

# REALTOR.COM® MARKET OUTLOOK

Realtor.com Economics

March 2018

realtor.com®

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## 2018 FORECAST

Key economic and housing metrics from NAR and realtor.com

- National Association of REALTORS® Macro Forecast <sup>CC25</sup> <sub>SS25</sub>
  - Real GDP grows 2.9 in 2018 (vs. 2.3% in 2017)
  - Nonfarm payroll employment grows 1.6% in 2018 (vs. 1.4% in 2017)
  - Unemployment declines to 3.9% in 2018, (vs 4.4% in 2017)
- realtor.com® housing forecast:
  - Existing home prices appreciate 3.2%
  - Existing home sales grow 2.5%
  - New home sales grow 7%
  - Housing starts increase 3% (SF up 7%)
  - 30-year fixed conforming rate averages 4.6%

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## Slide 2

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**SS22** NAR US Economic Outlook updated to March 2018  
Speianu, Sabrina, 9/6/2017

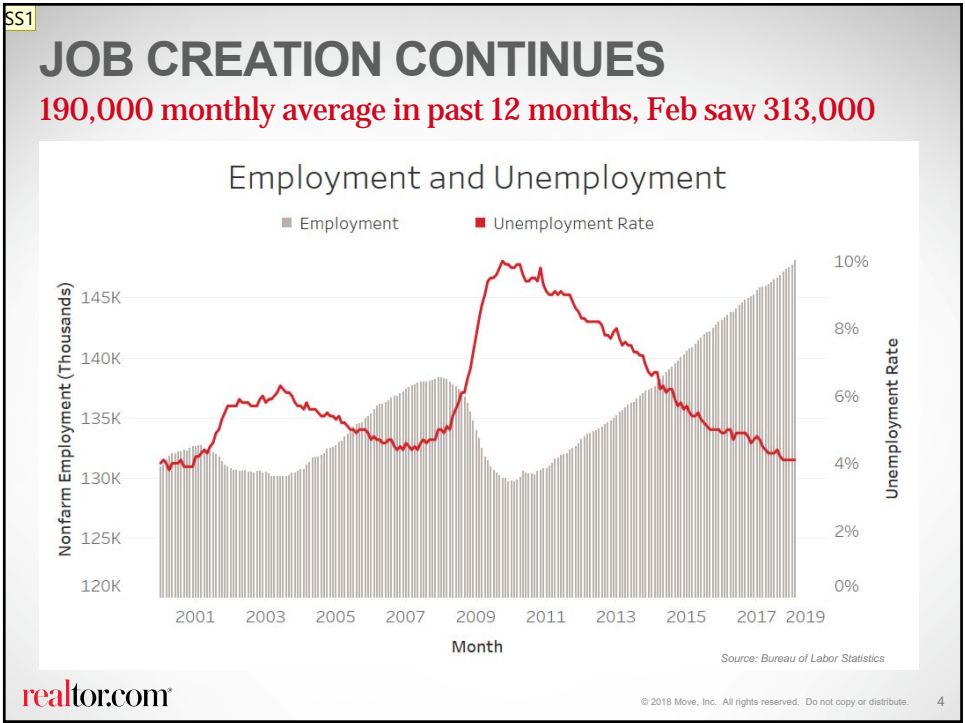
**SS25** <https://www.nar.realtor/research-and-statistics>  
Speianu, Sabrina, 11/8/2017

# NATIONAL TRENDS



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## Slide 4

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**SS1**

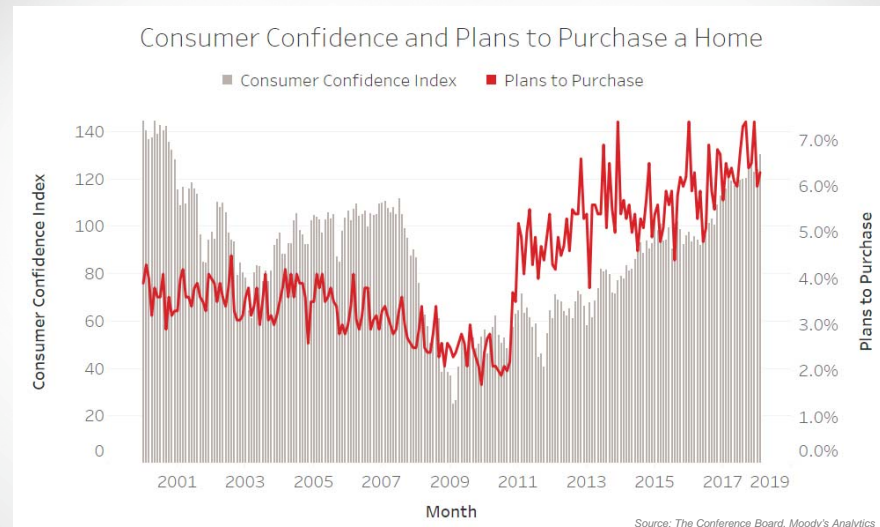
Updated to Feb 2018

Speianu, Sabrina, 5/2/2017

## CONFIDENCE AT 15+ YEAR HIGH

SS2

Plans to purchase a home improving markedly



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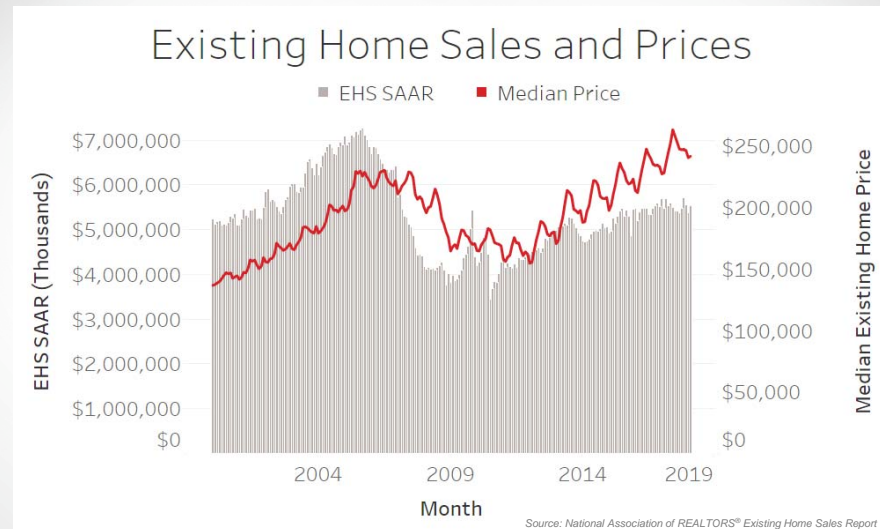
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## SALES STRUGGLE TO GROW

SS3

EHS up 1.8% Y/Y in February After Falling 5.5% Y/Y in January



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## Slide 5

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**SS2** Updated to Feb 2018  
Speianu, Sabrina, 5/2/2017

## Slide 6

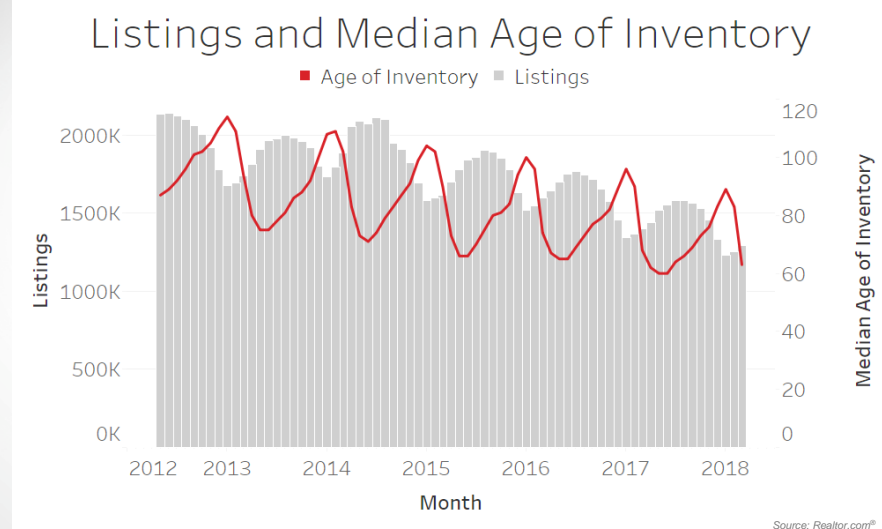
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**SS3** Updated to Feb 2018  
Speianu, Sabrina, 5/2/2017

