



PRESENTED BY:



Neal Bawa  
Anna Myers

**UGRO**  
grocapitus

Multifamily University

# Real Estate Trends 2023

Investment Forecast – What You Really Need To Know | January 2023

WHAT WE WILL COVER TODAY

# Real Estate Trends 2023

## SECTION 1

### New Normal: Unreal Estate 2.0

With so much happening across the U.S and costs for everything on the rise, you might be wondering how it's impacted real estate

## SECTION 3

### How Will Real Estate Do in this Environment?

Let's apply all these economic forecasts to figure out how single family and multifamily real estate will do in 2023

## SECTION 5

### Neal's Picks for 2023

Neal names a national city and an underperforming city he expects to do exceptionally well in 2023

## SECTION 2

### Looking Ahead 2023: Economic Forecasts

From GDP to interest rates, Neal explores which way the compass points for 2023

## SECTION 4

### Time for the Shootout: Best Cities

Best cities and states in the U.S. for Real Estate in 2023 for Multifamily and Single Family

PRESIDENT AND CEO, GROCAPITUS

# Meet Neal & Anna



Neal Bawa

CEO & FOUNDER



Anna Myers

COO

\$1B

PORTFOLIO

4,800

UNITS

10

STATES

17

METROS

31

PROPERTIES

902

INVESTORS

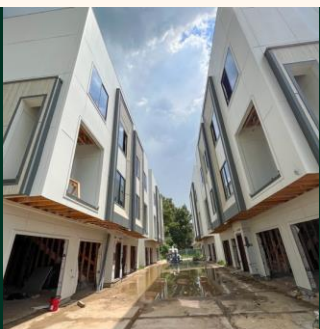


GROCAPITUS

# Our Partial Portfolio



**Nova RTP  
Townhomes**  
NEW CONSTRUCTION  
MULTIFAMILY  
46 UNITS  
DURHAM, NC



**University  
Oaks**  
NEW CONSTRUCTION  
MULTIFAMILY  
16 PLEXES  
HOUSTON, TX



**Country  
Place**  
VALUE-ADD  
MULTIFAMILY  
137 UNITS  
KILLEEN, TX



**Botanica  
Oak Hills**  
NEW CONSTRUCTION  
MULTIFAMILY  
96 UNITS  
SAN ANTONIO, TX

**The Falls at  
Crismon Commons**  
NEW CONSTRUCTION  
MULTIFAMILY  
240 UNITS  
MESA, AZ



**Coyote  
Creek**  
NEW CONSTRUCTION  
MULTIFAMILY  
116 UNITS  
ST GEORGE, UT



**Mill Race  
Phase 1A**  
NEW CONSTRUCTION  
STUDENT HOUSING  
210 UNITS  
PROVO, UT



**The Grid:  
Main & Dodge**  
NEW CONSTRUCTION  
STUDENT HOUSING  
217 UNITS  
BUFFALO, NY



**Woods Cross  
Flex**  
NEW CONSTRUCTION  
INDUSTRIAL  
6 BUILDINGS  
SALT LAKE CITY, UT



**Equinox at  
Knight**  
VALUE-ADD  
MULTIFAMILY  
194 UNITS  
ATLANTA, GA



**Storage  
Depot**  
VALUE-ADD + NEW  
SELF-STORAGE  
873 UNITS  
WEST MEMPHIS, AR



**AND MANY  
MORE...**

# Full-Cycle Success: Proven Results



## Equinox on Prince

Purchased in March 2019, Equinox on Prince was a 114-unit property in Tucson AZ. Under market rents and tired units provided major value-add opportunities. The 51.4% actual IRR totally blew away the projected 17.3% IRR and the hold period was 3.25 years vs the projected 5 years

17.3%

PROJECTED IRR\*

51.4%

ACTUAL IRR



## 630 Fairview

Acquired in Sep 2020, Fairview was a 120-unit value-add property in Greenville SC in a high rent growth area. This completely passive investment returned 2.2x in 1.6 years, versus the projected 1.92x in 5 years

16%

PROJECTED IRR

60%

ACTUAL IRR

# Full-Cycle Success: Proven Results



## Park Canyon

Acquired in Nov 2018, Park Canyon was a 151-unit super-value-add property in Dalton GA. Continuously outperforming with near 100% occupancy and collections, we built another 29 units which were quickly leased to provide a significant boost to NOI resulting in a higher sale price

16.3%

PROJECTED IRR

37.8%

ACTUAL IRR



## Storage Depot

Storage Depot was a 718-unit value-add self-storage facility with adjacent land for expansion, allowing us to turn it into a "super value-add". We rebranded and repositioned it as a green facility and sold it with newly added units under construction within 2.3 years (vs 5 years)

20.6%

PROJECTED IRR

49.6%

ACTUAL IRR

## INVESTOR TESTIMONIAL

## Jennifer F

“

Neal does wonders with investor money. **The ROI with Neal beats all my projects with other firms.**

Neal manages each project with unbeatable efficiency. He has a great team, and I have been working with the same team today as I started four years ago.

Bottom line - Neal is a disruption force in his field, he has everything down to a science. He fuses the best practice of both technology and business, into his workflow. And he always seeks the truth. If you are with Neal, you are on the fastest train!”





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INVESTOR TESTIMONIAL

# Gurpreet P

“

I have worked with Neal and his team at Grocapitus for four years as a passive partner in his deals which have come full circle to completion. I also have the perspective of being a general partner in my own deals as well as a passive partner in deals with other syndicators.

**Neal's datacentric approach gives him a near oracle-like insight** into the vagaries of not just commercial real estate. His ethics are beyond reproach and his interests are clearly aligned with his passive partners. He is what you want in a partner.”

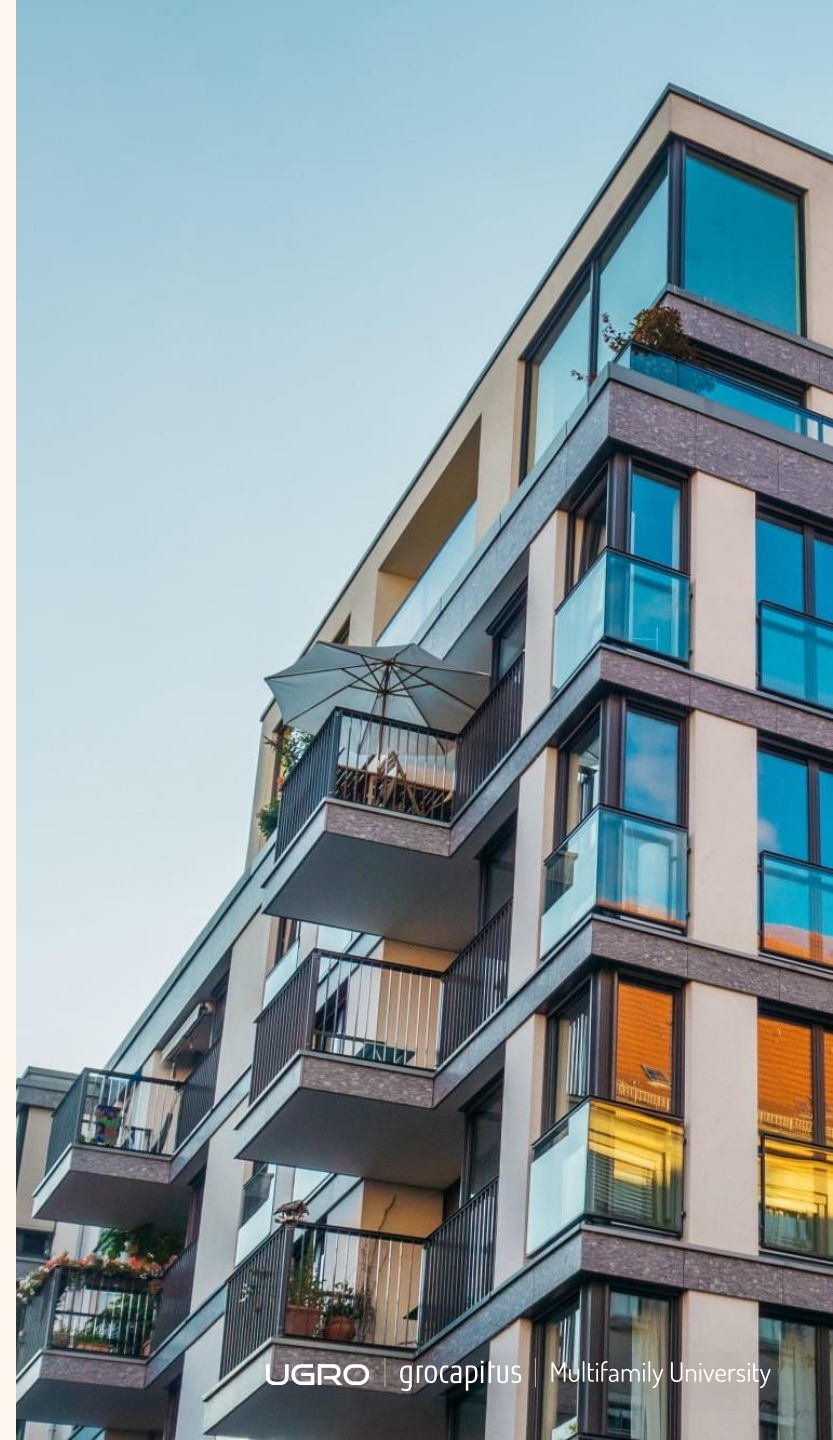


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IMPORTANT

# Two Cents From Our Lawyer

- We are not investment advisors, and this seminar is provided for educational purposes only.
- All investments involve different degrees of risk. You should be always aware of your risk tolerance level and financial situations.
- You are free to accept or reject all investment recommendations made by us. All services that we offer are subject to market risk and may result in loss to your investment.
- As you know, a recommendation is not a guarantee for the successful performance of an investment, and we cannot guarantee against losses arising from market conditions.
- Do not invest your money on our recommendation alone. Consult a professional advisor.
- HOUSEKEEPING – Recording? Questions?





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# New Normal: Unreal Estate 2.0

**2022: Stranger Things are Happening in the Economy and Housing Market**

# The Curse of the Strong U.S. Economy



## BOOMING LABOR MARKET

4.6M labor shortage

#2 strongest annual job growth on record

3.7% unemployment at half-century low



## STOCKS HAMMERED

-33% overall fall in NASDAQ

-20% overall fall in S&P500

+25% corporate profits after tax (vs pre-COVID)



## RICHER HOMEOWNERS

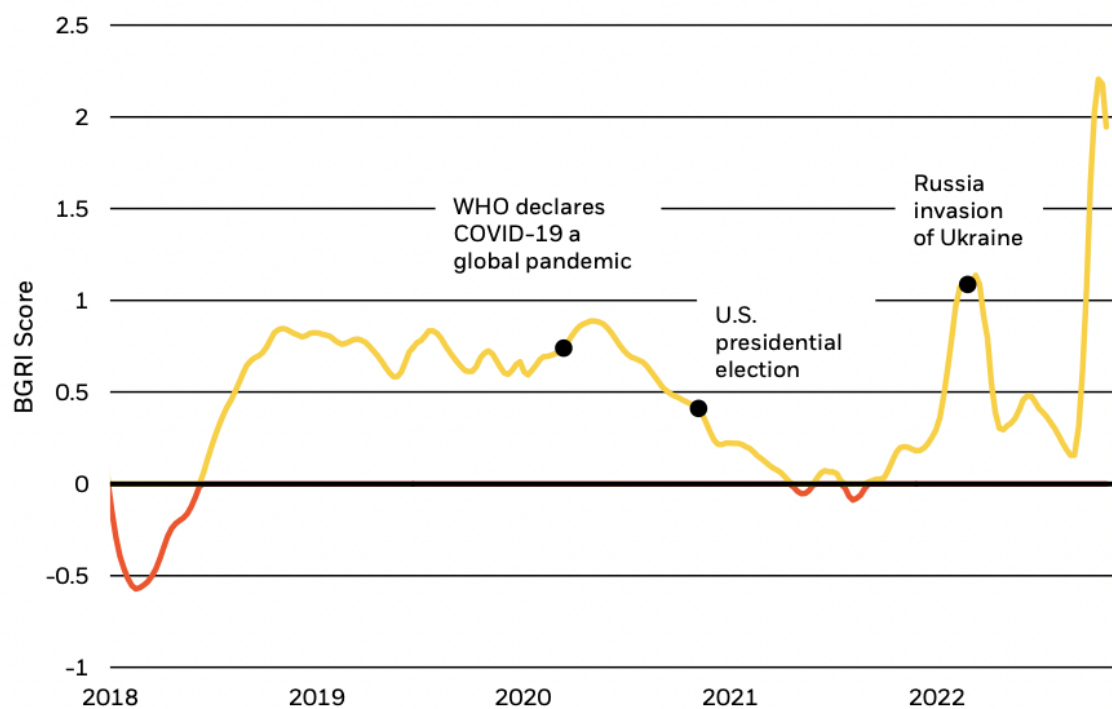
+\$30T household net worth (vs pre-COVID)

