

Real Estate and Economic Outlook

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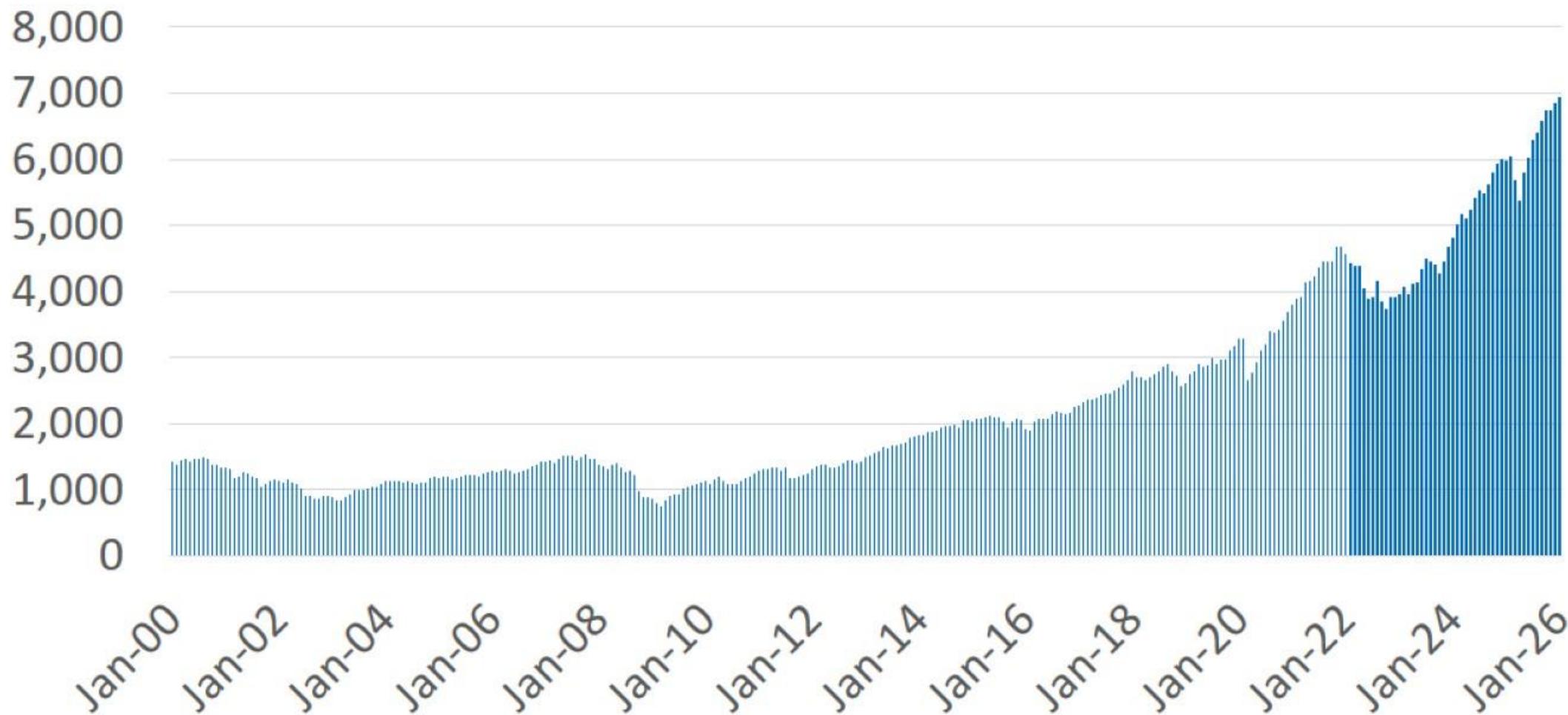
Chief Economist

National Association of REALTORS®

Headed to Economic Recession?

- **No data to confirm during the Government Shutdown**
- **Near Record Stock Market Wealth but overvalued?**
- **Near Record Housing Wealth (appears on solid ground)**
- **Job Gains were weakening**
- **Consumers not happy**
- **Consumers are defaulting on loans**

Stock Market ... S&P 500 Index



Source: Standard & Poor's

Consumer Sentiment (Overall Index)



