

Real Estate and Economic Outlook

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National Association of REALTORS®

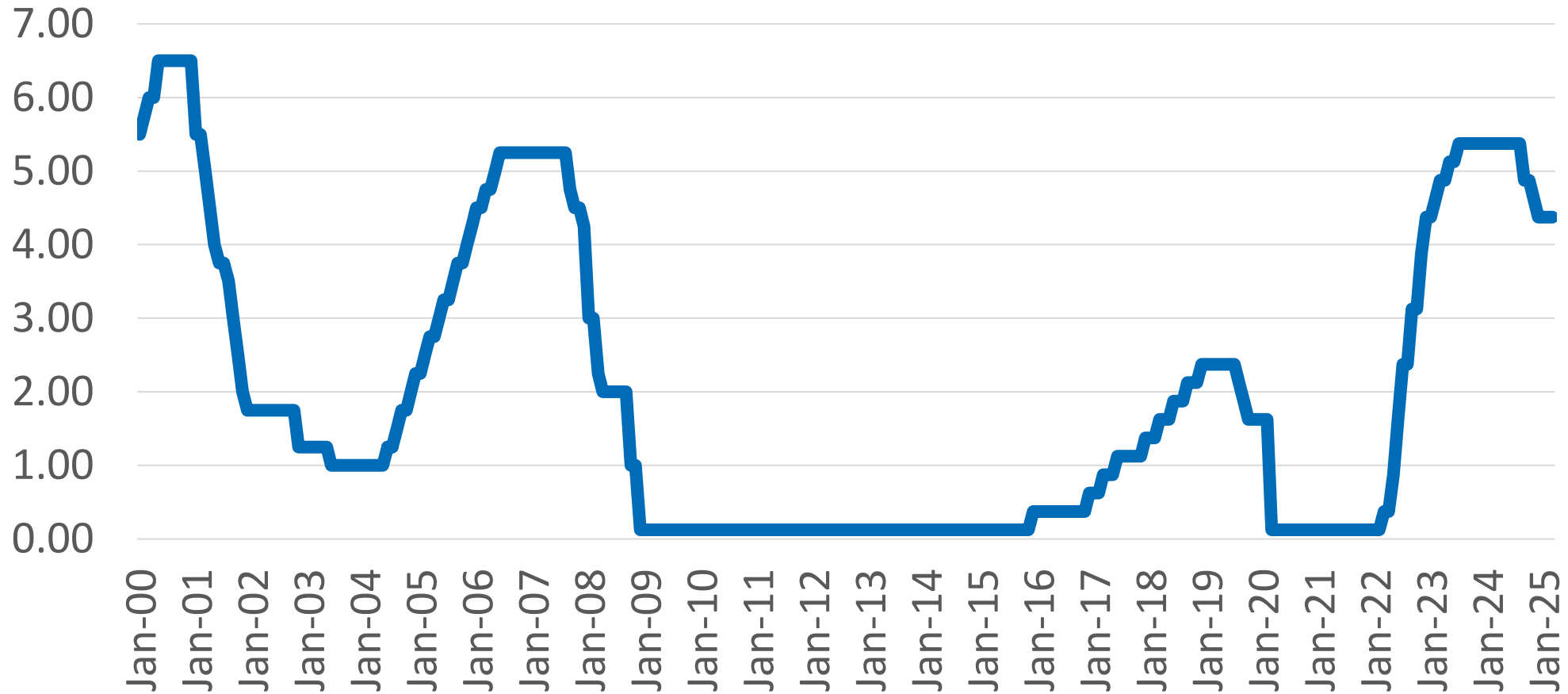
Economy

Federal Reserve Economic Forecast for 2025

(Revised and Updated March 19, 2025)

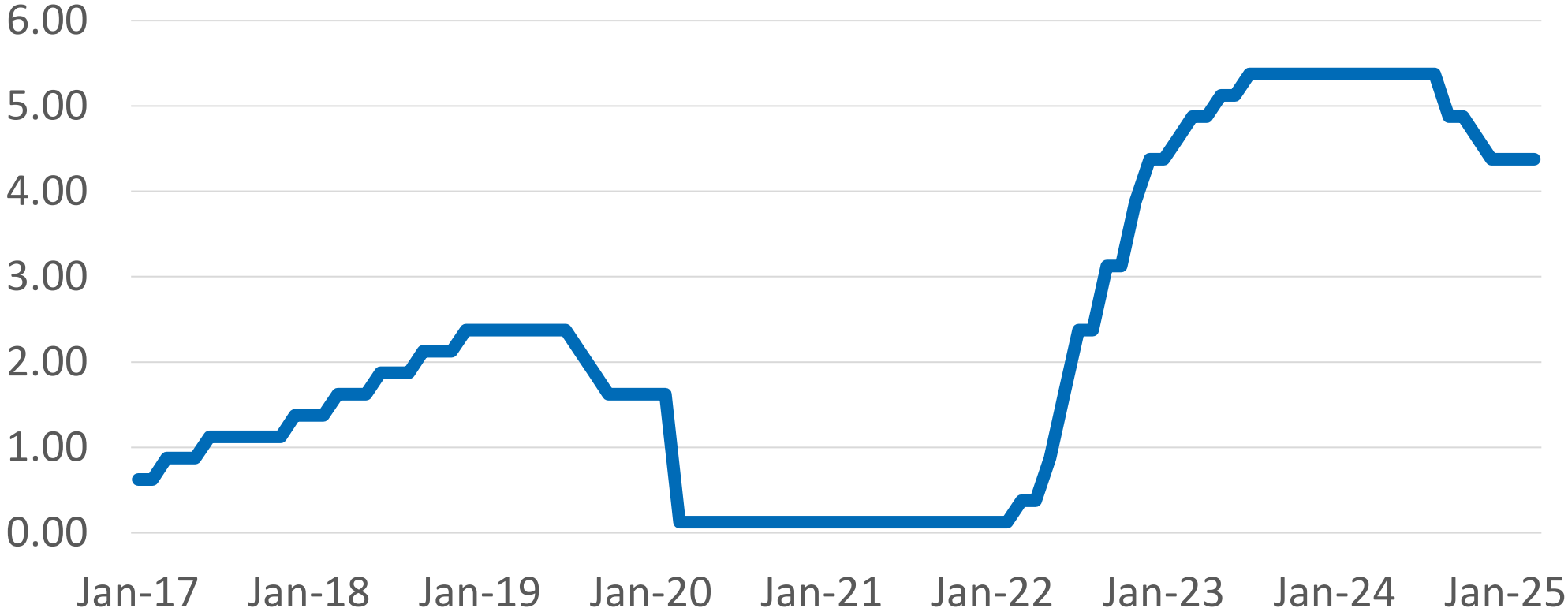
	Previous Forecast	Updated Forecast
GDP	+2.1%	+1.7%
Inflation	+2.5%	+2.7%

Federal Reserve Fed Funds Rate



Source: Federal Reserve

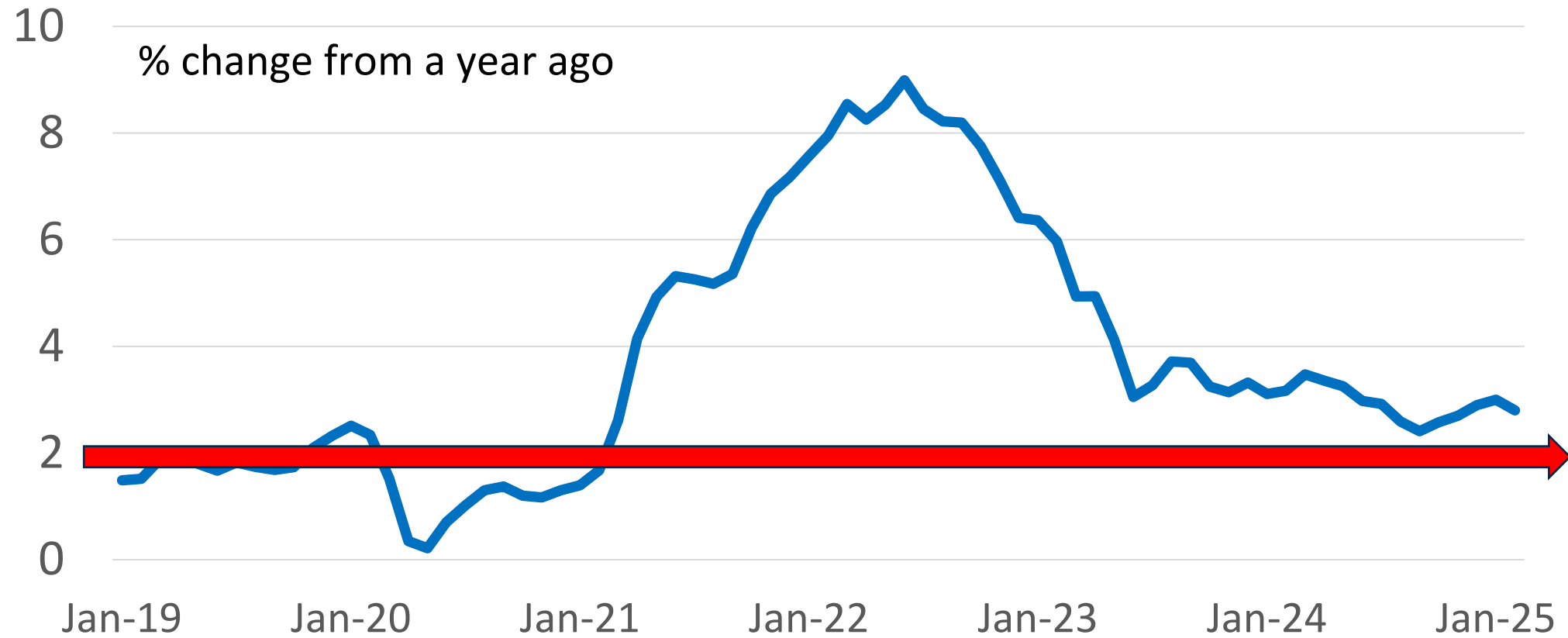
Federal Reserve Fed Funds Rate in Recent Years



Source: Federal Reserve

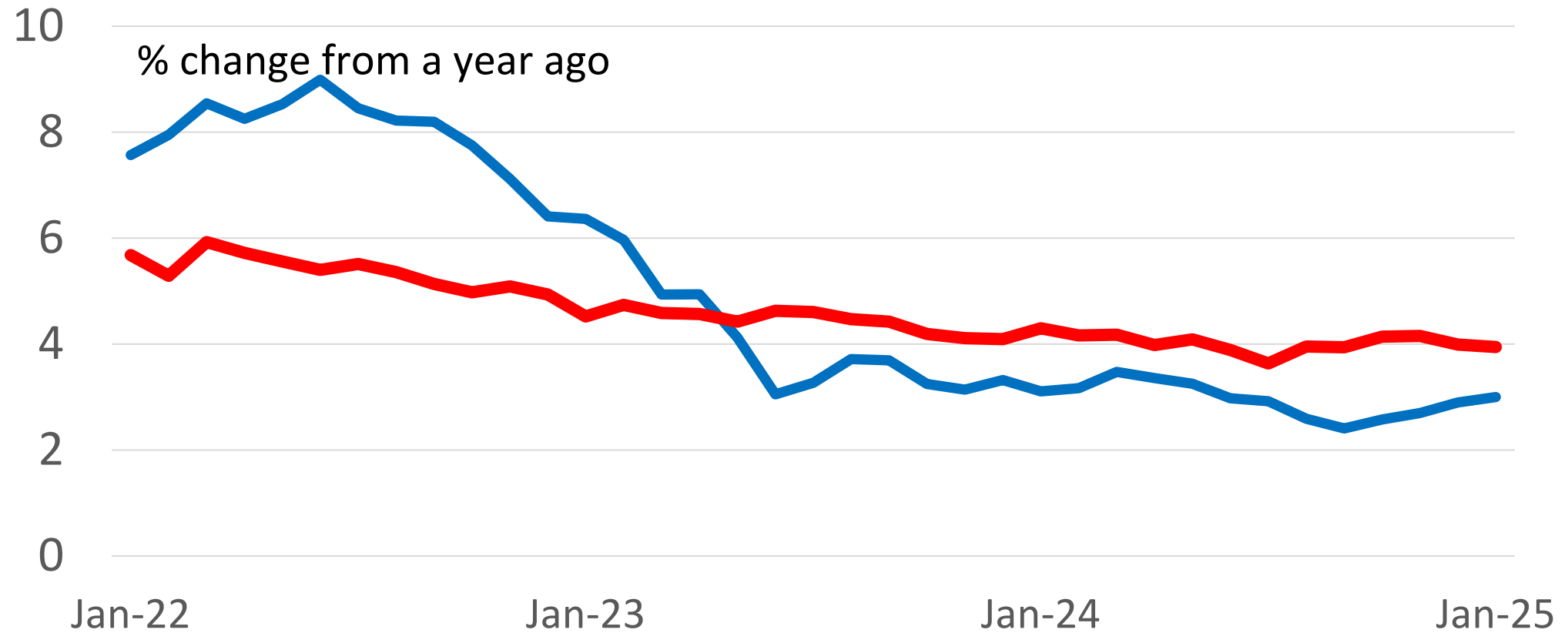


CPI at 2.8% in February ... above 2% target



Source: BLS

Consumer Price (blue) at 2.8% in February ... Wage Growth (red) 4.0% in February



Source: BLS

Prospect of Falling Inflation

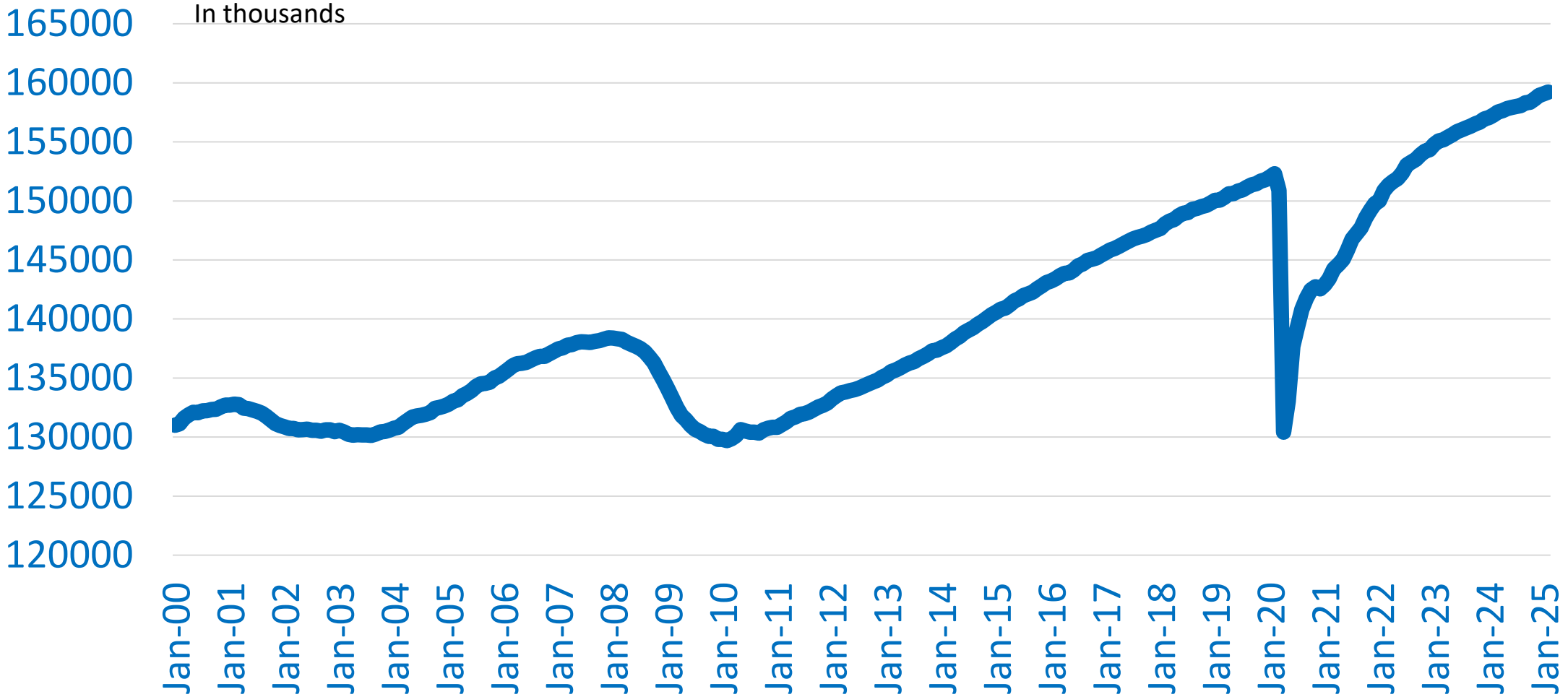
- **Tariff ... inflationary**
- **Deregulation ... disinflationary**
- **Oil Summit ?... disinflationary**

