

The Economics Behind the Market

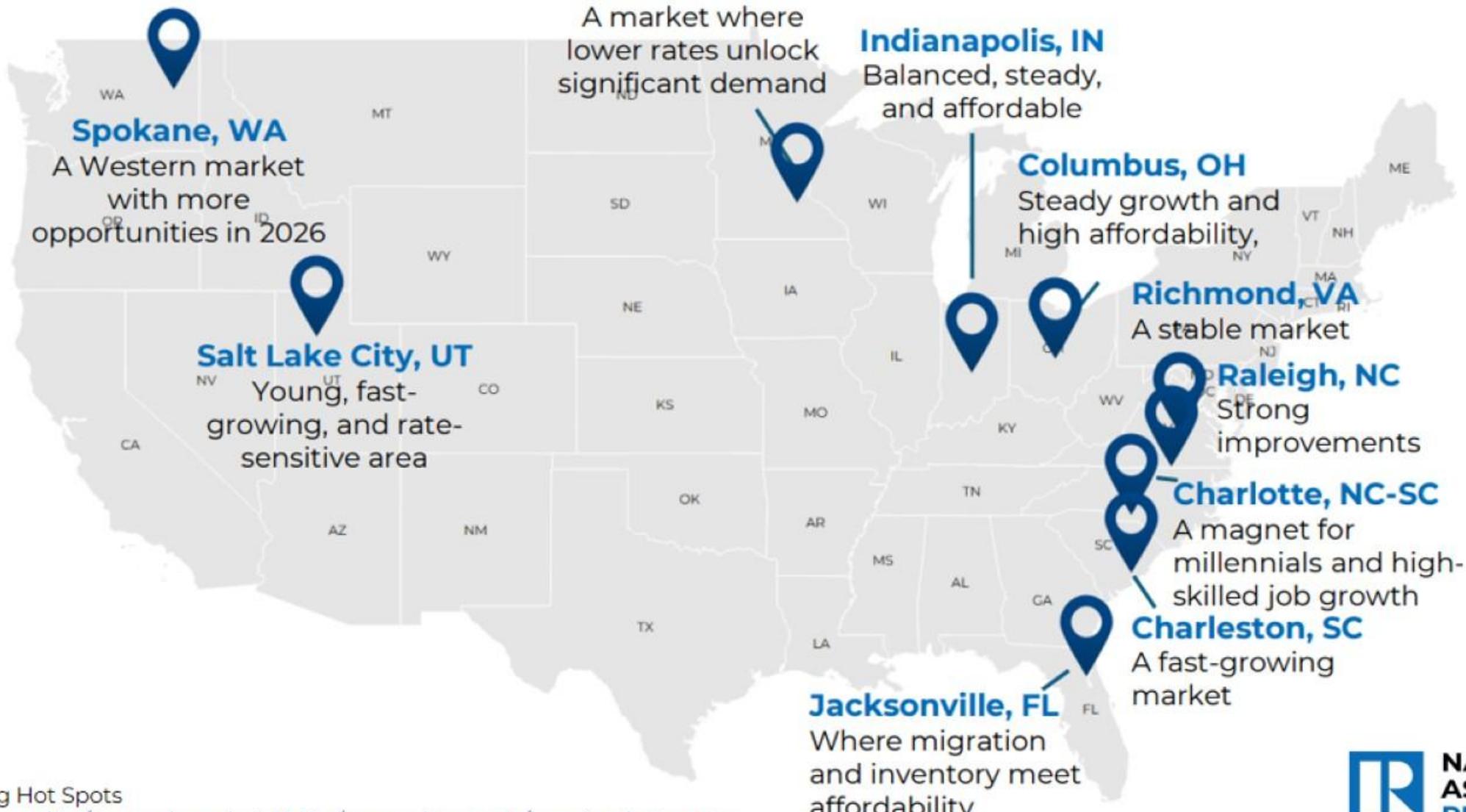
Dr. Jessica Lautz
Deputy Chief Economist & VP of Research
National Association of REALTORS®



Nationwide Housing Forecast

	2025	2026
Existing-Home Sales	+0%	+14%
New Home Sales	-2%	+5%
Median Home Price	+3%	+4%
Mortgage Rate	6.7%	6.0%

TOP HOT SPOTS 2026

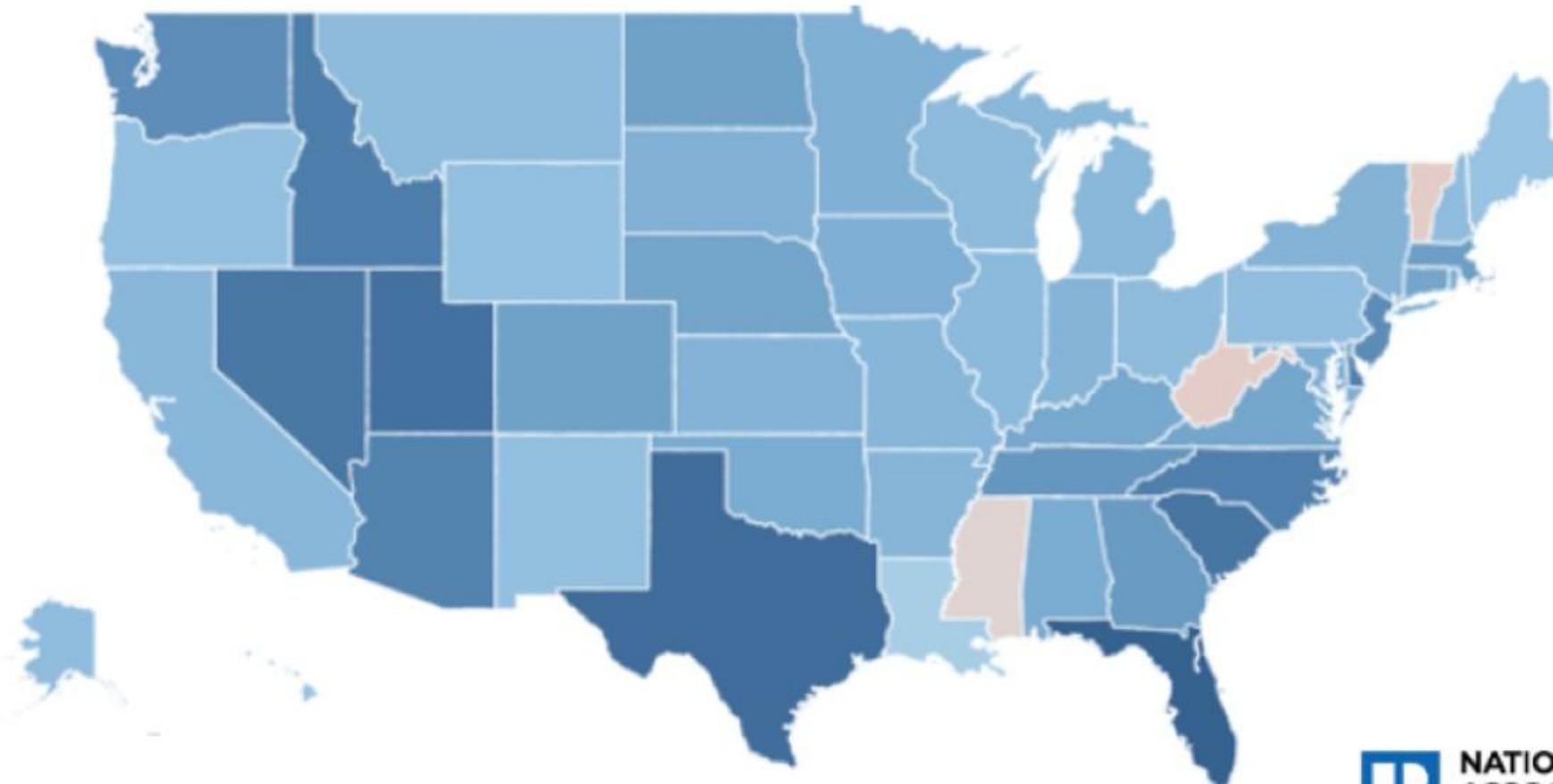


Source: Housing Hot Spots

<https://www.nar.realtor/research-and-statistics/research-reports/housing-hot-spots>

