

# The Economics Behind the Market

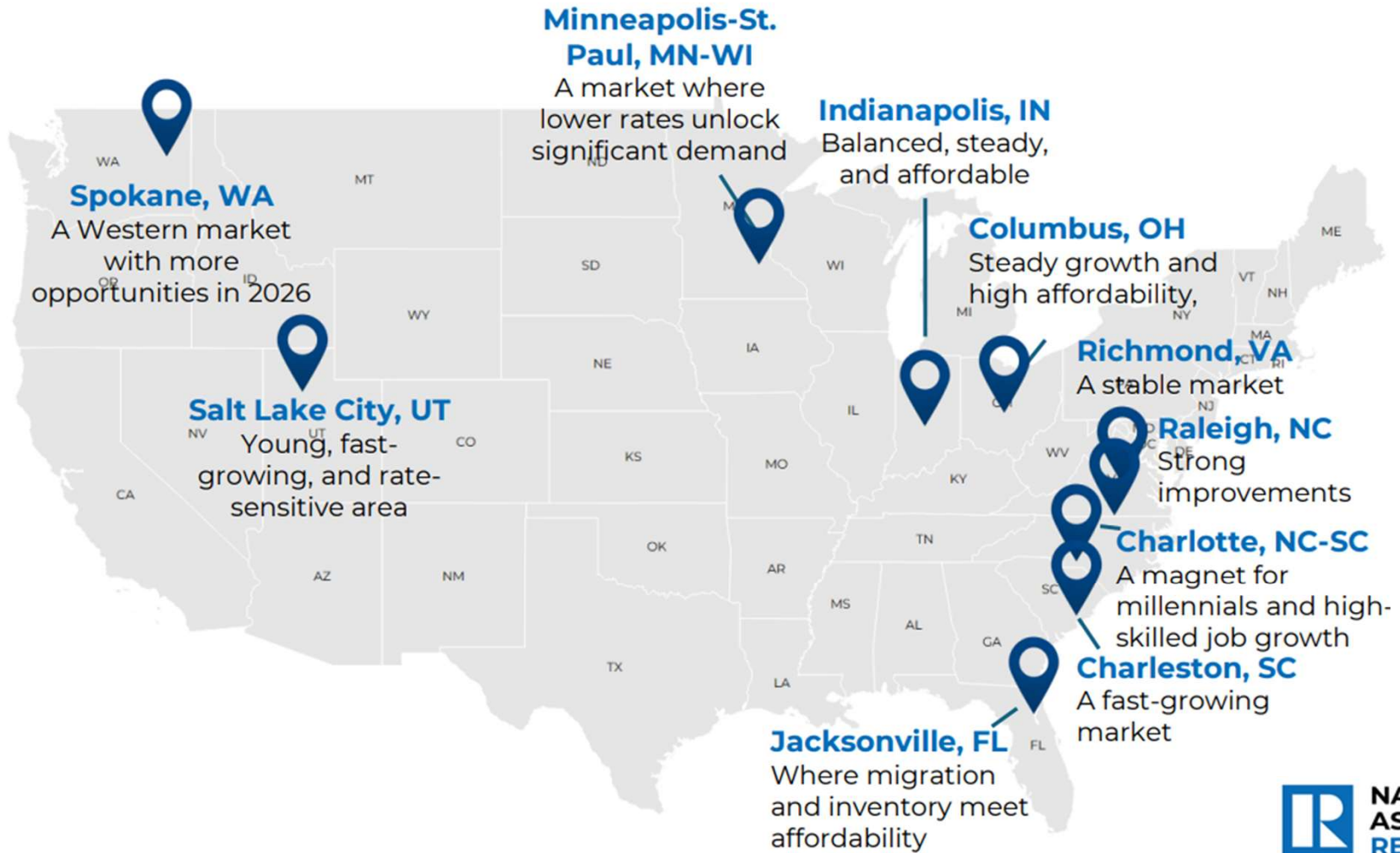
Dr. Jessica Lautz  
Deputy Chief Economist & VP of Research  
National Association of REALTORS®



# Nationwide Housing Forecast

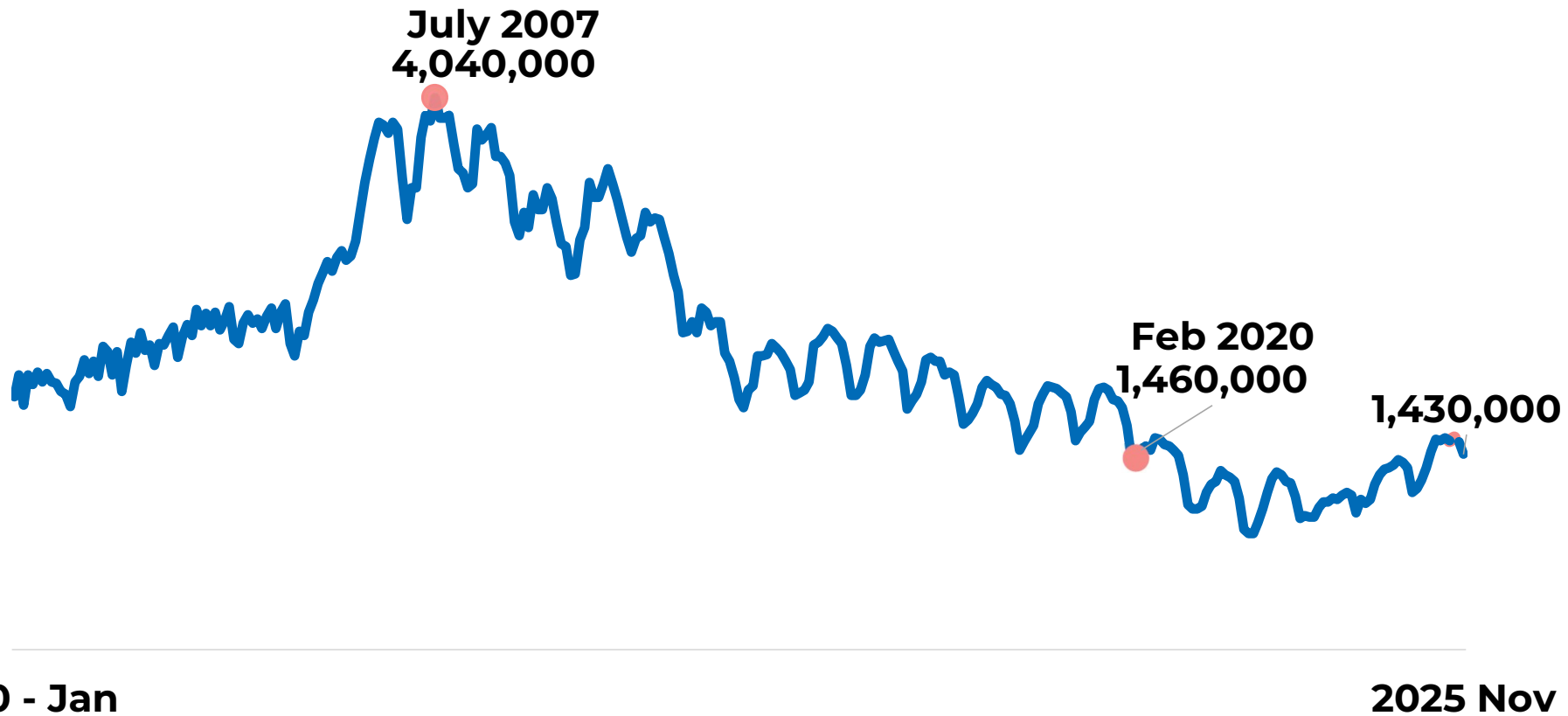
	2025	2026
<b>Existing-Home Sales</b>	<b>+0%</b>	<b>+14%</b>
<b>New Home Sales</b>	<b>-2%</b>	<b>+5%</b>
<b>Median Home Price</b>	<b>+3%</b>	<b>+4%</b>
<b>Mortgage Rate</b>	<b>6.7%</b>	<b>6.0%</b>

