

Real Estate and Economic Outlook

Lawrence Yun, Ph.D.

Chief Economist

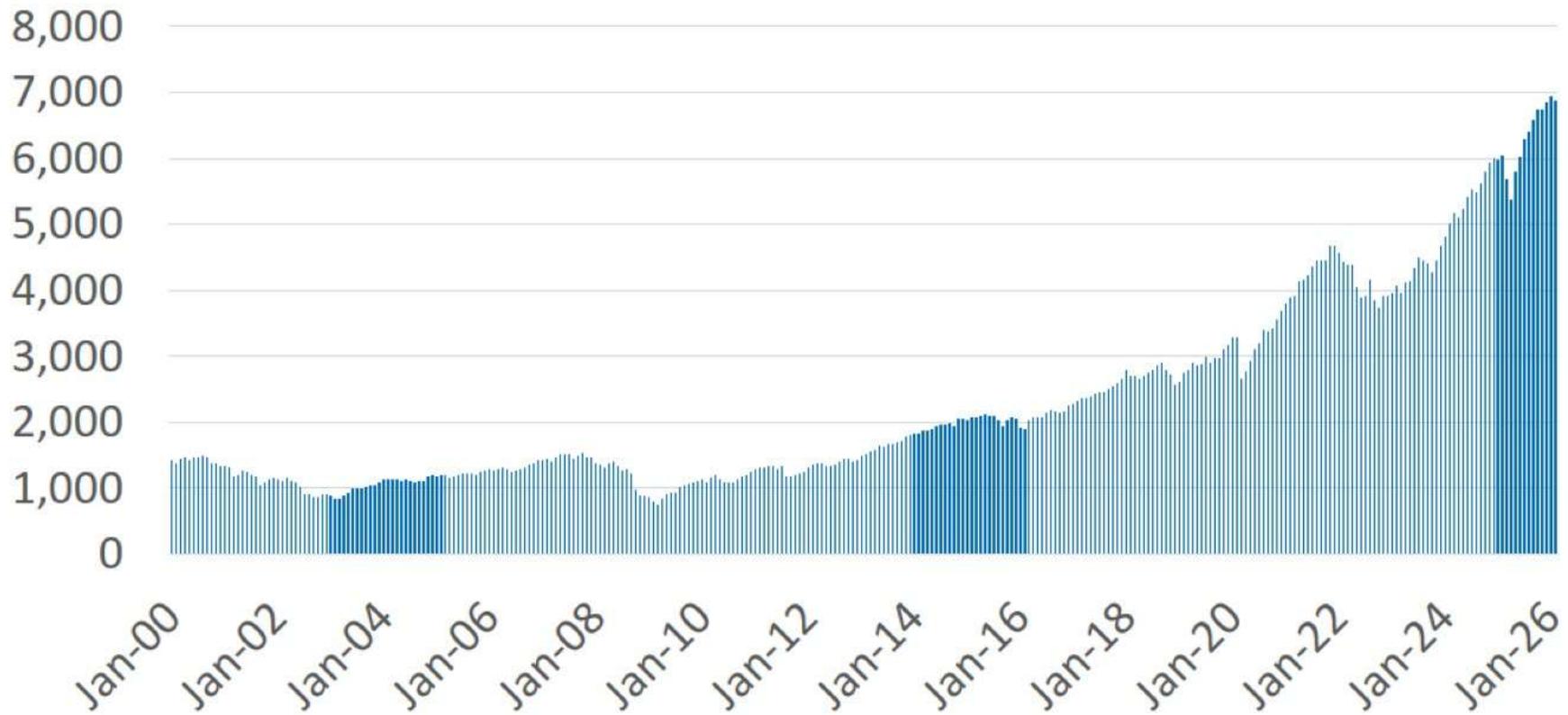
National Association of REALTORS®



Headed to Economic Recession?

- **Data delays 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**
- **Geopolitics and Oil**