Sunbelt and Mountain States Lead Population Growth

Washington Gained 101k and 1.3% Population in 2024

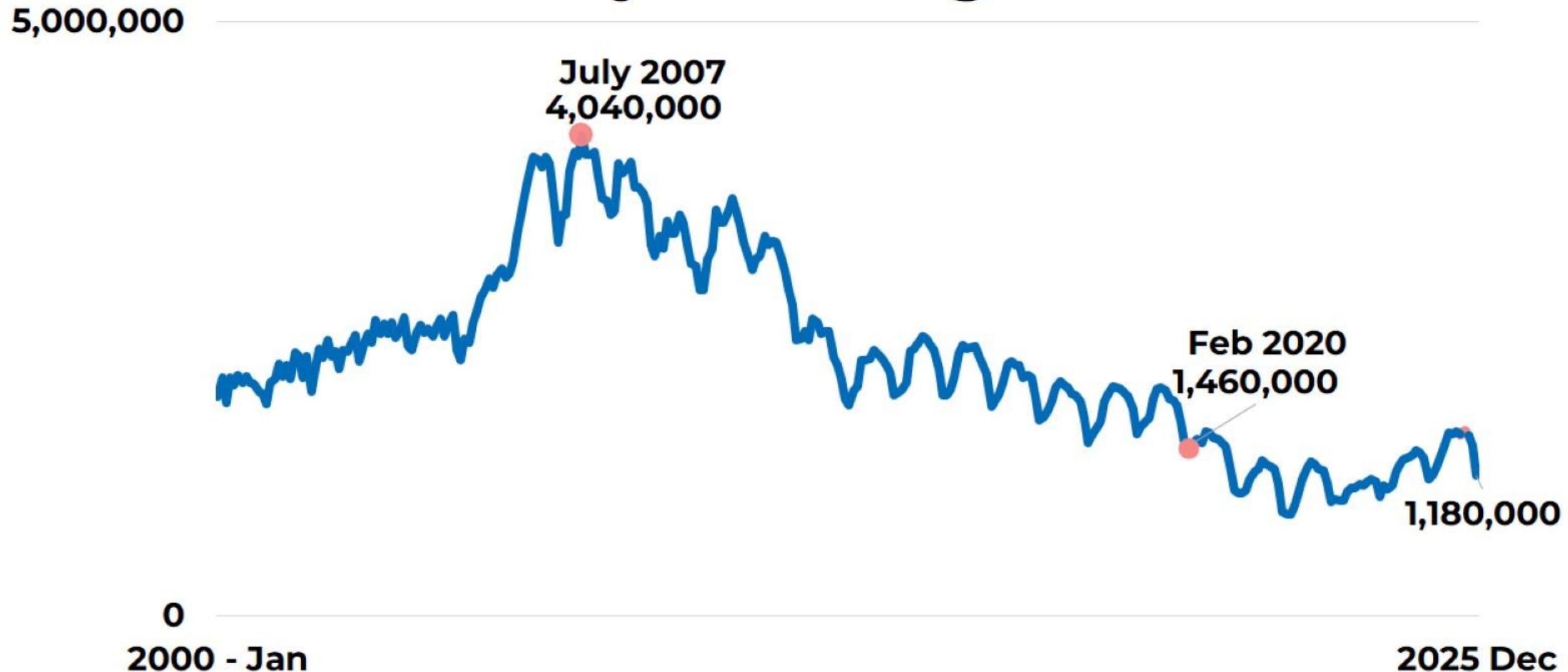


Source: U.S. Census Bureau, Vintage 2024 Population Estimates

Source: Behind the Numbers: Top 15 States for Population and Migration Trends in 2024

<https://www.nar.realtor/blogs/economists-outlook/behind-the-numbers-top-15-states-for-population-and-migration-trends-in-2024>

Inventory of Existing Homes



Source: NAR Existing-Home Sales

www.nar.realtor/research-and-statistics/housing-statistics/existing-home-sales

30-Year Fixed Mortgage Interest Rate

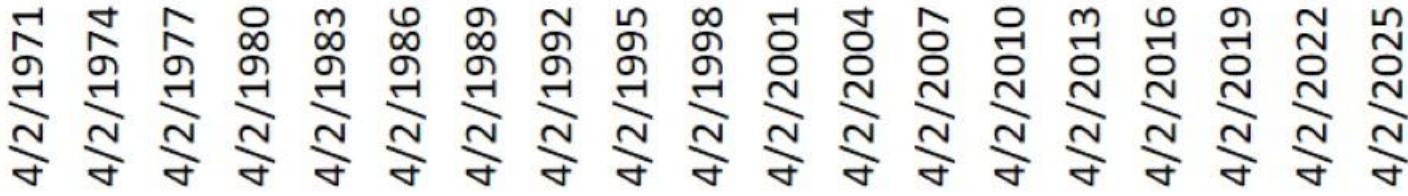
(historical norm in red)

20

10

7.74%

0



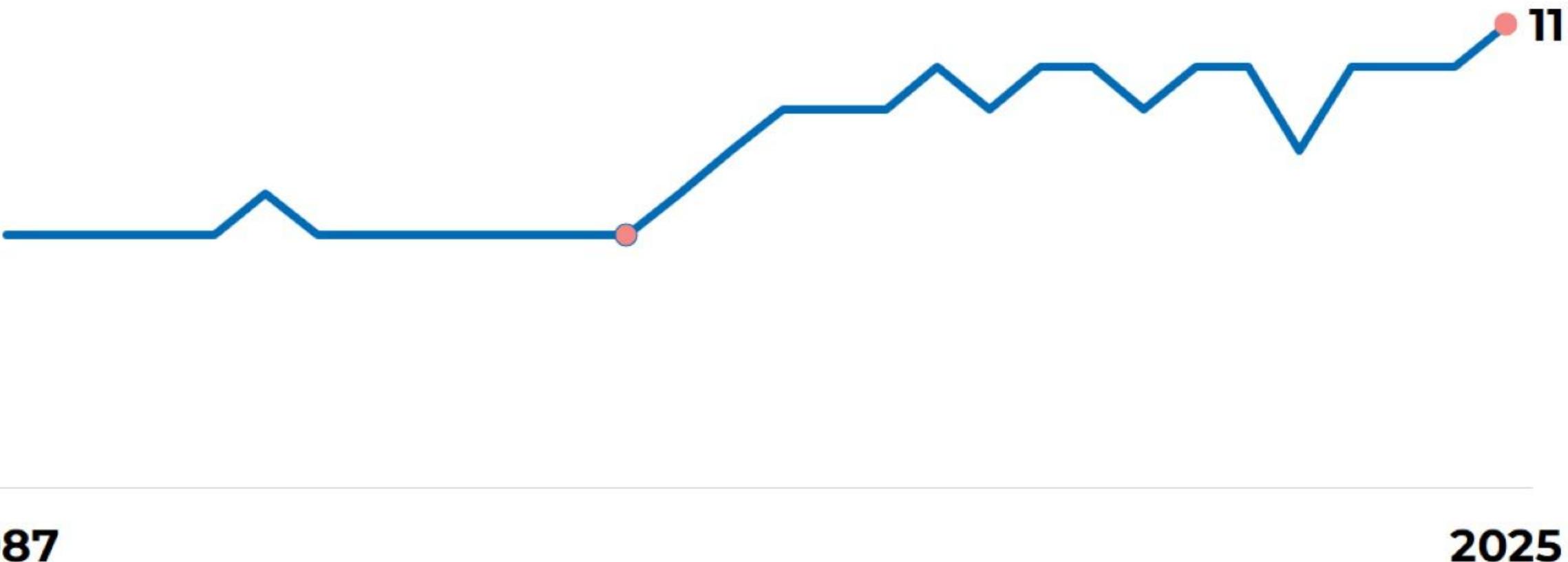
**Difference 6.5%-3.5%:
\$400k: \$586/month**

