Real Estate Market Update: Trends Throughout COVID and Beyond

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Zillow Economic Research
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Home value growth at an all time high

Zillow Home Value Index, YoY and MoM, December 2021
Inventory settling into lower normal

For-Sale Inventory

Year-over-year:
- Dec 2018: 5%
- Aug 2019: 0%
- Apr 2020: -5%
- Dec 2020: -10%
- Aug 2021: -19.5%

Month-over-month:
- Dec 2017: 6%
- Dec 2018: 4%
- Dec 2019: 2%
- Dec 2020: 0%
- Dec 2021: -11.1%
Homes still selling very quickly

Median Days to Pending

- 2019
- 2020
- 2021
- 2022
Bidding wars slowing quickly but still high

Share Sold Above List

- 2019
- 2020
- 2021
Low supply: over a decade of underbuilding

New Privately-Owned Housing Units Started (Seasonally Adjusted)
Low homebuilding means aging housing stock

Median Age of Owner-Occupied Housing

Year
Age
30 31 31 32 32 33 33 34 35 36 36 37 37 38 39 39

Zillow Group
Aging housing stock in Rust Belt, Great Plains

Percentage of Single-Family Dwelling Units Built Before 1980 by County

Source: Freddie Mac
Rise of secondary cities - especially Sun Belt

Zillow Home Value Index YoY Pre/Post Pandemic Growth

- Austin, TX: 2019 YoY 0%, 2021 YoY 44.6%
- Fort Myers, FL: 2019 YoY 0%, 2021 YoY 35.8%
- Sarasota, FL: 2019 YoY 0%, 2021 YoY 35.5%
- Boise City, ID: 2019 YoY 0%, 2021 YoY 33.0%
- Phoenix, AZ: 2019 YoY 0%, 2021 YoY 31.8%
- Ogden, UT: 2019 YoY 0%, 2021 YoY 31.4%
- Raleigh, NC: 2019 YoY 0%, 2021 YoY 30.7%
- Provo, UT: 2019 YoY 0%, 2021 YoY 29.8%
- Tampa, FL: 2019 YoY 0%, 2021 YoY 29.7%
- Daytona Beach, FL: 2019 YoY 0%, 2021 YoY 28.5%

Zillow Observed Rent Index YoY Pre/Post Pandemic Growth

- Sarasota, FL: 2019 YoY 0%, 2021 YoY 33.7%
- Fort Myers, FL: 2019 YoY 0%, 2021 YoY 31.0%
- Miami, FL: 2019 YoY 0%, 2021 YoY 29.6%
- Tampa, FL: 2019 YoY 0%, 2021 YoY 28.6%
- Phoenix, AZ: 2019 YoY 0%, 2021 YoY 26.0%
- Las Vegas, NV: 2019 YoY 0%, 2021 YoY 25.1%
- Austin, TX: 2019 YoY 0%, 2021 YoY 24.4%
- Jacksonville, FL: 2019 YoY 0%, 2021 YoY 24.0%
- Orlando, FL: 2019 YoY 0%, 2021 YoY 23.8%
- Melbourne, FL: 2019 YoY 0%, 2021 YoY 23.0%
Price growth hit all-time highs across the country

Zillow Home Value Index, Year-Over-Year Change

- Tampa, FL: 29.7%
- San Francisco, CA: 17.3%
- Columbus, OH: 16.4%
- Detroit, MI: 15.0%
- Pittsburgh, PA: 14.1%
- Chicago, IL: 13.6%
- New York, NY: 12.5%
Pandemic accelerated migration trends

Net Inbound (+) or Outbound (-) Migration as a Share of the Population

- Austin, TX
- Phoenix, AZ
- Las Vegas, NV
- San Francisco, CA
- New York, NY
- San Jose, CA

Years: 2009 to 2021
Interstate moves trended toward affordability

Avg Change in Sq. Ft from Origin-Destination Zip

- 2016: 16
- 2017: 9
- 2018: 20
- 2019: 21
- 2020: 33

Avg Change in Home Value from Origin-Destination Zip

- 2016: $0K
- 2017: $197
- 2018: $1,249
- 2019: ($3,362)
- 2020: ($26,963)
Even regionally, secondary cities are booming

**Zillow Home Value Index YoY**
Pre/Post Pandemic Growth

<table>
<thead>
<tr>
<th>City, CA</th>
<th>2019 YoY</th>
<th>2021 YoY</th>
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<tbody>
<tr>
<td>Riverside, CA</td>
<td></td>
<td>26.2%</td>
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<td>Stockton, CA</td>
<td></td>
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**Zillow Observed Rent Index YoY**
Pre/Post Pandemic Growth

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The new work life balance - affordability will continue to influence workers
The Midwest saw the complete opposite
And many Sunbelt metros are seeing growth everywhere.
2022 hottest markets: Sunbelt still dominates
2022 coldest markets: costly coasts, cool Midwest

New York, NY

Milwaukee, WI

San Francisco, CA

Chicago, IL

San Jose, CA

Home Value Growth

Owner Household Growth

Lowest score

Job Growth vs Homebuilding

Home Value Acceleration

Inventory Velocity

Zillow Group
Sales and home value forecasts strengthened
Thank you

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