

Hot or Not? Unpacking Today's Housing Market

June 21, 2022 | Washington, DC



NARdotRealtor



nar.realtor



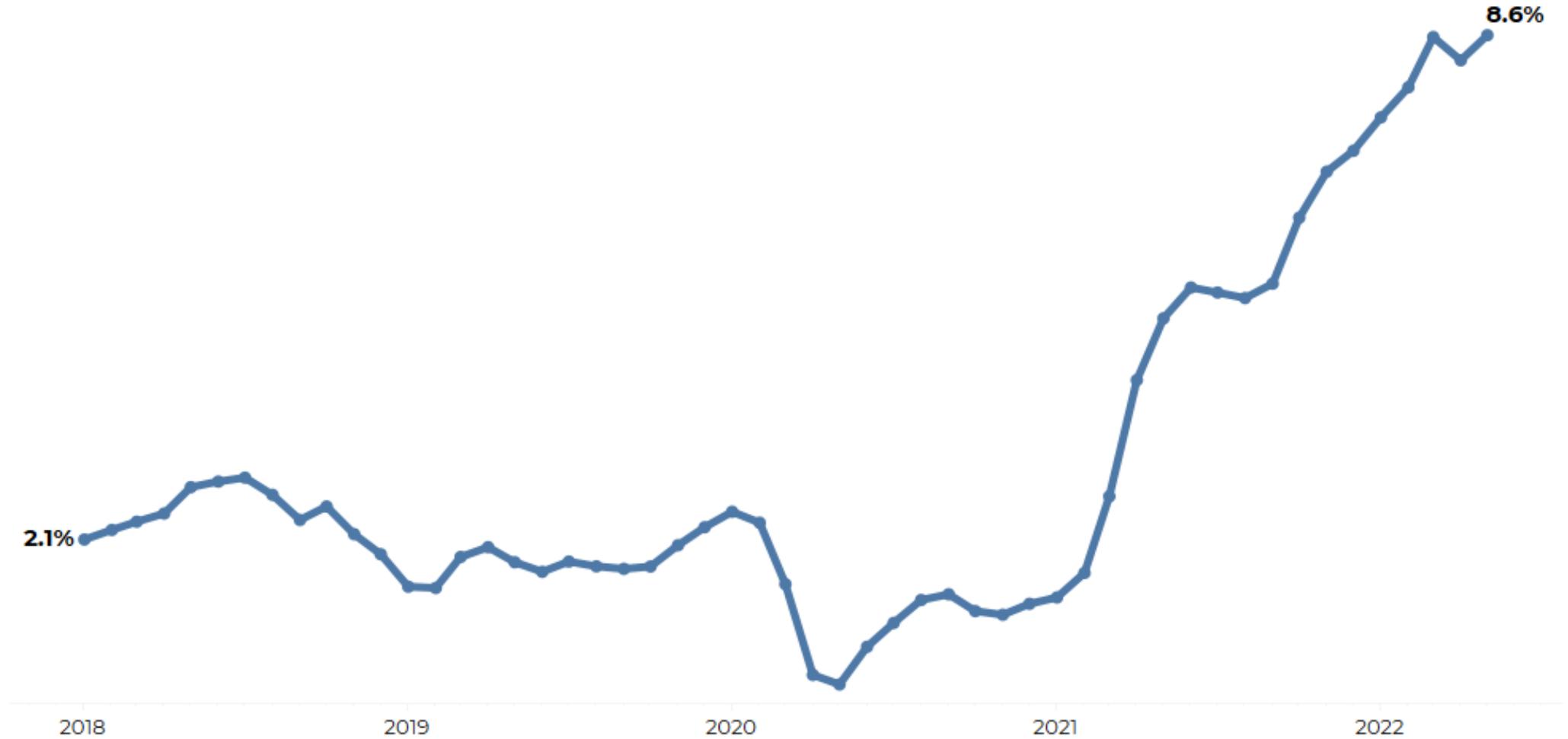
Dr. Jessica Lautz

VP, Demographics and Behavioral Insights

Washington, DC

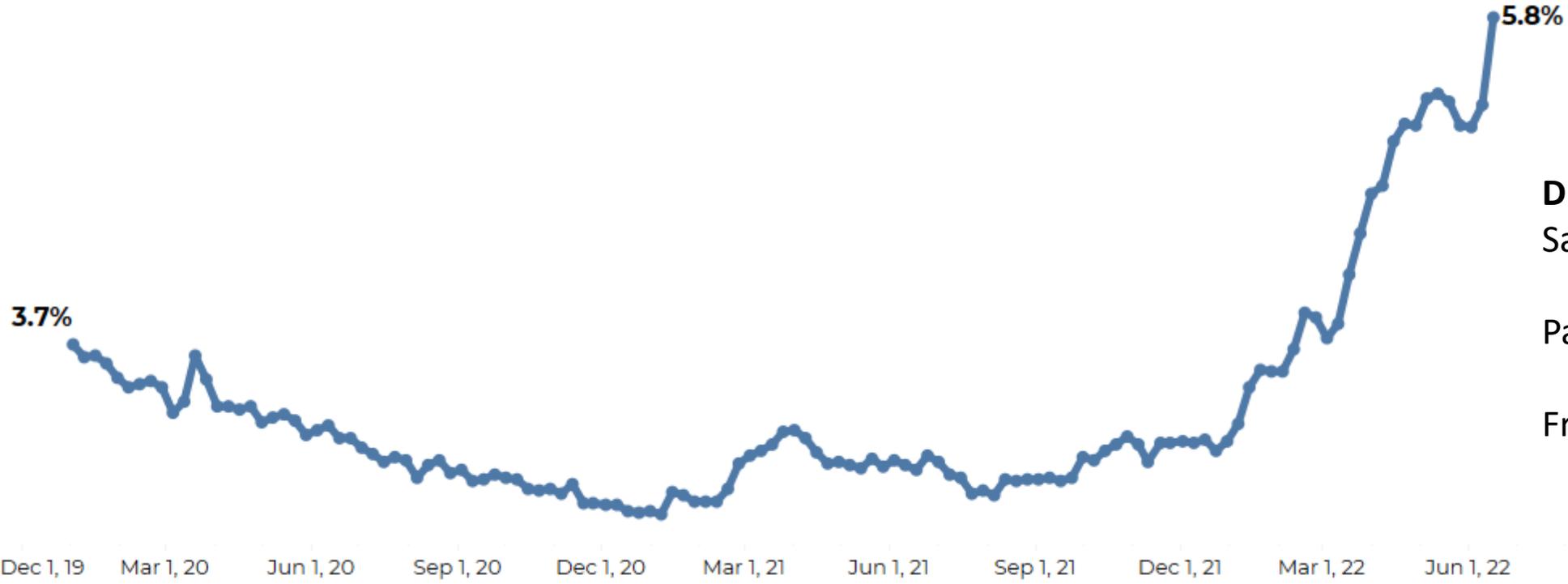
ECONOMIC FUNDAMENTALS

Inflation the highest in four decades



Economists' Outlook Blog: www.nar.realtor/blogs/economists-outlook

Rising Mortgage Rates



Due to the Jump:
Same **\$300k** mortgage
Payment jumps to: **\$1,800**
From: **\$1,300**

National Housing Inventory

Strong demand: was a rush to lock in low rates, but normalizing pace

Near all-time low of 1.16 million units for sale

Near all-time low 2.6 months supply (real supply is lower)

National Housing Prices

14.8% increase in home prices

Yr-over-yr price increases in 99%
180+ MSAs tracked

123 months of yr-over-yr price gains

Who is buying?



25%



ALL Cash Buyers

16%



Individual investors and
vacation buyers

1/4

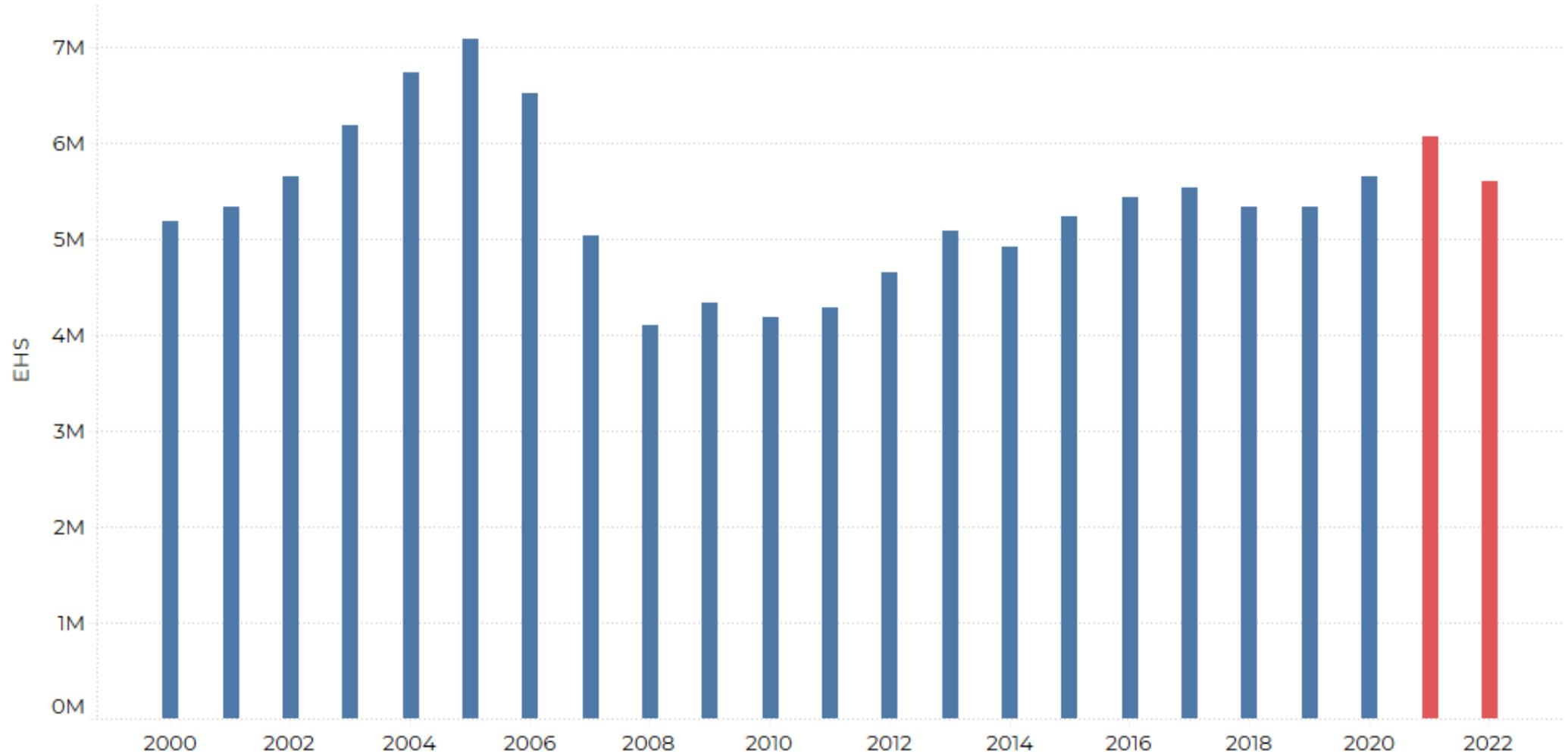


Waiving home
inspection and/or
appraisal

NAR REALTORS® Confidence Index

www.nar.realtor/research-and-statistics/research-reports/realtors-confidence-index

