

Real Estate and Economic Outlook

2025 REALTOR® Broker Summit

Louisville, KY

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Real Estate and Economic Outlook

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National Association of REALTORS®

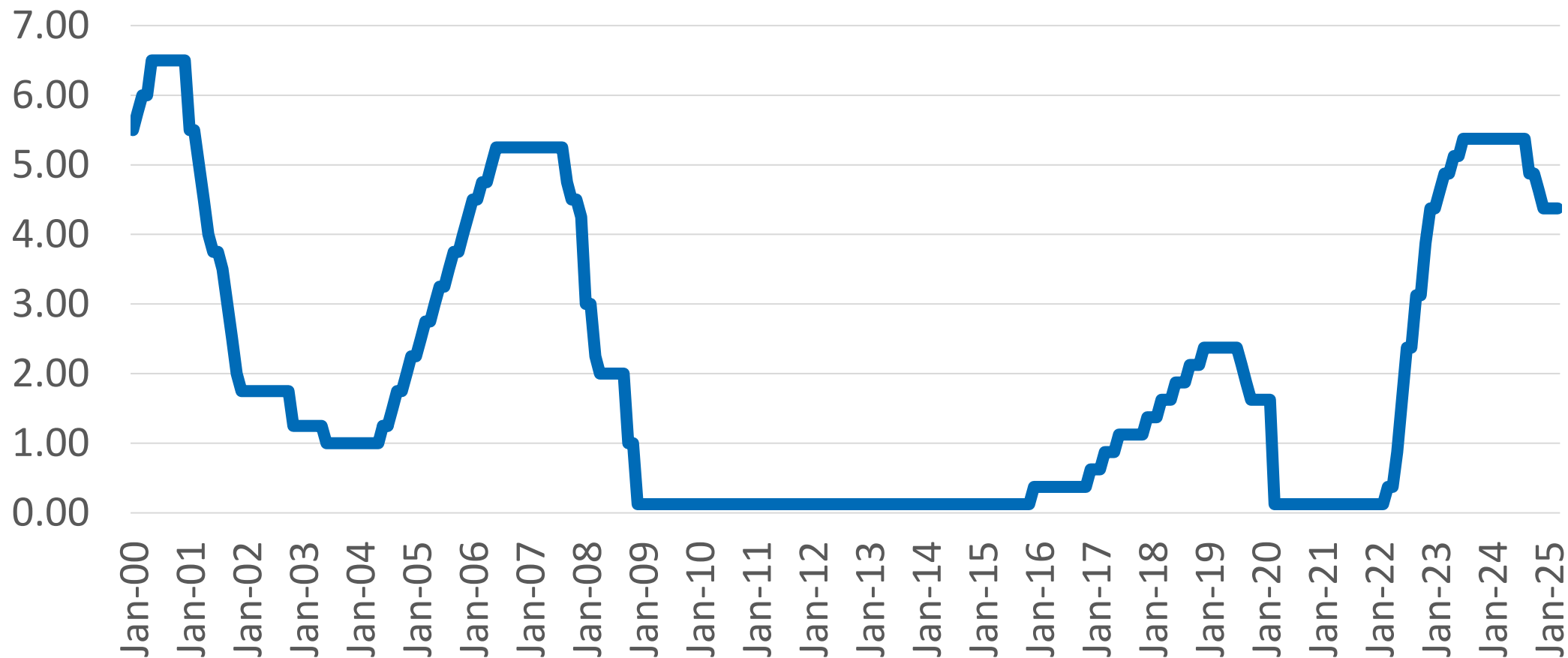
Federal Reserve Economic Forecast for 2025

(Last FOMC Meeting on March 19, 2025)

	Previous Forecast	Updated Forecast
GDP	+2.1%	Lowered to +1.7%
Inflation	+2.5%	Raised to +2.7%

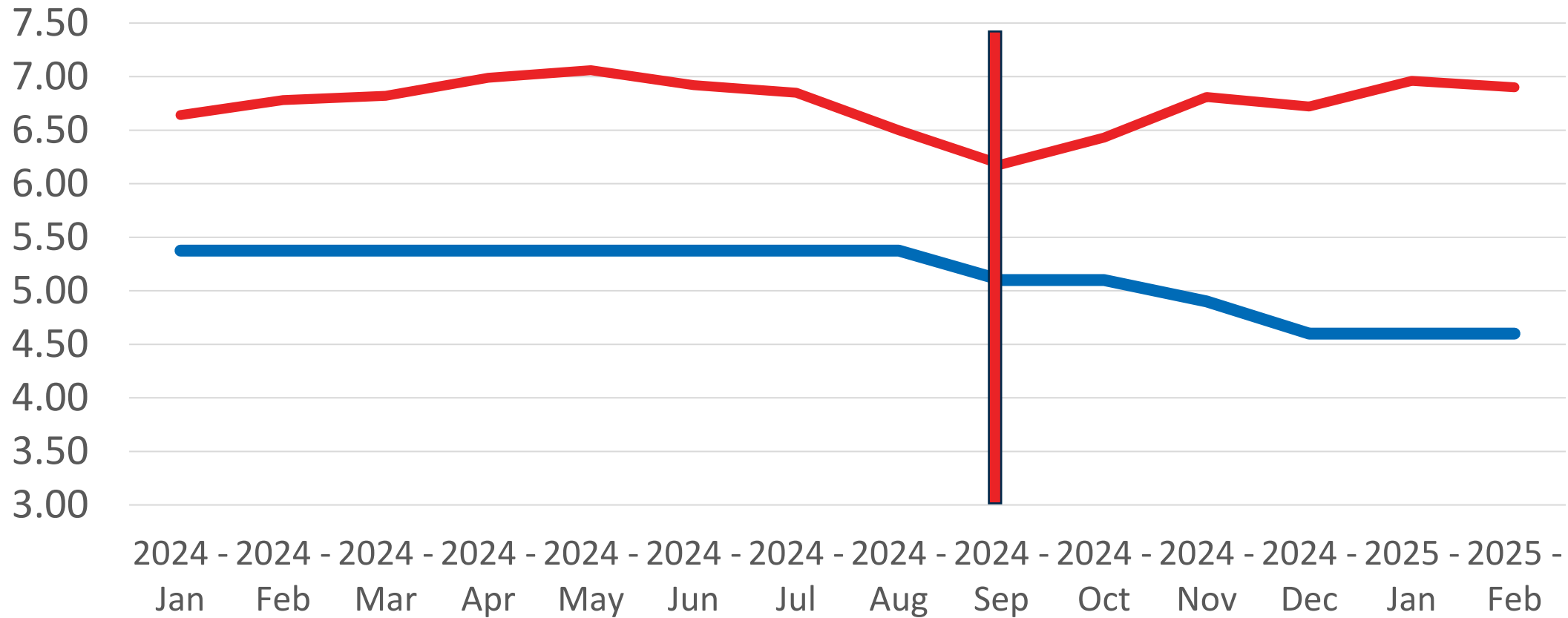
Source: Federal Reserve

Federal Reserve Fed Funds Rate ... Still at High End



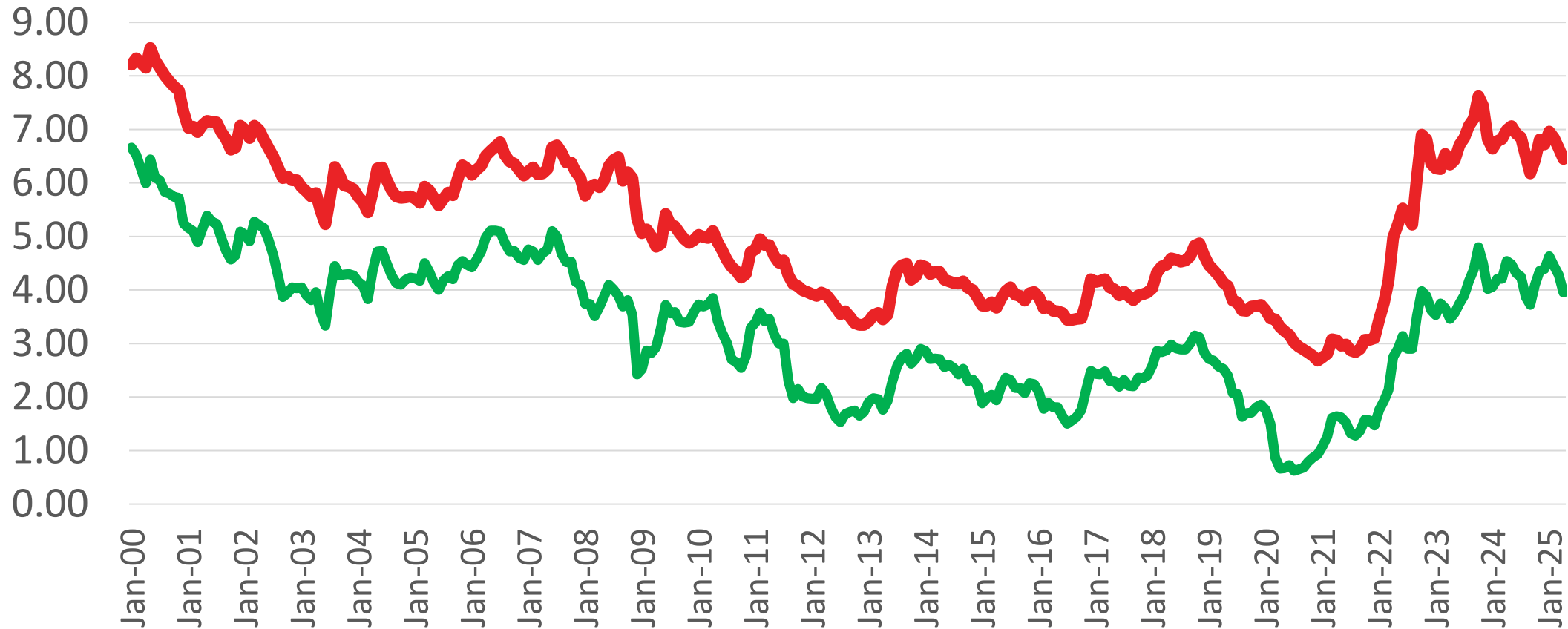
Source: Federal Reserve

Fed Rate Cuts (blue) ... from September to February Did not bring down Mortgage Rates (red)



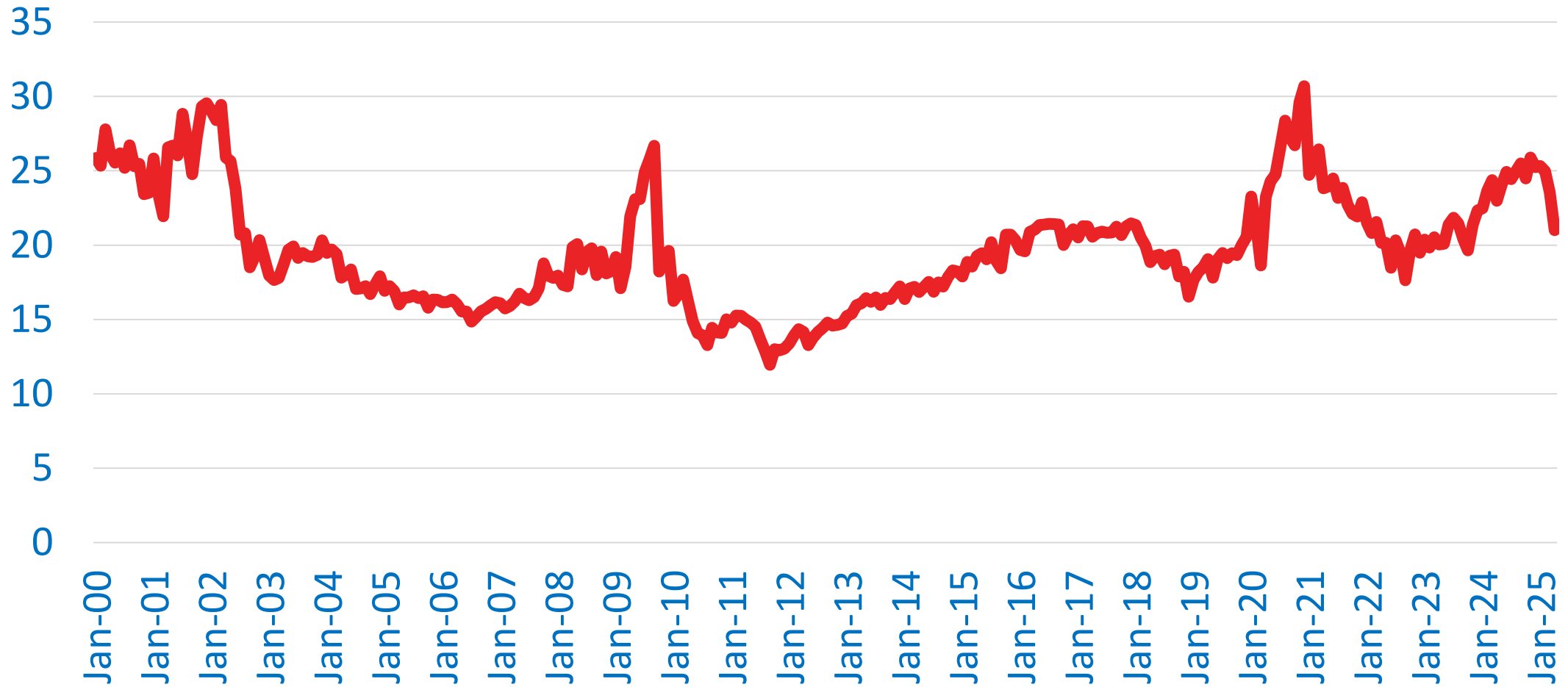
Source: Federal Reserve and Freddie Mac Mortgage Rate

