



REALTORS[®] LEGISLATIVE MEETINGS 2024

MAY 4-9 • WASHINGTON, DC



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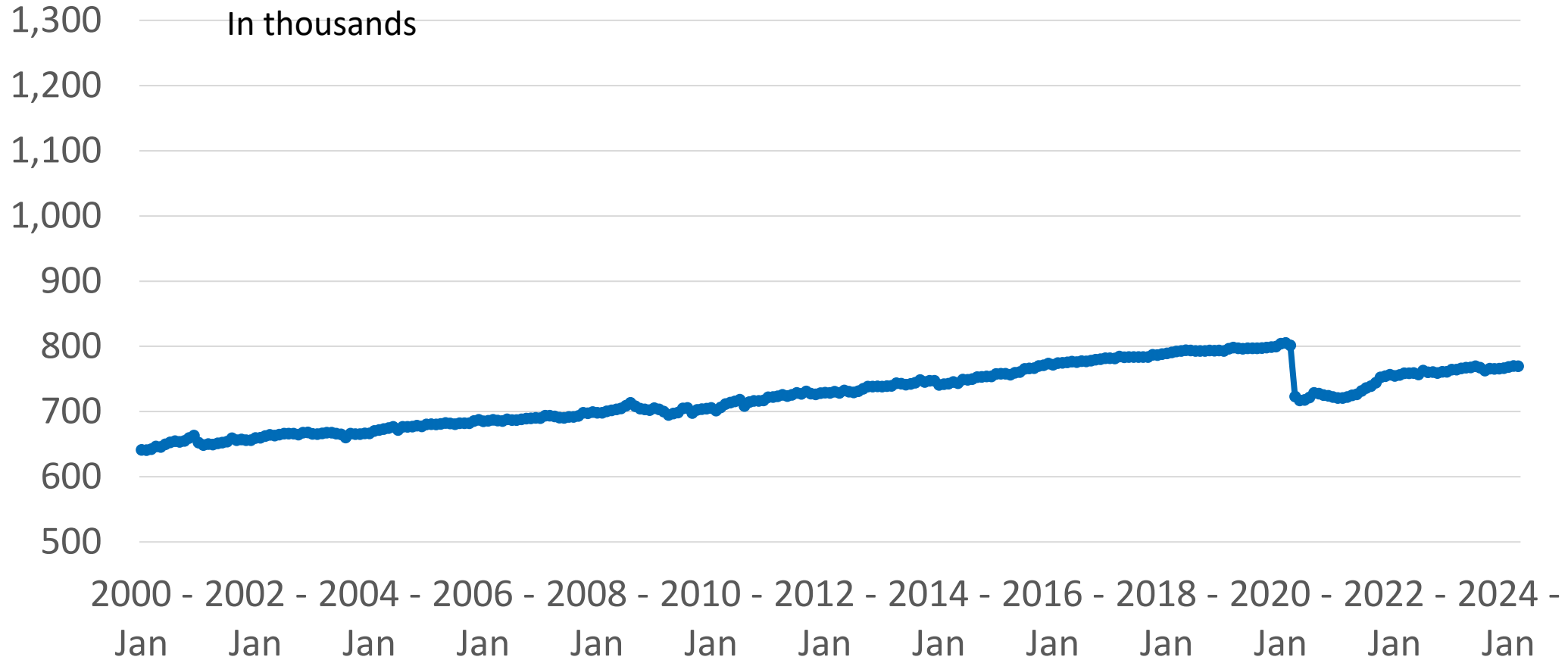
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Economic Update

