



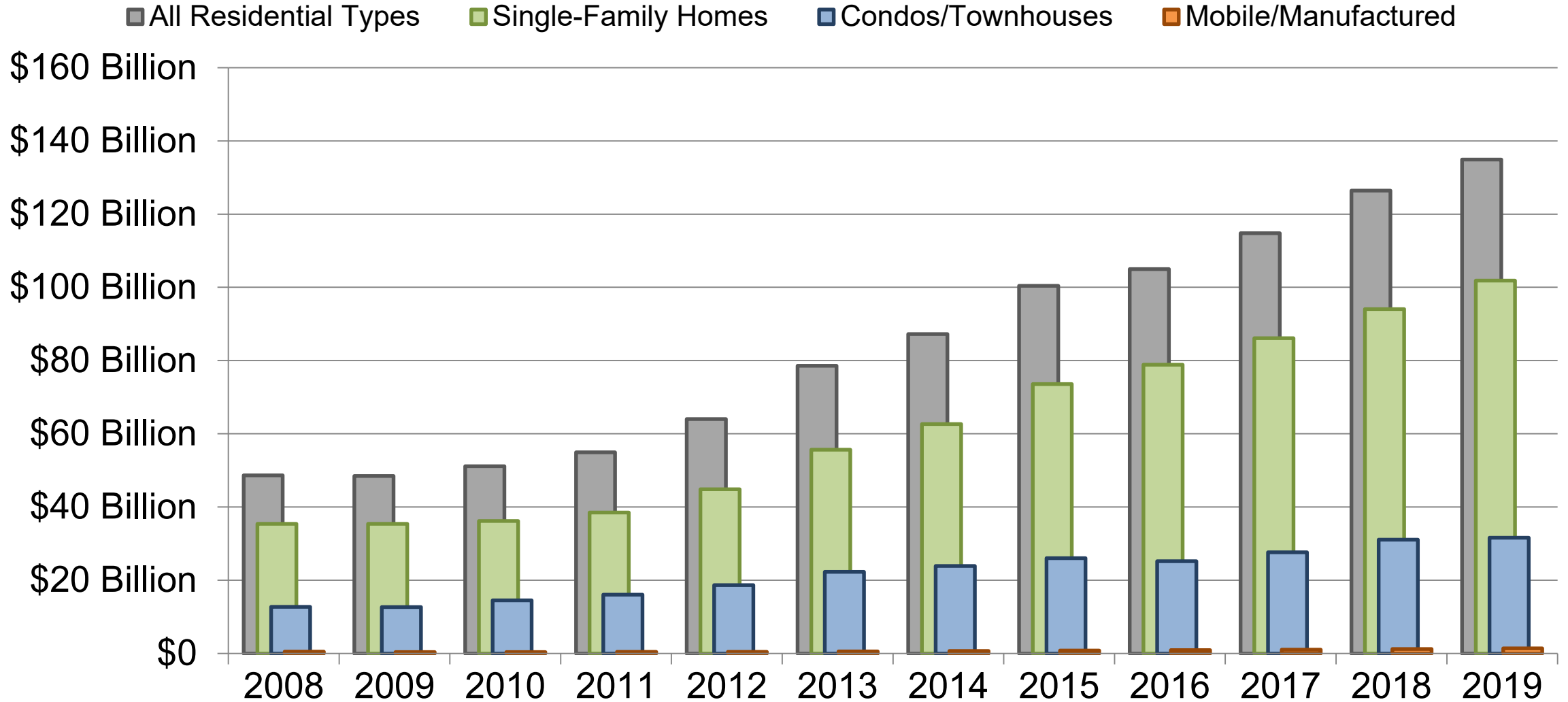
# Florida Residential Market Update



**Brad O'Connor, Ph.D.