

# Searching for Normalcy in a Desynchronized Market

## NABE Annual Meeting 2024

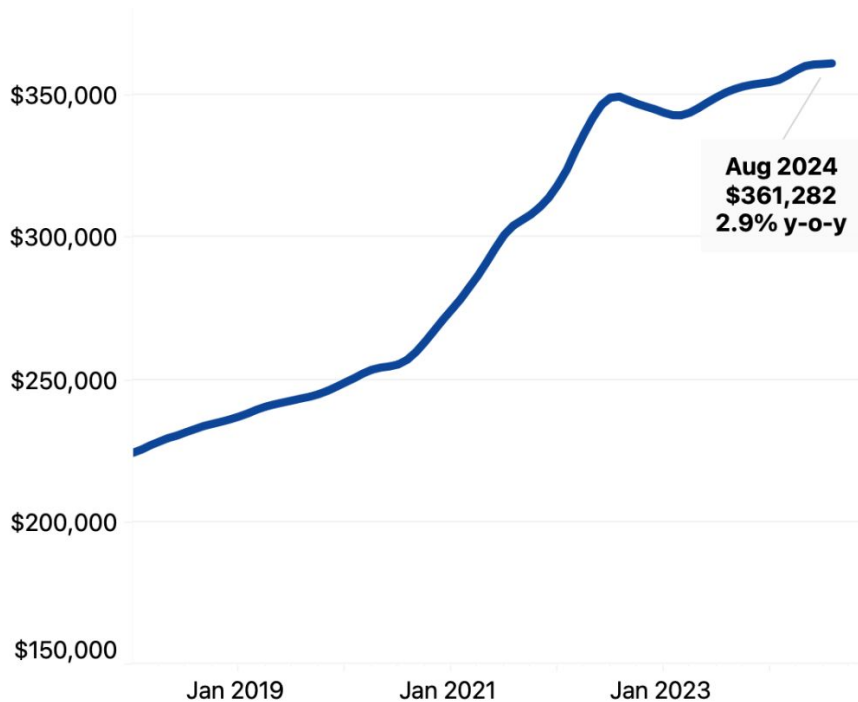
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# Homeowners Have Built Wealth and Bargaining Power

## Sellers Have Been Getting More Than What They Ask for

Typical Home Value in the US (ZHVI)

