Real Estate and Economic Outlook

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National Association of REALTORS®

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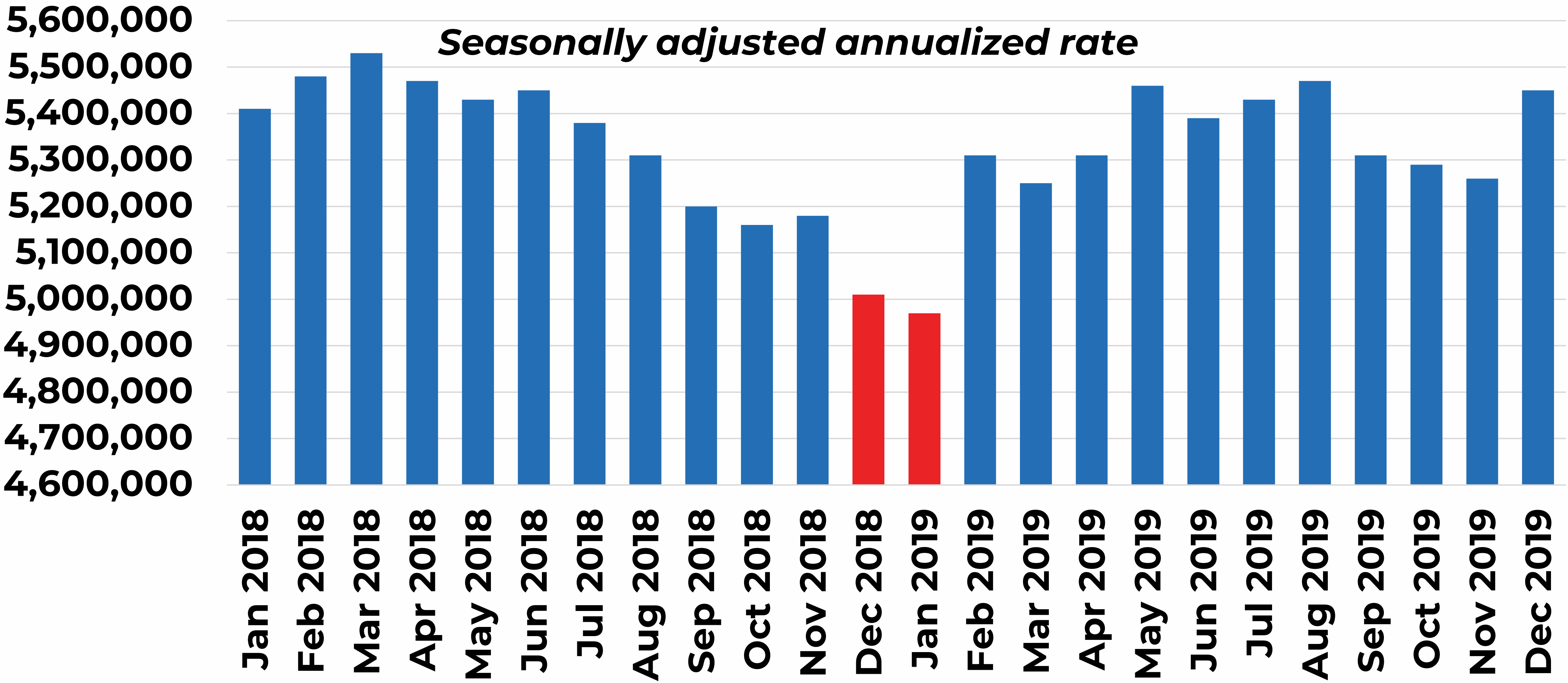
Monthly Existing-Home Sales
Government Shutdown (Dec 22, 2018, to Jan 25, 2019)



Source: NAR

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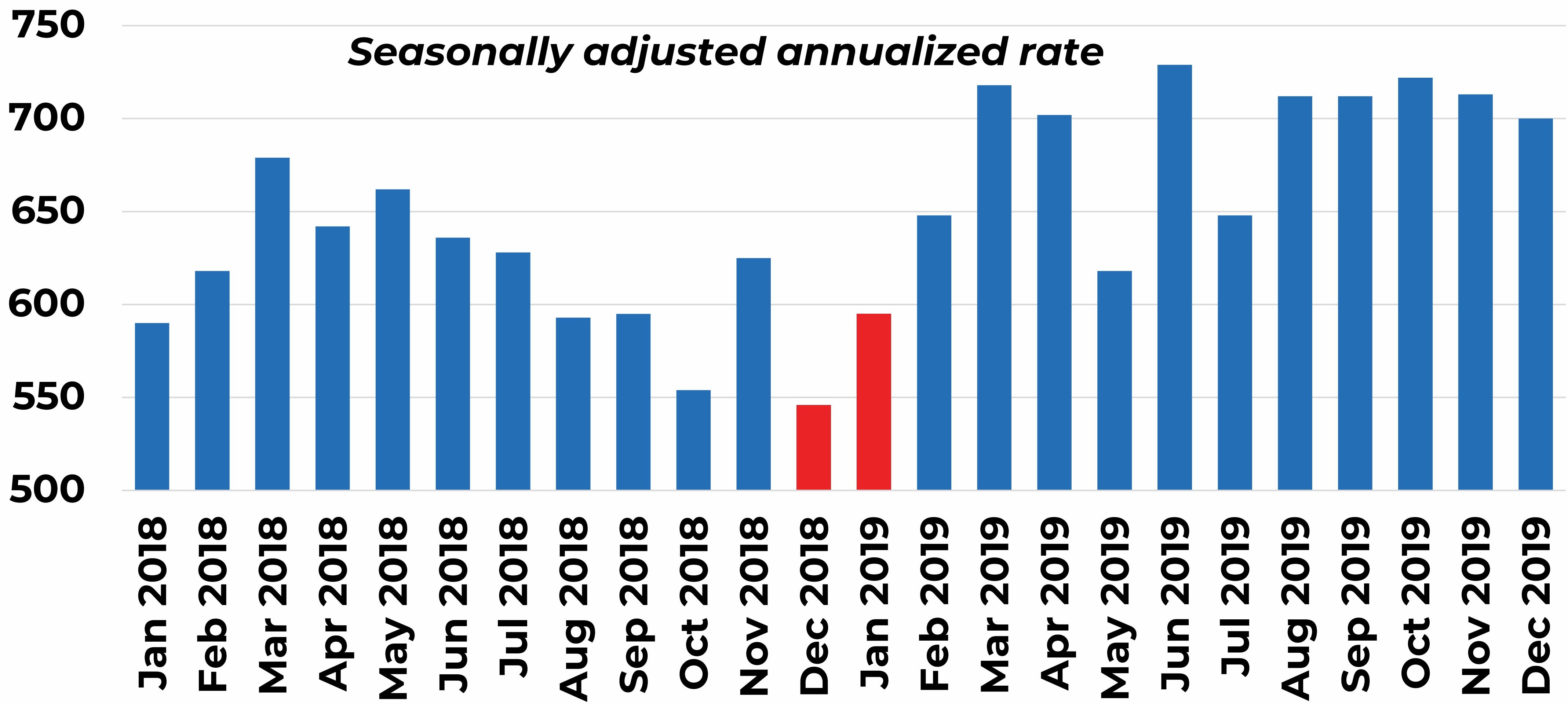
Monthly New Home Sales Contracts

Government Shutdown (Dec 22, 2018 to Jan 25, 2019)



Source: HUD

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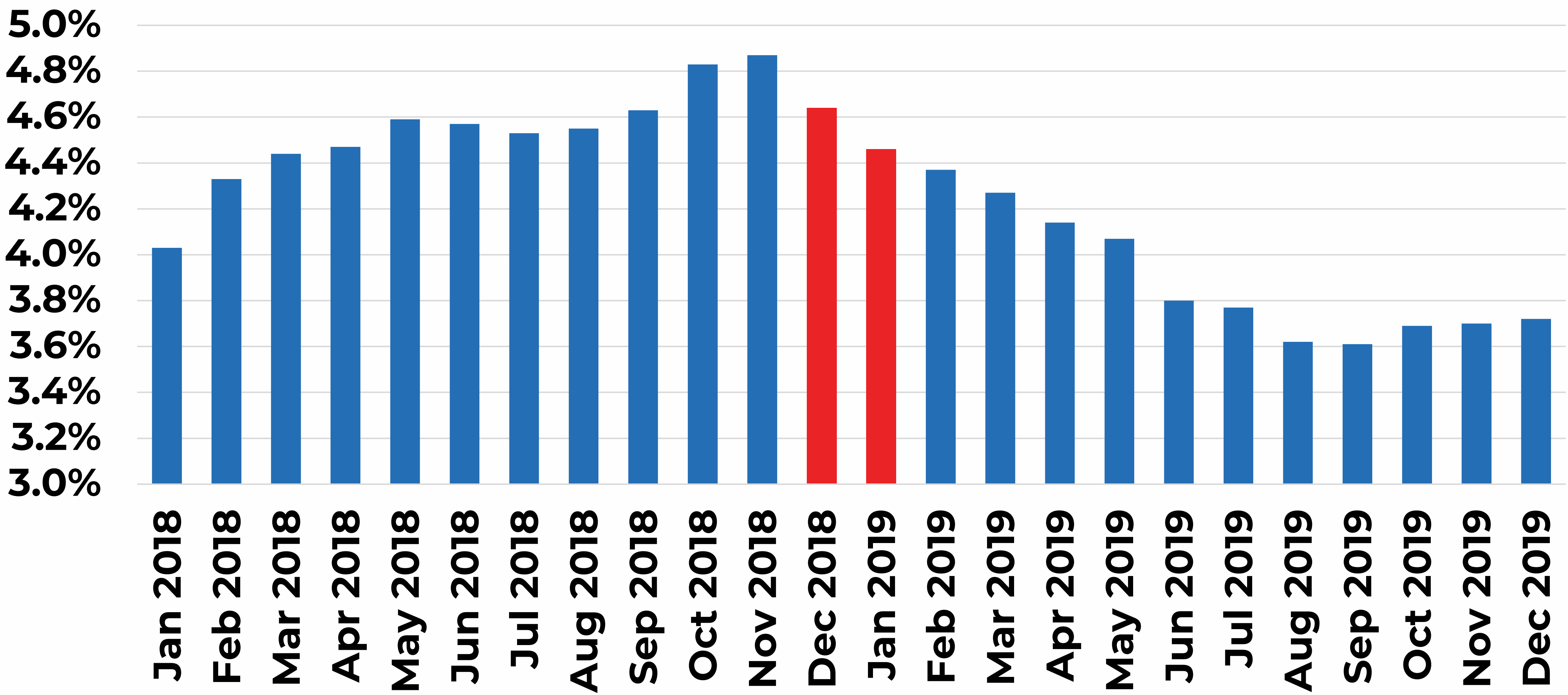
30-Year Fixed Mortgage Rates

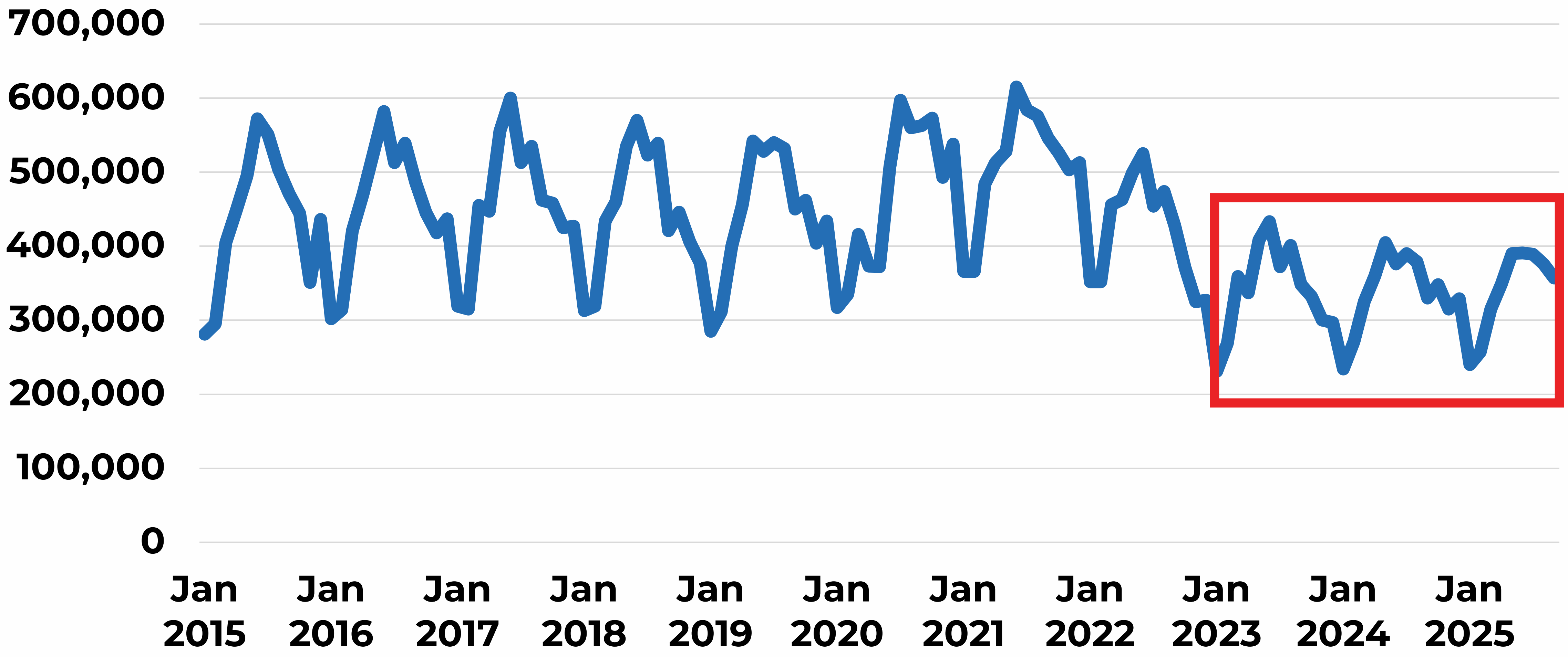
Falling After Government Shutdown in 2019



