

Residential Roundup 2023

January 23, 2023

JOHN  BURNS
REAL ESTATE CONSULTING



WHO WE ARE

John Burns Real Estate Consulting, LLC provides independent research and consulting services related to the US housing industry. John Burns founded the company in 2001 because he saw a need for better analysis of the housing market. The company has grown into a highly passionate team of research analysts and consultants in offices across the country. We work together to provide the most trusted source of US housing analysis.



Research Subscriptions

An ongoing, retainer-based relationship, in which we provide clients with our published research, client services, and exclusive events. Clients find immense value in our research and services for:

- Superior insight on housing and remodeling trends
- Regional intelligence
- Internal reporting and business planning
- Investor relations support



Custom Market Consulting

A contracted engagement, in which we help clients with a specific strategic decision or question.

- Demand forecasting
- Market analysis
- Growth strategy
- Voice of customer analysis

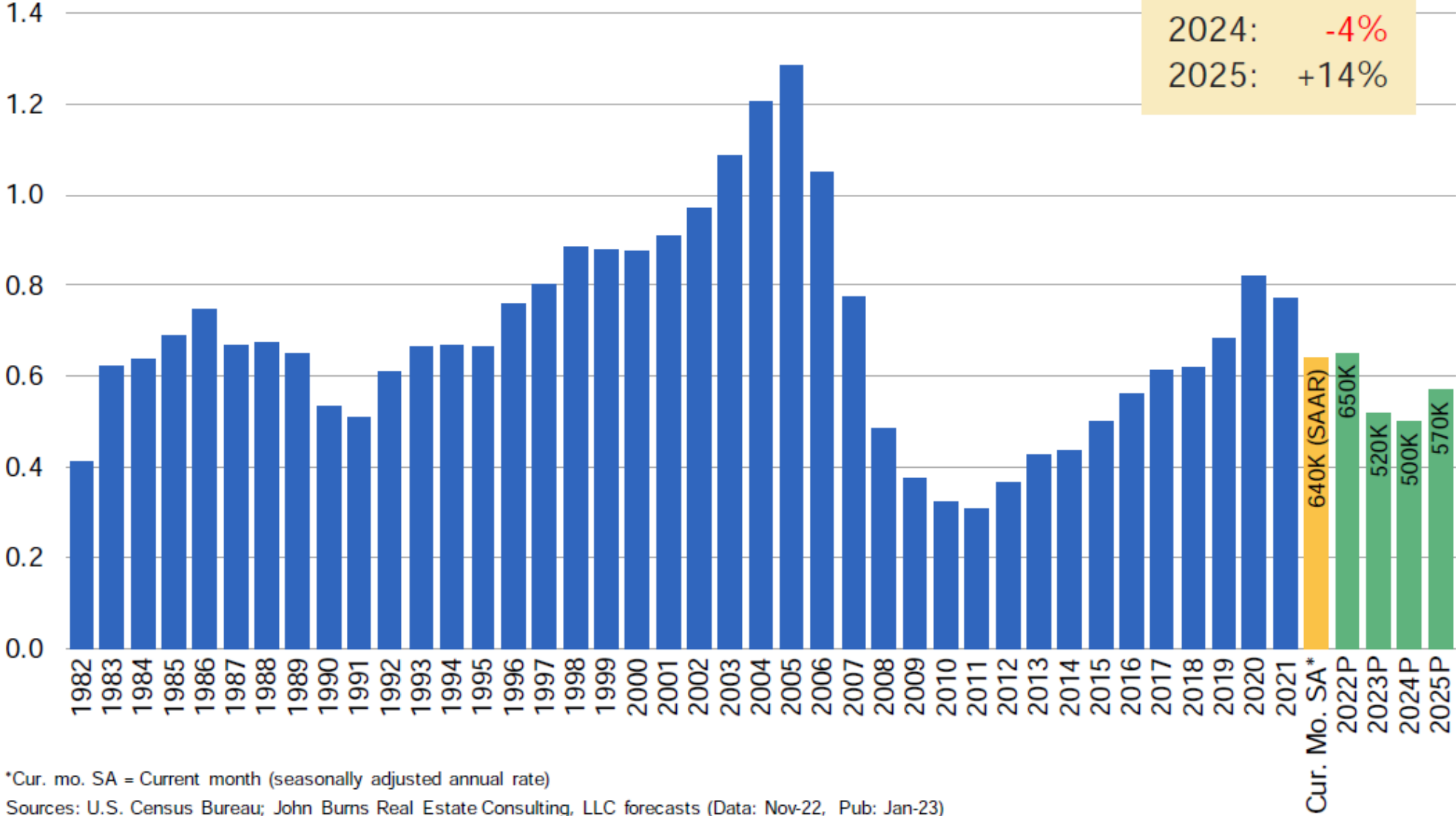
National Trends

US New Single-Family Home Sales

We forecast new single-family home sales will fall to 520K in 2023 and continue to decline in 2024.

US New Single-Family Home Sales

Millions



*Cur. mo. SA = Current month (seasonally adjusted annual rate)

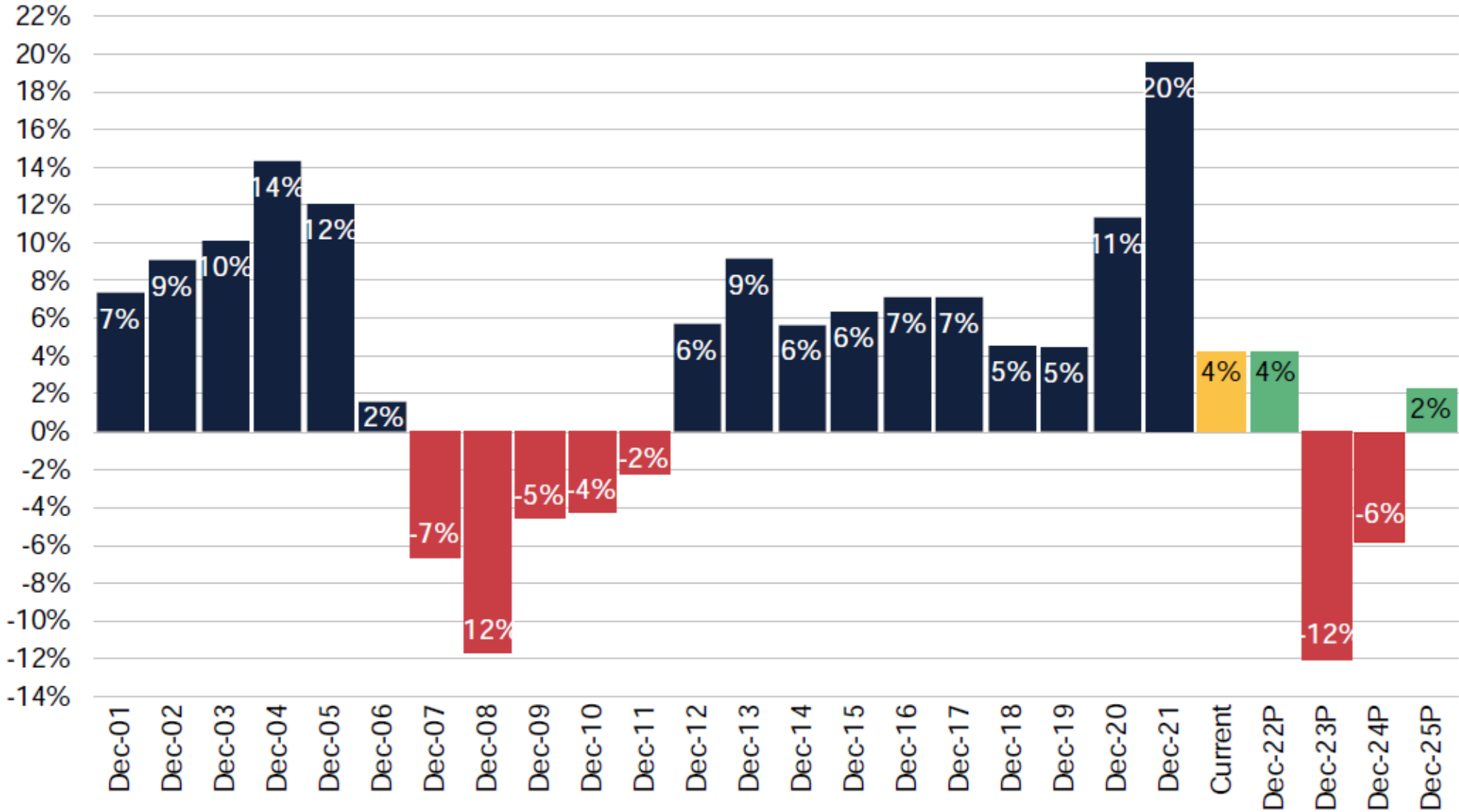
Sources: U.S. Census Bureau; John Burns Real Estate Consulting, LLC forecasts (Data: Nov-22, Pub: Jan-23)

Burns Home Value Index

We forecast home prices to decline -12% in 2023 and -6% in 2024

Burns Home Value Index™

Year-end YOY % change



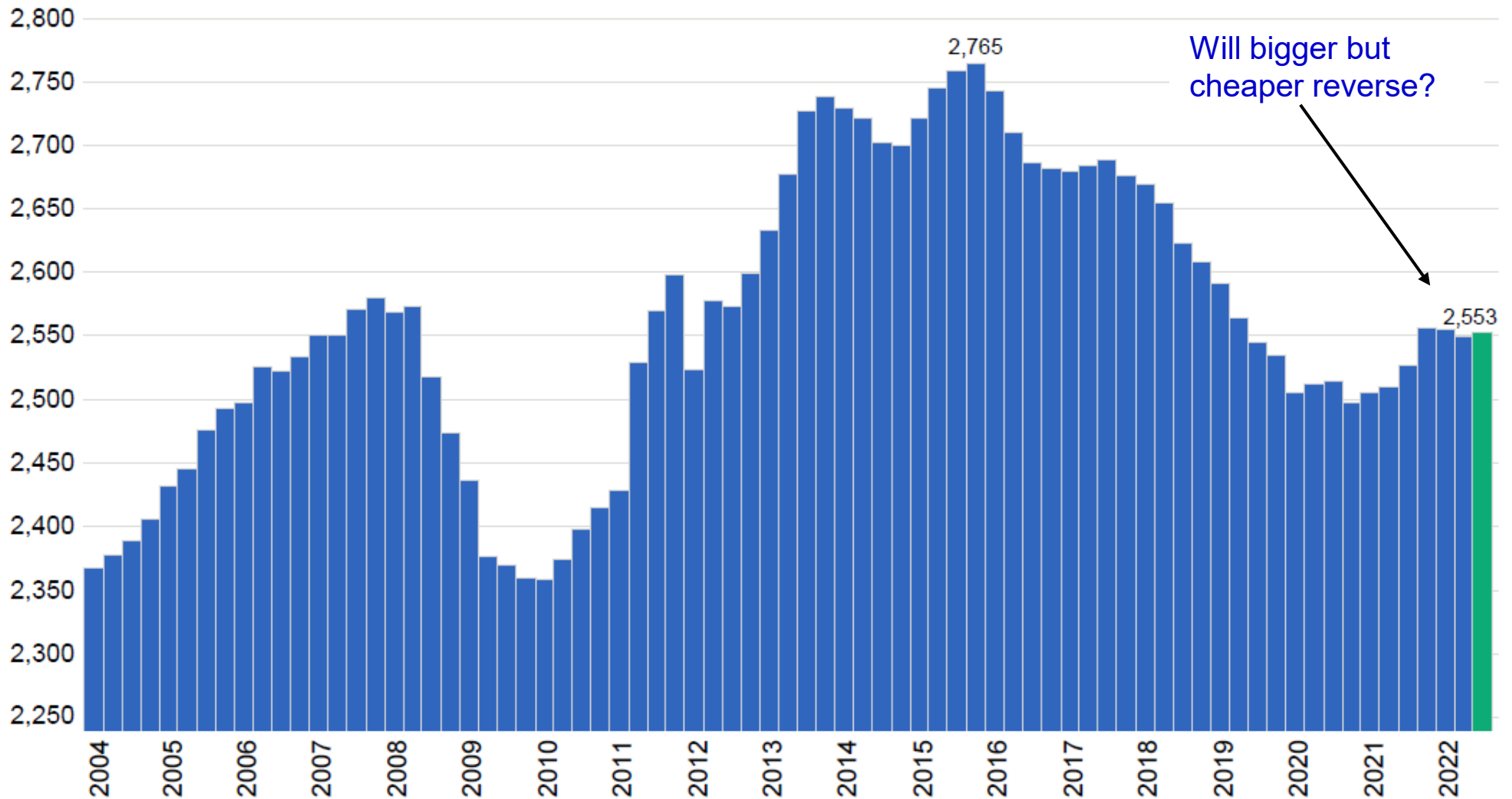
Source: John Burns Real Estate Consulting, LLC (Data: Dec-22, Pub: Jan-23)

Size of New Single-Family Homes

The average size of new single-family homes rose steadily in 3Q22.

