

Real Estate Trends in the Time of COVID-19

SPUR Business Breakfast

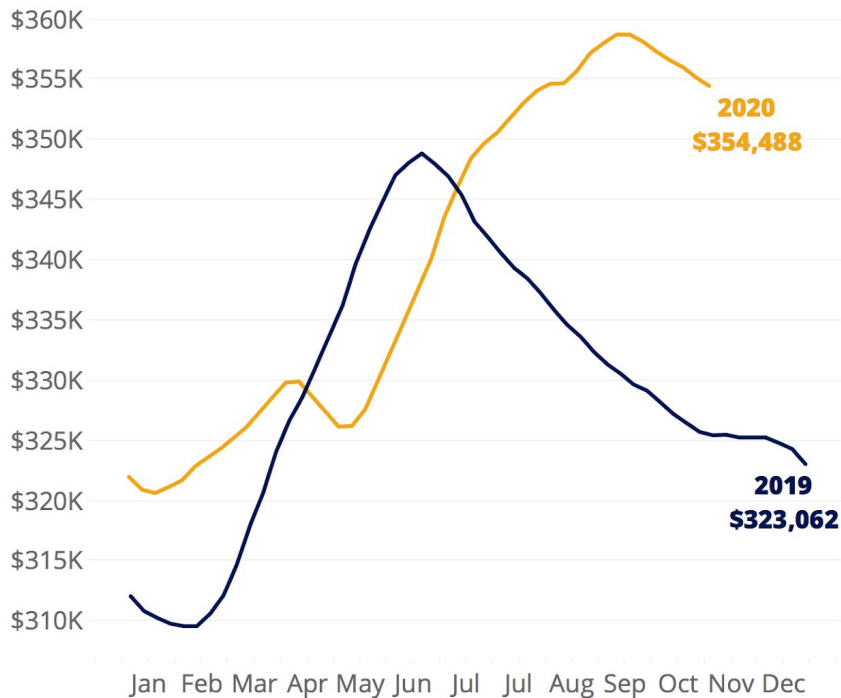
November 17, 2020

Cheryl Young, Zillow Senior Economist

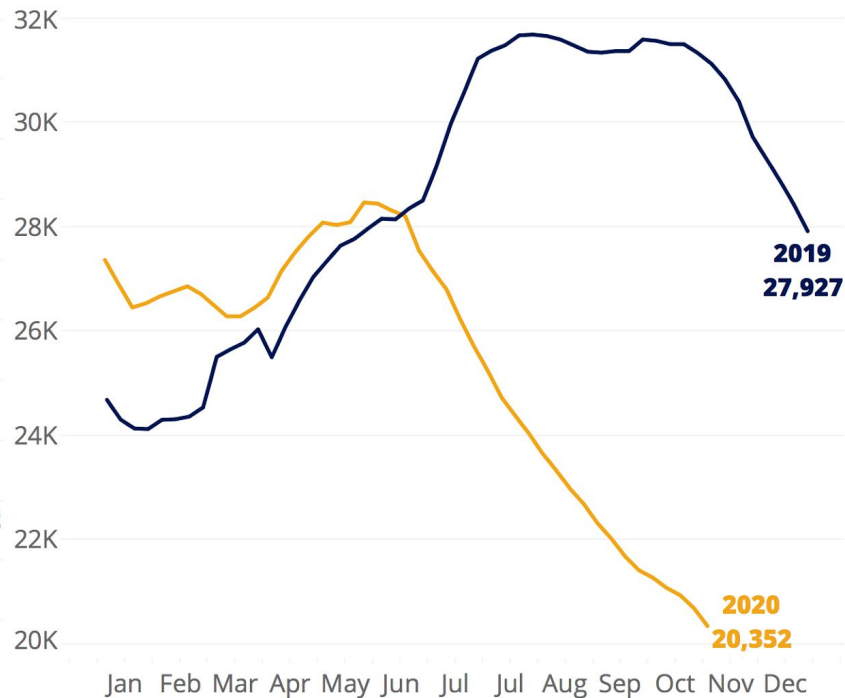


Nationally buyers are Back, but sellers aren't

Median List Price

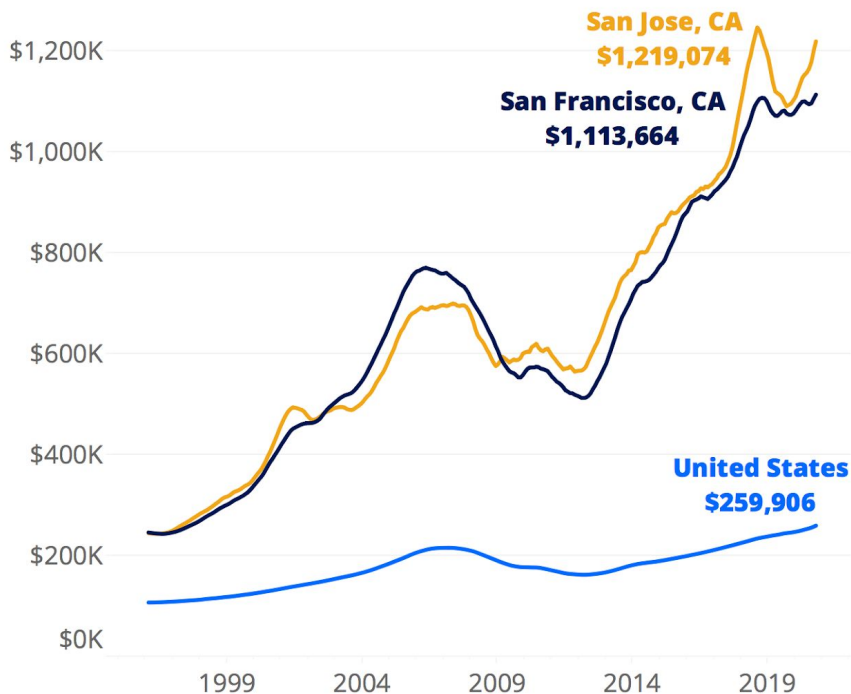


For-Sale Inventory

