

# Real Estate and Economic Outlook

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National Association of REALTORS®

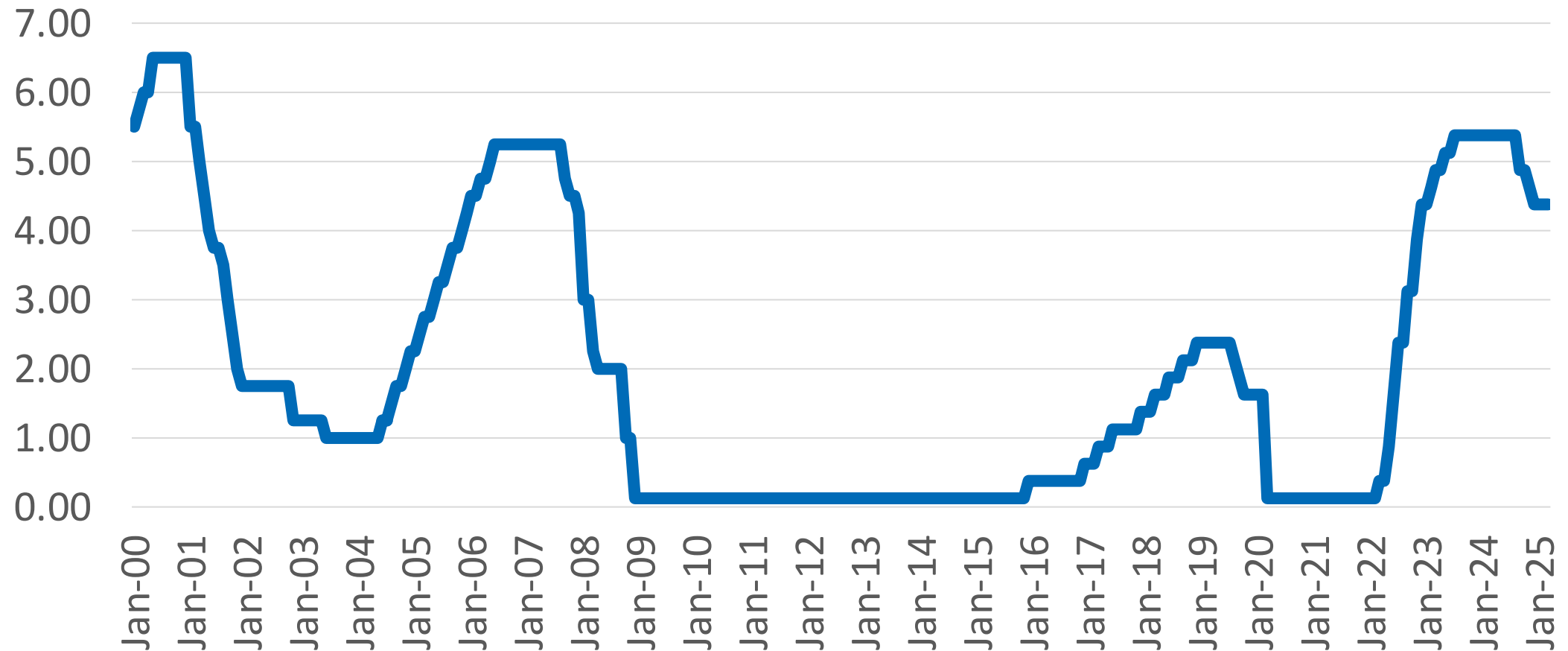
# Federal Reserve Economic Forecast for 2025

(Last FOMC Meeting on March 19, 2025)

	Previous Forecast	Updated Forecast
GDP	+2.1%	Lowered to +1.7%
Inflation	+2.5%	Raised to +2.7%

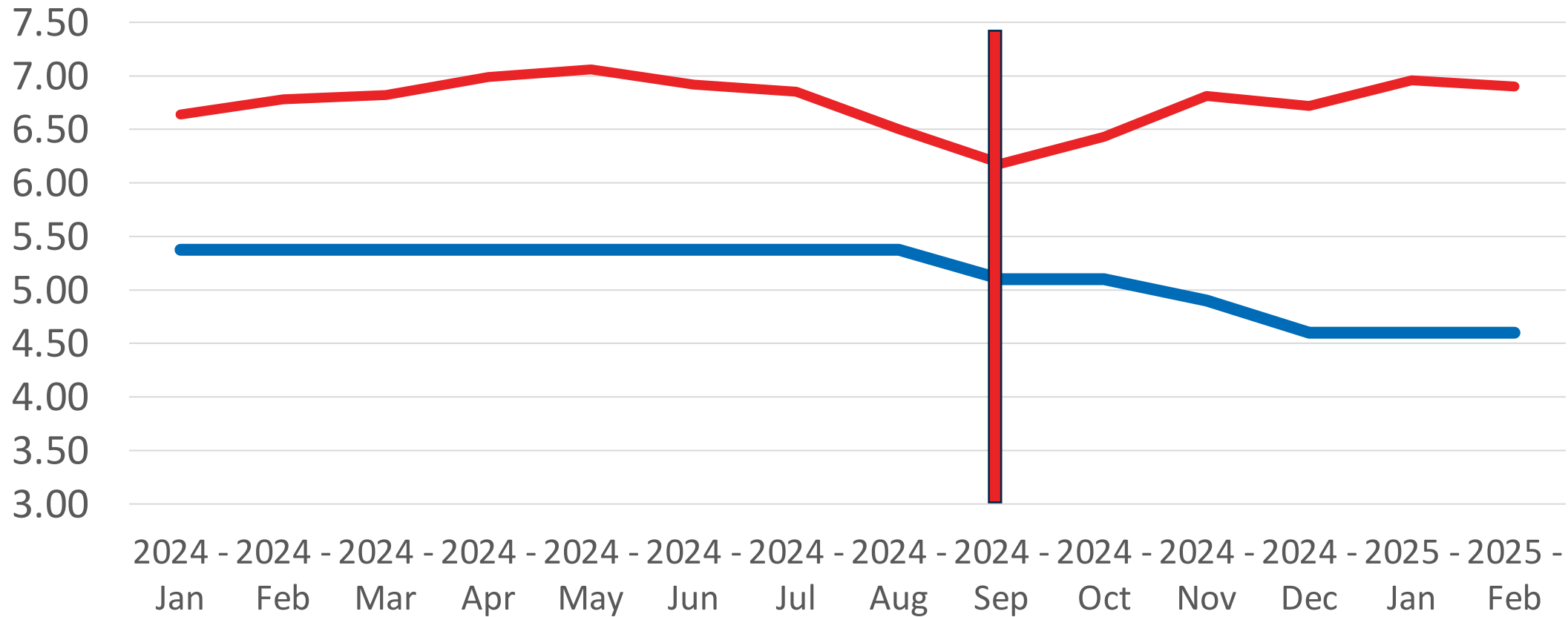
Source: Federal Reserve

# Federal Reserve Fed Funds Rate ... Still at High End



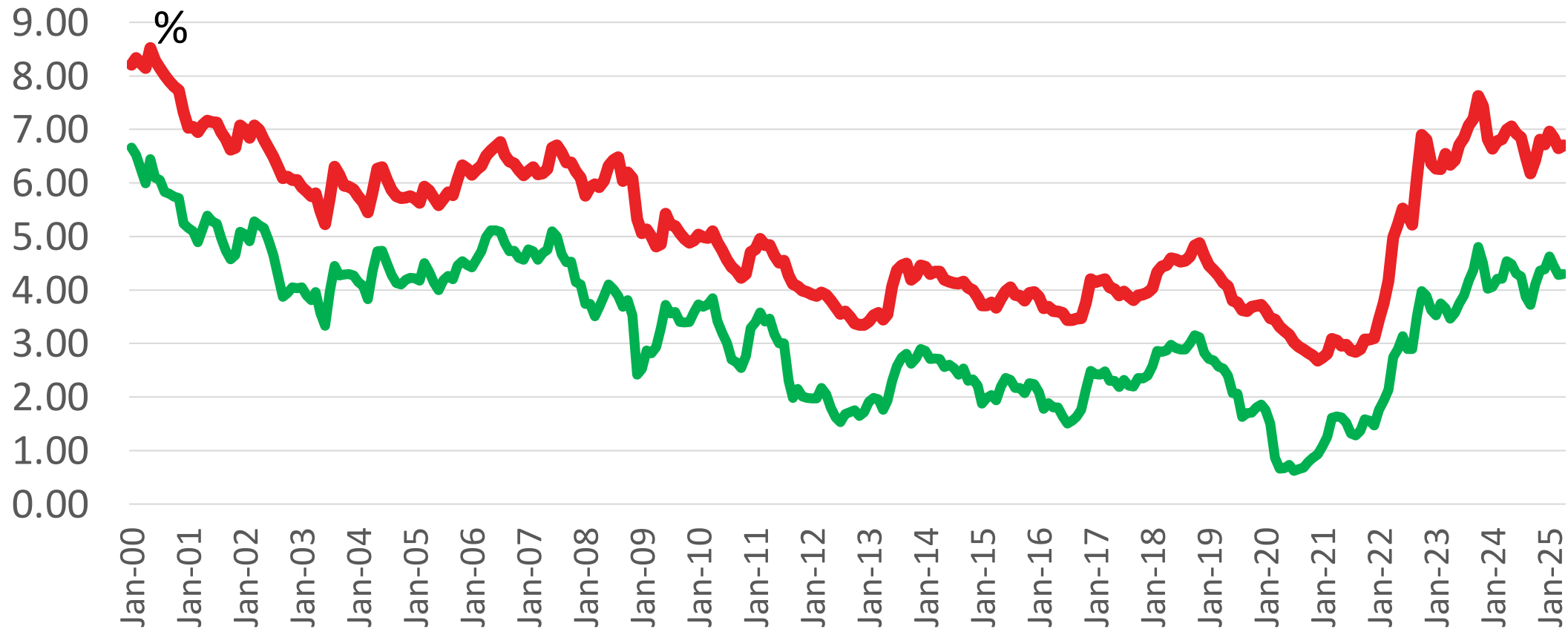
Source: Federal Reserve

# Fed Rate Cuts (blue) ... from September to February Did not bring down Mortgage Rates (red)



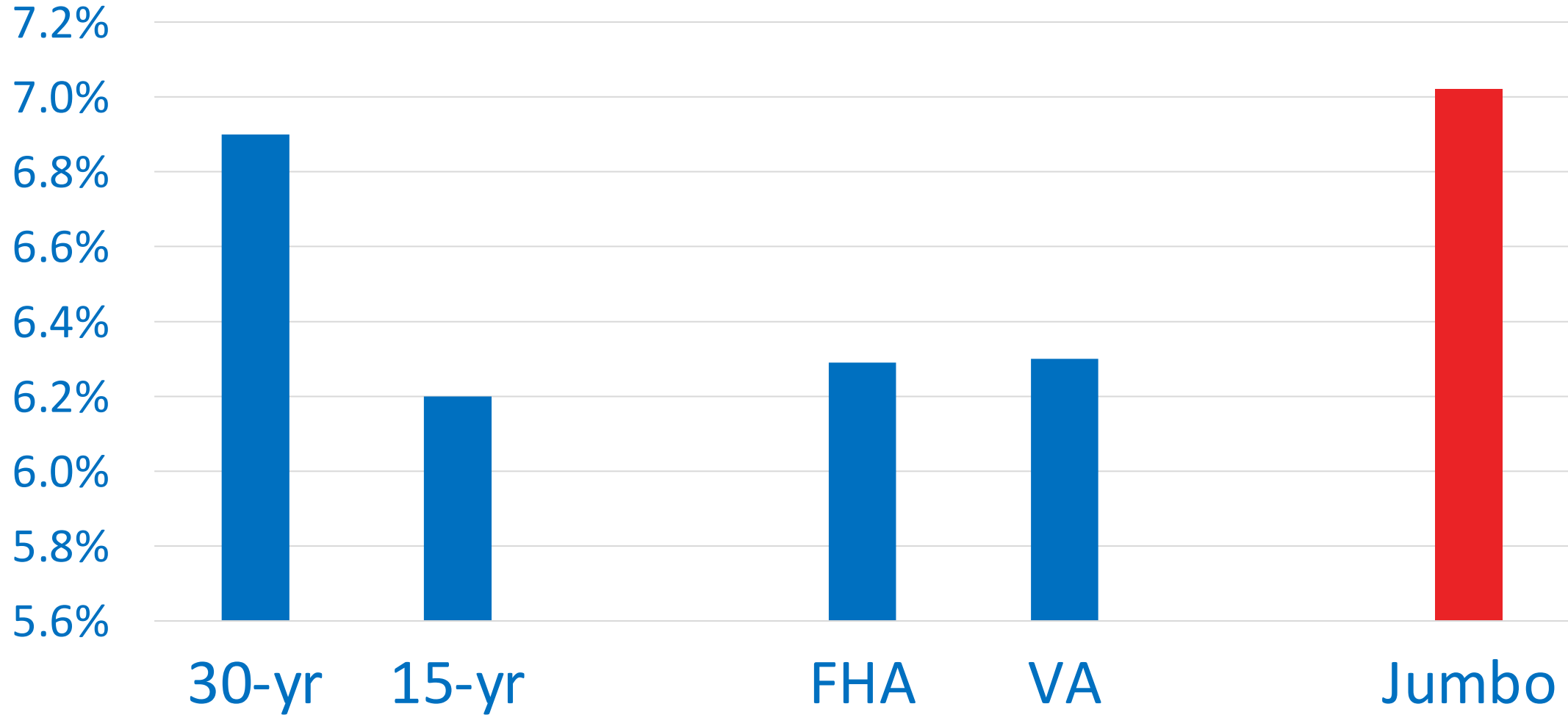
Source: Federal Reserve and Freddie Mac Mortgage Rate

