

The Economics Behind the Market

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2023, 2024, and 2025 Looking Like...1995

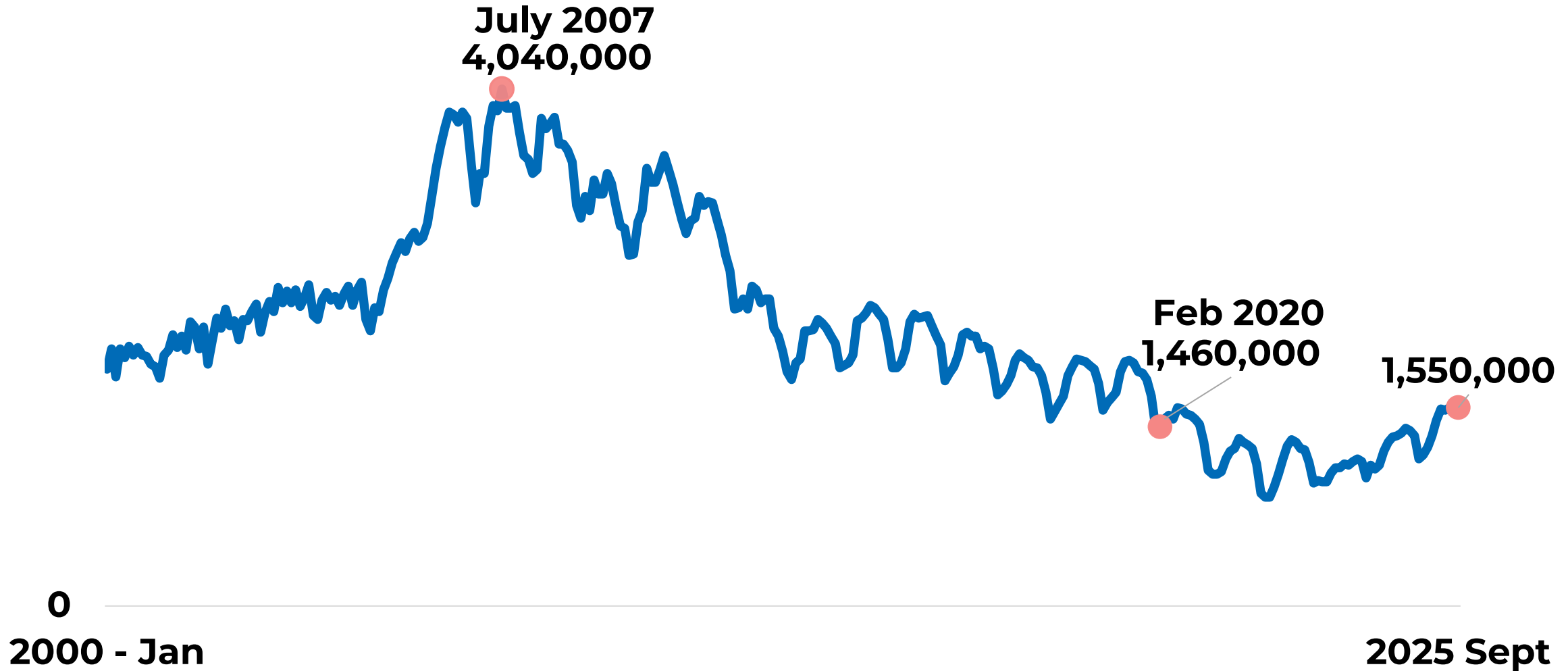
Record High
Home Price,
but Worst
Sales Since
1995

	1995	2024
Annual existing-home sales	3.85 million	4.06 million
U.S. population	266.6 million	341.1 million
Single-family inventory (December)	1.58 million	1.00 million
Median annual existing-home sales price	\$114,600 (\$241k inflation adjusted)	\$407,500



Inventory of Existing Homes

5,000,000



0

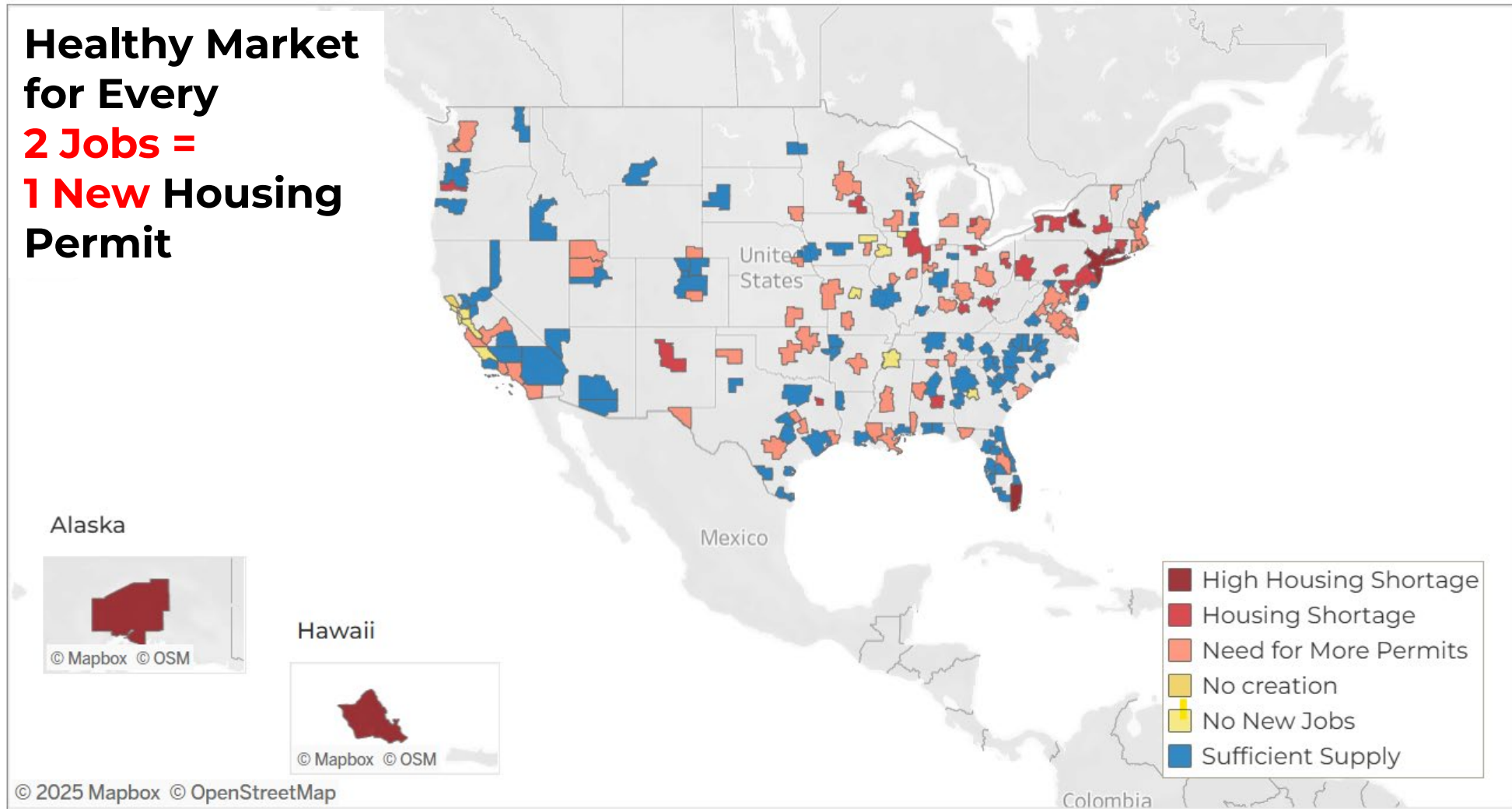
2000 - Jan

2025 Sept

NAR Housing Shortage Tracker

Housing Permits vs Employment

Healthy Market
for Every
2 Jobs =
1 New Housing
Permit



Share of Built for Rent Among All Single-Family Housing Starts 1974-2024



Source: NAR Analysis on Census The Survey of Construction
<https://www.nar.realtor/blogs/economists-outlook/built-for-rent-housing-remains-elevated>

