

Market Update and Outlook

Lawrence Yun, Ph.D.

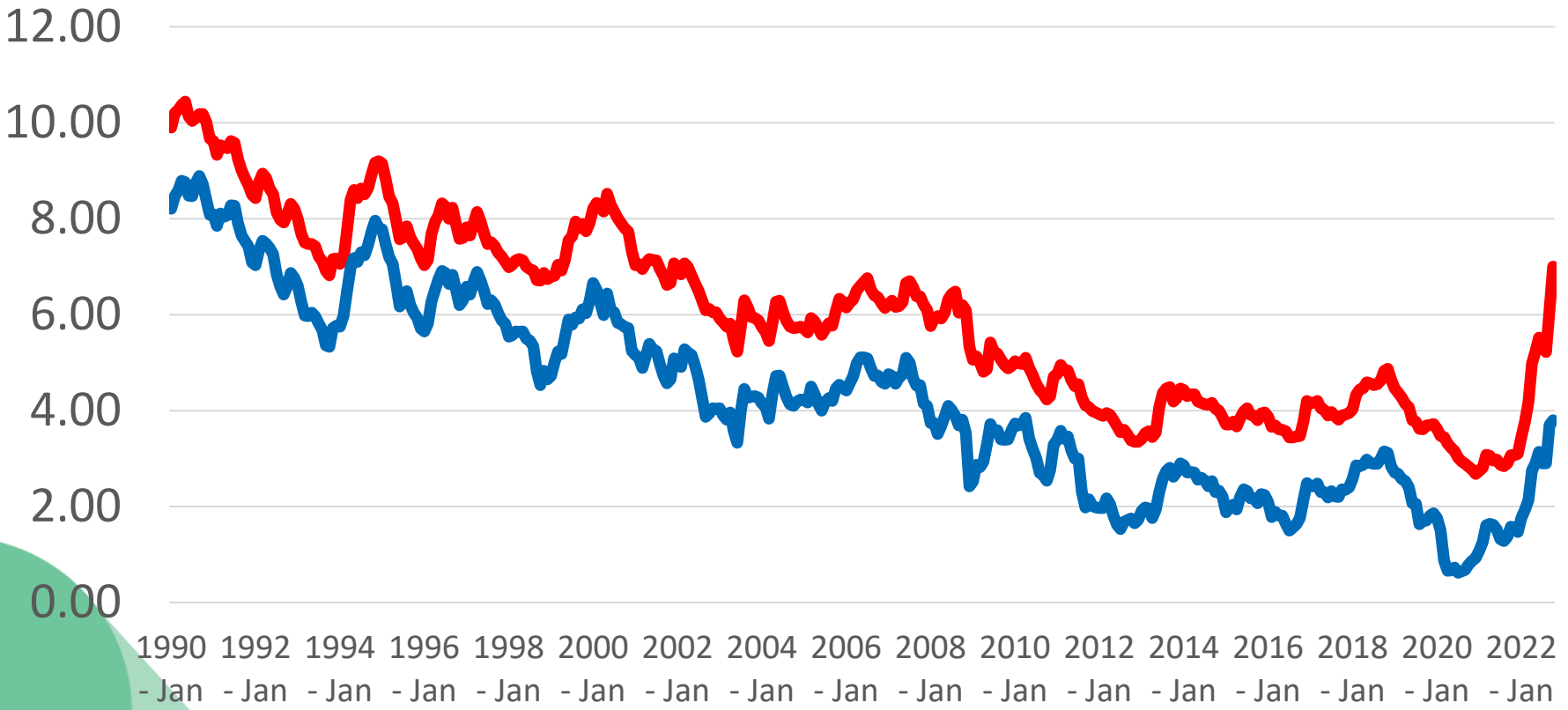
Chief Economist

30-year Mortgage Rate from 1990



Source: Freddie Mac

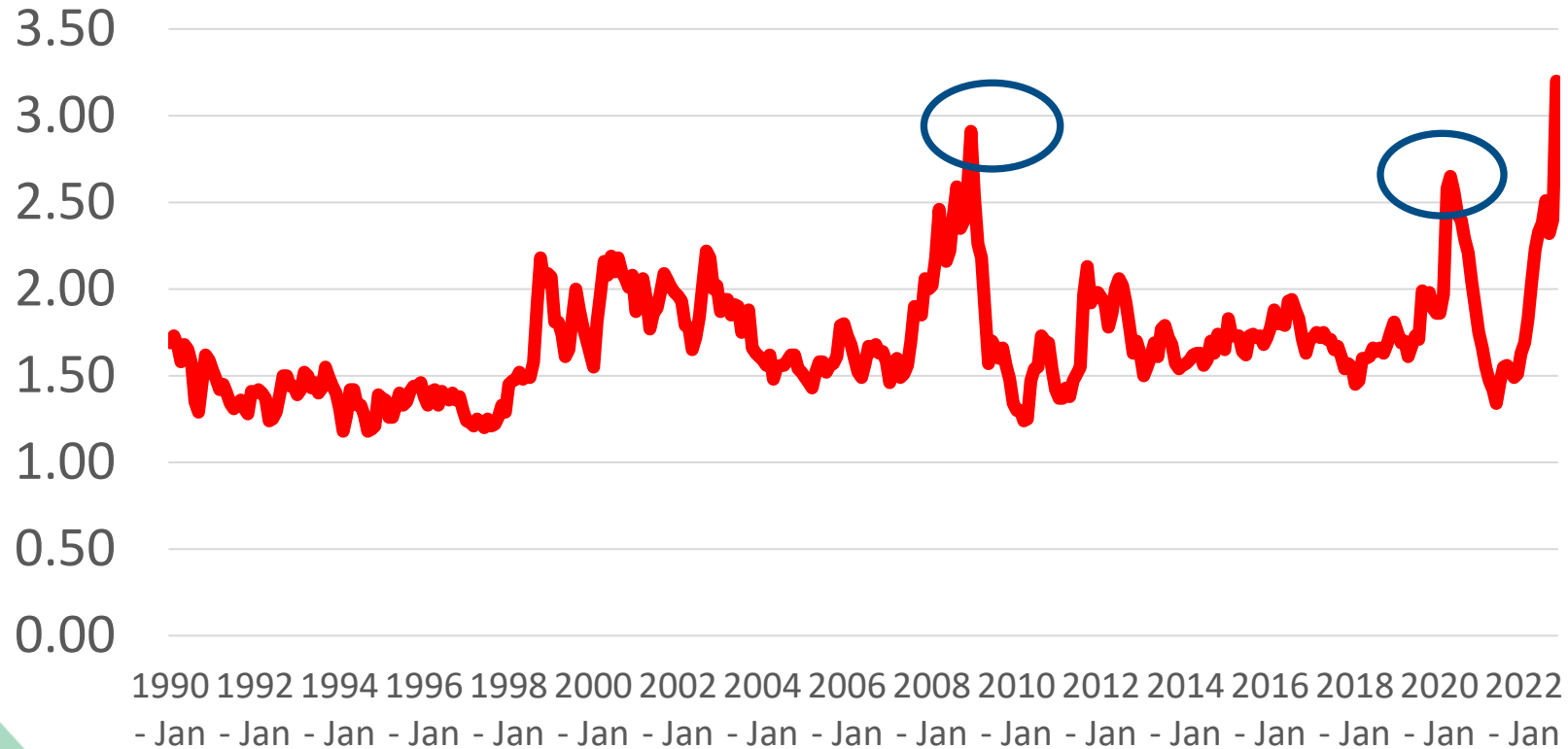
10-year Treasury Yields and 30-Year Mortgage Rates