Source: Freddie Mac Mortgage Rate

Latest Existing-Home Sales

Raw Monthly Count



Source: NAR

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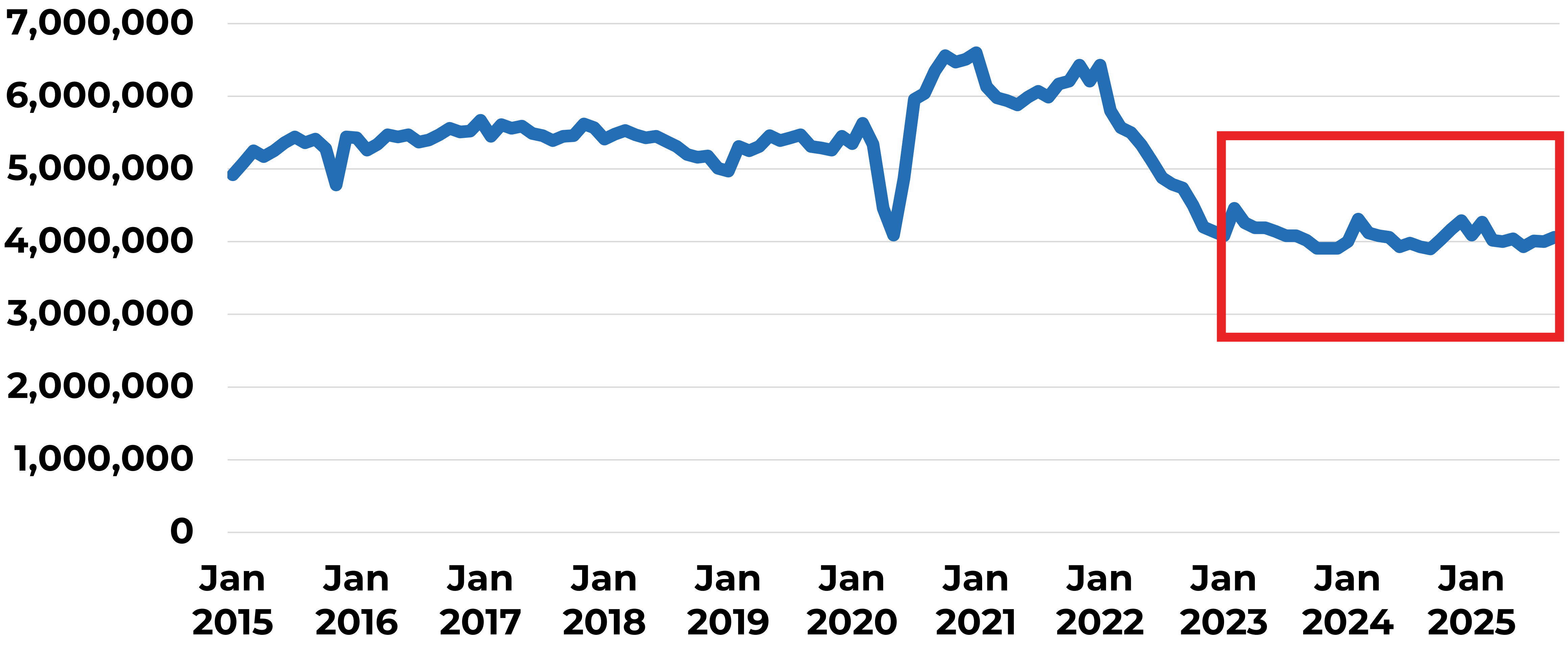
Existing-Home Sales
Seasonally Adjusted Annualized Rate



Source: NAR

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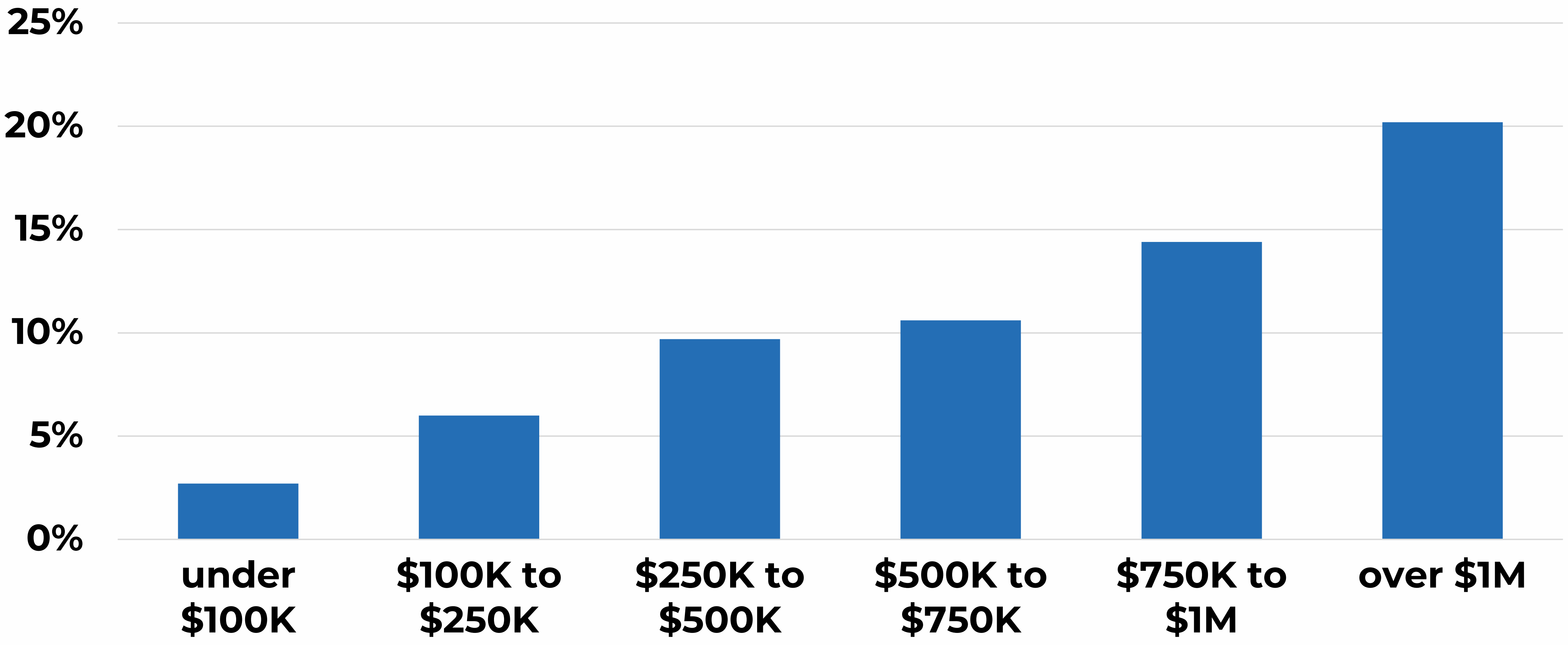
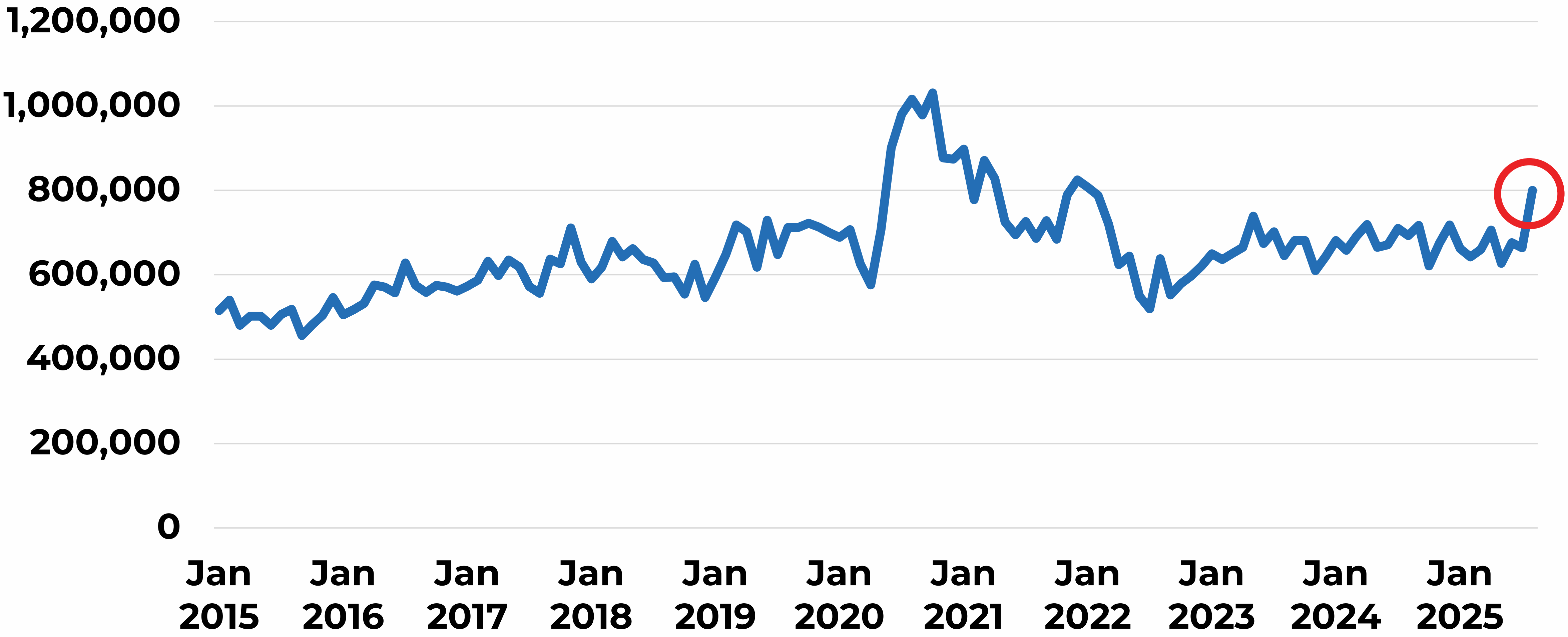
Home Sales Change by Price Category
(% change from September 2024 to September 2025)



Source: NAR

Monthly Newly Constructed Home Sales (Contracts) in August — No Data Since Then Due to Shutdown



Source: Census

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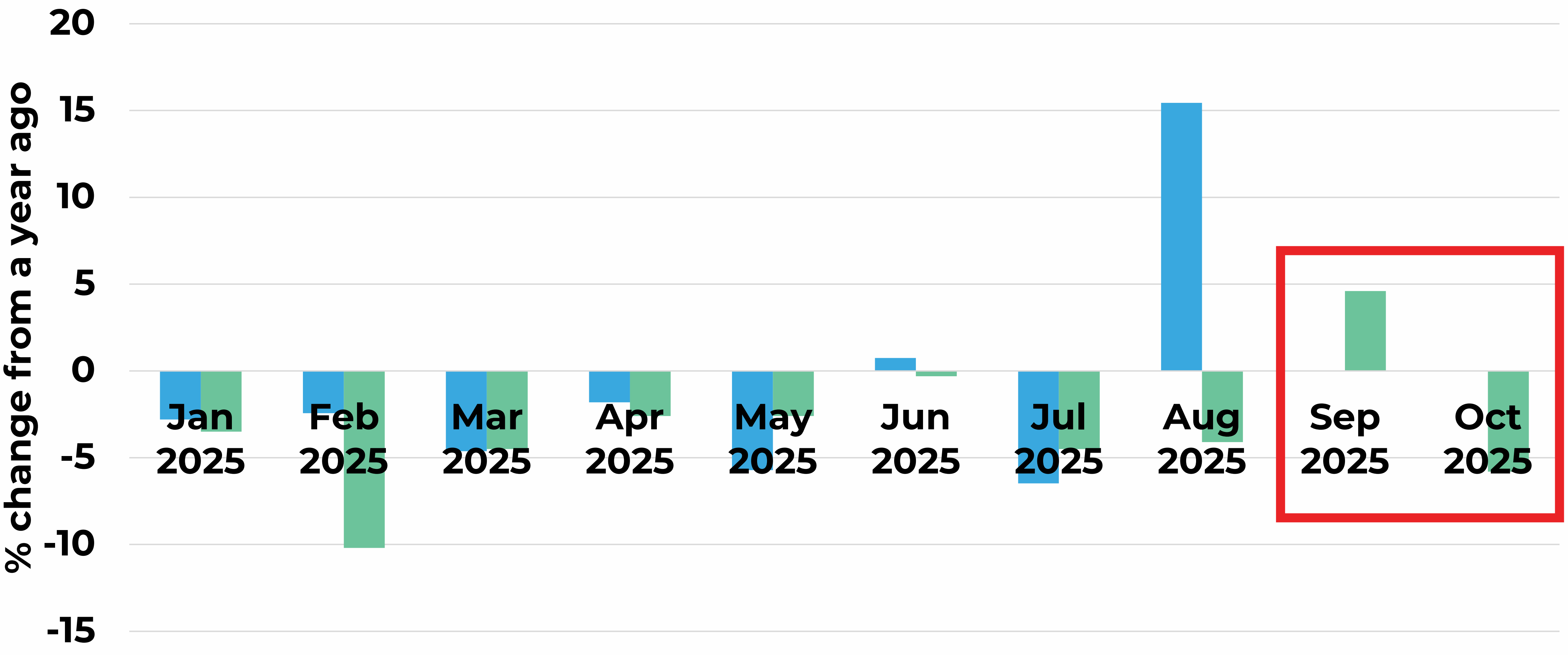
New Home Sales During Shutdown