# TOP HOT SPOTS 2026



# Inventory of Existing Homes

5,000,000



0

2000 - Jan

2025 Nov

Source: NAR Existing-Home Sales  
[www.nar.realtor/research-and-statistics/housing-statistics/existing-home-sales](http://www.nar.realtor/research-and-statistics/housing-statistics/existing-home-sales)



# 30-Year Fixed Mortgage Interest Rate

(historical norm in red)



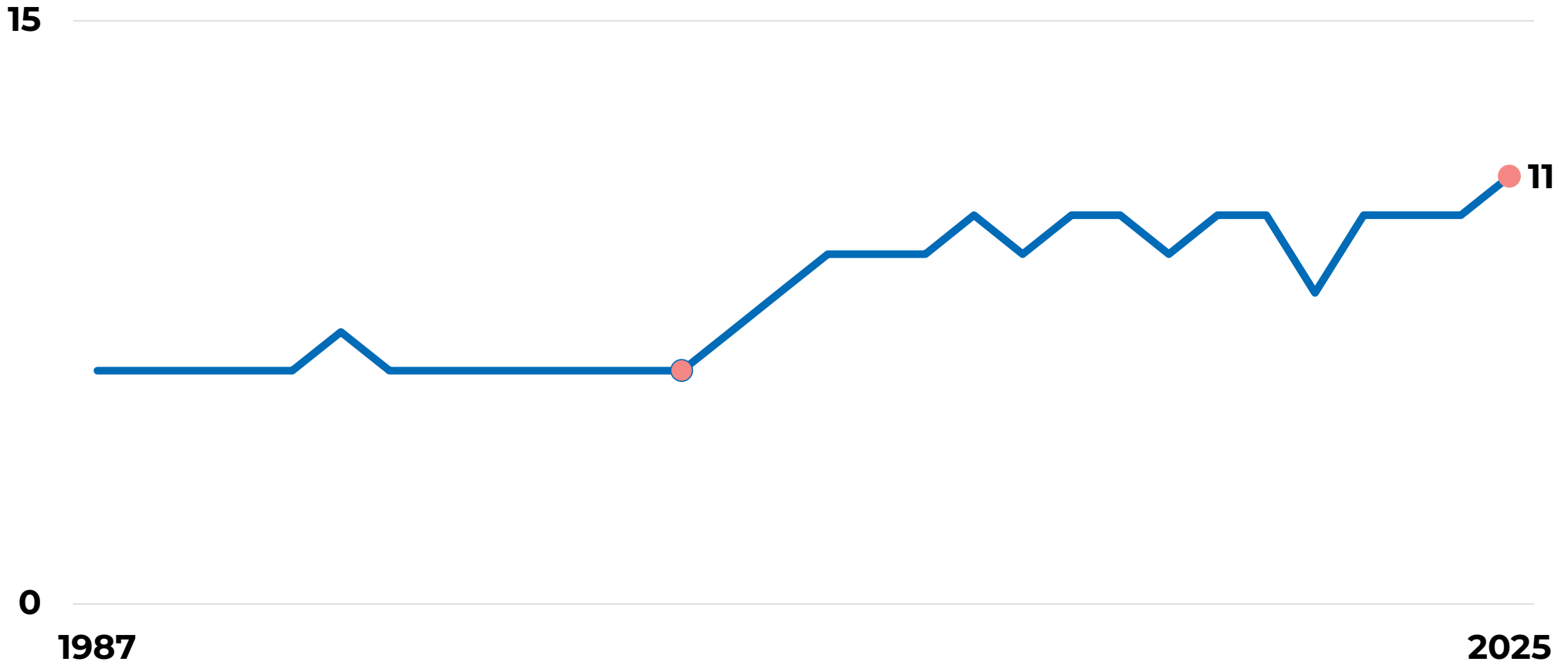
Difference 6.5%-3.5%:  
\$400k: **\$586/month**

If rates fell from  
**7% → 6%** = **550k** new  
home buyers estimated  
in **U.S.**

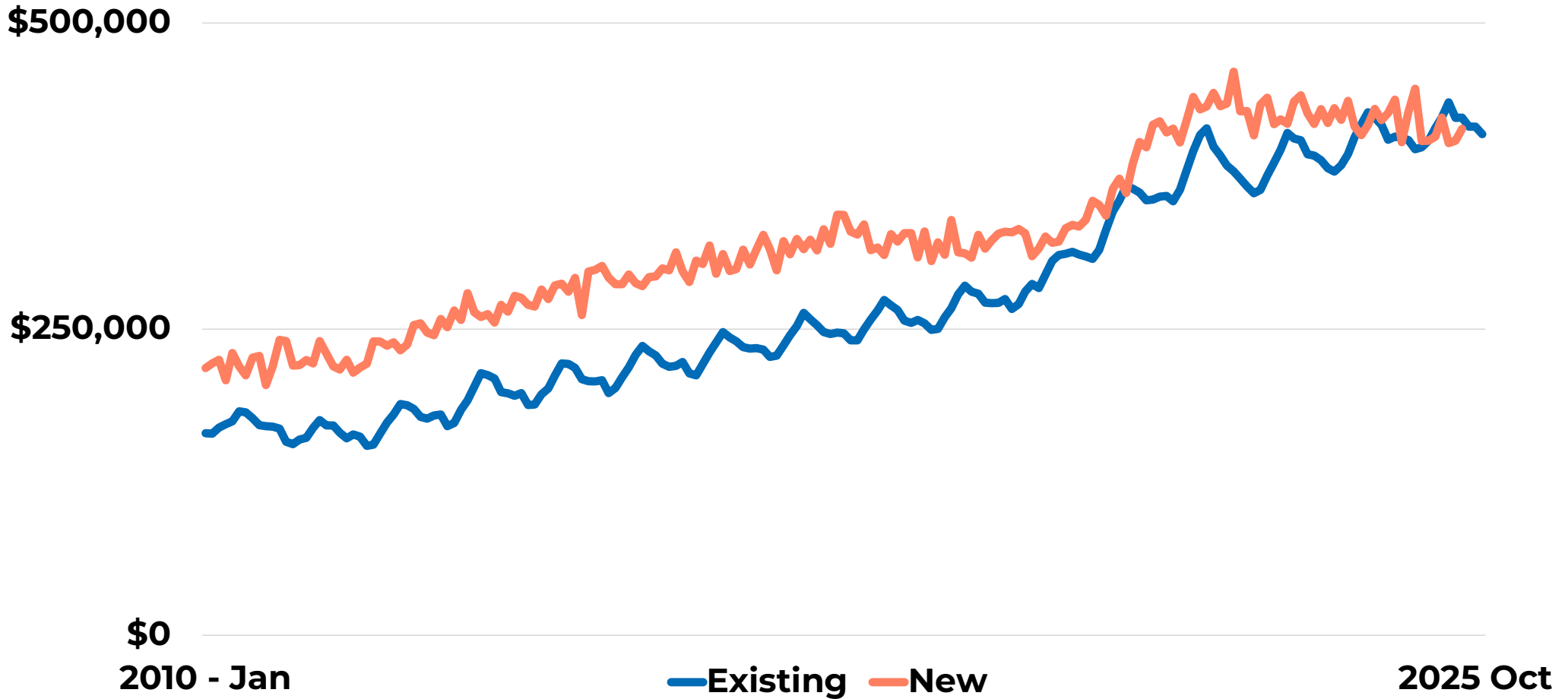
Source: Freddie Mac <https://www.freddiemac.com/pmms>