Size of New Single-Family Homes

SF starts: average floor area Current* = 2,553



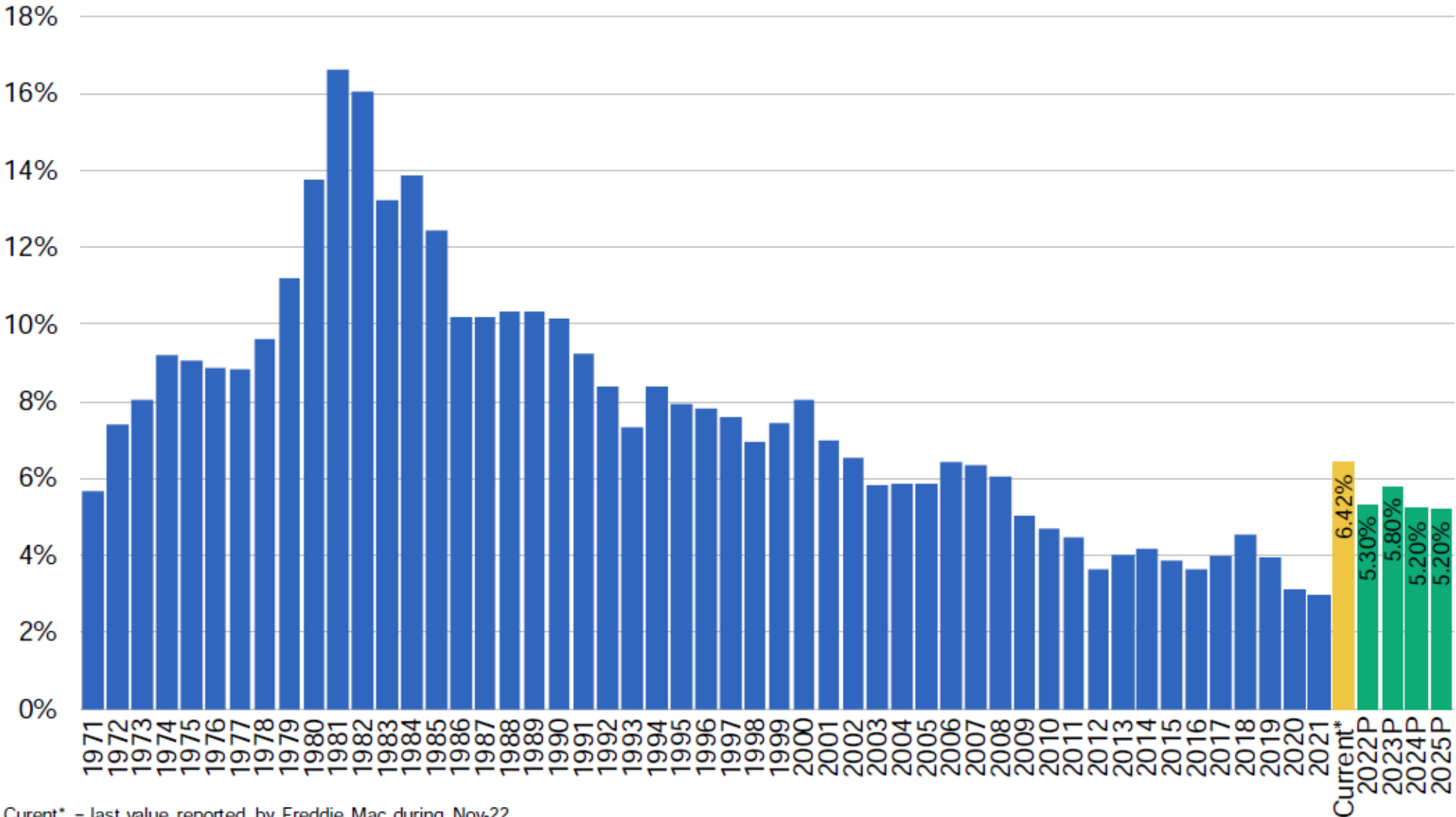
*Current is a rolling 4 quarter average

Source: U.S. Census Bureau (Data: 3Q22, Pub: Jan-23)

Mortgage Rates

The bond market expects mortgage rates will average 5.8% in 2023.

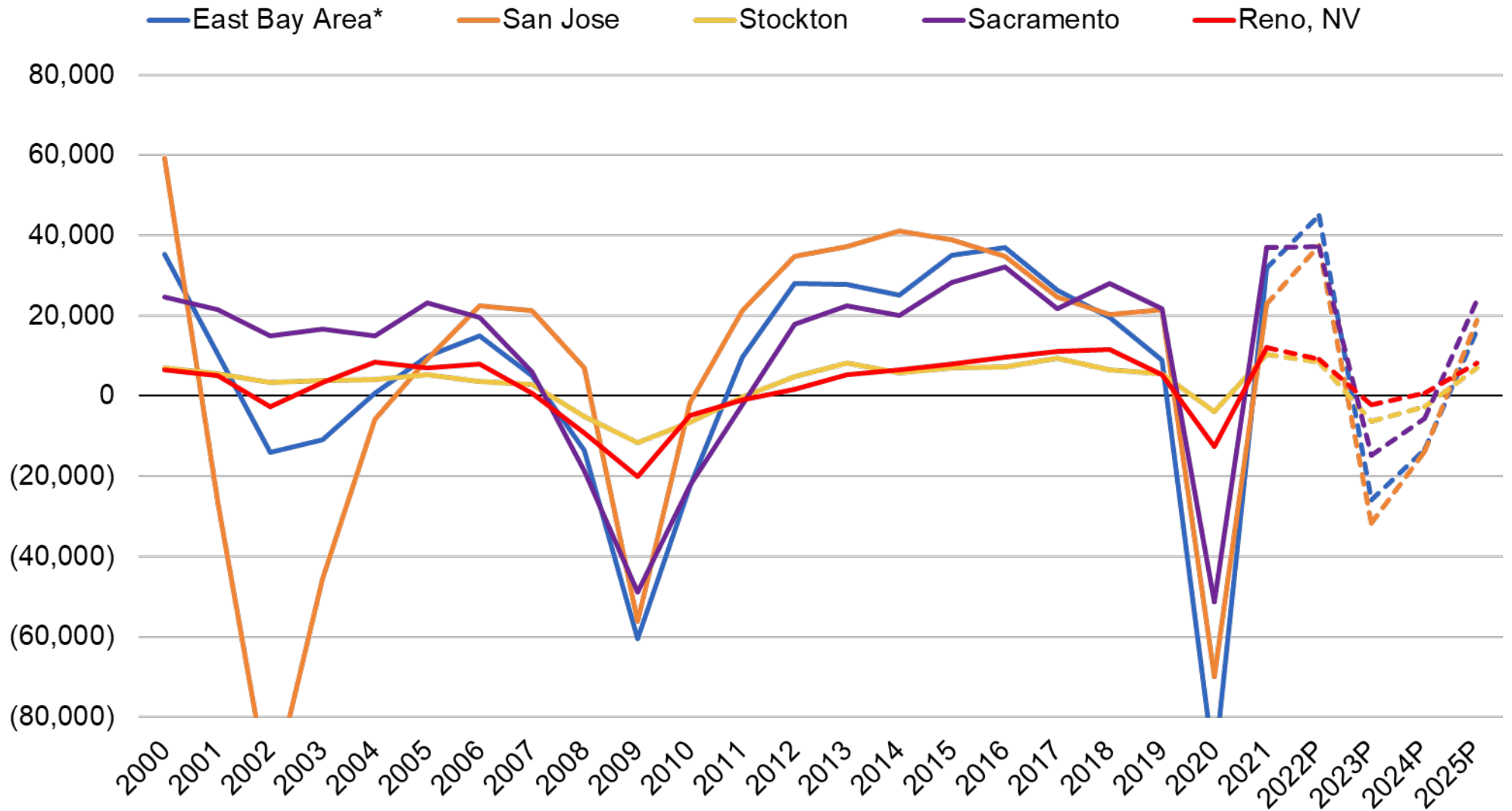
Annual Average 30-Year Fixed Mortgage Rates



Current* = last value reported by Freddie Mac during Nov-22

Local Fundamentals

Employment Growth by MSA



Job Growth by Industry

Sacramento, CA
January 2023

Largest Local Industries	Total Employment	% of Total	YOY Growth	YOY Growth %
State government (Gov)	129,000	12.1%	100	0.1%
Local government (Gov)	106,300	10.0%	5,000	4.9%
Food services and drinking places (LH)	80,600	7.6%	3,800	4.9%
Administrative and support services (PBS)	62,900	5.9%	600	1.0%
Ambulatory health care services (EHS)	61,700	5.8%	3,900	6.7%
Professional and technical services (PBS)	61,200	5.7%	2,100	3.6%
Specialty trade contractors (Cons)	49,500	4.6%	(2,500)	-4.8%
Transportation and warehousing (TTU)	43,200	4.1%	3,900	9.9%
Hospitals (EHS)	27,000	2.5%	1,600	6.3%
Durable goods (Mfg)	23,900	2.2%	300	1.3%
General merchandise stores (TTU)	22,000	2.1%	(500)	-2.2%
Insurance carriers and related activities (FA)	20,500	1.9%	200	1.0%
Nursing and residential care facilities (EHS)	17,900	1.7%	1,300	7.8%
Construction of buildings (Cons)	16,900	1.6%	2,500	17.4%
Durable goods (TTU)	16,000	1.5%	600	3.9%
Total of Top Industries / Percentage of Top Industries of Metro Total Employment	738,600	69.3%	22,900	

"(abc)" denotes Employment Sector. See page 30.

Data through Nov-22

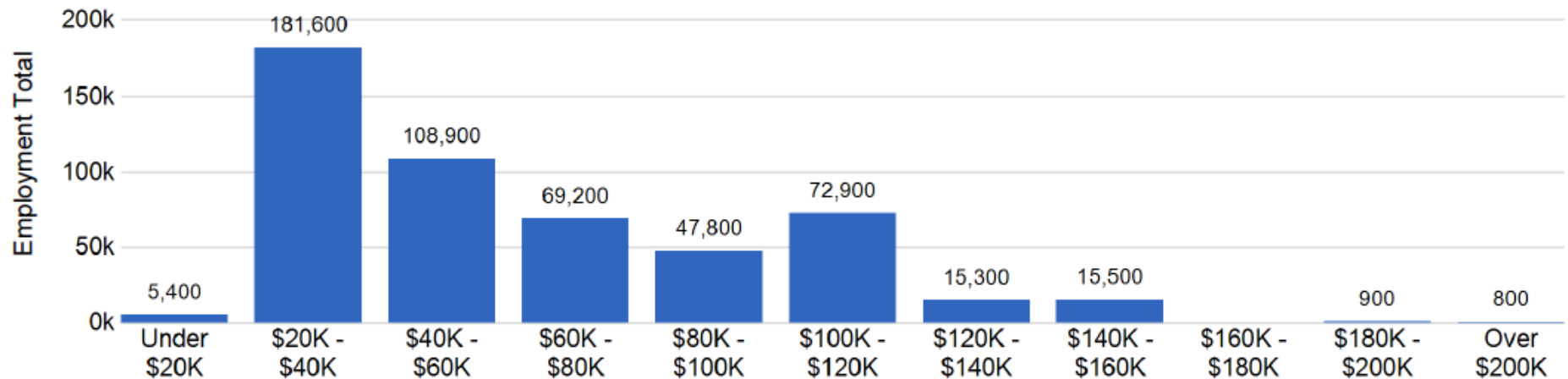
Employment by Income Group (approximate)

Sacramento, CA
January 2023

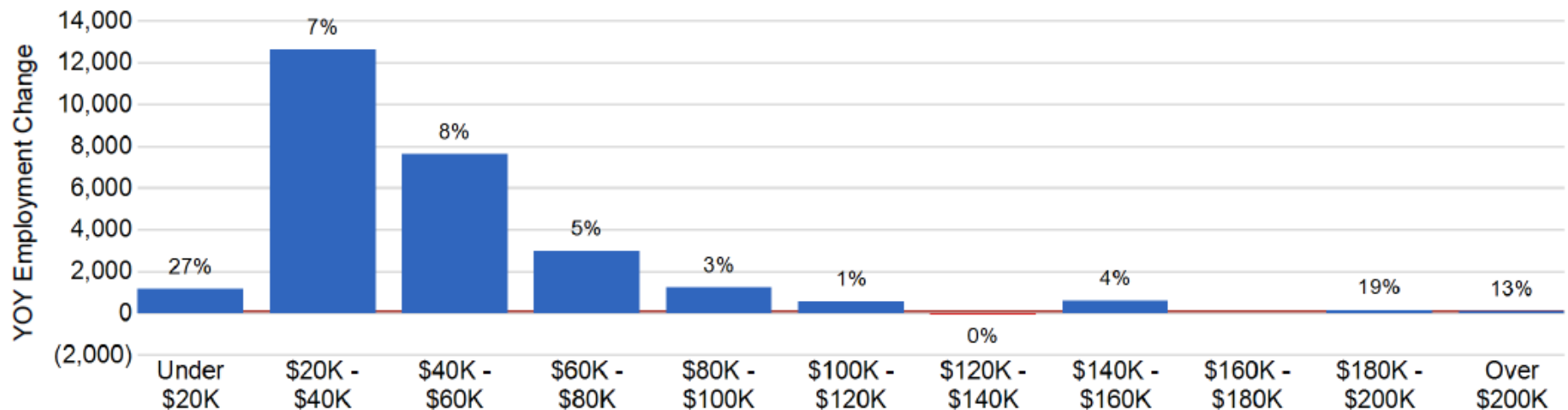
Employment Total by Income Group

(Grouping by Annual Average Income)

Current Median Income: \$86,800. Data in chart represents 63% of total non-government employment.