Source: Freddie Mac and U.S. Treasury

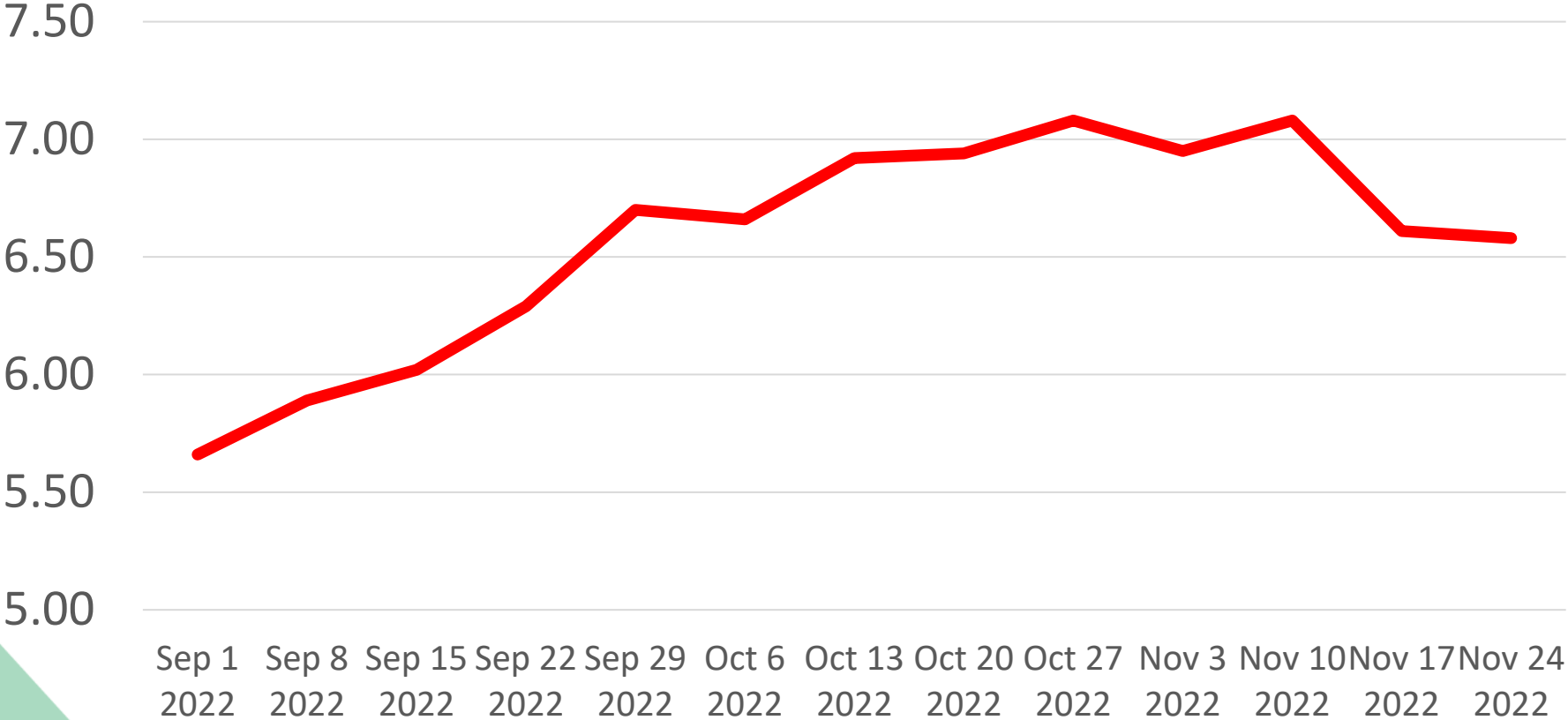


Abnormal Spread: 10-year Treasury and 30-Year Mortgage



Source: NAR Analysis

Falling Mortgage Rates last week – Nov.24th

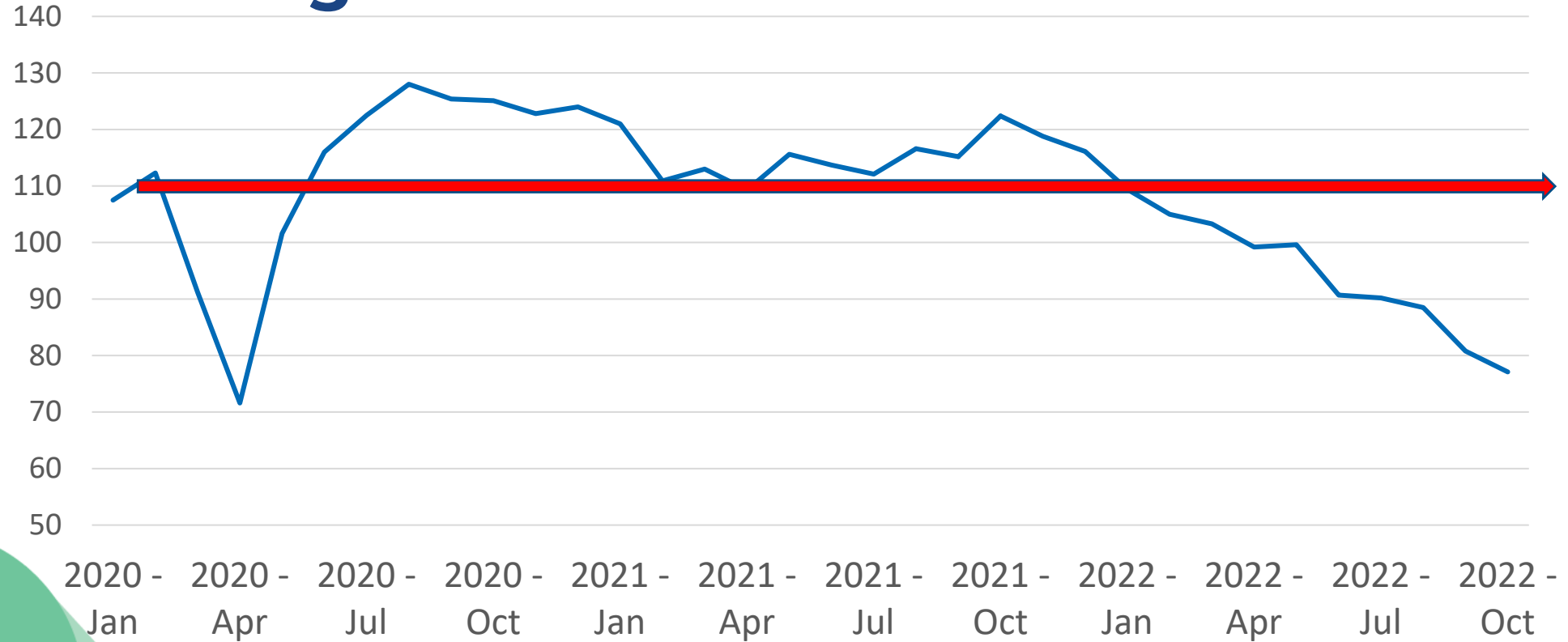


Source: Freddie Mac



Pending Home Sales Index