(Official Pending and Unofficial NAR Estimate on Closing)



Source: Census/HUD and NAR

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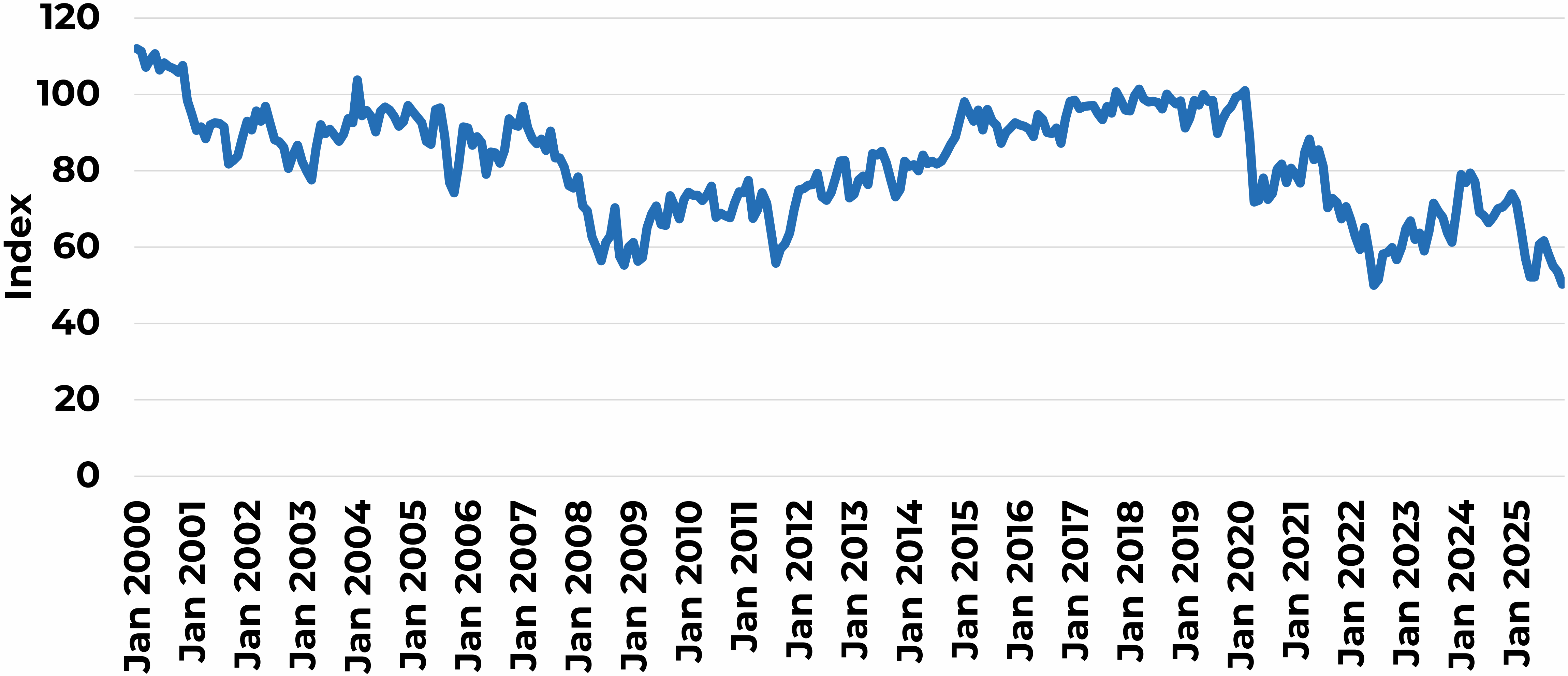
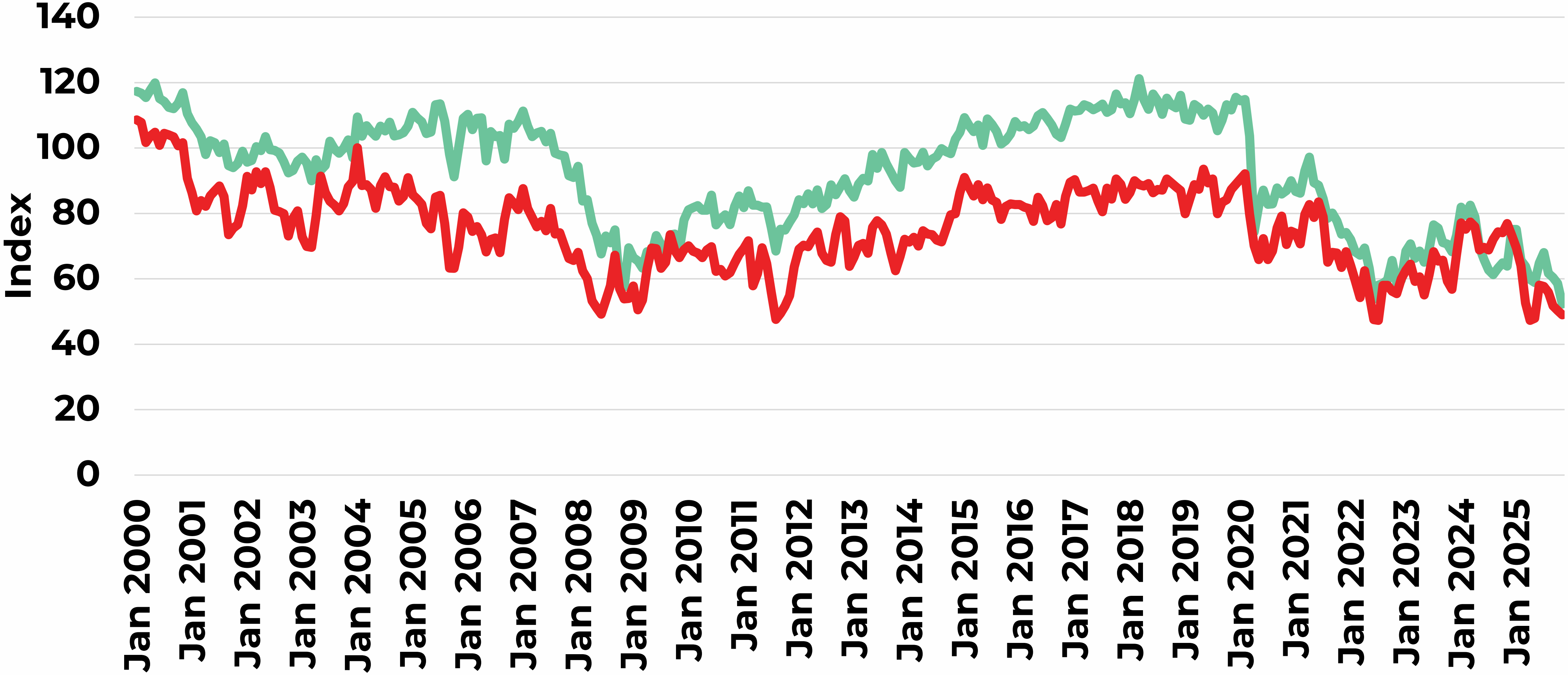
Consumer Sentiment
(Overall Index)



Source: University of Michigan

Consumer Sentiment about Future and Present



Source: University of Michigan

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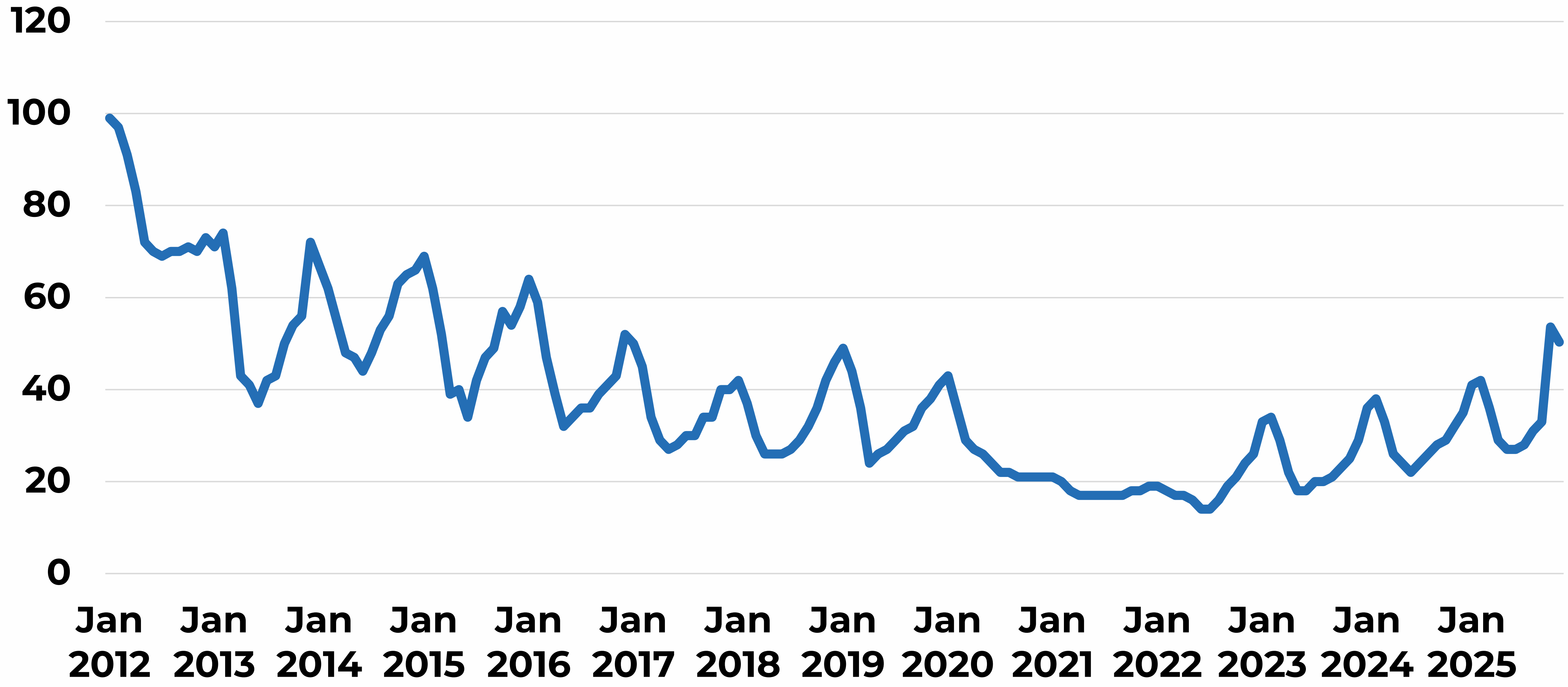
Days on Market Rising Due to Seasonality and Shutdown (From Listing to Ratified Contract)