30-Year Fixed Mortgage Interest Rate

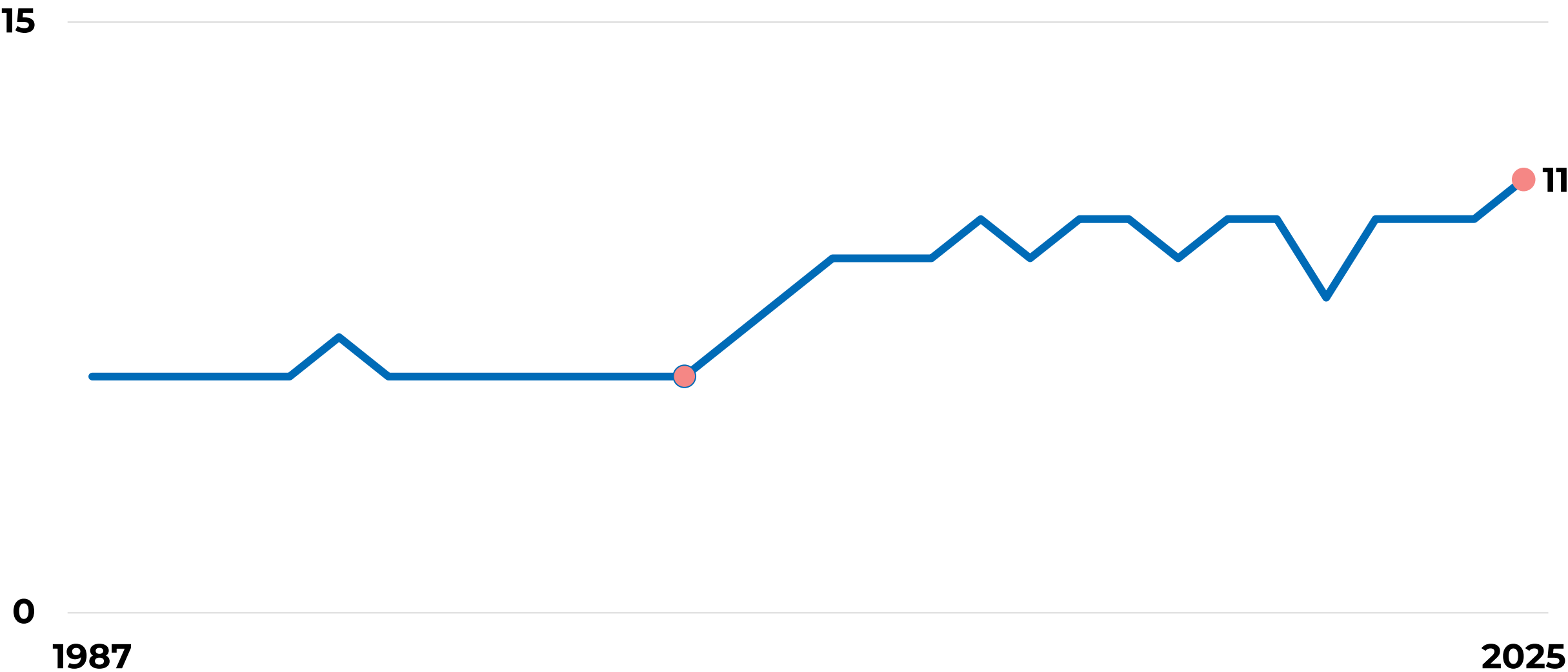
(historical norm in red)



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

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

Median Length of Ownership Tenure in Home Sold



Median Existing-Home Price On Par With New Home Price

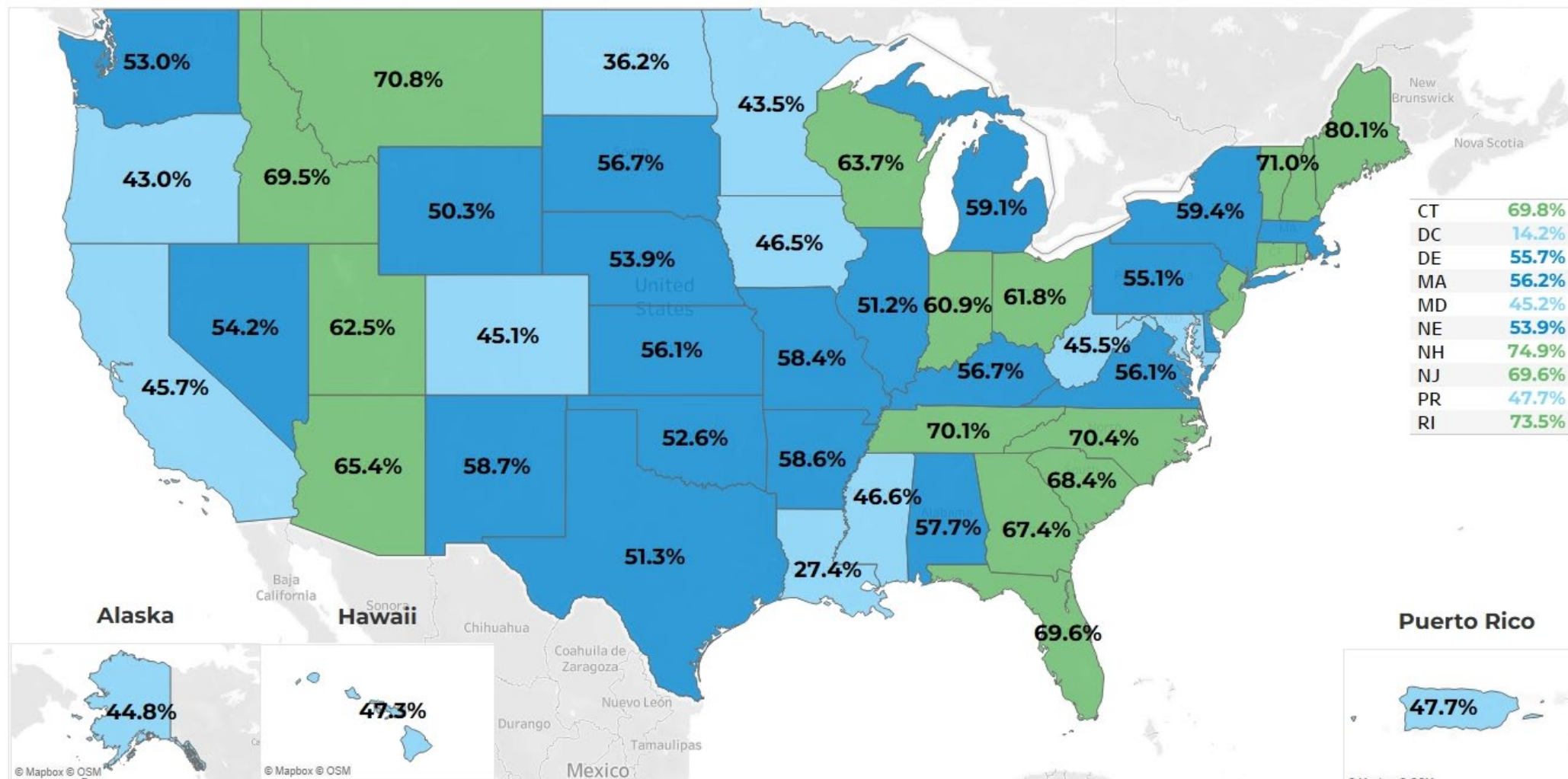


Source: NAR Existing-Home Sales <https://www.nar.realtor/research-and-statistics/housing-statistics/existing-home-sales>
Census/HUD <https://www.census.gov/construction/nrs/current/index.html>



