

Housing Trends

during the pandemic

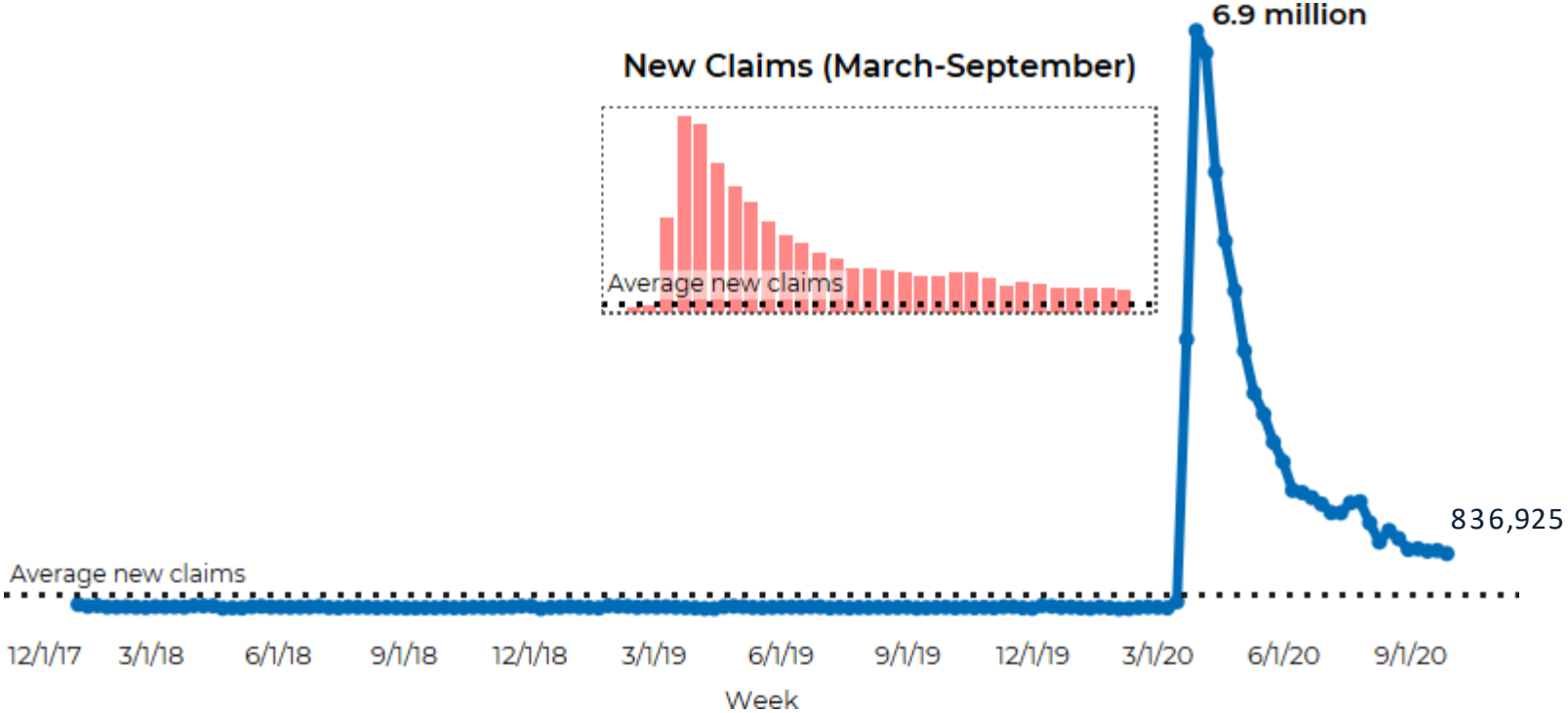
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& Director of Forecasting

October 7, 2020
2020 NVAR Convention

Employment continues to recover; below 1million new claims for 5 consecutive weeks