Lawrence Yun, NAR Chief Economist

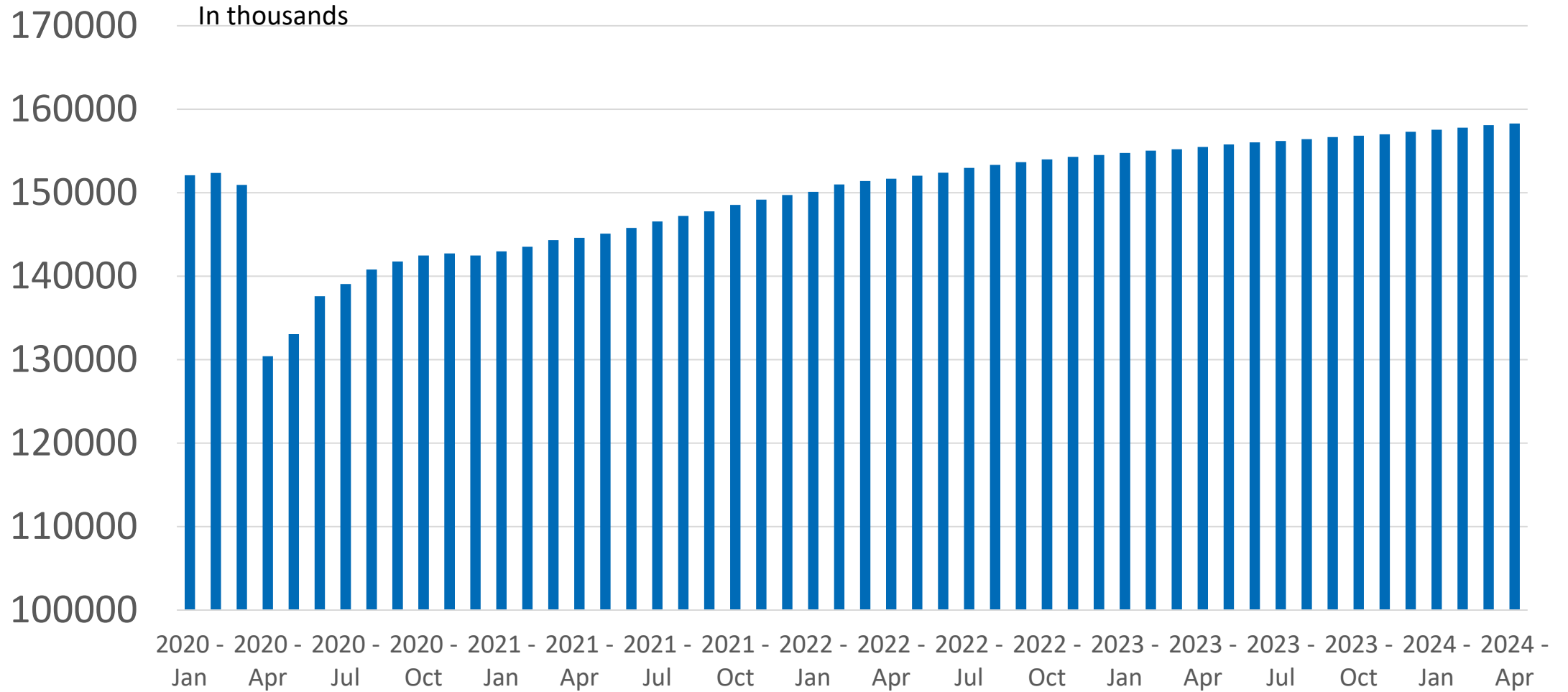
Payroll Jobs in DC ... Below Pre-Covid



Source: BLS

Latest Payroll Jobs in April

6 million more compared to pre-covid highs

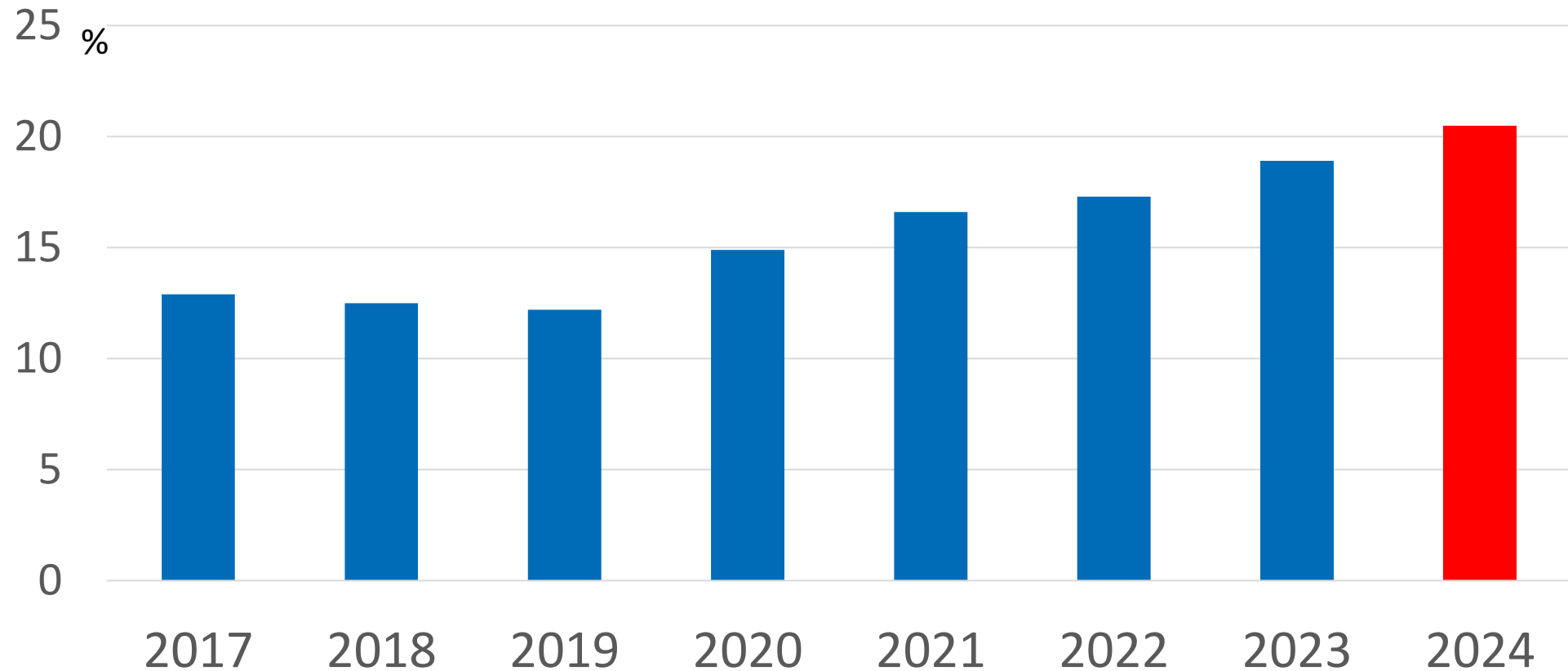


Source: BLS

Job Gains not leading to Office Demand Office Net Absorption ... Pre and Post Covid

