



MARKET UPDATE AND OTHER DATA



SEVAK SOHRABIAN

2023 President-Elect



Today's Topics Will Be:



1. **CAR's 2023 MARKET UPDATE & 2024 FORECAST**
2. **AN OBSERVATION: EMOTIONAL SPECULATION vs. REALITY**



CAR's 2023 Market Update & 2024 Forecast :



Where we are at RIGHT NOW:

Strengths

- Market Not Crashing: Prices Rising
- Economy Continues to Expand
- Homeownership Desired & Valuable

Weaknesses

- Affordability & Homeownership Shrinks
- Rates Expected to Remain Elevated

Challenges

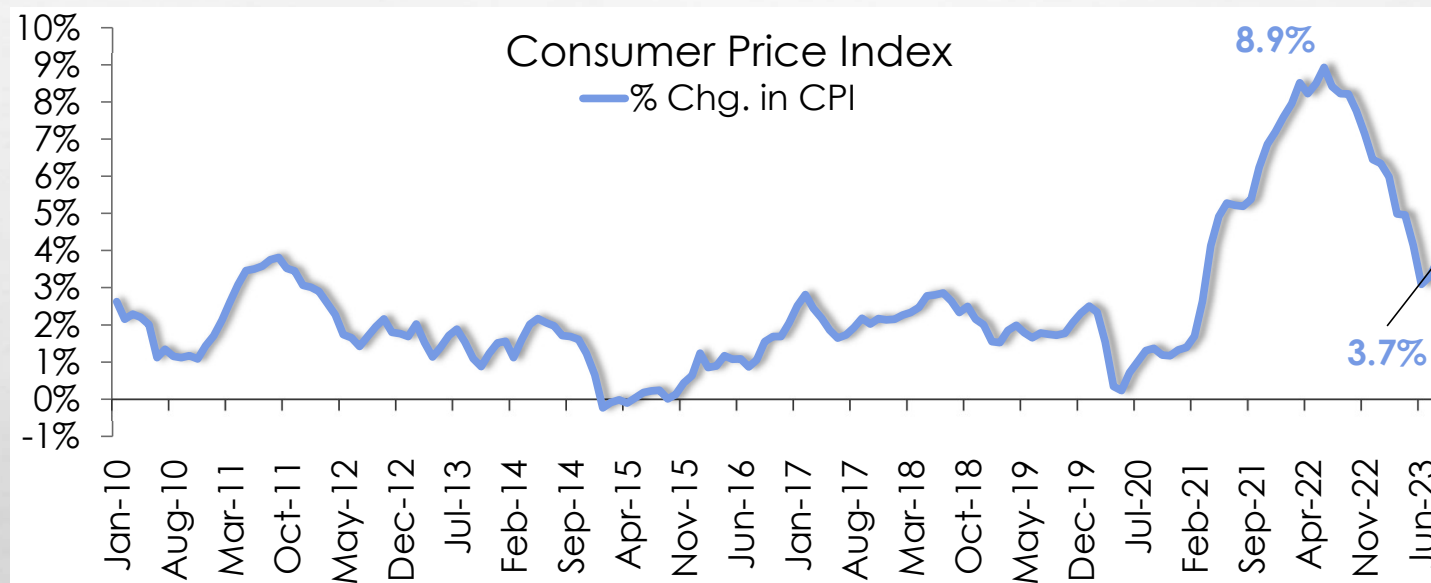
- Recession Not Ruled Out Yet
- Supply Remains Limiting Factor
- Real Estate Industry Changing



CAR's 2023 Market Update & 2024 Forecast :



