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PRESS RELEASE

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Current Housing Market vs. Crash of 2008

Florence, KY – December 21, 2022 – The Northern Kentucky Association of REALTORS® (NKAR) and the Northern Kentucky Multiple Listing Service, Inc. (NKMLS) reported today that home sales were down an astounding -26.16% in November of 2022 over the same month of 2021, even though the selling prices were higher during the period, by nearly 9%. Home sales are down from 2021 numbers but has only affected the total dollar volume for the year by -0.50%. We remain on track to break the 2-billion-dollar threshold for 2022 overall sales.

	<u>November 2021</u>	<u>November 2022</u>	<u>%</u>
Residential Sold	646	477	-26.16%
Average Price	283,132	307,403	8.57%
Median Price	245,523	267,000	8.75%
Total \$ Volume	182,903,876	146,631,692	-19.83%
Avg. DOM	19	23	
	<u>YTD 2021</u>	<u>YTD 2022</u>	<u>%</u>
Residential Sold	7,218	6,437	-10.82%
Average Price	261,892	292,211	11.58%
Median Price	230,000	250,000	8.70%
Total \$ Volume	1,890,341,608	1,880,962,962	-0.50%
Avg. DOM	19	20	

National Association of REALTORS® (NAR) Chief Economist Lawrence Yun reassures buyers/sellers and REALTORS® across the nation that the current housing market is not a repeat of the 2008 housing crash. Many homeowners are still haunted by the 2008 housing crash when property values collapsed and foreclosures spiked.

Hesitation is only normal when buying or selling in our current housing market. REALTORS® are professionals that have a fiduciary obligation to represent your best interests and will guide you through the home buying or selling process regardless of market conditions.

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Offering assurance that current dynamics are nothing like during the Great Recession. Please note the following key indicators that differentiate our market vs. that of 2008:

- **The labor market remains strong.** In the last major housing downturn, there were 8 million job losses in a single year. Now there are virtually none. Though layoffs in the technology and mortgage industries are occurring, they haven't accumulated enough to form a net job loss, Yun noted. A strong job market bodes well for housing's future.
- **Less risky loans.** Yun also noted the subprime loans that were prevalent during the 2008 housing bust are basically nonexistent today.
- **Underbuilding and inventory shortages.** New-home construction prior to the 2008 crash was amounting to 7.65 million units annually. Today, it's 4.6 million. Yun points to "a massive housing shortage" from a decade of underproduction in the housing market.
- **Delinquency lows.** About 10% of all mortgage borrowers were delinquent on their loans in the previous housing bust. The mortgage delinquency rate is now at 3.6%, holding at historical lows, Yun said.
- **Ultra-low foreclosure rates.** Homes in foreclosure reached a rate of 4.6% during the last housing crash as homeowners who saw their property values plunge walked away from their loans. Today, the percentage of homes in foreclosure is 0.6%—also at historical lows, Yun said. He predicted foreclosures to remain at historical lows in 2023.

Home Price Crashing Coming?

Key Variables	Last Housing Cycle	Current Housing Cycle
Job Cuts (net of gains and losses)	8 million	none
Total Payroll Jobs (W-2 salary jobs)	130 million	153 million
Total Jobs (Household survey)	138 million	158 million
Subprime Loans	Prevalent	Virtually none
5-year cumulative to new home construction before crash	7.65 million	4.6 million
Inventory on Market	3.8 to 4 million	1 to 1.2 million
Mortgage Delinquency	10.1%	3.6%
Homes in Foreclosure	4.6%	0.6%

Source: NAR Analysis of BLS, MBA, NAR data



The 1341 members of the Northern Kentucky Association of REALTORS® and the 1903 users of the Northern Kentucky MLS (NKMLS), Northern Kentucky's leader in the real estate information and services business, operates with a professional staff from 7660 Turfway Road, Suite 100 in Florence, KY. Both NKAR and the NKMLS work to protect the public's right to transfer real property and promote better public understanding of the profession and the real estate transaction process.

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