

2024 FORECAST

REAL ESTATE ECONOMY

Presented by Real Estate Economist Matthew Gardner



Matthew Gardner

A reliable voice in real estate economics Matthew Gardner is known for his thorough analysis and predictions, Gardner offers valuable insights into the housing market, guiding understanding and decision-making in a constantly changing economic landscape. Matthew is the former Principal of Gardner Economics and has over 28 years of professional experience both in the U.S. and U.K.

WHATCOM COUNTY OWNER HOUSEHOLDS 2023-2028

58,686

CURRENT OWNER HOUSEHOLDS IN WHATCOM COUNTY

7.0%

PROJECTED GROWTH OVER THE NEXT 5-YEARS

4,125

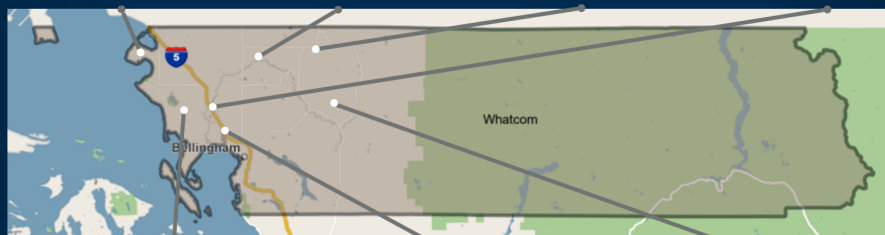
ADDITIONAL OWNER HOUSEHOLDS TO BE FORMED

FORECAST OVERVIEW

After experiencing a period of volatility characterized by soaring sale prices and low interest rates, the housing market found its footing in 2023. Real estate economist Matthew Gardner had predicted that price growth would be flat in 2023, which was seen as a positive development for several reasons. This outcome was a response to the surge in mortgage rates in mid-2022, which led to a decrease in both demand and affordability. Gardner's primary concern had been that supply would not normalize, potentially leading to fewer transactions within the year. However, he anticipates improvements for 2024. The housing market in 2023, though different from previous years, was a movement towards a return to normalcy.

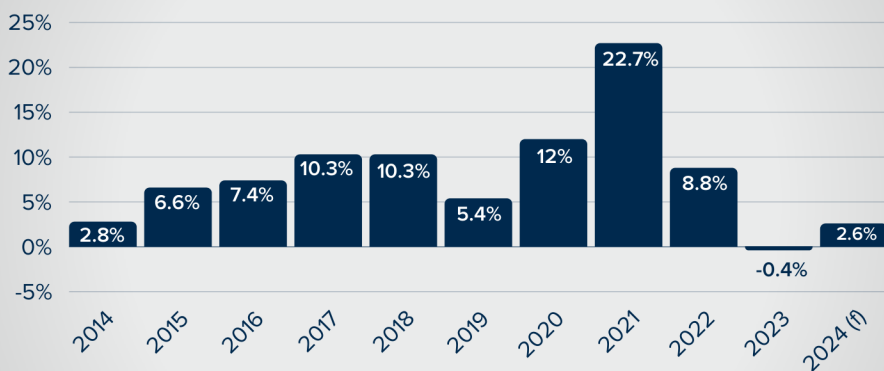
SINGLE-FAMILY HOME PRICE 2022 VS 2023

BLAINE/BIRCH BAY	LYNDEN	NOOKSACK VALLEY	MERIDIAN
\$615,288 (+6.3%)	\$649,992 (+9.5%)	\$566,261 (+12.1%)	\$731,526 (+12.7%)



FERNDALE	BELLINGHAM	MOUNT BAKER/DEMING
\$639,052 (+10.7%)	\$814,746 (+9.2%)	\$404,299 (-.5%)

SINGLE-FAMILY HOME PRICE FORECAST



2023 REAL ESTATE MARKET PREDICTIONS & QUICK FACTS

Presented by Windermere Real Estate Chief Economist Matthew Gardner



BUYERS

Despite the increased mortgage rates affecting affordability, this market offers a chance for homebuyers who need to sell their current homes to purchase a new one. Prices have corrected and it is unlikely that the market will see prices fall further, instead anticipate them rising modestly in 2024