**  
Chief Economist

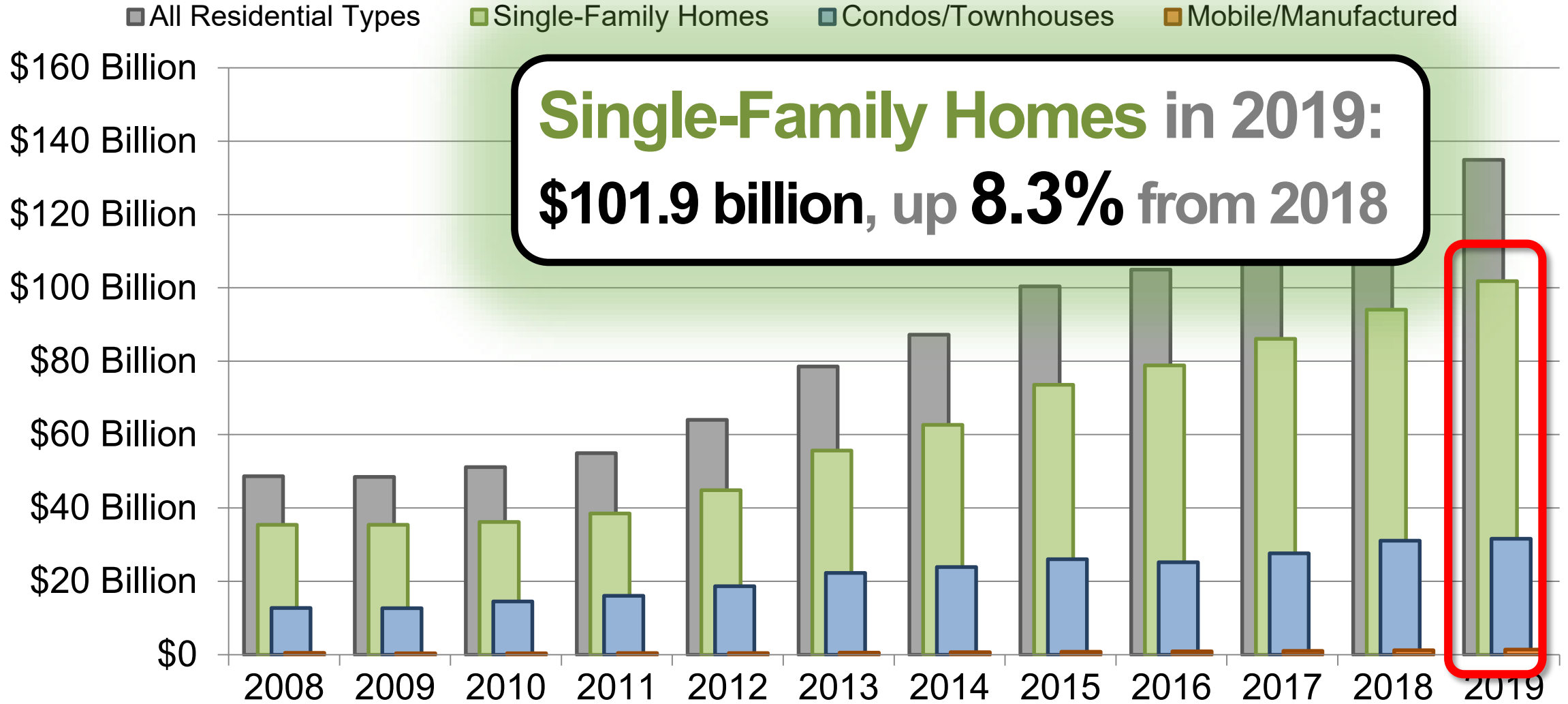
# Dollar Volume of Closed Sales of Existing Homes