Rates with Home Prices will Hamper Sales

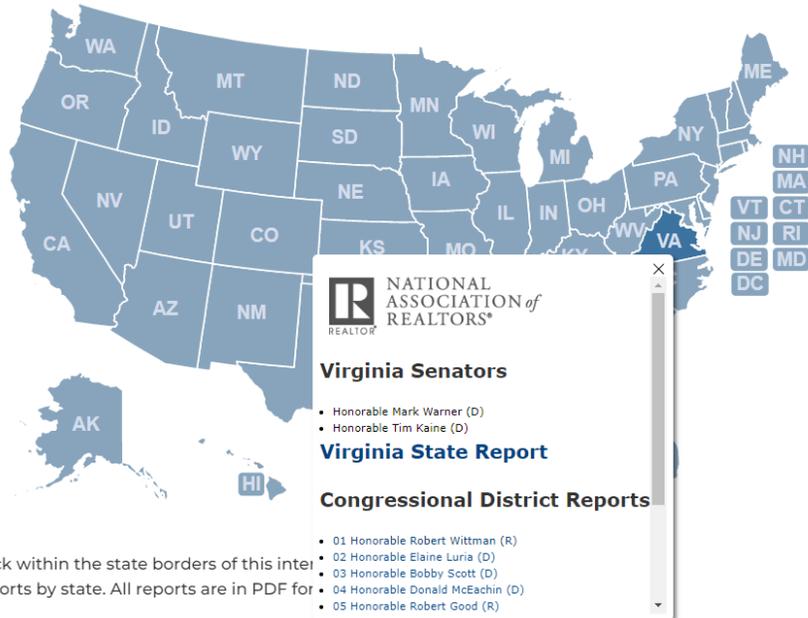


NAR Forecast: <https://www.nar.realtor/research-and-statistics>

Congressional District Reports

Congressional District and State Reports

All Federal Issues Federal Issues Tracker Washington Report Congressional District and State Reports



Click within the state borders of this inter- reports by state. All reports are in PDF for

- 5-page report devoted to everything in your district
- **Macro:** real estate part of GDP, employment in real estate
- **Housing:** homeownership rate, occupied units vs rental, home prices and affordability, loan types used
- **Demographics:** migration, age, race, income

Flood Insurance Reports by Congressional District

www.nar.realtor/research-and-statistics/research-reports/flood-insurance-reports-by-congressional-district

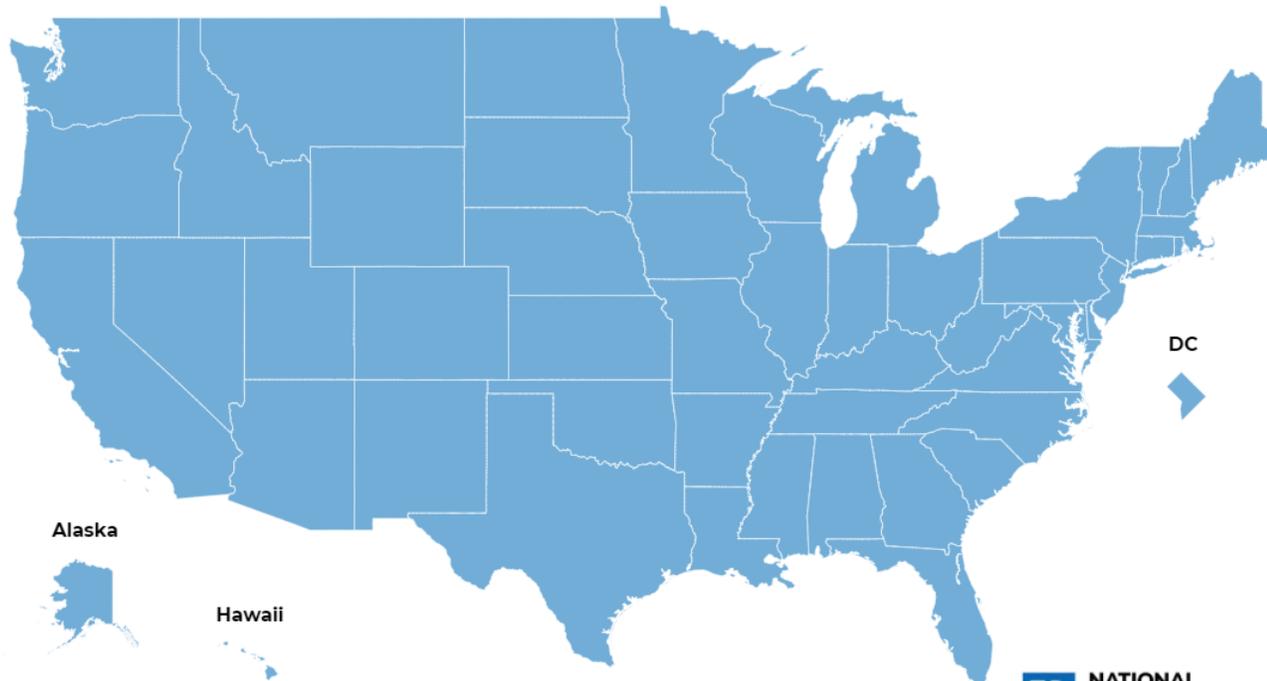
Research Reports

Flood Insurance Reports by Congressional District

Flood Insurance in my State and Congressional District

Click on a state to see the report for the specific state and each Congressional District.

The reports include information about the properties at flood risk, the importance of flood insurance to the district, the benefits to constituents and the projected properties at risk in the district.



Flood Insurance in my Congressional District

The National Flood Insurance Program (NFIP) provides necessary coverage and protection from flooding, the most costly and common natural disaster in the United States. The following information highlights the NFIP's importance to this district and underscores the need to periodically extend the program's insurance writing authority.

Select a state and congressional district from the following dropdowns to see the flood statistics for the specific congressional district.

1. State
Virginia

2. Congressional District
1

Virginia,
Congressional district 1



© Mapbox © OpenStreetMap contributors

Notes:
-Single-family and multifamily homes are included in the calculations.
-Properties in high or moderate flood risk are located in zones A/V and Shaded X/B.
-NFIP Policies as of August 31, 2019.
-NFIP Claims since 1970.
-FEMA Individual Assistance (IA) payments since 2000.
-Major Flood Disaster Declarations with IA

Properties at Risk

Every home in the district has some flood risk; wherever it rains, it can flood. According to CoreLogic, however, a substantial number of homes are high risk including many located outside of FEMA Special Flood Hazard Areas (SFHAs), where flood insurance is required for a mortgage. When combined with moderate risk properties, the share of properties at greater risk is sizable.

High Flood Risk (in or outside SFHAs)

High-Risk homes	Share of all homes	Replacement cost
18,357	6.2%	\$4,738,107,358

High or Moderate Flood Risk

Total High/Moderate Risk	Total share	Total replacement cost
22,266	7.5%	\$5,745,347,493

Importance to the District

NFIP provides vital flood coverage that is not available in most home insurance policies. Unlike FEMA disaster aid, NFIP is funded by policyholder premiums and any borrowing in catastrophic loss years must be repaid with interest.

Number of NFIP policies	Total Insurance Coverage	Total Premium	Total Payments
9,320	\$2,638,931,800	\$7,565,670	\$47,183,693

Benefits to Constituents

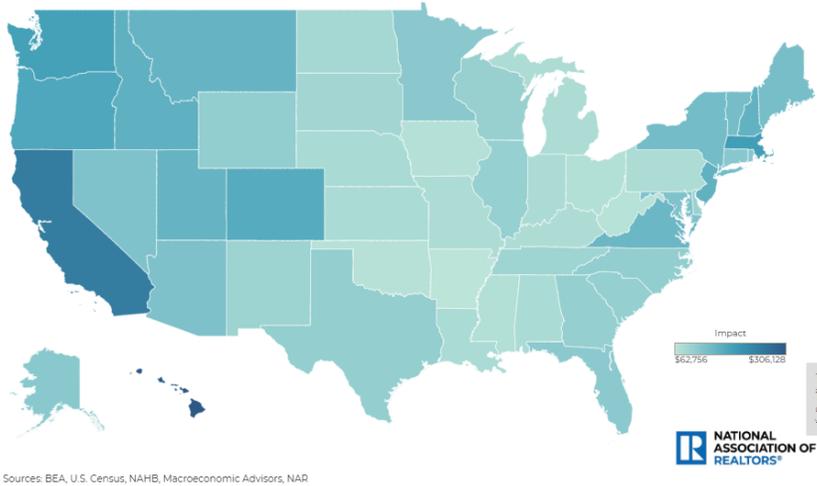
In the district, the average NFIP claim payment is **\$19,460**. FEMA typically provides much less disaster aid to the uninsured if a major disaster is declared under the Stafford Act. While major flood disasters have recently been declared for nearly all counties, not all declarations include Individual Assistance (IA).

