



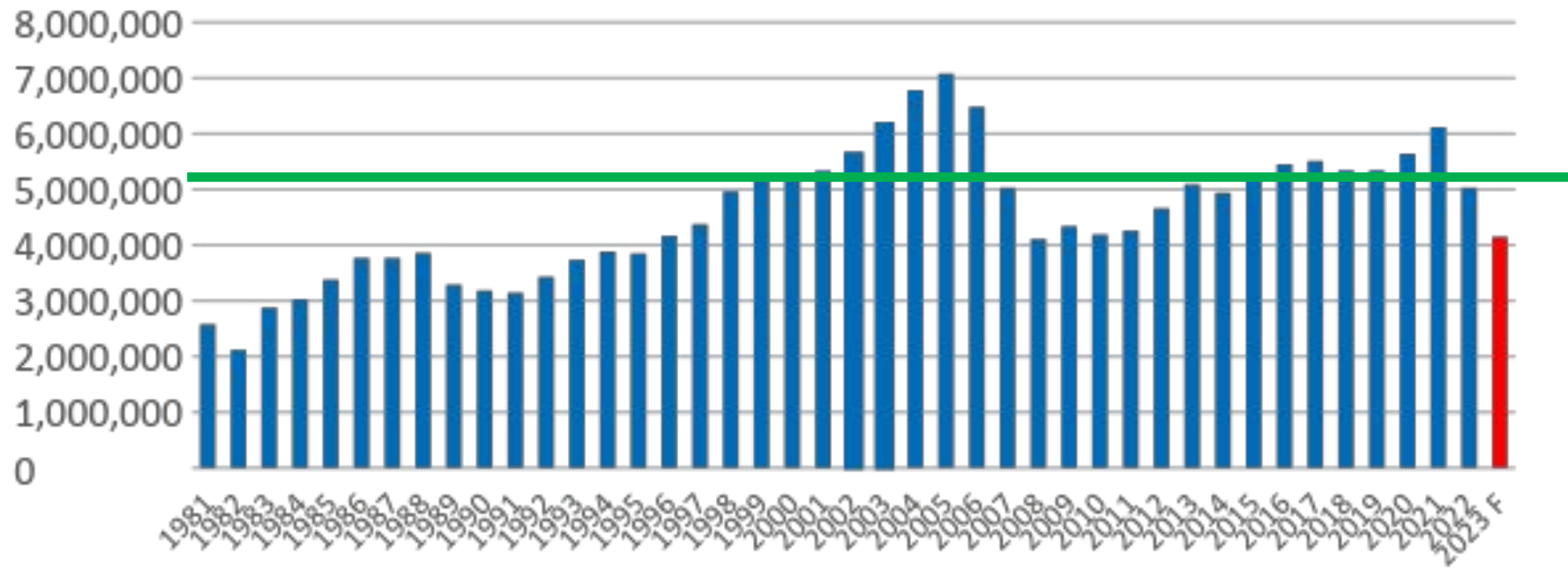
Real Estate Market Outlook

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

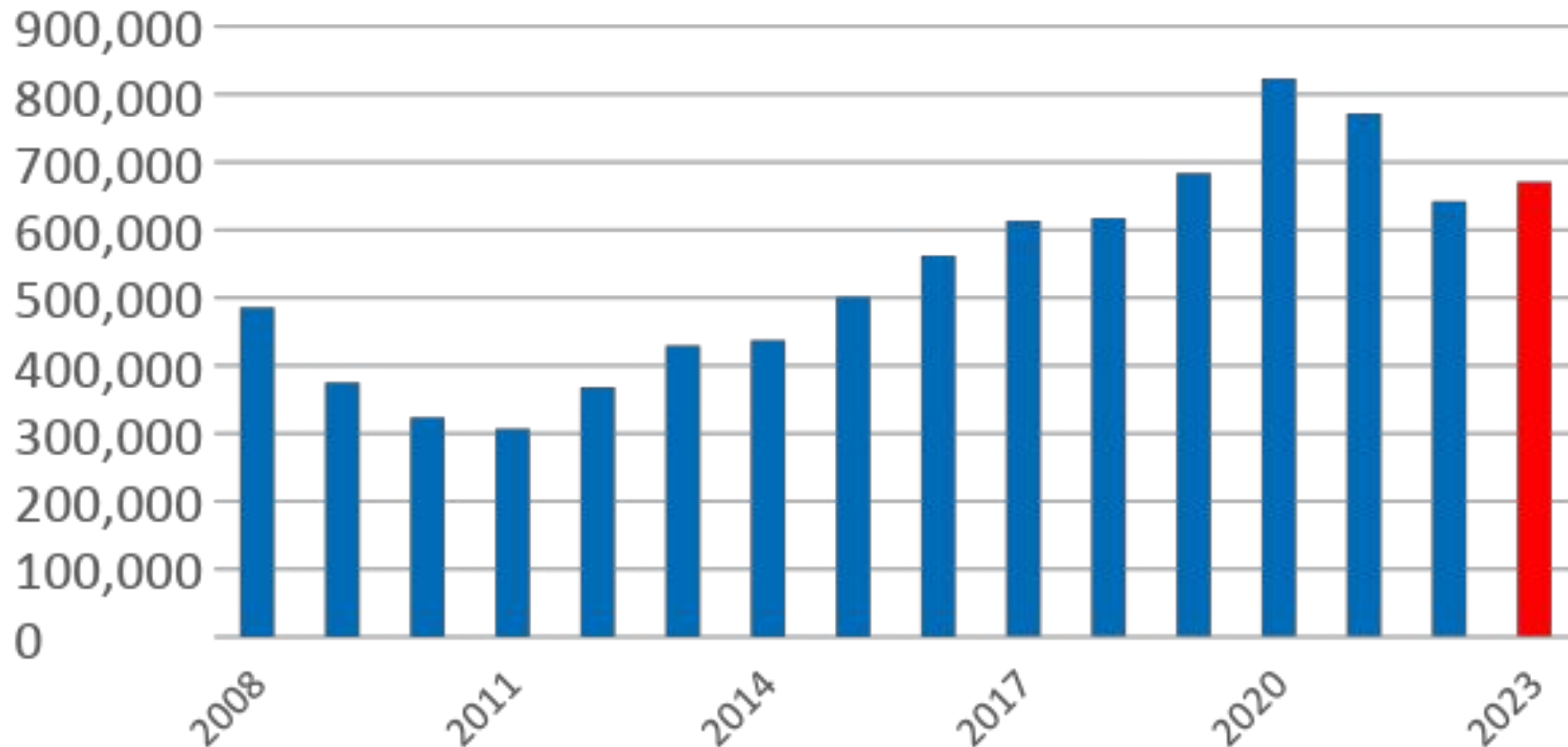
Seasonally adjusted annualized sale pace



Source: NAR

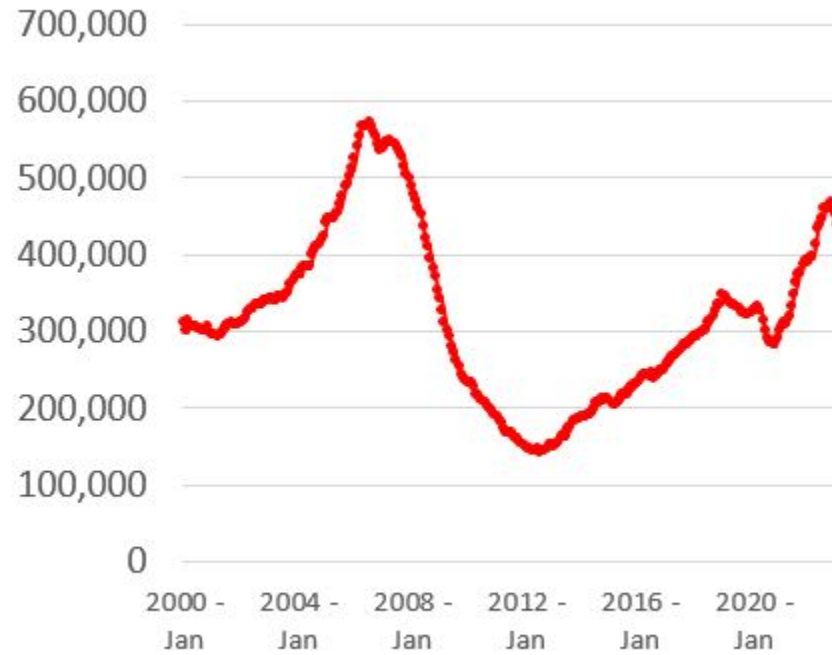
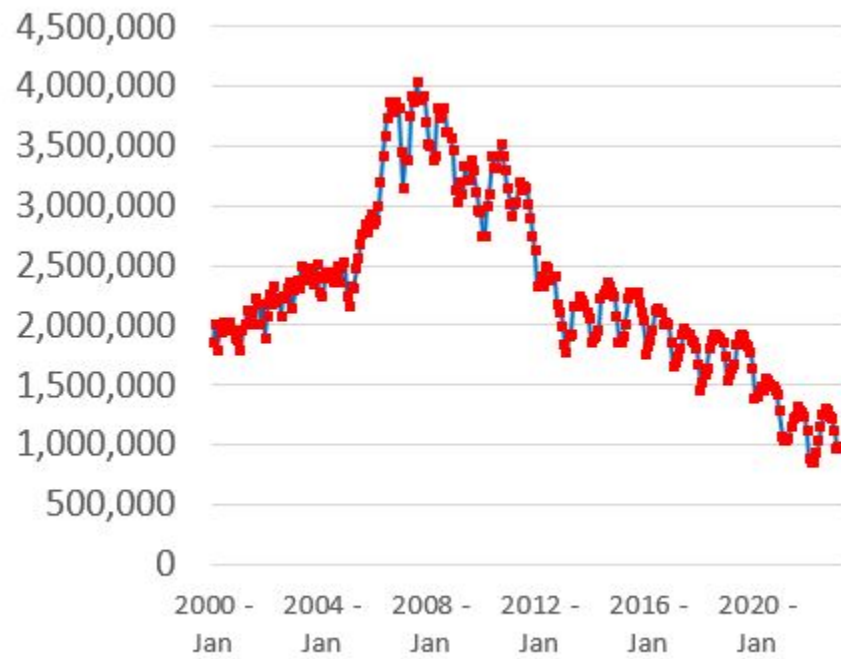
New Home Sales up 3.9% year-to-date to November