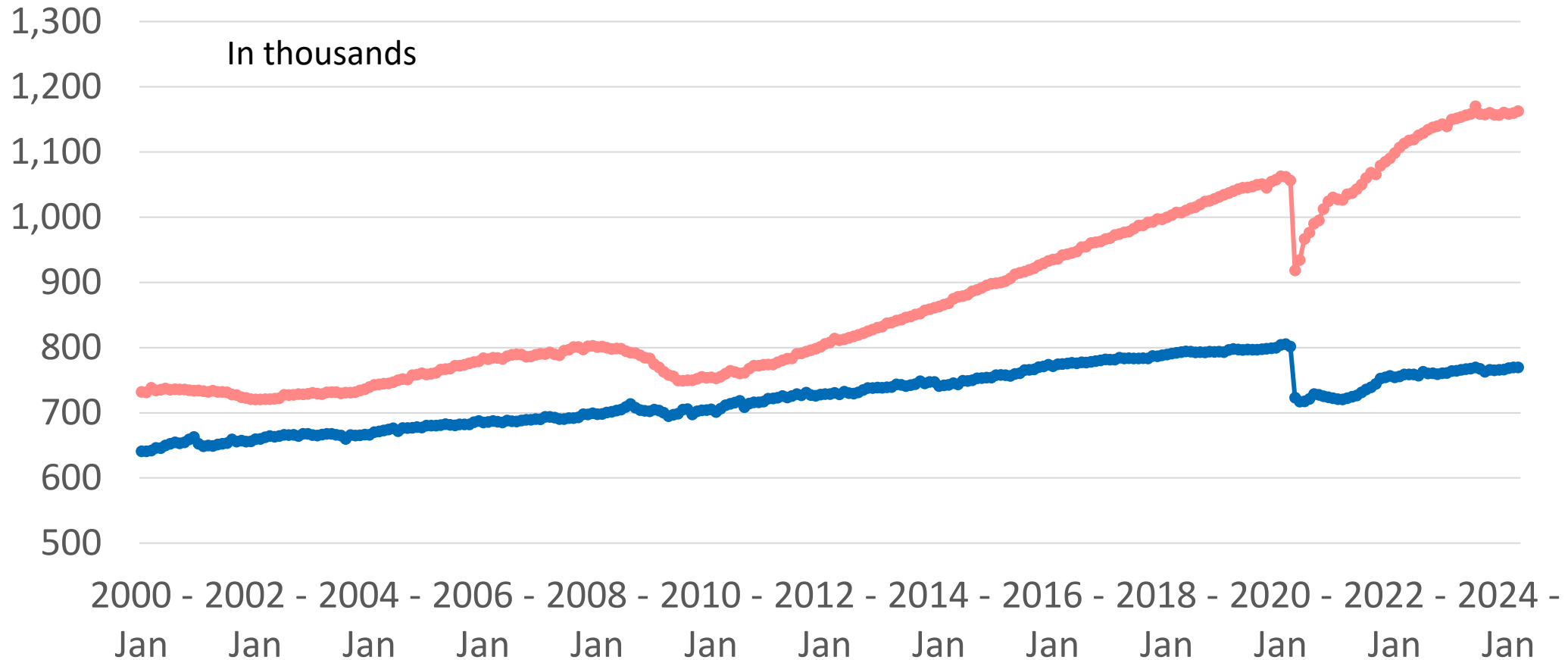


National Office Vacancy Rate



Source: CBRE/ULI and NAR Forecast

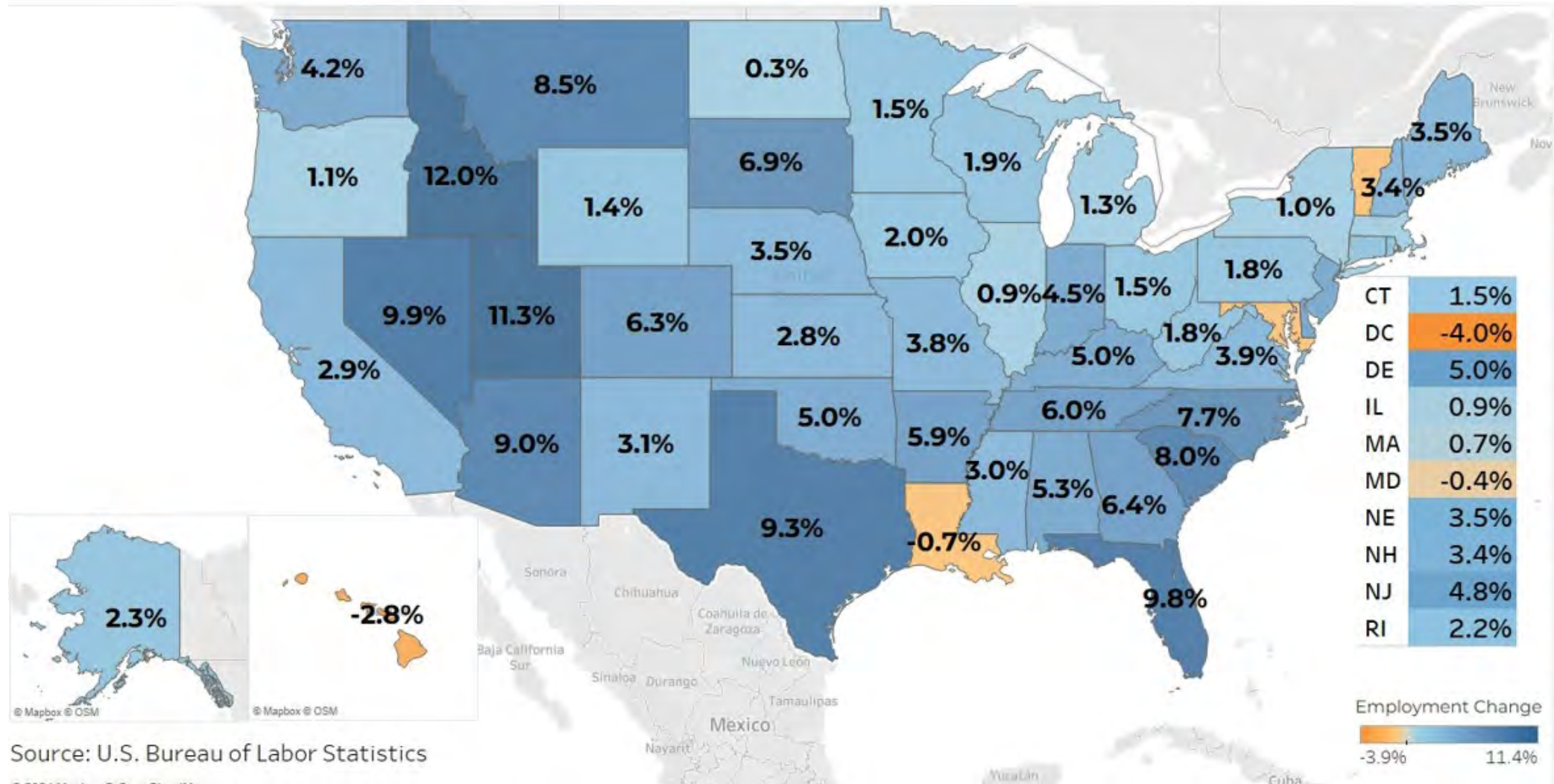
Payroll Jobs in Nashville >>> DC



Source: BLS

Job Gains Since Pre-COVID Record High Payroll Employment

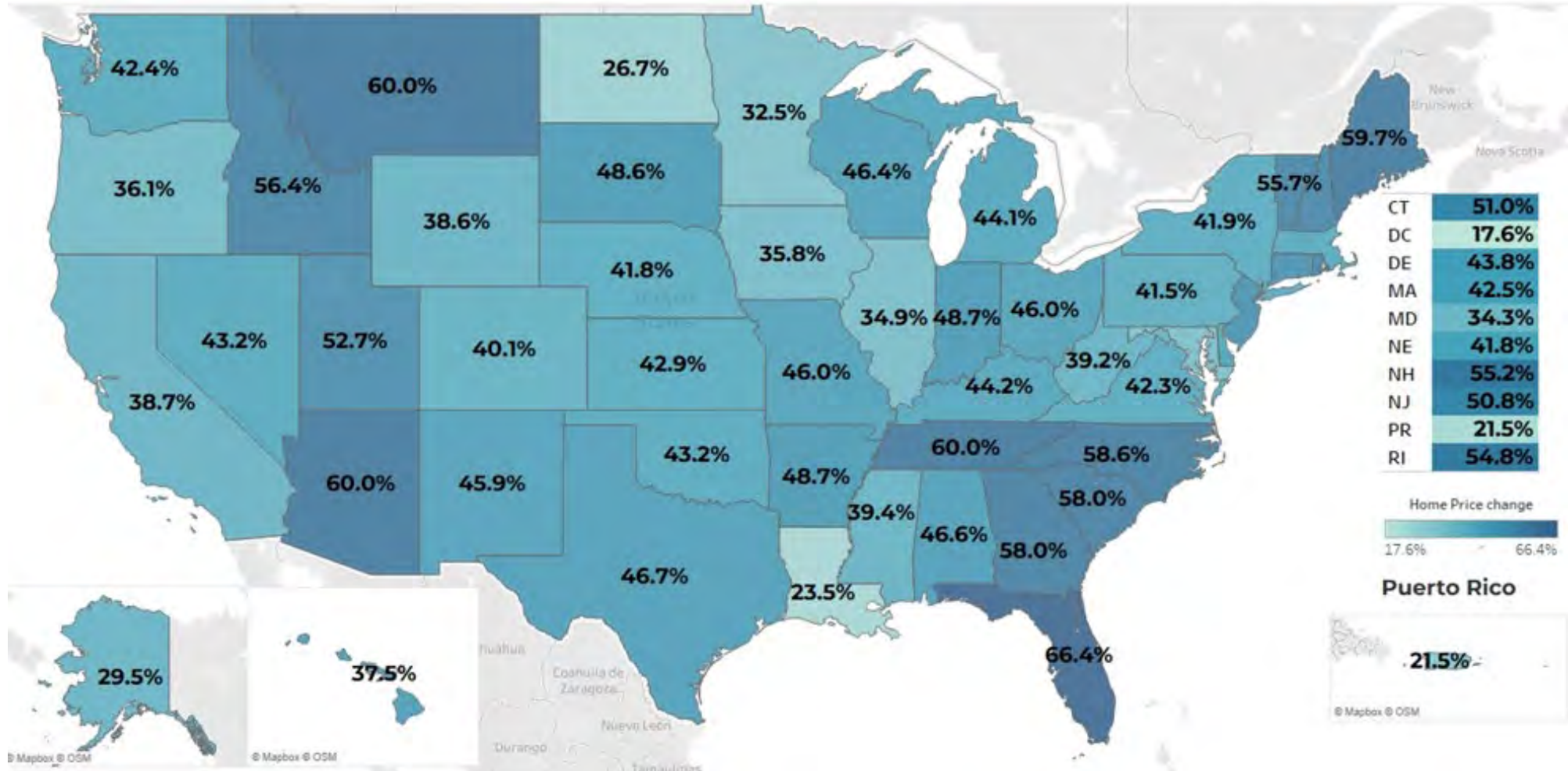
% change from March 2020 to March 2024



Source: U.S. Bureau of Labor Statistics

