



THE Q1 2020 | UTAH

GARDNER

REPORT

presented by



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A MESSAGE FROM MATTHEW GARDNER

Needless to say, any discussion about the U.S. economy, state economy, or housing markets in the first quarter of this year is almost meaningless given events surrounding the COVID-19 virus.

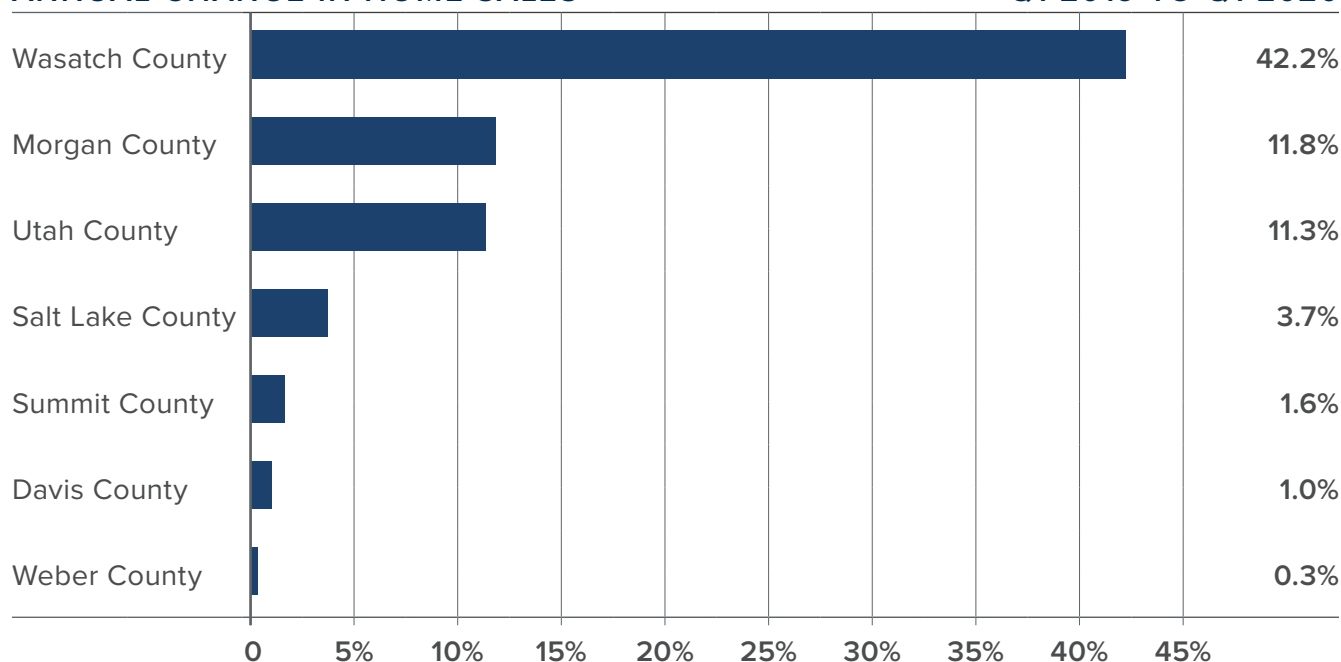
Although you will see below data regarding housing activity in the region, many markets came close to halting transactions in March and many remain in some level of paralysis. As such, drawing conclusions from the data is almost a futile effort. I would say, though, it is my belief that the national and state housing markets were in good shape before the virus hit and will be in good shape again, once we come out on the other side. In a similar fashion, I anticipate the national and regional economies will start to thaw, and that many of the jobs lost will return with relative speed. Of course, all of these statements are wholly dependent on the country seeing a peak in new infections in the relatively near future. I stand by my contention that the housing market will survive the current economic crisis and it is likely we will resume a more normalized pattern of home sales in the second half of the year.

