

REALTOR.COM MARKET OUTLOOK



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realtor.com®

AGENDA

Economic and housing data and insights from realtor.com[®]

- National Data and Forecast – How does realtor.com[®] fit in?
- Get to know realtor.com[®] data
 - Inventory Trends
 - REALTORS[®] Affordability Score (partnership with NAR)
 - Generational Mortgage Trends
 - Cross Market Demand
 - Hottest Markets
- Know Where to Find More – realtor.com[®] Economics team

NATIONAL FORECAST



FORECAST VARIABLES

Key economic and housing metrics from NAR and realtor.com®

Data Series	Produced by:	Forecast By
Existing Home Sales	NAR	NAR and realtor.com®
Existing Home Prices	NAR	NAR and realtor.com®
New Home Sales	Census	NAR and realtor.com®
Housing Starts	Census	NAR and realtor.com®
SF Housing Starts	Census	NAR and realtor.com®
Mortgage Rates	Freddie Mac	NAR and realtor.com®
For-sale Housing Inventory	NAR and realtor.com®	realtor.com®

2018 INVENTORY PROJECTION

- *...Based on this pattern, realtor.com[®] projects U.S. year-over-year inventory growth to tick up into positive territory by fall 2018, for the first time since 2015...*
- <https://www.realtor.com/research/2018-national-housing-forecast/>

2018 INVENTORY TRENDS

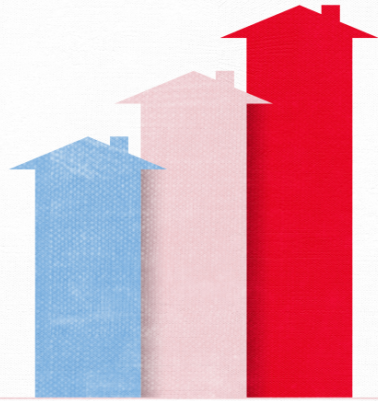
Month	Inventory Y/Y
June	-4.3%
July	-3.7%
August	-1.9%
September	-0.0%
October	+1.6%
November	+3.9%
December	+5.3%

2019 INVENTORY FORECAST

Key housing inventory expectations from realtor.com®

- National inventory increases expected to remain moderate:
 - Less than 7 percent increase expected nationwide
- High-priced markets will be the exception:
 - Double-digit inventory gains expected in some markets
- Source: <https://www.realtor.com/research/2019-national-housing-forecast/>

HIGH-COST MARKETS LEAD INVENTORY GAINS



INVENTORY GAINS CONTINUE

National inventory increases will remain low in 2019 at less than 7 percent

The majority of the inventory gains have been in upscale homes in high-growth markets

LARGEST INCREASES EXPECTED IN

- 📍 San Jose - Sunnyvale - Santa Clara, CA
- 📍 Seattle - Tacoma - Bellevue, WA
- 📍 Worcester, MA-CT
- 📍 Boston - Cambridge - Newton, MA-CT
- 📍 Nashville - Davidson - Murfreesboro - Franklin, TN