**If rates fell from
7% → 6% = 6,738 new
home buyers estimated
in Seattle-Tacoma-
Bellevue**

Source: Freddie Mac <https://www.freddiemac.com/pmms>

Median Length of Ownership Tenure in Home Sold

15



Source: Profile of Home Buyers and Sellers

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

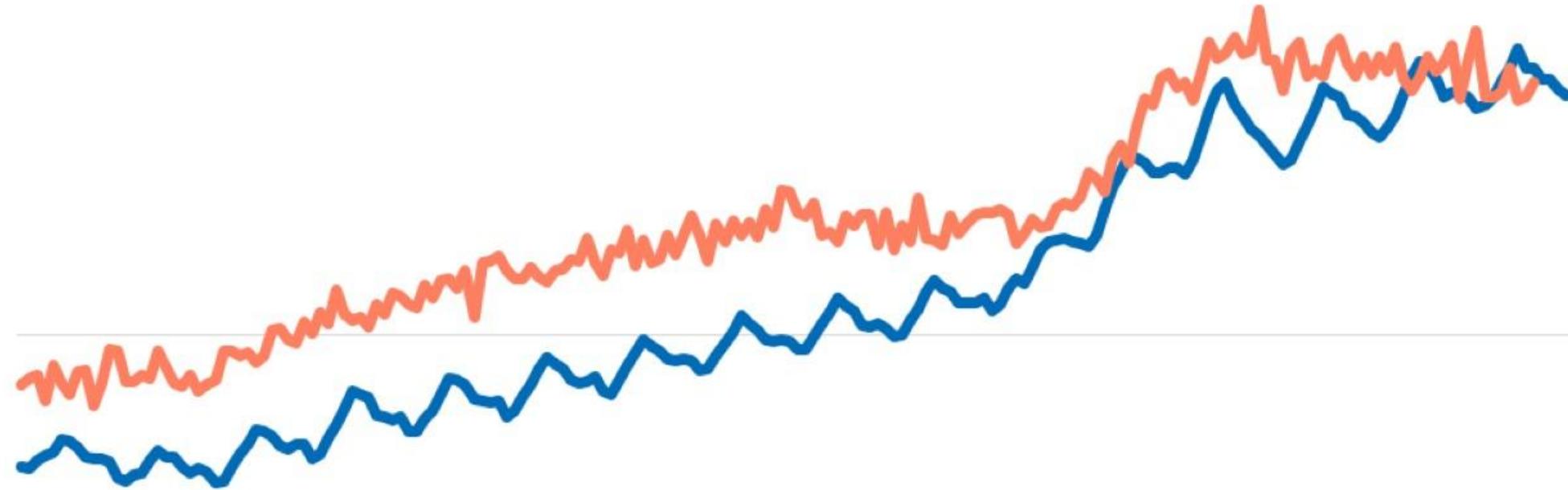
Median Existing-Home Price On Par With New Home Price

\$500,000

\$250,000

\$0

2010 - Jan



Seattle-Tacoma-Bellevue \$804k +0.2% Y-O-Y

Spokane-Spokane Valley \$447k +2.5% Y-O-Y

—Existing—New

2025 Dec



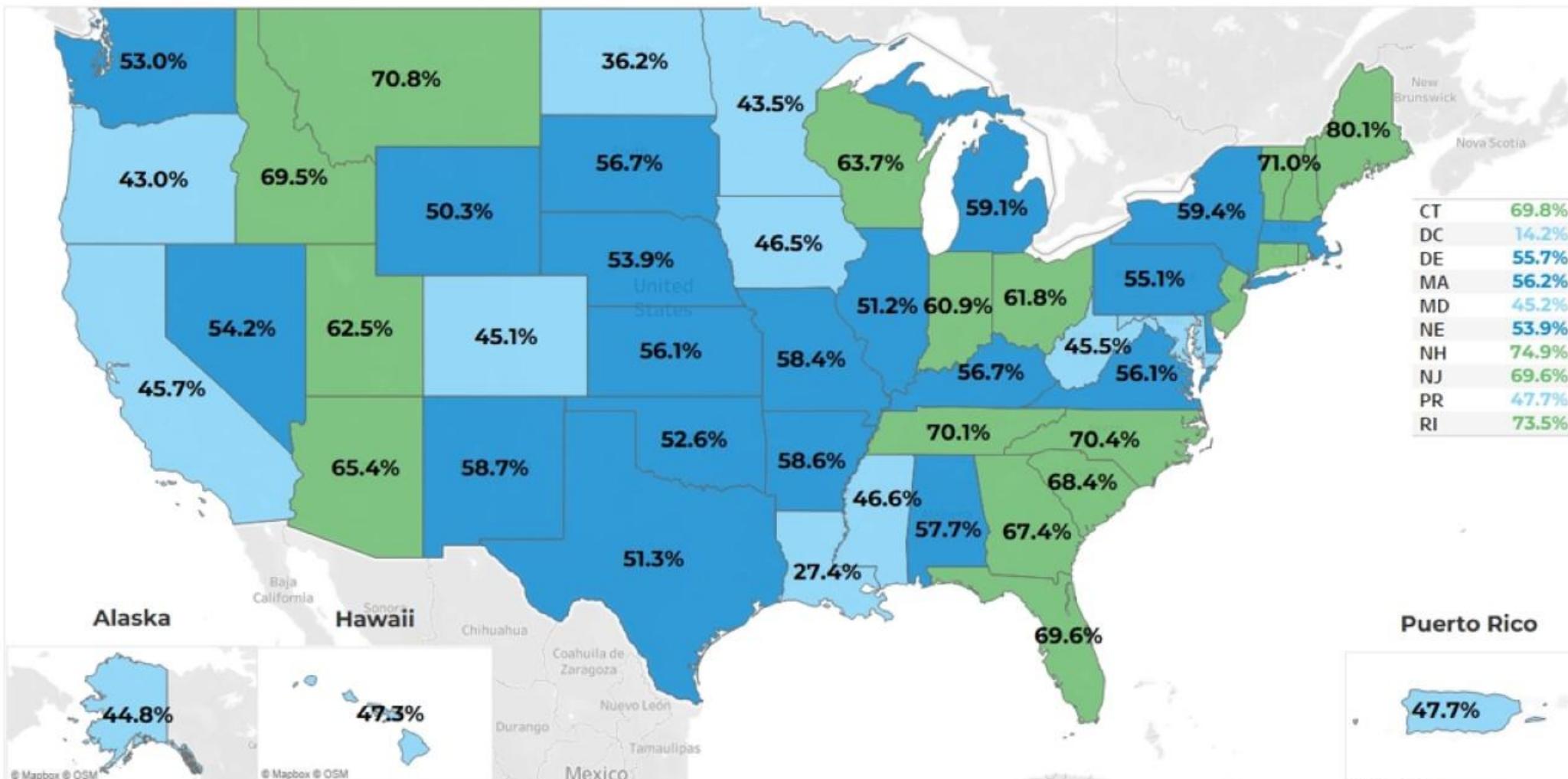
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Source: NAR Existing-Home Sales <https://www.nar.realtor/research-and-statistics/housing-statistics/existing-home-sales>
Census/HUD <https://www.census.gov/construction/nrs/current/index.html>

