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NADIA EVANGELOU

SENIOR ECONOMIST, DIRECTOR OF REAL ESTATE RESEARCH

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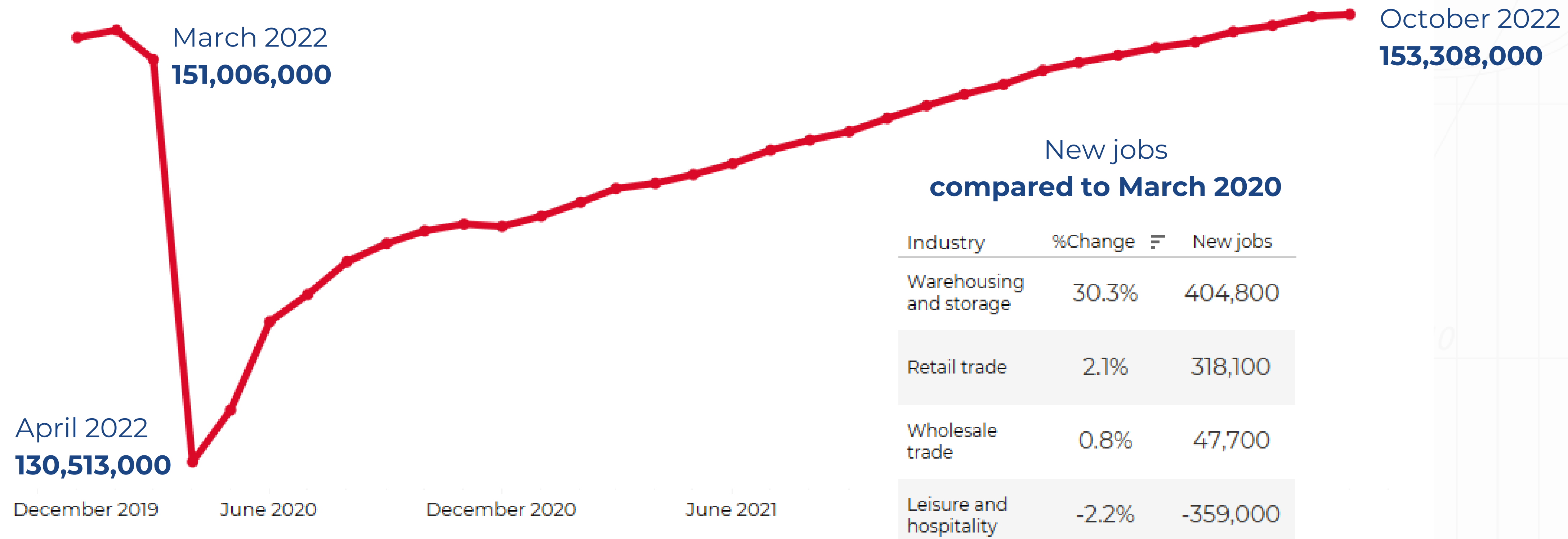
JOB MARKET CONTINUES TO REMAIN SOLID

2.3 million more jobs than in March 2020



Source: U.S. Bureau of Labor Statistics

New jobs compared to March 2020

Industry	%Change	New jobs
Warehousing and storage	30.3%	404,800
Retail trade	2.1%	318,100
Wholesale trade	0.8%	47,700
Leisure and hospitality	-2.2%	-359,000