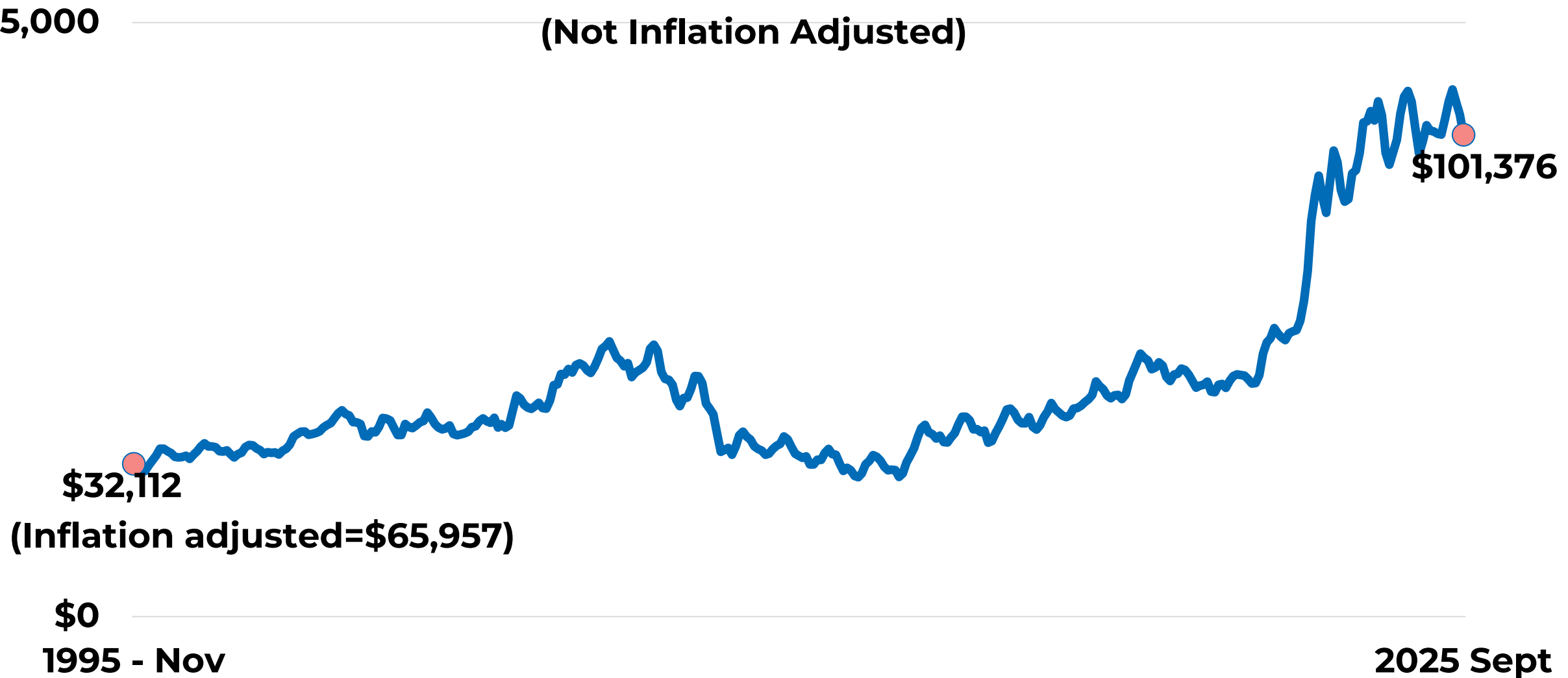
State Home Price Appreciation

% change from 2020 Q1 to 2025 Q2

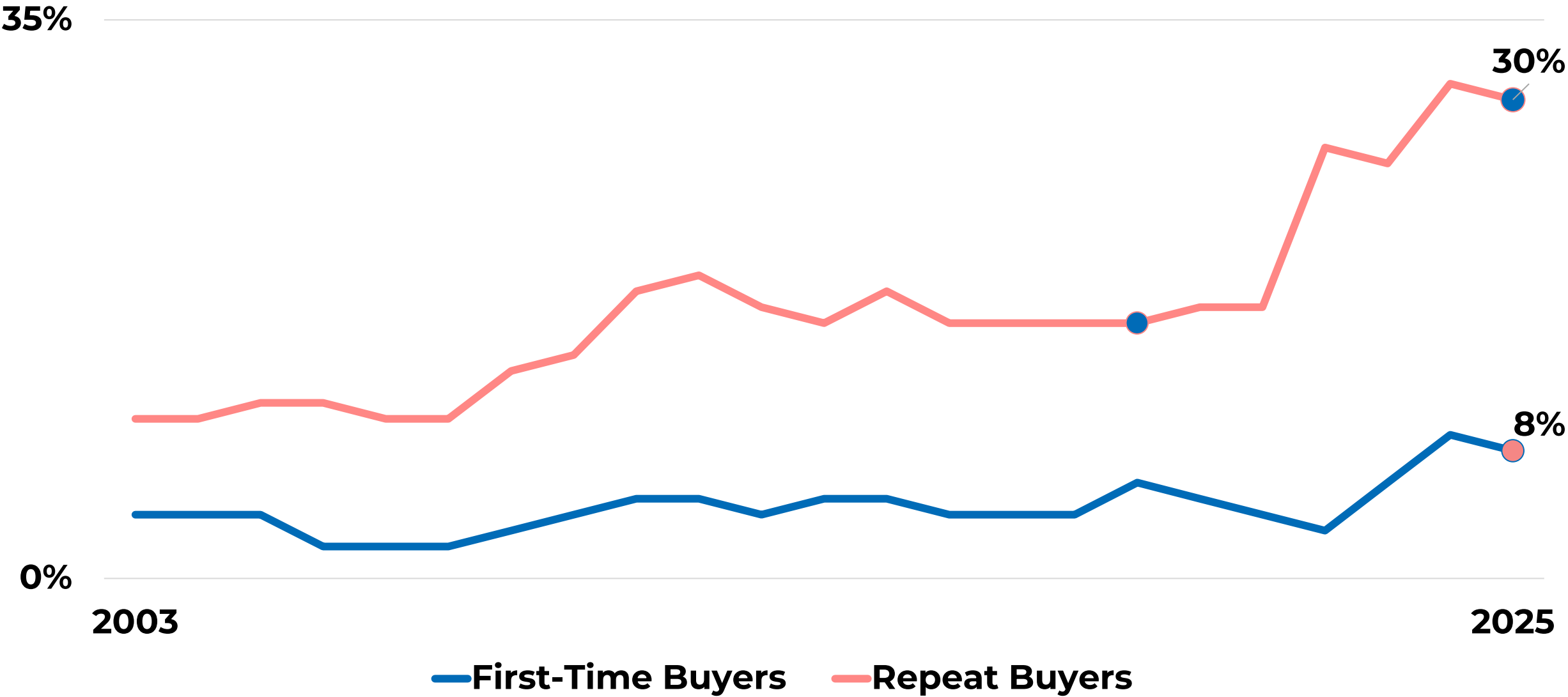


Source: NAR Analysis of FHFA data

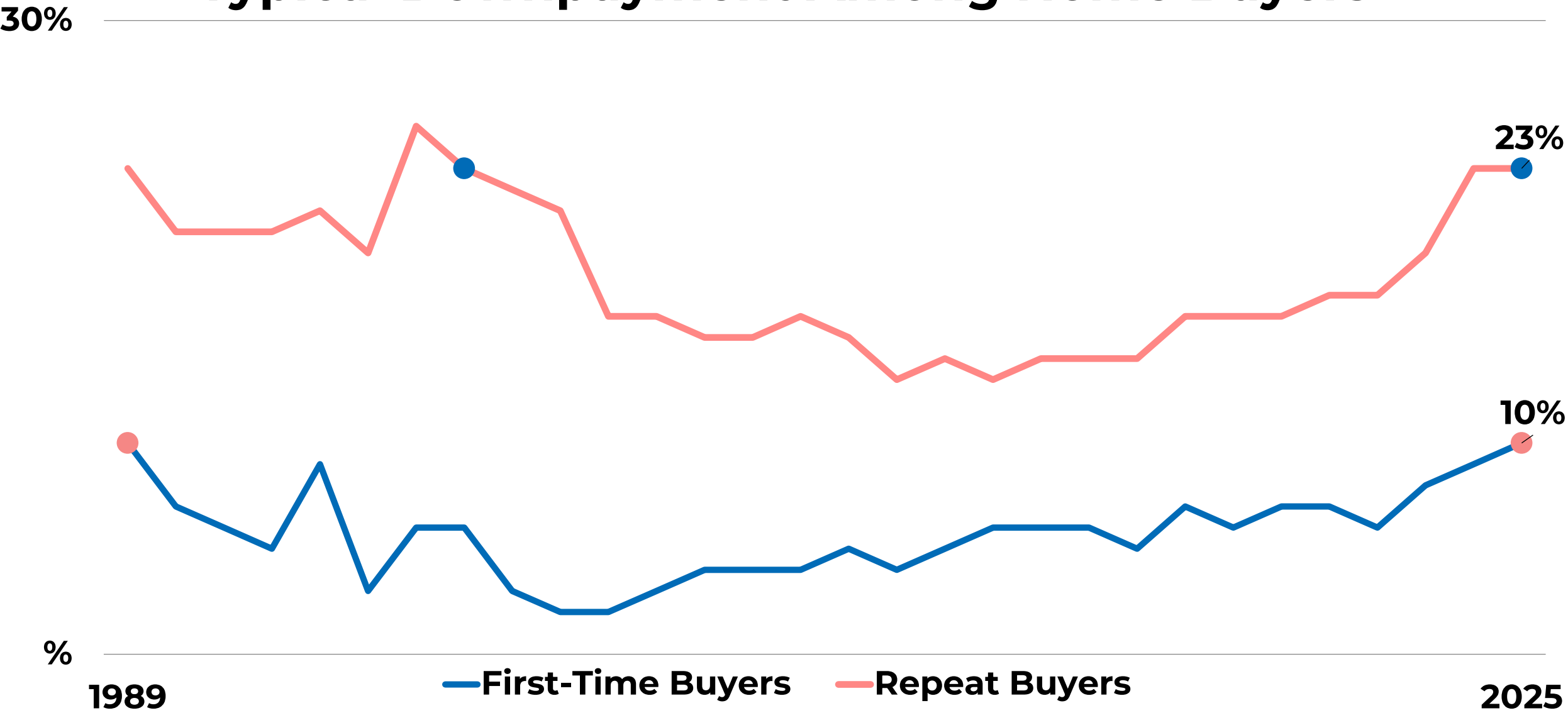
Qualifying Income Needed for Median-Priced Home With 20% Down (Not Inflation Adjusted)