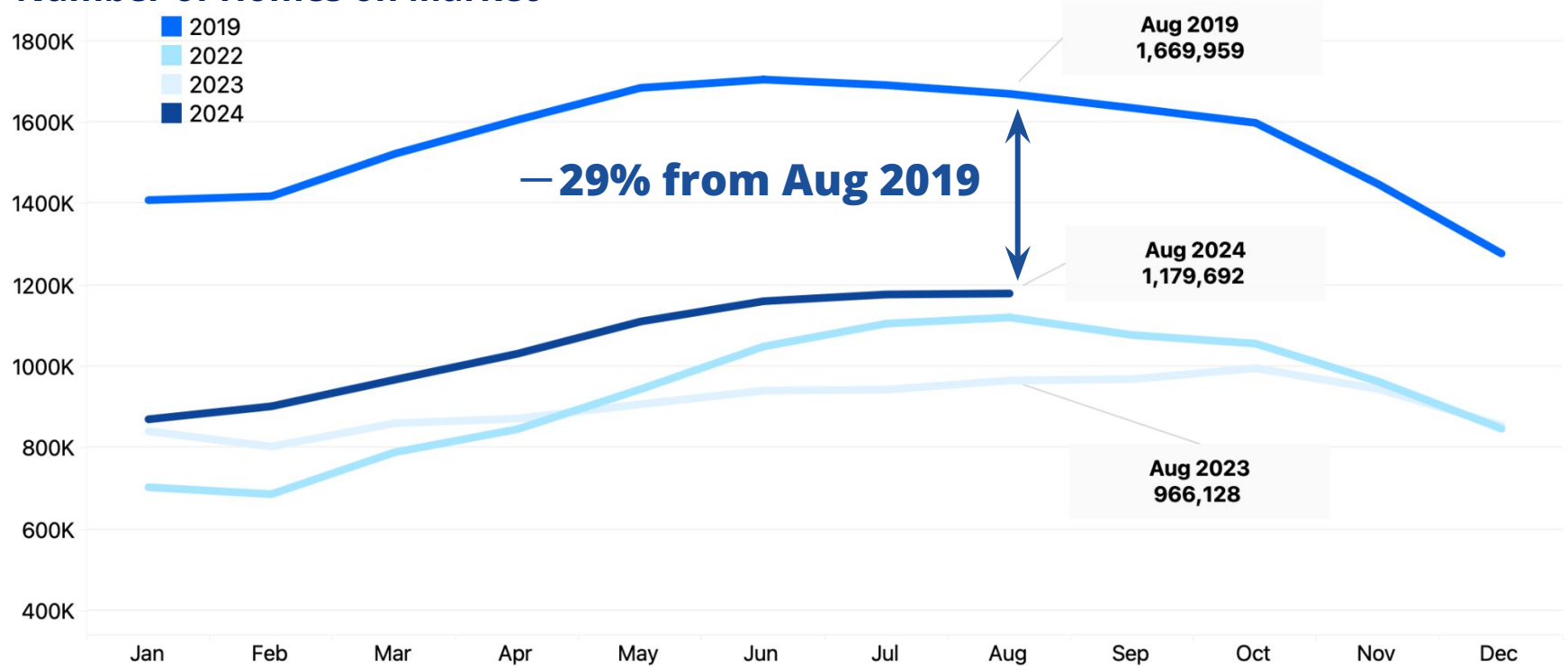


Share of Homes Sold Above Asking Price



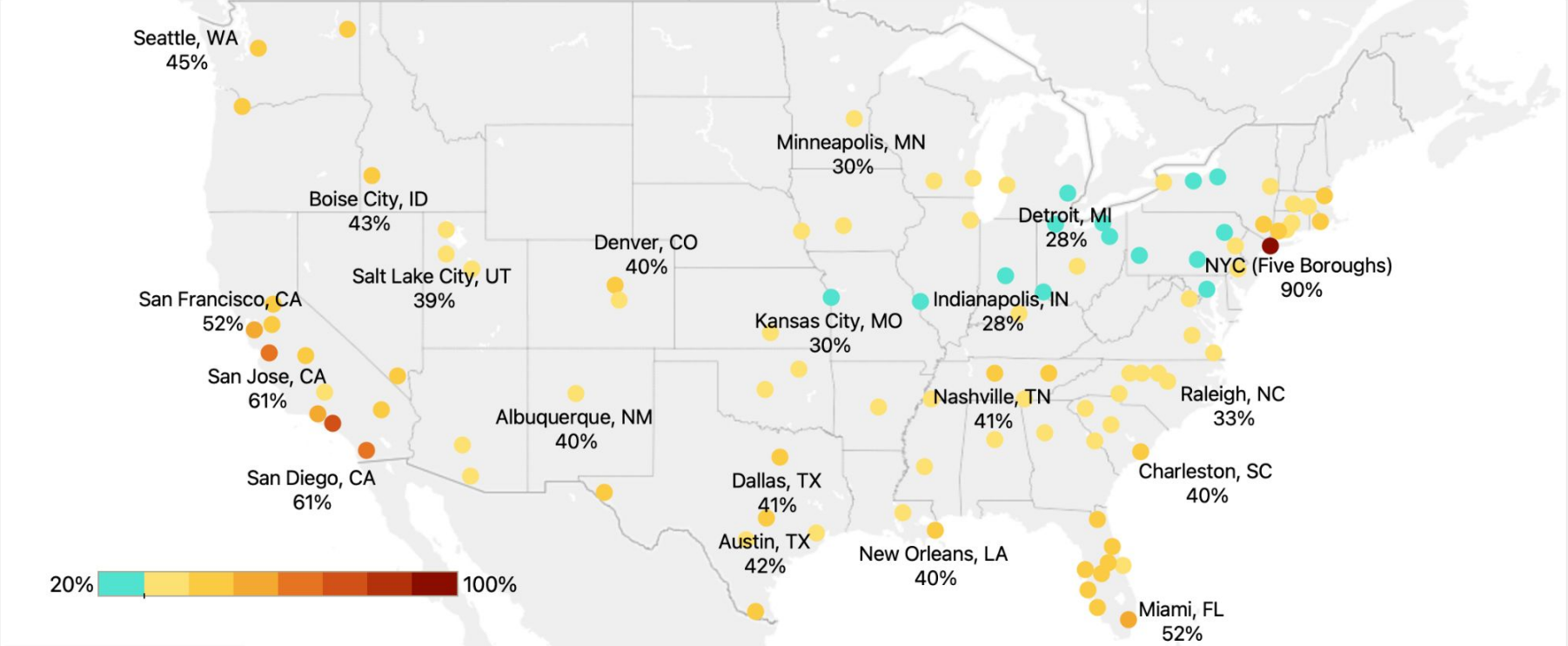
# Limited Inventory Fuels Competition among Buyers

