

2024 House Market Outlook: A Better Year Ahead?

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Purpose Today:

- Provide the latest real estate trends and the real estate outlook
 - Give real estate information to help guide your clients to making more informed and better real estate decisions.
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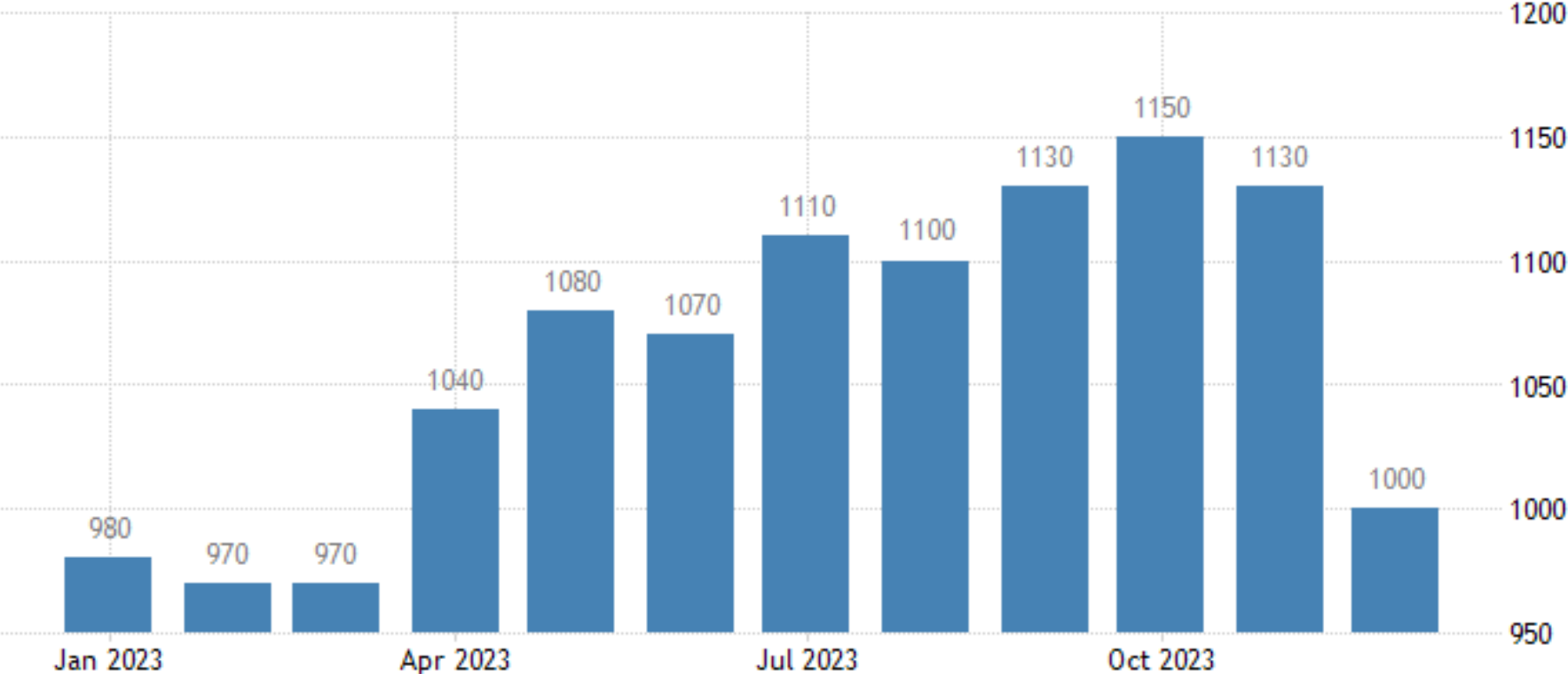
Housing Market Review 2023



HOUSING INVENTORY



United States Total Housing Inventory - 2023



TRADINGECONOMICS.COM | NATIONAL ASSOCIATION OF REALTORS



United States Total Housing Inventory - Past 5 Years



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United States Total Housing Inventory - Past 25 Years



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April 2023

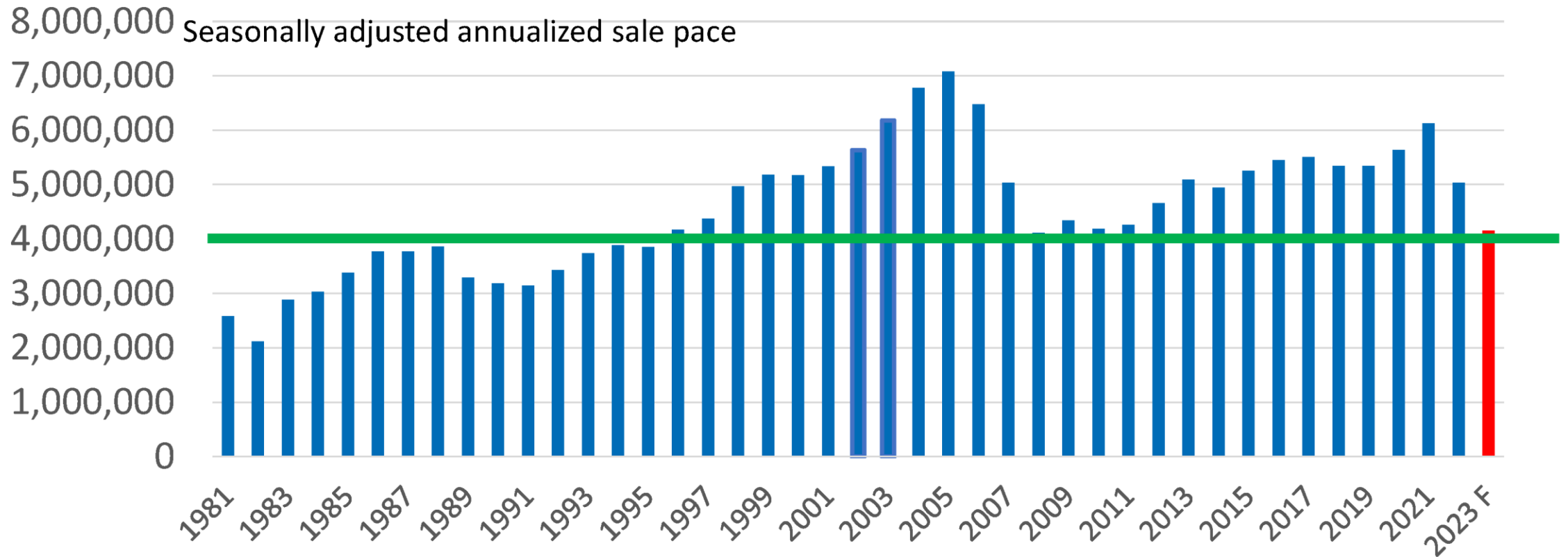
Income	Share of listings that households can afford to buy	Share of listings that households can afford to buy	Number of Listings Missing	Maximum Price
	April 2023	Balanced Market		
Less than \$15,000	1.2%	8.6%	85,000	\$51,220
\$25,000	3.1%	16.0%	147,750	\$85,370
\$35,000	5.2%	23.6%	209,910	\$119,520
\$50,000	10.8%	34.8%	273,970	\$170,740
\$75,000	23.0%	51.0%	319,460	\$256,110
\$100,000	38.6%	63.6%	285,250	\$341,480
\$125,000	53.4%	73.4%	229,150	\$426,850
\$150,000	64.0%	80.7%	191,210	\$512,230
\$200,000	77.2%	88.7%	131,360	\$682,970
\$250,000	84.8%	93.0%	93,000	\$853,710
\$500,000	94.6%	97.3%	31,570	\$1,707,420
\$500,000+	99.9%	100%	990	

Missing Inventory by Income Bracket

HOMES SALES



Annual Existing-Home Sales: Likely 18% Decline, On track for the worst year since 2008 or since 1995