Florida, Annual, 2008-2019



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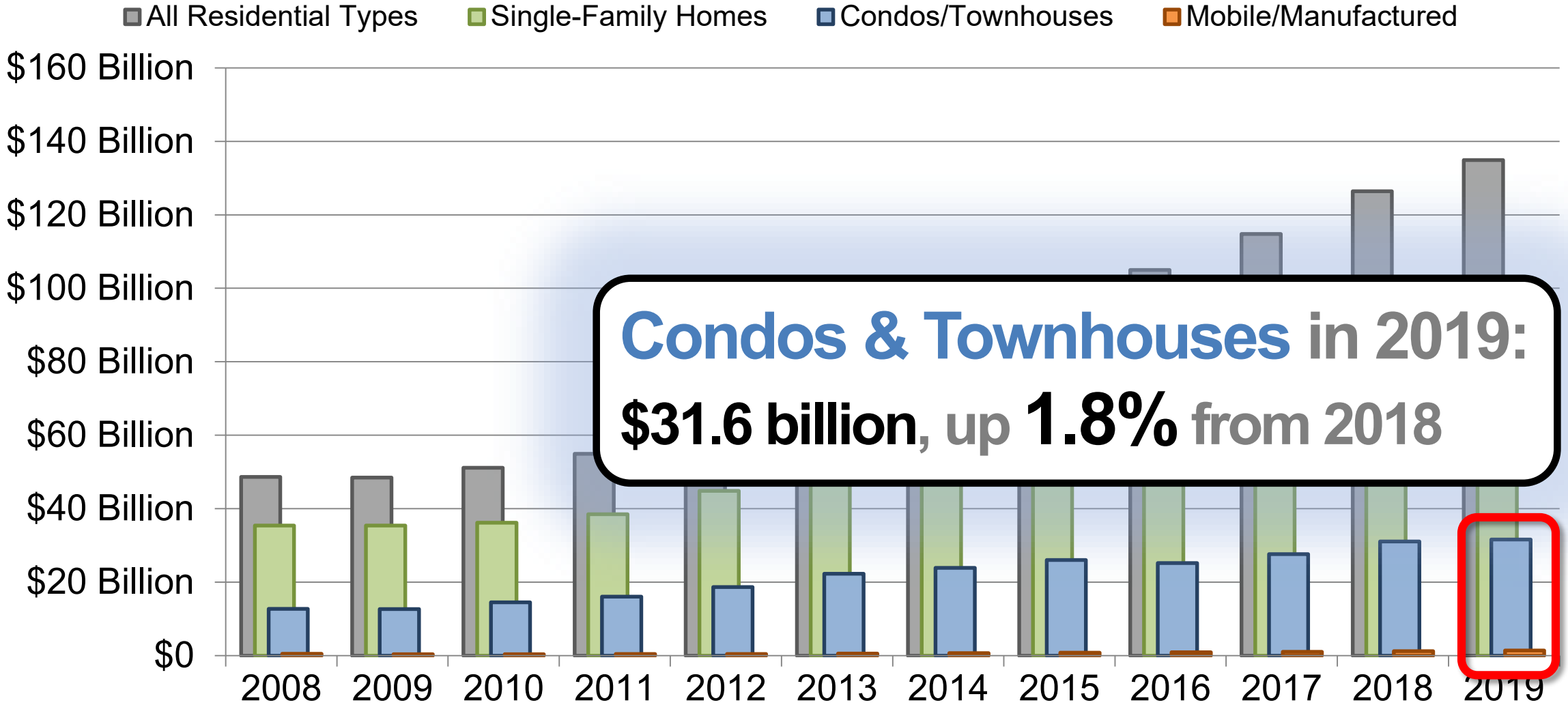
Florida, Annual, 2008-2019



