

2024 Year-end Real Estate Market Report & Forecast

DECEMBER 2024 | SAM LEVIN



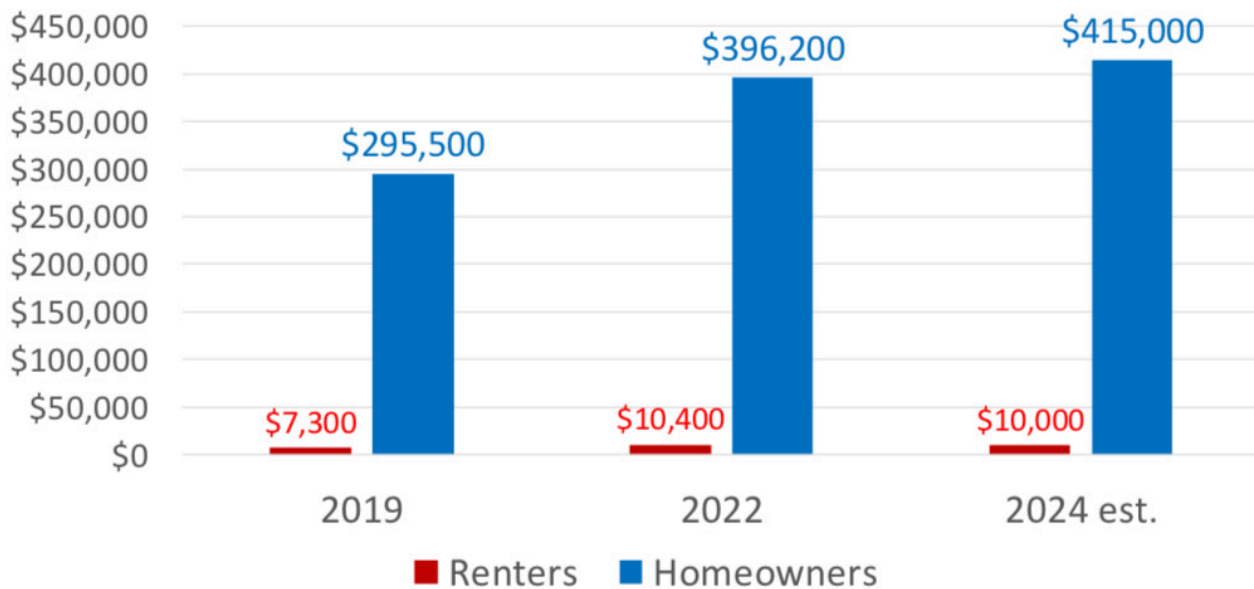
National Trends



2024 has been a very difficult year on many fronts. We did not get the home sales recovery this year after an awful 2023.

However, Lawrence Yun (Chief Economist - National Association of REALTORS®) explained that household equity in real estate is at a record high. This means there has been a huge increase in wealth for Realtors®' past clients, to the tune of \$35 trillion. Yun highlighted the glaring difference in estimated **median net worth** between **homeowners (\$415,000)** and **renters (\$10,000)** in 2024.

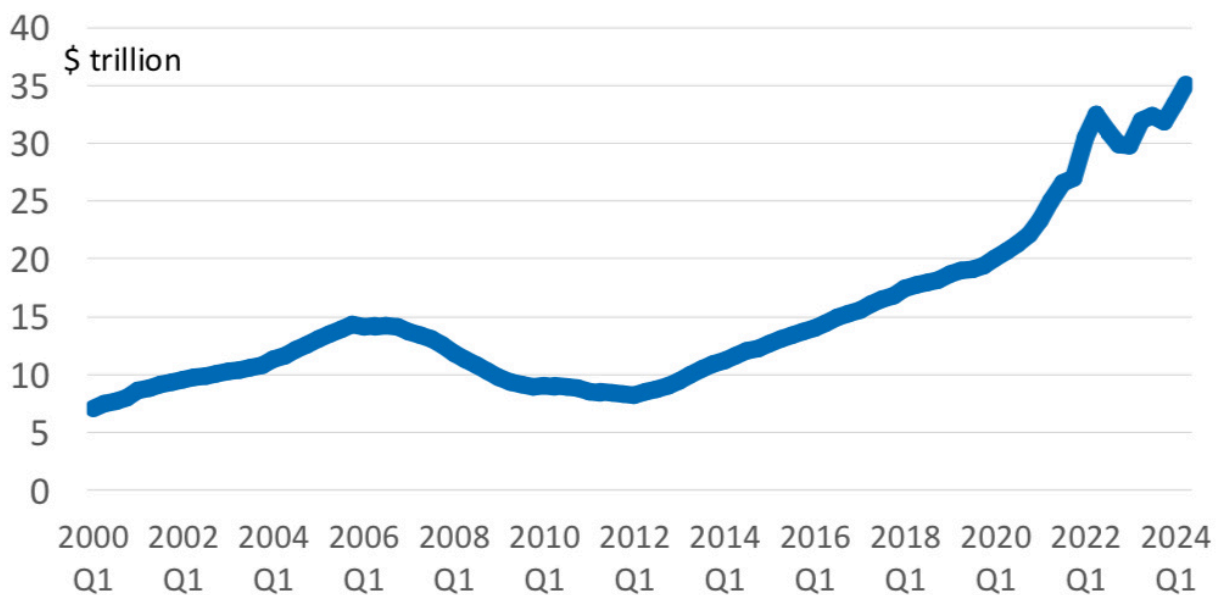
Median Net Worth between Owners and Renters