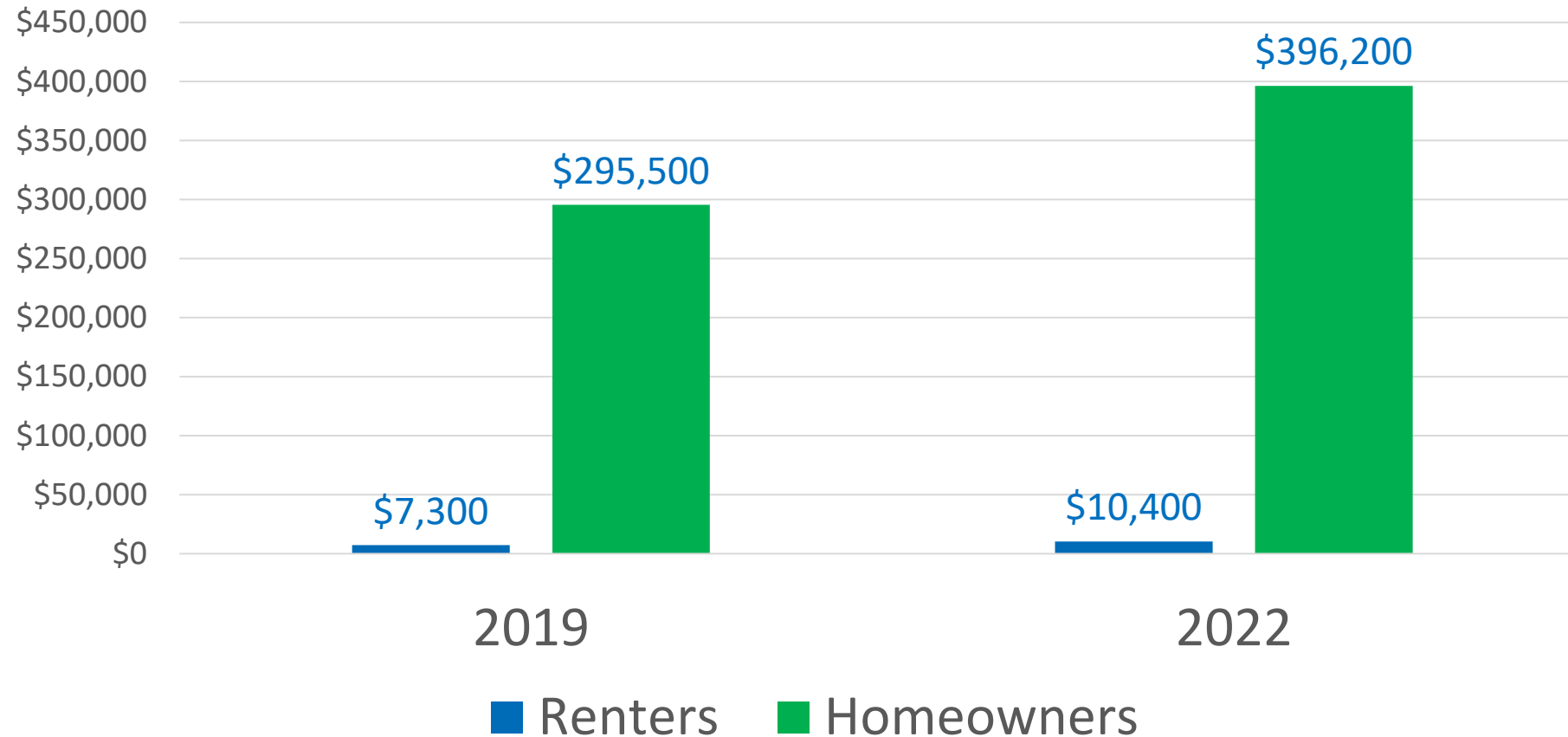
Source: NAR Analysis of BLS data

Home Price Appreciation from Pre-Covid



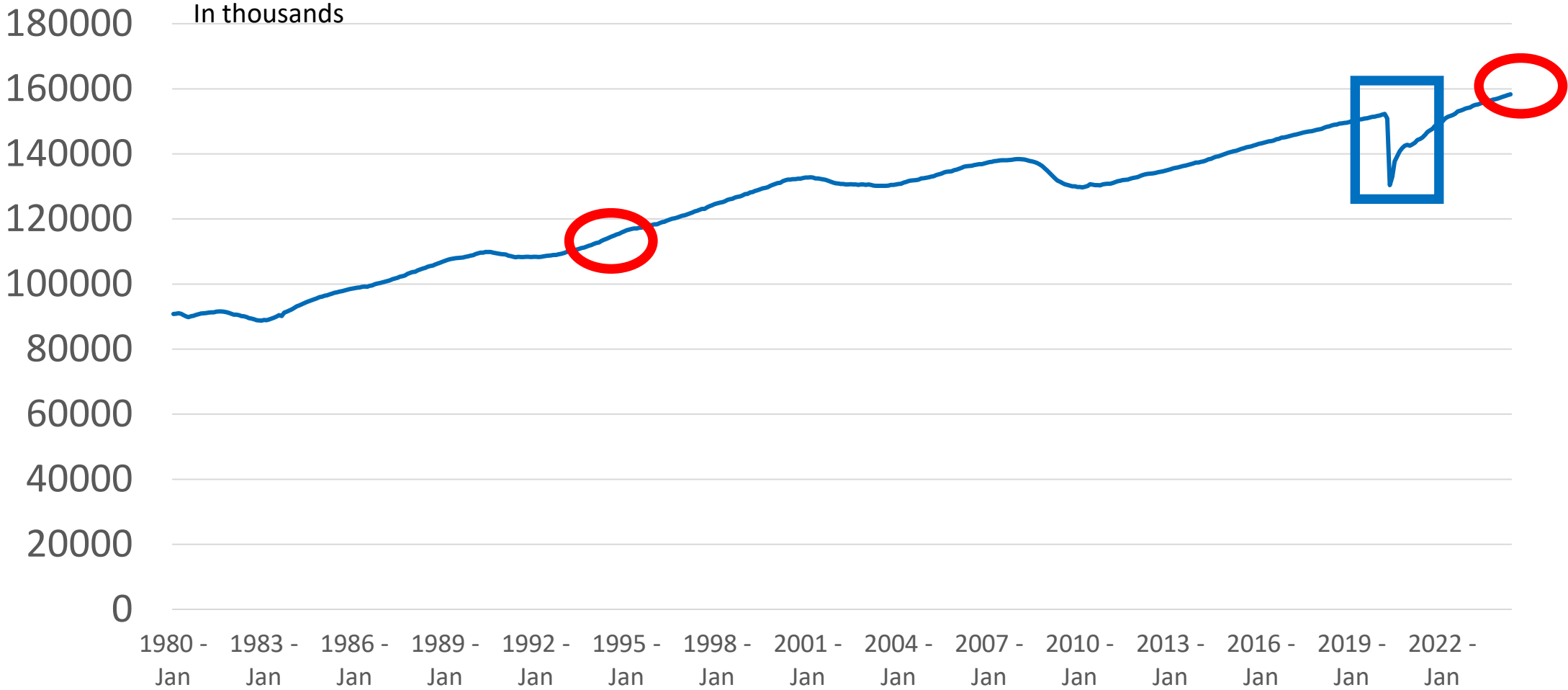
Source: NAR Analysis of FHFA Home Price Index

Wealth Comparison between Owners and Renters



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

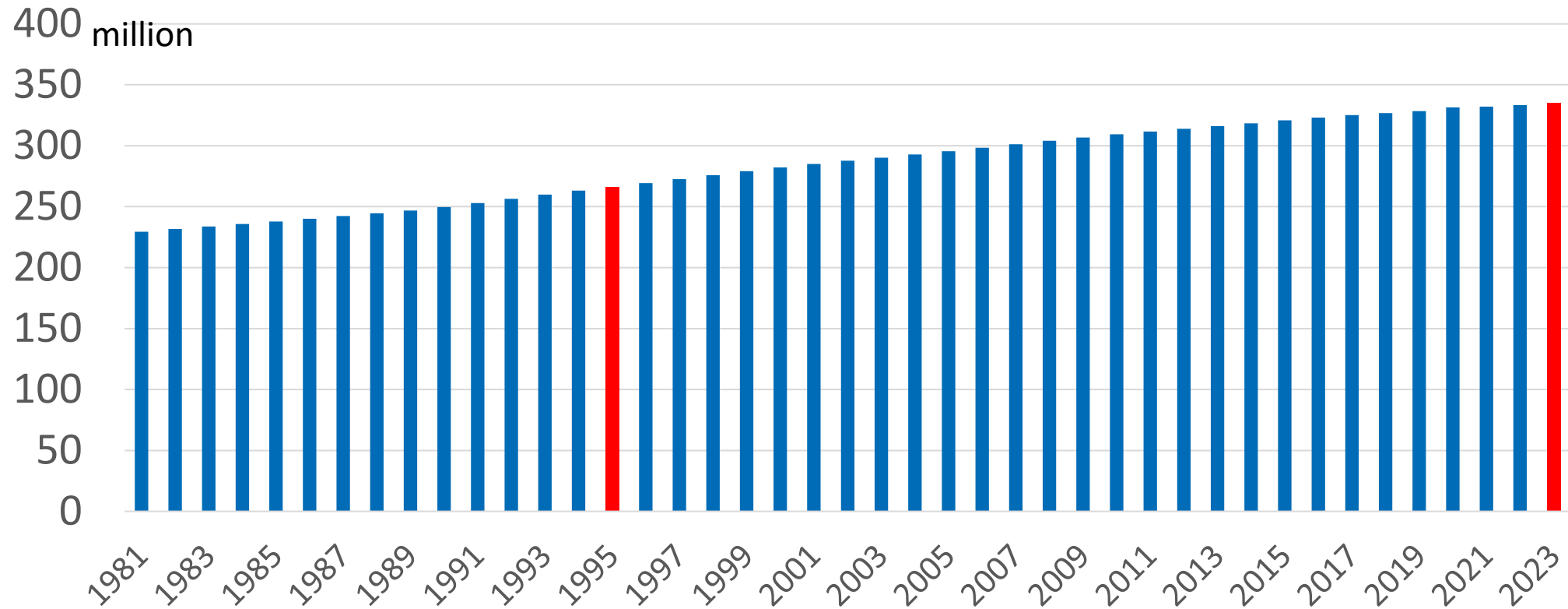
Total Payroll Jobs ... 40 million more compared to 1995