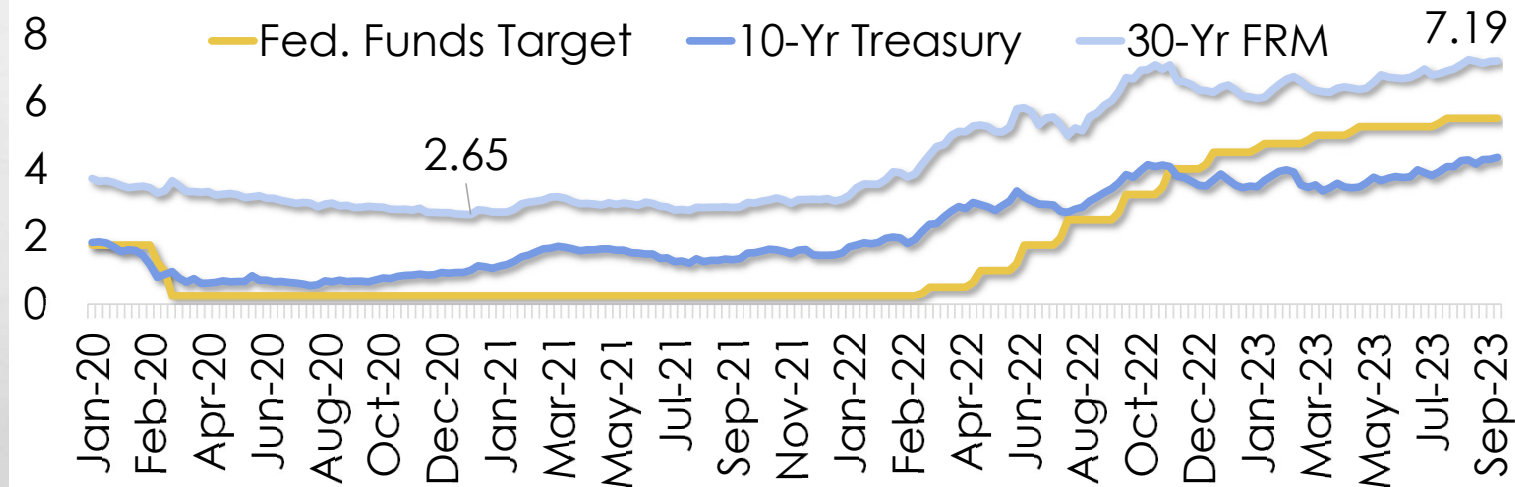
LAST MILE ON INFLATION IS TOUGHEST, RATES DOWN SLOWLY



CAR's 2023 Market Update & 2024 Forecast :



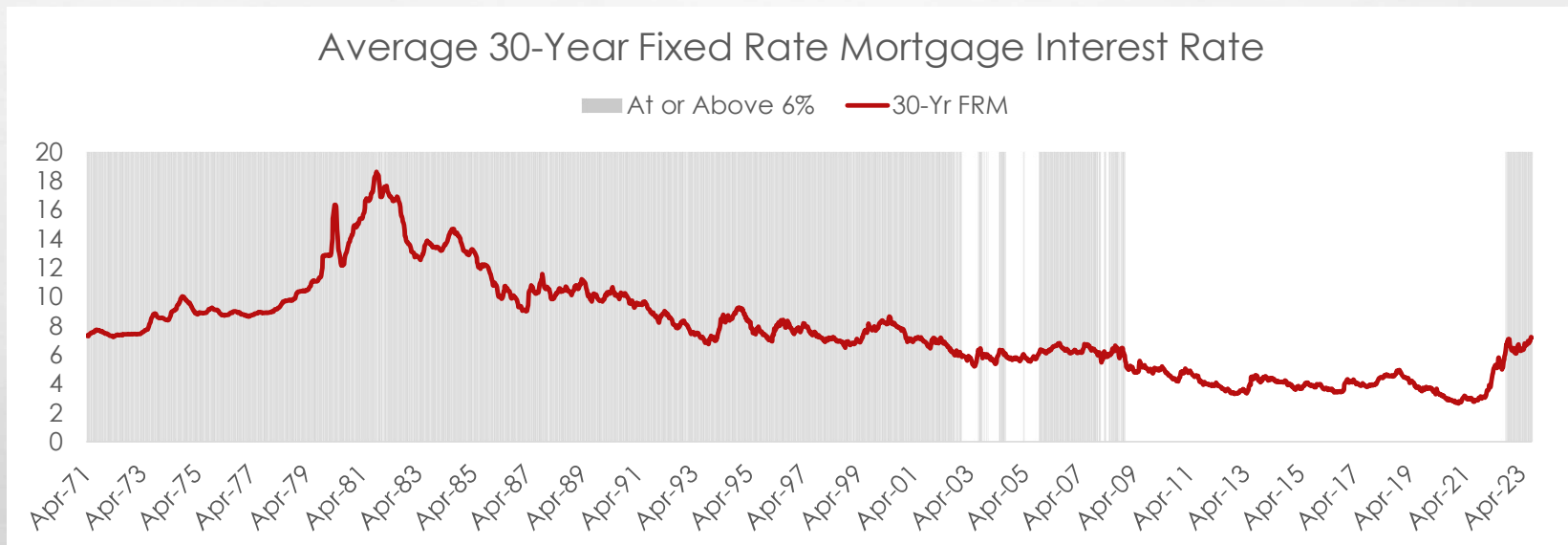
Rates Are Likely to Remain Elevated This Year



