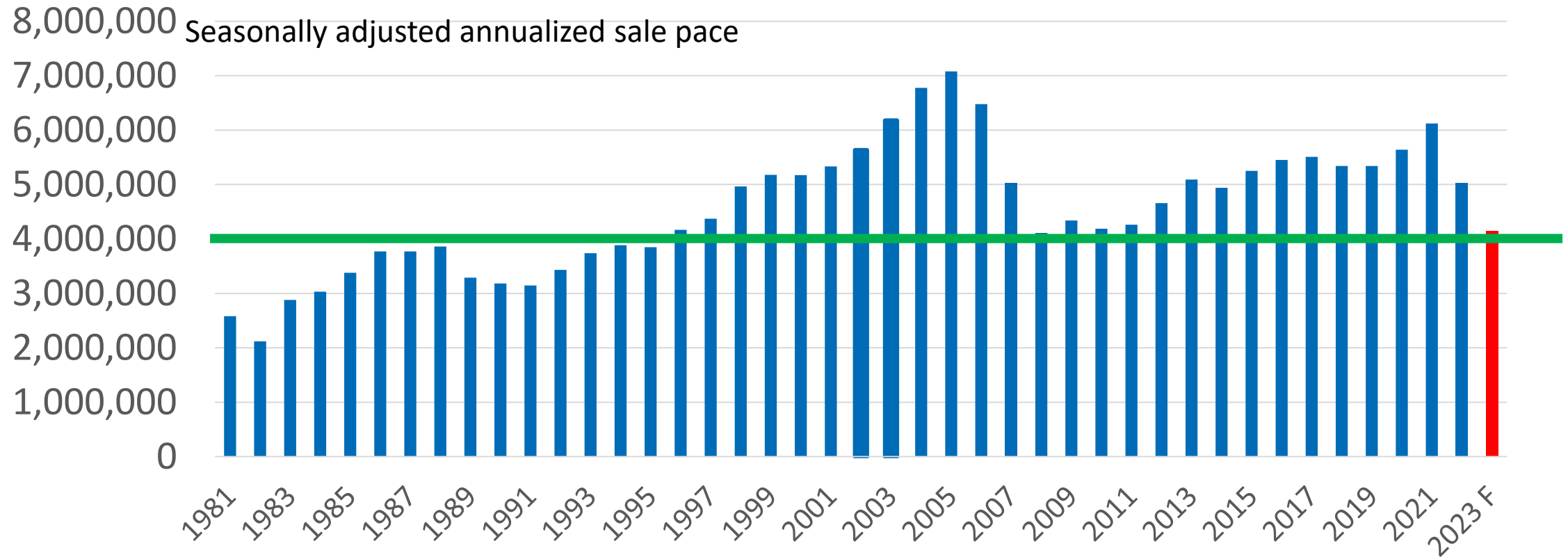




# Real Estate Market Outlook

Lawrence Yun, Ph.D.  
Chief Economist  
NAR

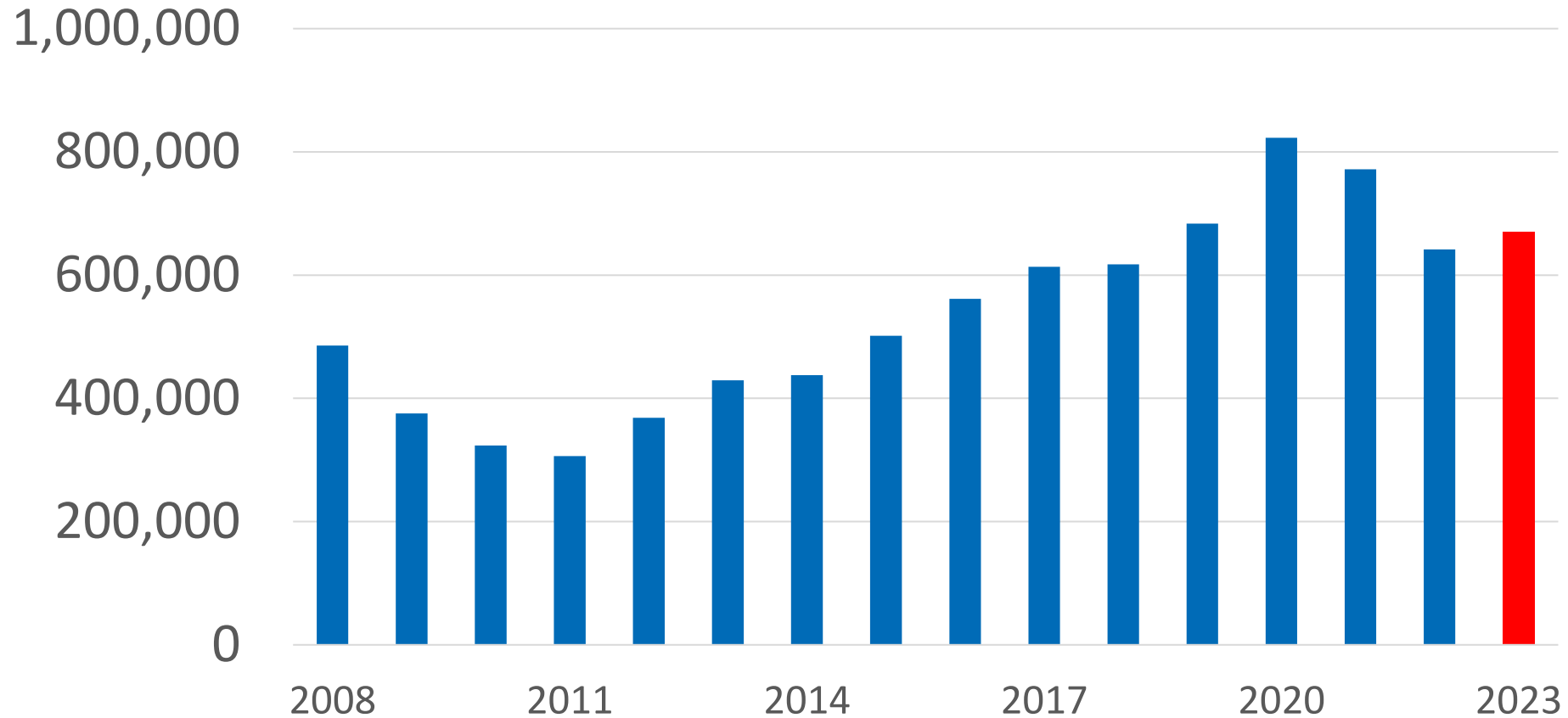
# Annual Existing Home Sales: 18% decline and 18% decline On Track for Worst Year since 2008 or 1993



