



# U.S. Housing Chartbook

January 2025





# Summary

# Our Housing Market Takeaways

- The U.S. consumer remains strong on the back of a healthy labor market and inflation is moving back to target, albeit slowly.
- Home prices continue to rise nationally despite 30-year mortgage rates being over 400 bps above levels seen four years ago. About 75% of outstanding mortgages are locked in at a rate below 5%.
- Demographic trends are favorable for housing because of expected strong household formation and growth in prime home buying age groups.
- Elevated construction costs and interest rates have caused a slowdown in the building of single-family homes and apartments.
- Despite a slowdown in new construction, elevated deliveries of SFR and multifamily product over the last two years is causing a near-term headwind to fundamentals for those segments.
- A strong consumer, positive demographic trends and supply constraints underpin the case for housing, but higher for longer interest rates pose a risk.

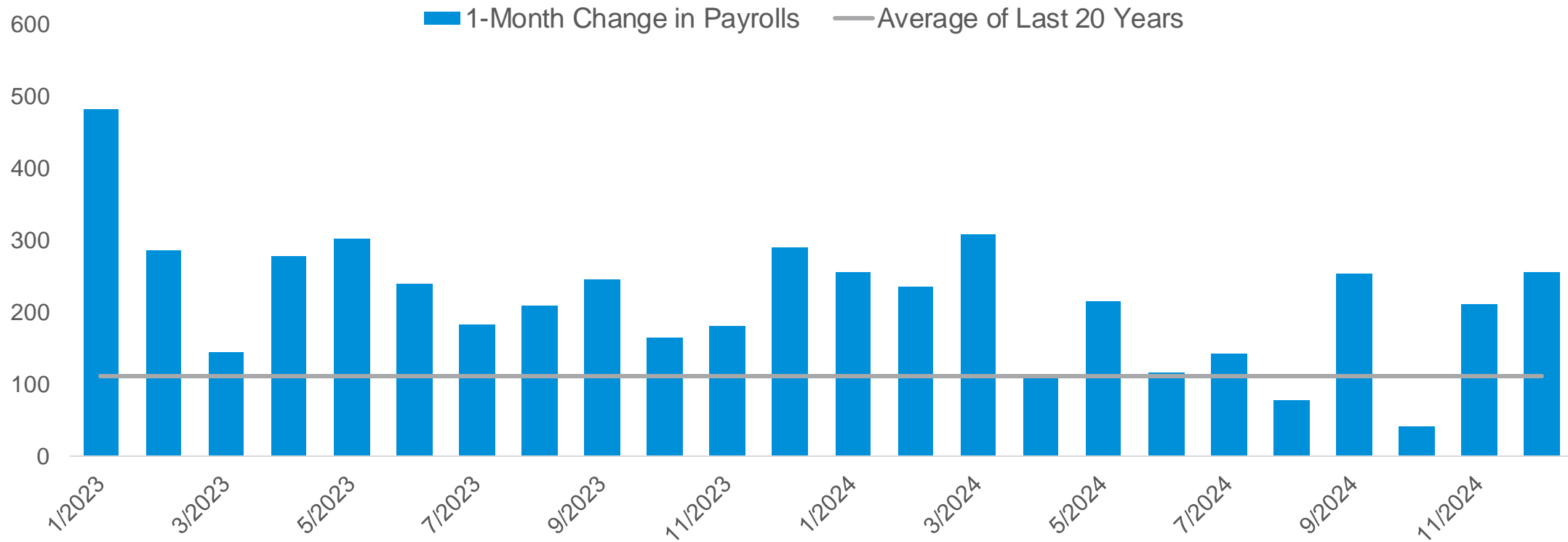




# Economic Backdrop

# Job Growth was Very High in 2023 and is at a Healthy Level Today

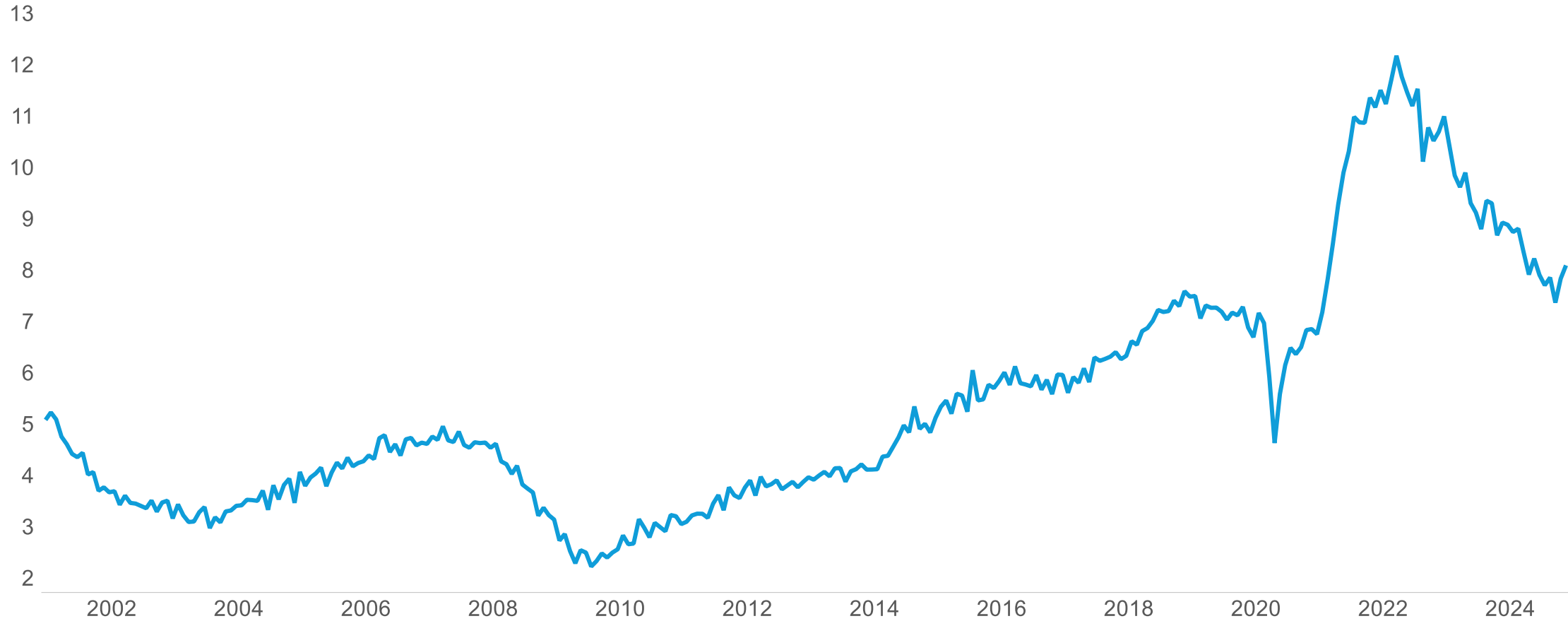
Monthly Change in Nonfarm Payrolls (Seasonally Adjusted, Thousands)



Sources: MIM, BLS. Data as of December 2024.

# Job Openings Declining to Normal Levels

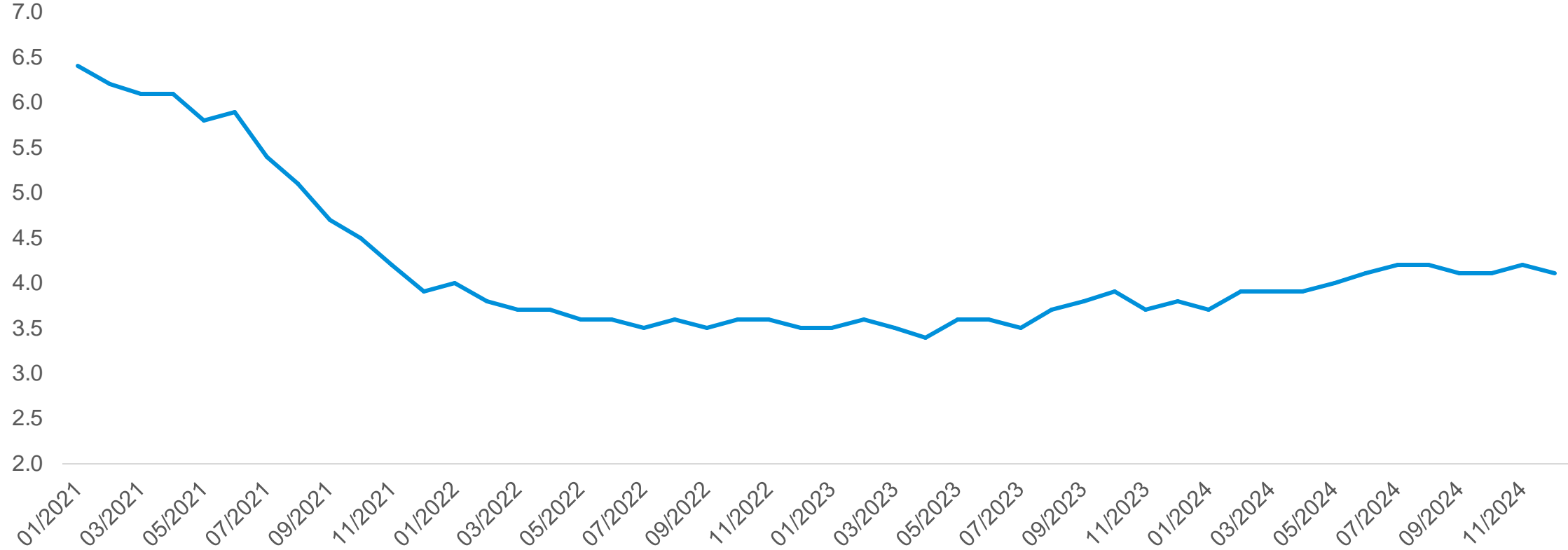
Job Openings (Millions)



Sources: MIM, BLS. Data as of November 2024.

# Unemployment Modestly Rose from 2022/2023 to a Healthier Level

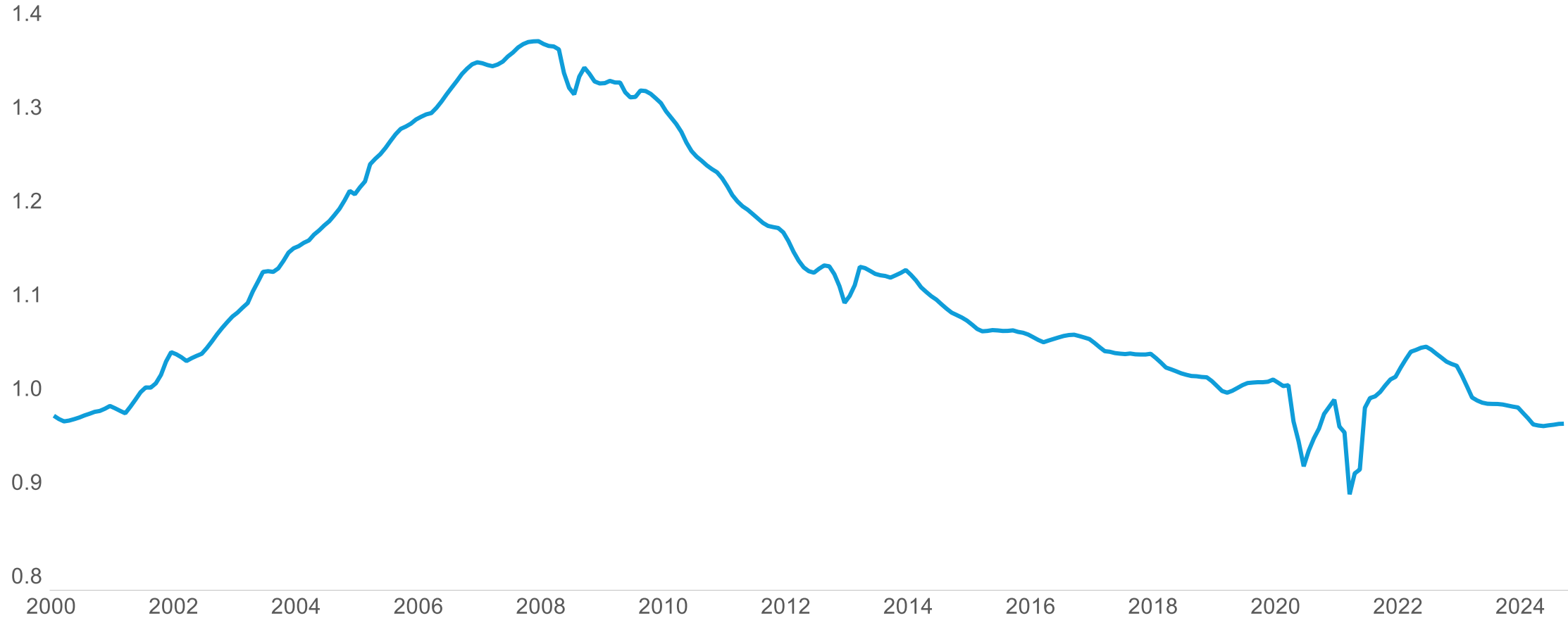
Unemployment Rate (%)



Sources: MIM, BLS. Data as of October 2024.

# Consumer Balance Sheets are in Good Shape

U.S. Household Debt as a % of Disposable Income



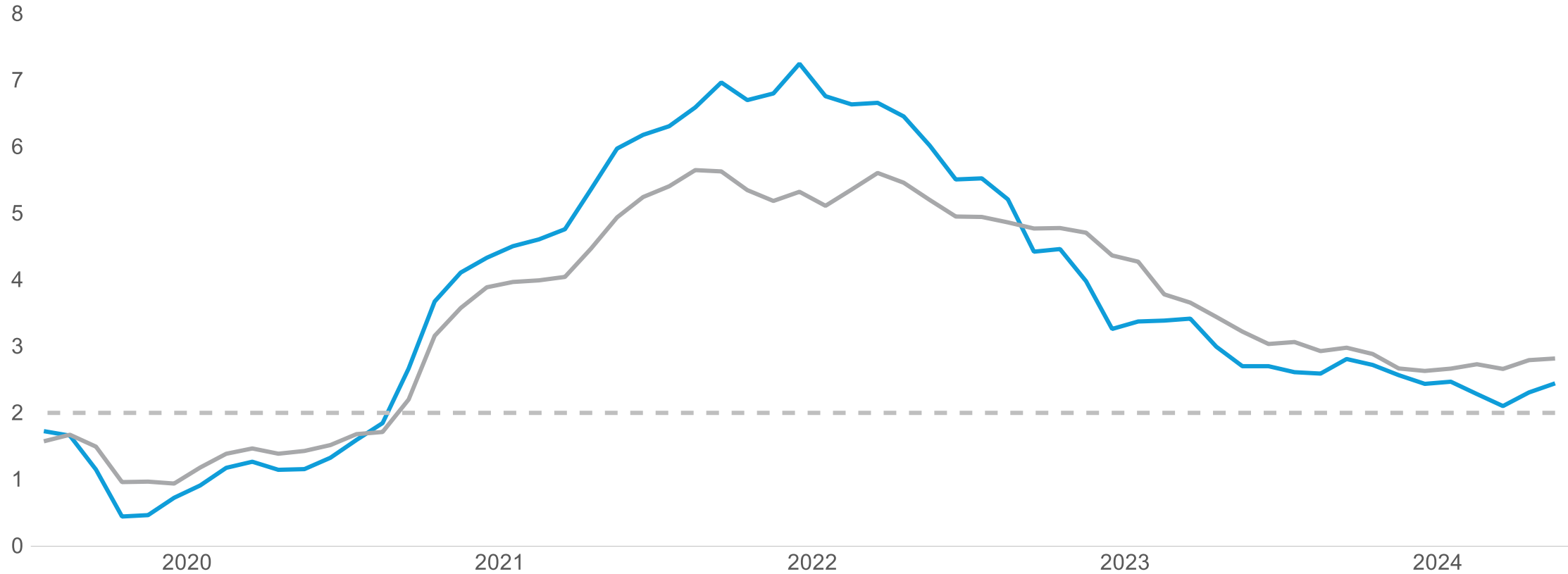
Sources: MIM, Fed, BEA. Data as of September 2024.



