



# Florida Residential Market Update & Outlook

Thursday, January 19, 2023

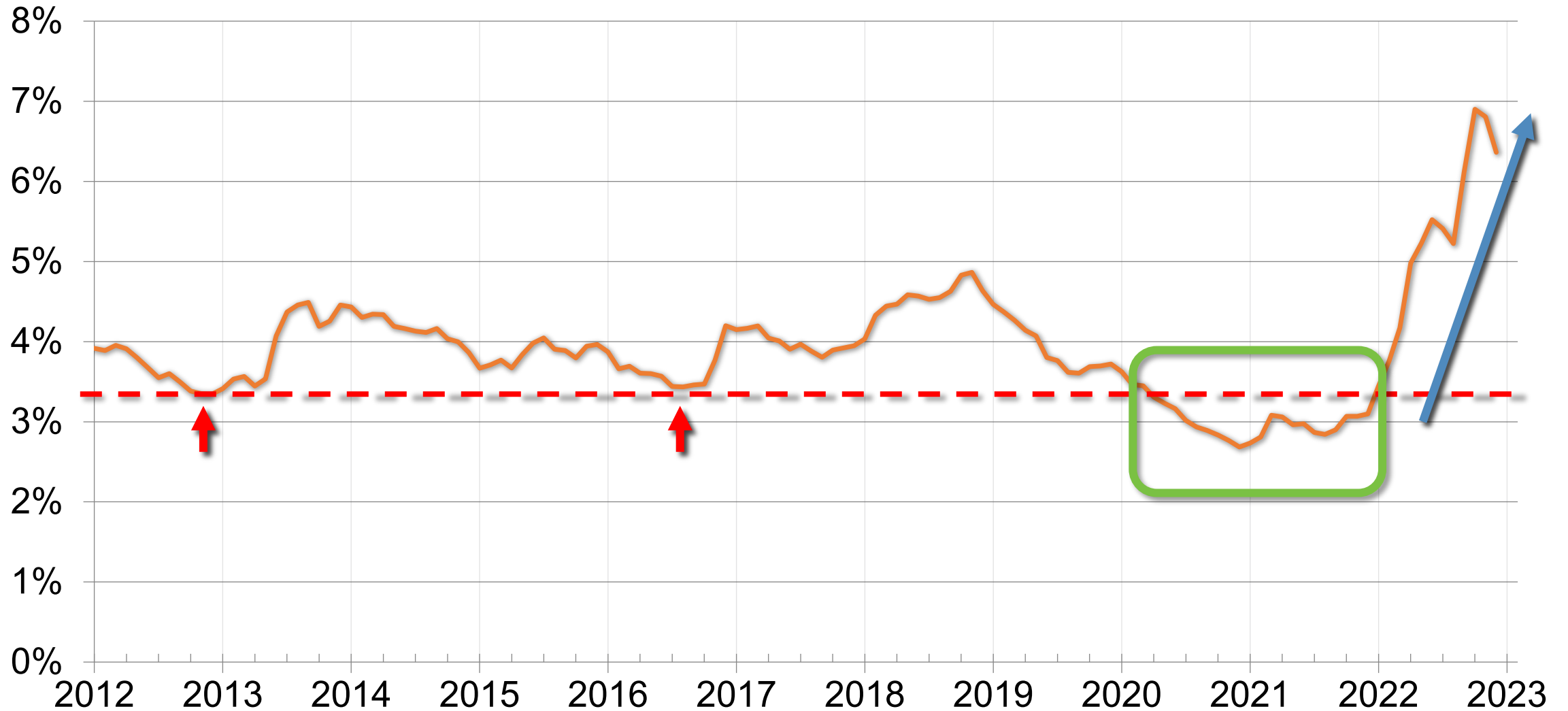
Florida Real Estate Trends 2023



**Brad O'Connor, Ph.D.**  
Chief Economist

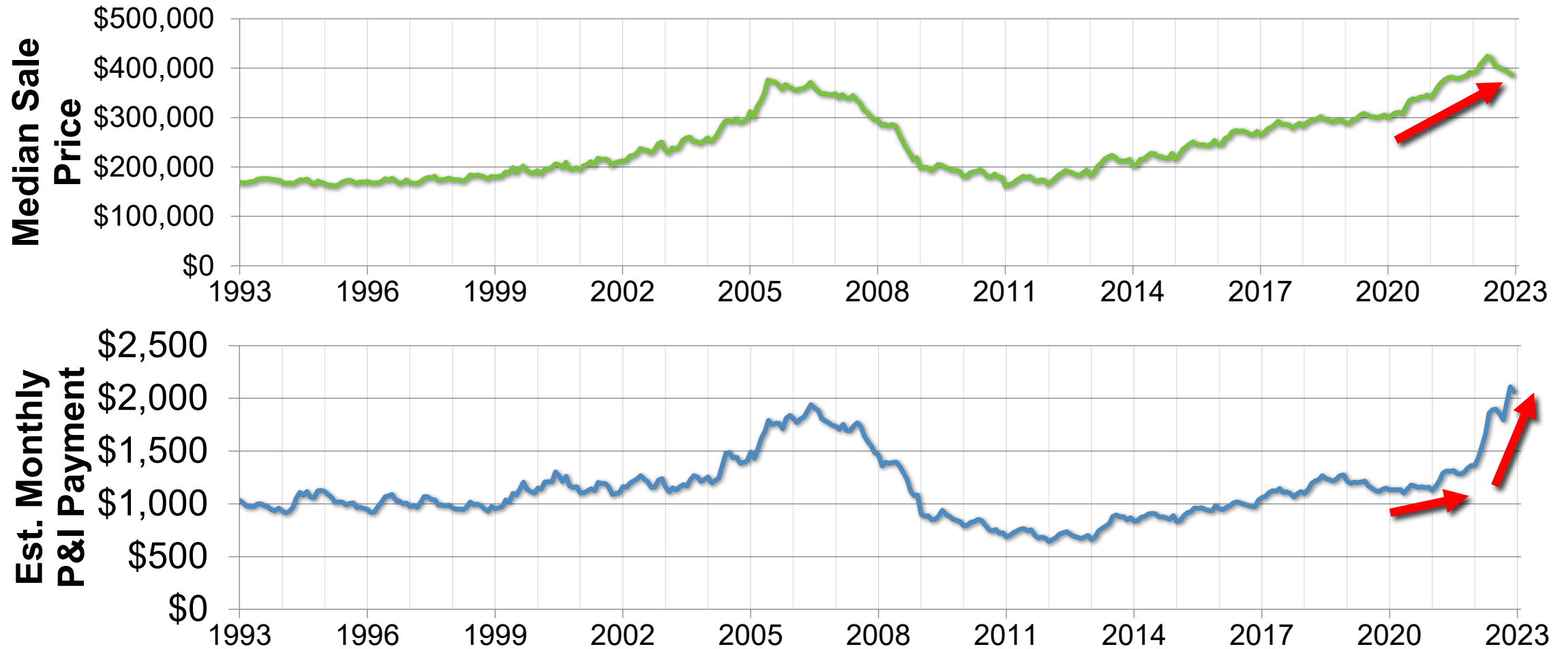
# 30-Year Fixed Mortgage Interest Rate

U.S., Monthly Averages, Jan. 2012 – Dec. 2022



# Median Sale Price and Est. Monthly Mortgage P&I Payment

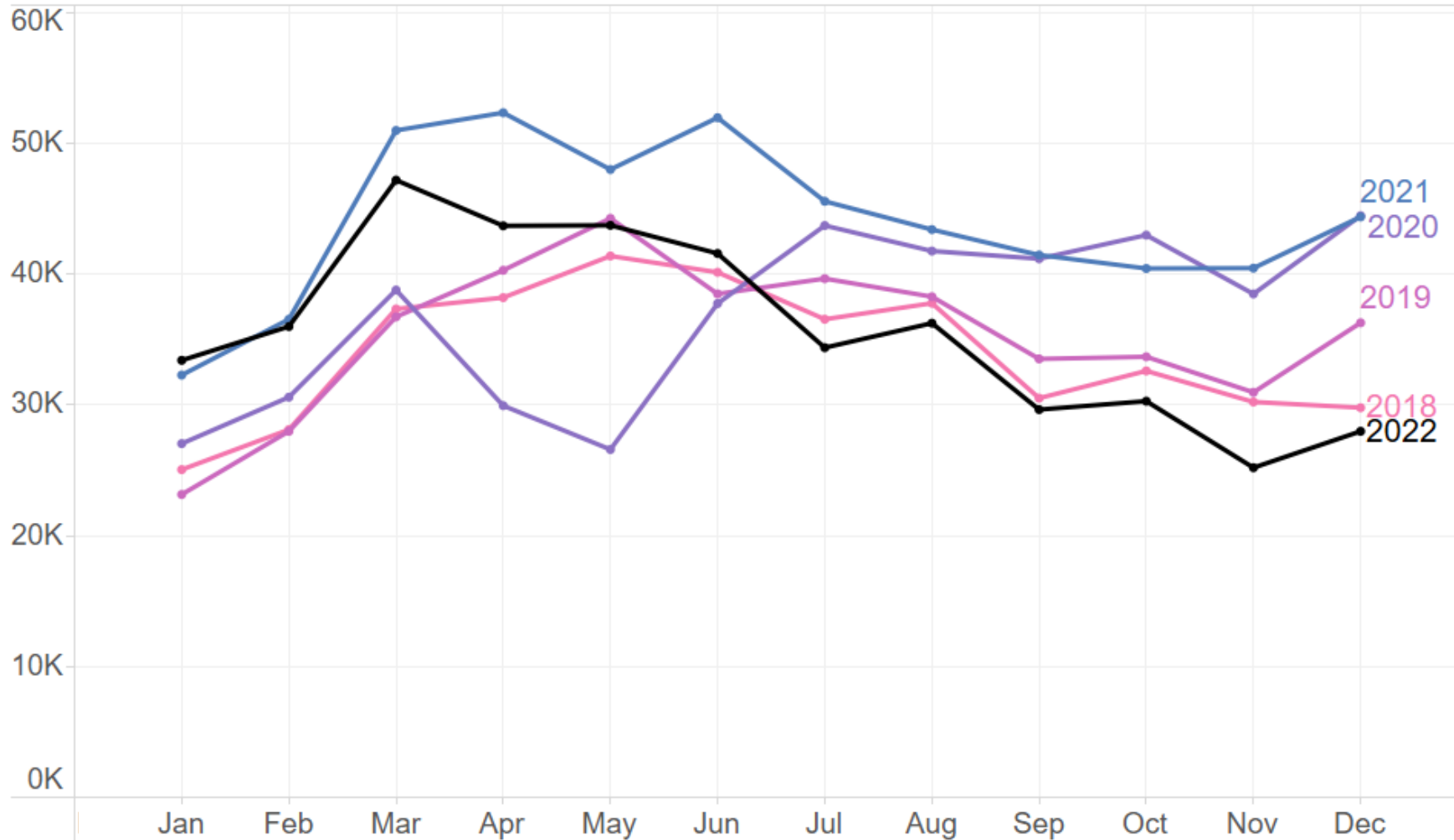
Florida Closed Single-Family Sales, CPI-Adjusted Values (2022 USD), Jan. 1993–Dec. 2022



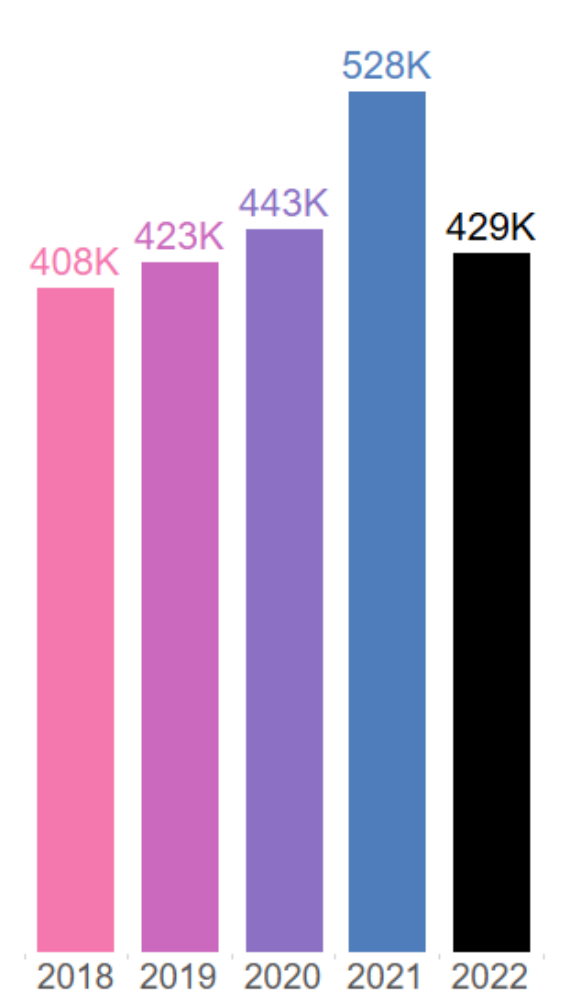
# Closed Sales of Existing Homes

Florida, 2018-2022

Monthly Closed Sales

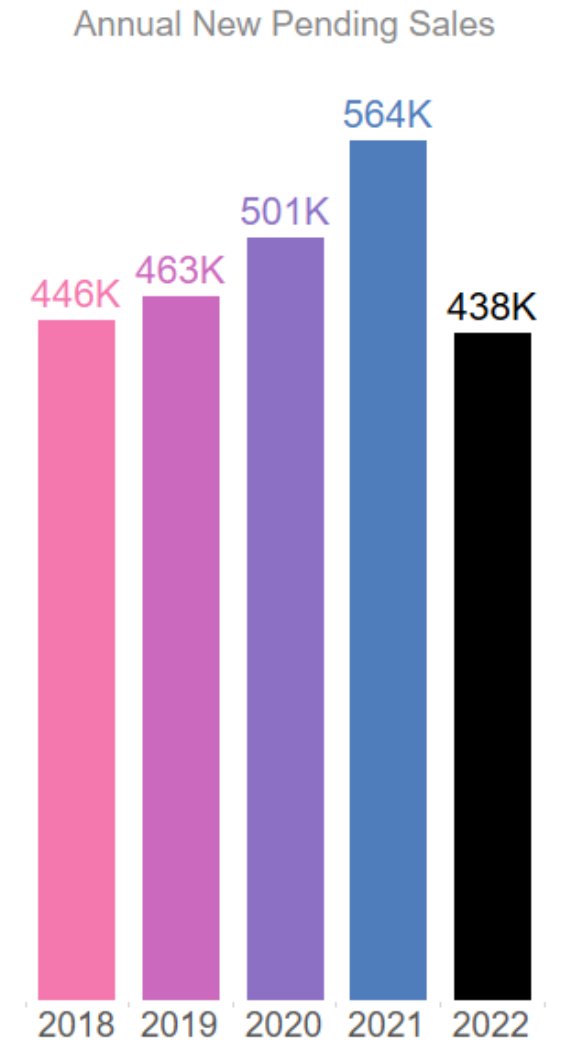
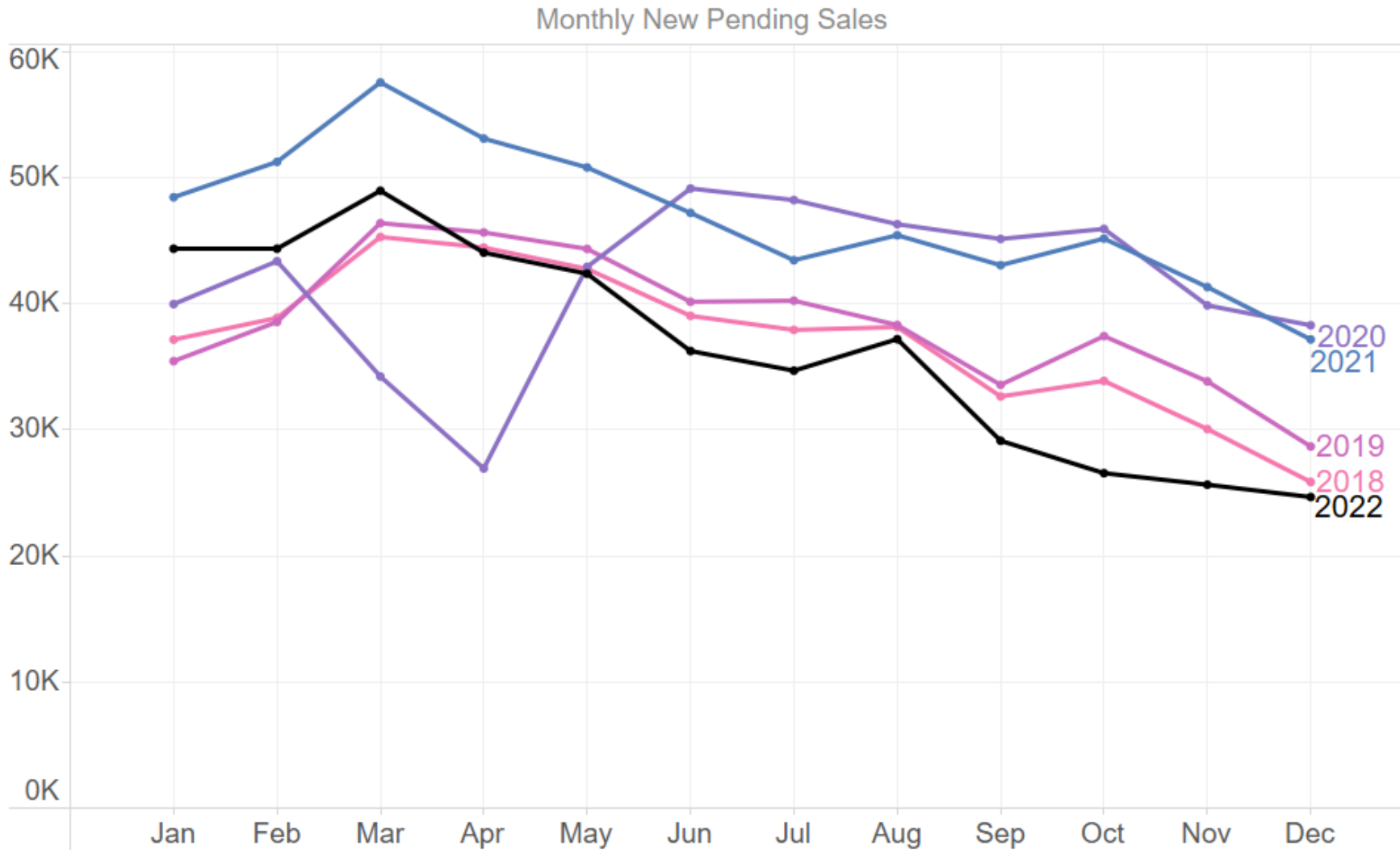


