

Residential Round Up 2024

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

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Regional – Employment Fundamentals

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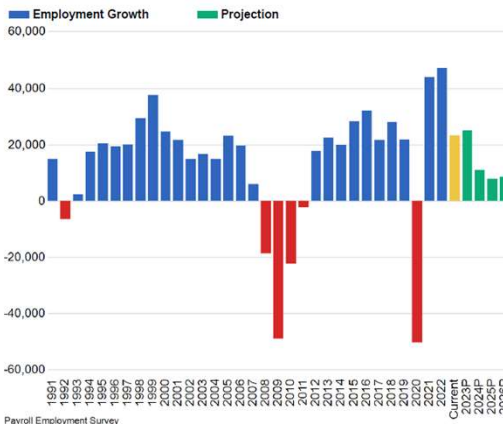
Residential Round Up 2024

Annual Job Growth and Forecast

Sacramento, CA
January 2024

C+	Current YOY Growth	YOY %	1-Yr. Ago %	Avg. Since 1991*	Peak* (1999) Growth
	23,300	2.2% ↑	3.2% ↑	2.1%	37,700

EMPLOYMENT GROWTH*



Current growth is a non-seasonally adjusted comparison between the current month and the same month a year ago. Annual and forecasted values are averages of the 12 months in the calendar year.

Date	Payroll Survey			Labor Force		
	Employment	YOY Chg	YOY %	Employment	YOY Chg	YOY %
2003	858,200	16,600	2.0%	926,200	15,400	1.7%
2004	873,200	15,000	1.8%	943,200	17,000	1.8%
2005	896,400	23,200	2.7%	962,900	19,700	2.1%
2006	916,000	19,600	2.2%	976,600	13,700	1.4%
2007	922,000	6,000	0.7%	982,900	6,300	0.6%
2008	903,400	-18,600	-2.0%	971,300	-11,600	-1.2%
2009	854,500	-48,900	-5.4%	937,000	-34,300	-3.5%
2010	832,300	-22,200	-2.6%	917,700	-19,300	-2.1%
2011	830,000	-2,300	-0.3%	918,000	300	0.0%
2012	847,900	17,900	2.2%	936,100	18,100	2.0%
2013	870,500	22,600	2.7%	951,300	15,200	1.6%
2014	890,500	20,000	2.3%	967,400	16,100	1.7%
2015	918,800	28,300	3.2%	990,900	23,500	2.4%
2016	951,000	32,200	3.5%	1,012,000	21,100	2.1%
2017	972,700	21,700	2.3%	1,024,700	12,700	1.3%
2018	1,000,800	28,100	2.9%	1,047,200	22,500	2.2%
2019	1,022,600	21,800	2.2%	1,061,100	13,900	1.3%
2020	972,300	-50,300	-4.9%	998,500	-62,600	-5.9%
2021	1,016,400	44,100	4.5%	1,036,700	38,200	3.8%
2022	1,063,700	47,300	4.7%	1,082,500	45,800	4.4%
2023P	1,088,700	25,000	2.4%			
2024P	1,099,600	10,900	1.0%			
2025P	1,107,500	7,900	0.7%			
2026P	1,116,000	8,500	0.8%			

* Historical average growth rate and peak value based on annual values. Peak as of prior cycle.

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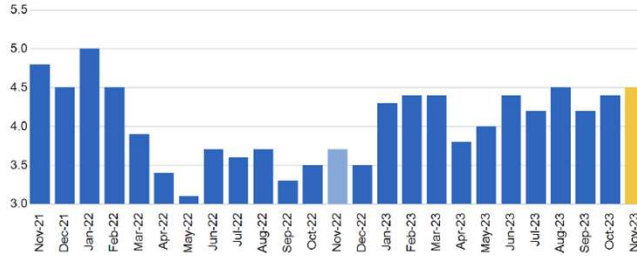
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Unemployment Rate

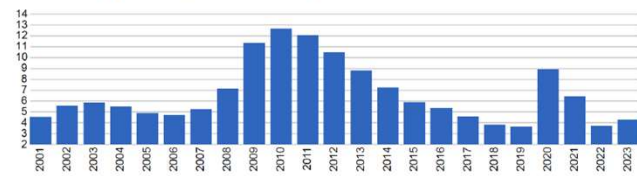
Sacramento, CA
January 2024

A+	Current	YOY Change	Avg. Since 1990*	Peak* (2020)
	4.5	0.8 ↑	6.5	14.6

MONTHLY UNEMPLOYMENT RATE



ANNUAL AVERAGE UNEMPLOYMENT RATE



* Historical average rate and peak based on monthly values.

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Unemployment Rate

Date	Rate	YOY Chg
Nov-21	4.8	-3.0
Dec-21	4.5	-3.3
Jan-22	5.0	-2.9
Feb-22	4.5	-3.2
Mar-22	3.9	-3.5
Apr-22	3.4	-3.7
May-22	3.1	-3.4
Jun-22	3.7	-3.5
Jul-22	3.6	-3.2
Aug-22	3.7	-2.7
Sep-22	3.3	-2.2
Oct-22	3.5	-1.8
Nov-22	3.7	-1.1
Dec-22	3.5	-1.0
Jan-23	4.3	-0.7
Feb-23	4.4	-0.1
Mar-23	4.4	0.5
Apr-23	3.8	0.4
May-23	4.0	0.9
Jun-23	4.4	0.7
Jul-23	4.2	0.6
Aug-23	4.5	0.8
Sep-23	4.2	0.9
Oct-23	4.4	0.9
Nov-23	4.5	0.8