Source: NAR

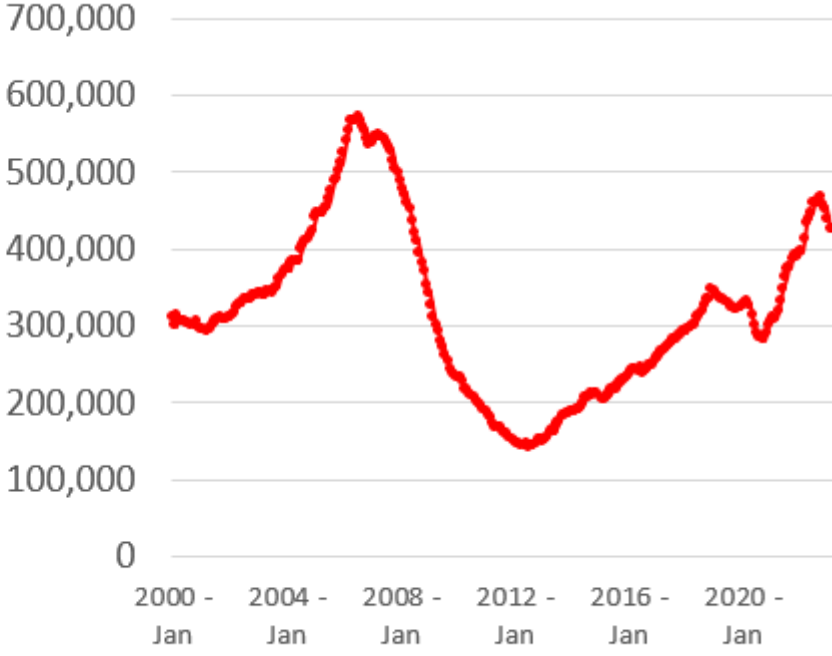
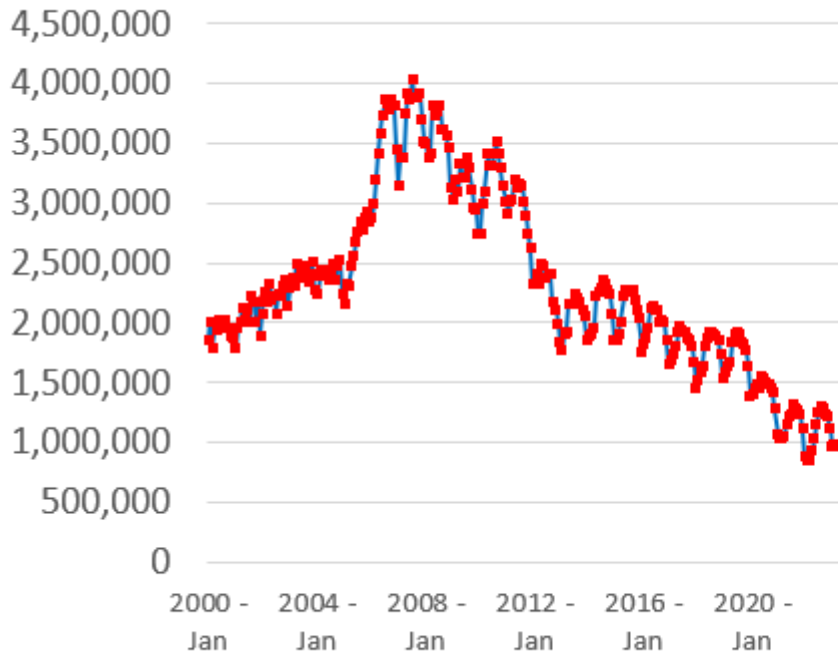
# New Home Sales up 3.9% year-to-date to November