# Median Length of Ownership Tenure in Home Sold



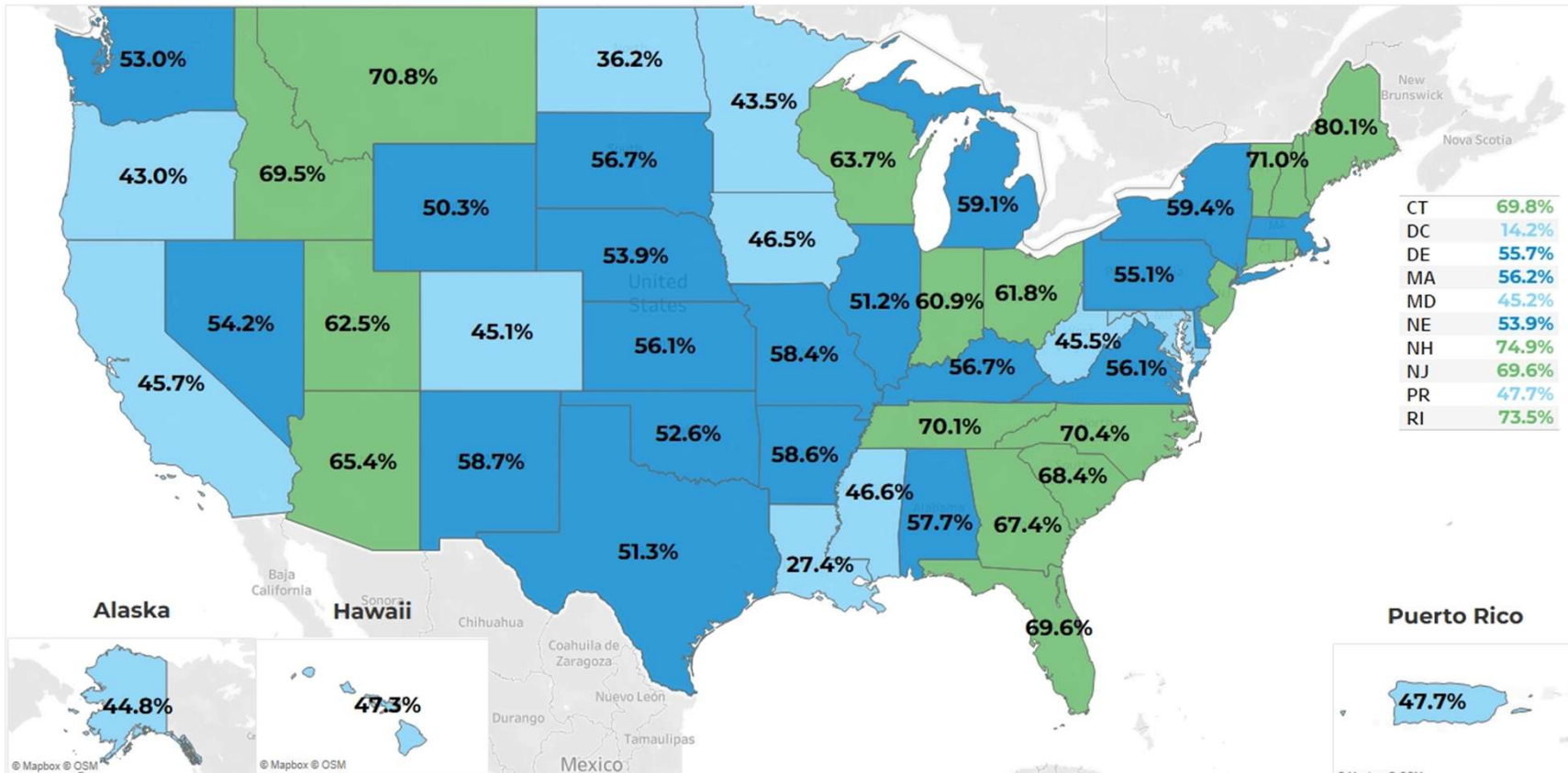
# Median Existing-Home Price On Par With New Home Price



Source: NAR Existing-Home Sales <https://www.nar.realtor/research-and-statistics/housing-statistics/existing-home-sales>  
Census/HUD <https://www.census.gov/construction/nrs/current/index.html>



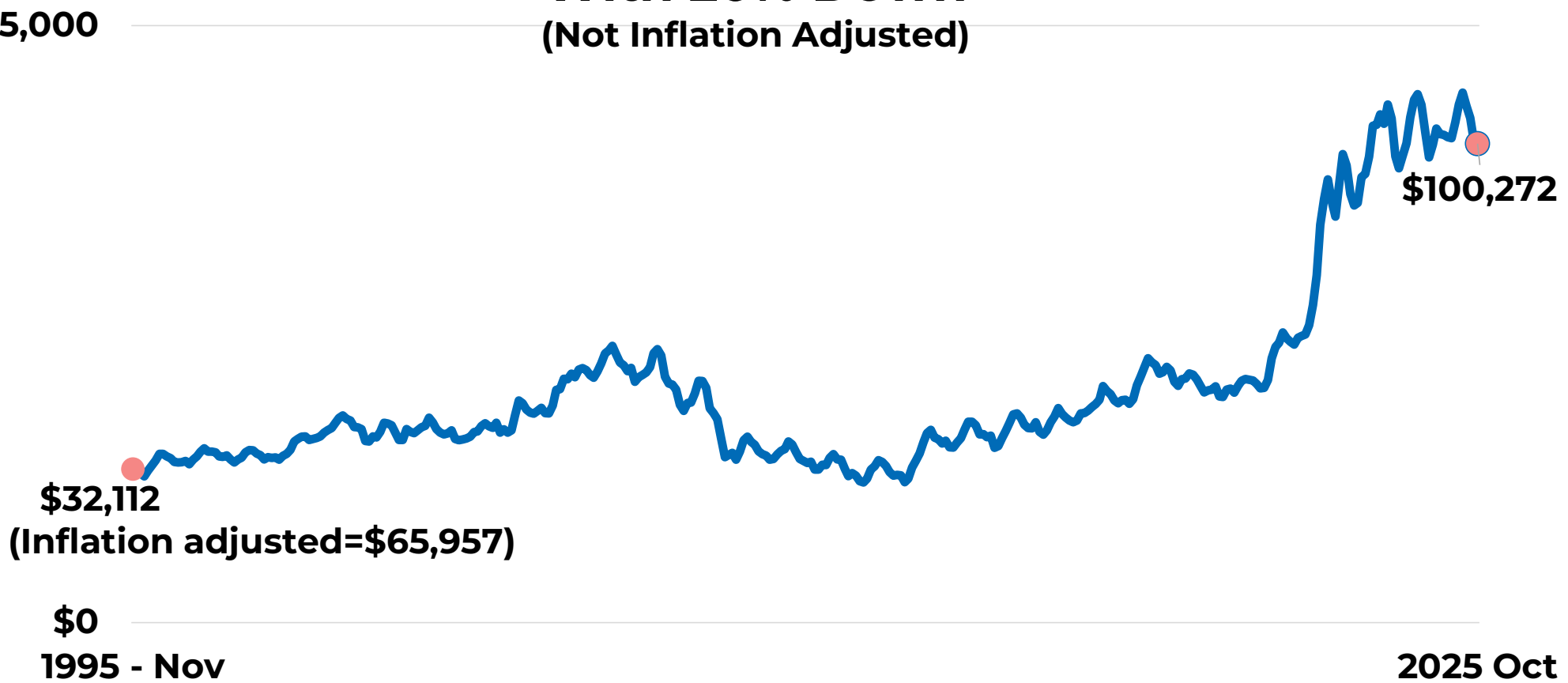
# State Home Price Appreciation % change from 2020 Q1 to 2025 Q2