On Track for 3rd best year since 2008 foreclosure year



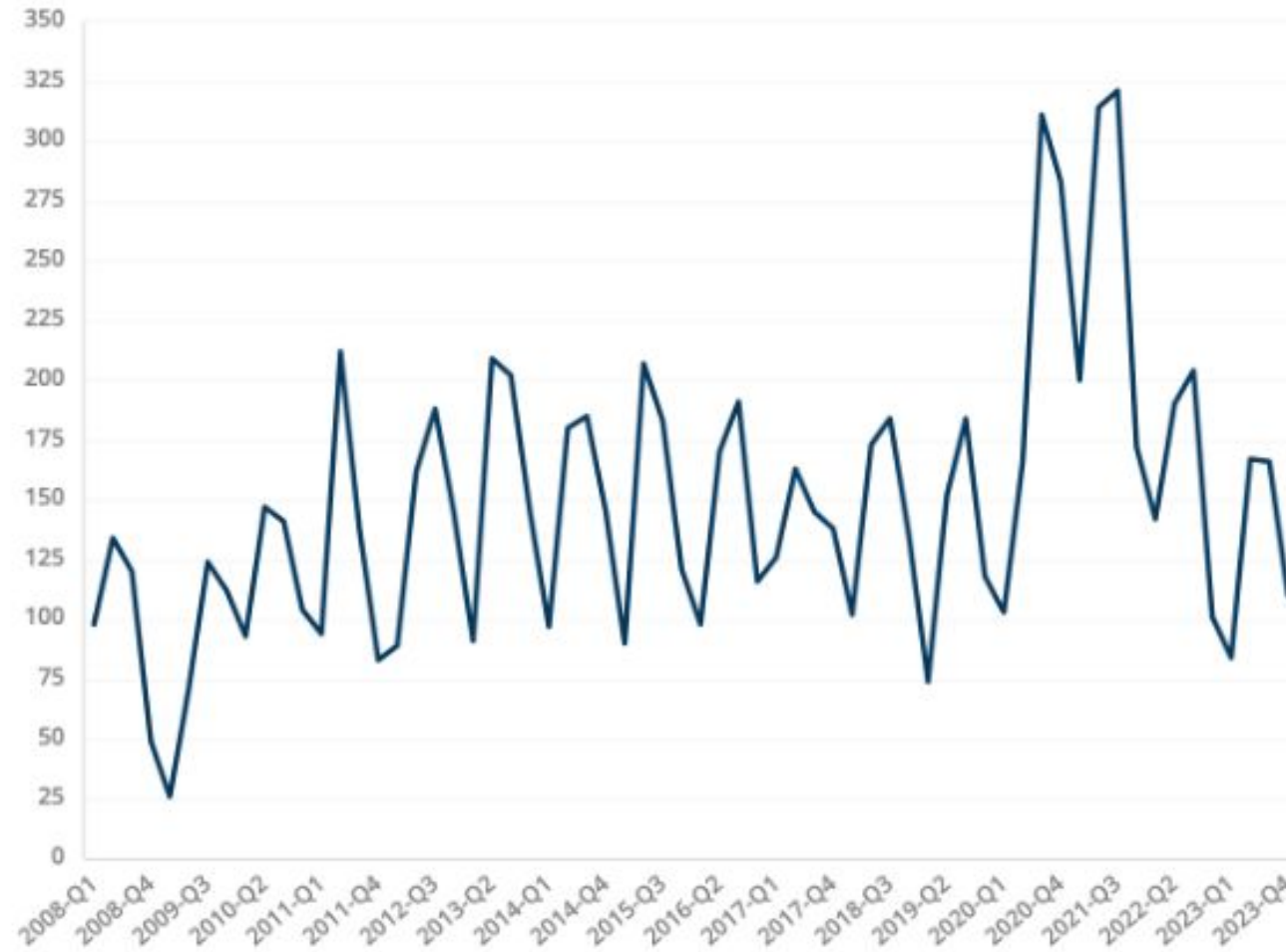
Source: NAR forecast and HUD

Inventory of Existing Homes Low ... New Homes High



Source: NAR and HUD

Greenwich Single-family Sales



(Single Family Sales, All Area's)

