

Using Census and Zillow Data to Understand COVID-19's Impact on the Housing Market

Zillow Economic Research



About Zillow Economic Research



Our Team

Zillow Research Mission Statement:

“Zillow Research aims to be the most open, authoritative source for timely and accurate housing data and unbiased insight. Our goal is to empower consumers, industry professionals, policymakers and researchers to better understand the housing market.”



AFFORDABILITY - BUYING/SELLING - RENTING

How \$15k in Down Payment Assistance Could Help Millions Achieve Homeownership

BY ALEXANDRA LEE

More than 25% of U.S. renters could afford their typical local monthly mortgage payment -- if they had enough savings for a minimal down payment.

The Latest

Mar. 16, 2021

[Home Shoppers Feel Safer if They See...](#)

Mar. 16, 2021

[How \\$15k in Down Payment Assistance...](#)

Mar. 12, 2021

[Zillow Market Pulse: March 12, 2021](#)

Mar. 11, 2021

[Luxury Kitchens & Bathrooms are...](#)

[See more...](#)

The Numbers

January 2021

U.S. Typical Home Value (Zillow Home Value Index)

\$269,039

January 2021

Change in Typical Home Value From Last Year

+9.1%

January 2021

U.S. Typical Monthly Rent (Zillow Observed Rent Index)

\$1,721

January 2021

Change in Typical Rent From Last Year

0.5%

[See more...](#)

Zillow.com/data

Housing Data

Home values

Zillow Home Value Index (ZHVI): A smoothed, seasonally adjusted measure of the typical home value and market changes across a given region and housing type. It reflects the typical value for homes in the 35th to 65th percentile range. The raw raw version of that mid-tier ZHVI time series is also available.

Zillow publishes top-tier ZHVI (\$, typical value for homes within the 65th to 95th percentile range for a given region) and bottom-tier ZHVI (\$, typical value for homes that fall within the 5th to 35th percentile range for a given region).

Zillow also publishes ZHVI for all single-family residences (\$, typical value for all single-family homes in a given region), for condo/coops (\$), for all homes with 1, 2, 3, 4 and 5+ bedrooms (\$), and the ZHVI per square foot (\$, typical value of all homes per square foot calculated by taking the estimated home value for each home in a given region and dividing it by the home's square footage). Check out [this overview of ZHVI](#) and [a deep-dive into its methodology](#).

Here's a handy [ZHVI User Guide](#) for information about properly citing and making calculations with this metric.

The **Zillow Home Value Forecast (ZHVF)** is the one-year forecast of the Zillow Home Values Index (ZHVI), which is above. ZHVF is created using the all homes, mid-tier, smoothed and seasonally adjusted cut of ZHVI.

Data Type

ZHVI All Homes (SFR, Condo/Co-op) Tin ▾

Geography

Metro & U.S. ▾

Download

Zillow.com/data

Rentals

Zillow Observed Rent Index (ZORI): A smoothed measure of the typical observed market rate rent across a given region. ZORI is a repeat-rent index that is weighted to the rental housing stock to ensure representativeness across the entire market, not just those homes currently listed for-rent. The index is dollar-denominated by computing the mean of listed rents that fall into the 40th to 60th percentile range for all homes and apartments in a given region, which is once again weighted to reflect the rental housing stock. Details available in [ZORI methodology](#).

Data Type

ZORI (Smoothed, Seasonally Adjusted): ▾

Geography

Metro & U.S. ▾

Download

Inventory and sales

The For-Sale Inventory, Newly Pending Listings, Mean and Median Days to Pending, Median List Price, Median Sale Price and Share of Listings With a Price Cut, Mean and Median Price Cuts (\$ and %) metrics come in raw as well as smoothed flavors (plus seasonally adjusted for Median Sale Price) and are available in monthly and weekly views.