Annual Closed Sales



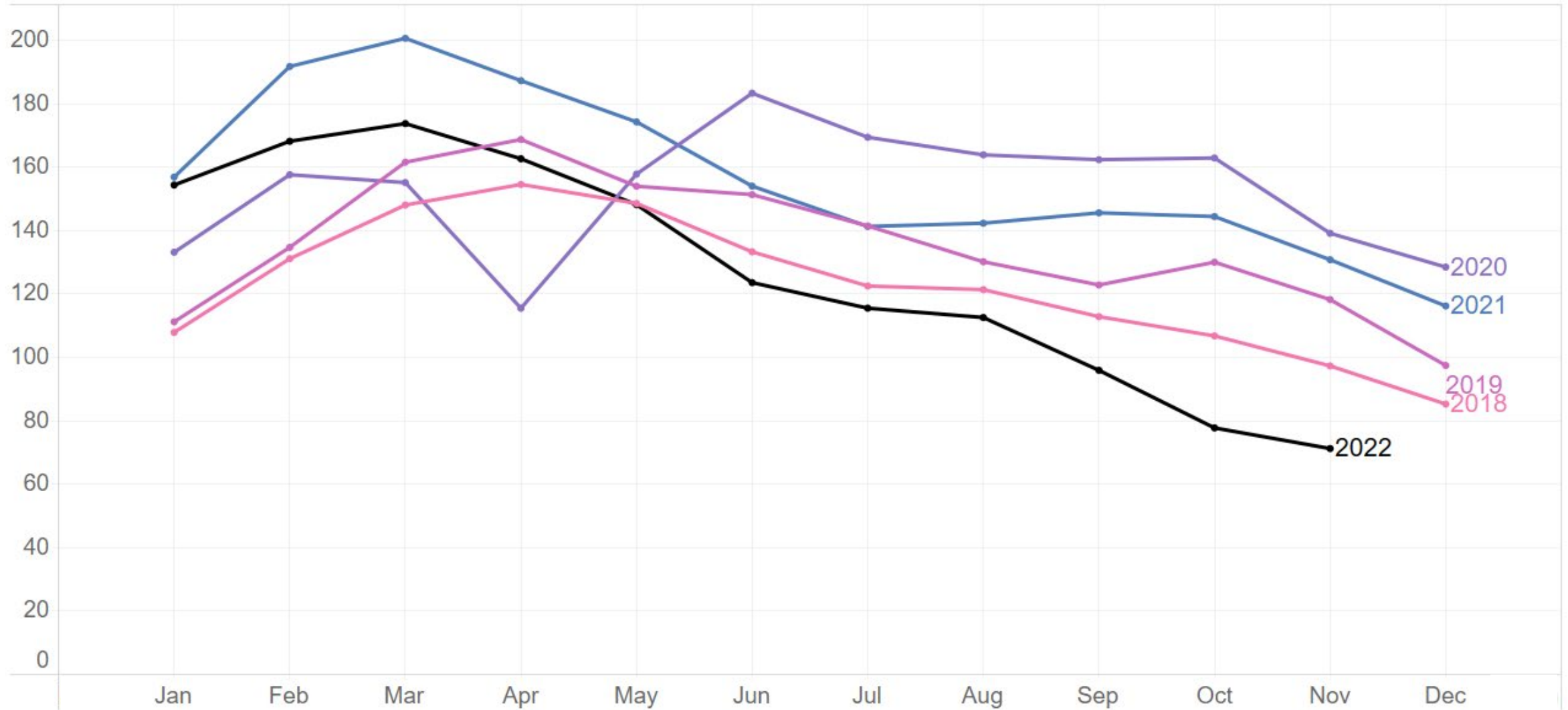
# New Pending Sales of Existing Homes

Florida, 2018-2022



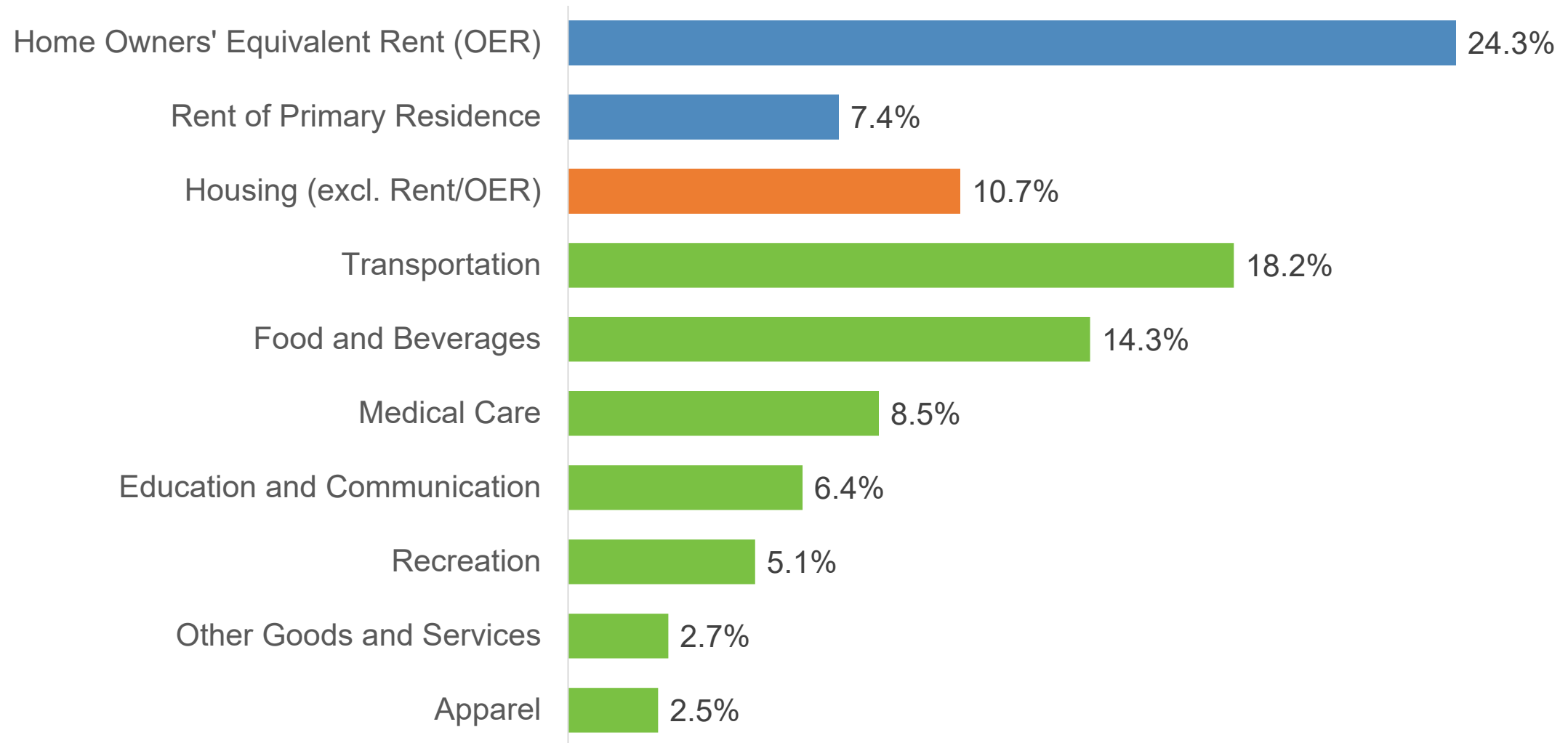
# Mortgage Applications for Home Purchases

Florida, Index (Base: Jan. 2011=100), 2018-2022



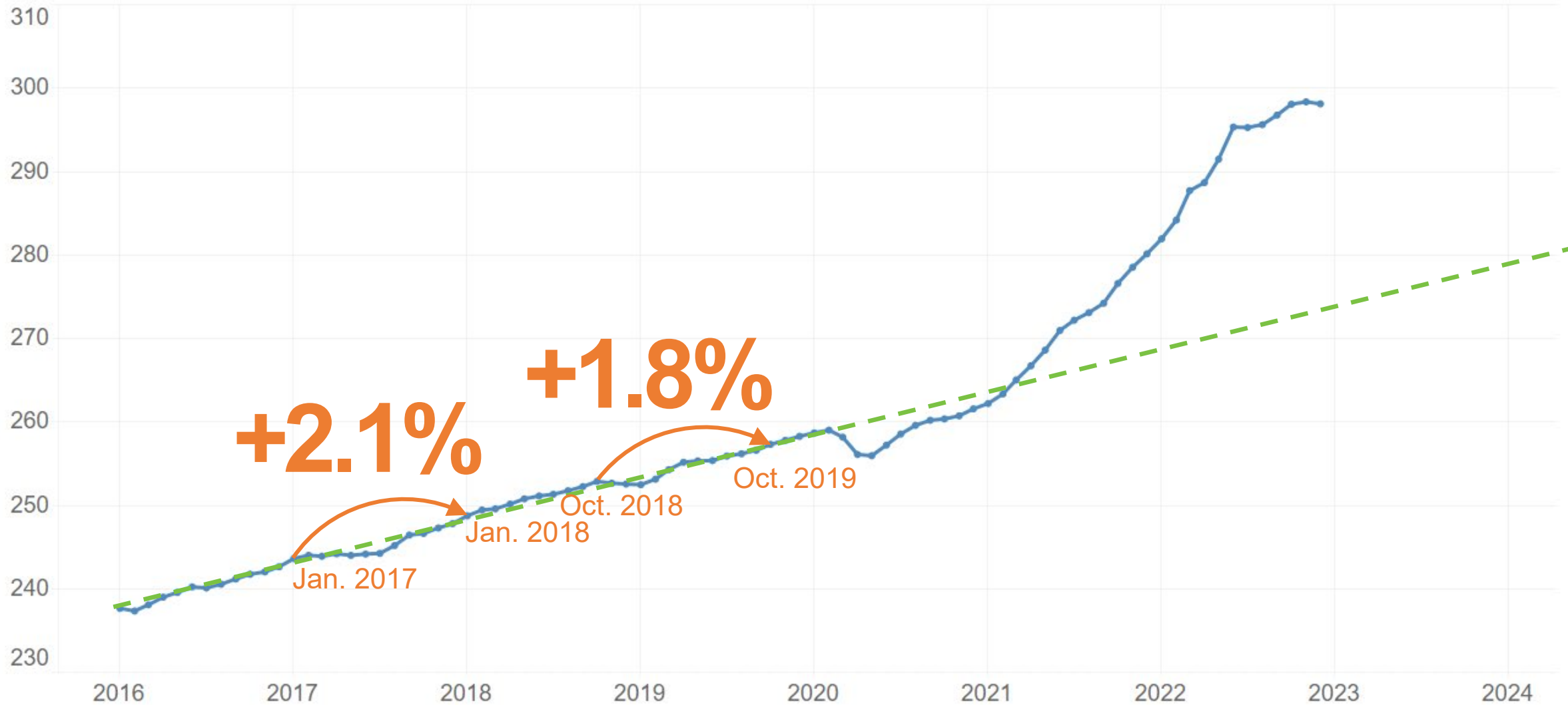
# Consumer Price Index (CPI)

## Share of CPI Composition by Category (as of 2020)



# Consumer Price Index (CPI)

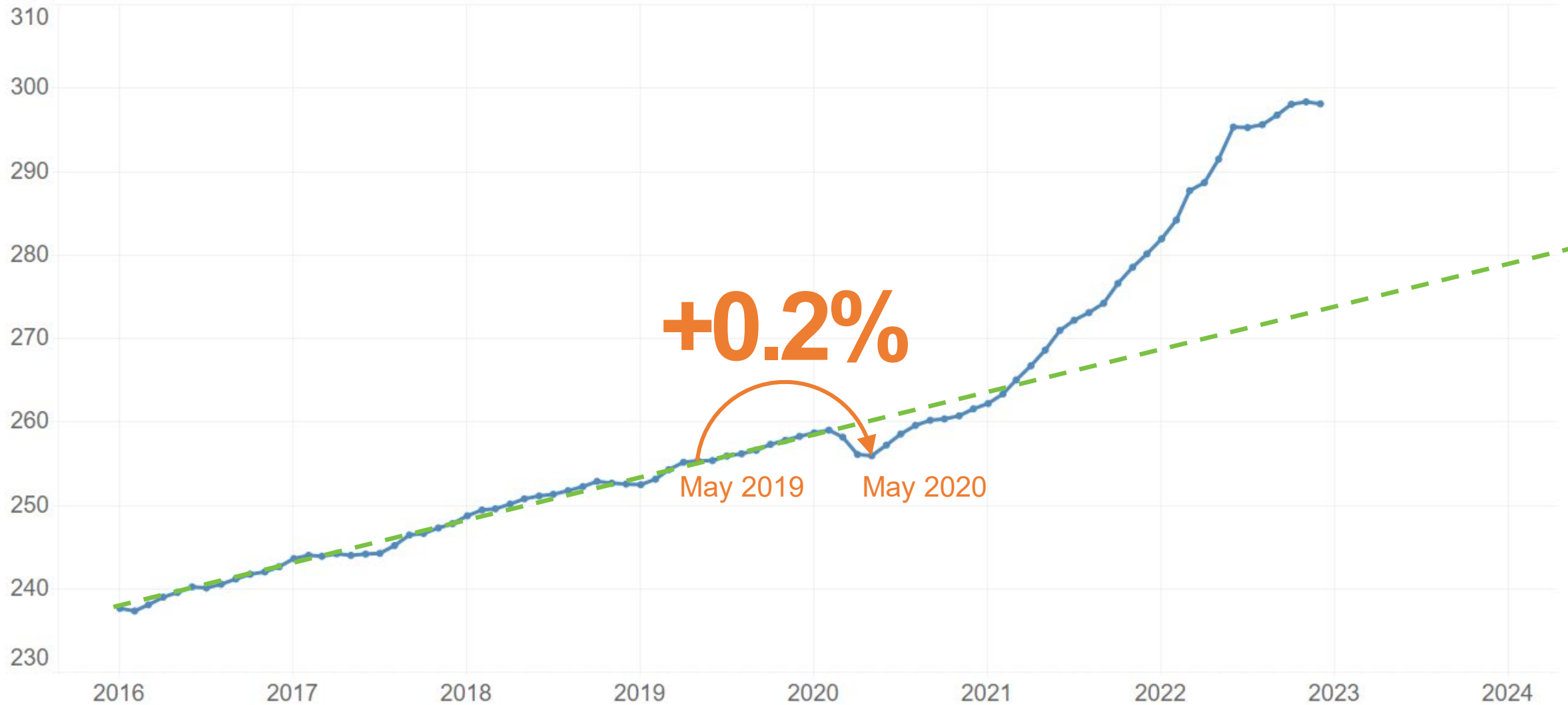
U.S. City Average, Base: 1982-1984 Avg.=100, Seasonally Adjusted, Jan. 2016 – Dec. 2022