Number of IA Disaster Declarations	Total IA Requests	Total IA Payments
0	16,725	\$100,725

Economic Impact Reports

ECONOMIC IMPACT OF A HOME SALE (2021) BY STATE

Hover over the map and see the income generated from a home sale for each state.
Click on a state and download the State Economic Impact Report



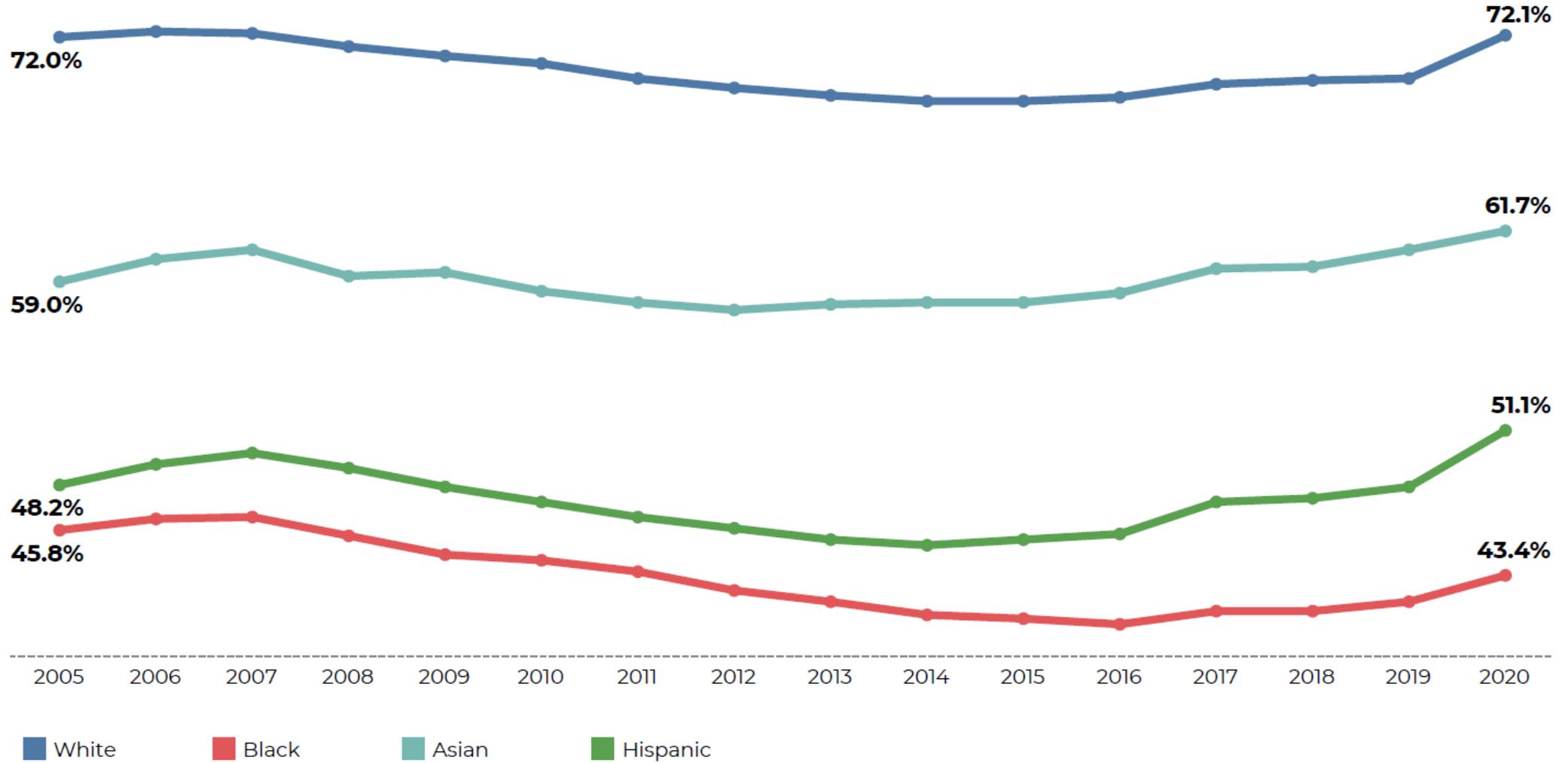
- 16.9% of national GDP
- \$113k for every home sold
- Real estate industries, related to home purchase, multiplier of housing expenditures, and new construction