Data Type

For-Sale Inventory (Smooth, All Homes) ▾

Geography

Metro & U.S. ▾

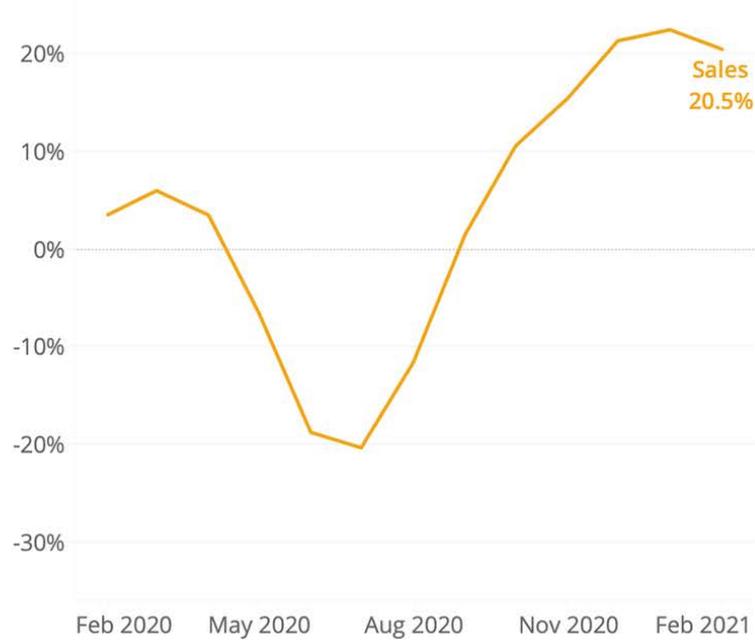
Download

Market came to a halt - then rebounded

New For-Sale Inventory YoY

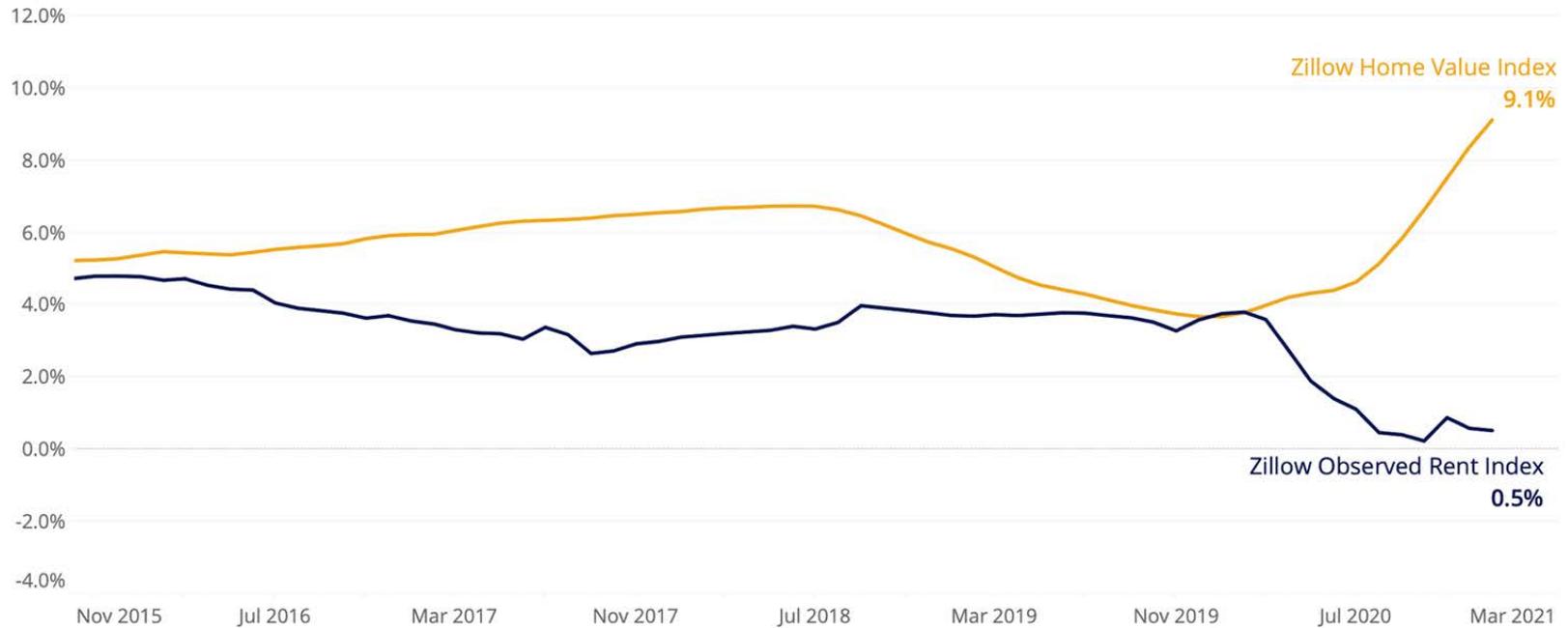


Sales YoY



Home values and rents diverging

Zillow Home Value Index YoY and Zillow Observed Rent Index YoY



We started to sense a pattern...

Pandemic Leads To Urban Exodus As Families Turn To Self-Reliance And Off-The-Grid Living

The Coming Urban Exodus

Failing progressive governance is making daily life too chaotic and stressful in many U.S. cities.

How Will Cities Survive the Coronavirus?

They could take a long time to recover — and may look very different when they do.

Is this the end of cities in America?

Is Another Exodus Ahead for U.S. Cities?

So long, New York: pandemic and protests spark new exodus to suburbs

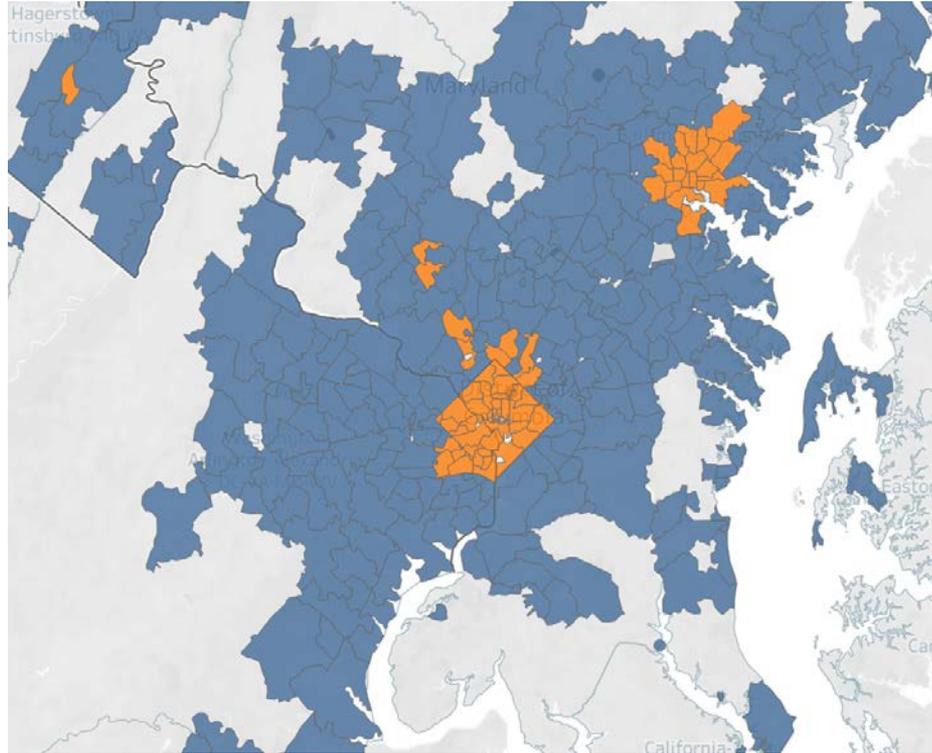
Has COVID killed our cities?