17X more equity rich mortgages vs seriously underwater

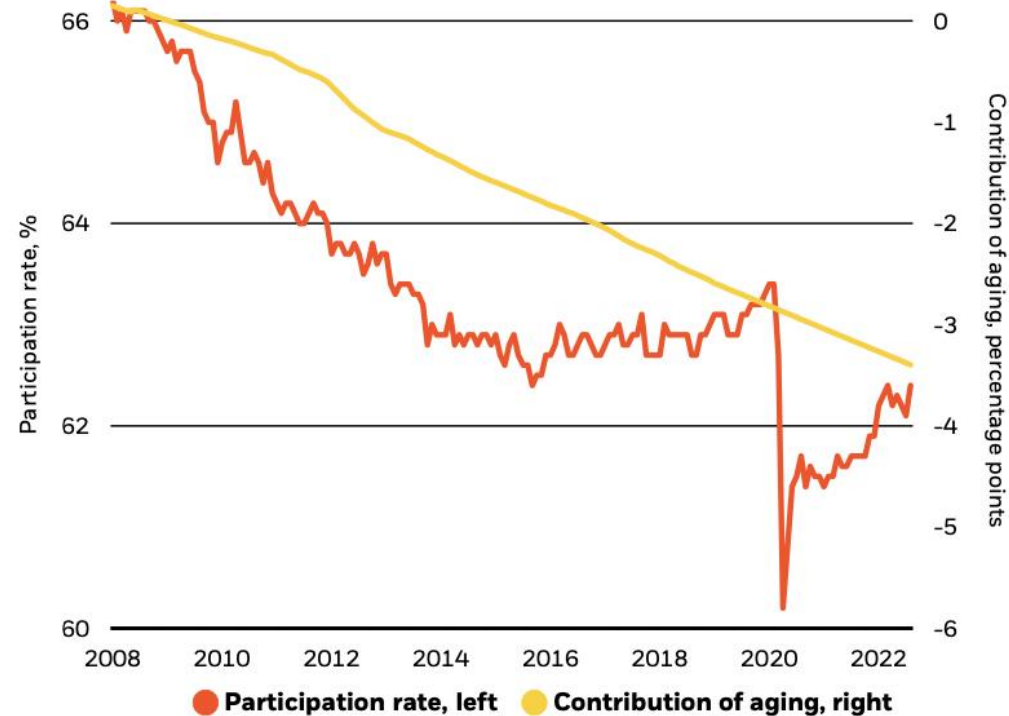
-\$13.5T real household worth

# Living with Inflation: Long-Term Drivers

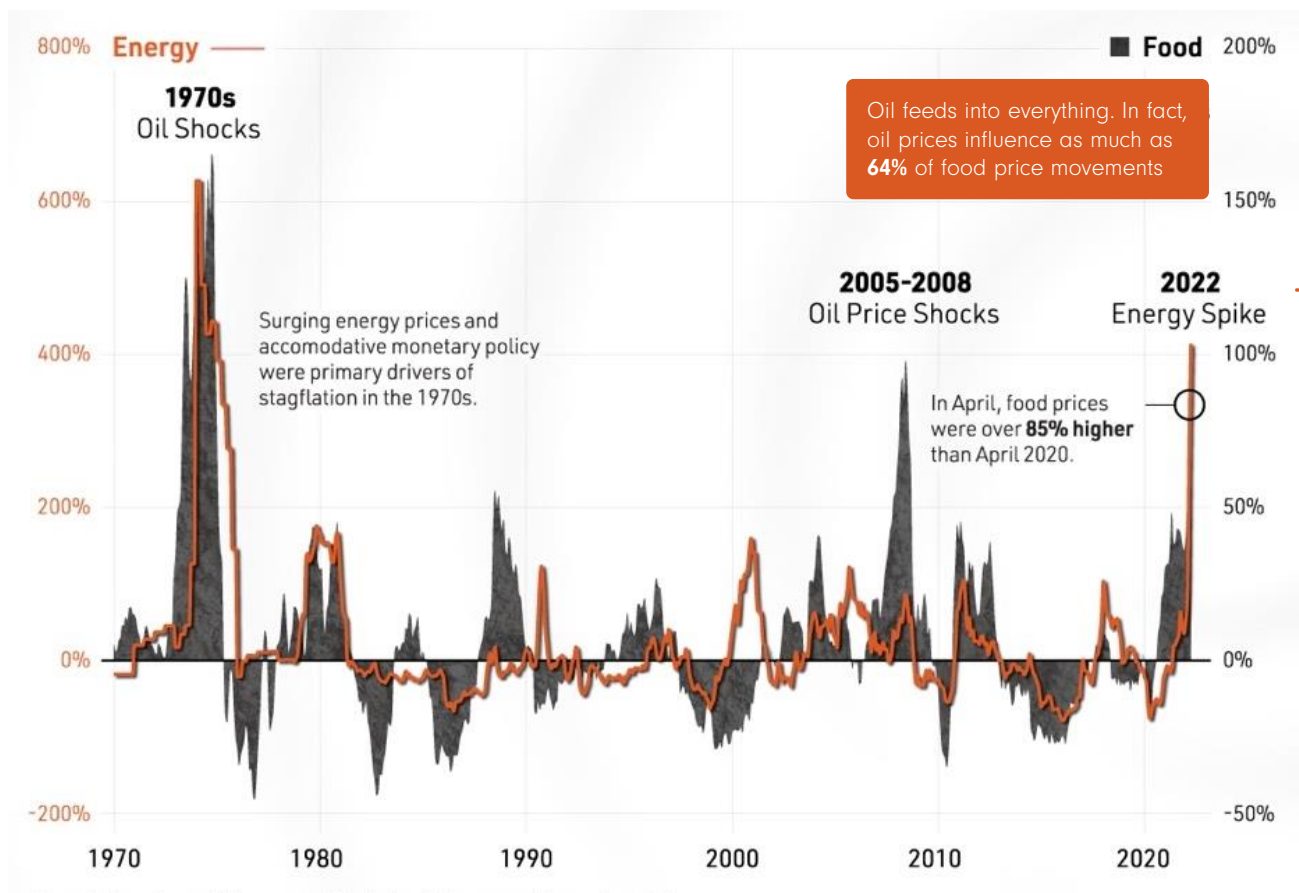
BLACKROCK GEOPOLITICAL RISK INDICATOR, 2018-2022



CONTRIBUTION OF AGING TO U.S. PARTICIPATION RATE



# 2022: Second Highest Oil Shock Since 1970s



Supply disruptions from Russia's invasion of Ukraine



Rising energy demand that could ramp up into the winter



Low spare oil capacity



1M

The U.S. sold a record 1M barrels oil per day from strategic petroleum reserves since March 2022. This led gasoline prices to fall more recently—yet deficits could follow into 2023, causing prices to increase.

## Ripple Effects



**1** **Rising global inflation** now impacts 100% advanced countries and 87% emerging countries

**2** Further energy price shocks could add greater headwinds to **global growth**

**3** Sustained food shortages and high prices could send millions into **food insecurity and social unrest**

# DOUBLE-DIGIT INFLATION

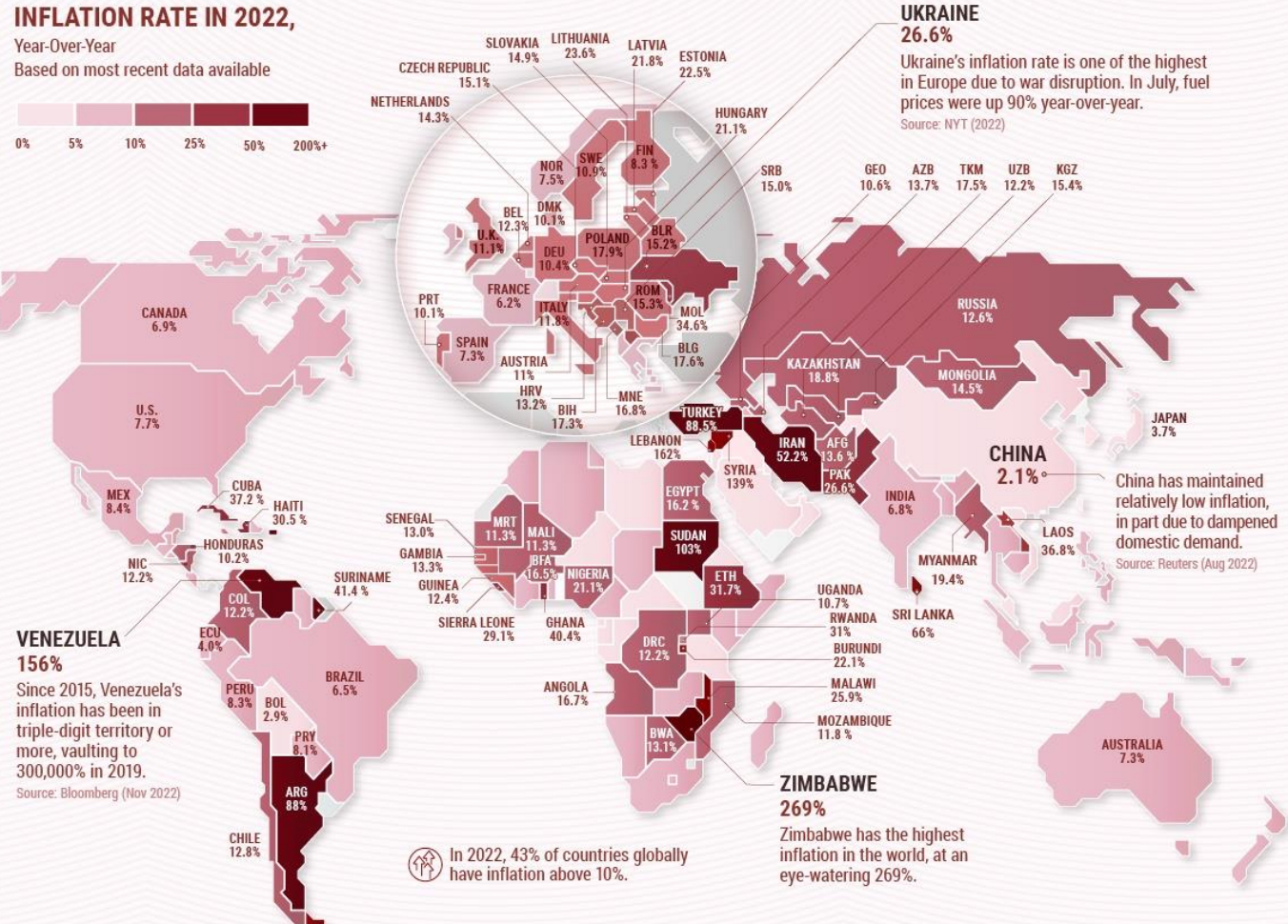
IN ALMOST HALF THE WORLD

Today, many countries around the world are experiencing double—or even triple—digit inflation.

Here are the countries with the highest inflation rates globally as soaring energy prices are driving up the cost of living.











## INFLATION RATE IN 2022,

Year-Over-Year  
Based on most recent data available



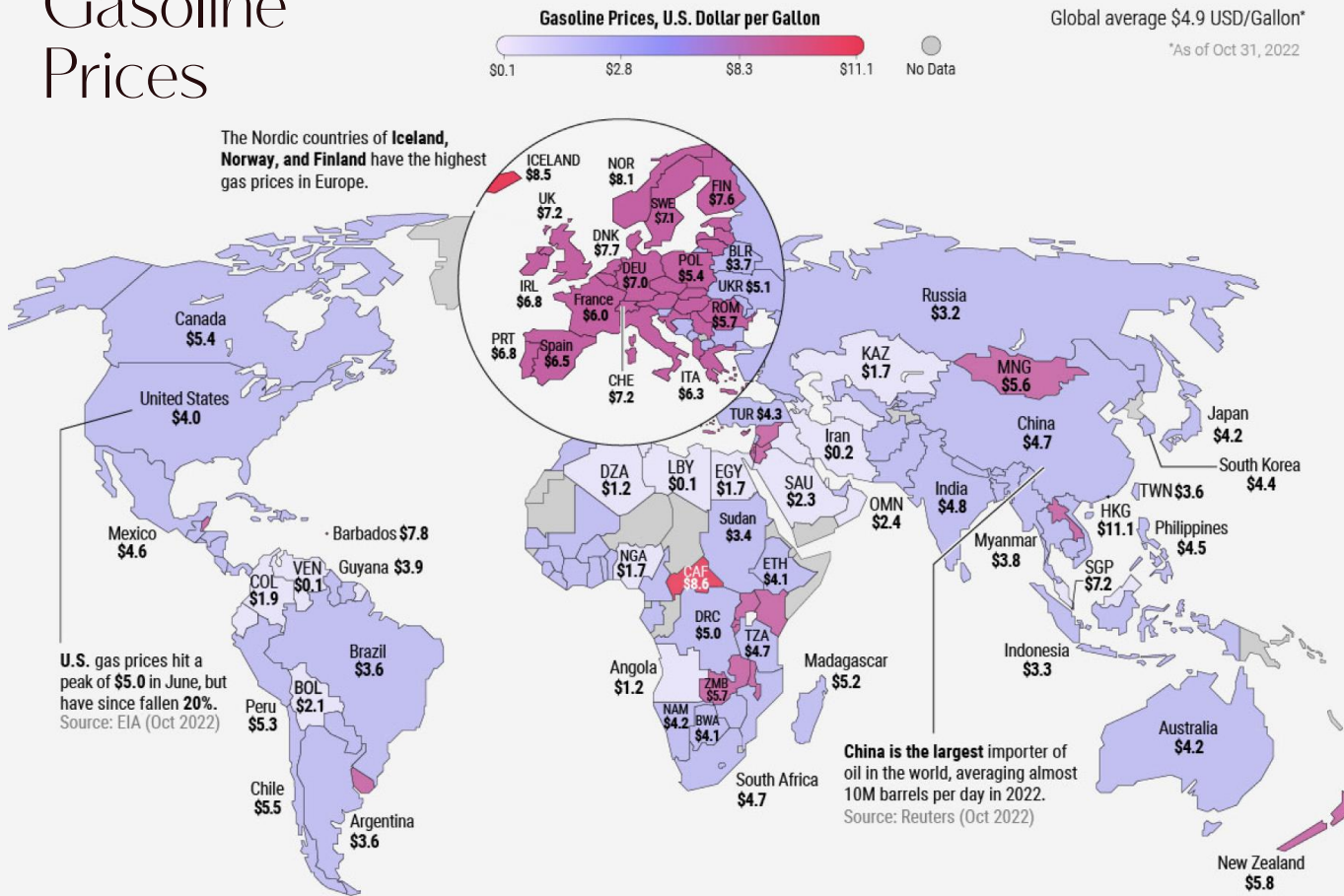
NEW NORMAL: UNREAL ESTATE 2.0

# Cost of Living Soars Globally

Rank	Country	Inflation Rate
1	Zimbabwe 	+269%
2	Lebanon 	+162%
3	Venezuela 	+156%
4	Syria 	+139%
5	Sudan 	+103%
6	Argentina 	+88%
7	Turkey 	+86%
8	Sri Lanka 	+66%
9	Iran 	+52%
10	Suriname 	+41%

Source: Visual Capitalist, Mapped: Which Countries Have the Highest Inflation?, Dec 2022.

