BURNS

Regional Analysis and Forecast

Published February 20, 2023

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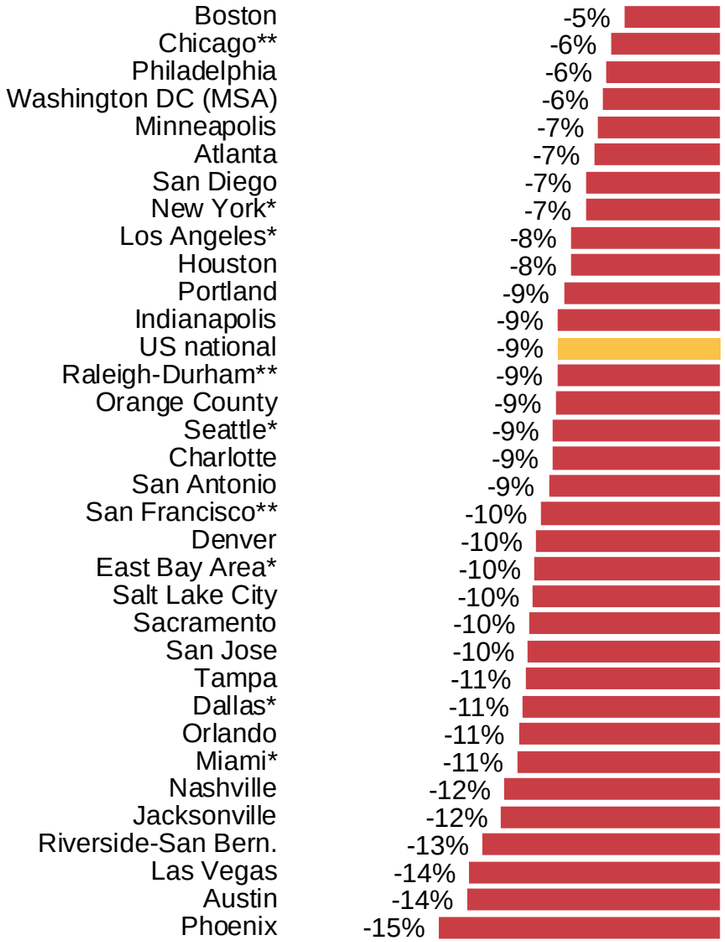
Home Price[1] Forecasts

YOY % change 2023P



We revised up our 2023 forecasts this month in nearly every market.

Home values

Home values have fallen from their 2022 peak levels in all major markets as demand softens due to affordability challenges and economic uncertainty. However, low supply in many markets—particularly in the resale market, given many are locked in at below market rates—will help buffer home price declines.

- We revised our appreciation forecasts to show less of a decline in most markets, though declines are still expected in 2023 and 2024 across all regions.
- The **Southwest** (-12% YOY), **Florida** (-11% YOY), and **Northwest** (-10% YOY) are expected to see the largest home price declines in 2023. Florida and the Southwest saw the greatest run-up in prices since the beginning of the pandemic.
- The **Midwest** (-7% YOY) and **Northeast** (-7% YOY) should see the smallest declines.
- We now expect home values to fall -5% YOY (**Boston**) to -15% YOY (**Phoenix**) in 2023 across the top markets, with the national rollup at -9% YOY (revised from -12% YOY).

1. Burns Home Value Index

*Metro division **Combination of metro divisions (except Raleigh-Durham, which is a combination of metros)

Source: John Burns Real Estate Consulting, LLC (Pub: Feb-23)

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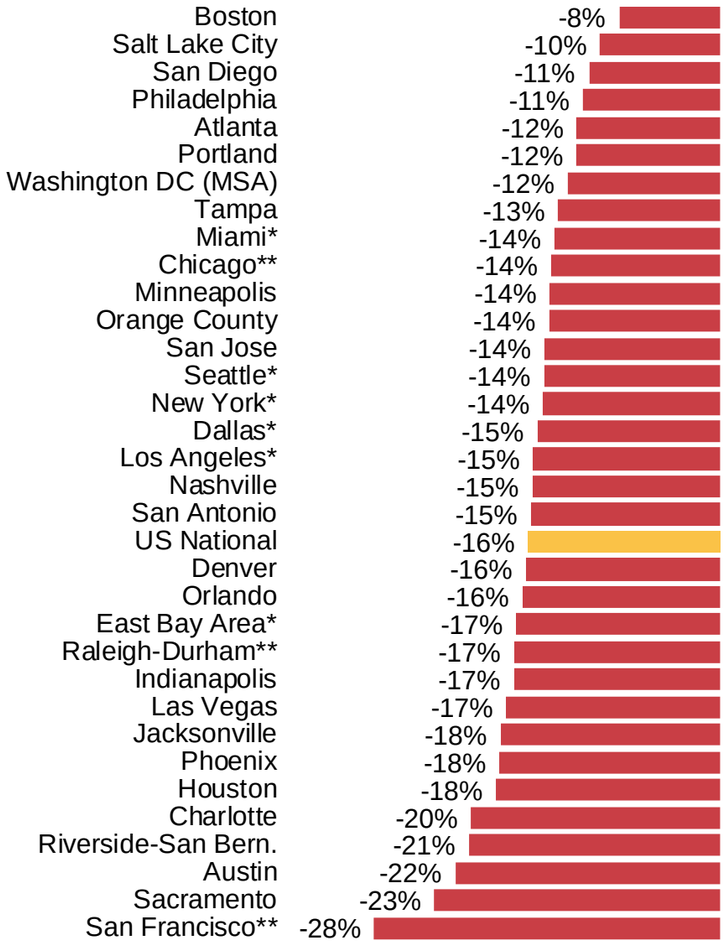
Single-Family Permits Forecasts

YOY % change 2023P



We revised up our 2023 forecasts this month in nearly every market.

Single-Family Permits

The trailing 12-month single-family permit totals are declining YOY across nearly all top markets as of December 2022 as builders respond to weakened demand fundamentals and falling home prices.

- We revised up our single-family permit forecasts in most markets, though still expect declines in 2023 across all regions, followed by modest declines in 2024 in most regions. Nationally, single-family permits should decline -16% in 2023.
- The combination of builders dropping prices far more in 2022Q4 than we expected (and even into January this year), falling lumber costs along with rate buydowns means the industry will start more homes than we previously forecasted, particularly in 2024.
- **Northern California** and **Texas** (-18% YOY) are expected to see the largest declines in single-family permits in 2023, while the **Northeast** and **Northwest** (-13% YOY) should see the smallest declines.
- Nearly every top market is still likely to see double-digit single-family permit declines in 2023, ranging from -8% YOY (**Boston**) to -28% YOY (**San Francisco**).

*Metro division **Combination of metro divisions (except Raleigh-Durham, which is a combination of metros)

Source: John Burns Real Estate Consulting, LLC (Pub: Feb-23)

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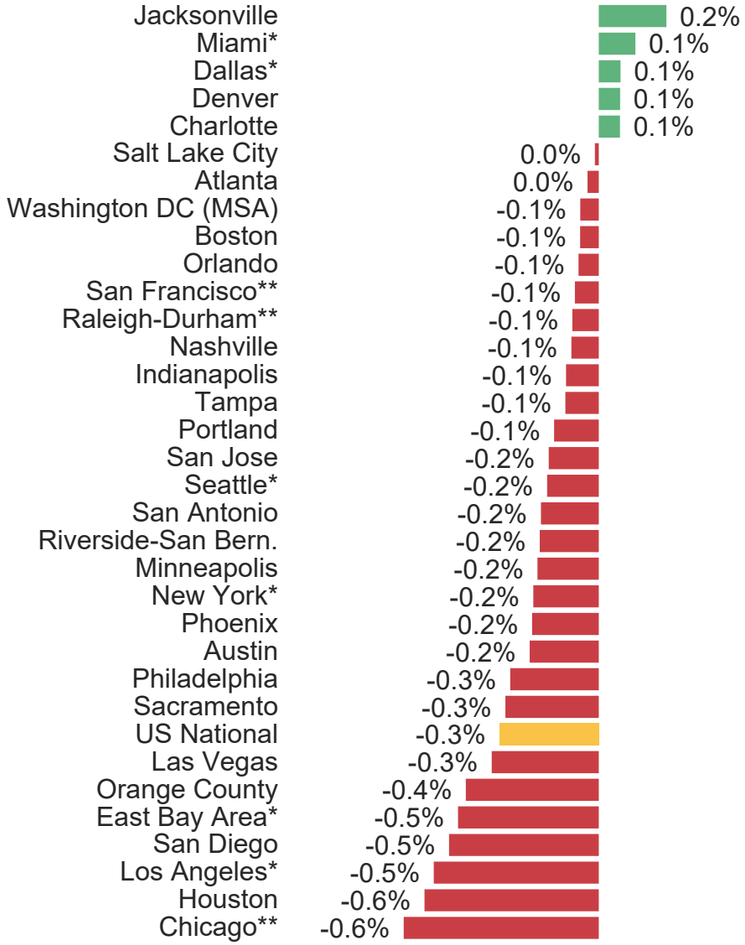
Employment Growth Forecasts

YOY % change 2023P



Source: John Burns Real Estate Consulting, LLC (Pub: Feb-23)

Strong labor markets remain a bright spot for housing for now but will likely cool.

- Job growth remains healthy for now but is cooling across all top markets, with most top markets still posting job growth of 3%+ YOY. Keep in mind: 2.5% YOY employment growth is considered healthy during a typical expansion.
  - Job growth is strongest in **Texas** (4.9% YOY), **Northern Florida** (4.3% YOY), and **Southern Florida** (4.0% YOY).
  - **Austin**, **Jacksonville**, **Dallas**, and **Raleigh-Durham** continue to attract high-income workers, posting robust high-income job growth YOY and current high-income payrolls at 115%+ of their pre-COVID peak.
- Demographic headwinds and the impact of elevated interest rates—particularly on the most interest-rate-sensitive sectors such as construction and financial activities—will continue to weaken labor markets.
  - We expect modest job losses in most markets in 2023, with more of the downturn in employment shifting to 2024.
  - Markets with larger concentrations in interest-rate-sensitive sectors are expected to see outsized job losses. However, to date, many people getting let go in interest-rate-sensitive sectors appear to be finding jobs quickly in other parts of the economy still seeing strength.

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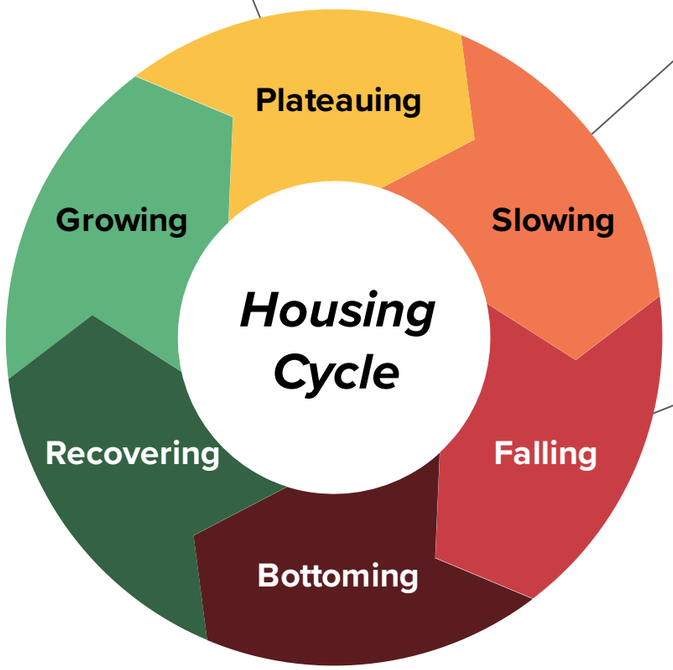
Most top new home markets are in the Slowing/Falling phase of our 1–3-year outlook.

Indianapolis
Miami
New York
Tampa

Atlanta
Boston
Charlotte
Dallas
Houston
Jacksonville
Nashville
Orlando
Orange County
Philadelphia
Portland
Raleigh-Durham
Washington, DC



Austin
Chicago
Denver
East Bay
Las Vegas
Los Angeles
Minneapolis
Phoenix
Riverside-SB
Sacramento
Salt Lake-Provo
San Antonio
San Diego
San Francisco
San Jose
Seattle

Recovering
- Demand stabilizing
- Low returns on capital

Growing
- Rising volumes and prices
- Attracting capital

Plateauing
- Limited volume growth
- Volume concentrated in small number of product types and submarkets
- Decelerating price growth
- Capital returns shrinking or assumptions becoming aggressive

Slowing
- Moderate price appreciation compared to peers
- Modest sales volume growth
- Affordability or supply levels become alarming
- Less attractive to capital

Falling
- Flat or declining prices
- Capital not investing
- Housing industry shrinking

Bottoming
- Low volumes and good affordability
- Distressed capital investing

Note: Market does not need to fit all criteria for each category.
Source: John Burns Real Estate Consulting, LLC (Pub: Feb-23)

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Current New Home Market Conditions

	Feb-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23
Miami*	Very Strong	Strong	Strong	Normal	Normal	Normal	Normal
Indianapolis	Strong	Normal	Normal	Normal	Normal	Normal	Normal
New York*	Strong	Normal	Normal	Normal	Normal	Normal	Normal
Orlando	Very Strong	Normal	Normal	Normal	Normal	Normal	Normal
Tampa	Very Strong	Normal	Normal	Normal	Normal	Normal	Normal
Atlanta	Very Strong	Strong	Normal	Normal	Slow	Slow	Normal
Charlotte	Strong	Normal	Normal	Normal	Slow	Slow	Normal
Orange County	Very Strong	Normal	Slow	Slow	Slow	Slow	Normal
Dallas*	Very Strong	Slow	Slow	Slow	Slow	Slow	Normal
San Diego	Very Strong	Strong	Normal	Slow	Slow	Slow	Slow
Raleigh	Very Strong	Normal	Normal	Slow	Slow	Slow	Slow
Boston	Strong	Normal	Slow	Slow	Slow	Slow	Slow
Chicago**	Normal	Slow	Slow	Slow	Slow	Slow	Slow
Houston	Strong	Slow	Slow	Slow	Slow	Slow	Slow
Jacksonville	Very Strong	Slow	Slow	Slow	Slow	Slow	Slow
Los Angeles*	Very Strong	Slow	Slow	Slow	Slow	Slow	Slow
Nashville	Very Strong	Slow	Slow	Slow	Slow	Slow	Slow
Philadelphia	Strong	Slow	Slow	Slow	Slow	Slow	Slow
Portland	Strong	Slow	Slow	Slow	Slow	Slow	Slow
Seattle*	Strong	Slow	Slow	Slow	Slow	Slow	Slow
Washington, DC	Normal	Slow	Slow	Slow	Slow	Slow	Slow
Riverside	Very Strong	Slow	Slow	Slow	Very Slow	Very Slow	Slow
Denver	Strong	Slow	Slow	Slow	Very Slow	Very Slow	Very Slow
East Bay Area*	Strong	Slow	Slow	Slow	Very Slow	Very Slow	Very Slow
San Jose	Strong	Slow	Slow	Slow	Very Slow	Very Slow	Very Slow
San Antonio	Normal	Slow	Slow	Very Slow	Very Slow	Very Slow	Very Slow
Austin	Very Strong	Slow	Very Slow	Very Slow	Very Slow	Very Slow	Very Slow
Las Vegas	Strong	Slow	Very Slow	Very Slow	Very Slow	Very Slow	Very Slow
Minneapolis	Slow	Slow	Very Slow	Very Slow	Very Slow	Very Slow	Very Slow
Phoenix	Very Strong	Slow	Very Slow	Very Slow	Very Slow	Very Slow	Very Slow
Sacramento	Strong	Slow	Very Slow	Very Slow	Very Slow	Very Slow	Very Slow
San Francisco**	Normal	Slow	Very Slow	Very Slow	Very Slow	Very Slow	Very Slow
Salt Lake City	Strong	Very Slow	Very Slow	Very Slow	Very Slow	Very Slow	Very Slow

*Metro division **Combination of metro divisions (except Raleigh-Durham, which is combination of metros)

Source: John Burns Real Estate Consulting, LLC (Pub: Feb-23)

We upgraded 5 of the top 33 markets this month. 24 of the top 33 markets are rated Slow or Very Slow.

Slow market conditions:

- Average 1–2 sales per community per month
- Weaker pricing environment
- Growing use of incentives for inventory
- Examples of discounting or outright price cuts

Very Slow market conditions:

- Weak traffic and average sales, typically 1.0 or less per community per month
- Prices spiraling down with the use of incentives on a large scale

Legend

- Very Strong
- Strong
- Normal
- Slow
- Very Slow

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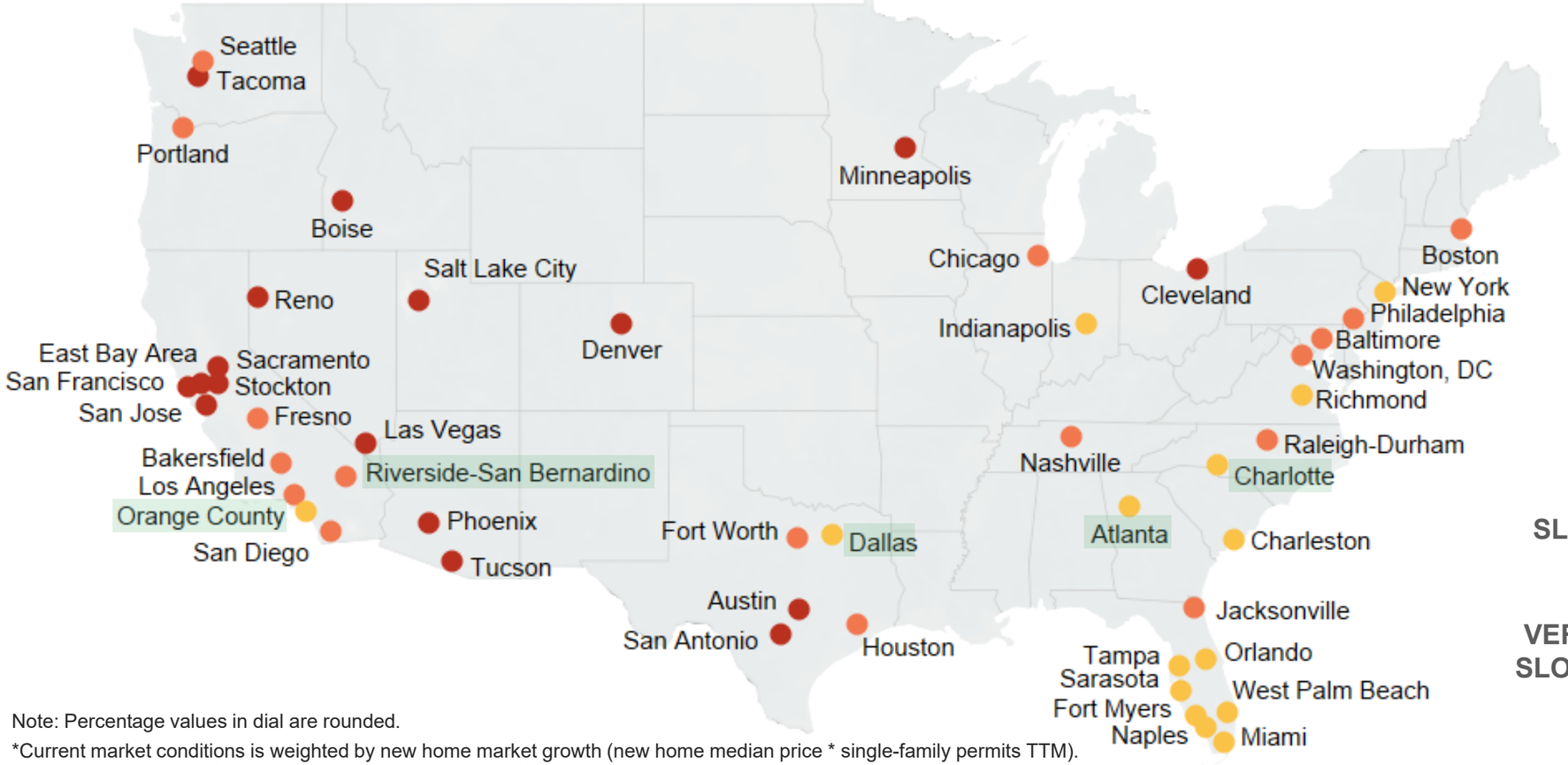
Current new home market conditions overview: We rate 64% of the top 50 markets as Slow or Very Slow, down from 81% last month, as several large markets saw improved conditions.

Current New Home Market Conditions

In the map below, upgraded markets are highlighted in green, and downgraded markets are highlighted in red.



Current New Home Market Conditions

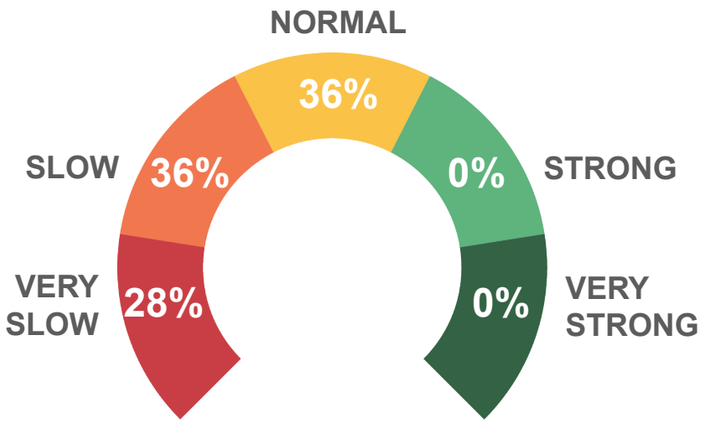
Sales and pricing grades

Slow market conditions:

- Average 1–2 sales per community per month
- Weaker pricing environment
- Growing use of incentives for inventory
- Examples of discounting or outright price cuts

Very Slow market conditions:

- Weak traffic and average sales, typically 1.0 or less per community per month
- Prices spiraling down with the use of incentives on a large scale



Note: Percentage values in dial are rounded.

*Current market conditions is weighted by new home market growth (new home median price * single-family permits TTM). This calculation allows for more accurate representation of how the US is performing as it factors in market size.

Source: John Burns Real Estate Consulting, LLC (Pub: Feb-23)

Click here for information about how we weight markets for our current market conditions distribution.

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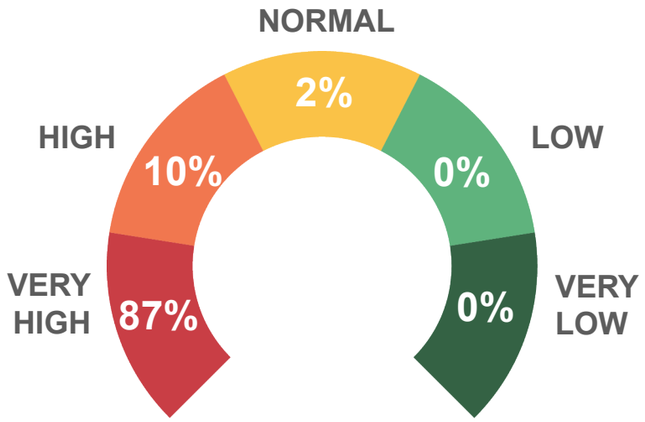
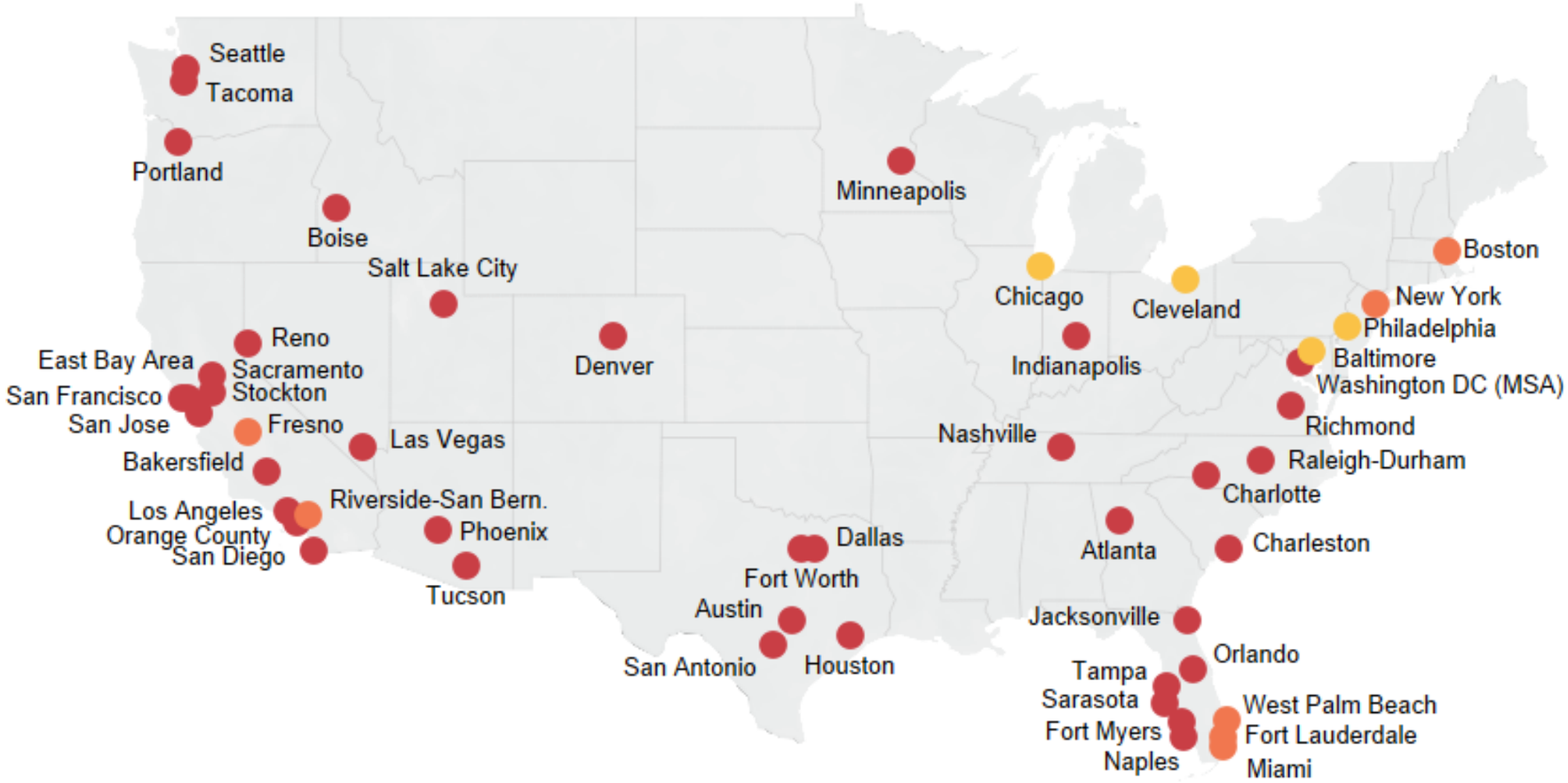
Current market risk overview: Fundamentals in 98% of markets are High Risk or Very High Risk. Affordability weighs very heavily on risk levels today.

Burns Housing Cycle Risk Index™ (HCRI) for 50 Largest Markets

Our Housing Cycle Risk Index measures the health of the underlying market fundamentals (i.e., **demand**, **supply**, and **affordability**) and is a valuable tool for gauging medium-term investment risk within a housing market.





Note: Percentage values in the wheel are weighted by new home market growth (new home median price * single-family permits TTM).
Percent values each quarter may not add up to 100% due to rounding.

Source: John Burns Real Estate Consulting, LLC (Pub: Feb-23)

Click here for information about how we weight markets for our current market conditions distribution.

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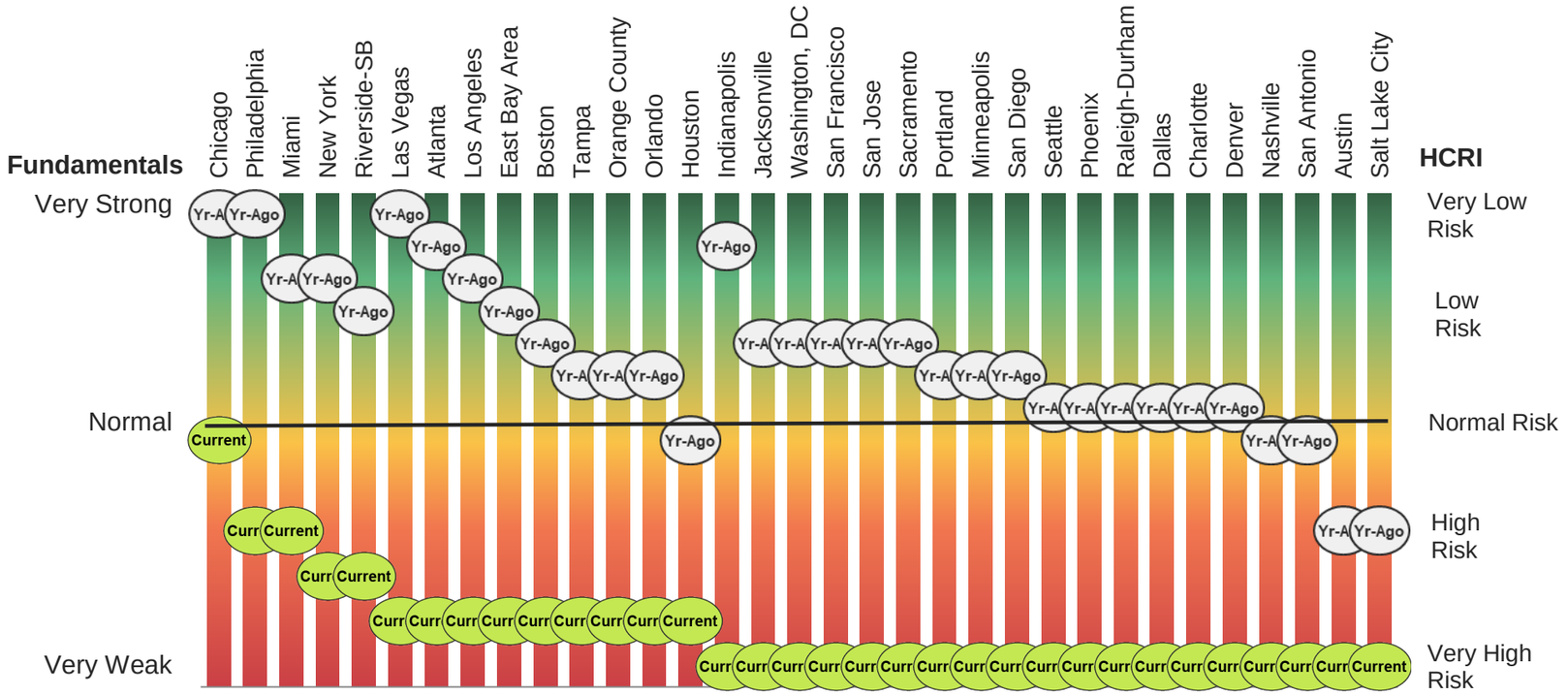
Current market risk overview: The risk level for housing fundamentals has increased for all markets YOY due to weaker affordability and elevated supply compared to one year ago. In many markets, demand fundamentals have weakened due to slowing job growth and decelerating/falling price appreciation.

Housing Cycle Risk Index: Current vs. Prior Year

1 year ago Current HCRI



Housing is a cyclical business. Low-risk conditions occur when demand is strong and rising, supply is low and falling, and mortgage payments are lower than usual in relation to incomes. High-risk times happen when the opposite trends are occurring. Our Housing Cycle Risk Index™ (HCRI) evaluates demand, supply, and affordability in each market to determine whether market risks are high or low compared to the market's history, providing a fuller perspective for our clients. For more information, download our RAF methodology document from the **Additional Research and Analysis** section of your client portal.

Note: Metros without **Yr-Ago** indicator have not changed from last year.

Note: Our Housing Cycle Risk Index (HCRI) is an indicator that measures the level of risk associated with today's housing fundamentals in comparison to history. The HCRI is a risk indicator, not a forecasting tool. It is possible to invest in a high-risk market and do well.

Source: John Burns Real Estate Consulting, LLC (Pub: Feb-23)

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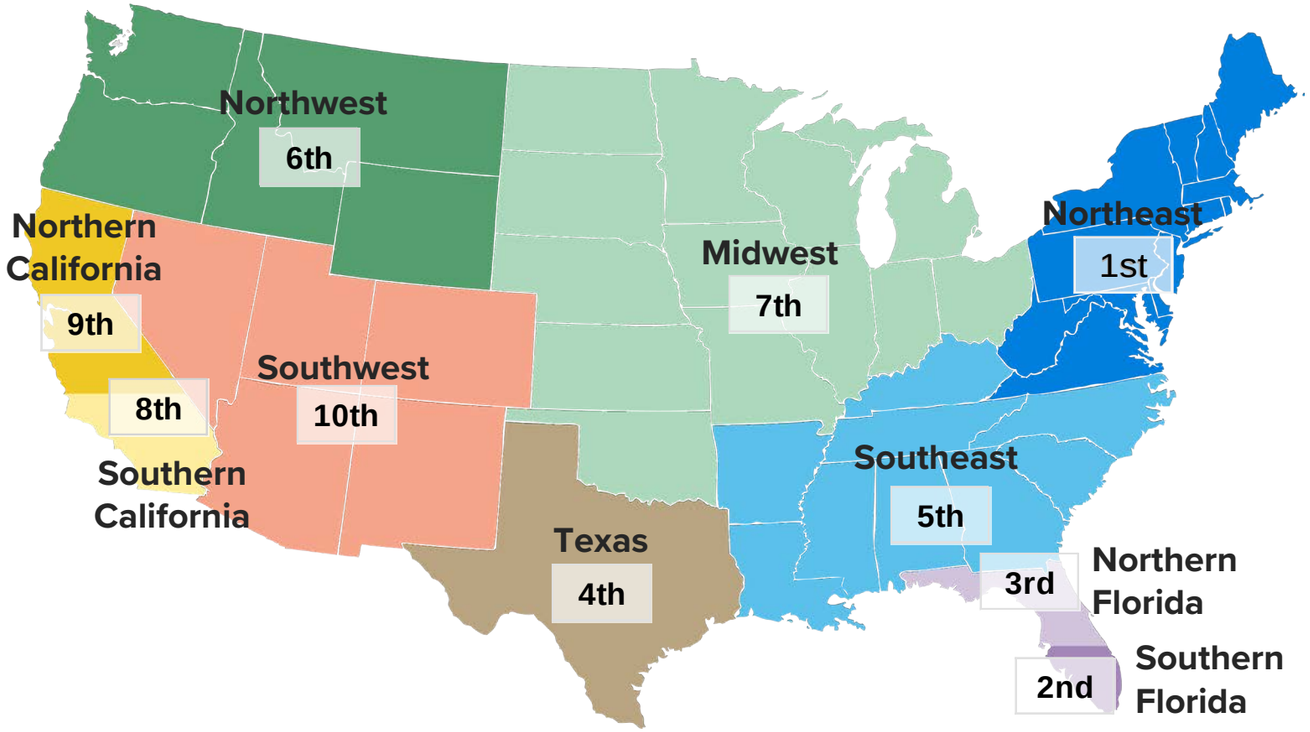
Regional rankings

Housing fundamentals have weakened across the country, but our channel checks* confirm that some regions are impacted more than others. The Northeast shows less of a decline in fundamentals.

February 2023 Regional Ranking Overview



JBREC Overall Rank**	Region	Channel Check Rank
#1	Northeast	#4
#2	S. Florida	#2
#3	N. Florida	#1
#4	Texas	#5
#5	Southeast	#3
#6	Northwest	#6
#7	Midwest	#8
#8	S. California	#7
#9	N. California	#9
#10	Southwest	#10

Note: The Northern California region includes Reno, NV.

*The channel check ranking is based on market ratings of new home indicators, including sales, pricing, finished inventory, and cancelations.

**We base our regional ranking on analysis of the following factors and the weight we assign each (in parentheses): Channel checks (qualitative market color) (18% weight), YOY job growth (17%), Burns Under/Overpriced Market Index™ (15%), resale months of supply (10%), YOY existing home sale closings (10%), net % of builders raising prices in our builder survey (10%), YOY price appreciation (10%), and permit-to-peak ratio (10%).

Source: John Burns Real Estate Consulting, LLC (Pub: Feb-23)

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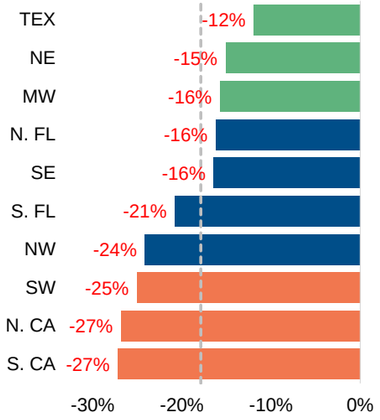
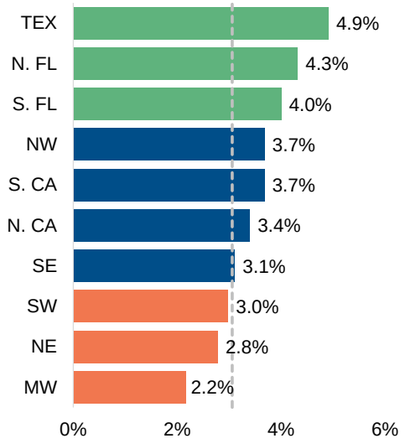
Regional rankings by metric

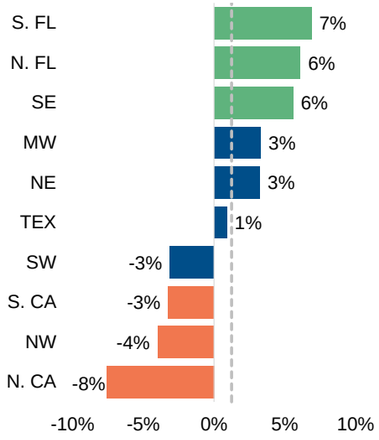
YOY Existing Home Sale Closings Volume Change (TTM)



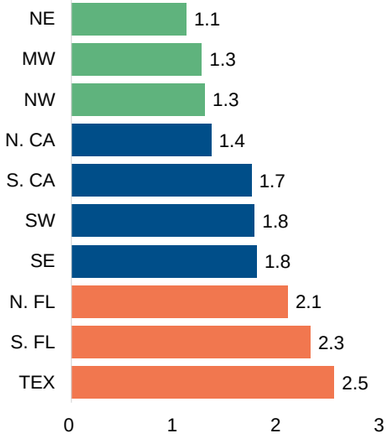
Job Growth



YOY Burns Home Value Index™

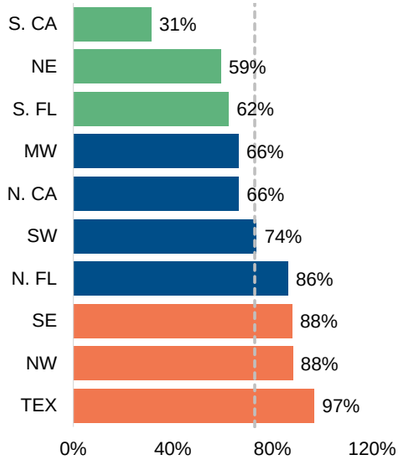


Months of Resale Supply

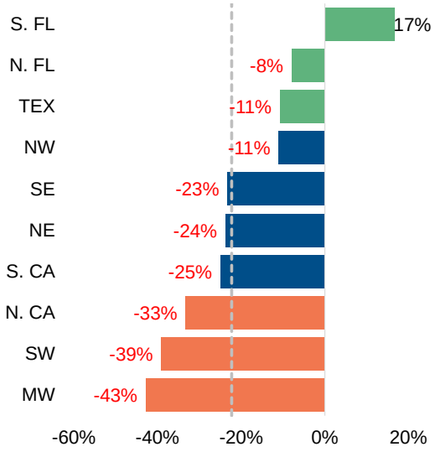


Southern Florida leads in YOY home price appreciation, while Texas leads in YOY job growth.

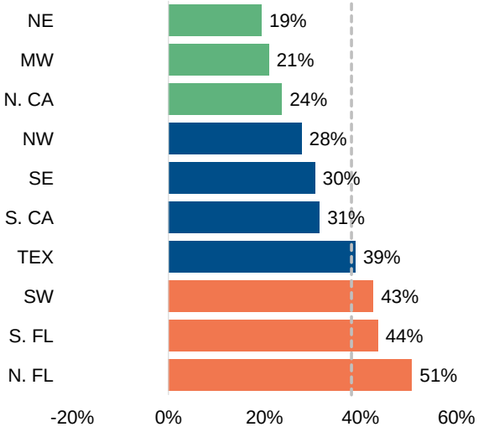
Total Permits % of Peak



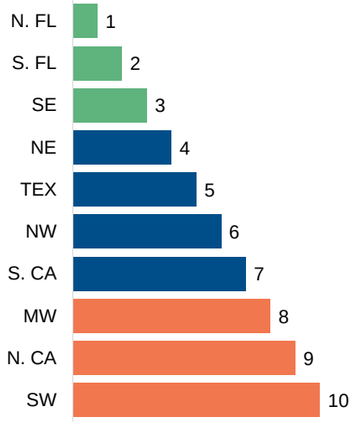
Net % of Builders Raising Prices



Burns Under/Overpriced Market Index™



Channel Check Ranking



Note

Dotted gray lines represent current national averages in our *US Housing Analysis and Forecast* report.

Net % of builders raising prices MOM calculation is based on our Builder Survey and therefore is subject to sample size constraints.

Burns Under/Overpriced Market Index™ shows how much a market is underpriced or overpriced compared to long-term fundamentals. This new index adjusts for the fundamental shifts in several markets that we believe are now permanently more/less expensive due to increased demand or limited supply.

Note: Net % of builders raising prices MOM: Some regions are subject to a small sample of builders.

Source: John Burns Real Estate Consulting, LLC (Data: Dec-22/Jan-23/Feb-23, Pub: Feb-23)

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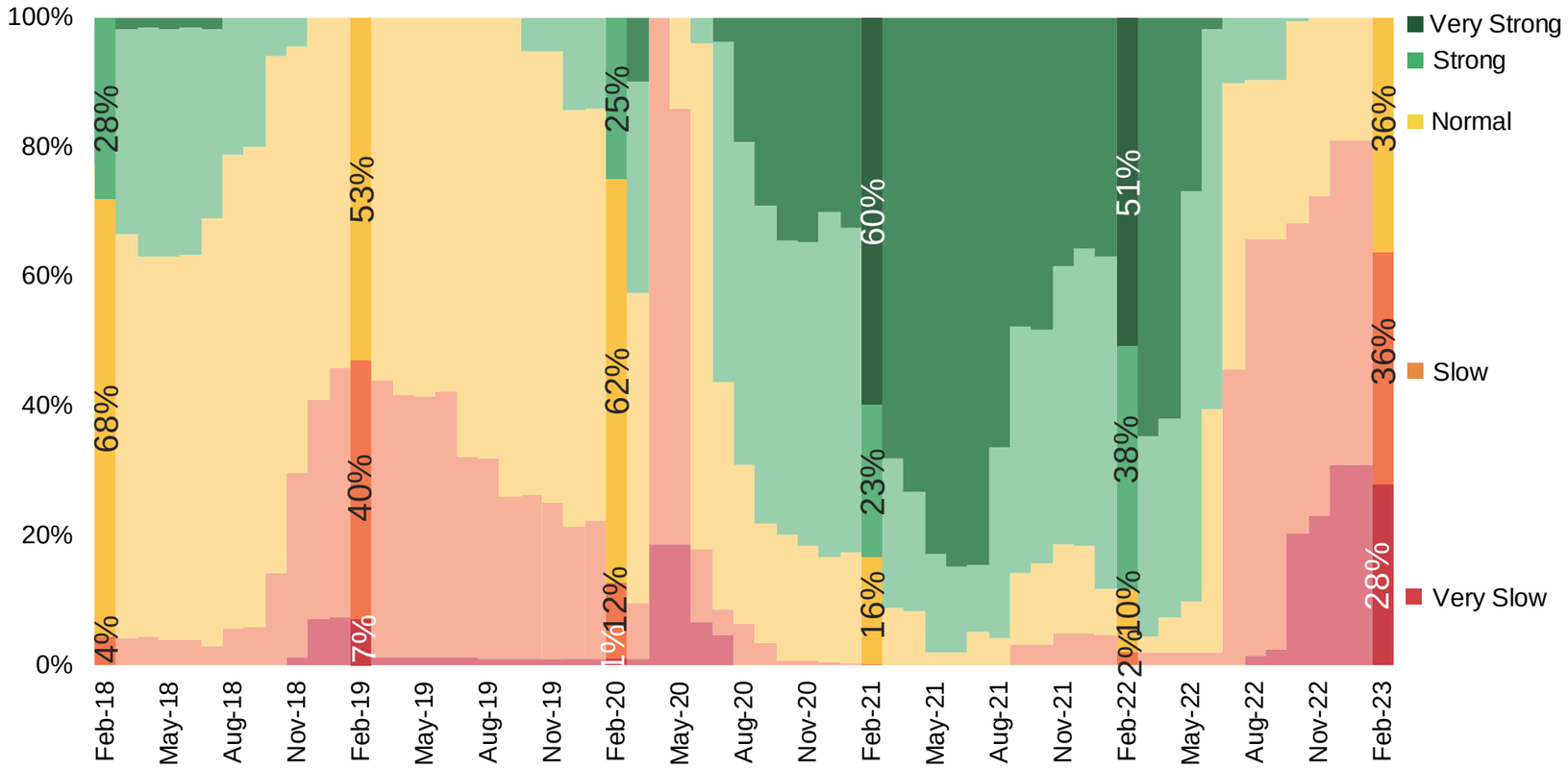
Current new home sales/pricing trends are Slow or Very Slow in 64% of top markets—a significant shift since spring 2022.

Current Market Conditions

50 top housing markets (weighted averages)*



Slow market conditions:

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- Examples of discounting or outright price cuts

Very Slow market conditions:

- Weak traffic and average sales, typically 1.0 or less per community per month
- Prices spiraling down with the use of incentives on a large scale

*Current market conditions are weighted by new home market growth (new home median price * single-family permits TTM). This calculation allows for more accurate representation of how the US is performing as it factors in market size.

Note: Percentages may not add up to 100% due to rounding, as in some months, fewer than 50 markets are rated.

Source: John Burns Real Estate Consulting, LLC (Pub: Feb-23)

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Real-time data: supply and demand fundamentals for top markets compared to the same period one year ago (2023–2022)

Redfin (as of January 29)

Market	Total Listings YOY % Change	Pending Sales YOY % Change	New Listing Price YOY % Change	Market	Total Listings YOY % Change	Pending Sales YOY % Change	New Listing Price YOY % Change
Atlanta	40%	N/A	4%	Orange County	31%	-47%	-3%
Austin	137%	-53%	0%	Orlando	90%	-40%	10%
Boston	11%	-29%	13%	Philadelphia	4%	-35%	4%
Chicago	-4%	0%	-6%	Phoenix	77%	-58%	3%
Dallas	108%	N/A	7%	Portland	54%	-46%	5%
Denver	99%	-30%	5%	Raleigh-Durham	52%	-50%	6%
East Bay Area	26%	-46%	5%	Riverside-San Bern.	37%	-52%	3%
Houston	49%	-37%	6%	Sacramento	43%	-49%	2%
Indianapolis	38%	-20%	14%	San Antonio	84%	N/A	2%
Jacksonville	56%	-51%	4%	San Diego	32%	-45%	0%
Las Vegas	81%	-61%	-1%	San Francisco Bay Area	-2%	-55%	8%
Los Angeles	14%	-51%	0%	San Jose	40%	-54%	-4%
Miami	5%	-50%	9%	Seattle	139%	-38%	0%
Minneapolis	21%	-39%	-2%	Tampa	147%	-33%	4%
Nashville	126%	-50%	15%	Washington, DC	17%	-42%	7%
New York	-7%	-55%	5%				

Year over year, most top markets recorded increased total listings, reduced pending sales, and mostly positive—though decelerating—growth in new listing prices.

Total listings are trending up YOY in many markets, with some of the largest increases in **Tampa** (147%), **Seattle** (139%), and **Austin** (137%).

Market areas in this data set may not align with metro area definitions used by JBREC in other reports and data sets (i.e., values will not match). All data is subject to revisions and should be used with caution.

Note: Charlotte and Salt Lake City are not included due to insufficient data.
Source: Data provided by Redfin, a national real estate brokerage, collected by John Burns Real Estate Consulting (Data: Week ending 1/29/23, Pub: Feb-23)

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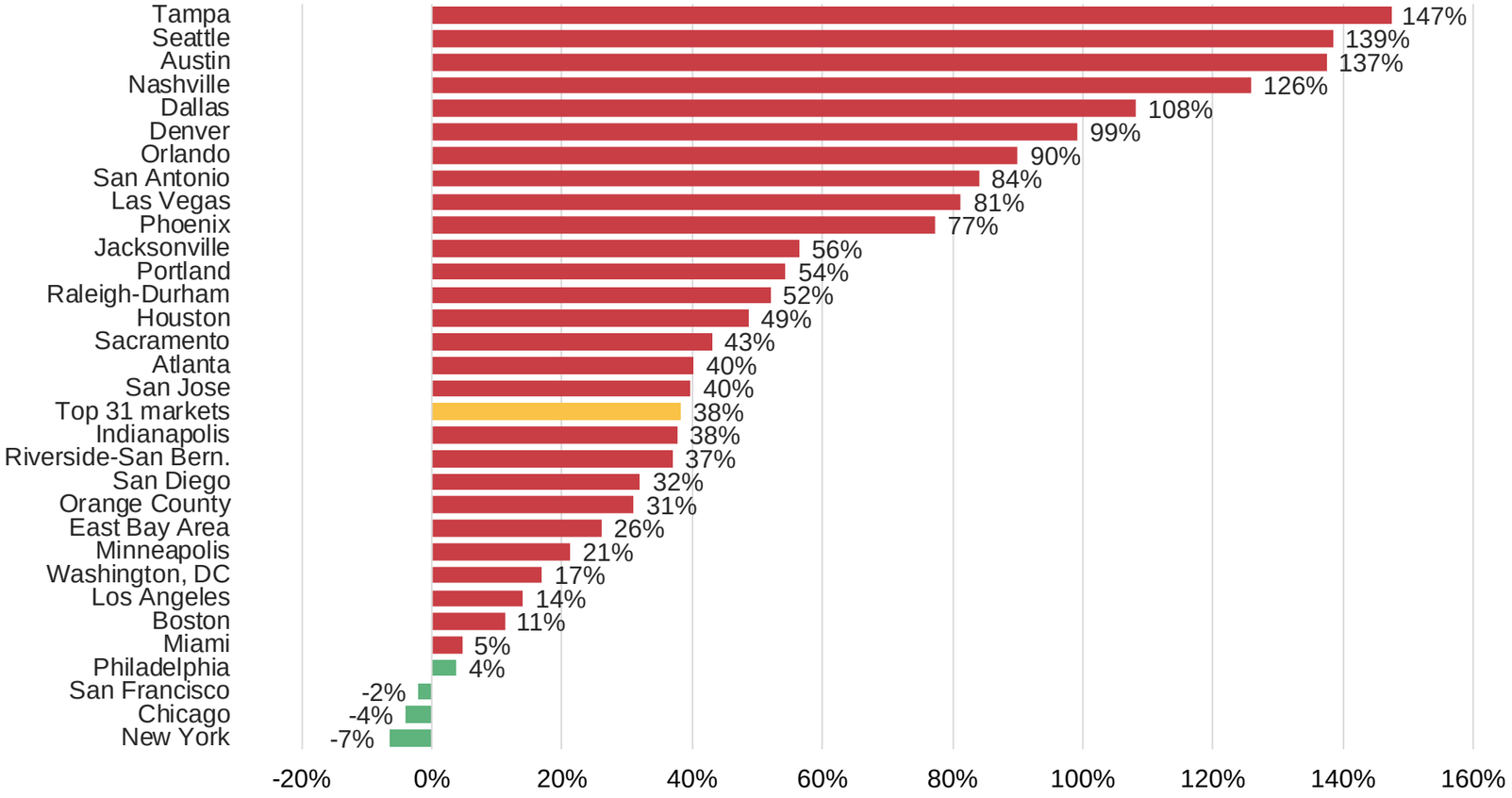
Total listings are up 38% YOY on average across top markets. Tampa saw the largest increase, at 147% YOY, while New York saw a -7% decrease YOY.

Inventory (Total Listings)

YOY% change



Market areas in this data set may not align with metro area definitions used by JBREC in other reports and data sets (i.e., values will not match). All data is subject to revisions and should be used with caution.

Note: Charlotte and Salt Lake City are not included due to insufficient data.
Source: Data provided by Redfin, a national real estate brokerage, collected by John Burns Real Estate Consulting (Data: Week ending 1/29/23, Pub: Feb-23)

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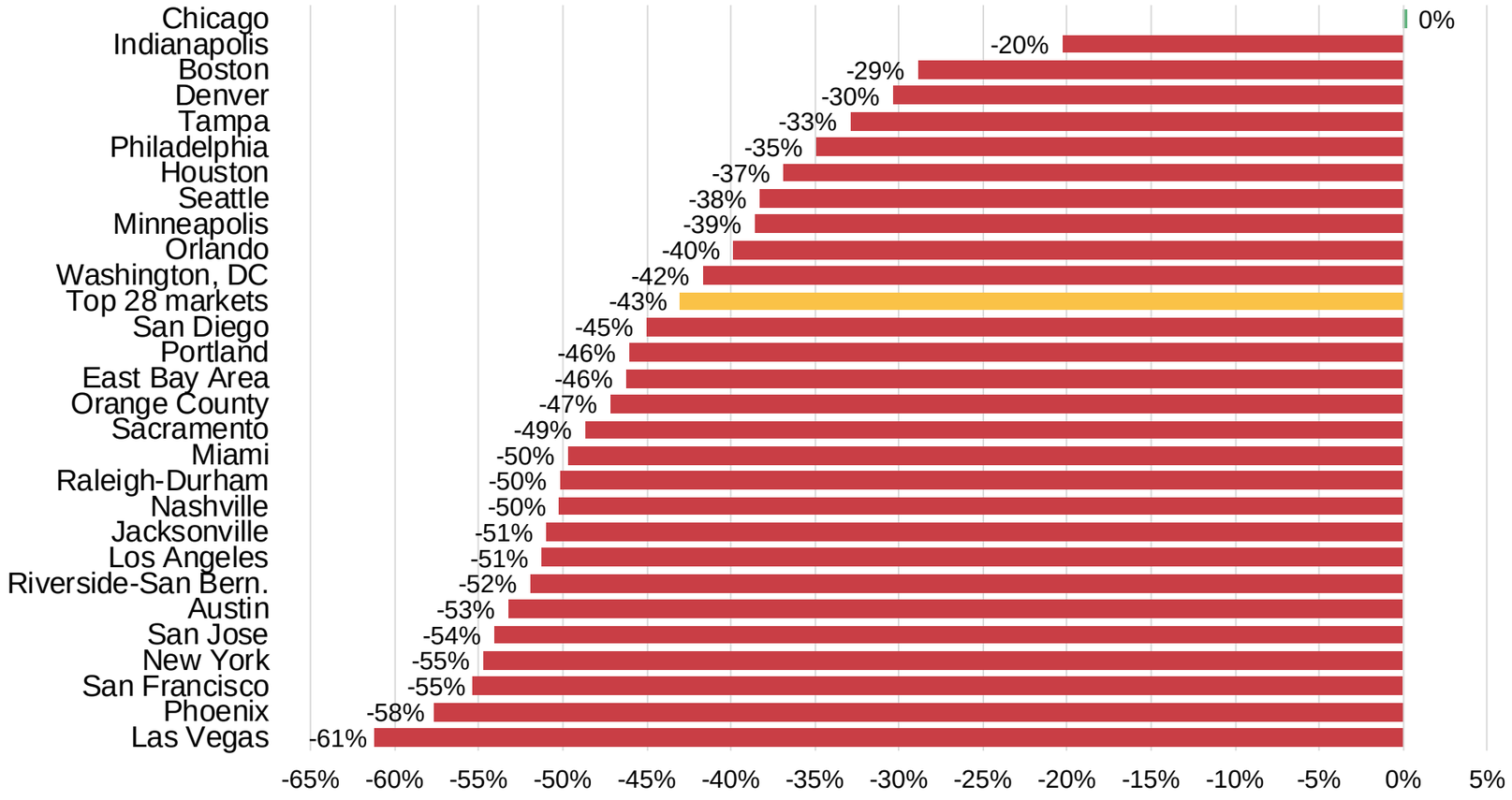
Pending sales fell YOY across nearly all top markets, declining -43% from one year ago on average. Pending sales fell -61% in Las Vegas but held roughly flat in Chicago.

Pending Sales

Rolling 4-week total, YOY% change



Market areas in this data set may not align with metro area definitions used by JBREC in other reports and data sets (i.e., values will not match). All data is subject to revisions and should be used with caution.

Note: Atlanta, Dallas, San Antonio, Charlotte and Salt Lake City are not included due to insufficient data.
Source: Data provided by Redfin, a national real estate brokerage, collected by John Burns Real Estate Consulting (Data: Week ending 1/29/23, Pub: Feb-23)

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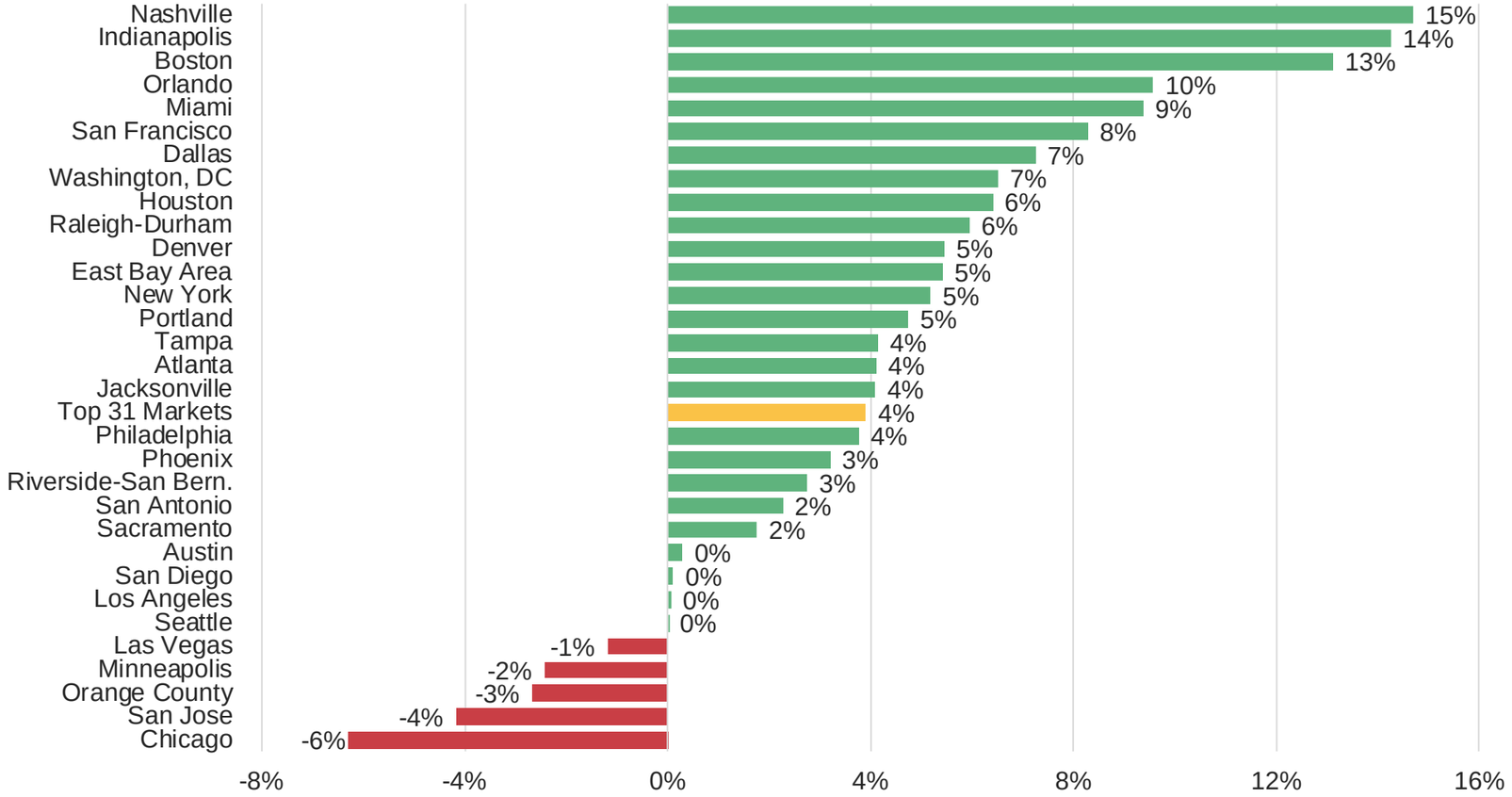
New listing prices are up 4% from one year ago. Nashville saw the largest increase, at 15% YOY, while Chicago saw a -6% decrease YOY.

Median New Listing Price

YOY% change



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Note: Charlotte and Salt Lake City are not included due to insufficient data.
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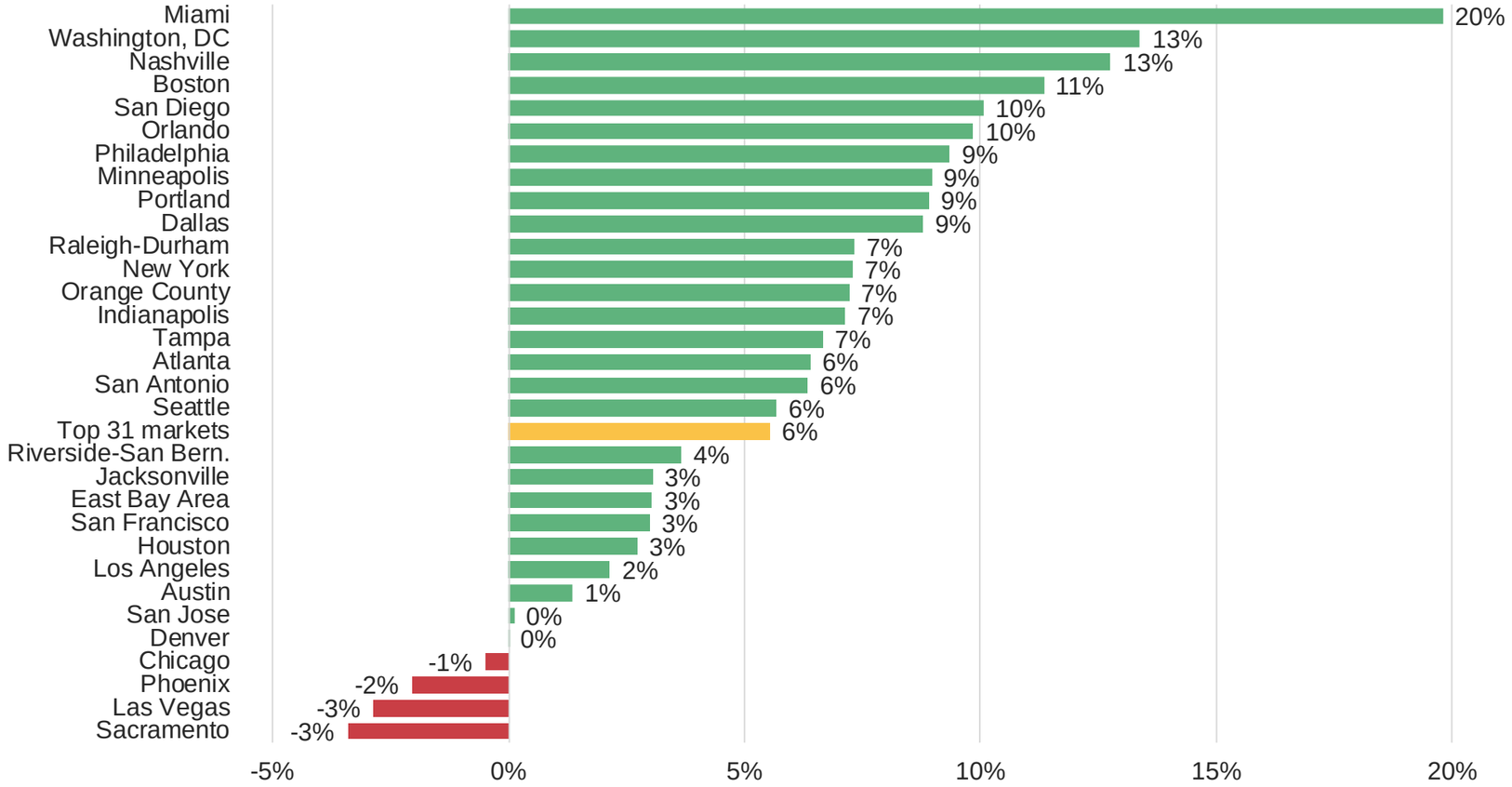
Active listing prices are up 6% YOY in the top markets, but growth has decelerated in recent months. Sacramento recorded a YOY decline of -3%.

Median Active List Price

YOY% change



Market areas in this data set may not align with metro area definitions used by JBREC in other reports and data sets (i.e., values will not match). All data is subject to revisions and should be used with caution.