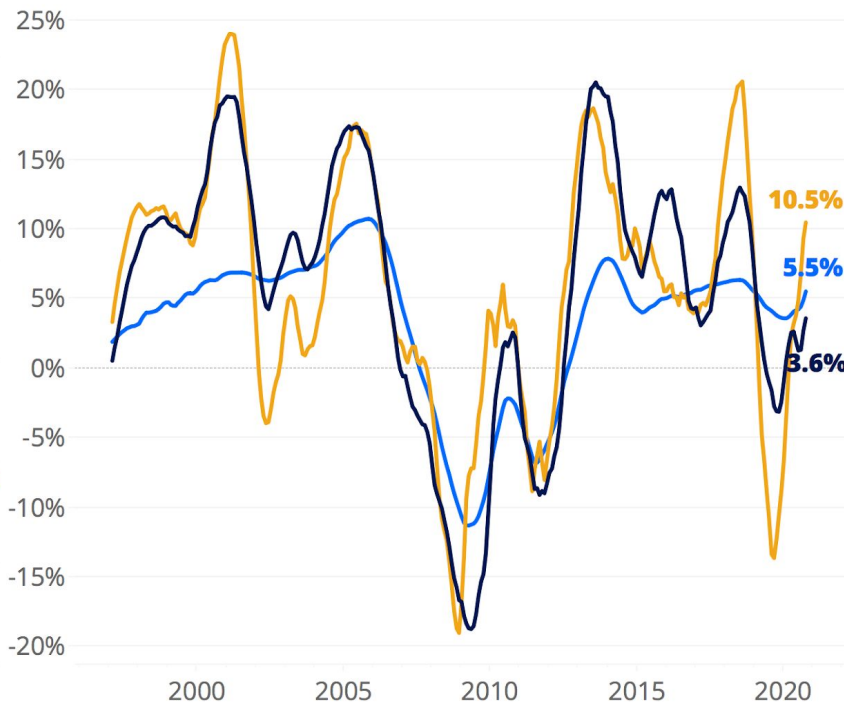


Home values continue to gain in the Bay Area

Zillow Home Value Index

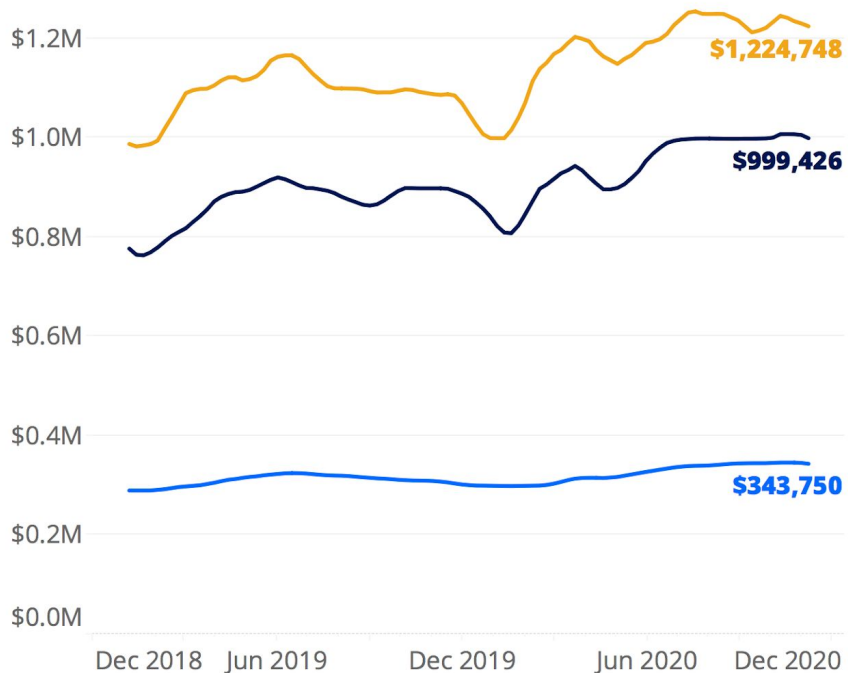


Zillow Home Value Index, YoY

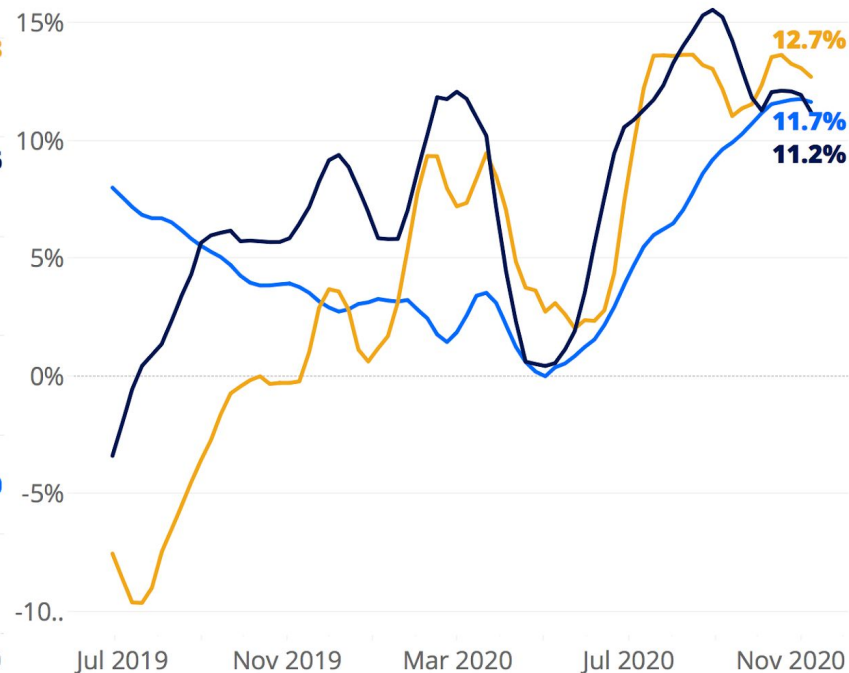


Bay Area list prices up to double digits again

Median List Price

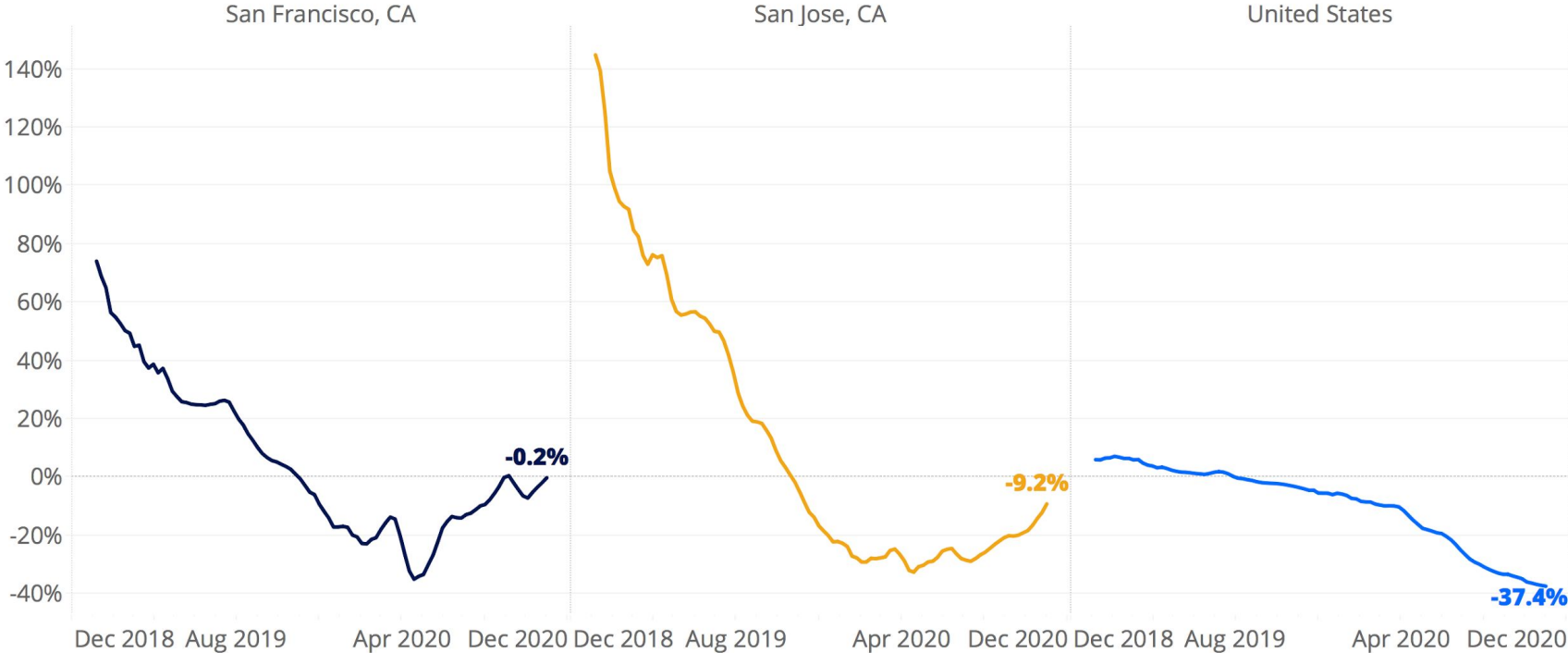


Median List Price, YoY