REALTOR.COM DATA INSIGHTS



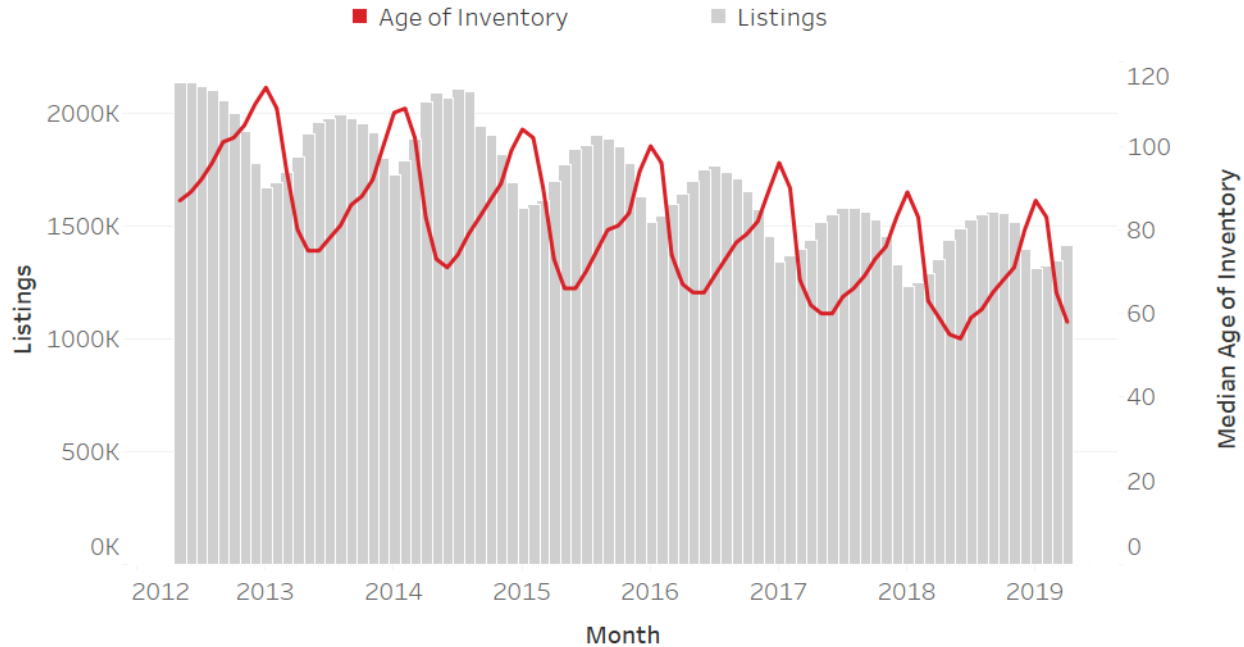
INVENTORY TRENDS



INVENTORY UP

Inventory Increased 4.4% Y/Y in April

Listings and Median Age of Inventory



Source: Realtor.com®

HIGH-COST MARKETS LEAD INVENTORY GAINS

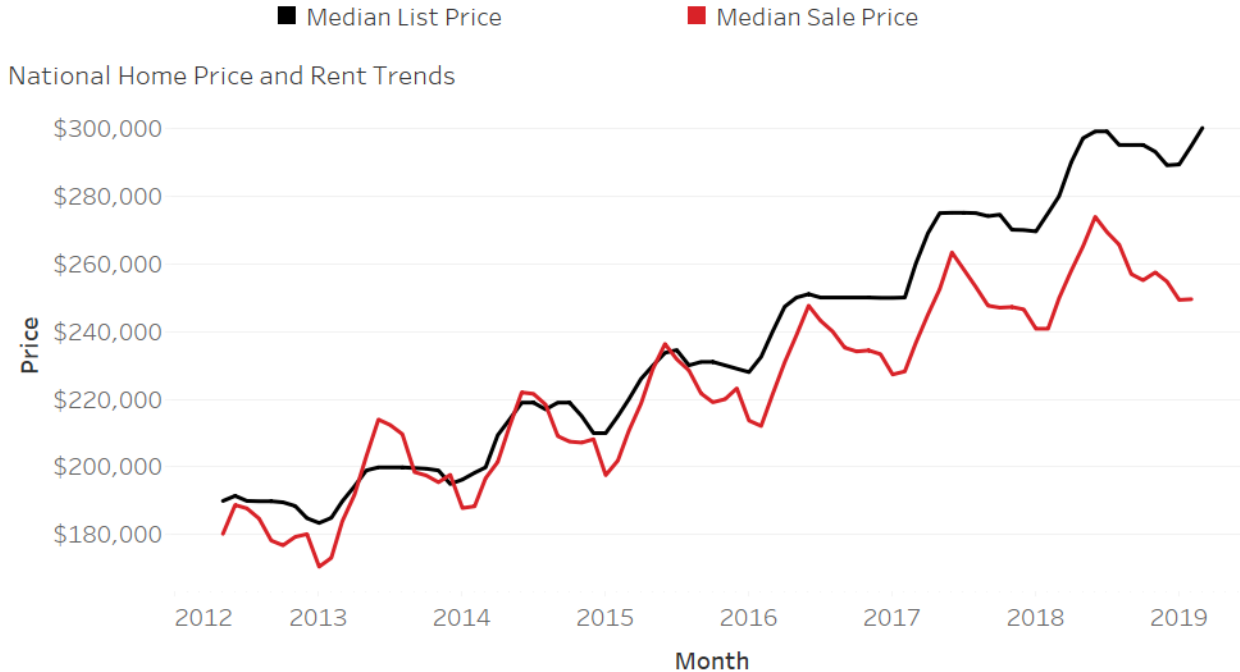
April listings nearly double last year's count in San Jose

