

COSCON

ECONOMIC & HOUSING ASSESSMENT

FACT OR FICTION?

**APPLIED
ANALYSIS**




Brian Gordon, Principal

HOW WELL DO YOU KNOW THE ECONOMY?



**THE NATIONAL ECONOMY
IS CURRENTLY IN
A RECESSION.**

 **FACT**

 **FICTION**

67%

Of people believe the United States is in a recession...

The last recession was in 2020


Source: The Guardian.

28%

Of economists believe the United States will be in a recession in the next 12 months.

Source: WSJ.

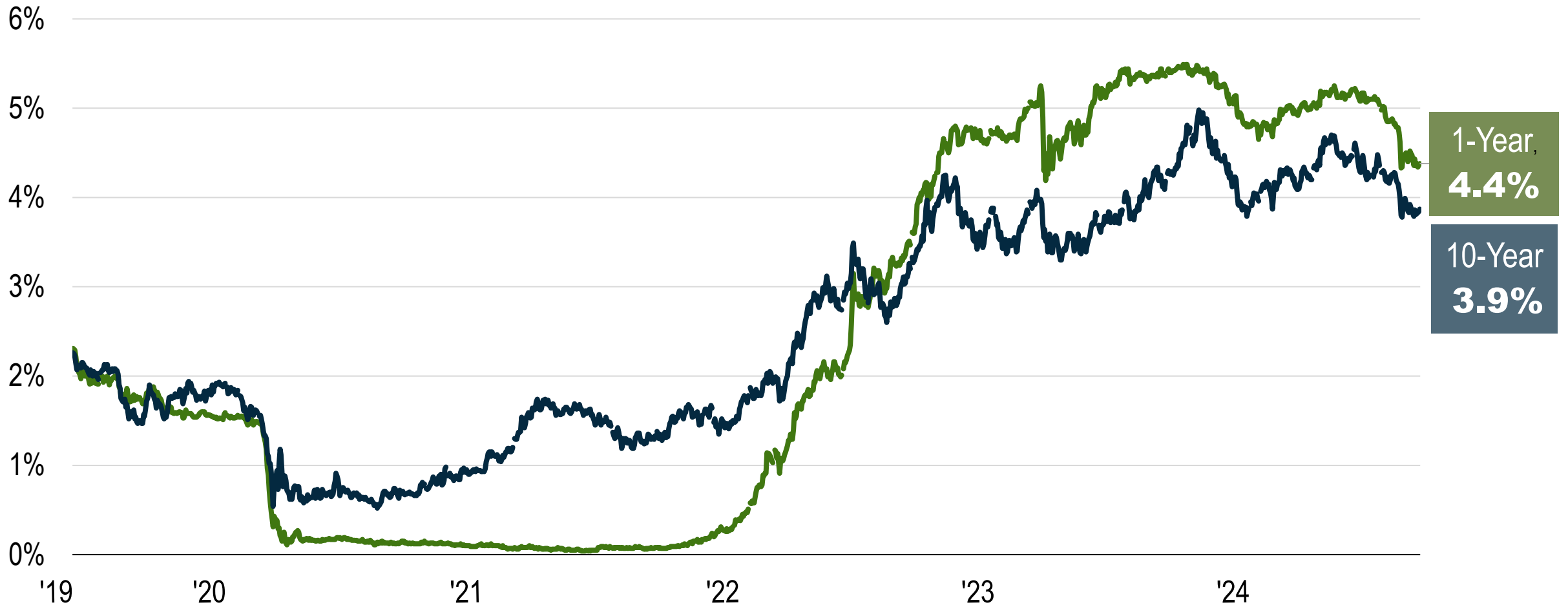
WHEN SHORT-TERM INTEREST RATES ARE HIGHER THAN LONG-TERM INTEREST RATES, THIS IS A PERFECT INDICATOR OF A RECESSION.

 **FACT**

 **FICTION**

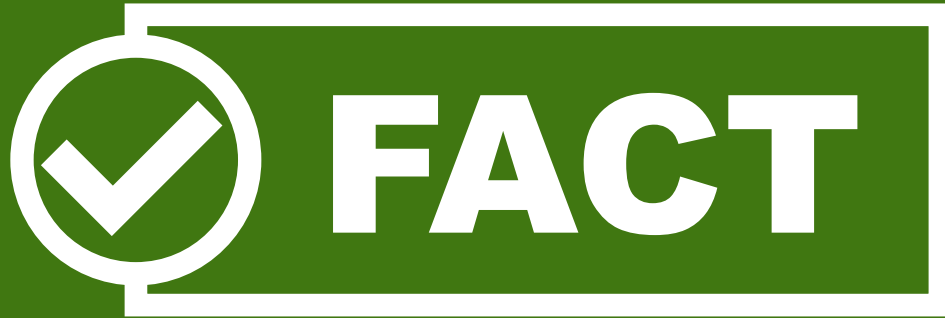
Treasury Yields

United States

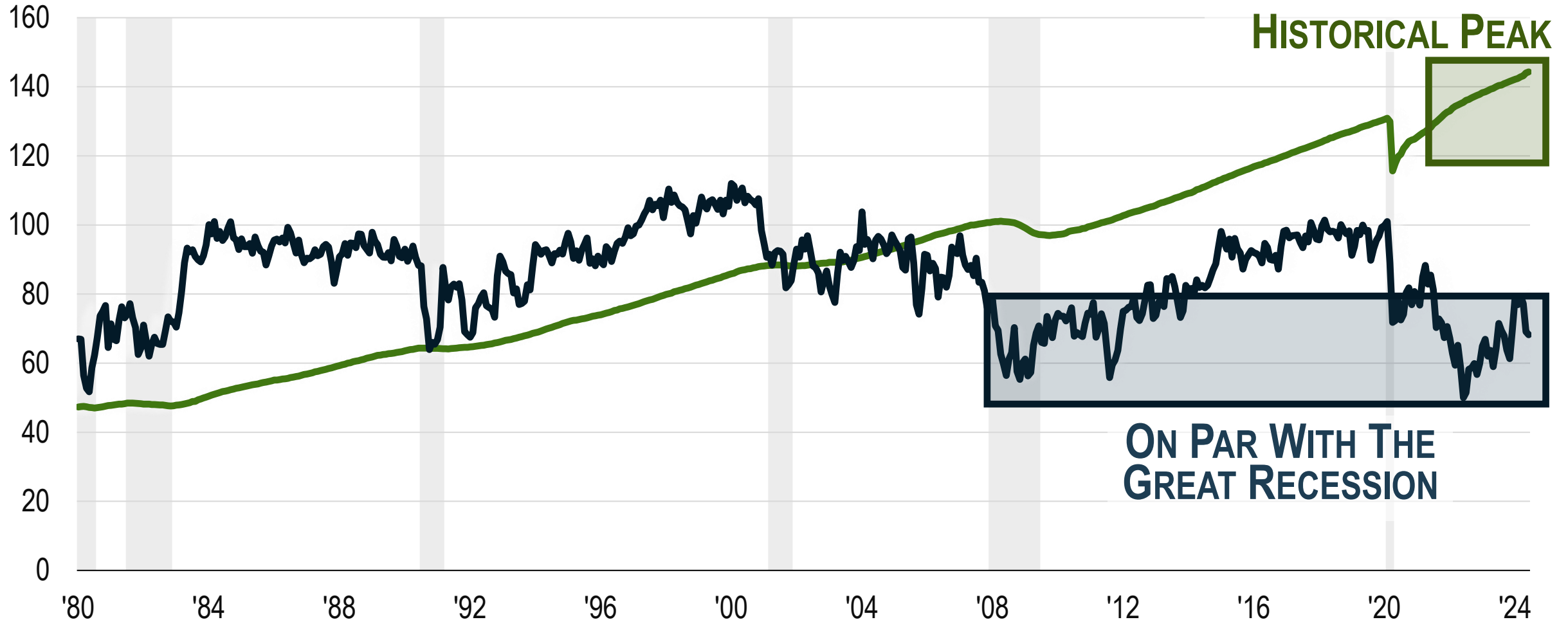


Source: Board of Governors of the Federal Reserve System.

**THE NATIONAL ECONOMY
IS PERFORMING AT AN
ALL-TIME HIGH.**

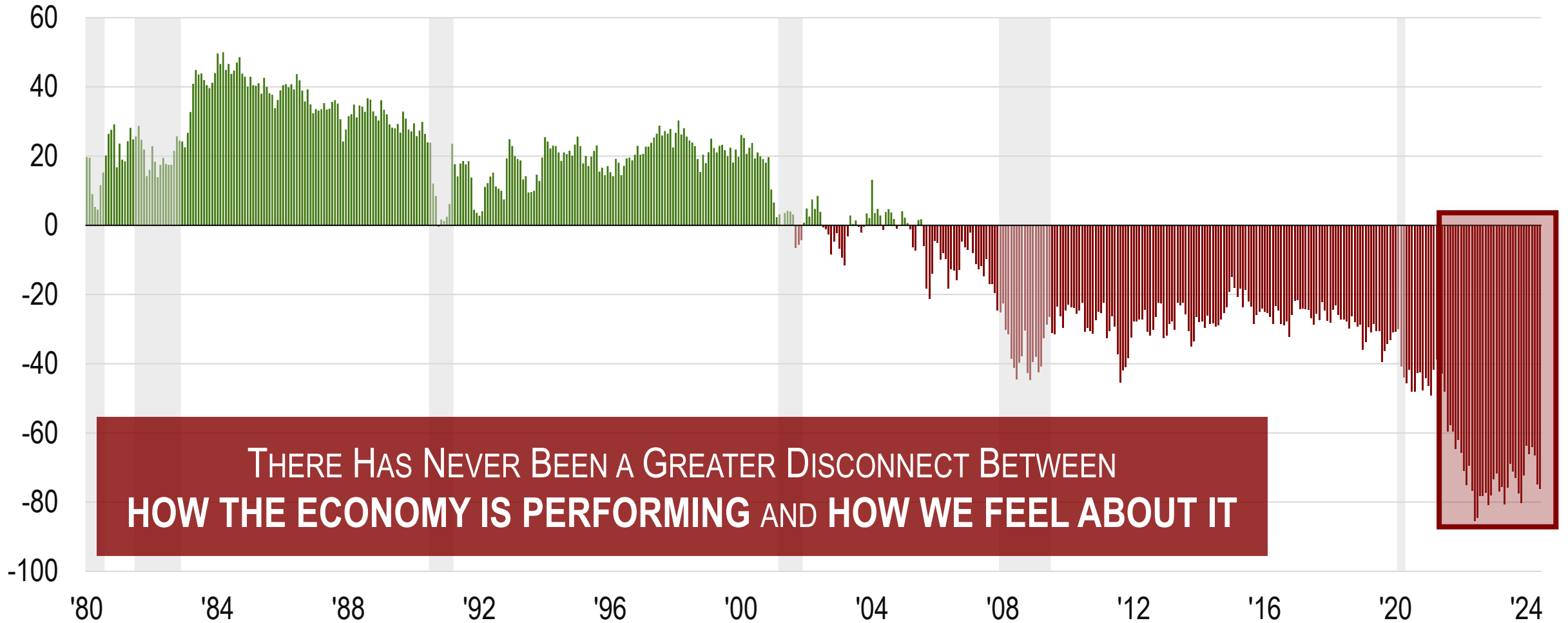


Coincident Economic Activity Index vs. Consumer Sentiment



Source: Federal Reserve Bank of Philadelphia; University of Michigan

Coincident Economic Activity Index vs. Consumer Sentiment Variance



THERE HAS NEVER BEEN A GREATER DISCONNECT BETWEEN HOW THE ECONOMY IS PERFORMING AND HOW WE FEEL ABOUT IT

Source: Federal Reserve Bank of Philadelphia; University of Michigan



WHY?

NEWS

NEWS ARTICLES EACH DAY



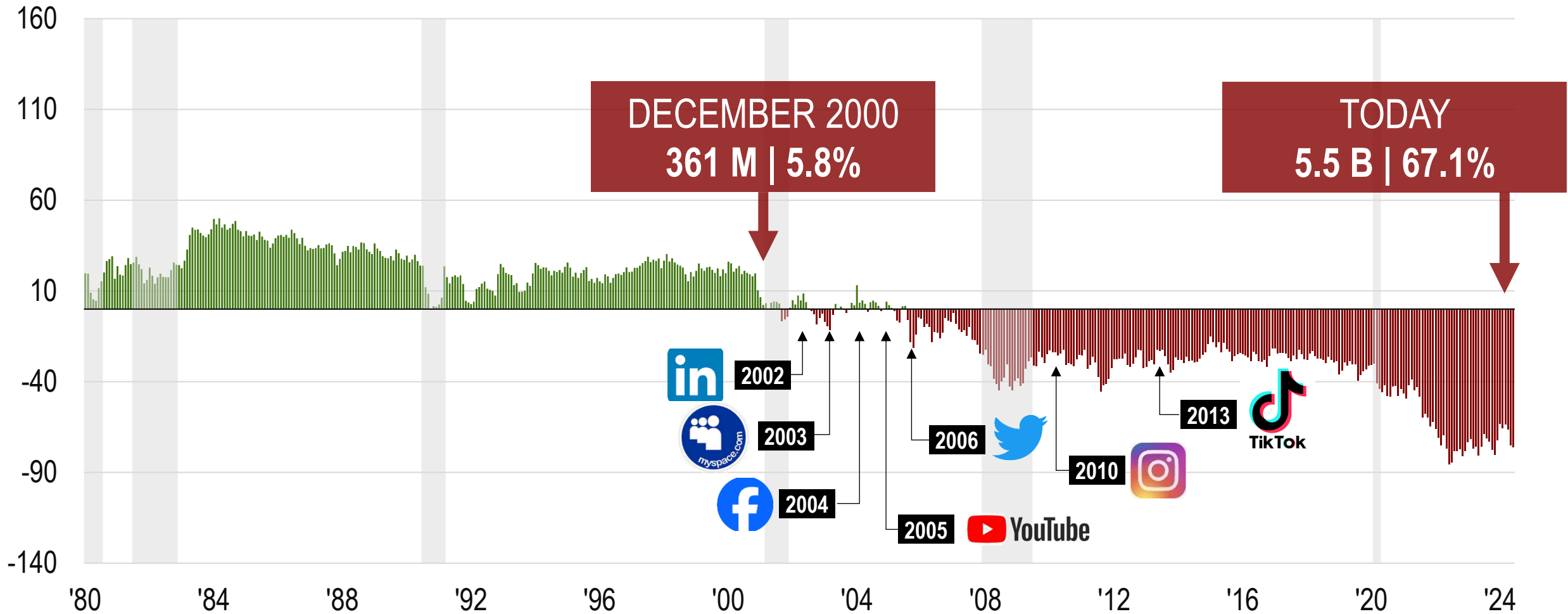
“

**IF IT BLEEDS,
IT LEADS.**

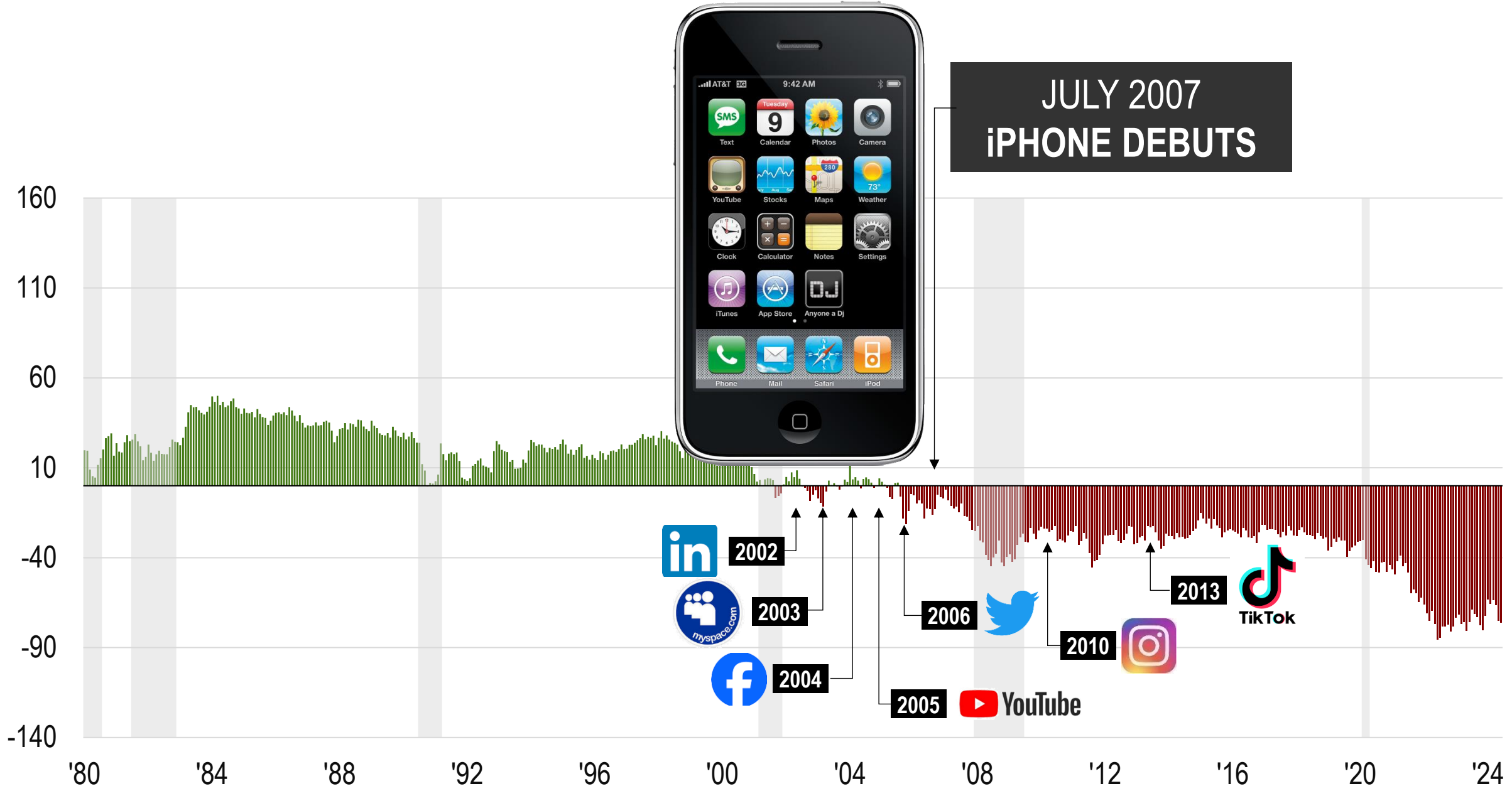
– WILLIAM RANDOLPH HEARST

”

Coincident Economic Activity Index vs. Consumer Sentiment Variance



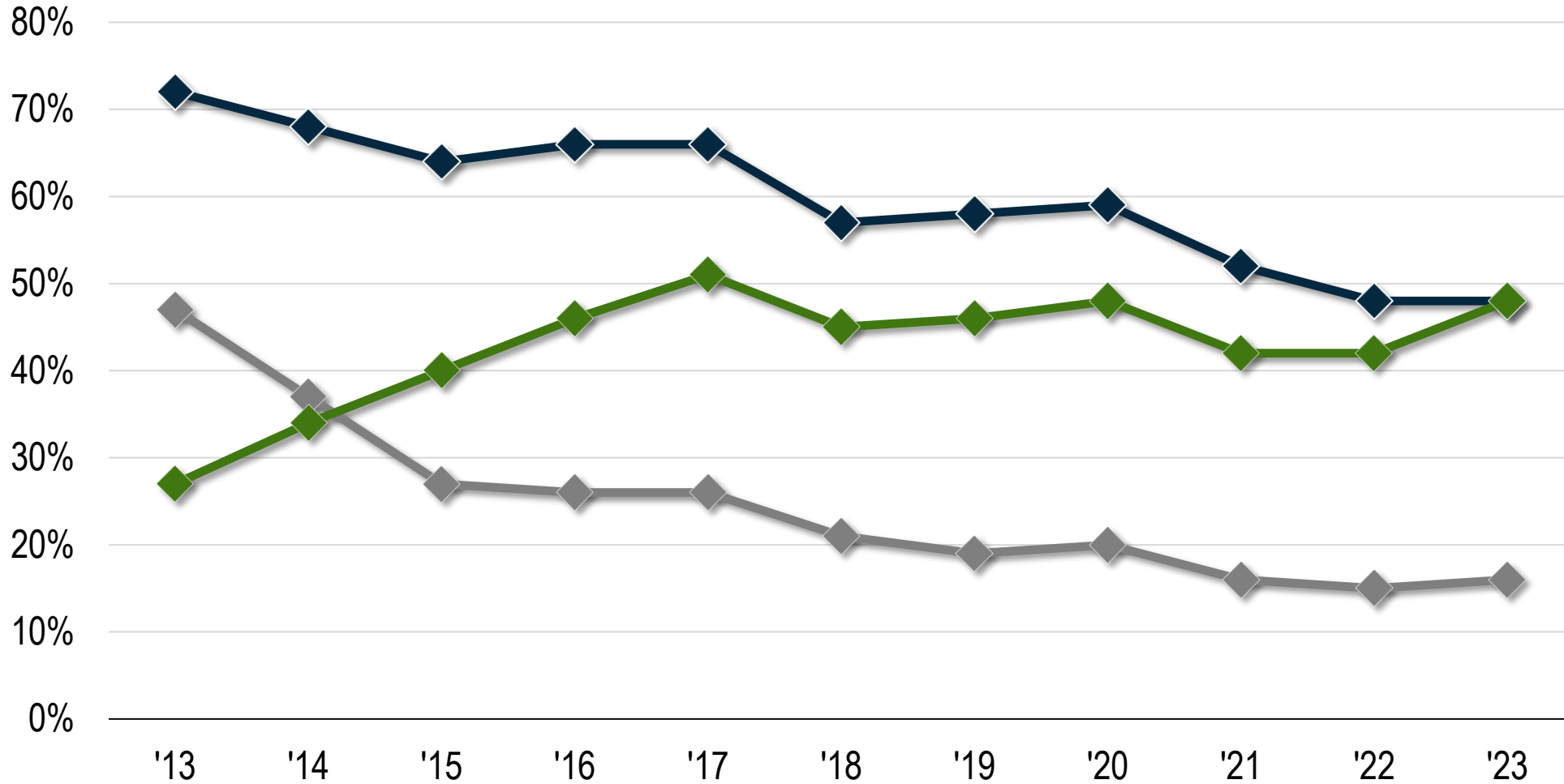
Source: Federal Reserve Bank of Philadelphia; University of Michigan