Source: NAR Analysis of FHFA data

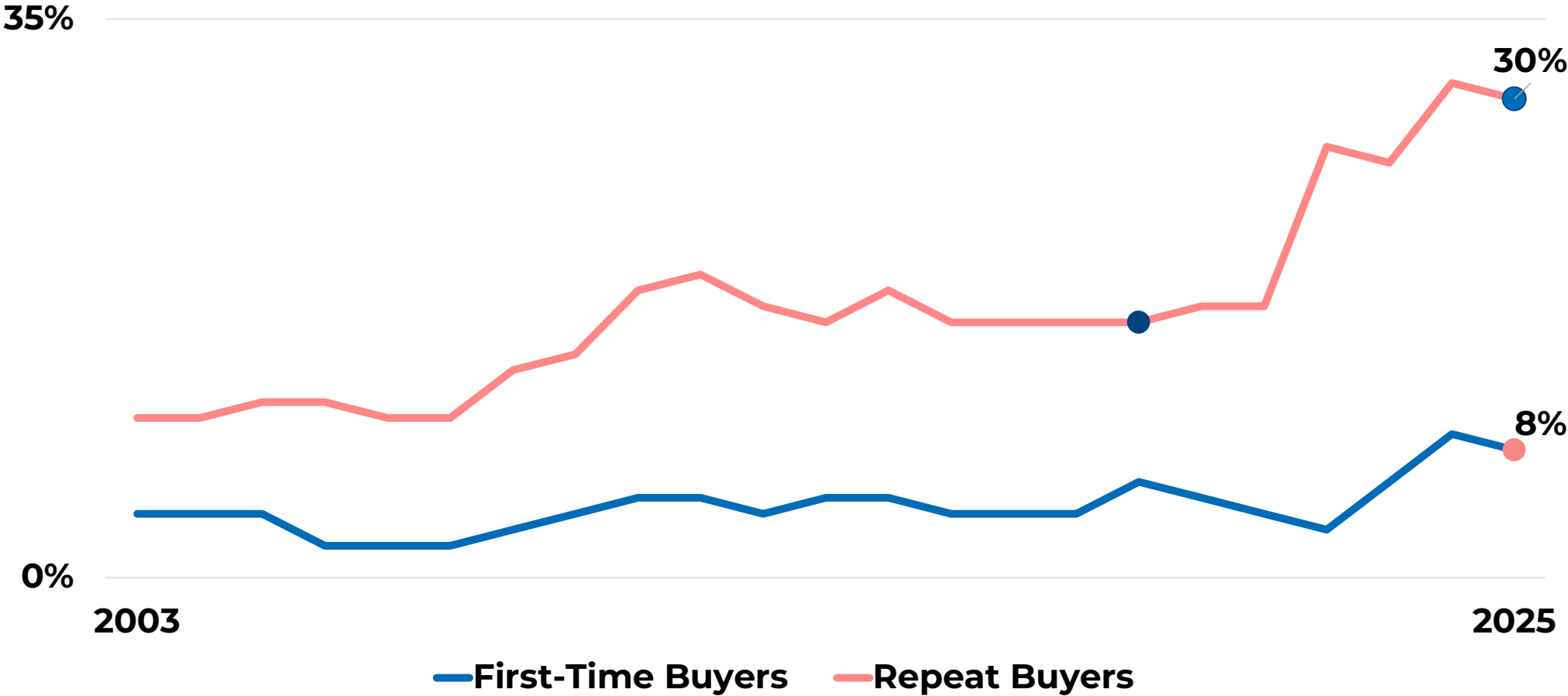


# Qualifying Income Needed for Median-Priced Home With 20% Down (Not Inflation Adjusted)



Source: NAR Housing Affordability Index  
<https://www.nar.realtor/research-and-statistics/housing-statistics/housing-affordability-index>

# All-Cash Buyers

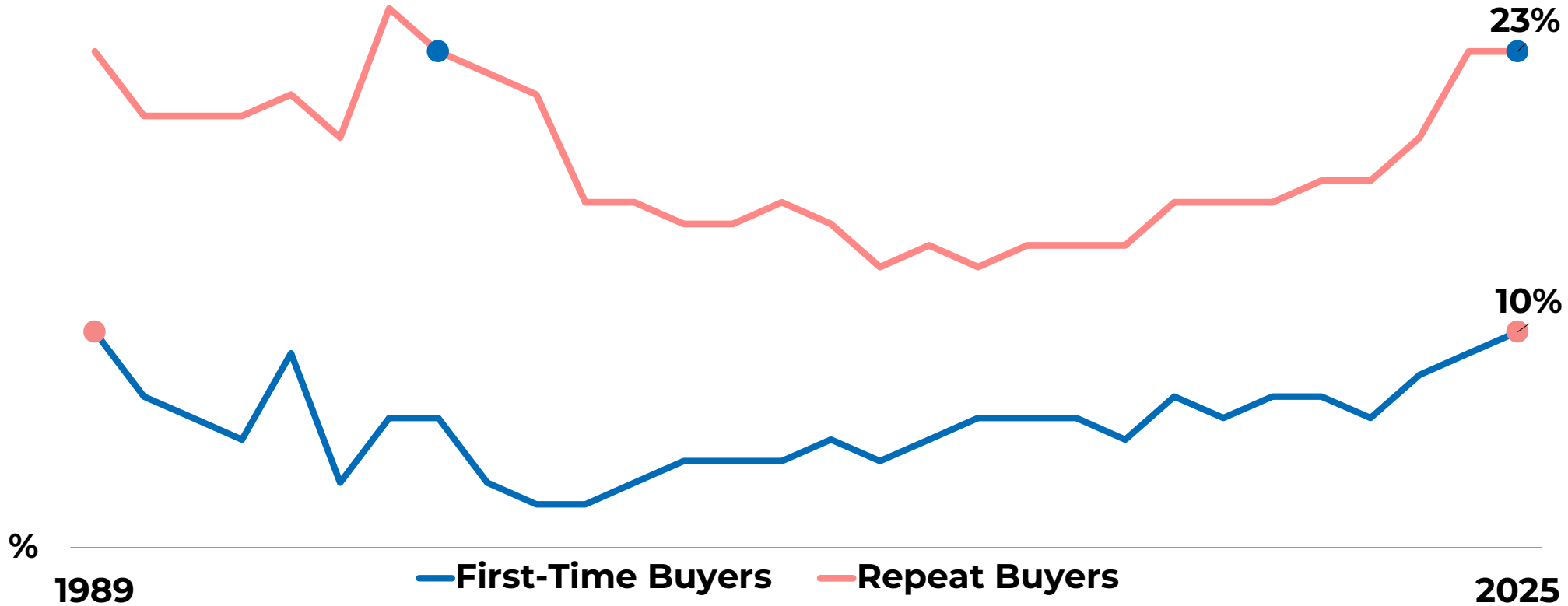


Source: Profile of Home Buyers and Sellers  
[www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers](http://www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers)