Source: University of Michigan

Auto Loan 90+ Days Delinquency



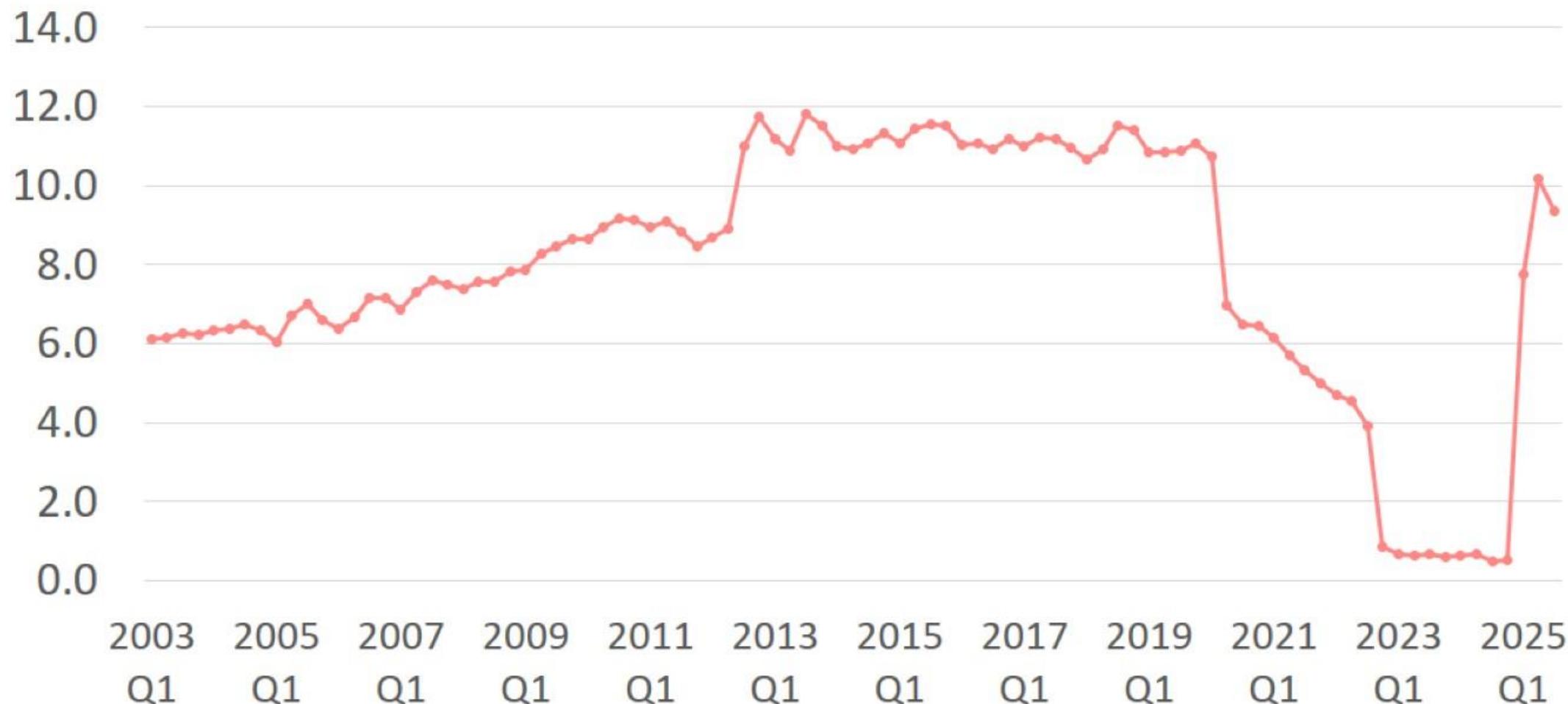
Source: Federal Reserve Bank of NY

Credit Card 90+ Days Delinquency



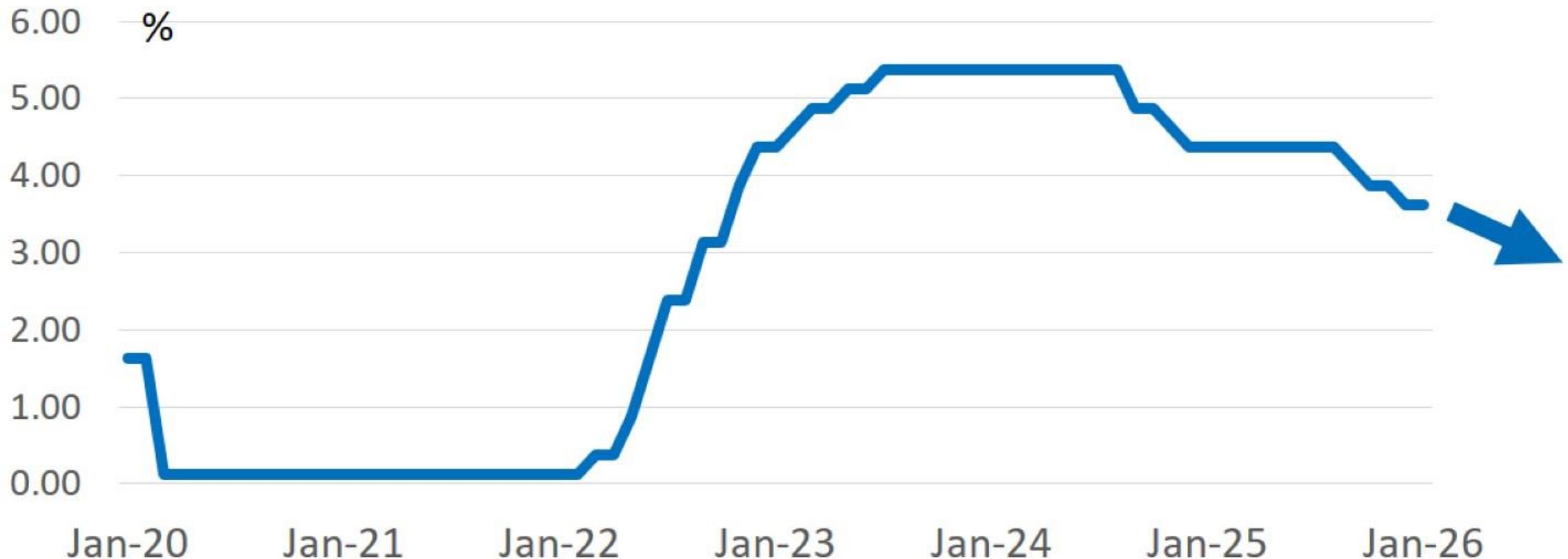
Source: Federal Reserve Bank of NY

Student Debt 90+ Days Delinquency



Source: Federal Reserve Bank of NY

To Avert Economic Stress Fed Funds Rate getting Cut (blue)

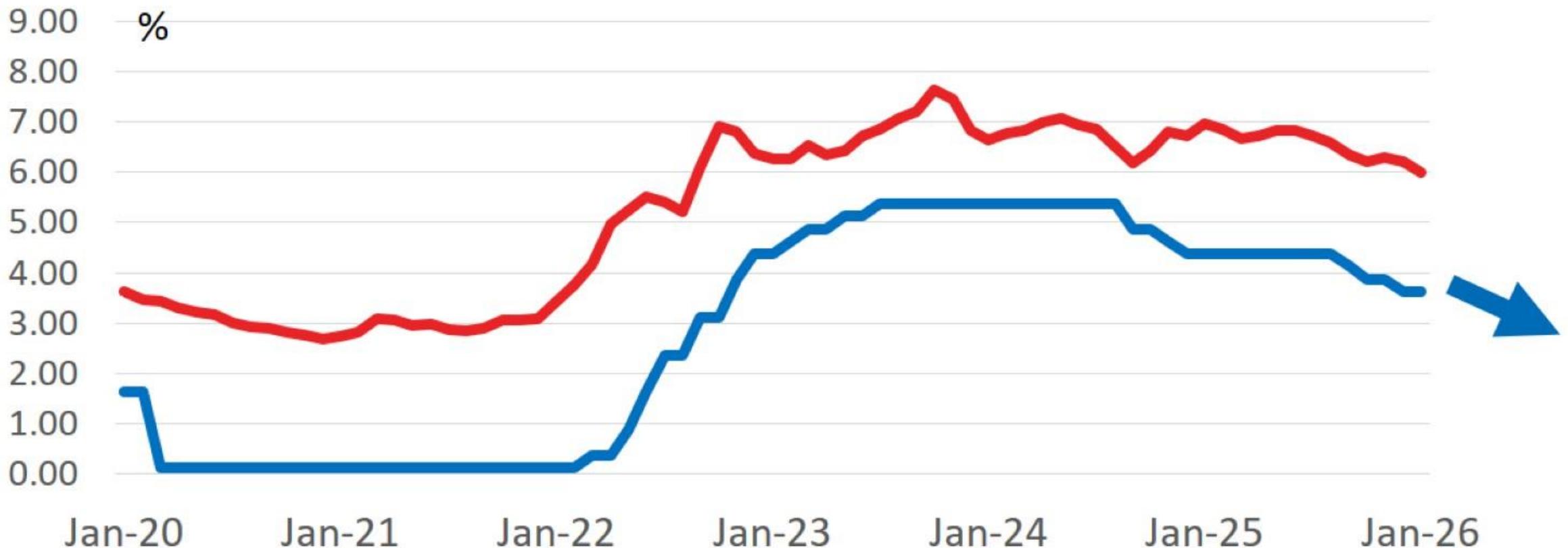


Source: Federal Reserve and Freddie Mac Mortgage Rate

Impact to Mortgage Rates

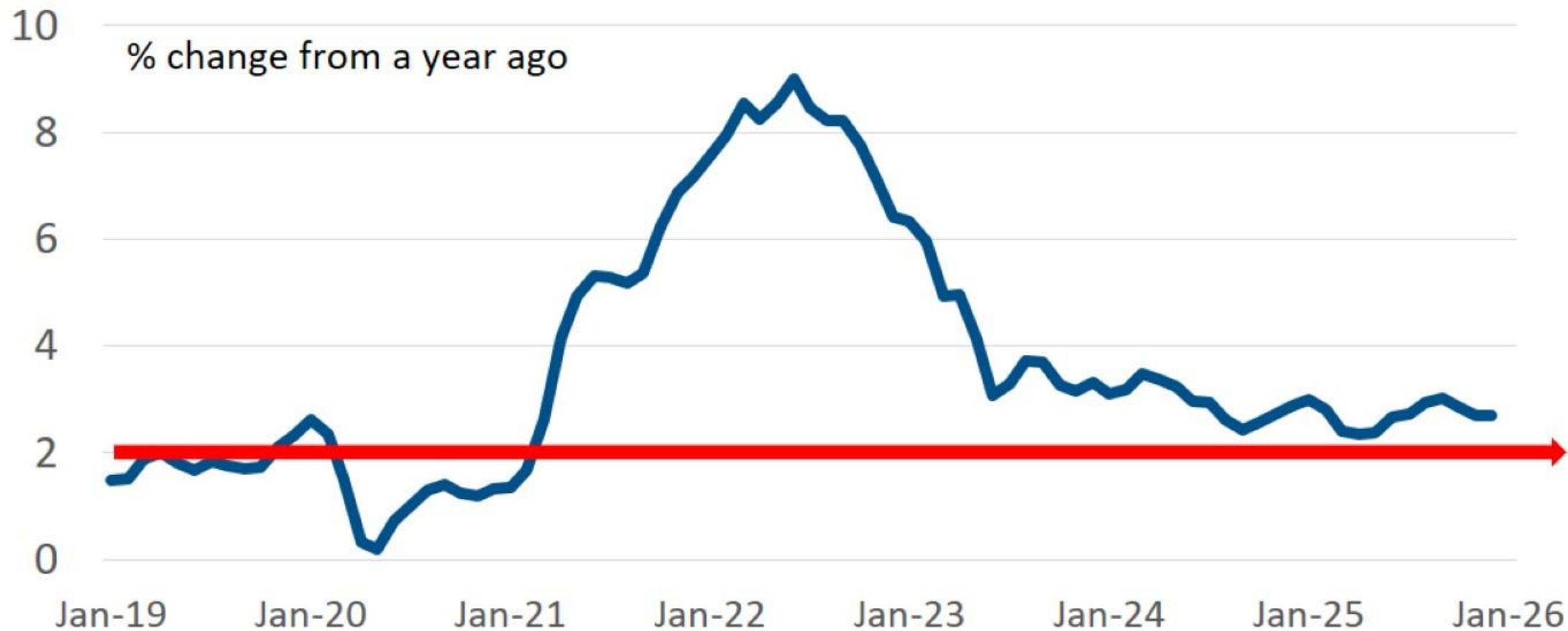
- **Federal Reserve Rate Cut (on fed funds short-term rate)**
- **Federal Deficit and National Debt**
- **Supreme Court on Trump Tariffs (\$3 trillion revenue over decade)**
- **Inflation Rate**
- **Quantitative Tightening/Easing**
 - **net buy/sale of mortgage-backed securities by the Fed or GSEs**
- **Government guarantee (or non-guarantee) on mortgages**
- **Spread between 30-year Mortgage and 10-year Treasury**
- **Stock Market Crash**