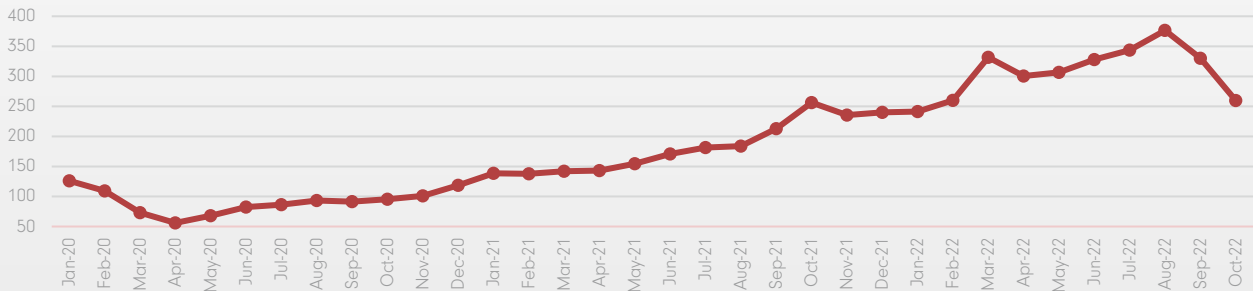
# Gasoline Prices



U.S. gas prices hit a peak of \$5.0 in June, but have since fallen 20%.  
Source: EIA (Oct 2022)

China is the largest importer of oil in the world, averaging almost 10M barrels per day in 2022.  
Source: Reuters (Oct 2022)

## GLOBAL FUEL ENERGY PRICE INDEX



NEW NORMAL: UNREAL ESTATE 2.0

# Global Energy Prices Know No Bounds

## PRICES IN EUROPE



**X6**  
since 2021



**X2**  
in last 2 years

## NATURAL GAS

## ENERGY PRICES



**+144%**  
vs 20-year avg.



**+78%**  
vs 20-year avg.

## HOUSEHOLD GAS

## HOUSEHOLD ELECTRICITY

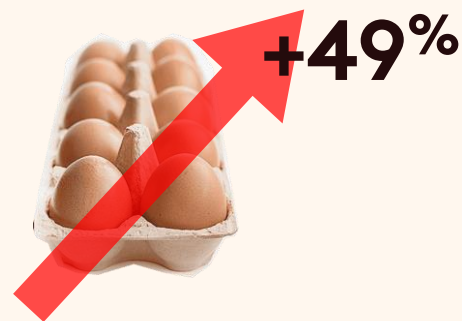
# U.S. Inflation: Which Subcategories Hurt the Most?



FOOD AT ELEMENTARY &  
SECONDARY SCHOOLS



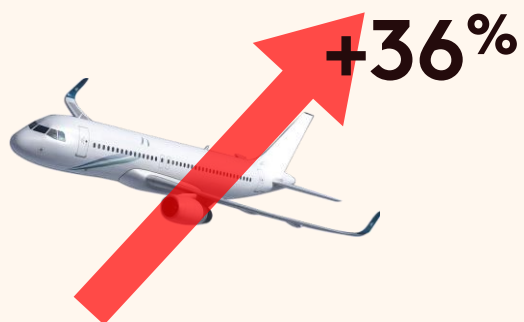
FUEL OIL



EGGS



MARGARINE



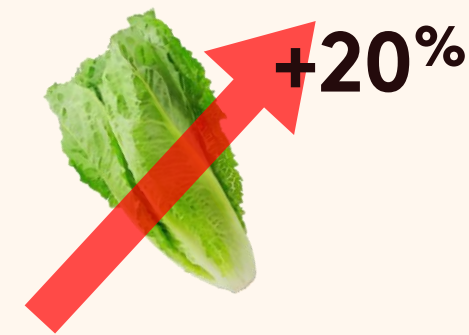
AIRLINE FARES



FLOUR



CANNED FRUITS



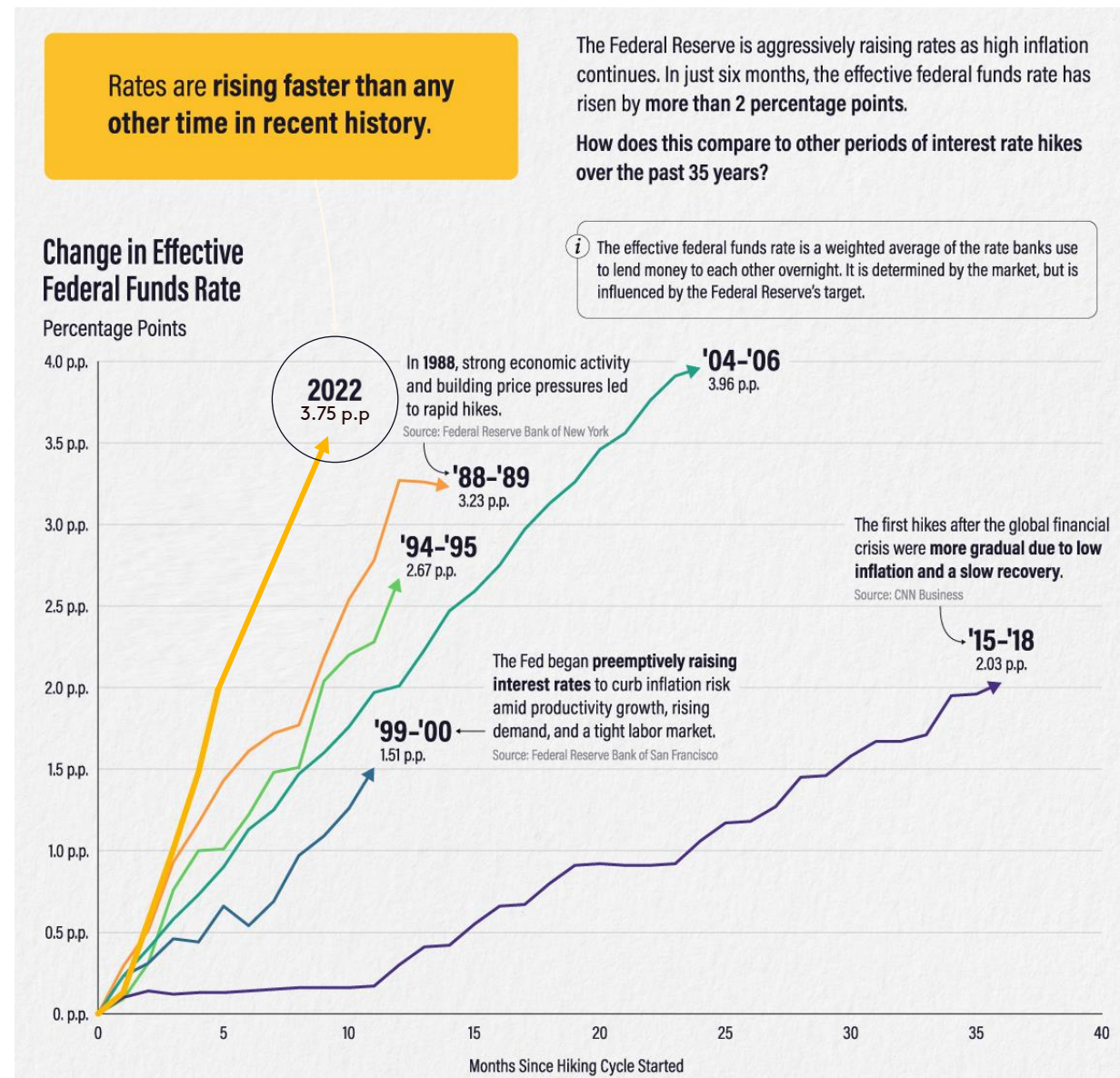
LETTUCE



# Interest Rate Hike Speed Test

Time Period	Duration (months)	Change in EFFF (percentage points)
Mar 1988 - May 1989	14	3.23
Feb 1994 - Feb 1995	12	2.67
Jun 1999 - May 2000	11	1.51
Jun 2004 - Jun 2006	24	3.96
Dec 2015 - Dec 2018	36	2.03
Mar 2022 - Sep 2022	6	2.36

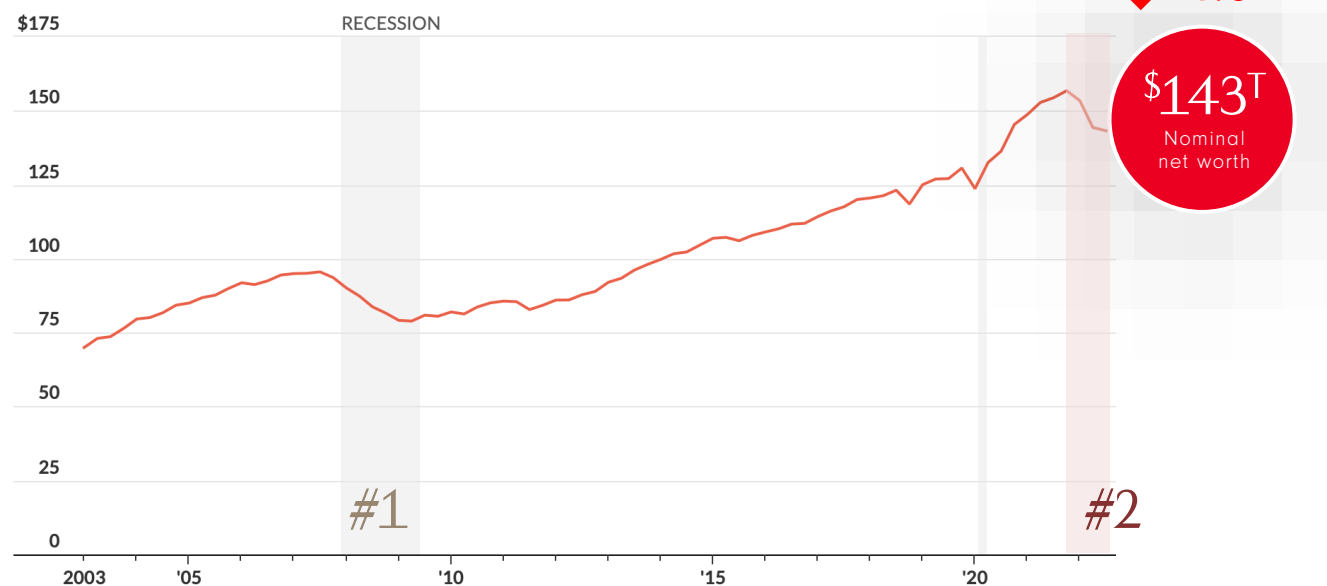
- **2022 rate hike cycle is the fastest**, reaching a 2.36 percentage point increase, nearly twice as fast as 1988-1989
- **Most severe interest rate hikes occurred in 2004–2006** when EFFF climbed by almost four percentage points. It took much longer to reach this level with hikes taking place over two years



# Household Wealth Dropped by \$13.5 Trillion

## Second largest drop on record

Real wealth, in trillions of 2022 dollars



-8.6% REAL WEALTH LOSS

The real wealth loss from January to September was nearly 2X larger than nominal loss, after accounting for inflation