# 10-year Treasury (green) impacts Mortgage Rates ... Recent Volatility from Trade War



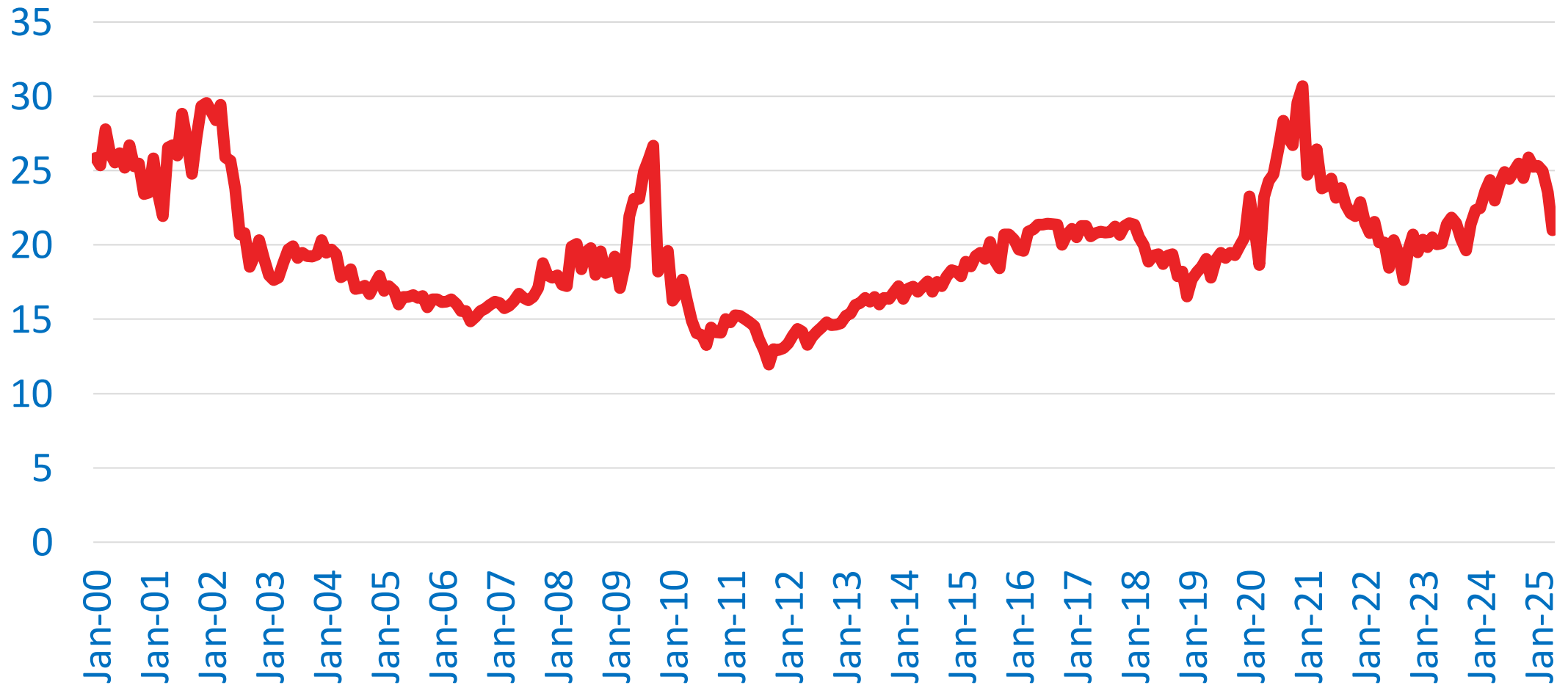
Source: Federal Reserve and Freddie Mac Mortgage Rate

## Average Mortgage Rate on May 5th



Source: Mortgage News Daily

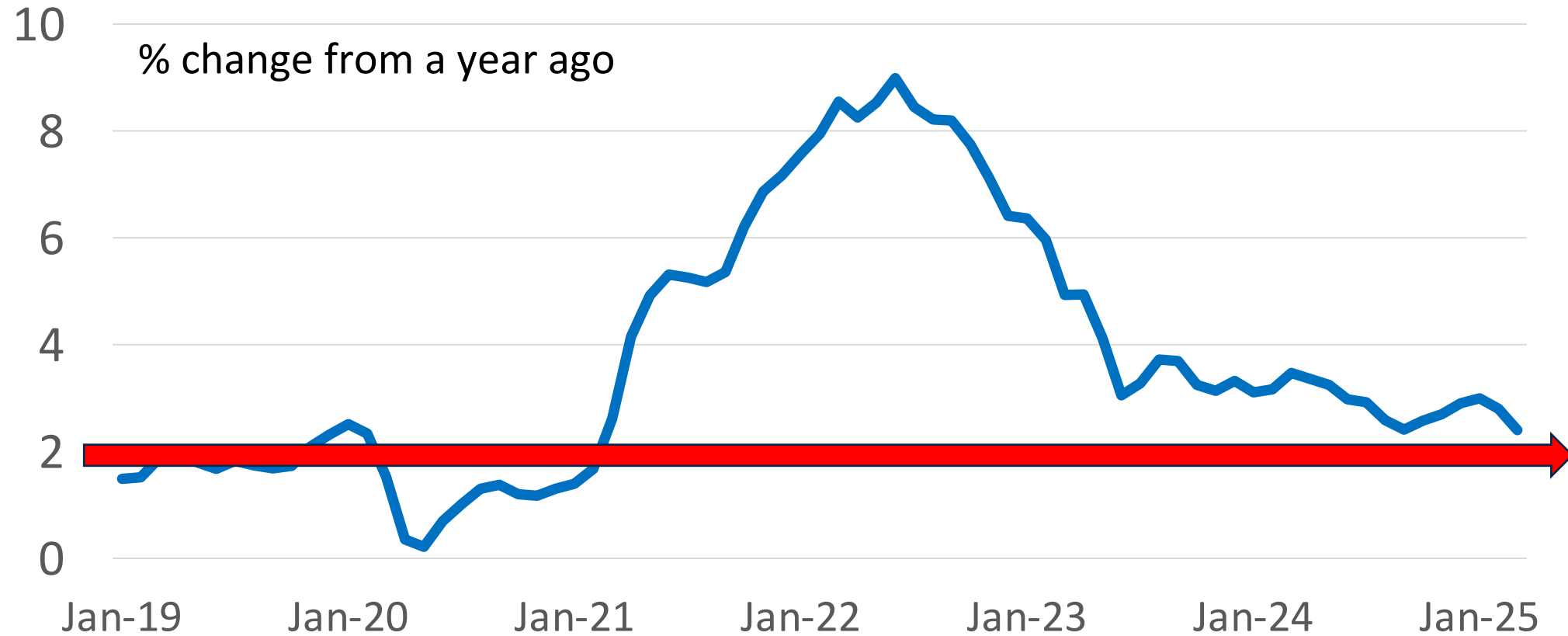
# Stock Market Correction ... Price/Earning Ratio still high?



Source: Standard & Poors

# When will the Fed cut Rates?

**CPI at 2.4% in March ... still above 2% target**



Source: BLS



# Fed Rate Cuts once Inflation Under Control

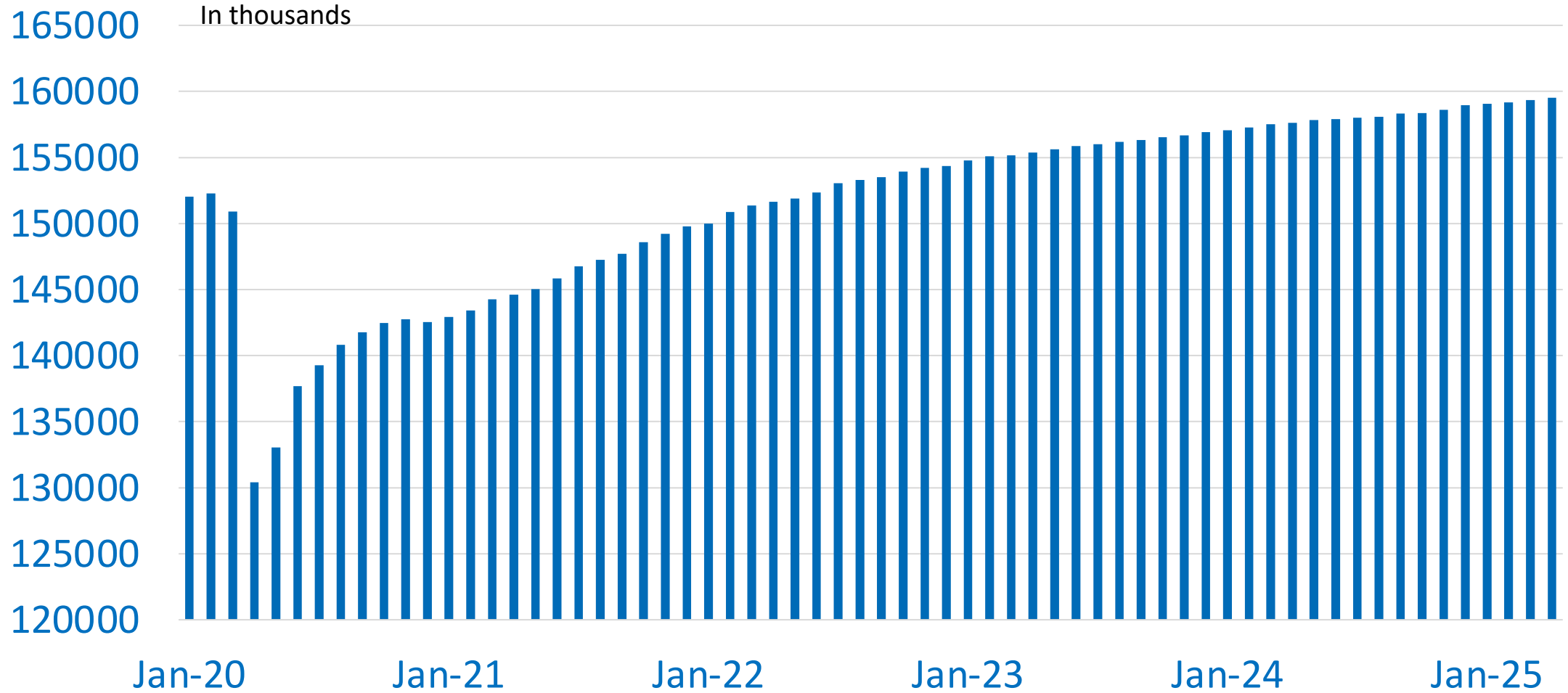
- Tariff ... **inflationary**
- Deregulation ... disinflationary
- Oil Summit ?... disinflationary
- Reciprocal Tariff to zero ... disinflationary
- Weaker Economy ... disinflationary
- Dumping and Weaker Dollar ... **inflationary**

# Gasoline ... Towards Pre-Covid Prices



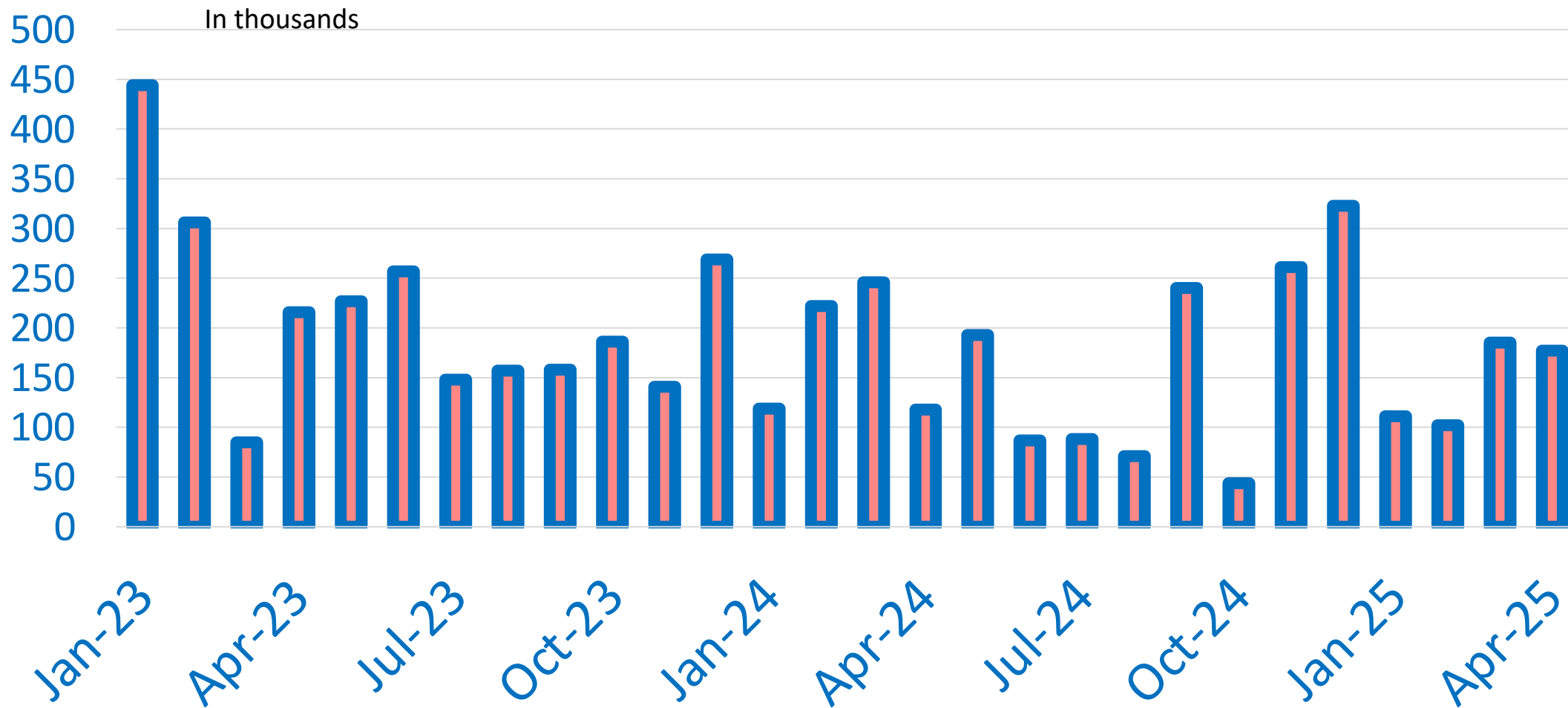
Source: Energy Information Administration

