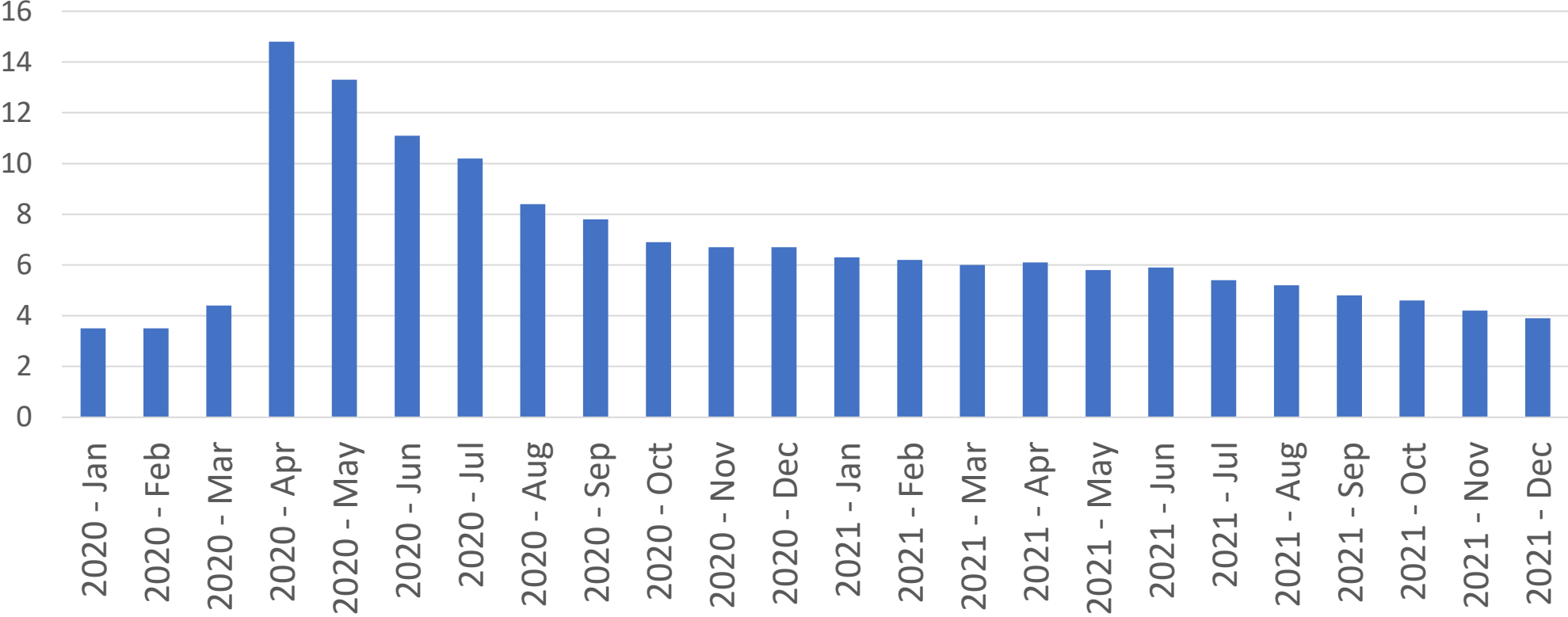


Economic and Real Estate Market Outlook

January 2022

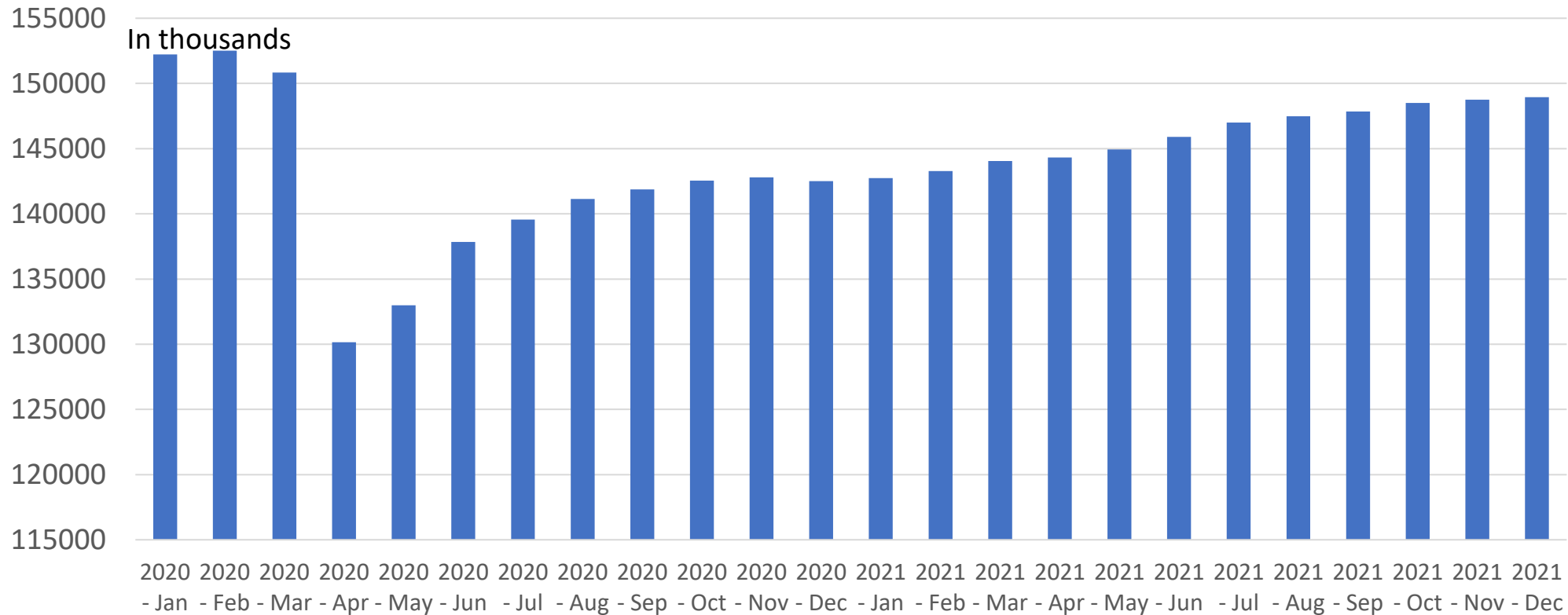
**Lawrence Yun, Ph.D.
Chief Economist
National Association of REALTORS®**

Unemployment Rate ... back to normal

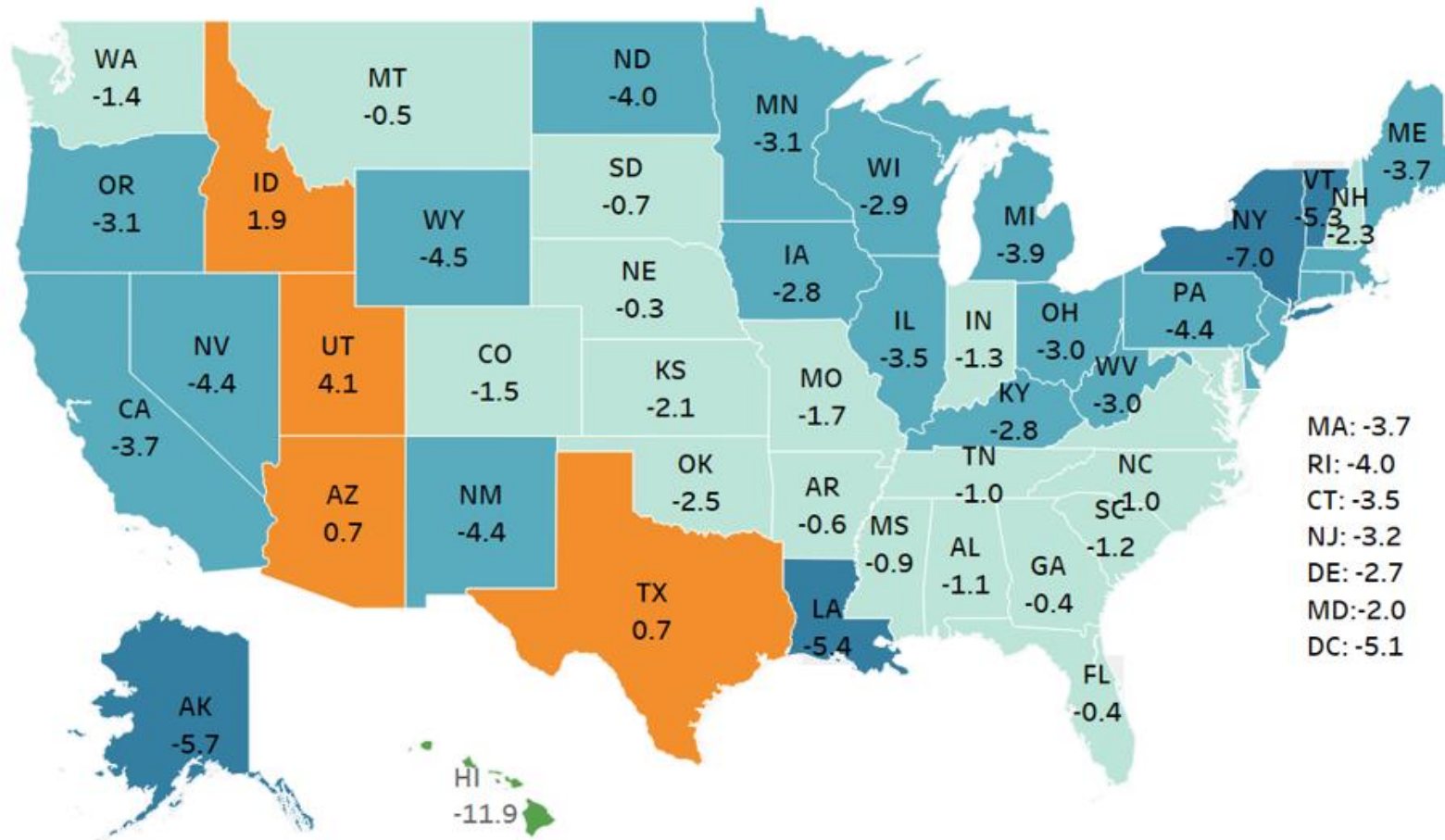


Total Payroll Jobs ...

