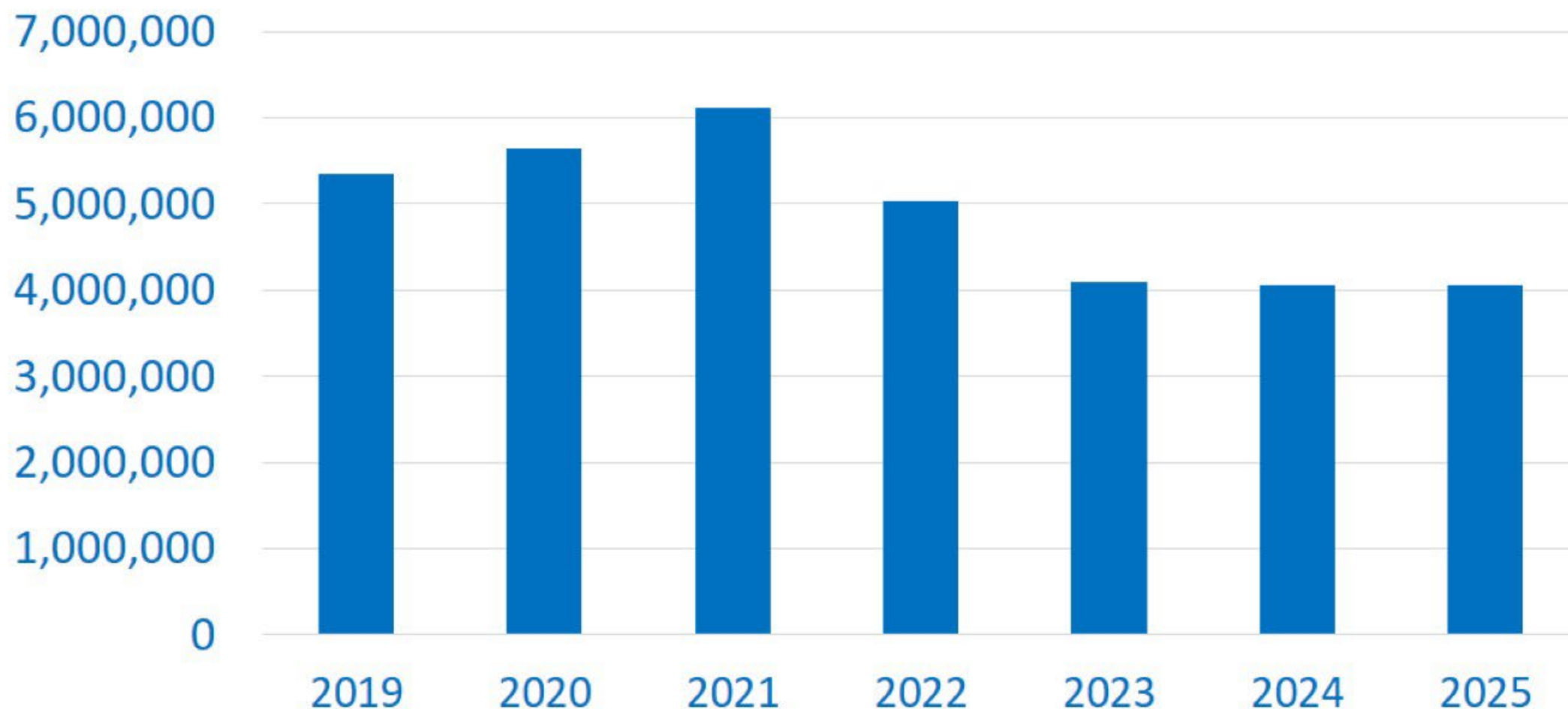


Real Estate and Economic Outlook

**Lawrence Yun, Ph.D.
Chief Economist**

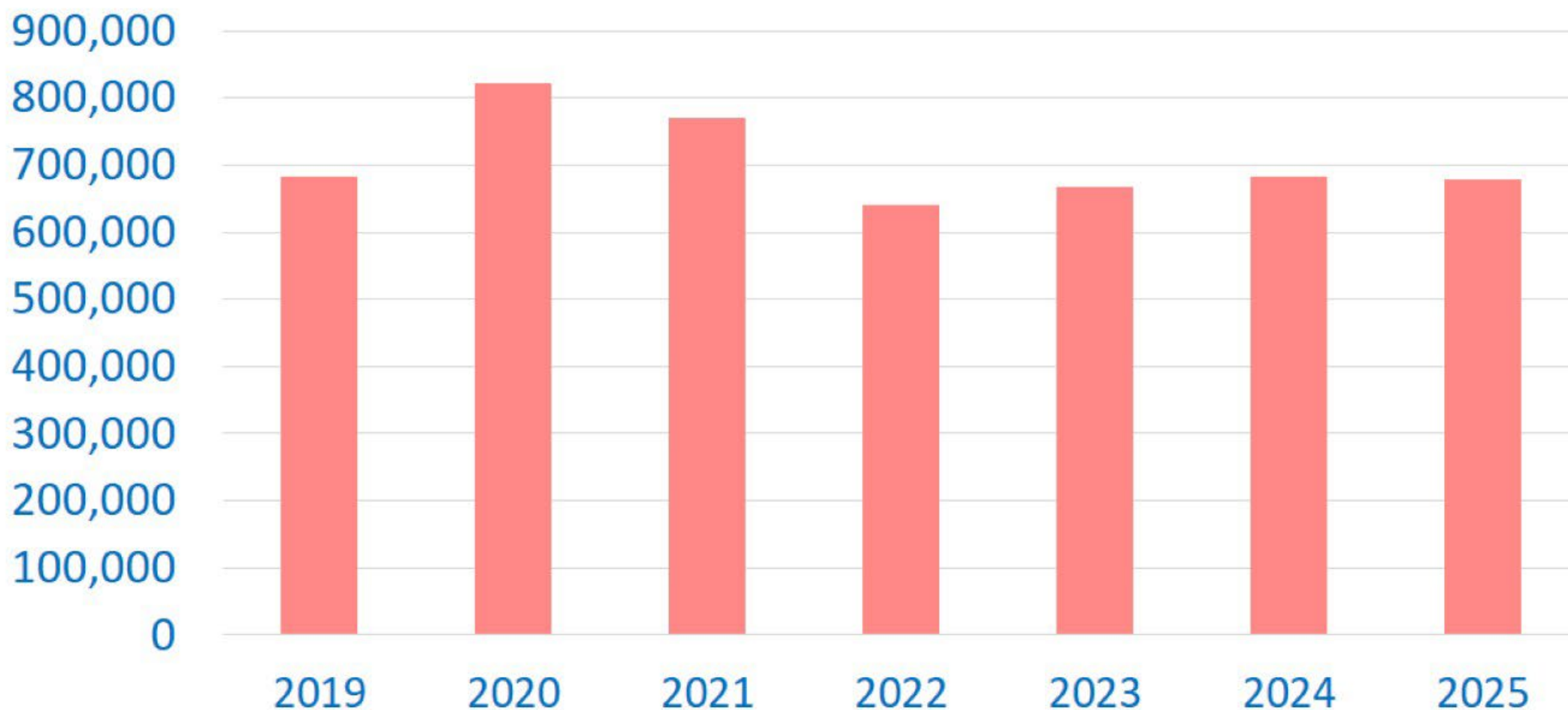
National Association of REALTORS®

Existing-Home Sales ... up 0.1% year-to-date to October Three Subpar Years ... 75% of Pre-covid Activity