# Typical Downpayment Among Home Buyers

30%

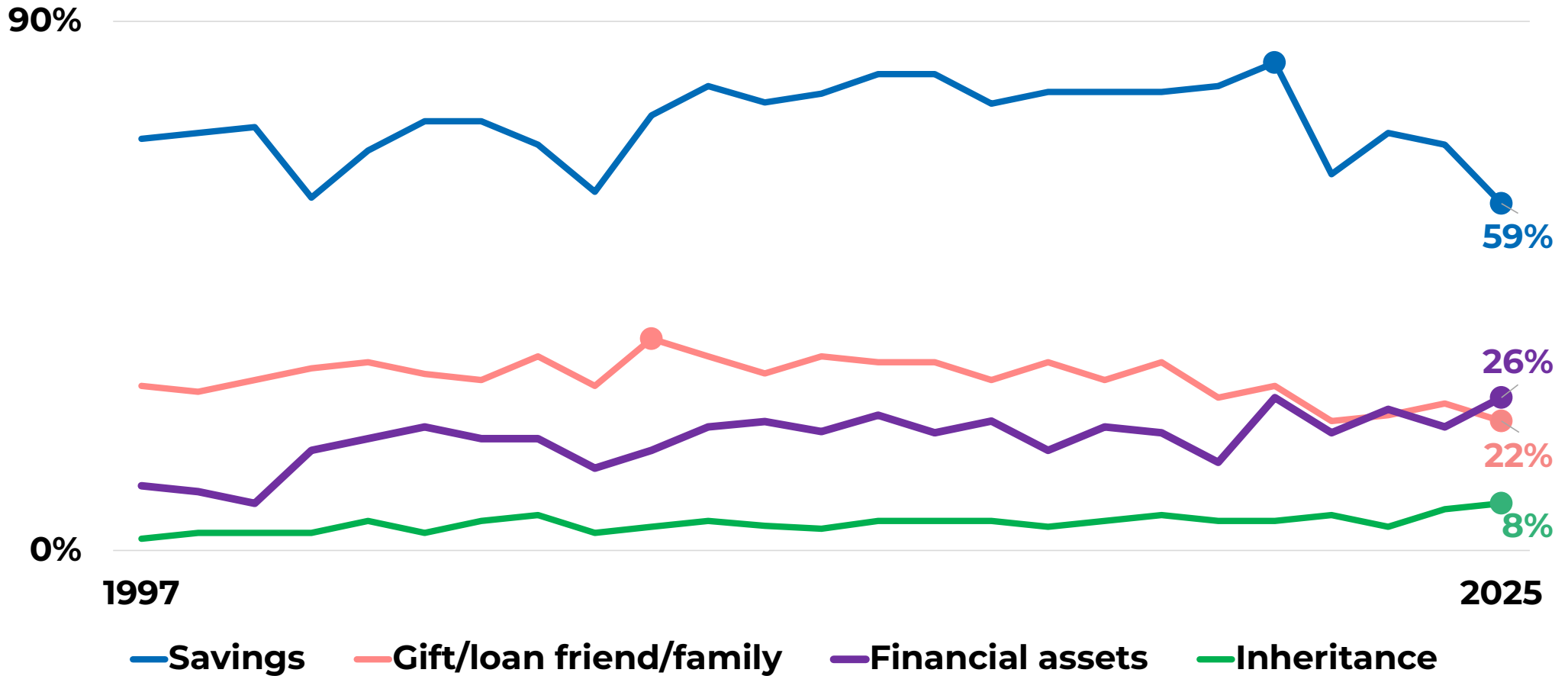


Source: Profile of Home Buyers and Sellers

[www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers](http://www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers)



# First-Time Buyer Source of Downpayment



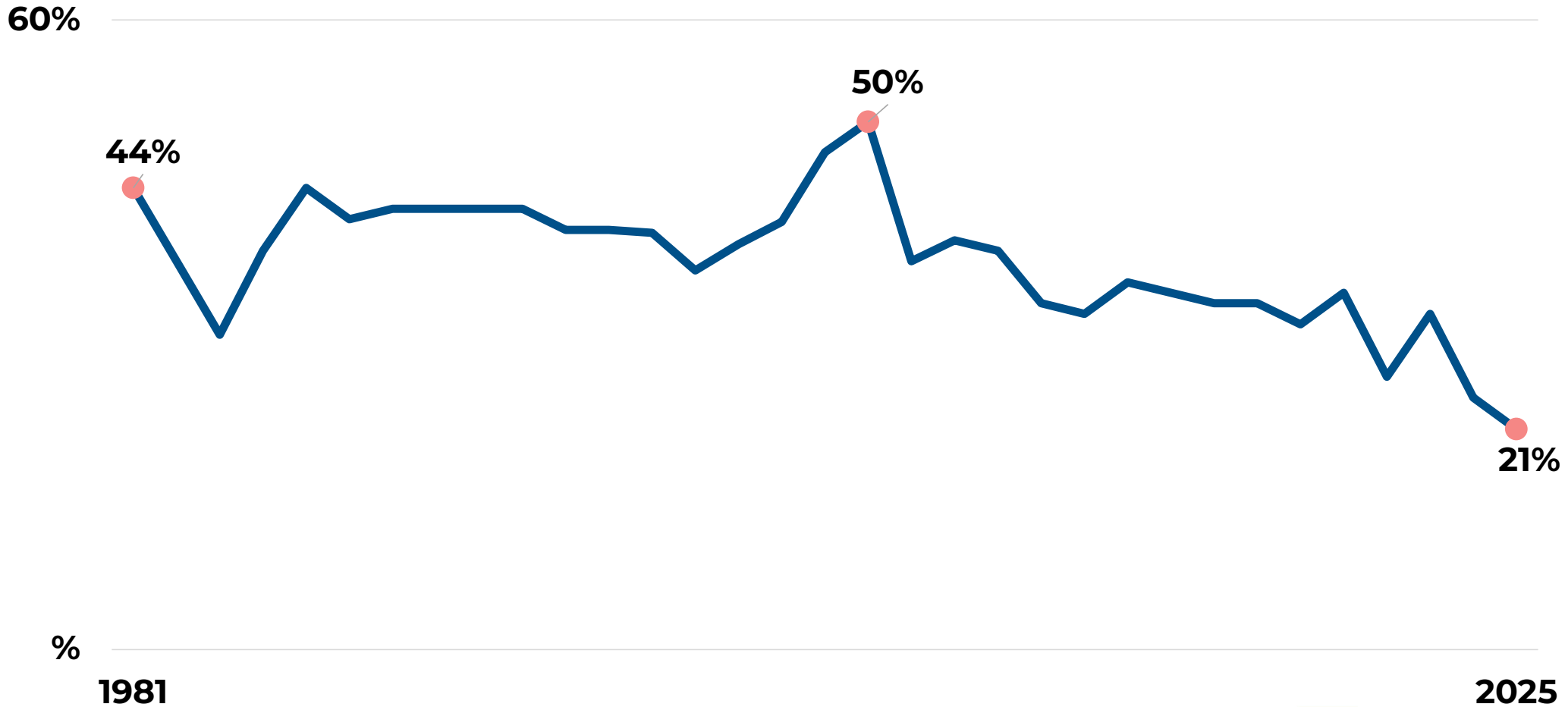
Source: Profile of Home Buyers and Sellers  
[www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers](http://www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers)



