



Housing Sector Ends Year Strong, while some Oklahomans Experience Challenges

January 04, 2021

Fourth Quarter Oklahoma Economist Reviews Oklahoma's Diverging Housing Trends

FOR IMMEDIATE RELEASE

January 4, 2021

CONTACT: [Pam Campbell](#)

OKLAHOMA CITY - The Oklahoma City Branch of the Federal Reserve of Kansas City released its latest issue of the quarterly publication the [Oklahoma Economist](#).

The COVID-19 pandemic has resulted in some unique dynamics in Oklahoma's housing sector, as many residents are spending more time in their homes than ever before, according to Chad Wilkerson, branch executive, vice president and economist at the Oklahoma City Branch of the Federal Reserve Bank of Kansas City.

"Even as higher unemployment, consumer caution and business restrictions wreaked havoc on some sectors in 2020, Oklahoma home sales, prices and construction boomed," he said. "At the same time, housing insecurity, past-due mortgages and risk of eviction have increased for other Oklahomans."

Wilkerson said home sales have surged in 2020, pushing inventories of homes even lower, while Oklahoma's median home price increased 6.8%.

"New home construction has also risen markedly. Permits for new privately-owned housing units have continued to rise faster in Oklahoma than in the nation," he said. "As the global pandemic spread in early 2020, average mortgage rates decreased, as well as the demand for additional space. As many Oklahomans have continued to work from home or stay at home, this perhaps created different or larger residential real estate needs than in the past."

According to Wilkerson, record low mortgage rates and extra disposable income may have offered many the opportunity to purchase homes and build equity, but 2020 job losses and financial worries have contributed to greater housing insecurity for others.

“A third of Oklahomans are having difficulties paying household expenses and a significant share are at risk of eviction. Mortgage delinquencies have increased considerably, especially for FHA loans,” he explained. “While the housing sector has been incredibly bright and profitable for many Oklahomans in an otherwise difficult year, the future for others remains cloudy.”

The complete issue is available at [Housing: Bright Horizon or Cloudy Future?](#)

The Federal Reserve Bank of Kansas City serves the Tenth Federal Reserve District, encompassing the western third of Missouri; all of Kansas, Colorado, Nebraska, Oklahoma and Wyoming; and the northern half of New Mexico. As part of the nation’s central bank, the Bank participates in setting national monetary policy, supervising and regulating numerous commercial banks and bank holding companies, and providing financial services to depository institutions. More information is available online at www.kansascityfed.org.