CAR's 2023 Market Update & 2024 Forecast :



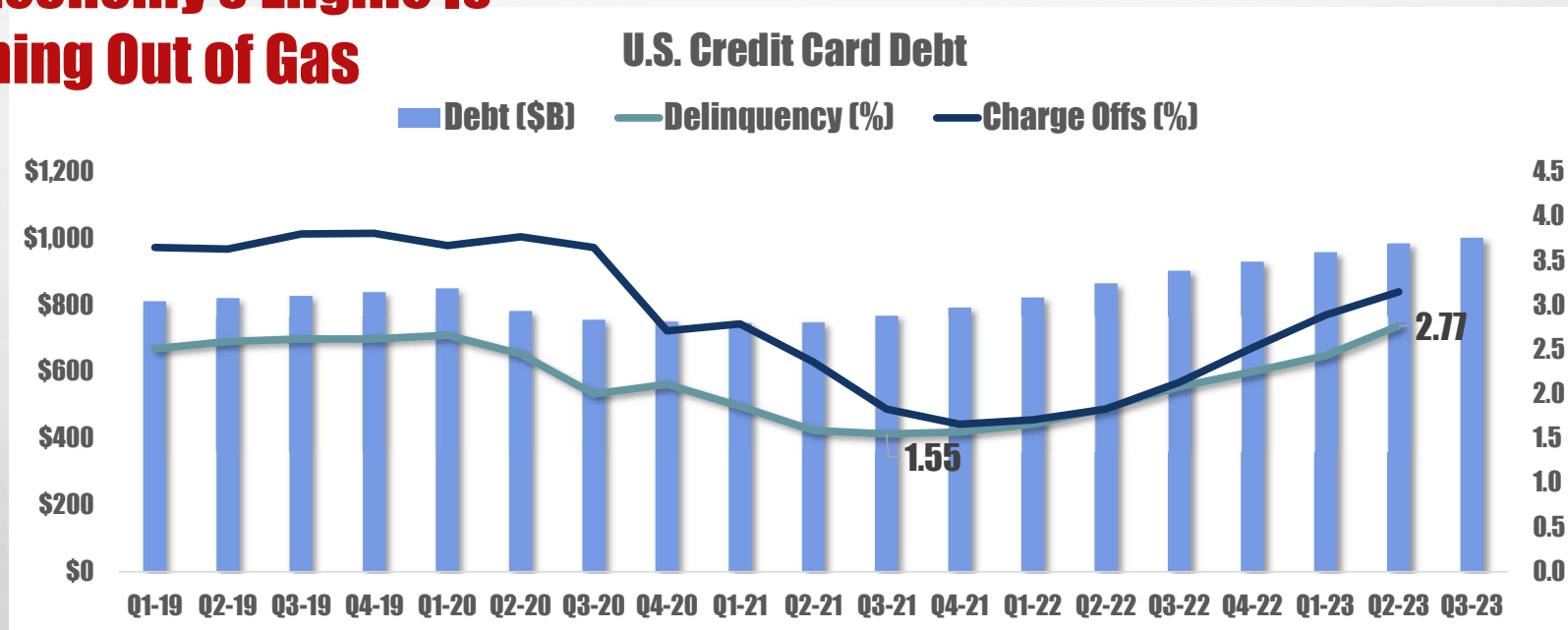
Interest Rates: A