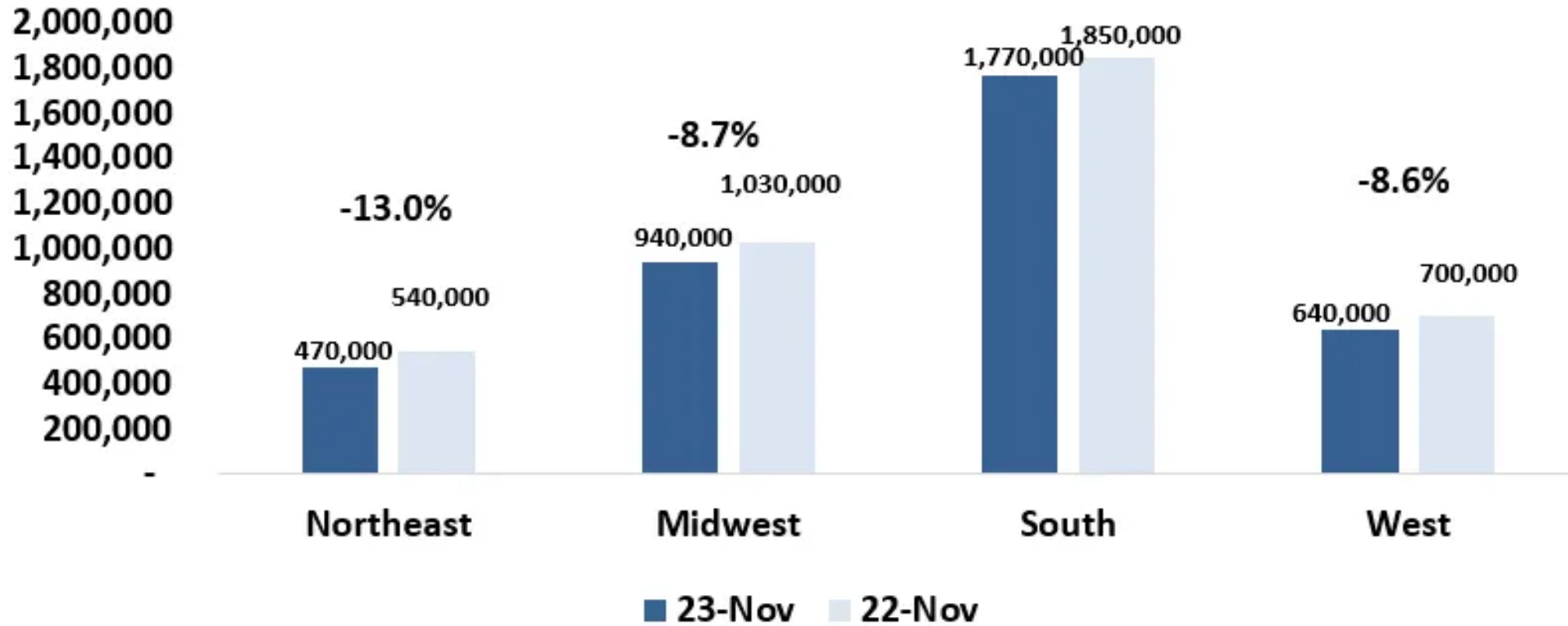
Source: NAR

Existing-Home Sales Below Pre-COVID Down 21% Year-to-Date



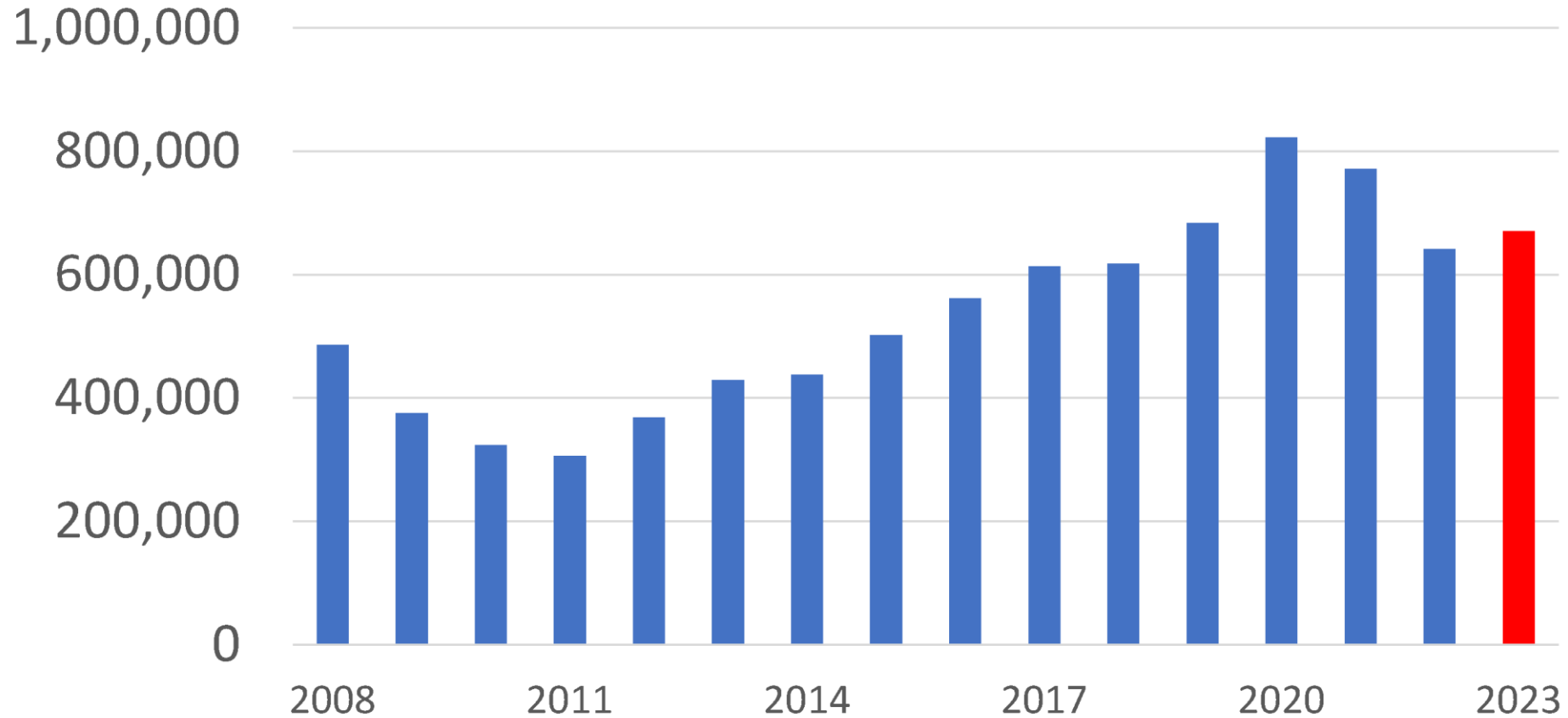
Source: NAR

Regional Existing-Home Sales and Year-over-Year Percent Change



New Home Sales Up 4.5% year-to-date to October

On track for the 3rd or 4th best year since 2008 foreclosure year



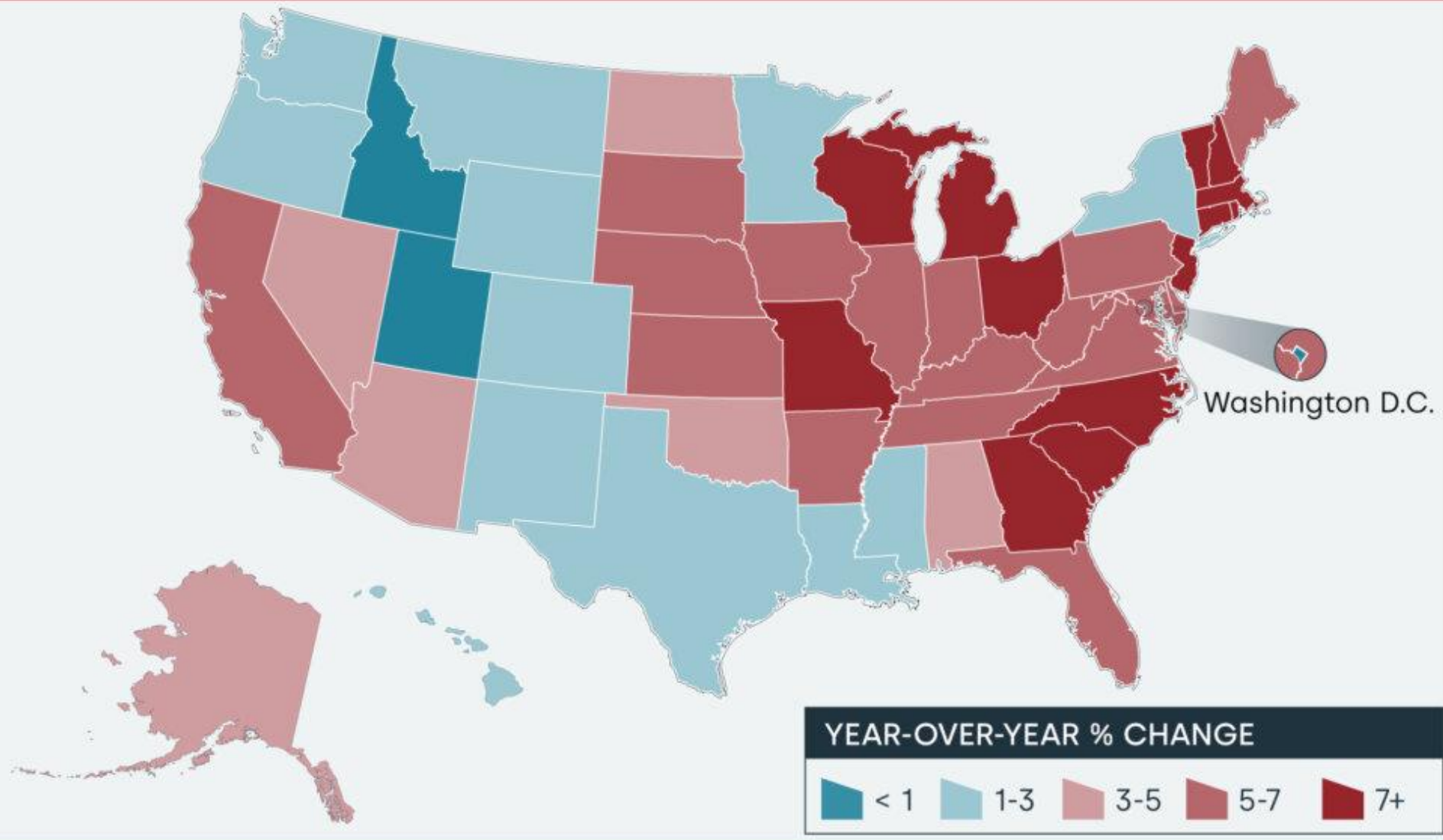
Source: NAR forecast and HUD

Median Home Prices



United States Median Price by State

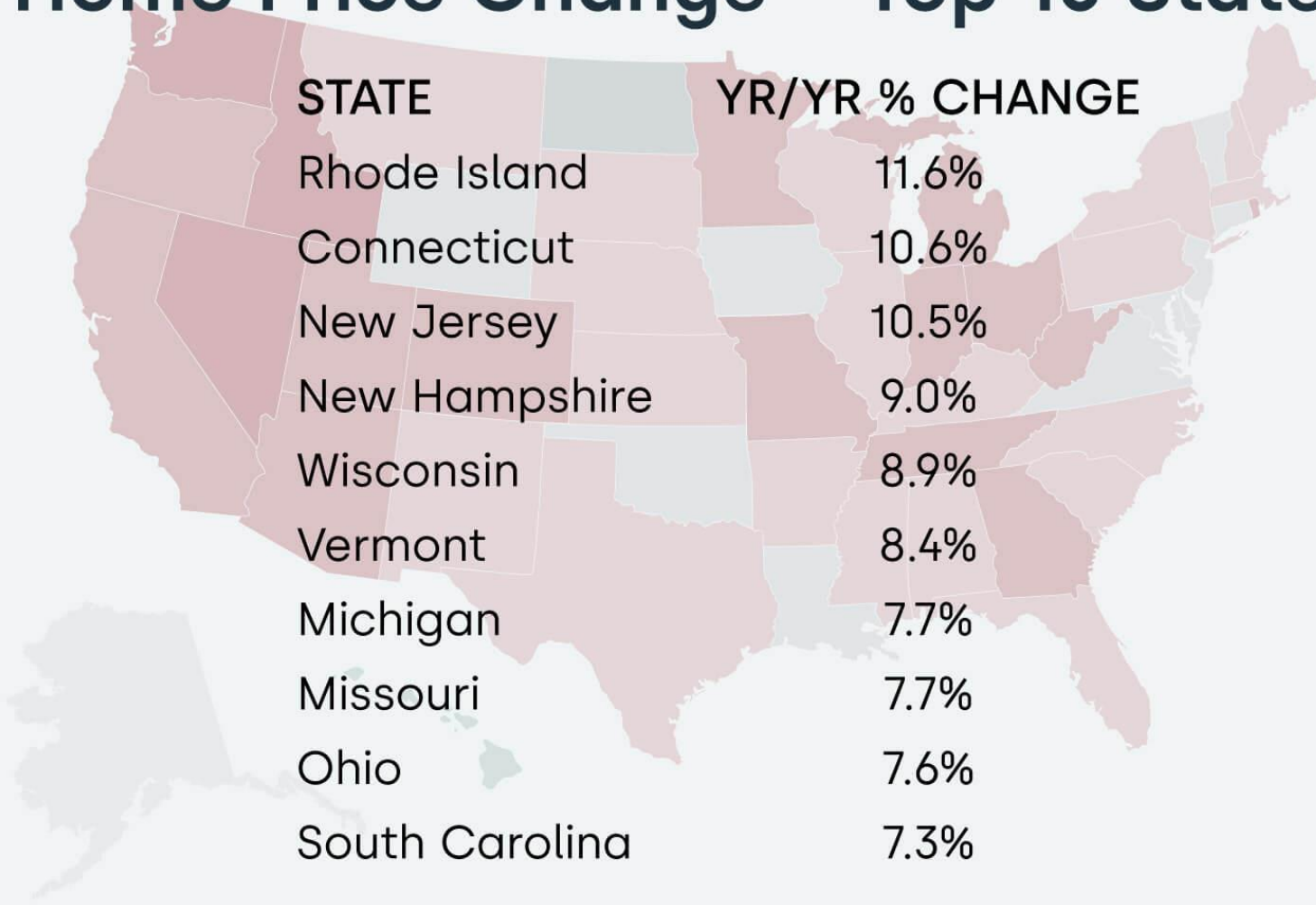
November 2022
to November 2023



Jan 2024 - CoreLogic



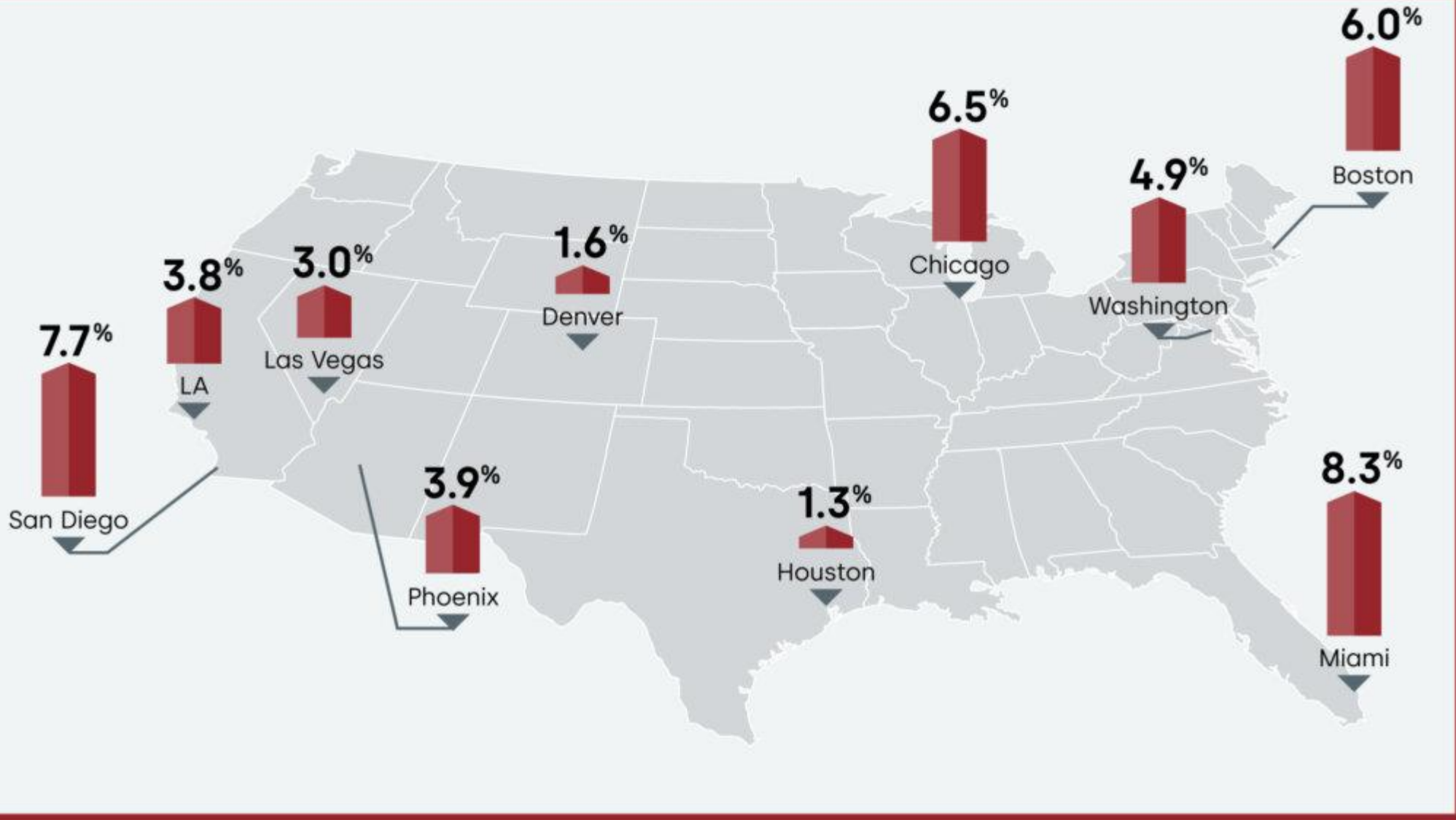
