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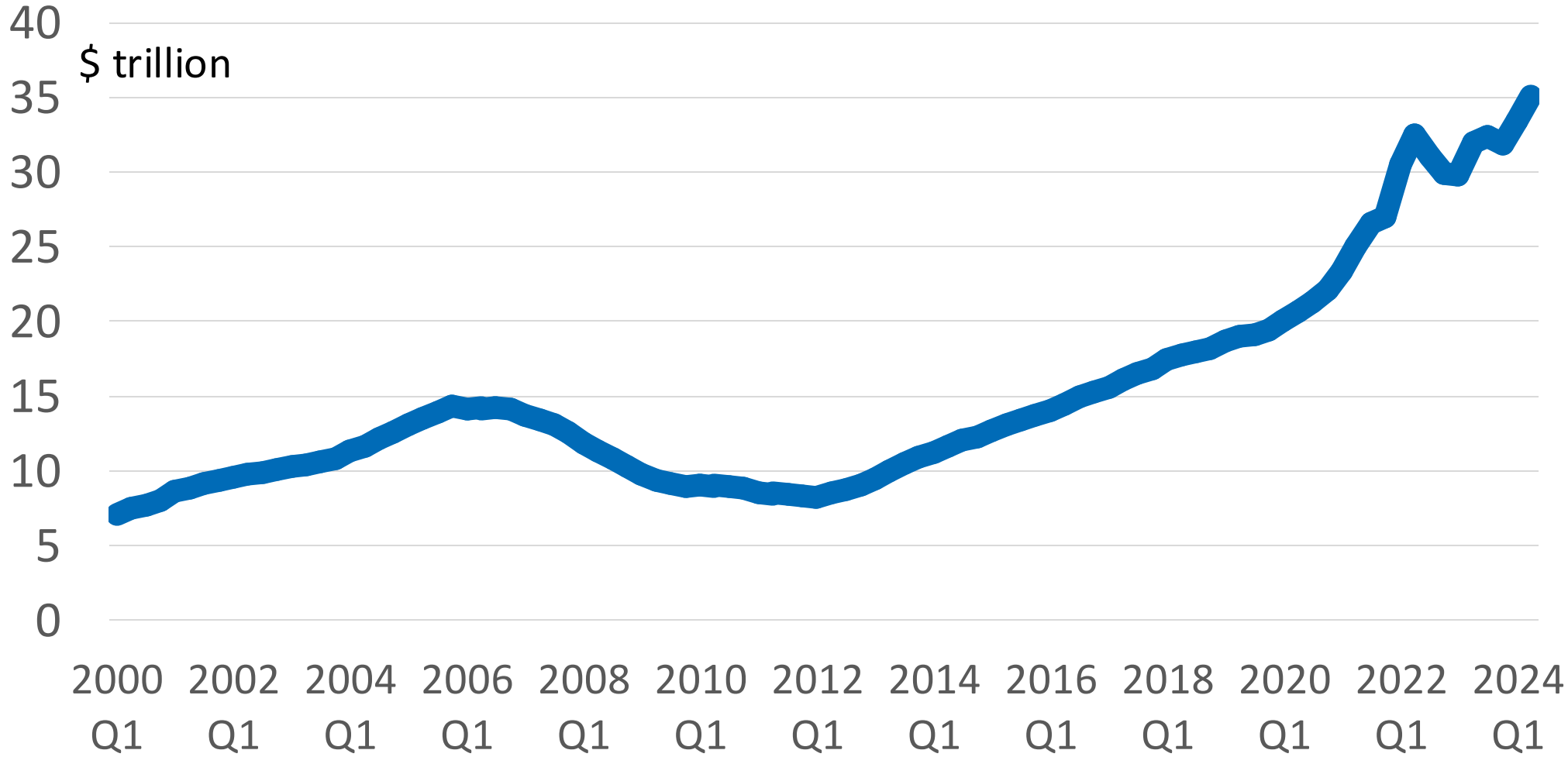
The New York Times

Can the U.S. Climb Out of Its 'Unprecedented' Housing Crisis?

December 11, 2024 in News



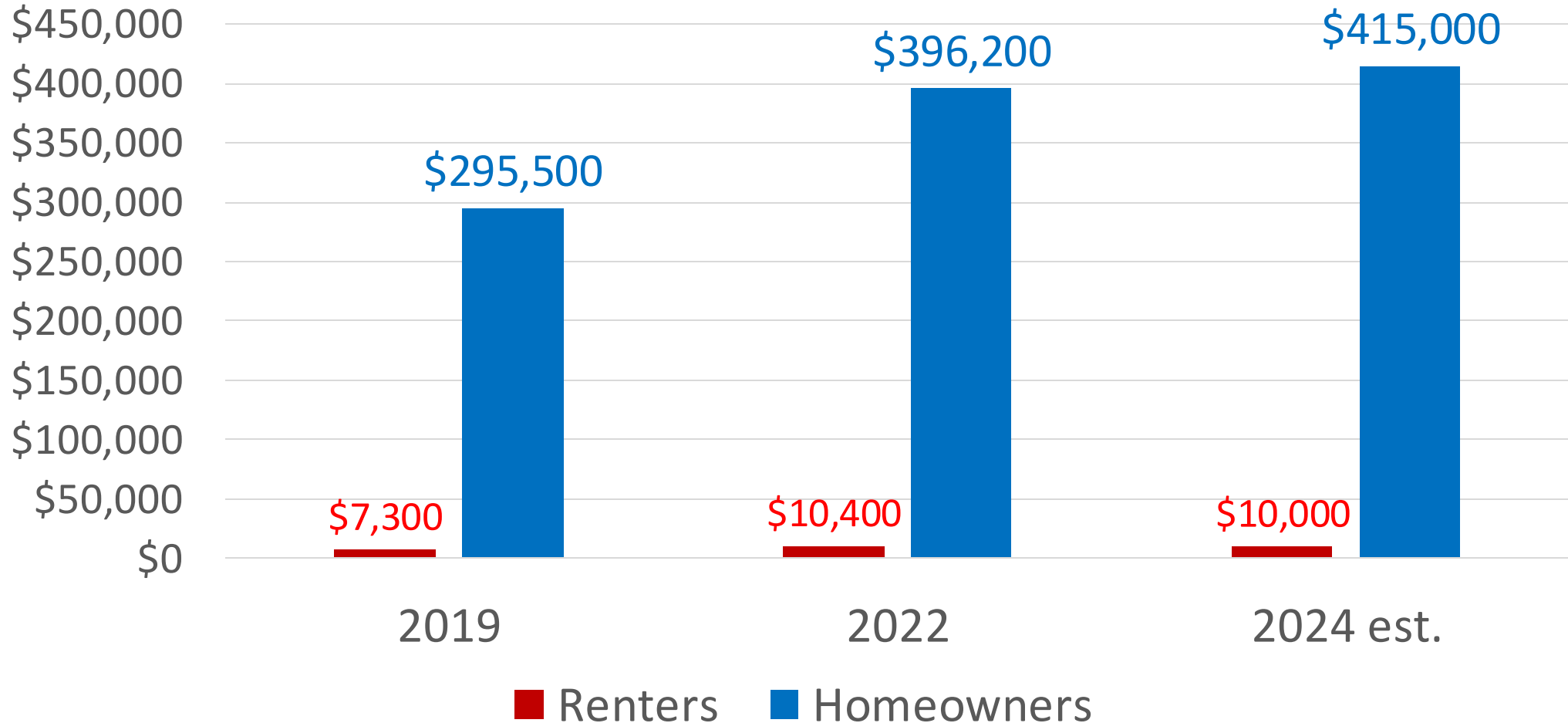
Household Equity in Real Estate in U.S.



