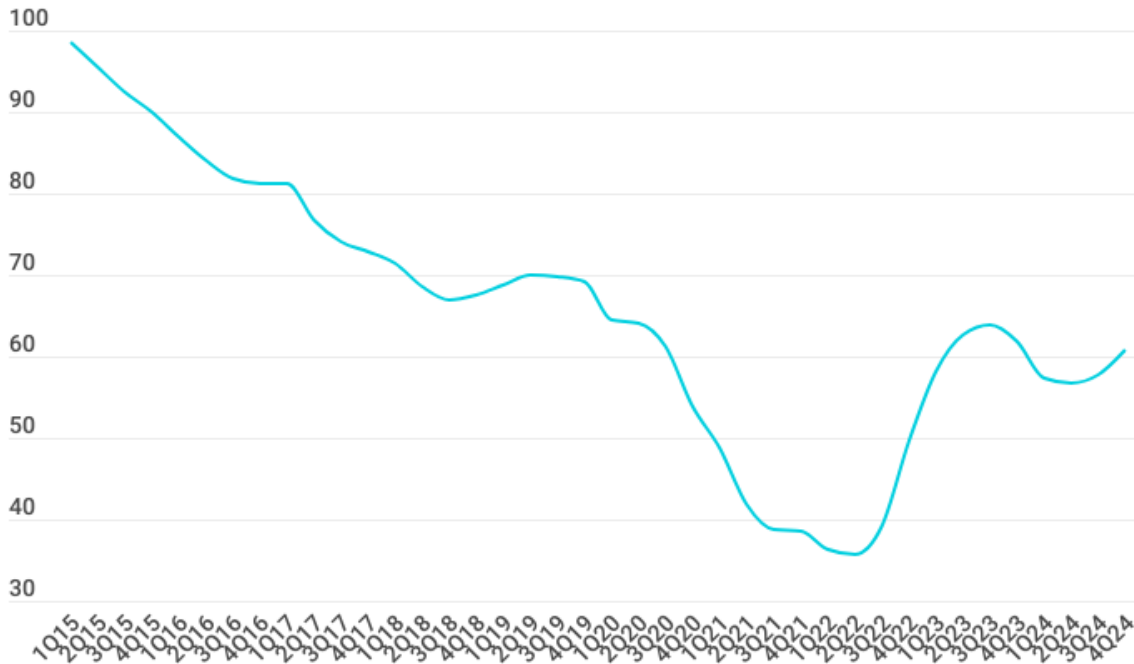


LAND AND LOT SUPPLY SUPPORTS MORE HOMEBUILDING***— Lot Supply Index Up for the Second Consecutive Quarter—***

NEWPORT BEACH, Calif., February 12, 2025 —Today, the experts at Zonda, the housing industry's foremost advisors, released the New Home Lot Supply Index (LSI) for 4Q24. The New Home LSI, backed by data from Zonda, showed lot supply tightened year-over-year across the United States, but loosened quarter-over-quarter for the second consecutive quarter. The index is a residential real estate indicator based on the number of single-family vacant developed lots and the rate at which those lots are absorbed via housing starts.

- The New Home LSI came in at 60.8 for 4Q24, representing a 1.7% decrease from 4Q23. The 4Q24 data shows a “significantly undersupplied” market nationally. The market has been “significantly undersupplied” since 2017.
- On a quarter-over-quarter basis, supply increased by 5.4% from 3Q24.
- It is important to remember how this index is calculated. We consider the total vacant developed lot supply and adjust it for overall starts activity.

New Home Lot Supply Index



Source: Zonda

“Land and lot supply is at the healthiest levels we’ve seen in years,” said Ali Wolf, chief economist with Zonda. “Between 2021 and 2022, builders expressed concerns about a potential shortage of buildable lots due to rapid demand growth. However, lot supply surged in late 2022 and early 2023 as consumer demand softened while lot development continued. Currently, the market is characterized by steady growth in both lot supply and new housing starts.”

Lot supply tightened year-over-year in most major metropolitan areas in 4Q24, with 17 of 30 decreasing, down from 22 last quarter.

- Lot inventory was still categorized as “significantly undersupplied” in most markets in 4Q24. The tightening trend year-over-year reflects the increase in construction activity over the last few quarters.

