

**REDFIN**

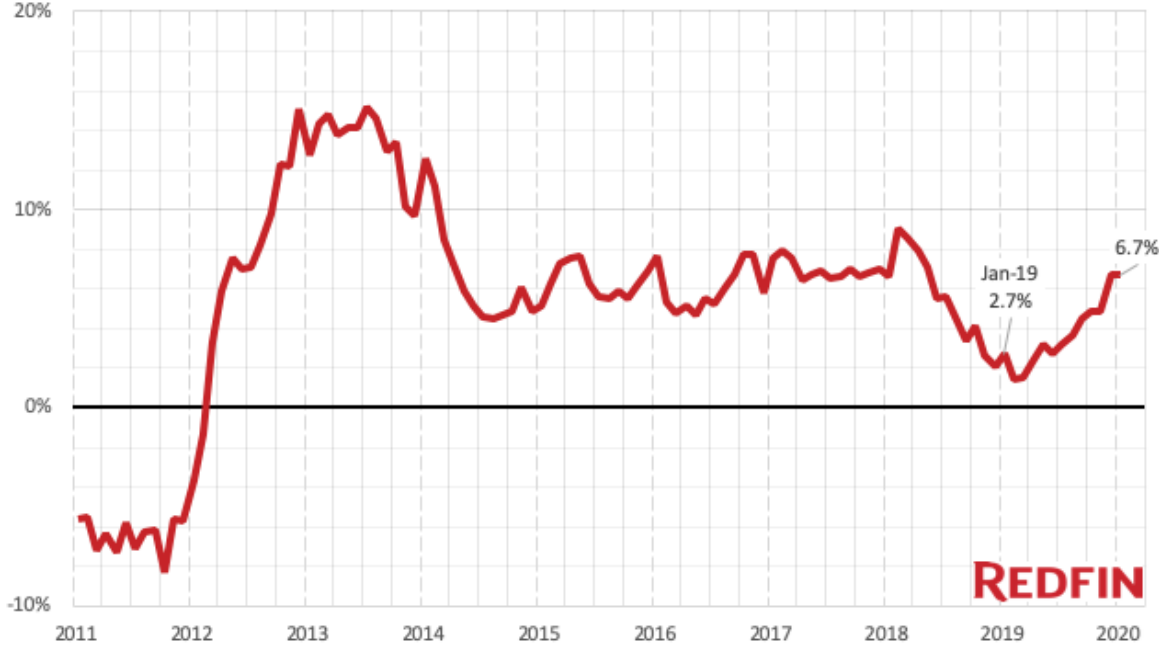
# **NABE Housing Market Outlook**

**Daryl Fairweather - Chief Economist**

**02.18.2020**

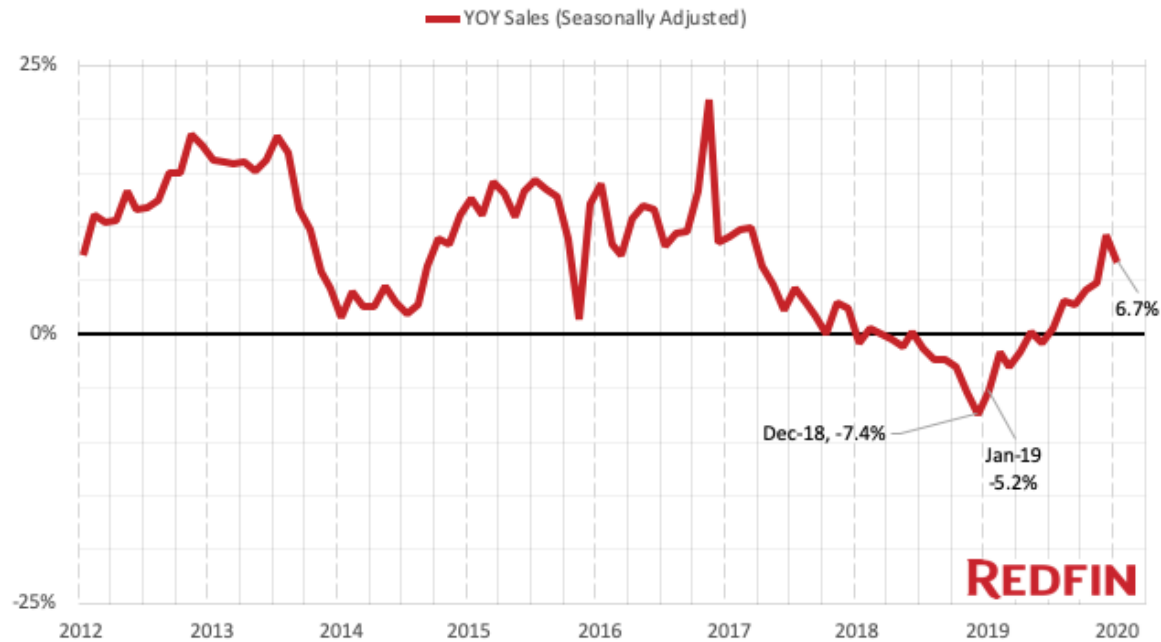
# Historical Home Price Growth

Year-Over-Year Home Price Gains  
Remained at 20-Month High in January



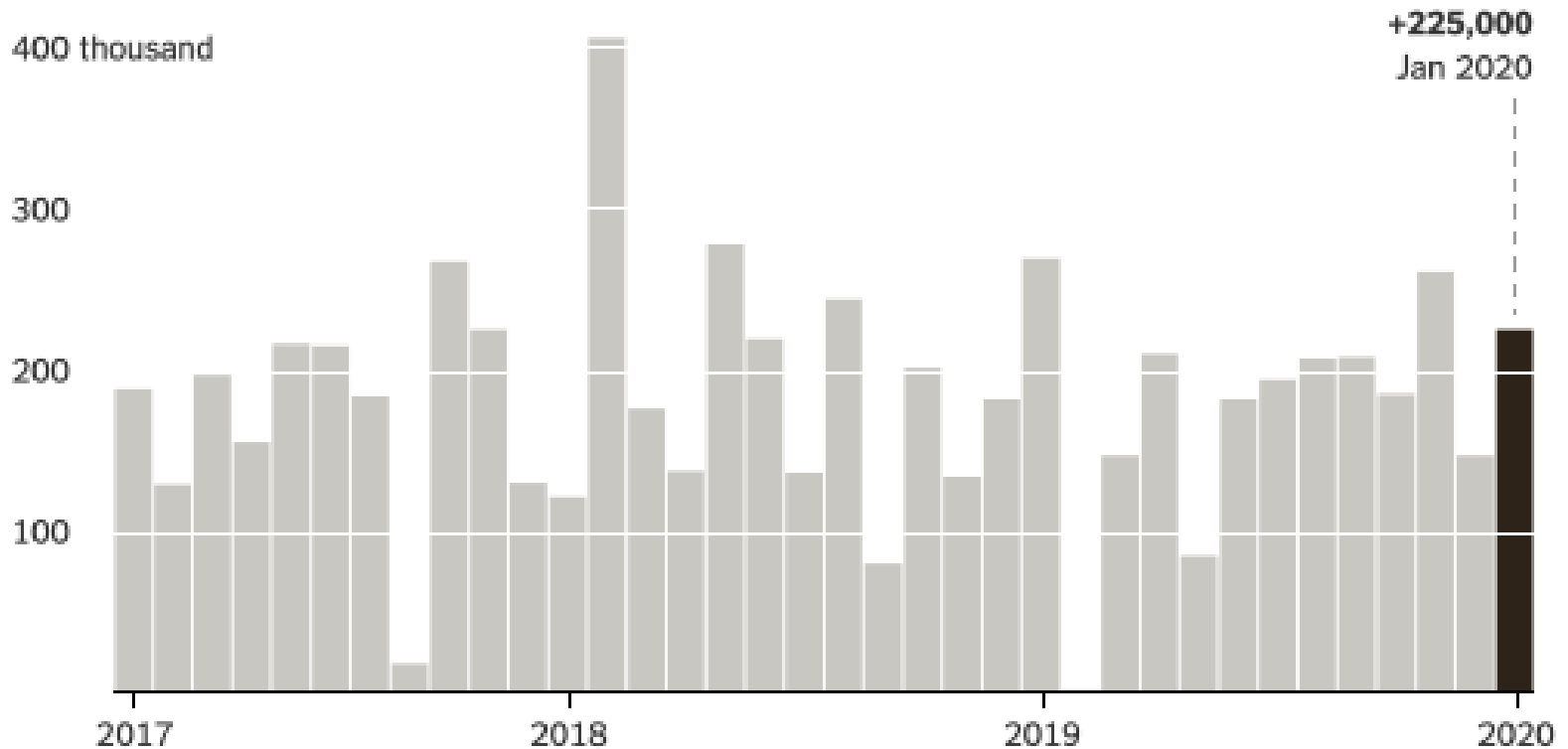
# Historical Home Sales Growth

## Home Sales Growth Slowed Slightly in January



# Job Growth Started the Year Strong

Monthly change in jobs



Source: Bureau of Labor Statistics

# Mortgage rates at 3-year low

**30-Yr FRM**  
**3.47%** ▲0.02 1-Wk  
▼0.90 1-Yr  
0.7 Fees/Points

**15-Yr FRM**  
**2.97%** 0.00 1-Wk  
▼0.84 1-Yr  
0.8 Fees/Points

**5/1-Yr ARM**  
**3.28%** ▼0.04 1-Wk  
▼0.60 1-Yr  
0.3 Fees/Points



# Historical New Listings Growth

Change in New Listings Fell to an  
8-Year Low in January

— YOY New Listings (Seasonally Adjusted)