State Home Price Appreciation

% change from 2020 Q1 to 2025 Q2

Seattle-Tacoma-Bellevue \$312k & Spokane-Spokane Valley \$177k Gained 5 Years



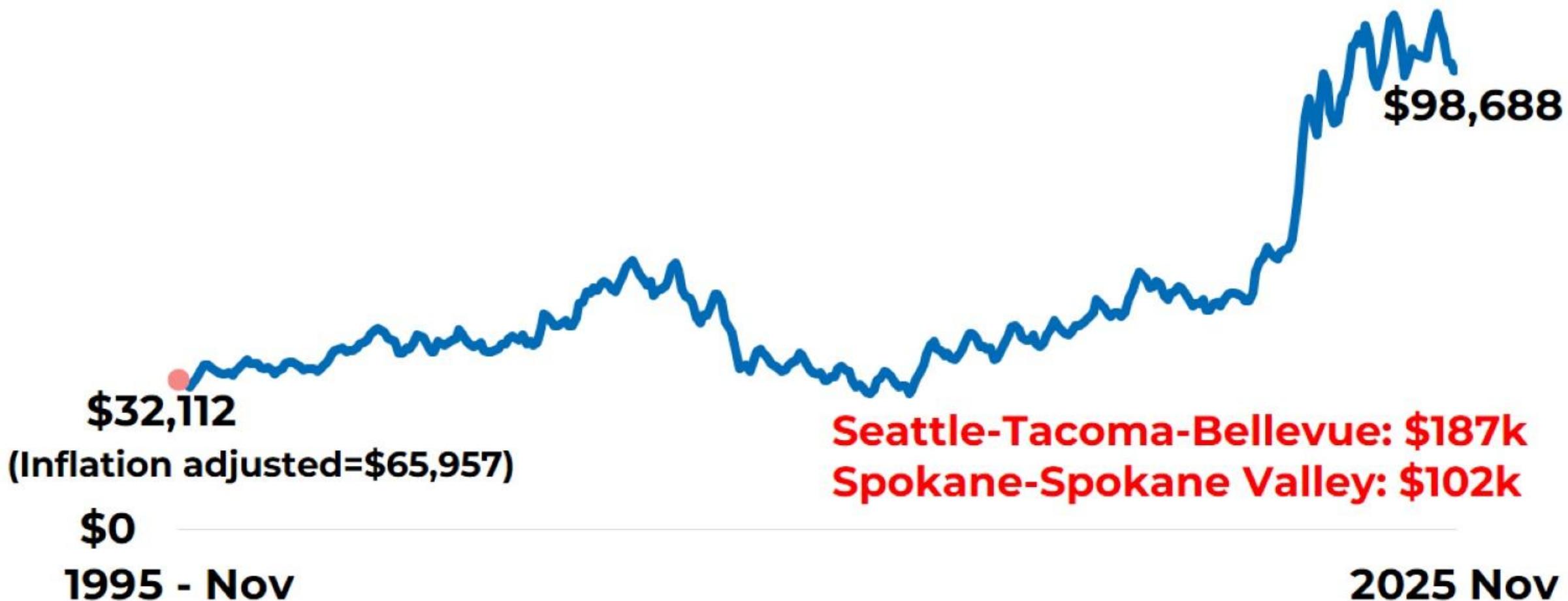
Source: NAR Analysis of FHFA data



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

\$125,000



Source: NAR Housing Affordability Index

<https://www.nar.realtor/research-and-statistics/housing-statistics/housing-affordability-index>