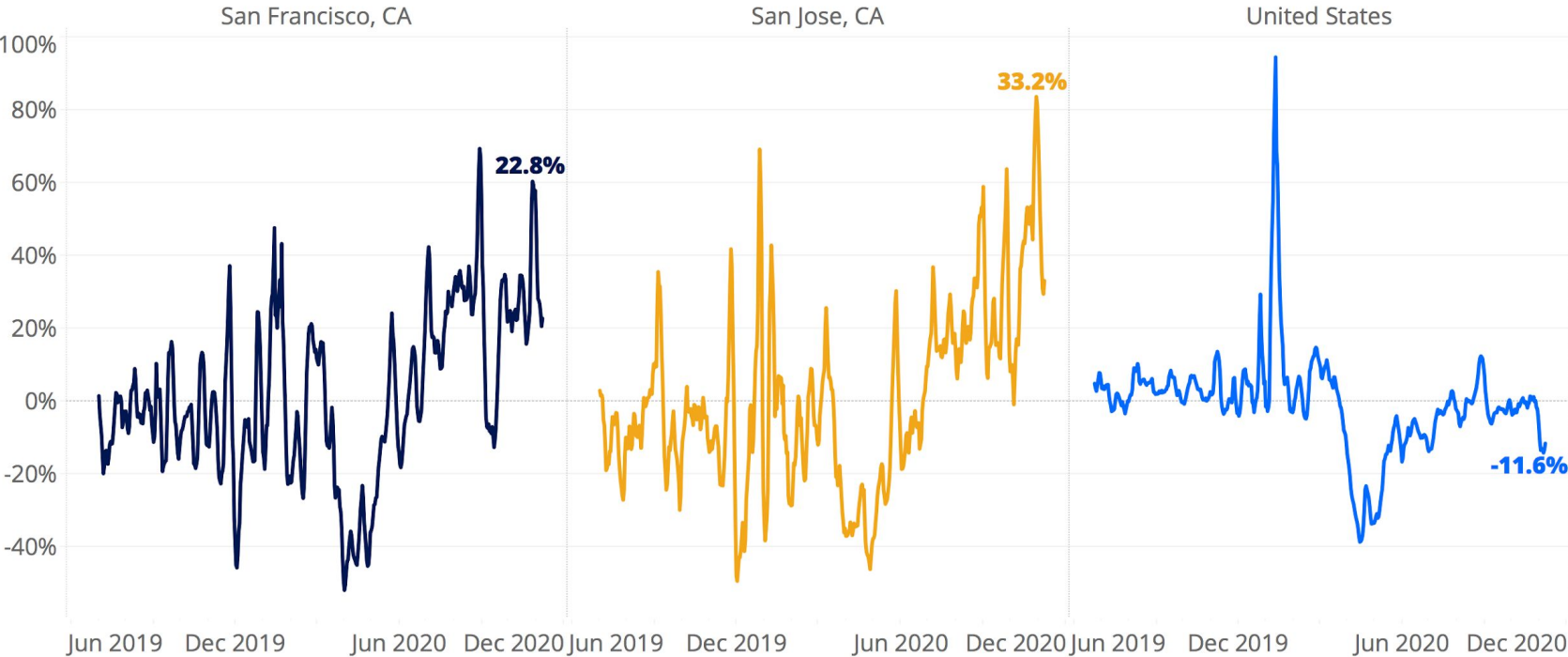
Compared to nationally, inventory recovering in the Bay Area

For-Sale Inventory, YoY



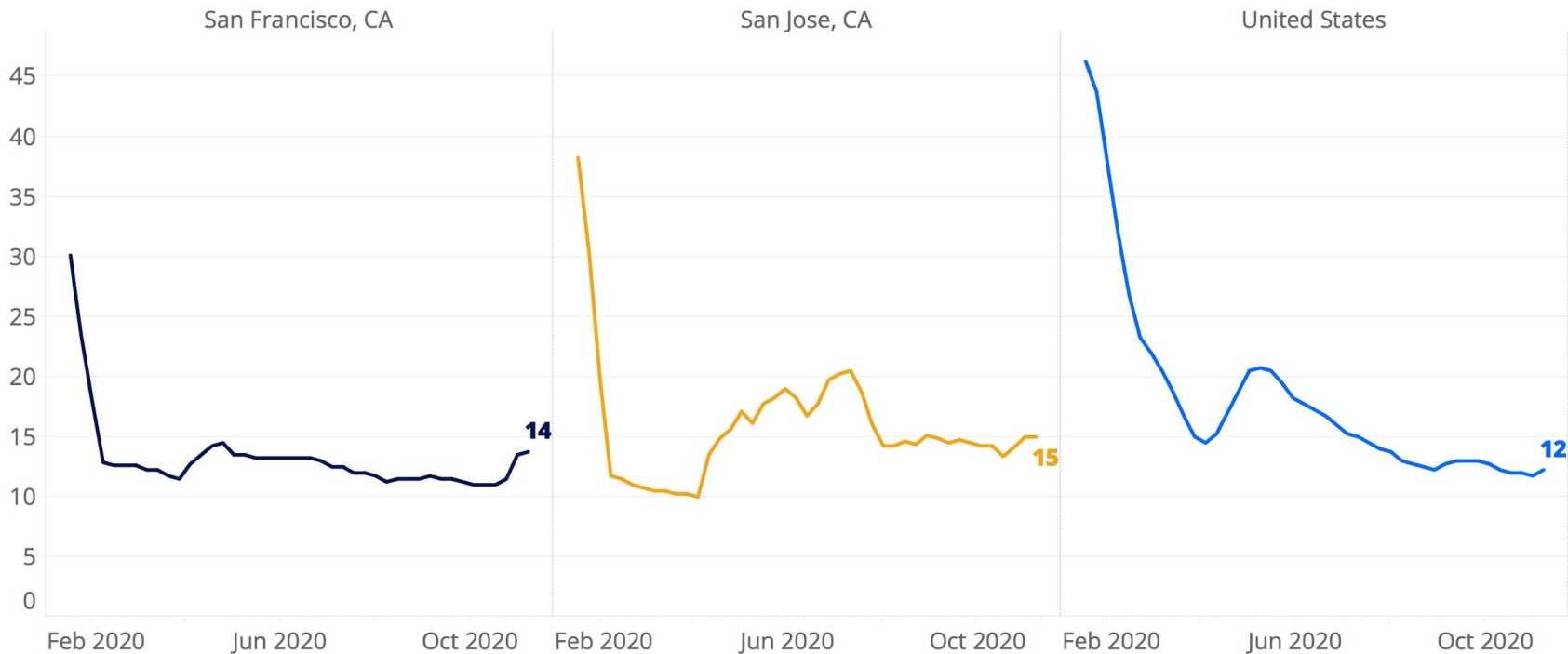
Weekly inventory gains in Bay Area defy national trends

New For-Sale Inventory, YoY



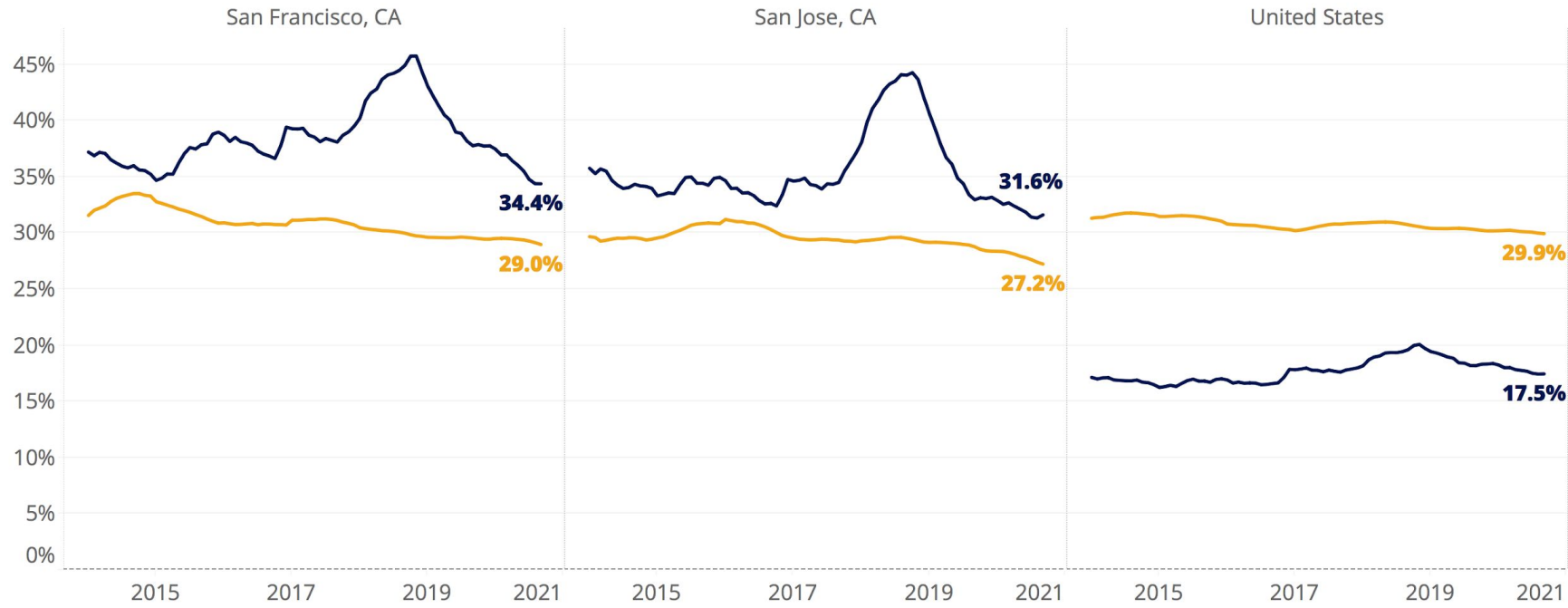
Yet homes are still flying off the market