Note: Charlotte and Salt Lake City are not included due to insufficient data.
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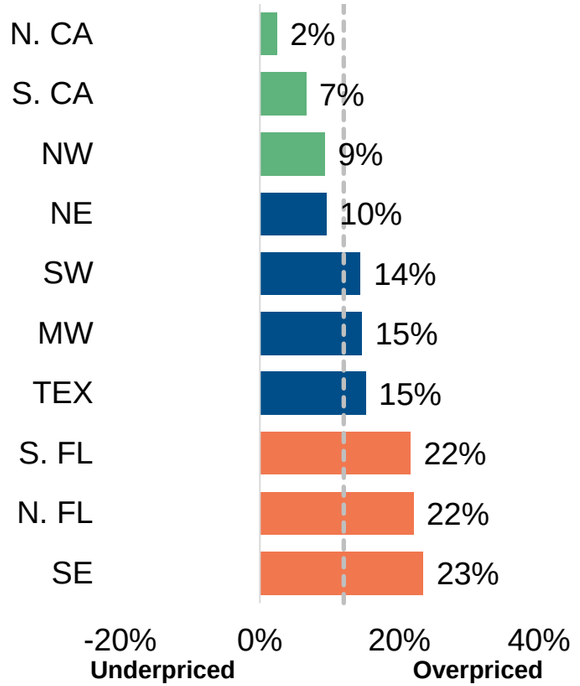
Forecasts

2023 forecasts: We expect declines in home price appreciation, single-family permits, and employment in every region in 2023.

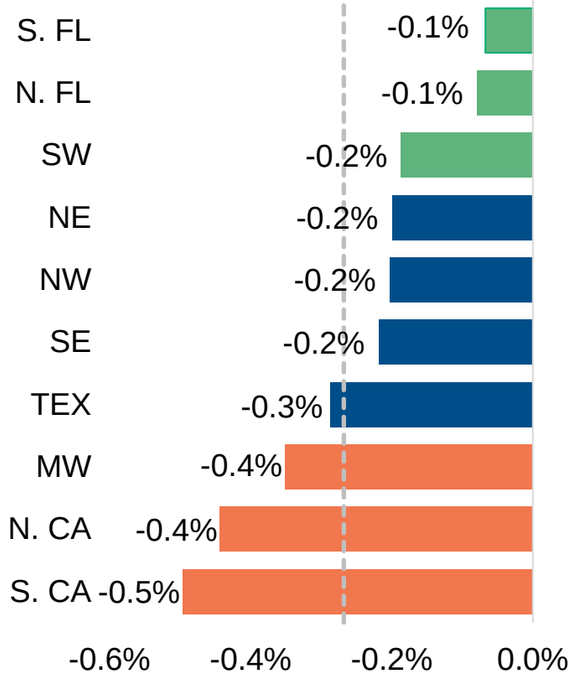
2023P Forecasts

Burns Under/Overpriced Market Index



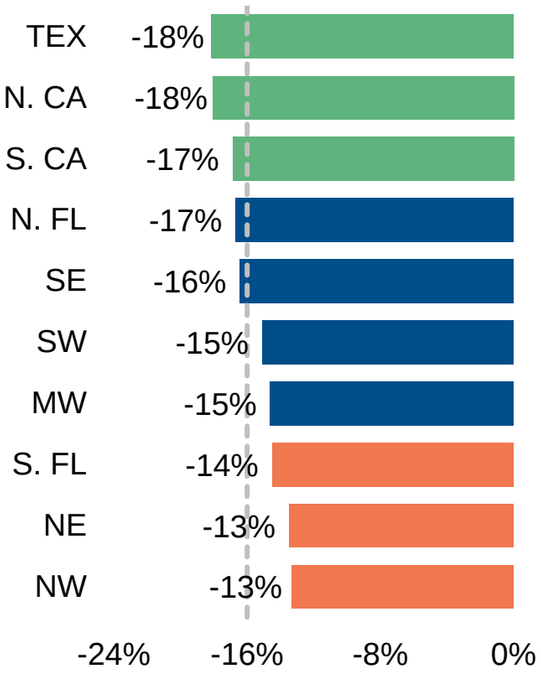
Employment Growth

YOY

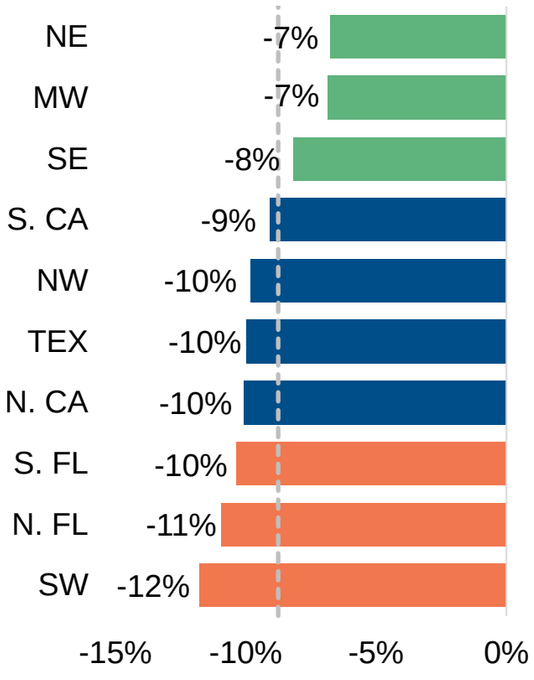


Single-Family Permits Growth

YOY



Burns Home Value Index™



All dotted gray lines represent forecasts for core metros in the *Regional Analysis and Forecast.*

Burns Under/Overpriced Market Index™: Created to better analyze how much a market is underpriced or overpriced compared to the market's own long-term housing-cost-to-income ratio. We attempt to account for other market fundamentals and any perceived permanent changes to a market's demand and supply factors.

Source: John Burns Real Estate Consulting, LLC (Pub: Feb-23)

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We expect home price appreciation, single-family permits, and employment to decline YOY across nearly all top markets in 2023.

2023 Forecasts			
Metro	Burns Home Value Index (YOY)	Single-Family Permits (YOY)	Employment (YOY)
Atlanta	-7%	-12%	0.0%
Austin	-14%	-22%	-0.2%
Boston	-5%	-8%	-0.1%
Charlotte	-9%	-20%	0.1%
Chicago**	-6%	-14%	-0.6%
Dallas*	-11%	-15%	0.1%
Denver	-10%	-16%	0.1%
East Bay Area*	-10%	-17%	-0.5%
Houston	-8%	-18%	-0.6%
Indianapolis	-9%	-17%	-0.1%
Jacksonville	-12%	-18%	0.2%
Las Vegas	-14%	-17%	-0.3%
Los Angeles*	-8%	-15%	-0.5%
Miami*	-11%	-14%	0.1%
Minneapolis	-7%	-14%	-0.2%
Nashville	-12%	-15%	-0.1%
New York*	-7%	-14%	-0.2%

2023 Forecasts			
Metro	Burns Home Value Index (YOY)	Single-Family Permits (YOY)	Employment (YOY)
Orange County	-9%	-14%	-0.4%
Orlando	-11%	-16%	-0.1%
Philadelphia	-6%	-11%	-0.3%
Phoenix	-15%	-18%	-0.2%
Portland	-9%	-12%	-0.1%
Raleigh-Durham**	-9%	-17%	-0.1%
Riverside-San Bern.	-13%	-21%	-0.2%
Sacramento	-10%	-23%	-0.3%
Salt Lake City	-10%	-10%	0.0%
San Antonio	-9%	-15%	-0.2%
San Diego	-7%	-11%	-0.5%
San Francisco**	-10%	-28%	-0.1%
San Jose	-10%	-14%	-0.2%
Seattle*	-9%	-14%	-0.2%
Tampa	-11%	-13%	-0.1%
Washington, DC	-6%	-12%	-0.1%

Price appreciation is forecasted to decrease the most YOY in Phoenix (-15%).

Single-family permits are forecasted to decline the most YOY in San Francisco (-28%).

Note: Employment YOY growth is measured as the percentage change between forecasted 2023 annual average employment and 2022 annual average employment.
Note: Burns Home Value Index™ (BHVI) YOY growth is measured as the percentage change between Dec-22 BHVI and Dec-23 BHVI.
Note: Single-Family Permits YOY growth is measured as the percentage change between the trailing twelve months of single-family permits through Dec-23 and the trailing twelve months of single-family permits through Dec-22.
Source: John Burns Real Estate Consulting, LLC (Pub: Feb-23)

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Forecasted New Home Market Growth (Dec-22 to Dec-24P)

Rank	Market	Market Growth %[1]	SF Permit Growth	Price Appreciation[2]
1	San Diego	-14%	-8%	-7%
2	Minneapolis	-18%	-12%	-7%
3	Chicago**	-19%	-12%	-8%
4	Orange County	-19%	-14%	-6%
5	Seattle*	-20%	-10%	-11%
6	San Antonio	-20%	-13%	-8%
7	Boston	-20%	-8%	-13%
8	Salt Lake City	-20%	-7%	-14%
9	Los Angeles*	-22%	-18%	-5%
10	Philadelphia	-22%	-12%	-11%
11	Washington, DC	-23%	-13%	-11%
12	Portland	-24%	-13%	-13%
13	Indianapolis	-25%	-16%	-11%
14	Houston	-25%	-17%	-10%
15	New York*	-25%	-17%	-10%
16	Atlanta	-26%	-12%	-15%
17	East Bay Area*	-26%	-17%	-11%
18	San Jose	-26%	-17%	-11%
19	Denver	-26%	-16%	-12%
20	Dallas*	-26%	-16%	-12%
21	Miami*	-27%	-14%	-16%
22	Orlando	-28%	-14%	-16%
23	Raleigh-Durham**	-28%	-16%	-14%
24	Phoenix	-29%	-19%	-13%
25	Nashville	-29%	-18%	-14%
26	Las Vegas	-29%	-19%	-13%
27	Riverside-San Bern.	-31%	-25%	-8%
28	Tampa	-31%	-16%	-18%
29	Sacramento	-31%	-22%	-12%
30	Charlotte	-32%	-23%	-12%
31	Austin	-33%	-22%	-14%
32	Jacksonville	-34%	-21%	-17%
33	San Francisco**	-40%	-32%	-12%

Source: John Burns Real Estate Consulting, LLC (Pub: Feb-23)

Through 2024, we expect new home market growth (SF construction and home prices) to decrease in all top markets due to shrinking supply and a price correction in all top metros.

Among top markets, San Francisco, Jacksonville, and Austin new home market growth will lag at -33% or greater and decline from 2022 through 2024 due to a large decline in single-family permit activity (-21% or greater) and negative price appreciation (-12% or greater).

(1) We calculate forecasted market growth based on our forecasted single-family permit growth and net new home price appreciation.

(2) Net New Home Appreciation Forecast Dec.–Dec.

*Metro division **combination of metro divisions (except Raleigh-Durham, which is combination of metros)

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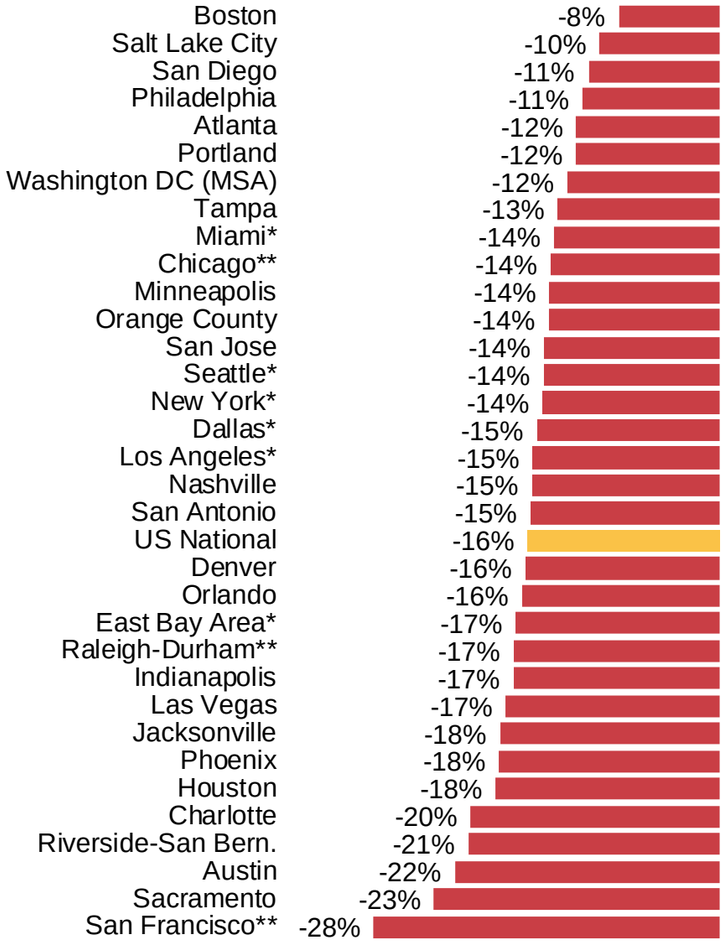
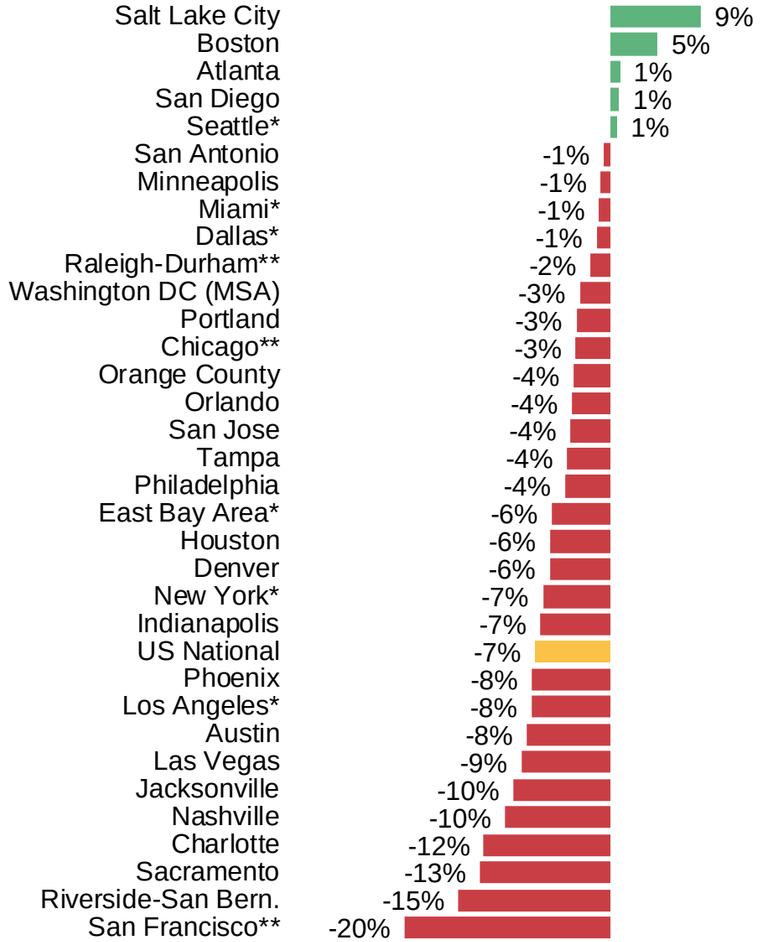
Single-Family Permits Forecasts

YOY % change 2023P



4-Year Single-Family Permit Forecasts

% change Dec-2022 to Dec-2026P (4 years)



Single-family permits will decrease by double-digit rates for nearly all top markets in 2023. Most top markets are expected to show lower single-family permits in 2026 than in 2022.

*Metro division **combination of metro divisions (except Raleigh-Durham, which is combination of metros)

Source: John Burns Real Estate Consulting, LLC (Pub: Feb-23)

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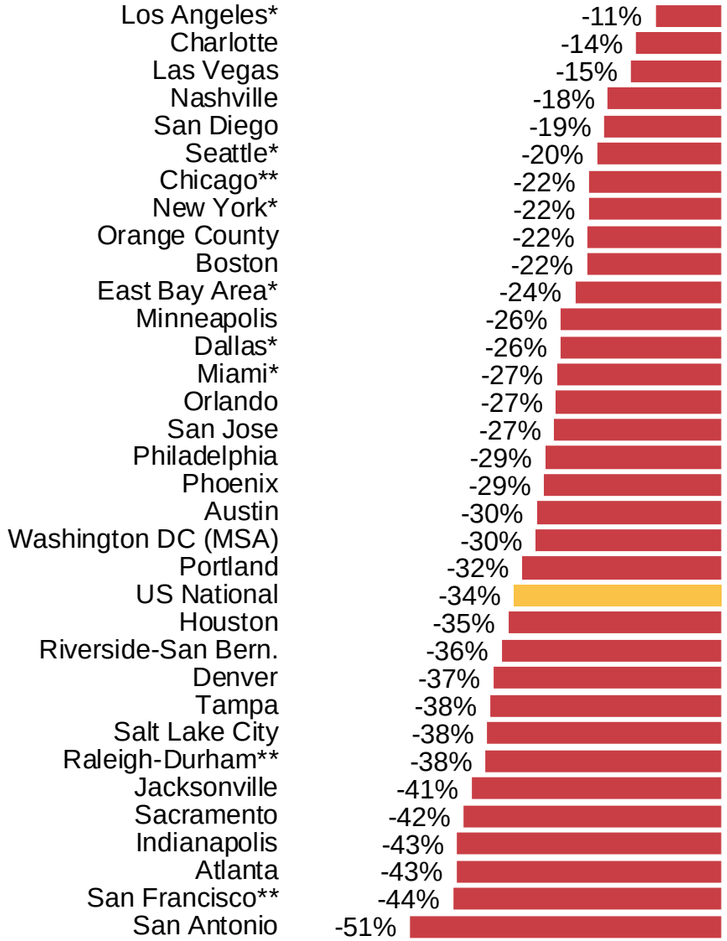
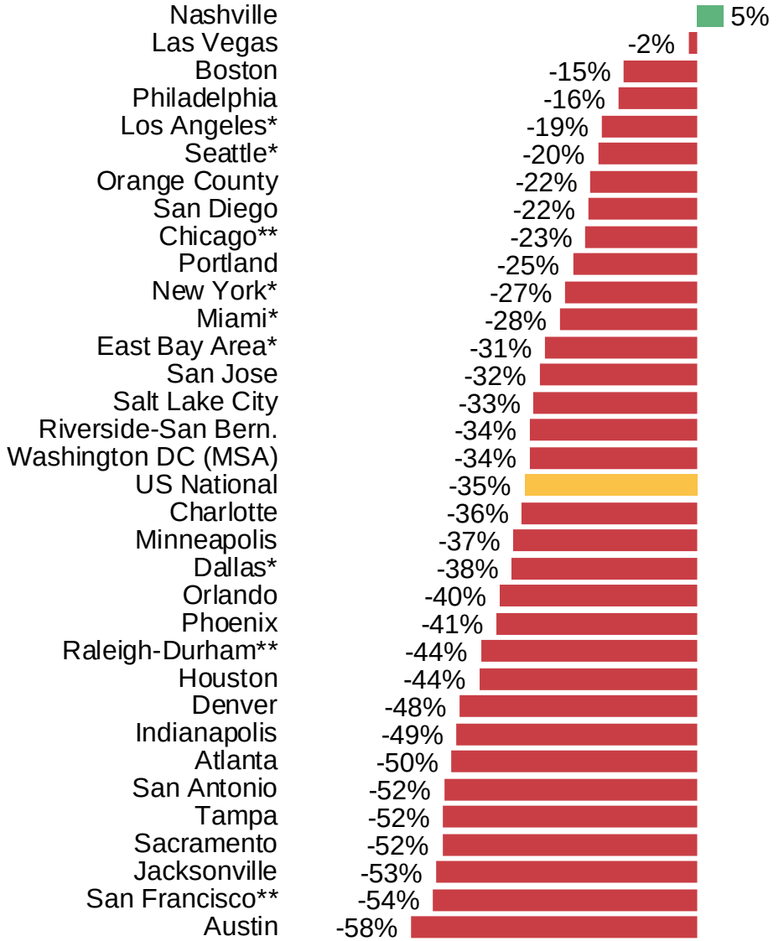
Multifamily Permits Forecasts

YOY % change 2023P



4-Year Multifamily Permit Forecasts

% change Dec-2022 to Dec-2026P (4 years)



We forecast a -34% decrease in total US multifamily permits in 2023 and permit levels in Dec-26 sitting -35% below Dec-22 levels.

Nearly all top metros that experienced significant growth over the past few years will see a decline through 2026. **Austin** lags at -58%.

Source: John Burns Real Estate Consulting, LLC (Pub: Feb-23) *Metro division **combination of metro divisions (except Raleigh-Durham, which is combination of metros)

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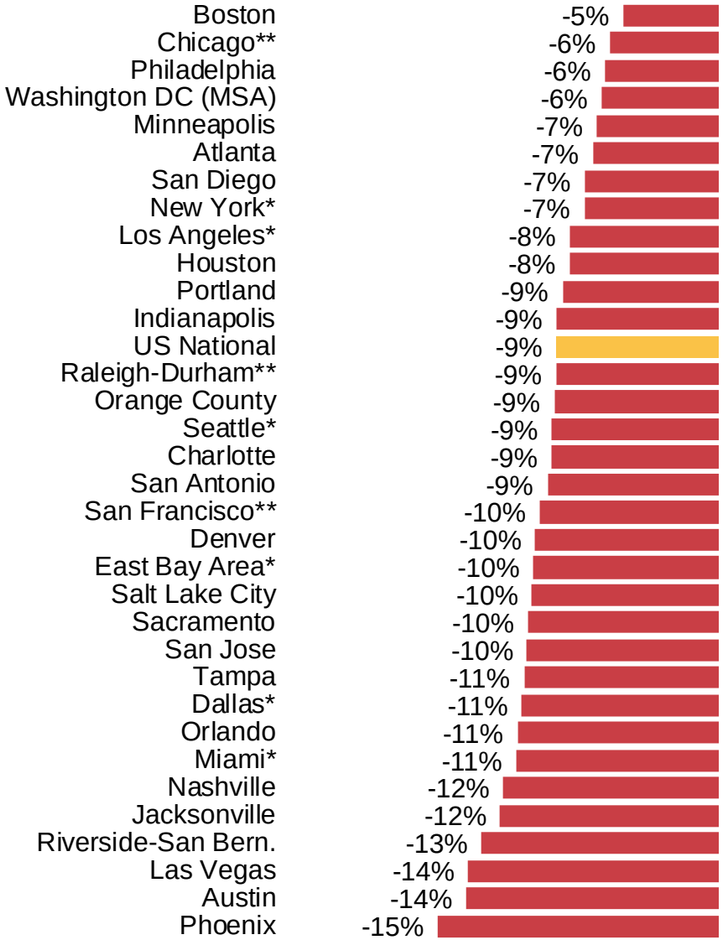
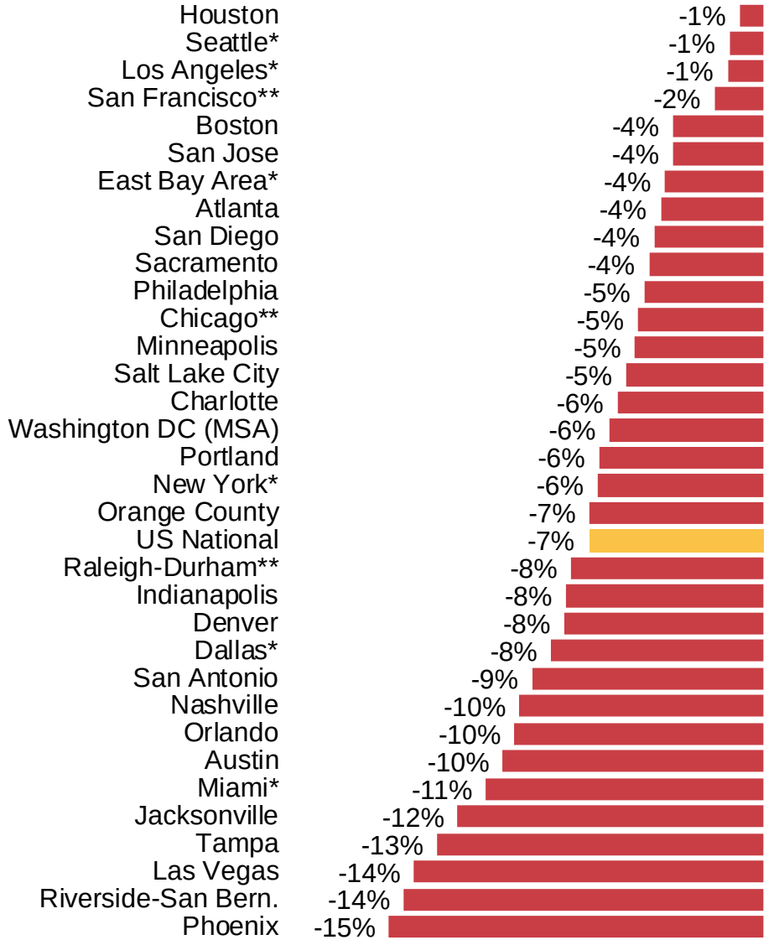
Home Price[1] Forecasts

YOY % change 2023P



4-Year Home Price[1] Forecasts

% change Dec-2022 to Dec-2026P (4 years)



We forecast total US home price appreciation to decline -9% in 2023 and remain -7% below 2022 levels by 2026.

Through 2026, home values in Phoenix, Riverside-SB, and Las Vegas will remain -14%+ below 2022 levels.

Source: John Burns Real Estate Consulting, LLC (Pub: Feb-23) 1. Burns Home Value Index™ *Metro division **combination of metro divisions (except Raleigh-Durham, which is a combination of metros)

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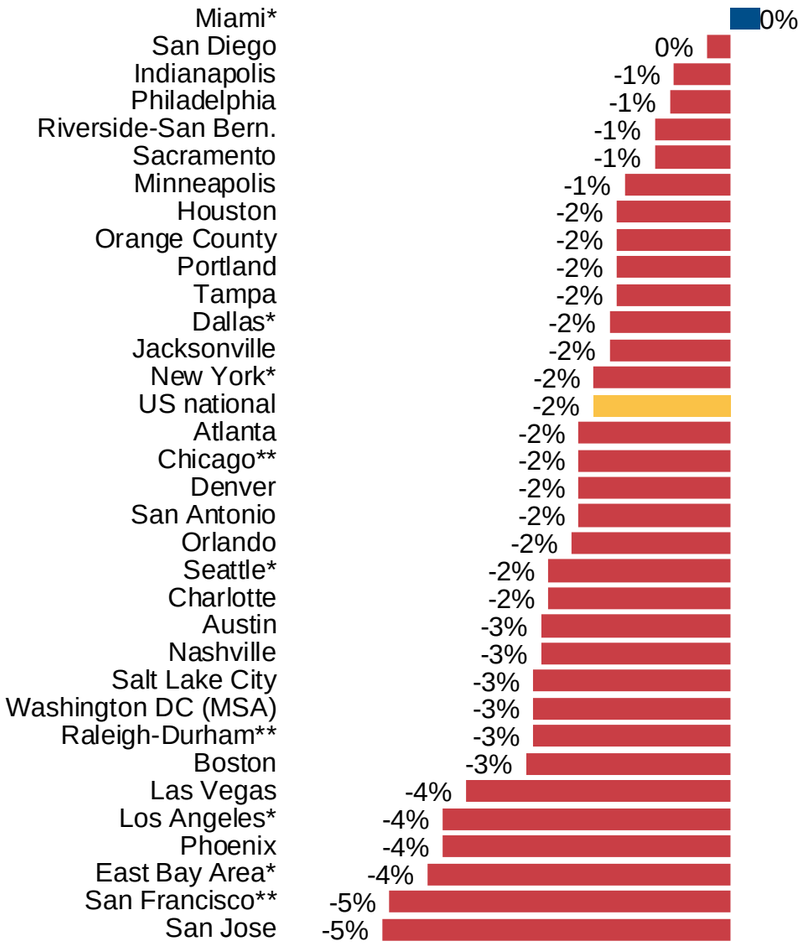
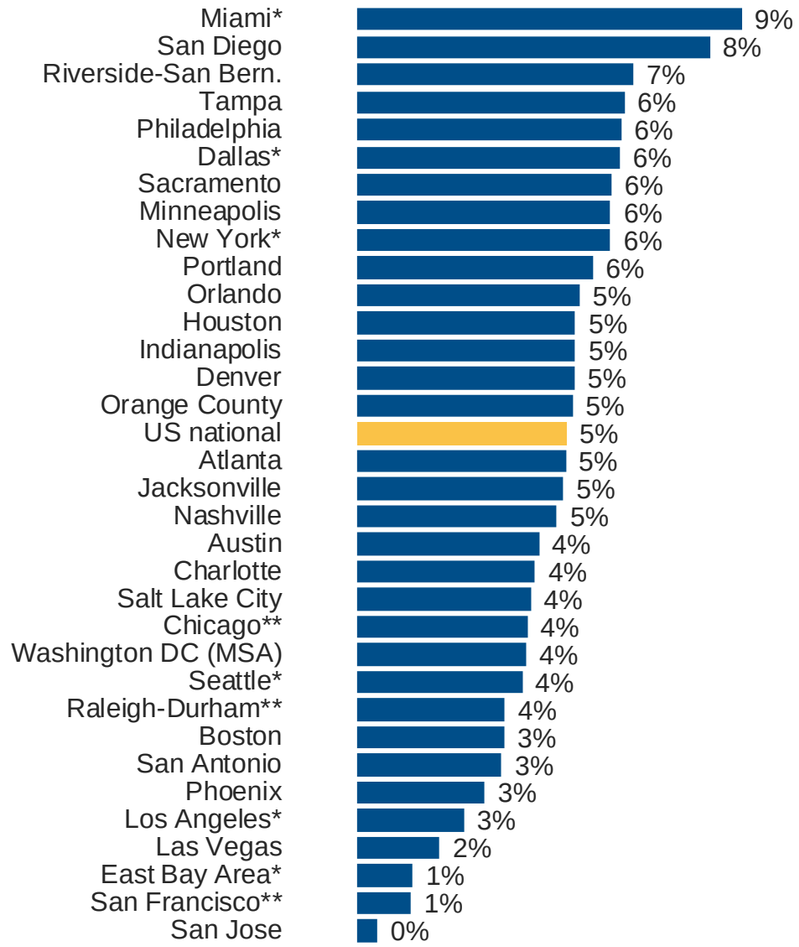
Burns Apartment Rent Index™ Forecasts

YOY % change 2023P



4-Year Burns Apartment Rent Index™ Forecasts

% change Dec-2022 to Dec-2026P (4 years)



Apartment rents will fall -2% nationally in 2023. Rents will rise across nearly all top markets through 2026.

Over four years, Miami and San Diego will lead with an 8%+ cumulative gain, while San Jose will lag with flat growth.

Source: John Burns Real Estate Consulting, LLC (Pub: Feb-23) *Metro division **combination of metro divisions (except Raleigh-Durham, which is combination of metros)

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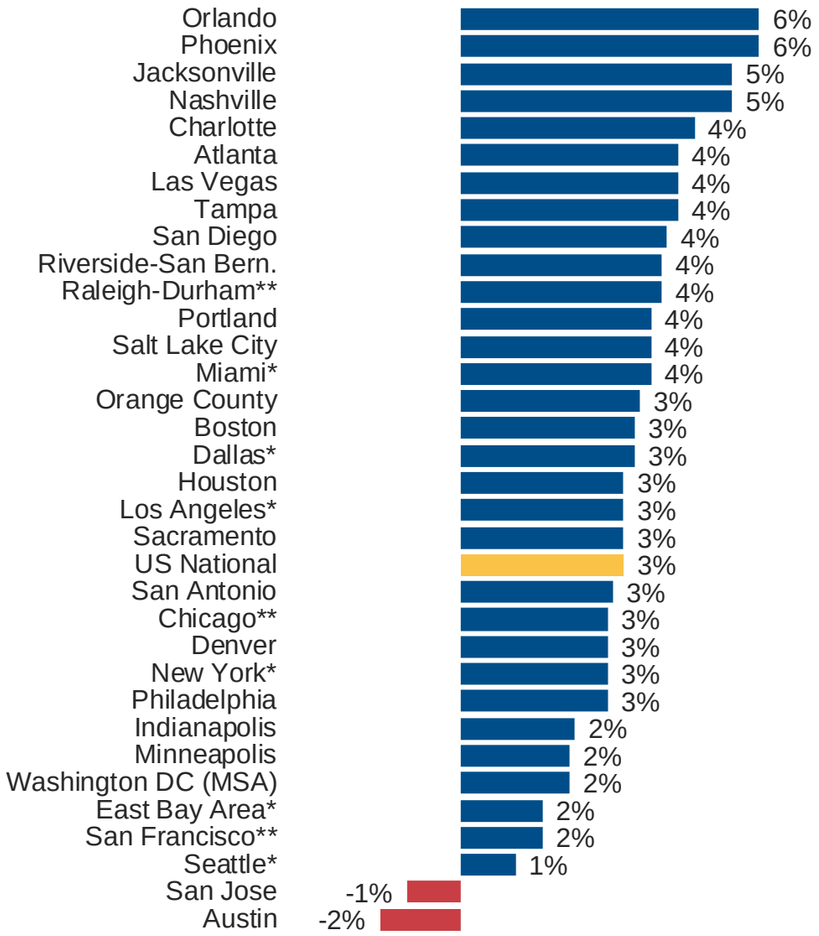
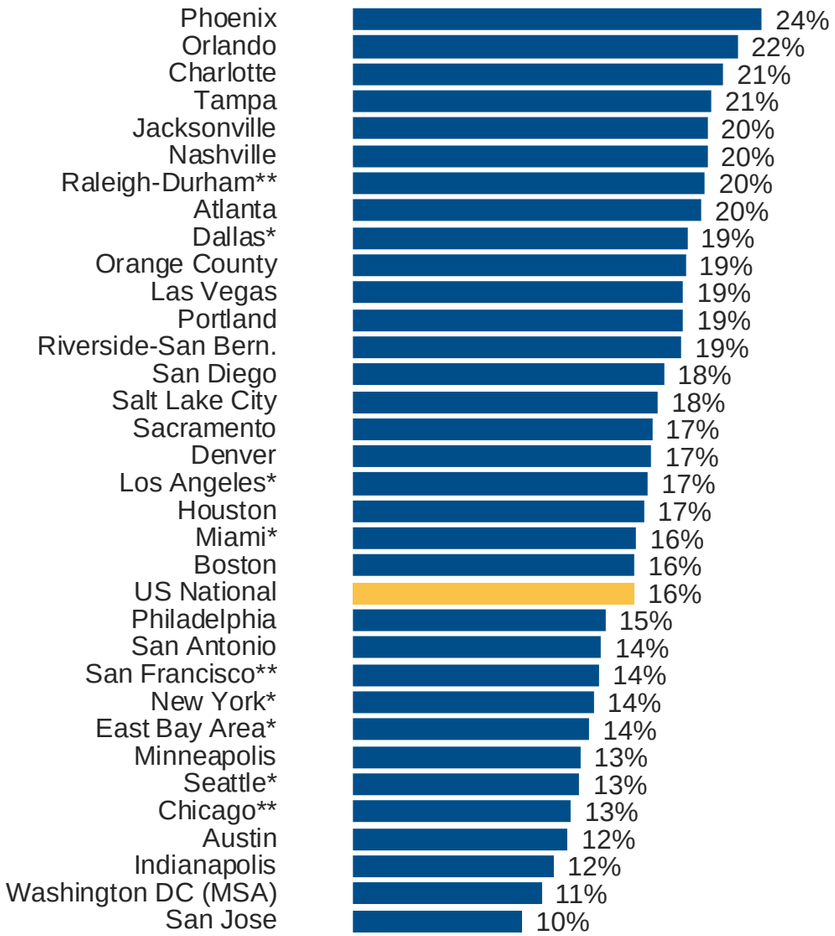
Burns Single-Family Rent Index™ Forecasts

YOY % change 2023P



4-Year Burns Single-Family Rent Index™ Forecasts

% change Dec-2022 to Dec-2026P (4 years)



SFR new lease effective rent is expected to grow in most top markets in 2023.

We expect Sunbelt markets to continue outperforming through 2026. Over four years, Phoenix and Orlando will lead with a 22%+ cumulative gain.

Source: John Burns Real Estate Consulting, LLC (Pub: Feb-23) *Metropolitan division **combination of metropolitan divisions

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Forecasts: We have a collaborative effort on our economic thesis, which includes input from Rick Palacios, Chris Porter, Jacob Belk, and John Burns.

We encourage all our clients to provide constructive feedback to improve our forecasts.

Rick, Chris, Jacob, and John forecast with help from the individuals to the right in their respective markets.

Forecast Attribution by Market

Market	Research	Consultants
Atlanta	Jesse McConnico	Cara L. / Zak N.
Austin	JT Graham	Ken P. / Reid R.
Boston	Dillan Krieg	Jeff K. / Jody K.
Charlotte	Jesse McConnico	Lesley D. / Cara L.
Chicago**	Nicole Stadick	Jeff K. / Scott W.
Dallas*	JT Graham	David Jarvis
Denver	Ian Miller	Chelsea S. / Ken P.
East Bay Area*	Shelly Chen	Dean W. / Kristin M.
Houston	Michael Rudolf	David Jarvis
Indianapolis	Nicole Stadick	Scott W. / Reid R.
Jacksonville	Jesse McConnico	Lesley D. / Oliver R.
Las Vegas	Ian Miller	Ken P. / Jeff B.
Los Angeles*	John Macke	Scott W. / Kevin D.
Miami*	Jody Kahn	Lesley D. / Reid R.
Minneapolis	Nicole Stadick	Jeff K. / Don W.
Nashville	Chris Montgomery	James P. / Zak N.
New York*	Dillan Krieg	Jeff K. / Kevin D.

Market	Research	Consultants
Orange County	John Macke	Ken P. / Scott W.
Orlando	Jesse McConnico	Lesley D. / Amanda S.
Philadelphia	Dillan Krieg	Jeff K. / Kevin D.
Phoenix	Ian Miller	Ken P. / Barry C.
Portland	Kelly Smit	Ken P. / Annie R.
Raleigh-Durham**	Jesse McConnico	Lesley D. / Cara L.
Riverside-San Bern.	John Macke	Don W. / Scott W.
Sacramento	Shelly Chen	Dean W. / Kristin M.
Salt Lake City	Ian Miller	Ken P. / Kristin M.
San Antonio	Michael Rudolf	David Jarvis
San Diego	John Macke	Don W. / Scott W.
San Francisco**	Shelly Chen	Dean W. / Kristin M.
San Jose	Shelly Chen	Dean W. / Kristin M.
Seattle*	Kelly Smit	Ken P. / Annie R.
Tampa	Jesse McConnico	Lesley D. / Caroline K.
Washington, DC	Dillan Krieg	Lesley D. / Jeff K.

*Metro division **combination of metro divisions (except Raleigh-Durham, which is combination of metros)

Source: John Burns Real Estate Consulting, LLC (Pub: Feb-23)

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All regions experienced a 2.3%+ YOY increase in employment as of December. Texas leads (5.1%); the Midwest lags (2.3%).

Regional Market Employment Growth and Forecast

Region	2018	2019	2020	2021	2022	Current	2023P	2024P	2025P	2026P
Southern California	200K	150K	-762K	324K	506K	371K	-51K	-96K	129K	137K
(YOY change)	2.0%	1.5%	(7.5%)	3.5%	5.2%	3.7%	(0.5%)	(0.9%)	1.3%	1.3%
Northern California	155K	132K	-454K	174K	313K	233K	-31K	-54K	75K	80K
(YOY change)	2.3%	2.0%	(6.6%)	2.7%	4.7%	3.4%	(0.4%)	(0.8%)	1.1%	1.2%
California	354K	282K	-1216K	497K	818K	603K	-81K	-149K	204K	217K
(YOY change)	2.2%	1.7%	(7.1%)	3.1%	5.0%	3.6%	(0.5%)	(0.9%)	1.2%	1.3%
Northern Florida	131K	114K	-212K	209K	243K	221K	-4K	-25K	71K	78K
(YOY change)	2.8%	2.4%	(4.3%)	4.4%	4.9%	4.3%	(0.1%)	(0.5%)	1.4%	1.5%
Southern Florida	79K	71K	-217K	156K	191K	153K	-3K	-18K	49K	53K
(YOY change)	2.2%	1.9%	(5.8%)	4.4%	5.2%	4.0%	(0.1%)	(0.5%)	1.3%	1.4%
Florida	210K	185K	-429K	365K	434K	373K	-7K	-43K	120K	131K
(YOY change)	2.5%	2.2%	(4.9%)	4.4%	5.0%	4.2%	(0.1%)	(0.5%)	1.3%	1.4%
Texas	257K	268K	-444K	392K	644K	572K	-33K	-92K	173K	188K
(YOY change)	2.5%	2.5%	(4.1%)	3.7%	5.9%	5.1%	(0.3%)	(0.8%)	1.5%	1.6%
Midwest	221K	186K	-1385K	512K	625K	484K	-76K	-158K	253K	272K
(YOY change)	1.0%	0.9%	(6.3%)	2.5%	3.0%	2.3%	(0.4%)	(0.7%)	1.2%	1.3%
Northeast	349K	328K	-2386K	778K	1090K	832K	-58K	-224K	443K	483K
(YOY change)	1.2%	1.1%	(8.0%)	2.9%	3.9%	2.9%	(0.2%)	(0.8%)	1.5%	1.7%
Northwest	109K	101K	-309K	117K	226K	195K	-10K	-33K	79K	86K
(YOY change)	2.3%	2.0%	(6.1%)	2.5%	4.7%	3.9%	(0.2%)	(0.7%)	1.6%	1.7%
Southeast	280K	271K	-755K	529K	625K	538K	-36K	-102K	212K	230K
(YOY change)	1.8%	1.7%	(4.7%)	3.4%	3.9%	3.3%	(0.2%)	(0.6%)	1.3%	1.4%
Southwest	214K	213K	-364K	317K	339K	246K	-15K	-52K	134K	147K
(YOY change)	2.8%	2.7%	(4.6%)	4.2%	4.3%	3.0%	(0.2%)	(0.6%)	1.6%	1.8%
Core MSA Totals	1994K	1834K	-7287K	3508K	4801K	3843K	-317K	-853K	1617K	1754K
(YOY change)	1.8%	1.6%	(6.2%)	3.2%	4.2%	3.3%	(0.3%)	(0.7%)	1.4%	1.5%

Labor markets have recovered to 102% of pre-COVID peak levels on average across top markets, with differences by market. We forecast modest employment declines in 2023–2024 across all regions before recovering in 2025.

Employment Growth YOY

- Greater than 3%
- 2% to 3%
- 1% to 2%
- 0% to 1%
- Less than 0%

Notes: Select metro area totals only. Metro areas used in this table do not match the same metro areas used in a table without forecasts. *The Northern California region includes Reno, NV.

Sources: BLS; John Burns Real Estate Consulting, LLC (Data: Dec-22, Pub: Feb-23)

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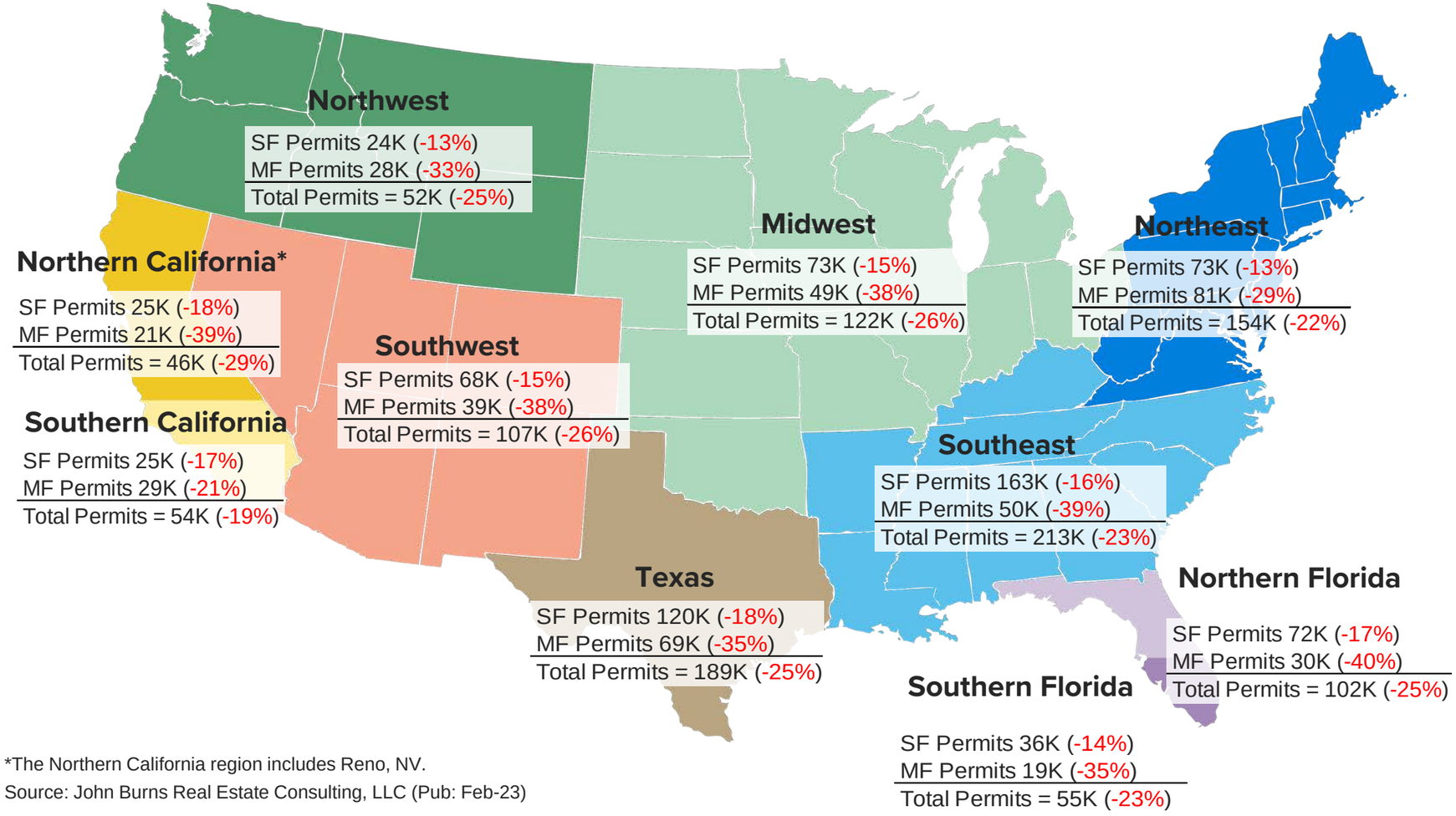
We forecast declines in single-family and multifamily permits across all regions in 2023.

Regional Single-Family and Multifamily Permit Forecast 2023P



We expect all regions to experience total permit percentage declines in 2023 (-19% YOY or greater). The Southeast will have the largest volume of permits (213K), comprised primarily of single-family permits (163K).

*The Northern California region includes Reno, NV.

Source: John Burns Real Estate Consulting, LLC (Pub: Feb-23)

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Across core metros, single-family permits declined -11% YOY in 2022, and we expect a further decline of -16% in 2023.

Regional Market Single-Family Permits with YOY % Change

Region	2018	2019	2020	2021	2022	Current	2023P	2024P	2025P	2026P
Southern California	28K	26K	28K	29K	30K	30K	25K	24K	26K	27K
(YOY change)	(3%)	(5%)	5%	6%	2%	2%	(17%)	(2%)	6%	6%
Northern California	32K	32K	29K	36K	30K	30K	25K	25K	26K	28K
(YOY change)	16%	0%	(7%)	22%	(15%)	(15%)	(18%)	(2%)	7%	6%
California	59K	58K	57K	65K	60K	60K	50K	49K	52K	55K
(YOY change)	6%	(2%)	(2%)	14%	(7%)	(7%)	(17%)	(2%)	6%	6%
Northern Florida	64K	65K	74K	92K	86K	86K	72K	71K	75K	79K
(YOY change)	12%	1%	15%	24%	(7%)	(7%)	(17%)	(2%)	6%	6%
Southern Florida	29K	30K	35K	47K	42K	42K	36K	35K	38K	40K
(YOY change)	15%	3%	17%	36%	(10%)	(10%)	(14%)	(3%)	7%	6%
Florida	92K	94K	109K	140K	129K	129K	108K	106K	112K	119K
(YOY change)	13%	2%	16%	28%	(8%)	(8%)	(16%)	(2%)	6%	6%
Texas	119K	120K	148K	167K	147K	147K	120K	120K	128K	138K
(YOY change)	9%	1%	23%	12%	(12%)	(12%)	(18%)	(0%)	7%	8%
Midwest	80K	79K	90K	101K	85K	85K	73K	74K	78K	81K
(YOY change)	(2%)	(2%)	14%	12%	(15%)	(15%)	(15%)	2%	5%	3%
Northeast	77K	75K	82K	89K	85K	85K	73K	72K	78K	79K
(YOY change)	(1%)	(2%)	9%	8%	(5%)	(5%)	(13%)	(2%)	7%	2%
Northwest	33K	33K	34K	35K	27K	27K	24K	24K	26K	27K
(YOY change)	3%	1%	2%	4%	(22%)	(22%)	(13%)	1%	7%	4%
Southeast	160K	164K	188K	211K	196K	196K	163K	160K	173K	182K
(YOY change)	3%	2%	15%	12%	(7%)	(7%)	(16%)	(2%)	8%	5%
Southwest	80K	81K	94K	103K	80K	80K	68K	68K	73K	77K
(YOY change)	8%	1%	16%	10%	(23%)	(23%)	(15%)	1%	7%	5%
Core MSA Totals	701K	704K	802K	911K	808K	808K	679K	673K	719K	757K
(YOY change)	5%	1%	14%	14%	(11%)	(11%)	(16%)	(1%)	7%	5%

We forecast that single-family permits will decline in 2023–2024 in most markets before picking up again in 2025.

As of December 2022, Southern California was the only region showing single-family permit growth (+2% YOY).

Single-Family Permit Growth YOY

- Greater than 20%
- 10% to 20%
- 0% to 10%
- -5% to 0%
- Less than -5%

Note: Select metro area totals only. Metro areas used in this table do not match the same metro areas used in a table without forecasts. *The Northern California region includes Reno, NV.

Sources: U.S. Census Bureau; John Burns Real Estate Consulting, LLC (Data: Dec-22, Pub: Feb-23)

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Across core metros, multifamily permits have grown 13% YOY in 2022, and we expect a decline of -35% in 2023.

Regional Market Multifamily Permits with YOY % Change

Region	2018	2019	2020	2021	2022	Current	2023P	2024P	2025P	2026P
Southern California	32K	33K	26K	33K	37K	37K	29K	23K	25K	28K
(YOY change)	(5%)	3%	(21%)	25%	12%	12%	(21%)	(19%)	8%	9%
Northern California	28K	22K	18K	22K	35K	35K	21K	15K	17K	19K
(YOY change)	2%	(22%)	(16%)	19%	61%	61%	(39%)	(29%)	13%	12%
California	61K	55K	45K	55K	72K	72K	50K	39K	42K	47K
(YOY change)	(2%)	(9%)	(19%)	23%	31%	31%	(30%)	(24%)	10%	10%
Northern Florida	24K	31K	27K	35K	50K	50K	30K	20K	22K	26K
(YOY change)	33%	29%	(15%)	30%	44%	44%	(40%)	(33%)	11%	15%
Southern Florida	23K	22K	21K	29K	29K	29K	19K	15K	17K	20K
(YOY change)	20%	(2%)	(5%)	37%	1%	1%	(35%)	(22%)	15%	18%
Florida	47K	54K	48K	64K	79K	79K	49K	35K	39K	45K
(YOY change)	26%	14%	(11%)	33%	24%	24%	(38%)	(29%)	12%	16%
Texas	64K	79K	69K	83K	105K	105K	69K	45K	49K	58K
(YOY change)	18%	23%	(12%)	21%	26%	26%	(35%)	(34%)	9%	19%
Midwest	48K	51K	55K	65K	78K	78K	49K	40K	44K	51K
(YOY change)	(9%)	6%	7%	18%	20%	20%	(38%)	(18%)	11%	14%
Northeast	84K	106K	94K	118K	115K	115K	81K	69K	74K	85K
(YOY change)	(2%)	27%	(11%)	25%	(3%)	(3%)	(29%)	(15%)	8%	14%
Northwest	33K	36K	27K	40K	41K	41K	28K	22K	25K	28K
(YOY change)	(0%)	9%	(26%)	49%	4%	4%	(33%)	(19%)	10%	13%
Southeast	57K	54K	54K	74K	82K	82K	50K	38K	43K	50K
(YOY change)	11%	(6%)	(0%)	38%	11%	11%	(39%)	(26%)	15%	17%
Southwest	34K	39K	43K	63K	64K	64K	39K	29K	33K	38K
(YOY change)	(11%)	16%	11%	44%	3%	3%	(38%)	(26%)	13%	15%
Core MSA Totals	428K	473K	434K	561K	636K	636K	415K	316K	350K	402K
(YOY change)	3%	11%	(8%)	29%	13%	13%	(35%)	(24%)	11%	15%

We forecast declining multifamily permit growth from 2023–2024 before picking up again in 2025.

As of December 2022, Northern California leads all regions in multifamily permit growth (61%), and Southern Florida lags (1%).

Multifamily Permit Growth YOY

- Greater than 20%
- 10% to 20%
- 0% to 10%
- -5% to 0%
- Less than -5%

Note: Select metro area totals only. Metro areas used in this table do not match the same metro areas used in a table without forecasts. *The Northern California region includes Reno, NV.

Sources: U.S. Census Bureau; John Burns Real Estate Consulting, LLC (Data: Dec-22, Pub: Feb-23)

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The Burns Under/Overpriced Market Index™ shows that all regions are Very Overpriced. Sharply higher mortgage rates have accelerated the overpriced conditions in each region.

Regional Burns Under/Overpriced Market Index™

Region	Dec-19	Dec-20	Dec-21	Dec-22	Current	Dec-23P	Dec-24P	Dec-25P	Dec-26P
Southern California	-6%	-6%	12%	37%	34%	7%	1%	0%	2%
Northern California	-3%	-5%	13%	33%	29%	2%	-2%	-2%	-1%
California	-5%	-6%	12%	35%	32%	5%	0%	-1%	1%
Northern Florida	-6%	-6%	18%	57%	53%	22%	11%	10%	13%
Southern Florida	-9%	-8%	16%	54%	51%	22%	10%	9%	12%
Florida	-8%	-7%	17%	56%	52%	22%	10%	10%	12%
Texas	-3%	-1%	20%	47%	44%	15%	8%	7%	9%
Midwest	-3%	-3%	10%	40%	38%	15%	6%	5%	6%
Northeast	-5%	-5%	6%	35%	32%	10%	2%	1%	2%
Northwest	-5%	-6%	12%	40%	36%	9%	5%	4%	6%
Southeast	-6%	-7%	14%	54%	51%	23%	14%	14%	16%
Southwest	-3%	-2%	21%	52%	47%	14%	5%	5%	6%
Core MSA totals	-5%	-5%	12%	41%	38%	12%	5%	4%	5%

The **Burns Under/Overpriced Market Index™** analyzes how much a market is underpriced or overpriced compared to long-term fundamentals. This index adjusts for the fundamental shifts in several markets that we believe are now permanently more/less expensive due to increased demand or limited supply.

Burns Under/Overpriced Market Index

- <-20% Very Underpriced
- -20% to -10% Underpriced
- -10% to 10% Fairly Priced
- 10% to 20% Overpriced
- >20% Very Overpriced

Note: Select metro area totals only. Metro areas used in this table do not match the same metro areas used in a table without forecasts. *The Northern California region includes Reno, NV.
Source: John Burns Real Estate Consulting, LLC (Data: Jan-23, Pub: Feb-23)

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Burns Home Value Index™: Price growth is mixed across most top markets but is decelerating significantly.

Regional Market Burns Home Value Index™ YOY % Change

Region	Dec-19	Dec-20	Dec-21	Dec-22	Current	Dec-23P	Dec-24P	Dec-25P	Dec-26P
Southern California	4%	12%	20%	-1%	-3%	-9%	-3%	2%	5%
Northern California	3%	10%	19%	-5%	-8%	-10%	-2%	3%	5%
California	4%	11%	20%	-3%	-5%	-9%	-3%	3%	5%
Northern Florida	6%	12%	28%	9%	6%	-11%	-7%	2%	5%
Southern Florida	4%	11%	28%	10%	7%	-10%	-8%	2%	5%
Florida	5%	12%	28%	9%	6%	-11%	-8%	2%	5%
Texas	5%	12%	22%	4%	1%	-10%	-4%	3%	5%
Midwest	5%	11%	14%	5%	3%	-7%	-5%	2%	4%
Northeast	3%	10%	13%	4%	3%	-7%	-4%	2%	4%
Northwest	5%	14%	21%	-2%	-4%	-10%	-2%	3%	5%
Southeast	6%	11%	24%	8%	6%	-8%	-5%	3%	5%
Southwest	6%	14%	26%	0%	-3%	-12%	-6%	3%	5%
Core MSA totals	5%	11%	20%	3%	1%	-9%	-4%	3%	5%

Across core metros, home values have increased 1% YOY as of January 2023, rising the most in Florida and the Southeast.

We forecast a decline in home price appreciation from 2023–2024 before picking up again in 2025.

Burns Home Value Index Growth YOY

- Greater than 8%
- 4% to 8%
- 2% to 4%
- 0% to 2%
- Less than 0%

Note: Select metro area totals only. Metro areas used in this table do not match the same metro areas used in a table without forecasts. *The Northern California region includes Reno, NV.

Source: John Burns Real Estate Consulting, LLC (Data: Jan-23, Pub: Feb-23)

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Burns Home Value Index™: Home values by 2026 year-end will still be -6% below 2022 levels, ranging from -11% in Florida to -5% in California, the Northeast, and the Northwest.

Regional Market Burns Home Value Index™ Cumulative Growth from December

Region	Dec-23P	Dec-24P	Dec-25P	Dec-26P
Southern California	-9%	-11%	-9%	-5%
Northern California	-9%	-11%	-9%	-5%
California	-9%	-11%	-9%	-5%
Northern Florida	-11%	-17%	-15%	-11%
Southern Florida	-10%	-17%	-15%	-11%
Florida	-10%	-17%	-15%	-11%
Texas	-10%	-13%	-10%	-6%
Midwest	-7%	-11%	-9%	-6%
Northeast	-7%	-11%	-9%	-5%
Northwest	-9%	-11%	-9%	-5%
Southeast	-8%	-13%	-10%	-6%
Southwest	-11%	-16%	-14%	-10%
Core MSA totals	-9%	-13%	-10%	-6%

Burns Home Value Index Growth YOY

- Greater than 8%
- 4% to 8%
- 2% to 4%
- 0% to 2%
- Less than 0%

Northern Florida and Southern Florida are expected to see the largest cumulative decline in home values through 2024, at -17% below 2022 levels.

These regions saw the greatest cumulative increase in value from the beginning of the pandemic to their peak.

Note: Select metro area totals only. Metro areas used in this table do not match the same metro areas used in a table without forecasts. *The Northern California region includes Reno, NV.
Source: John Burns Real Estate Consulting, LLC (Data: Jan-23, Pub: Feb-23)

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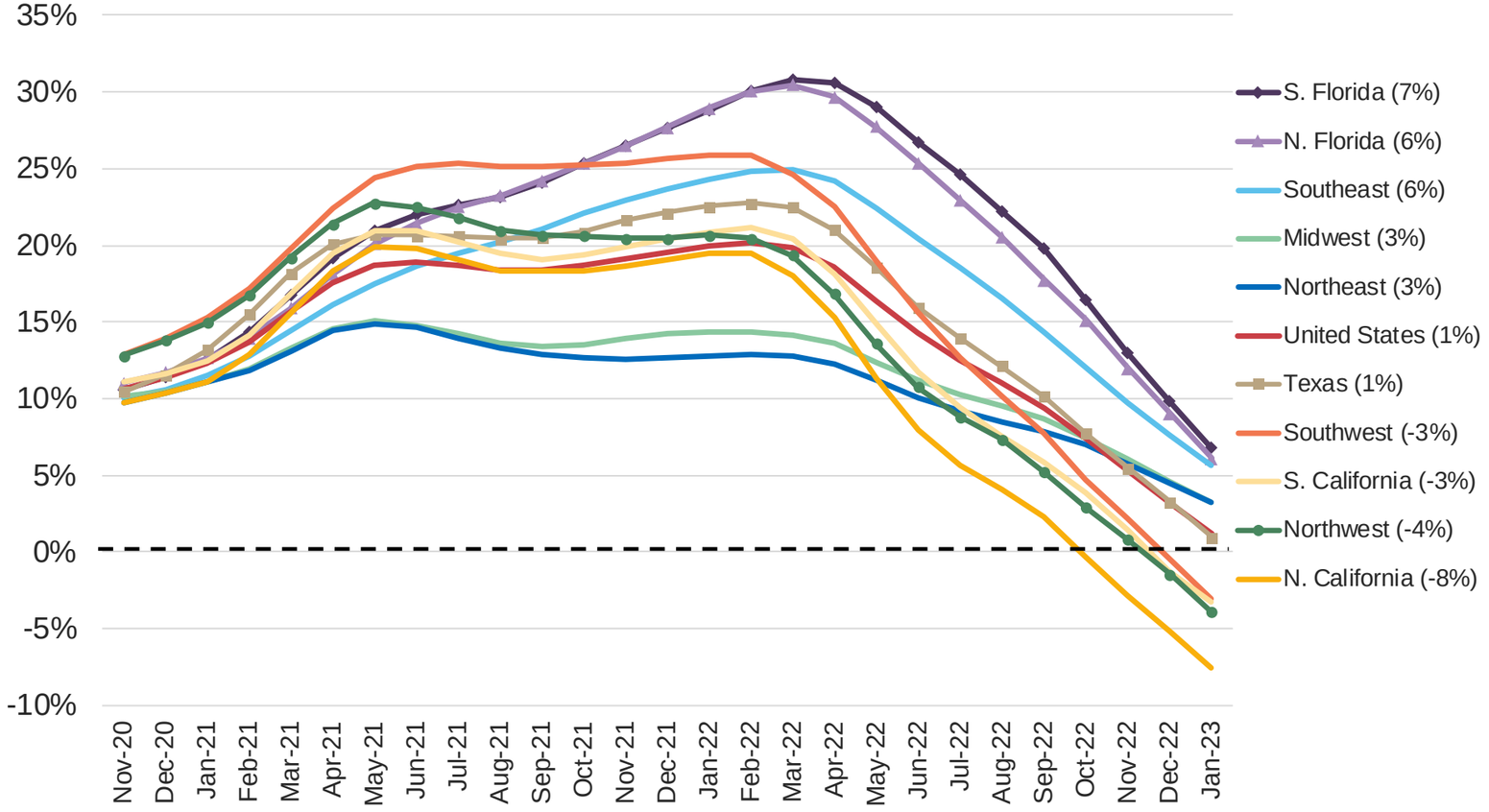
Prices: Burns Home Value Index

Home value growth is decelerating quickly from very high levels in all regions. Month-over-month declines are occurring in nearly all major markets.

Burns Home Value Index™ Appreciation

YOY % change



YOY home price appreciation is decelerating sharply in every region.

Home value growth in Southern Florida remains the strongest at 7% YOY.

Northern California posts negative home value growth at -8% YOY, followed by the Northwest at -4% YOY.

Note: Prompted by unusually rapid changes in the housing market, we made revisions in recent months to our BHVI, placing additional short-term weighting on more timely home price-leading indicators.