Source: NAR

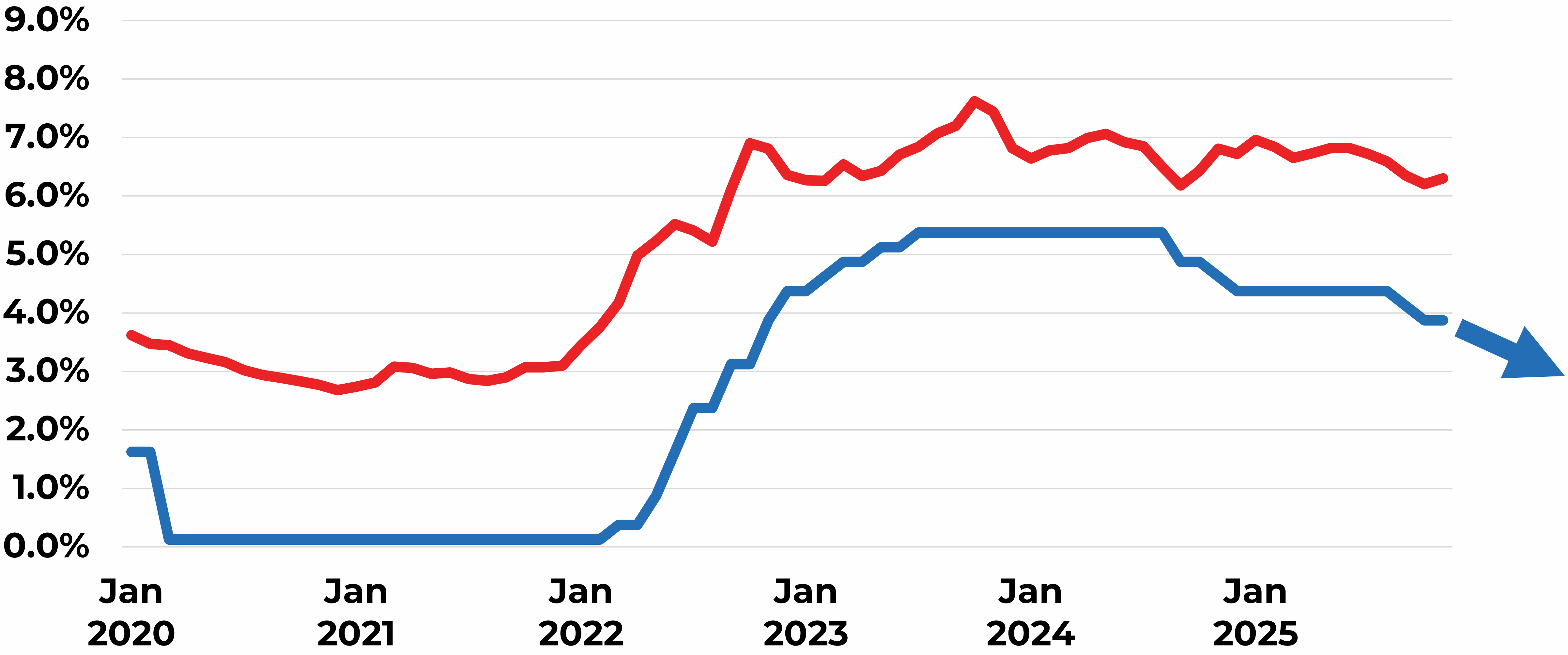
Price Reduction from List Price to Contract and then to Closing ~~in Sept.~~ in Oct.

As of October 1st

Days on Market	Price Reduction from List to Contract	Price Reduction from List to Closing
0 to 14	~~4.9%~~ 4.9%	~~4.9%~~ 4.9%
15 to 30	~~5.0%~~ 5.0%	~~5.7%~~ 6.1%
31 to 60	~~5.7%~~ 5.8%	~~7.1%~~ 7.3%
61 to 90	~~6.8%~~ 7.0%	~~8.8%~~ 9.0%
91 to 120	~~8.0%~~ 8.1%	~~10.5%~~ 10.6%
More than 120	~~10.6%~~ 10.5%	~~13.5%~~ 13.8%

Source: NAR

Mortgage Rates (red)
Fed Funds Rate (blue)



Source: Federal Reserve and Feddie 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 tax revenue over 10 years)**
- **Inflation**
- **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**

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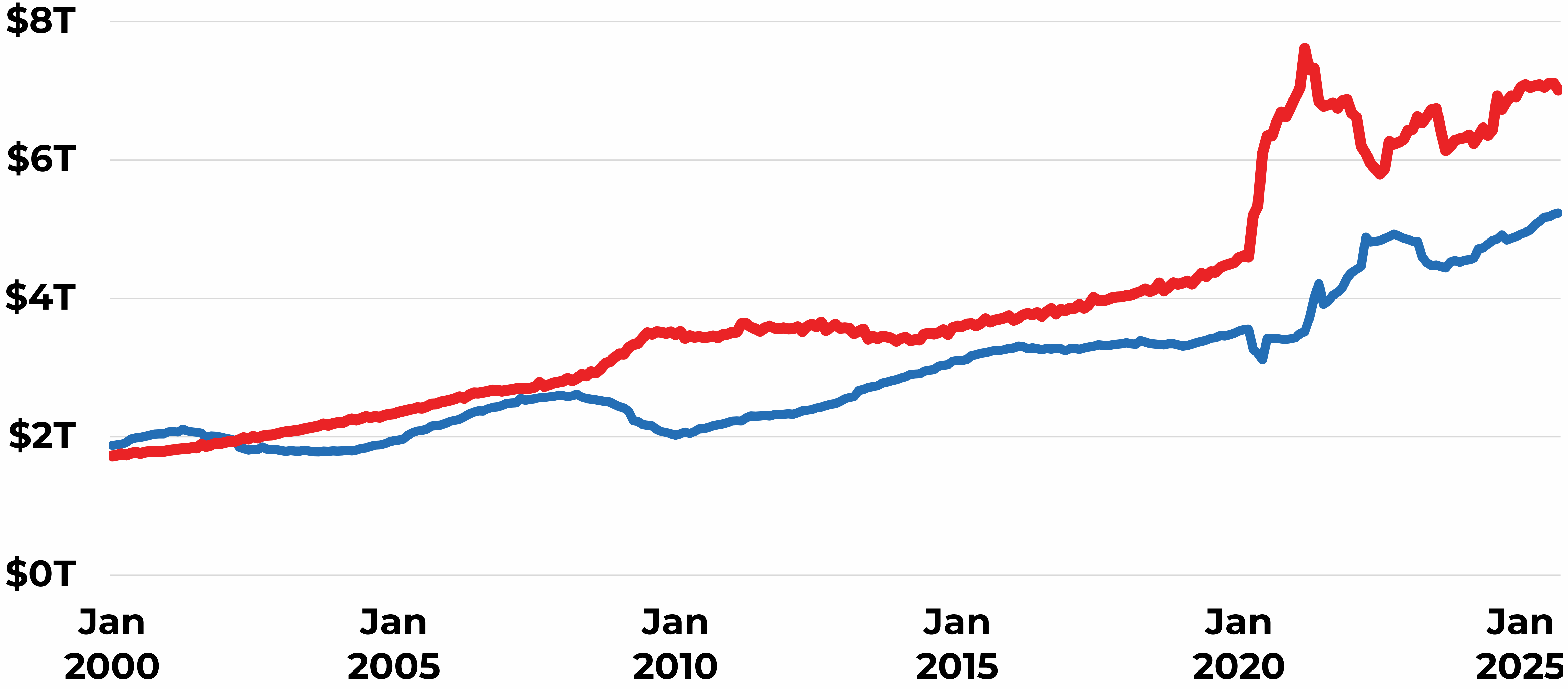
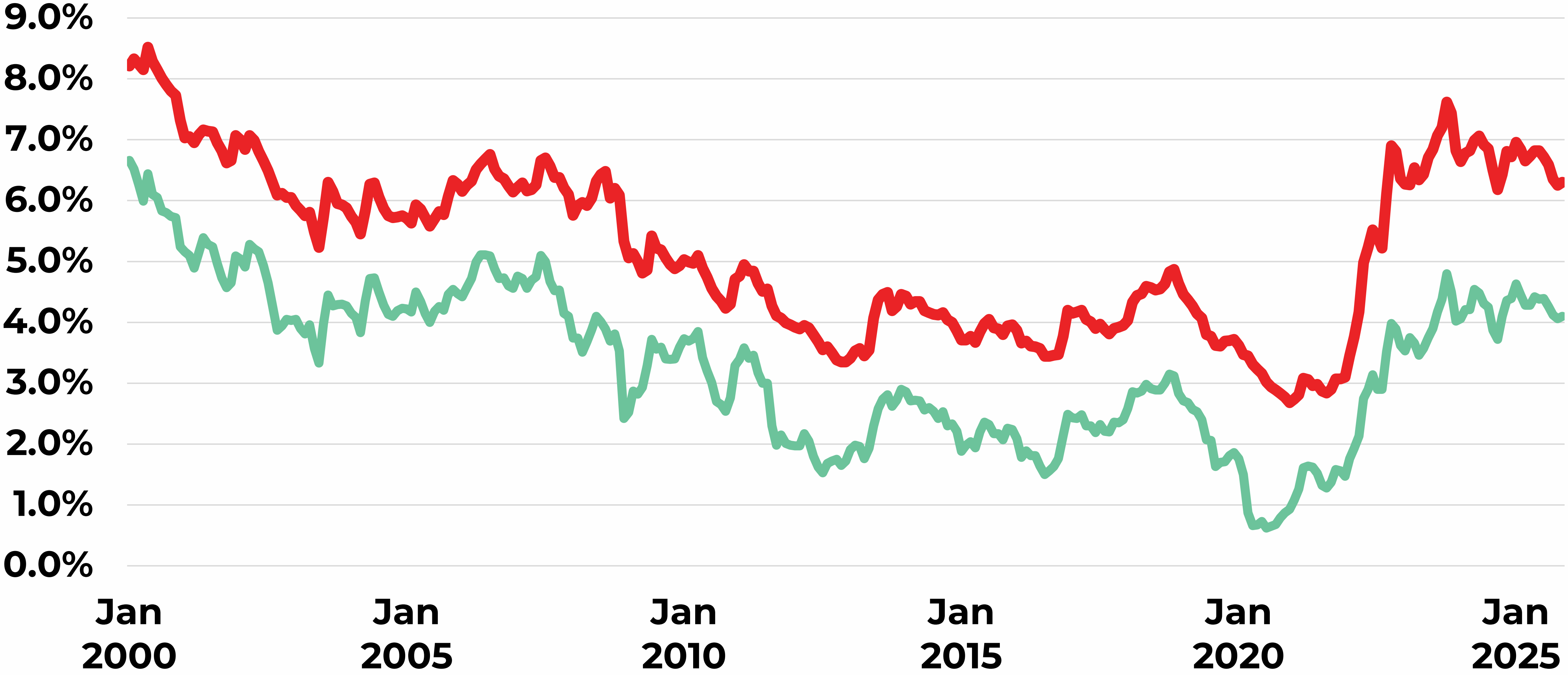
Federal Government Outlays and Receipts
(rolling 12-month total)



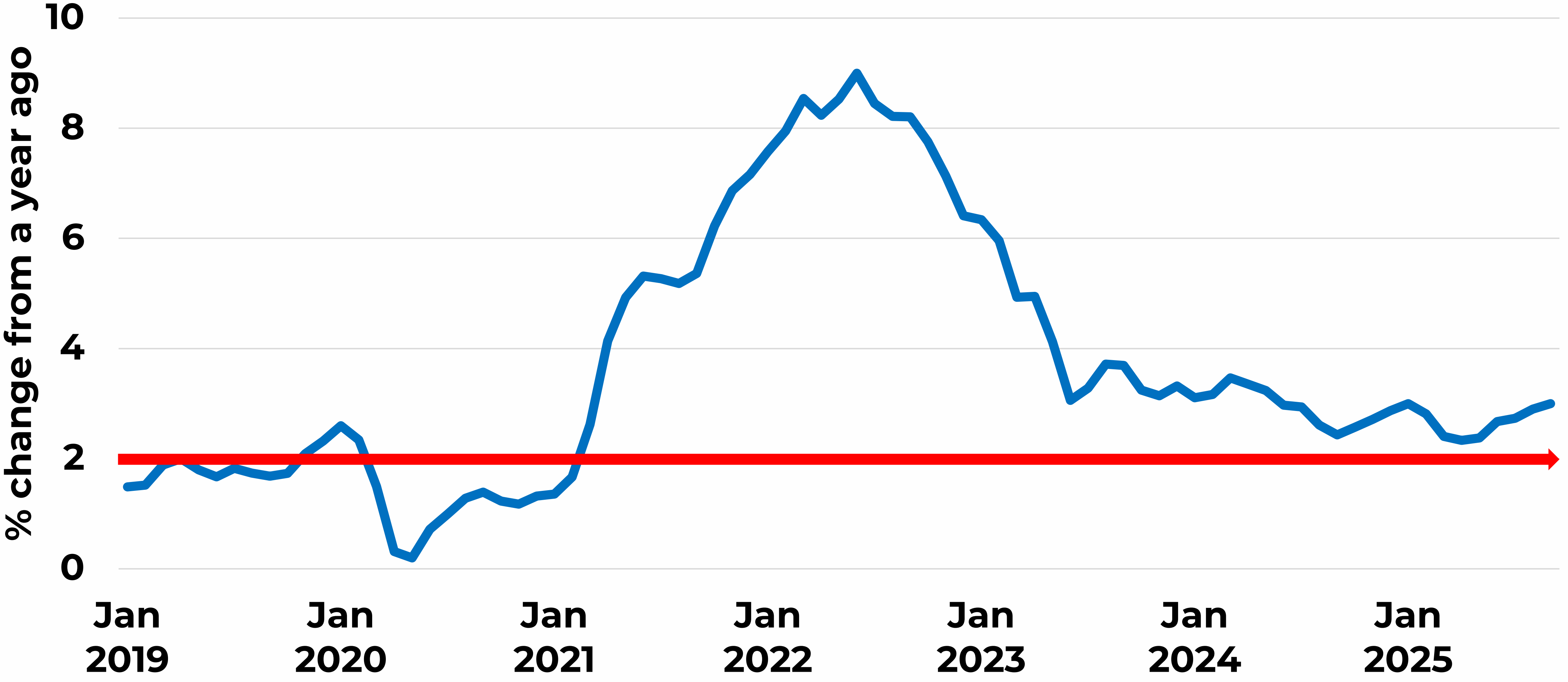
Source: NAR analysis of monthly Treasury statements