www.nar.realtor/reports/state-by-state-economic-impact-of-real-estate-activity

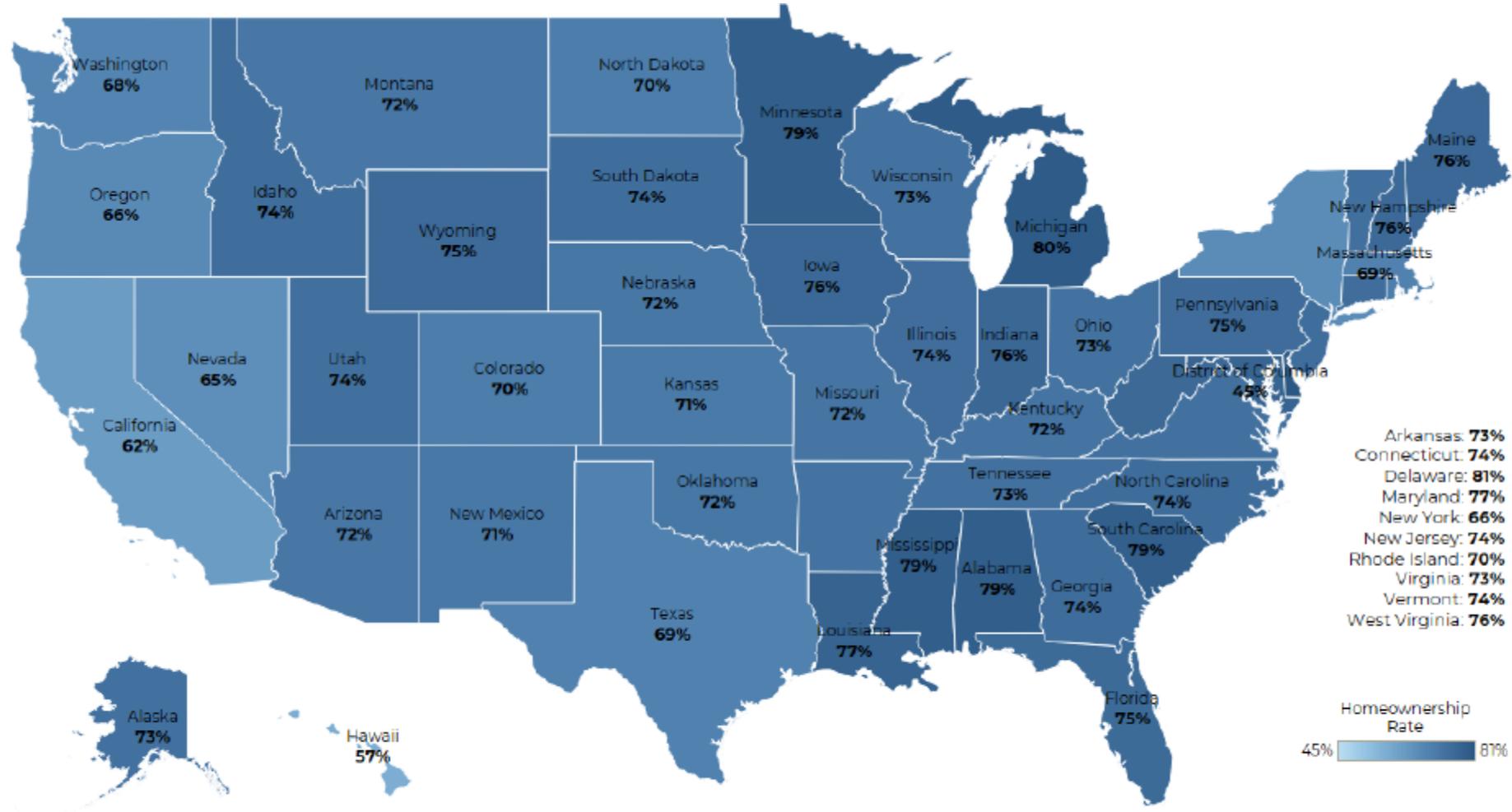
RACIAL DIVIDE IN HOMEOWNERSHIP

Homeownership rate

By race



White Homeownership Rate



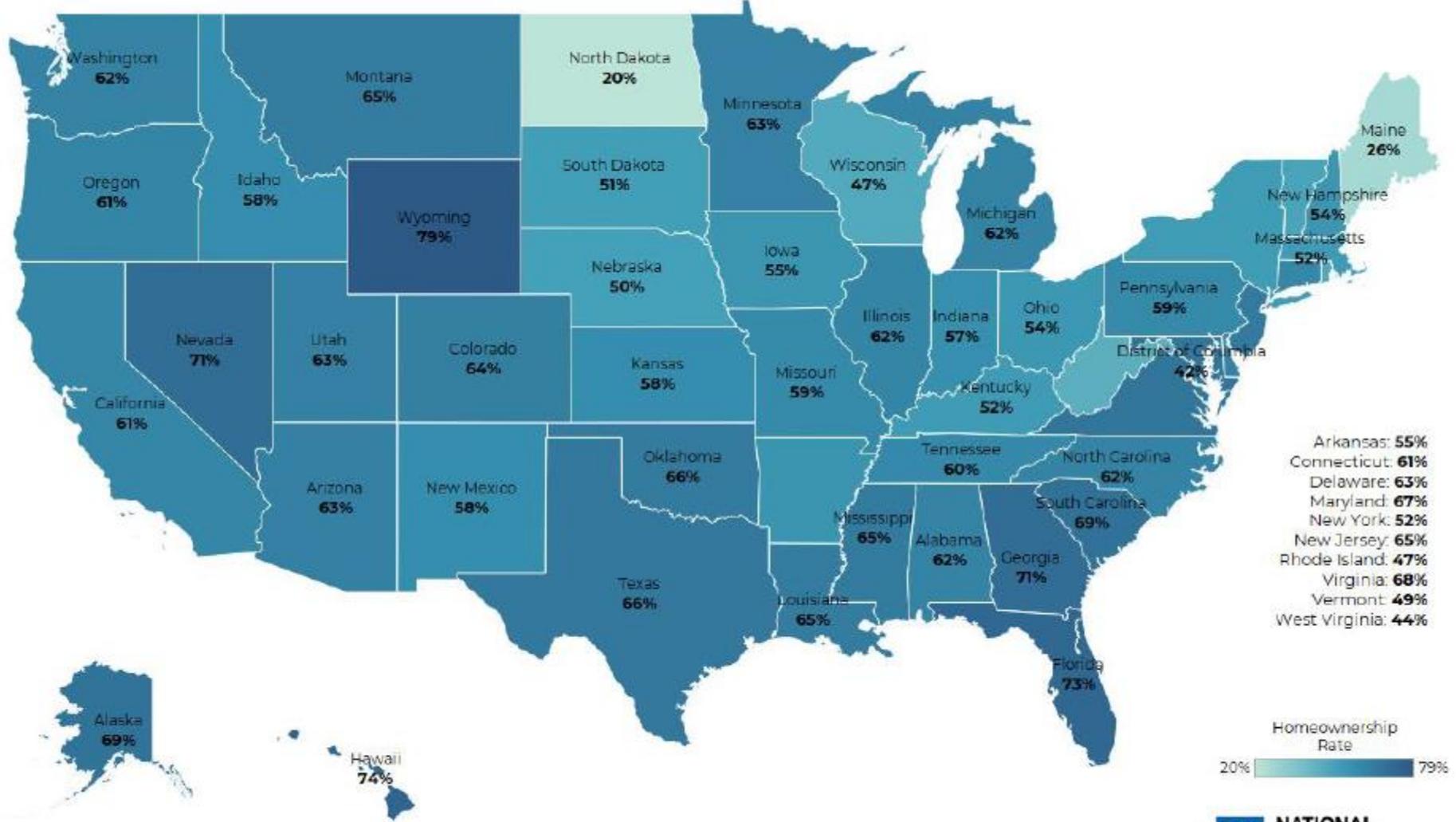
Source: NAR calculations of ACS PUMS data



Snapshot of Race and Home Buying in America: www.nar.realtor/research-and-statistics/research-reports/a-snapshot-of-race-and-home-buying-in-america



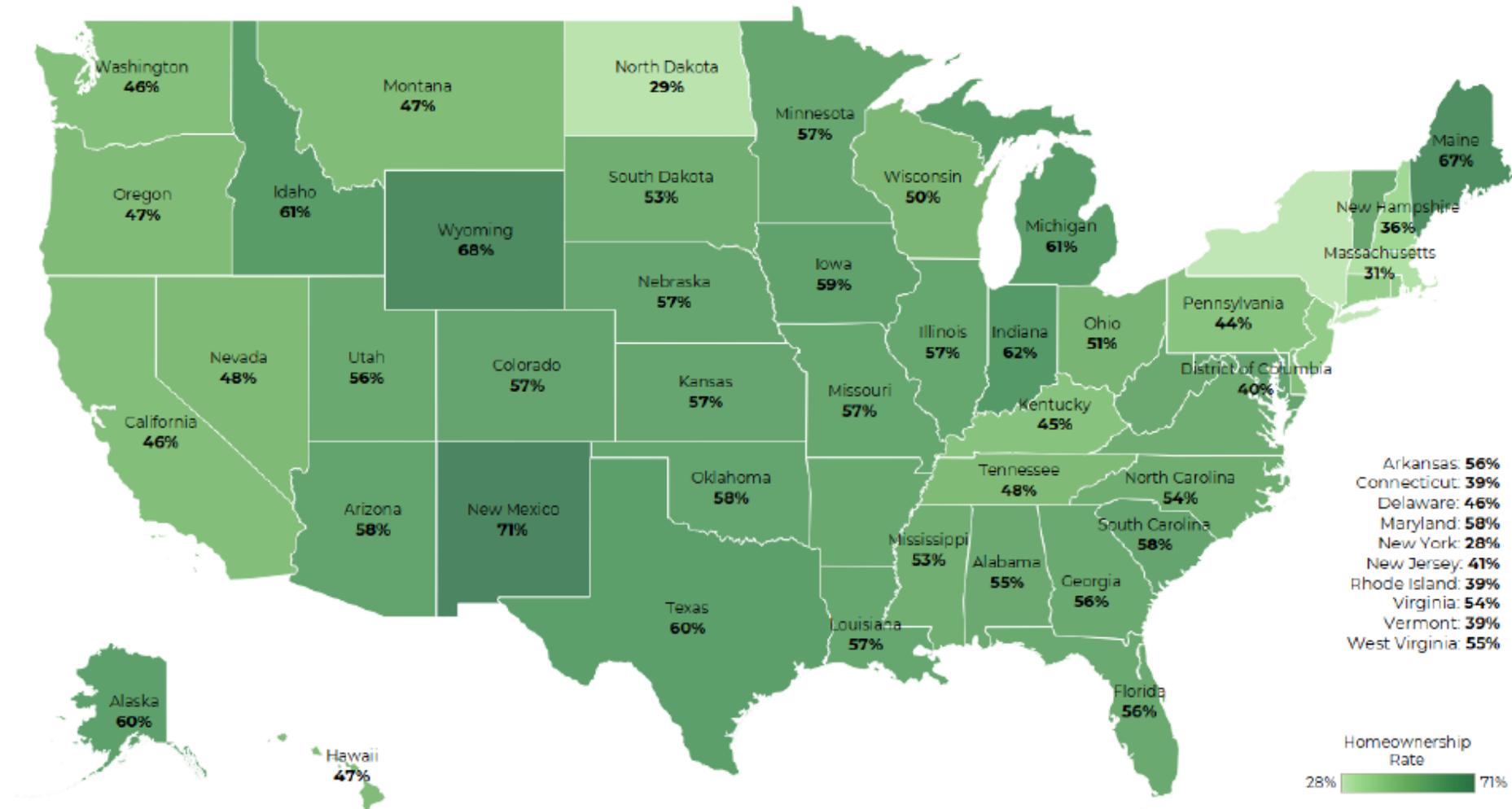
Asian/Pacific Islander Homeownership Rate



Source: NAR calculations of ACS PUMS data



Hispanic Homeownership Rate



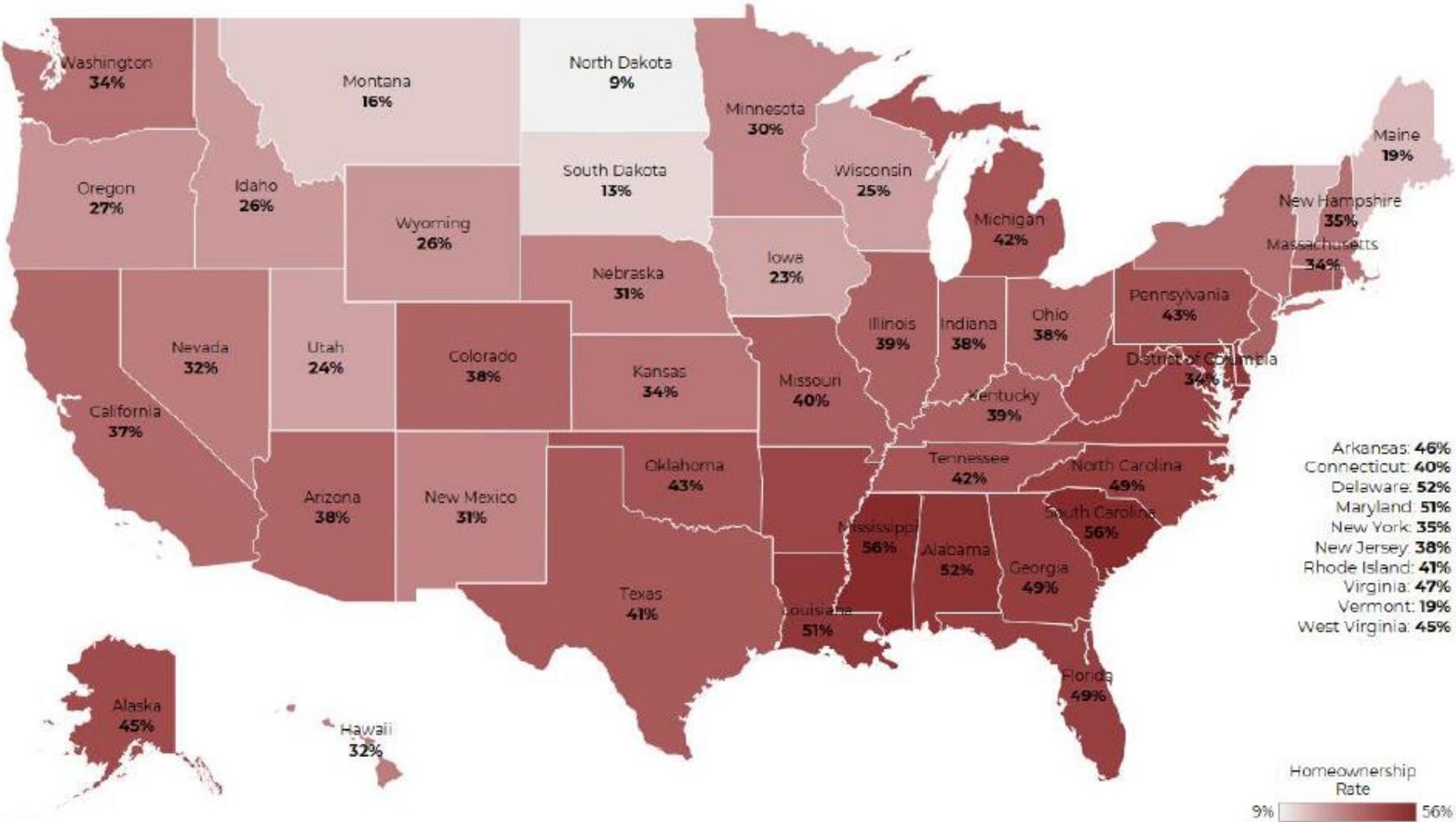
Source: NAR calculations of ACS PUMS data