Home Price Change – Top 10 States



CoreLogic
Home Price
Change
Top 10 States

November 2022
to November 2023





CoreLogic Home Price Top 10 Metros Change

November 2022
to November 2023

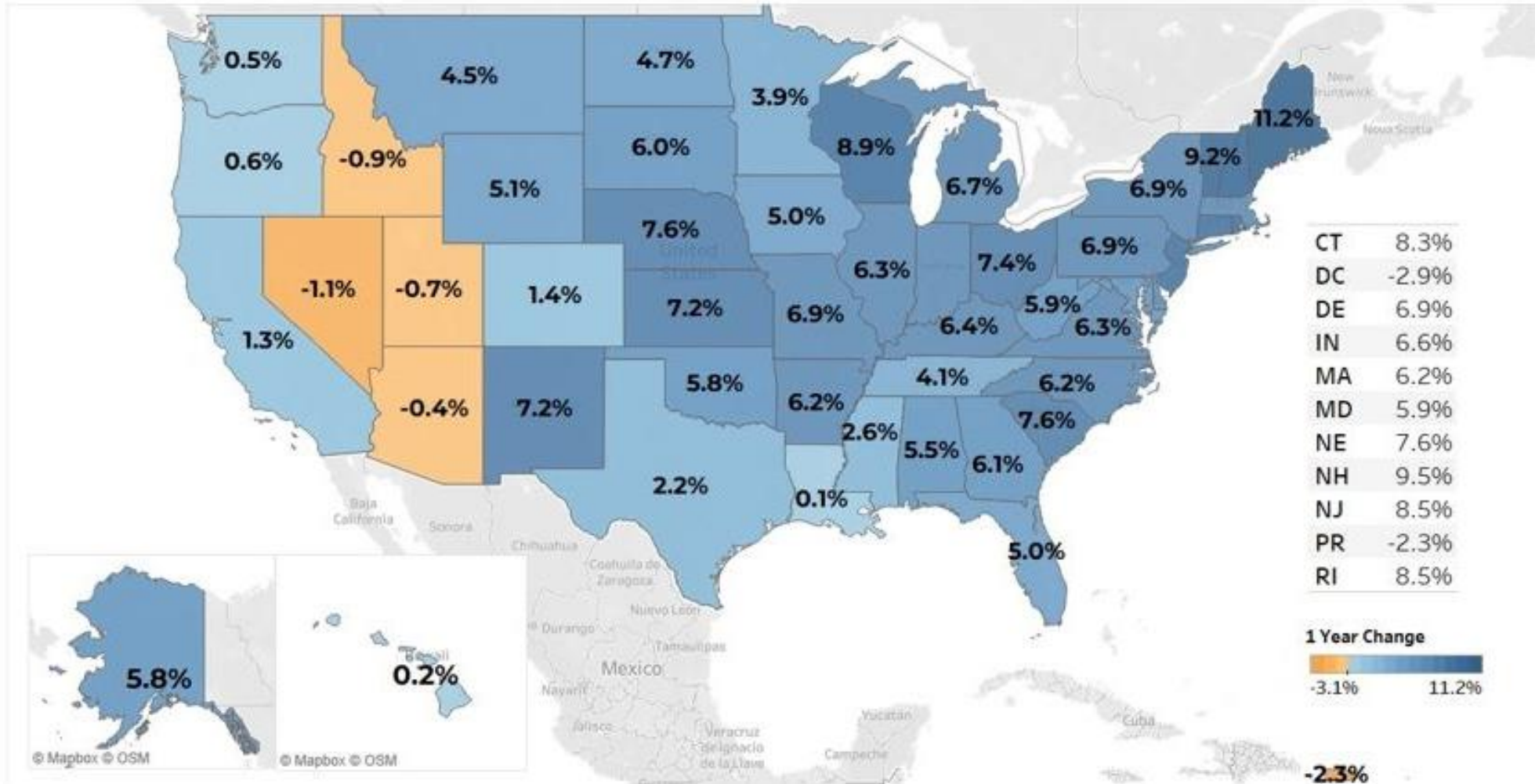


HOME PRICE APPRECIATION



Home Price Appreciation for one year

(% change from 2022 Q3 to 2023 Q3)

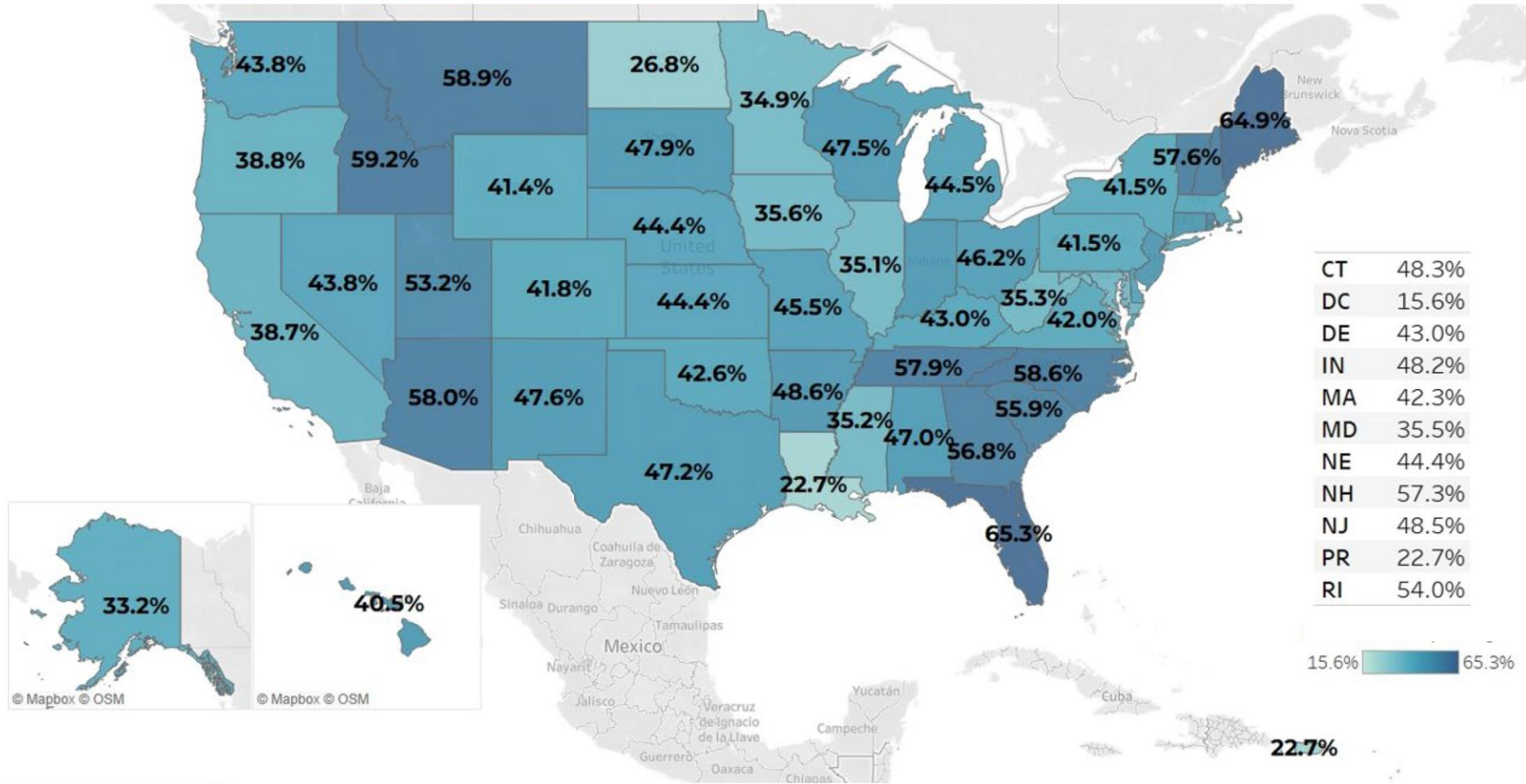


Source: NAR Analysis of FHFA Home Price Index



Home Price Appreciation Since COVID Arrival

(% change from 2020 Q1 to 2023 Q3)



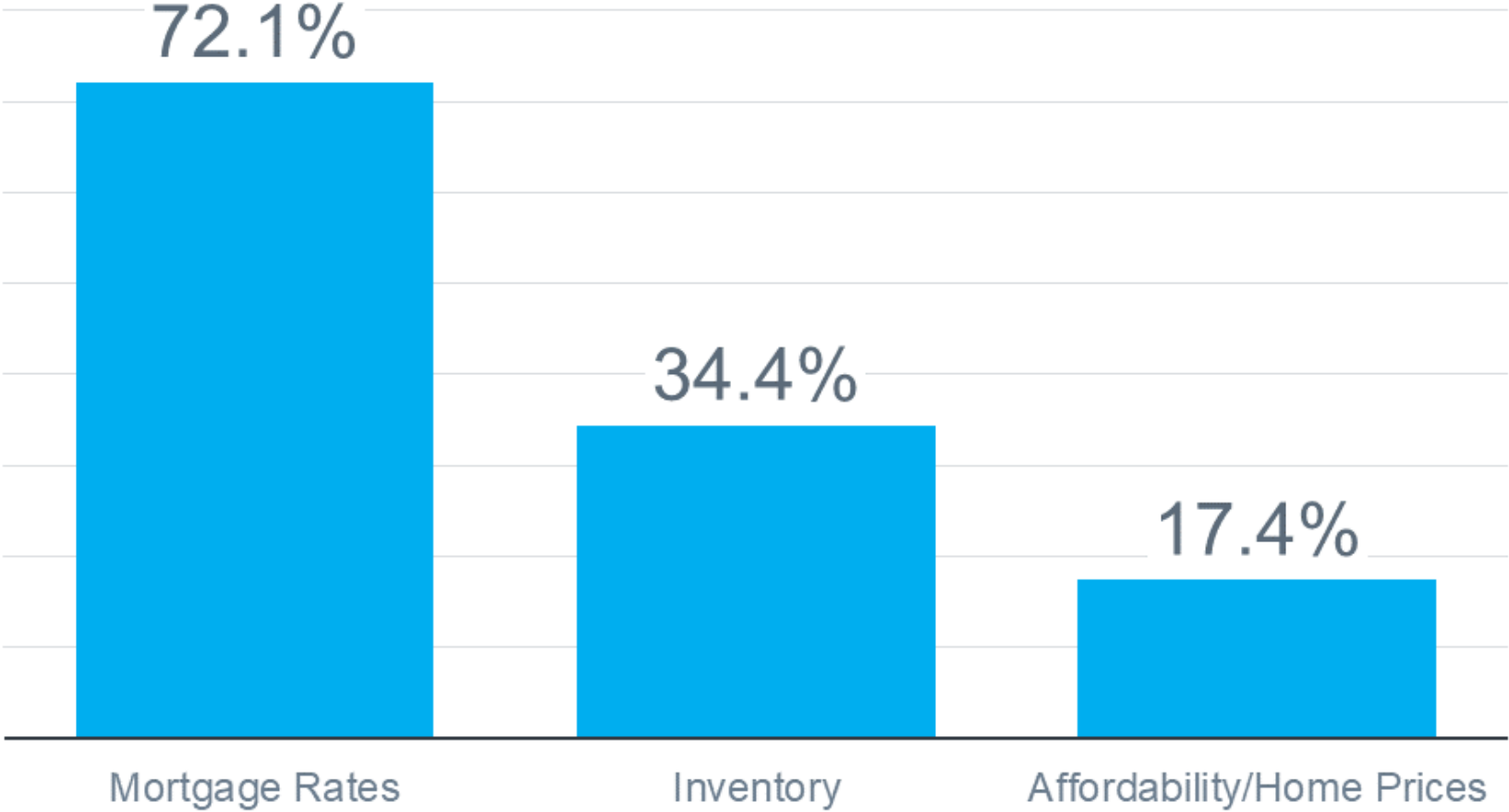
Source: NAR Analysis of FHFA Home Price Index

