

2022

Weekly Real Estate Monitor

Residential and Commercial Markets

February 8-11

National Association of REALTORS® Research Group



NATIONAL
ASSOCIATION OF
REALTORS®

Weekly Real Estate Monitor

Fewer Metro Areas Had Double-Digit Price Appreciation in 2021 Q4

Home prices continue to rise but at a slower pace, and affordability continued to worsen. In 66% of 183 metro areas tracked by NAR, the median single-family existing home sales price rose at a slower pace compared to the prior quarter (78%). Nearly all metro areas had price gains.

Metro areas in the Sunbelt and Mountain states topped the list of areas with the highest year-over-year price gains. Metro areas in California led the list of states with the highest median home sales price.

The typical mortgage payment on a 10% down payment loan on a typical starter home valued at \$307,400 increased by \$198 from one year ago to \$1,224. First-time buyers typically spent 25.6% of their family income on mortgage payments.

Most Expensive Metros in 2021 Q4		Metros with Highest Annual Price Change	
San Jose-Sunnyvale-Santa Clara, CA	\$1,675.0	Punta Gorda, FL	28.7%
San Francisco-Oakland-Hayward, CA	\$1,310.0	Ocala, FL	28.2%
Anaheim-Santa Ana-Irvine, CA	\$1,150.0	Austin-Round Rock, TX	25.8%
Urban Honolulu, HI	\$1,054.5	Phoenix-Mesa-Scottsdale, AZ	25.7%
San Diego-Carlsbad, CA	\$845.0	Sherman-Denison, TX	25.1%
Los Angeles-Long Beach-Glendale, CA	\$797.9	Tucson, AZ	24.9%
Boulder, CO	\$775.1	Las Vegas-Henderson-Paradise, NV	24.7%
Seattle-Tacoma-Bellevue, WA	\$700.0	Ogden-Clearfield, UT	24.7%
Naples-Immokalee-Marco Island, FL	\$685.0	Salt Lake City, UT	24.4%
Nassau County-Suffolk County, NY	\$644.6	Boise City-Nampa, ID	24.3%
Barnstable Town, MA	\$642.1	Lakeland-Winter Haven, FL	24.0%
Boston-Cambridge-Newton, MA-NH	\$635.7	Port St. Lucie, FL	23.9%
Denver-Aurora-Lakewood, CO	\$617.6	Tampa-St. Petersburg-Clearwater, FL	23.7%
Bridgeport-Stamford-Norwalk, CT	\$578.4	Myrtle Bch-Conway-N Myrtle Bch, SC-NC	23.6%
New York-Newark-Jersey City, NY-NJ-PA	\$566.8	North Port-Sarasota-Bradenton, FL	23.6%
Reno, NV	\$565.6	Atlanta-Sandy Springs-Marietta, GA	23.4%
Fort Collins, CO	\$556.1	Raleigh, NC	23.0%
Portland-Vancouver-Hillsboro, OR-WA	\$546.7	Anaheim-Santa Ana-Irvine, CA	23.0%
New York-Jersey City-White Plains, NY-NJ	\$544.9	Huntsville, AL	22.2%
Washington DC Metro Area	\$537.4	Durham-Chapel Hill, NC	22.0%

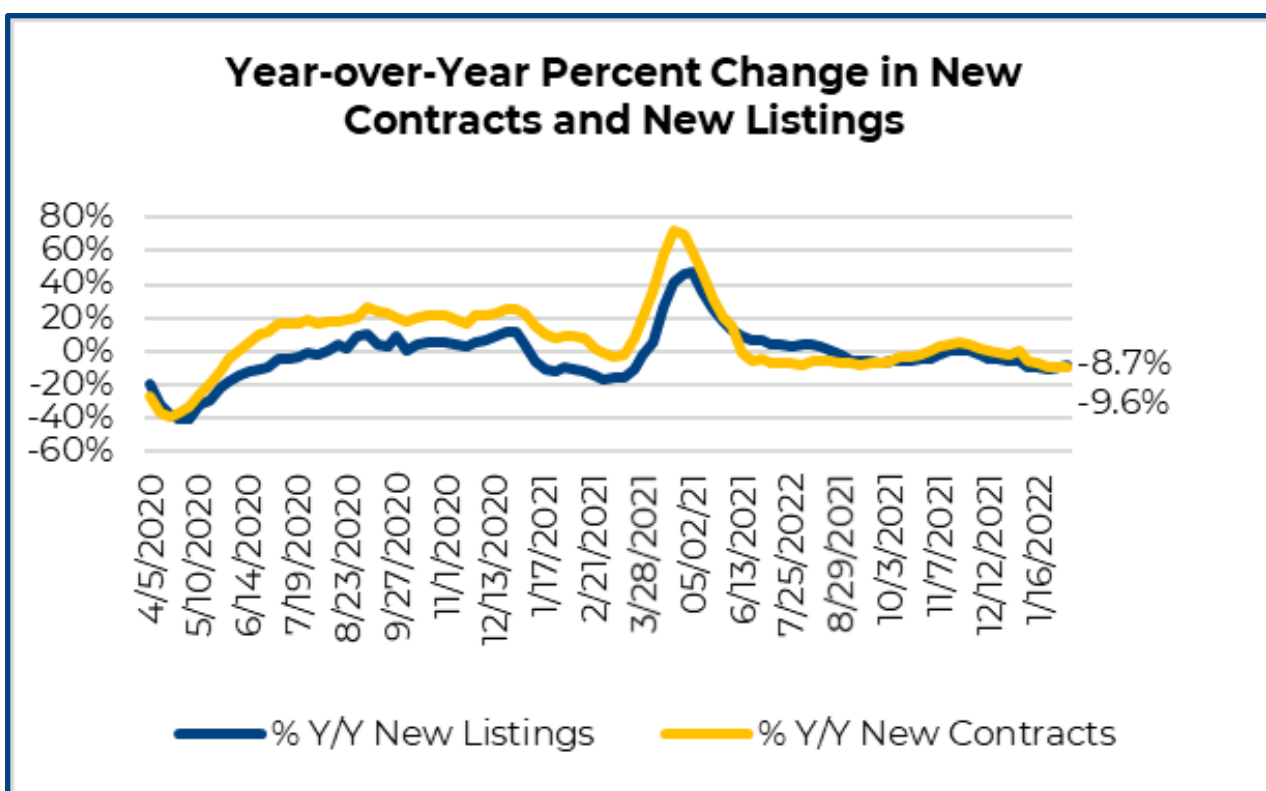
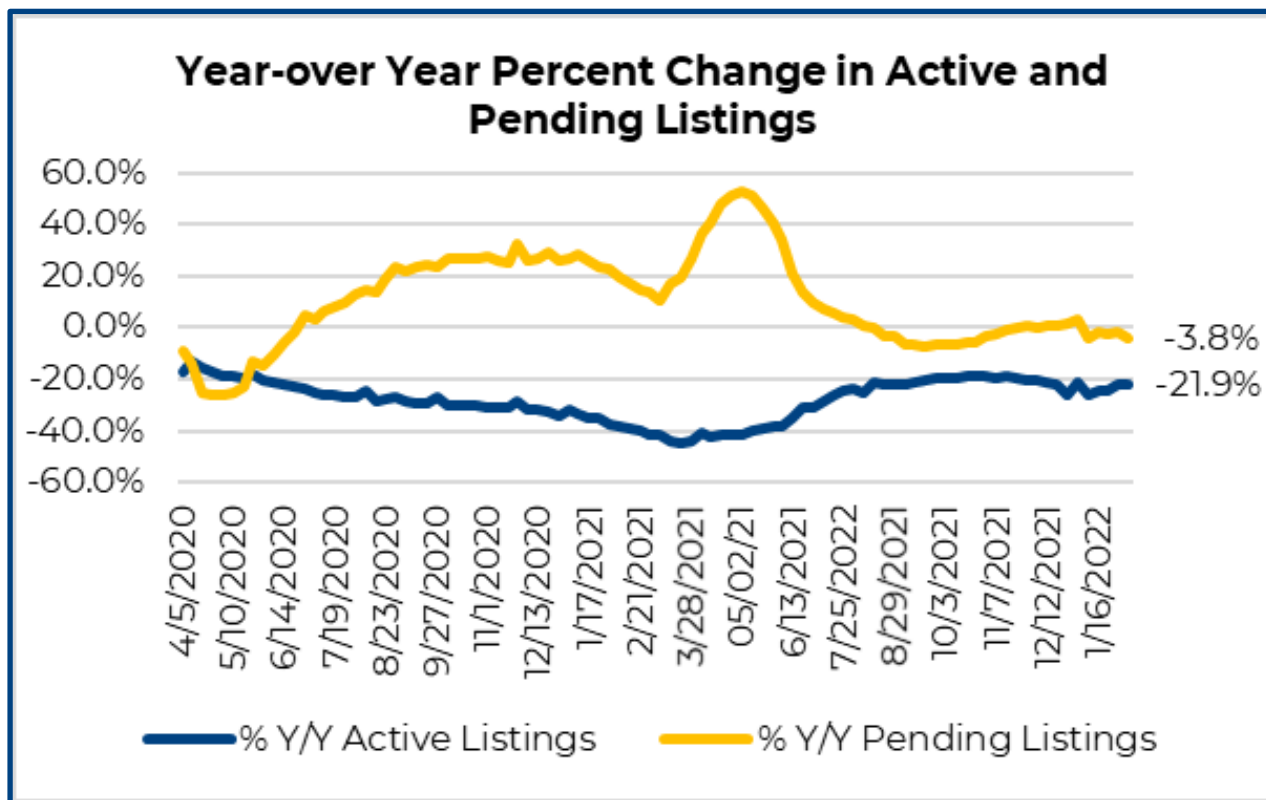
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Active Listings Inventory Trending Lower than One Year Ago