HOME SALES

- › In the first quarter of 2020, 6,996 homes sold, which was a solid 5.1% increase compared to the same period in 2019. Sales were down 20.2% compared to the fourth quarter of 2019.
- › Total sales activity rose in all counties covered by this report. Year-over-year sales rose by double digits in three counties, with impressive increases in the relatively small Wasatch County.
- › The number of homes for sale in the first quarter was down by 24.2% compared to the same period a year ago and was 27.2% lower than the fourth quarter of 2019. Clearly COVID-19 has had an impact on prospective home sellers.
- › Pending sales in the first quarter were up 2.6% compared to the fourth quarter of 2019, suggesting that buyers are still in the market even though listing inventories are very tight.

ANNUAL CHANGE IN HOME SALES

Q1-2019 TO Q1-2020

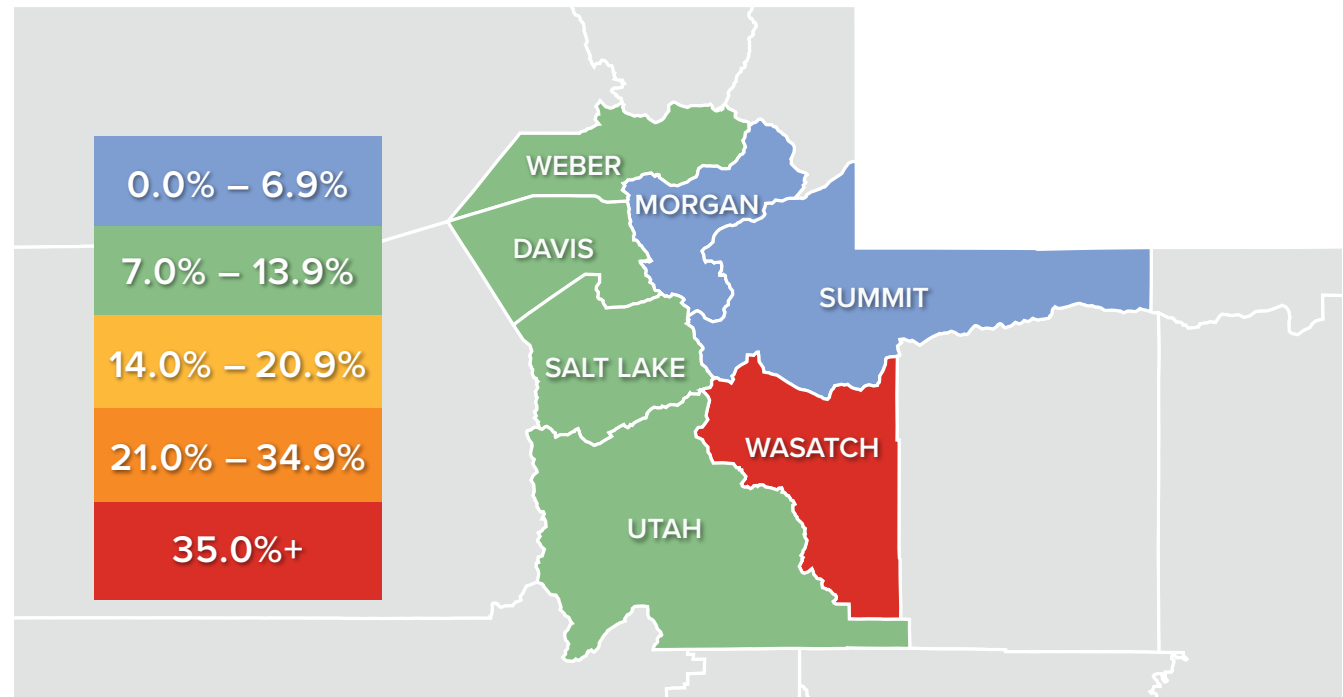
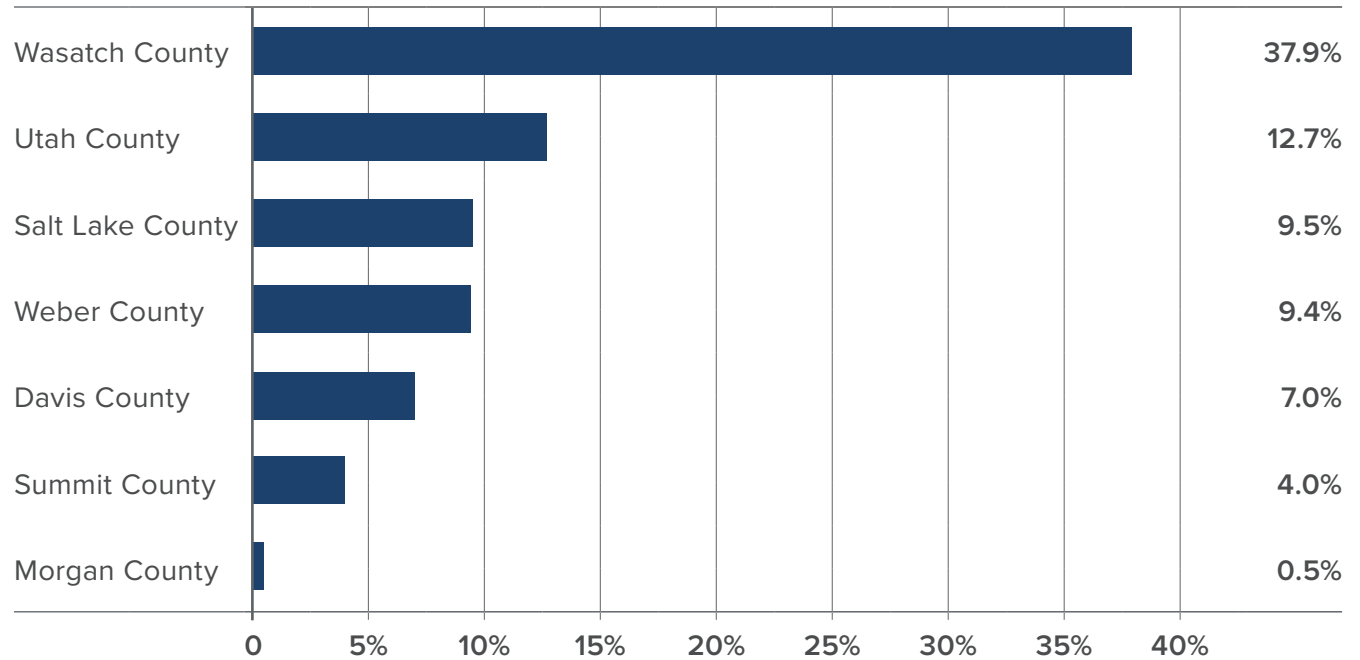