On Track for 3<sup>rd</sup> best year since 2008 foreclosure year



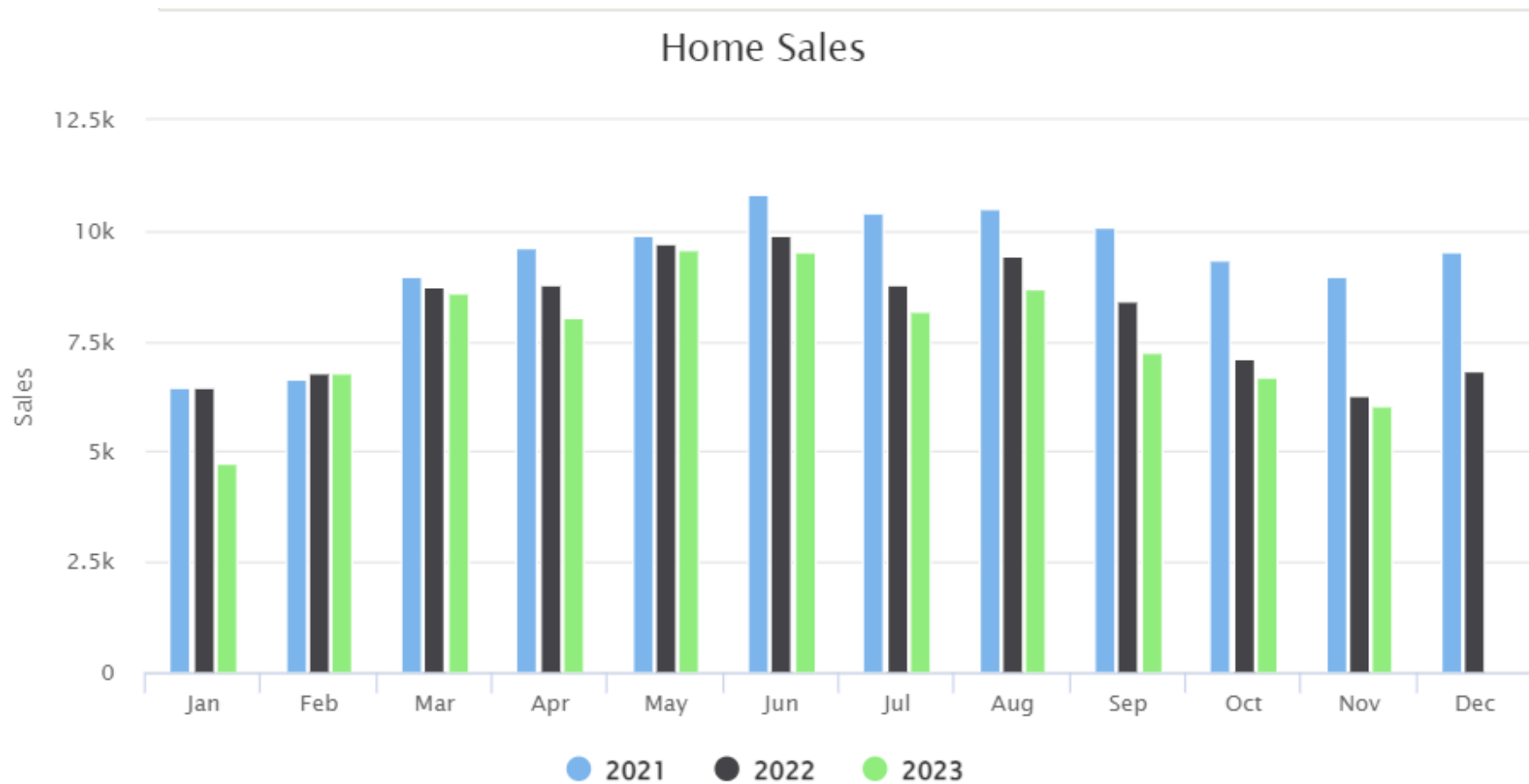
Source: NAR forecast and HUD

# Inventory of Existing Homes Low ... New Homes High



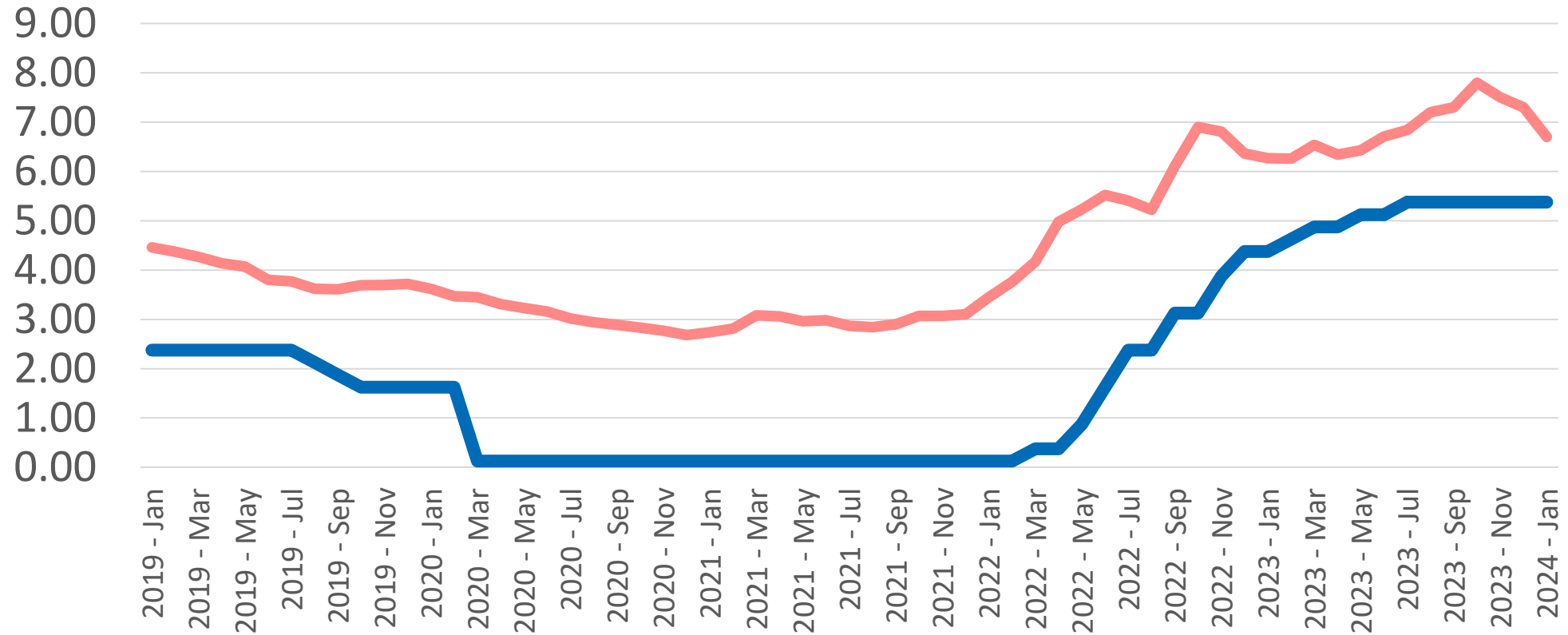
Source: NAR and HUD

## Housing Activity for Dallas-Fort Worth-Arlington



Highcharts.com

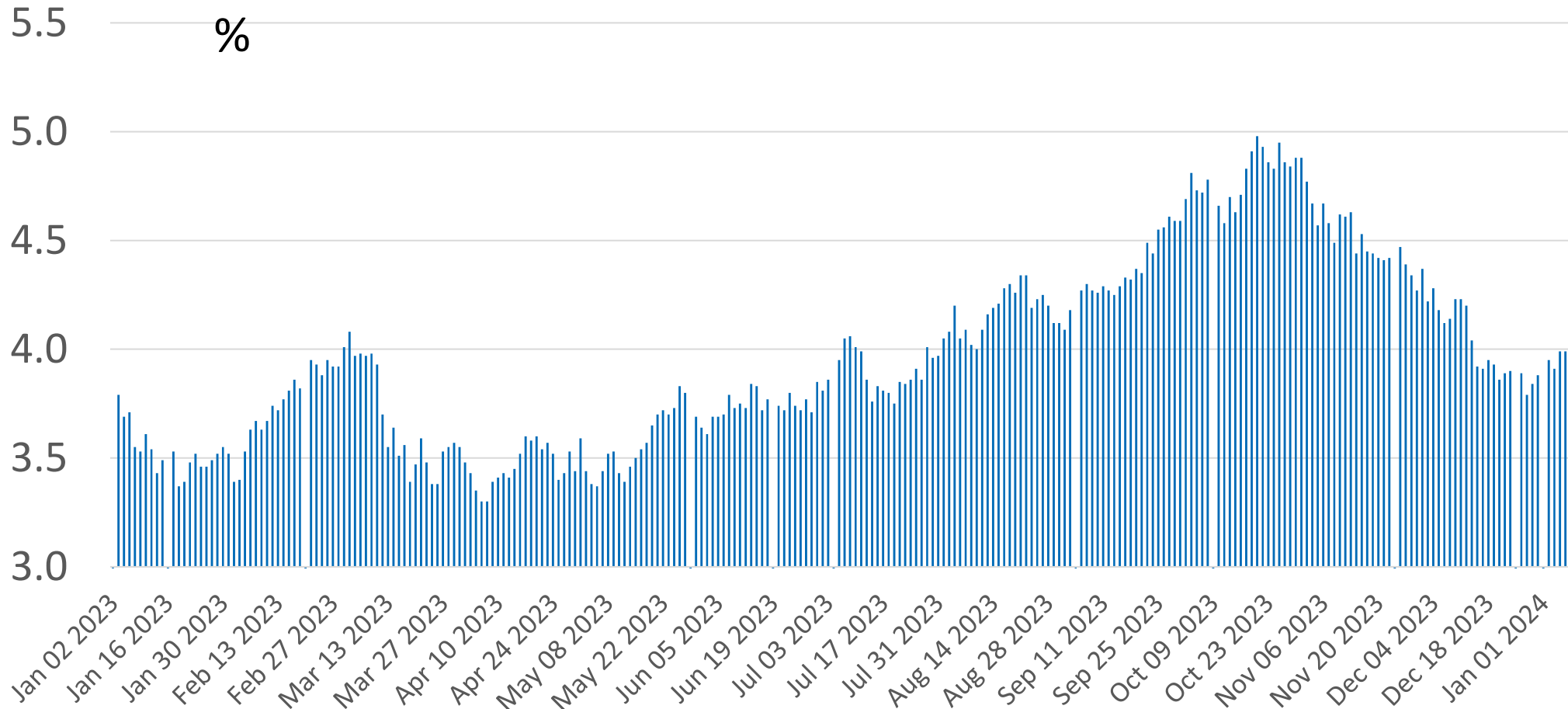
# 30-year Mortgage and Fed Funds Rate ... Likely Peaked



Source: U.S. Treasury and Federal Reserve

# 10-year Treasury yield – Pivoting down

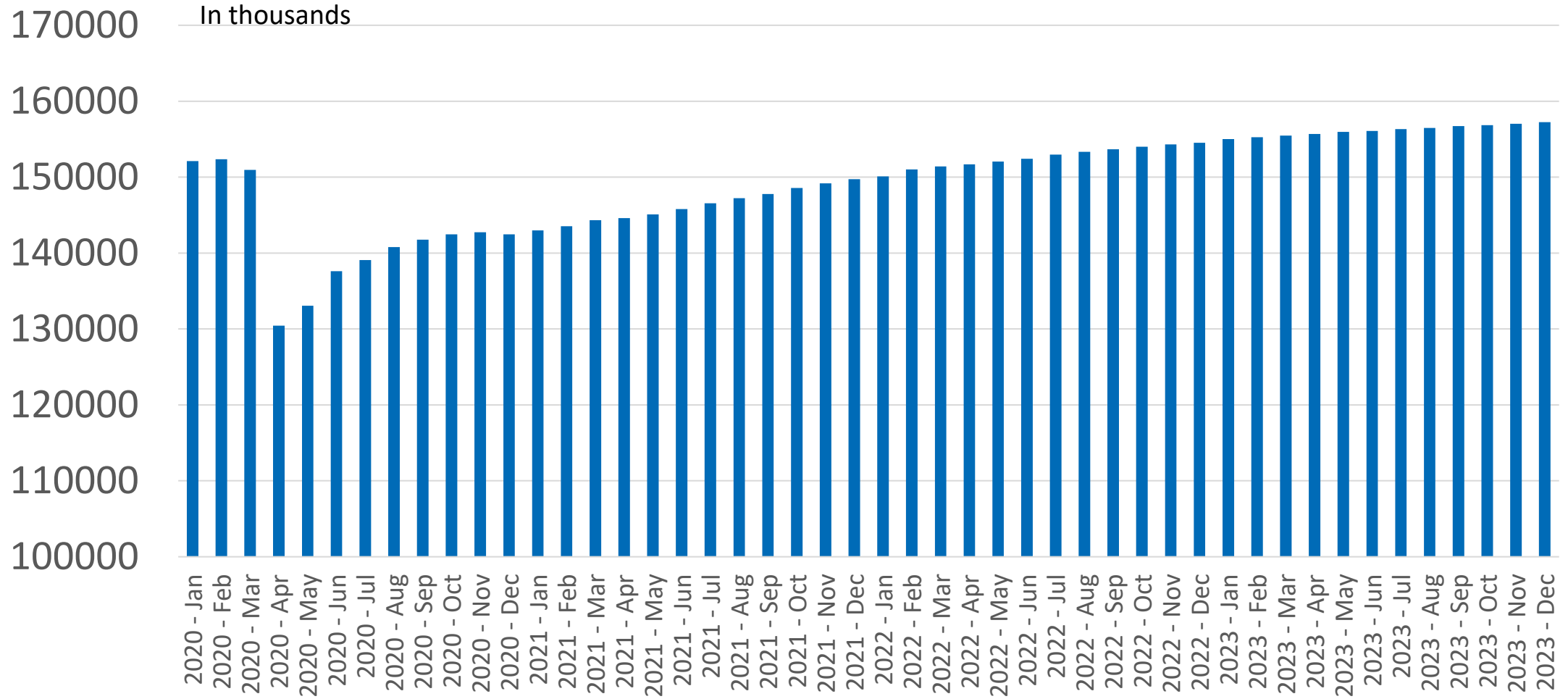
## Rising 1<sup>st</sup> week of 2024 after 2 months of decline



