

Economics and Market Outlook

March 2022

Lawrence Yun

Chief Economist

National Association of REALTORS®

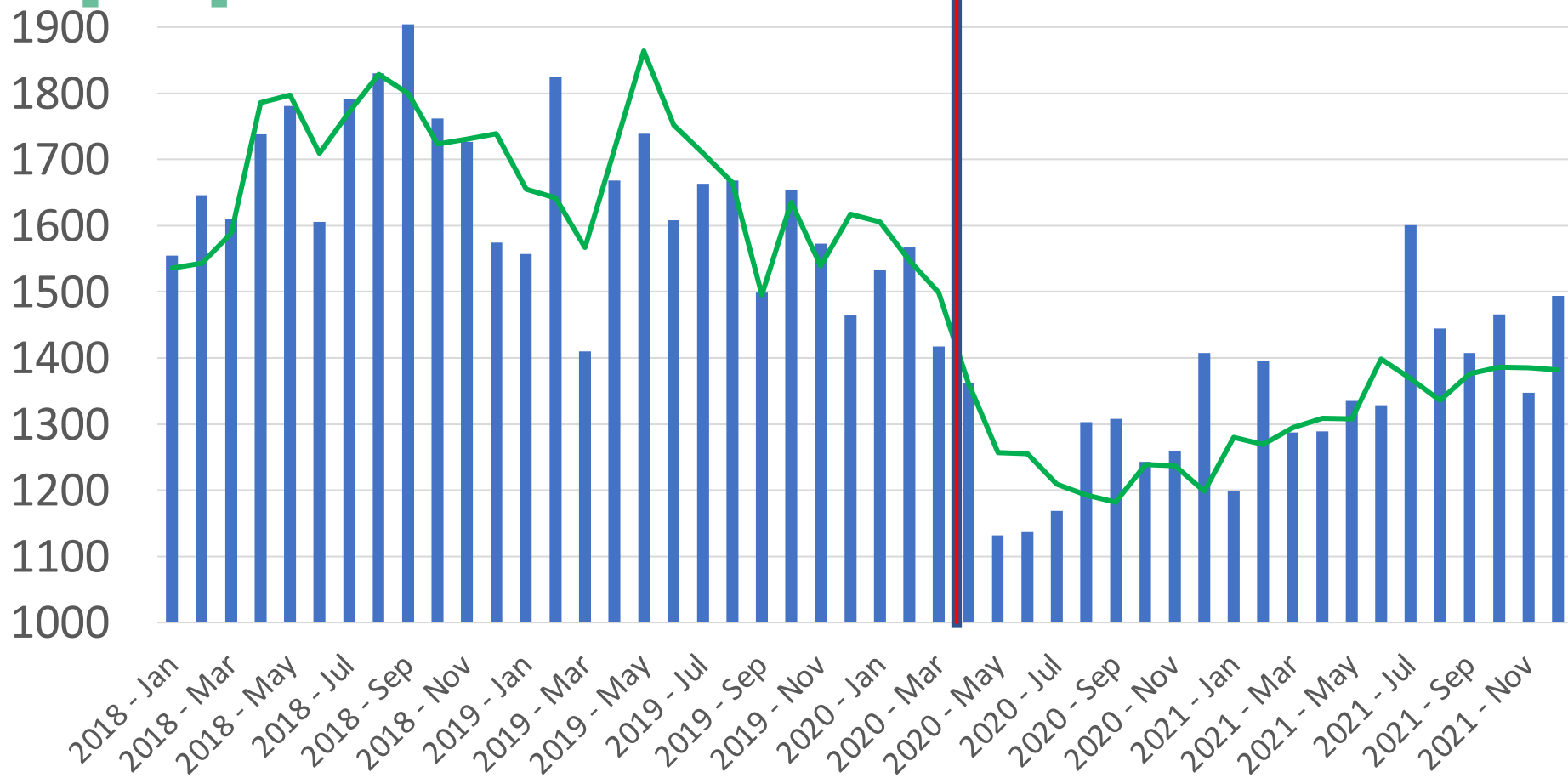
West Texas Crude Oil

Price



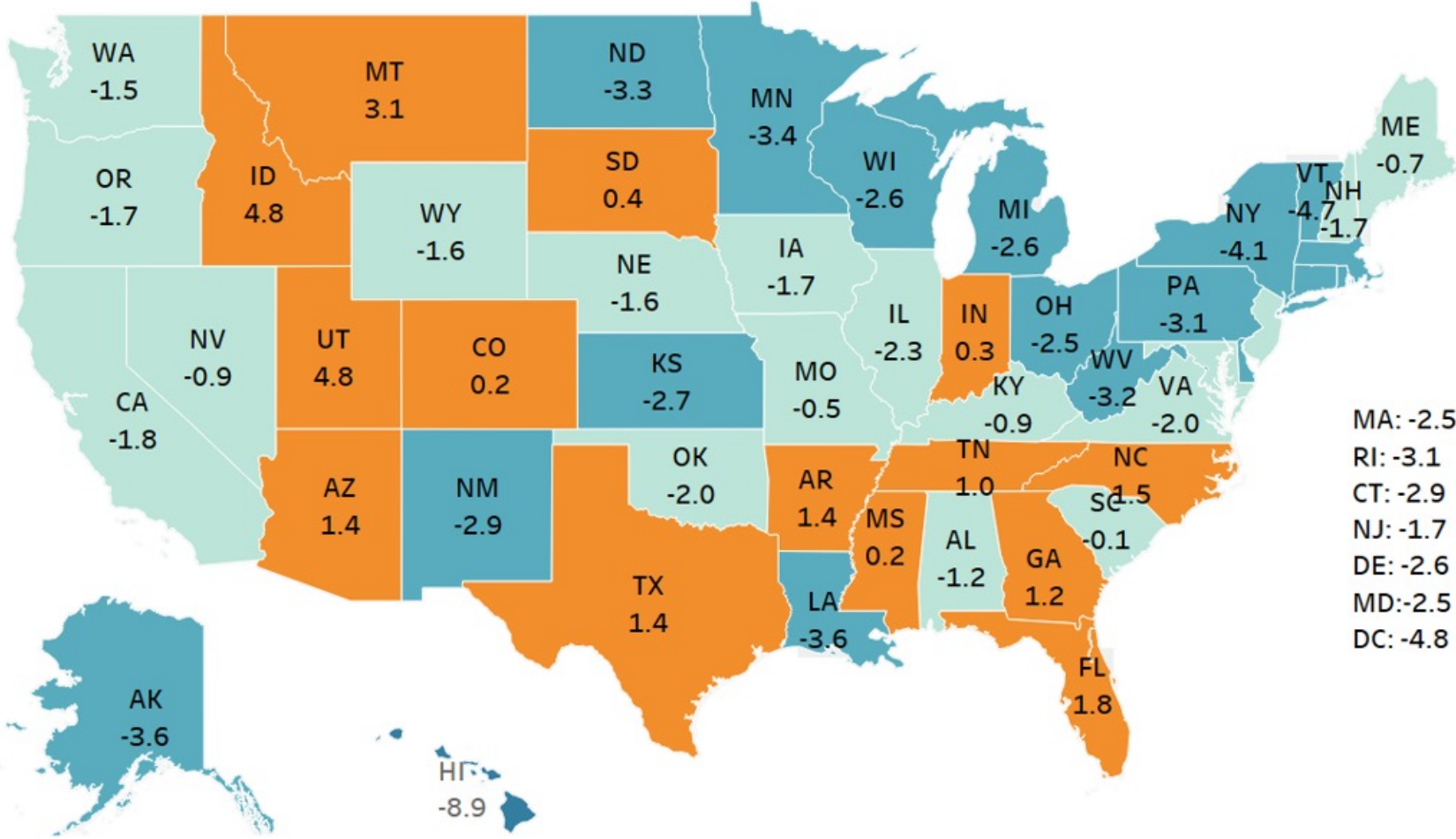
Orders and Shipments of Drilling Equipment

\$ million (seasonally adjusted annualized)