# Total Payroll Jobs (+7 million from Pre-Covid)



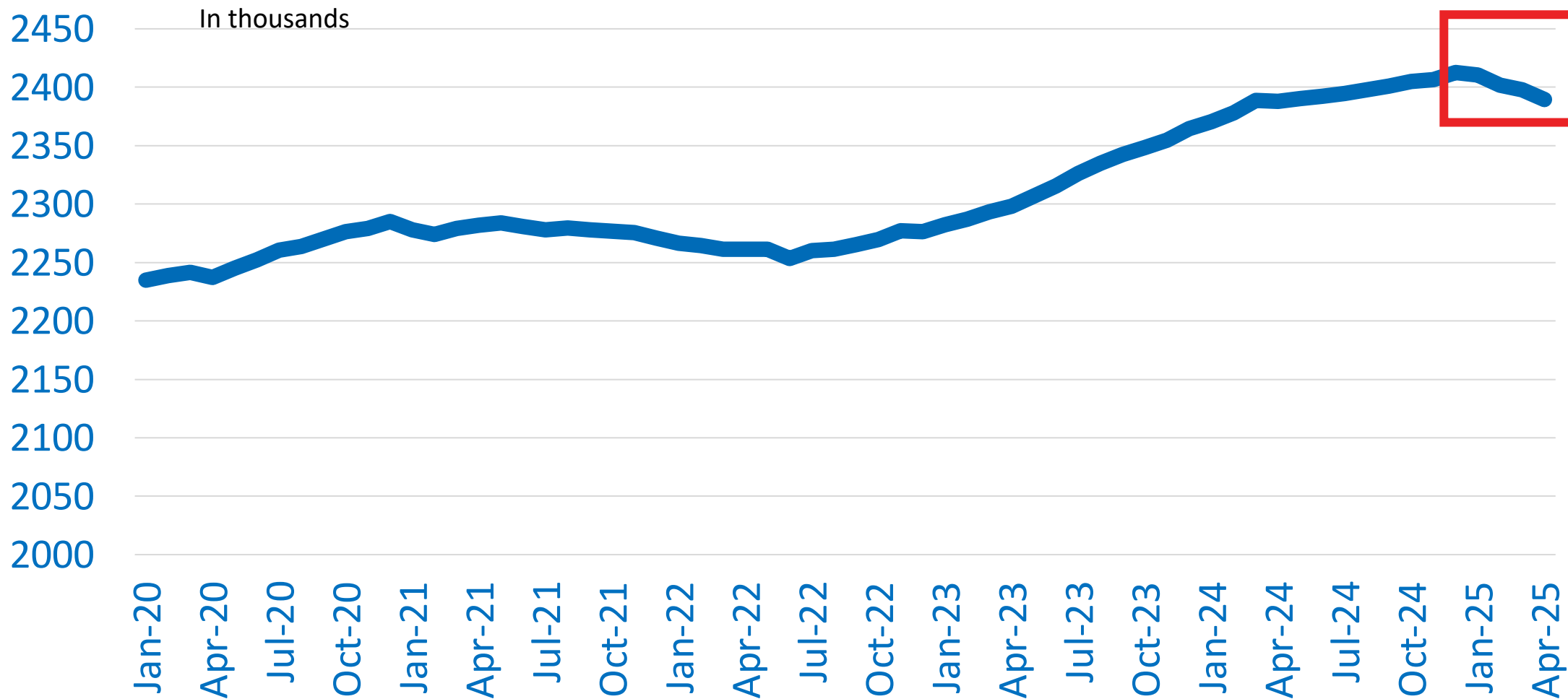
Source: BLS

# Payroll Job Additions ... +177,000 in April



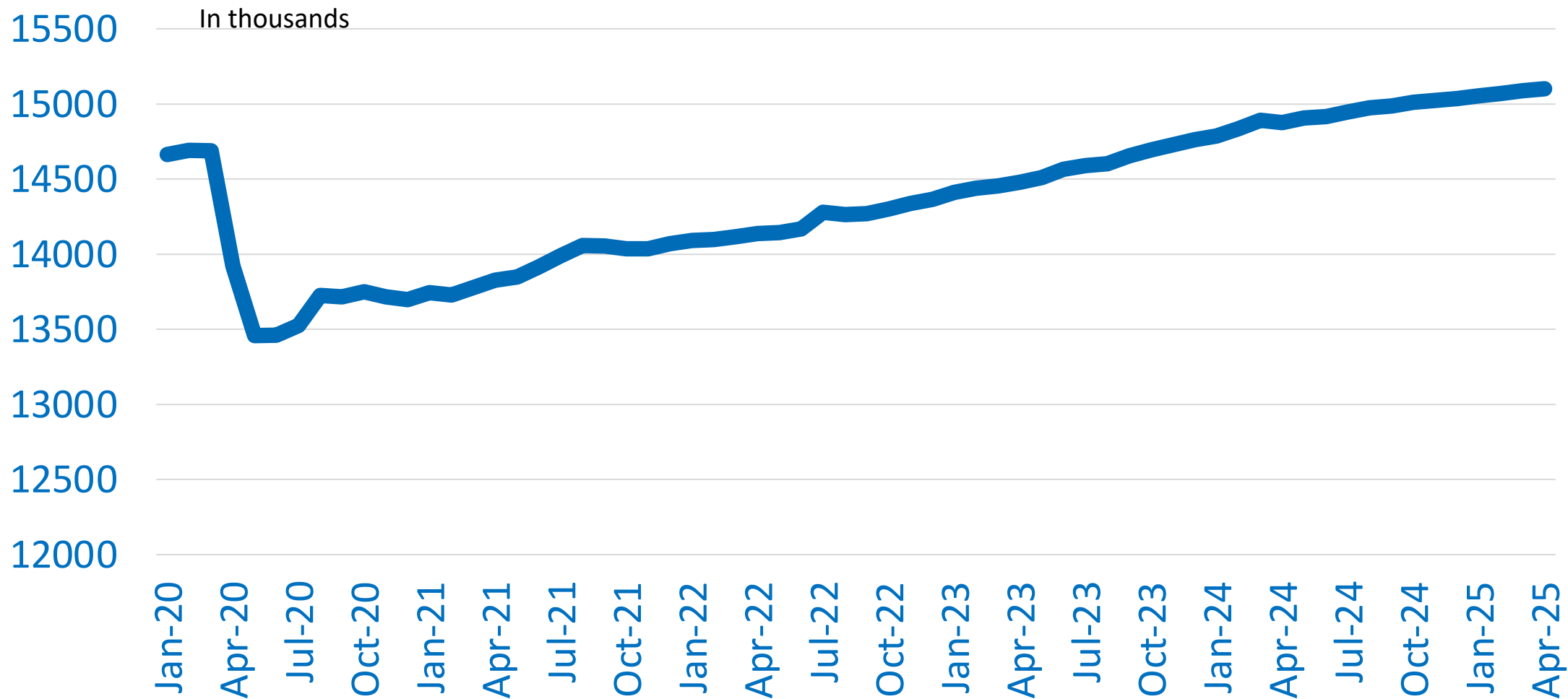
Source: BLS

# DOGE Impact - Federal Government Employees



Source: BLS, excluding Decennial Temporary Census and Postal Workers

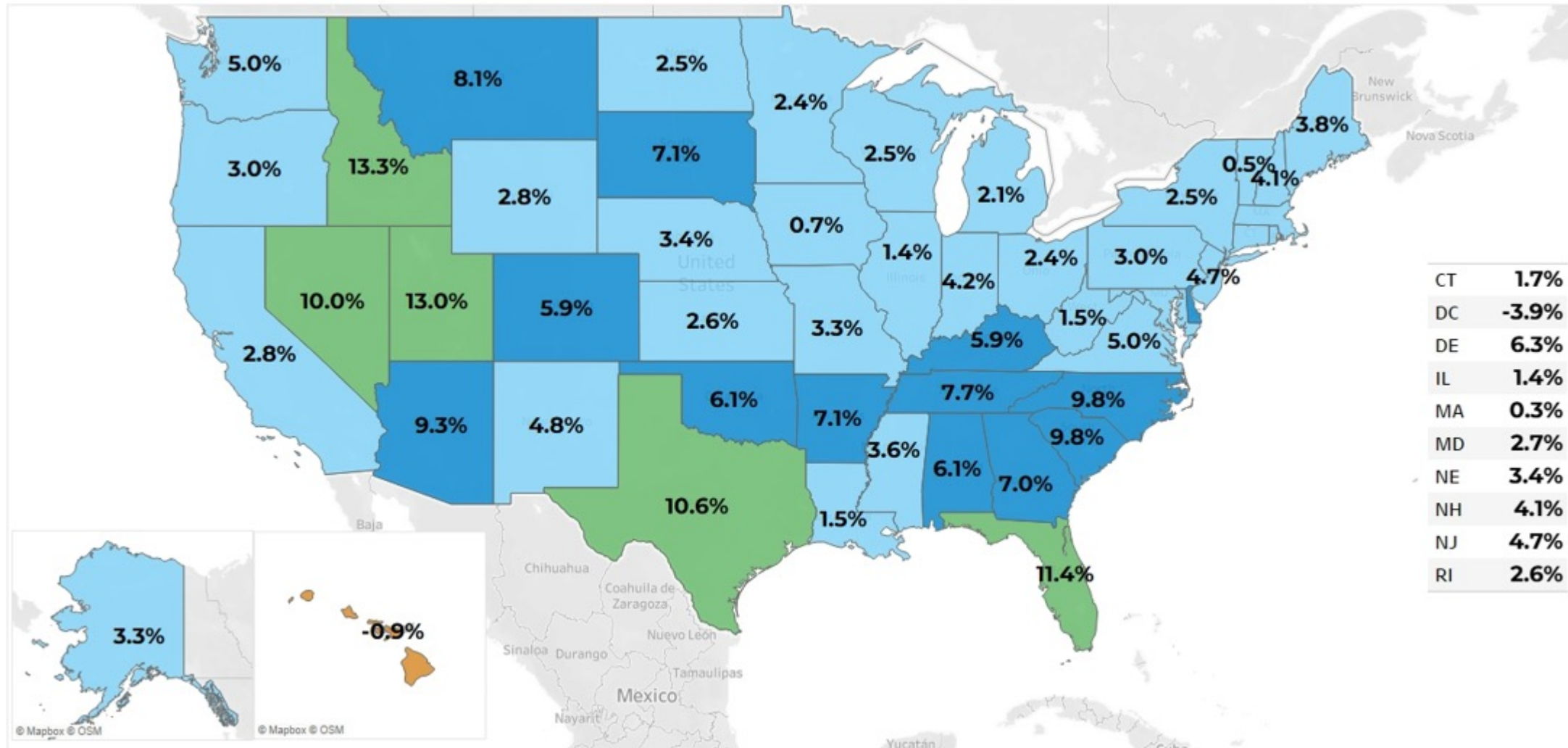
# Local Government Employees



Source: BLS, excluding Decennial Temporary Census and Postal Workers

# Job Gains Since Pre-COVID Record High Payroll Employment

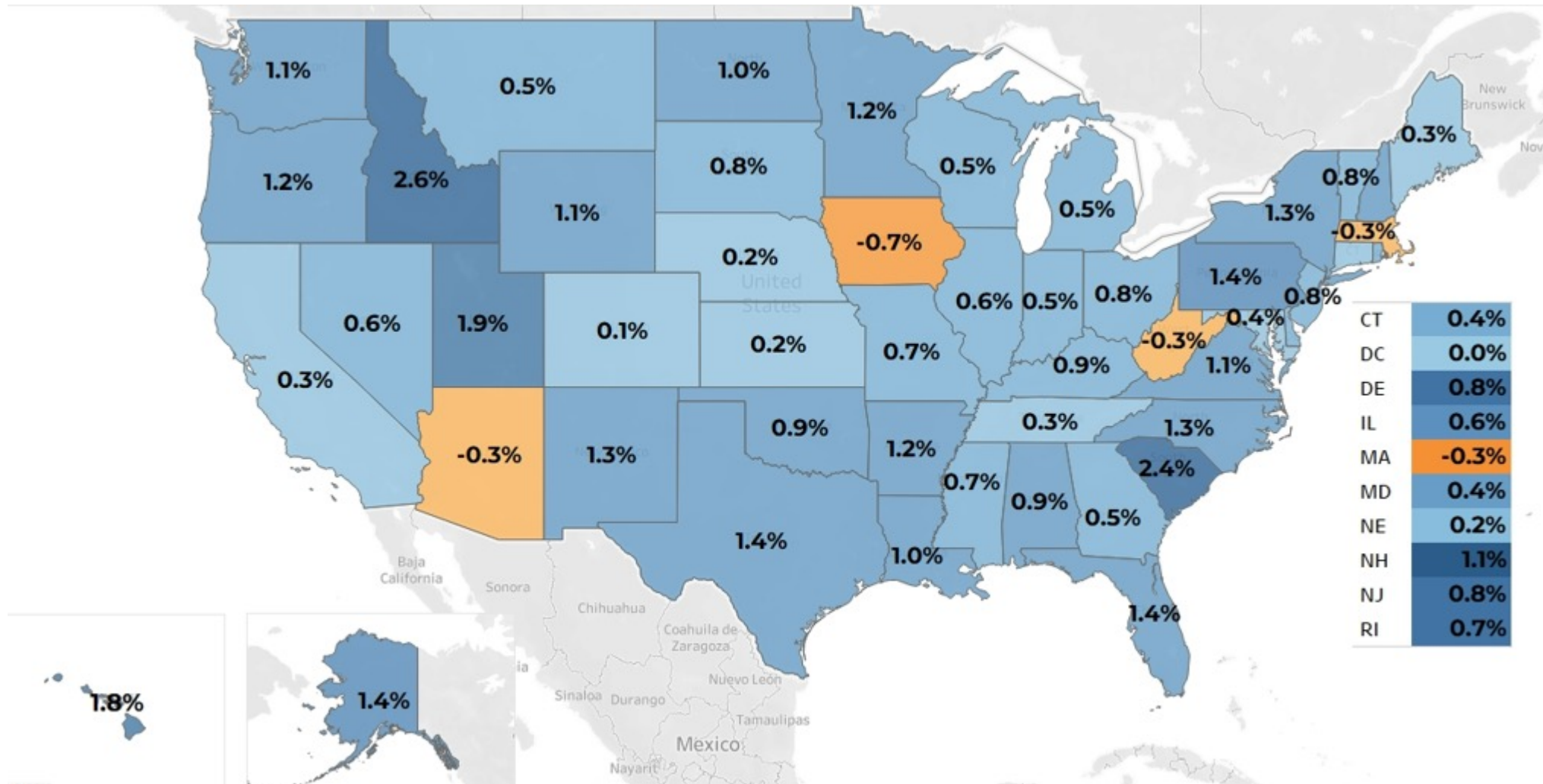
## % change from March 2020 to March 2025