Employment Change by Income Group YOY



Data only includes private sector employment - non-government
JBREC estimates based on the most recent data available from the BLS (Data Date: Jun-22)

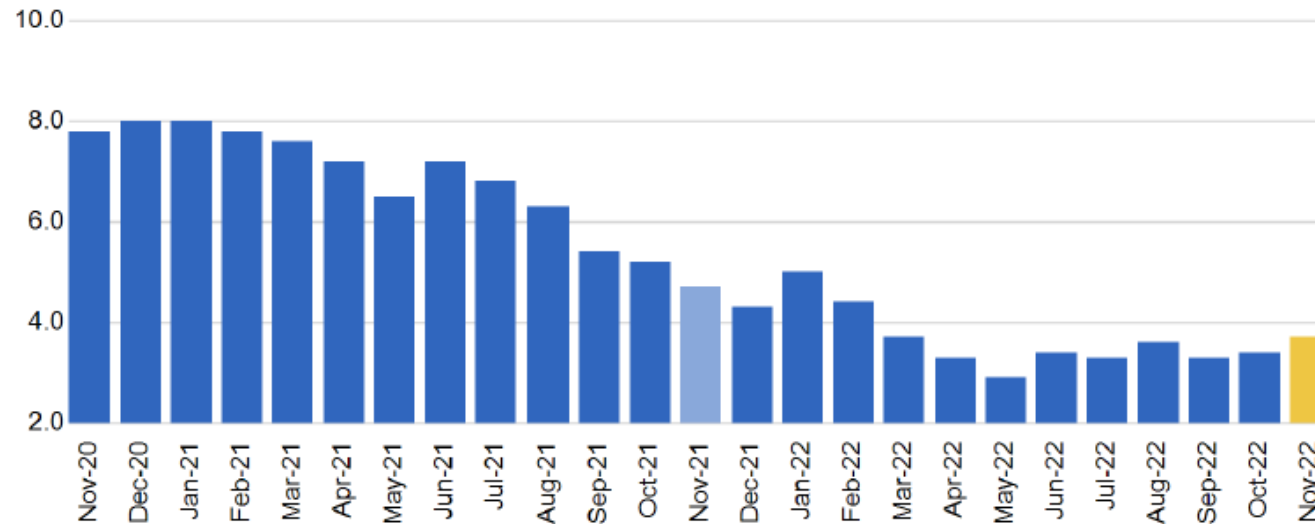
Unemployment Rate

Sacramento, CA

January 2023

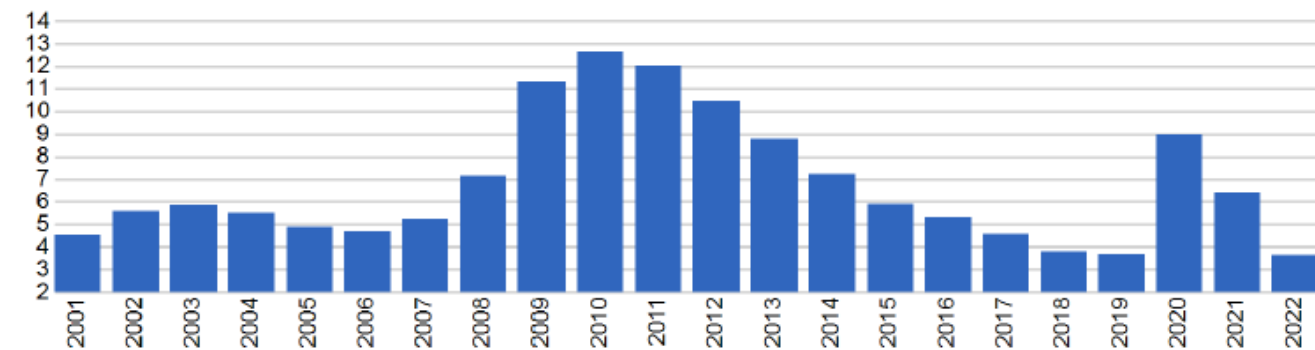
A+	Current	YOY Change	Avg. Since 1990*	Peak* (2020)
	3.7	-1.0 ↓	6.5	14.3

MONTHLY UNEMPLOYMENT RATE



Date	Unemployment Rate	
	Rate	YOY Chg
Nov-20	7.8	4.4
Dec-20	8.0	4.6
Jan-21	8.0	4.0
Feb-21	7.8	4.1
Mar-21	7.6	2.2
Apr-21	7.2	-7.0
May-21	6.5	-7.8
Jun-21	7.2	-5.1
Jul-21	6.8	-4.7
Aug-21	6.3	-3.4
Sep-21	5.4	-3.6
Oct-21	5.2	-2.8
Nov-21	4.7	-3.1
Dec-21	4.3	-3.7
Jan-22	5.0	-3.0
Feb-22	4.4	-3.4
Mar-22	3.7	-3.9
Apr-22	3.3	-3.9
May-22	2.9	-3.6
Jun-22	3.4	-3.8
Jul-22	3.3	-3.5
Aug-22	3.6	-2.7
Sep-22	3.3	-2.1
Oct-22	3.4	-1.8
Nov-22	3.7	-1.0

ANNUAL AVERAGE UNEMPLOYMENT RATE



* Historical average rate and peak based on monthly values.

Income Growth

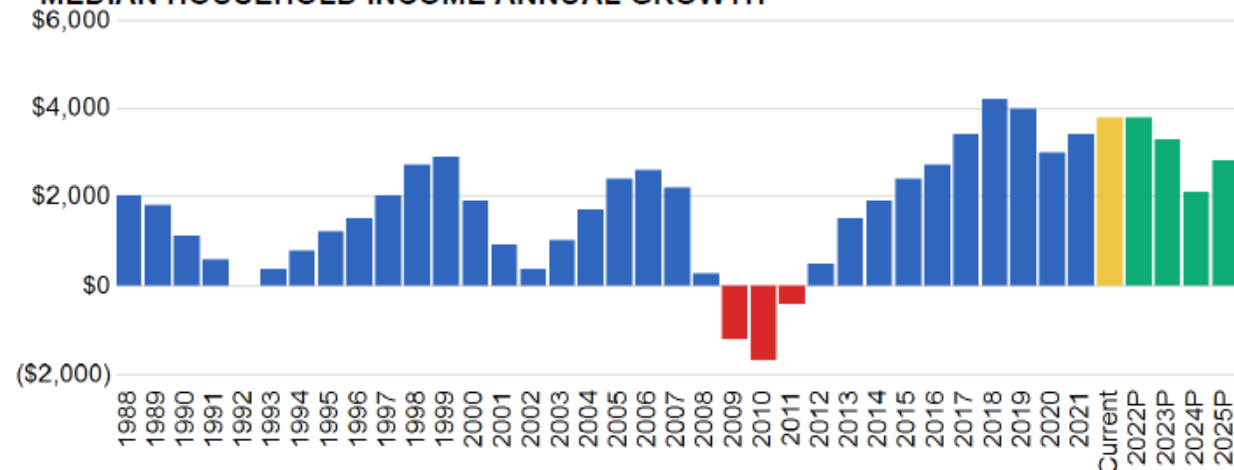
Sacramento, CA

January 2023

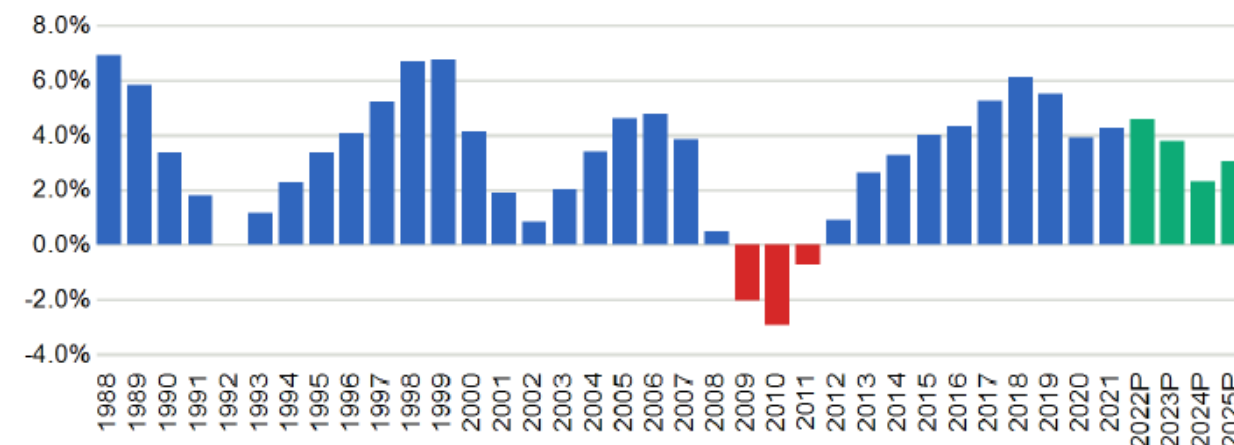
C+

YOY %	1-Yr. Ago %	Avg. Since 1981*	Peak* (1984) Growth
4.6% ↑	4.3% ↑	3.8%	8.4%

MEDIAN HOUSEHOLD INCOME ANNUAL GROWTH



MEDIAN HOUSEHOLD INCOME ANNUAL GROWTH RATE



Source: JBREC smoothing of Moody's Analytics with JBREC forecasts

Median Household Income

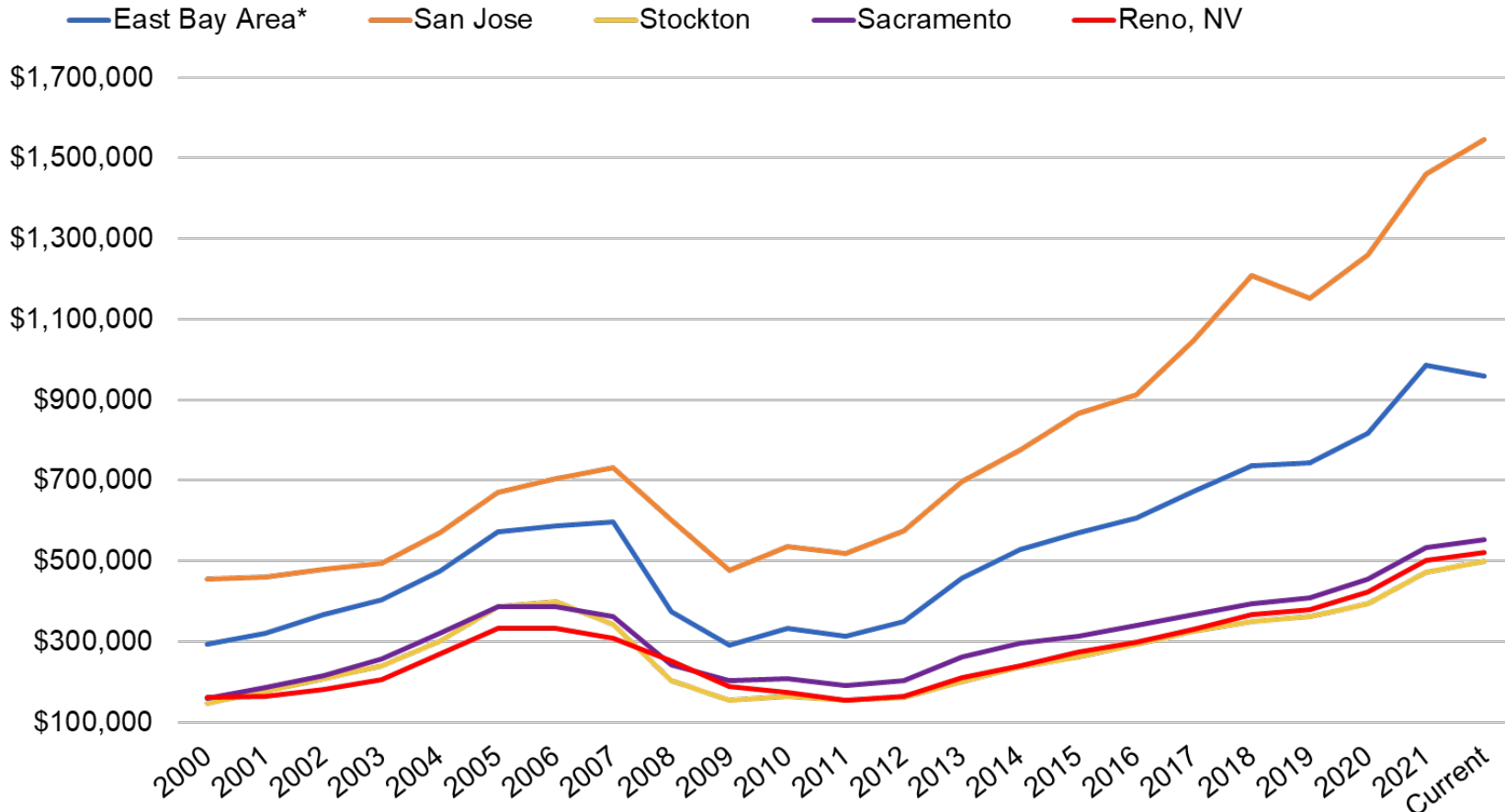
	Income	YOY Growth	YOY % Growth
2001	\$48,700	\$900	1.9%
2002	\$49,100	\$400	0.8%
2003	\$50,100	\$1,000	2.0%
2004	\$51,800	\$1,700	3.4%
2005	\$54,200	\$2,400	4.6%
2006	\$56,800	\$2,600	4.8%
2007	\$59,000	\$2,200	3.9%
2008	\$59,300	\$300	0.5%
2009	\$58,100	(\$1,200)	-2.0%
2010	\$56,400	(\$1,700)	-2.9%
2011	\$56,000	(\$400)	-0.7%
2012	\$56,500	\$500	0.9%
2013	\$58,000	\$1,500	2.7%
2014	\$59,900	\$1,900	3.3%
2015	\$62,300	\$2,400	4.0%
2016	\$65,000	\$2,700	4.3%
2017	\$68,400	\$3,400	5.2%
2018	\$72,600	\$4,200	6.1%
2019	\$76,600	\$4,000	5.5%
2020	\$79,600	\$3,000	3.9%
2021	\$83,000	\$3,400	4.3%
Current	\$86,800	\$3,800	4.6%

* Historical average growth rate based on annual averages.