Average Gasoline Price ... Getting close to \$2 per gallon as in Pre-Covid



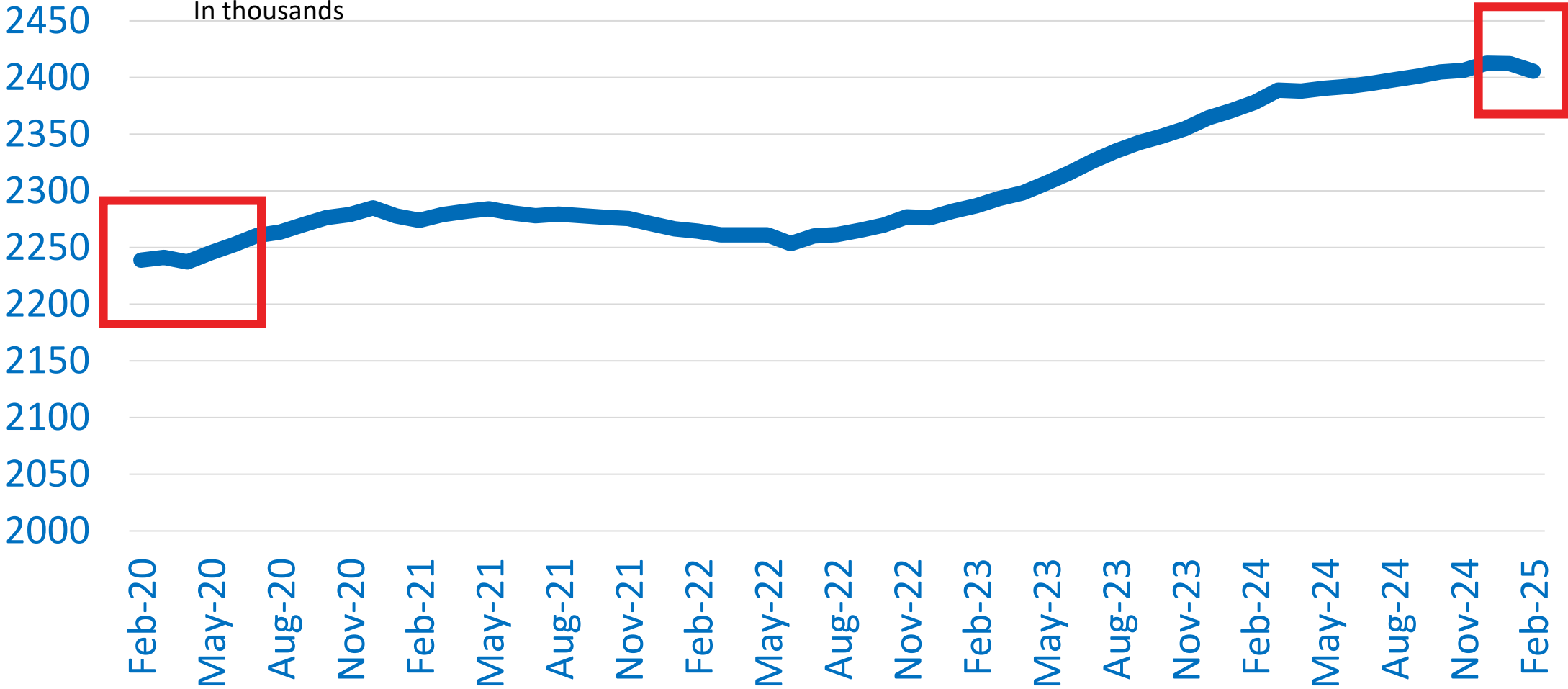
Source: Energy Information Administration

Total Payroll Jobs (+30 million from 2000)



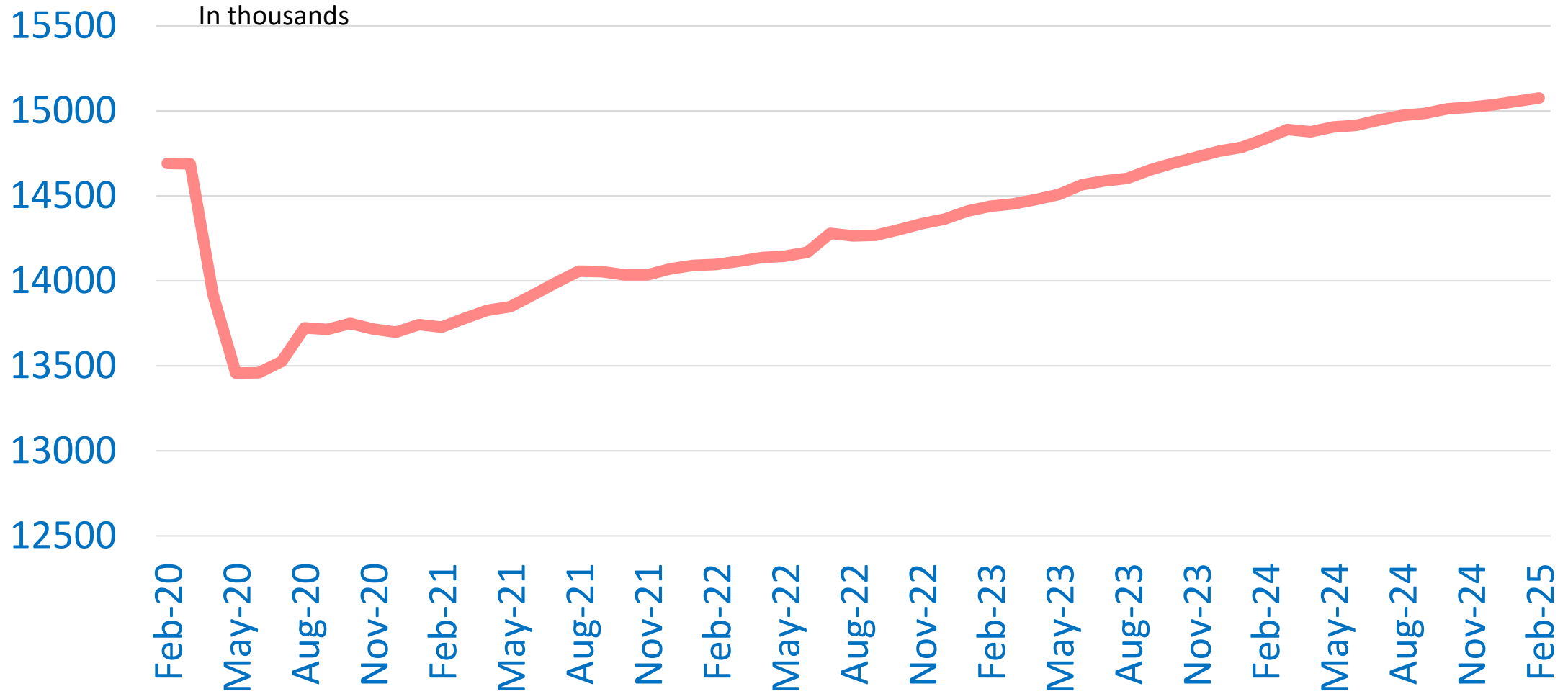
Source: BLS

DOGE Impact - Federal Government Employees (down by 10,000 in February 2025)



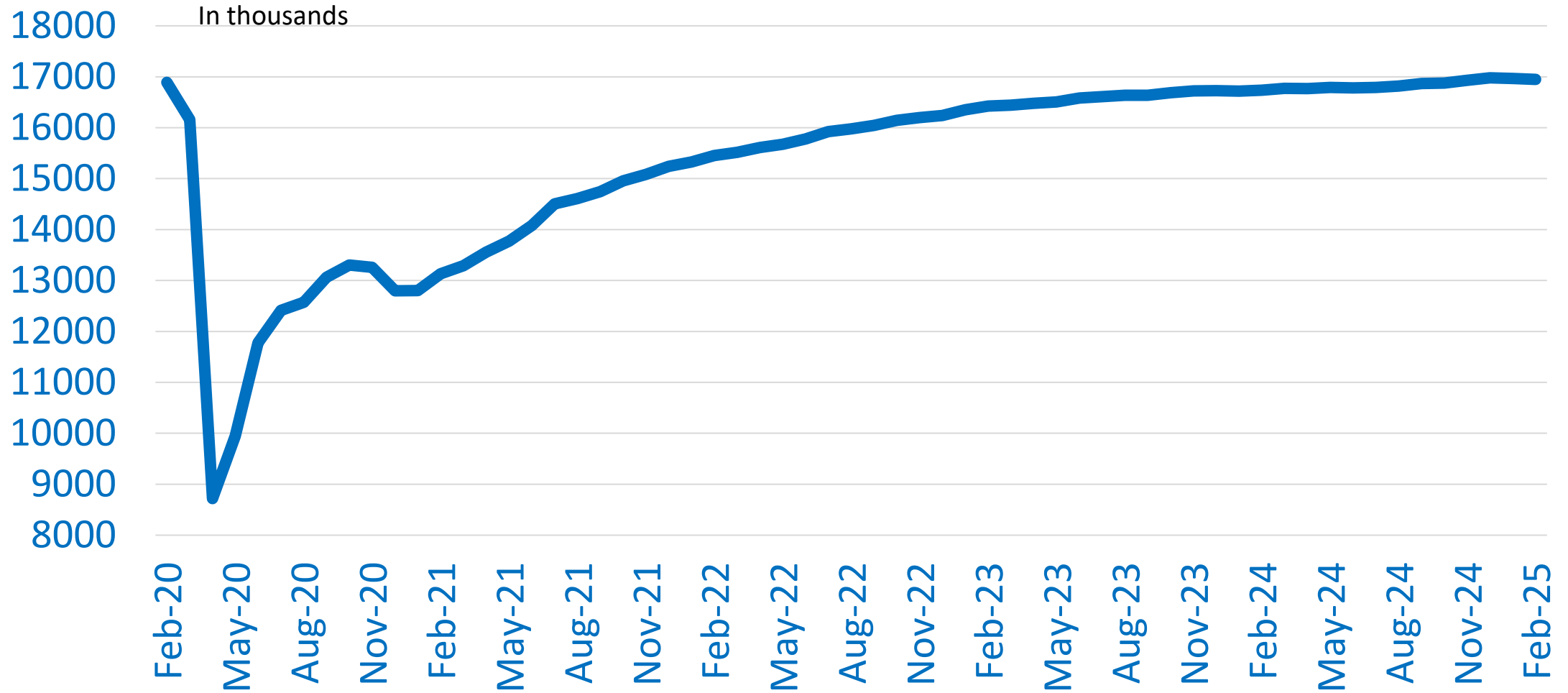
Source: BLS, excluding Decennial Temporary Census and Postal Workers

Local Government Employees ... related to School (up by 20,000 in February 2025)



Source: BLS

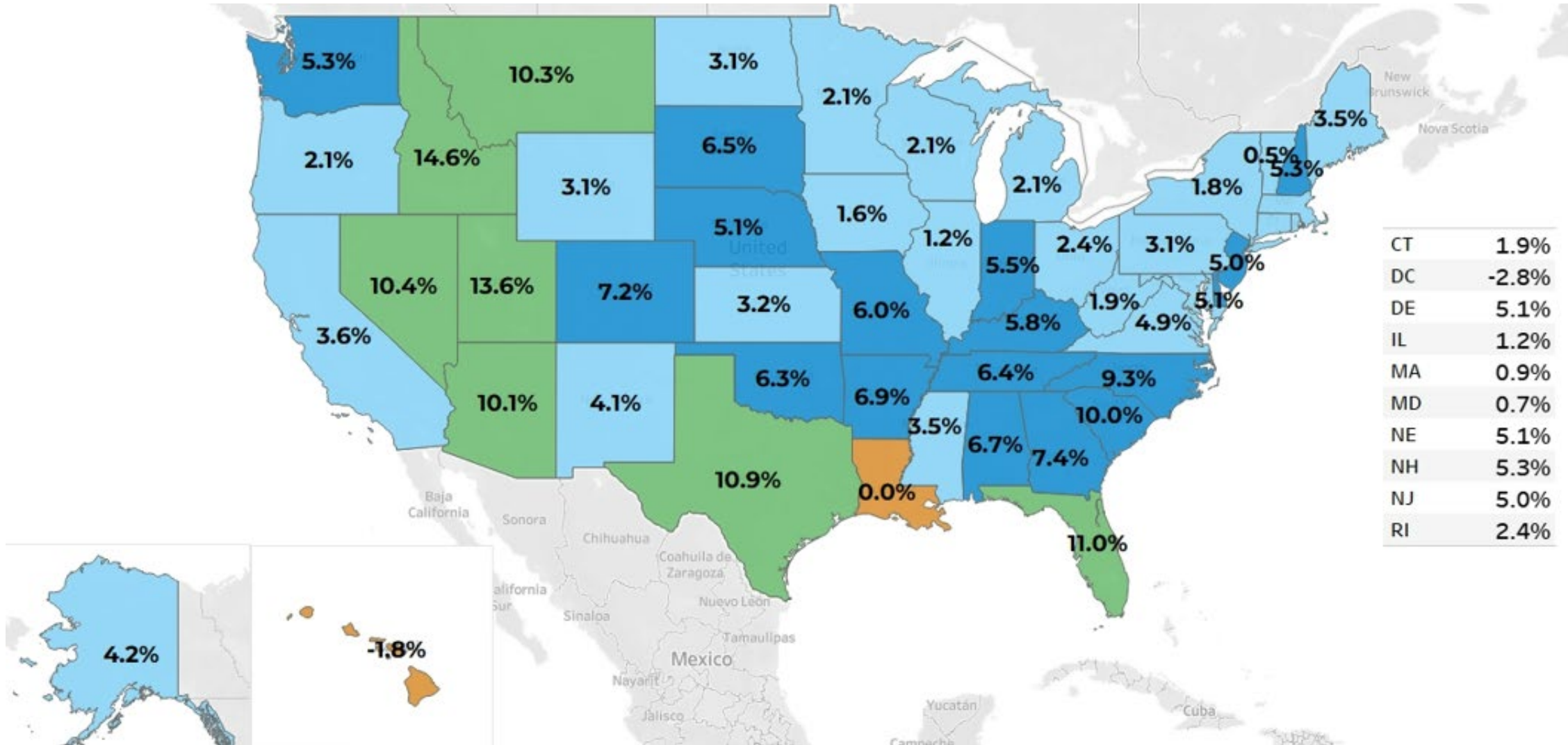
Leisure and Hospitality Sector ... showing cracks (Down 16,000 in February 2025)