Source: Federal Reserve

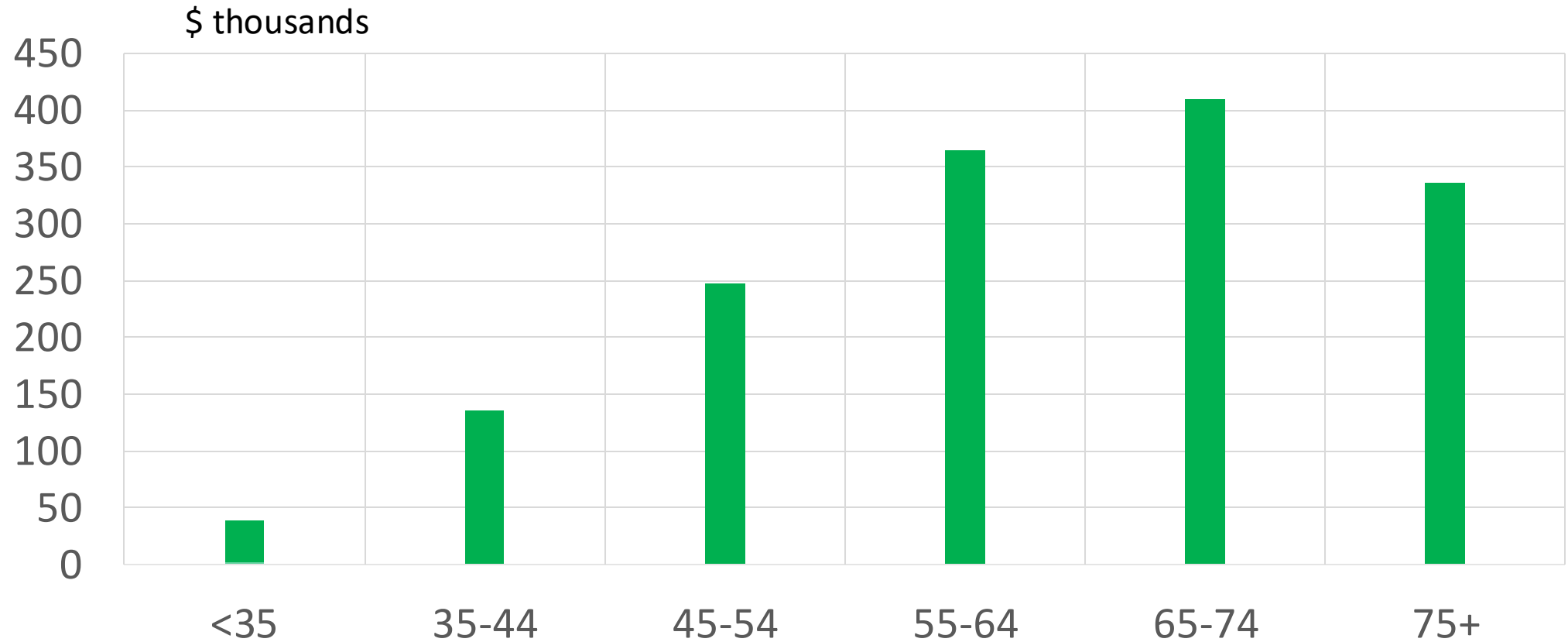


Median Net Worth between Owners and Renters



Source: Median Net Worth from Federal Reserve Survey of Consumer Finance

Median Net Worth by Age Groups



Source: Federal Reserve as of 2022

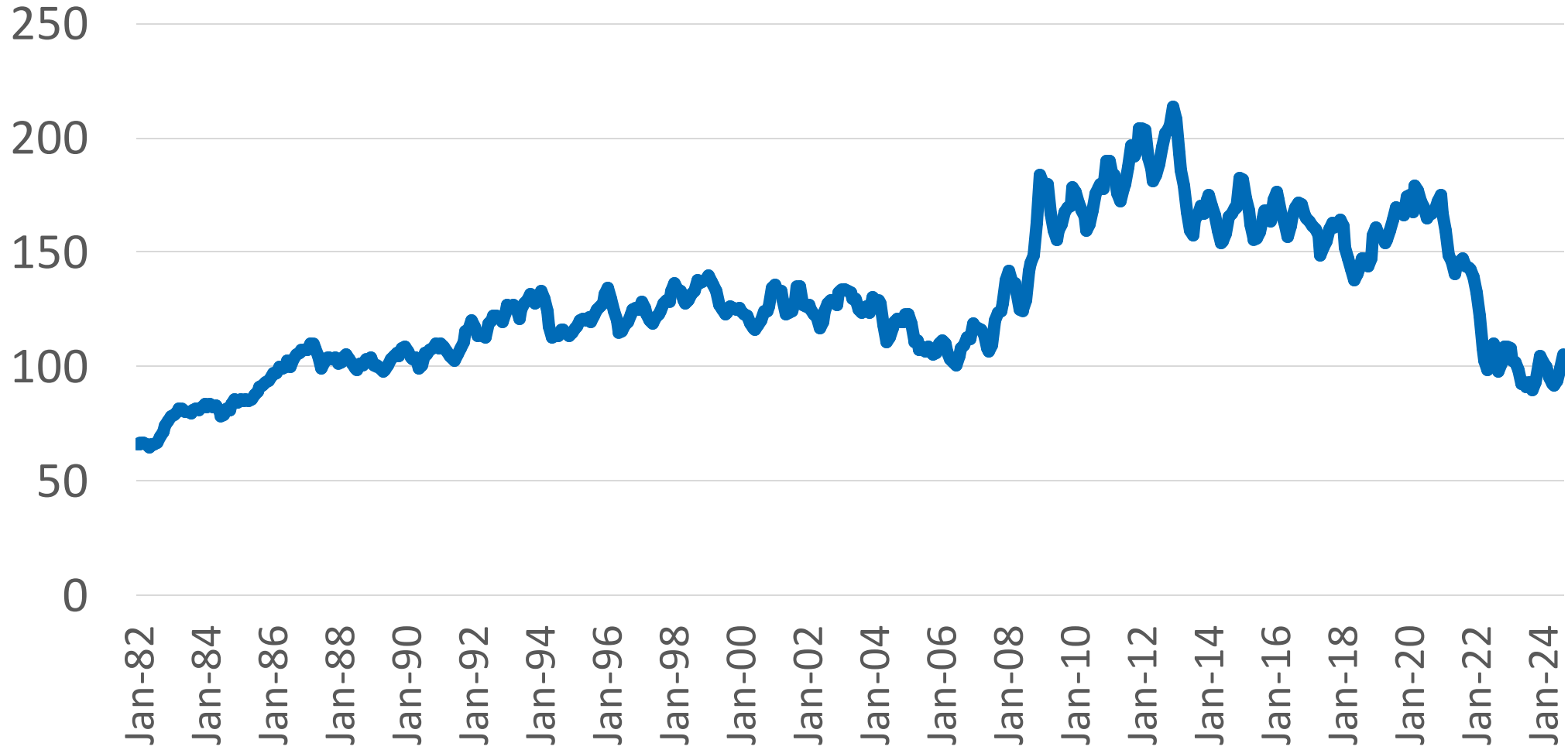


Seriously Delinquent Mortgages (90+ days and in foreclosure)