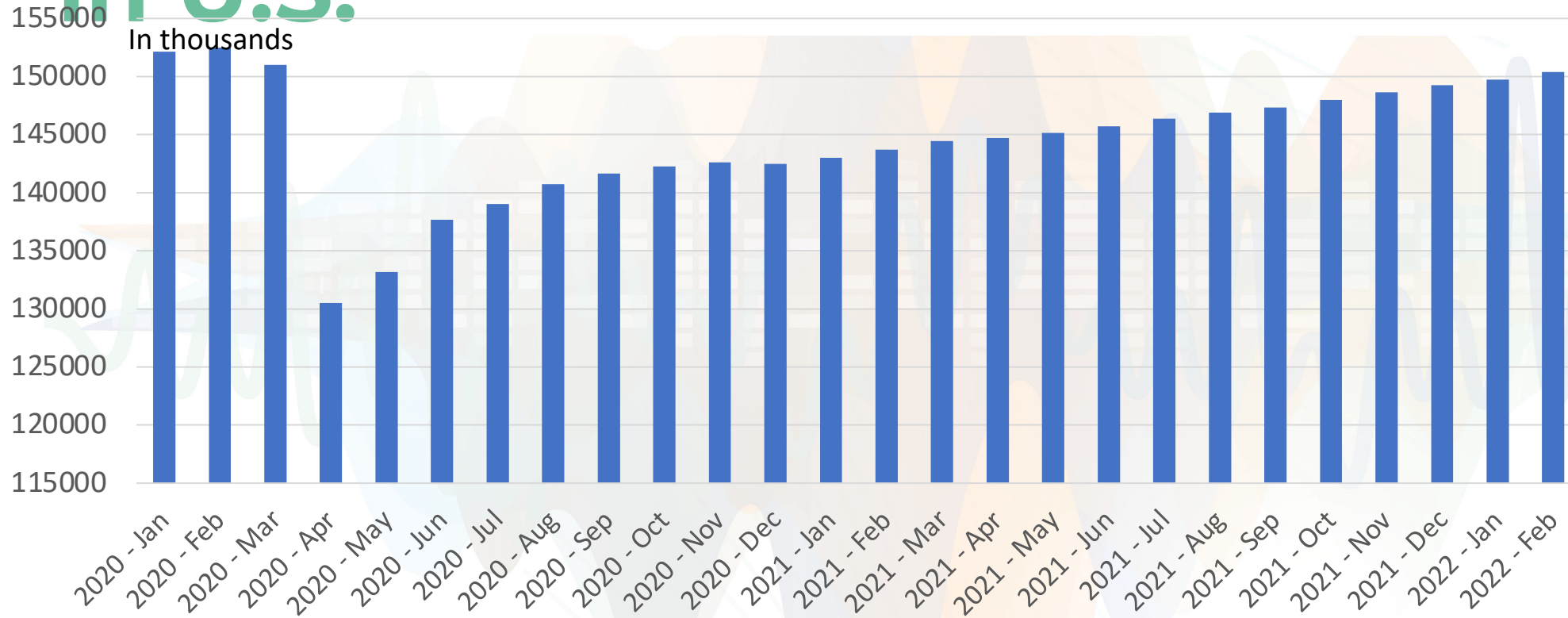


Jobs Recovery compared to Pre-Covid Days

M

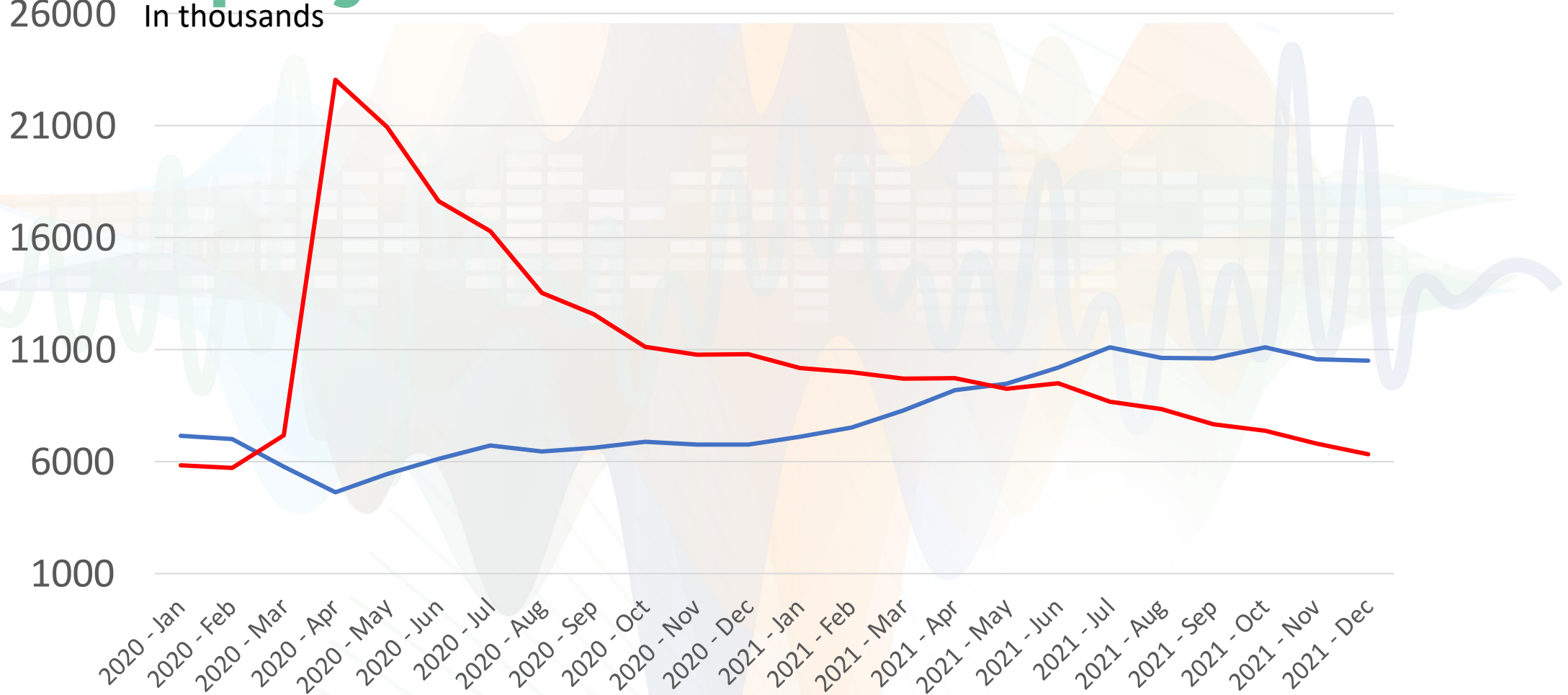


Total Payroll Jobs in U.S.