Source: U.S. Treasury

# Total Payroll Jobs

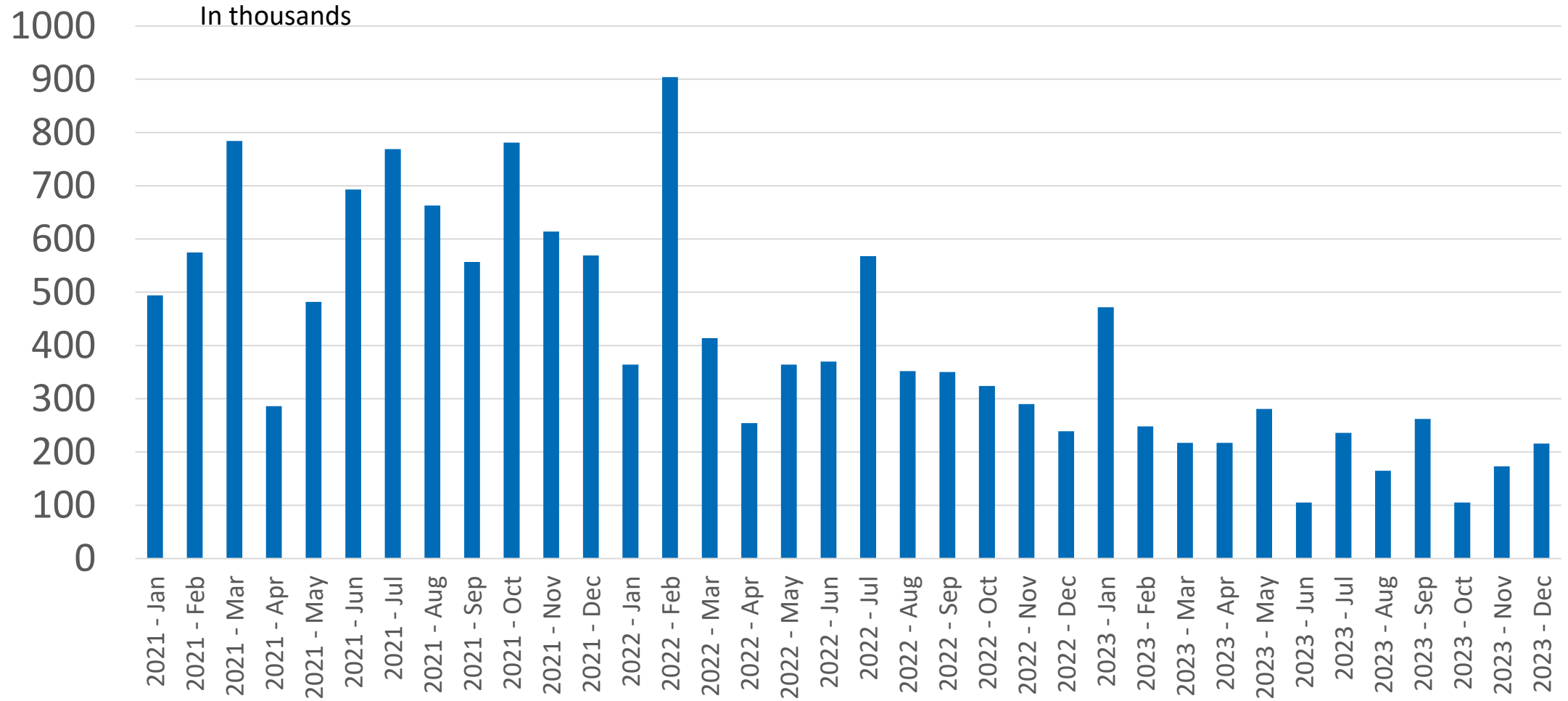
## 5 million more compared to pre-covid highs