## Number of Homes on Market



# A Typical New Buyer Can Keep Housing Costs below 30% in Only 12 of the 100 Largest Metros

Mortgage, Taxes, and Insurance Costs as a Share of Median Household Income

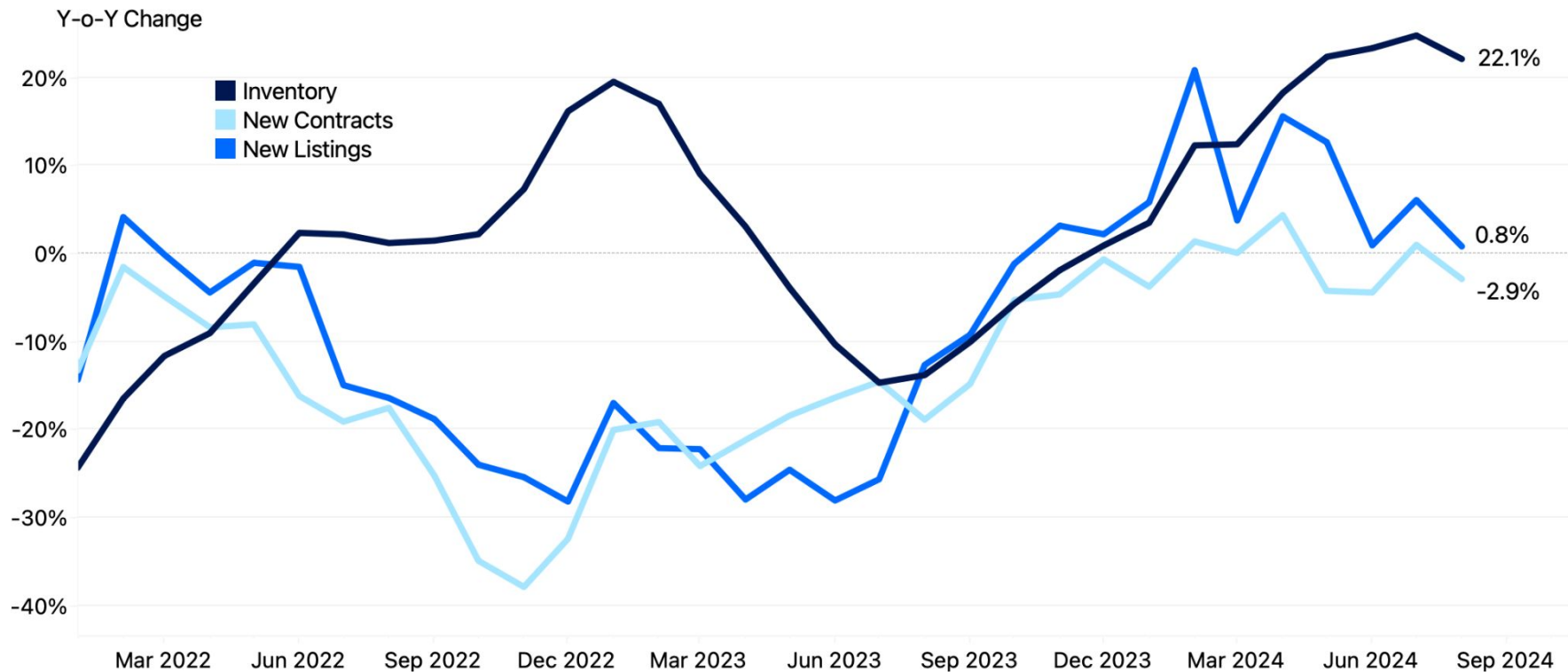


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Source: Zillow, U.S. Census Bureau American Community Survey 2023. New homeowner burden includes monthly principal and interest payment for a fixed-term 30-year mortgage with 80% LTV on a median-priced home on the market at 6.1%, home insurance (state average), and median real estate taxes in each CBSA.