# Historical Home Supply Growth

Active Supply Fell 11%  
Year Over Year in January



# Agents Reporting More Competition

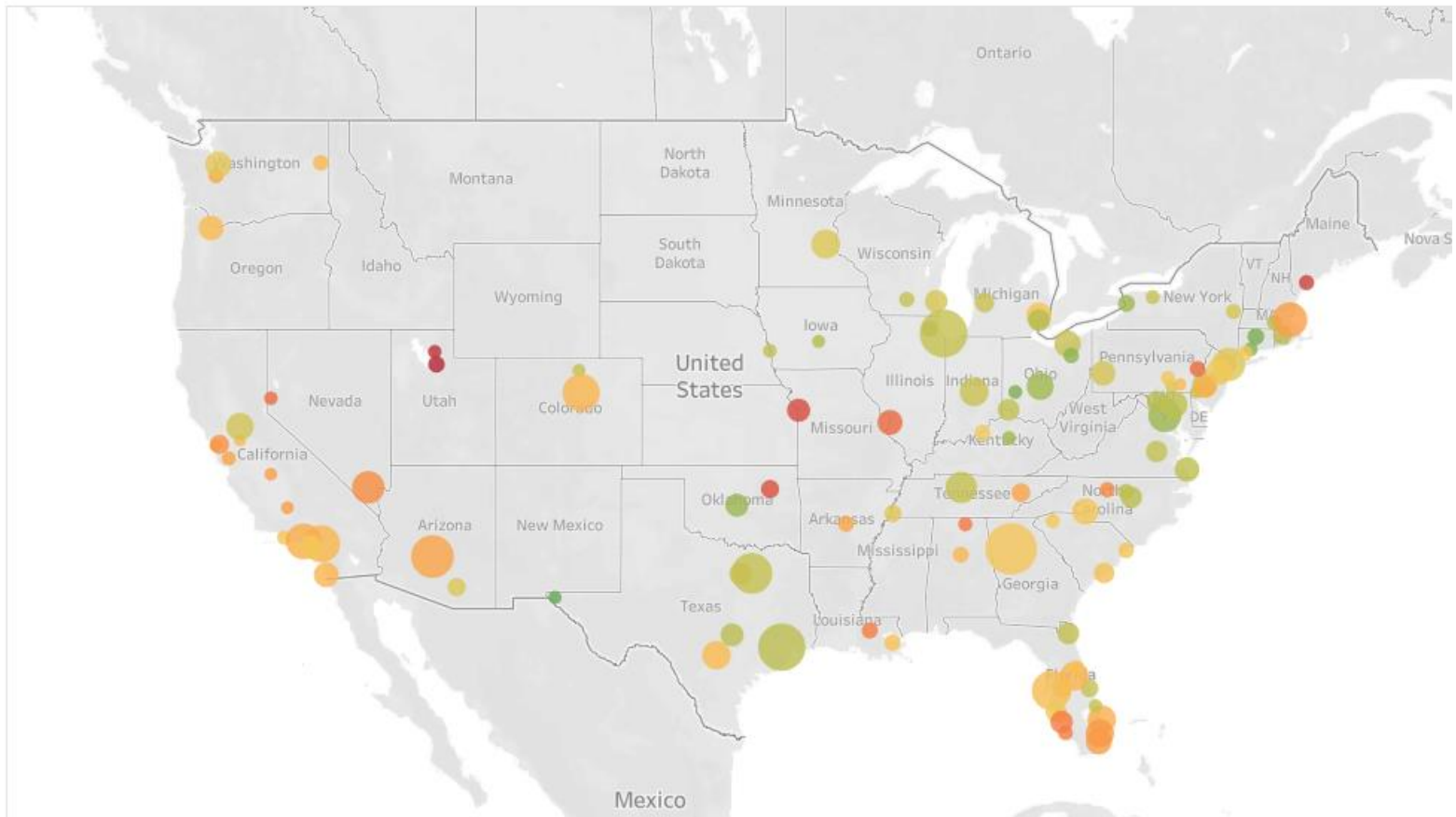
- “**Every home is getting multiple offers**, often going for substantially above the asking price,” said San Fernando Valley Redfin agent **Robert Iles**. “One offer I recently submitted for a client faced competition from **23 other offers**, and that was when the seller’s counteroffer included the term requiring our offer to be no less than \$100,000 above the list price.”
- “Buyers are getting pretty **upset about the lack of inventory**,” said **Seattle** Redfin agent **Pauline Corbett**. “There’s a **growing sense of desperation** as bidding wars stretch out their home searches.”



# Affordable Markets Had Strongest Price Growth



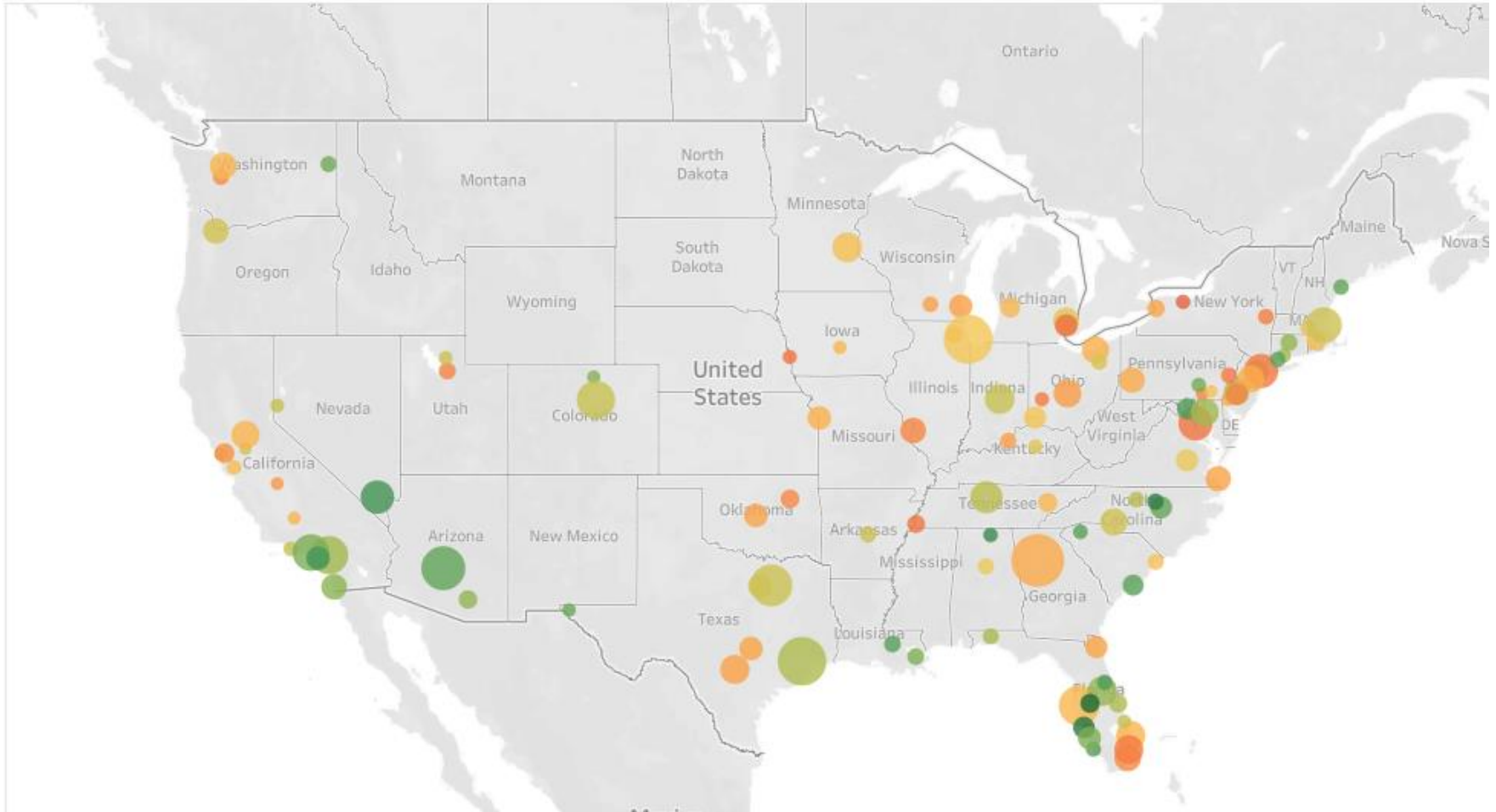
## New Listings YoY by Metropolitan Area