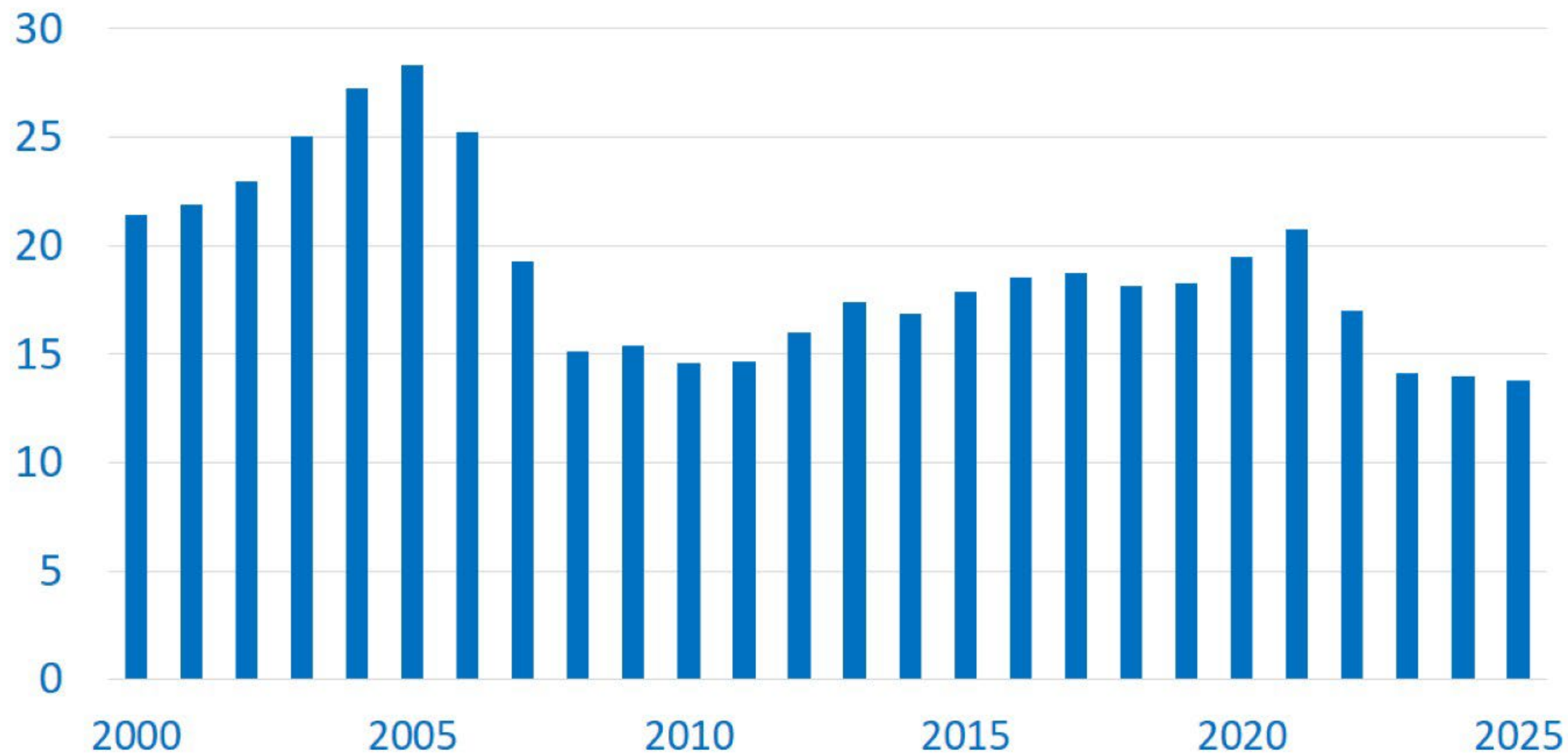
Source: NAR

New Home Sales ... down 1.2% to year-to-date to August Back to Pre-Covid Sales Activity



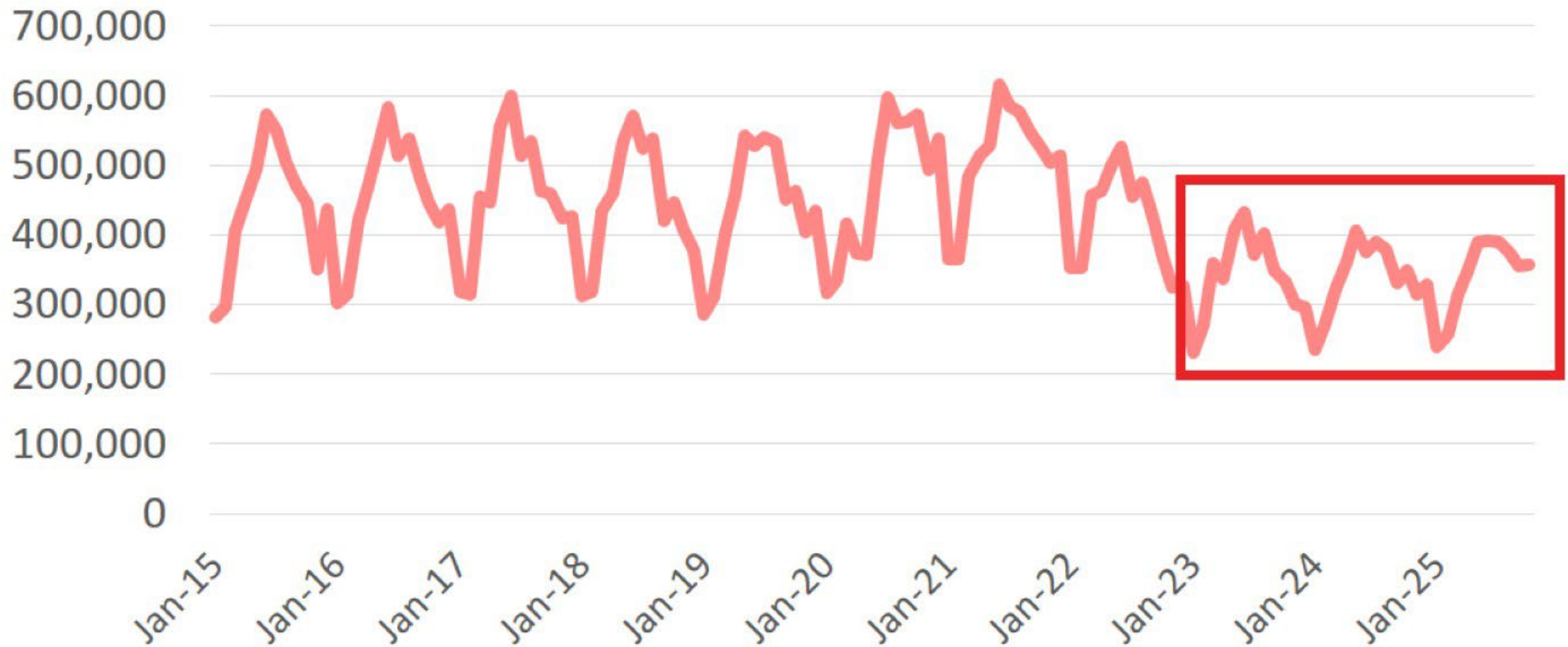
Source: Census

Total Home Sales per 1000 residents ... All-time Low?



Source: NAR

Monthly Raw Sales with Seasonal Fluctuations



Source: NAR

Existing Home Sales – Seasonally Adjusted Annualized Rate



Source: NAR

Inventory of Homes for Sale – below Pre-covid Levels

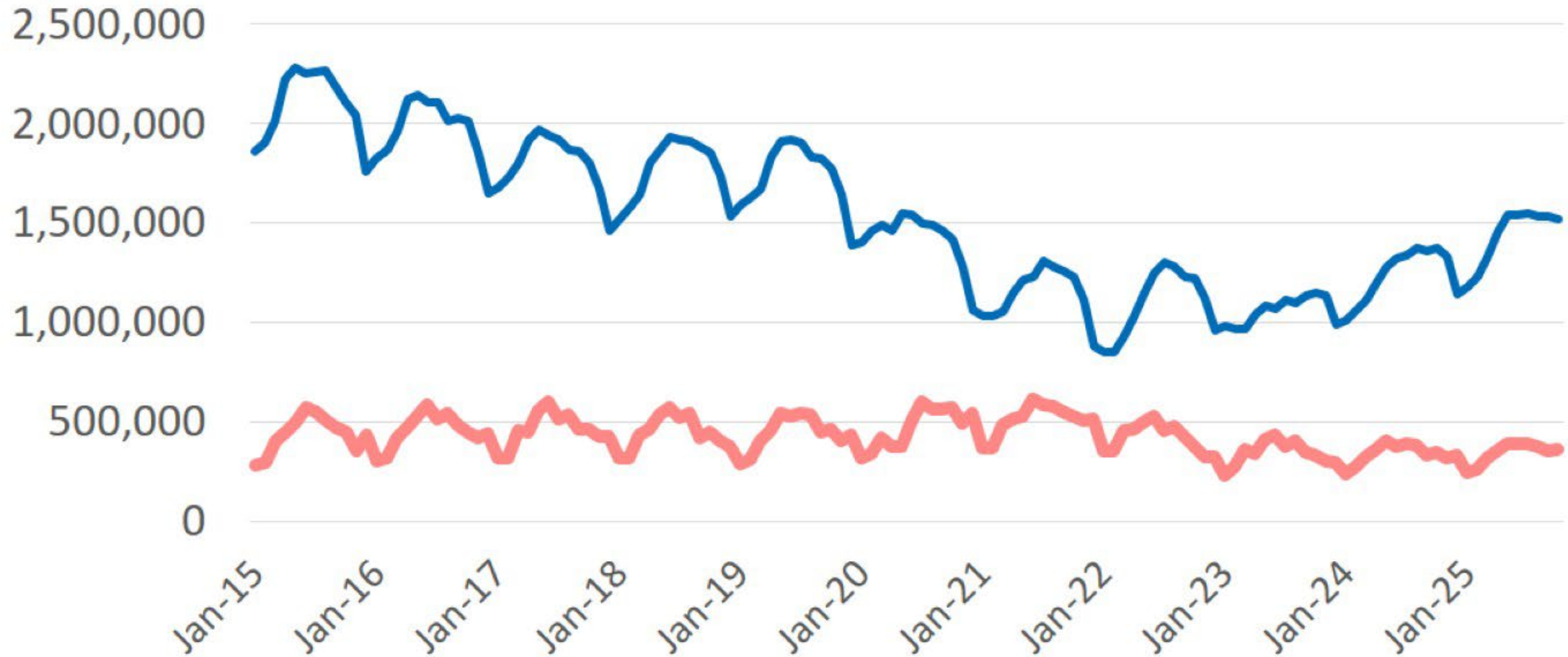
(Inventory usually declines from late Autumn to January)