Matter of Perspective



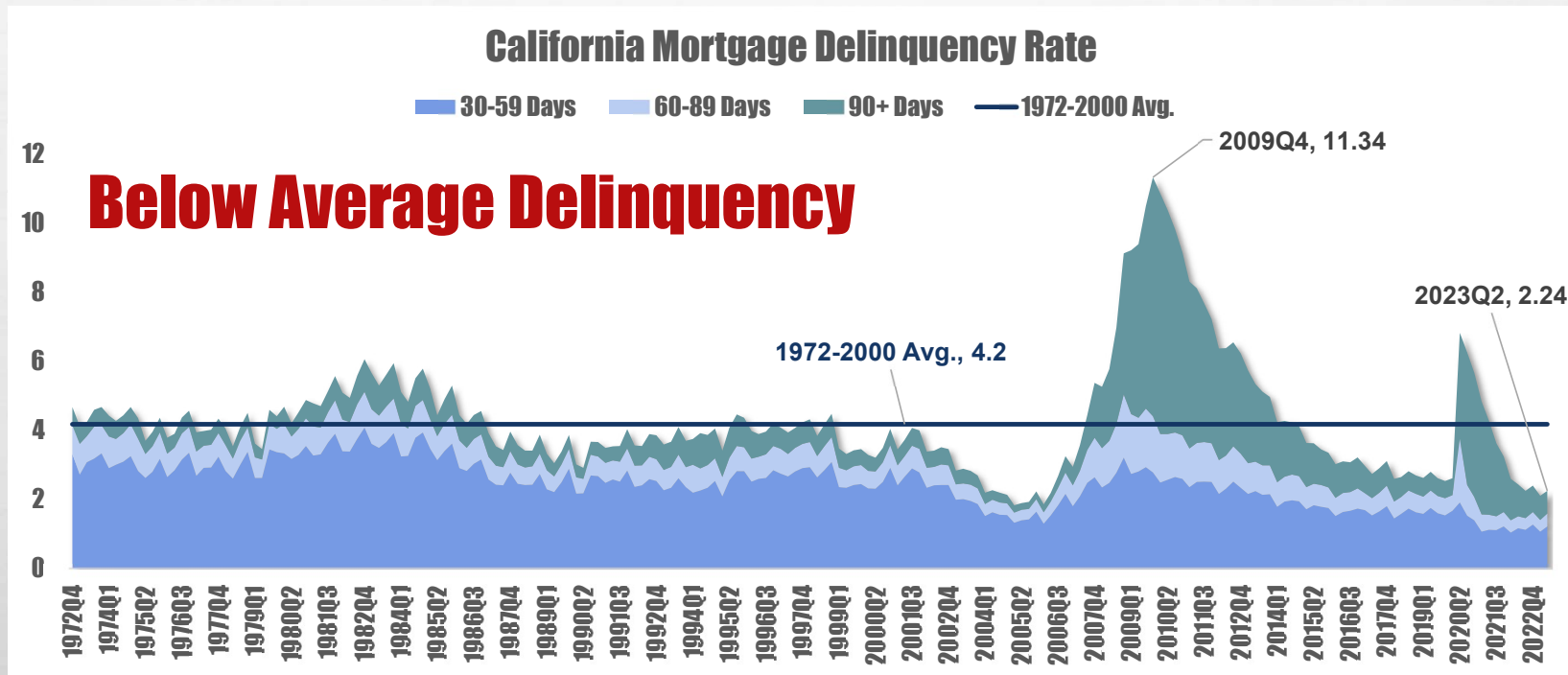
CAR's 2023 Market Update & 2024 Forecast :