Mortgage Rate (red) Fed Funds Rate getting Cut (blue)



Source: Federal Reserve and Freddie Mac Mortgage Rate

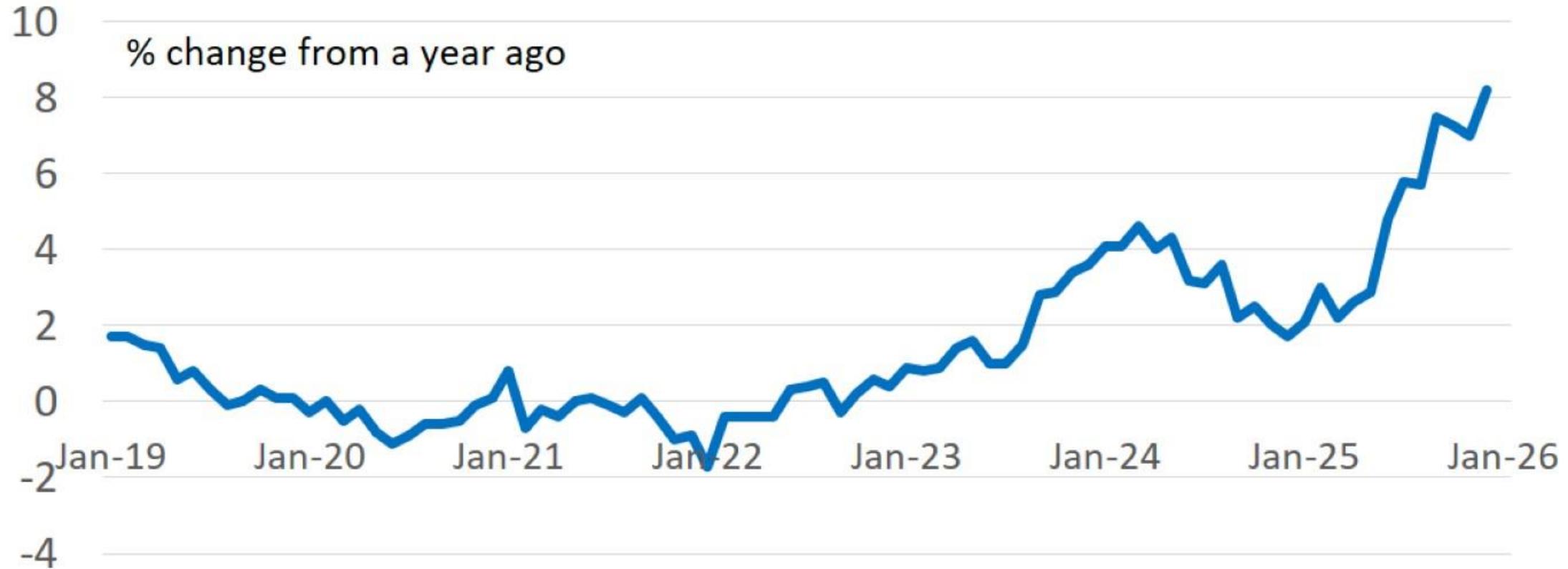
Consumer Price Inflation at 2.7% in December But still above 2% target



Source: BLS (missing data in Oct. is assumed as midpoint rate of Sep. and Nov.)

Home Insurance Cost Rising at 8%

Tenants' and Household Insurance



Source: BLS (missing data in Oct. is assumed as midpoint rate of Sep. and Nov.)

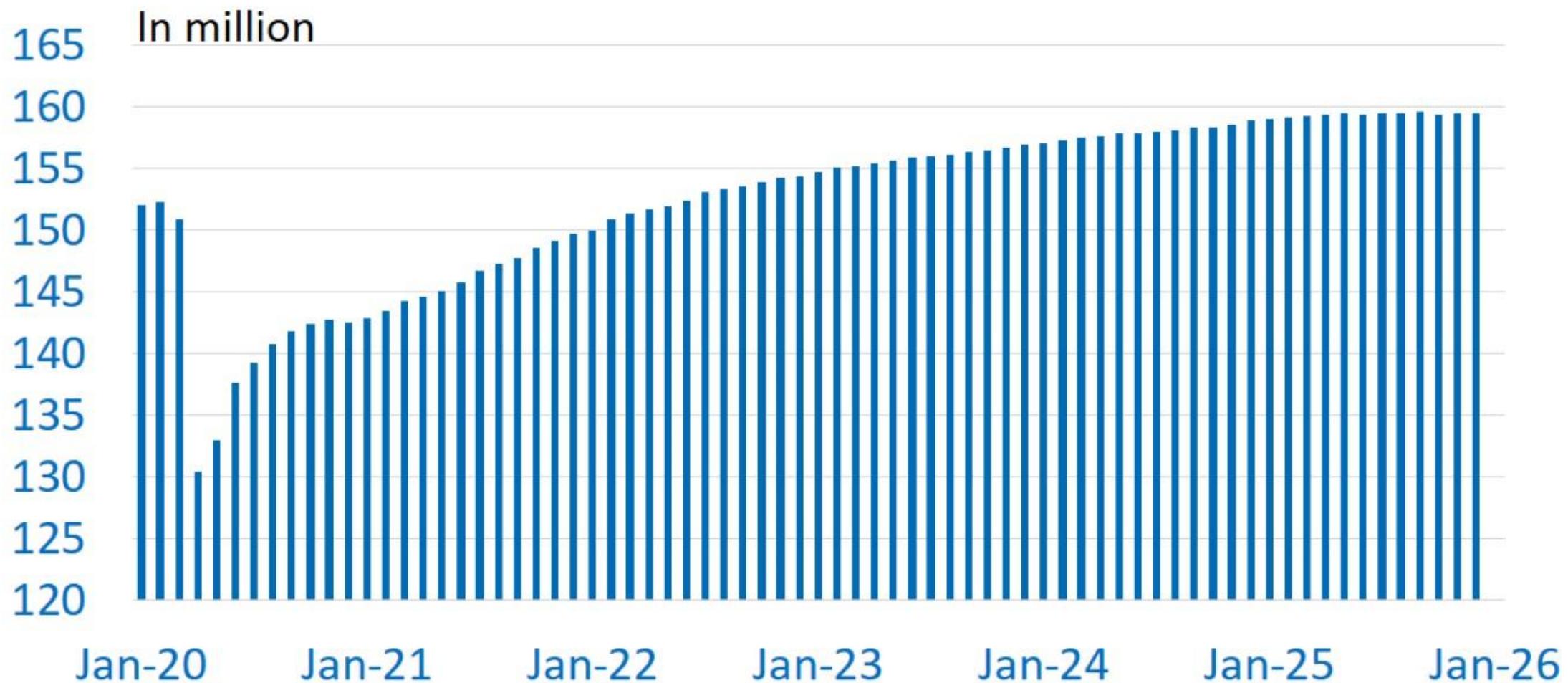
Gold Price Reflecting ... Permanently Higher Inflation?