Source: Federal Reserve Bank of Philadelphia; University of Michigan

Sources of News

United States



Social Media
48%



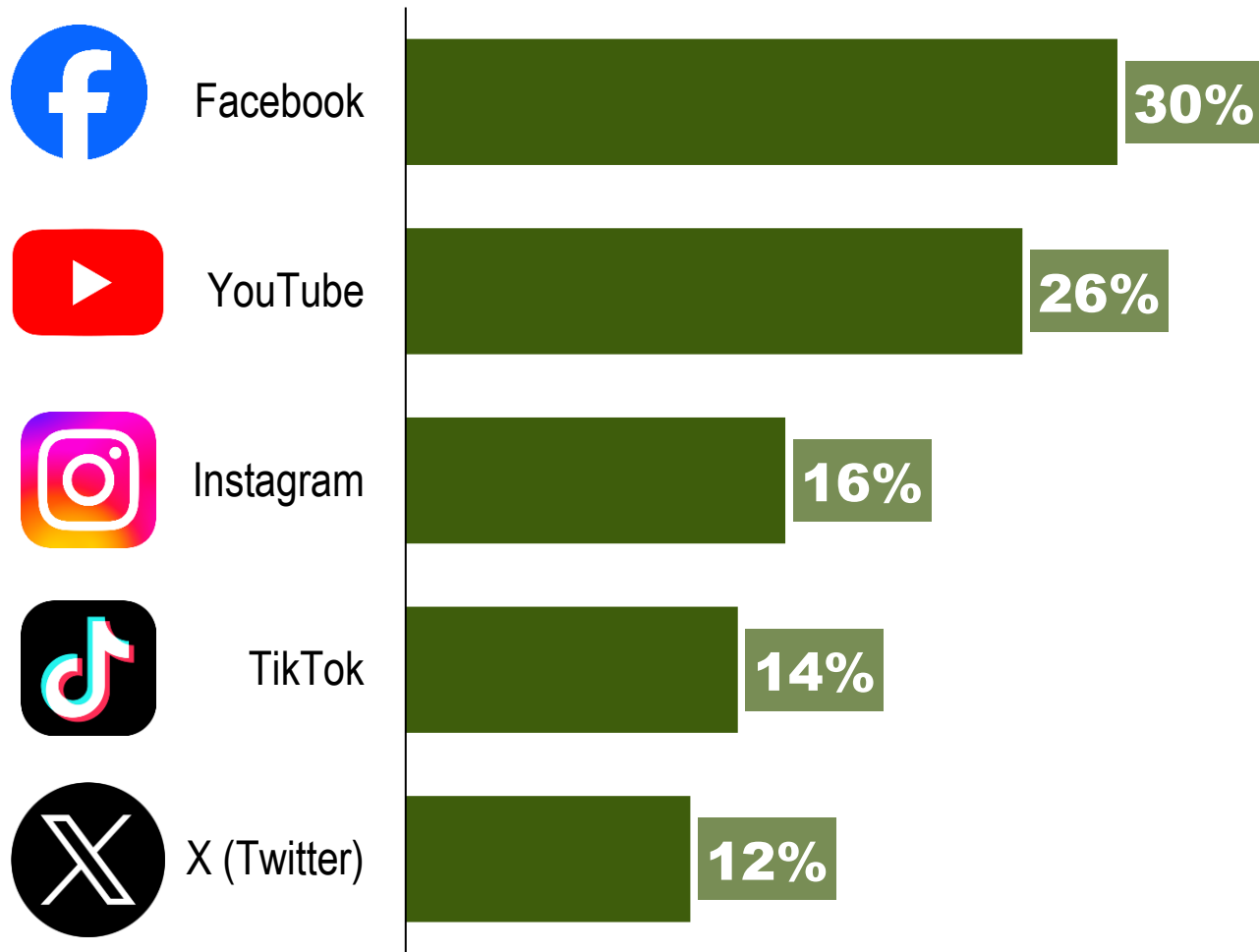
Television
48%



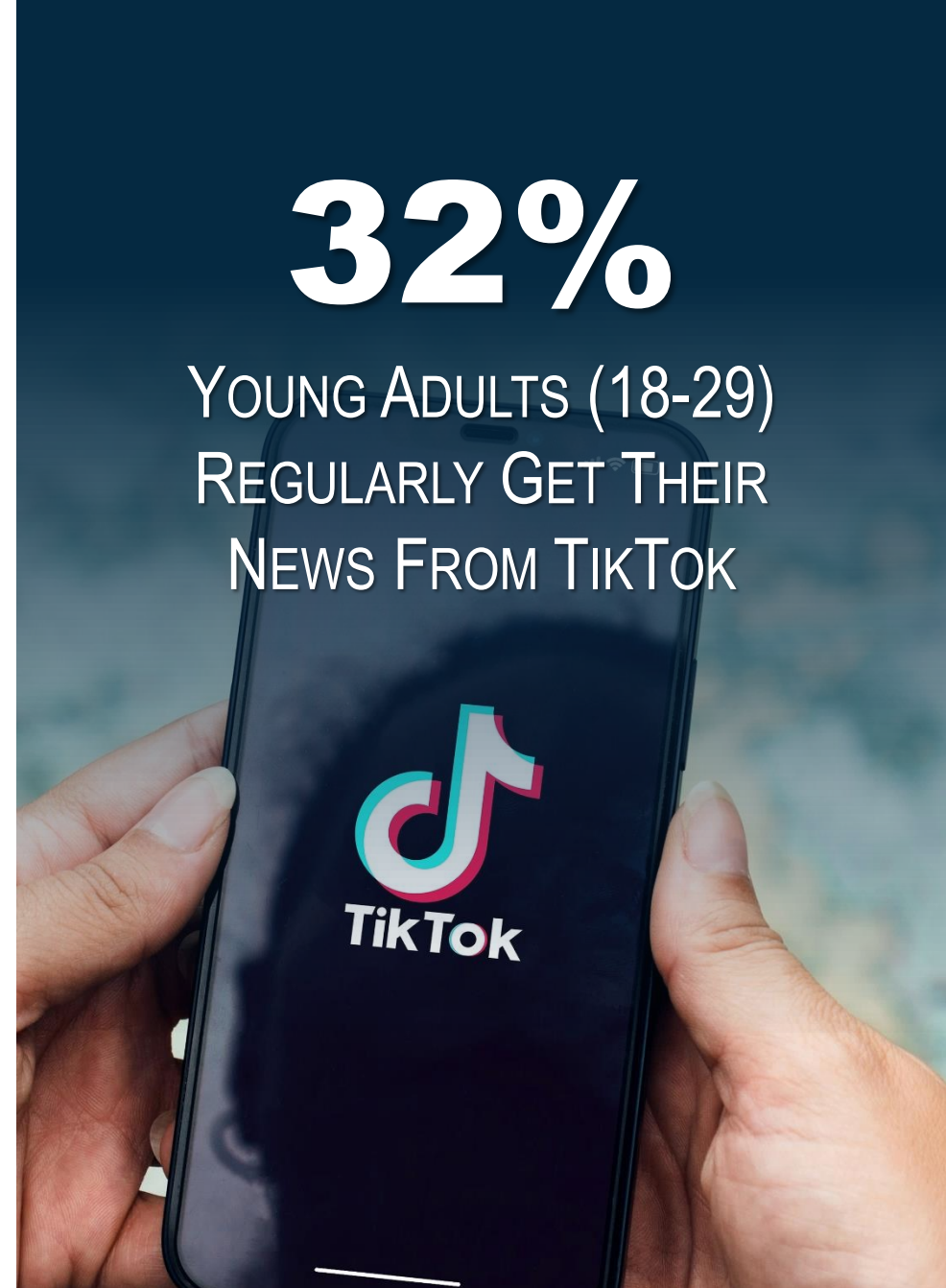
Print
16%

Source: University of Oxford and Reuters Institute

Share of Adults Who Regularly Get News On Each Social Media Site



Source: Pew Research Center



32%

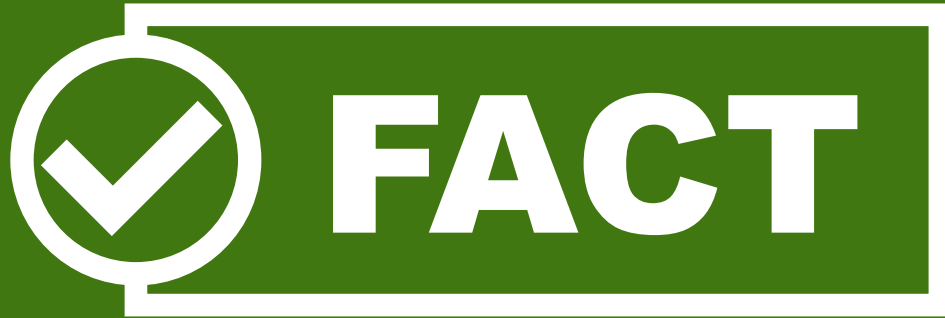
YOUNG ADULTS (18-29)
REGULARLY GET THEIR
NEWS FROM TIKTOK

TIME

Is It Bad for You to Read the News Constantly?

More than half of Americans say the news causes them stress, and many report feeling anxiety, fatigue or sleep loss as a result. Yet one in 10 adults checks the news every hour, and fully 20% of Americans report “constantly” monitoring their social media feeds.

**THE MOST IMPORTANT NATIONAL
ECONOMIC INDICATORS ARE
TRACKING AHEAD OF A YEAR AGO.**

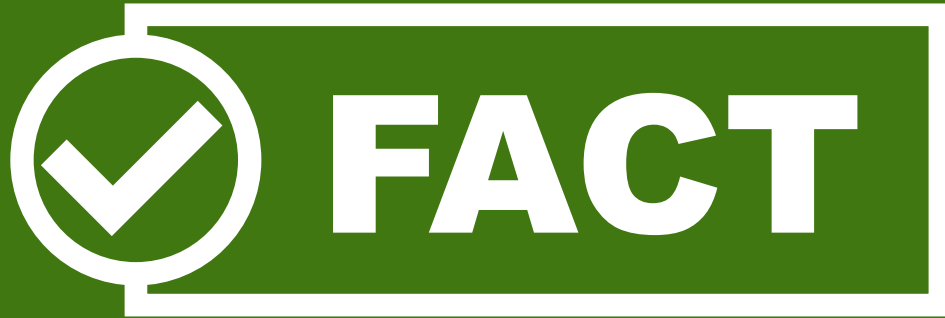


Economic Performance Indicators

Indicator	Current Period	Current Value	Prior Year Value	Percent Change	
Real Gross Domestic Product	Q2 '24	\$22,919 B	\$22,225 B	3.1%	▲
Unemployment Rate ^[1]	Jul '24	3.9%	3.6%	0.3 pts.	▲
Real Wage and Salary Growth	Jun '24	3.9%	4.7%	(0.8 pts.)	▼
Producer Price Index	Jul '24	257.7	253.8	1.5%	▲
Retail Sales ^[1]	Jul '24	\$8.4 T	\$8.2 T	3.3%	▲
Industrial Production ^[1]	Jul '24	102.8	102.9	(0.1%)	▼
Housing Starts	Jul '24	1.24 M	1.47 M	(15.6%)	▼
Building Permits	Jul '24	1.40 M	1.50 M	(6.7%)	▼
Balance of Trade	Jun '24	(\$73,109 B)	(\$64,806 B)	12.8%	▼
Value of U.S. Dollar	Jul '24	123.9	118.2	3.3%	▲
Corporate Profits After Tax	Q1 '24	\$3,168 B	\$2,881 B	10.0%	▲

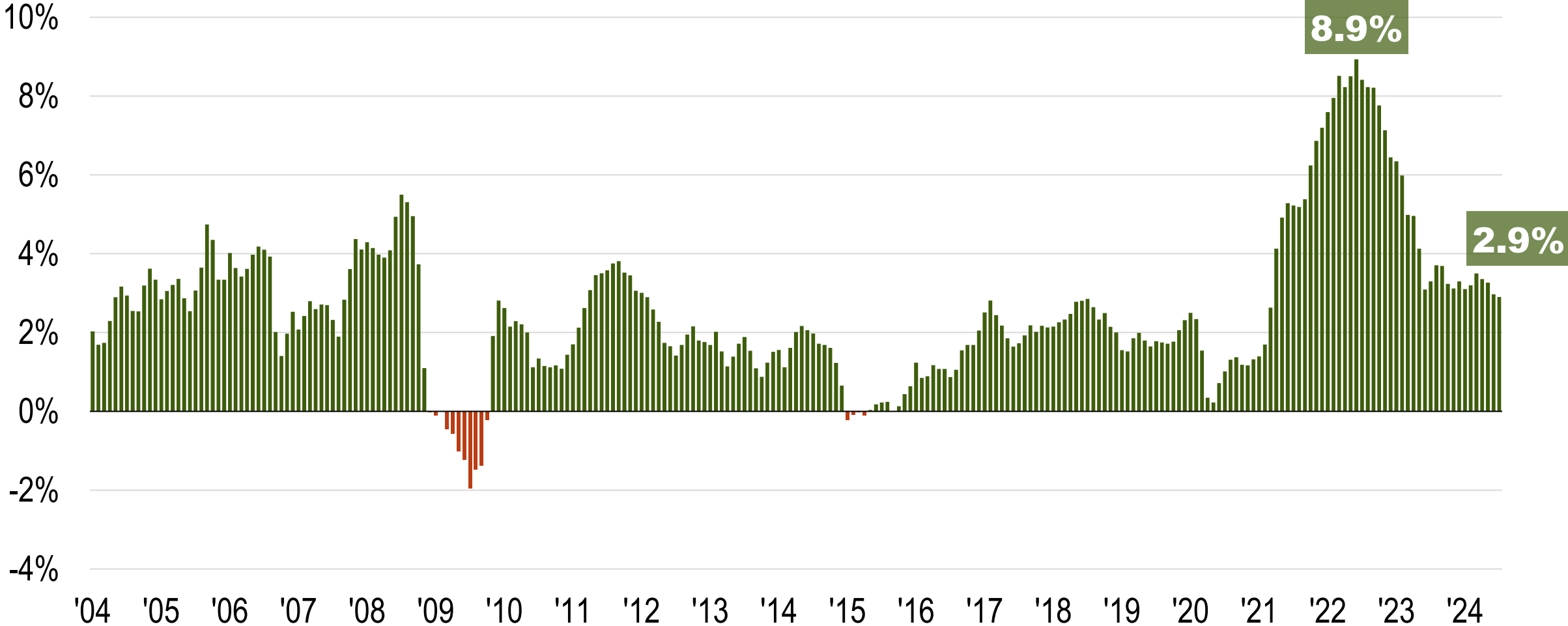
[1] Trailing 12-month value.