... Sinking to Lockdown Conditions



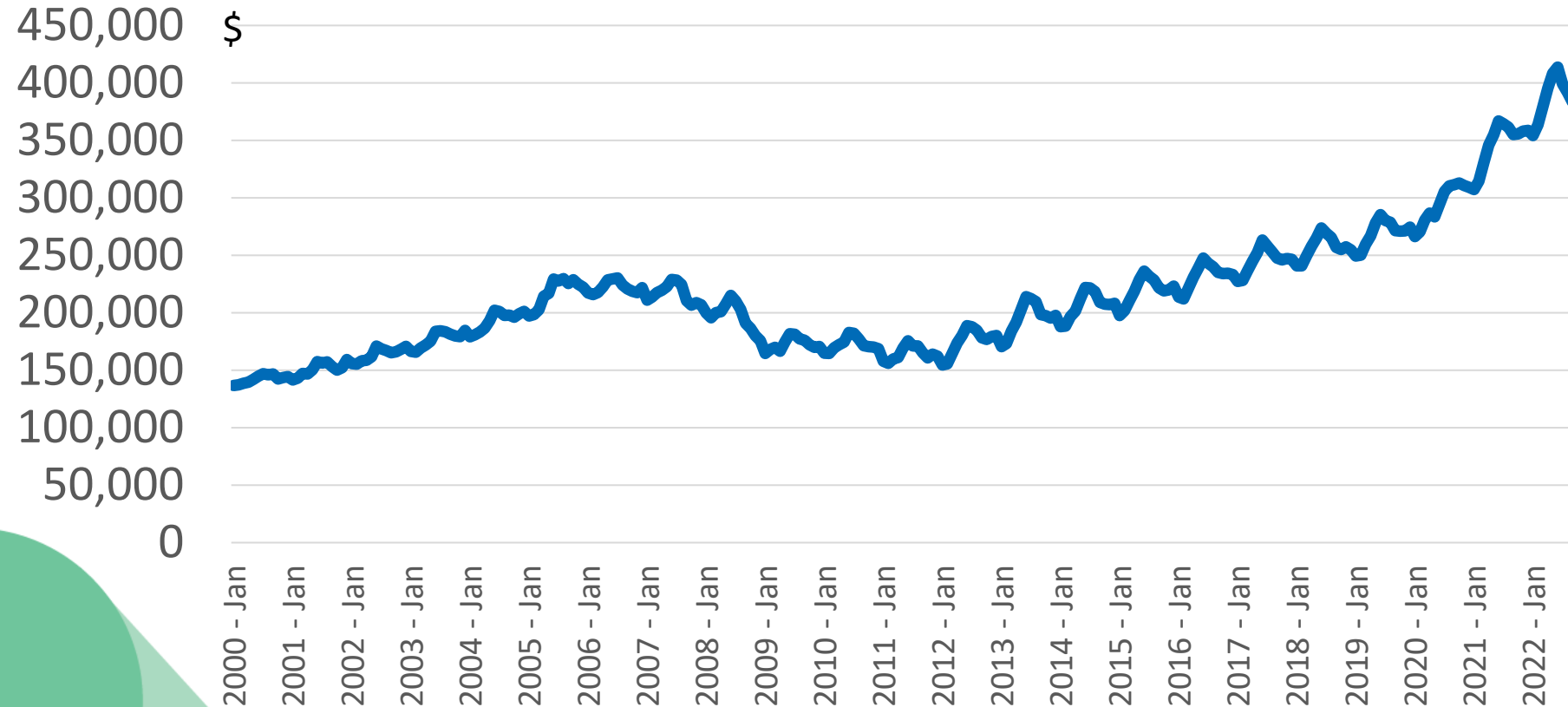
Source: NAR

Market Data ... 3rd week of November

Market Summary	% vs 2021
Median Sale Price	5.7%
Home Sold	-32.7%
New Contracts	-38.6%
Sale to List Price%	95.7% vs. 98.1%
Median DOM	22 days vs 18 days
Active Listings	+32.9%
New Fresh Listings	-20.9%