10-year Treasury
Mortgage Rates



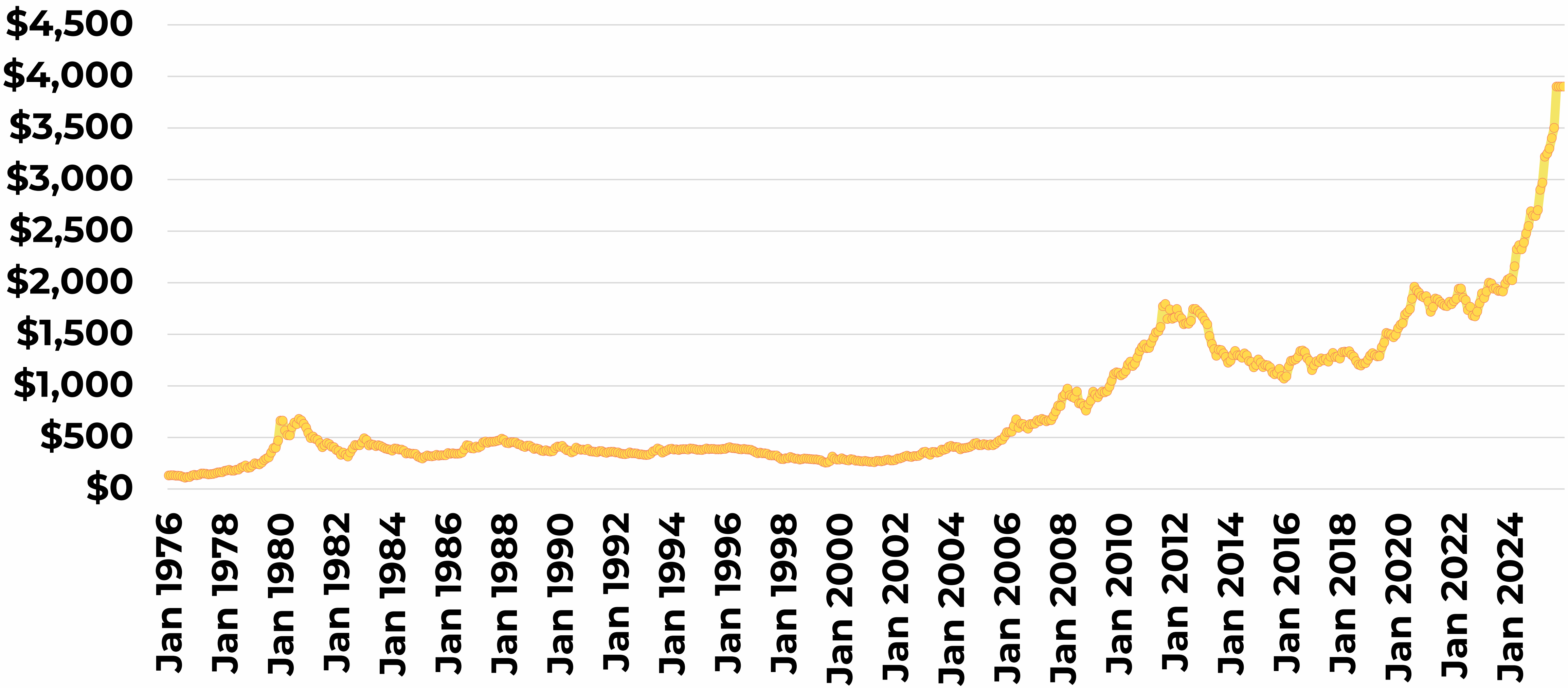
Source: Federal Reserve and Freddie Mac Mortgage Rate

Consumer Price Inflation at 3.0% in September — Still Above 2% Target



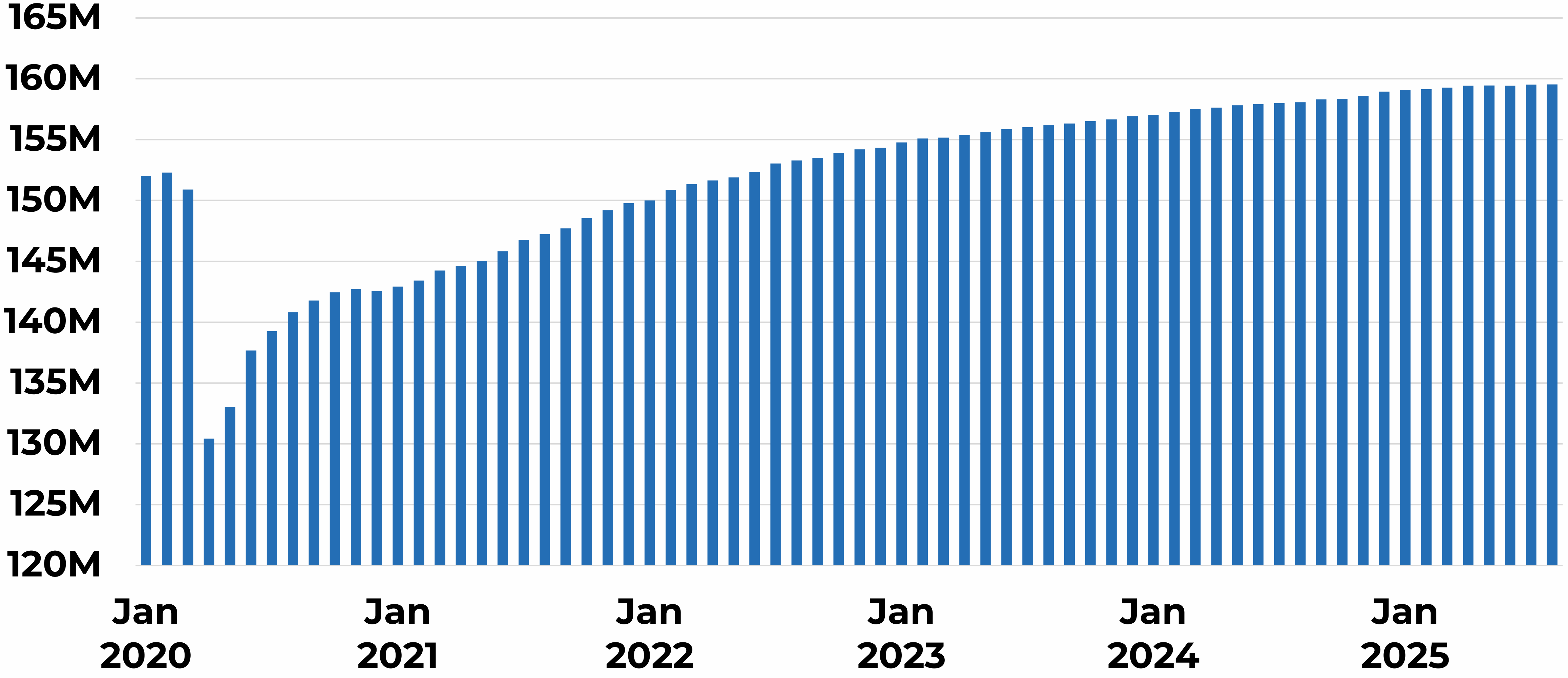
Source: BLS

Gold Price Reflecting … Permanently Higher Inflation?



Source: Wall Street Journal

Total Payroll Jobs (as of August)
Record High and +7.2 Million from Pre-COVID



Source: BLS

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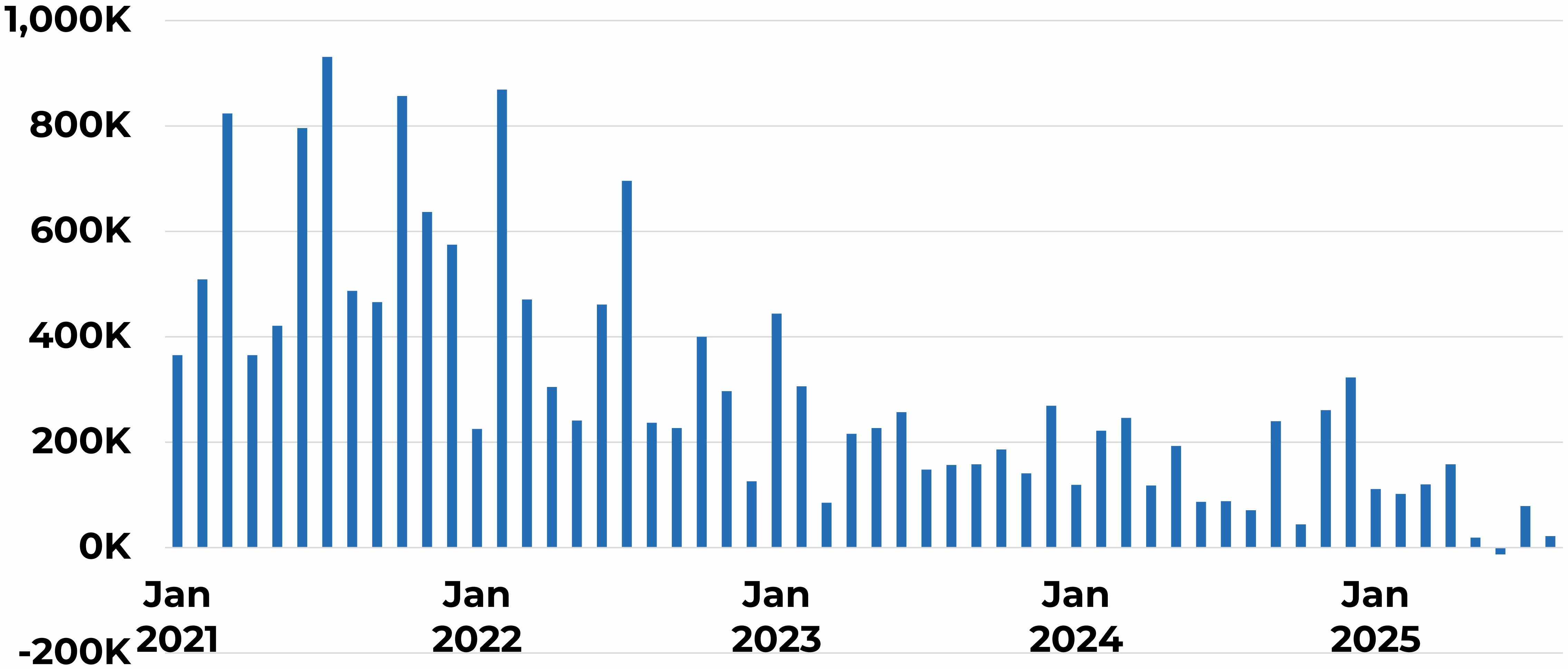
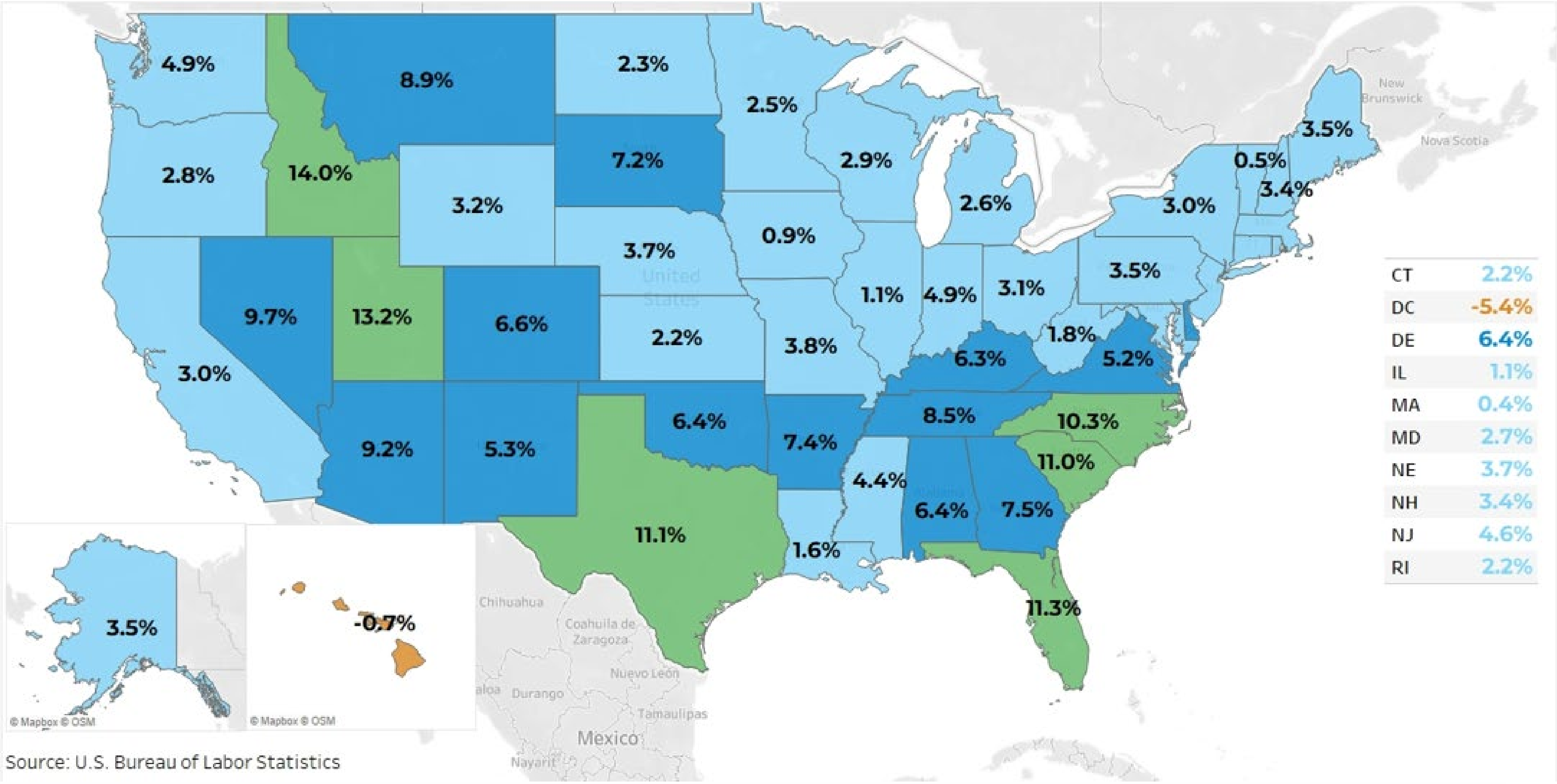
Monthly Job Changes