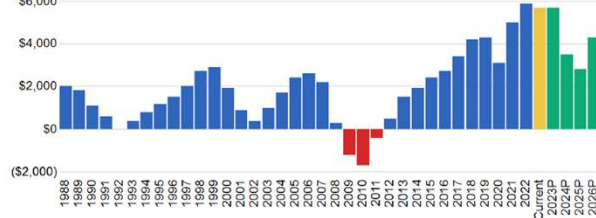


Income Growth

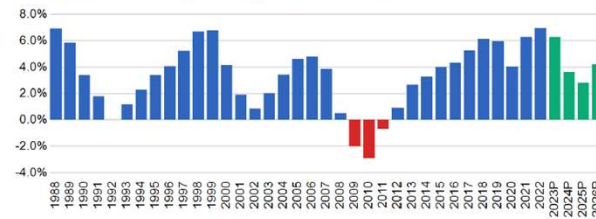
Sacramento, CA
January 2024

B	YOY %	1-Yr. Ago %	Avg. Since 1981*	Peak* (1984)
	6.3%	6.9%	3.9%	8.4%

MEDIAN HOUSEHOLD INCOME ANNUAL GROWTH



MEDIAN HOUSEHOLD INCOME ANNUAL GROWTH RATE



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

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Median Household Income

Income	YOY Growth	YOY % Growth	
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	\$76,900	\$4,300	5.9%
2020	\$80,000	\$3,100	4.0%
2021	\$85,000	\$5,000	6.3%
2022	\$90,900	\$5,900	6.9%
Current	\$96,600	\$5,700	6.3%
2023P	\$96,600	\$5,700	6.3%
2024P	\$100,100	\$3,500	3.6%
2025P	\$102,900	\$2,800	2.8%
2026P	\$107,200	\$4,300	4.2%

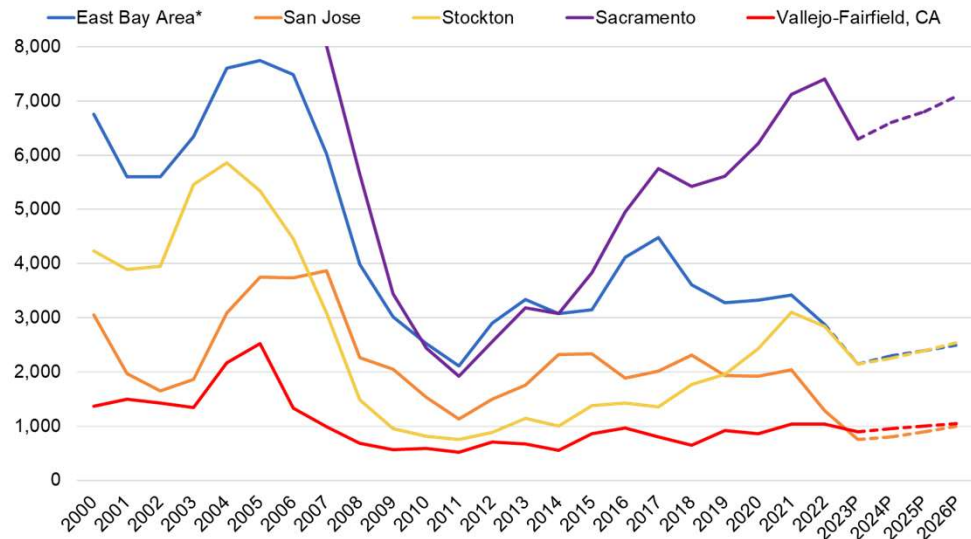
* Historical average growth rate based on annual averages.





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New Home Sales by MSA



Sac MSA New Home Sales

2017	5,749	16.1%
2018	5,423	-5.7%
2019	5,612	3.5%
2020	6,208	10.6%
2021	7,121	14.7%
2022	7,402	3.9%
2023P	6,300	-14.9%
2024P	6,600	4.8%
2025P	6,800	3.0%
2026P	7,100	4.4%

*Metro division, ** Combination of metro divisions

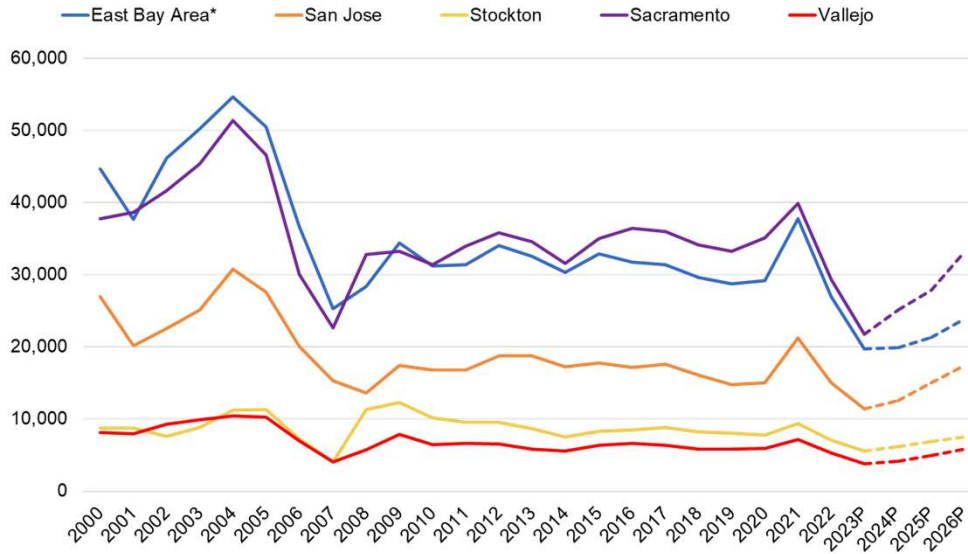
1) BHVI. Peak values from 2000–2008

Sources: Corelogic; John Burns Research and Consulting, LLC for forecasts (Data: Dec-23, Pub: Jan-24)

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Existing Home Sales by MSA



Sac MSA Existing Home Sales

2017	35,954	-1.4%
2018	34,150	-5.0%
2019	33,257	-2.6%
2020	35,127	5.6%
2021	39,842	13.4%
2022	29,319	-26.4%
2023P	21,800	-25.6%
2024P	25,100	15.1%
2025P	27,900	11.2%
2026P	33,200	19.0%