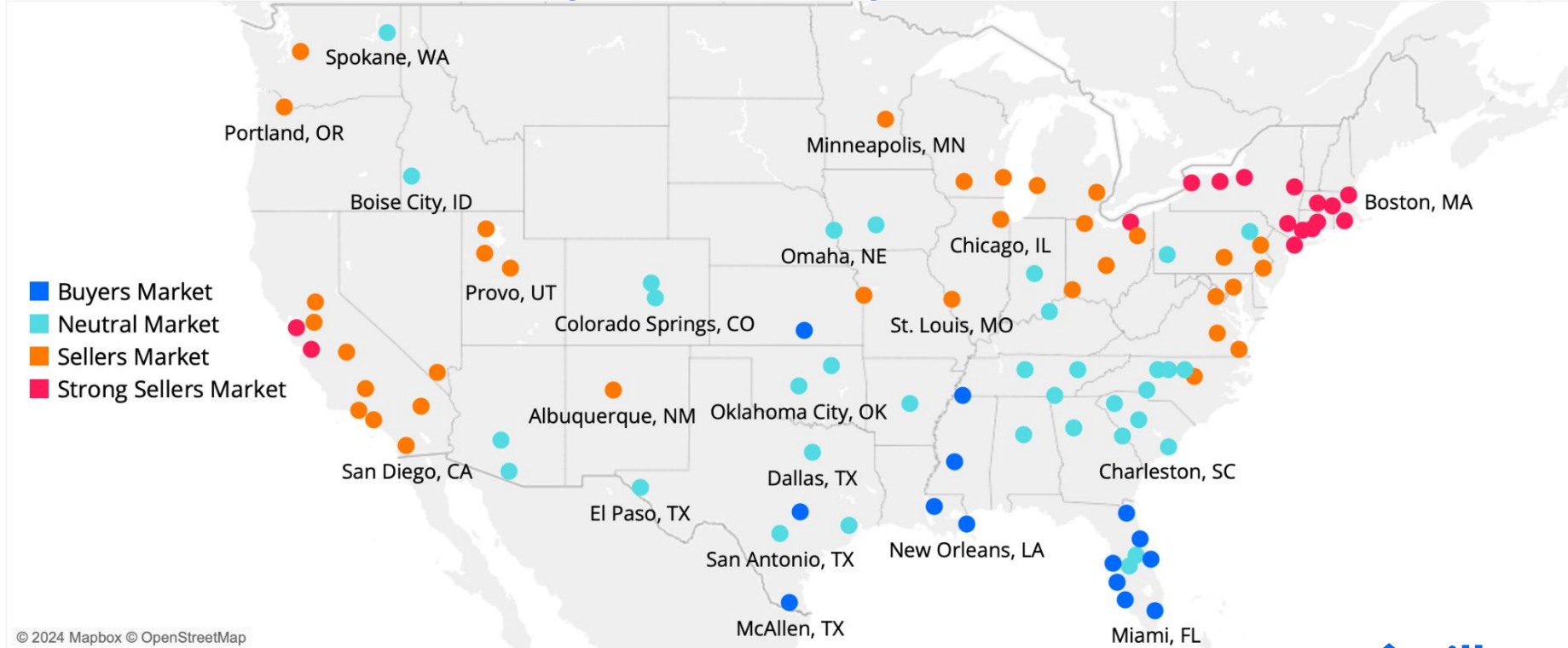


# Despite Challenges, Home Shoppers Are Gaining Choices and Bargaining Power



# Competition Has Already Slowed in the Sun Belt

## Zillow Market Heat Index: August 2024, 100 Largest Metros



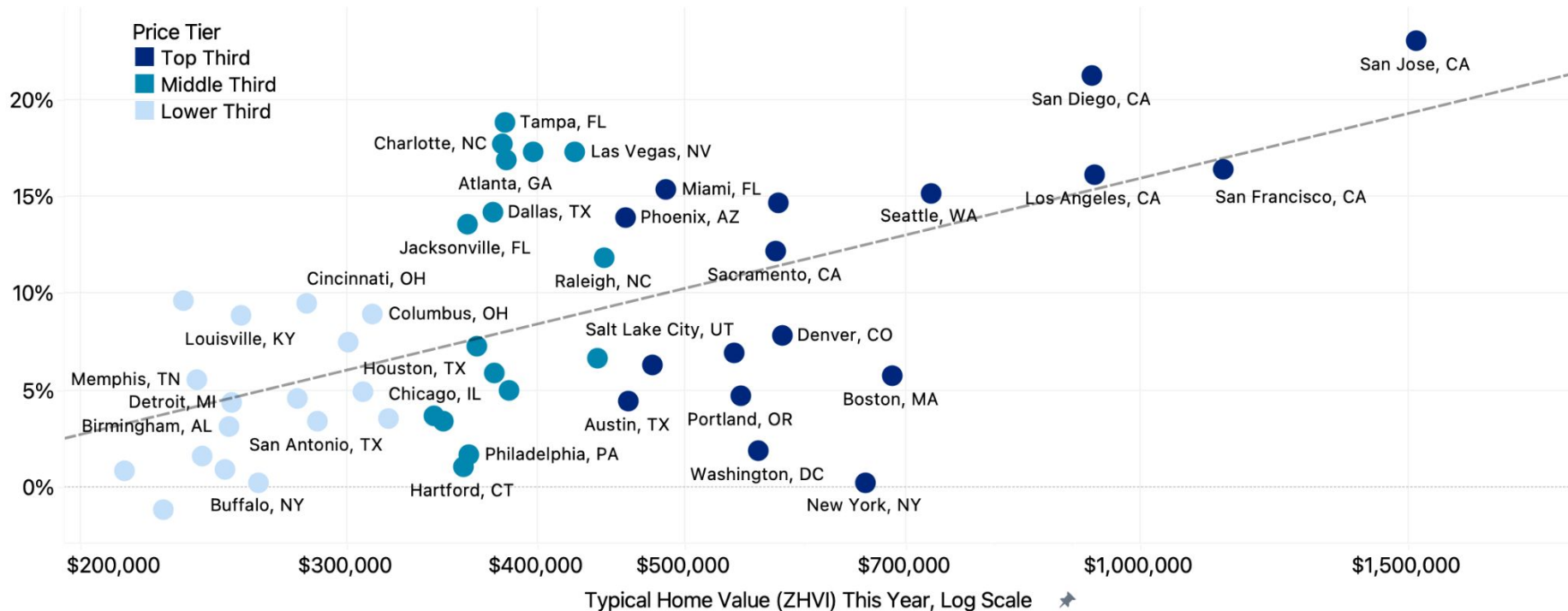
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Source: Zillow, Zillow [Market Heat Index](#) captures the balance of for-sale supply and demand in a given market. It relies on: (1) user engagement on Zillow's active home listings, (2) the share of listings with a price cut, and (3) the share of for-sale listings going pending in 21 days.