Source: NAR Analysis of BLS data

# Job Gains over one year

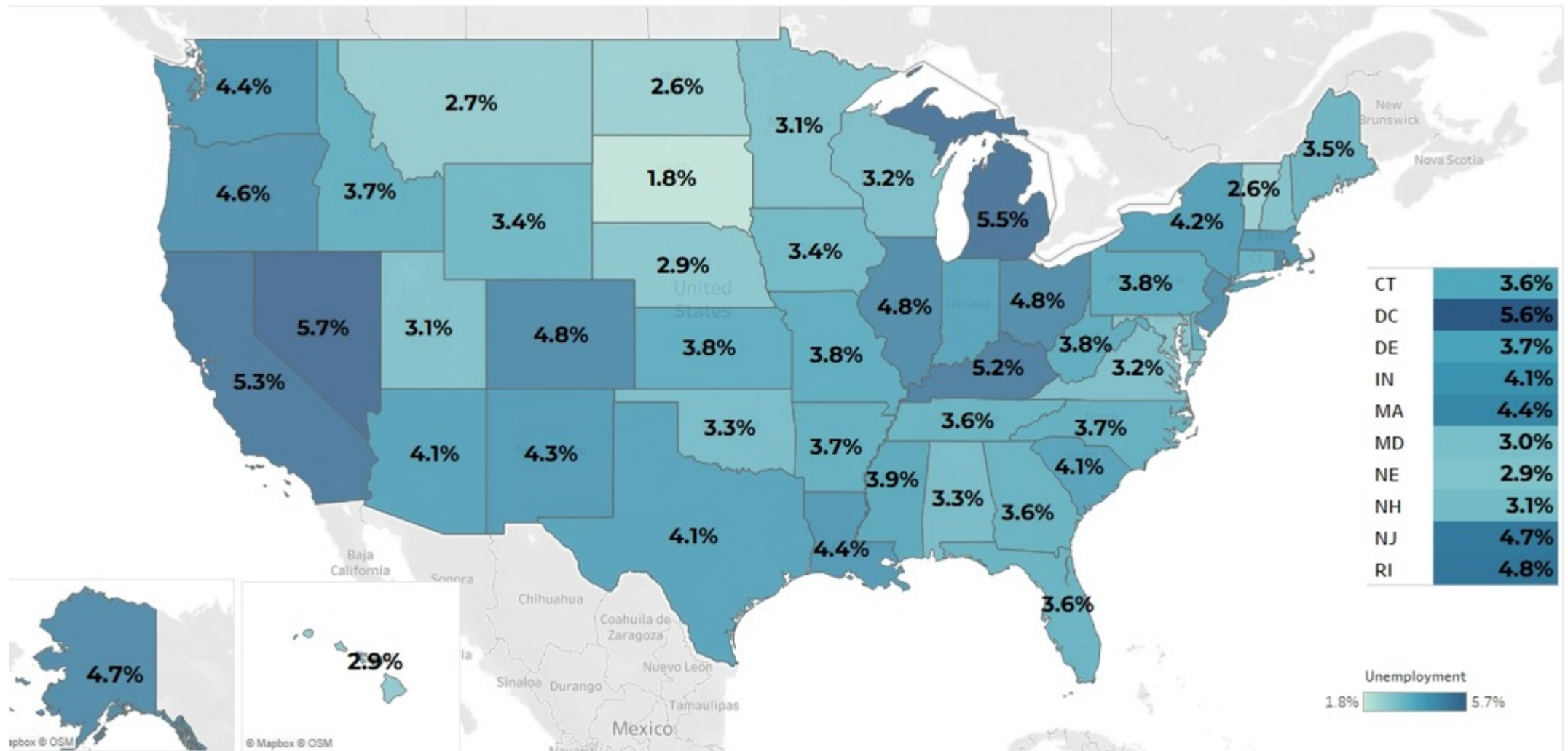
## % change from March 2024 to March 2025