# Home Sales Growing Most in the South



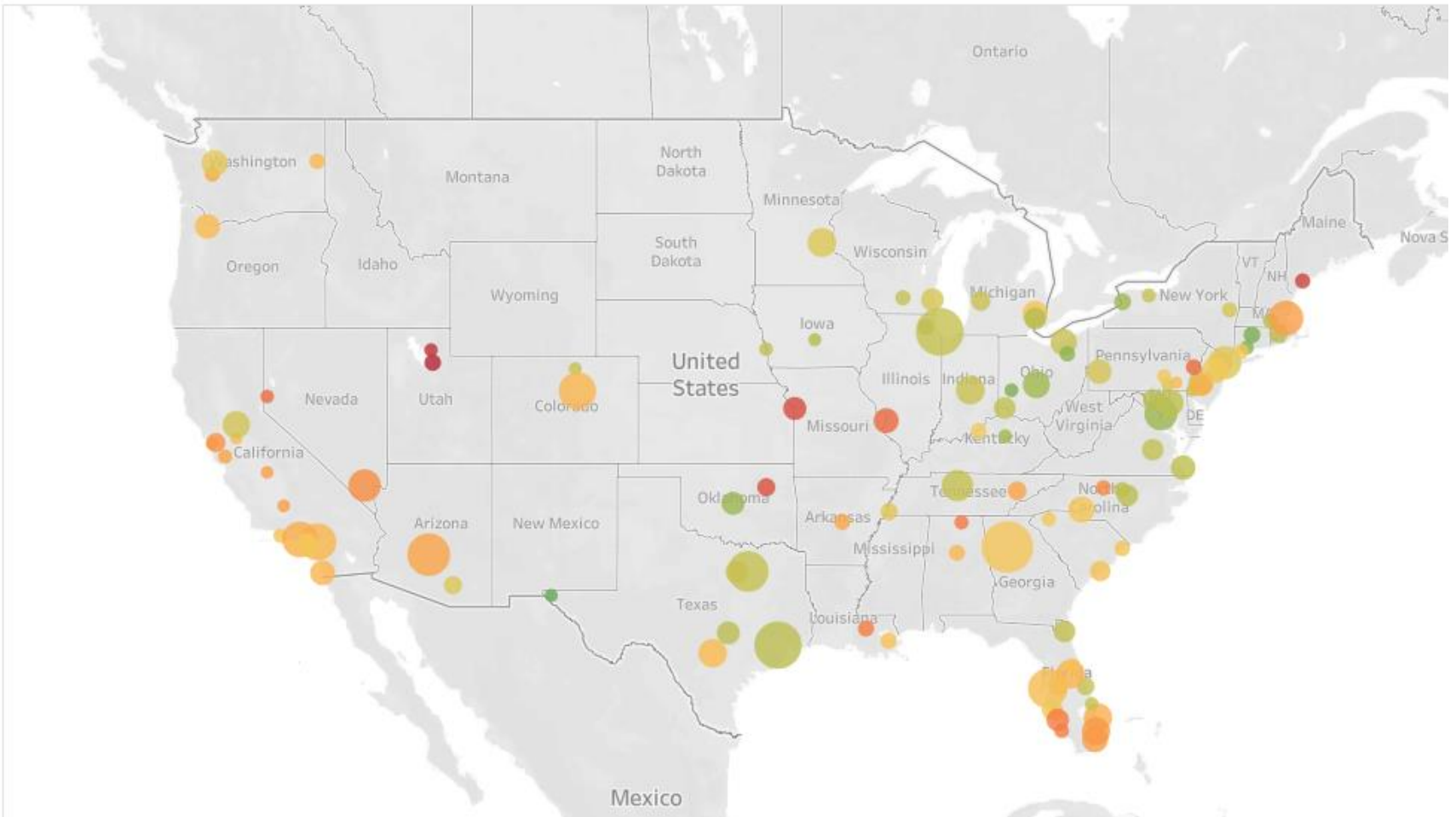
Homes Sold YoY by Metropolitan Area



# Lack of New Listings in the West



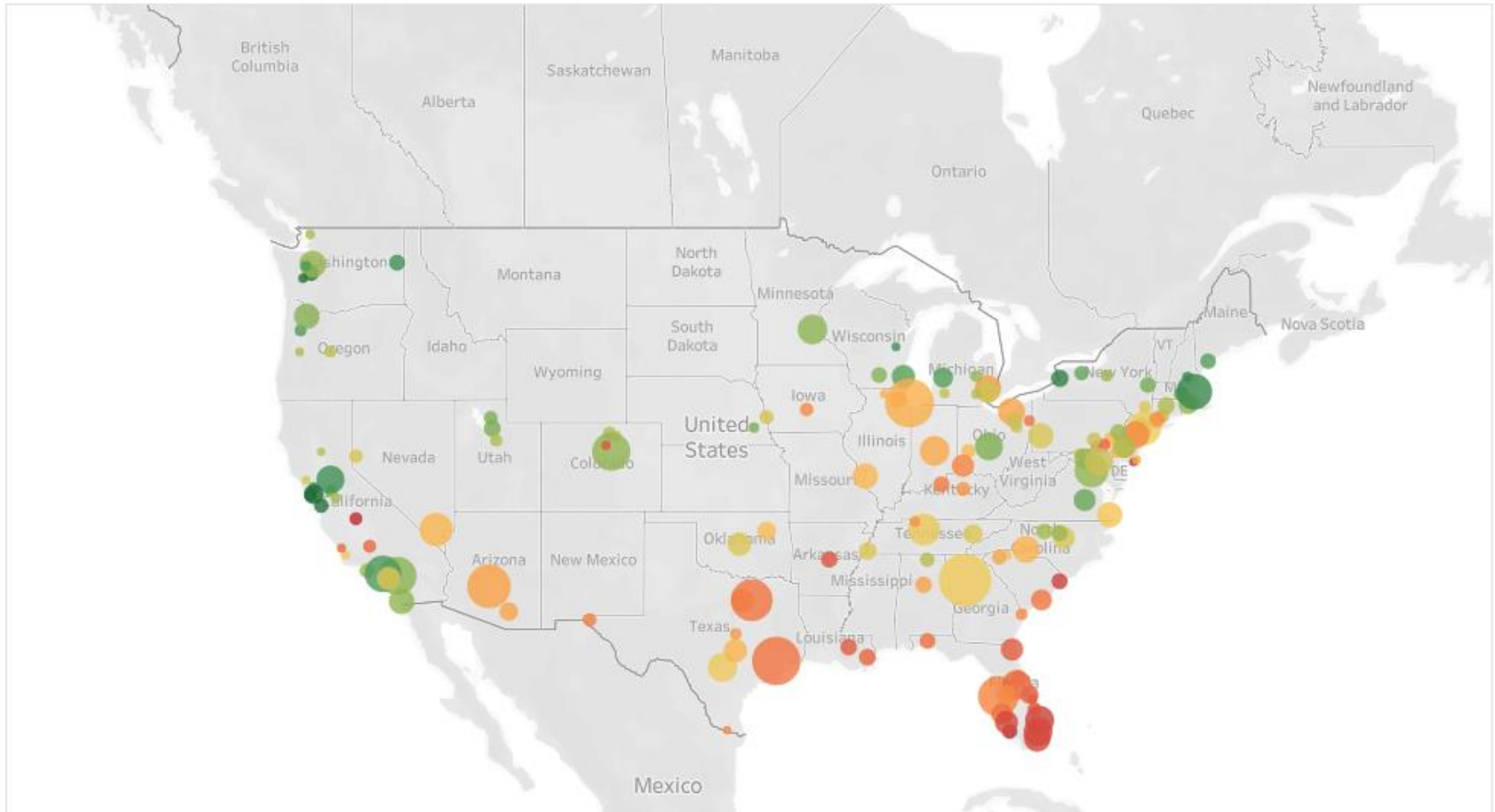
New Listings YoY by Metropolitan Area



# Homes Most Likely to Go Above Asking Price in Expensive Coastal Metros



Percent Sold Above List by Metropolitan Area



# Homebuyers Leaving Expensive Coastal Metros For More Affordable Inland Metros

Table: Top 10 Metros by Net Inflow of Users and Their Top Origins

Rank	Metro*	Net Inflow 2019 Q4†	Net Inflow 2018 Q4	Portion of Searches from Users Outside the Metro 2019 Q4	Portion of Searches from Users Outside the Metro 2018 Q4	Top Origin	Top Out-of-State Origin
1	Phoenix, AZ	6,509	5,254	33.9%	33.1%	Los Angeles, CA	Los Angeles, CA
2	Sacramento, CA	5,675	5,988	44.1%	42.3%	San Francisco, CA	Seattle, WA
3	Las Vegas, NV	5,660	3,178	46.8%	42.0%	Los Angeles, CA	Los Angeles, CA
4	Atlanta, GA	5,377	4,669	27.2%	26.7%	New York, NY	New York, NY
5	Austin, TX	4,038	3,029	32.3%	29.4%	San Francisco, CA	San Francisco, CA
6	Dallas, TX	3,420	2,804	25.6%	24.0%	Los Angeles, CA	Los Angeles, CA
7	Portland, OR	3,402	4,088	18.6%	20.1%	San Francisco, CA	San Francisco, CA
8	Tampa, FL	2,904	2,292	53.3%	53.1%	Orlando, FL	New York, NY
9	Boston, MA	2,874	2,451	13.9%	13.3%	New York, NY	New York, NY
10	Nashville, TN	2,864	2,371	34.9%	33.2%	New York, NY	New York, NY