Source: Median Net Worth from Federal Reserve Survey of Consumer Finance



Household Equity in Real Estate in U.S.



Source: Federal Reserve



“Homeowners’ wealth steadily rises while renters’ wealth does not,” said Yun. “If you don’t enter the housing market, you are in the renter class where wealth is not being accumulated. If you want to participate in the housing market, the sooner you get in, the sooner you accumulate wealth.”

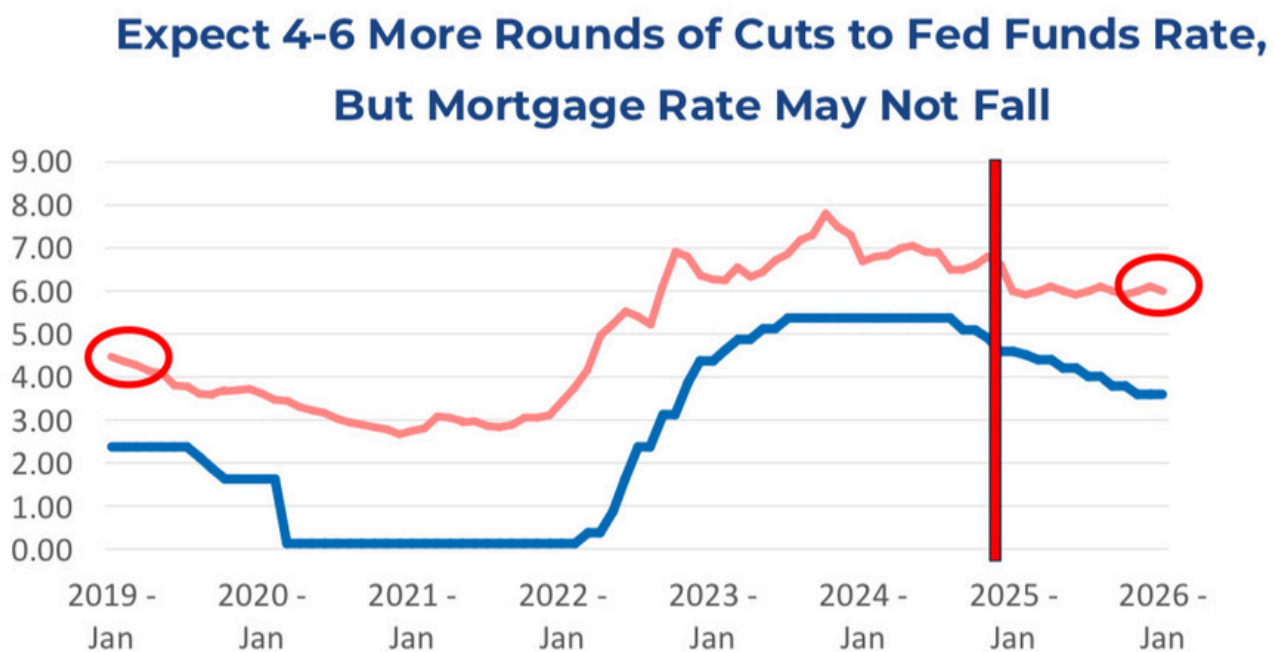
Yun also highlighted that the homeownership rate is much lower among younger Americans, and first-time home buyers are having trouble entering the market.