All-Cash Buyers

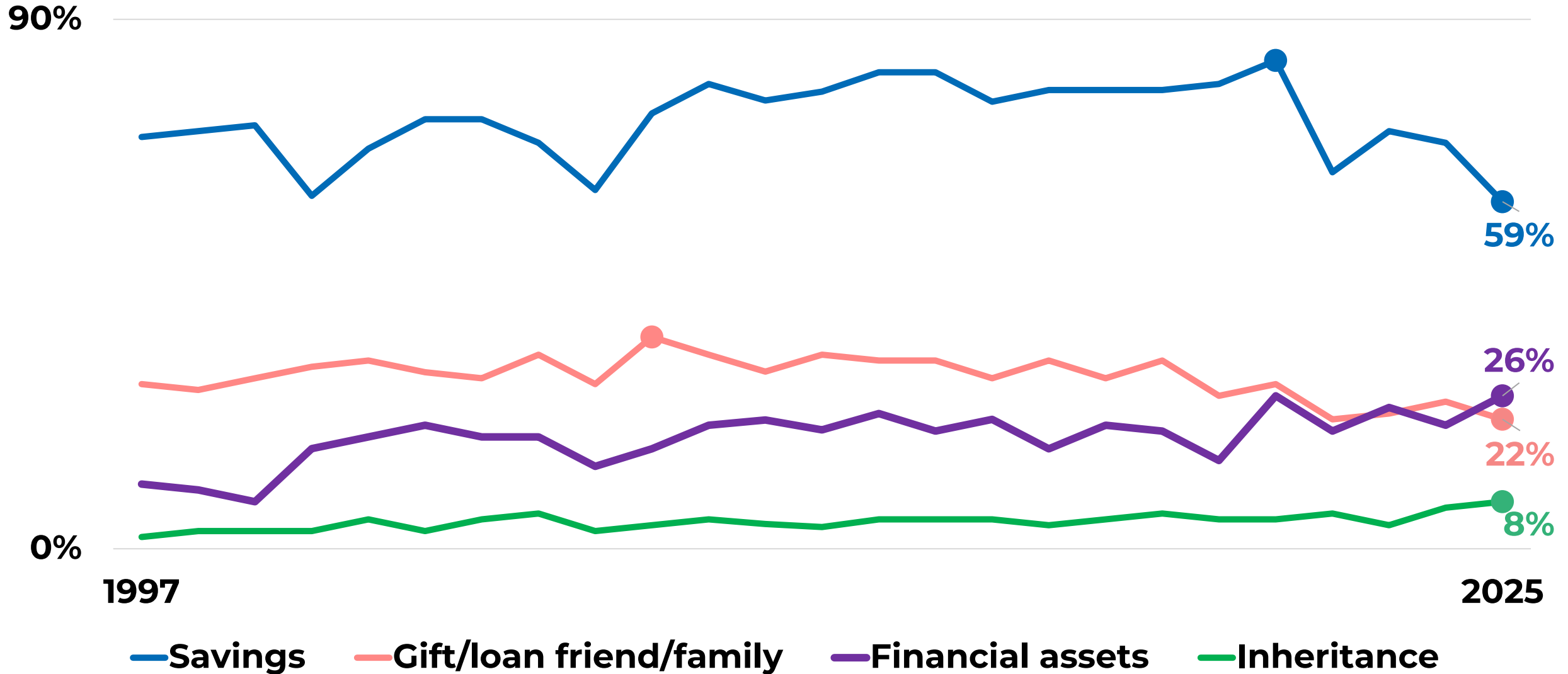


Typical Downpayment Among Home Buyers



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

First-Time Buyer Source of Downpayment



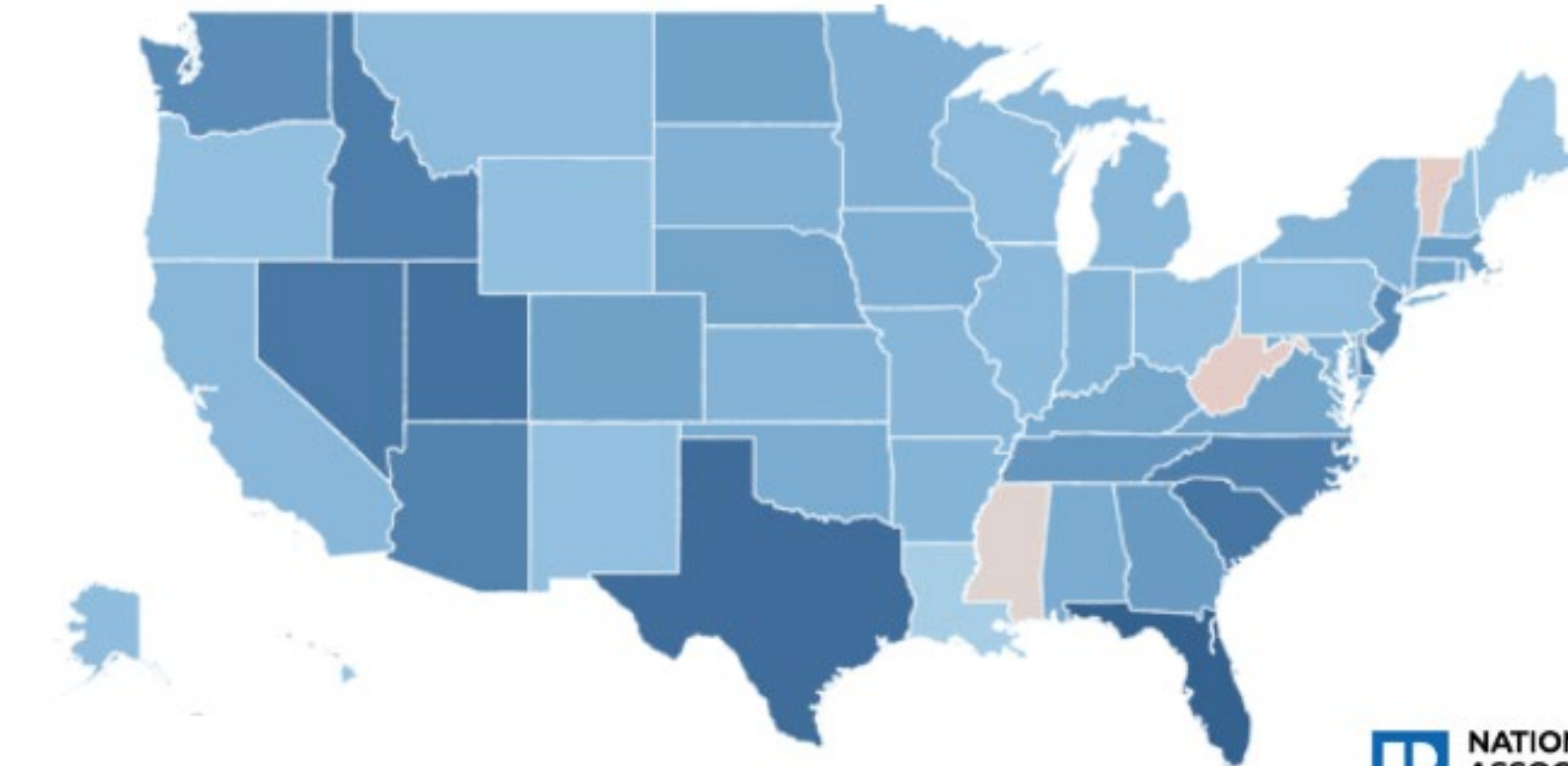