## INVENTORY AT RECORD LOWS

SS4

33 months of Y/Y decline; down 8% in March



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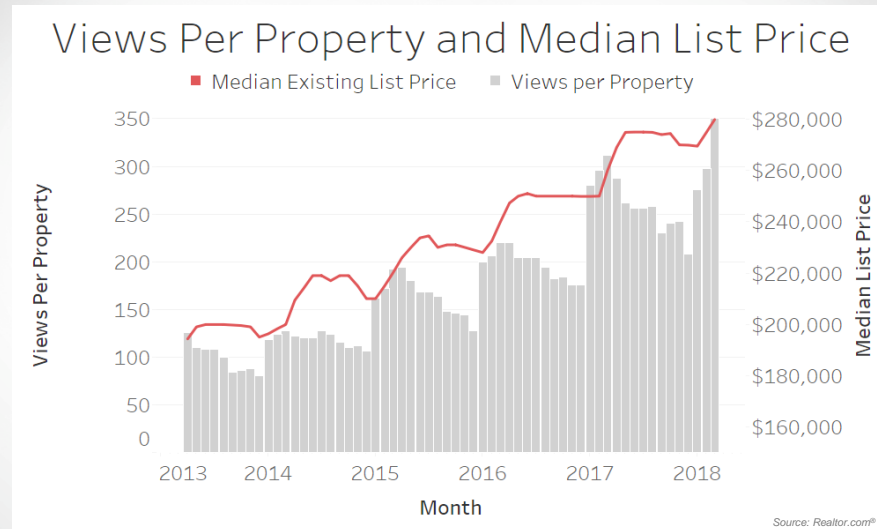
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## PRICES AT RECORD HIGHS

SS7

Median List Price at \$280,000, Up 7.7% year-over-year (Mar)



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## Slide 7

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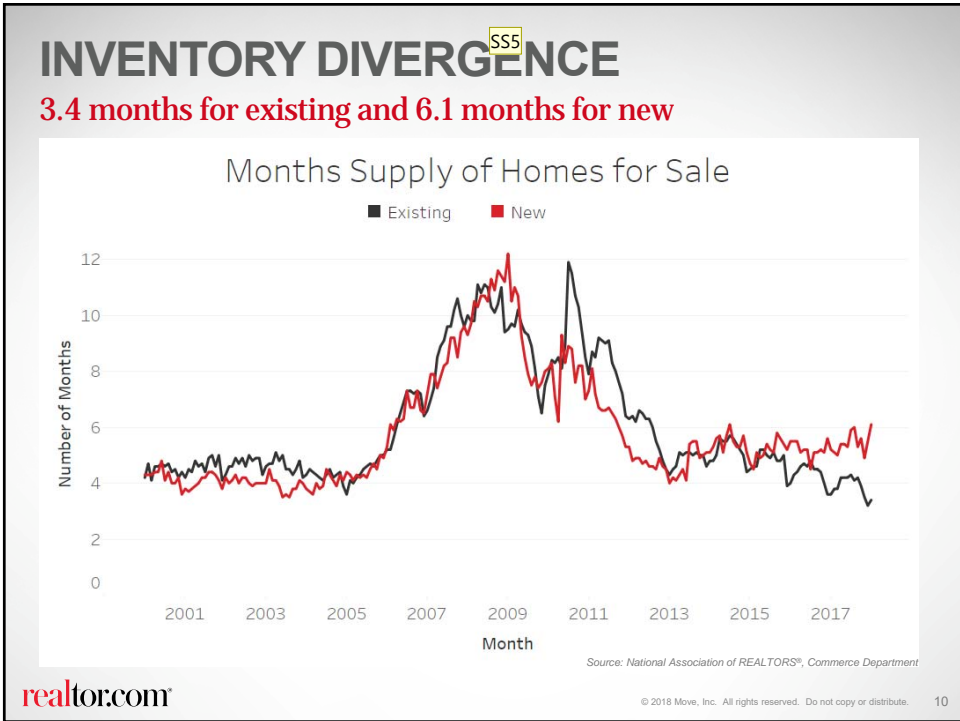
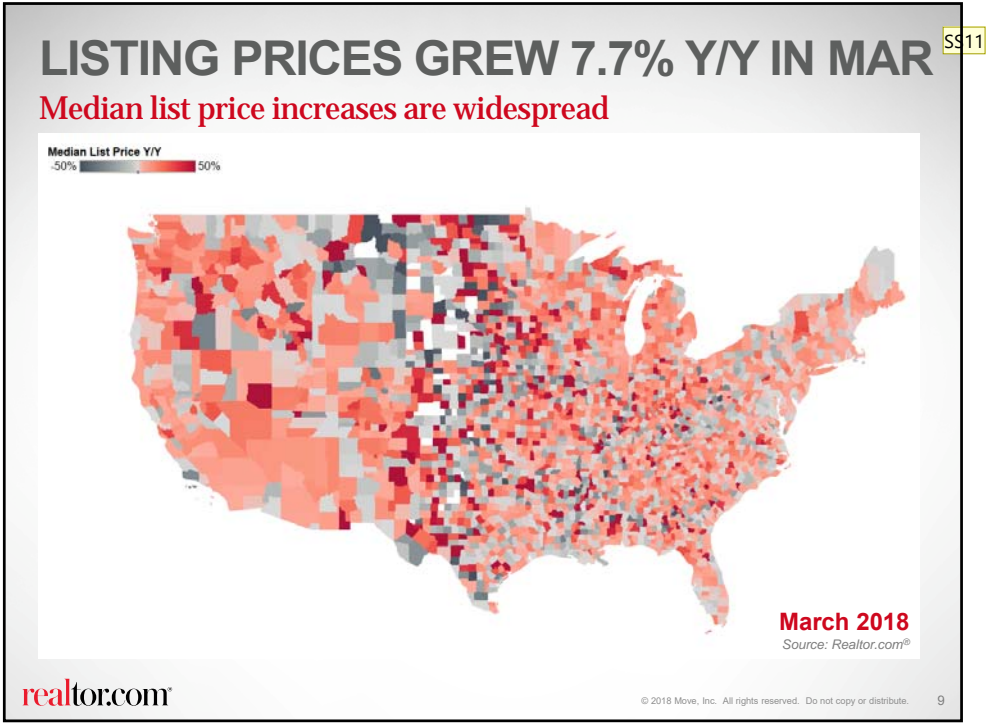
**SS4** Updated to March 2018  
Speianu, Sabrina, 5/2/2017

## Slide 8

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**SS7** Updated to Mar 2018  
Speianu, Sabrina, 6/8/2017





## Slide 9

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**SS11** Updated to Feb 2018  
Speianu, Sabrina, 6/8/2017

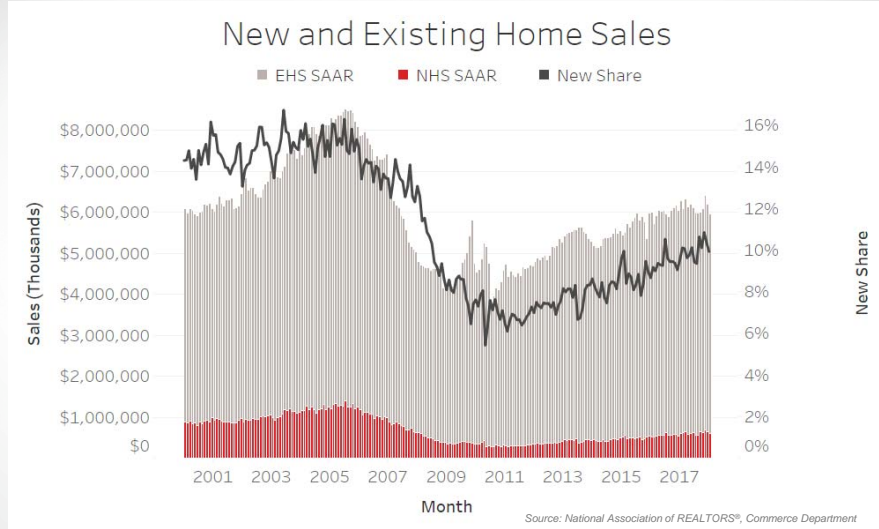
## Slide 10

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**SS5** Updated to Jan 2018  
Speianu, Sabrina, 5/2/2017