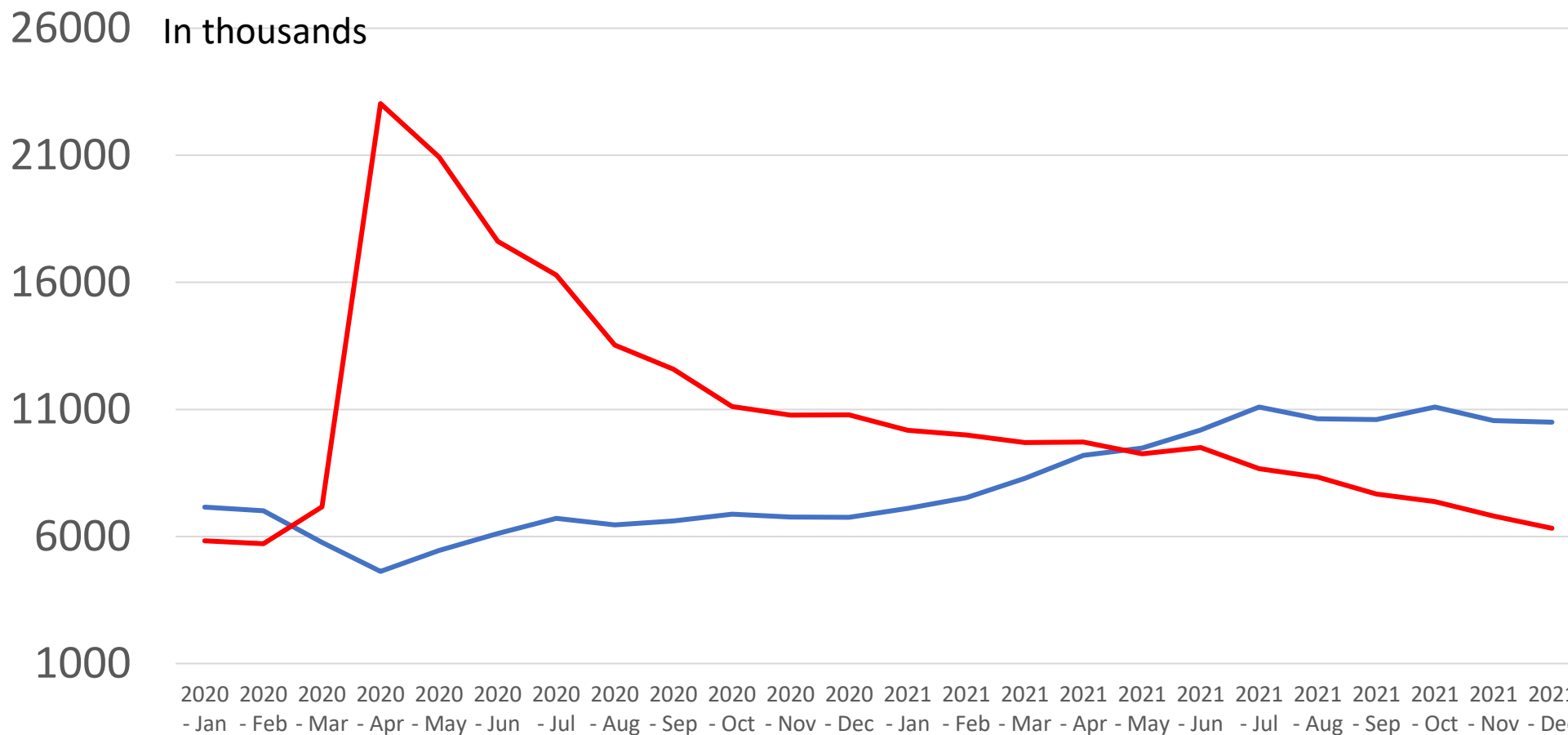
199,000 additions in December but still 3 million below peak



State-by-State Job Growth from March 2020 to November 2021

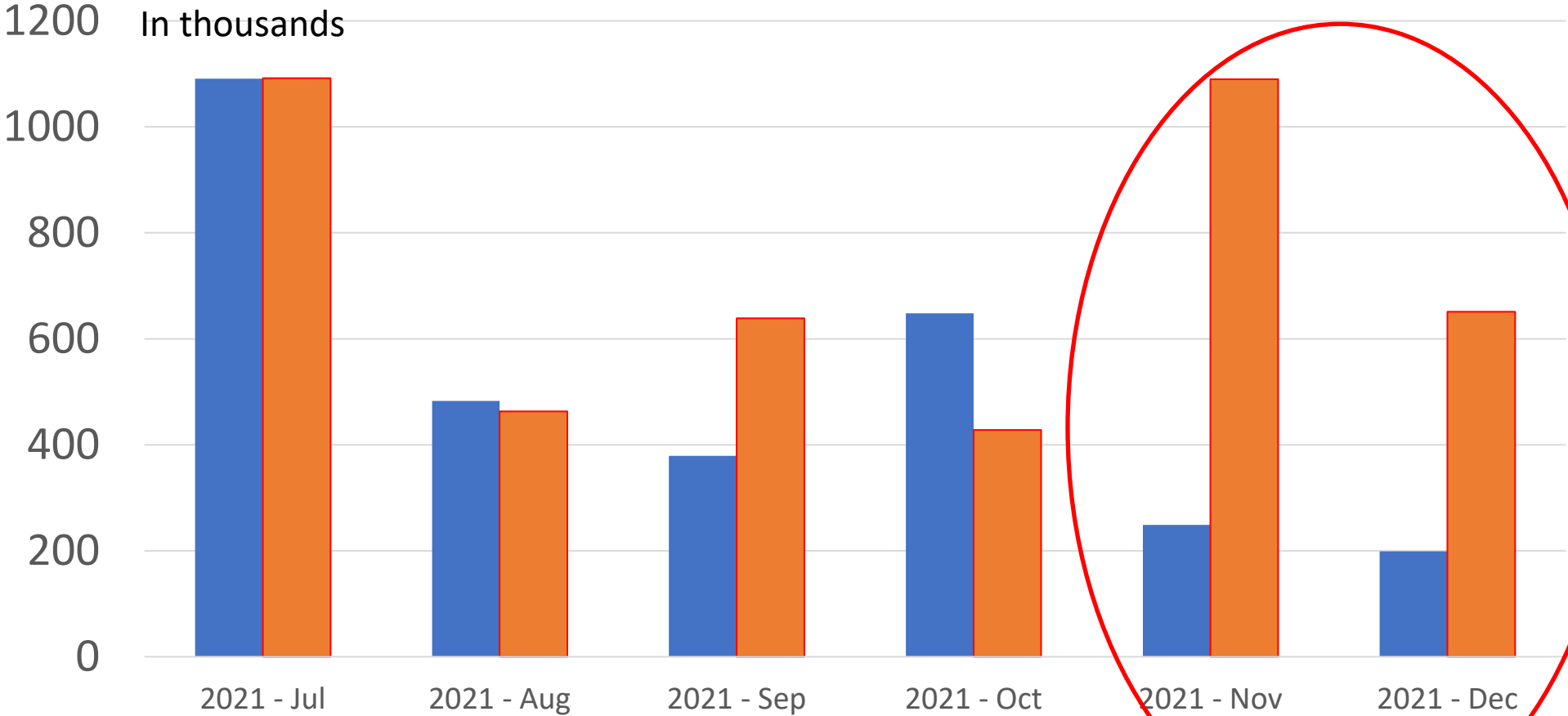


Job openings (blue) higher than unemployed (red)