Source: BLS

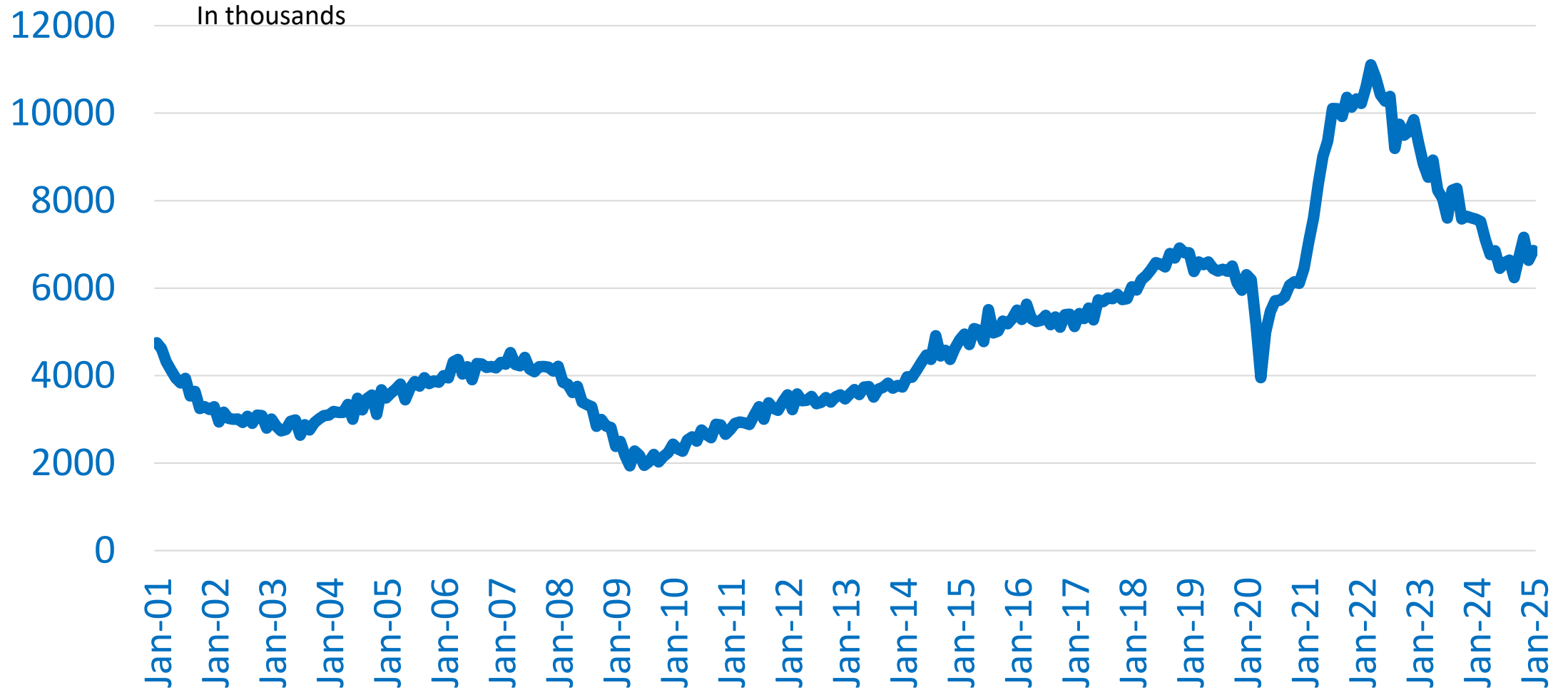
Job Gains Since Pre-COVID Record High Payroll Employment