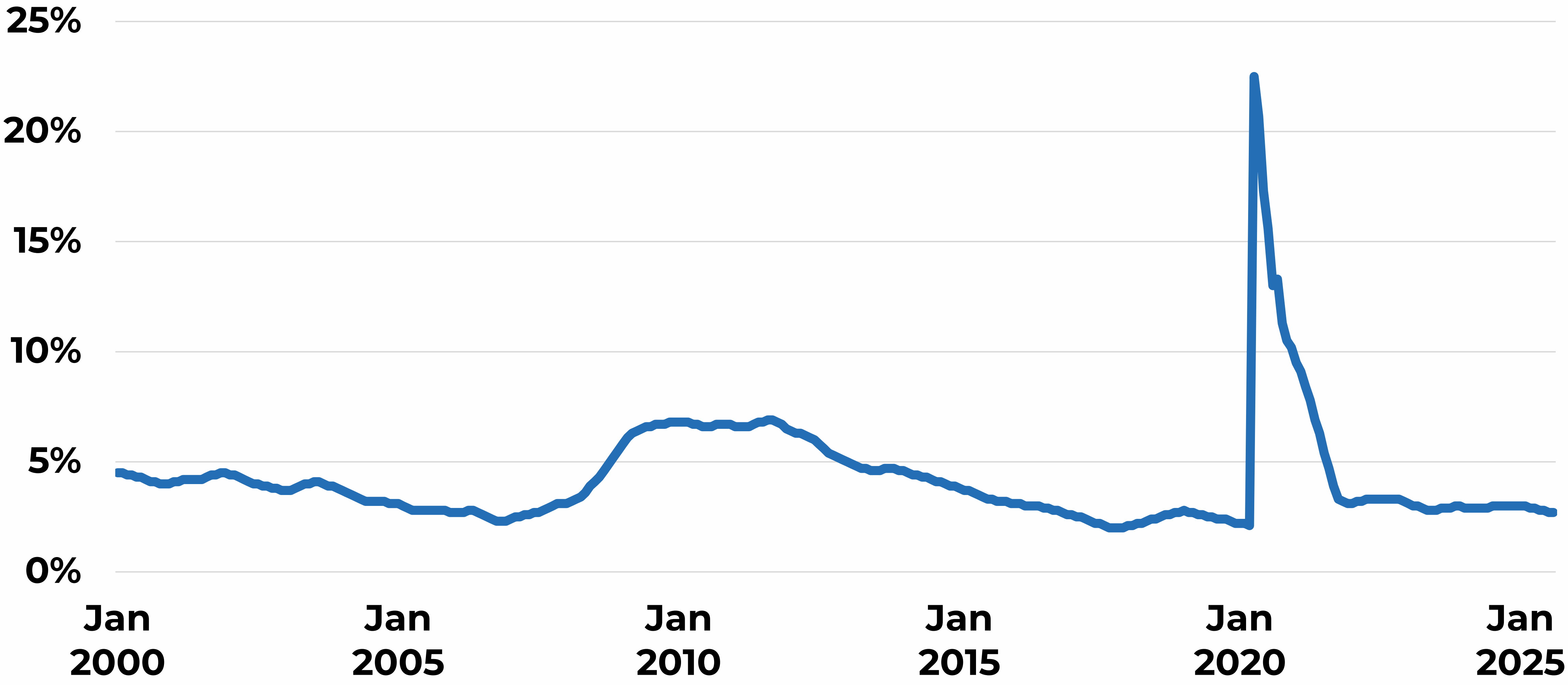
Source: BLS

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



Source: NAR Analysis of BLS data

Hawaii Unemployment Rate of 2.7%
(Super Low Despite No Job Additions)



Source: BLS

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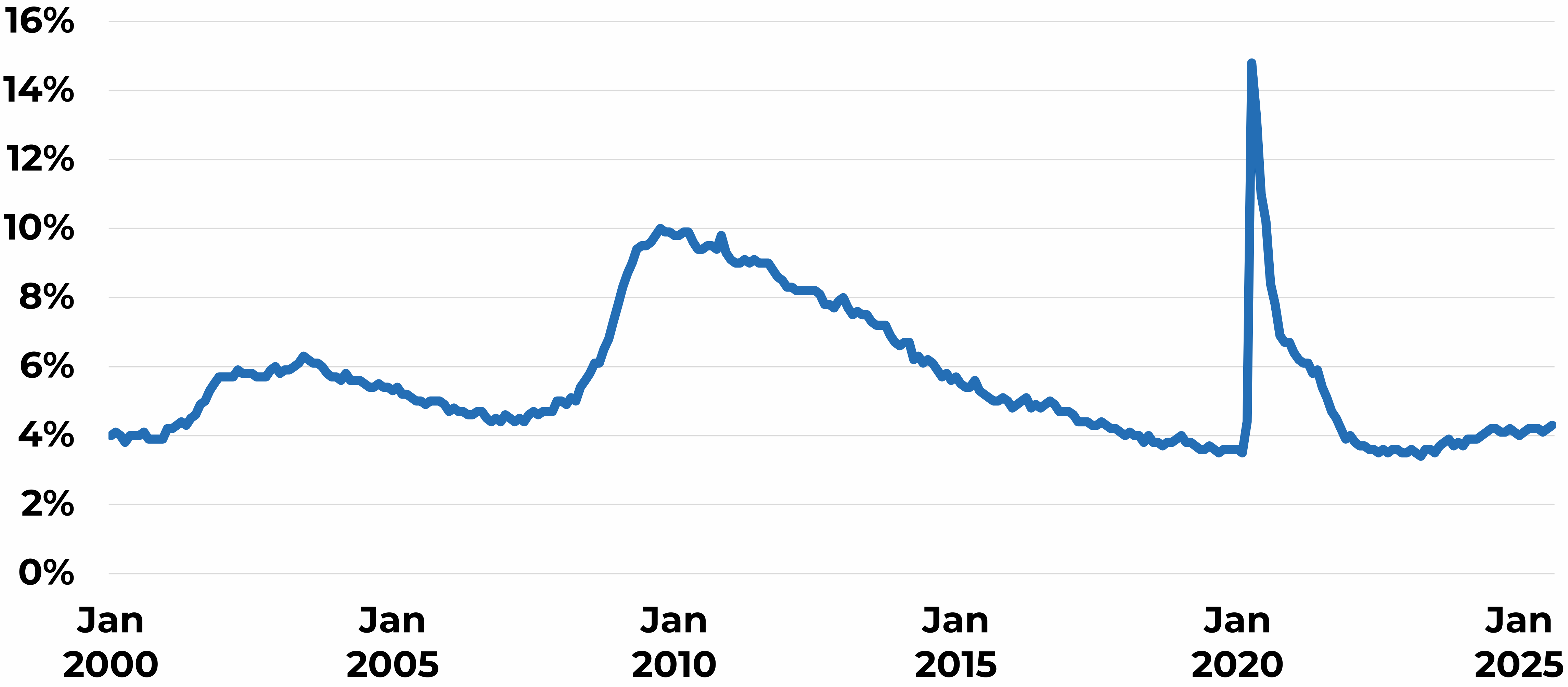
U.S. Unemployment Rate of 4.3% as of August