Yun pointed out that US job gains since the beginning of the COVID-19 pandemic (March 2020) have led to record-high payroll employment as of September 2024.

“When more people work, they have the capacity or they’re in a better position to buy a home,” stated Yun. “Home sales depend mainly on jobs and mortgage rates.”

Regarding whether we are going to see an acceleration of job growth, Yun stated, “The stock market is very optimistic.”

Yun addressed mortgage rates during a second Donald Trump presidency, saying, **“Mortgage rates in his first term (at 4%) were the good old days. Are we going to go back to 4%? Per my forecast, unfortunately, we will not. It’s more likely that we’ll go back to 6%. That will be the new normal, bouncing around 5.5%-6.5%.”**



Source: NAR Forecast of Freddie Mac Mortgage Rate



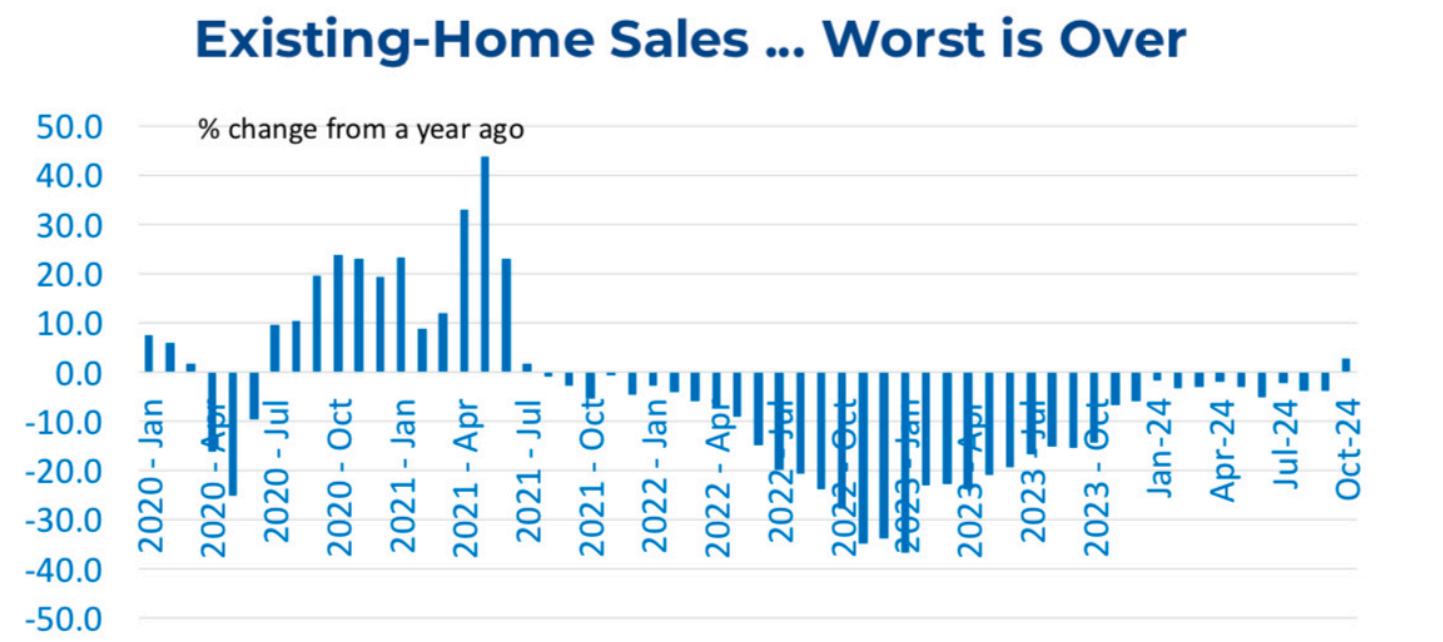
Yun expects there will be four different rounds of rate cuts in 2025. He also addressed the budget deficit.

“Today, we have a massive budget deficit at a time when we are not in an economic recession,” explained Yun. “Clearly president-elect Trump will not stop tax cuts – he will extend or expand them.”

Yun added, “There will be less mortgage money available because the government is borrowing so much money. However, if the Trump administration can lay out a credible plan to reduce the budget deficit, then mortgage rates can move downward.”

He also explained that another way to address the budget deficit is to bring down the price of housing.