% change from March 2020 to December 2024



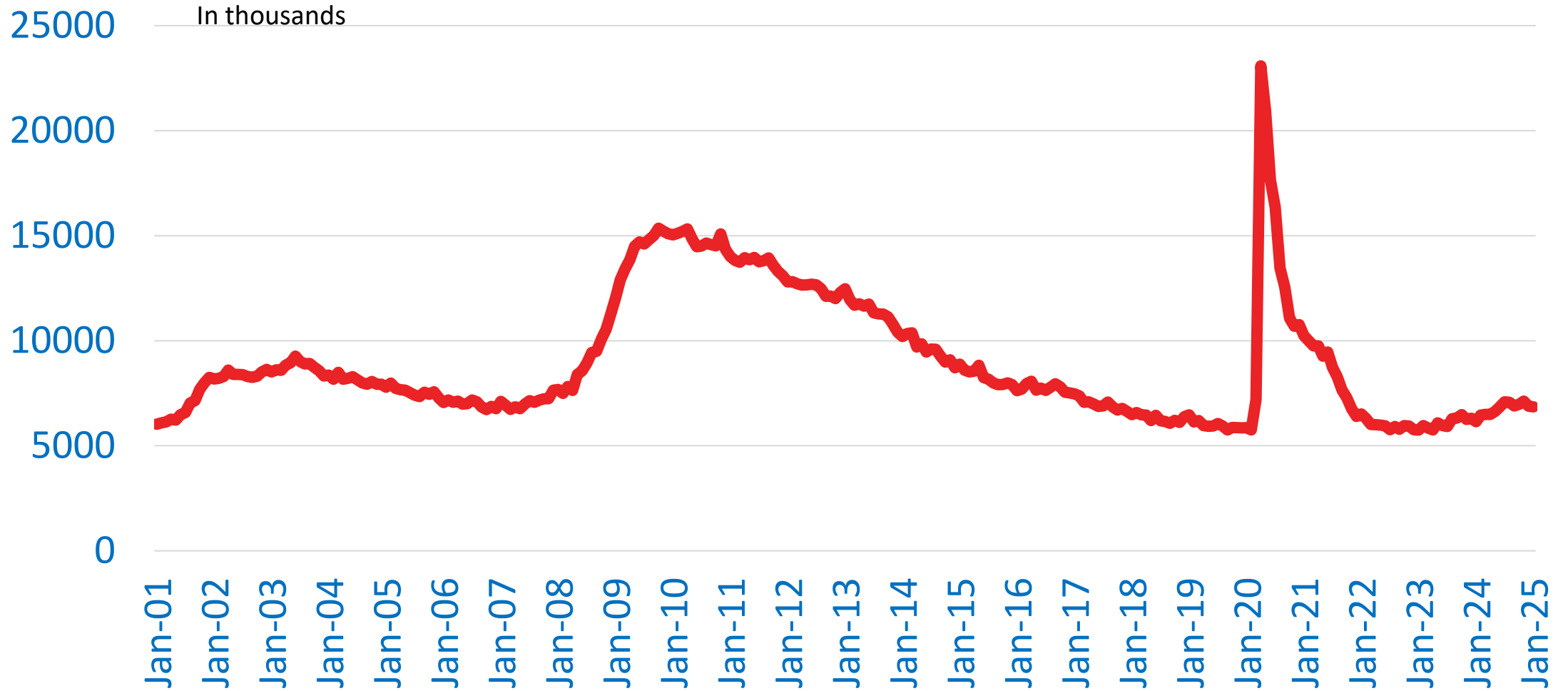
Source: NAR Analysis of BLS data

Job Openings Weakening



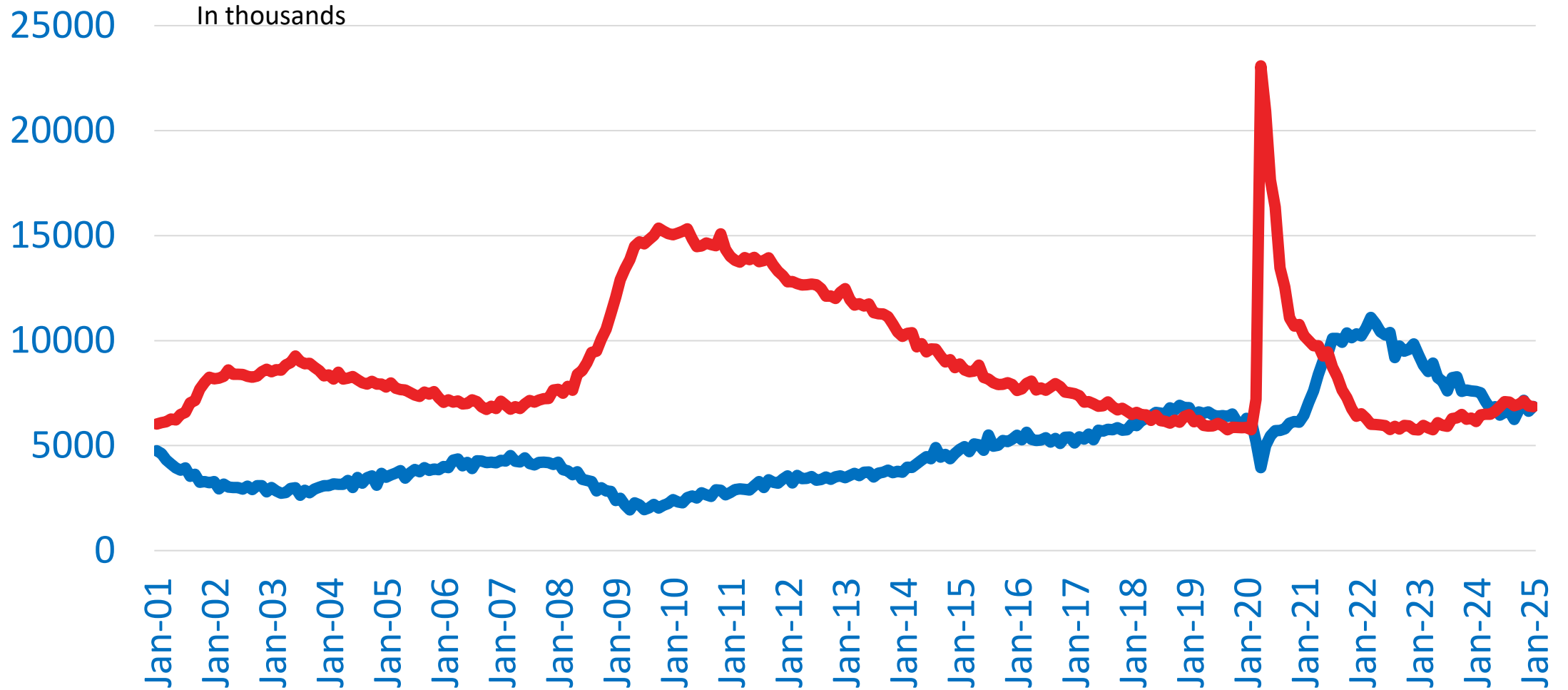
Source: BLS

of People Unemployed Still Low



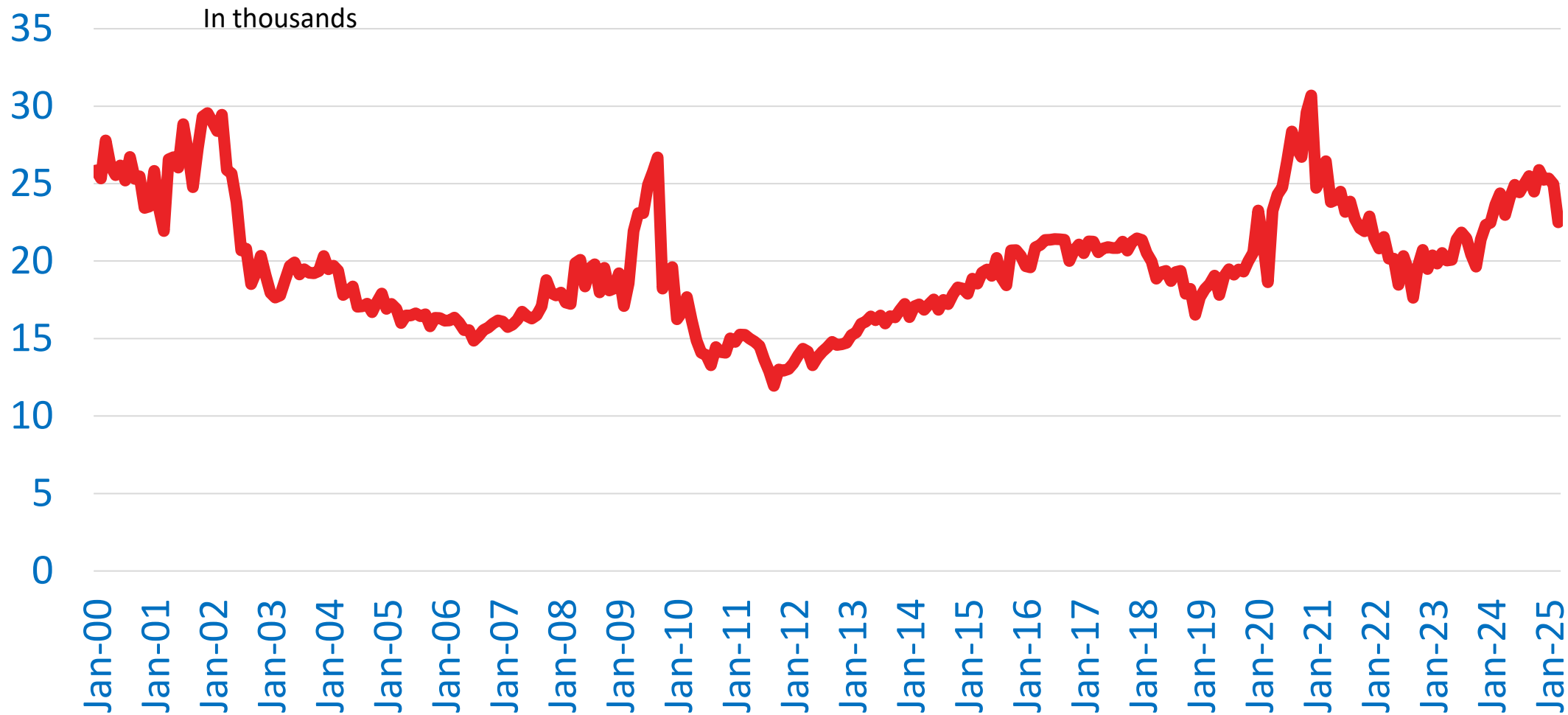
Source: BLS

Job Openings = # of People Unemployed in Jan. '25



Source: BLS

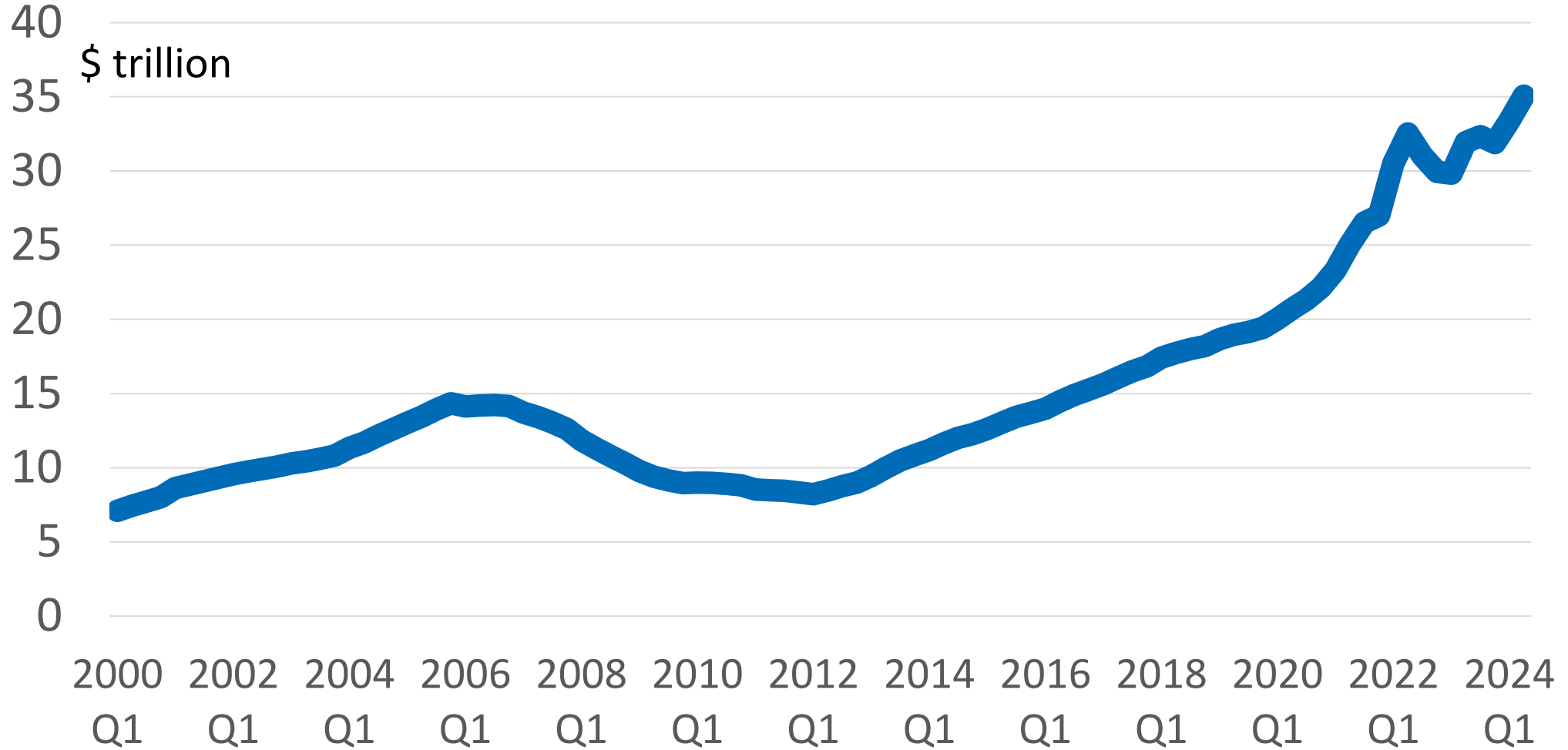
Stock Market Down ... Price/Earning Ratio still high?



Source: BLS

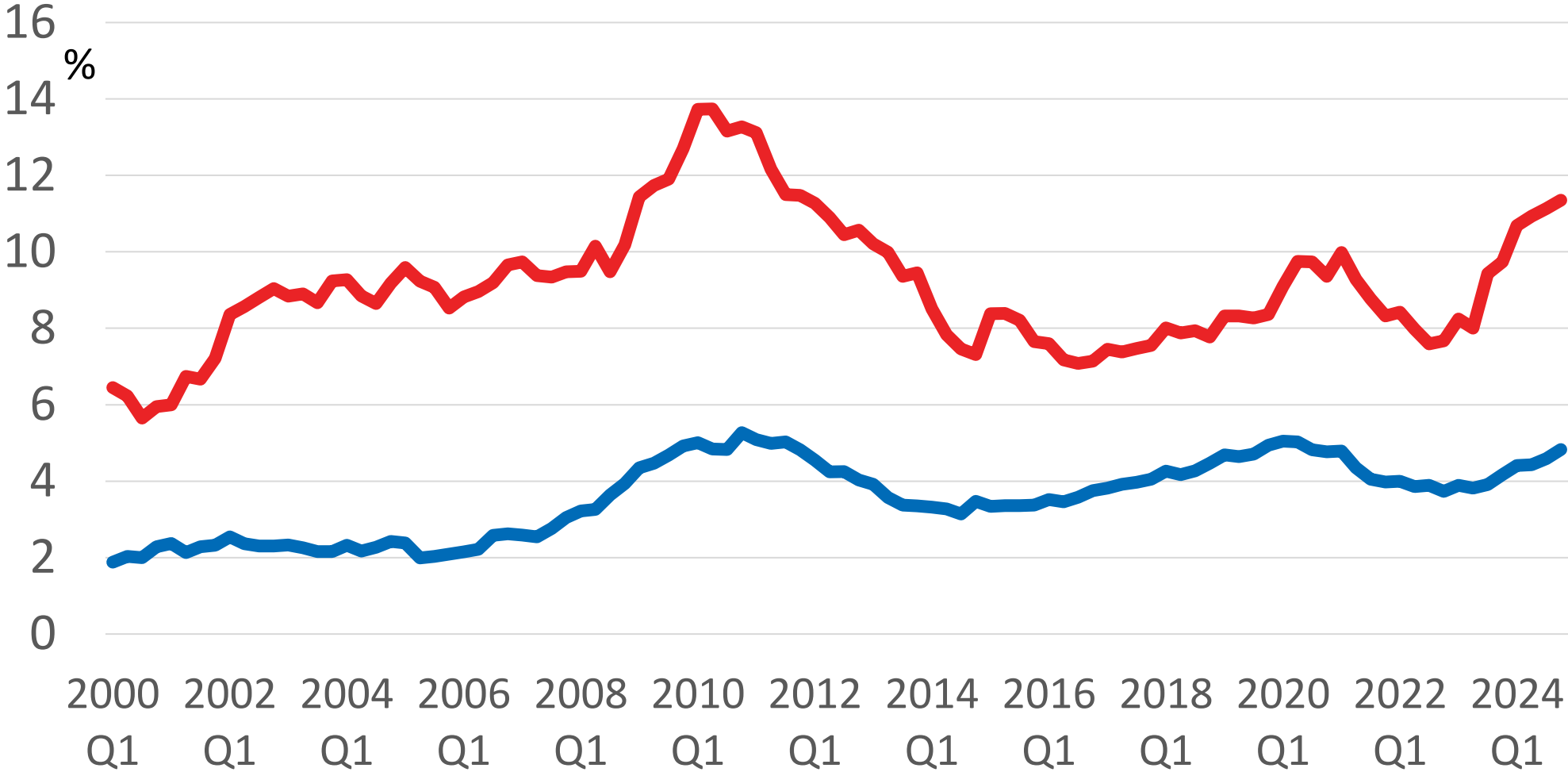
Household Equity in Real Estate in U.S.

(Can support Consumer Spending even as GDP slows)



Source: Federal Reserve

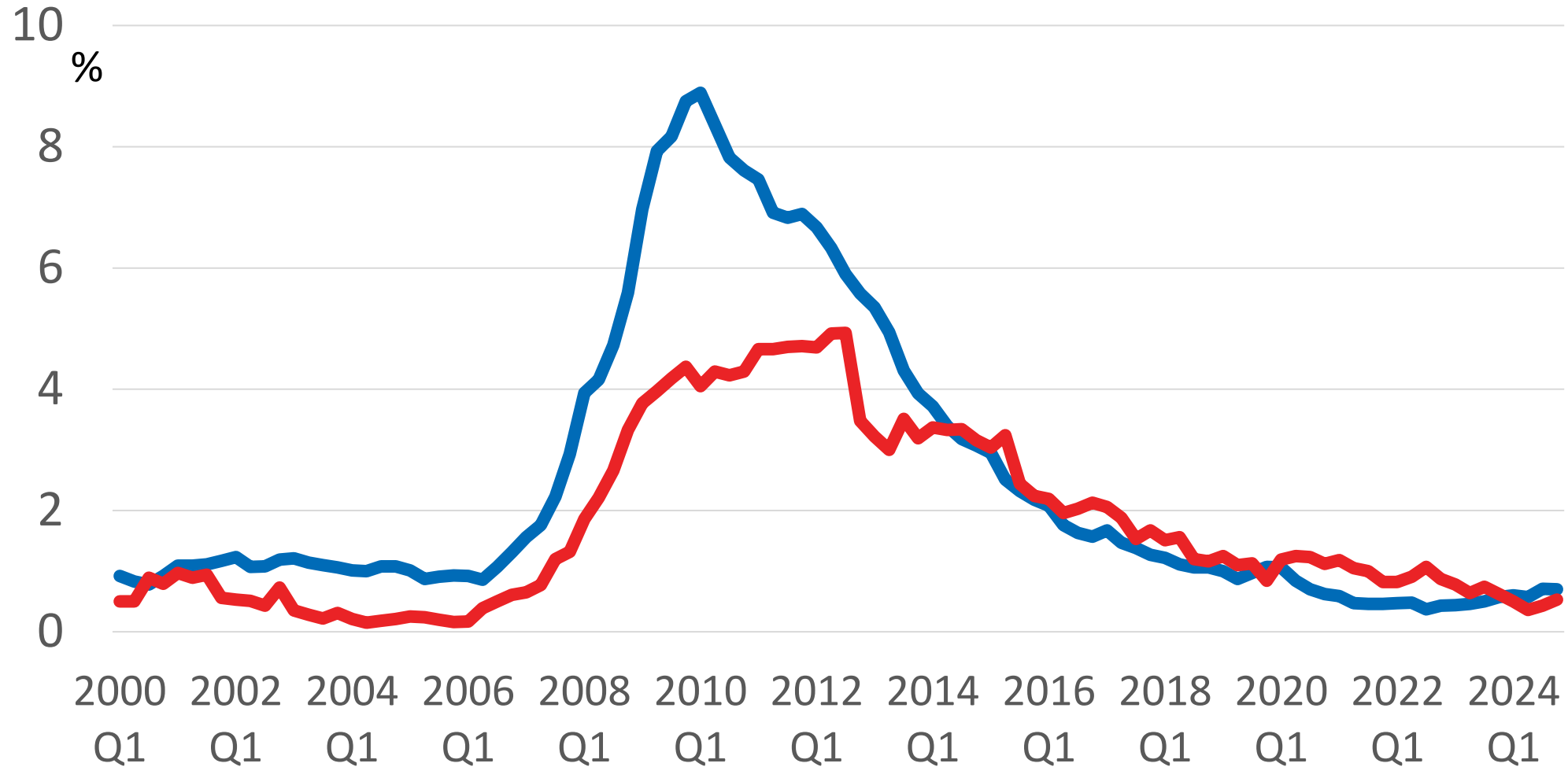
Credit Card and Auto Loan 90+ days Delinquency