Source: NAR

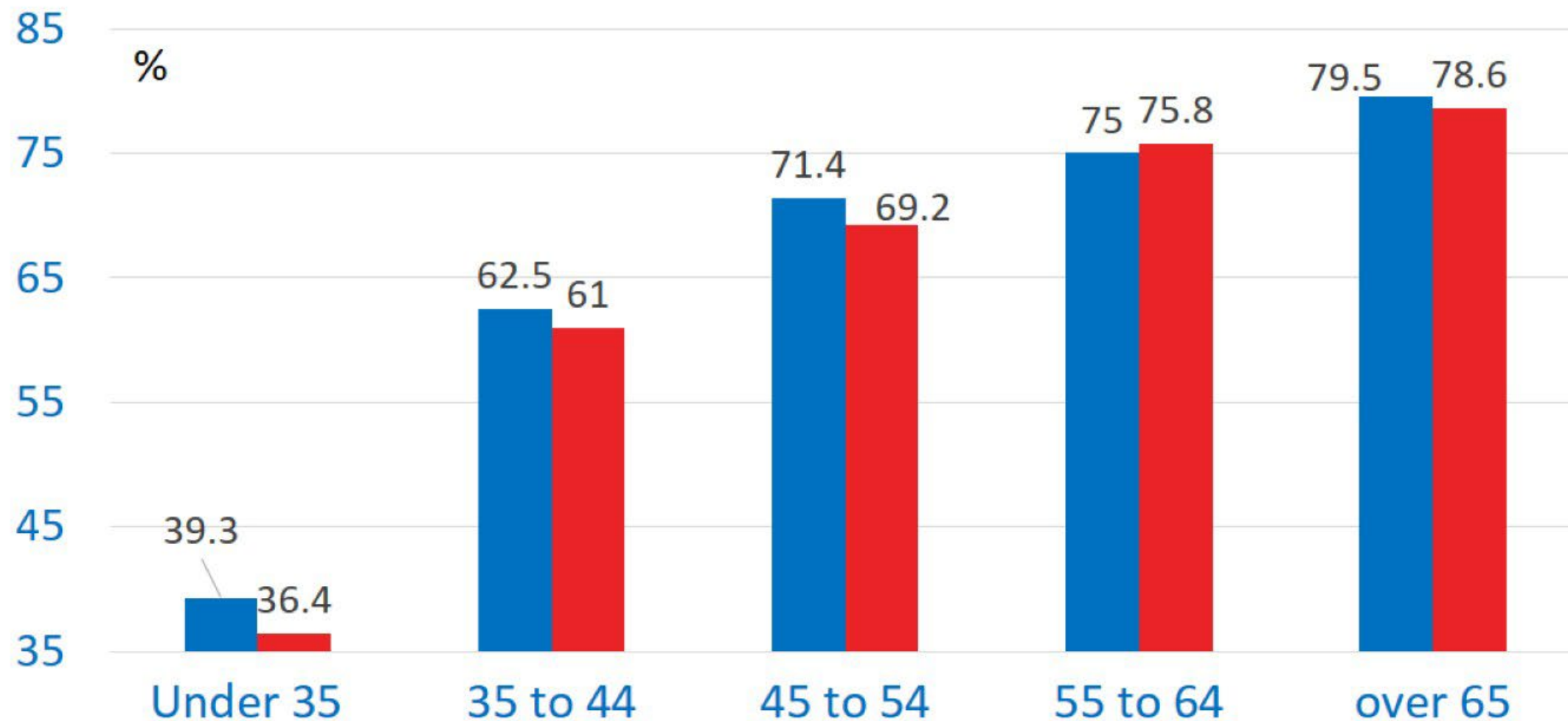
Supply and Demand together in one graph

Supply is larger than Demand ... does not mean oversupply



Source: NAR

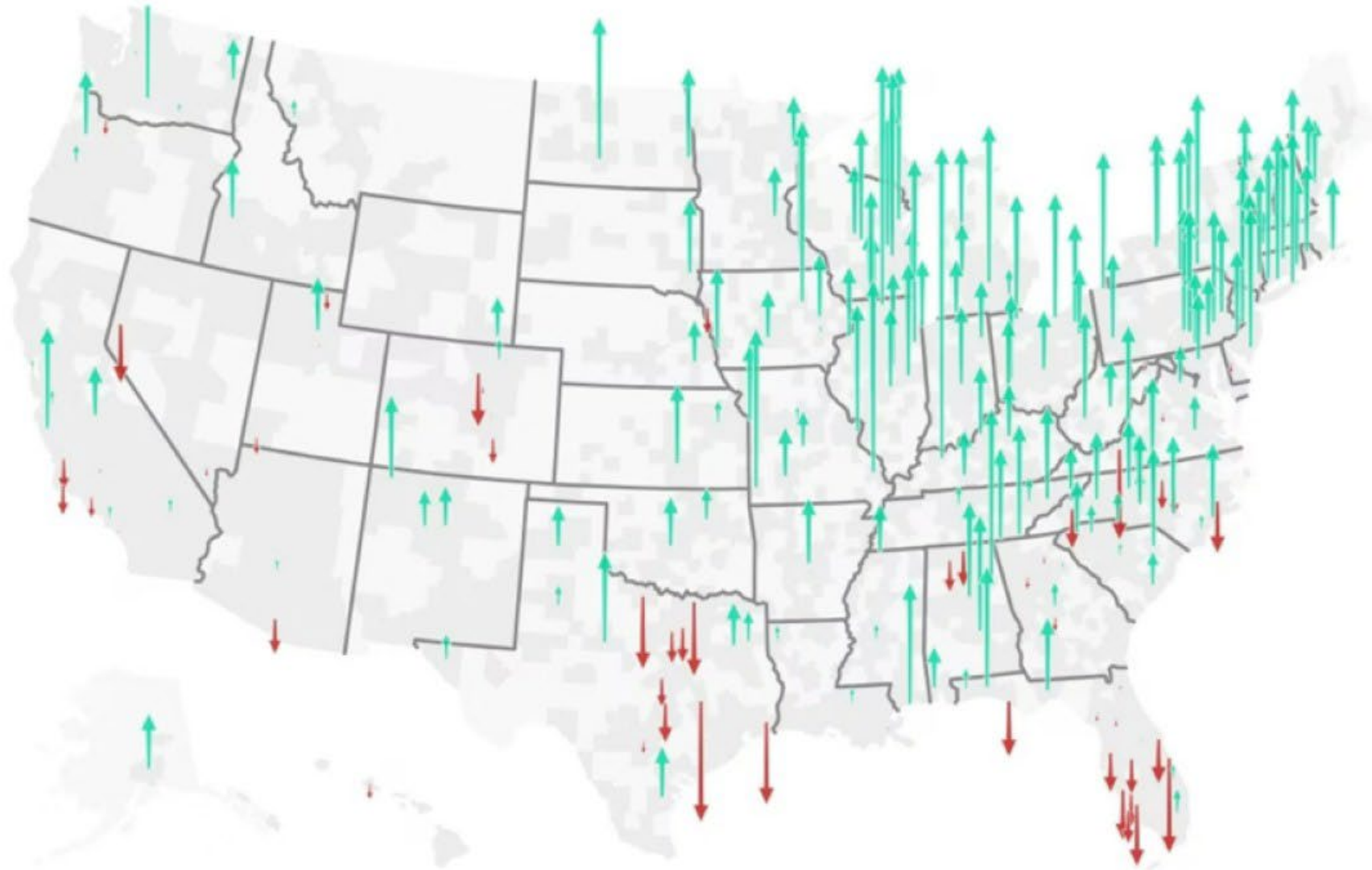
Homeownership Rate by Age Group 2022 Peak vs. 2025 Q2