The inventory of homes for sale at the end of the month continues to run at a lower level compared to one year, indicating that listings are being absorbed by the market fast. The inventory (stock) of active listings was down 21.9% from one year ago, based on preliminary data.

Meanwhile, the inventory of pending listings was down on a year-over-year basis by just 3.8%. There were fewer new home listings and fewer new pending contracts compared to a 4-week period one year ago, each down by roughly 10% year-over-year.

NAR Chief Economist Lawrence Yun expects existing-home sales to slightly decline by 2.8% to 5.95 million in 2022.

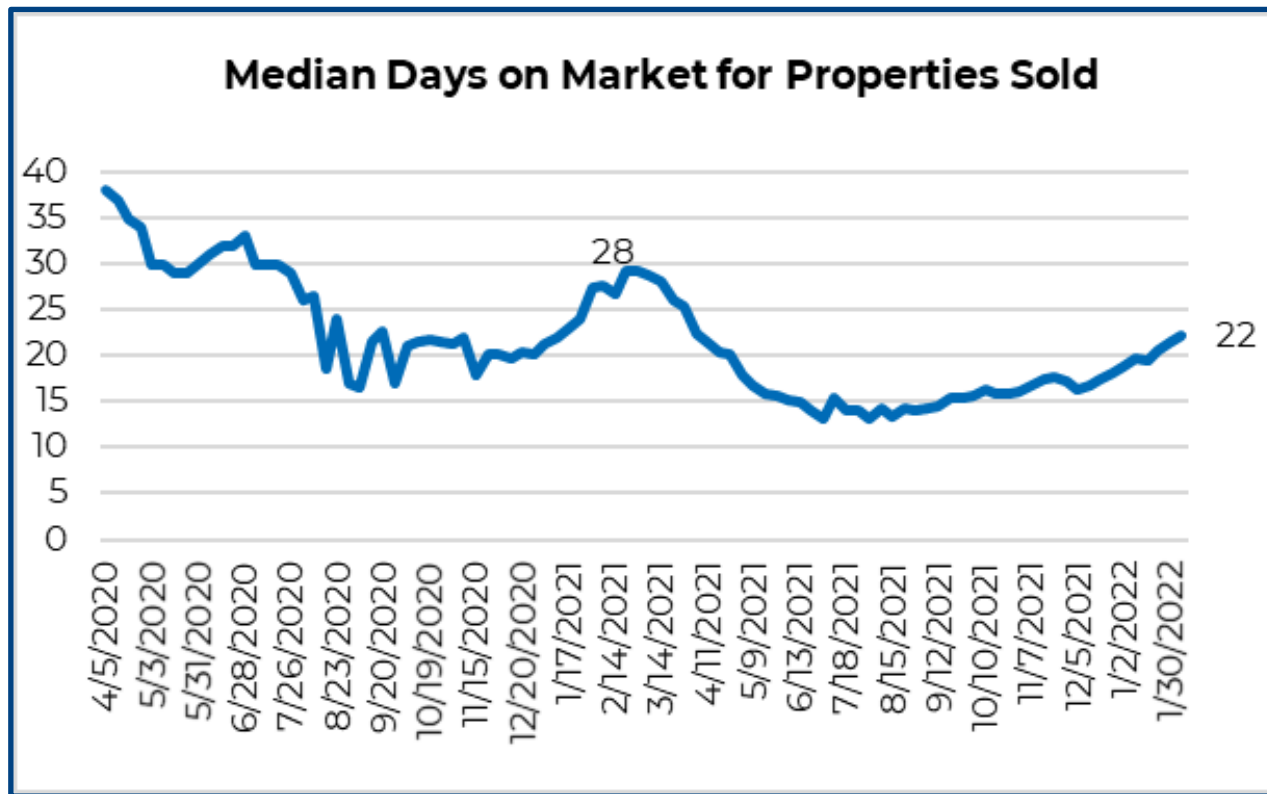


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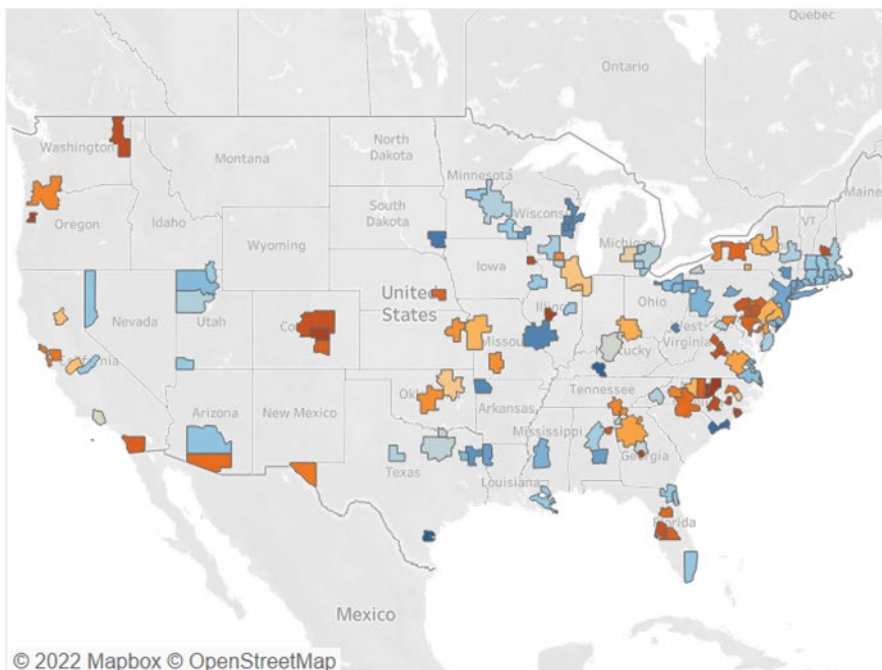
Properties Typically Sold Faster Compared to One Year Ago