Source: Profile of Home Buyers and Sellers

www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers

On the Move



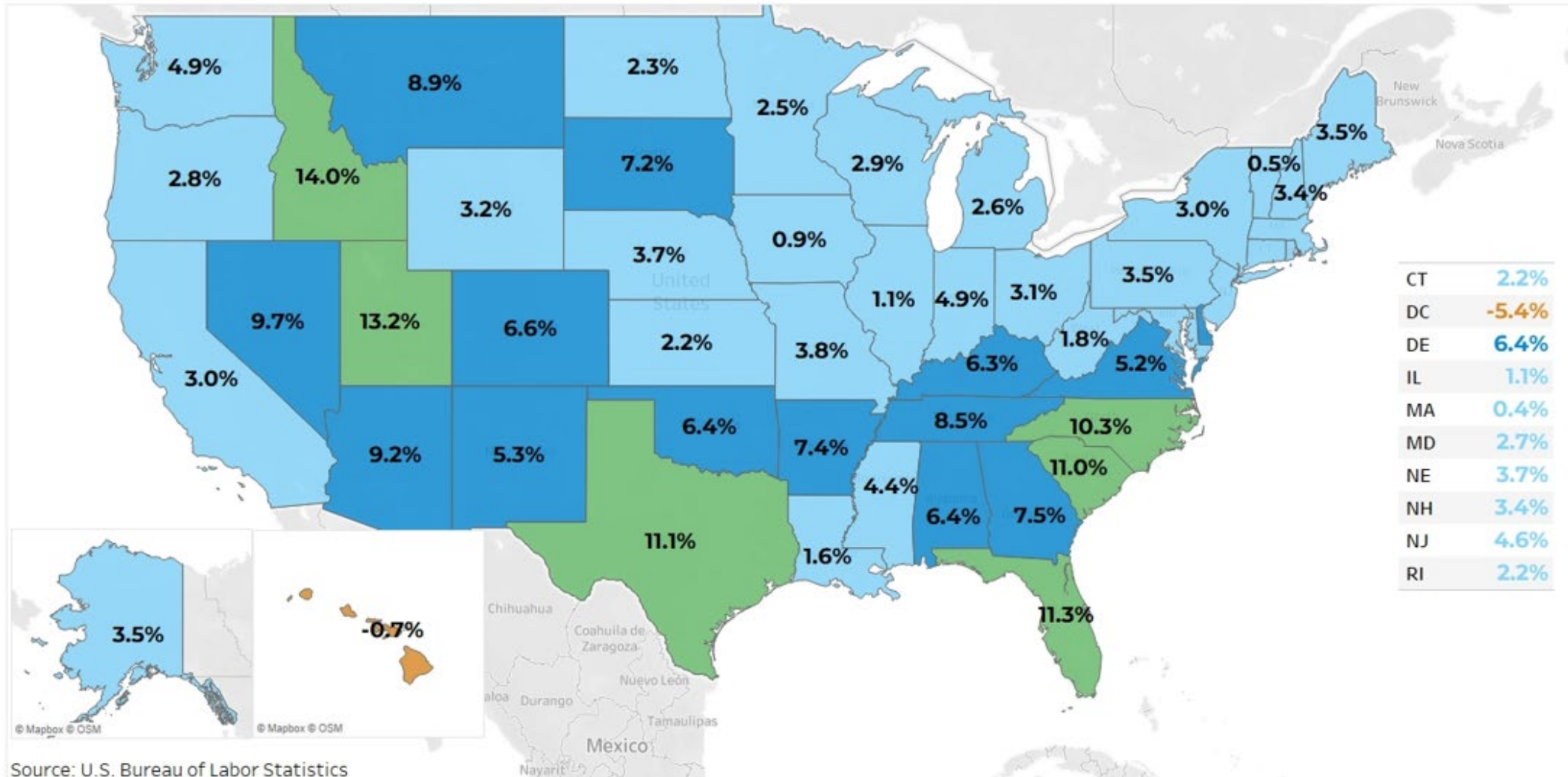
Sunbelt and Mountain States Lead Population Growth