**PRICES FOR GOODS
AND SERVICES ARE
FINALLY DECLINING.**



Consumer Price Index

Year-Over-Year Growth



Source: U.S. Bureau of Labor Statistics

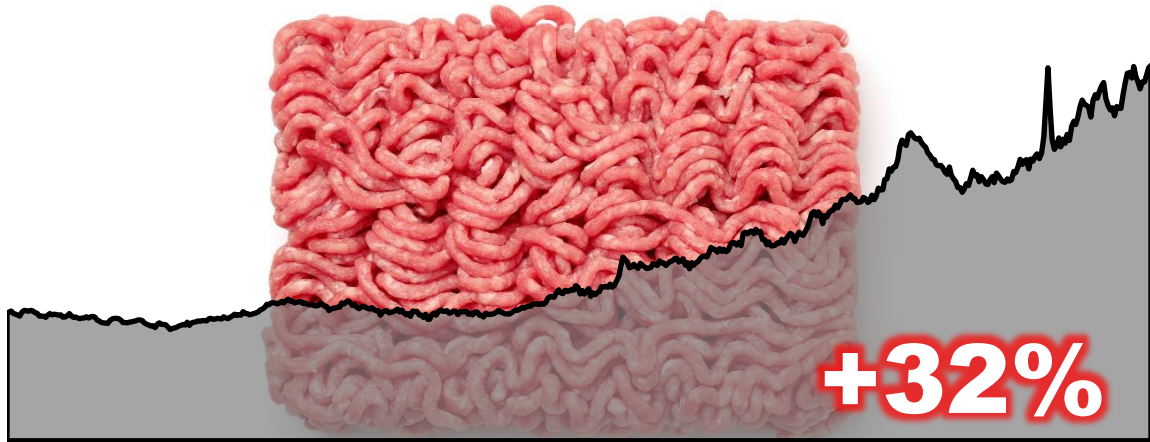
Bread



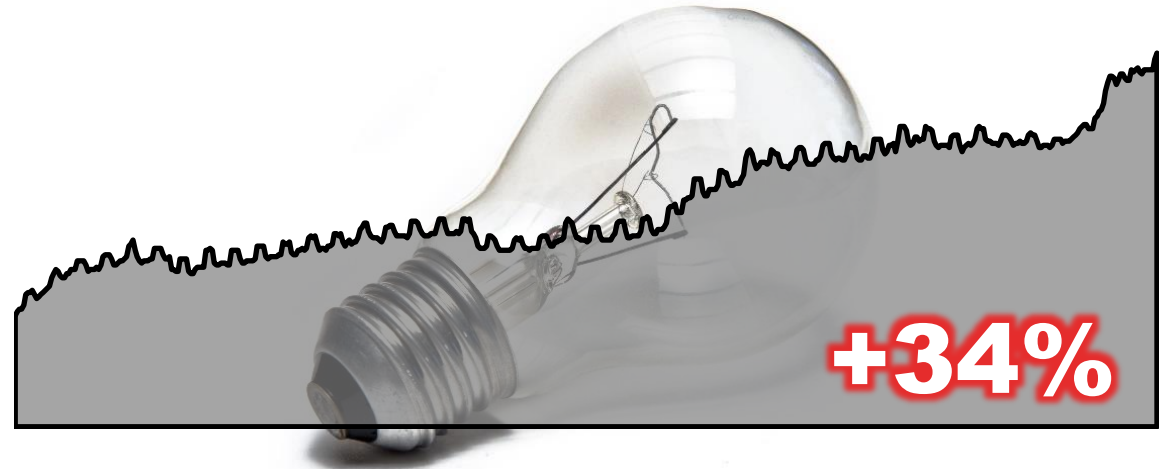
Eggs



Ground Beef

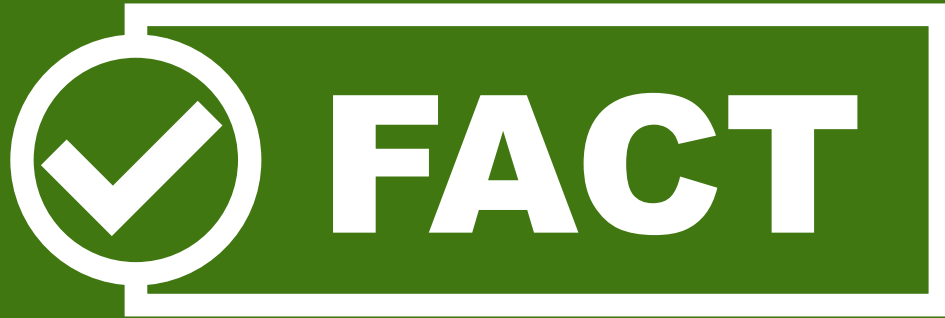


Electricity



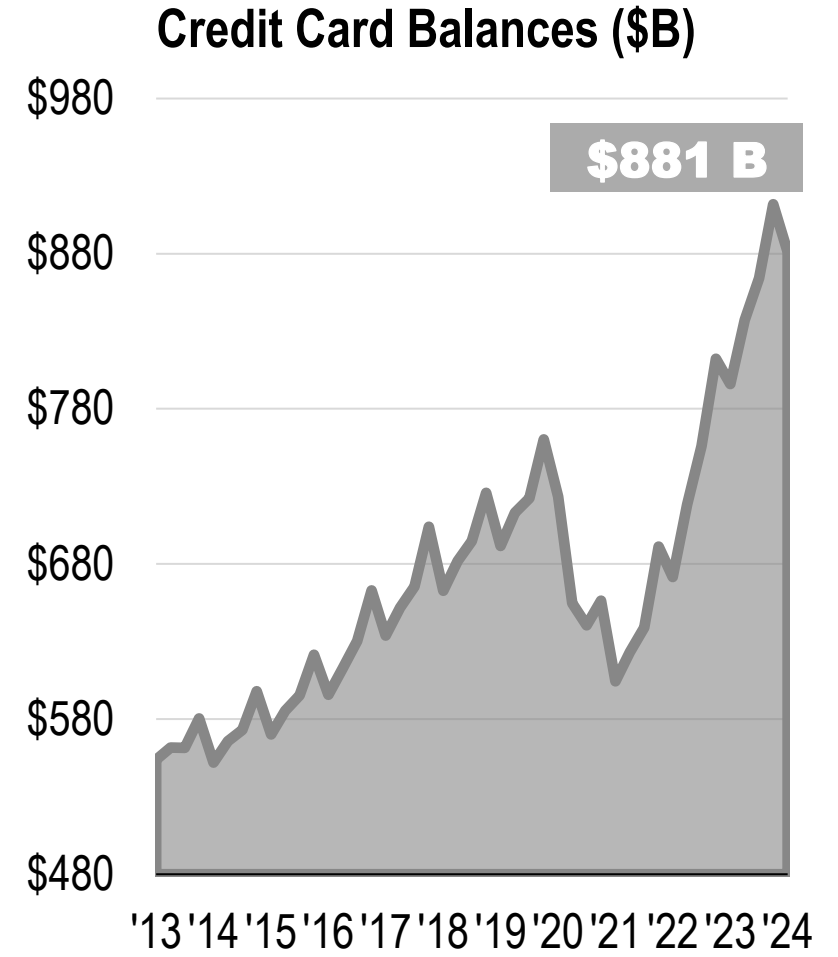
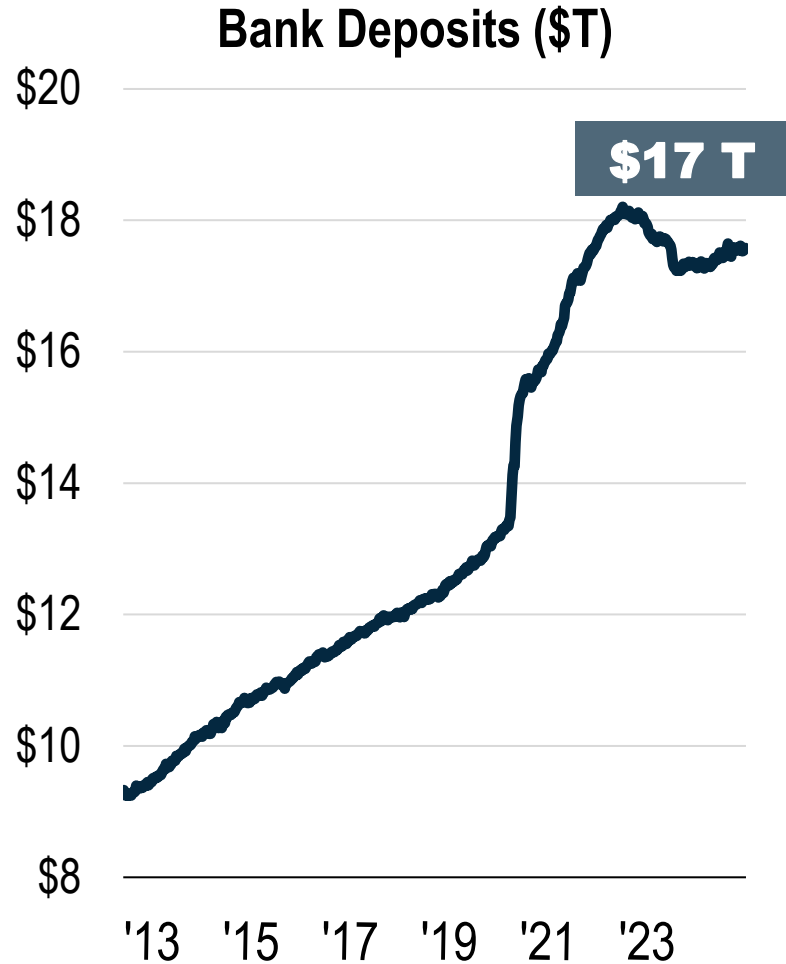
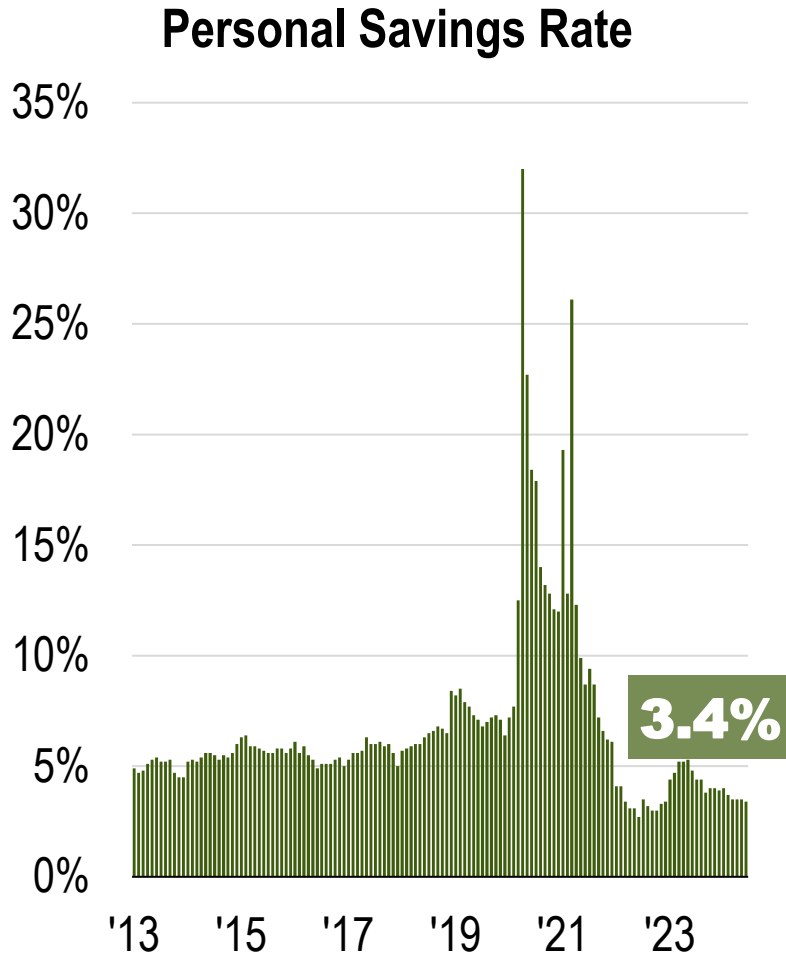
Source: U.S. Bureau of Labor Statistics. Note: From 1980 to 2024.

**PERSONAL SAVINGS ARE NEAR THE
LOWEST LEVEL IN MORE THAN
A QUARTER CENTURY.**



Consumer Banking Habits

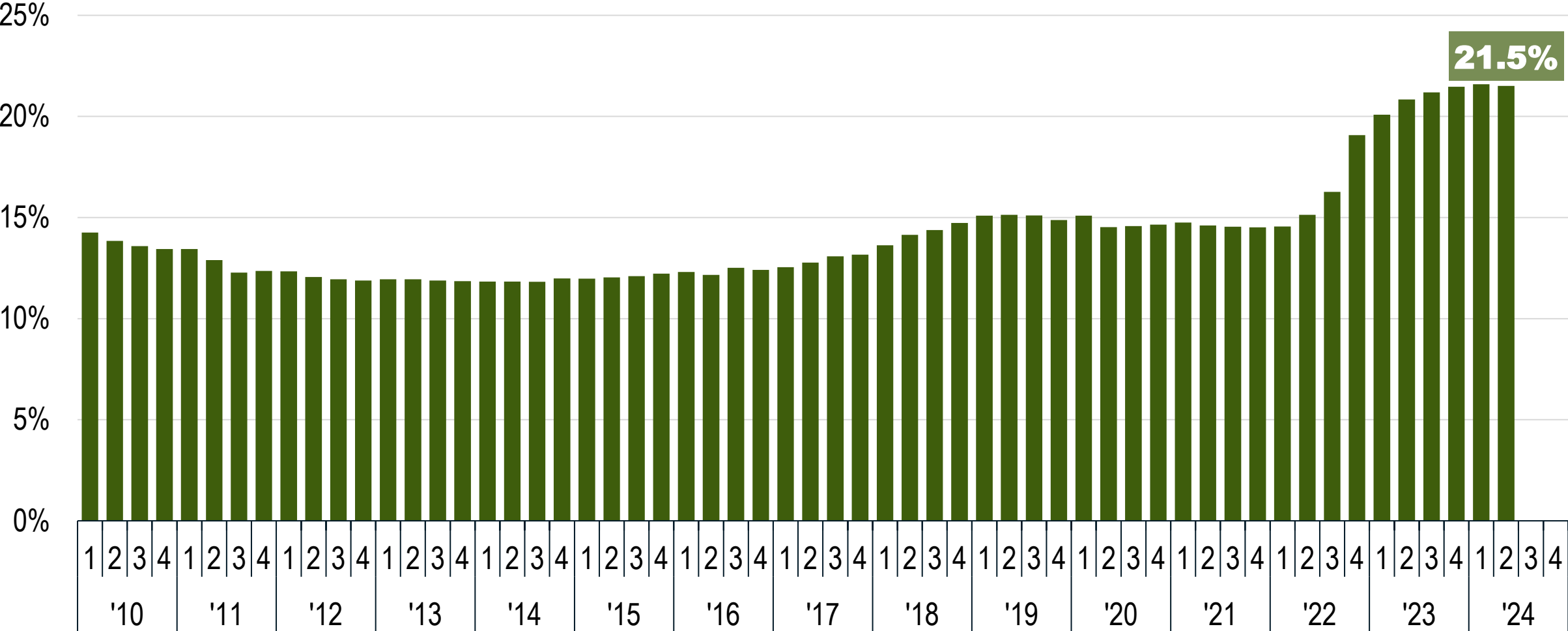
United States



Source: Board of Governors of the Federal Reserve System; Federal Reserve Bank of Philadelphia.

Credit Card Interest Rate

All Accounts

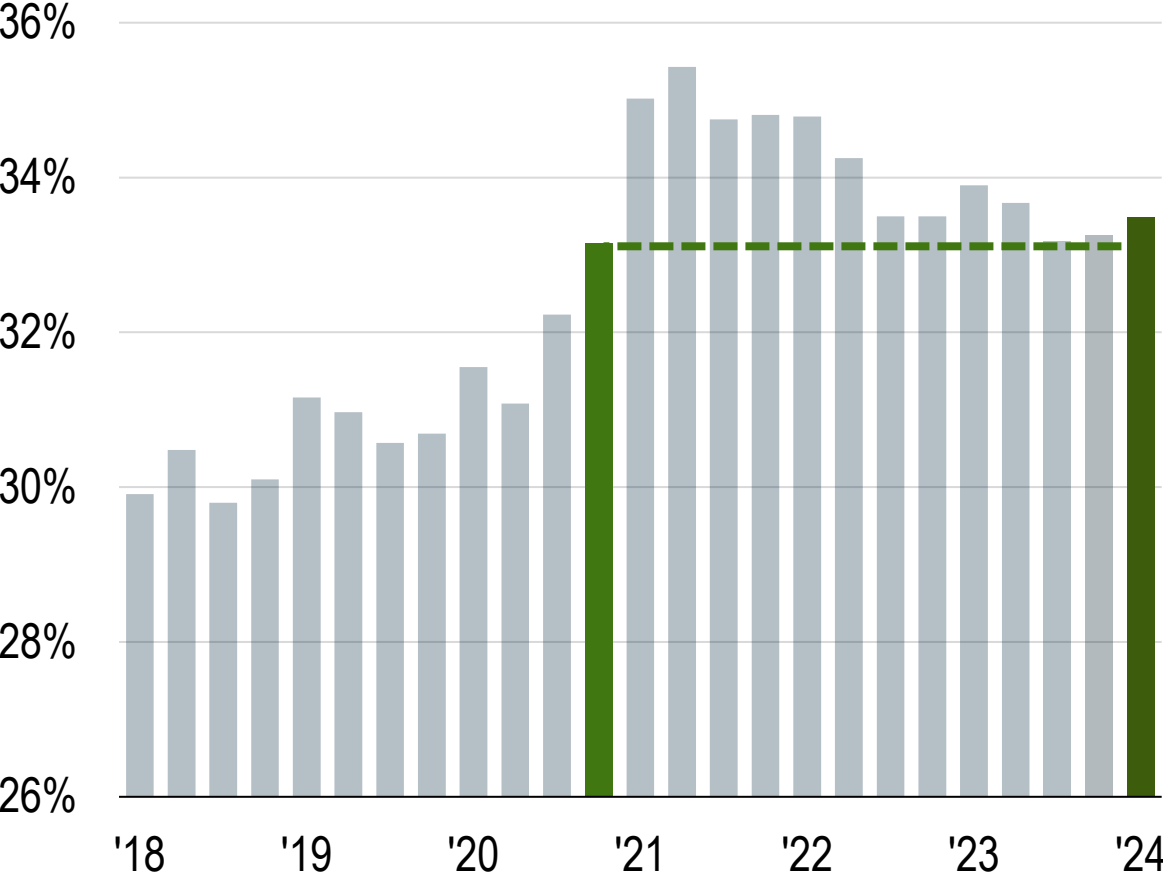


Source: Board of Governors of the Federal Reserve System

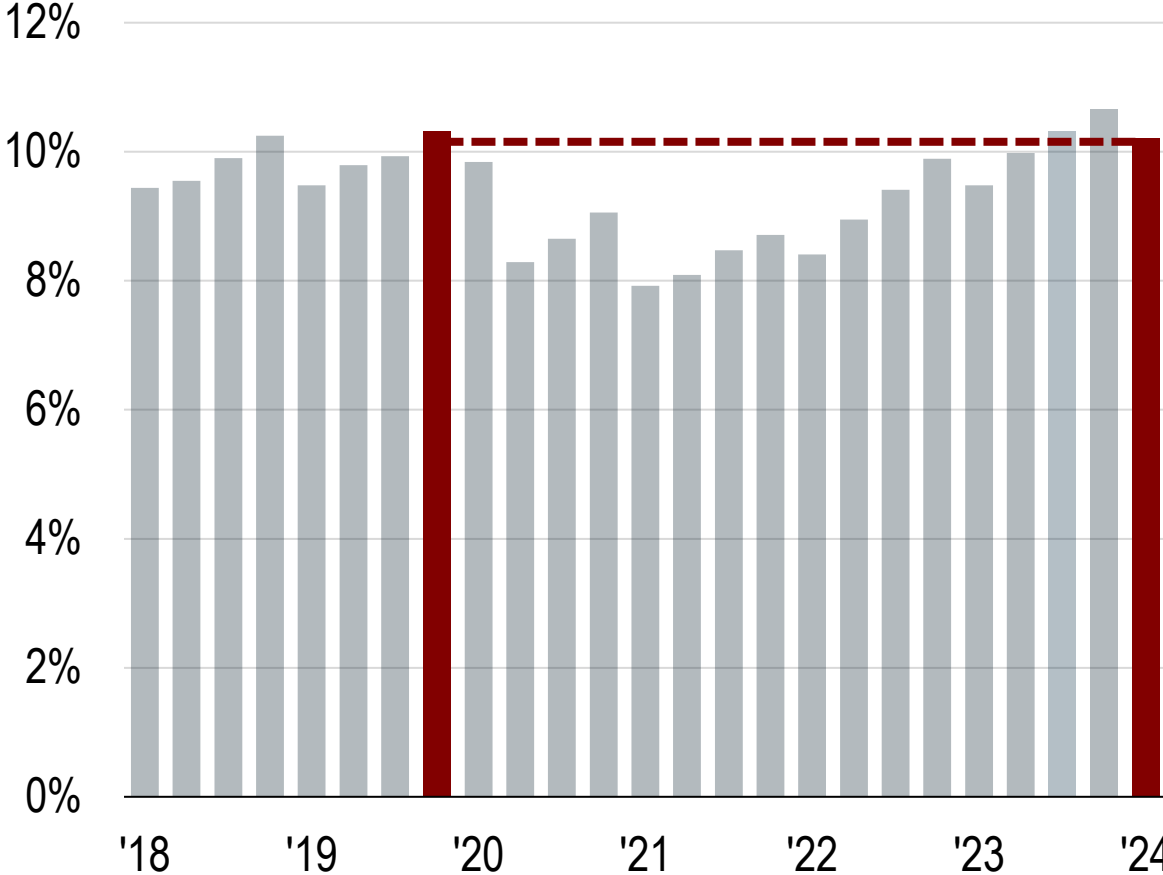
Credit Card Balances

Share of Accounts

Making Full Balance Payment

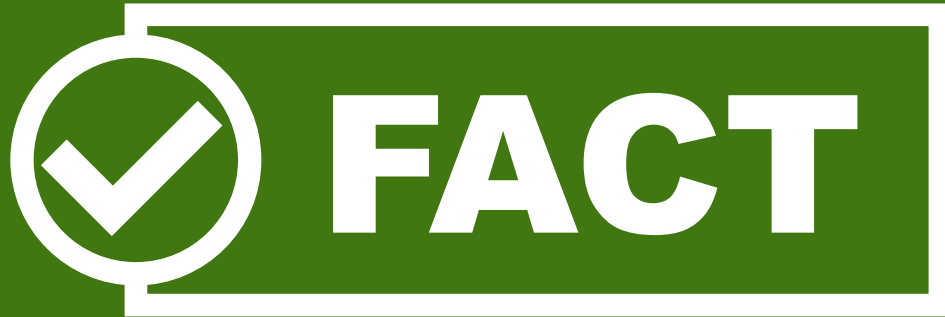


Making Minimum Payment



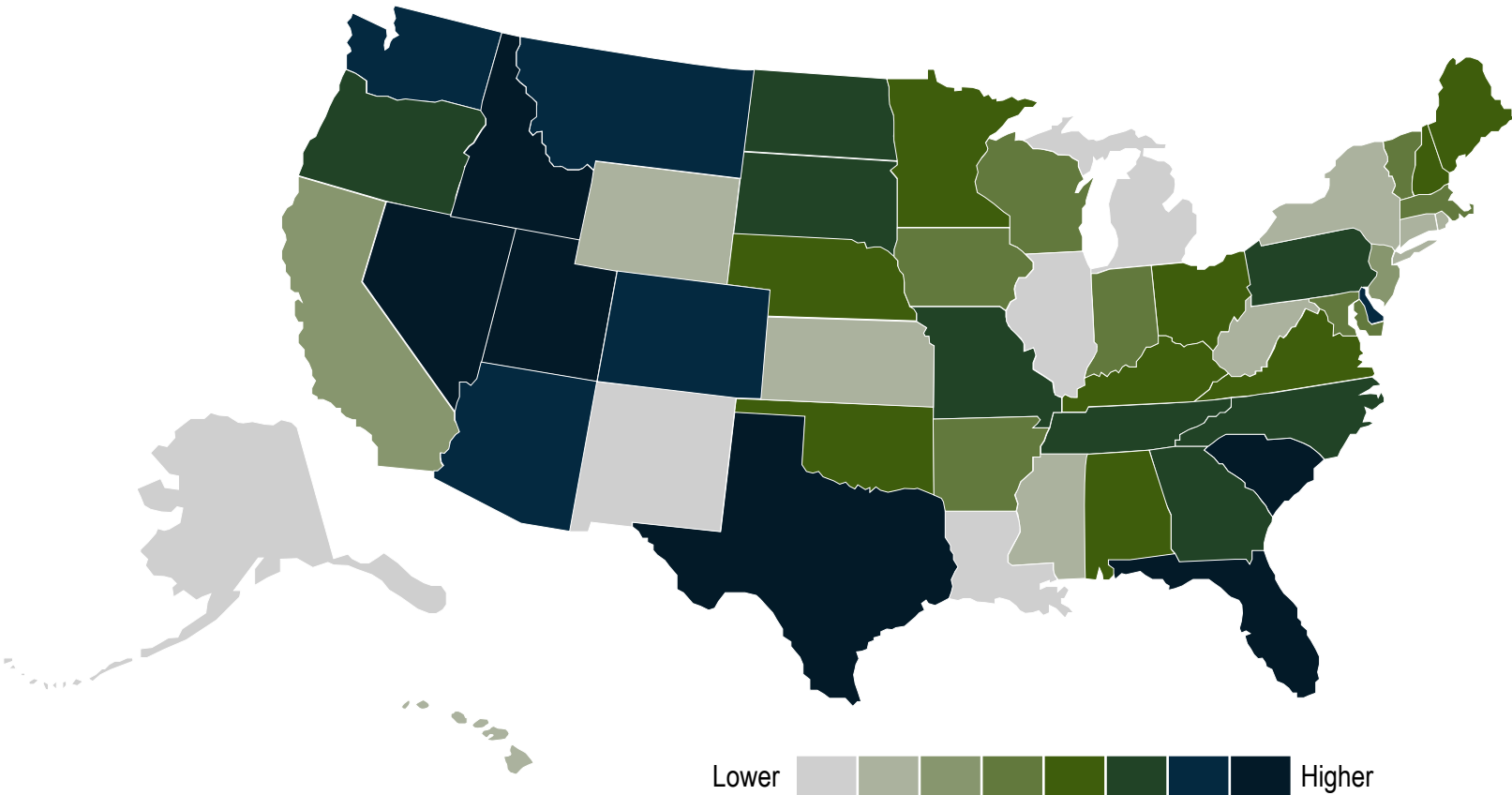
Source: Federal Reserve Bank of Philadelphia

DRIVERS OF HOUSING DEMAND ARE SLOWING.



