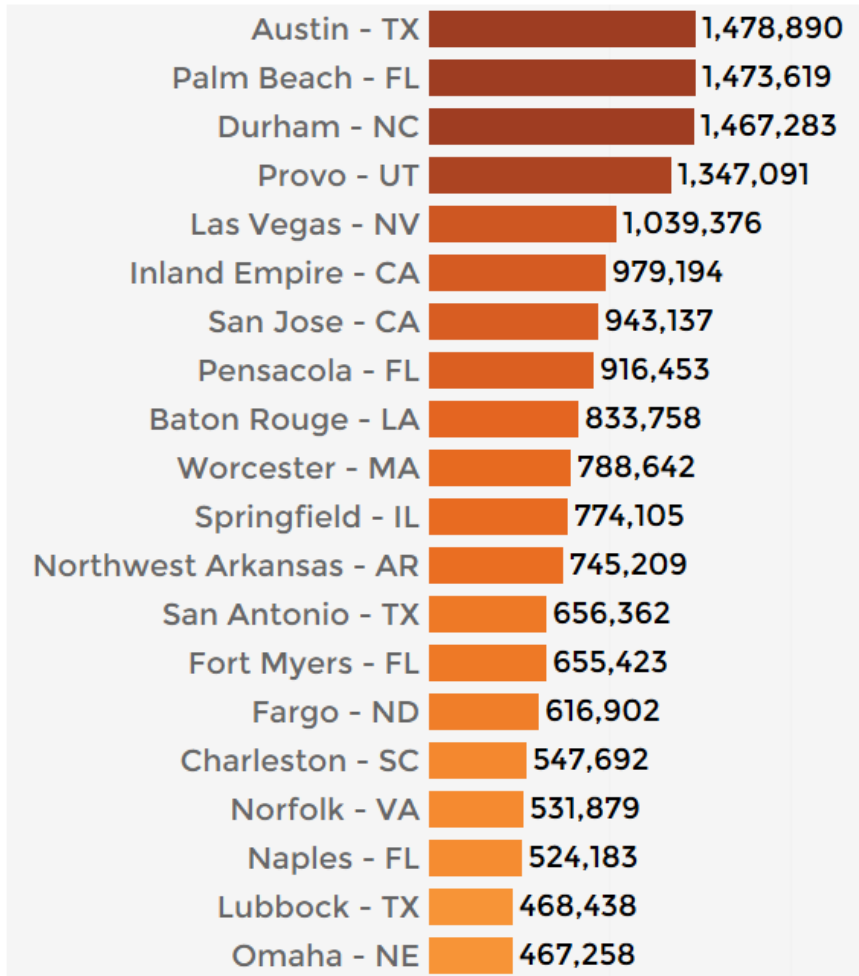
34% of metro areas have double-digit apartment asking rent growth (orange areas)



Source: CoStar

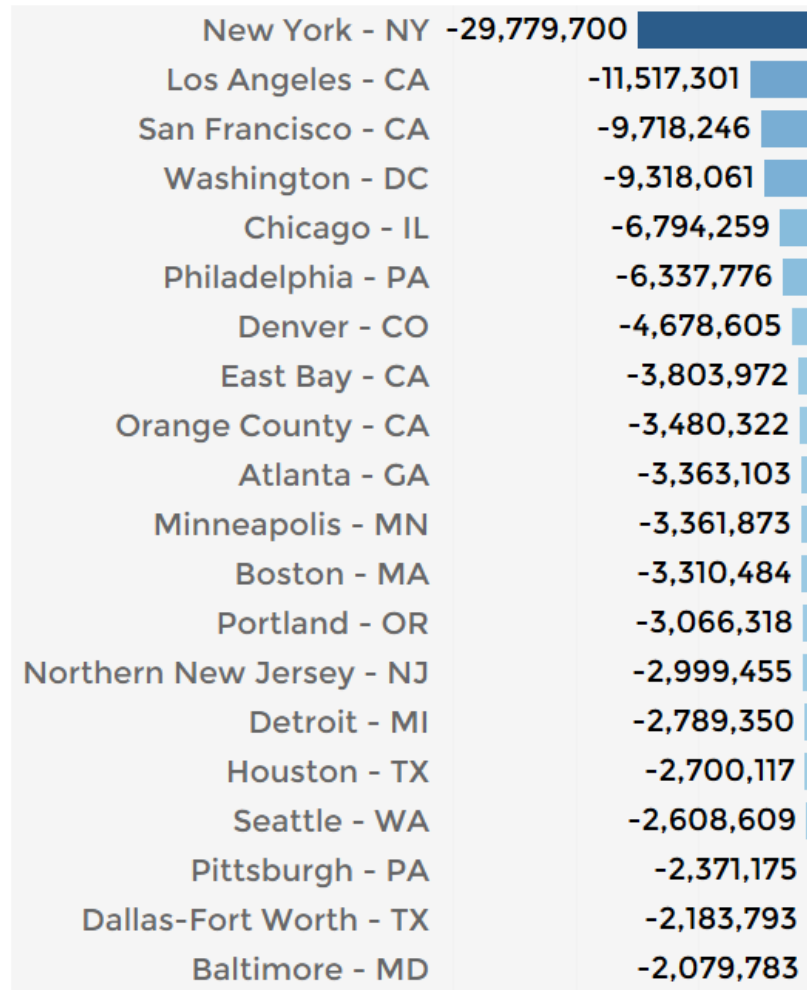
OFFICE MARKET WINNERS AND LOSERS

Positive Net Absorption Since 2020 Q2 as March 26



Source: CoStar

Negative Net Absorption Since 2020 Q2 as of March 26



THANK YOU



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