Latest release: week ending September 26



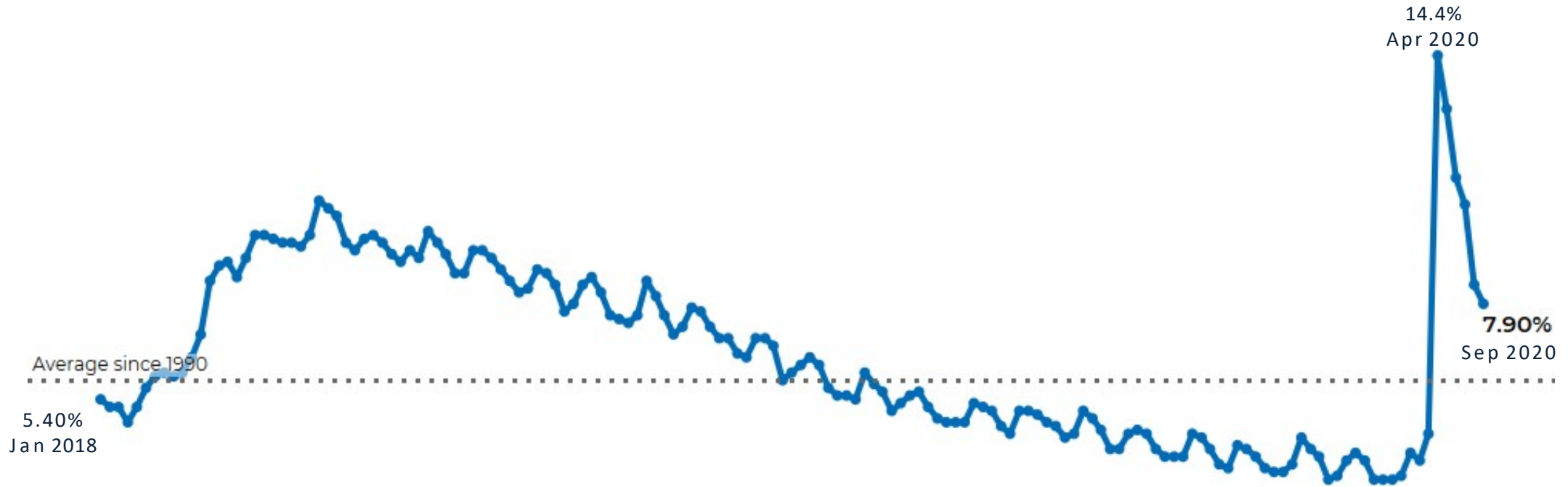
Nearly 63 million new unemployment claims were applied since Mid-March.