Source: Census

1-year Home Price Gains

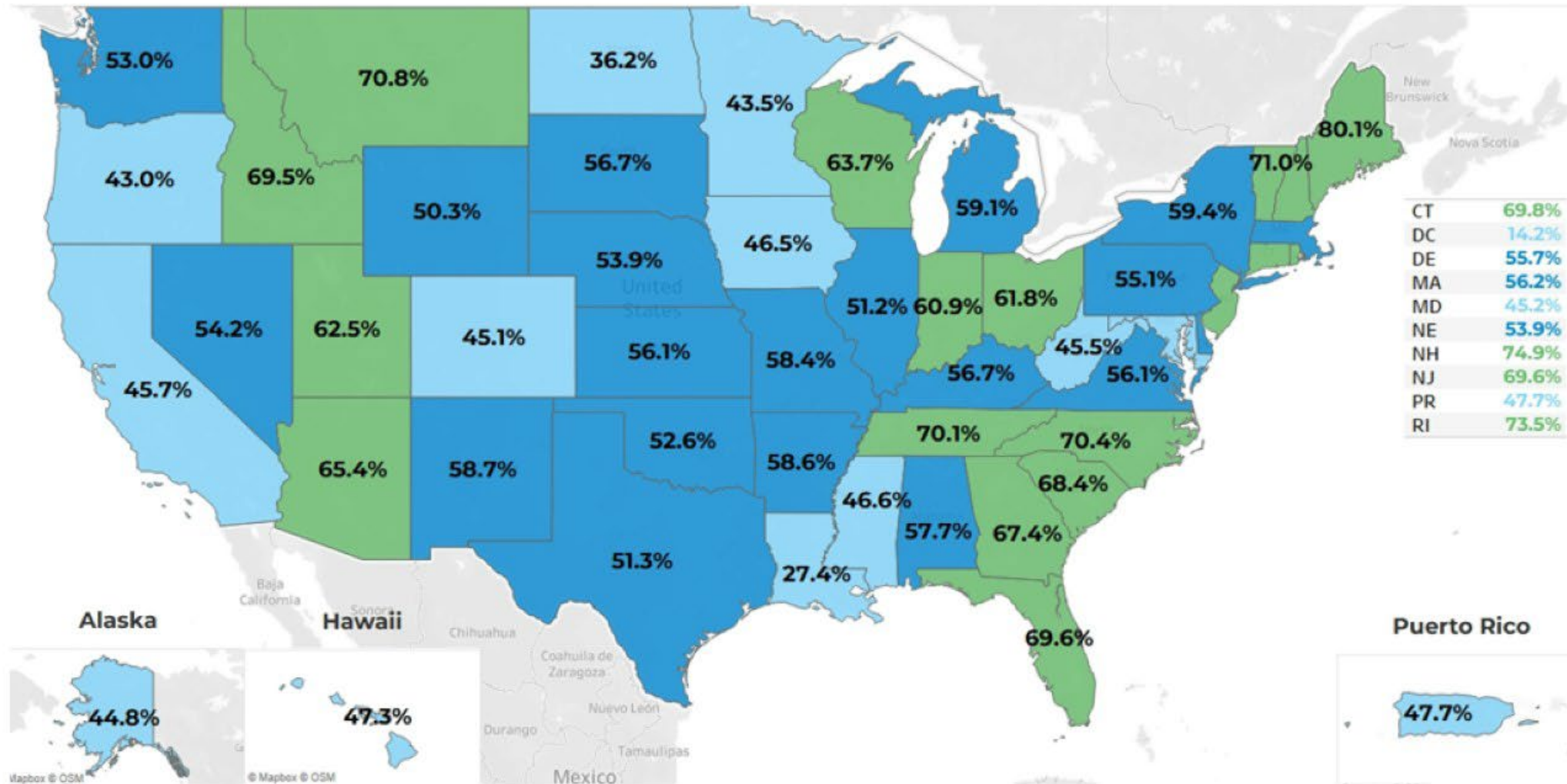
% change from 2024 Q3 to 2025 Q3



Source: NAR and realtor.com map using datawrapper

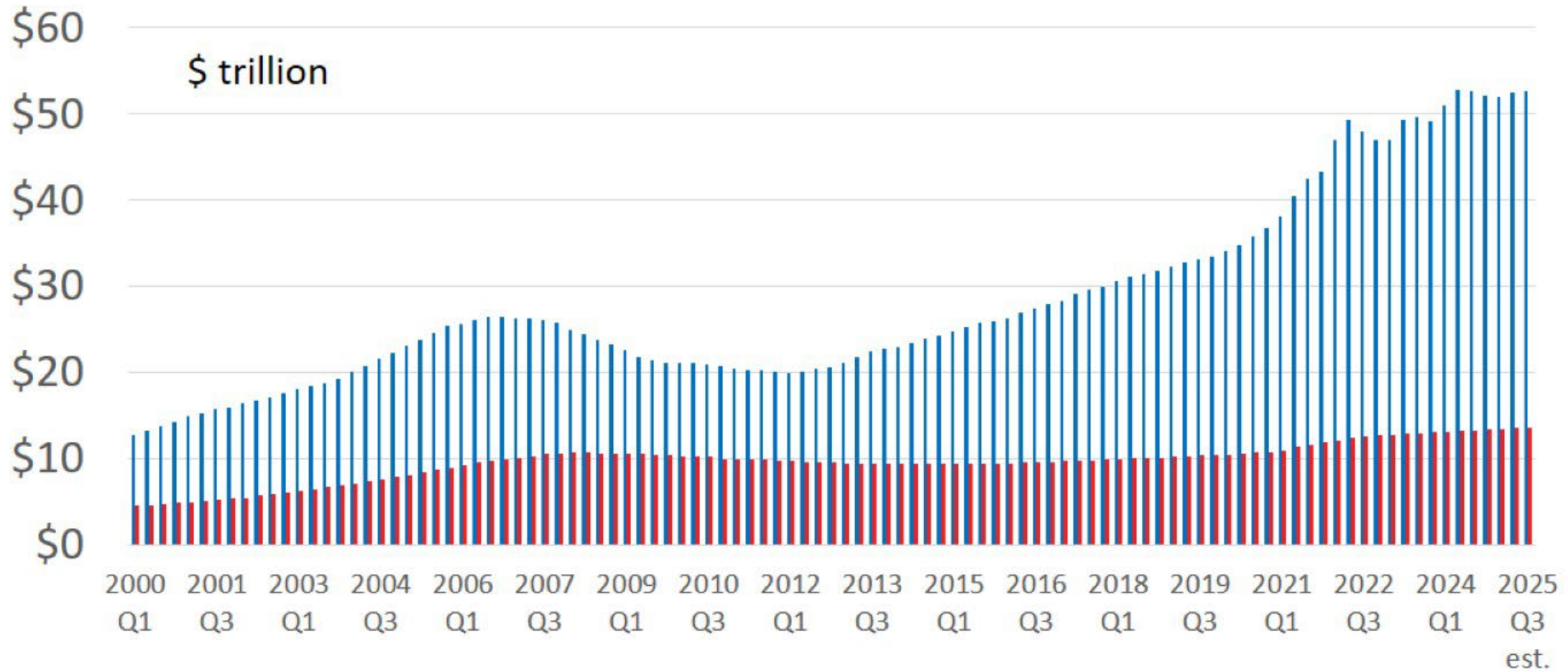
5-year Home Price Gains Since Pre-COVID

% change from 2020 Q1 to 2025 Q2



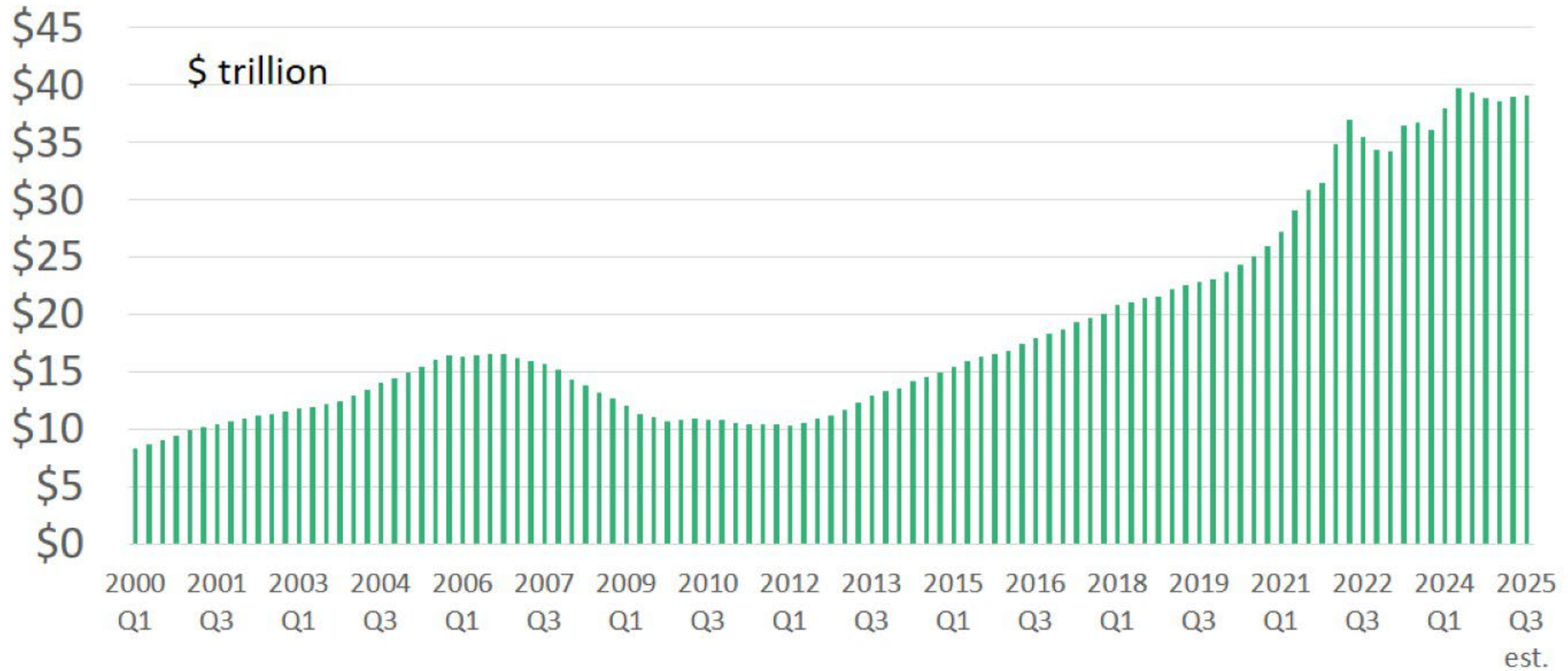