## NEW HOME SHARE LAGS NORMAL <sup>SS6</sup>

New Homes 327,000 short of normal 15% share in February

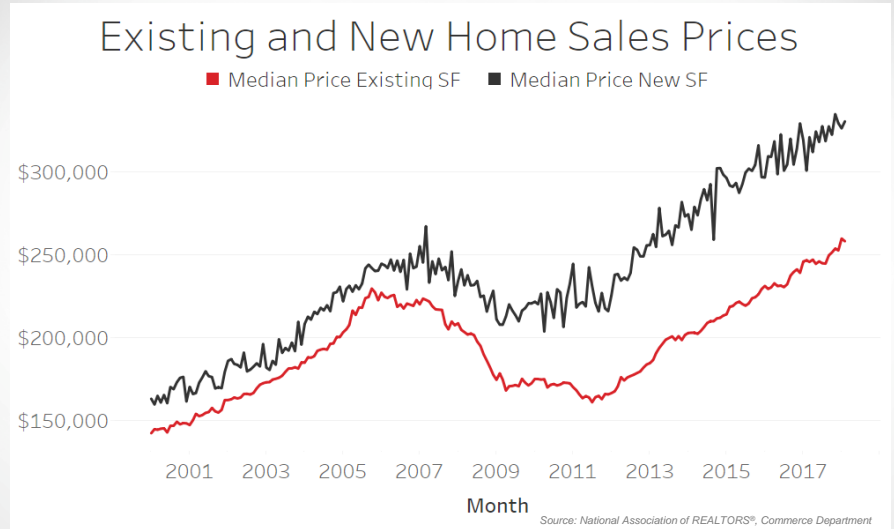


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## PREMIUM FOR NEW HOMES REMAINS <sup>SS8</sup>

Average spread 2000-2008: 12%; 2009-2017: 33%



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## Slide 11

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**SS6** Updated to Jan 2018  
Speianu, Sabrina, 5/2/2017

## Slide 12

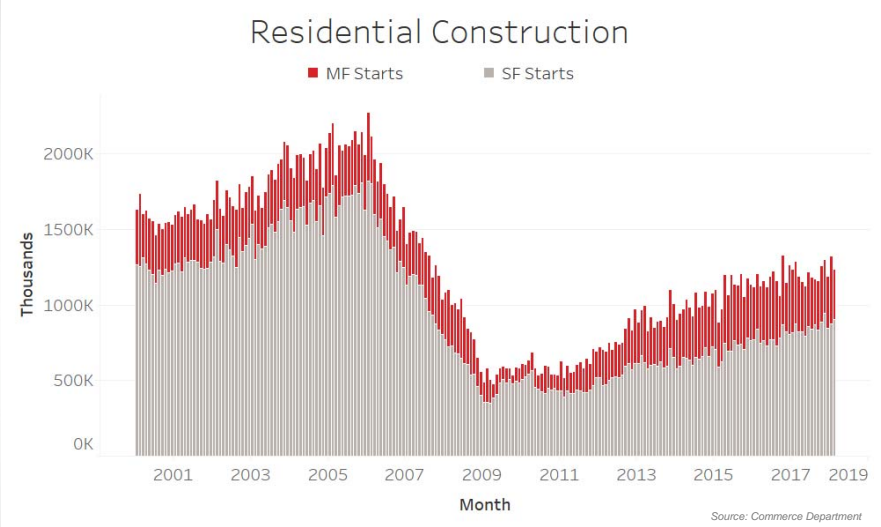
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**SS8** Updated to Feb 2018  
Speianu, Sabrina, 6/8/2017

# HOUSING STARTS DOWN (BUT...)

SS9

Down -4.0% Y/Y in Feb with SF up 2.9% and MF down -18.7%



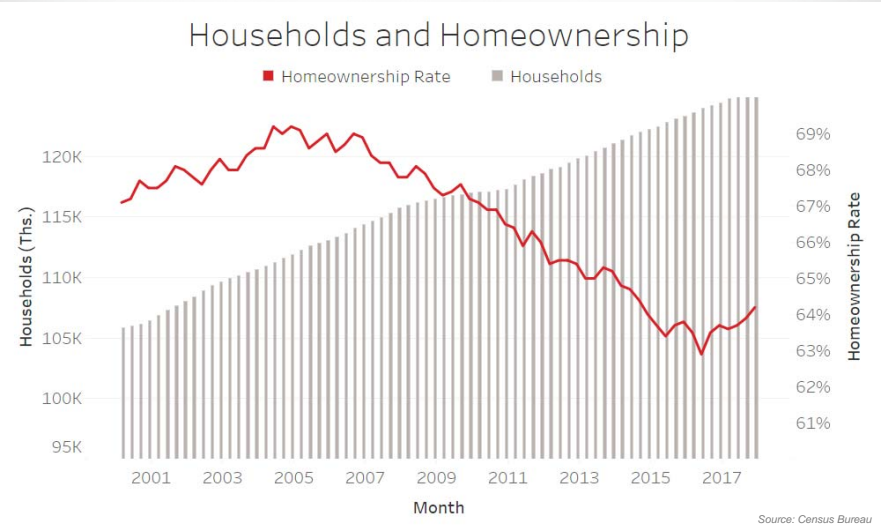
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# OWNERSHIP OFF OF LOWS

SS10

64.2% ownership rate off low; 1.5 M households last 4qs



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## Slide 13

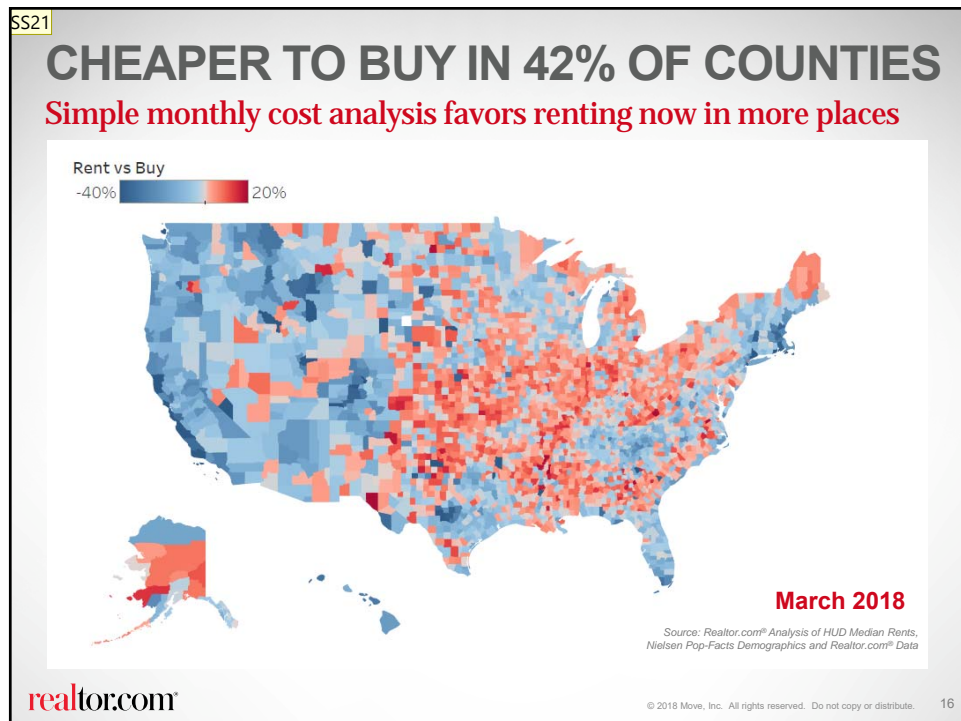
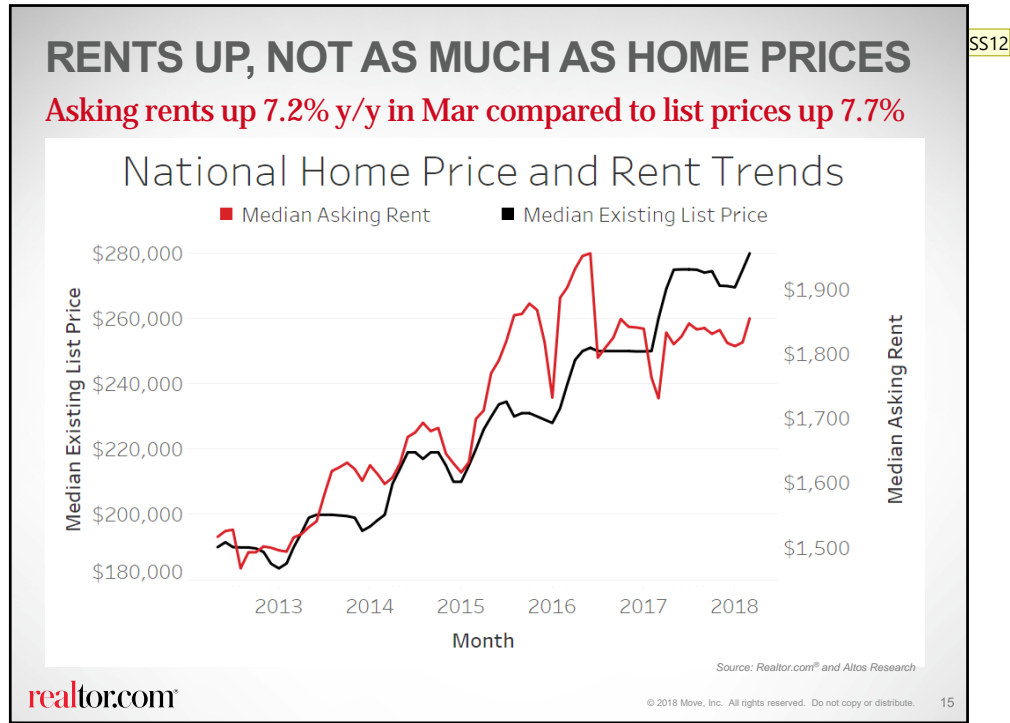
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**SS9** Updated to Feb 2018  
Speianu, Sabrina, 6/8/2017