However, 12 million people applied to receive unemployment benefits

Source: U.S. Bureau of Labor Statistics, seasonally adjusted initial claims

Unemployment rate dropped to 7.9% in September

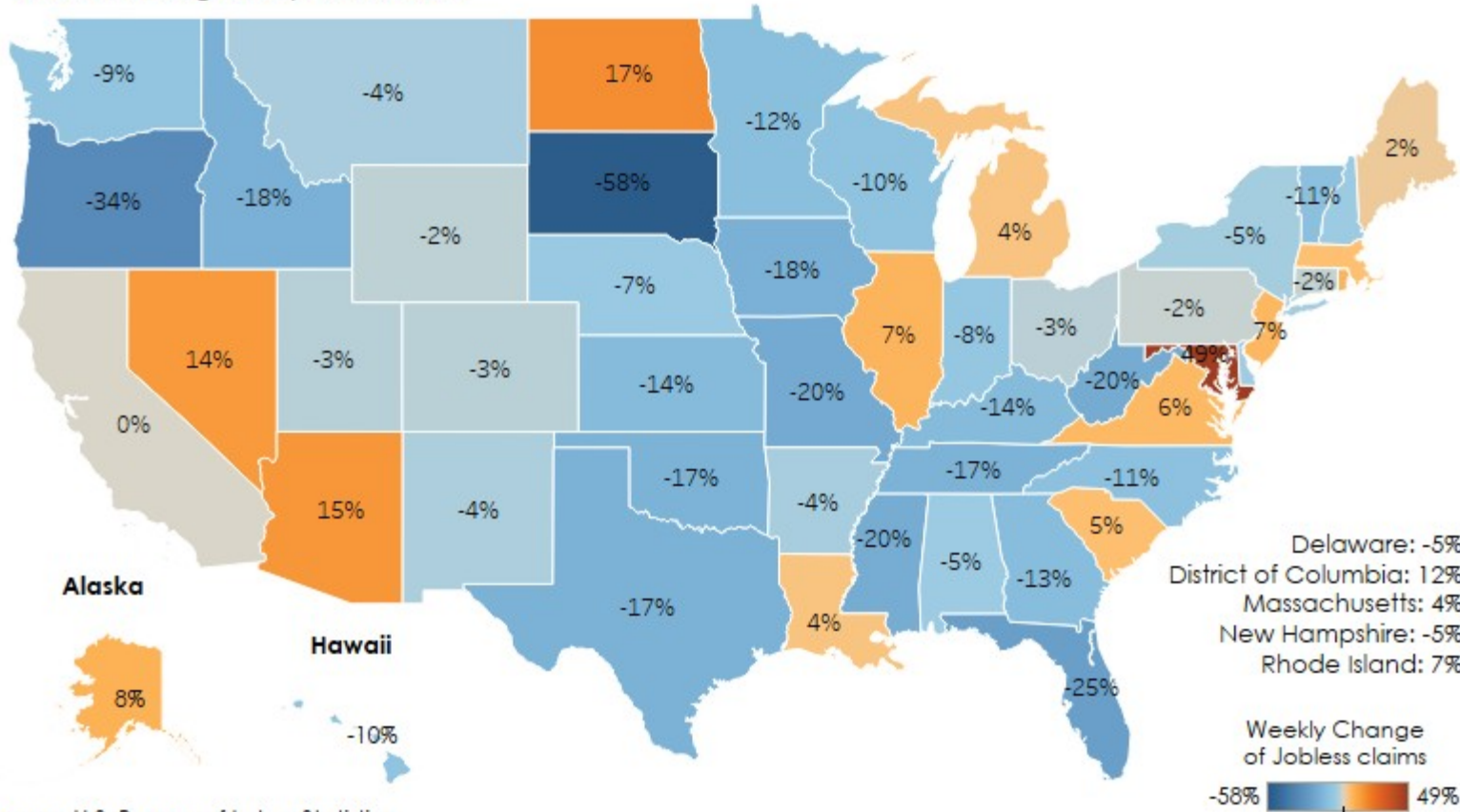


Source: U.S. Bureau of Labor Statistics

35 states reported a decrease in new claims

Weekly Change of Jobless Claims

Week ending in September 26



Source: U.S. Bureau of Labor Statistics



Largest drop in jobless claims: South Dakota (-58%), Oregon (-34%) and Florida (-25%)



Highest weekly increase of jobless claims: Maryland (49%), North Dakota (17%) and Arizona (15%)

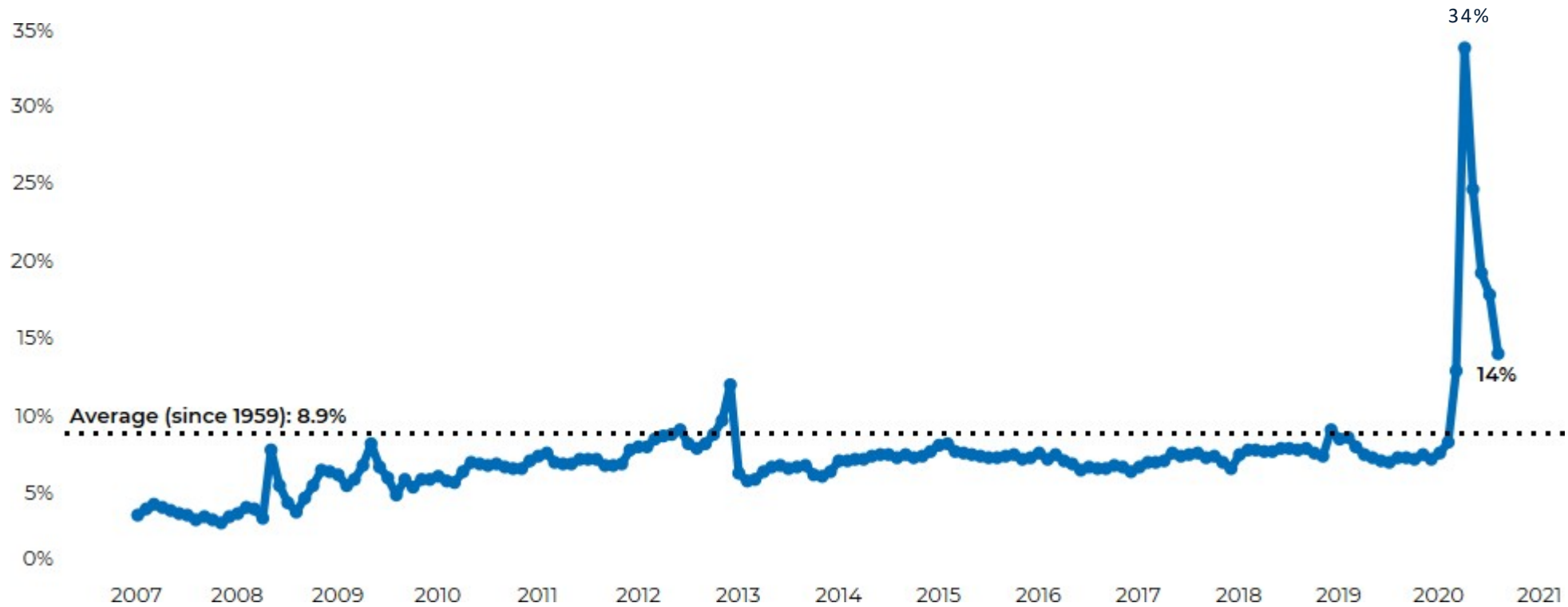


Layoffs increased 6% in Virginia compared to the previous week

Blog

<https://www.nar.realtor/blogs/economists-outlook/new-unemployment-claims-fell-last-week-by-5>