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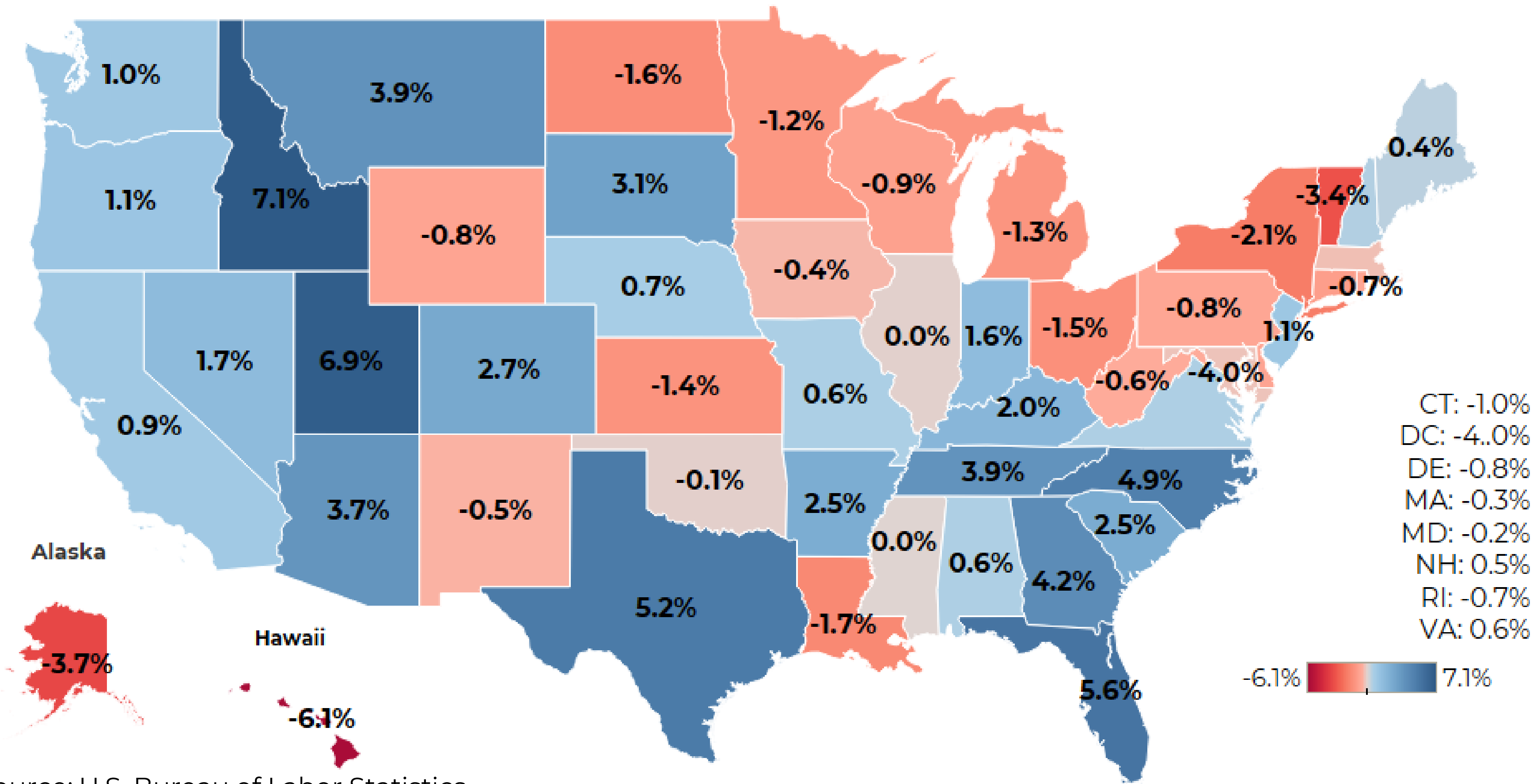
IDAHO AND UTAH HAD THE MOST JOB GAINS