Source: Wall Street Journal (price per troy ounce)

Total Payroll Jobs to December 2025

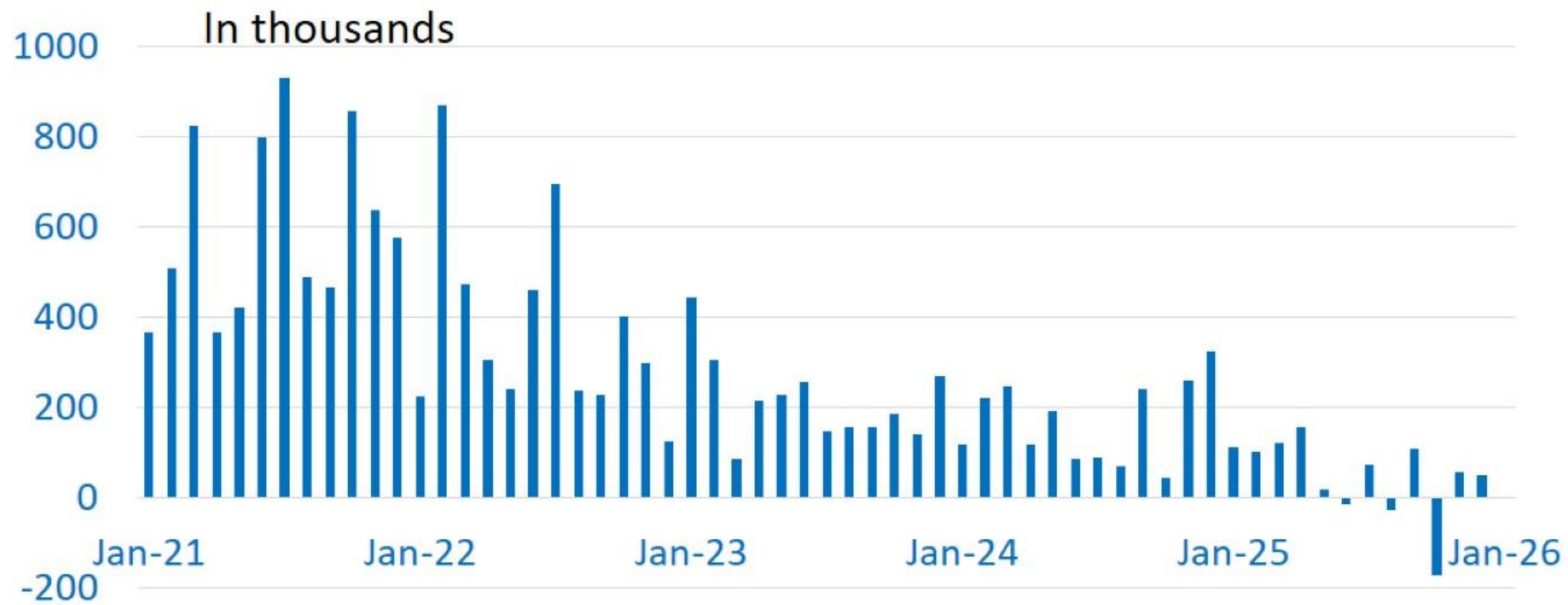
+7.3 Million More Jobs from Pre-COVID Highs



Source: BLS

Monthly Net Job Changes

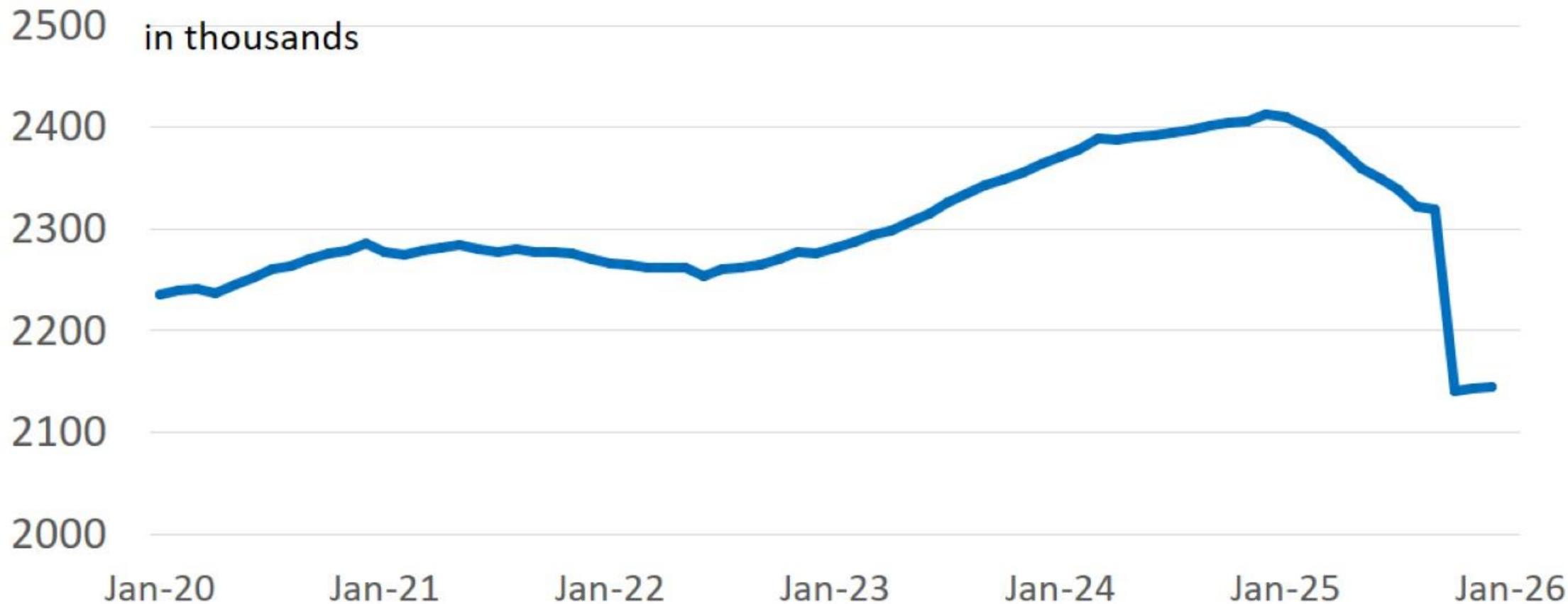
... circling near zero net in recent months



Source: BLS

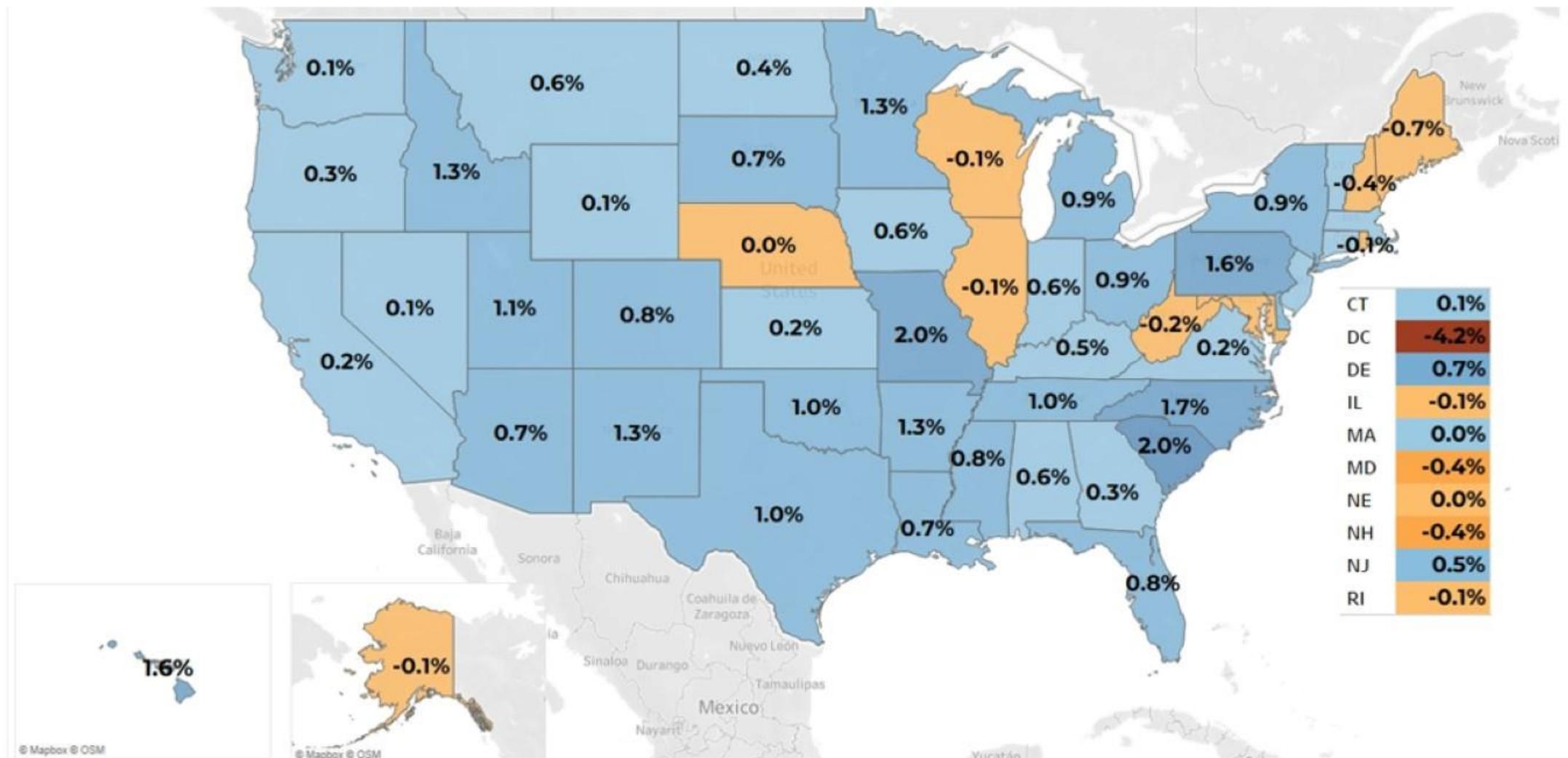
Federal Government Jobs

(tumbling down ... 268,000 fewer from peak in December 2024)