The rise of remote working during the coronavirus crisis has led many to rethink whether they need to live so close to the office

Urban/Suburban Housing during the Pandemic



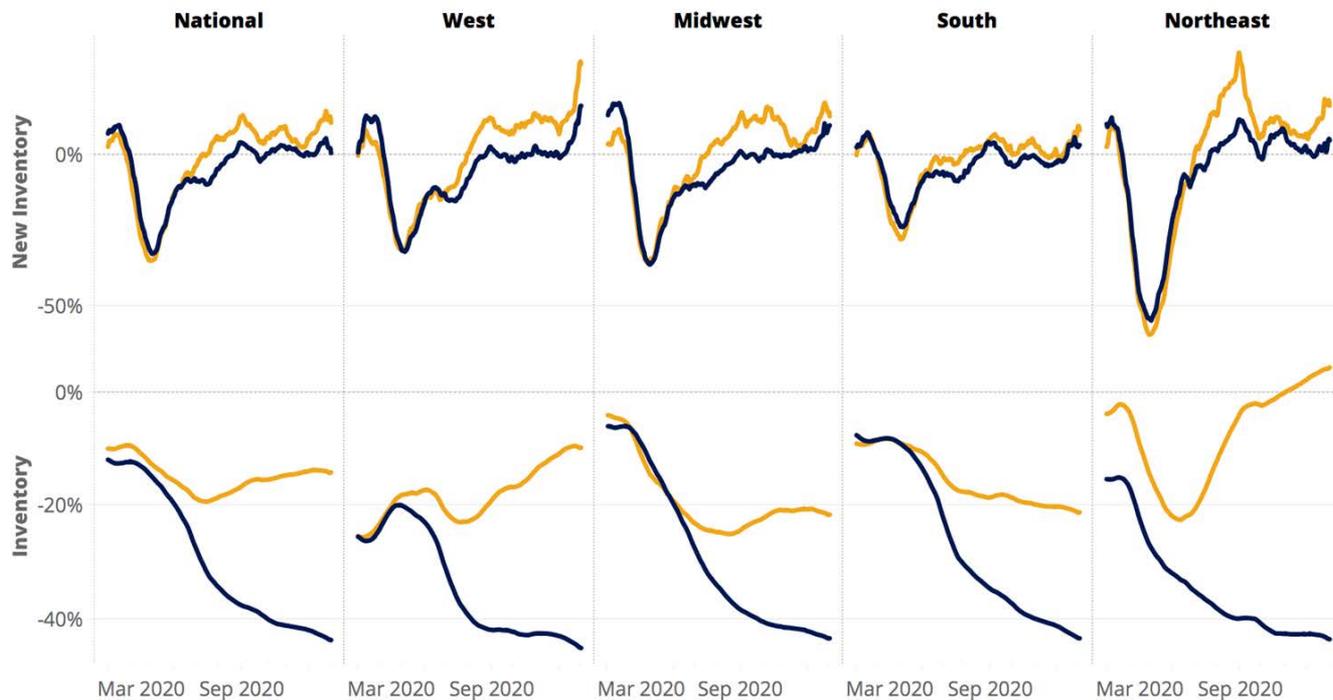
Defining urban and suburban areas



Source: <http://jedkolko.com/wp-content/uploads/2015/05/Data-and-methodological-details-052715.pdf>

Northeast and West showing divergence...

New inventory and inventory growth in **urban** and **suburban** markets by region



...New York and San Francisco in particular

New York City year-over-change in MSA and city proper



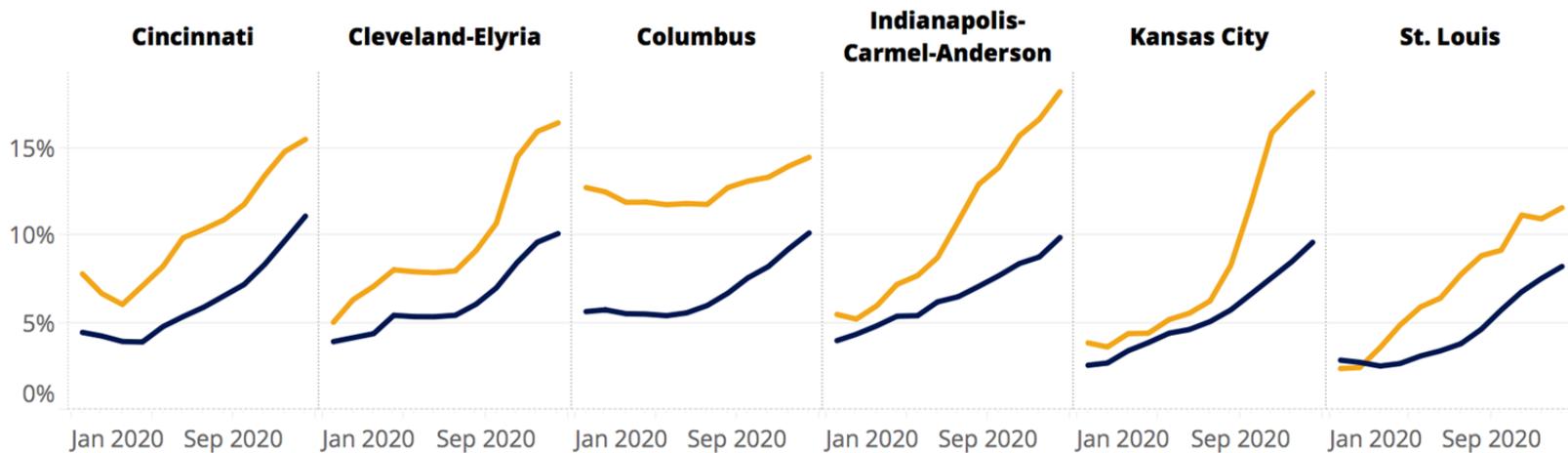
San Francisco year-over-change in MSA and city proper



Midwest seeing hot urban markets

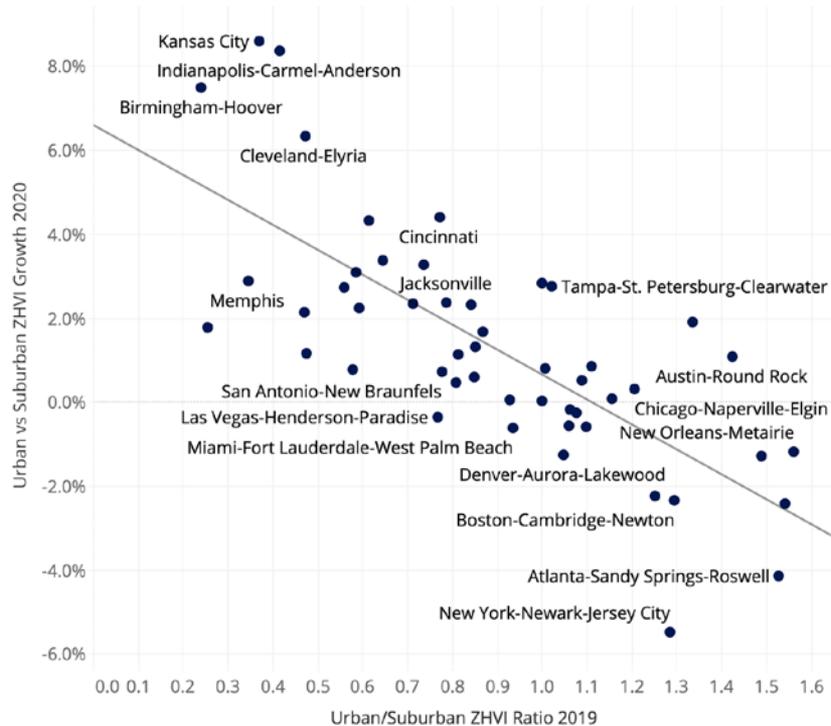
Urban home value growth has outpaced suburban growth in a number of midwest markets

