

# The State of the For-Sale Housing Market

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# Executive Summary

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- **After 2 years of red-hot growth, unaffordability has reached a crisis point**
  - **Buyers are getting discouraged**
  - **Low demand => Falling sales volume**
  - **Fewer sales => Rising inventory, longer time on market**
  - **Languishing inventory => Prices declining or plateauing**
- **Market might be approaching a standoff: sellers asking more than buyers are bidding**

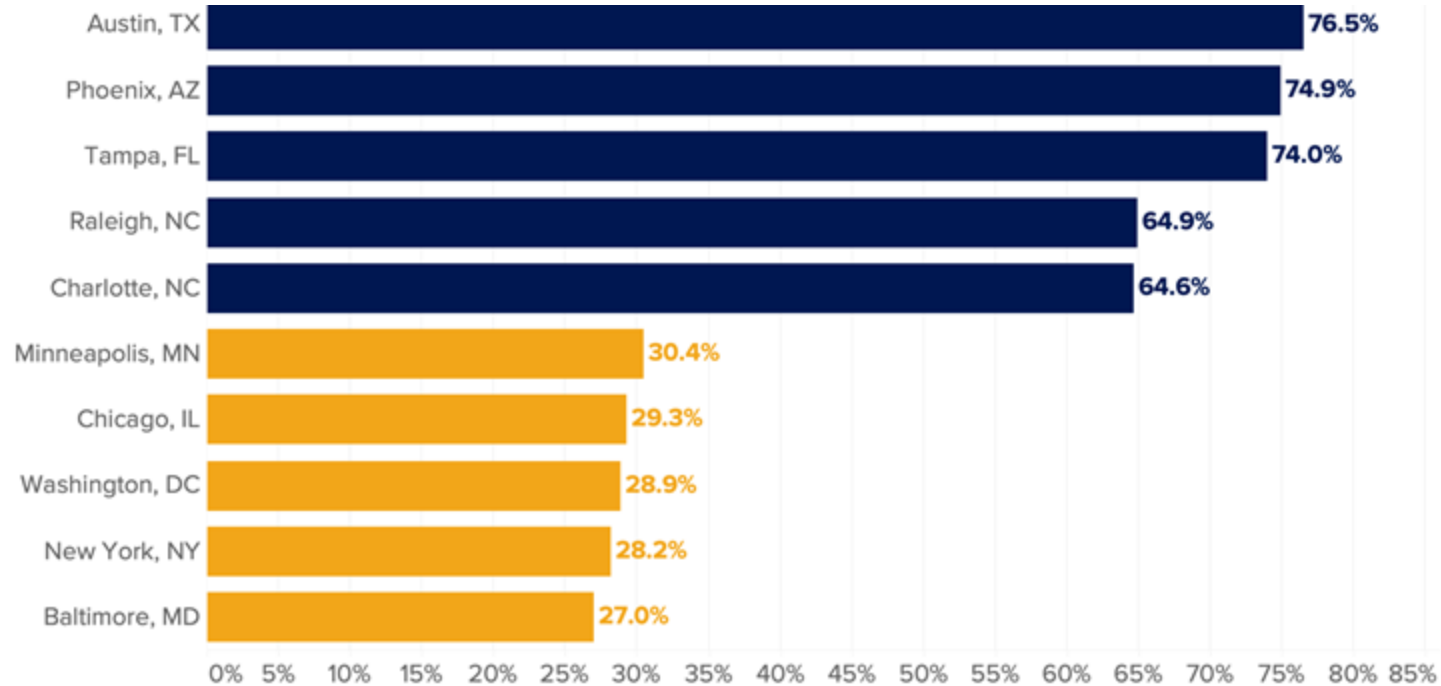
# Homeownership now costs 60% more than last year