## Slide 14

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**SS10** Updated to Q4 2017  
Speianu, Sabrina, 6/8/2017



## Slide 15

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**SS12** Updated to Mar 2018  
Speianu, Sabrina, 6/8/2017

## Slide 16

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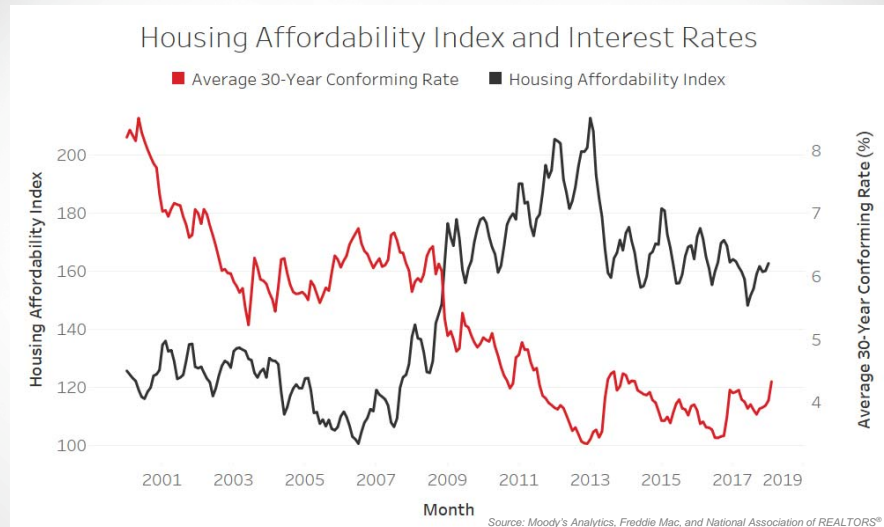
**SS21** Updated to Feb 2018  
Speianu, Sabrina, 9/6/2017



## HISTORIC AFFORDABILITY DECLINING

SS13

30-year conforming rate avg 4.0% past 12 months; 4.4% today



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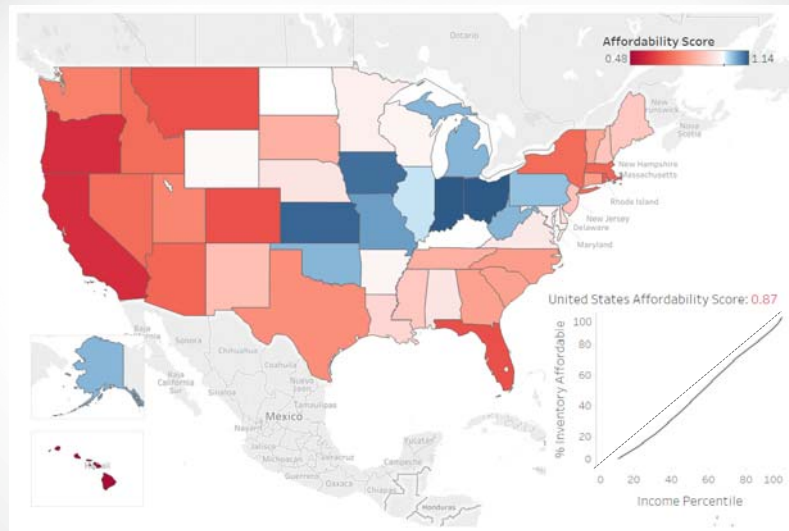
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## AFFORDABILITY IS RELATIVE

SS14

Higher income households have more access to available inventory



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## Slide 17

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**SS13** Rates updated to Feb, Affordability updated to Jan  
Speianu, Sabrina, 6/8/2017

## Slide 18

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**SS14** Updated to December  
Speianu, Sabrina, 6/8/2017

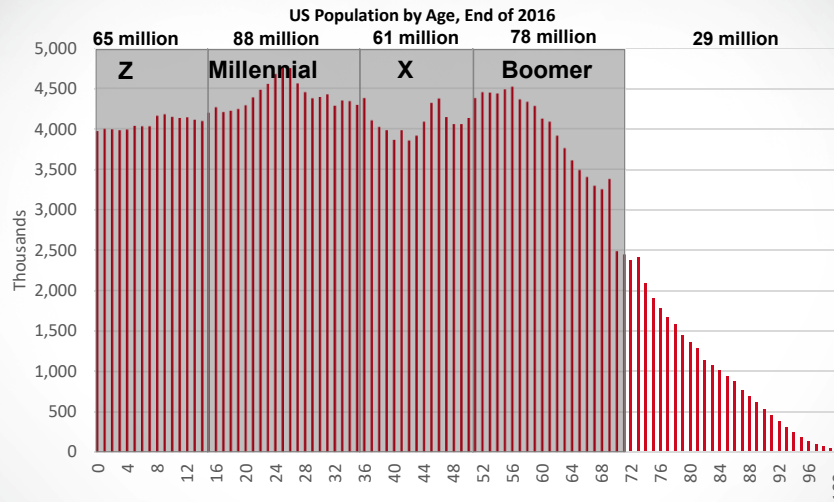
# DEMAND DRIVERS

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## DEMOGRAPHICS SET THE TABLE