2023-Q4



110



-33.7%

change from

166

Prior Period



8.9%

change from

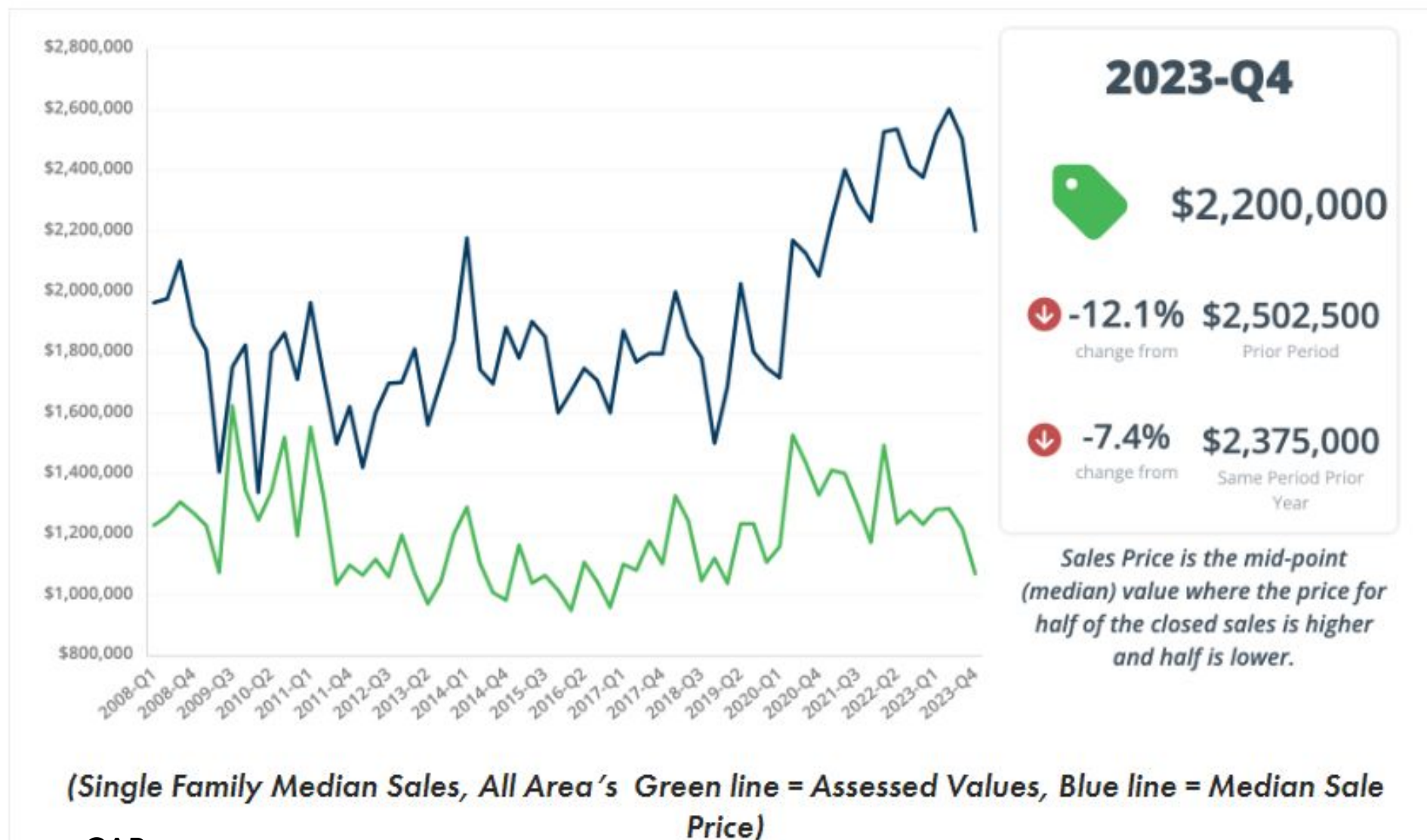
101

Same Period Prior
Year

*Closed Sales is the number of
properties sold.*

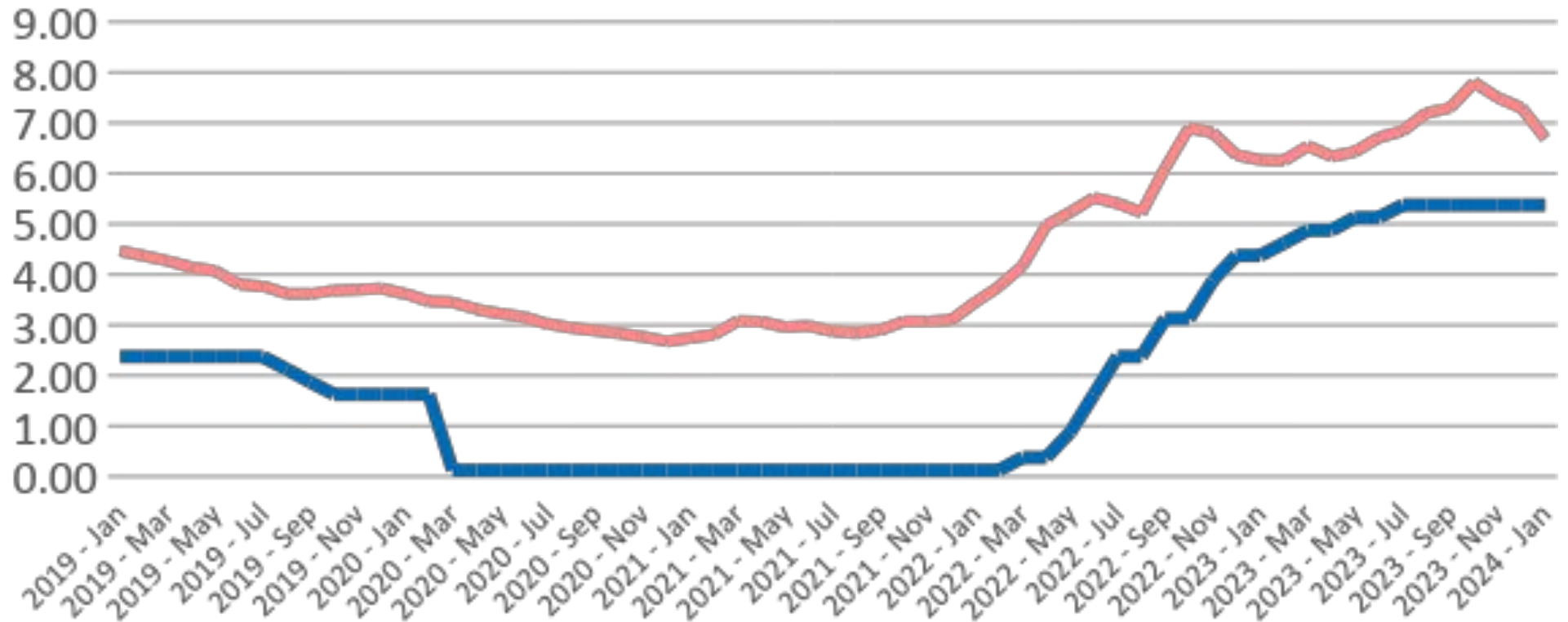
Source: GAR

Greenwich Single-family Median Home Price



Source: GAR

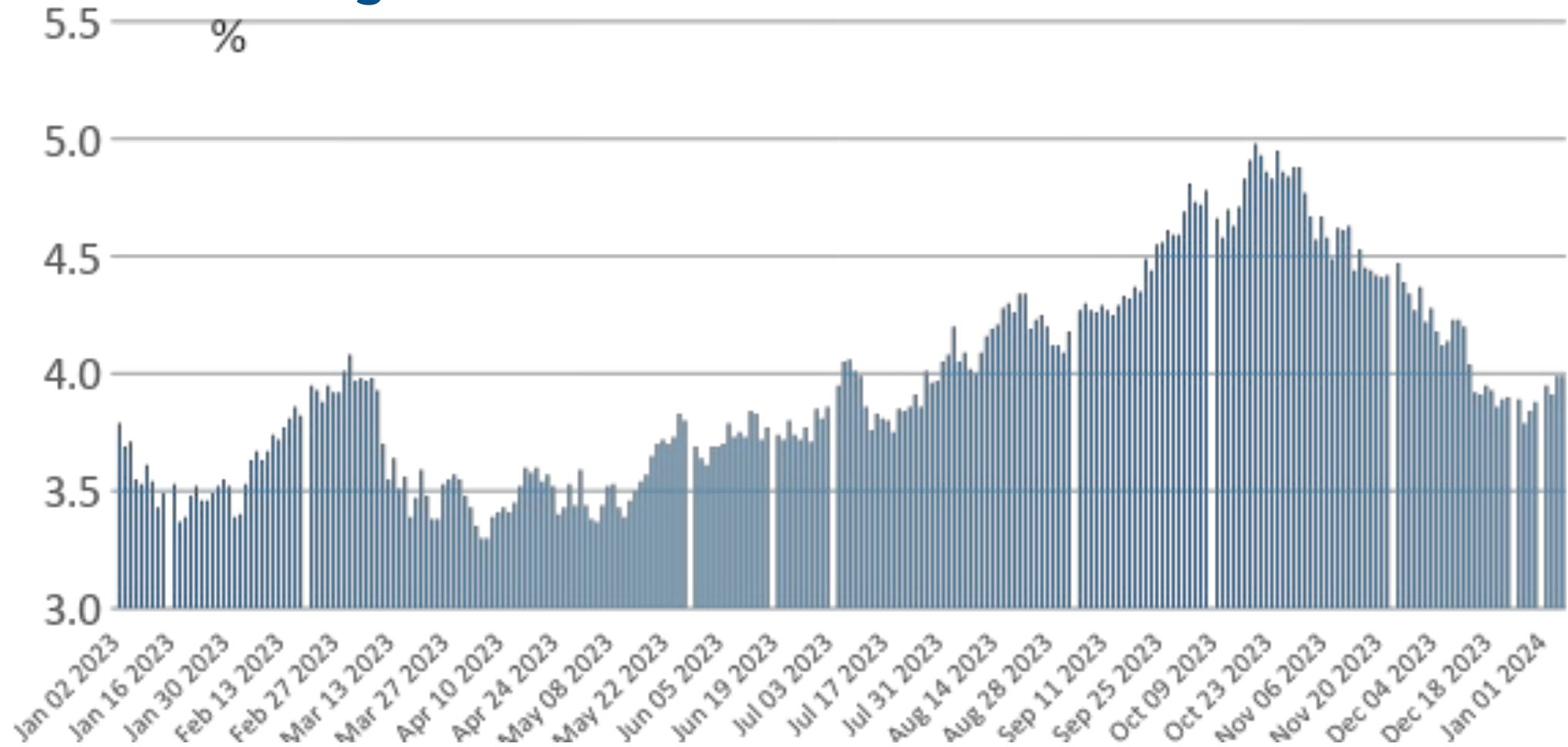
30-year Mortgage and Fed Funds Rate ... Likely Peaked



Source: U.S. Treasury and Federal Reserve

10-year Treasury yield – Pivoting down

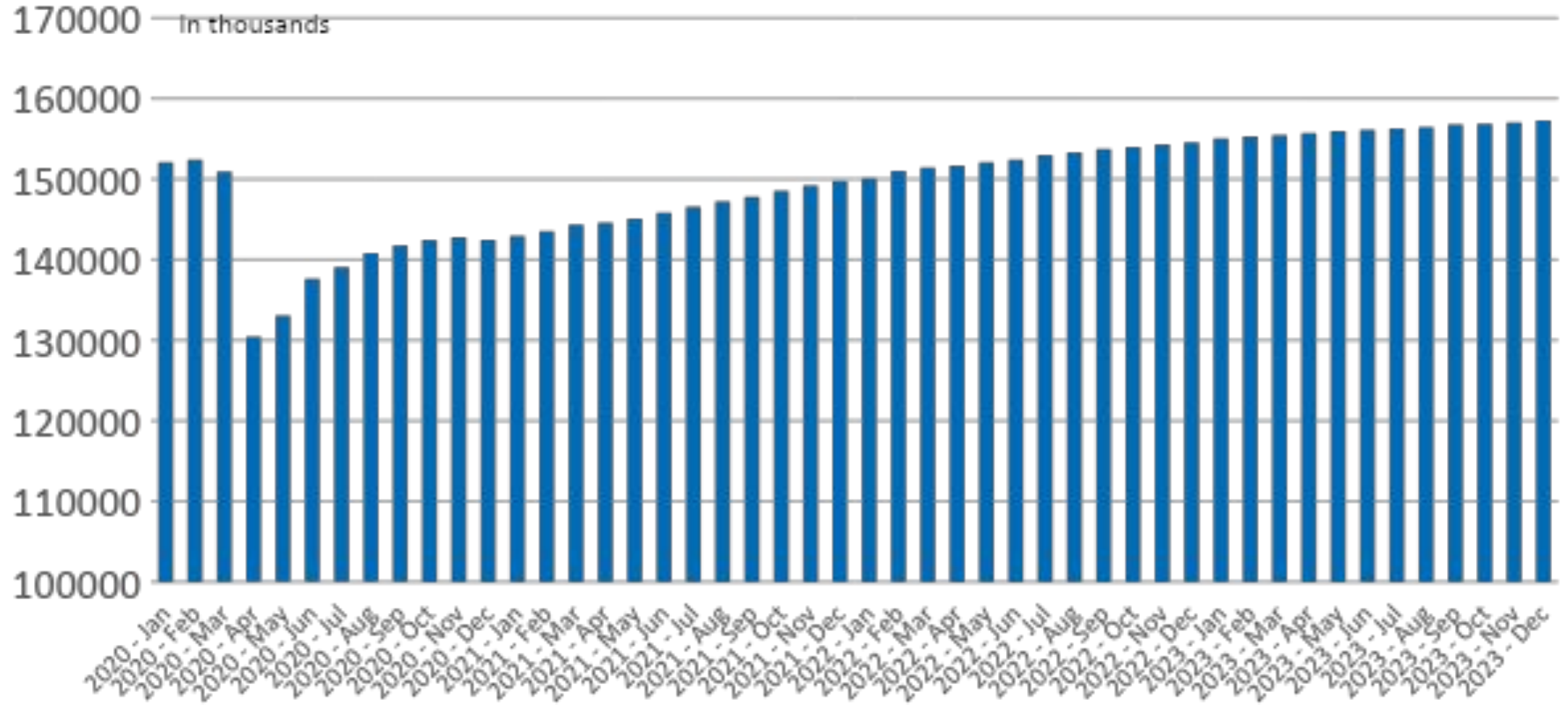
Rising 1st week of 2024 after 2 months of decline