Source: BLS

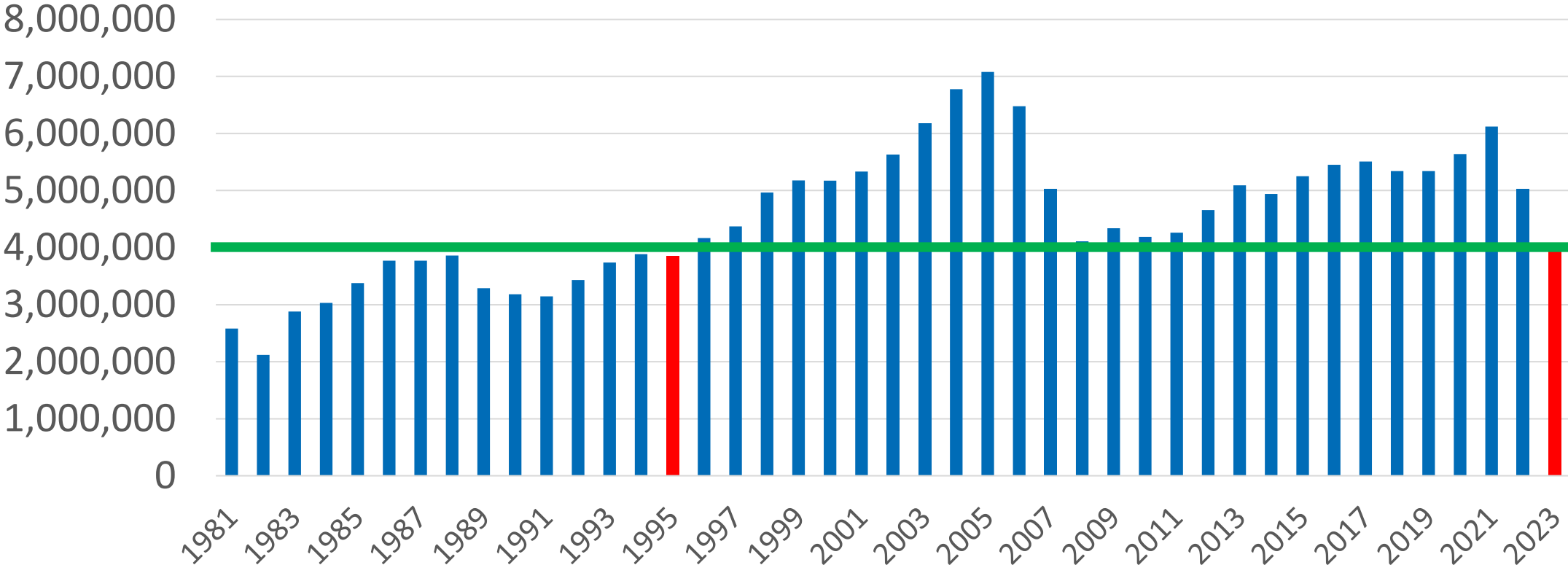


U.S. Population .. 70 million more people since 1995



Source: NAR

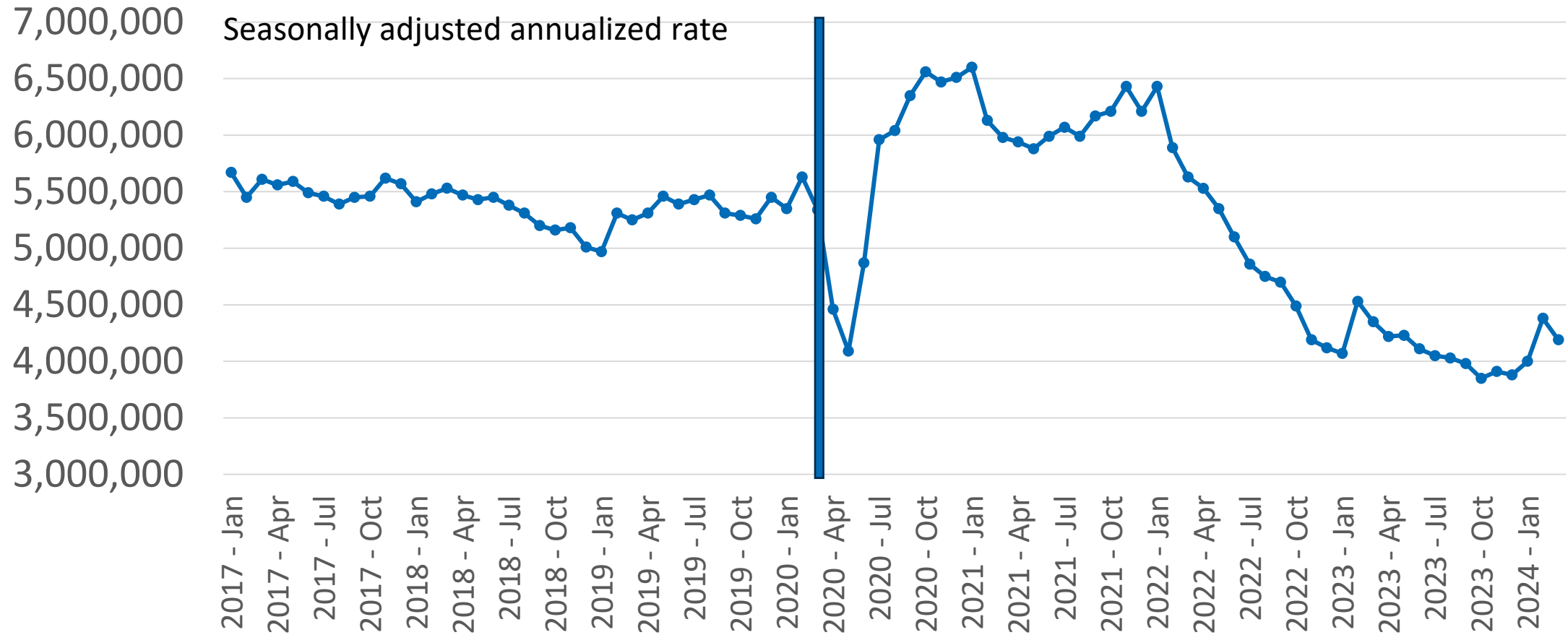
Annual Existing Home Sales: Worst Year since 1995