## Household Balance Sheets Healthy

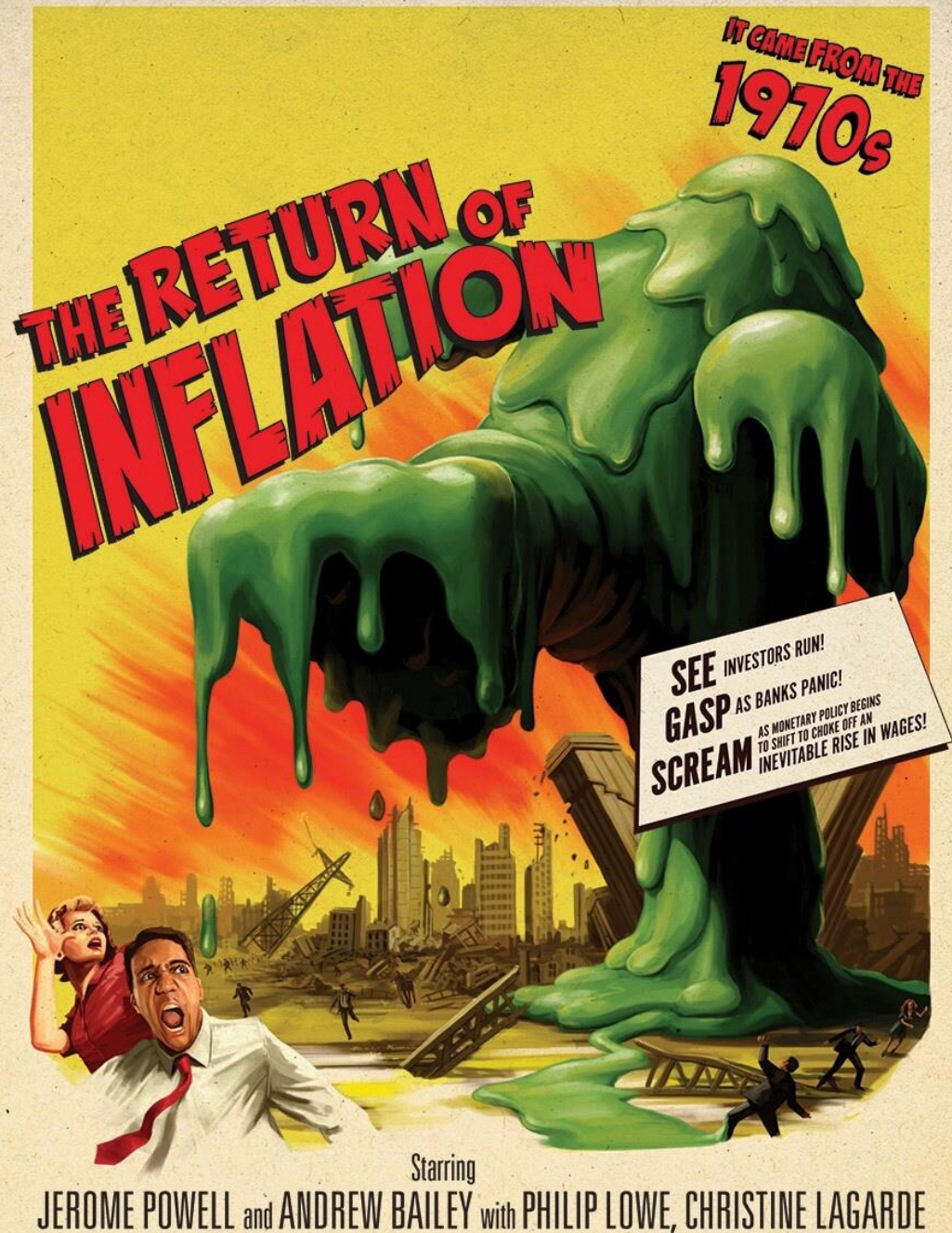
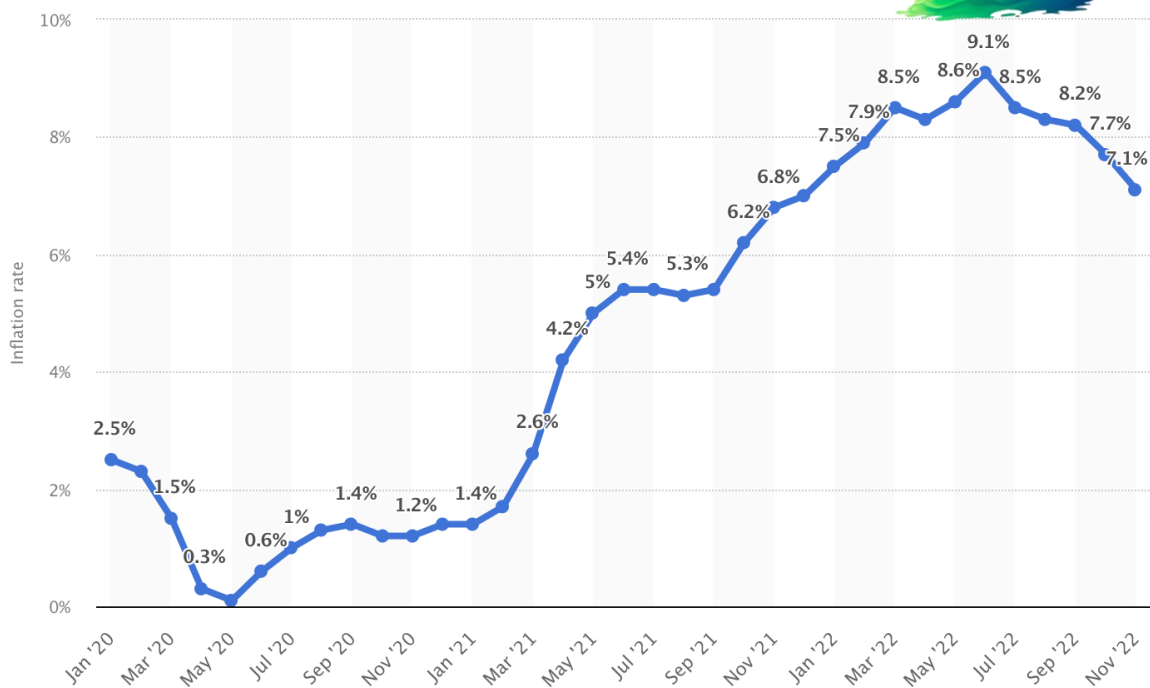
Household balance sheets—in the aggregate—remained in excellent shape despite the losses on Wall Street and the erosion of purchasing power.

+10% REAL HOUSEHOLD WEALTH higher than 2019, adjusted for inflation

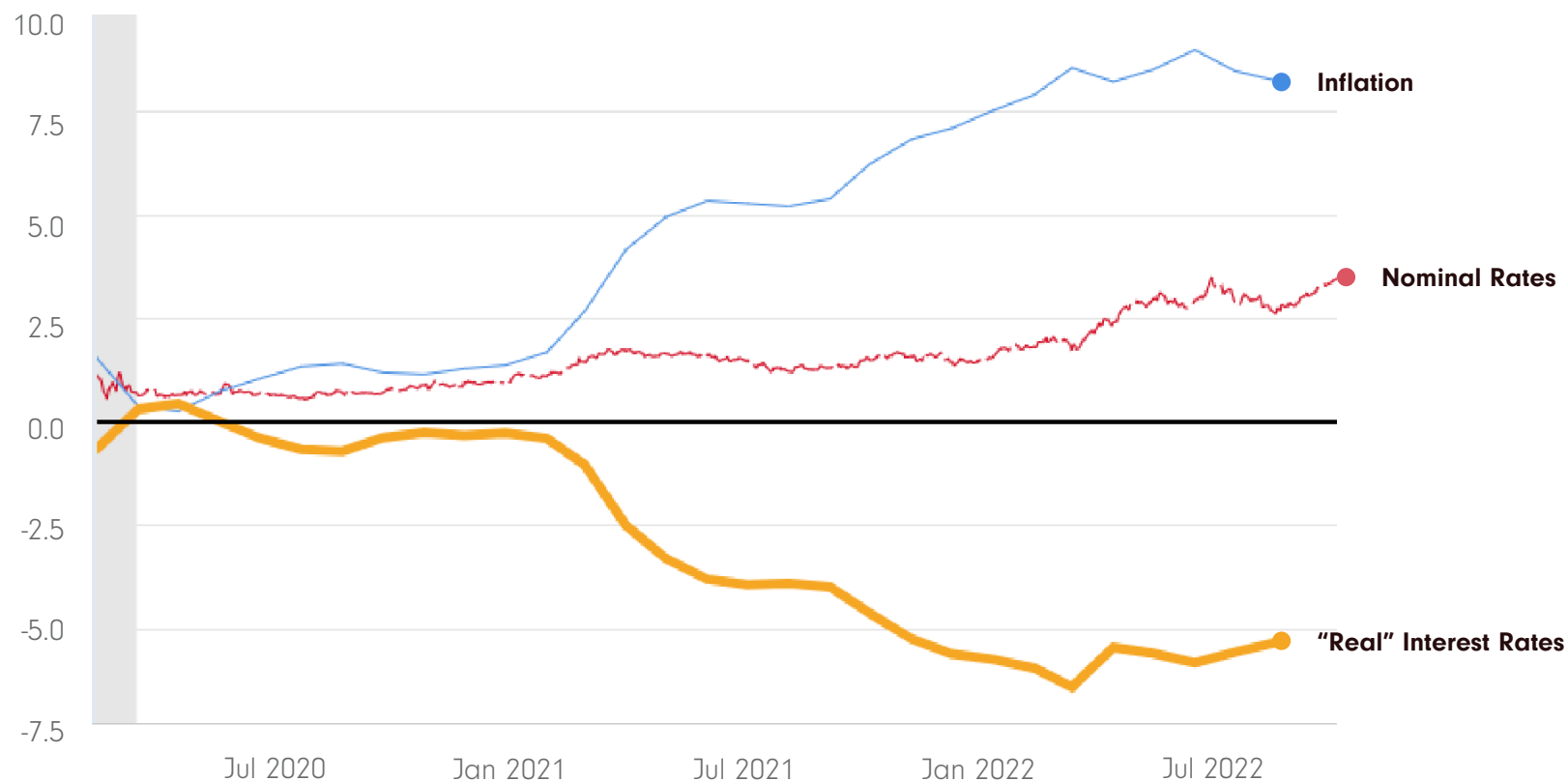
769% WEALTH AS % DISPOSABLE INCOME after-tax

+71% HOME EQUITY AS % MARKET VALUE near-record high from low 46% (2012)

# Inflation: Seen the Worst, but Far From Clear



# Inflation: A Rare Money-Minting Window Opens



**Nominal rates adjusted for inflation is negative!**

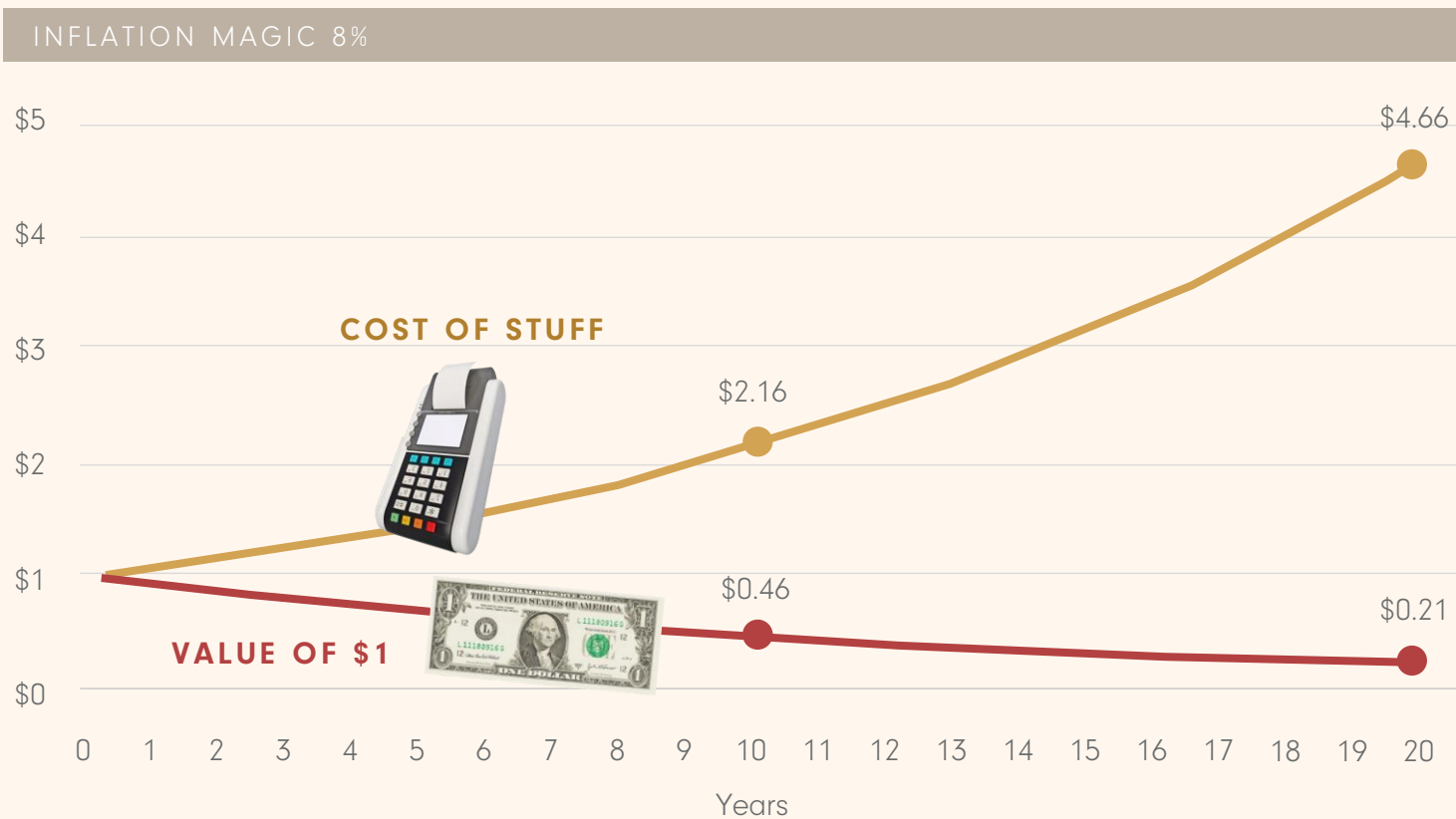
Negative real rates means you're paid to borrow, so get fixed rate debt that you can service.

**Who's the largest borrower?**

The U.S. government. National debt evaporates as taxes rise with inflation. This is pure math, and the government uses this tactic.



# Inflation: Global Wealth Creator & Destroyer



Inflation is a massive transfer of wealth from savers to borrowers. Inflation creates wealth for real estate investors & borrowers (cost paid off by inflation).