# Generational Warfare

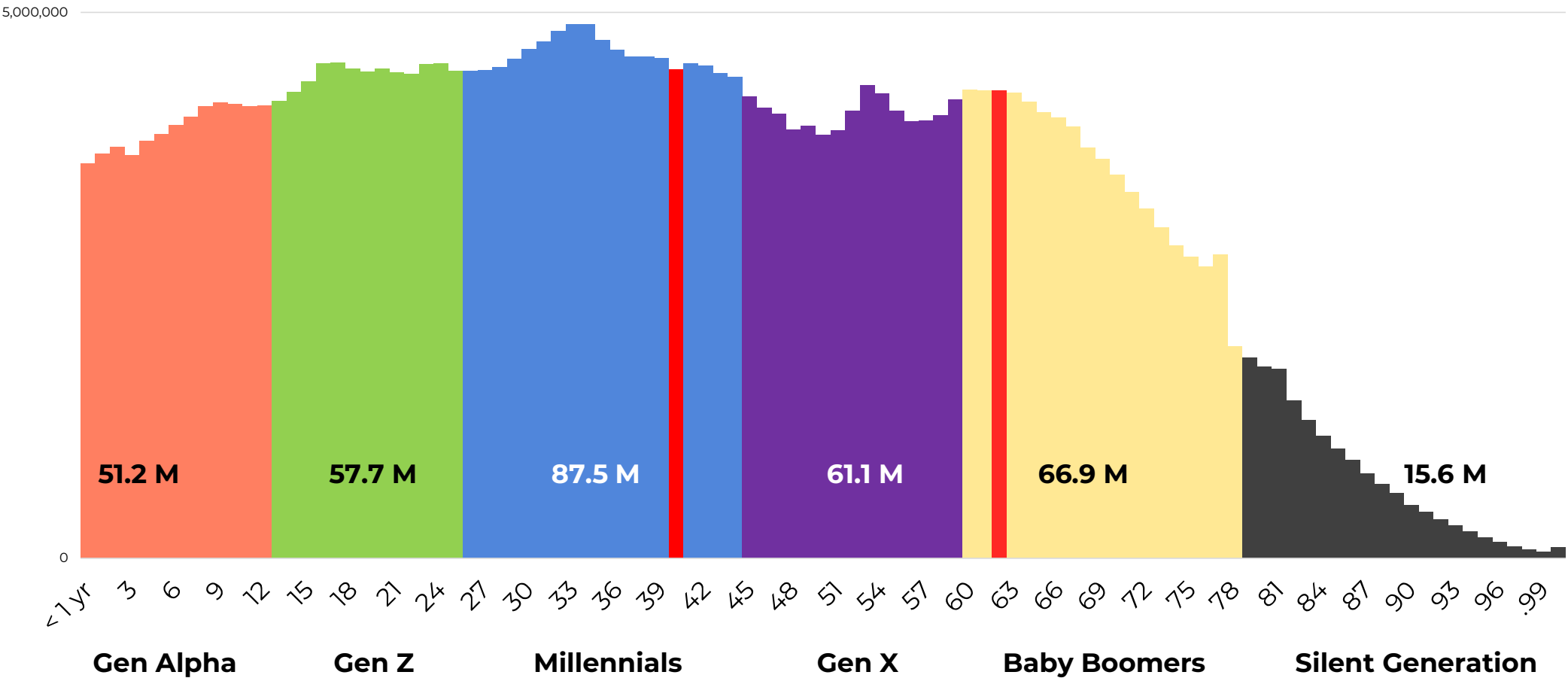


# First-Time Home Buyers Hit All-Time Low



Source: Profile of Home Buyers and Sellers  
[www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers](http://www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers)

# U.S. Population by Age (in 2024)



Source: ACS PUMS 2024, Young Buyers Continue to Be Fenced Out of Homeownership  
<https://www.nar.realtor/blogs/economists-outlook/young-buyers-continue-to-be-fenced-out-of-homeownership>



# Demographic Changes: DINKS and SINKS and Roomies



# First-Time Buyers: Household Composition

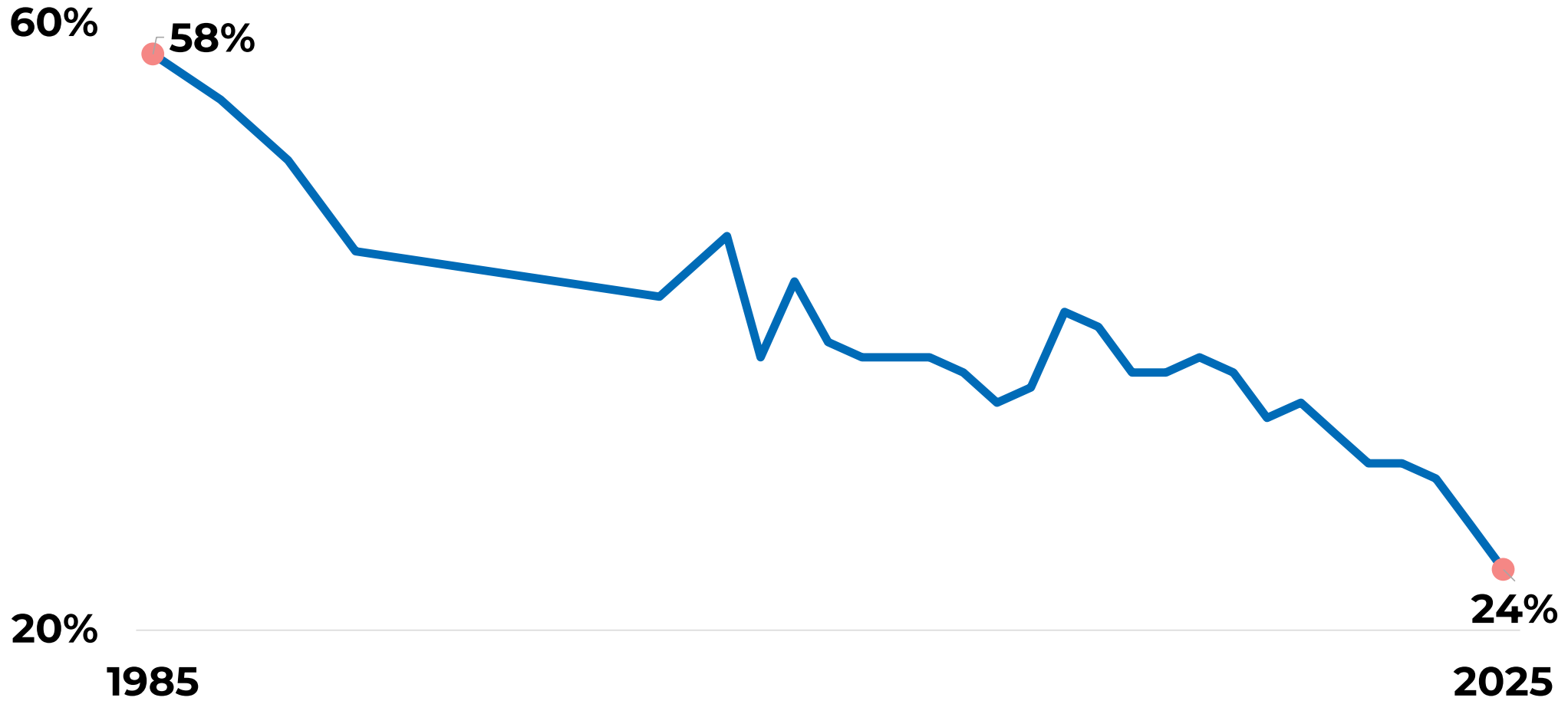
	1985	2025
Married Couples	75%	50%
Single Women	11	25
Unmarried Couples	4	11
Single Men	9	10
Other (roommates)	0	4

Source: Just the Facts, Ma'am: Single Women Home Buyers Since 1981

<https://www.nar.realtor/blogs/economists-outlook/just-the-facts-maam-single-women-home-buyers-since-1981>



# Baby Bust Among Buyers



Source: Profile of Home Buyers and Sellers  
[www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers](http://www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers)