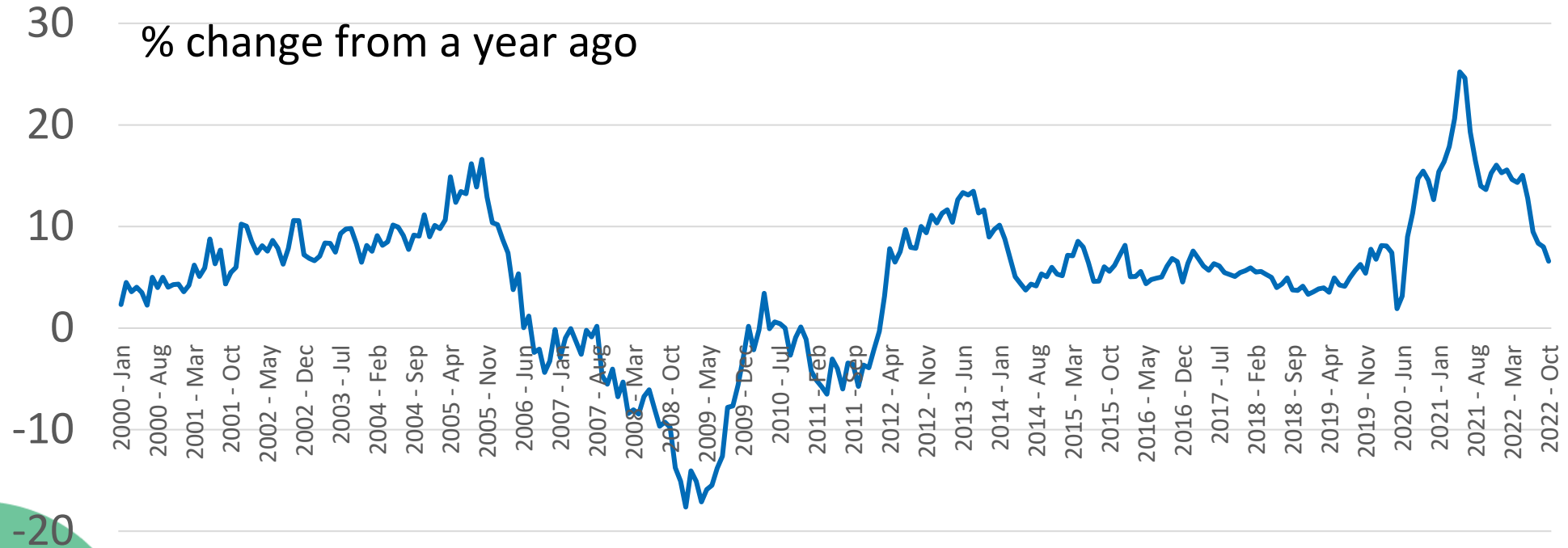
Source: NAR

National Median Home Price



Source: NAR

Home Price Appreciation .. Rapidly Moderating

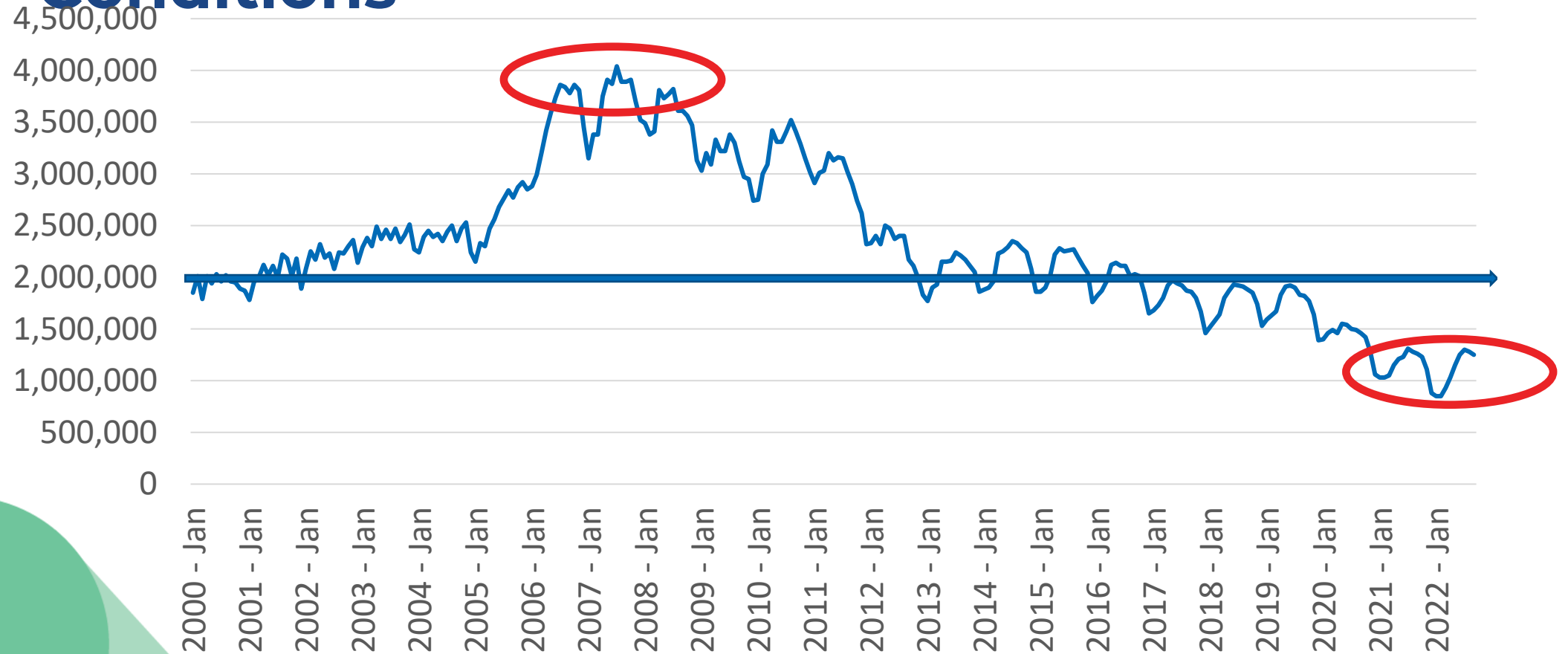


Home Price Crash Coming?

Key Variables	Last Housing Cycle	Current Housing Cycle
Job Cuts	8 million	none
Total Payroll Jobs (W-2 salary jobs)	130 million	153 million
Total Jobs (Household survey)	138 million	158 million
Subprime Loans	Prevalent	Virtually none
5-year cumulative to new home construction before crash	7.65 million	4.6 million
Inventory on Market	3.8 to 4 million	1 to 1.2 million
Mortgage Delinquency	10.1%	3.6%
Homes in Foreclosure	4.6%	0.6%