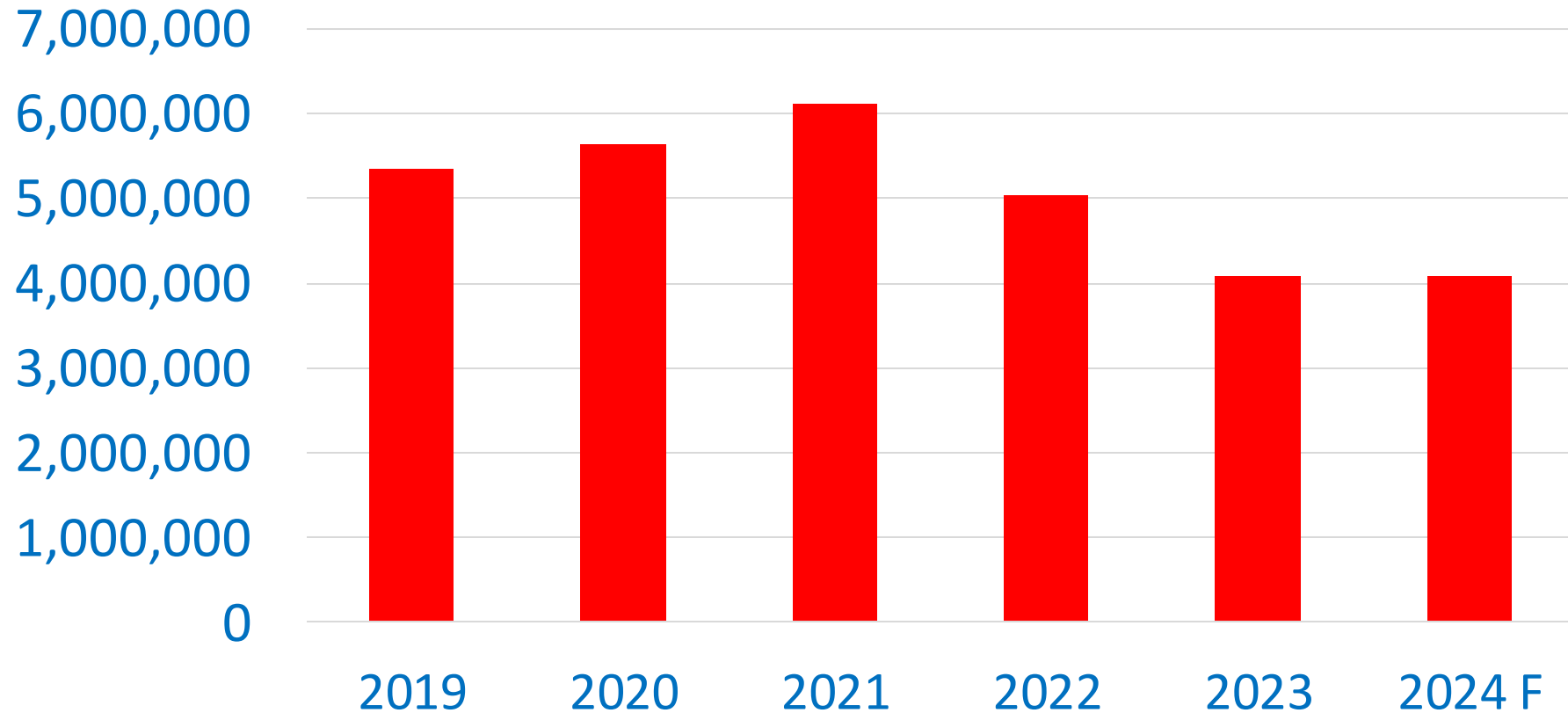
Source: Mortgage Bankers Association

Housing Crisis in Affordability



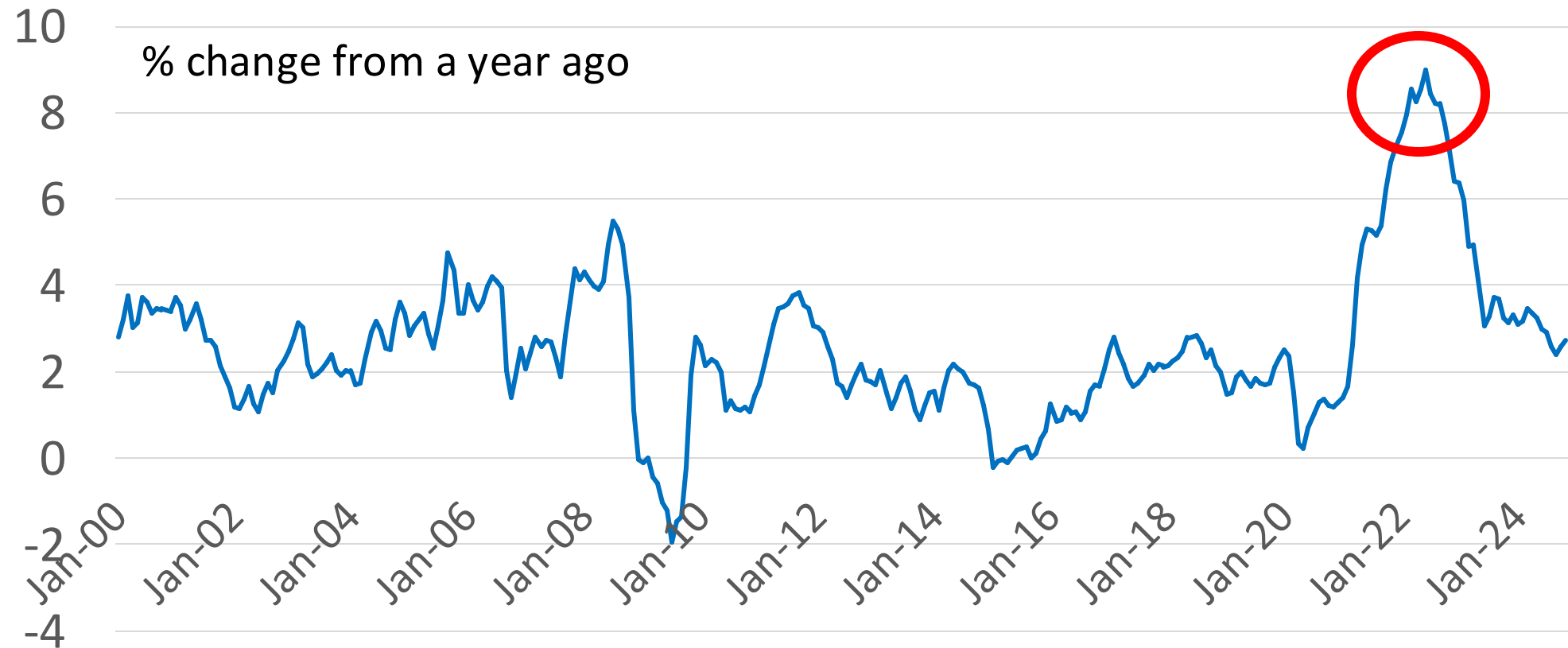
Source: NAR

Housing Crisis of Low Existing-Home Sales ... Two of the Most Difficult Years