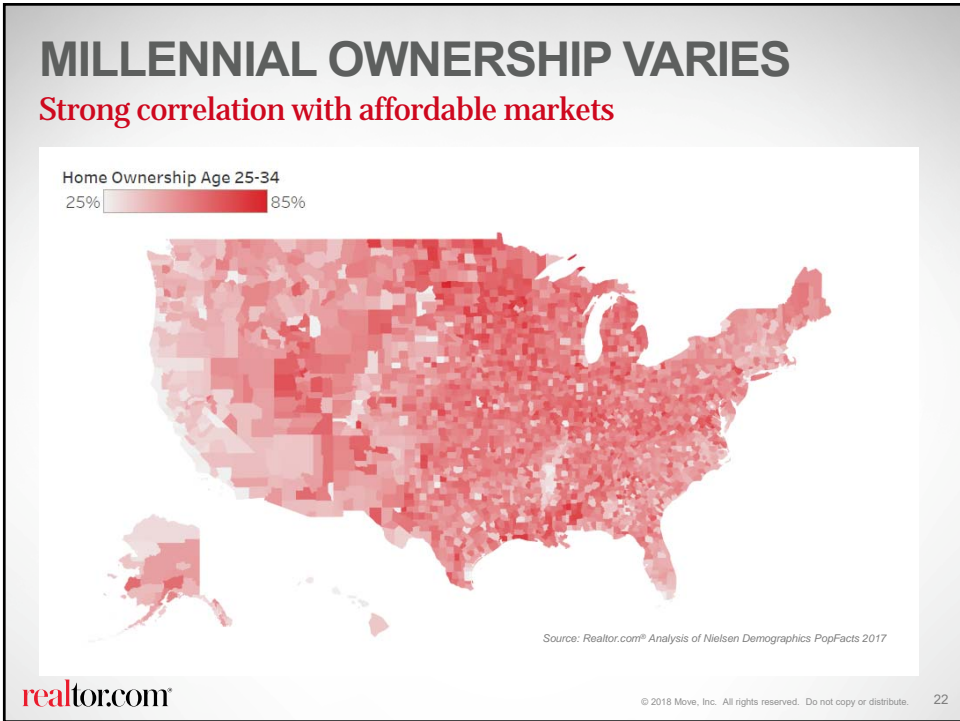
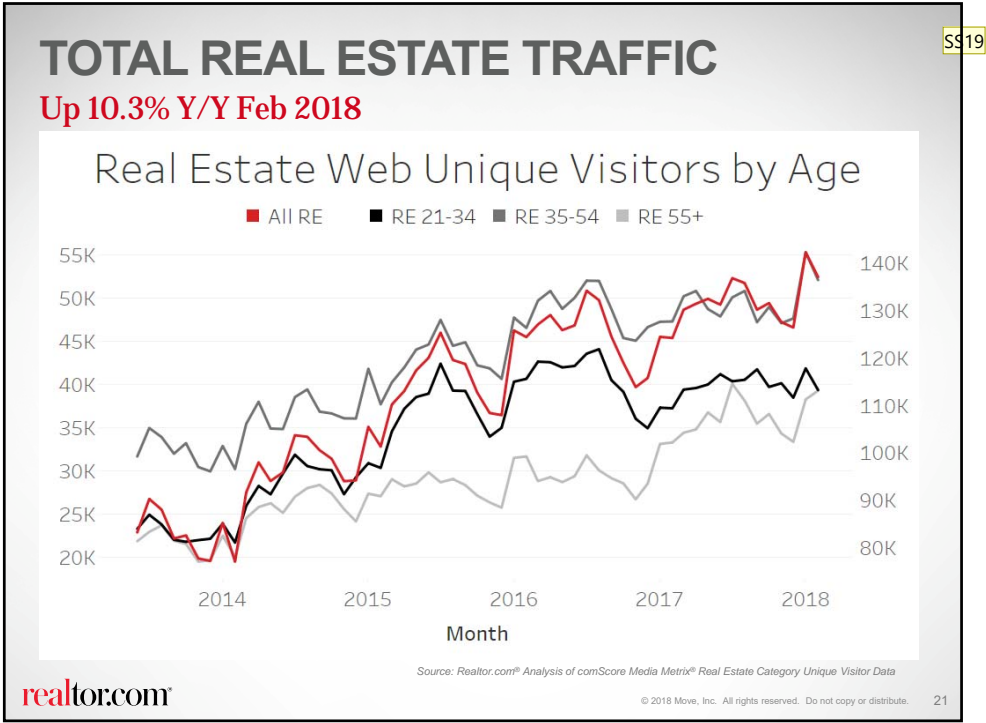
When viewed by age, importance of Millennials becomes clearer



Source: Realtor.com® Analysis of US Census Bureau Population Estimates (2016)

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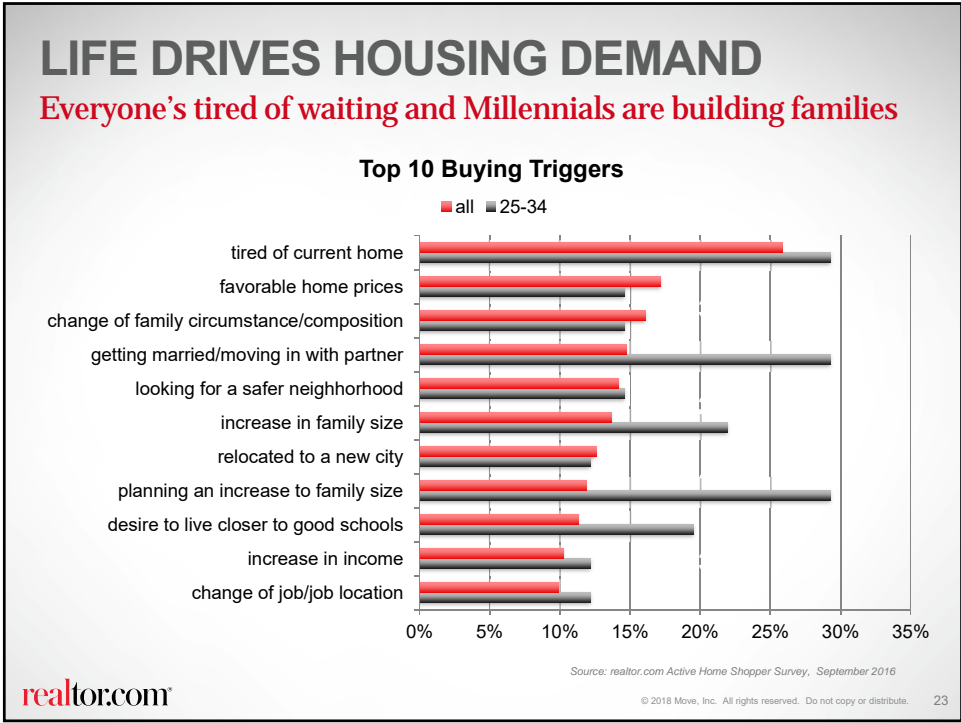
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**SS19**

Updated to Feb 2018

Speianu, Sabrina, 6/8/2017



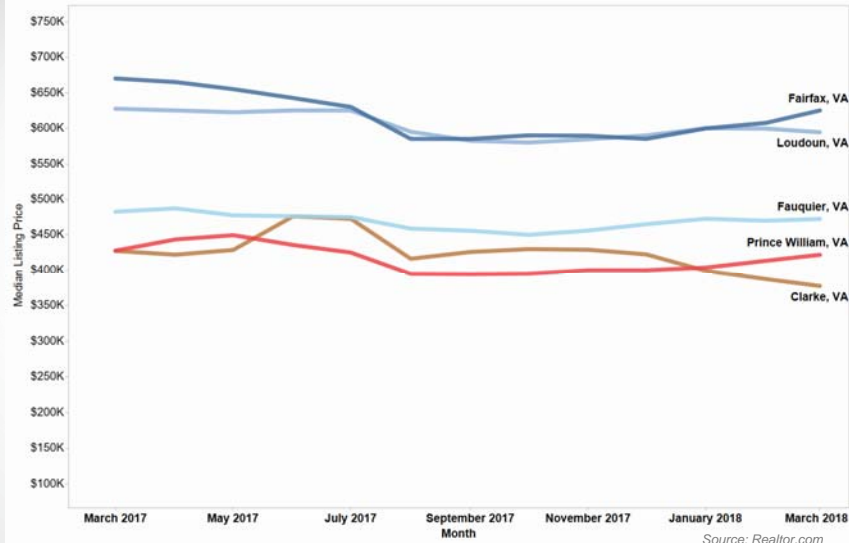
# LOCATION LOCATION LOCATION

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## LIST PRICES IN N. VIRGINIA

Fairfax Has Highest List Price at \$625,000 (Mar 2018)

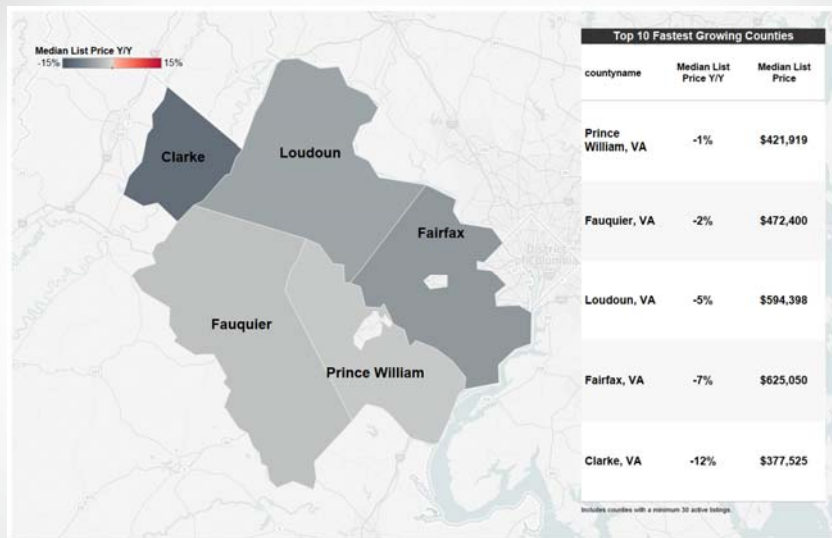


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## LIST PRICE GROWTH IN N. VIRGINIA