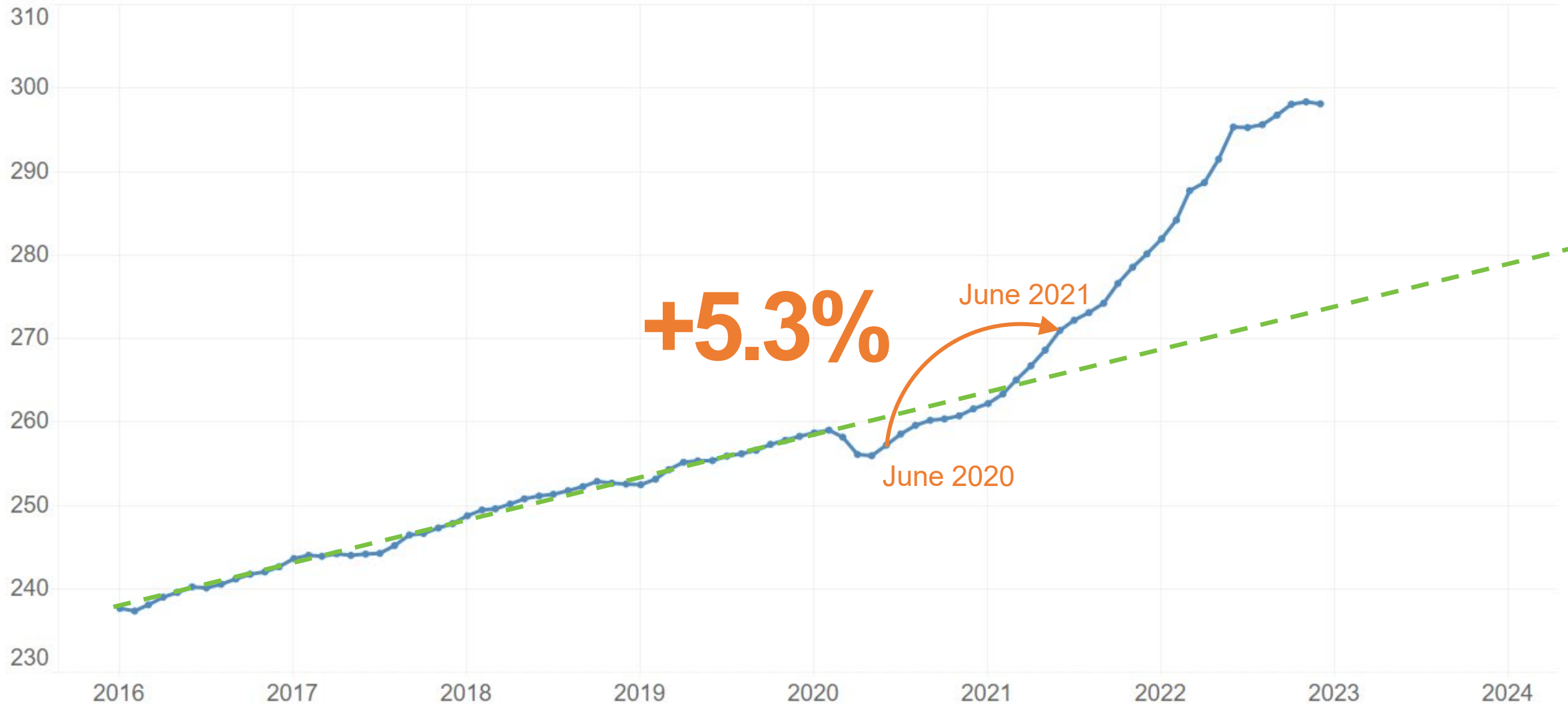
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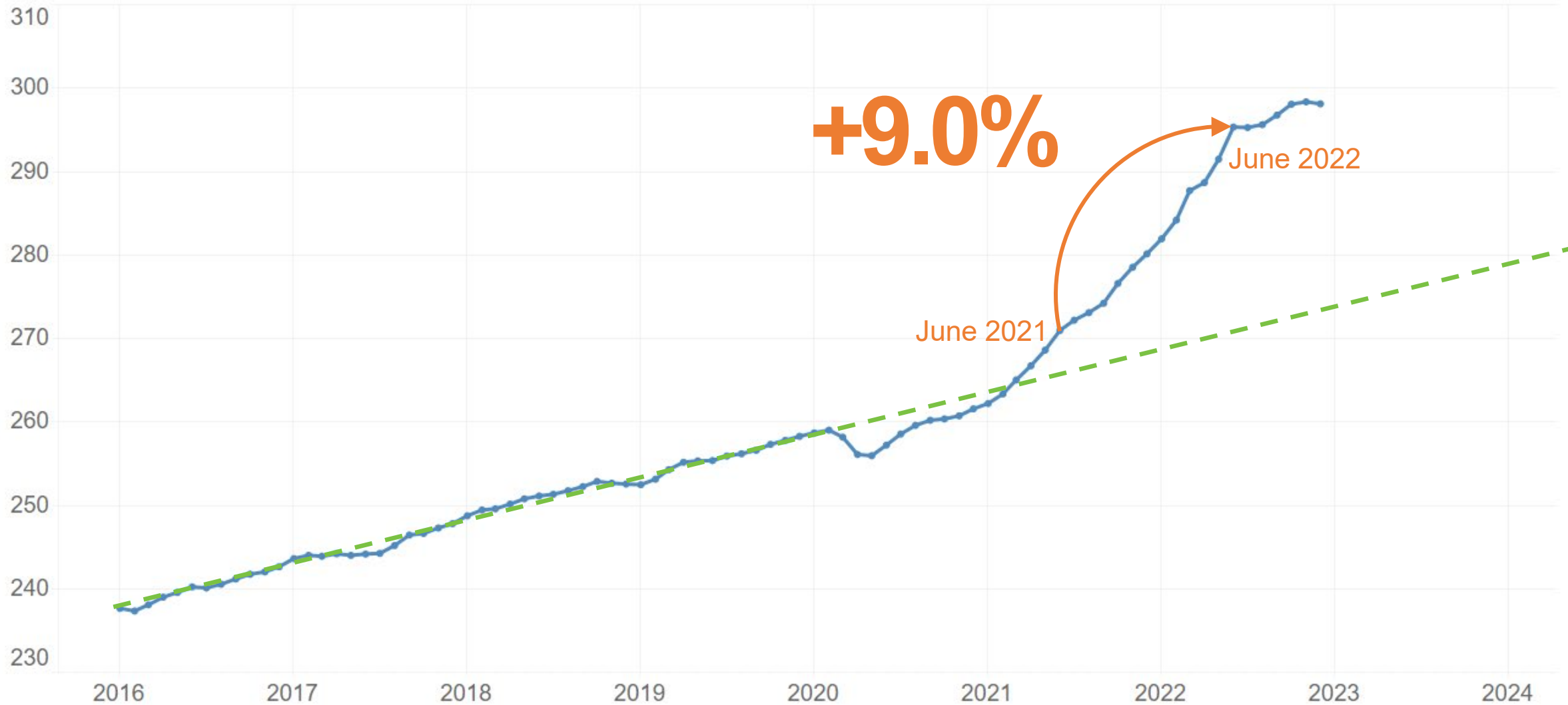
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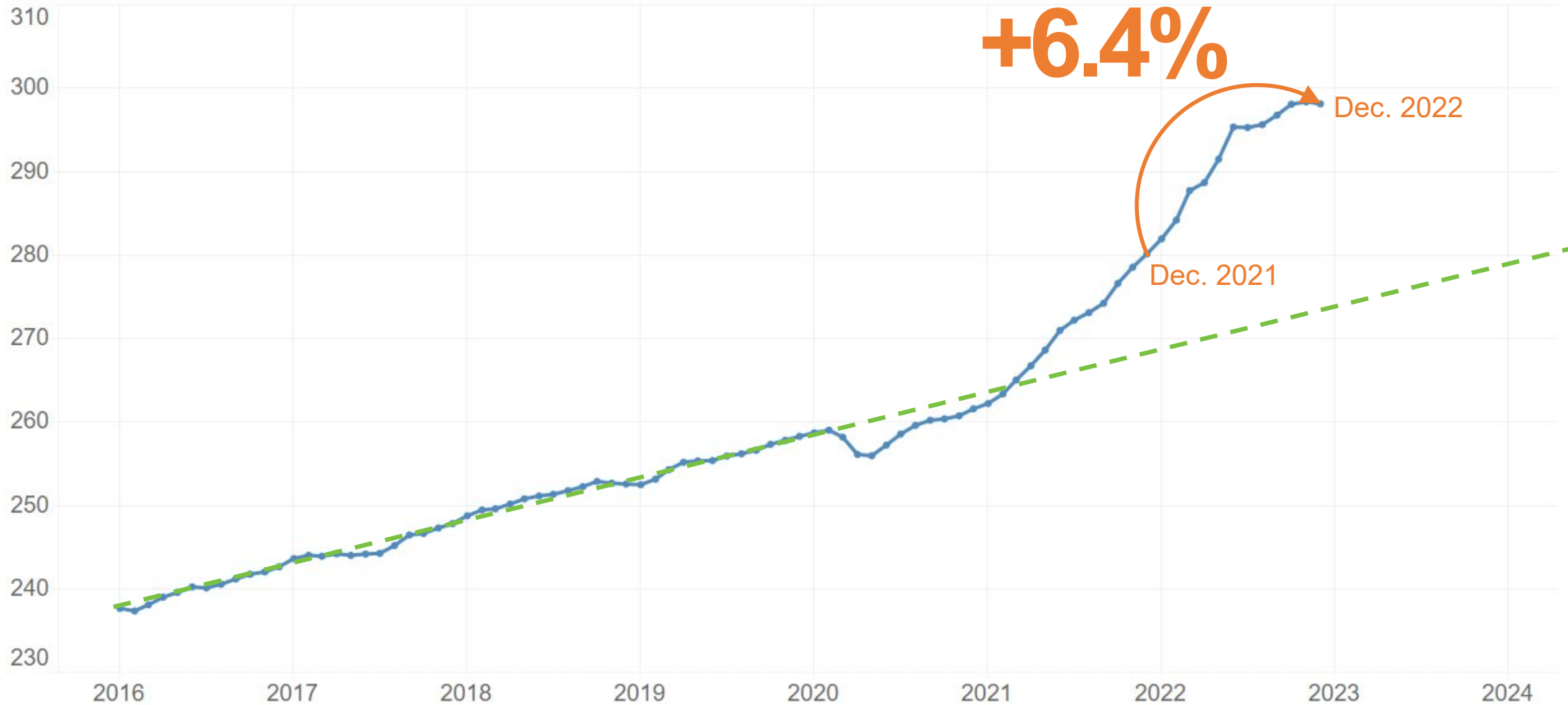
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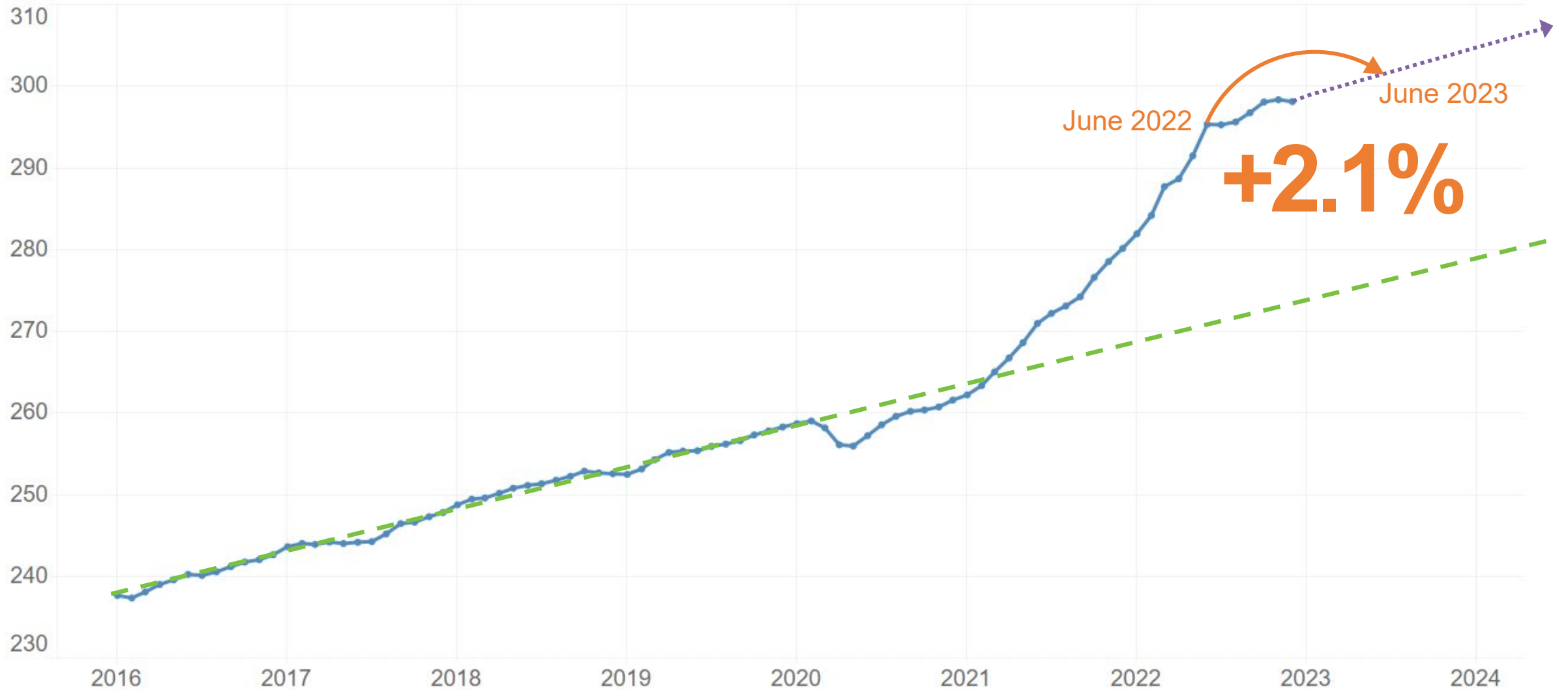
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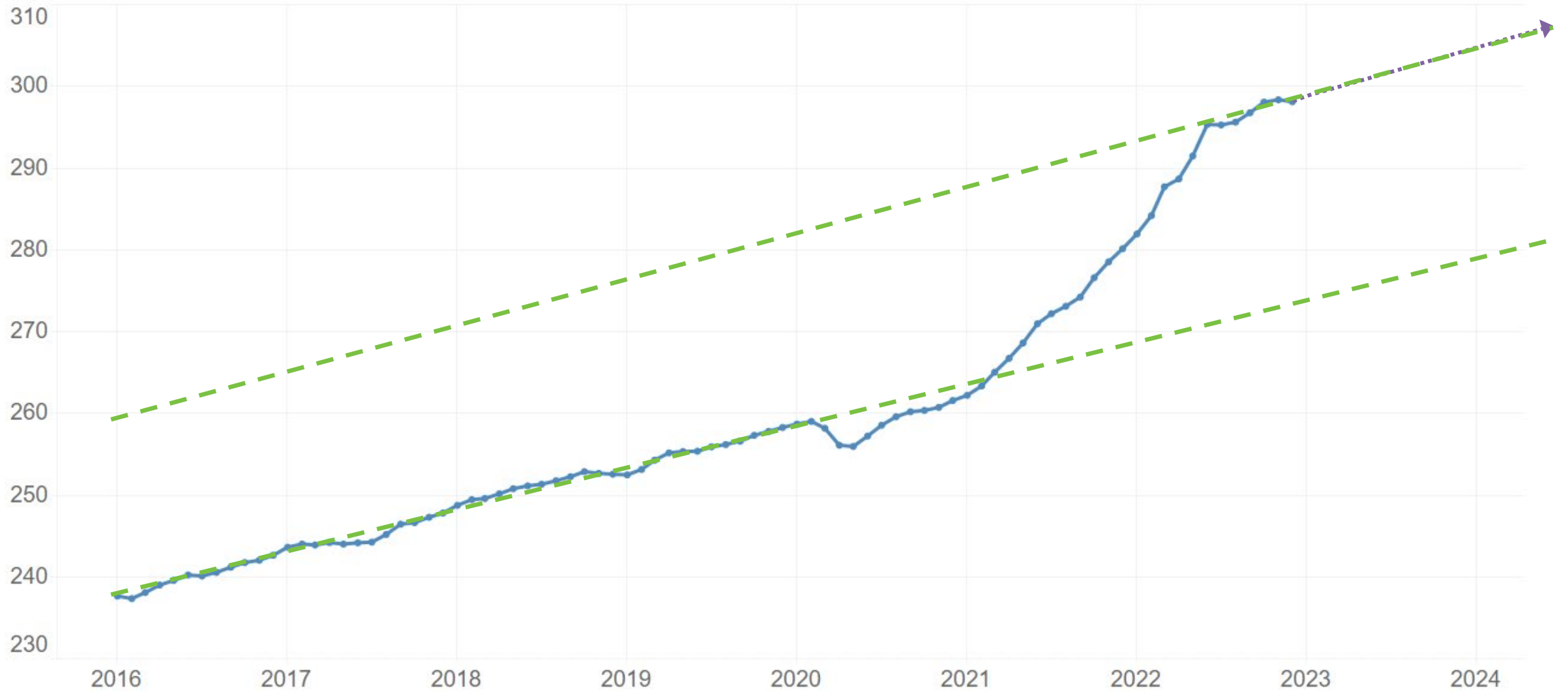
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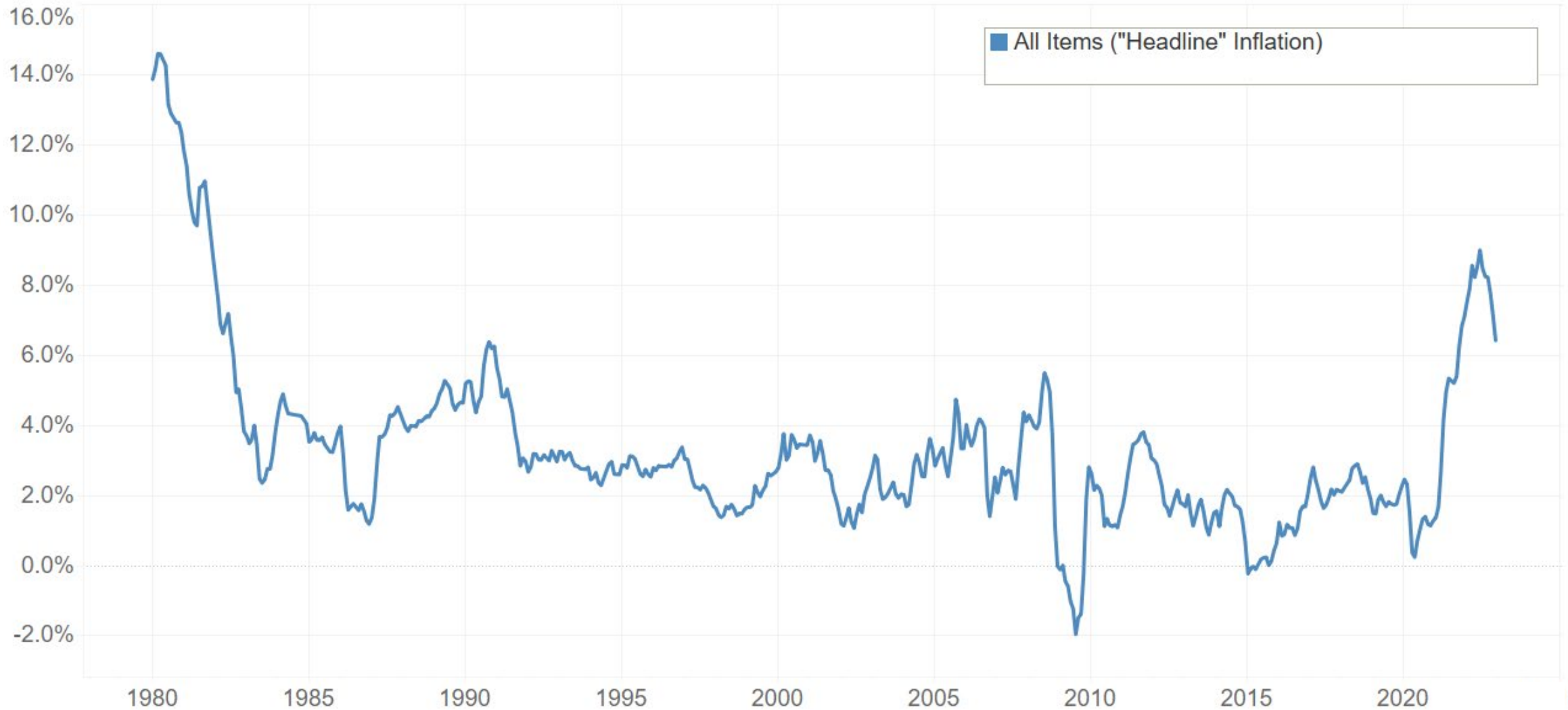
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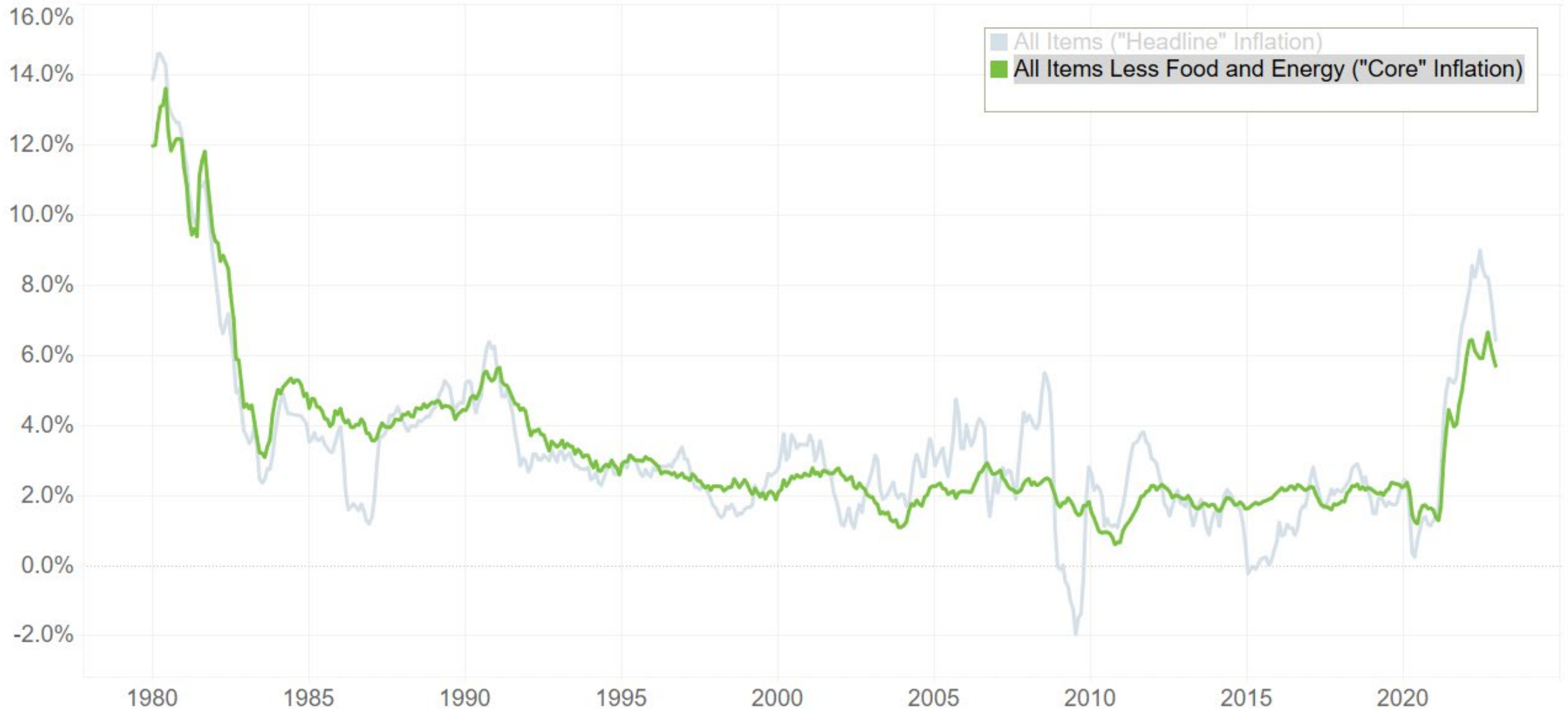
# Consumer Price Inflation (Year-over-Year Pct. Change)

CPI-U (U.S. City Average), Seasonally Adjusted, Jan. 1980-Dec. 2022



# Consumer Price Inflation (Year-over-Year Pct. Change)

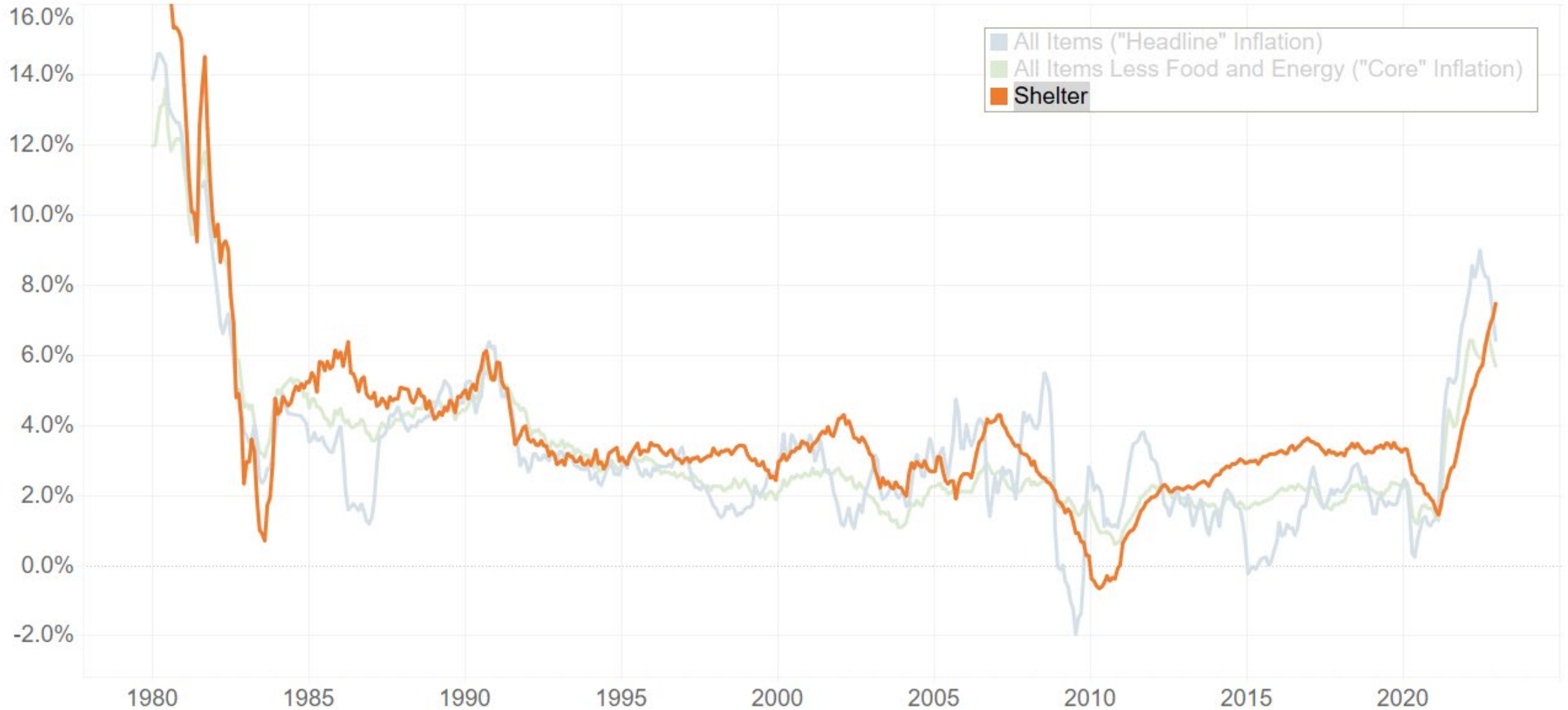
CPI-U (U.S. City Average), Seasonally Adjusted, Jan. 1980-Dec. 2022