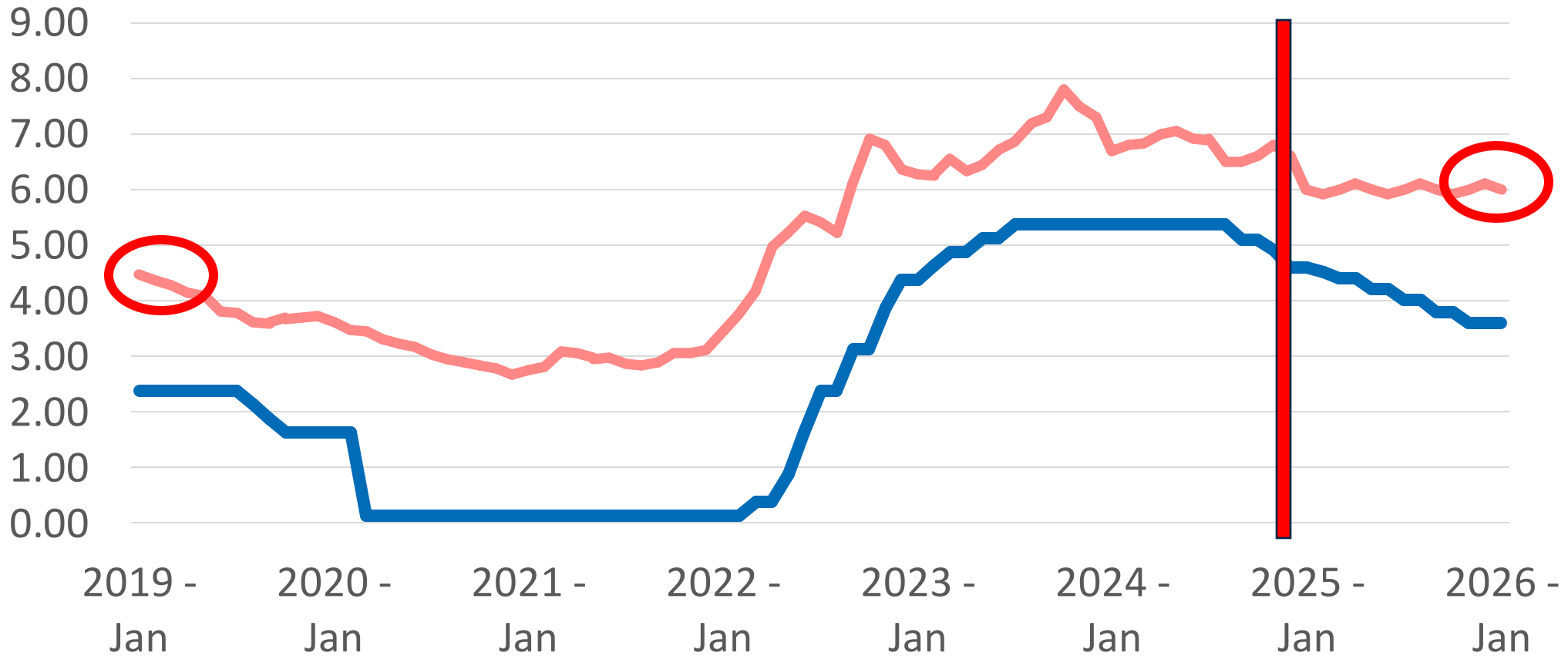
Source: NAR forecast

Fed wants to see CPI to reach 2% ... 2.7% in November



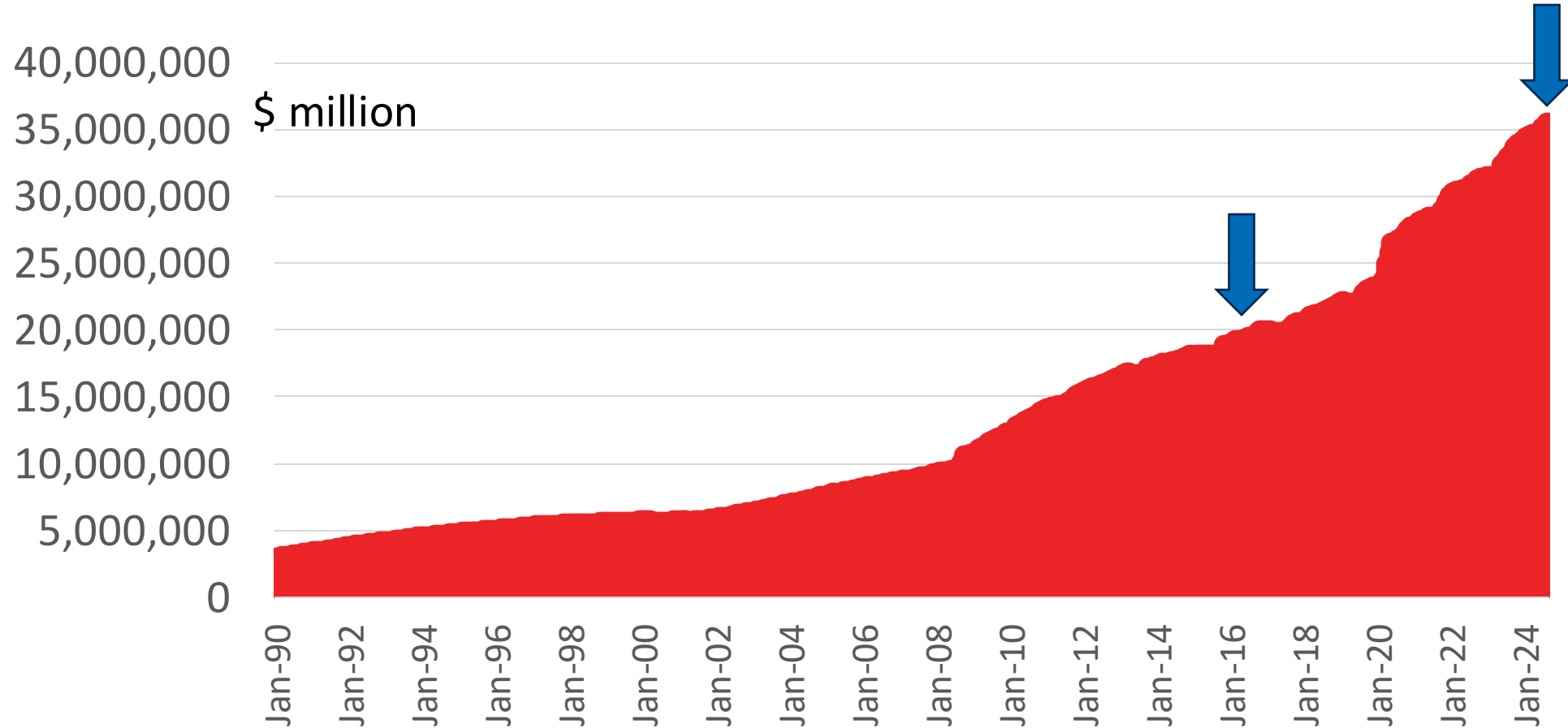
Source: BLS