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

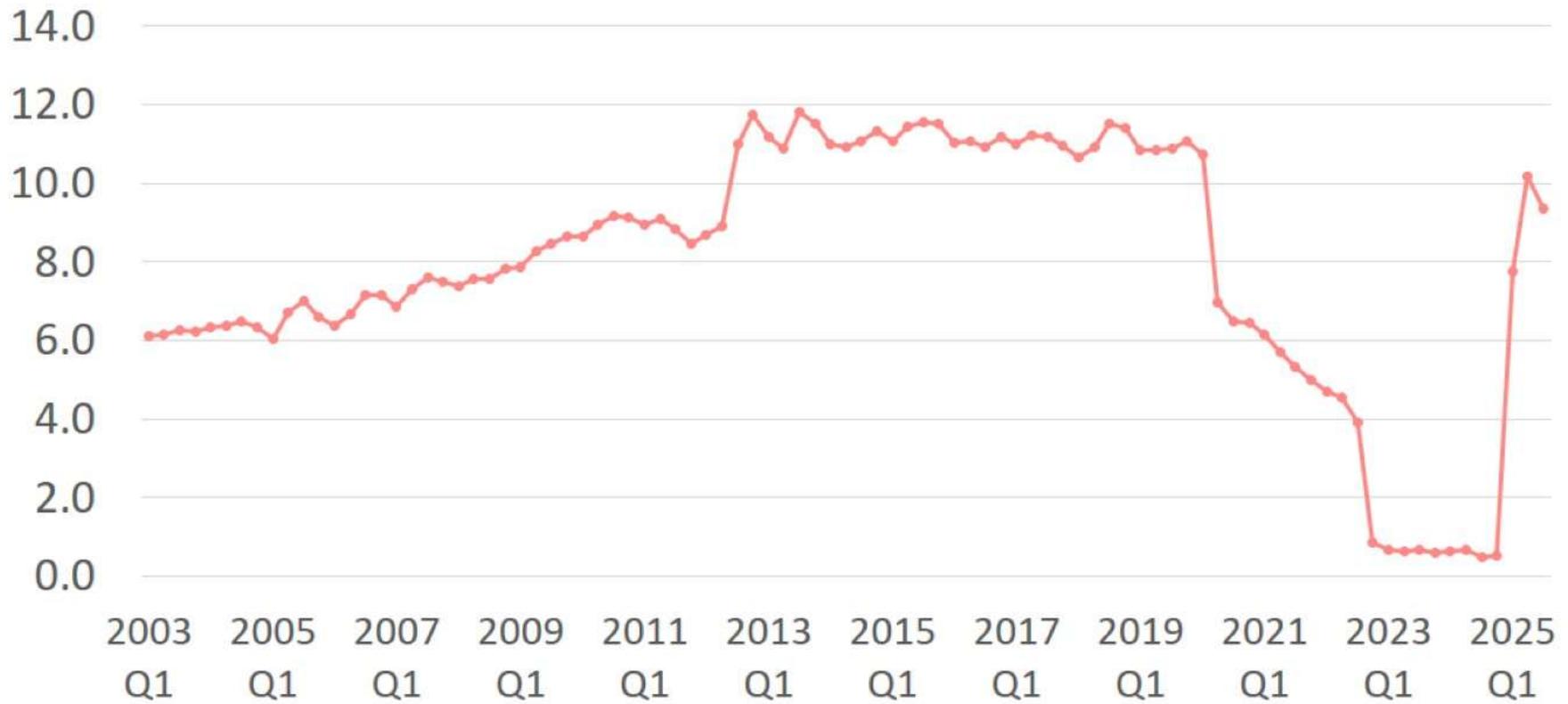
Credit Card 90+ Days Delinquency



Source: Federal Reserve Bank of NY

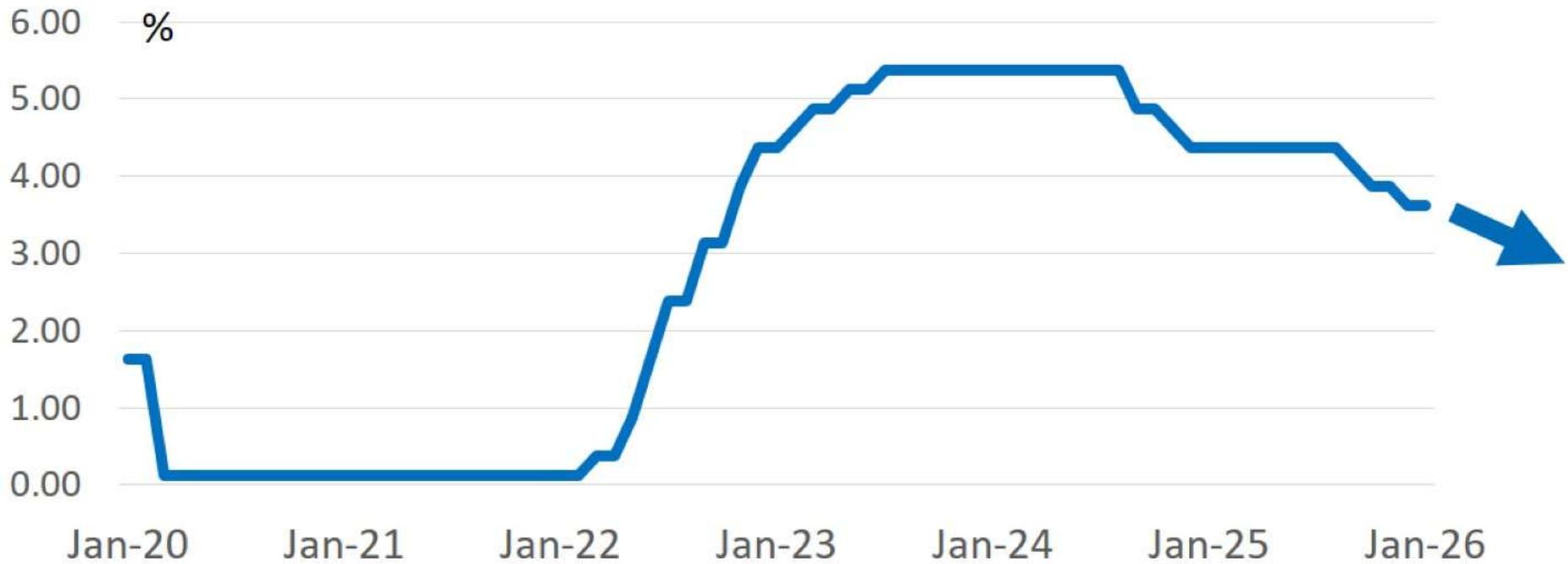


Student Debt 90+ Days Delinquency



Source: Federal Reserve Bank of NY

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

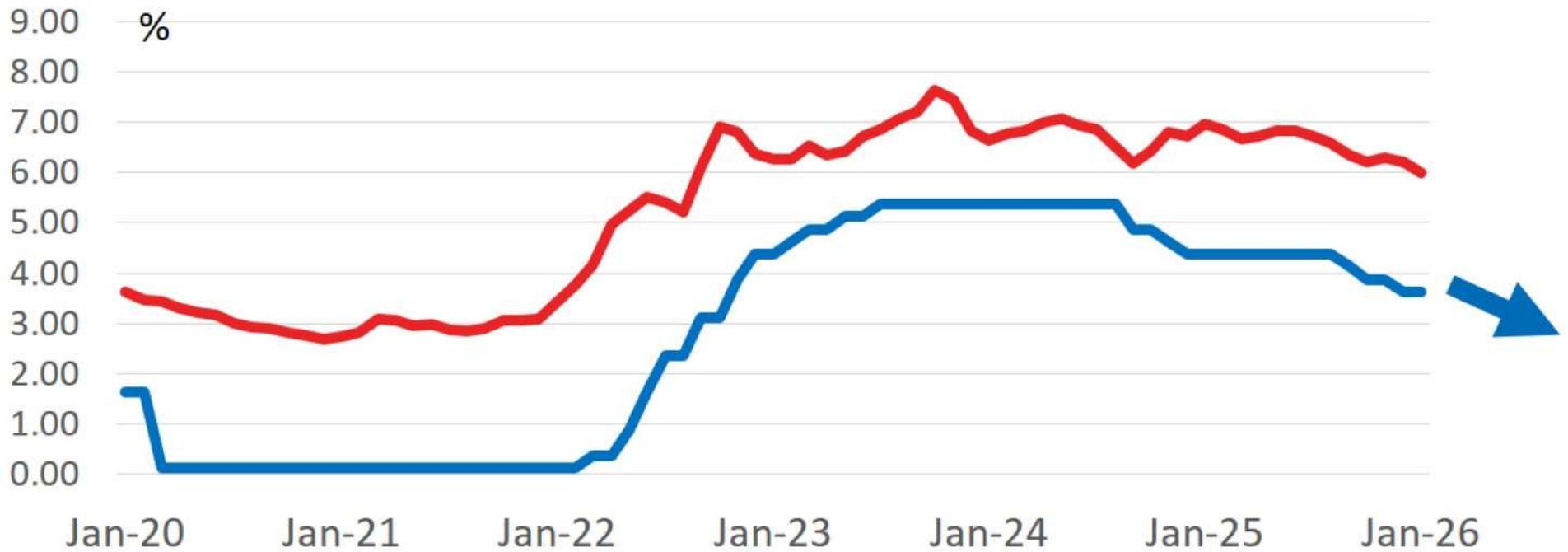


Source: Federal Reserve and Freddie Mac Mortgage Rate

Impact to Mortgage Rates

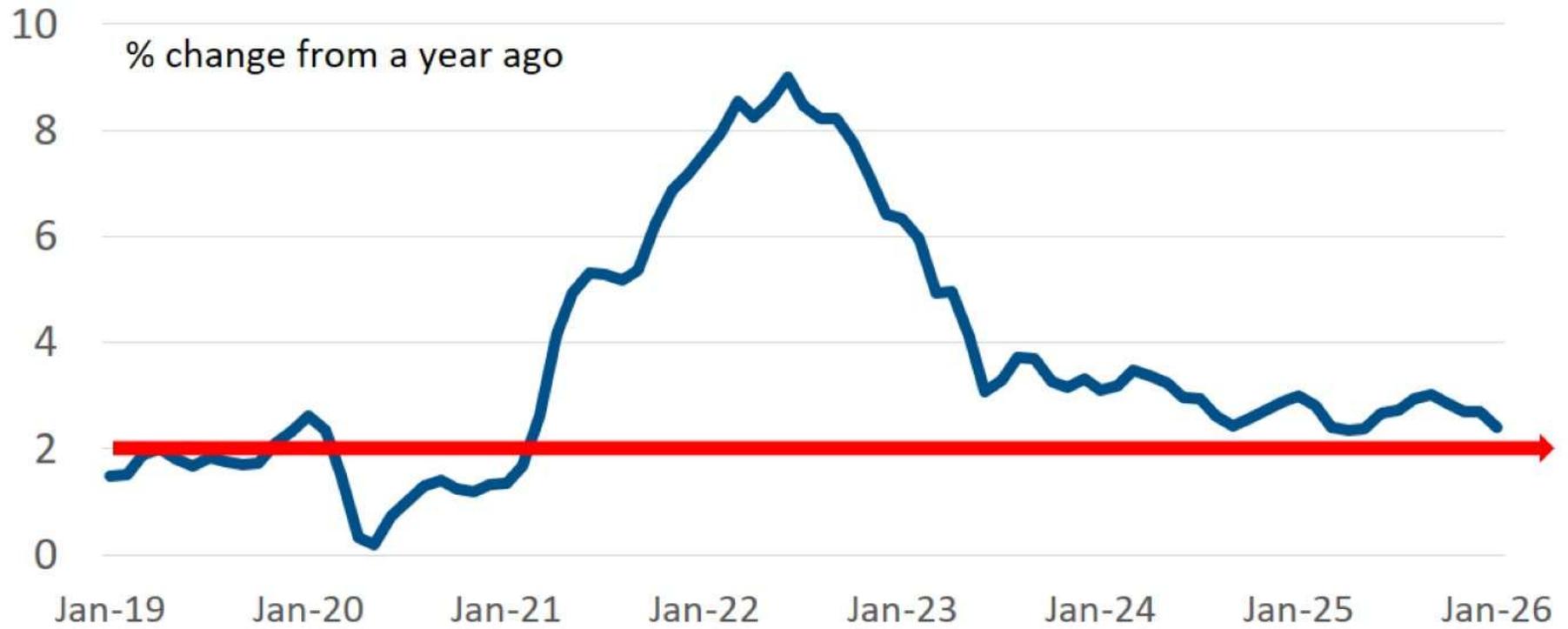
- **Federal Reserve Rate Cut (on fed funds short-term rate)**
- **Federal Deficit and National Debt**
- **Supreme Court on Trump Tariffs (\$3 trillion revenue over decade)**
- **Inflation Rate**
- **Quantitative Tightening/Easing**
 - **net buy/sale of mortgage-backed securities by the Fed or GSEs**
- **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)



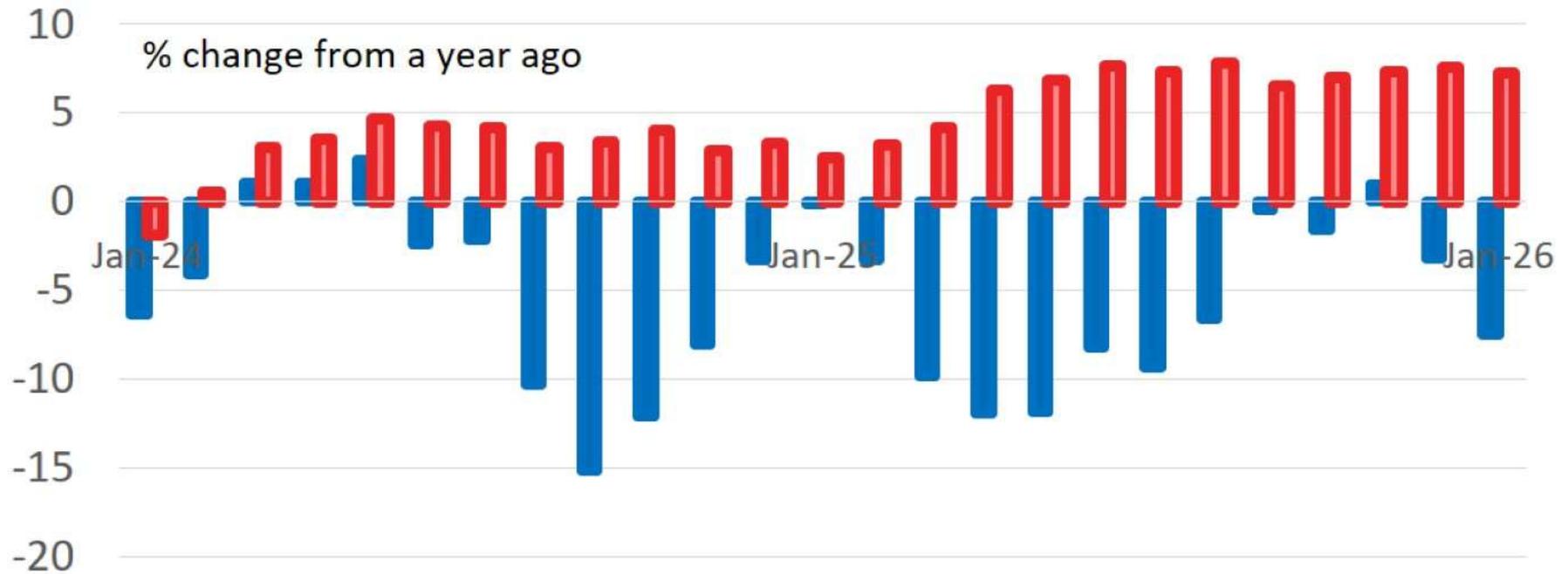
Source: Federal Reserve and Freddie Mac Mortgage Rate

Consumer Price Inflation at 2.4% in January But still above 2% target



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

Gasoline Prices Falling (blue) but Utility Bill Rising (red)



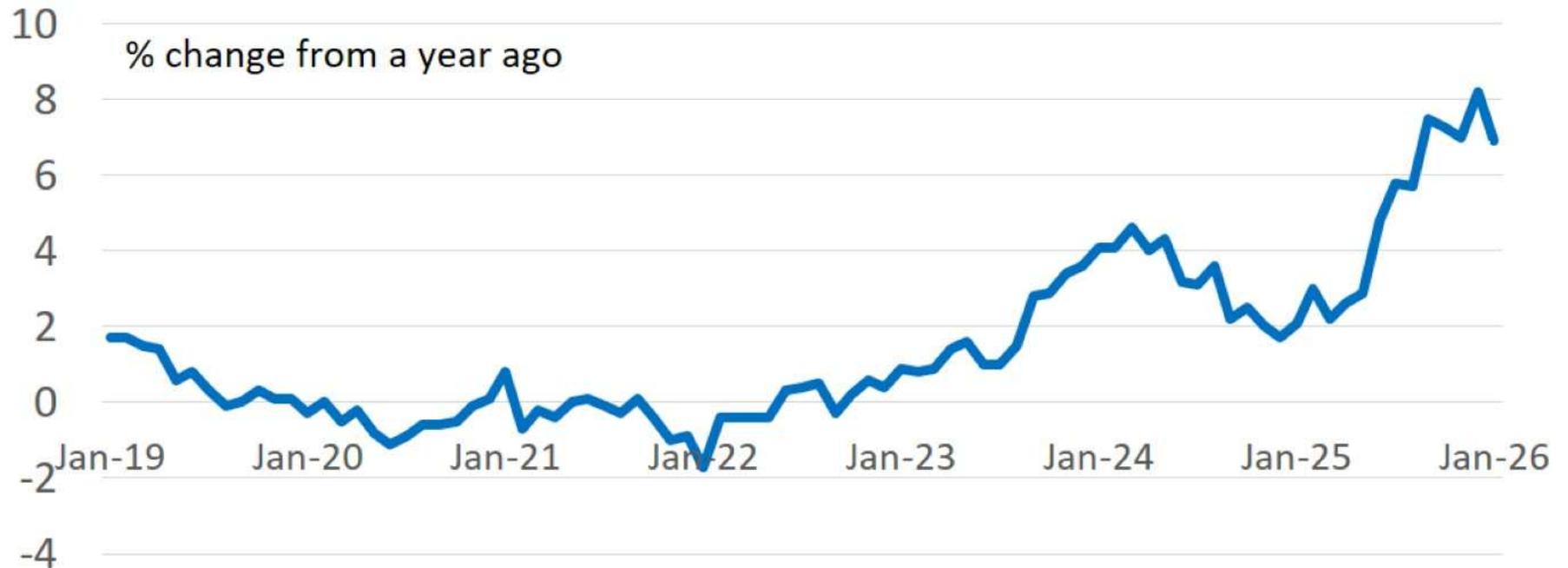
Source: BLS

Shelter Component Decelerating



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)