# Inflation Continues to Move Slowly Back to Target

Core PCE Inflation y/y

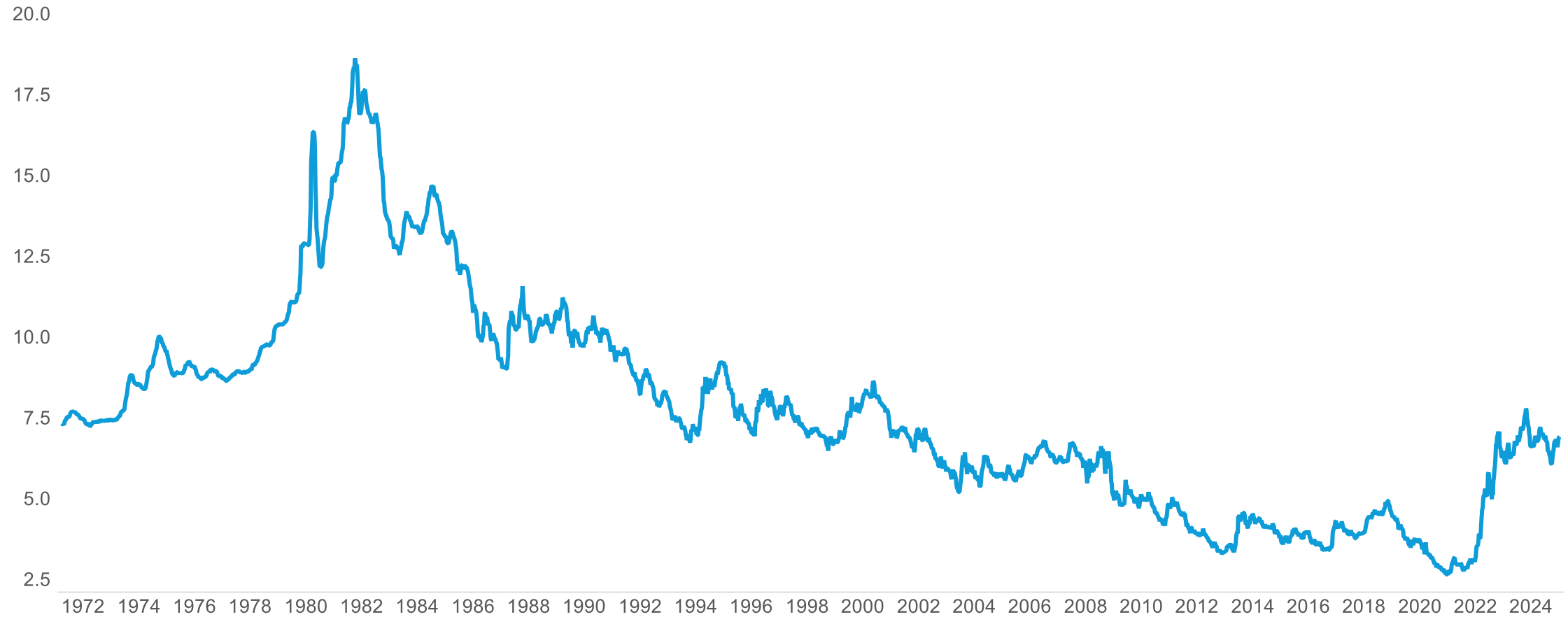
— PCE — Core PCE - - Fed Target Level



Sources: MIM, BEA, seasonally adjusted. Data as of November 2024.

# Mortgage Rates Remain Well Above Rates Seen During 2010s

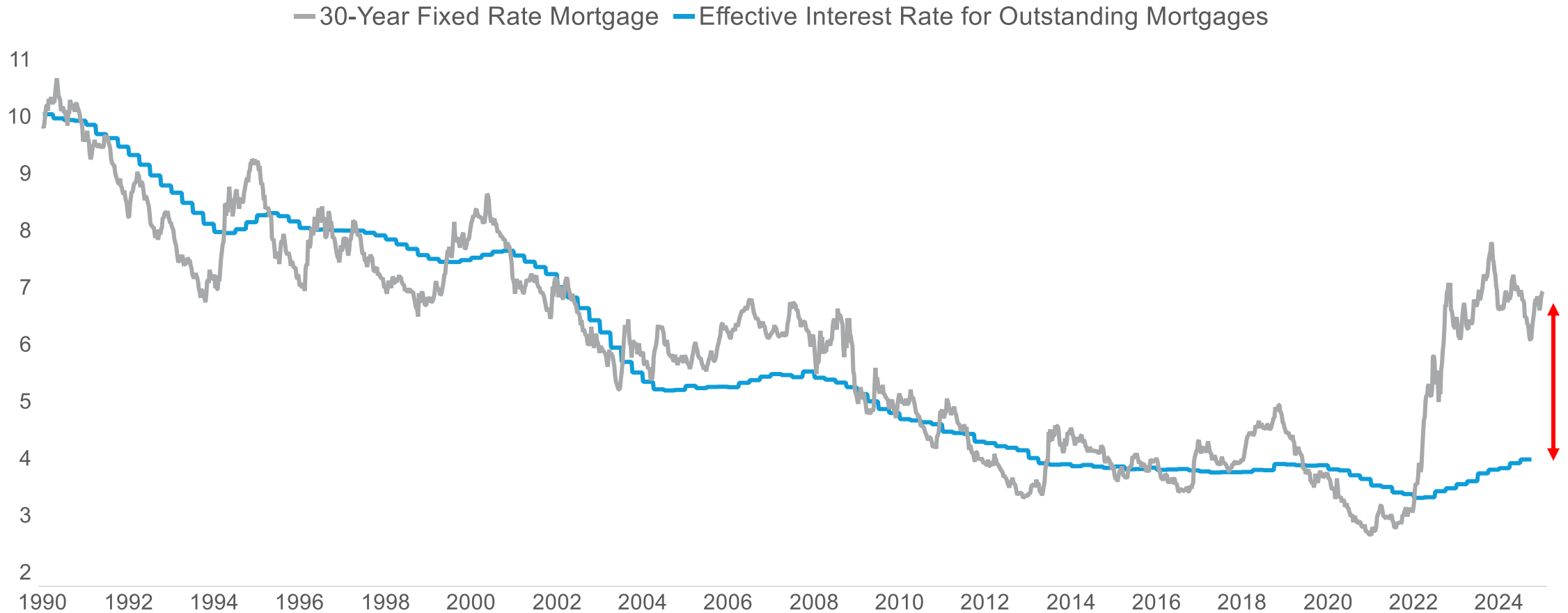
## 30-Year Fixed Mortgage Rate



Sources: MIM, Freddie Mac. Data as of January 2025.

# “Lock-in” Effect Shows Median Mortgage Rate at around 4%

## 30-Year Fixed Mortgage Rate & Effective Interest Rate for Outstanding Mortgages

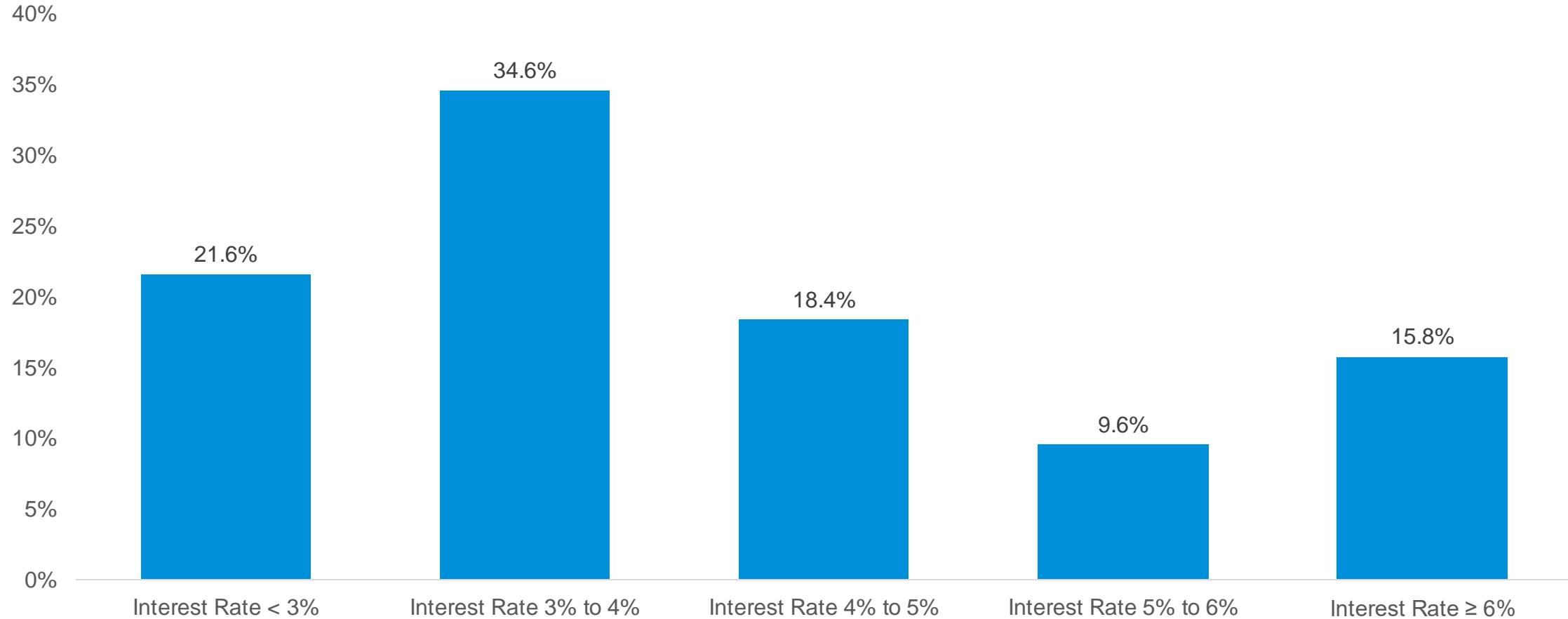


Sources: MIM, BEA, Freddie Mac. Data as of January 2025.



# 75% of Outstanding Mortgages have an Interest Rate of <5%

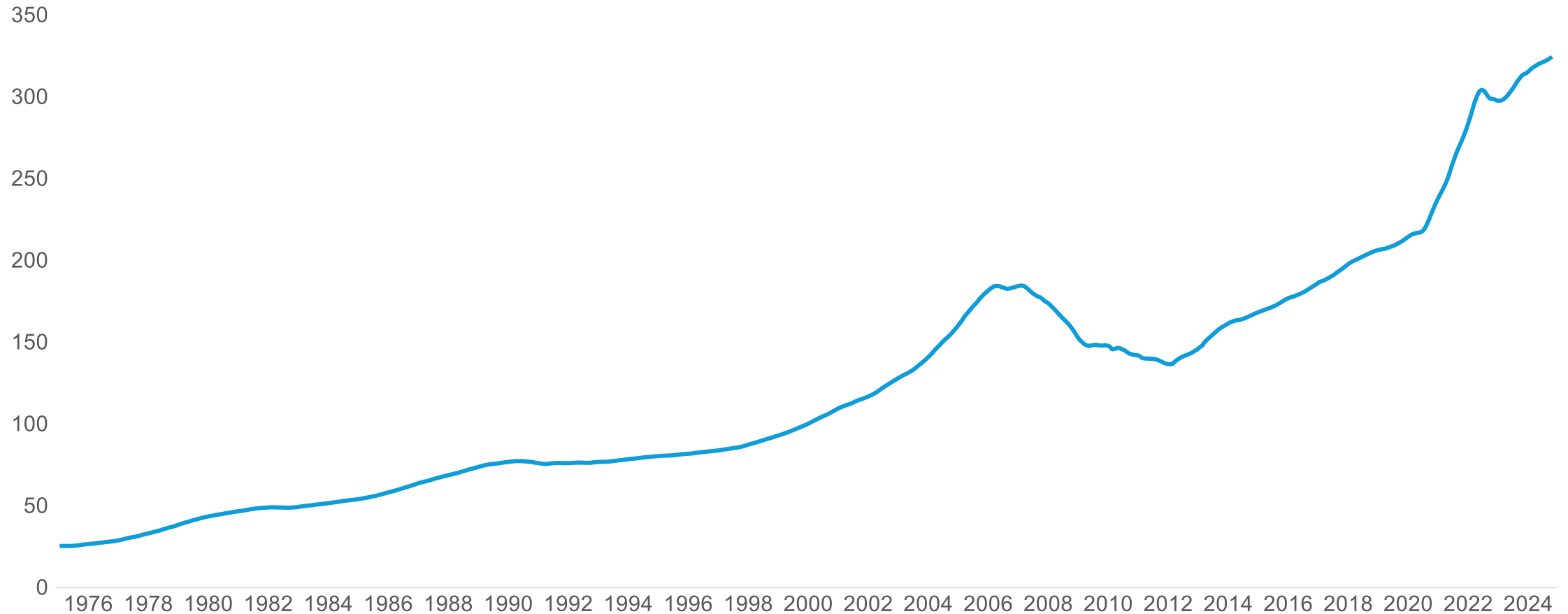
Interest Rate Distribution for Outstanding Mortgages



Sources: MIM, FHFA. Data as of 2Q 2024.