Preliminary data indicates that properties typically sold six days faster at 22 days compared to one year ago (28 days one year ago). This indicates that demand is still strong despite the uptick in mortgage rates. Official figures on the January 2021 existing-home sales will be released on February 18.

In 44% of 139 metro areas tracked by NAR, properties typically sold in 15 days or less. Properties typically sold in a week in metro areas like Durham, Colorado Springs, Corvallis, Charlottesville, Fayetteville, Manchester, Spokane, Denver, Tampa, and Anniston.



Half of properties in 44% of 139 metro areas sold in less than 15 days during the 4-week period ended February 6 (orange areas)



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Source: NAR, based on a sample of MLS data. Data is not available in some markets.

Median days on market

Durham-Chapel Hill, NC	4
Colorado Springs, CO	5
Corvallis, OR	5
Charlottesville, VA	6
Fayetteville, NC	6
Manchester-Nashua, NH	6
Spokane-Spokane Valley, WA	6
Denver-Aurora-Lakewood, CO	7
Tampa-St. Petersburg-Clearwater, FL	7
Anniston-Oxford-Jacksonville, AL	7
Lakeland-Winter Haven, FL	8
San Diego-Carlsbad, CA	8
Baltimore-Columbia-Towson, MD	8
Lincoln, NE	9
Charlotte-Concord-Gastonia, NC-SC	9
Ocala, FL	9
Rocky Mount, NC	9
San Luis Obispo Metro, CA	9
Tucson, AZ	9
San Francisco-Oakland-Hayward, CA	10

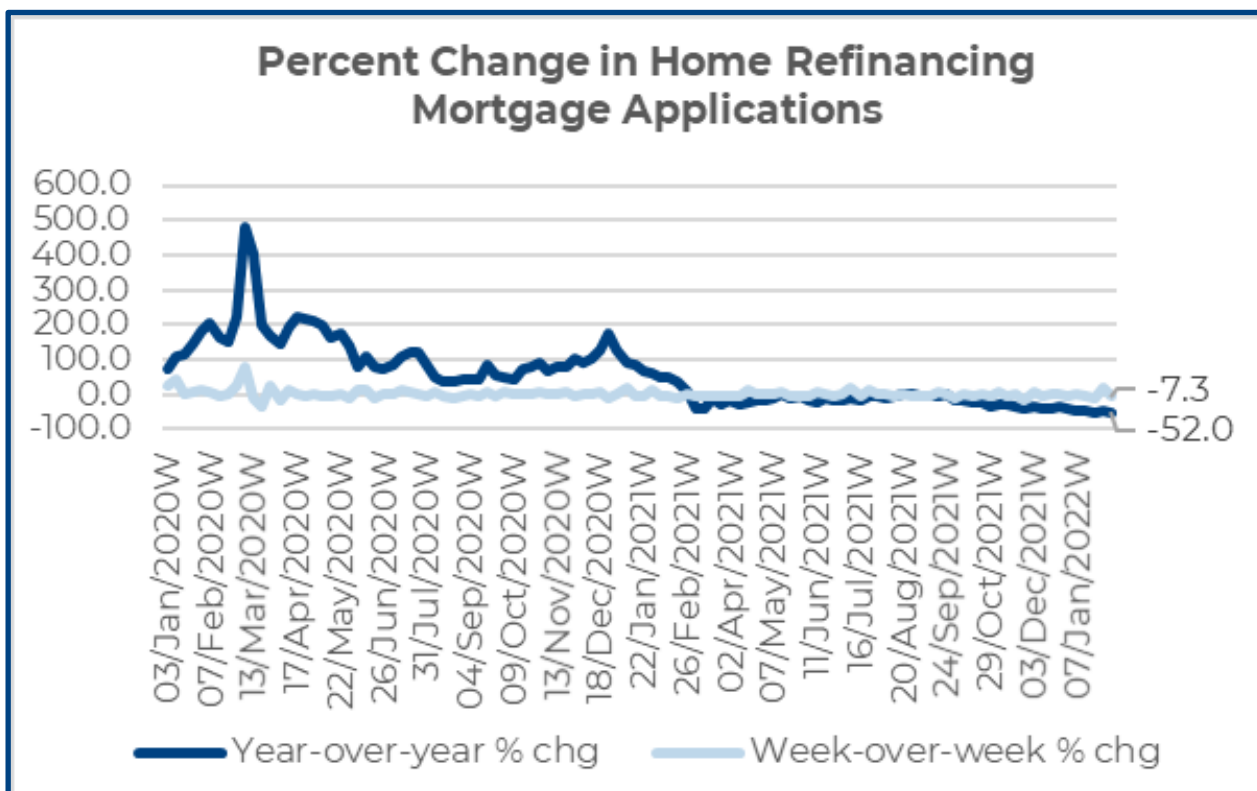
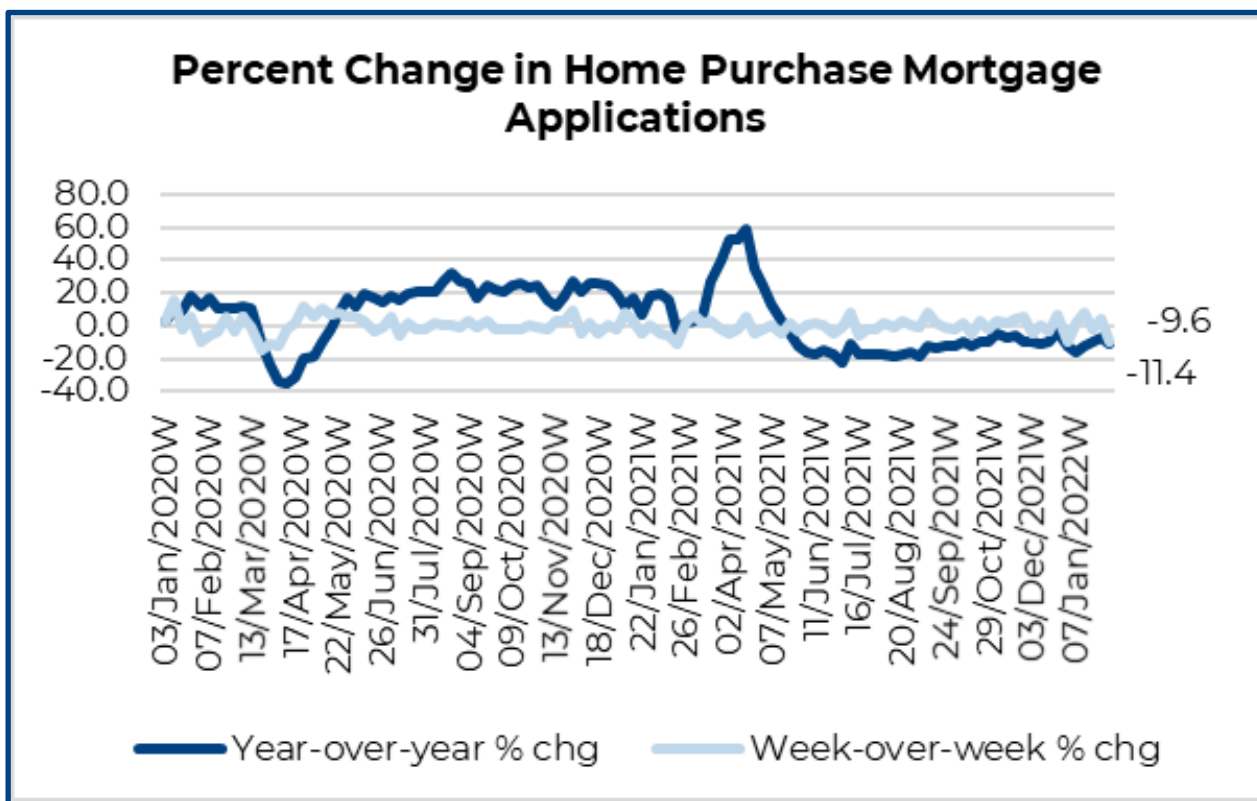
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Mortgage Home Purchase Applications Decreased

