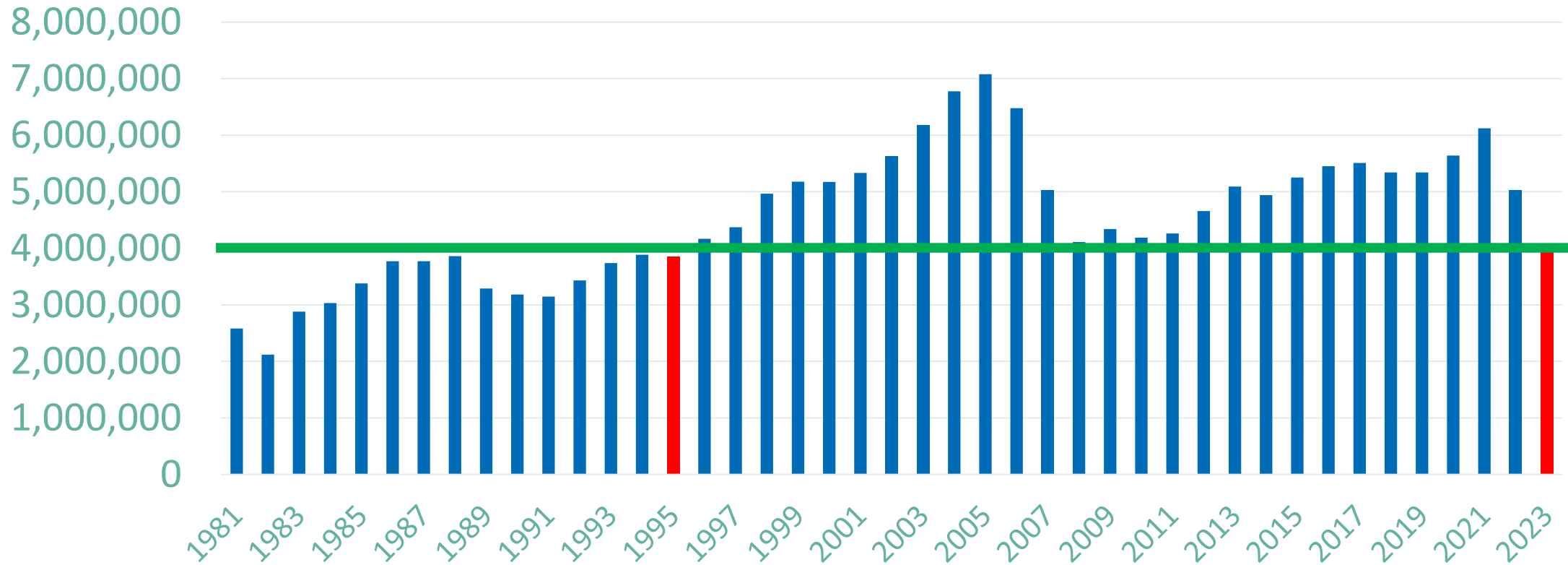


Economic and Real Estate Outlook

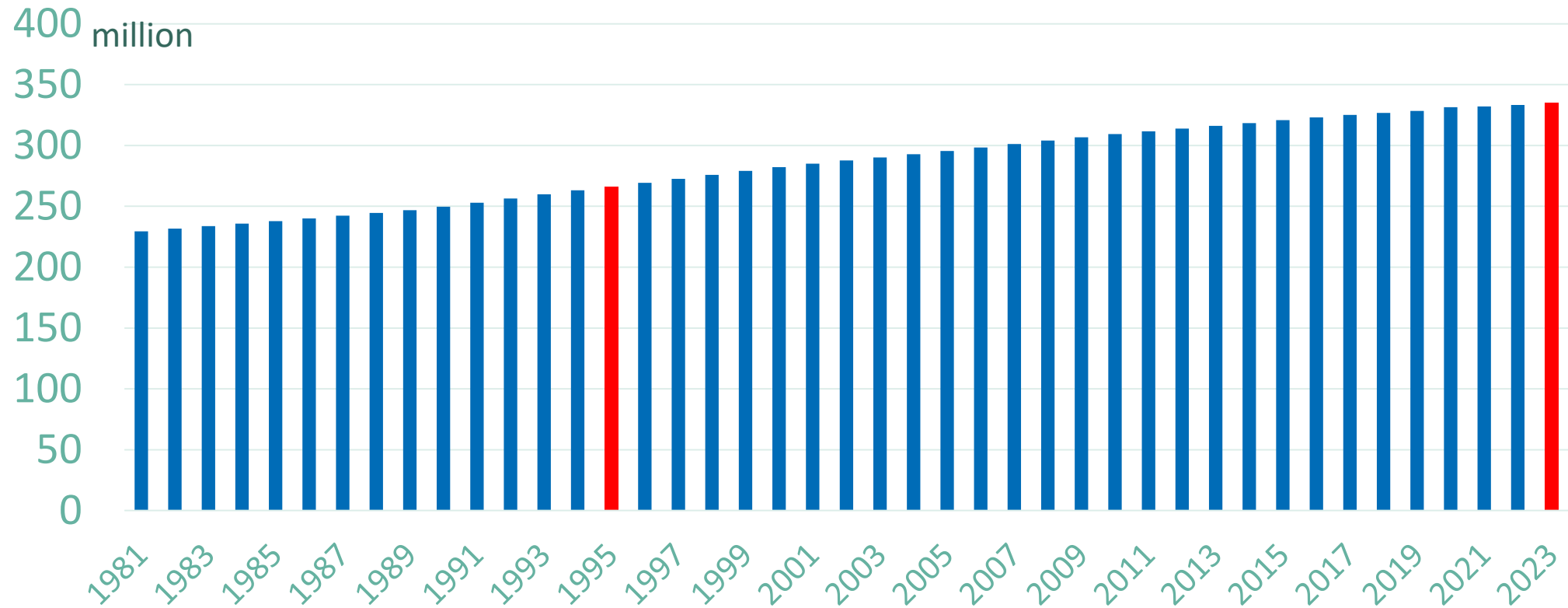
**Lawrence Yun, Ph.D.
Chief Economist, NAR**

Annual Existing Home Sales: Worst Year since 1995



Source: NAR

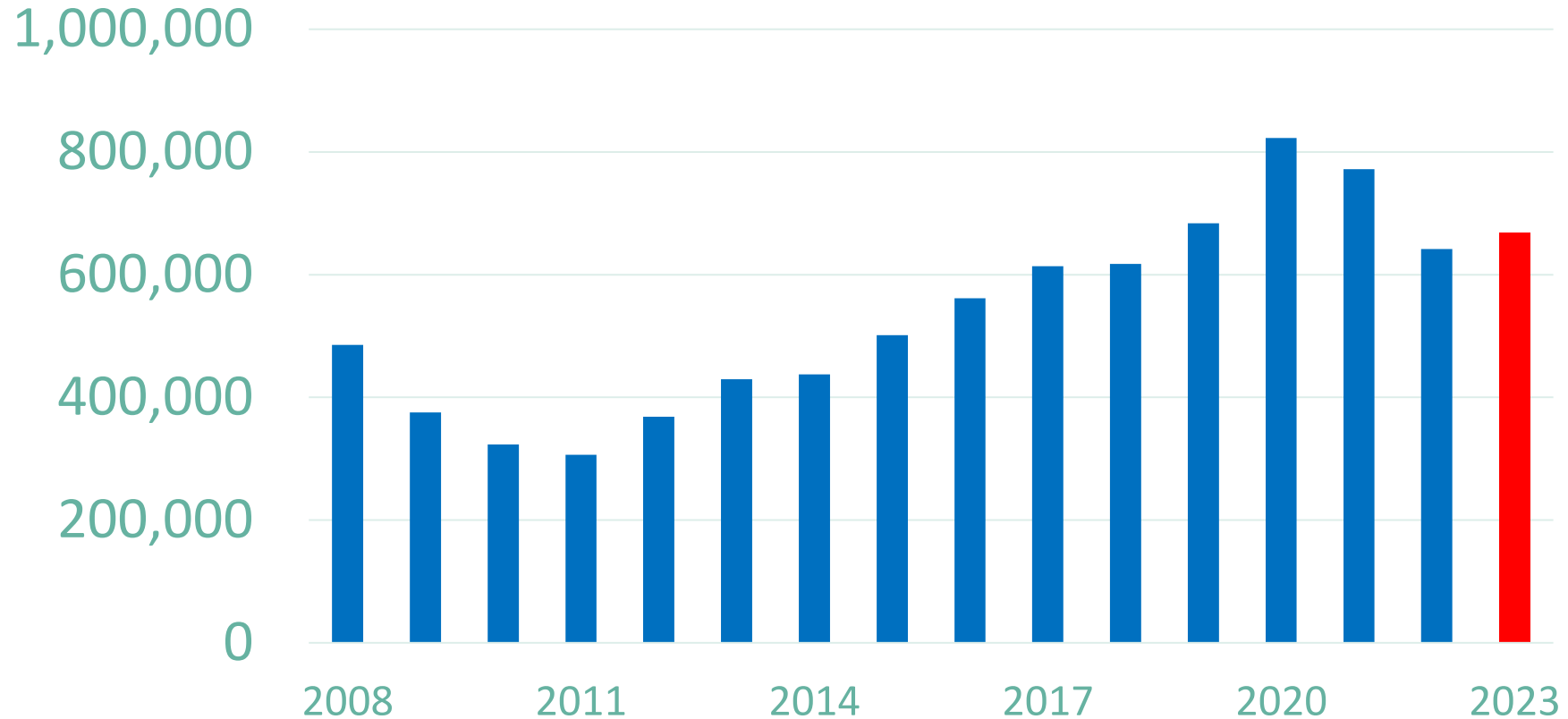
U.S. Population ... 70 million more people