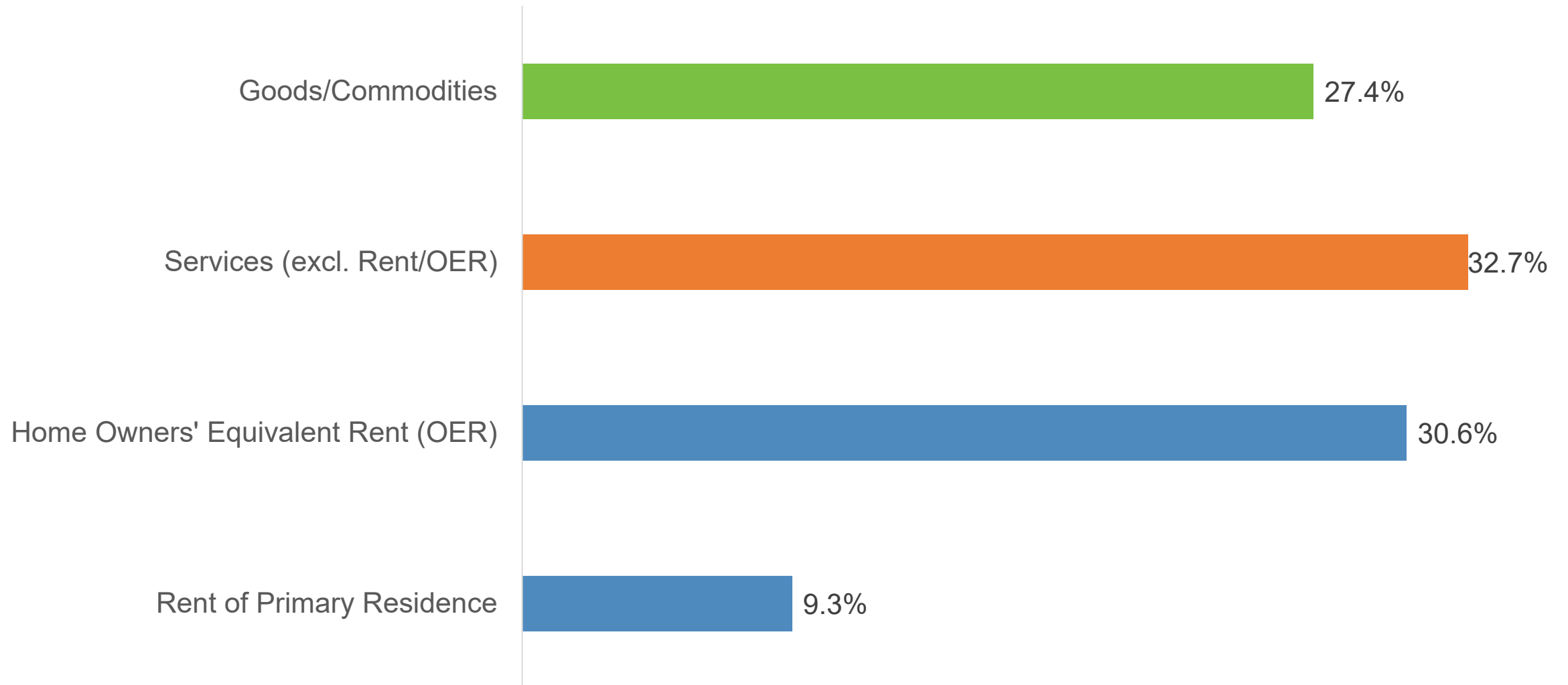
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CPI-U (U.S. City Average), Seasonally Adjusted, Jan. 1980-Dec. 2022



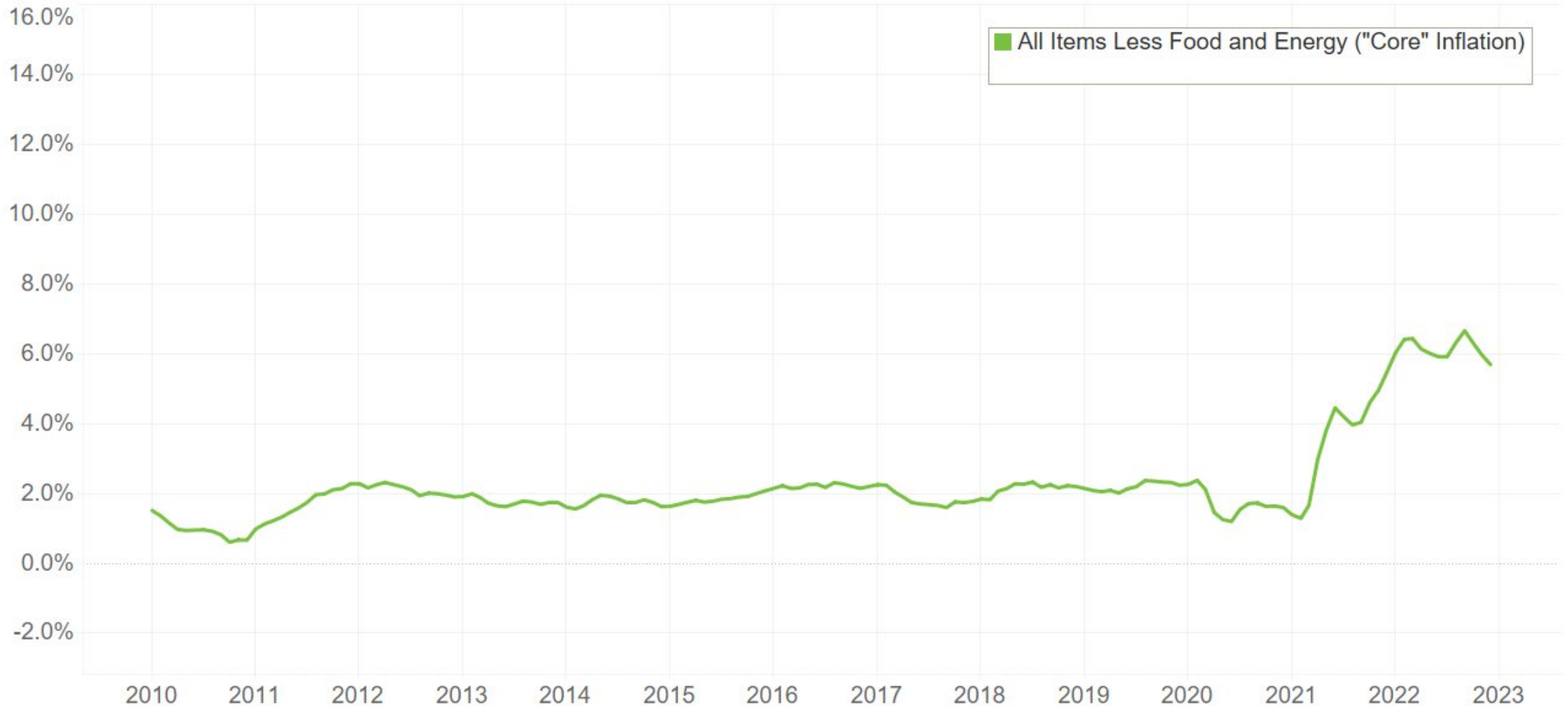
# Consumer Price Index (CPI)

Core CPI Composition Share of Goods vs. Services (as of 2020)



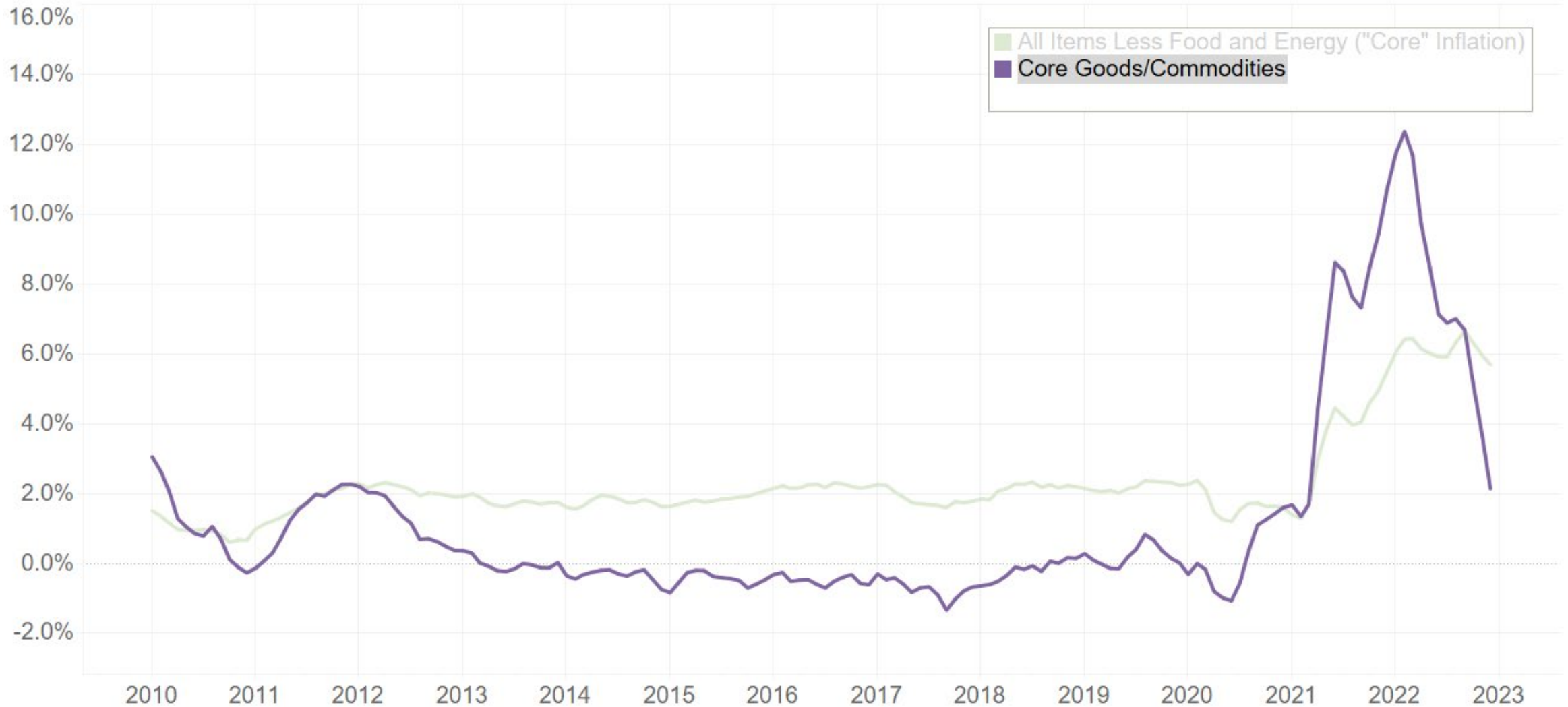
# Consumer Price Inflation (Year-over-Year Pct. Change)

CPI-U (U.S. City Average), Seasonally Adjusted, Jan. 2010-Dec. 2022



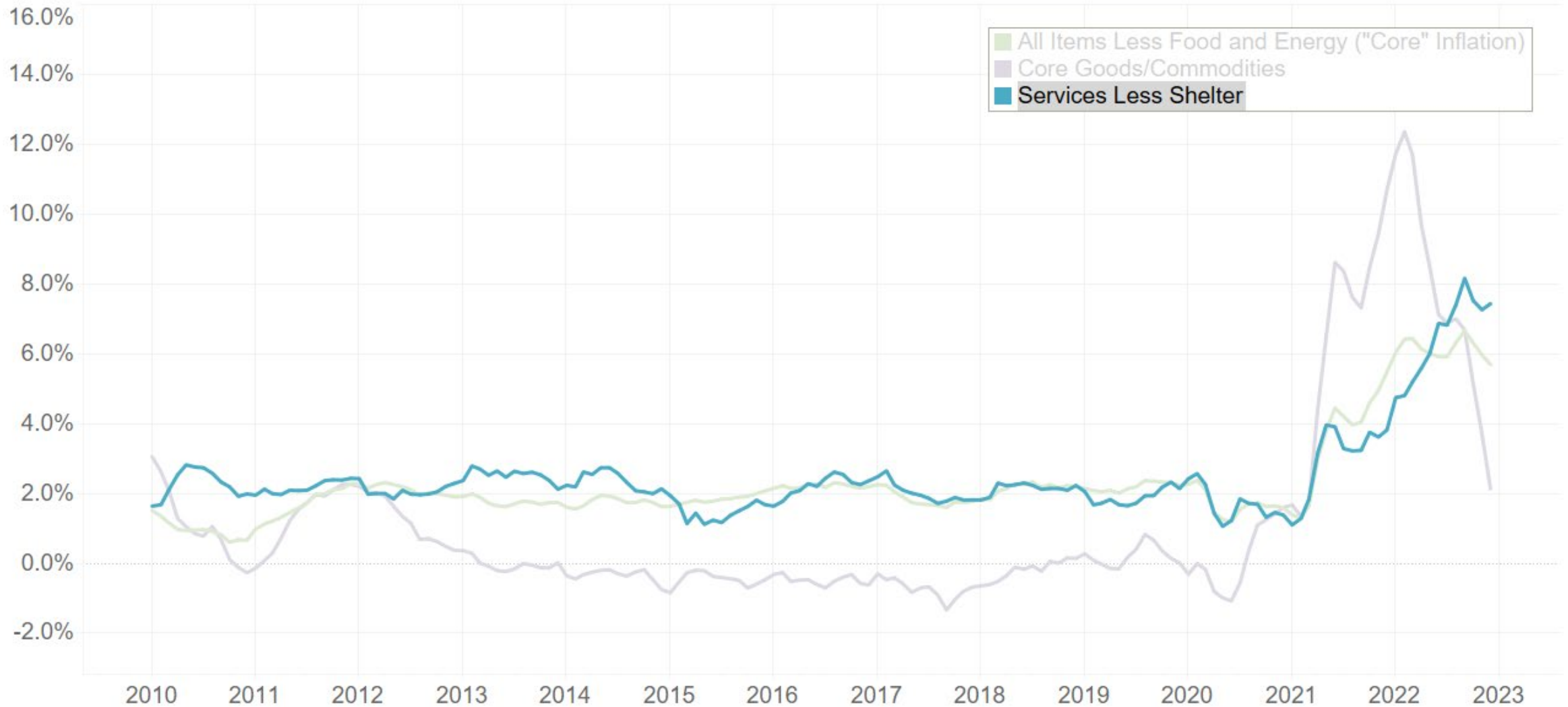
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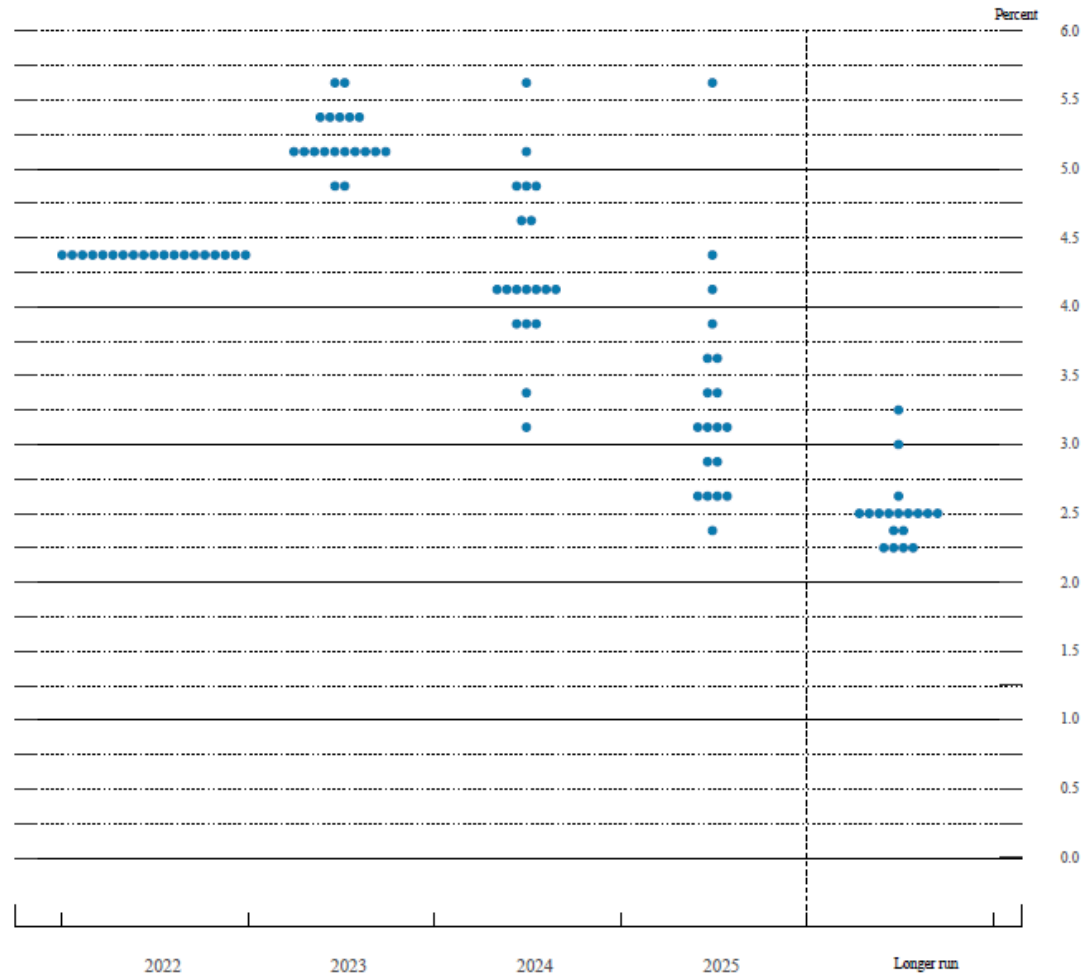
# Consumer Price Inflation (Year-over-Year Pct. Change)

CPI-U (U.S. City Average), Seasonally Adjusted, Jan. 2010-Dec. 2022



# Fed Policy in 2023 and Beyond

Figure 2. FOMC participants' assessments of appropriate monetary policy: Midpoint of target range or target level for the federal funds rate



# Selected U.S. Existing Home Sales Forecasts for 2023

- National Association of REALTORS® (12/13/22):
  - Existing Home Sales **fall 7.0%** Y/Y in 2023
- Fannie Mae (12/12/22):
  - Existing Home Sales **fall 21.1%** Y/Y in 2023
  - Down 35.1% Y/Y in Q1, but in Q4 up 1.2% Y/Y
- Mortgage Bankers Association (12/19/22):
  - Existing Home Sales **fall 13.7%** Y/Y in 2023
  - Down 27.7% Y/Y in Q1, but in Q4 up 1.2% Y/Y

# Selected U.S. Existing Home Sales Forecasts for 2023

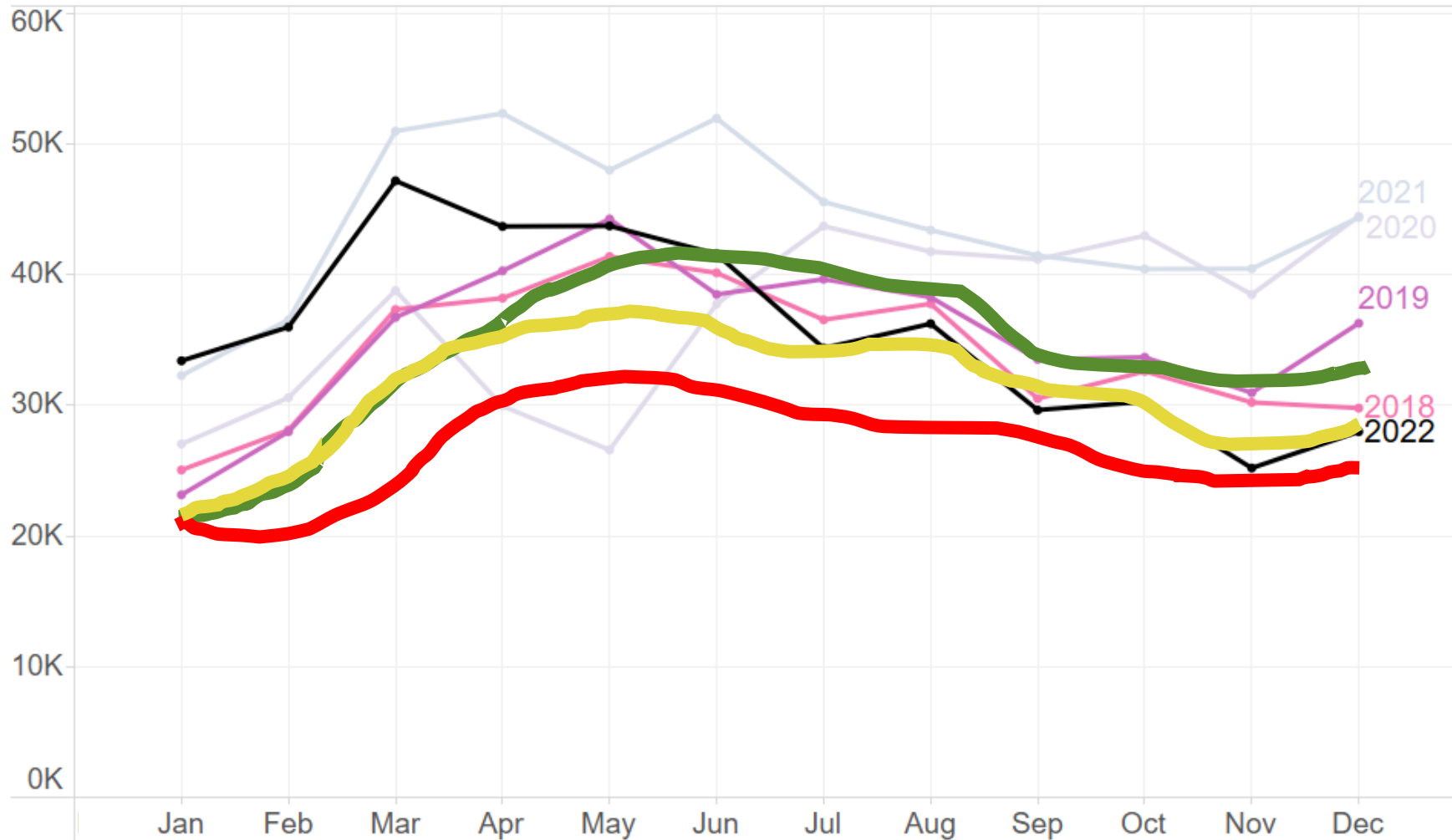
- Redfin (12/6/22):
  - Existing Home Sales **fall 16.0%** Y/Y in 2023
- Realtor.com (11/30/22):
  - Existing Home Sales **fall 14.1%** Y/Y in 2023
- National Association of Home Builders (1/4/23):
  - Existing Home Sales **fall 15.7%** Y/Y in 2023