\*Combined statistical areas with at least 500 users in Q4 2019  
 †Negative values indicate a net outflow; among the one million users sampled for this analysis only

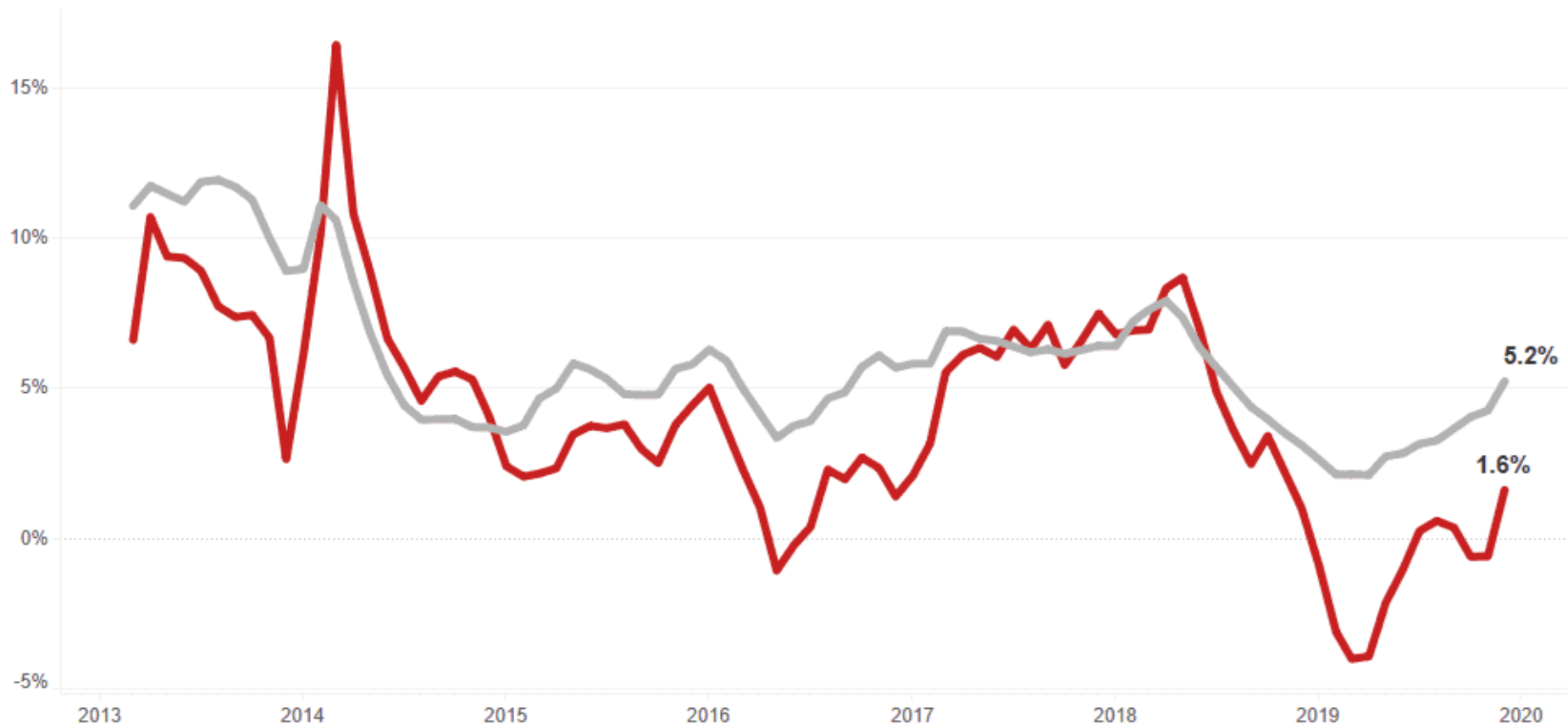
# Luxury Home Price Growth Below Rest of Market