People are saving more during the pandemic

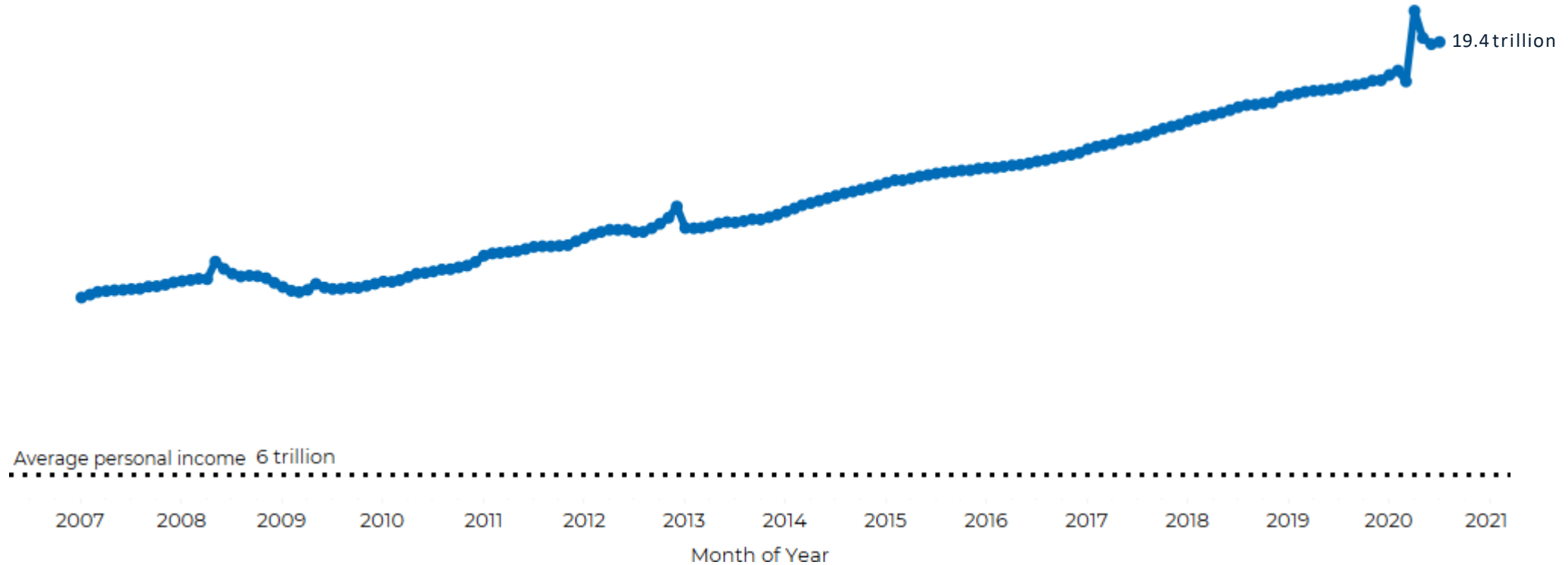


People saved around 8% of their income before the pandemic



People saved 14% of their income in August

Personal income higher during the pandemic



Total personal income actually grew during the lockdown from the massive stimulus package.



Personal income was nearly 18 trillion before the pandemic



Personal income was nearly 20 trillion in August

Impact of the pandemic on owners

✓ **10%** of mortgage holders caught up on mortgage payments

✓ **45%** experienced loss of employment income

✓ **86%** of the owners have high or moderate confidence in their ability to make next month's payment. The level of confidence is lower for African Americans (74%) and Hispanics (76%).

✓ Characteristics of mortgage holders who didn't make their payment

less than \$50K income

18-24 years old

children under 18 in the house

never married African American
divorced/separated

Source: Household Pulse Survey (week September 2-14), U.S. Census Bureau

Higher the impact on renters

✓ **17%** of renters caught up on their rent

✓ Characteristics of mortgage holders who caught up on their rent

✓ **56%** experienced loss of employment income

✓ **72%** of the renters have high or moderate confidence in their ability to make next month's rent.