*Metro division, ** Combination of metro divisions

1) BHVI. Peak values from 2000-2008

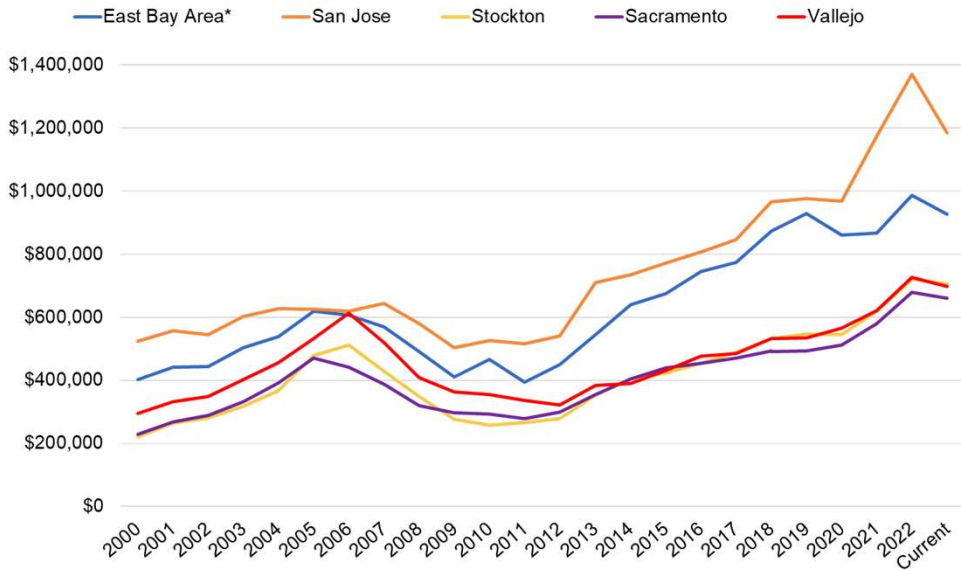
Sources: Corelogic; John Burns Research and Consulting, LLC for forecasts (Data: Dec-23, Pub: Jan-24)

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New Home Median Price by MSA



Sacramento MSA New Home Price Change

2015	\$439,400	8.6%
2016	\$454,500	3.4%
2017	\$471,000	3.6%
2018	\$493,600	4.8%
2019	\$493,700	0.0%
2020	\$511,000	3.5%
2021	\$580,400	13.6%
2022	\$679,400	17.1%
Current	\$659,900	-2.9%

Nov-22	\$644,500	1.5%
Dec-22	\$676,900	6.8%
Jan-23	\$618,600	-4.7%
Feb-23	\$606,600	-8.8%
Mar-23	\$622,300	-7.1%
Apr-23	\$613,100	-9.7%
May-23	\$630,900	-7.0%
Jun-23	\$660,200	-3.4%
Jul-23	\$640,600	-8.2%
Aug-23	\$655,200	-6.9%
Sep-23	\$639,300	-7.7%
Oct-23	\$667,400	-5.3%
Nov-23	\$659,900	2.4%

*Metro division, ** Combination of metro divisions

1) BHVI. Peak values from 2000-2008

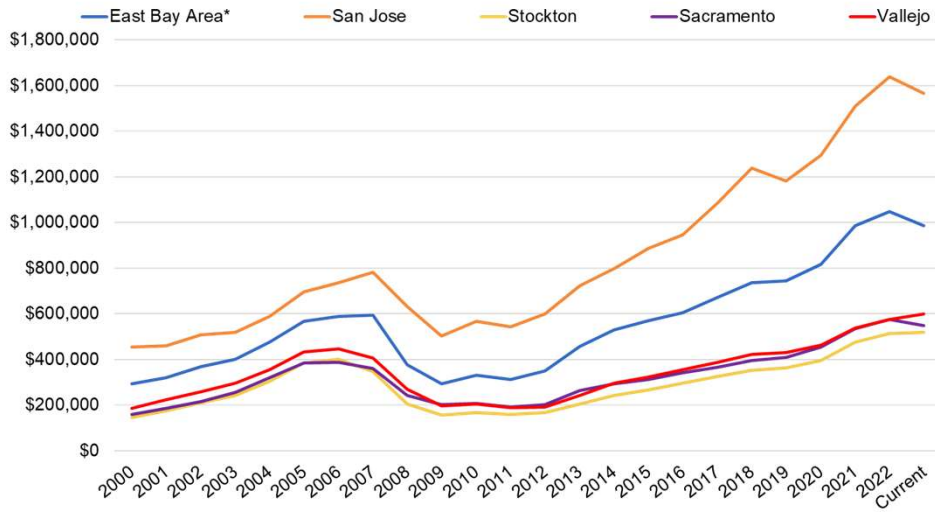
Sources: Corelogic; John Burns Research and Consulting, LLC for forecasts (Data: Dec-23, Pub: Jan-24)

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Existing Home Median Price by MSA



Sacramento MSA Existing Home Price Change		
2015	\$313,500	6.3%
2016	\$340,700	8.7%
2017	\$367,200	7.8%
2018	\$394,800	7.5%
2019	\$408,300	3.4%
2020	\$455,300	11.5%
2021	\$535,200	17.5%
2022	\$574,400	7.3%
Current	\$549,400	-4.4%

Nov-22	\$536,500	-3.0%
Dec-22	\$507,400	-6.9%
Jan-23	\$518,000	-5.4%
Feb-23	\$525,900	-7.0%
Mar-23	\$533,900	-10.0%
Apr-23	\$553,500	-7.4%
May-23	\$568,300	-8.5%
Jun-23	\$577,100	-4.0%
Jul-23	\$575,200	-1.6%
Aug-23	\$562,800	0.0%
Sep-23	\$578,400	5.0%
Oct-23	\$568,400	2.7%
Nov-23	\$549,400	2.4%

*Metro division, ** Combination of metro divisions

1) BHVI. Peak values from 2000-2008

Sources: Corelogic; John Burns Research and Consulting, LLC for forecasts (Data: Dec-23, Pub: Jan-24)

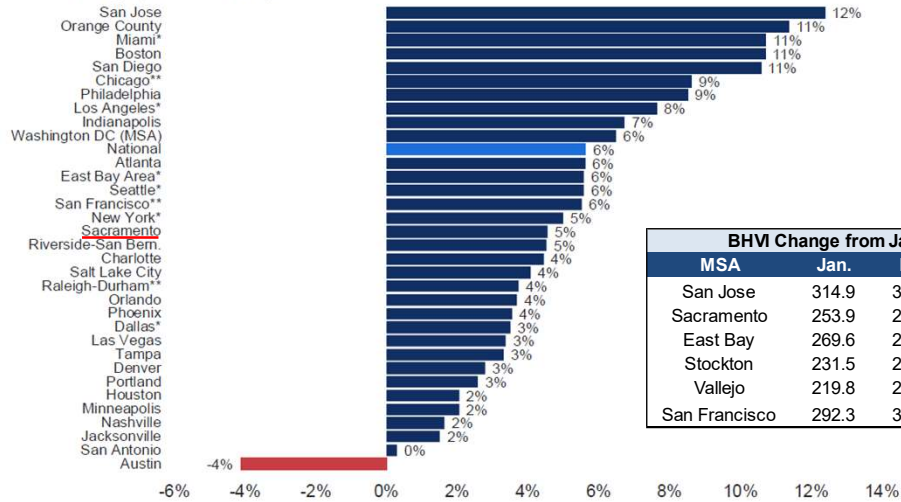
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Price Change in All Top Markets: BHVI