Source: NAR Analysis of BLS data

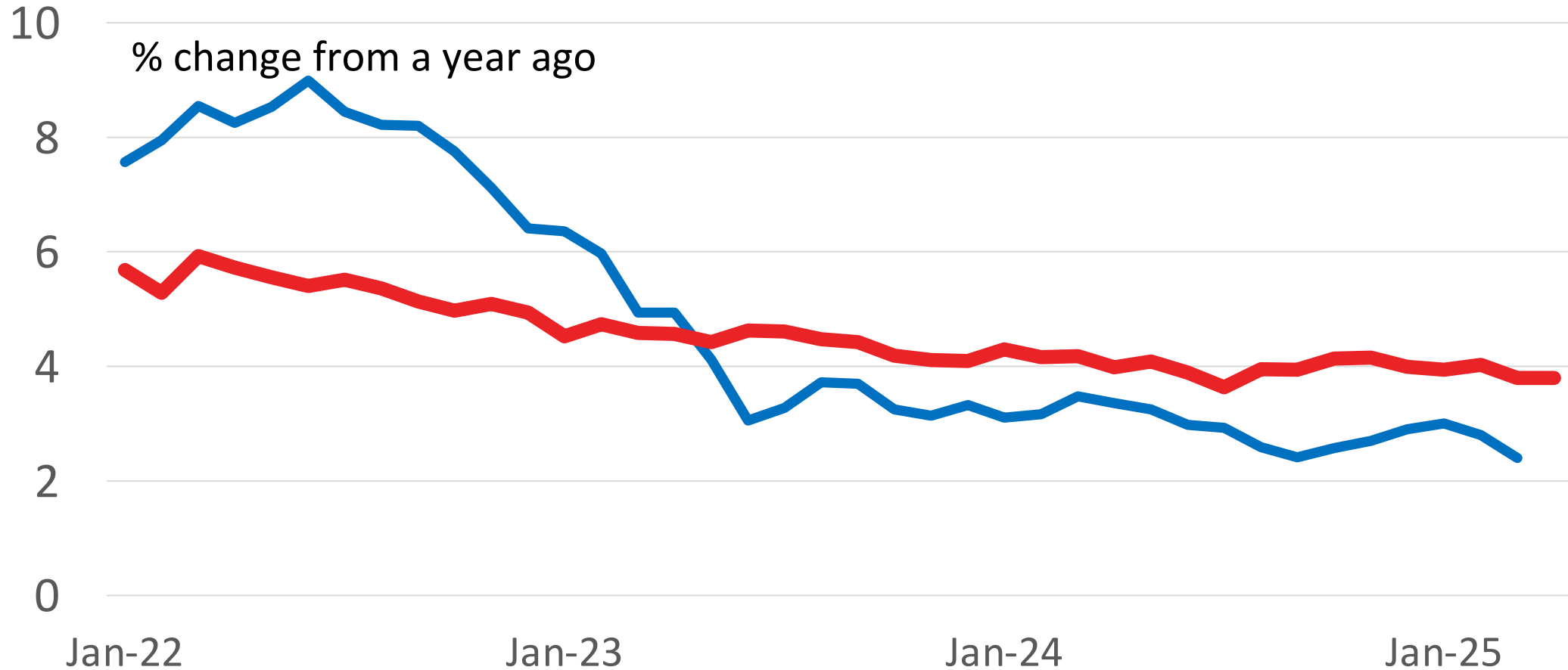


# Unemployment Rate as of March 2025



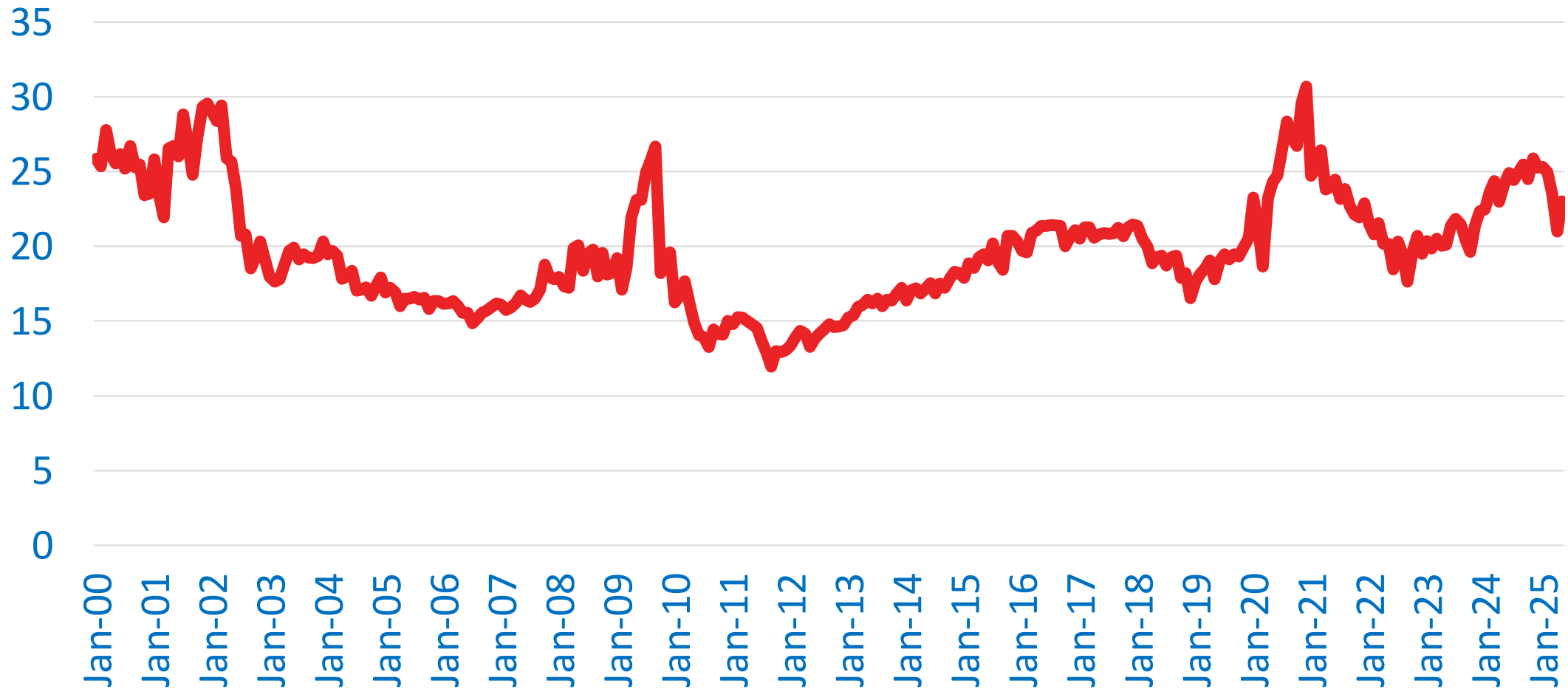
Source: NAR Analysis of BLS data

# Wage Growth (red) 3.8% in April ... Consumer Price (blue) at 2.4% in March



Source: BLS

# Stock Market Correction ... Price/Earning Ratio still high?



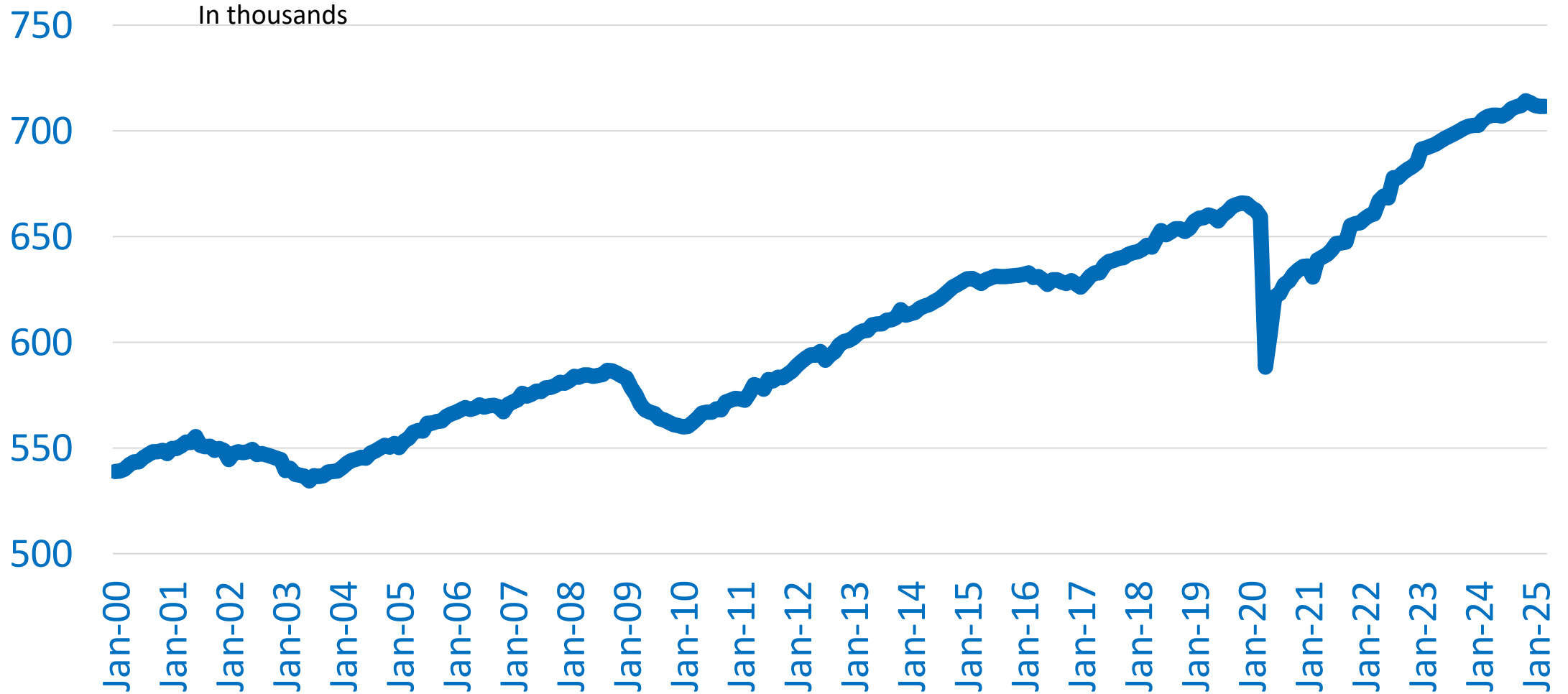
Source: Standard & Poors

# Gasoline ... Towards Pre-Covid Prices



Source: Energy Information Administration

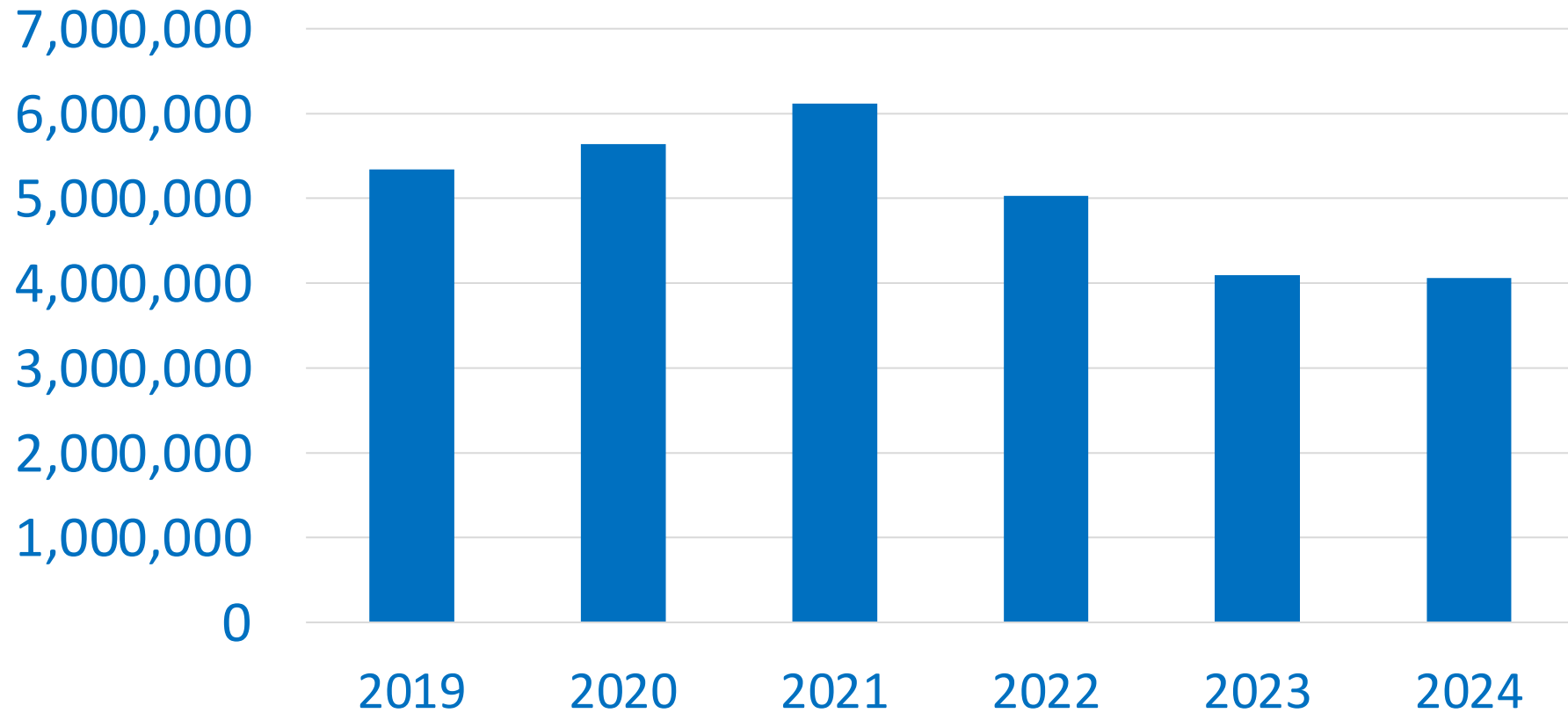
# Total Jobs in Oklahoma City (nearly +150,000 in 25 years)



Source: BLS

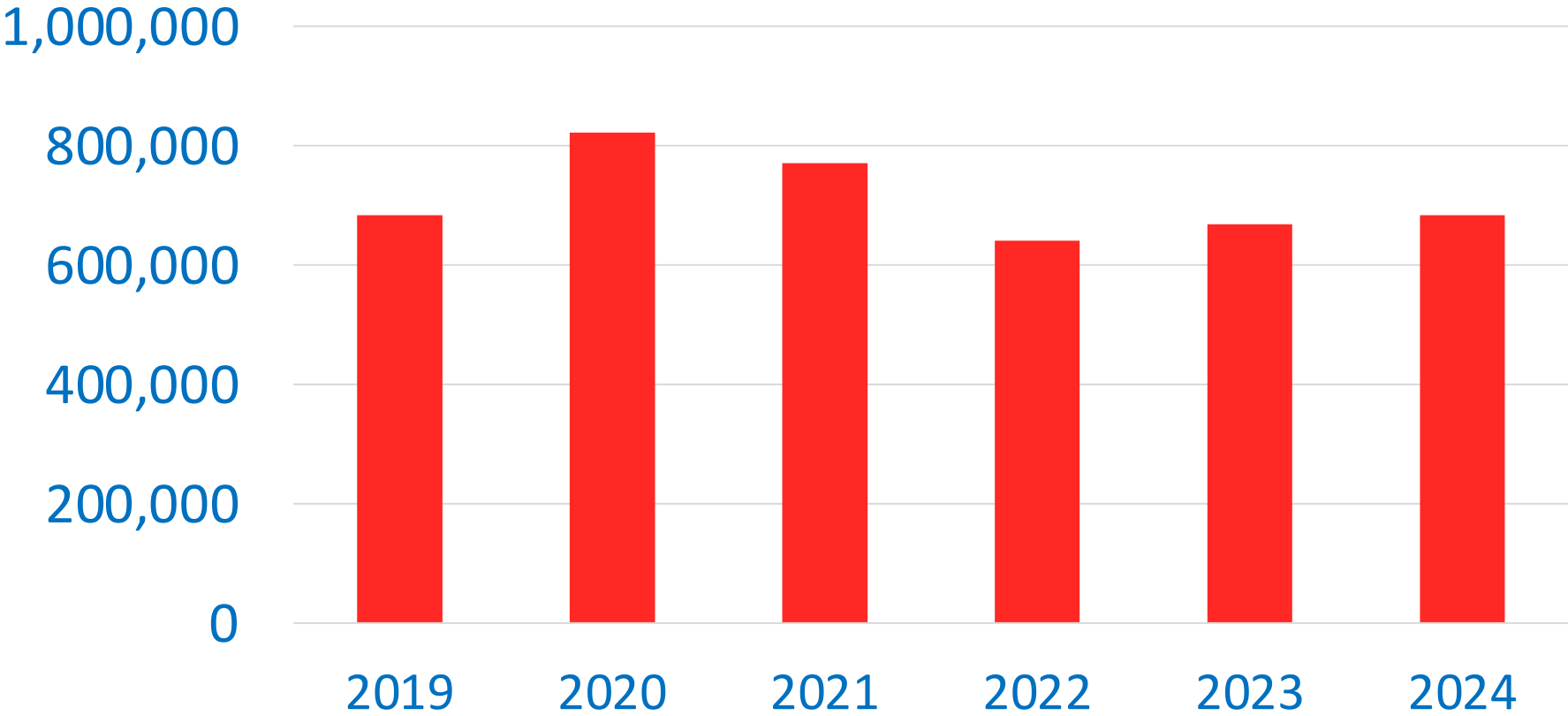
# Residential Real Estate

## Existing Home Sales ... Two of Most Difficult Years



Source: NAR

# New Home Sales ... Gained .. Matching Pre-Covid



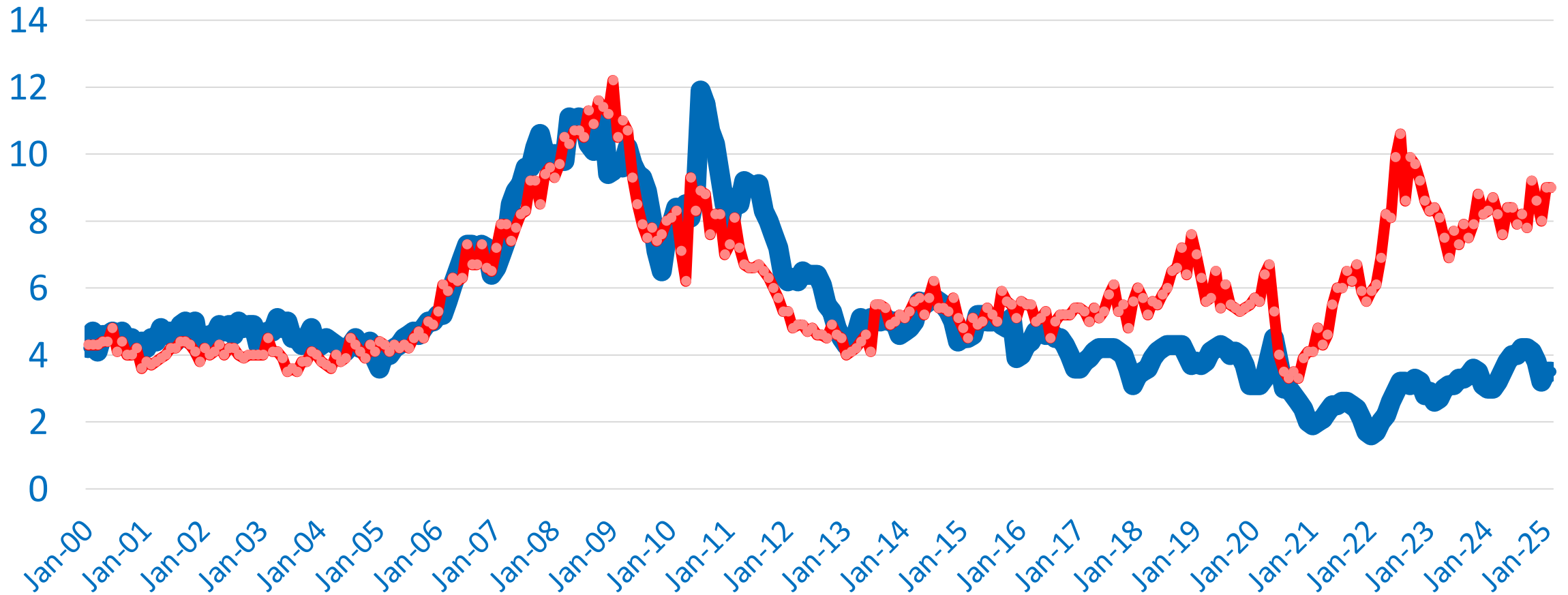
Source: HUD/Census



# Months Supply of Inventory

## New Homes (red) and Existing Homes (blue)

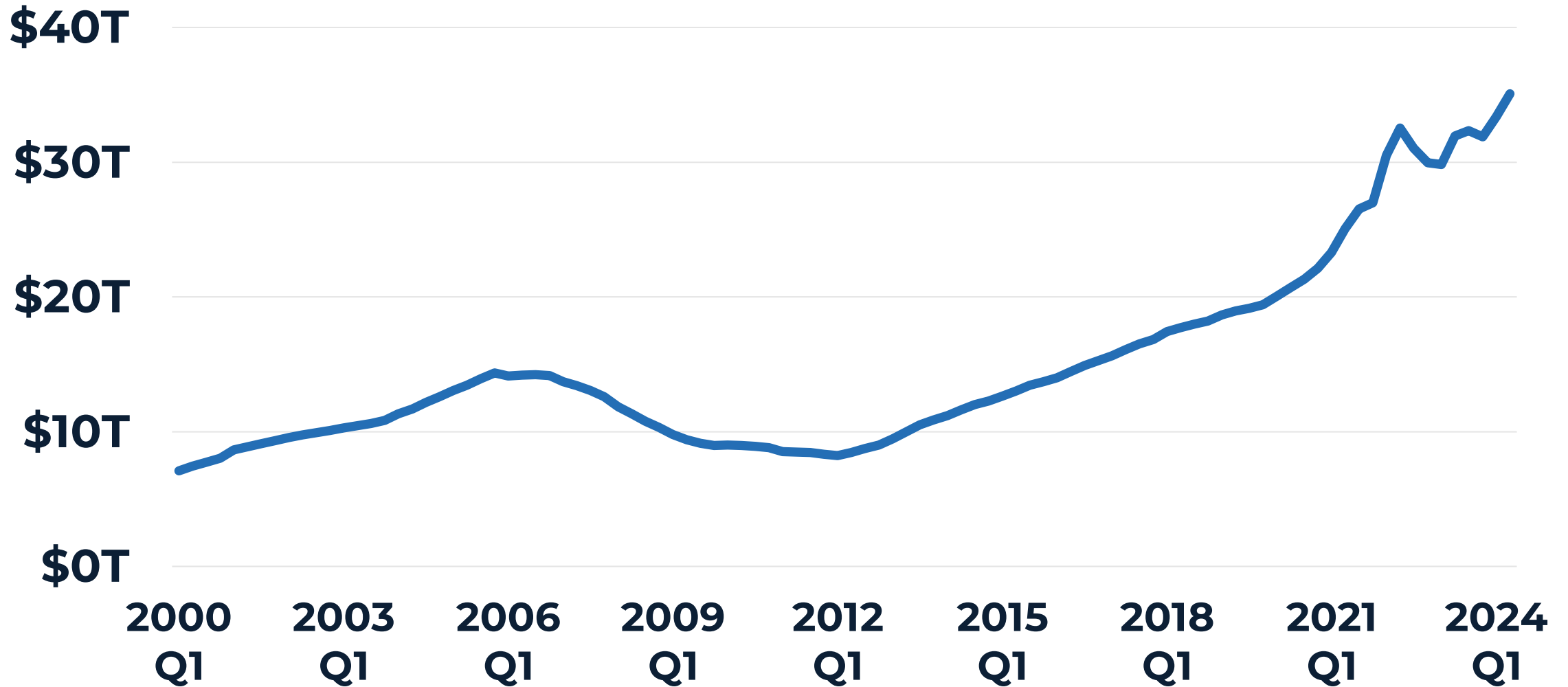
(How many months to exhaust the current inventory at current sales pace)