Metro Area	Active Listing Count Y/Y	Median Days on Market Y/Y
San Jose-Sunnyvale-Santa Clara, CA	92%	+8
Seattle-Tacoma-Bellevue, WA	82%	+6
San Francisco-Oakland-Hayward, CA	39%	+4
Portland-Vancouver-Hillsboro, OR-WA	33%	+4

PRICES CONTINUE TO RISE

List Price at \$310,000, Sales Price \$259,400 (Apr 2019/Mar 2019)

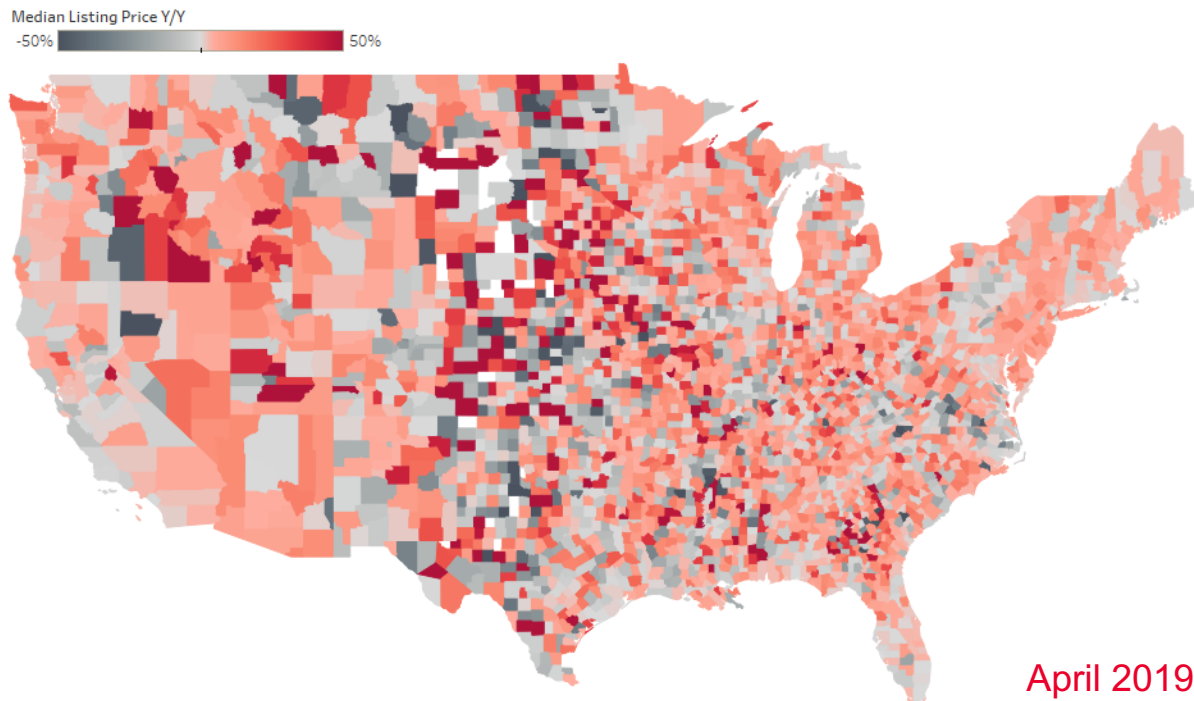
National Home Sale and List Price Trends