Source: NAR Analysis of FHFA data

Record High Real Estate Asset Valuation (blue) and Record High Mortgage Debt (red)



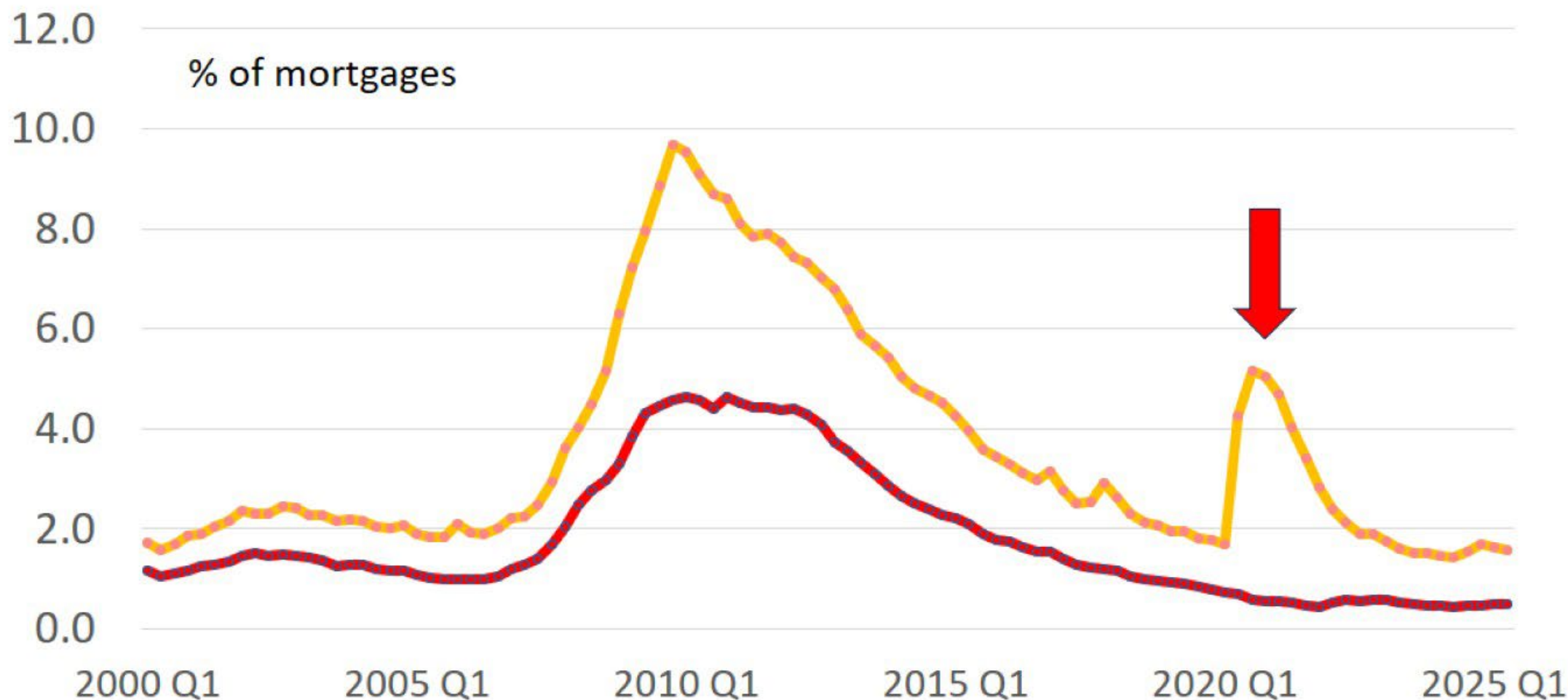
Source: Federal Reserve

Real Estate Net Worth



Source: Federal Reserve

Seriously Delinquent Mortgages and Foreclosure (90+ days late or in foreclosure)