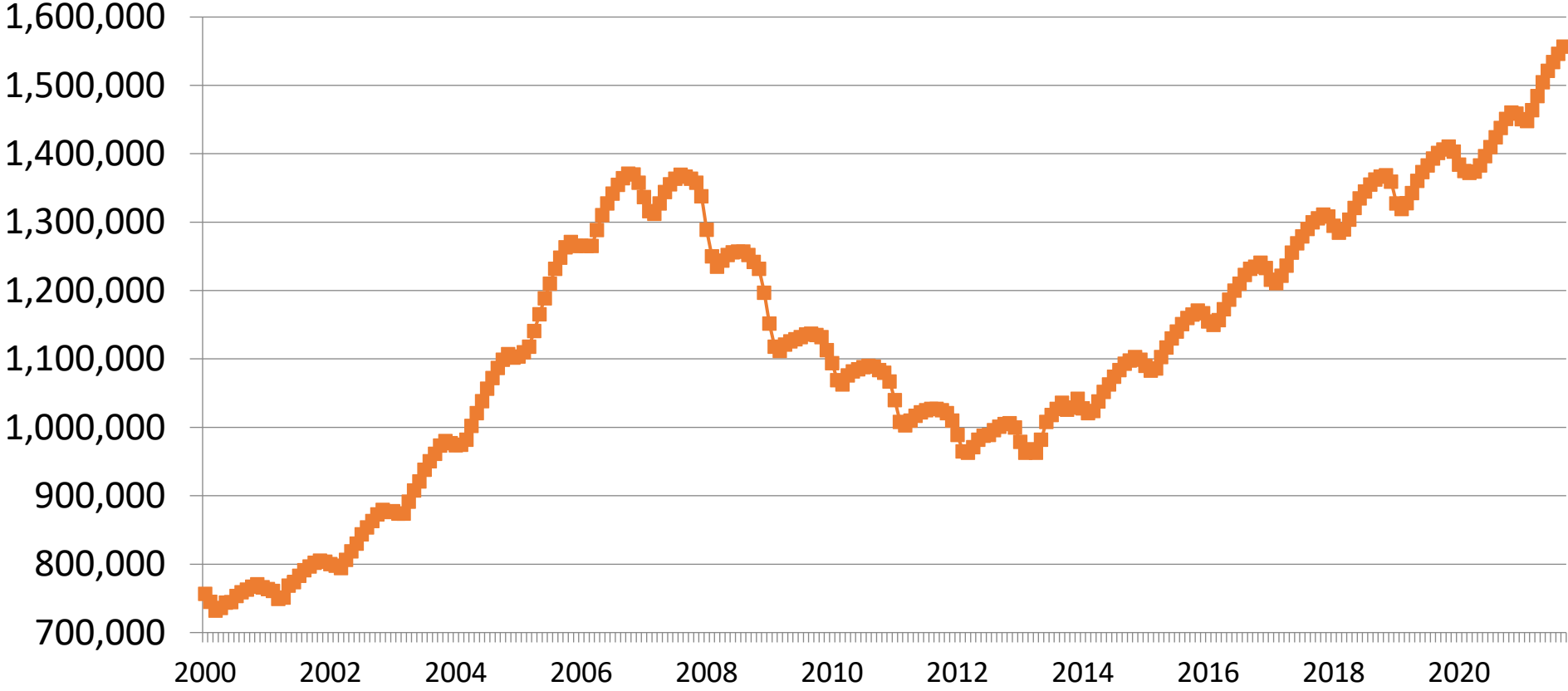


Monthly Job Gains in recent months

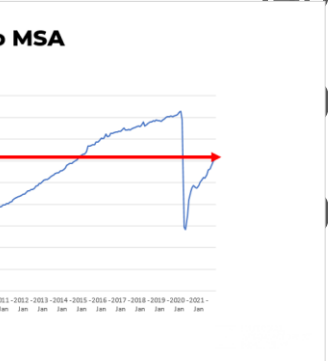
Household Survey (orange) and Company Payroll Survey (blue)



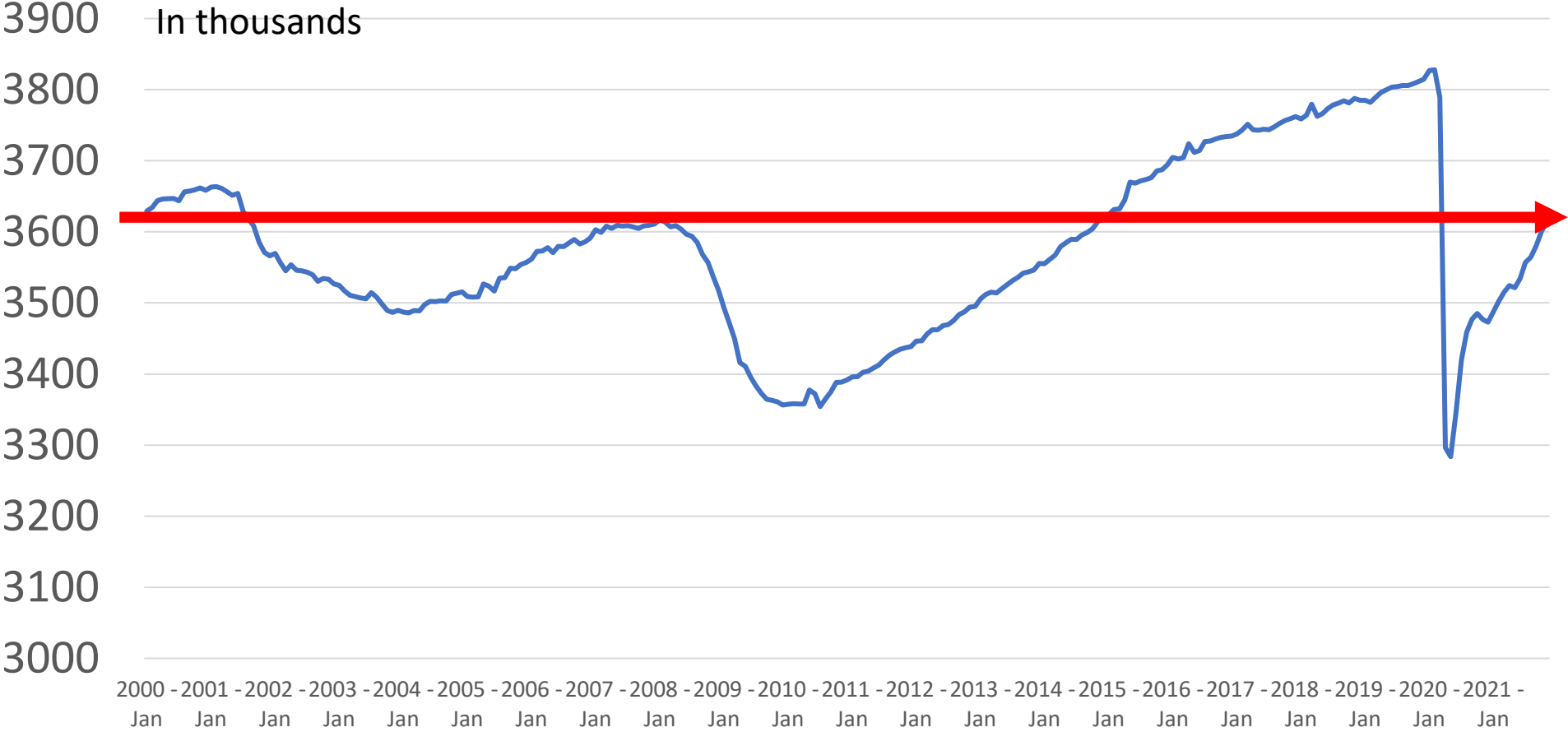
Worker Shortage Everywhere except NAR Membership



Payroll Jobs in Madison MSA

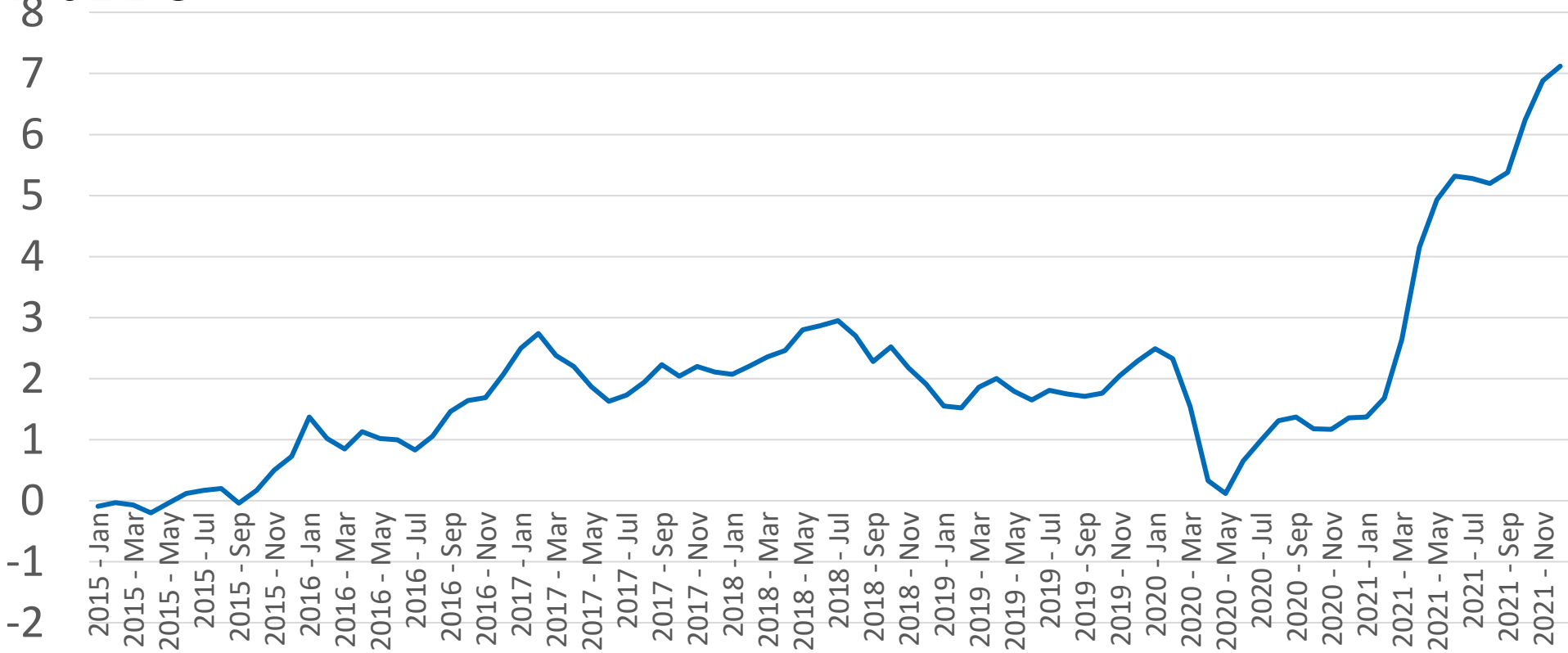


Payroll Jobs in Chicago MSA



Consumer Price Inflation at

7.1%



Cryptocurrency as Inflation Hedge

- Stay away ... It's a fraud
- Short-term bored gamblers
- Mid-term investors ... knowing institutional money and validation
- Long-term investors ... don't trust the government