Days To Pending



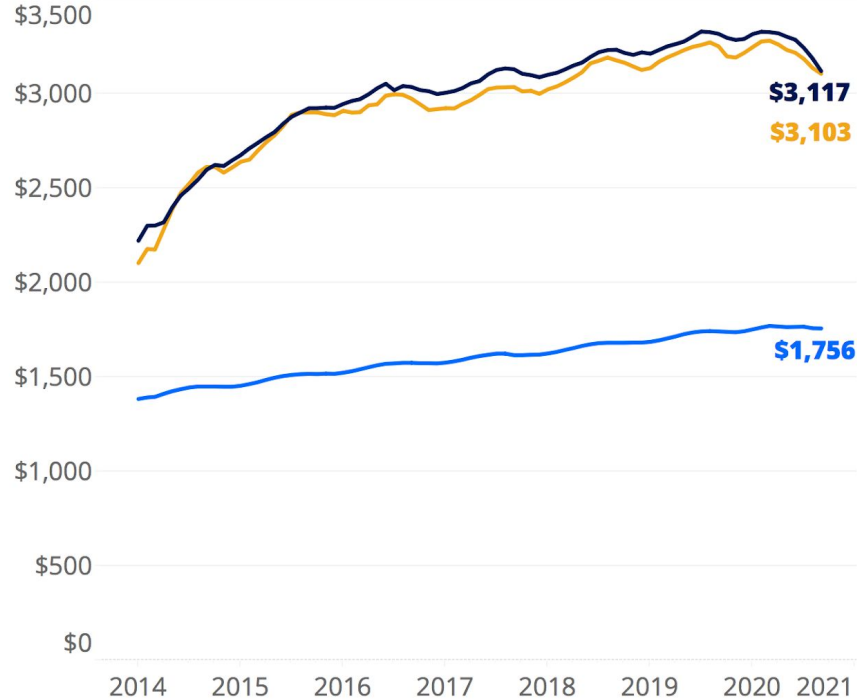
Affordability remains a major issue

Share of income spent on **mortgage** and **rent**

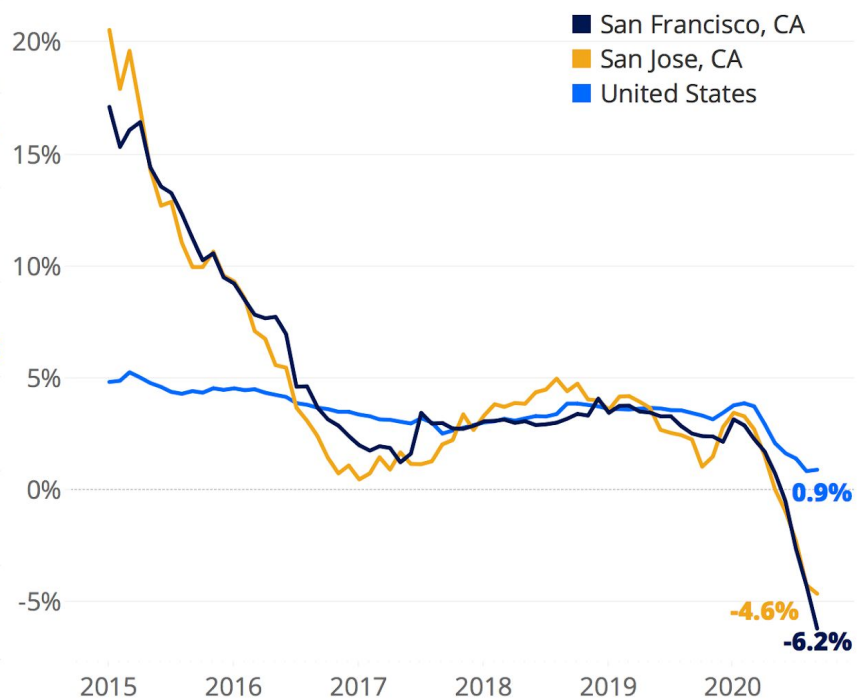


Rents softening, negative in the Bay Area

Zillow Observed Rent Index

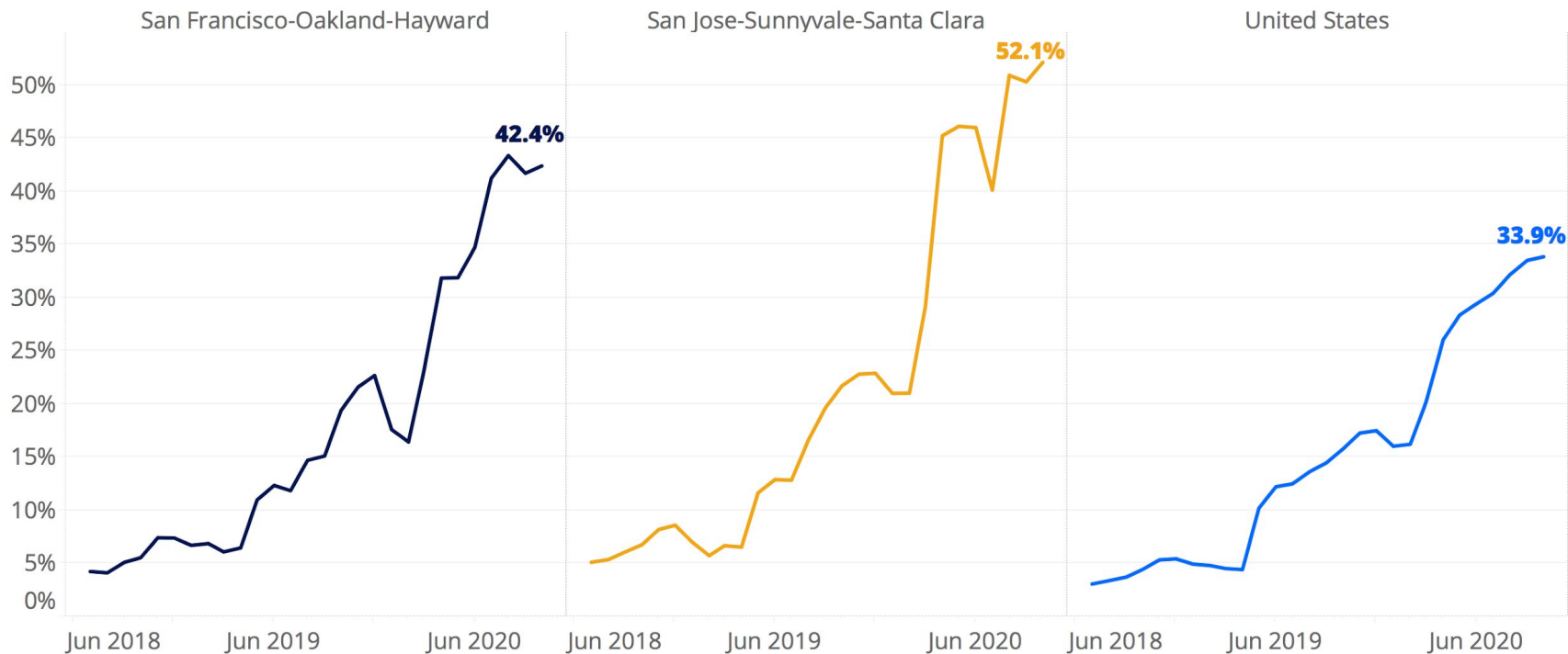


YoY