# Despite Rise in Rates, Home Prices Continue to Increase

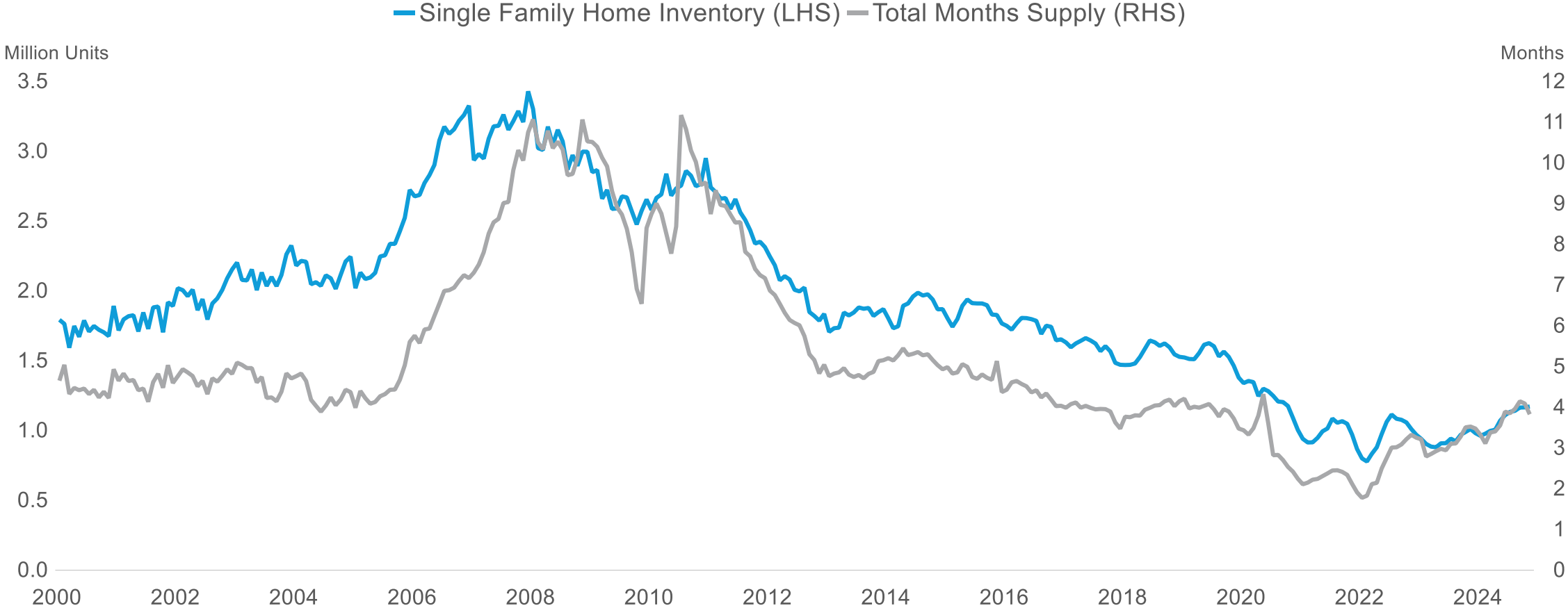
Case-Shiller Home Price Index



Sources: MIM, S&P Global. Data as of October 2024.

# Low Available Inventory is Supporting Home Prices

## Single Family Home Inventory and Total Months Supply

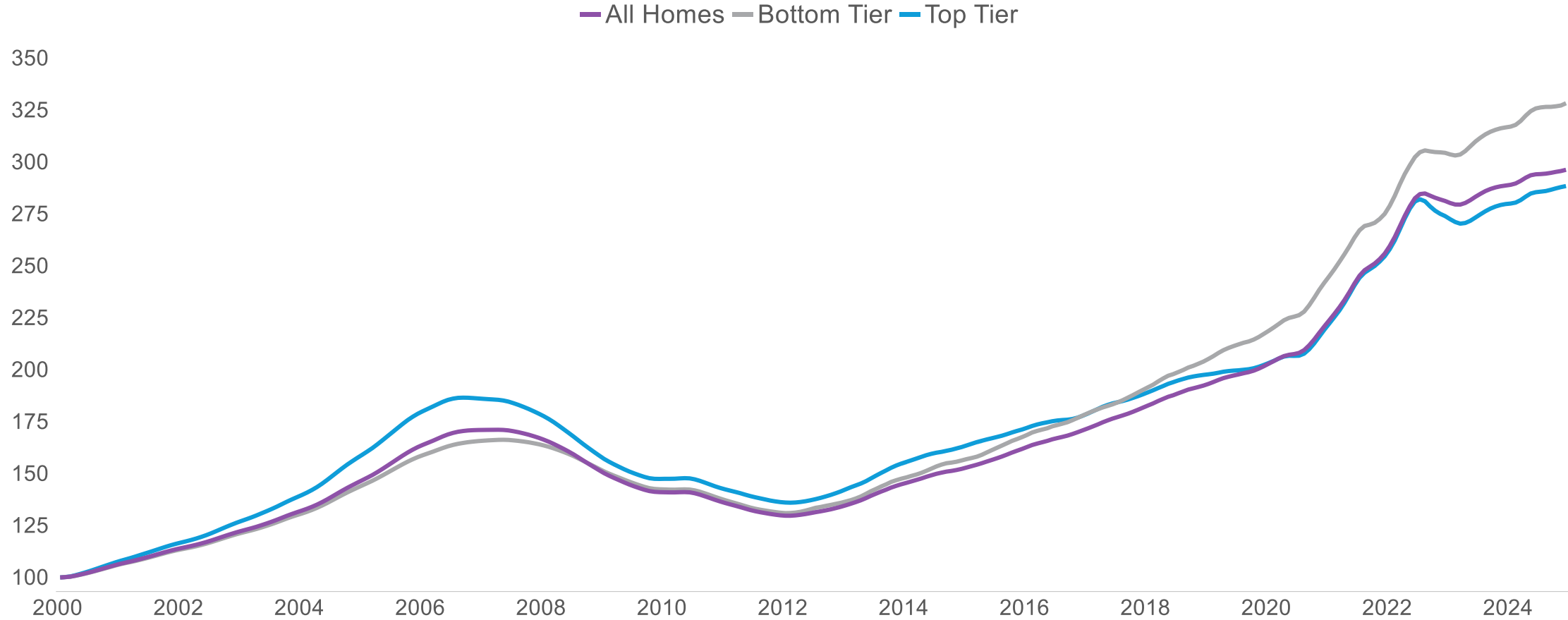


Sources: MIM, NAR. Data as of November 2024.



# Bottom Tier Home Values Rising Faster than Top Tier

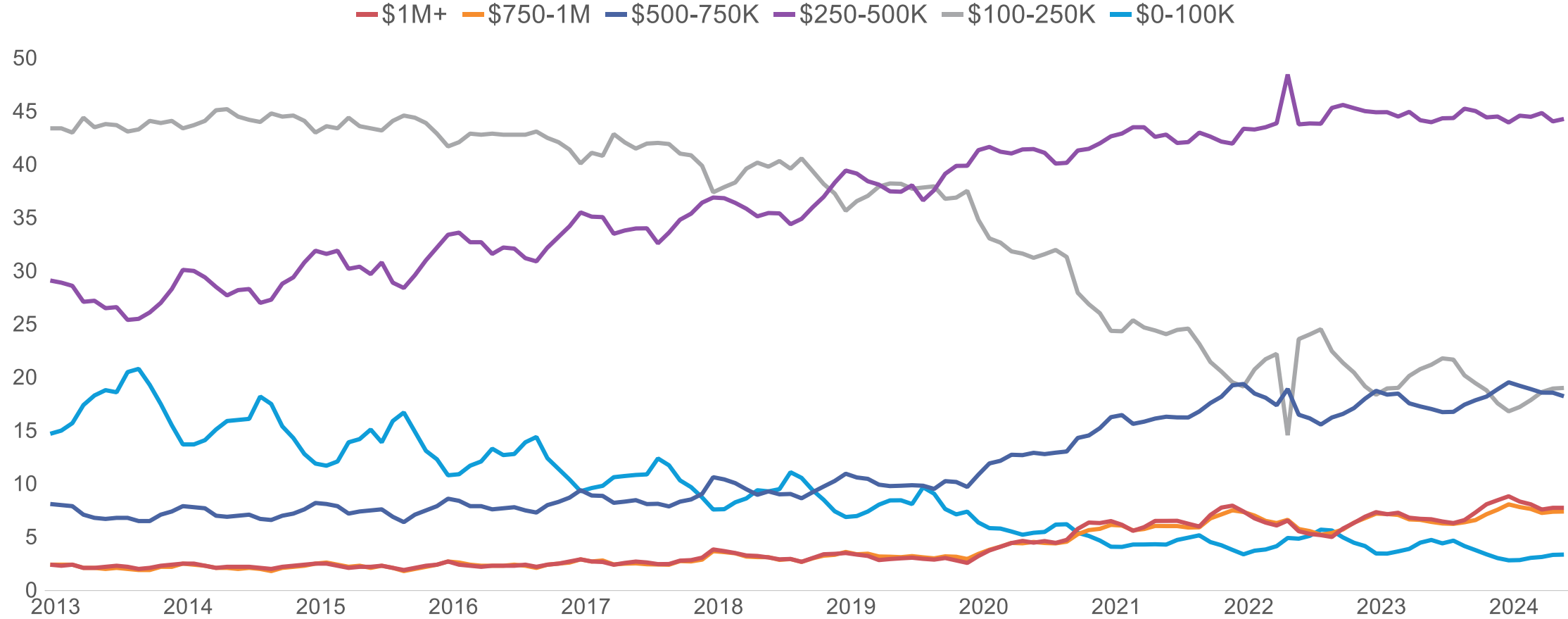
Home Value Index (1/1/2000 = 100)



Sources: MIM, Zillow. Data as of December 2024.

# Homes Valued Under \$250K Make Up a Smaller Number of Home Sales

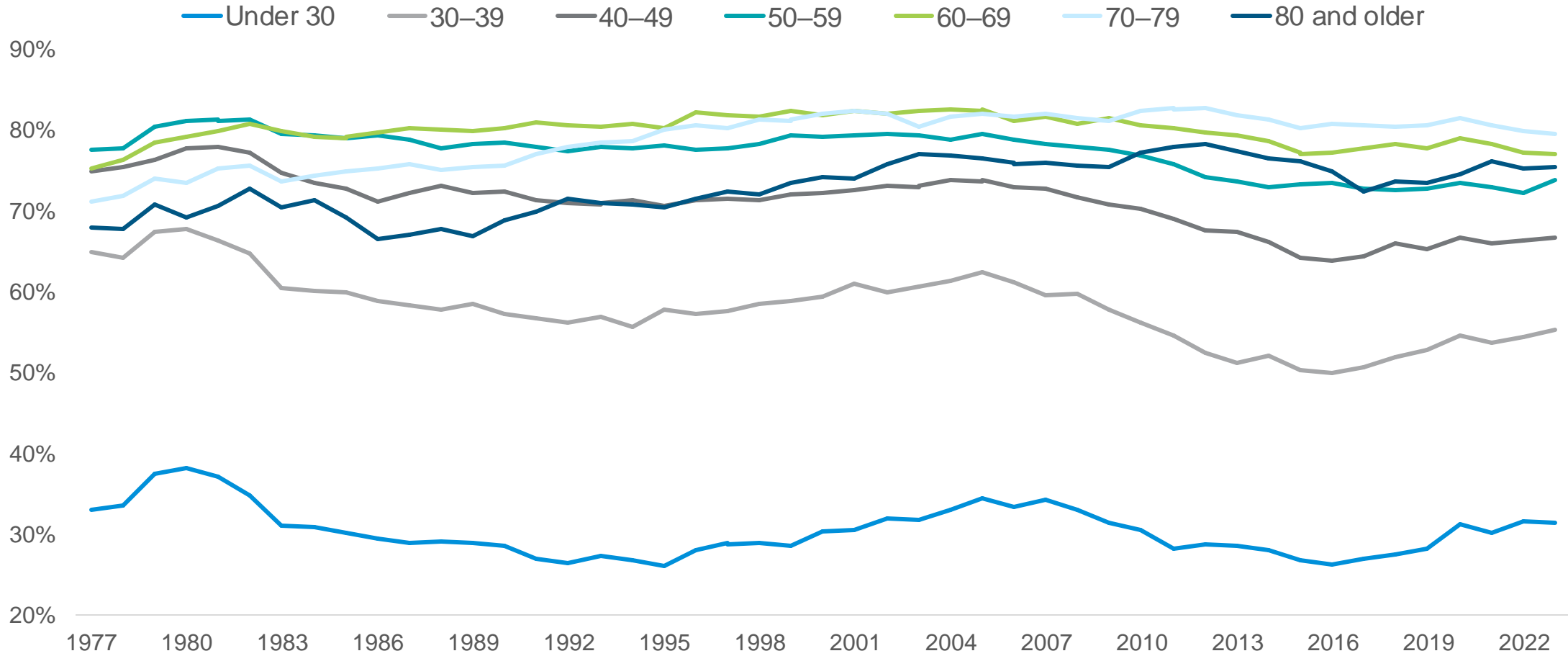
Share of Home Sales by Value, Percent



Sources: MIM, NAR. Data as of November 2024.

# Homeownership Rate Still Below Pre-GFC Levels

Homeownership Rate by Age Group

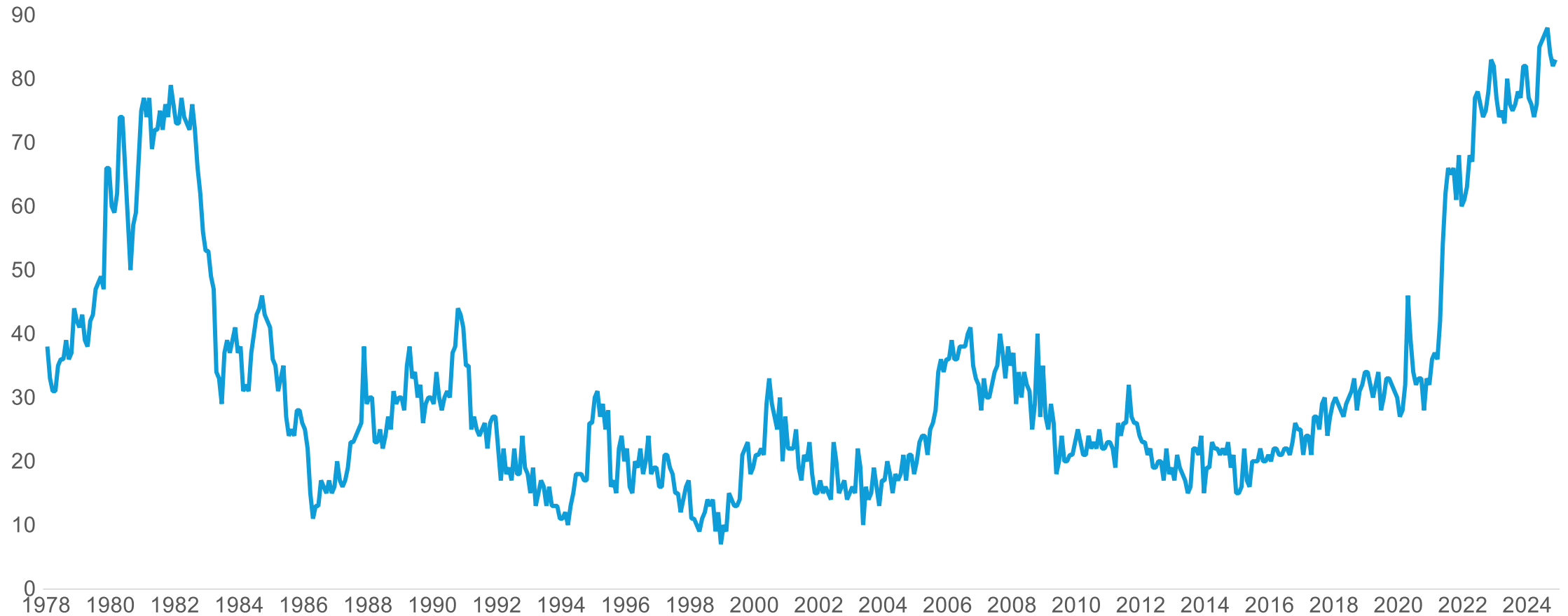


Sources: MIM, John Burns Research and Consulting. Data as of 2Q 2024.