Source: NAR

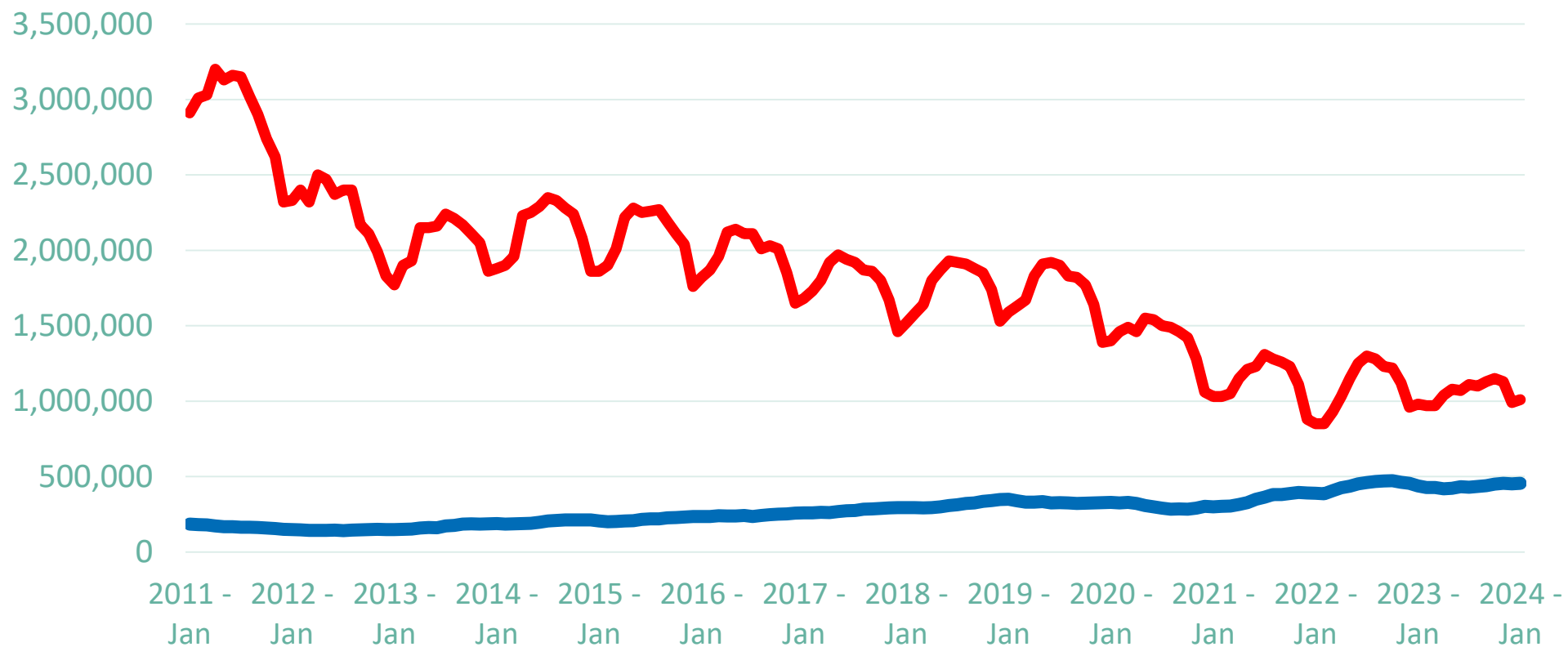
Annual New Home Sales

3rd best year since 2008 foreclosure year



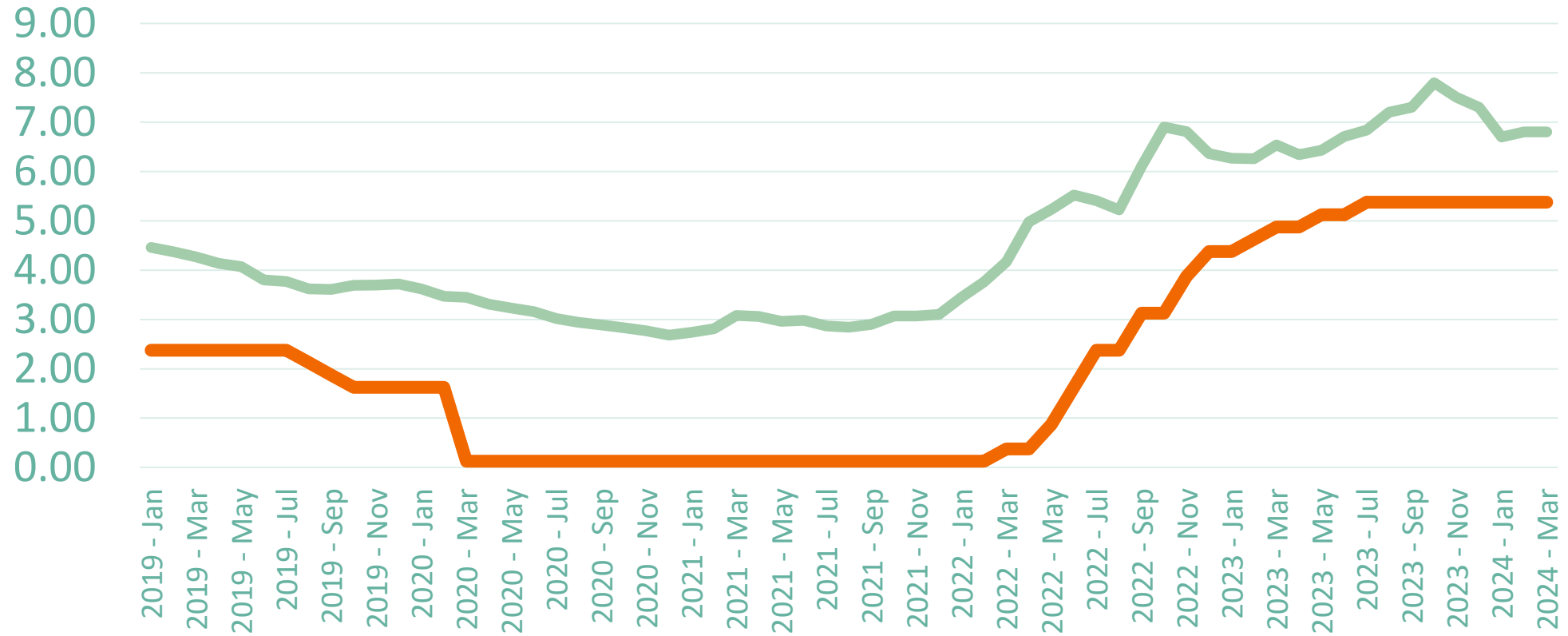
Source: Census and HUD

Inventory of Existing Homes Falling Inventory of New Homes Rising



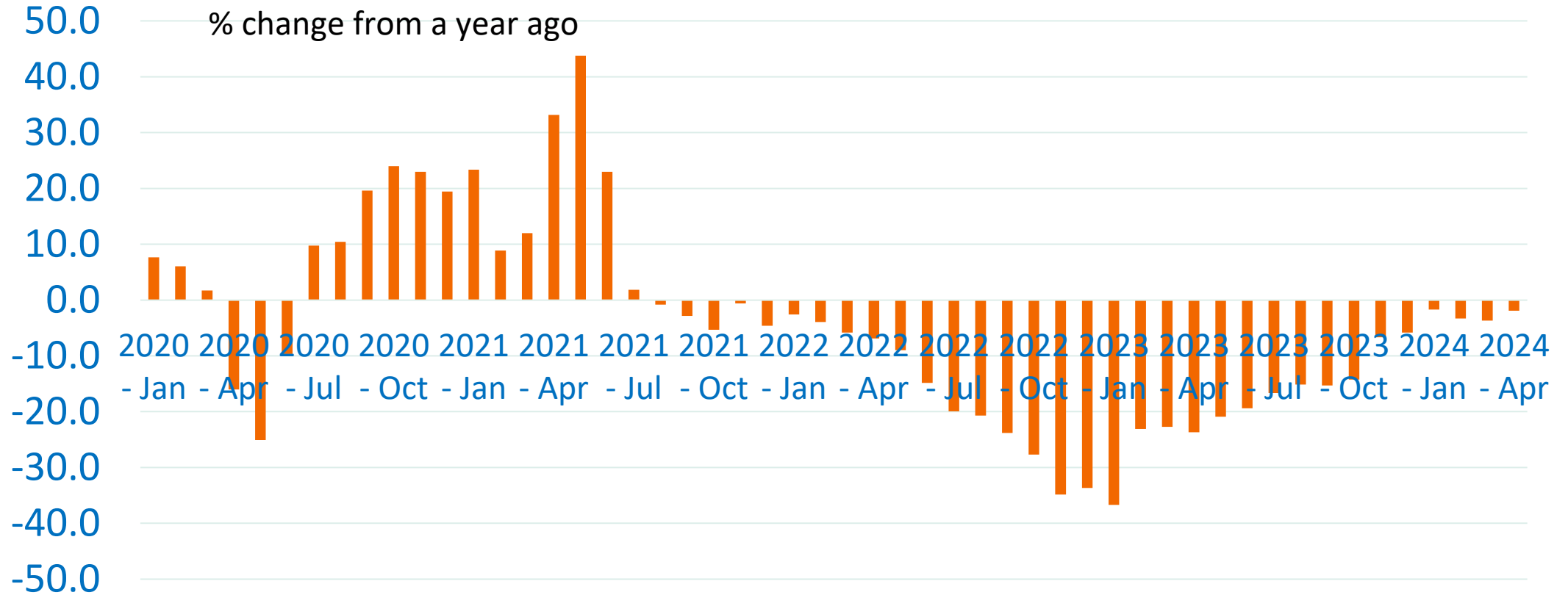
Source: NAR

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



Source: U.S. Treasury and Federal Reserve

Existing Home Sales ... Ready to Turn Higher



Source: NAR

New Home Sales ... Already Positive



Source: Census

Local Market Update for April 2024

A RESEARCH TOOL PROVIDED BY THE CANOPY REALTOR® ASSOCIATION
FOR MORE INFORMATION, CONTACT A REALTOR®



Charlotte Region

Includes Alexander, Anson, Cabarrus, Catawba, Cleveland, Gaston, Iredell, Lincoln, Mecklenburg, Rowan, Stanly and Union Counties in North Carolina and Chester, Chesterfield, Lancaster and York Counties in South Carolina

Key Metrics	April			Year to Date		
	2023	2024	Percent Change	Thru 4-2023	Thru 4-2024	Percent Change
New Listings	4,423	5,175	+ 17.0%	16,081	17,831	+ 10.9%
Pending Sales	4,102	4,250	+ 3.6%	15,442	15,106	- 2.2%
Closed Sales	3,700	3,592	- 2.9%	12,899	12,472	- 3.3%
Median Sales Price*	\$375,000	\$390,000	+ 4.0%	\$369,000	\$384,980	+ 4.3%
Average Sales Price*	\$457,966	\$500,246	+ 9.2%	\$438,018	\$476,553	+ 8.8%
Percent of Original List Price Received*	97.5%	97.7%	+ 0.2%	96.1%	97.1%	+ 1.0%
List to Close	90	83	- 7.8%	99	89	- 10.1%
Days on Market Until Sale	40	37	- 7.5%	46	41	- 10.9%
Cumulative Days on Market Until Sale	44	42	- 4.5%	49	46	- 6.1%
Average List Price	\$515,849	\$557,244	+ 8.0%	\$486,662	\$522,545	+ 7.4%
Inventory of Homes for Sale	5,160	6,424	+ 24.5%	--	--	--
Months Supply of Inventory	1.4	1.9	+ 35.7%	--	--	--