Source: U.S. Census Bureau, Vintage 2024 Population Estimates

Sunbelt and Mountain States Lead *Job Growth*

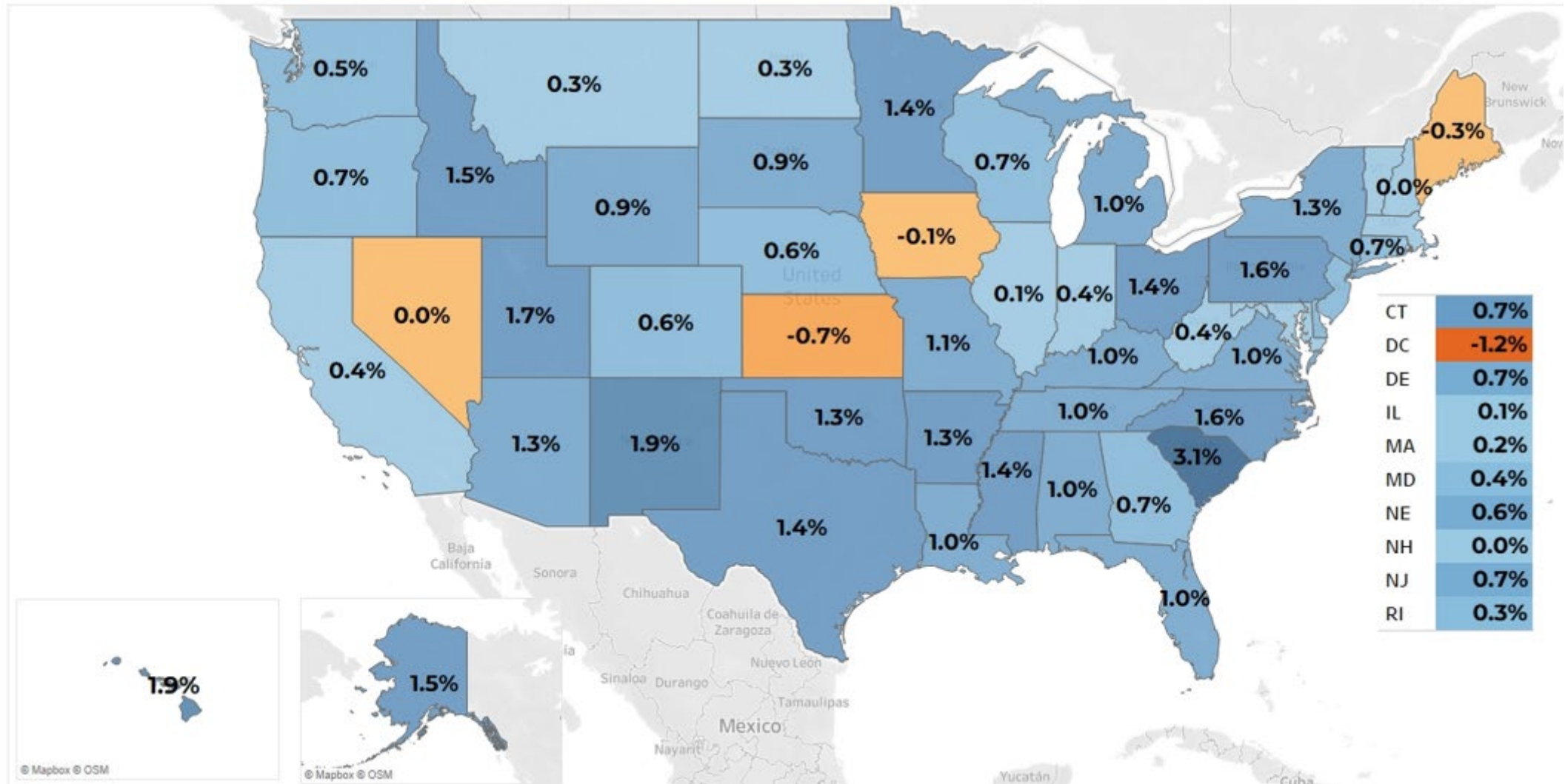
(% change from March 2020 to August 2025)



Source: NAR Analysis of BLS data

Job Gains Over One Year to Assess Recent Momentum

(% change from August 2024 to August 2025)