Regional Market

Existing Home Prices

Existing Home Median Price by MSA



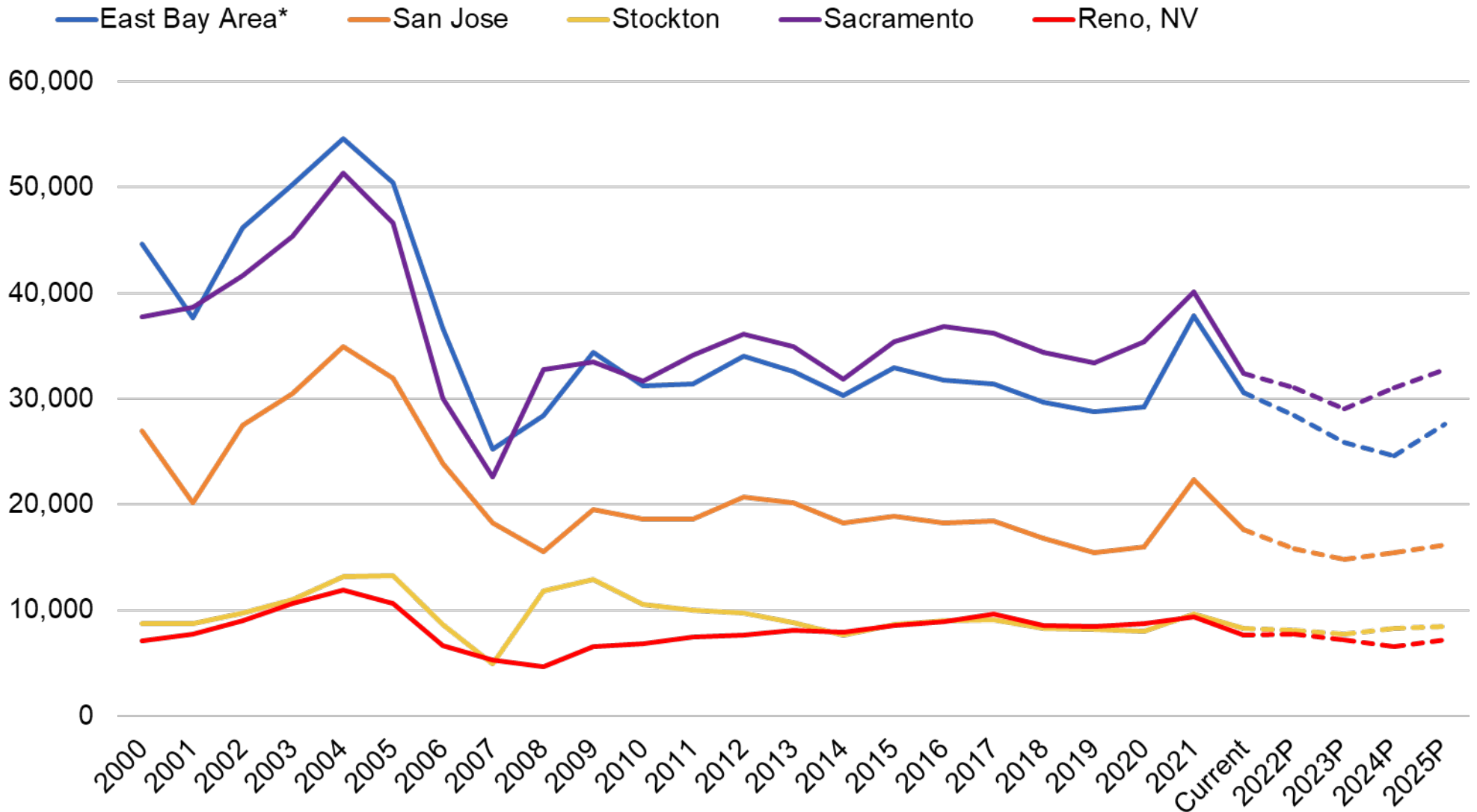
Sacramento MSA Existing Home Price Change

2014	\$295,000	12.3%
2015	\$313,600	6.3%
2016	\$341,000	8.7%
2017	\$367,100	7.7%
2018	\$394,700	7.5%
2019	\$408,100	3.4%
2020	\$454,600	11.4%
2021	\$534,600	17.6%
Nov-21	\$552,300	16.3%
Dec-21	\$544,100	14.5%
Jan-22	\$546,100	15.3%
Feb-22	\$565,200	16.2%
Mar-22	\$593,400	17.4%
Apr-22	\$597,400	15.2%
May-22	\$621,100	14.2%
Jun-22	\$601,500	8.3%
Jul-22	\$582,100	5.1%
Aug-22	\$561,700	1.9%
Sep-22	\$542,800	-1.0%
Oct-22	\$544,100	0.4%
Nov-22	\$534,800	-3.2%

*Metro division, ** Combination of metro divisions

Sources: Corelogic; John Burns Real Estate Consulting, LLC for forecasts (Data: Nov-22, Pub: Jan-23)

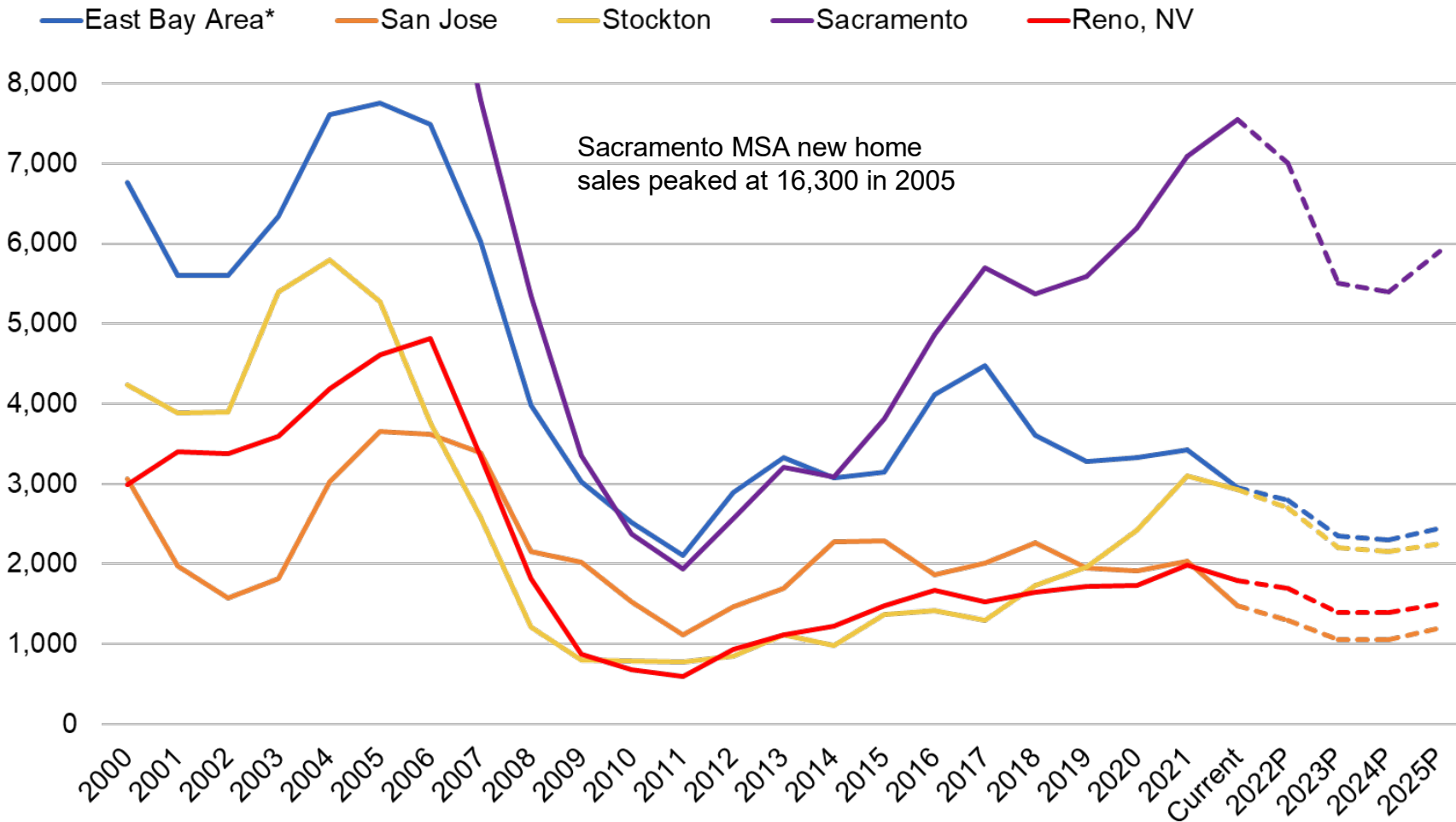
Existing Home Sales



*Metro division, ** Combination of metro divisions

Sources: Corelogic; John Burns Real Estate Consulting, LLC for forecasts (Data: Nov-22, Pub: Jan-23)

New Home Sales



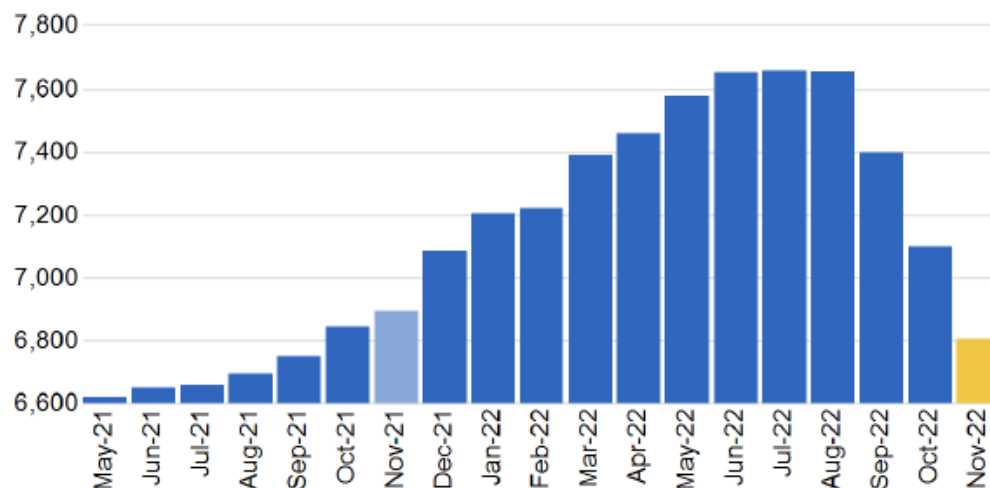
*Metro division, ** Combination of metro divisions

Sources: Corelogic; John Burns Real Estate Consulting, LLC for forecasts (Data: Nov-22, Pub: Jan-23)

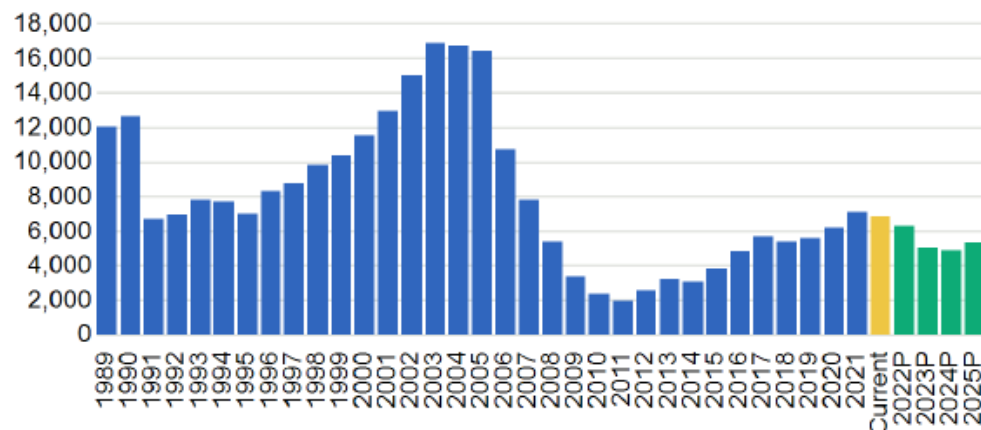
New Home Sale Closings Volume

Sacramento, CA
January 2023

MONTHLY 12-MONTH ROLLING NEW HOME SALE CLOSINGS



ANNUAL NEW HOME SALE CLOSINGS



Monthly Data - TTM

Date	Sales	YOY %
Nov-20	6,173	13.4%
Dec-20	6,192	10.8%
Jan-21	6,180	8.6%
Feb-21	6,275	9.2%
Mar-21	6,382	11.2%
Apr-21	6,527	14.4%
May-21	6,620	18.0%
Jun-21	6,649	16.1%
Jul-21	6,659	13.4%
Aug-21	6,696	11.2%
Sep-21	6,749	9.9%
Oct-21	6,844	11.6%
Nov-21	6,894	11.7%
Dec-21	7,086	14.4%
Jan-22	7,206	16.6%
Feb-22	7,222	15.1%
Mar-22	7,392	15.8%
Apr-22	7,461	14.3%
May-22	7,579	14.5%
Jun-22	7,655	15.1%
Jul-22	7,661	15.0%
Aug-22	7,658	14.4%
Sep-22	7,400	9.6%
Oct-22	7,099	3.7%
Nov-22	6,806	-1.3%

Annual Data

Date	Sales	YOY %
2002	14,994	16.1%
2003	16,863	12.5%
2004	16,691	-1.0%
2005	16,383	-1.8%
2006	10,711	-34.6%
2007	7,790	-27.3%
2008	5,351	-31.3%
2009	3,349	-37.4%
2010	2,372	-29.2%
2011	1,934	-18.5%
2012	2,563	32.5%
2013	3,202	24.9%
2014	3,084	-3.7%
2015	3,808	23.5%
2016	4,862	27.7%
2017	5,704	17.3%
2018	5,377	-5.7%
2019	5,588	3.9%
2020	6,192	10.8%
2021	7,086	14.4%

* Source: CoreLogic; Provided by DQNews

We provide these statistics as a courtesy. New home sales are a lagging indicator in comparison to permits.