Source: Realtor.com® and National Association of REALTORS®

LISTING PRICES UP 6.9% Y/Y IN APRIL

Median list price increases are widespread

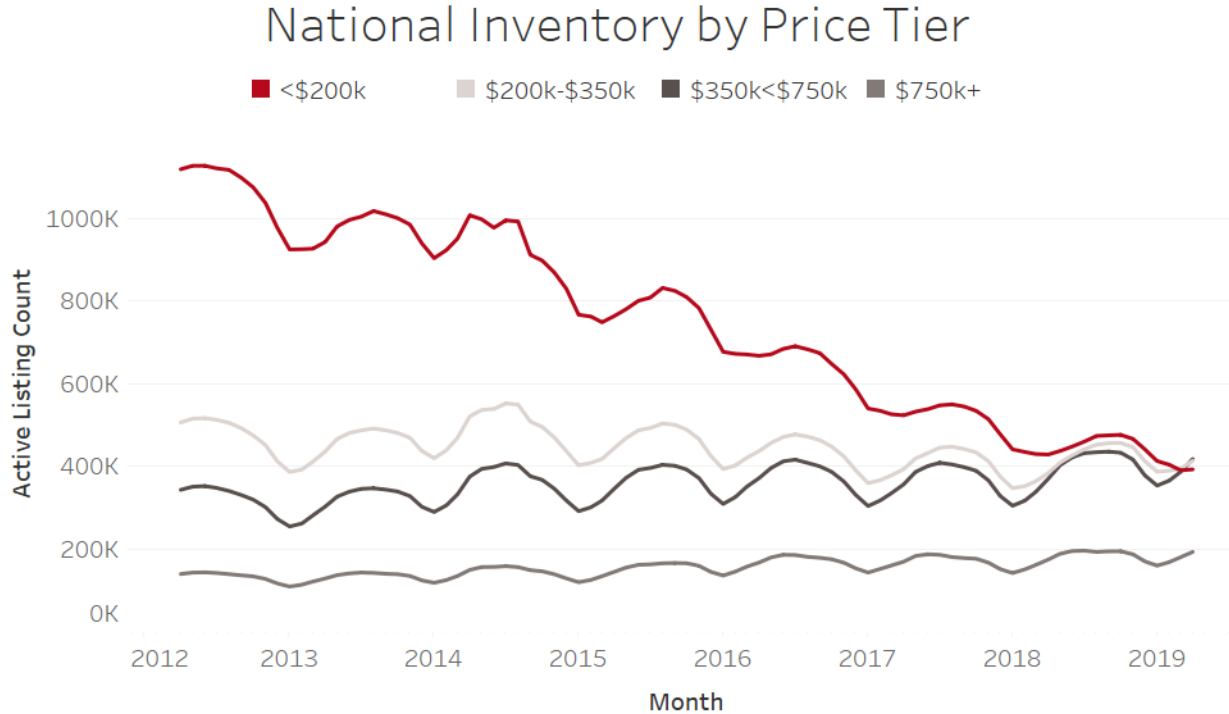


April 2019

Source: Realtor.com®

AFFORDABLE HOME SHORTAGE

371,000 fewer 'starter' homes (<\$200k) now vs April 2015



Source: realtor.com®

REALTORS[®] AFFORDABILITY SCORE



AFFORDABILITY

A Different Measure: Pros and Cons

NAR Affordability Index

- Sales Prices
 - Backward Looking (Con)
 - Actual Market Price (Pro)
- Median Price Point
- Median Income Family
- Easy to interpret