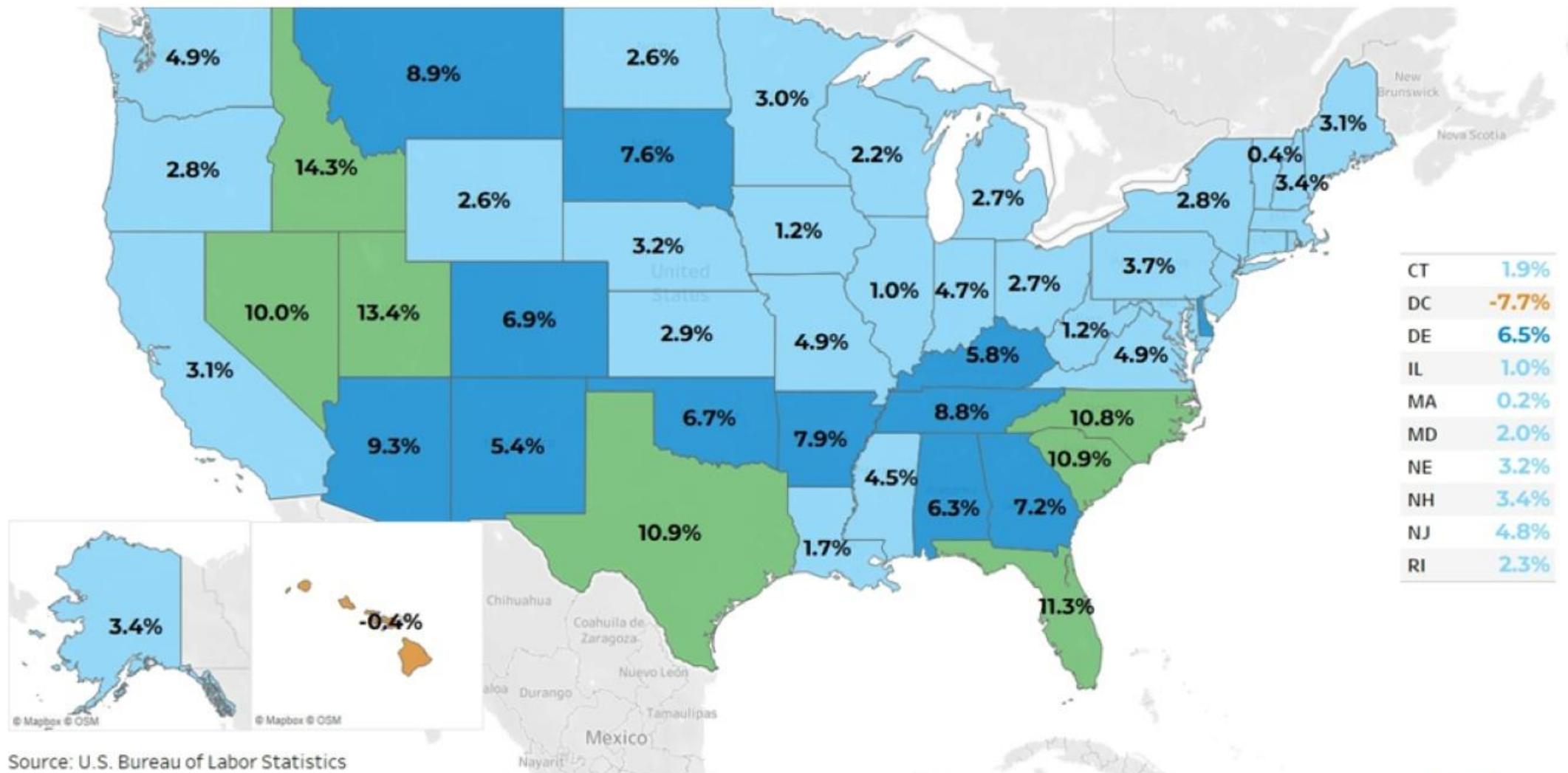
Source: BLS

One-year Payroll Job Gain (% change Nov. 2024 to Nov. 2025)