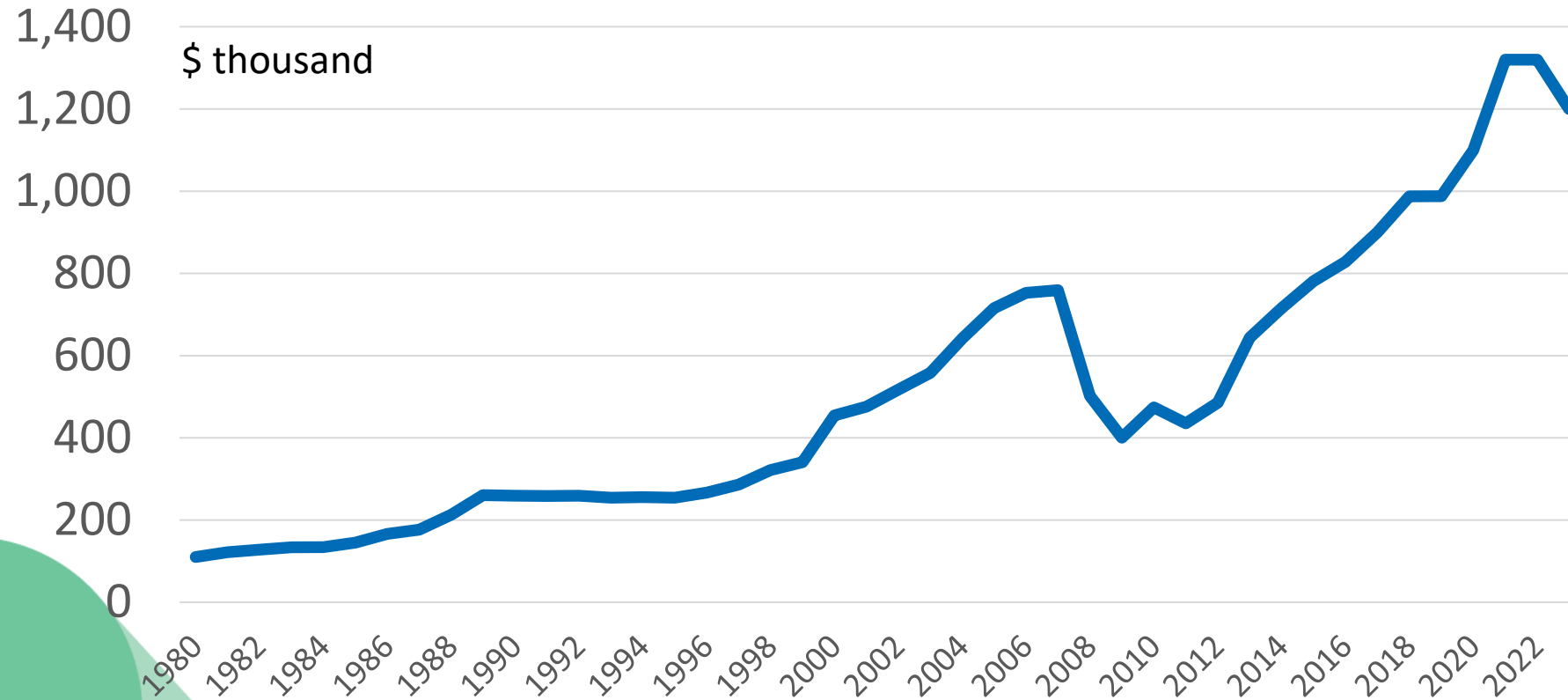
Source: NAR

Inventory of Homes Rising from Super Tight Conditions



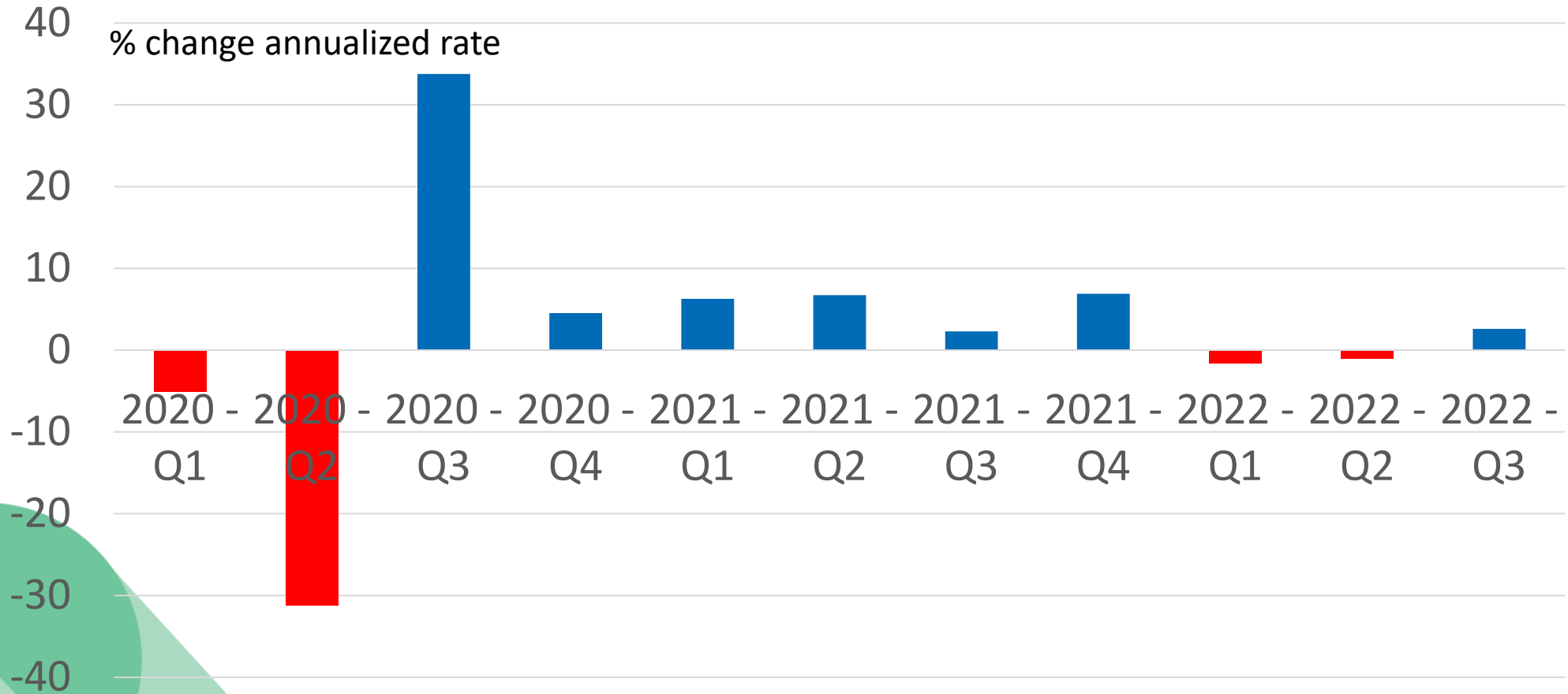
Source: NAR