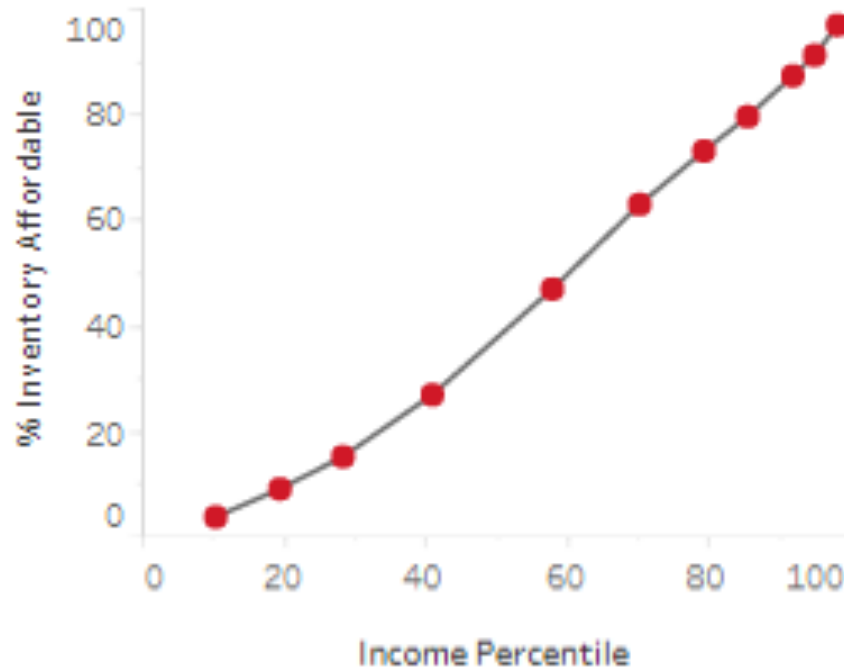
REALTORS® Affordability Distribution

- Listing Prices
 - Forward Looking (Pro)
 - May sell for more/less (Con)
- Prices of All Listings
- Income of All Families
- More work to interpret

AFFORDABILITY IS RELATIVE

Higher income households have more access to available inventory

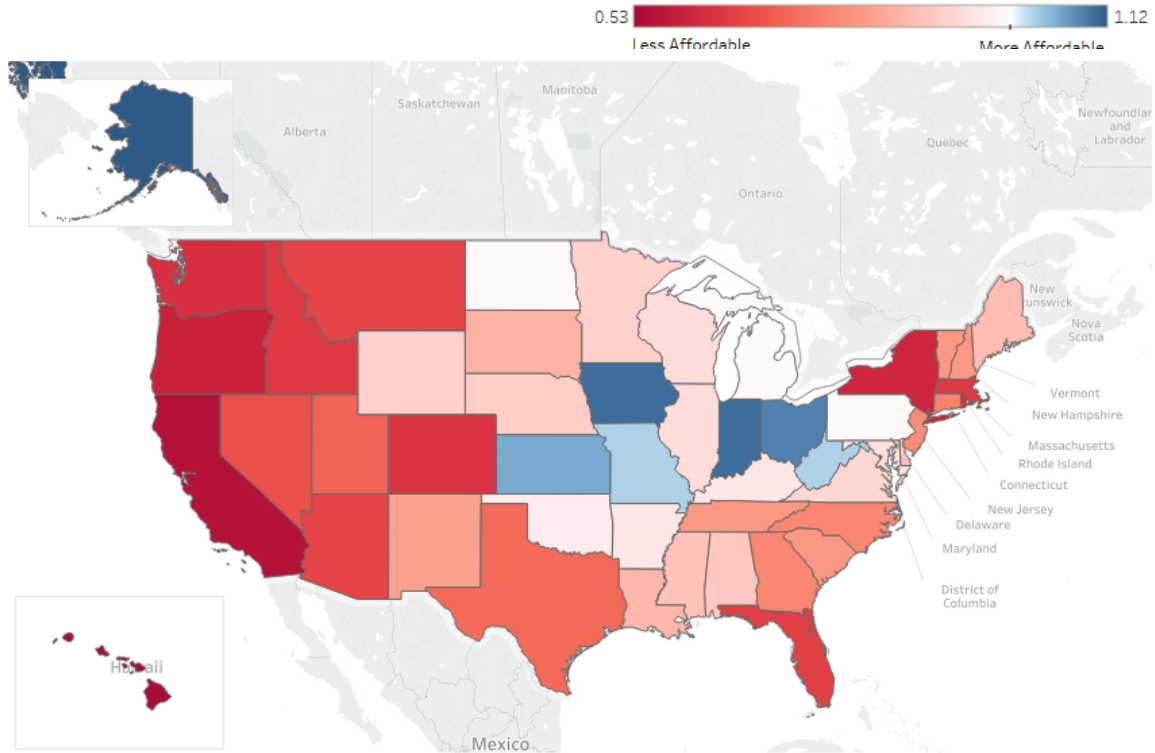
United States Affordability Score: 0.82



Source: realtor.com and National Association of REALTORS®

AFFORDABILITY HEATMAP

U.S. Score is 0.82 – in general homes are less affordable



Source: realtor.com® and National Association of REALTORS®

TOP AFFORDABLE STATES

30th Percentile vs. 60th Percentile Income, % of Inventory Affordable

State	30 th %ile Affordable %
Kansas	35%
Indiana	34%
Ohio	33%
Iowa	32%
Michigan	30%
Missouri	29%
Pennsylvania	27%