# The % of People Who Think it's a Bad Time to Buy a House is Near an All-time High

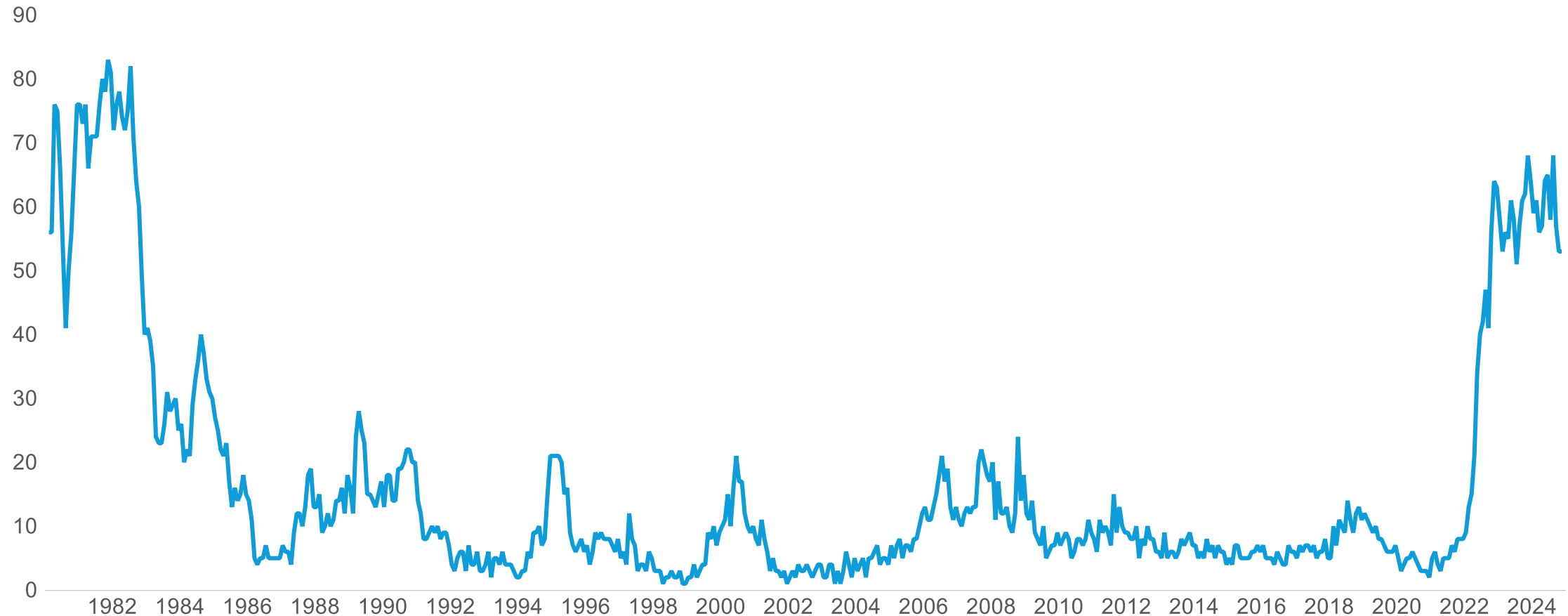
Consumer Survey - % of Respondents Saying it is a Bad Time to Buy a House



Sources: MIM, University of Michigan. Data as of November 2024.

# Consumers Citing High Interest Rates as an Impediment to Home Buying

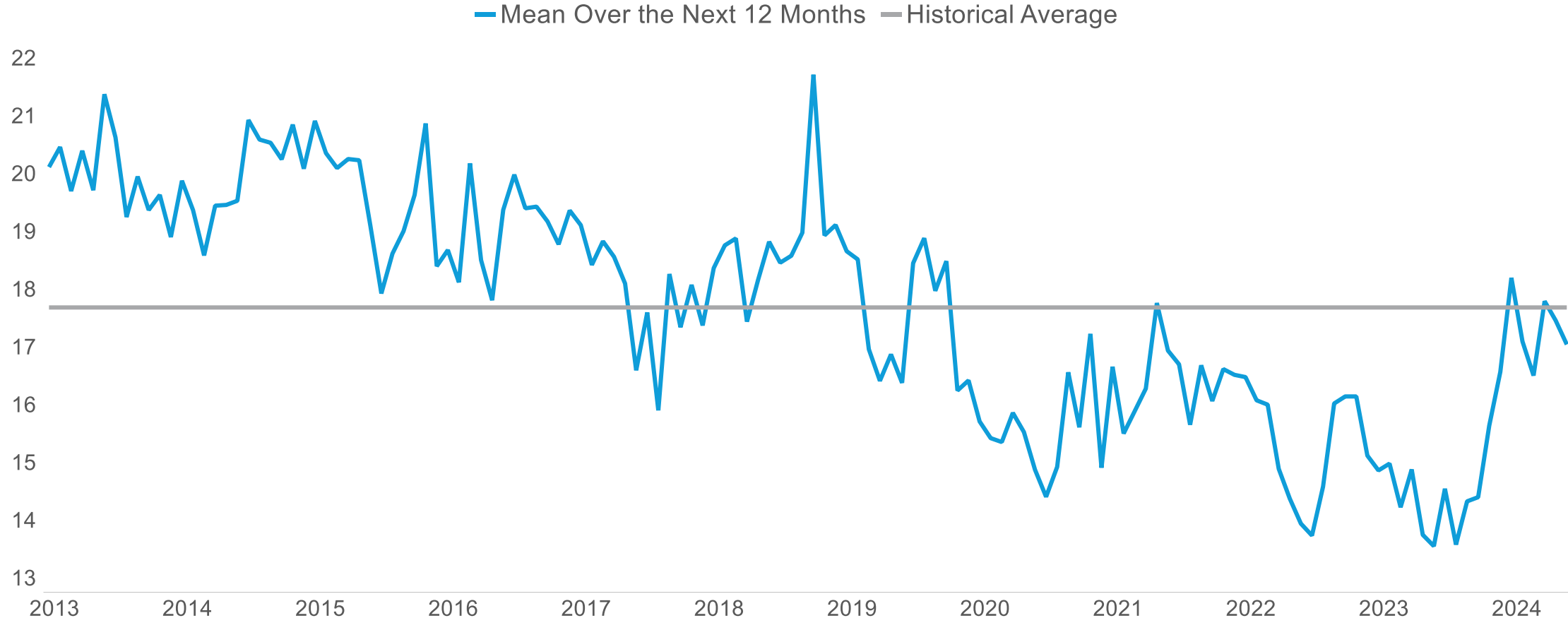
Consumer Survey - % of Respondents Saying it is a Bad Time to Buy Because Interest Rates Are High / Credit is Tight



Sources: MIM, University of Michigan. Data as of November 2024.

# Consumers expecting to move over next 12 months has returned to trend

NYFRB Survey of Consumer Expectations – Mean Probability of Changing Primary Residence Over the Next 12 Months



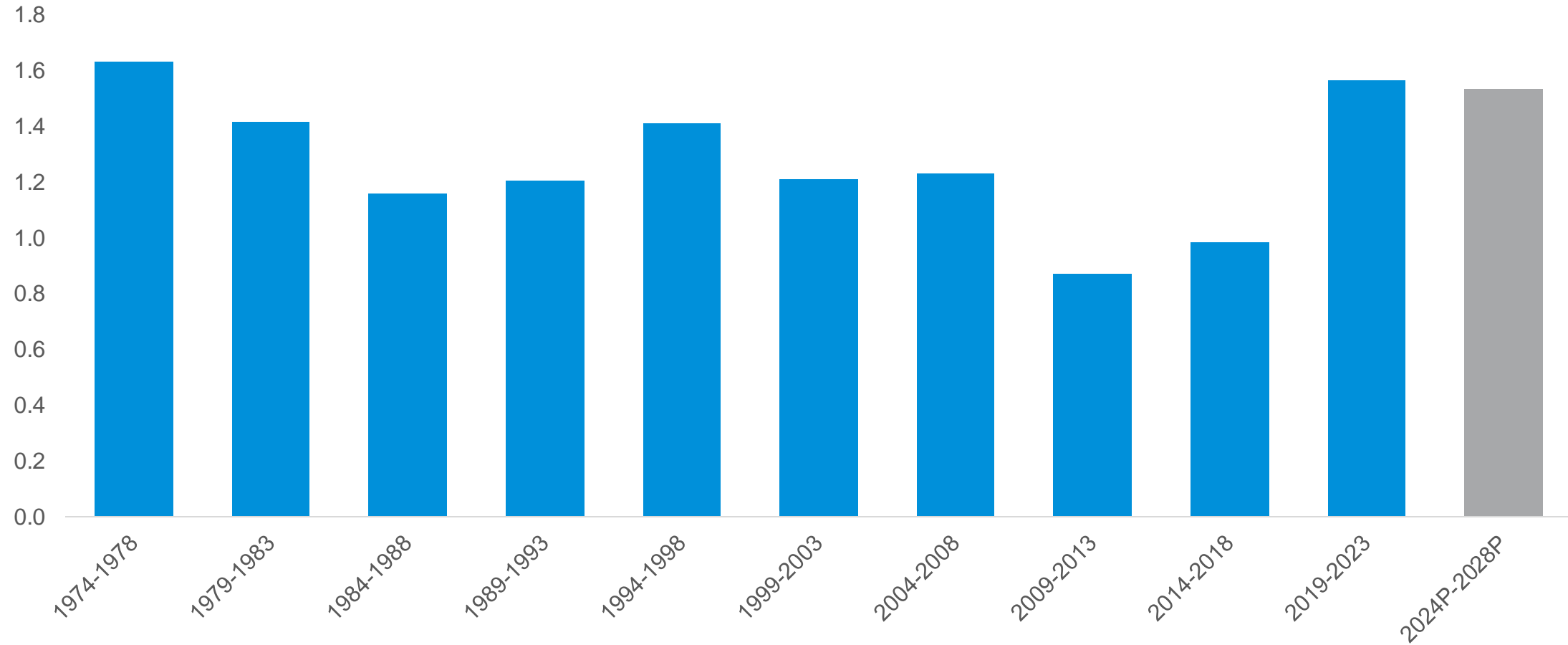
Sources: MIM, Federal Reserve Bank of New York. Data as of November 2024.



# Demographic Drivers

# Household Formation Expected to be Above Trend Over Next Four Years

Average Annual New Household Growth

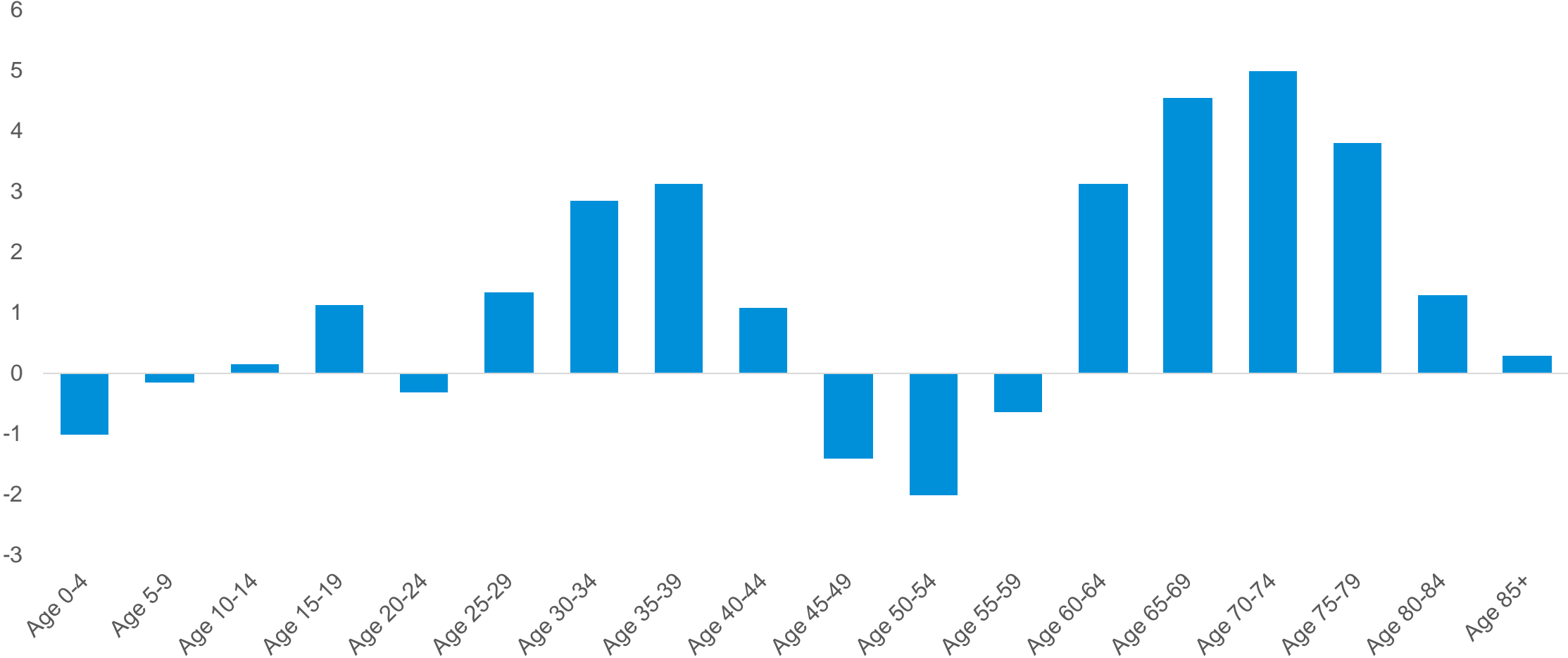


Sources: MIM, John Burns Research and Consulting. Data as of 2Q 2024.