Median Home Price in SF-Oakland ... Most Vulnerable to Meaningful Price Decline



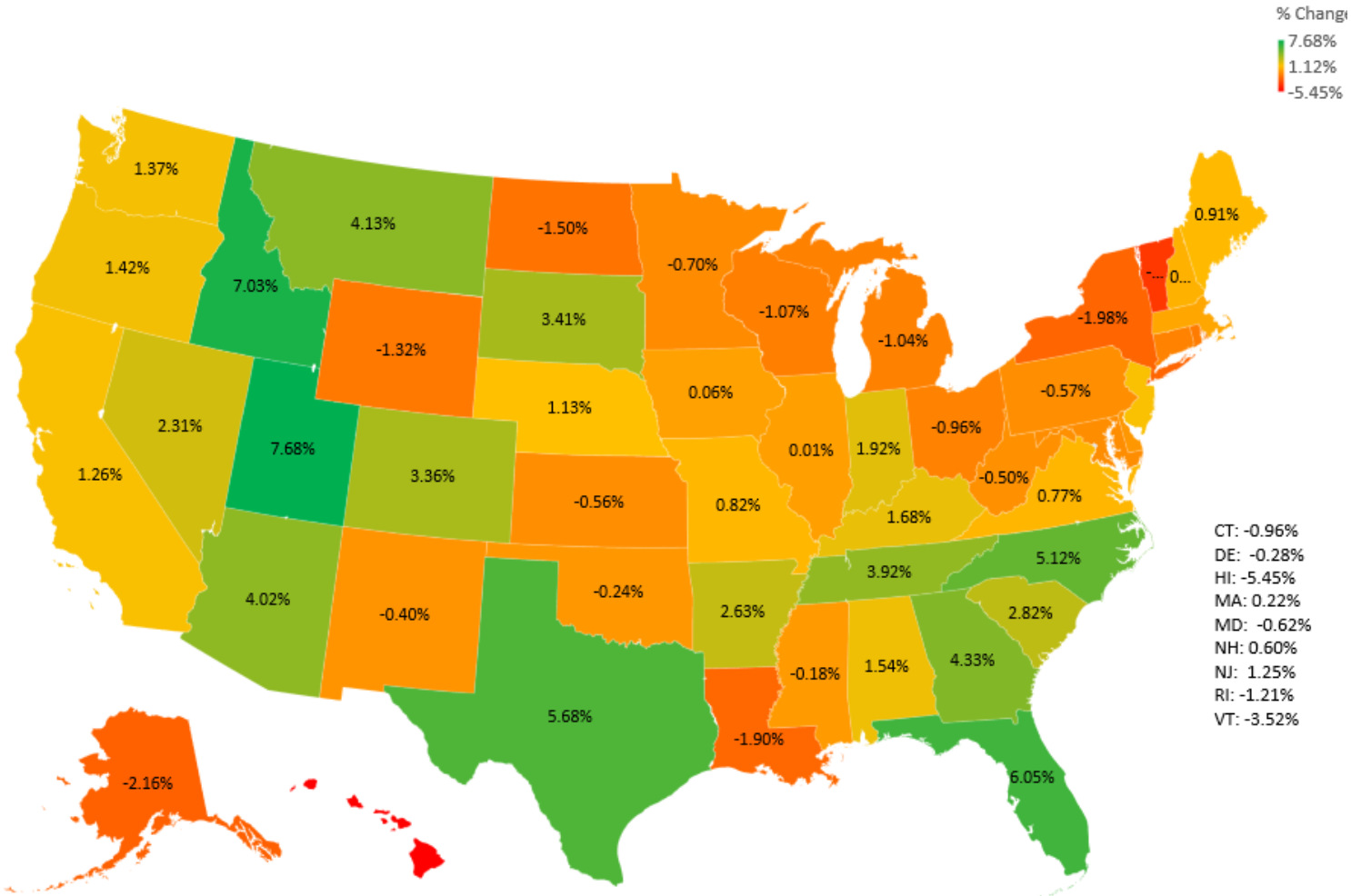
Source: NAR

Recession or Not? .. China, Europe, Ukraine?