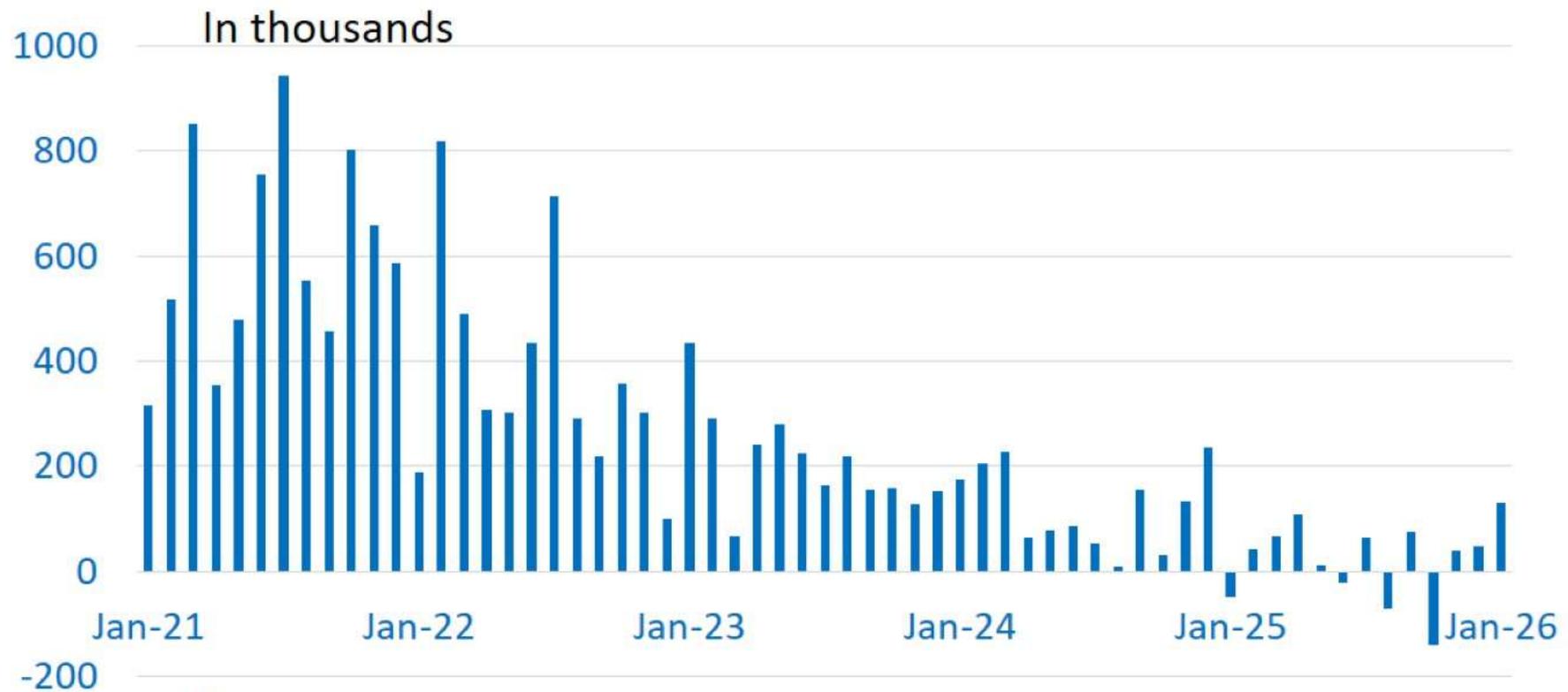
Total Payroll Jobs to January 2026

+6.3 Million More Jobs from Pre-COVID Highs



Source: BLS

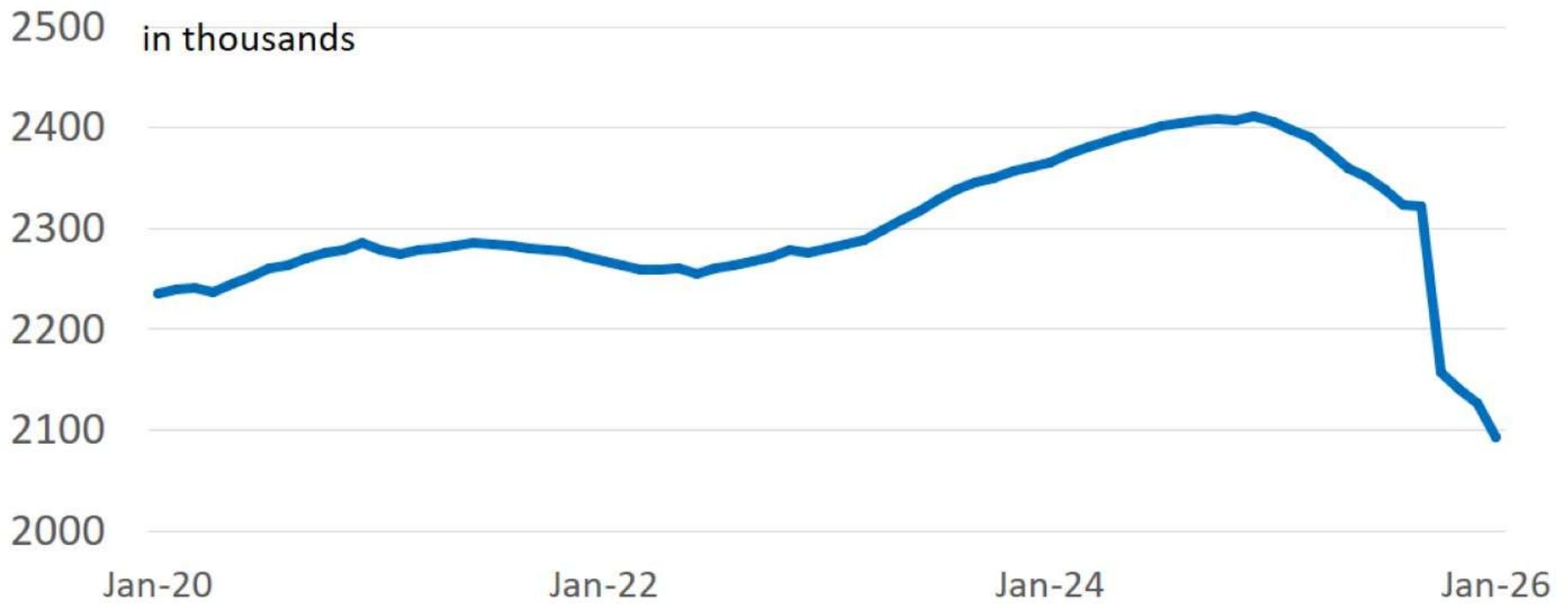
Monthly Net Job Changes ... circling near zero in recent months



Source: BLS

Federal Government Jobs

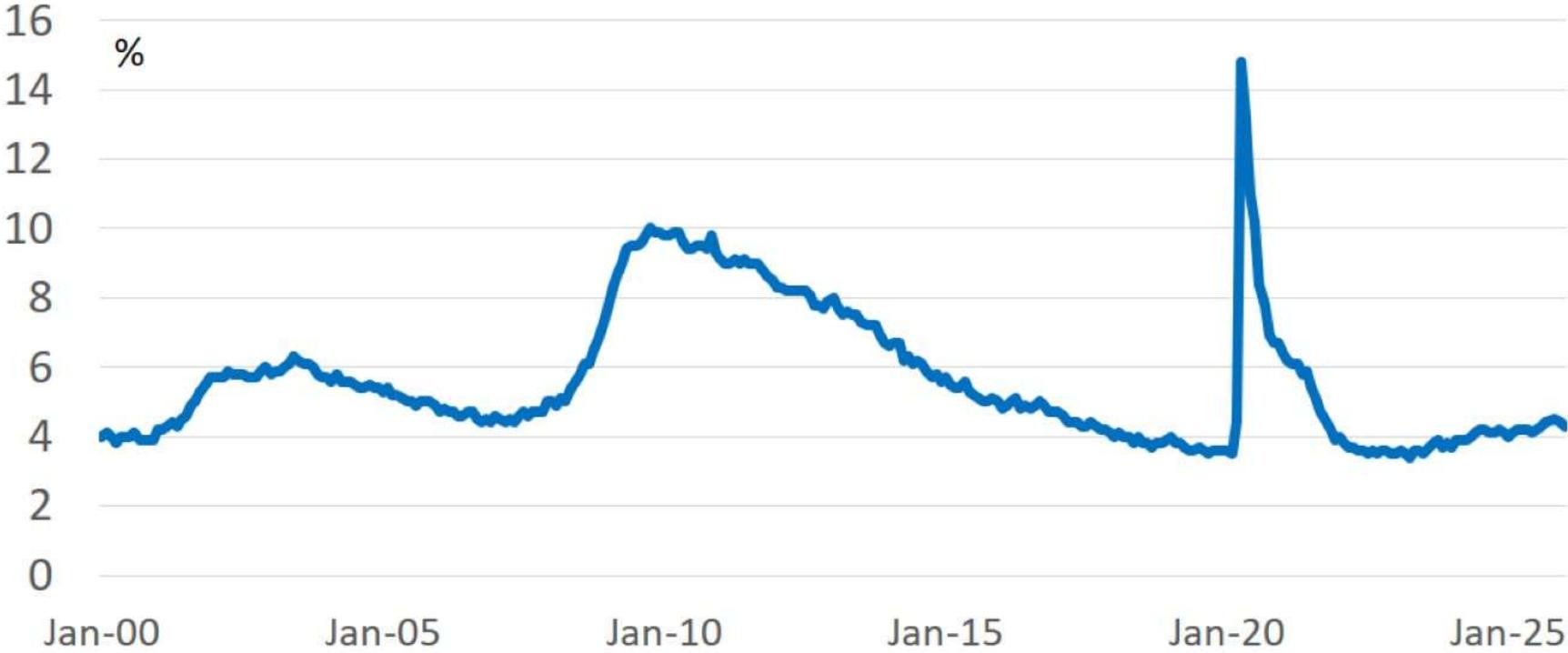
(tumbling down ... 312,000 fewer from January 2025)



Source: BLS (Federal Workers except Census and Postal workers)



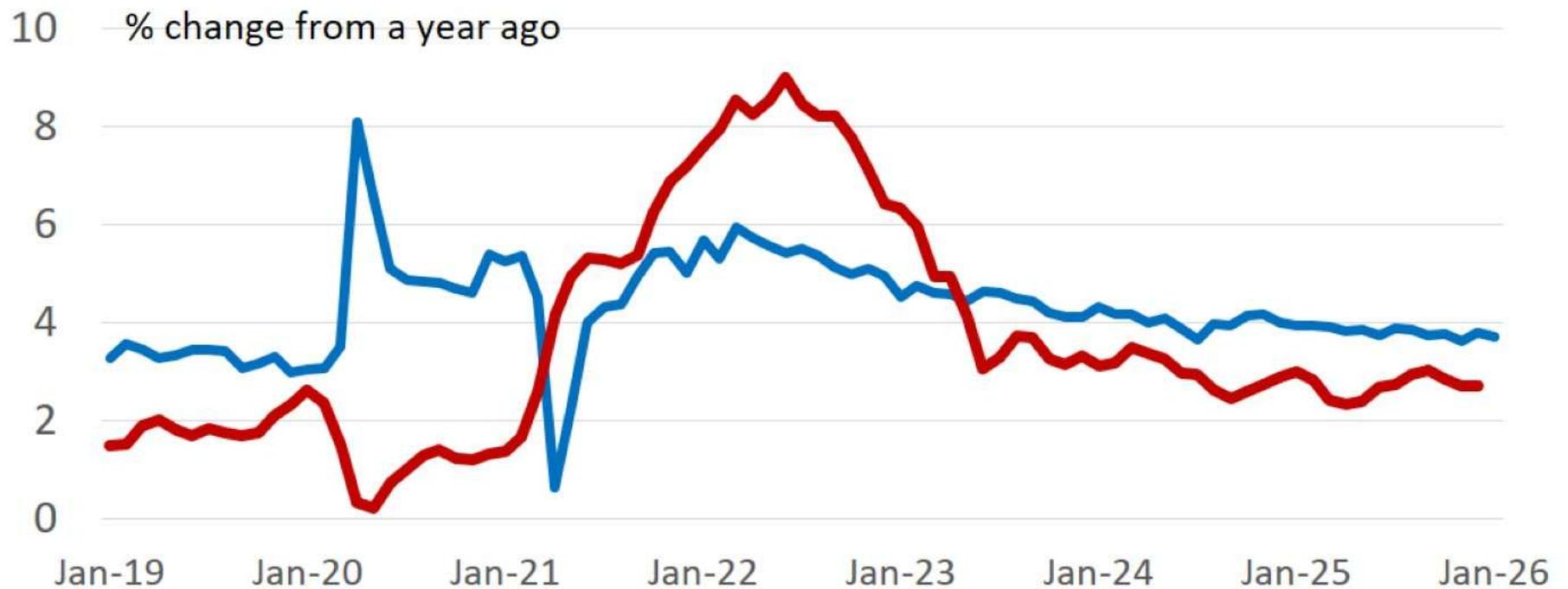
Unemployment Rate of 4.3% as of January



Source: BLS (October data missing but imputed as average of Sep. and Nov.)