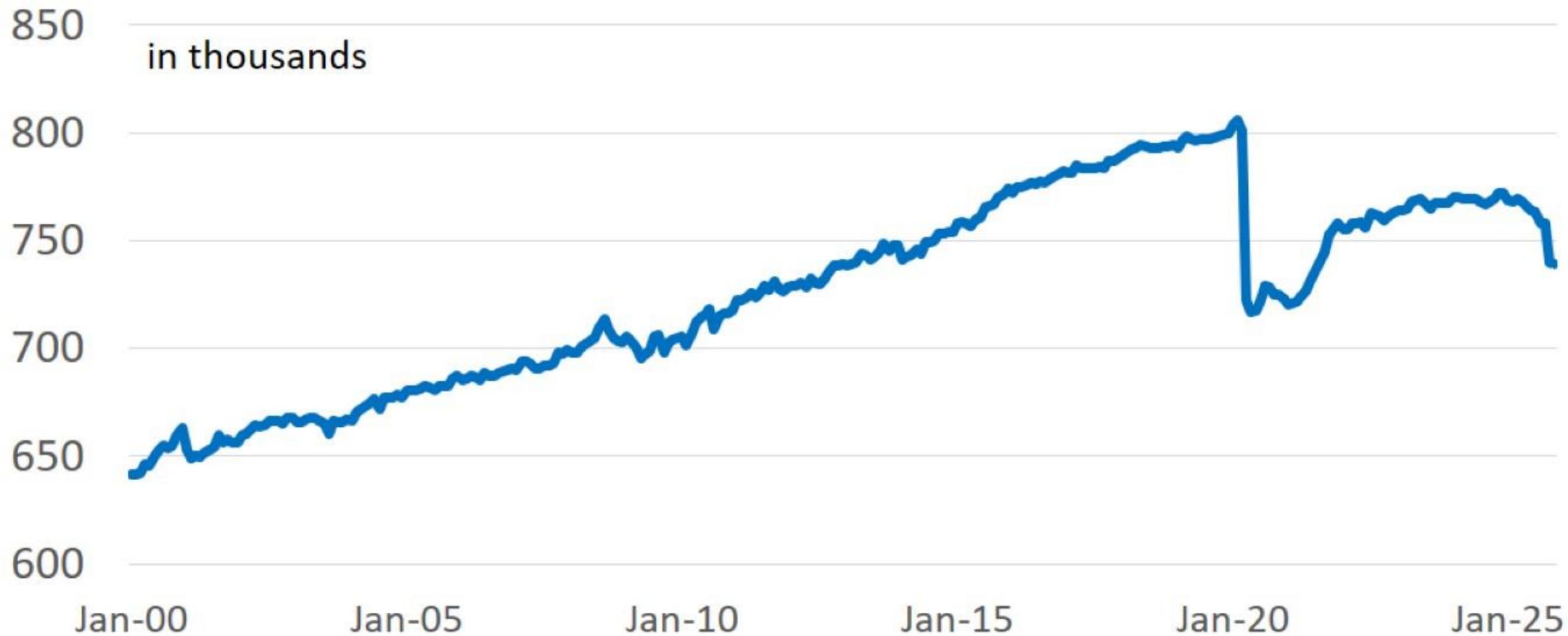
Source: NAR Analysis of BLS data

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



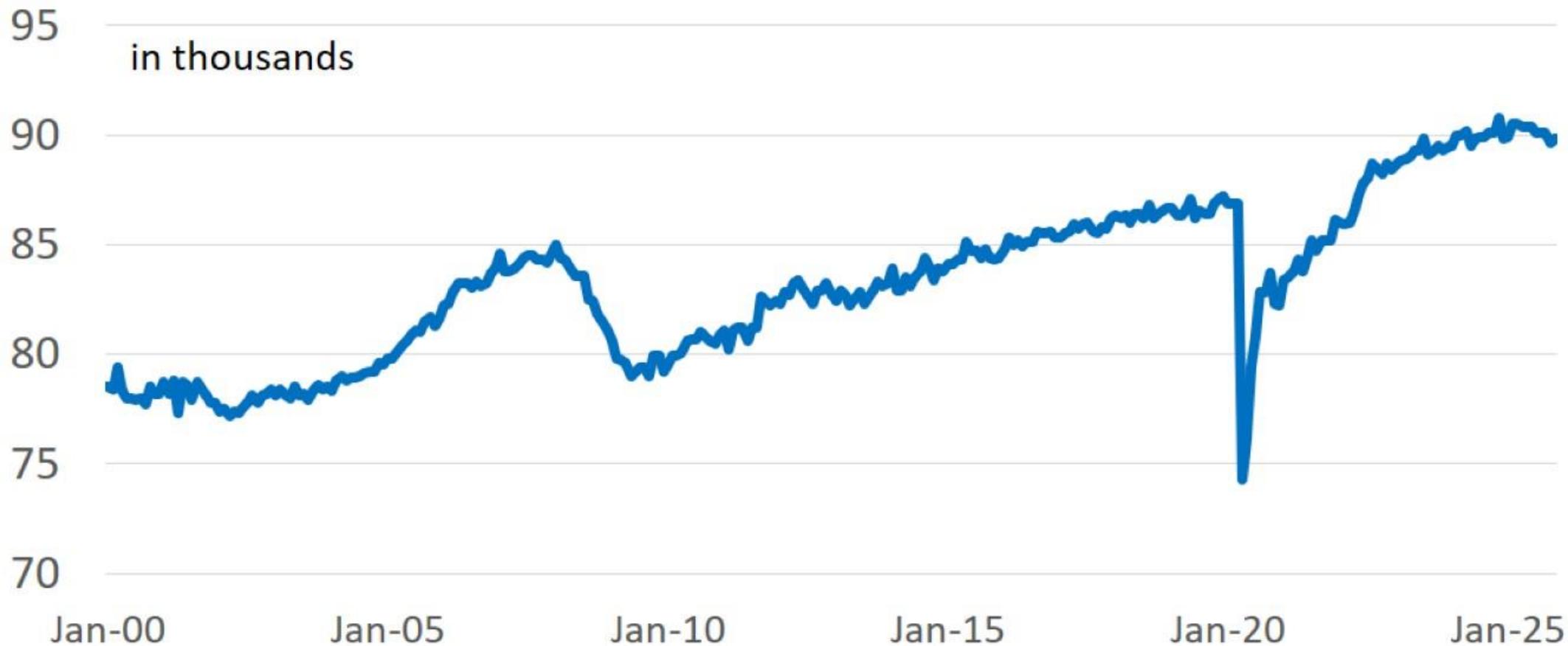
Source: NAR Analysis of BLS data

Payroll Jobs in DC City



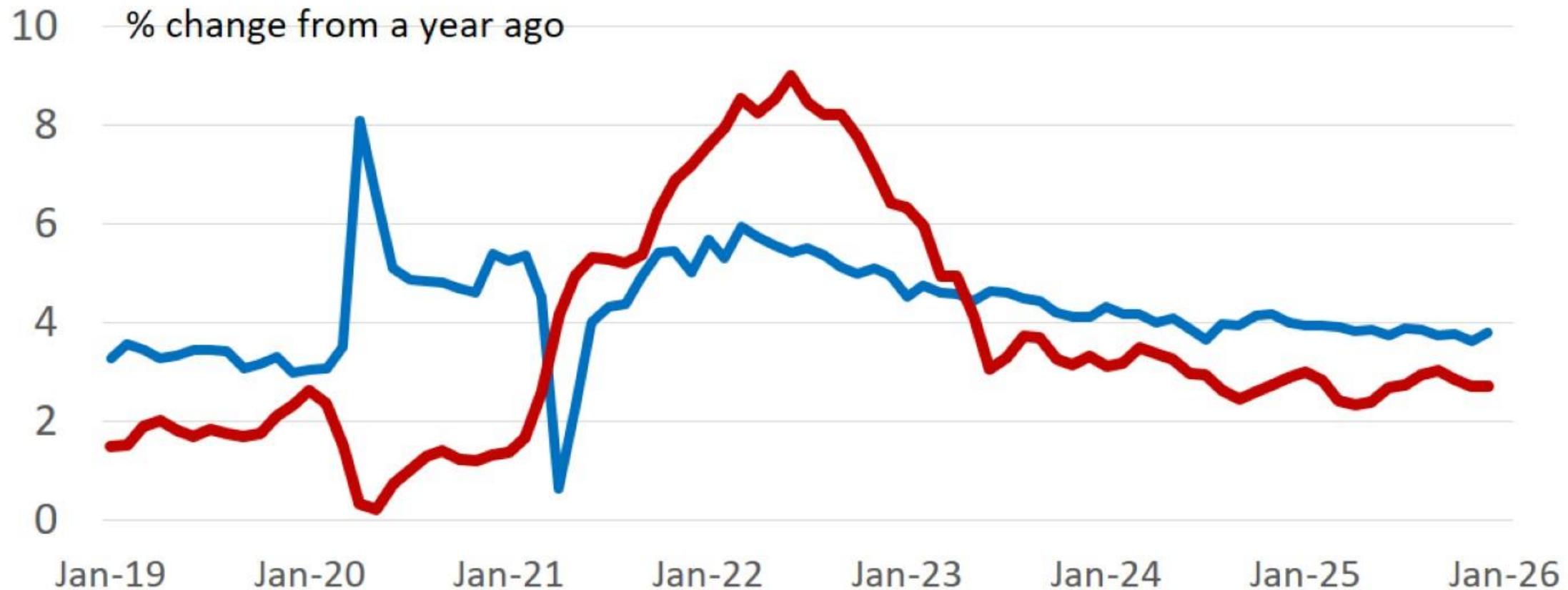
Source: BLS

Payroll Jobs in Eau Claire MSA



Source: BLS

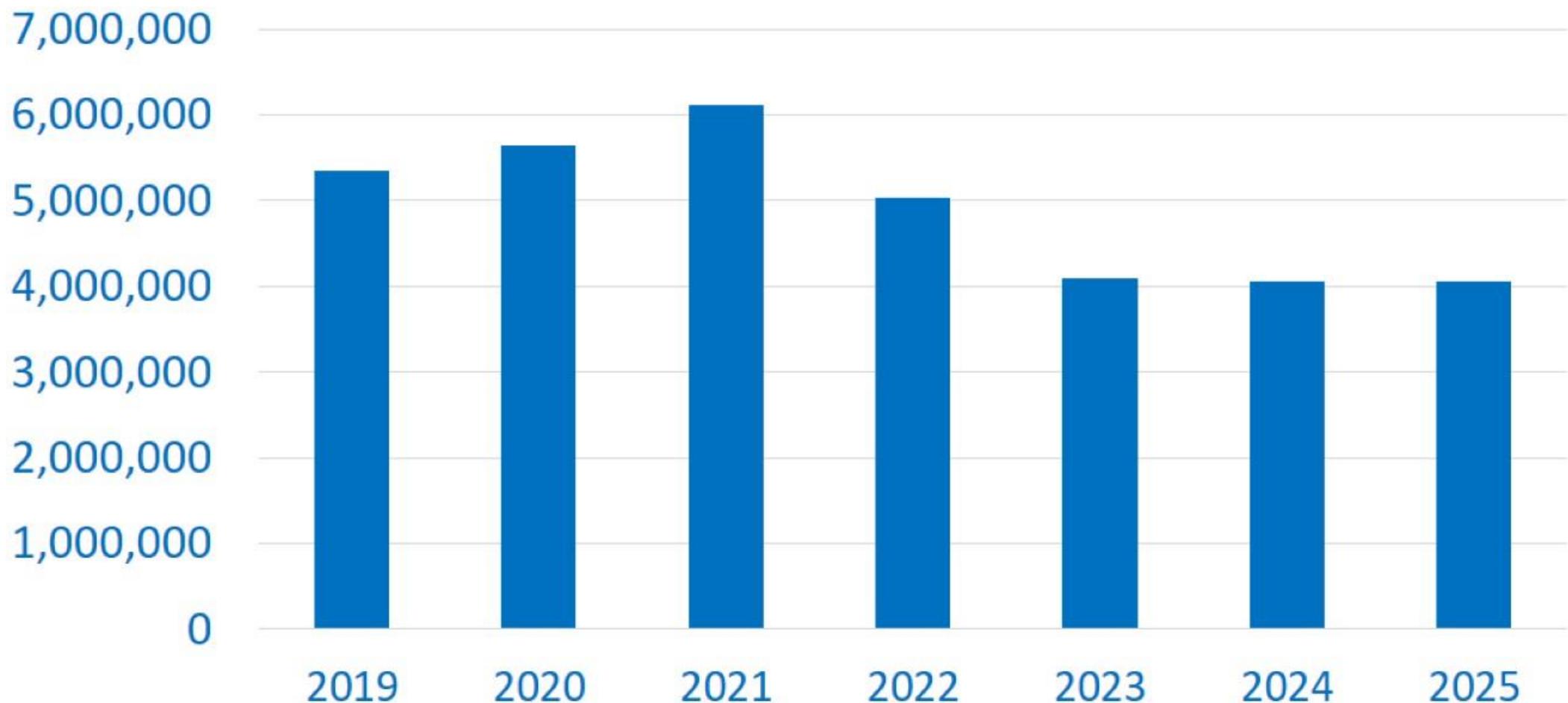
Wage Rate Rising at 3.8% (blue) Faster than Consumer Prices at 2.7% (red)