Source: NAR

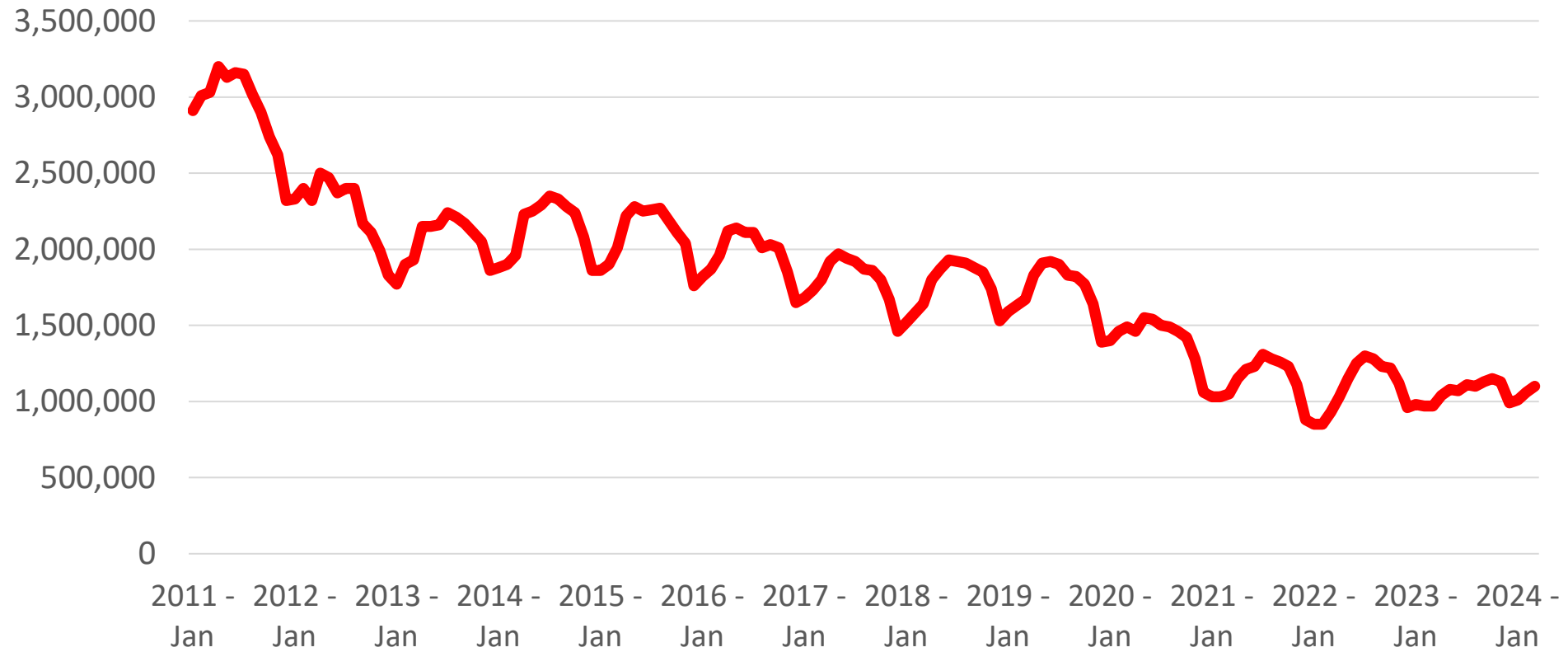


Monthly Existing Home Sales ... still stuck at 30 year lows



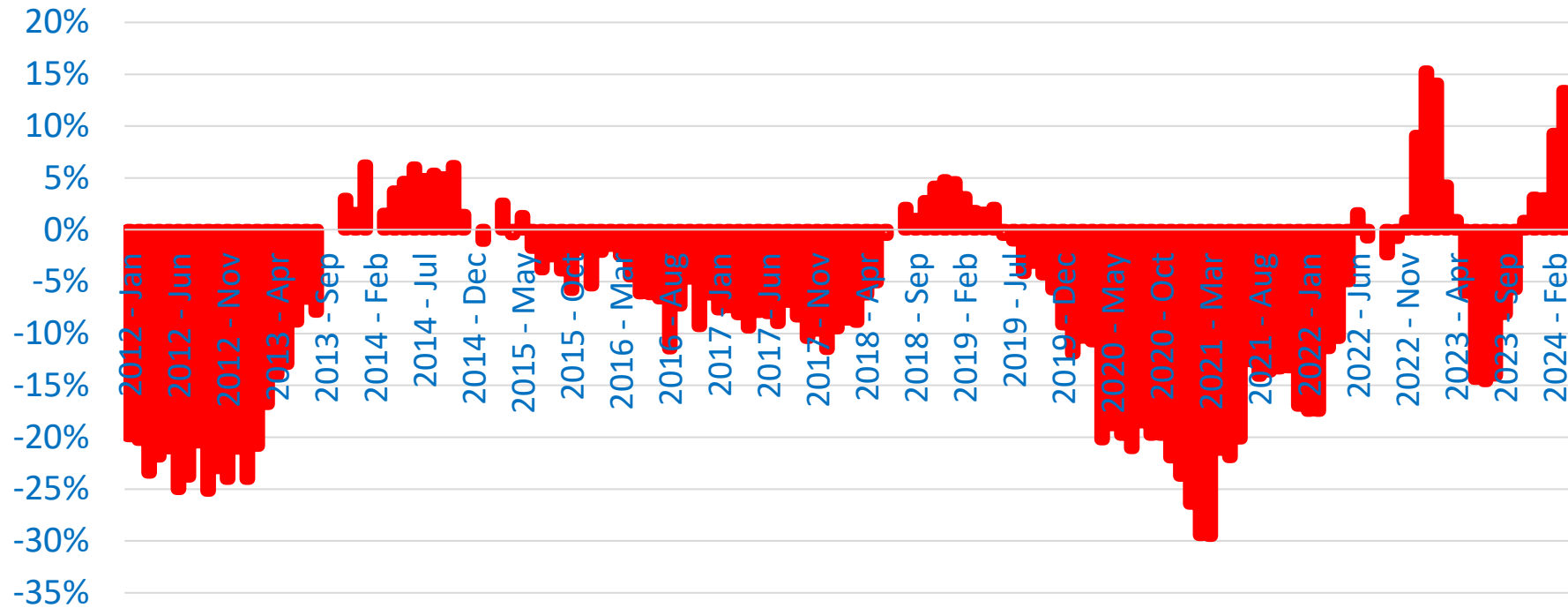
Source: NAR

Inventory of Existing Homes



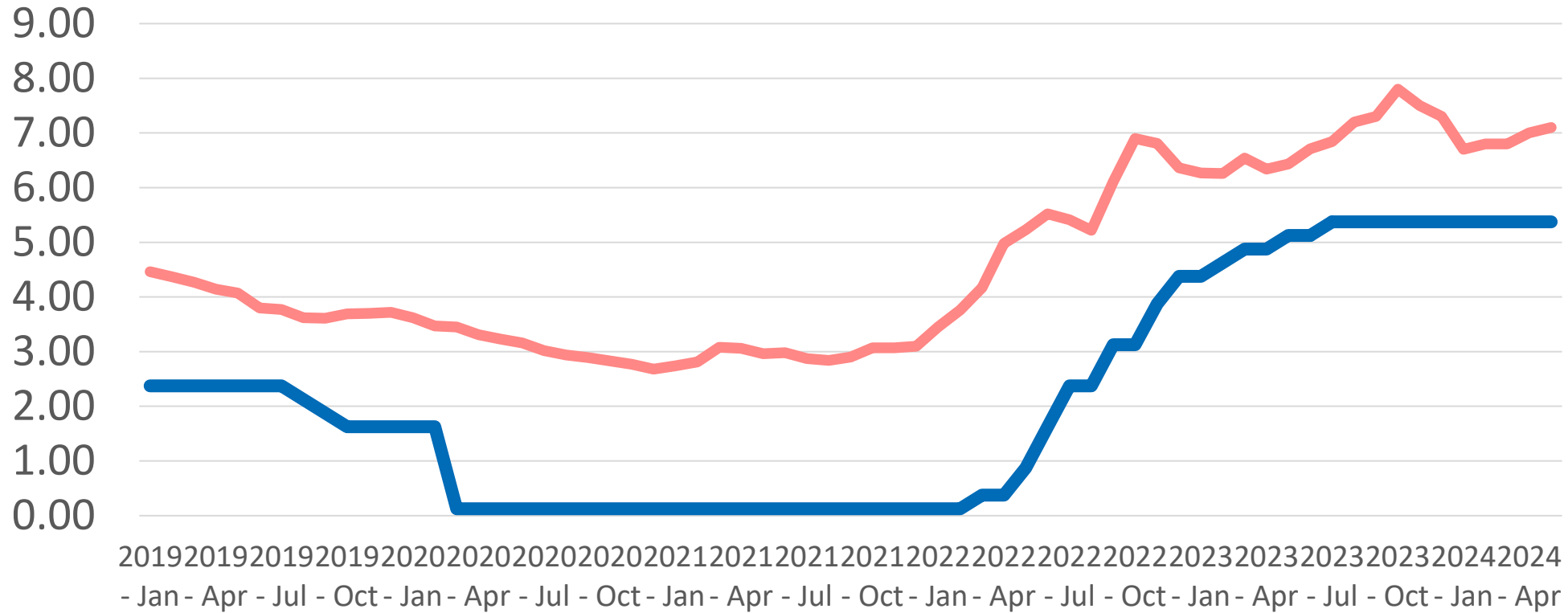
Source: NAR

Change in Inventory of Existing Homes (% change from a year ago)



Source: NAR

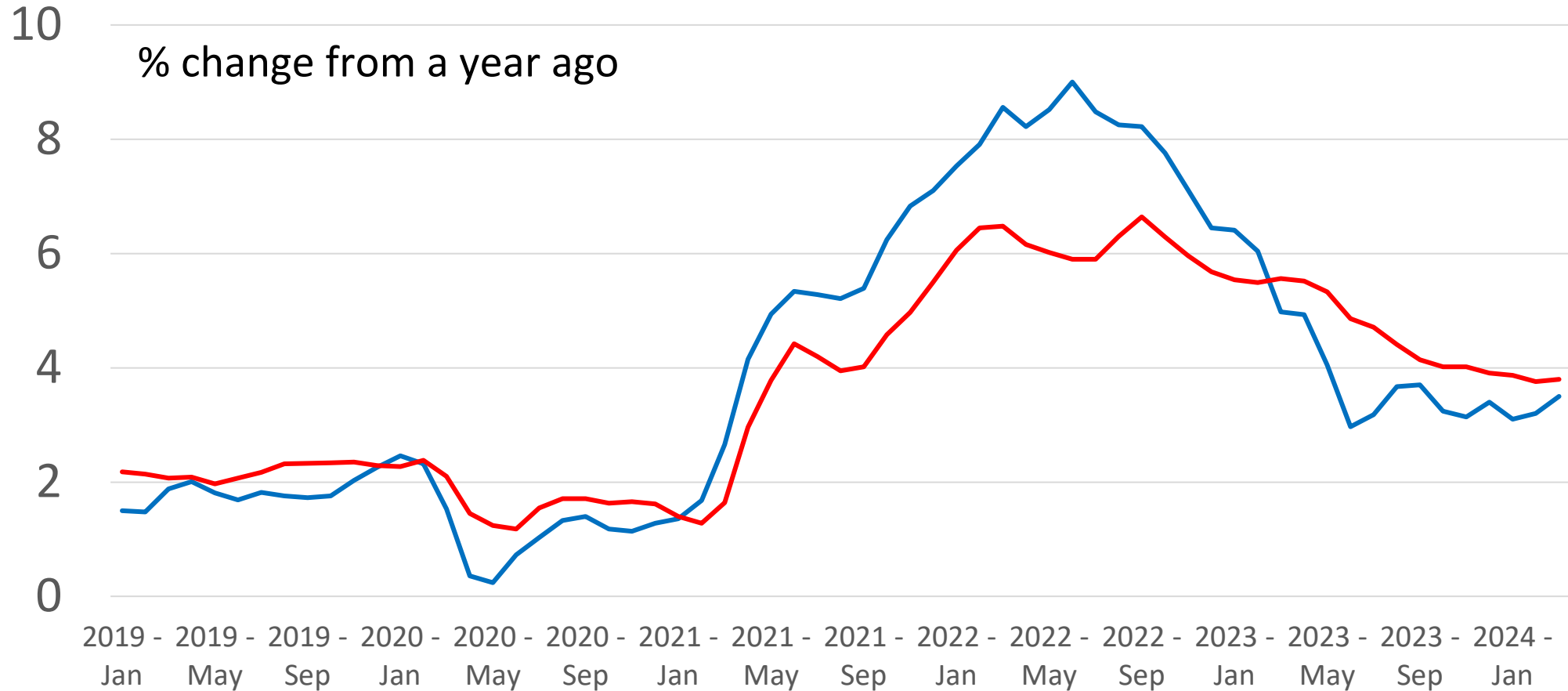
30-year Mortgage and Fed Funds Rate ... High Rate Environment