INTEREST RATES



Top 3 Reasons Buyers Paused Decision

Reasons Given for Pausing Their Purchase (Multiple Could Be Chosen)



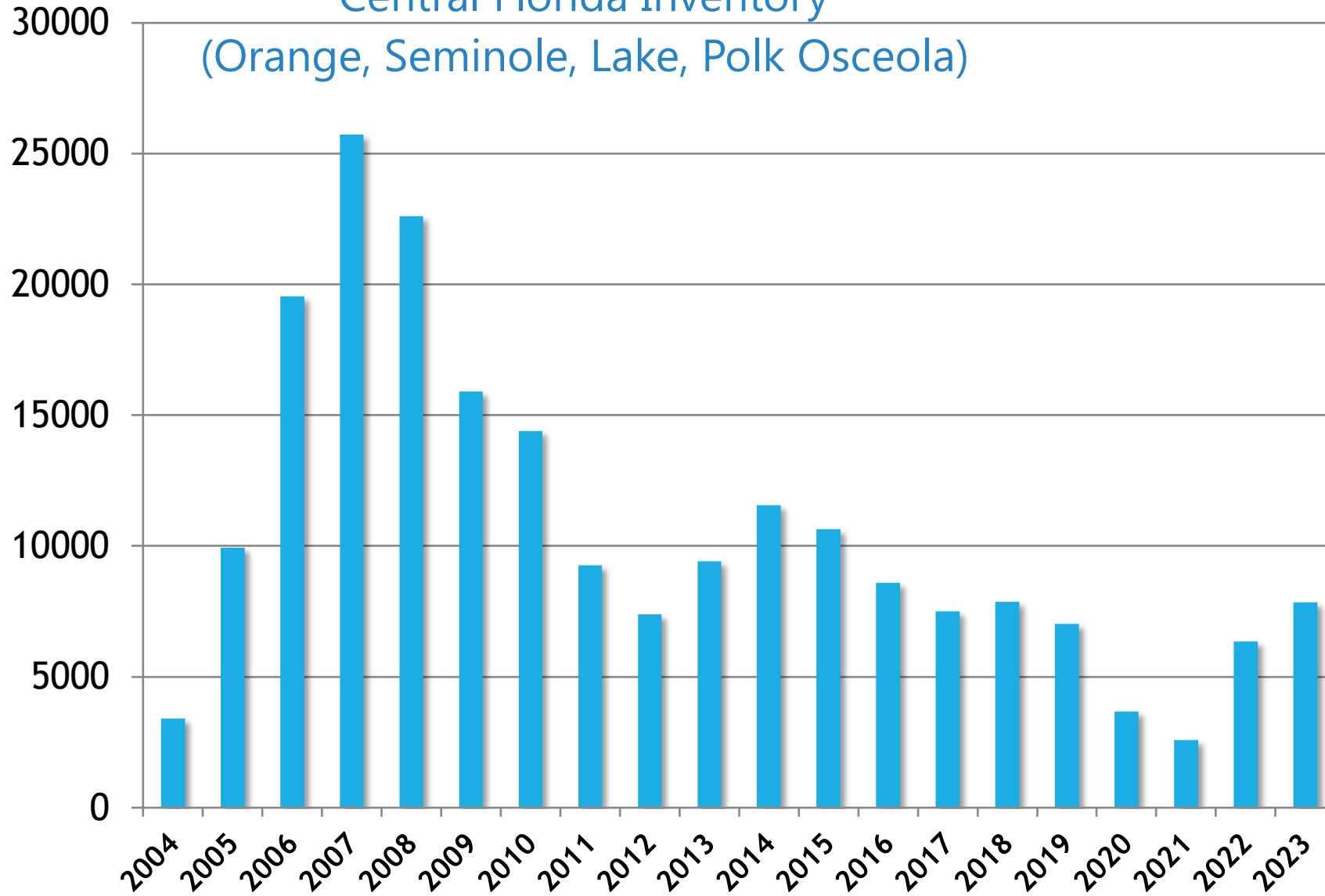
Source: Bright MLS



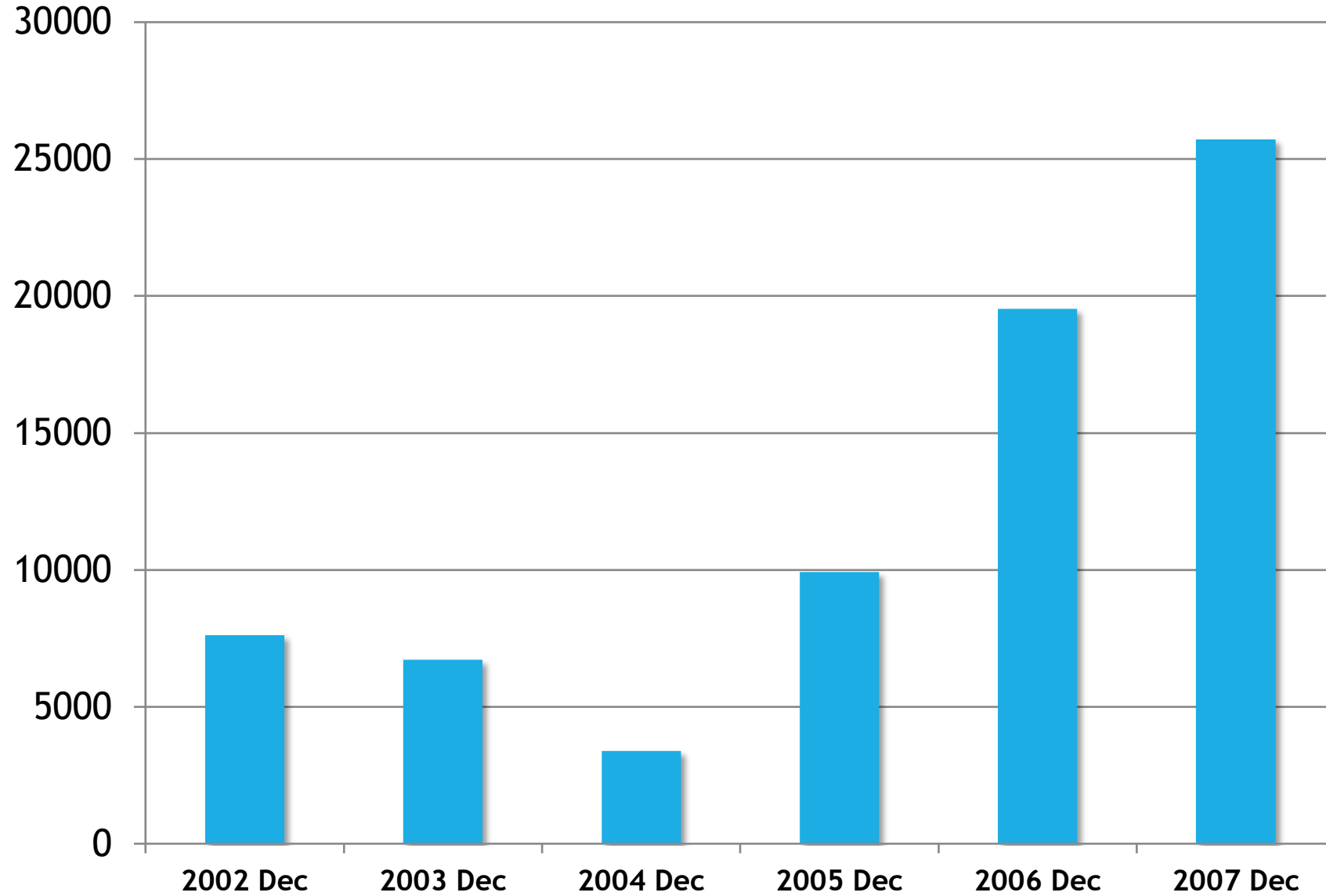
Central Florida Real Estate



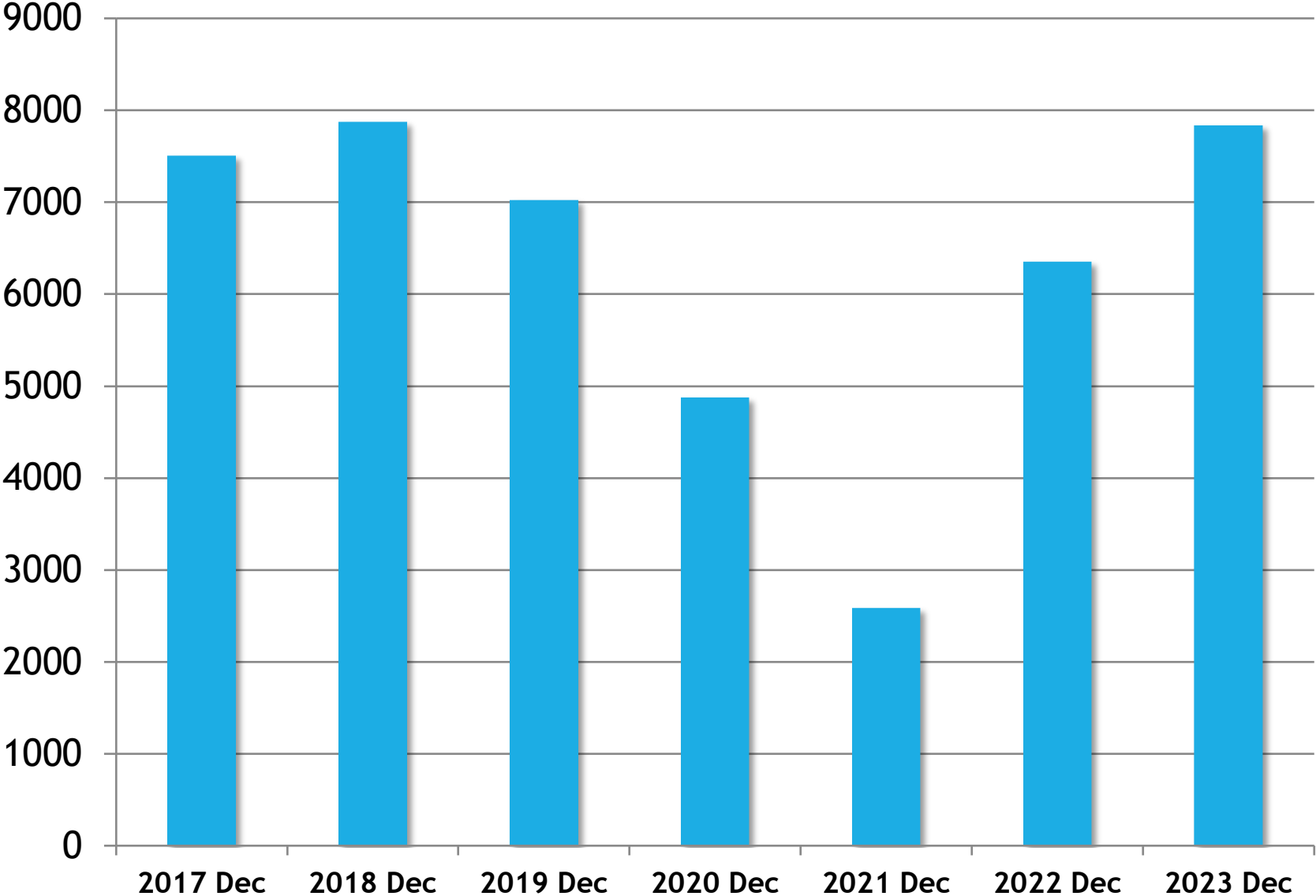
Central Florida Inventory (Orange, Seminole, Lake, Polk Osceola)