Source: U.S. Bureau of Labor Statistics

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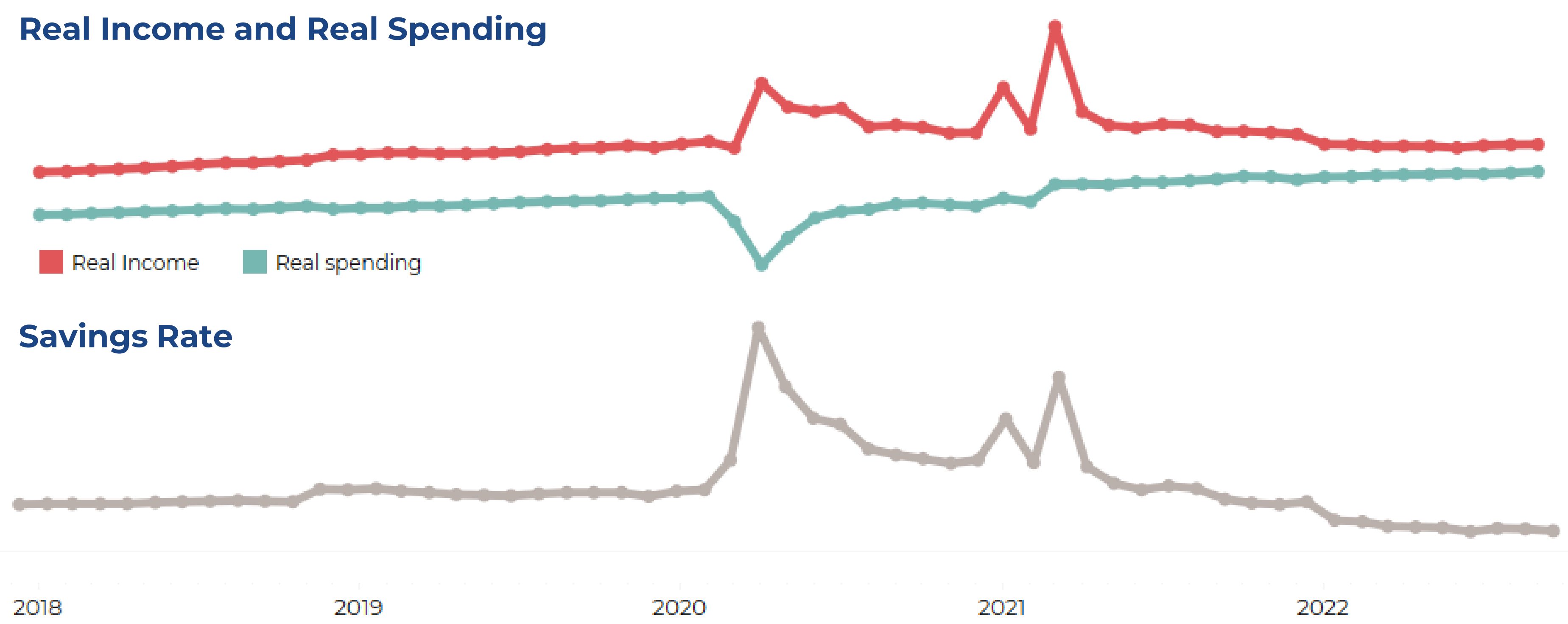
ARE WE IN A RECESSION?

Data says that we are not in a recession.



Source: Bureau of Economic Analysis (BEA)

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1. AMERICANS CONTINUE TO EMBRACE FLEXIBLE WORK

The number of people primarily working from home tripled between 2019 and 2021.