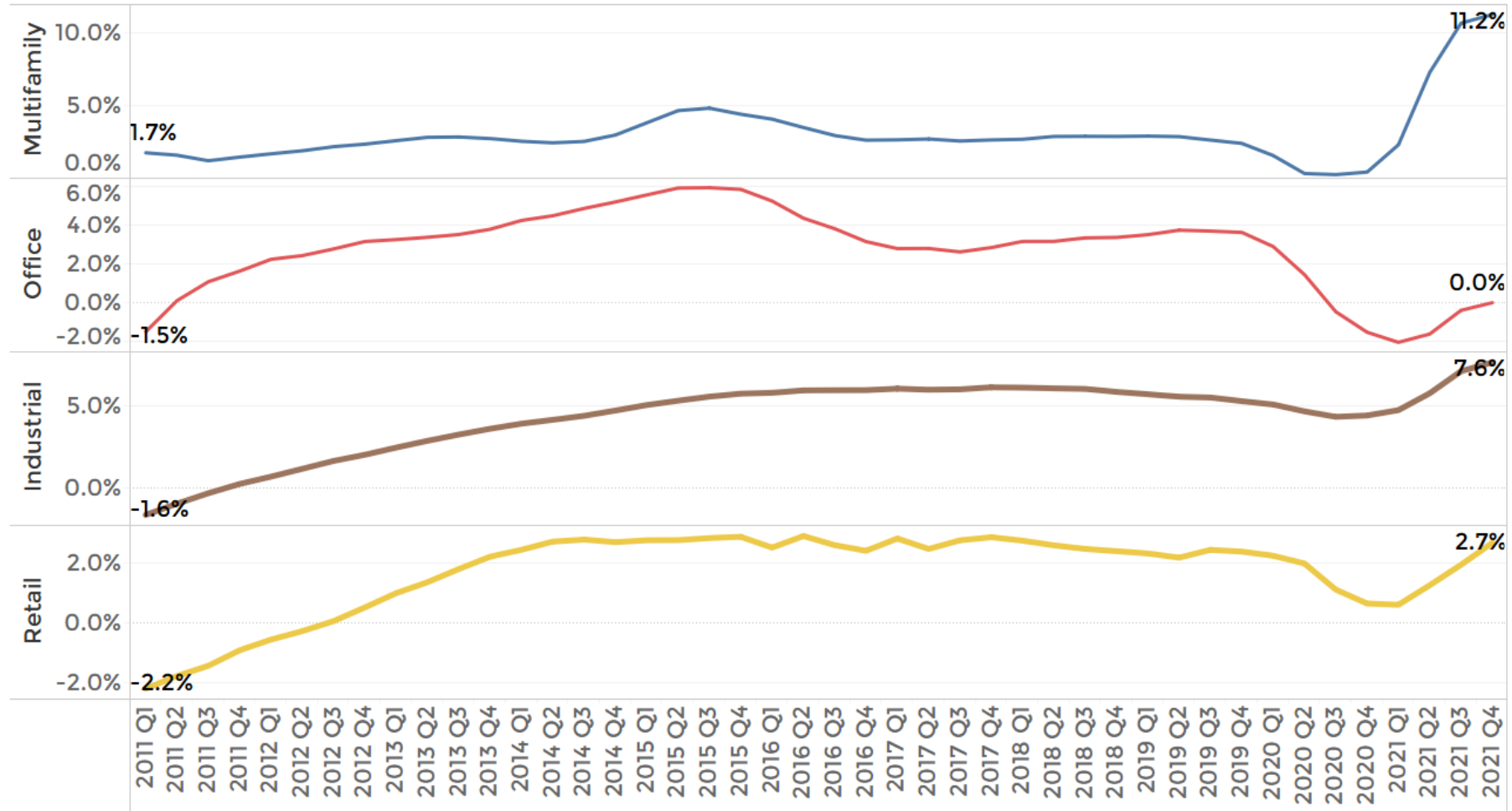
Home Price as Inflation Hedge

Decade	Home Price Average Annual	Consumer Price Average Annual
1970s	9.9%	7.1%
1980s	5.5%	5.6%
1990s	4.1%	3.0%
2000s	2.3%	2.6%
2010s	4.9%	1.8%
2020 + 2021	12%	3%

Rent Growth as Hedge against

Inflation

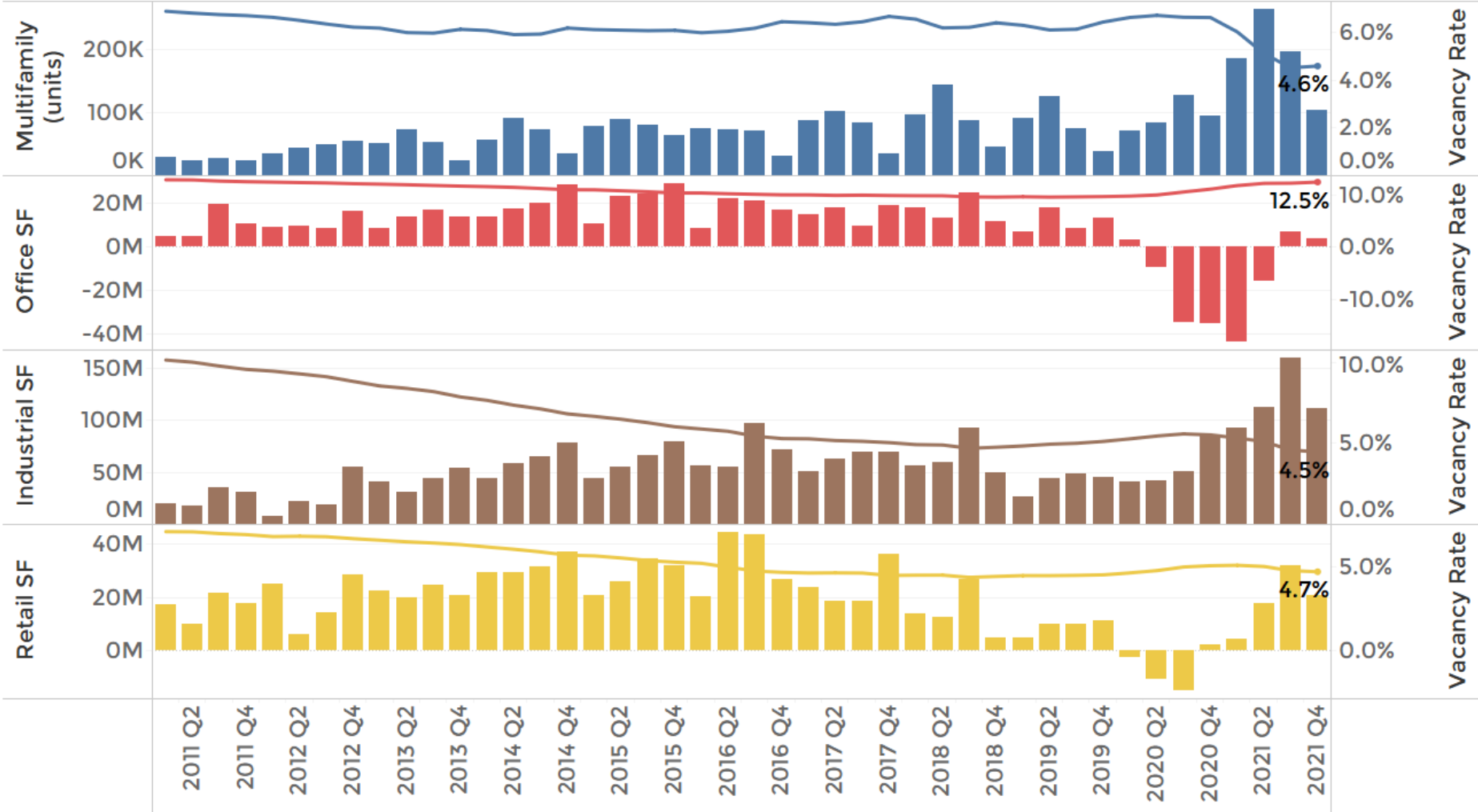
Rising Asking Rents as of October 29, 2021



Source of data: NAR analysis of CoStar data

Rising Occupancy in all property markets as of 2021 Q3

Occupancy is Rising Across All CRE Markets as of October 28, 2021



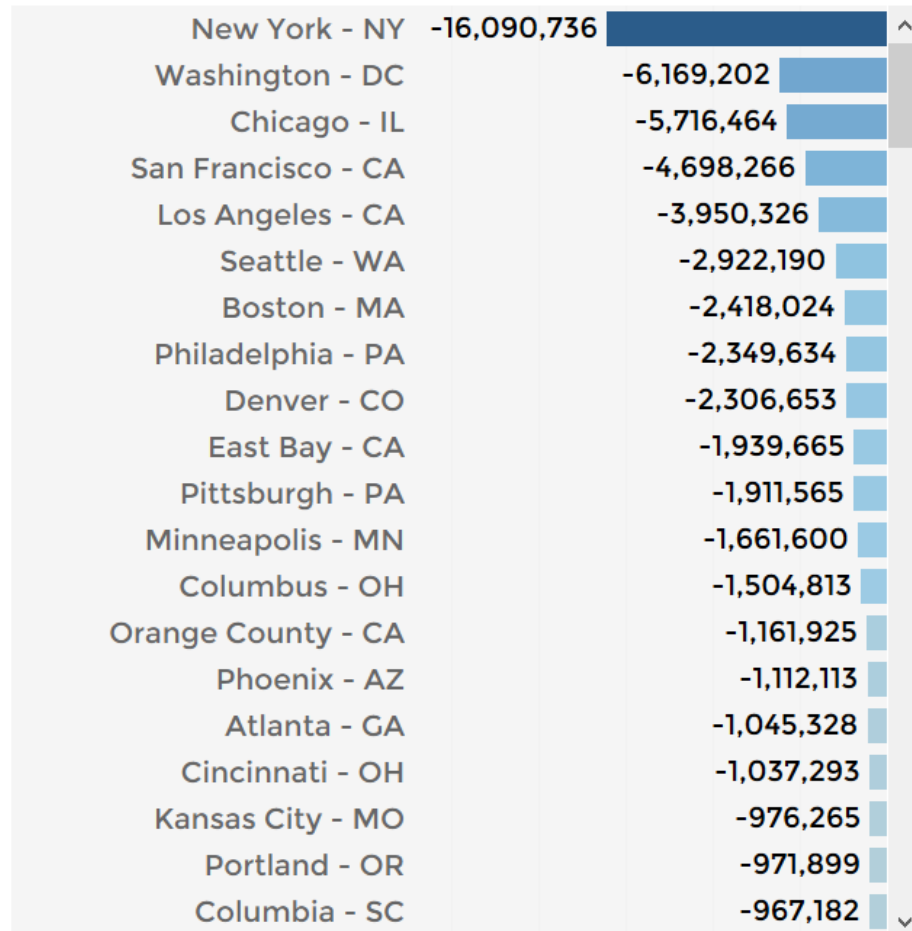
Source of data: NAR analysis of CoStar data