Local Markets Seeing 2-12% Price Decline Year-on-Year (Mar 2018)

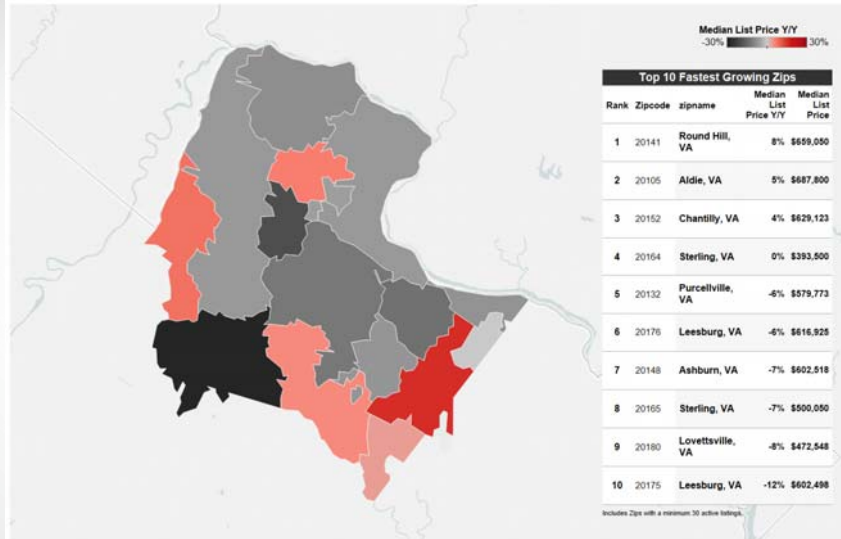


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## PRICE GROWTH IN LOUDOUN COUNTY

25% of Zips in Loudoun Experienced Price Growth Y/Y (Mar 2018)



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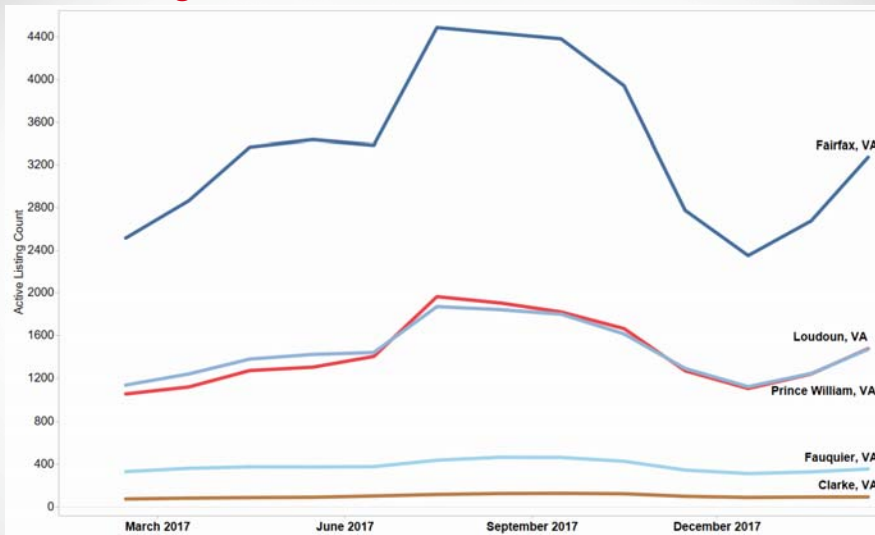
Source: Realtor.com

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## INVENTORY IN N. VIRGINIA

Active Listings for the Past 12 Months



Source: Realtor.com

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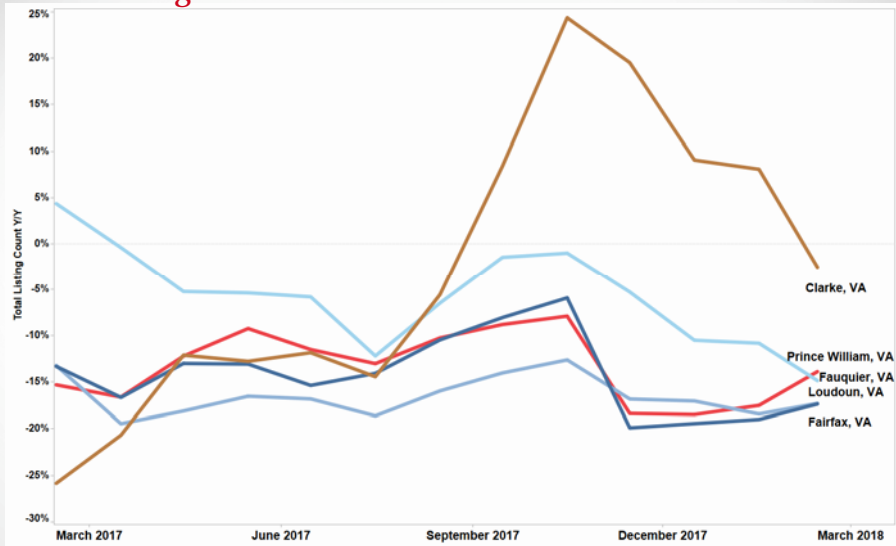
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## INVENTORY IN N. VIRGINIA

### Active Listings for the Past 12 Months



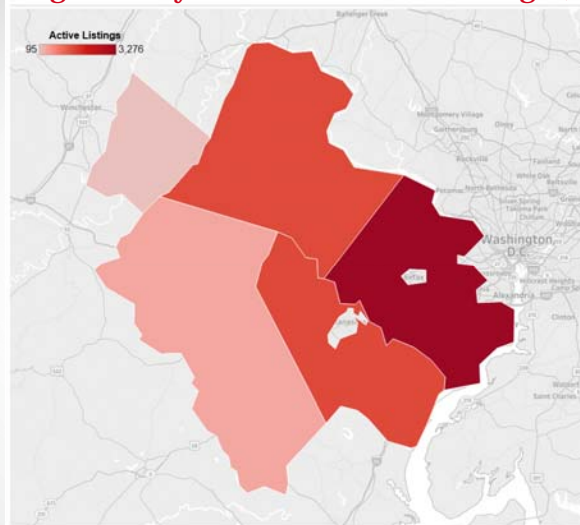
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## ACTIVE INVENTORY IN N. VIRGINIA

### Single Family and Condo Active Listings (Mar 2018)



Source: Realtor.com

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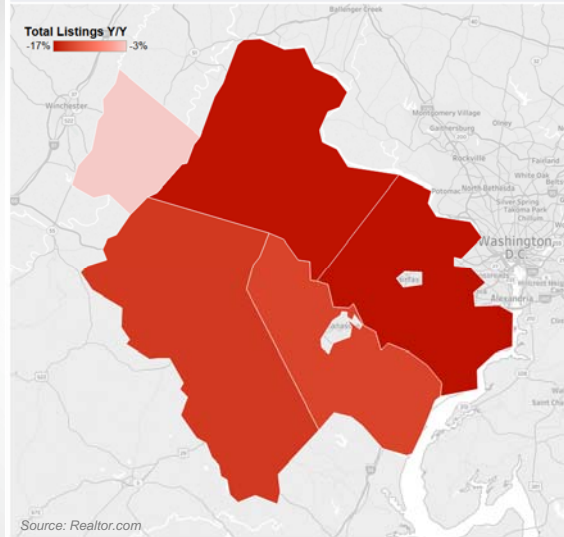
Rank	County	Active Listings	Median Days on Market	Median List Price
1	Fairfax, VA	3,276	24	\$625,050
2	Prince William, VA	1,479	26	\$421,919
3	Loudoun, VA	1,473	29	\$594,398
4	Fauquier, VA	357	46	\$472,400
5	Clarke, VA	95	83	\$377,525

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## ACTIVE INVENTORY IN N. VIRGINIA