# Population Growth Focused in 25 to 44, 60+ Age Groups Over Last Ten Years

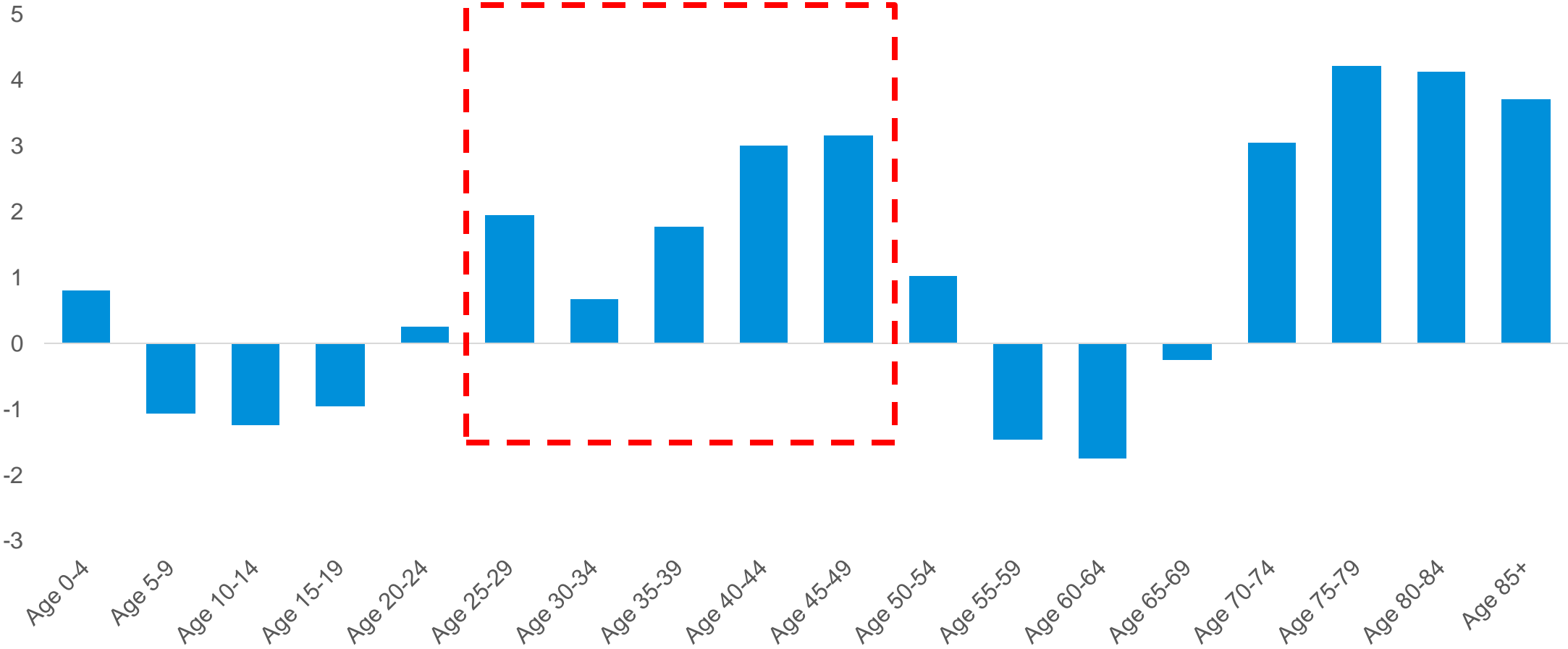
Population Growth by Age Cohort, 2013 to 2023 (Millions)



Sources: MIM, John Burns Research and Consulting. Data as of 2Q 2024.

# Prime home buying age groups expected to grow over next ten years

Population Growth (%) by Age Cohort, Forecast 2023 to 2033 (Millions)

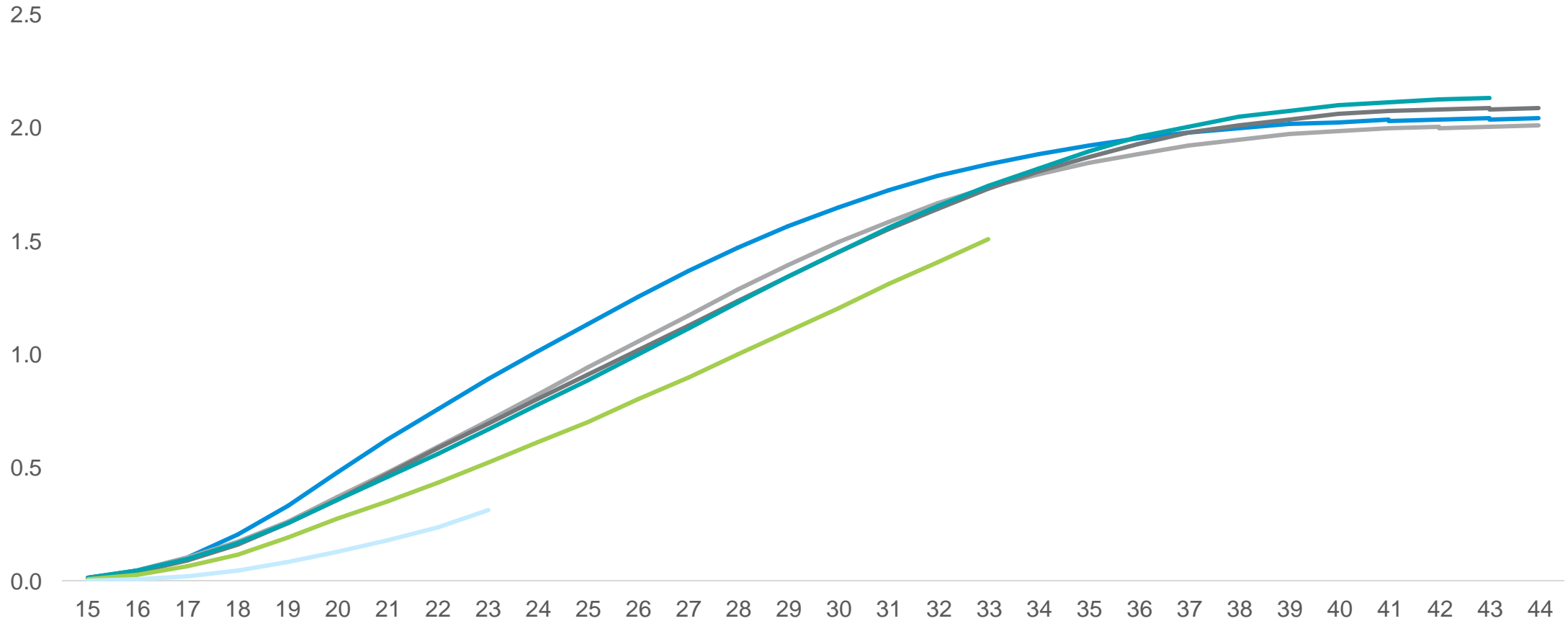


Sources: MIM, John Burns Research and Consulting. Data as of 2Q 2024.

# Women born in 1990 and 2000 have less children at current age than previously

Cumulative Number of Children Per Woman by Age

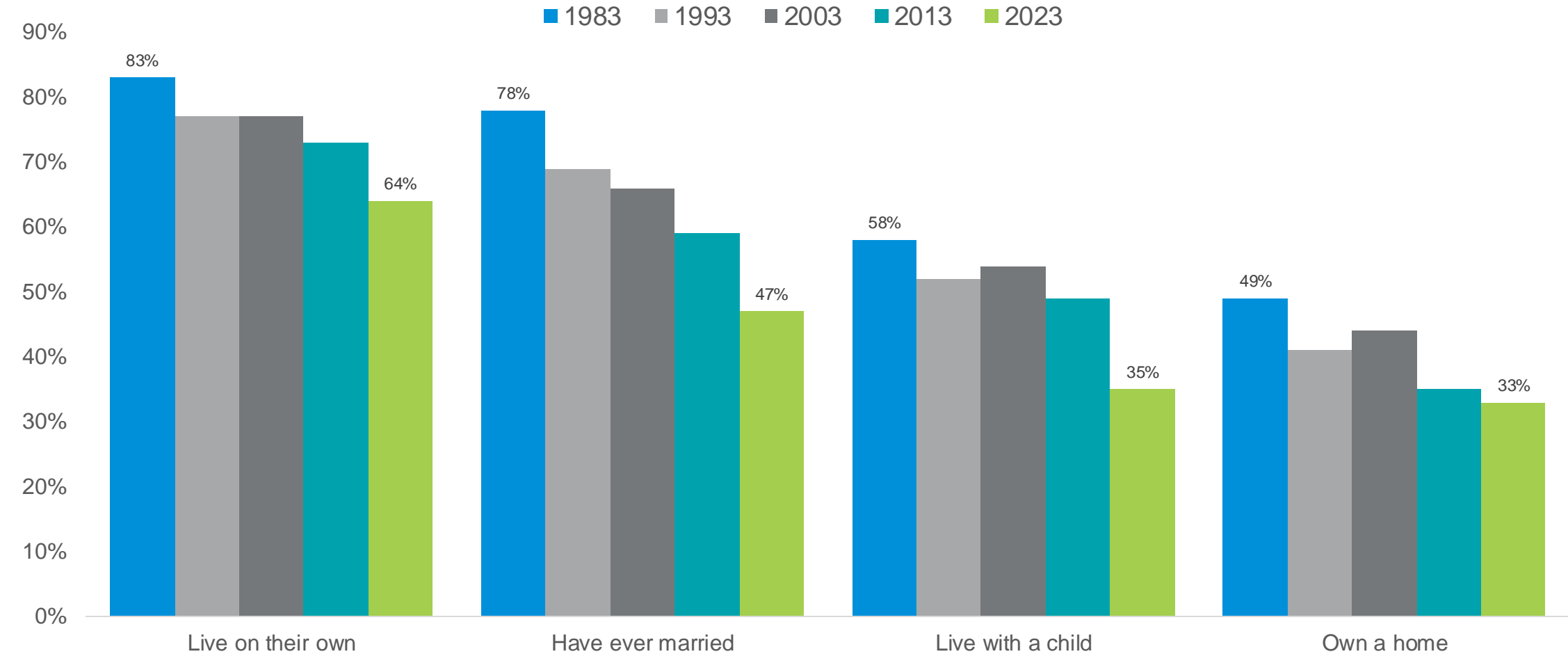
— Mother Born in 1950 — Mother Born in 1960 — Mother Born in 1970 — Mother Born in 1980 — Mother Born in 1990 — Mother Born in 2000



Sources: MIM, John Burns Research and Consulting. Data as of 2Q 2024.

# Fewer Adults are Reaching Typical Milestones By Age 30

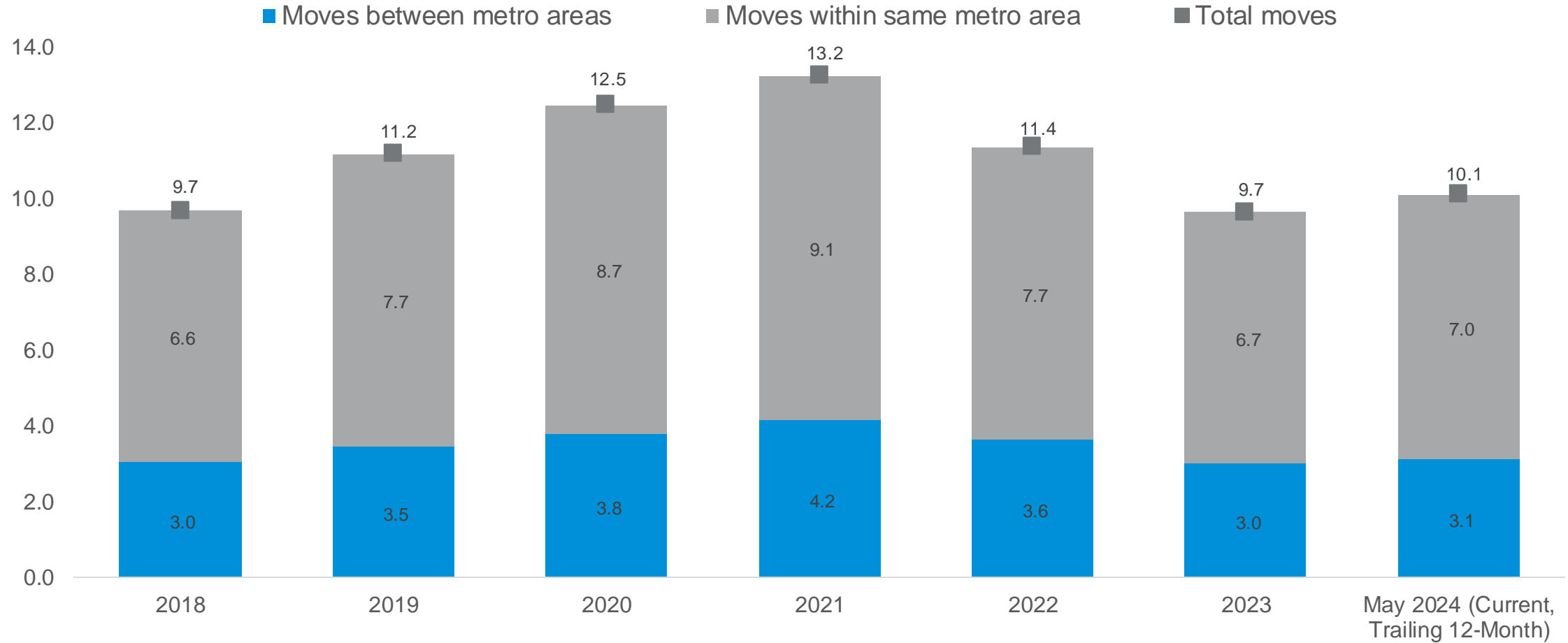
% of US 30-Year-Olds Reaching Adult Milestones



Sources: MIM, John Burns Research and Consulting. Data as of 2Q 2024.