State Population Growth

2013 to 2023

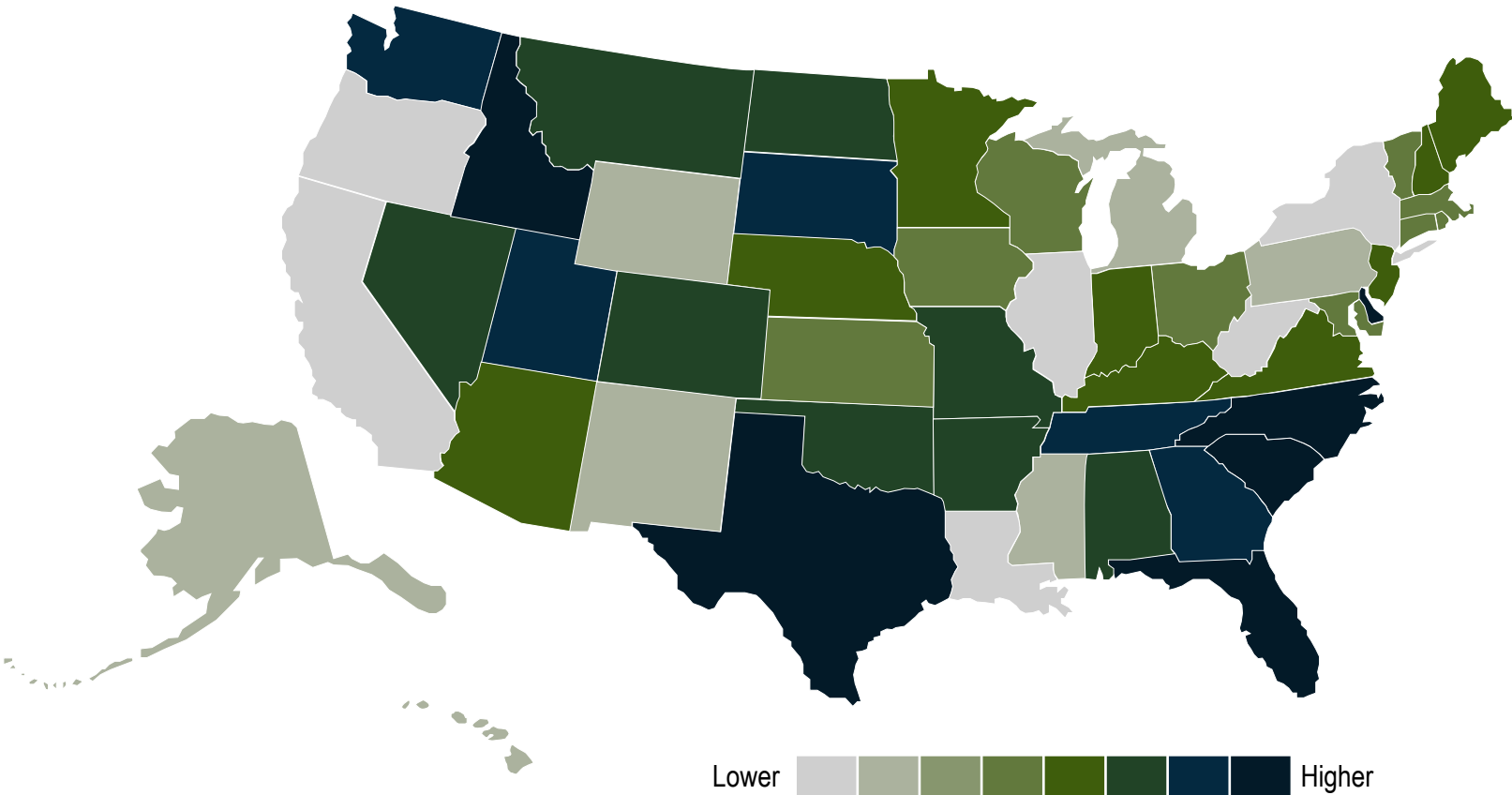


Rank	State	Growth
1	Idaho	21.9%
2	Utah	17.9%
3	Florida	15.6%
4	Texas	15.2%
5	Nevada	15.0%
6	South Carolina	12.7%
7	Washington	12.2%
8	Arizona	12.0%
9	Montana	11.7%
10	Delaware	11.7%
U.S. Average		5.9%

Source: U.S. Census Bureau; Applied Analysis

State Population Growth

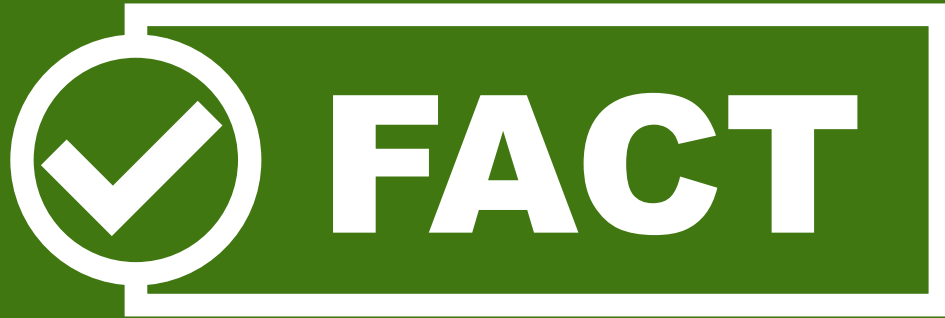
2022 to 2023



Rank	State	Growth
1	South Carolina	1.7%
2	Florida	1.6%
3	Texas	1.6%
4	Idaho	1.3%
5	North Carolina	1.3%
6	Delaware	1.2%
7	Tennessee	1.1%
8	Utah	1.1%
9	Georgia	1.1%
10	South Dakota	1.0%
18	Nevada	0.5%
	U.S. Average	0.5%

Source: U.S. Census Bureau; Applied Analysis

**THE NATIONAL HOUSING MARKET
IS PERFECTLY FINE.**



**Owner-
Occupied**

81.5M

Households

(64.8% OF OCCUPIED UNITS)

**Renter-
Occupied**

44.2M

Households

(35.2% OF OCCUPIED UNITS)

Source: U.S. Census Bureau

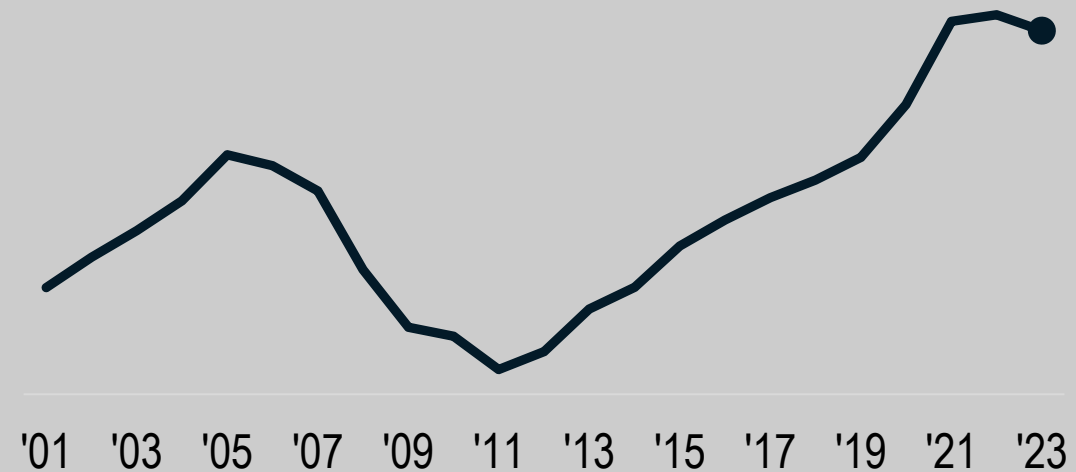
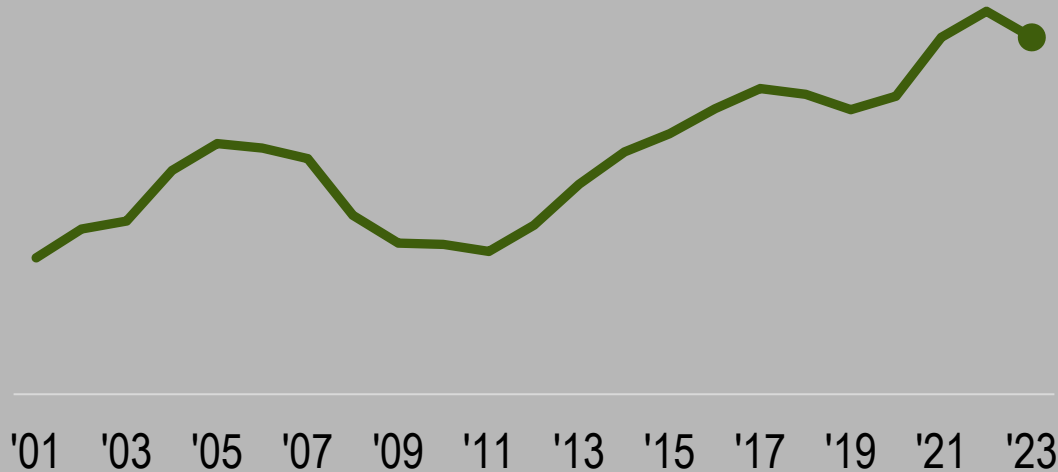
Residential Real Estate Market

United States | Median Price



New Homes
\$428,600

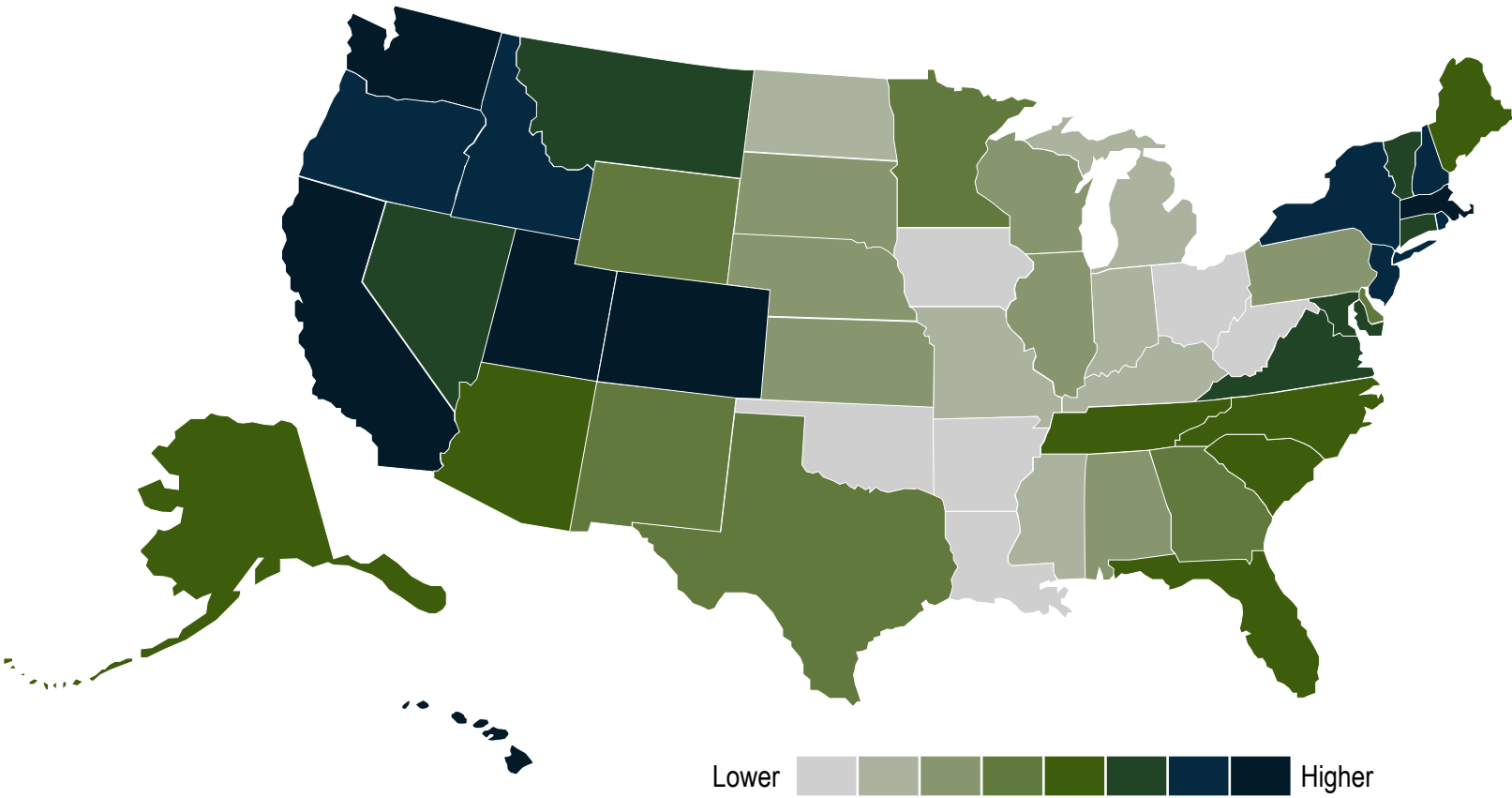
Resale Homes
\$394,100



Source: US Census Bureau, National Association of Realtors® (NAR)

Median Home Prices by State

July 2024

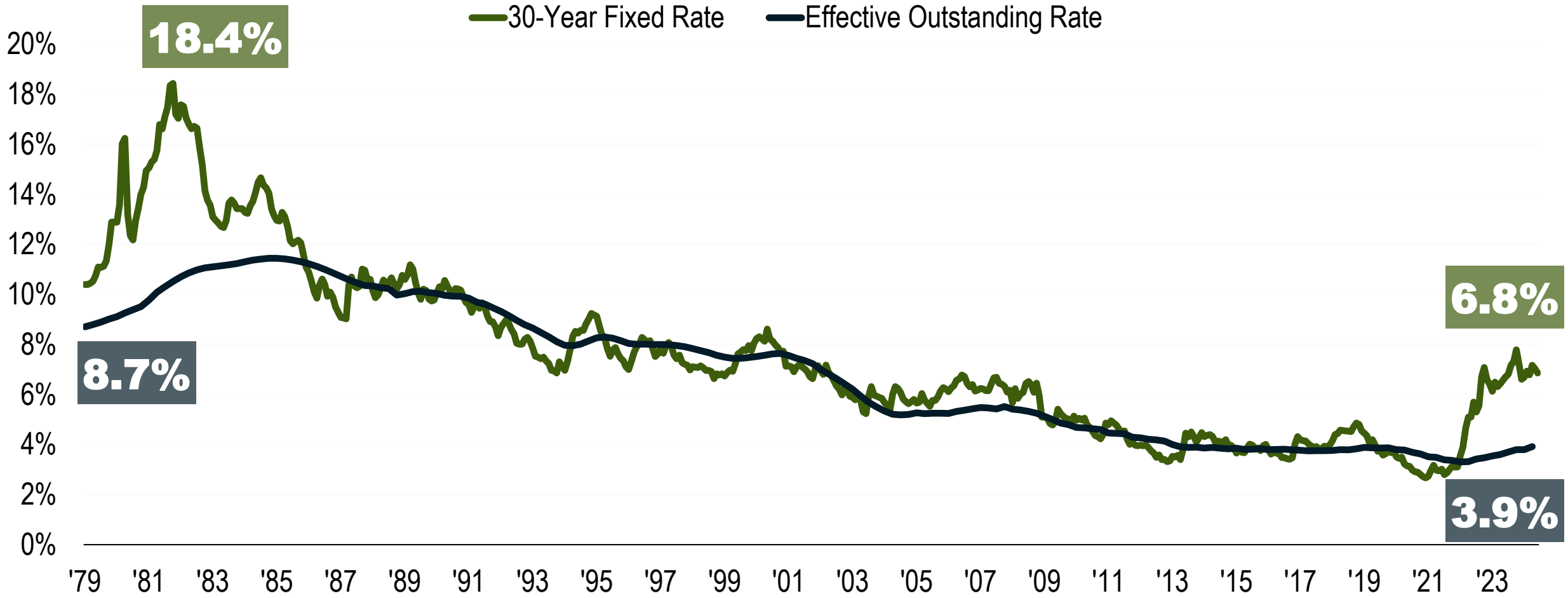


Rank	State	Price
1	California	\$836.1 K
2	Hawaii	\$773.8 K
3	D.C.	\$675.0 K
4	Massachusetts	\$668.5 K
5	Washington	\$651.7 K
6	Colorado	\$592.9 K
7	Utah	\$559.4 K
8	New York	\$557.4 K
9	New Jersey	\$557.0 K
10	Oregon	\$521.2 K
15	Nevada	\$467.3 K
	U.S. Average	\$438.8 K

Source: RedFin

National Mortgage Interest Rates

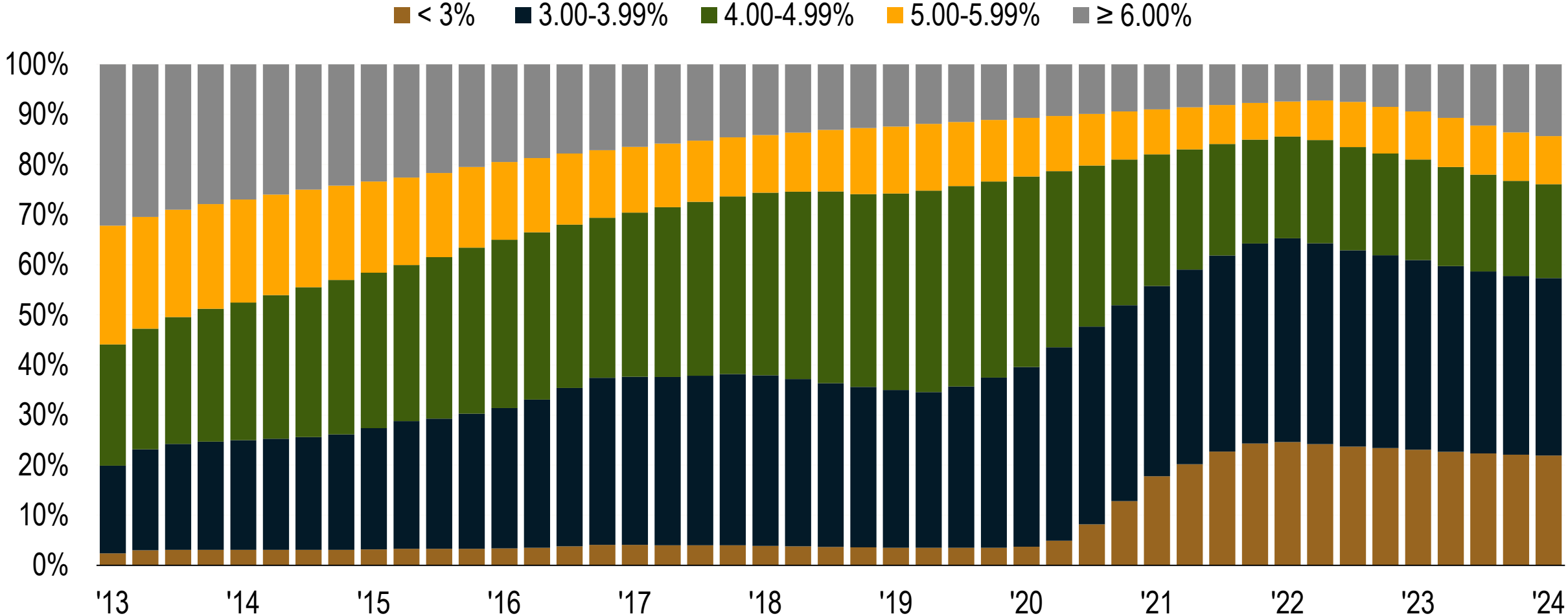
30-Year Fixed Rate vs. Effective Outstanding Rates



