

# REAL ESTATE TRENDS

FOR REALTORS, HOMEOWNERS AND PROFESSIONALS

May 2023



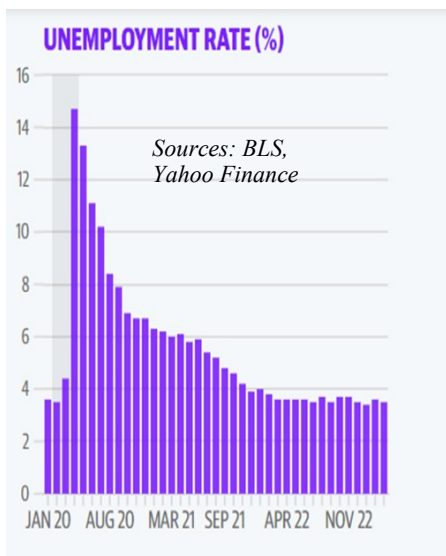
## Triple Whammy End of Quarter

Every week seems to be a big week when it comes to economic data and events. However, it is not often we see the triple whammy of events which will occur at the tail end of April and the first week of May. This period typically occurs once or twice per year. At the end of April, we will have the preliminary reading of economic growth for the first quarter of the year (GDP). This is the most important aggregate measure of the health of our economy.

# GDP

We have previously mentioned that some analysts had predicted a recession to start in the first quarter of the year; however, these same analysts are now predicting positive growth in the first quarter. Why? One only needed to look at one data point to reverse those predictions – the growth of jobs. You can be sure that the members of the Federal Reserve's Open Market Committee will be looking at the GDP report closely when they meet the first week in April. Economic growth, inflation and the banking sector will all be analyzed carefully by the Fed.

To round out this eventful time, we will see the April jobs report May 5th. This will be the first economic data of the second quarter. While few are expecting the economy to start losing jobs this quarter, most are expecting the pace of jobs growth to slow down. If we do undergo a mild recession later this year, the pace of adding jobs would theoretically slow even more, which would further ease pressure on inflation. Get ready for a busy start to the first quarter!...



## Zoning Policy In Focus

Zoning is one of the most contentious issues in many jurisdictions across the country, no matter how big or small, but one thing zoning officials should be considering is ways to address the ongoing affordability crisis in creative ways that benefit municipalities and its residents alike.

## Affordability

This information comes by way of Zillow's Home Price Expectations Survey of highly-placed housing market executives and economists. Of those surveyed, zoning reform was an overwhelmingly popular answer to create more opportunities in existing and new neighborhoods in growing communities to effectively address affordability. In addition, encouraging local governments to support and not deny affordable housing initiatives in zoning in the form of tax credits plays a big part in creating an image of opportunity for "low-income" housing.

"It seems straightforward: We need to build more homes," said Dr. Skylar Olsen, Zillow's Chief Economist. "Changes through policies like modest densification will give us more 'at bats' to create density and help communities stay livable for everyone."...

Source: MReport

## Selected Interest Rates

April 20 2023

30 Year Mortgages	6.39%
2022 High (Nov 10)	7.08%
2022 Low (Jan 6)	3.22%
15 Year Mortgages	5.76%
10 Year Treasuries	3.54%

Sources—Fed Reserve, Freddie Mac  
Note: Average rates do not include fees and points. Information is provided for indicating trends only and should not be used for comparison purposes.

## Rent: Unaffordable!

If you follow the rule of thumb that households should spend no more than 30% of gross income on rent, then most U.S. cities are unaffordable. A monthly NerdWallet rent-to-income ratio analysis of 225 cities in the U.S. finds that, based on the most recent data, 65% of rents on the market are equal to or above the recommended 30% ratio in February.

In January, the ratio was 64%. That means market rents are moderately to severely burdensome for residents in 57% of U.S. cities measured. Market rent comes from data on the real estate website Zillow, based on February data, and median income used for this analysis is from 2021 U.S. Census Bureau data. The data doesn't differentiate between incomes for residents who own rather than rent in those cities.

By federal standards, spending 30% to 49% of income on rent means a household is "moderately rent burdened," and spending 50% or more means a household is "severely rent burdened," according to the NYU Furman Center, which conducts research about housing and urban policy. From January to February, the price of advertised rents increased by 0.3%, according to Zillow's rental report for February 2023. Typical asking rents increased 6.3% compared with the same time last year... Source: 69WFMZ

## Did You Know...

Single women are achieving one of the main tenets of the American Dream – homeownership. Since 2019, the number of single, female-headed households has increased by 1.4 million, one million of whom are homeowners. The overall home-ownership rate declined in the aftermath of the Great Recession, but has since rebounded, in part due to the growth in single female homeownership.

The home-ownership rate among single, female-headed households surpassed 52% in 2022, recovering from a post-Great Recession low point of 50% in 2016. Single women's homeownership rate outpaced that of single men by approximately two percentage points.