

WHAT YOU NEED TO KNOW FOR THE NEXT RECESSION

Impact of the Next Recession on Residential Real Estate Markets

NEW HOME SALES PRICE & NEW HOME SALES VOLUME

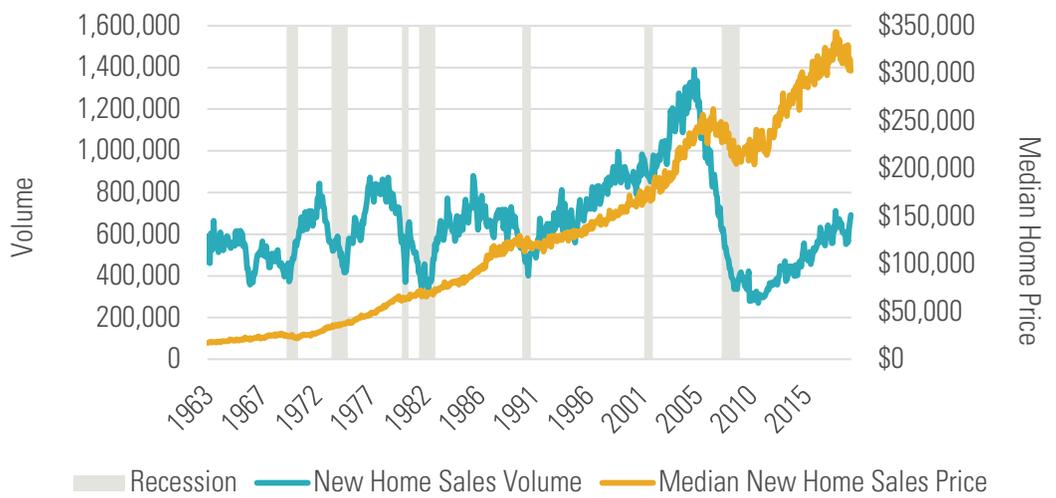
Some of the biggest recessionary impacts for real estate are on new home sales pricing and volume. The chart below illustrates the trends over the past seven recessions.

-17.71%

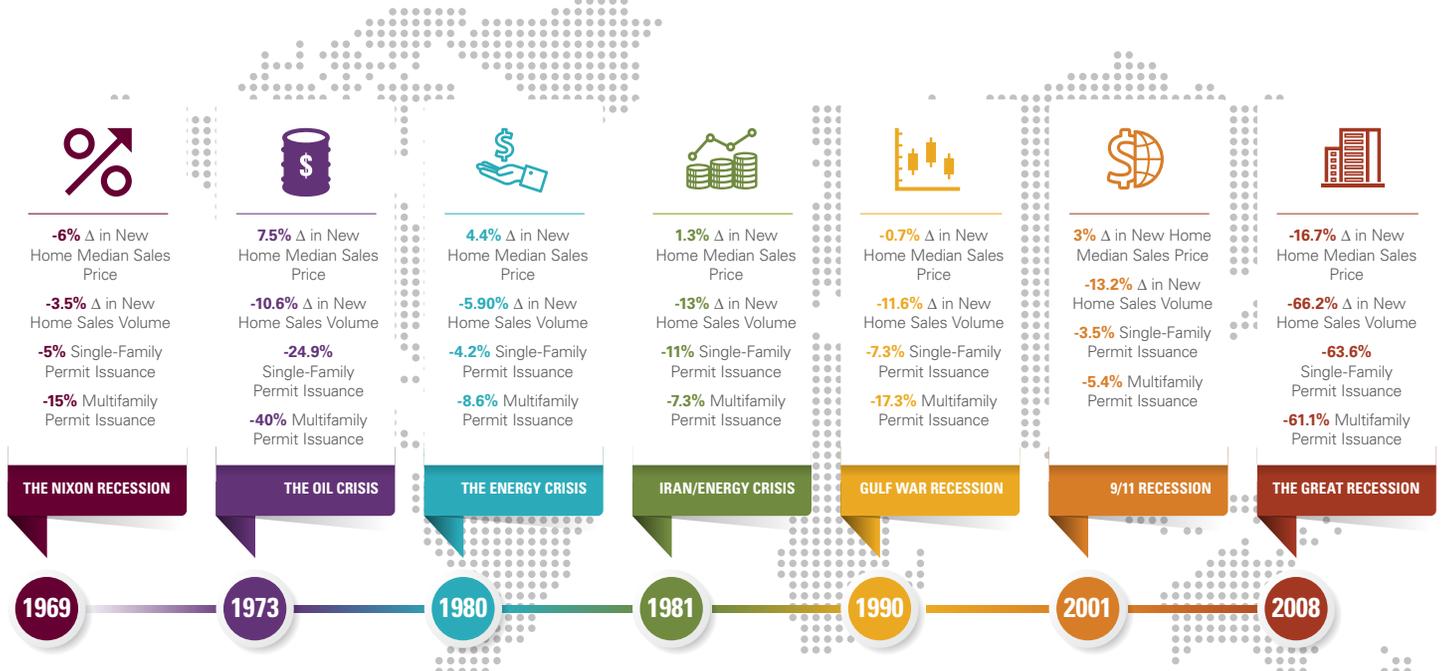
Average change in new home sales volume in first year of last seven recessions

-1.03%

Average change in new home median sales price in first year of last seven recessionary periods



REAL ESTATE MARKETS IN FIRST YEAR OF PAST RECESSIONS



FACTORS INFLUENCING THE NEXT RECESSION

35%

Median home price increase from March 2010 to March 2019
(Versus 43% median home price increase in run-up to 2008 recession)

3.6%

National unemployment rate as of April 2019
(Versus 5.0% national unemployment rate as of December 2007)

9.7%

Decrease in median new home price from March 2018 to March 2019, slightly improving affordability

4.21%

Historically low 30-year fixed mortgage interest rate
(As of 5/20/2019)

HOUSING SUPPLY

An overheated housing market in the years prior to an economic downturn can contribute to the severity of the recession's impact on the economy overall and housing in particular.



12.2 months of supply in January 2009 (The Great Recession)



11.6 months of supply heading into The Energy Crisis recession



6 month supply of housing as of April 2019

RCLCO
REAL ESTATE ADVISORS

Contact us to learn how RCLCO can help you prepare for the next recession!

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