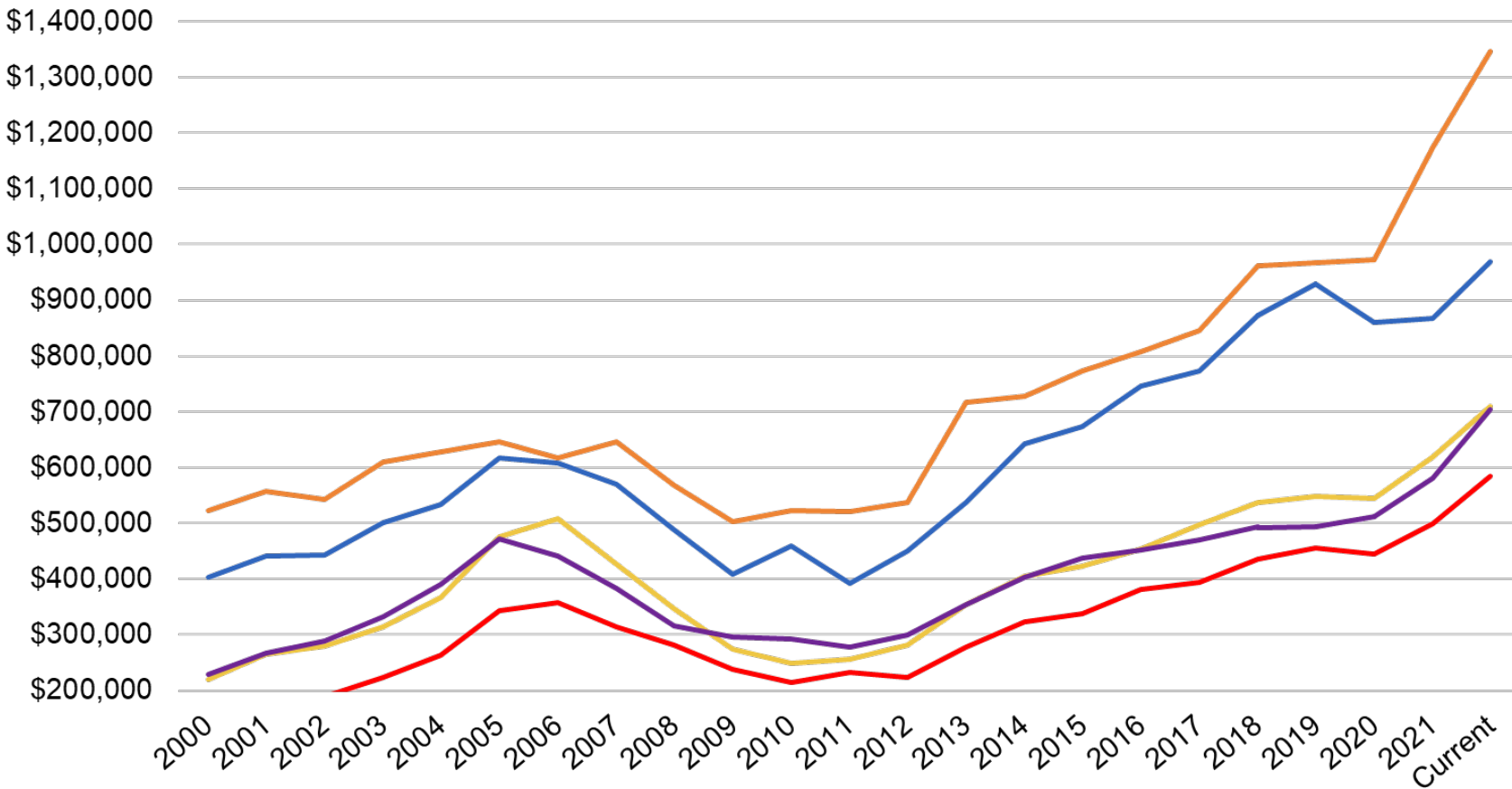
New Home Sale Closings include attached and detached homes, including condominiums.

New Home Median Prices

— East Bay Area* — San Jose — Stockton — Sacramento — Reno, NV

Sacramento MSA New Home Price Change

2014	\$403,500	14.1%
2015	\$437,700	8.5%
2016	\$452,600	3.4%
2017	\$470,700	4.0%
2018	\$493,700	4.9%
2019	\$494,200	0.1%
2020	\$511,300	3.5%
2021	\$580,600	13.6%
Nov-21	\$634,600	22.4%
Dec-21	\$633,800	18.5%
Jan-22	\$651,200	22.1%
Feb-22	\$665,400	24.9%
Mar-22	\$669,900	25.3%
Apr-22	\$679,200	24.3%
May-22	\$679,500	21.4%
Jun-22	\$684,100	18.5%
Jul-22	\$698,800	25.3%
Aug-22	\$701,000	20.1%
Sep-22	\$696,500	16.1%
Oct-22	\$711,500	13.5%
Nov-22	\$670,400	5.6%

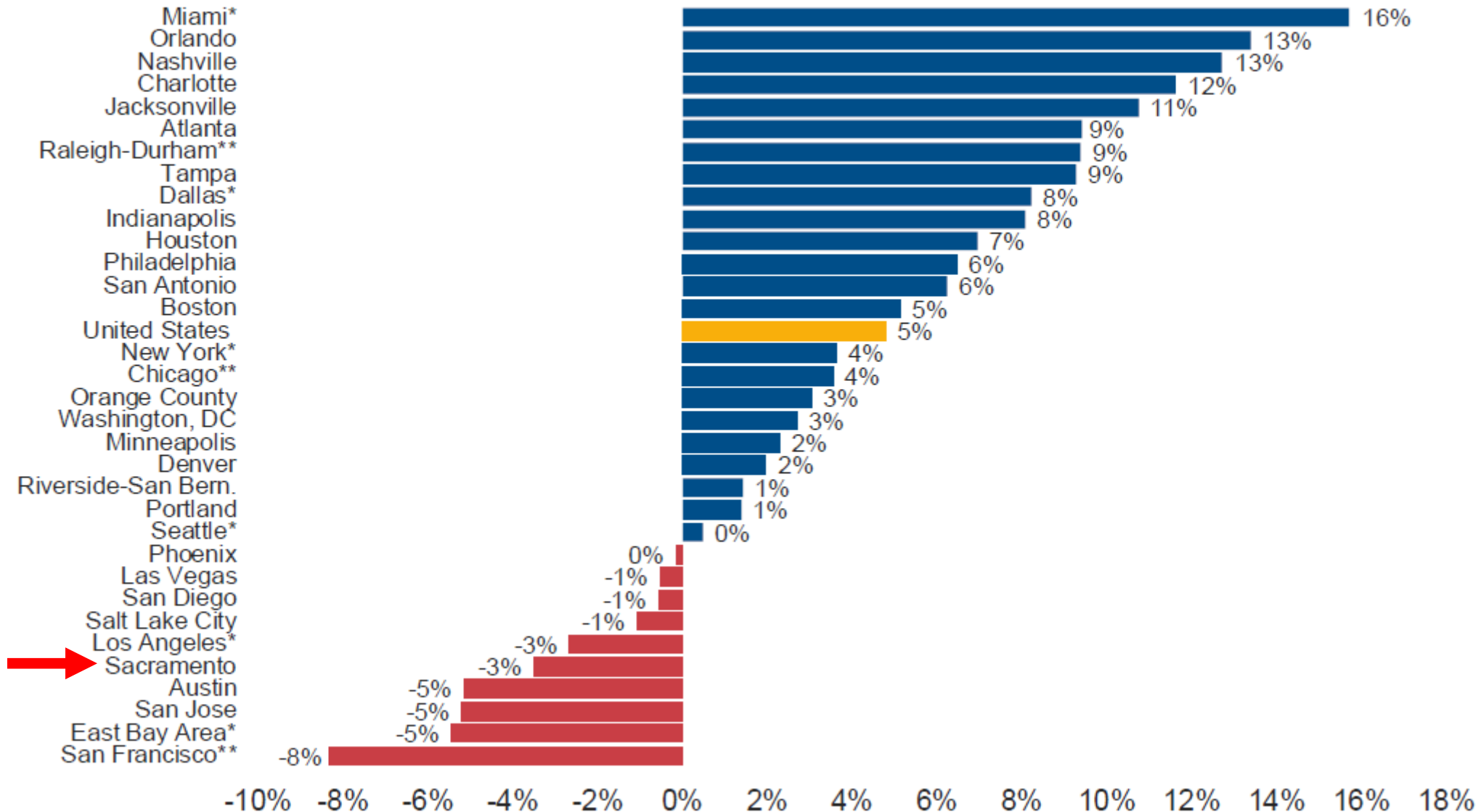


*Metro division, ** Combination of metro divisions

Sources: Corelogic; John Burns Real Estate Consulting, LLC for forecasts (Data: Nov-22, Pub: Jan-23)

Price appreciation is decelerating quickly across all top markets, rising 5% YOY nationally, down from a peak of 20% YOY growth in February 2022

Prices: Burns Home Value Index™ YOY % change (November 2022)



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

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

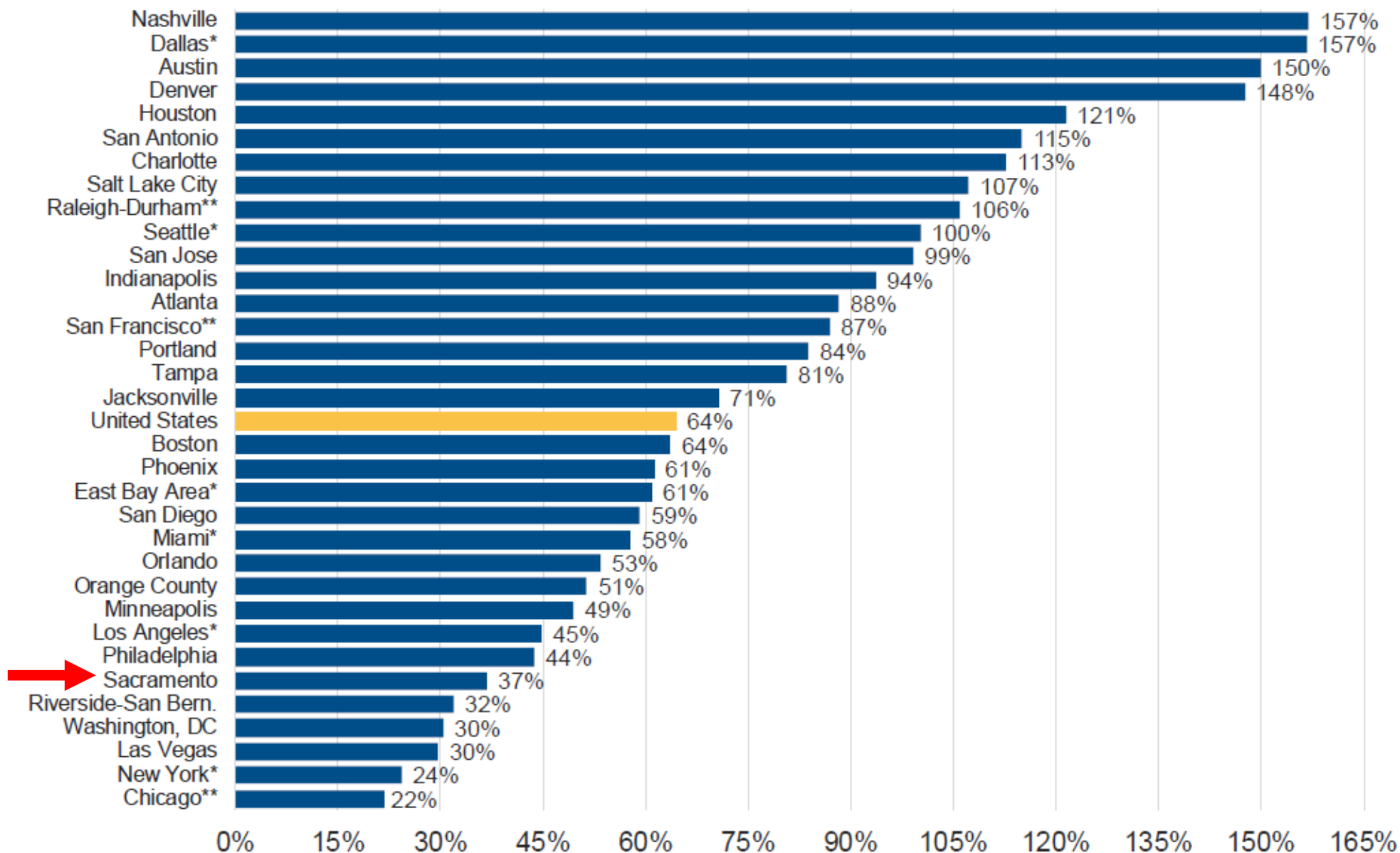
As seen in *Burns Regional Analysis and Forecast*

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

Burns Home Value Index™ Percent Above/Below Prior Housing Cycle Peak¹



1. Peak BHVI values from 2002–2008 *Metro division **Combination of metro divisions (except Raleigh-Durham, which is combination of metros)

Source: John Burns Real Estate Consulting, LLC (Data: Aug-22, Pub-Sep-22)

Burns Affordability Index

Sacramento, CA

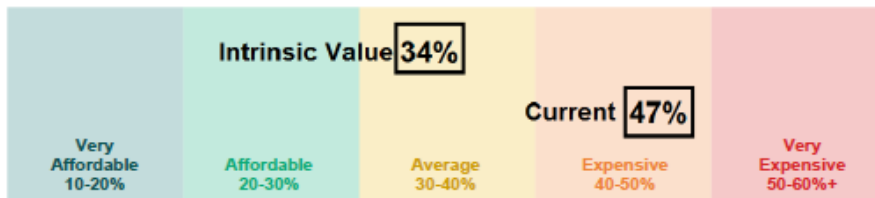
January 2023

Our Burns Affordability Index shows that the Housing Cost to Income Ratio for Sacramento is currently 47%, which is **Expensive** compared to other US markets. However, the current value is higher than Sacramento's intrinsic value of 34%, which we believe is the correct future ratio to use and is 1% higher than the market's historical norm of 33%. See our Burns Under/Overpriced Market Index page for detail on how much the market is under/overpriced.