2021 15.9 million households

2019 5.0 million households

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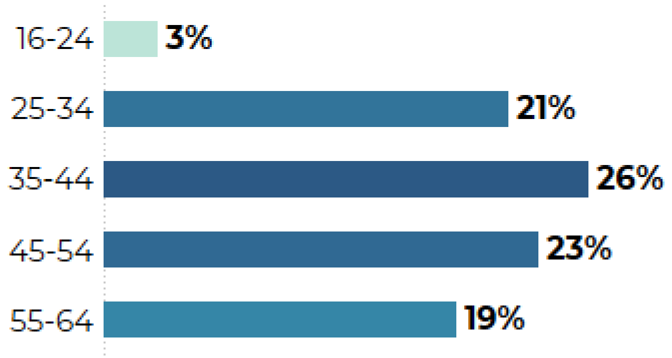
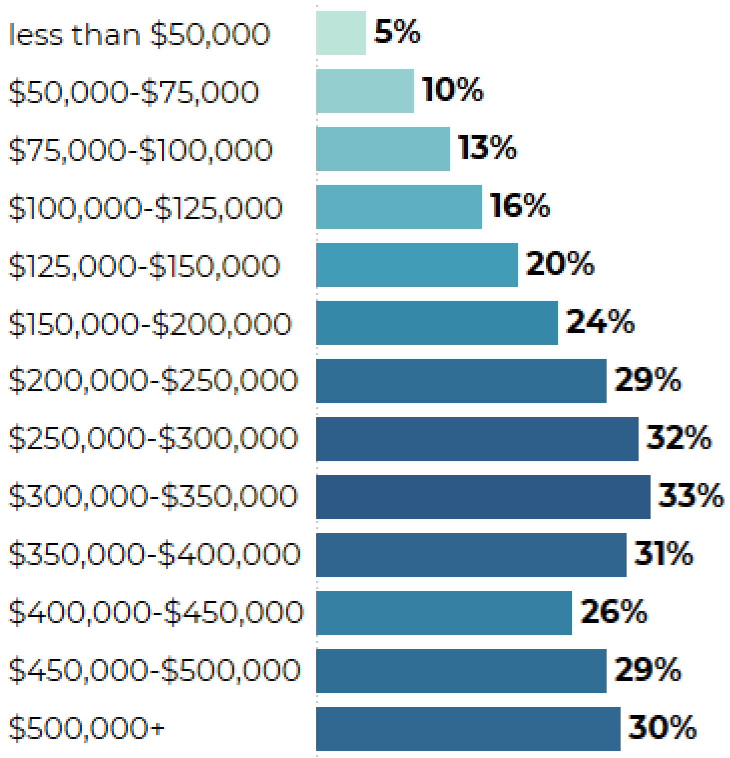
Millennials with higher education or higher income tend to have more options to work remotely

