

Real Estate Forecast 2022

Realtor.com recently released its 2022 Housing Forecast predicting a whirlwind year ahead in real estate. Here are some key takeaways from the report.

- Americans will have a better chance to find a home in 2022, but will face a competitive seller's market as first-time buyer demand outpaces the inventory recovery.

- With listing prices, rents and mortgage rates all expected to climb while incomes rise, 2022 will present a mixed bag of housing affordability challenges and opportunities.

- More sellers are expected to enter the market as buyer competition remains fierce, we anticipate strong home sales growth.

- Affordability will increasingly be a challenge as interest rates and prices rise, but remote work may expand search areas and enable younger buyers to find their first homes sooner than they might have otherwise.

HOME SALES

On the selling side, the experts at Realtor.com expect



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REAL ESTATE 101

Housing Forecast 2022: A Deeper Dive

The coming year will present a mixed bag of challenges and opportunities. Whether the pandemic delayed plans or created new opportunities to make a move, Americans are poised for a whirlwind year of home buying in 2022. Read the Realtor.com forecast in full at bit.ly/3sAN9JG.

to see continued sales growth in 2022 of 6.6%, with 16-year highs for sales nationwide.

Demand for homes among millennials aged 26 to 35 will continue to remain strong.

Along with a growing economy and low unemployment, Americans are poised to earn more, allowing for sustained

sales even in the face of higher interest rates.

HOME PRICES

Along with strong demand comes higher prices for homes, continuing a decade-long streak of year-over-year price increases.

In the post-recession years

since 2013, the market had seen consistent double-digit growth, eventually settling into more modest 4% to 7% growth more recently. But the pandemic sparked a home-buying frenzy, igniting another streak of double-digit growth in 2020. Under current conditions, the report sees

continued growth, though at a more moderate pace, fueled by high demand and purchasing power.

LIMITED INVENTORY

With high levels of selling, inventory will remain limited, according to the forecast. However, a rebound from inventory lows in 2020 is expected with rising construction.

The report also cites a rising number of homeowners looking to sell in the next 12 months. Most had said they were not selling because they couldn't find a new home to buy, but as the construction pipelines catch up sellers may be drawn out as they find these homes.

RENTS RISE ALONGSIDE HOME PRICE GROWTH

Early on, the pandemic created slower rent growth. In larger markets, remote work drove below-average rent increases into 2021. But secondary markets saw a surge in rent increases as remote workers relocated to take advantage of the flexibility.

In 2021, rent growth went from minimal to a double-digit pace as vaccines lessened the impact of the pandemic. Limited supply and excess demand led to this rising increase, a trend the forecast expects to continue in 2022.



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- With listing prices, rents and mortgage rates all expected to climb while incomes rise, 2022 will present a mixed bag of housing affordability challenges and opportunities.
- More sellers are expected to enter the market as buyer competition remains fierce,

we anticipate strong home sales growth.

- Affordability will increasingly be a challenge as interest rates and prices rise, but remote work may expand search areas and enable younger buyers to find their first homes sooner than they might have otherwise.

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highs for sales nationwide. Demand for homes among millennials aged 26 to 35 will continue to remain strong. Along with a growing economy and low unemployment, Americans are poised to earn more, allowing for sustained sales even in the face of higher interest rates.

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HOMEWISSE GLOSSARY

Special stipulations: These are specific instructions written into a contract that are unique to a buyer and this seller and are in addition to the standard contract form.
SOURCE: MLS.com

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