Snapshot of Race and Home Buying in America: www.nar.realtor/research-and-statistics/research-reports/a-snapshot-of-race-and-home-buying-in-america



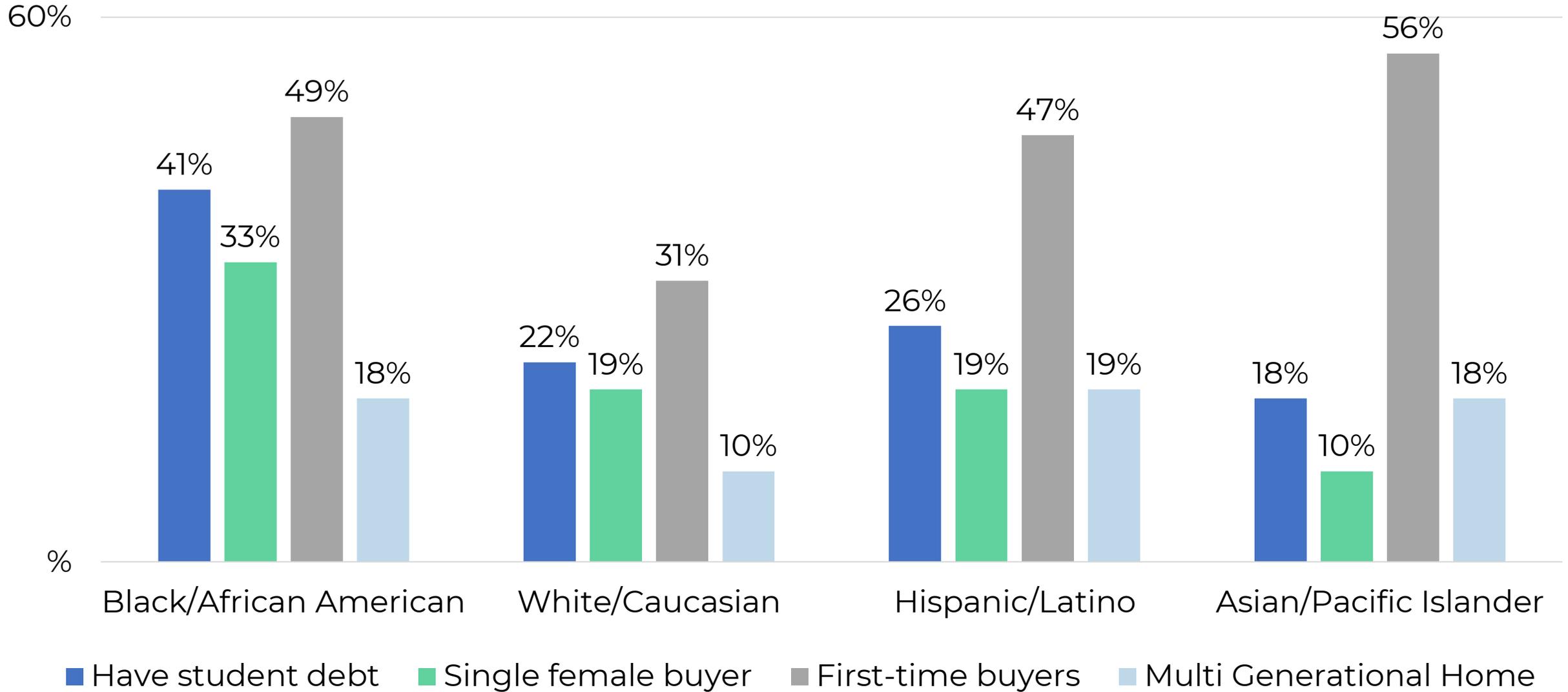
Black Homeownership Rate



Source: NAR calculations of ACS PUMS data

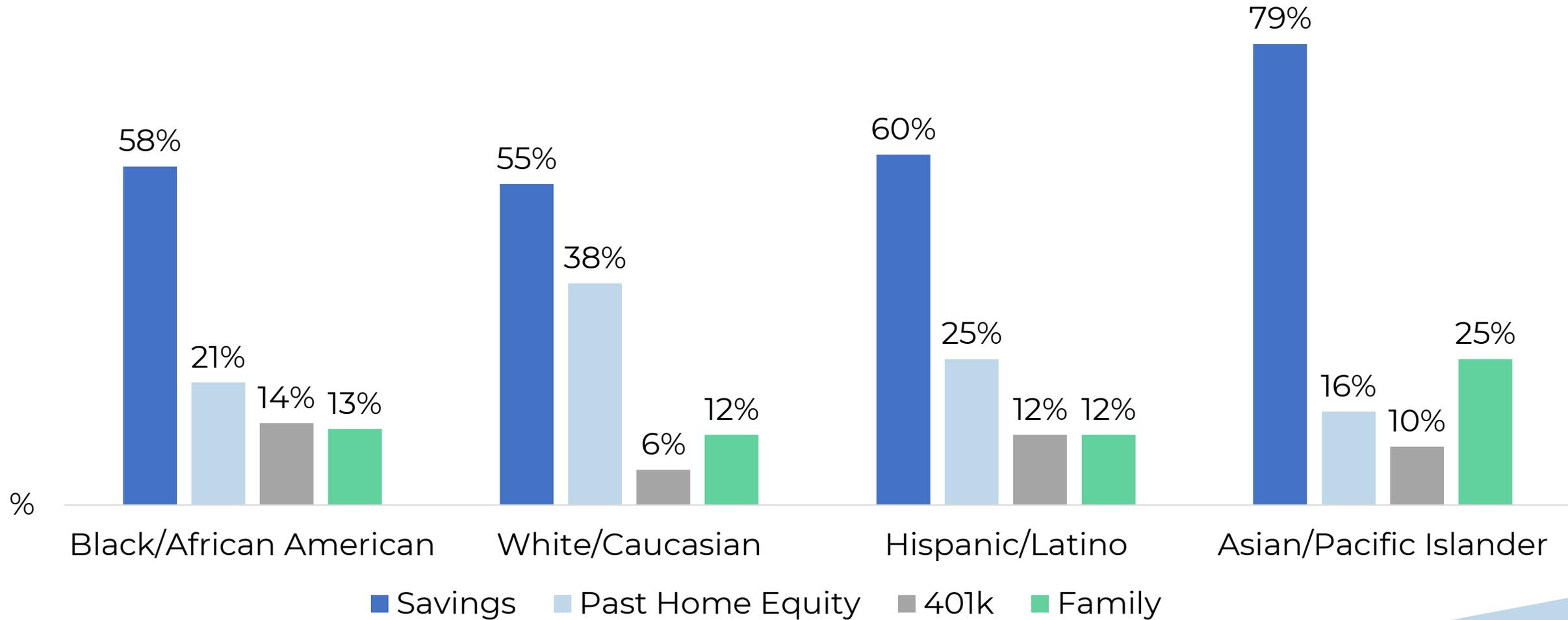


Home Buyer Demographics By Race



Downpayment Source By Race

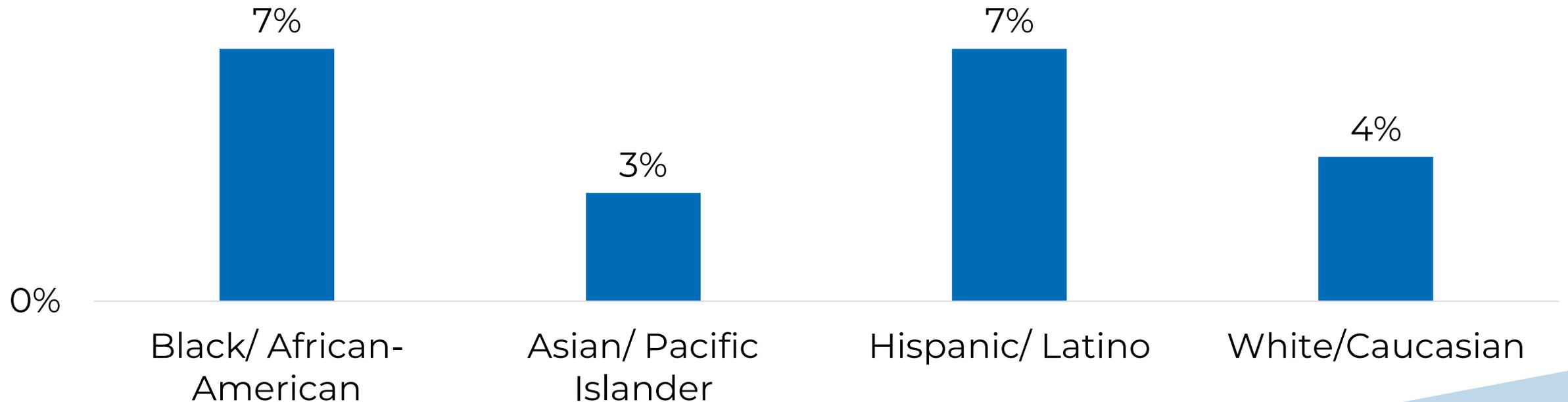
100%



Snapshot of Race and Home Buying in America: www.nar.realtor/research-and-statistics/research-reports/a-snapshot-of-race-and-home-buying-in-america

Share of Successful Primary Residence Buyers Were Rejected for a Mortgage Application Nationwide