CENTRAL FLORIDA INVENTORY 2002-2007



CENTRAL FLORIDA INVENTORY 2012-2022



Median Sales Price

Orlando Regional Realtor Association

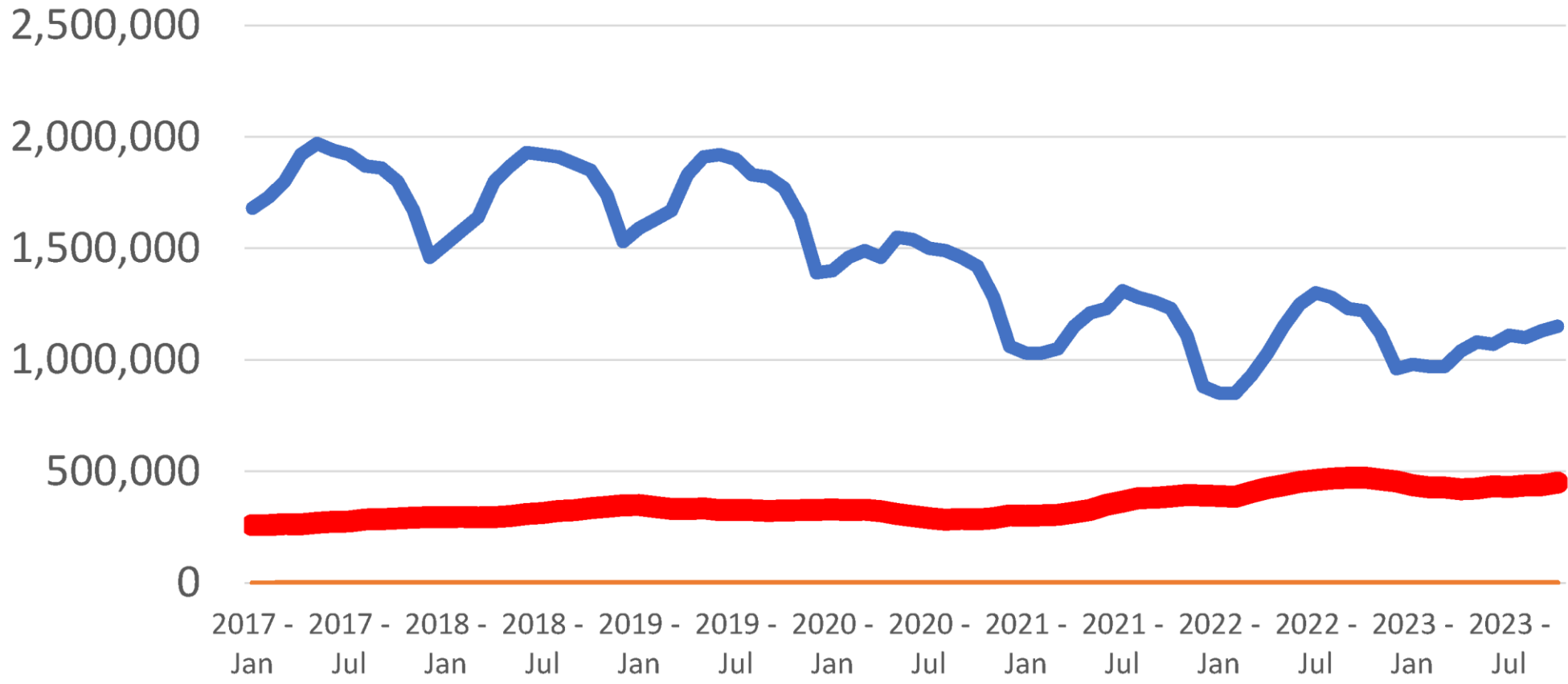
◦ Dec 2008	\$167,500		◦ Dec 2016	\$208,500	+13%
◦ Dec 2009	\$125,000	-25%	◦ Dec 2017	\$230,000	+10%
◦ Dec 2010	\$106,000	-15%	◦ Dec 2018	\$232,750	+ 1%
◦ Dec 2011	\$119,000	+12%	◦ Dec 2019	\$265,000	+ 4%
◦ Dec 2012	\$131,800	+11%	◦ Dec 2020	\$275,000	+ 4%
◦ Dec 2013	\$160,000	+21%	◦ Dec 2021	\$335,000	+ 22%
◦ Dec 2014	\$169,000	+6%	◦ Dec 2022	\$353,200	+ 5%
◦ Dec 2015	\$185,000	+10%	◦ Dec 2023	\$367,250	+ 4%



NEW HOME CONSTRUCTION



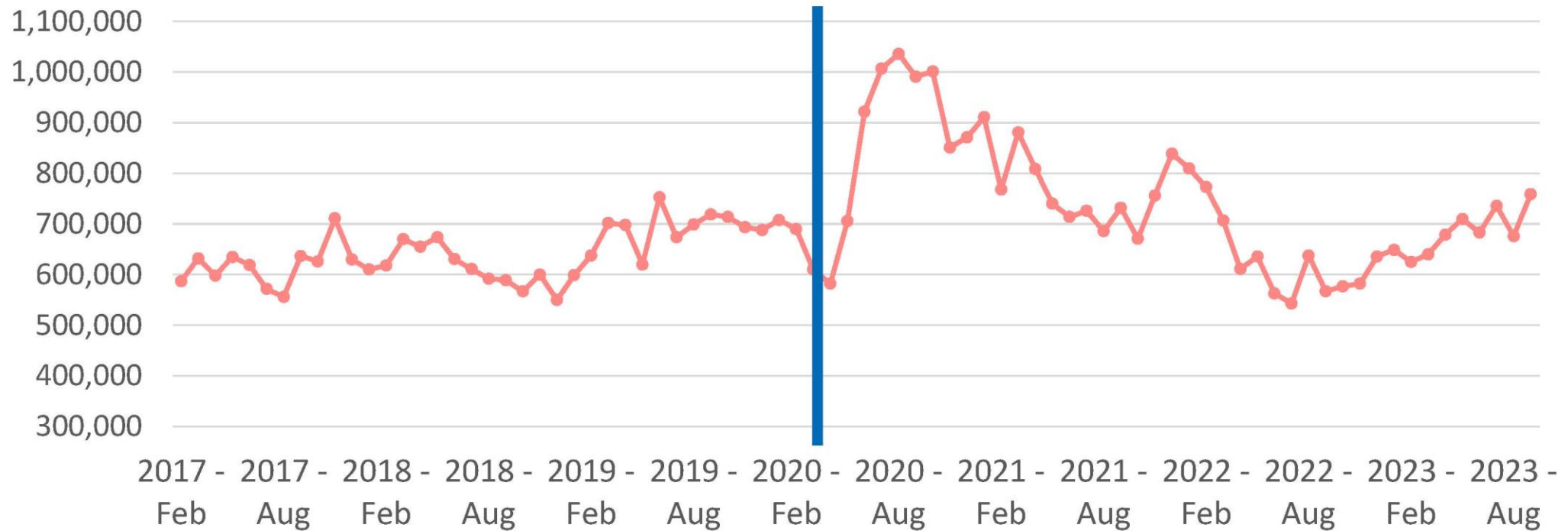
Existing-Home Inventory and **New Home Inventory**



Source: NAR and HUD



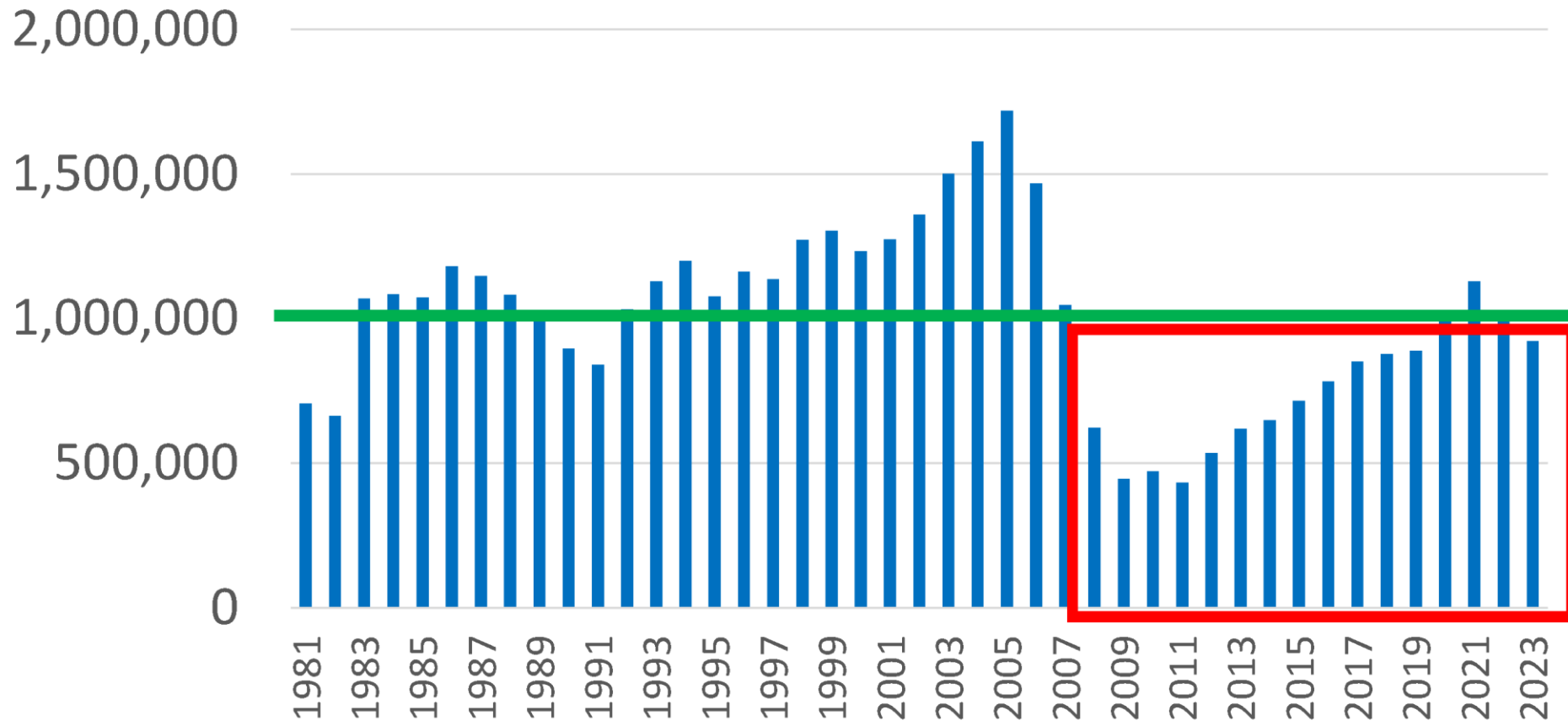
Newly Constructed Home Sales Back to Pre-COVID, Up 5% Year-to-Date



Source: HUD

Single-family Housing Starts

Trying to return to normal after a decade of underproduction



Source: NAR forecast and HUD

■ U.S. Properties with Foreclosure Filings

—● Foreclosure Rate (Pct of Housing Units)



U.S. Foreclosure Activity Increases But Still Below Pre-Pandemic Levels

Top Destinations by Foreign Buyers: Florida, California, Texas, North Carolina, and Arizona

	FL	CA	TX	NC	AZ	IL	NY	OH	PA	NJ
2009	23%	13%	11%	3%	7%	4%	2%	2%	2%	1%
2010	22%	12%	8%	2%	11%	1%	4%	2%	2%	2%
2011	31%	12%	9%	2%	6%	3%	3%	1%	2%	3%
2012	26%	11%	7%	2%	7%	3%	4%	2%	2%	1%
2013	23%	17%	9%	1%	9%	2%	3%	2%	1%	2%
2014	23%	14%	12%	2%	6%	3%	3%	1%	3%	3%
2015	21%	16%	8%	2%	5%	3%	3%	2%	2%	3%
2016	22%	15%	10%	3%	4%	4%	4%	1%	1%	4%
2017	22%	12%	12%	3%	4%	3%	3%	1%	2%	4%
2018	19%	14%	9%	3%	5%	3%	5%	3%	2%	4%
2019	20%	12%	10%	3%	5%	3%	3%	2%	1%	4%
2020	22%	15%	9%	3%	3%	3%	5%	2%	2%	4%
2021	21%	16%	9%	3%	5%	3%	4%	3%	1%	4%
2022	24%	11%	8%	4%	7%	3%	4%	2%	2%	3%
2023	23%	12%	12%	4%	4%	4%	3%	3%	2%	2%

Top 10 list is based on the most recent year.

Source: NAR

Florida Real Estate Commission

Florida now restricts the sale of property to
Foreign Principals (secs.692.202-205, F.S.)