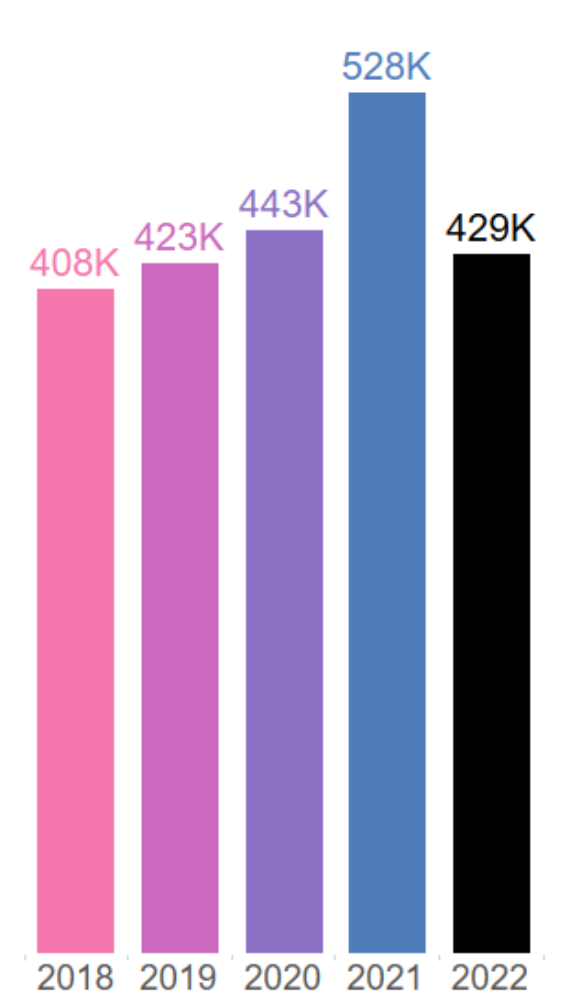
# Closed Sales of Existing Homes

Florida, 2018-2022

Monthly Closed Sales



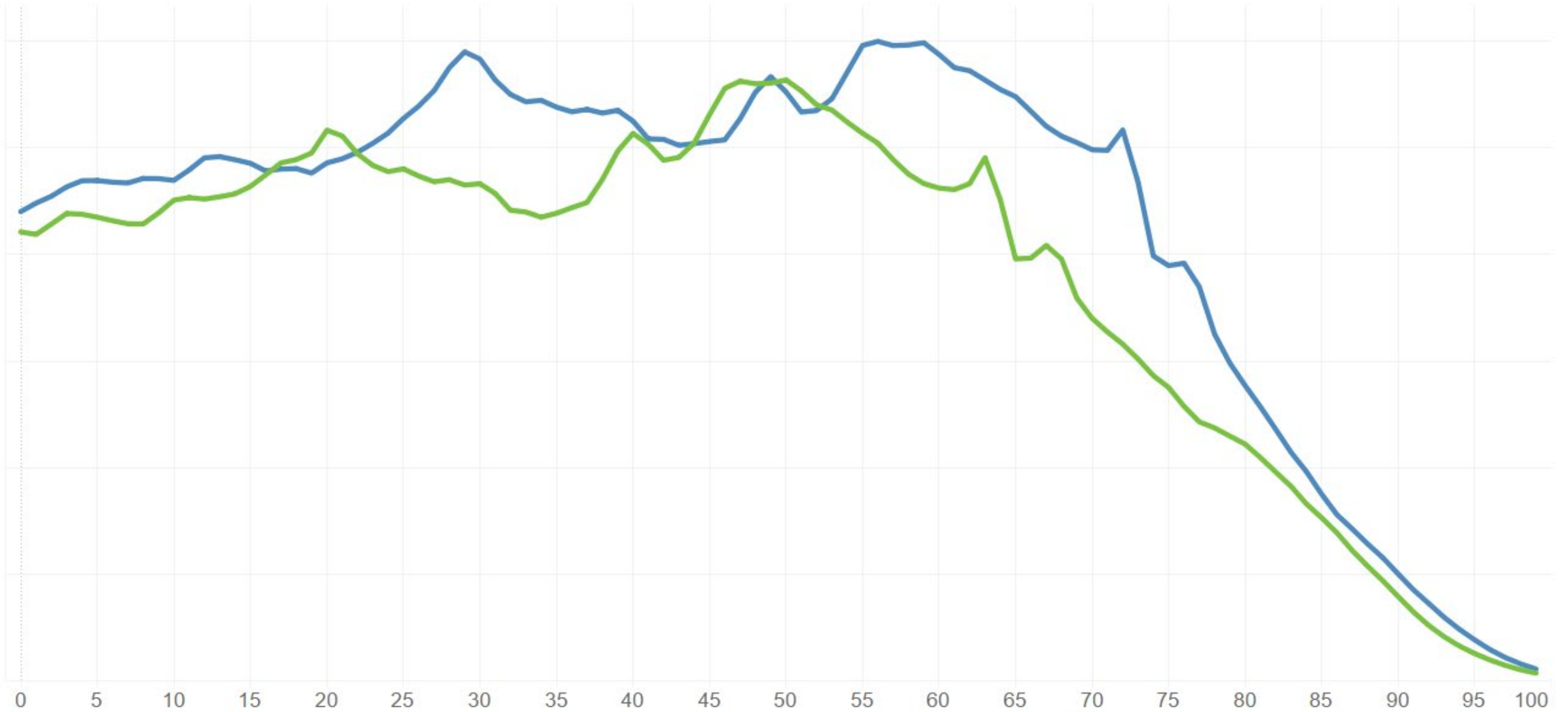
Annual Closed Sales



# What's Still Bolstering Homebuyer Demand?

- Florida is still the hot place to be right now!
- Ideal location for “untethered” remote workers
- Housing affordable and more spacious relative to the Northeast and West Coast
- Solid job growth

# Age Distribution of Florida's Population in 2011 and 2020



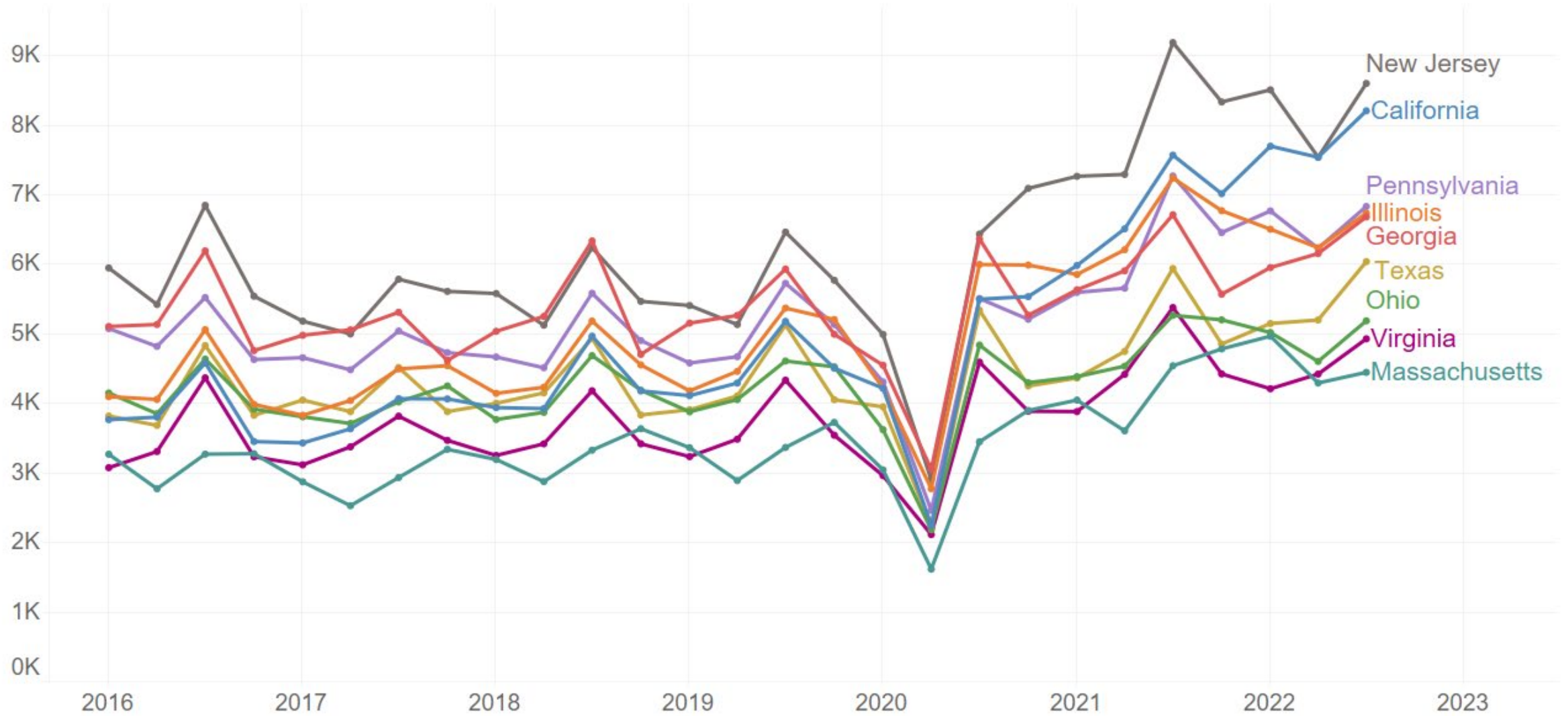
# Florida Population Growth

Between July 1, 2021 and July 1, 2022:

- Florida's population increased by an estimated **416,754** residents
  - Second only to Texas's increase of 470,708
- That's about **1,142** net new residents *per day*
- It's also a **1.91%** increase—*higher than any other state*
  - First time Florida has led the U.S. in this statistic since **1957!**
  - Overall, U.S. population only increased by **0.4%**
- Net migration from other states and countries was estimated at 444,484

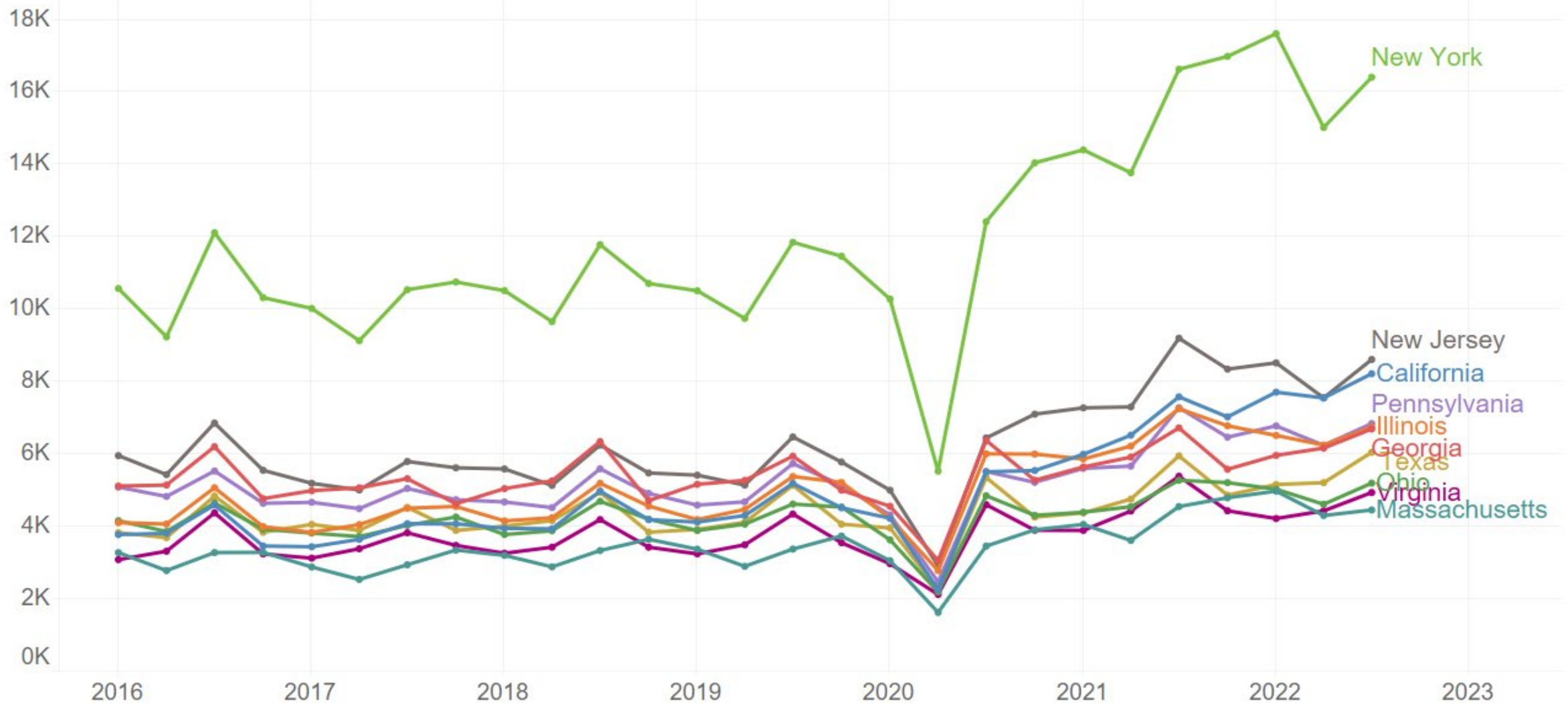
# Out-of-State Driver License Exchanges

Florida, Selected States of Origin, Q1 2016 – Q3 2022



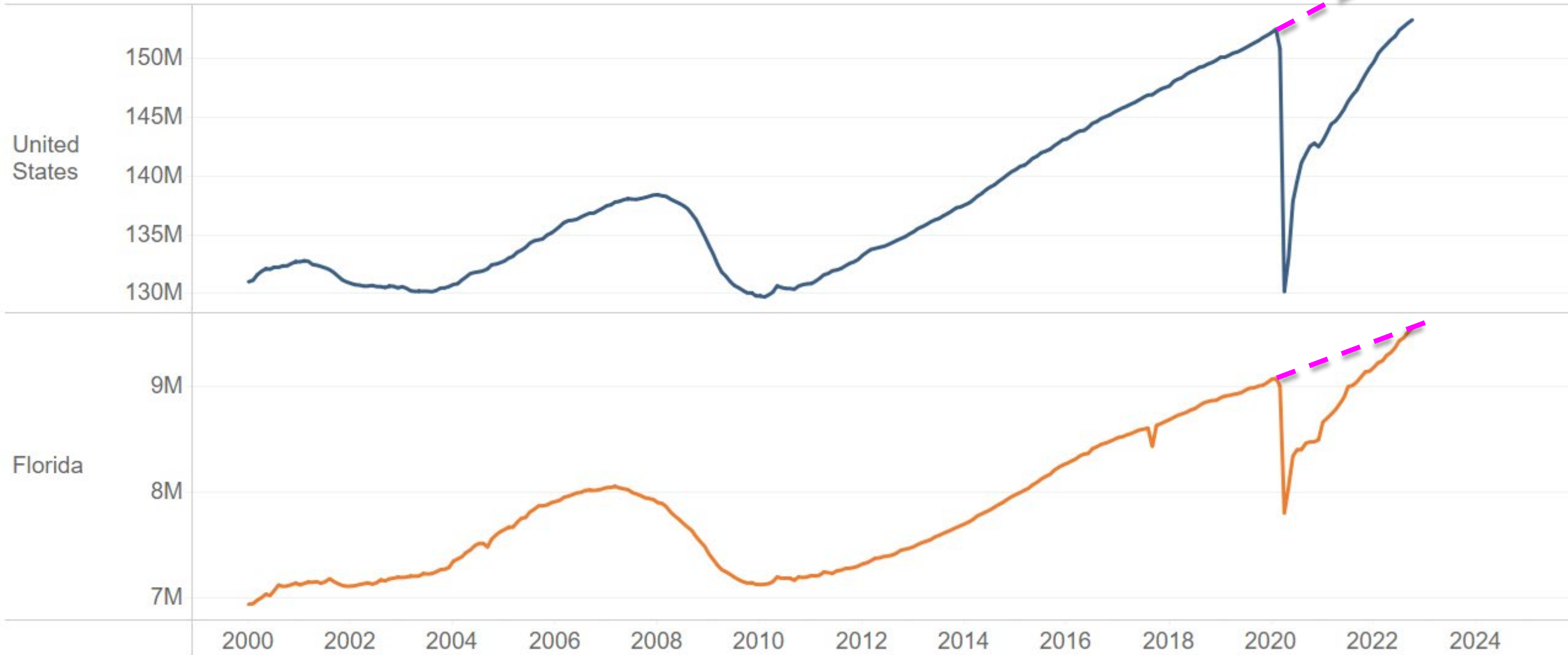
# Out-of-State Driver License Exchanges

Florida, Selected States of Origin, Q1 2016 – Q3 2022



# Payroll Employment

Jan. 2000-Oct. 2022 (Seasonally Adjusted)



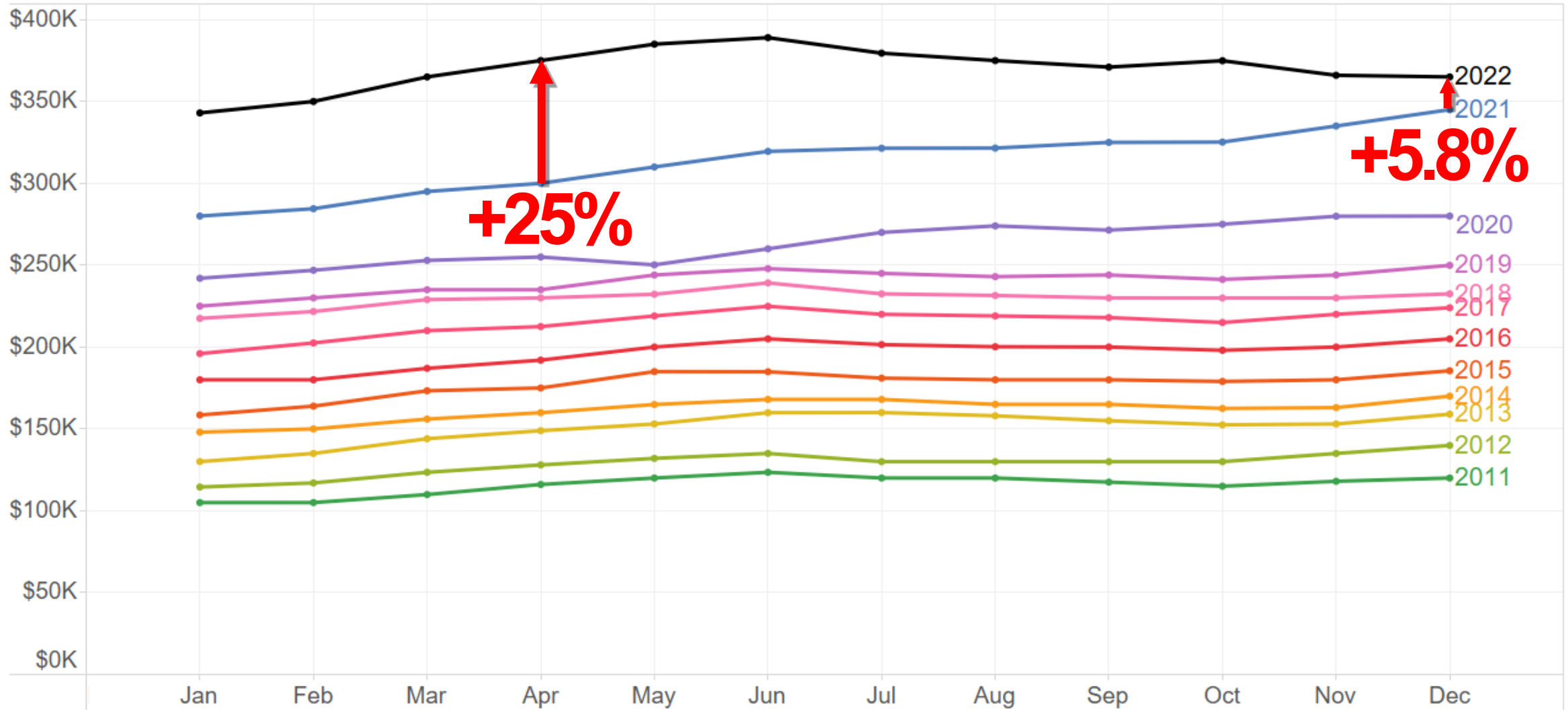
# Demand Headwinds

- Mortgage rates
- Insurance costs
- Economic uncertainty/consumer confidence



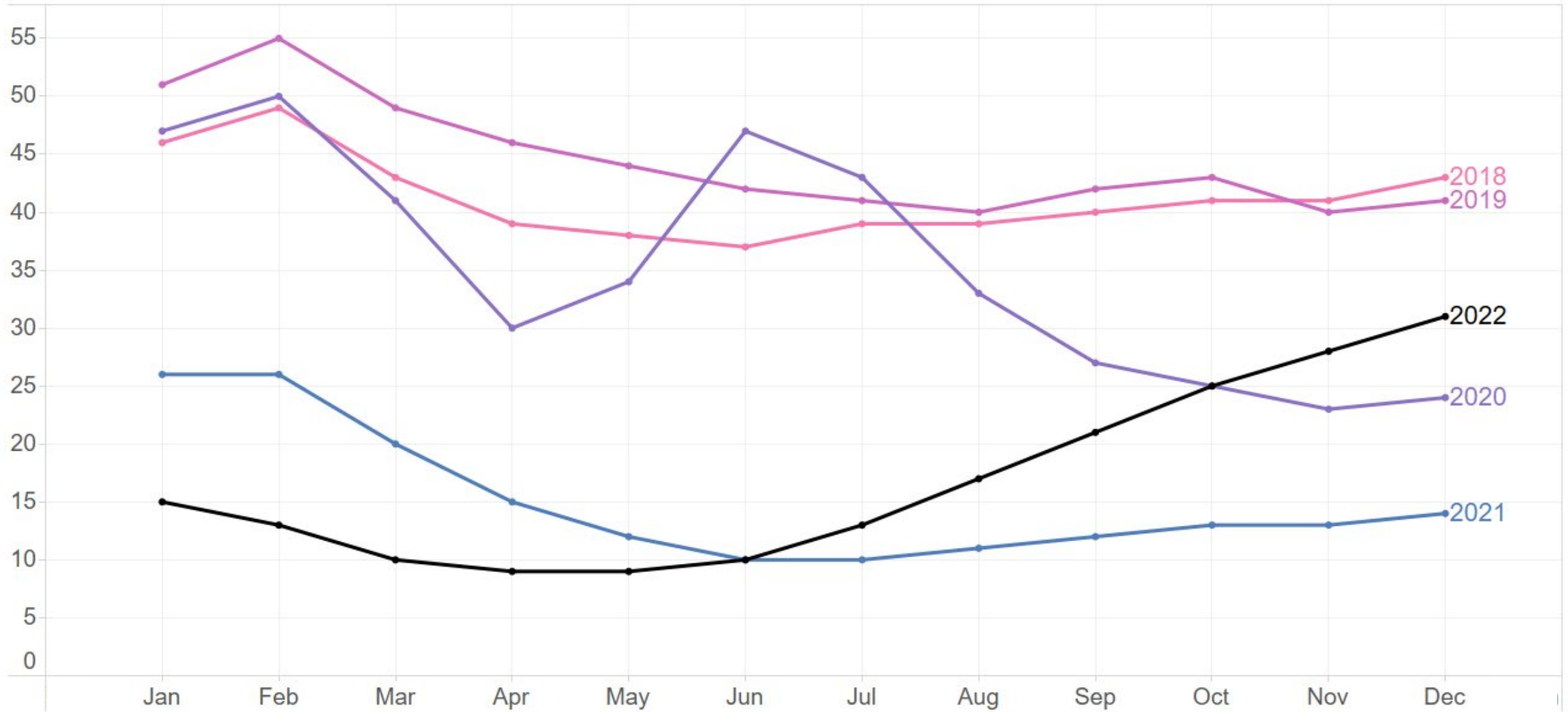
# Median Price of Closed Existing Home Sales