Source: John Burns Real Estate Consulting, LLC (Data: Jan-23, Pub: Feb-23)

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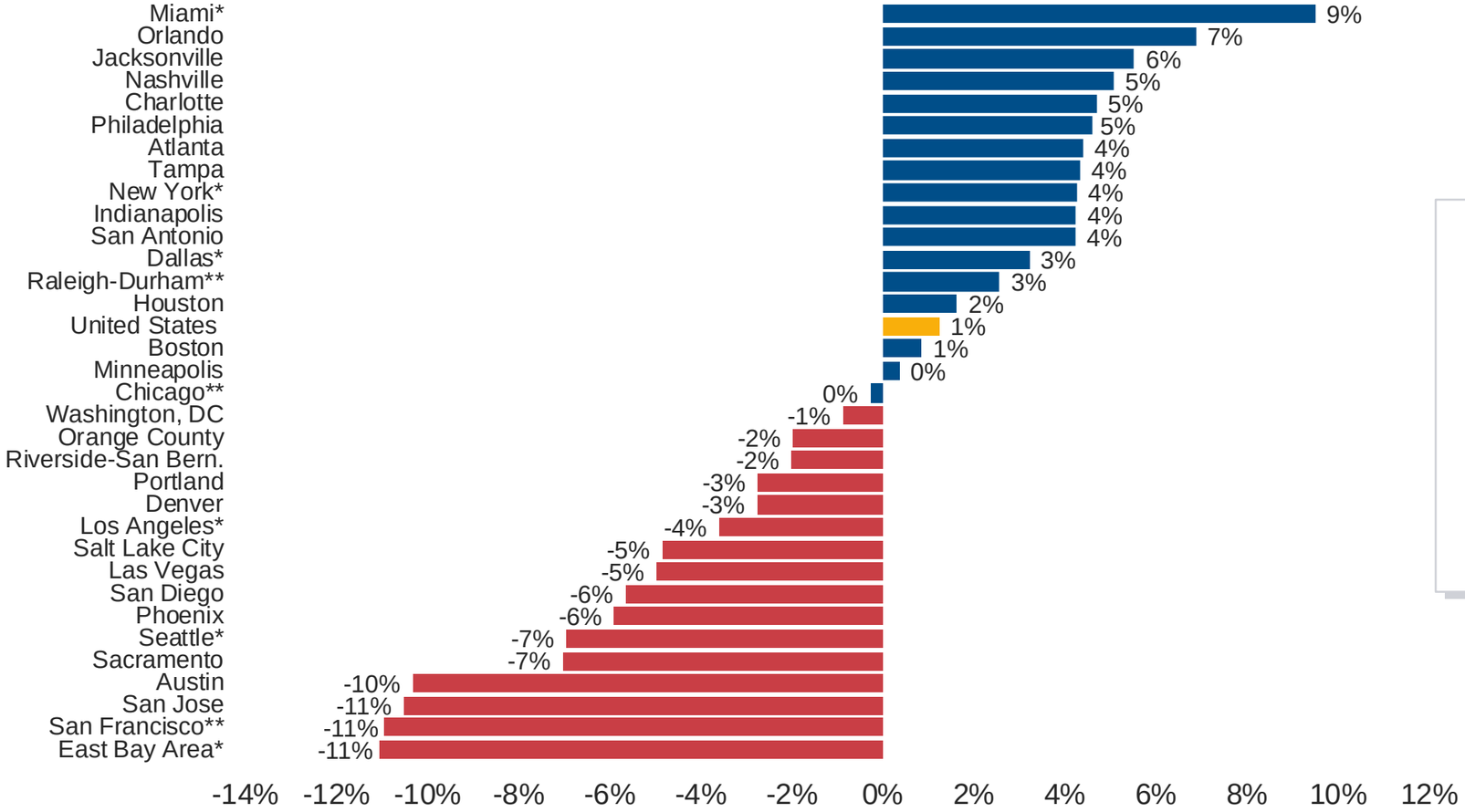
Price appreciation is decelerating quickly across all top markets, rising just 1% YOY nationally, down from a peak of 20% year-over-year growth in February 2022.

Prices: Burns Home Value Index™

YOY % change (January 2023)



Florida and Southeast markets lead, with Miami home values increasing 9% YOY.

Many Southwest, Northwest, and California markets lag the national average, with eight California markets recording flat or falling home values YOY.

Home values in East Bay, San Francisco, and San Jose are down the most at -11% YOY.

Source: John Burns Real Estate Consulting, LLC (Data: Dec-22, Pub: Jan-23) *Metro division **combination of metro divisions (except Raleigh-Durham, which is a combination of metros)

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The high percentage of homes selling within two weeks ticked up in January but remains well below peak levels across all major markets.

Metro	Burns Home Value Index™ YOY Growth	Percent of Homes Selling in Less than 2 Weeks	Metro	Burns Home Value Index™ YOY Growth	Percent of Homes Selling in Less than 2 Weeks
Seattle*	-7%	55%	Minneapolis	0%	38%
Portland	-3%	51%	Washington, DC	-1%	36%
East Bay Area*	-11%	50%	Boston	1%	33%
Denver	-3%	50%	Nashville	5%	30%
San Jose	-11%	50%	Los Angeles*	-4%	30%
Indianapolis	4%	47%	Riverside-San Bern.	-2%	29%
San Diego	-6%	46%	Las Vegas	-5%	29%
San Francisco**	-11%	45%	Orange County	-2%	29%
Sacramento	-7%	42%	Jacksonville	6%	28%
Tampa	4%	41%	Miami*	9%	27%
Orlando	7%	41%	Phoenix	-6%	26%
Philadelphia	5%	41%	Austin	-10%	26%
Houston	2%	40%	New York*	4%	17%
Raleigh-Durham**	3%	38%	Chicago**	0%	13%

The share of homes selling in less than two weeks remains in double-digits across all top markets. Seattle leads (55%), while Chicago lags (13%).

We expect the share of homes selling in less than two weeks may increase during the spring selling season but will continue to slow in the long term, given elevated mortgage rates.

*Metro division **combination of metro divisions (except Raleigh-Durham, which is combination of metros)

Source: Data provided by Redfin, a national real estate brokerage, collected by John Burns Real Estate Consulting (Data: Jan-23/Week ending 1/29/23, Pub: Feb-23)

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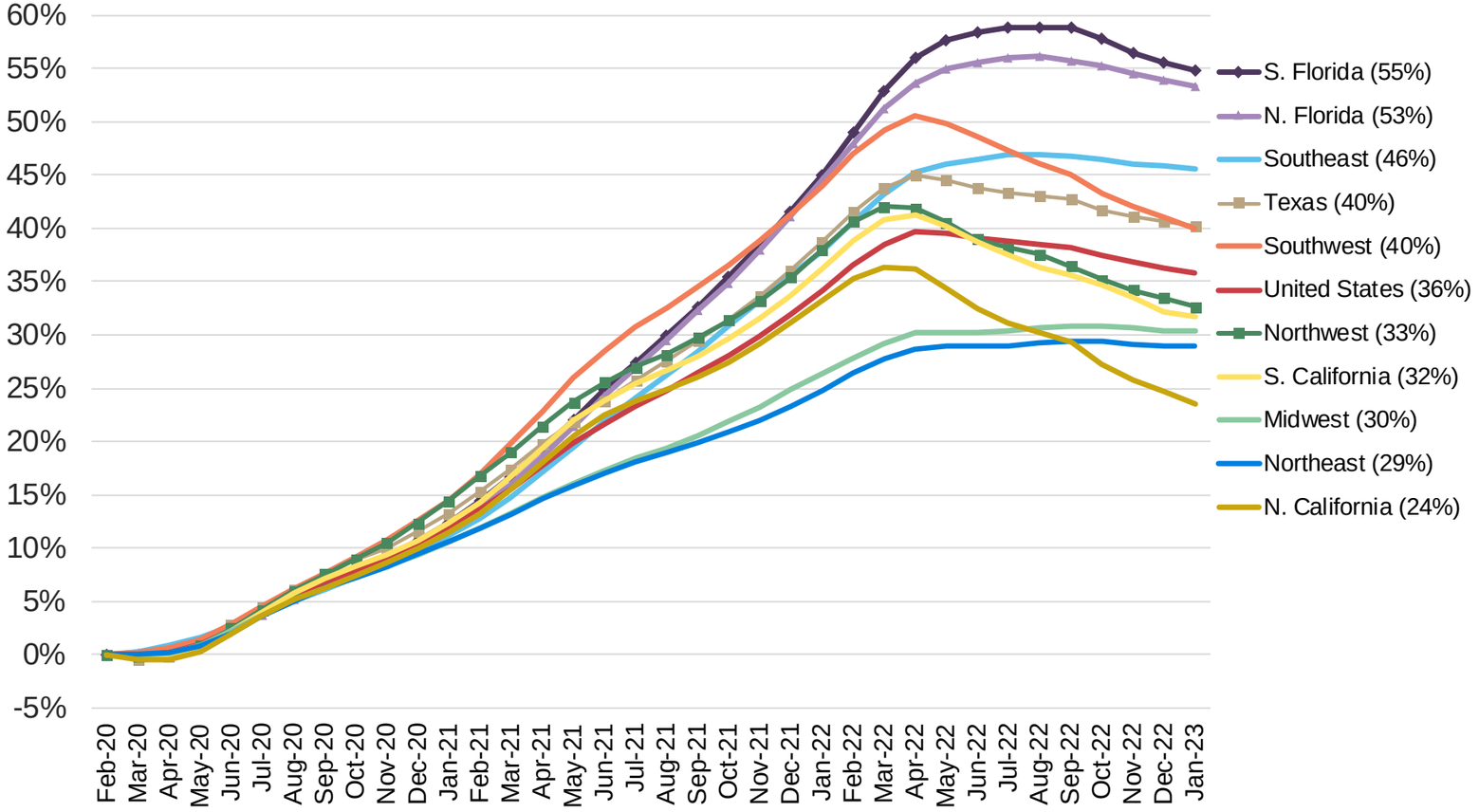
The cumulative gains in home values from pre-pandemic levels are falling as most markets see month-over-month price declines.

Burns Home Value Index™ Appreciation

Indexed to February 2020



Despite the recent declines, home values remain more than 24% above pre-pandemic levels in all regions.

Southern and Northern Florida experienced the strongest cumulative growth, up 53%+ since February 2020.

Note: Prompted by unusually rapid changes in the housing market, we made revisions in recent months to our BHVI index, placing additional short-term weighting on more timely home price leading indicators.

Source: John Burns Real Estate Consulting, LLC (Data: Jan-23, Pub: Feb-23)

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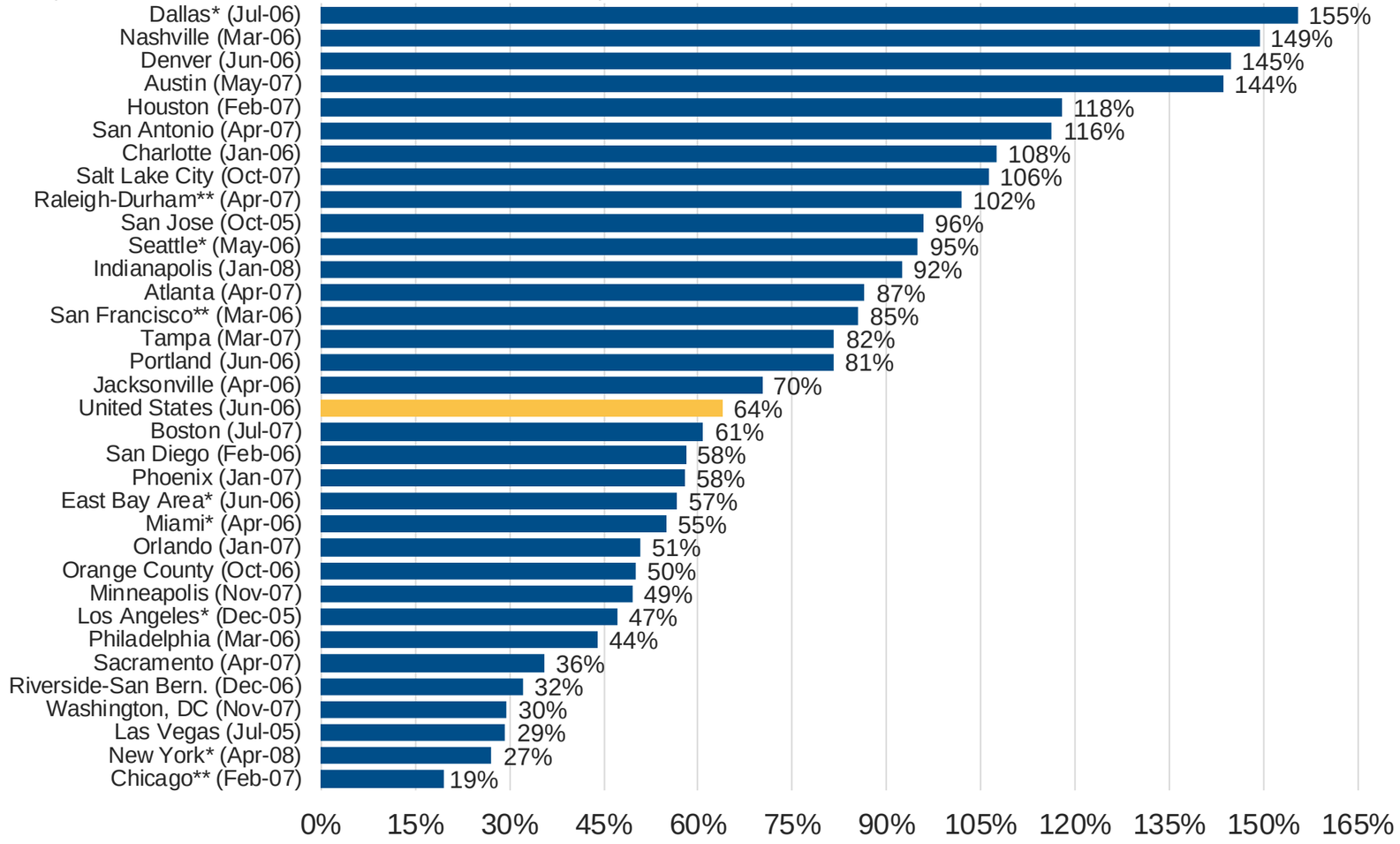
Home values in the top markets exceed their peak from the prior housing cycle by 64% on average.

Burns Home Value Index™ Percent Above/Below Prior Housing Cycle Peak[1]

MSA (Peak Month for Home Values between 2002-2008)



Home values are above prior peak levels in all top markets. Dallas leads with home values 155% above previous peak levels; Chicago home values lag at just 19% above the prior peak.

Source: John Burns Real Estate Consulting, LLC (Data: Jan-23, Pub: Feb-23) 1. Peak BHVI values from 2002–2008 *Metro division **combination of metro divisions (except Raleigh-Durham, which is combination of metros)

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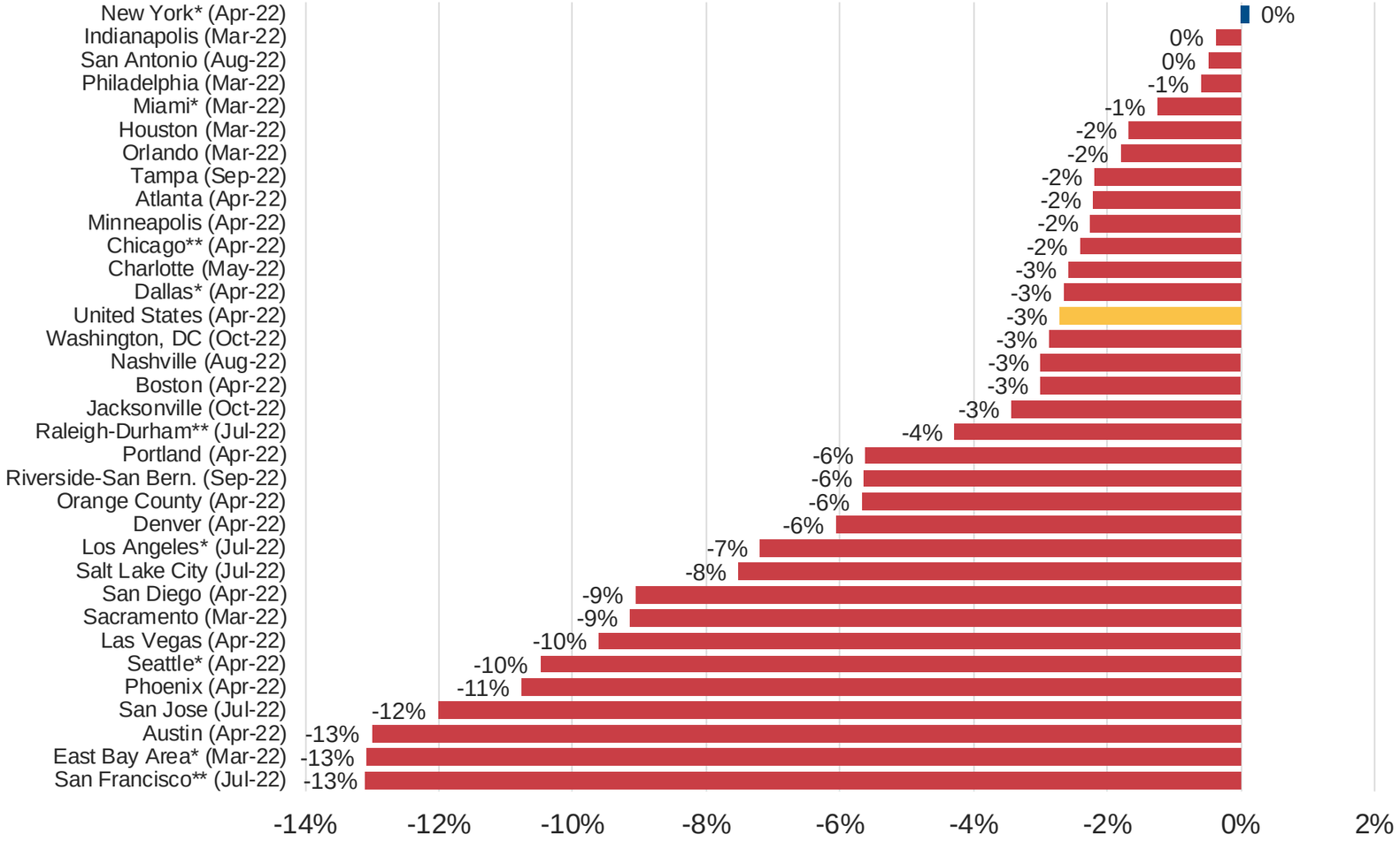
Home values in the top markets are below their respective 2022 peaks by -3% on average.

Burns Home Value Index™ Percent Above/Below 2022 Housing Cycle Peak[1]

MSA (Peak Month for Home Values in 2022)



Home values are below prior peak levels in nearly all top markets. New York, Indianapolis, and San Antonio lead with home values roughly flat from prior peak levels; San Francisco, East Bay, and Austin home values lag at -13% below the previous peak.

Source: John Burns Real Estate Consulting, LLC (Data: Jan-23, Pub: Feb-23) 1. Peak BHVI values from January 2022 through December 2022.

*Metro division **combination of metro divisions (except Raleigh-Durham, which is combination of metros)

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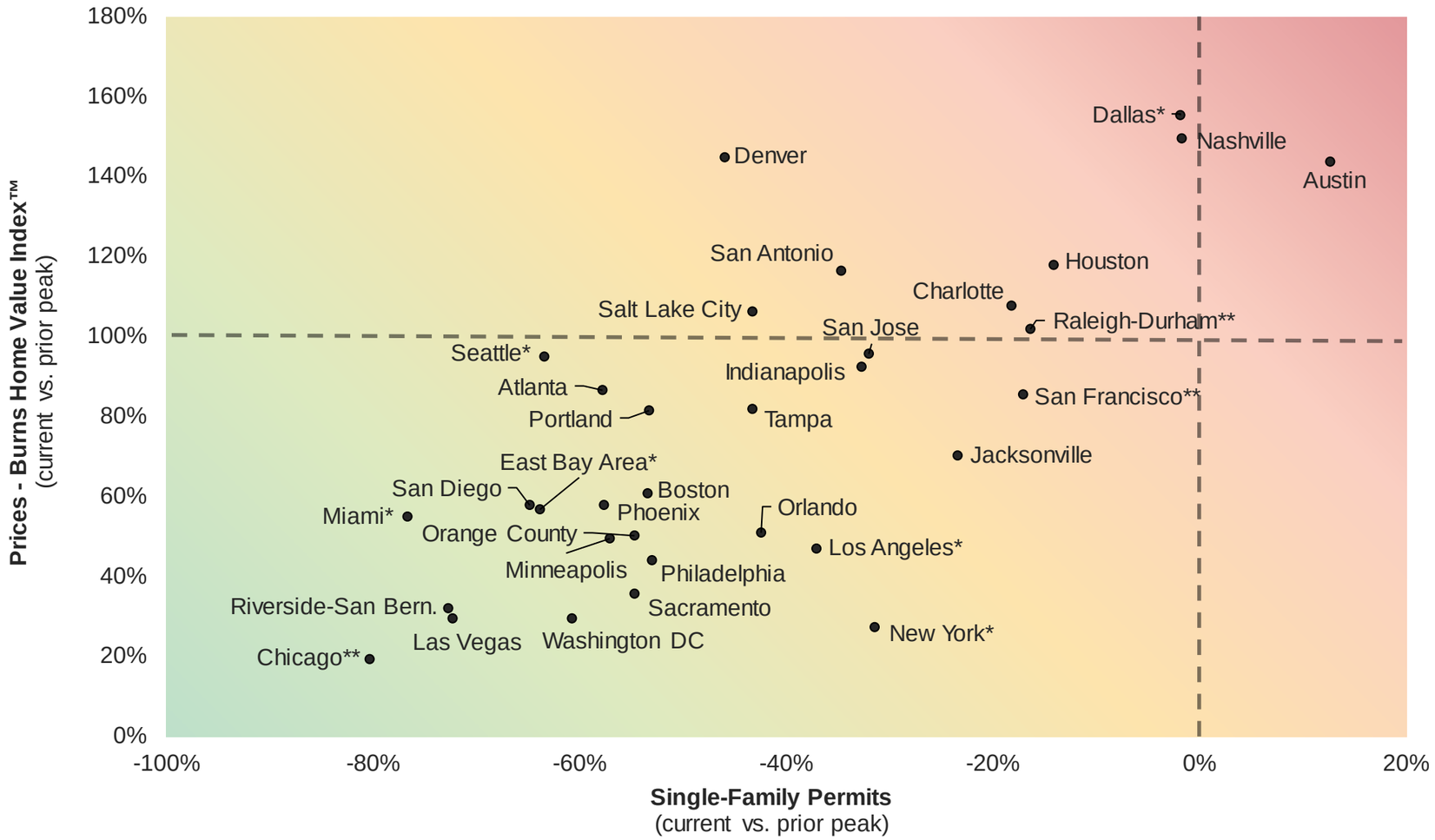
Current vs. Pre-2009 Peak

Prices (Burns Home Value Index™) and single-family permits



*Metro division **combination of metro divisions

The peak for the Burns Home Value Index™ and single-family permits is the max value between the years 2002 and 2008.

Source: U.S. Census; John Burns R.E. Consulting, LLC (Data: Dec-22/Jan-23, Pub: Feb-23)

While home prices are above the pre-2009 peak in all markets, single-family permit levels are below their pre-2009 peak in most markets.

Austin, Nashville, and Dallas all show prices that are more than twice their pre-2009 peak and are close to or are building more single-family homes than during the prior cycle.

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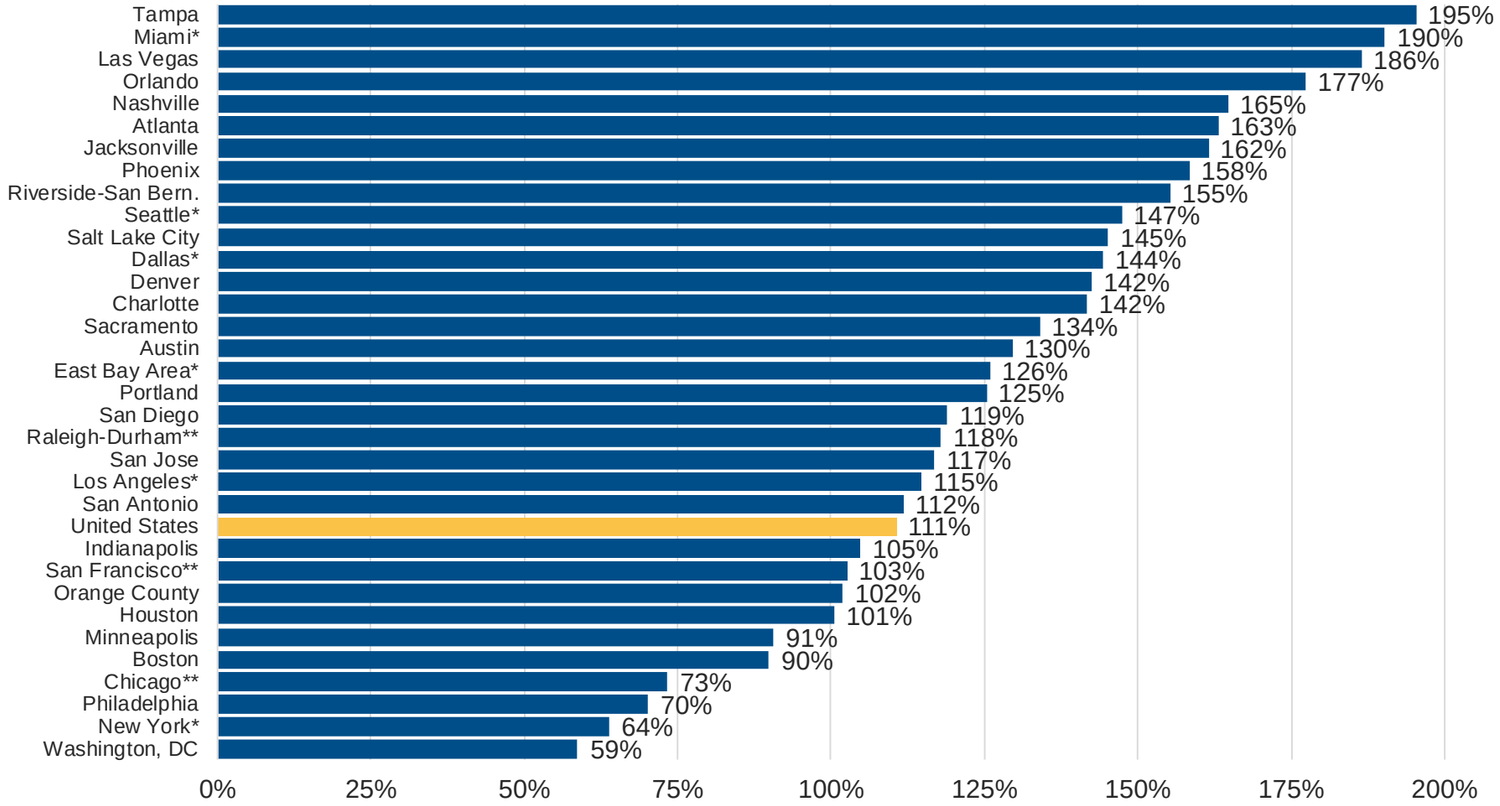
Since 2012, home values have increased 111% in the US, ranging from 195% in Tampa to 59% in Washington, DC.

Burns Home Value Index™ Cumulative Growth

Total price appreciation since 2012



We show cumulative home value growth from 2012 because that is when home values bottomed in most major markets during the prior cycle.

Source: John Burns Real Estate Consulting, LLC (Data: Jan-23, Pub: Feb-23) *Metro division **combination of metro divisions (except Raleigh-Durham, which is a combination of metros)

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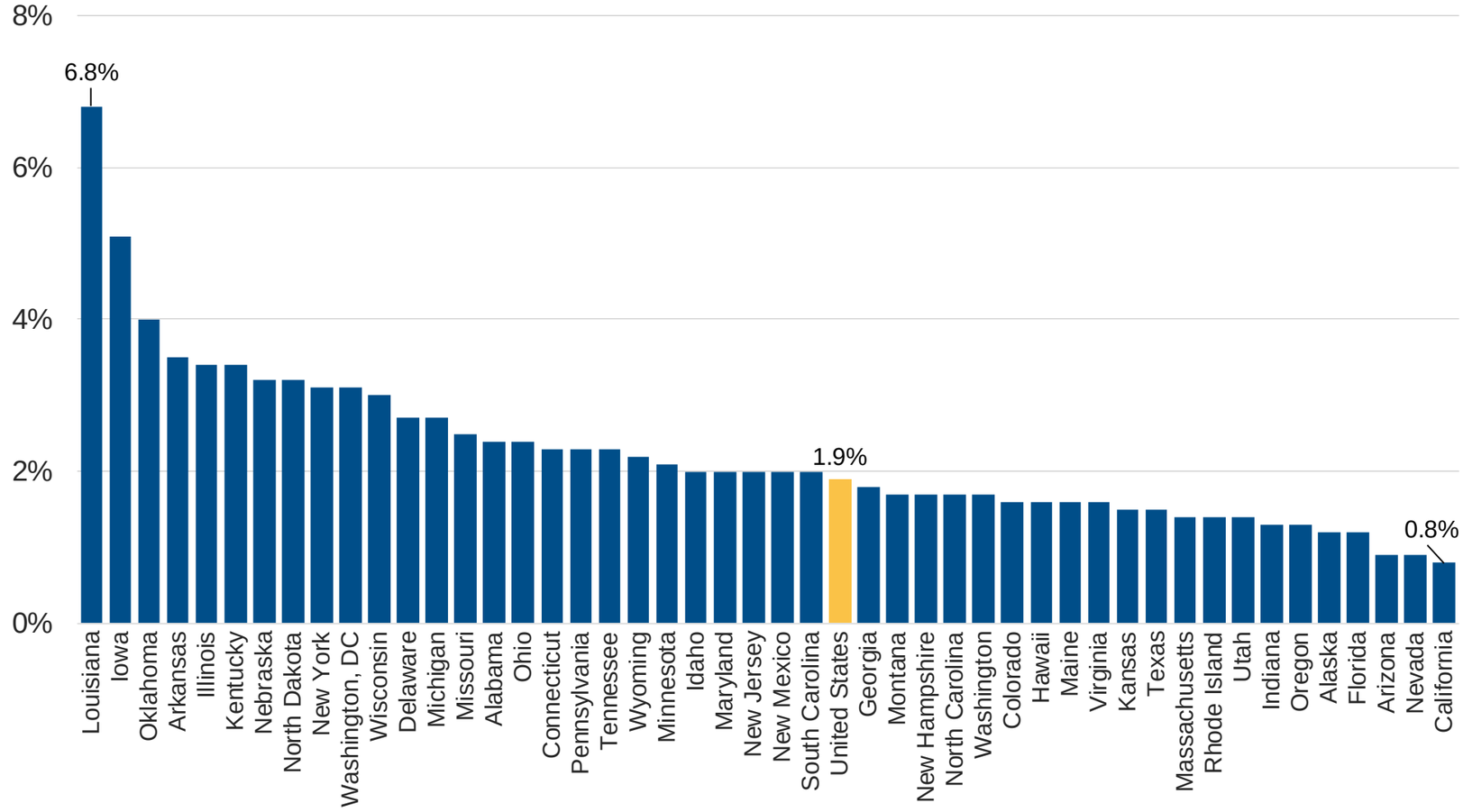
The number of homes with negative equity is trending lower for most markets, falling to 1.9% nationally in 3Q22. Levels vary significantly by state.

Percentage of Negative Equity Homes
3Q 2022



Louisiana has the highest share of negative equity homes at 6.8%, while California has the lowest share at 0.8%.

Source: CoreLogic (Data: 3Q22, updated quarterly; Pub: Jan-23)

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Regional summaries

Northeast #1: lowest months of supply; second-lowest permits share of prior peak; best affordability; relatively weak job growth

Overall JBREC regional rank: #1 out of 10 (#1 last month)

- **Current market strengths:** Second-lowest total permit share of prior peak levels (59%) among regions; lowest months of supply (1.1 months) among regions; best affordability among regions
- **Current concerns:** Average home price appreciation (3% YOY) among regions; weak job growth relative to regions (2.8% YOY); falling existing home sale closings volume (-15% YOY)
- **Percentage of total US construction:** 14% (218K SF and multifamily permits)

Lesley Deutch, Consulting, provided local insight for this regional summary.

- **Baltimore** (Slow): Builders average 1–2 sales per community and held prices flat YOY, trailing the +3% national average. The sales pace is largely dependent on concessions, with builders dropping prices also reporting stronger sales. One-third of builders reported reducing prices month over month in January as they worked to find new market value.
- **Philadelphia** (Slow): Resale closings fall -3% YOY to 97.6K on a trailing 12-month basis, the first YOY decline since March 2021. Constrained supply likely contributes, with just one estimated month of supply. Listings ticked up 4% YOY in January but still lag normal supply levels seen in 2019 by roughly 9.7K resale homes.
- **Richmond** (Normal): Builders average three sales per community and drop prices -3% YOY, lagging the +3% national average. Like many major Northeastern markets, Richmond builders never reported overblown pricing or sales activity seen in other regions, likely limiting the market's correction as national housing conditions falter. Low unsold finished inventory should also help hold conditions stable, despite some weaker pricing.
- **Washington, DC** (Slow): Builders average two sales per community with -3% YOY price declines, lagging the +3% national average. February marked a notable uptick in sales due in part to easing mortgage rates and falling prices. The for-sale market could see a larger upswing during the spring selling season, supported by low cancelations (currently 5%) and improving buyer traffic.

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Source: John Burns Real Estate Consulting, LLC (Data: Pub: Feb-23)

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Southern Florida #2: strongest home price appreciation; third-highest job growth; second-worst affordability; falling resale closings

Overall JBREC regional rank: #2 out of 10 (#2 last month)

- **Current market strengths:** Strongest home price appreciation (7% YOY) among regions; third-highest job growth (4.0% YOY) among regions; current permits at 62% of prior peak levels
- **Current concerns:** Second-worst affordability among regions; high months of supply (2.3 months) among regions; falling existing home sale closings volume (-21% YOY)
- **Percentage of total US construction:** 5% (72K SF and multifamily permits)

Jesse McConnico, Research, wrote this regional summary. Lesley Deutch, Consulting, provided local insight.

- **Fort Myers** (Normal): Builders average three sales per community and decrease prices -4% YOY, trailing the +3% national average. All surveyed builders report holding prices flat month over month after multiple price decreases in late 2022. Most builders noted increasing unsold finished inventory, and we will keep monitoring this trend for signs of further market softening.
- **Miami** (Normal): New and resale home closings declined in December off impressive year-ago comparisons. New home closings fell -9% YOY to 4.7K closings on a rolling 12-month basis, down from more than 5.1K in 2021. In the resale market, closings dropped -18% YOY to 44.5K, down from a robust 53.9K closings in 2021. We expect both new and resale closings to trend down in 2023 as volatile mortgage rates and economic uncertainty temper demand.
- **Naples** (Normal): Listings increase 175% YOY but hold well below normal levels seen in 2019 (a normal year for housing). 2.5K listings available last month lag January 2019 supply levels by roughly 4.2K listings, but we expect more resale homes to come online over the next few months. Increasing supply will help release the pressure valve on pricing, a welcome shift for prospective buyers after robust price appreciation exceeding 40% YOY in early 2022.
- **West Palm Beach** (Normal): New home sales start strong in 2023, but supply stays near record lows**.** Builders report a notable uptick in sales rates following lower-than-expected sales in December. When builders have homes to sell, demand responds in droves, but we expect continued lot delivery delays and limited inventory to limit builders' sales again this year. Affordability also remains a concern as the median new home price has reached an all-time high of $728K.

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Northern Florida #3: second-highest home price appreciation; strong job growth; worst affordability; falling resale closings

Overall JBREC regional rank: #3 out of 10 (#3 last month)

- **Current market strengths:** Second-highest home price appreciation (6% YOY) among regions; strong job growth (4.3% YOY) among regions
- **Current concerns:** Worst affordability among regions; 86% total permit share of prior peak; falling existing home sale closings volume (-16% YOY); high months of supply (2.1 months) among regions
- **Percentage of total US construction:** 9% (136K SF and multifamily permits)

Jesse McConnico, Research, wrote this regional summary. Lesley Deutch, Consulting, provided local insight.

- **Jacksonville** (Slow): Builders experience a stronger January sales lift than the national average. Many achieved 5–7 net sales per community, and traffic and expected sales ratings rose to Average and Fair, respectively. Earlier price reductions—paired with the rate dip — stimulated demand, and builders held prices flat MOM while watching for sustained activity. Our consultants note more finished inventory than other major Florida markets. Continued improvement in February may support an upgrade to Normal.
- **Orlando** (Normal): Builders enjoy a stronger January. Builders averaged three sales per community, up from 2 sales in December, and the average cancelation rate fell to 18%, down -50% month over month. Pricing remains a concern, as 90% of builders decreased or held prices flat last month, likely helping sales.
- **Tampa** (Normal): Builders report a strong rate of 4.4 net sales per community in January, a 94% MOM increase. Although 43% of surveyed builders reduced net prices MOM, the other 57% report flat to rising prices MOM. Tampa builders' 10% YOY price appreciation has eased but far exceeds the 3% national average. Construction continues to slow, with an -18% YOY decrease in single-family permits as builders pause new starts due to market uncertainty.

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Texas #4: highest total permits % of prior peak; strongest job growth; highest months of supply

Overall JBREC regional rank: #4 out of 10 (#7 last month)

- **Current market strengths:** Strongest job growth (4.9% YOY) among regions; average home price appreciation (1% YOY) relative to regions
- **Current concerns:** Weak affordability; highest total permits percent of prior peak (97%) of all regions; highest months of supply among regions (2.5 months); falling existing home sale closings (-12% YOY)
- **Percentage of total US construction:** 17% (260K SF and multifamily permits)

David Jarvis, Consulting, and Ken Perlman, Consulting, provided local insight for this regional summary.

- **Austin** (Very Slow): Builders average 4 net sales per community, up 54% MOM, as easing mortgage rates and builders' incentives help buyers qualify. 30% of surveyed builders increased prices month over month, and 30% decreased prices, a notable improvement from zero and 65%, respectively, last month. Cancelations (17%) and finished inventory also improved, suggesting market conditions may have bottomed out in December and begun an upward trend.
- We upgraded **Dallas** to **Normal** due to dramatically improved sales rates, ranking the highest among major metros. Builders averaged 5 sales per community, up from 3 in December, and 75% of builders held prices flat month over month. Cancelation rates also improved, down to 13% from 24% the prior month. One builder reported, "Sales are back. It was better than any month in 2022," citing discounts, interest rate buydowns, and increased traffic as the primary drivers.
- **Houston** (Slow): Houston builders signal firming prices in January, with 62% of builders reporting flat net prices MOM and 14% raising prices. Metro builders' 1% average YOY price appreciation trails 3% nationally. The 21% average cancelation rate remains elevated against 13% nationally, though many builders report easing rates MOM. However, Houston's average net sales rate remained flat MOM at 2.0 per community.
- **San Antonio** (Very Slow): Builders report improvement in January, with the average sales rate doubling, one-half of builders reporting flat prices MOM, and cancellations falling 15 percentage points. Although the 2.6 average net sales rate improved, many builders still report 0.5 to 1.5 net sales rates while offering concessions. More than 40% of surveyed builders reported net price declines in January, and the -7% YOY price depreciation notably trails +3% nationally.

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Source: John Burns Real Estate Consulting, LLC (Data: Pub: Feb-23)

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Southeast #5: strong resale price appreciation; high permits relative to prior peak

Overall JBREC regional rank: #5 out of 10 (#4 last month)

- **Current market strengths:** Strong resale price appreciation (6% YOY) among regions; average job growth (3.1% YOY)
- **Current concerns:** Permits at 88% of prior peak; falling existing home sale closings (-16% YOY)
- **Percentage of total US construction:** 20% (307K SF and multifamily permits)

Jesse McConnico, Research, wrote this regional summary. Lesley Deutch, Consulting, provided local insight.

- We upgraded **Atlanta** to **Normal** from Slow, as builders averaged four net sales per community in January. While concessions are still prevalent in the market, most builders held prices flat MOM, and only 20% decreased prices. Builders averaged almost 12% YOY new home price appreciation, the highest of all major markets. Sentiment among new home builders and resale agents has improved, and builders report continued demand for quick move-in homes as consumers avoid rate exposure.
- We upgraded **Charlotte** to **Normal** from Slow as the new home sales and pricing environment improved. New home price appreciation increased 8% YOY in January, as 70% of builders held prices flat MOM amid a jump in sales. Builders reported an average of 4 net sales per community, up significantly from 2 in December.
- **Nashville** (Slow): Builders note slight sales improvement to start the year. On average, Nashville builders reported three sales per community, up from two in December, spurred by easing mortgage rates and all surveyed builders holding or dropping prices month over month. We expect new home closings to fall -15% YOY in 2023 off a strong 2022 comp, despite the January month-over-month lift.
- **Raleigh-Durham** (Slow): Builders cut prices to boost sales, achieving four net sales per community on average in January with a strong MOM lift. However, YOY price appreciation fell into the negative range at -6% compared to 3% growth nationally. No other Southeast market has prices depreciating YOY. Local land brokers noted that builders are not progressing with land deals, and many canceled transactions in 4Q22 as their confidence sags.

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Northwest #6: high permits % prior peak; low months of supply; weak home price appreciation

Overall JBREC regional rank: #6 out of 10 (#8 last month)

- **Current market strengths**: Low resale supply among regions (1.3 months); above-average job growth (3.7% YOY) among regions
- **Current concerns:** Permits at 88% of prior peak levels; falling existing home sale closings (-24% YOY); falling home price appreciation (-4%)
- **Percentage of total US construction:** 6% (87K SF and multifamily permits)

Jody Kahn, Research, provided local insight and wrote this regional summary.

- **Portland** (Slow): Suburban Portland shows signs of improvement compared to urban areas, where sales lag. 43% of surveyed builders held prices flat month over month, and 29% decreased prices. Softer pricing helped builders achieve three average sales per community, up from two in December. Our consultants note major employers moving to the suburbs, fueling stronger suburban new home demand.
- **Seattle** (Slow): Tech layoffs shake the housing market. 33% of surveyed builders decreased prices MOM, and 33% held prices flat in the wake of a cooling jobs market not yet accounted for in employment data. Builders' price reductions and incentives, paired with easing mortgage rates, helped lift average sales to 3.5 in January from 2.0 in December.
- **Tacoma** (Very Slow): Tacoma returns to its roots as an attainably priced market relative to other major Northwest metros. Listings skyrocketed 220% YOY, helping release the pressure valve on resale price appreciation. Increasing supply will help reset affordability slightly, but we will continue monitoring listings closely for signs of heightened, unhealthy supply levels over the next few months.

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Source: John Burns Real Estate Consulting, LLC (Data: Pub: Feb-23)

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Midwest #7: second-best affordability; low months of supply; weakest job growth

Overall JBREC regional rank: #7 out of 10 (#5 last month)

- **Current market strengths:** Second-best affordability of all regions; 66% total permits share of the prior peak; low months of supply (1.3 months)
- **Current concerns:** Average resale price appreciation (3% YOY) among regions; weakest job growth among regions (2.2% YOY); falling existing home sale closings (-16% YOY)
- **Percentage of total US construction:** 14% (216K SF and multifamily permits)

Nicole Stadick, Research, wrote this regional summary. Lesley Deutch, Consulting, provided local insight.

- **Chicago** (Slow): Production builders average three sales per community in January versus smaller builders reporting 0–1 sale per community. Builders dropped prices an average -4% YOY, trailing 3% growth nationally, and 67% decreased net prices month over month. Weaker pricing helped bolster the average Chicago sales rate, but weak traffic and growing finished inventory confirmed soft new home demand.
- **Cleveland** (Very Slow): Zillow ranks Cleveland second among the hottest resale housing markets in 2023. The market shot to the top of Zillow's annual ranking due to "high market velocity and job growth." However, high-income sectors (more closely aligned with new home demand) underperform other sectors. Home builders note this dampened demand, reporting modest current sales and traffic and underwhelming expectations for the spring selling season.
- **Indianapolis** (Normal): Builders average two sales per community in January and increase prices an average of 4% YOY, exceeding the 3% national average. All surveyed builders held prices flat month over month, with most reporting zero cancelations and low finished inventory. January price appreciation decelerated from 16% YOY growth in December, but solid current sales helped hold Indianapolis in the Normal range.
- **Minneapolis** (Very Slow): Builders average one net sale per community in January and increase prices 7% YOY, exceeding the 3% national average. 67% of builders held prices flat month over month, and 33% decreased prices without moving the needle significantly on sales. Zillow's 2023 hotness report reinforces our Very Slow rating, ranking Minneapolis among the coldest large housing markets due to "expected annual home value declines and slower housing market velocity."

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Southern California #8: lowest total permits % of prior peak; average job growth; falling home values

Overall JBREC regional rank: #8 out of 10 (#6 last month)

- **Current market strengths:** 31% total permits as share of prior peak; above-average job growth (3.7% YOY) among regions; average months of resale supply (1.7) among regions
- **Current concerns:** Negative home price appreciation (-3% YOY); falling existing home sale closings (-27% YOY)
- **Percentage of total US construction:** 4% (67K SF and multifamily permits)

John Macke, Research, wrote this regional summary. Scott Wild, Consulting, provided local insight.

- **Los Angeles** (Slow): The net new home sales rate improves in January. Los Angeles builders average four net sales per community, the highest among Southern California markets. Our consultants note that builders targeting more affordable price points and offering higher incentives captured the strongest sales. Average YOY price appreciation of -5% trails the 3% national average, and 40% of builders reduced net prices in January. We are monitoring market conditions closely, as stronger sales indicate a stabilizing market.
- We upgraded **Orange County** to **Normal** from Slow this month, as sales rates improved, and pricing is firming. One builder summarizes, “Sales in good locations are good. Sales in bad locations are bad. Quality and location matter.” Builders averaged 3.5 sales per community in January, a 46% MOM rise. New home prices rose 2% YOY on average, with 29% of builders reducing net prices MOM, 57% holding net prices flat, and 14% increasing prices.
- We upgraded **Riverside-San Bernardino** to **Slow** from Very Slow, given improved sales and easing cancellations in January. Surveyed builders average 2.5 net sales per community, improving MOM from 1.6 net sales in December. Our consultants note that builders offering the highest incentives captured sales, as the affordability-driven market remains highly competitive. The pricing environment remains weak, with 46% of builders reducing net prices MOM and price appreciation turning negative at -7% YOY versus 3% nationally.
- **San Diego** (Slow): New home sales remain flat MOM in San Diego at roughly two net sales per community. Our consultants note that San Diego remains undersupplied and highly competitive, and affordability issues drive builders to offer sizeable incentives. New home price appreciation remains positive at 5% YOY for now, with 75% of builders dropping prices MOM as they try to stimulate demand. The average cancelation rate remains high at 20%, well above the 13% national average.

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Northern California #9: average job growth; declining home values; low months of resale supply

Overall JBREC regional rank: #9 out of 10 (#9 last month)

- **Current market strengths:** 66% total permit share of prior peak; low months of supply (1.4 months) among regions, relatively strong affordability among regions
- **Current concerns:** Home prices falling (-8% YOY); falling existing home sale closings (-27% YOY); above-average job growth (3.7% YOY) among regions
- **Percentage of total US construction:** 4% (68K SF and multifamily permits)

Alex Thomas, Research, wrote this regional summary. Dean Wehrli, Consulting, provided local insight.

- **East Bay Area** (Very Slow): Lower mortgage rates, paired with rate buydowns, help improve East Bay market conditions. Builders able to buy down rates to around 5% saw the most significant improvement in sales, according to our Northern California consulting team. Builders offering incentives and price cuts are competing more directly with resale sellers and benefit from an anemic 0.8 estimated months of resale supply.
- **Sacramento** (Very Slow): Lower mortgage rates help improve market conditions. Surveyed builders report an average of 2–3 net sales in January, up from 1–2 in December. Most builders held prices flat month over month, a notable shift from 100% decreasing prices in December. However, new home supply also ticked up in January, with multiple builders reporting 3–6 unsold finished inventory homes per community. Increased inventory paired with weaker demand could put more downward pressure on home prices.
- **San Jose** (Very Slow): Lower mortgage rates and softer pricing help improve new home sales month over month. With new home supply very limited, if builders continue to drop prices and mortgage rates continue to ease, buyers will likely jump off the sidelines, prompting a rating upgrade. For now, affordability challenges and dampened demand hold San Jose at a Very Slow rating.
- **San Francisco** (Very Slow): New home market conditions stay weak in January. The abundance of open projects in the city and weak buyer demand contribute to poor sales and declining home prices. Our consultants note, however, that outside of San Francisco, the region remains severely undersupplied, and new home communities in those areas outperform those in the urban core.

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Southwest #10: average job growth; falling home values; average permits % of prior peak; average months of supply

Overall JBREC regional rank: #10 out of 10 (#10 last month)

- **Current market strengths:** Permits at 74% of prior peak; average months of supply (1.8 months) among regions
- **Current concerns:** Falling existing home sales closings (-25% YOY); falling home values (-3% YOY); average job growth (3.0% YOY) among regions
- **Percentage of total US construction:** 9% (148K SF and multifamily permits)

Danielle Nguyen, Research, wrote this regional summary. Ken Perlman, Consulting, provided local insight.

- **Denver** (Very Slow): Builders average 1.5 net home sales per community in January, the fifth-lowest sales rate among all major metros nationally. New home sales slightly ticked up in January, supported by 75% of builders reducing net prices MOM and 25% of builders holding prices flat MOM. Builders reported that average cancelations fell significantly to 19% in January from 40% in December. New home price appreciation went negative to -4% YOY, down from 1% YOY in December.
- **Las Vegas** (Very Slow): New home sales improved in January, supported by lower rates and builders' concessions. Although some production builders averaged 6–9 net sales per community, many builders averaged 1.5–2.5 sales. The pricing environment does not support an upgrade yet; 57% of builders reduced net prices MOM during January. The average cancellation rate eased to 21% in January, down from 38% in December. Continued sales momentum with firming prices will support a future upgrade.
- **Phoenix** (Very Slow): Phoenix builders average 2.6 sales in January, supported by sizeable price cuts and easing mortgage rates. 46% of surveyed builders decreased prices MOM while 39% held prices flat MOM. The average cancelation rate cooled MOM to 26%, though still elevated. Sales rates are improving but are still reliant on incentives. We anticipate upgrading this market's rating when we see stable and improving pricing metrics, as well as receding cancelations.
- **Salt Lake City** (Very Slow): Builders average one net sale per community in January. Facing weak sales, 80% of builders reduced net prices MOM in January. The average cancellation rate fell to 16%, the lowest of the major Southwest metros. Builders averaged 9% YOY price appreciation, trending lower and likely to fall negative in March against a 23% YOY comp. Winter storms have likely sidelined potential buyers, though the January rate dip and builders' incentives attracted prospects.

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Regional analysis: demand

Home flipping declined YOY across all top housing markets, falling the most in Las Vegas and Portland.

Flipping Growth

4Q22 YOY % change

Flippers make up a large share of speculative demand in the market, chasing profits by relying on home price appreciation.

Las Vegas and Portland recorded a -55%+ YOY decline in flipping activity in 4Q22.

Note: Includes existing detached single-family home sale closings where the second sale was recorded within 12 months of the first sale ("Flipped"). Counts in the non-disclosure states (such as Texas) seem high and may include non-arms length transactions parading as flipped homes.*Metro division **combination of metro divisions (Except for Raleigh-Durham, which is a combination of metros)
Source: JBREC analysis of public records data for transactions and ownership (Data: 4Q22, Pub: Feb-23)

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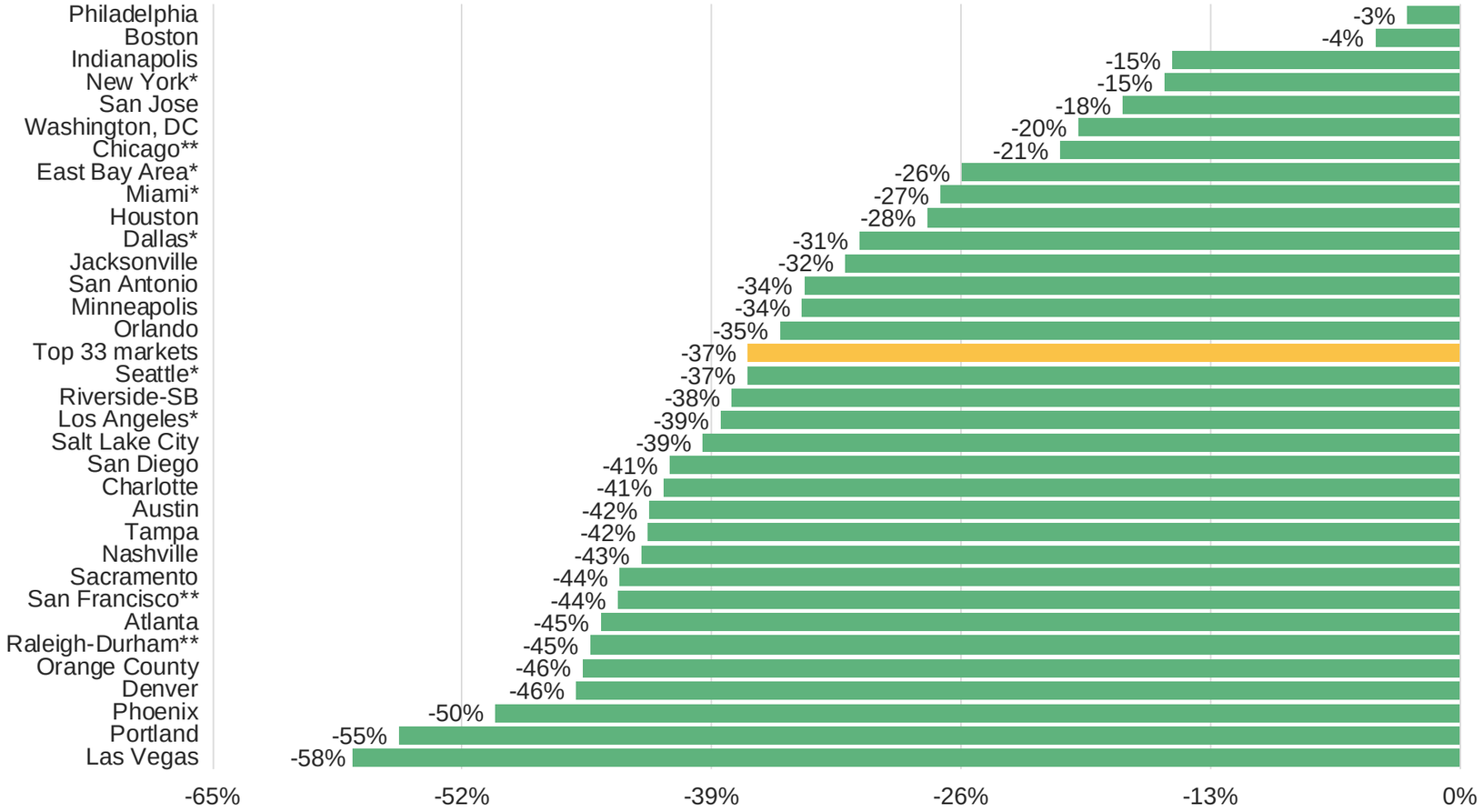
On average, home flipping transactions fell -37% YOY across the top markets in 4Q22.

Flipped Home Transactions

4Q22 YOY % change



Home flipping activity is shrinking as high rates reduce flippers' pool of buyers and price cuts become widespread.

Flipped transactions fell -50%+ YOY in Las Vegas, Portland, and Phoenix. Many Midwest and Northeast markets saw flipped home transactions decline less.

Note: Includes existing detached single family home sale closings where the second sale was recorded within 12 months of the first sale ("Flipped"). The non-disclosure (such as Texas) state counts seem high and may include non-arms length transactions parading as flipped homes.*Metro division **combination of metro divisions (Except for Raleigh-Durham, which is a combination of metros)
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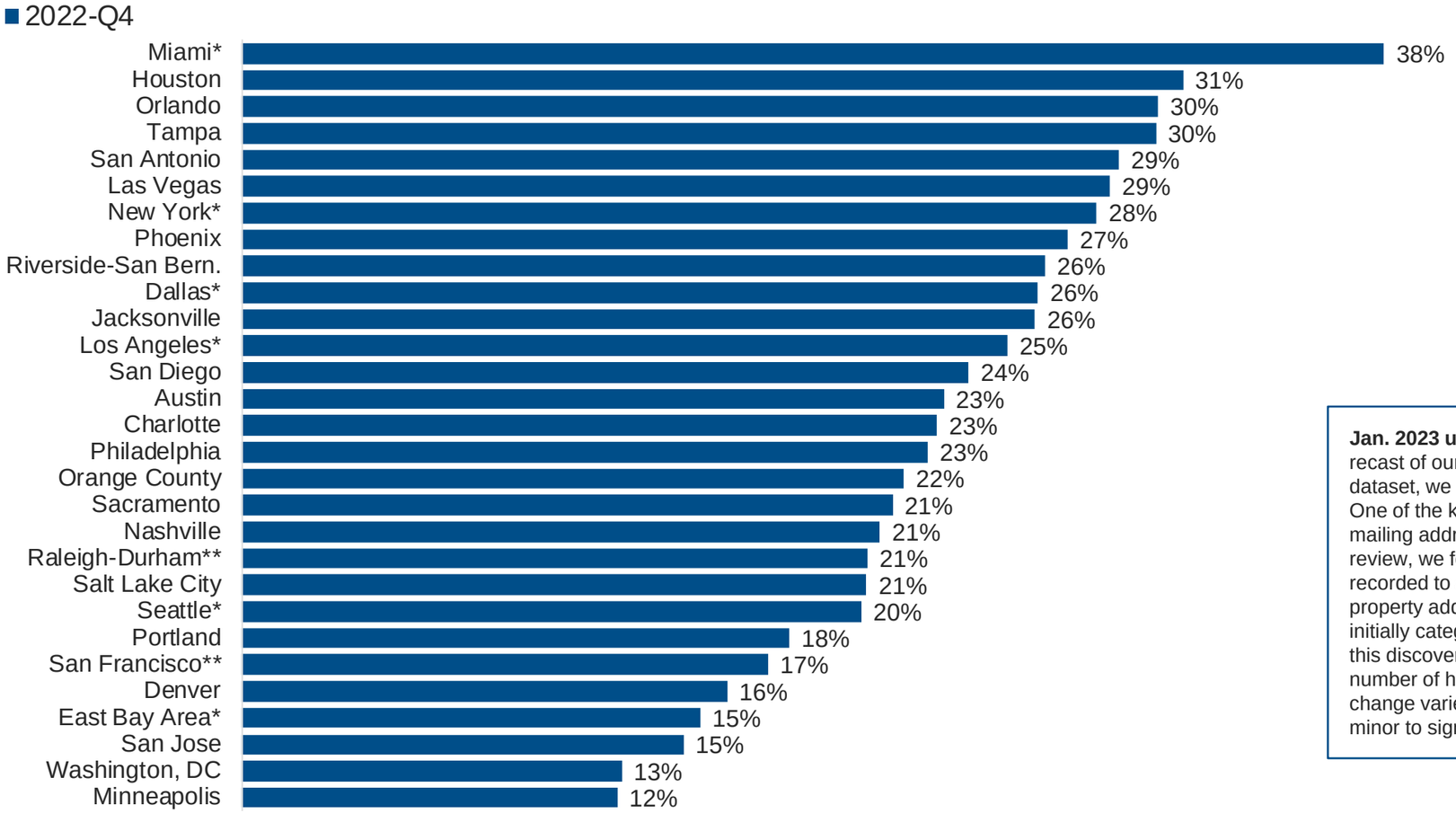
Investor sales in Miami account for 38% of total sales in 4Q22.

% of Investor Sales to Total Sales (New and Resale)



Investors continue to make up a large share of total home sales in 4Q22. Markets in the Sunbelt post the largest share of investor sales. Miami leads at 38% of total sales; Minneapolis lags at 12%.

Jan. 2023 update: We updated our investor-purchases data series source, which led to a recast of our entire investor data series metrics. After purchasing a new public records dataset, we undertook a deeper review of the data underlying our summary statistics. One of the key indicators of whether a home is purchased by an investor is that the mailing address of the tax statement is different from the property address. During our review, we found purchases in which the mailing address of the new owner was originally recorded to a secondary address (not the property address) but was changed to the property address shortly after recording the purchase. This indicates that purchases initially categorized as investor purchases were being overstated in some cases. Due to this discovery, we have added an adjustment to the summary statistics that lowers the number of historical investor purchases in our updated methodology. The percentage change varies by metro. Due to the new data source and our adjustments, you may note minor to significant historical revisions to this metric.

*A calculation of home sale closings with different zip codes for the property and the owner's mailing address for tax statements. Includes only sales where both the site and mail zip code are known. Includes new and existing homes.

Note: Boston, Indianapolis, Atlanta, and Chicago investor data is unavailable.

*Metropolitan division **combination of metropolitan divisions (except Raleigh-Durham, which is a combination of metros)

Source: JBREC analysis of public records data for transactions and ownership (Data: 4Q22, updated quarterly; Pub: Feb-23)

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% of Investor Sales to Total Sales (New and Resale)

Metro	4Q21	4Q22	Difference
Miami*	33%	38%	5%
Philadelphia	19%	23%	3%
Washington, DC	10%	13%	3%
Houston	29%	31%	2%
New York*	27%	28%	1%
Salt Lake City	20%	21%	1%
Riverside-San Bern.	26%	26%	1%
Minneapolis	13%	12%	0%
San Jose	15%	15%	0%
Los Angeles*	26%	25%	0%
East Bay Area*	16%	15%	-1%
San Diego	25%	24%	-1%
San Antonio	30%	29%	-1%
Portland	19%	18%	-1%
San Francisco**	19%	17%	-1%

Metro	4Q21	4Q22	Difference
Orange County	24%	22%	-2%
Dallas*	29%	26%	-2%
Nashville	24%	21%	-3%
Denver	19%	16%	-3%
Seattle*	24%	20%	-3%
Sacramento	25%	21%	-4%
Tampa	34%	30%	-4%
Orlando	36%	30%	-6%
Austin	29%	23%	-6%
Raleigh-Durham**	27%	21%	-7%
Las Vegas	37%	29%	-8%
Charlotte	32%	23%	-9%
Jacksonville	37%	26%	-11%
Phoenix	38%	27%	-11%

*A calculation of home sale closings with different zip codes for the property and the owner's mailing address for tax statements. Includes only sales where both the site and mail zip code are known. Includes new and existing homes.

Note: Boston, Indianapolis, Atlanta and Chicago investor data is unavailable.

*Metropolitan division **combination of metropolitan divisions (except Raleigh-Durham, which is a combination of metros)

Source: JBREC analysis of public records data for transactions and ownership (Data: 4Q22, updated quarterly; Pub: Feb-23)

Investors make up a larger share of total sales in Miami in 4Q22 compared to one year ago.

Phoenix and Jacksonville posted the largest YOY decline in the share of investor sales to total sales.

Investors continue to make up a large share of total home sales in 4Q22. Markets in the Sunbelt post the largest share of investor sales. Miami leads at 38% of total sales; Minneapolis and Washington, DC, lag at 12%.

Jan. 2023 Update: We updated our investor-purchases data series source, which led to a recast of our entire investor data series metrics. After purchasing a new public records dataset, we undertook a deeper review of the data underlying our summary statistics. One of the key indicators of whether a home is purchased by an investor is that the mailing address of the tax statement is different from the property address. During our review, we found purchases in which the mailing address of the new owner was originally recorded to a secondary address (not the property address) but was changed to the property address shortly after recording the purchase. This indicates that purchases initially categorized as investor purchases were being overstated in some cases. Due to this discovery, we have added an adjustment to the summary statistics that lowers the number of historical investor purchases in our updated methodology. The percentage change varies by metro. Due to the new data source and our adjustments, you may note minor to significant historical revisions to this metric.

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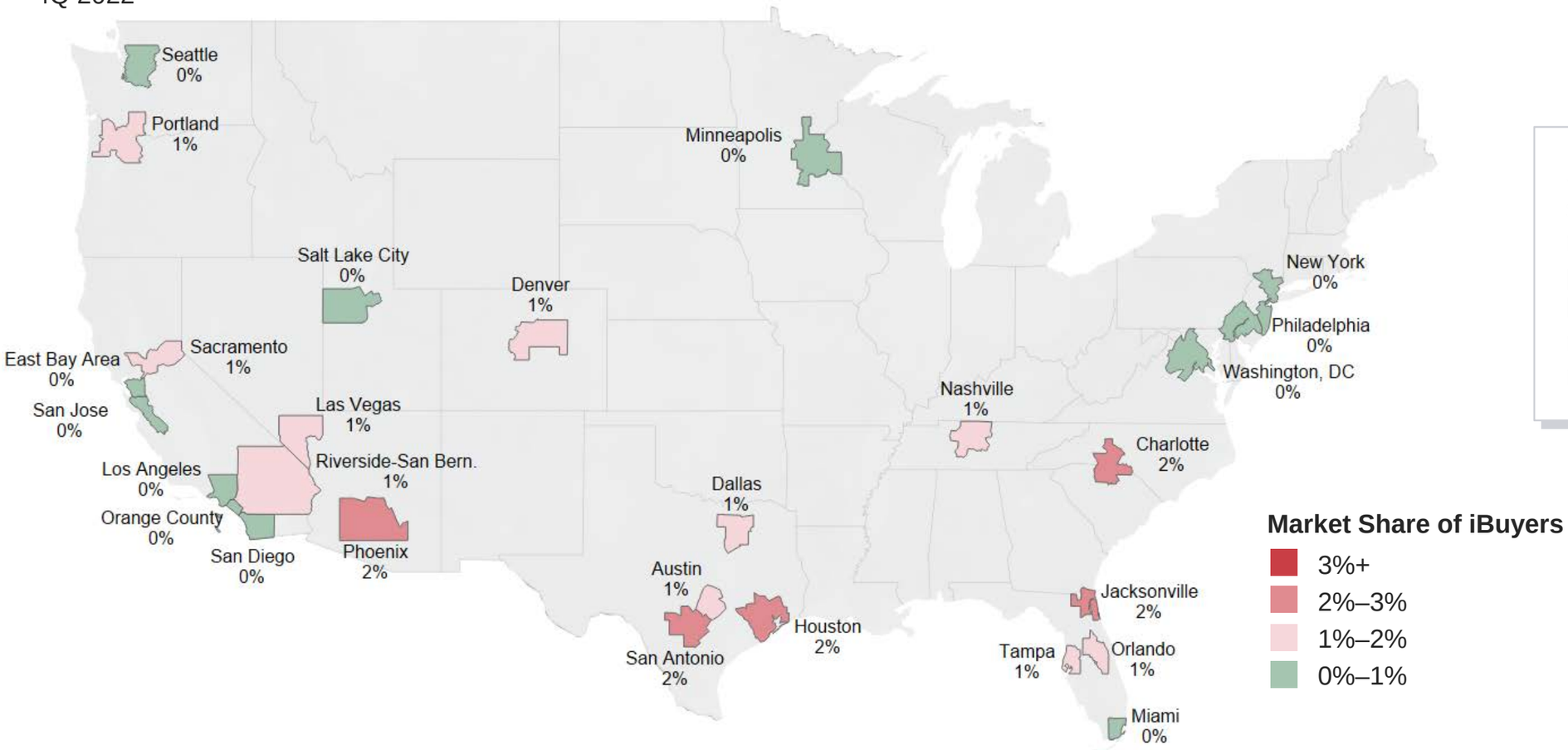
Sunbelt markets have the largest share of iBuyer activity in 4Q22.