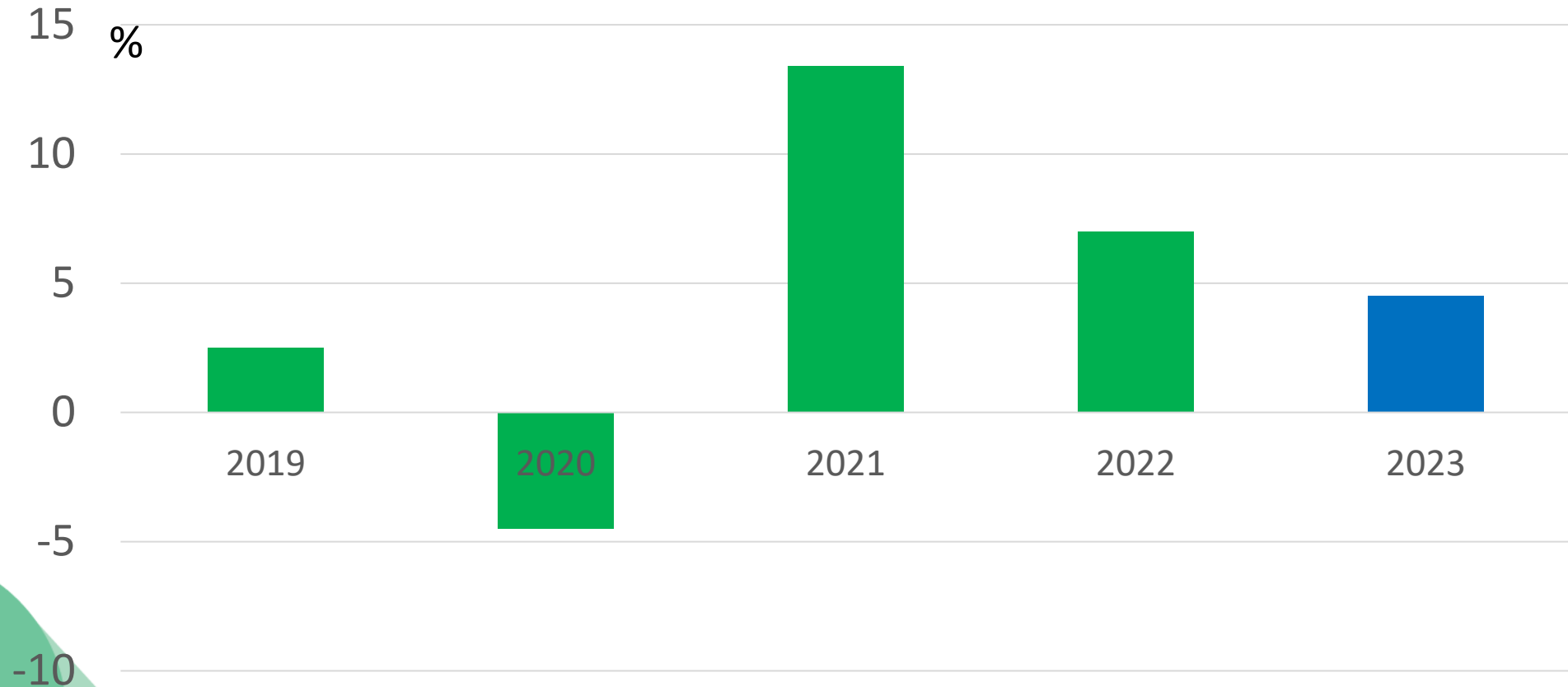
Source: Dept. of Commerce

Payroll Jobs: October 2022 versus March 2020



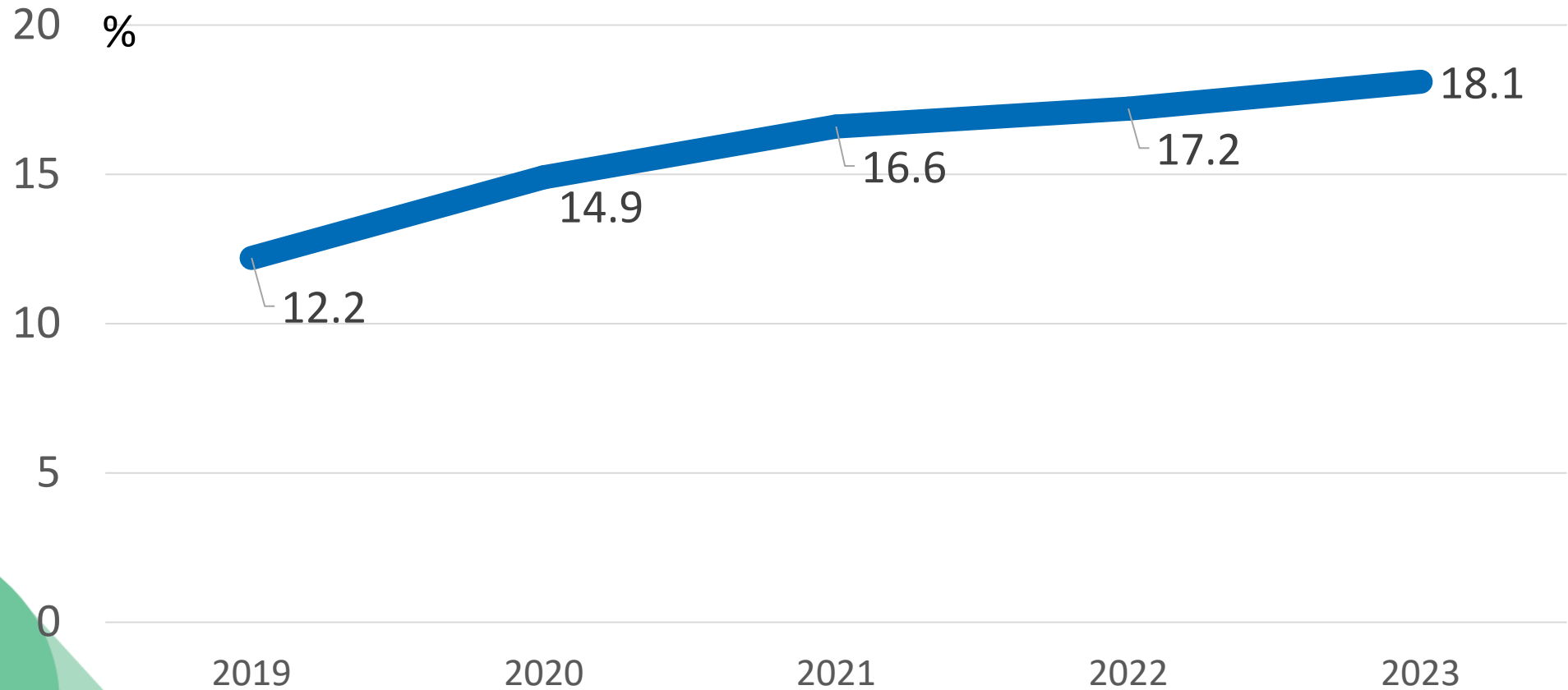
Source: NAR Analysis of BLS data

Apartment Rent Growth 2019 to 2023