# Fur Babies Are Housing Deciders



71% of households have pets

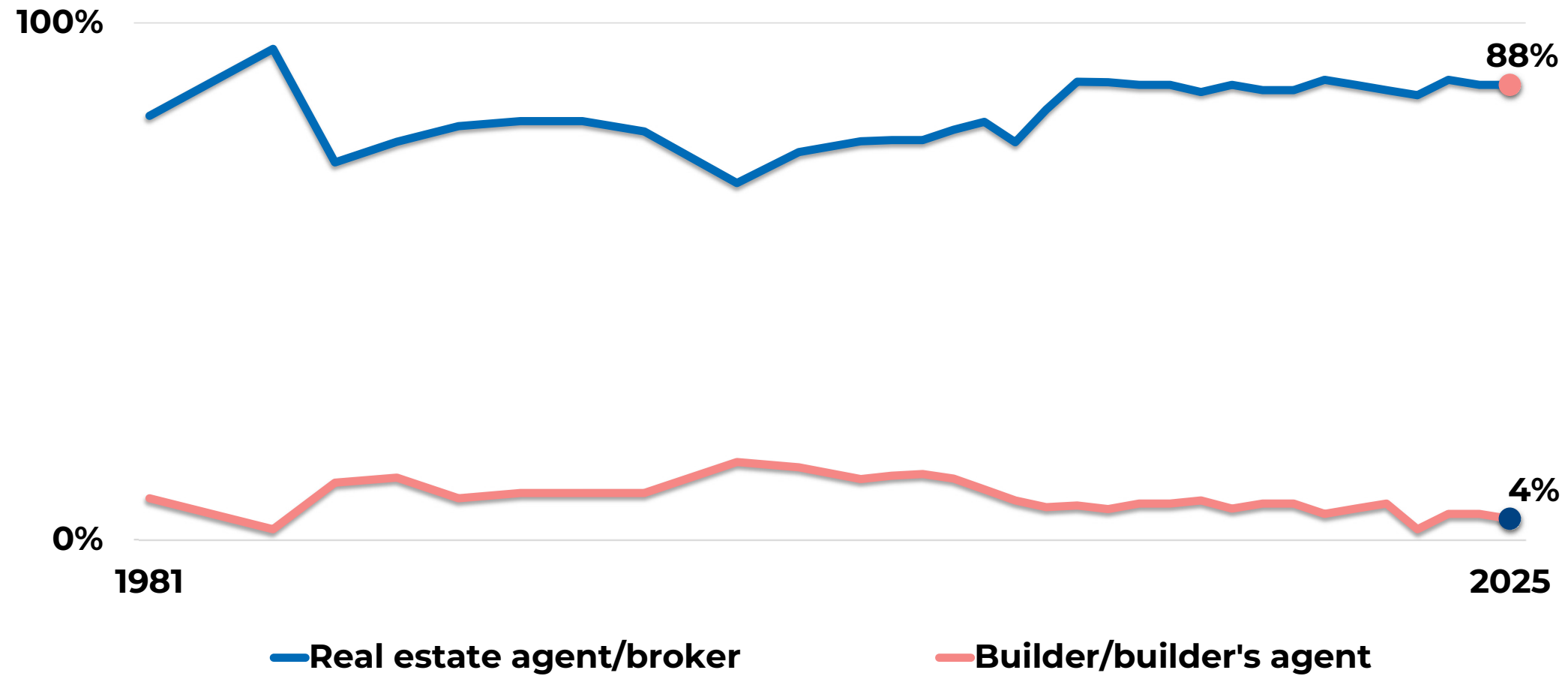
\$152 Billion spent on pets in 2024

16% of home buyers factored in pets to neighborhood choice

# Agent Role



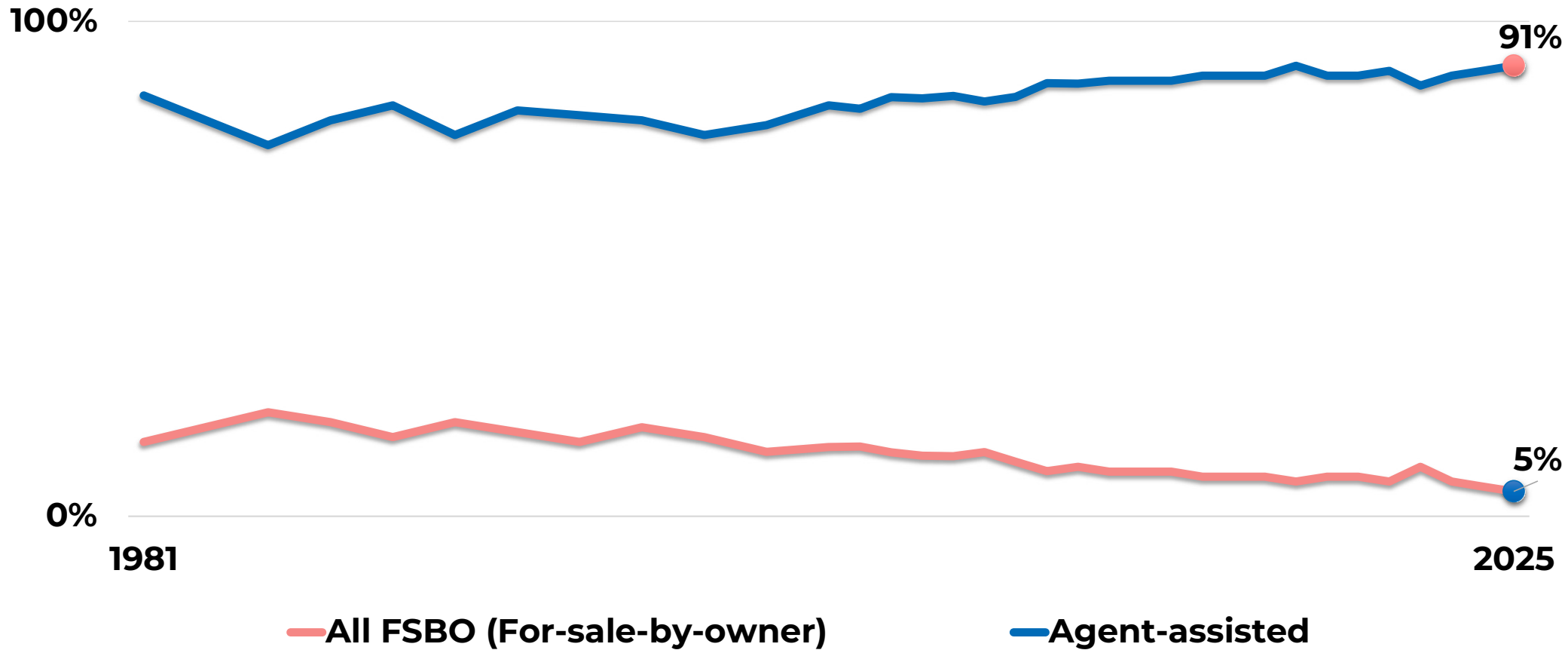
# Buyer Use of Agents



Source: Profile of Home Buyers and Sellers  
[www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers](http://www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers)



# Seller's Agent Use High, FSBO All-Time Low



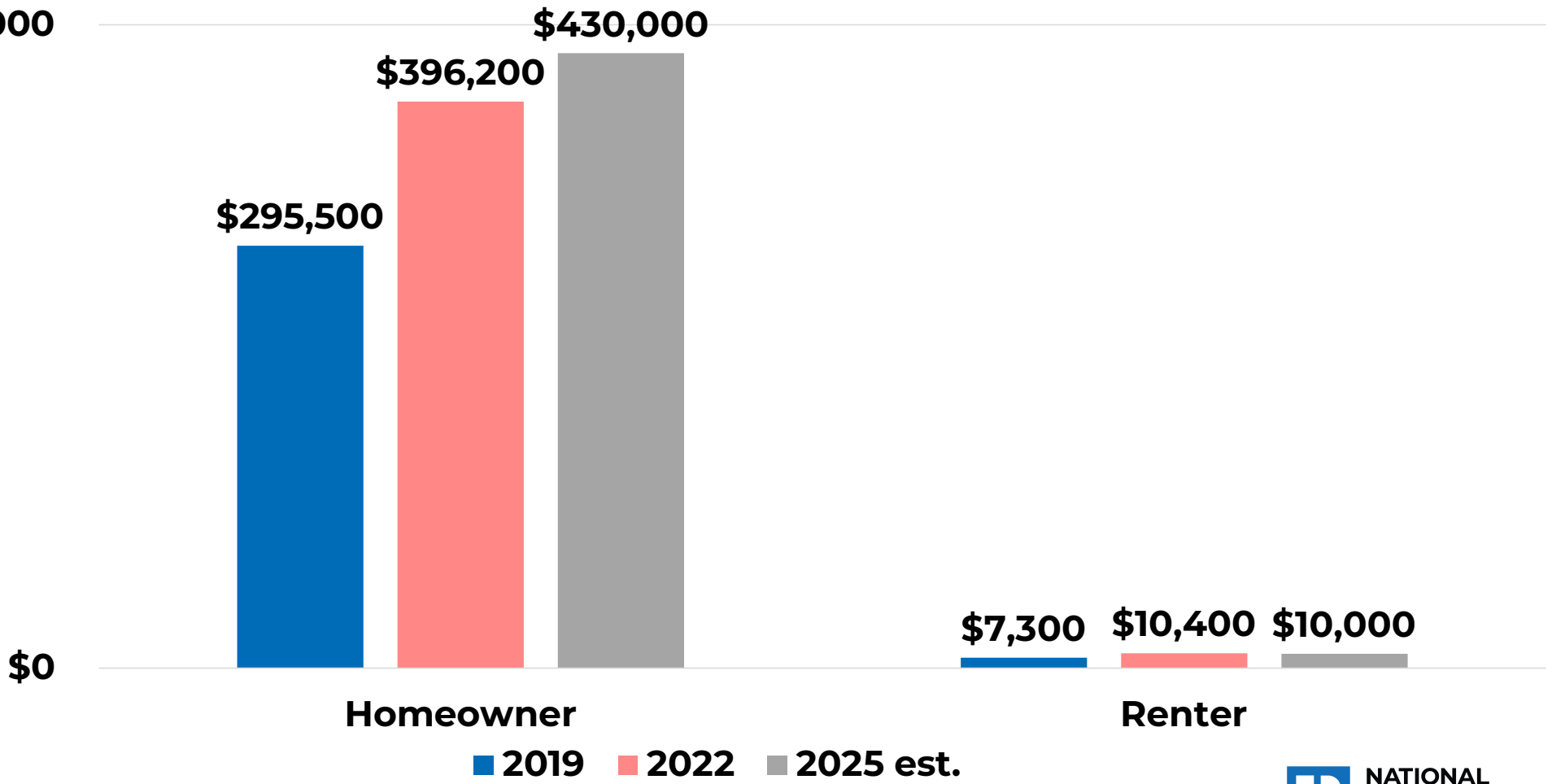
Source: Profile of Home Buyers and Sellers  
[www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers](http://www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers)