Source: NAR and Census

# Household Equity in Real Estate in U.S.

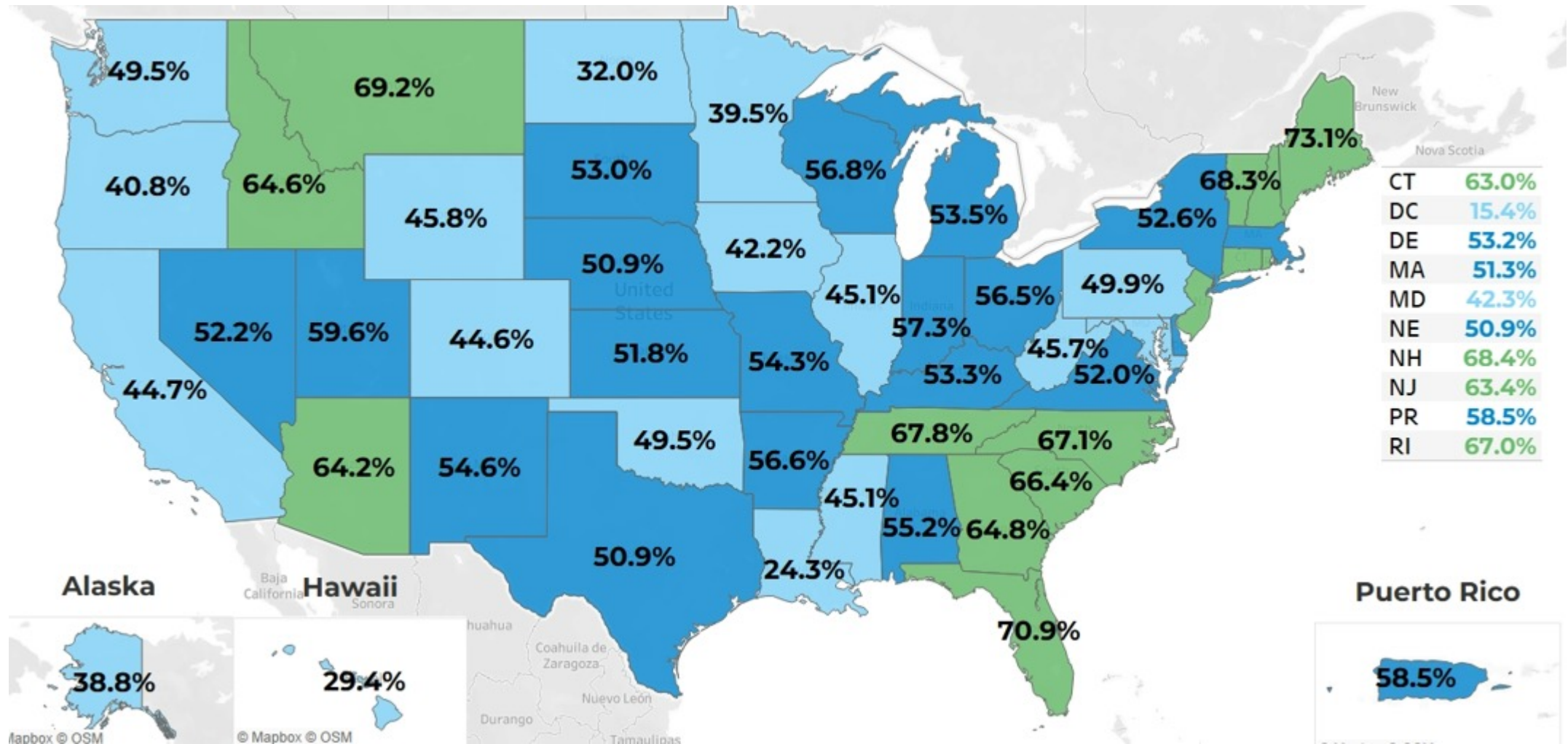
(Can support Consumer Spending even as GDP slows)



Source: Federal Reserve

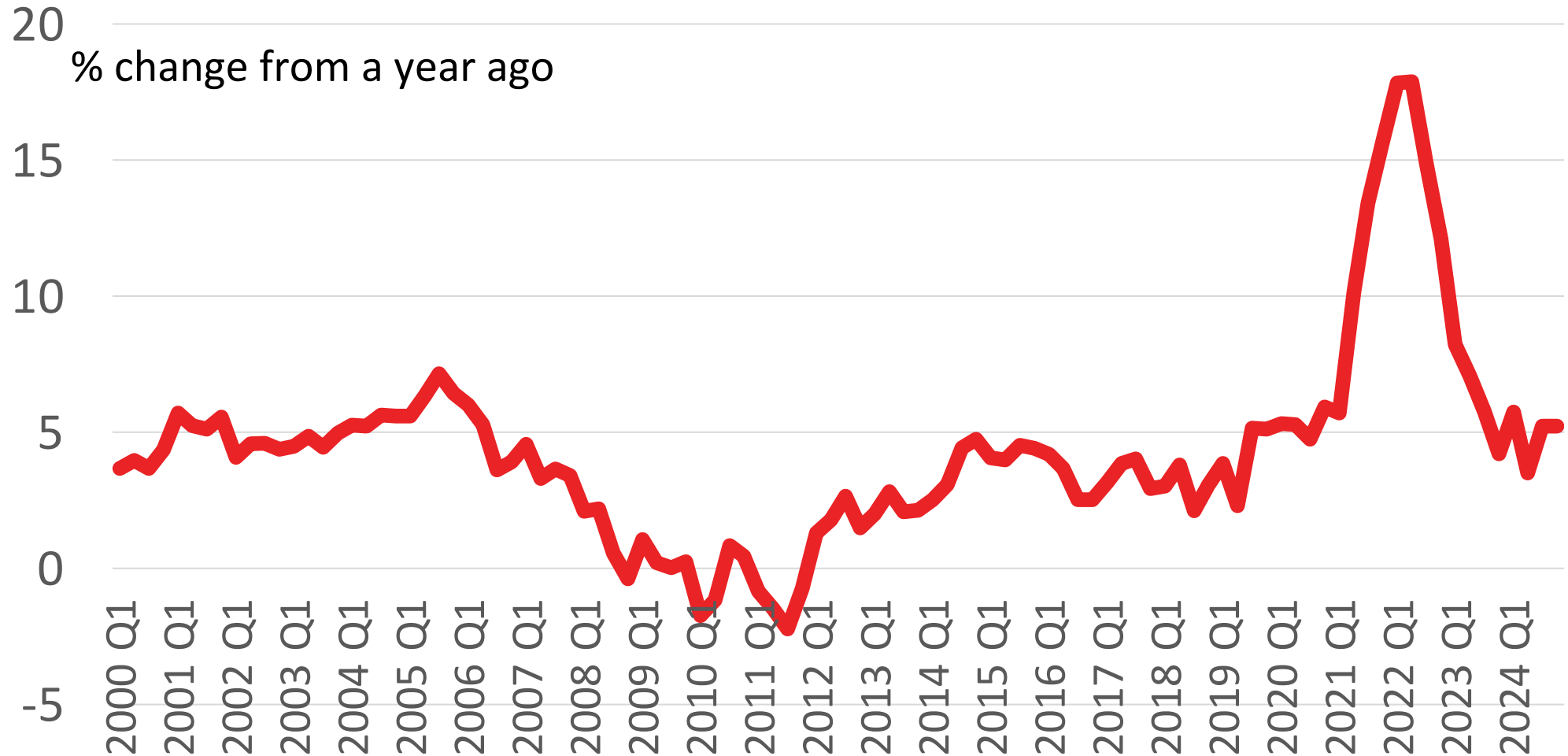
# Home Price Gains Since Pre-COVID

## % change from 2020 Q1 to 2024 Q4



Source: NAR Analysis of FHFA data

# Home Price Appreciation in Oklahoma City



Source: FHFA

# OKC Metro ... Housing Equity Gains

## Median home prices and growth

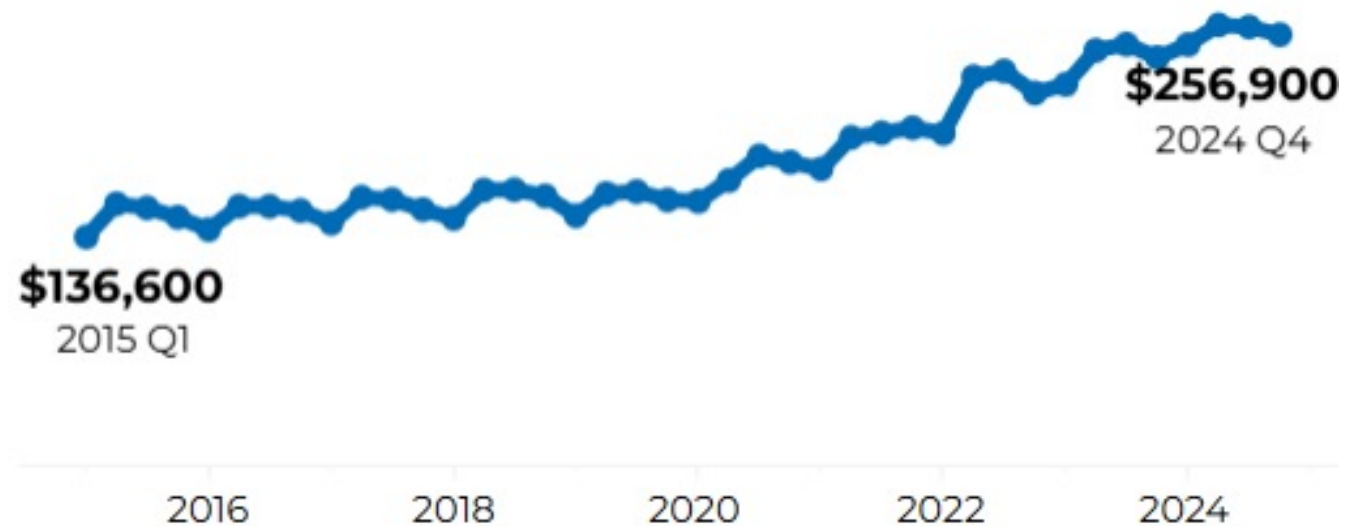
Median home sales price

(as of February 2025):

**\$263,390**

● Median home price

○ Year-over-Year growth

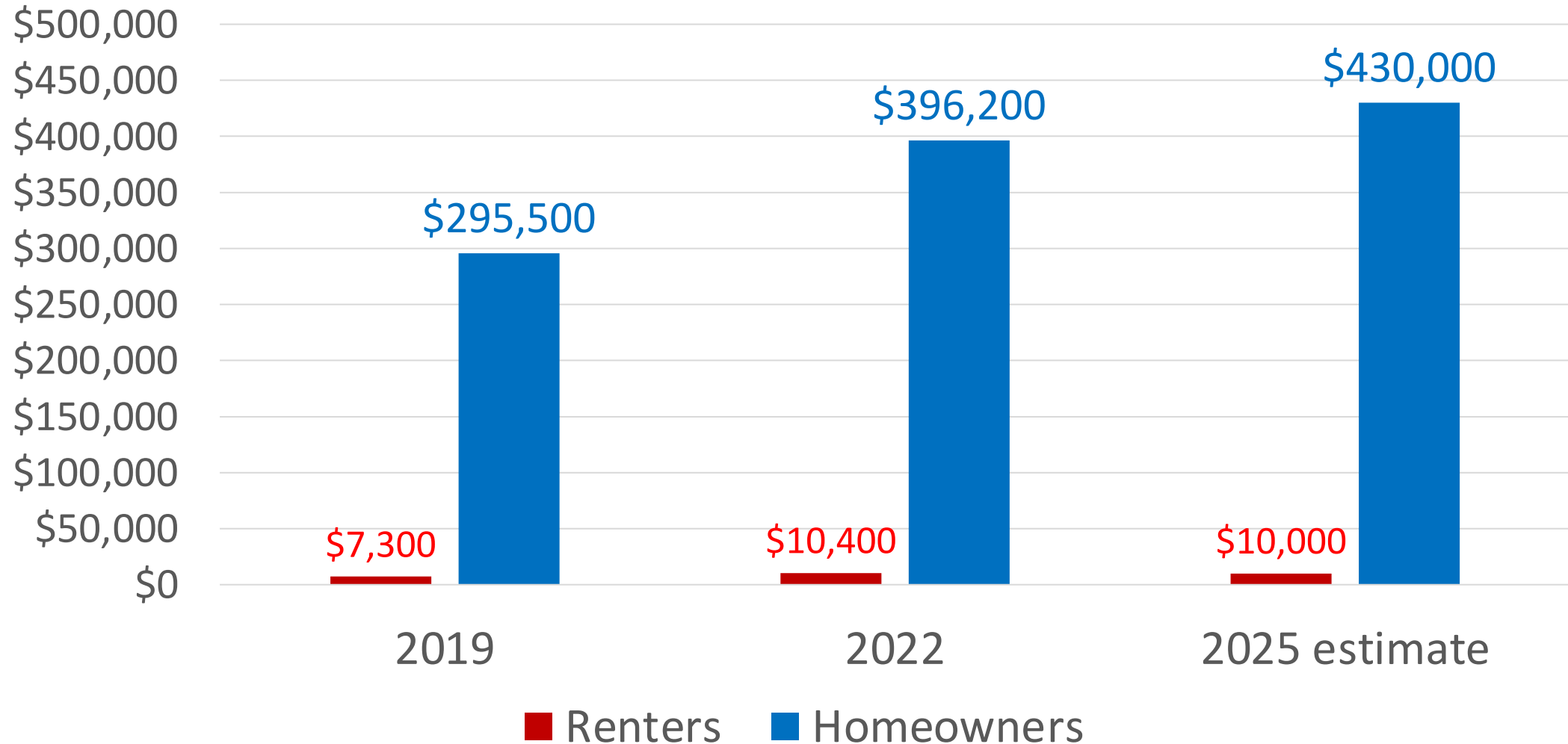


## Home equity gains by year

1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years
\$15,903	\$40,297	\$67,417	\$90,239	\$112,774	\$111,693	\$123,681	\$128,800	\$133,944	\$132,975