Source: Freddie Mac; Bureau of Economic Analysis

Outstanding Mortgages

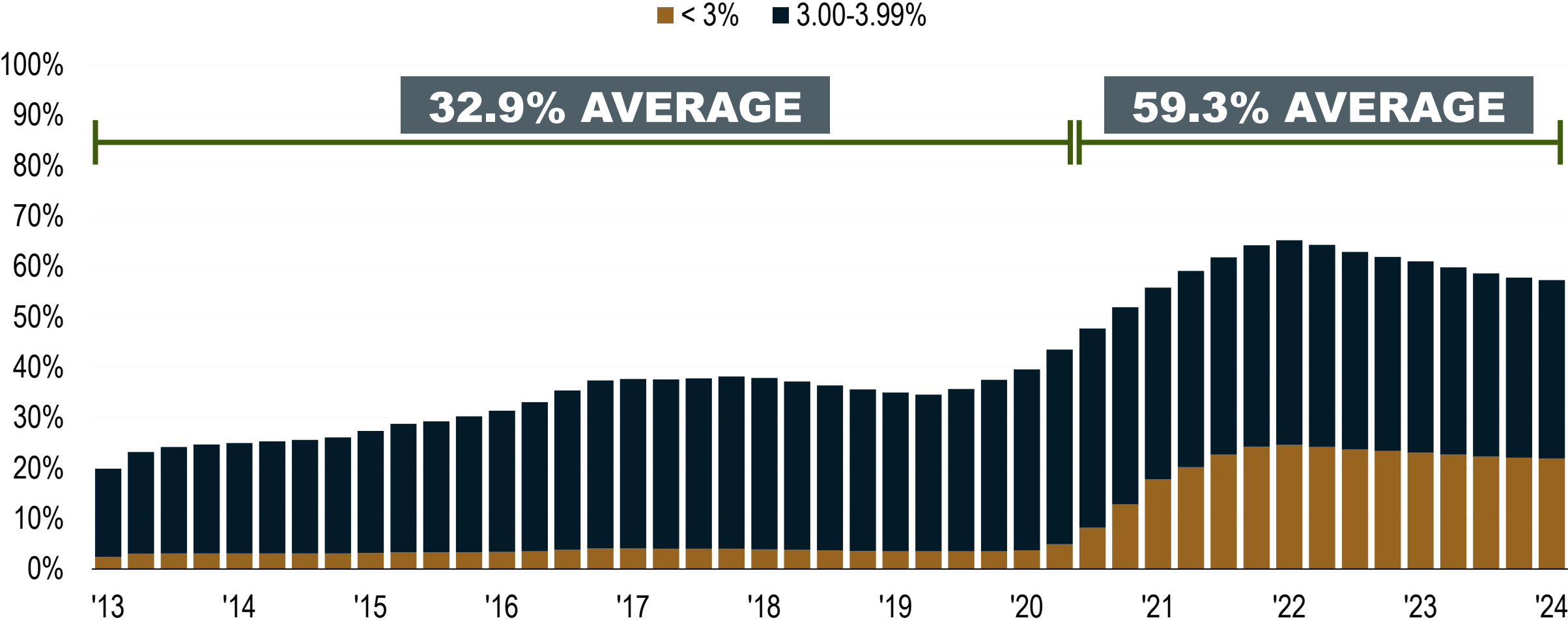
United States | Share By Interest Rate



Source: Federal Housing Finance Agency, National Mortgage Database

Outstanding Mortgages

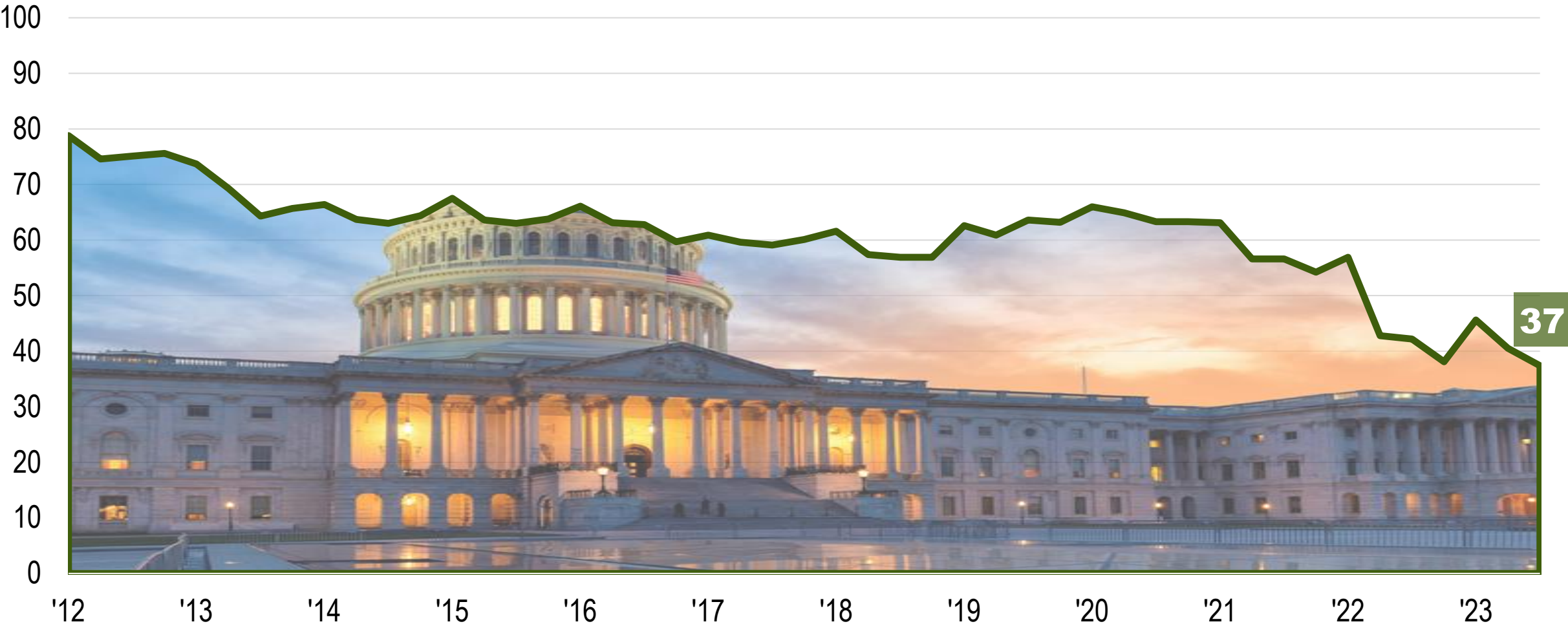
United States | Share By Interest Rate



Source: Federal Housing Finance Agency, National Mortgage Database

Housing Opportunity Index

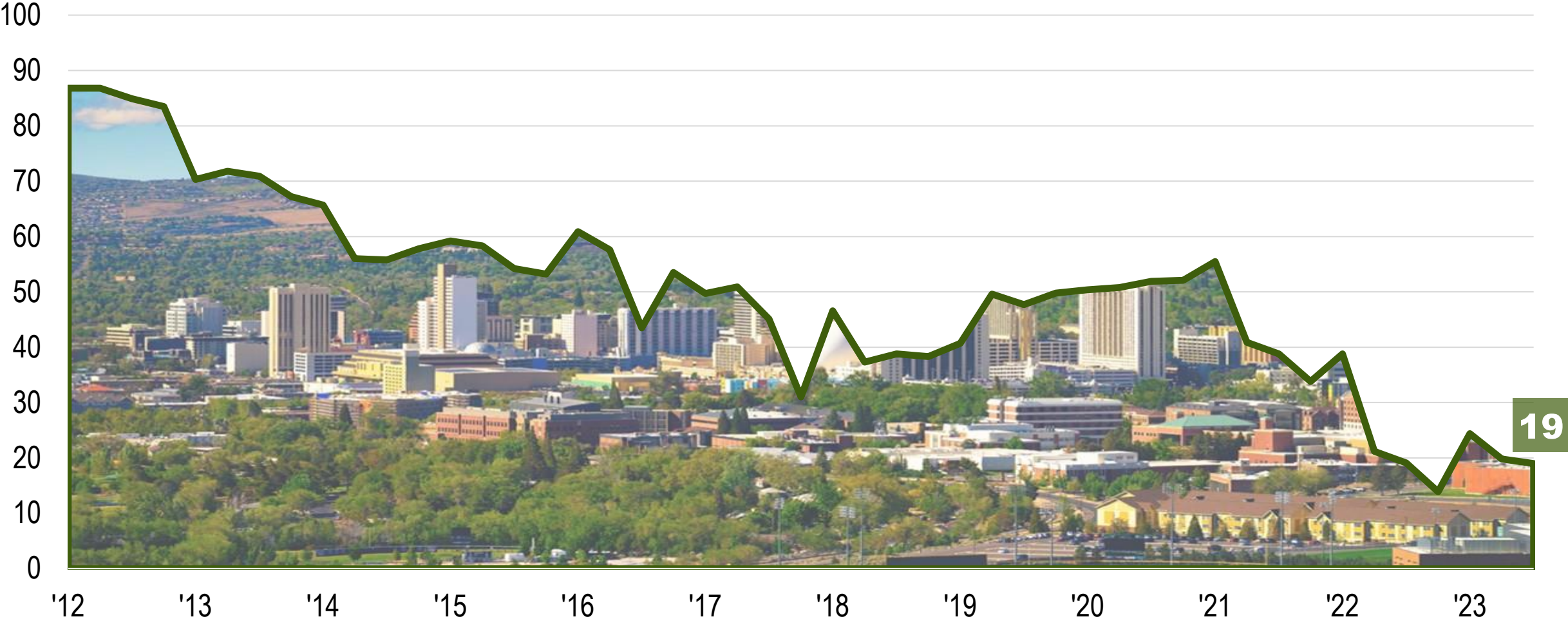
National Average



Source: National Association of Home Builders

Housing Opportunity Index

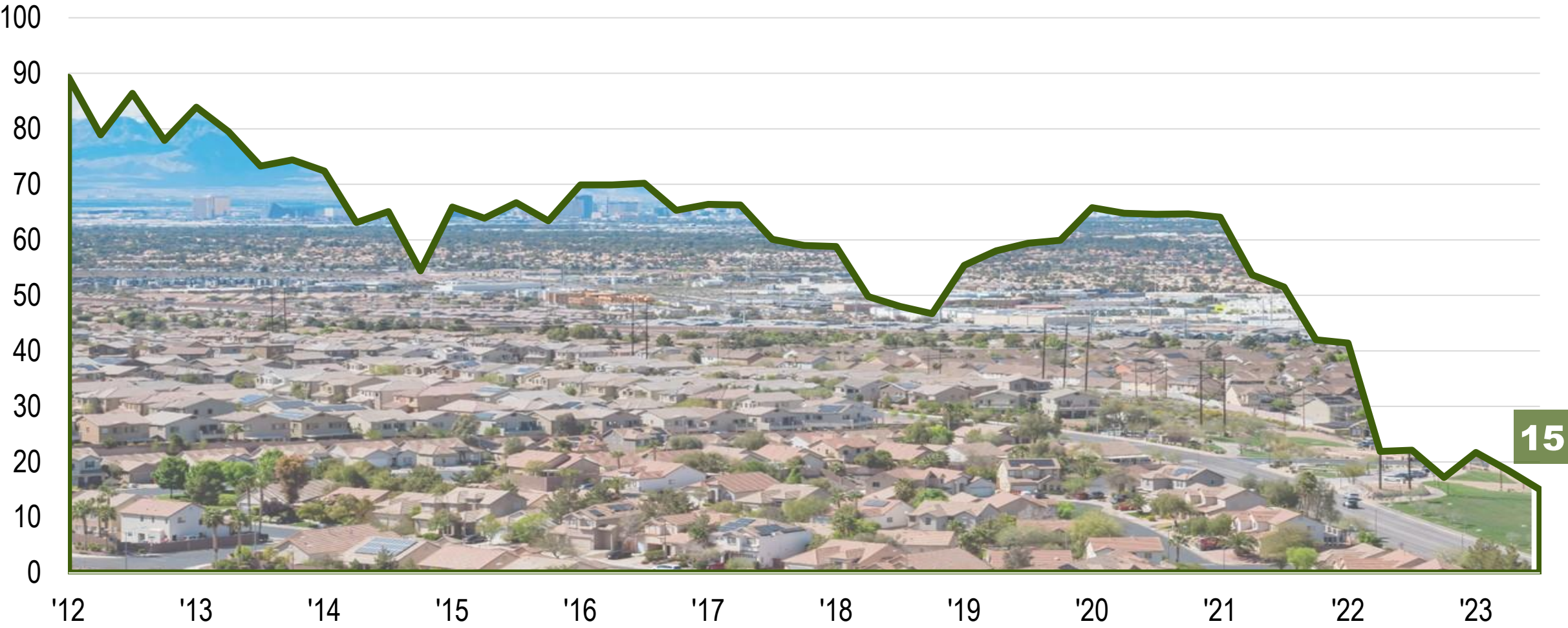
Northern Nevada



Source: National Association of Home Builders

Housing Opportunity Index

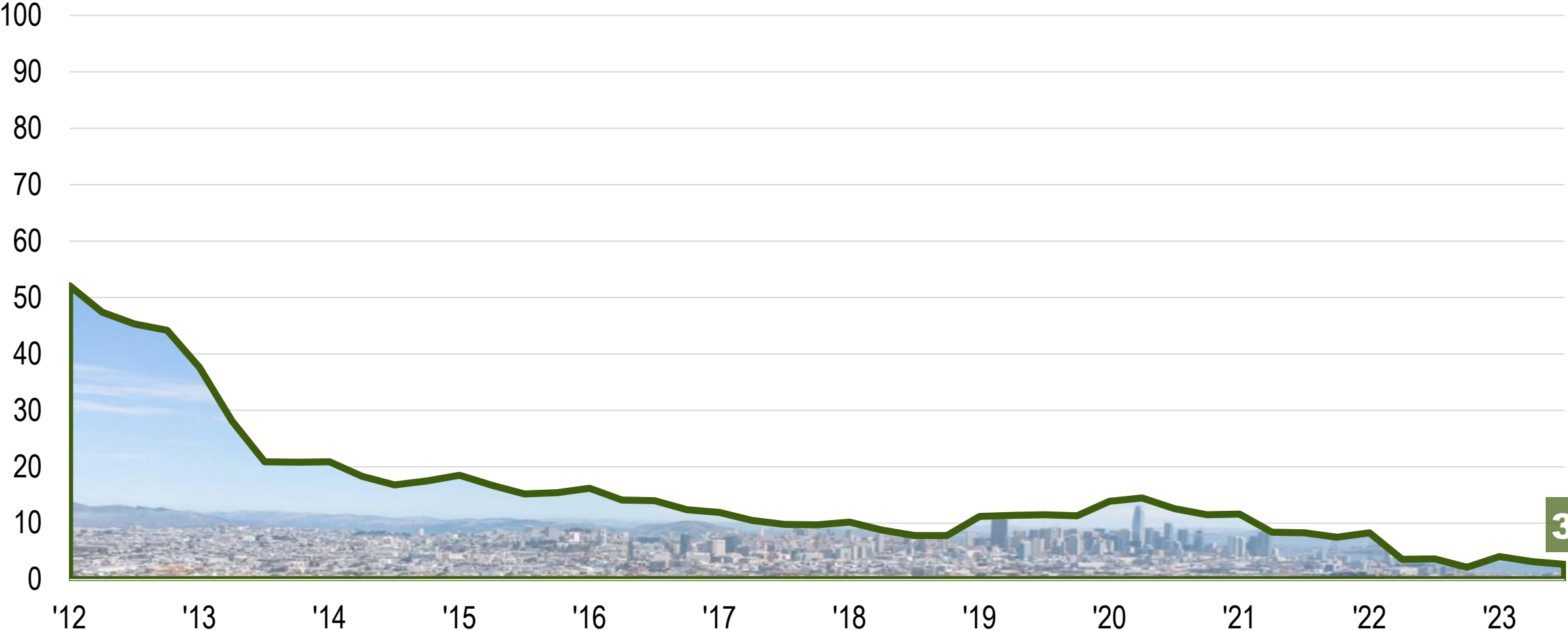
Southern Nevada



Source: National Association of Home Builders

Housing Opportunity Index

Los Angeles



Source: National Association of Home Builders

**Owner-
Occupied**

81.5M

Households

(64.8% OF OCCUPIED UNITS)

**Renter-
Occupied**

44.2M

Households

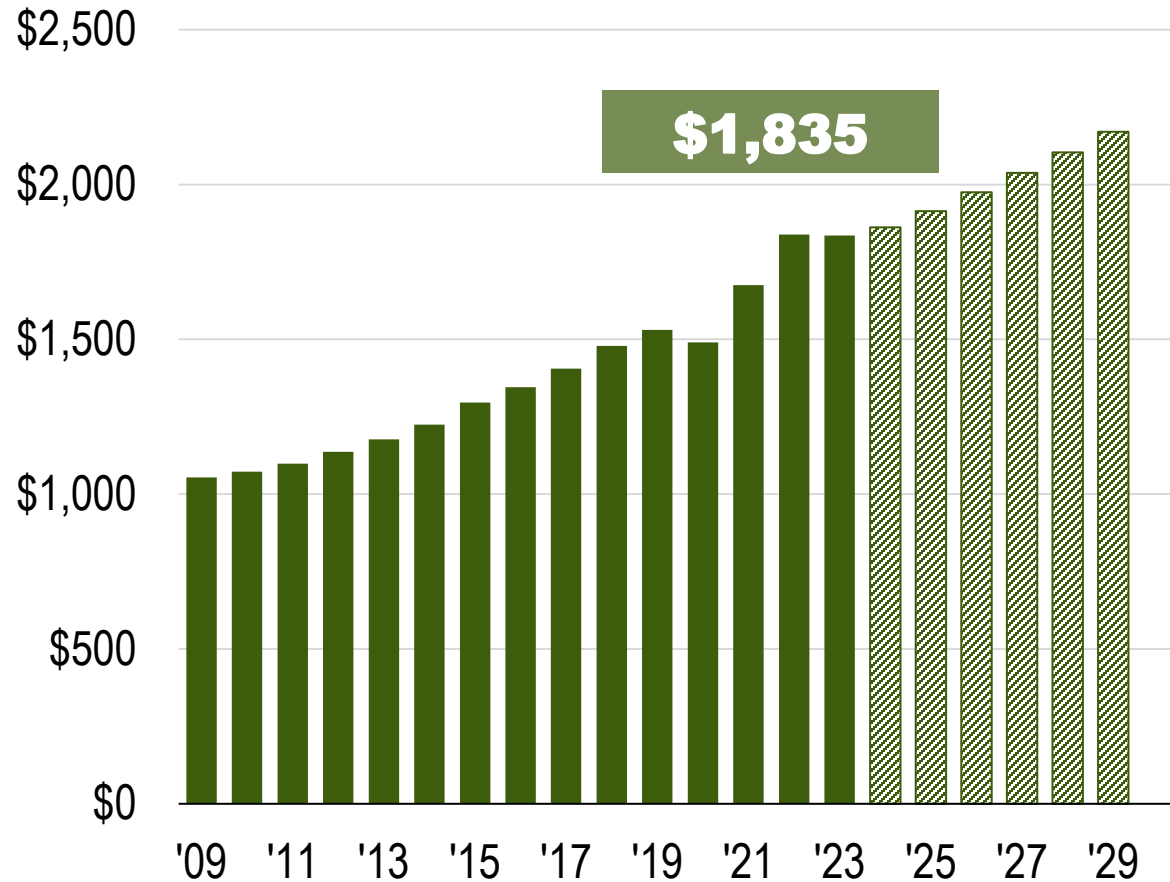
(35.2% OF OCCUPIED UNITS)