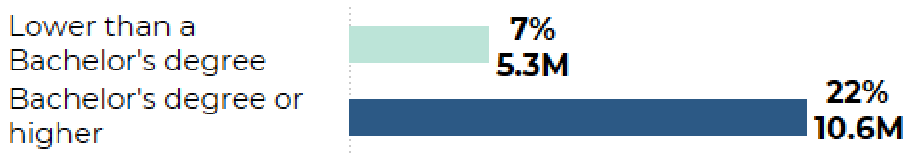
1. By age group



2. By income level



3. By education level



4. By tenure

Source: NAR analysis of ACS PUMS data

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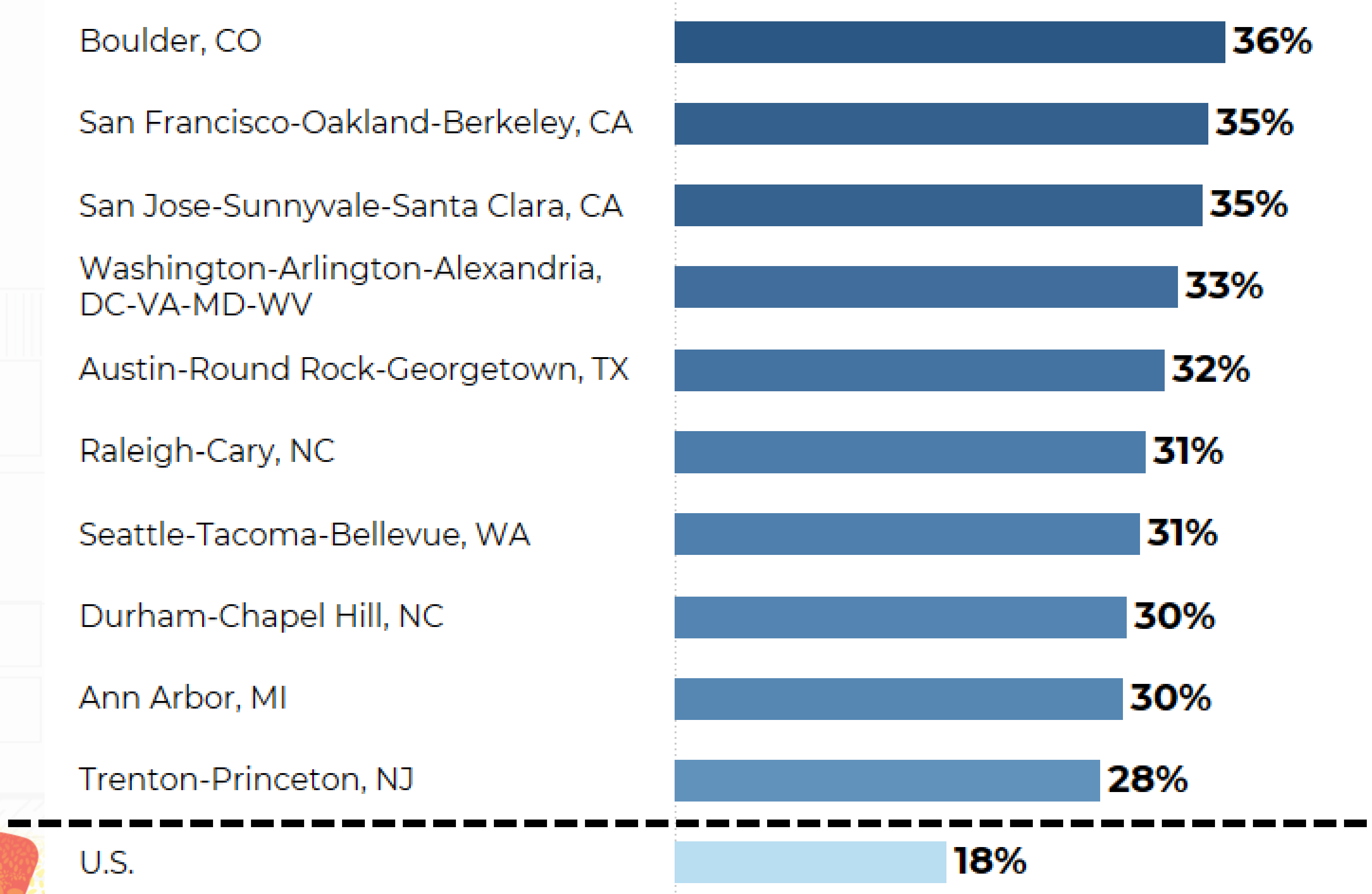
TOP “FLEX” AREAS

Most of these top “Flex” areas are tech hubs



Source: NAR analysis of ACS PUMS data

2. PEOPLE AND BUSINESSES CONTINUE TO MOVE TO LESS DENSE AREAS

Share of inbound moves

by urbanization level in 2022, 2021 and 2019

Category	Jan-Sept 2022	Jan-Sept 2021	Pre-pandemic Jan-Sept 2019
Large central metro	50.9%	52.4%	52.0%
Suburbs	51.8%	52.9%	51.4%
Medium metro	51.1%	52.8%	50.3%
Micropolitan	50.2%	52.1%	49.3%
Small metro	50.4%	51.9%	49.0%
Rural	51.4%	53.5%	49.2%

Source: NAR calculations of USPS change-of-address data

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TOP “MIGRATION” AREAS

People

Metro area	Share of inbound moves
Portland-South Portland-Biddeford, ME MSA	56.2%
Wilmington, NC MSA	56.1%
Tallahassee, FL MSA	55.9%
Charlotte-Gastonia-Concord, NC-SC MSA	54.7%
Savannah, GA MSA	54.6%
Augusta-Richmond County, GA-SC MSA	54.5%
Charlottesville, VA MSA	54.5%
Memphis, TN-AR-MS MSA	54.2%
Norwich-New London, CT MSA	54.2%
Raleigh-Cary, NC MSA	54.2%

Businesses

Metro area	Share of inbound moves
Reading, PA MSA	69.1%
Huntington-Ashland, WV-KY-OH MSA	66.7%
Hagerstown-Martinsburg, MD-WV MSA	62.9%
Hickory-Lenoir-Morganton, NC MSA	62.6%
Asheville, NC MSA	60.7%
Wilmington, NC MSA	60.1%
Ocala, FL MSA	59.7%
Las Cruces, NM MSA	59.5%
Yakima, WA MSA	58.9%
Myrtle Beach-Conway-North Myrtle Beach, SC MSA	57.9%