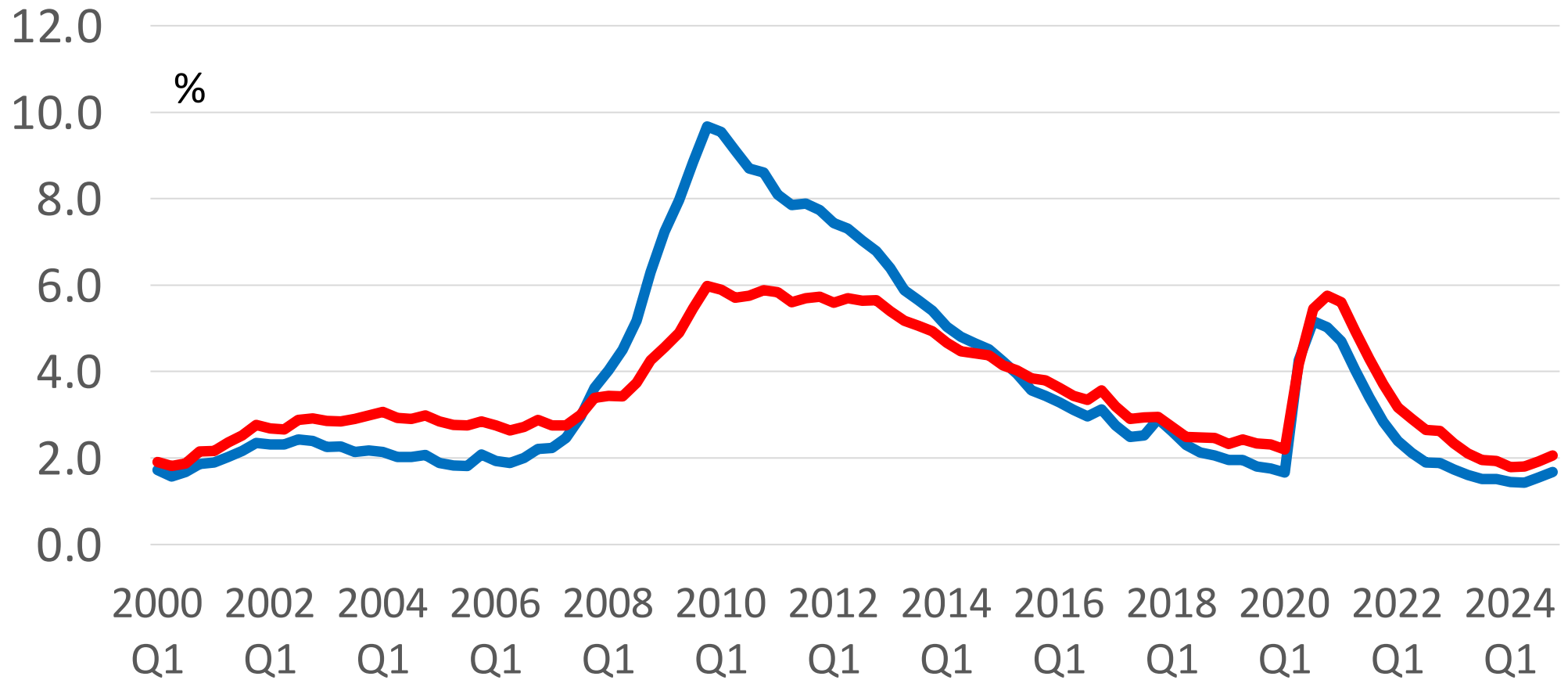
Source: NAR

# Median Net Worth between Owners and Renters



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

# Mortgages in Seriously Delinquent Status OK and U.S. (3 months late or in foreclosure)



Source: Mortgage Bankers Association

# Recent Monthly Existing Home Sales

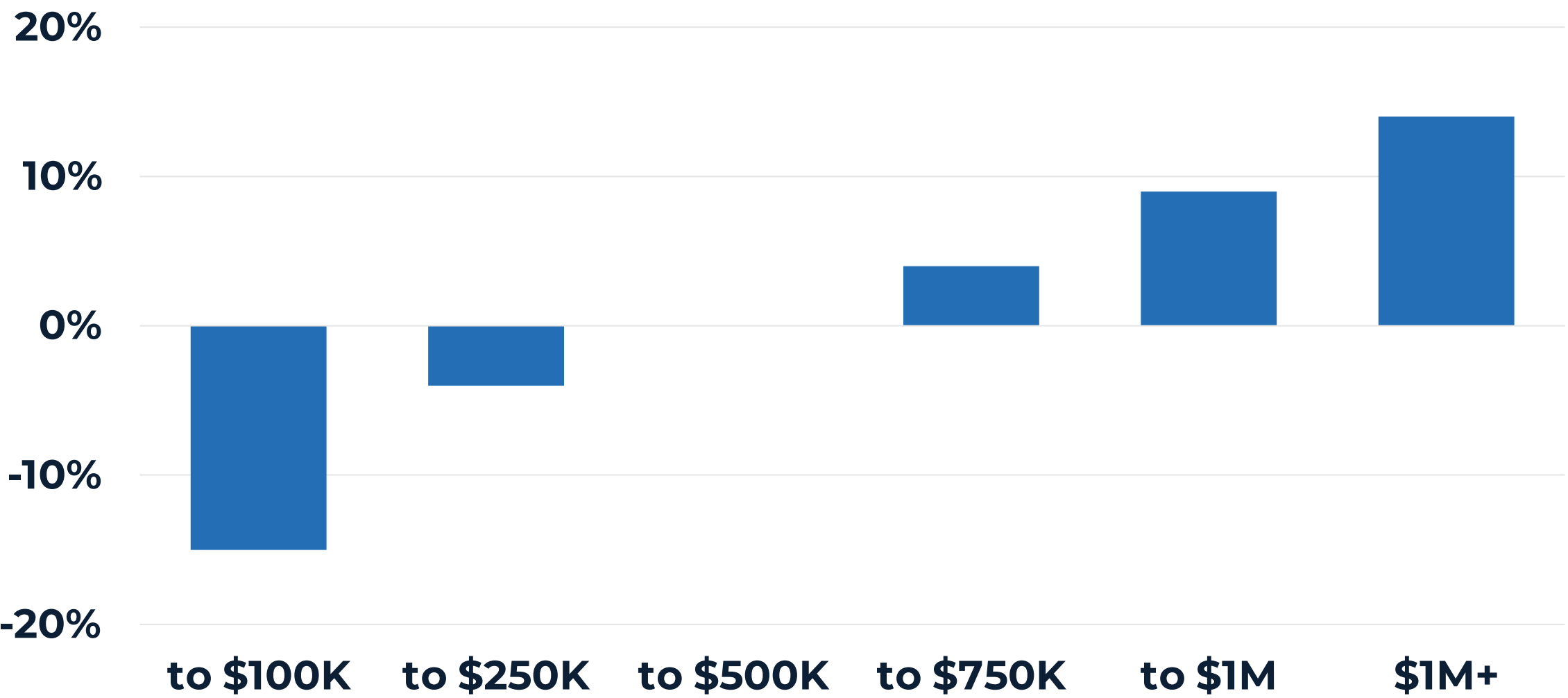


Source: NAR



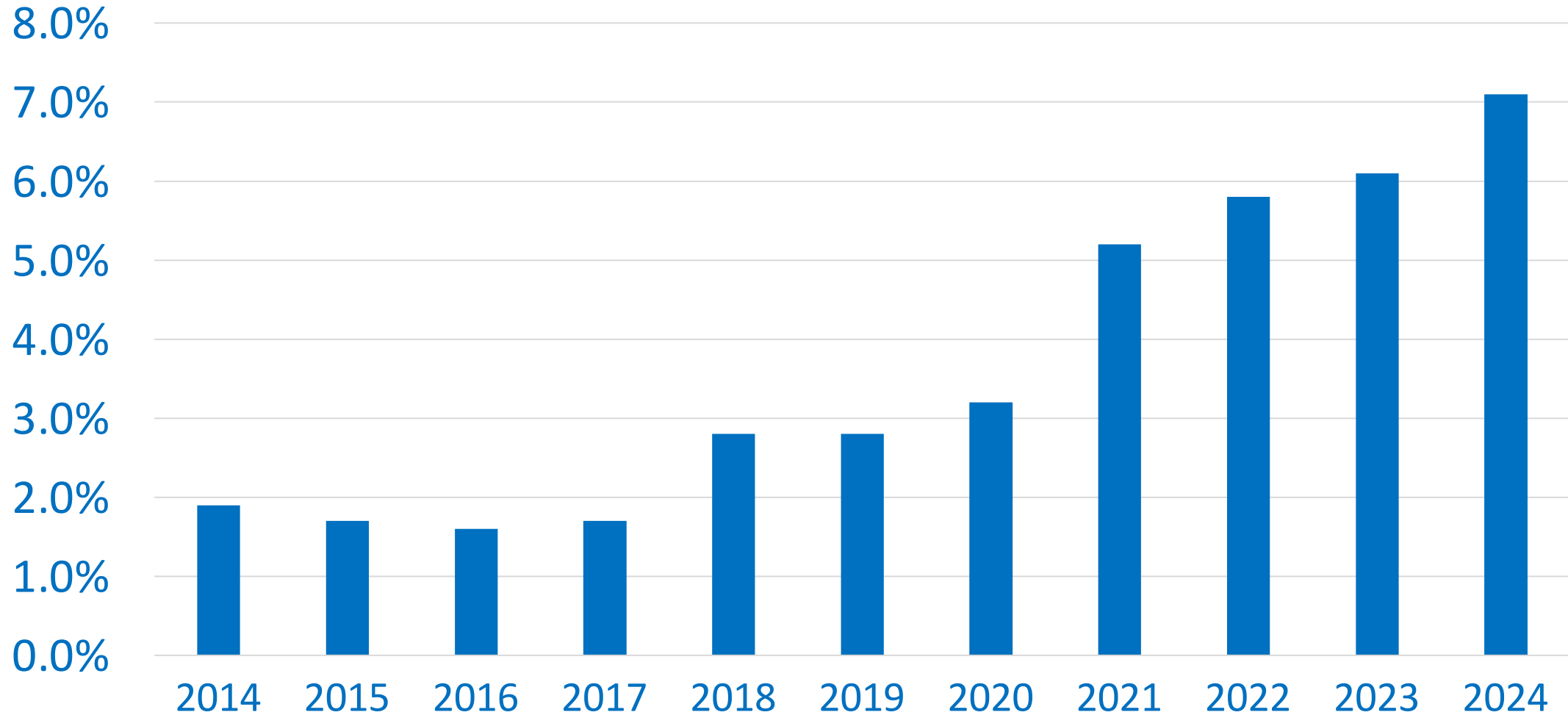
# Home Sales Change by Price Points in February

(% change from a year ago)



