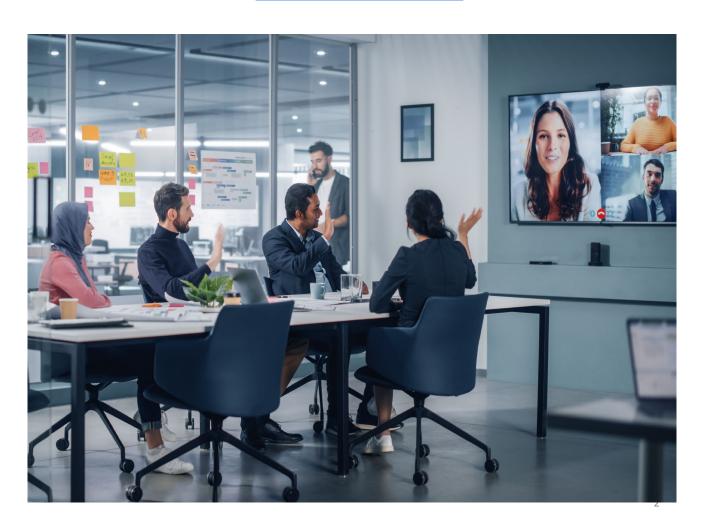
December 2024 Monthly Research Update
National Association of REALTORS® **Research Group NATIONAL** ASSOCIATION OF REALTORS®

## **Event Highlight: Real Estate Forecast Summit**

On **December 12, 2024, from 1:00 – 2:30 p.m. ET**, NAR held a free virtual economic and real estate summit that provided a year-end review of 2024 and an outlook on the real estate market and the economy for 2025.

If you weren't able to attend, a recording of the event is available to REALTORS® as a value-added resource to be used in discussing and strategizing about the market with clients.

View the video recording, presentations, and Housing Hot Spots for 2025 Report here, all free to REALTORS®



#### Data

**Existing-Home Sales** – Existing-home sales grew in November. Sales advanced in three major U.S. regions and remained steady in the West. Year-over-year, sales climbed in all four regions. Total existing-home sales improved 4.8% from October to a seasonally adjusted annual rate of 4.15 million in November. Year-over-year, sales bounced 6.1% (up from 3.91 million in November 2023)

.Pending Home Sales - Pending home sales gained 2.2% in November - the fourth consecutive month of increases and the highest level since February 2023. The Midwest, South, and West experienced month-overmonth transaction gains, while the Northeast decreased. Year-over-year, contract signings increased in all four U.S. regions, with the West leading the pack. The Pending Home Sales Index advanced 2.2% to 79.0 in November. Year-over-year, pending transactions improved 6.9%. An index of 100 is equal to the level of contract activity in 2001.

Housing Affordability Index – Housing affordability decreased to 102.3 in October from 104.9 in September. An index above 100 means that a family with a median income has more than the income required to afford a median-priced home.

**REALTORS® Confidence Index** – 53% of respondents reported that properties sold in less than one month. This is down from a month ago (59%) and down from 62% in November 2023. First-time buyers represented 30% of buyers, slightly up from 27% last month but virtually unchanged from one year ago at 31%. 25% of buyers had all-cash sales, down from 27% one month ago and 27% one year ago.



### Reports

#### **Housing Hot Spots for 2025: Top Markets and Stabilizing Rates**

The year ahead is poised to bring more opportunities for homebuyers as the housing market continues to stabilize. The Federal Reserve is expected to maintain a gradual approach to easing monetary policy in 2025. While concerns about federal deficits and rising public debt may cap the extent of those rate cuts, borrowing costs are anticipated to stabilize overall, offering some relief to prospective buyers. However, mortgage rates are unlikely to return to the ultralow levels seen during the pandemic or the pre-pandemic levels. Affordability will remain a concern for many, particularly in high-demand markets. The National Association of REALTORS® forecasts mortgage rates to stabilize near 6% in 2025, likely establishing a new normal.

#### **2024 Profile of Home Buyers and Sellers**

For most home buyers, the purchase of real estate is one of the largest financial transactions they will make. Buyers purchase a home not only because of the desire to own a home but also because of changes in jobs, family situations, and the need for a smaller or larger living area. This annual survey is conducted by the NATIONAL ASSOCIATION OF REALTORS® of recent home buyers.

#### **2024 Migration Trends Report**

With rapidly changing buyer preferences and abilities, there has been a lot of migration within the United States over the past few years. As seen in the chart to the right, southern states such as Florida, Texas, and the Carolinas have been big winners in these domestic migration patterns, largely led by more affordable conditions and opportunities. According to U.S. Census Bureau data, 42% of these moves were driven by housing reasons, 26% for family reasons, 16% for employment reasons, and only one percent moved due to climate-related reasons.

#### **Residential Real Estate Market Snapshot**

The Residential Real Estate Market Snapshot Report, updated monthly, provides important insight into the economic indicators that affect the housing market, such as interest rates, mortgage rates, employment, and inflation. October marked the beginning of the last quarter of 2024 with no changes in the Effective Federal Funds Rate and a slight increase in inflation and mortgage rates. However, gradual rate cuts are set to continue in November, which will help mortgage rates stabilize in the coming year. Inventory increased in October, further contributing to the consistent growth in housing supply since the start of the year. Despite the modest rise in mortgage rates, continuous job additions and growing housing supply are bringing more buyers to the market.

## Articles on the Economy

#### Instant Reaction: Fed Funds Rate, December 18, 2024

Despite the cuts to the short-term interest rates by the Federal Reserve, mortgage rates have largely refused to budge.

## <u>Property Tax Trends by State and County: What's Changed</u> Since 2019?

Between the pre-pandemic period and last year, the national median annual tax surged by 23%, climbing from \$2,480 in 2019 to \$3,045 in 2023.

#### Instant Reaction: Mortgage Rates, December 5, 2024

The average 30-year fixed mortgage rate from Freddie Mac fell to 6.69% from 6.81% last week.

# National Native American Heritage Month: Key Insights on Population, Demographics, and Homeownership Trends

In celebration of Native American Heritage Month, we're sharing insights to deepen our understanding of homeownership trends in Native communities.

## Home for the Holidays: The Rise of Multi-Generational Home Buying

For a growing number of Americans, being under one roof isn't just seasonal—it's a permanent lifestyle.

## A Decade of Soaring Home Prices: Where Affordability Still Thrives

Despite the significant rise in home prices nationwide, certain areas remain relatively affordable compared to other parts of the country.