## Monthly Mortgage Payments and Year-Over-Year Growth (assumes 20% down)



# Nationally, prices are up 45% from July 2019

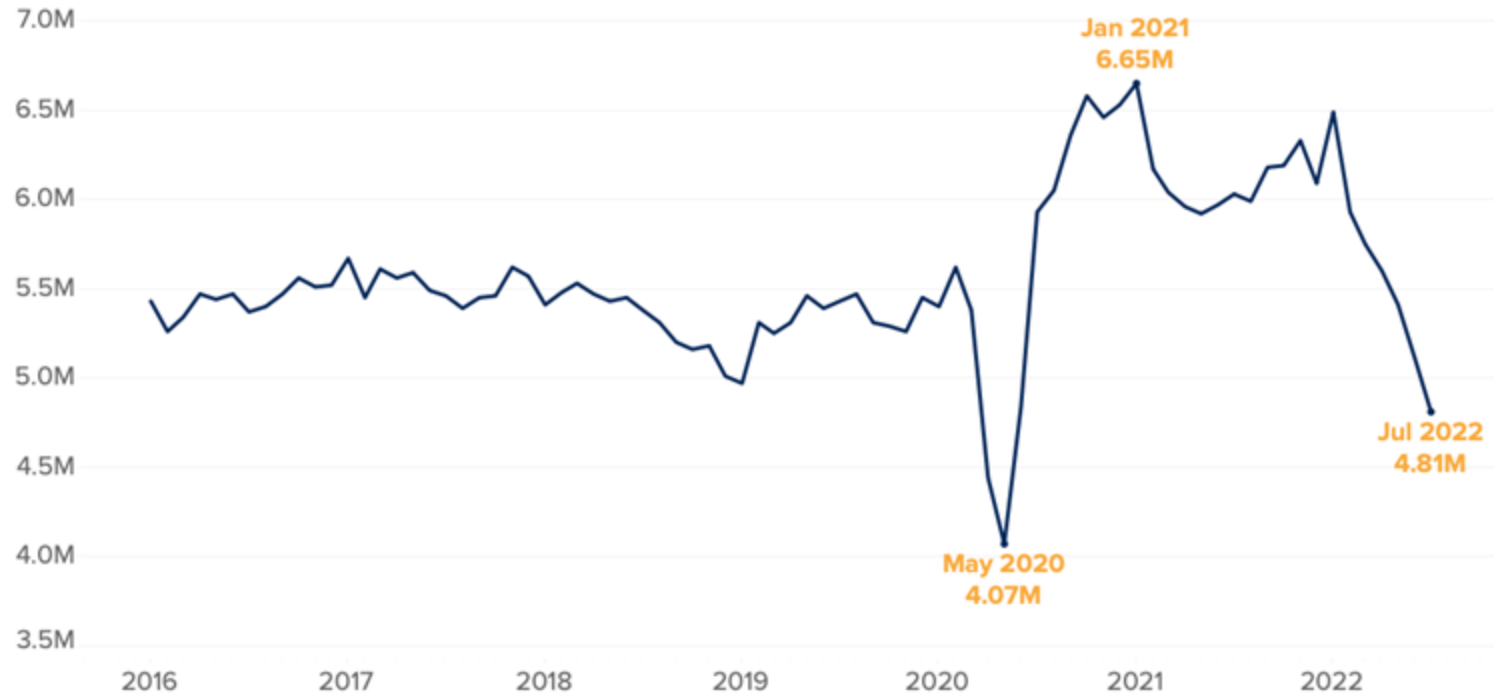
## Top 5 and Bottom 5 Metros by 3-Year Home Value Growth