10-year Treasury (green) impacts Mortgage Rates ... And at near 2-year lows



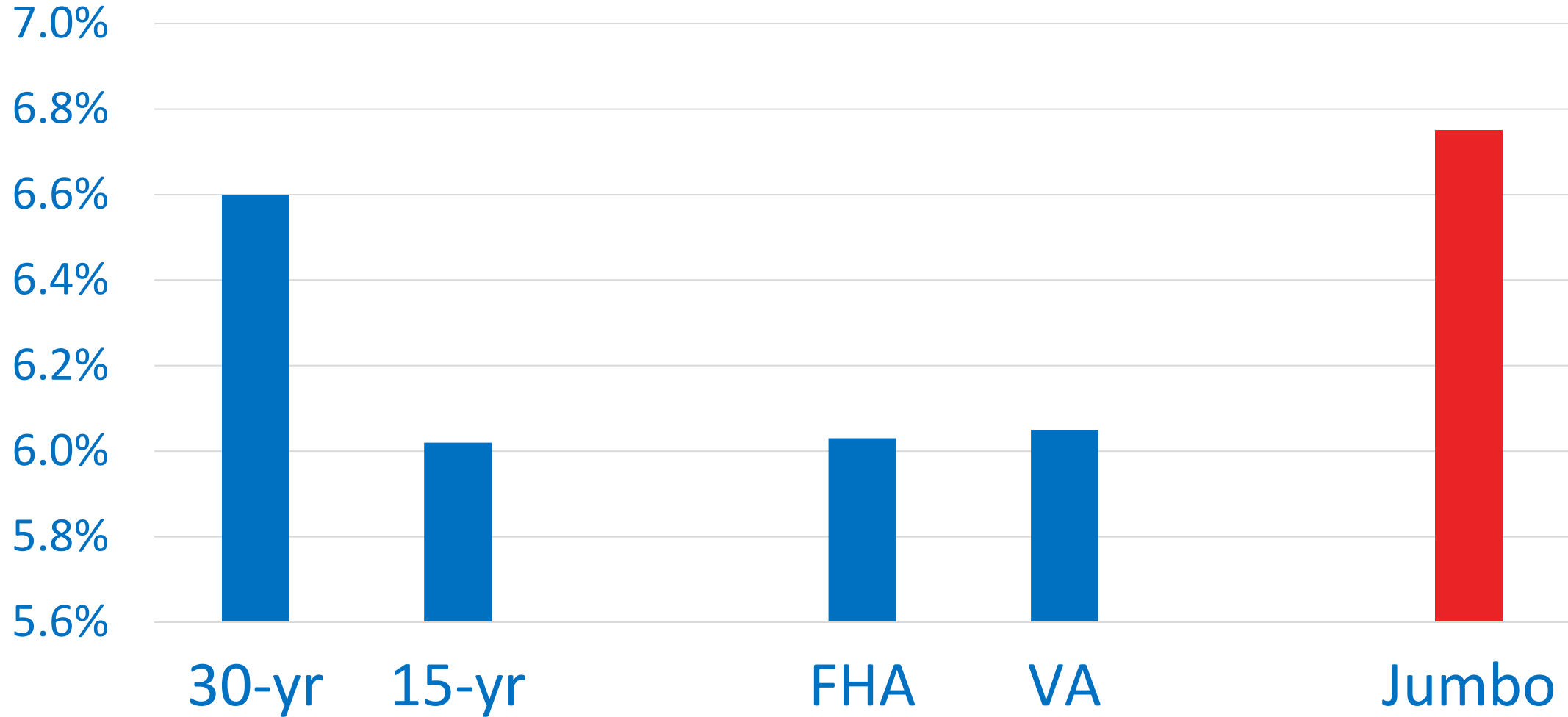
Source: Federal Reserve and Freddie Mac Mortgage Rate

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



Source: Standard & Poors

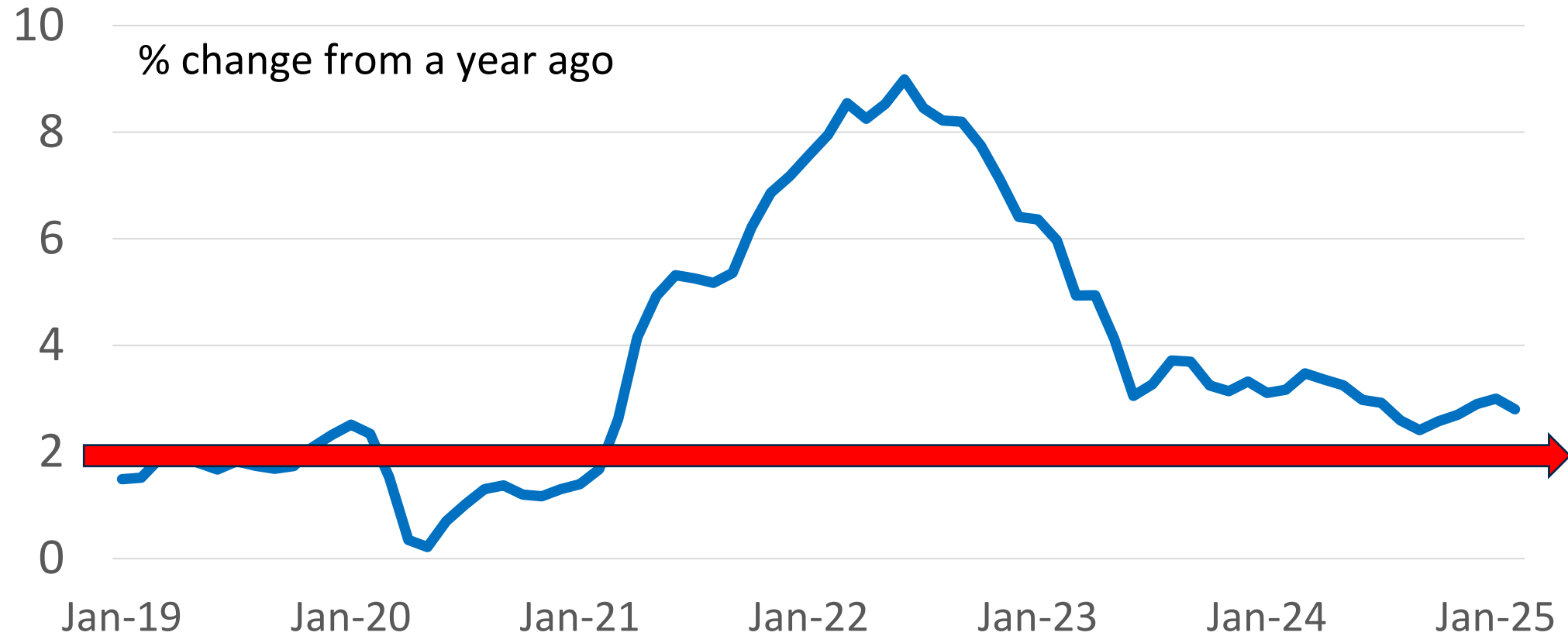
Average Mortgage Rate Early-April



Source: Mortgage News Daily

When will the Fed cut Rates?

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



Source: BLS

Prospect of Falling Inflation

- **Tariff ... inflationary**
- **Deregulation ... disinflationary**
- **Oil Summit ?... disinflationary**
- **Reciprocal Tariff to zero ... disinflationary**
- **Weaker Economy ... disinflationary**