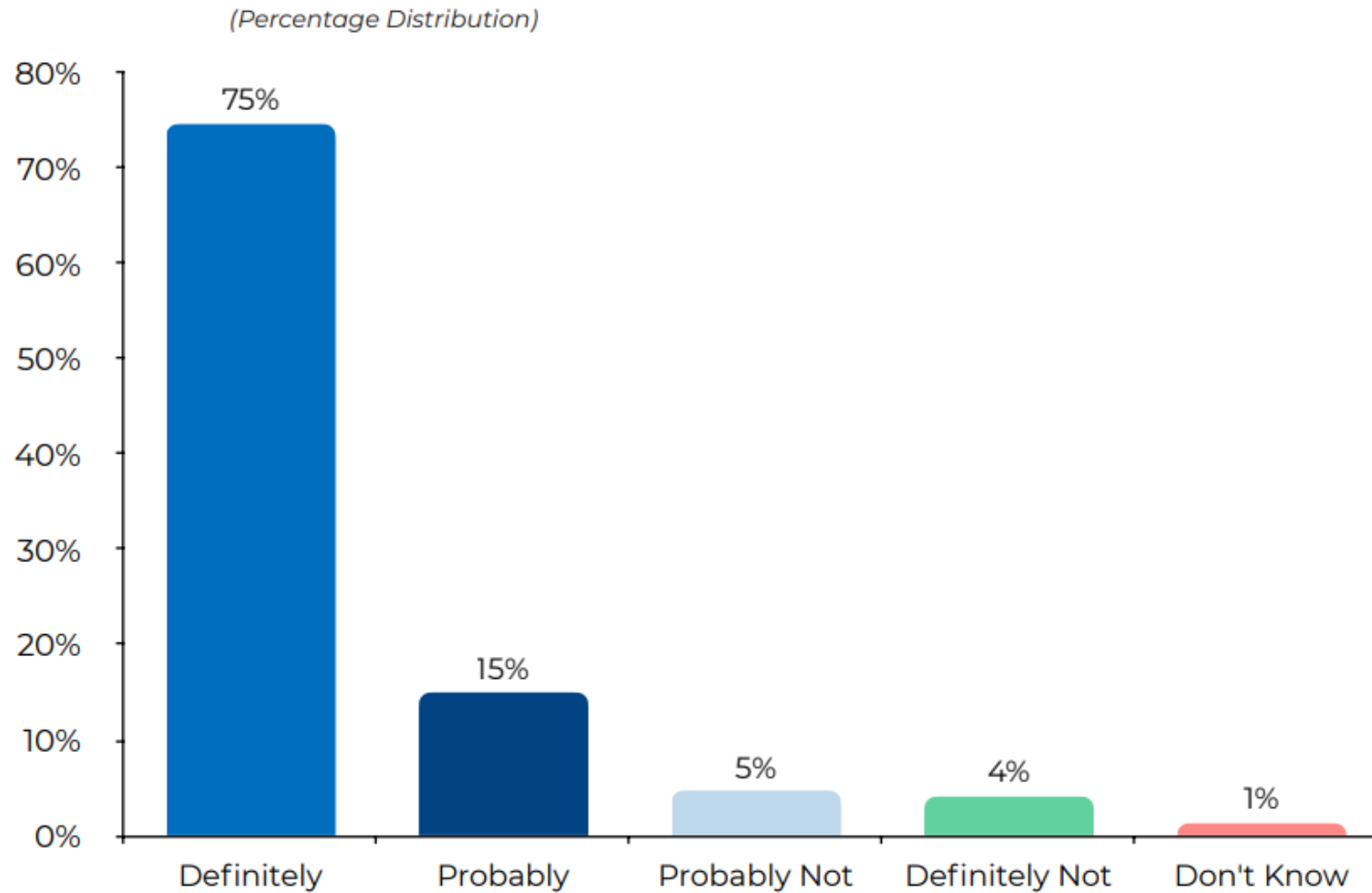
* Does not account for sale concessions and/or downpayment assistance. | Percent changes are calculated using rounded figures and can sometimes look extreme due to small sample size.

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%

Source: NAR

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



Source: NAR

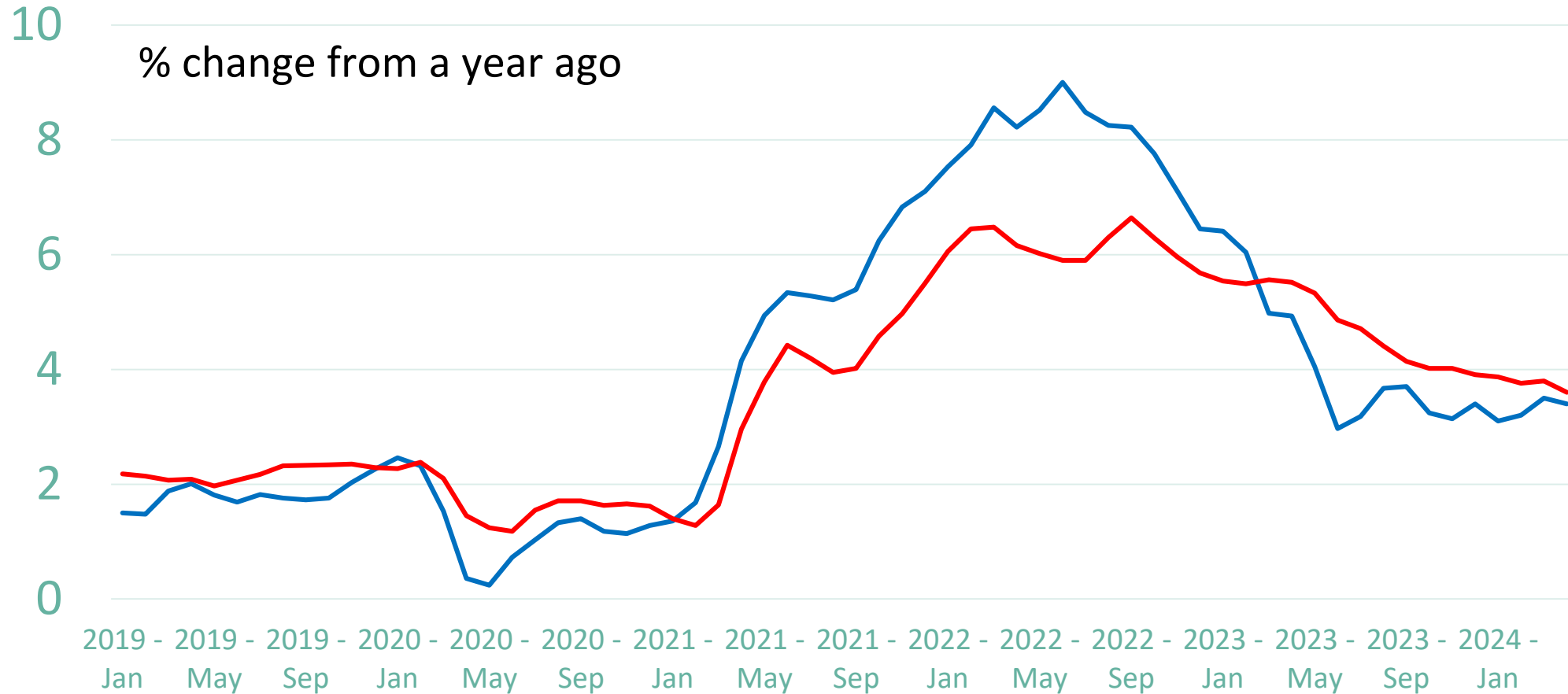
NAR Membership Dynamics ... Resembles Restaurant Industry