Market Share of iBuyers by Metro

4Q 2022



Several markets across the southern US have a 2% iBuyer market share. iBuyers tend to purchase homes that are not listed on the MLS and make light repairs/updates before listing to market at a higher price point.

Note: A calculation of home sale closings based on addresses and names we have identified is used by iBuyers. Includes new and existing homes.
*Metro division **combination of metro divisions (Except for Raleigh-Durham, which is a combination of metros)
Source: JBREC analysis of public records data for transactions and ownership (Data: 4Q22, Pub: Feb-23)

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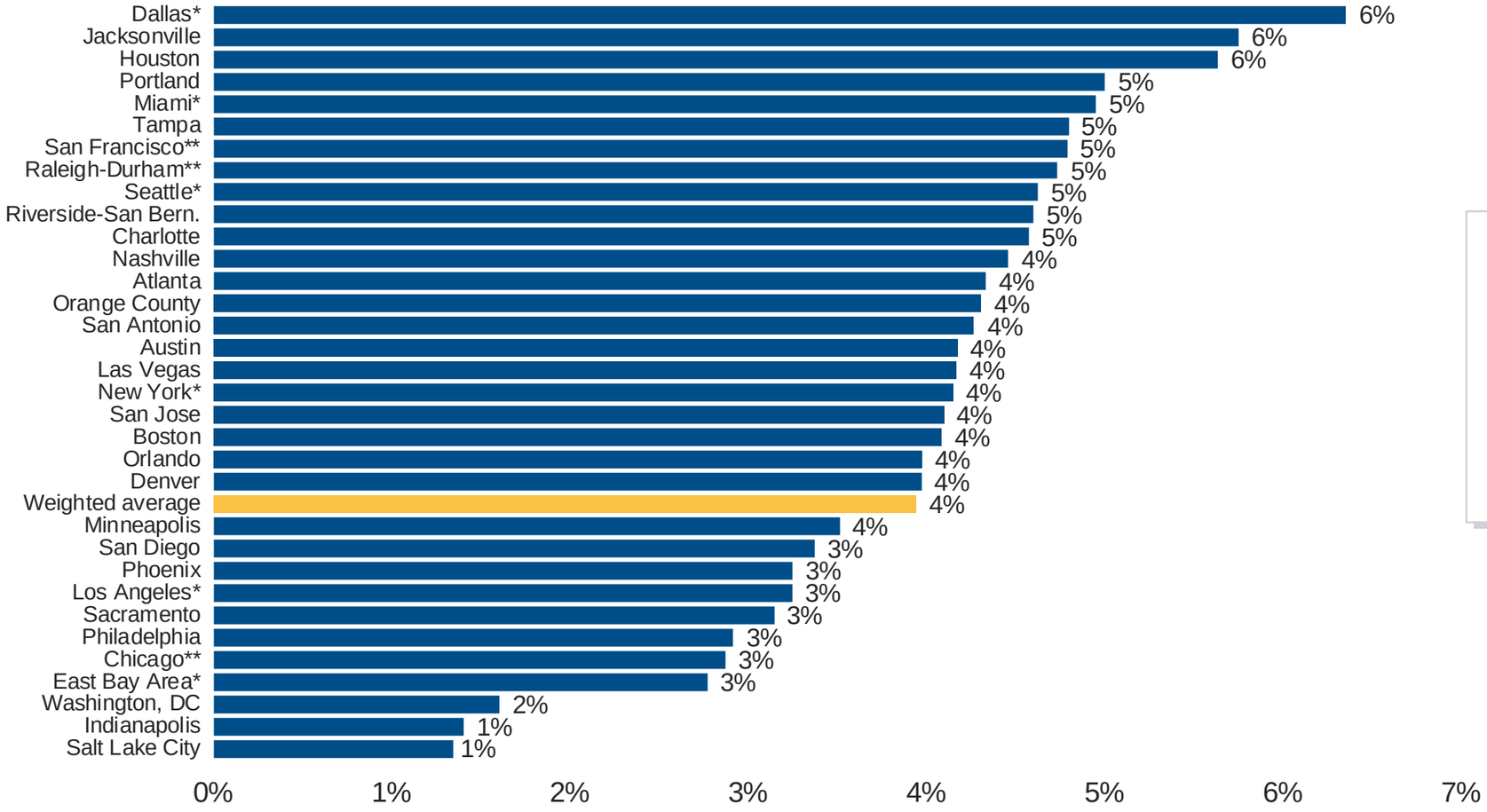
Payrolls increased 4% YOY on average across the top markets as of December 2022.

Employment Growth

Dec-22 YOY %



Payrolls increased 1% to 6% YOY across top markets.

Employment grew the most YOY at 6% in Dallas, where current payrolls are now at 110% of their pre-COVID peak.

*Metro division **combination of metro divisions (except Raleigh-Durham, which is a combination of metros)

Sources: BLS; John Burns Real Estate Consulting, LLC (Data: Dec-22, Pub: Feb-23)

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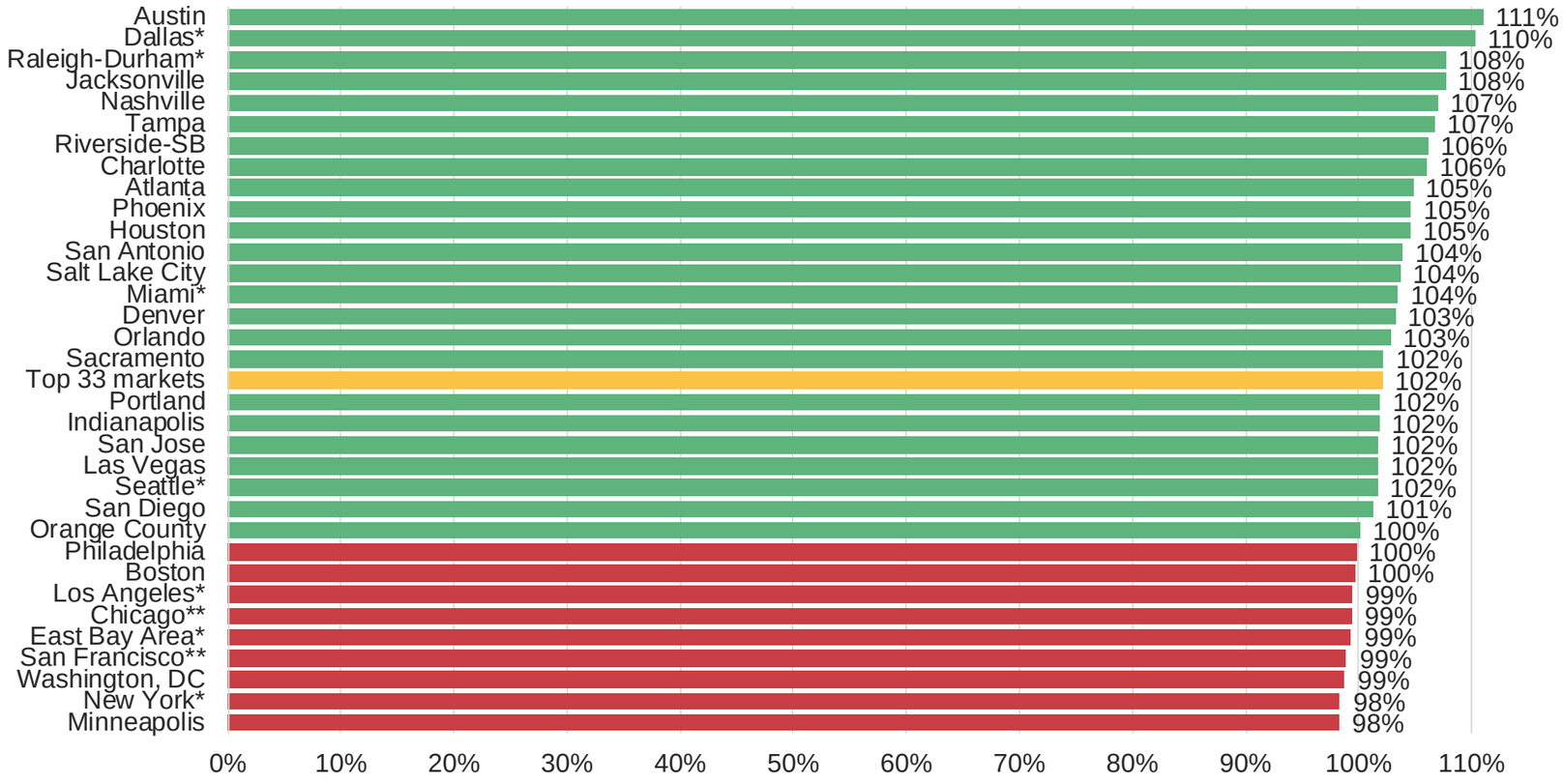
Job recovery varies by market. Austin payrolls are at 111% of their pre-COVID peak. Minneapolis and New York still lag behind their pre-COVID peak by 2 percentage points.

Recovery of Payroll Jobs (% of Pre-COVID-19 Peak)

Through December 2022



*Metro division **combination of metro divisions (Raleigh-Durham is a combination of multiple metros.)

Recovery measured against peak payroll employment (non-seasonally adjusted), which for most markets was in November or December 2019. Trough employment (non-seasonally adjusted) for these markets was April or May 2020.

Source: John Burns Real Estate Consulting, LLC tabulations of Bureau of Labor Statistics data. (Data: Dec-22, Pub: Feb-23)

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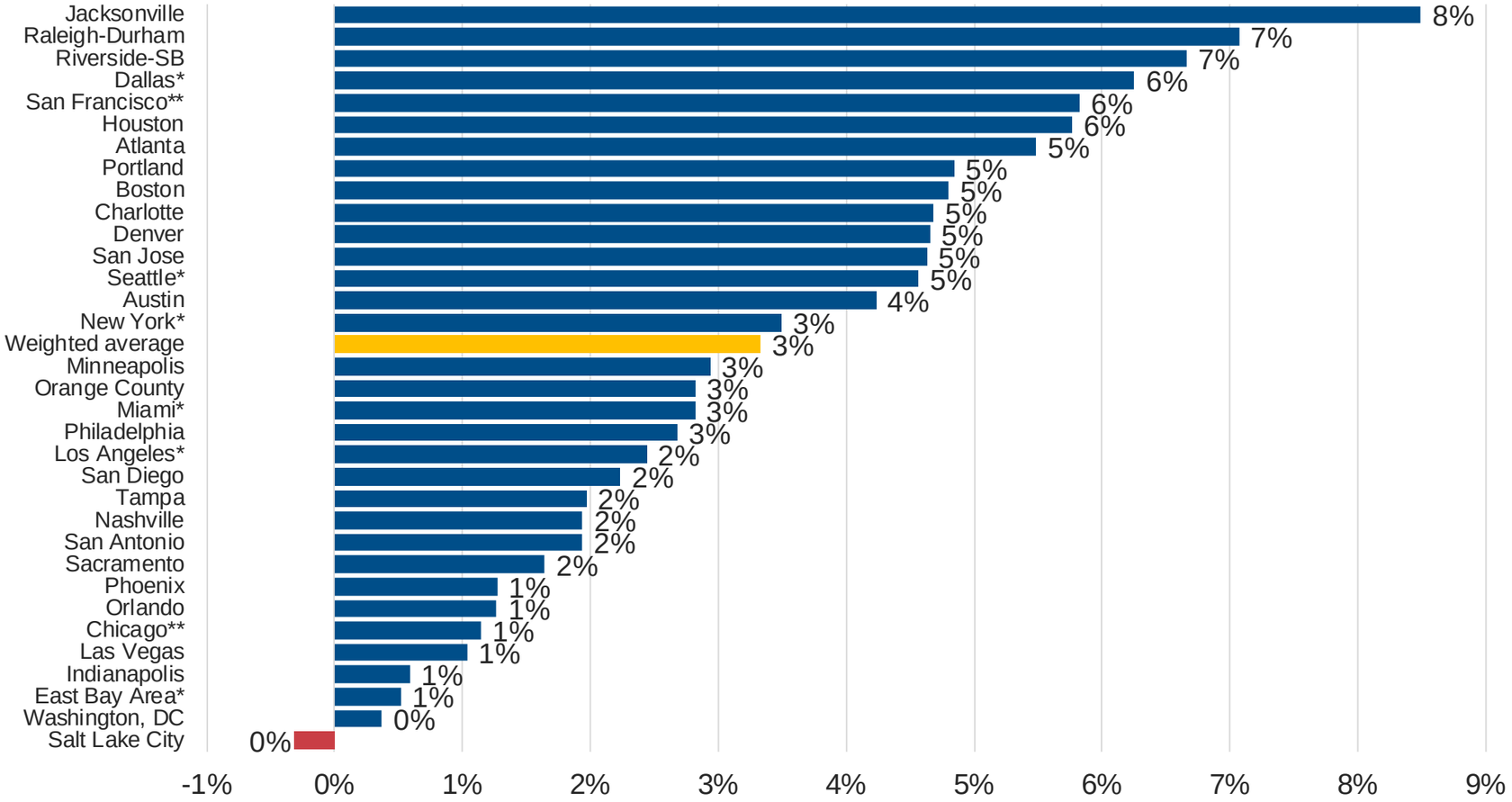
High-income jobs increased 3% YOY on average across the top markets as of December 2022.

High-Income Job Growth YOY***

December 2022 YOY %



High-income job growth ranged from flat to 8% YOY across top markets.

High-income employment grew the most in Jacksonville (8% YOY), where current high-income payrolls are at 118% of their pre-COVID peak.

*Metro division **combination of metro divisions (except Raleigh-Durham, which is a combination of metros) ***High-Income Sector includes Financial Activities, Information, and Professional and Business Services

Source: BLS, John Burns Real Estate Consulting, LLC (Data: Dec-22, Pub: Feb-23)

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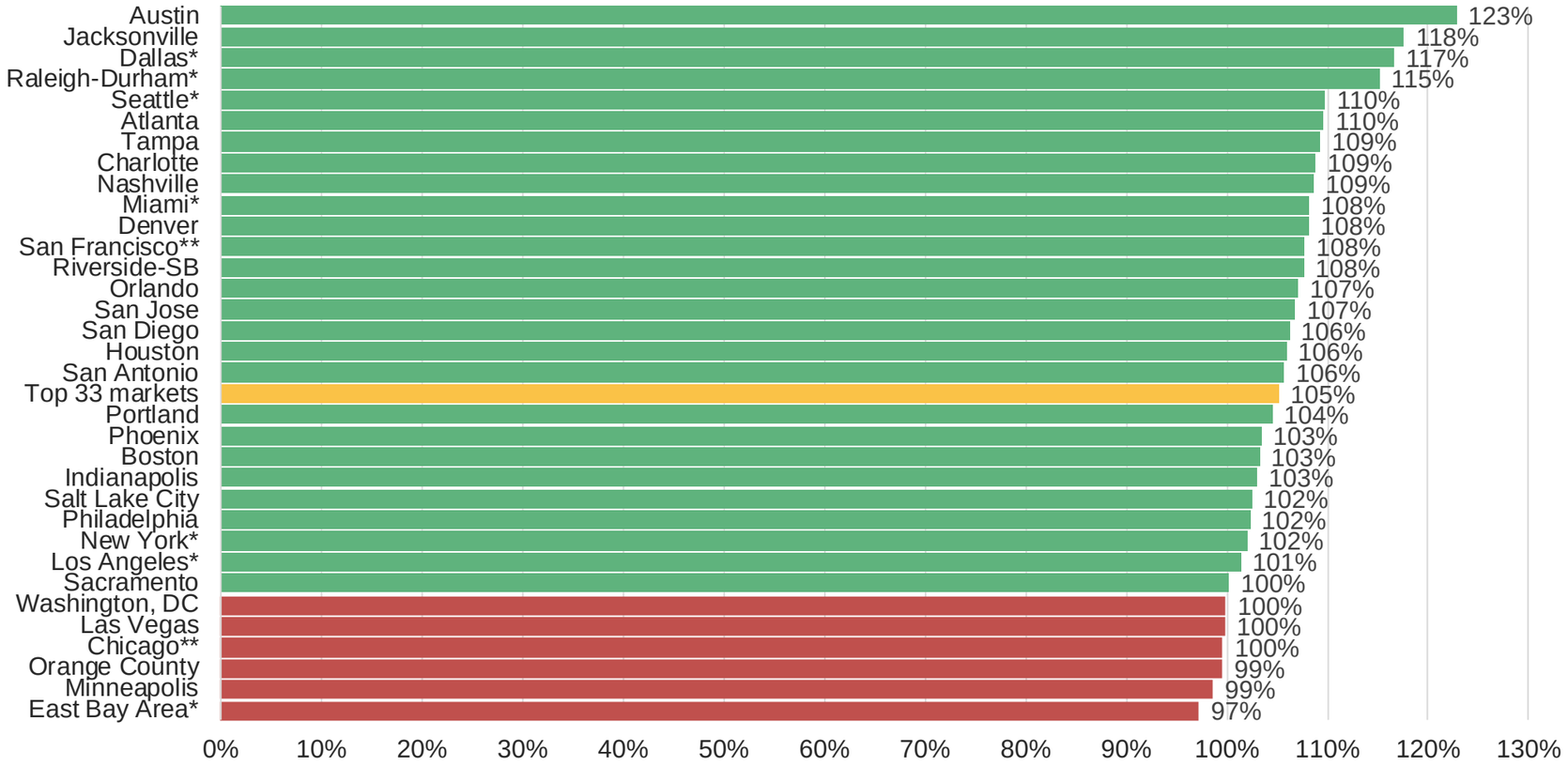
The high-income sector jobs recovery varies by market. Austin's high-income payrolls are at 123% of their pre-COVID peak. East Bay Area lags its pre-COVID peak by 3%.

Recovery of High-Income Sector Jobs (% of Pre-COVID-19 Peak)***

Through December 2022



*Metro division **combination of metro divisions (Raleigh-Durham is a combination of multiple metros.)***High-Income Sector includes Financial Activities, Information, and Professional and Business Services

Recovery was measured as a percentage of peak high-income sectors payroll employment (non-seasonally adjusted), which for most markets was in February 2020. Trough employment (non-seasonally adjusted) for these markets was in April or May 2020.

Source: John Burns Real Estate Consulting, LLC tabulations of Bureau of Labor Statistics data. (Data: Dec-22, Pub: Feb-23)

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High-income job growth YOY lags total job growth in many top markets.

Total Employment Growth YOY versus High-Income Job Growth YOY***

Metro	Employment Growth	High-Income YOY Growth	Gap
Jacksonville	5.7%	8.5%	-2.7%
Raleigh-Durham	4.7%	7.1%	-2.3%
Riverside-SB	4.6%	6.7%	-2.1%
Atlanta	4.3%	5.5%	-1.2%
San Francisco**	4.8%	5.8%	-1.0%
Boston	4.1%	4.8%	-0.7%
Denver	4.0%	4.7%	-0.7%
San Jose	4.1%	4.6%	-0.5%
Houston	5.6%	5.8%	-0.1%
Charlotte	4.6%	4.7%	-0.1%
Austin	4.2%	4.2%	-0.1%
Seattle*	4.6%	4.6%	0.1%
Dallas*	6.4%	6.3%	0.1%
Portland	5.0%	4.8%	0.2%
Philadelphia	2.9%	2.7%	0.2%
Minneapolis	3.5%	2.9%	0.6%
Weighted average	**3.9%**	**3.3%**	**0.6%**

Metro	Employment Growth	High-Income YOY Growth	Gap
New York*	4.1%	3.5%	0.7%
Los Angeles*	3.2%	2.4%	0.8%
Indianapolis	1.4%	0.6%	0.8%
San Diego	3.4%	2.2%	1.1%
Washington, DC	1.6%	0.4%	1.2%
Orange County	4.3%	2.8%	1.5%
Sacramento	3.1%	1.6%	1.5%
Salt Lake City	1.3%	-0.3%	1.7%
Chicago**	2.9%	1.1%	1.7%
Phoenix	3.2%	1.3%	2.0%
Miami*	5.0%	2.8%	2.1%
East Bay Area*	2.8%	0.5%	2.3%
San Antonio	4.3%	1.9%	2.3%
Nashville	4.5%	1.9%	2.5%
Orlando	4.0%	1.3%	2.7%
Tampa	4.8%	2.0%	2.8%
Las Vegas	4.2%	1.0%	3.1%

We expect disparities, as COVID-19 did not negatively impact high-income sectors as much as other sectors. Across top markets, high-income-sector jobs have recovered to 105% of prior peak levels, while total employment has recovered to 102%.

*Metro division **combination of metro divisions (except Raleigh-Durham, which is a combination of metros) ***High-Income Sector includes Financial Activities, Information, and Professional and Business Services
Source: BLS; John Burns Real Estate Consulting, LLC (Data: Dec-22, Pub: Feb-23)

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Recent Layoff Announcements

Date	Company	Industry	HQ Location	Layoffs Announced	Share of Workforce (%)
Feb-23	Docusign	Information	SF Bay Area	680	10%
Feb-23	Pico Interactive		SF Bay Area	400	20%
Feb-23	The RealReal	Retail Trade	SF Bay Area	230	7%
Feb-23	ServiceTitan	Information	Los Angeles	221	8%
Feb-23	DigitalOcean	Professional and Business Services	New York	200	11%
Feb-23	CommerceHub		Albany	371	3100%
Feb-23	Twilio	Information	SF Bay Area	1,500	17%
Feb-23	Yahoo	Information	SF Bay Area	1,600	20%
Feb-23	GoDaddy	Information	Phoenix	530	8%
Feb-23	Affirm	Financial Activities	SF Bay Area	500	19%
Feb-23	Zoom	Professional and Business Services	SF Bay Area	1,300	15%
Feb-23	eBay	Retail Trade	SF Bay Area	500	4%
Feb-23	Dell	Manufacturing	Austin	6,650	5%
Feb-23	Okta	Information	SF Bay Area	300	5%
Feb-23	Splunk	Information	SF Bay Area	325	4%
Jan-23	PayPal	Information	SF Bay Area	2,000	7%
Jan-23	NetApp	Manufacturing	SF Bay Area	960	8%
Jan-23	Workday	Professional and Business Services	SF Bay Area	525	3%
Jan-23	Hubspot	Information	Boston	500	7%
Jan-23	Upstart	Other Services	SF Bay Area	365	20%
Jan-23	Groupon	Professional and Business Services	Chicago	500	NA
Jan-23	Intel	Manufacturing	SF Bay Area	343	NA
Jan-23	Confluent	Information	SF Bay Area	221	8%
Jan-23	IBM	Manufacturing	New York	3,900	2%
Jan-23	Shutterfly	Other Services	SF Bay Area	360	NA

Note: Announced layoffs are not necessarily concentrated in the specified HQ location.

Source: John Burns Real Estate Consulting, LLC (Pub: Feb-23)

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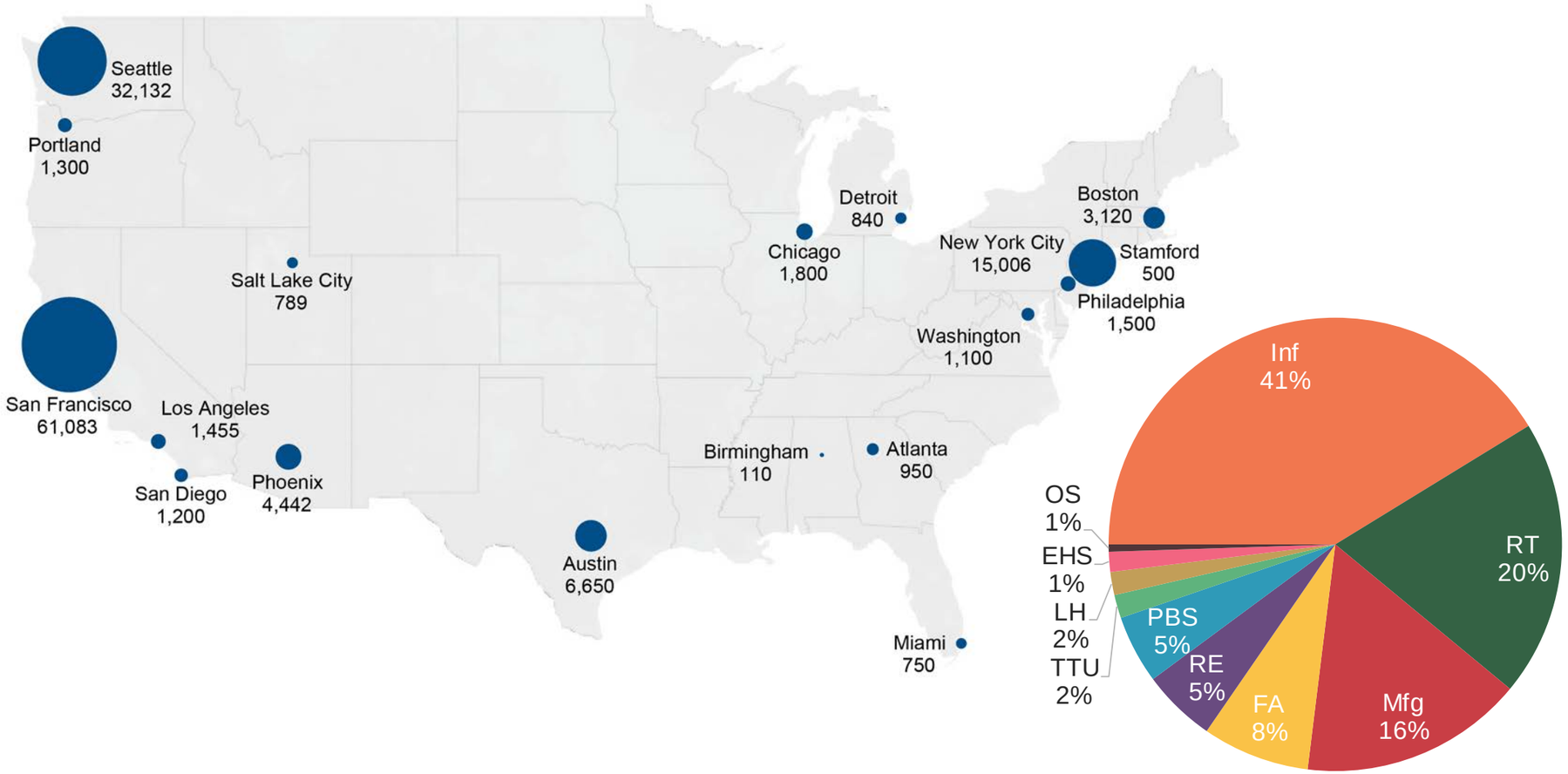
Recent layoff announcements by company headquarter location



Layoff announcements have accelerated in recent months and are starting to expand beyond the tech sector.

Note: Total layoffs by metro indicated on the map are based on company headquarters location and do not necessarily represent which metros are actually being impacted by the job losses.

EHS = Education and Health Services; **FA** = Financial Activities; **LH** = Leisure and Hospitality; **Mfg** = Manufacturing; **PBS** = Professional and Business Services; **RE** = Real Estate; **RT** = Retail Trade; **TTU** = Trade, Transportation, Utilities; **Inf** = Information; **OS** = Other services

Note: Data includes layoff announcements from January 2022 through the current month. Data only includes announcements of 200 or greater layoffs.

Source: John Burns Real Estate Consulting, LLC (Pub: Feb-23)

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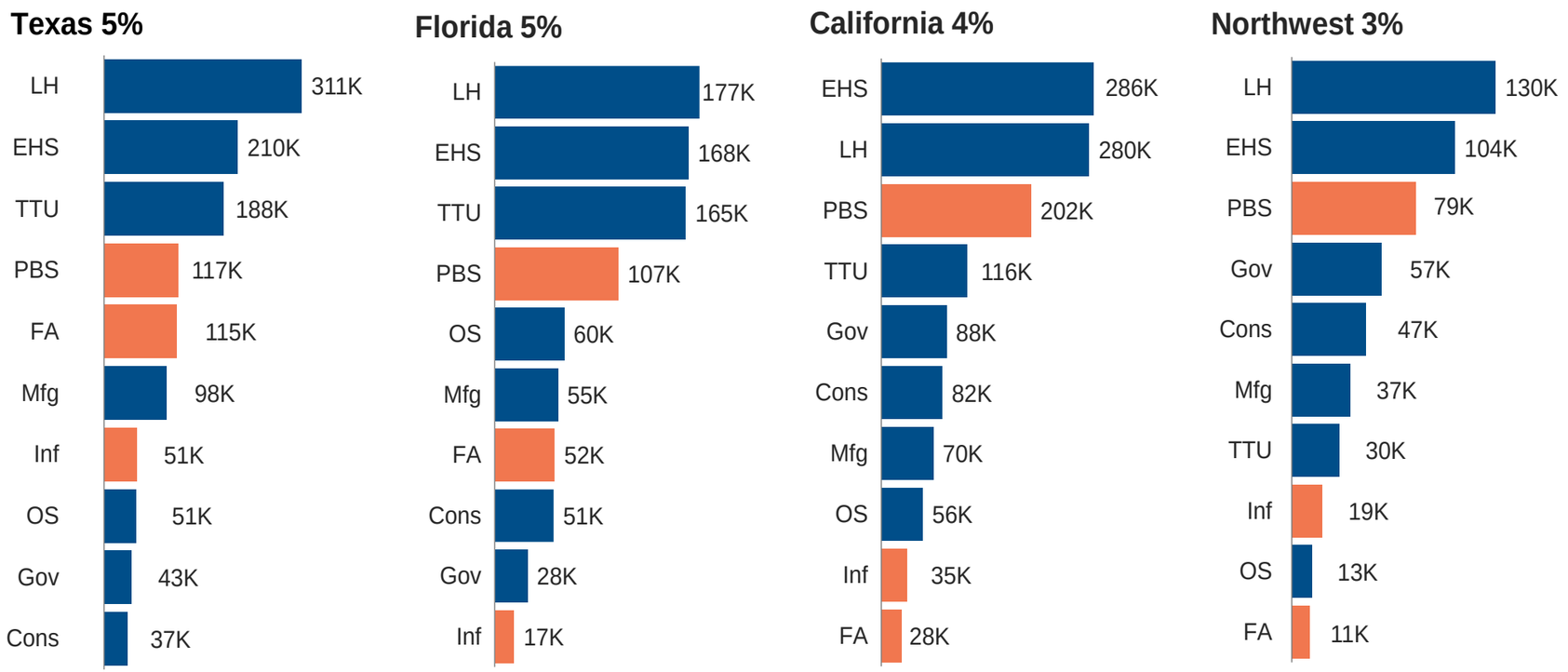
As of December 2022, Leisure and Hospitality led recent YOY job gains across most regions but continues to lag other sectors in overall jobs recovered.

Current Employment Growth (YOY)



Note: High-income sectors are highlighted in orange. Construction includes energy/mining jobs. Regional Employment Growth: regional sector and total employment growth are calculated based on state-level seasonally adjusted sector and total employment data.

Non-high-income sector
High-income sector

Cons = Construction; **EHS** = Education and Health Services; **FA** = Financial Activities; **Gov** = Government; **LH** = Leisure and Hospitality; **Mfg** = Manufacturing; **PBS** = Professional and Business Services; **TTU** = Trade, Transportation, Utilities; **Inf** = Information; **OS** = Other services

Source: Bureau of Labor Statistics; John Burns Real Estate Consulting, LLC (Data: Dec-22, Pub: Feb-23)

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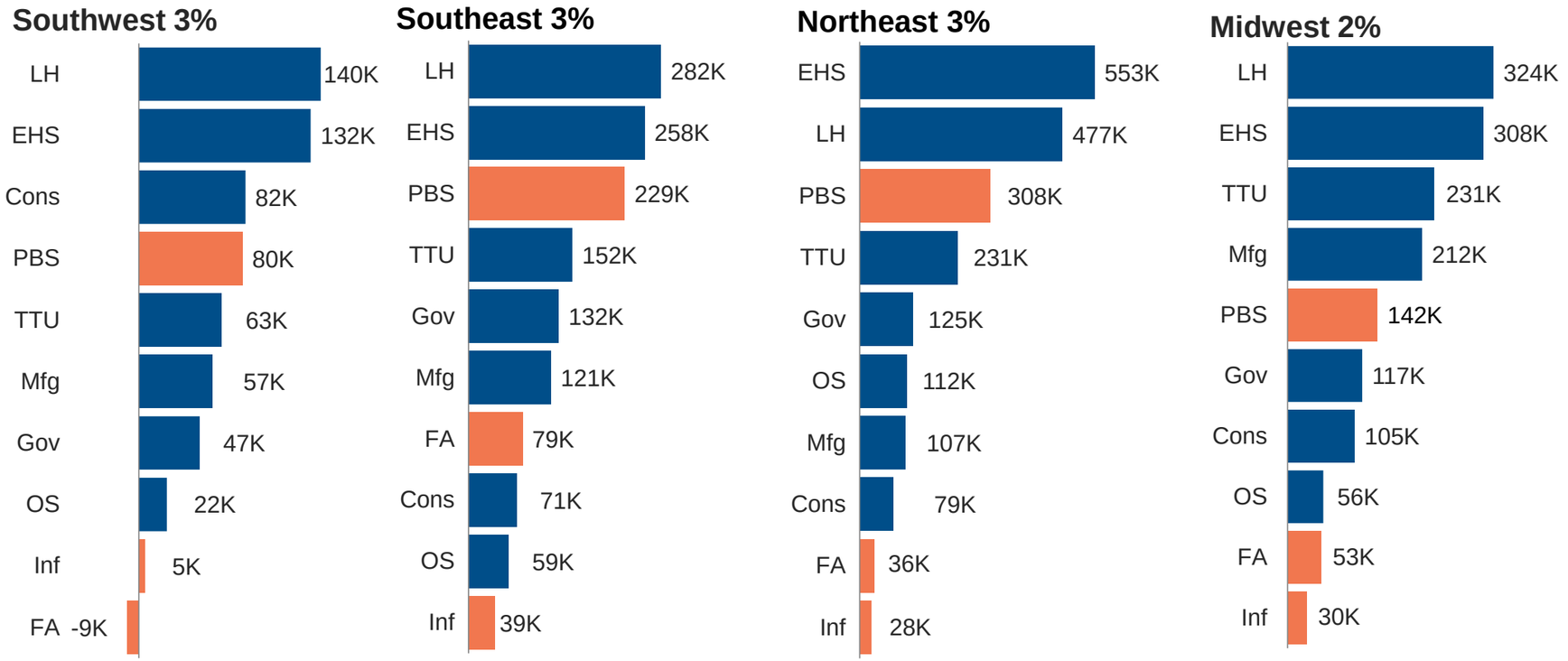

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Source: Bureau of Labor Statistics; John Burns Real Estate Consulting, LLC (Data: Dec-22, Pub: Feb-23)

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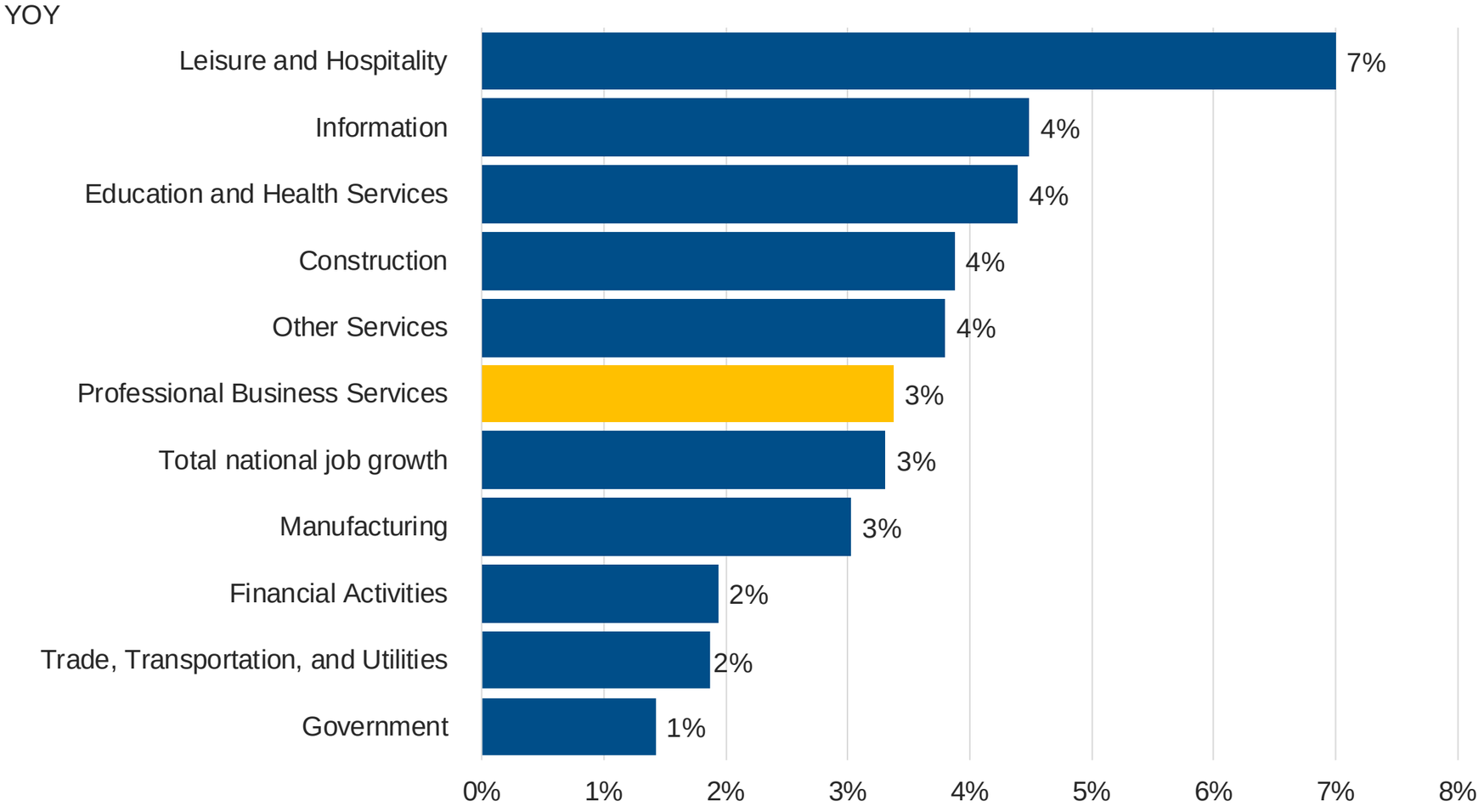
Nationally, Leisure and Hospitality employment grew 7% YOY through January 2023. This sector experienced the largest employment decline from COVID-19 and is still -3% below its pre-COVID level.

National Employment Growth by Sector



Sources: Bureau of Labor Statistics, John Burns Real Estate Consulting, LLC (Data: Jan-23, Pub: Feb-23)

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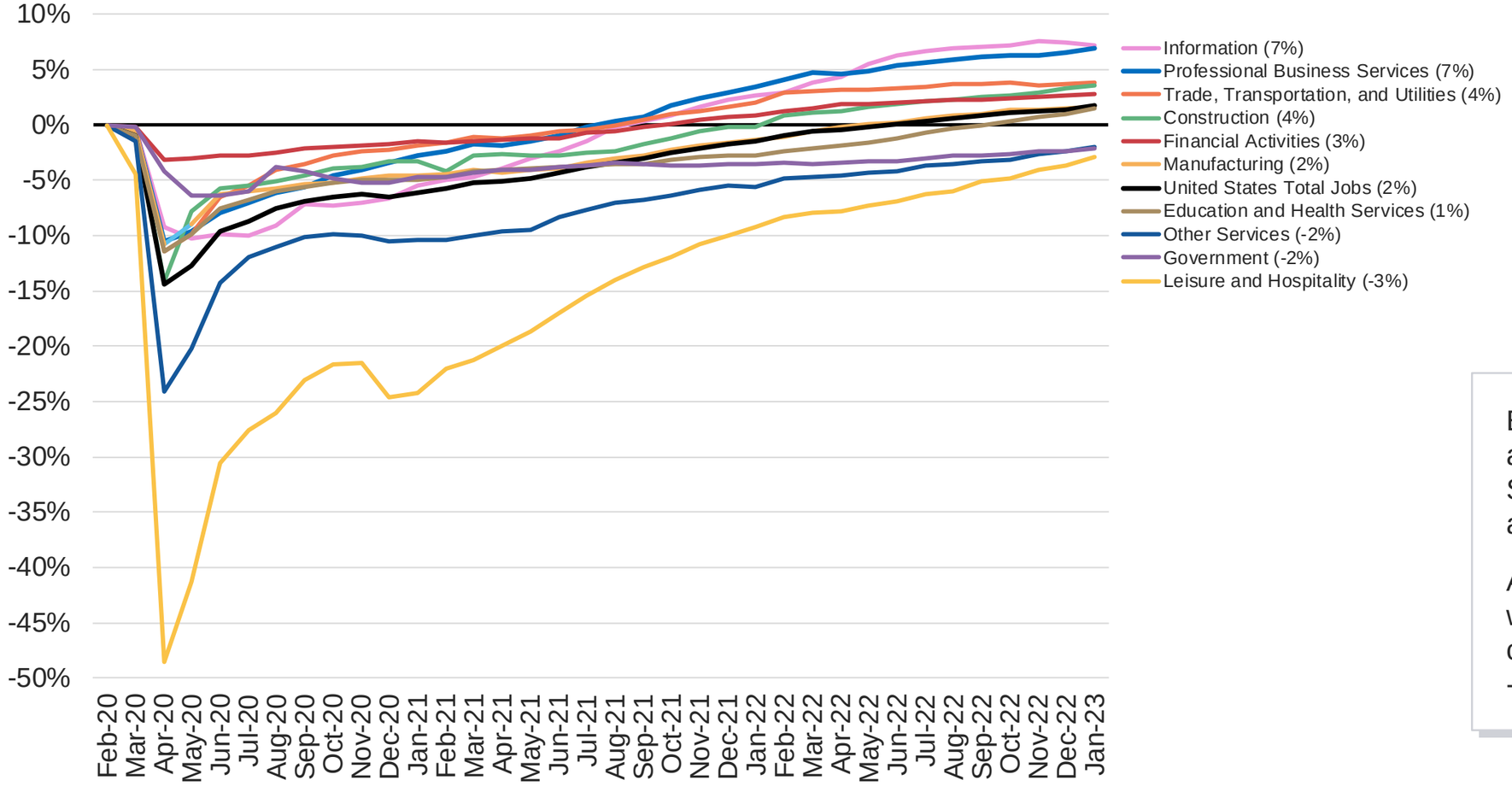
Employment in 3 out of 10 of the major sectors remains below pre-COVID levels.

National Employment Growth by Sector

Percentage growth from Feb 2020 (seasonally adjusted)



Employment in the Information and Professional and Business Services sectors are now 7% above pre-COVID levels.

After shedding nearly half of its workforce, Leisure and Hospitality continues to lag the most, down -3% from February 2020 levels.

Sources: Bureau of Labor Statistics, John Burns Real Estate Consulting, LLC (Data: Jan-23, Pub: Feb-23)

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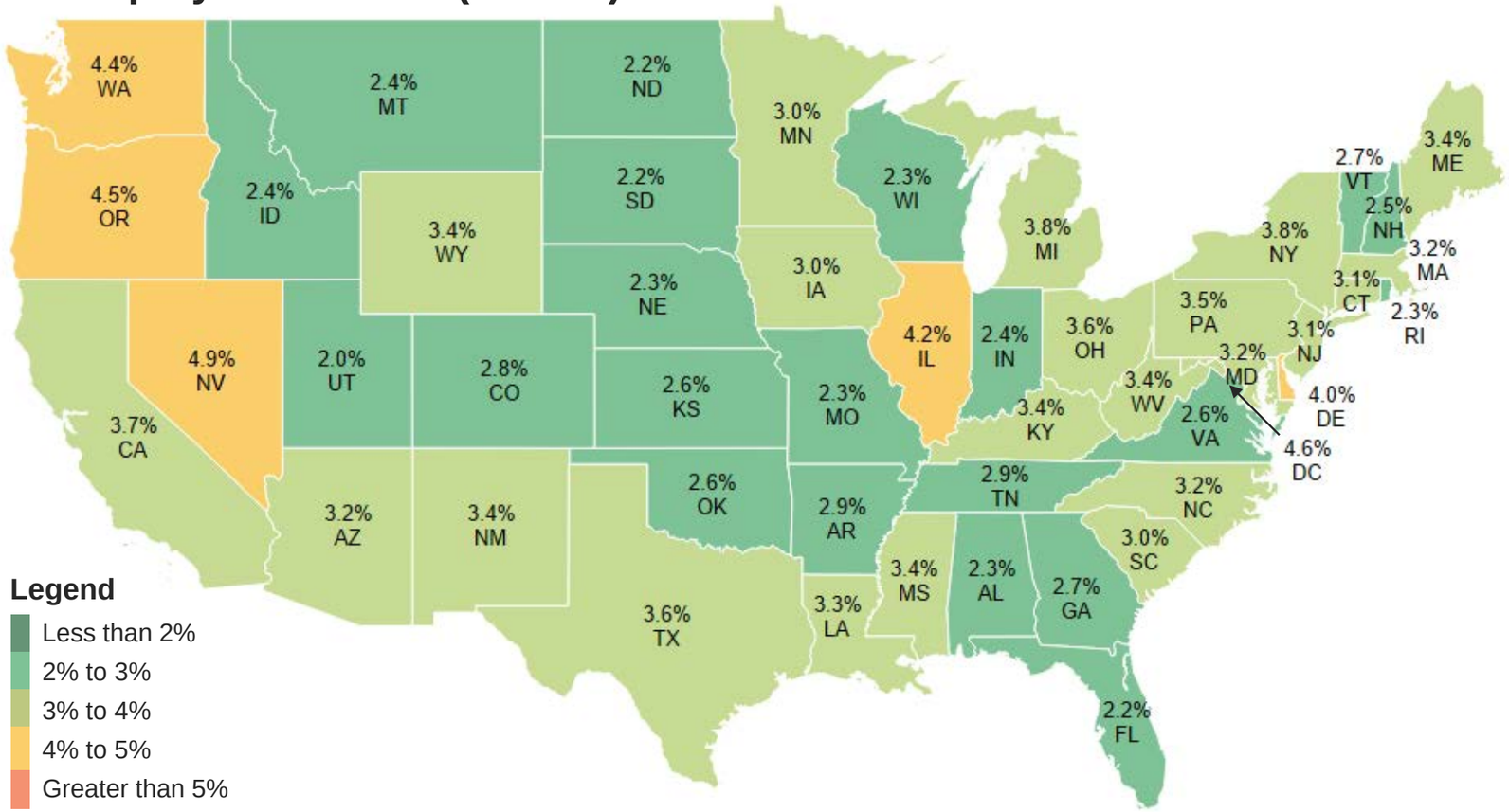
44 states have unemployment rates below 4%*. The highest are Nevada (4.9%), Washington, DC (4.6%), and Oregon (4.5%)

Unemployment Rates (Dec-22)



*Unemployment rate values on map are rounded. Data is not seasonally adjusted.

Source: BLS, John Burns Real Estate Consulting, LLC (Data: Dec-22, Pub: Feb-23)

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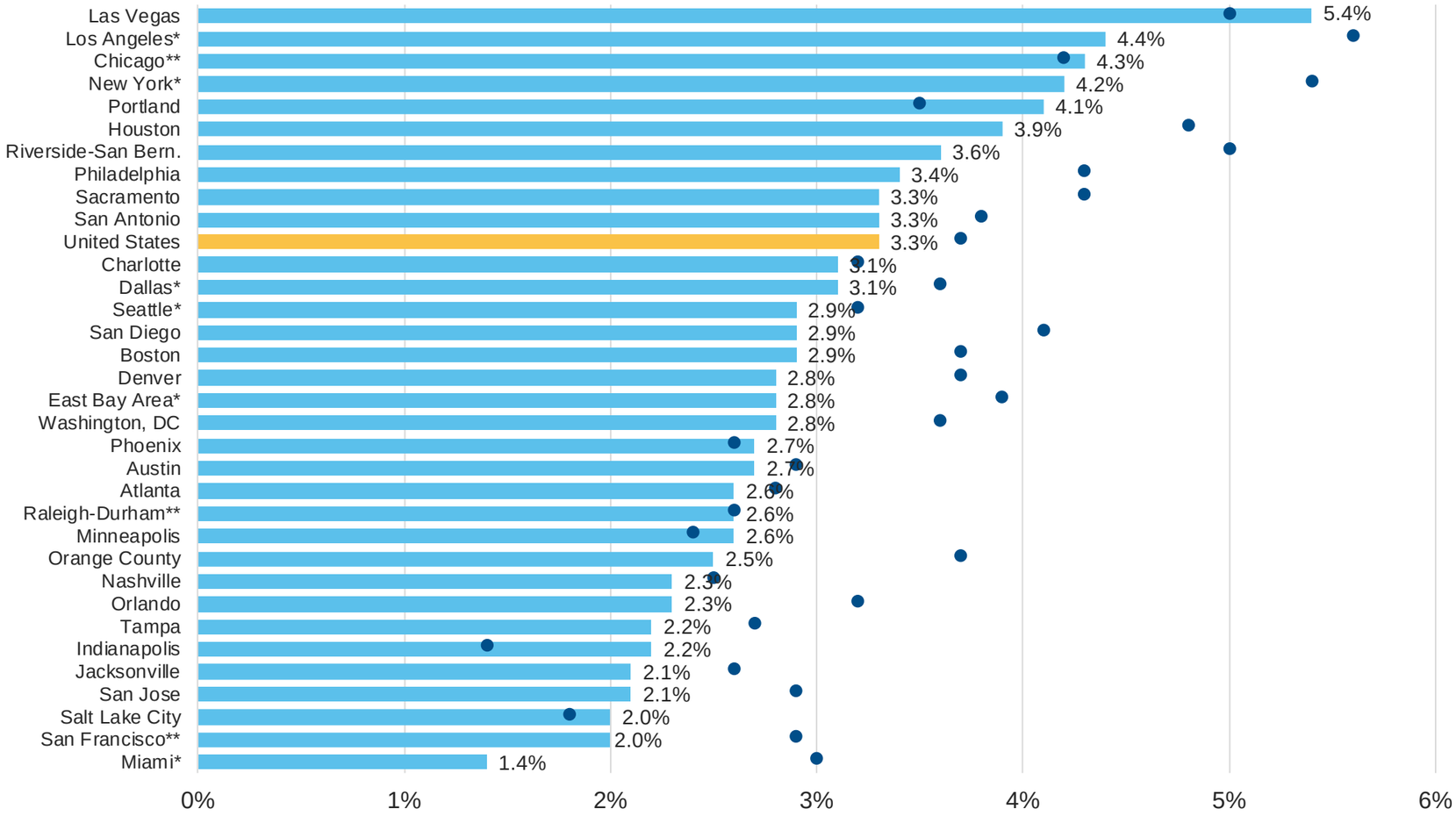
Unemployment rates have fallen significantly from year-ago levels across many top markets.

Current vs. 2021 Unemployment Rate

2022-12 vs. 2021-12 ■ Current ● Unemployment rate (2021)



The national unemployment rate of 3.3% has fallen to pre-COVID levels from a high of 14.7% in Apr-20.

21 top markets have sub-3% unemployment rate.

Unemployment rate shown for the United States is not seasonally adjusted. *Metro division **Combination of metro divisions (except Raleigh-Durham, which is a combination of metros)

Sources: BLS; JBREC (Data: Dec-22, Pub: Feb-23)

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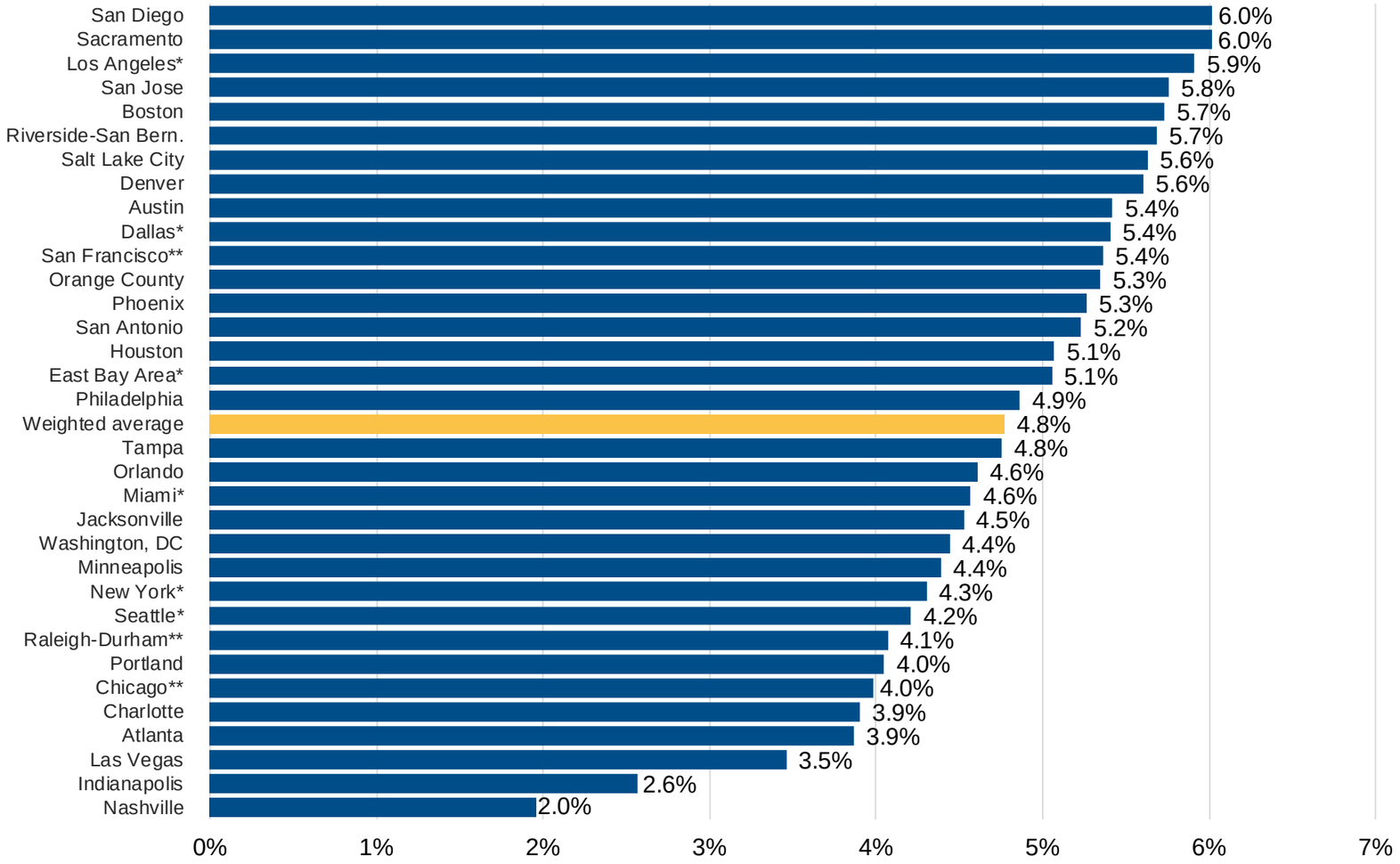
Median Household Income Growth

Current YOY%



Income growth is strongest in San Diego and Sacramento, at 6.0% YOY, while incomes grew 2.0% YOY in Nashville.

*Metro division **combination of metro divisions (except Raleigh-Durham, which is a combination of metros)

Sources: JBREC smoothing of Moody's Analytics data (Data: Jan-23, Pub: Feb-23)

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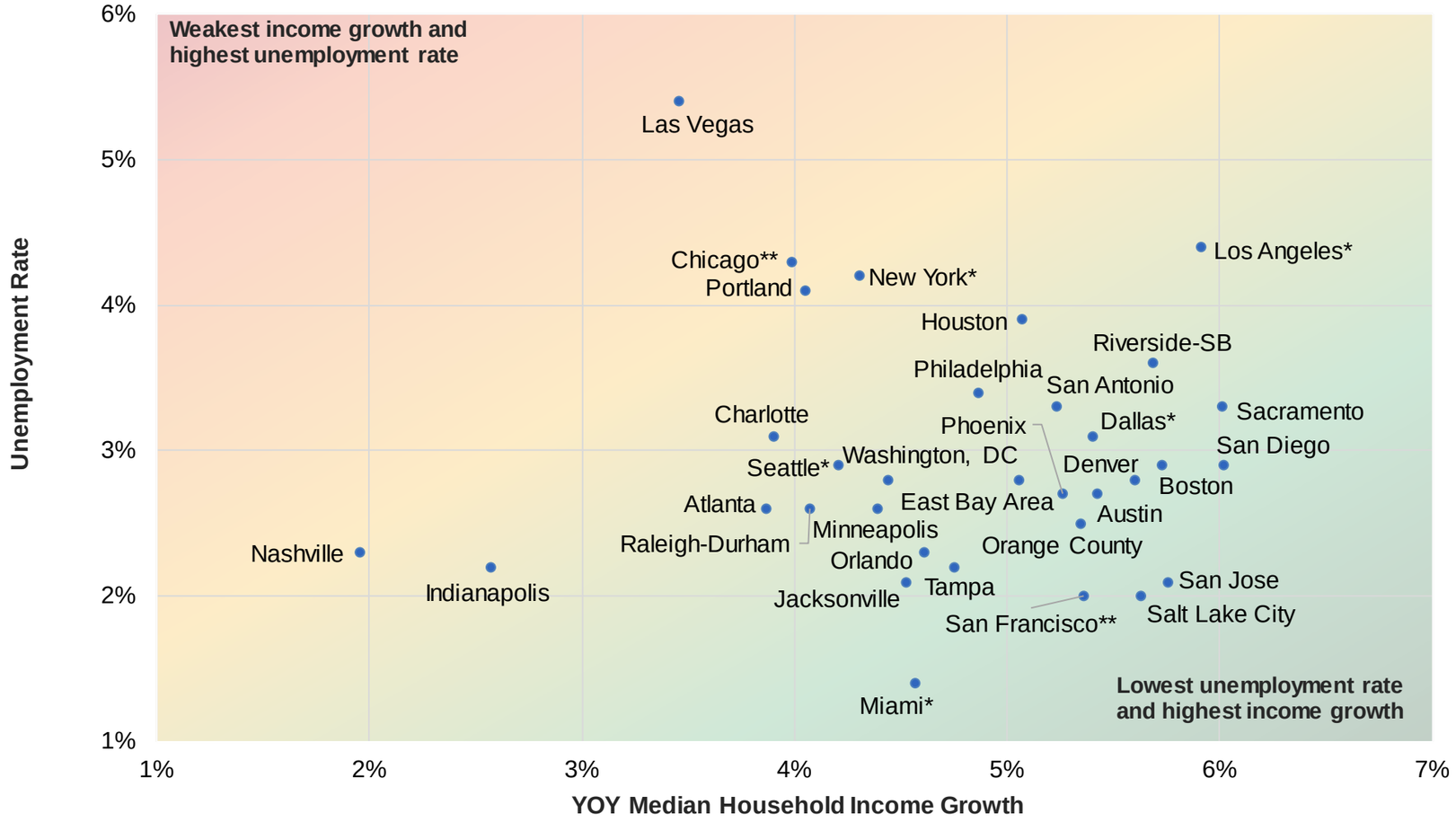
Unemployment rates are below pre-COVID levels in many markets, and income growth is increasing steadily across all markets.

Unemployment Rate vs. YOY Median Household Income Growth



Las Vegas posts high unemployment and low income growth relative to top markets, while Salt Lake City and San Jose post low unemployment and high income growth.

*Metropolitan division **combination of metropolitan divisions (Except for Raleigh-Durham, which is a combination of metros)

Sources: BLS; John Burns Real Estate Consulting, LLC (Data: Dec-22/Jan-23, Pub: Feb-23)

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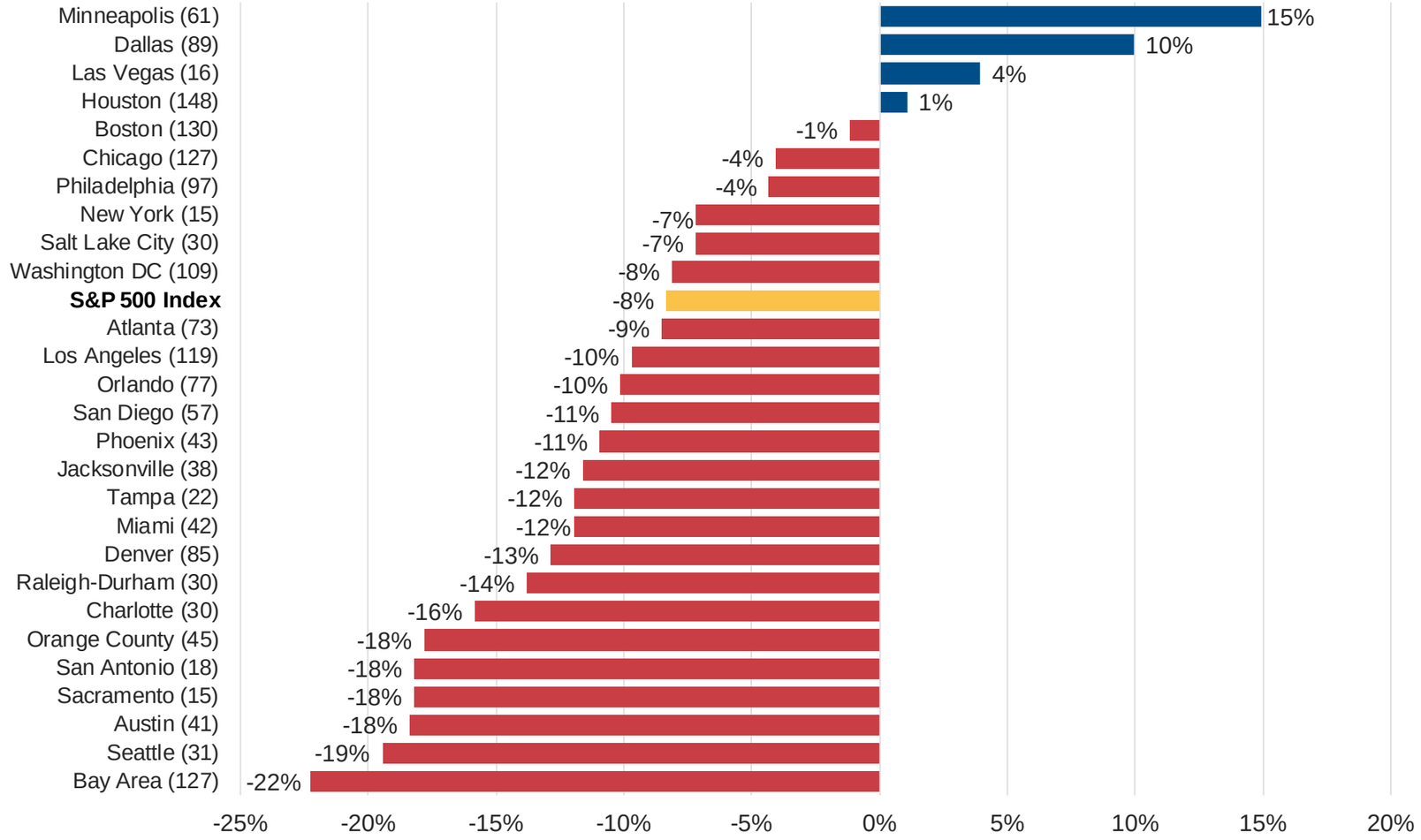
Local Public Company Stock Prices YOY

MSA (# of companies)



Local publicly traded company stock prices are down YOY for most top markets and down -8% nationally.

Market Capitalization of Local Public Companies

We view the viability and performance of local companies as an indicator of an MSA's ability to create stable and high-paying jobs necessary for household formation and home demand.

Local publicly traded company stock prices are down the most in tech-heavy markets like Seattle and the Bay Area.

This chart includes public companies with local operations in the metropolitan area. We calculate the sum of local companies' market capitalization to find the year-over-year aggregate market cap growth for each MSA. Bay Area includes San Francisco, East Bay, and San Jose metros.