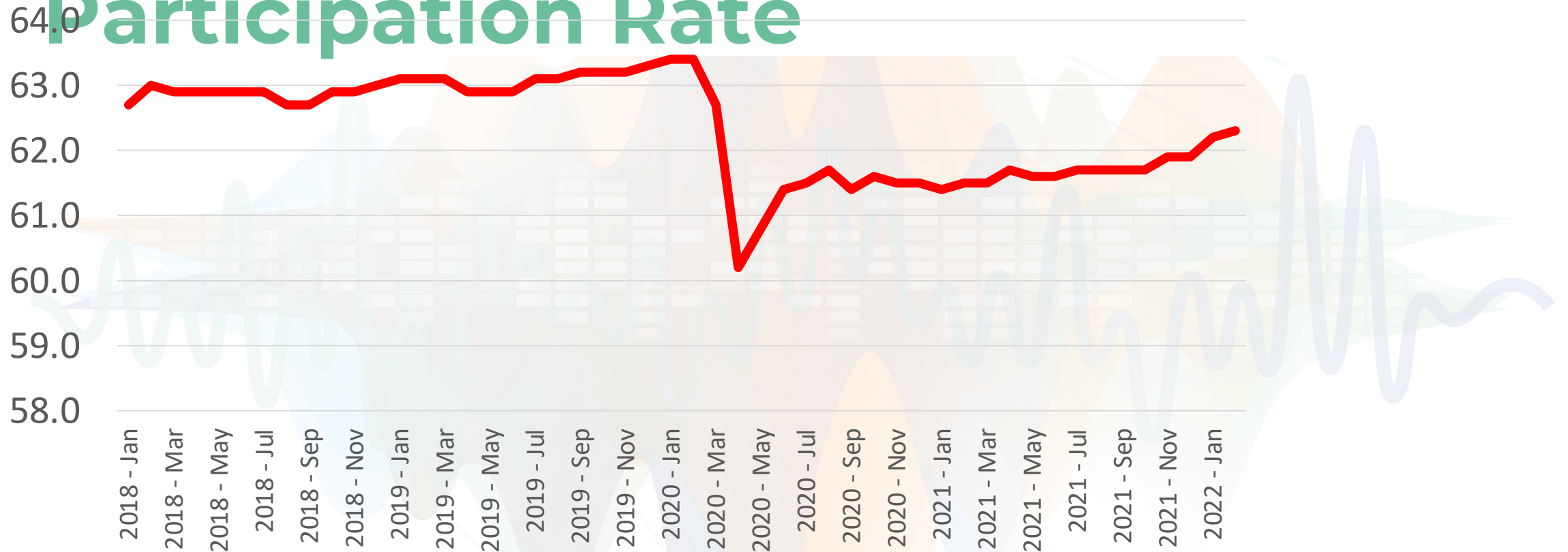


Labor Shortage ... Job Openings > Unemployed

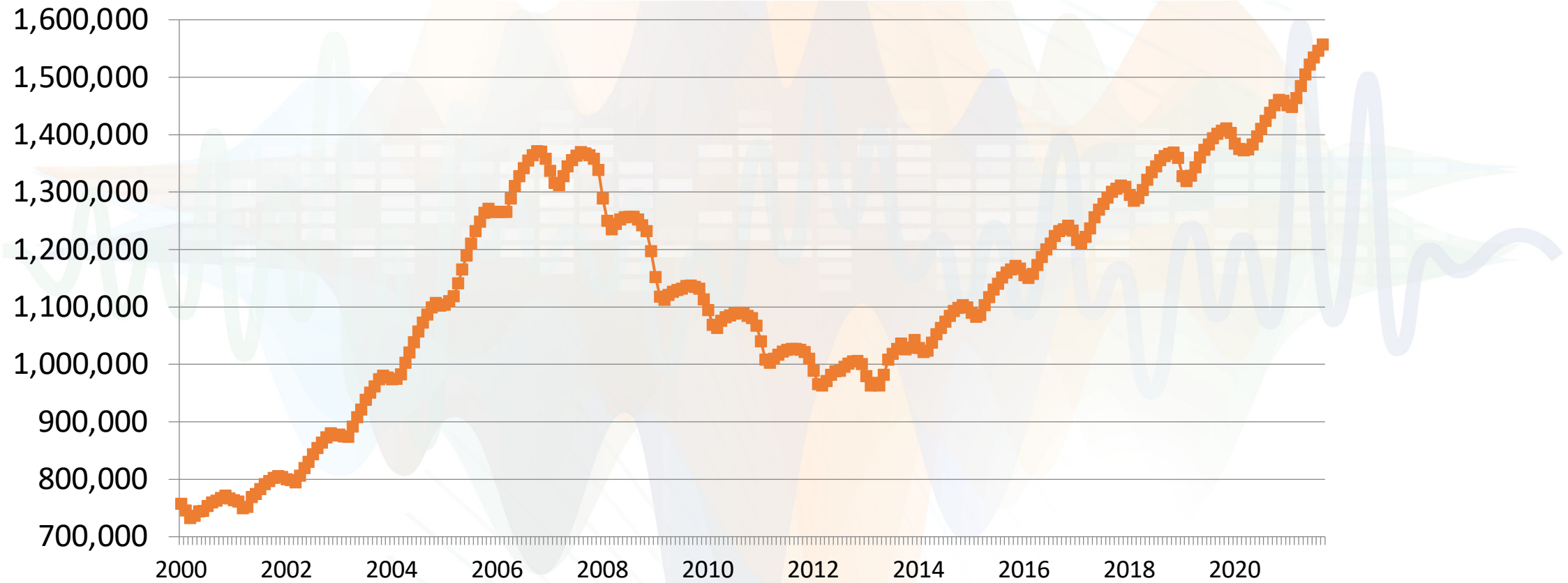
26000 In thousands



Labor Force Participation Rate



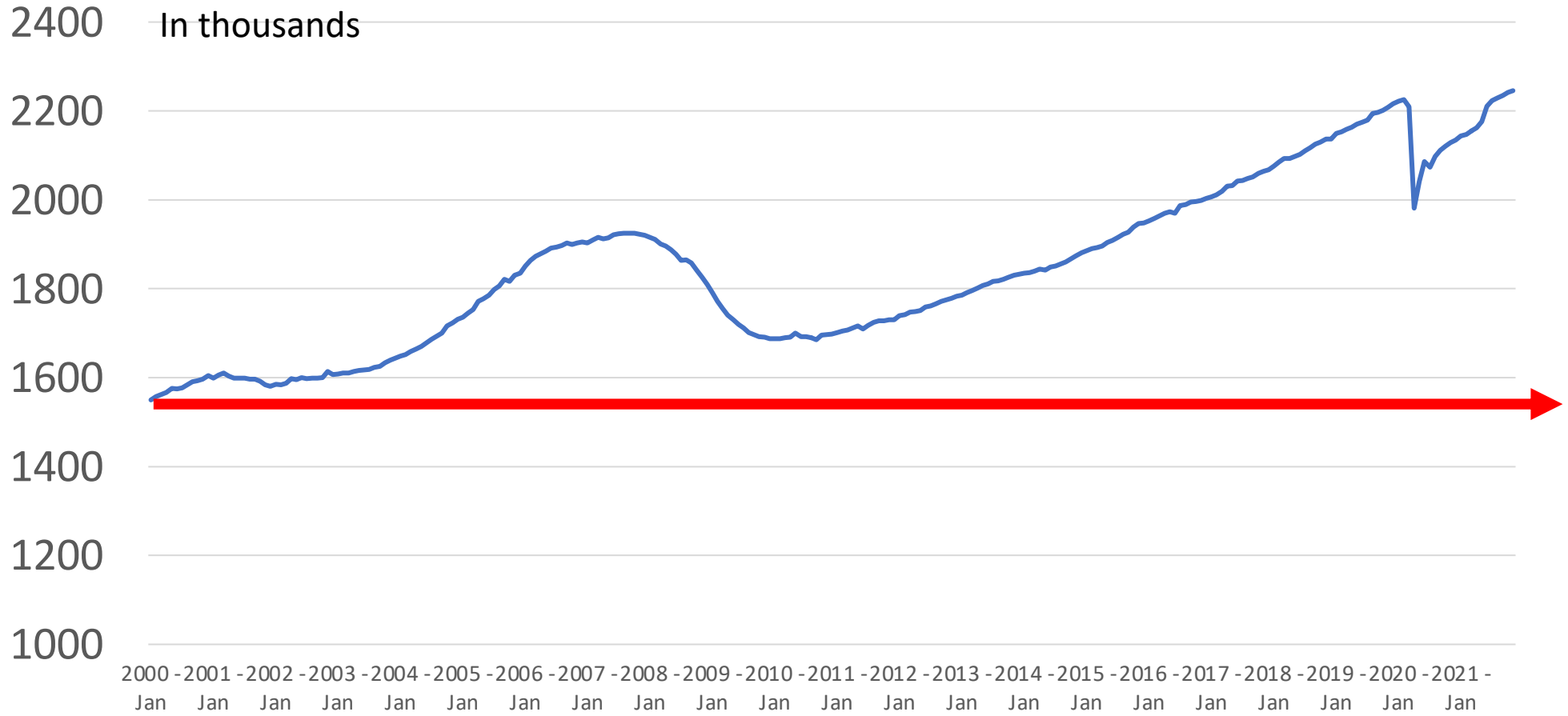
NAR Membership



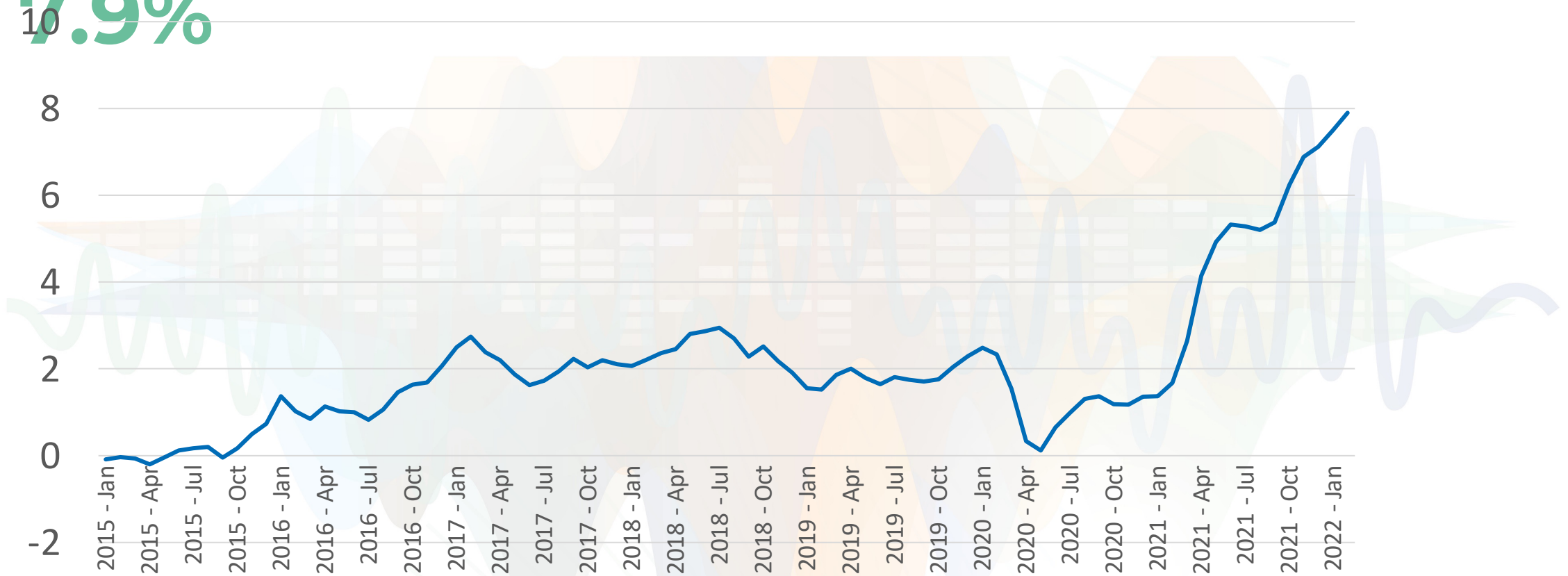
Payroll Jobs in Lansing MSA



Payroll Jobs in Phoenix



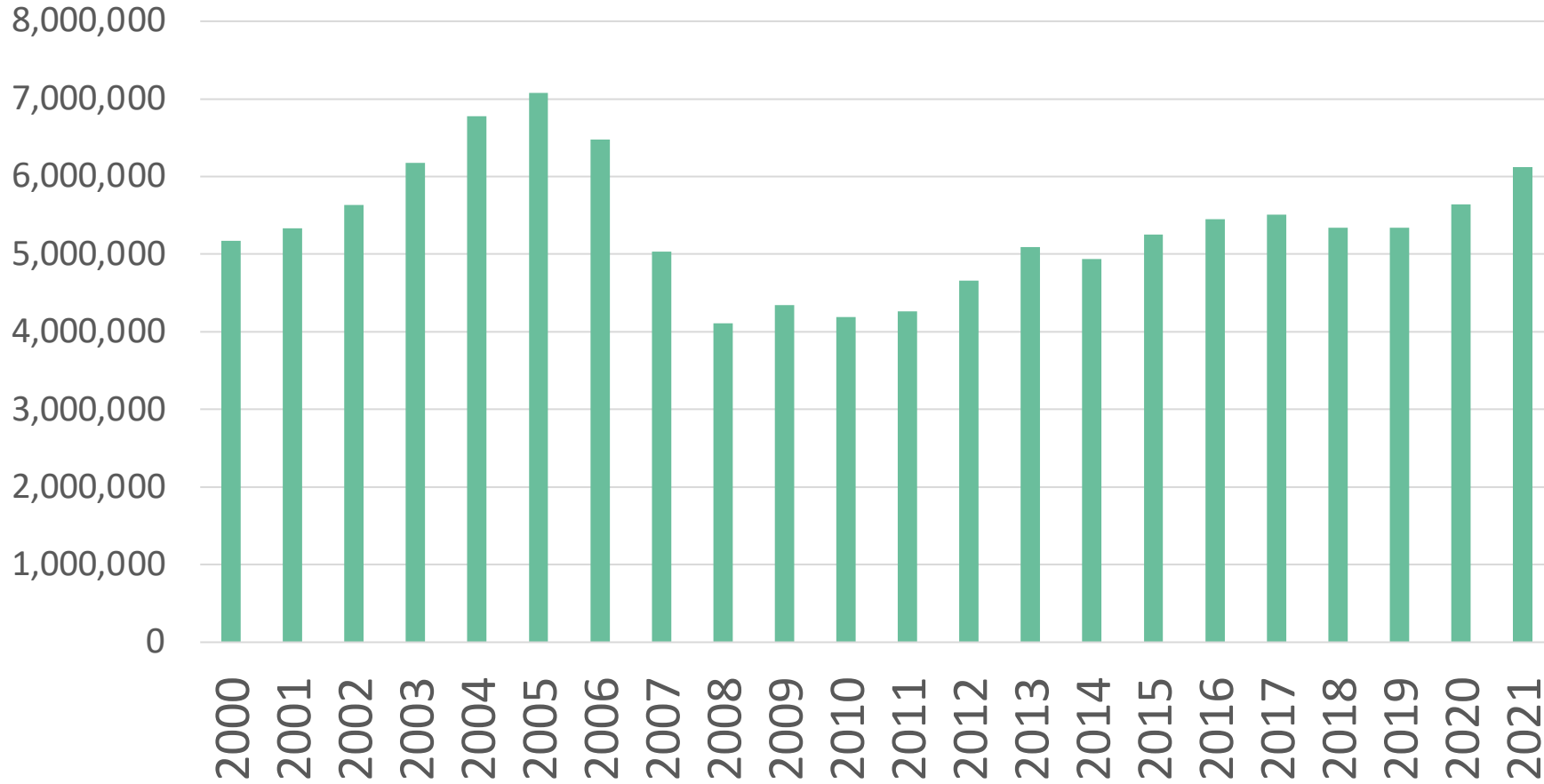
Consumer Price Inflation at 7.9%



Home Price as Inflation Hedge

Decade	Home Price Average Annual	Consumer Price Average Annual