YOY % Change (November 2023)



BHVI Change from Jan. 2023			
MSA	Jan.	Dec.	% Diff.
San Jose	314.9	348.32	10.6%
Sacramento	253.9	268.77	5.9%
East Bay	269.6	283.74	5.2%
Stockton	231.5	243.36	5.1%
Vallejo	219.8	228.66	4.0%
San Francisco	292.3	301.68	3.2%

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

Source: John Burns Research and Consulting, LLC (Data: Nov-23, Pub: Dec-23)



Burns Affordability Index

Sacramento, CA
January 2024

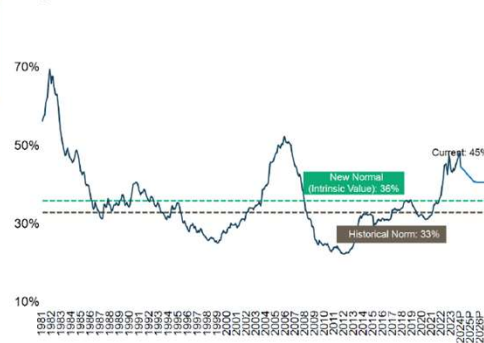
Our Burns Affordability Index shows that the Housing Cost to Income Ratio for Sacramento is currently 45%, which is **Expensive** compared to other US markets. However, the current value is higher than Sacramento's intrinsic value of 36%, which we believe is the correct future ratio to use and is 3% 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)

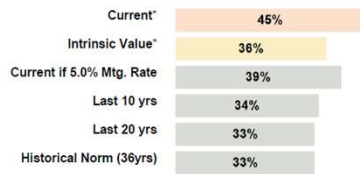
Burns Affordability Index
Housing Cost to Income Ratio



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.

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Total Listings – National

Total listings are down 14% YOY on average across top markets. The Northern California markets of Sacramento, San Jose, and the East Bay Area are all below the average.

Inventory (Total Listings)

YOY% change



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 Research and Consulting, LLC (Data: Week ending 12/03/2023, Pub: Dec-23)

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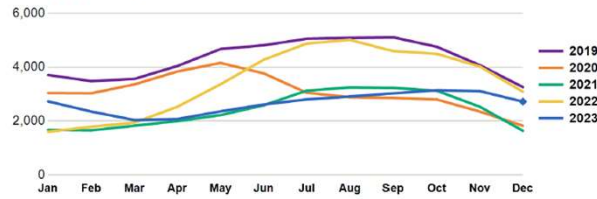
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Listings - Resale

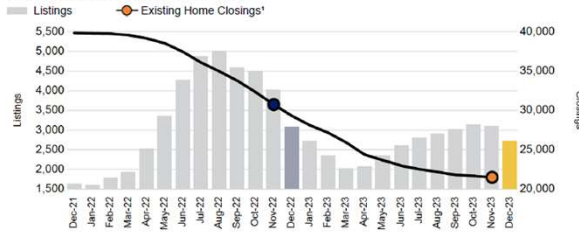
Sacramento, CA
January 2024

n/a	Current	YOY %	1-Yr. Ago %	Avg. Since 2004*	Peak (2007)
	2,718	-11.8%	88.6%	6,092	16,351

TOTAL LISTINGS BY MONTH



Existing Home Listings / Closings



* Existing home closings data typically lags a month behind the listing data.
* Historical average and peak are based on monthly values.

Date	Listings	YOY Growth %	Est. Mos. of Supply	TTM Existing Home Sale Closings
Nov-21	2,527	7.6%	0.8	40,221
Dec-21	1,635	-10.2%	0.5	39,842
Jan-22	1,600	-4.1%	0.5	39,793
Feb-22	1,786	8.2%	0.5	39,757
Mar-22	1,936	6.2%	0.6	39,569
Apr-22	2,528	26.7%	0.8	39,151
May-22	3,361	51.6%	1.0	38,531
Jun-22	4,270	65.4%	1.4	37,436
Jul-22	4,871	55.9%	1.6	36,079
Aug-22	5,010	54.5%	1.7	34,965
Sep-22	4,590	42.3%	1.6	33,772
Oct-22	4,491	43.9%	1.7	32,328
Nov-22	4,018	59.0%	1.6	30,752
Dec-22	3,083	88.6%	1.3	29,319
Jan-23	2,724	70.3%	1.2	28,109
Feb-23	2,348	31.5%	1.0	27,175
Mar-23	2,034	5.1%	0.9	25,926
Apr-23	2,072	-18.0%	1.0	24,411
May-23	2,355	-29.9%	1.2	23,683
Jun-23	2,610	-38.9%	1.4	22,972
Jul-23	2,799	-42.5%	1.5	22,533
Aug-23	2,905	-42.0%	1.6	22,181
Sep-23	3,024	-34.1%	1.7	21,807
Oct-23	3,142	-30.0%	1.7	21,680
Nov-23	3,106	-22.7%	1.7	21,504
Dec-23	2,718	-11.8%	1.5	n/a

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Months of Supply – Sacramento MSA

Resale Listings

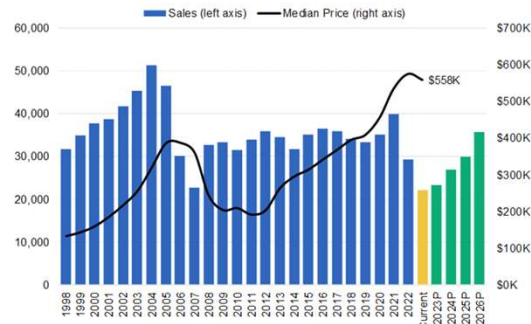
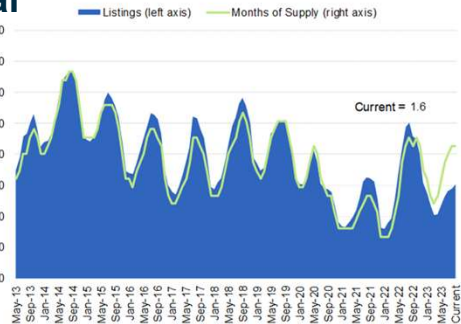
Months of Supply

Current	Year-Ago	Current	Year-Ago
3,024	4,590	1.6	1.6

Resale Volume & Price

2023P	2024P	2025P	2026P
23,300	26,900	29,900	35,600
-20.5%	15.5%	11.2%	19.1%

What is the new normal MOS?