Metros where **urban** ZHVI rising faster than **suburban** ZHVI



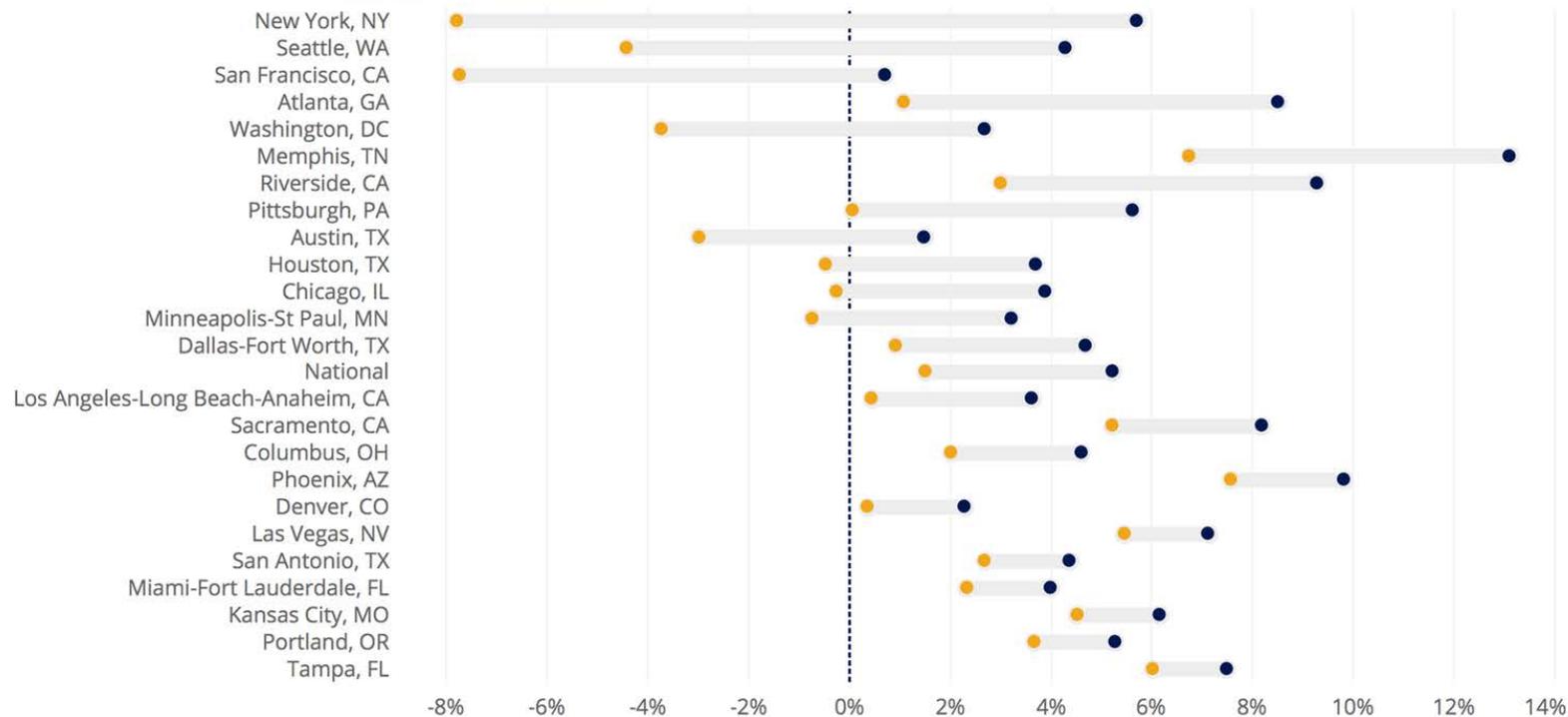
Cheaper urban cores boomed

Metros where urban homes were cheaper than suburban ones pre-pandemic saw higher urban home value growth throughout 2020



Rent slowdown in expensive urban markets

Year-over-year rent growth in **urban** and **suburban** markets, December 2020



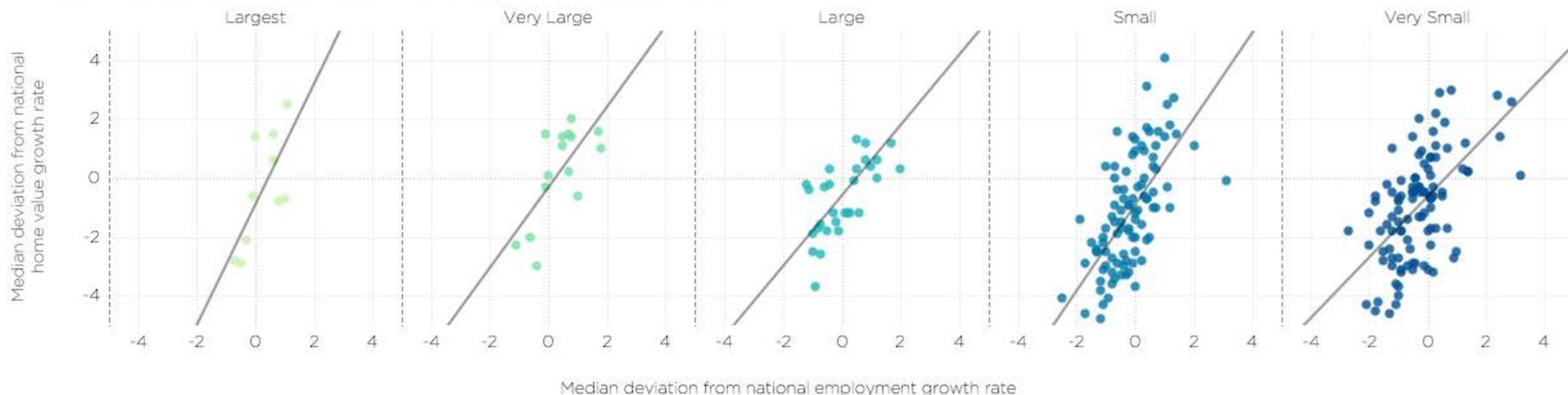
Commuting before the Pandemic



Housing and jobs are wound together

At a macro level...