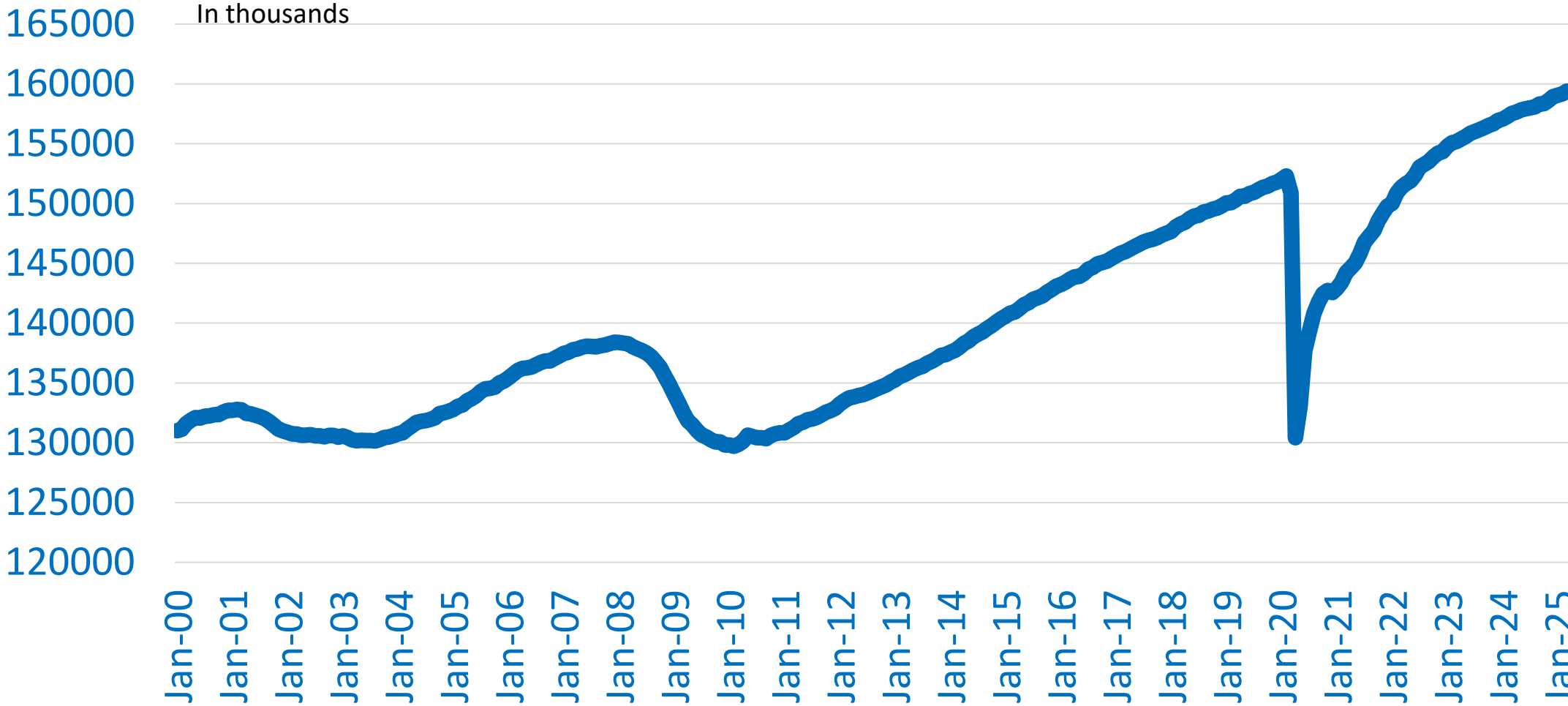
Gasoline ... Towards Pre-Covid Prices



Source: Energy Information Administration



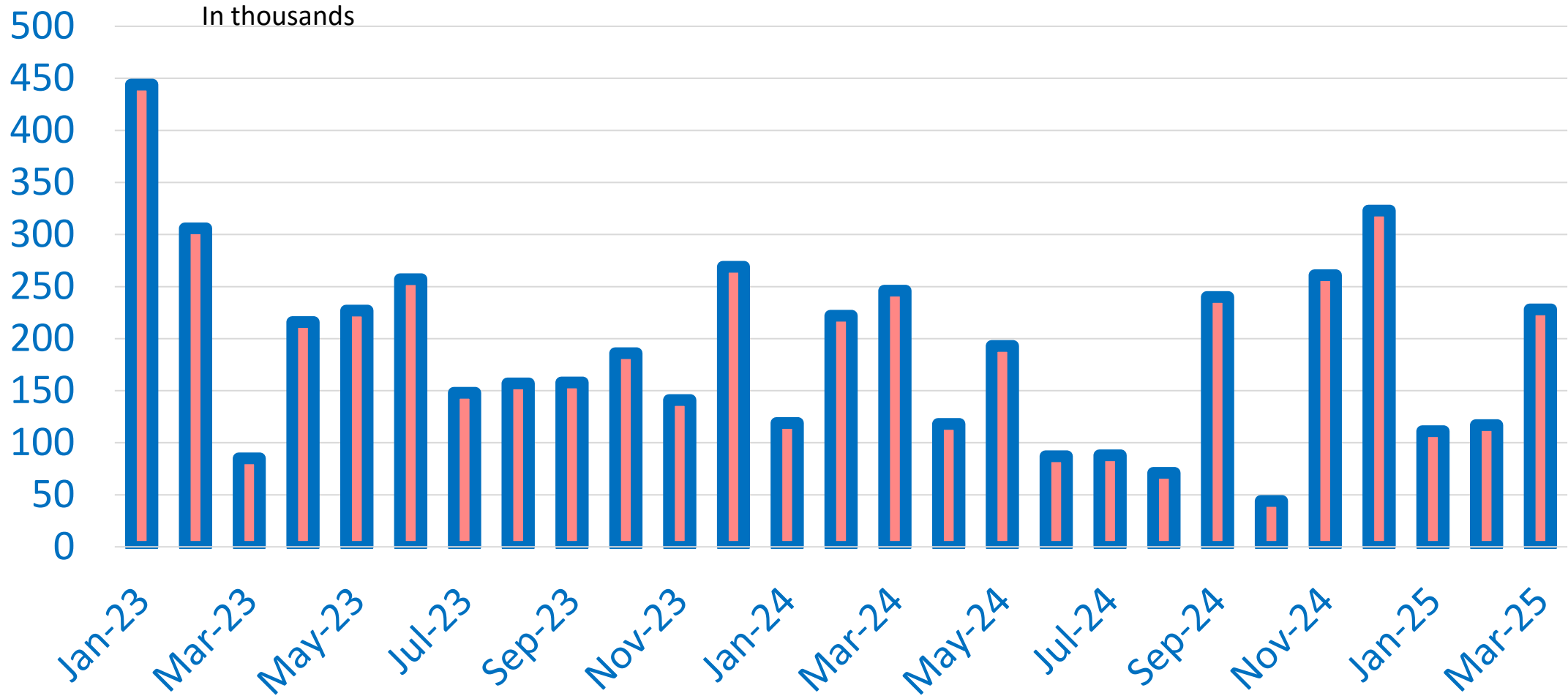
Total Payroll Jobs (+30 million from 2000)



Source: BLS

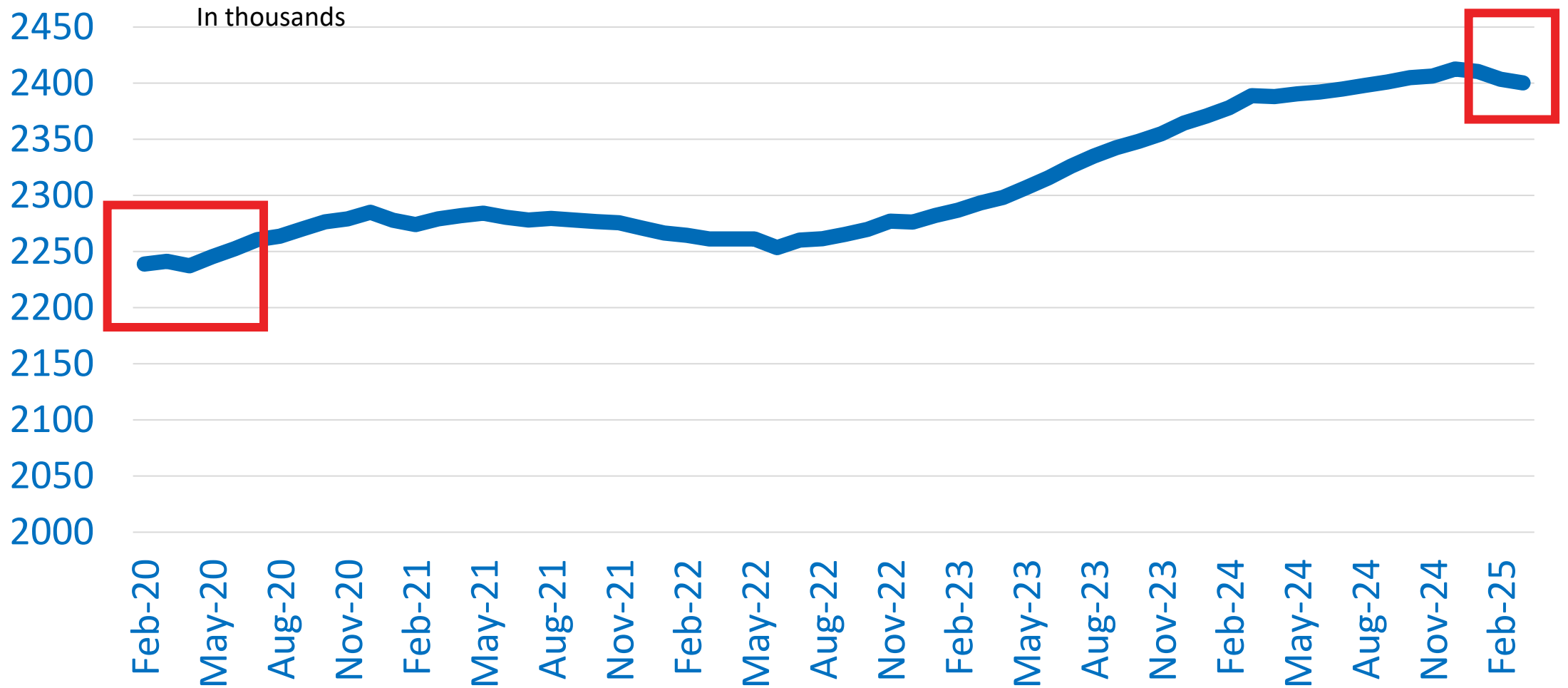


Payroll Job Additions ... +228,000 in March



Source: BLS

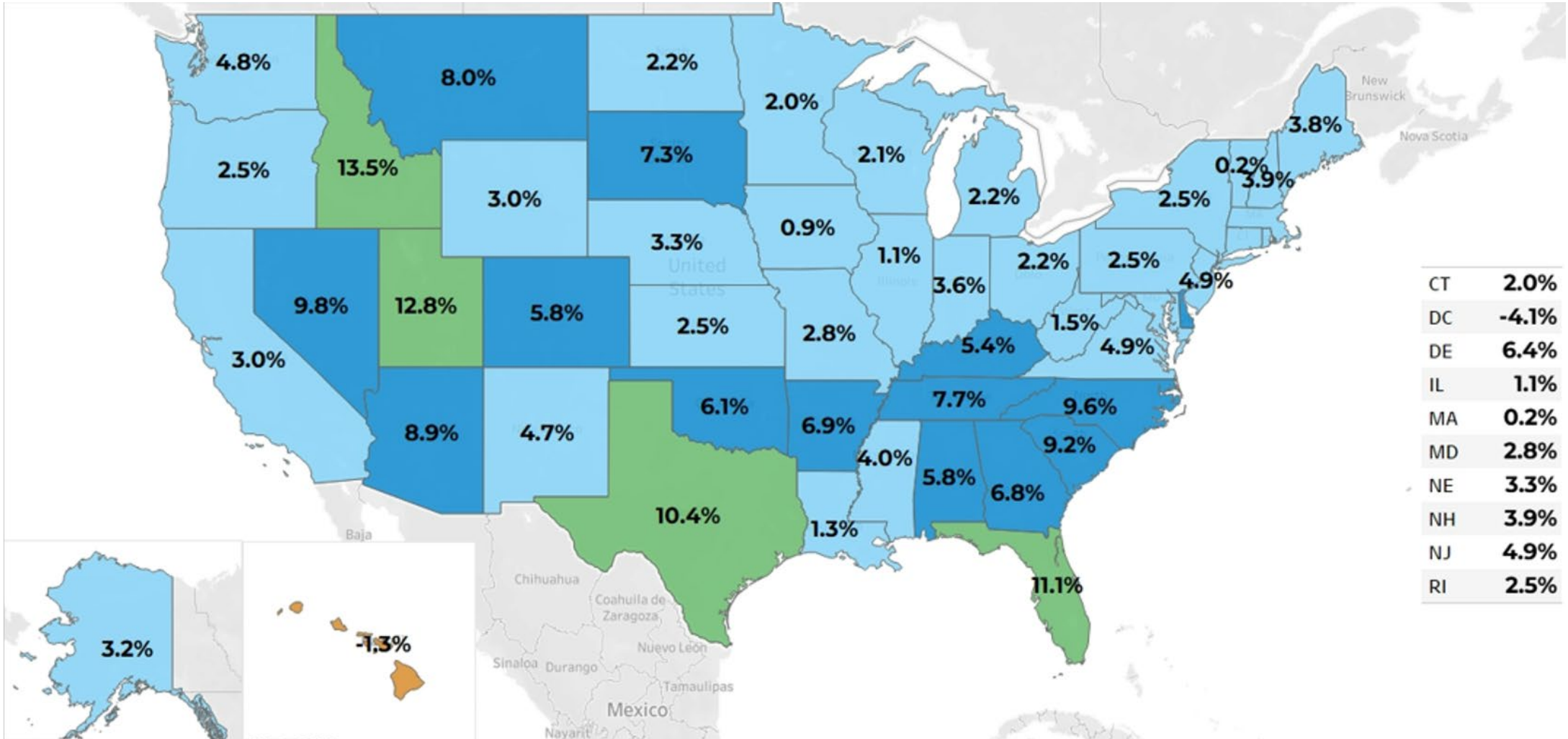
DOGE Impact - Federal Government Employees (30,000 cut so far and more in upcoming months)