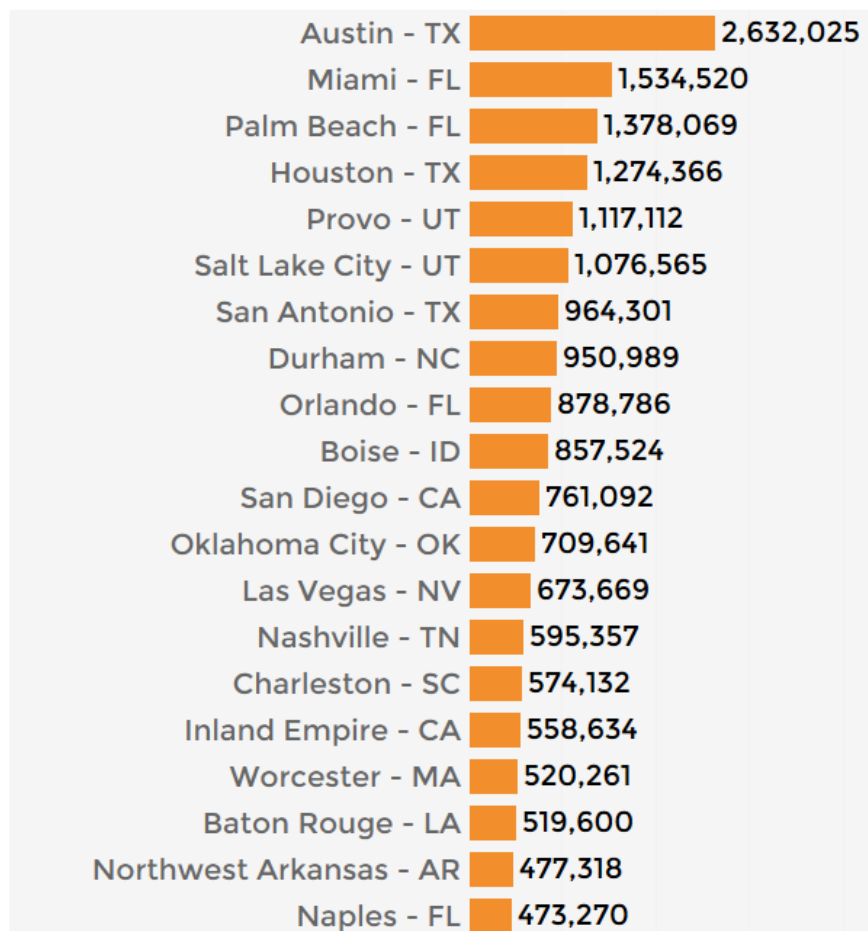
Office Occupancy losers and winners

12-Month Net Absorption of Office Space as of 2021 Q4 (October 2021)