Florida, Monthly, 2011-2022



# Median Days on Market for Closed Existing Home Sales

Florida, 2018-2022



# Price Correction on the Way?

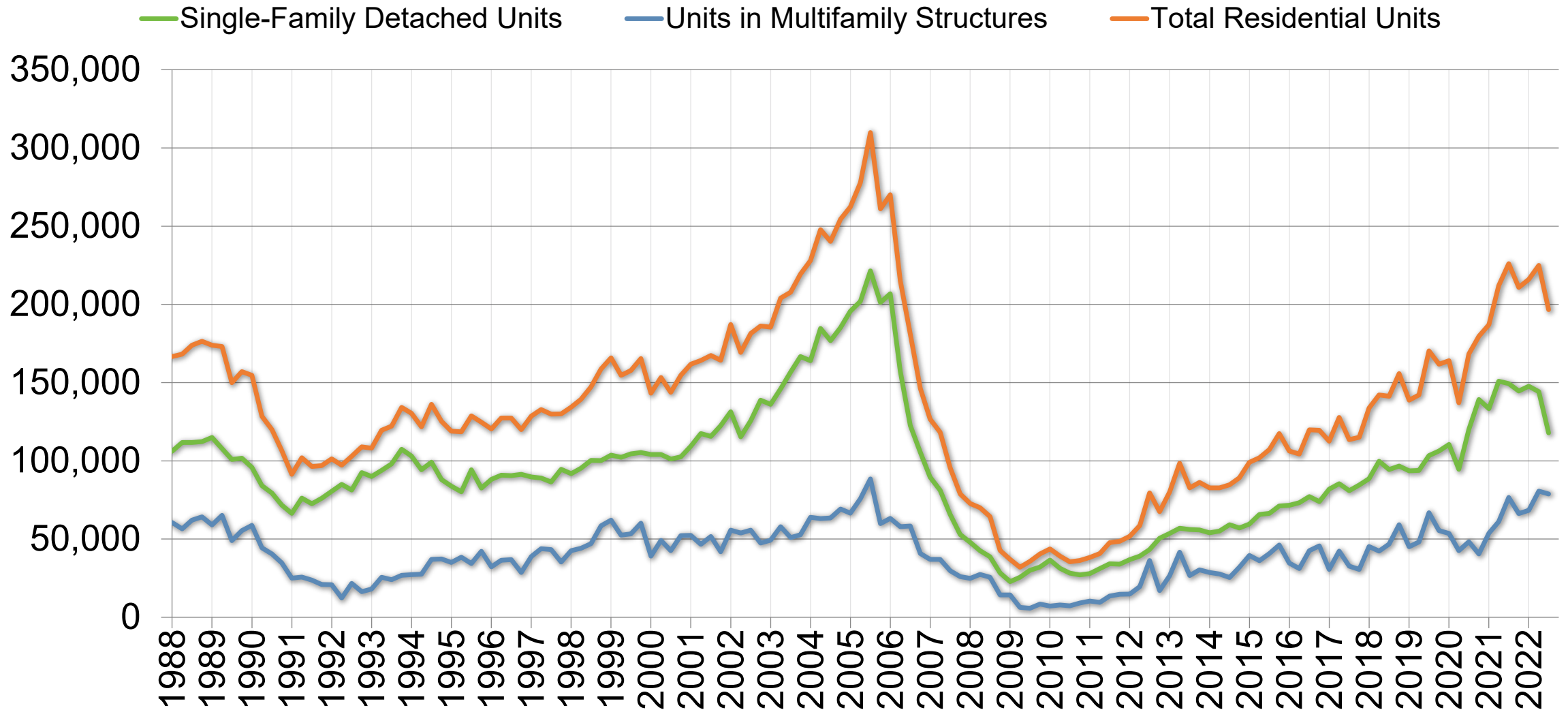
- Prices are determined by both demand and supply
- Falling demand is only one ingredient needed for a large correction
- We also need a flood of supply
  - In the last housing cycle, this came from overbuilding and foreclosures

# Where Would an Influx of Supply Come From?

- Homebuilders? **Unlikely.\***
- Mass Foreclosure Event? **Very unlikely.**
- Investors and iBuyers? **Possibly, but varies by market.**
- Traditional Owner-Occupant Sales? **With *these* interest rates?**

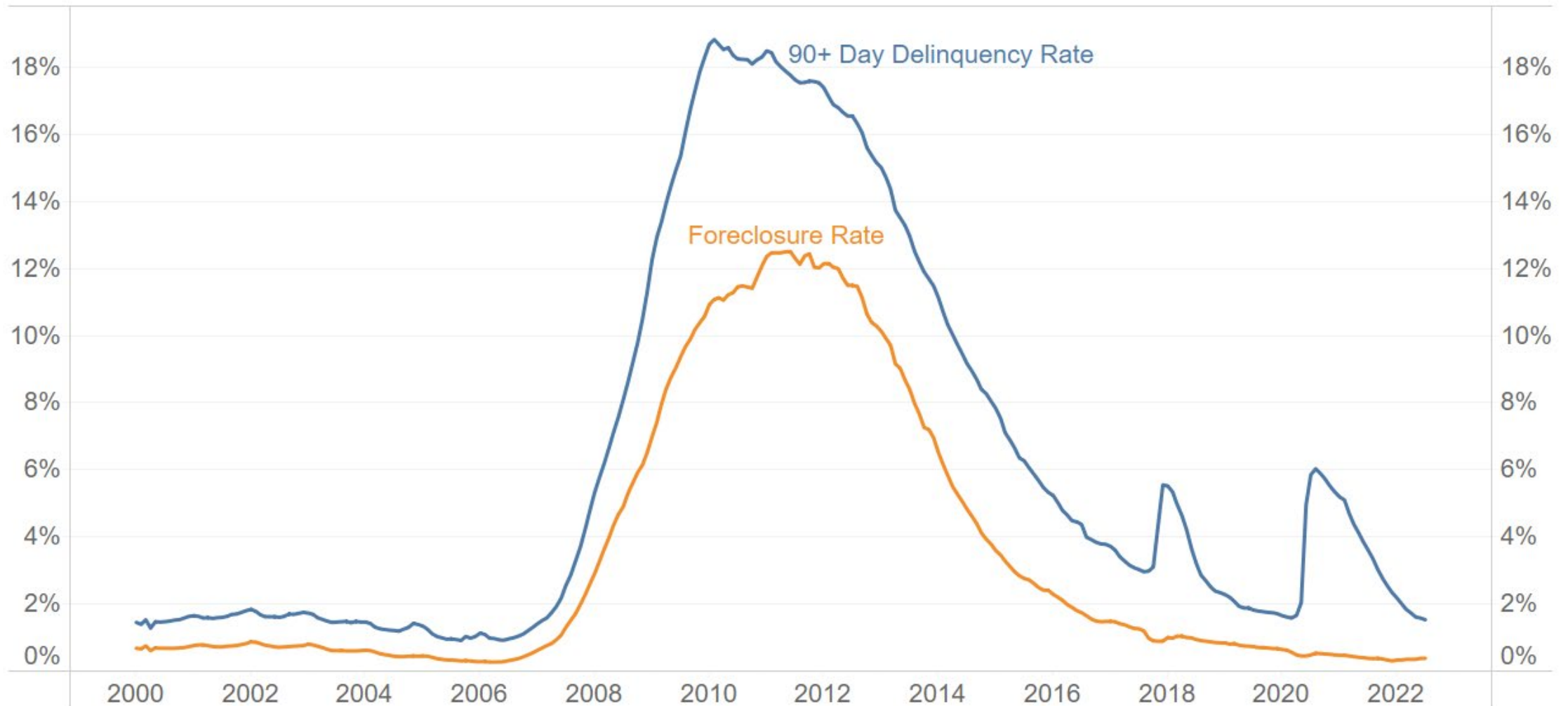
# New Residential Units Authorized by Building Permits

Florida, Quarterly, Seasonally Adjusted Annual Rate, Q1 1988 – Q3 2022



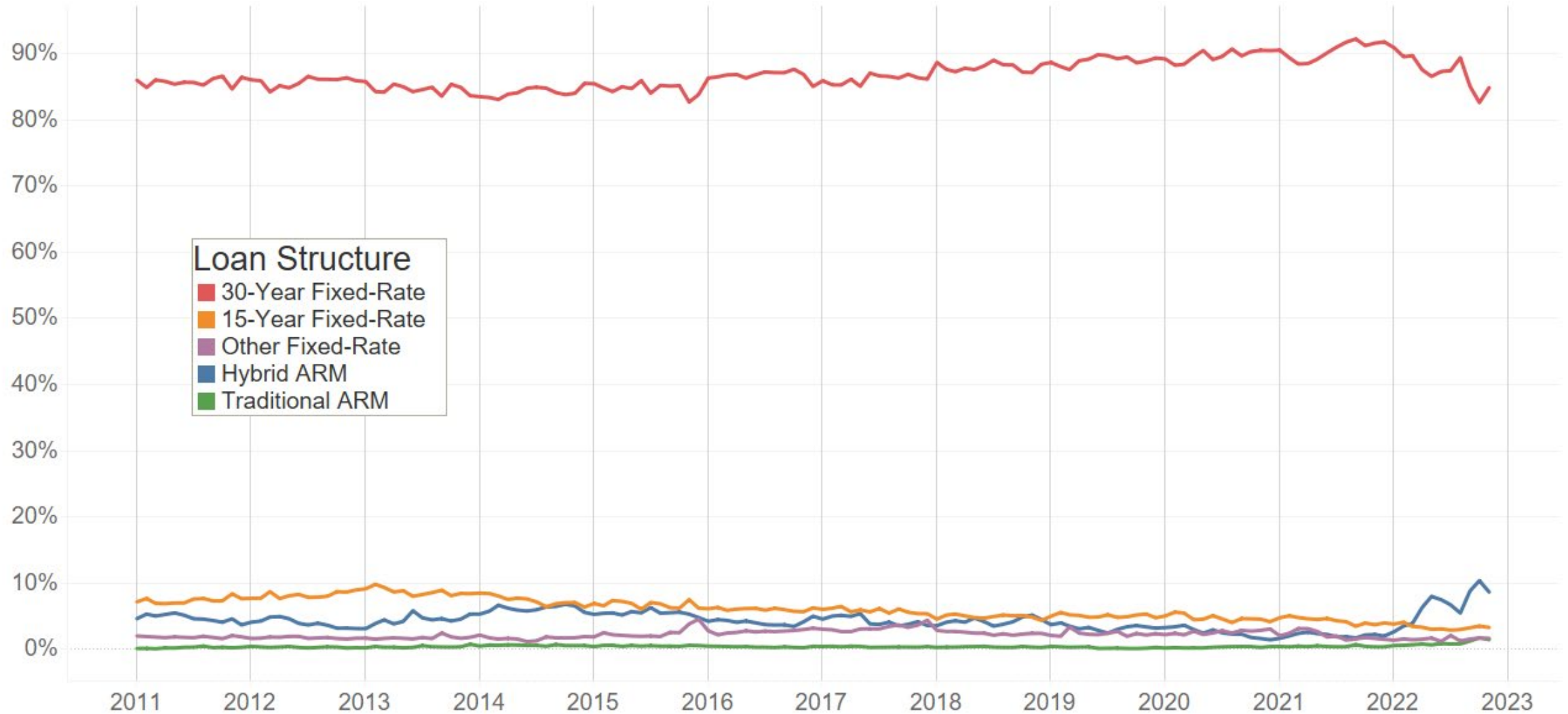
# Mortgages in Distress

Florida, Monthly, Share of All First Lien Mortgages, Jan. 2000 – July 2022



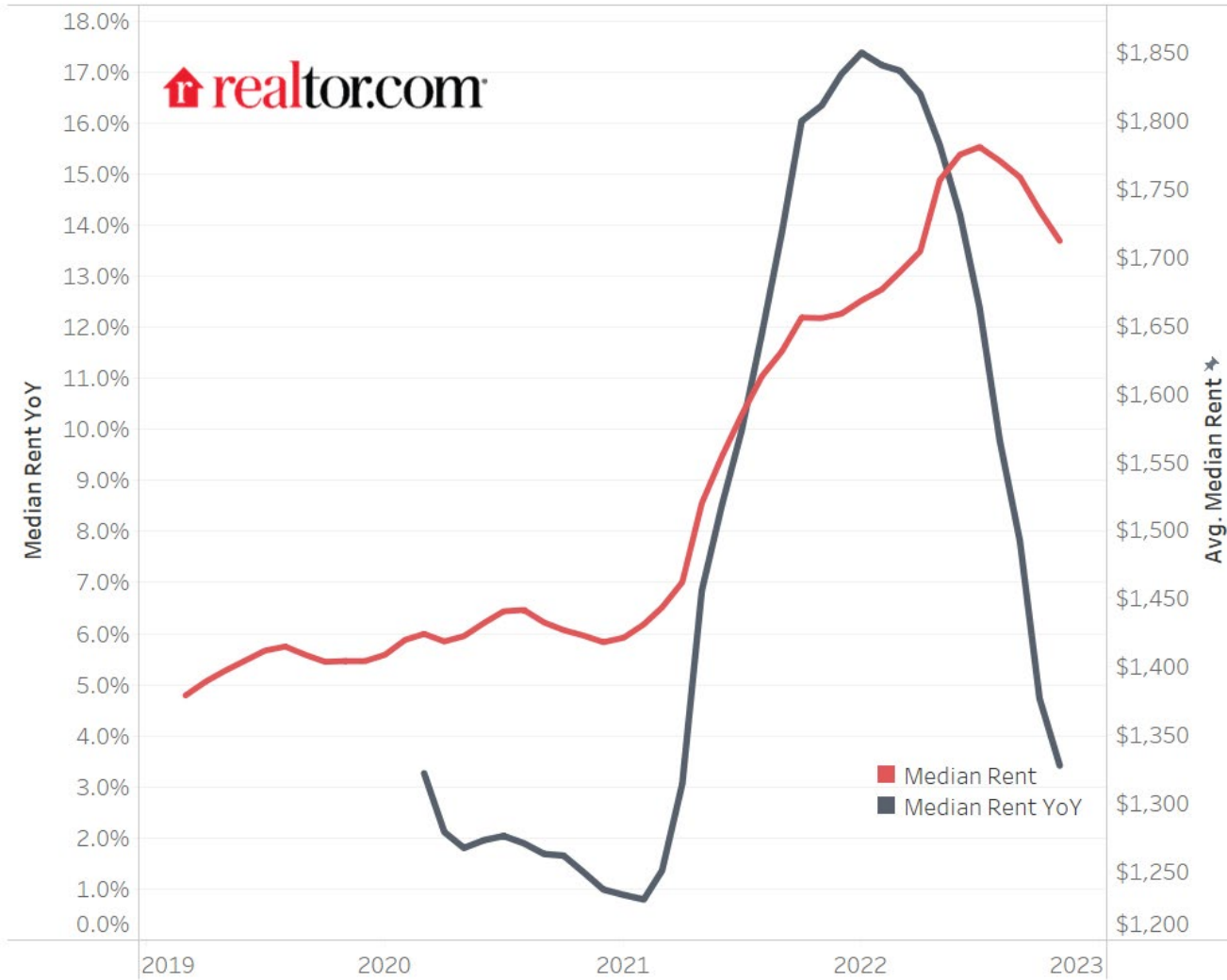
# Share of Mortgage Purchase Applications by Loan Type