Source: Zillow Home Value Index, July 2022, Top 50 metros

# Unaffordability has depressed transaction volumes

## Existing Home Sales: Annualized Rate



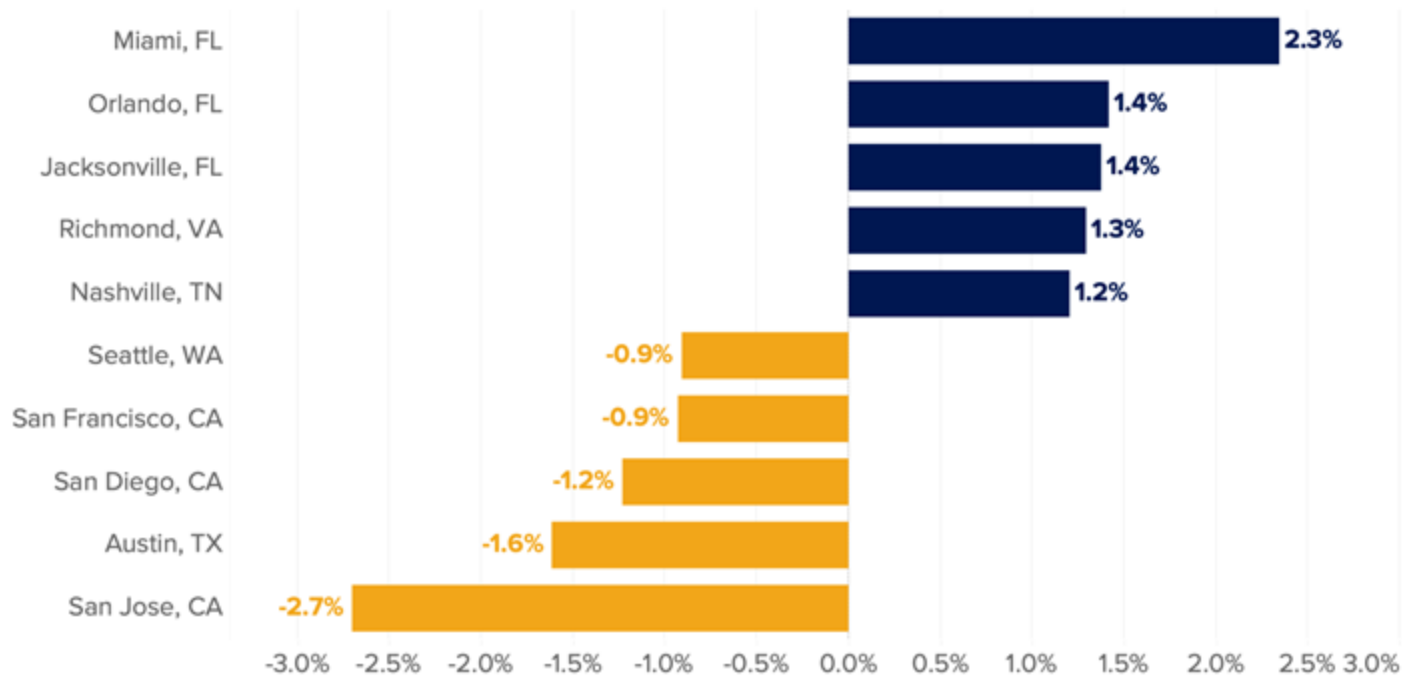
# Prices ticked down in July for 1st time since 2012

Raw Zillow Home Value Index, Month-Over-Month Change



# Southeast is still hot; Western markets declining most

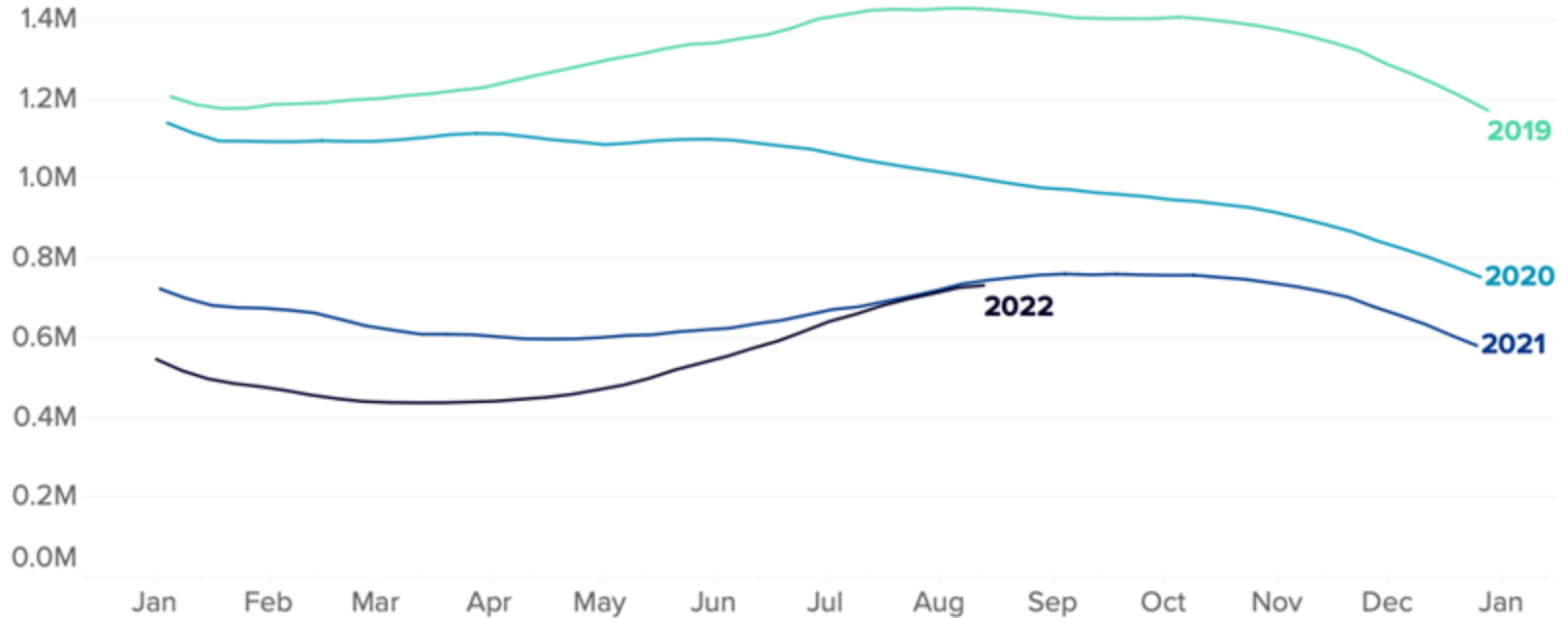
## Top 5 and Bottom 5 Metros by Monthly Home Value Growth