**Single-Family Homes in 2019:**  
**\$101.9 billion, up 8.3% from 2018**

# Dollar Volume of Closed Sales of Existing Homes

Florida, Annual, 2008-2019



# Mortgage Interest Rates

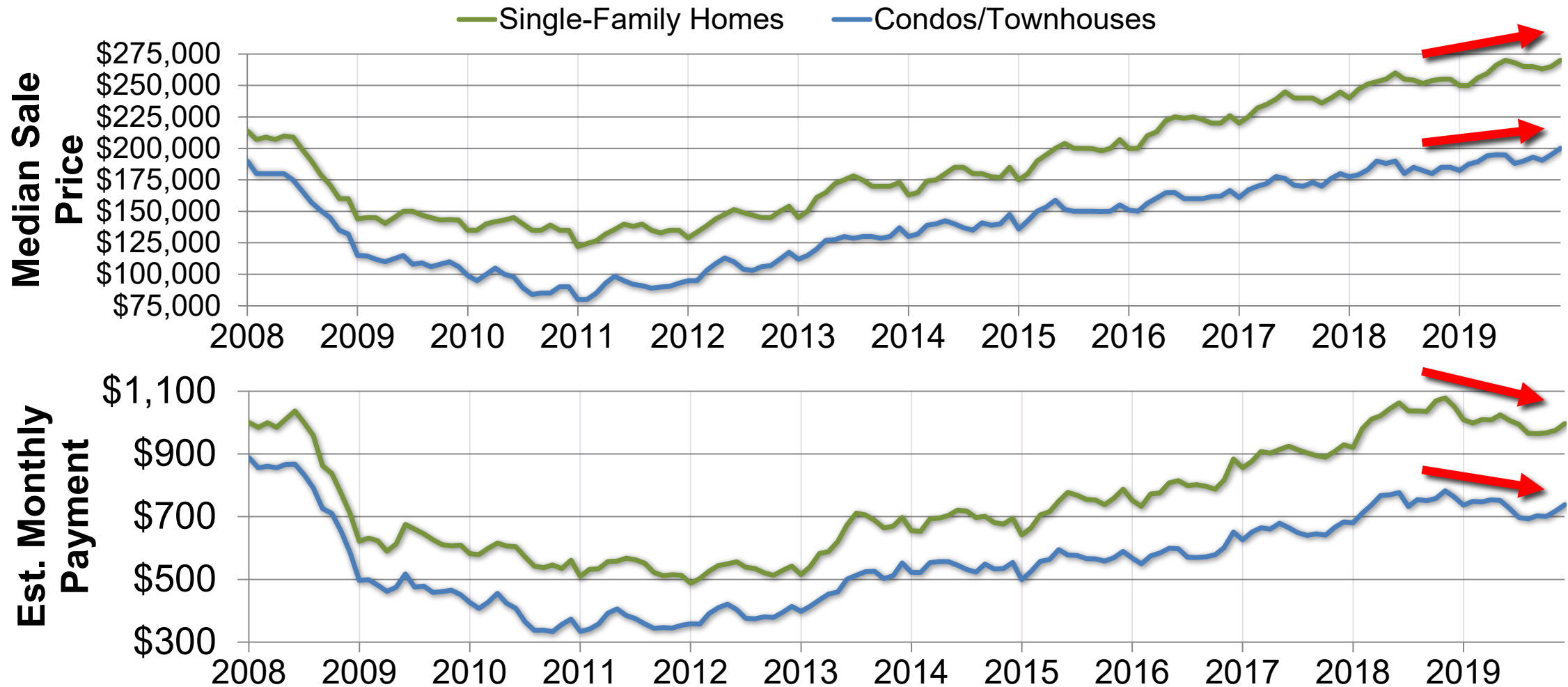