Yun noted that 2023 was difficult for existing-home sales and 2024 looks to be the same. However, he flagged that we did get an increase in pending home sales in September and provided his forecast for existing-home sales.



“Maybe the worst is coming to an end,” added Yun. “Directionally, I think there’s going to be **roughly a 10% boost of existing-home sales in 2025 and 2026.**”

Yun projects **new home sales** to be **11% higher in 2025 and 8% higher in 2026.** Yun forecasts the **median home price** to be **2% higher in both 2025 and 2026.**

National Forecast

	2025	2026
Existing Home Sales	+7% to 12%	+10% to 15%
New Home Sales	+11%	+8%
Median Home Price	2%	2%
Mortgage Rate	Near 6%	Near 6%
Job Gains	Near 2 million	Near 2 million

Utah Trends

Utah’s home prices are going up – again.

After falling slightly due to spiking mortgage rates, the **median housing price** in the Beehive state was **\$510,000** in October 2024, reflecting **5.2% increase** year-over-year, according to Utah Association of REALTORS®. The **average sales price** for all housing types – single-family homes, townhouses, and condominiums – sits at **\$681,570** as of October 31, 2024, reflecting a **4.8% increase** year-over-year.

Prices are rising even though mortgage rates remain stubbornly high.

Homes are selling relatively quickly, going pending in approximately 29 days.

Although the pace has likely slowed compared to the frenzy of recent years, inventory levels remain tight in urban regions, influencing pricing trends and maintaining a competitive market for buyers.

“Housing prices turned out to be really sticky,” said Jim Wood, a housing analyst at the Kem C. Gardner Policy Institute who has studied the market for 50 years. “What we’re seeing, I think, now is the real estate market adjusting to higher interest rates.”

Monthly Snapshot | Oct 2024 (Change Year-Over-Year)

<div>\$510,000</div> <div>(+ 5.2%)</div>	<div>\$681,570</div> <div>(+ 4.8%)</div>	<div>+ 11.4%</div>	<div>+ 10.3%</div>
MEDIAN HOME PRICE	AVERAGE SALES PRICE	# OF HOMES FOR SALE	# OF SOLD HOMES

Source: Utah Association of REALTORS®

Utah Housing Market Overview

📈 -- 1-year Market Forecast

13,413 For sale inventory (November 30, 2024)

3,222 New listings (November 30, 2024)

0.994 Median sale to list ratio (October 31, 2024)

\$504,085 Median sale price (October 31, 2024)

\$551,600 Median list price (November 30, 2024)

24.1% Percent of sales over list price (October 31, 2024)

53.9% Percent of sales under list price (October 31, 2024)

29 Median days to pending (November 30, 2024)

(Metric availability is based on market coverage and data)

Source: Zillow.com

Home Sales: A Closer Look at Utah's Real Estate Activity

The Utah housing market is a tale of two halves in 2024. While the state as a whole experienced an increase in home sales compared to 2023, a closer look reveals significant county-to-county variation.

For instance, *Salt Lake County*, the most populous, experienced a *modest rise* in sales (+5.7%), reflecting consistent demand. *Utah County*, another major hub, also shows growth. Conversely, counties like *Summit* and *Washington* saw dips in sales, suggesting market saturation or shifts in buyer preferences.

This varied performance highlights **the importance of understanding local conditions**. While statewide trends provide a general picture, digging deeper into specific counties provides a more nuanced view. Don't just look at the state numbers. *Each county has its own personality*, its own market micro-climate, if you will.

