

Existing Home Median Price

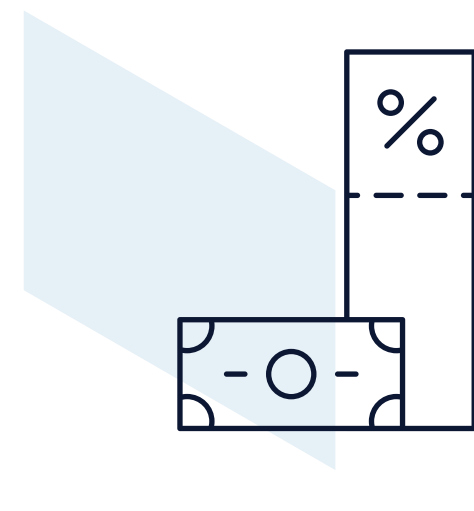
PREDICTION:

+2.2%

Yes.

So far, that prediction is looking strong. Prices outpaced the forecast for the first two quarters (up 3.7% in each) but experts expect things to cool off in the second half of the year and end around 2.3% higher than end of 2018.

Source: NAR



Average Mortgage Rate

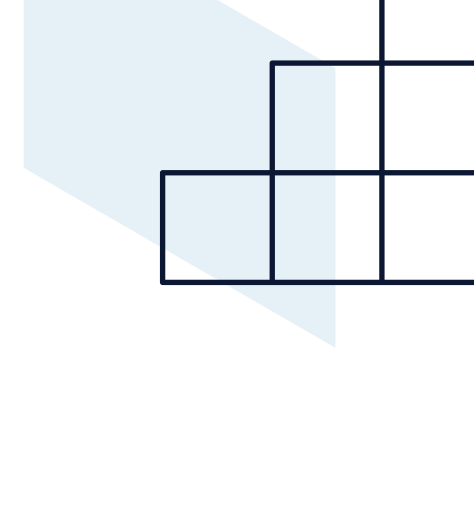
PREDICTION:

Rates to hit 5.5% by end year-end.

No.

Rates started dropping in late 2018 and have continued through 2019. On July 31, the Federal Reserve announced a 0.25% rate cut, signaling that rates will continue to stay low for the foreseeable future. As of right now, experts forecast rates to be around 4.4% at the end of the year, if not lower.

Source: NAR



Inventory Gains

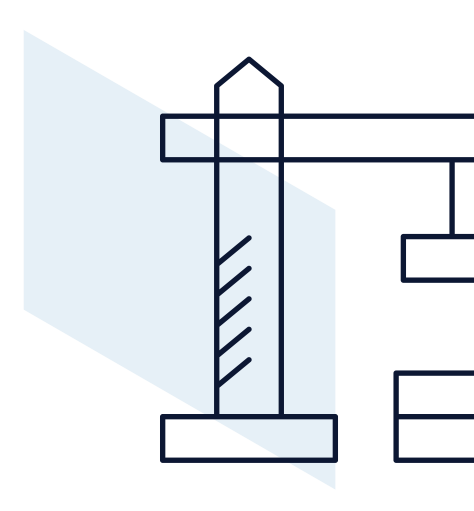
PREDICTION:

Less than 8% inventory growth nationally, with the largest gains concentrated in California, Massachusetts, Tennessee, and Washington.

Nailed It.

The number of homes for sale declined nationally in June, year-over-year, for the first time since September of 2018. Yet, declines and gains are highly concentrated. Oklahoma City had a 15% reduction in homes for sale, while more expensive regions saw inventory skyrocket. Inventory in San Jose was up more than 43%, Seattle and Boston were up 21%, and Nashville was up 11%.

Source: Redfin



Forecasted Construction Starts

PREDICTION:

Residential -2%; Nonresidential flat/even

Yes and No.

Nonresidential construction starts took a nosedive in the first part of the year, finishing March down 14% year-over-year. Things did tip up into April, though nowhere near normal spring levels. Residential starts were down about 9% in the first quarter compared to 2018, suggesting they may, too, dip below predictions. However, permits outpaced starts by a solid margin, indicating that the residential construction market may actually hold steady.

Source: Procore and Construct Connect



Costs of Materials

PREDICTION:

+6.5%; aluminum mill shapes +13.9%, steel mill products +10.3%

Not Quite.

Costs of goods are actually not increasing quite so fast this year. In particular, aluminum mill shapes are up only 1% on the year, while the prediction was for them to rise by more than 13%.

Source: Redfin