Florida, Jan. 2011-Nov. 2022



# Rental Growth Trends

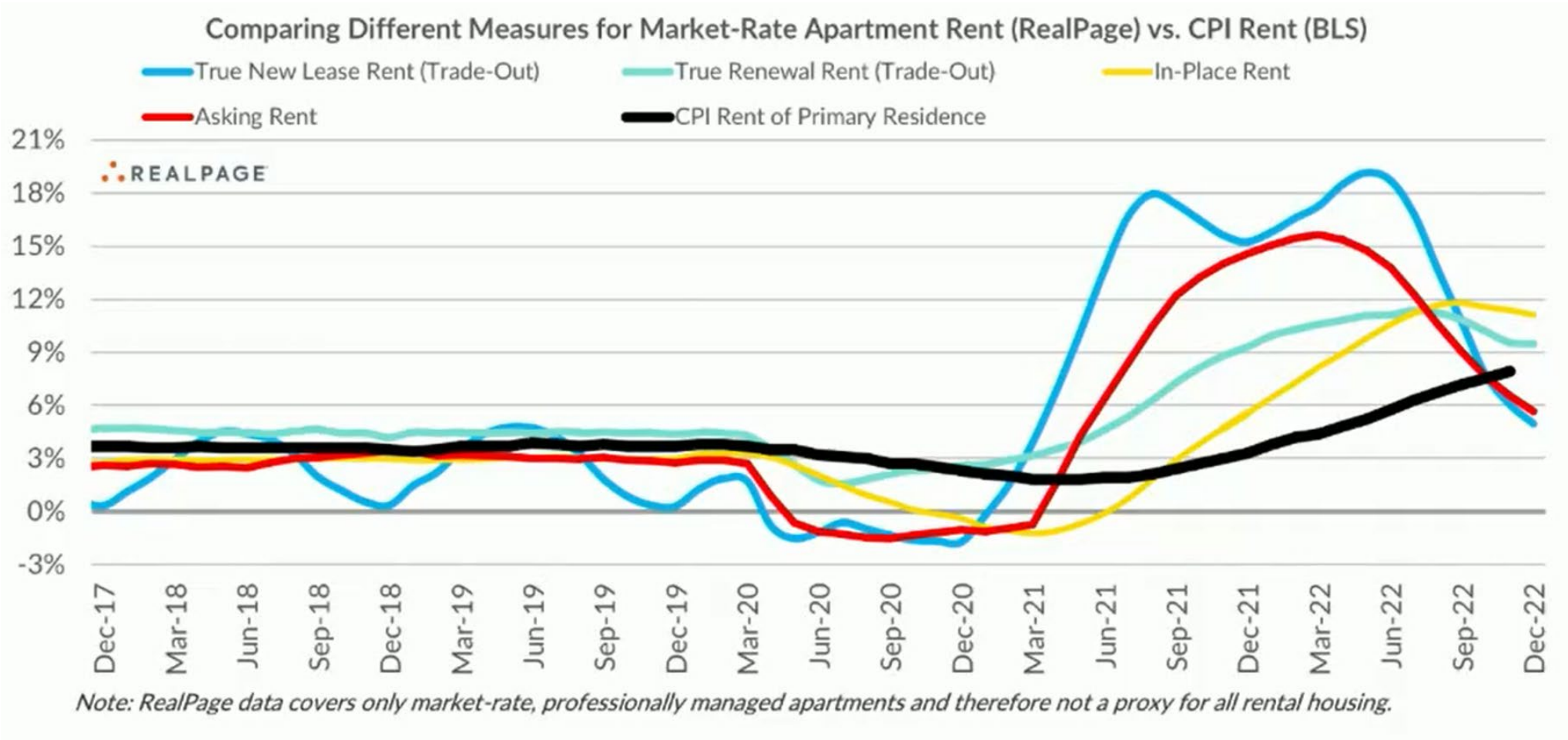
U.S., Jan. 2019-Dec. 2022





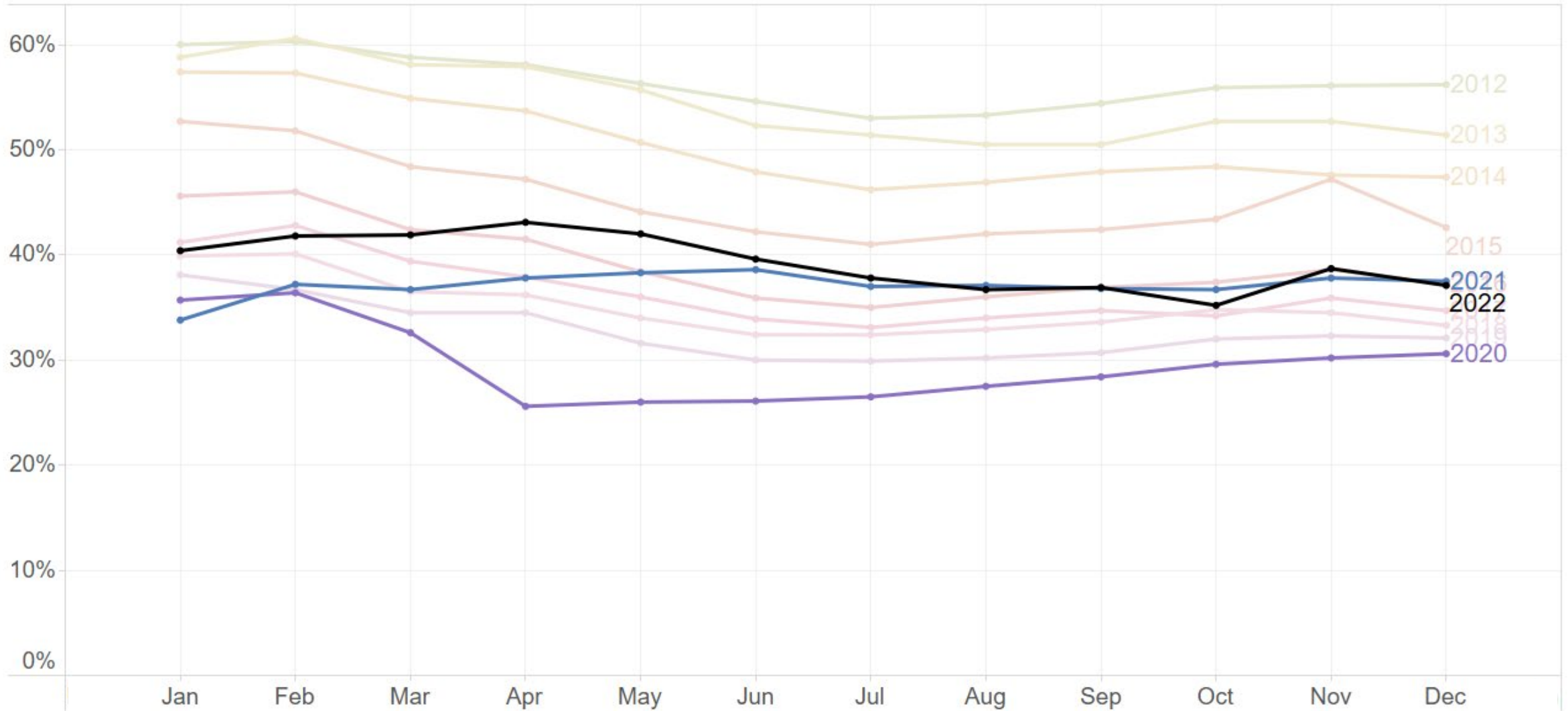
# Rental Growth Trends

U.S., Dec. 2017-Dec. 2022



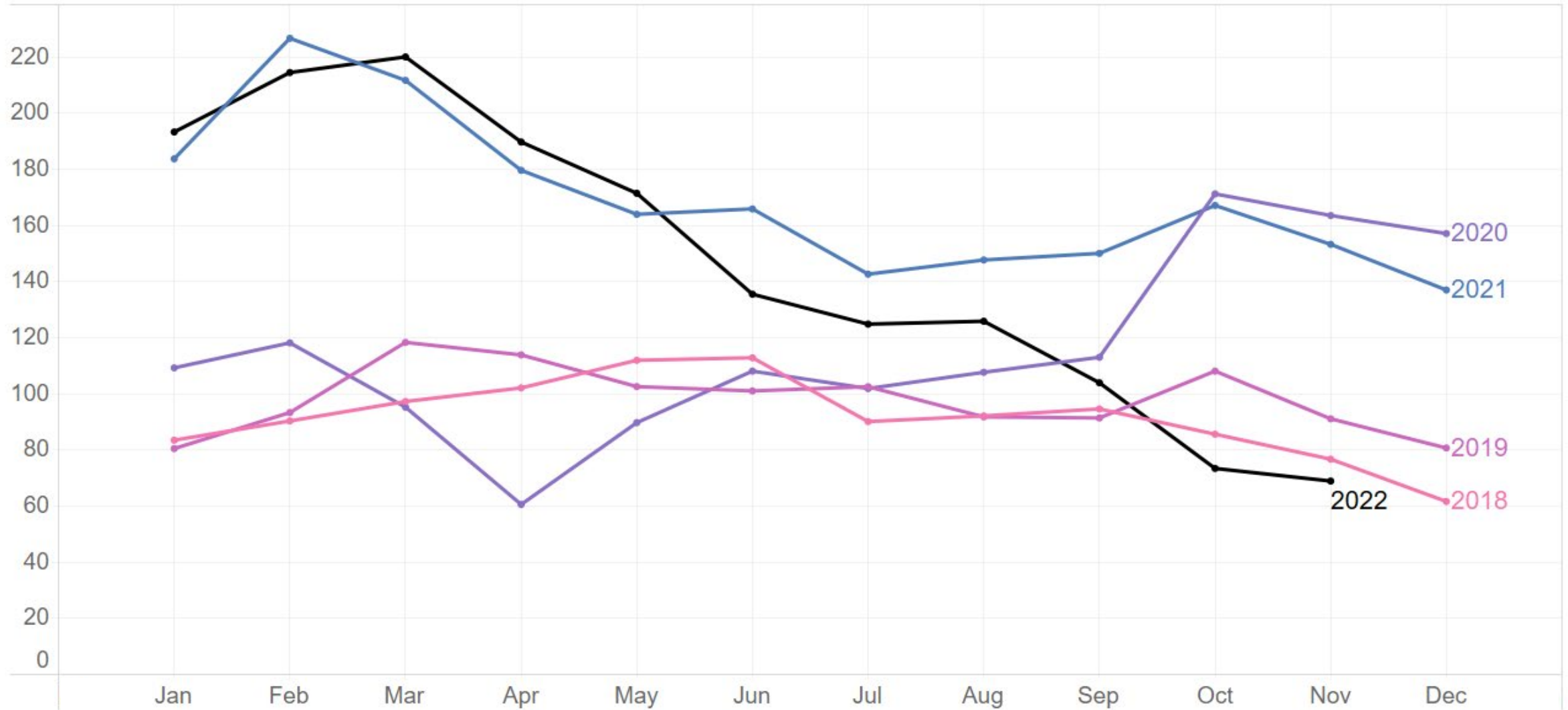
# Cash Sales as a Percentage of Closed Existing Home Sales

Florida, 2012-2022



# Mortgage Applications for Non-Primary Home Purchases

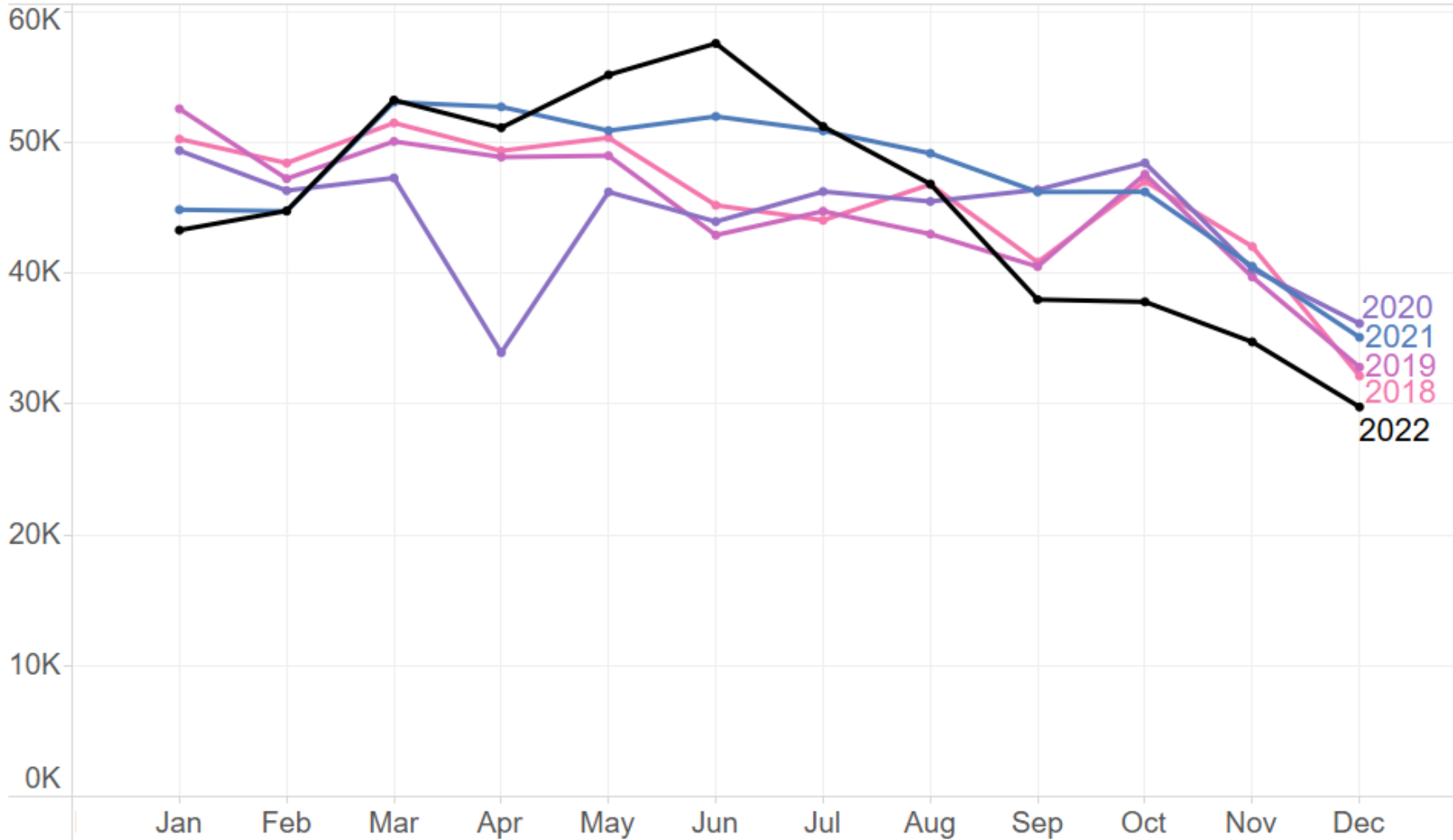
Florida, Index (Base: Jan. 2011=100), 2018-2022