Large metros struggle to match housing to job gains

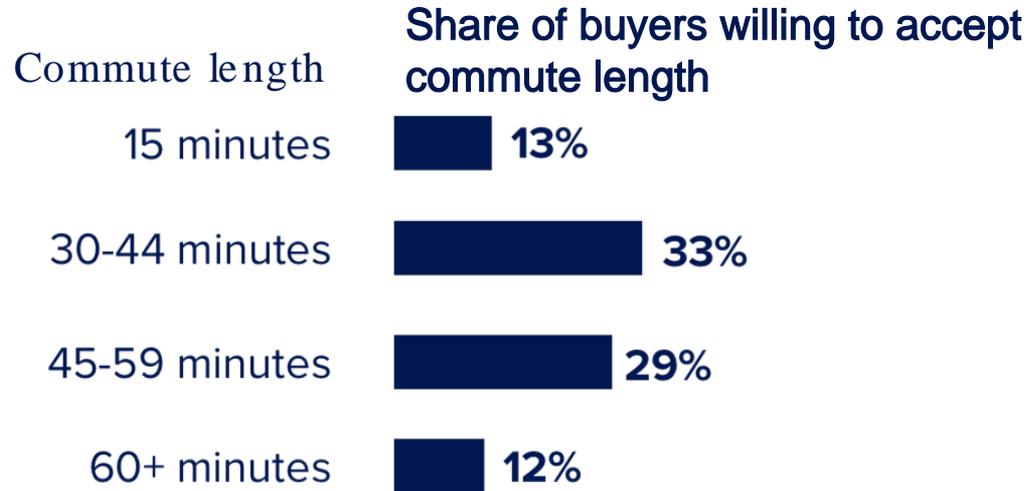


Zillow Economic Research | Source: Bureau of Labor Statistics Current Employment Statistics (CES) and the Zillow Home Value Index (Total Market Value).

Housing and jobs are wound together

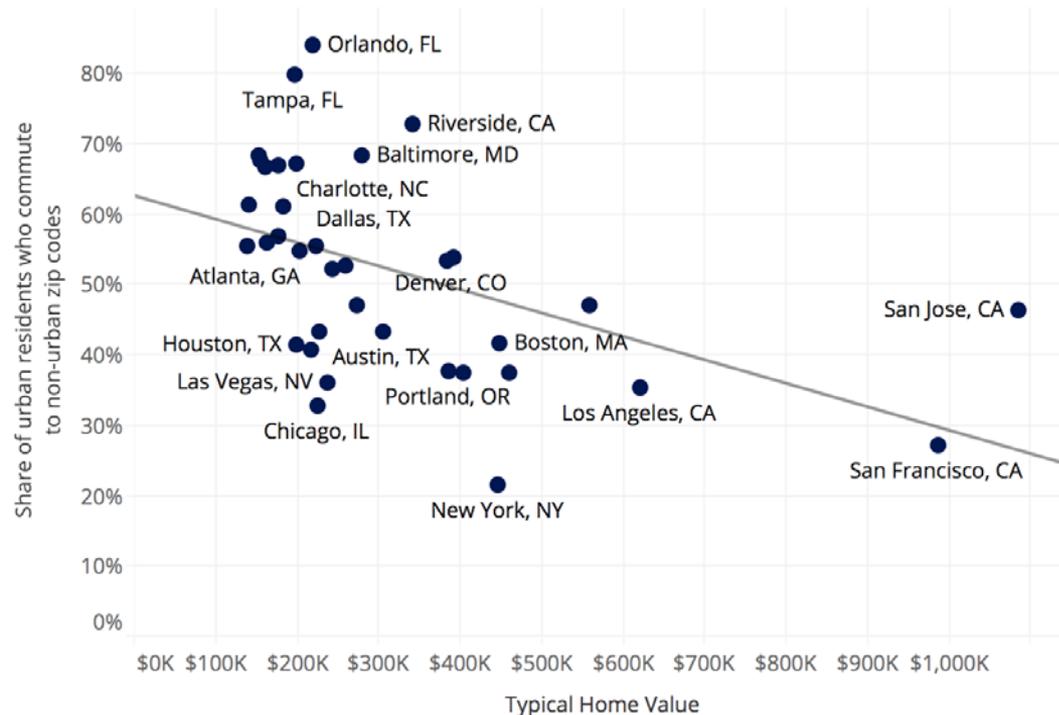
... and at a micro level.

Renters, buyers, and sellers all say the longest (oneway) commute they'd be willing to accept when considering a new home or job is **30 minutes**



Some urban dwellers commute to suburban and rural zip codes for work

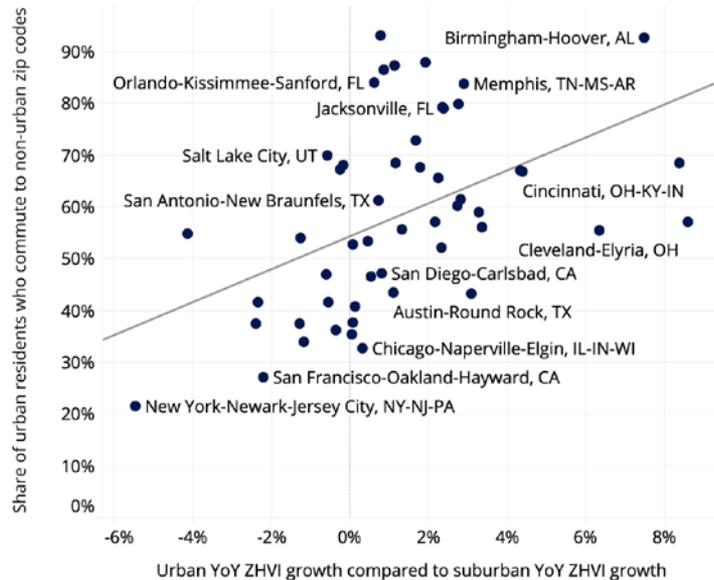
LODES data shows reverse commuters tend to be more common in less-expensive markets