At 8% inflation:

▲ 216% cost of stuff in 10 years

▼ 46% dollar value in 10 years



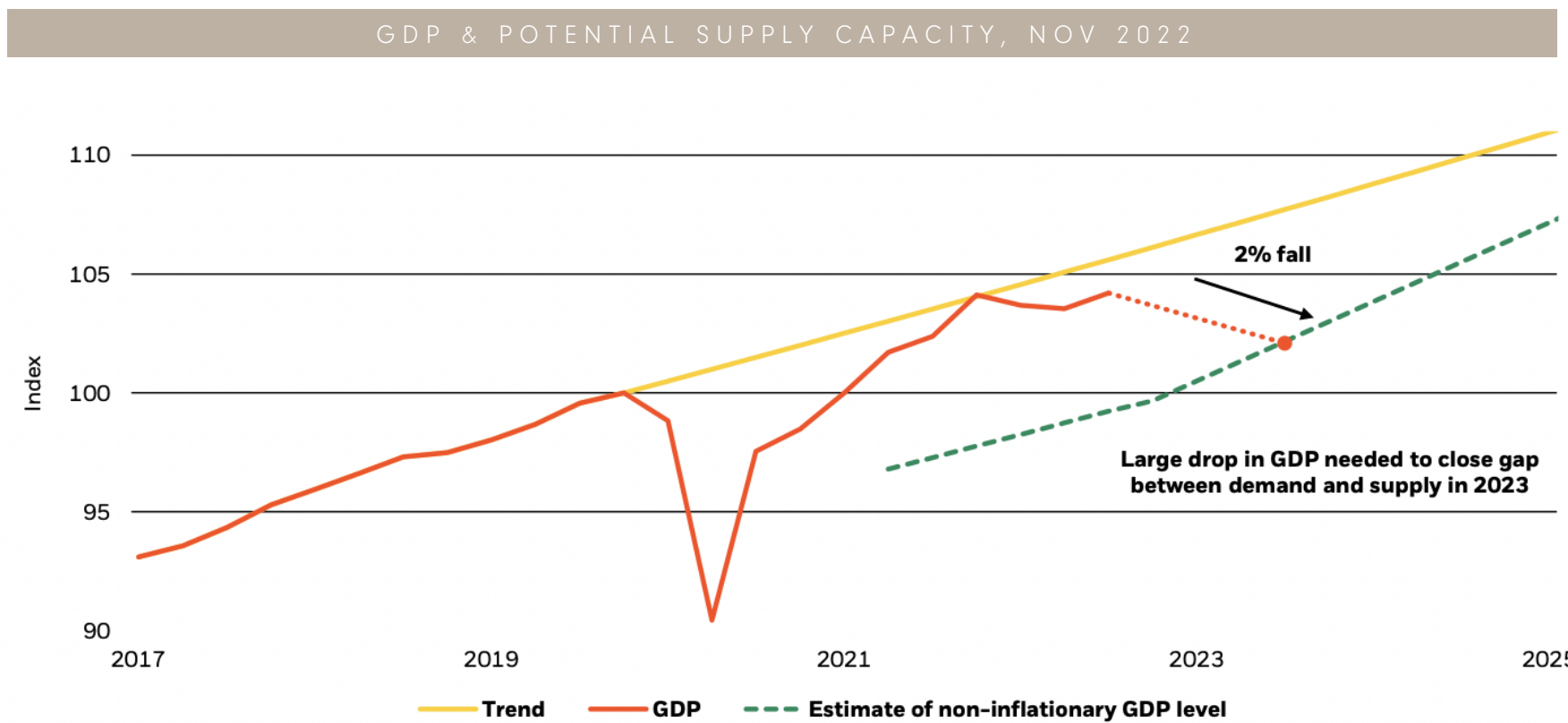
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# 2023 Economic Forecasts

**Aiming for a Softer Landing**

# Taming Inflation May Take a Recession



“ While we see encouraging signs that inflation is going down, there is no past precedent of inflation falling sharply without a sharp decline in GDP

# To Infinity and Beyond?

## Fed Slows Rate Hikes But Signals More to Come

Upper limit of the U.S. federal funds target rate range\*



\* dotted lines indicate median projections of the midpoint of the appropriate target range for the federal funds rate at the end of the specified calendar year  
Source: U.S. Federal Reserve

TODAY

4.25%-4.50%

The Fed Funds target rate as of Dec 15, 2022



END OF 2024

4.00%-4.25%

FOMC members expect policy rate to drop to 4.1%

END OF 2023

5.00%-5.25%

Latest projections suggest further rate hikes for 2023 before some easing in 2024 and beyond

END OF 2025

3.00%-3.25%

FOMC members expect policy rate to drop to 3.1% by the end of 2025

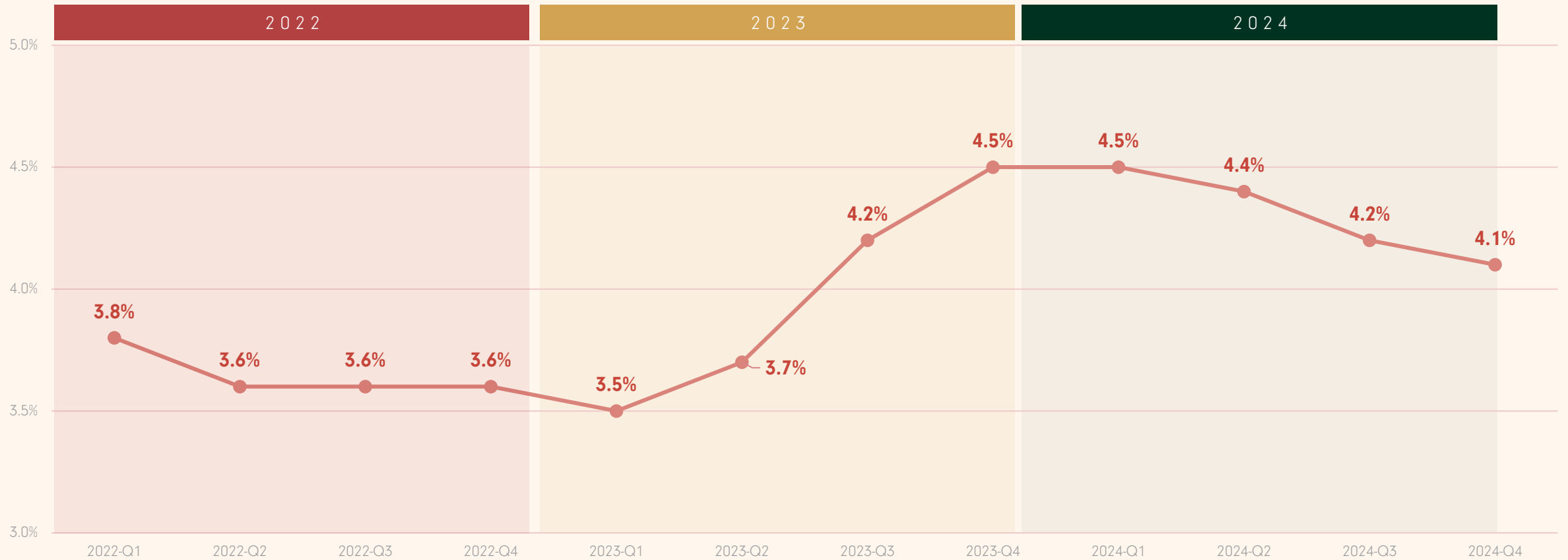


The J.P. Morgan logo is displayed in a white, serif font against a dark blue background. The background features a blurred image of a financial market display with various numbers and a line graph.

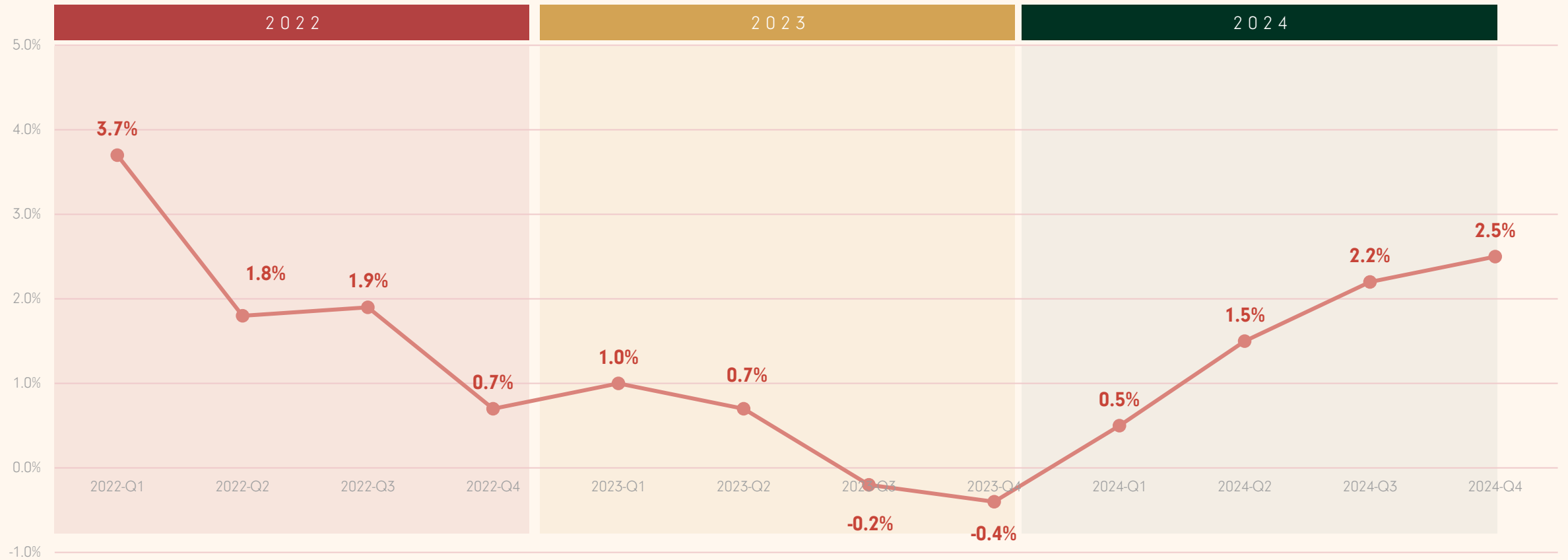
“

In the first half of 2023, we expect the S&P 500 to re-test the lows of 2022 as the Fed overtightens into weaker fundamentals. This sell-off combined with **disinflation**, **rising unemployment** and **declining corporate sentiment** should be enough for the Fed to start signaling a pivot, pushing the **S&P 500 to 4,200 by year-end 2023.**”

# 2022-2024: Unemployment to Peak in 2024



# 2022-2024: Real GDP YoY





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# Let's Dive into Real Estate Now

**Yesterday and Tomorrow – Review & Forecasts for Single Family & Multifamily**

# Housing Market Today



Home prices are beginning to show **signs of cooling**



Overall housing **supply remains limited**



Today's homeowners stand on much more **secure footing** than those coming out of 2008 GFC

+12%

Annual increase in **nominal house prices**

+3.3bp

Annual increase in avg. 30-year fixed **mortgage rate**

+68%

First American Real House Price Index (RHPI) increase on annual basis, October 2022

“

Even as the COVID foreclosure moratorium was lifted... we didn't see a huge flood of foreclosures because people have so much equity.”

NICOLE BACHAUD  
Economist



RHPI measures price changes of U.S. single-family properties adjusted for the impact of income and interest rate changes on consumer house-buying power over time at national, state and metropolitan area levels. It also serves as a measure of housing affordability.

# Pending Home Sales Fall 38% YoY

Pending home sales fell for the sixth consecutive month in November, recording a 4.0% month-over-month drop that resulted in an index reading of 73.9, according to data released last Wednesday by the National Association of Realtors.



“

West coast markets are also where we are seeing the fastest house price deceleration

ODETA KUSHI  
Deputy Chief Economist, First American Financial

*\*month-over-month drop*



“

The Midwest region — with relatively affordable home prices — has held up better, while the unaffordable West region suffered the largest decline in activity