Local Market Update for October 2024

A RESEARCH TOOL PROVIDED BY THE UTAH ASSOCIATION OF REALTORS®

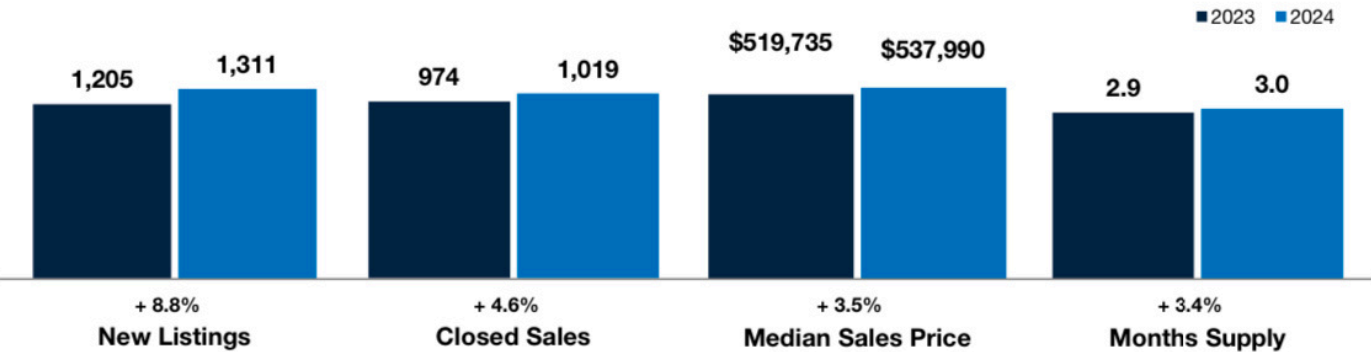


Salt Lake County

Key Metrics	October			Year to Date		
	2023	2024	Percent Change	Thru 10-2023	Thru 10-2024	Percent Change
New Listings	1,205	1,311	+ 8.8%	13,330	14,068	+ 5.5%
Pending Sales	848	866	+ 2.1%	10,038	10,449	+ 4.1%
Closed Sales	974	1,019	+ 4.6%	9,869	10,362	+ 5.0%
Median Sales Price*	\$519,735	\$537,990	+ 3.5%	\$512,500	\$535,000	+ 4.4%
Average Sales Price*	\$608,155	\$645,518	+ 6.1%	\$598,472	\$625,962	+ 4.6%
Percent of Original List Price Received*	96.3%	96.6%	+ 0.3%	97.1%	97.6%	+ 0.5%
Days on Market Until Sale	41	50	+ 22.0%	42	45	+ 7.1%
Inventory of Homes for Sale	2,792	2,995	+ 7.3%	--	--	--
Months Supply of Inventory	2.9	3.0	+ 3.4%	--	--	--

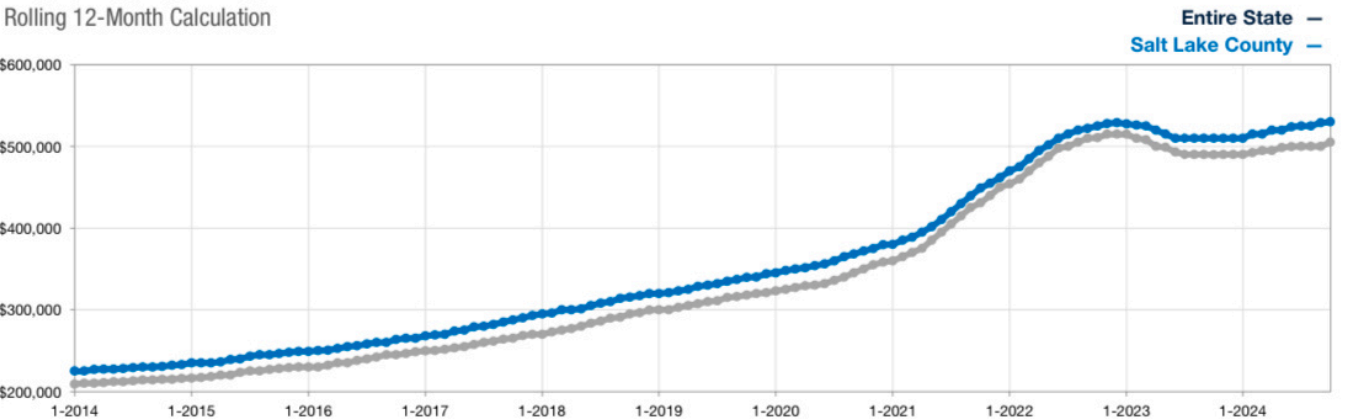
* Does not account for seller concessions. | Activity for one month can sometimes look extreme due to small sample size.

October



Median Sales Price

Rolling 12-Month Calculation



A rolling 12-month calculation represents the current month and the 11 months prior in a single data point. If no activity occurred during a month, the line extends to the next available data point.