1970s	9.9%	7.1%
1980s	5.5%	5.6%
1990s	4.1%	3.0%
2000s	2.3%	2.6%
2010s	4.9%	1.8%
2020 + 2021	12%	3%

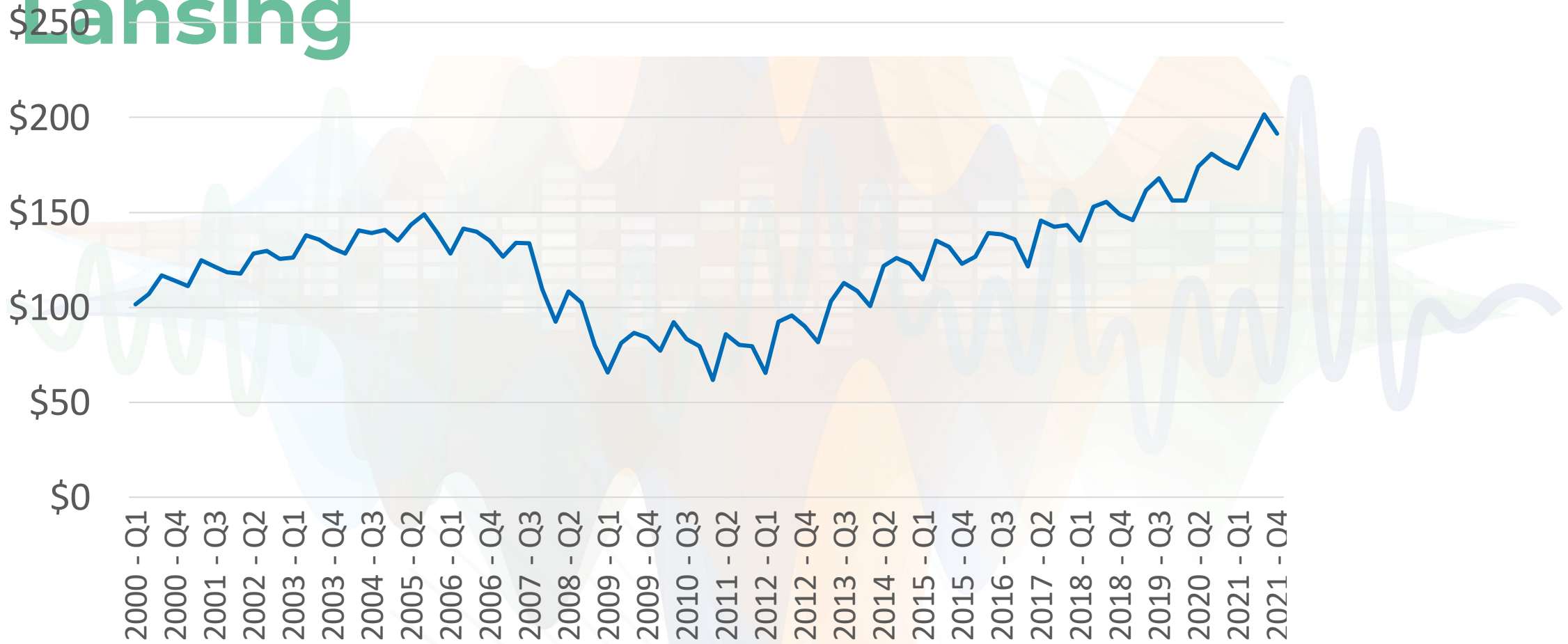
Annual Home Sales



Residential Sales Statistics Dec-21

Local Association	2021 YTD # Sales	2020 YTD # Sales	21-20 YTD % Change	2021 YTD Avg Price	2020 YTD Avg Price	21-20 YTD % Change
Ann Arbor Area Board of REALTORS®	4,972	4,603	8.02%	\$377,460	\$341,030	10.68%
Antrim Charlevoix Kalkaska Association of REALTORS®	707	720	-1.81%	\$374,196	\$356,241	5.04%