With mortgage rates rising, mortgage applications for a home purchase decreased 9.6% from the prior week and 11.4% from one year ago, according to the MBA's Weekly Mortgage Applications Survey.

Conventional financing (includes Fannie Mae/Freddie Mac conforming loans) purchase applications decreased 10.2% from the prior week while government-insured financing (FHA, VA, USDA) decreased 7.3%.

Refinancing applications decreased 7.3% from the prior week and were down 52% from one year ago. Expect a decline in refinancing activity for the most part in 2022 due to rising mortgage rates and with most homebuyers likely to have already refinanced given the low mortgage rates in the past year.



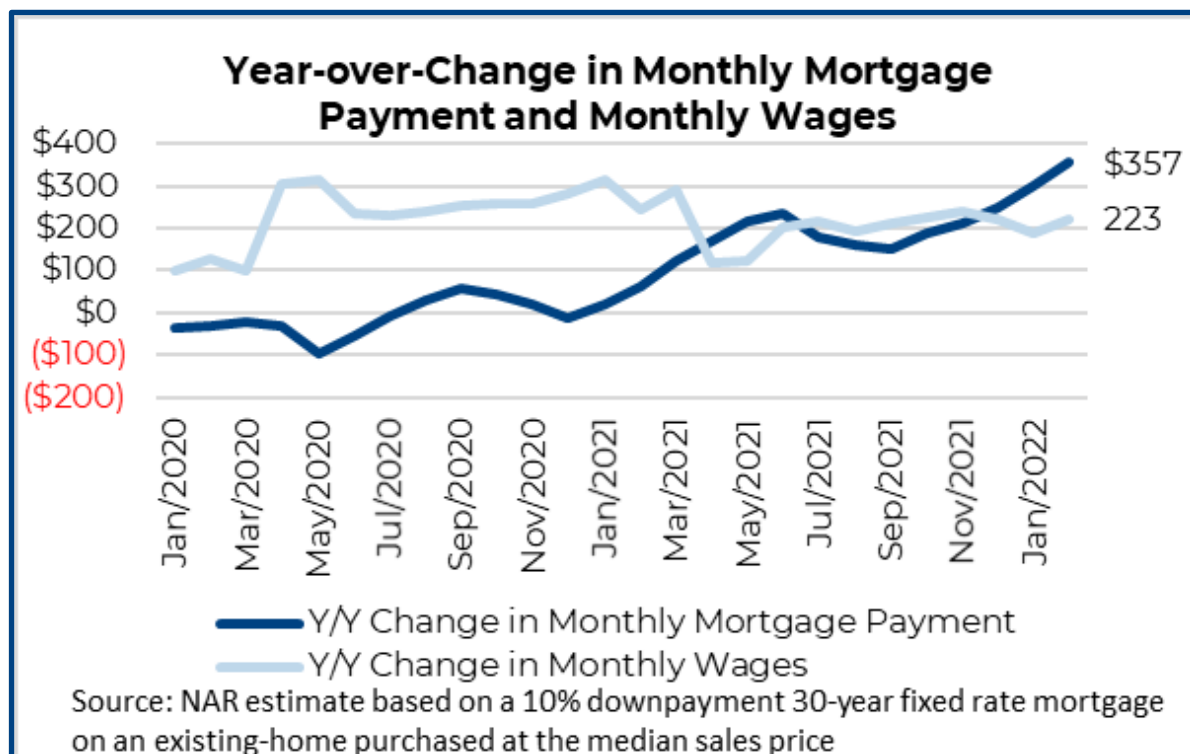
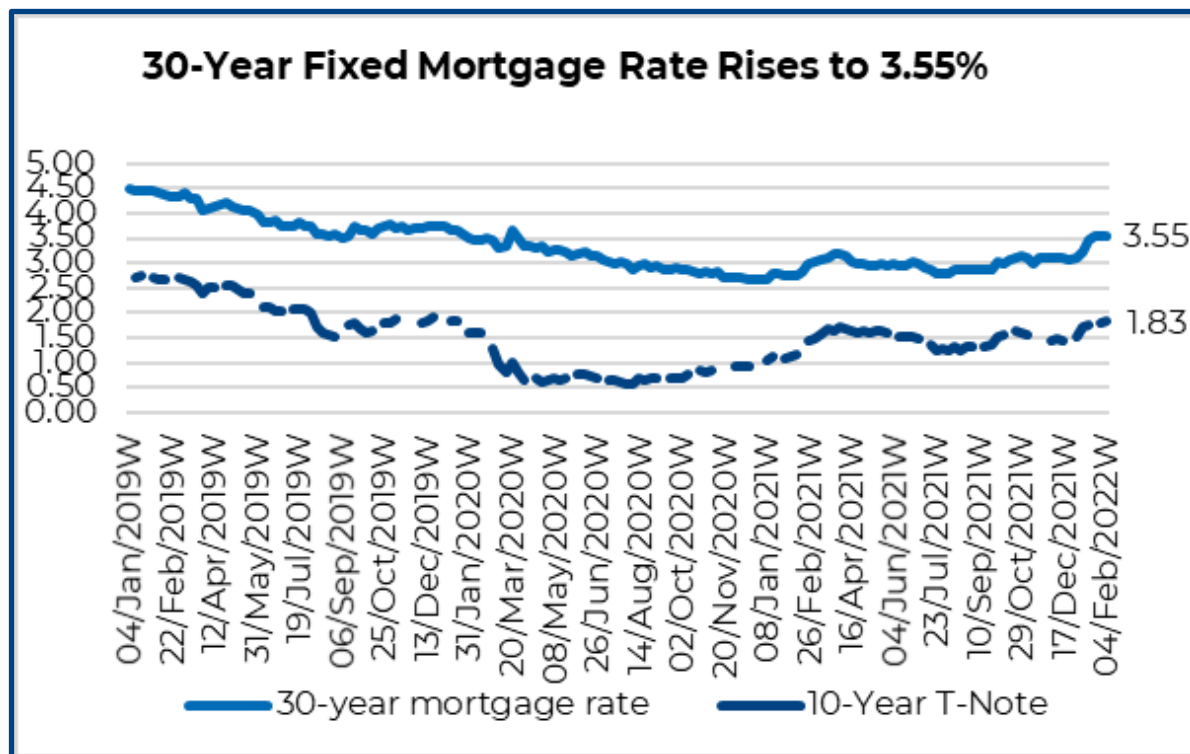
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Typical Monthly Mortgage Up \$357 from One Year Ago as Mortgage Rate Hits 3.56%

The 30-year fixed mortgage rate held for the second week at 3.55% even as the 10-year T-note rose to 1.83%. With a yield spread of 1.72%, mortgage rates don't need to rise at the same pace as the 10-year T-note. Moreover, with lower refinancing volume, competition in the purchase market could keep rates down.