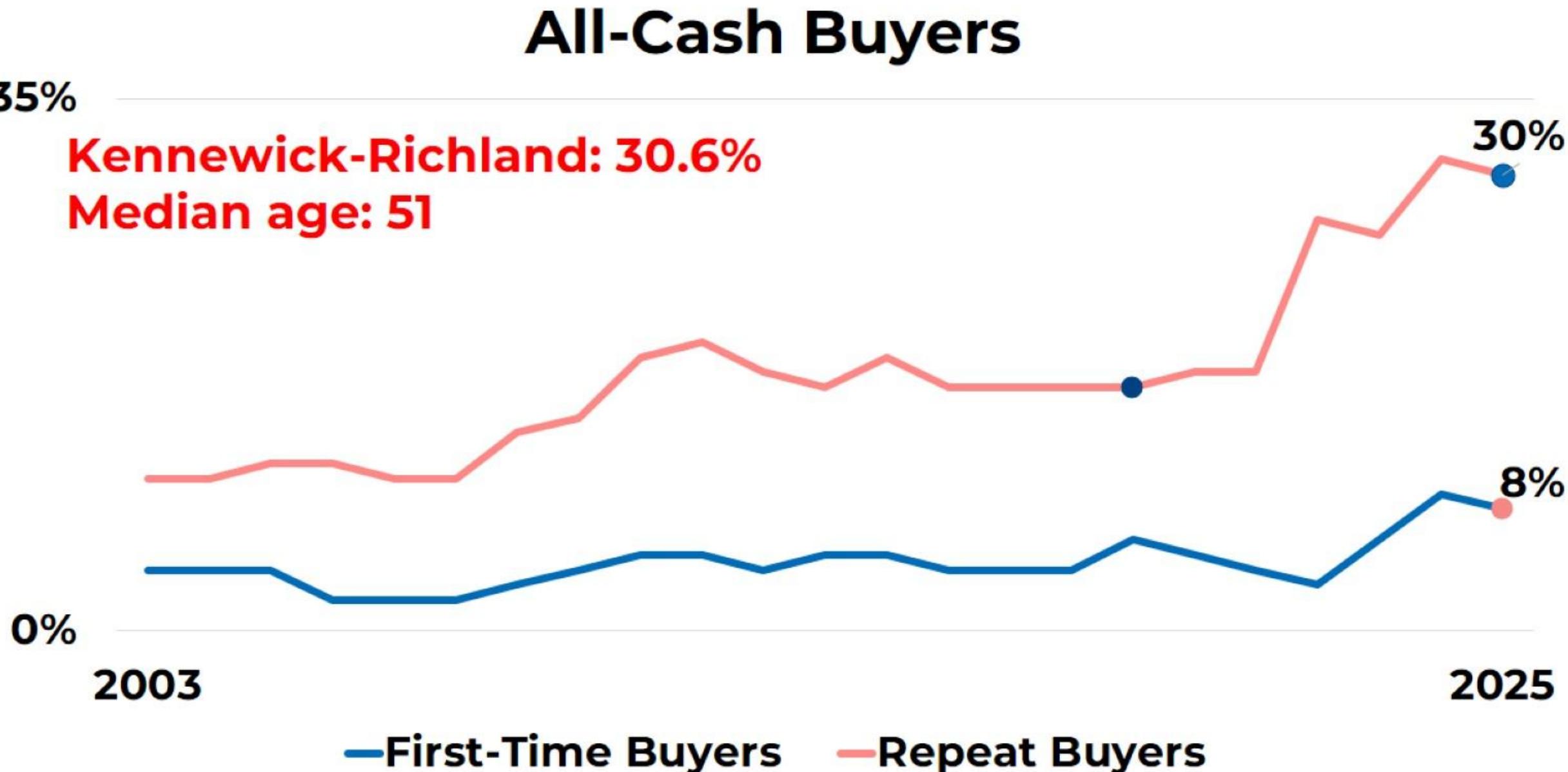
All-Cash Buyers

35%

Kennewick-Richland: 30.6%

Median age: 51

30%



Source: Profile of Home Buyers and Sellers

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

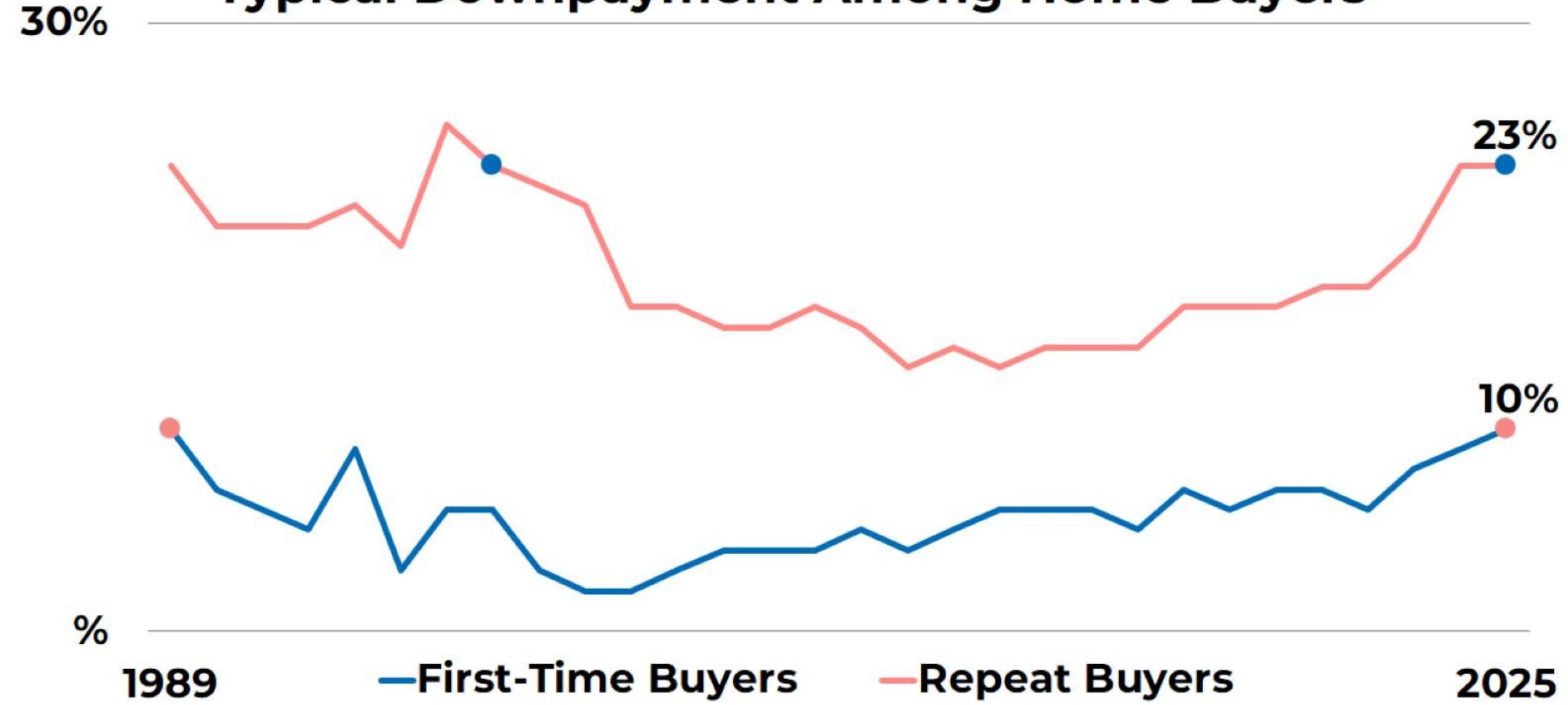
Where Are Buyers Paying Cash for Homes?

<https://www.nar.realtor/blogs/economists-outlook/where-are-buyers-paying-cash-for-homes>



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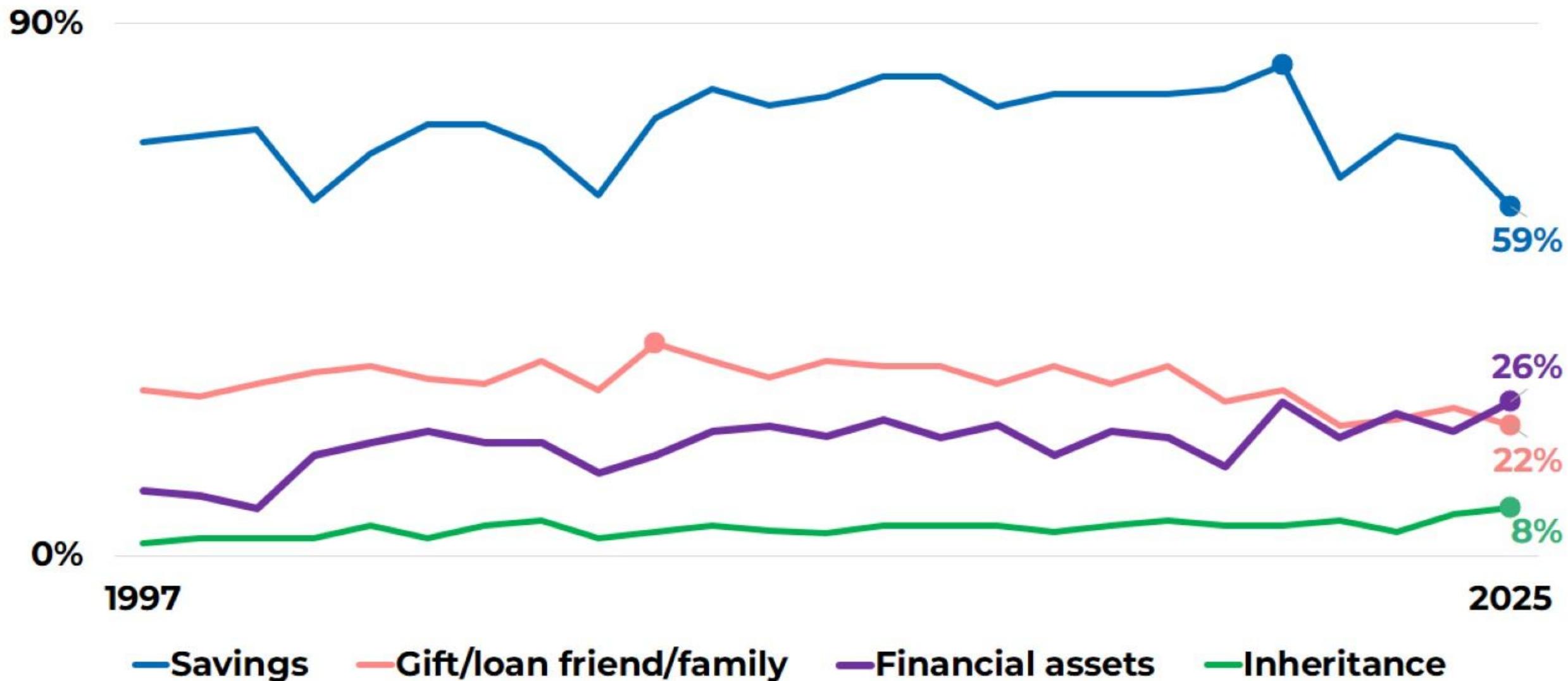
Typical Downpayment Among Home Buyers



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



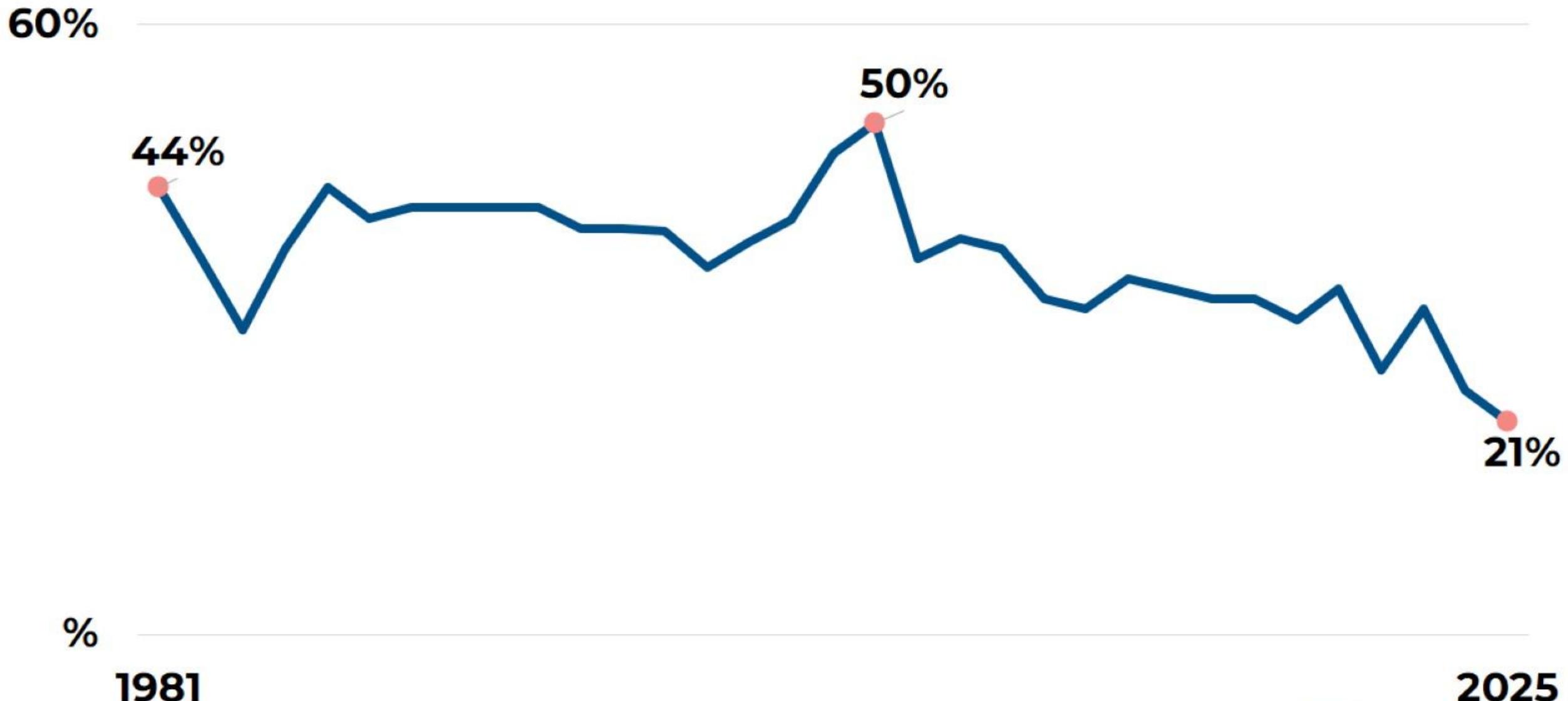
Source: Profile of Home Buyers and Sellers