Source: BLS



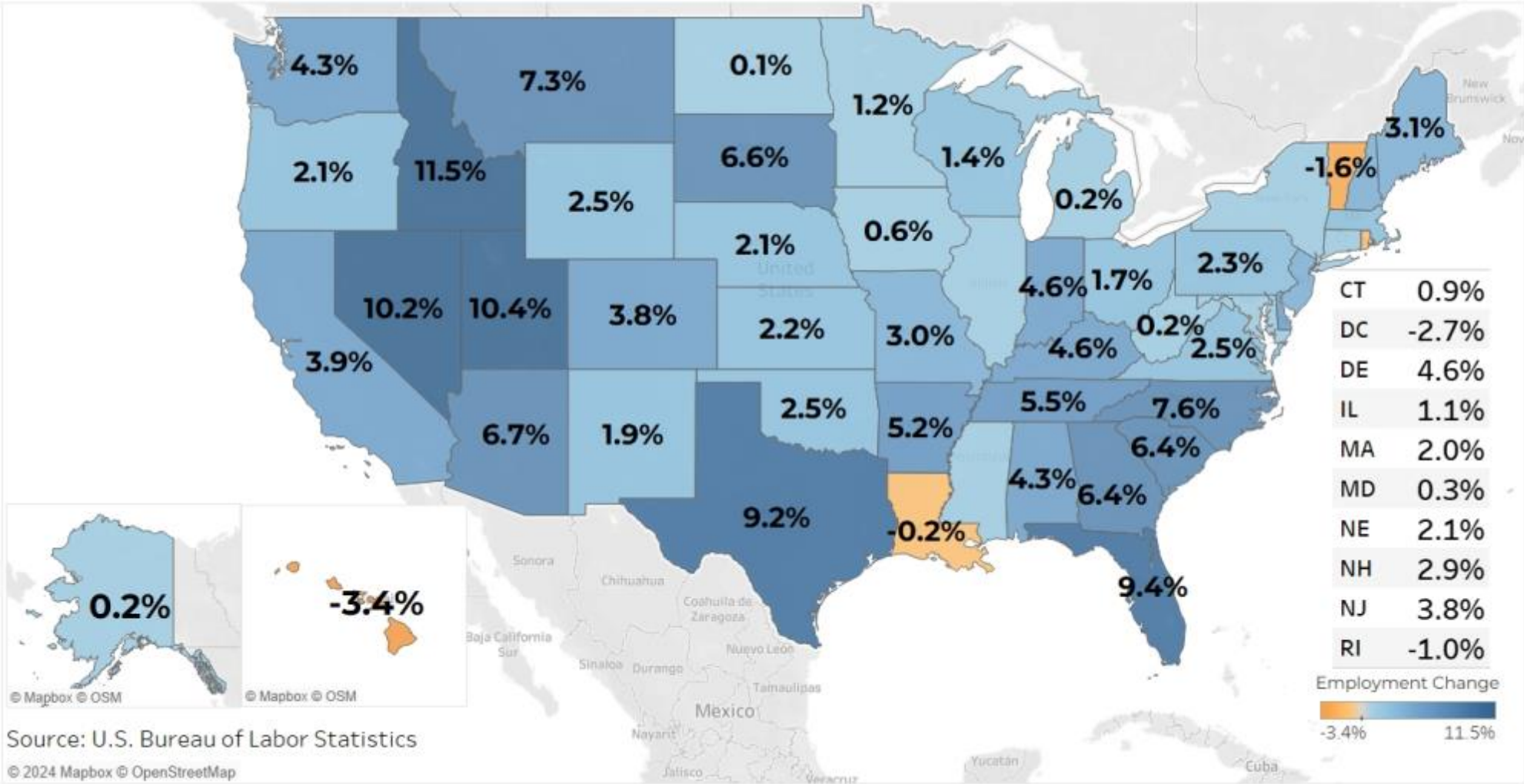
# Monthly Payroll Job Gains



Source: BLS

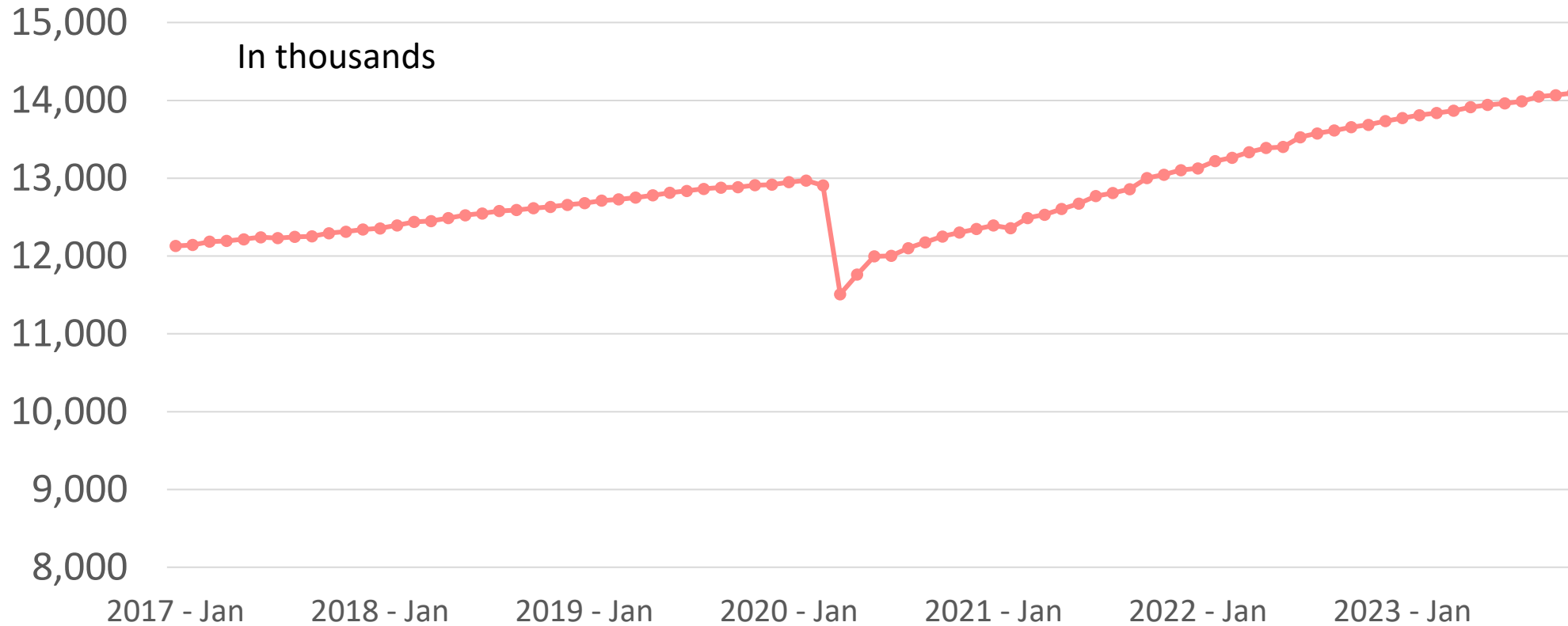
# Job Gains Since Pre-Covid Record High Payroll Employment

(% change from March 2020 to November 2023)