Source: U.S. Census Bureau

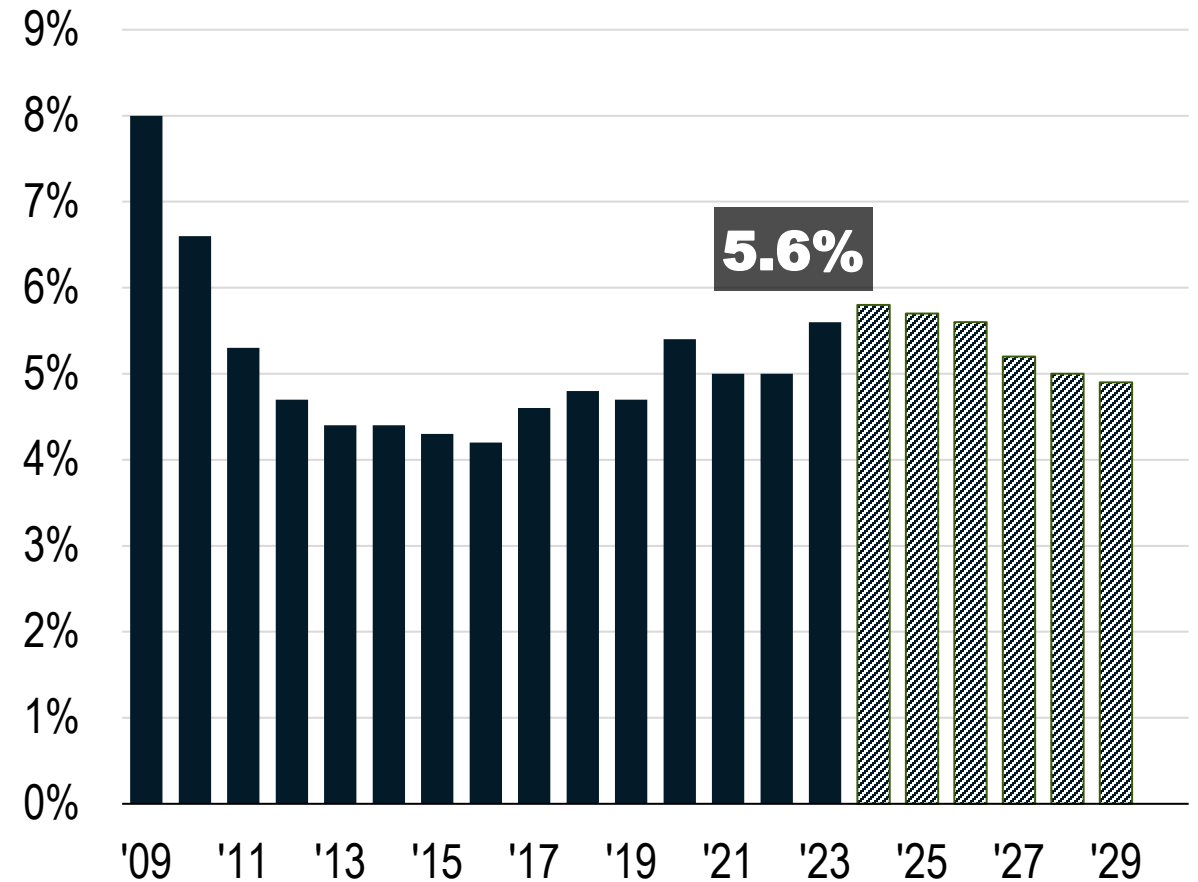
Apartment Trends

United States

Asking Rent per Unit



Vacancy Rate

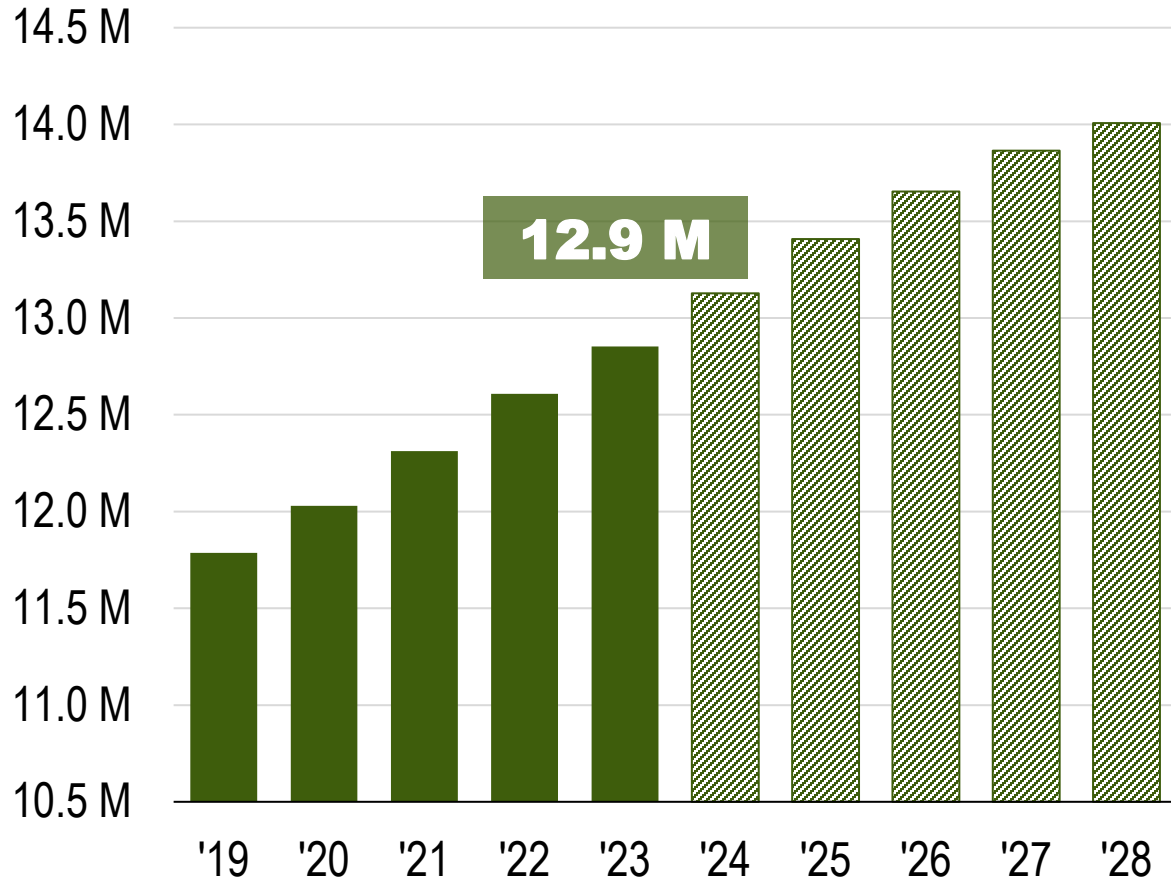


Source: Moody's Analytics

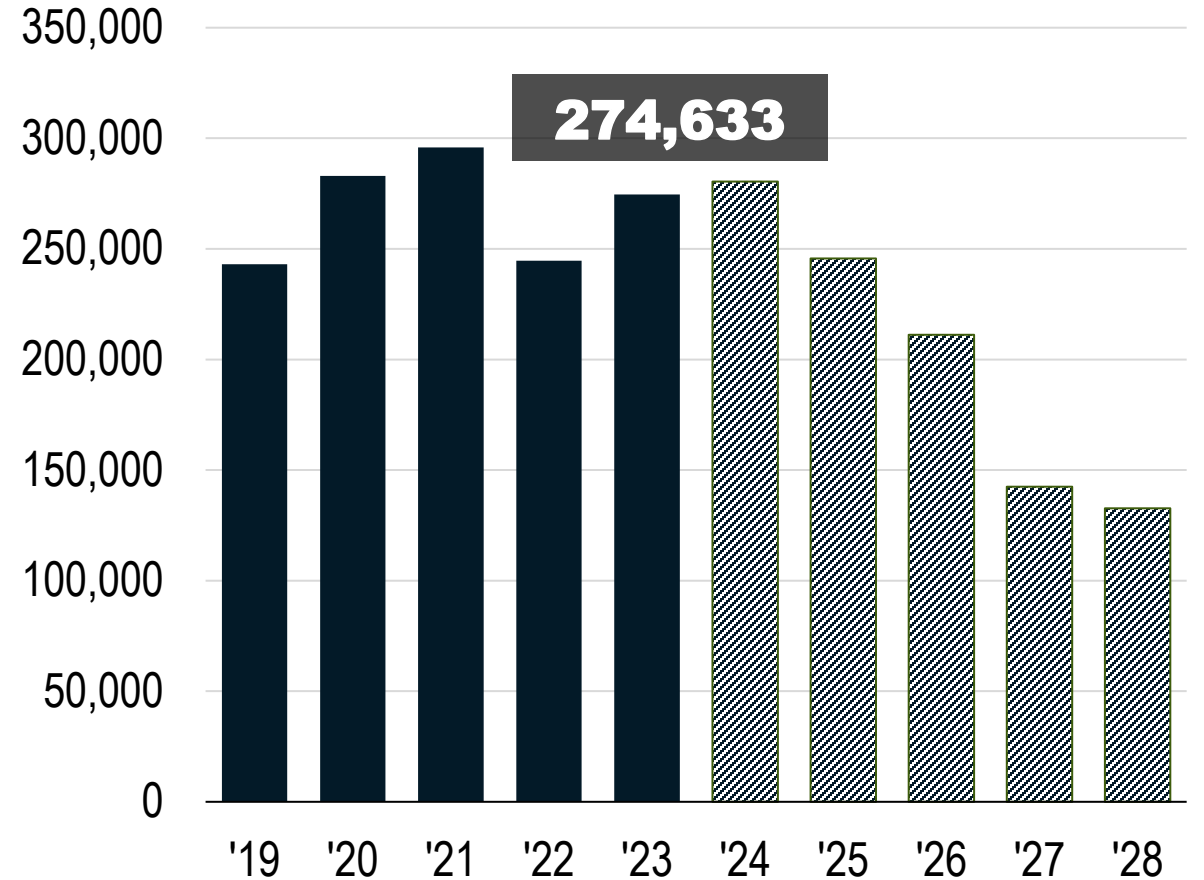
Apartment Trends

United States

Inventory



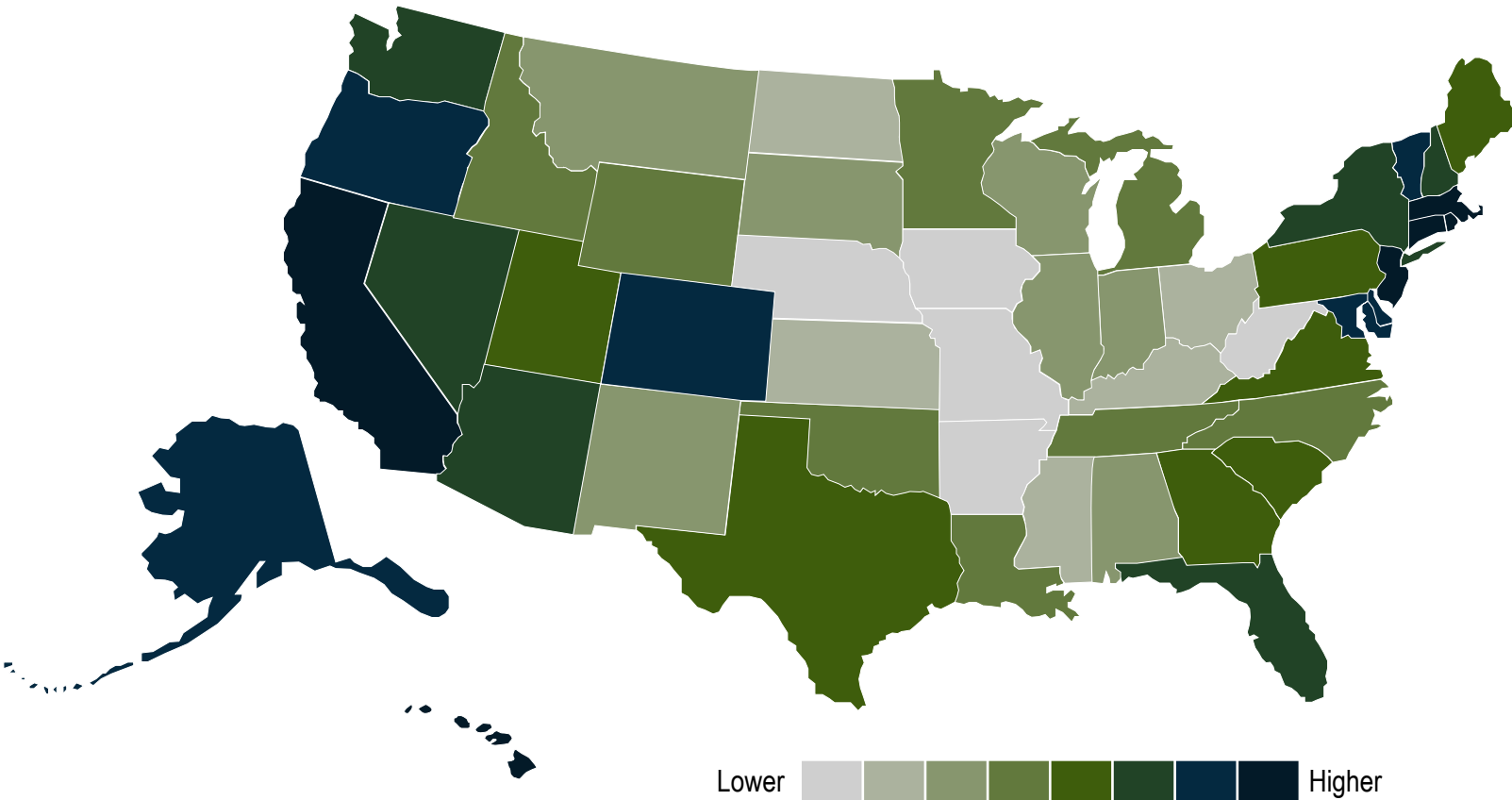
Completions



Source: Moody's Analytics

Average Rent by State

2 Bedrooms | 2024

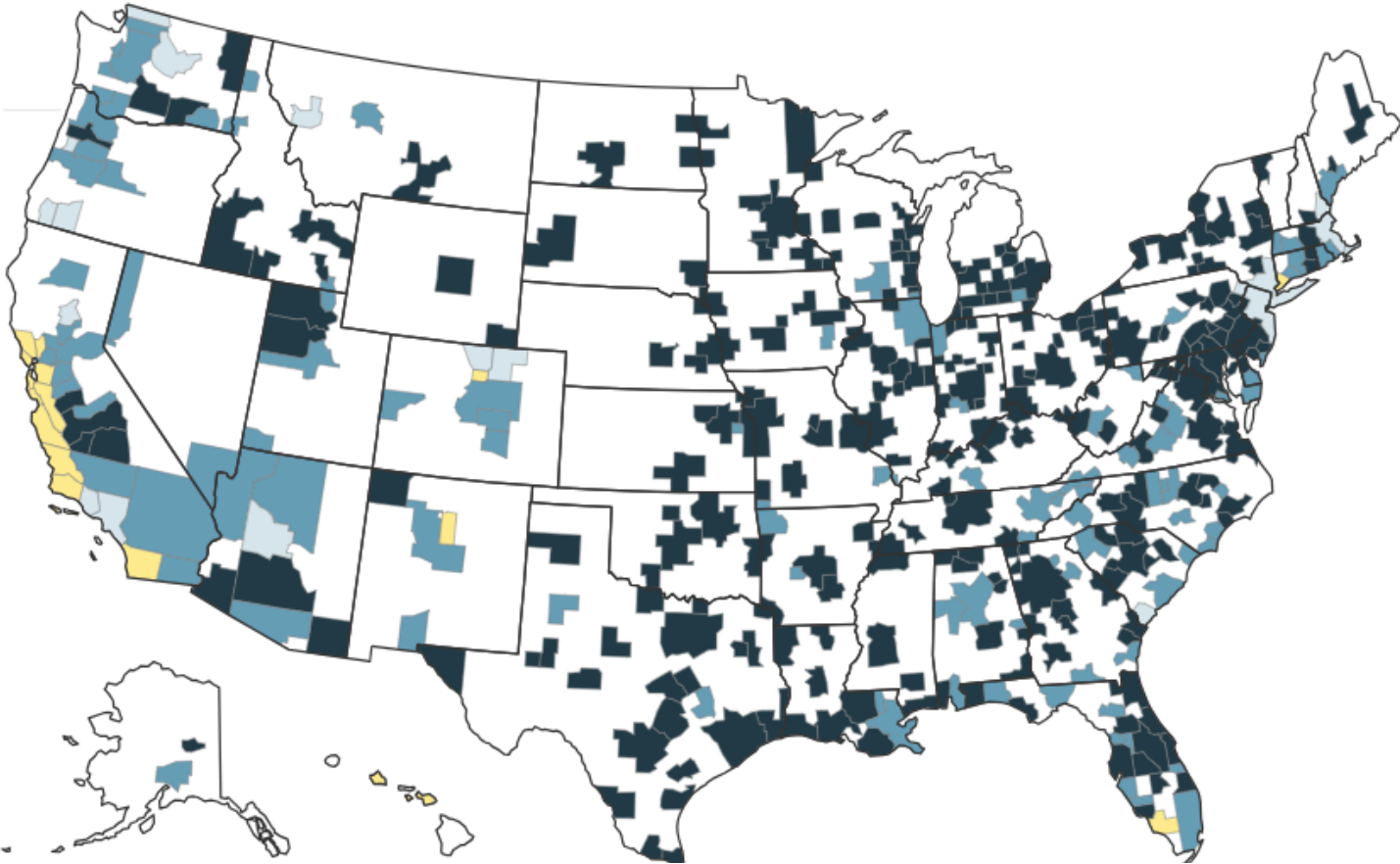


Rank	State	Price
1	Hawaii	\$2,095
2	D.C.	\$2,045
3	Massachusetts	\$2,026
4	New Jersey	\$1,889
5	California	\$1,864
6	Rhode Island	\$1,731
7	Connecticut	\$1,695
8	Maryland	\$1,622
9	Delaware	\$1,468
10	Colorado	\$1,460
19	Nevada	\$1,310
U.S. Average		\$1,702

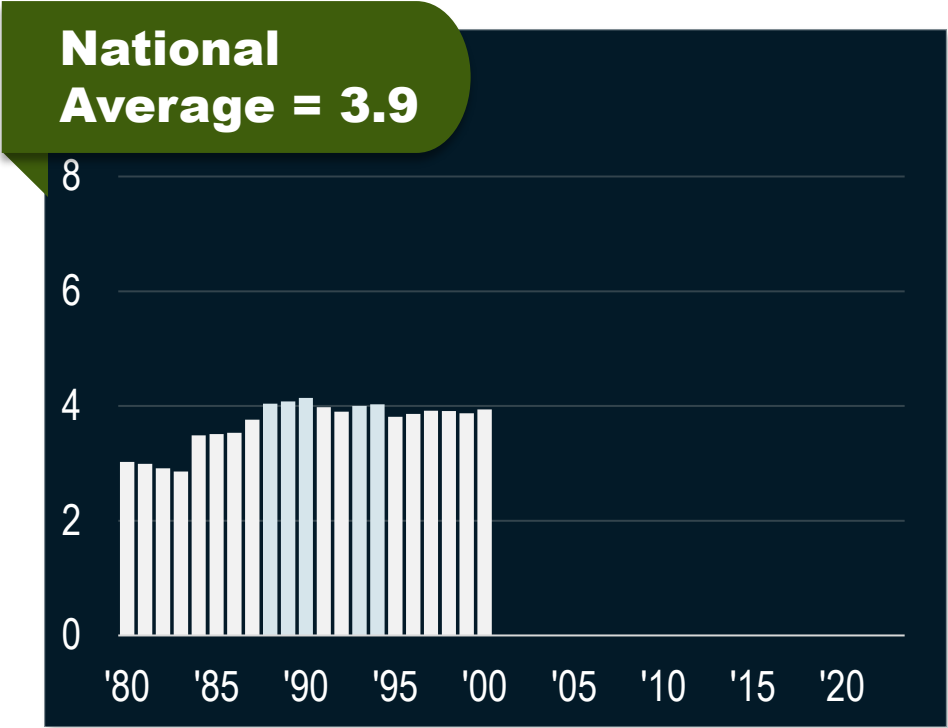
Source: rentdata.org

Price-to-Income Ratio

2000



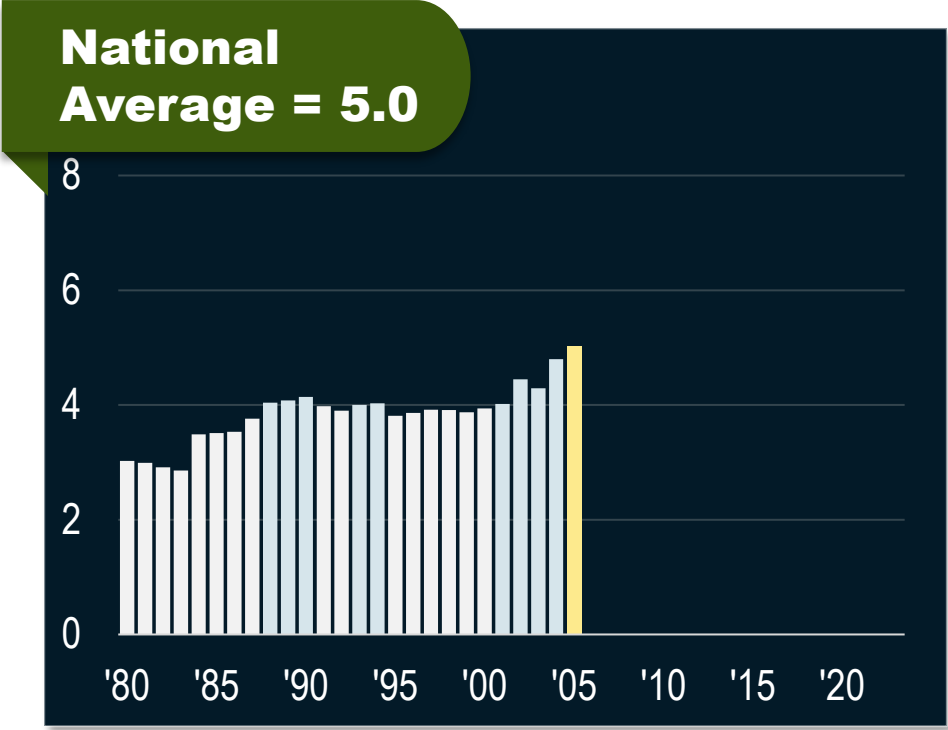
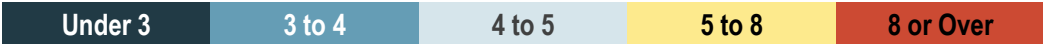
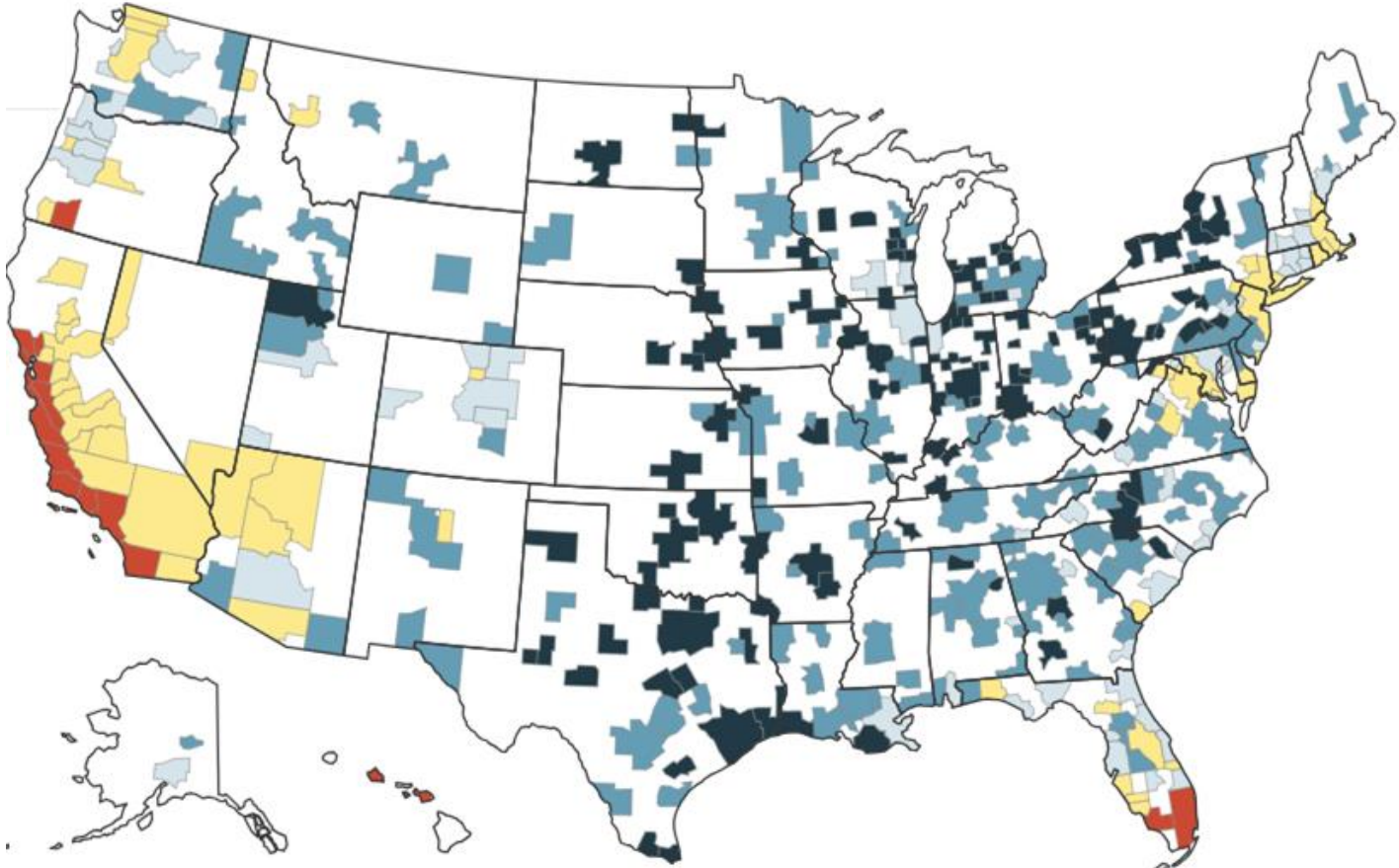
Under 3 3 to 4 4 to 5 5 to 8 8 or Over