Expect 4-6 More Rounds of Cuts to Fed Funds Rate, But Mortgage Rate May Not Fall



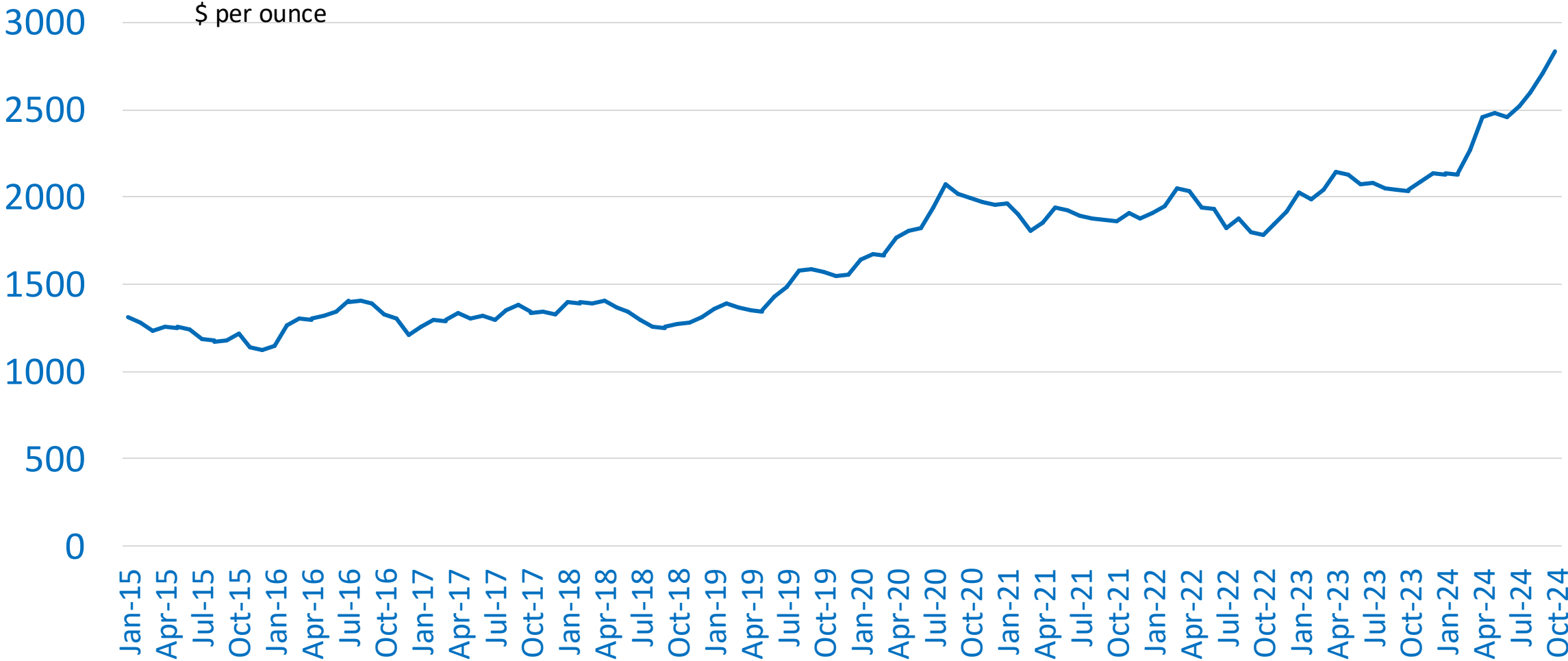
Source: NAR Forecast of Freddie Mac Mortgage Rate

National Debt (cumulative of all past deficits)