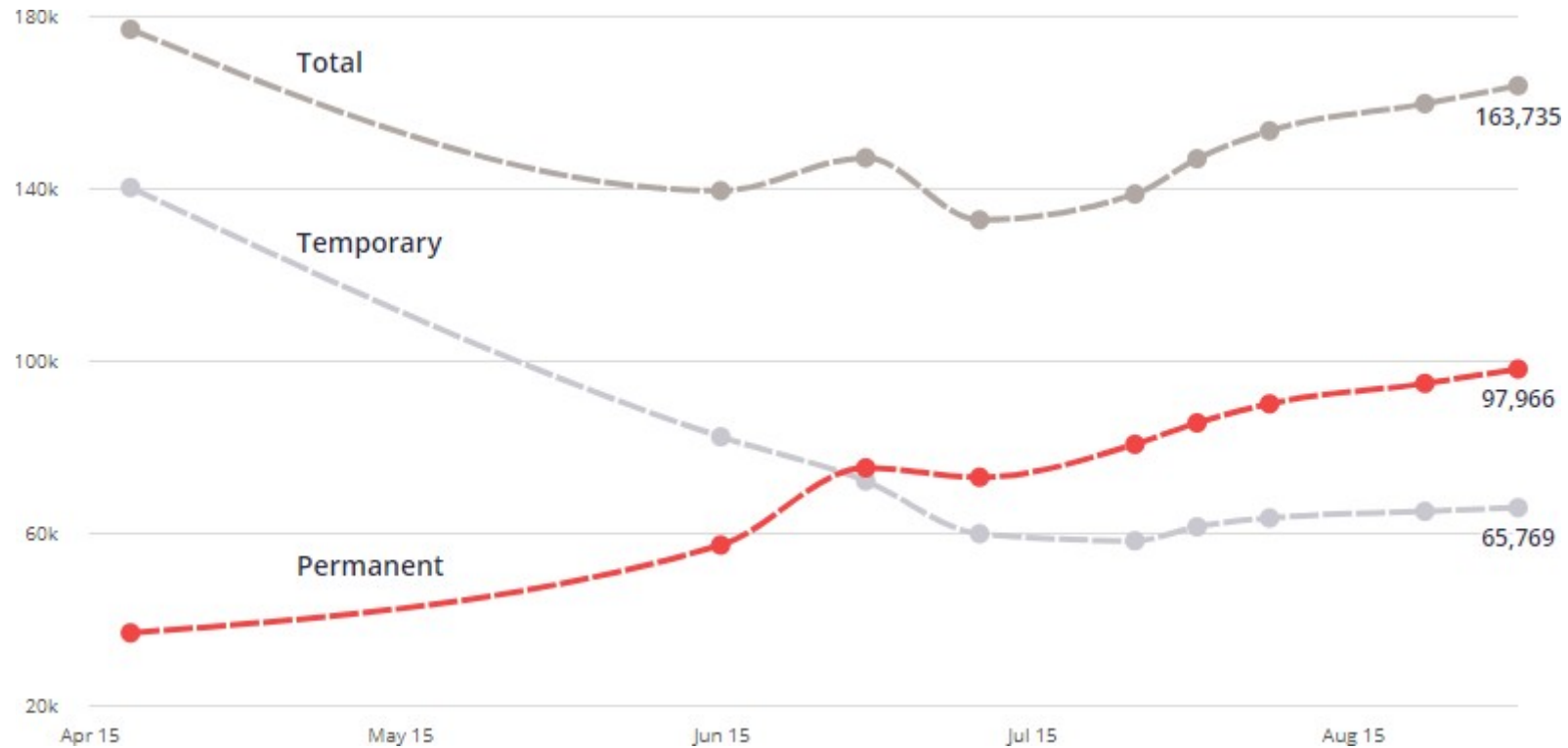
✓ **45%** of the renters have a very or somewhat likelihood of eviction in the next couple of months

40 to 54 years old
men
African Americans and Asians
less than a high school diploma
Divorced/separated
income less than \$50K