Effective July 1, 2023, *foreign principals* of these *foreign countries of concern* are prohibited from purchasing or acquiring any interest in certain types of Florida real property, subject to limited exceptions:

- The People's Republic of China
- The Russian Federation
- The Islamic Republic of Iran
- The Democratic People's Republic of Korea
- The Republic of Cuba
- The Venezuelan regime of Nicolas Maduro
- The Syrian Arab Republic
- Any agency of or any other entity of significant control of such foreign country of concern



IF A BUYER IS A FOREIGN PRINCIPAL, FLORIDA LAW PROHIBITS THEM:

- From purchasing or acquiring any interest in real property in Florida classified as agricultural land¹ or within 5 miles of a military installation.
- With limited exceptions, from purchasing or acquiring any interest in real property in Florida within 10 miles of a critical infrastructure facility³ or military installation
- NOTE: Foreign principals of the People's Republic China are prohibited from purchasing or acquiring any interest in **any** real property in Florida regardless of its classification, subject to the Limited Residential Exception and Diplomatic Purposes Exception described below



CERTAIN EXCEPTIONS MAY APPLY:

- Limited Residential Exception - If the Buyer is a 'natural person' subject to the law, they may still purchase one residential real property, up to 2 acres in size, if **all** of the following apply:
 - (a) The parcel is not on or within 5 miles of any military installation;
 - (b) Buyer has a current verified United States visa that is not limited to authorizing tourist-based travel or official documentation confirming that the person has been granted asylum in the United States and such visa or documentation authorizes the person to be legally present in Florida;
 - (c) The purchase is in the Buyer's name, i.e., the name of the person who holds the visa or official documentation described in paragraph (b), and
 - (d) The Buyer is only entitled to one residential property as described above.
- Diplomatic Purposes Exception - The real property is for diplomatic purposes as recognized, acknowledged, or allowed by the Federal Government



CAUTION:

PERSONS WHO ARE OR MAY BE DEFINED AS "FOREIGN PRINCIPALS OF FOREIGN COUNTRIES OF CONCERN" SHOULD CONSULT WITH AN ATTORNEY BEFORE PURCHASING OR ACQUIRING ANY INTEREST IN REAL PROPERTY IN FLORIDA ON OR AFTER JULY 1, 2023.

LAND ACQUIRED IN VIOLATION OF THIS LAW MAY BE FORFEITED TO THE STATE.



2024 HOME SALES FORECAST



Home Price Forecasts for 2024



Annual Sales

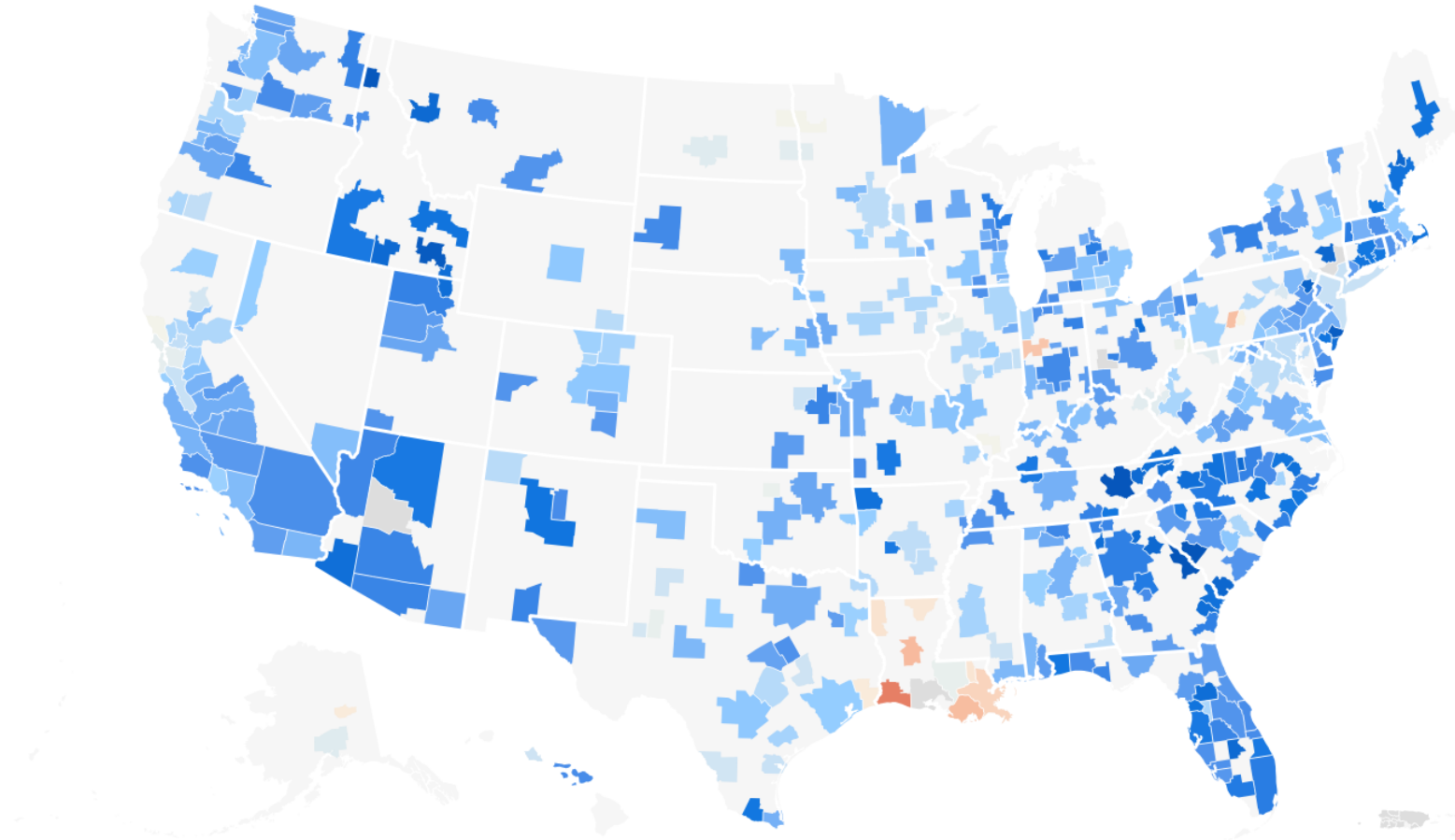
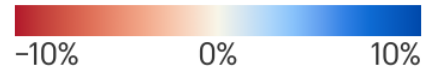
National Association of Realtors

NAR predicts a 13.5% increase in home sales from 2023 through 2024.
(4.1 million from 4.71million)



Where Zillow expects regional home prices to head between August 2023 and August 2024

Forecast based on home prices measured by the Zillow Home Value Index



MAP: LANCE LAMBERT • SOURCE: ZILLOW

FORTUNE



Zillow's predictions for the
hottest housing markets of 2024



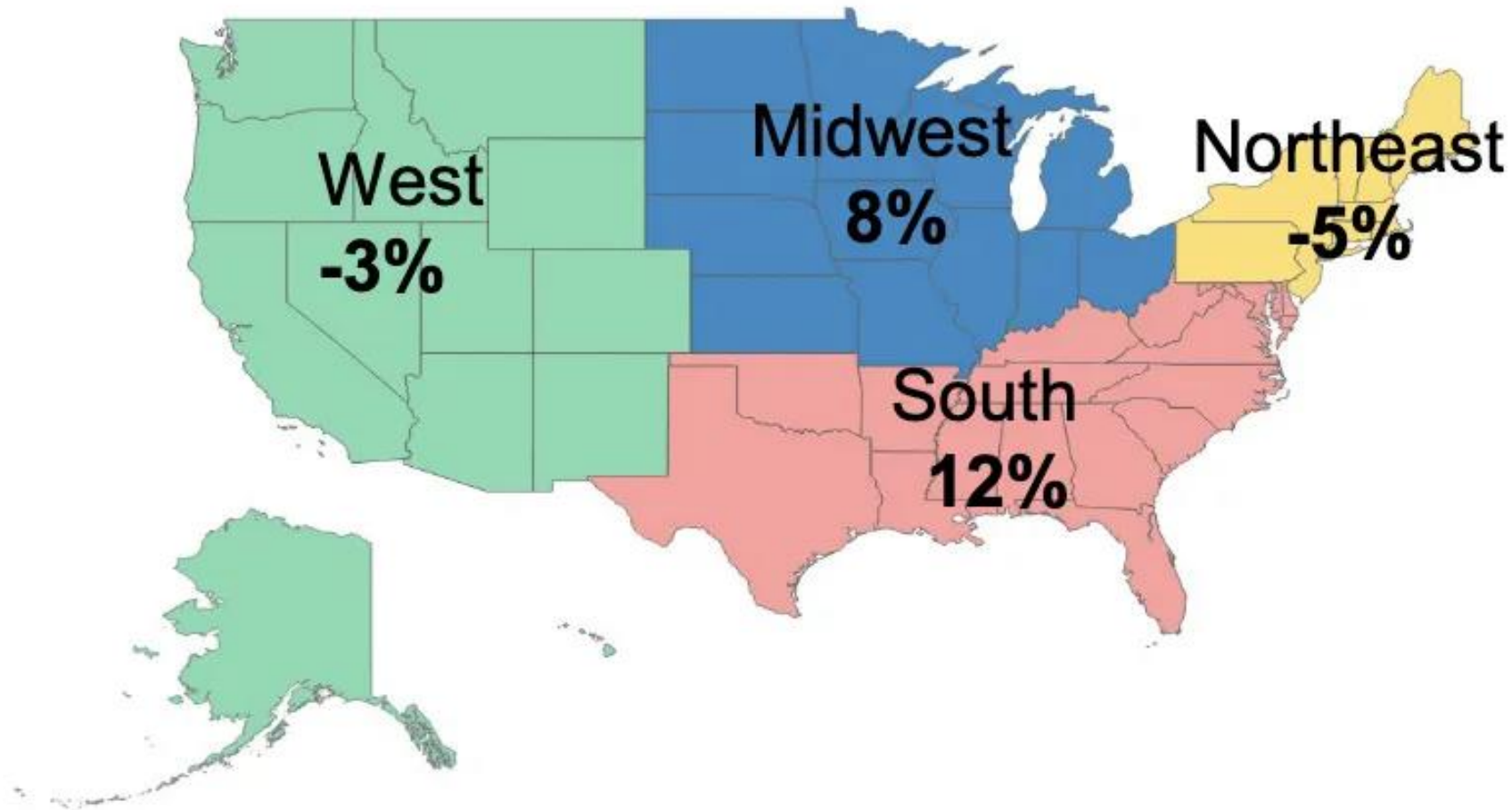
1. Buffalo, NY
2. Cincinnati, OH
3. Columbus, OH
4. Indianapolis, IN
5. Providence, RI
6. Atlanta, GA
7. Charlotte, NC
8. Cleveland, OH
9. Orlando, FL
10. Tampa, FL