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

Generational Warfare



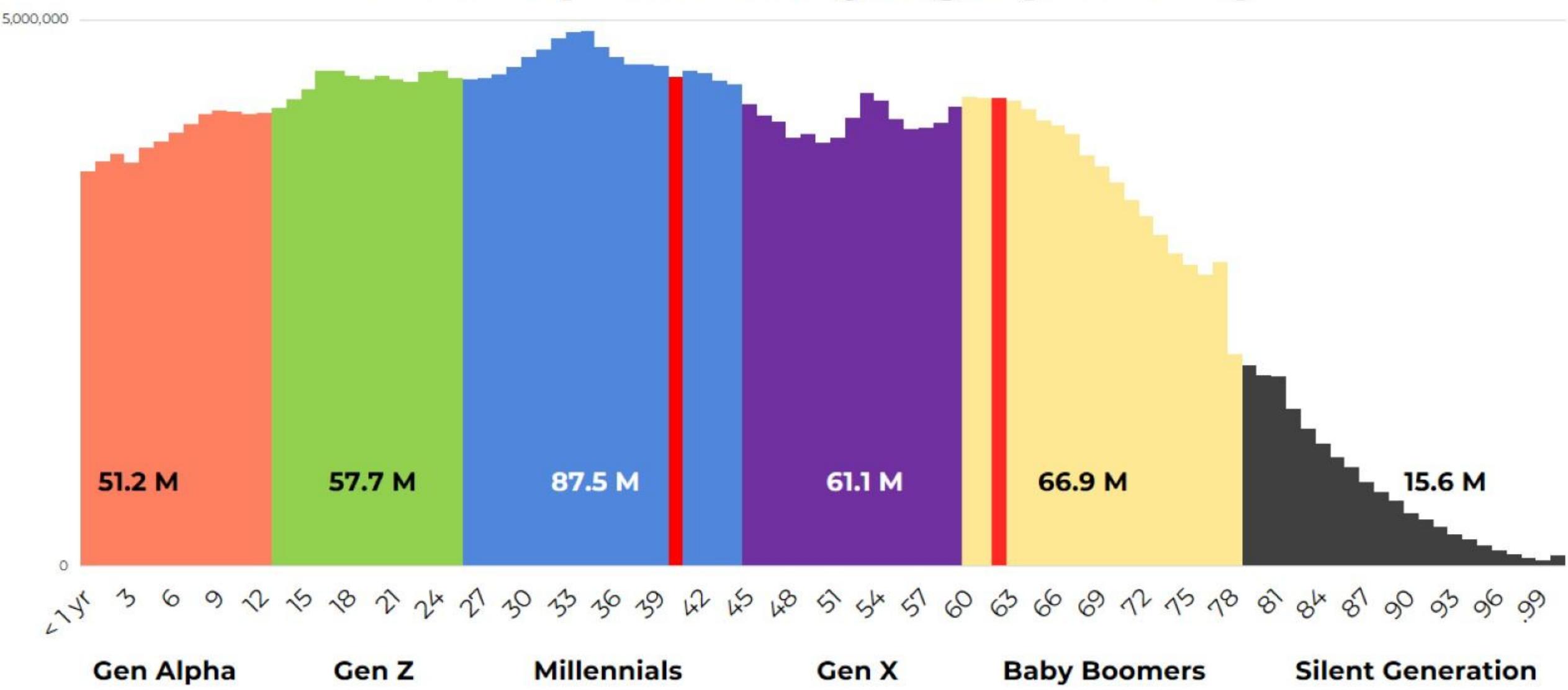
First-Time Home Buyers Hit All-Time Low



Source: How NAR Research Collects First-Time Buyer Data and Why It Matters

<https://www.nar.realtor/blogs/economists-outlook/how-nar-research-collects-first-time-buyer-data-and-why-it-matters>

U.S. Population by Age (in 2024)



Source: How NAR Research Collects First-Time Buyer Data and Why It Matters

<https://www.nar.realtor/blogs/economists-outlook/how-nar-research-collects-first-time-buyer-data-and-why-it-matters>

