Springville, Utah

BRIAN BUFFINI'S REAL ESTATE REPORT

US EDITION
1ST BIANNUAL 2023

BUFFINI & COMPANY

Today's buyers and sellers face unique challenges, and it's up to trusted real estate professionals to guide you through them. To help with this mission, I produce the Brian Buffini Real Estate Report. This serves as a guide that provides relevant information to help you understand what's going on in your region and at the national level. Dive in and learn all you need to know about the current state of the market.

It's a Good Life!®

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State of the Real Estate Market

From buyers to sellers, to agents to lenders, the real estate market has had its shares of ups and downs this past year. With shifts in mortgage rates and inflation, the market continues to change. Despite tight inventory, buyers are starting to see less competition for homes. For sellers who price their home right, they'll continue to be competitive.

First Quarter 2023:

5.4%

Home prices anticipated to rise year-over-year.

23%

Inventory will rise year-over-year.

66%

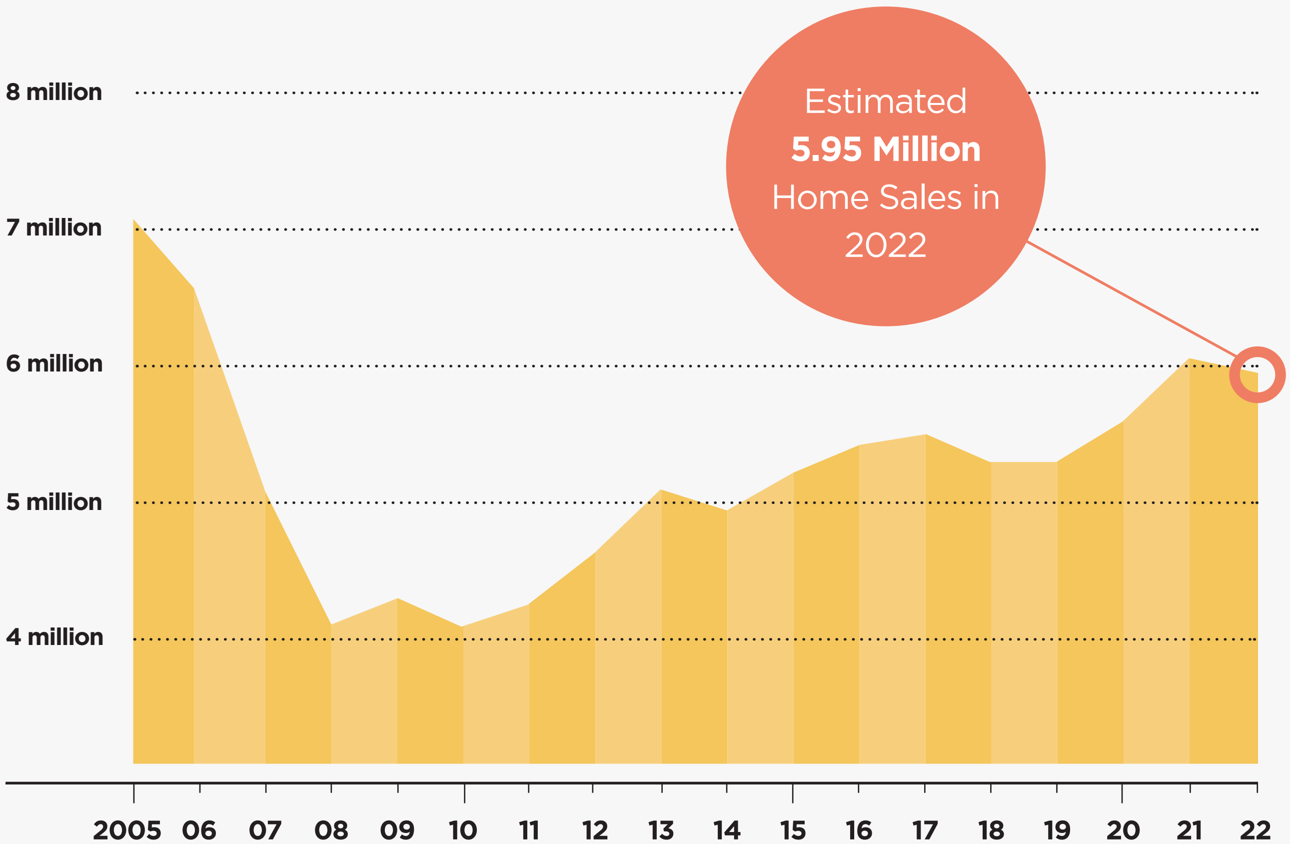
of Americans anticipated to own a home.