 Zillow

 KEYBella
HOMES

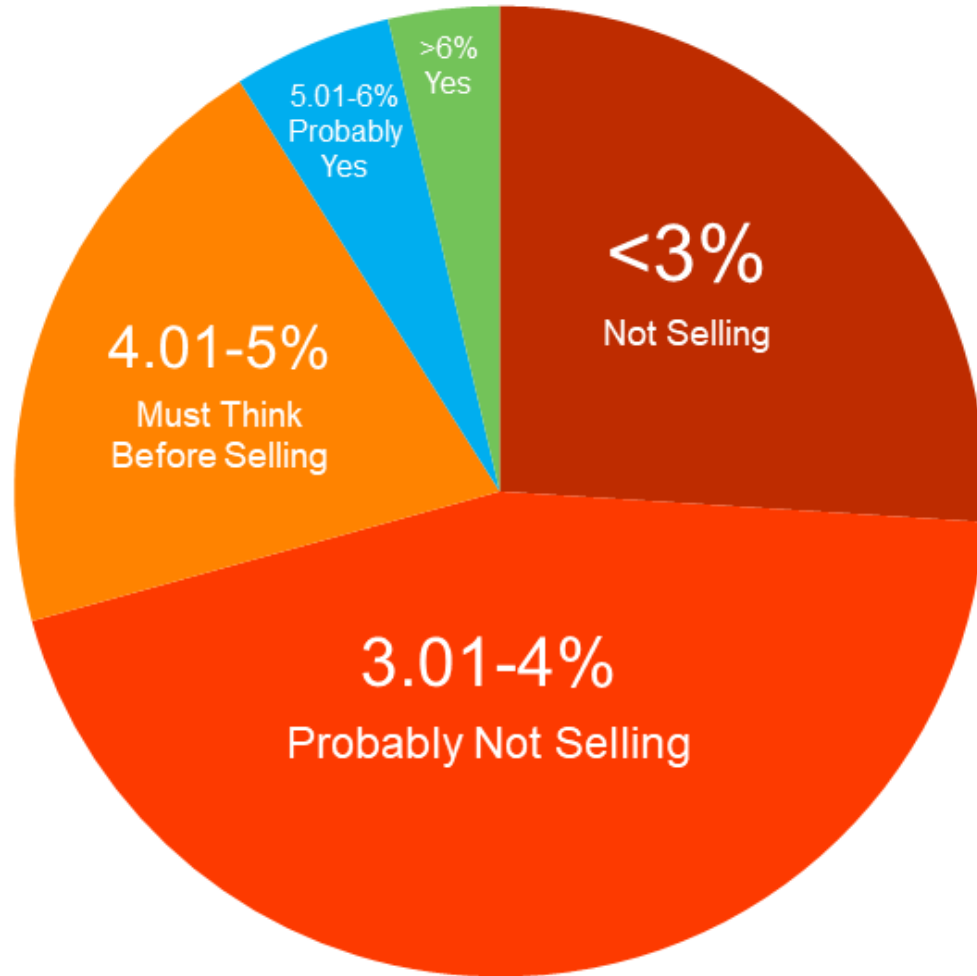
 expTM
REALTY

Regional Y/Y Change in Showings - December 2023



“Lock-In Rates” Limit New Inventory

Current FHFA Loans with Mortgage Rate at Time of Origination



Higher Rates Keep People Home

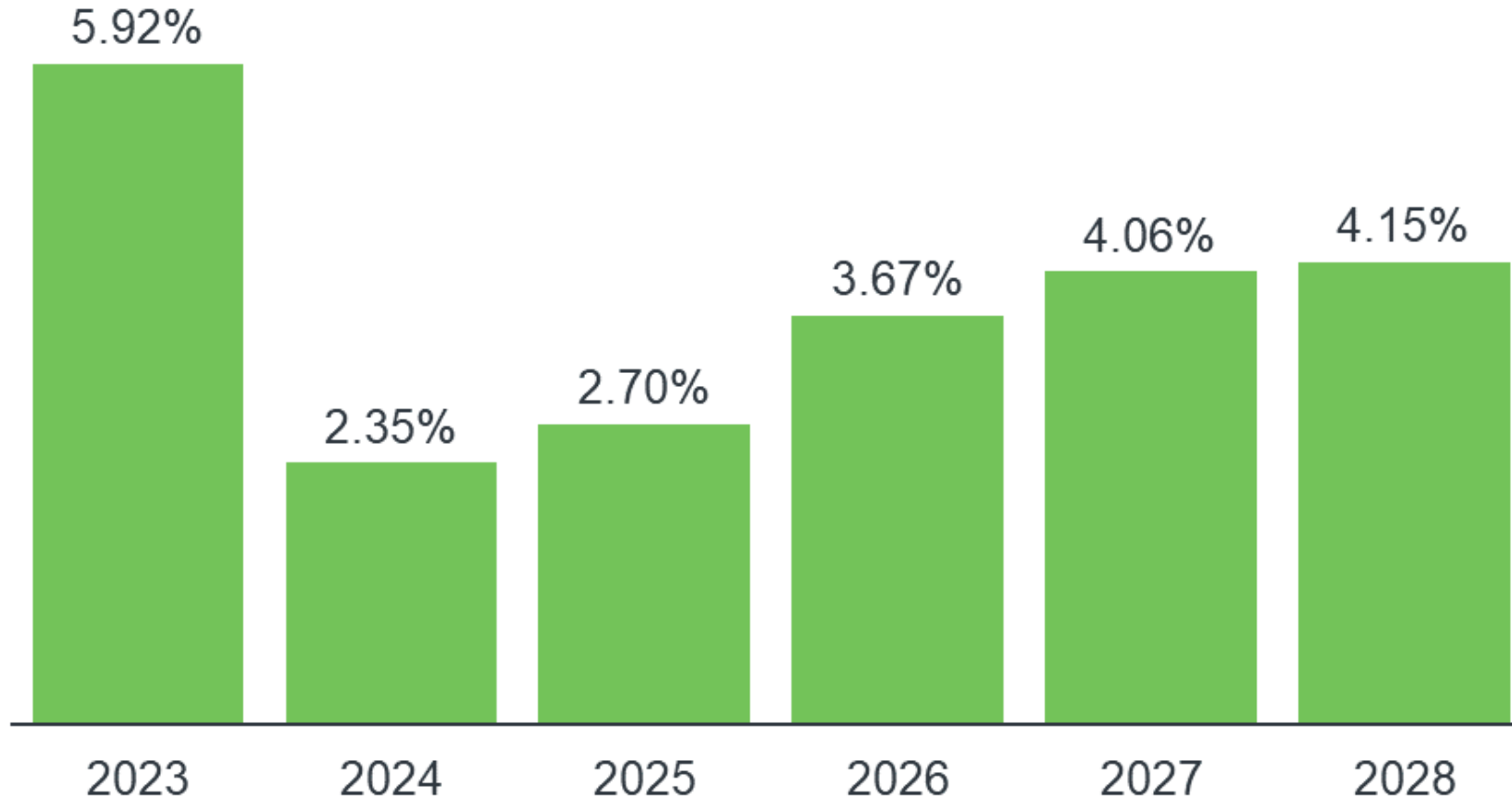
- ❖ Two-thirds of homeowners with mortgages have rates below 4%
- ❖ 90% have rates that are less than 6%

Source: FHFA



Estimated Home Price Performance

December to December, as Forecast in Q4 2023



Source: HPES



Mortgage Rate Projections

January 2023

Quarter	Fannie Mae	MBA	NAR	Average of All Three
2023 Q4	7.40%	7.40%	7.80%	7.53%
2024 Q1	7.00%	7.00%	7.50%	7.17%
2024 Q2	6.80%	6.60%	6.90%	6.77%
2024 Q3	6.60%	6.30%	6.50%	6.47%



Loan Limits get a Boost in 2024

Conventional loan – \$766,550 (from \$726,200)

FHA loan – \$498,257 (from \$478,030)

VA loan – No loan limit



Family Opportunity Loan

Purchasing a second primary for your elderly parent(s) who would not qualify on their own due to income (ie Social Security)

Borrower must qualify for both their primary residence and this property

Property must be occupied as a primary residence by borrower's parent

Down Payment 5%

Parents is NOT on the loan; optional if on title

Can also be used for Parent to purchase for Disabled Adult Child



Bridge Loan

Protecting those assets under management – through Simple Bridge Loan

- **Up to 90% loan to value with an independent CMA**
- **Up to \$250,000 loan amount**
- **6 months of interest only payments (can renew longer)**
- **Existing residence does not have to be for sale**
- **Proceeds can also be used preparing the home to be listed**
- **Loan is pre-approved up-front and underwritten simultaneously with the new purchase loan**
- **\$500 fee plus title and taxes**
- **Remote Notary closing (like DocuSign)**



RENTAL RATES



Rental Rates as of February 2024

Central Florida

Winter Garden, FL

2000sf: \$2900 - \$3200

2500sf: \$3200 - \$3500

3200sf: \$3500 - \$4000

Winter Park, FL

2000sf: \$2700 - \$3200

2500sf: \$3500 - \$5000

3200sf: \$4500 - \$6500



TOP REASONS PEOPLE MOVE



FAMILY REASONS

- ❖ Growing Family
- ❖ Divorce
- ❖ Empty Nesters
- ❖ Move closer to family
- ❖ Moving into Generational Housing



FINANCIAL REASONS

- ❖ Take equity - They may prefer to have more cash on hand
- ❖ Affordability of the house - (Taxes and Insurance)
- ❖ First Time Home-Buyers looking to build their wealth



RELOCATION

- ❖ Job Change
- ❖ Desire for a change in climate
- ❖ Financial
 - ❖ Take equity - may need cash
 - ❖ House costs too much - (Taxes and Insurance)



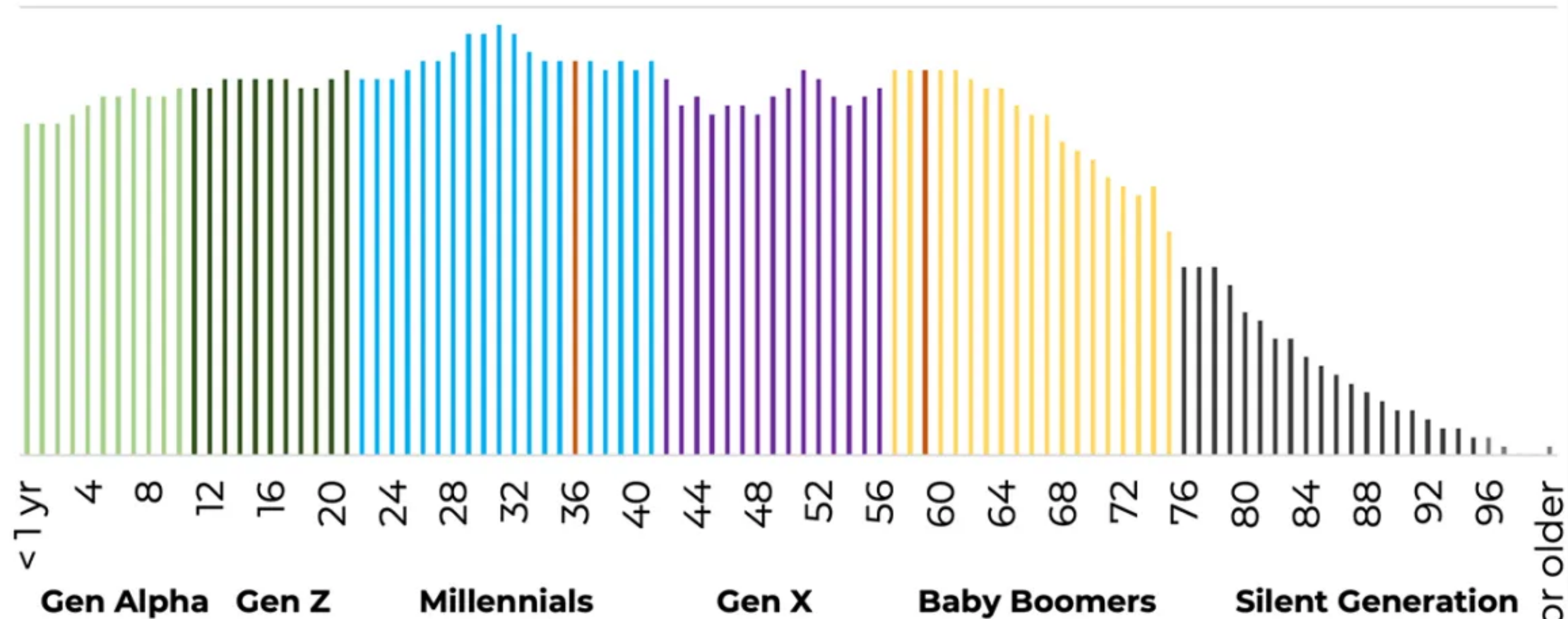
GENERATIONAL TRENDS



U.S. Population by Age (in Millions)