Source: NY Federal Reserve



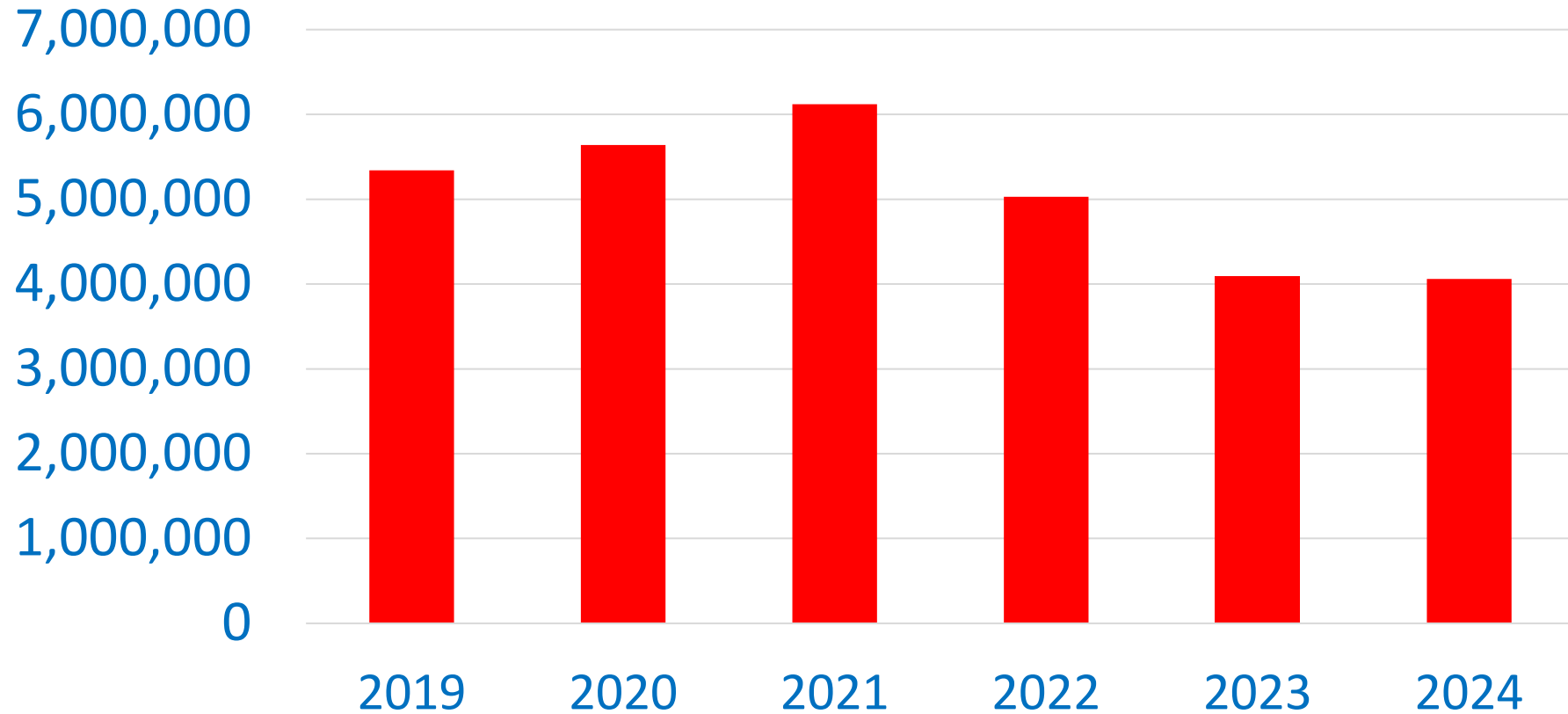
Mortgage and HELOC 90+ days Delinquency



Source: NY Federal Reserve

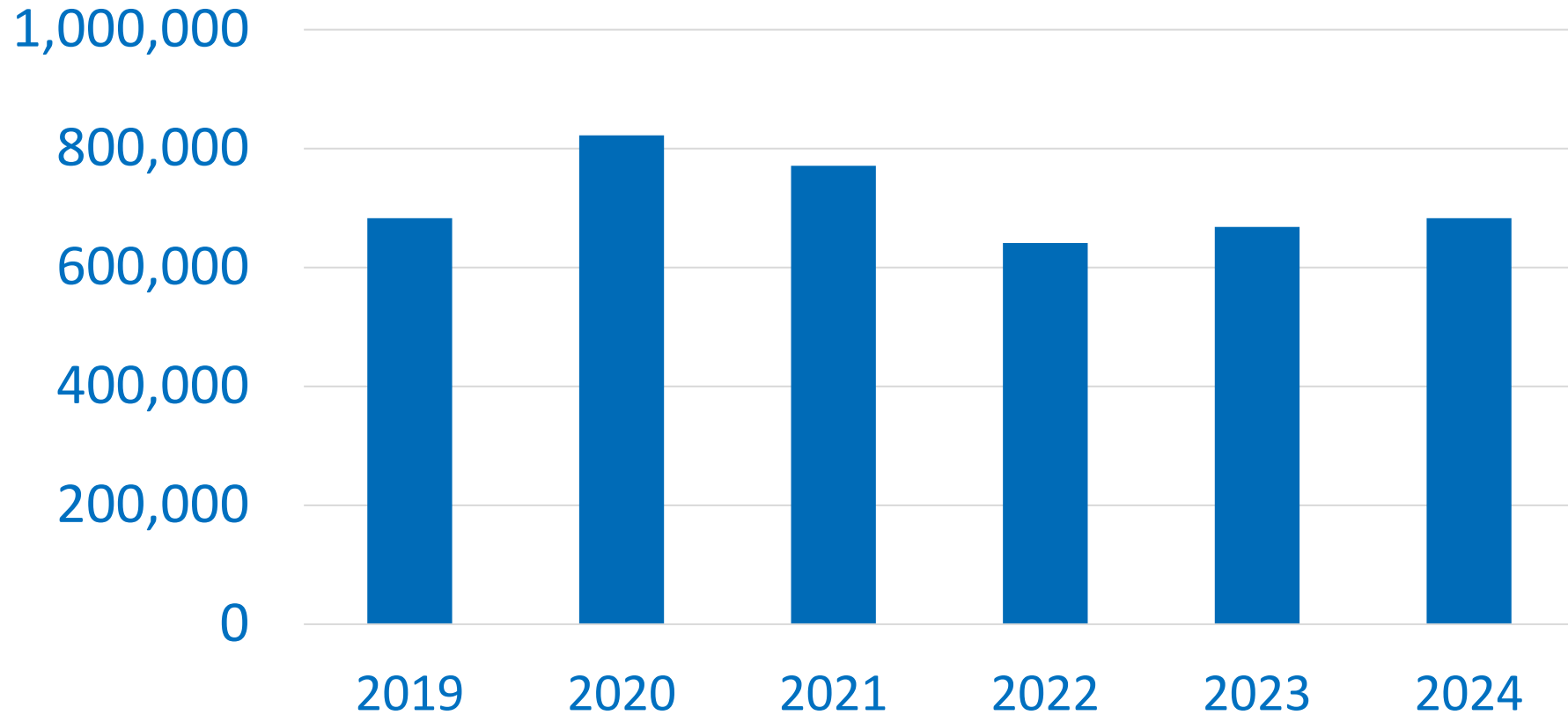
Residential Real Estate

Existing Home Sales ... Two of Most Difficult Years



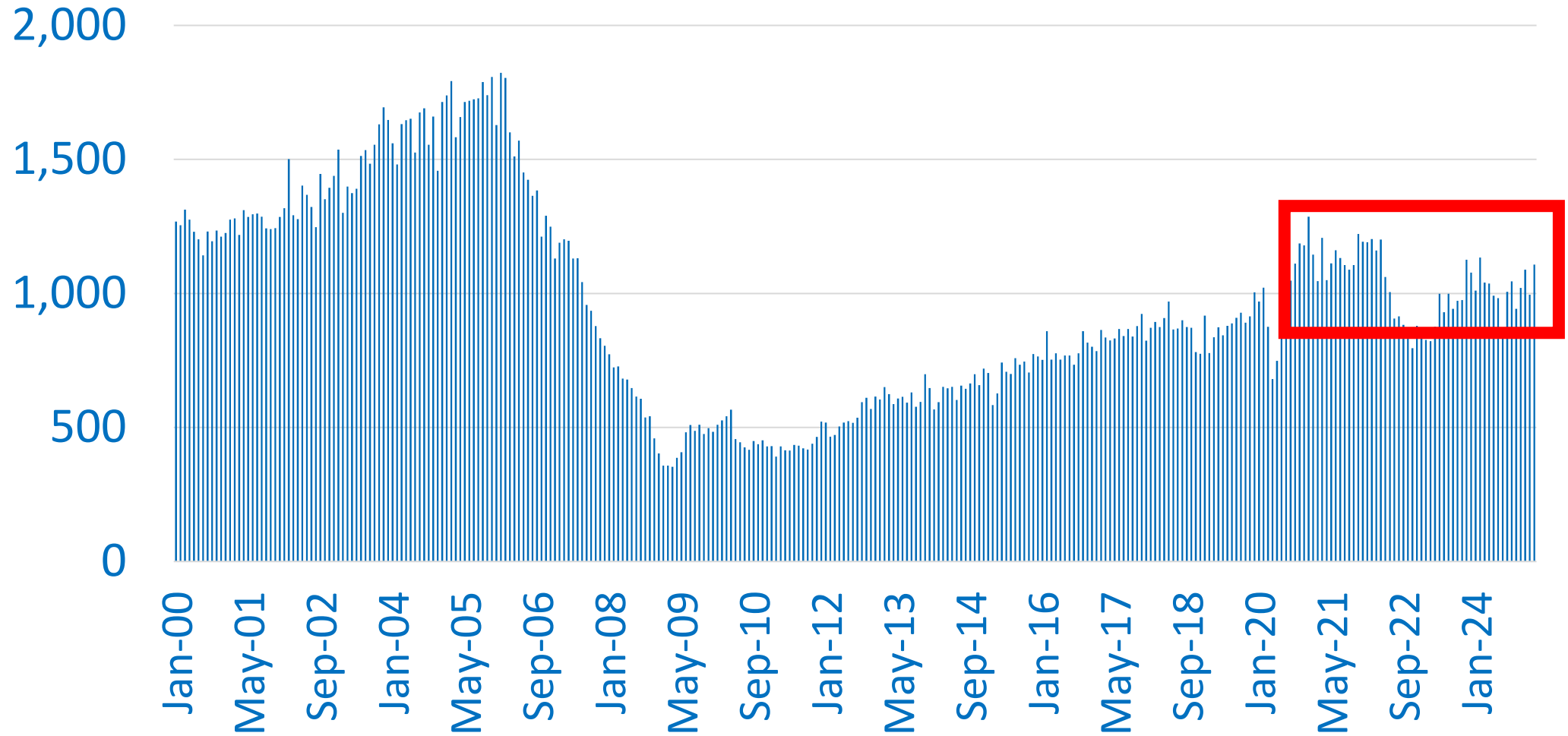
Source: NAR

New Home Sales ... Gained .. Matching Pre-Covid



Source: HUD/Census

Single-Family Housing Starts ... Decent Post-Covid

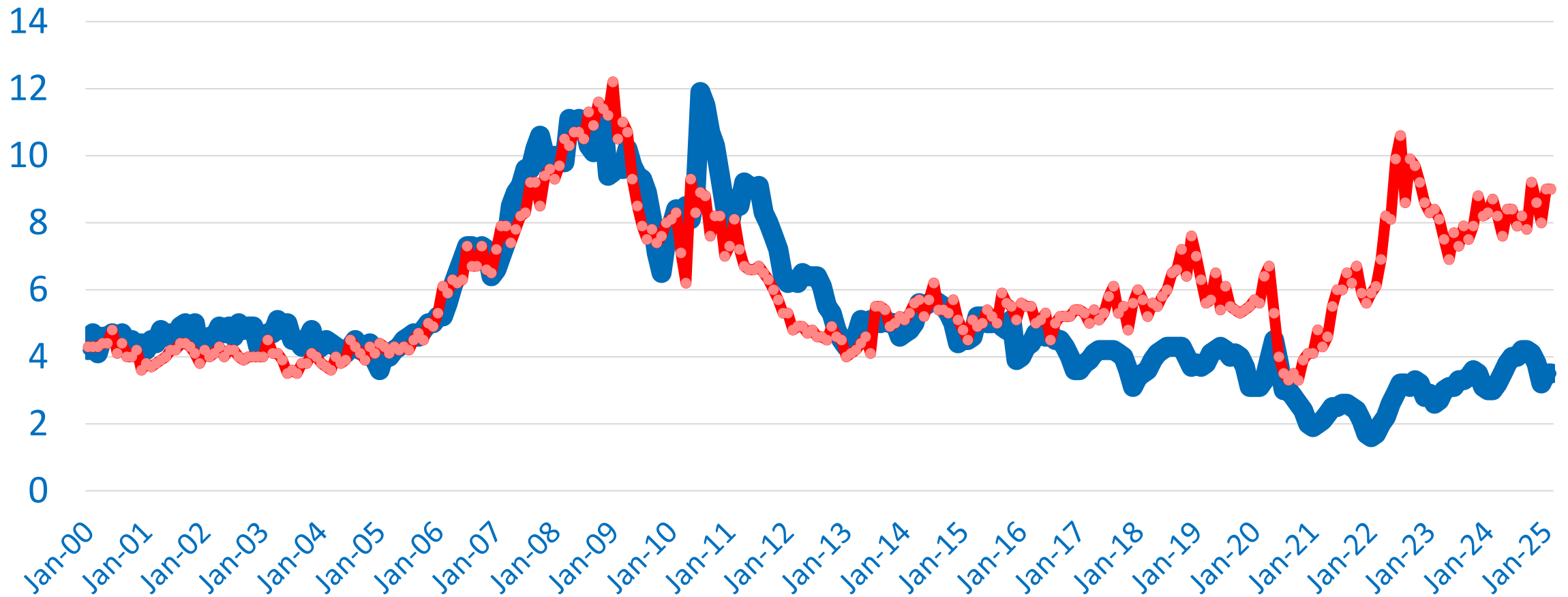


Source: HUD/Census

Months Supply of Inventory

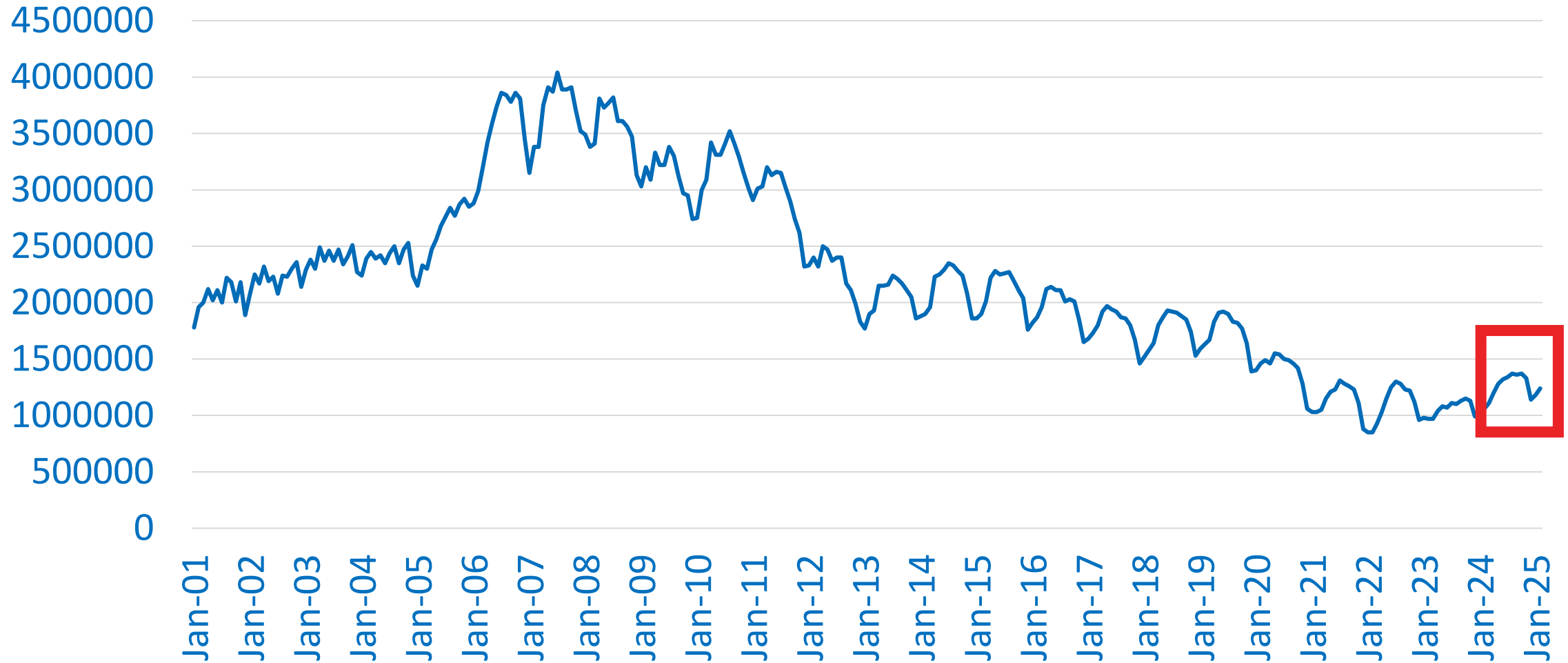
New Homes (red) and Existing Homes (blue)

(How many months to exhaust the current inventory at current sales pace)