Battle Creek Area Association of REALTORS®	2,271	1,935	17.36%	\$200,775	\$173,739	15.56%
Bay County REALTOR® Association	1,331	1,243	7.08%	\$150,097	\$130,018	15.44%
Branch County Association of REALTORS®	402	441	-8.84%	\$210,499	\$157,355	33.77%
Central Michigan Association of REALTORS®	1,260	1,113	13.21%	\$163,636	\$153,346	6.71%
Clare-Gladwin Board of REALTORS®	621	602	3.16%	\$162,053	\$133,594	21.30%
Detroit Board of REALTORS®	3,907	3,898	0.23%	\$106,129	\$85,800	23.69%
Eastern U.P. Board of REALTORS®	749	709	5.64%	\$159,031	\$141,269	12.57%
Emmet Association of REALTORS®	878	981	-10.50%	\$528,956	\$459,242	15.18%
Genesee County	5,531	5,203	6.30%	\$196,646	\$173,535	13.32%
Grand Rapids Association of REALTORS®	11,121	11,538	-3.61%	\$294,004	\$261,912	12.25%
Greater Kalamazoo Association of REALTORS®	5,149	4,954	3.94%	\$257,687	\$224,942	14.56%
Greater Lansing Association of REALTORS®	7,067	6,858	3.05%	\$213,065	\$192,250	10.83%