Wage Rate Rising at 3.7% (blue) Faster than Consumer Prices at 2.7% (red)



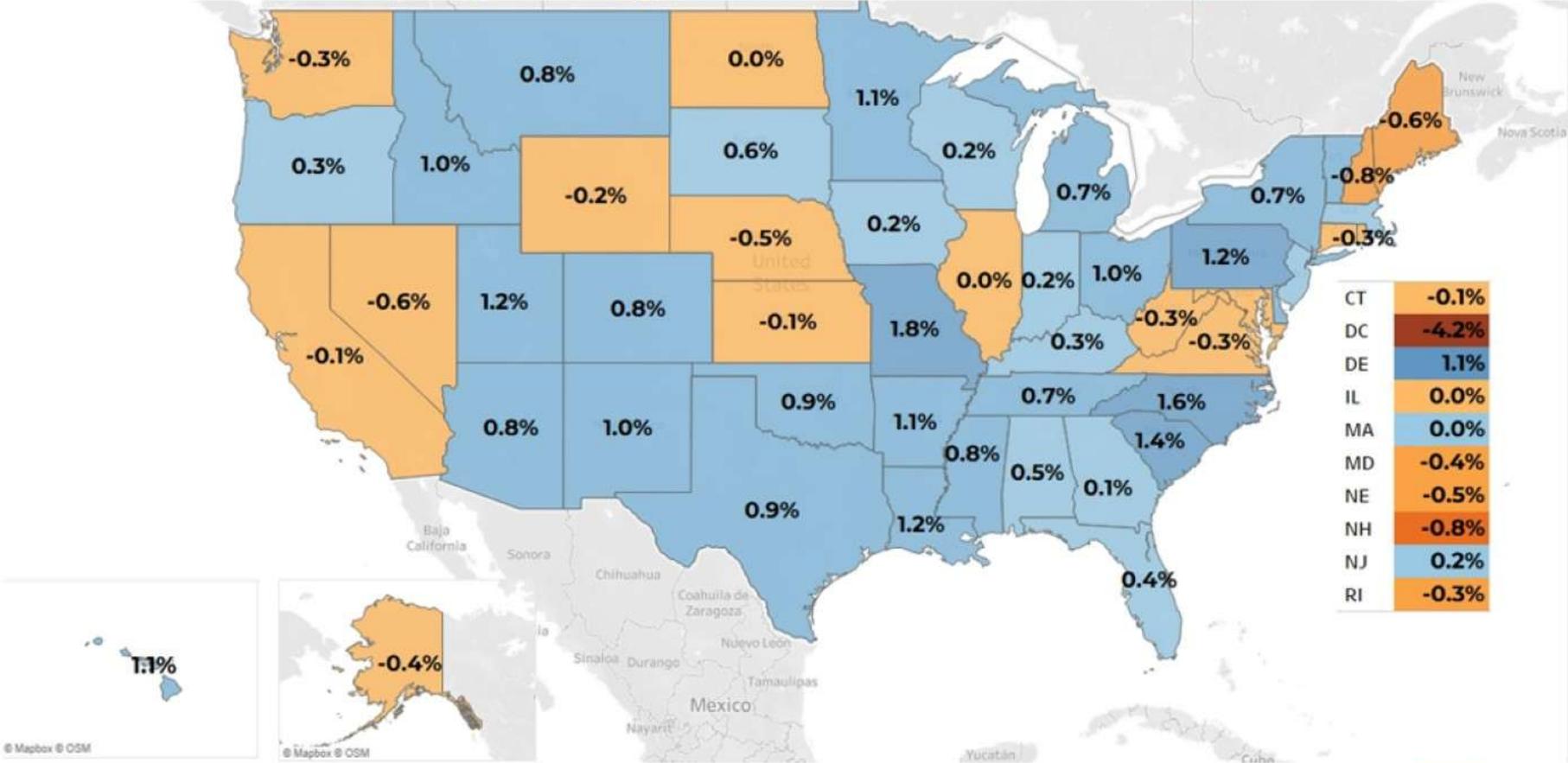
Source: NAR calculation of BLS data

Hourly Wage Rate

Industry	January 2026	January 2025	% Growth
All Workers	\$37.17	\$35.84	3.7%
Leisure and Hospitality	\$23.38	\$22.50	3.9%
Construction	\$40.55	\$39.07	3.8%

Source: NAR analysis of BLS data

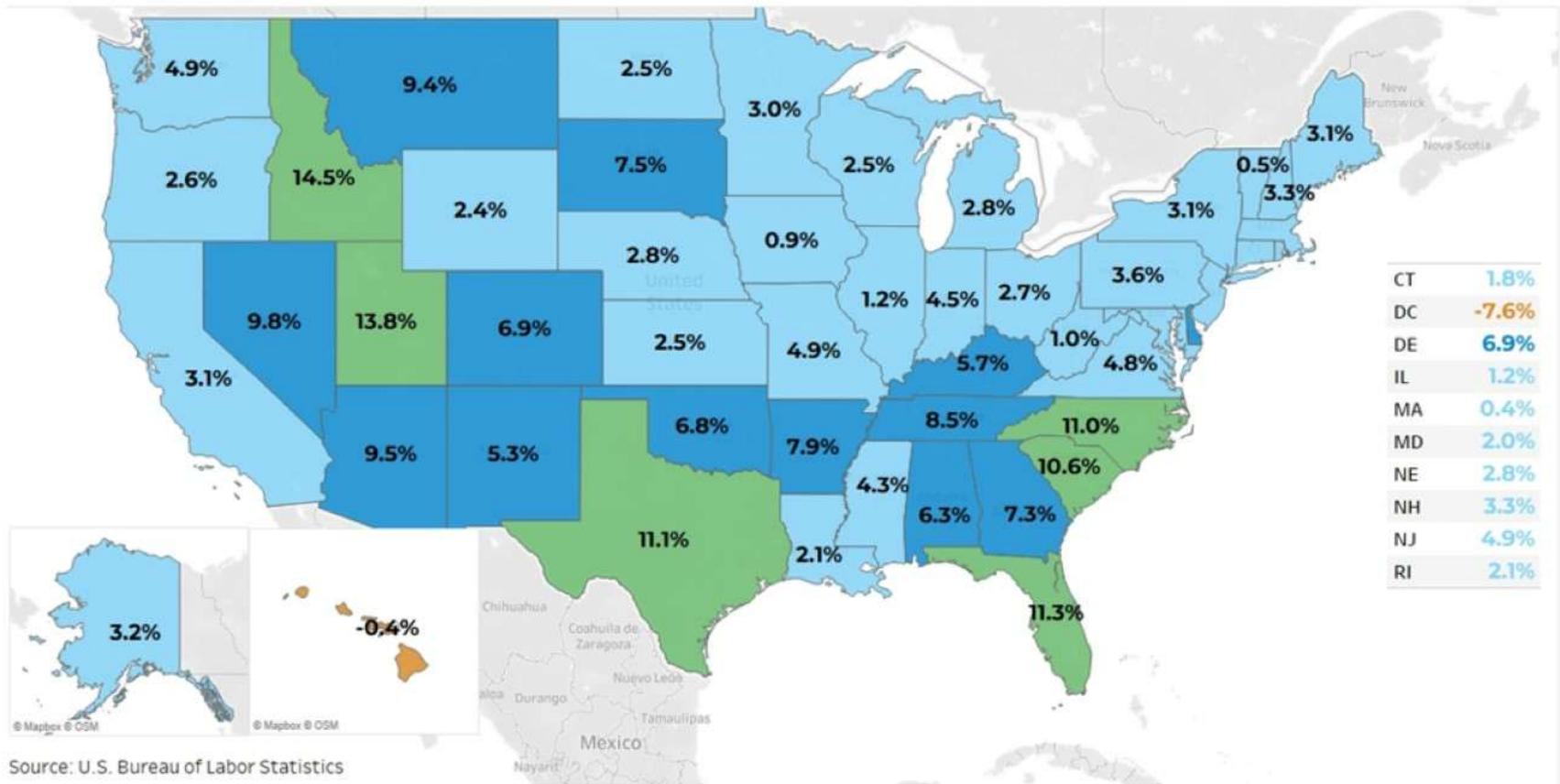
One-year Payroll Job Gain (% change Dec. 2024 to Dec. 2025)