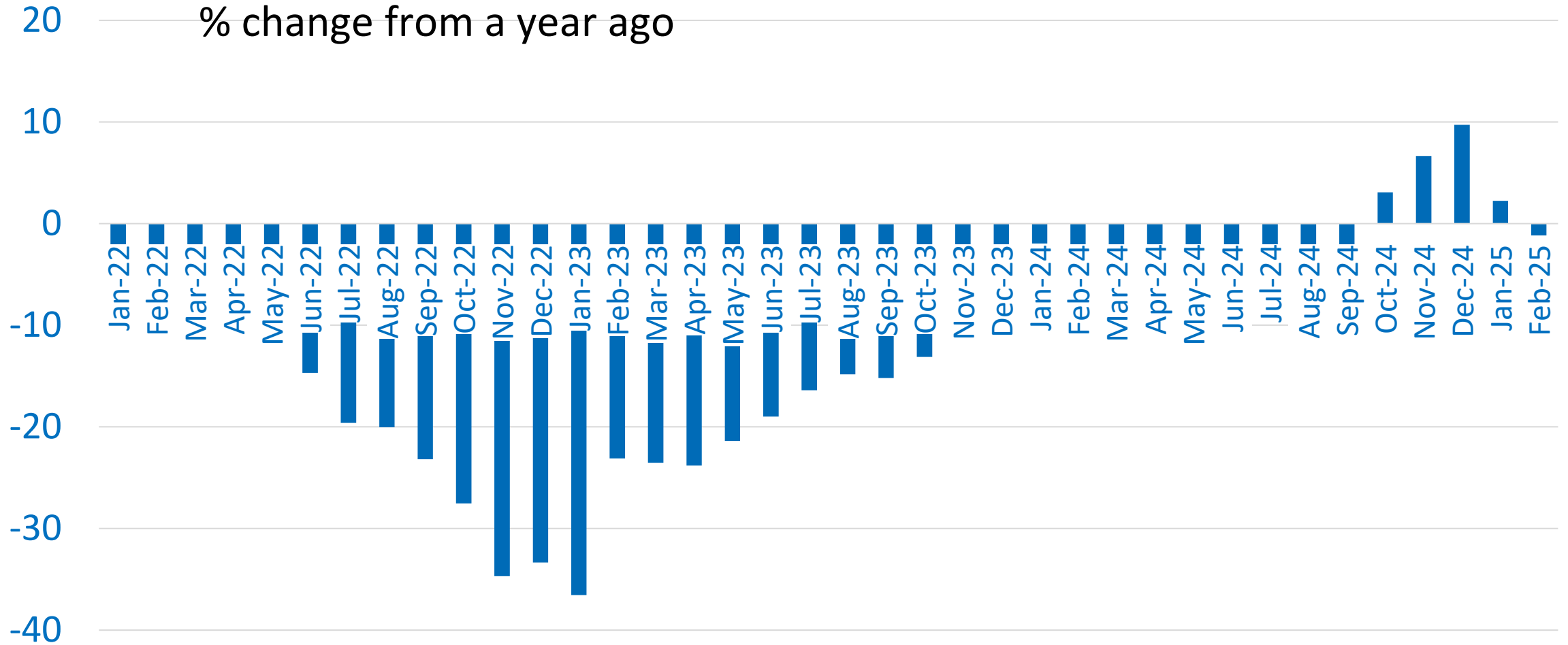
Source: NAR and Census

National Inventory of Existing Homes on the Market



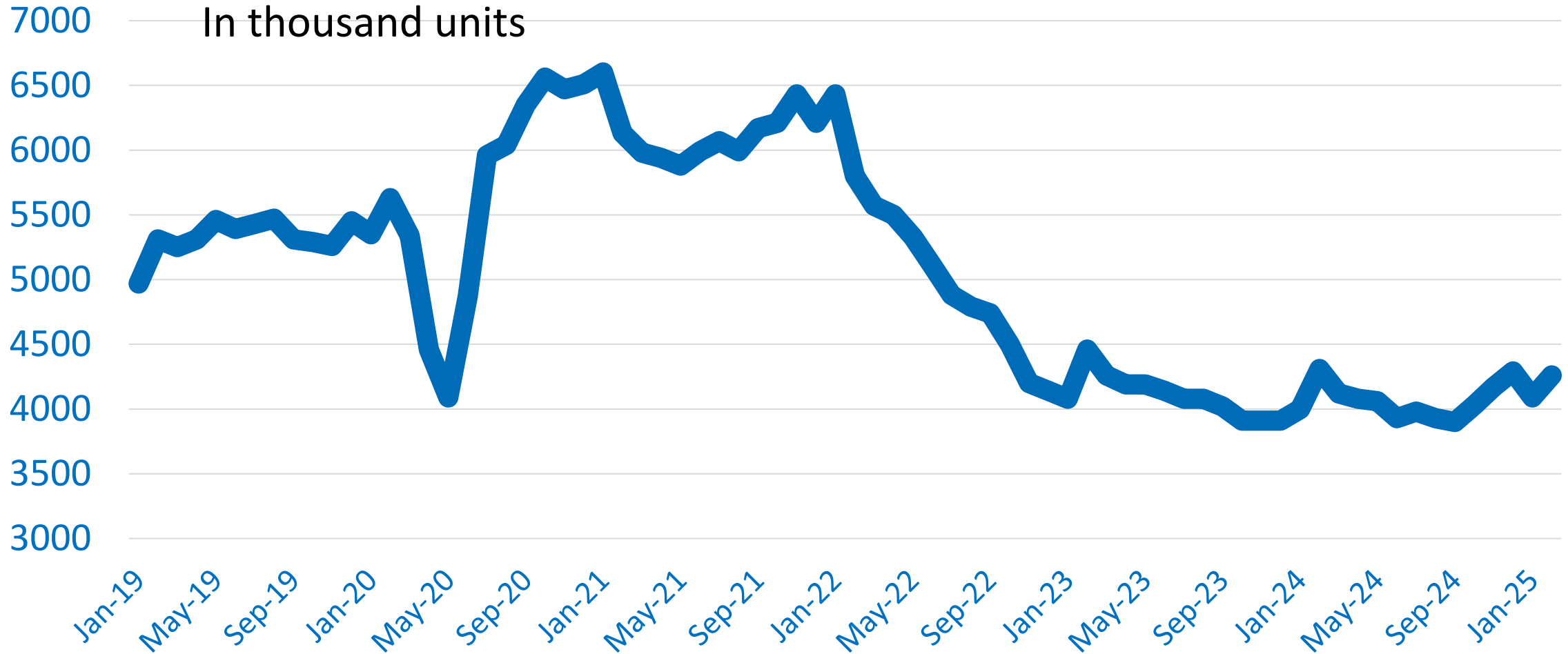
Source: NAR

Recent Monthly Home Sale Change



Source: NAR

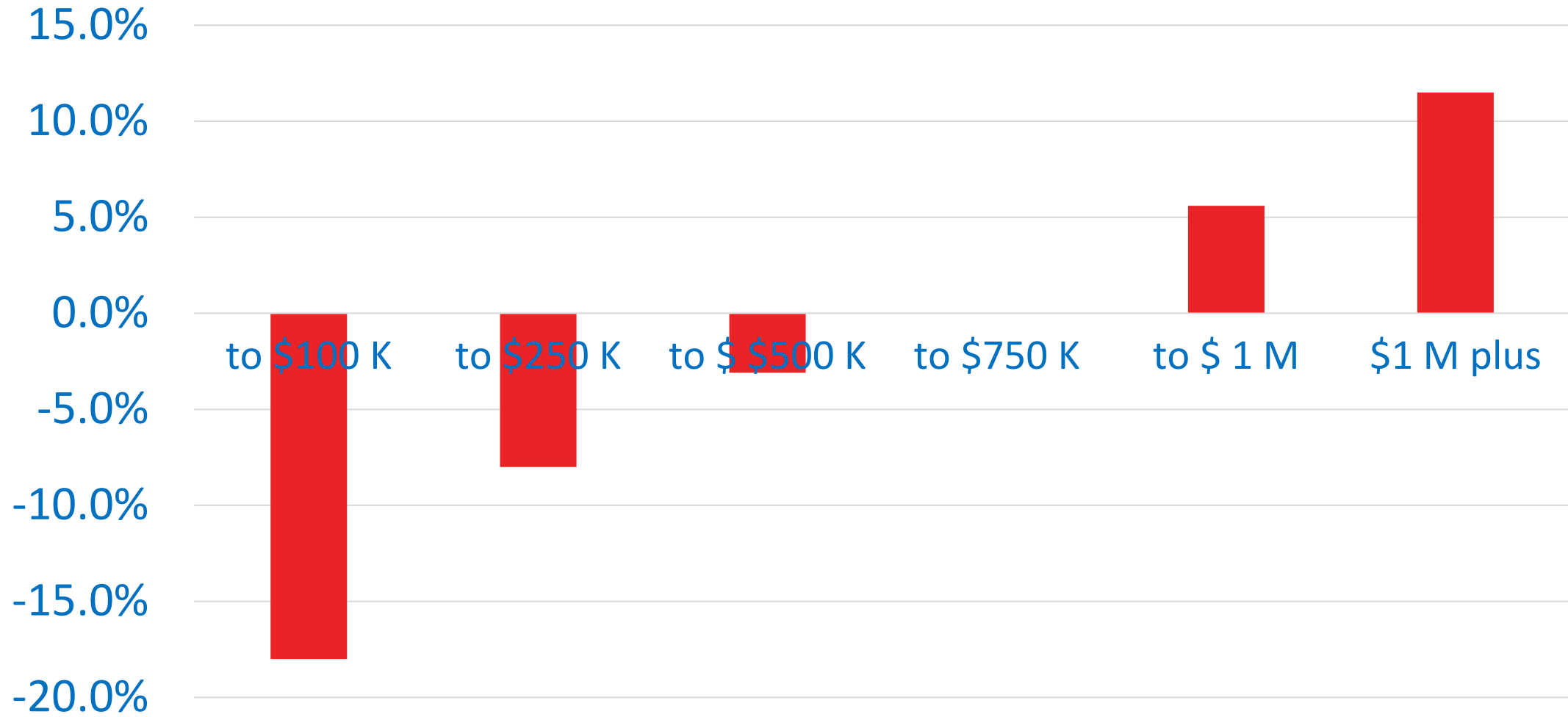
Recent Monthly Existing Home Sales



Source: NAR

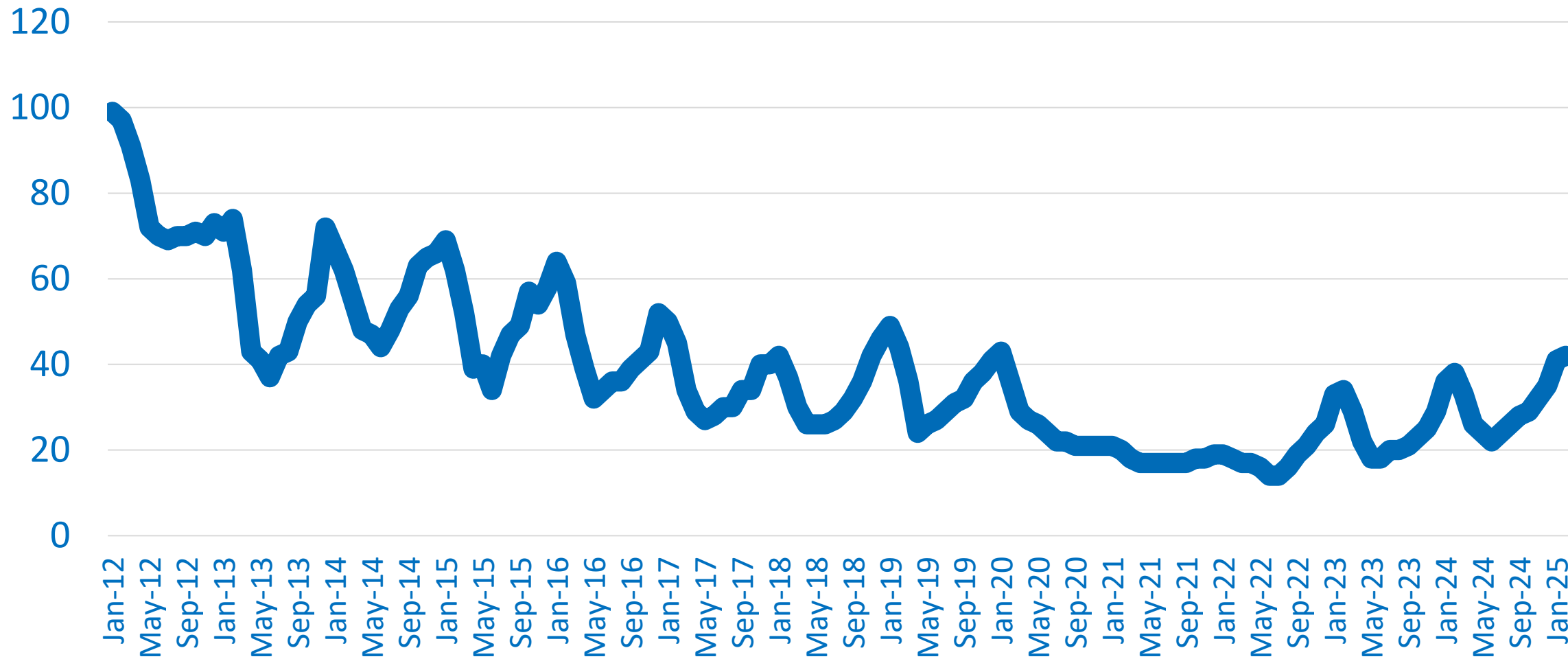
Home Sales Change by Price Points in February

(% change from a year ago)



Source: NAR

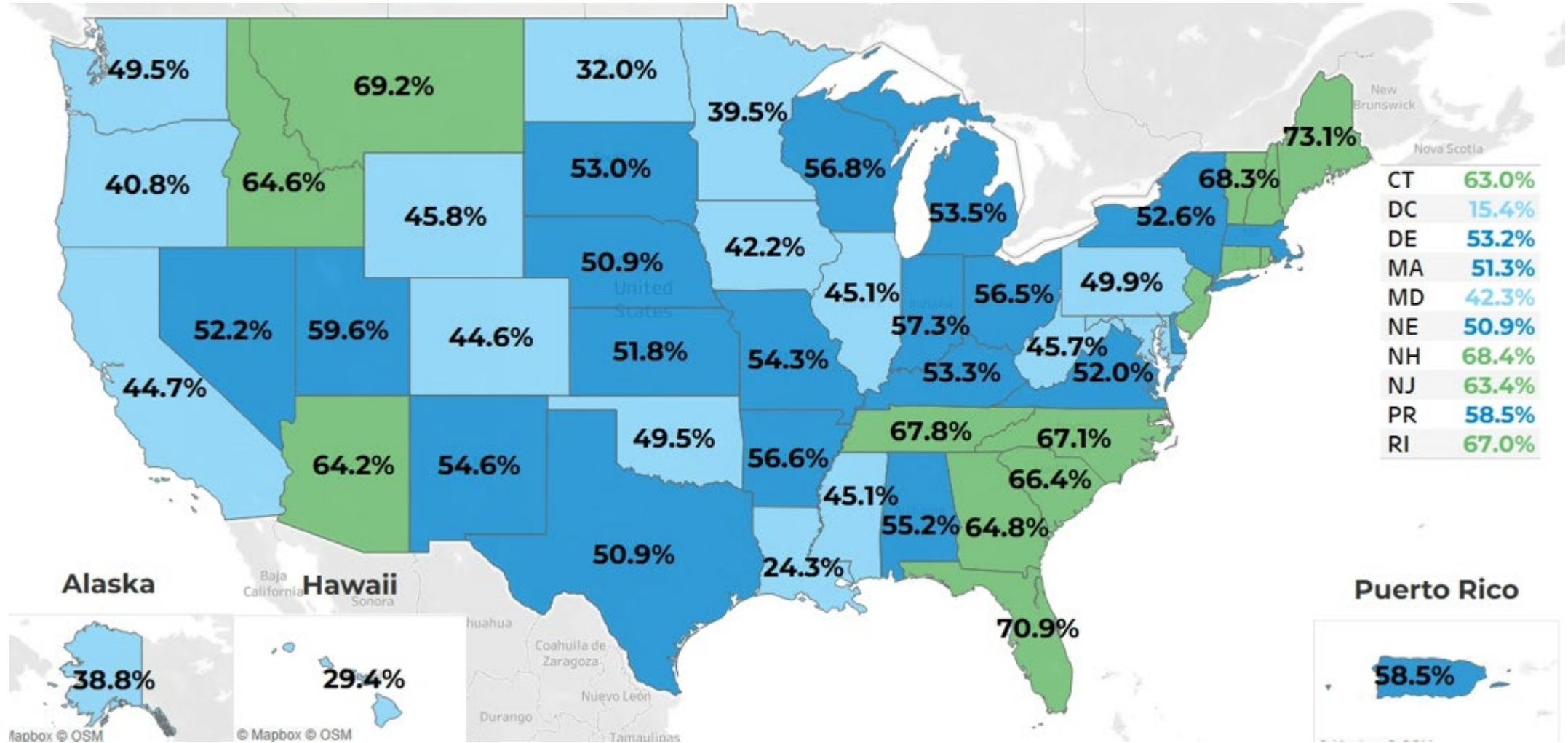
Days on Market From Listing to Pending Contract