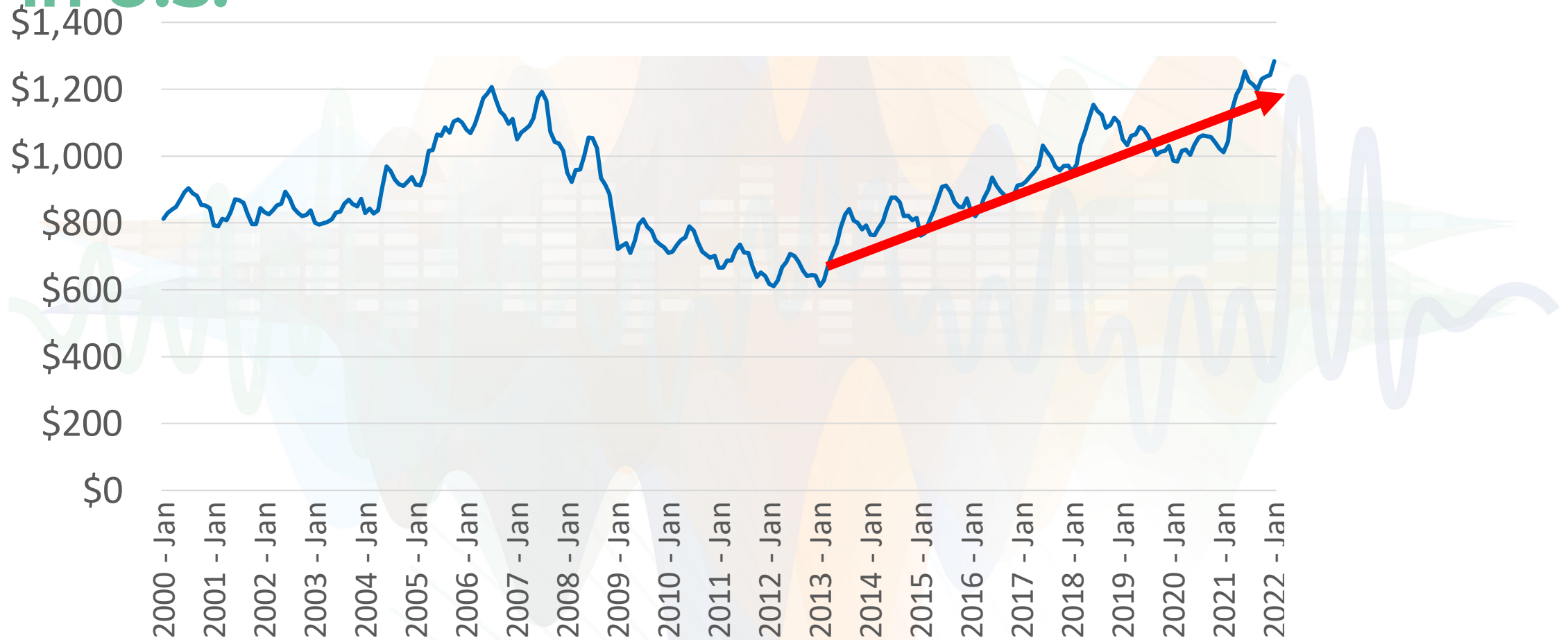
Median Home Price in Lansing



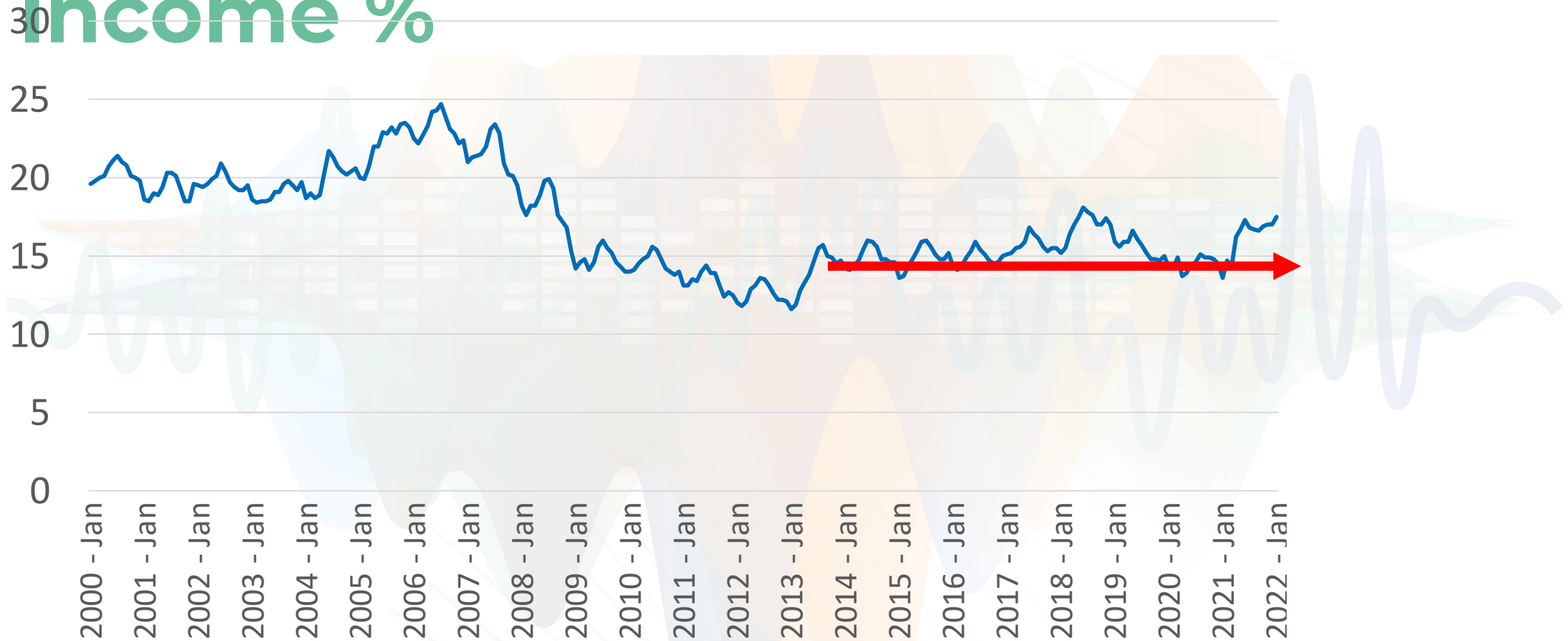
Monthly Mortgage Payment on 200K loan

Mortgage Rate	Principal + interest
3%	\$843
4%	\$955
5%	\$1074
6%	\$1199
10%	\$1755

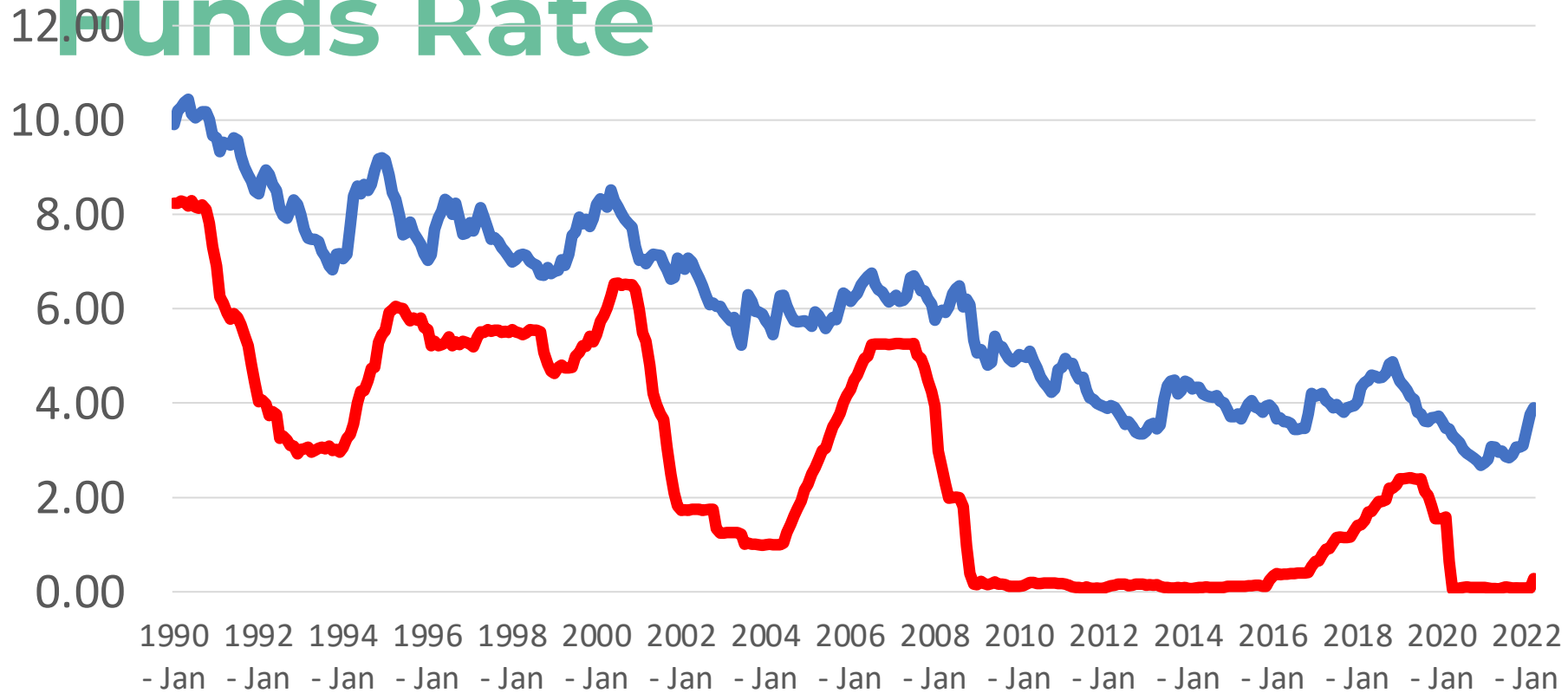
Monthly Payment to buy a mid-priced home in U.S.



Housing Affordability: Payment to Income %



Mortgage Rate and Fed Funds Rate



Consumer Expectations (as of February 2022)

Variable	1-year ahead	Annual average over 5 years
Home Price Growth	5.1%	2.0%
Rent Growth	6.6%	4.4%
Buying is Good Financial Investment	73.6%	N/A
Buying is Bad Financial Investment	6.6%	N/A

Source: NY Federal Reserve Survey of Consumer Expectations

Inventory ... Ready to Turn Higher



Single-Family Housing Starts



National Forecast

Year	Unit Sales	Home Price	Dollar Volume
2015	+6.3%	+6.8%	+12%
2016	+3.8%	+5.1%	+9%
2017	+1.1%	+5.7%	+7%
2018	-3.1%	+4.9%	+2%
2019	0.0%	+4.9%	+5%
2020	+5.6%	+9.1%	+15%
2021	+8.5%	+16.9%	+25%
2022 forecast	-3%	+5%	+2%
2023 forecast	+2%	+4%	+6%

**Thank
You**