Source: U.S. Treasury

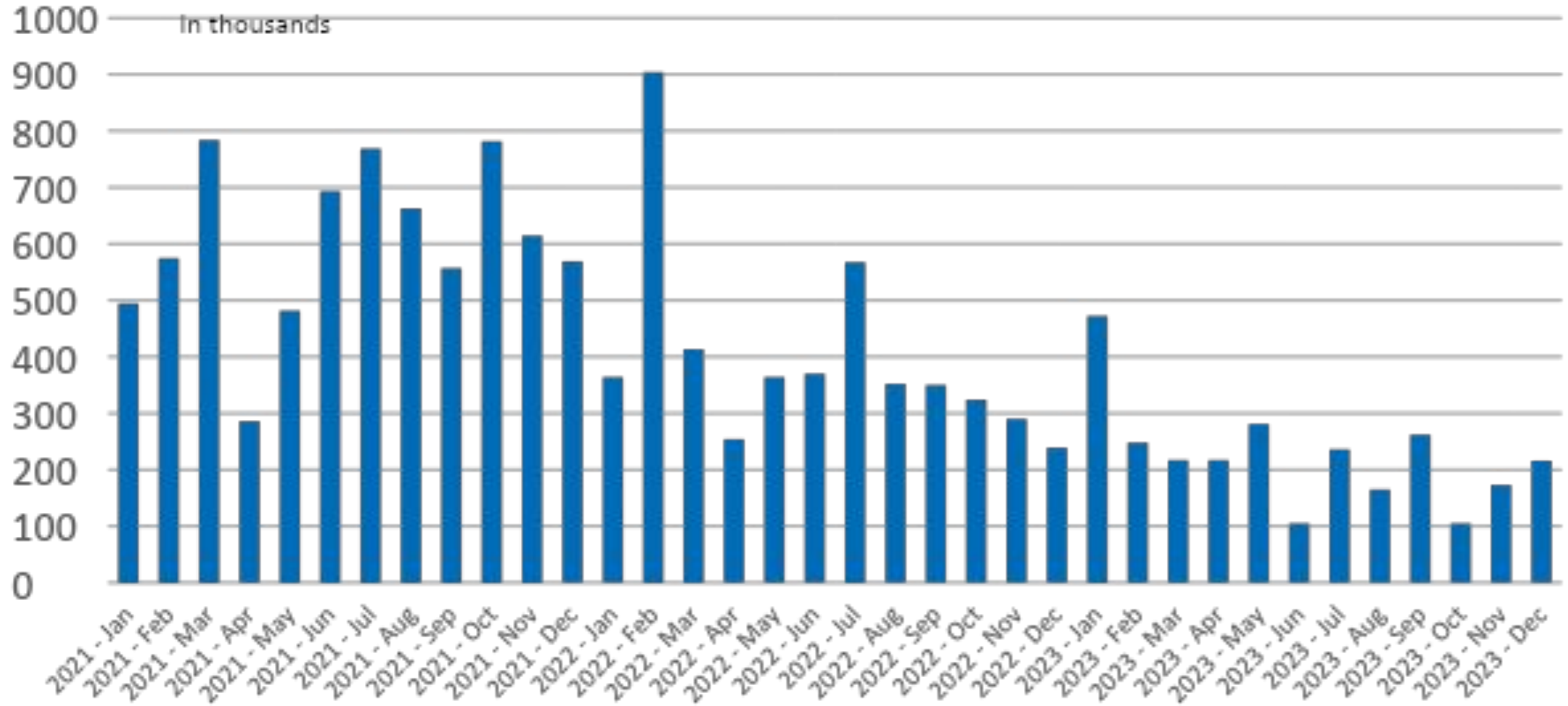
Total Payroll Jobs

5 million more compared to pre-covid highs



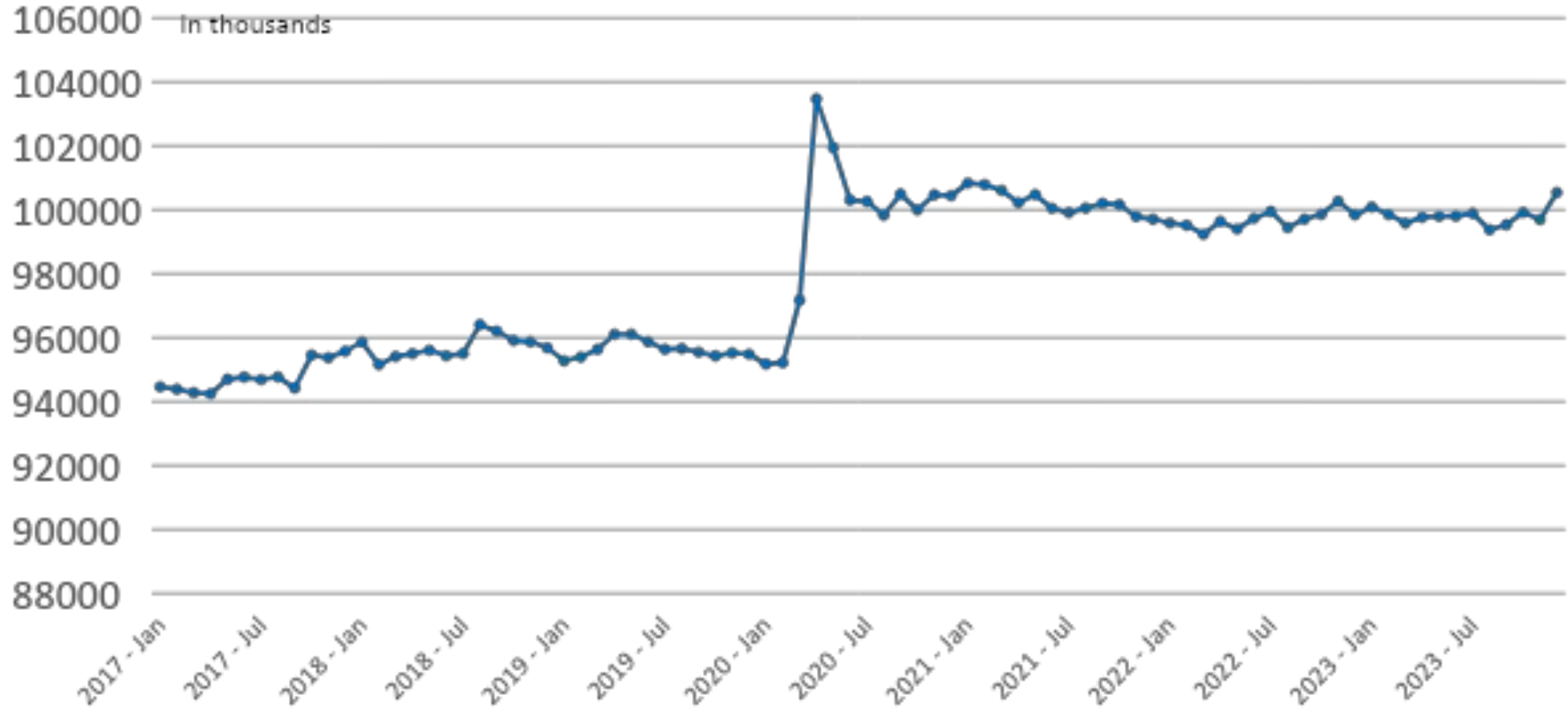
Source: BLS

Monthly Payroll Job Gains



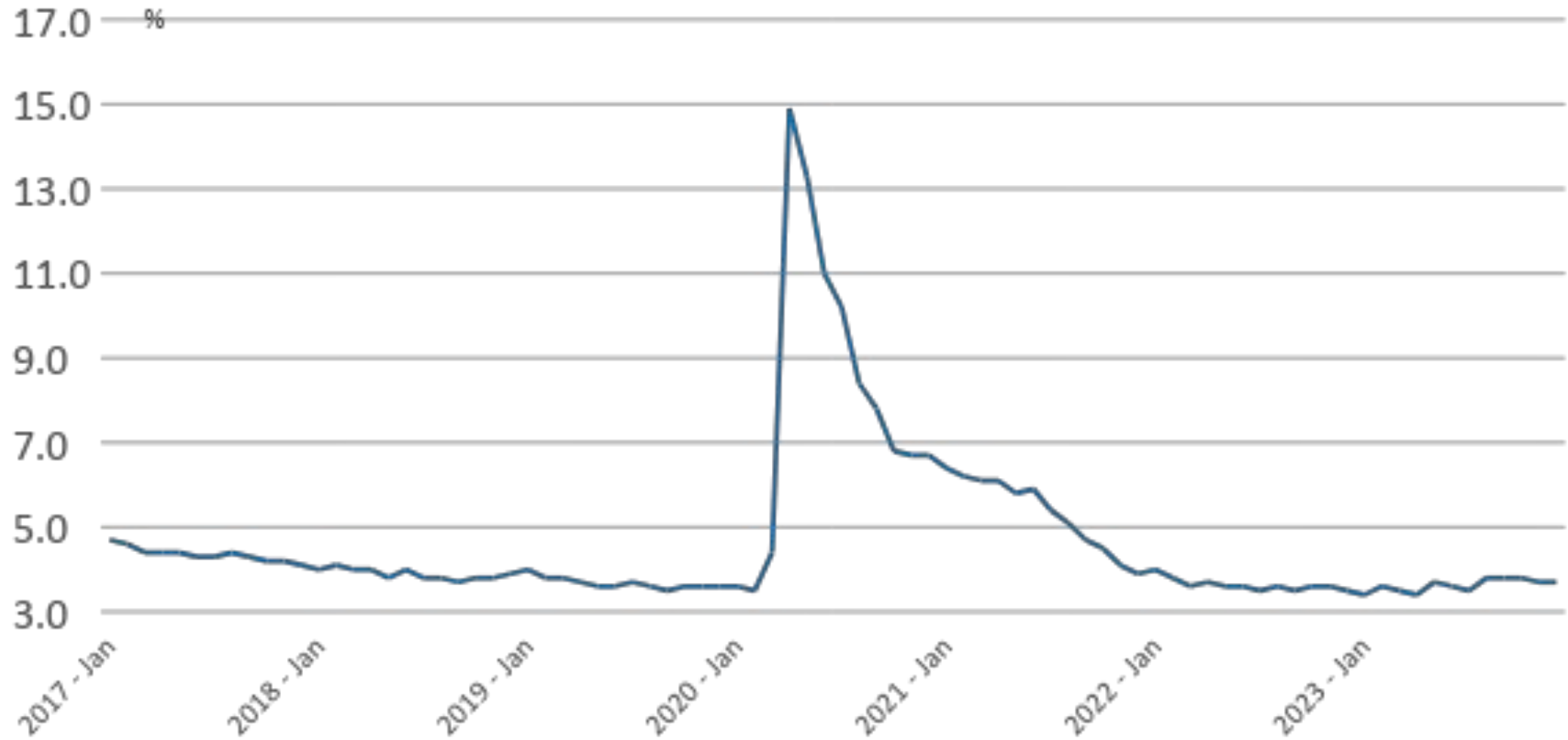
Source: BLS

Out-of-Labor Force (essentially retired, students, and others not looking for a job)