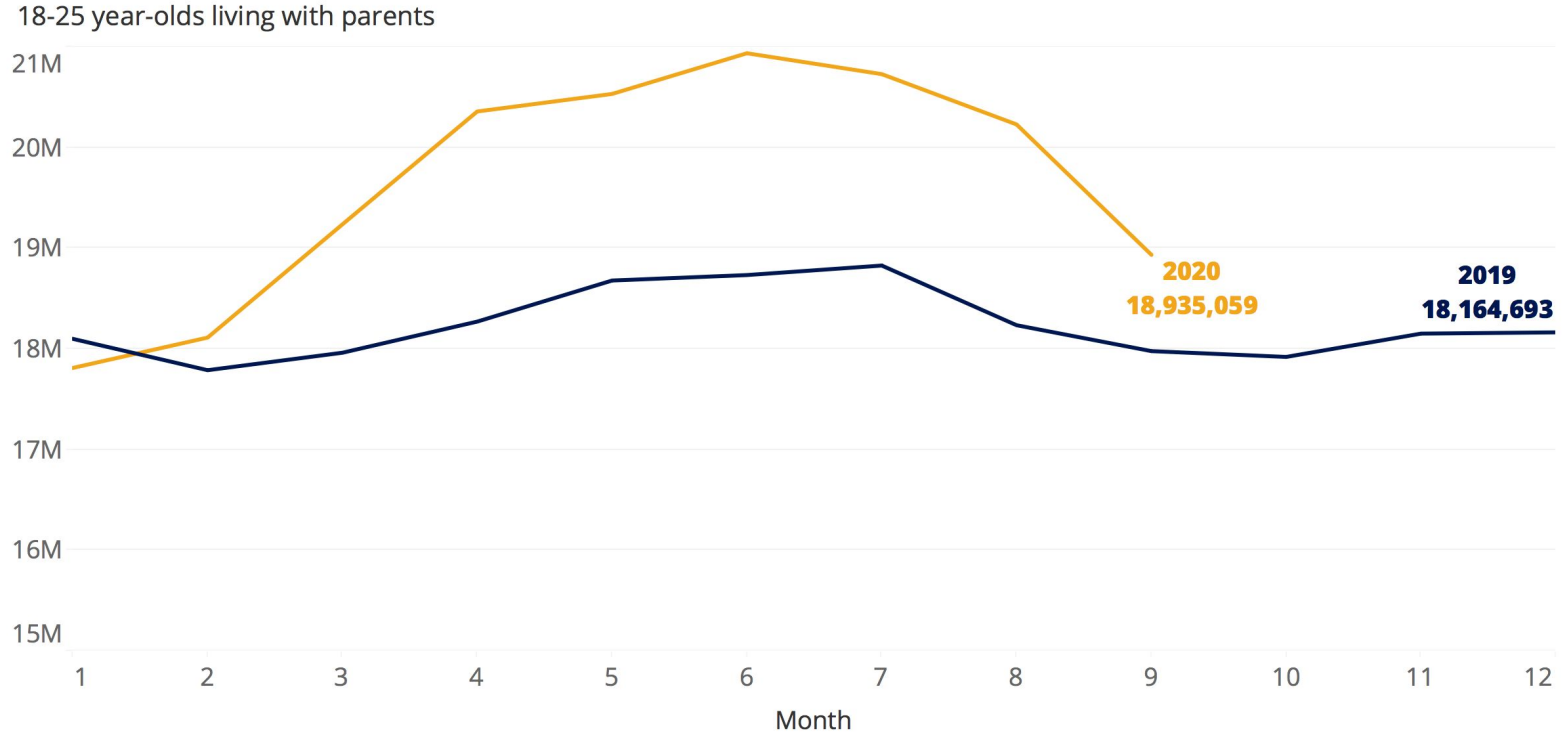


Landlords offering more incentives to entice renters

Share of rental listings with a concession

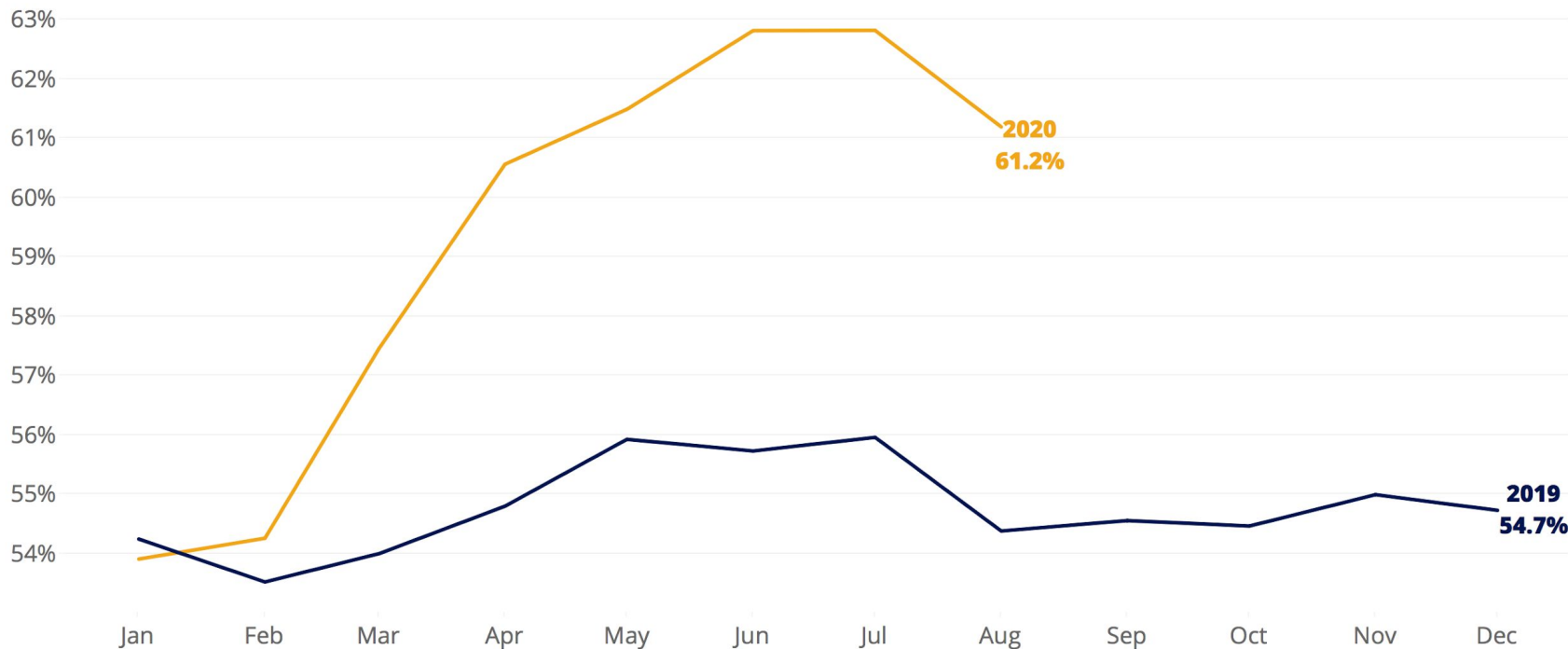


More young adults moved back home this year



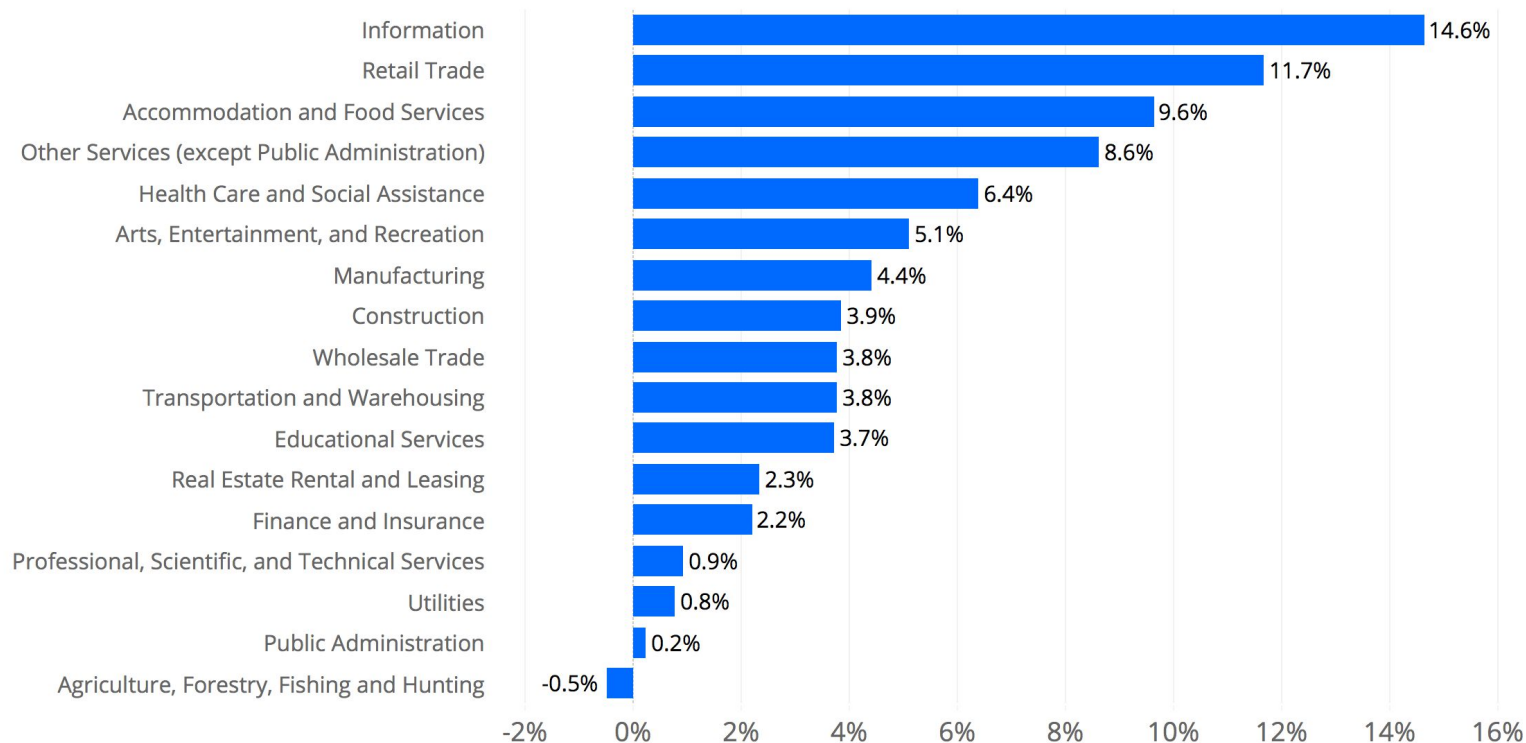
More young adults moved back home this year