Source: Joint Center for Housing Studies of Harvard University

Price-to-Income Ratio

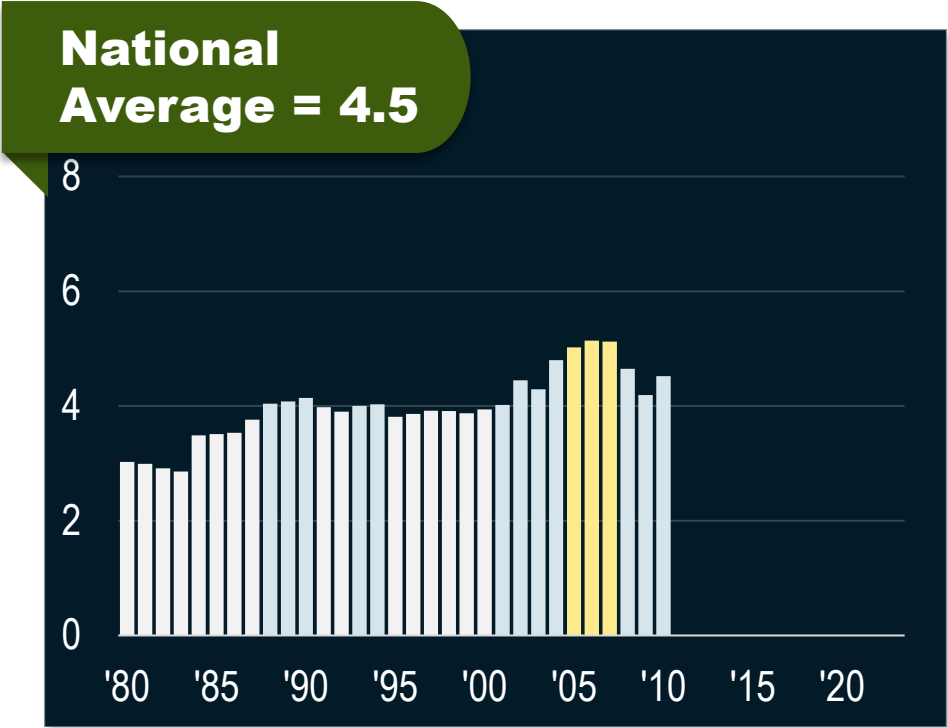
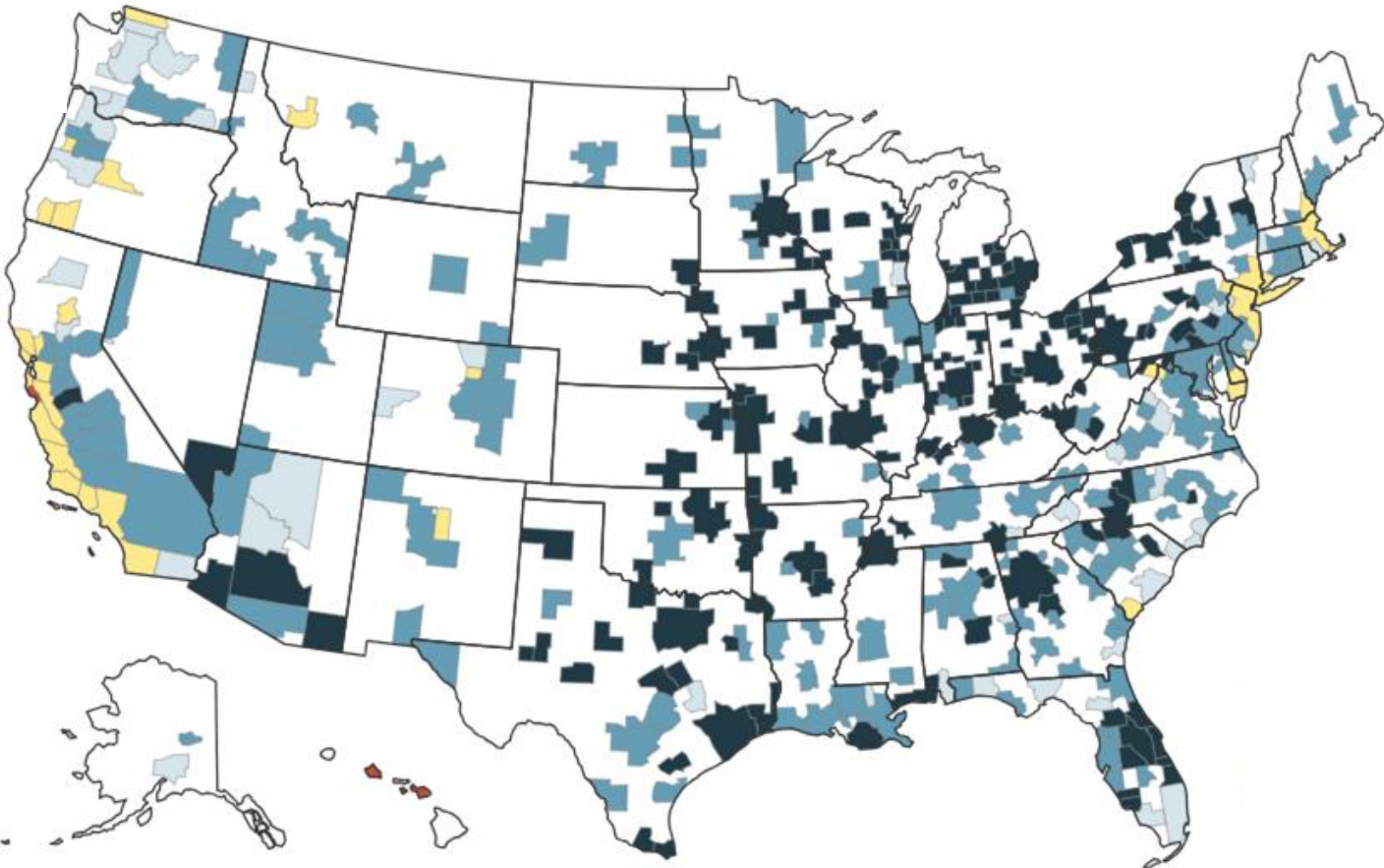
2005



Source: Joint Center for Housing Studies of Harvard University

Price-to-Income Ratio

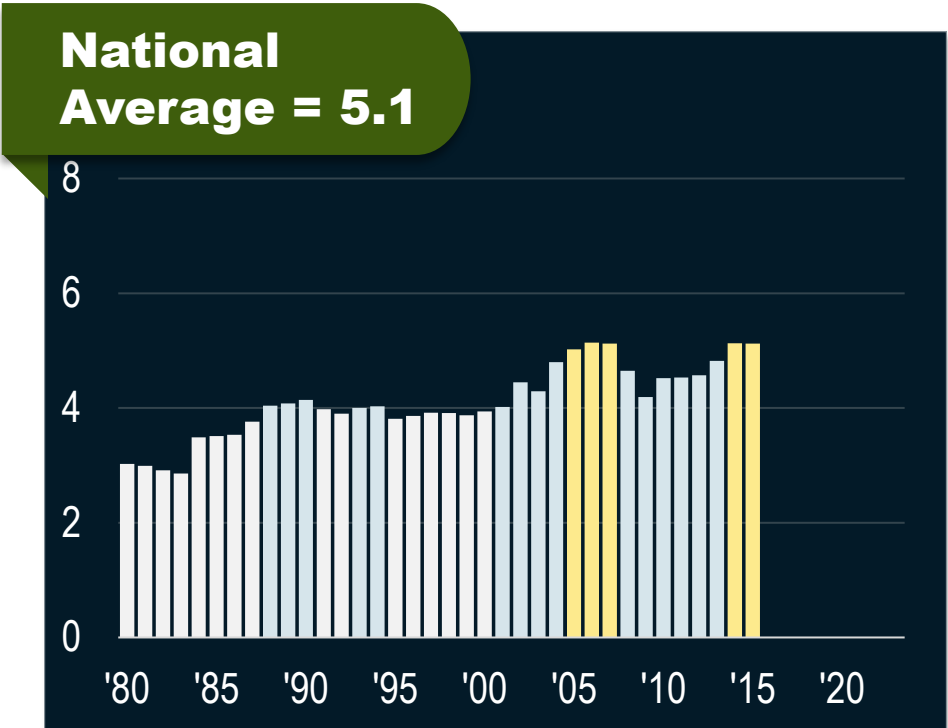
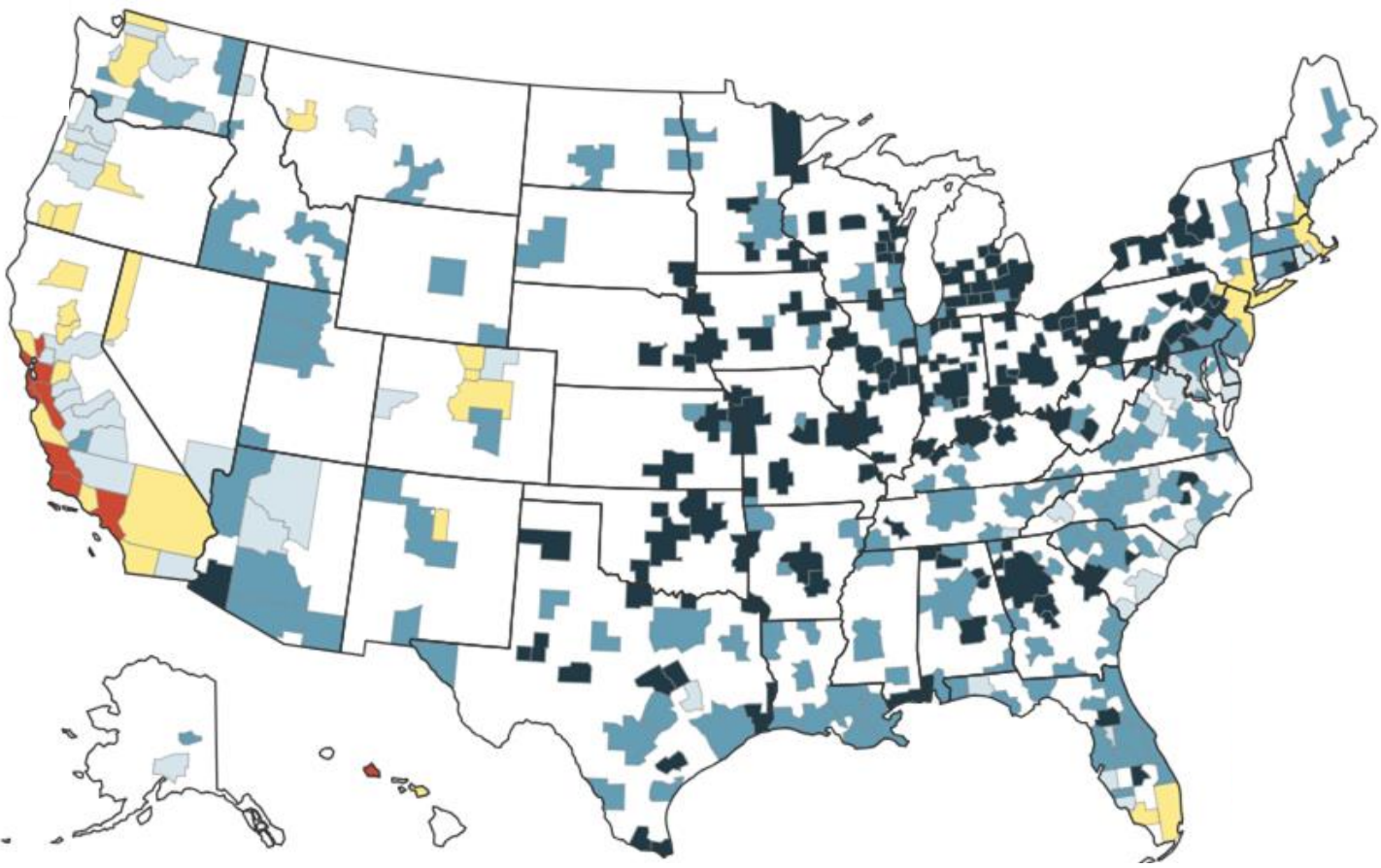
2010



Source: Joint Center for Housing Studies of Harvard University

Price-to-Income Ratio

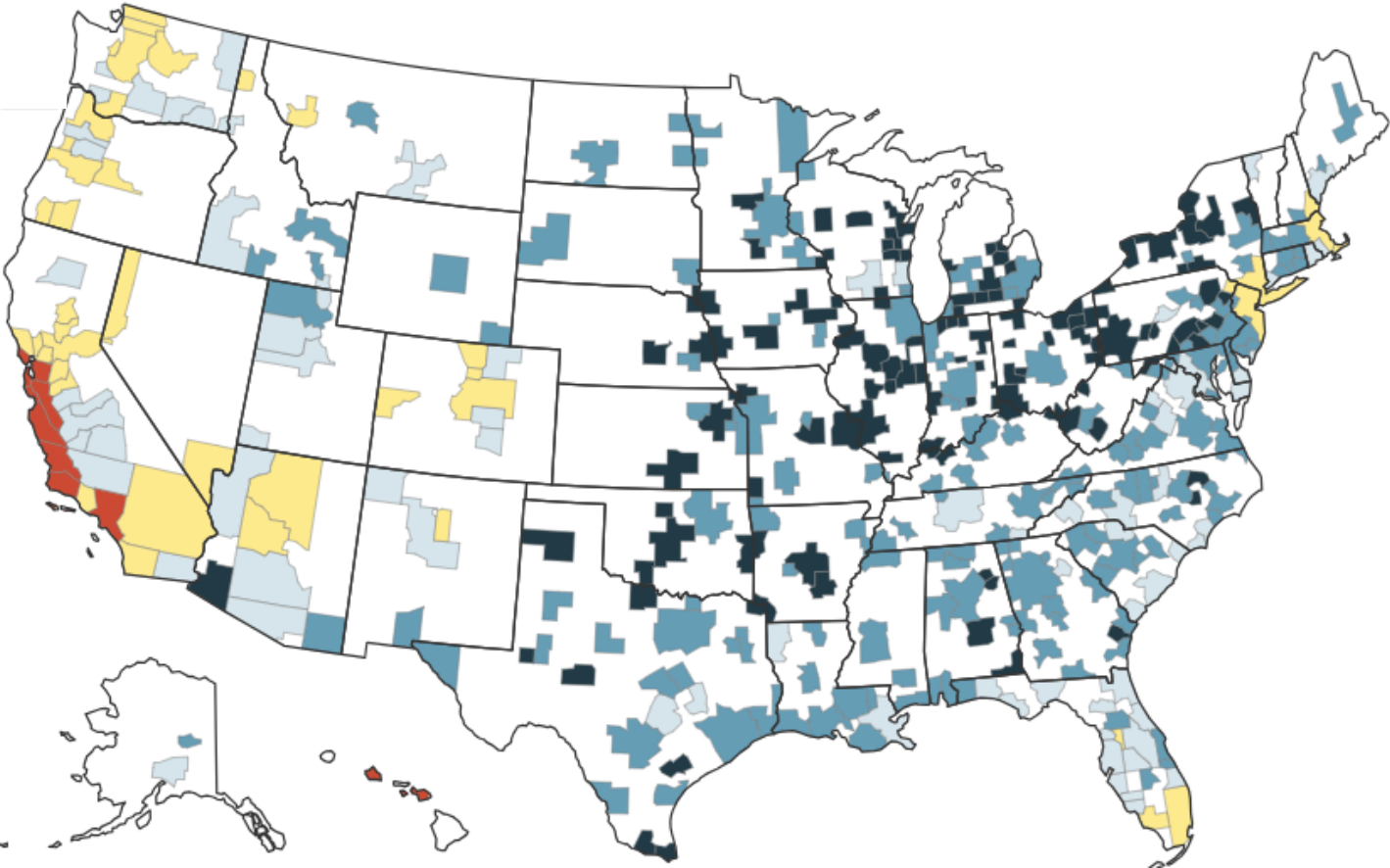
2015



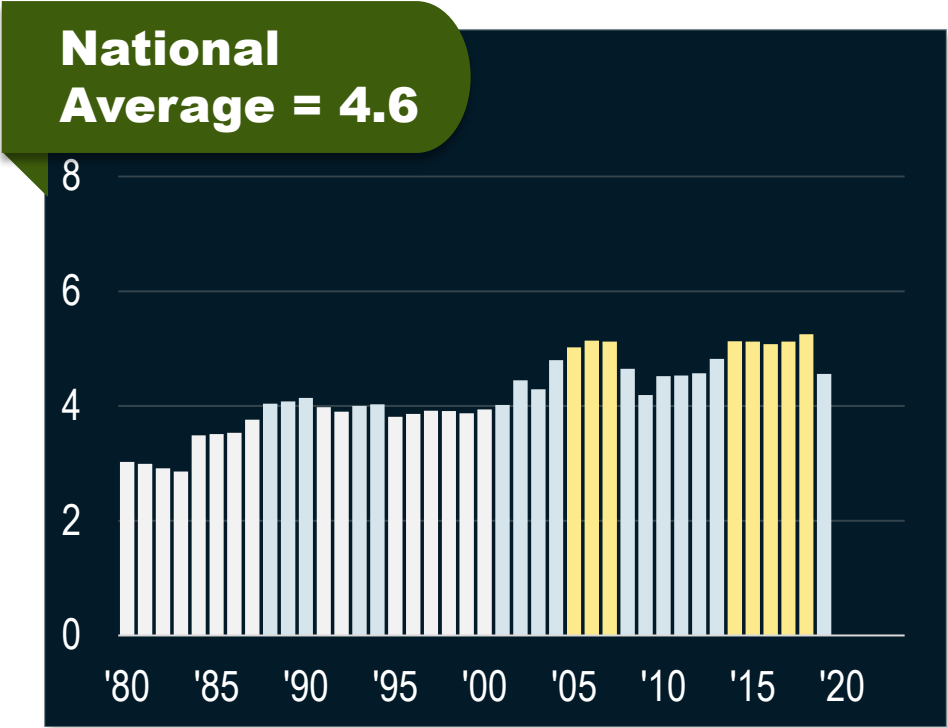
Source: Joint Center for Housing Studies of Harvard University

Price-to-Income Ratio

2019



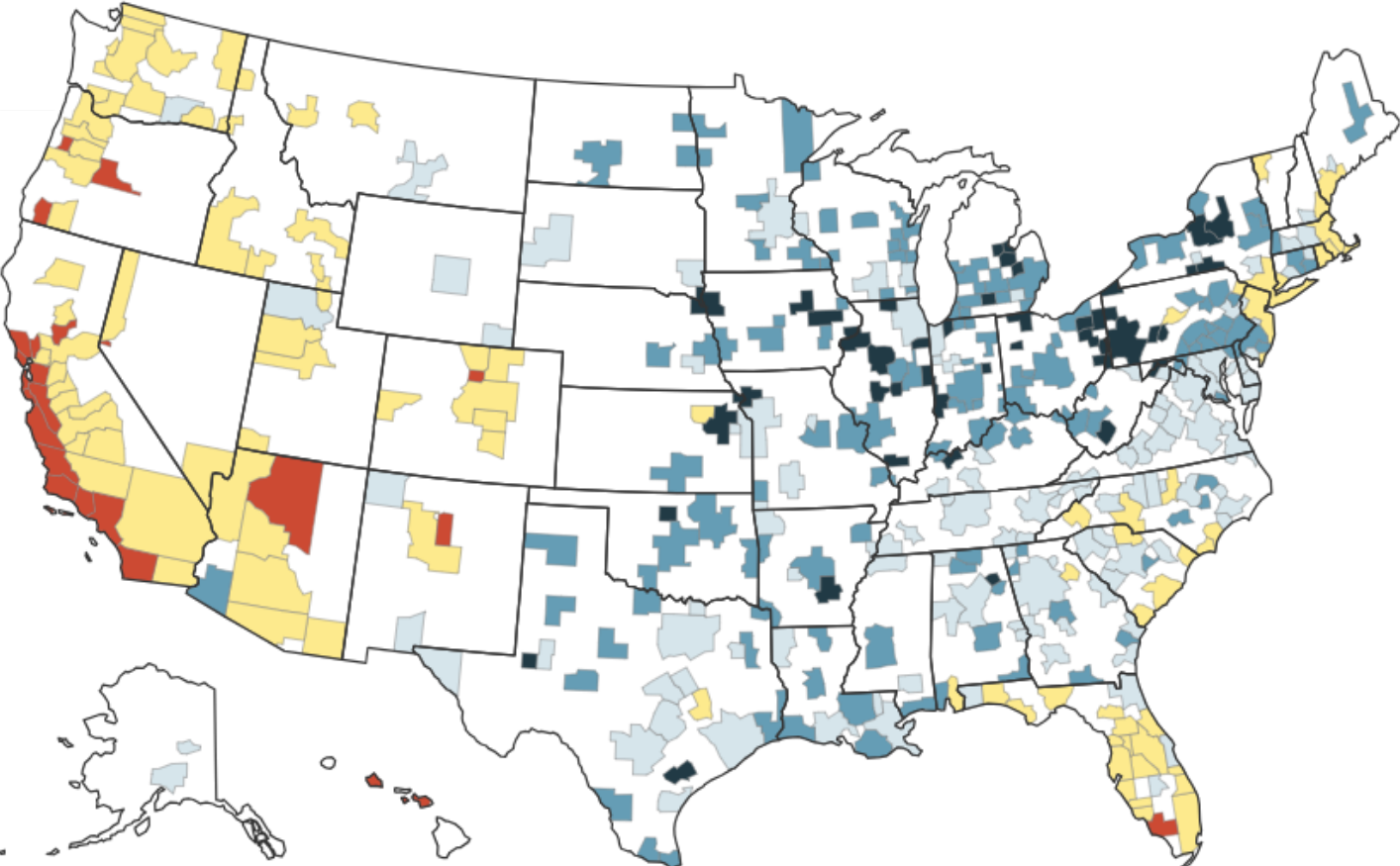
Under 3 3 to 4 4 to 5 5 to 8 8 or Over



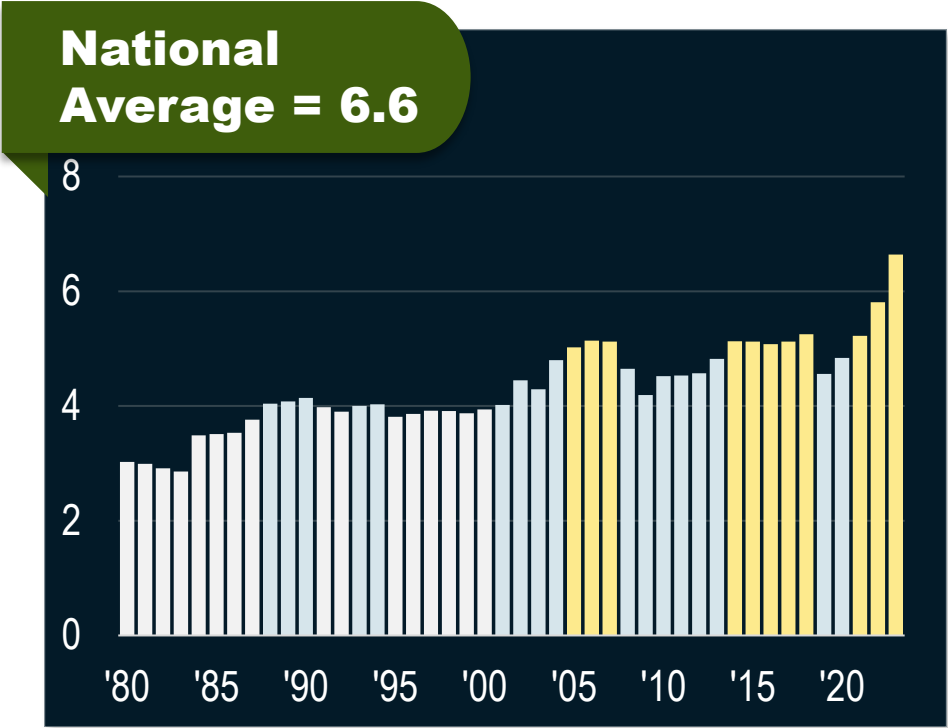
Source: Joint Center for Housing Studies of Harvard University