LAWRENCE YUN  
Chief Economist, NAR



MARKETS NOW

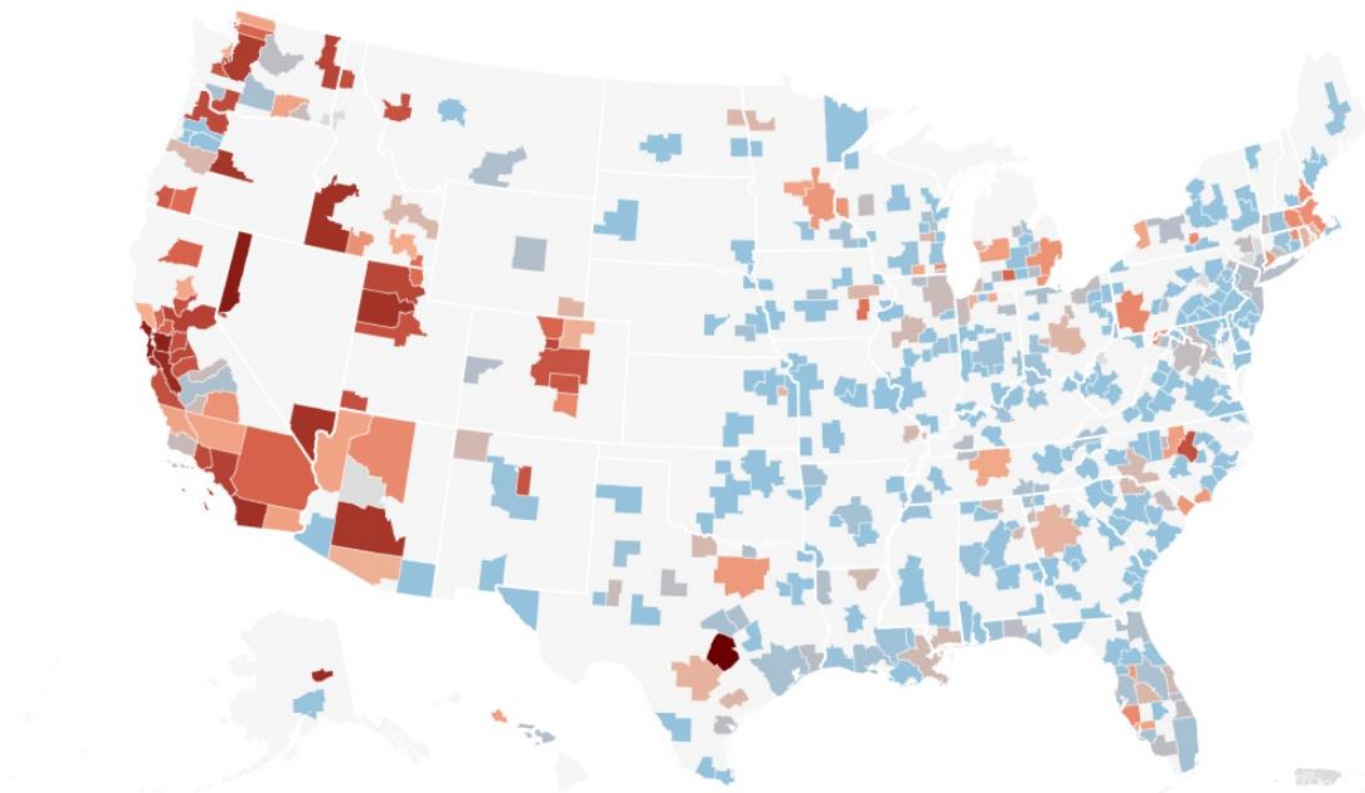
# WHY HOME PRICES HAVE NOT DROPPED

# Home Price Growth: Mixed Forecasts for 2023



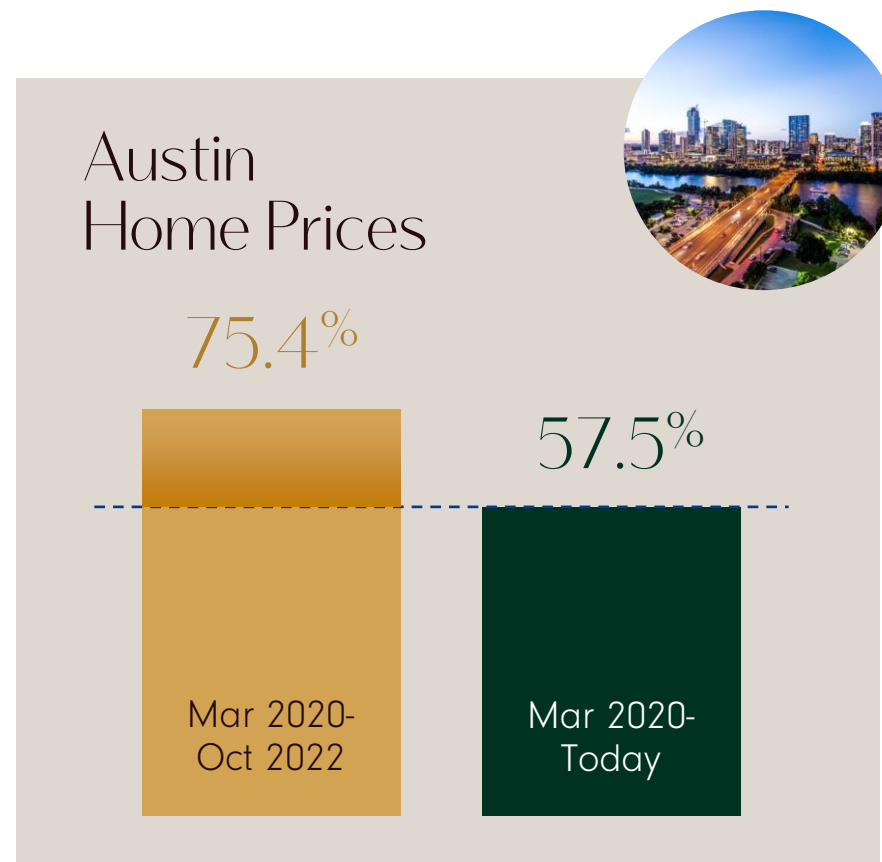
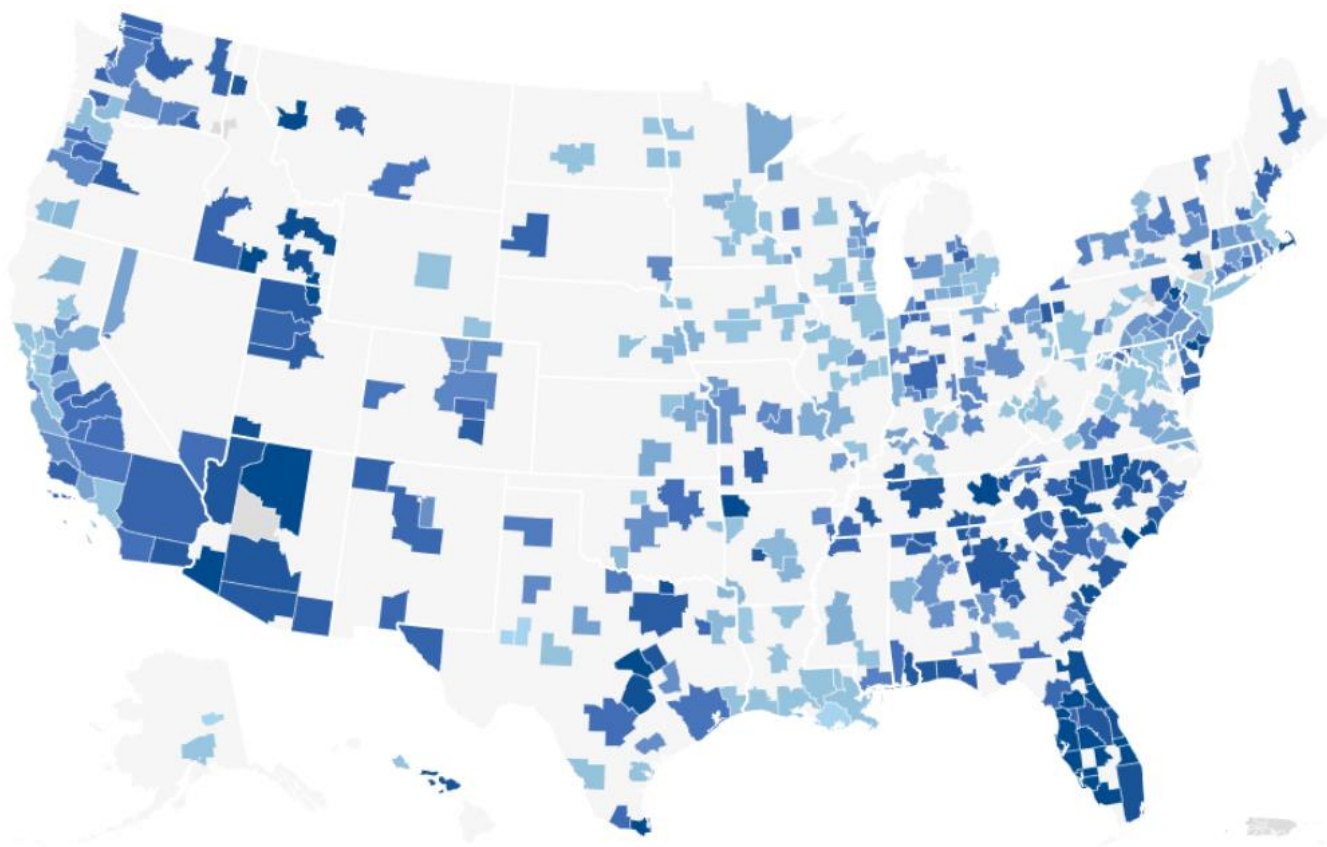


# Where Did Home Prices Fall?



Shift In Home Values Since Respective 2022 Peak			
City	Shift	City	Shift
<b>Austin, TX</b>	-10.2%	<b>Las Vegas, NV</b>	-6.9%
<b>Reno, NV</b>	-8.5%	<b>Salt Lake City, UT</b>	-6.9%
<b>San Francisco, CA</b>	-8.2%	<b>Bend, OR</b>	-6.7%
<b>Fernley, NV</b>	-8.2%	<b>Phoenix, AZ</b>	-6.7%
<b>Santa Cruz, NV</b>	-7.6%	<b>Seattle, WA</b>	-6.3%
<b>San Jose, CA</b>	-7.5%	<b>Shelton, WA</b>	-6.2%
<b>Athens, TX</b>	-7.4%	<b>Gardnerville, NV</b>	-5.9%
<b>Fairbanks, AK</b>	-7.4%	<b>Los Angeles, CA</b>	-5.8%
<b>San Diego, CA</b>	-7.1%	<b>Sacramento, CA</b>	-5.8%
<b>Boise, ID</b>	-7.1%	<b>Kalispell, MT</b>	-5.5%

# Post-COVID: Home Prices Still Up Big Time



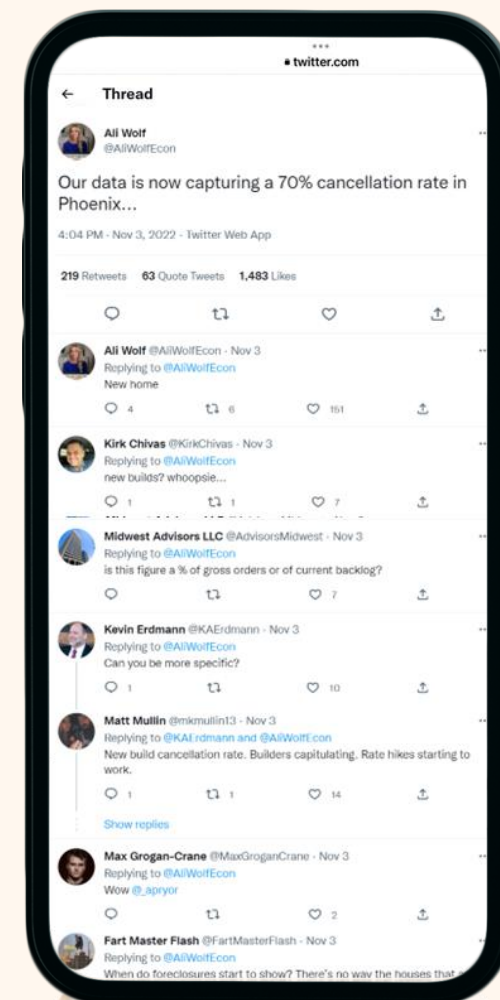
# Housing Depression for New Construction??

“

Our data is now capturing a **70% cancellation rate** in Phoenix...