# Net Worth and Impact to GDP



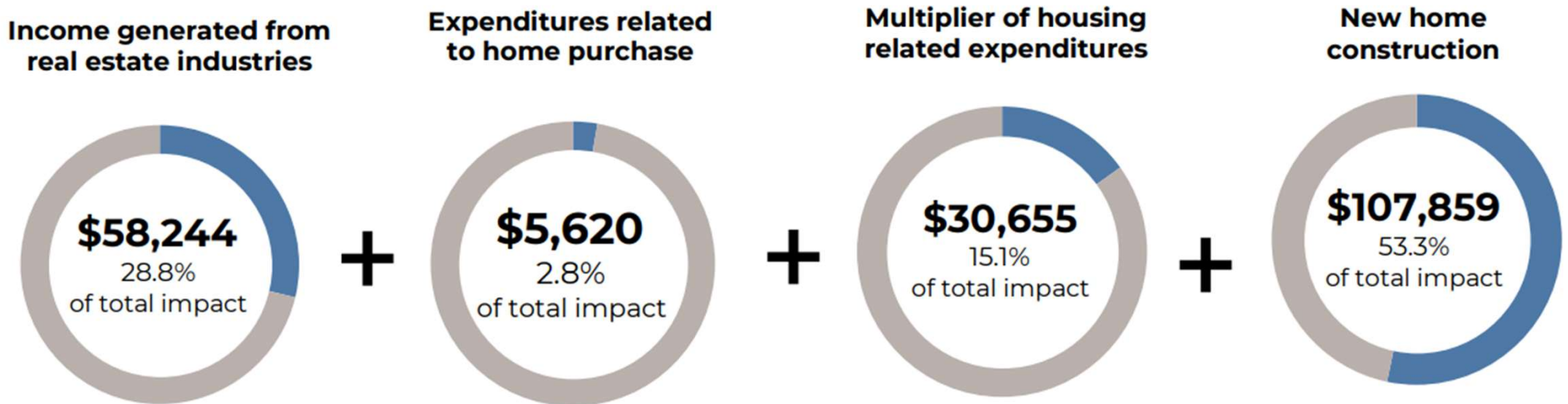
# Median Net Worth



Source: Board of Governors of the Federal Reserve System, The 2022 Survey of Consumer Finances  
<https://www.federalreserve.gov/econres/scfindex.htm>



# Economic Impact of a Home Sale: U.S.: \$125,300

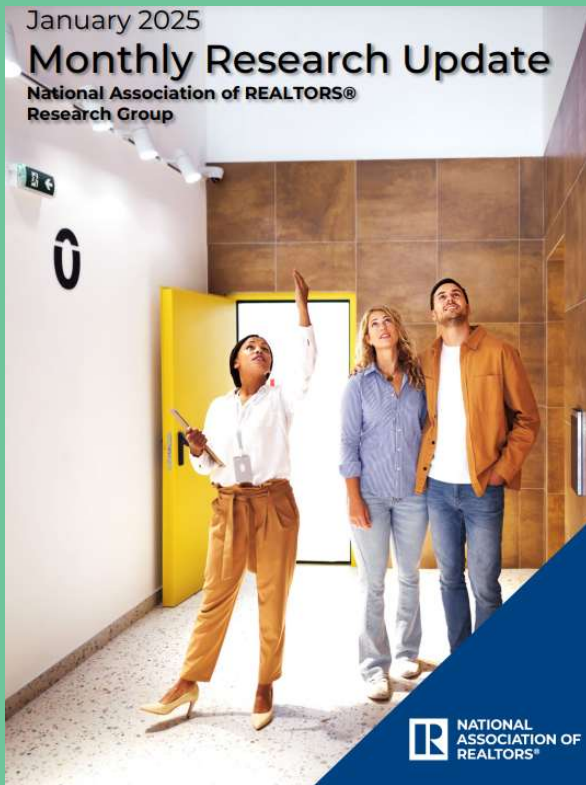


**Real estate industry accounted for:  
\$5 Trillion or 17.7% in U.S.**

Source: State by State Economic Impact Reports <https://www.nar.realtor/reports/state-by-state-economic-impact-of-real-estate-activity>



# Additional NAR Research Offerings



<https://www.nar.realtor/research-and-statistics/research-reports/research-update>

# Monthly Research Update

Updated Monthly with All New Research:

- Existing-Home Sales Data
- Pending Home Sales Data
- Housing Affordability Index
- REALTORS® Confidence Index
- New reports such as: Profile of Home Buyers and Sellers, the Member Profile, Commercial Reports
- All blog posts on topical content such as Migration Trends, Housing Shortage Tracker, Single Women Home Buyers
- New commentary from the Chief Economist and Deputy Chief Economist

# Residential Real Estate Market Snapshot Report

January 2025

National Association of REALTORS®  
Research Group



<https://www.nar.realtor/research-and-statistics/research-reports/residential-real-estate-market-snapshot>

28

## Residential Real Estate Market Snapshot

Updated Monthly:

- Existing-Home Sales
- Pending Home Sales
- Interest Rates
- Inventory & Affordability
- New Construction
- GDP
- Inflation
- Consumer Spending
- Employment and Unemployment



# Metro Market Statistics

**NOW LIVE**

NAR Market Statistics Dashboard gives REALTORS® exclusive access to **monthly local data** on

- ✓ impact analysis of lower rates
- ✓ housing affordability
- ✓ price, sales, & listing trends
- ✓ economic conditions
- ✓ buyer profile
- ✓ and more

*with breakdowns by age, race/ethnicity, and income.*



REALTORS® are members of the National Association of REALTORS®.



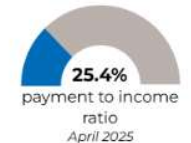
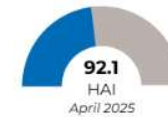
How to use the Viz | Housing Affordability | Housing Statistics | Economic Conditions | Homeow >

## Housing Affordability

Washington-Arlington-Alexandria, DC-VA-MD-WV

Monthly Payment: **\$3,528**

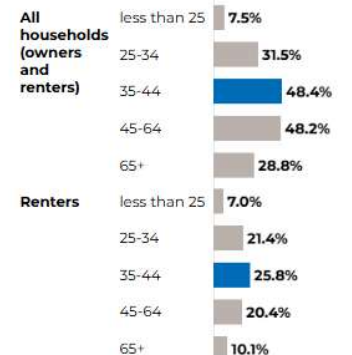
Qualifying Income: **\$169,344**



**Share of income that homeowners and renters spend on housing**  
(30% or higher is considered cost-burdened)



**Share of households and renters who can afford to purchase a median-priced home (by age group)**



<https://www.nar.realtor/research-and-statistics/housing-statistics/metro-market-statistics>





<https://linktr.ee/narresearch>

# NAR Research Social Media

- Four Channels (and counting):
  - X (formerly Twitter)
  - Facebook
  - LinkedIn
  - Instagram
  - Blue Sky
- Daily updates
- Latest reports, data, and analyses