Source: BLS, excluding Decennial Temporary Census and Postal Workers

Job Gains Since Pre-COVID Record High Payroll Employment

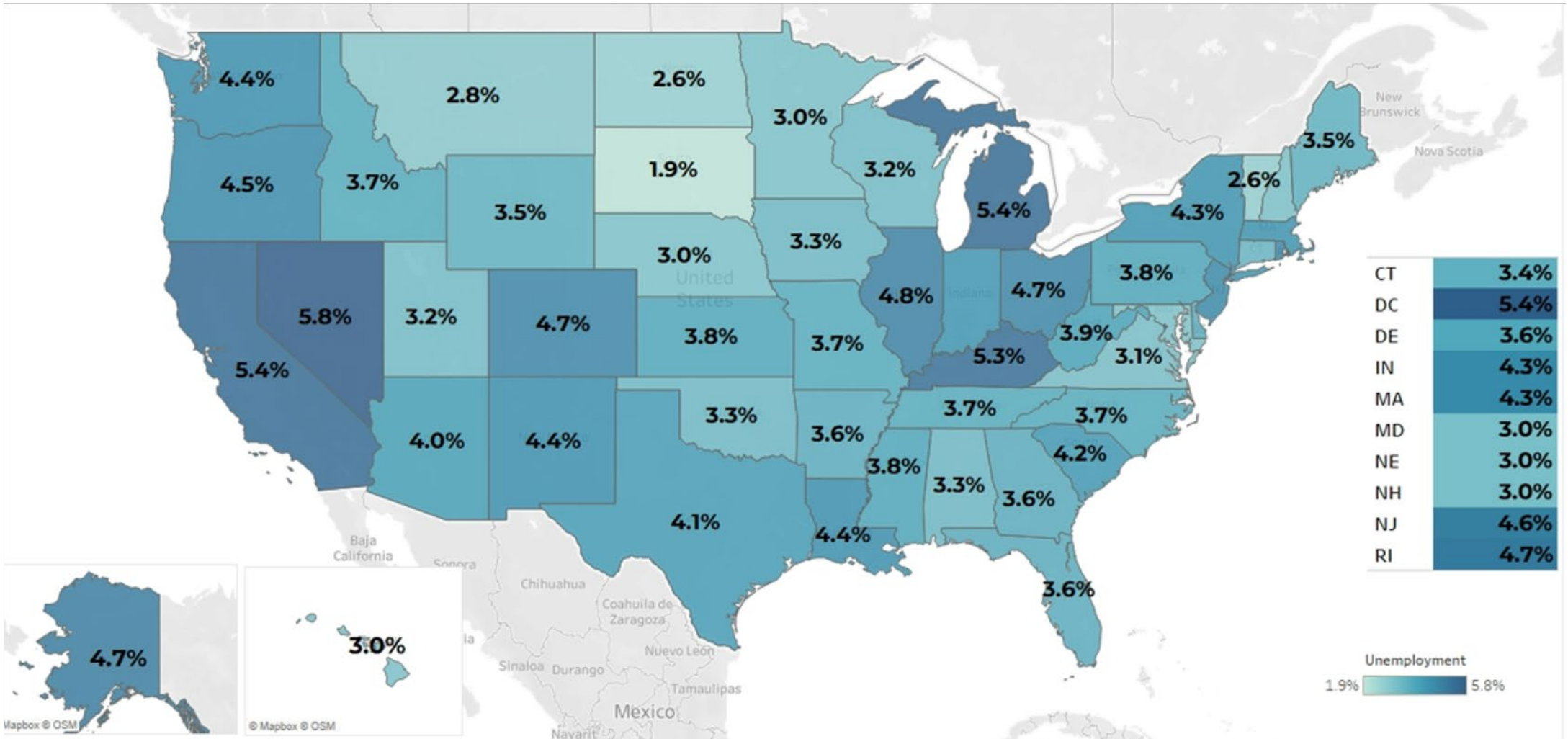
% change from March 2020 to February 2025



Source: NAR Analysis of BLS data

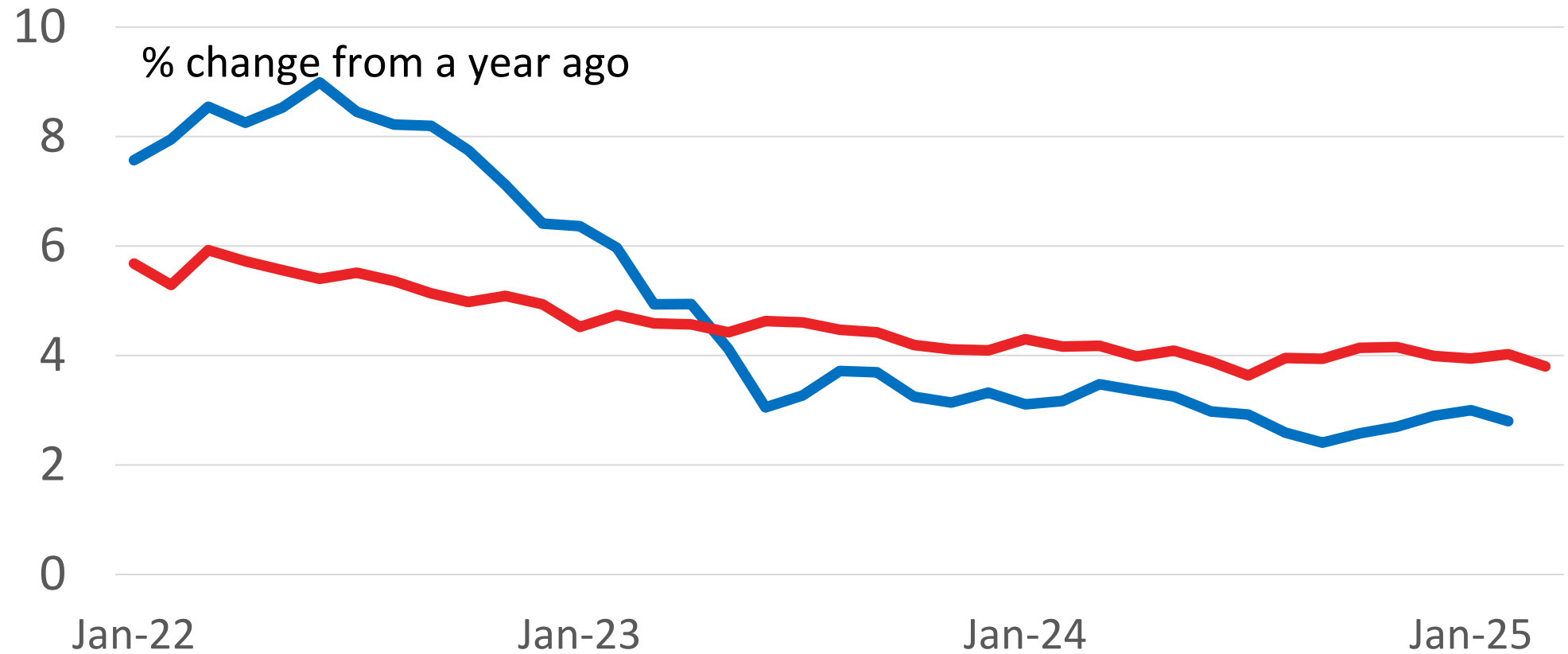
Latest Unemployment Rate

February 2025



Source: NAR Analysis of BLS data

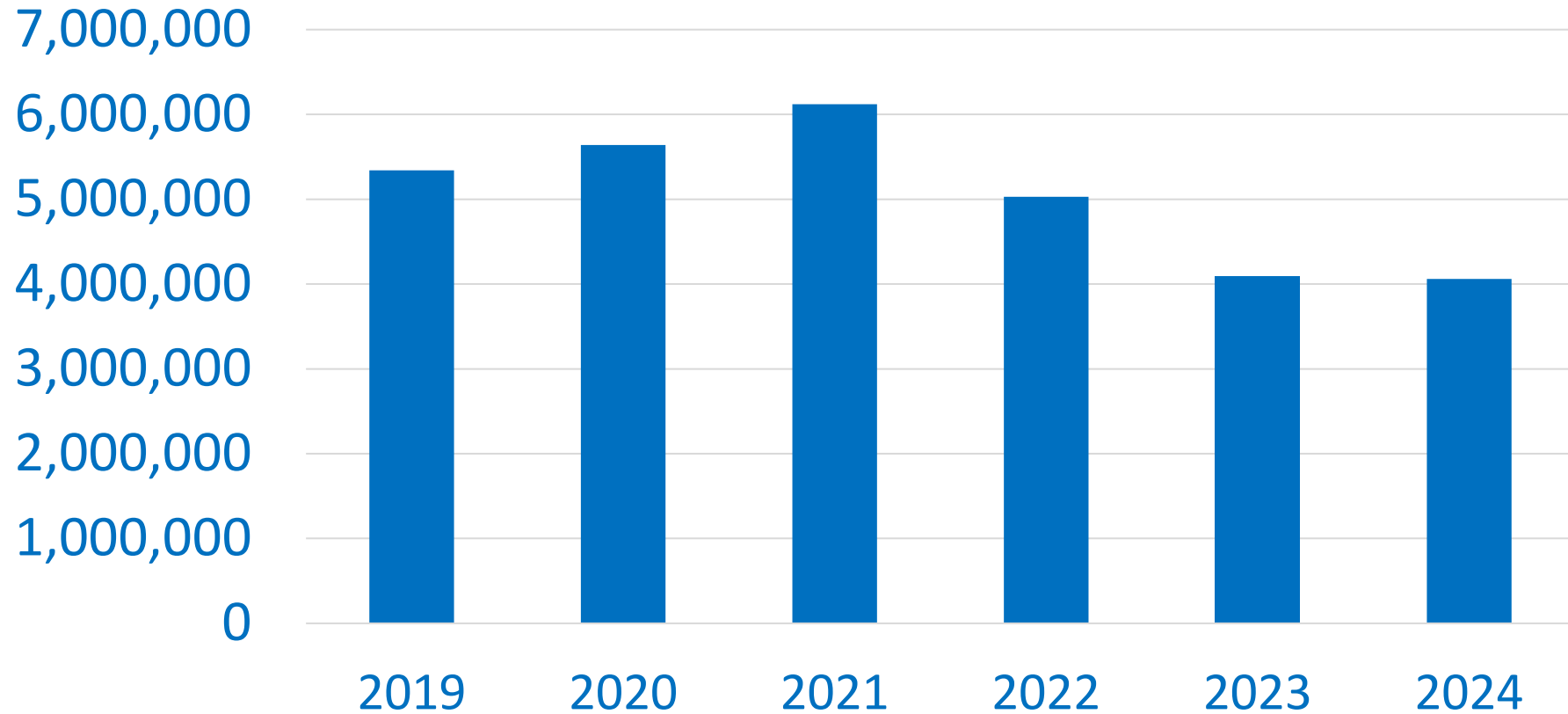
Wage Growth (red) 3.8% in March ... Consumer Price (blue) at 2.8% in February