12-Month Negative Net Absorption

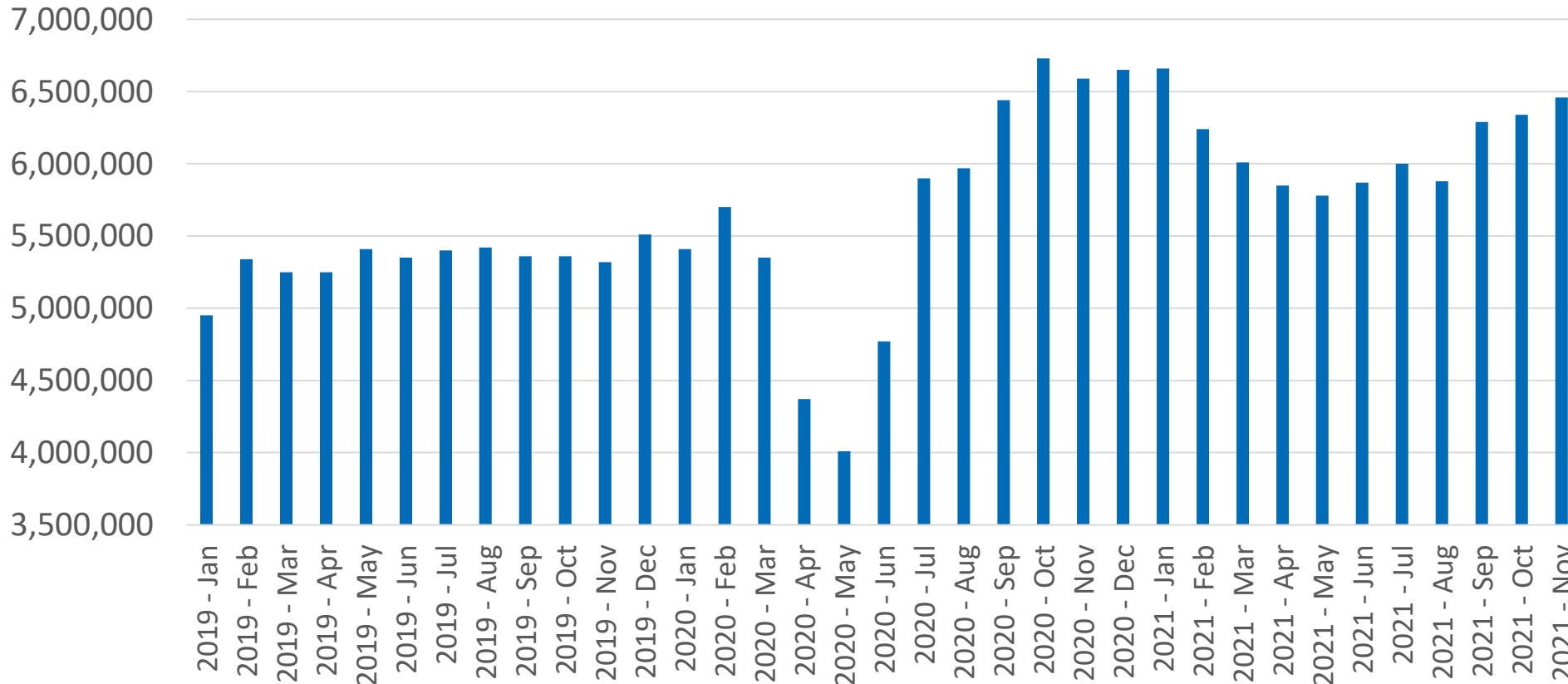


12-Month Positive Net Absorption



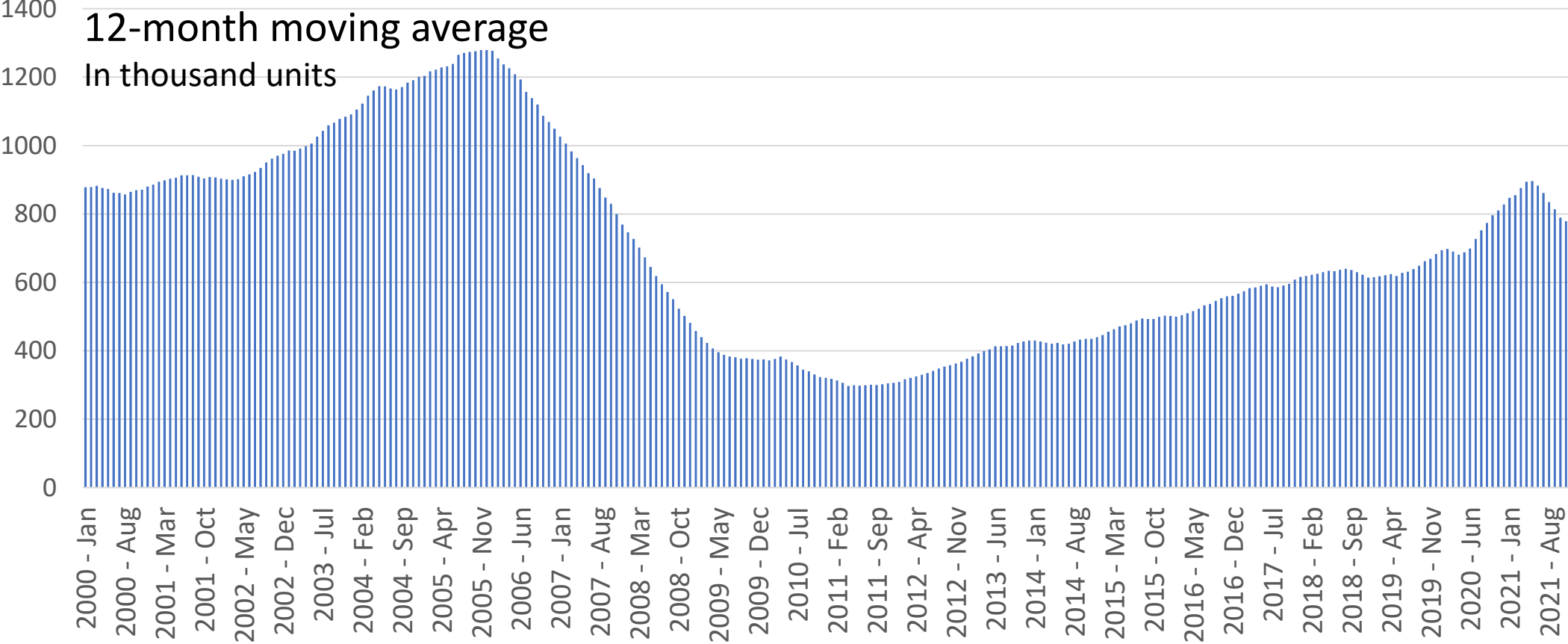
Existing Home Sales – Recent

MONTHS

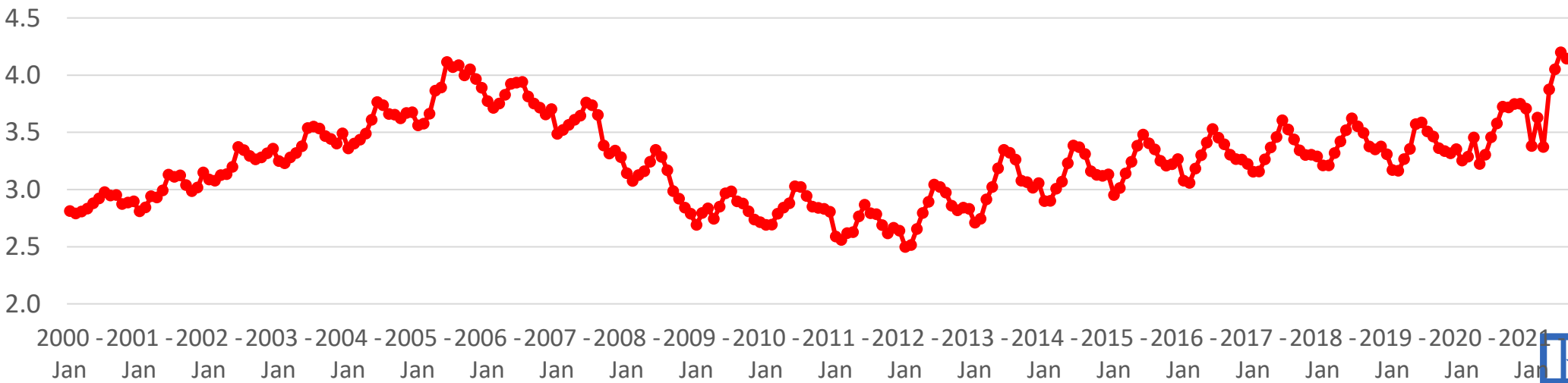
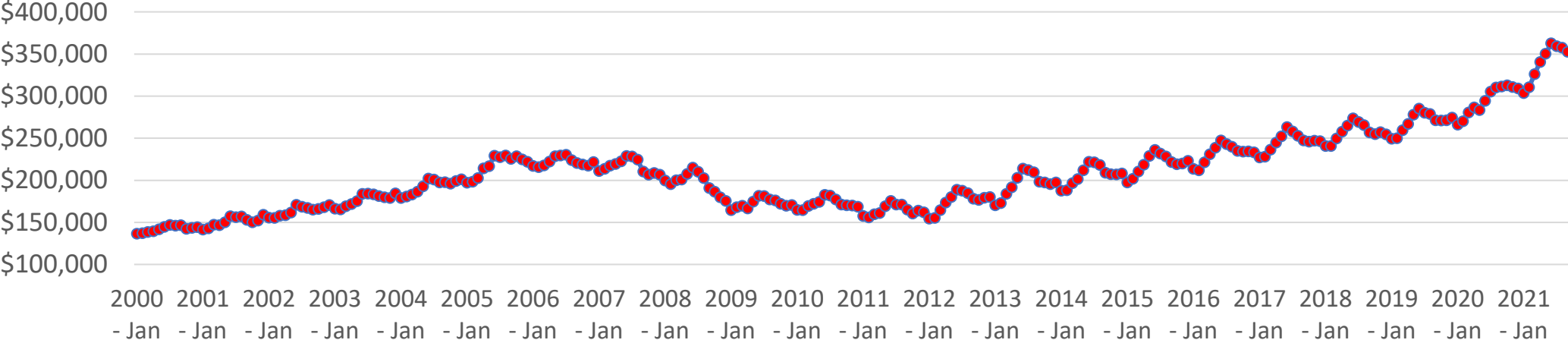


Newly Constructed Single-family

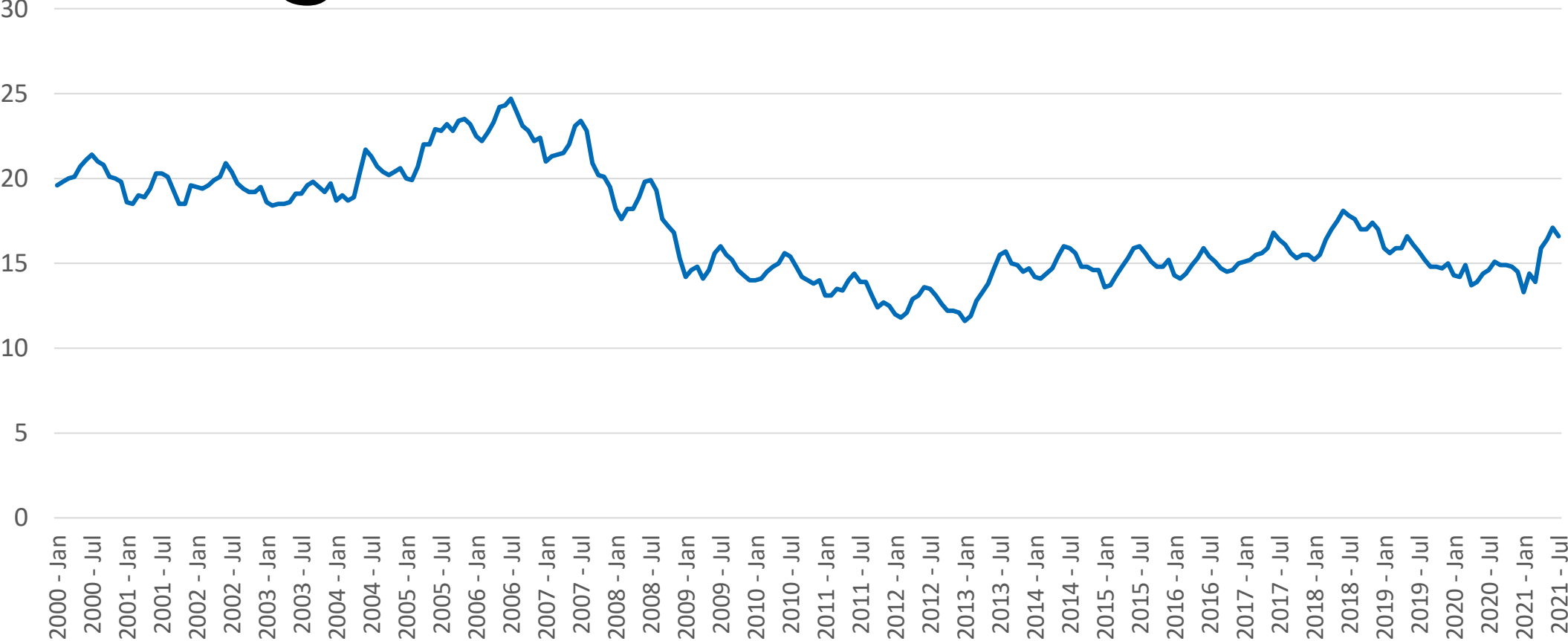
Home Sales



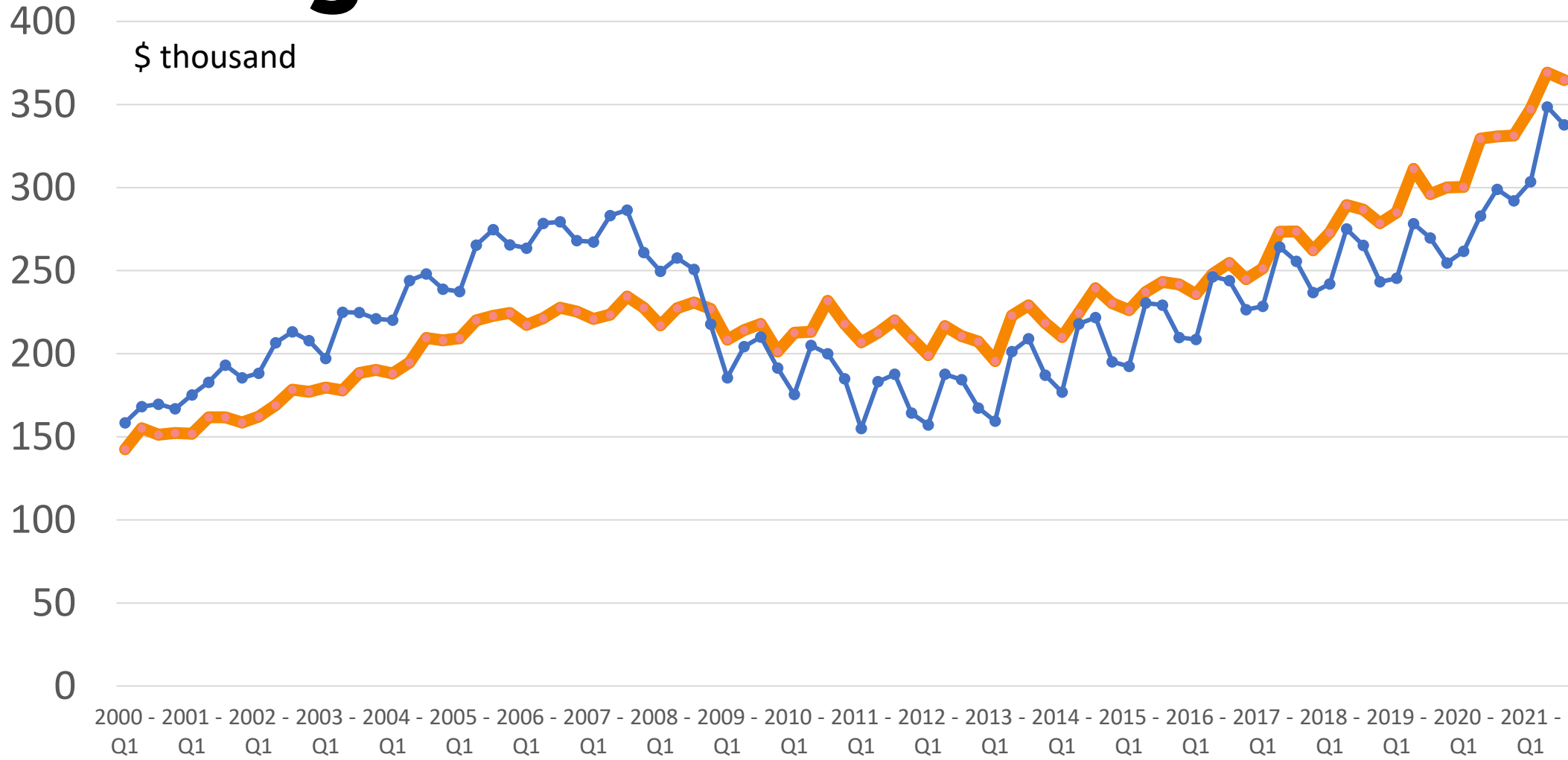
Median Home Price .. Price-to- Income ratio