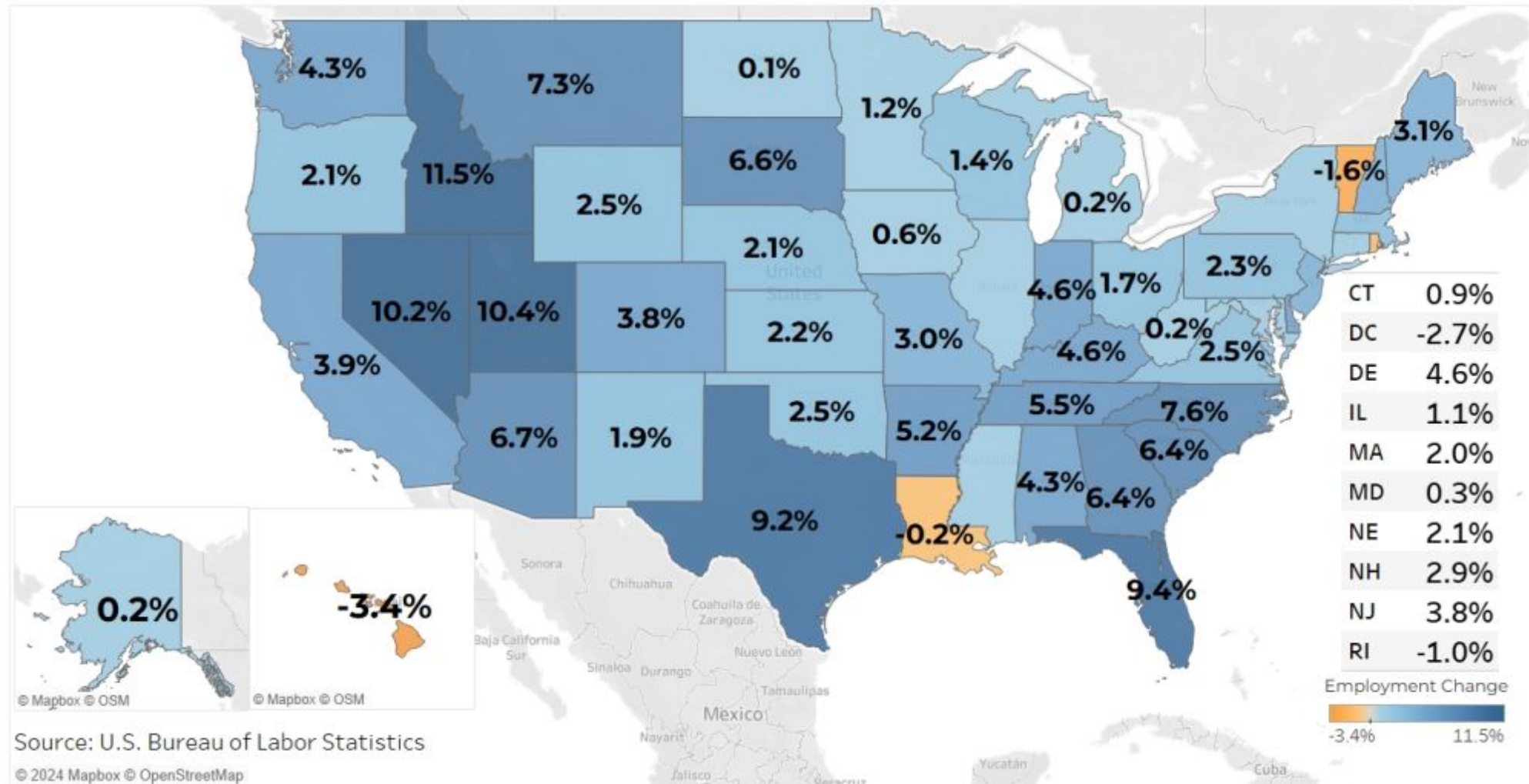
Source: BLS

Unemployment Rate



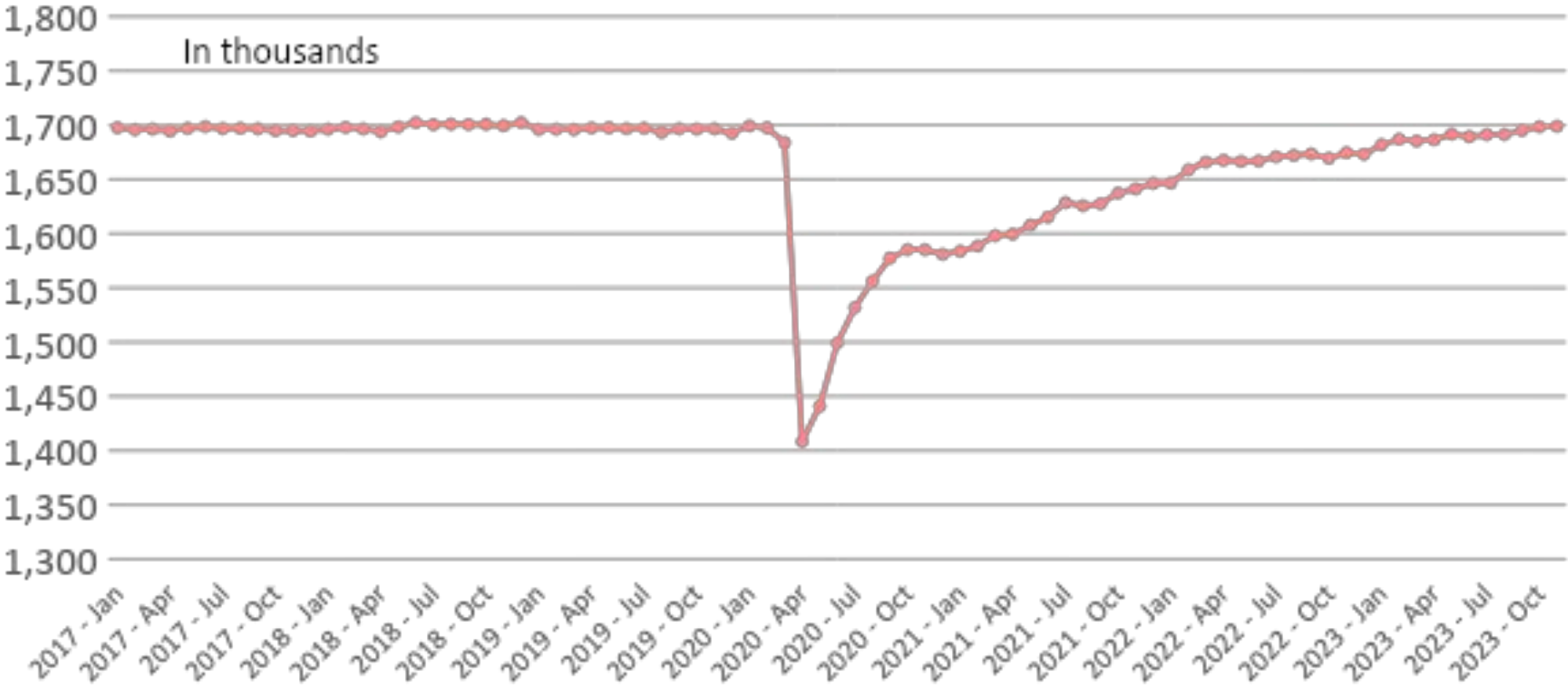
Source: BLS

Job Gains Since Pre-Covid Record High Payroll Employment



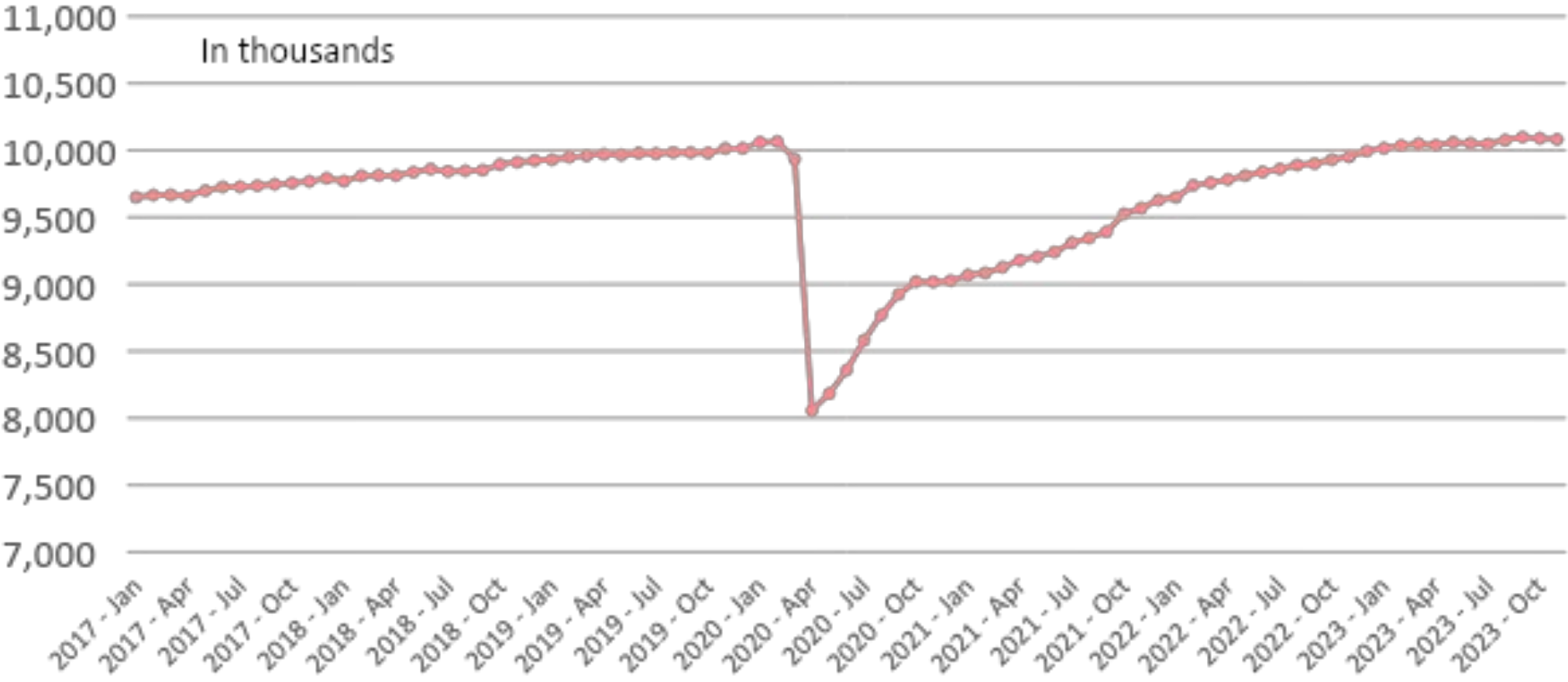
Source: NAR Analysis of BLS data

Payroll Jobs in Connecticut



Source: NAR

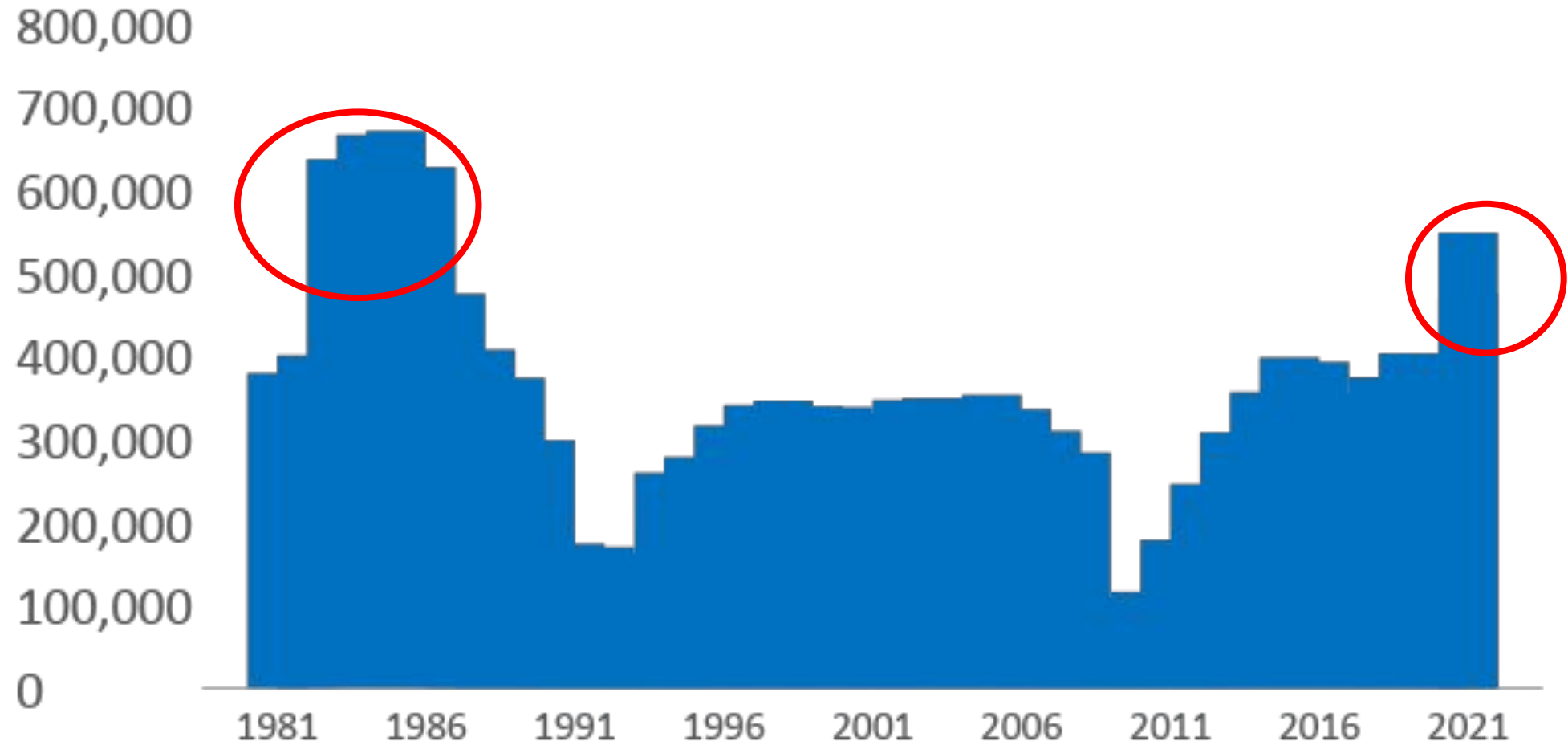
Payroll Jobs in Greater NYC MSA ... 500,000 additions from 2017