Source: BLS

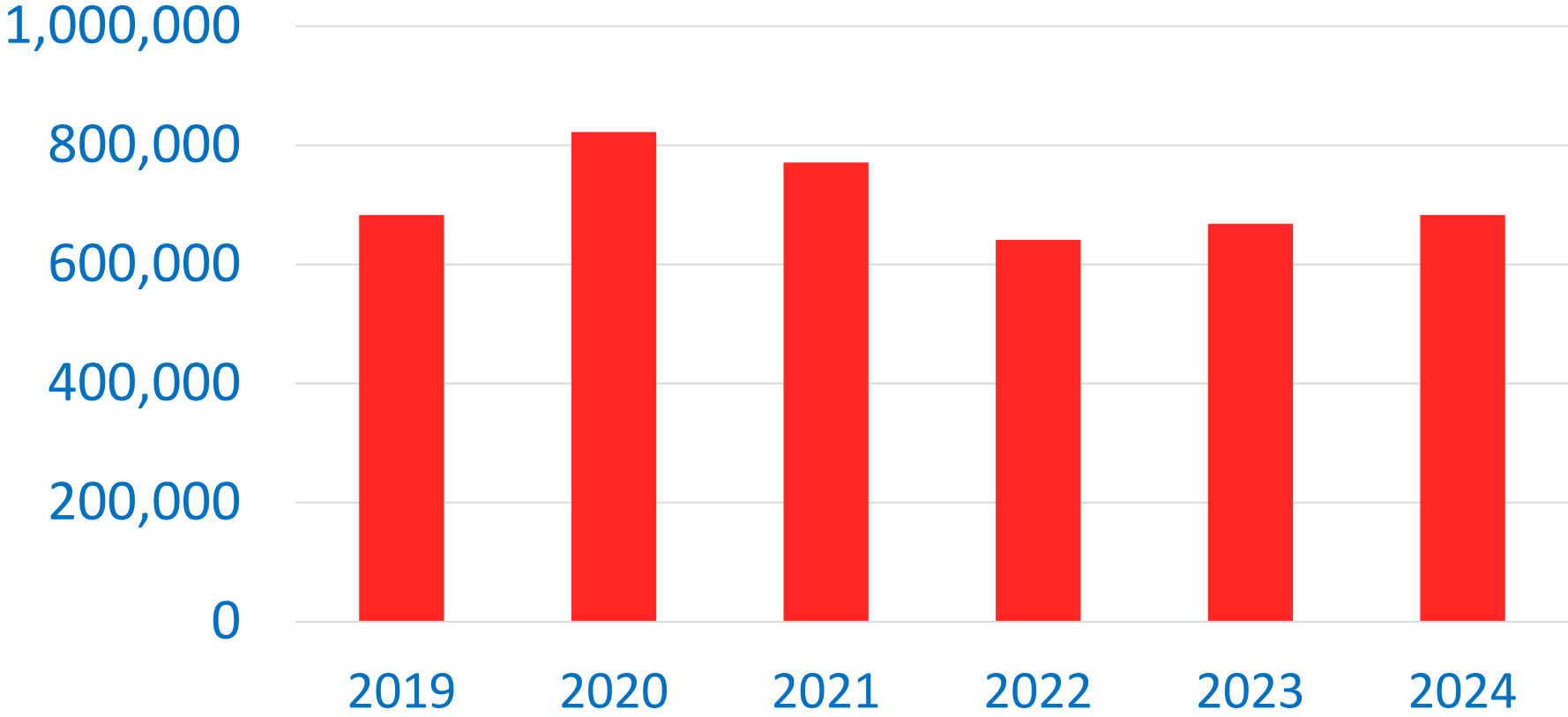
Residential Real Estate

Existing Home Sales ... Two of Most Difficult Years



Source: NAR

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



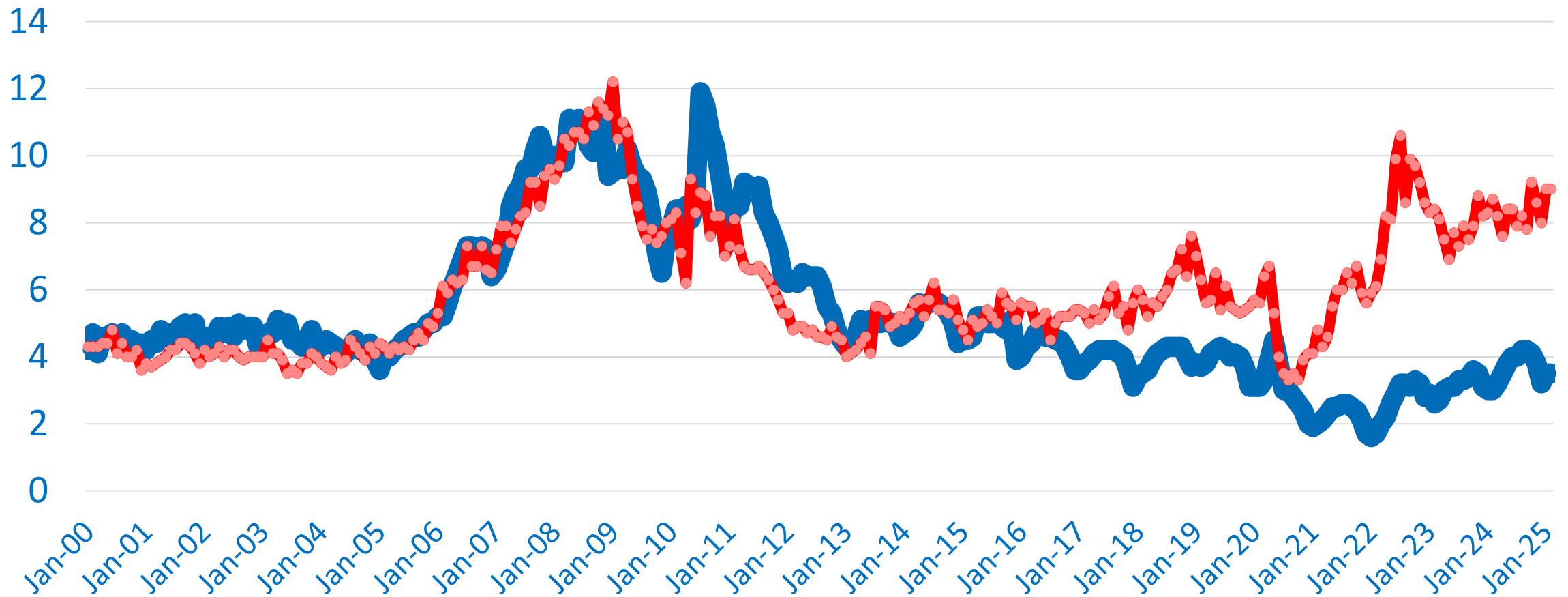
Source: HUD/Census



Months Supply of Inventory

New Homes (red) and Existing Homes (blue)

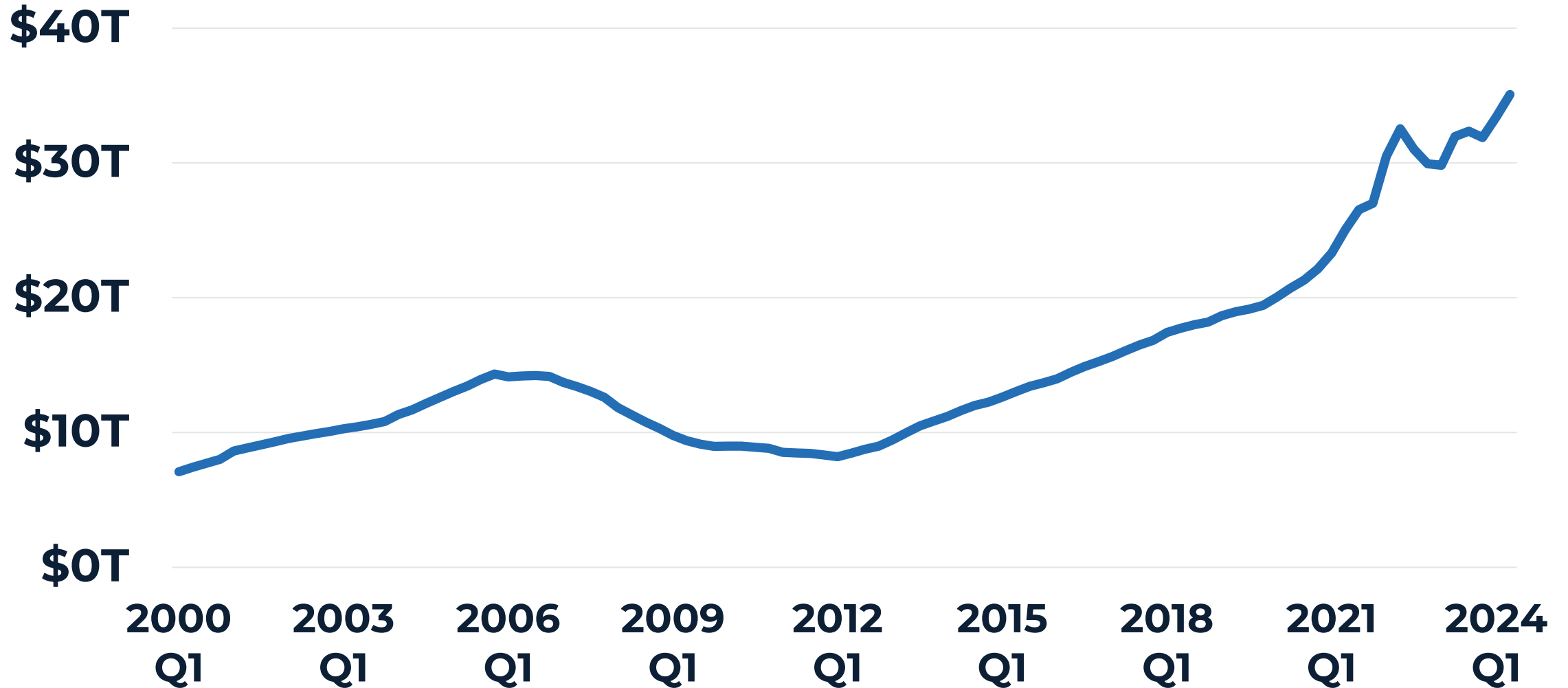
(How many months to exhaust the current inventory at current sales pace)



Source: NAR and Census

Household Equity in Real Estate in U.S.

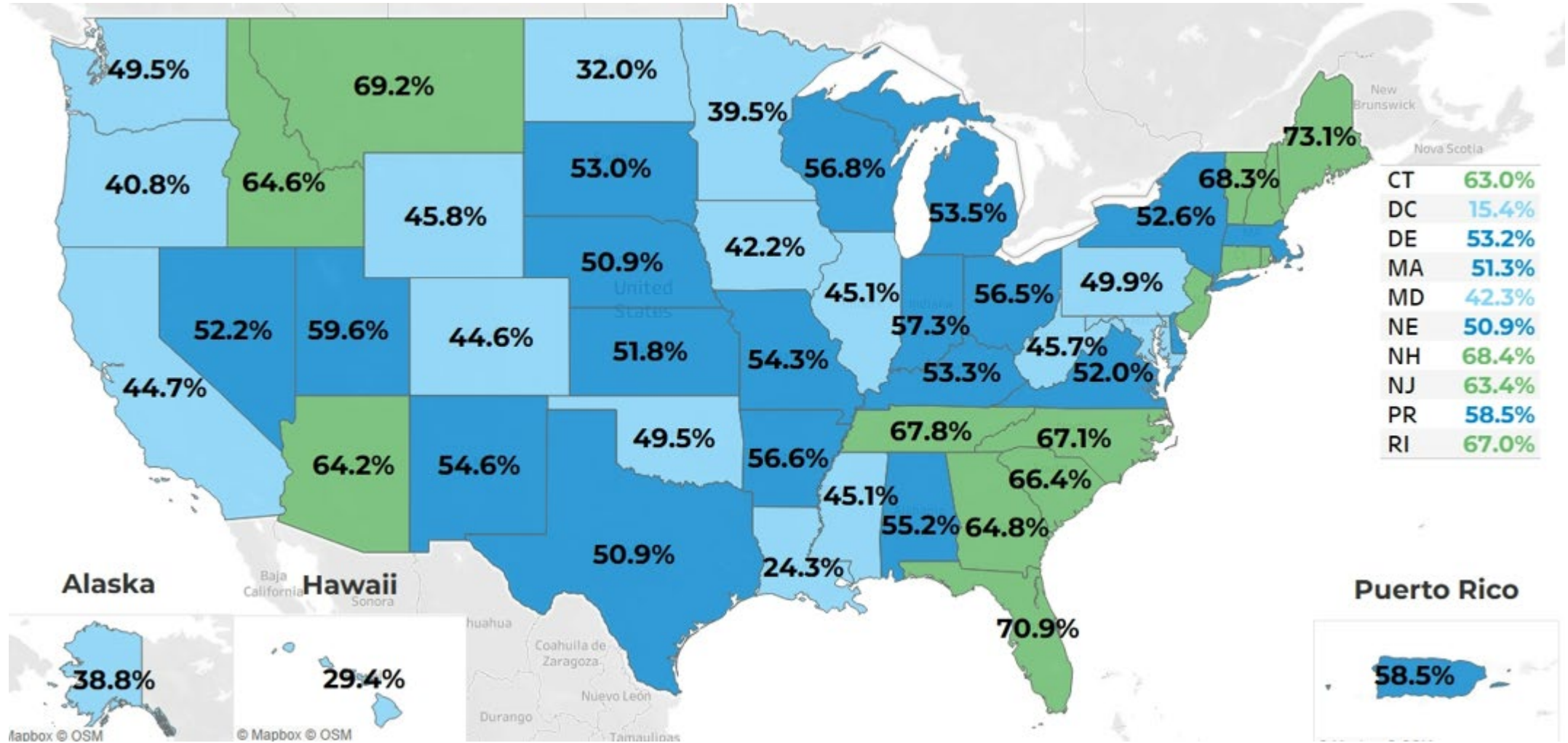
(Can support Consumer Spending even as GDP slows)