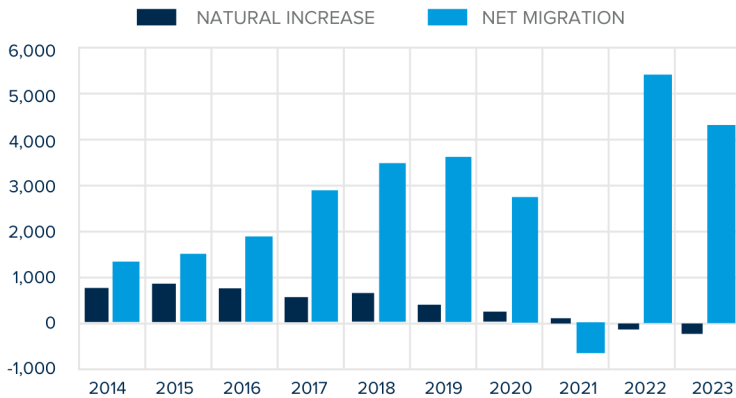
SELLERS

From their 2022 peaks, average sale prices are down 14.1% & median prices are 15.5% lower. That said, year over year, average prices are up 1.6%, but median sale prices were 6.9% lower.

EVERY 1% CHANGE IN INTEREST RATES AFFECTS PURCHASING POWER BY 10%!

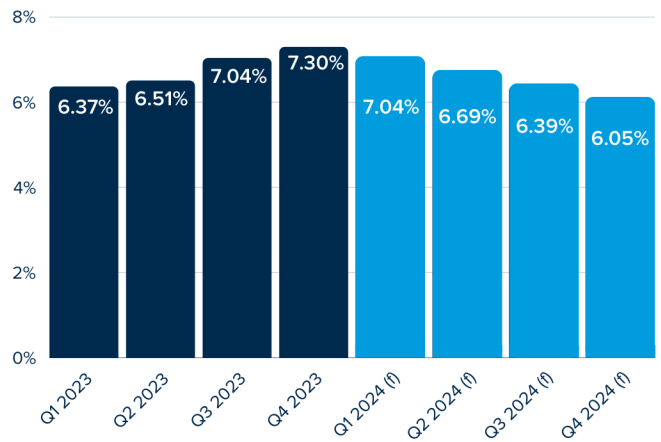
DEMAND

The county population continues to grow, rising 14.5% over the past decade, with 88% of growth coming from migration to the area. As demand for homeownership continues to grow, it's clear that this will drive the market forward in our area.



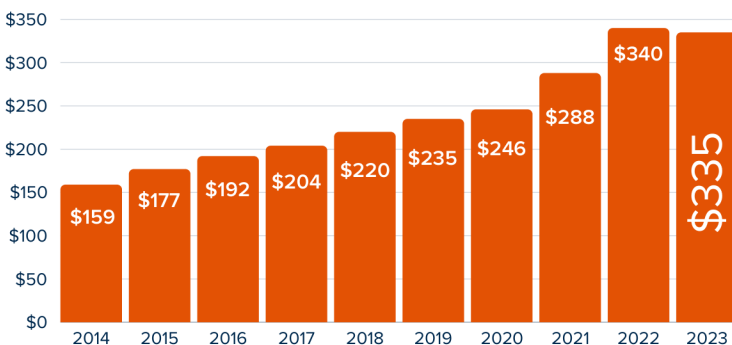
HAVE RATES FINALLY FOUND DIRECTION?

Bonds had been reacting to every economic announcement, no matter how small. However, they appear to be starting to feel more comfortable that the economy is slowing. Expect more volatility as important economic reports get released. That said, the consensus is that rates will fall as we move through the year.



SALES PRICE PER SQUARE FOOT

After the all time high in lumber prices of 2021, 2022 was a welcomed increase in lumber affordability. After a 32% rise in lumber prices in 2023, 2024 lumber values are predicted to increase slightly with a 5% rise. Even with equilibrium in lumber prices, the mounting costs of permit fees, labor, and other materials will continue to contribute to the increase in construction costs in 2024.



AVERAGE 30-YEAR RATE & FORECAST

WHATCOM POPULATION CONTINUES TO GROW

Growth has been driven by in-migration, and not by “natural” increases with 88% of total growth coming from “movers” as opposed to “organic” growth