Sources: Bloomberg; John Burns Real Estate Consulting, LLC (Data: through January 31, 2022; Pub: Feb-23)

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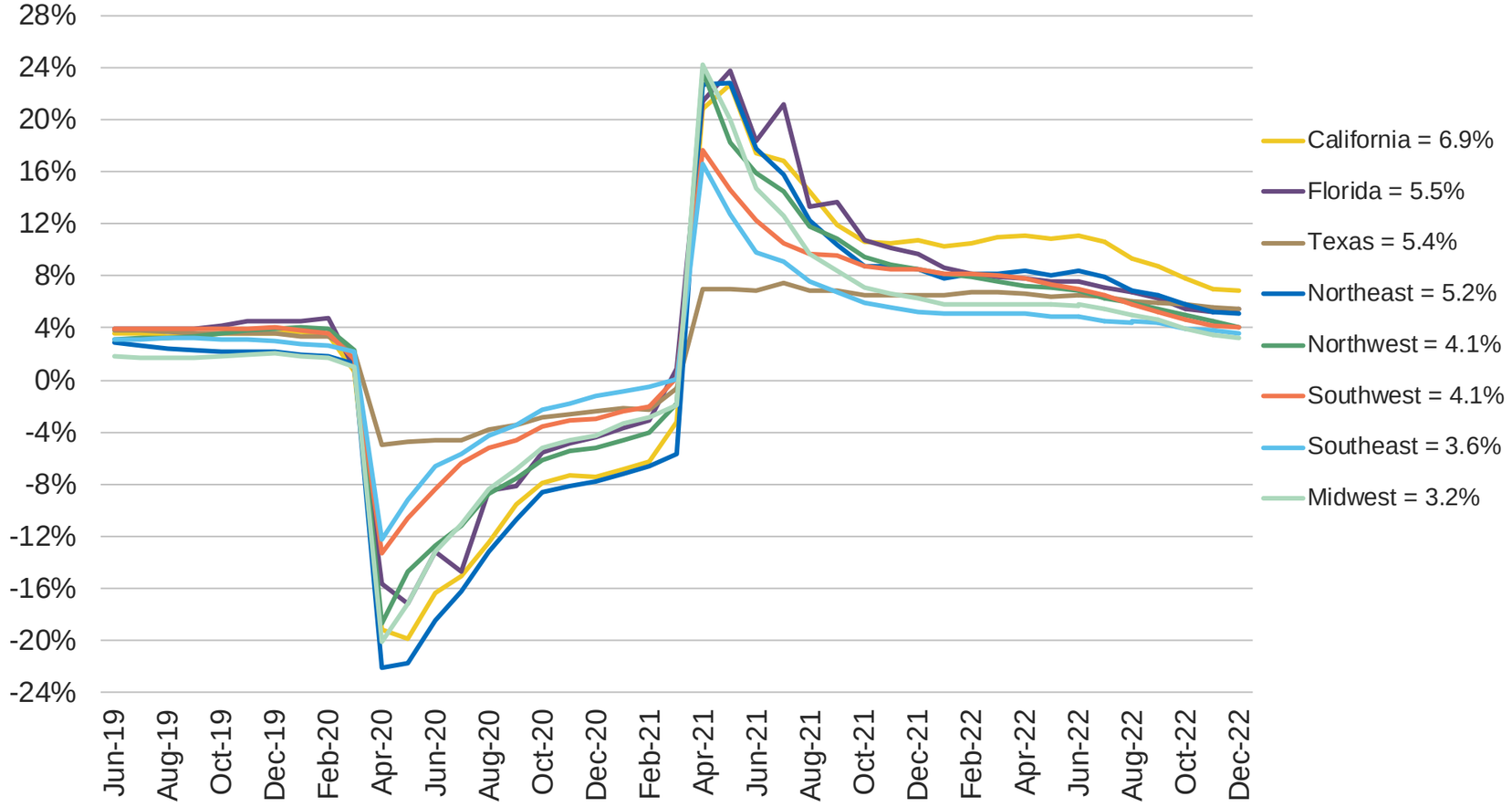
Coincident indexes are still up in all regions but have decelerated in recent months as labor markets cool. California is up the most at 6.9% YOY.

Regional Coincident Indexes

YOY % change*



The index includes state-level employment, unemployment, hours worked, and wage/ salary disbursements.

Sources: Federal Reserve Bank of Philadelphia; John Burns Real Estate Consulting, LLC (Data: Dec-22, Pub: Feb-23)

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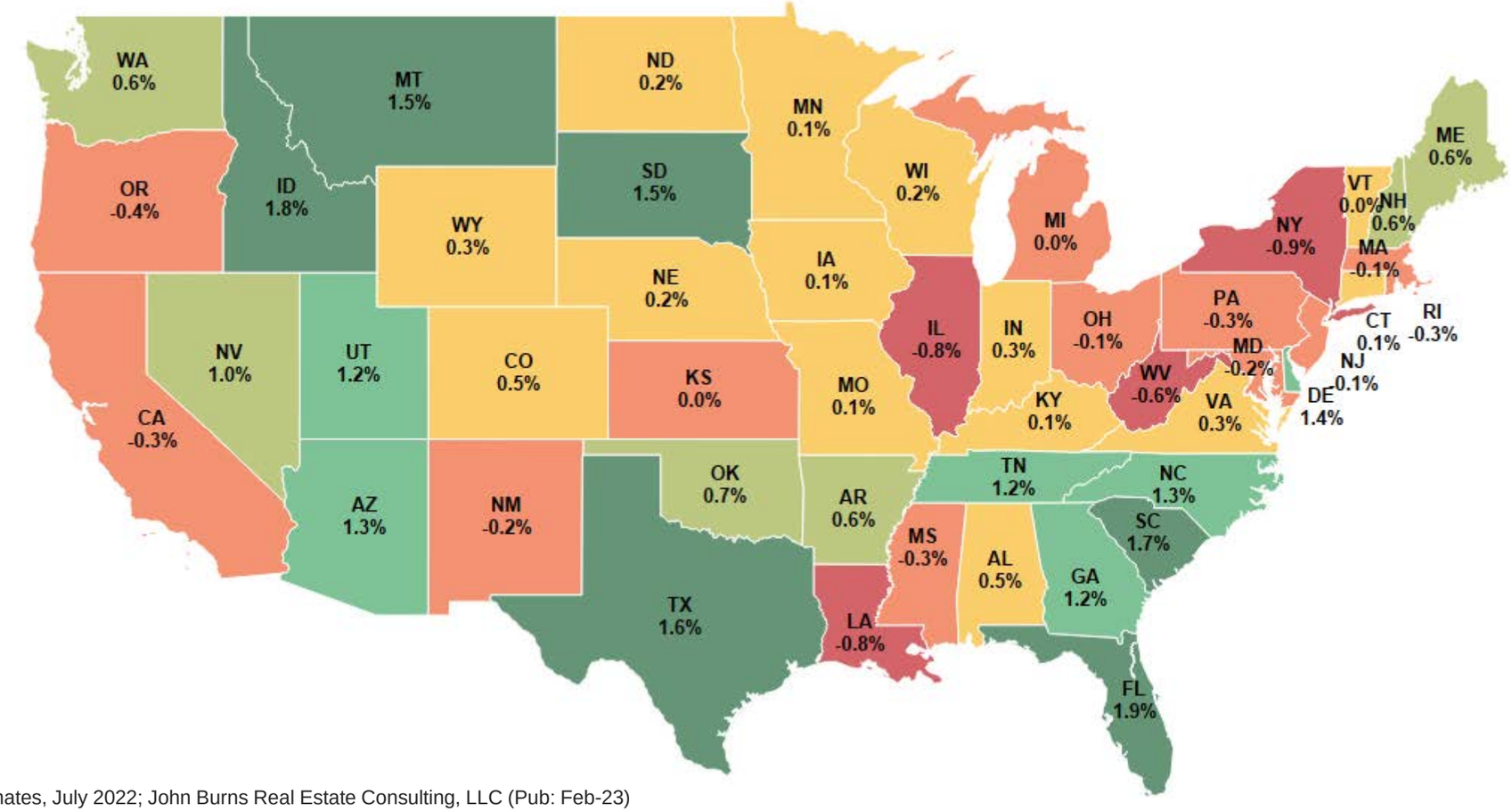
According to the Census population estimates, recent population gains were strongest in the Northwest, Southeast, Texas, and Southwest.

Census Estimates of United States Population Growth

YOY (July 2021 to July 2022)



Population Estimates YOY%

- Greater than 1.5%
- 1% to 1.5%
- 0.5% to 1%
- 0% to 0.5%
- -0.5% to 0%
- Less than -0.5%

Source: US Census Bureau population estimates, July 2022; John Burns Real Estate Consulting, LLC (Pub: Feb-23)

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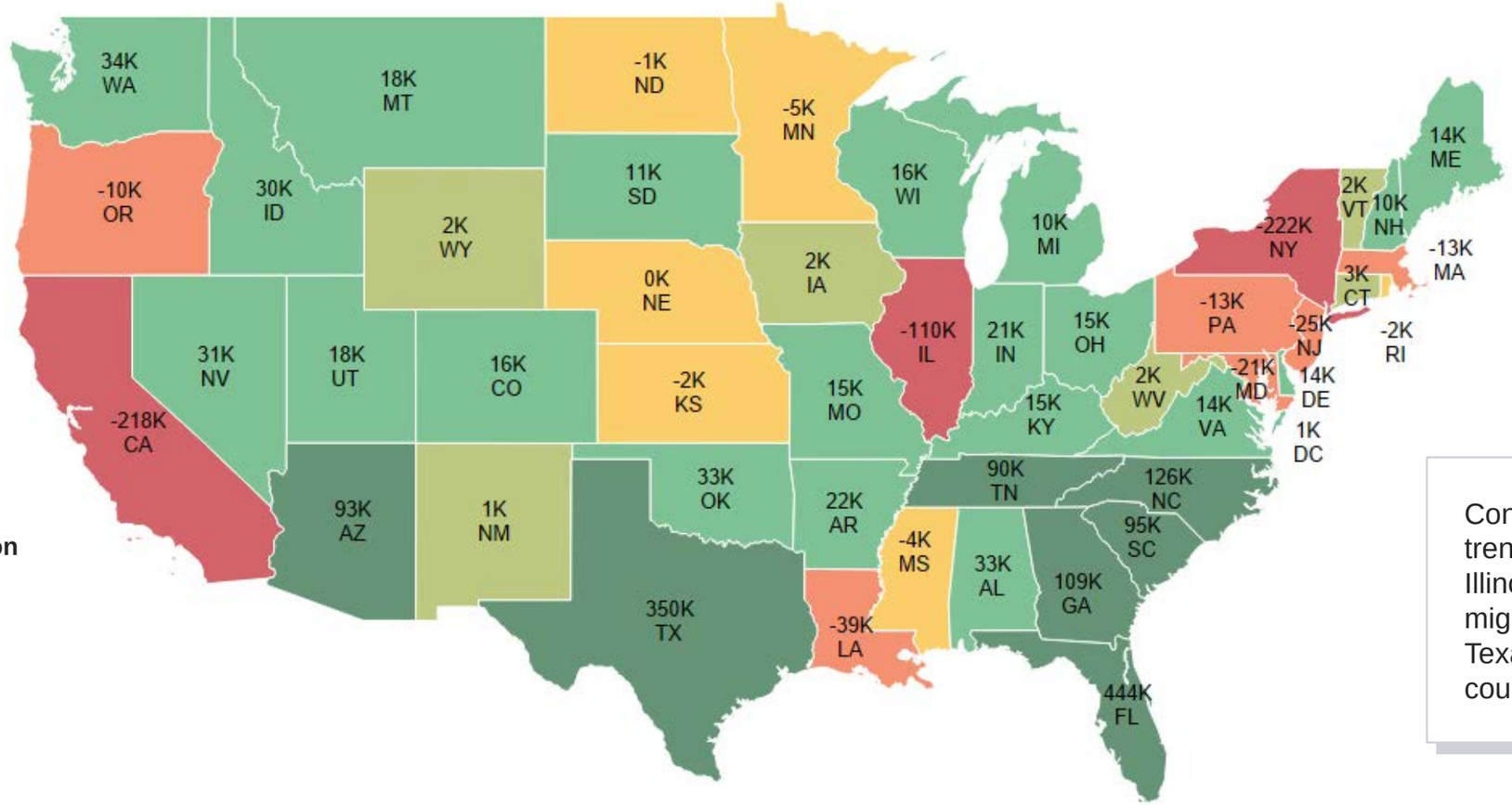
Sunbelt housing markets are still benefiting from higher net migration.

Net International and Domestic Migration into State

YOY (July 2021–July 2022)



Net International and Domestic Migration

- Greater than 50,000
- 10,000 to 50,000
- 0 to 10,000
- -10,000 to 0
- -50,000 to -10,000
- Less than -50,000

Continuing prior year net migration trends, New York, California, and Illinois lost the most residents to migration from 2021 to 2022. Florida, Texas, and North Carolina lead the country in migration.

*Does not include births and deaths

Sources: U.S Census; John Burns Real Estate Consulting, LLC (Data: 2022, annually; Pub: Feb-23)

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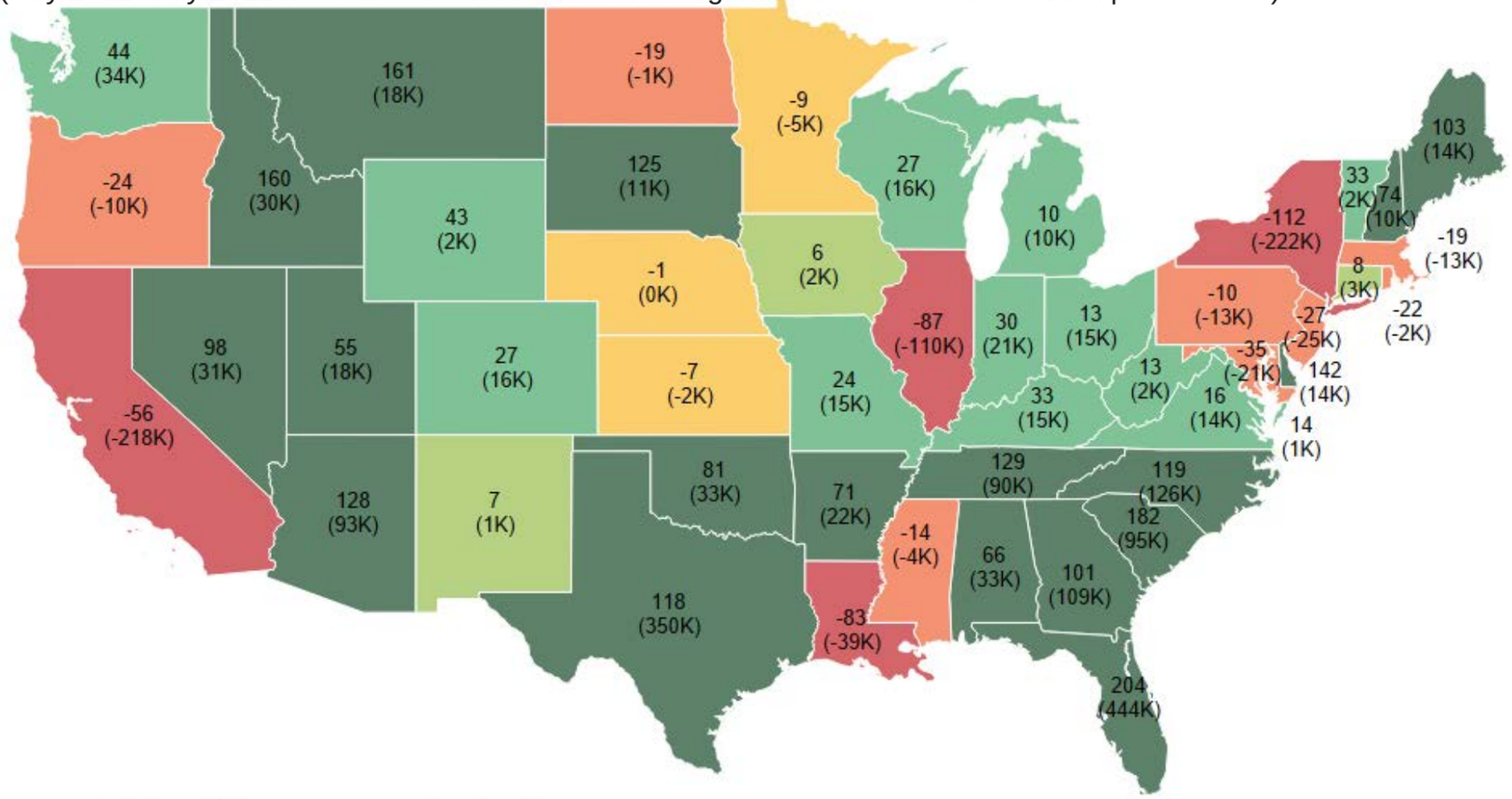
FL, SC, and MT lead the US in positive net migration flows per 10K population. NY, IL, and LA lost -83+ individuals per 10K population.

Net Domestic and International Migration by State per 10K Resident Population

Net migration: July 2021–July 2022. Resident Population: July 2021

(July 2021–July 2022 net domestic and international migration for each state shown in parentheses)



Net Migration per 10K population of 2020

- Greater than 50
- 10 to 50
- 0 to 10
- -10 to 0
- -50 to -10
- Less than -50

*Does not include births and deaths

Sources: U.S Census; John Burns Real Estate Consulting, LLC (Data: 2022, updated annually; Pub: Feb-23)

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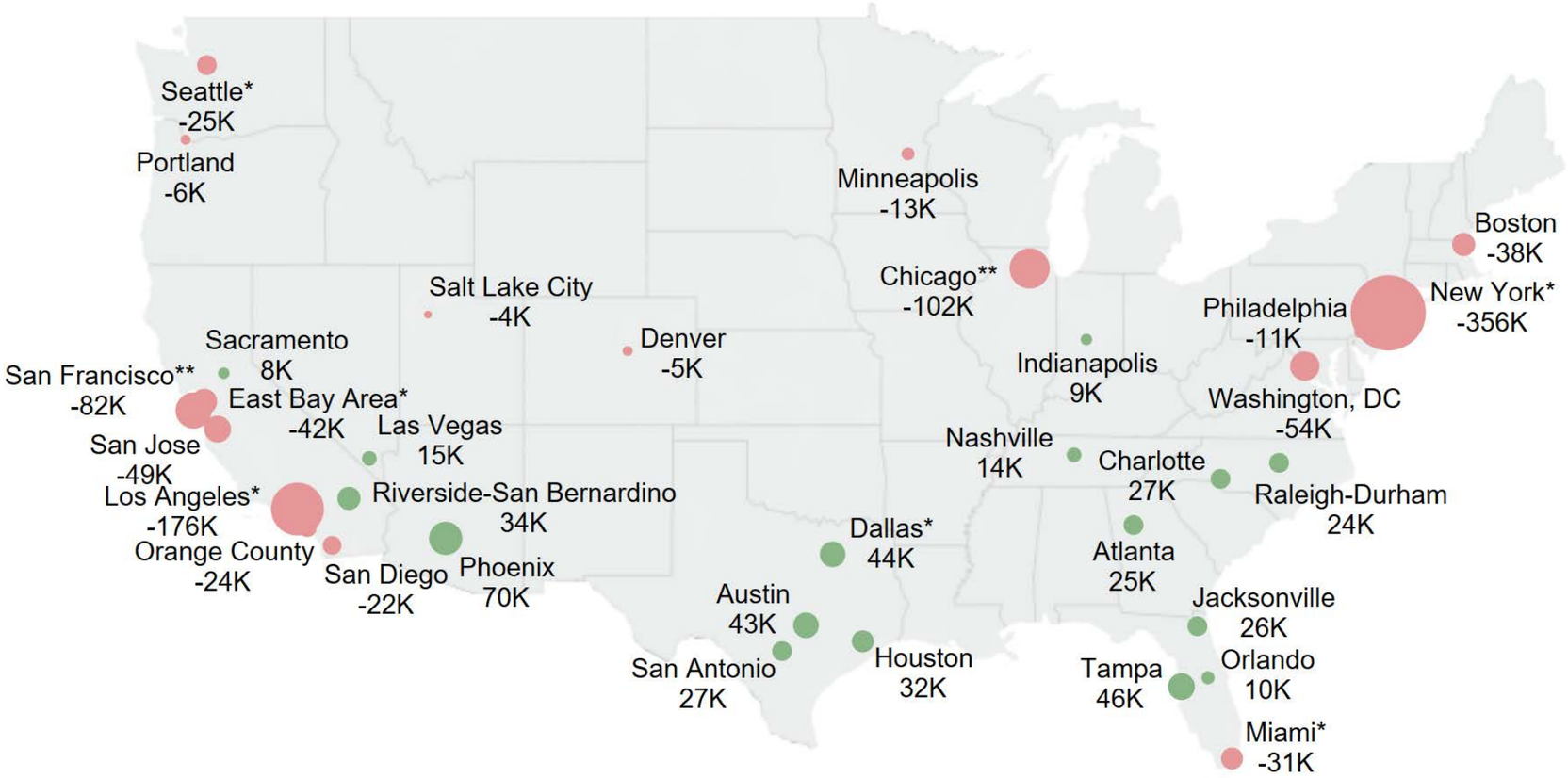
Phoenix, Tampa, Dallas, and Austin lead top markets in in-migration flows. New York, Los Angeles, and Chicago experienced the greatest out-migration.

Net Domestic and International Migration by Market

YOY (July 2020–July 2021)



*Does not include births and deaths

Sources: U.S Census; John Burns Real Estate Consulting, LLC (Data: 2021, updated annually; Pub: Feb-23)

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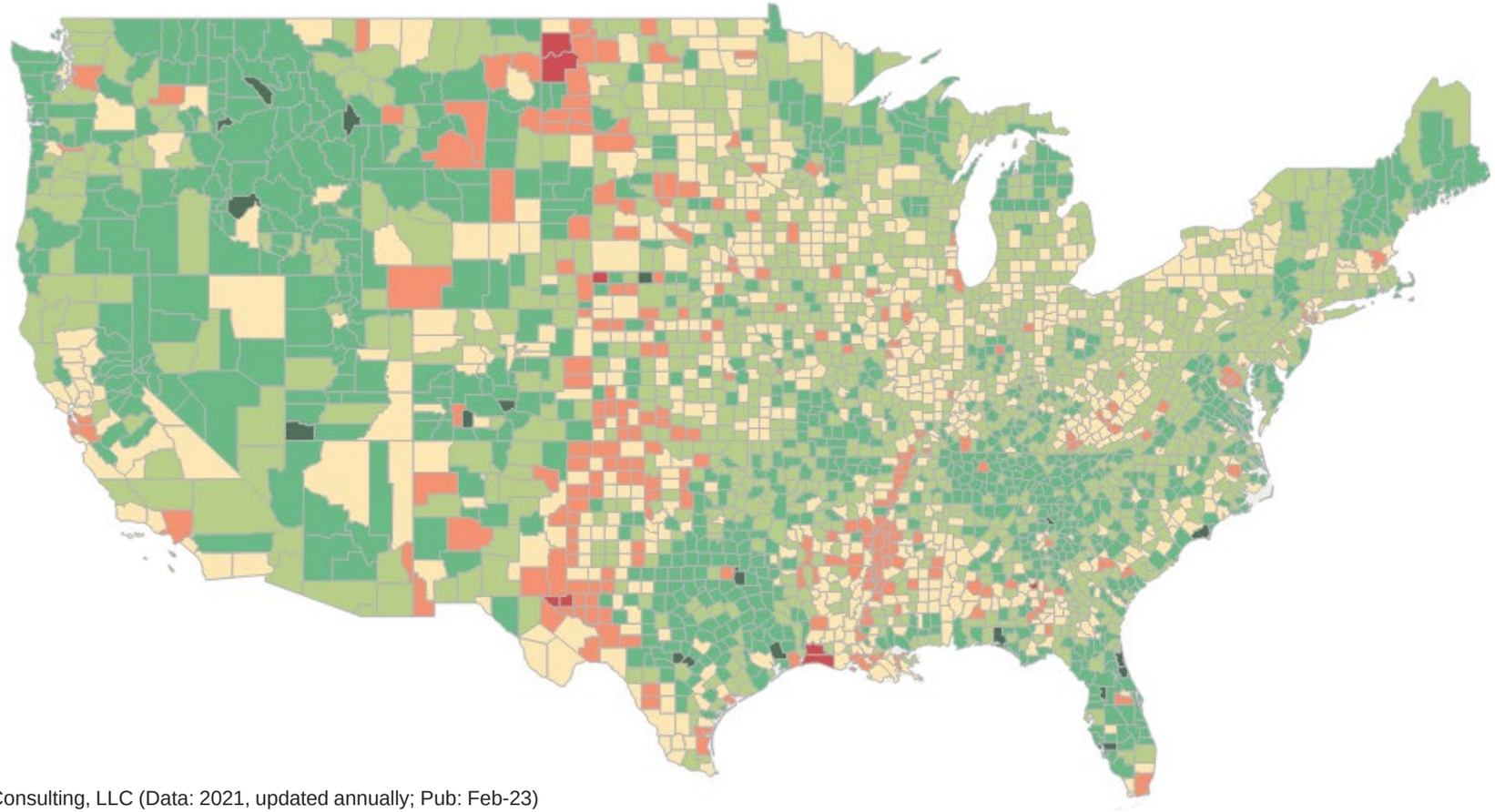
The initial wave of pandemic-related migration shows a shift from central counties to more suburban and outlying counties within the metro areas.

Net Domestic Migration Rate by County

YOY (July 2020–July 2021)



Population Estimates YOY%

- Greater than 5%
- 1% to 5%
- 0% to 1%
- -1% to 0%
- -5% to -1%
- Less than -5%

*Does not include births and deaths

Sources: U.S Census; John Burns Real Estate Consulting, LLC (Data: 2021, updated annually; Pub: Feb-23)

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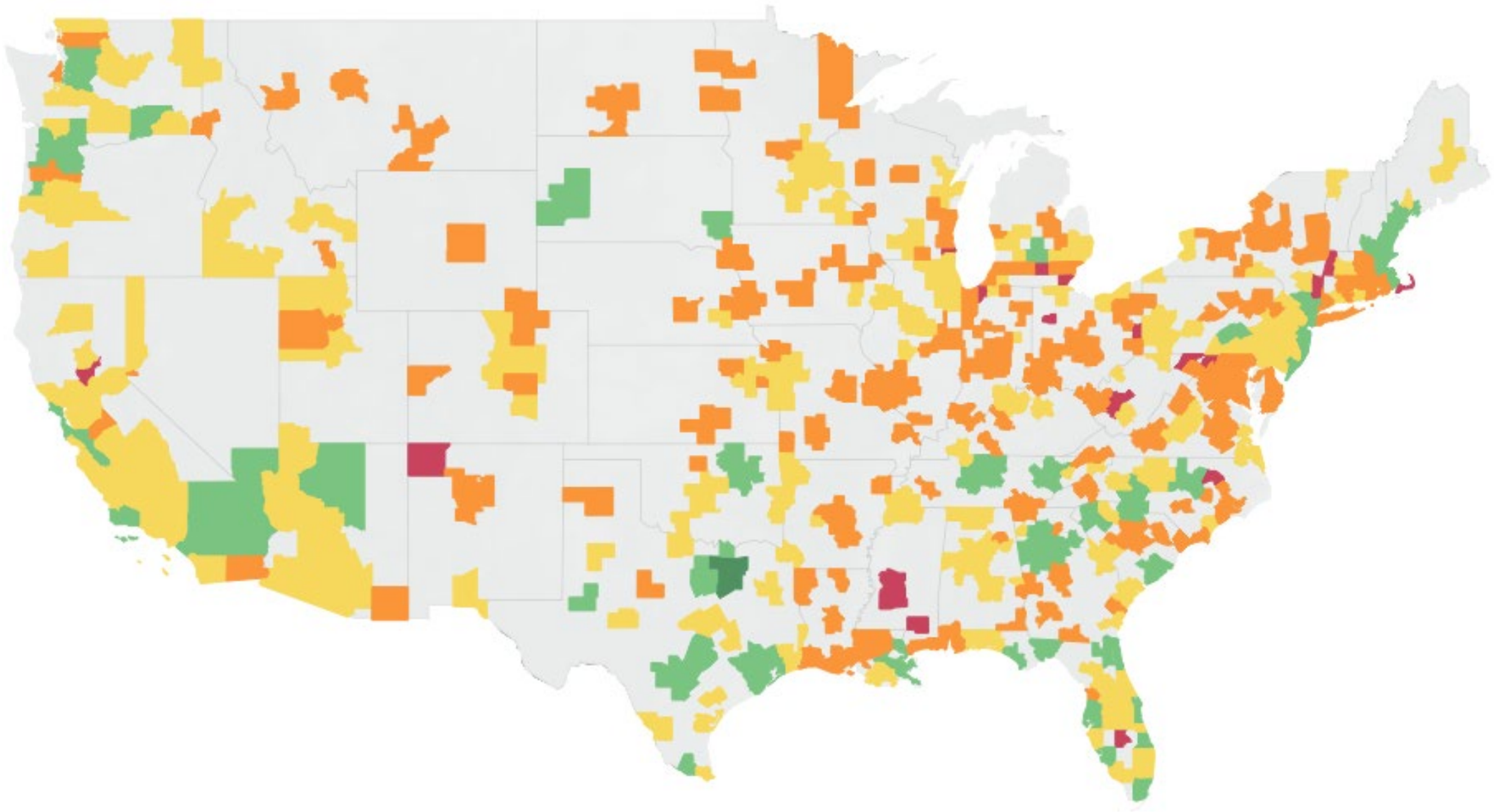
Current YOY employment growth by metro



Job Growth YOY

- Greater than 6%
- 4% to 6%
- 2% to 4%
- 0% to 2%
- Less than 0%

Source: John Burns Real Estate Consulting, LLC (Data: Dec-22, Pub: Feb-23)

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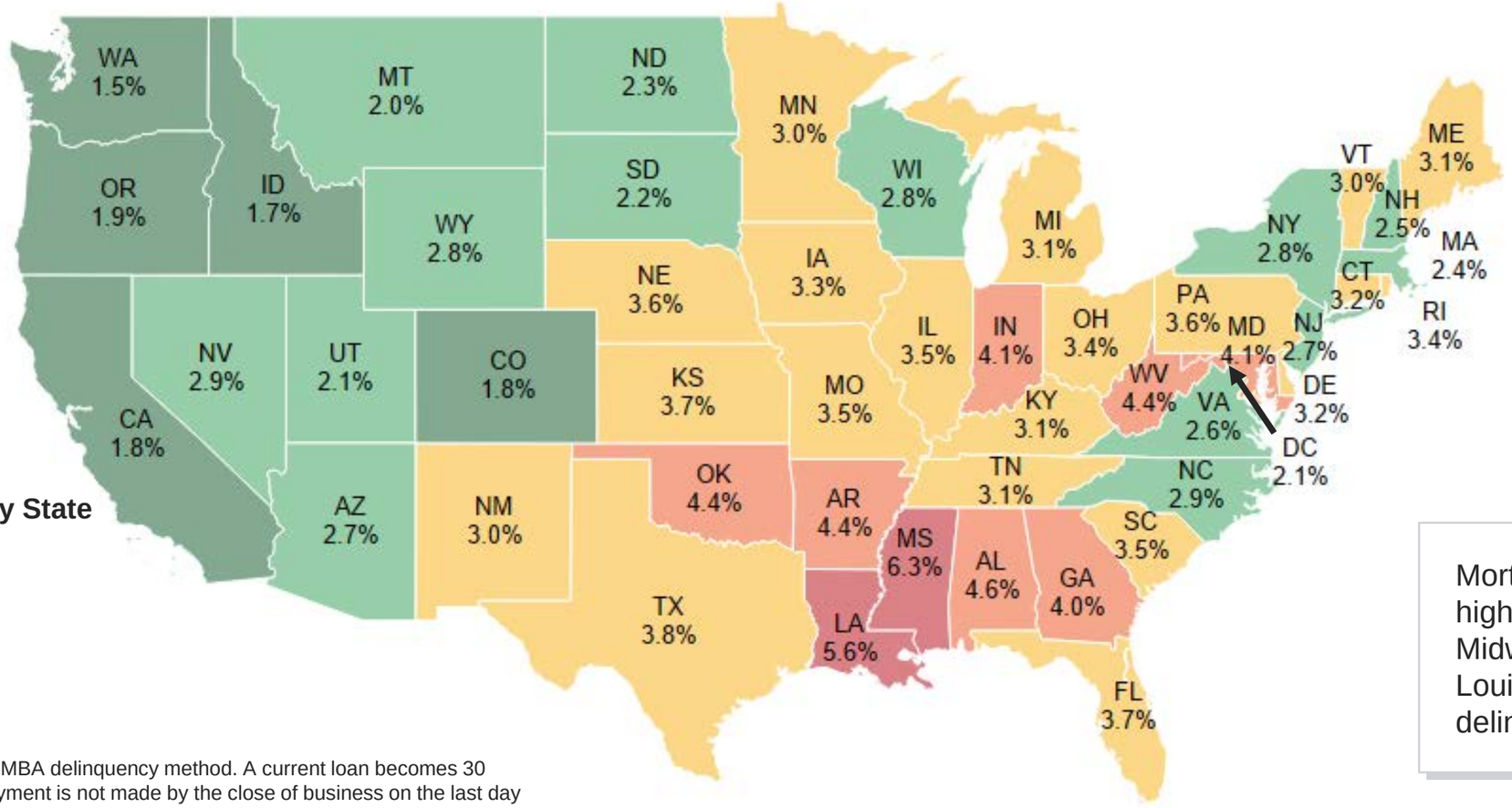
Regional analysis: supply

Delinquency rates remain low and relatively unchanged compared to the prior month across most states.

Delinquency Rate by State, December 2022



Delinquency Rate by State

- Less than 2%
- 2% to 3%
- 3% to 4%
- 4% to 5%
- Greater than 5%

Mortgage delinquency rates are highest in Southeast and Midwest states. Mississippi and Louisiana have the highest delinquency rates, at 5%+.

Delinquency is calculated using the MBA delinquency method. A current loan becomes 30 days delinquent if the scheduled payment is not made by the close of business on the last day of the month the payment was due.

Source: Black Knight; John Burns Real Estate Consulting, LLC (Data: Dec-22, Pub: Feb-23)

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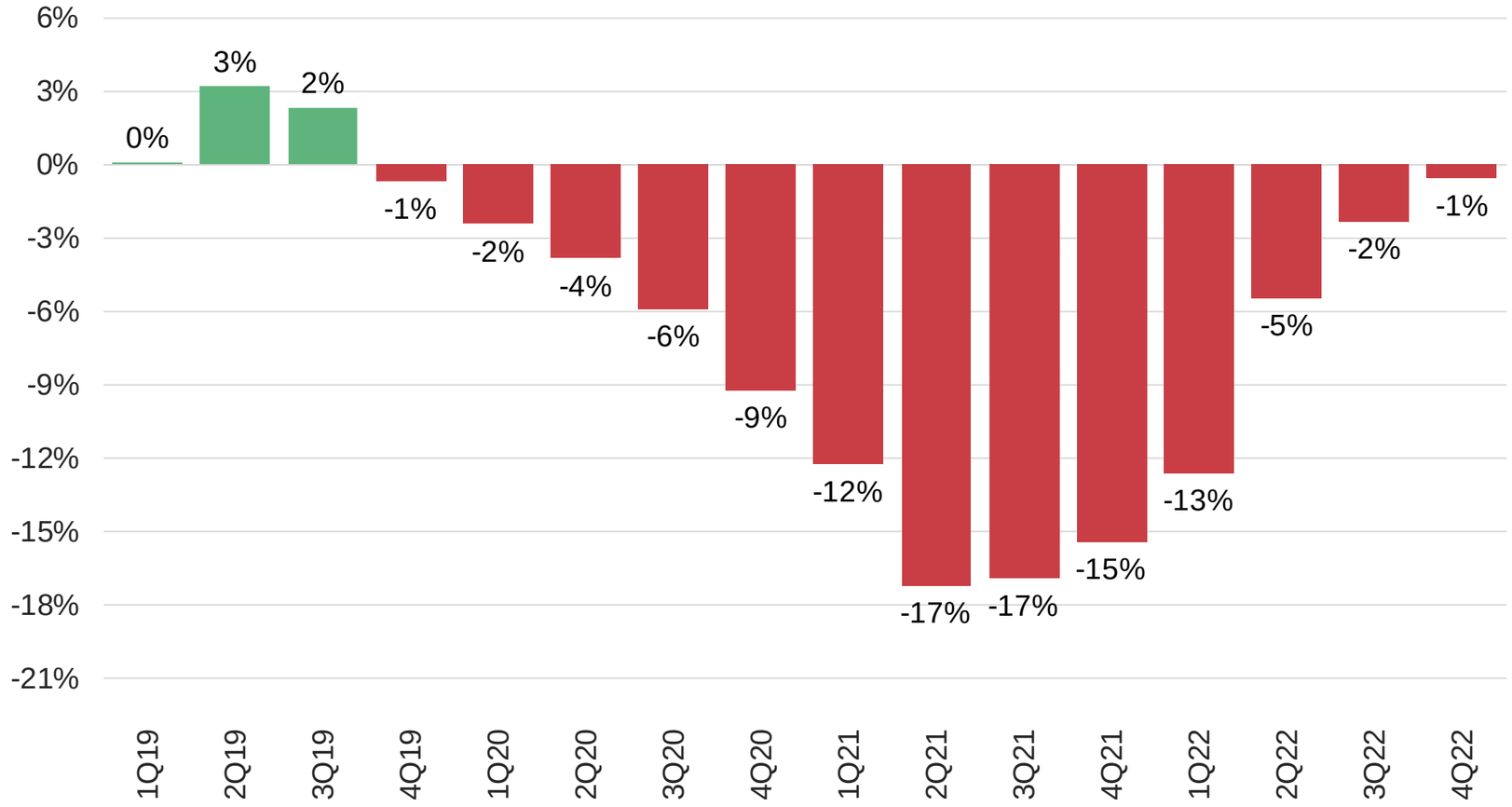
Builders' active communities are down -1% YOY across the top 33 markets in 4Q22.

New Home Builder Community Count Growth YOY

Within the 33 RAF markets



YOY community count rate of decline reached a floor in 2021, and we expect community counts may grow in 2023 as homes under construction will start to come online.

Source: John Burns Real Estate Consulting, LLC (Data: 4Q22, Pub: Feb-23) Note: Data is from our core RAF 33 markets. Data includes public and private builders.

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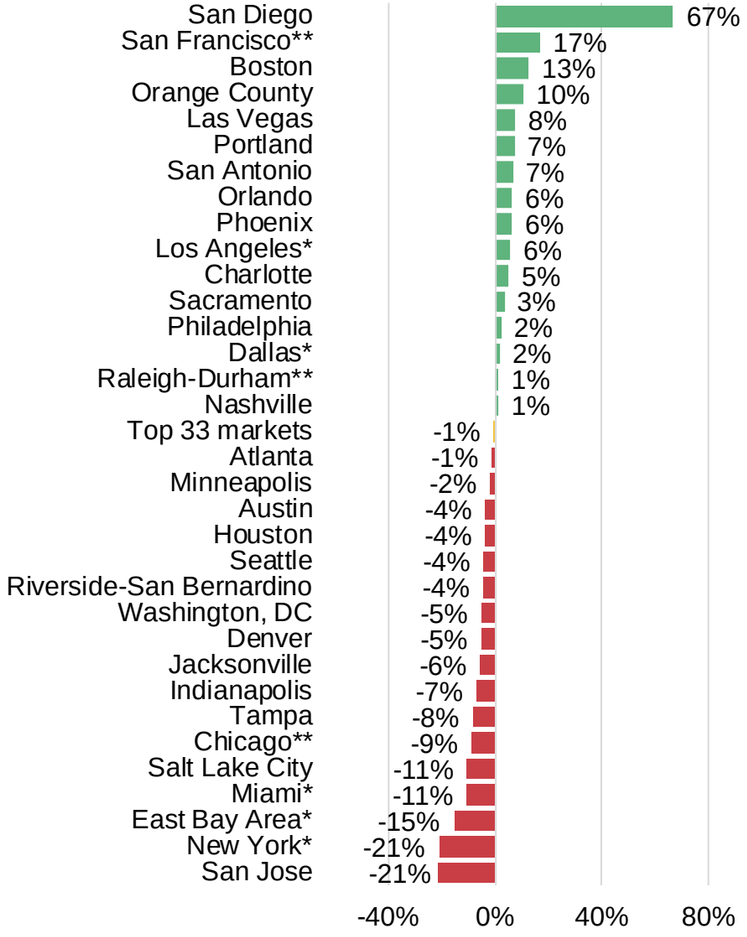
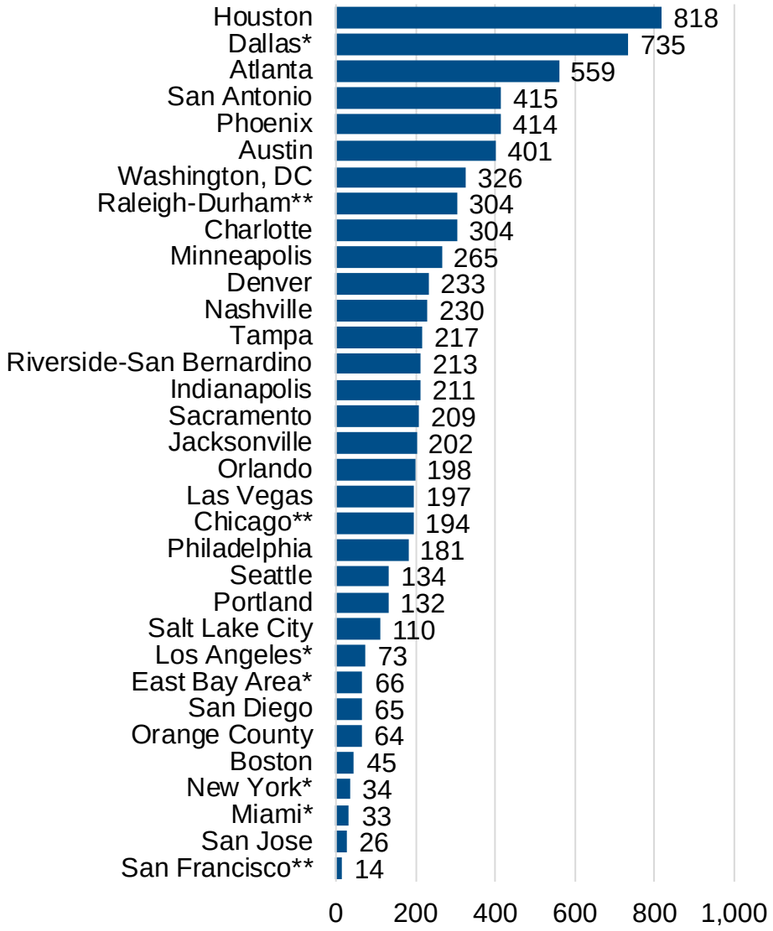
Builder Communities by Market and YOY % Growth

Q4 2022

Builder Communities YOY % Growth



Builder Communities by Market



The total open new home communities are down -1% YOY in the top 33 markets in 4Q22.

Source: John Burns Real Estate Consulting, LLC (Data: 4Q22, Pub: Feb-23) *Metro division **combination of metro divisions (except Raleigh-Durham, which is a combination of metros)

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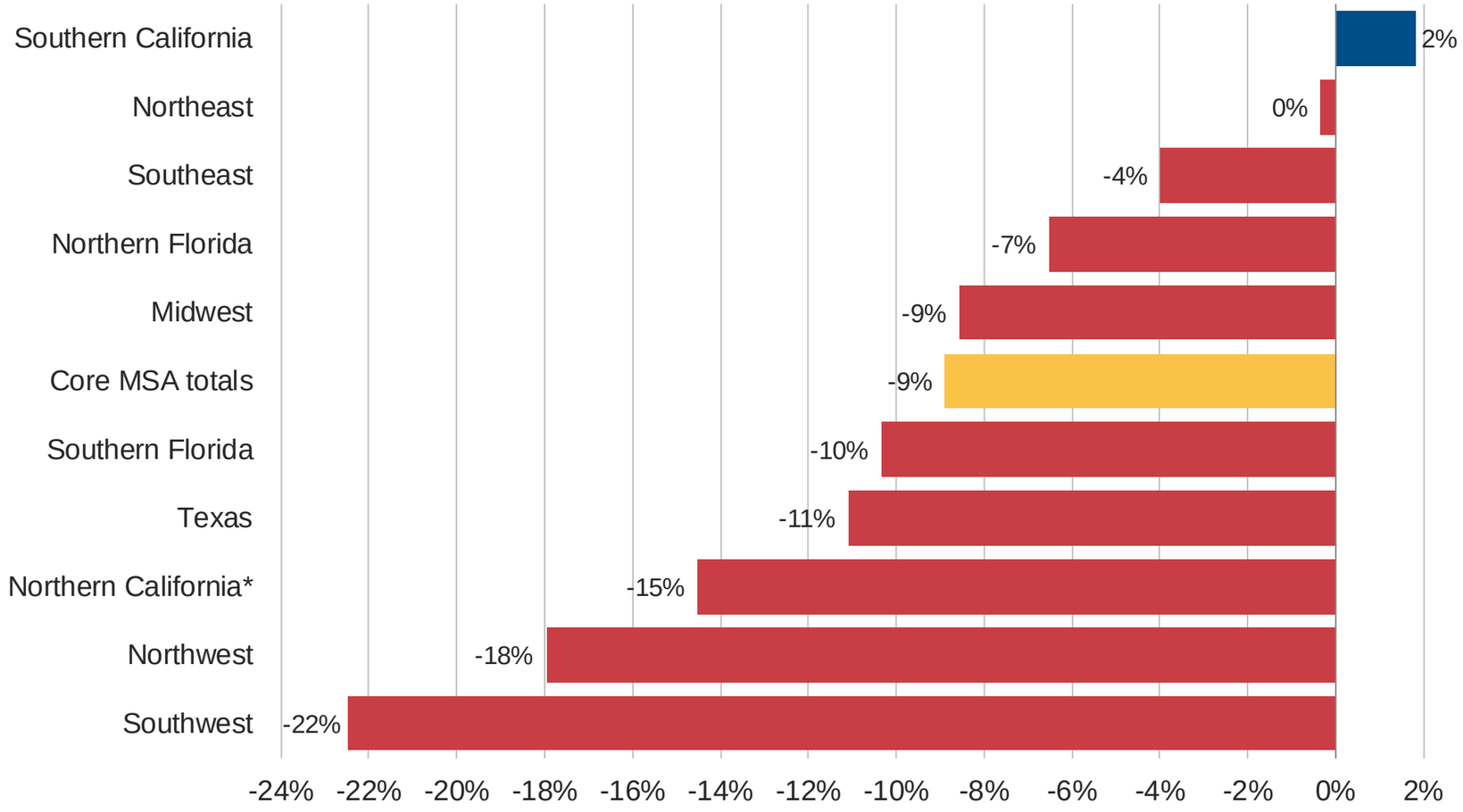
Single-family permit growth is negative across most regions, falling -9% YOY on average.

Single-Family Permit Growth by Region

Trailing twelve months, YOY growth



The rate of single-family construction growth is positive in **Southern California** (2% YOY) and weakest in the **Southwest** (-22% YOY).

Note: Core MSA Totals is an expanded list of metros beyond the RAF 33.

*The Northern California region includes Reno, NV. Permit data includes data for all metros in the region

Source: John Burns Real Estate Consulting, LLC (Data: Dec-22, Pub: Feb-23).

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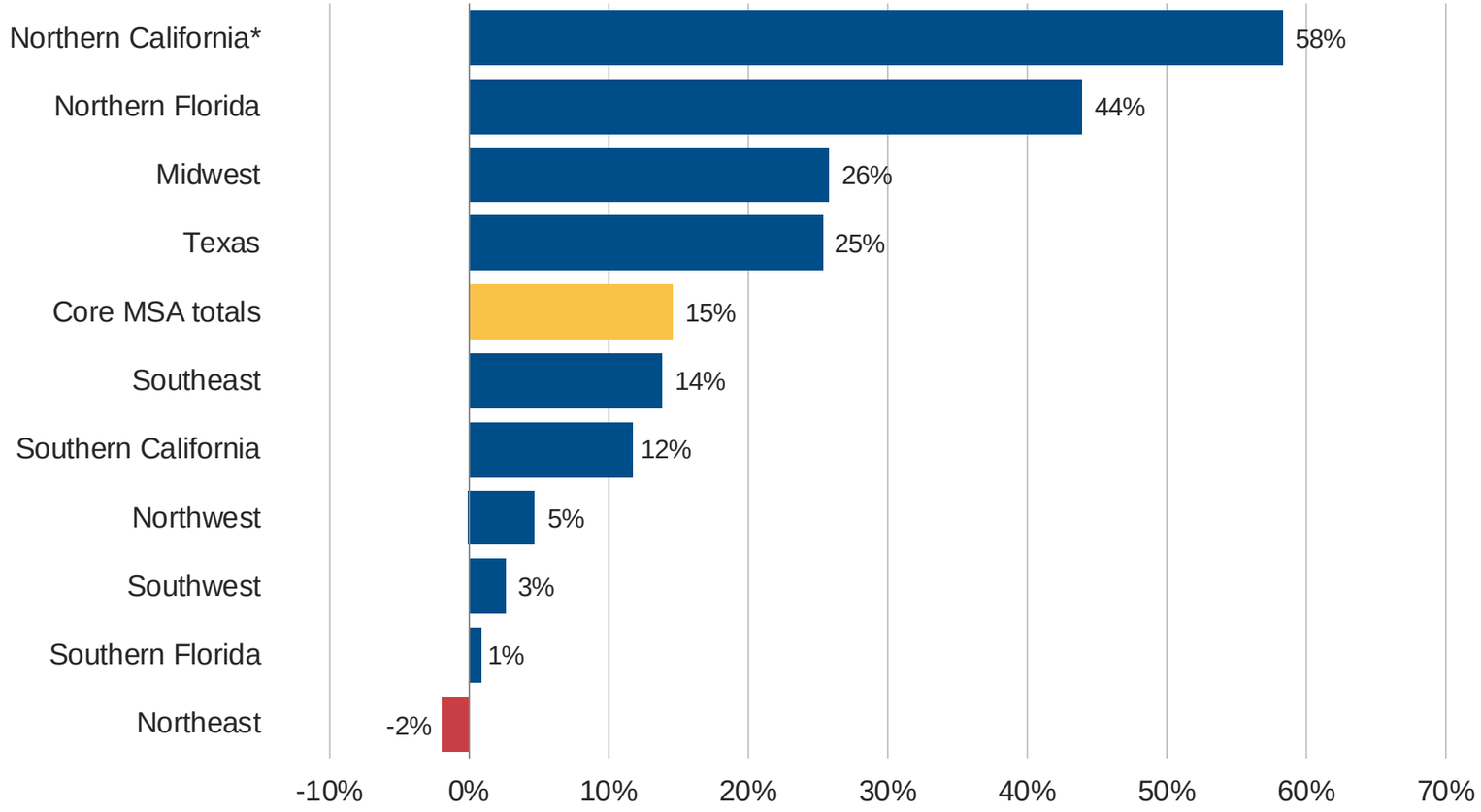
Multifamily permits are up YOY in nearly all regions and 15% YOY on average.

Multifamily Permit Growth by Region

Trailing twelve months, YOY growth



Northern California (58% YOY) posted robust multifamily permit growth. **Southern Florida** (1% YOY) and the **Southwest** (3% YOY) recorded muted multifamily growth by comparison after seeing substantial multifamily permit growth over the prior 24 months. The **Northeast** saw multifamily permits fall -2% YOY.

Note: Core MSA Totals is an expanded list of metros beyond the RAF 33.

*The Northern California region includes Reno, NV. Permit data includes data for all metros in the region

Source: John Burns Real Estate Consulting, LLC (Data: Dec-22, Pub: Feb-23).

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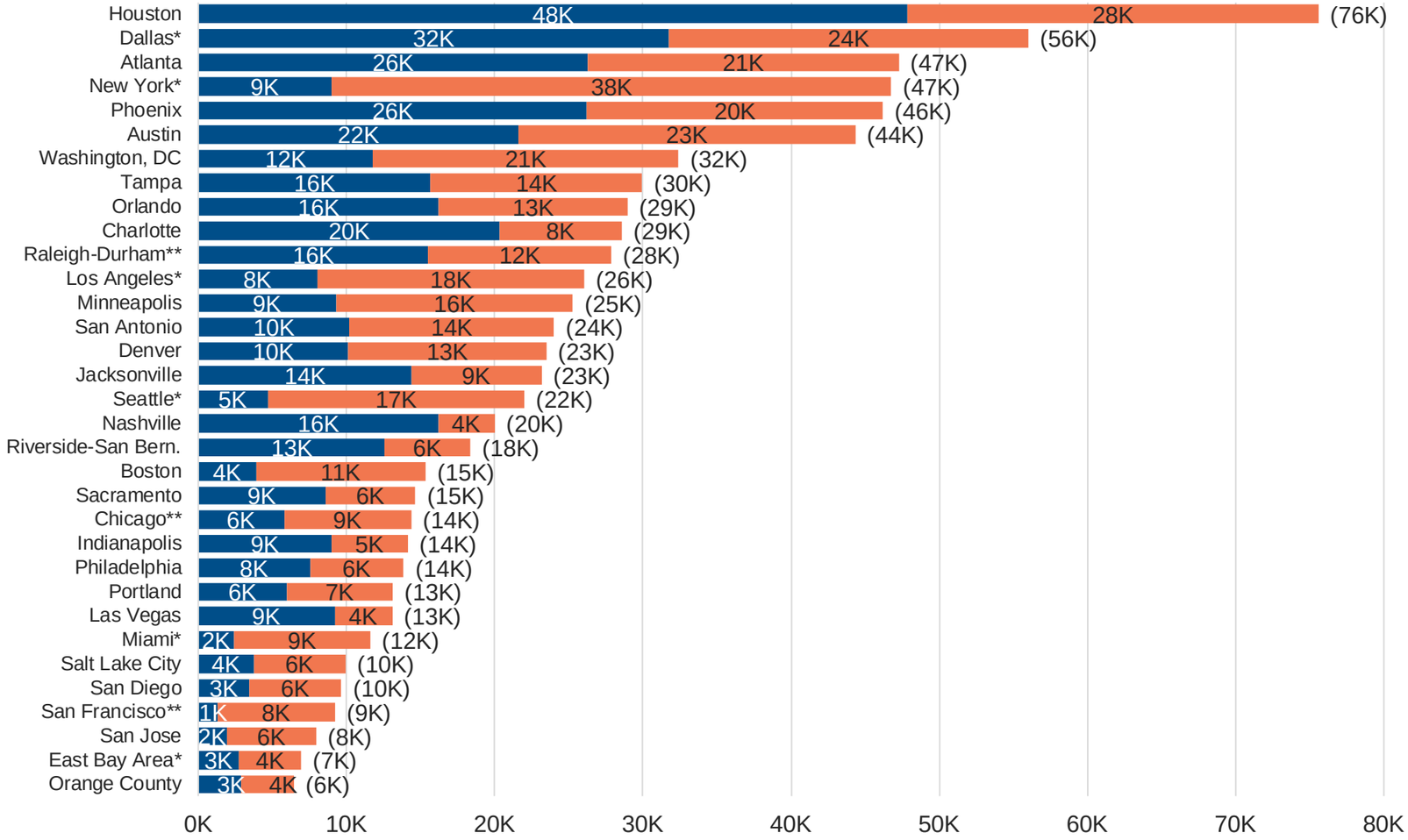
Total Single-Family and Multifamily Construction

Trailing twelve months ■ Single-family permits ■ Multifamily permits (Total permits)



Houston, Dallas, Atlanta, New York, Phoenix, and Austin are the largest construction markets among the top housing markets covered by *total permit volume*.

*Metro division **combination of metro divisions (except Raleigh-Durham, which is a combination of metros

Source: John Burns Real Estate Consulting, LLC (Data: Dec-22, Pub: Feb-23)

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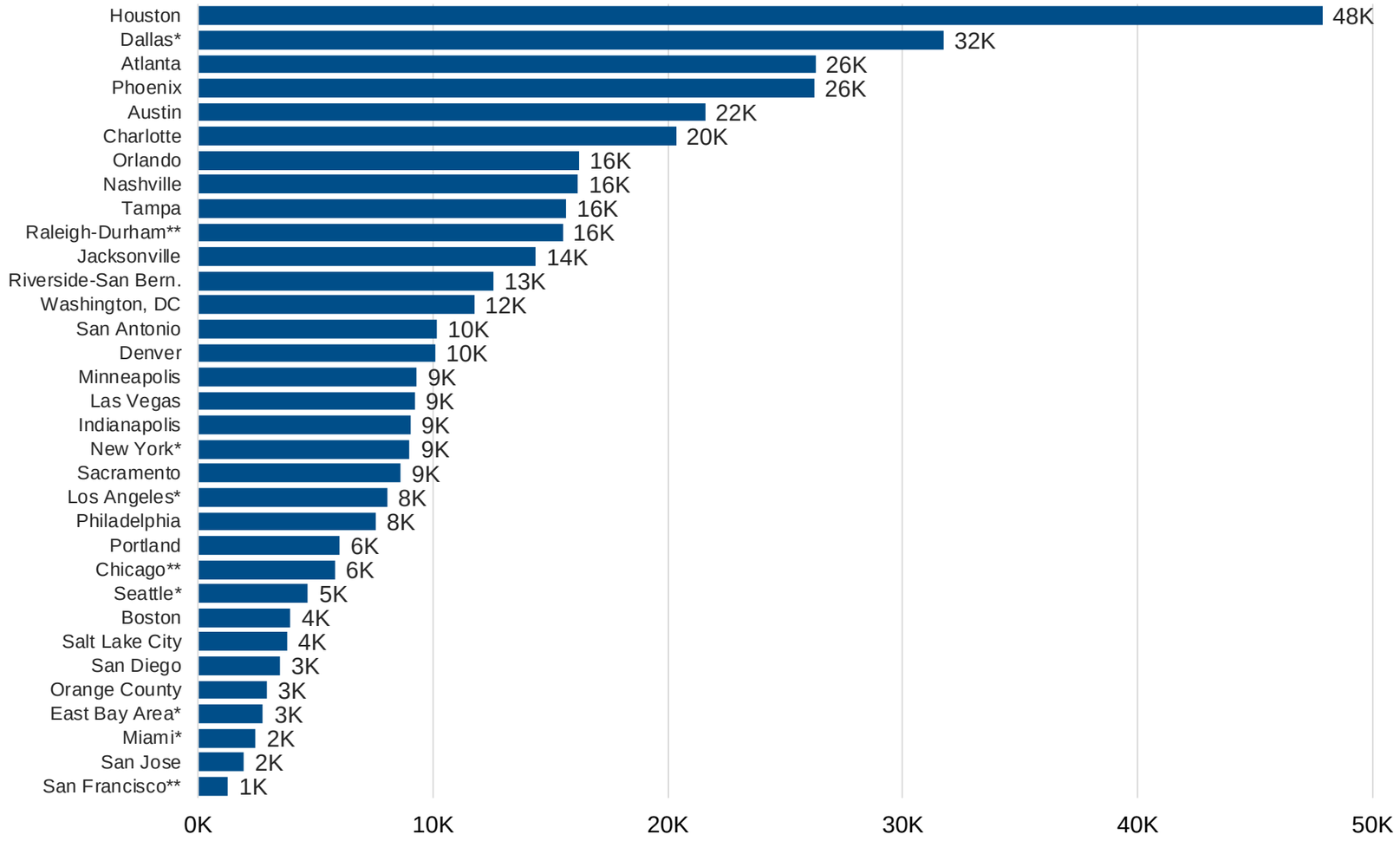
Total Single-Family Construction

Trailing twelve months ■ Single-family permits



Houston, Dallas, Atlanta, and Phoenix are the largest *single-family construction* markets by permit volume among the top housing markets covered.

*Metro division **combination of metro divisions (except Raleigh-Durham, which is a combination of metros

Source: John Burns Real Estate Consulting, LLC (Data: Dec-22, Pub: Feb-23)

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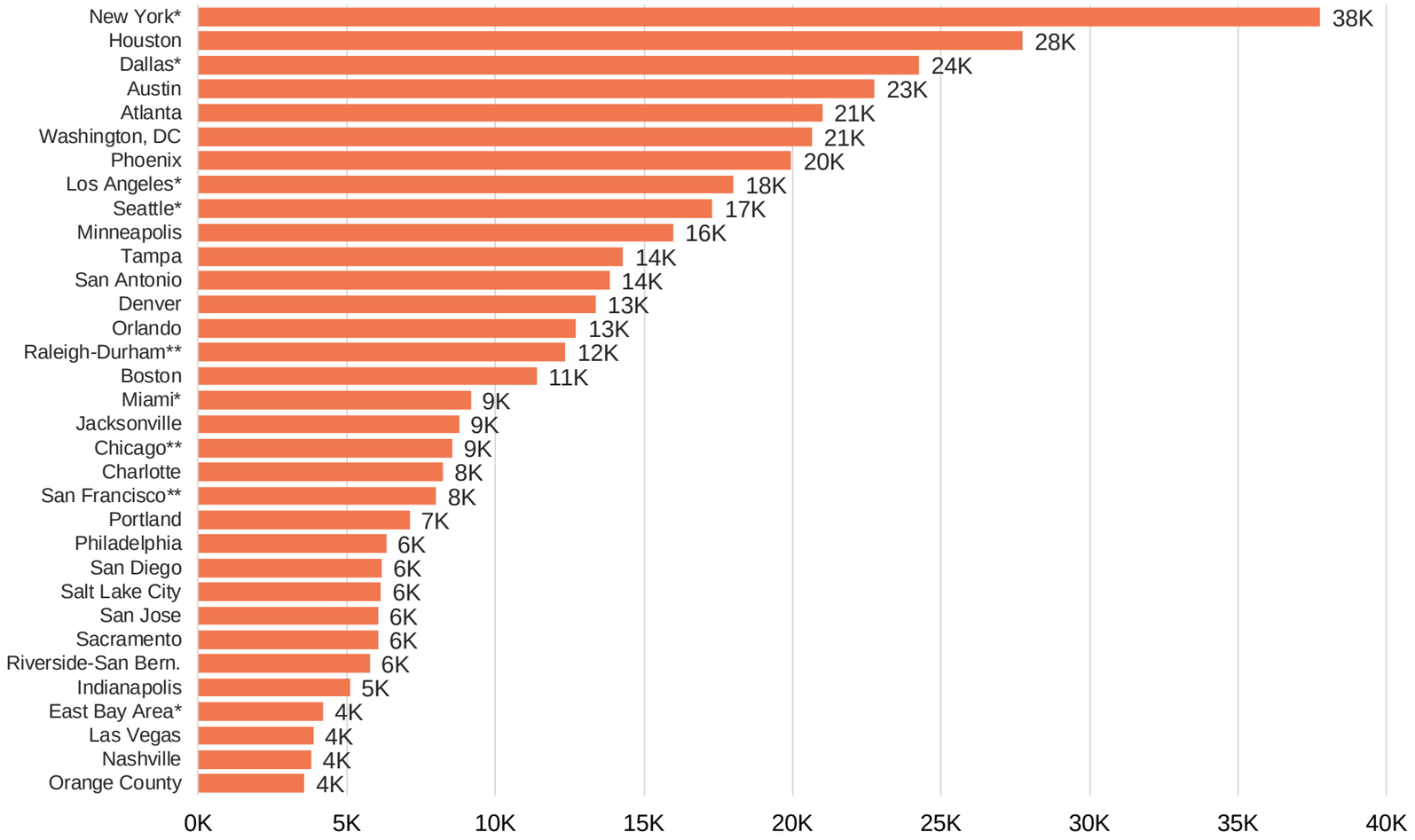
Total Multifamily Construction

Trailing twelve months ■ Multifamily permits



New York, Houston, and Dallas are currently the largest *multifamily construction* markets by permit volume among the top housing markets covered.

*Metro division **combination of metro divisions (except Raleigh-Durham, which is a combination of metros

Source: John Burns Real Estate Consulting, LLC (Data: Dec-22, Pub: Feb-23)

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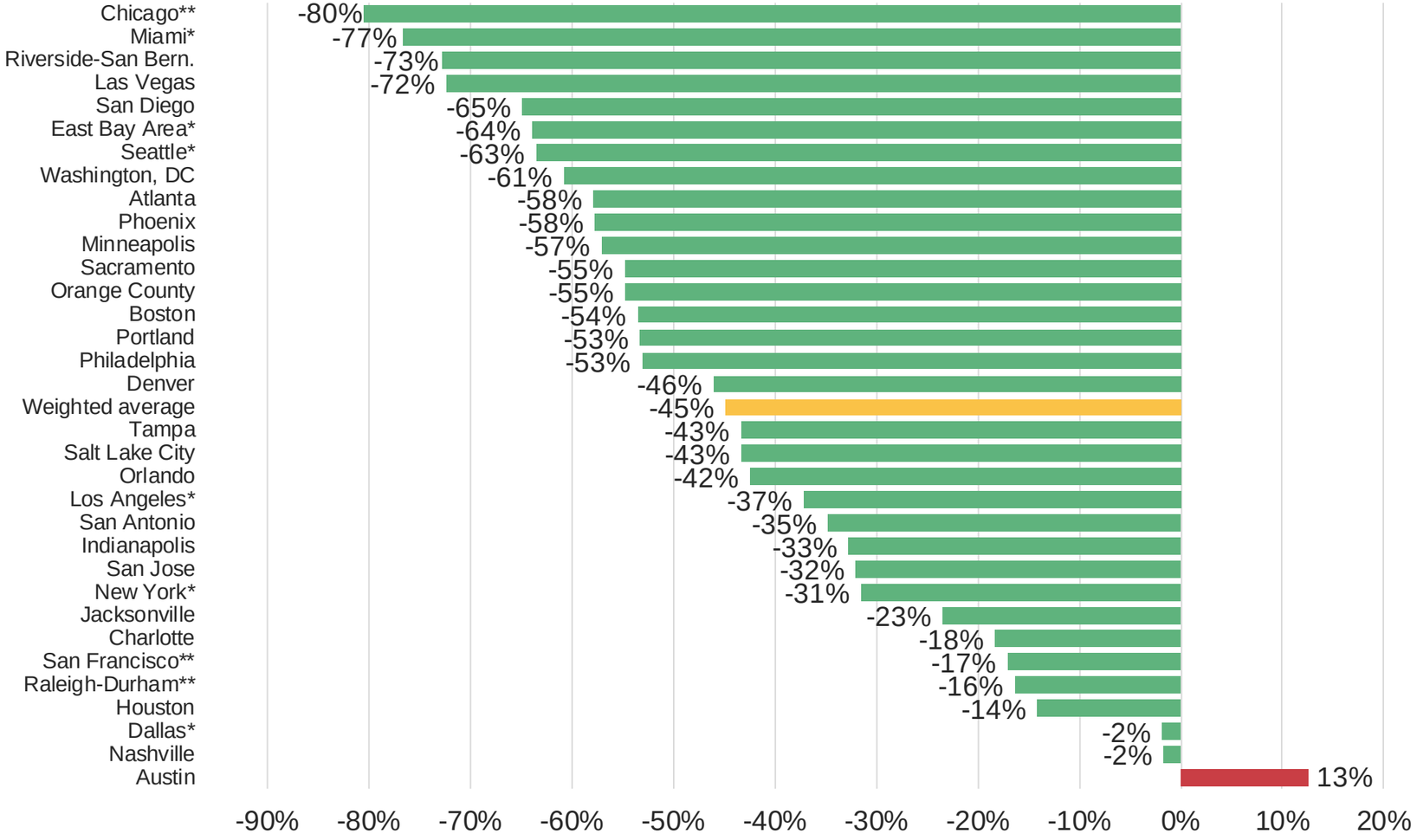
Current Single-Family Permits vs. Peak Permits

Trailing twelve months (Peak permits are calculated between 2002 and 2008.)