Sources: John Burns Research and Consulting, LLC MOS Estimate; TrendGraphix (Data as of September 2023, projections as of October 2023)

Sources: Public Records, John Burns Research and Consulting, LLC (Data as of August 2023, projections as of October 2023)

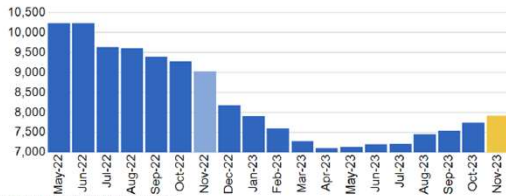
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Single-Family Permits

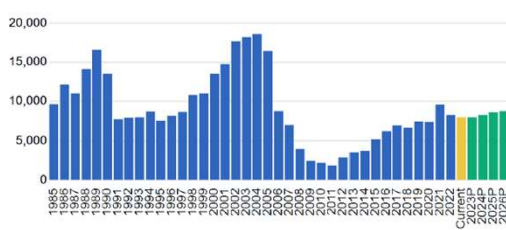
B	Current	YOY %	1-Yr. Ago %	Avg. Since 1980*	Peak* (2004)
	7,914	-12.3%	-6.6%	8,921	18,523

MONTHLY 12-MONTH ROLLING SINGLE-FAMILY PERMITS



Source: CIRB, 2023 on JBREC estimates.

SINGLE-FAMILY PERMITS (12 Months)



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

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Sacramento, CA January 2024

Monthly Data - TTM

Date	Units	YOY %
Nov-21	9,661	37.3%
Dec-21	9,552	30.3%
Jan-22	10,187	39.9%
Feb-22	10,385	36.7%
Mar-22	10,423	30.7%
Apr-22	10,361	21.5%
May-22	10,227	11.3%
Jun-22	10,234	6.2%
Jul-22	9,628	0.0%
Aug-22	9,599	-1.7%
Sep-22	9,393	-2.1%
Oct-22	9,276	-2.8%
Nov-22	9,021	-6.6%
Dec-22	8,170	-14.5%
Jan-23	7,895	-22.5%
Feb-23	7,600	-26.8%
Mar-23	7,272	-30.2%
Apr-23	7,095	-31.5%
May-23	7,126	-30.3%
Jun-23	7,190	-29.7%
Jul-23	7,207	-25.1%
Aug-23	7,446	-22.4%
Sep-23	7,526	-19.9%
Oct-23	7,736	-16.6%
Nov-23	7,914	-12.3%

Annual Data

Date	Units	YOY %
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	2,948	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%
2022	8,170	-14.5%
2023P	7,900	-3.3%
2024P	8,200	3.8%
2025P	8,500	3.7%
2026P	8,700	2.4%

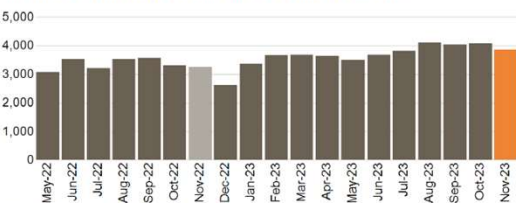
* Historical average and peak based on annual values.



Multifamily Permits

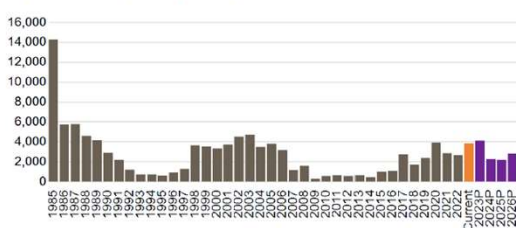
B-	Current	YOY %	1-Yr. Ago %	Avg. Since 1980*	Peak* (1985)
	3,851	18.6%	10.8%	2,737	14,253

MONTHLY 12-MONTH ROLLING MULTIFAMILY PERMITS



Source: CIRB, 2023 on JBREC estimates.

MULTIFAMILY PERMITS (12 Months)



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

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Sacramento, CA January 2024

Monthly Data - TTM

Date	Units	YOY %
Nov-21	2,931	-19.3%
Dec-21	2,870	-26.7%
Jan-22	2,969	-21.4%
Feb-22	3,079	-5.8%
Mar-22	3,247	0.9%
Apr-22	3,222	-12.7%
May-22	3,075	1.4%
Jun-22	3,531	30.9%
Jul-22	3,215	22.6%
Aug-22	3,522	30.0%
Sep-22	3,572	33.0%
Oct-22	3,305	13.3%
Nov-22	3,247	10.8%
Dec-22	2,630	-8.4%
Jan-23	3,362	13.2%
Feb-23	3,675	19.4%
Mar-23	3,685	13.5%
Apr-23	3,638	12.9%
May-23	3,502	13.9%
Jun-23	3,690	4.2%
Jul-23	3,825	19.0%
Aug-23	4,106	16.6%
Sep-23	4,035	13.0%
Oct-23	4,068	23.1%
Nov-23	3,851	18.6%

Annual Data

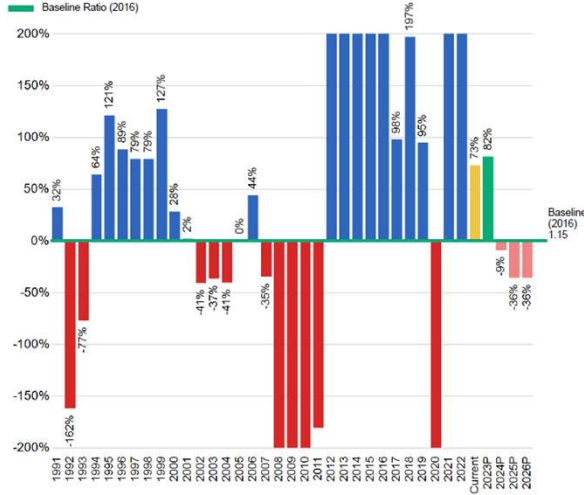
Date	Units	YOY %
1999	3,511	-2.6%
2000	3,325	-5.3%
2001	3,715	11.7%
2002	4,485	20.7%
2003	4,667	4.1%
2004	3,476	-25.5%
2005	3,802	9.4%
2006	3,163	-16.8%
2007	1,126	-64.4%
2008	1,559	38.5%
2009	295	-81.1%
2010	536	81.7%
2011	618	15.3%
2012	560	-9.4%
2013	650	16.1%
2014	465	-28.5%
2015	1,009	117.0%
2016	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%
2022	2,630	-8.4%
2023P	4,100	55.9%
2024P	2,250	-45.1%
2025P	2,200	-2.2%
2026P	2,800	27.3%

* Historical average and peak based on annual values.