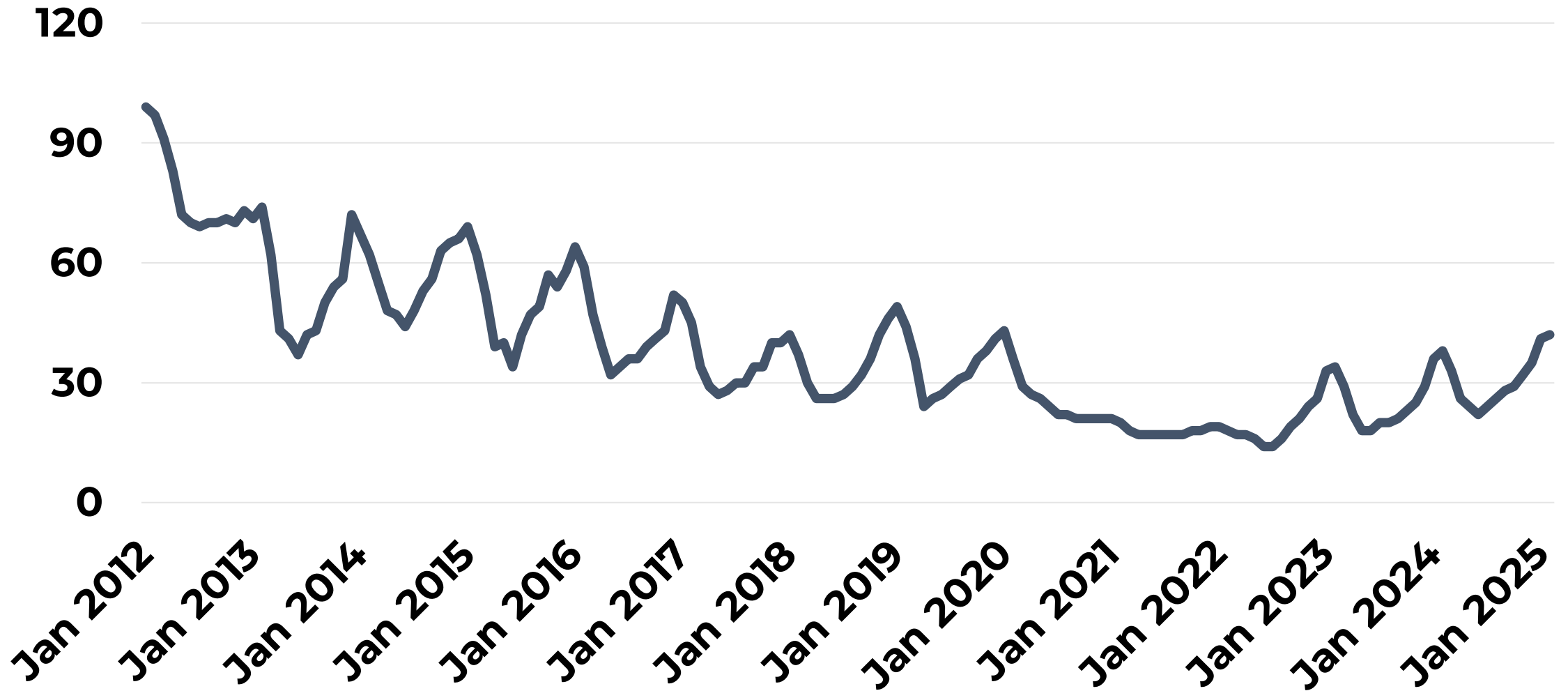
Source: NAR

## \$1 million and higher Home Sales Market Share



Source: NAR

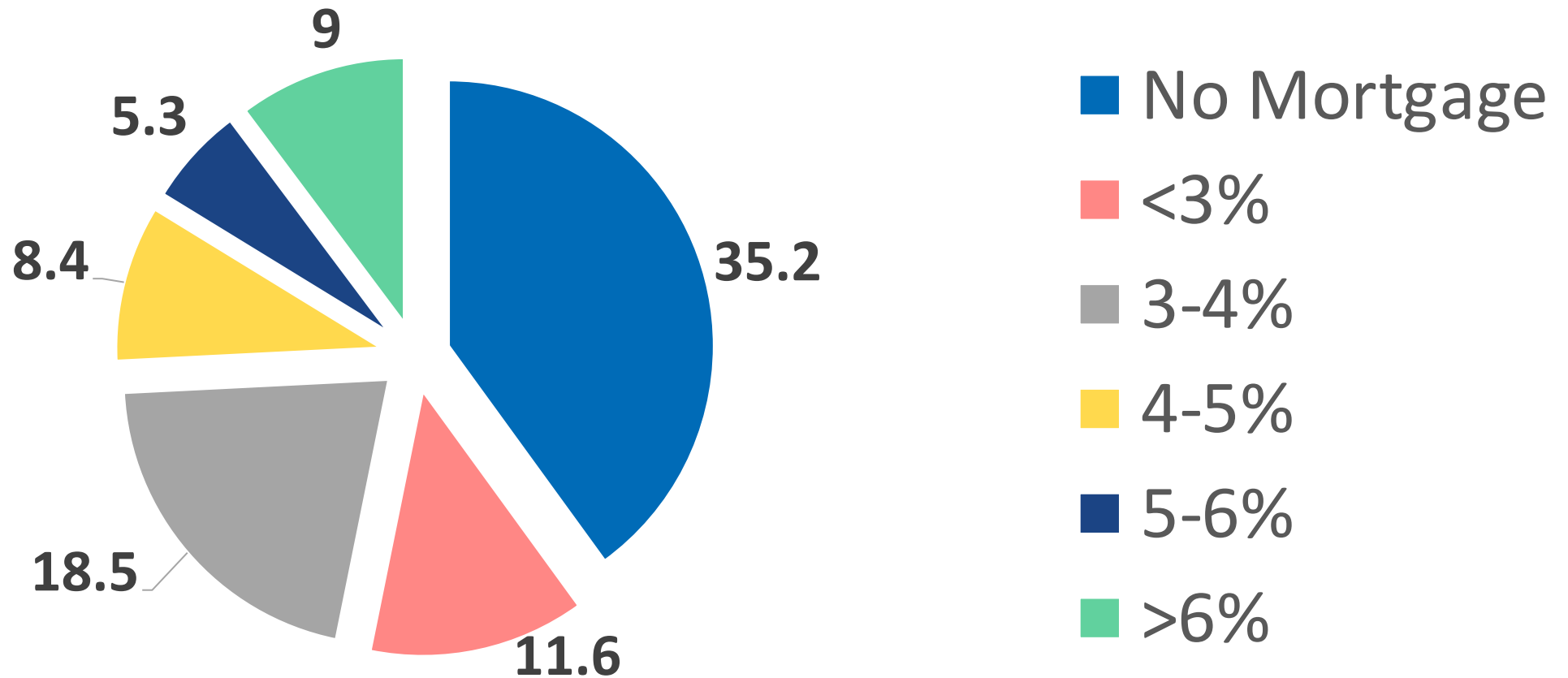
## Days on Market (From Listing to Pending Contract)



Source: NAR

# 88 million Homeowners

35.2 million free & clear ... 9 million at above 6% rate



Source: NAR estimate using data on mortgage distribution by FHFA 2024 Q2



	<u>March 2025</u>	<u>February 2025</u>	<u>March 2024</u>
<b>TOTAL CLOSED</b>	1969	1589	1991
<b>TOTAL \$ VOLUME</b>	\$ 609,935,027	\$ 496,869,797	\$ 583,411,531
<b>AVERAGE PRICE</b>	\$309,769	\$312,693	\$293,024
<b>MEDIAN PRICE</b>	\$ 257,000	\$ 260,000	\$ 250,000
<b>% SELLING PRICE TO LIST PRICE</b>	98%	97%	97%
<b>DAYS ON MARKET</b>	56	59	52
<b>NUMBER OF LISTINGS</b>	7245	7174	5837

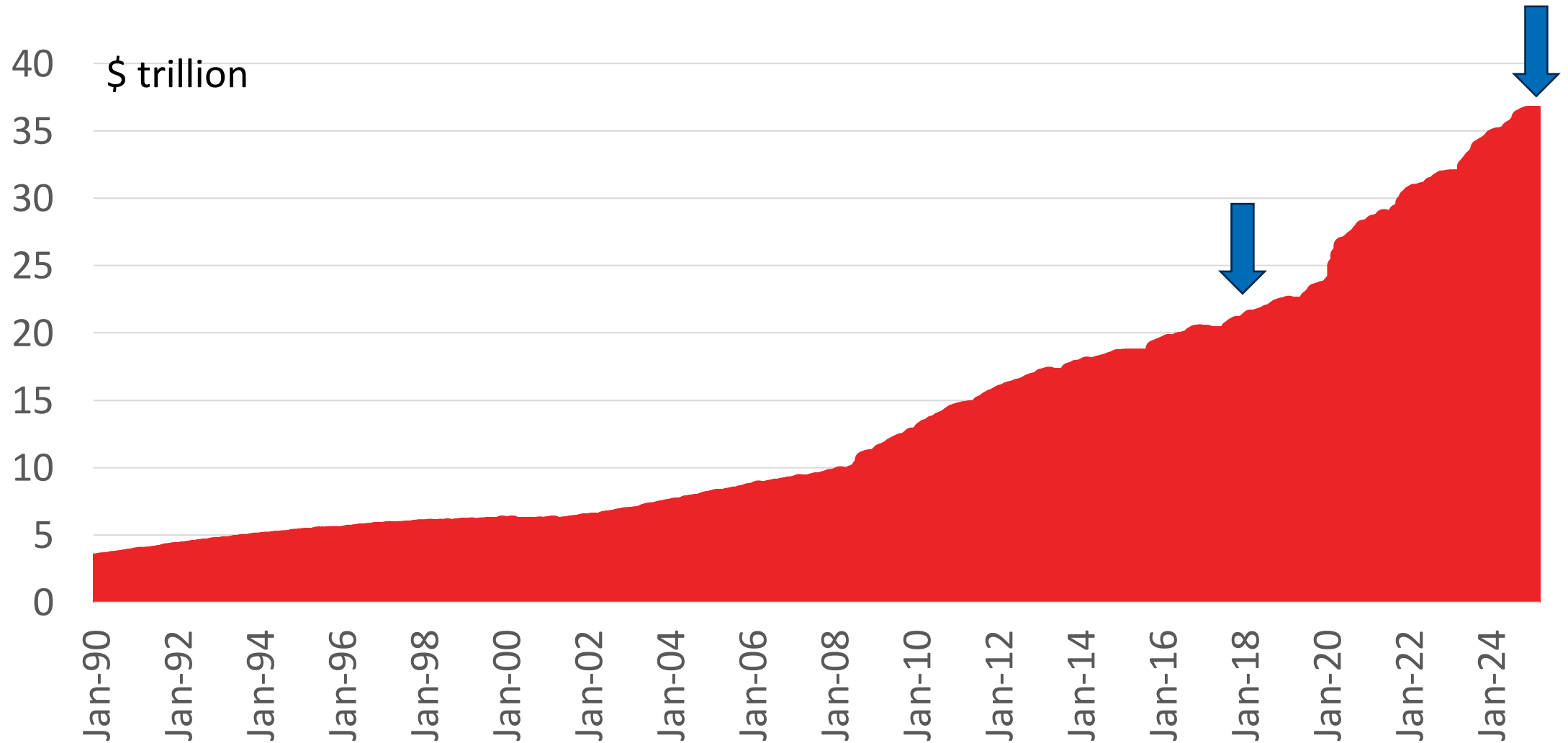
Year-to-Date to March  
Unit Sales down 1.1% .... Median Price up 2.8%

# Forecast and Risk

# Nationwide Forecast

	2025	2026
<b>Existing Home Sales</b>	<b>+6%</b>	<b>+11%</b>
<b>New Home Sales</b>	<b>+10%</b>	<b>+5%</b>
<b>Median Home Price</b>	<b>3%</b>	<b>4%</b>
<b>Mortgage Rate</b>	<b>6.4%</b>	<b>6.1%</b>
<b>Job Gains</b>	<b>1.6 million</b>	<b>2.4 million</b>

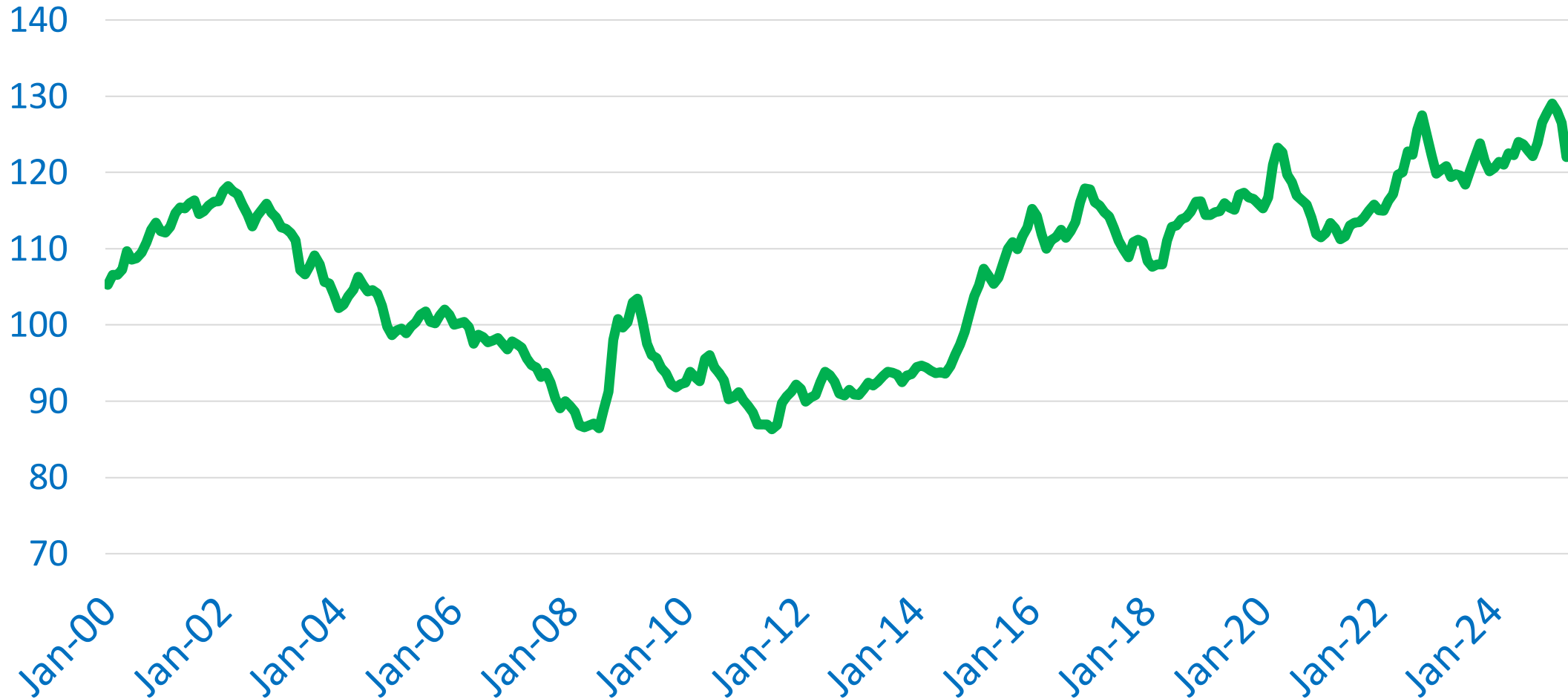
# Risk from National Debt



Source: U.S. Treasury

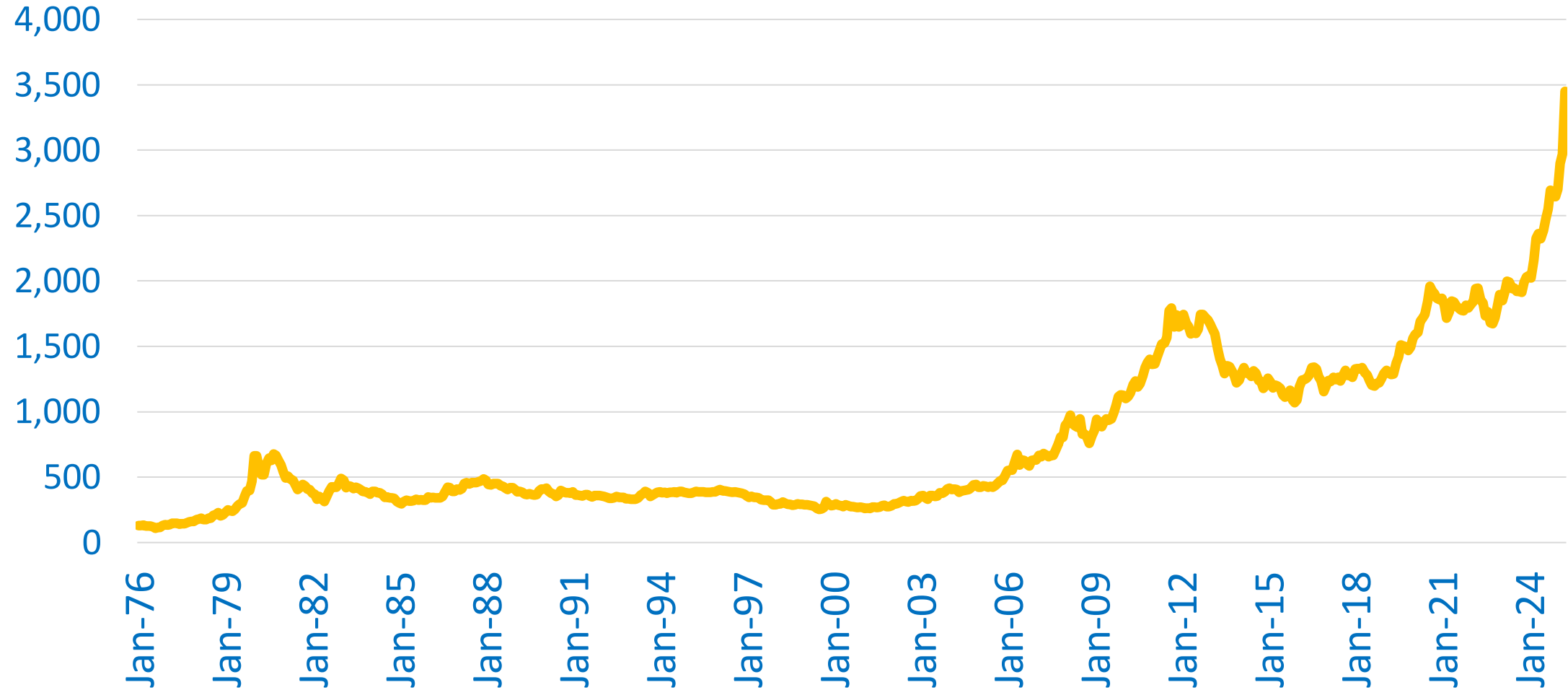


## Weakening Dollar ... From Very High Levels (Trade-weighted Dollar Index)



Source: Federal Reserve

## Gold Price ... Reflection of Great Uncertainty



Source: Wall Street Journal

**Thank You !**