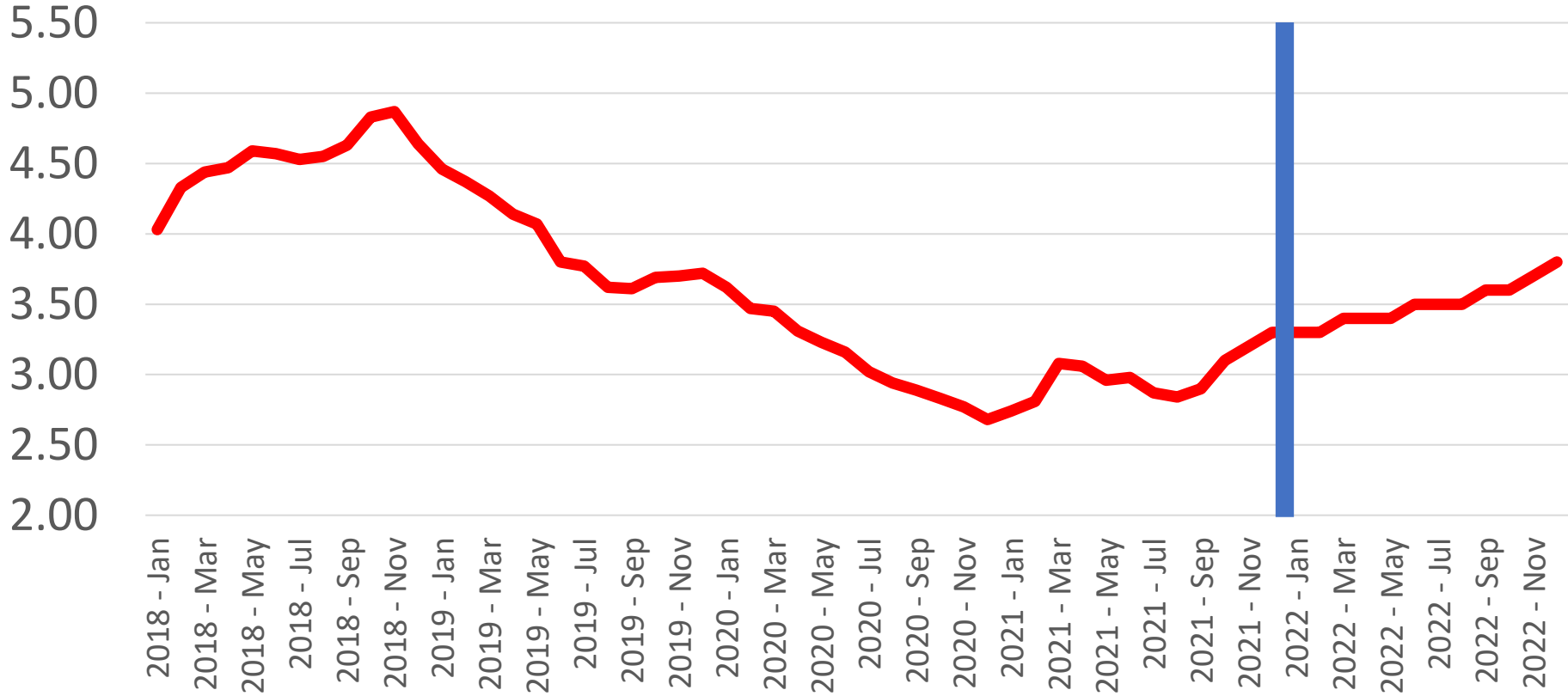
Mortgage Payment to Income is Manageable