SOURCES: REALTOR.com.

Existing Home Sales: A Historical Perspective

Home sales have risen steadily since the Great Recession of 2008.

Existing Home Sales



Existing Housing Inventory

1.22 million

-0.8% Year-Over-Year

New Home Starts/ Completions

1.3 million/1.4 million

Year-Over-Year

Projected number of single-family home new builds for 2023:

Over 1.2 million

Volatile lumber prices have added **$14,345** to the average price of a new single-family home.

SOURCES: Census.gov, FreddieMac, National Association of Home Builders, National Association of REALTORS®, Statista, Ycharts.com

National Market Snapshot

As mortgage rates continue to shift, so does the migration trend out of cities to the suburbs and more rural areas. Home prices are approximately 50% less expensive in rural areas and 20% less expensive in suburbs.

Top 10 Most Expensive Home Markets and Median Prices

1 **San Jose-Sunnyvale-Santa Clara, CA**
$1,900,000

2 **San Francisco-Oakland-Hayward, CA**
$1,550,000

3 **Anaheim-Santa Ana-Irvine, CA**
$1,300,000

4 **Urban Honolulu, HI**
$1,145,000

5 **San Diego-Carlsbad, CA**
$965,900

6 **Boulder, CO**
$933,400

7 **Naples-Immokalee-Marco Island, FL**
$850,000

8 **Los Angeles-Long Beach-Glendale, CA**
$825,700

9 **Seattle-Tacoma-Bellevue, WA**
$818,900

10 **Boston-Cambridge-Newton, MA/NH**
$722,200

Top 10 Affordable Metro Areas and Median Prices

1 **Youngstown, OH**
$149,900

2 **Scranton, PA**
$225,000

3 **Syracuse, NY**
$217,250

4 **Wichita, KS**
$304,475

5 **Jackson, MS**
$299,000

6 **Little Rock, AR**
$298,873

7 **Indianapolis, IN**
$300,000

8 **McAllen, TX**
$270,000

9 **Columbia, SC**
$308,900

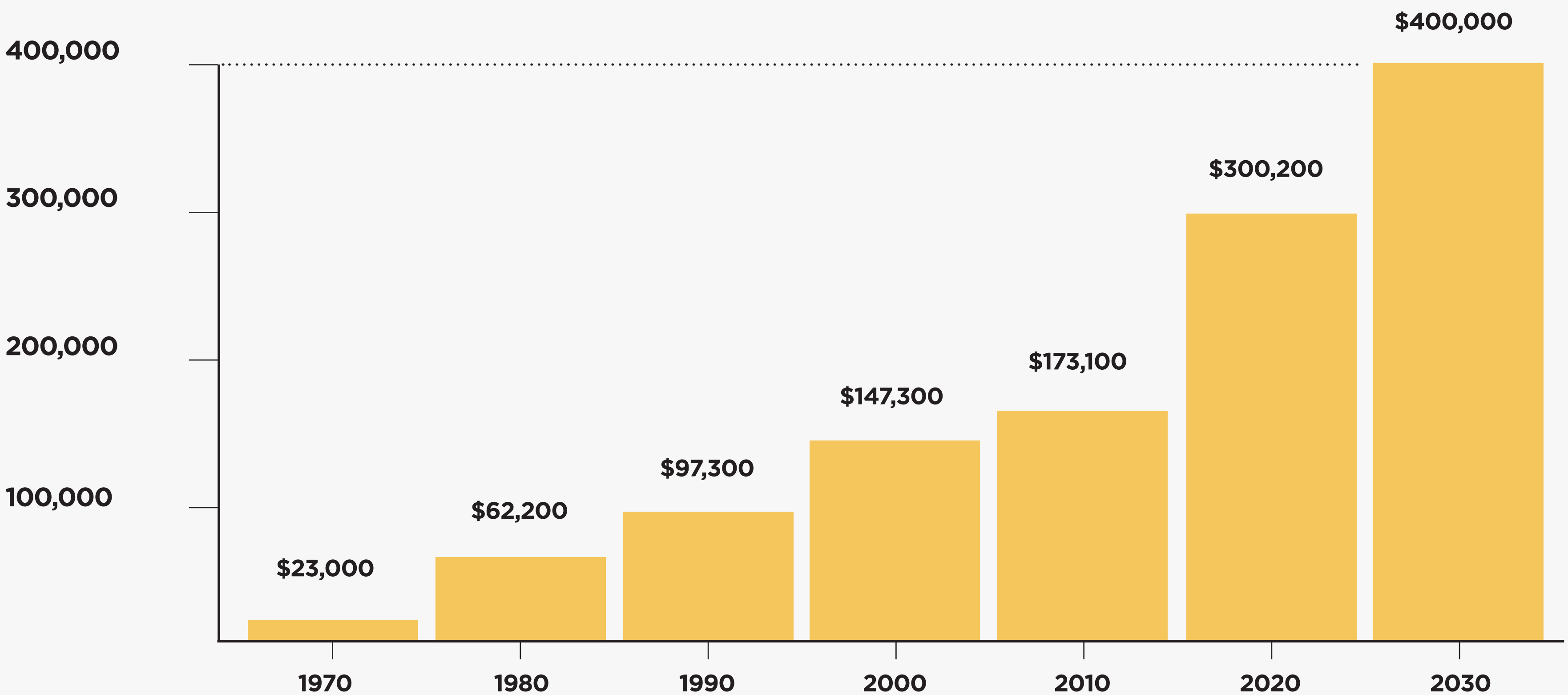
10 **Atlanta, GA**
$311,575

SOURCES: National Association of REALTORS®, REALTOR.com

Median Home Prices Projected to Continue Rising

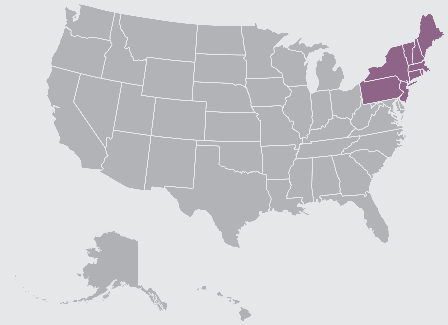
The median home price is projected to keep rising. By 2030, experts believe the median price will be nearly $400,000.