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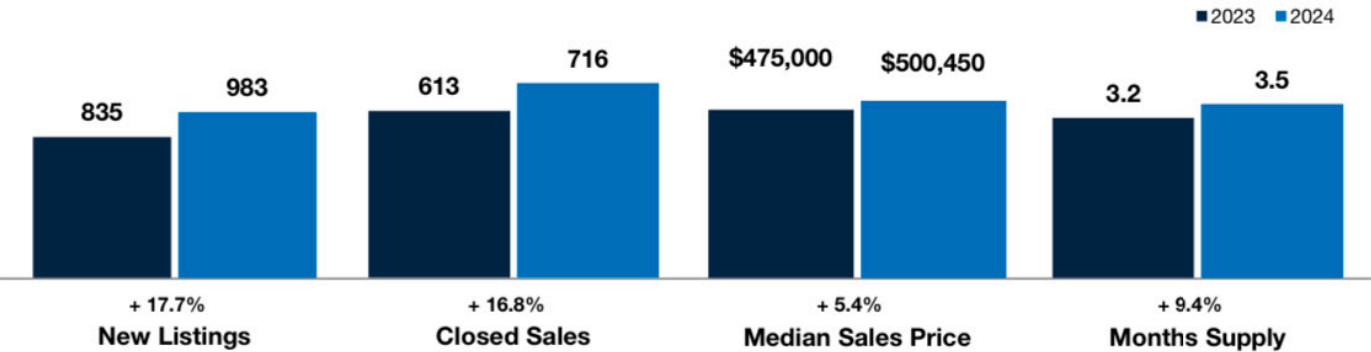


Utah County

Key Metrics	October			Year to Date		
	2023	2024	Percent Change	Thru 10-2023	Thru 10-2024	Percent Change
New Listings	835	983	+ 17.7%	9,106	11,007	+ 20.9%
Pending Sales	593	685	+ 15.5%	7,051	7,831	+ 11.1%
Closed Sales	613	716	+ 16.8%	7,210	7,495	+ 4.0%
Median Sales Price*	\$475,000	\$500,450	+ 5.4%	\$485,000	\$499,900	+ 3.1%
Average Sales Price*	\$556,140	\$590,804	+ 6.2%	\$564,317	\$580,816	+ 2.9%
Percent of Original List Price Received*	97.0%	97.1%	+ 0.1%	96.6%	97.8%	+ 1.2%
Days on Market Until Sale	47	55	+ 17.0%	51	50	- 2.0%
Inventory of Homes for Sale	2,177	2,617	+ 20.2%	--	--	--
Months Supply of Inventory	3.2	3.5	+ 9.4%	--	--	--

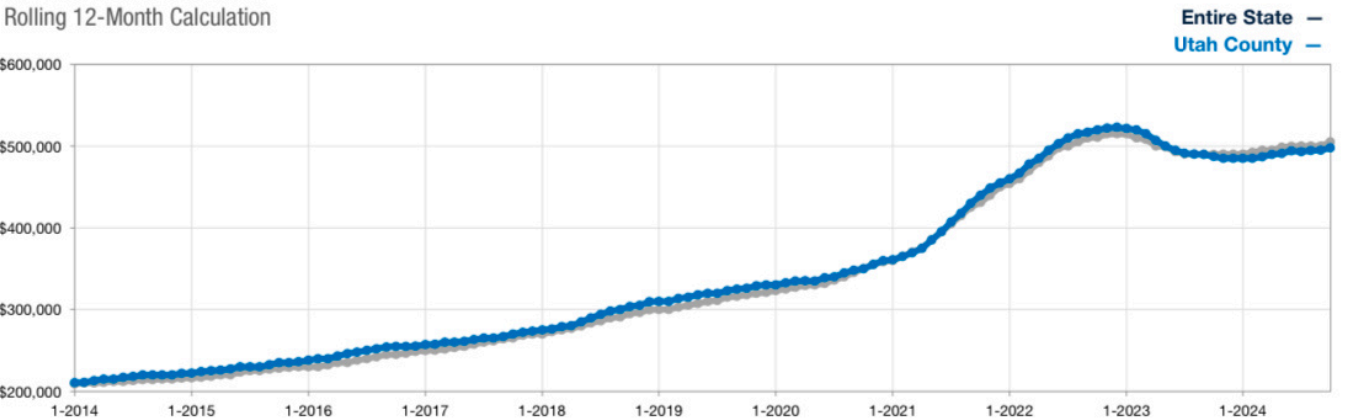
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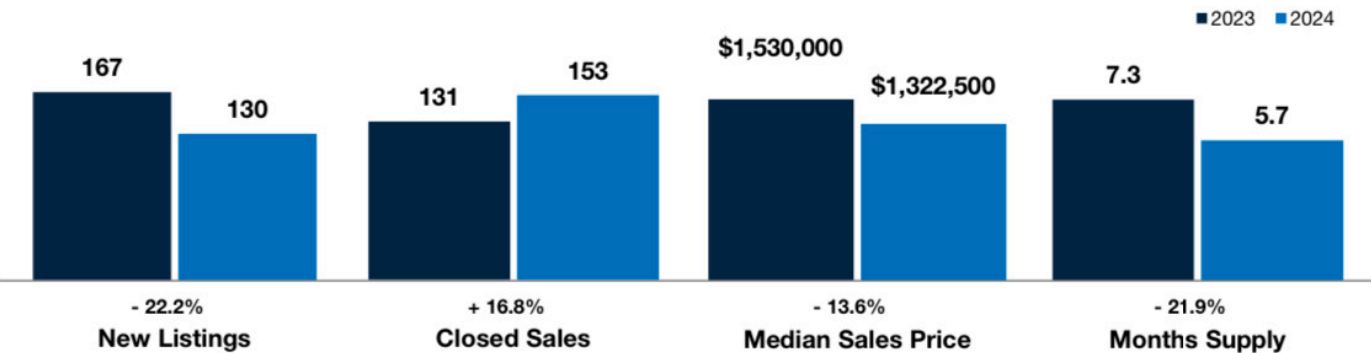