Source: NAR

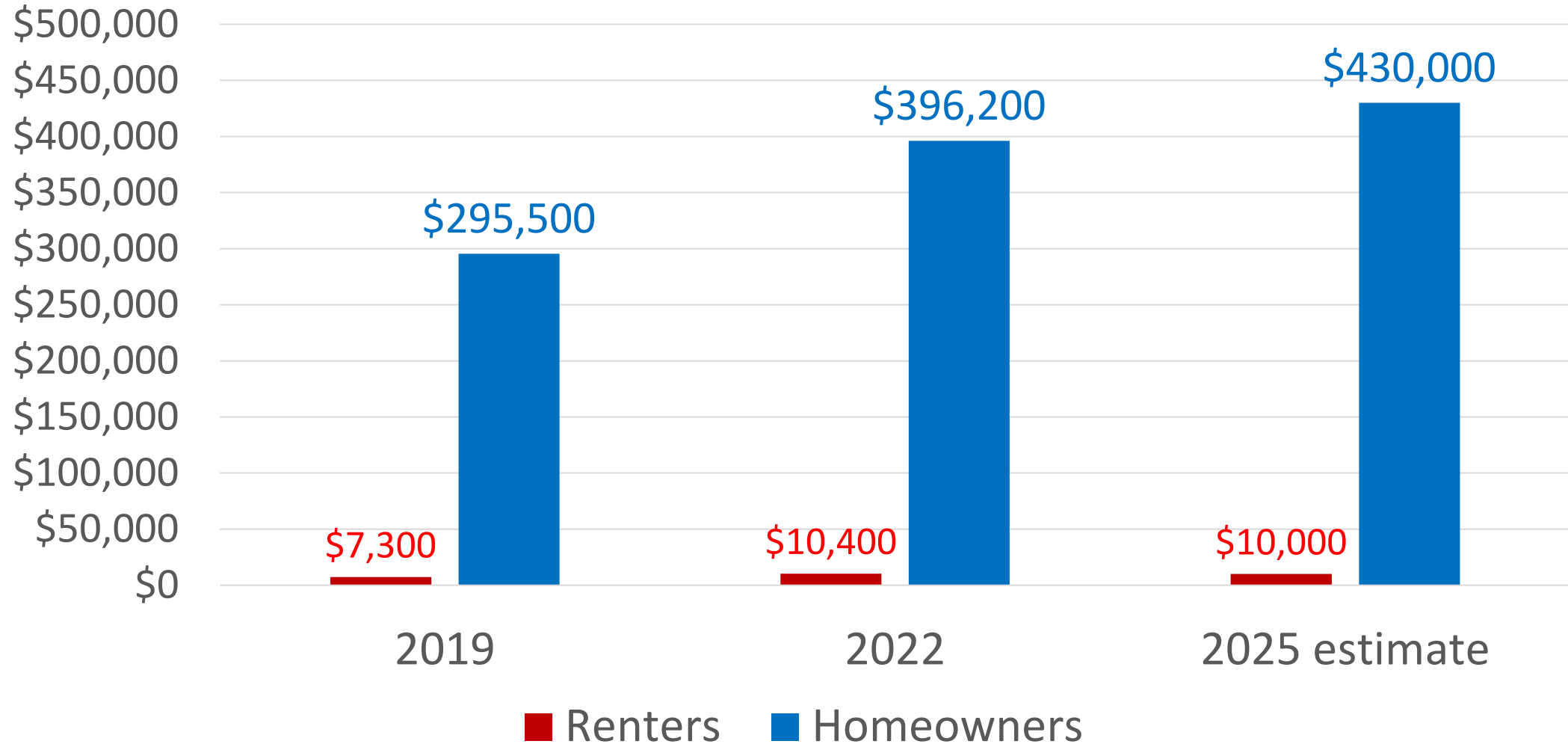
Home Price Gains Since Pre-COVID

% change from 2020 Q1 to 2024 Q4



Source: NAR Analysis of FHFA data

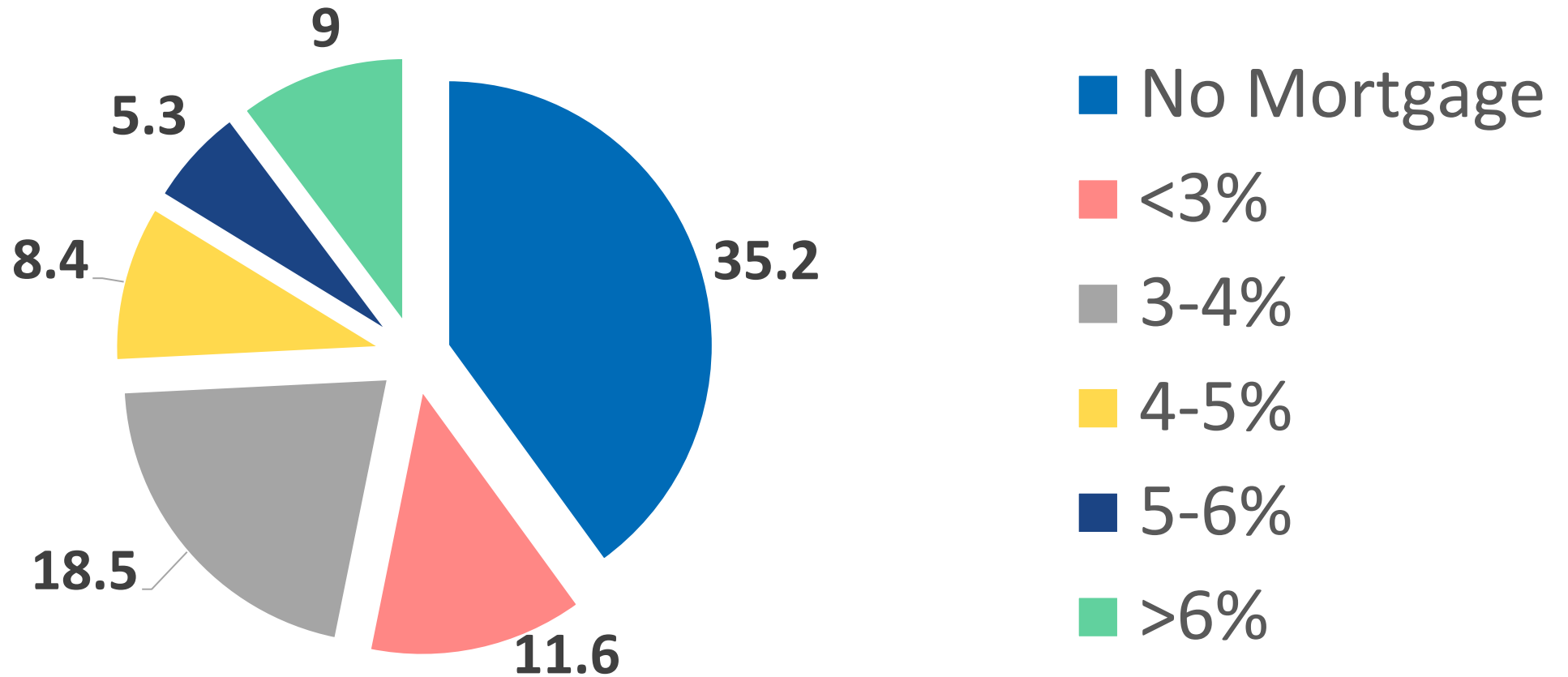
Median Net Worth between Owners and Renters



Source: Median Net Worth from Federal Reserve Survey of Consumer Finance

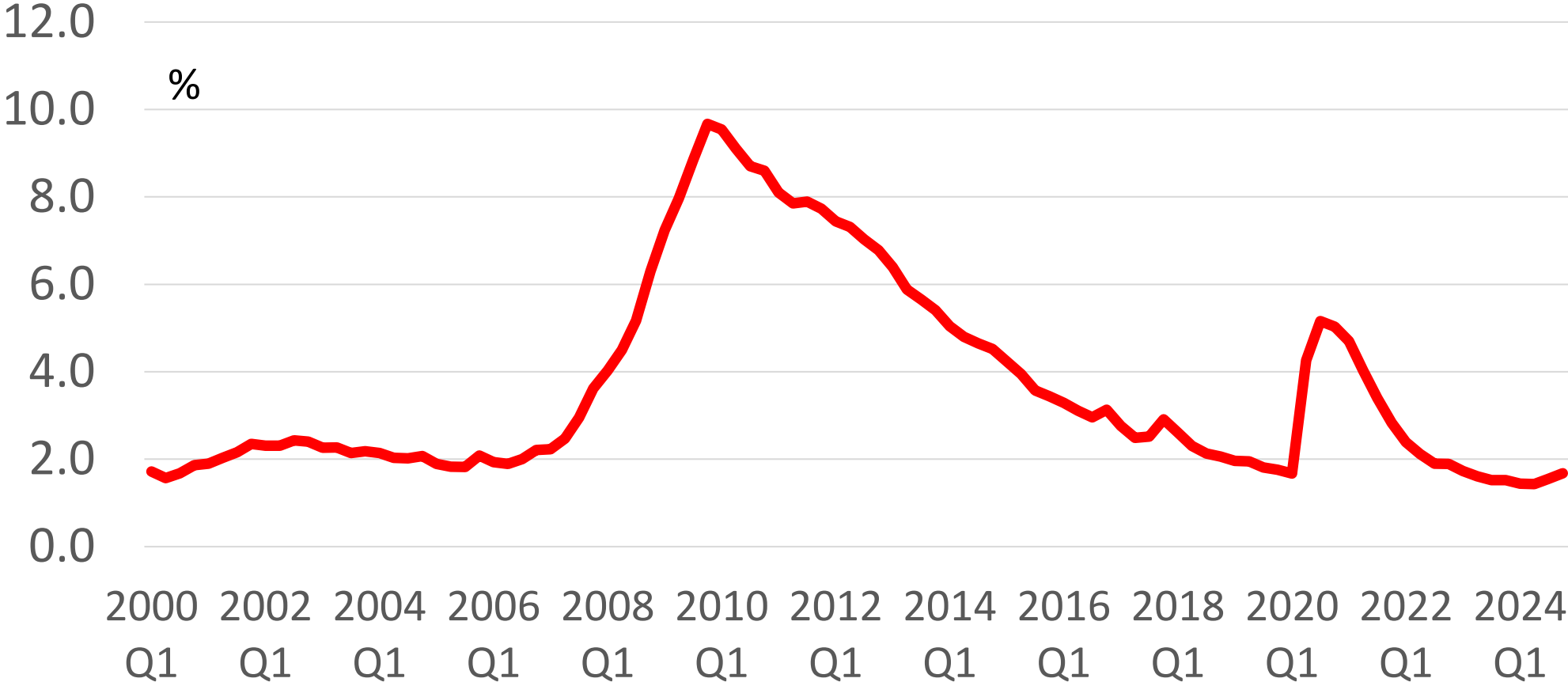
88 million Homeowners

35.2 million free & clear ... 9 million at above 6% rate



Source: NAR estimate using data on mortgage distribution by FHFA 2024 Q2

Mortgages in Seriously Delinquent Status (3 months late or in foreclosure)

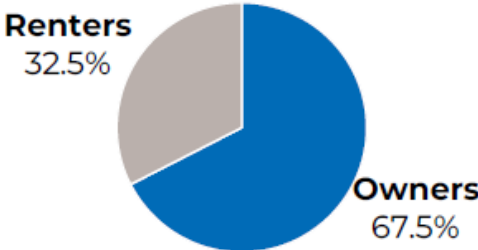


Source: Mortgage Bankers Association

Households in Philadelphia Metro

Number of households by tenure

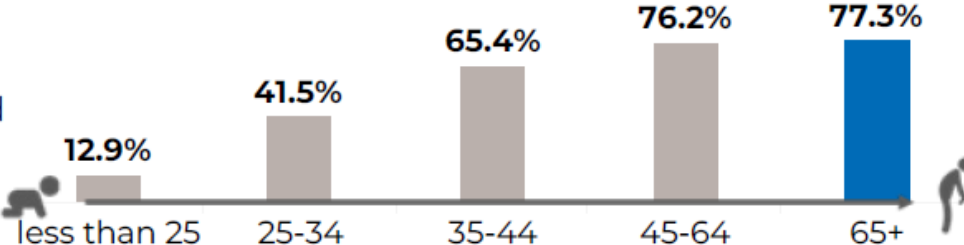
Homeowners: **1,677,071**
Renters: **807,880**



Homeownership rate by Age

Median Age

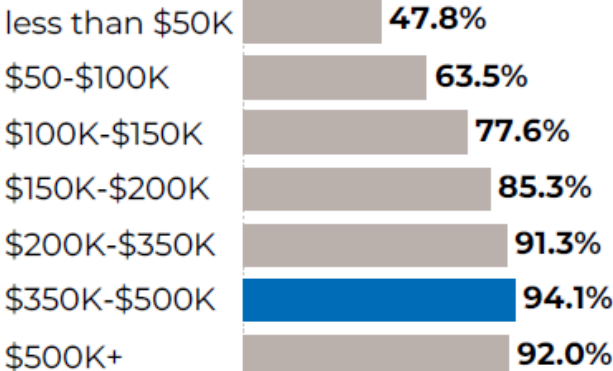
Homeowners: **57** years old
Renters: **43** years old