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

Source: NAR

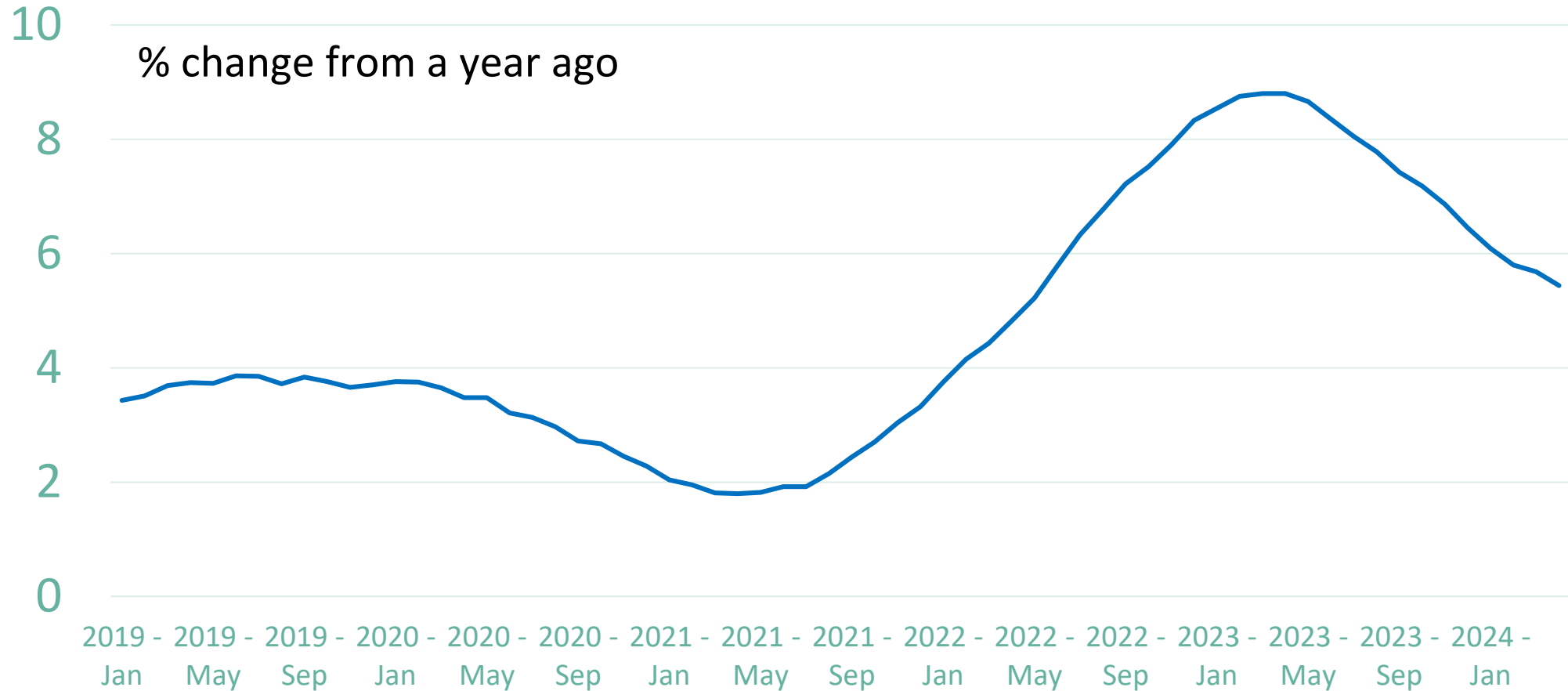
CPI ... 3.4% in April ... Not yet 2%

Core CPI (in red) ... steady deceleration



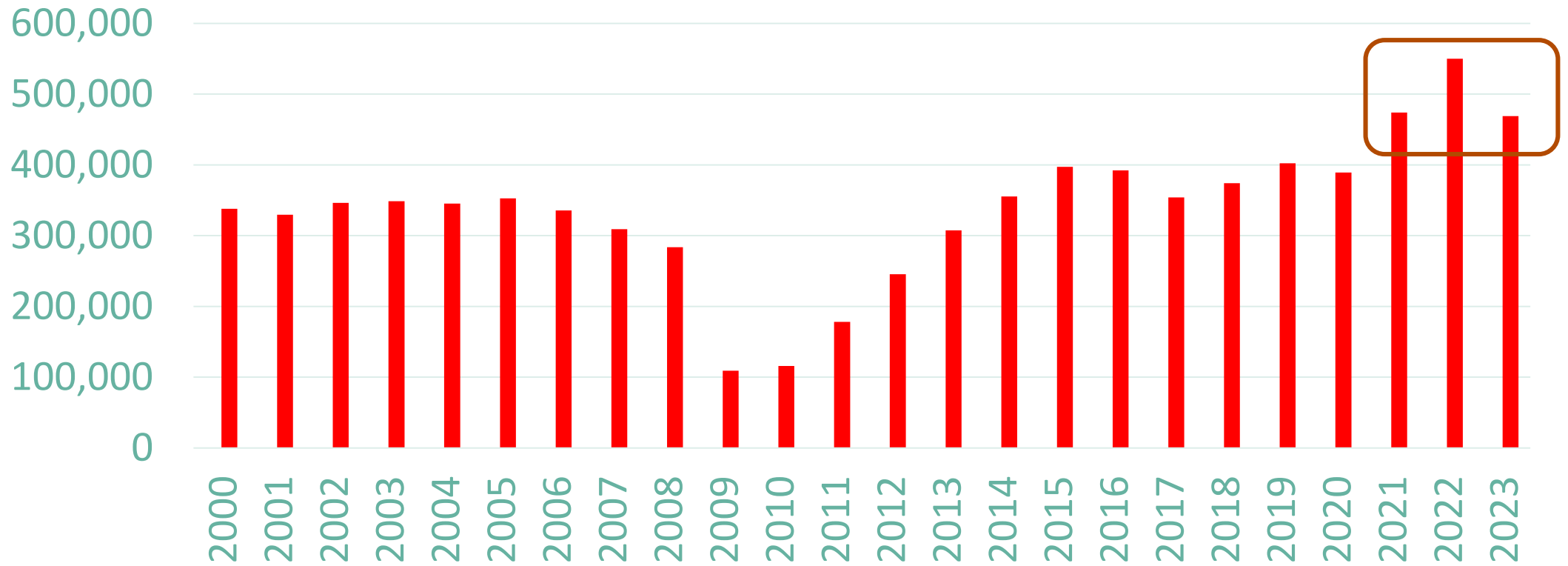
Source: BLS

Rent Component CPI ... 5.4% higher in April



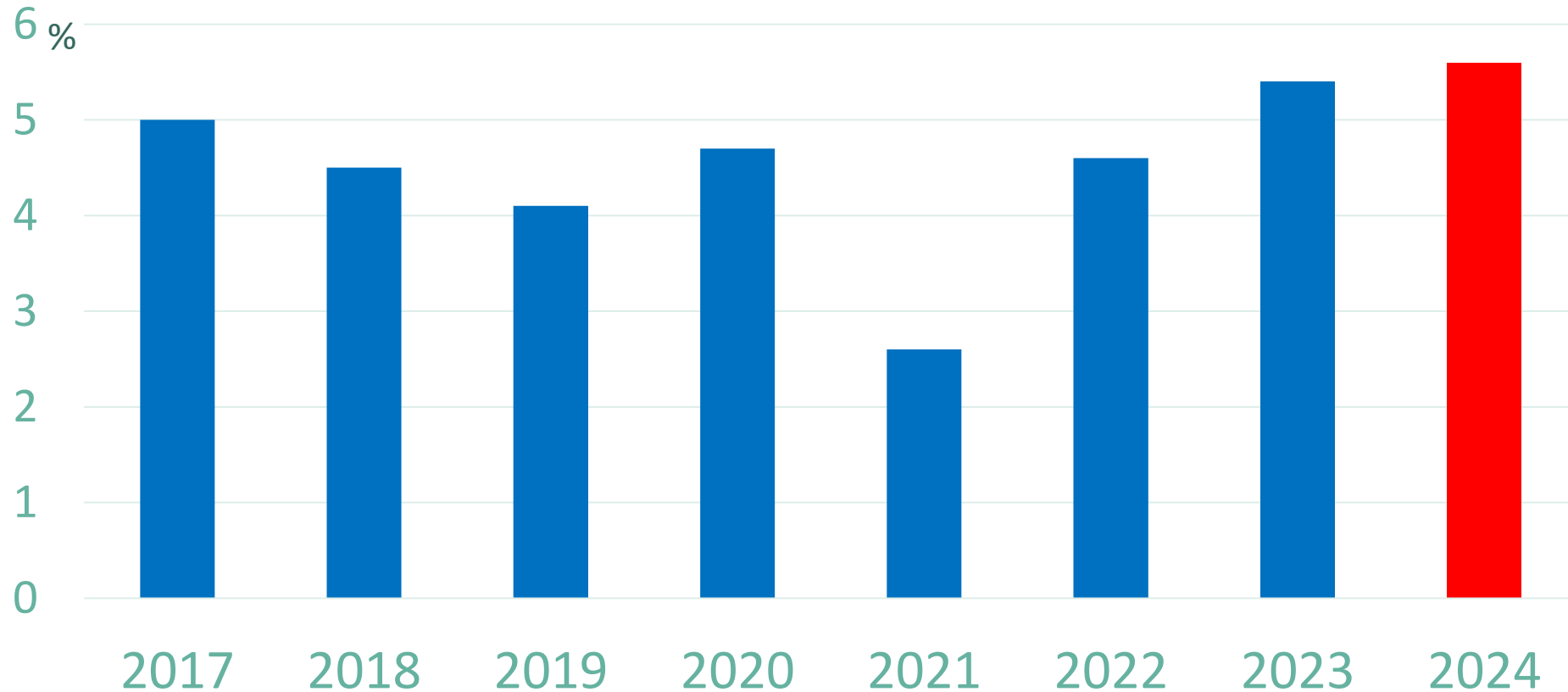
Source: BLS

Annual Apartment Construction at 40-year Highs for three years ... Why has Rent Not Calmed Down?



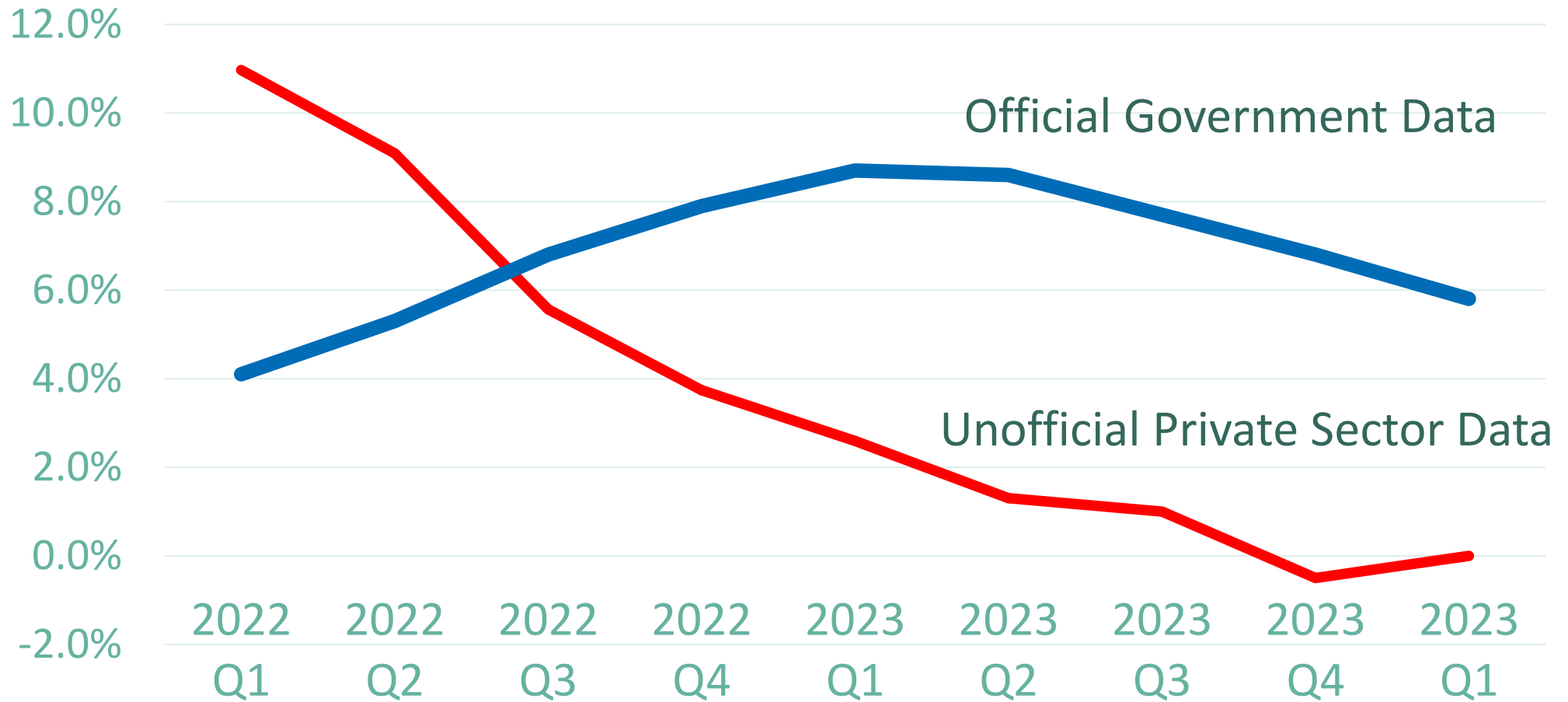
Source: Census/HUD

Private Sector Data on Apartment Vacancy Rate



Source: CBRE/ULI and NAR Forecast

Rents still rising solidly or no longer?



Source: BLS and CoStar

Future Rent Growth should be Calmer

Future CPI should be Calmer

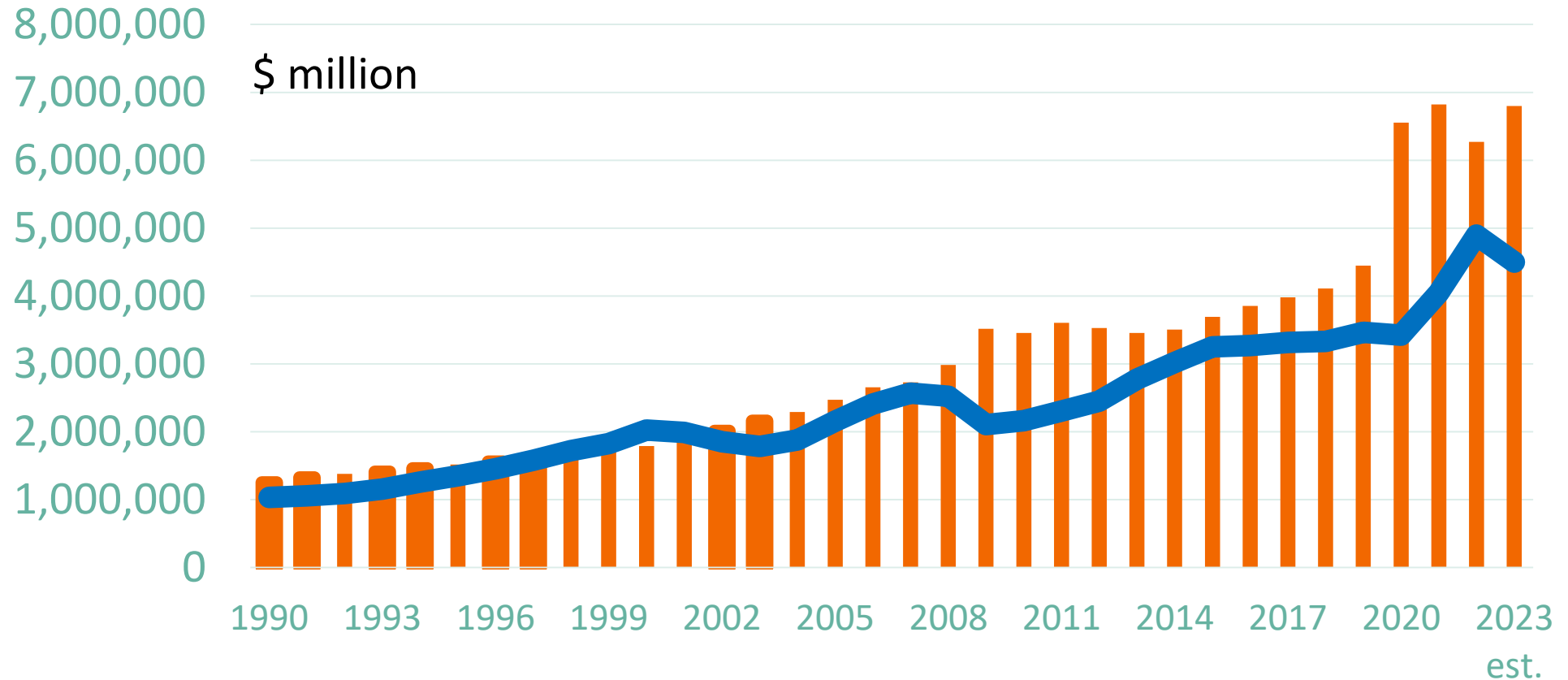
**The Fed can cut interest rates ...
6-8 rounds through 2025**

But

Further Pivot could be limited by Budget Deficit

Government Deficit Further Pressuring Rate Rise?