State	60 th %ile Affordable %
Alaska	72%
Iowa	68%
Ohio	67%
Indiana	67%
North Dakota	66%
West Virginia	66%
Missouri	64%

Source: realtor.com® and National Association of REALTORS®

LEAST AFFORDABLE STATES

30th Percentile vs. 60th Percentile Income, % of Inventory Affordable

State	30 th %tile Affordable %
Rhode Island	2%
California	3%
D.C.	3%
Oregon	4%
Arizona	4%
Massachusetts	5%
Nevada	6%

State	60 th %ile Affordable %
Hawaii	28%
Oregon	28%
California	28%
D.C.	32%
Washington	32%
Colorado	32%
New York	33%

Source: realtor.com® and National Association of REALTORS®

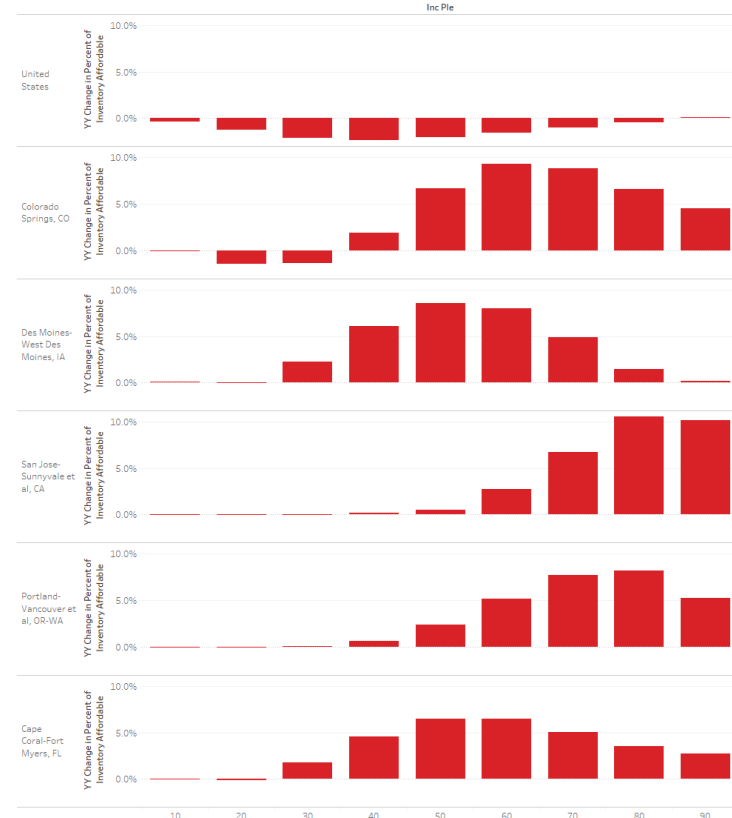
AFFORDABILITY IMPROVEMENTS VARY

Even among the top 5 most improved

- U.S. affordability declines with biggest decline in 40th percentile
- **Colorado Springs** sees biggest gains in 60th and 70th percentiles
- **Des Moines** sees biggest gains in the 50th and 60th percentiles
- **San Jose** sees biggest gains in 80th and 90th percentiles
- **Portland, OR** largest gains are in the 70th and 80th percentiles
- **Ft Myers** gains most in the 50th and 60th percentiles

Q1 2019 Metros which Became More Affordable

realtor.com®



GENERATIONAL TRENDS



AFFORDABILITY MATTERS

<https://www.realtor.com/research/q1-2019-generational-propensity-report/>

- Millennials are number one in in share of primary home mortgage originations by count and by dollar and continue to gain
- However, they are still putting less money down compared to other generations
- Millennials continue to take on larger mortgages compared to Baby Boomers, further adding to their debt load
- Markets where Millennial down payments are more in line with other generations tend to be more affordable

MILLENNIAL DOWN PAYMENT GAP

Best Markets for Millennial Down Payments vs. Other Generations

Metro	GAP	Affordability Score	Median List Price
Rochester, NY	-6.7%	0.95	\$204,950
Atlanta-Sandy Springs-Roswell, GA	-7.8%	0.81	\$325,050
Cleveland-Elyria, OH	-8.4%	1.05	\$180,050
Cincinnati, OH-KY-IN	-8.4%	0.91	\$262,800
Orlando-Kissimmee-Sanford, FL	-8.7%	0.7	\$305,050
Washington-Arlington-Alexandria, DC-VA-MD-WV	-9.0%	0.87	\$445,050
Miami-Fort Lauderdale-West Palm Beach, FL	-9.2%	0.62	\$385,050