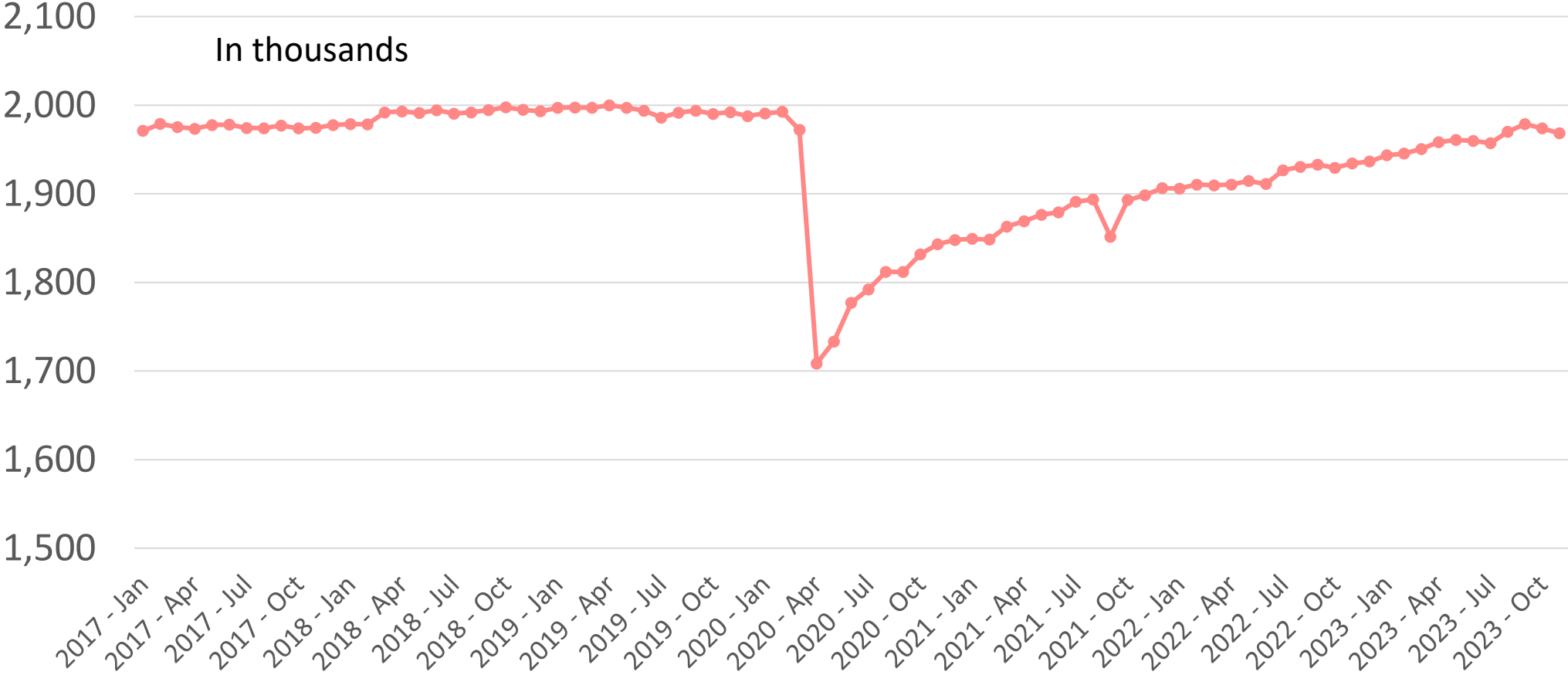
Source: NAR Analysis of BLS data

# Payroll Jobs in Texas



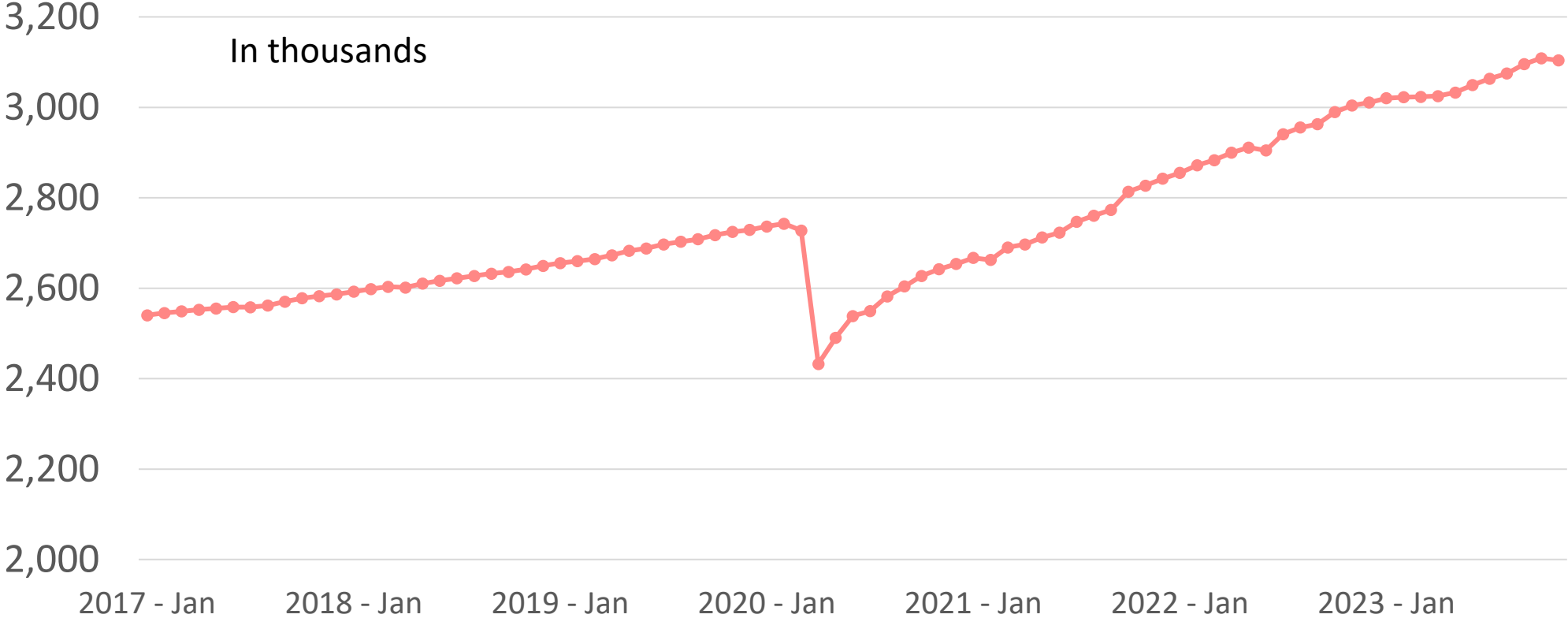
Source: NAR

# Payroll Jobs in Louisiana



Source: NAR

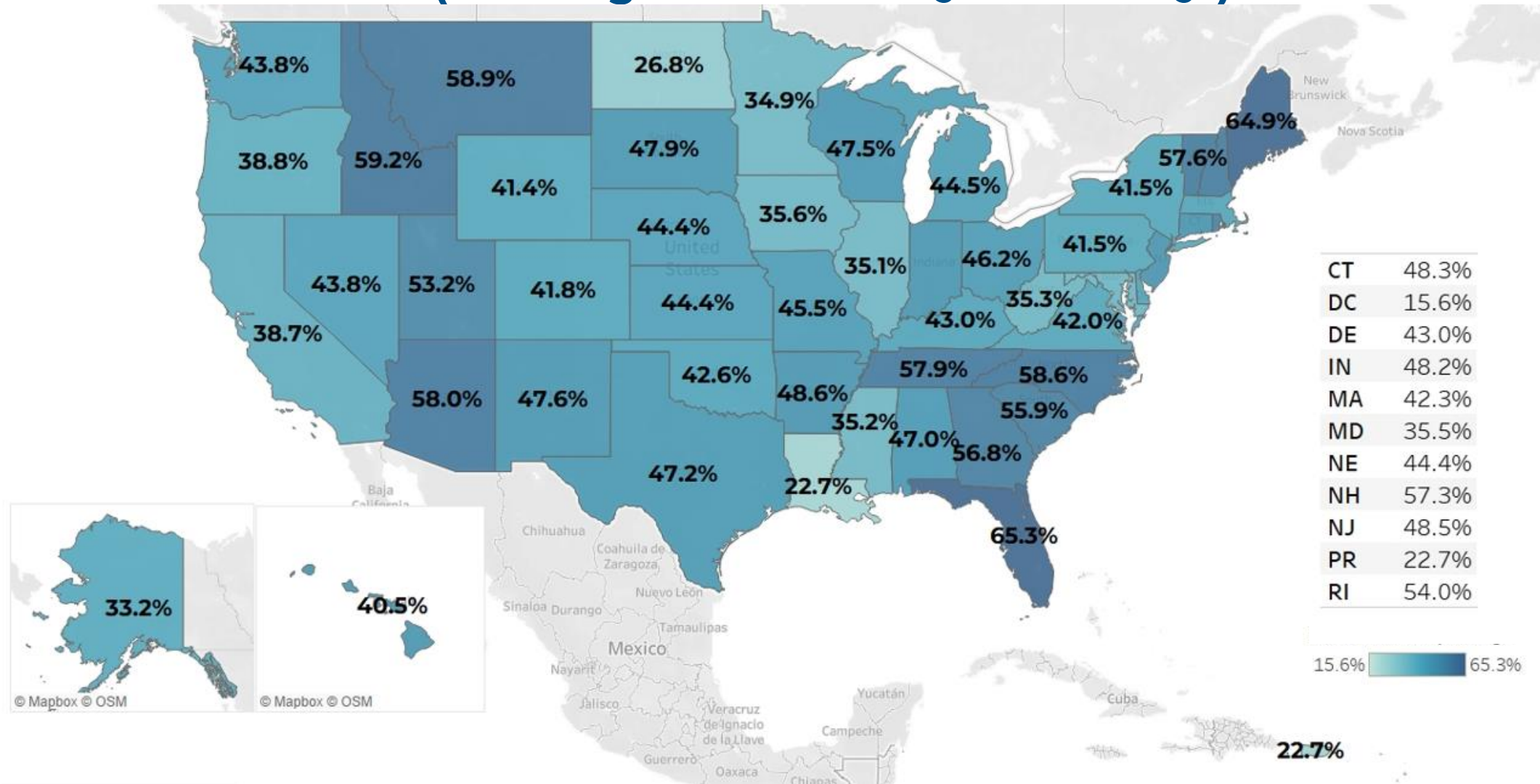
# Payroll Jobs in Dallas-Plano-Irving Metro