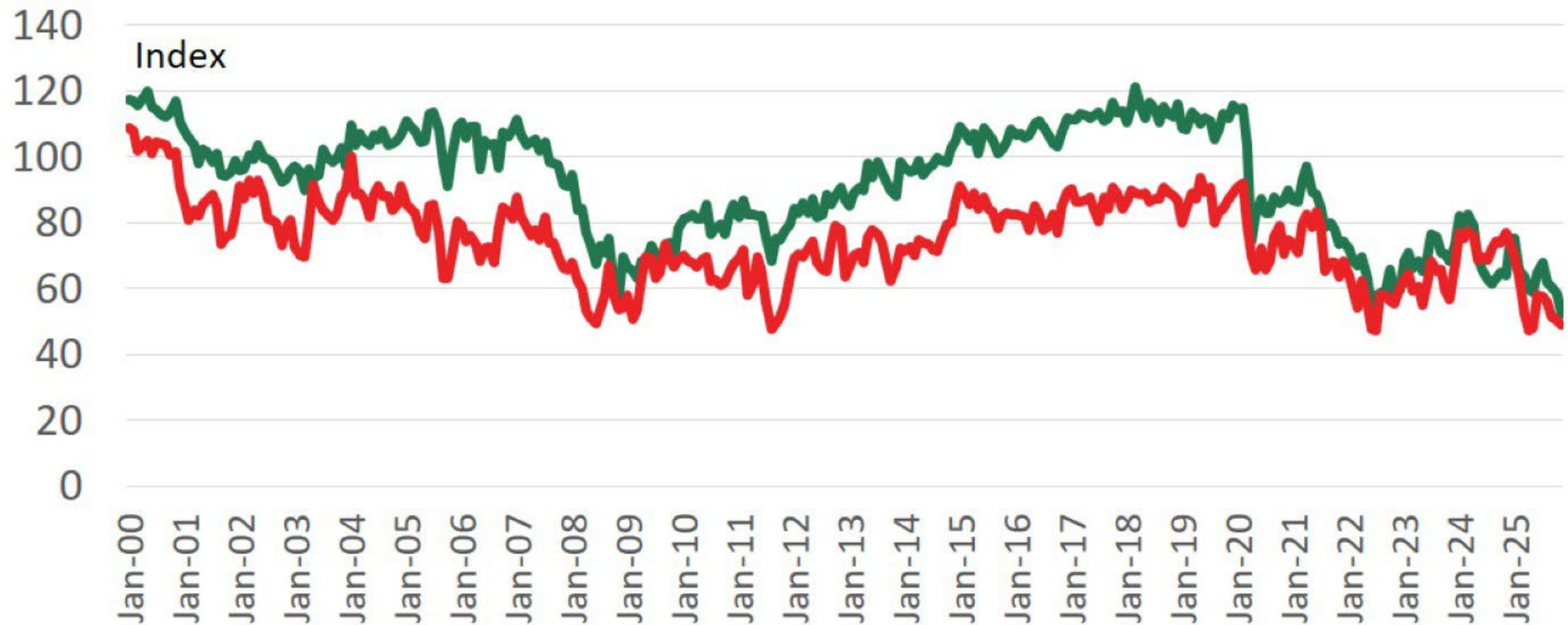


Source: Mortgage Bankers Association

Forecast for 2026

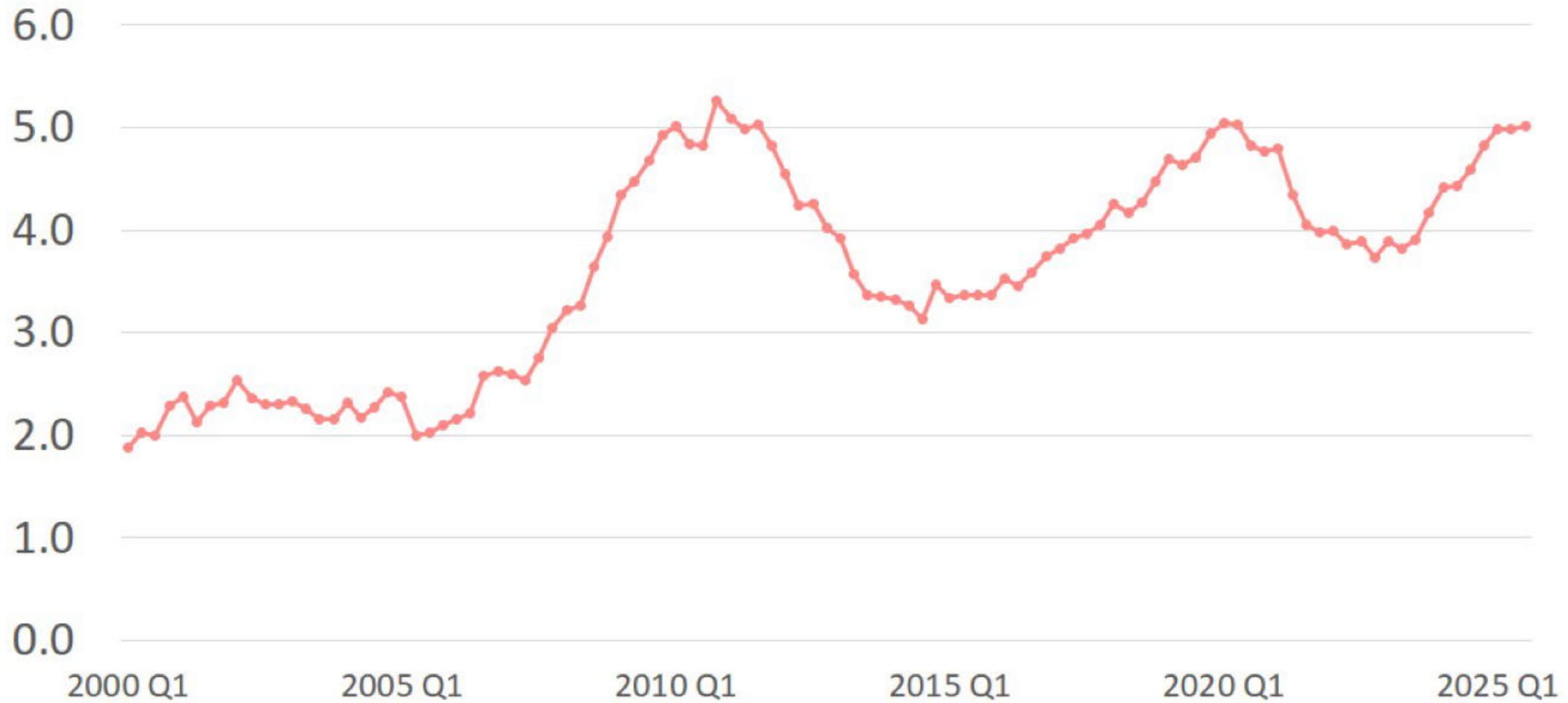
- **Recession or No? Data blackout during Government Shutdown**
- **Stock Market High but overvalued?**
- **Job Gains weakening**
- **Consumers not happy now and about future**
- **Consumers are defaulting on loans (but not on mortgage loans)**
- **Lower Mortgage Rates Save the Day**