Source: Federal Reserve

Home Price Gains Since Pre-COVID

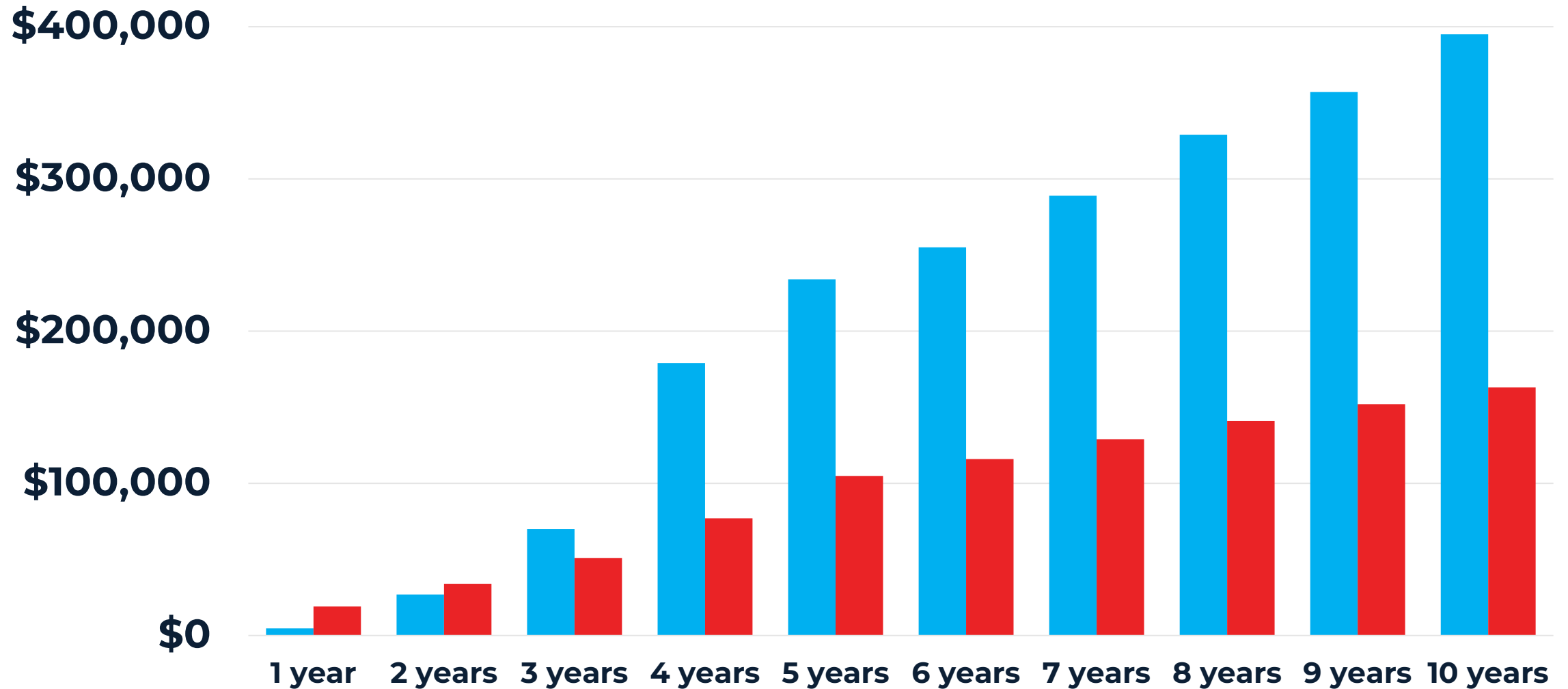
% change from 2020 Q1 to 2024 Q4



Source: NAR Analysis of FHFA data

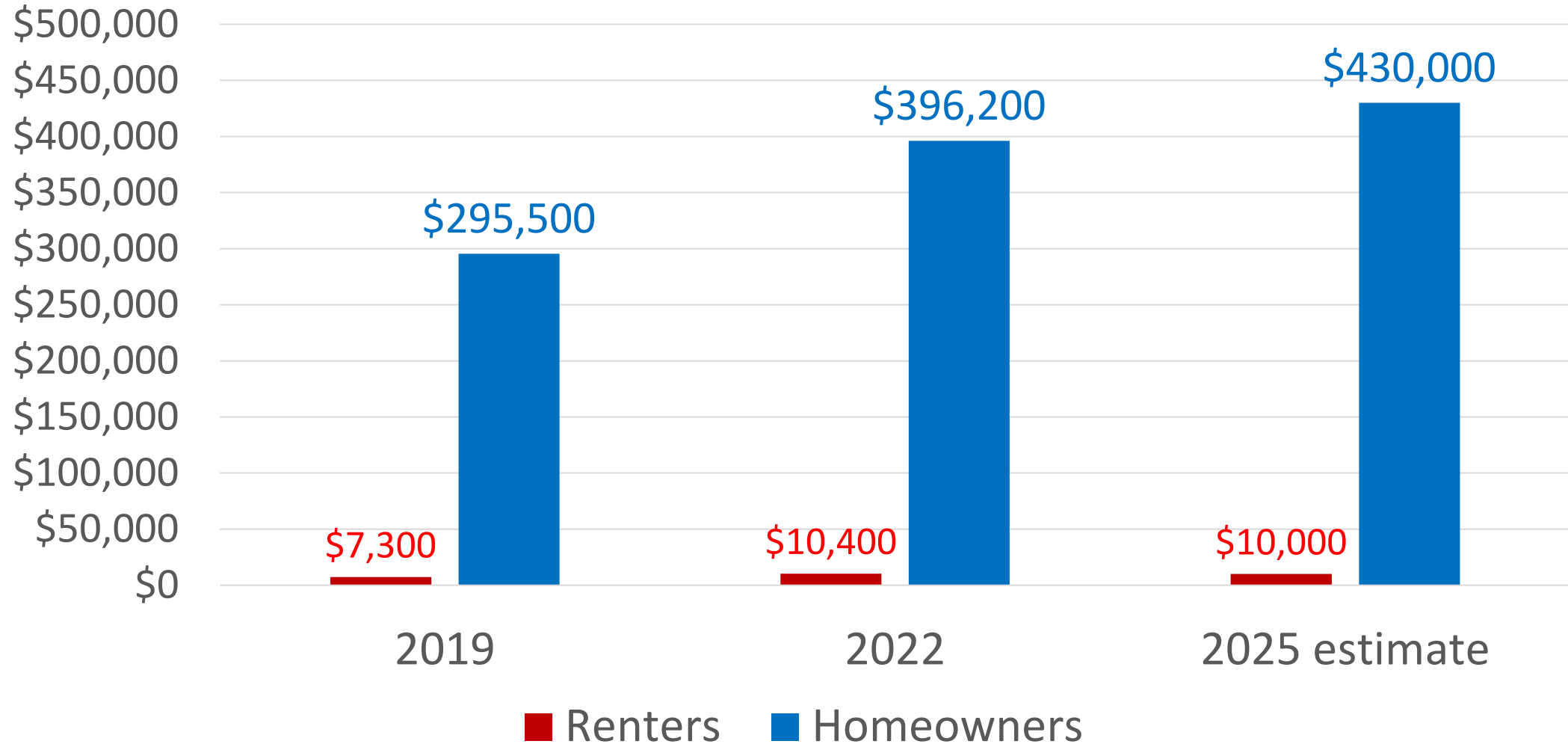
Housing Equity Gain by Years of Ownership

Denver ... Louisville



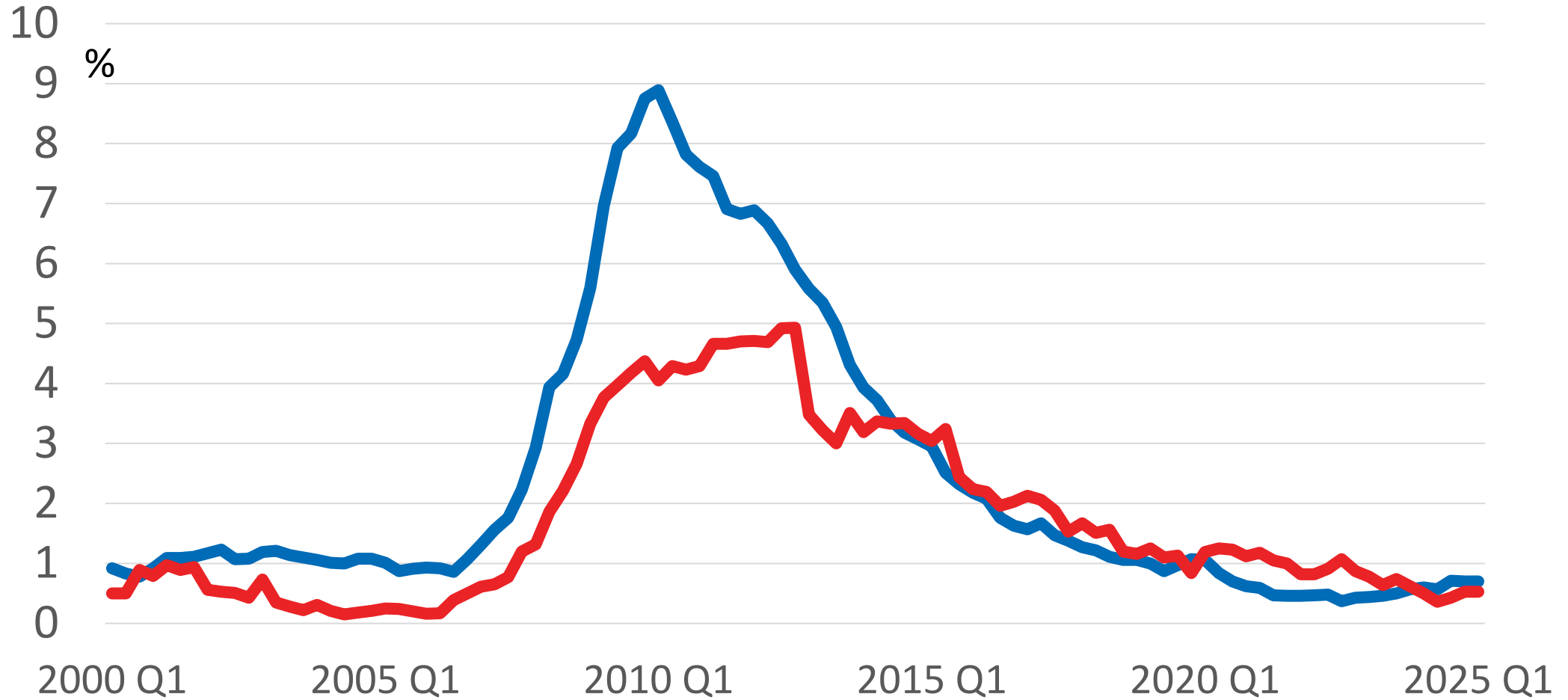
Source: NAR

Median Net Worth between Owners and Renters



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

Mortgage and HELOC Delinquency (Late by 90+ days)