# New Listings of Existing Homes for Sale

Florida, 2018-2022

Monthly New Listings

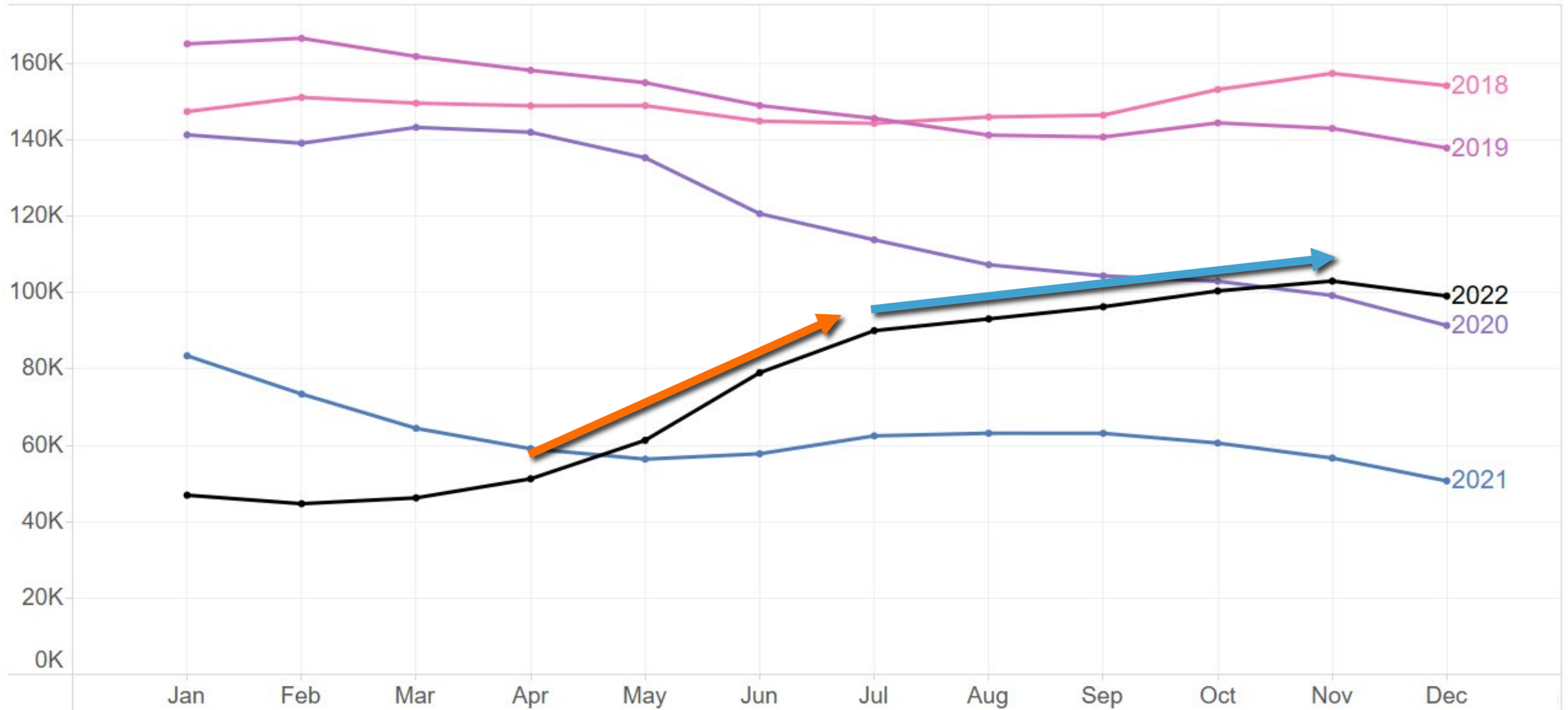


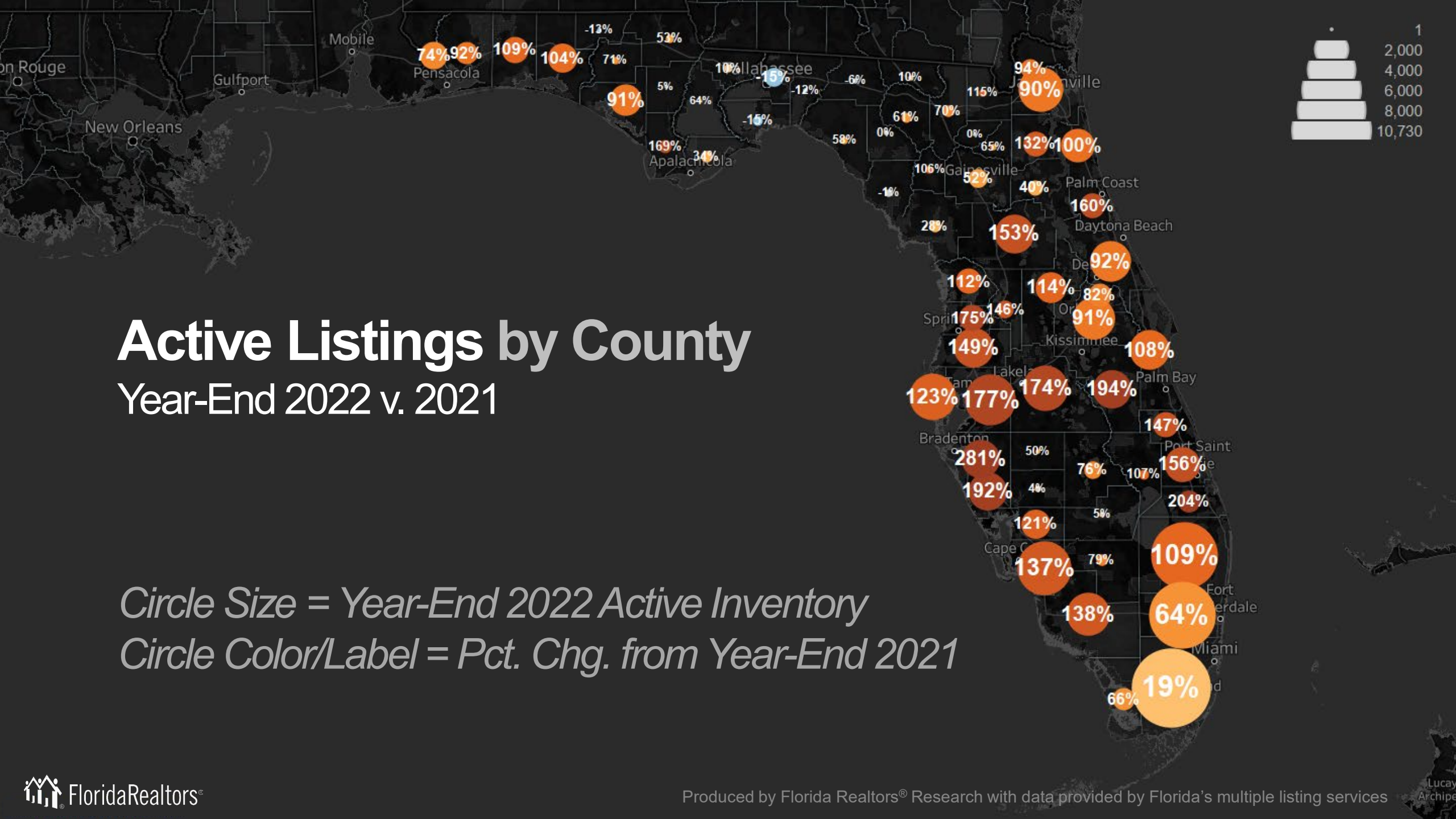
Annual New Listings



# Active Listings of Existing Homes for Sale

Florida, End-of-Month Inventory, 2018-2022





# Active Listings by County

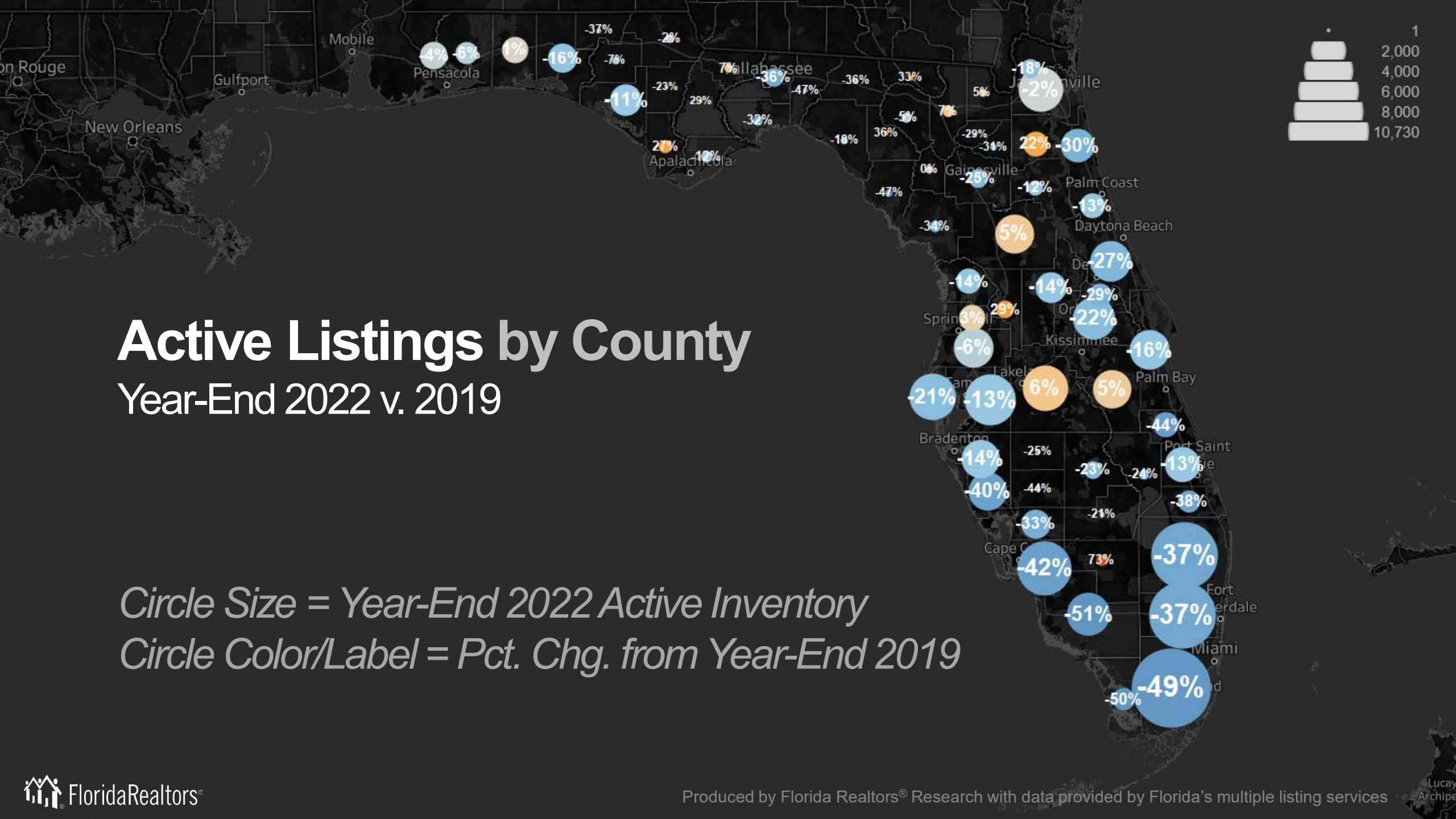
## Year-End 2022 v. 2021

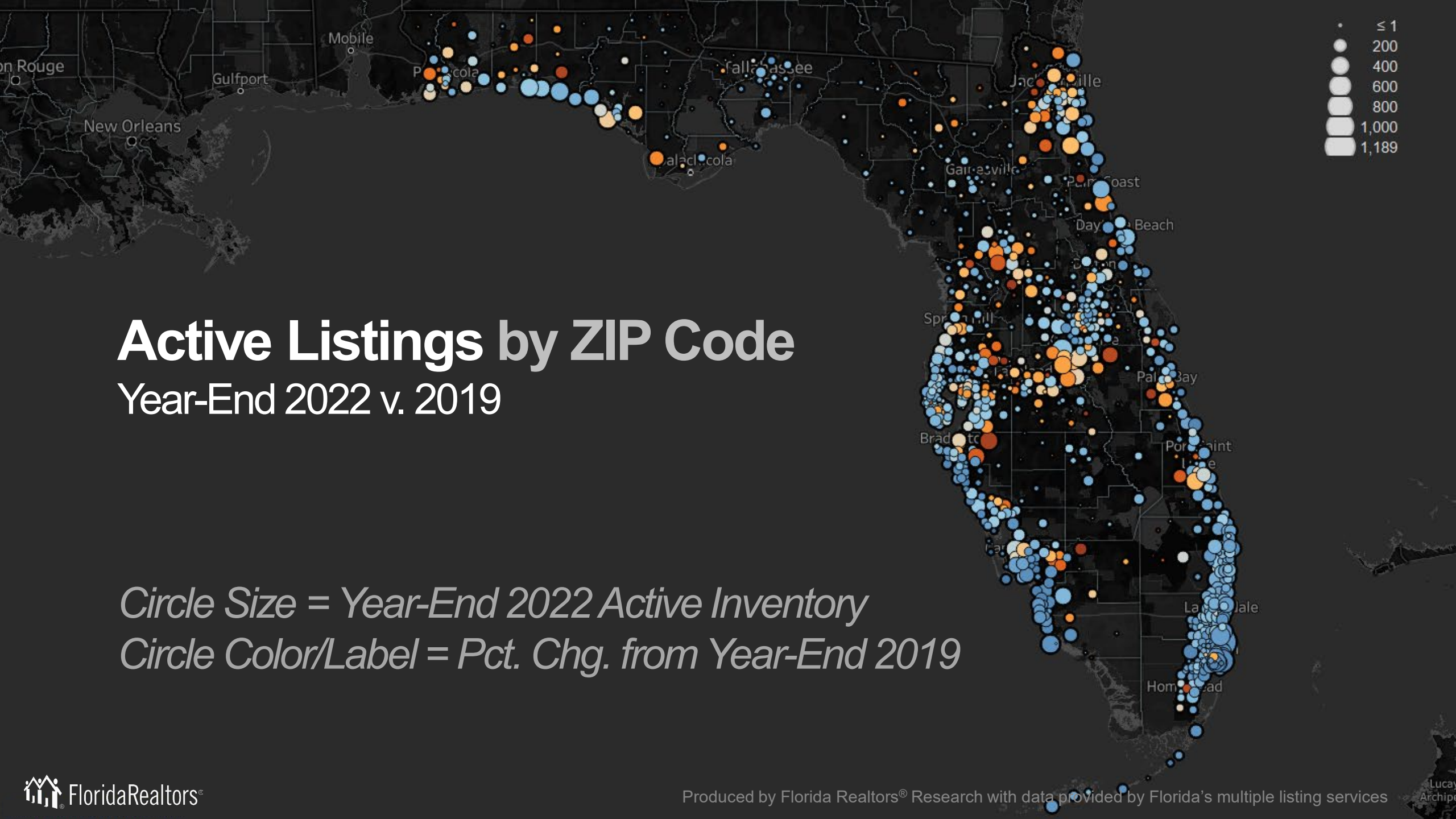
*Circle Size = Year-End 2022 Active Inventory*  
*Circle Color/Label = Pct. Chg. from Year-End 2021*

# Active Listings by County

## Year-End 2022 v. 2019

*Circle Size = Year-End 2022 Active Inventory*  
*Circle Color/Label = Pct. Chg. from Year-End 2019*





# Active Listings by ZIP Code

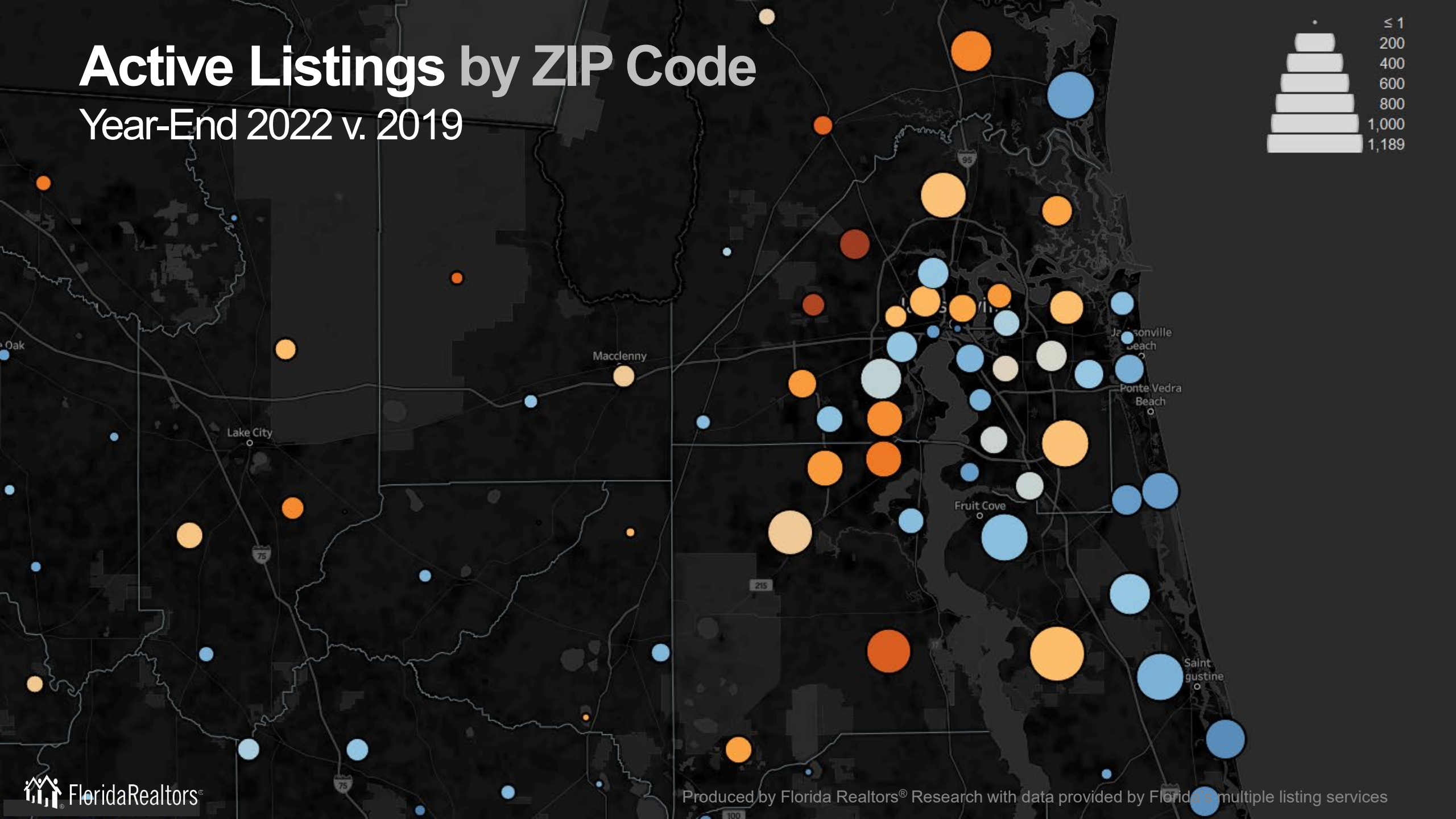
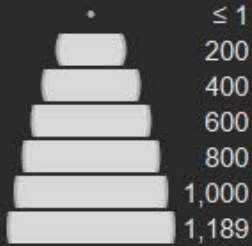
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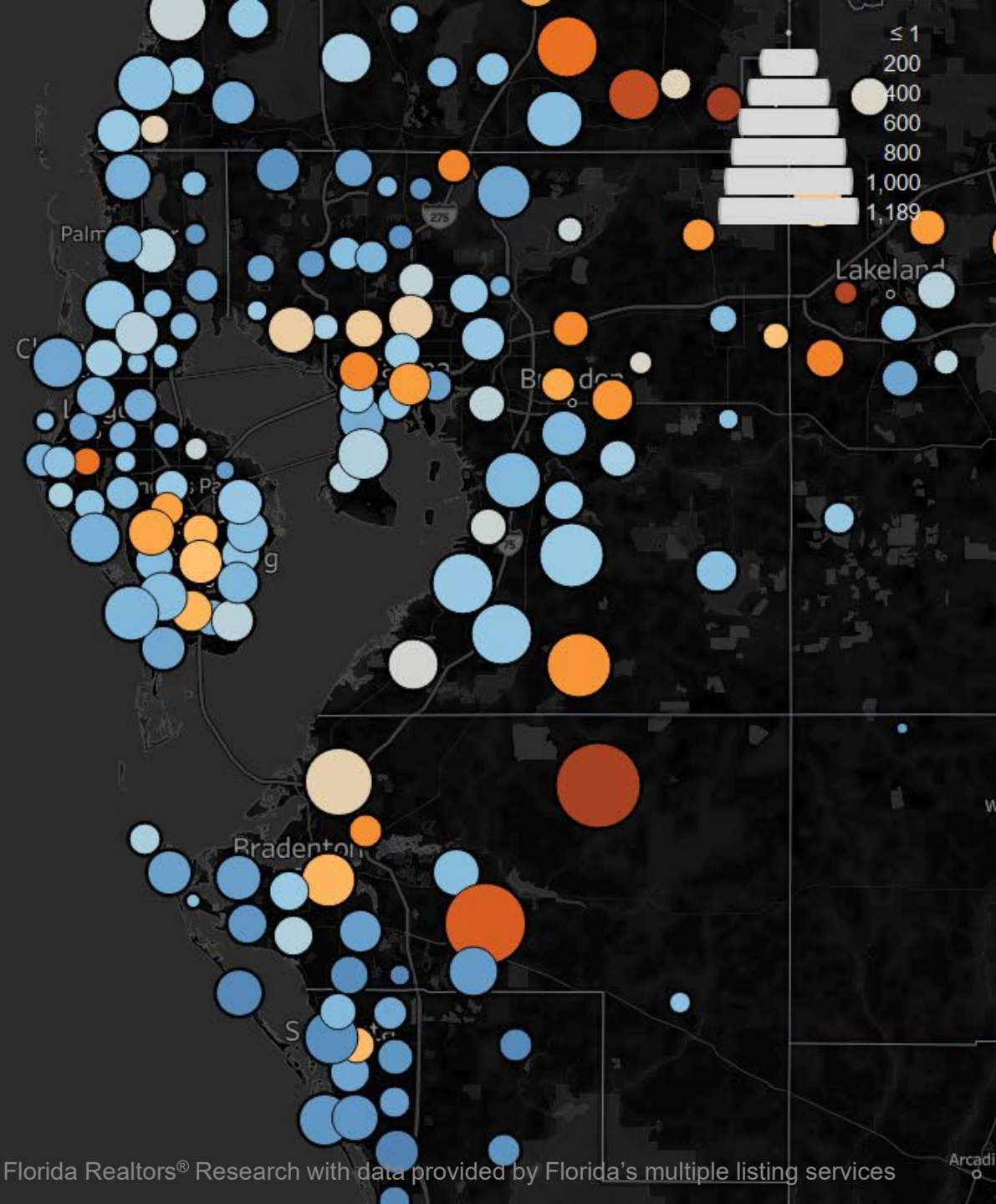
# Active Listings by ZIP Code

Year-End 2022 v. 2019



# Active Listings by ZIP Code

Year-End 2022 v. 2019



# Selected U.S. Existing Home Price Forecasts for 2023

- National Association of REALTORS® (12/13/22):
  - Overall Annual Median Price for 2023 **unchanged** from 2022
  - Y/Y decline in Q2 2023 is negated by Y/Y gains in remaining quarters
- Fannie Mae (12/12/22):
  - Fannie Mae Home Price Index **falls 1.5%** from Q4 2022 to Q4 2023
- Mortgage Bankers Association (12/19/22):
  - Overall Annual Median Price for 2023 **falls 3.4%** from 2022
  - Largest quarterly Y/Y decline occurs in Q2 2023 (**-9.9%**)

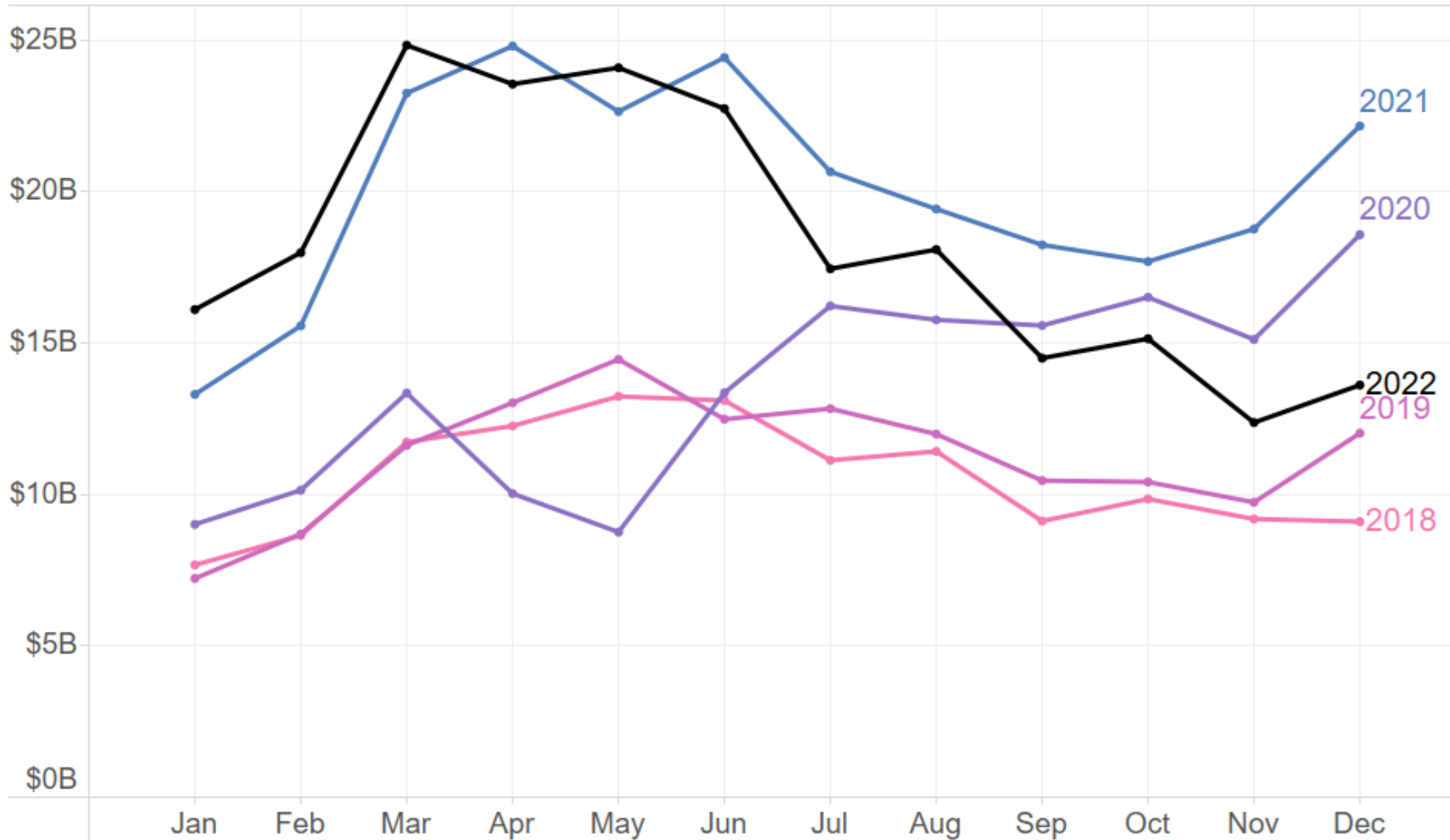
# Selected U.S. Existing Home Price Forecasts for 2023

- Redfin (12/6/22):
  - Overall Annual Median Price for 2023 **falls 4.0%** from 2022
  - Y/Y decline in every quarter, including **-5%** in Q2 and Q3
- Realtor.com (11/30/22):
  - Overall Annual Median Price for 2023 **rises 5.4%** from 2022
- CoreLogic (1/3/23):
  - CoreLogic Home Price Index **rises 2.8%** from Nov. 2022 to Nov. 2023

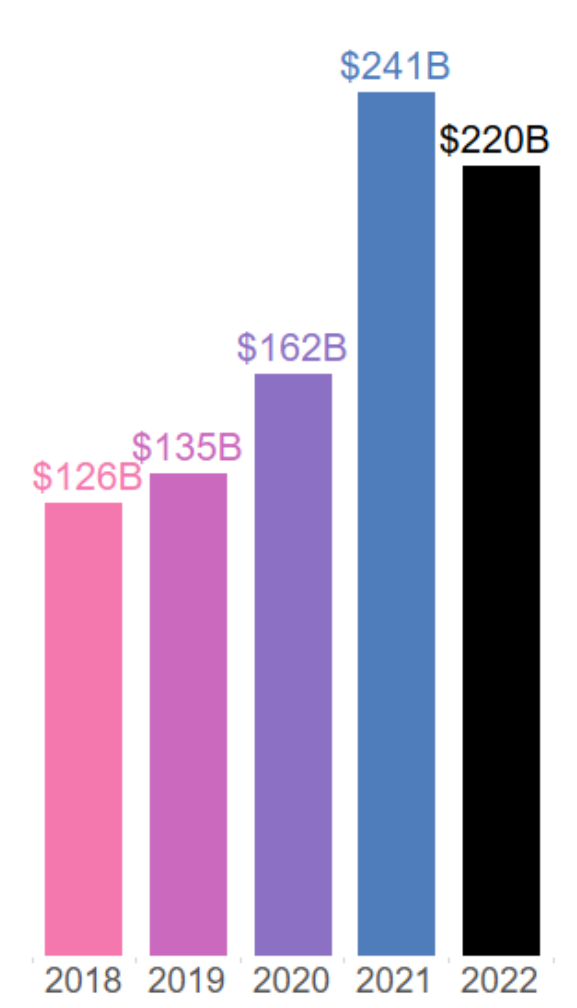
# Dollar Volume of Closed Existing Home Sales

Florida, 2018-2022

Monthly Dollar Volume of Sales



Annual Dollar Volume of Sales





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