Excess Demand / Supply

Current employment growth / total building permits (e/p) ratio of 1.98 is **73% above** the 1.15 baseline 2016 ratio for the total employment to total household ratio. A positive percentage means current demand for more housing units exceeds current supply.



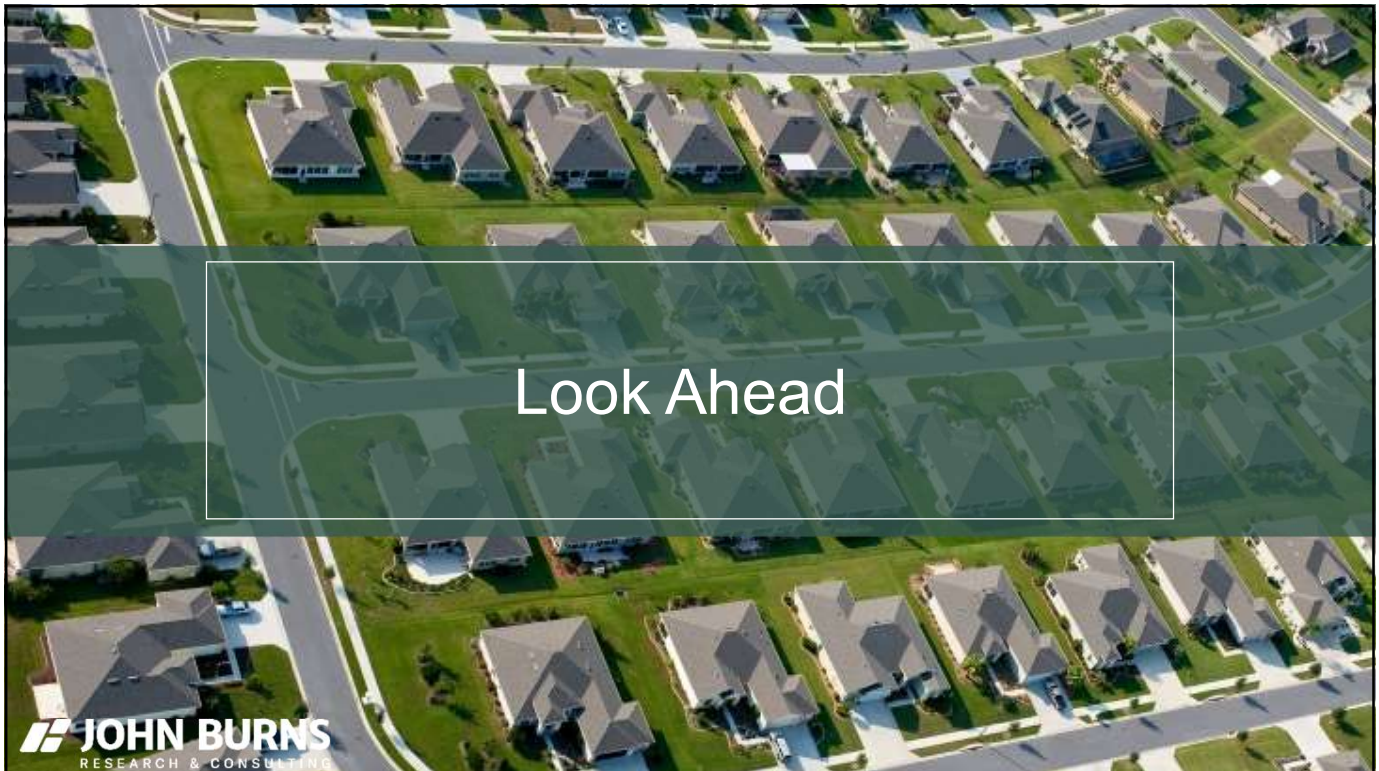
Note: Chart scale cropped at 200% / -200% to better illustrate the variations between years

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Sacramento, CA January 2024

Year	Payroll Employment Growth	Total Building Permits	Emp / Permits Ratio (E/P)	Excess Demand / (Supply)
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	21,800	9,761	2.23	95%
2020	(50,300)	11,246	(4.47)	-490%
2021	44,100	12,422	3.55	210%
2022	47,300	10,800	4.38	282%
Current	23,300	11,765	1.98	73%
2023P	25,000	12,000	2.08	82%
2024P	10,900	10,450	1.04	-9%
2025P	7,900	10,700	0.74	-36%
2026P	8,500	11,500	0.74	-36%

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.

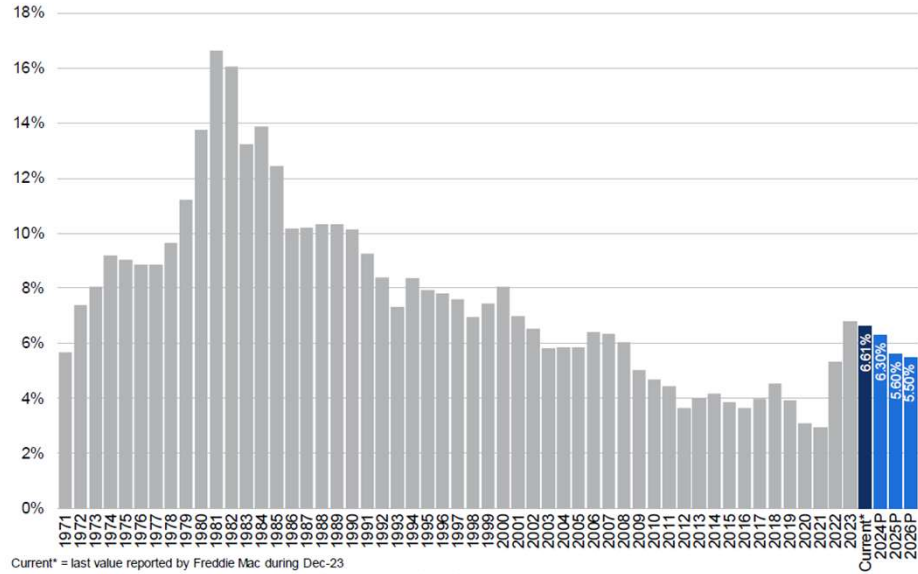


Residential Round Up 2024

Mortgage Rates

The bond market expects mortgage rates will average 6.3% in 2024.