Source: realtor.com® and National Association of REALTORS®

MILLENNIAL DOWN PAYMENT GAP

Worst Markets for Millennial Down Payments vs. Other Generations

Metro	GAP	Affordability Score	Median List Price
San Diego-Carlsbad, CA	-18.0%	0.39	\$675,050
Denver-Aurora-Lakewood, CO	-17.5%	0.68	\$475,050
Salt Lake City, UT	-16.5%	0.7	\$399,950
Portland-Vancouver-Hillsboro, OR-WA	-16.0%	0.59	\$469,950
Knoxville, TN	-15.7%	0.79	\$276,250
Minneapolis-St. Paul-Bloomington, MN-WI	-15.4%	0.79	\$375,050
Austin-Round Rock, TX	-15.3%	0.7	\$360,040

Source: realtor.com® and National Association of REALTORS®

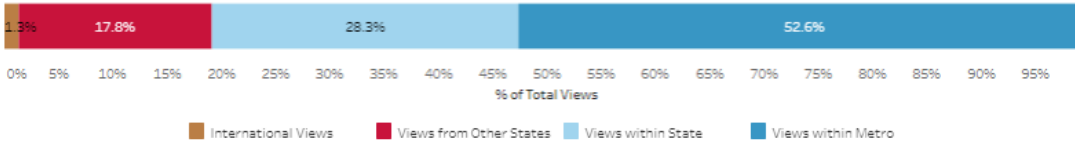
CROSS-MARKET DEMAND



SAN ANTONIO IS MOST IMPROVED

Relative affordability drives shoppers from Houston, Austin, and Dallas

San Antonio-New Braunfels, TX



Top Viewing Metros

Select Geographic Filter:

(All)

1	Houston-The Woodlands-Sugar Land, TX	29.8%
2	Austin-Round Rock, TX	10.7%
3	Dallas-Fort Worth-Arlington, TX	8.7%
4	Los Angeles-Long Beach-Anaheim, CA	2.5%
5	Atlanta-Sandy Springs-Roswell, GA	2.3%
6	Washington-Arlington-Alexandria, DC-VA-MD-WV	2.0%
7	New York-Newark-Jersey City, NY-NJ-PA	1.9%
8	Chicago-Naperville-Elgin, IL-IN-WI	1.8%
9	Corpus Christi, TX	1.6%
10	Midland, TX	1.1%