Government Outlay > Tax Revenue



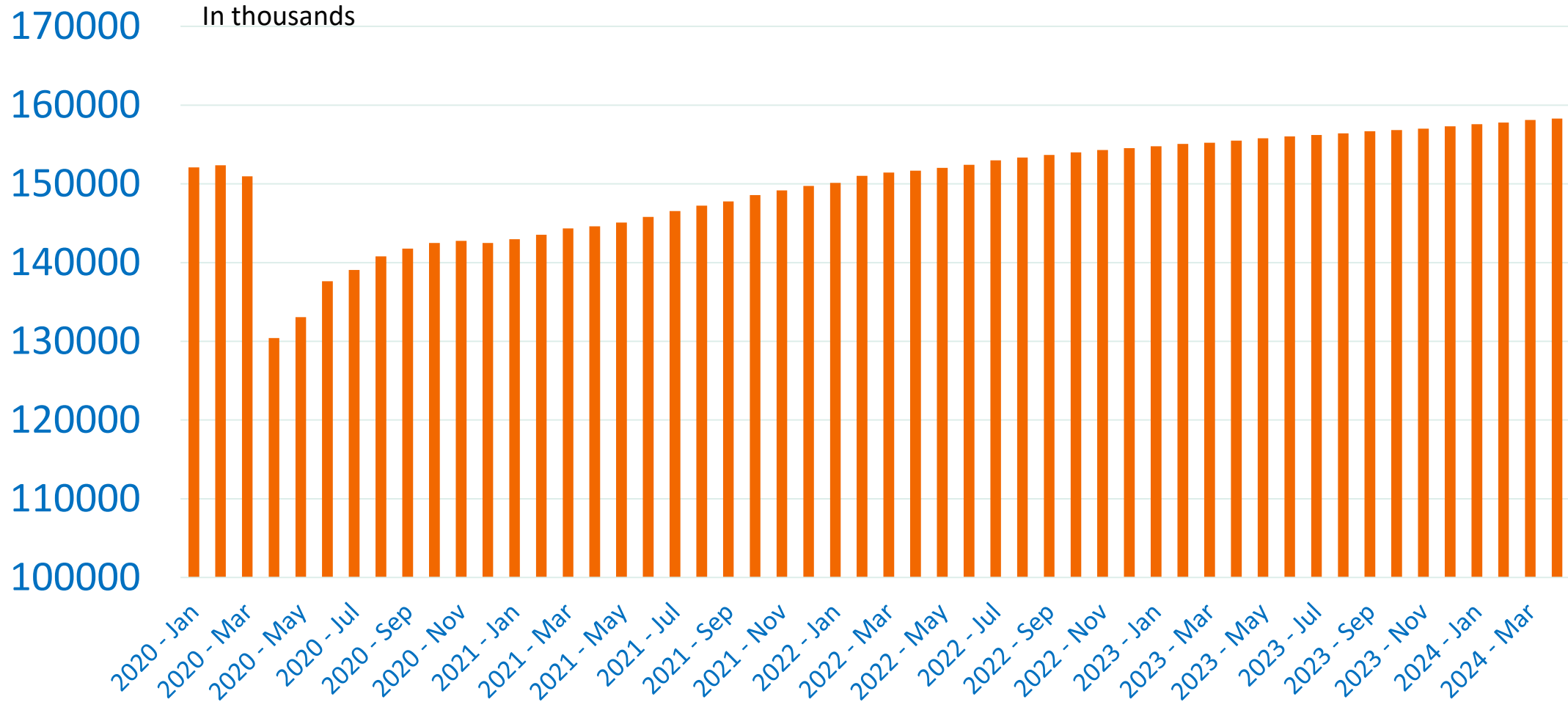
Source: Congressional Budget Office

Long-Term Real Estate Demand

Come from Jobs Jobs Jobs

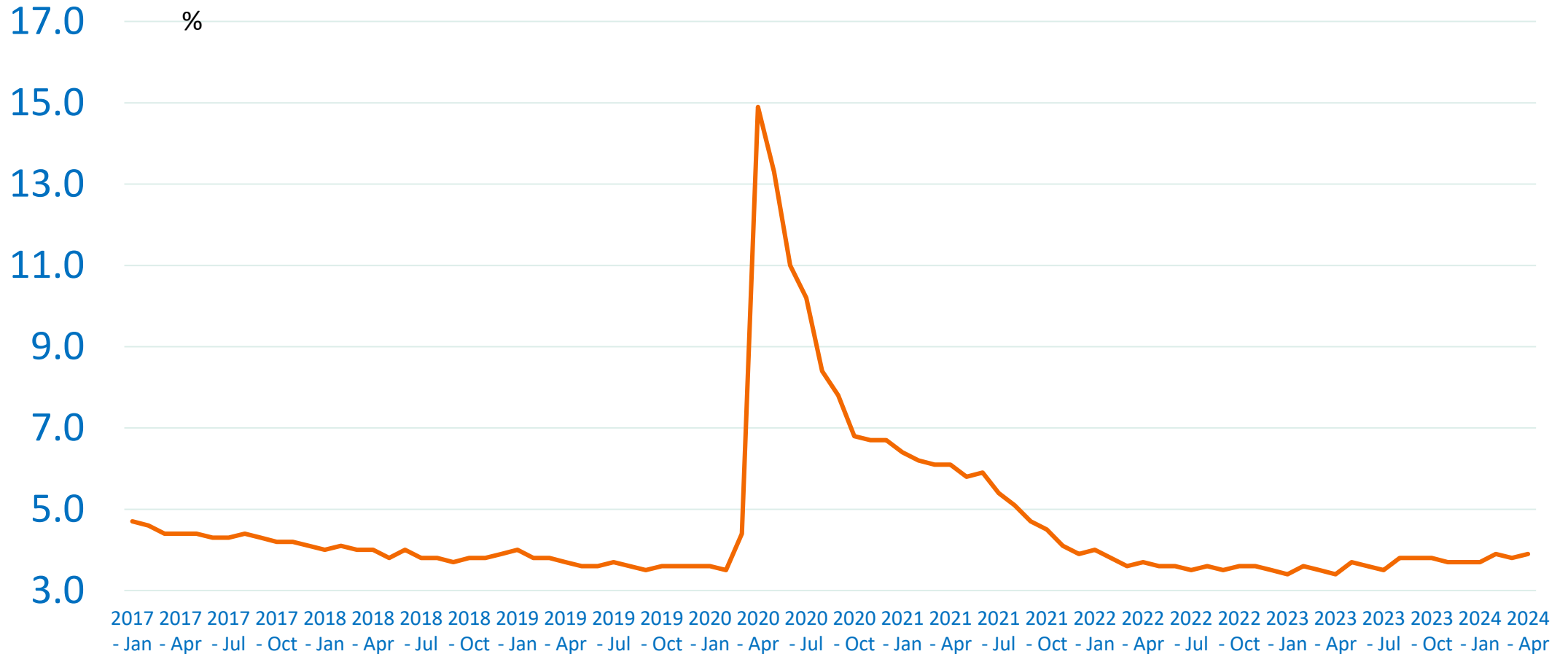
Total Payroll Jobs

6 million more compared to pre-covid highs



Source: BLS

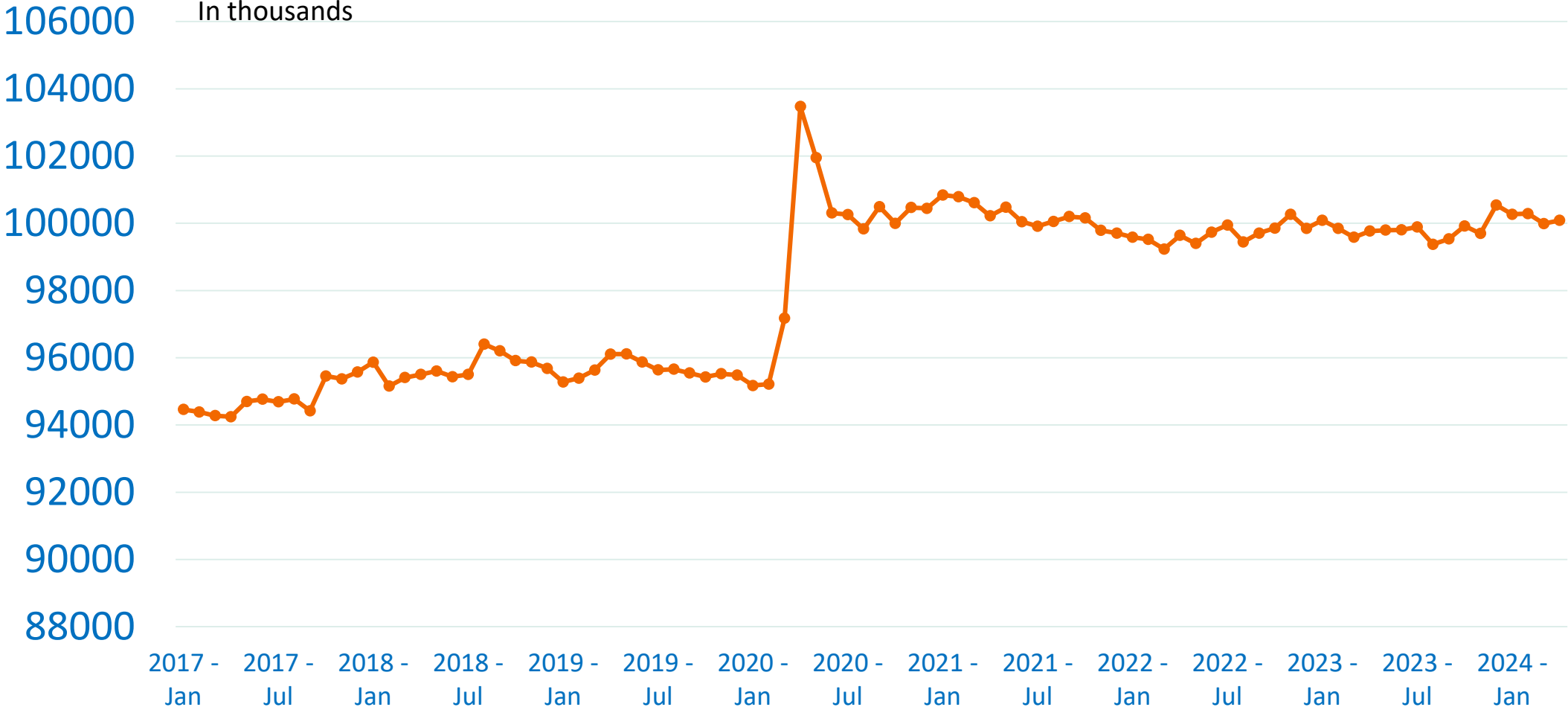
National Unemployment Rate at 3.9%



Source: BLS

Out-of-Labor Force

(essentially retired, students, and others not looking for a job)