Source: NAR analysis of USPS change-of-address data

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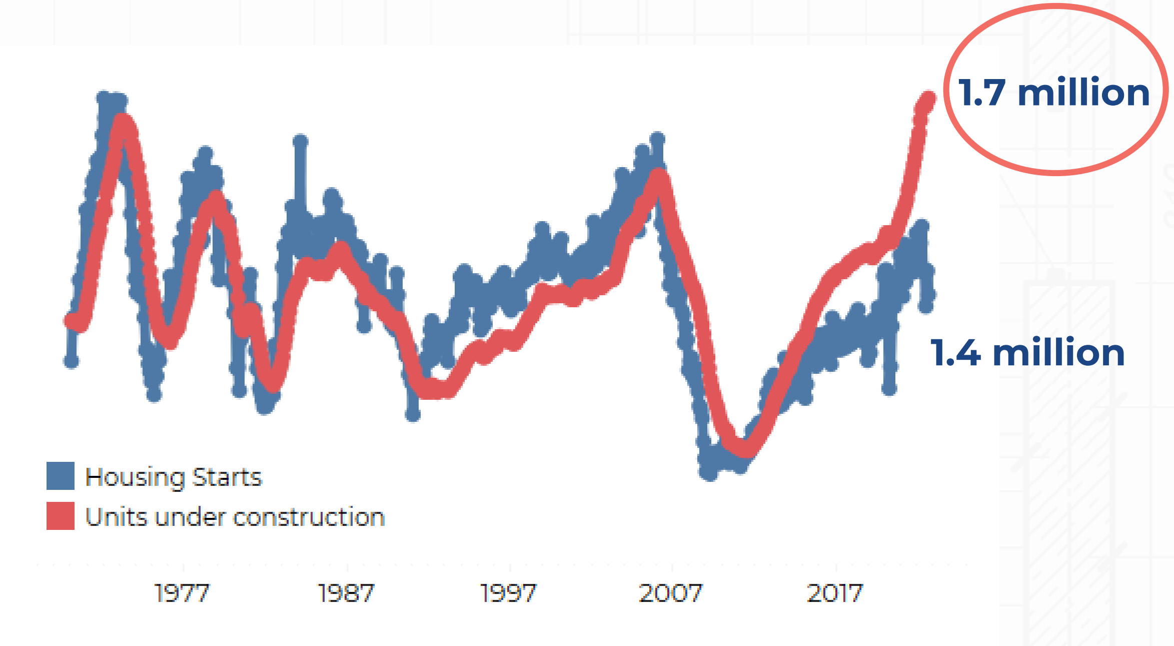
3. MULTIFAMILY CONSTRUCTION ON THE RISE

Housing starts below historical average. However, record high number of homes under construction



Source: U.S. Census Bureau

Areas with fastest multifamily construction on the rise

Worcester, MA-CT
Augusta-Richmond County, GA-SC
Deltona-Daytona Beach-Ormond Beach, FL
Columbia, SC
Akron, OH
Oklahoma City, OK
Tulsa, OK
Harrisburg-Carlisle, PA
Atlanta-Sandy Springs-Alpharetta, GA
San Antonio-New Braunfels, TX