Median Home Price in Madison and Chicago



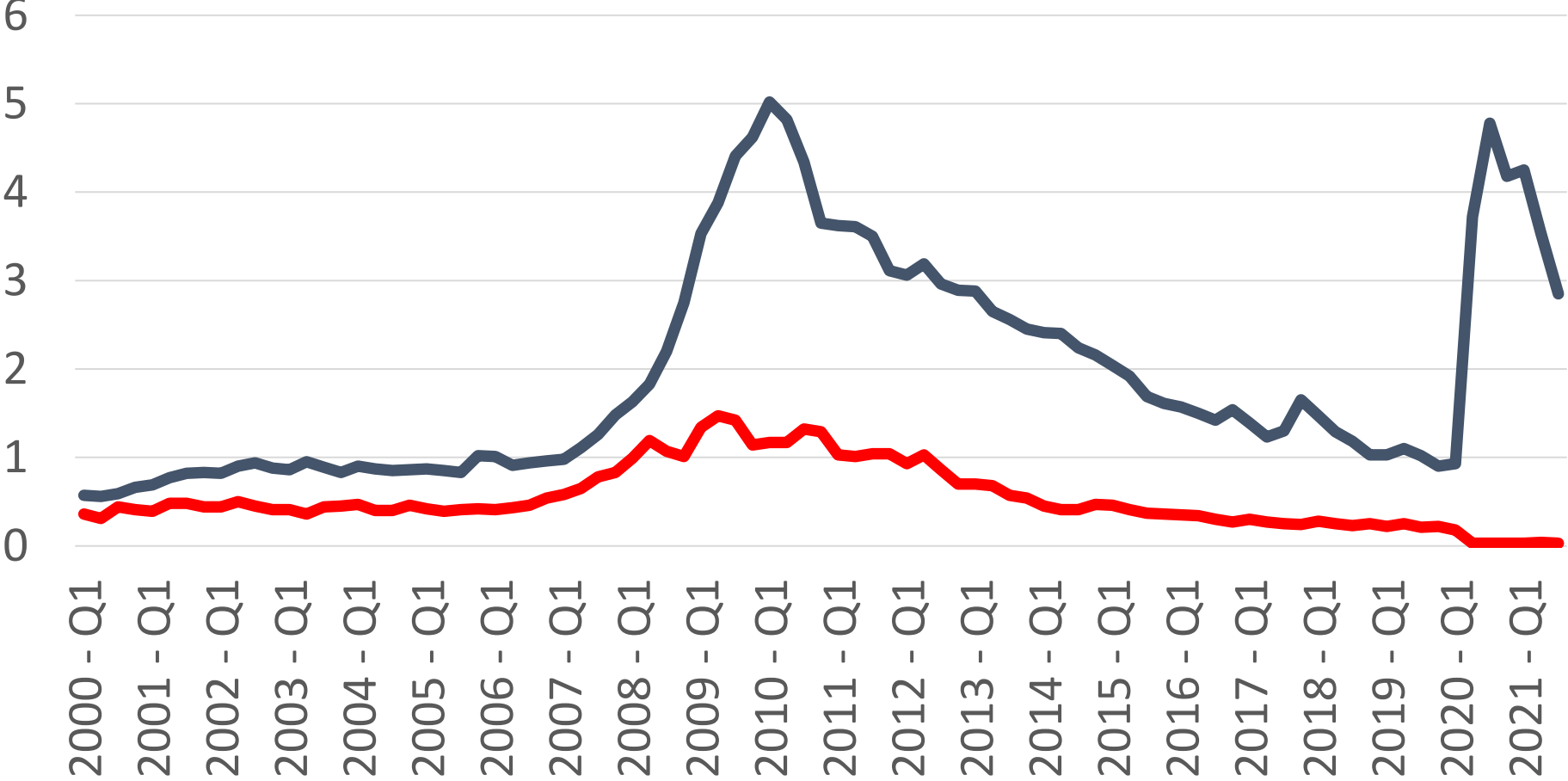
Mortgage Rate to Rise



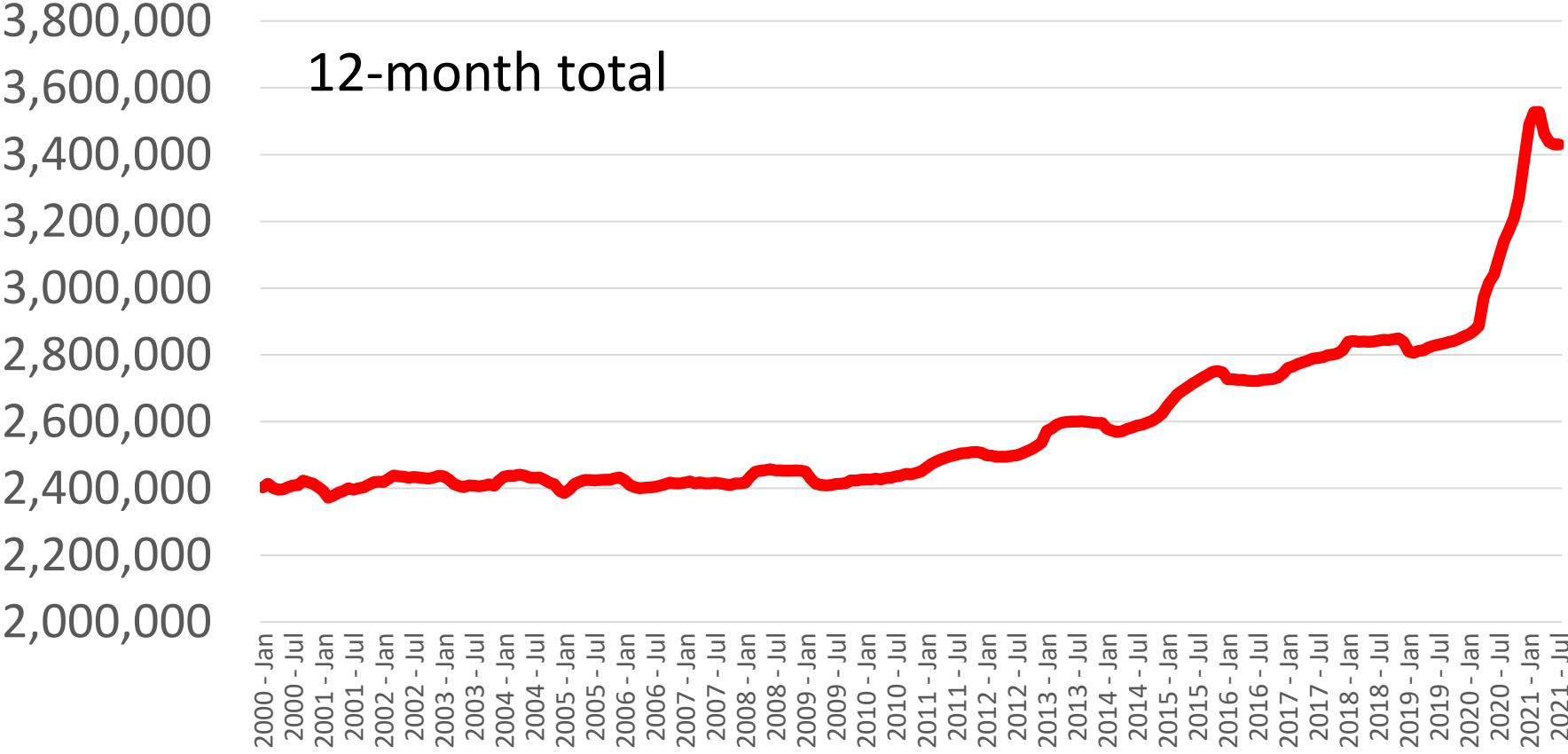
Low Housing Inventory ... will shoot higher in 2022



Mortgage Delinquency and Foreclosure Starts



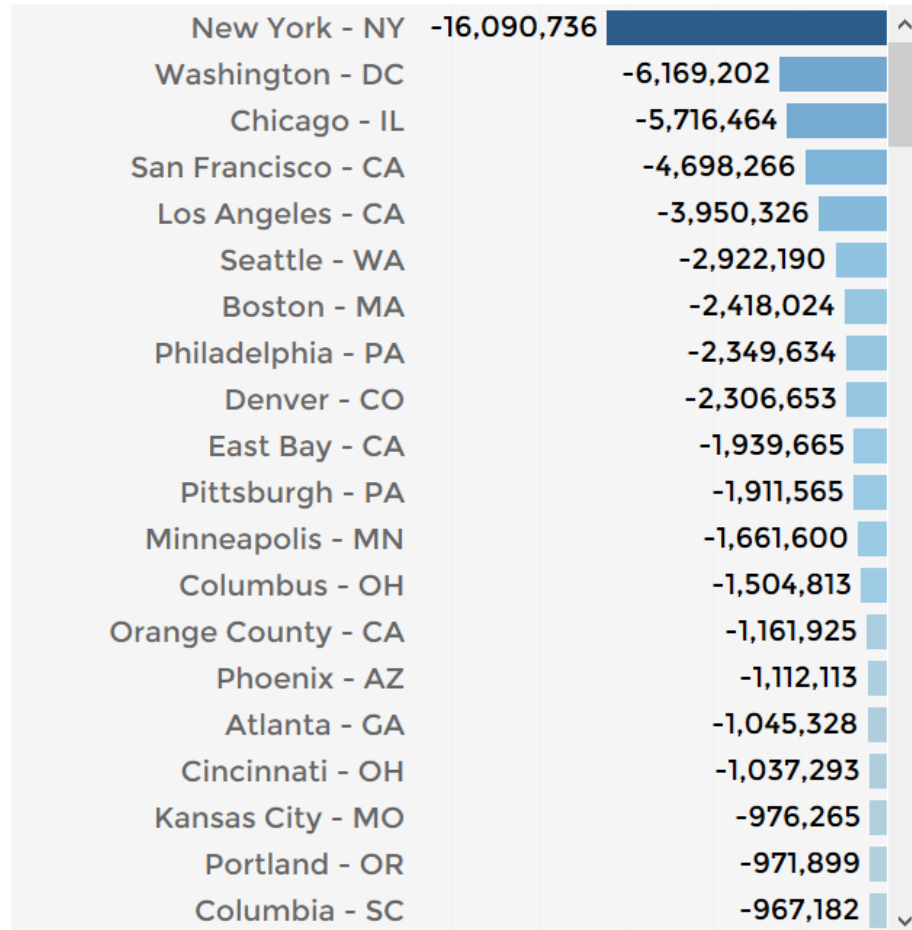
Death Certificates in U.S.



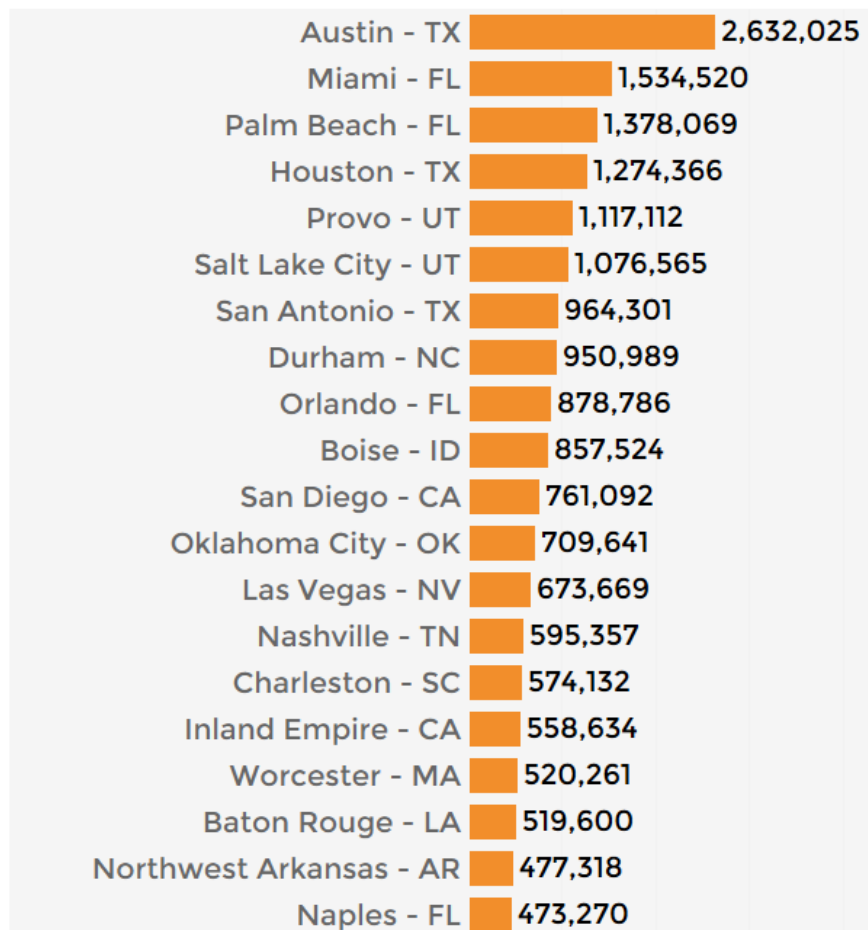
Office Occupancy losers and winners

12-Month Net Absorption of Office Space as of 2021 Q4 (October 2021)

12-Month Negative Net Absorption



12-Month Positive Net Absorption



Home Sales Revenue

Forecast

Year	Unit Sales	Home Price	Dollar Volume
2015	+6.3%	+6.8%	+12%
2016	+3.8%	+5.1%	+9%
2017	+1.1%	+5.7%	+7%
2018	-3.1%	+4.9%	+2%
2019	0.0%	+4.9%	+5%
2020	+5.6%	+9.1%	+15%
2021	+7%	+14%	+21%
2022	-2%	+4%	+2%

Commercial Outlook

	2019	2020	2021F	2022F
Vacancy Rates				
Multifamily	6.3%	6.7%	5.1%	4.8%
Office	9.6%	10.4%	12.2%	13.5%
Industrial	5.0%	5.5%	4.9%	5.0%
Retail	4.5%	4.9%	4.9%	4.6%

**Thank
You**