Demographic Changes: DINKS and SINKS and Roomies



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>



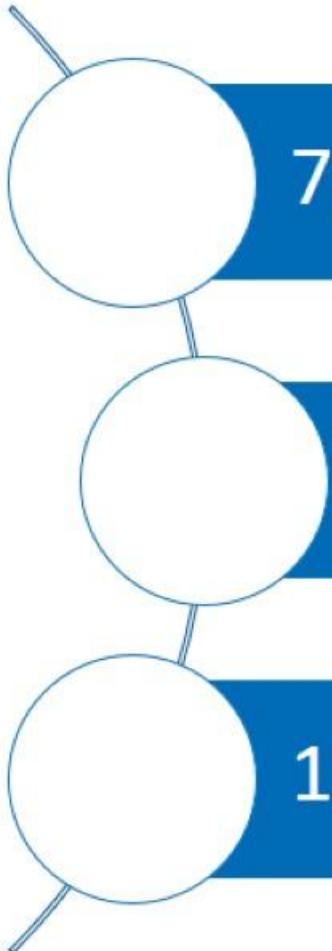
Baby Bust Among Buyers



Source: Profile of Home Buyers and Sellers

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

Fur Babies Are Housing Deciders



71% of households have pets

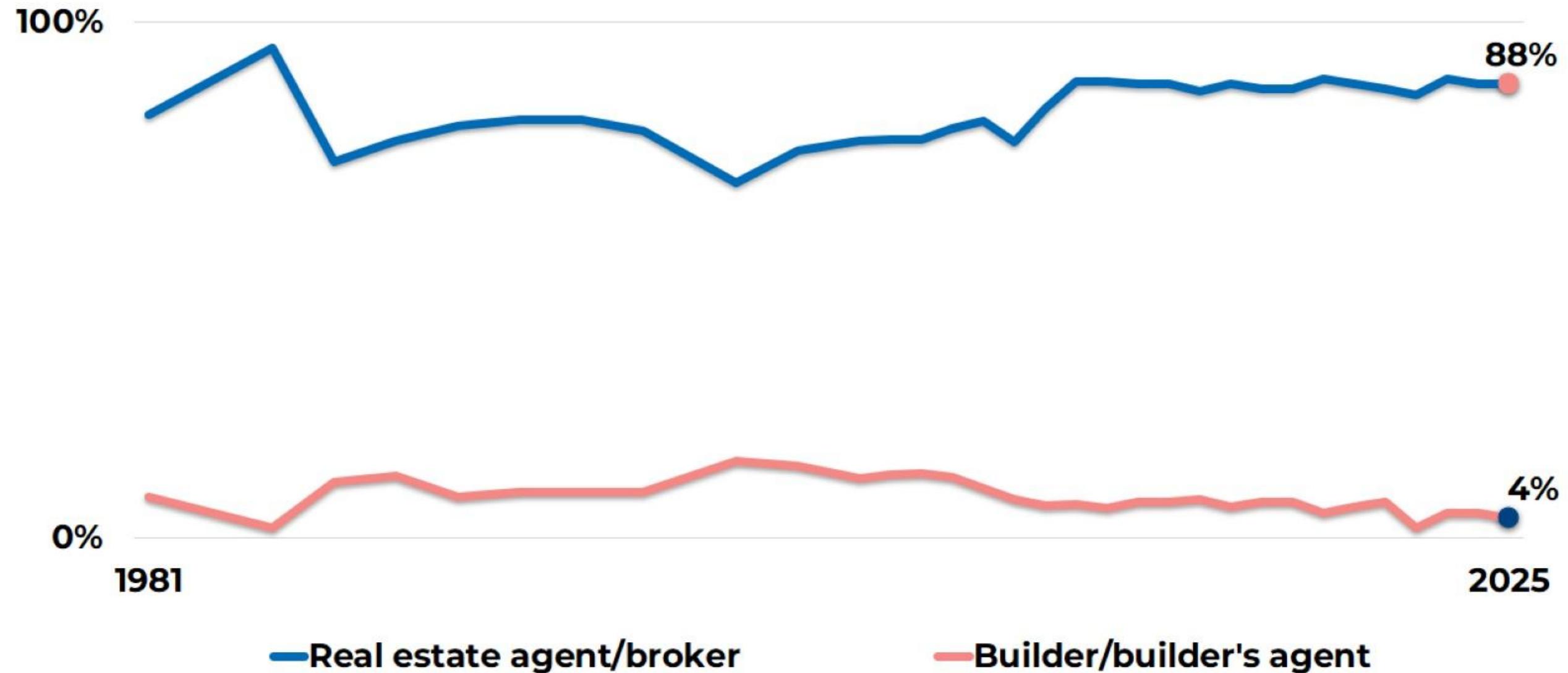
\$152 Billion spent on pets in 2024

16% of home buyers factored in pets to neighborhood choice

Agent Role



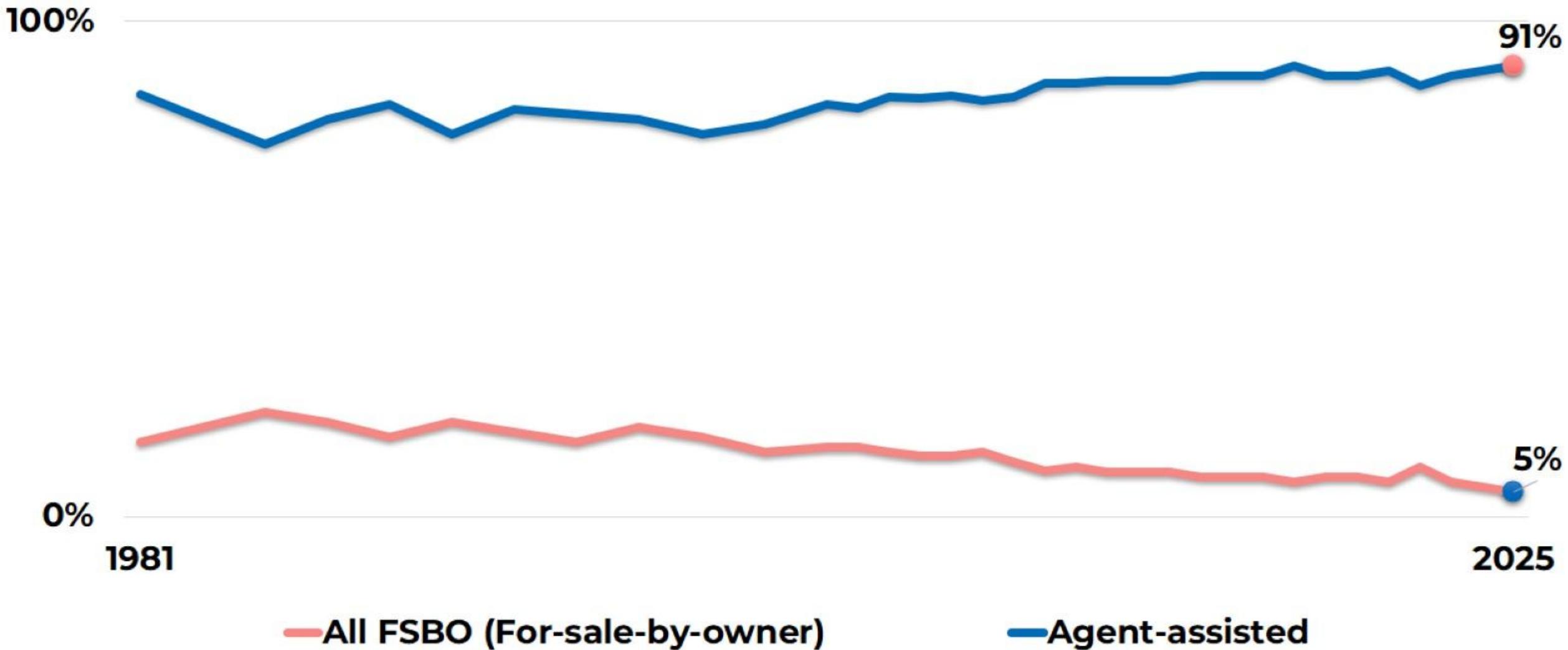
Buyer Use of Agents



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



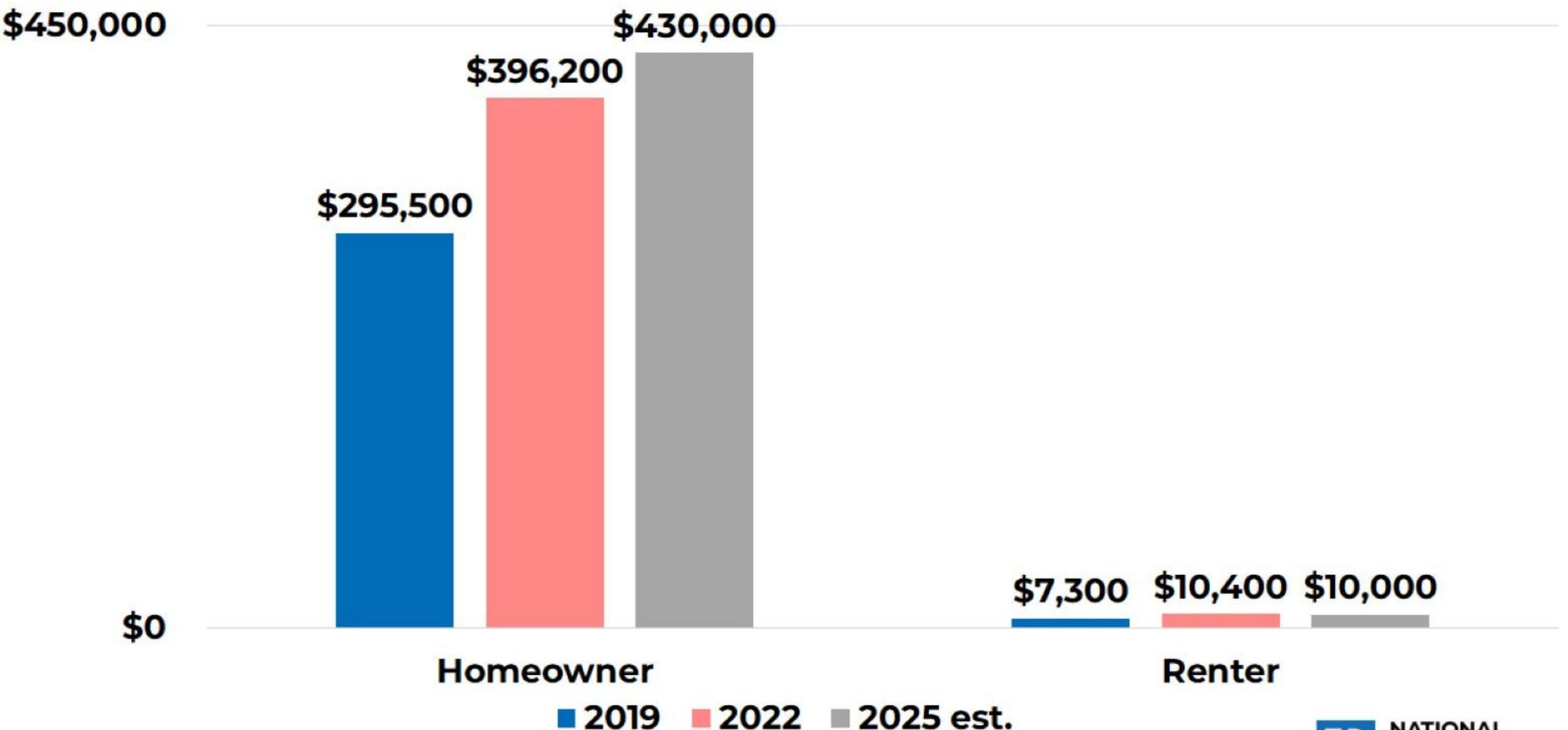
Source: Profile of Home Buyers and Sellers