Monthly Averages, Jan. 1972 – Feb. 2020

— 30-Year Fixed Mortgage Rate



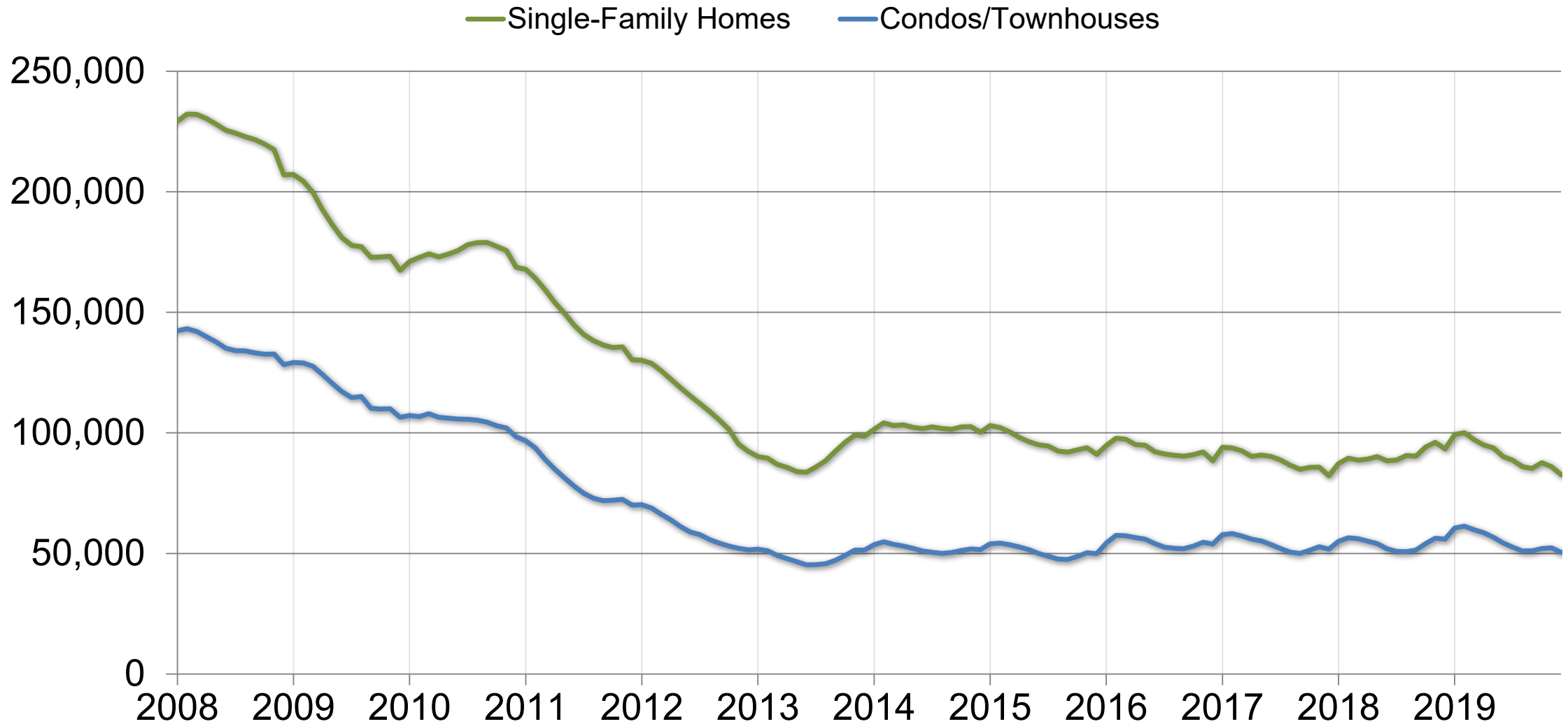
# Median Sale Price and Est. Monthly Mortgage Payment