Annual Average 30-Year Fixed Mortgage Rates



Current* = last value reported by Freddie Mac during Dec-23
Sources: Freddie Mac; John Burns Research and Consulting, LLC forecasts (Data: Dec-23, Pub: Jan-24)

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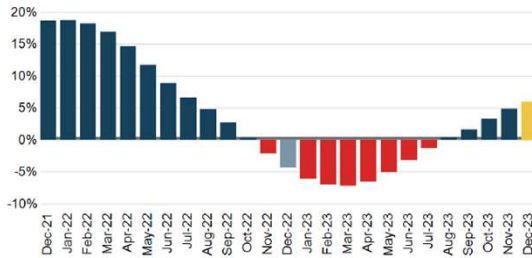


Residential Round Up 2024

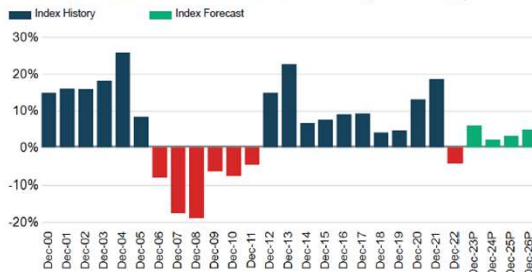
Burns Home Value Index - BHVI

Sacramento, CA
January 2024

Burns Home Value Index™ YOY Growth %



Burns Home Value Index™ December Growth % (2000 to 2026)



Source: John Burns Research and Consulting, LLC (Data: Dec 23, Pub: Jan 24)

AVG. SINCE 1982*
5%

NOW
6%

Monthly Data			Year End Values		
Date	Value	YOY %	Date	Value	YOY %
Feb-22	273.4	18.3%	Dec-05	185.0	8.4%
Mar-22	275.8	16.9%	Dec-06	170.0	-8.1%
Apr-22	275.9	14.7%	Dec-07	140.0	-17.6%
May-22	273.5	11.7%	Dec-08	113.6	-18.9%
Jun-22	269.8	8.9%	Dec-09	106.3	-6.4%
Jul-22	266.2	6.7%	Dec-10	98.1	-7.7%
Aug-22	263.3	4.8%	Dec-11	93.5	-4.7%
Sep-22	260.6	2.8%	Dec-12	107.5	14.9%
Oct-22	257.7	0.4%	Dec-13	132.0	22.8%
Nov-22	255.2	-2.1%	Dec-14	140.9	6.8%
Dec-22	253.6	-4.3%	Dec-15	151.7	7.6%
Jan-23	253.1	-6.1%	Dec-16	165.4	9.0%
Feb-23	254.3	-7.0%	Dec-17	180.7	9.3%
Mar-23	256.1	-7.1%	Dec-18	188.2	4.1%
Apr-23	258.0	-6.5%	Dec-19	197.2	4.8%
May-23	259.6	-5.1%	Dec-20	223.2	13.2%
Jun-23	261.4	-3.1%	Dec-21	264.9	18.7%
Jul-23	262.9	-1.2%	Dec-22	253.6	-4.3%
Aug-23	264.5	0.4%	Dec-23P	268.8	6.0%
Sep-23	265.1	1.7%	Dec-24P	274.7	2.2%
Oct-23	266.3	3.3%	Dec-25P	283.5	3.2%
Nov-23	267.5	4.9%	Dec-26P	297.1	4.8%
Dec-23	268.8	6.0%			

BHVI indexed to 100 in January 2002

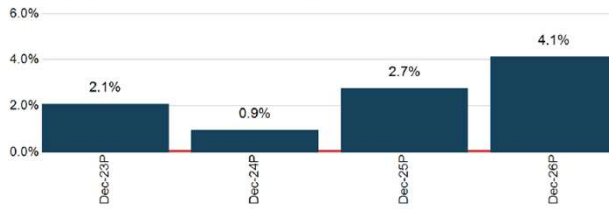
* Historical average growth rate based on annual averages.



New Home Price Change Forecast

Sacramento, CA
January 2024

NEW HOME PRICE CHANGE FORECAST (YOY)*



Year End Values

Date	YOY %
Dec-23P	2.1%
Dec-24P	0.9%
Dec-25P	2.7%
Dec-26P	4.1%

* Our new home price change forecast is a "net of incentives" price forecast. Historical new home prices are closing prices that include upgrades, etc. As a side note, our forecasted price change for new home projects depends heavily on local submarket conditions.

YEAR-OVER-YEAR PAYMENT CHANGE

Based on New Home Price Change Forecasts **

Change Attributed to Price Change Attributed to Interest Rate Total Change



Change % Attributed to:

Year	Price	Interest Rate	Total Change
Dec-23P	2.1%	4.8%	6.8%
Dec-24P	0.9%	-5.1%	-4.2%
Dec-25P	2.7%	-7.5%	-4.7%
Dec-26P	4.1%	-1.1%	3.0%

** Principal and interest payment only, based on JBREC net of incentive new home change rates and forecasted annual average mortgage rates.

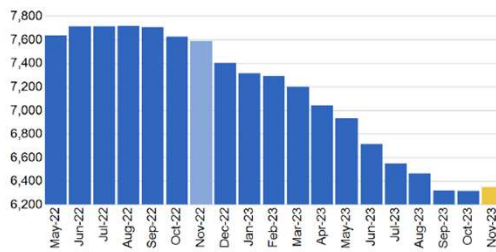
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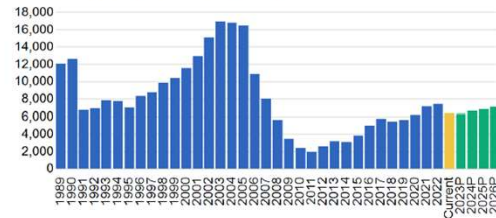
New Home Sales Closings Volume