Burns Affordability Index (Housing Cost to Income Ratio)

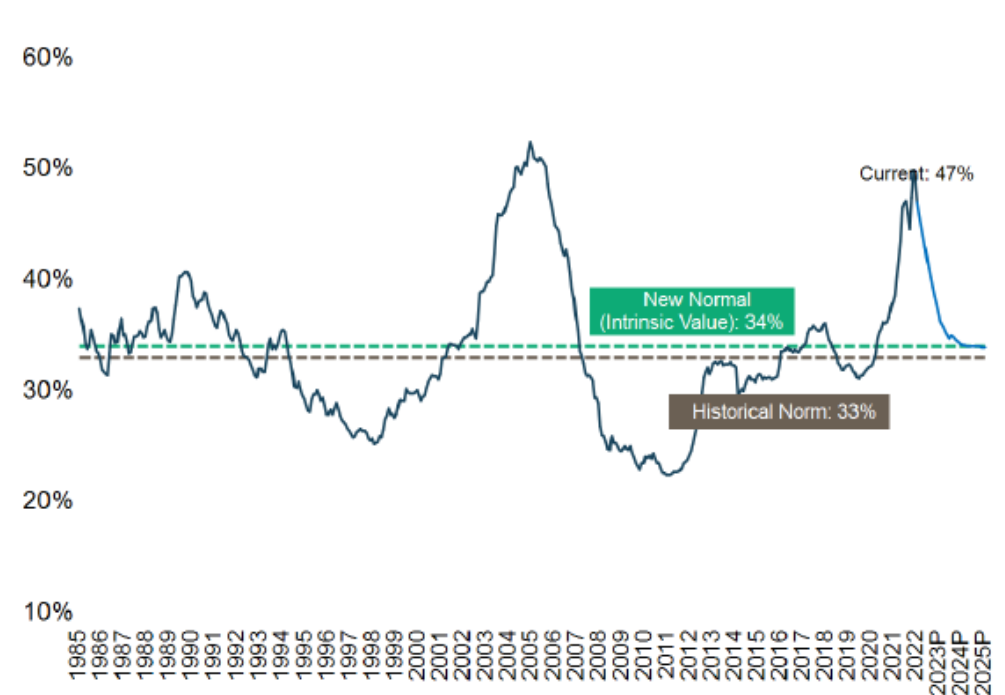
Burns Affordability Index

Housing Cost to Income Ratio

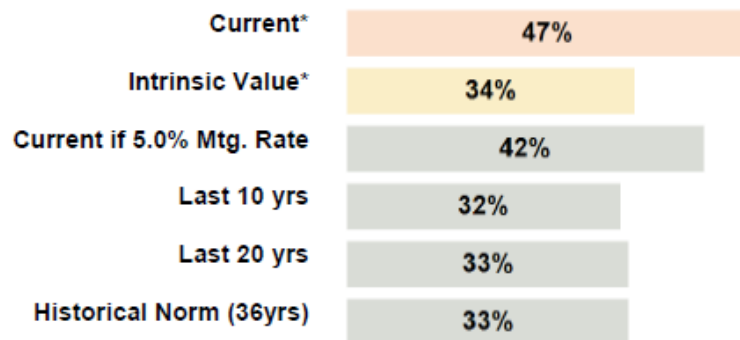


Burns Affordability Index

Housing Cost to Income Ratio



Housing Cost to Income Ratios used in the Analysis



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.

*To determine the intrinsic HC/I value, we look at the long-term trend of the market's HC/I ratio, with an emphasis on recent history and our forecasts. This intrinsic adjuster (the spread between the intrinsic HC/I value and the historical median HC/I ratio) is representative of fundamental shifts in several markets we feel are now permanently more/less expensive due to increased/decreased demand or limited supply.

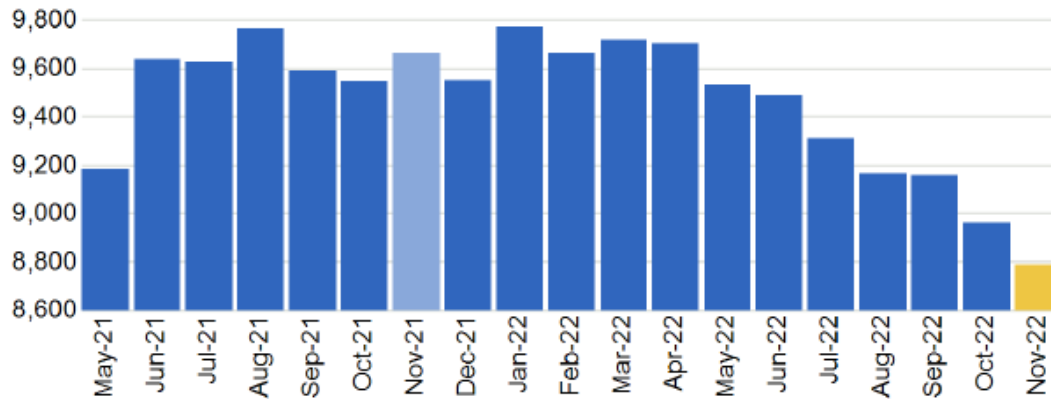
Supply

Single-Family Permits

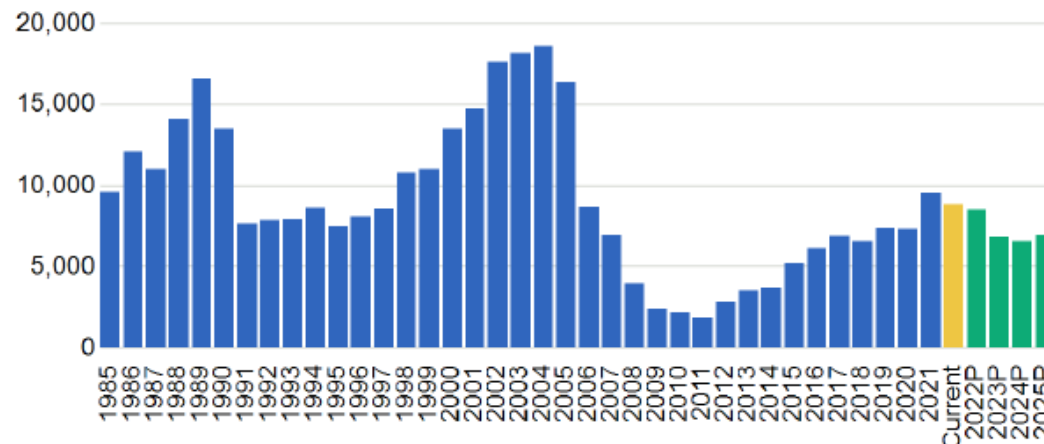
Sacramento, CA
January 2023

B	Current	YOY %	1-Yr. Ago %	Avg. Since 1980*	Peak* (2004)
	8,789	-9.0% ↓	37.3% ↑	8,939	18,523

MONTHLY 12-MONTH ROLLING SINGLE-FAMILY PERMITS



SINGLE-FAMILY PERMITS (12 Months)



Monthly Data - TTM		
Date	Units	YOY %
Nov-20	7,037	-2.4%
Dec-20	7,328	-0.6%
Jan-21	7,281	-3.2%
Feb-21	7,596	-0.4%
Mar-21	7,977	6.8%
Apr-21	8,527	19.2%
May-21	9,185	35.9%
Jun-21	9,637	43.9%
Jul-21	9,629	42.1%
Aug-21	9,768	41.3%
Sep-21	9,592	33.8%
Oct-21	9,548	33.2%
Nov-21	9,661	37.3%
Dec-21	9,552	30.3%
Jan-22	9,769	34.2%
Feb-22	9,662	27.2%
Mar-22	9,720	21.9%
Apr-22	9,702	13.8%
May-22	9,531	3.8%
Jun-22	9,491	-1.5%
Jul-22	9,311	-3.3%
Aug-22	9,166	-6.2%
Sep-22	9,158	-4.5%
Oct-22	8,959	-6.2%
Nov-22	8,789	-9.0%

Annual Data		
Date	Units	YOY %
1998	10,733	25.3%
1999	10,964	2.2%
2000	13,468	22.8%
2001	14,719	9.3%
2002	17,614	19.7%
2003	18,165	3.1%
2004	18,523	2.0%
2005	16,380	-11.6%
2006	8,714	-46.8%
2007	6,924	-20.5%
2008	3,952	-42.9%
2009	2,415	-38.9%
2010	2,166	-10.3%
2011	1,873	-13.5%
2012	2,848	52.1%
2013	3,539	24.3%
2014	3,694	4.4%
2015	5,175	40.1%
2016	6,135	18.6%
2017	6,858	11.8%
2018	6,565	-4.3%
2019	7,372	12.3%
2020	7,328	-0.6%
2021	9,552	30.3%

* Historical average and peak based on annual values.

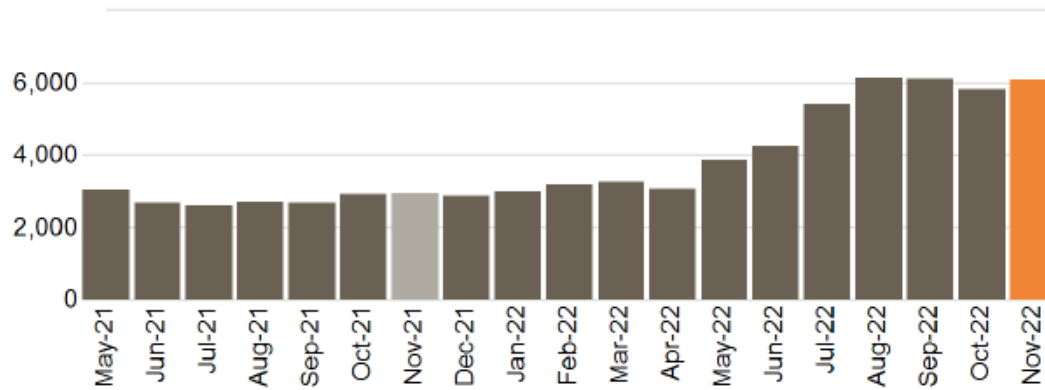
Historically low permits are considered an 'A' because supply levels are low, which is a positive characteristic for a market.

Multifamily Permits

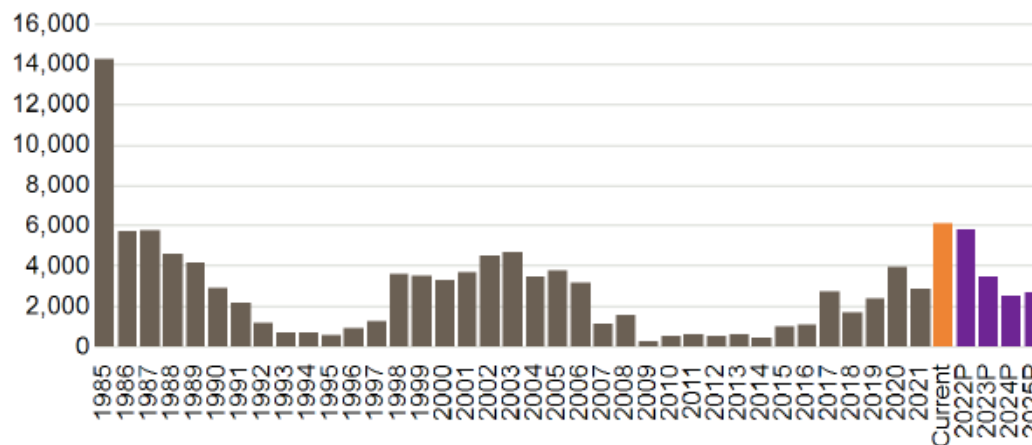
Sacramento, CA
January 2023

C+	Current	YOY %	1-Yr. Ago %	Avg. Since 1980*	Peak* (1985)
	6,089	107.7% ↑	-19.3% ↓	2,739	14,253

12-MO ROLLING MULTIFAMILY PERMITS



MULTIFAMILY PERMITS (12 Months)



Monthly Data - TTM		
Date	Units	YOY %
Nov-20	3,630	74.7%
Dec-20	3,918	64.0%
Jan-21	3,776	57.2%
Feb-21	3,267	16.8%
Mar-21	3,217	6.5%
Apr-21	3,691	29.6%
May-21	3,033	-14.7%
Jun-21	2,697	-34.4%
Jul-21	2,622	-24.1%
Aug-21	2,709	-24.3%
Sep-21	2,685	-30.8%
Oct-21	2,918	-19.6%
Nov-21	2,931	-19.3%
Dec-21	2,870	-26.7%
Jan-22	2,993	-20.7%
Feb-22	3,181	-2.6%
Mar-22	3,270	1.6%
Apr-22	3,070	-16.8%
May-22	3,867	27.5%
Jun-22	4,267	58.2%
Jul-22	5,407	106.2%
Aug-22	6,140	126.7%
Sep-22	6,123	128.0%
Oct-22	5,827	99.7%
Nov-22	6,089	107.7%

Annual Data		
Date	Units	YOY %
1998	3,603	190.6%
1999	3,511	-2.6%
2000	3,325	-5.3%
2001	3,715	11.7%
2002	4,485	20.7%
2003	4,667	4.1%
2004	3,476	-25.5%
2005	3,802	9.4%
2006	3,163	-16.8%
2007	1,126	-64.4%
2008	1,559	38.5%
2009	295	-81.1%
2010	536	81.7%
2011	618	15.3%
2012	560	-9.4%
2013	650	16.1%
2014	465	-28.5%
2015	1,009	117.0%
2016	1,069	5.9%
2017	2,709	153.4%
2018	1,686	-37.8%
2019	2,389	41.7%
2020	3,918	64.0%
2021	2,870	-26.7%