0% 10% 20% 30% 40%
% of Total Viewcount

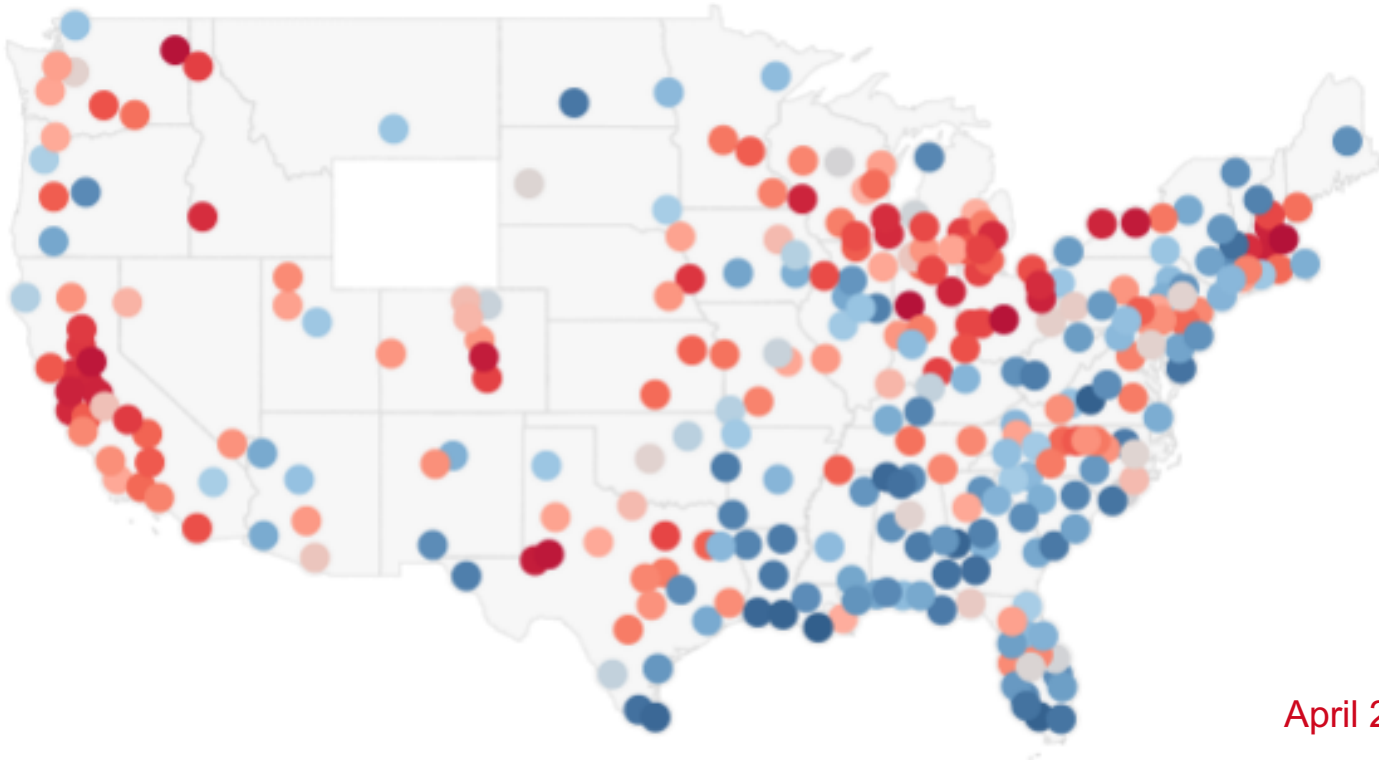
Source: realtor.com

HOTTEST MARKETS



HOTTEST MARKETS

West Coast, Rocky Mountains, Texas, and Midwest are Hottest



April 2019

APRIL 2019 HOTTEST MARKETS

<https://www.realtor.com/research/april-2019-hottest-housing-markets/>

Metro Area	Median Price
<u>Boston-Cambridge-Newton, MA-NH</u>	\$567,772
<u>Lafayette-West Lafayette, IN</u>	\$227,000
<u>Spokane-Spokane Valley, WA</u>	\$325,000
<u>Columbus, OH</u>	\$259,000
<u>Sacramento-Roseville-Arden-Arcade, CA</u>	\$485,000
<u>Midland, TX</u>	\$368,725
<u>Rochester, NY</u>	\$212,450
<u>Colorado Springs, CO</u>	\$402,500
<u>Odessa, TX</u>	\$322,500
<u>Worcester, MA-CT</u>	\$329,900

FIND MORE AT
REALTOR.COM



INVENTORY

Market trends and monthly statistics on active for-sale listings (including median list price, average list price, luxury list price, median days on market, average days on market, total active listings, new listings, price increases, price reductions). Attribution: cite any full or partial use of the data to the 'realtor.com residential listings database'.

CURRENT MONTH DATA

	NATIONAL	STATE	METRO	COUNTY	ZIP
All Residential	View US Data	View State Data	View Metro Data	View County Data	View Zip Data
By Property Type					
Single Family Home	View US Data	View State Data	View Metro Data	View County Data	View Zip Data
Condo/Townhome	View US Data	View State Data	View Metro Data	View County Data	View Zip Data
By Price Tier					
price_0_100k	View US Data	View State Data	View Metro Data	View County Data	
price_100_200k	View US Data	View State Data	View Metro Data	View County Data	
price_200_350k	View US Data	View State Data	View Metro Data	View County Data	
price_350_500k	View US Data	View State Data	View Metro Data	View County Data	
price_500_750k	View US Data	View State Data	View Metro Data	View County Data	
price_750_1M	View US Data	View State Data	View Metro Data	View County Data	
price_1Mplus	View US Data	View State Data	View Metro Data	View County Data	
By Size Tier					

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