15%

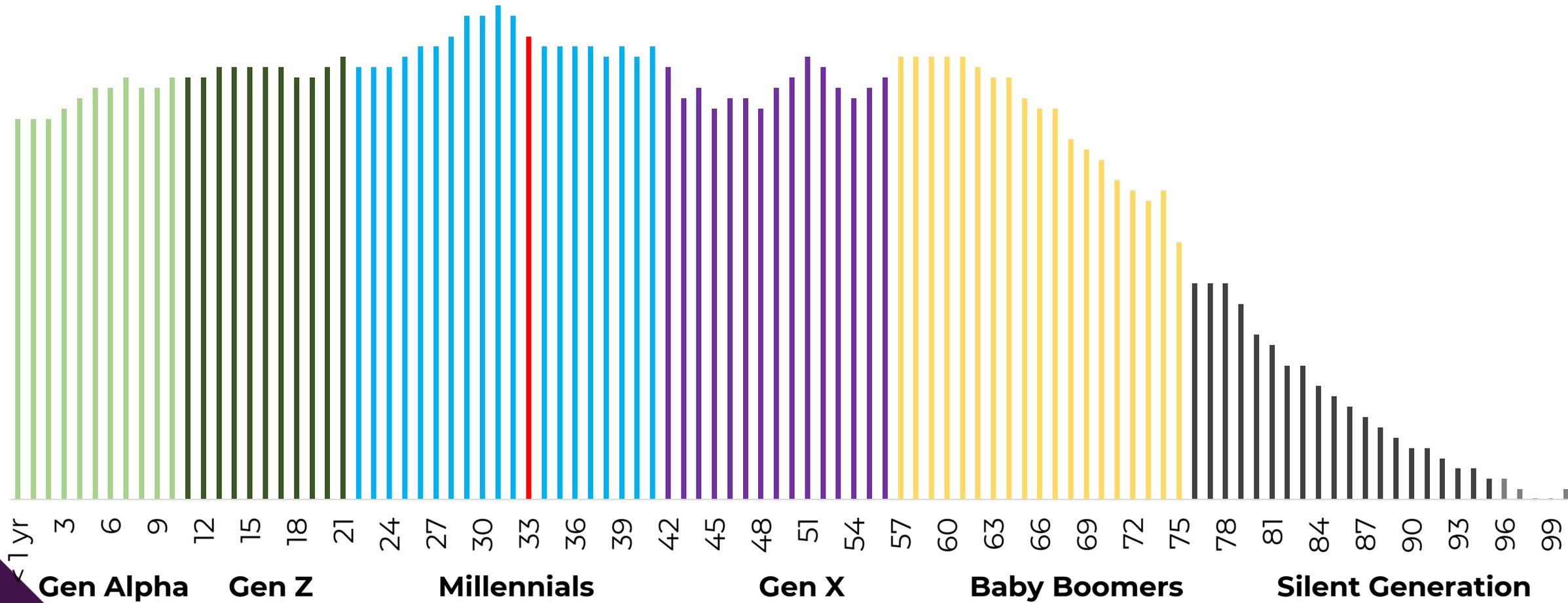


CHANGING DEMOGRAPHICS

U.S. Population by Age (in millions)

5

0

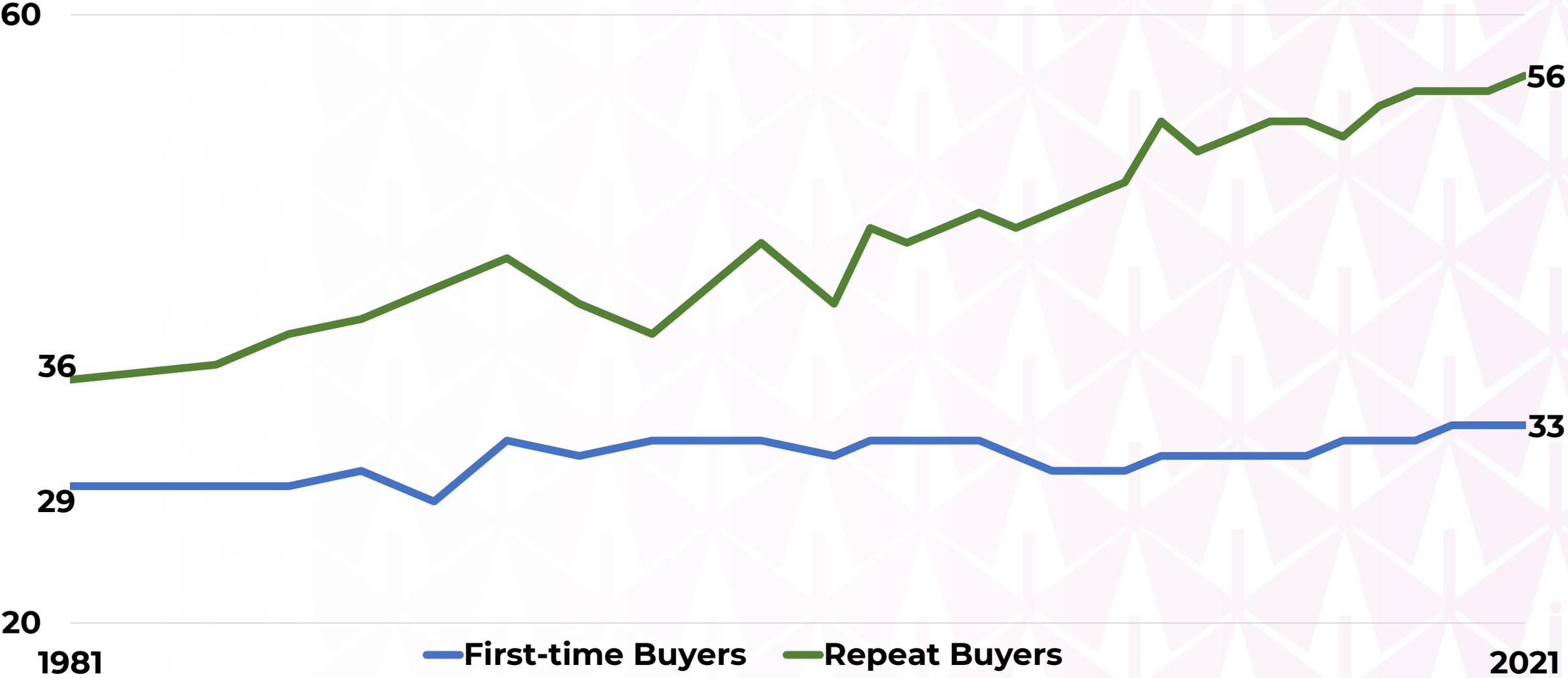


Myth-Busting Millennial Tropes: 8 Common Myths Busted

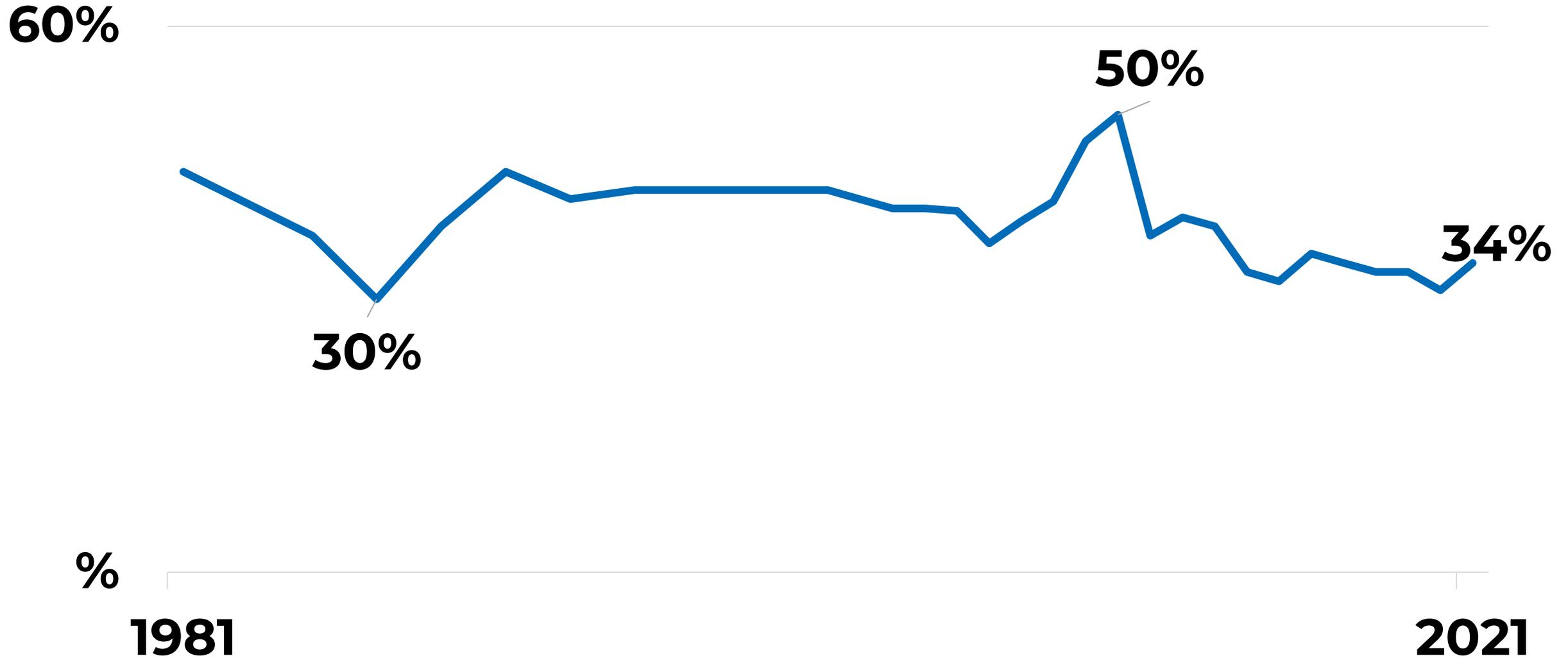
www.nar.realtor/blogs/economists-outlook/myth-busting-millennial-tropes-8-common-myths-busted