Source: Household Pulse Survey (week August 2-14), U.S. Census Bureau

Business closures continue to increase nationally

Number of businesses marked closed on Yelp that were open March 1



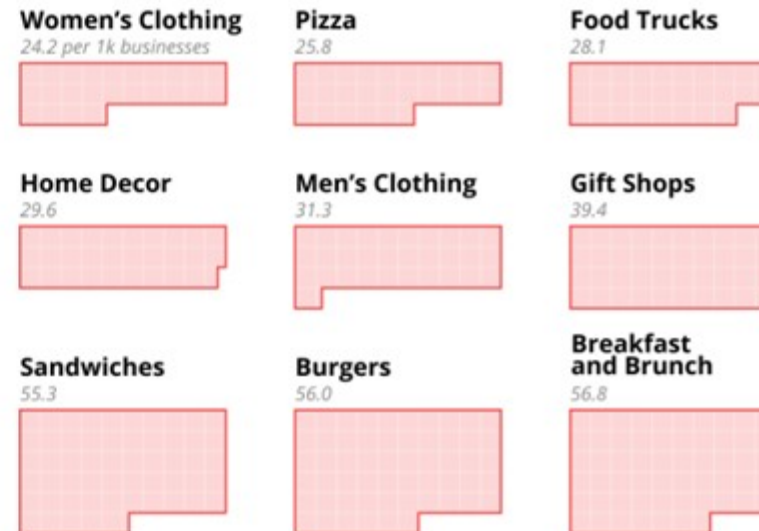
Source: Yelp, Local Economic Impact Report (September 2020)