Source: Congressional Budget Office

Gold Price ... indicating less trust in paper money



Source: American Eagle Gold Price per troy ounce

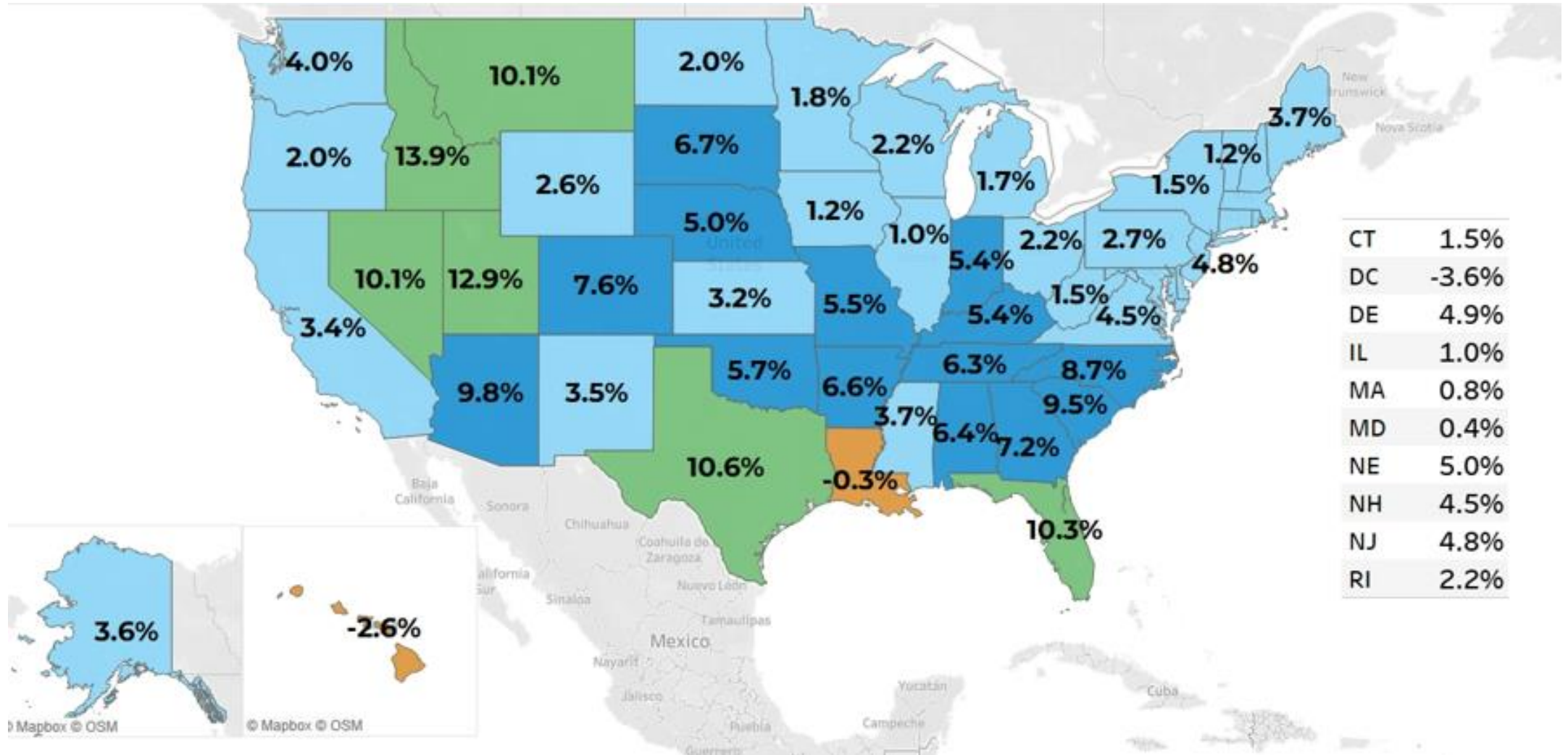


Alternatives to Paper Currency

- **Gold? ... Yes**
- **Cryptocurrency? ... Yes**
- **Real Estate? ... ???**

Job Gains Since Pre-COVID Record High Payroll Employment

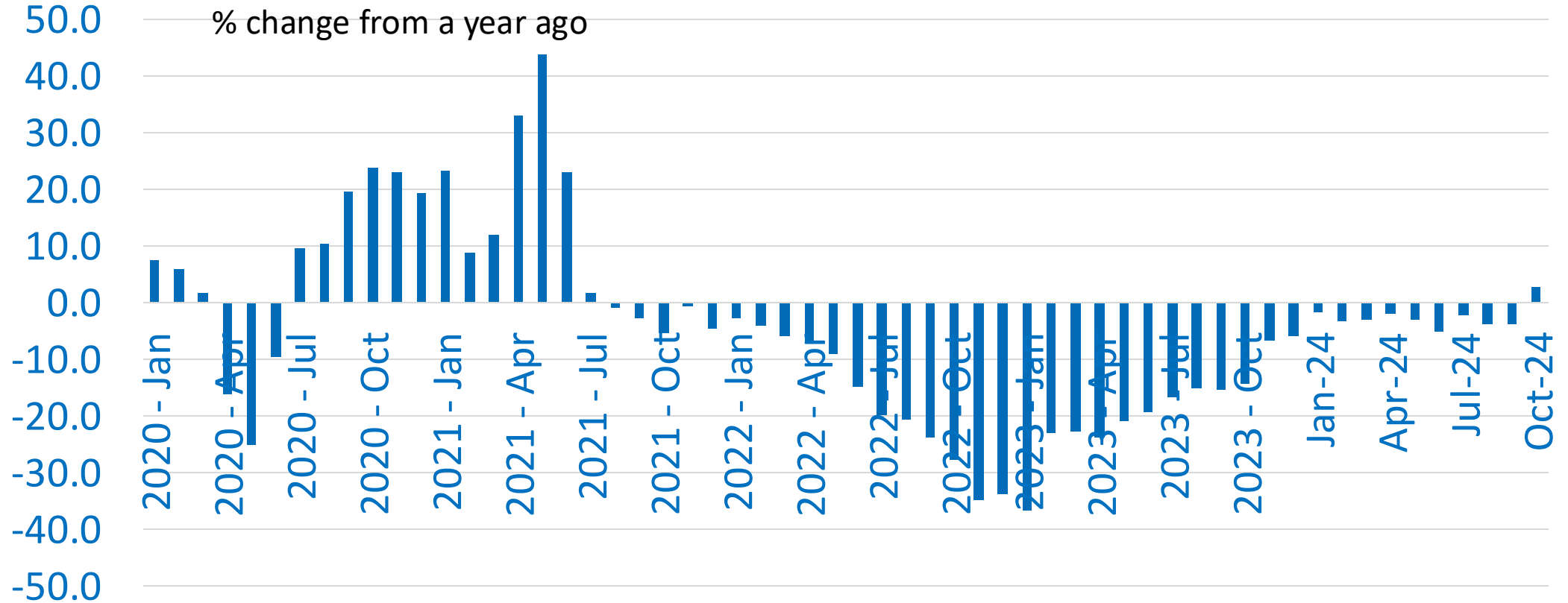
% change from March 2020 to October 2024