Median Age of Home Buyers

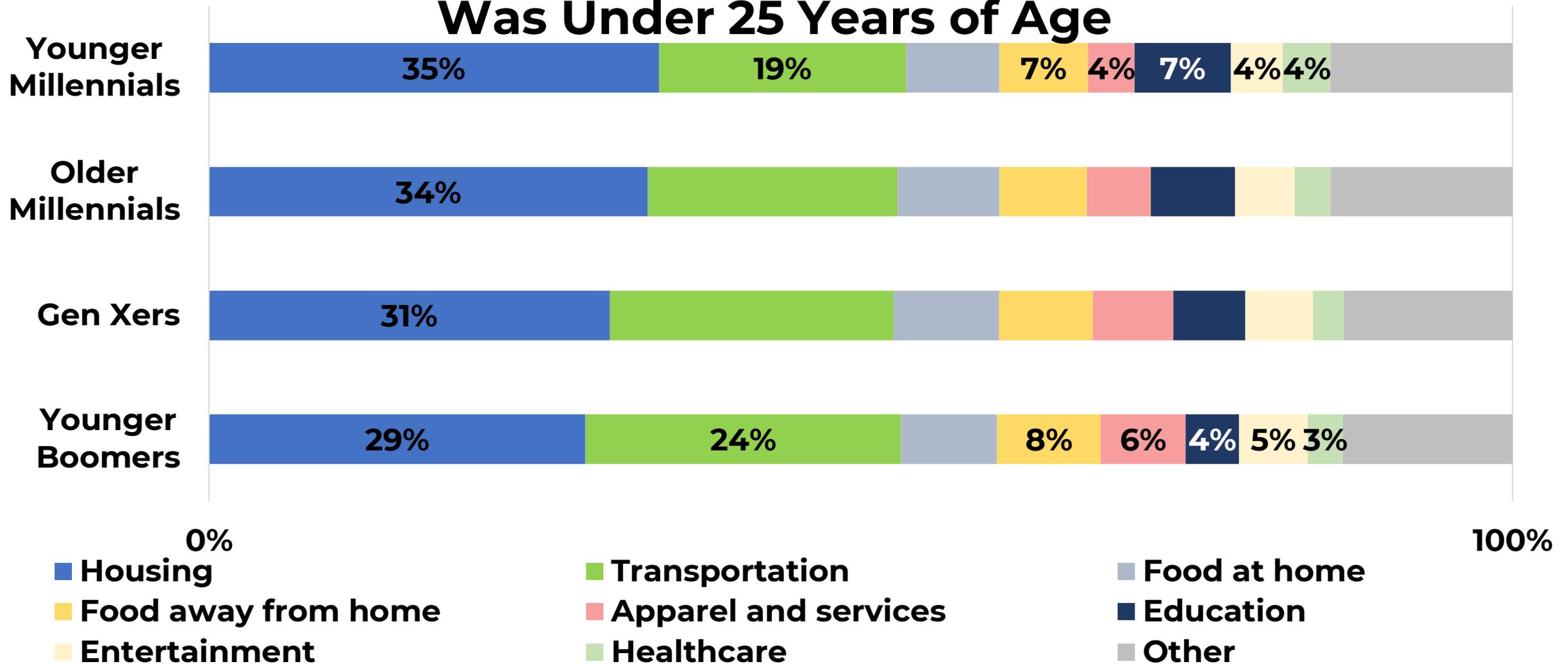


First-time Buyers Uptick



Profile of Home Buyers and Sellers: www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers

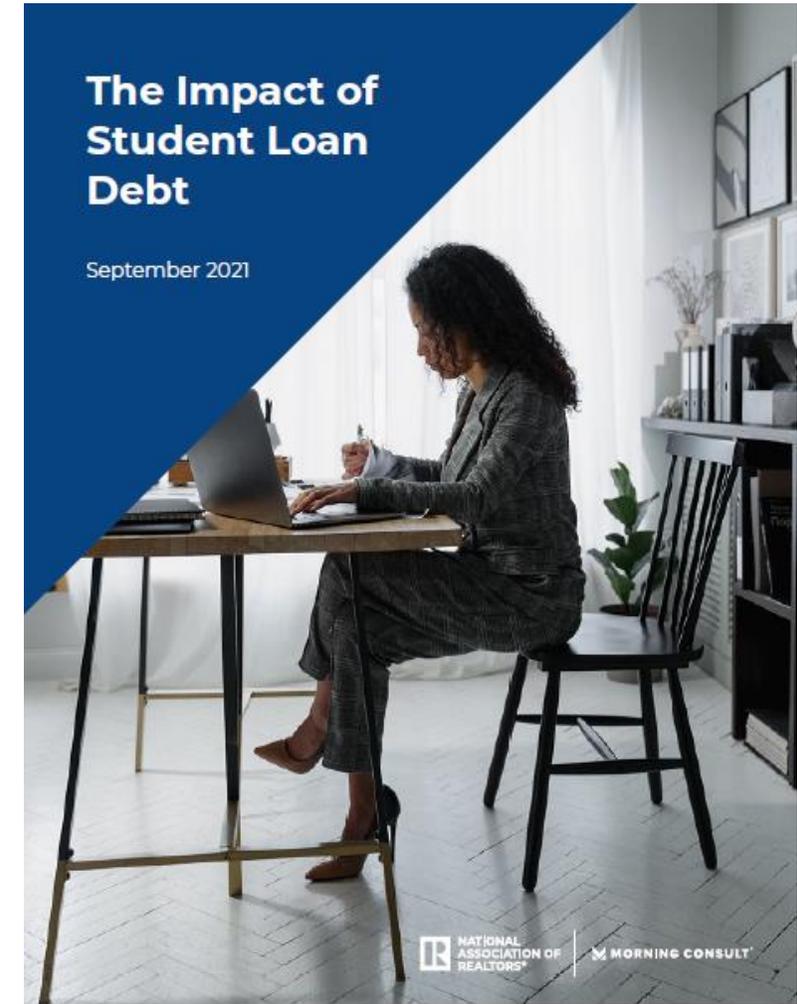
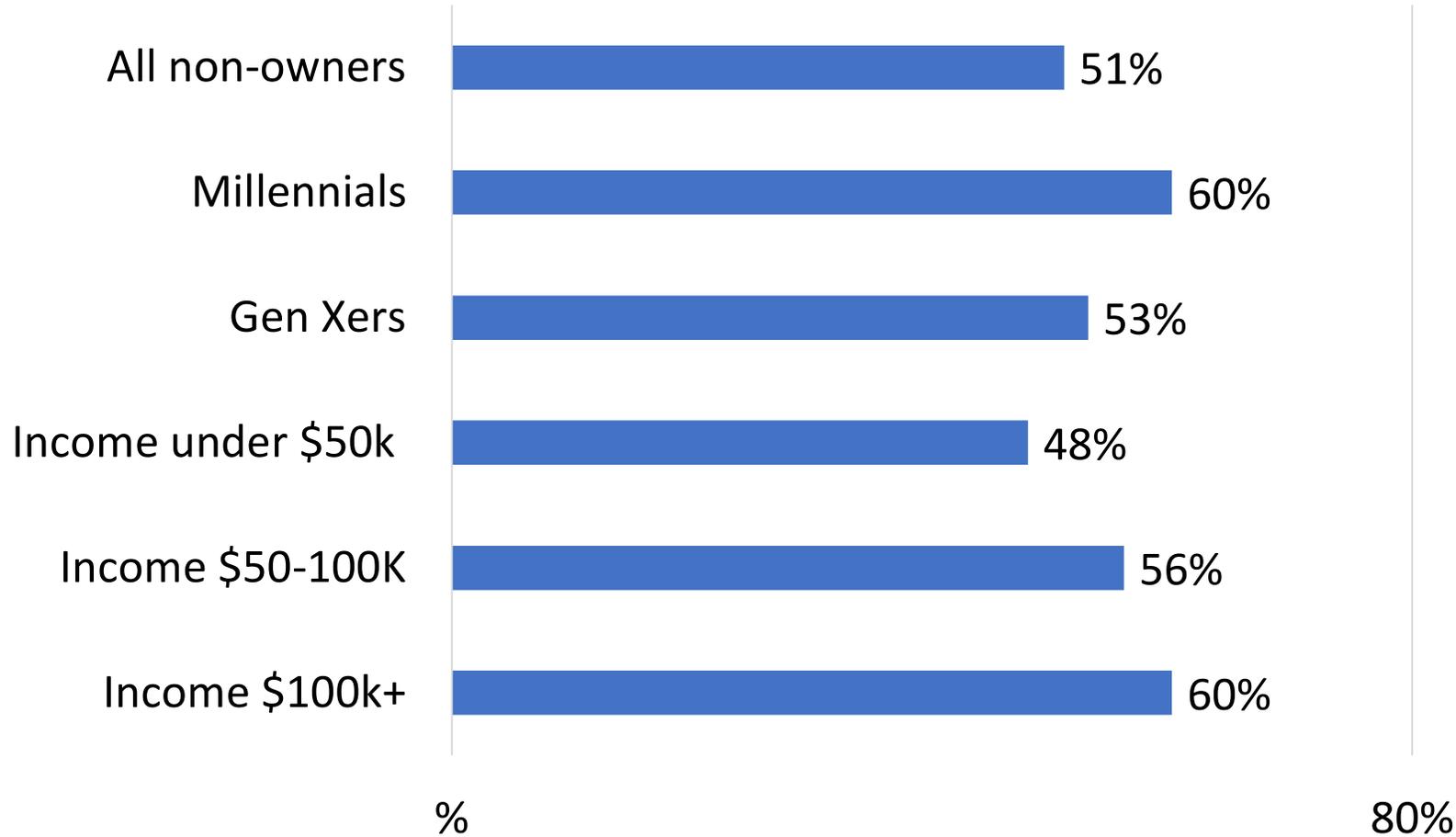
Share Of Income Spent When Each Generation Was Under 25 Years of Age