Source: NAR

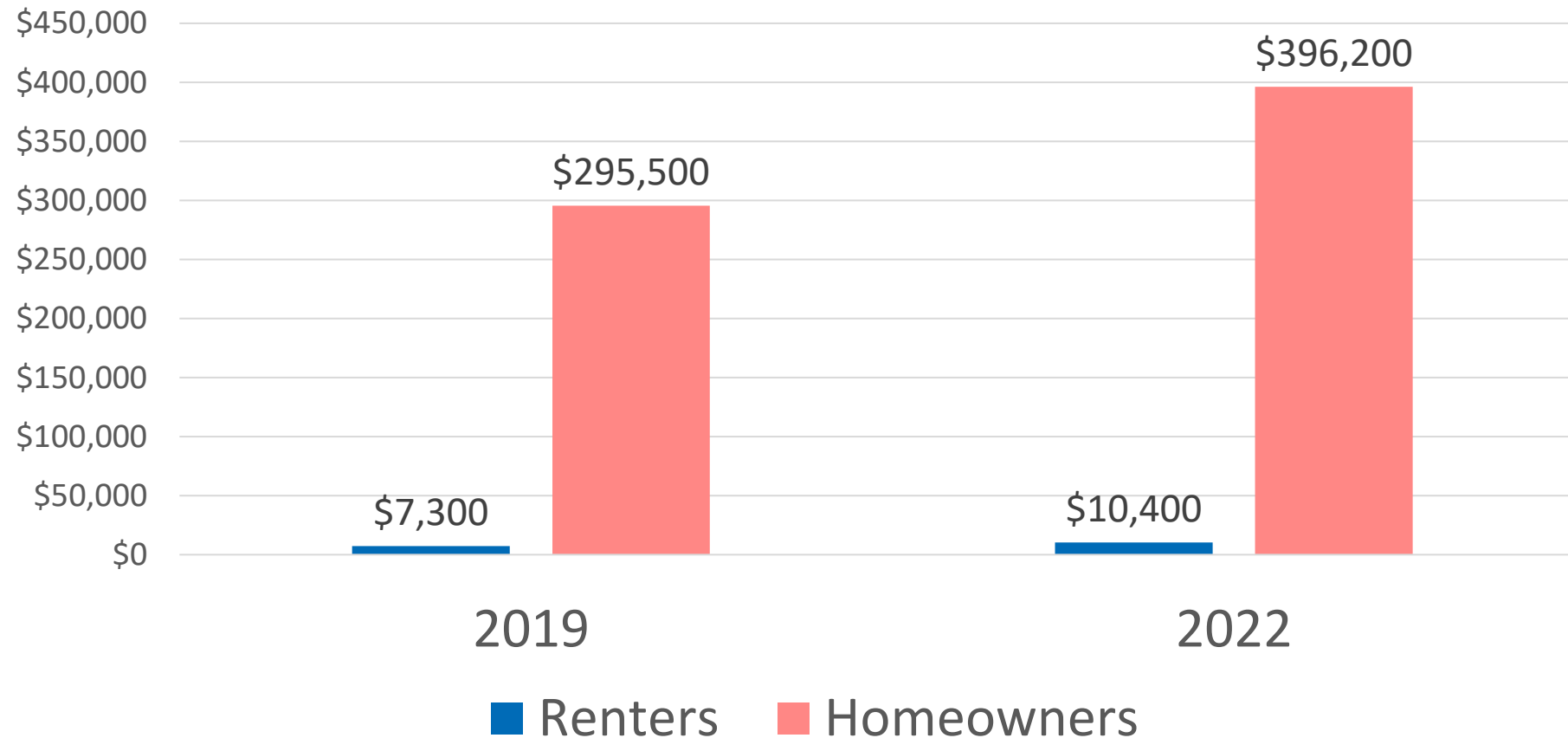
# Home Price Appreciation since Covid Arrival

## (% change from 2020 Q1 to 2023 Q3)



Source: NAR Analysis of FHFA Home Price Index

# Wealth Comparison between Owners and Renters



Source: Median Net Worth from Federal Reserve Survey of Consumer Finance

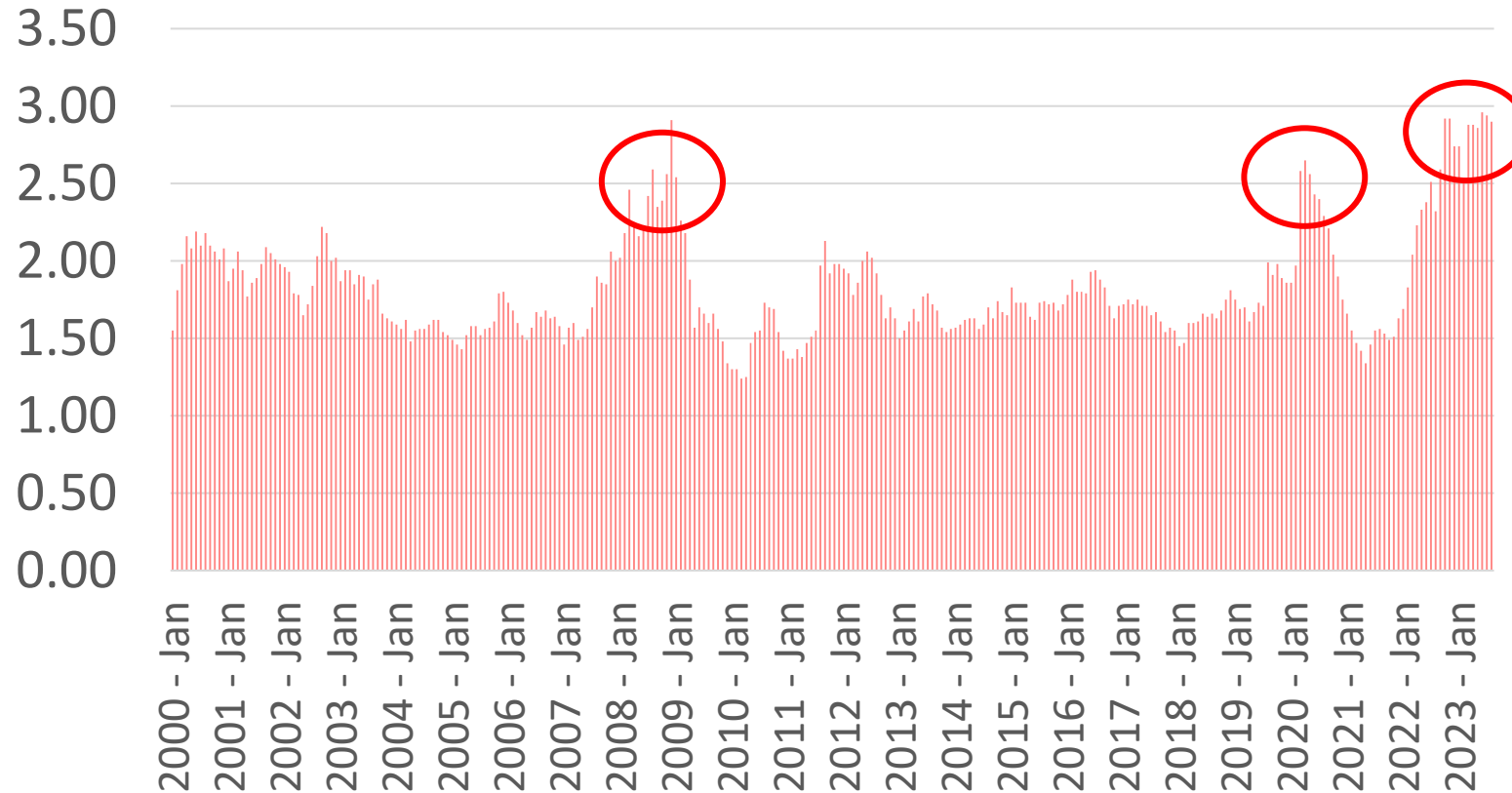
# Mortgage Rates to Fall?

**30-year Fixed Rate to be 6% to 7% by the early spring**

- 1. Rents will calm down further ... Holds down CPI ... and allow the Fed to cut interest rates**
- 2. Community banks are suffering from high interest rates**
- 3. Spread with government bond with a return to normal**