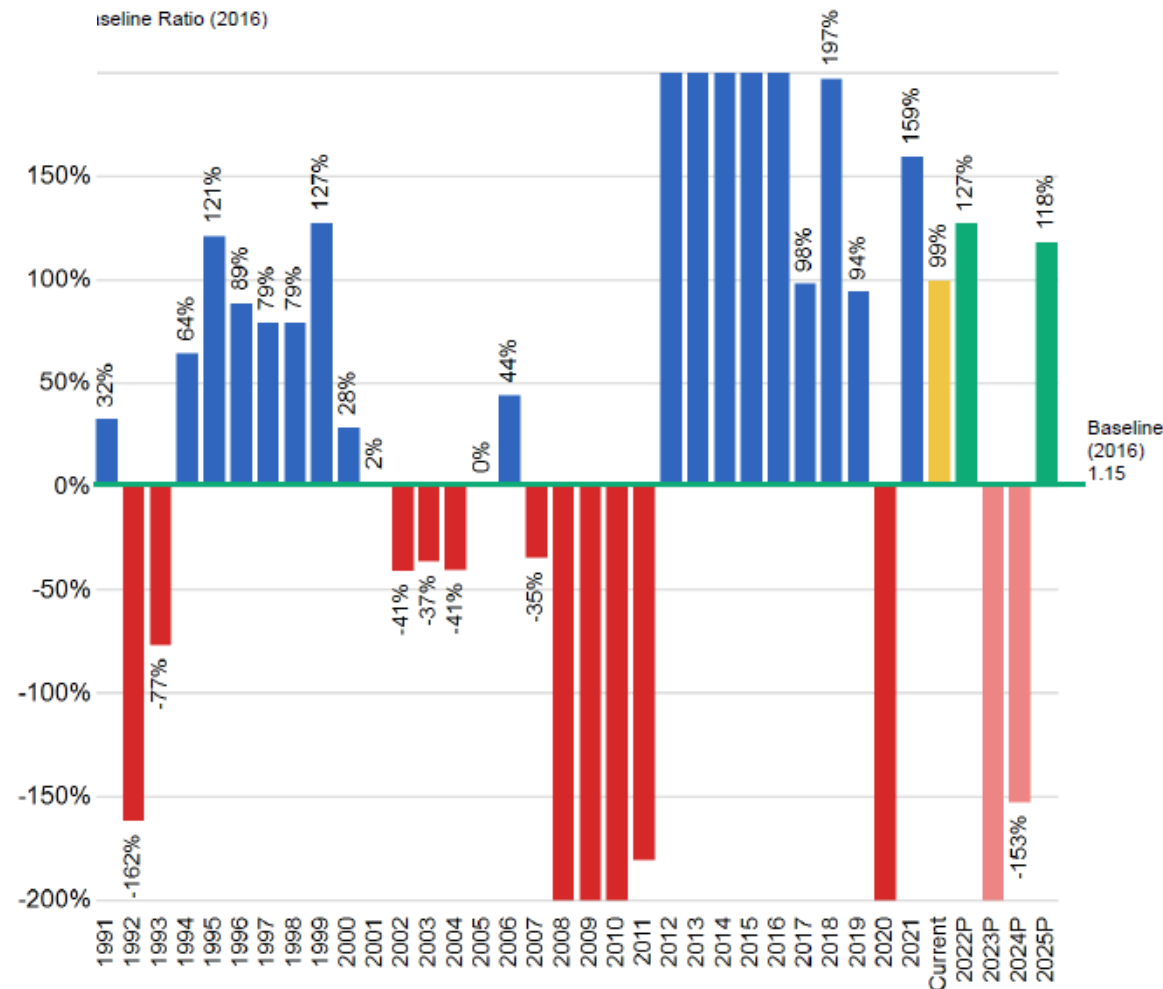
* Historical average and peak based on annual values.

Historically low permits are considered an 'A' because supply levels are low, which is a positive characteristic for a market.

Excess Demand / Supply

Sacramento, CA
January 2023

Current employment growth / total building permits (e/p) ratio of 2.29 is **99% above** the 1.15 baseline ratio for the total employment to total household ratio. A positive percentage means current demand for housing units exceeds current supply.



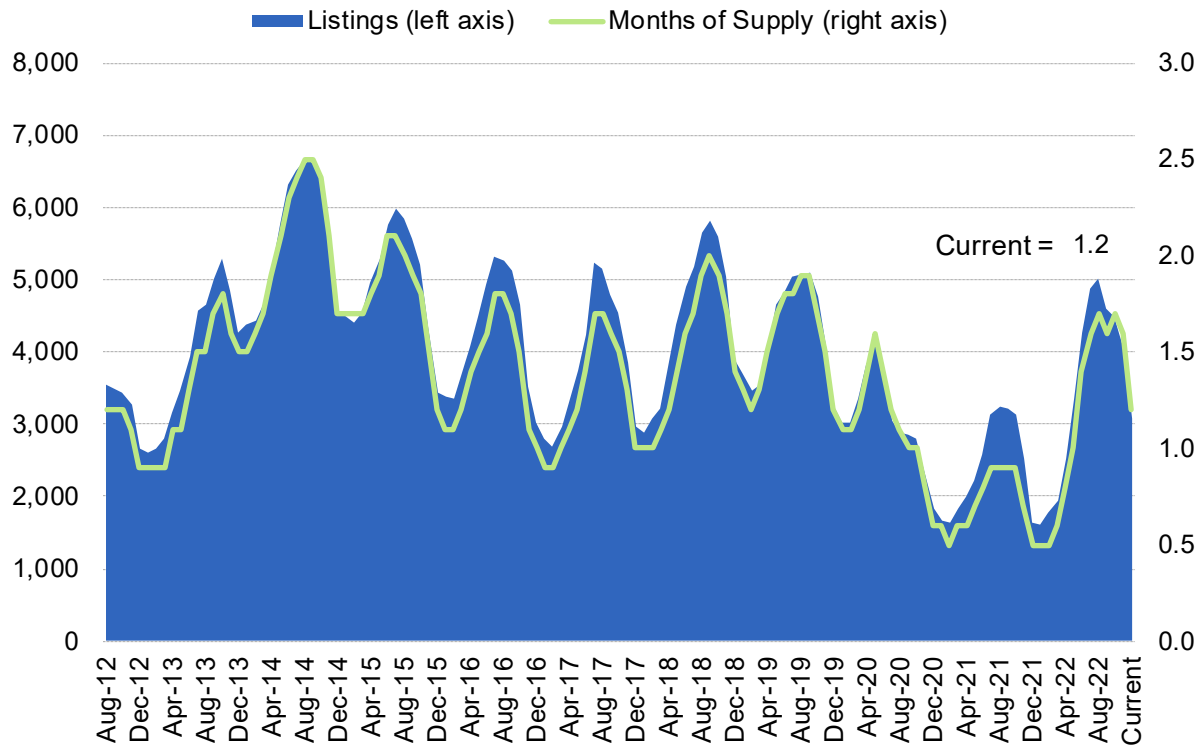
	Payroll Employment Growth	Total Building Permits	Emp / Permits Ratio (E/P)	Excess Demand / (Supply)
2003	16,600	22,832	0.73	-37%
2004	15,000	21,999	0.68	-41%
2005	23,200	20,182	1.15	0%
2006	19,600	11,877	1.65	44%
2007	6,000	8,050	0.75	-35%
2008	(18,600)	5,511	(3.38)	-394%
2009	(48,900)	2,710	(18.04)	-1674%
2010	(22,200)	2,702	(8.22)	-817%
2011	(2,300)	2,491	(0.92)	-181%
2012	17,900	3,408	5.25	358%
2013	22,600	4,189	5.40	371%
2014	20,000	4,159	4.81	320%
2015	28,300	6,184	4.58	299%
2016	32,200	7,204	4.47	290%
2017	21,700	9,567	2.27	98%
2018	28,100	8,251	3.41	197%
2019	21,700	9,761	2.22	94%
2020	(51,200)	11,246	(4.55)	-497%
2021	36,900	12,422	2.97	159%
Current	34,000	14,878	2.29	99%

These ratios show whether or not more housing is needed to meet the demand from economic and demographic growth. Affordability and other factors can also help determine whether prices will rise or fall.

Sacramento MSA Months of Supply

Resale Listings Months of Supply

Current	Year-Ago	Current	Year-Ago
3,083	1,635	1.2	0.5



It was



But now



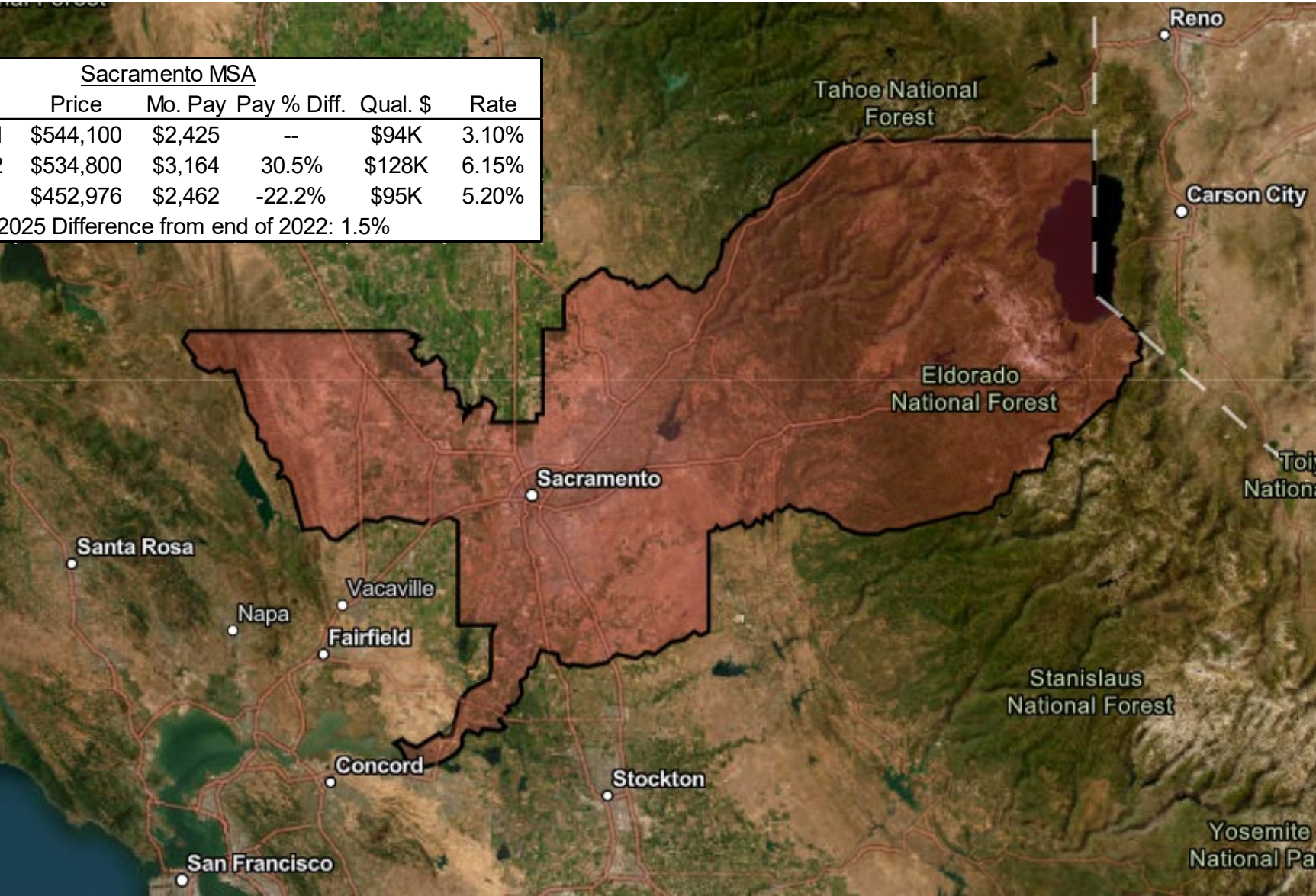
Sources: John Burns Real Estate Consulting, LLC MOS Estimate; TrendGraphix (Data as of December 2022, projections as of January 2023)

Figuring Things Out



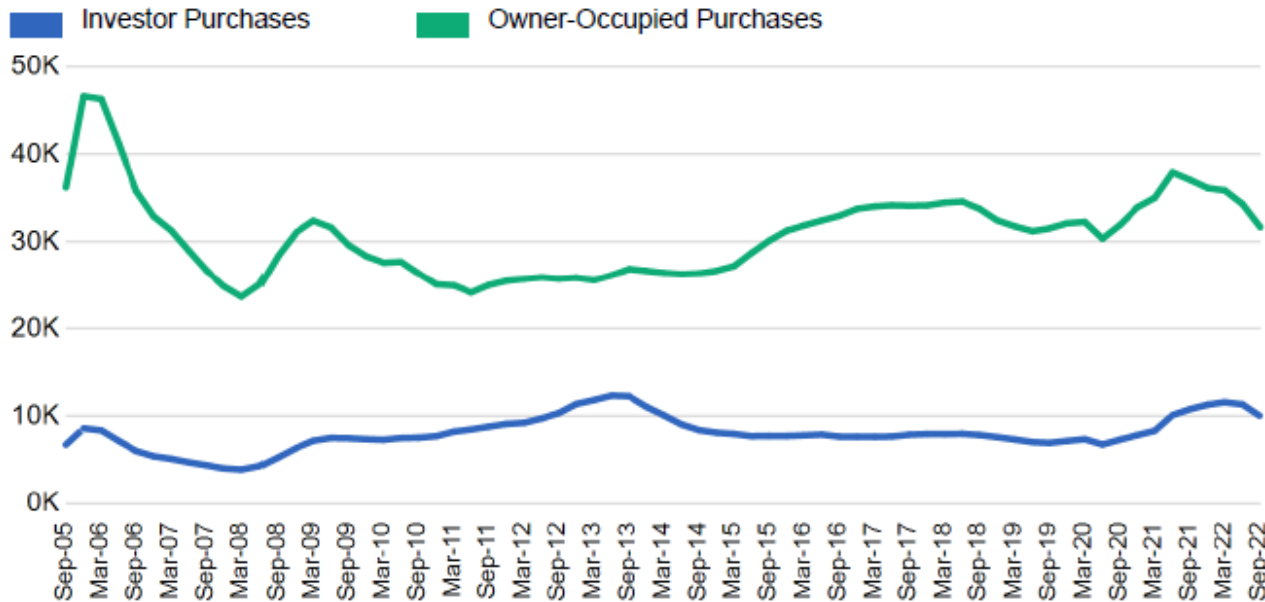
Sacramento MSA

Sacramento MSA					
Date	Price	Mo. Pay	Pay % Diff.	Qual. \$	Rate
Dec. 2021	\$544,100	\$2,425	--	\$94K	3.10%
Nov. 2022	\$534,800	\$3,164	30.5%	\$128K	6.15%
1/1/2025	\$452,976	\$2,462	-22.2%	\$95K	5.20%
Beginning 2025 Difference from end of 2022: 1.5%					



Jan. 2023: 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 than 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 an investor purchase 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.