ALI WOLF  
Chief Economist

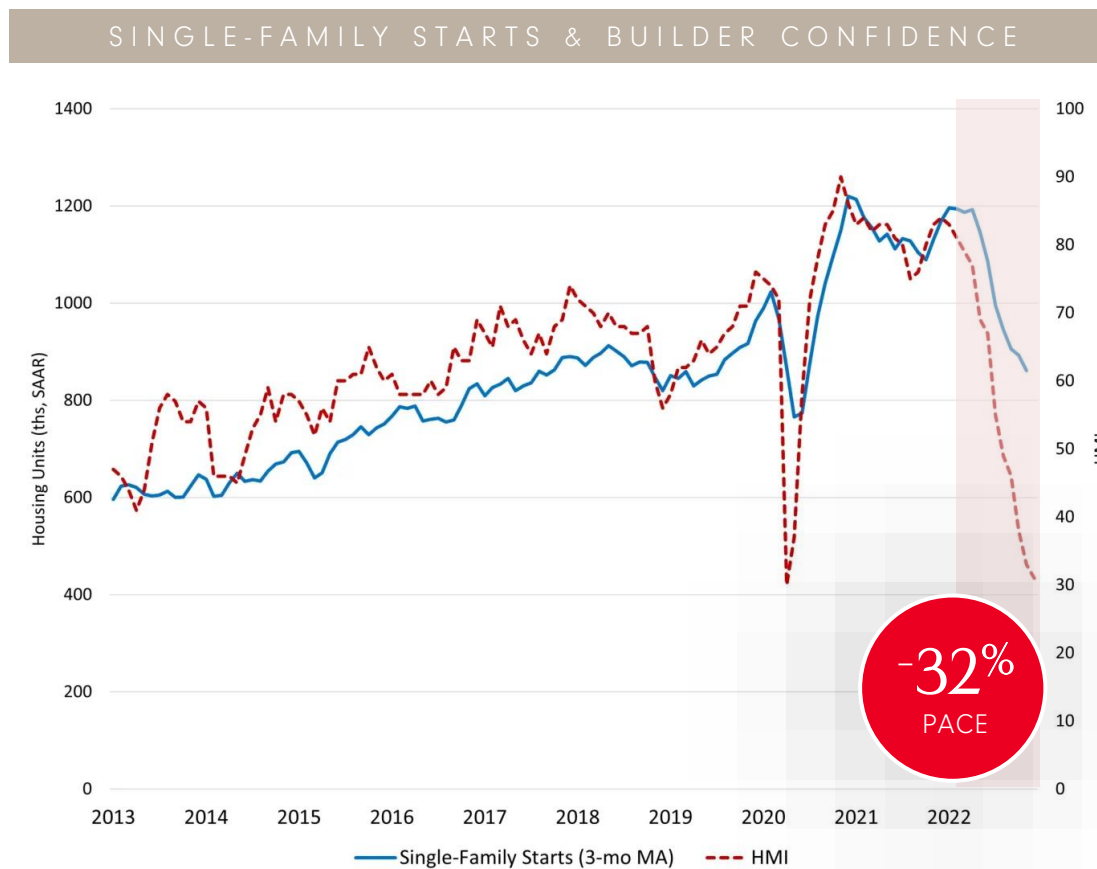
 Zonda™



# Single-Family Production, Permits Falling Off a Cliff

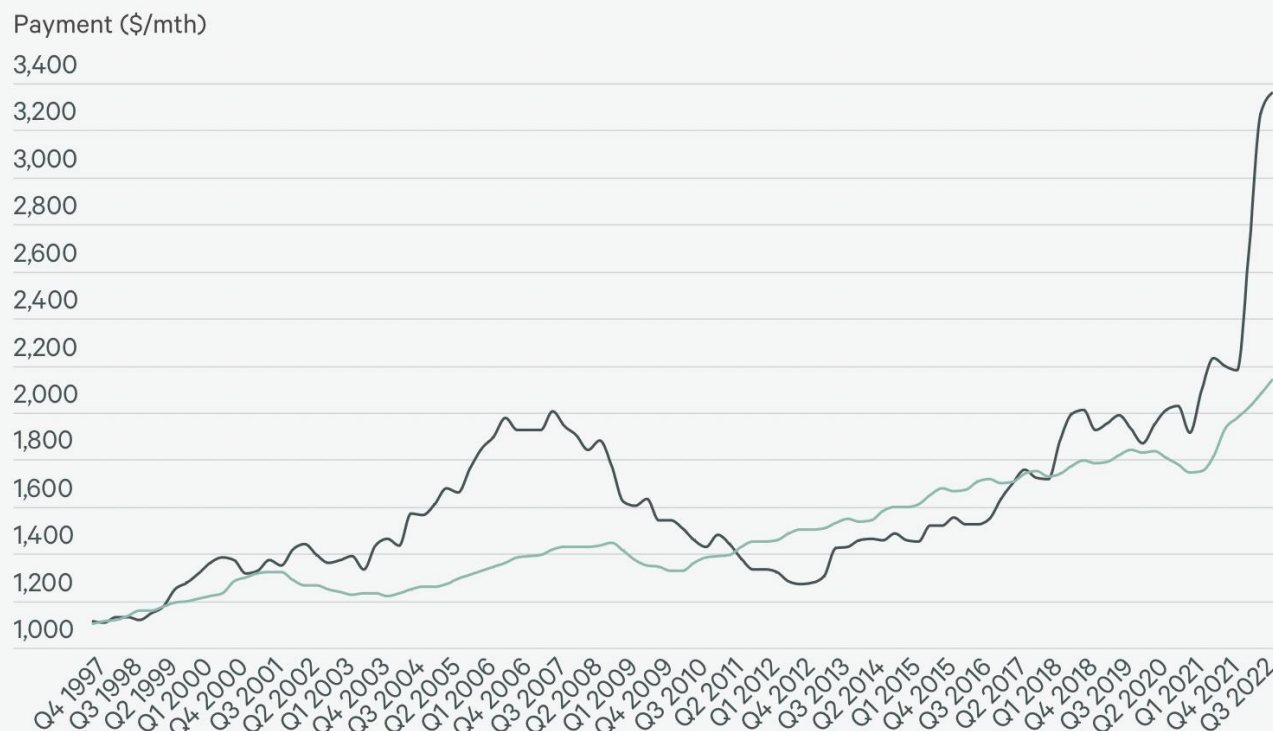
“

The housing market continues to weaken due to stubbornly high construction costs and elevated interest rates – all harming housing affordability.



# Multifamily: Renting vs Owning

COST OF OWNERSHIP VS. COST OF RENTING



57%

Monthly Payment for a New Purchase more expensive than average apartment rent

#1

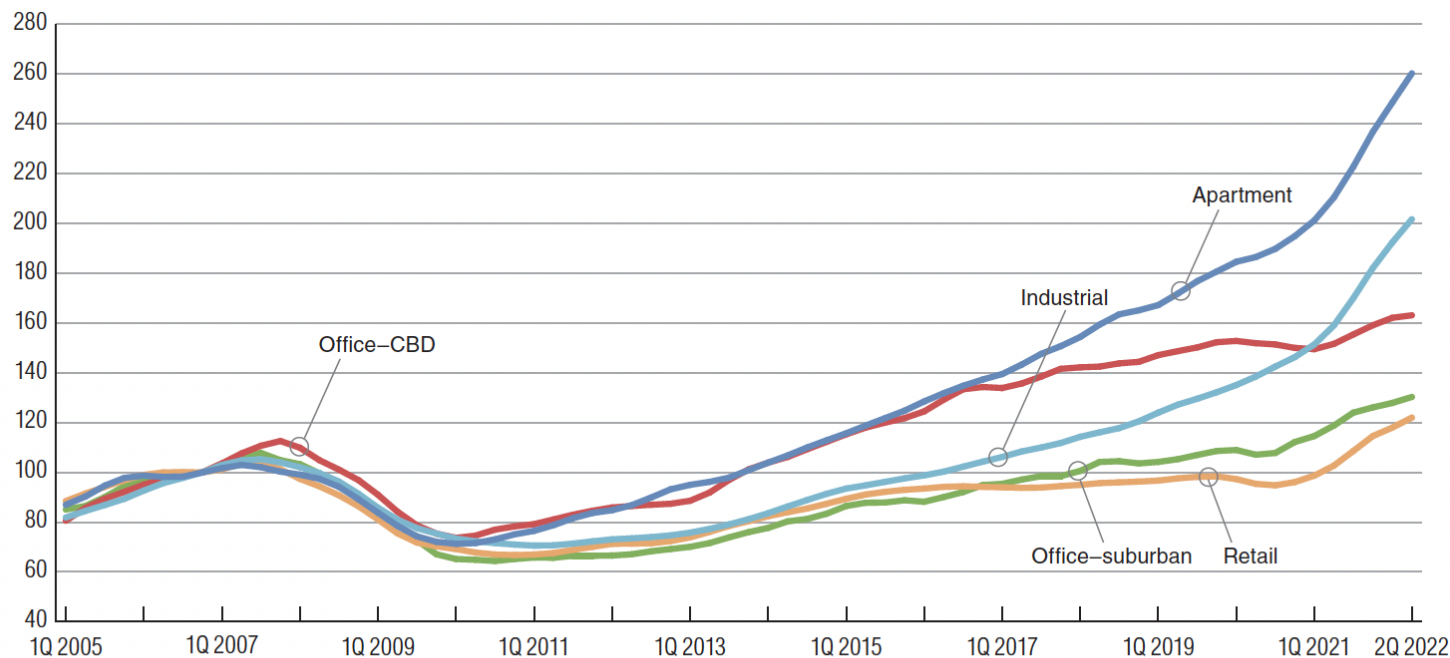
Widest gap on record

## Overall housing demand remains strong

Even if home values continue to fall and mortgage rates drop in 2023, the relatively lower cost of renting will support multifamily demand.

# Capital Markets Still Open for Business

COMMERCIAL PROPERTY PRICE INDEX, BY SECTOR



Source: RCA CPPI, MSCI Real Assets.

Note: 100 = December 2006.

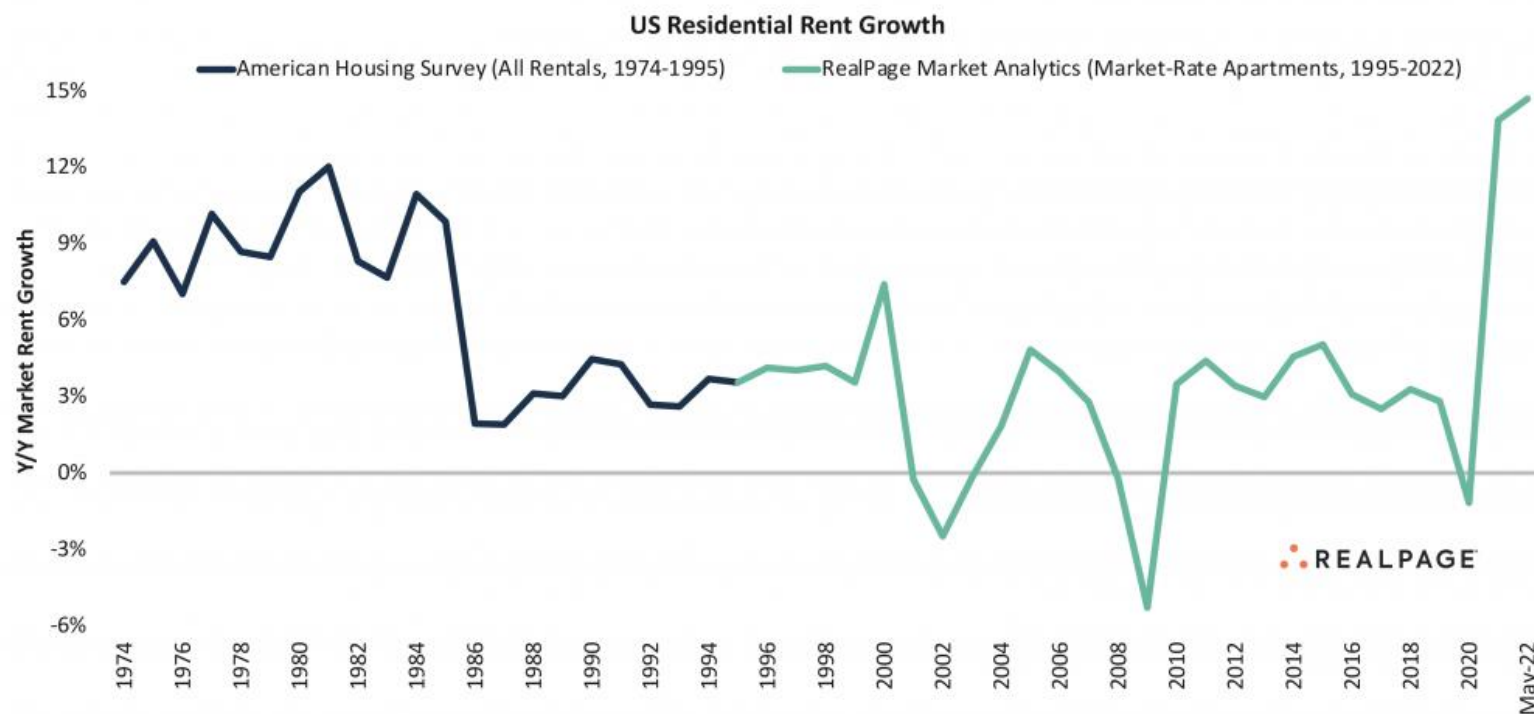
“

Investors are still buying, lenders are still lending, and no one seems to be panicking just yet. Everyone is being more careful about which deals they do until there is more market clarity.”

PWC & Urban Land Institute, 2023

# Explosive Rent Growth in a High-Inflation Environment

HOW DO RENTS MOVE IN A HIGH-INFLATION ENVIROMENT? LOOK TO THE 1970s



“

There is a clear correlation between rent growth and inflation.

High inflation =  
High rent growth

# Institutional Buying: Continues at Slowing Pace

700K

single-family rentals owned by institutions in 2022

5%

of 14 million SFRs nationally

7.6M\*

single-family rentals owned by institutions by 2030

40%

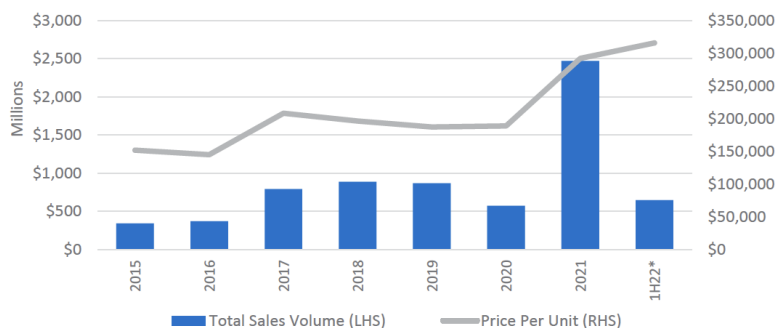
of 14 million SFRs nationally

## Yardi Matrix Report: Institutions Will Own 40 Percent of All Single-Family Rentals by 2030

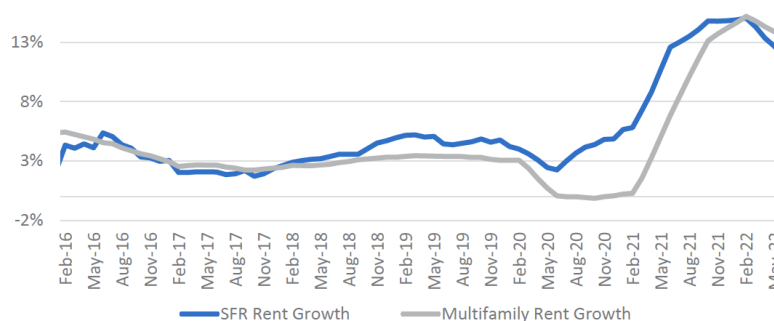
Posted on August 8, 2022 by Jeff Shaw in Build-to-Rent, Features, Single-Family Rental