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



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: Washington: \$203,400

Income generated from
real estate industries



Expenditures related
to home purchase



Multiplier of housing
related expenditures



New home
construction



Real estate industry accounted for:
\$140.6 billion or 17.0% in Utah

Source: State by State Economic Impact Reports

<https://www.nar.realtor/reports/state-by-state-economic-impact-of-real-estate-activity>



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Additional NAR Research Offerings

January 2025

Monthly Research Update

National Association of REALTORS®
Research Group



<https://www.nar.realtor/research-and-statistics/research-reports/research-update>

Monthly Research Update

Updated Monthly with All New Research:

- Existing-Home Sales Data
- Pending Home Sales Data
- Housing Affordability Index
- REALTORS® Confidence Index
- New reports such as: Profile of Home Buyers and Sellers, the Member Profile, Commercial Reports
- All blog posts on topical content such as Migration Trends, Housing Shortage Tracker, Single Women Home Buyers
- New commentary from the Chief Economist and Deputy Chief Economist

Residential Real Estate Market Snapshot Report

January 2025

National Association of REALTORS®
Research Group



<https://www.nar.realtor/research-and-statistics/research-reports/residential-real-estate-market-snapshot>

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Residential Real Estate Market Snapshot

Updated Monthly:

- Existing-Home Sales
- Pending Home Sales
- Interest Rates
- Inventory & Affordability
- New Construction
- GDP
- Inflation
- Consumer Spending
- Employment and Unemployment

Metro Market Statistics

NOW LIVE

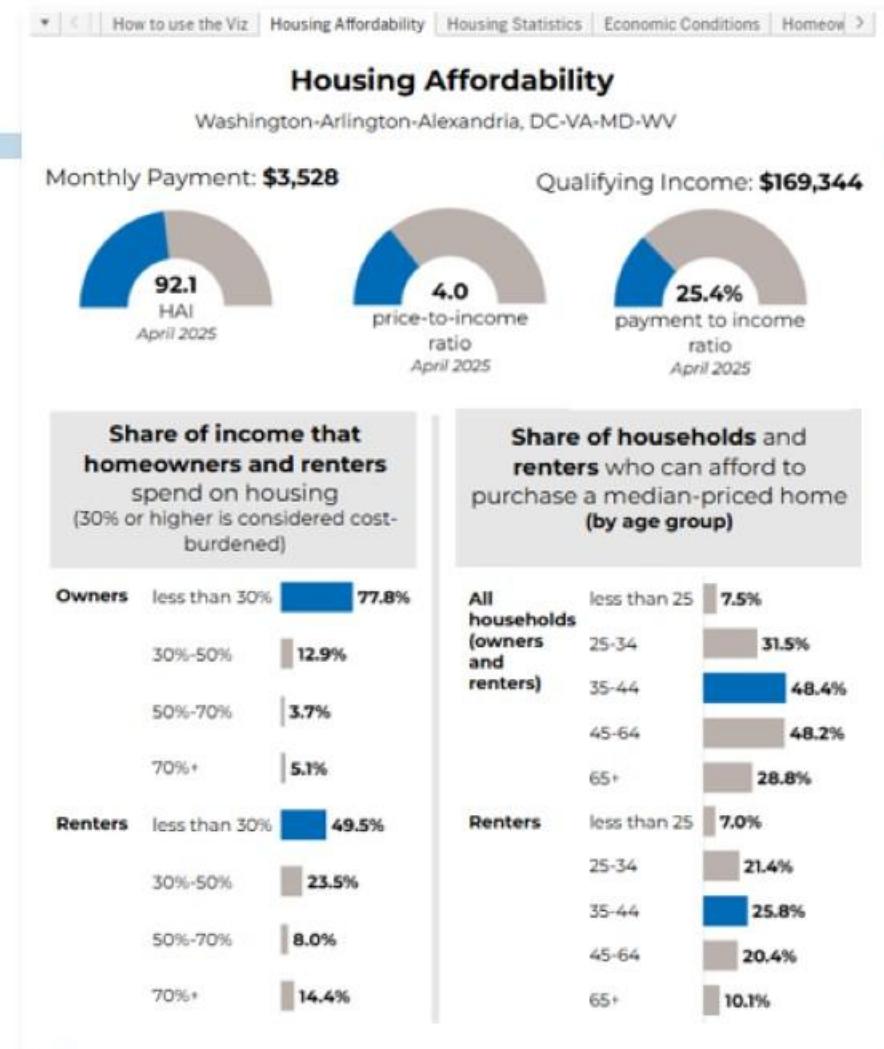
NAR Market Statistics Dashboard
gives REALTORS® exclusive
access to **monthly local data** on

- ✓ impact analysis of lower rates
- ✓ housing affordability
- ✓ price, sales, & listing trends
- ✓ economic conditions
- ✓ buyer profile
- ✓ and more

*with breakdowns by age,
race/ethnicity, and income.*



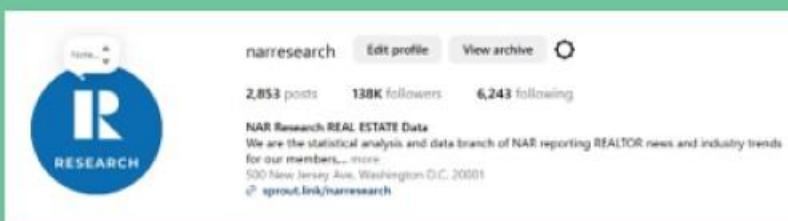
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The screenshot shows the LinkedIn profile of 'NAR Research'. The profile picture is a blue circle with a white 'R' and the word 'RESEARCH' below it. The background image is a photograph of a city skyline at sunset. The profile includes the following information:

- NAR Research** (Verify your business)
- @NAR_Research**
- Find out what NAR experts are saying about the housing market and economy. Contact us at data@nar.realtor with questions.
- Location: Washington, DC
- Website: nar.realtor/research-and-s...
- Joined April 2009
- 2,895 Following
- 156.2K Followers



The screenshot shows the Instagram profile of 'narresearch'. The profile picture is the same blue circle with a white 'R' and 'RESEARCH' text. The bio reads: 'NAR Research REAL ESTATE Data. We are the statistical analysis and data branch of NAR reporting REALTOR news and industry trends for our members... more'. It includes the address '500 New Jersey Ave, Washington D.C. 20001' and a link 'sprout.link/narresearch'. The profile statistics are:

- 2,853 posts
- 138K followers
- 6,243 following



<https://linktr.ee/narresearch>

NAR Research Social Media

- Four Channels (and counting):
 - X (formerly Twitter)
 - Facebook
 - LinkedIn
 - Instagram
 - Blue Sky
- Daily updates
- Latest reports, data, and analyses