Source: NAR calculation of BLS data

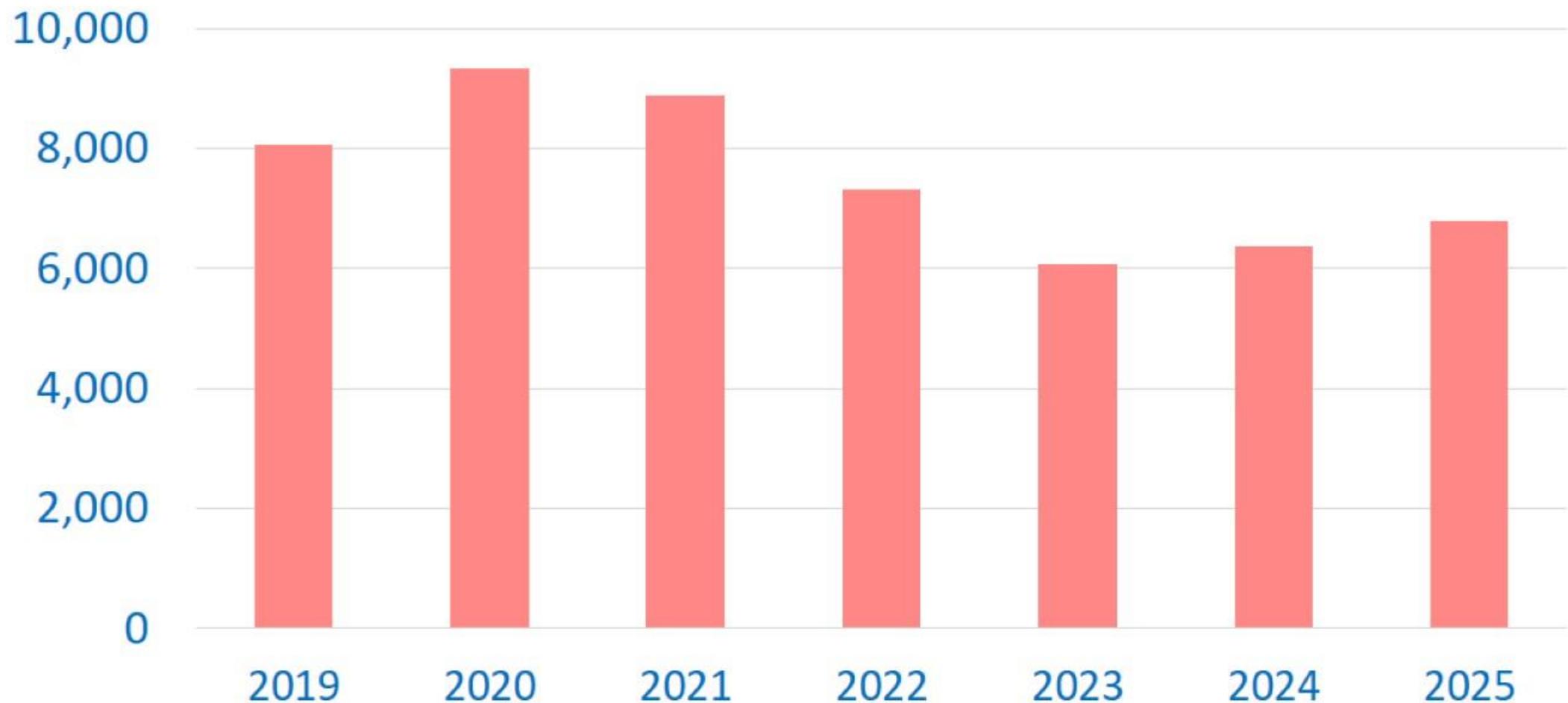
Residential Real Estate

Existing-Home Sales ... no change year-to-date to November Three Subpar Years ... 75% of Pre-covid Activity