Source: U.S. Treasury and Federal Reserve

CPI ... 3.5% in March ... Not yet 2%

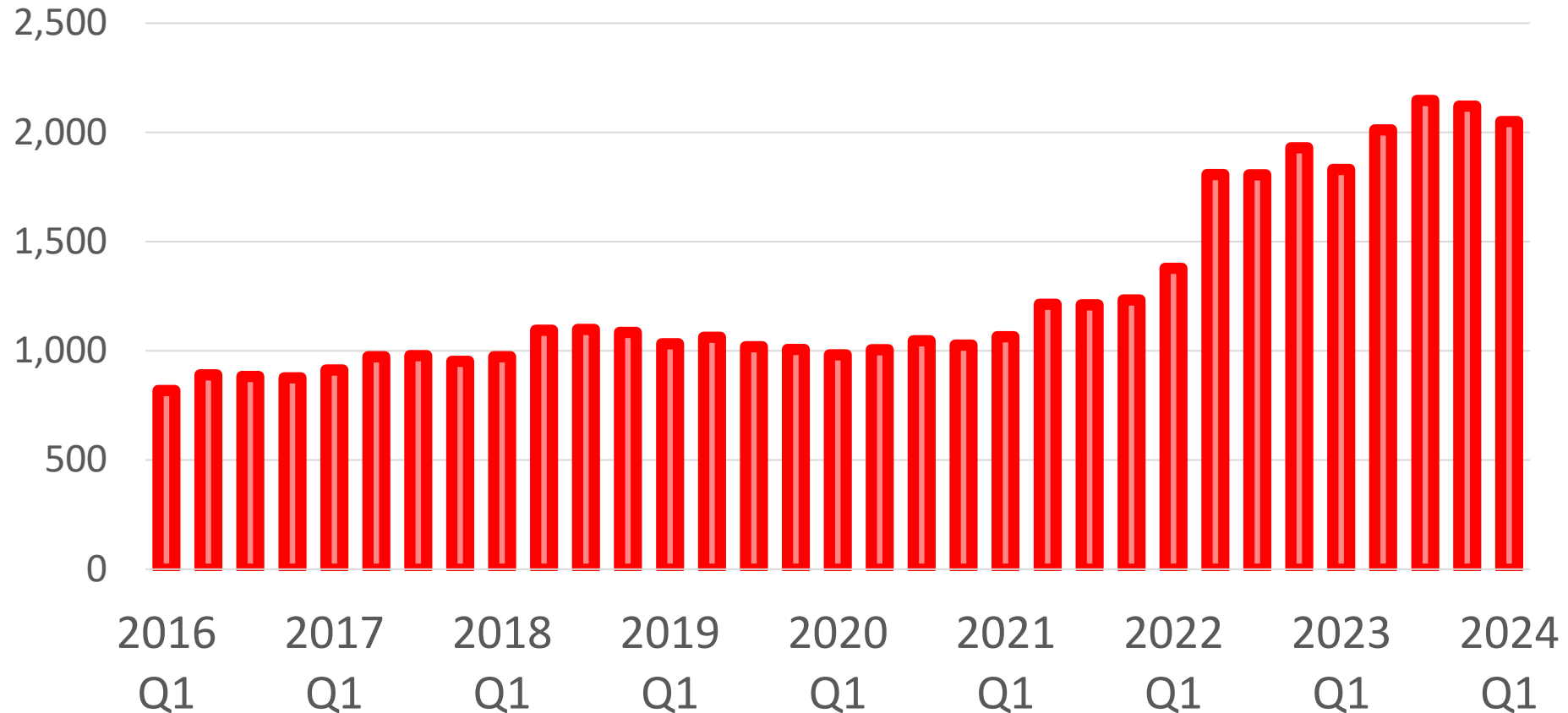
Core CPI (in red)



Source: BLS

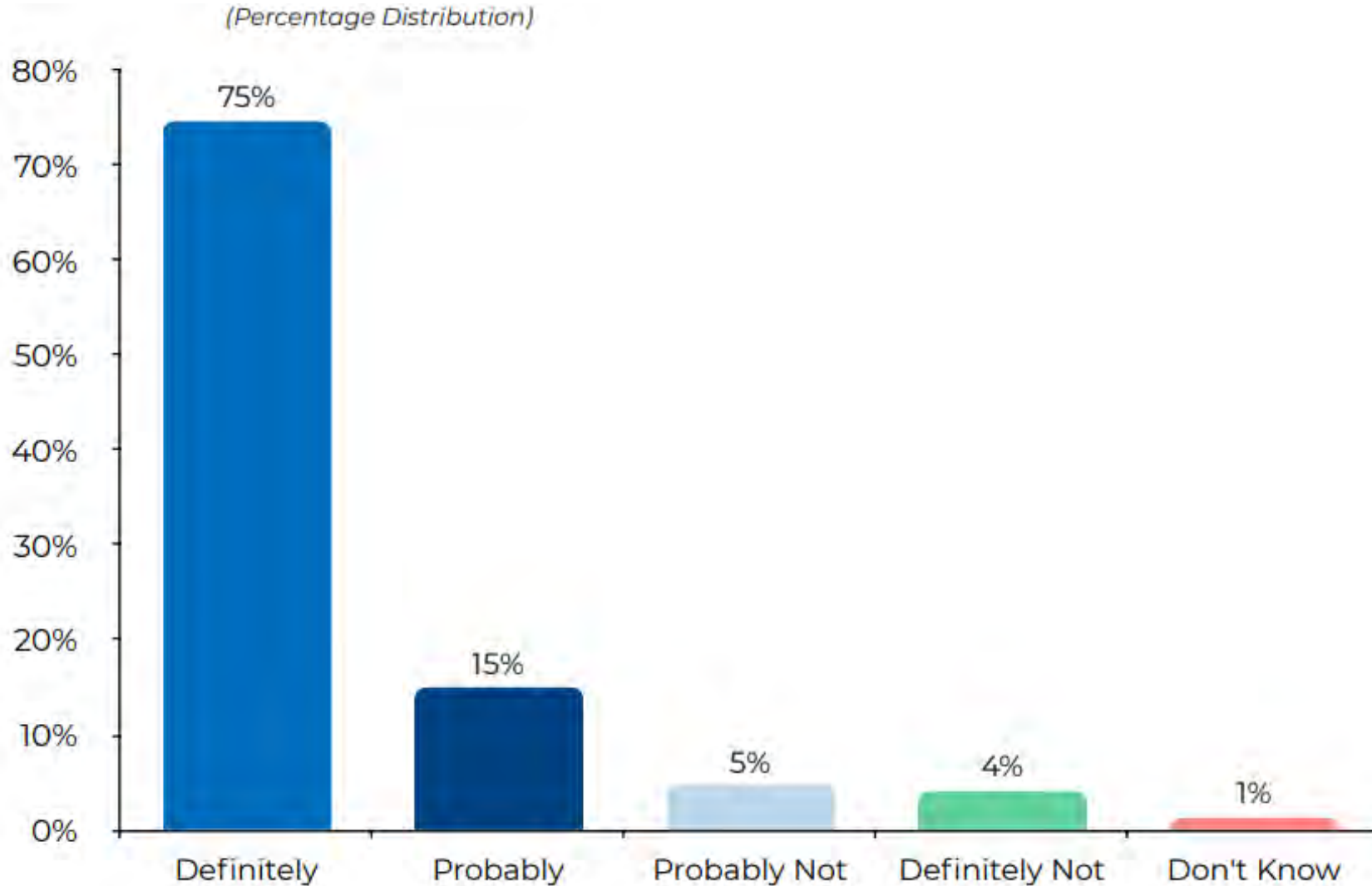
Monthly Payment for 1st time Homebuyer

10% downpayment and 80% of Median Home Price



Source: NAR

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



NAR Membership Dynamics ... Resembles Restaurant Industry entry and exit

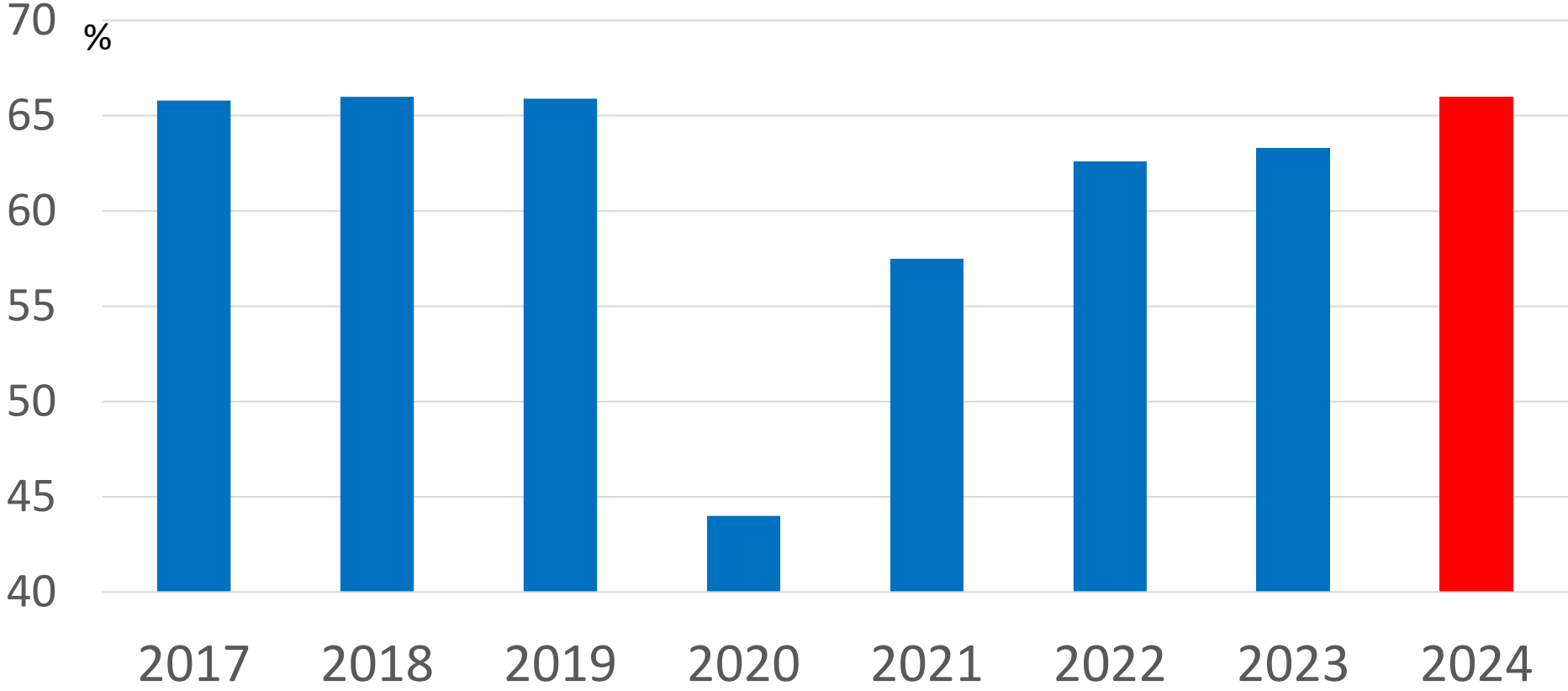
New Members in 2023	136,374
Exiting Members in 2023	162,741
Annual Net Change in 2023	Net Loss of 26,367