Source: NAR Analysis of BLS data



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

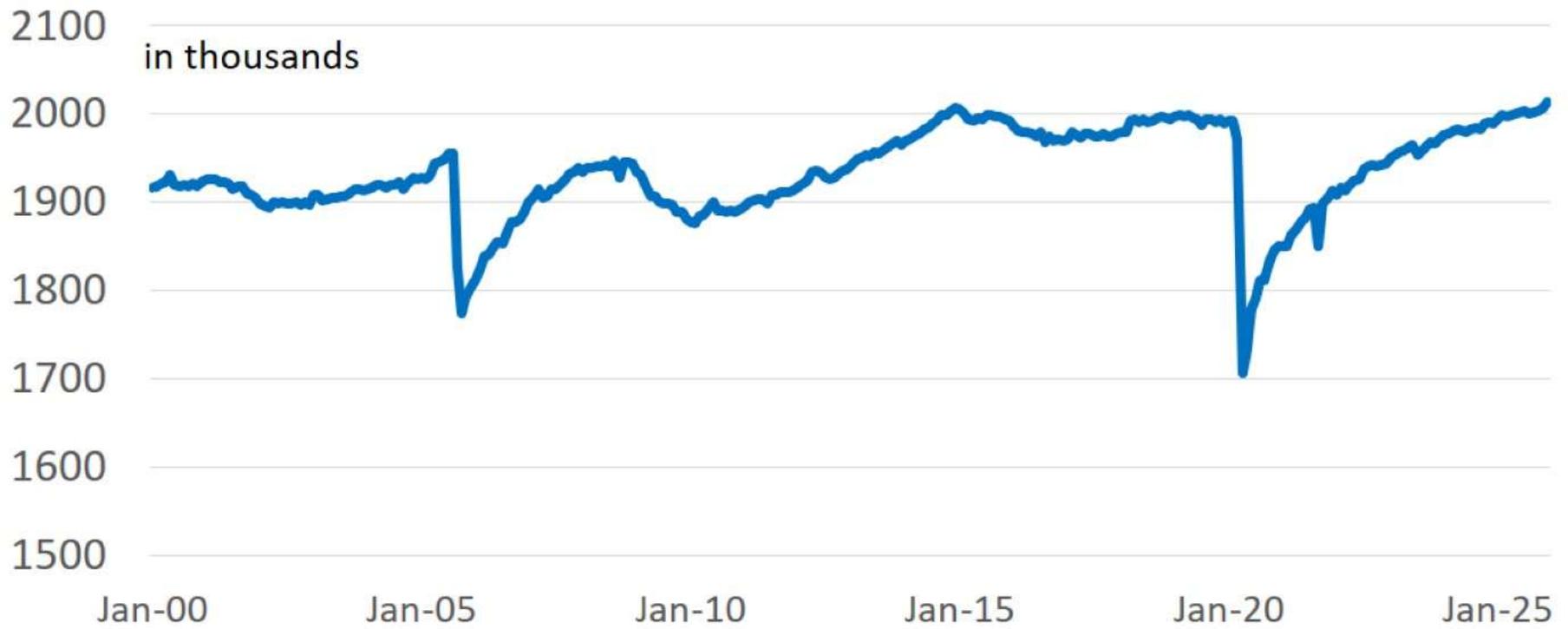


Source: U.S. Bureau of Labor Statistics

Source: NAR Analysis of BLS data

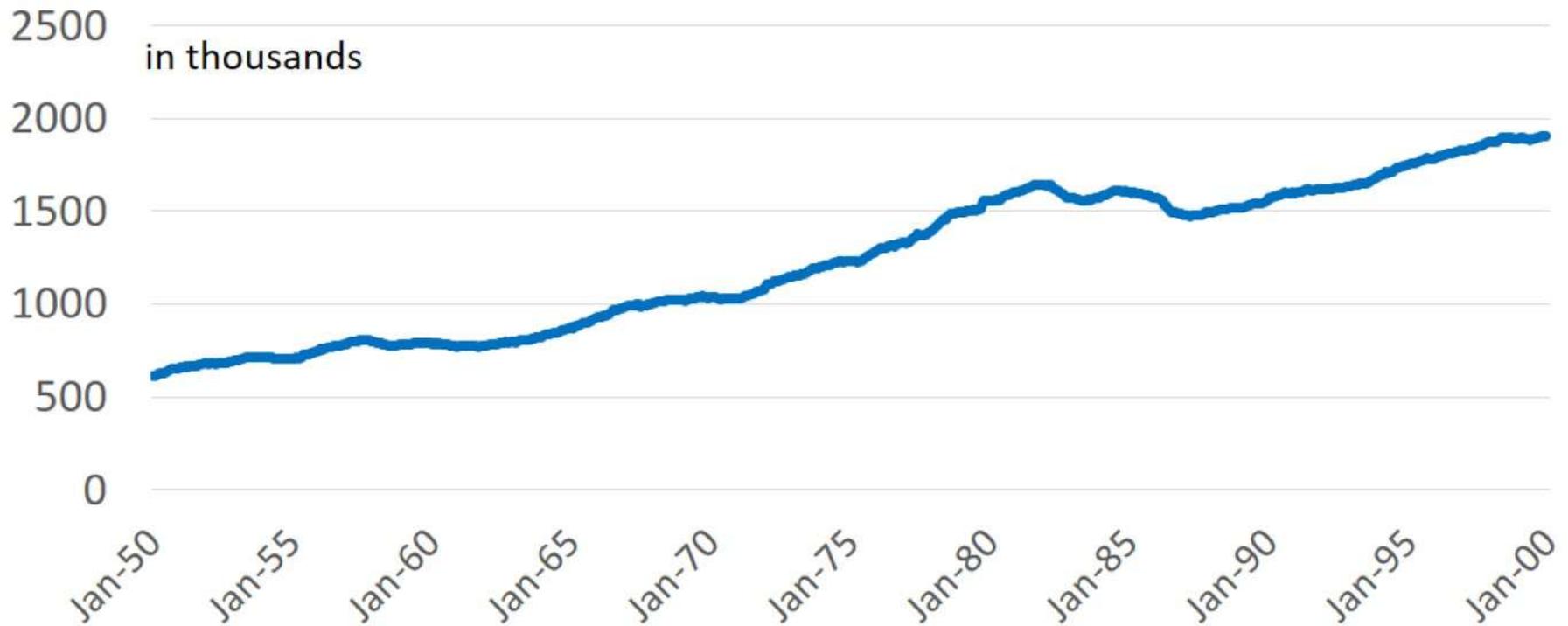


Payroll Jobs in Louisiana (+100,000 in 25 years)



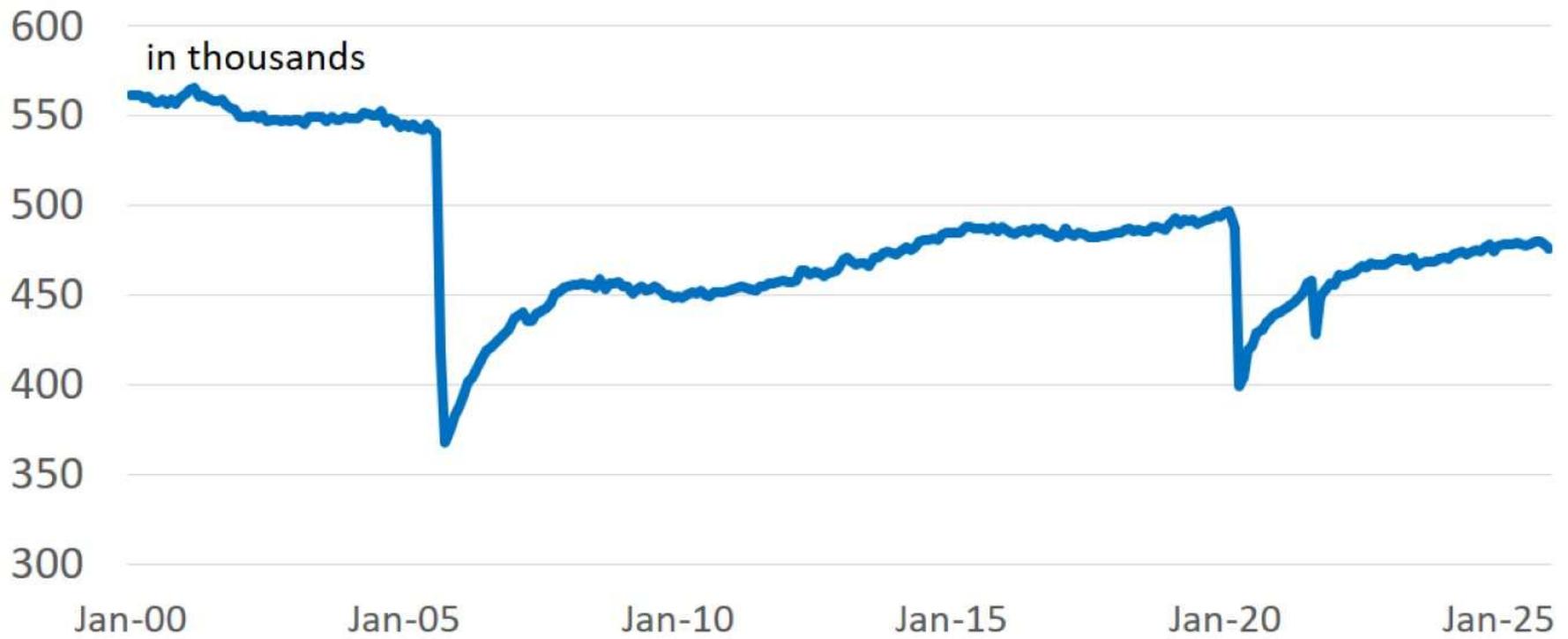
Source: BLS

Payroll Jobs Boom in Louisiana (1950 to 2000)