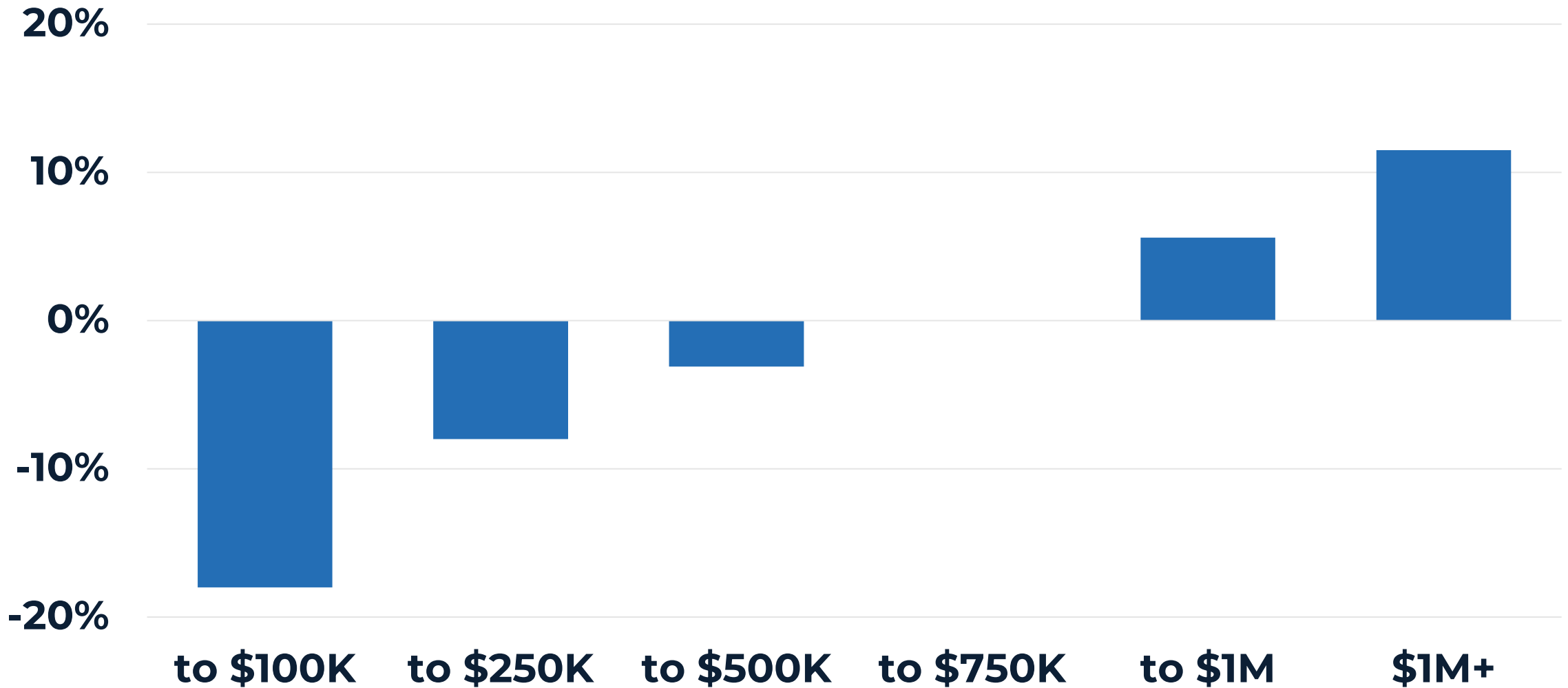
Source: NY Federal Reserve

Recent Monthly Existing Home Sales



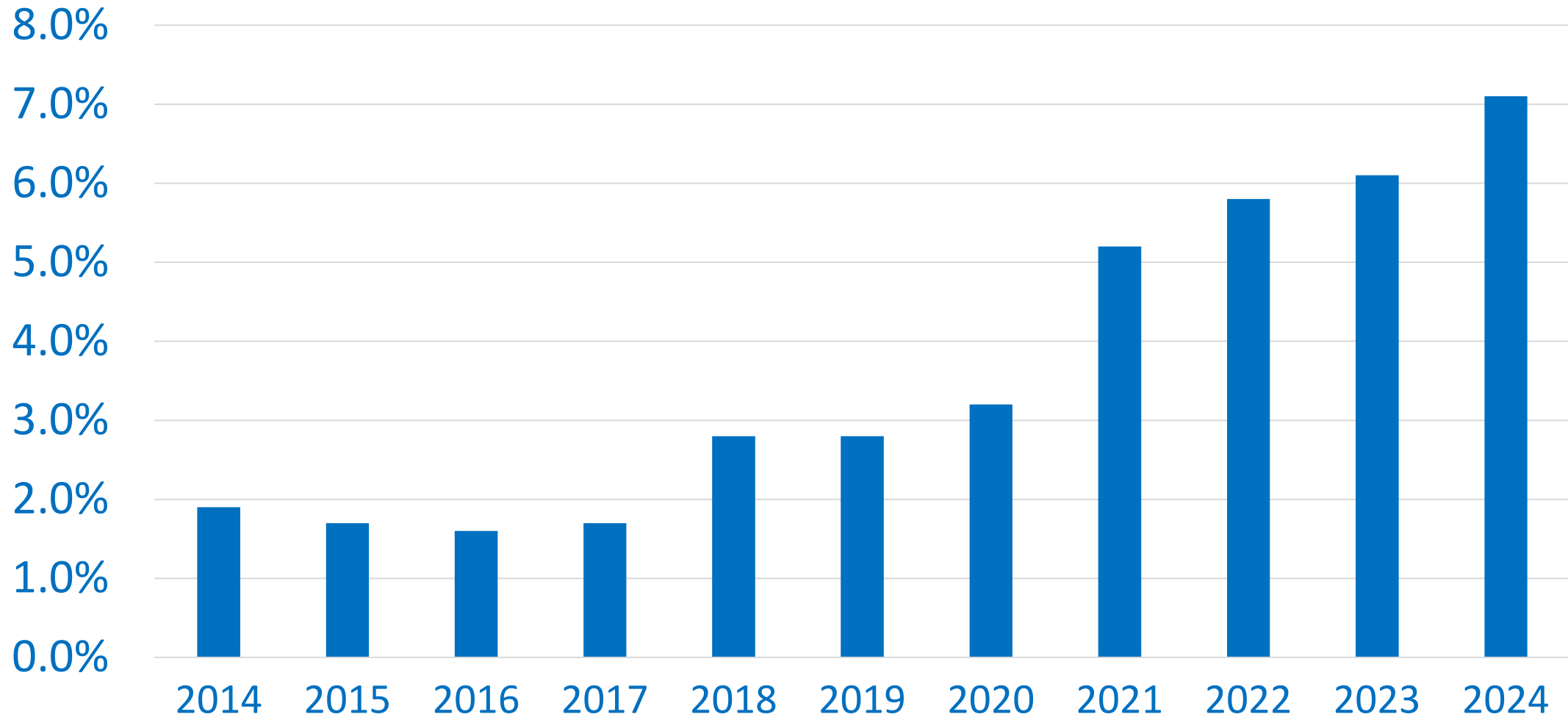
Source: NAR

Home Sales Change by Price Points in February (% change from a year ago)



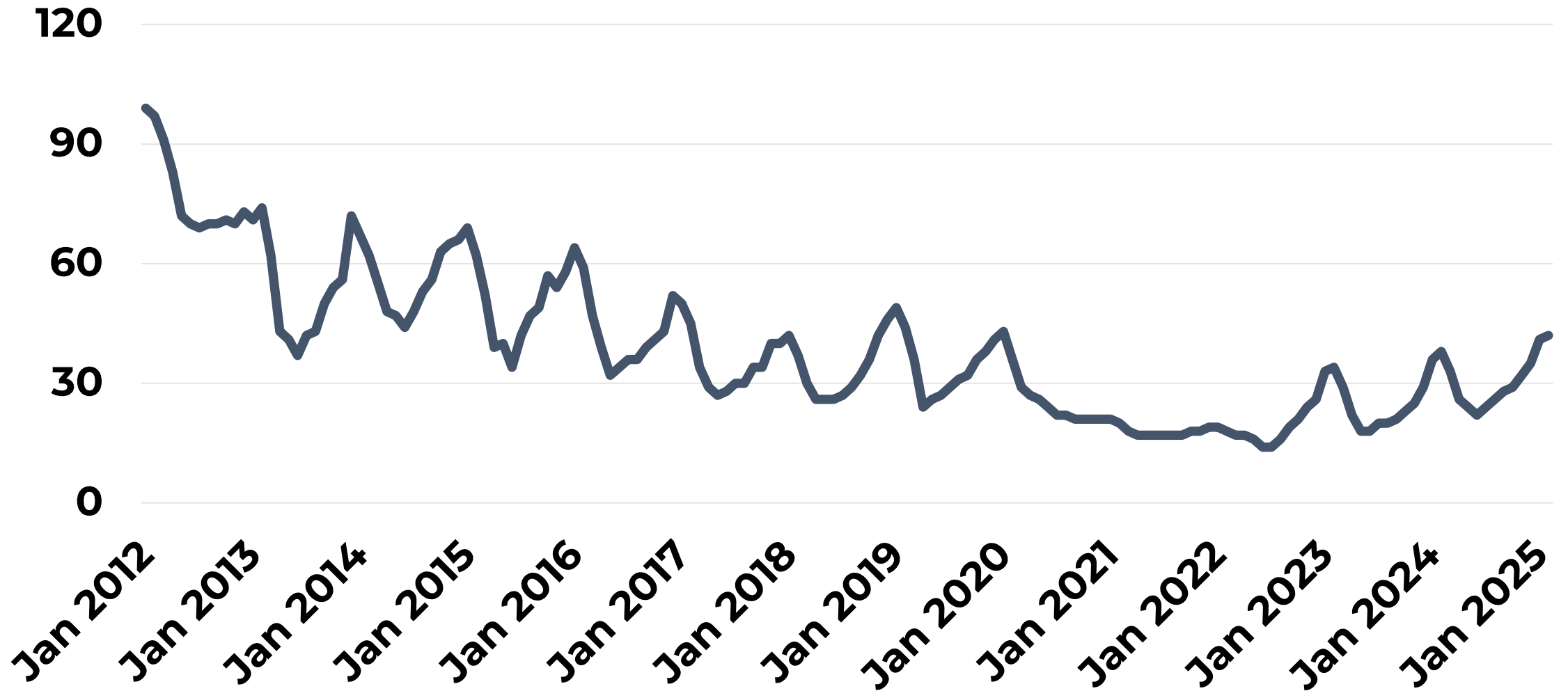
Source: NAR

\$1 million and higher Home Sales Market Share



Source: NAR

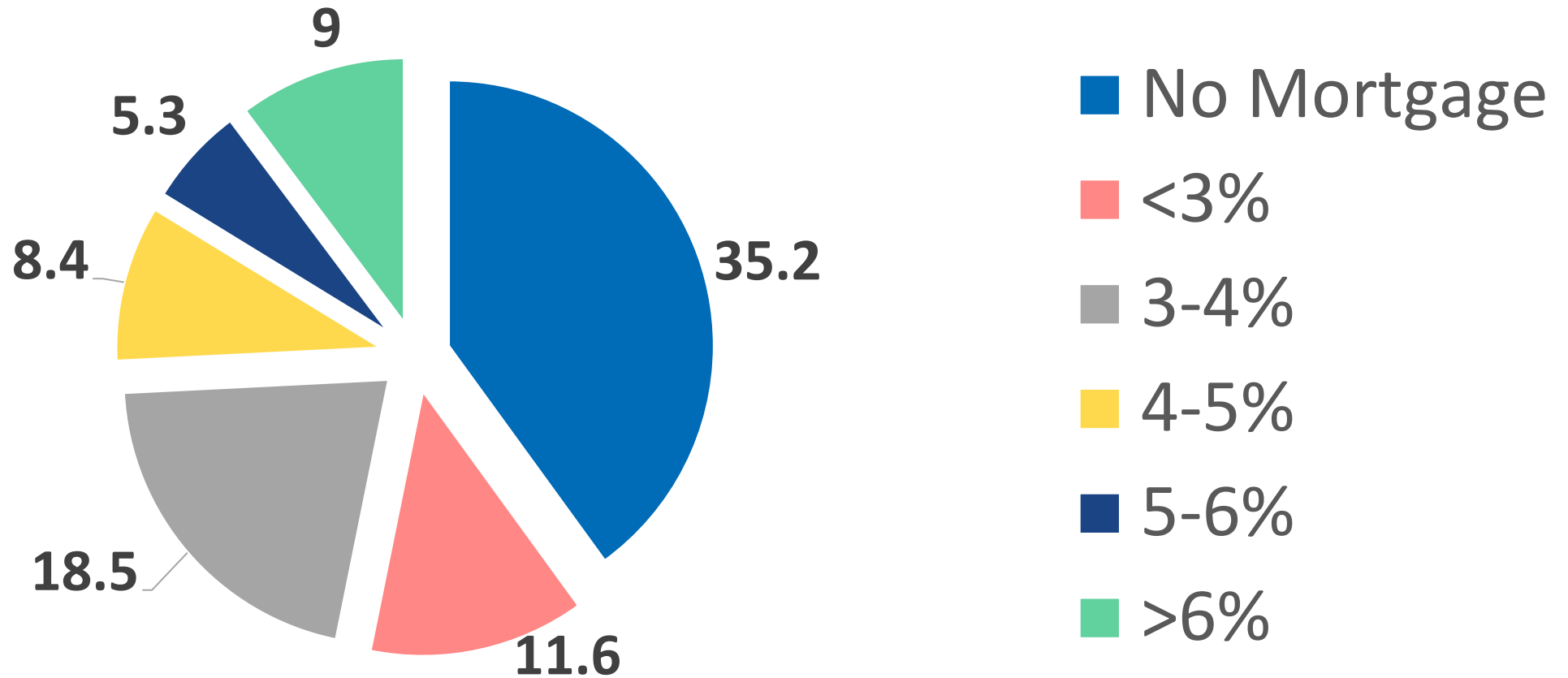
Days on Market (From Listing to Pending Contract)