Florida, Monthly, Jan. 2008 – Dec. 2019



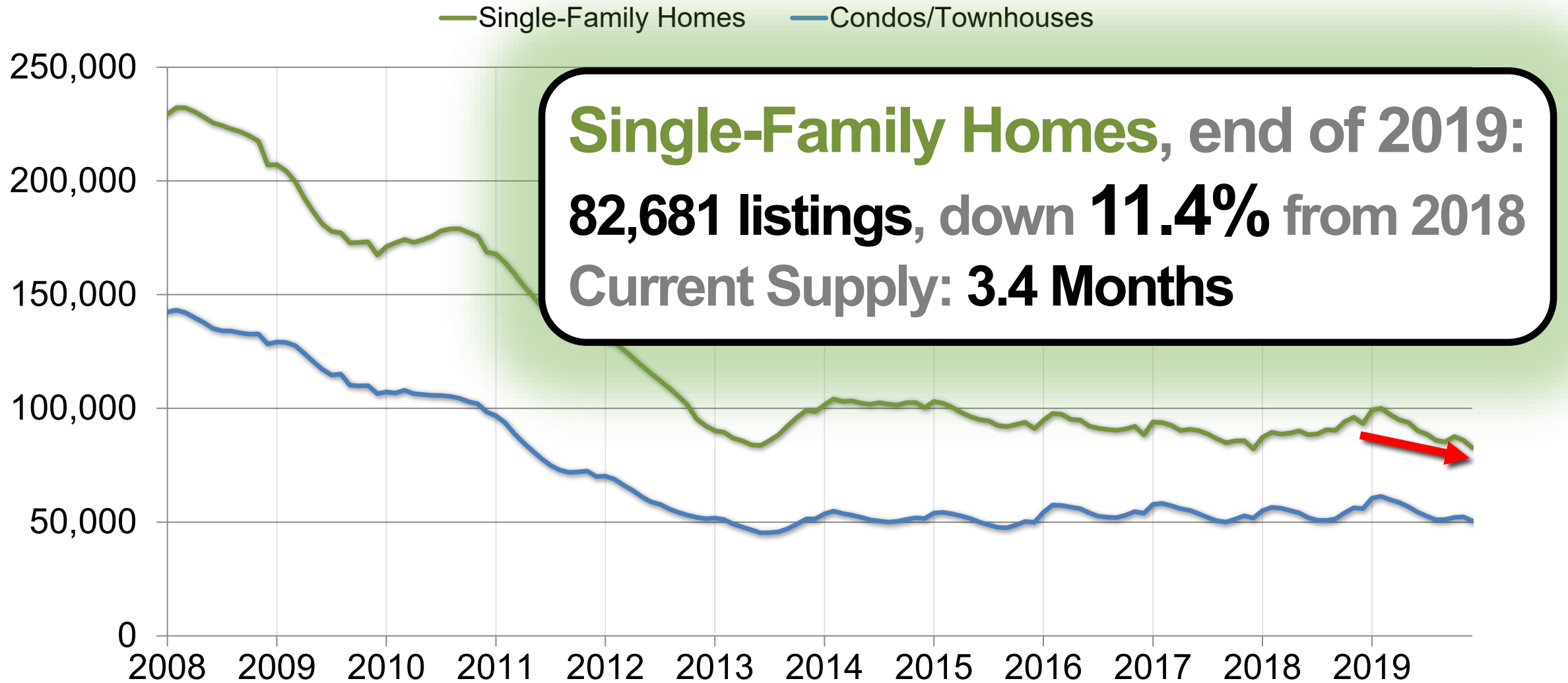
# Active Inventory of Existing Homes for Sale