Consumer Sentiment about Future and Present



Source: University of Michigan

Auto Loan 90+ Days Delinquency



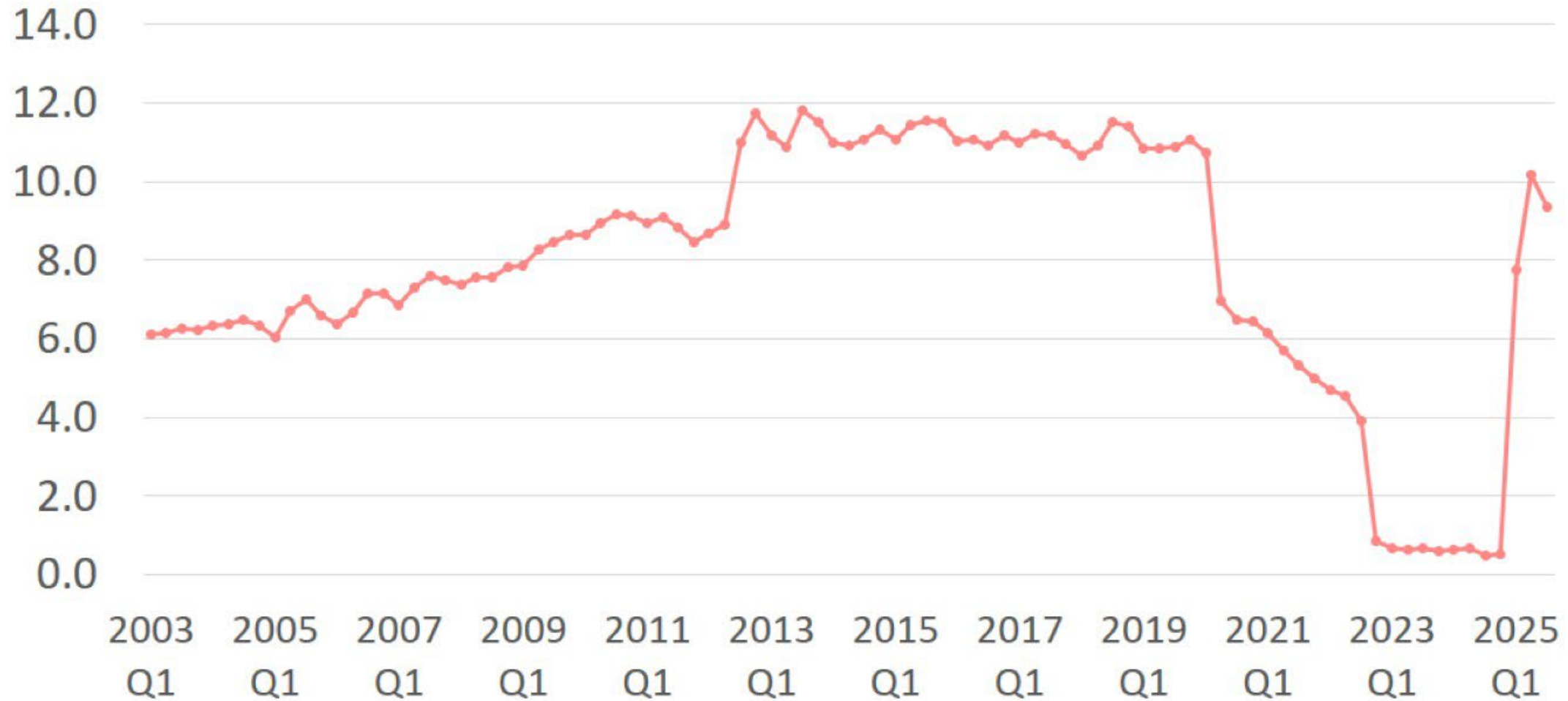
Source: Federal Reserve Bank of NY

Credit Card 90+ Days Delinquency



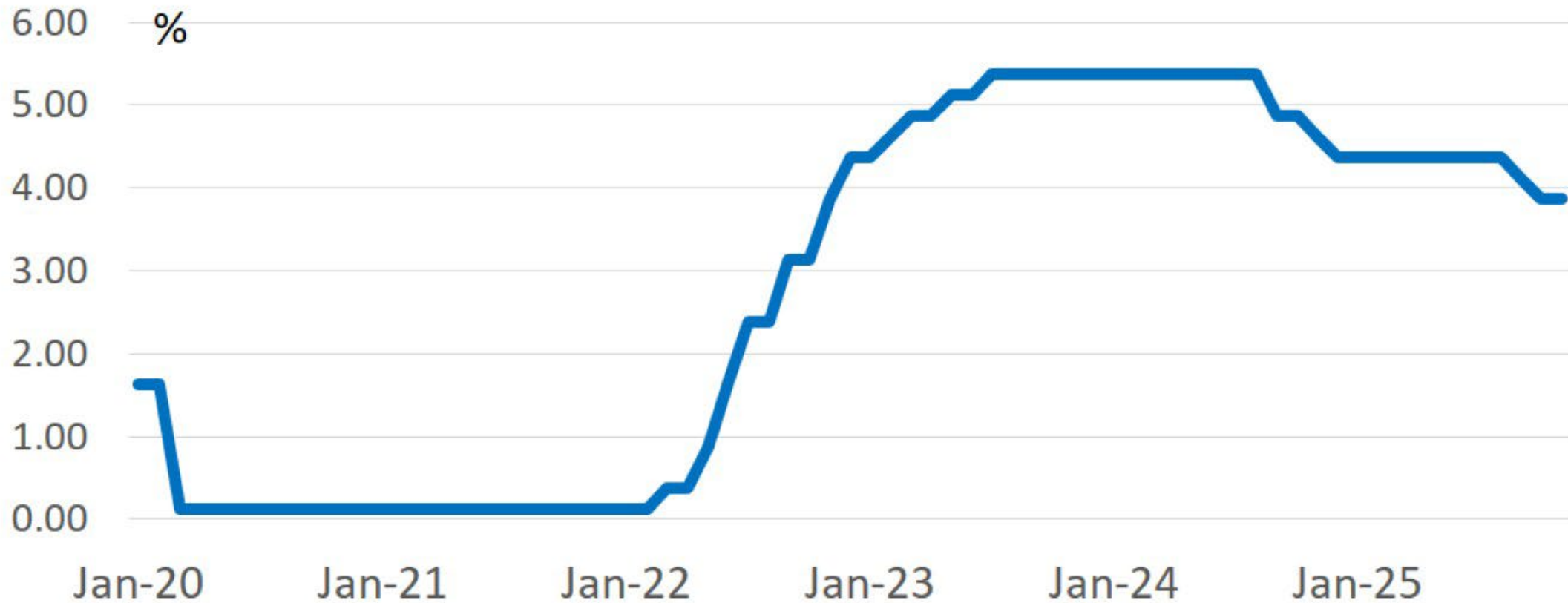
Source: Federal Reserve Bank of NY

Student Debt 90+ Days Delinquency



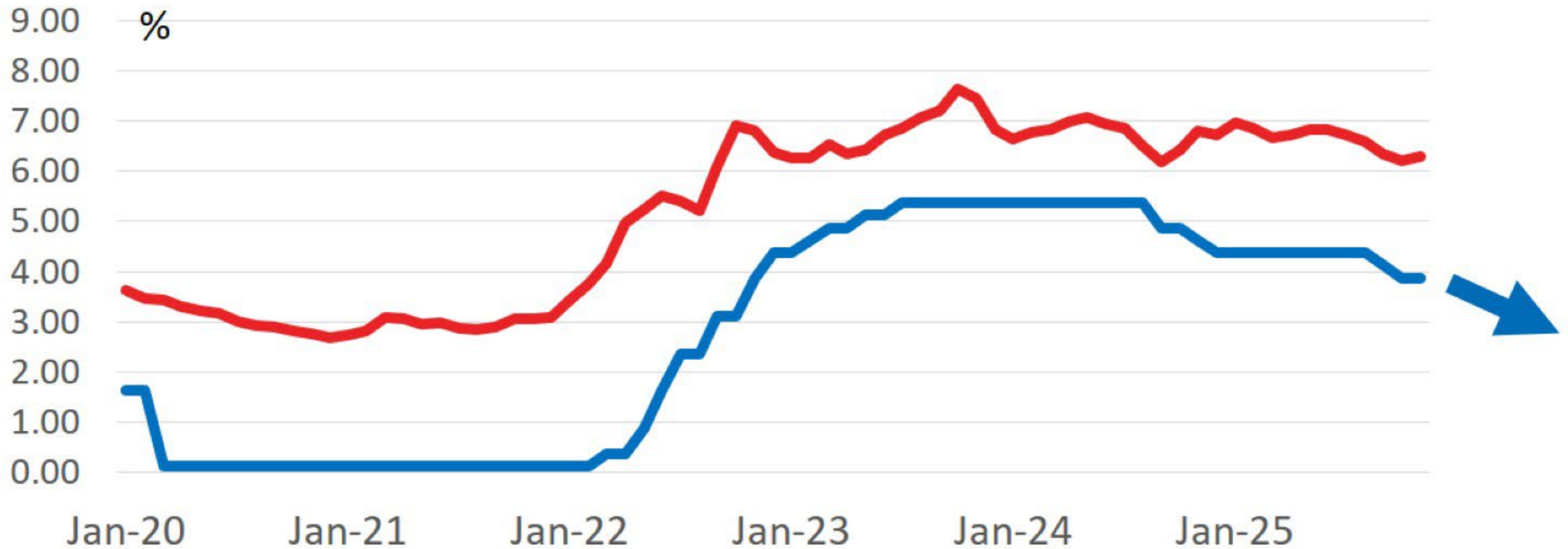
Source: Federal Reserve Bank of NY

Federal Reserve cutting short-term Funds Rate



Source: Federal Reserve and Freddie Mac Mortgage Rate

Mortgage Rates (red) Fed Funds Rate (blue)