Source: NAR

88 million Homeowners

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



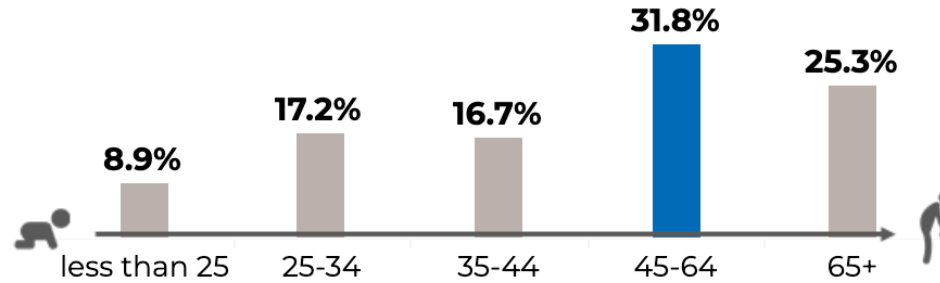
Source: NAR estimate using data on mortgage distribution by FHFA 2024 Q2

Cincinnati ... Demographics

Age

Households: **156,498**

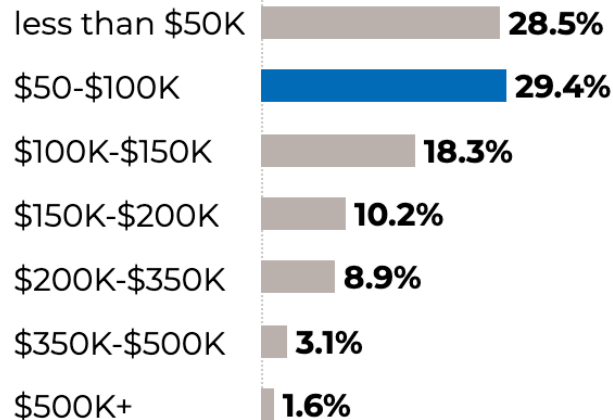
Median Age: **48**



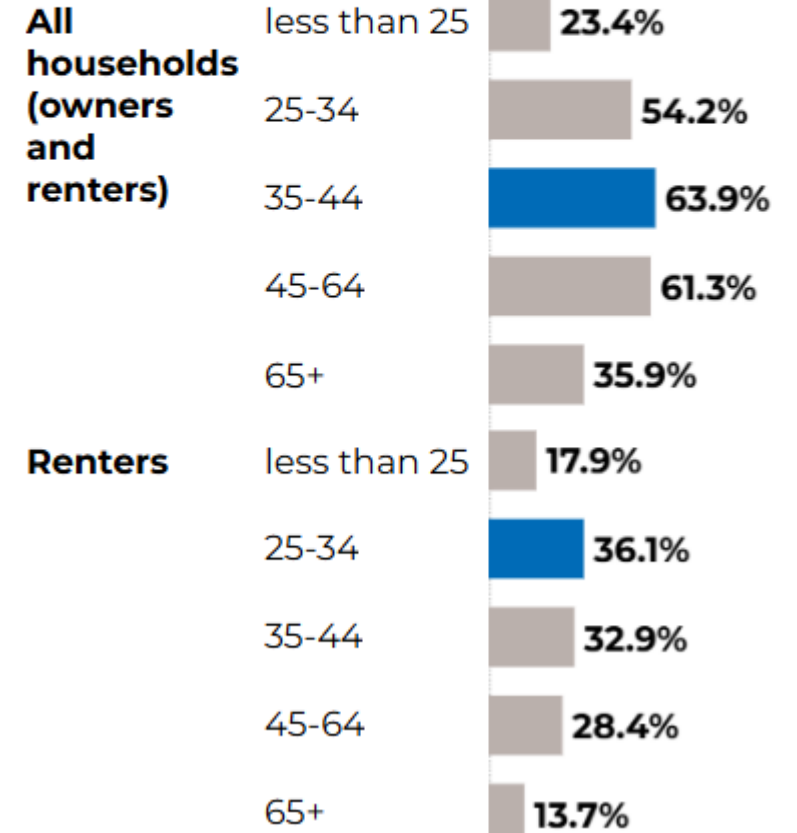
Income

Median household income (2023):
\$83,736

Median family income (current):
\$122,801



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



Source: NY Analysis of Census Data

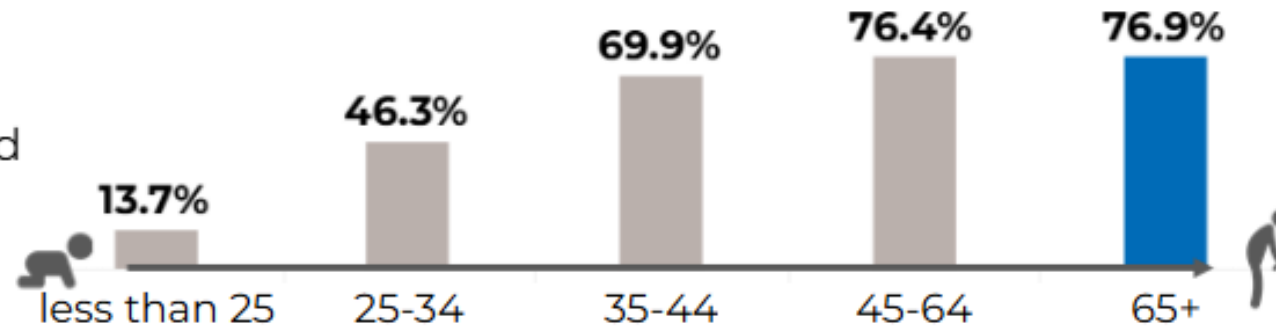
Indianapolis ... Homeownership

Homeownership rate by Age

Median Age

Homeowners: **54** years old

Renters: **39** years old

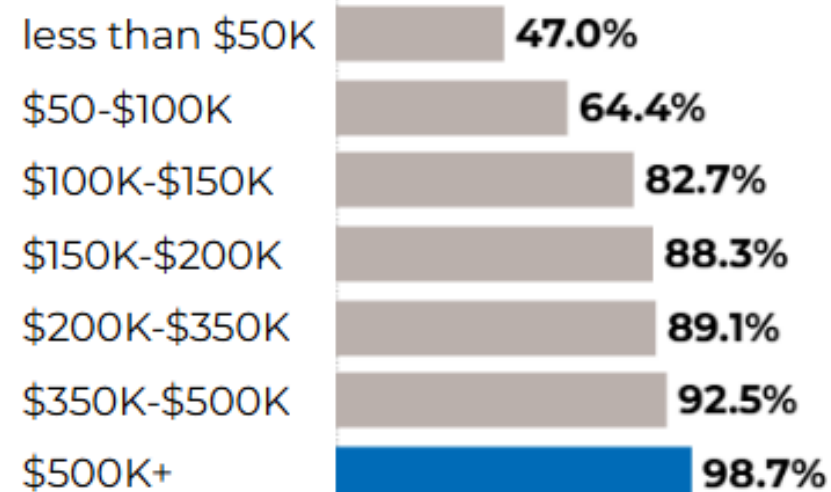


Homeownership rate by Income level

Median household income

Owners: **\$95,543**

Renters: **\$48,485**



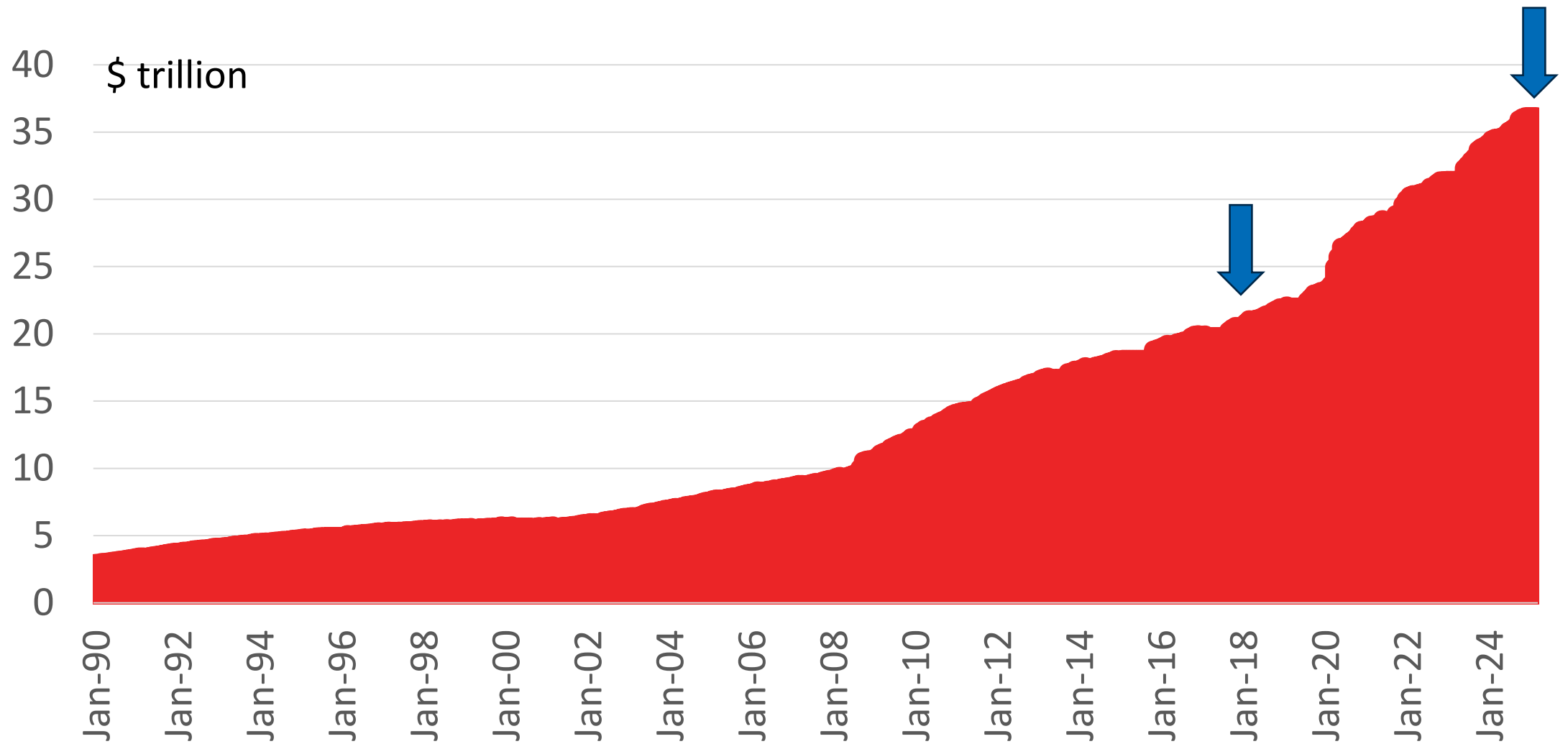
Source: NAR Calculations of 2023 ACS PUMS data

Forecast and Risk

Nationwide Forecast

	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

Risk from National Debt



Source: U.S. Treasury

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