Source: NAR

The Larger Price Cuts the Longer the Days on Market (April 2024)

Days on Market	Price on Pending	Price cut on Closing
0 to 14	4.6%	4.9%
15 to 21	4.6%	5.1%
22 to 30	4.7%	5.5%
31 to 60	5.4%	6.5%
61 to 90`	6.4%	7.9%
91 to 120	7.4%	9.2%
120 +	9.3%	11.6%

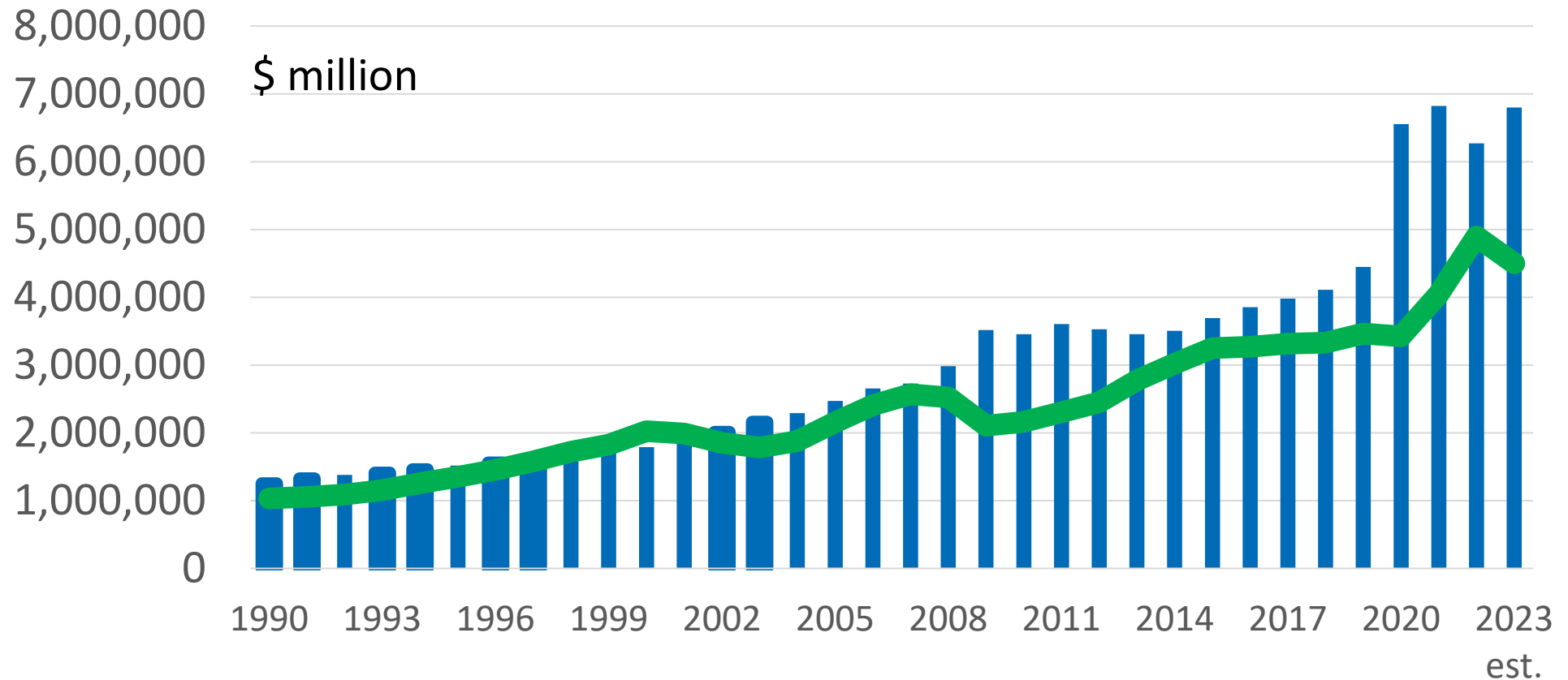
National Hotel Occupancy Rate (proxy for Short-term Rental Demand)



Source: CBRE/ULI and NAR Forecast



Government Deficit Further Pressuring Rate Rise? Government Outlay > Tax Revenue



Source: Congressional Budget Office

**What Happens to Deficit
if there is a job cutting recession?**

**Nothing left to fight the recession
other than Print Money**

Permanently High Inflation and Inflation Hedge

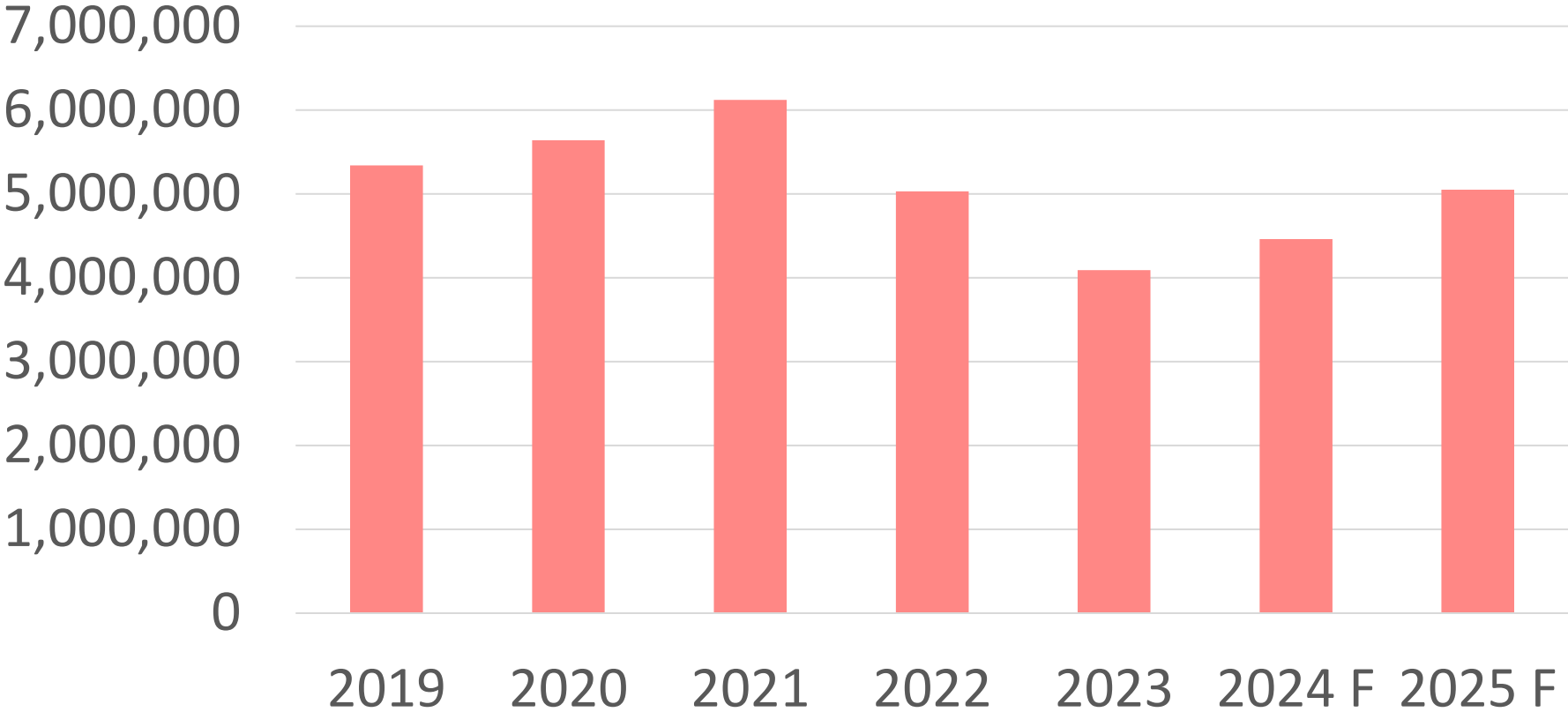
- **Gold**
- **Commodities**
- **Bitcoin and Crypto Currencies**
- **Land and Real Estate**

Forecast: Long-term Interest Rates to Fall

1. Rents will calm down further ... Holds down CPI ... and make the Fed cut interest rates
2. Community banks are suffering from high interest rates
3. Credit Spread is abnormally high

Home Sales Forecast: 4.5 million in 2024 and 5 million in 2025

Further Gains in 8 of the next 10 years



Source: NAR forecast and HUD



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