Single-family permits are below the prior peak in most top markets. Austin is above prior peak levels (13%).

Austin single-family permits are 13% above prior peak levels. **Austin** has experienced significant single-family construction and in-migration over the last 12–24 months.

*Metro division **combination of metro divisions (except Raleigh-Durham, which is a combination of metros

Source: John Burns Real Estate Consulting, LLC (Data: Dec-22, Pub: Feb-23)

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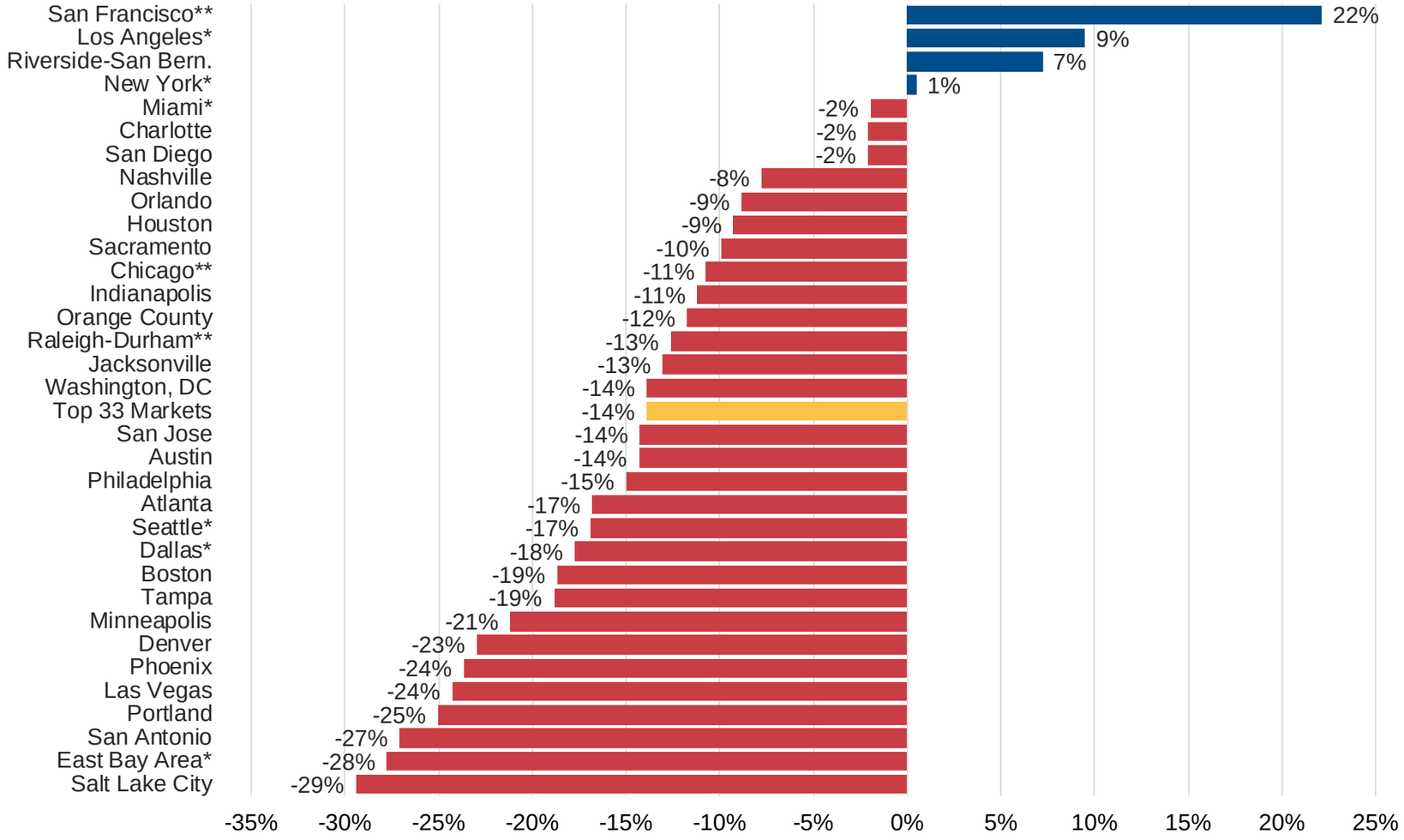
Single-Family Permit Growth

Trailing-12 month, YOY % change



New home single-family construction in top markets is down -14% YOY on average, with the largest decline in Salt Lake City (-29% YOY).

*Metro division **combination of metro divisions (except Raleigh-Durham, which is a combination of metros

Source: John Burns Real Estate Consulting, LLC (Data: Dec-22, Pub: Feb-23)

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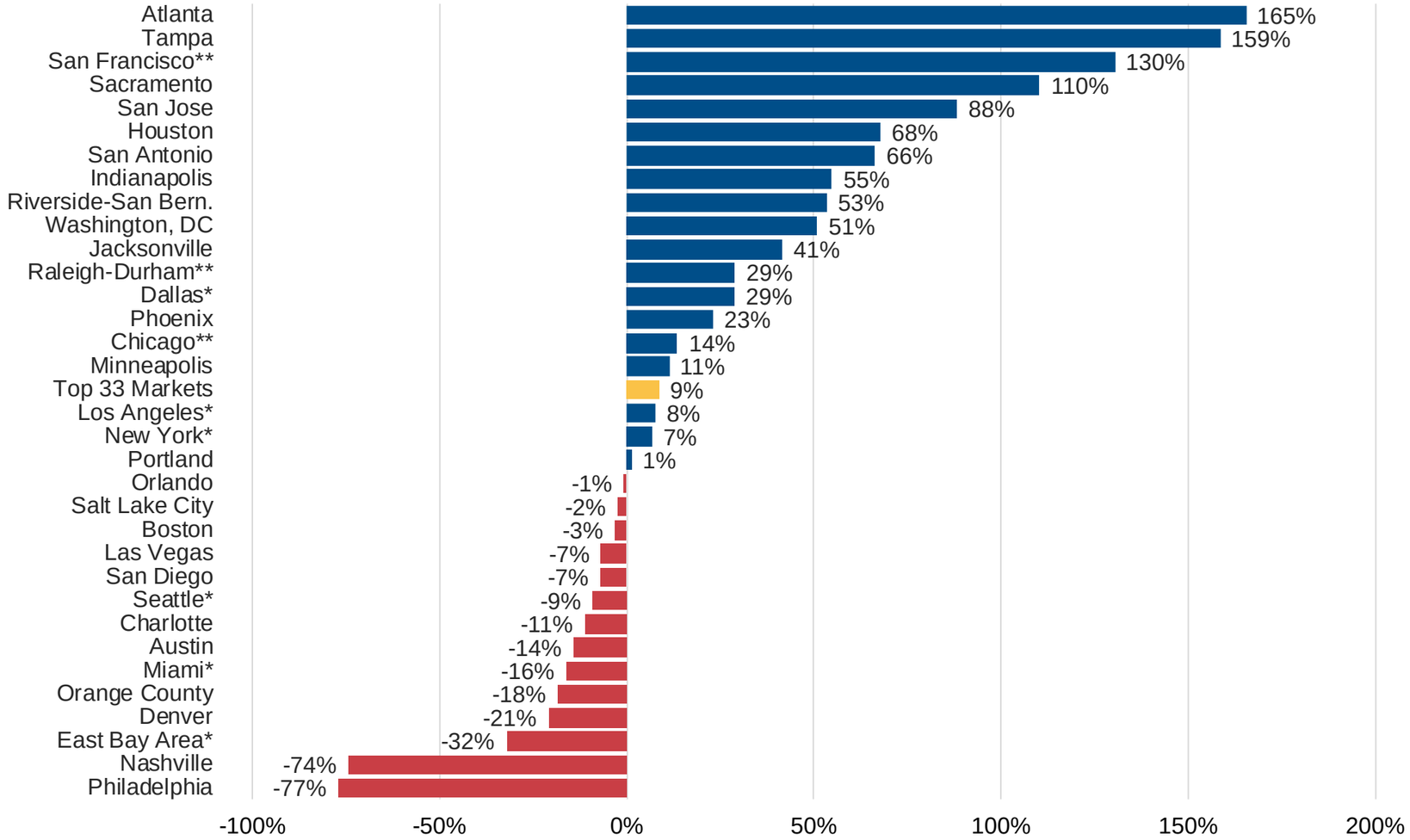
Multifamily Permit Growth

Trailing-12 month, YOY % change



Multifamily construction in top markets is up 9% YOY on average, with the largest increase in Atlanta (165% YOY) from very low levels one year ago.

*Metro division **combination of metro divisions (except Raleigh-Durham, which is a combination of metros

Source: John Burns Real Estate Consulting, LLC (Data: Dec-22, Pub: Feb-23)

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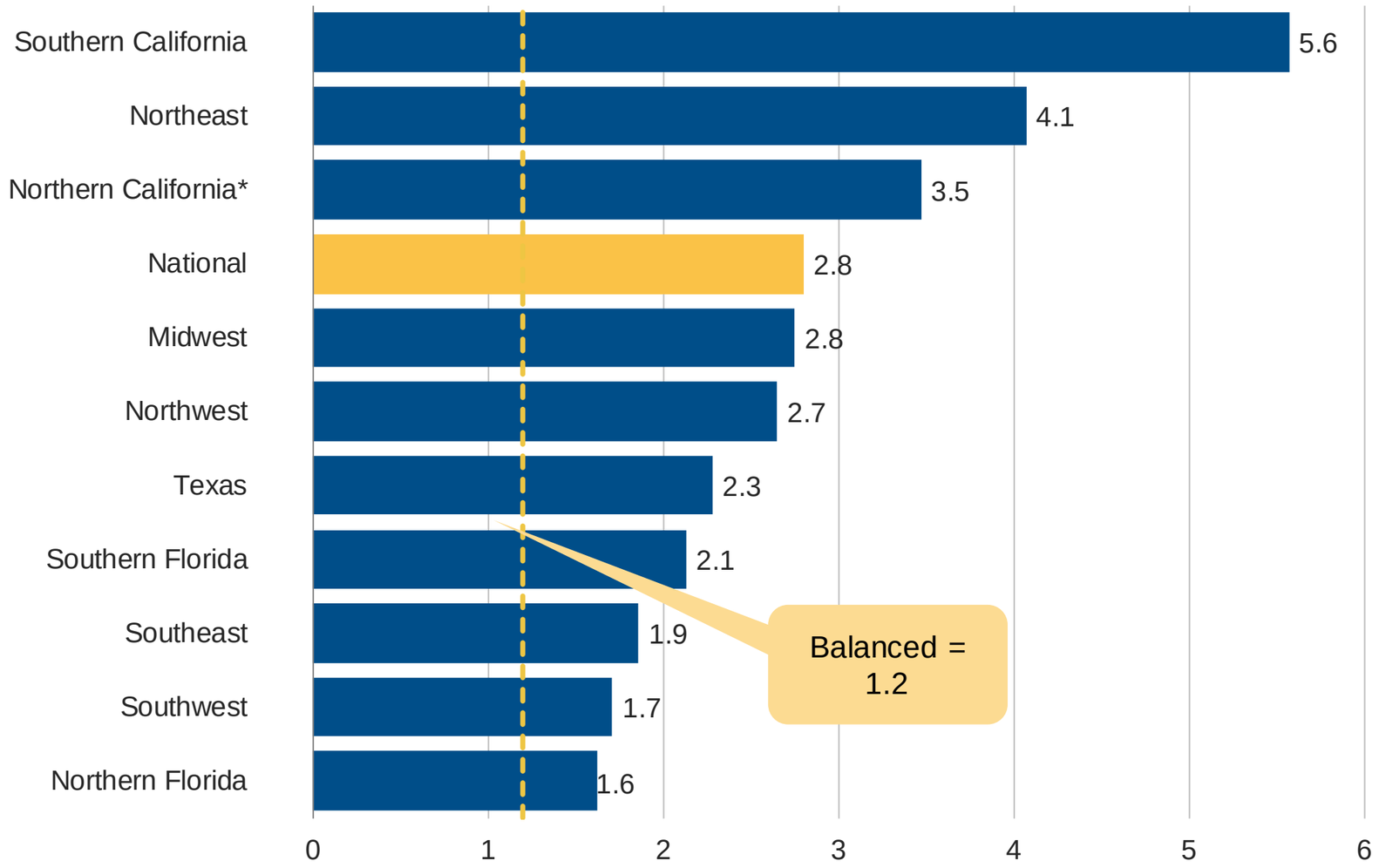
Employment Growth / Permit Ratio by Region



The current national average employment growth / permit (E/P) ratio is 2.8, which indicates that housing demand exceeds the new housing supply.

A balanced ratio in a normal market is 1.2. Currently, nearly all regions have an E/P ratio above 2. We expect E/P ratios to turn negative across all regions as we forecast job losses in 2023/2024, after which E/P ratios should stabilize to more typical and sustainable rates.

*The Northern California region includes Reno, NV.

Note: Employment growth exceeds historical averages in most regions as labor markets continue recovering to pre-COVID levels. We advise caution when drawing conclusions from the E/P ratios for the next several months.

Source: John Burns Real Estate Consulting, LLC (Data: Dec-22, Pub: Feb-23)

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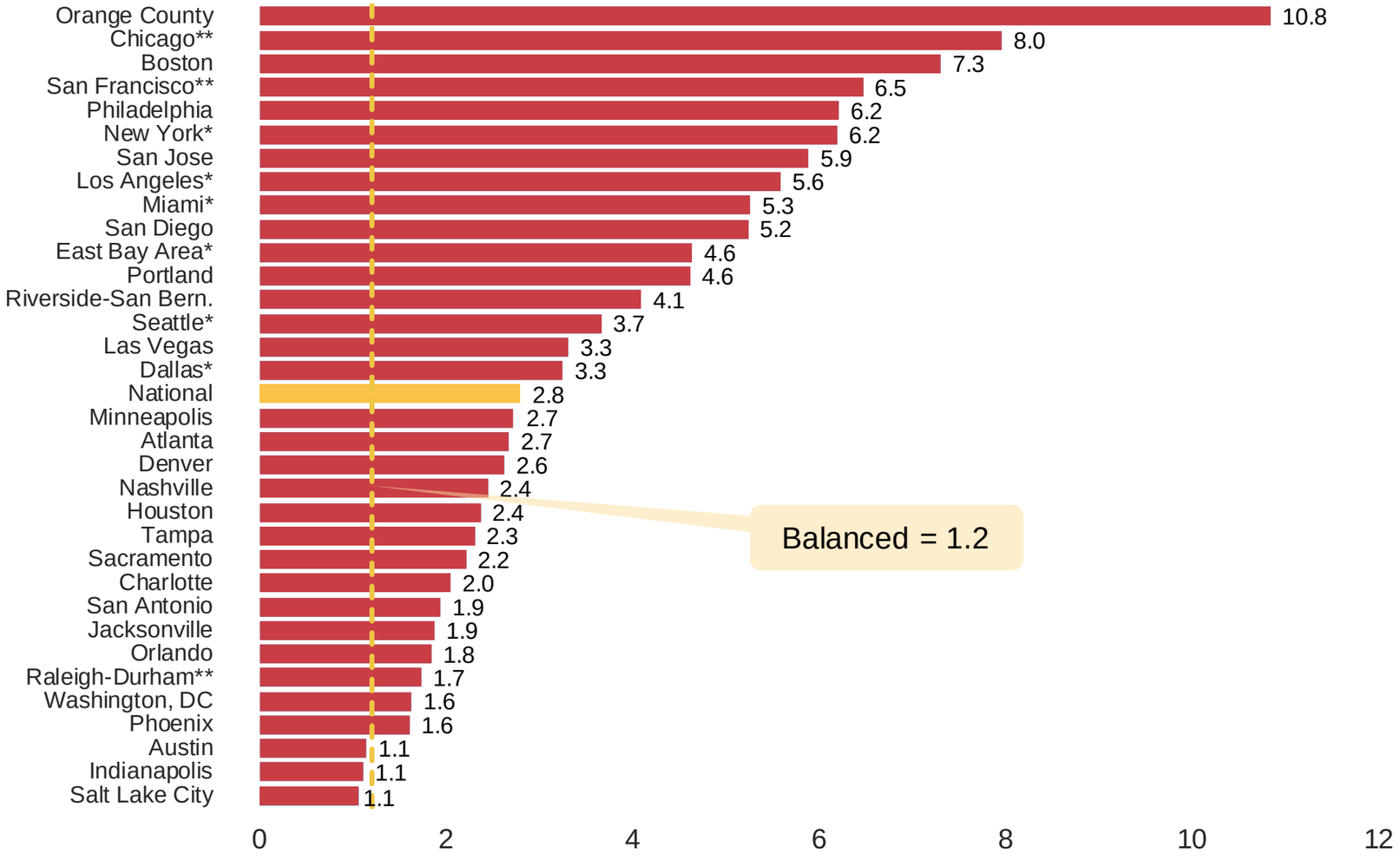
Employment Growth / Permit Ratio: Top US Markets



All top metros have a positive E/P ratio, and the current national E/P ratio is 2.8, which indicates that housing demand exceeds the new housing supply.

We expect E/P ratios to turn negative across all regions as we forecast job losses in 2023/2024, after which E/P ratios should stabilize to more typical and sustainable rates.

Austin, **Indianapolis**, and **Salt Lake City** inched below a balanced 1.2 E/P ratio as they have experienced significant permit activity. **Phoenix** and **Washington, DC,** are also closing in on a 1.2 E/P ratio.

Employment Growth for the United States is seasonally adjusted. *Metro division **Combination of metro divisions (except Raleigh-Durham, which is a combination of metros)

Source: John Burns Real Estate Consulting, LLC (Data: Dec-22, Pub: Feb-23)

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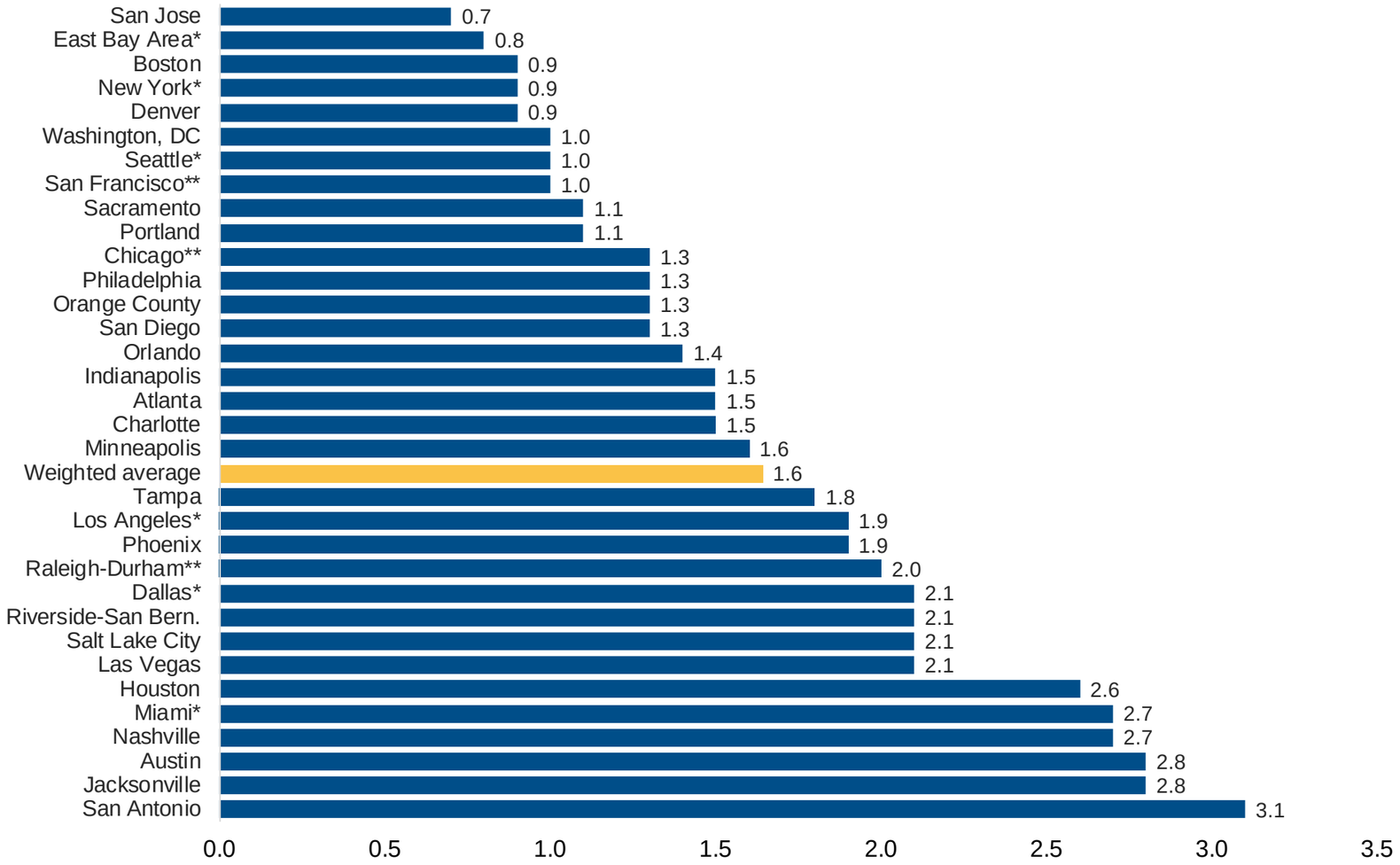
Resale Inventory

■ Months of Supply of Homes Available for Sale (January-23)



Note: Months of supply of homes available for sale does not include pending sales.

*Metro division **combination of metro divisions (except Raleigh-Durham, which is a combination of metros)

Source: John Burns Real Estate Consulting, LLC (Data: Jan-23, Pub: Feb-23)

Resale inventory, based on sales activity over the prior 12 months, remains low in many top markets but has increased in recent months as listings increase in most markets.

Inventory is highest in **San Antonio** at 3.1 MOS and lowest in **San Jose** at 0.7 MOS.

Many Sunbelt markets are among the highest levels of MOS.

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Regional Market Listings

Region	Resale Market							
	Existing Home Sale Closings		Listing Supply			Estimated Months of Supply of Homes Available for Sale		
	12-Month Volume	1-Yr Change	Listings	Listings YoY %	Listings MoM %	Avg Est. MOS	Est. MOS 1-Month Ago Avg	Est. MOS 1-Year Ago Avg
Southern California	202,657	(27%)	29,363	35%	(4%)	1.7	1.7	0.9
Northern California	153,565	(27%)	16,948	59%	(8%)	1.4	1.4	0.6
California	356,222	(27%)	46,311	43%	(5%)	1.6	1.6	0.8
Northern Florida	249,470	(16%)	43,429	142%	0%	2.1	2.0	0.7
Southern Florida	209,371	(21%)	40,268	101%	7%	2.3	2.1	0.9
Florida	458,841	(18%)	83,697	120%	4%	2.2	2.0	0.8
Texas	339,301	(12%)	63,270	94%	(10%)	2.5	2.4	1.0
Midwest	715,516	(16%)	77,004	20%	(9%)	1.3	1.3	0.9
Northeast	744,021	(15%)	68,593	13%	(7%)	1.1	1.2	0.8
Northwest	151,376	(24%)	18,363	108%	(11%)	1.3	1.4	0.5
Southeast	622,289	(16%)	78,729	93%	(4%)	1.8	1.8	0.8
Southwest	319,223	(25%)	46,129	115%	(9%)	1.8	1.9	0.6
Core MSA Totals	3,706,789	(18%)	482,096	61%	(6%)	1.6	1.6	0.8

Existing home sales fell -18% YOY, and listings increased 61% YOY, bringing total months of supply to 1.6 months across core MSAs.

Listings are rising YOY in all regions, led by **Northern Florida** (142% YOY) and the **Southwest** (115% YOY).

Note: Existing home sale closings and months of supply data include a limited number of metro areas.

Note: Core MSA Totals is an expanded list of metros beyond the RAF 33.

Sources: For more information, consult our *RAF Methodology* document. (Data: Dec-22/Jan-23, Pub: Feb-23)

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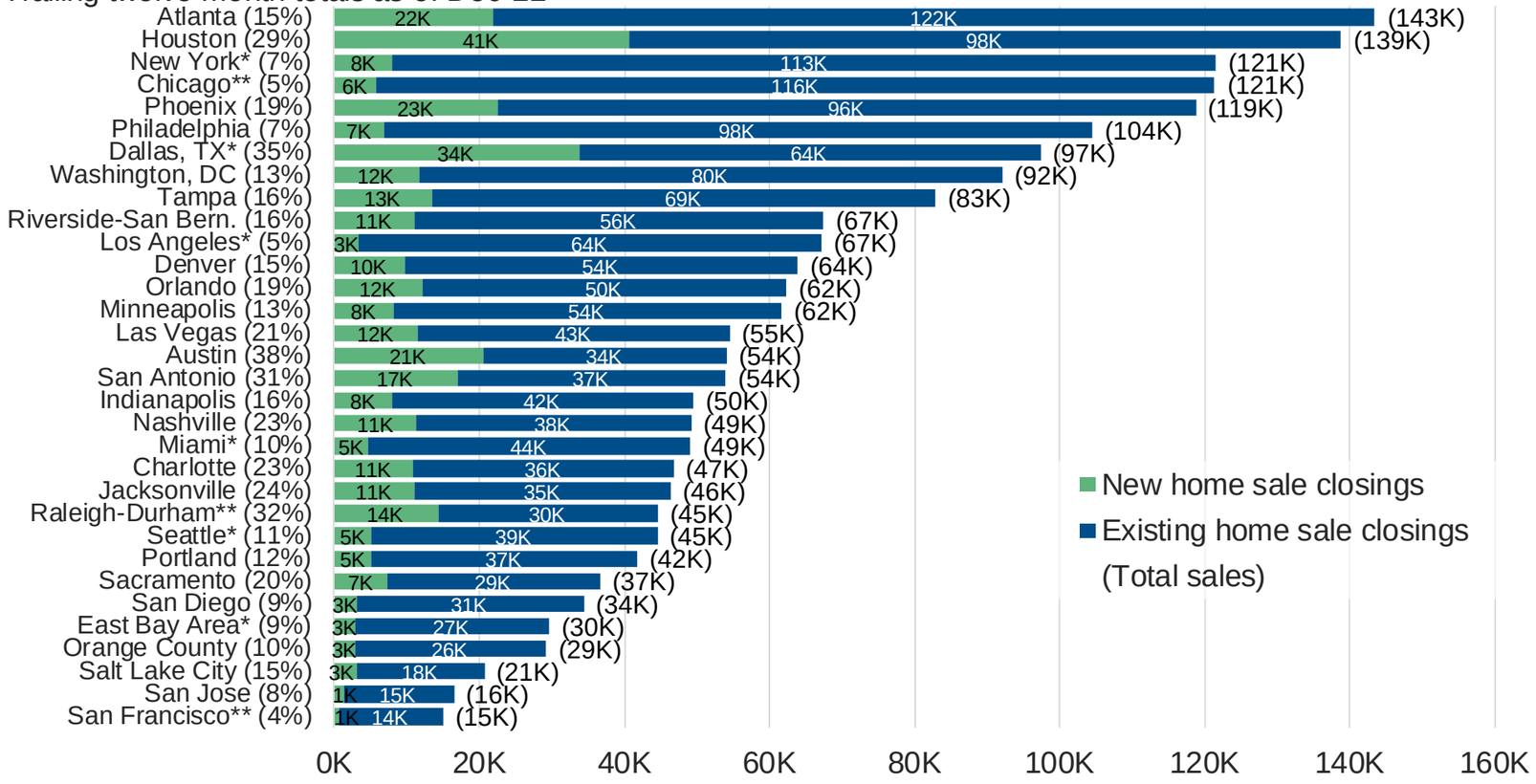
Atlanta and Houston are the largest housing markets in the country by *total sales transactions* (139K+).

Total Sales Transactions

(%) denotes new home sales share of total sales
Trailing twelve month totals as of Dec-22



Houston, **Dallas**, **Phoenix**, and **Atlanta** make up the largest housing markets by *new home sales volume*, while **Atlanta**, **Chicago**, and **New York** are the largest housing markets in terms of *resale sales* transactions.

On average, new home sales volumes for top markets account for just 17% of transactions. **Austin**, **Dallas**, **Raleigh-Durham**, and **San Antonio** new home sales volumes account for 31%+ of total transactions.

Note: Data is not available for Boston. New sales and existing home sale closings may not add up exactly to total sales due to rounding. *Metro division **combination of metro divisions

Sources: CoreLogic; NorthstarMLS; RBI; Real Estate Center at TAMU; John Burns Real Estate Consulting, LLC (Data: Dec-22, Pub: Feb-23)

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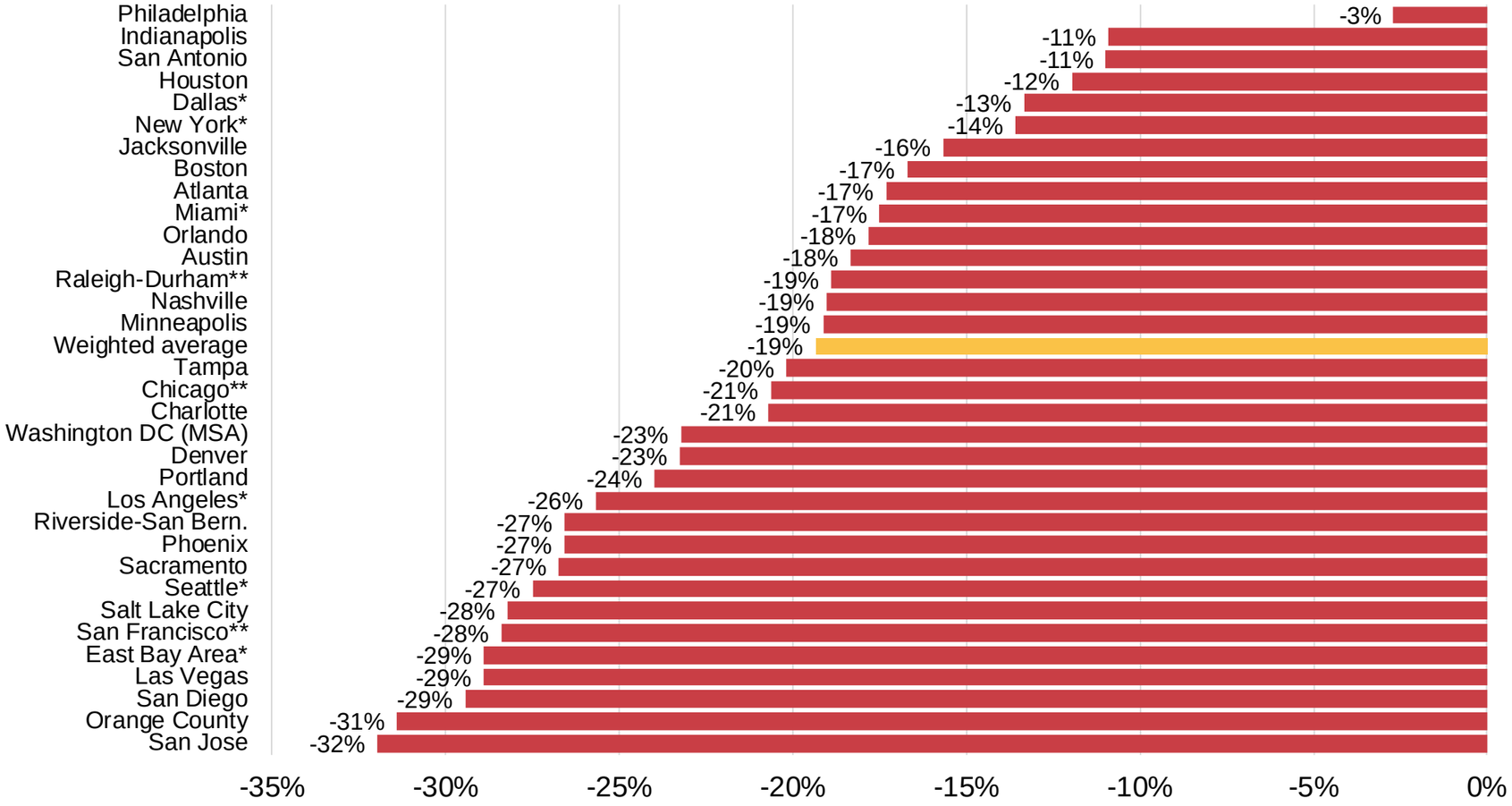
Existing home sale closings are down -19% YOY, on average, across top markets.

Total Existing Home Sale Closings

12-month total, YOY%



Existing home sale closings declined YOY in all major metros, falling the most in San Jose (-32% YOY). Existing home sale closings in Philadelphia fell -3% YOY.

*Note: Charlotte, Miami, Philadelphia, and Raleigh-Durham have been excluded due to insufficient data. *Metropolitan division **combination of metro divisions

Source: CoreLogic; Provided by DQNews, John Burns Real Estate Consulting, LLC; (Data: Dec-22; Pub: Feb-23)

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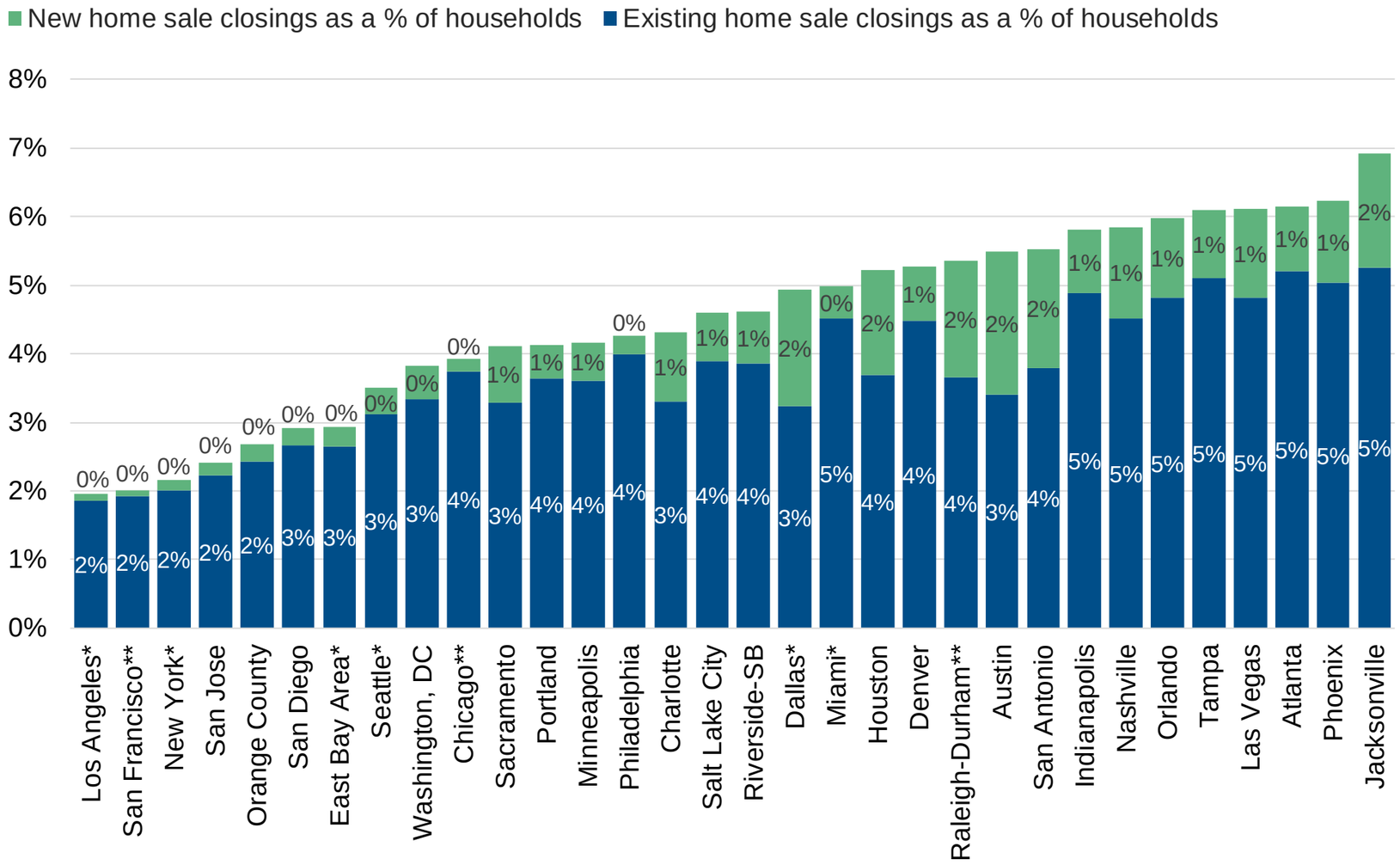
Home Sale Closings as a Percent of Households



Existing home sales drive the housing market. New home sales comprise less than 3% of households across all top markets.

Jacksonville has the largest ratio of new and existing home sale closings to households at approximately 7%. More expensive markets (**Los Angeles**, the **Bay Area**, and **New York**) with a higher share of renters have fewer sales as a percentage of households.

*Metro division **combination of metro divisions

Note: Boston has been excluded due to a lack of new home sale closings data.

Source: CoreLogic; NorthstarMLS; RBI; Real Estate Center at TAMU; John Burns Real Estate Consulting, LLC (Data: Dec-22, Pub: Feb-23)

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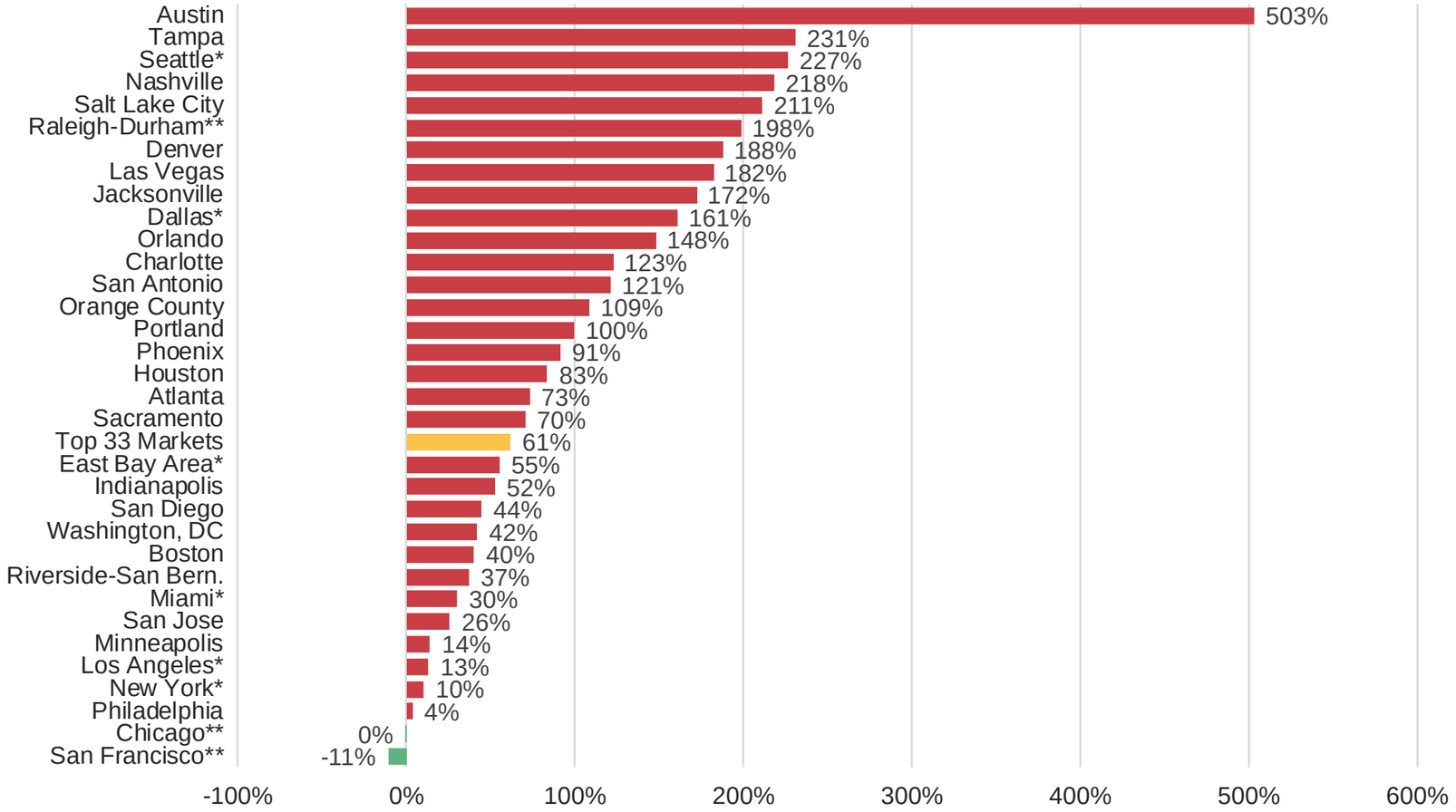
Resale listings continue to increase MOM in many markets and are up 61% YOY on average across top markets.

Change in Resale Listings

Year over year



Most markets are seeing resale inventory increase YOY. **Austin** leads top metros, with a 503% YOY increase in homes on the market.

A couple of markets still have fewer resale listings on the market than one year ago. Resale listings declined the most YOY in **San Francisco** (-11%).

*Metro division **combination of metro divisions (except Raleigh-Durham, which is a combination of metros)

Source: John Burns Real Estate Consulting, LLC (Data: Jan-23, Pub: Feb-23)

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Most top markets posted YOY increases in resale listings and YOY declines in existing home sale closings.

Listings vs. Existing Home Sale Closings Volume

Metro	YOY Change in Resale Listings	YOY Resale Sales Volume
Austin	503%	-18%
Tampa	231%	-20%
Seattle*	227%	-27%
Nashville	218%	-19%
Salt Lake City	211%	-28%
Raleigh-Durham**	198%	-19%
Denver	188%	-23%
Las Vegas	182%	-29%
Jacksonville	172%	-16%
Dallas*	161%	-13%
Orlando	148%	-18%
Charlotte	123%	-21%
San Antonio	121%	-11%
Orange County	109%	-31%
Portland	100%	-24%
Phoenix	91%	-27%
Houston	83%	-12%

Metro	YOY Change in Resale Listings	YOY Resale Sales Volume
Atlanta	73%	-17%
Sacramento	70%	-27%
East Bay Area*	55%	-29%
Indianapolis	52%	-11%
San Diego	44%	-29%
Washington, DC	42%	-23%
Boston	40%	-17%
Riverside-San Bern.	37%	-27%
Miami*	30%	-17%
San Jose	26%	-32%
Minneapolis	14%	-19%
Los Angeles*	13%	-26%
New York*	10%	-14%
Philadelphia	4%	-3%
Chicago**	0%	-21%
San Francisco**	-11%	-28%

We believe these trends will be very important to watch as demand continues to soften.

Many markets saw resale listings more than double YOY, led by **Austin** (503% YOY), which is coming off extreme lows one year ago.

San Jose and **Orange County** posted the largest decrease in sales volume, down -31%+ YOY.

*Metro division **combination of metro divisions

Source: CoreLogic, Provided by DQNews; John Burns Real Estate Consulting, LLC; (Data: Dec-22/Jan-22; Pub: Feb-23)

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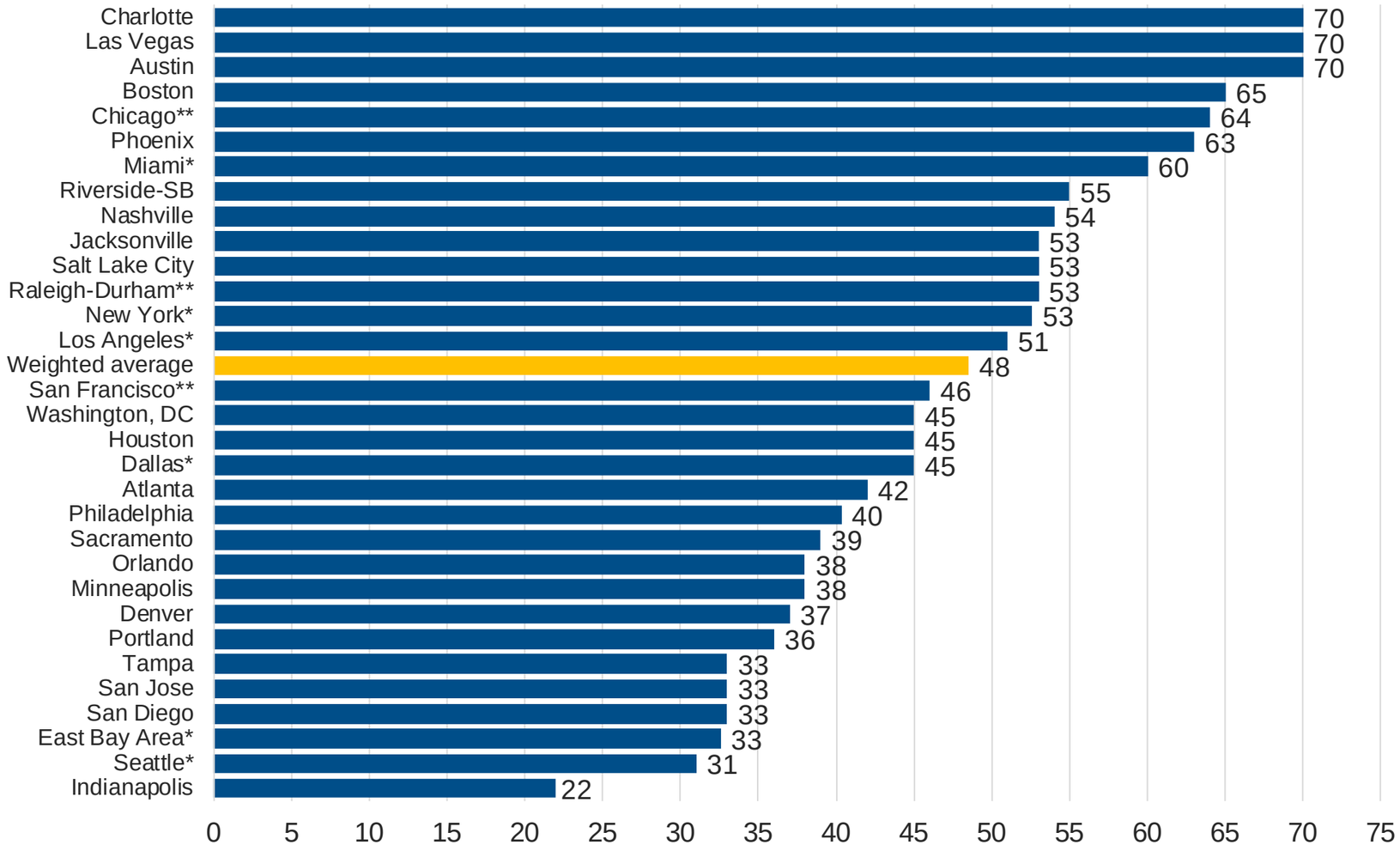
Days on Market



Across the top markets, homes spend an average of 48 days on market, with considerable variation by metro.

Listings in **Charlotte**, **Las Vegas**, and **Austin** spend 70 days on the market before a sale, on average, while listings spend only 22 days on the market in **Indianapolis**, on average.

*Metro division **combination of metro divisions (except Raleigh-Durham, which is a combination of metros) Note: Orange County and San Antonio have been excluded due to lack of data.

Source: John Burns Real Estate Consulting, LLC (Data: Dec-22, Pub: Feb-23)

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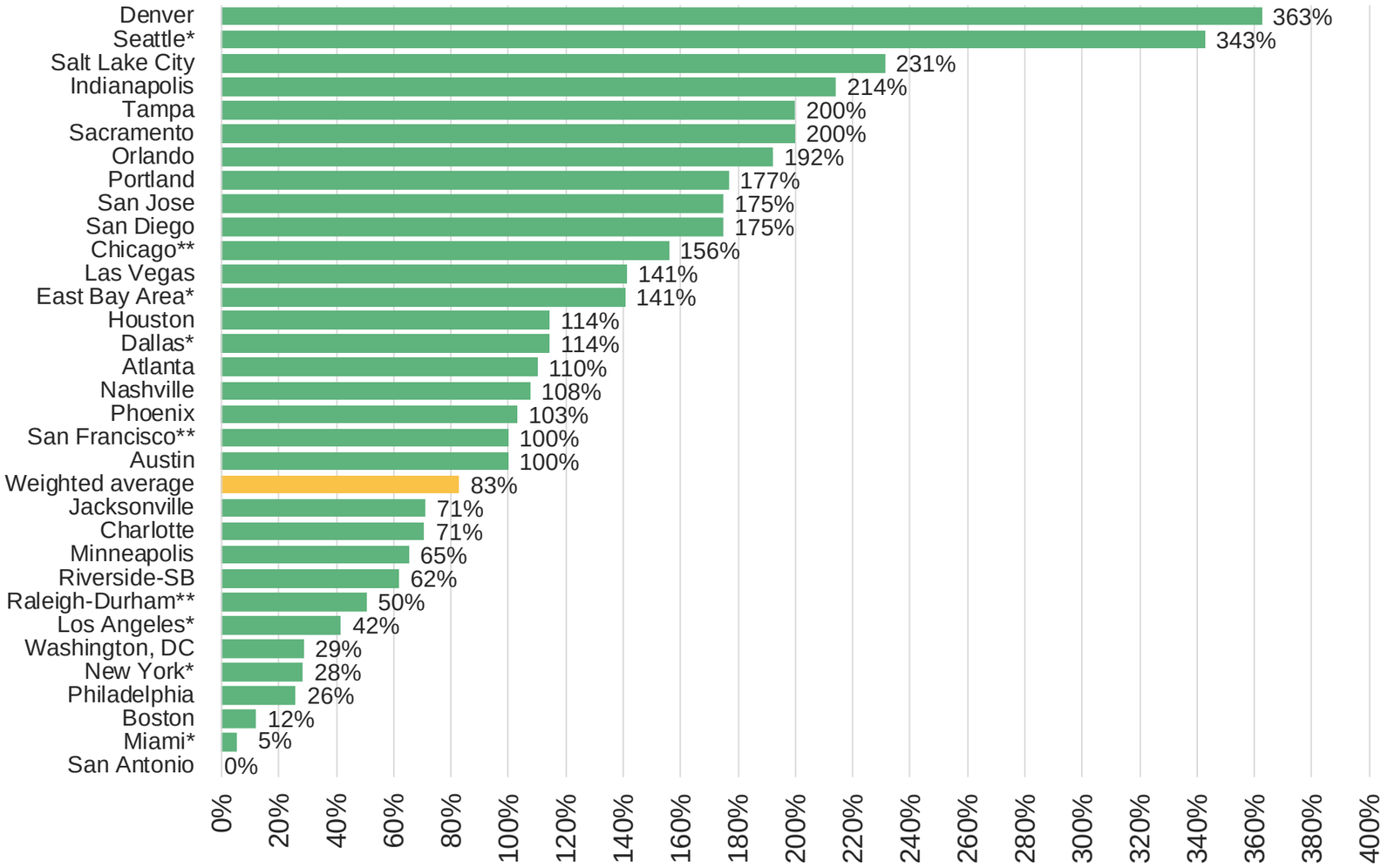
Days on Market

YOY % change



Homes are spending significantly more days on the market in nearly all top markets compared to one year ago, up 83% YOY on average.

Homes are spending more days on the market as demand has softened significantly. One year ago, many markets were still receiving multiple offers above asking price and/or experiencing bidding wars, which drove down average days on the market below sustainable levels.

Note: Weighted average days on market are rounded.

*Metro division **combination of metro divisions (except Raleigh-Durham, which is a combination of metros) Note: Orange County has been excluded due to lack of data.

Source: John Burns Real Estate Consulting, LLC (Data: Dec-22, Pub: Feb-23)

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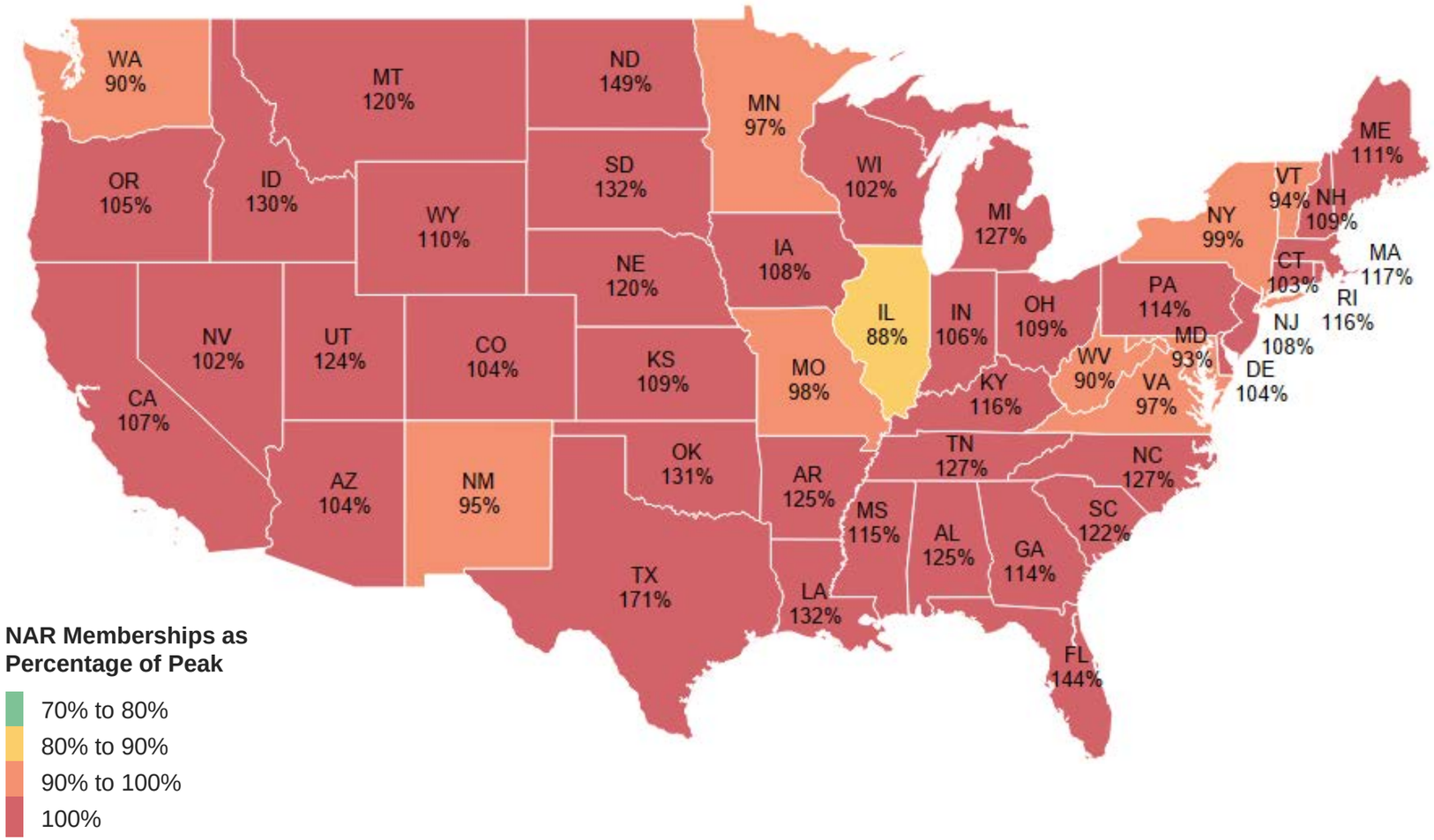
Most states are surpassing peak Realtor membership.

NAR Memberships as a Percentage of 2005–2008 Peak



NAR Memberships as Percentage of Peak

- 70% to 80%
- 80% to 90%
- 90% to 100%
- 100%

We view Realtor membership as a proxy for speculation across regions. Most states are above or close to peak Realtor membership. Texas, North Dakota, and Florida lead at 144%+ of prior peak NAR membership levels.

Source: National Association of Realtors; John Burns Real Estate Consulting, LLC (Data: Feb-23, updated annually; Pub: Feb-23)

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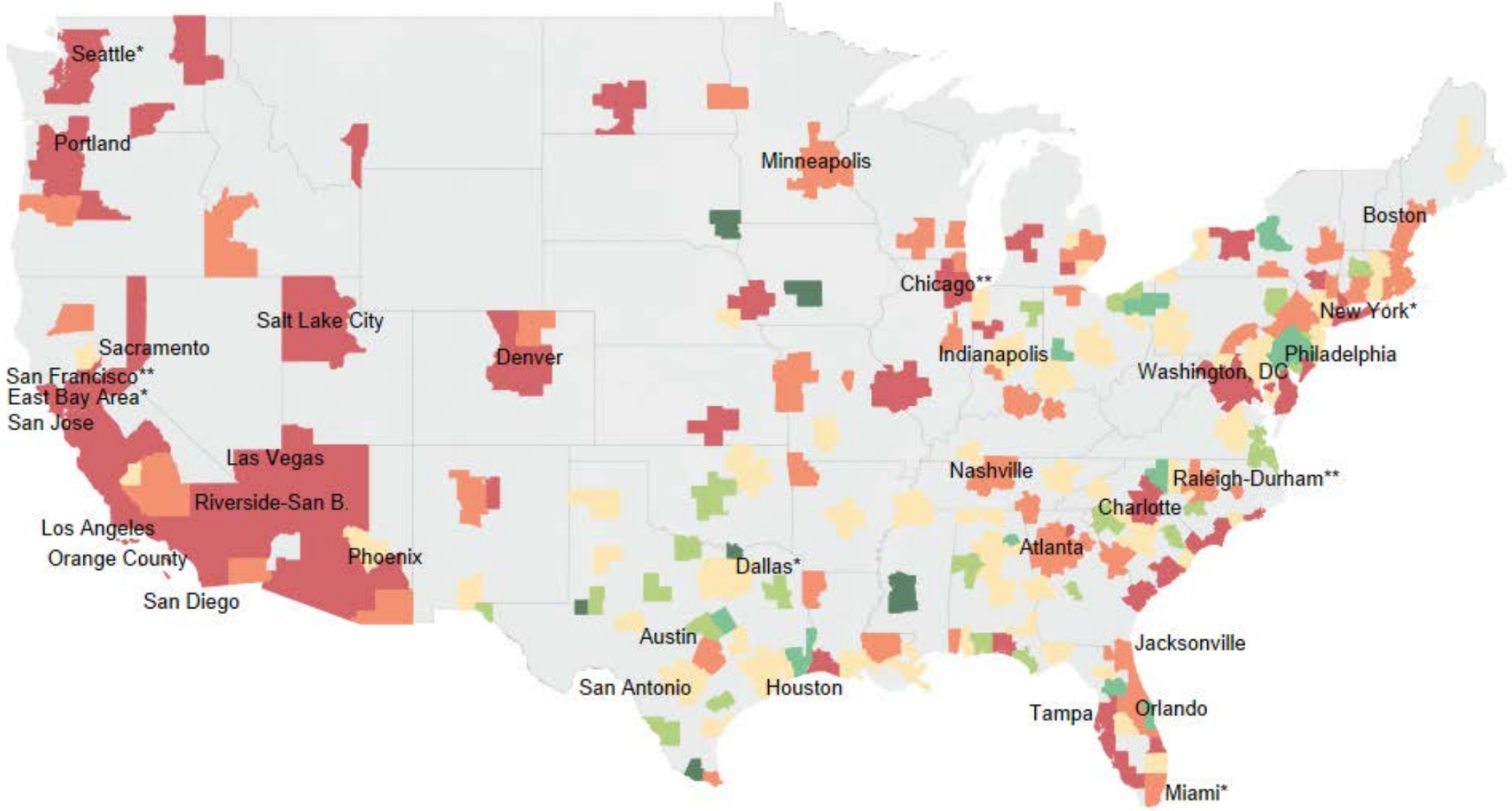
Current YOY existing home sale closings volume change by metro



Resale Volume Growth YOY

- Greater than 0%
- -5% to 0%
- -10% to -5%
- -15% to -10%
- -20% to -15%
- Less than -20%

Source: John Burns Real Estate Consulting, LLC (Data: Dec-22, Pub: Feb-23)

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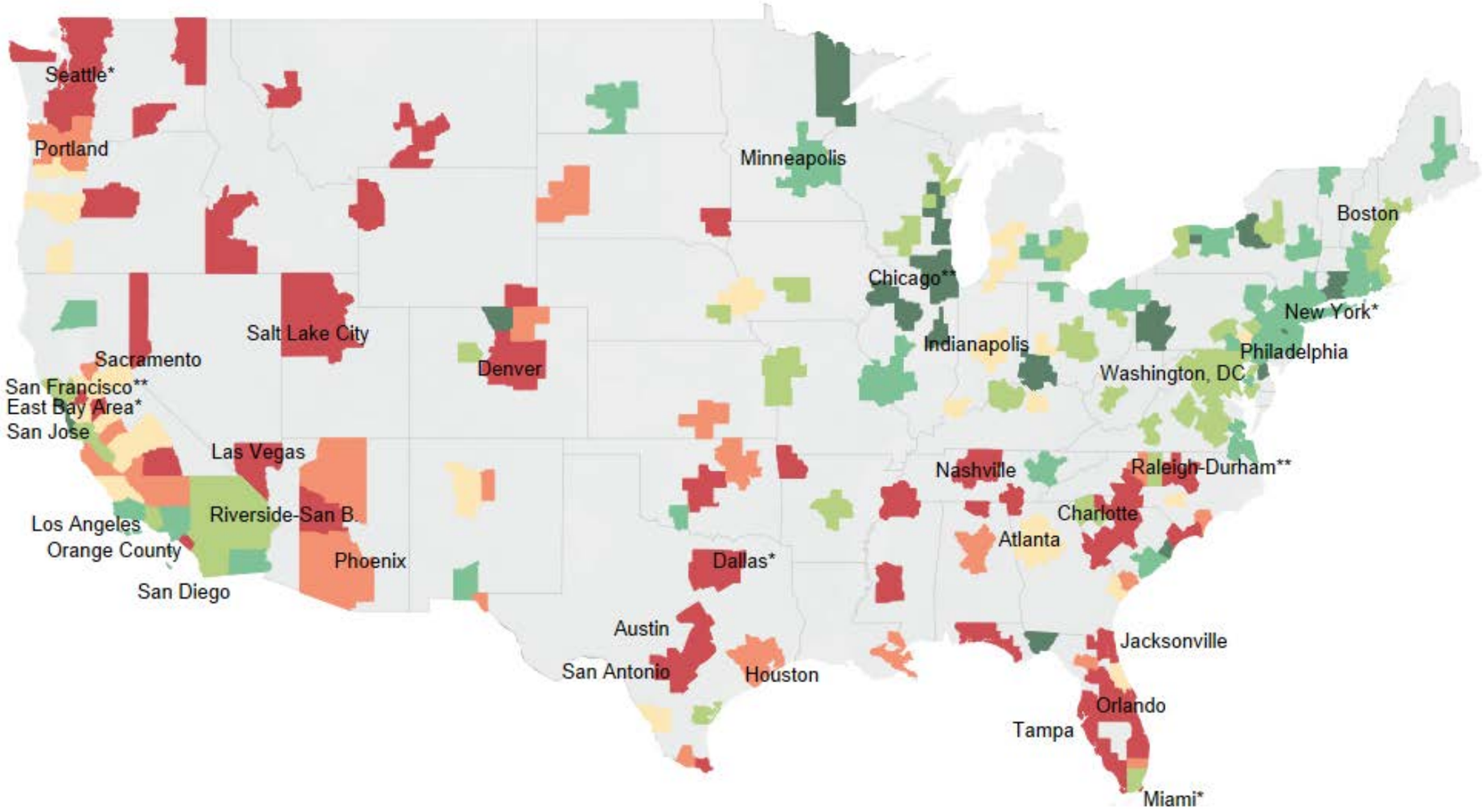
Current YOY resale listings change by metro



Listings Growth YOY

- Less than 0%
- 0% to 25%
- 25% to 50%
- 50% to 75%
- 75% to 100%
- Greater than 100 %

Source: John Burns Real Estate Consulting, LLC (Data: Dec-22, Pub: Feb-23)

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Regional analysis: affordability

Burns Affordability Index™: top US markets

Expensive coastal markets hold the top spots for markets with the highest housing-cost-to-income ratios hitting 50%+. Markets in the **Midwest**, the **Southeast**, and the inland **Northeast** have lower housing-cost-to-income ratios. Nationally, the average homeowner spends 42% of their income on housing costs.