# Most People that Move Stay Local

## US Domestic Household Moves

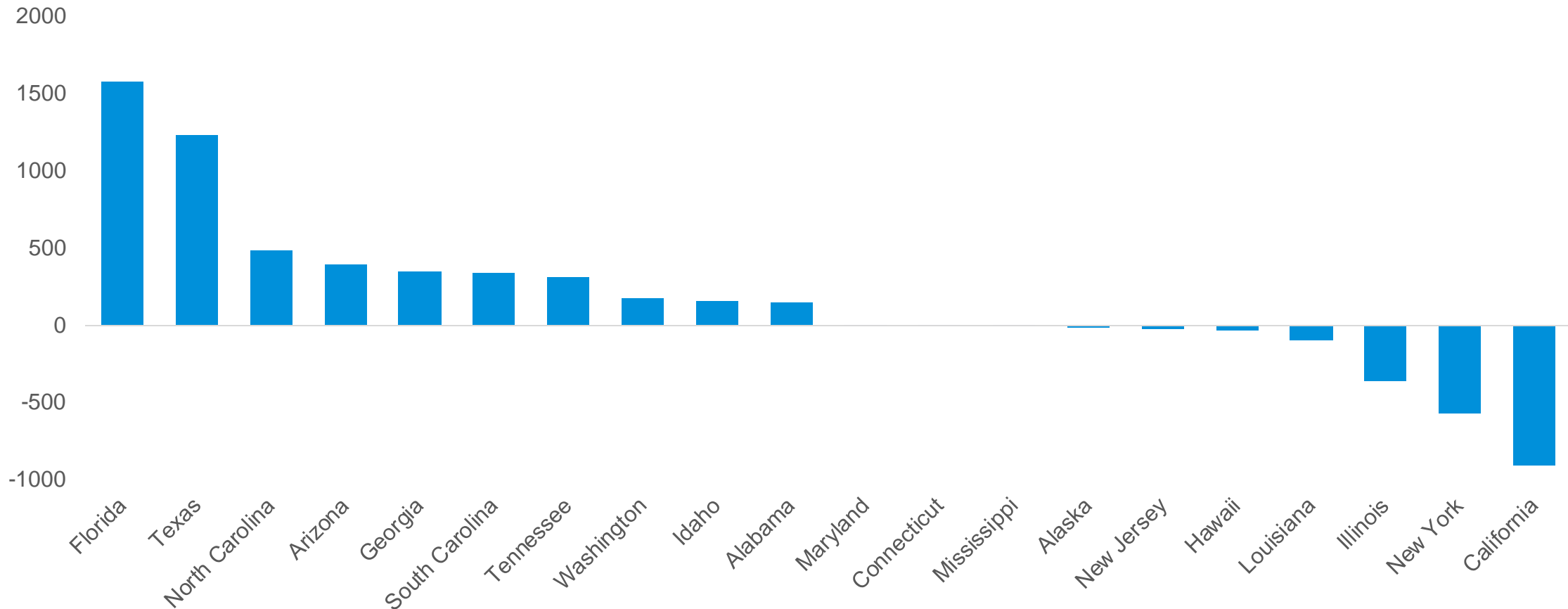


Sources: MIM, John Burns Research and Consulting. Data as of 2Q 2024.



# Sun Belt States are Growing the Fastest

Migration by State – Q2 2020 to Q4 2024



Note: Data from 2024 includes Oxford Economics projections.  
Sources: MIM, Oxford Economics. Data as of 3Q 2024.

# Top 0.1 percentile accounting for larger share of wealth

## Distribution of Household Wealth

Year	Top 0.1%	Remaining Top 1%	Next 9%	Next 40%	Bottom 50%
1990	9%	14%	38%	36%	3%
2000	11%	17%	36%	33%	3%
2010	11%	18%	40%	31%	1%
2020	12%	17%	39%	30%	2%
2024	14%	17%	37%	31%	2%

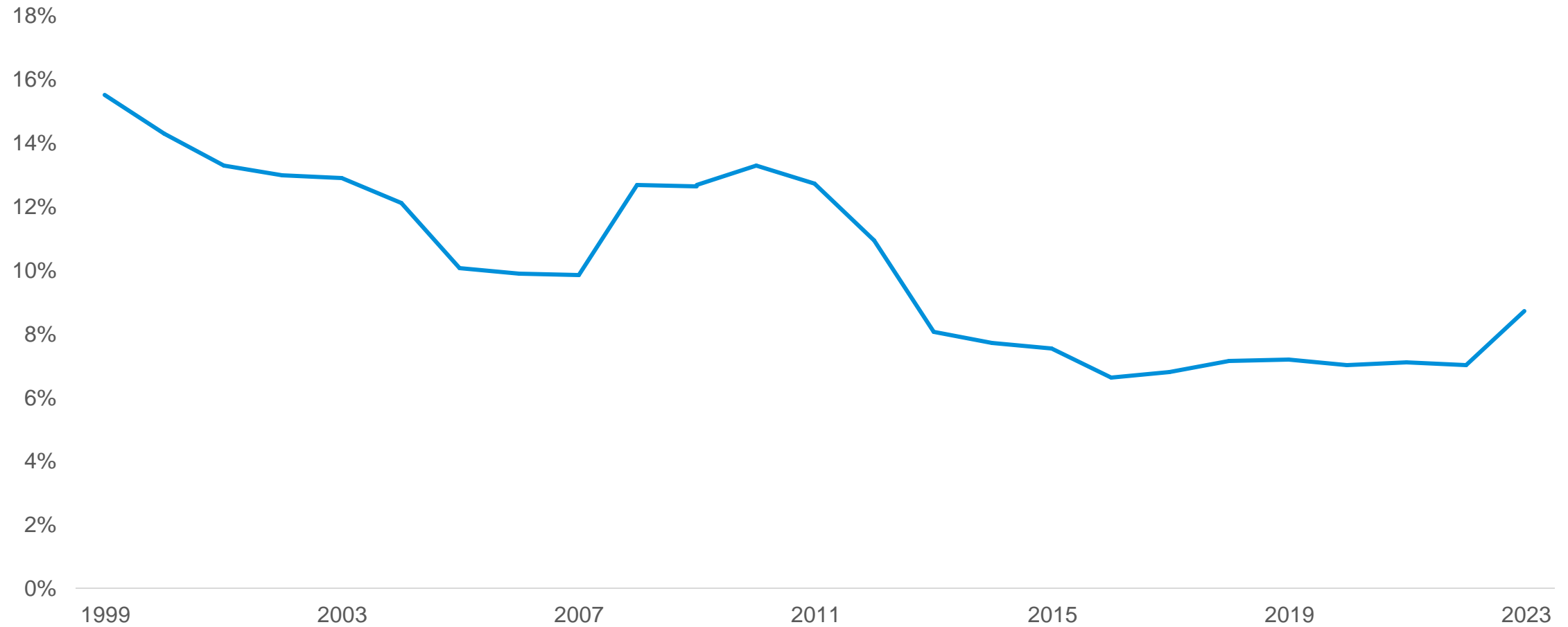
Sources: MIM, Federal Reserve. Data as of 2024.



# Supply Outlook

# Entry Level Homes Making Up Smaller Share of New Home Construction

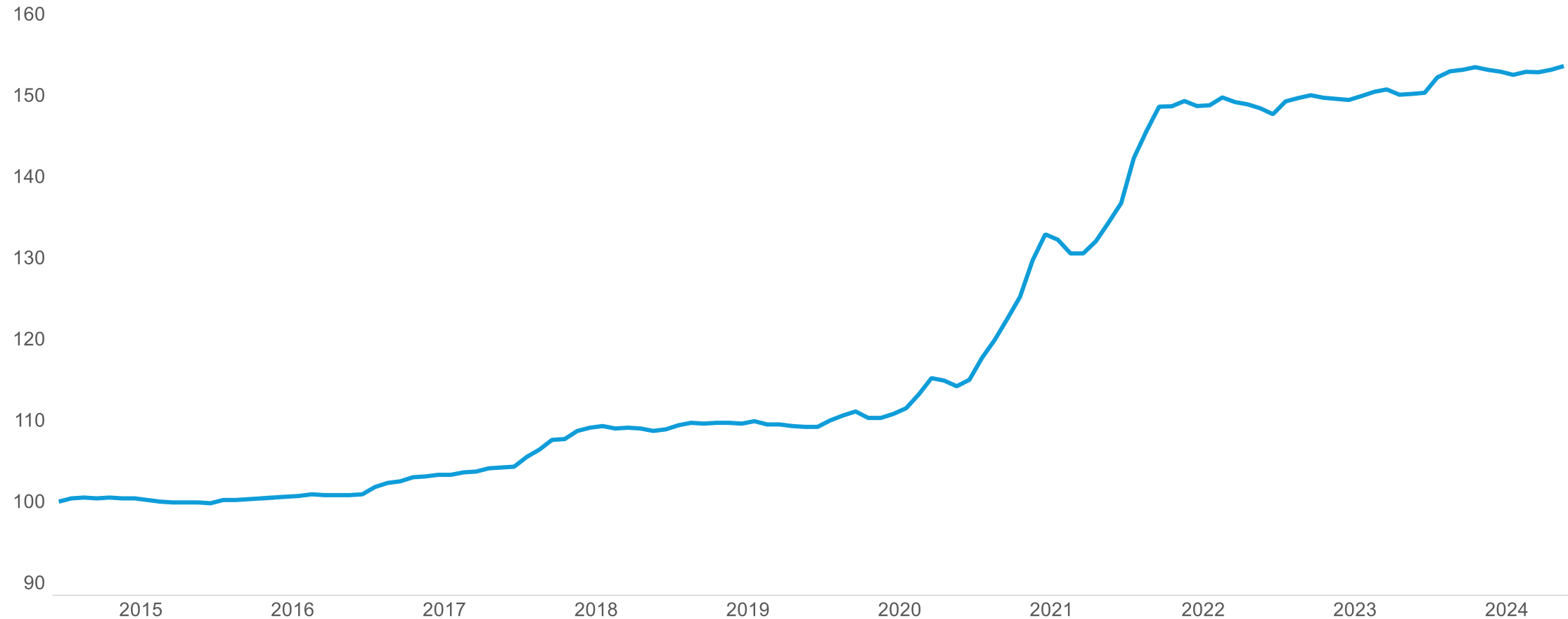
Starter Homes as % of Total Home Construction



Note: Starter homes is defined as a home with less than 1,400 square feet.  
Sources: MIM, Census Bureau. Data as of 2023.

# Residential Construction Costs have Flattened, but Remain Elevated

Producer Price Index (PPI) – Inputs to Residential Construction Less Food & Energy

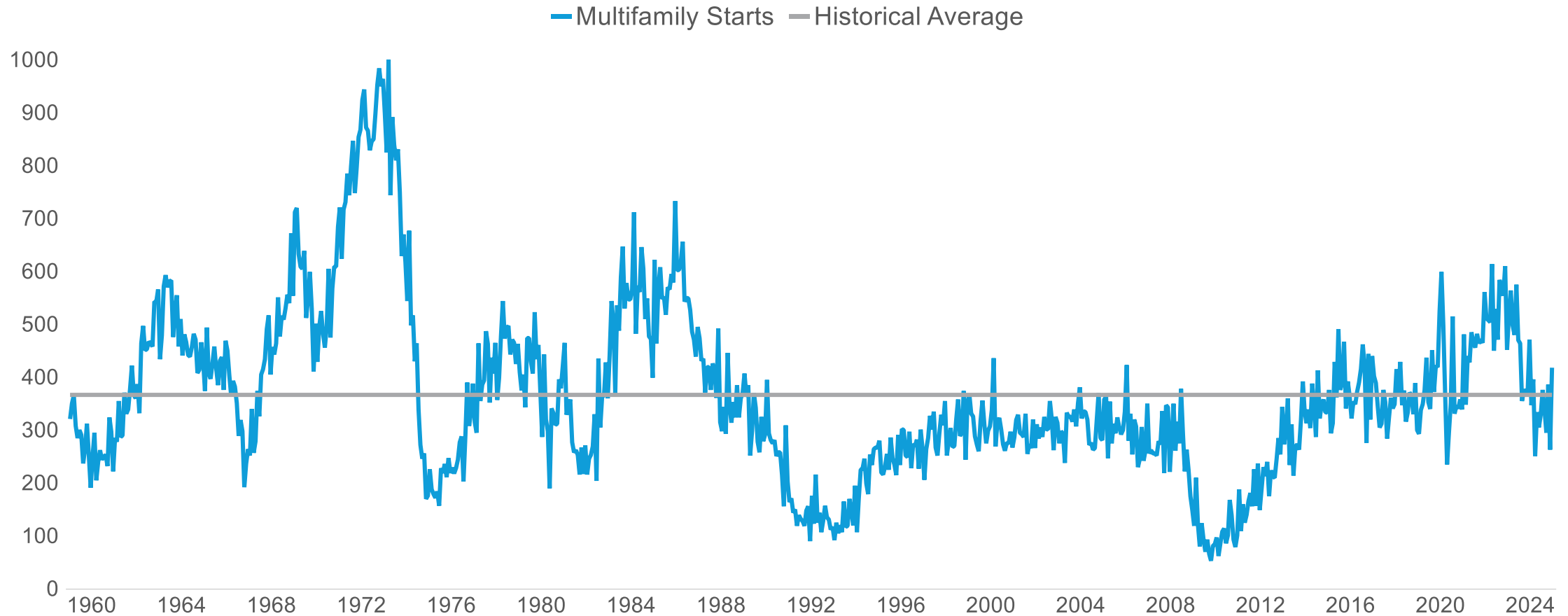


Sources: MIM, BLS. Data as of November 2024.



# Multifamily Starts have Fallen in Recent Years but Remain at Historic Average

Multifamily Starts, Thousands

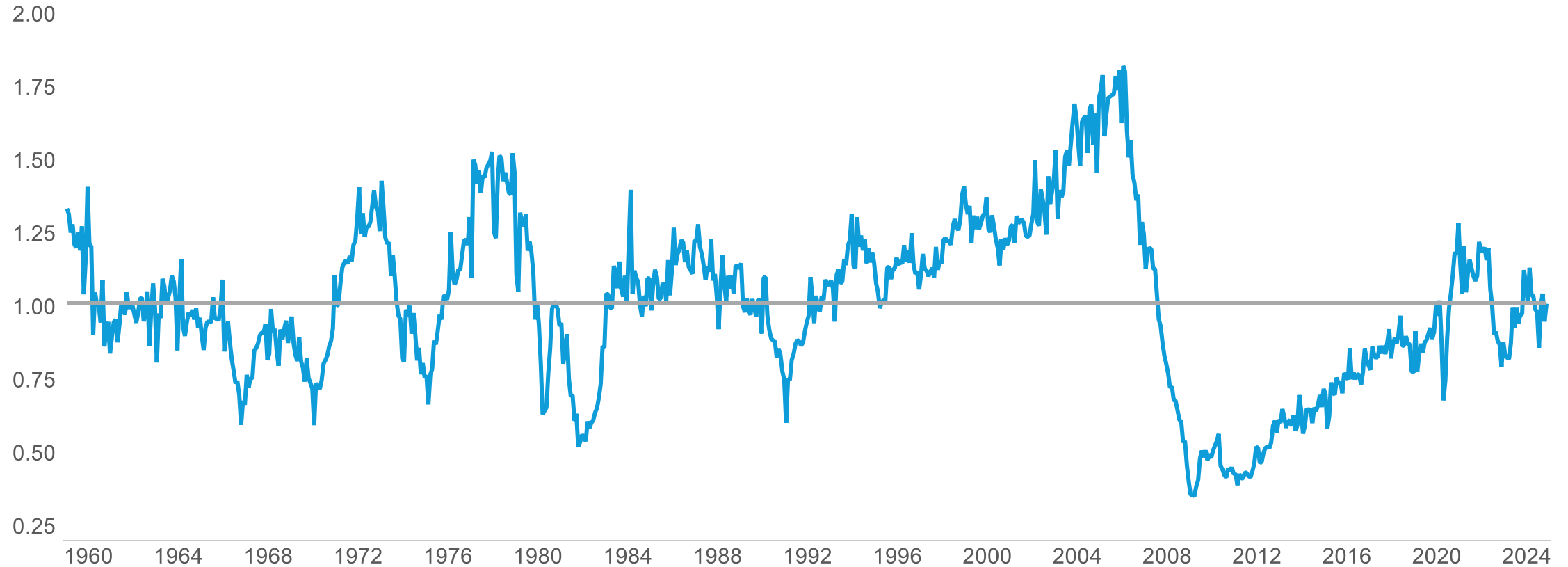


Sources: MIM, U.S. Census Bureau. Data as of December 2024.