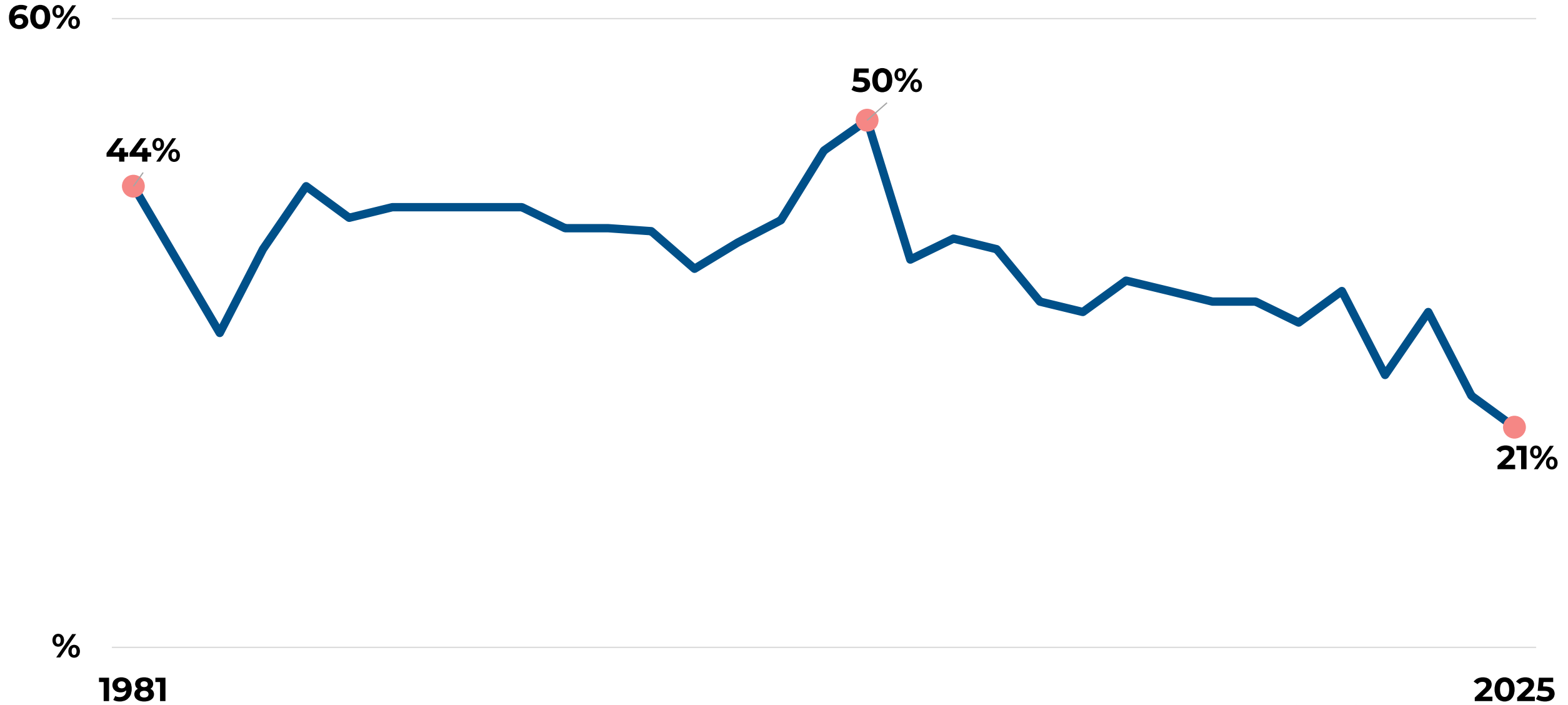


Source: NAR Analysis of BLS data

Generational Warfare



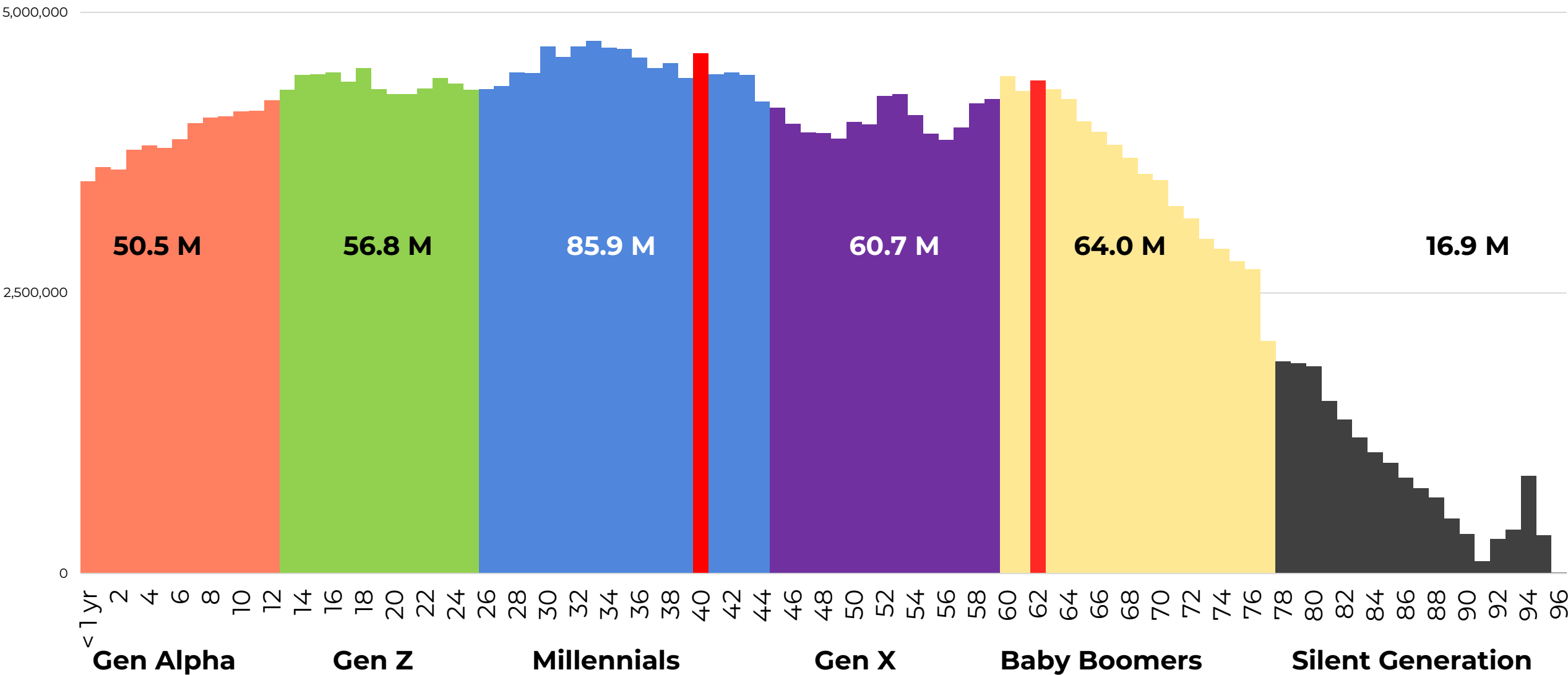
First-Time Home Buyers Hit All-Time Low



Source: Profile of Home Buyers and Sellers

www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers

U.S. Population by Age (in 2023)



Source: ACS PUMS 2023, 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>

Multi-Generational Home Buyers Still Elevated

25%

14%

14%

%

2012

2025

Source: Profile of Home Buyers and Sellers

www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers



Demographic Changes



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



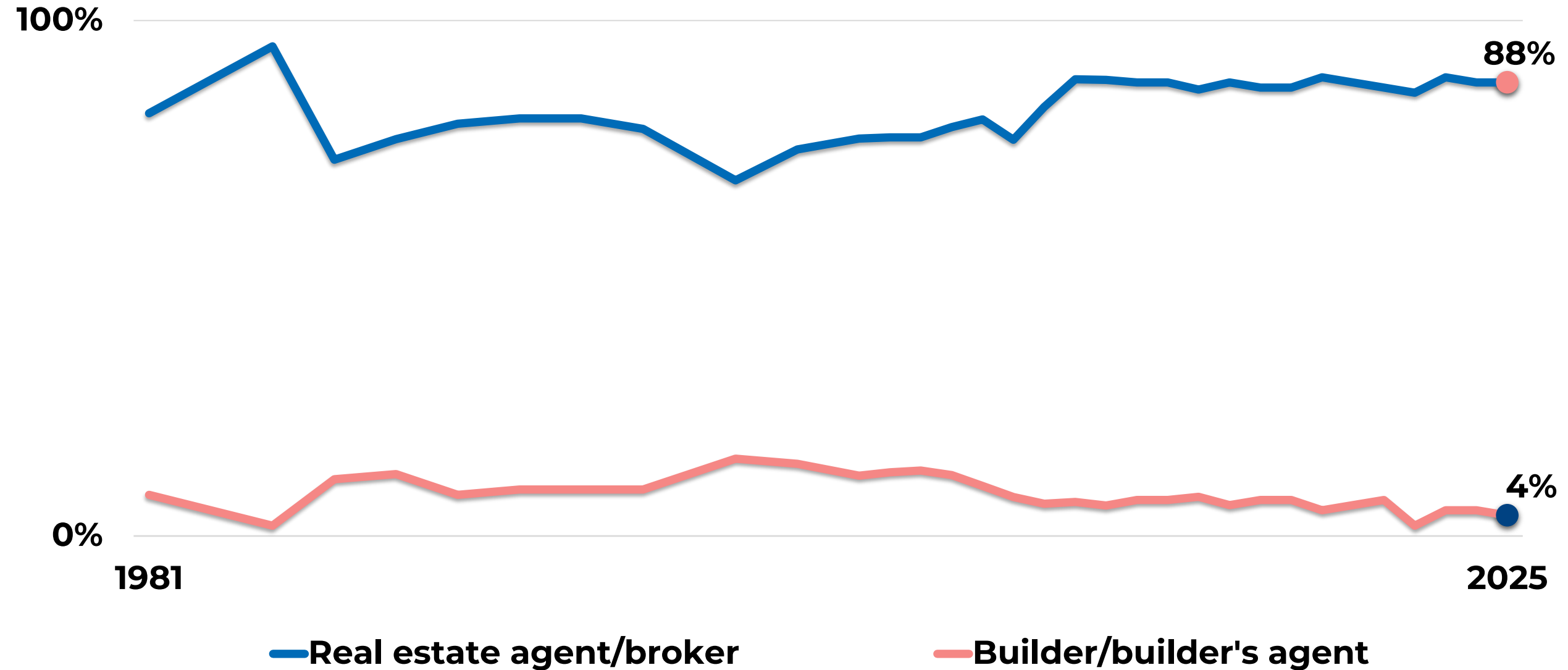
Source: Profile of Home Buyers and Sellers