Florida, Monthly, Jan. 2008 – Dec. 2019



# Active Inventory of Existing Homes for Sale

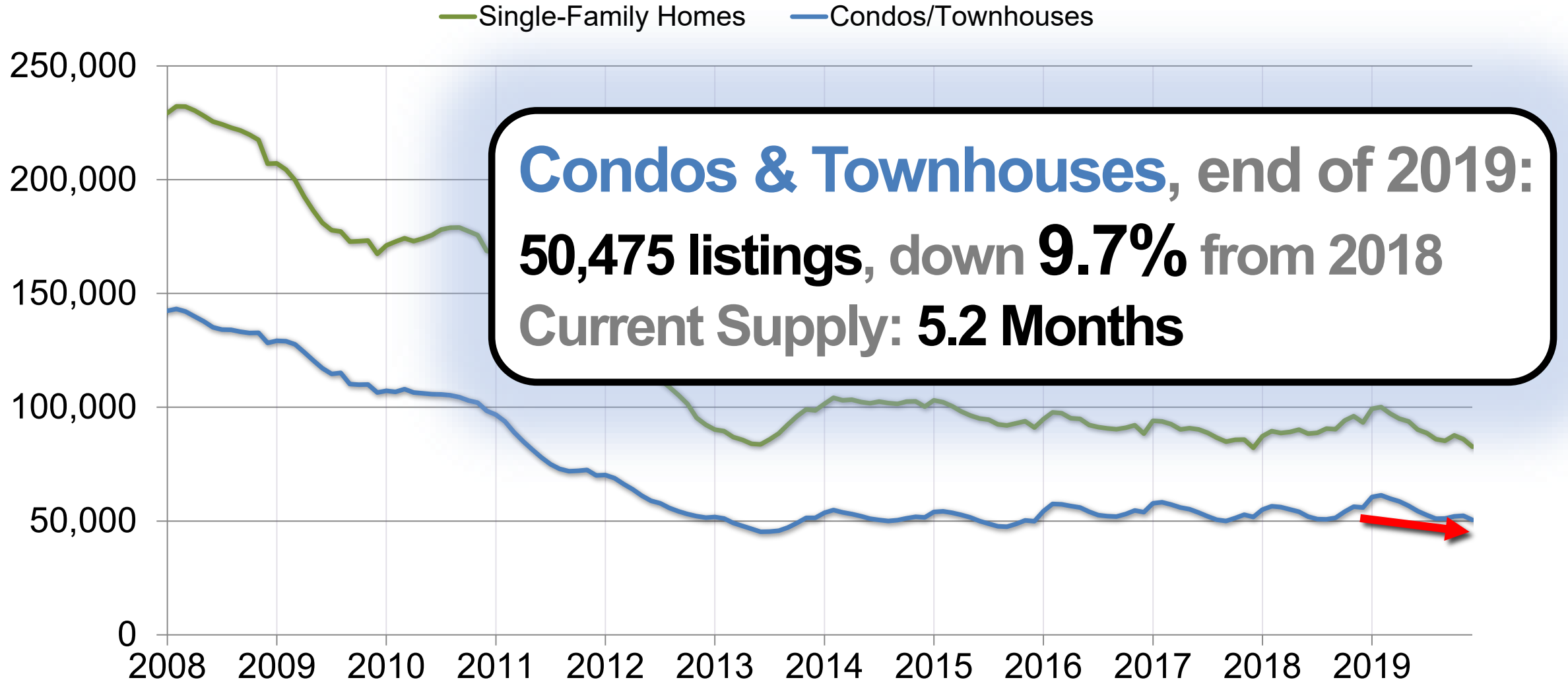
Florida, Monthly, Jan. 2008 – Dec. 2019





# Active Inventory of Existing Homes for Sale

Florida, Monthly, Jan. 2008 – Dec. 2019



# Short-Run Outlook

- Congress and the Fed are keeping our economy on life support while we're shut down
- They're doing a good job...
- ...but they can only keep the dam from breaking for so long

# Short-Run Outlook

- Housing **demand** is temporarily suppressed
  - Stay-at-home orders
  - Responsible social distancing
  - Fear of illness
  - Uncertainty about the future economy and housing market

# Short-Run Outlook

- Housing **supply** is temporarily suppressed
  - Stay-at-home orders
  - Responsible social distancing
  - Fear of illness
  - Uncertainty about the future economy and housing market

# Short-Run Outlook

- By itself, falling demand...
  - ...**reduces** the number of **sales**
  - ...puts **downward** pressure on **prices**
  
- By itself, falling supply...
  - ...**reduces** the number of **sales**
  - ...puts **upward** pressure on **prices**

# Short-Run Outlook

- Sharp drop in new pending sales
  - Will last at least into May
  - Closed sales will therefore also fall (lagging by a month or two)

# Short-Run Outlook

- Short-run price impact is somewhat ambiguous
  - Depends on which effect is stronger:
    - If **demand** falls more than **supply**, prices will **fall**
    - If **supply** falls more than **demand**, prices will **rise**
- One way that demand may fall faster than supply:
  - More buyers immediately exiting market than sellers
  - Sellers who just want to move their properties might stay in and just sell at a lower price

# Long-Run Outlook

- Very much contingent on public health response
  - We need **details** on how we plan to restart the economy
  - Forecasting a long-run outlook is nearly impossible otherwise
  - Range of possibilities is massive





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