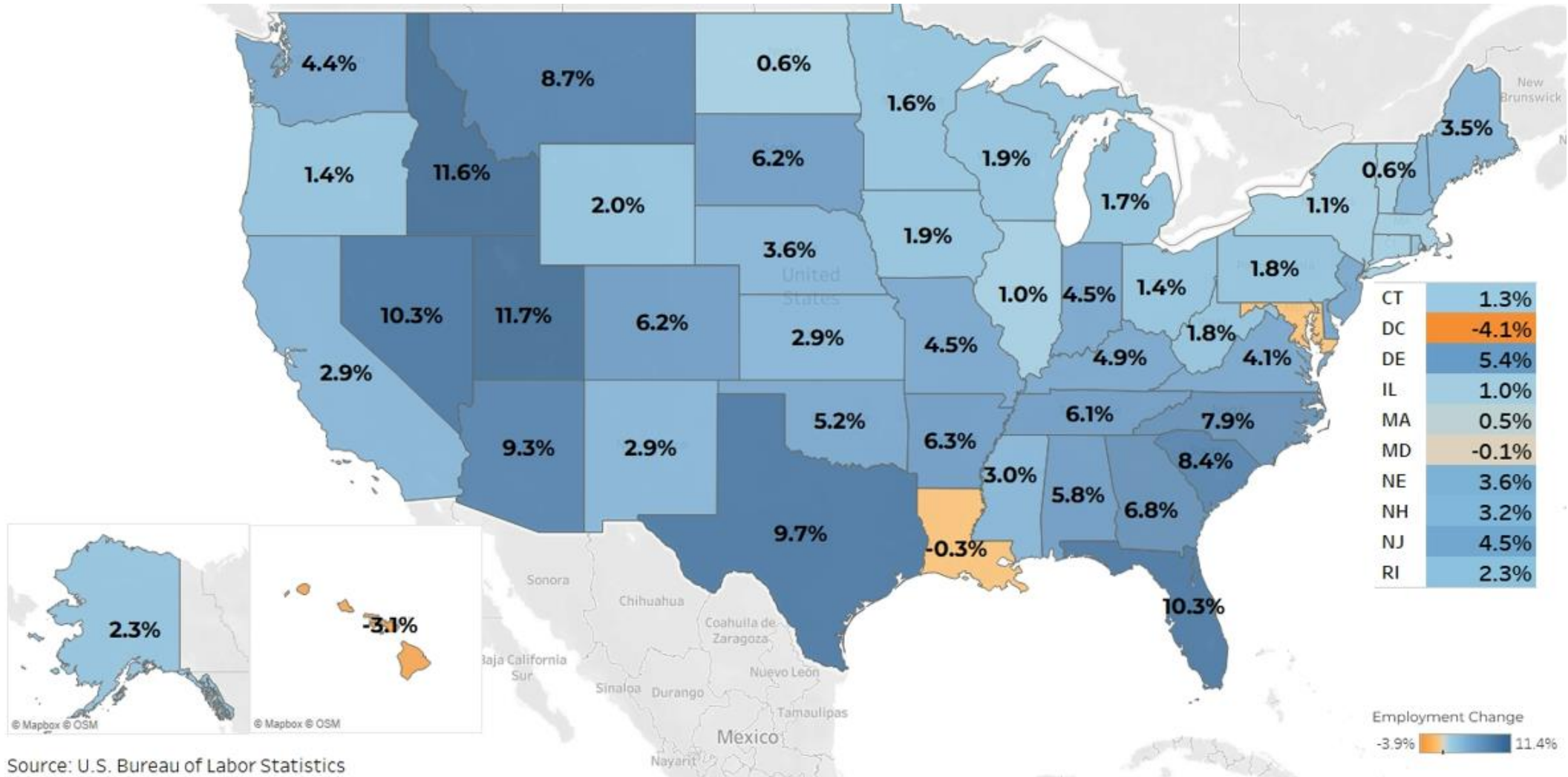


Source: BLS



Job Gains Since Pre-COVID Record High Payroll Employment

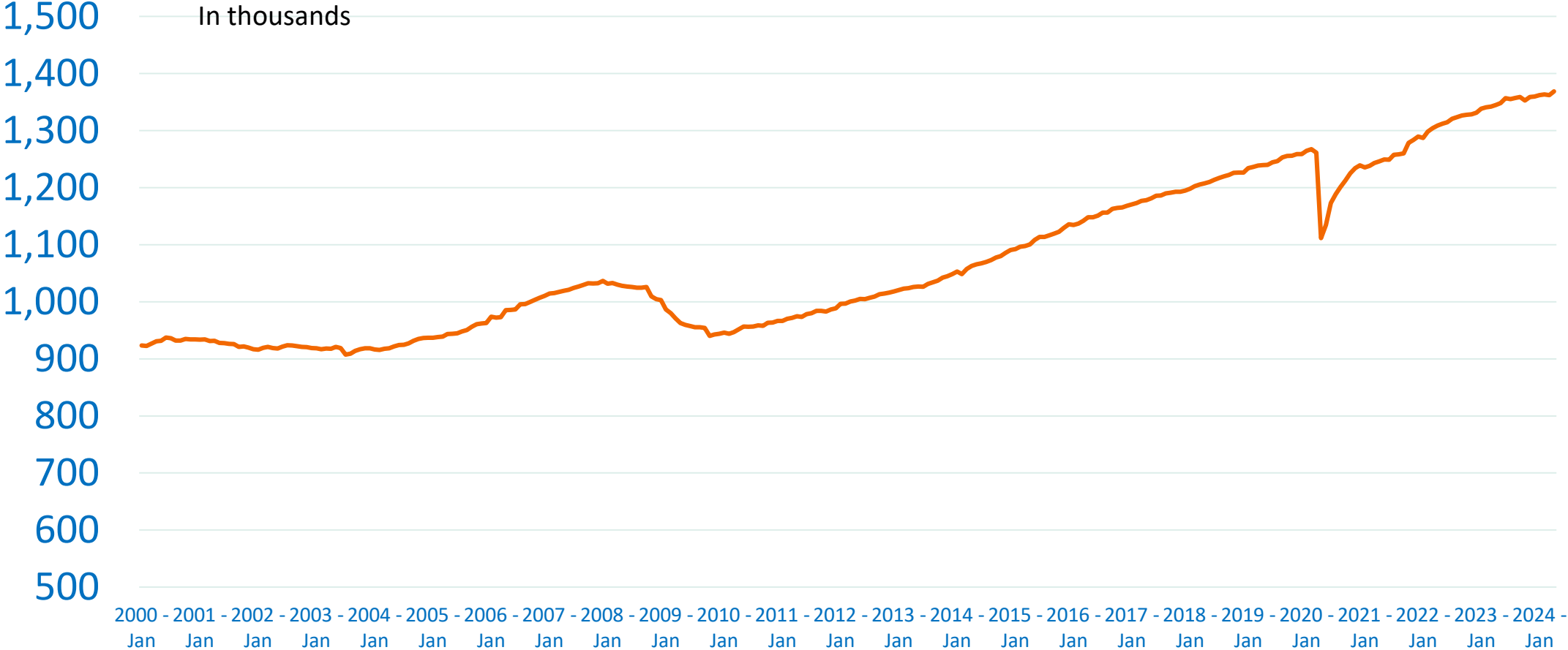
% change from March 2020 to April 2024



Source: U.S. Bureau of Labor Statistics

Source: NAR Analysis of BLS data

Payroll Jobs in Charlotte-Concord-Gastonia (includes Rockhill SC)