Source: NAR

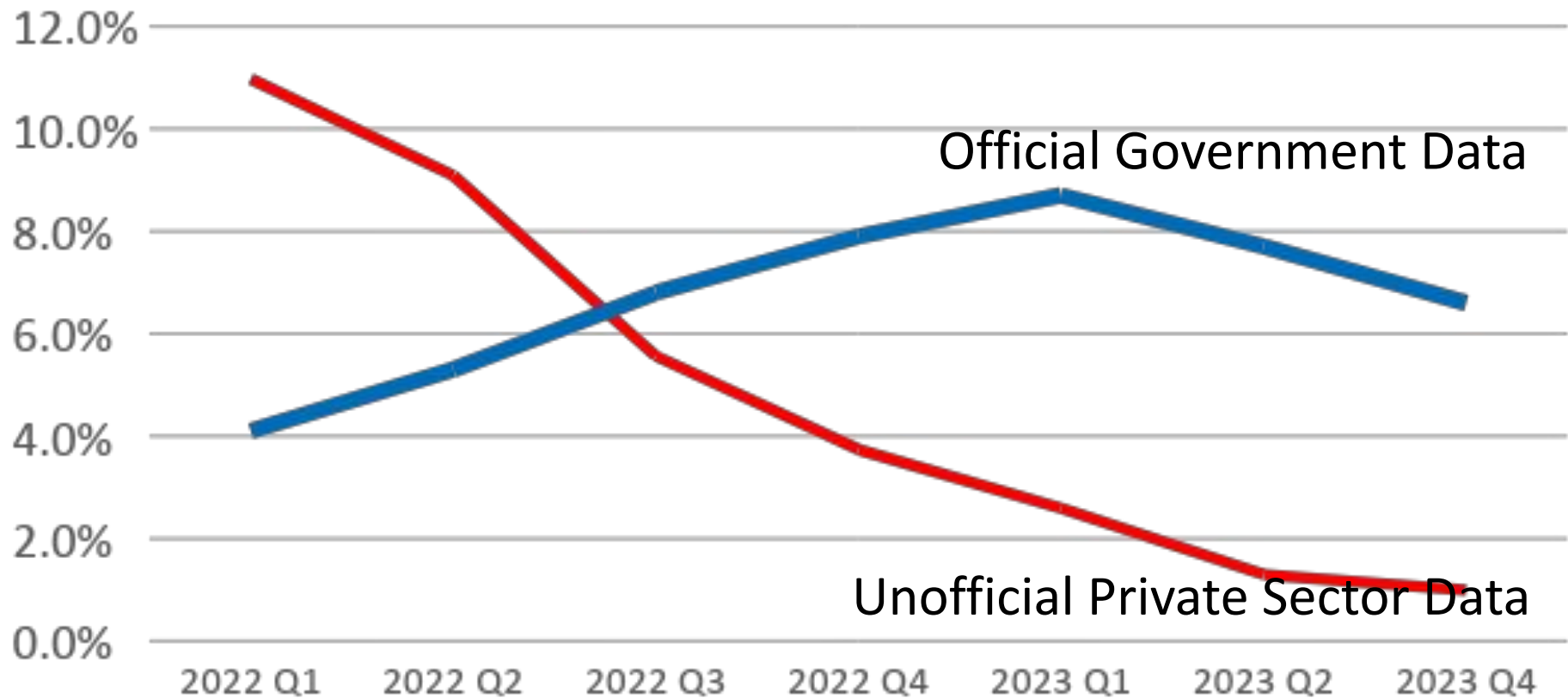
Multifamily Housing Starts

3 years of cyclical highs



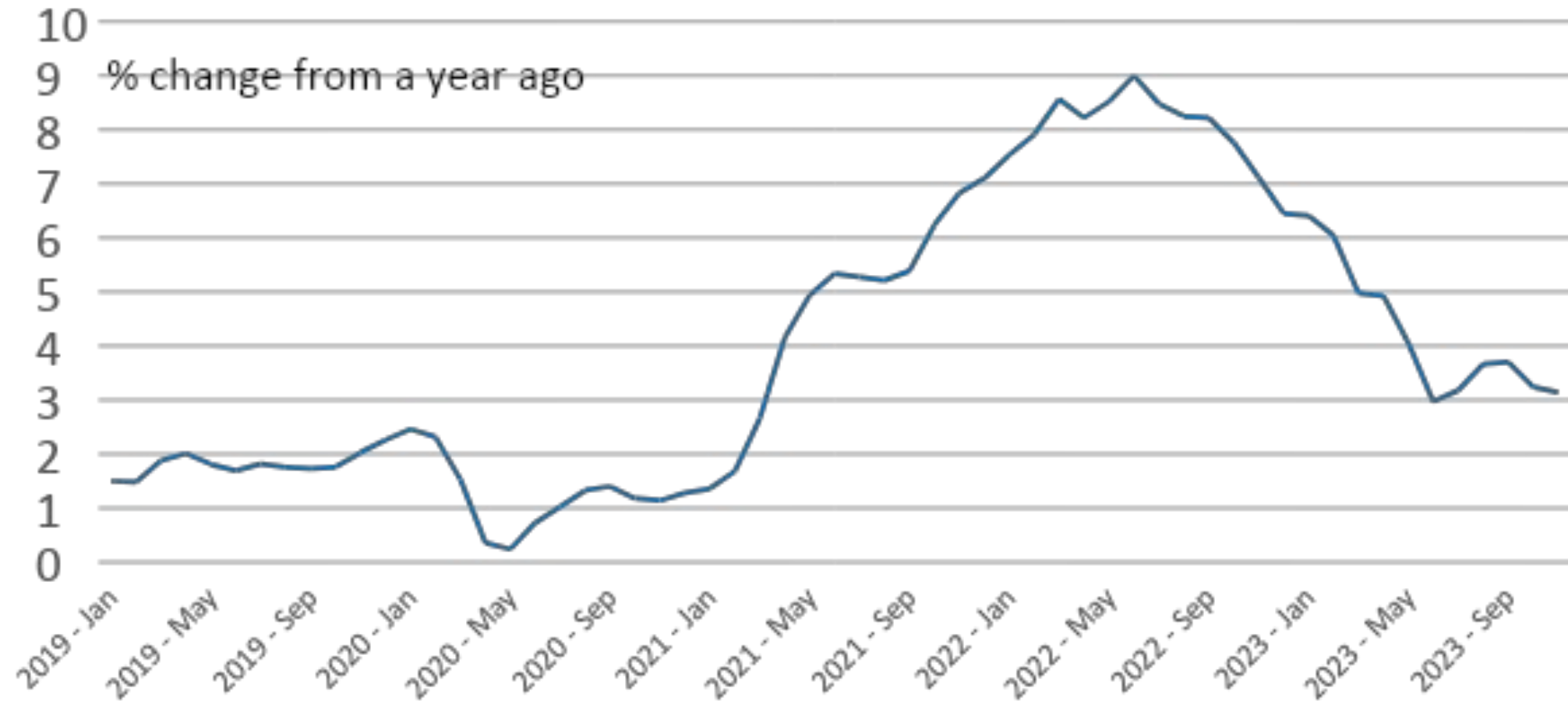
Source: NAR forecast and HUD

Rents Strengthening or Softening?



Source: NAR Analysis of BLS and CoStar data

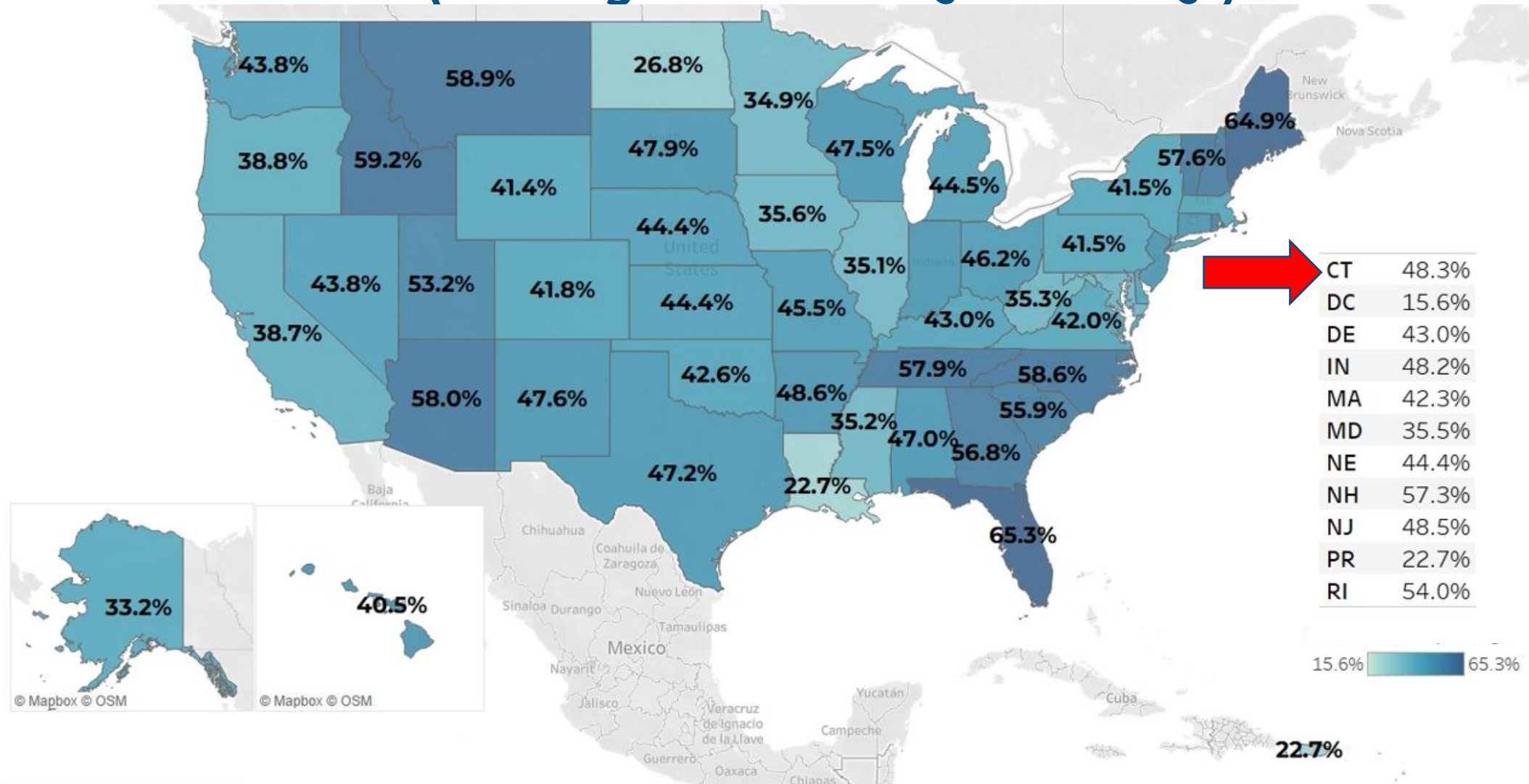
Official Consumer Price Inflation at 3.1% in November