Source: BLS Consumer Expenditure Survey 1984-2021, NAR Calculations

Myth-Busting Millennial Tropes: 8 Common Myths Busted

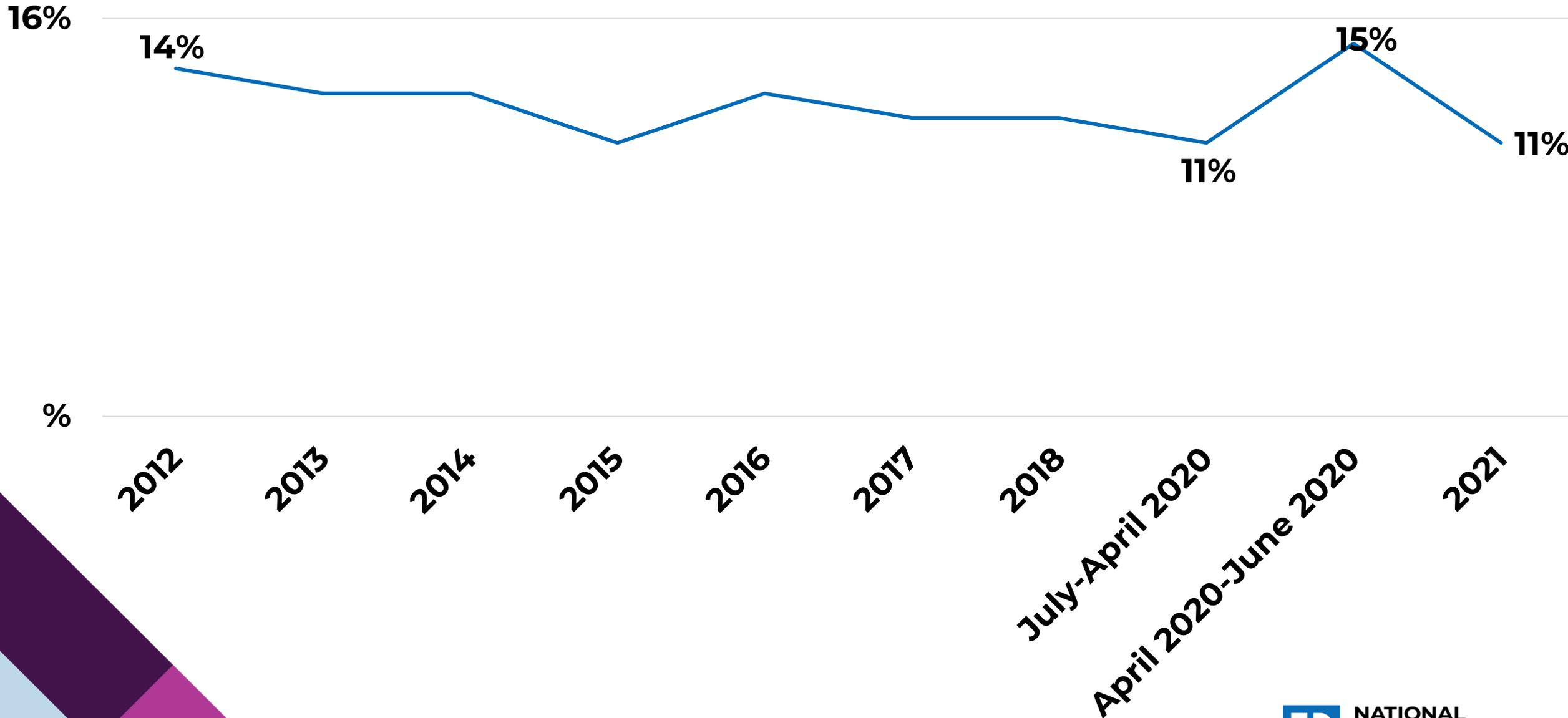
Half of non-owners say student debt delaying from buying a home



The Impact of Student Loan Debt

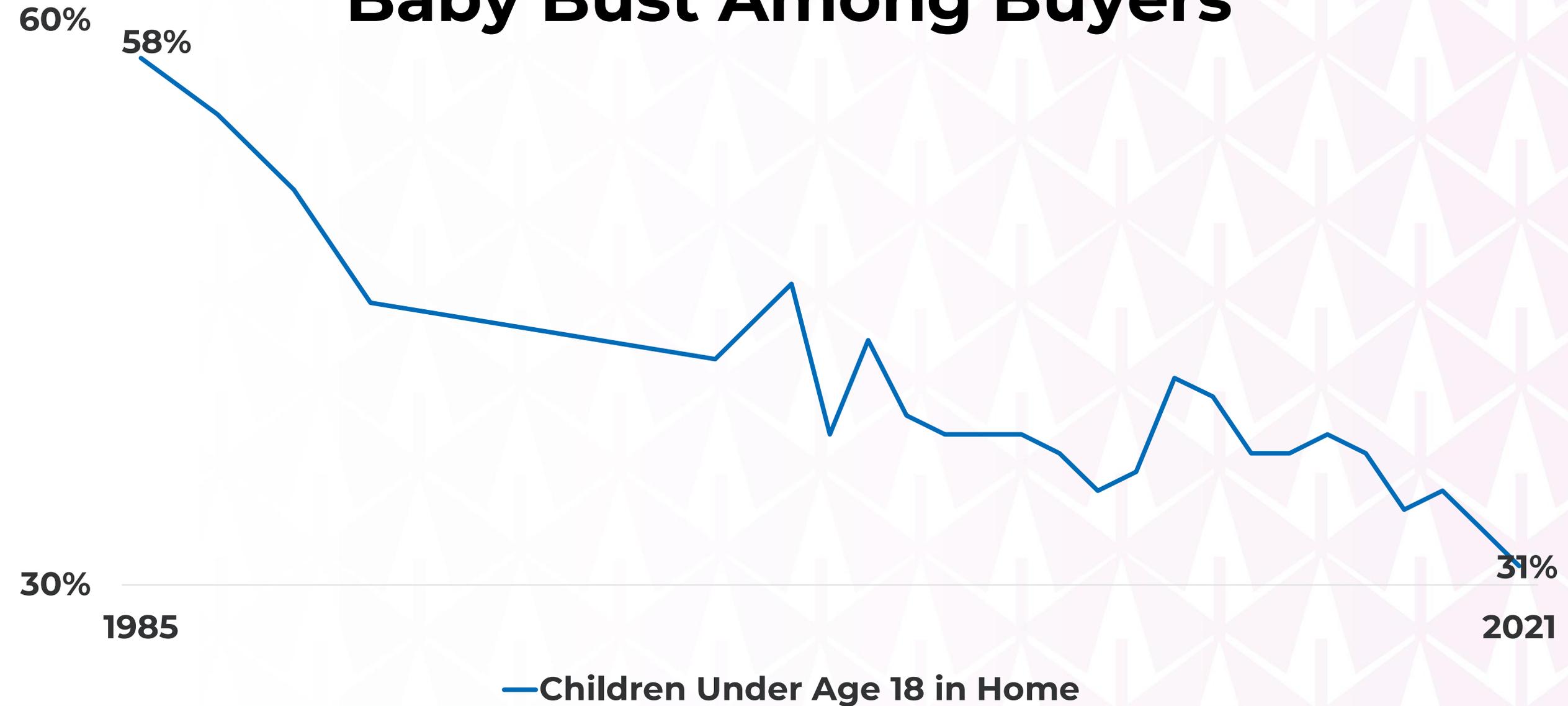
www.nar.realtor/research-and-statistics/research-reports/the-impact-of-student-loan-debt

Multi-Generational Home Buyers Revert to the Norm

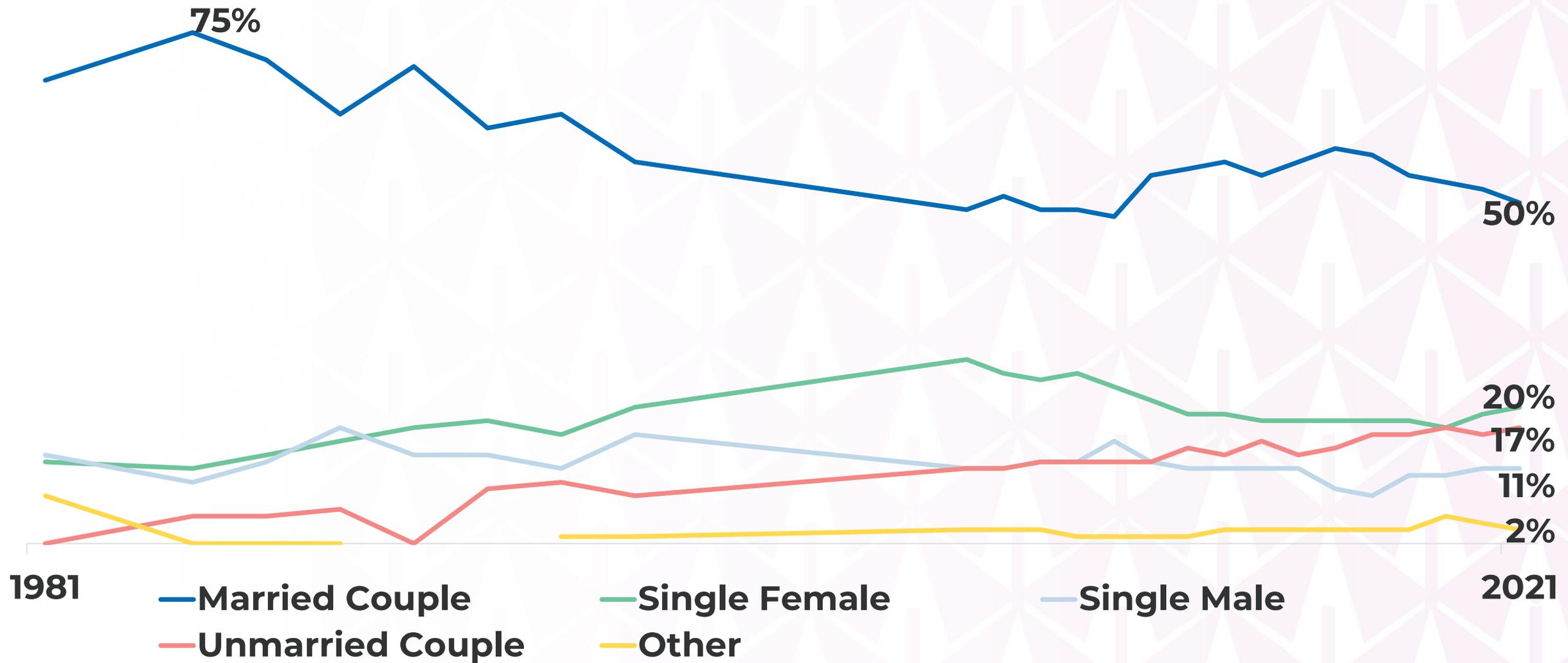


Profile of Home Buyers and Sellers: www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers

Baby Bust Among Buyers



First-time Buyers: Household Composition



Forthcoming Research:

- Profile of International Activity in U.S. Residential Real Estate
- Real Estate in a Digital Age
- C.A.R.E. Report: Community Aid and Real Estate
- Monthly Updates:
 - Existing-Home Sales,
 - REALTORS® Confidence Index,
 - Pending Home Sales
- NAR Real Estate Forecast Summit **July 27, 12pm ET**

THANK YOU.



nardotrealtor



nar.realtor

Questions:
Briefing@nar.realtor