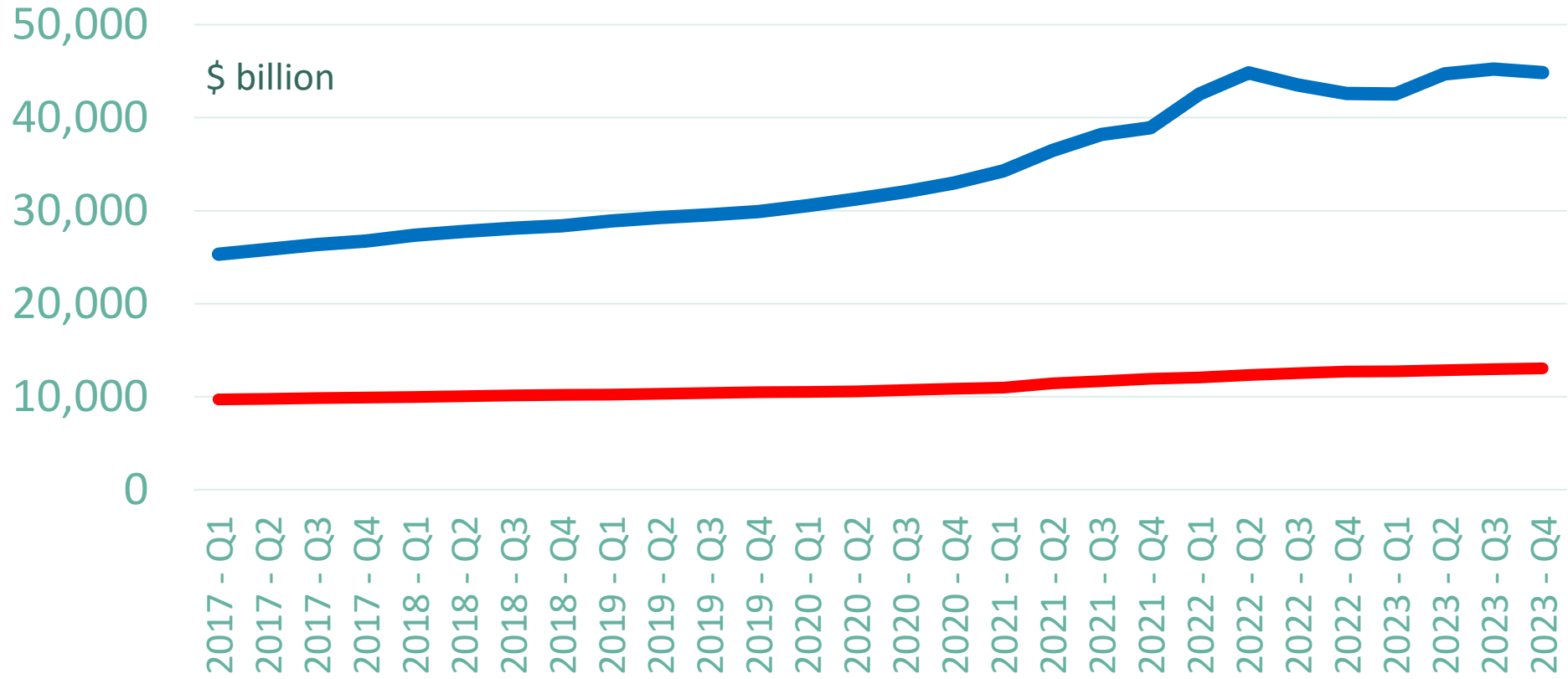
Source: BLS



Happy Homeowners

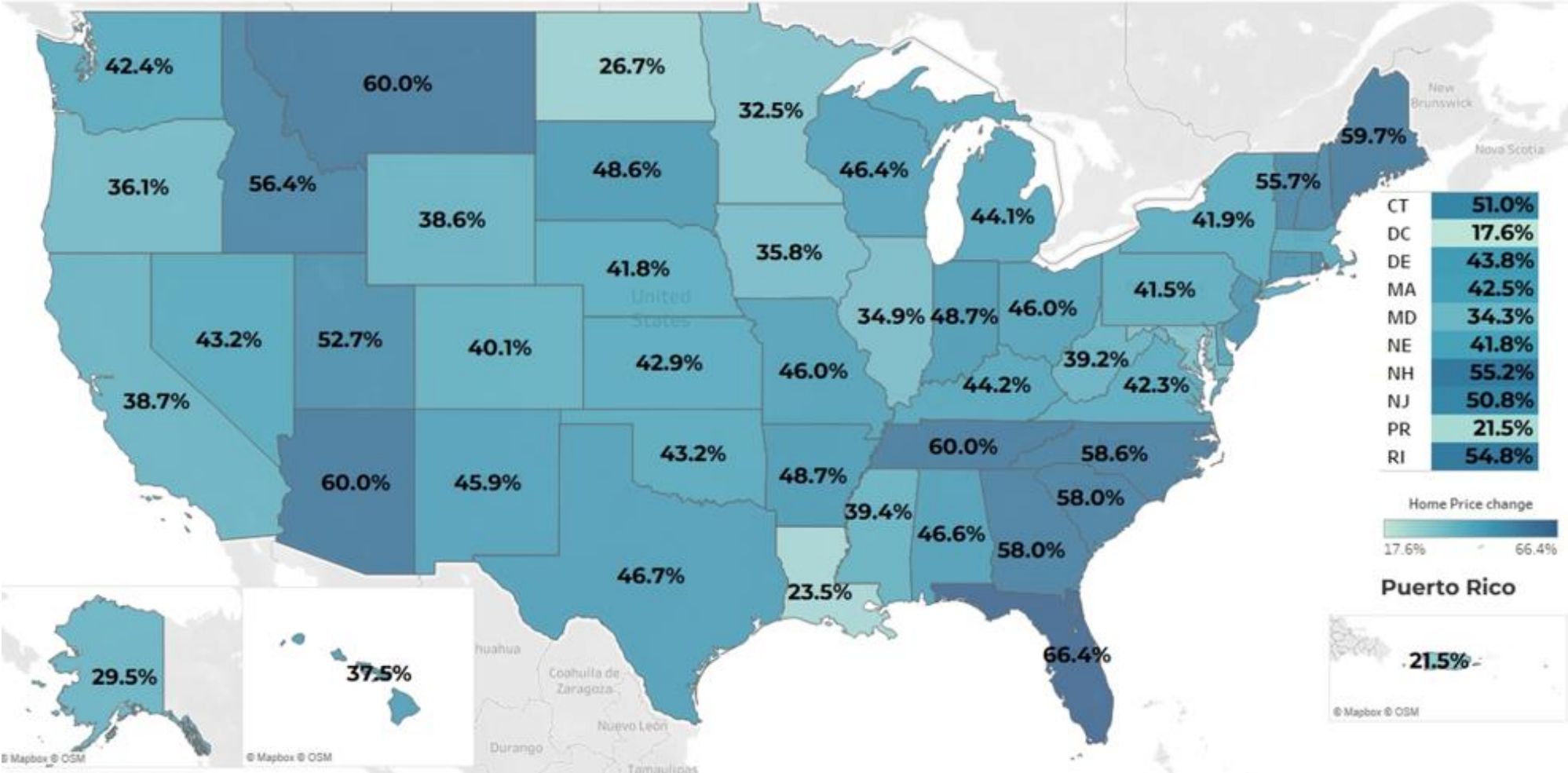
Unhappy Young Homebuyers

Housing Asset Valuation >>> Mortgage Liability



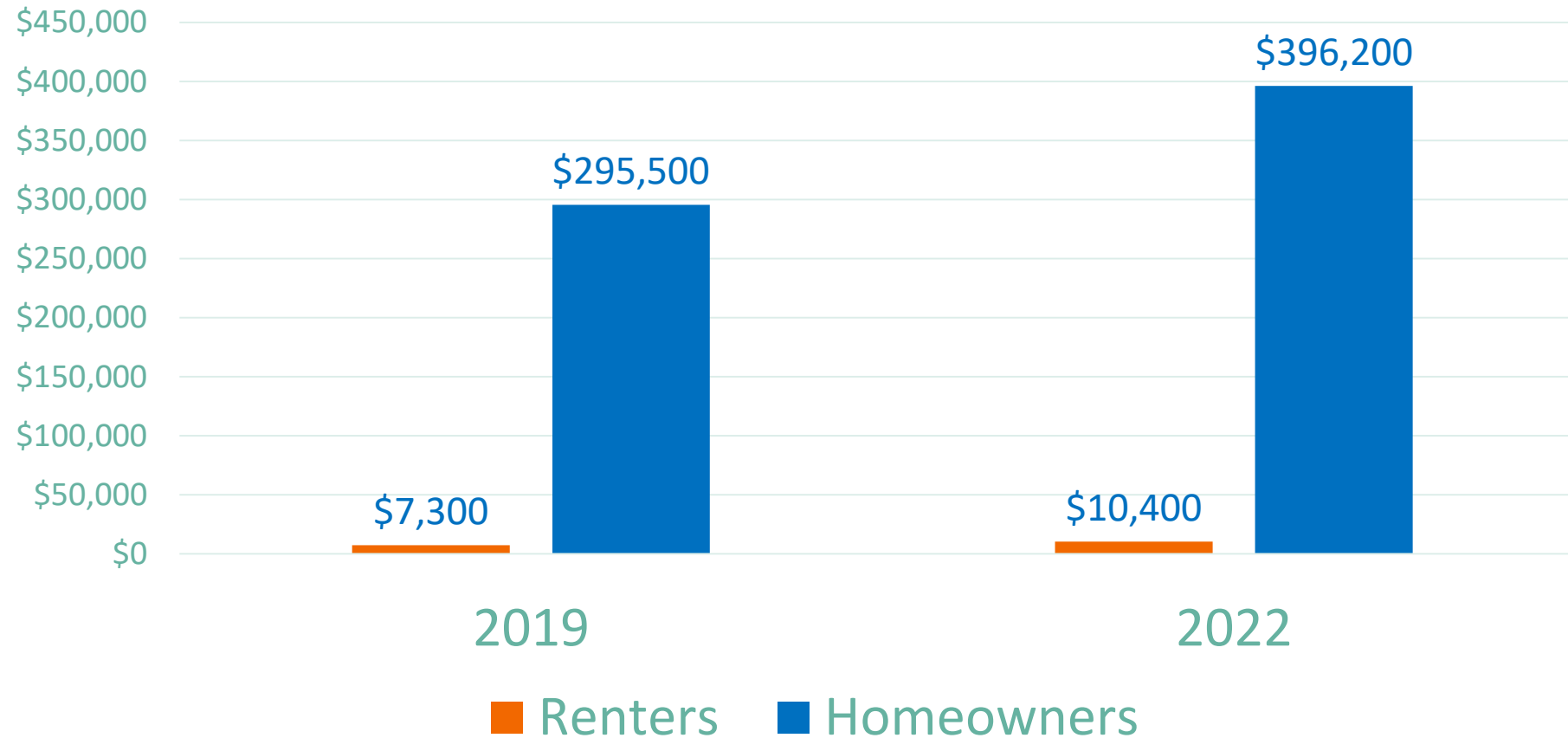
Source: Federal Reserve

Home Price Appreciation from Pre-Covid



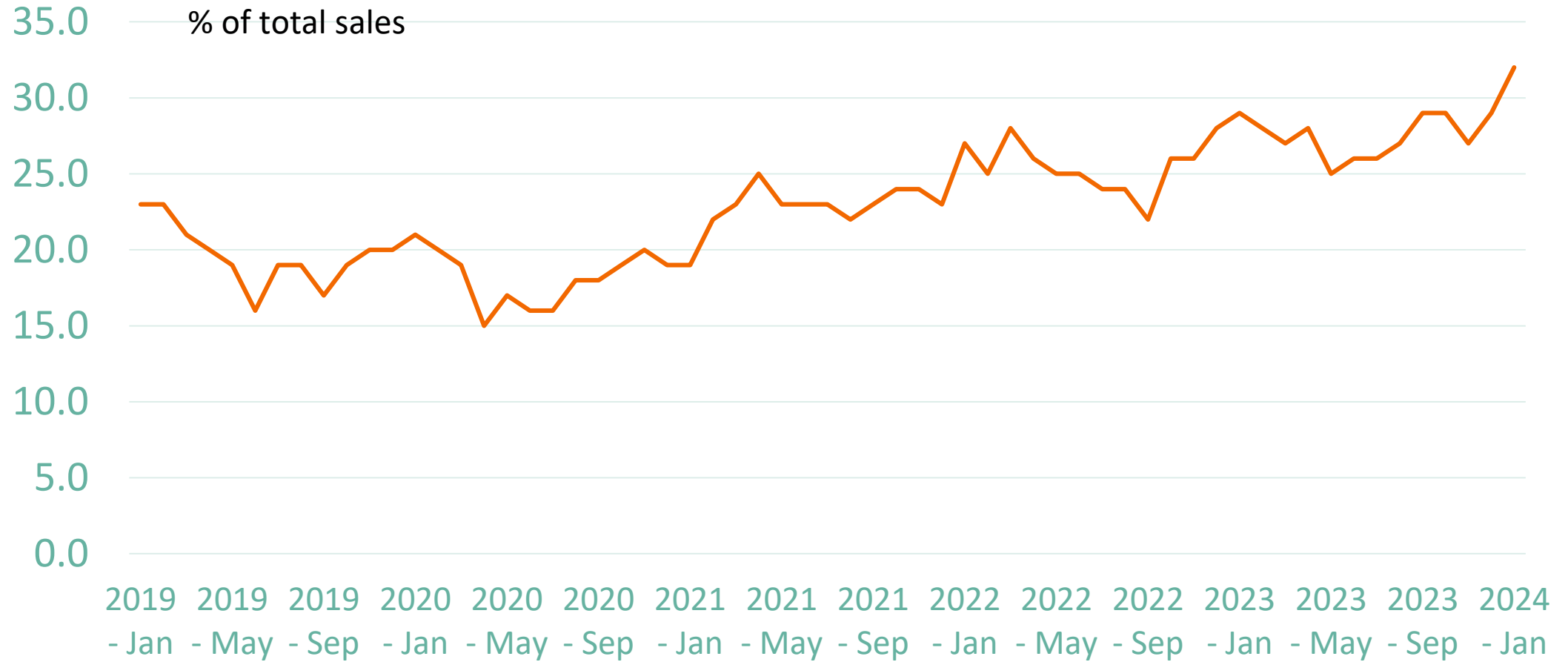
Source: FHFA

Wealth Comparison between Owners and Renters



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

All Cash Transactions (They are not first-generation Homebuyers)



Source: NAR

Long-term Interest Rates to Fall?