Sacramento, CA
January 2024

MONTHLY 12-MONTH ROLLING NEW HOME SALE CLOSINGS



ANNUAL NEW HOME SALE CLOSINGS



Monthly Data - TTM

Date	Sales	YOY %	Date	Sales	YOY %
Nov-21	6,928	12.0%	2003	16,907	12.3%
Dec-21	7,121	14.7%	2004	16,785	-0.7%
Jan-22	7,251	17.0%	2005	16,436	-2.1%
Feb-22	7,268	15.6%	2006	10,863	-33.9%
Mar-22	7,443	16.4%	2007	8,012	-26.2%
Apr-22	7,516	14.9%	2008	5,652	-29.5%
May-22	7,634	15.1%	2009	3,449	-39.0%
Jun-22	7,714	15.7%	2010	2,436	-29.4%
Jul-22	7,713	15.4%	2011	1,927	-20.9%
Aug-22	7,718	14.8%	2012	2,557	32.7%
Sep-22	7,707	13.7%	2013	3,184	24.5%
Oct-22	7,626	10.9%	2014	3,083	-3.2%
Nov-22	7,590	9.6%	2015	3,835	24.4%
Dec-22	7,402	3.9%	2016	4,951	29.1%
Jan-23	7,315	0.9%	2017	5,749	16.1%
Feb-23	7,294	0.4%	2018	5,423	-5.7%
Mar-23	7,202	-3.2%	2019	5,612	3.5%
Apr-23	7,042	-6.3%	2020	6,208	10.6%
May-23	6,936	-9.1%	2021	7,121	14.7%
Jun-23	6,716	-12.9%	2022	7,402	3.9%
Jul-23	6,551	-15.1%	2023P	6,300	-14.9%
Aug-23	6,465	-16.2%	2024P	6,600	4.8%
Sep-23	6,319	-18.0%	2025P	6,800	3.0%
Oct-23	6,314	-17.2%	2026P	7,100	4.4%
Nov-23	6,350	-16.3%			

* Source: JBREC Analysis of Public Records

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.

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Quick Recap

- Economy solid, expected to slow but not tank
- Regional new home volumes solid, pricing resilient (but strain)
- Existing home sales and listings way down (but listings moving up)
- Rental market slowed with heightened inventory, SFR typically steady
- Submarkets shift but maintain approximate norms
- Flattish to modestly higher pricing going forward
- New home volumes holding serve, resale volume will need some time

Residential Round Up 2024

New homes have an answer

New home sales soared last month as buyers swarmed the market before mortgage rates could rise even more



LENNAR
Las Vegas

3.375% (5.647% APR) Rate in Year 1!
throughout the Las Vegas Valley

Take Advantage of Lennar Mortgage's 2/1 Buydown Program

3.375%	4.375%	5.375%
<small>In Year 1</small>	<small>In Year 2</small>	<small>For the balance of the term*</small>

WOW & NOW

NEW HOME SALES EVENT

Rates As Low As 4.99% (5.01% APR)¹
No Mello-Roos for TWO YEARS²
No Cost Refinance for THREE YEARS³

It's here. Exactly what you've been waiting for. A sign that NOW is your time to buy a new Alameda Marina home. We've done all the legwork to bring you new High-Performance Homes at Island View and Waterside at Alameda Marina with great pricing and the best financing around.⁴

For a limited time only.

THE DETAILS

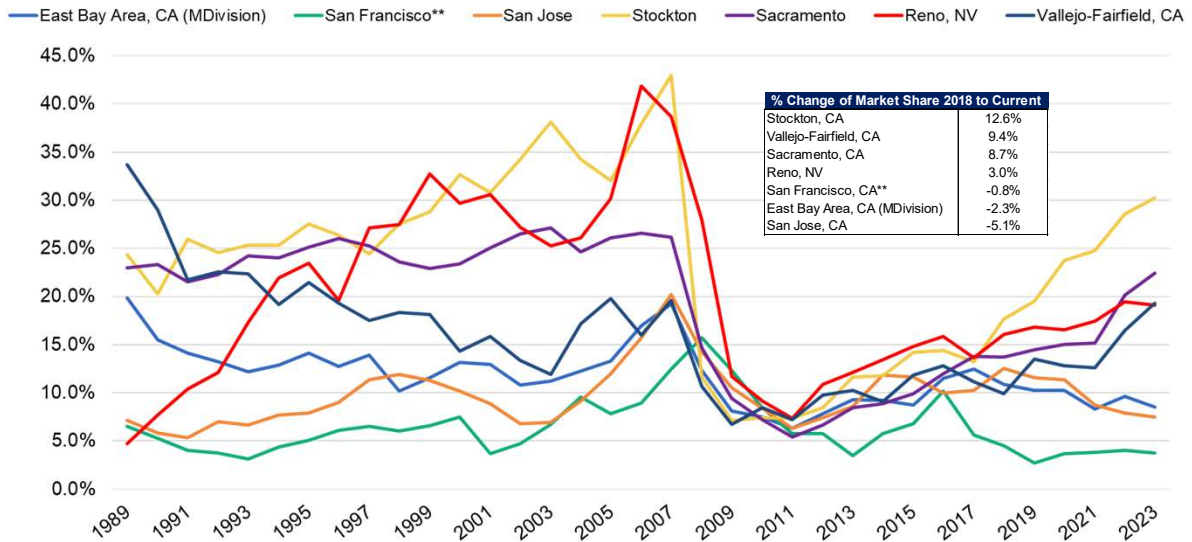
- 🏠 Find your new home and call us today!
- 🔄 Get pre-approved with Lendusa Mortgage powered by NPH Lending
- % Secure a rate as low as 4.99% (5.01% APR)¹
- 💰 No Mello-Roos² and no cost refinance³

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Residential Round Up 2024

New Home Market Share



*Metro division, ** Combination of metro divisions

1) BHVI. Peak values from 2000-2008

Sources: Corelogic; John Burns Research and Consulting, LLC for forecasts (Data: Aug-23, Pub: Oct-23)

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Where are we going? – The Likeliest Scenario

- The economy remains decent but slows 2024 into 2025
- Mortgage rates stay comparatively high, but not double digits so no repeat of the 1980s
- Prices are flattish near-term (maybe even slightly negative during the worst of the economic slowdown) then modestly rise
- Resale supply and sales volumes gradually return (already happening)
- New home market share shrinks, but only gradually
- Sales solid, but builders still subsidize price
- Limited resale supply and decent demand means opportunity – for those who have homes to sell and money to incentivize
- So keep your foot on the pedal, but your expectations tempered

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