### Single Family and Condo Active Listings (Mar 2018)



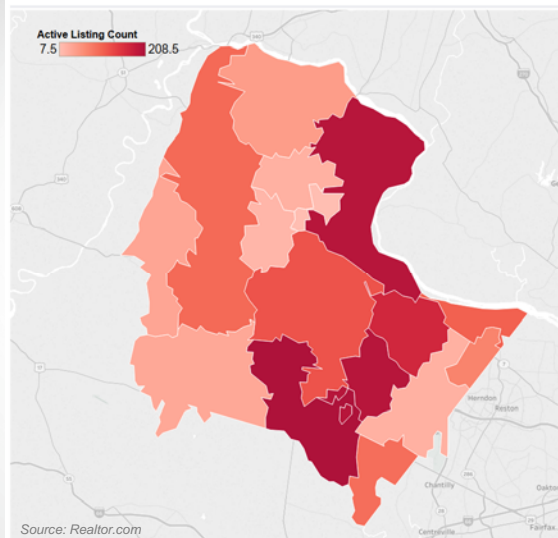
Counties by Inventory Volume				
County	Total Listings Y/Y	Total Listings	Median Days on Market	Median List Price
Fairfax, VA	-17%	3,277	24	\$625,050
Loudoun, VA	-17%	1,473	29	\$594,398
Fauquier, VA	-15%	358	46	\$472,400
Prince William, VA	-14%	1,479	26	\$421,919
Clarke, VA	-3%	95	83	\$377,525

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## ACTIVE INVENTORY IN LOUDOUN COUNTY

### Single Family and Condo Active Listings (Mar 2018)



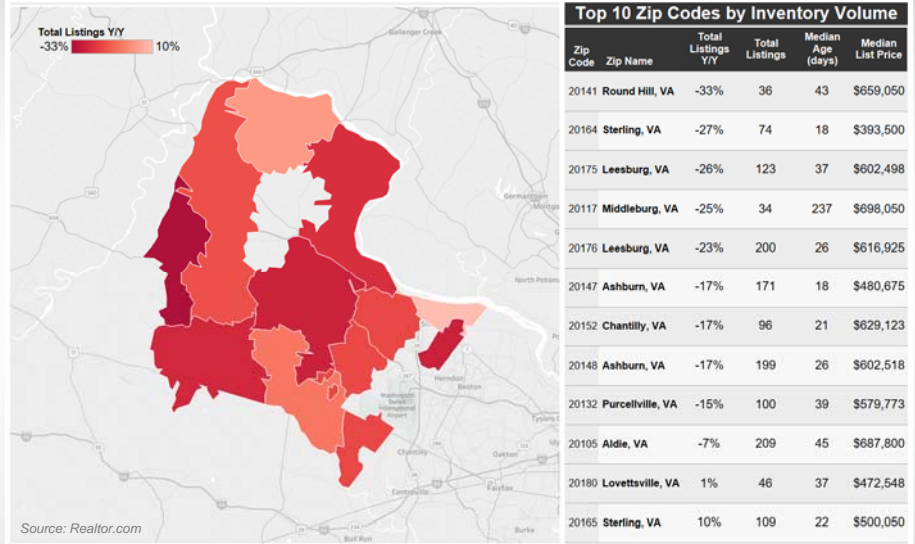
Top 10 Zip Codes by Inventory Volume					
Rank	Zip Code	Zip Name	Active Listings	Median Age (days)	Median List Price
1	20105	Aldie, VA	209	45	\$687,800
2	20176	Leesburg, VA	200	26	\$616,925
3	20148	Ashburn, VA	199	26	\$602,518
4	20147	Ashburn, VA	171	18	\$480,675
5	20175	Leesburg, VA	123	37	\$602,490
6	20165	Sterling, VA	109	22	\$500,050
7	20132	Purcellville, VA	100	39	\$579,773
8	20152	Chantilly, VA	96	21	\$629,123
9	20164	Sterling, VA	74	18	\$393,500
10	20180	Lovettsville, VA	46	37	\$472,548

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# ACTIVE INVENTORY IN LOUDOUN COUNTY

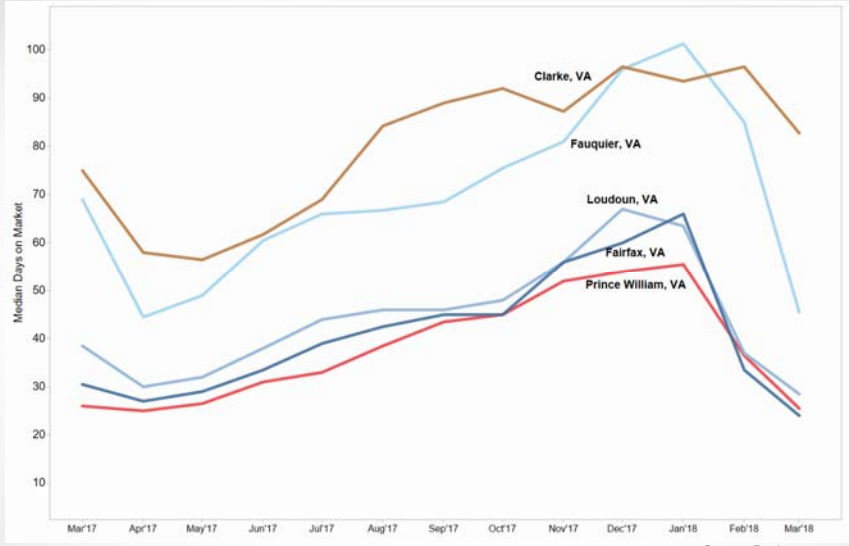
## Single Family and Condo Active Listings (Mar 2018)



Top 10 Zip Codes by Inventory Volume					
Zip Code	Zip Name	Total Listings Y/Y	Total Listings	Median Age (days)	Median List Price
20141	Round Hill, VA	-33%	36	43	\$659,050
20164	Sterling, VA	-27%	74	18	\$393,500
20175	Leesburg, VA	-26%	123	37	\$602,498
20117	Middleburg, VA	-25%	34	237	\$698,050
20176	Leesburg, VA	-23%	200	26	\$816,925
20147	Ashburn, VA	-17%	171	18	\$480,675
20152	Chantilly, VA	-17%	96	21	\$629,123
20148	Ashburn, VA	-17%	199	26	\$602,518
20132	Purcellville, VA	-15%	100	39	\$579,773
20105	Aldie, VA	-7%	209	45	\$687,800
20180	Lovettsville, VA	1%	46	37	\$472,548
20165	Sterling, VA	10%	109	22	\$500,050

# AGE OF INVENTORY IN N. VIRGINIA

## Days on Market for the Past 12 Months



## AGE OF INVENTORY IN N. VIRGINIA

Days on Market for the Past 12 Months



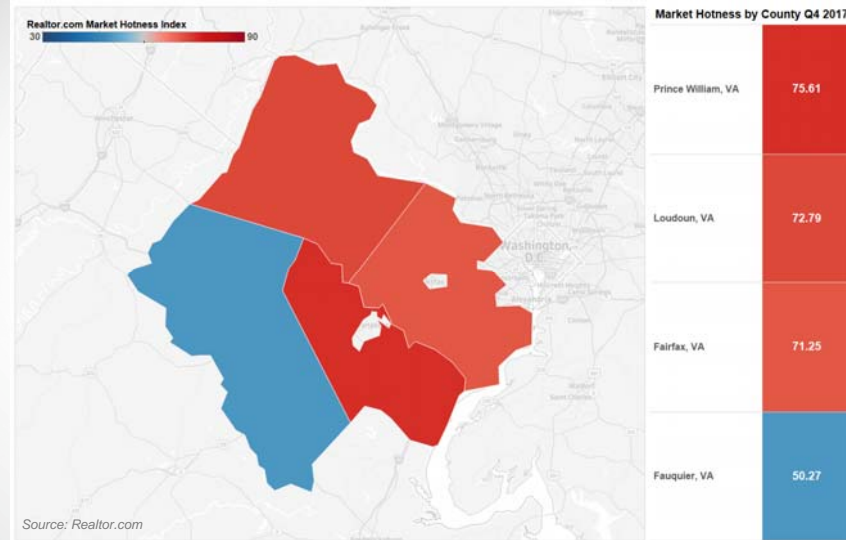
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## HOTTEST COUNTIES IN N. VIRGINIA

Prince William is Top Performing County (Q4 2017)