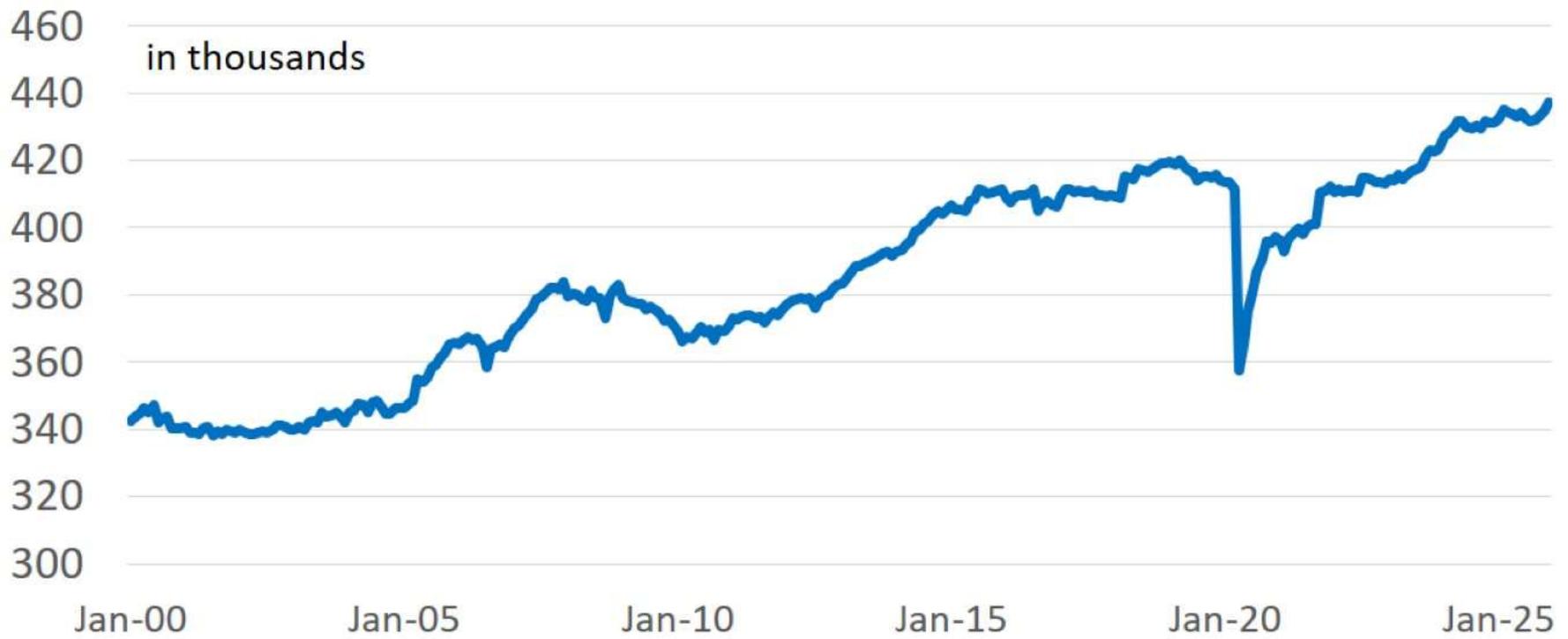
Source: BLS

Payroll Jobs in New Orleans Metro



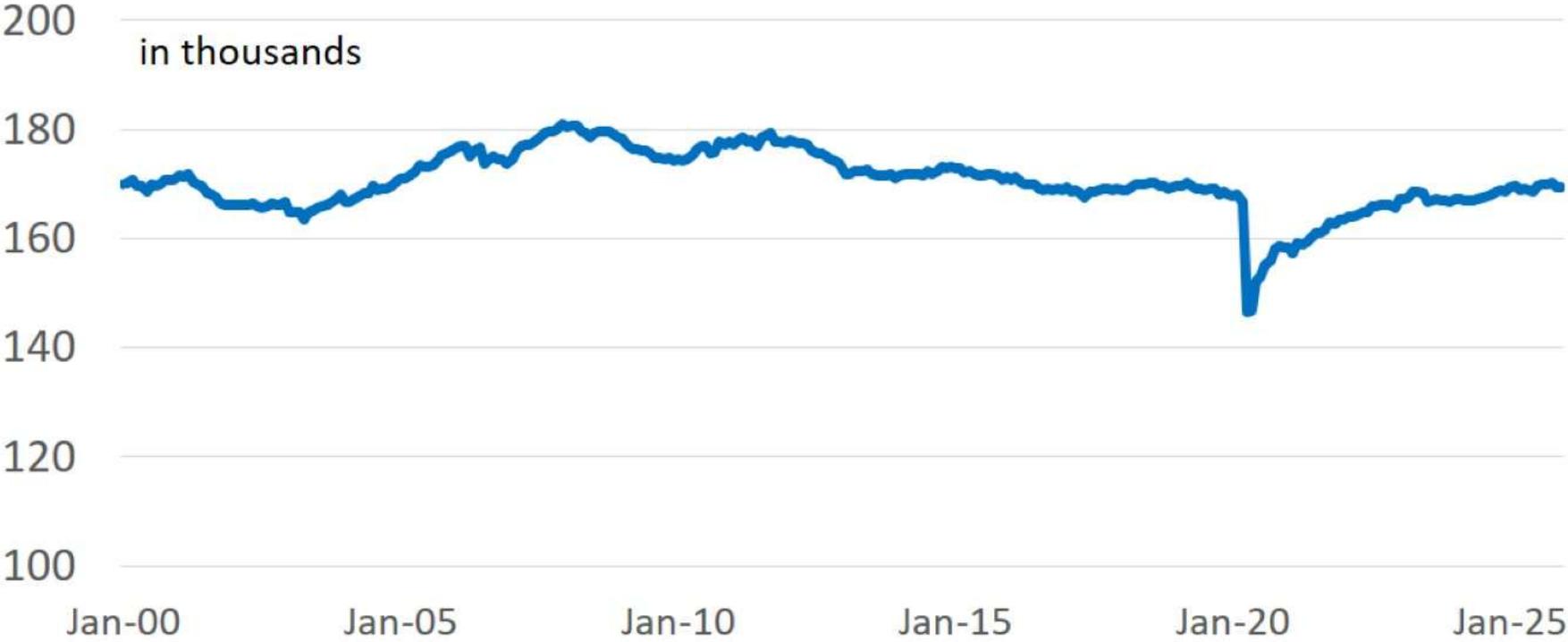
Source: BLS

Payroll Jobs in Baton Rouge



Source: BLS

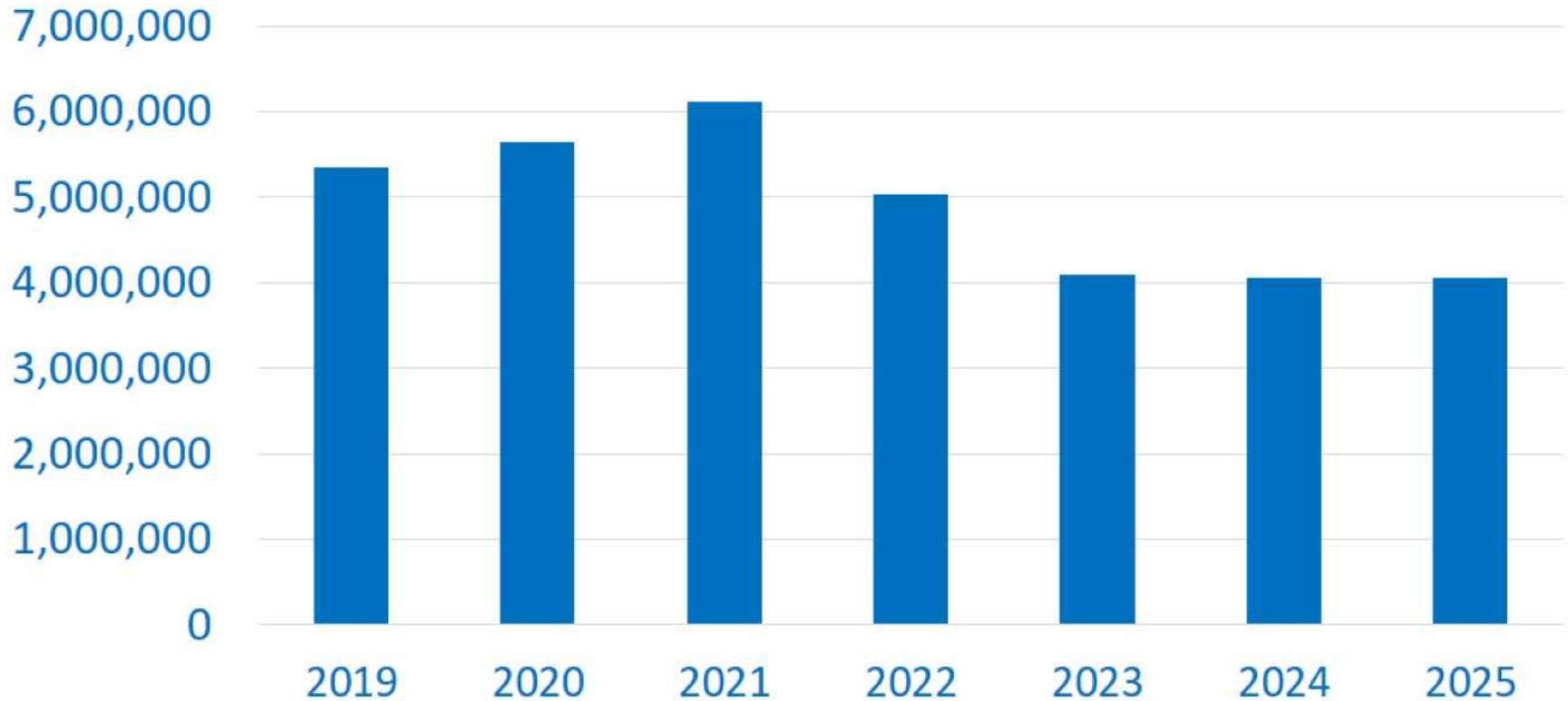
Payroll Jobs in Shreveport-Bossier City



Source: BLS



National Existing-Home Sales ... Three Subpar Years 75% of Pre-covid Activity



Source: NAR

Local Market Update for December 2025

A Research Tool Provided by the Greater Baton Rouge Association of REALTORS®



THE GREATER BATON ROUGE
ASSOCIATION OF REALTORS®

WWW.GBRAR.COM



Greater Baton Rouge

Key Metrics	December			Year to Date		
	2024	2025	Percent Change	Thru 12-2024	Thru 12-2025	Percent Change
New Listings	685	683	- 0.3%	12,137	12,595	+ 3.8%
Pending Sales	542	541	- 0.2%	8,893	9,134	+ 2.7%
Closed Sales	701	713	+ 1.7%	8,909	9,079	+ 1.9%
Median Sales Price*	\$263,133	\$263,000	- 0.1%	\$264,500	\$265,000	+ 0.2%
Percent of List Price Received*	98.0%	97.4%	- 0.6%	97.8%	97.8%	0.0%
Days on Market Until Sale	70	73	+ 4.3%	68	71	+ 4.4%
Inventory of Homes for Sale	3,158	3,164	+ 0.2%	--	--	--
Months Supply of Inventory	4.3	4.2	- 2.3%	--	--	--

* Does not account for seller concessions and/or down payment assistance. | Activity for one month can sometimes look extreme due to small sample size.

Local Market Update – December 2025

A RESEARCH TOOL PROVIDED BY NEW ORLEANS METROPOLITAN ASSOCIATION OF REALTORS®



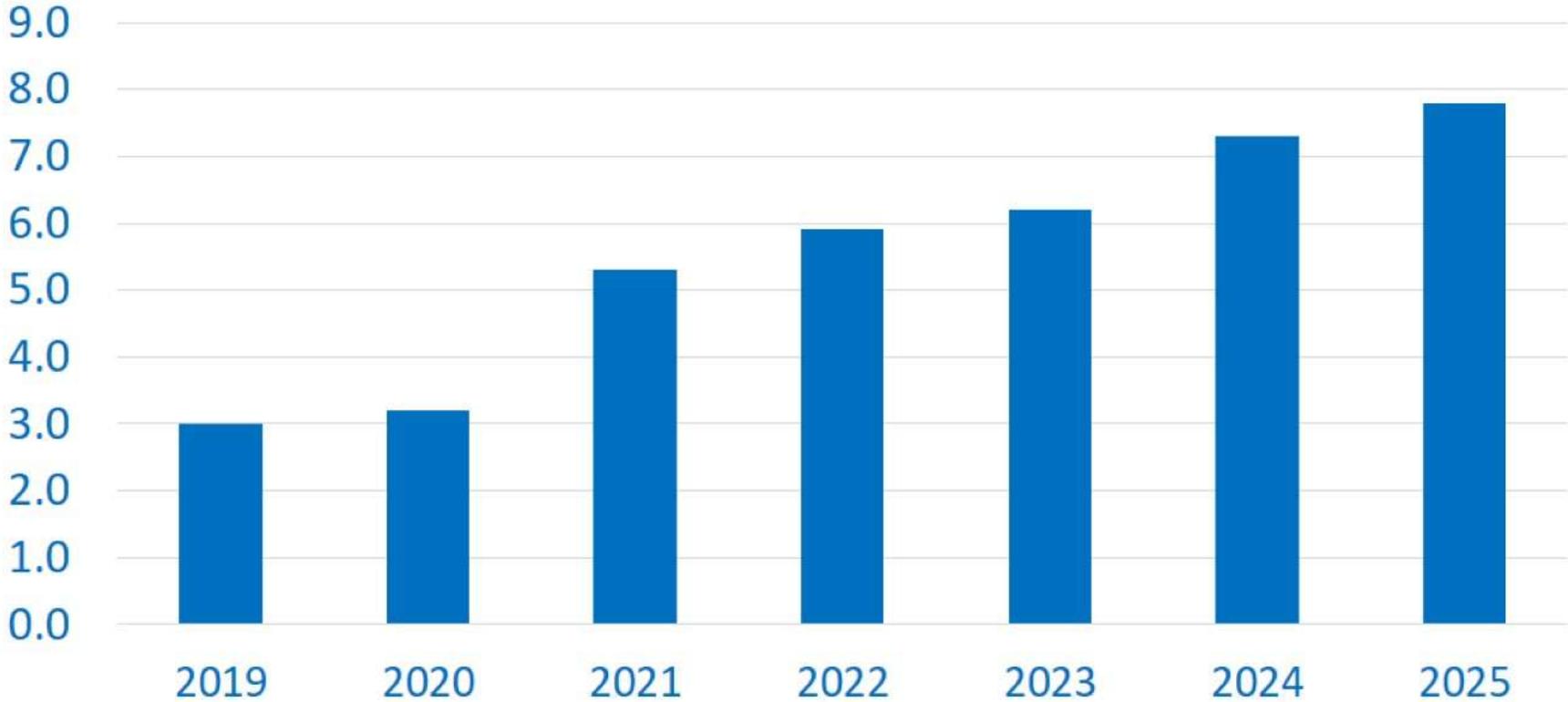
NOMAR
EST. 1915
The Voice of Real Estate