Some urban dwellers commute to suburban and rural zip codes for work

Reverse commuters tend to be more common in metros that saw faster urban ZHVI growth, even during the pandemic

Urban Residents Working in Suburban/Rural Areas tend to be More Common in Metros with Higher Urban ZHVI Growth

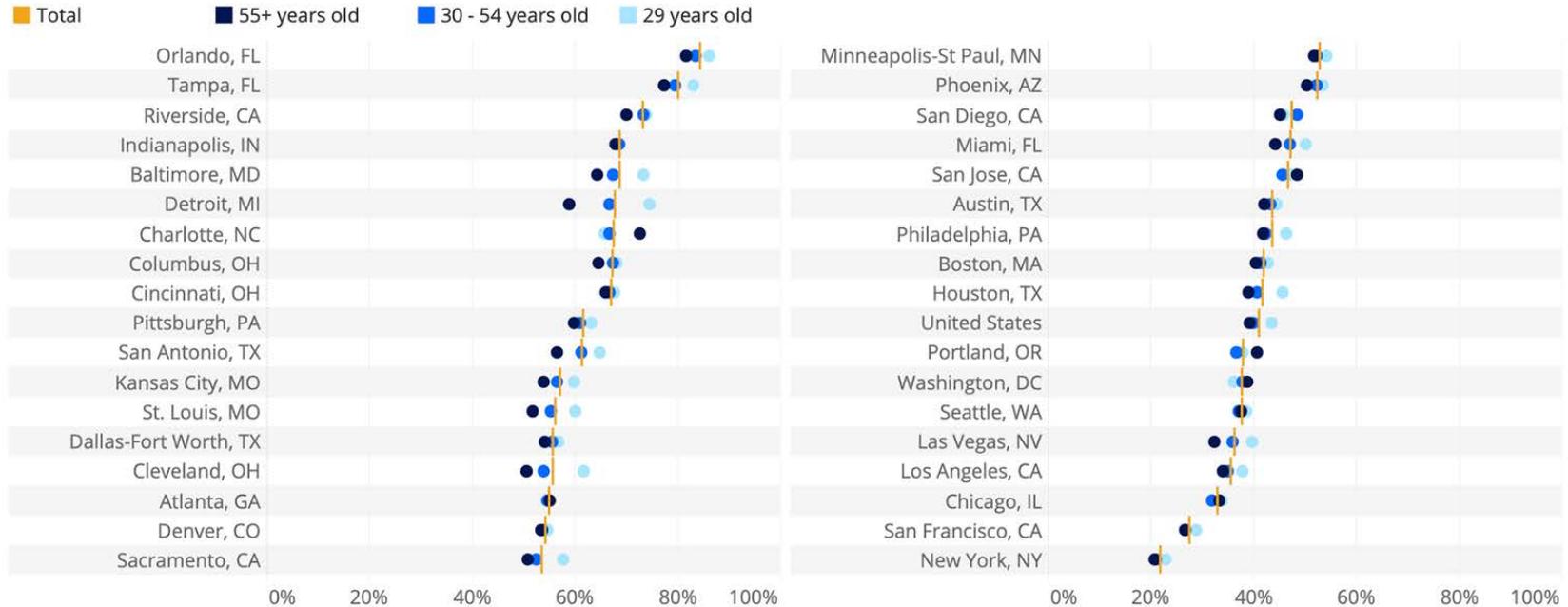


Urban centers will continue to thrive

These trends are not specific to younger generations

Urban Living and Suburban/Rural Working Roughly Equally Popular Among All Age Groups

Share of urban residents who commute to non-urban zip codes

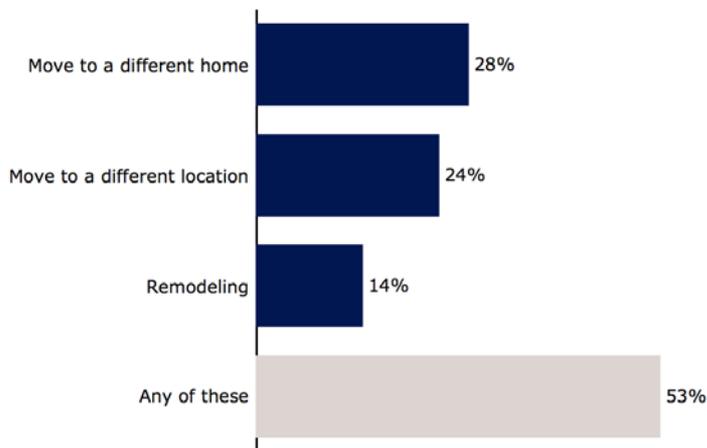


Zillow Economic Research | Source: U.S. Census Bureau, LEHD Origin-Destination Employment Statistics (LODES).

Even before the pandemic, remote work influenced housing - especially in urban areas

About half of remote-working home buyers say remote work influenced a major home change

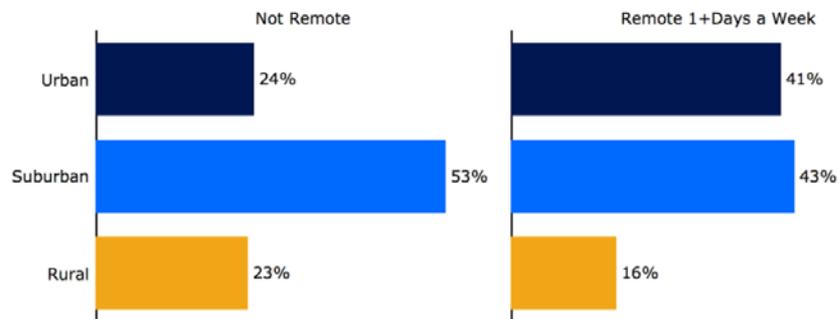
Percentage of buyers who work remotely at least part of the time who say remote work influenced each major housing change



Zillow Economic Research | Source: 2019 Zillow Group Consumer Housing Trends Report

Remote workers are more likely to purchase in urban areas

Employed buyers by location and whether they work remotely



Zillow Economic Research | Source: 2019 Zillow Group Consumer Housing Trends Report

Housing and Work after the Pandemic



Ties between work and home could loosen

A shift to remote work may open the door to more flexibility



75%

of Americans working from home due to COVID-19 say they would prefer to continue that at least half the time, even after their workplace reopens.