## Average Sale Price Year-Over-Year Change

National

National

Top 5% Other 95%



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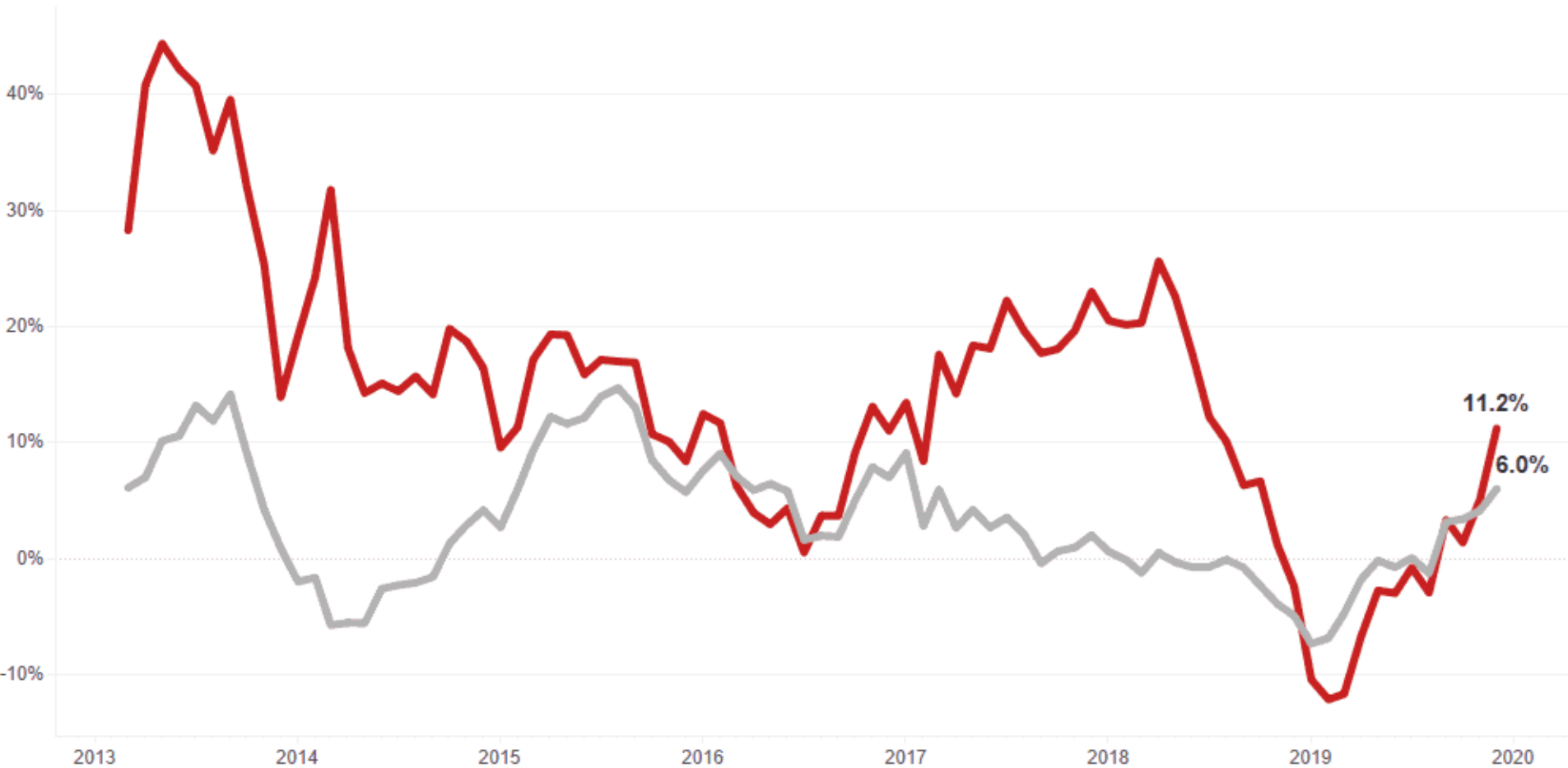
Note: All values are three month moving aggregates ending on the date shown, e.g. August 2018 contains data from June, July and August 2018.

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# Luxury Home Sales Gaining After Steep Decline in 2019