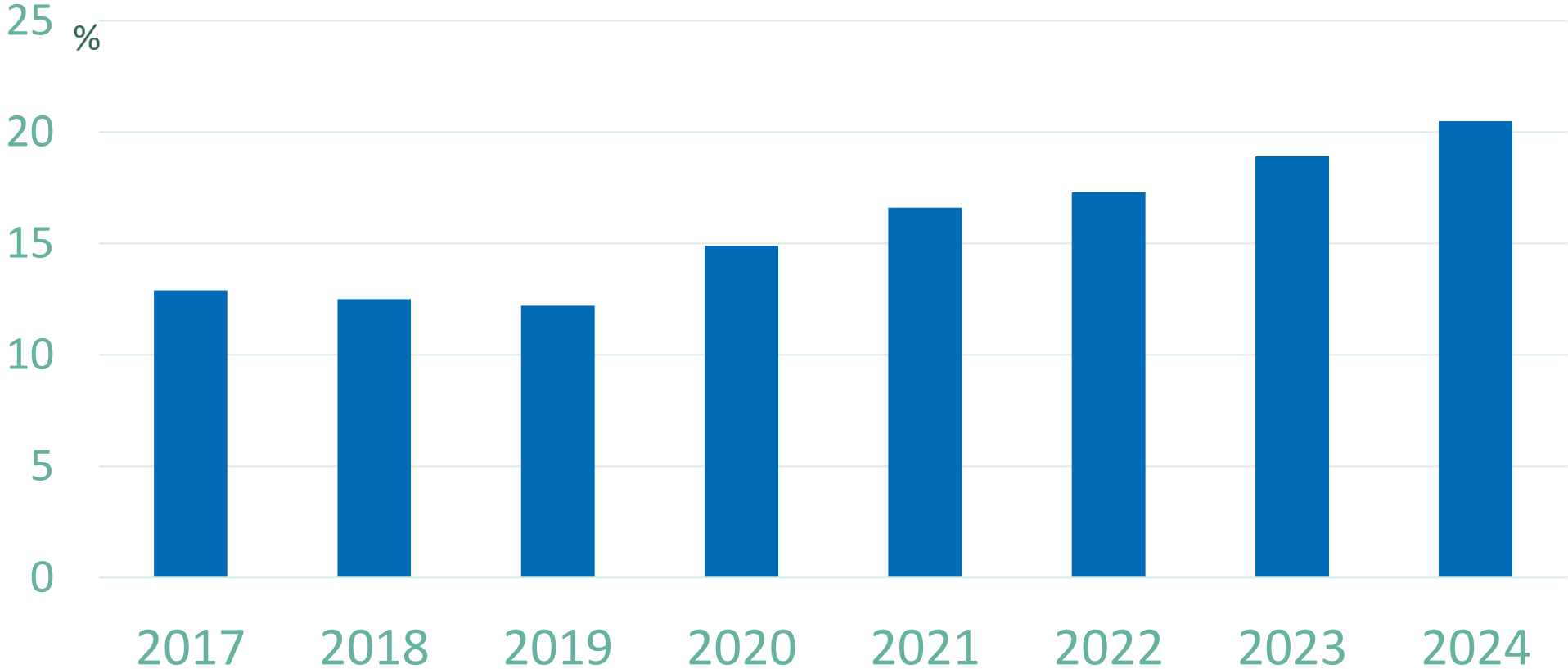
1. Rents will calm down further ... Holds down CPI ... and make the Fed cut interest rates
2. Community banks are suffering from high interest rates
3. Credit Spread is abnormally high

Pent-Up Delayed Sellers Cannot Wait Longer

What happens over 2 years?

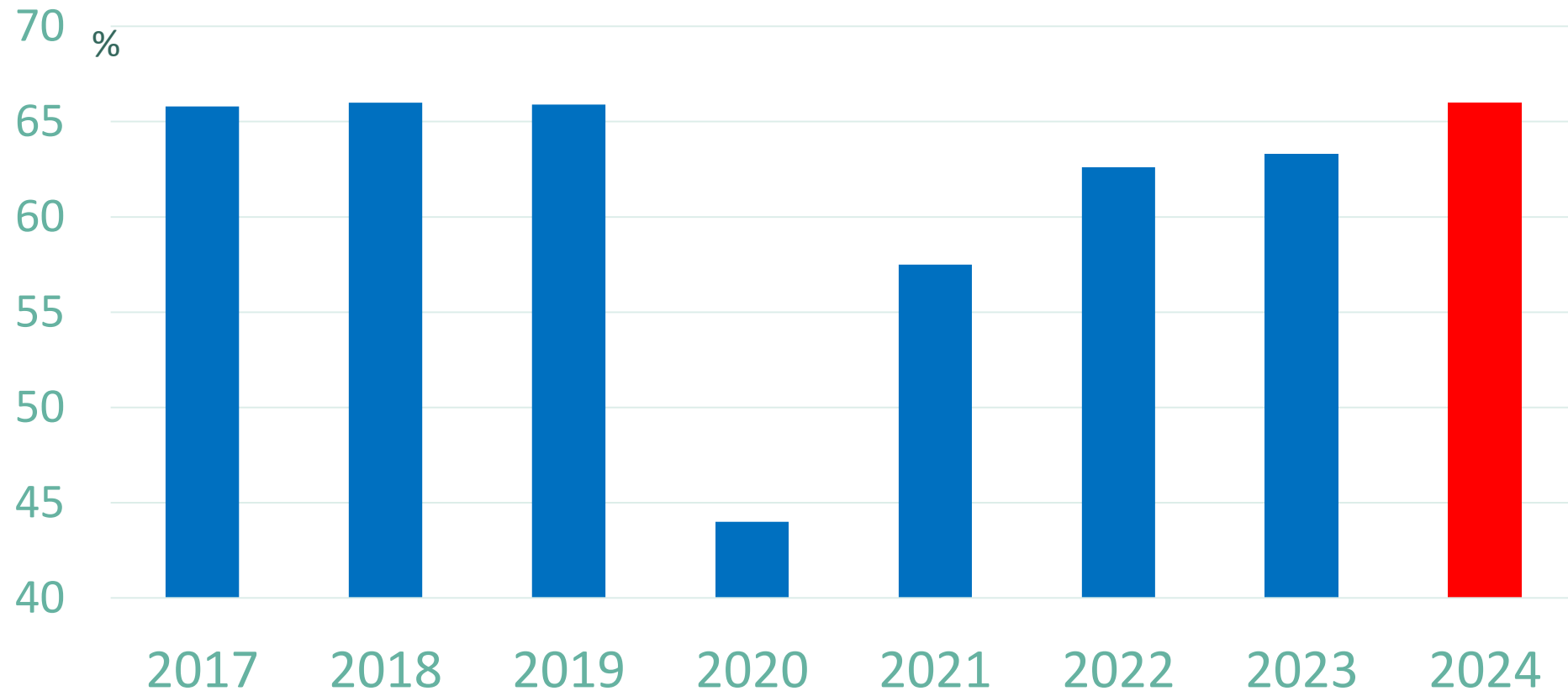
- 7 million new-born babies
- 3 million marriages
- 1.5 million divorces
- 7 million turn 65 years old
- 4 million deaths
- 6 million net new jobs
- 50 million job switches

National Office Vacancy Rate



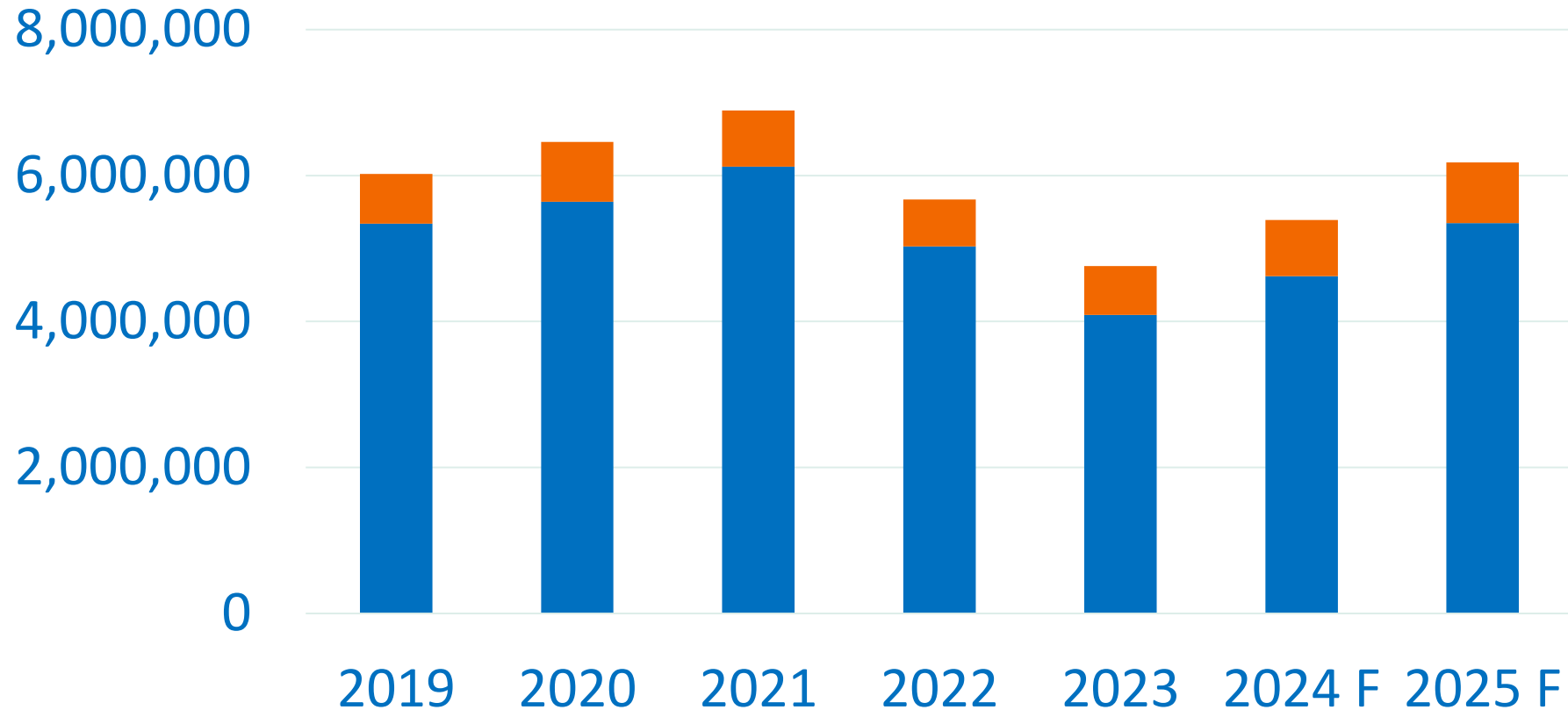
Source: CBRE/ULI and NAR Forecast

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



Source: CBRE/ULI and NAR Forecast

Total Home Sales: Rising the next two years ... Back to 2019 pre-covid levels



Source: NAR forecast and HUD

Thank You