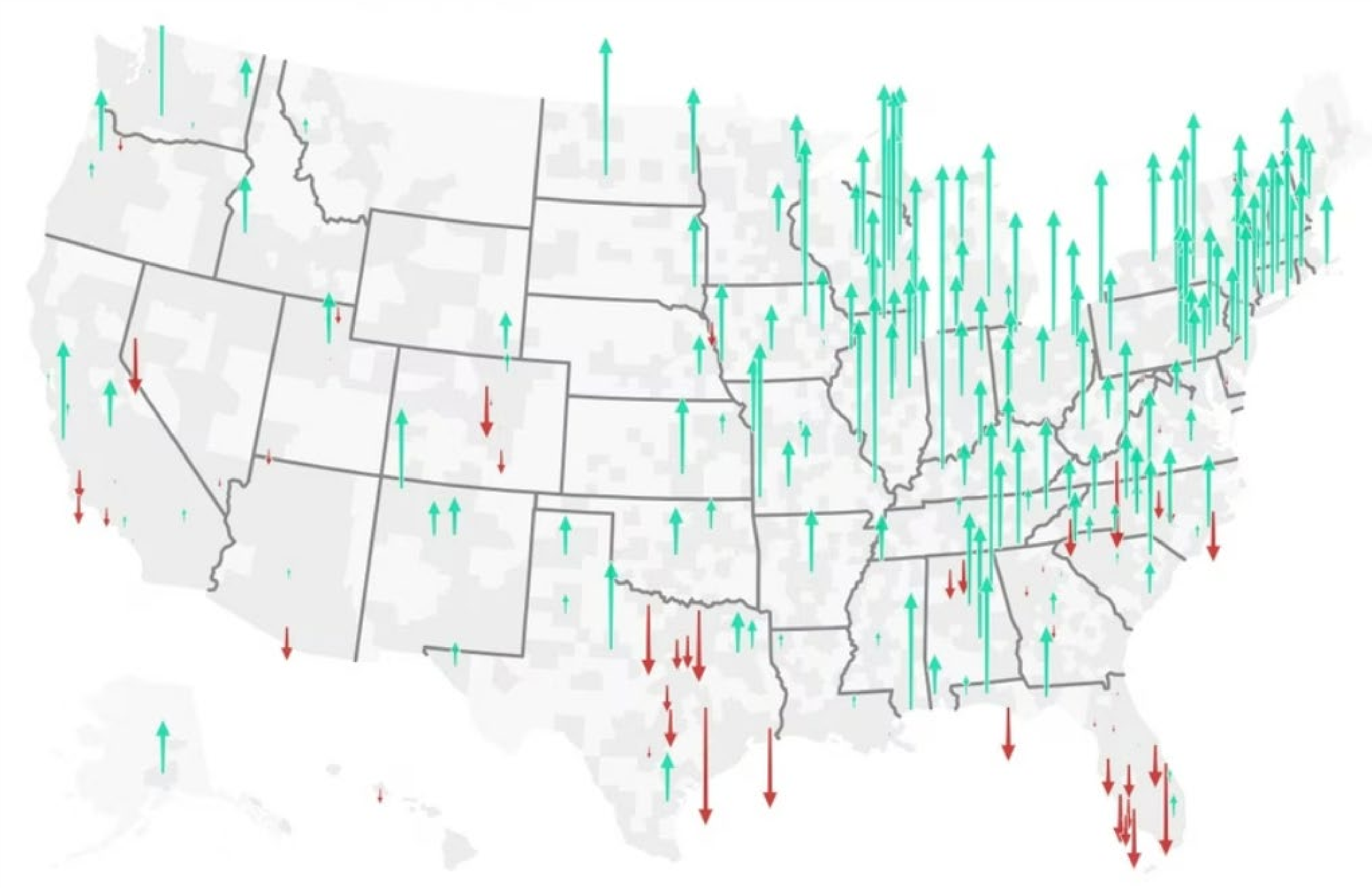


Source: BLS

Home Price Trends

1-year Home Price Gains

% change from 2024 Q3 to 2025 Q3



Source: NAR and realtor.com map using datawrapper

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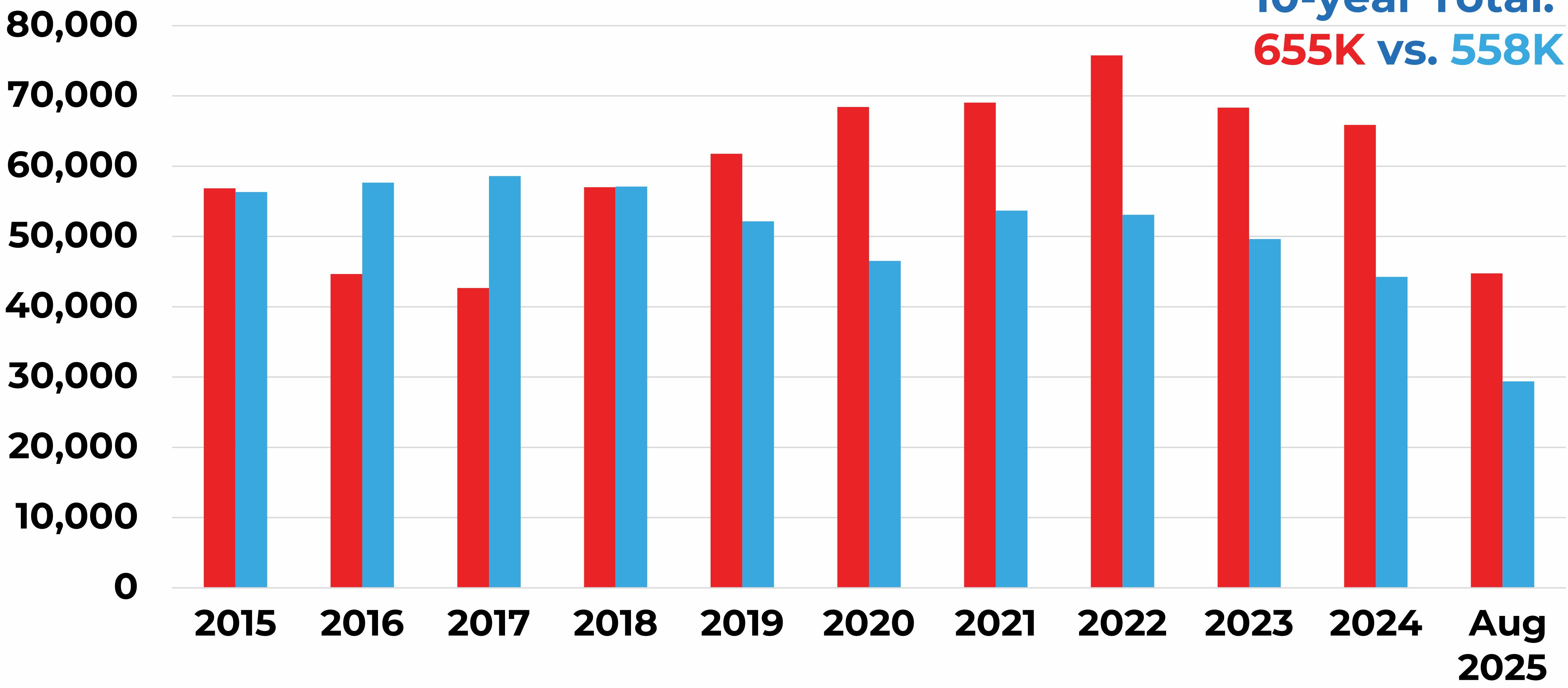
Housing Starts in Houston versus California big cities (LA-Anaheim, SF-Oak, SD combined)

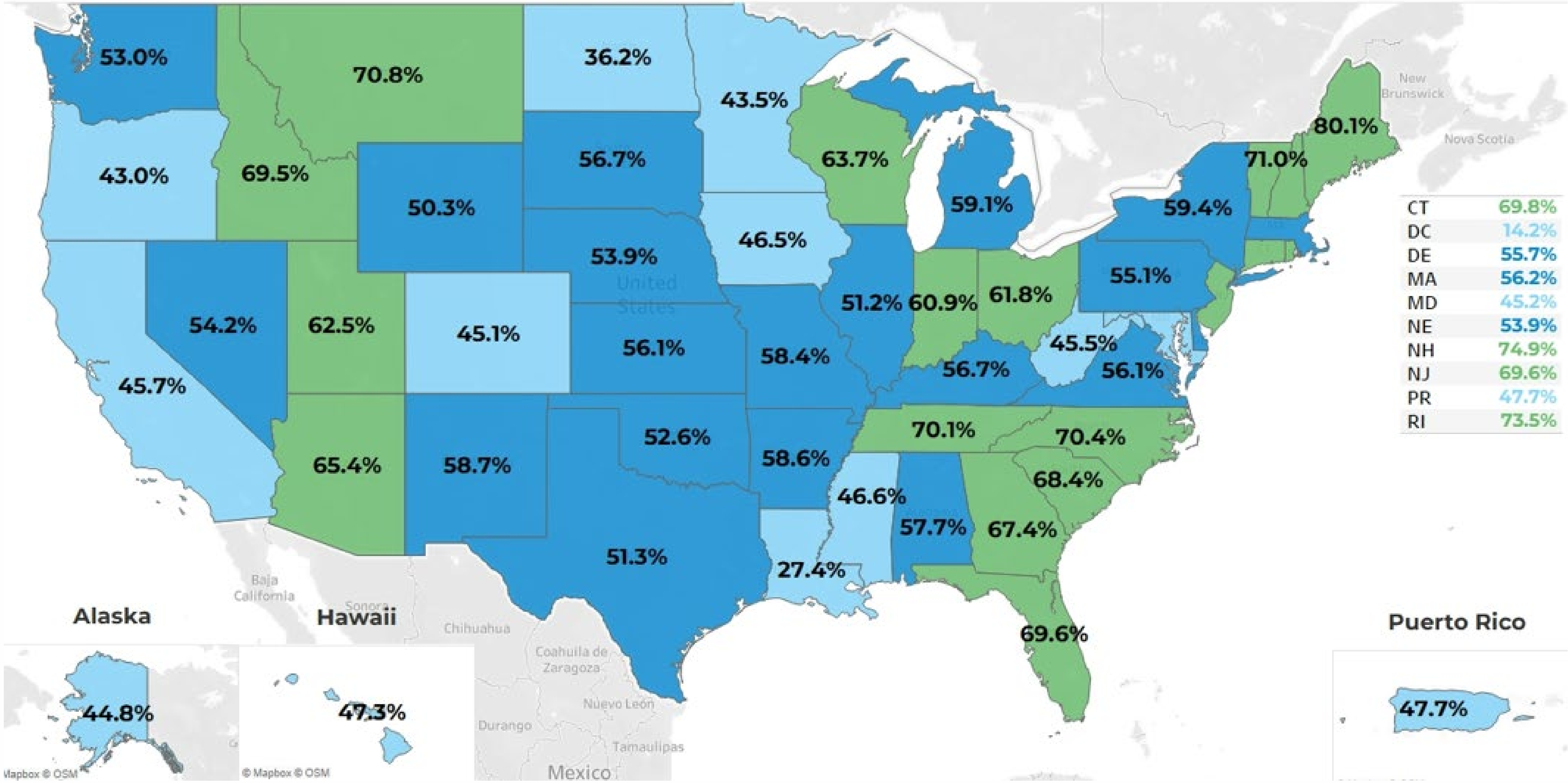
10-year Total:
655K vs. 558K



Source: Census

5-year Home Price Gains Since Pre-COVID

% change from 2020 Q1 to 2025 Q2



Source: NAR Analysis of FHFA data

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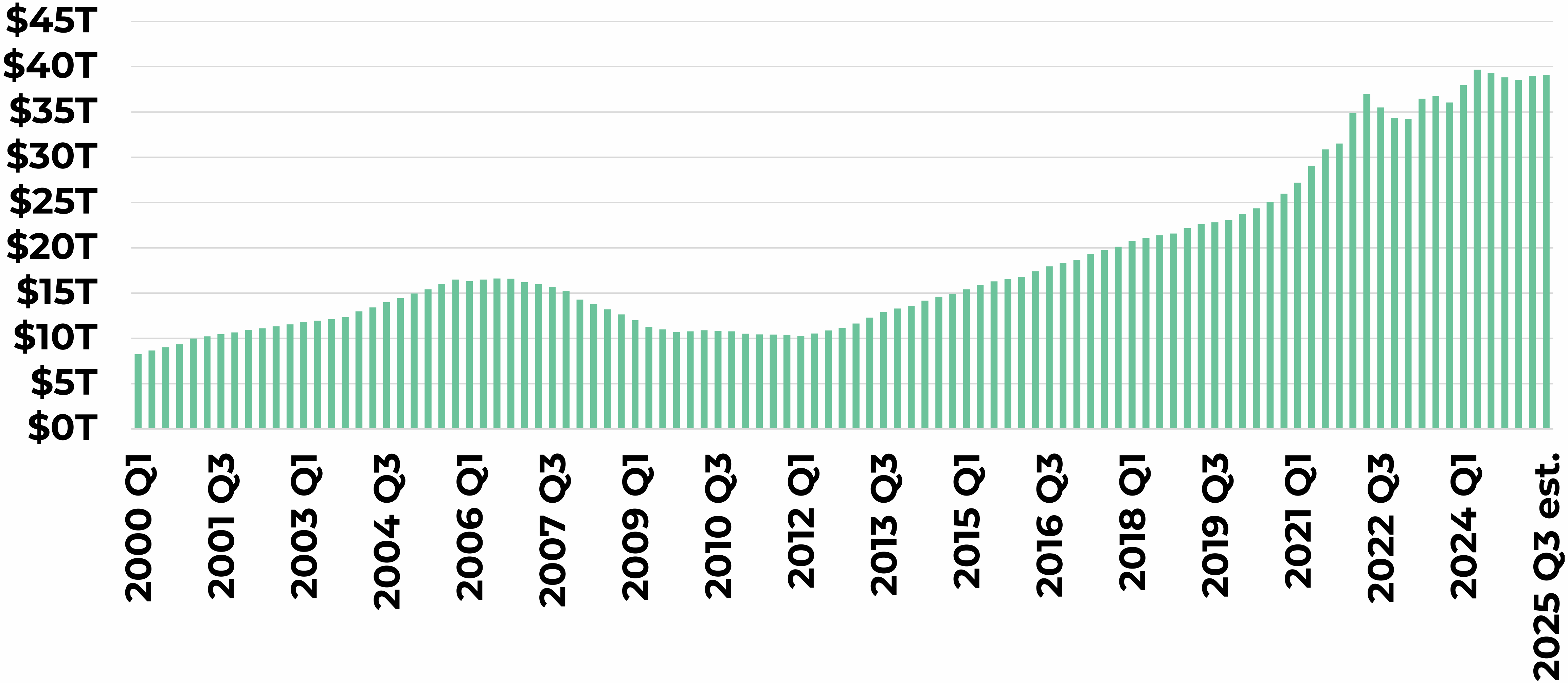
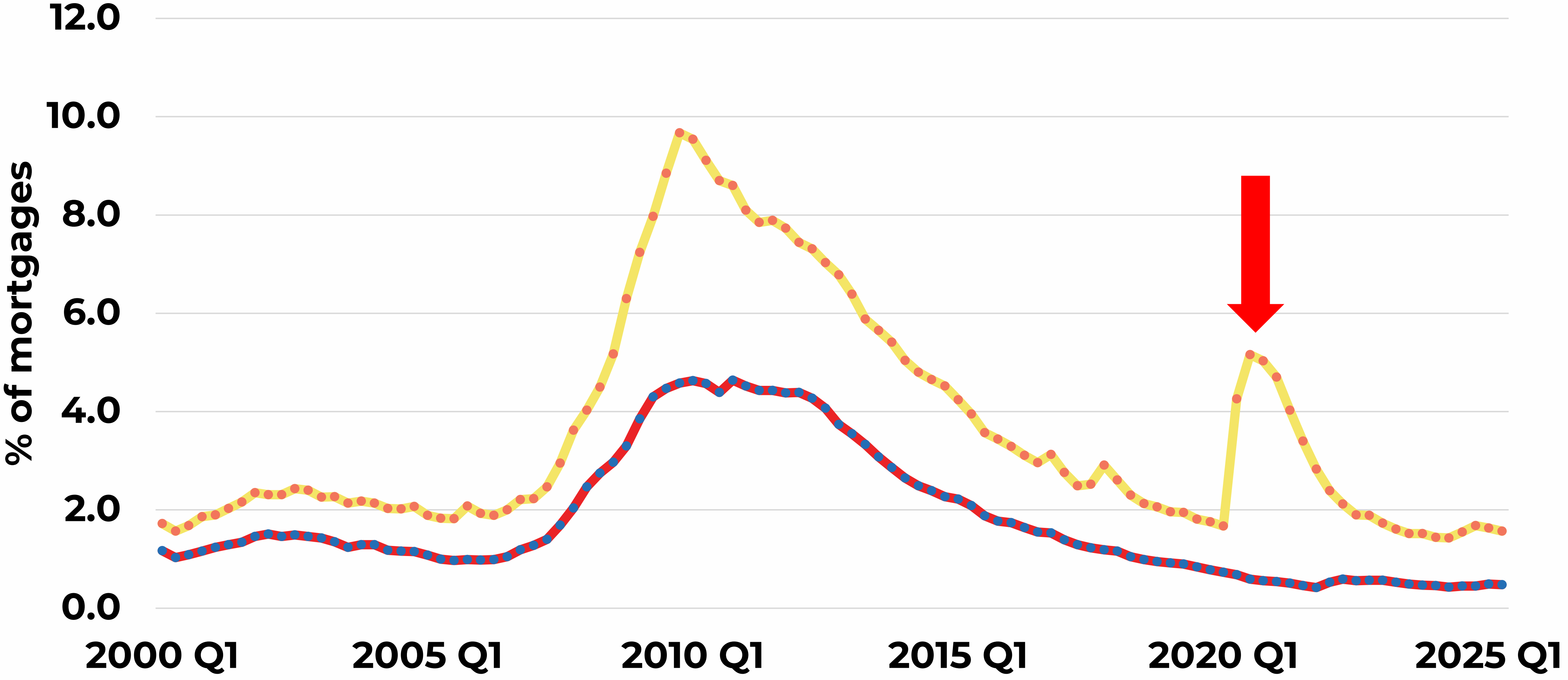
Real Estate Net Worth