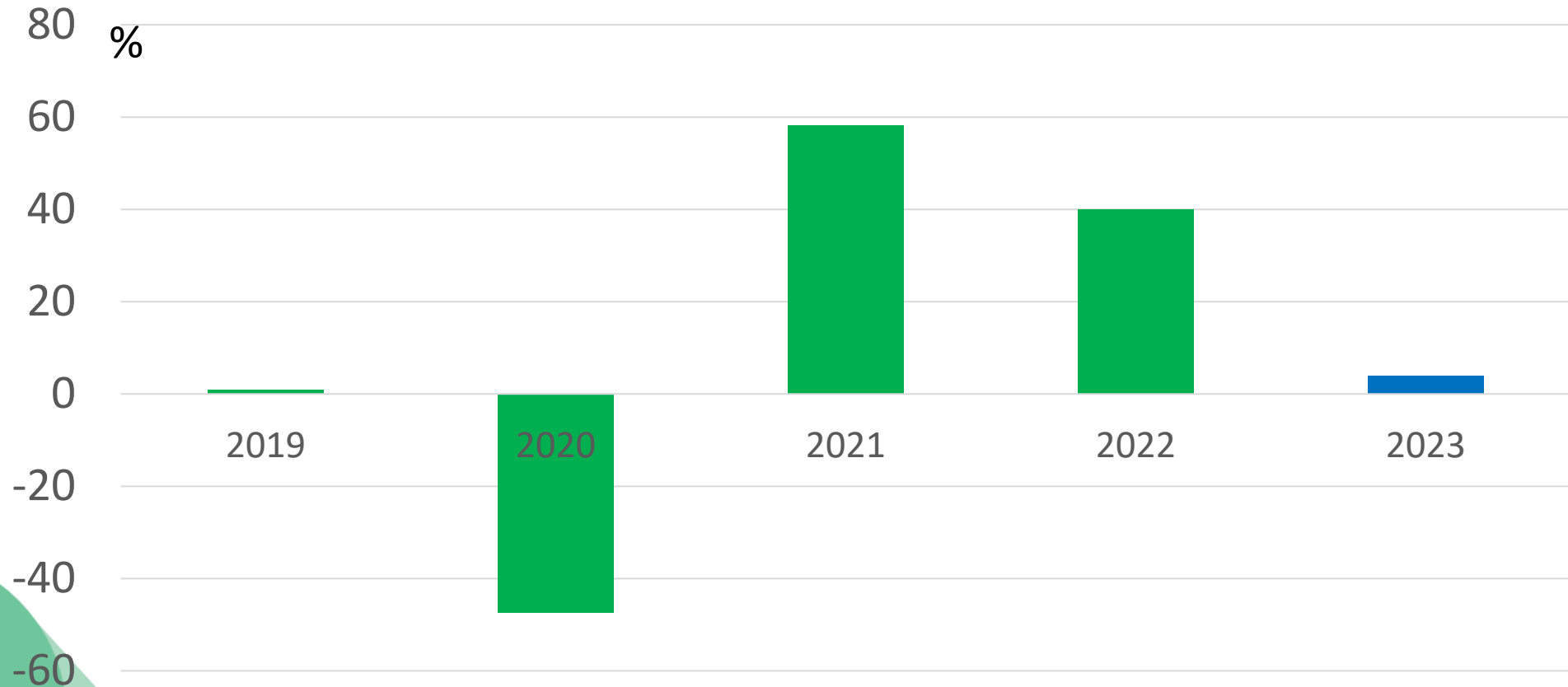
Source: CBRE and NAR Forecast

Office Vacancy Rate 2019 to 2023



Source: CBRE and NAR Forecast

Change in Hotel Revenue per Room 2019 to 2023



Source: STR and NAR Forecast

December 13th ... Noon to 2 pm



Thank You !