Home, Local and Auto Services prove their strength amid the pandemic

Home, local, professional, and auto services businesses have been staying afloat

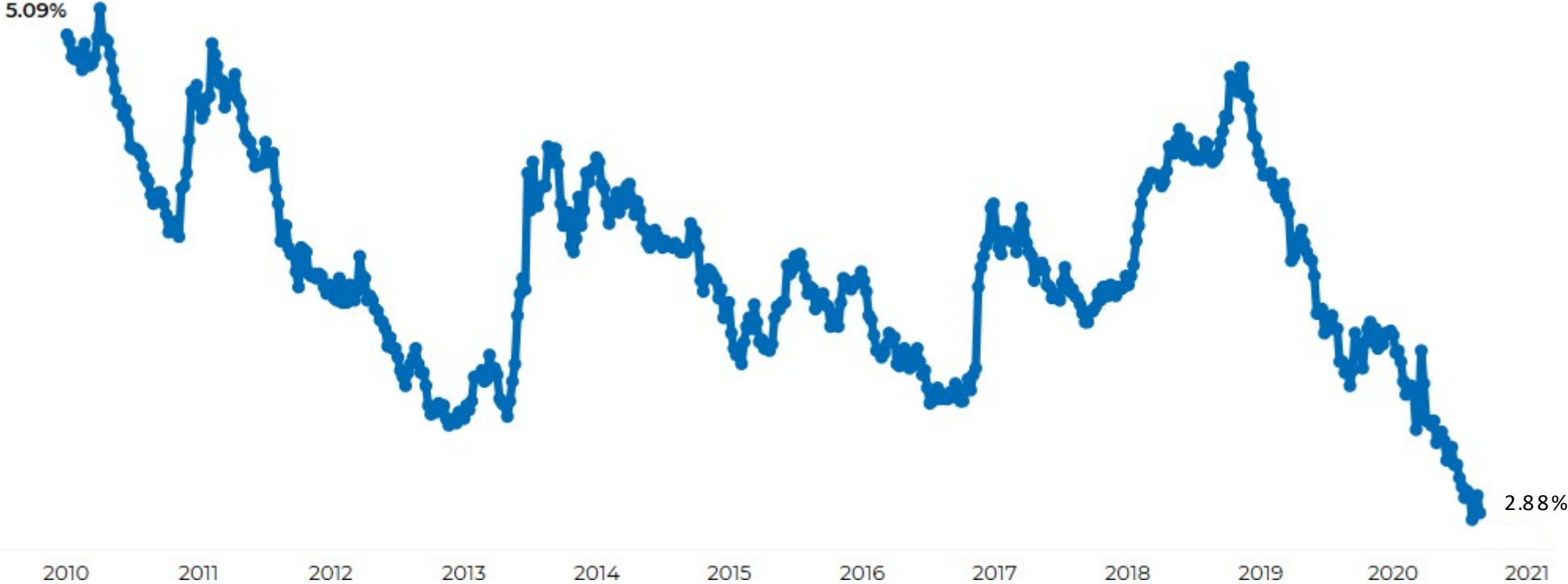


Restaurants and retail businesses have been struggling



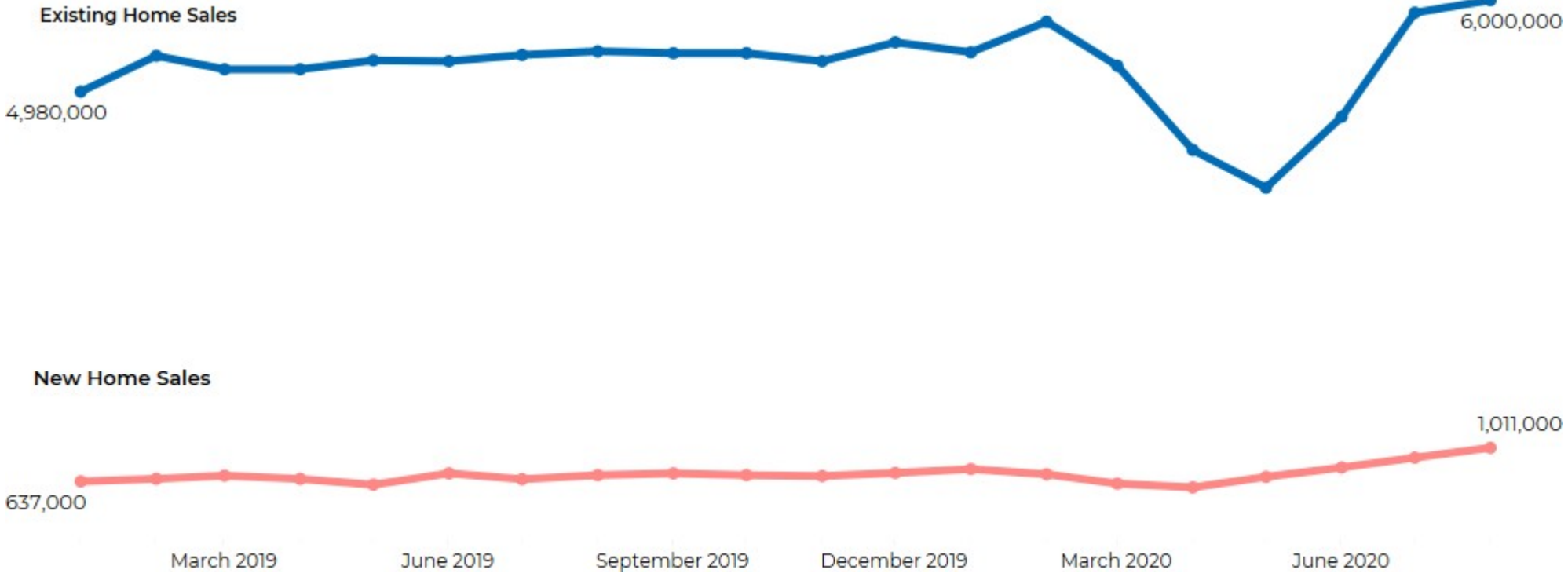
Source: Yelp, Local Economic Impact Report (September 2020)