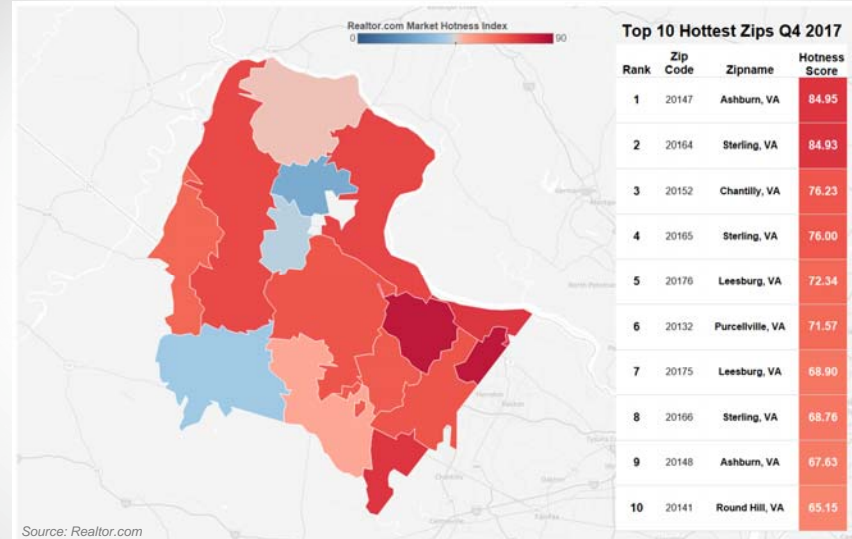
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## HOTTEST ZIPS IN LOUDOUN COUNTY

Ashburn, Sterling are Top Performing Zip Codes (Q4 2017)

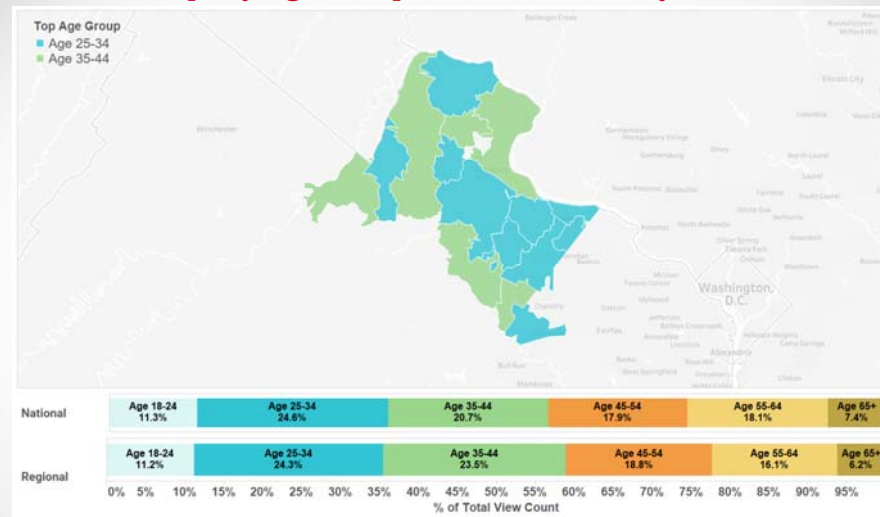


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## GENERATIONAL PROPENSITY

Interest in Zips by Age Groups in Loudoun County (Q3 2017)



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# GENERATIONAL PROPENSITY

Interest in Zips by Age Groups in Loudon County (Q3 2017)



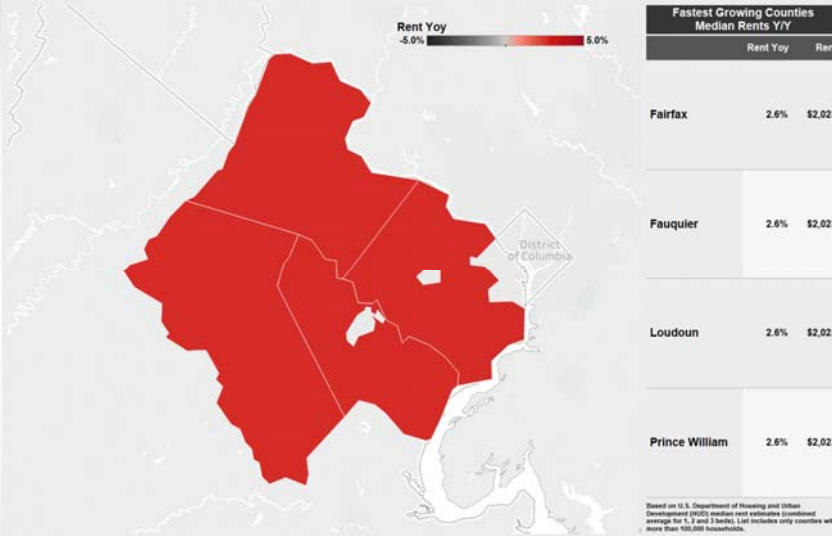
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# RENT PRICES IN N. VIRGINIA

Northern Virginia seeing 2.6% Rent Growth Year-on-Year



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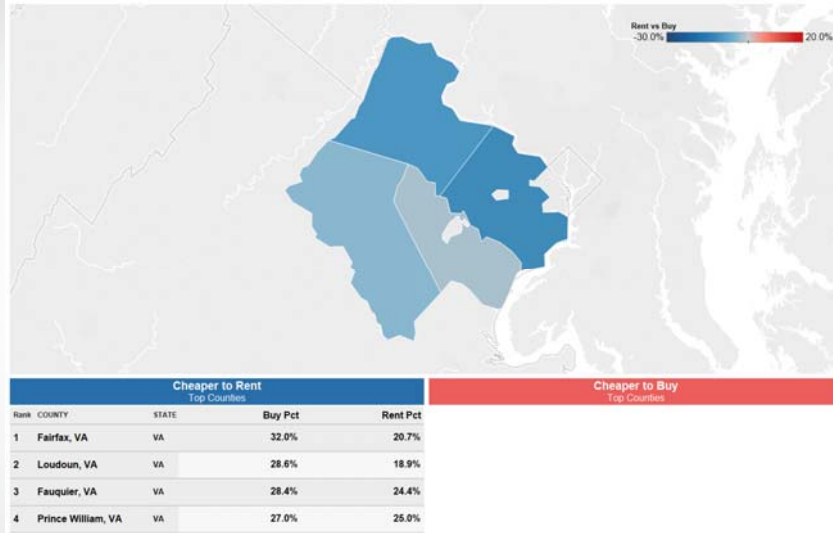
Source: Realtor.com® Analysis of HUD Fair Market Rents

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## RENT VS BUY

Monthly Costs Favor Renting in N. Virginia, But Not By Much



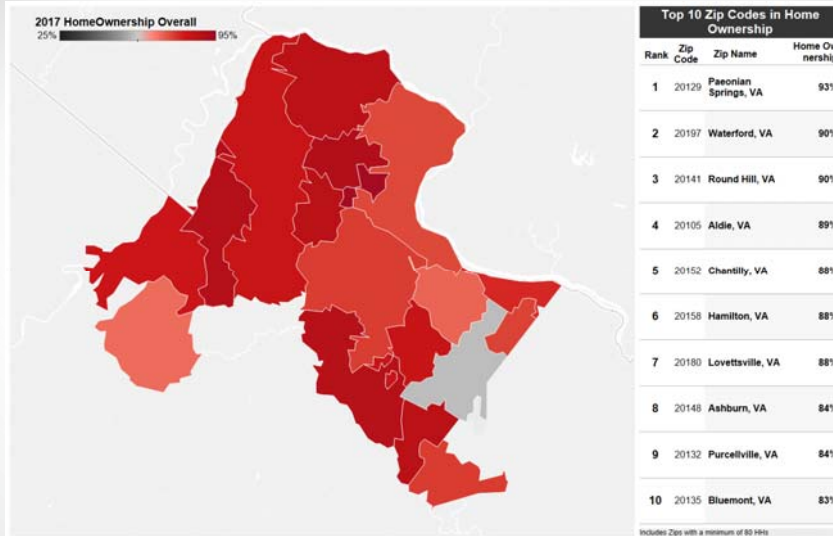
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Source: Realtor.com® Analysis of Nielsen Pop-Facts Demographics, HUD Fair Market Rents and Realtor.com Data  
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## HOME OWNERSHIP

Overall Ownership Rate in Loudoun is 78% vs 64% Nationally



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Source: Nielsen Demographics Pop-Facts 2017

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