Hot Economy's Engine Is Running Out of Gas



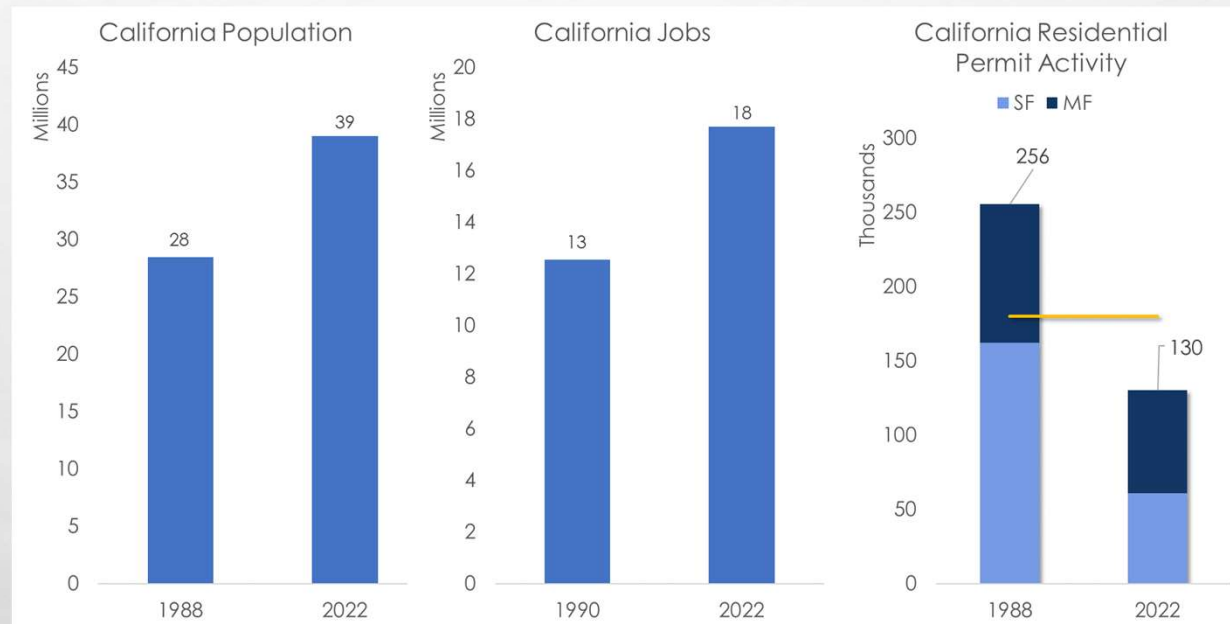
CAR's 2023 Market Update & 2024 Forecast :



CAR's 2023 Market Update & 2024 Forecast :



Supply Constraint



CAR's 2023 Market Update & 2024 Forecast :



Industry Changes

- Teams
- DRE/Supervision
- MLS Issues
- Lawsuits/DOJ



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CAR's 2023 Market Update & 2024 Forecast :



**Potential Supply
Source:**

**Legislation,
Increasing
Capital-Gains
Threshold**



**Total OWNED Households:
7,513,138**

**Above Current
Capital Gains Threshold:
2,743,306**



CAR's 2023 Market Update & 2024 Forecast :



2024 Forecast

	2016	2017	2018	2019	2020	2021	2022	2023p	2024f
SFH Resales (000s)	417.7	424.9	402.6	398.0	411.9	444.5	342.0	266.2	327.1
% Change	2.0%	1.7%	-5.2%	-1.2%	3.5%	7.9%	-23.1%	-22.2%	22.9%
Median Price (\$000s)	\$502.3	\$537.9	\$569.5	\$592.4	\$659.4	\$786.8	\$822.3	\$810.0	\$860.3
% Change	5.4%	7.1%	5.9%	4.0%	11.3%	19.3%	4.5%	-1.5%	6.2%
Housing Affordability Index	31%	29%	28%	31%	32%	26%	19%	17%	17%
30-Yr FRM	3.6%	4.0%	4.5%	3.9%	3.1%	3.0%	5.3%	6.7%	6.0%



Emotional Speculation **vs.** Reality :



Life Events **DISTORT Our View of Reality.**

Do You Recall One of Those Events?