# Single-family Home Starts have also Slumped

Single-Family Home Starts, Millions

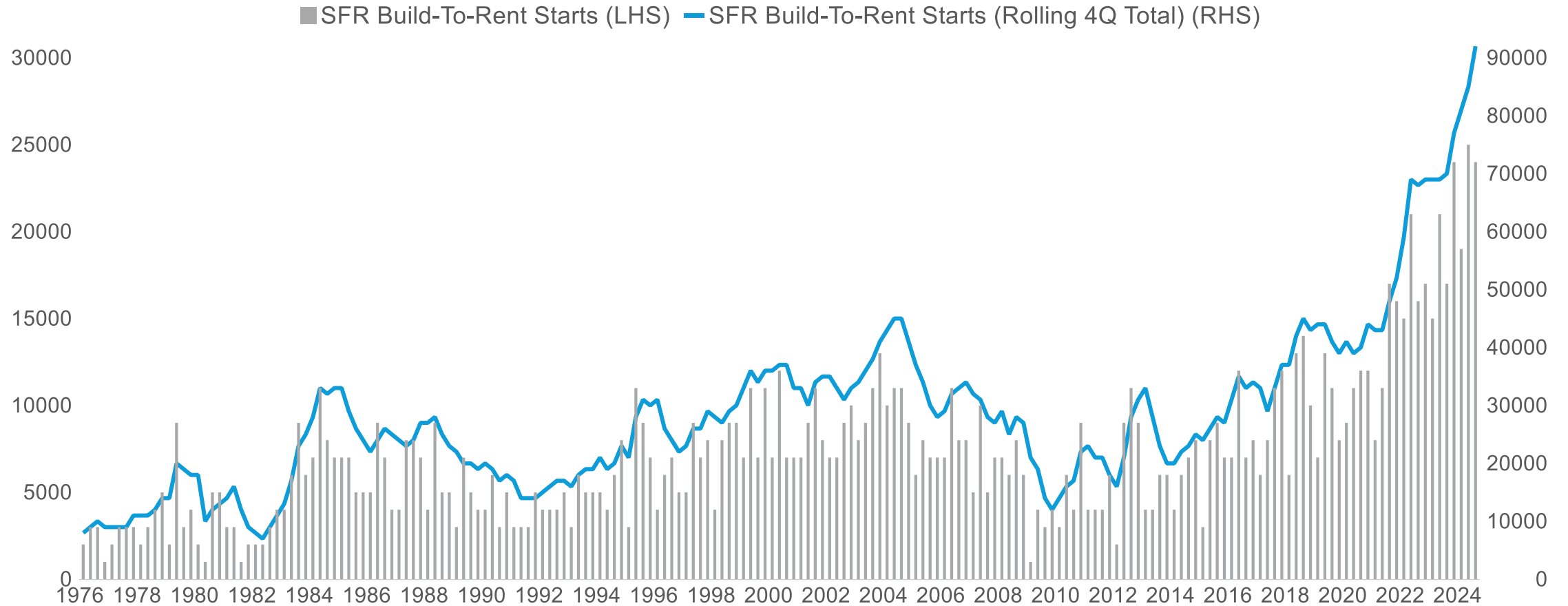
— Single-Family Home Starts — Historical Average



Sources: MIM, U.S. Census Bureau. Data as of November 2024.

# BTR Starts are Trending Upwards

## Single-Family Home Build-To-Rent Starts



Sources: MIM, USCB. Data as of July 2024.

# Rental Housing Vacancy Below Trend Across Regions

Rental Housing Vacancy Rate, Census Bureau (All Unit Types)

	National	Northeast Region	Midwest Region	South Region	West Region
Q3 2024 Vacancy	6.9%	5.4%	6.9%	8.5%	5.7%
Average	8.2%	6.1%	9.2%	10.4%	6.1%
Difference	-1.3%	-0.7%	-2.3%	-1.9%	-0.4%

Note: Average is taken between the period of 2000 and Q3 2024  
Sources: MIM, Census Bureau. Data as of 3Q 2024.

# Homeowner Vacancy Below Trend Across Regions

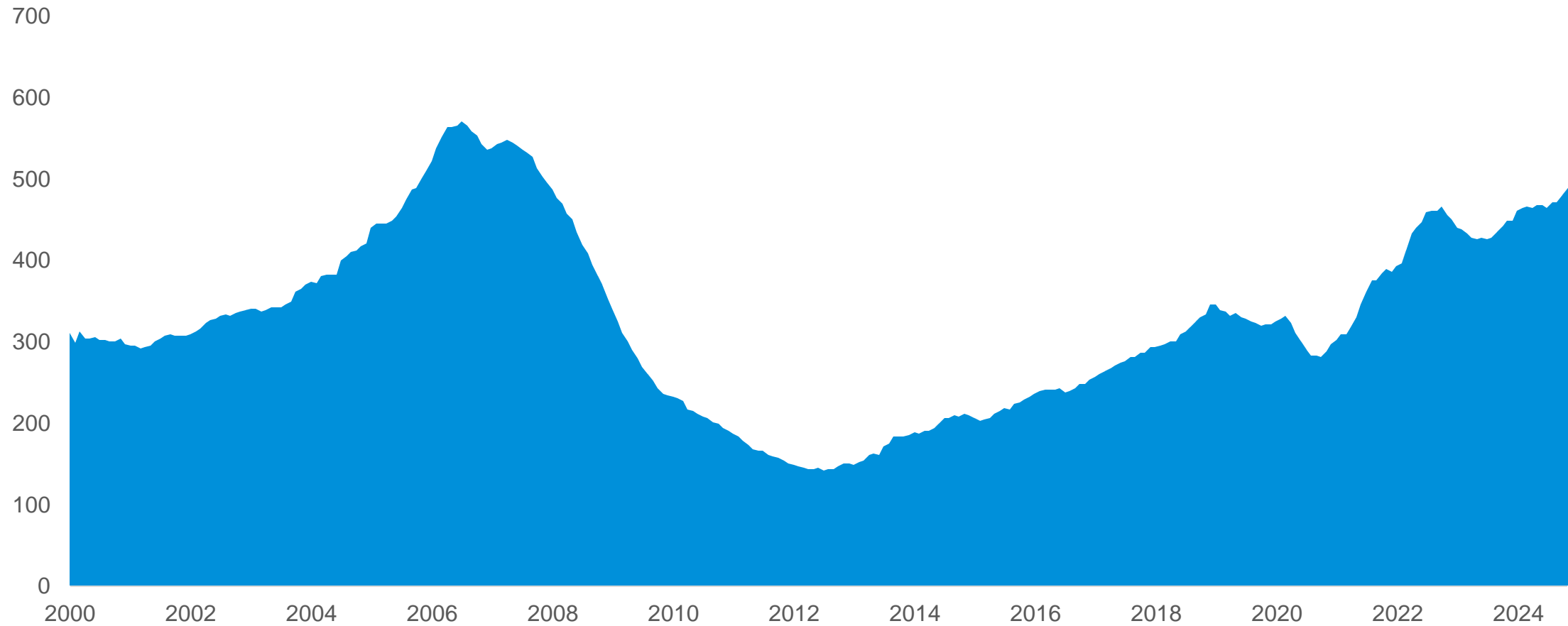
Homeowner Vacancy Rate, Census Bureau (All Unit Types)

	National	Northeast Region	Midwest Region	South Region	West Region
Q3 2024 Vacancy	1.0%	0.8%	0.7%	1.4%	0.8%
Average	1.8%	1.5%	1.8%	2.0%	1.6%
Difference	-0.8%	-0.7%	-1.1%	-0.6%	-0.8%

Note: Average is taken between the period of 2000 and Q3 2024  
Sources: MIM, Census Bureau. Data as of 3Q 2024.

# Elevated Levels of New Homes for Sale Will Put Some Upward Pressure on Vacancy

New Homes For Sale, Seasonally Adjusted



Sources: MIM, Census Bureau. Data as of November 2024.



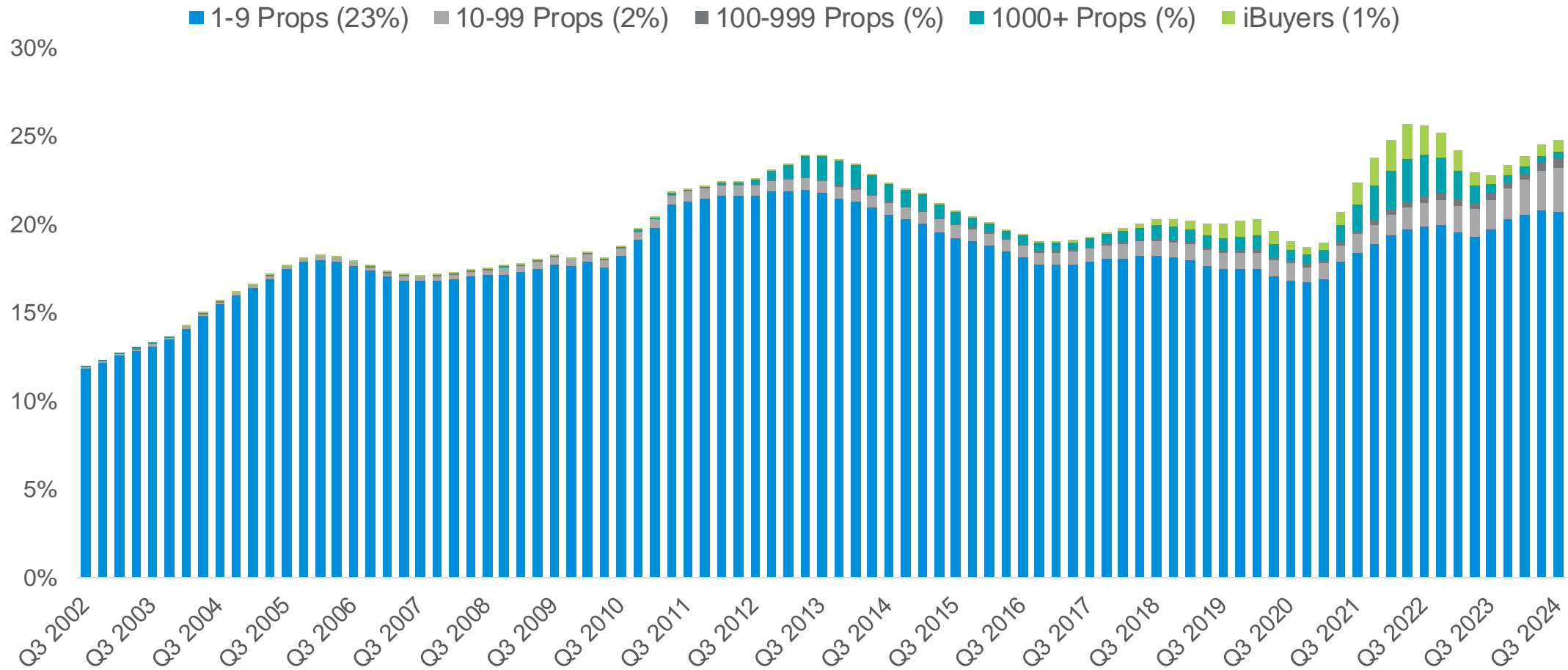


# Capital Markets



# Investor Share of Home Purchases has Been Picking Up, Driven by Smaller Buyers

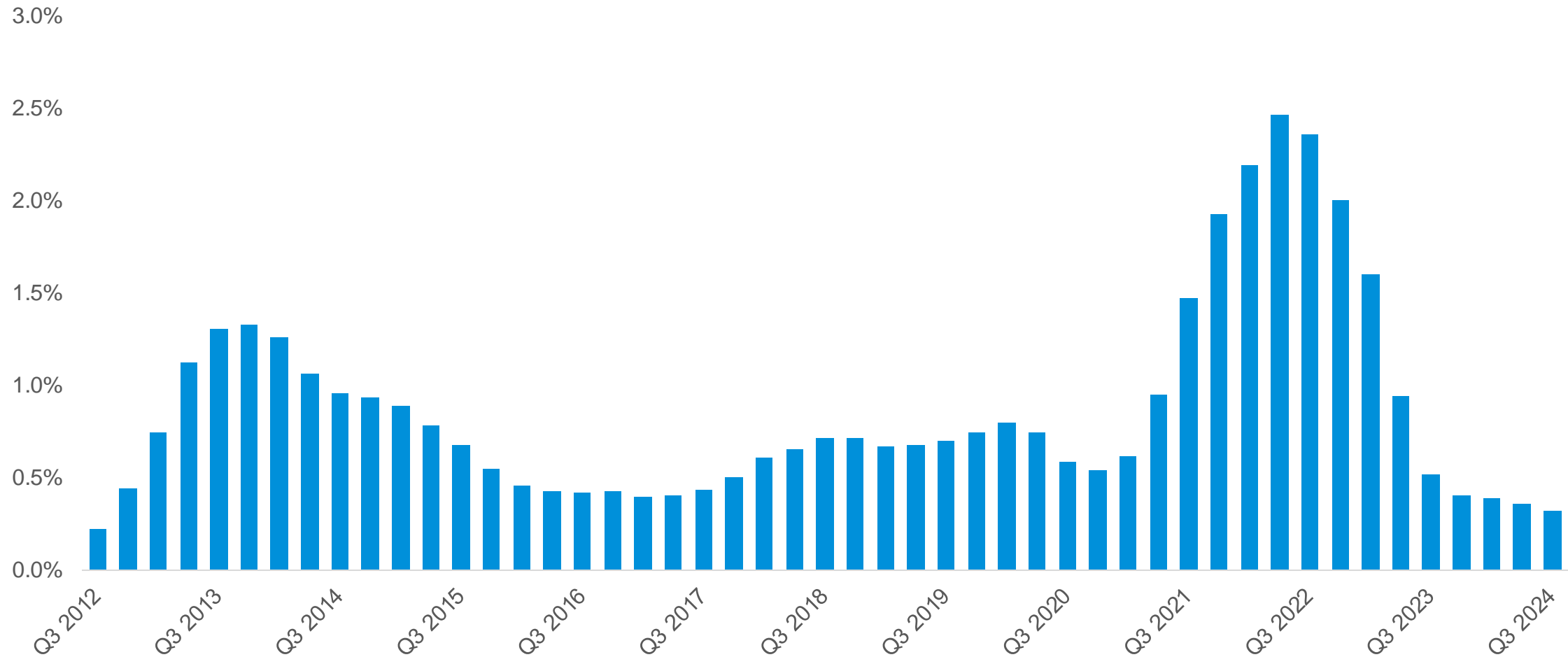
Investor Home Purchases Market Share (Trailing 12 Months), % of Total Purchases in Parentheses



Sources: MIM, John Burns Research and Consulting. Data as of 3Q 2024.