The Burns Affordability Index™ measures the housing-cost-to-income ratio for each market. We calculate the housing-cost-to-income ratio (HC/I ratio) by dividing the market's median monthly housing costs by 125% of the median income. Housing cost assumes the purchase of a home equal to the market's median-priced existing home with a 10% down payment and a 30-year, fixed-rate mortgage. Payment includes PITI (principal, interest, taxes, and insurance) plus mortgage insurance.

Note: San Francisco is expensive compared to other markets. However, this is historically normal for that market, which we attempt to examine with our Intrinsic Value for Housing-Cost-to-Income, and our new Burns Under/Overpriced Market Index. For more info on this, **visit our methodology**.

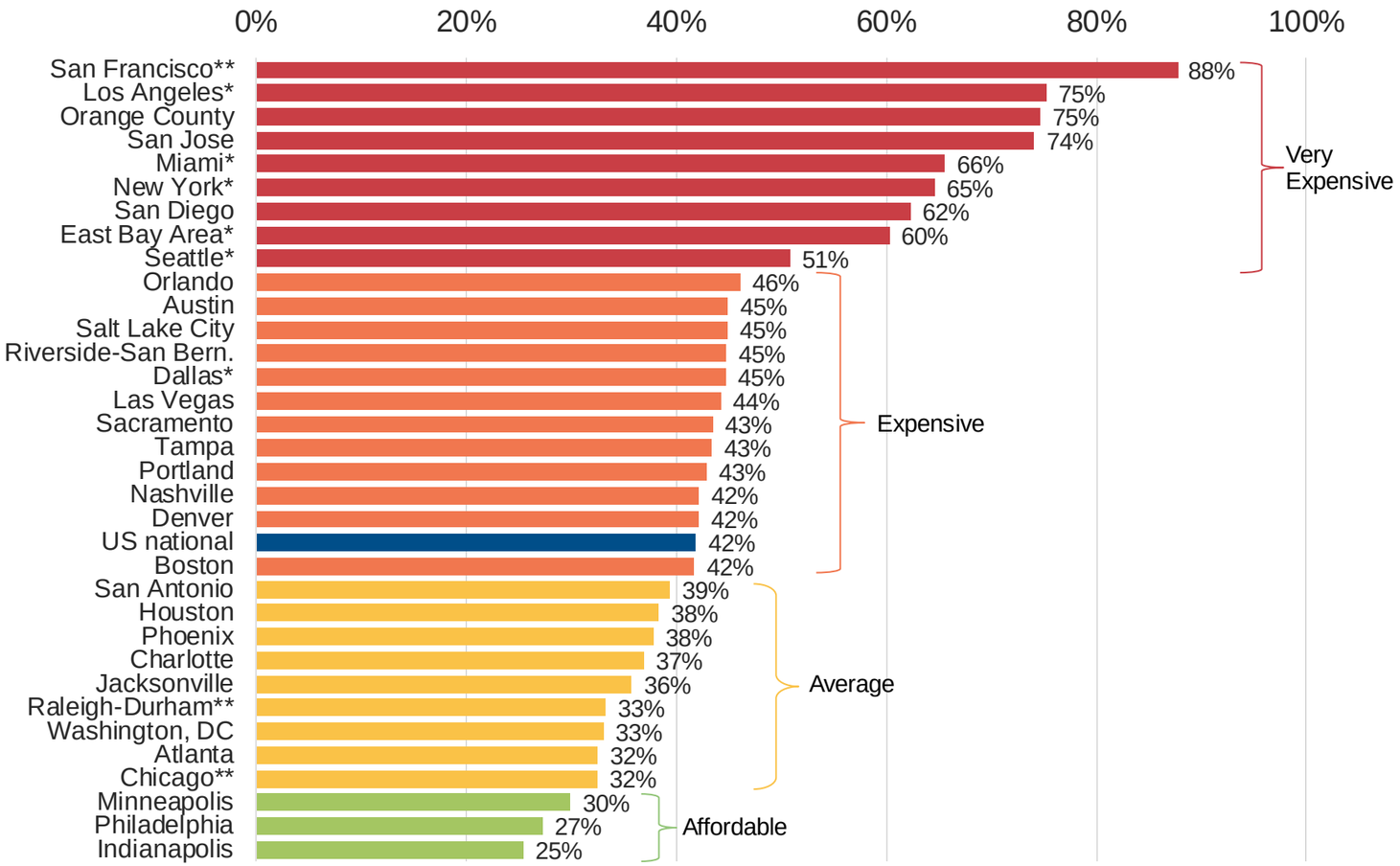
Burns Affordability Index

- >50% Very Expensive
- 40%–50% Expensive
- 30%–40% Average
- 20%–30% Affordable
- <20% Very Affordable

Burns Affordability Index

Housing-Cost-to-Income Ratio

Top US markets, at a 6.1% mortgage rate (rate for Jan-23)



*Metro division **combination of metro divisions (except Raleigh-Durham, which is a combination of metros)

Source: John Burns Real Estate Consulting, LLC (Data: Jan-23, Pub: Feb-23)

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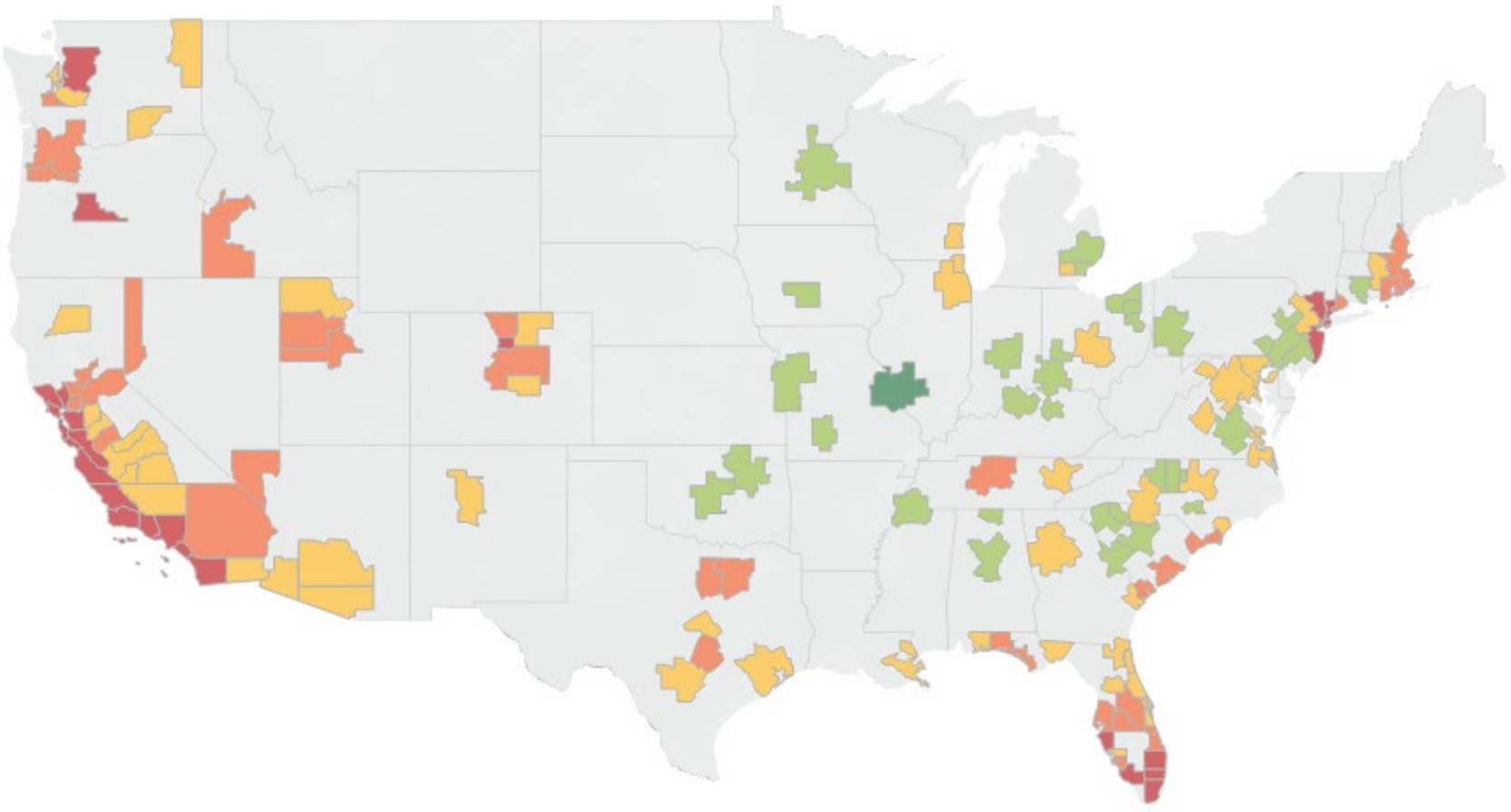
Expensive coastal markets hold the top spots for markets with the highest housing-cost-to-income ratios, according to our Burns Affordability Index™.

The Burns Affordability Index measures the housing-cost-to-income ratio for each market. We calculate the housing-cost-to-income ratio (HC/I ratio) by dividing the market's median monthly housing costs by 125% of the median income. Housing cost assumes the purchase of a home equal to the market's median-priced existing home with a 10% down payment and a 30-year, fixed-rate mortgage. Payment includes PITI (principal, interest, taxes, and insurance) plus mortgage insurance.

Burns Affordability Index: Housing-Cost-to-Income Ratio

Top US markets, at a 6.1% mortgage rate (rate for January 2023)



Burns Affordability Index

- >50% Very Expensive
- 40%–50% Expensive
- 30%–40% Average
- 20%–30% Affordable
- <20% Very Affordable

Source: John Burns Real Estate Consulting, LLC (Data: Jan-23, Pub: Feb-23)

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Burns Under/Overpriced Market Index™: top US markets

Affordability differences vary significantly by market. **Nashville** is *very overpriced* by 58%. **San Francisco** is also *very overpriced* by 21% relative to long-term trends.

Our Burns Under/Overpriced Market Index was created to better analyze how much a market is underpriced or overpriced compared to the market's own long-term housing-cost-to-income ratio. We attempt to account for other market fundamentals and any perceived permanent changes to a market's demand and supply factors.

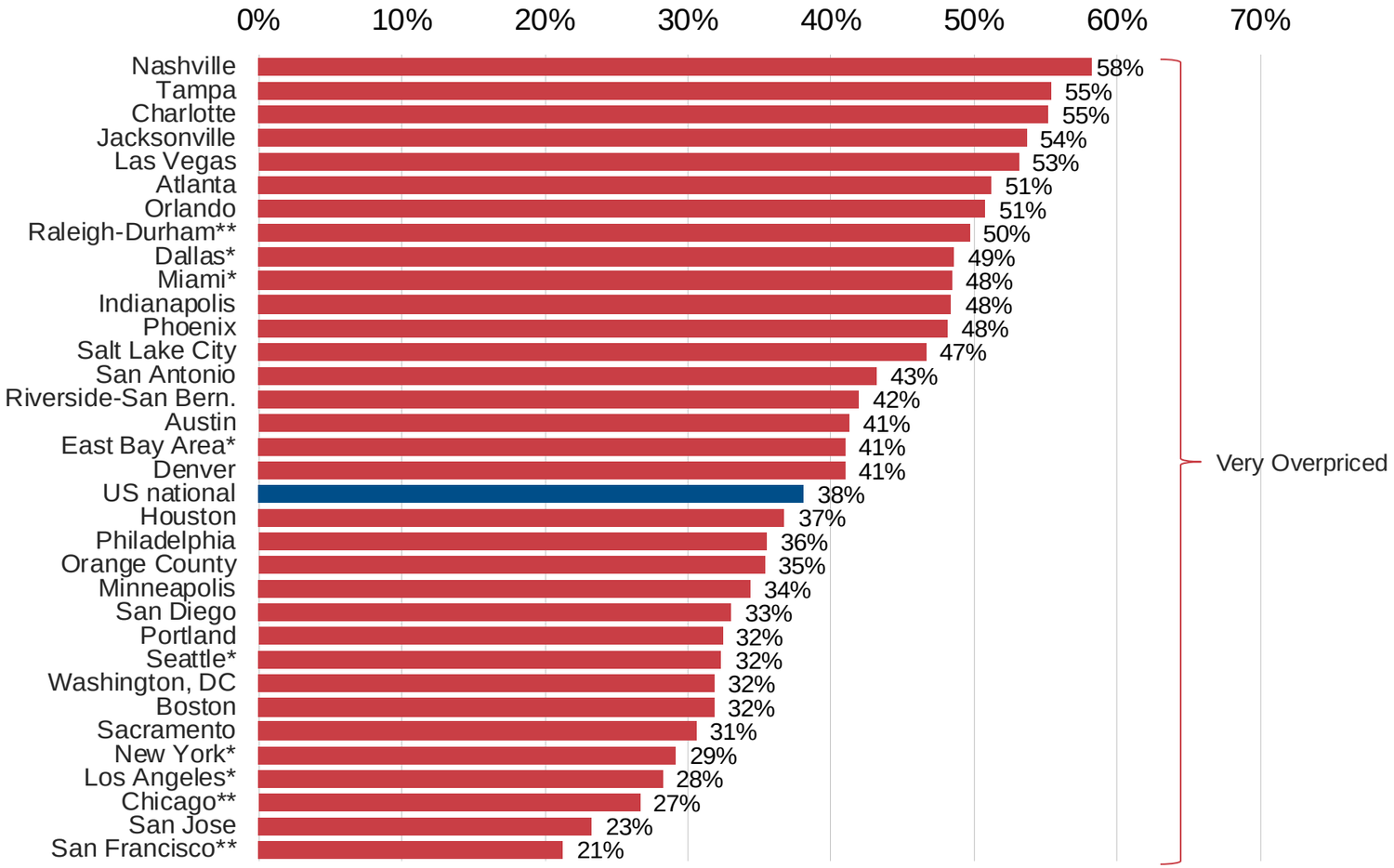
How to interpret: At the top end of the markets, we are indicating that home values in Nashville are currently 58% above where we would expect, indicating a *Very Overpriced* environment. On the bottom end, values in San Francisco are 15% above what we would expect, indicating a *Very Overpriced* environment.

Burns Under/Overpriced Market Index

- >20% Very Overpriced
- 10% to 20% Overpriced
- -10% to 10% Fairly Priced
- -20% to -10% Underpriced
- <20% Very Underpriced

Burns Under/Overpriced Market Index

Top US markets, at a 6.1% mortgage rate (rate for Jan-23)



*Metro division **combination of metro divisions (except Raleigh-Durham, which is a combination of metros)

Source: John Burns Real Estate Consulting, LLC; See Methodology Section (Data: Jan-23, Pub: Feb-23)

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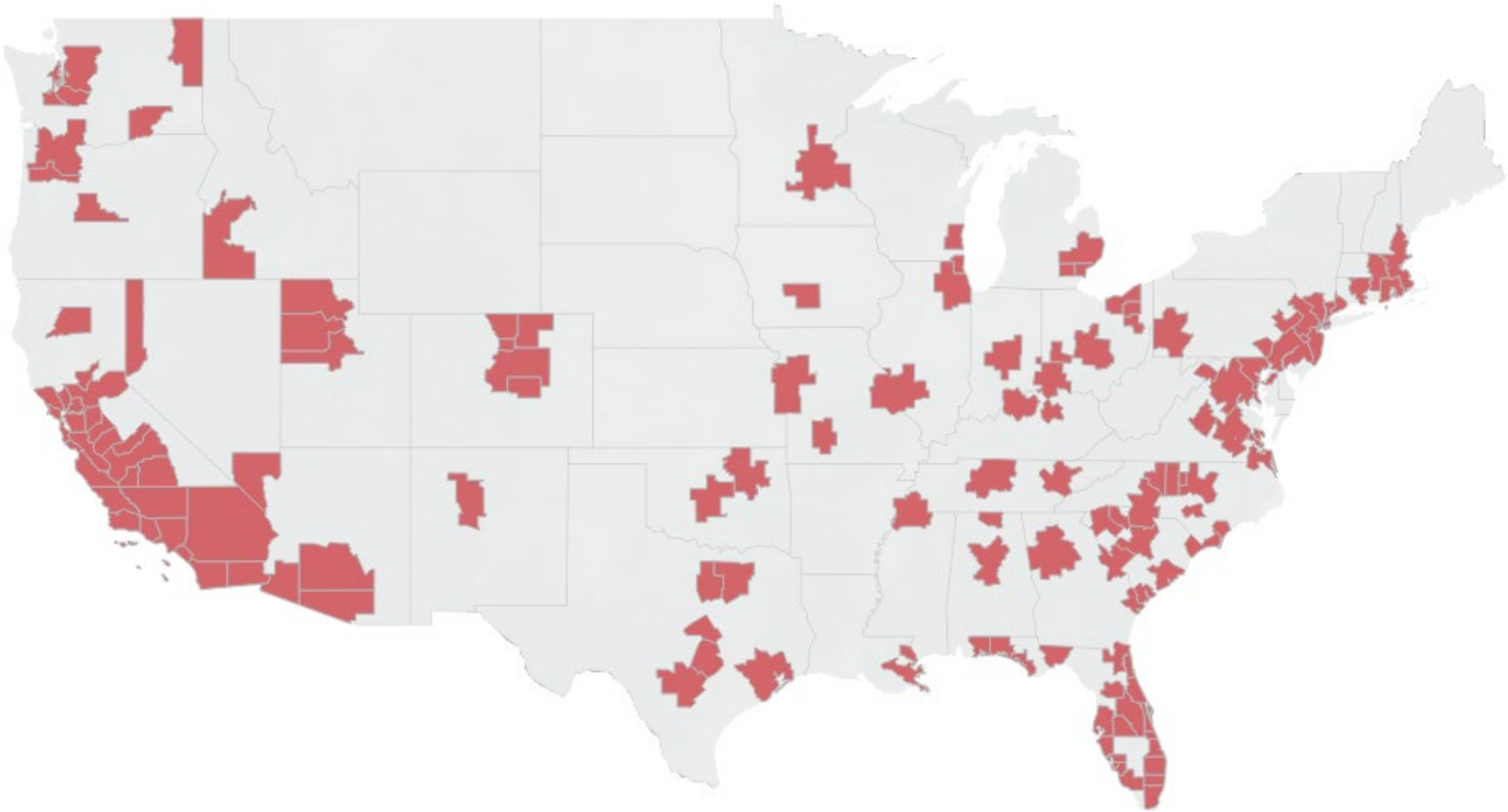
Burns Under/Overpriced Market Index™ by metro at current mortgage rates

At a 6.1% mortgage rate (rate for January 2023), home values are *very overpriced* across all major markets.

Burns Under/Overpriced Market Index

Top US markets, at a 6.1% mortgage rate (rate for January 2023)



Burns Under/Overpriced Market Index

- >20% Very Overpriced
- 10% to 20% Overpriced
- -10% to 10% Fairly Priced
- -20% to -10% Underpriced
- <20% Very Underpriced

Source: John Burns Real Estate Consulting, LLC (Data: Jan-23, Pub: Feb-23)

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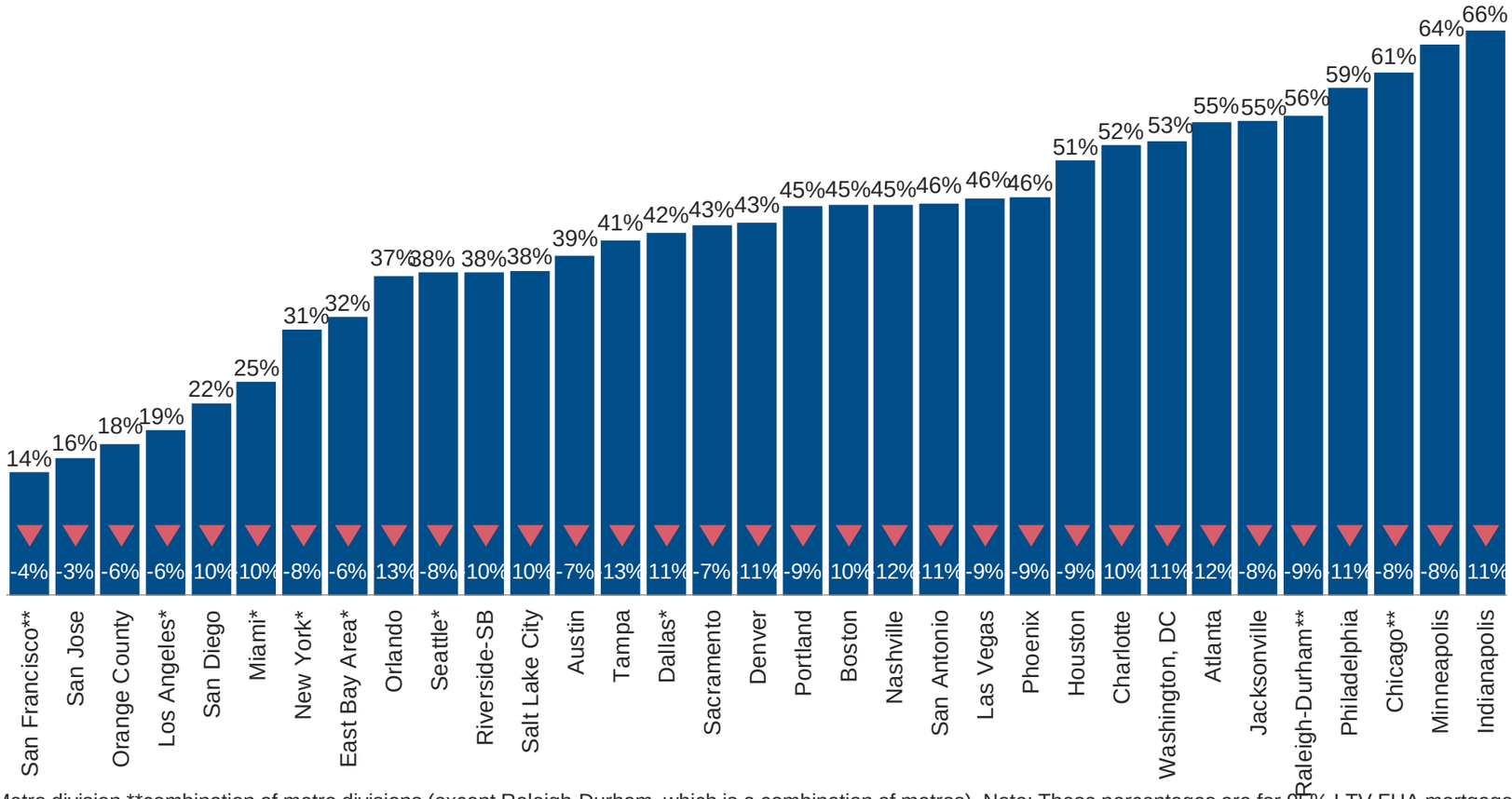
Due to strong home price appreciation over the last 12–24 months and higher mortgage rates, the share of households that qualify for a mortgage under FHA underwriting standards has declined YOY across all top markets.

Percent of Households with Income to Qualify

95% LTV FHA mortgage at 80% of median home price ■ Current ▲▼ Percentage point change YOY



The share of households that qualify for an FHA loan has declined 13 percentage points YOY in **Tampa** and **Orlando**, the largest drop among major metros.

FHA buyer profile assumption: 35% front-end debt to income ratio; 675+ FICO; 1.75% upfront + 0.8% per year PMI cost. FHA mortgage rate assumes 25bps less starting point than GSE conventional but then adds on 50bps adjustment up due to 675 FICO vs. 720 for conventional.

*Metro division **combination of metro divisions (except Raleigh-Durham, which is a combination of metros). Note: These percentages are for 95% LTV FHA mortgages at 80% of the median home price.

Source: John Burns Real Estate Consulting, LLC (Data: Jan-23, Pub: Feb-23)

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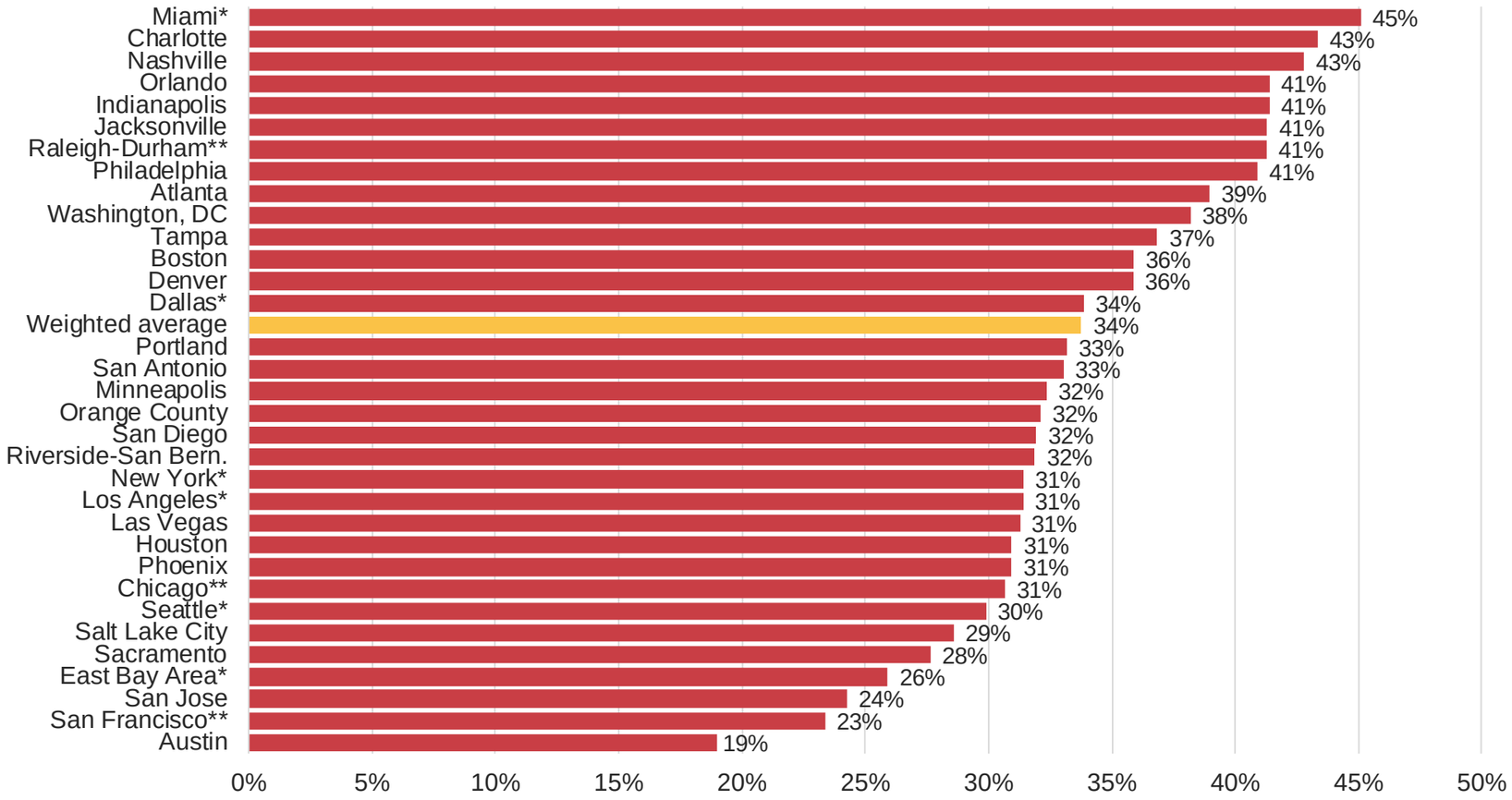
Entry-level mortgage payments increased YOY across all top markets.

Current Entry-Level Mortgage Payment

YOY % change



On average, entry-level mortgage payments increased 34% YOY.

Higher mortgage rates continue to drive mortgage payments up, even as home price appreciation decelerates, increasing 19%–45% YOY across top markets.

*Metro division **combination of metro divisions (except Raleigh-Durham, which is a combination of metros)

Home payment, entry-level home (mortgage): 5% down payment, 30-year fixed-rate mortgage, PITI (principal, interest, taxes and insurance) payment plus mortgage insurance payment.

Sources: John Burns Real Estate Consulting, LLC; (Data: Dec-22, Pub: Feb-23)

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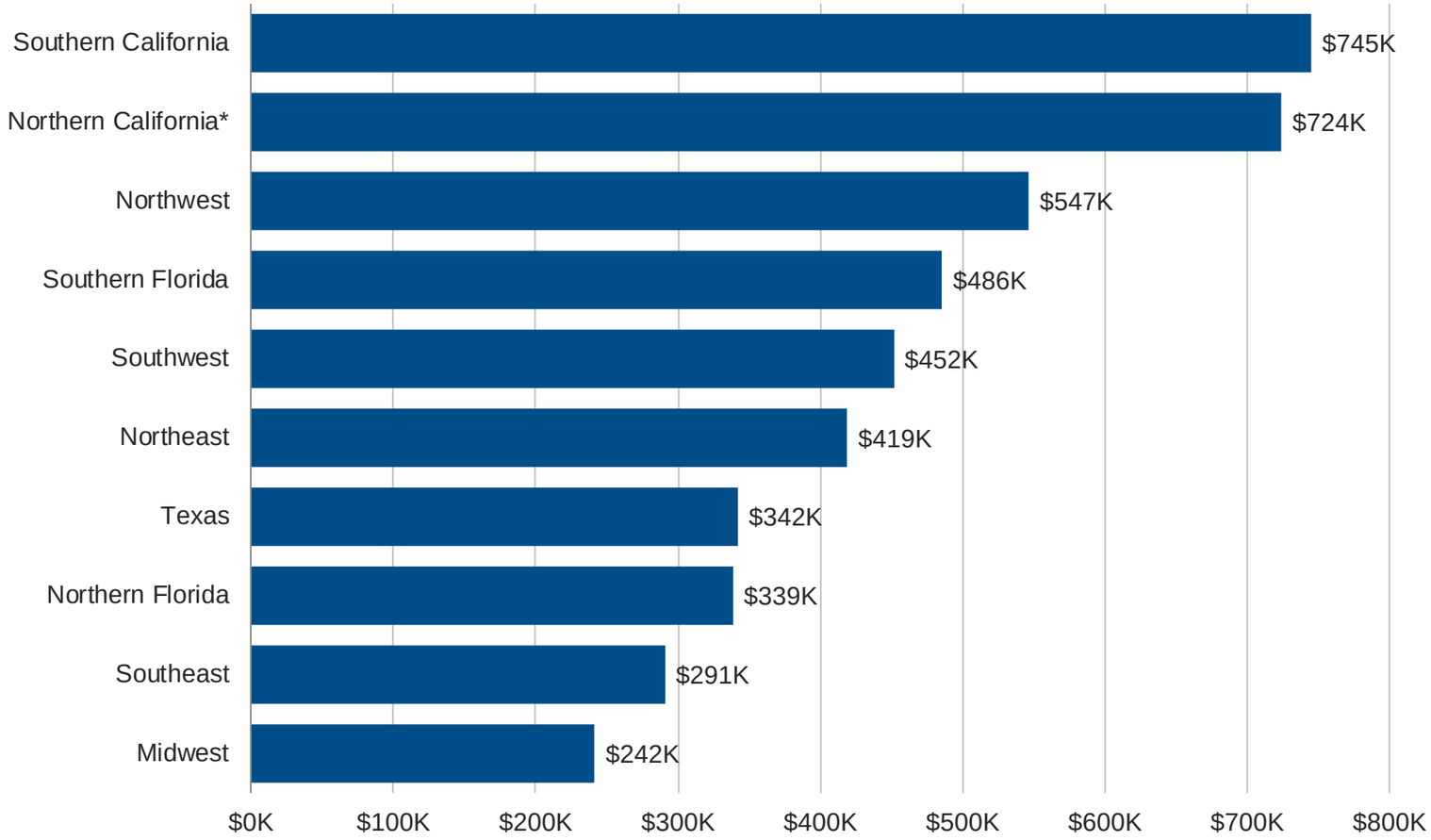
Resale median home prices vary widely by region.

Resale Median Home Price



California remains the most expensive region in the country, more than double the median resale price in the Midwest, the Southeast, Northern Florida, and Texas. The Midwest and Southeast are the least expensive regions by far, with median resale home prices below $300K.

Source: John Burns Real Estate Consulting, LLC (Data: Dec-22, Pub: Feb-23) *The Northern California region includes Reno, NV.

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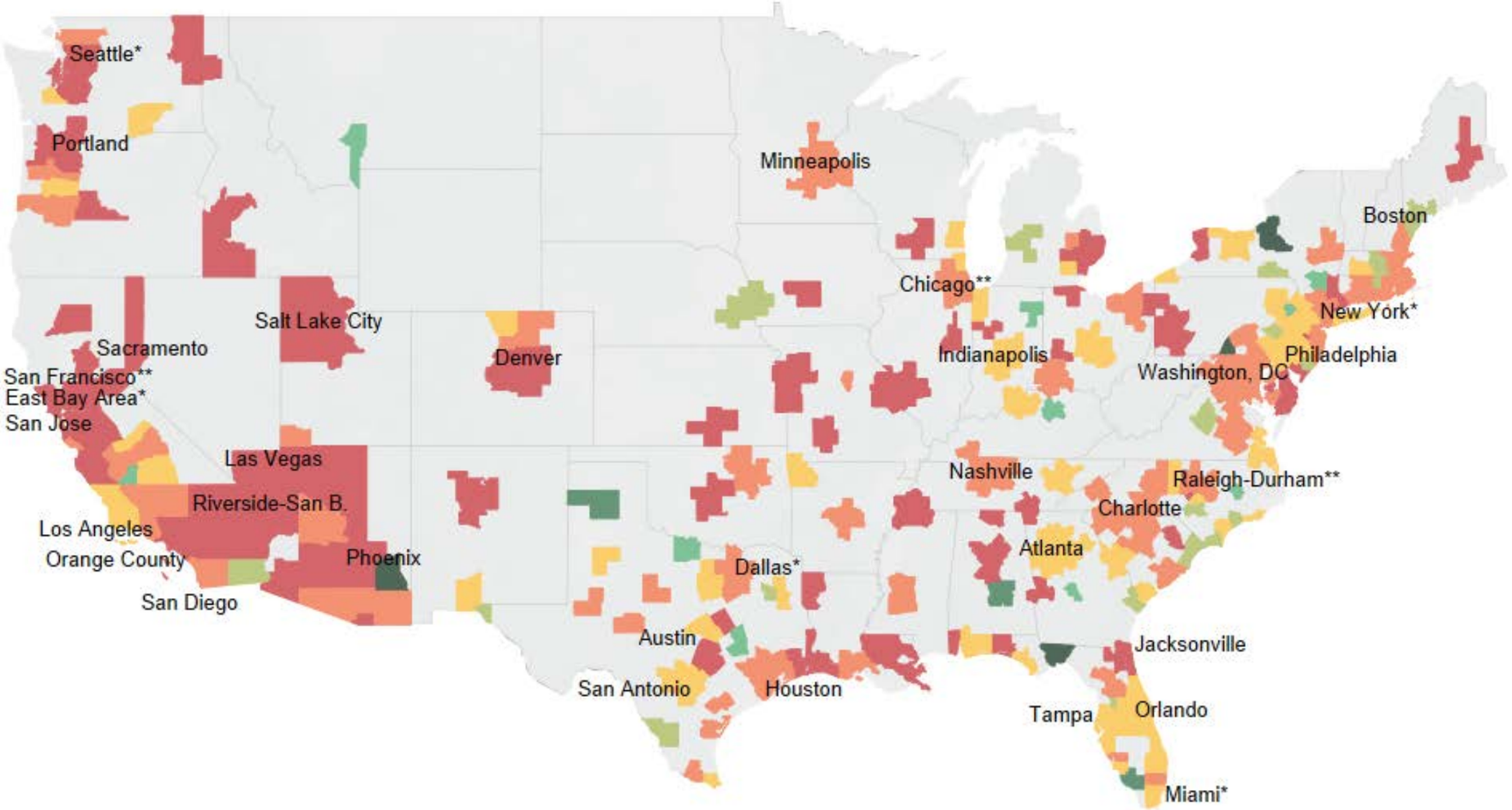
Current YOY resale median home price appreciation



Resale Price Growth YOY

- Greater than 25%
- 20% to 25%
- 15% to 20%
- 10% to 15%
- 5% to 10%
- 0% to 5%
- <0%

Source: John Burns Real Estate Consulting, LLC (Data: Dec-22, Pub: Feb-23)

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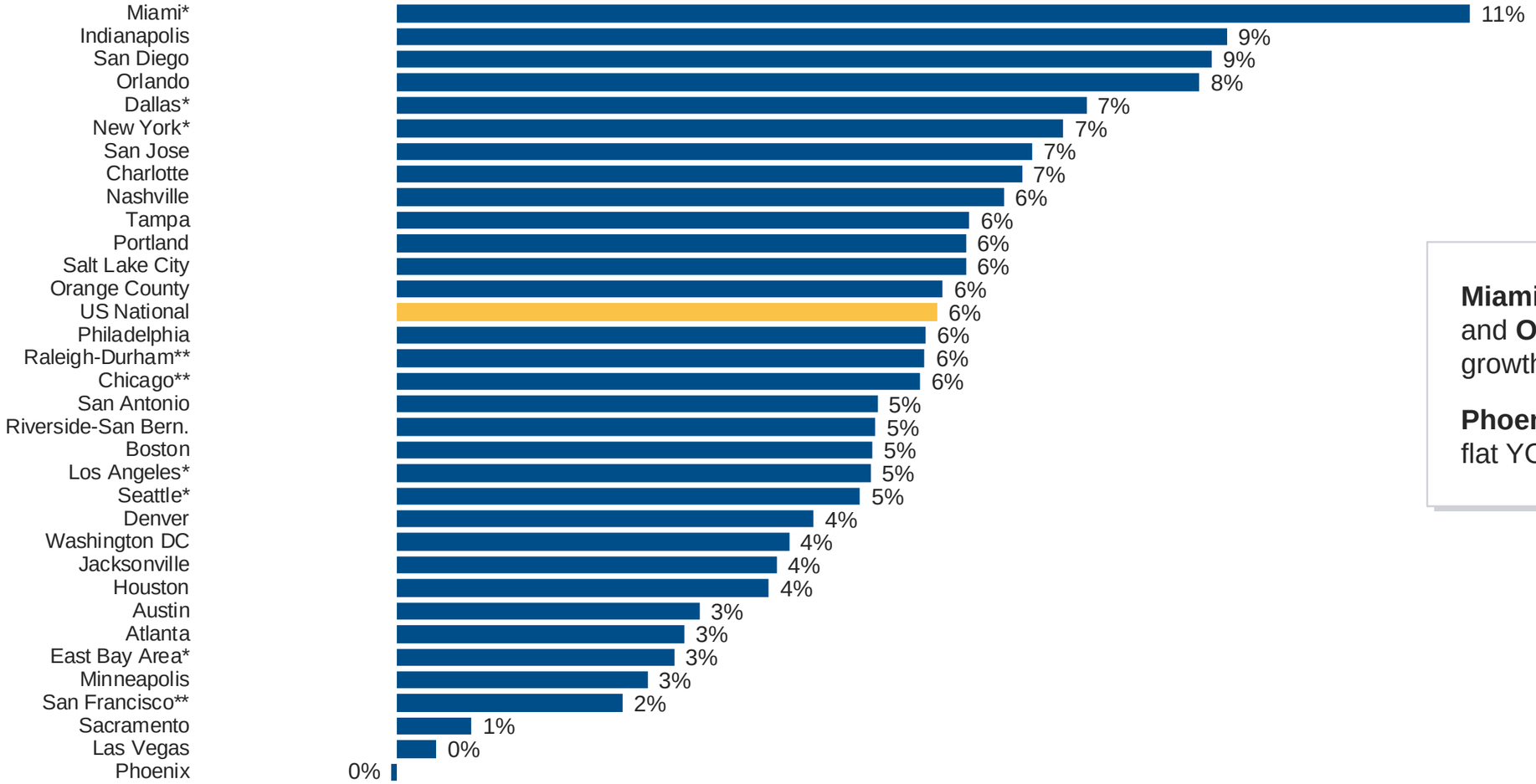
Apartment rents increased YOY across most top markets, rising 6% nationally.

Burns Apartment Rent Index™

YOY % change



Miami, **Indianapolis**, **San Diego**, and **Orlando** led apartment rent growth at 8%+ YOY.

Phoenix and **Las Vegas** posted flat YOY rent growth.

Source: John Burns Real Estate Consulting based on aggregated data from RealPage, Inc. (Data: Dec-22, Pub: Feb-23) *Metro division **combination of metro divisions

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Apartment occupancy falls below record highs in all top markets and is at 95% nationally.

Apartment Occupancy

Market	One Year Ago	Current	Difference
New York*	97.6%	96.9%	-0.6%
Orange County	98.7%	96.6%	-2.1%
San Diego	98.7%	96.4%	-2.3%
Miami*	97.9%	96.3%	-1.5%
Philadelphia	98.0%	96.0%	-2.0%
Los Angeles*	97.8%	96.0%	-1.9%
Boston	97.3%	95.8%	-1.4%
Riverside-San Bern.	98.3%	95.4%	-2.9%
Salt Lake City	97.6%	95.1%	-2.6%
San Jose	96.7%	95.1%	-1.6%
US national	**97.4%**	**95.1%**	**-2.3%**
Chicago**	96.4%	94.9%	-1.4%
Sacramento	97.8%	94.9%	-2.9%
Portland	97.1%	94.9%	-2.1%
Orlando	97.7%	94.9%	-2.7%
Washington DC	97.1%	94.9%	-2.2%
East Bay Area*	96.9%	94.8%	-2.1%

Market	One Year Ago	Current	Difference
Nashville	97.7%	94.6%	-3.1%
San Francisco**	95.7%	94.6%	-1.2%
Seattle*	96.4%	94.6%	-1.8%
Tampa	97.8%	94.4%	-3.5%
Minneapolis	96.5%	94.3%	-2.2%
Denver	96.9%	94.3%	-2.7%
Raleigh-Durham**	97.2%	94.1%	-3.1%
Charlotte	97.1%	94.1%	-3.0%
Dallas*	97.2%	94.0%	-3.2%
Indianapolis	97.2%	94.0%	-3.2%
Austin	97.1%	93.9%	-3.2%
Jacksonville	97.1%	93.7%	-3.4%
Las Vegas	97.4%	93.5%	-3.9%
Atlanta	96.8%	93.4%	-3.4%
Phoenix	97.4%	93.3%	-4.0%
San Antonio	96.6%	92.5%	-4.1%
Houston	96.0%	92.4%	-3.6%

Source: John Burns Real Estate Consulting based on aggregated data from RealPage, Inc. (Data: Dec-22, Pub: Feb-23) *Metro division **combination of metro divisions

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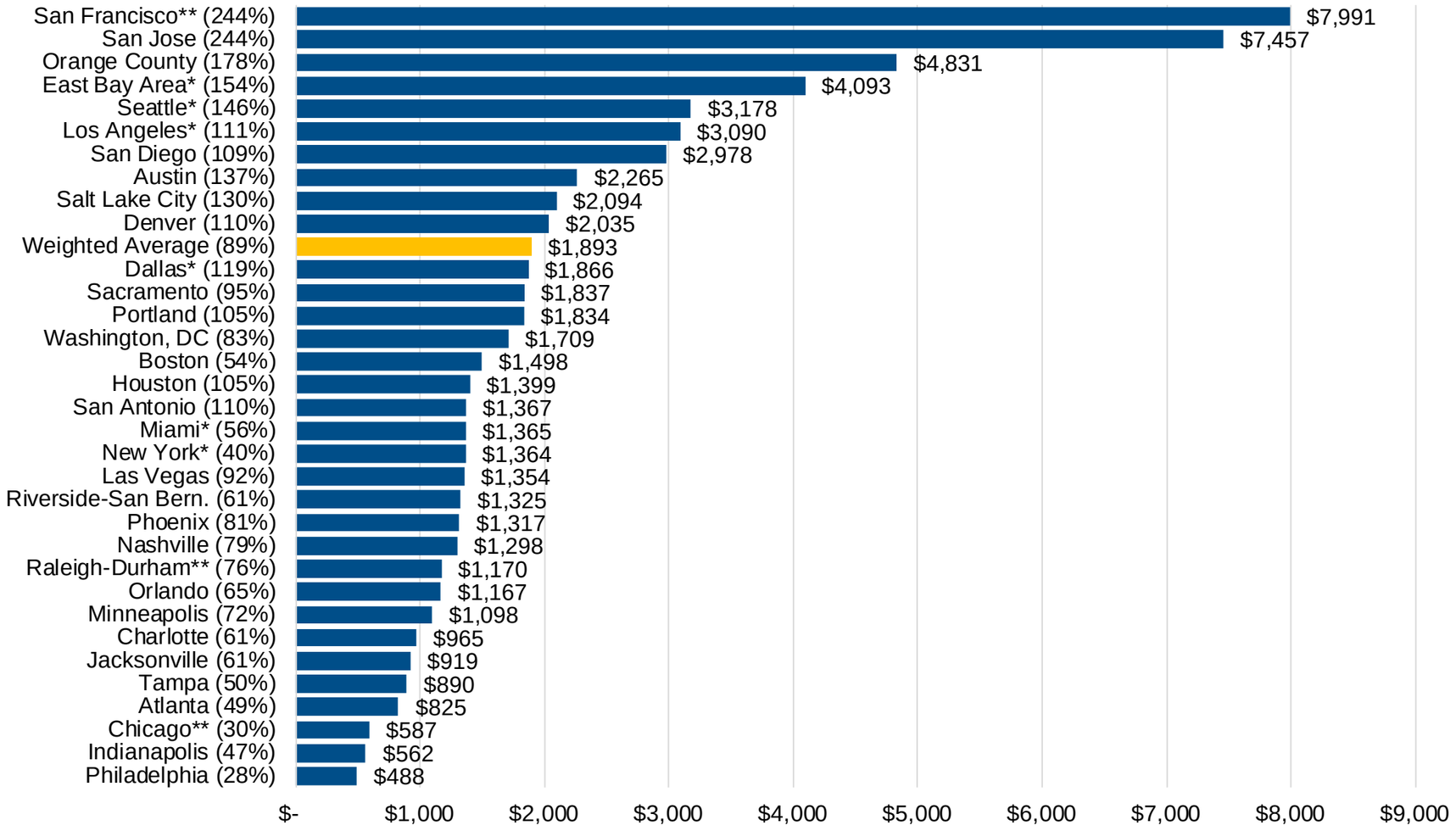
Housing Cost minus Burns Apartment Rent Index

(%) denotes homeownership premium versus renting



Homeownership costs $1,893/month more than renting an apartment on average across top metros.

We base the housing costs on 80% of the market's median detached resale price, a 5% down payment, 30-year FRM, PITI payment plus mortgage insurance, and maintenance costs ranging from 0.85% to 1.25% of the home price set in 2014 and historically adjusted for inflation, factored in monthly. Our analysis assumes no tax deduction. Apartment rent data is the market's average asking rent for a unit in a large complex. A positive own minus rent gap shows that owning is more expensive than renting.

*Metro division **combination of metro divisions, except Raleigh-Durham, which is a combination of metros

Home payment, entry-level home (mortgage): 5% down payment, 30-year fixed-rate mortgage, PITI payment, plus mortgage insurance payment. Housing costs: Monthly home payment plus annual maintenance costs ranging from 0.85% to 1.25% of the home price set in 2014 and historically adjusted for inflation, factored in monthly.

Source: John Burns Real Estate Consulting based on aggregated data from RealPage, Inc. (Data: Dec-22, Pub: Feb-23)

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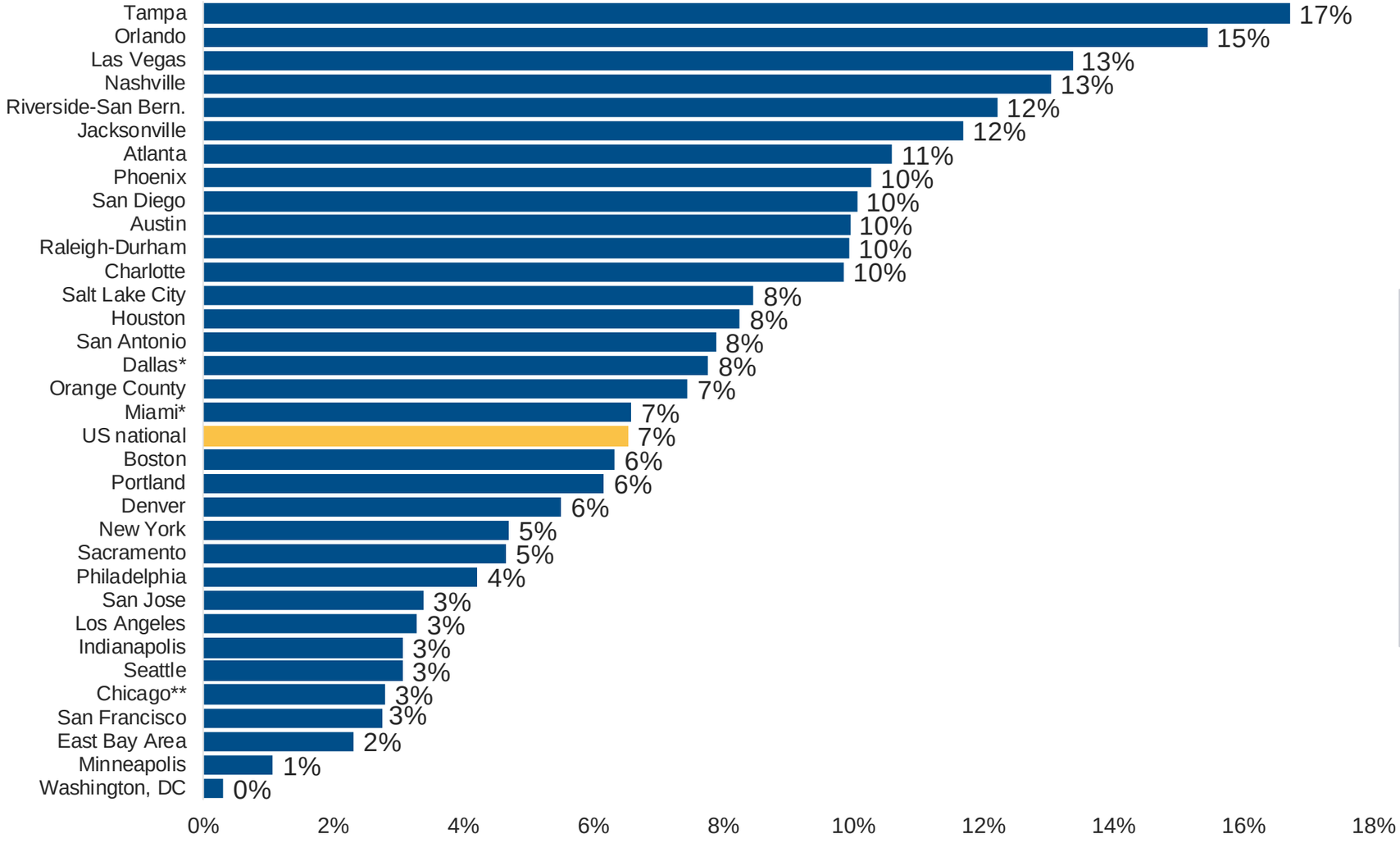
Burns Single-Family Rent Index™ YOY % Change

Dec 2022



SFR new lease effective rent growth increased 7% YOY nationally.

Florida, **Southwest**, and **Southeast** markets account for the top spots for single-family rent growth. **Tampa** saw the strongest growth at 17% YOY.

Northeast, **Midwest**, and **Northern California** markets recorded muted single-family rent growth, with rents flat YOY in **Washington, DC**.

Source: John Burns Real Estate Consulting, LLC (Data: Dec-22, Pub: Feb-23) *Metropolitan division **combination of metropolitan divisions Note: Actual values may vary slightly due to rounding.

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The rate of single-family new lease effective rent growth accelerated YOY in most markets.

Burns Single-Family Rent Index™ YOY%

December 2021 vs. December 2022

Burns Single-Family Rent Index is a measure of new lease effective rent.

Metro	Dec 2021	Dec 2022	Change in YOY % Growth Rate
Salt Lake City	1%	8%	7%
Tampa	10%	17%	7%
Orlando	9%	15%	6%
Riverside-San Bern.	6%	12%	6%
San Diego	5%	10%	5%
Nashville	8%	13%	5%
San Jose	-2%	3%	5%
San Francisco	-2%	3%	5%
Boston	2%	6%	5%
New York	2%	5%	3%
Houston	5%	8%	3%
Orange County	5%	7%	2%
Los Angeles	1%	3%	2%
Las Vegas	11%	13%	2%
Raleigh-Durham	8%	10%	2%
US national	**5%**	**7%**	**2%**
Philadelphia	2%	4%	2%

Metro	Dec 2021	Dec 2022	Change in YOY % Growth Rate
Miami*	5%	7%	2%
Denver	4%	6%	1%
San Antonio	7%	8%	1%
Portland	5%	6%	1%
Jacksonville	11%	12%	1%
Austin	9%	10%	1%
East Bay Area	1%	2%	1%
Atlanta	10%	11%	1%
Washington, DC	0%	0%	0%
Dallas*	8%	8%	0%
Minneapolis	1%	1%	0%
Chicago**	3%	3%	0%
Phoenix	12%	10%	-2%
Charlotte	12%	10%	-2%
Sacramento	6%	5%	-2%
Seattle	6%	3%	-3%
Indianapolis	7%	3%	-4%

Note: Actual values may vary slightly due to rounding. *Metropolitan division **combination of metropolitan divisions. Burns Single-Family Rent Index is a measure of new lease effective rent.

Source: John Burns Real Estate Consulting, LLC (Data: Dec-22, Pub: Feb-23)

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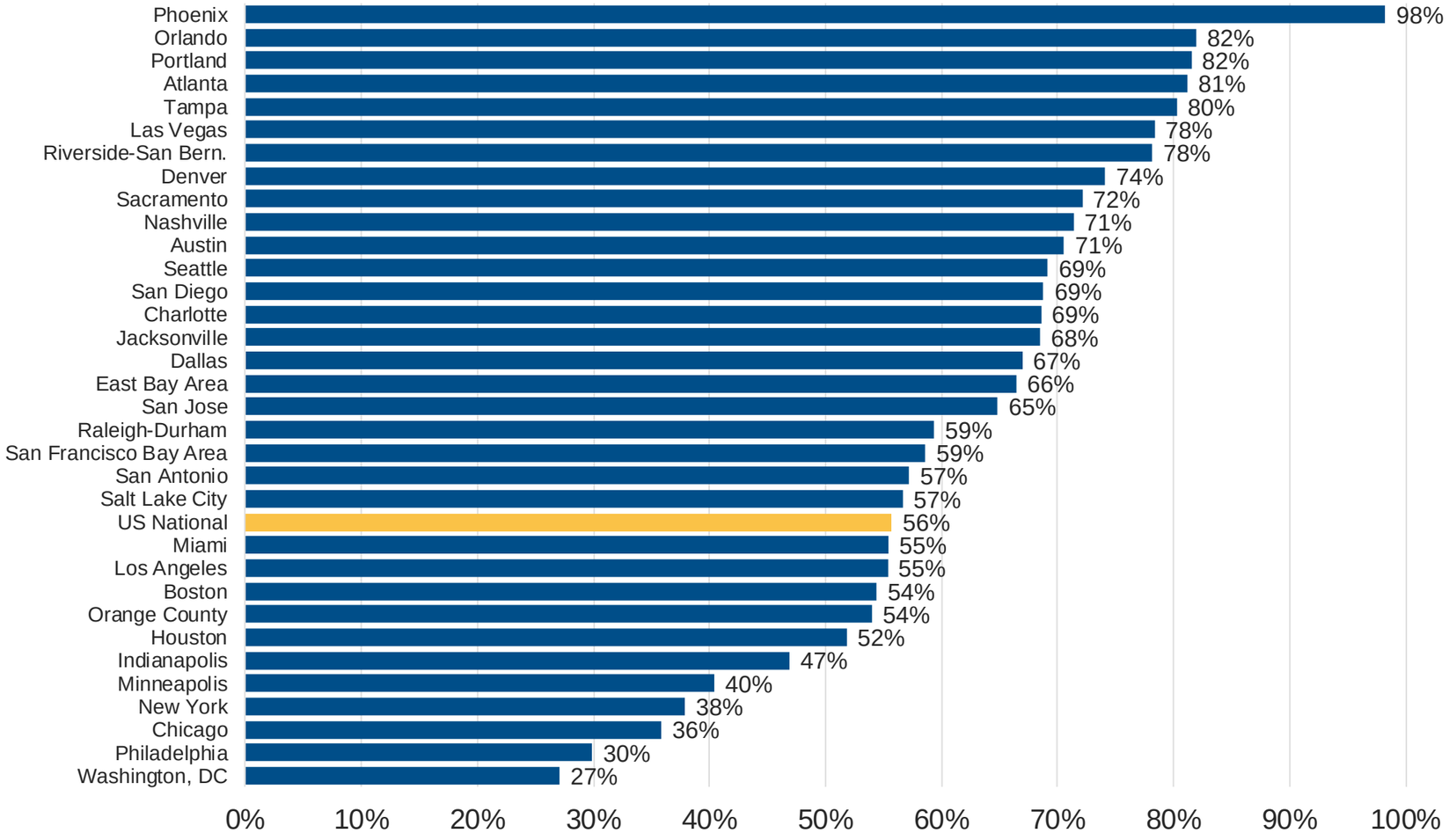
National single-family new lease effective rents have increased +56% since 2011.

Burns Single-Family Rent Index™ Cumulative Growth

Total new lease effective rent growth since April 2011



Single-family new lease effective rents have increased the most in **Phoenix** (+98%) and the least in **Washington, DC** (+27%), since 2011, when rent in most markets bottomed in the prior cycle.

*Source: John Burns Real Estate Consulting, LLC (Data: Dec-22, Pub: Feb-23) Metropolitan division **combination of metropolitan divisions Note: Burns Single-Family Rent Index is a measure of new lease effective rent.

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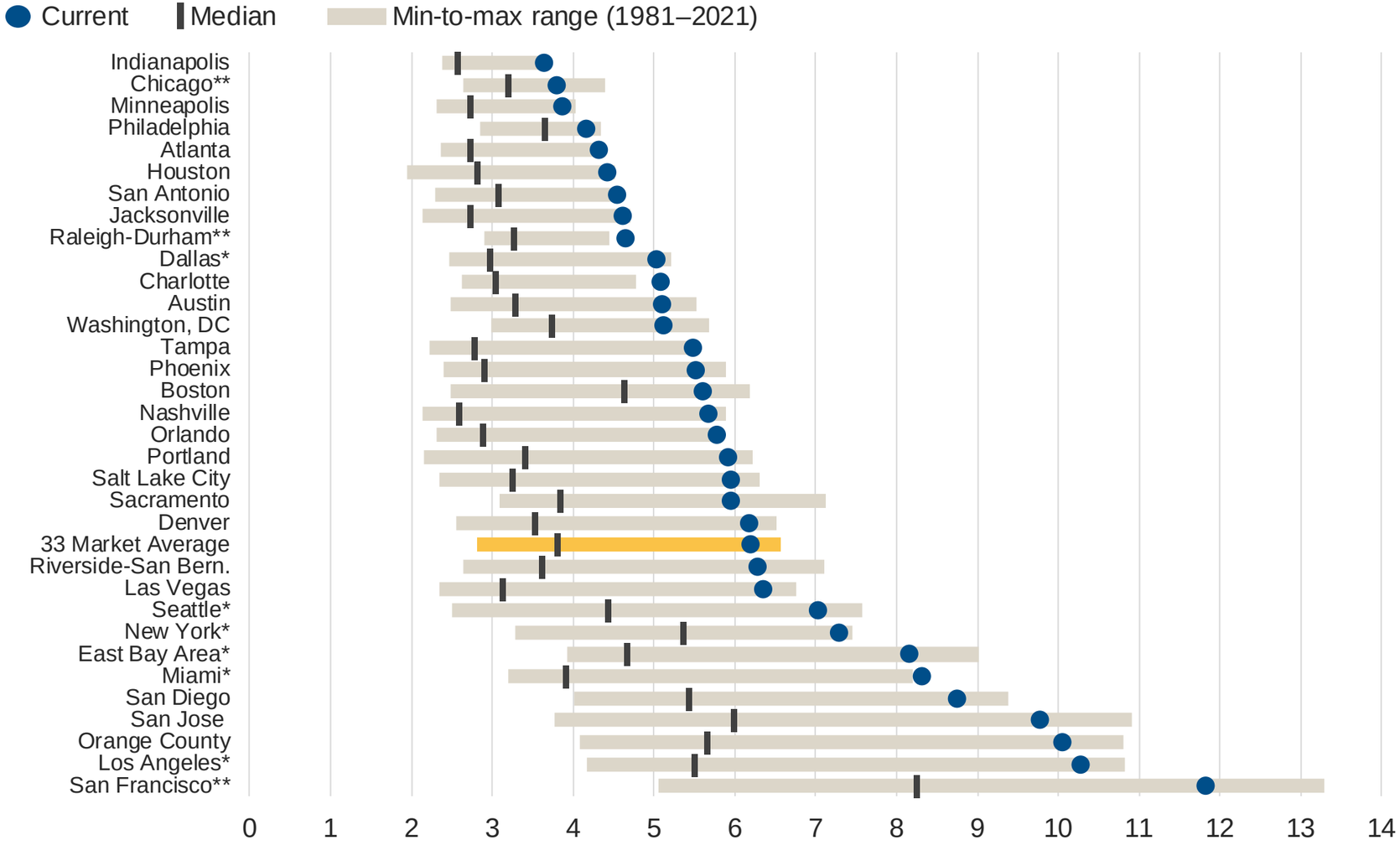
Current home price / income ratios have reached all-time highs in most top metros.

Home Price-to-Income Ratios



The home price / income ratio does not consider interest rates.

- Most of the 33 top markets have current ratios near the top of the min-max range for the last 40 years.
- The largest home price / median income ratio is in **San Francisco**. The median home price is nearly 12 times the median annual income, compared to the historical median of approximately eight times.
- The five largest home price / income ratio metros are in **California**. Many metros with the lowest ratios are in the **Midwest**.

Source: John Burns Real Estate Consulting, LLC (Data: Dec-22, Pub: Feb-23) *Metropolitan division **combination of metropolitan divisions (except Raleigh-Durham, which is a combination of metros) Note: Price-to-income ratio is a 3-month average.

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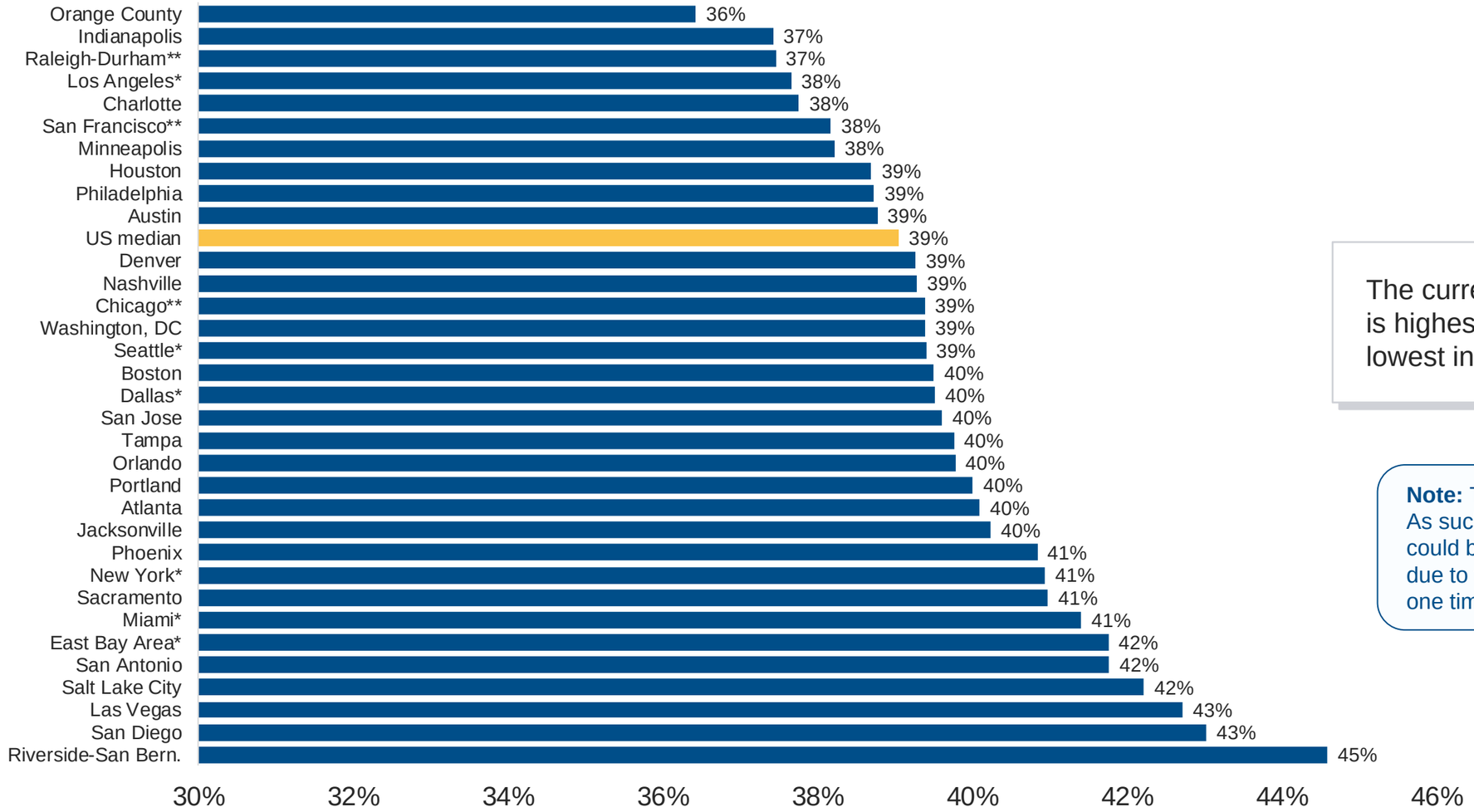
US median debt-to-income ratio is 39%, up from 37% one year ago.