Homeownership rate by Income level

Median household income

Owners: **\$106,377**
Renters: **\$49,896**

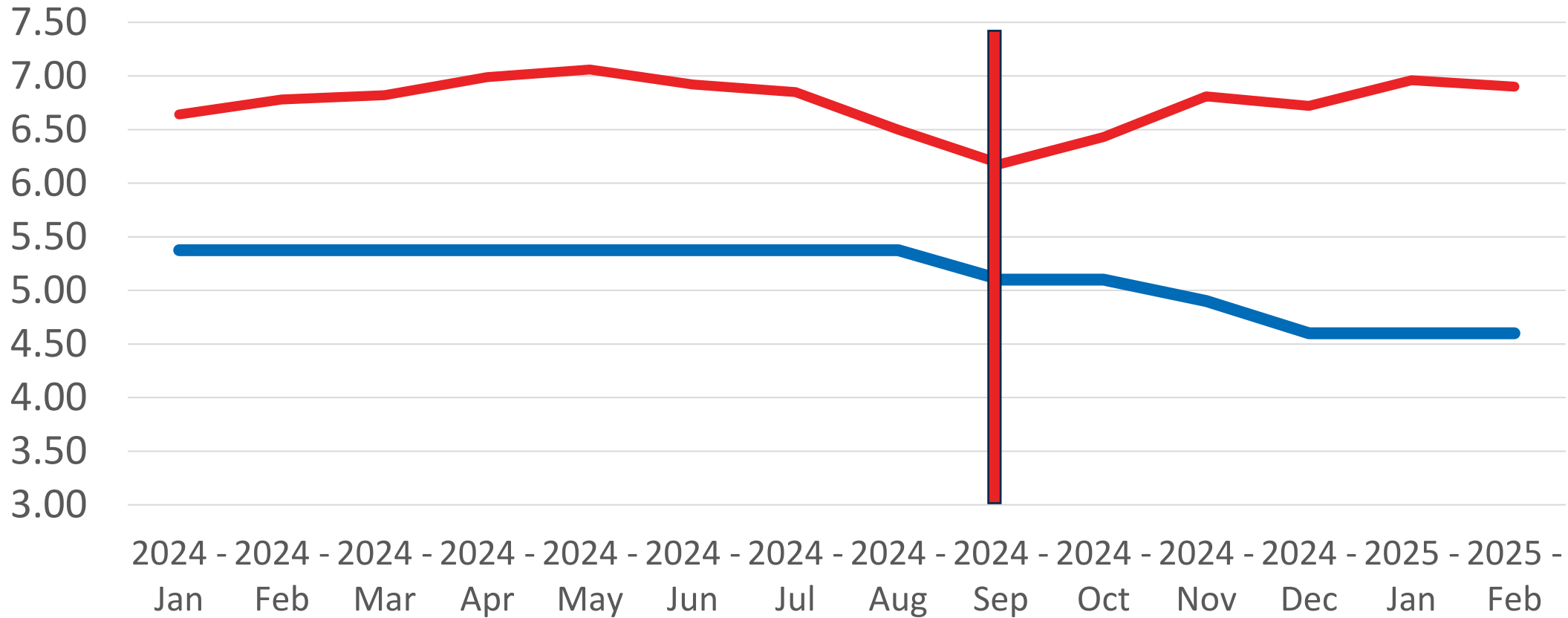


Home Sales Depend Mainly on

Jobs and Mortgage Rates

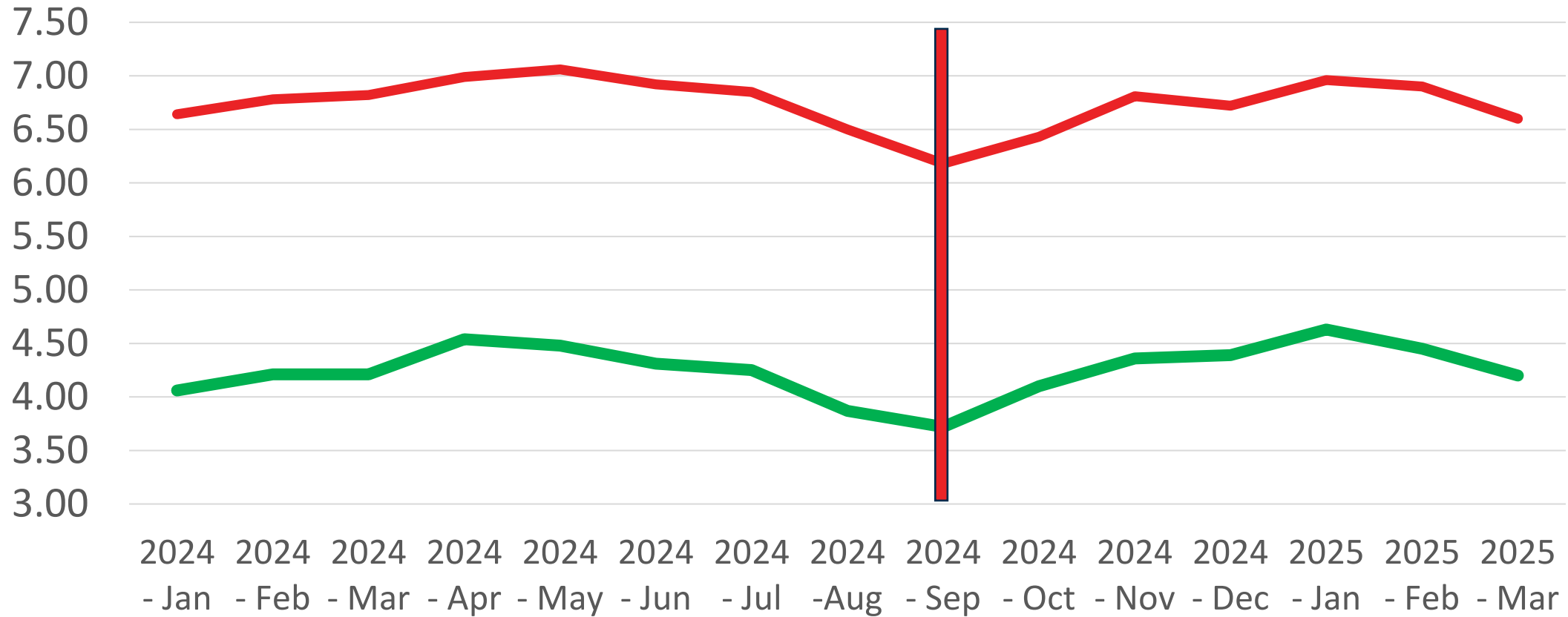
New Factor: Inventory Availability

Fed Rate Cuts from September ... Did not bring down Mortgage Rates



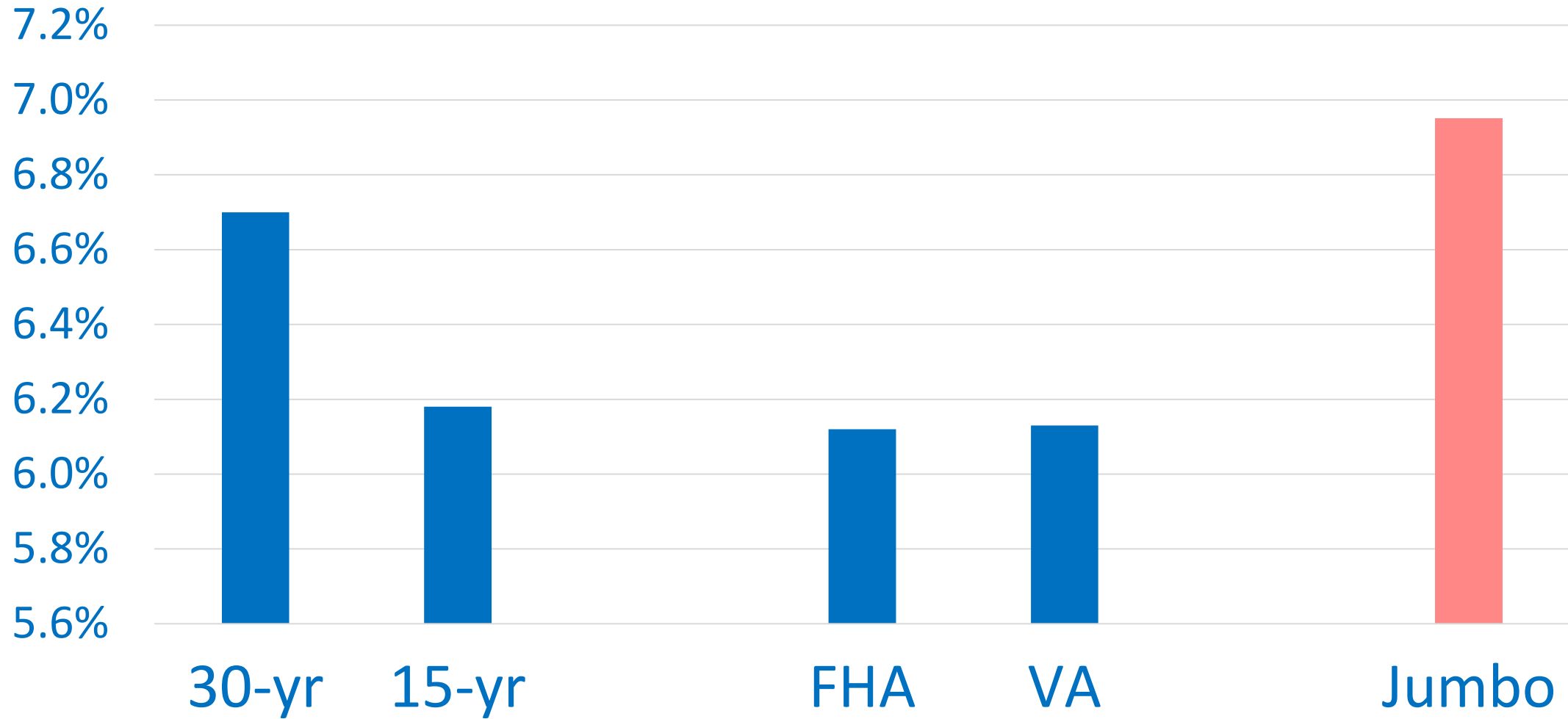
Source: Federal Reserve and Freddie Mac Mortgage Rate

10-year Treasury Yield ... Mortgage Rates



Source: Federal Reserve and Freddie Mac Mortgage Rate

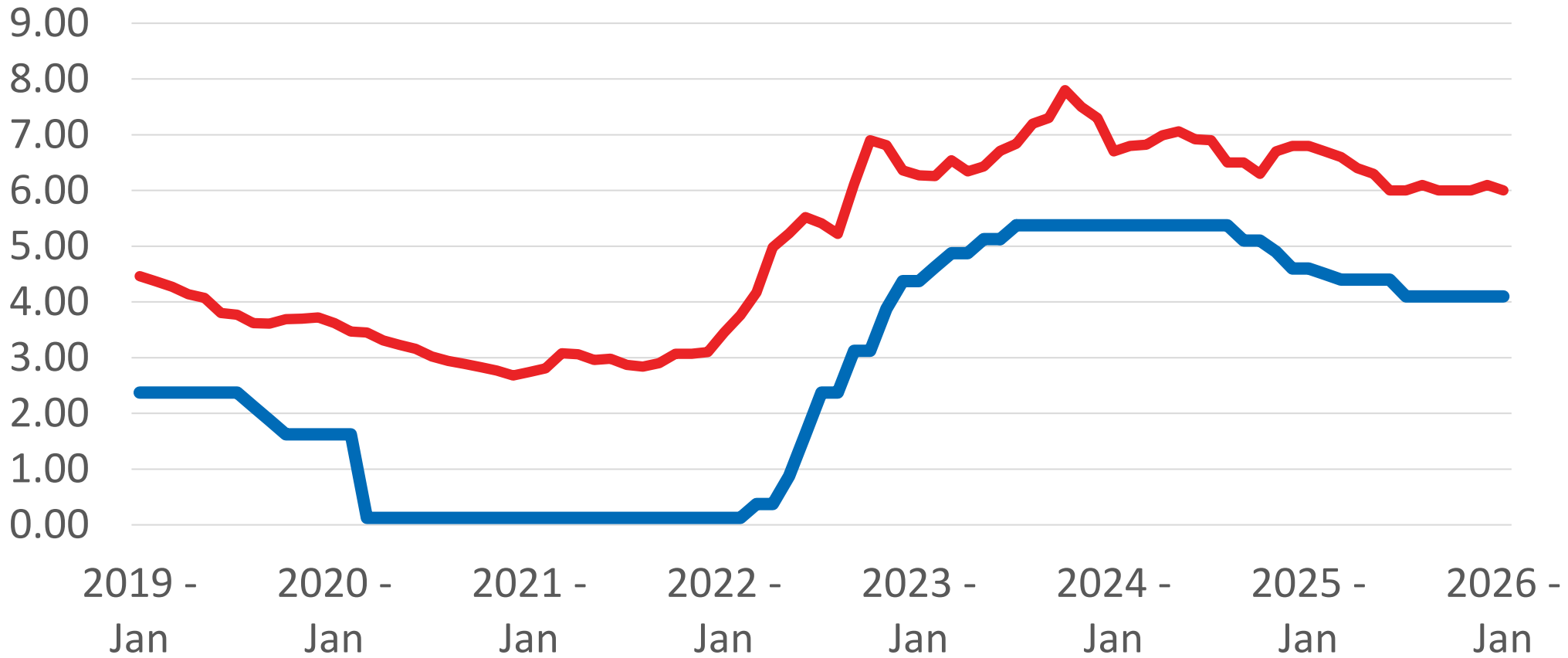
Average Mortgage Rate Early-March



Source: Mortgage News Daily

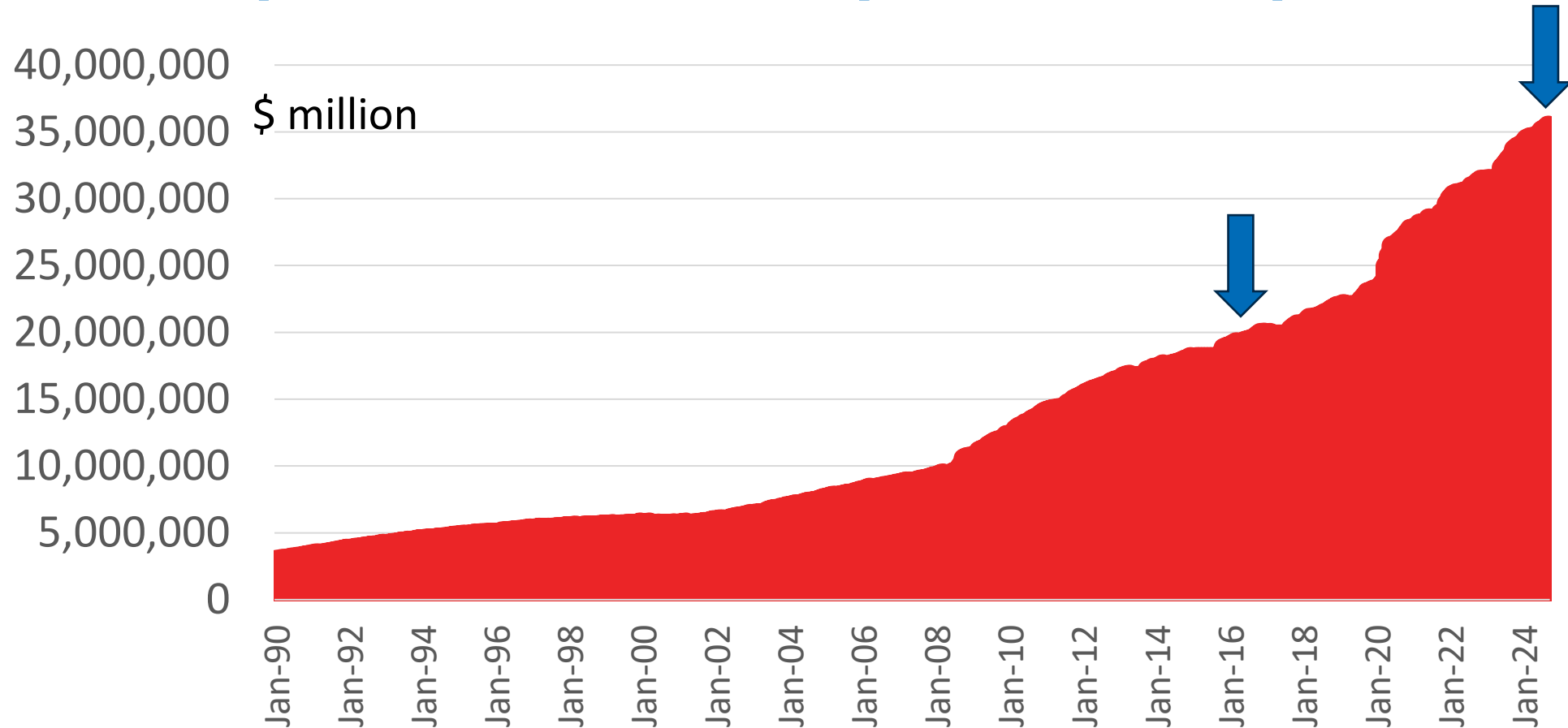
Expect 2-3 more rounds of cut to Fed Funds Rate

Mortgage Rate May Fall Modestly



Source: NAR Forecast of Freddie Mac Mortgage Rate

National Debt (cumulative of all past deficits)



Source: Congressional Budget Office

Forecast

Nationwide Forecast

(Revised and Updated March 2025)

	2025	2026
Existing Home Sales	+6%	+11%
New Home Sales	+10%	+5%
Median Home Price	3%	4%
Mortgage Rate	6.4%	6.1%
Job Gains	1.6 million	2.4 million

Thank You !