With a forecasted median existing-home sales price of \$359,790 for February, a homeowner will typically pay \$1,515 on a 10% downpayment 30-year loan, or \$320 more in monthly mortgage compared to one year ago. This outpaces the \$223 increase in monthly wages, indicating a decline in affordability.

NAR Chief Economist Lawrence Yun expects the 30-year fixed mortgage rate to increase to 3.9% by the end of 2022.



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Positive Net Absorption in All Core Commercial Real Estate Sectors

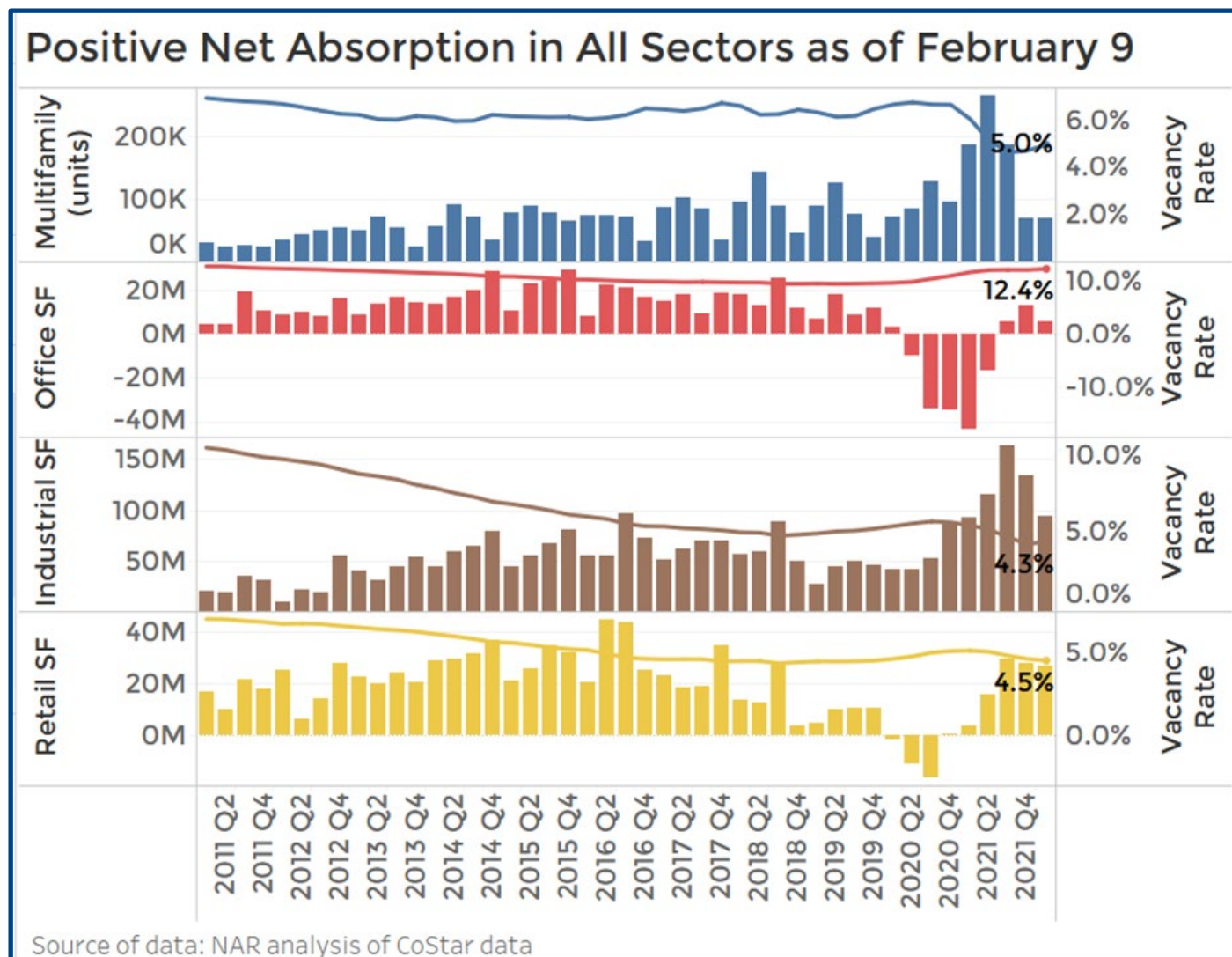
In the multifamily apartment market, 79,860 units were absorbed on a net basis in the past three months, a level that is in line with the historical norm after net absorption surged in the first three quarters. About 1 million apartment units are expected to be absorbed from 2020 Q2 through 2022 Q1, bringing the vacancy rate down to 4.9% from 6.7% in 2020 Q1.

In the office market, 16 million square feet of office space was absorbed on a net basis in the past three months ended January 30. With workers heading back to the office, occupancy has increased since 2021 Q3. However, there is still an expected 102 million square feet of office space returned to the market since 2020 Q2 through 2022 Q1. The vacancy rate has increased to 12.3% as of 2021 Q4 from 9.7% in 2020 Q1.

In the industrial market, 109.5 million square feet of office space was absorbed in the past three months ended January 30, with an expected 796 million square feet of space absorbed since 2020 Q2 through 2022 Q1. The industrial sector has the lowest vacancy rate among the core property markets, at 4.3%, from 5.3% in 2020 Q1.

In the retail property market, 23.3 million square feet was absorbed in the past three months ended January 30, with an expected net absorption of 73.6 million square feet since 2020 Q2 through 2022 Q1. The vacancy rate is at 4.6%.

Download the [December Commercial Market Insights Report](#) and [Commercial Metro Market Reports](#).