New Orleans Metro

Includes Jefferson Parish, Orleans Parish, Plaquemines Parish, St. Bernard Parish, St. Charles Parish, St. John Parish, St. James Parish, St. Tammany Parish, Tangipahoa Parish, Washington Parish

All Residential Properties Key Metrics	December			Year to Date		
	2024	2025	% Change	Thru 12-2024	Thru 12-2025	% Change
New Listings	1,155	1,065	- 7.8%	21,895	20,967	- 4.2%
Pending Sales	717	724	+ 1.0%	11,679	12,089	+ 3.5%
Closed Sales	1,003	964	- 3.9%	11,668	11,865	+ 1.7%
Days on Market Until Sale	66	74	+ 12.1%	62	68	+ 9.7%
Median Sales Price*	\$277,500	\$287,000	+ 3.4%	\$272,500	\$279,000	+ 2.4%
Average Sales Price*	\$359,633	\$368,778	+ 2.5%	\$344,232	\$357,833	+ 4.0%
Percent of List Price Received*	96.5%	96.8%	+ 0.3%	96.6%	96.7%	+ 0.1%

Luxury Million Dollar Home Sales Nationwide (% of All Sales)

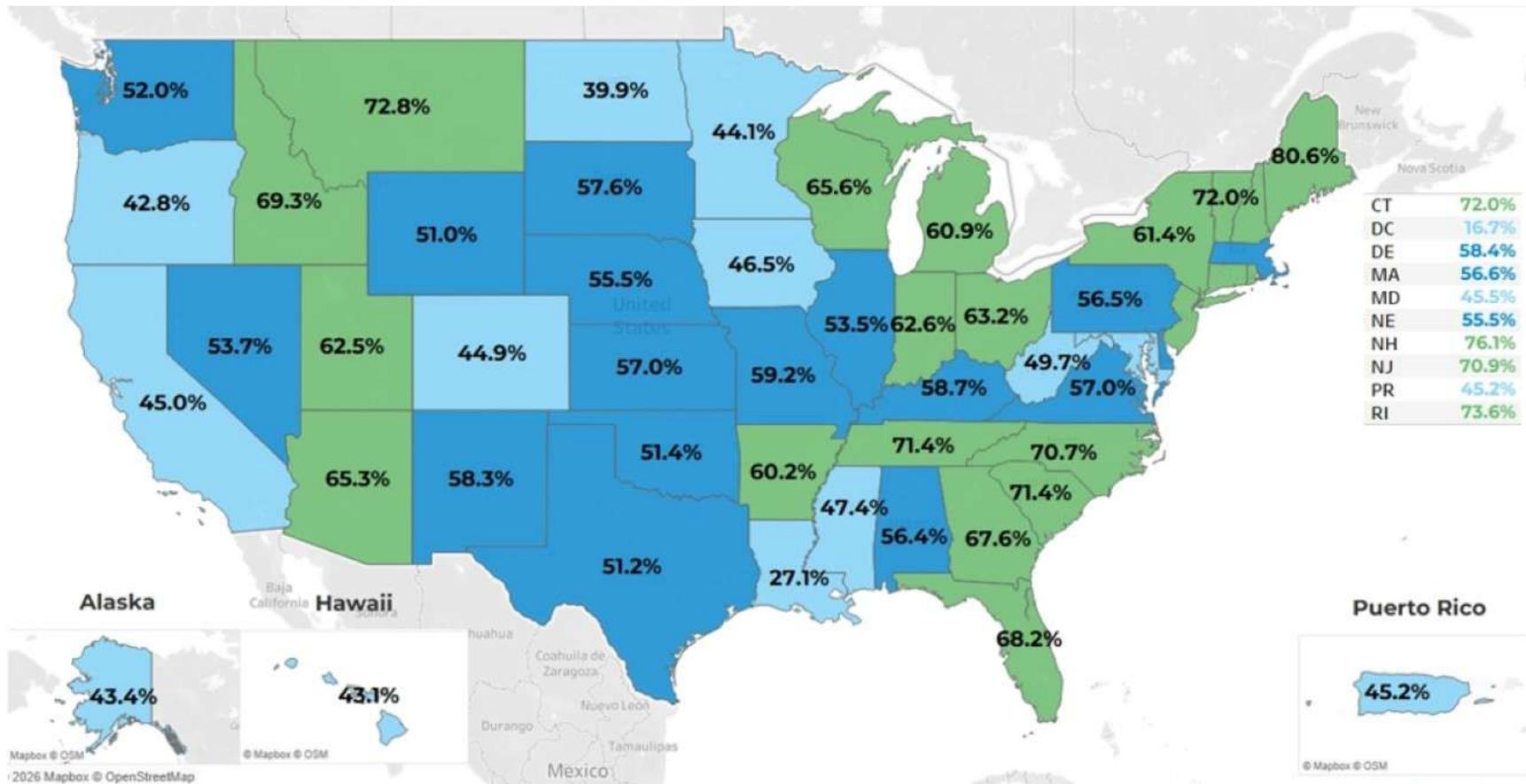


Source: NAR



5-year Home Price Gains Since Pre-COVID

% change from 2020 Q1 to 2025 Q3



Source: NAR Analysis of FHFA data



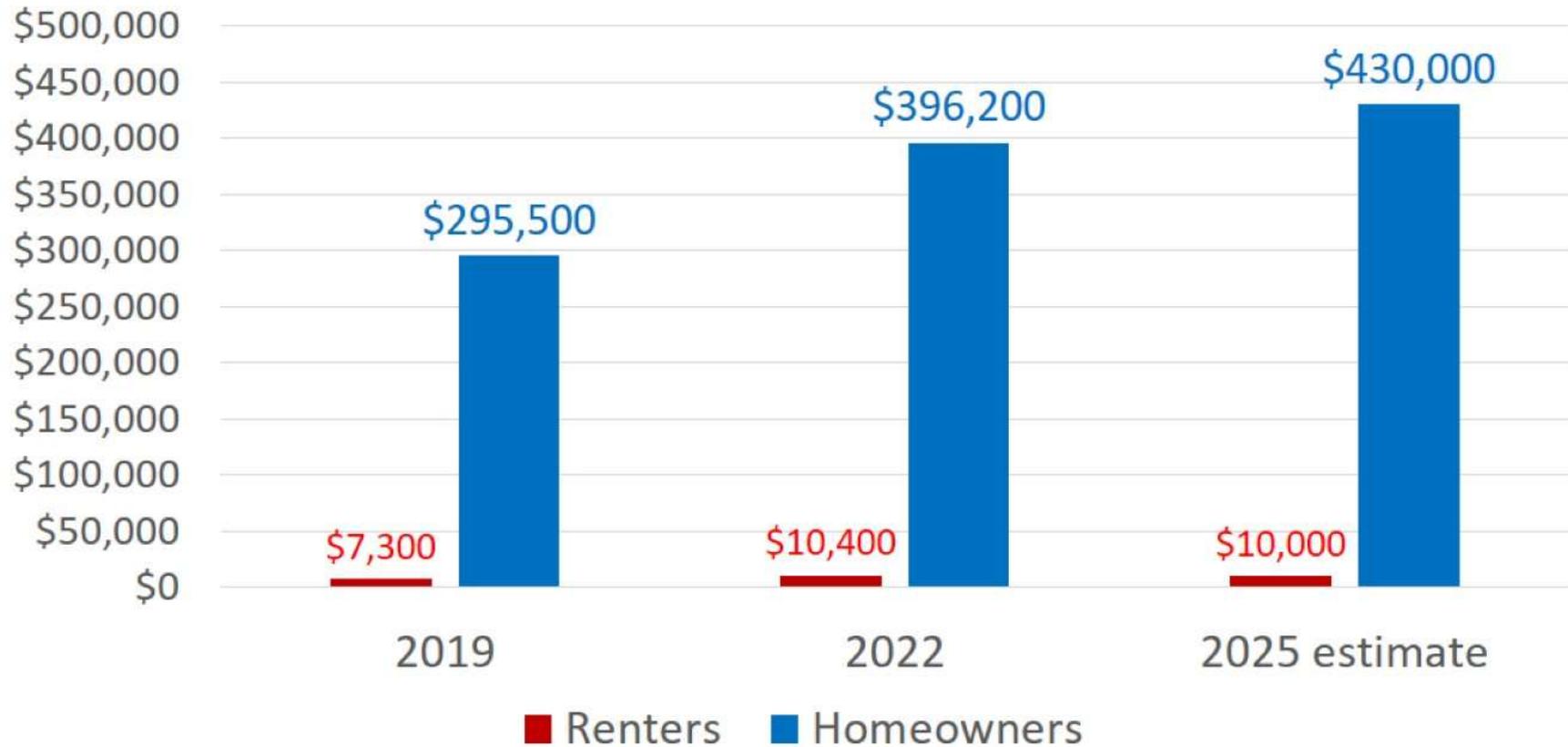
Real Estate Net Worth – Near Record High