## Home Sales Year-Over-Year Change

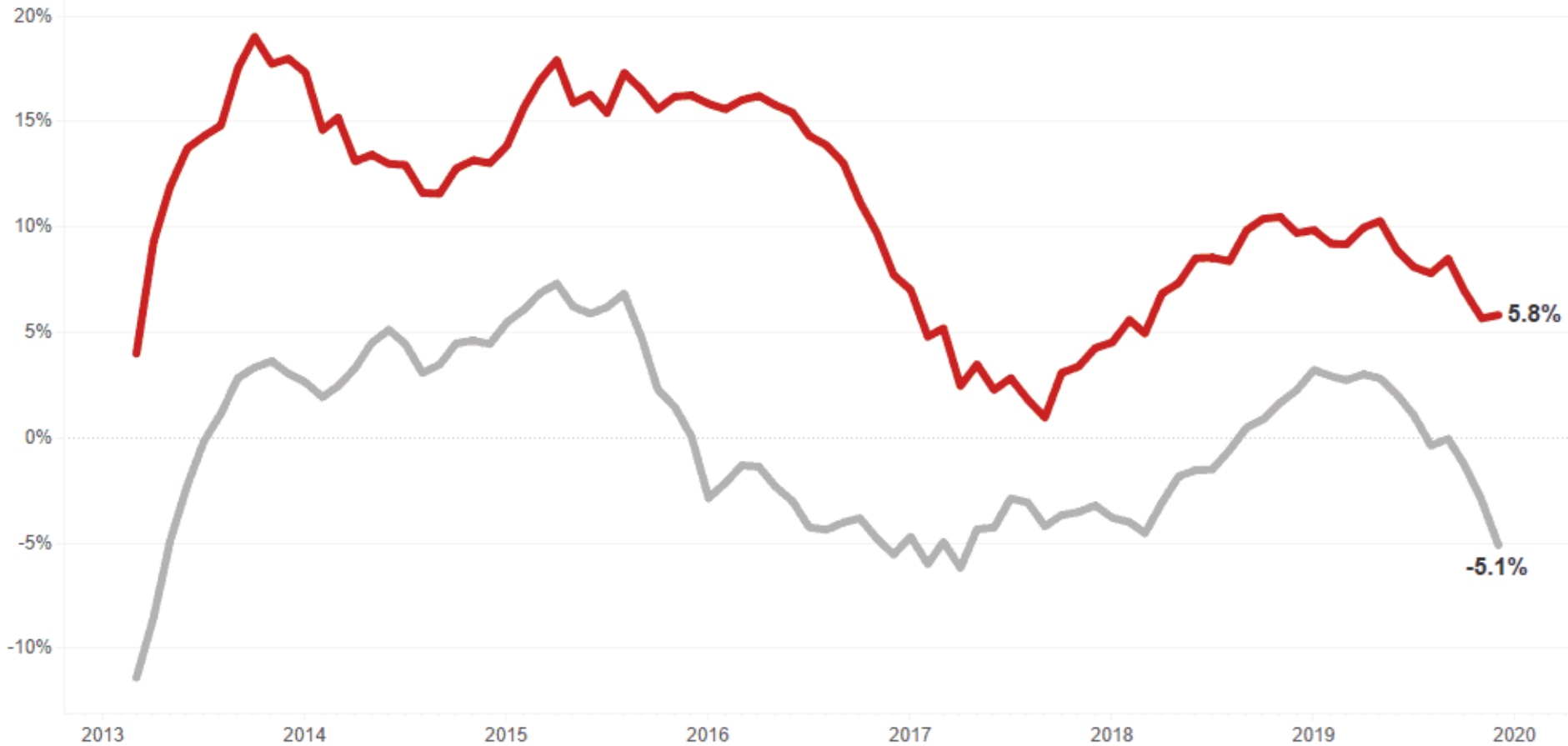
≥ \$1.5m < \$1.5m



# Luxury Listings Growing While Listings For Rest of Market Shrinks

## Active Listings Year-Over-Year Change

≥ \$1.5m < \$1.5m



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Note: All values are three month moving aggregates ending on the date shown, e.g. August 2018 contains data from June, July and August 2018.

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# Luxury Market Strongest in Low Tax Areas

Here's a look at the 10 cities where luxury home prices rose most in the fourth quarter of 2019:

City	Luxury market (top 5%)		Rest of market (bottom 95%)	
	Average sale price	YoY increase	Average sale price	YoY increase
West Palm Beach, FL*	\$2.91 million	104.5%	\$229,000	2.4%
Charlotte, NC	\$1.26 million	21.2%	\$284,000	9.4%
Tampa, FL	\$1.30 million	20.6%	\$267,000	7.7%
Sarasota, FL	\$2.13 million	20.5%	\$326,000	8.4%
Austin, TX	\$1.82 million	20.0%	\$426,000	7.0%
Chandler, AZ	\$933,000	19.8%	\$353,000	8.3%
Henderson, NV	\$1.33 million	19.2%	\$343,000	5.4%
Scottsdale, AZ	\$2.52 million	19.2%	\$537,000	5.4%
Miami, FL	\$1.94 million	18.3%	\$346,000	7.3%
Bakersfield, CA	\$665,000	16.4%	\$253,000	9.2%

\*In one *building*, 16 condos sold for between \$4.3 million and \$13 million each during the quarter.

# New Trend - iBuying

We buy your home directly so you can skip the stress of a traditional sale

	RedfinNow	Traditional Sale
<b>Home Prep</b>	None, just request an offer online	Manage cleaning, staging, landscaping & repairs
<b>Showings</b>	None, just a simple visit from RedfinNow	Open up your personal space to potential buyers Keep your home show-ready Organize your schedule around showings
<b>Time</b>	Close and move in 10-60 days, up to you	List for weeks or months Wait 30 days or longer to close
<b>Offer</b>	Reliable cash offer	Risk of sale falling through
<b>Cost</b>	Service fee	Buyer's and seller's agent commission Rent or double mortgage Seller concessions

# iBuying Taking Off in Select Neighborhoods

Top 10 Neighborhoods for iBuyer Market Share in 2019 Through October

Rank	Neighborhood	City / Town	Share of Home Sales Purchased by iBuyers, 2019	Share of Home Sales Purchased by iBuyers, 2018	Median Price of Homes Sold by iBuyers, 2019	Neighborhood Median Home Sale Price, 2019	Metro-Wide Median Home Sale Price, 2019
1	Pecan Creek	San Tan Valley, AZ	13.7%	10.4%	\$229,923	\$245,900	\$278,000
2	Waddell	Glendale, AZ	11.7%	16.9%	\$281,000	\$294,750	\$278,000
3	Newell	Charlotte, NC	11.4%	4.4%	\$206,950	\$212,500	\$258,612
4	Highland Creek	Charlotte, NC	11.3%	4.1%	\$242,000	\$269,250	\$258,612
5	Back Creek Church Road	Charlotte, NC	10.8%	5.3%	\$220,000	\$225,500	\$258,612
6	Sendera Ranch	Fort Worth, TX	10.8%	8.4%	\$215,000	\$229,000	\$215,500
7	Forestville	Raleigh, NC	10.6%	6.4%	\$239,500	\$239,000	\$290,542
8	Laveen	Phoenix, AZ	10.3%	10.7%	\$240,900	\$251,750	\$278,000
9	Davis Lake-Eastfield	Charlotte, NC	9.4%	5.1%	\$232,000	\$235,000	\$258,612
10	Surprise Farms	Surprise, AZ	9.0%	11.4%	\$252,850	\$265,000	\$278,000

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Thank you