# The Spread between 10-year Treasury and 30-year Mortgage (% point difference)



**Mortgage  
Rate  
(before the  
Fed Rate  
Cuts)  
could be  
6.1% to 6.6%**

Source: NAR Analysis of Interest Rates

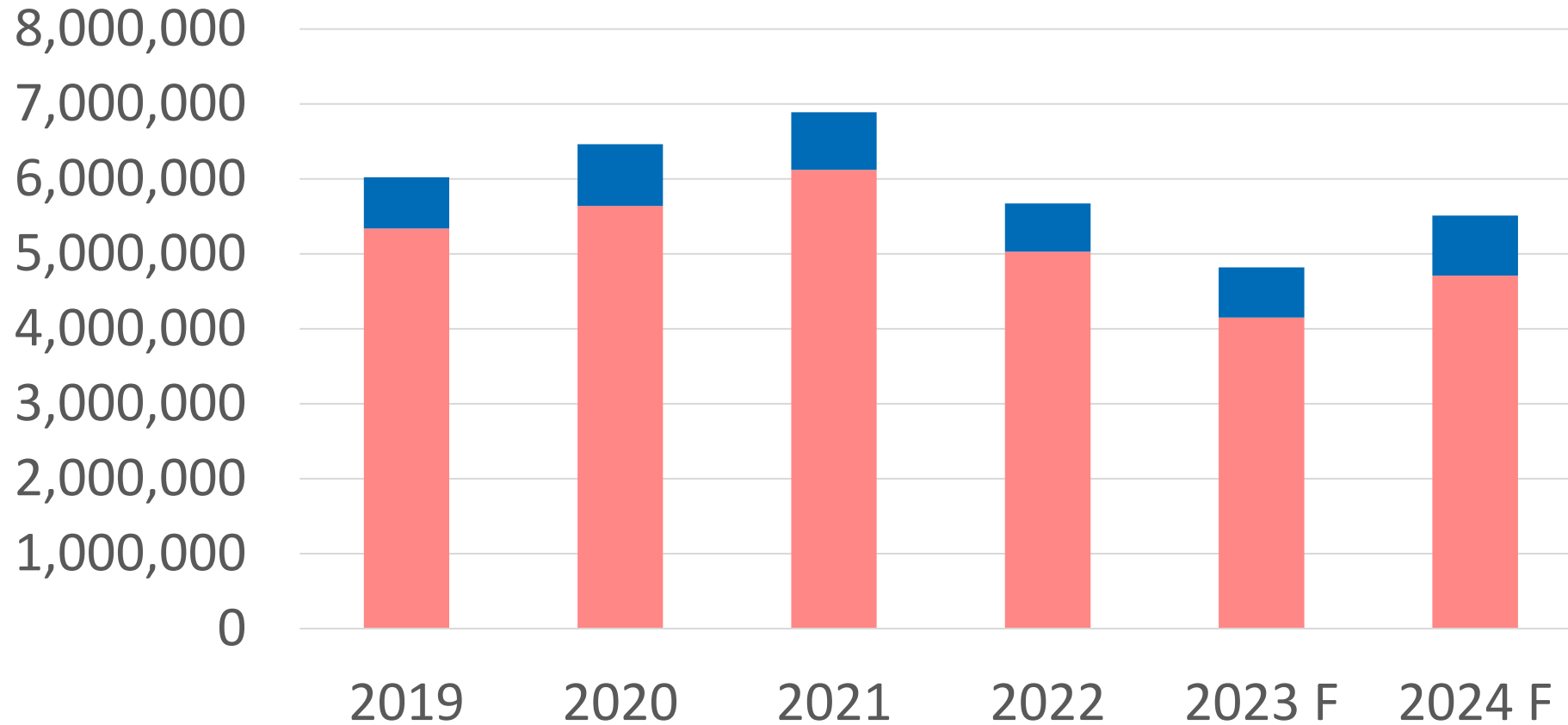
# **Pent-Up Delayed Sellers Cannot Wait Longer**

## **What happens over 2 years?**

- **7 million new-born babies**
- **3 million marriages**
- **1.5 million divorces**
- **7 million turn 65 years old**
- **4 million deaths**
- **4 million net new jobs**
- **50 million job switches**

# Total Home Sales: Bottoming This Year Before Upturn Next Year

## New Sales up 19% and Existing Home Sales up 13%



Source: NAR forecast and HUD

# Risks

- **Lawsuit on Buyer Representation**
- **Government Shutdown**
- **Community Banks**
- **International Buyers**

# First-time Homebuyer Down Payment

Down Payment	% of Home Price
0%	16% of buyers
1% to 5%	22% of buyers
6% to 10%	16% of buyers
11% to 20%	20% of buyers
More than 20%	26% of buyers

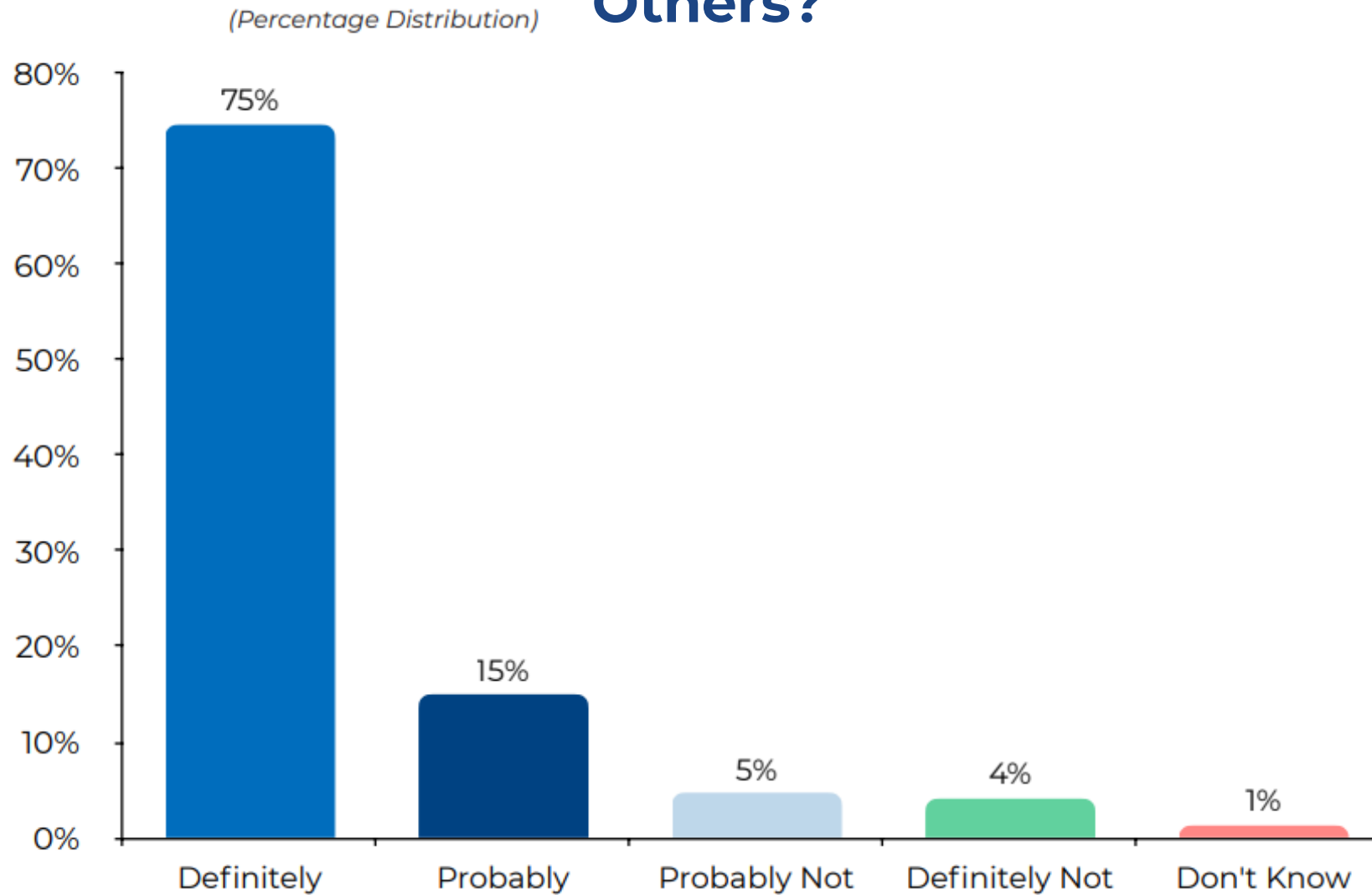
Source: NAR

# First-time Homebuyer Challenges

Hardest Part of Buying (more than one answer permitted)	% of First-time buyers
Finding the Right Property	61% of buyers
Saving for Down Payment	38% of buyers
Understanding the Process	38% of buyers
Paperwork	23% of buyers
Getting a Mortgage and Appraisal	17% of buyers

Source: NAR

# Would Homebuyer Use the Same Agent Again or Recommend to Others?



# First-time Home Buyers Race/Ethnicity

First-time Buyer	% breakout
White	69%
Hispanic	7%
Black	7%
Asian	6%
Other	6%

Source: NAR



# Home Seller Race/Ethnicity

Home Seller	% breakout
White	89%
Hispanic	5%
Black	4%
Asian	3%
Other	2%

Source: NAR

**Thank You !**