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Rising Asking Rents in all Markets

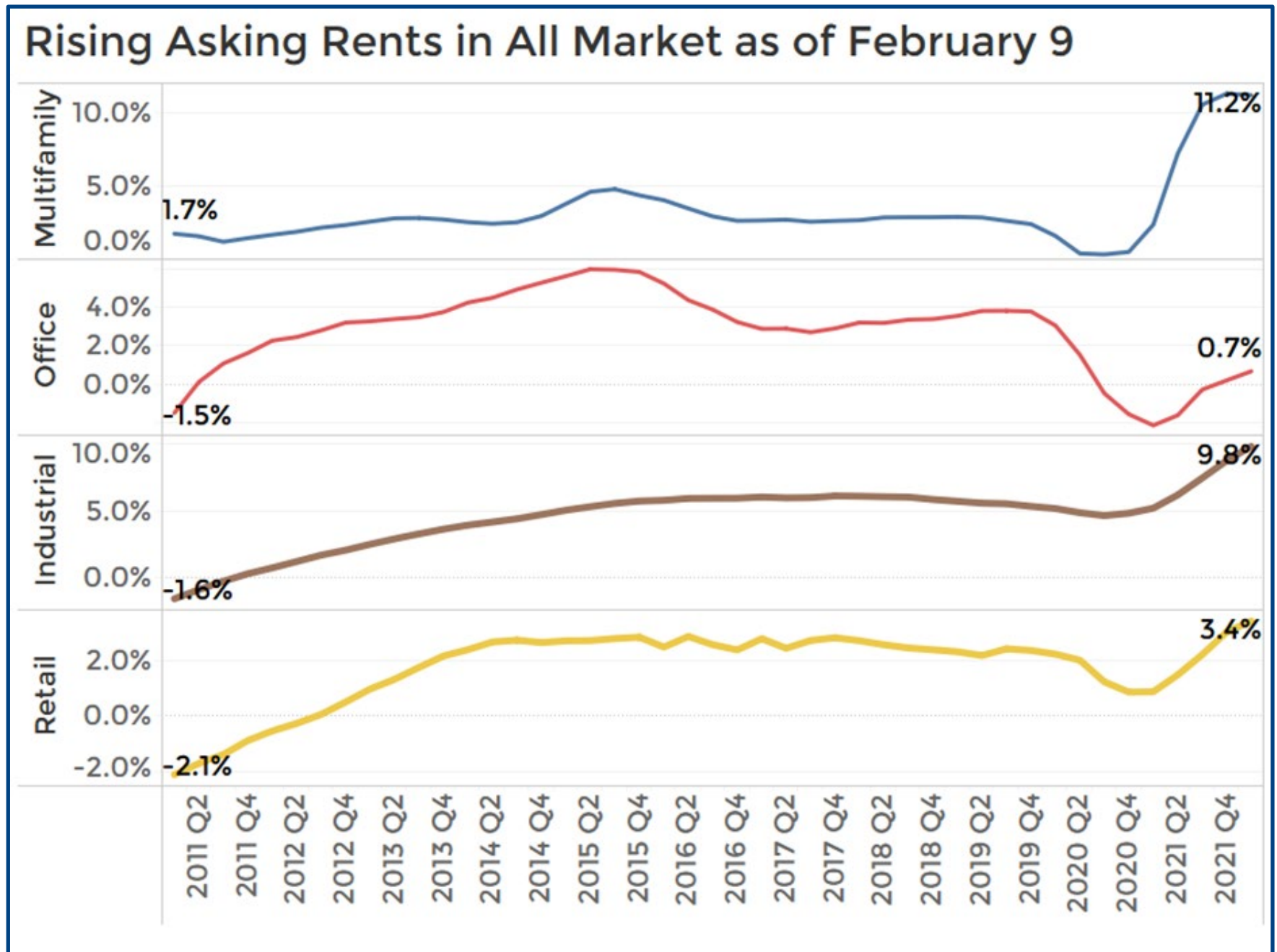
Apartment asking rents were up 11.2% year-over-year on average in the past 12 months. Prior to the pandemic in 2020 Q1, apartment rents were rising by just 1.6%.

In the office market, office asking rents were up on average by 0.7% during the past 12 months. Prior to the pandemic in 2020 Q1, office asking rents had been rising 3% on a year-over-year basis.

In the industrial property market, asking rents were up on average by 9.9% during the past 12 months. Prior to the pandemic, rents were rising by 5.1%. The acceleration of e-commerce sales is bolstering the demand for industrial warehouses and distribution centers.

In the retail property market, asking rents have increased on average by 3.4% in the past 12 months, which is higher than the 2.2% pre-pandemic rent growth.

Download the [December Commercial Market Insights Report](#) and [Commercial Metro Market Reports](#).



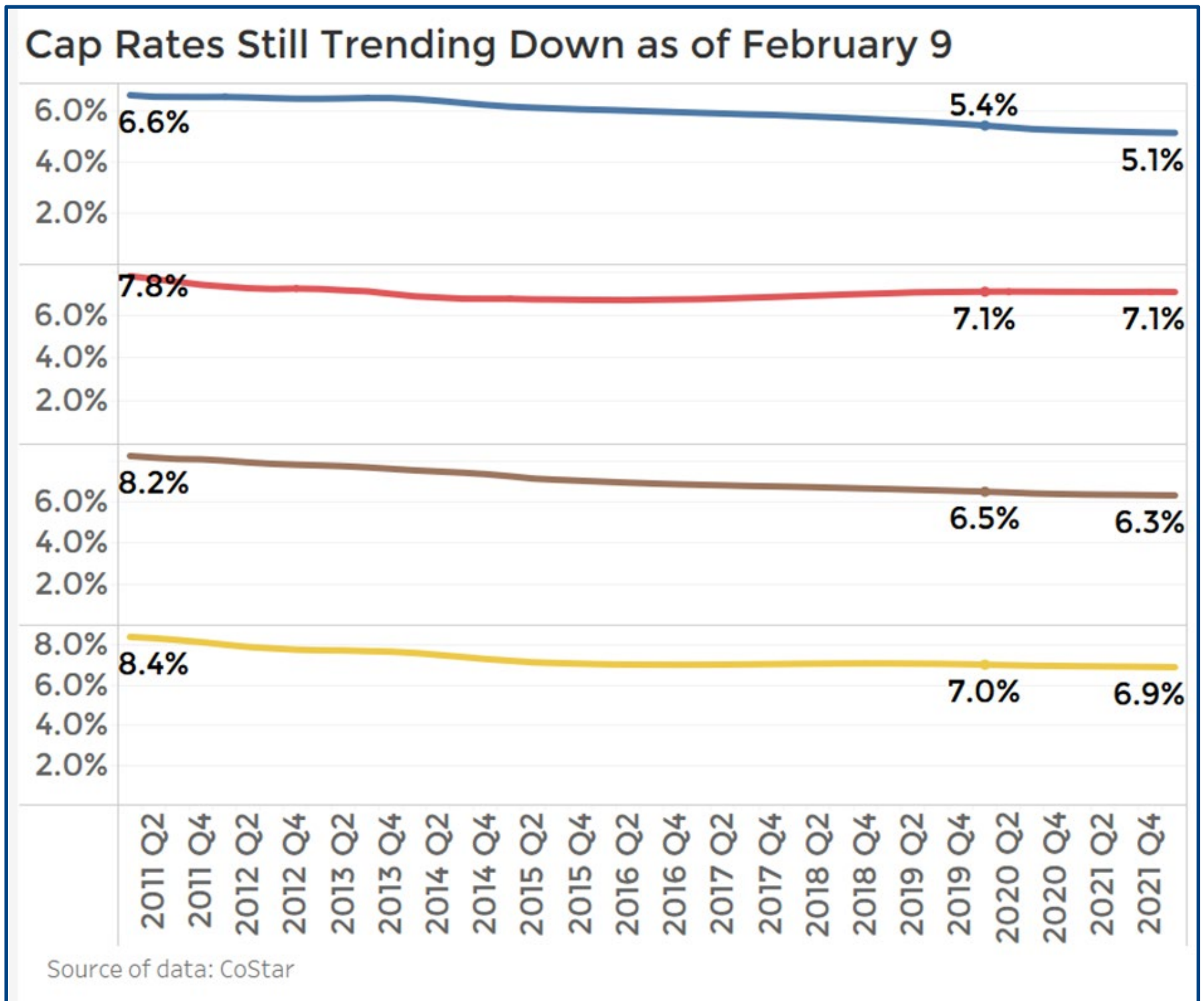
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Commercial Cap Rates

Cap rents continued to trend downwards relative to pre-pandemic levels even as the 10-year Treasury notes has been trending upwards during the year (1.08% in January, 1.83% as of February 4).