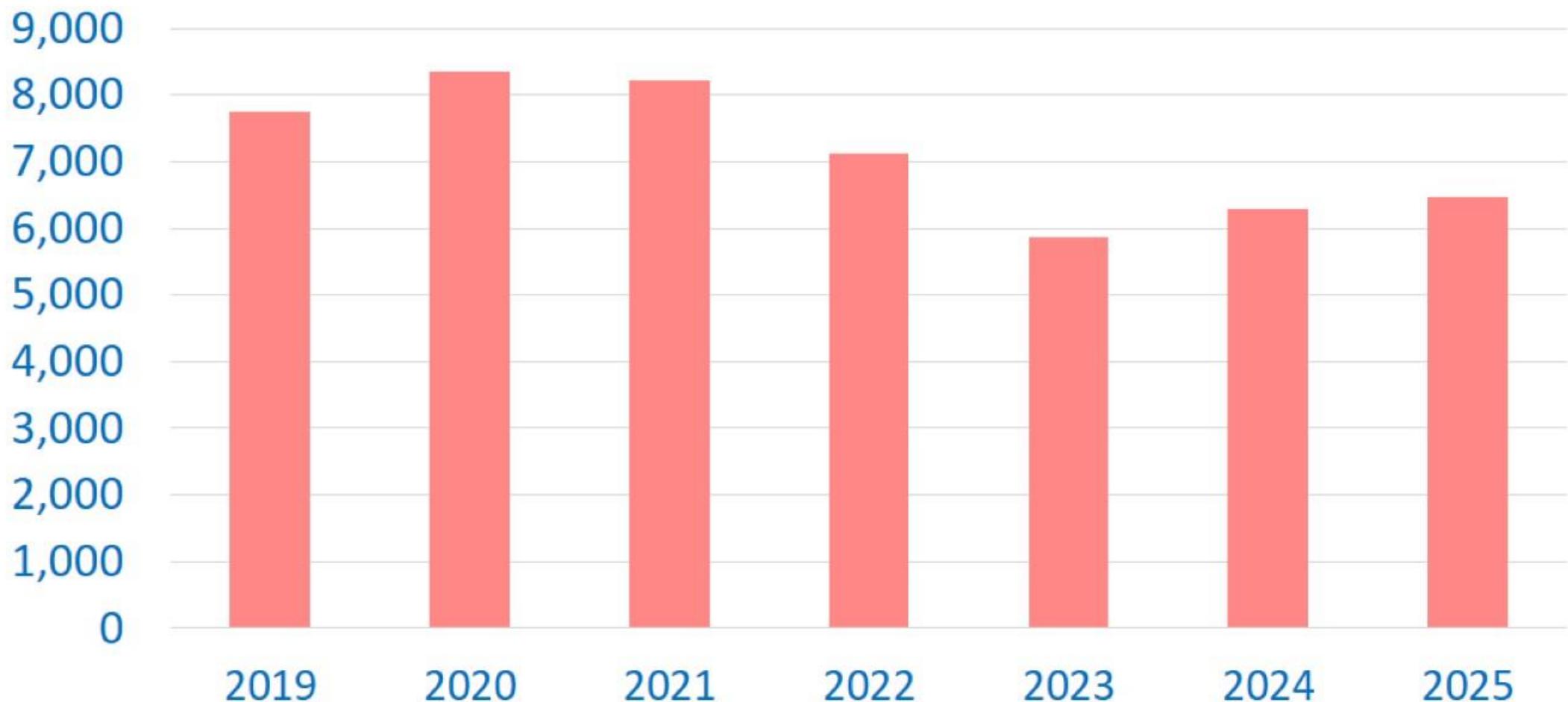
Source: NAR

Home Sales in North Region Wisconsin



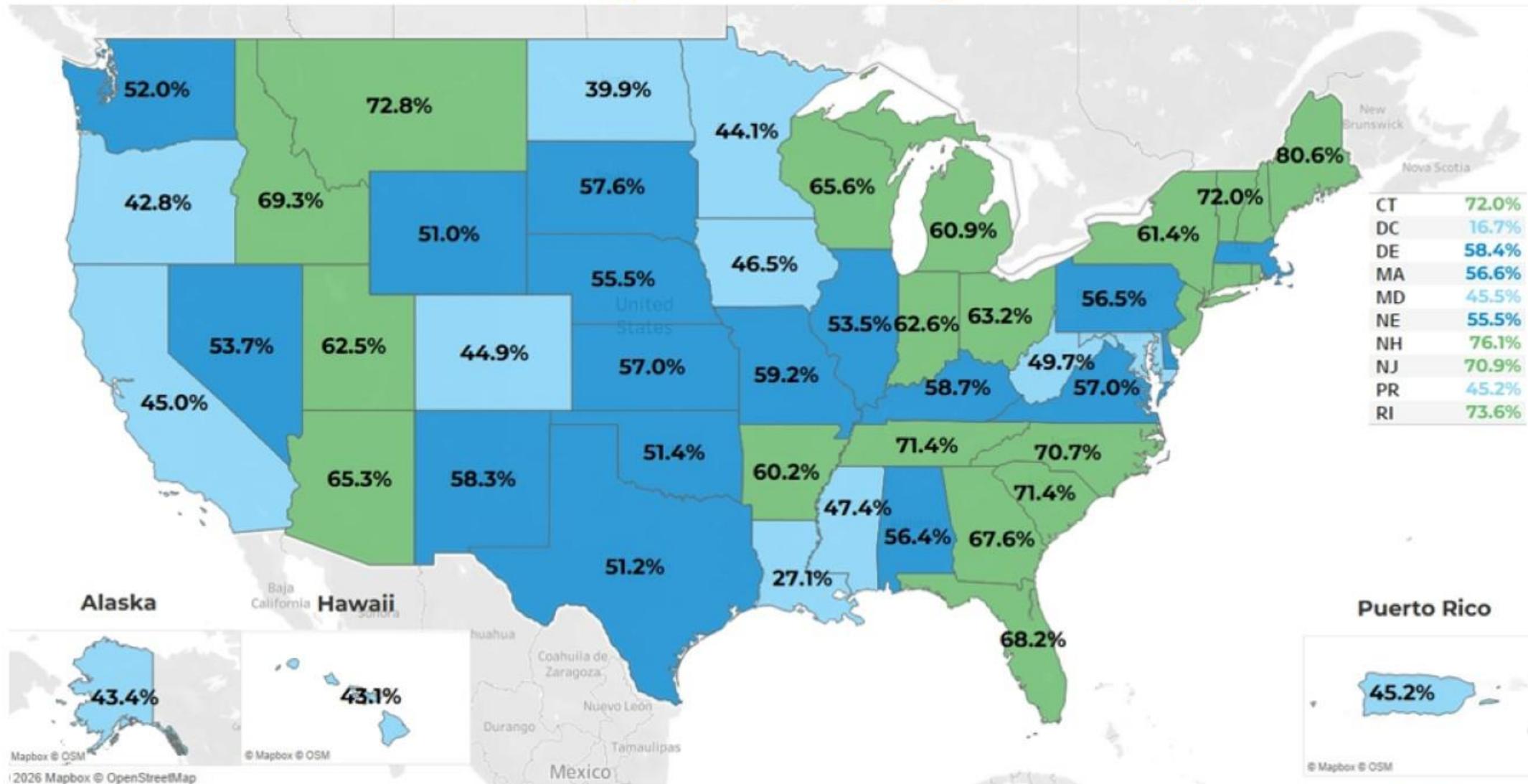
Source: WRA

Home Sales in West Region Wisconsin



Source: WRA

5-year Home Price Gains Since Pre-COVID % change from 2020 Q1 to 2025 Q3



Source: NAR Analysis of FHFA data



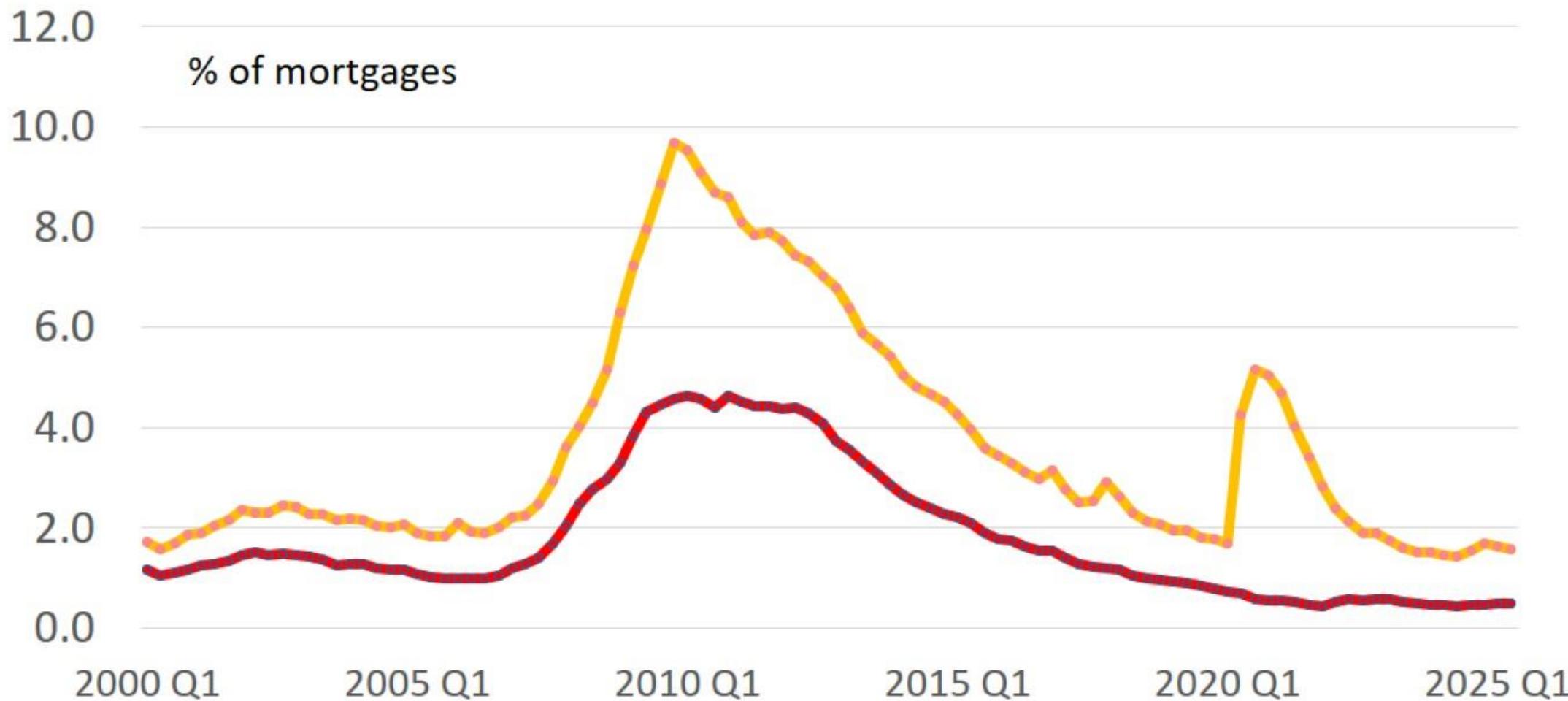
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Real Estate Net Worth – Near Record High



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 (4-week moving average)



Source: Mortgage Bankers Association

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%	4.6% (not 5.5%)

Thank You !