Summit County

Key Metrics	October			Year to Date		
	2023	2024	Percent Change	Thru 10-2023	Thru 10-2024	Percent Change
New Listings	167	130	- 22.2%	1,682	1,833	+ 9.0%
Pending Sales	97	131	+ 35.1%	1,028	1,199	+ 16.6%
Closed Sales	131	153	+ 16.8%	1,021	1,093	+ 7.1%
Median Sales Price*	\$1,530,000	\$1,322,500	- 13.6%	\$1,389,000	\$1,353,801	- 2.5%
Average Sales Price*	\$2,224,624	\$2,231,260	+ 0.3%	\$2,165,726	\$2,086,362	- 3.7%
Percent of Original List Price Received*	93.1%	93.0%	- 0.1%	94.0%	93.5%	- 0.5%
Days on Market Until Sale	66	69	+ 4.5%	72	79	+ 9.7%
Inventory of Homes for Sale	706	637	- 9.8%	--	--	--
Months Supply of Inventory	7.3	5.7	- 21.9%	--	--	--

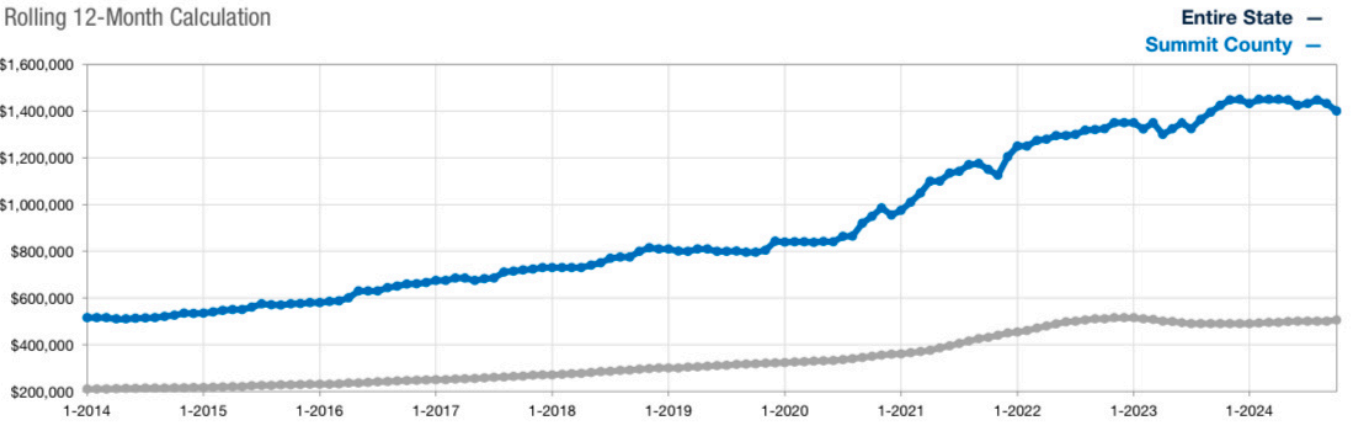
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October



Median Sales Price

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The fluctuations aren't just random. Changes in interest rates, economic conditions, and even local job markets influence sales numbers. For instance, a booming tech sector in a particular county might drive sales upwards, while a decline in a traditional industry could suppress them. Remember to look at the bigger picture when analyzing these numbers.