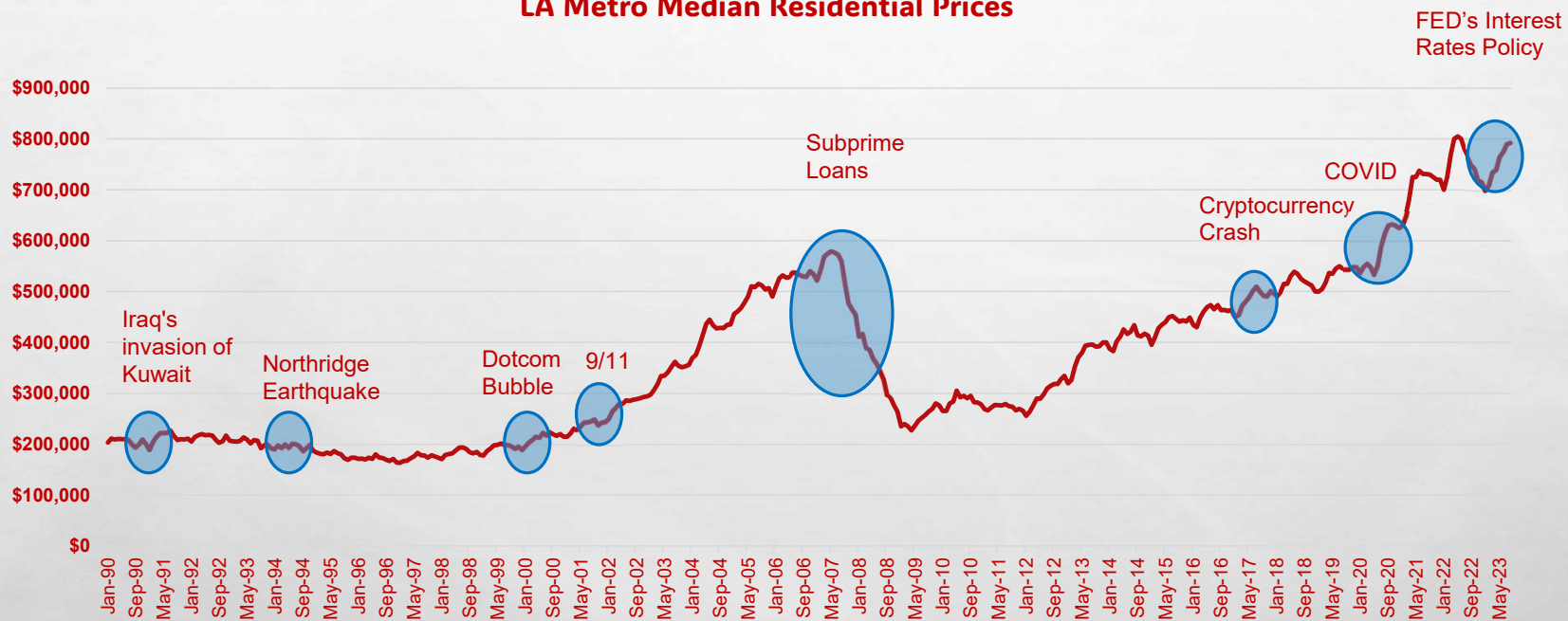
**Property Owners/Buyers
Go Through the Same Experience, As Well!**



Emotional Speculation vs. Reality :



LA Metro Median Residential Prices





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