Source: BLS

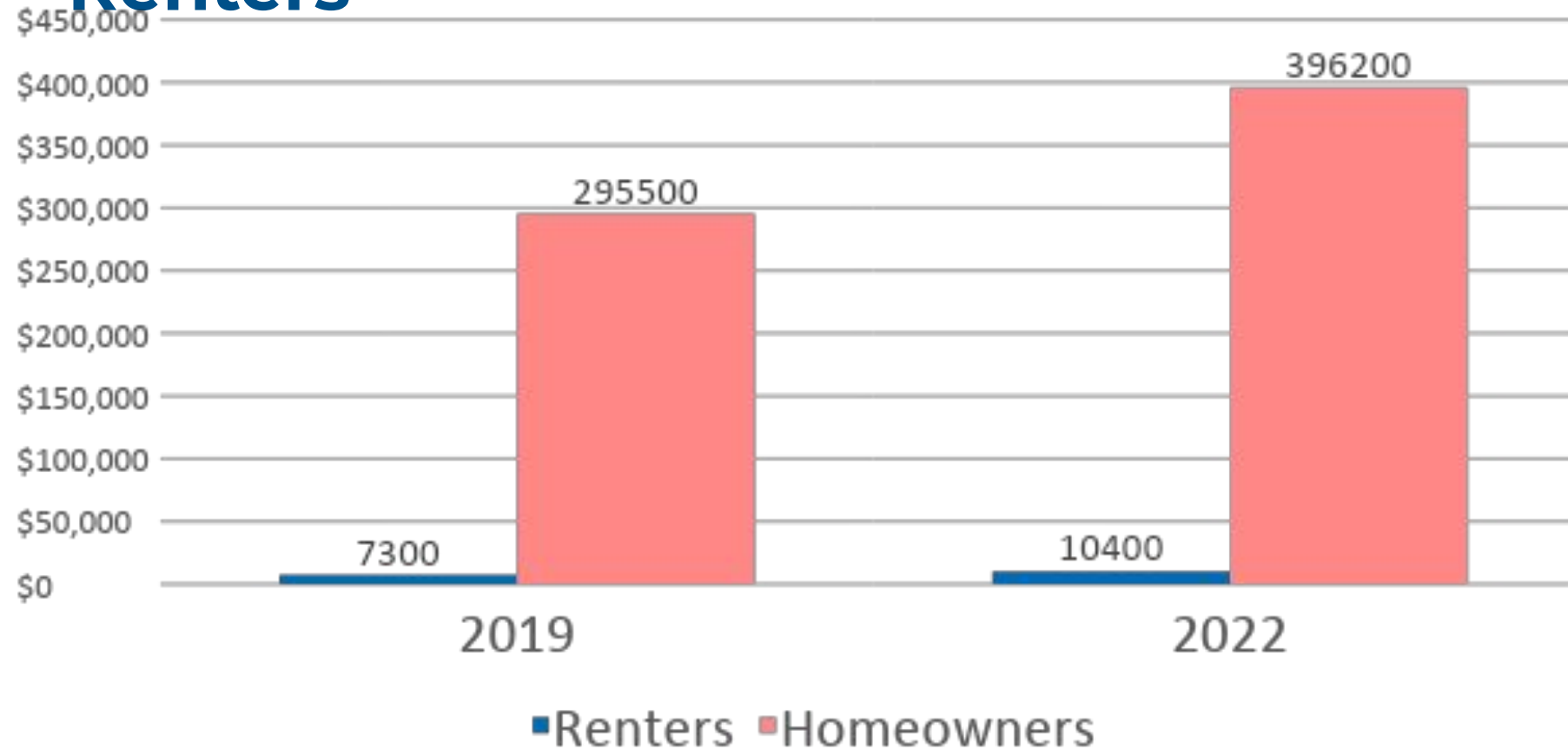
Home Price Appreciation since Covid Arrival

(% 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

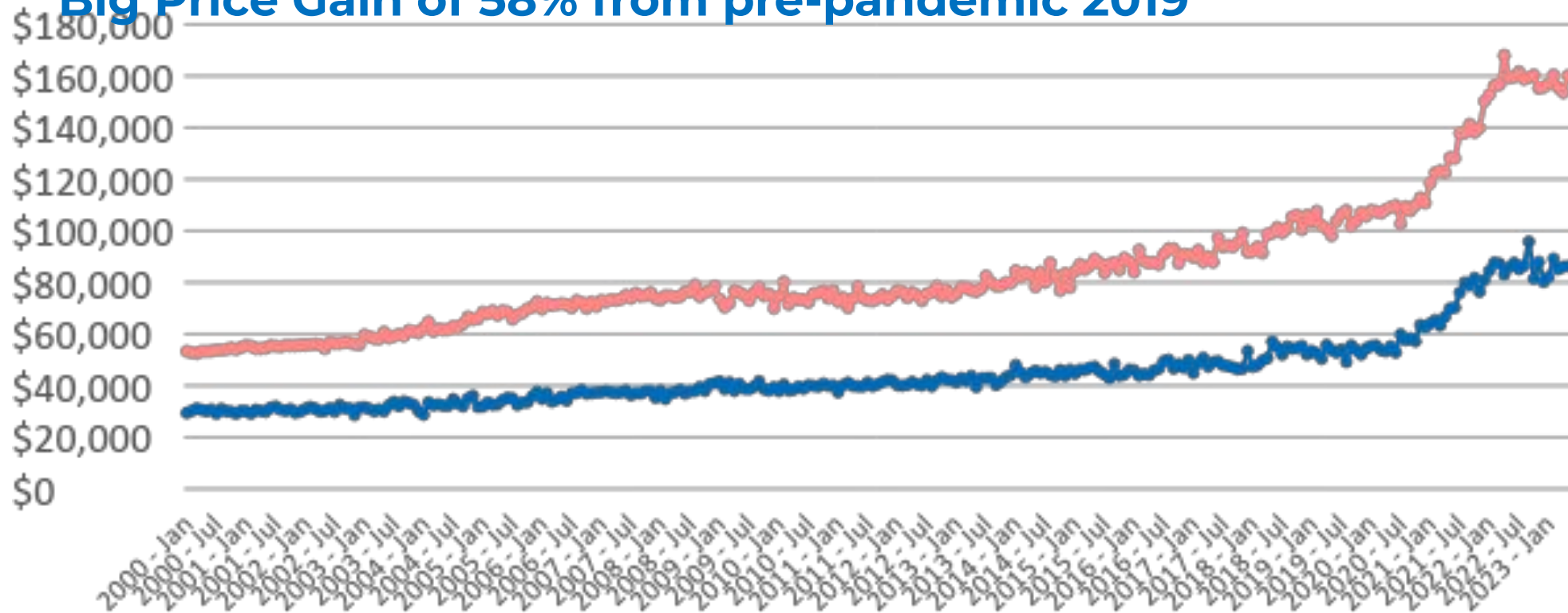
5-year Housing Wealth Gain by Race/Ethnicity to 2022

Holding Period	White	Black	Asian	Hispanic
2017 to 2022	\$92,810	\$90,410	\$141,190	\$109,570

Source: NAR Analysis of Census Data

Not Wealth Gain but a Testament of Housing Shortage

**Average Price of Mobile Homes: Double-sized and Single-sized
Big Price Gain of 58% from pre-pandemic 2019**



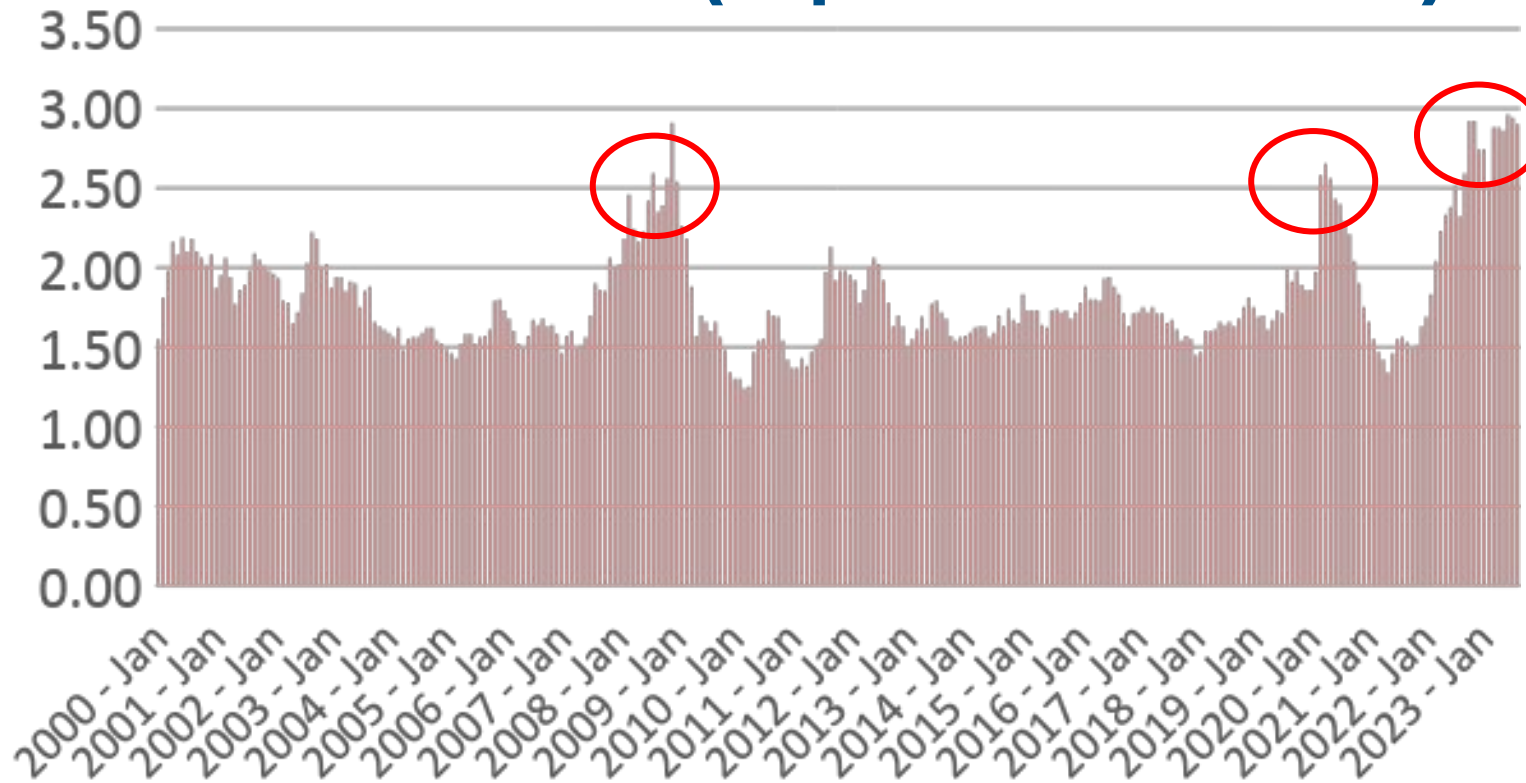
Source: Census

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 make the Fed stop raising the interest rate**
- 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