5

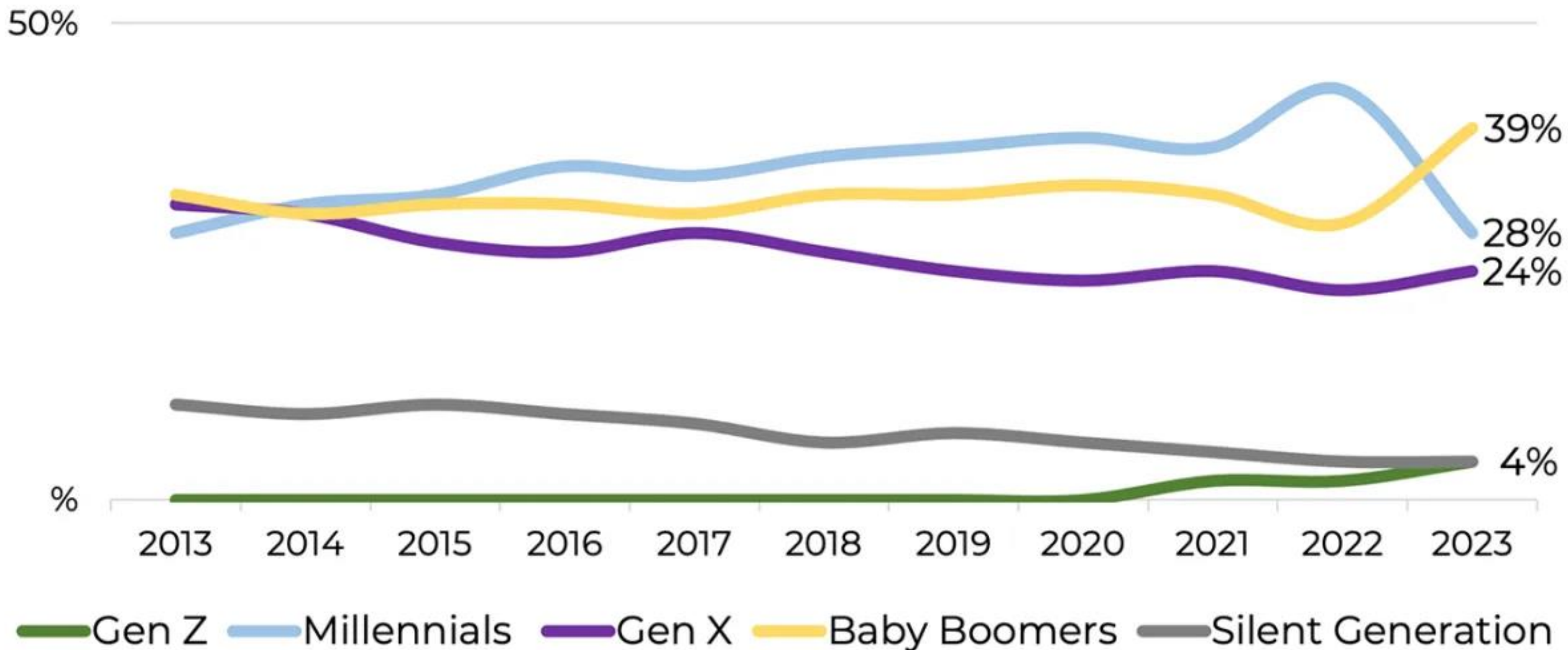
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Source: U.S. Census, National Association of REALTORS® Calculations

100 or older

Share of Home Buyers in Each Generation 2013-2023



Source: National Association of REALTORS®

BUYERS' VIEW OF HOMES AS A FINANCIAL INVESTMENT

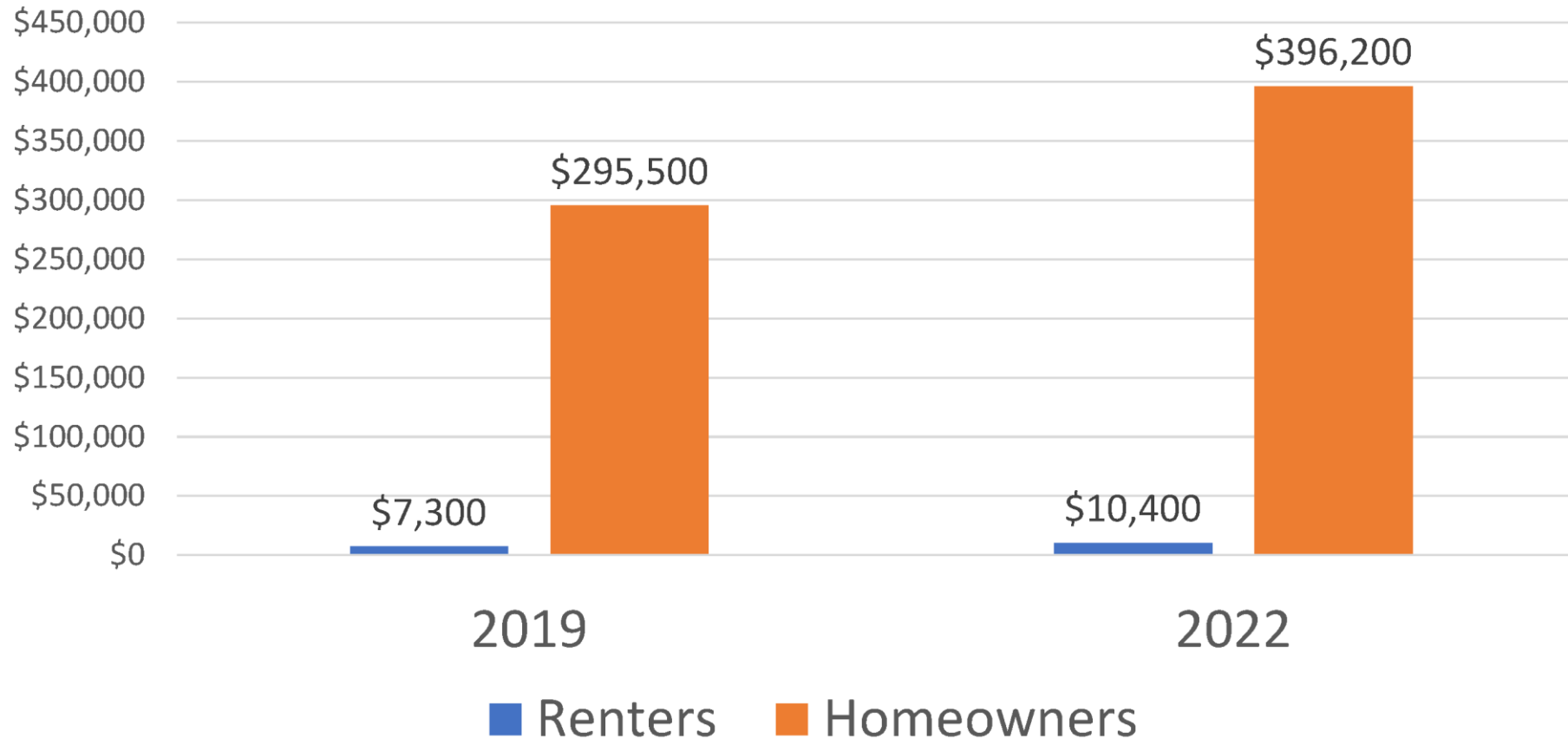
Exhibit 5-14 (Percentage Distribution)

AGE OF HOME BUYER

	All Buyers	24 to 32	33 to 42	43 to 57	58 to 67	68 to 76	77 to 97
Good financial investment	88%	83%	87%	89%	81%	84%	79%
Better than stocks	50	48	50	48	51	53	50
About as good as stocks	27	26	27	36	23	25	22
Not as good as stocks	7	9	10	5	7	6	7
Not a good financial investment	2	2	2	2	5	4	5
Don't know	13	14	11	9	14	13	16



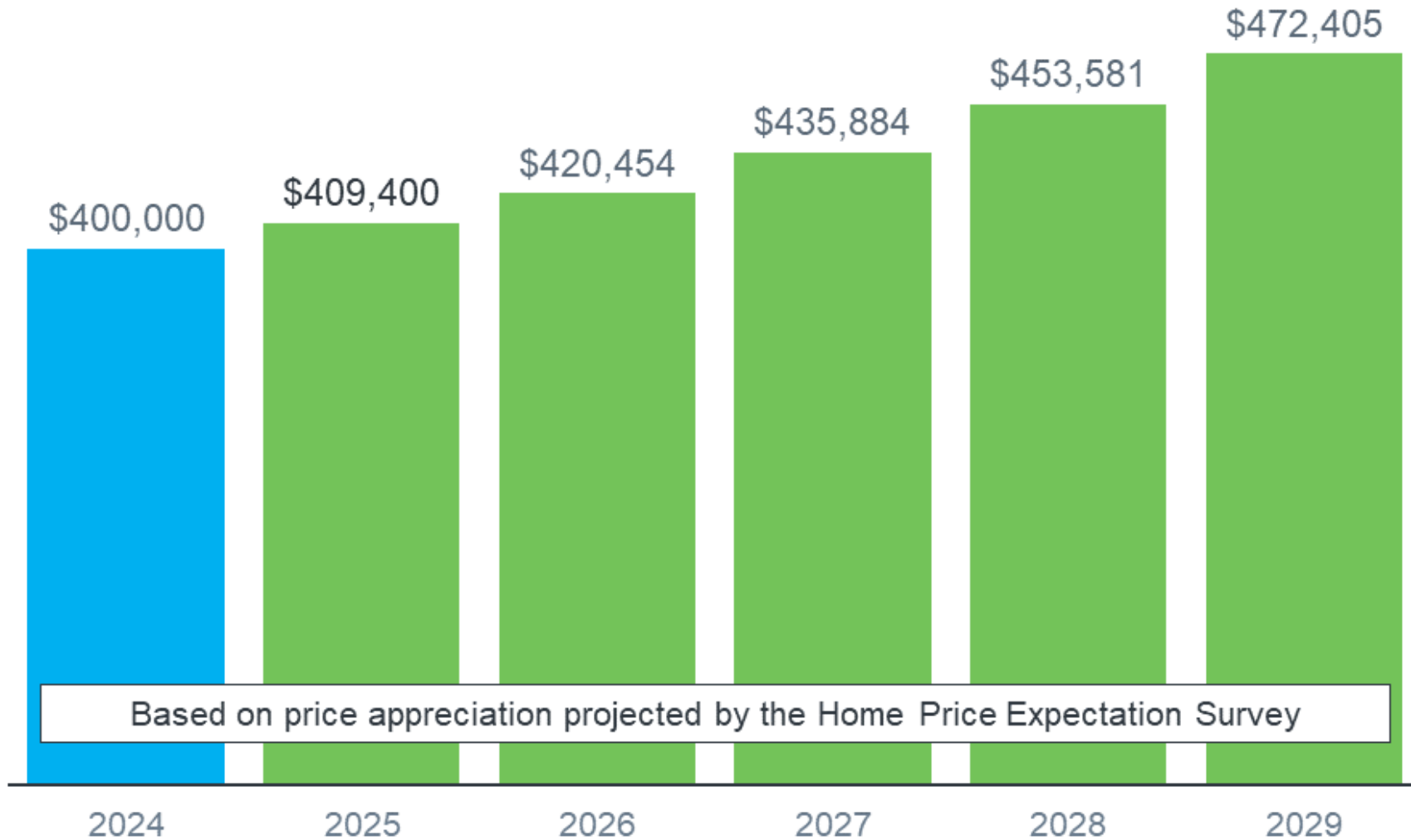
Wealth Comparison Between Owners and Renters



Source: Median Net Worth from Federal Reserve Survey of Consumer Finance

\$72,405

Potential growth in household wealth over the next 5 years based solely on increased home equity if you purchase a \$400K home in January 2024



Based on price appreciation projected by the Home Price Expectation Survey

Source: HPES



Questions to Ask Your Clients in 2024

- 1. Have you, at any time since I saw you last, been thinking of selling your home and/or buying a new home?*
- 2. (Yes) What is the main reason? How would a move benefit you and how would it hurt you?*



Buying *and* Selling a Home



List First

1. List the House FIRST
2. Wait for Inspections to Clear
3. Find a New House
4. Close on the Current House (w/Post Occupancy)
5. Close on the New House



Avoid Buying First (most of the time)

1. Find the House
2. Submit Offer
3. Go Under Contract
4. Rush to Sell



National Association of REALTORS®

There are over 1.5 Million Realtors in the U.S. in 2024.

Over 20,000 Realtors are in Central Florida



80% of Realtors sold 3 homes
or less in 2023



49% of Realtors sold one home or less home in 2023



Two Truths About Realtors

Years licensed does NOT equate to experience

80% of real estate agents have been selling real estate for 3 years or less – and selling 3 or less homes.



Beware of Inexperienced Agents

- ❖ Inability to fill out a contract
- ❖ Negotiations are lacking
- ❖ Poor communication skills
- ❖ Leave equity on the Table



Inexperienced Agents

According to the National Association of Realtors:

Hiring an experienced listing agent will net a seller (on average) **\$67,000 more** than an agent without experience.



General Guidelines When Hiring a REALTOR

- ❖ Only hire full time agents - They have the resources and time to devote to the job.
- ❖ Experience selling at least 12+ homes a year (ideally for 3+ years consecutively)
- ❖ Agents who have closed at least 25 **sellors** in their history of selling homes.
- ❖ Look at their social media pages! How are they marketing their listings?



Research the REALTOR!

- ❖ Zillow.com and Realtor.com has a look-up feature
- ❖ Look up their SOLD Properties and their Active Listings
- ❖ Go back to their Instagram and search their name and/or Team Name. Find out who they are and how they work.



Work with Experienced List Agents

They have knowledge of pulling comparable properties and correctly valuing

They will share with appraisers upgrades and other data the appraiser may not be aware of to help net the seller the most money.



Experienced Agents

Understand the market

Pay more attention to client needs – they aren't trying to figure it out.

Will deliver better results and provide a better experience.



"To give real service, you must
add something which cannot be
bought or measured with money,
and that is sincerity and
integrity."

DOUGLAS ADAMS



THANK YOU!

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