Share of 18-25 year olds living with parents in **2019** and **2020**



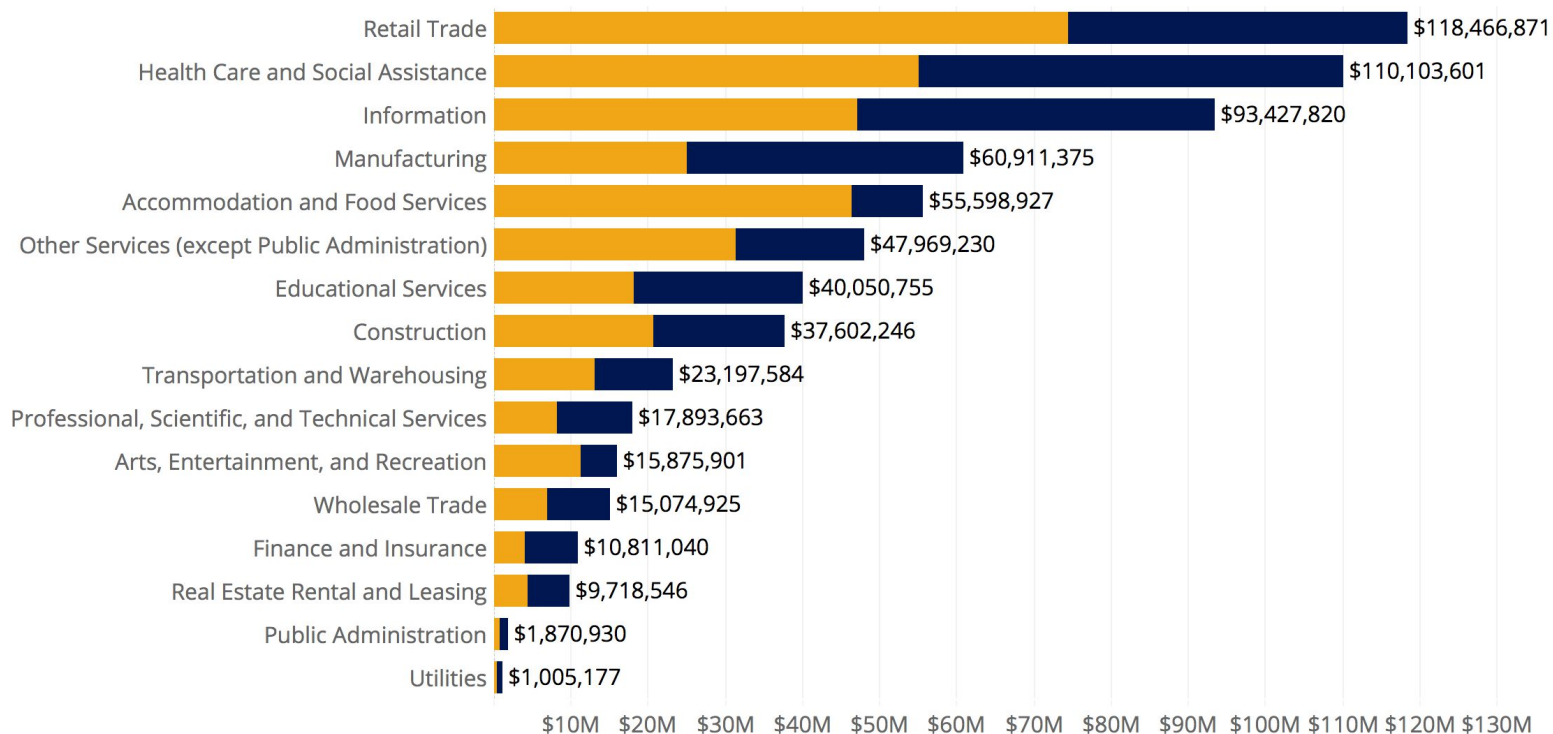
Industries impacted by the pandemic in California

Share of housing payments owed by newly unemployed in each industry



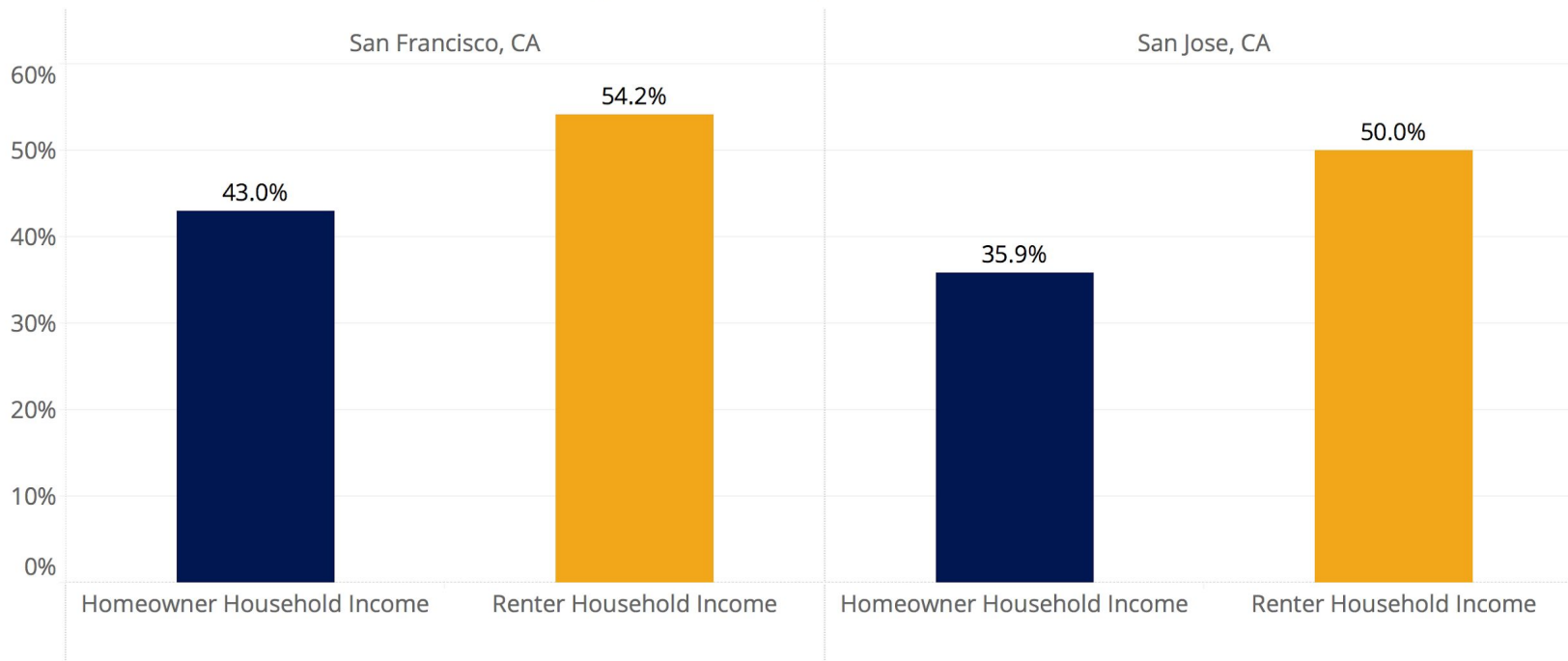
Renters make up large share of those impacted

Housing payments owed by newly unemployed **homeowners** and **renters** in each industry