Mortgage rates stabilized near record lows below 3% for more than 2 months



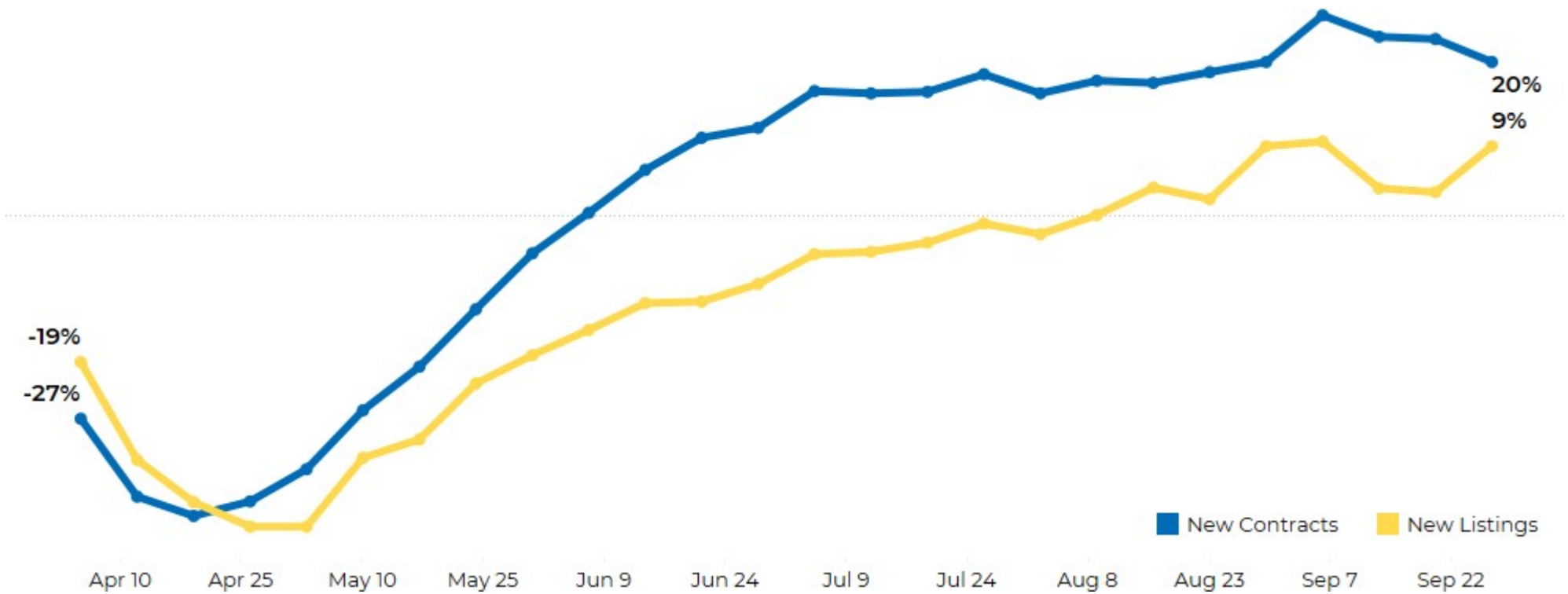
Source: Freddie Mac

Existing and New Home Sales Surpassed pre-pandemic levels



Source: National Association of REALTORS®

New contracts rose 20% while new listings 9% in the last week of September



Source: National Association of REALTORS®

1. Smaller cities gain ground

Biggest gains in net arrivals

1.	Jacksonville	+ 10.7%
2.	Salt Lake City	+ 9.6%
3.	Sacramento	+ 7.6%
4.	Milwaukee	+ 4.5%
5.	Kansas City, MO	+ 3.9%

Steepest decline in net arrivals

1.	New York City	- 23.4%
2.	San Francisco Bay Area	- 21.1%
3.	Seattle	- 10.6%
4.	Boston	- 9.9%
5.	Portland, OR	- 9.67%

Source: LinkedIn Economic Graph Research

LinkedIn News

Aggregated Rates Among Renters in 50 Largest Metros

How well does this metro appeal to out-of-towners vs local residents?

Relatively Inbound Migration	Apr-Aug 2019	Apr-Aug 2020
	31.1%	28.8%

Do renters in this metro want to leave or stay?

Relatively Outbound Migration	Apr-Aug 2019	Apr-Aug 2020
	24.3%	24.2%

Source: Apartment List, Renter Migration Report: 2020 Q3

2. Higher demand for vacation homes

	Resort areas	Existing Home Sales (NSA)
April	-6.4%	-18.2%
May	-24.7%	-31.4%
June	5.2%	-4.0%
July	28.7%	10.6%
August	22.0%	5.5%

Source: National Association of REALTORS®

Work from home: reshaping where Americans live



34% of adults substituted some or all of their typical in-person work for telework
Virginia: 44%

43% of adults 25-39 telework. Millennials had the highest share of people working from home.
Virginia: 50%

49% of Asians telework compared to 36% of Whites, 30% of African Americans and 27% of Hispanics.

Source: Household Pulse Survey (week September 2-14), U.S. Census Bureau

Housing outlook



✓ New home sales
2020: 17.1%,
2021: 18.8%

✓ Existing home sales
2020: 1.1%,
2021: 8.5%

✓ Home Prices
2020: 4.7%,
2021: 4.1%

✓ 30-year fixed rate
2020: 3.2%,
2021: 3.2%

Links



- ✓ Tracking Jobless Claims

<https://www.nar.realtor/blogs/economists-outlook/new-unemployment-claims-fell-last-week-by-5>

- ✓ Weekly Housing Market Monitor

<https://www.nar.realtor/research-and-statistics/research-reports/weekly-housing-market-monitor>

- ✓ REALTORS® Affordability Distribution Curve and Score

<https://www.nar.realtor/research-and-statistics/housing-statistics/realtors-affordability-distribution-curve-and-score>

- ✓ Economists' Outlook Blog

<https://www.nar.realtor/blogs/economists-outlook>

- ✓ Housing Statistics

<https://www.nar.realtor/research-and-statistics>

- ✓ Research Reports

<https://www.nar.realtor/research-and-statistics/research-reports>

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