Source: NAR Analysis of BLS data

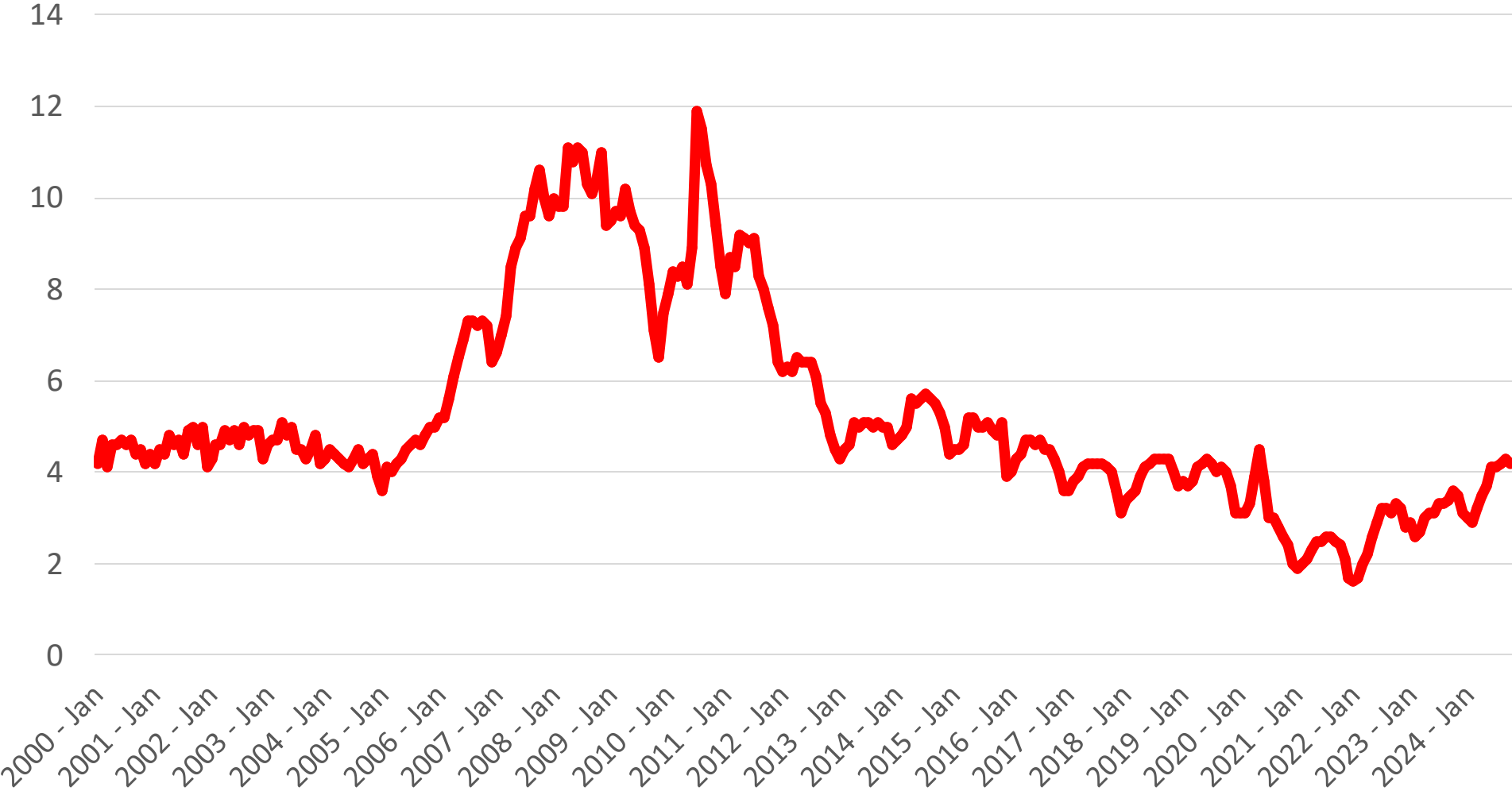
Home Sales Forecast

Existing-Home Sales .. Worst is Over



Source: NAR

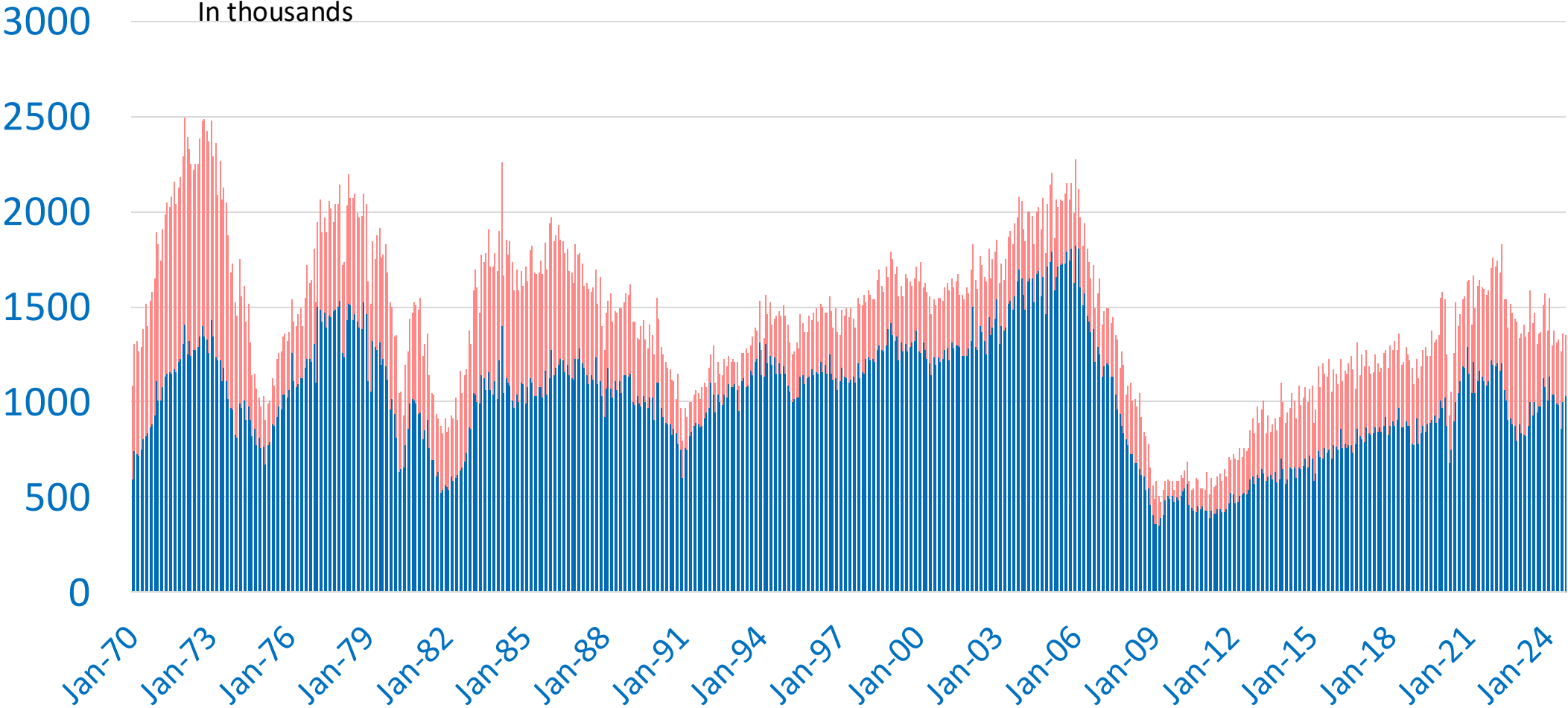
Months' Supply of Inventory



Source: NAR



Housing Starts .. single-family and multifamily



Source:

National Forecast

	2025	2026
Existing Home Sales	+7% to 12%	+10% to 15%
New Home Sales	+11%	+8%
Median Home Price	2%	2%
Mortgage Rate	Near 6%	Near 6%
Job Gains	Near 2 million	Near 2 million

Important Local Factor Variations

- Fewer locked-in homeowners and more inventory growth of starter homes
- More first-time buyer age and higher income millennials
- Slightly lower local mortgage rates
- Faster job growth
- Positive net migration and recent movers' propensity to buy
- Pent-up sellers who have overstayed in their homes
- More local housing wealth to help with the next purchase

Forecast of Top 10 Hot Spots in 2025

(In alphabetical order)

Boston-Cambridge-Newton, MA-NH

Charlotte-Concord-Gastonia, NC-SC

Grand Rapids-Kentwood, MI

Greenville-Anderson, SC

Hartford-East-Hartford-Middletown, CT

Indianapolis-Carmel-Anderson, IN

Kansas City, MO-KS

Knoxville, TN

Phoenix-Mesa-Chandler, AZ

San Antonio-New Braunfels, TX

Thank You !