Institutional SFR Purchases Surged in 2021

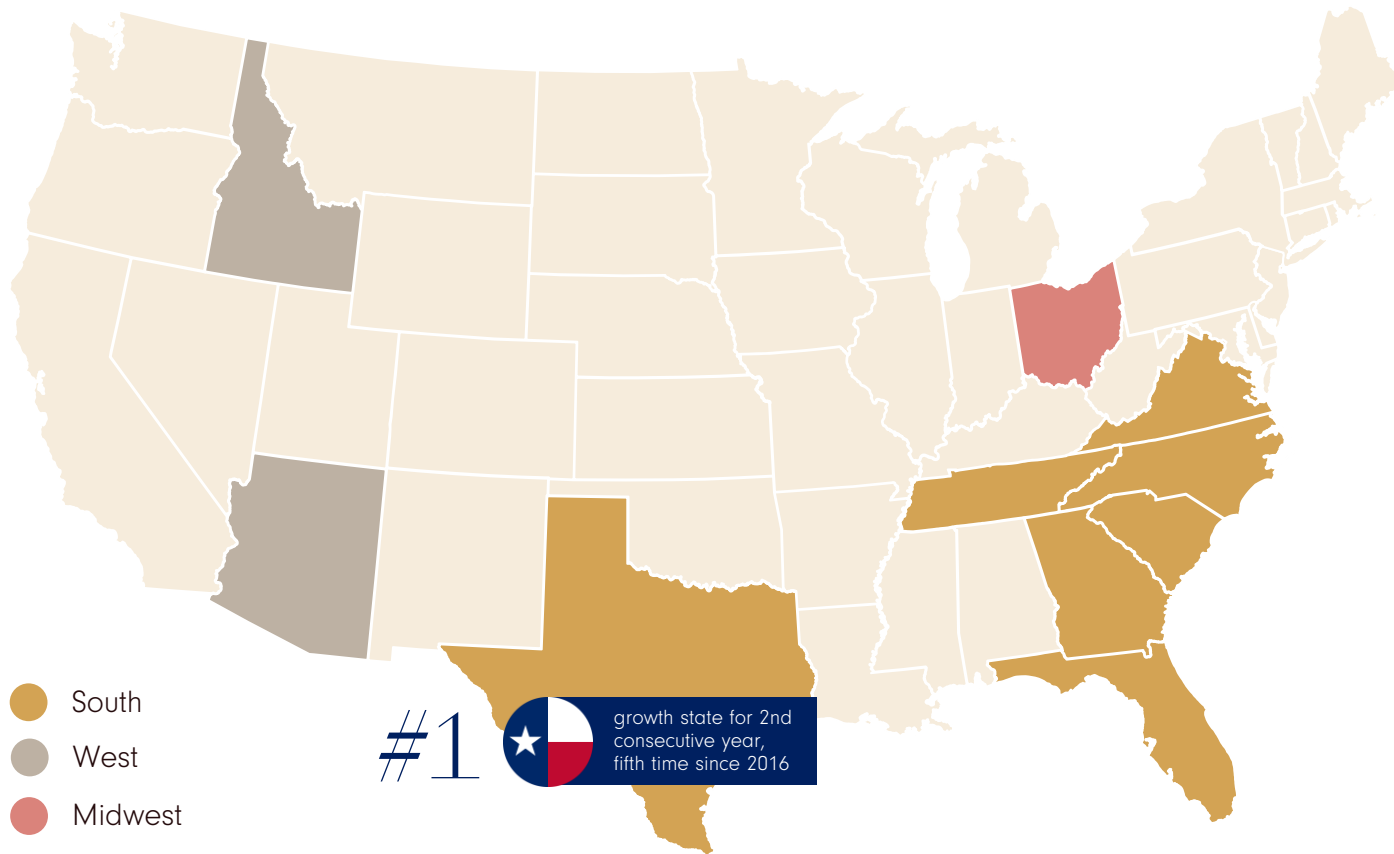


SFR Tracks Multifamily Rent Growth





# 2022: Where All the U-Hauls are Headed



U-Haul's Top Growth States 2022		
Rank	State	2021 Rank
#1	Texas	#1
#2	Florida	#2
#3	South Carolina	#4
#4	North Carolina	#19
#5	Virginia	#31
#6	Tennessee	#3
#7	Arizona	#5
#8	Georgia	#23
#9	Ohio	#24
#10	Idaho	#9

# California Loses Population: 3 Years in a Row



La La Land  
Loses  
**114K**

Population  
drops 0.3% to  
39 million  
residents,  
marking the  
third straight  
year loss



# 2023 Multifamily Outlook



Best performing markets to be predominately smaller southwestern and Florida markets

# Top & Bottom 10 Metros: Gross Income Growth



Best Metro-Level Income Growth			
Rank	City	% Growth	Vacancy
#1	Oklahoma City, OK	+6.0%	5.6%
#2	West Palm Beach, FL	+5.4%	5.3%
#3	Tulsa, OK	+5.4%	5.5%
#4	Tampa, FL	+5.2%	4.5%
#5	Albuquerque, NM	+4.9%	3.5%
#6	Houston, TX	+4.8%	6.8%
#7	Jacksonville, FL	+4.7%	5.8%
#8	Riverside, CA	+4.7%	3.3%
#9	Fort Lauderdale, FL	+4.6%	4.7%
#10	Orlando, FL	+4.6%	6.1%
<b>United States</b>		<b>+3.5%</b>	<b>5.1%</b>



Worst Metro-Level Income Growth			
Rank	City	% Growth	Vacancy
#1	Washington DC	+0.8%	9.4%
#2	Nashville, TN	+1.1%	7.6%
#3	Minneapolis, MN	+1.7%	6.9%
#4	Outer New York, NY	+2.3%	6.1%
#5	Austin, TX	+2.5%	7.8%
#6	Knoxville, TN	+2.5%	4.2%
#7	Fairfield County, CT	+2.6%	6.8%
#8	Richmond, VA	+2.6%	6.0%
#9	Kansas City, MO	+2.6%	6.1%
#10	Philadelphia, PA	+2.7%	5.4%
<b>United States</b>		<b>+3.5%</b>	<b>5.1%</b>



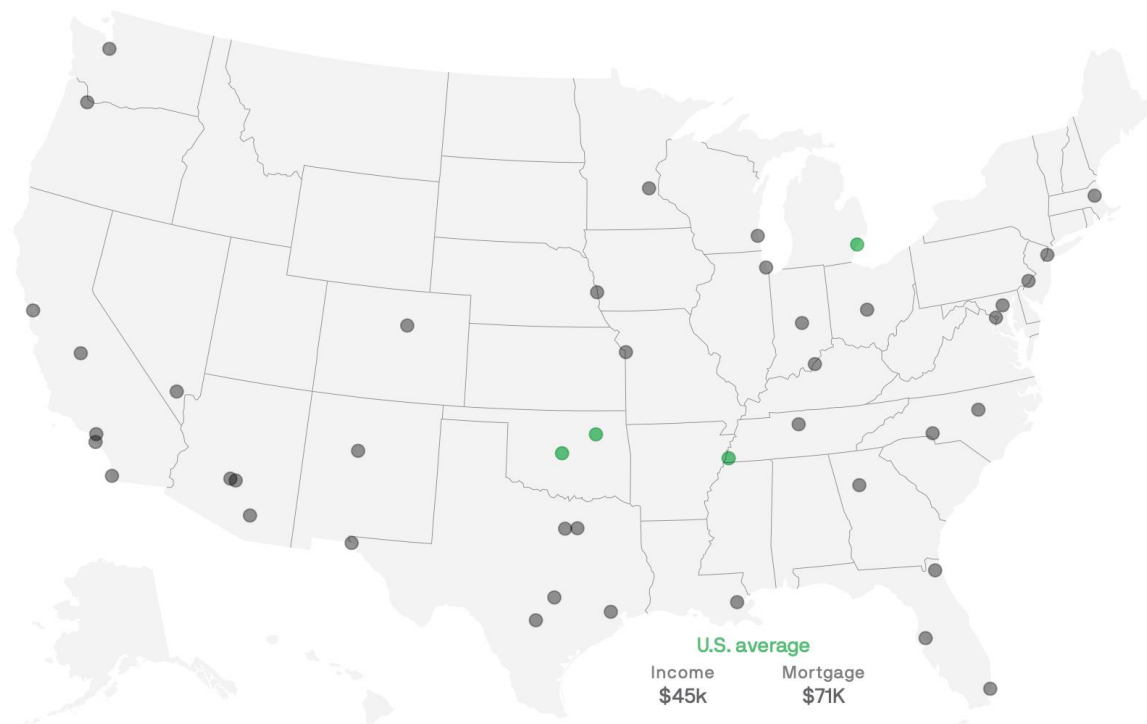
“

The U.S. needs to build **4.3 million more apartments by 2035** to meet the demand for rental housing. This includes 600,000 total units total to fill the shortage from underbuilding after the 2008 financial crisis.”

# Renters Rent for Longer

Cities where renters **do** or **don't** meet income requirements for a starter home mortgage

With a 7% interest rate:



## Biggest Annual Income Changes Needed to Buy a Home

Rank	City	2020	2022	Change
#1	Tampa, FL	\$32,472	\$72,255	+123%
#2	Austin, TX	\$47,641	\$103,080	+116%
#3	Jacksonville, FL	\$32,673	\$69,962	+114%
#4	Raleigh, NC	\$39,420	\$83,349	+111%
#5	Miami, FL	\$41,897	\$87,536	+109%
#6	Charlotte, NC	\$34,545	\$72,016	+108%
#7	Nashville, TN	\$40,348	\$84,111	+108%
#8	Orlando, FL	\$35,855	\$74,336	+107%
#9	Atlanta, GA	\$34,429	\$70,693	+105%
#10	Phoenix, AZ	\$41,855	\$85,618	+105%
#11	Dallas, TX	\$35,740	\$72,268	+102%
#12	Las Vegas, NV	\$40,923	\$81,889	+100%
#13	Riverside, CA	\$54,140	\$106,203	+96%
#14	San Antonio, TX	\$32,271	\$62,681	+94%
#15	Salt Lake City, UT	\$55,834	\$107,178	+92%
<b>United States</b>		<b>\$34,976</b>	<b>\$65,714</b>	<b>+88%</b>



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# Time for the Shootout

**Best Cities 2023**



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# Upcoming Investments

Investment Opportunities Coming Soon



UPCOMING OPPORTUNITY #1

# Value-Add Projects

TYPICAL HOLD PERIOD

3-5 years

FORECAST IRR

15%

FORECAST CASHFLOW

5-7%



UPCOMING OPPORTUNITY #2

# New Construction Projects

TYPICAL HOLD PERIOD

5 years

FORECAST IRR

18%

FORECAST CASHFLOW  
after lease-up

7-9%



UPCOMING OPPORTUNITY #3

# Build-to-Rent Guaranteed income Prefund

TYPICAL HOLD PERIOD

30-42 months

FORECAST IRR

15%

FORECAST CASHFLOW  
after lease-up

11-14%



WHAT WE HAVE ON OFFER

TOWNHOMES



DUPLEXES



FOURPLEXES





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# Time for the Shootout

**Welcome to the most confusing Best Cities list EVER**



# Top 10 Housing Markets Positioned for Growth in 2023

Amid higher costs in 2023, housing markets in affordable, mid-sized manufacturing hub cities will stay busy

Rank	Metro	2023 Sales Growth (Y/Y%)	2023 Price Growth (Y/Y%)	Combined Growth
1	Hartford, CT	+6.5%	+8.5%	+15.0%
2	El Paso, TX	+8.9%	+5.4%	+14.3%
3	Louisville, KY	+5.2%	+8.4%	+13.6%
4	Worcester, MA	+2.5%	+10.6%	+13.1%
5	Buffalo, NY	+6.3%	+6.0%	+12.3%
6	Augusta, GA	+6.2%	+5.7%	+11.9%
7	Grand Rapids, MI	+1.6%	+10.0%	+11.6%
8	Columbia, SC	+7.7%	+3.6%	+11.3%
9	Chattanooga, GA	+2.9%	+8.2%	+11.1%
10	Toledo, OH	+4.2%	+6.7%	+10.9%
Overall	United States	(14.1%)	+5.4%	(8.7%)



# Top Cooling Buyer Markets in 2023

According to Knock Buyer-Seller 100 Market Index, 51 markets were resilient seller markets, 10 cooling markets favored buyers and 39 were neutral

Rank	Metro	Market Status 2023	Forecast Inventory YoY
1	Ogden-Clearfield, UT	Strongly Favors Buyers	+44.2%
2	Las Vegas, NV	Strongly Favors Buyers	+42.6%
3	Phoenix, AZ	Strongly Favors Buyers	+3.0%
4	Austin, TX	Strongly Favors Buyers	+6.0%
5	Colorado Springs, CO	Strongly Favors Buyers	+60.5%
6	Dallas, TX	Strongly Favors Buyers	+56.4%
7	Denver, CO	Strongly Favors Buyers	+66.7%
8	San Francisco, CA	Favors Buyers	-2.2%
9	Greeley, CO	Favors Buyers	+51.1%
10	Salt Lake City, UT	Favors Buyers	+7.9%



# Top Cities with a Thriving Manufacturing Hub

Cities set to benefit most from the recent and impending reshoring of U.S. manufacturing companies

Rank	Metro	Score	Manufacturing Job Growth (2010-2020)	Manufacturing GDP Growth (2010-2020)
1	Grand Rapids, MI	79.6	+28.1%	+20.3%
2	San Jose, CA	77.4	+9.8%	+94.6%
3	San Diego, CA	70.9	+21.5%	+58.6%
4	Detroit, MI	70.7	+22.9%	+20.3%
5	San Francisco, CA	70.0	+19.0%	+65.2%
6	Nashville, TN	68.7	+22.6%	+44.8%
7	Portland, OR	67.2	+14.1%	+28.8%
8	Raleigh-Durham, NC	64.2	+14.4%	+56.8%
9	Phoenix-Mesa, AZ	64.2	+22.2%	+37.2%
10	Tulsa, OK	63.7	+16.8%	+20.5%
11	Austin, TX	62.6	+30.9%	+21.9%
12	San Antonio, TX	62.4	+13.7%	+128.4%
13	Tucson, AZ	59.4	+13.9%	+28.4%





# 10 Housing Markets Expected to Lead the Nation in 2023

“

The demand for housing continues to outpace supply

LAWRENCE YUN  
NAR Chief Economist



Rank	Metro
1	Atlanta-Sandy Springs-Marietta, GA
2	Raleigh, NC
3	Dallas-Fort Worth-Arlington, TX
4	Fayetteville-Springdale-Rogers, AR
5	Greenville-Anderson-Mauldin, SC
6	Charleston-North Charleston, SC
7	Huntsville, AL
8	Jacksonville, FL
9	San Antonio-New Braunfels, TX
10	Knoxville, TN



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# Neal's Picks for 2023

**Not the analyst's picks, but Neal's personal 2023 picks for real estate investment**

# Best Up and Coming market

## Jacksonville, FL

Beats another very strong up-and-comer, Grand Rapids, MI.

Strong fundamentals, an excellent affordability score, high population growth all support continued growth in Jacksonville. Home prices are not as out of whack as many major markets so price declines in 2023 are likely to be fairly modest and mostly in the first half of the year. Look to buy late in the year.



# Best market in the U.S.

## Atlanta, GA

A finalist several times before, Atlanta beats Charlotte, NC by a nose.

Affordability is what makes Atlanta the winner this year. Among fast growing superstar cities, Atlanta has the highest housing affordability scores. Strong inward migration, a fast growing tech industry, and consistent population growth will continue to attract investors.

Expect price declines to be modest, and mostly in the first half of the year.



THANK YOU

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# QUESTIONS?

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