The multifamily market has the lowest cap rate among the core property markets, with a cap rate of 5.1% (5.5% in 2020 Q1). In the office market, the median cap rate was 7.1% (7.1% in 2020 Q1). In the industrial market, the median cap rate fell to 6.3% (6.5% in 2020 Q1). In the retail market, the median cap rate was 6.9% (7.0% in 2020 Q1).

Download the [December Commercial Market Insights Report](#) and [Commercial Metro Market Reports](#).



Top 20 Multifamily Real Estate Markets by Net Absorption as of 2022 Q1 (three months through February 9)

CBSA Code	Geography Name	12-Month Absorption \mp in Units	Vacancy Rate	Market Asking Rent/Unit	Y/Y Market Asking Rent Growth	Market Cap Rate
19100	Dallas-Fort Worth - TX	39,875	6.0%	\$1,463	15.5%	4.9%
26420	Houston - TX	34,910	7.3%	\$1,265	10.0%	5.4%
35614	New York - NY	33,213	2.5%	\$2,888	5.7%	4.3%
31084	Los Angeles - CA	31,051	3.6%	\$2,134	7.9%	4.0%
47900	Washington - DC	20,506	6.7%	\$2,006	10.0%	4.7%
12420	Austin - TX	17,490	7.6%	\$1,647	18.8%	4.4%
16980	Chicago - IL	17,081	5.6%	\$1,577	8.2%	5.8%
42660	Seattle - WA	14,502	5.3%	\$1,929	11.0%	4.0%
14460	Boston - MA	14,476	4.2%	\$2,566	10.6%	4.3%
36740	Orlando - FL	14,155	5.6%	\$1,720	24.4%	4.4%
12060	Atlanta - GA	12,832	6.1%	\$1,605	16.6%	4.7%
37980	Philadelphia - PA	11,031	3.8%	\$1,576	9.2%	5.3%
16740	Charlotte - NC	11,026	7.5%	\$1,500	16.1%	4.5%
33460	Minneapolis - MN	10,969	6.2%	\$1,384	3.8%	5.4%
19740	Denver - CO	10,907	6.7%	\$1,746	13.1%	4.3%
33124	Miami - FL	10,216	3.5%	\$2,087	18.3%	4.6%
41700	San Antonio - TX	9,835	5.7%	\$1,205	12.8%	5.3%
34980	Nashville - TN	9,582	6.8%	\$1,573	18.1%	4.7%
38060	Phoenix - AZ	8,691	6.3%	\$1,579	19.0%	4.1%
38900	Portland - OR	8,042	5.1%	\$1,548	9.1%	4.5%

Source: CoStar. The cap rate is a modeled cap rate based on sales transactions data for some properties.

Top 20 Office Real Estate Markets by Net Absorption as of 2022 Q1 (three months through February 9)

CBSA Code	Geography Name	12-Month Absorption \mp in Sq.Ft	Vacancy Rate	Market Rent/SF	Market Rent Growth 12 Mo	Market Cap Rate
14460	Boston - MA	3,691,158	9.8%	\$41	1.5%	5.9%
19100	Dallas-Fort Worth - TX	3,634,920	17.8%	\$28	1.3%	7.1%
12420	Austin - TX	3,380,301	14.1%	\$42	2.2%	6.0%
12060	Atlanta - GA	2,941,846	13.9%	\$27	1.2%	7.3%
41940	San Jose - CA	2,725,022	12.7%	\$62	1.6%	5.1%
29820	Las Vegas - NV	1,908,931	10.2%	\$25	4.4%	7.5%
34980	Nashville - TN	1,585,190	10.5%	\$29	1.5%	7.2%
40900	Sacramento - CA	1,443,967	10.1%	\$27	1.7%	7.3%
41620	Salt Lake City - UT	1,294,043	9.9%	\$24	3.0%	7.4%
41700	San Antonio - TX	1,121,531	9.7%	\$27	1.3%	8.7%
39340	Provo - UT	1,110,056	8.8%	\$22	2.2%	8.4%
39580	Raleigh - NC	1,020,795	8.3%	\$28	2.7%	7.1%
36740	Orlando - FL	971,216	8.0%	\$26	3.1%	7.6%
40140	Inland Empire - CA	740,902	6.5%	\$24	2.7%	7.4%
16740	Charlotte - NC	569,590	12.2%	\$30	1.6%	6.7%
42660	Seattle - WA	210,020	10.2%	\$39	1.8%	5.6%
45300	Tampa - FL	148,489	9.2%	\$25	2.4%	7.8%
38060	Phoenix - AZ	-87,731	14.3%	\$27	2.8%	7.3%
19820	Detroit - MI	-666,135	11.8%	\$21	0.3%	9.4%
28140	Kansas City - MO	-1,255,195	10.0%	\$21	1.0%	8.2%

Source: CoStar. The cap rate is a modeled cap rate based on sales transactions data for some properties.

Top 20 Industrial Real Estate Markets by Net Absorption as of 2022 Q1 (three months through February 9)

CBSA Code	Geography Name	12-Month Net Absorption in Sq. Ft.	Vacancy Rate	Market Rent/SF	Market Rent Growth 12 Mo	Market Cap Rate
19100	Dallas-Fort Worth - TX	43,401,600	5.4%	\$7.9	11.8%	5.8%
16980	Chicago - IL	36,198,884	5.0%	\$8.3	8.8%	6.8%
26420	Houston - TX	32,617,900	6.6%	\$8.1	5.9%	6.5%
40140	Inland Empire - CA	30,657,016	2.2%	\$11.0	12.0%	4.3%
12060	Atlanta - GA	27,827,688	3.8%	\$7.5	13.0%	6.1%
38060	Phoenix - AZ	24,027,744	6.6%	\$10.2	13.0%	5.8%
26900	Indianapolis - IN	20,013,820	4.5%	\$6.5	9.2%	7.4%
37980	Philadelphia - PA	15,803,278	4.8%	\$9.0	13.0%	6.5%
18140	Columbus - OH	15,258,320	3.1%	\$6.2	13.5%	6.7%
35614	New York - NY	12,433,775	3.6%	\$16.3	8.8%	5.2%
32820	Memphis - TN	10,538,627	5.9%	\$4.5	10.6%	7.5%
42340	Savannah - GA	10,490,365	4.6%	\$6.9	13.5%	6.1%
29820	Las Vegas - NV	9,783,059	2.8%	\$11.1	12.3%	5.2%
10900	Lehigh Valley - PA	9,345,985	4.6%	\$7.3	10.1%	5.9%
28140	Kansas City - MO	9,162,772	4.7%	\$6.2	8.4%	7.6%
19820	Detroit - MI	8,232,218	4.4%	\$8.0	10.6%	8.6%
47900	Washington - DC	8,207,420	4.4%	\$13.9	10.1%	6.2%
16740	Charlotte - NC	7,827,952	5.6%	\$7.2	10.4%	6.5%
34980	Nashville - TN	7,048,461	4.2%	\$9.7	15.1%	6.0%
17140	Cincinnati - OH	6,539,544	4.2%	\$6.0	10.9%	7.4%

Source: CoStar. The cap rate is a modeled cap rate based on sales transactions data for some properties.