U.S. Median Home Price Trajectory



SOURCE: National Association of REALTORS®

Regional Trends: Northeast



Existing Home Sales

570,000

-23%

Year-Over-Year

Median Sales Price

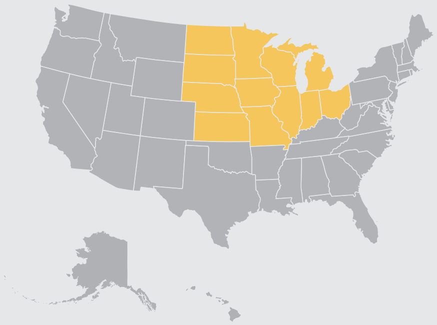
$408,700

+8%

Year-Over-Year

SOURCES: National Association of REALTORS®, REALTOR.com

Regional Trends: Midwest



Existing Home Sales

1.08 million

-25.5%

Year-Over-Year

Median Sales Price

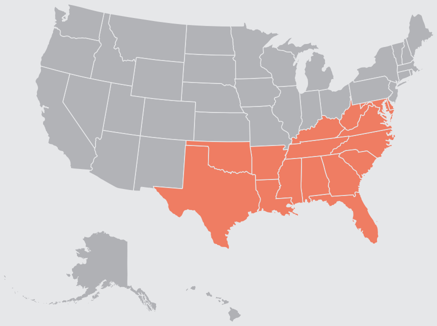
$274,500

+5.9%

Year-Over-Year

SOURCES: National Association of REALTORS®, REALTOR.com

Regional Trends: South



Existing Home Sales

1.98 million

-27.2%

Year-Over-Year

Median Sales Price

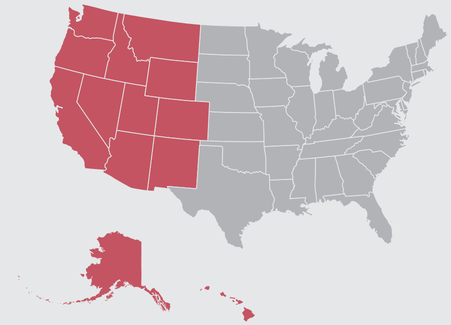
$346,300

+8%

Year-Over-Year

SOURCES: National Association of REALTORS®, REALTOR.com

Regional Trends: West



Existing Home Sales

800,000

-37.5%

Year-Over-Year

Median Sales Price

$588,400

+5.3%

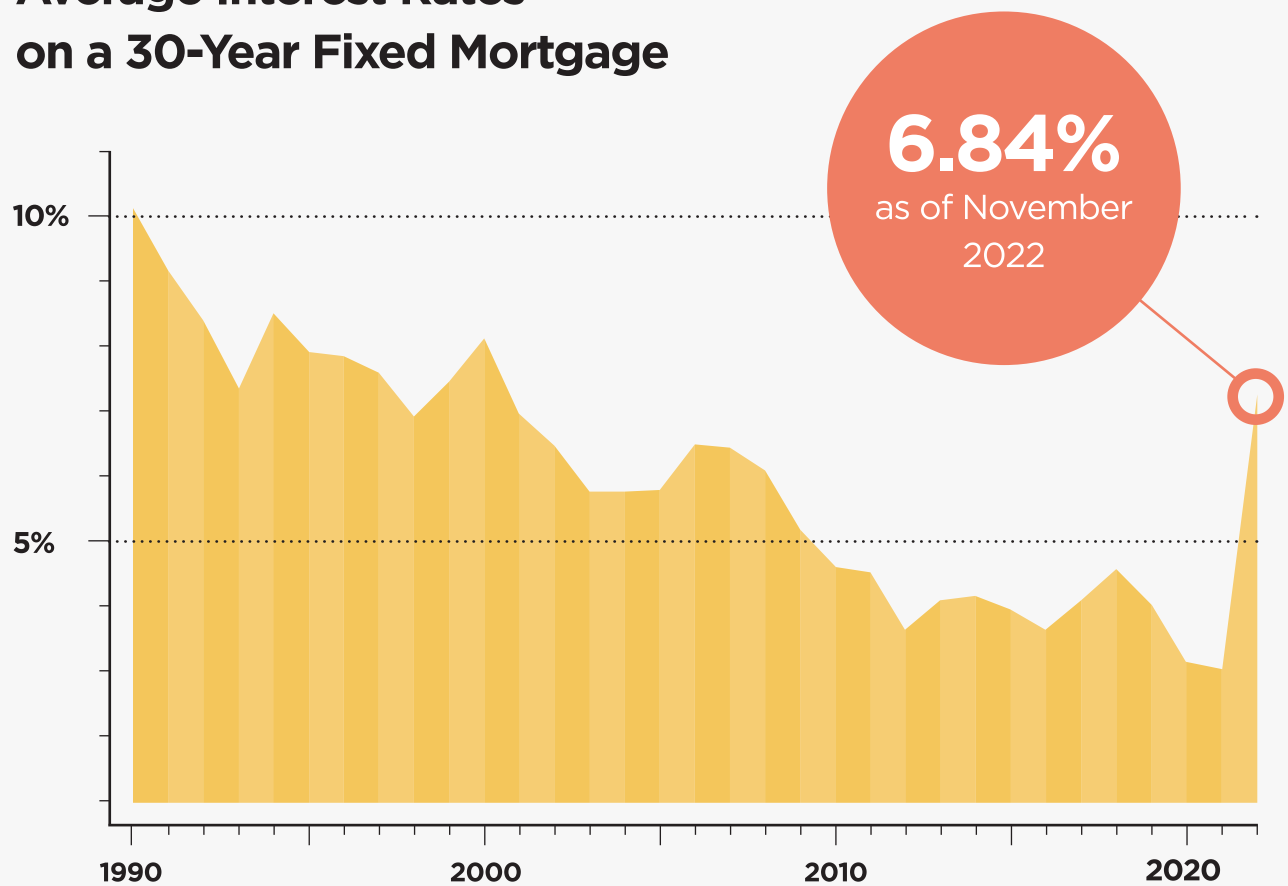
Year-Over-Year

SOURCES: National Association of REALTORS®, REALTOR.com

Mortgage Rates

Homebuyers have faced fluctuating mortgage rates, which have doubled from a year ago. Ninety-three percent of homeowners currently have a fixed-rate mortgage.

Average Interest Rates on a 30-Year Fixed Mortgage



Fixed-Rate Mortgage Comparisons

Home Price: $379,100

30-Year Fixed-Rate Mortgage

Average Down Payment: **17%**

Average Mortgage Rate: **6.84%**

Monthly Payment: **$2,059**

15-Year Fixed-Rate Mortgage

Average Down Payment: **17%**

Average Mortgage Rate: **6.22%**

Monthly Payment: **$2,294**

10-Year Fixed-Rate Mortgage

Average Down Payment: **17%**

Average Mortgage Rate: **6.35%**

Monthly Payment: **$2,715**

SOURCES: Bankrate, FreddieMac, National Association of REALTORS®

Buyer Profile

In 2023, buyers may have a bit more flexibility when it comes to making concessions such as forgoing home inspections. But, with inventory still very tight, buyers should ensure everything is in place, including financing, so they are able to make an offer when they see a home they are seriously considering.