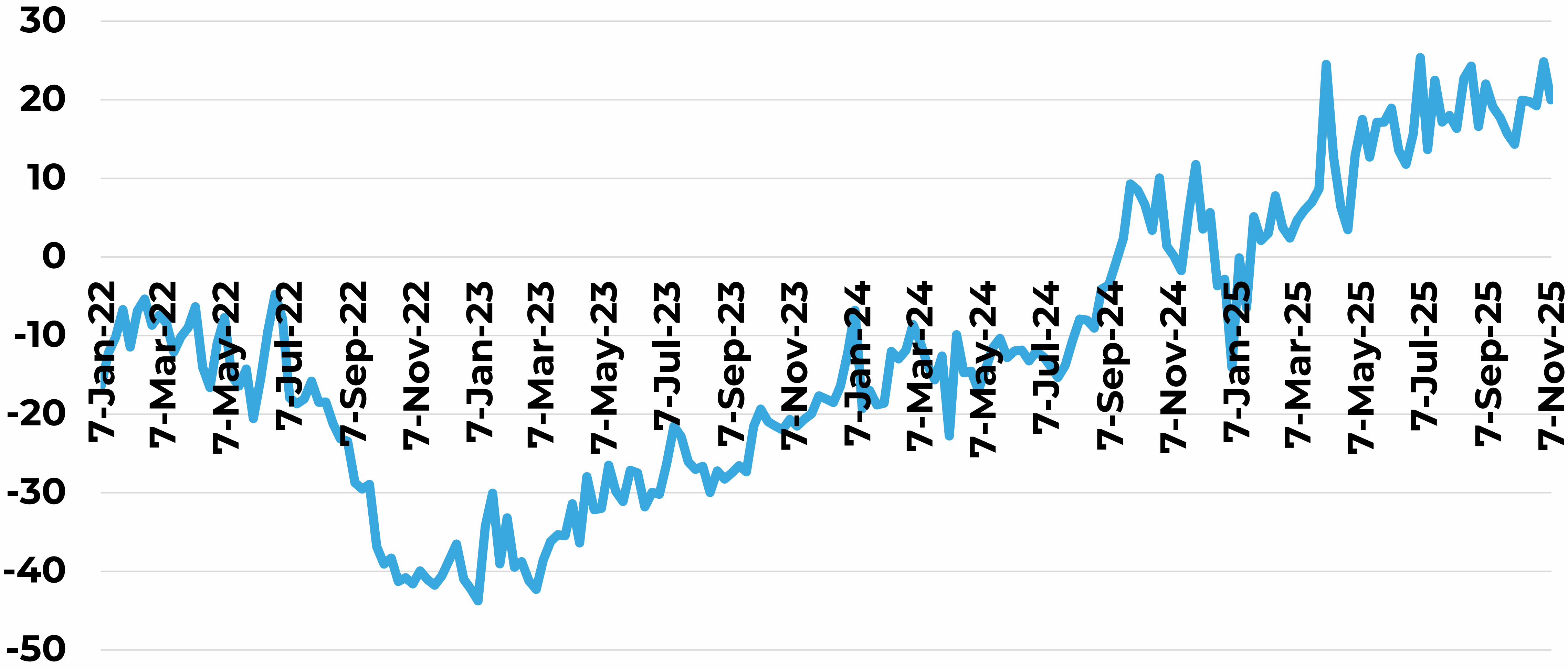
Source: Federal Reserve

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



Source: Mortgage Bankers Association

Light Flashing on Weekly Mortgage Applications to Buy a Home (% change from a year ago)



Source: Mortgage Bankers Association

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NAR Research Dashboard
Scenario of Lower Rates in Greater Houston

If mortgage rates fell from 7% to 6%

110,592

more households

would afford the median-priced home

including

41,660

renter households

While **10% of these households typically buy a home**

11,059

additional home sales are expected in the next 12 to 18 months
in Houston-The Woodlands-Sugar Land, TX

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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%	4.4%

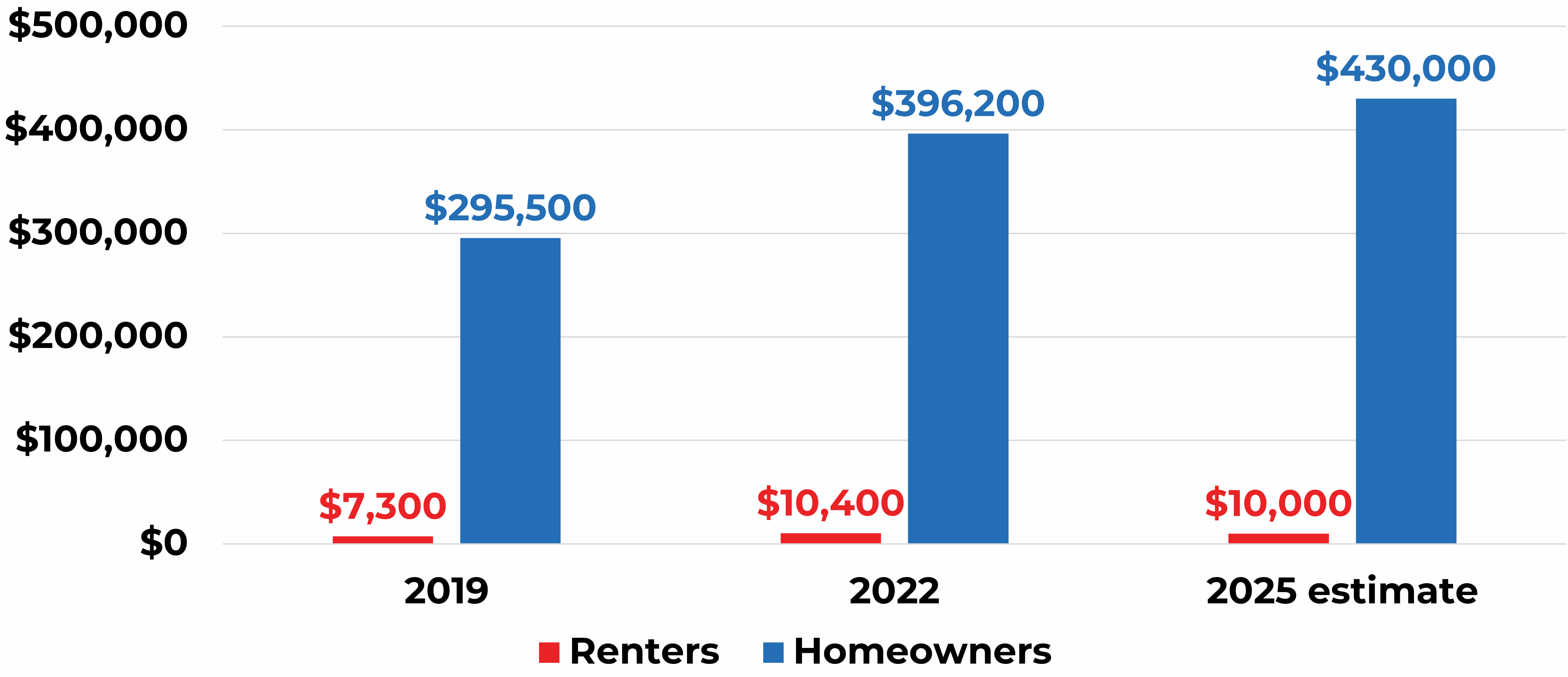
Follow Success and Not Failure

- Chinese Century of Humiliation
- Japan did not want the same … need to modernize … civil war (the last samurai)
- Copy what America does
  - Math, Science, Law … suit/tie, baseball
- Economic Boom
  - "Asia for Asians" … colonize Asia
- Oil embargo … Pearl Harbor … Hiroshima/Nagasaki
- Post-War Economic Boom

Photo Source: LA Dodgers and MLB

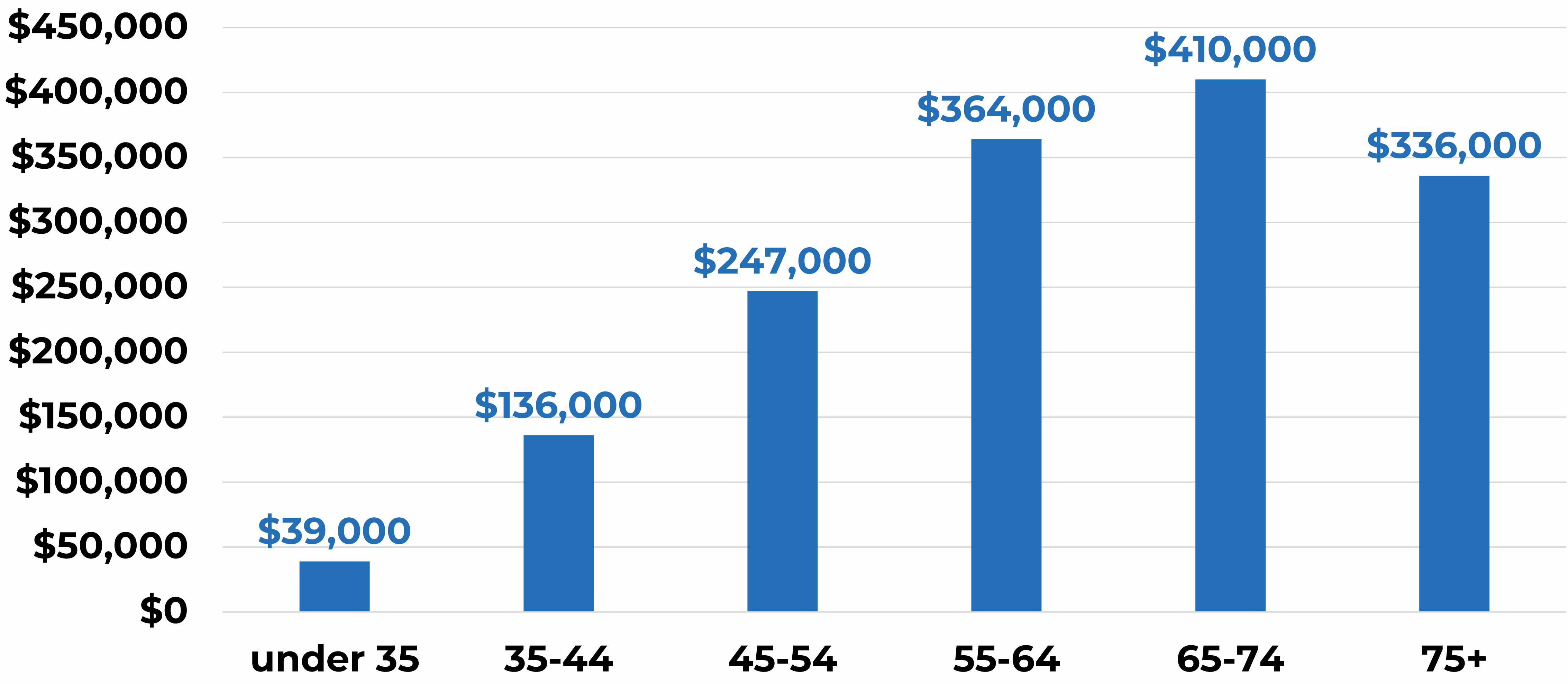
American Success

Median Net Worth Between Owners and Renters



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

Median Net Worth by Age Group in 2022
(Assets minus Debts)



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

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THANK YOU.

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