Median Debt-to-Income Ratio on Purchase Loan Originations



The current median debt-to-income ratio is highest in **Riverside-SB** (45%) and lowest in **Orange County** (36%).

Note: This data is influenced by mix shift. As such, median values displayed here could be artificially inflated or deflated due to the type of homes transacted in one time period as opposed to another.

Note: Data is from purchase loan originations that Optimal Blue tracks for single-family and townhomes. *Metro division **combination of metro divisions (except Raleigh-Durham, which is a combination of metros)

Source: Optimal Blue, LLC www.optimalblue.com; John Burns Real Estate Consulting, LLC (Data: Jan-23, Pub: Feb-23)

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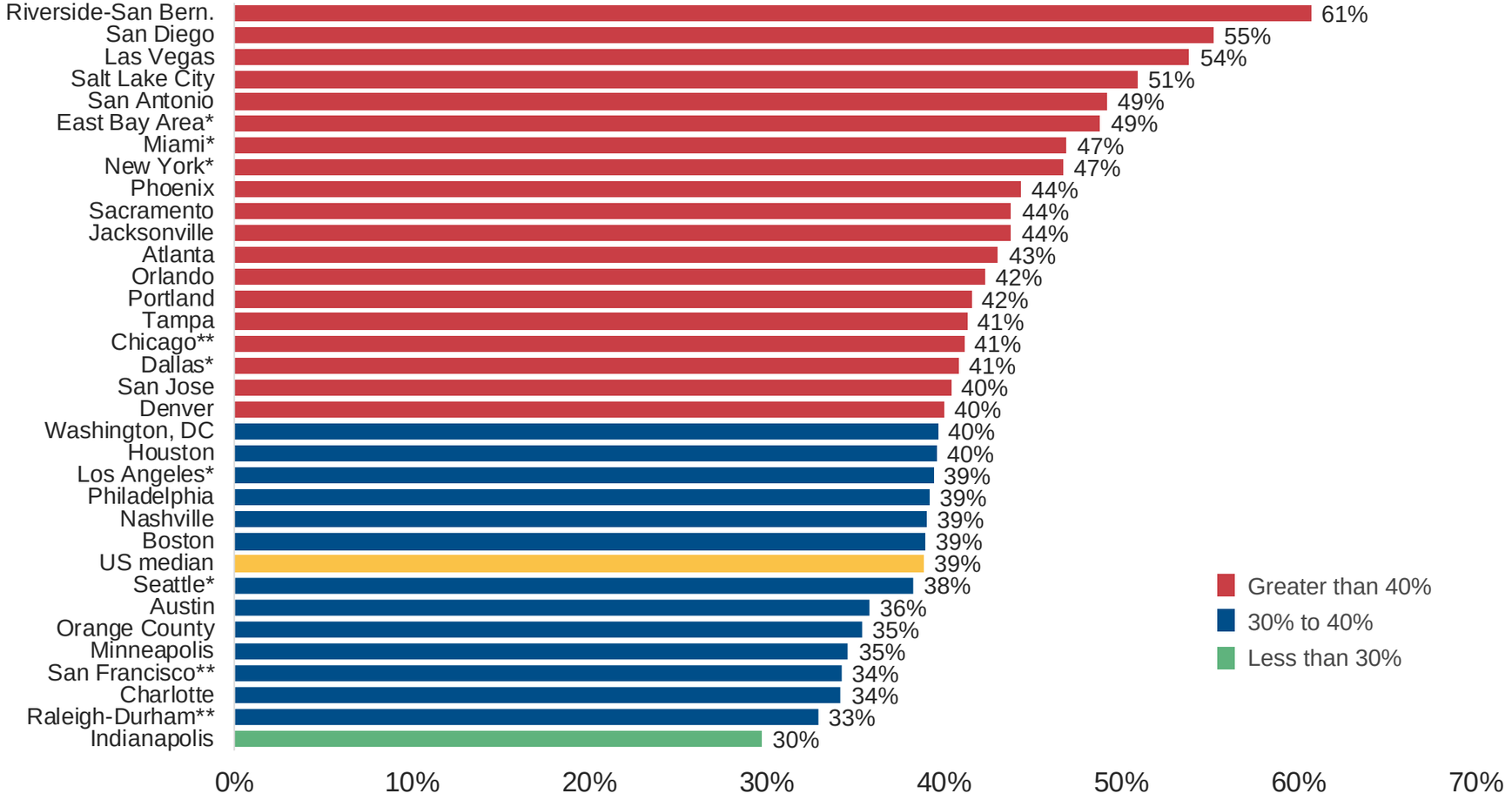
Nationally, 39% of buyers are at 42%+ DTI, with differences by market.

Percentage of Loan Originations with DTI > 42%



Riverside-San Bernardino is at 61% of buyers above 42% DTI, while **Indianapolis** is at only 30% of buyers above 42% DTI.

For perspective, the US median debt-to-income ratio is 39%.

Note: This data is influenced by mix shift. As such, median values displayed here could be artificially inflated or deflated due to the type of homes transacted in one time period as opposed to another.

*Metro division **combination of metro divisions (except Raleigh-Durham, which is a combination of metros)

Note: National DTI is the DTI of purchase loan originations Optimal Blue tracks, representing about 30% of all loan origination, for single-family and townhomes.

Source: Optimal Blue, LLC www.optimalblue.com; John Burns Real Estate Consulting, LLC (Data: Jan-23, Pub: Feb-23)

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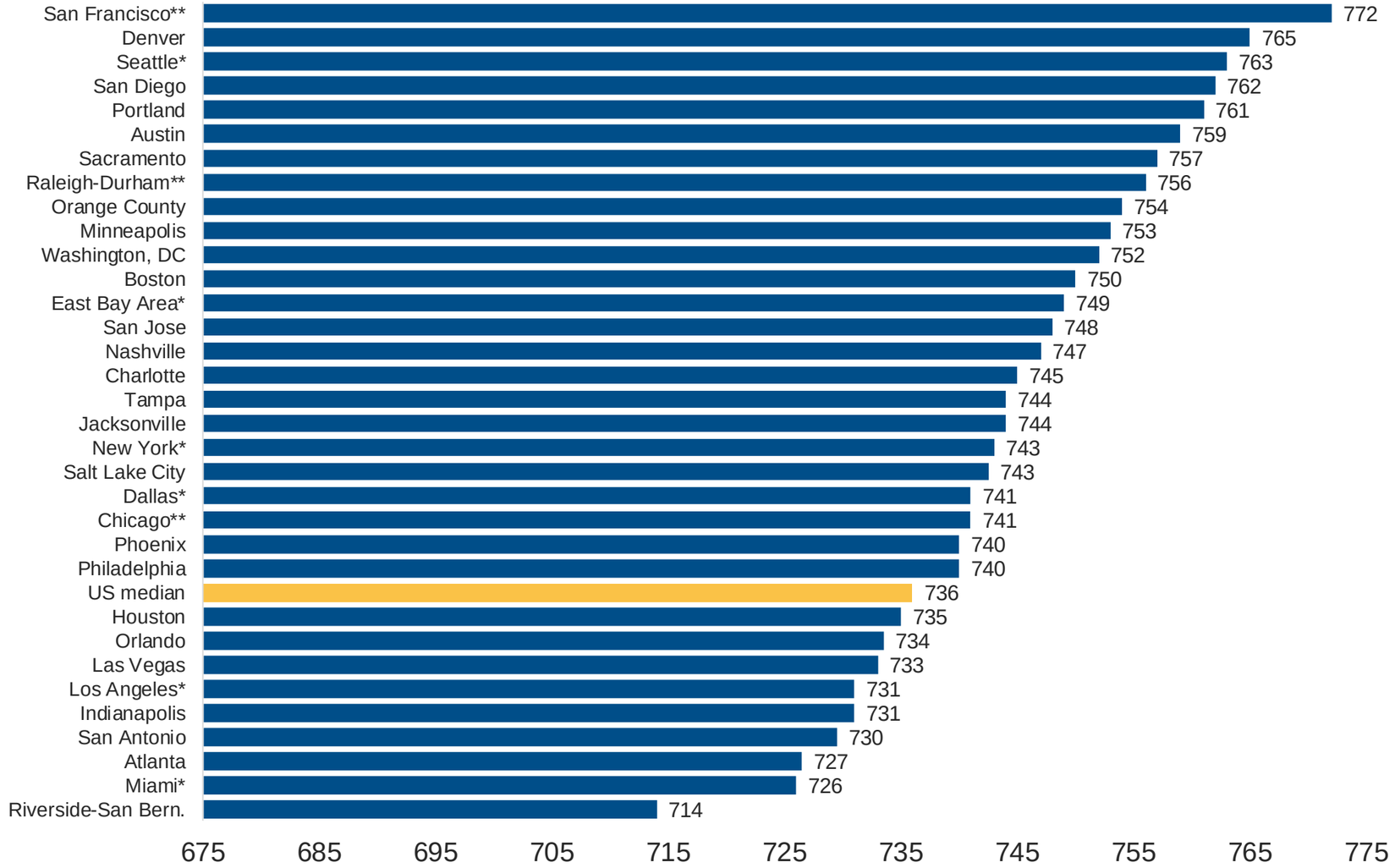
Median FICO Score on Purchase Loan Originations



The US median FICO score on purchase loan originations remains essentially unchanged from one year ago at 736.

Riverside-SB has the lowest median FICO score at 714.

San Francisco has the highest median FICO score at 772.

*Metro division **combination of metro divisions (except Raleigh-Durham, which is combination of metros) Note: Data is for purchase loan originations Optimal Blue tracks for single-family and townhomes, for Representative FICO as defined by Optimal Blue.
Source: Optimal Blue, LLC www.optimalblue.com; John Burns Real Estate Consulting, LLC (Data: Jan-23, Pub: Feb-23)

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60% of total purchases nationally had a FICO score above 720. However, that share ranges from 49% to 89% across top markets.

Share of Transactions by FICO score

% of home purchase transactions Increase from last year Decrease from last year

Market	% of Total Transactions FICO > 720	% of Total Transactions FICO 640–719	% of Total Transactions FICO < 640
San Francisco**	89%	11%	0%
Orange County	82%	17%	1%
Seattle*	80%	17%	3%
Denver	78%	18%	3%
Austin	75%	21%	4%
San Diego	75%	22%	3%
Portland	74%	20%	5%
San Jose	72%	23%	5%
Raleigh-Durham**	72%	22%	6%
Sacramento	72%	22%	6%
Minneapolis	71%	24%	5%
East Bay Area*	70%	25%	5%
Washington, DC	69%	26%	5%
Boston	69%	27%	4%
New York*	66%	29%	5%
Salt Lake City	66%	29%	4%
Nashville	65%	29%	6%

Market	% of Total Transactions FICO > 720	% of Total Transactions FICO 640–719	% of Total Transactions FICO < 640
Charlotte	64%	29%	7%
Dallas*	64%	29%	7%
Tampa	62%	31%	7%
Jacksonville	61%	32%	7%
Chicago**	61%	31%	9%
Philadelphia	61%	32%	8%
Phoenix	60%	31%	9%
US national	**60%**	**32%**	**9%**
Indianapolis	59%	35%	6%
Orlando	58%	33%	8%
Houston	58%	31%	12%
Los Angeles*	56%	25%	20%
Las Vegas	55%	37%	7%
Miami*	55%	38%	7%
San Antonio	55%	33%	12%
Atlanta	54%	34%	12%
Riverside-San Bern.	49%	40%	12%

San Francisco (89%) has the largest share of transactions above 720, while **Riverside-SB** has the lowest share (49%).

*Metro division **combination of metro divisions (except Raleigh-Durham, which is combination of metros)

Source: Optimal Blue, LLC www.optimalblue.com; John Burns Real Estate Consulting, LLC (Data: Jan-23, Pub: Feb-23)

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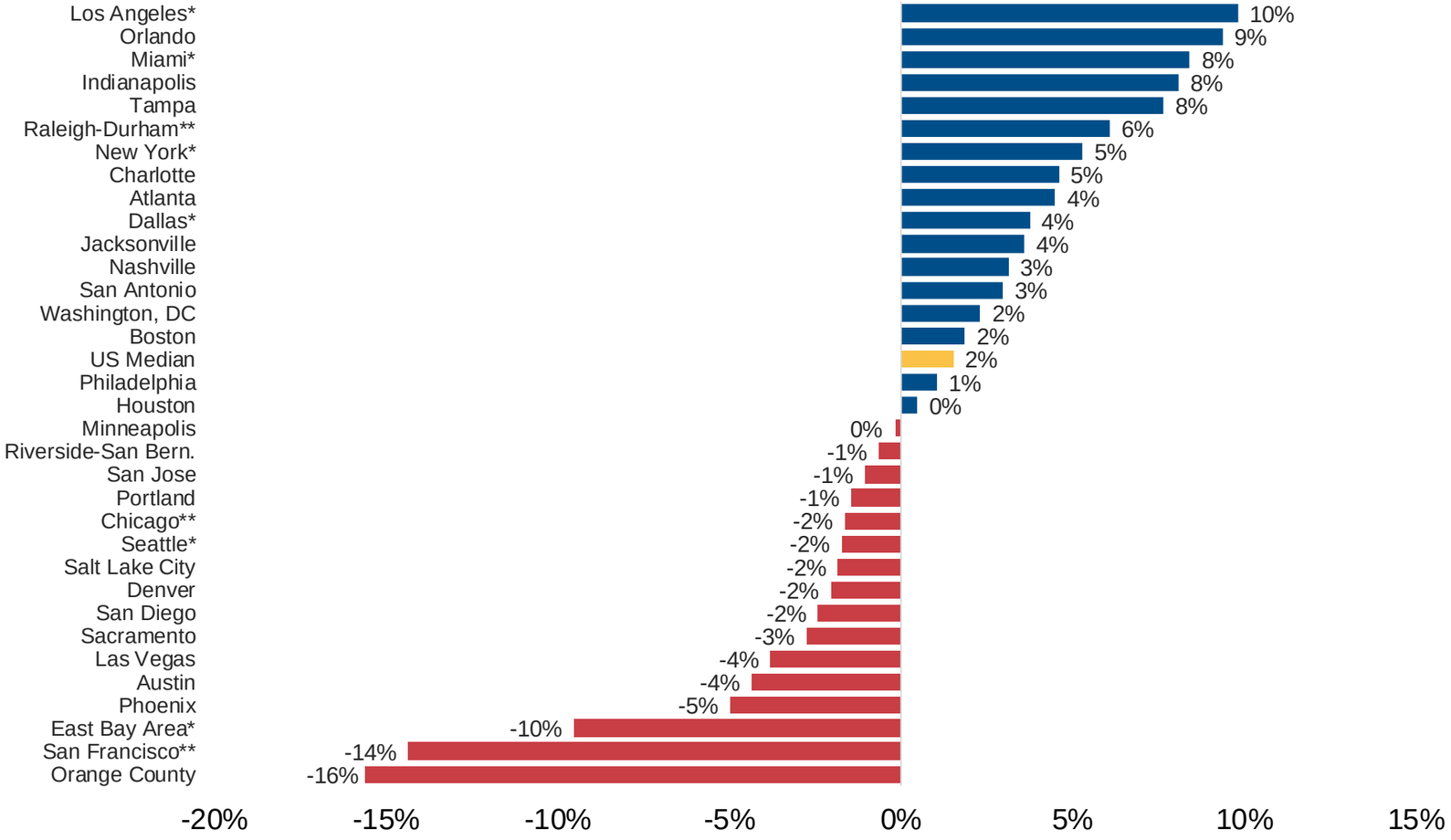
Low-Tier Median Purchase Price Growth on Purchase Loan Originations

3-month average YOY growth



Low-tier purchase prices increased 2% YOY nationally. Top coastal markets and the Southeast regions outperformed.

Los Angeles led all top metros, increasing 10% YOY. Median purchase prices among low-tier properties declined the most in **Orange County** (-16%) and other **California** markets.

Note: This data is influenced by mix shift. As such, median values displayed here could be artificially inflated or deflated due to the type of homes transacted in one time period as opposed to another.

*Metro division **combination of metro divisions (except Raleigh-Durham, which is a combination of metros)

Note: Data is for purchase loan originations Optimal Blue tracks for single-family and townhomes, for Representative FICO as defined by Optimal Blue.

Low-tier represents the bottom third of loans by price.

Source: Optimal Blue, LLC www.optimalblue.com; John Burns Real Estate Consulting, LLC (Data: Jan-23, Pub: Feb-23)

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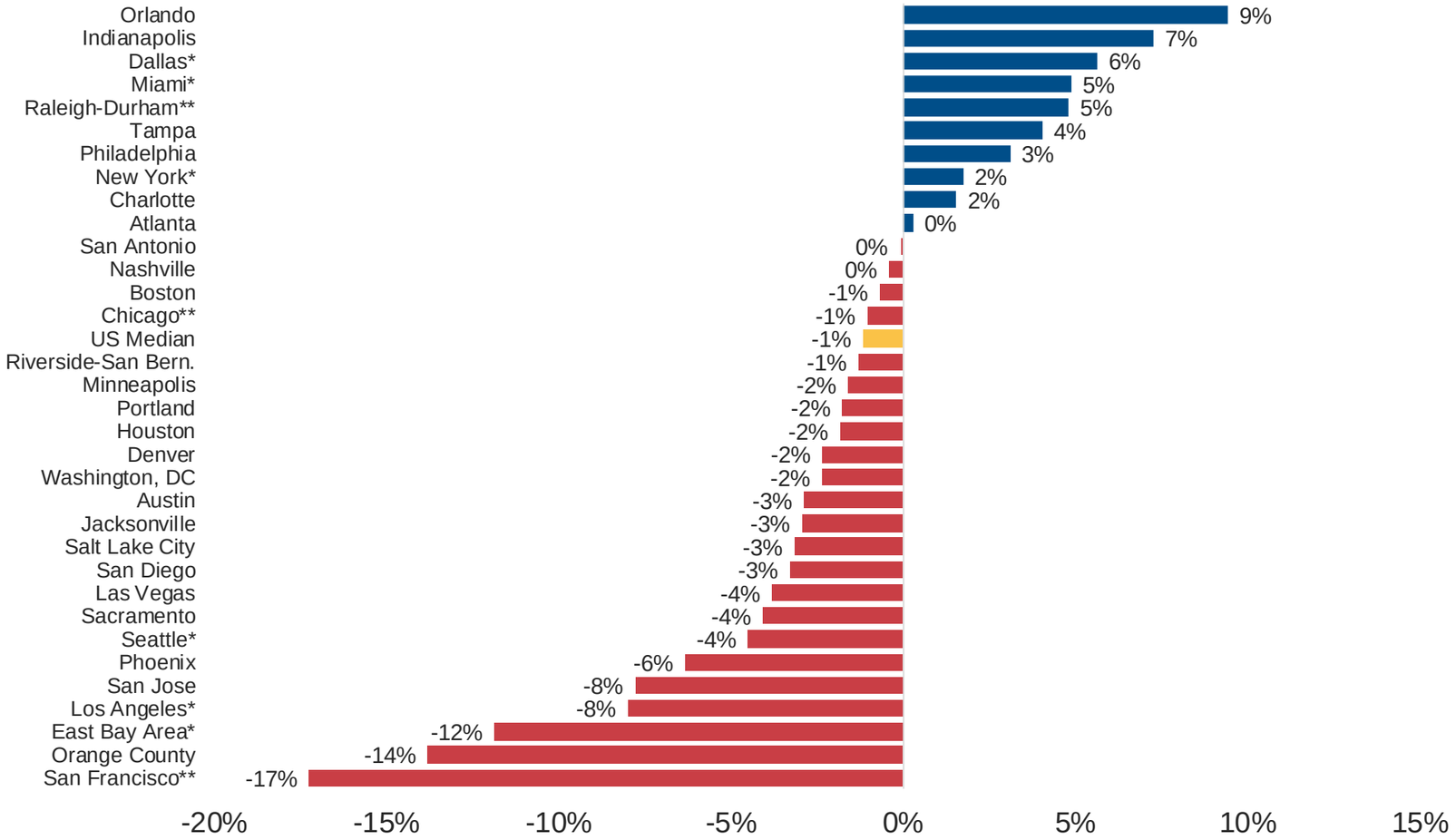
Mid-Tier Median Purchase Price Growth on Purchase Loan Originations

3-month average YOY growth



Mid-tier purchase prices fell -1% YOY nationally, with differences by market.

Orlando leads top metros, increasing 9% YOY. Median purchase prices among mid-tier properties declined the most in **San Francisco** (-17%).

Note: This data is influenced by mix shift. As such, median values displayed here could be artificially inflated or deflated due to the type of homes transacted in one time period as opposed to another.

*Metro division **combination of metro divisions (except Raleigh-Durham, which is a combination of metros)

Note: Data is for purchase loan originations Optimal Blue tracks for single-family and townhomes, for Representative FICO as defined by Optimal Blue.

Mid-tier represents the median of loans by price.

Source: Optimal Blue, LLC www.optimalblue.com; John Burns Real Estate Consulting, LLC (Data: Jan-23, Pub: Feb-23)

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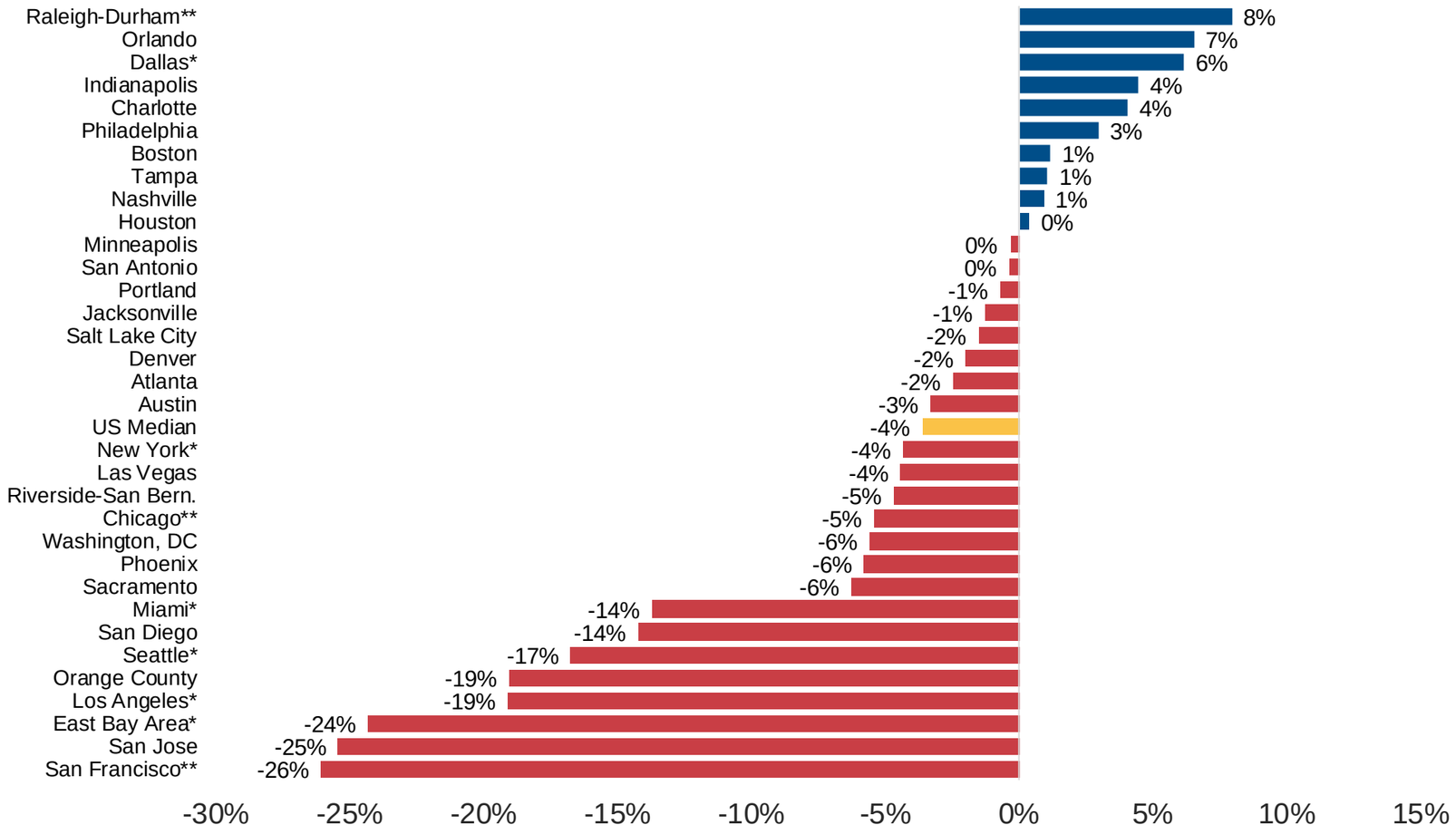
High-Tier Median Purchase Price Growth on Purchase Loan Originations

3-month average YOY growth



*Metro division **combination of metro divisions (except Raleigh-Durham, which is a combination of metros)

Note: Data is for purchase loan originations Optimal Blue tracks for single-family and townhomes, for Representative FICO as defined by Optimal Blue. High-tier represents the top third of loans by price.

Source: Optimal Blue, LLC www.optimalblue.com; John Burns Real Estate Consulting, LLC (Data: Jan-23, Pub: Feb-23)

High-tier purchase prices fell -4% YOY nationally. Southeast and Florida markets outperformed the most.

Raleigh-Durham leads top metros, increasing 8% YOY. Median purchase prices among high-tier properties declined in several **California** and **Northwest** markets.

Note: This data is influenced by mix shift. As such, median values displayed here could be artificially inflated or deflated due to the type of homes transacted in one time period as opposed to another.

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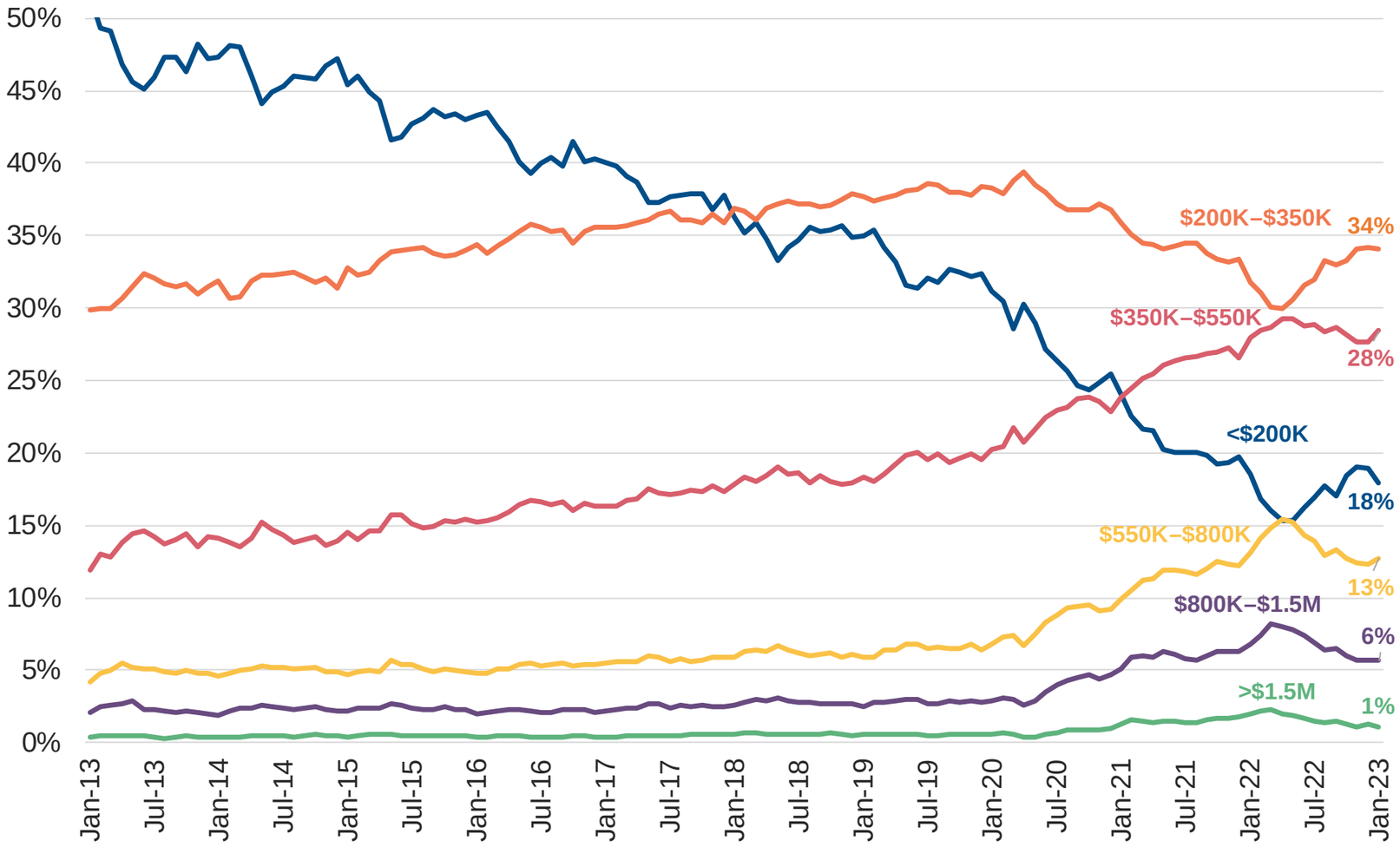
US Percent of Transactions by Price



$200K–$350K makes up 34% of all US transactions; $350K–$550K—the heart of the new home market—has plateaued recently at 28%.

The share of transactions lower than $350K fell this month and continues to decline in the long run as home price appreciation has surged.

Homes priced in the $350K–$800K range increased significantly over the last two years but have seen the rate of growth cool in recent months.

Percentage values are rounded.

Note: Data is for purchase loan originations Optimal Blue tracks for single-family and townhomes, for Representative FICO as defined by Optimal Blue.

Source: Optimal Blue, LLC www.optimalblue.com; John Burns Real Estate Consulting, LLC (Data: Jan-23, Pub: Feb-23)

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2023 GSE loan limits increased 12% to $726,200 in most top markets. GSEs currently make up 49% of mortgage originations.

Market	2022	2023	YOY % Change
Nashville	$694,600	$890,100	28.1%
Denver	$684,250	$787,750	15.1%
Sacramento	$675,050	$763,600	13.1%
Houston	$647,200	$726,200	12.2%
Dallas*	$647,200	$726,200	12.2%
Austin	$647,200	$726,200	12.2%
San Antonio	$647,200	$726,200	12.2%
Chicago**	$647,200	$726,200	12.2%
Minneapolis	$647,200	$726,200	12.2%
Indianapolis	$647,200	$726,200	12.2%
Washington, DC	$970,800	$1,089,300	12.2%
Philadelphia	$647,200	$726,200	12.2%
New York*	$970,800	$1,089,300	12.2%
Orange County	$970,800	$1,089,300	12.2%
Los Angeles*	$970,800	$1,089,300	12.2%
Riverside-San Bern.	$647,200	$726,200	12.2%
East Bay Area*	$970,800	$1,089,300	12.2%

Market	2022	2023	YOY % Change
Portland	$647,200	$726,200	12.2%
Jacksonville	$647,200	$726,200	12.2%
Miami*	$647,200	$726,200	12.2%
Tampa	$647,200	$726,200	12.2%
Orlando	$647,200	$726,200	12.2%
Salt Lake City	$647,200	$726,200	12.2%
Las Vegas	$647,200	$726,200	12.2%
Phoenix	$647,200	$726,200	12.2%
Raleigh-Durham**	$647,200	$726,200	12.2%
Atlanta	$647,200	$726,200	12.2%
Charlotte	$647,200	$726,200	12.2%
San Francisco**	$970,800	$1,089,300	12.2%
San Jose	$970,800	$1,089,300	12.2%
San Diego	$879,750	$977,500	11.1%
Seattle*	$891,250	$977,500	9.7%
Boston	$770,500	$828,000	7.5%

New 2023 GSE loan limits are indexed against price appreciation from 3Q21 to 3Q22.

Underwriting requirements for GSE loans backed by Fannie Mae and Freddie Mac are more stringent than conventional FHA loans.

*Metro division **combination of metro divisions (except Raleigh-Durham, which is combination of metros)

Source: Federal Housing Finance Agency; John Burns Real Estate Consulting, LLC (Pub: Feb-23)

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2023 FHA loan limits increased 12% to $472,030 in many markets. FHA loans make up 22% of mortgage originations.

Market	2022	2023	YOY % Change
Nashville	$694,600	$890,100	28.1%
Atlanta	$471,500	$592,250	25.6%
Jacksonville	$432,400	$526,700	21.8%
Miami*	$460,000	$557,750	21.3%
Phoenix	$441,600	$530,150	20.1%
Raleigh-Durham**	$420,680	$502,550	19.5%
Salt Lake City	$523,250	$619,850	18.5%
Austin	$483,000	$571,550	18.3%
Dallas*	$450,800	$531,300	17.9%
Las Vegas	$420,680	$494,500	17.5%
San Antonio	$449,650	$524,400	16.6%
Denver	$684,250	$787,750	15.1%
Minneapolis	$448,500	$515,200	14.9%
Riverside-San Bern.	$562,350	$644,000	14.5%
Sacramento	$675,050	$763,600	13.1%
Portland	$598,000	$672,750	12.5%
Houston	$420,680	$472,030	12.2%

Market	2022	2023	YOY % Change
Chicago**	$420,680	$472,030	12.2%
Indianapolis	$420,680	$472,030	12.2%
Washington, DC	$970,800	$1,089,300	12.2%
New York*	$970,800	$1,089,300	12.2%
Orange County	$970,800	$1,089,300	12.2%
Los Angeles*	$970,800	$1,089,300	12.2%
East Bay Area*	$970,800	$1,089,300	12.2%
Tampa	$420,680	$472,030	12.2%
Orlando	$420,680	$472,030	12.2%
Charlotte	$420,680	$472,030	12.2%
San Francisco**	$970,800	$1,089,300	12.2%
San Jose	$970,800	$1,089,300	12.2%
San Diego	$879,750	$977,500	11.1%
Philadelphia	$477,250	$529,000	10.8%
Seattle*	$891,250	$977,500	9.7%
Boston	$770,500	$828,000	7.5%

New 2023 FHA loan limits are indexed against price appreciation from 3Q21 to 3Q22.

Underwriting requirements for GSE loans backed by Fannie Mae and Freddie Mac are more stringent than conventional FHA loans.

FHA share of mortgage originations shown here also includes VA originations.
*Metro division **combination of metro divisions (except Raleigh-Durham, which is combination of metros)
Source: U.S. Department of Housing and Urban Development; John Burns Real Estate Consulting, LLC (Pub: Feb-23)

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Higher GSE and FHA loan limits should help builders target additional entry-level product and combat affordability concerns for home buyers.

GSE: Fannie/Freddie

- Low risk
- 49% of mortgage originations
- More stringent than conventional FHA loans

FHA

- High risk
- 22% of mortgage originations
- Do not require applicants to have high credit scores or large down payments

FHA share of mortgage originations shown here also includes VA originations.

Sources: Inside Mortgage Finance, Urban Institute; John Burns Real Estate Consulting, LLC (Pub: Feb-23)

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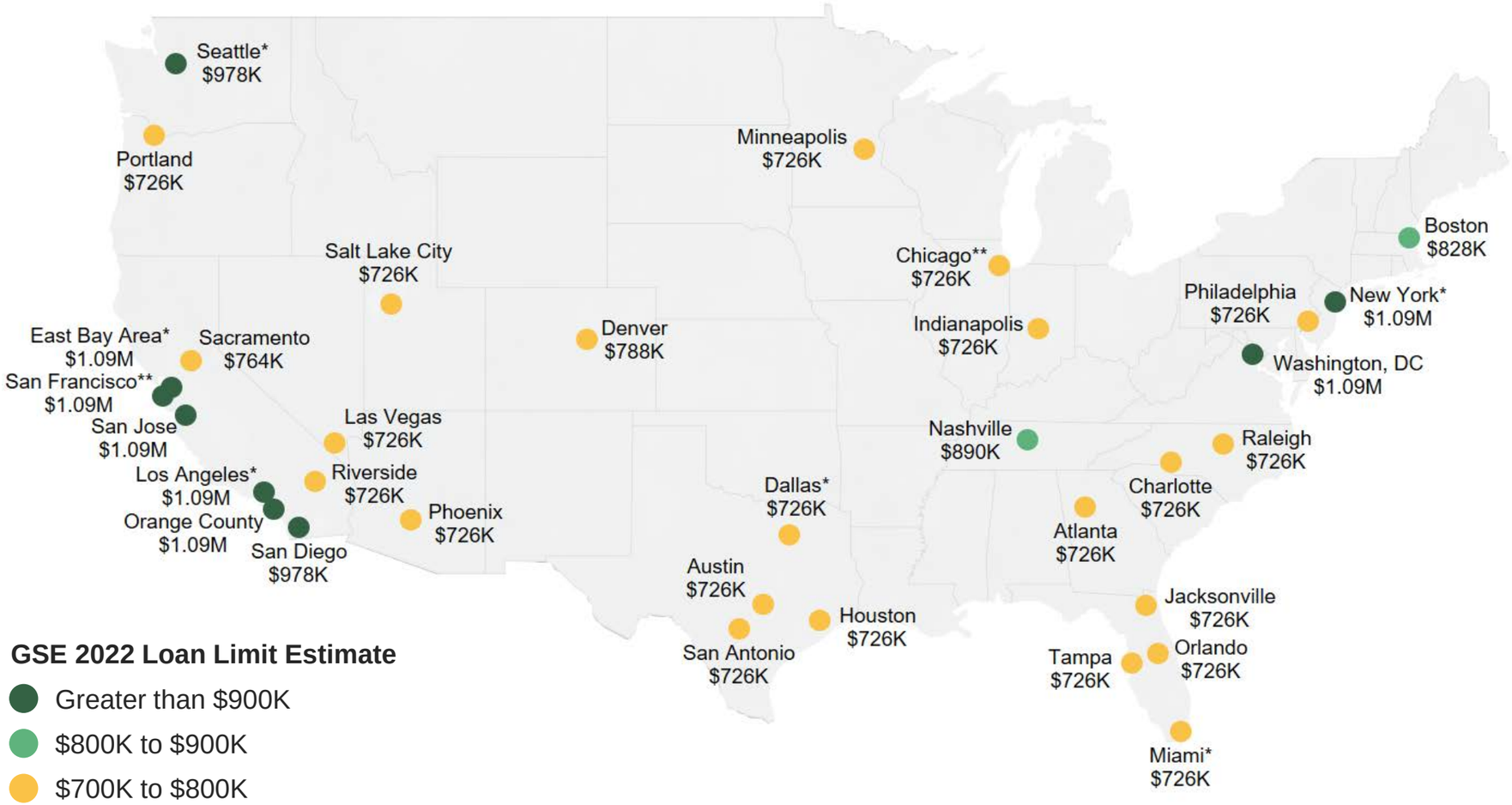
2023 GSE loan limits increased 12% to a minimum of $726K across top markets.

2023 GSE Loan Limits



GSE 2022 Loan Limit Estimate

- Greater than $900K
- $800K to $900K
- $700K to $800K
- Less than $700K

Select NE and CA markets will have the highest GSE loan limits at $1.09M in 2023. Markets in TX, FL, and most of the SW and SE regions have $726K limits.

Sources: Federal Housing Finance Agency; John Burns Real Estate Consulting, LLC (Pub: Feb-23)

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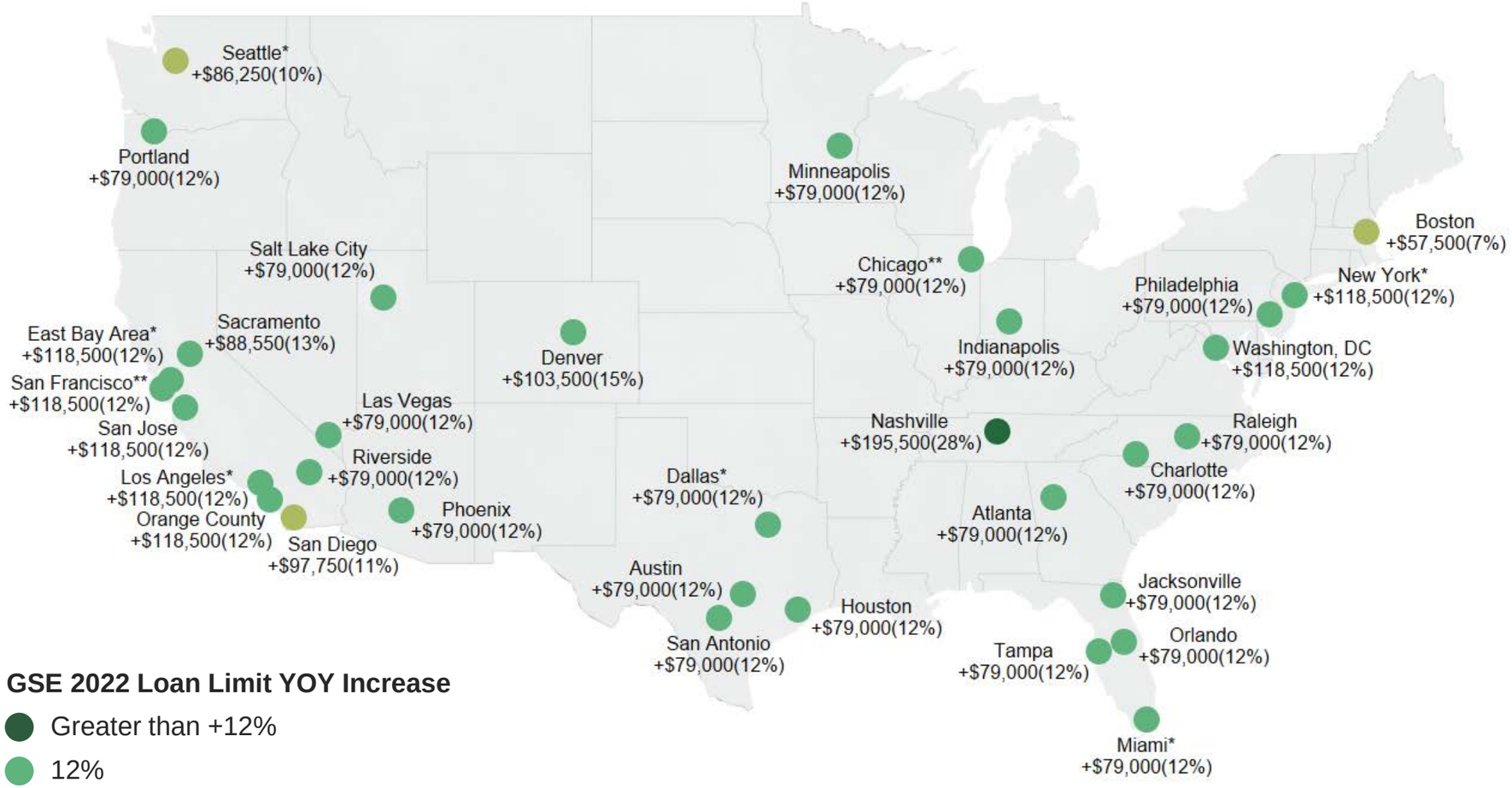
2023 GSE loan limits increased 12% to a minimum of $726K across top markets.

2023 GSE Loan Limits YOY Increase



GSE 2022 Loan Limit YOY Increase

- Greater than +12%
- 12%
- Less than +12%

Nashville has the largest GSE loan limit increase YOY at $196K. Boston is the only top market with a YOY increase significantly below $80K.

Sources: Federal Housing Finance Agency; John Burns Real Estate Consulting, LLC (Pub: Feb-23)

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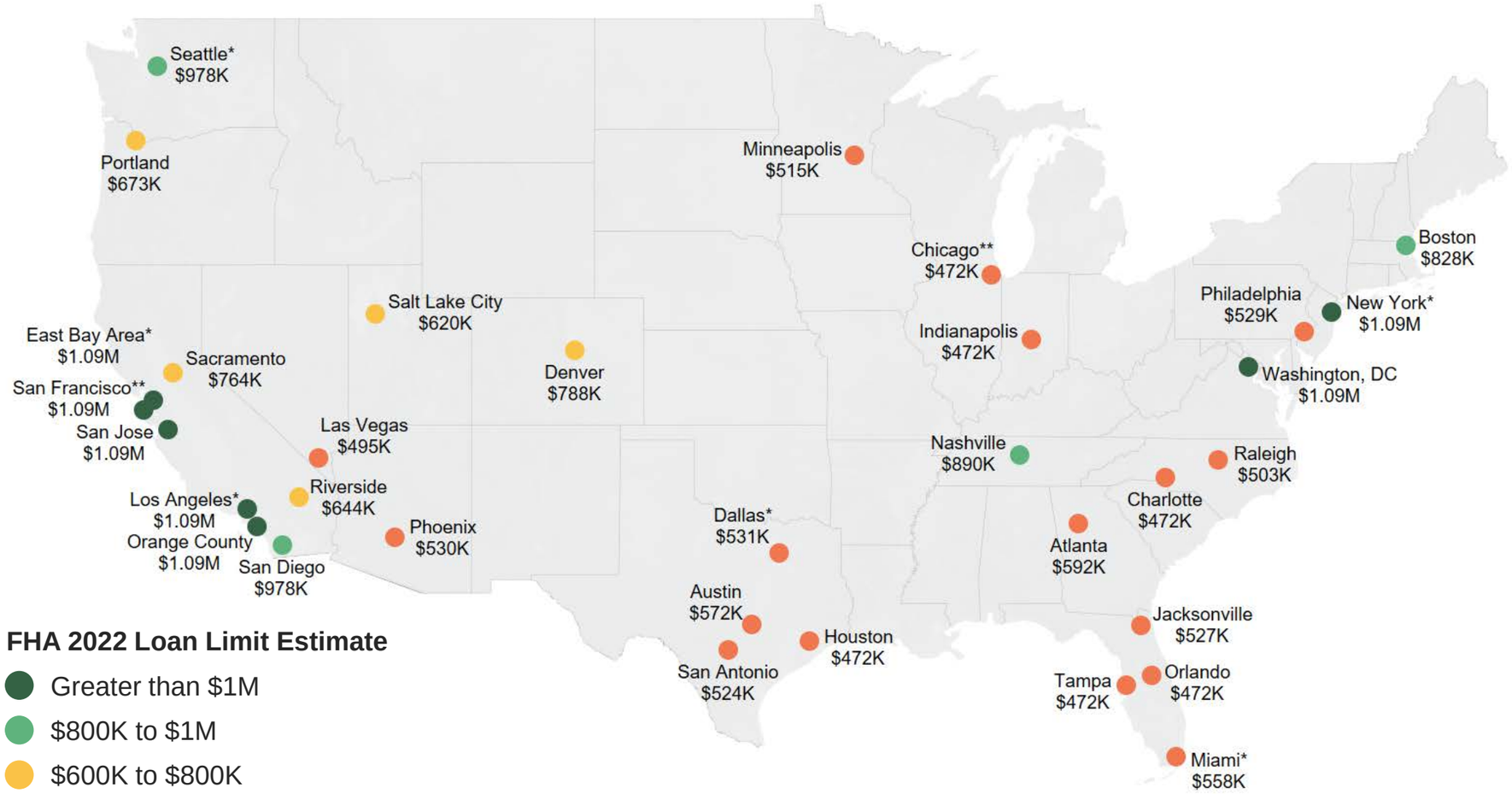
2023 FHA loan limits increased 12% to a minimum of $472K across top markets.

2023 FHA Loan Limits



FHA 2022 Loan Limit Estimate

- Greater than $1M
- $800K to $1M
- $600K to $800K
- Less than $600K

Select NE and CA markets have the highest FHA loan limits at $1.09M in 2023. Select TX, FL, SE, and NE regions have markets with $472K limits.

Sources: U.S. Department of Housing and Urban Development; John Burns Real Estate Consulting, LLC (Pub: Feb-23)

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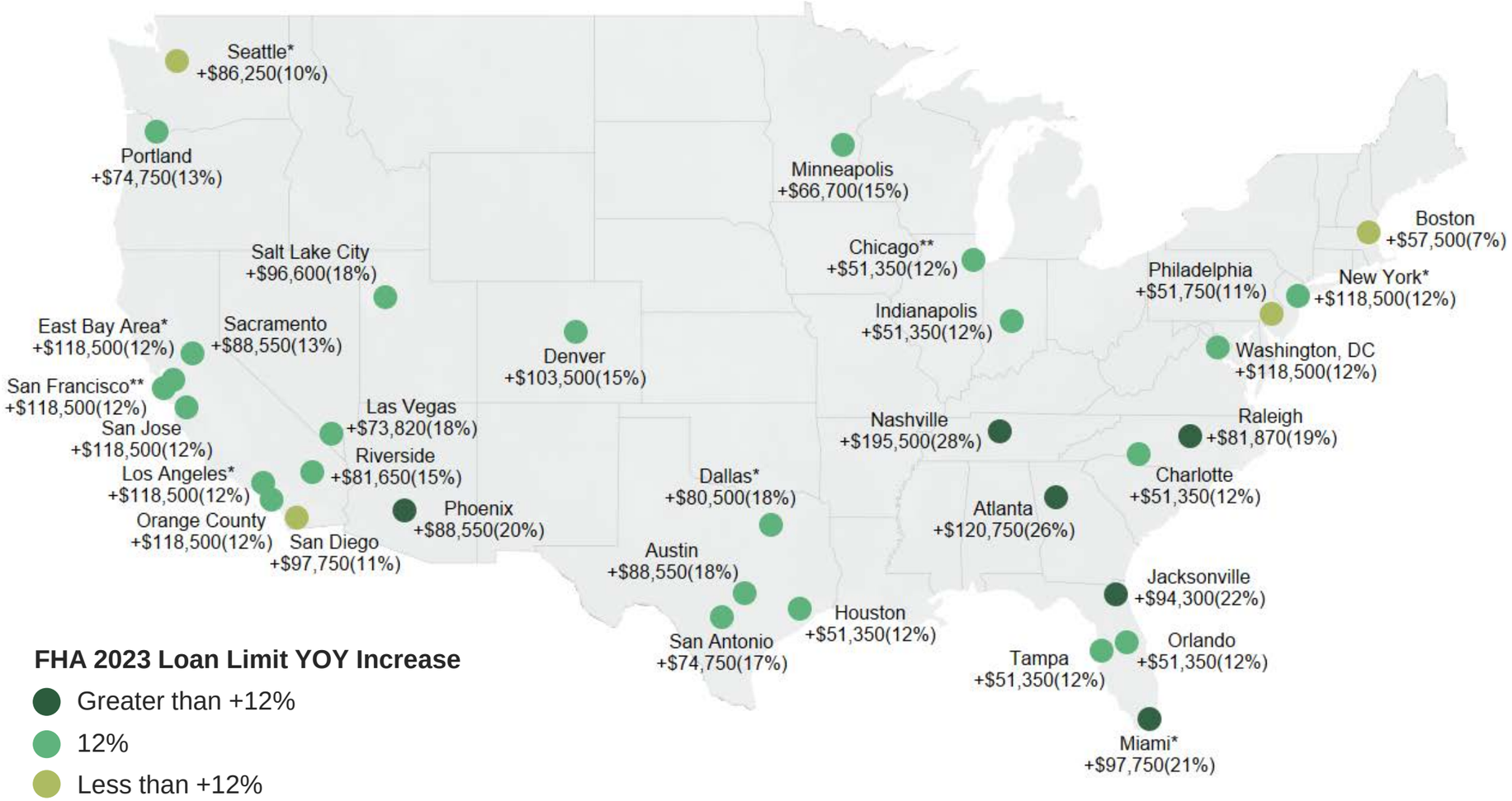
2023 FHA loan limits increased 12% to a minimum of $472K across top markets.

2023 FHA Loan Limits YOY Increase



FHA 2023 Loan Limit YOY Increase

- Greater than +12%
- 12%
- Less than +12%

Nashville has the largest increase YOY at $196K. On a percentage basis, Nashville will jump 28% YOY.

Boston is the sole top market to register a YOY increase below 10%.

Sources: U.S. Department of Housing and Urban Development; John Burns Real Estate Consulting, LLC (Pub: Feb-23)

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Appendix: forecasted new home revenue growth

Forecasted new home market growth (2023 through 2024): ranked 1–28

Dec-2022A to Dec-2024P

Rank	Market	Market Growth(1)	SF Permit Growth	Price Appreciation(2)
1	Santa Fe	20%	12%	7%
2	Ann Arbor	12%	10%	2%
3	Canton	6%	4%	2%
4	Detroit*	2%	3%	-1%
5	Fort Collins	0%	0%	0%
6	Kennewick	0%	-3%	3%
7	Tacoma*	-1%	-5%	5%
8	Albuquerque	-1%	0%	-1%
9	El Centro	-3%	-3%	0%
10	**San Diego**	-3%	-8%	5%
11	Ventura	-4%	-7%	4%
12	Kansas City	-4%	-6%	2%
13	Winchester	-4%	-7%	3%
14	Baltimore	-4%	-5%	1%
15	Colorado Springs	-6%	-9%	4%
16	Provo-Orem	-6%	-7%	1%
17	**Salt Lake City**	-6%	-7%	1%
18	Greeley	-7%	-8%	1%
19	Louisville/Jefferson	-7%	-8%	1%
20	**Seattle***	-7%	-10%	3%
21	St. Louis	-7%	-9%	2%
22	Lake-Kenosha*	-7%	-9%	2%
23	Salem	-7%	-7%	0%
24	West Palm Beach	-8%	-8%	0%
25	Yuma	-9%	-15%	7%
26	Richmond	-9%	-10%	1%
27	Bend	-9%	-11%	2%
28	**Boston**	-9%	-8%	-1%

(1) We calculate forecasted market growth based on our forecasted single-family permit growth and new home price appreciation. (2) Net new home appreciation forecast Dec.–Dec. *Metro division **combination of metro divisions

Source: John Burns Real Estate Consulting, LLC (Pub: Feb-23)

Note: Bolded markets include the RAF 33 markets.

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Forecasted new home market growth (2023 through 2024): ranked 29–56

Dec-2022A to Dec-2024P

Rank	Market	Market Growth[1]	SF Permit Growth	Price Appreciation[2]
29	Memphis	-9%	-11%	2%
30	San Luis Obispo	-10%	-12%	2%
31	Cincinnati	-10%	-12%	2%
32	**Minneapolis**	-10%	-12%	2%
33	**San Antonio**	-11%	-13%	3%
34	Tucson	-11%	-12%	1%
35	Warren*	-11%	-12%	1%
36	Vallejo	-11%	-11%	0%
37	**Orange County**	-11%	-14%	3%
38	**Philadelphia**	-11%	-12%	1%
39	**Portland**	-12%	-13%	2%
40	Reno	-12%	-13%	1%
41	**Chicago****	-12%	-12%	0%
42	Boise	-12%	-15%	4%
43	**Washington DC (MSA)**	-12%	-13%	1%
44	**Atlanta**	-13%	-12%	0%
45	Fresno	-13%	-14%	2%
46	**Dallas***	-13%	-16%	3%
47	**Orlando**	-14%	-14%	0%
48	**Indianapolis**	-14%	-16%	2%
49	**Miami***	-14%	-14%	-1%
50	**Denver**	-14%	-16%	2%
51	Columbus	-14%	-13%	-1%
52	Santa Rosa	-14%	-15%	1%
53	**Raleigh-Durham****	-14%	-16%	2%
54	**Los Angeles***	-14%	-18%	4%
55	Greensboro	-15%	-14%	-1%
56	Spokane	-15%	-17%	3%

(1) We calculate forecasted market growth based on our forecasted single-family permit growth and new home price appreciation. (2) Net new home appreciation forecast Dec.–Dec. *Metro division **combination of metro divisions

Source: John Burns Real Estate Consulting, LLC (Pub: Feb-23)

Note: Bolded markets include the RAF 33 markets.

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Forecasted new home market growth (2023 through 2024): ranked 57–84

Dec-2022A to Dec-2024P

Rank	Market	Market Growth[1]	SF Permit Growth	Price Appreciation[2]
57	**Houston**	-15%	-17%	3%
58	Fort Lauderdale*	-15%	-13%	-2%
59	**East Bay Area***	-15%	-17%	2%
60	Virginia Beach	-15%	-17%	2%
61	**New York***	-15%	-17%	2%
62	**Las Vegas**	-15%	-19%	4%
63	**Phoenix**	-15%	-19%	5%
64	Bremerton	-15%	-18%	4%
65	**San Jose**	-16%	-17%	2%
66	Naples	-16%	-13%	-3%
67	Sarasota	-16%	-15%	-1%
68	Birmingham	-16%	-16%	-1%
69	Stockton	-17%	-17%	1%
70	Springfield	-17%	-17%	1%
71	Boulder	-17%	-19%	3%
72	Savannah	-17%	-16%	-1%
73	Newark*	-17%	-18%	1%
74	Visalia	-17%	-17%	0%
75	**Tampa**	-17%	-16%	-1%
76	Lexington	-18%	-18%	1%
77	Vero Beach	-18%	-17%	-1%
78	Merced	-18%	-21%	4%
79	Cleveland	-18%	-18%	0%
80	**Nashville**	-18%	-18%	1%
81	Redding	-18%	-19%	1%
82	Bakersfield	-19%	-19%	0%
83	Charlottesville	-19%	-19%	0%
84	Fort Worth*	-19%	-21%	2%

(1) We calculate forecasted market growth based on our forecasted single-family permit growth and new home price appreciation. (2) Net new home appreciation forecast Dec.–Dec. *Metro division **combination of metro divisions

Source: John Burns Real Estate Consulting, LLC (Pub: Feb-23)

Note: Bolded markets include the RAF 33 markets.

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Forecasted new home market growth (2023 through 2024): ranked 85–112

Dec-2022A to Dec-2024P

Rank	Market	Market Growth[1]	SF Permit Growth	Price Appreciation[2]
85	Ocala	-20%	-17%	-3%
86	**Jacksonville**	-20%	-21%	1%
87	**Sacramento**	-20%	-22%	3%
88	Hanford	-20%	-21%	1%
89	**Austin**	-20%	-22%	2%
90	Allentown	-21%	-21%	0%
91	Modesto	-21%	-21%	0%
92	**Riverside-San Bern.**	-21%	-25%	5%
93	Fort Myers	-21%	-19%	-2%
94	Pensacola	-21%	-22%	2%
95	Olympia	-22%	-23%	2%
96	Lakeland	-22%	-20%	-2%
97	Santa Barbara	-22%	-24%	3%
98	Winston-Salem	-22%	-22%	0%
99	**Charlotte**	-22%	-23%	1%
100	Port St. Lucie	-23%	-22%	-1%
101	Madera	-24%	-25%	1%
102	Napa	-24%	-25%	1%
103	Charleston	-26%	-25%	-1%
104	Santa Cruz	-27%	-28%	2%
105	Hilton Head	-28%	-29%	2%
106	Wilmington	-29%	-30%	0%
107	Monterey	-30%	-31%	1%
108	Myrtle Beach	-30%	-29%	-1%
109	**San Francisco****	-31%	-32%	2%
110	Yuba-Sutter	-33%	-33%	1%
111	Akron	-34%	-35%	2%
112	Trenton	-40%	-40%	1%

(1) We calculate forecasted market growth based on our forecasted single-family permit growth and new home price appreciation. (2) Net new home appreciation forecast Dec.–Dec. *Metro division **combination of metro divisions

Source: John Burns Real Estate Consulting, LLC (Pub: Feb-23)

Note: Bolded markets include the RAF 33 markets.

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How we weight our current market conditions and HCRI distributions

For our current market conditions and HCRI distributions, we weight markets by new home revenue rather than giving each market equal weighting. Markets with more new home construction (e.g., Phoenix) are given more weight than markets with less new home construction (e.g., Fresno).

We calculate new home revenue as New home median price * single-family permits TTM

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Regional data sheets

When you log into our website, you can download the Regional Overview sections, which provide extensive information on major MSAs within each region. These PDF files include the following data points:

Home Prices
Median Resale Home Prices
Case-Shiller Price Index
Realtor Market Rating
Price Rating
Burns Home Value Index™

Affordability
Burns Affordability Index™
Housing-Cost-to-Income Ratio
Median Priced Home Housing Costs / Median Income
Asking Rents
Occupancy Rate
Monthly Housing Cost of Owning the Median-Priced Home Versus Renting an Apartment

Employment Growth
Employment Growth
Unemployment Rate
Wage & Salary Employment Growth

Population and Household Growth
Population Growth
Households Growth

Existing Home Sale Closings Volume
Existing Home Sale Closings
Monthly 12-Month Rolling Existing Home Sales Total
Annualized Existing Home Sale Closings

New Home and Investor Sales
Annual New Home Sale Closings
Annual New Home Median Price
Percentage of Investor Sales
Annualized New Home Sale Closings

Estimated Months of Resale Supply and Pre-Foreclosure Activity
Total Listings
Estimated Months of Resale Supply
Pre-Foreclosure Notices
Pre-Foreclosure Notices as a % of Total Sales

Building Permits
Total Permit Activity
Total Permits/Peak Permit Levels Ratio

Housing Cycle Risk Index™

Note: Not all data points above are available for the MSAs listed to the right.

MSAs

Midwest
- Chicago
- Indianapolis
- Kansas City
- Minneapolis
- St. Louis
- Warren

Northeast
- Baltimore
- Boston-Cambridge
- New York
- Philadelphia
- Richmond
- Washington, DC

Northern California
- East Bay Area
- Fresno
- Reno
- Sacramento
- San Jose
- Stockton

Northern Florida
- Jacksonville
- Orlando
- Panama City
- Pensacola
- Tallahassee
- Tampa

Northwest
- Boise City
- Olympia
- Portland
- Seattle
- Spokane
- Tacoma

Southeast
- Atlanta
- Charleston
- Charlotte
- Columbia
- Raleigh-Cary

Southern California
- Bakersfield
- Los Angeles
- Orange County
- Riverside-San Bernardino
- San Diego

Southern Florida
- Fort Myers
- Fort Lauderdale
- Miami
- Naples
- Port St. Lucie
- West Palm Beach

Southwest
- Albuquerque
- Denver
- Las Vegas
- Phoenix
- Salt Lake City
- Tucson

Texas
- Austin
- Dallas
- Fort Worth
- Houston
- McAllen
- San Antonio

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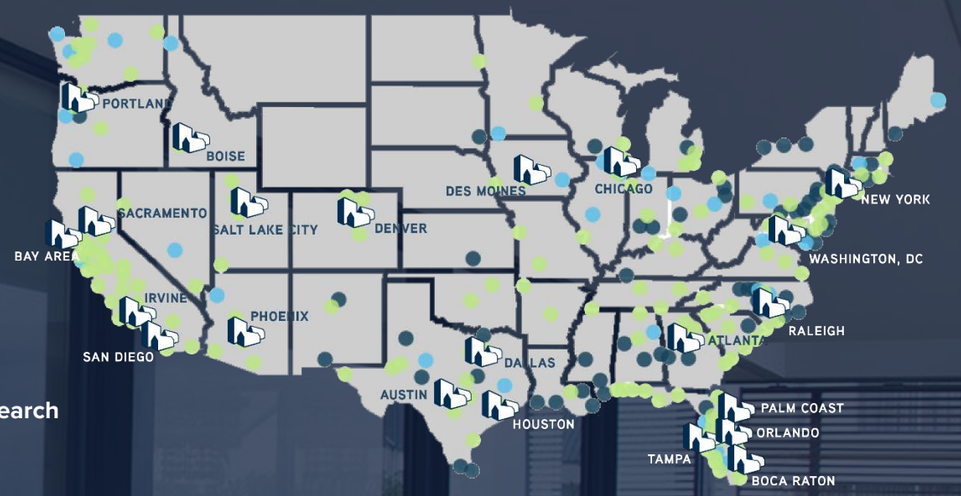

- Consulting and Research
- Consulting
- Research
- JBREC regional offices

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