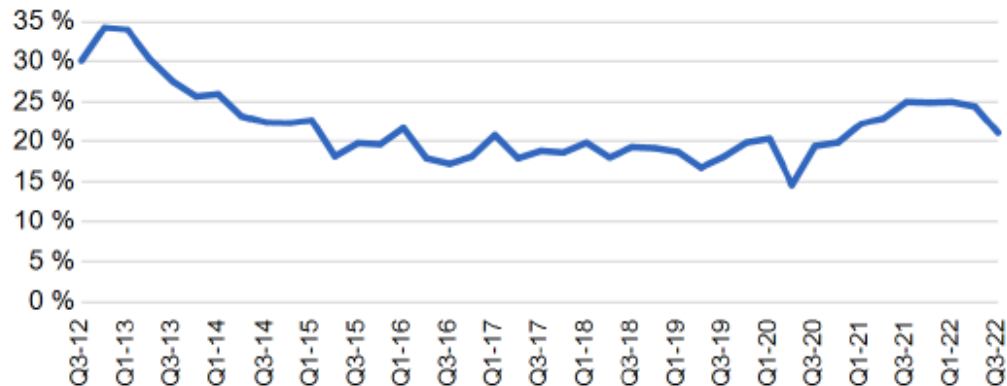
INVESTOR vs OWNER-OCCUPIED PURCHASES (TTM)



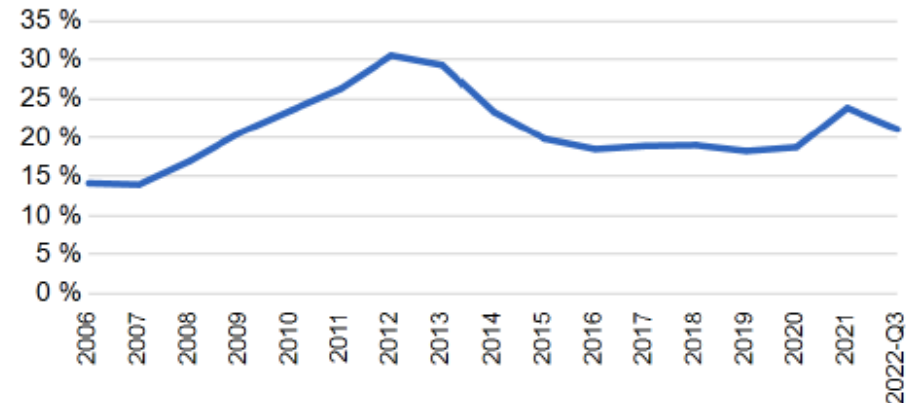
% OF INVESTOR PURCHASES

Quarterly Data		Annual Data	
Date	Value	Date	Value
2019-Q4	19.9%	2011	26.3%
2020-Q1	20.3%	2012	30.5%
2020-Q2	14.6%	2013	29.3%
2020-Q3	19.4%	2014	23.3%
2020-Q4	19.9%	2015	19.8%
2021-Q1	22.2%	2016	18.5%
2021-Q2	22.9%	2017	18.9%
2021-Q3	25.0%	2018	19.0%
2021-Q4	24.9%	2019	18.3%
2022-Q1	25.0%	2020	18.7%
2022-Q2	24.4%	2021	23.8%
2022-Q3	21.1%	2022-Q3	21.1%

QUARTERLY % OF INVESTOR PURCHASES TO TOTAL PURCHASES



ANNUAL % OF INVESTOR PURCHASES TO TOTAL PURCHASES

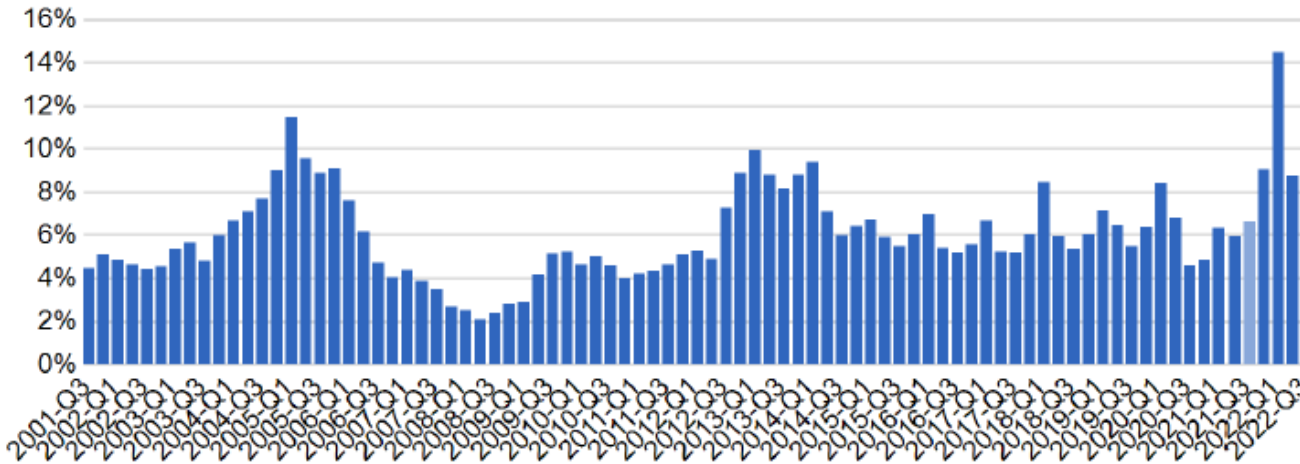


*A calculation of home sale closings with different zip codes for the property and the owner's mailing address for tax statements. Includes only sales where both the site and mail zip code are known. Includes new and existing homes.
Source: JBREC analysis of public records data for transactions and ownership

"Flipped" Home Transactions*

Sacramento, CA
January 2023

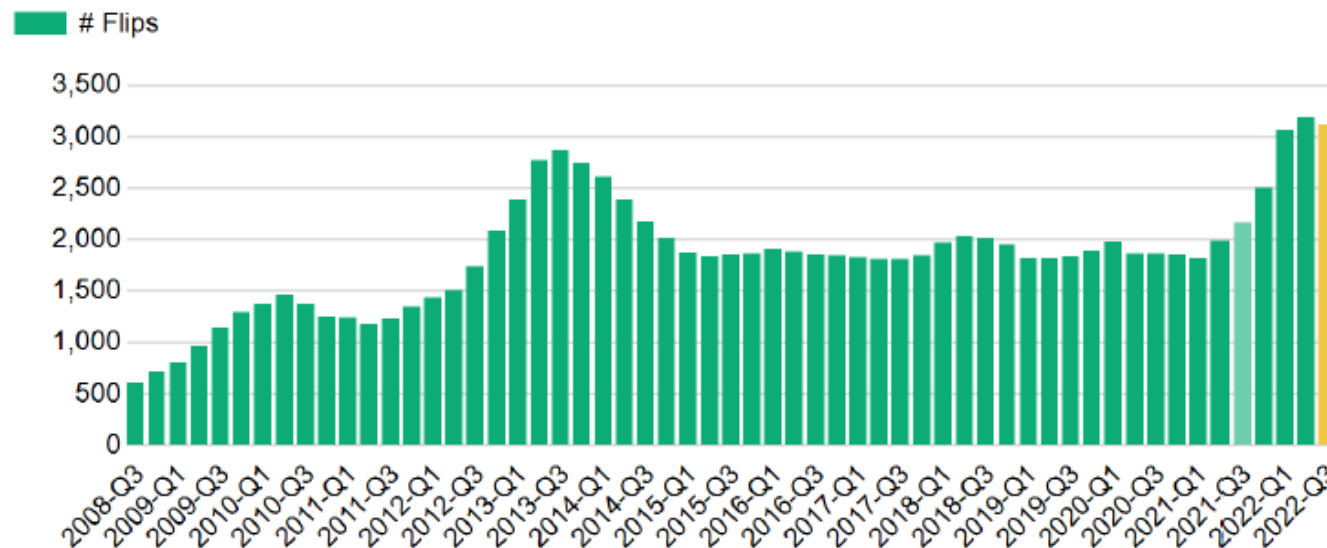
% of Home Flips to Total Sale Closings (Quarterly)



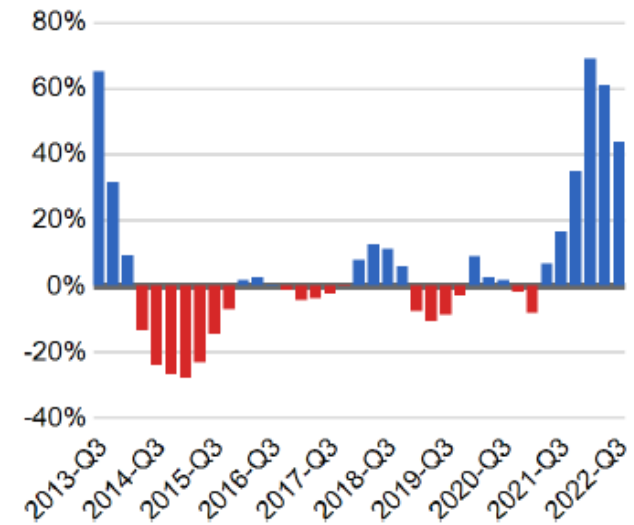
Flipped Transactions (12-Month Trailing)

Date	Flips	% of Sale Closings	YOY %
2020-Q2	1,861	6.6%	2.5%
2020-Q3	1,863	6.3%	1.6%
2020-Q4	1,855	5.8%	-1.7%
2021-Q1	1,811	5.5%	-8.4%
2021-Q2	1,985	5.4%	6.7%
2021-Q3	2,166	5.9%	16.3%
2021-Q4	2,501	6.9%	34.8%
2022-Q1	3,061	8.5%	69.0%
2022-Q2	3,189	9.4%	60.7%
2022-Q3	3,112	10.1%	43.7%

Flipped Home Transactions (Twelve Month Trailing Totals)



YOY Growth (Twelve Month Trailing)



*Includes existing detached single family home sale closings where the second sale was recorded within 12 months of the first sale ("Flipped"). Source: JBREC analysis of public records data for transactions and ownership.

Note: The non-disclosure (such as Texas) state counts seem high and may include non-arms length transactions parading as flipped homes.

Things we don't love: Demand

- Tech battered
- Meta, Amazon, Twitter
- Now Google too!
- Pop. / HH growth flat
- Immigration uncertain

High-profile layoffs at Amazon, Twitter and Meta are masking a silver lining — for now

As tech titans like Amazon, Twitter and Meta lay off thousands, there's more to the story in the job market — even in the technology world.

By [Andy Medici](#) — Senior Reporter, The Playbook,

Nov 15, 2022

Facebook parent company Meta Platforms Inc. (Nasdaq: META) [recently announced a wave of layoffs](#), while new Twitter Inc. (NYSE: TWTR) CEO [Elon Musk has reportedly cut the social media platform's staff in half](#).

Amazon.com Inc. (Nasdaq: AMZN) is [laying off 10,000 corporate and technology employees](#).

Despite the [attention-grabbing headlines of massive layoffs](#), tech job postings have increased in October and overall tech unemployment remains low, according to a new [Tech Jobs Report from industry nonprofit CompTIA](#).

Its analysis of the [Bureau of Labor Statistics latest jobs report](#) shows tech companies added [20,700 workers in October, the 23rd straight month of job growth](#) in that industry. Across 2022, the tech industry has increased overall employment by 193,900^{B2} in 2022, [28% higher than during the same time last year](#).

Things but don't love: Market

- Cancellations
- Incentives and price cuts
- No incentive magic bullet, but...
- All niches hit – higher payments and price downshifts
- Remodeling alternative
- Supply chain and cost woes remain



Things that might help:

- Price resets (painful)
- Elasticity
- Accept crypto and maybe SBF will buy?
- Supply still low – though so is demand
- Little distressed inventory
- I know this is going to sound weird but open a new community



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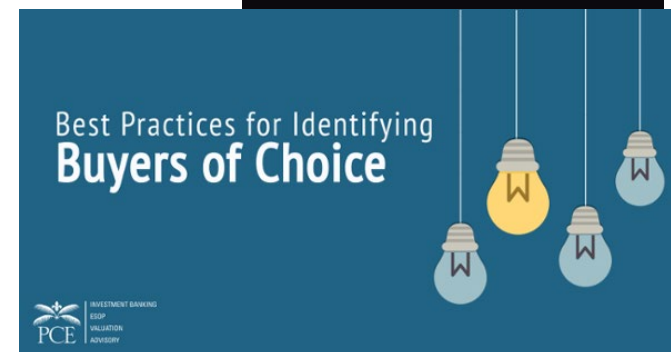
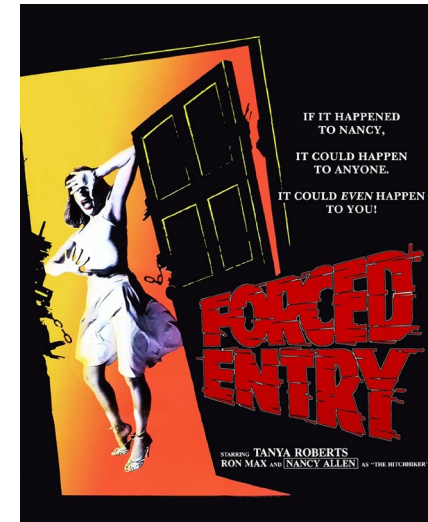
The locked-in:

- **Job insecurity**
- **Low mortgage rate**
- **Will greater affordability set them free?**



Price	Mo. Payment				
	at 3.1%	at 6.2%	at 5.2%	at 6.2%	at 5.2%
\$550,000	\$2,452	\$3,268	\$2,989	-\$137,000	-\$99,000
\$650,000	\$2,898	\$3,862	\$3,532	-\$162,000	-\$117,000
\$750,000	\$3,343	\$4,456	\$4,076	-\$187,000	-\$135,000

- **Focus on those who NEED to buy (though varying degrees of discretion)**
 - Relocations (within and without)
 - Back to office
 - New couples
 - New household formations
 - Growing families
 - Shrinking families
 - Aging households
 - Those in aging homes
 - New product / area
 - Renters testing the neighborhood
 - Cash buyers



Check us out on iTunes!

New Home Insights

PODCAST

presented by **JOHN BURNS**
REAL ESTATE CONSULTING