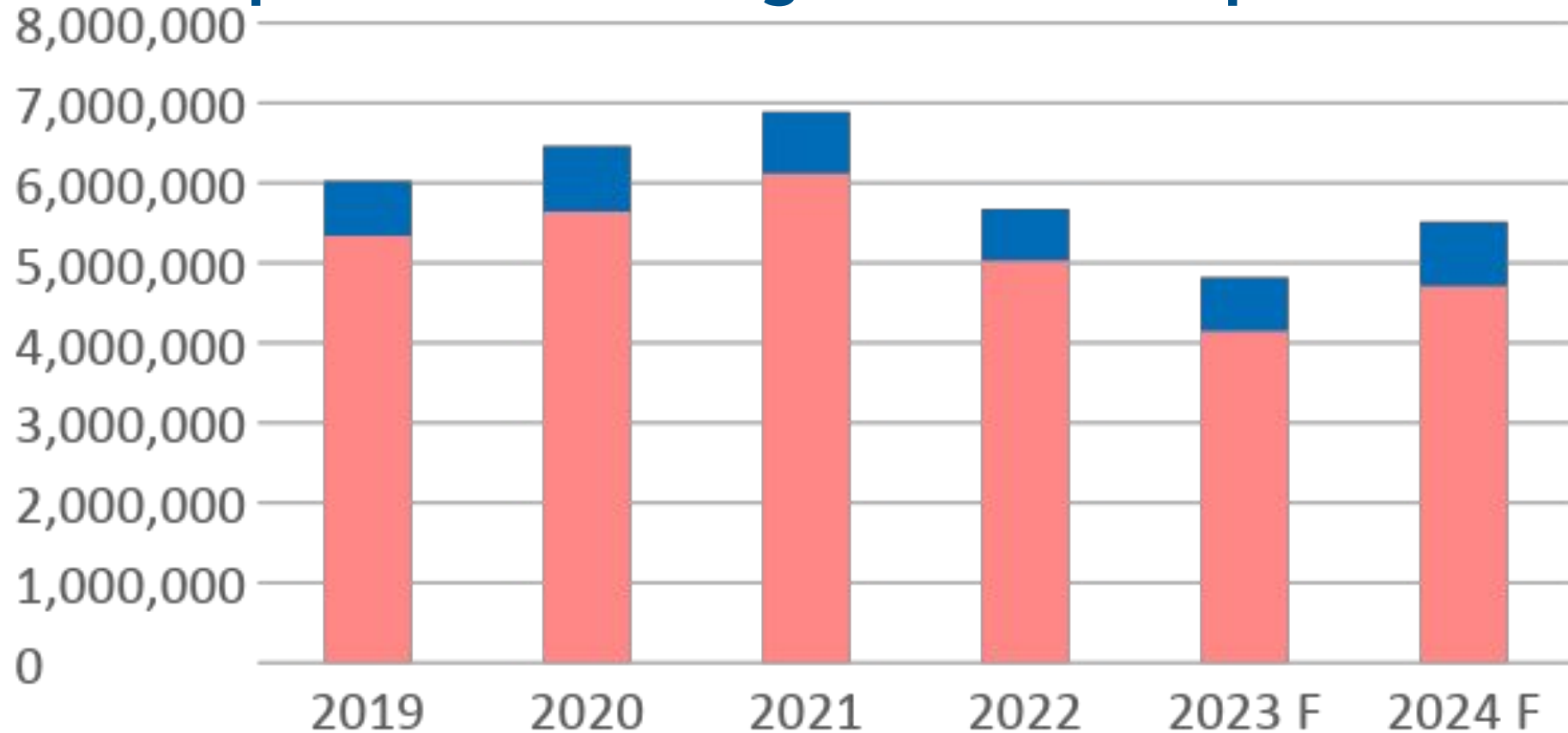
Pent-Up Delayed Sellers Cannot Wait Longer

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

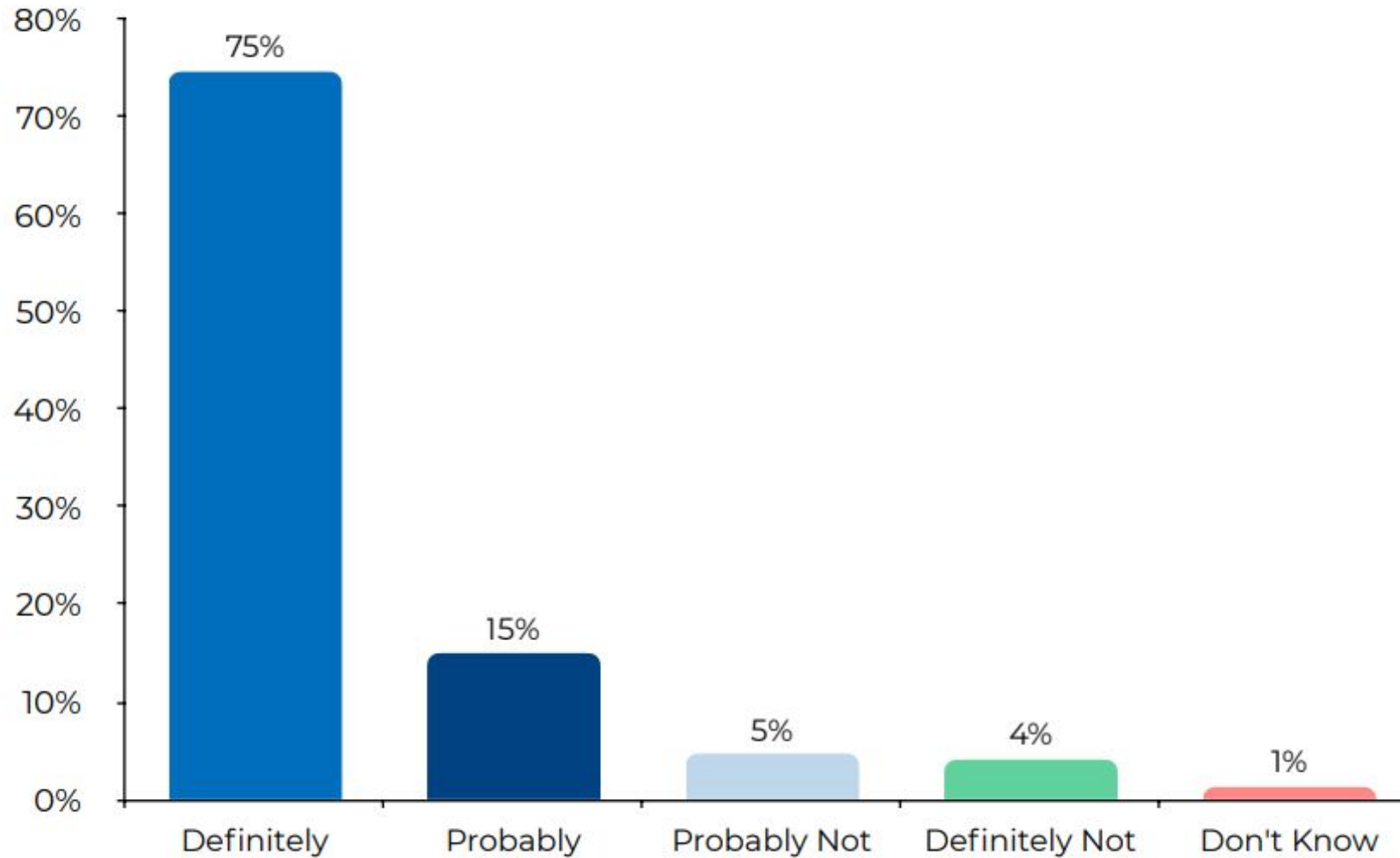
First-time Homebuyer Challenges

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?

(Percentage Distribution)



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%

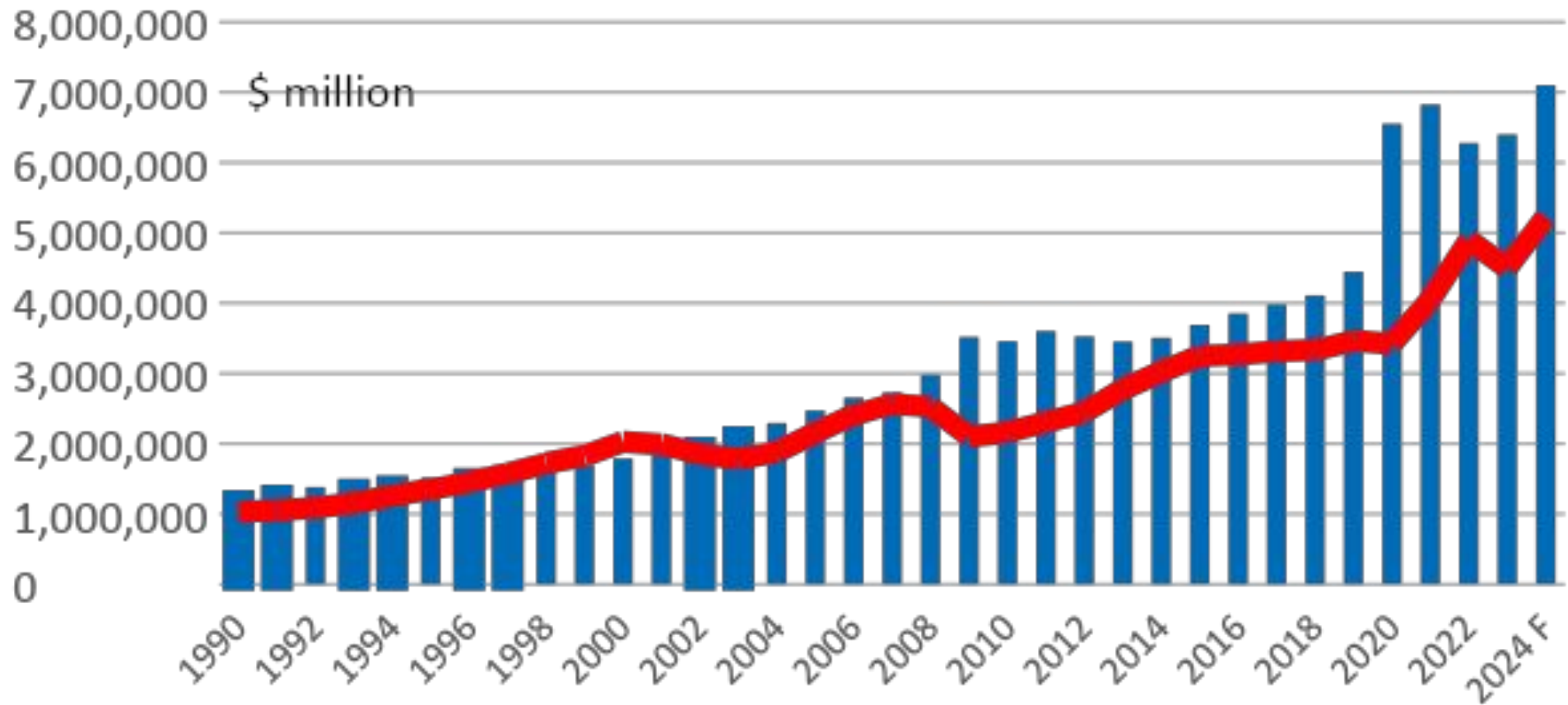
Source: NAR

Flood Insurance ... Government Shutdown

State	Residential Homes (2021)	NFIP Policy Count (2021)	NFIP Claim Count (2021)	Total NFIP Claim Payout (2021)	Average Claim Amount
California	14,512,262	201,819	333	\$4,670,540	\$14,026
Florida	10,054,693	1,825,036	1,123	\$21,327,246	\$18,991
Georgia	4,475,640	82,095	527	\$8,385,784	\$15,912
Hawaii	564,878	70,527	245	\$6,383,138	\$26,054
Illinois	5,440,254	35,468	159	\$1,632,346	\$10,266
Louisiana	2,093,490	510,797	22,830	\$1,083,634,191	\$47,465
Maryland	2,546,364	69,141	735	\$11,019,172	\$14,992
Massachusetts	3,017,772	56,847	264	\$3,388,038	\$12,833
New Jersey	3,779,591	227,918	9,425	\$329,860,658	\$34,998
New York	8,530,610	169,726	5,005	\$156,148,458	\$31,198
North Carolina	4,801,733	147,217	528	\$16,765,645	\$31,753
South Carolina	2,395,861	253,086	335	\$5,566,363	\$16,616
Texas	11,867,551	776,631	2,975	\$47,469,759	\$15,956
Virginia	3,652,522	105,398	296	\$2,518,041	\$8,507
Grand Total	142,149,454	5,148,368	55,807	\$2,028,577,283	\$36,350

Annual Budget Deficit

Federal Outlay (blue bar) > Tax Receipts (orange line)



Source: Congressional Budget Office

Thank You !