

Bay Area Housing Market Forecast Says Downturn Likely to be Temporary

U.S. News Housing Market Index predicts spring rebound in single-family building permits

WASHINGTON, D.C., UNITED STATES, March 17, 2023 /EINPresswire.com/ -- A new [housing market forecast](#) for the San Francisco Bay Area published by U.S. News & World Report and produced by contributor [MetroIntelligence](#) concludes that if the “bloom is off the rose” for the region, it’s likely to be temporary.

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Some industry watchers are understandably wondering whether the bloom has come off the rose in this beautiful and historic region.”

Patrick S. Duffy, Real Estate Economist

The forecast for building permits is populated through June 2023 using the U.S. News Housing Market Index, an interactive data set acquired last year from EnergyLogic. Currently in beta testing, the index aggregates a large variety of public and private data points categorized by their impacts on housing demand, supply and financing. For this report, the Bay Area is defined as the San

Francisco-Oakland-Hayward metropolitan statistical area, which includes the counties of San Francisco, San Mateo, Marin, Alameda and Contra Costa.

Although the forecast calls for a decline in multifamily permits given the surge in apartment construction since 2020, it predicts a rebound in permits for single-family homes due to continued low inventory for existing homes. Still, at the moment the housing market picture for the Bay Area remains unclear.

“Whether due to tech-related companies facing wrenching changes and layoffs, sky-high housing prices fueling a stubborn homeless problem or wondering whether the collapse of a favorite local bank may lead to further contagion among the region’s start-up firms, it’s fair to say the future looks murky,” writes [Patrick S. Duffy](#), chief economist for MetroIntelligence in the report. “Although this murkiness has led to a bit of a frozen housing market – especially in the city of San Francisco – investors armed with data and patience may find some great opportunities in the months ahead.”

The report also includes commentary on local market conditions from experts including Jordan Levine, chief economist for the California Association of Realtors, and Greg Paquin from The Gregory Group, whose company tracks actively selling new home communities throughout the

region.

Whereas the forecast does find a 30% decline in median sales prices from April 2022 through January 2023, Levine argues that this fall is really due more to a mix of lower-priced homes selling than outright price declines for the same homes, and also adds that prices regularly fall between the spring and winter months.

For new home sales, Paquin says that builders have managed to find the “sweet spot” between offering incentives such as mortgage rate buydowns and price cuts and are becoming even more aggressive for standing inventory.

The entire report and forecast can be viewed at <https://realestate.usnews.com/real-estate/housing-market-index/articles/bay-area-housing-market-forecast>.

About MetroIntelligence:

MetroIntelligence is an economics consulting firm focused on land use, and also provides public relations and corporate communications services to clients working in homebuilding, real estate development, finance and sales. Company founder and real estate economist Patrick S. Duffy began contributing to U.S. News & World Report in 2022, focusing on economics and other trends related to the housing market as well as analyzing their recently unveiled Housing Market Index. For more information on MetroIntelligence, visit <https://www.metrointel.com>.

About the U.S. News Housing Market Index:

The U.S. News Housing Market Index leverages IBM Watson® Natural Language Understanding – and the recently acquired Housing Tides Index from EnergyLogic – to help enable U.S. News to interpret and synthesize large volumes of housing data for easy viewing. The computing power supporting this platform allows users to find tailored data results for different regions and time periods, allowing them to make informed decisions about housing. The index also includes a tool providing forecasts on building permits for the top 50+ U.S. markets, while a robust sentiment analysis feature interprets 500 media pieces related to housing each month. For more information on the U.S. News Housing Market Interface, visit <https://realestate.usnews.com/housing-market-index/interface>.

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