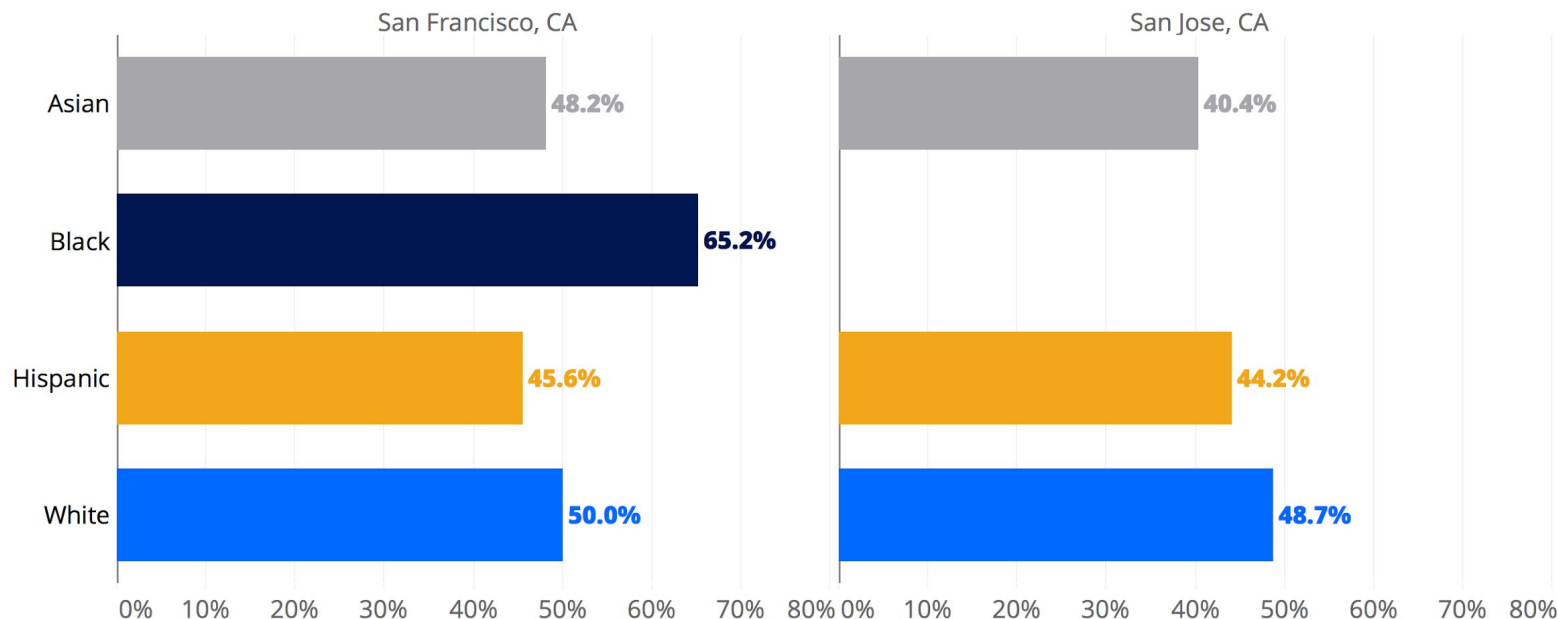
Renter incomes largely come from at-risk jobs

Median Share of Household Income from High Contact Occupations



Communities of color rely on income from at-risk jobs

Median share of household income comes from high contact-intensity job by race

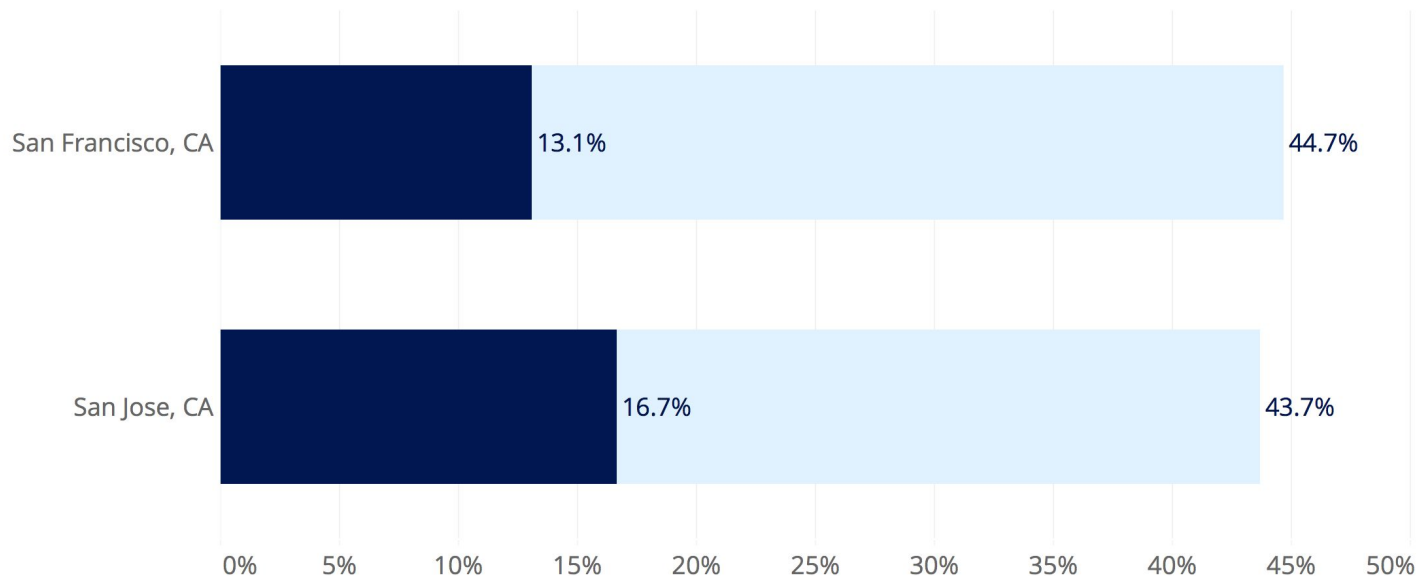


Source: U.S. Census Bureau, ACS 2018 and Federal Reserve Bank of St. Louis.

CARES Act helped households meet housing payments

Share of households that are severely rent-burdened will skyrocket when \$600/week expires

Share of households that are severely housing burdened **with state unemployment insurance and additional \$600/week** and **without additional \$600/week**

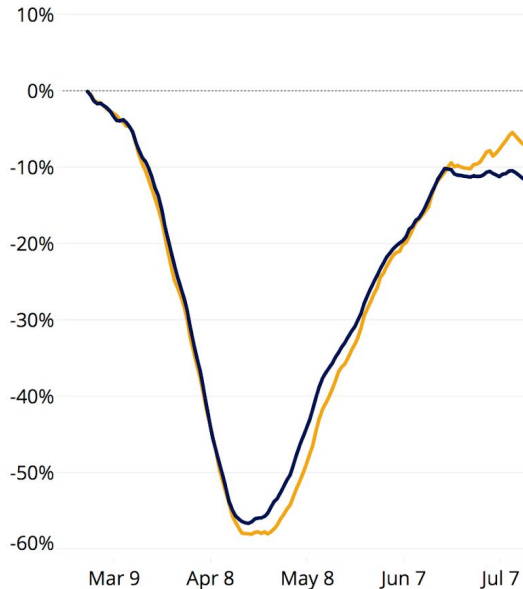


Source: U.S. Census Bureau, ACS 2018 and Federal Reserve Bank of St. Louis.