- The LSI tightened quarter-over-quarter in 15 of Zonda's select 30 markets, an increase from 12 in 3Q24.
- San Diego tightened the most compared to the same time last year, falling 44% to 12.0. However, Miami is still the tightest lot market in the country, with an index value of 11.1. Both Miami and San Diego have the lowest LSI value on record dating back to 2015. Los Angeles rounds out the top three tightest markets. These markets have severe geographic and topographical limitations on land and lot development.
- The markets where land supply loosened the most on a year-over-year basis were led by Orlando, San Francisco, and Nashville. In these markets, 4Q starts were mixed compared to this time last year- up 7% in Orlando and up 5% San Francisco, while down 2% in Nashville.
- Three markets are considered appropriately supplied – Austin, Atlanta, and Dallas, while San Antonio is still slightly undersupplied. 4Q housing starts increased year-over-year in three of these markets (Austin was the outlier), and VDLs increased in three as well (minus Atlanta).

New Home Lot Supply Index By Market

Appropriately Supplied Markets

Index Value (YOY Change)

Austin	94.8 (5%)
Atlanta	89.3 (27%)
Dallas	85.7 (10%)

Slightly Undersupplied Markets

Index Value (YOY Change)

San Antonio	79.8 (-13%)
-------------	-------------

Significantly Undersupplied Markets

Index Value (YOY Change)

Minneapolis	75 (-12%)
Houston	69 (3%)
Denver	68.8 (-11%)
Boise	67.3 (-23%)
Sacramento	66.5 (12%)
Nashville	65.5 (39%)
Phoenix	65.4 (-14%)
Indianapolis	64.2 (2%)
Portland	63.1 (10%)
United States	60.8 (-2%)
Salt Lake City	60.4 (-16%)
Charlotte	59.6 (16%)
Orlando	51.3 (55%)
San Francisco	50.2 (39%)
Raleigh	48.5 (1%)
Jacksonville	46.4 (22%)
New York	45.9 (-23%)
Las Vegas	42.1 (-21%)
Tampa	39.7 (-4%)
Riverside/San Bernardino	38.4 (-4%)
Philadelphia	38.3 (-26%)
Seattle	36.1 (-23%)
Washington, DC	30.3 (-29%)
Baltimore	25.1 (-42%)
Los Angeles/OC	17.2 (1%)
San Diego	12 (-44%)
Miami	11.1 (-44%)

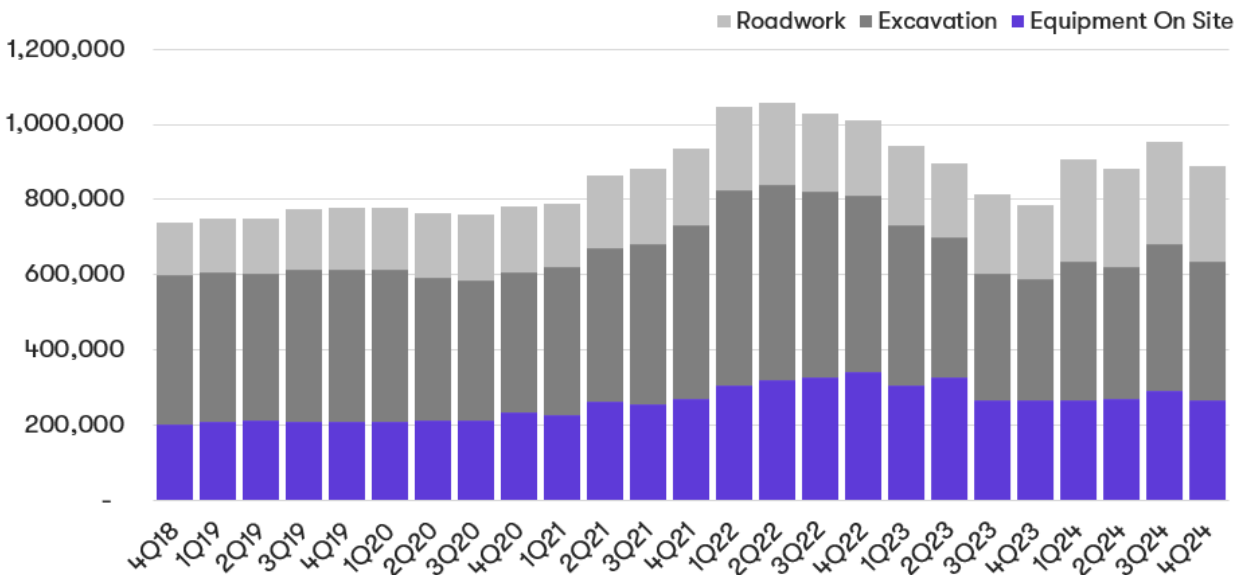
Source: Zonda

Zonda also records future lots through the stages of development. The stages range from raw land through streets in, which is the last step before the lot becomes a vacant developed lot. Zonda groups the last few stages into a classification called total upcoming lots, which typically indicates delivery over the next 12-18 months.