Home Prices: Navigating the Ups and Downs of Utah's Real Estate Values

The median home price in Utah has shown a consistent *positive trend*. However, the *rate of increase* has slowed compared to previous years, indicating a possible shift from the rapid appreciation seen in earlier periods.

Again, though, *county-level data paints a more complex picture*. Some counties, particularly those with high-end properties, experienced notable price increases, whereas others experienced more modest gains or even slight decreases. This variation highlights the importance of localized market analysis.

The influence of interest rates on housing prices is significant. Higher rates often lead to decreased affordability, moderating price growth. Conversely, lower rates can boost affordability, potentially driving prices higher. This is a complex interplay of factors.

One contributing factor could be the *increasing inventory*. When more homes are available, it can ease the upward pressure on prices.

Housing Supply: Understanding Inventory Levels in the Utah Market

The level of housing available – what we call *inventory* – has a major impact on both sales and prices. A low inventory often leads to higher prices due to increased competition among buyers. Conversely, a higher inventory can lead to lower prices and potentially slower sales.

Utah's housing supply has been a hot topic in recent years. While some areas experienced increases in inventory, others remain tight. This supply shortage is a long-standing challenge, especially in popular urban areas.

Several factors affect supply: new home construction rates, conversion of existing properties, and even seasonal migration patterns. The mismatch between supply and

demand continues to shape the Utah housing market. In high-demand areas, we are still likely to see a sellers' market, which means that sellers typically have more leverage.

What does all this mean for the average Utahn? Well, it means we're moving away from the super-fast growth of the past few years. It's becoming a bit less frenzied, a bit more sane. But the good news is that, even with slowing growth, Utah remains a desirable place to live. The state's strong economy, outdoor recreational opportunities and a growing job market will continue to draw people to the Beehive State, keeping the market relatively robust.

Why Are Home Prices So High in Utah?

Utah leads the nation in job growth, low unemployment, and housing demand, earning the top spot in Bankrate's Housing Heat Index for Q4 2020. Home values rose 15.39% in 2020, and the state has experienced a 414.95% HPI increase since 1991. **Despite a housing boom, Utah faces a severe housing shortage, with only four weeks of supply available.** Rapid population and job growth are key drivers, while in-migration, particularly from California, has intensified competition, making it harder for local first-time buyers to enter the market.



Utah Housing Market Forecast 2024-2025

Overall Market Outlook: Moderate growth expected with some regional variation.

- **Moderate Price Growth:** While prices are still increasing in Utah, the rate of increase is slowing, suggesting a transition to a more balanced market.
- **County-Level Variation:** It's crucial to focus on specific counties rather than just state-wide averages, as market conditions can differ significantly.
- **Impact of Interest Rates:** Interest rates remain a key factor affecting buyer affordability and thus sales and price.
- **Housing Supply Challenges:** Shortages of housing inventory continue to pressure prices in many areas.

Will Utah Home Prices Drop? Will the Market Crash?

The million-dollar question (or, in Utah's case, the half-million-dollar question) is whether we'll see a significant price drop or even a market crash. While no one has a crystal ball, the current data doesn't point to a looming crash. The projected changes are generally modest, with a mix of slight increases and decreases across different MSAs. The market may be cooling off from its recent peak, but a dramatic crash seems unlikely given the current economic conditions and relatively stable forecast.

Utah Housing Market Forecast 2026 and Beyond

Looking further ahead is inherently speculative. However, based on current trends and historical data, I anticipate continued moderate growth for the Utah housing market in 2026. Factors such as population growth, economic development, and the availability of

housing inventory will significantly influence the market's trajectory. Keep an eye on these key indicators to gain a better understanding of the long-term outlook.

Key Takeaways for Buyers and Sellers

- **Buyers:** If you're considering buying in Utah, be prepared for a still-competitive market, although the pace may have slowed slightly. Do your research, get pre-approved for a mortgage, and work with a knowledgeable real estate agent.
 - **Sellers:** Pricing your home strategically is crucial in the current market. While the market is still relatively strong, overpricing can lead to longer listing times.
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Contact Us

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