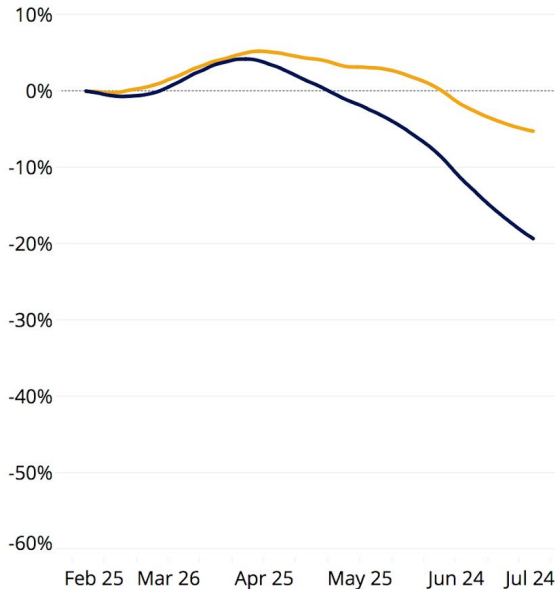
Suburban and urban areas are both hot housing markets

Change in YoY from February 2020, by **urban** and **suburban** ZIP codes in the West

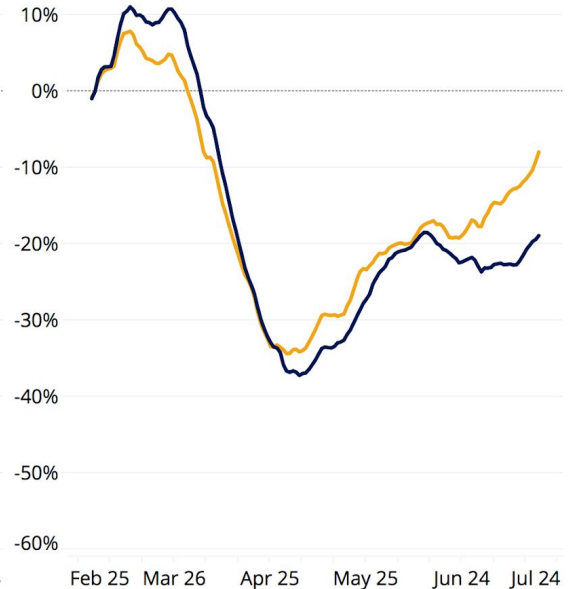
Pending Sales



Inventory

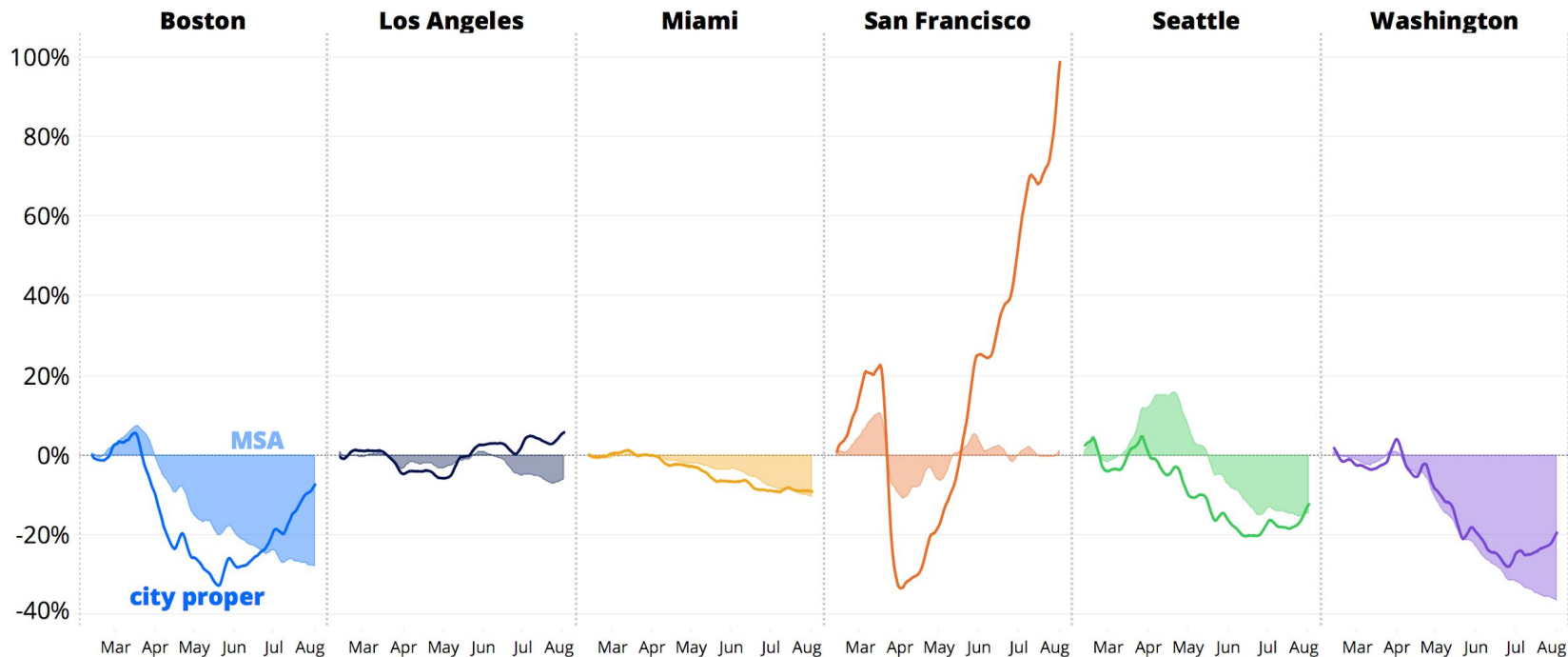


New Inventory



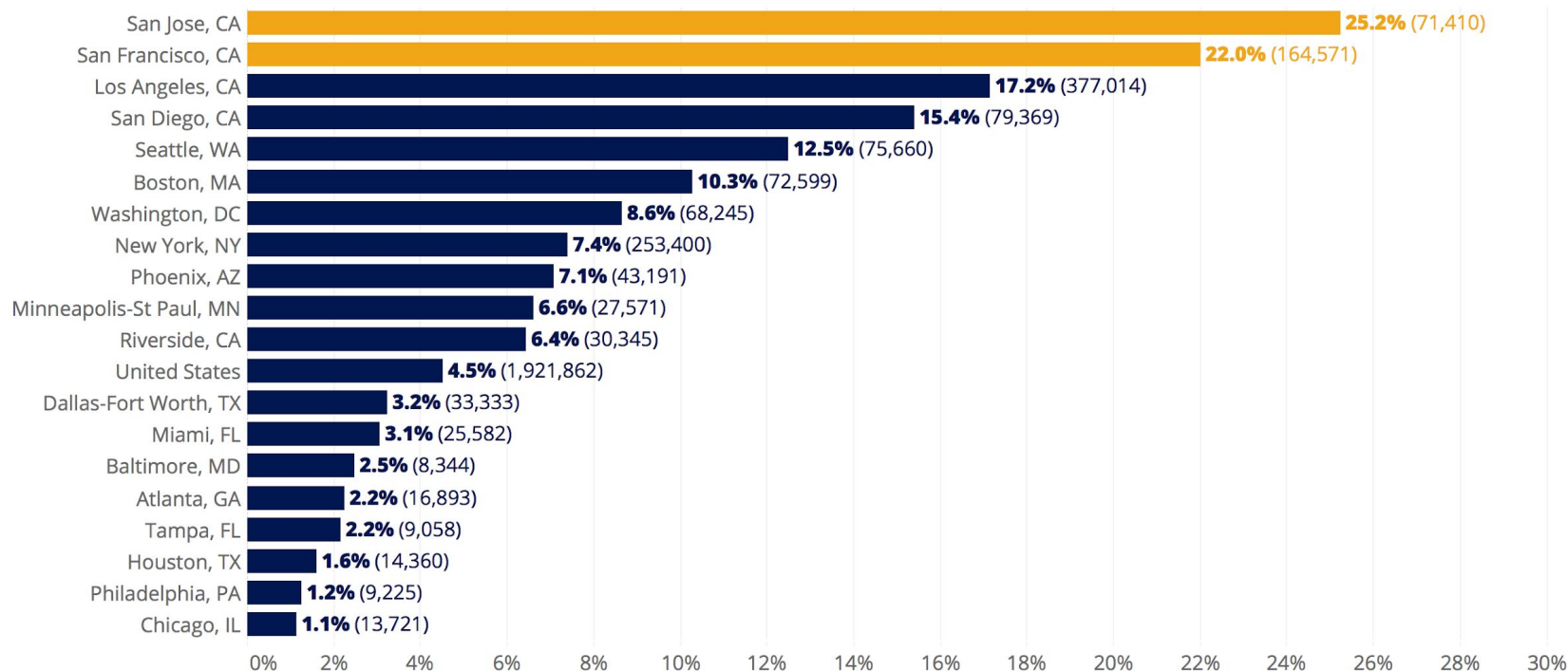
Inventory recovering in some cities relative to their metro

Change in YoY Inventory from February 2020, in **MSA** and **city proper**



Work from home creates options to afford elsewhere

Share of renter households that could buy the typical U.S. starter home if allowed to telecommute



Regional impacts as telecommuting becomes widespread

Share of renter households that could buy the typical U.S. starter home if allowed to telecommute