Price-to-Income Ratio

2023



Under 3 3 to 4 4 to 5 5 to 8 8 or Over

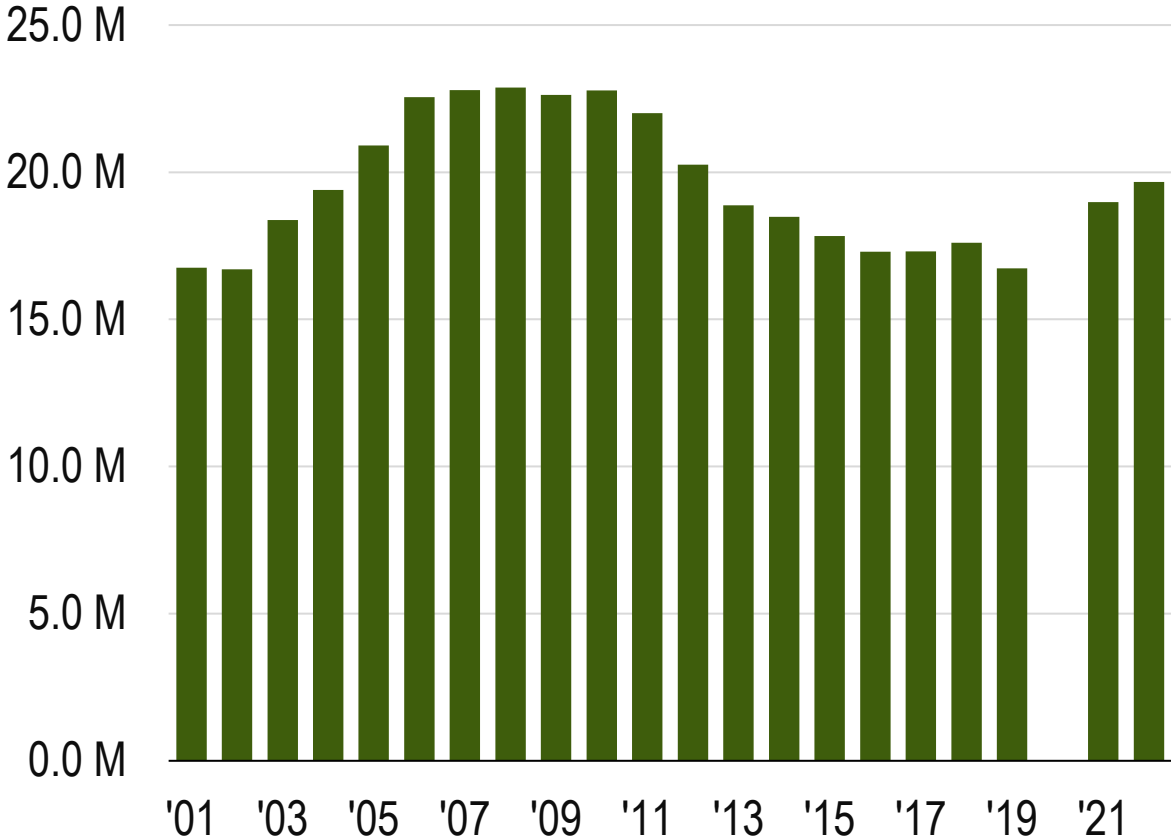


Source: Joint Center for Housing Studies of Harvard University

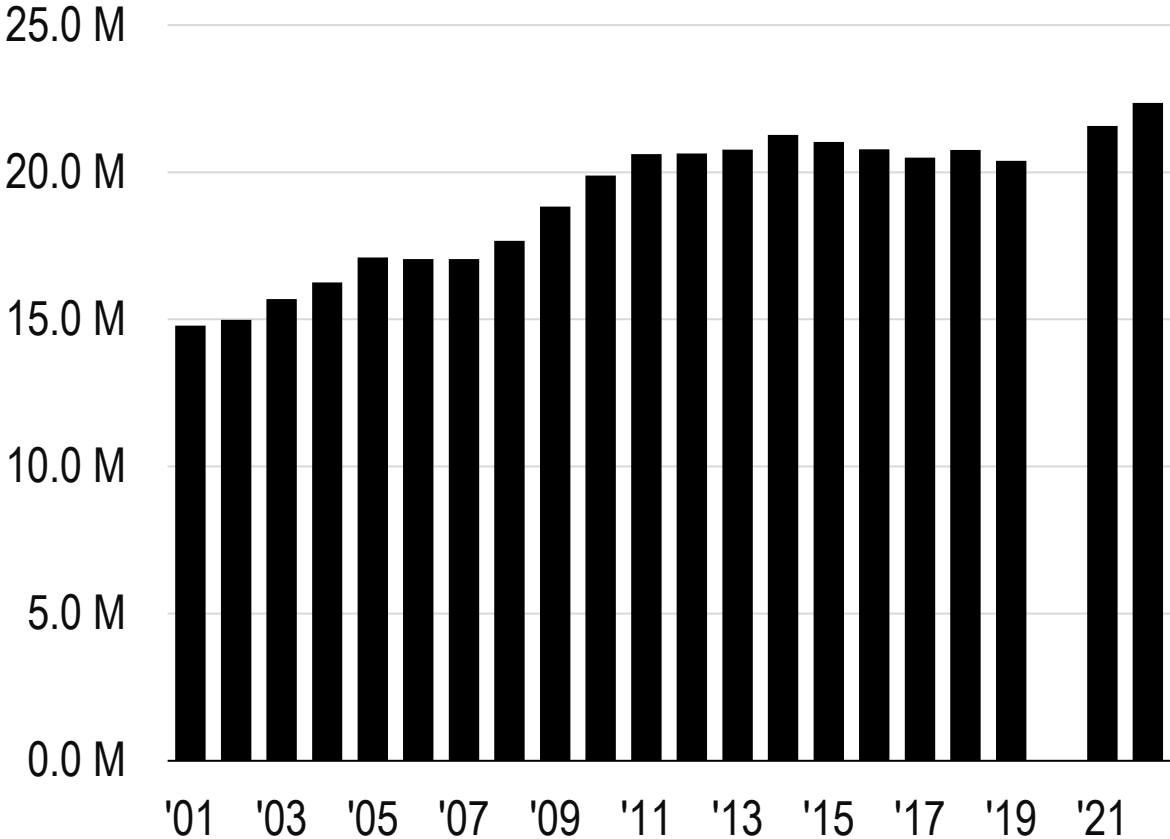
Cost Burdens Hit New High For Renters

Cost Burdened Households | United States

Homeowners



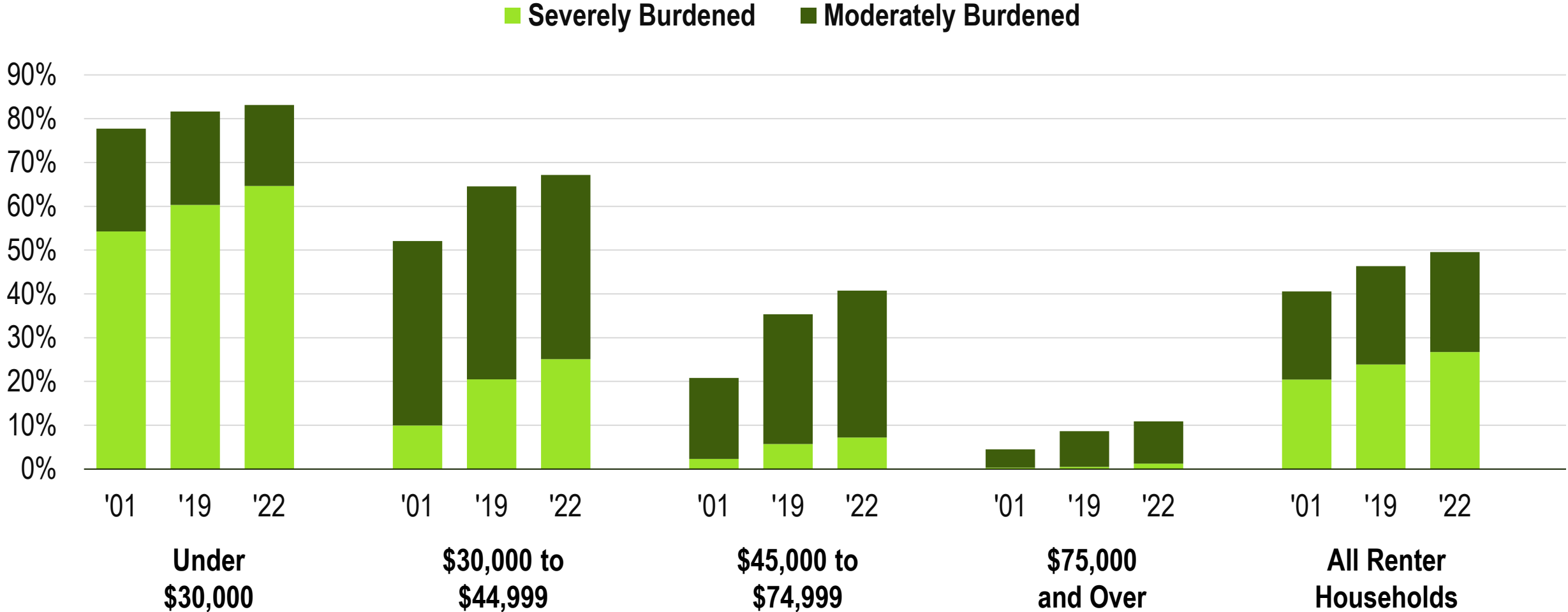
Renters



Source: JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates Note: Missing data for 2020

Cost Burdens Hit New High For Renters

Share of Renter Households Cost Burdened



Source: JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates.

Housing Cost Burden

Share of Households Cost Burdened

All Households

NATIONAL

32.4%

Renters

NATIONAL

49.6%

Owners

NATIONAL

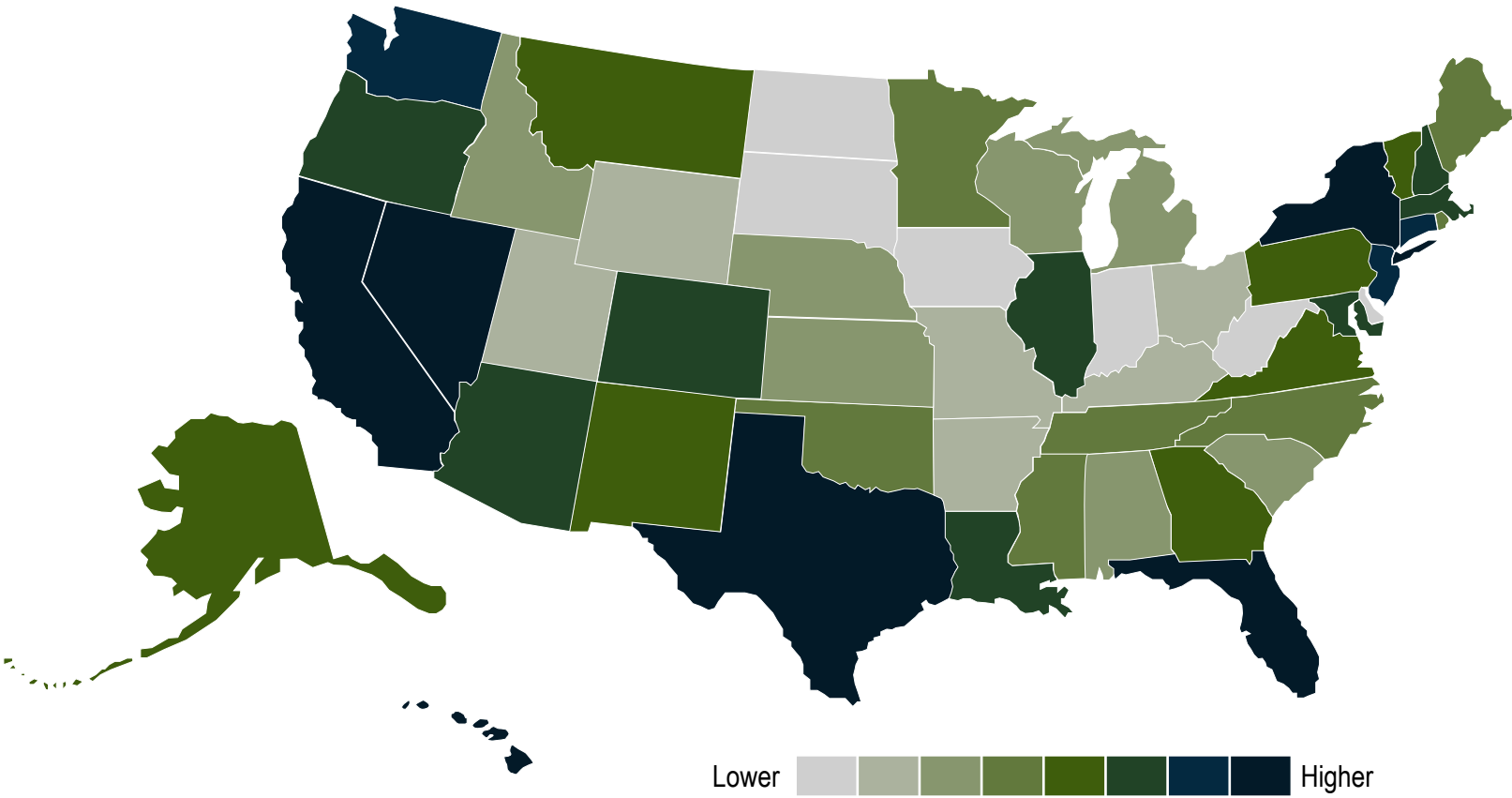
23.2%

Rank	State	All Households
1	Los Angeles-Long Beach-Anaheim, CA	45.2%
2	Miami-Fort Lauderdale-Pompano Beach, FL	45.0%
3	San Diego-Chula Vista-Carlsbad, CA	43.4%
4	Urban Honolulu, HI	43.1%
5	Oxnard-Thousand Oaks-Ventura, CA	41.9%
6	Riverside-San Bernardino-Ontario, CA	41.2%
7	Bakersfield, CA	41.1%
8	New York-Newark-Jersey City, NY-NJ-PA	41.0%
9	Fresno, CA	40.4%
10	Poughkeepsie-Newburgh-Middletown, NY	39.4%
U.S. Average		32.4%

Source: Joint Center for Housing Studies of Harvard University. Note: Cost-burdened households pay more than 30 percent of income on housing.

State Share Cost Burdened

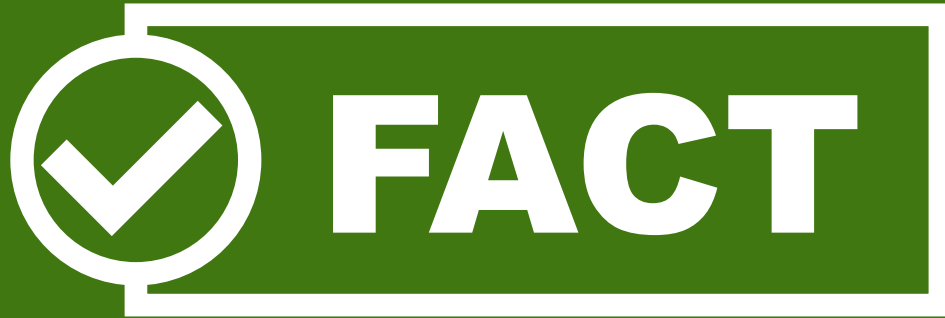
All Households



Rank	State	Growth
1	California	41.2%
2	Hawaii	40.0%
3	New York	38.6%
4	Florida	37.3%
5	Nevada	37.3%
6	D.C	37.0%
7	Massachusetts	36.5%
8	New Jersey	36.2%
9	Connecticut	35.1%
10	Oregon	34.8%
U.S. Average		32.4%

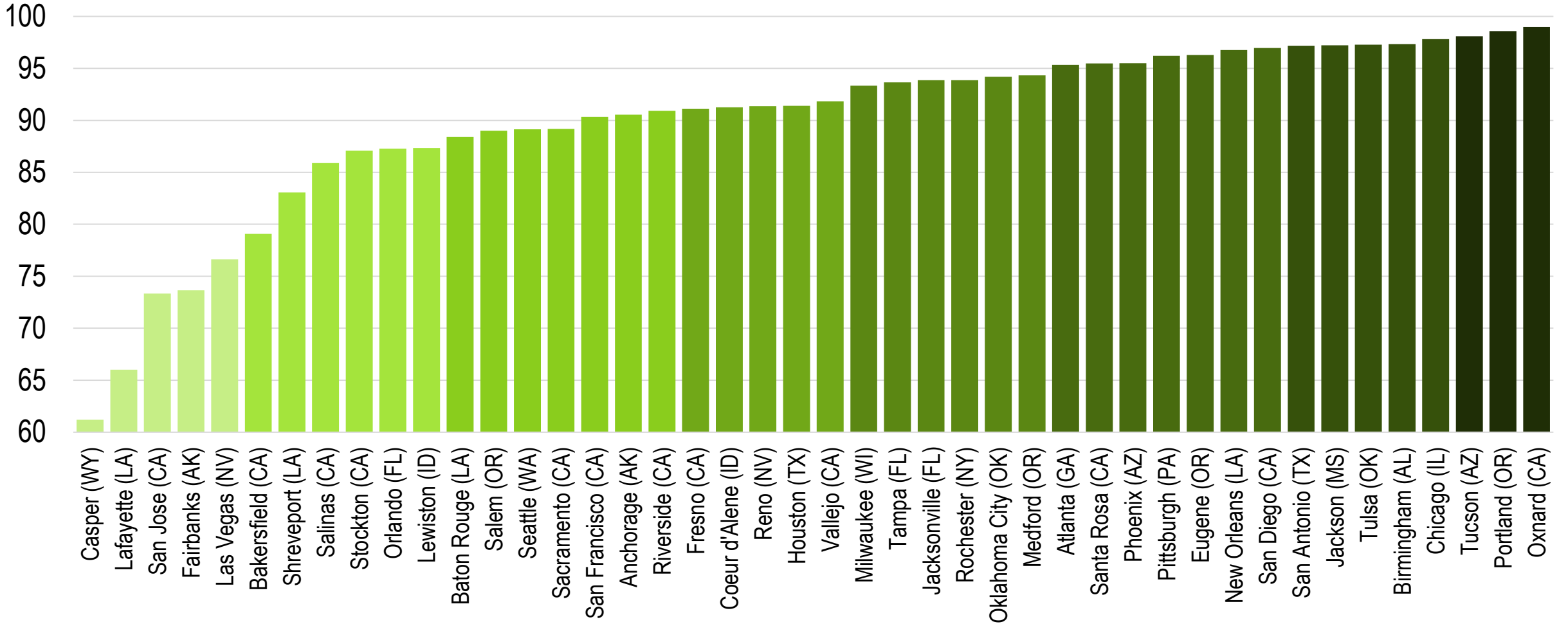
Source: Joint Center for Housing Studies of Harvard University. Note: Cost-burdened households pay more than 30 percent of income on housing.

HOUSING CONDITIONS IMPACT ECONOMIC OPPORTUNITIES.



Hachman Diversity Index

Selected MSAs | June 2024



Source: Applied Analysis

Site Selector Criteria



WORKFORCE



COST OF DOING BUSINESS



QUALITY OF LIFE



MARKET PROXIMITY



DEMOGRAPHICS



TRANSPORTATION/ACCESS



COMPETITIVE WAGES



INCENTIVES

APPLIED ANALYSIS