Top 20 Retail Real Estate Markets by Net Absorption as of 2022 Q1 (three months through February 9)

CBSA Code	Geography Name	12-Month Net Absorption in Sq. Ft.	Vacancy Rate	Market Rent Growth 12 Mo	Market Rent/SF	Market Cap Rate
19100	Dallas-Fort Worth - TX	6,612,838	5.2%	4.6%	\$20.9	6.5%
26420	Houston - TX	6,569,547	5.5%	4.3%	\$21.5	6.9%
12060	Atlanta - GA	5,166,740	4.3%	6.6%	\$19.6	7.1%
35614	New York - NY	4,170,943	3.9%	2.0%	\$44.9	6.0%
16980	Chicago - IL	3,687,421	5.9%	2.8%	\$19.9	7.3%
38060	Phoenix - AZ	3,234,422	6.2%	5.3%	\$20.8	6.8%
19820	Detroit - MI	2,287,555	5.0%	5.8%	\$17.6	7.8%
37980	Philadelphia - PA	2,211,748	4.7%	2.3%	\$21.5	7.1%
45300	Tampa - FL	2,087,185	3.6%	6.6%	\$21.7	6.5%
41700	San Antonio - TX	2,029,622	4.2%	4.4%	\$20.4	6.4%
12420	Austin - TX	2,011,497	3.4%	5.8%	\$27.7	6.2%
36740	Orlando - FL	1,905,653	3.9%	5.9%	\$24.9	6.8%
29820	Las Vegas - NV	1,666,618	5.7%	10.2%	\$28.8	6.1%
27260	Jacksonville - FL	1,620,113	4.0%	8.5%	\$20.8	7.0%
16740	Charlotte - NC	1,546,087	3.7%	5.5%	\$21.2	7.0%
14460	Boston - MA	1,494,276	2.8%	1.2%	\$24.4	6.3%
19740	Denver - CO	1,344,088	4.6%	3.0%	\$24.1	6.4%
36420	Oklahoma City - OK	1,049,778	5.0%	4.1%	\$15.9	7.8%
47900	Washington - DC	1,026,085	5.2%	1.7%	\$29.7	6.2%
18140	Columbus - OH	424,612	4.0%	1.9%	\$16.8	8.0%

Source: CoStar. The cap rate is a modeled cap rate based on sales transactions data for some properties.

Weekly Real Estate Monitor

More Interesting Data

The Double Trouble of the Housing Market

[Read the full report here](#)

Home prices continue to rise to record highs, eroding affordability. Since 2019, home prices rose nearly 30 percent. As a result, a typical home is about \$80,000 more expensive than pre-pandemic. Meanwhile, inventory of homes for sale dropped significantly in the last couple of years, reaching record lows in 2021. In fact, there was a housing shortage even before the pandemic hit in 2020.

So, "two troubles" are happening simultaneously: record high home prices and record low inventory. NAR Research and Realtor.com® partnered to do an analysis of affordability at different income levels for all active inventory on the market.

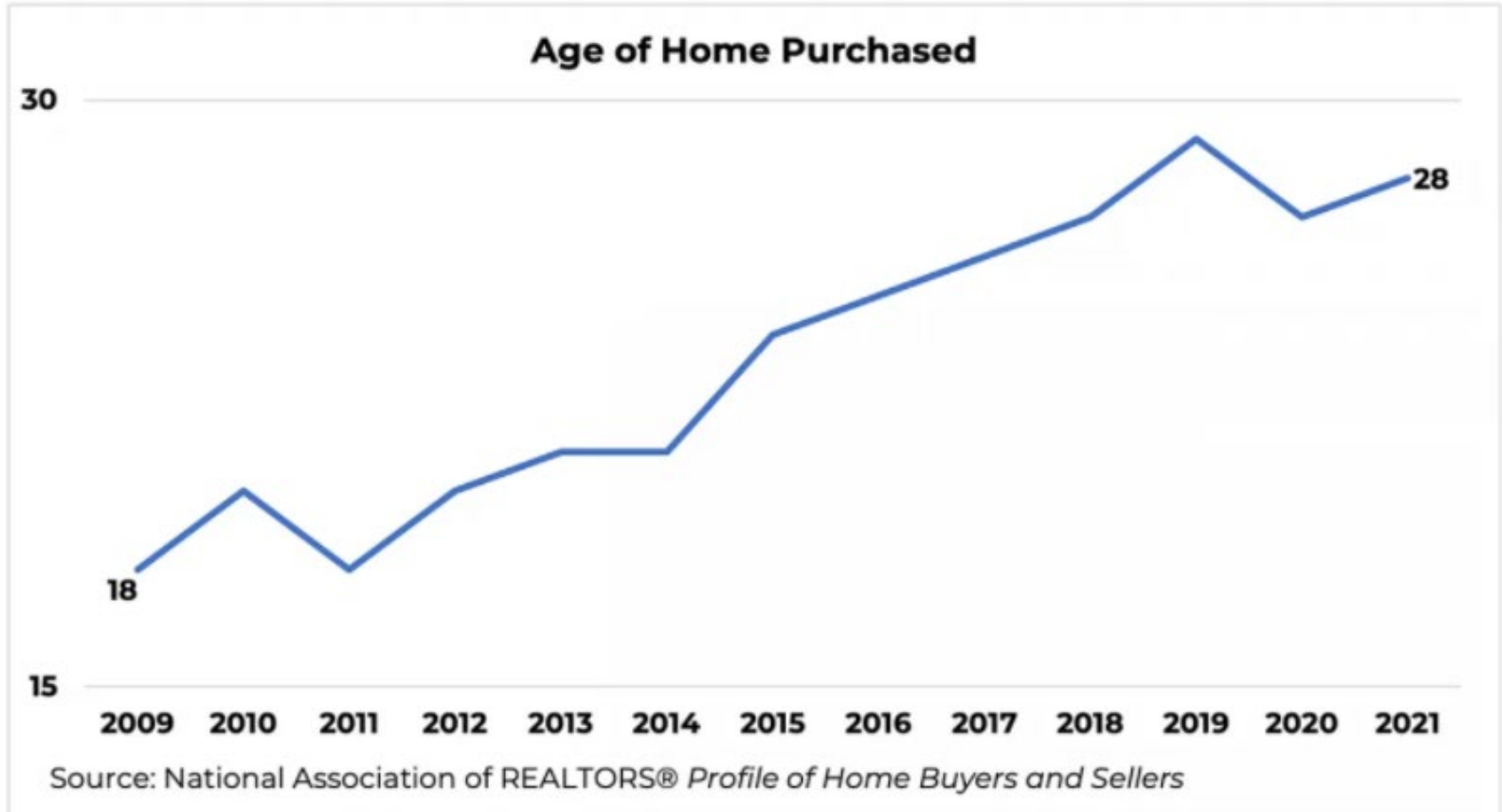


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More Interesting Data

With an Aging Housing Stock, What Are Buyers Purchasing?

[Read the full article here](#)



Commercial Weekly: Record Industrial Leasing in 2021

- [Read the full article here](#)

Q&A Corner: 2021 Profile of Home Buyers and Sellers

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