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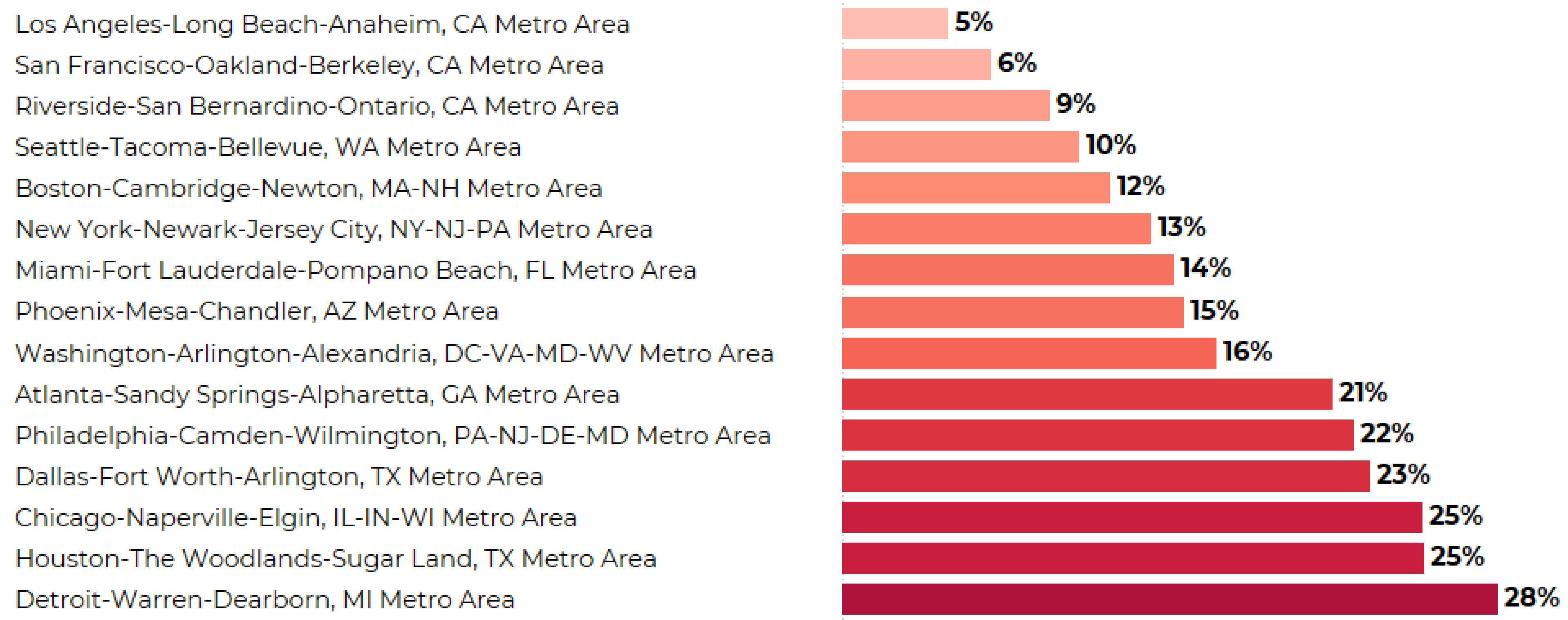
4. WHERE RENTAL DEMAND WILL RISE FURTHER DUE TO RISING RATES

How many renters can afford to buy the median-priced home in the 15 largest metro areas



Source: NAR analysis of ACS PUMS data

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MULTIFAMILY SECTOR WILL REMAIN STRONG

However, demand for apartments and rent growth decelerates

Nationwide

	Absorption	Y-o-Y rent growth
2021 Q3	182,628	10.4%
2021 Q4	61,651	11.2%
2022 Q1	68,591	11.3%
2022 Q2	71,572	9.4%
2022 Q3	66,815	5.7%

By area

Top 10 areas with the strongest 12-month absorption

	Q3 2022	Q3 2021
New York, NY	29,348	33,699
Dallas-Fort Worth,TX	13,436	47,696
Los Angeles, CA	13,133	31,103
Washington, DC	13,055	21,708
Houston, TX	11,420	37,419
Chicago, IL	10,322	19,738
Austin, TX	10,029	20,327
Minneapolis, MN	9,754	11,259
Seattle, WA	8,415	17,524
Boston, MA	6,667	16,158

Top 10 areas with fastest rent growth

	Q3 2022	Q3 2021
Knoxville , TN	11.7%	13.8%
Miami , FL	10.6%	14.1%
Charleston , SC	10.1%	16.4%
Orlando , FL	9.4%	20.1%
Greenville , SC	9.3%	12.6%
Fort Lauderdale , FL	9.2%	19.4%
Indianapolis , IN	8.9%	10.9%
Salt Lake City , UT	8.9%	15.3%
Greensboro , NC	8.8%	15.1%
Charlotte , NC	8.7%	16.1%