Total upcoming lots for 4Q24 increased 13.2% year-over-year, but were down 6.7% from last quarter. While the year-over-year growth was impressive, note that 4Q23 was a recent trough in our data. Total upcoming lots were 5.7% higher in 2024 compared to 2023 and 14.4% more in 4Q24 compared to 4Q19.

Among total upcoming lots, roadwork increased the most, up 28.4% from the same period last year. Roadwork is comprised of the two smaller stages, streets paved and streets in, and represents the last step in lot development. Lots in the excavation stage were up 14.6% year-over-year, while those with equipment on site were up only 0.1%.

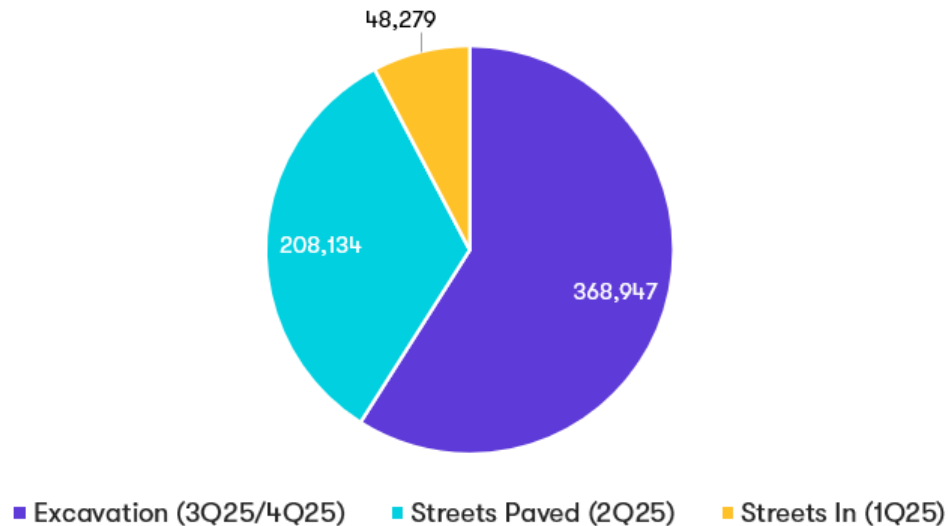
Total Upcoming Lots - United States



Source: Zonda

The largest share of total upcoming lots were in the excavation stage in 4Q24, making up 59% nationally. These lots have an expected delivery between 3Q25 and 4Q25 (the range represents different timeframes from local entitlement processes). Note, not all of the lots in excavation will match Zonda's estimated timeline.

Expected Vacant Developed Lot Delivery Based on Stage of Construction



Source: Zonda

"Total upcoming lots provide valuable insights into the trajectory of the land and lot markets over the next year, and the outlook is positive," said Wolf. "Now, all eyes are on housing starts. Assuming consumers can navigate the current environment of persistently high interest rates, we anticipate modest growth in single-family starts during 2025."

Methodology

The Zonda New Home Lot Supply Index (LSI) is built on proprietary, industry-leading data that covers the production new home market across the United States. The index values represent single-family vacant developed lot supply, lots that are ready to be built on, relative to equilibrium. Released quarterly, the New Home LSI provides an unrivaled look into the lot markets across the country, offering a current quarter snapshot as well as insight into the directional trend.

The New Home LSI is calculated based on each markets' specific equilibrium as determined by our team of local experts and historical activity. The comparative current value is adjusted to capture the "true" months of supply figure by applying a greater weight to vacant developed lots in subdivisions with more starts activity. Each index value is associated with a phrase highlighting the current lot supply dynamics. A value of 100, represents perfect equilibrium, while a value of 125 and above equals "Significantly Oversupplied", 115-125 - "Slightly Oversupplied", 85-115 - "Appropriately Supply", 75-85 - "Slightly Undersupplied", and 75 and below - "Significantly Undersupplied."

The foundation of the index is a quarterly release conducted by Zonda. It is necessary to monitor residential lot supply to understand how new home markets may be impacted by the incoming pipeline.

About Zonda

Zonda represents the housing industry's leading provider of rich data and the industry's top advisors for residential real estate development and new home construction. With products and services geared for homebuilders, multifamily developers, lenders, and financial institutions, we provide innovative solutions to maximize opportunities in today's real estate development landscape. To learn more, visit zondahome.com.

###

For media inquiries or to schedule an interview with Chief Economist Ali Wolf:

Contact: Valerie Sheets

Email: vsheets@zondahome.com

Phone: 949-294-9557