66%

would consider moving if they had the flexibility to work from home as often as they want,



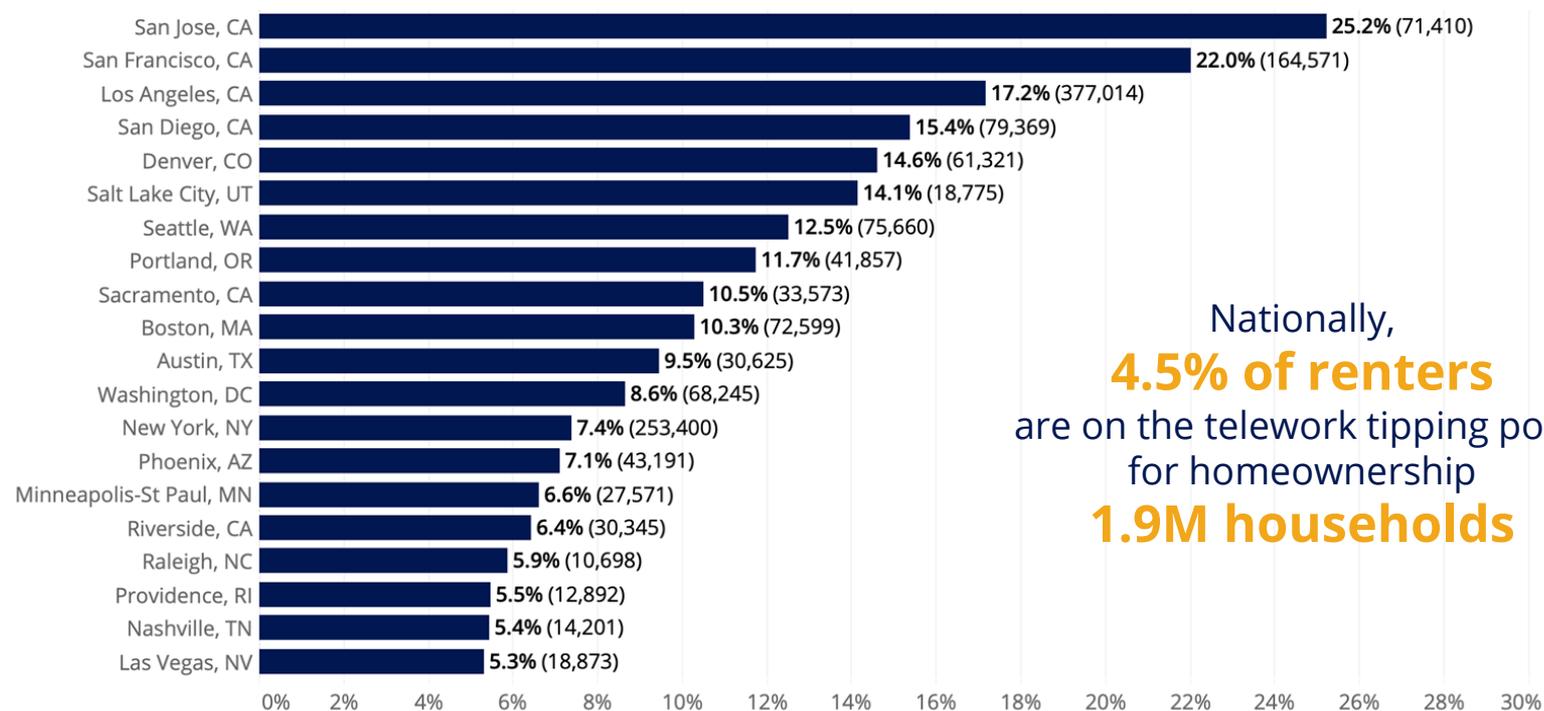
24%

said social distancing recommendations might drive a desire to move

Of the above 75%

Telecommuting could allow many renters to become buyers in more affordable metros

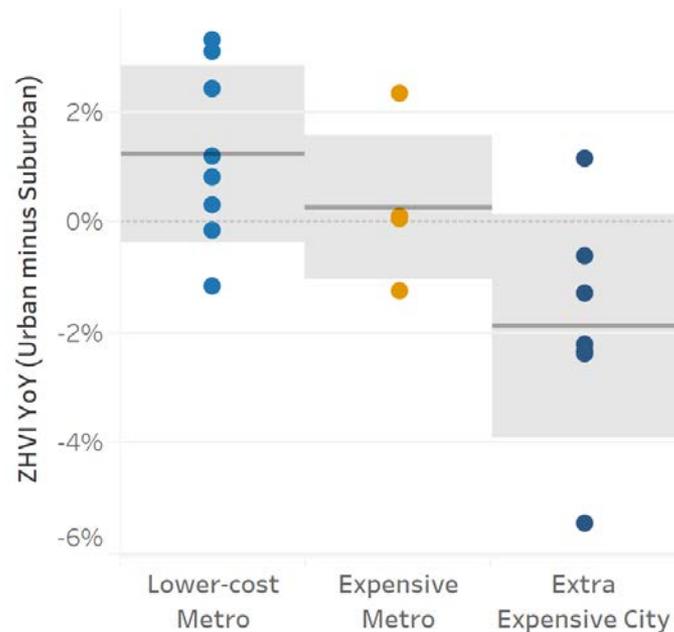
Share of renter households that could buy the typical U.S. starter home if allowed to telecommute



Nationally,
4.5% of renters
are on the telework tipping point
for homeownership
1.9M households