Millennial Impact

Older Millennials (ages 32-41) make up **25%** of home purchases followed by Younger Millennials (ages 23-31) at **18%.**

Challenges for Buyers

- Low inventory.
- High prices.
- Mortgage rates.
- Substantial down payment.

Buyers Are Looking For:

- Quality of neighborhoods.
- Close to family and friends.
- Square footage that is flexible for use.
- Move-in ready homes.

Typical Down Payments

- First-Time Buyers: **6%**
- Repeat Buyers: **17%**

	Median Age of Buyer	First-Time Buyers	Median Number of Homes Toured	Median Time Searching for New Home	Median Distance From Last Home
2021	33 years old	34% of all buyers	8	8 weeks	15 miles
2022	36 years old	26% of all buyers	5	10 weeks	50 miles

SOURCES: Freddie Mac, National Association of REALTORS®

Seller Profile

A tight inventory means it is still a seller's market. Sellers may have to drop their prices and make concessions; however, houses priced right will sell.

Selling Process

For recently sold homes, the median sales price was **100%** of the listing price.

28% of all sellers reduced their asking price at least once.

94% were able to sell when they wanted.

75% of all sellers were repeat sellers.

Top Reasons for Selling

- A desire to live closer to friends and family: **21%**
- Home was too small: **10%**
- Change in family situation: **9%**

	Median Age of Seller	Median Time Home is on Market	Offered Incentives to Sell	Median Years in Home
2021	56 years old	56 days	26%	8 years
2022	60 years old	96 days	20%	10 years

SOURCE: National Association of REALTORS®

Homeownership: The Best Investment

Eighty-eight percent of buyers view owning a home as a good investment.

U.S. homeowners equity increased an average of

27.8%

U.S. home equity increased by a total of

$3.6 trillion

In 2022 home sellers gained a median of

$85,000

more than the purchase amount.

Value of Owning a Home

- A fixed-rate mortgage offers stability for month-to-month payments.
- Homes appreciate in value faster than inflation.
- Net worth increases as equity builds.
- You may be able to deduct the interest you pay on your mortgage, insurance premiums and property taxes. (Consult your tax advisor for more information.)
- Opportunity to lay down roots in a community.

Owning a house gives you control over the property and lets you add the fixtures, amenities and cosmetic changes you want without asking a landlord.

SOURCES: American Housing Survey/U.S. Census, Core Logic, National Association of REALTORS®, The Counselors of Real Estate, World Population Review

State of the Agent

The use of technology continues to increase in popularity, but there is still an emphasis on real-life interactions. Ultimately, skilled, supportive agents are the key to homebuyers and sellers achieving their real estate goals.

86%
of buyers used a real estate agent to purchase a home.

67%
of buyers interviewed one agent before working with them.

86%
of all buyers considered their real estate agent the most important source of information for their home search.

Buyers Want Their Agent To:

Find the right home to purchase: **49%**

Negotiate the terms of sale: **13%**

Help with the price negotiations: **11%**

Buyers looked for agents who were honest and had integrity, responsive and had knowledge of the purchase process and the real estate market.

Sellers Want Their Agent To:

Price their home competitively: **23%**

Market their home: **23%**

Sell their home within a specific timeframe: **13%**

The most important factors to sellers when choosing an agent were reputation, trustworthiness and honesty.

SOURCE: National Association of REALTORS®

Why I Work by Referral

Approximately 50% of all buyer transactions and 60% of seller transactions are conducted through an existing relationship.

89% of buyers and 85% of sellers would use their agent again or refer them to others.

"There is no lead more powerful than one referred from someone you know — someone who knows you, trusts you and will put their name to you."

BRIAN BUFFINI,
Founder & Chairman of Buffini & Company

Relationships are more important than transactions.
My business is built on relationships, so I work to provide my clients with outstanding service and care both during and long after a transaction.

You are the backbone of my business.
Your referrals are the foundation of my business, so I aim to exceed your expectations every step of the way.

Service that continues after the sale.
I am devoted to serving your needs even after the sale is complete. If you need a referral for a contractor, helpful advice or an agent for your friend or family member, I am here to help.

SOURCE: National Association of REALTORS®