HOME PRICES

- ▶ The average home price in the region continued to rise in the first quarter, with a year-over-year increase of 10.4% to an average of \$404,316. Prices were a modest 0.3% higher than in the fourth quarter of 2019.
- ▶ All counties contained in this report saw price increases compared to the same period a year ago.
- ▶ Appreciation was strongest in Wasatch County where prices were up 37.9%. However, this is a small area and can be subject to significant swings in sale prices.
- ▶ The takeaway here is that home prices continued to appreciate at considerable rates during the quarter. The big question will be whether this continues as we move through the economic slowdown created by COVID-19.

ANNUAL CHANGE IN HOME SALE PRICES

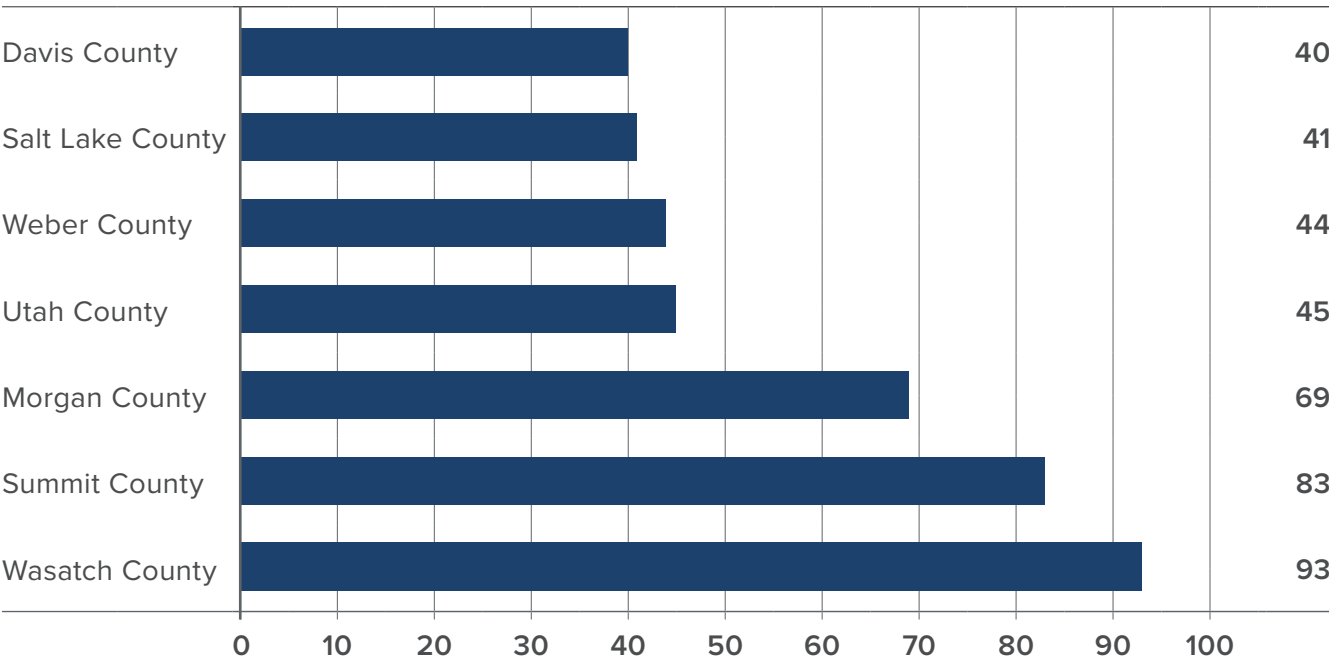
Q1-2019 TO Q1-2020



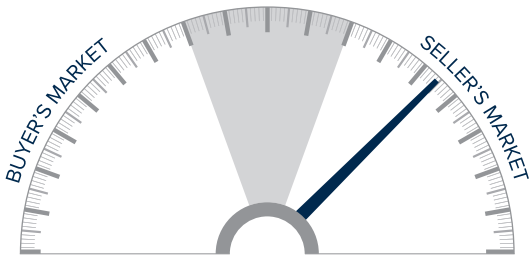
DAYS ON MARKET

- › The average number of days it took to sell a home in the counties covered by this report dropped five days compared to the first quarter of 2019.
- › Homes sold fastest in Davis and Salt Lake counties, and slowest in Summit and Wasatch counties. That said, it took 23 fewer days to sell a home in Summit County than it did a year ago.
- › During the first quarter of the year, it took an average of 59 days to sell a home in the region, up by 2 days when compared to the fourth quarter of 2019.
- › Market demand appeared to remain quite robust during the first quarter of this year.

AVERAGE DAYS ON MARKET



CONCLUSIONS



This speedometer reflects the state of the region's real estate market using housing inventory, price gains, home sales, interest rates, and larger economic factors.

Given the current economic environment, I have decided to freeze the needle in place until we see a restart in the economy. Once we have resumed "normal" economic activity, there will be a period of adjustment with regard to housing. Therefore, it is appropriate to wait until later in the year to offer my opinions about any quantitative impact the pandemic will have on the housing market.

ABOUT MATTHEW GARDNER

As Chief Economist for Windermere Real Estate, Matthew Gardner is responsible for analyzing and interpreting economic data and its impact on the real estate market on both a local and national level. Matthew has over 30 years of professional experience both in the U.S. and U.K.

In addition to his day-to-day responsibilities, Matthew sits on the Washington State Governors Council of Economic Advisors; chairs the Board of Trustees at the Washington Center for Real Estate Research at the University of Washington; and is an Advisory Board Member at the Runstad Center for Real Estate Studies at the University of Washington where he also lectures in real estate economics.