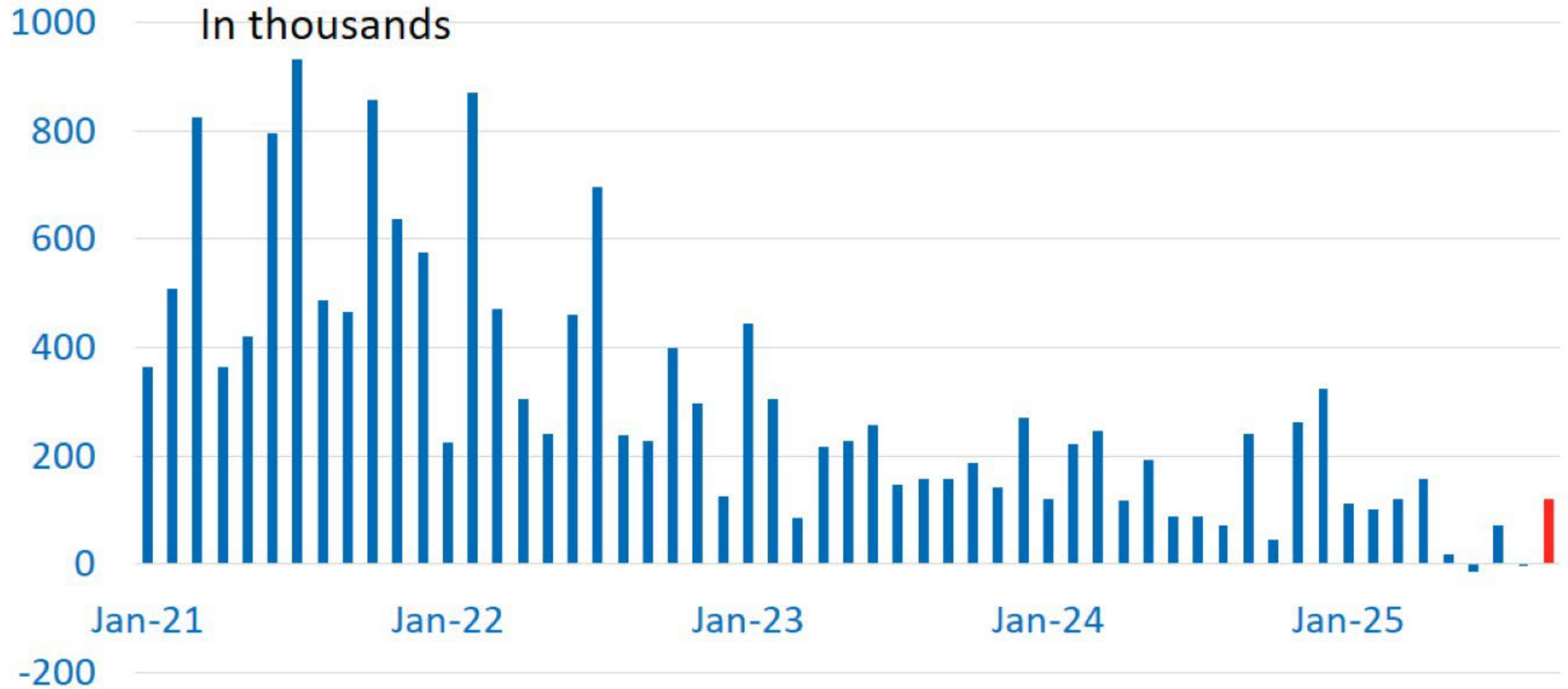


Source: Federal Reserve and Freddie Mac Mortgage Rate

Impact to Mortgage Rates

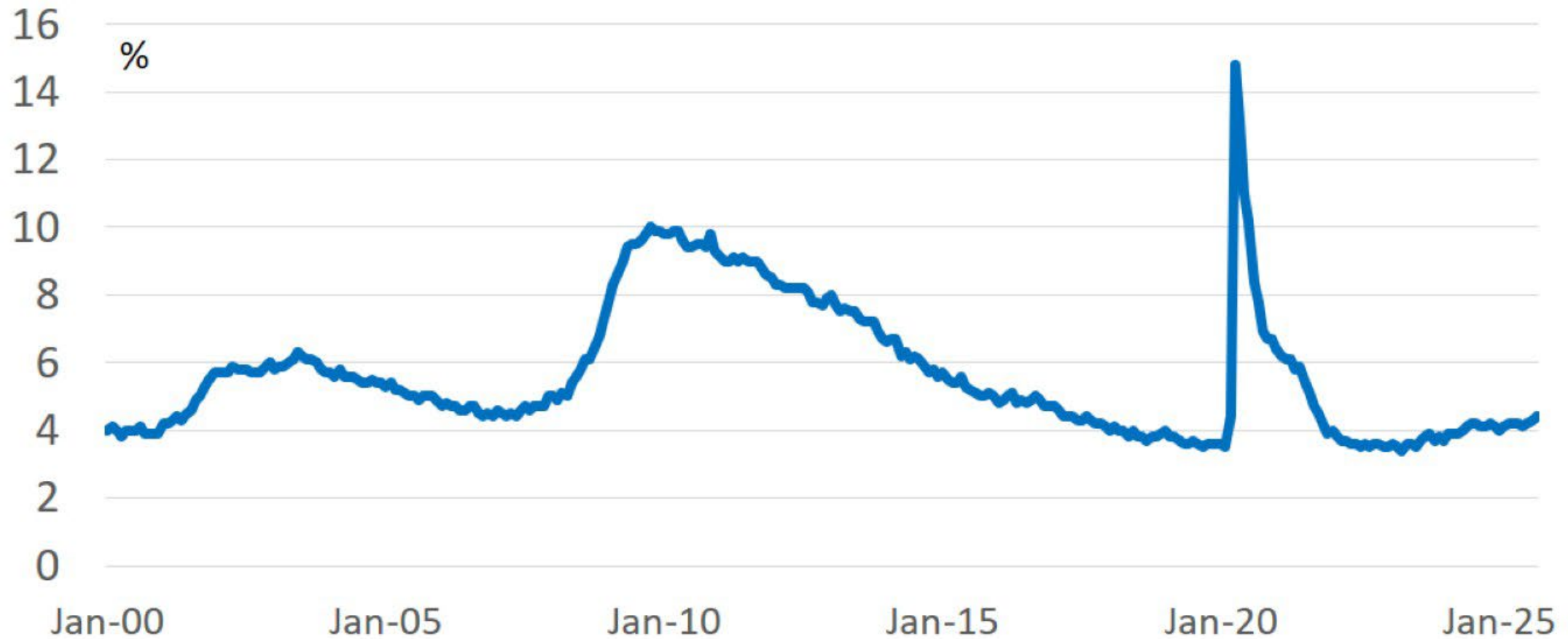
- **Federal Reserve Rate Cut (on fed funds short-term rate)**
- **Federal Deficit and National Debt**
- **Supreme Court on Trump Tariffs (\$3 trillion revenue over decade)**
- **Inflation Rate**
- **Quantitative Tightening**
 - **net sale of mortgage-backed securities by the Fed**
- **Government guarantee (or non-guarantee) on mortgages**
- **Spread between 30-year Mortgage and 10-year Treasury**
- **Stock Market Crash**

Monthly Job Changes



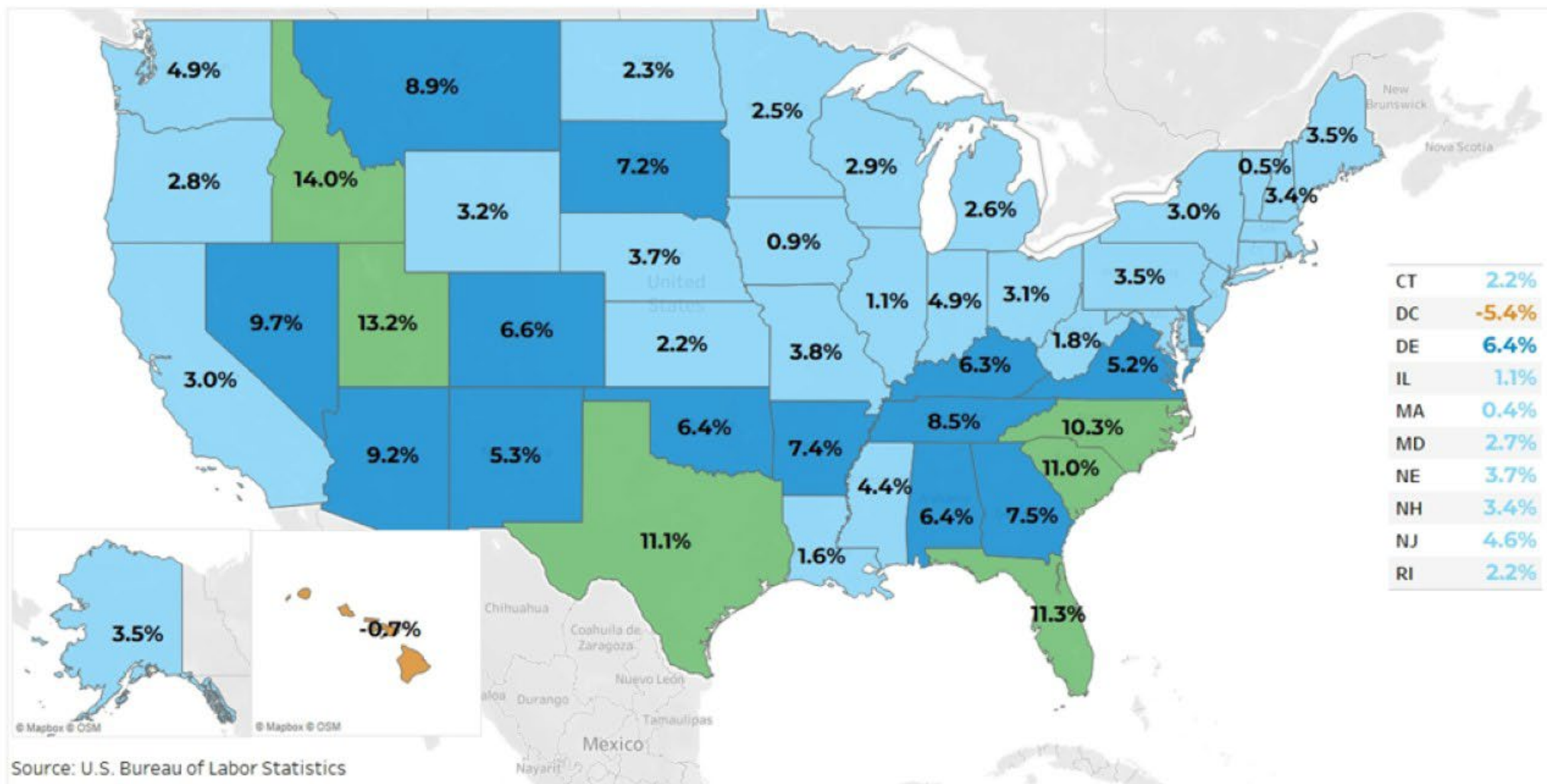
Source: BLS

U.S. Unemployment Rate of 4.4% as of September



Source: BLS

Job Gains Since Pre-COVID Record High Payroll Employment (% change from March 2020 to August 2025)



Source: NAR Analysis of BLS data

Nationwide Forecast

	2025	2026
Existing-Home Sales	+0%	+14%
New Home Sales	-2%	+5%
Median Home Price	+3%	+4%
Mortgage Rate	6.7%	6.0%
Job Gains	400,000 (not 2 million)	1.3 million (not 2 million)
Unemployment Rate	4.3%	4.5% (not 5.5%)



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THANK YOU!