Source: NAR analysis of CoStar data

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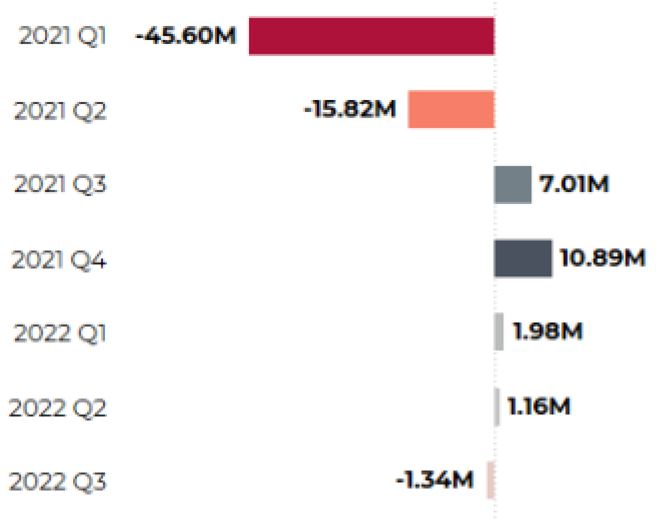
OFFICE SECTOR CONTINUES TO STRUGGLE

Nationwide

Net Absorption by quarter in sq. ft



By area

Top 10 areas with the strongest 12-month absorption

	Q3 2022	Q3 2021
Boston, MA	4.57M	-4.98M
San Jose, CA	3.74M	-0.96M
Dallas-Fort Worth, TX	3.51M	-0.91M
Austin, TX	2.41M	1.35M
Atlanta, GA	2.03M	-2.65M
Charlotte, NC	1.70M	-0.83M
Las Vegas, NV	1.46M	0.02M
San Diego, CA	1.42M	0.00M
Raleigh, NC	1.18M	-0.21M
Miami, FL	1.14M	0.78M

Top 10 areas with the slowest 12-month absorption

	Q3 2022	Q3 2021
New York - NY	-2.52M	-22.84M
San Francisco - CA	-2.26M	-4.61M
Saint Louis - MO	-2.12M	-1.52M
Chicago - IL	-1.79M	-6.79M
Minneapolis - MN	-1.03M	-2.33M
Philadelphia - PA	-0.95M	-3.56M
Portland - OR	-0.91M	-1.41M
Hartford - CT	-0.89M	-0.31M
Richmond - VA	-0.82M	-0.03M
Baltimore - MD	-0.70M	-1.37M

Source: NAR analysis of CoStar data

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TOP AREAS BY SECTOR

Top 10 high performers by sector

Multifamily		Office		Industrial		Retail	
New York, NY	29,348	Boston, MA	4.57M	Dallas-Fort Worth, TX	34.31M	Dallas-Fort Worth , TX	6.5M
Dallas -Fort Worth,TX	13,436	San Jose, CA	3.74M	Chicago , IL	33.65M	Houston , TX	5.5M
Los Angeles, CA	13,133	Dallas-Fort Worth, TX	3.51M	Houston , TX	29.62M	Atlanta , GA	4.6M
Washington, DC	13,055	Austin, TX	2.41M	Atlanta , GA	24.81M	Phoenix , AZ	4.5M
Houston, TX	11,420	Atlanta, GA	2.03M	Phoenix , AZ	23.41M	Chicago , IL	3.7M
Chicago, IL	10,322	Charlotte, NC	1.70M	Indianapolis , IN	14.31M	San Antonio , TX	2.8M
Austin, TX	10,029	Las Vegas, NV	1.46M	Columbus , OH	14.26M	Inland Empire , CA	2.5M
Minneapolis, MN	9,754	San Diego, CA	1.42M	Denver , CO	12.74M	Philadelphia , PA	2.4M
Seattle, WA	8,415	Raleigh, NC	1.18M	Memphis , TN	11.47M	Kansas City , MO	1.8M
Boston, MA	6,667	Miami, FL	1.14M	San Antonio , TX	10.84M	Tampa , FL	1.7M

Source: NAR Analysis of CoStar data

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