Source: Zillow Home Value Index, July 2022, Top 50 metros

# Inventory catch-up growth has petered out near 2021 levels

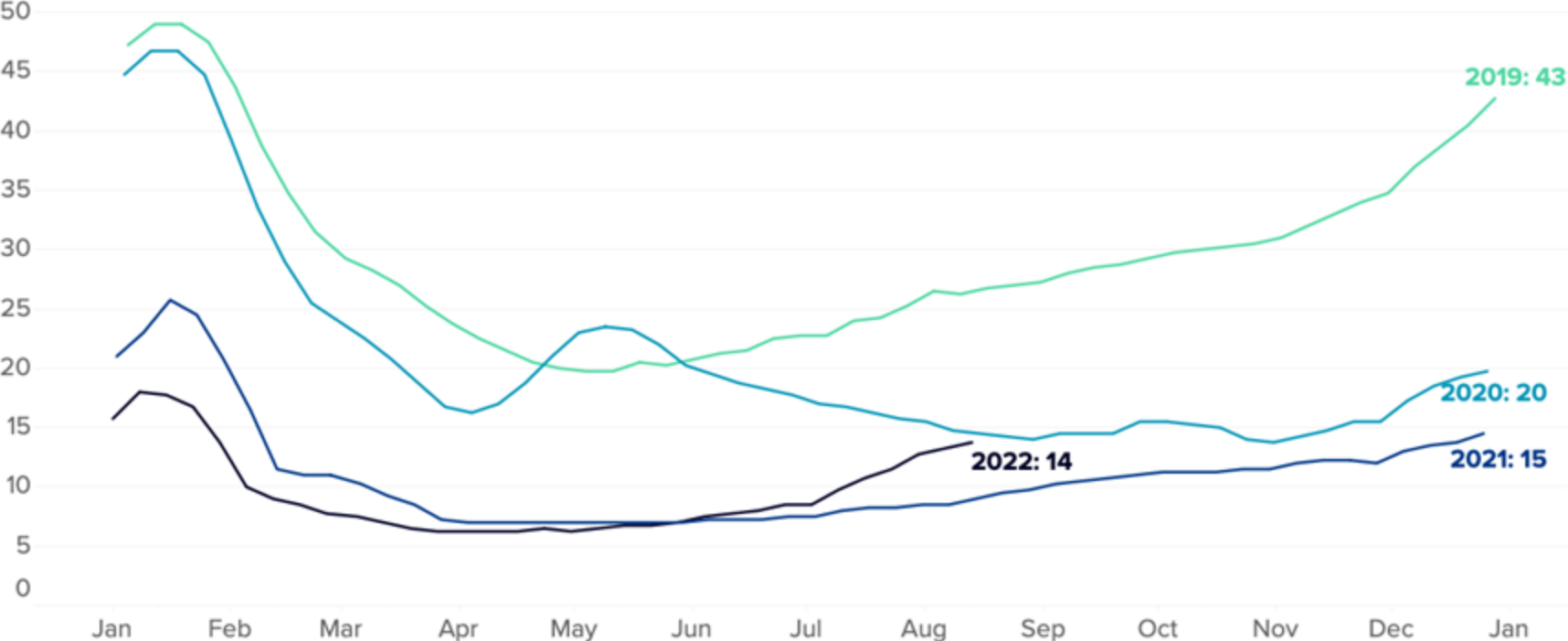
Active Listings, United States





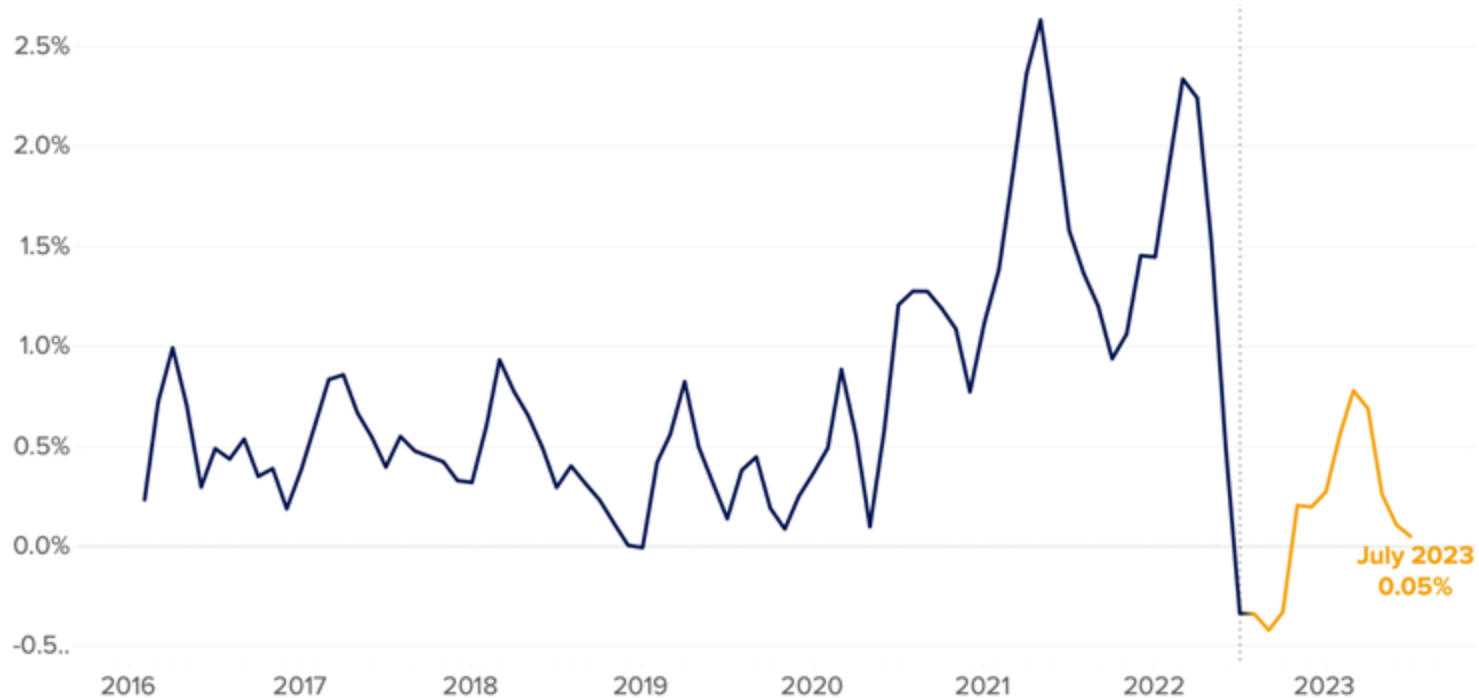
# Days To Pending - nearly back to 2020 levels

Days To Pending, United States



# Forecast: prices dip and then plateau

Zillow Home Value Forecast: projected monthly price changes



# Thank you

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