Source: Federal Reserve

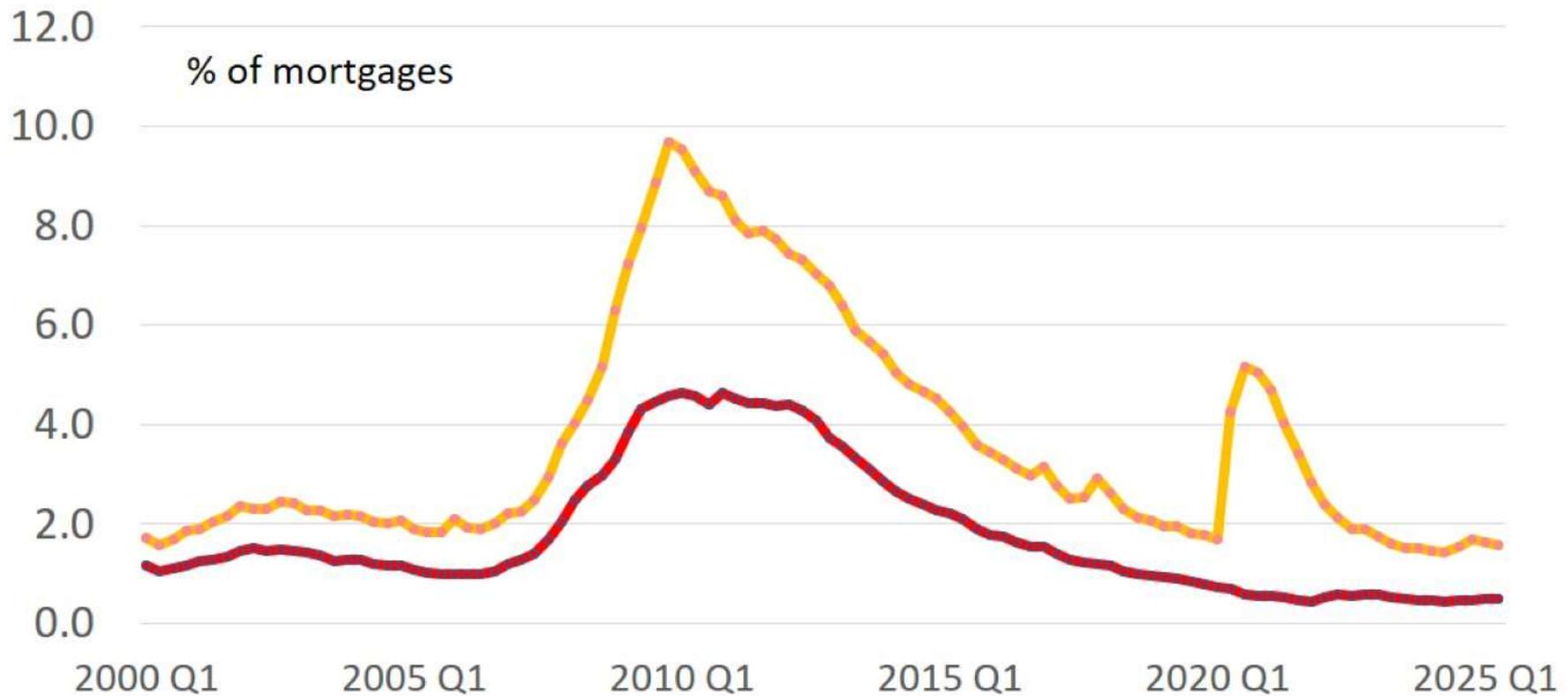


Median Net Worth: Homeowners vs. Renters



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

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

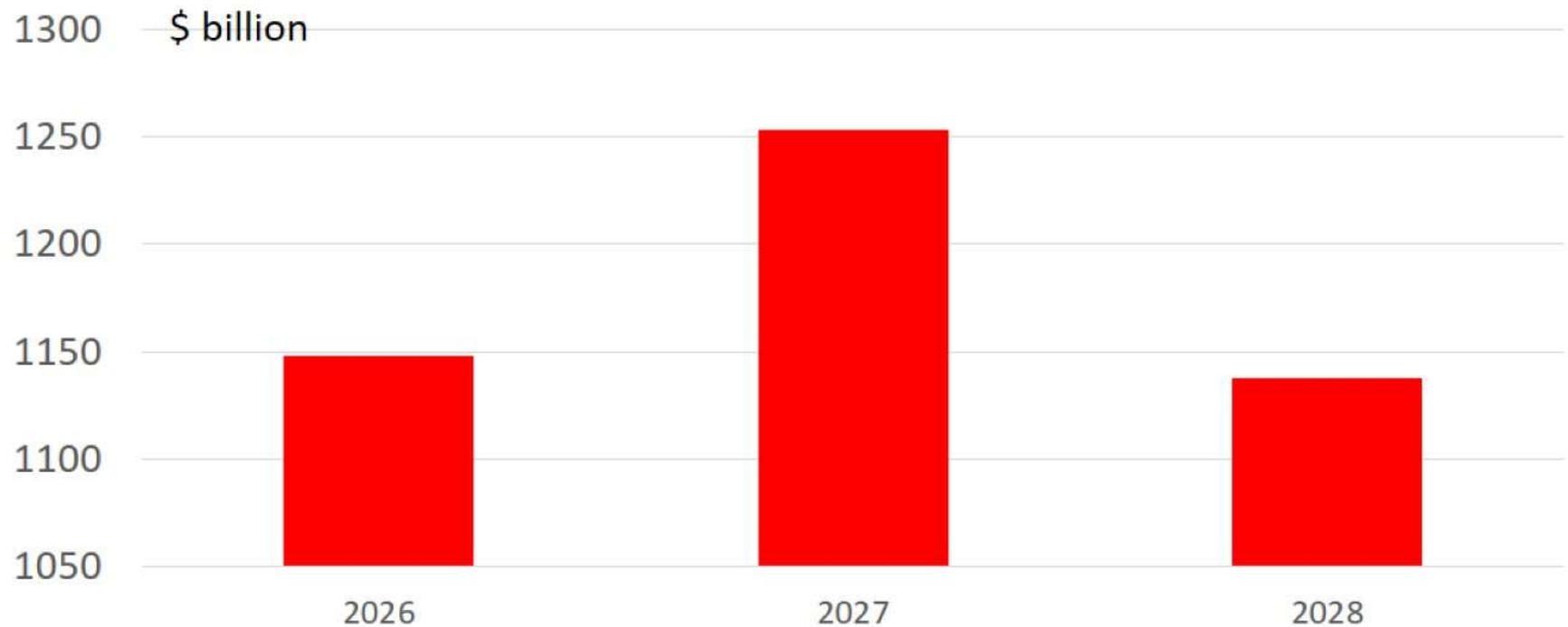
Nationwide Forecast

	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	0.2 million (not 2 million)	0.8 million (not 2 million)
Unemployment Rate	4.3%	4.6% (not 5.5%)

Risks to the Economy and Interest Rates

Commercial Real Estate Loan Distress?

CRE Loan Requiring Refinancing ... At Higher Interest Rate and Lower Collateral Value



Source: S&P Global

Commercial Real Estate Loans

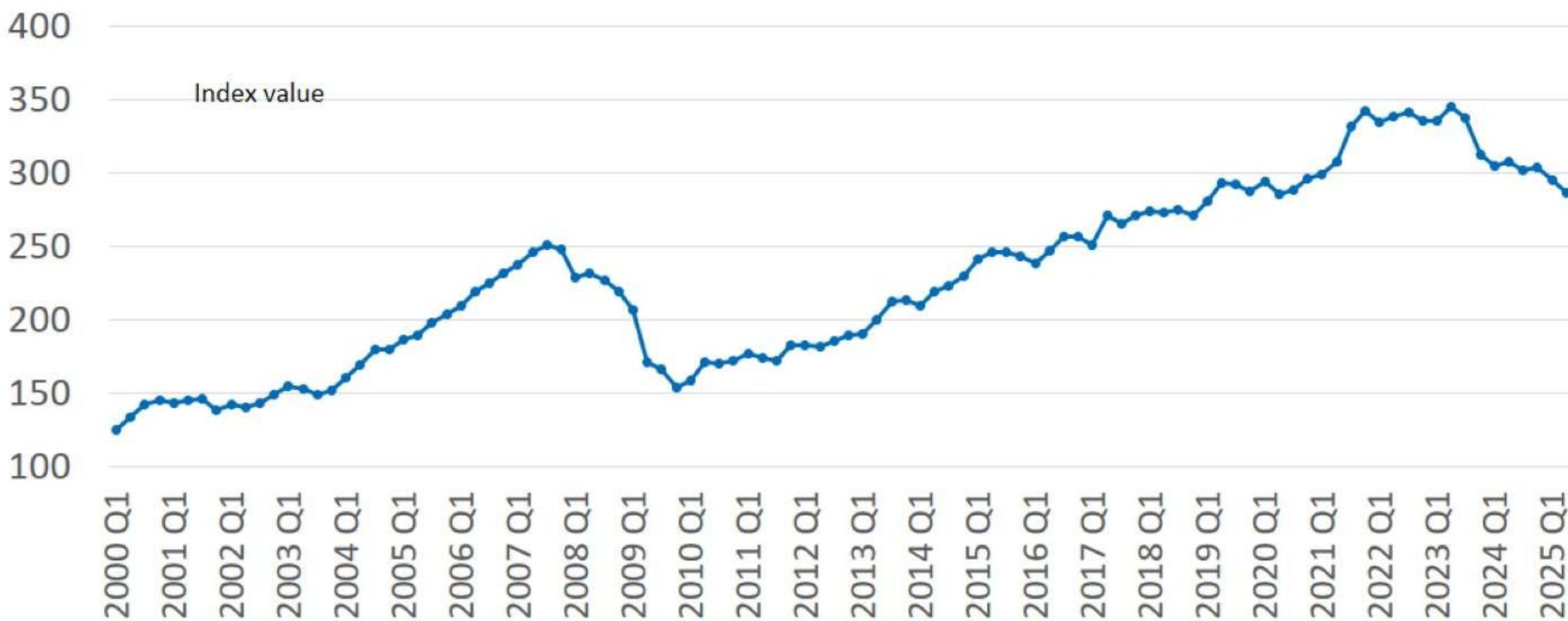
Growth Primarily from Small Banks (red); Not Big Banks (green)



Source: Federal Reserve



Commercial Property Prices ... Still not Recovering

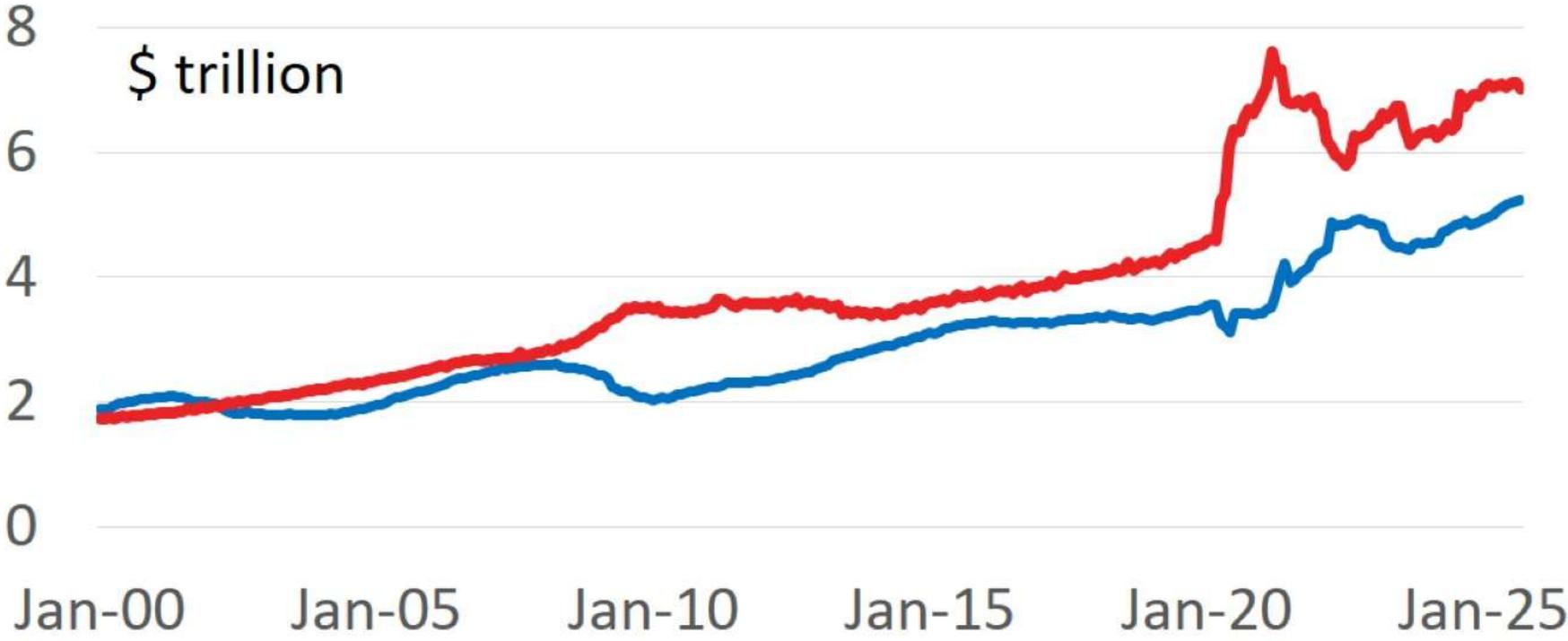


Source: Federal Reserve



Federal Government **Outlays** and Receipts

(rolling 12-month total)



Source: NAR analysis of monthly Treasury statements



Ongoing Risk

Federal Government Cumulative Debt



Source: NAR analysis of monthly Treasury statements

Thank You !