# Institutional Housing Acquisitions have Slumped

Market Share of Home Purchases by Landlords with 1,000+ Properties

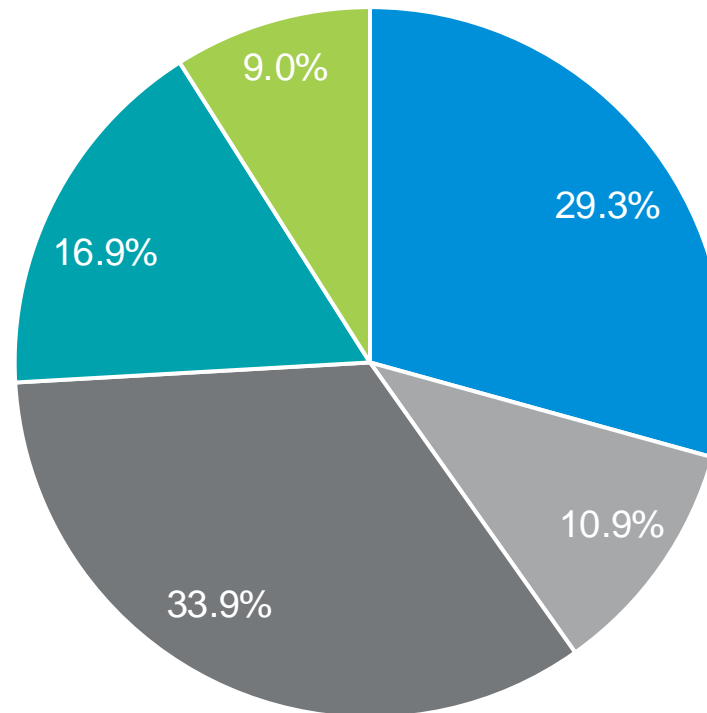


Sources: MIM, John Burns Research and Consulting. Data as of 3Q 2024.

# Residential is the Second Largest Allocation for Open-end Funds

ODCE Investor Allocation by Property Type

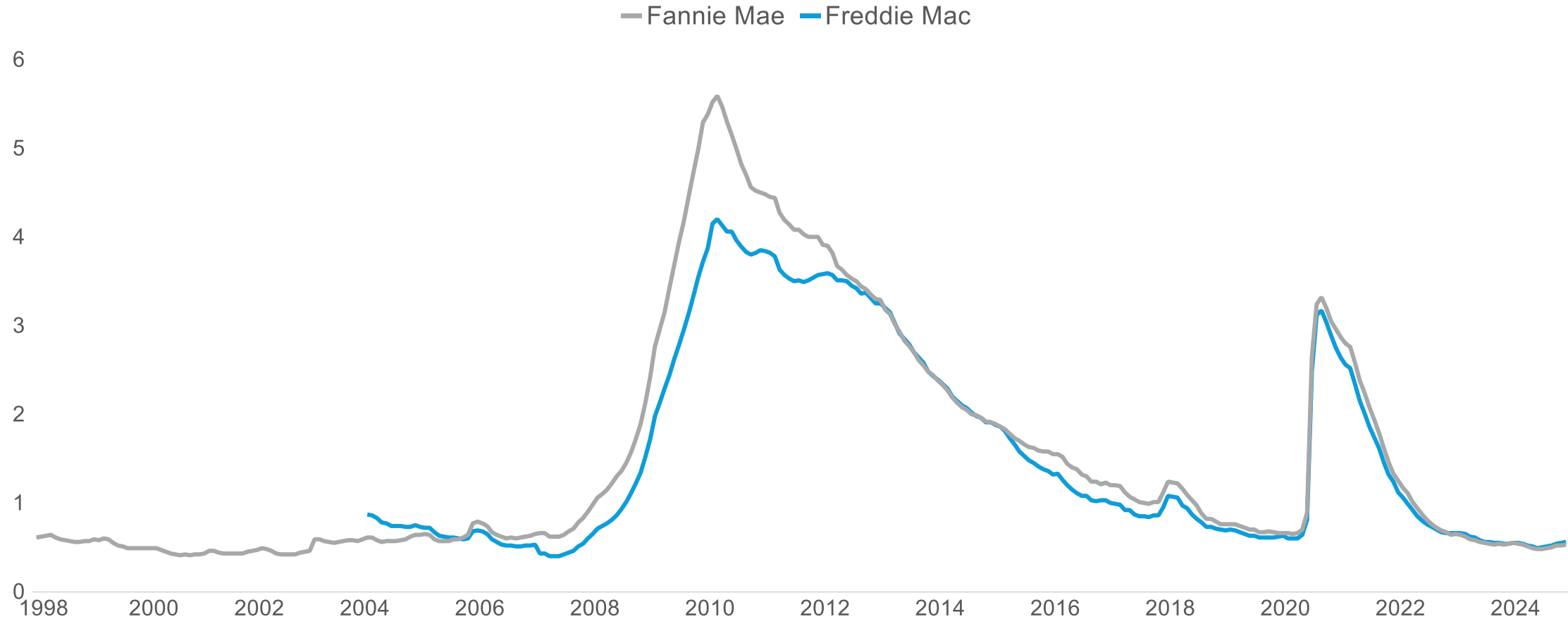
■ Residential ■ Retail ■ Industrial ■ Office ■ Other



Sources: MIM, NCREIF. Data as of 3Q 2024.

# Very Low Delinquency Rate for Residential Mortgages

Single-Family Delinquency Rates (Percent)



Sources: MIM, Freddie Mac, Federal National Mortgage Association (Fannie Mae). Data as of November 2024.



# Housing Formats

# Residential Property-Type Definitions

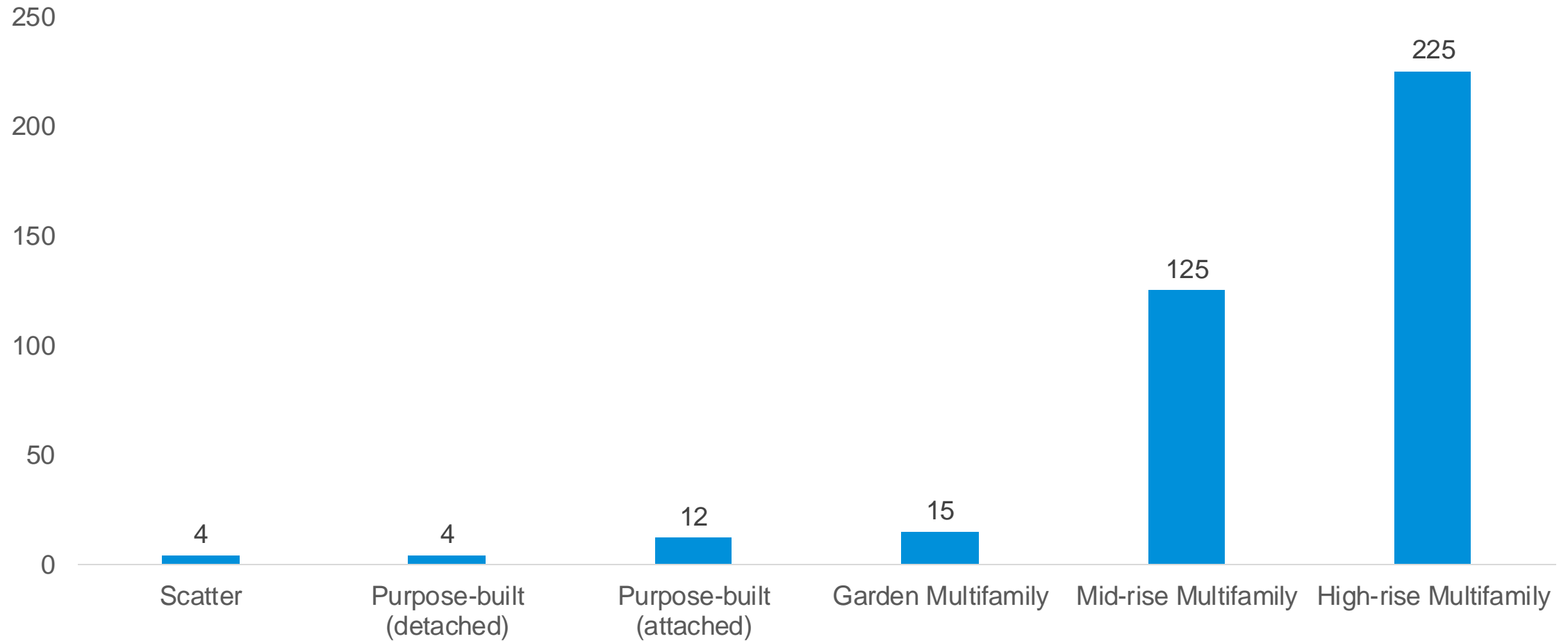
Type	Description
<b>Scatter</b>	Consists of aggregated single-family homes originally built for sale that are uniformly branded, professionally managed, and use a master leasing and operating platform, but are not part of a single community. 1,250+ SF units.
<b>Purpose-built (detached)</b>	Contiguous communities that typically offer the largest and individually platted homes, usually containing three or more bedrooms and dedicated garages. Also referred to as "built-to-rent". 1,250+ SF units.
<b>Purpose-built (attached)</b>	Similar to Purpose-built (detached) in that these homes are non-stacked but may vary more in scale or density and have one or more shared walls. Sometimes referred to as "horizontal multifamily", "townhomes", or "cottages", Built-for-rent attached homes typically have fewer bedrooms than detached style communities or scattered homes, and less access to yards or individual garages. 1,000+ SF units.
<b>Garden Multifamily</b>	Typically no more than four stories high, with multiple apartments per story, and landscaped grounds surrounding them. 800-1,000 SF units.
<b>Mid-rise Multifamily</b>	Also referred to in some regions as "wrap" product for the configuration of a building wrapped around a pool or courtyard, Mid-rise multifamily is typically 5-10 stories on 2 to 10 acres with average units of 2 bedrooms or less . Less than 900 SF on average.
<b>High-rise Multifamily</b>	Typically 10 stories or higher on less than 3 acres with higher price points and average units of 2 bedrooms or less. Less than 800 SF on average.

Sources: MIM, NCREIF. Data as of 3Q 2024.



# Purpose-built BTR Can Have Similar Density as Garden Multifamily

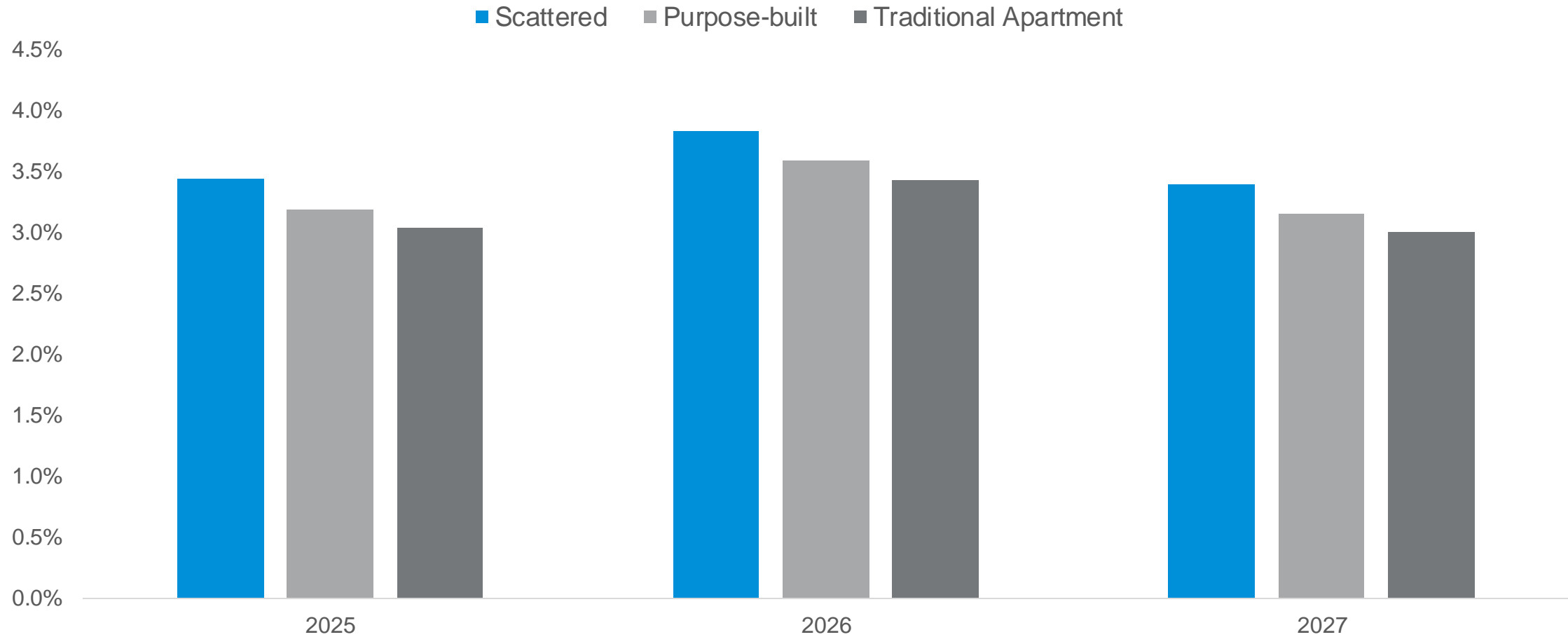
Residential Property Type Density (Units Per Acre)



Sources: MIM, NCREIF. Data as of 3Q 2024.

# Scattered SFR Expected to Have Stronger Rent Growth Over Next 3 Years

Rent Growth Forecast by Residential Type



Sources: MIM, NCREIF. Data as of 3Q 2024.

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<sup>1</sup> As of July 22, 2024, subsidiaries of MetLife, Inc. that provide investment management services to MetLife’s general account, separate accounts and/or unaffiliated/third party investors include Metropolitan Life Insurance Company, MetLife Investment Management, LLC, MetLife Investment Management Limited, MetLife Investments Limited, MetLife Investments Asia Limited, MetLife Latin America Asesorias e Inversões Limitada, MetLife Investment Management Japan, Ltd., MIM ILLC, MetLife Investment Management Europe Limited and Affirmative Investment Management Partners Limited

<sup>2</sup> Source: Pensions & Investments Managers Ranked by Total Worldwide Institutional Assets Under Management as of December 31, 2023.