www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers



Agent Role

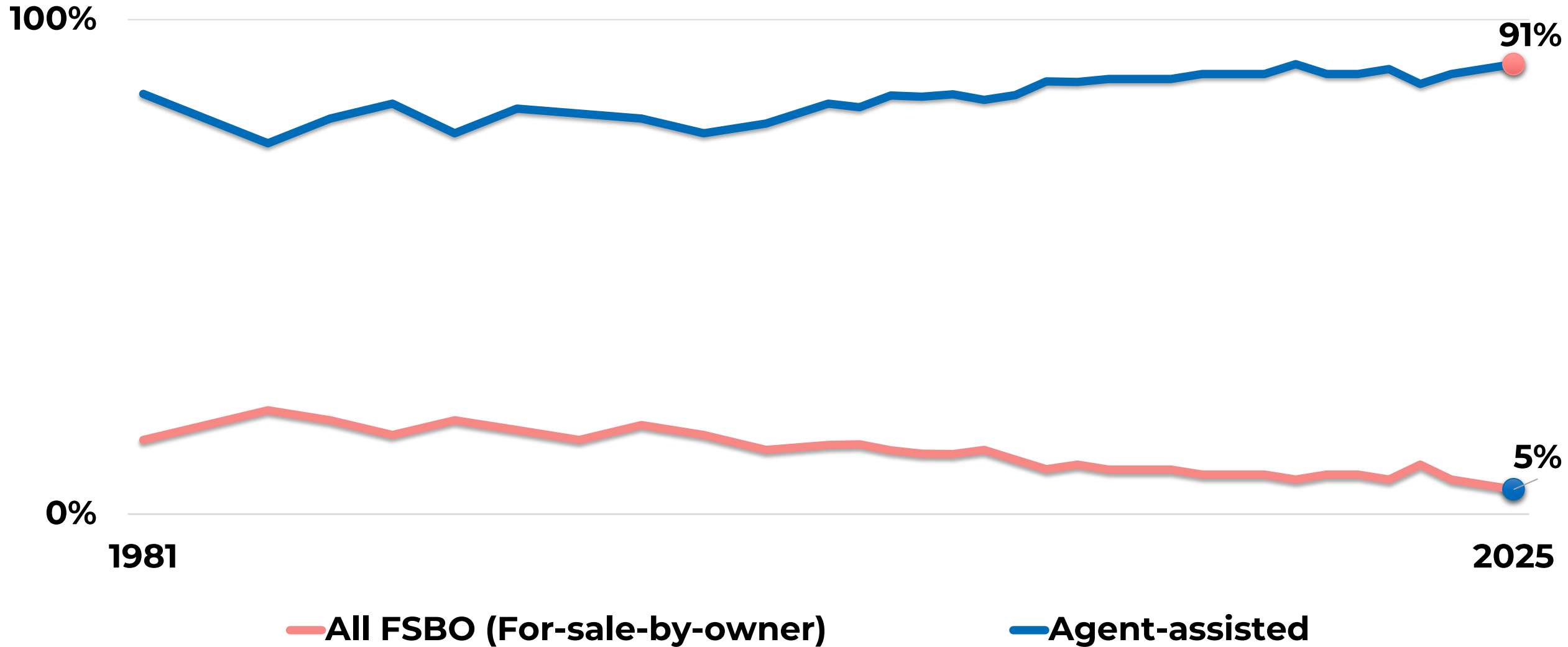
Buyer Use of Agents



Source: Profile of Home Buyers and Sellers

www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers

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

Net Worth and Impact to GDP



Median Net Worth

\$450,000

\$430,000

\$396,200

\$295,500

\$0

Homeowner

Renter

■ 2019 ■ 2022 ■ 2025 est.

\$7,300

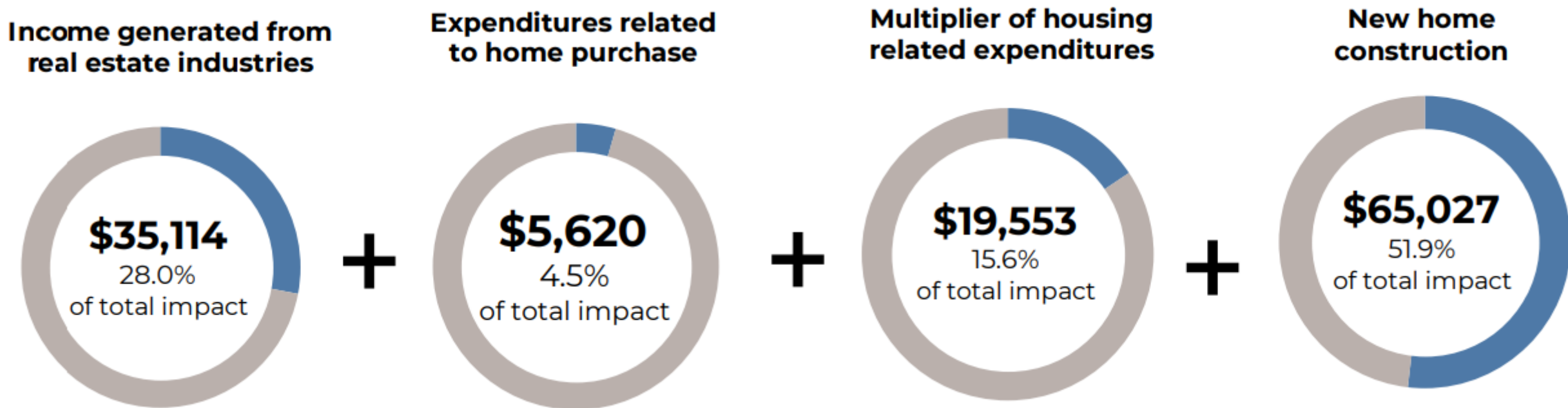
\$10,400

\$10,000

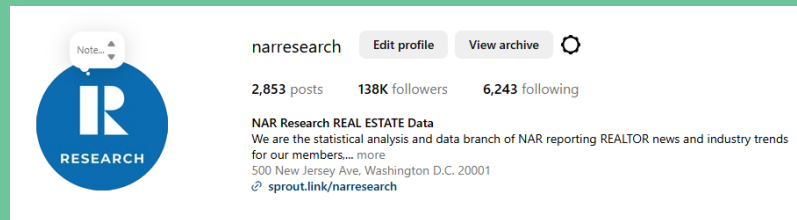
Source: Board of Governors of the Federal Reserve System, The 2022 Survey of Consumer Finances
<https://www.federalreserve.gov/econres/scfindex.htm>

Economic Impact of a Home Sale:

U.S.: \$125,300



Real estate industry accounted for:
\$5.0 trillion or 17.7% in the U.S.



<https://linktr.ee/narresearch>

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 - Instagram
 - Blue Sky
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