Or even just buy outside the central city

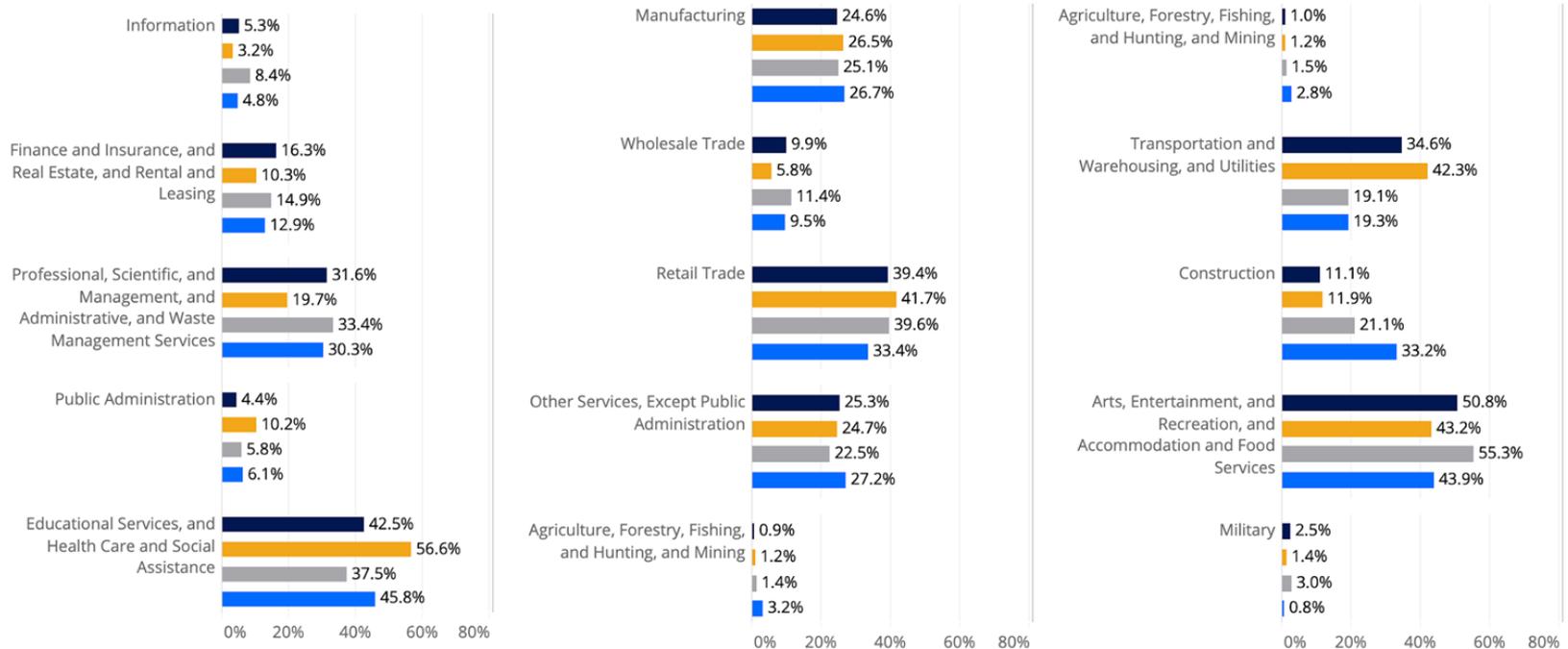
Share of renter households that could buy the typical U.S. starter home if allowed to telecommute



Different potential to telework by race

Combining BLS and ACS data to localize estimates of how many renters can telework

Share of renter household heads in industry by race (Asian, Black, Latinx, White) ordered by remotability of industry

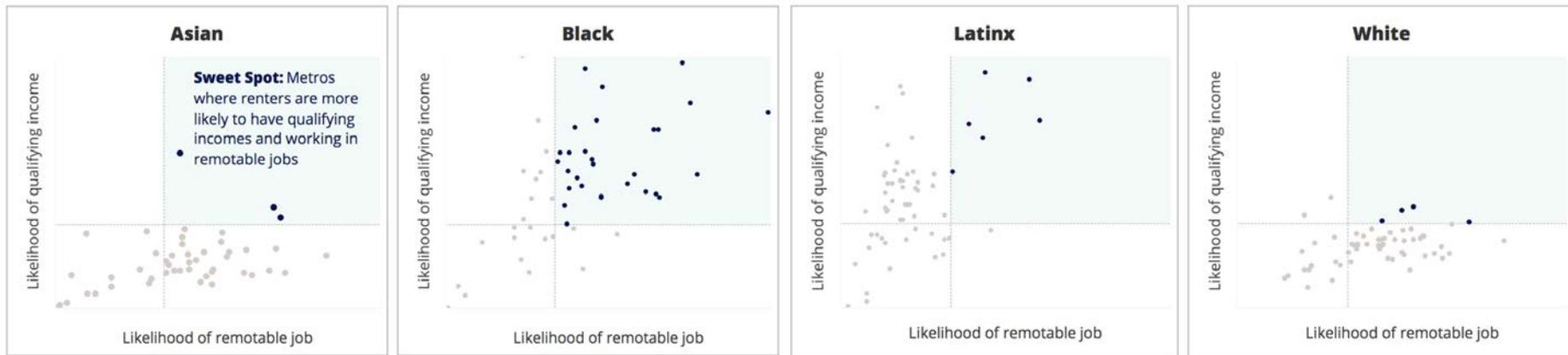


A fuller picture

Adding in Zillow data to determine who could achieve homeownership if teleworking

Black renters have a high relative likelihood of being in remotable jobs with qualifying incomes

Likelihood of qualifying income (remotable jobs only) and likelihood of remotable job (qualifying incomes only), relative to other races



Where are we
heading?



Where do we go from here

Remote work is allowing people to dream a little broader about where they can live

Region Name	Share of vacation homes	YoY Growth In Page Views	Ratio Share Favorites
Ocean City, NJ	49.5%	37.9%	2.3
Barnstable Town, MA	36.8%	58.5%	2.8
Brainerd, MN	35.6%	59.6%	1.6
Heber, UT	35.2%	53.5%	1.0
Naples, FL	30.2%	59.3%	4.0
Marinette, WI	29.5%	37.9%	0.8
Salisbury, MD	27.7%	34.7%	2.4
Key West, FL	24.9%	72.4%	8.6
Traverse City, MI	24.8%	41.9%	2.9
Sevierville, TN	24.0%	42.0%	2.7





Thank you!

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