# More Expensive Metros Are Seeing More Sellers Rejoining the Market

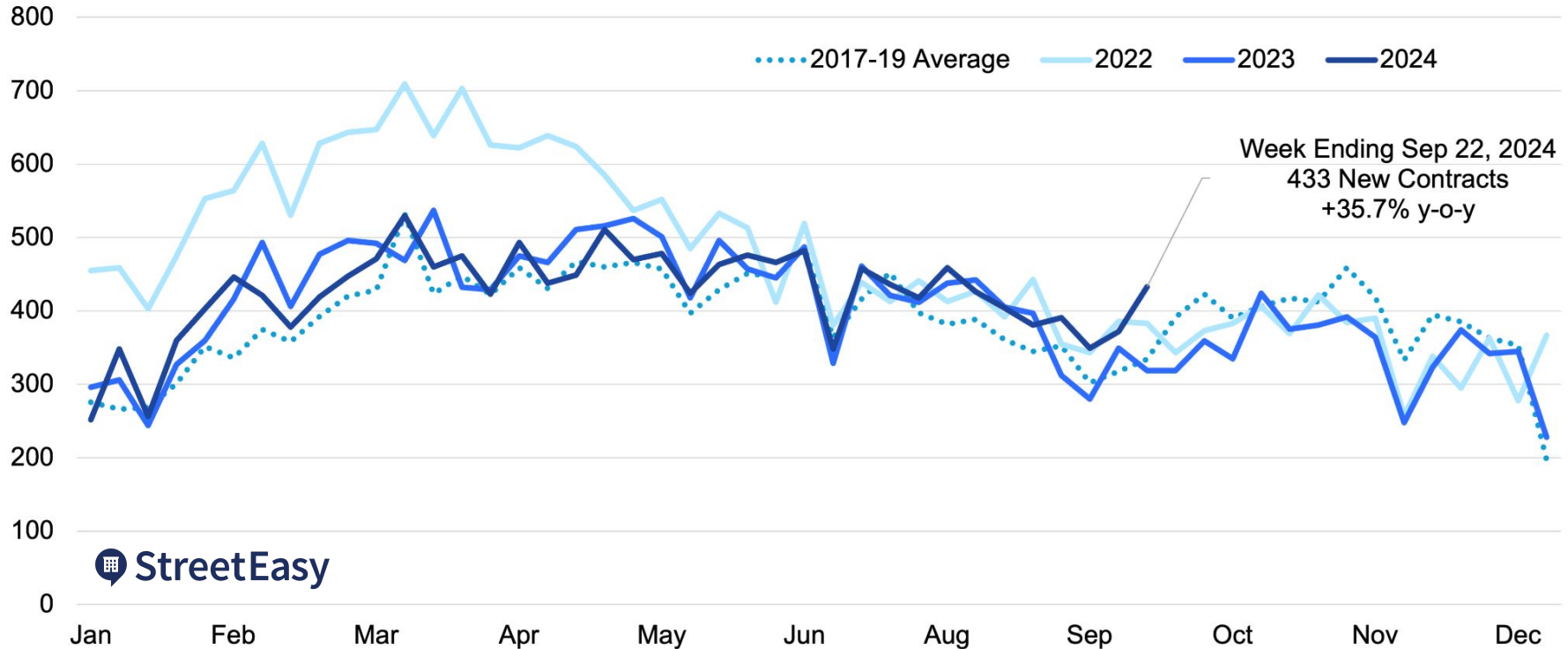
## Y-o-Y Change in New Listings This Year



Source: Zillow. Trend Line: % Change in New Listings = 0.0825\*ln(Home Value) - 0.9802  
 R-Squared: 0.3236, Coefficient: 0.0825, Std Error: 0.0172, t-value: 4.7925, p-value: < 0.0001

# Early Evidence Suggests Buyers Are Responding to Falling Rates

## Number of New Sale Contracts Signed in NYC (Five Boroughs Only)



StreetEasy

# Thank you

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