

January 2025

# Monthly Research Update

National Association of REALTORS®  
Research Group



NATIONAL  
ASSOCIATION OF  
REALTORS®

## Data

**Existing-Home Sales** – Existing-home sales rose 2.2% in December to a seasonally adjusted annual rate of 4.24 million, the strongest pace since February 2024 (4.38 million). Sales grew 9.3% from one year ago, the largest year-over-year gain since June 2021 (+23.0%). The median existing-home sales price progressed 6.0% from December 2023 to \$404,400, the 18th consecutive month of year-over-year price increases and the biggest year-over-year growth since October 2022 (+6.5%).

**Pending Home Sales** – Pending home sales retracted 5.5% in December – following four consecutive months of increases. All four U.S. regions experienced month-over-month losses in transactions, with the most significant fall in the West. Year-over-year, contract signings reduced in all four U.S. regions, with the Midwest seeing the largest decrease. The Pending Home Sales Index slid 5.5% to 74.2 in December. Year-over-year, pending transactions declined 5.0%. Last year's cyclical low point occurred in July 2024 at 70.2. An index of 100 equals the level of contract activity in 2001.

**Housing Affordability Index** – Housing affordability decreased to 99 in November from 102.4 in October. An index above 100 means that a family with a median income has more than the income required to afford a median-priced home.

**REALTORS® Confidence Index** – 53% of respondents reported that properties sold in less than one month. This is flat from a month ago (53%) and down from 56% one year ago. Homes listed received an average of 2.1 offers, flat from 2.1 last month and down from 2.4 one year ago. 28% of buyers had all-cash sales, up from 25% one month ago and essentially flat from 29% one year ago.



## Reports

### [December 2024 Foot Traffic](#)

December 2024 U.S. showings were flat 0% year-over-year, with 453,285 showings, according to data from SentiLock, LLC., a lockbox company. The pace of showing activity has declined compared to last month, November 2024. Total U.S. SentiLock cards fell 3% year-over-year to 225,887. SentiLock cards, comprised of SentiKey® and SentiCard®, allow REALTORS® to access the SentiLock® lockbox and are an indicator of the number of REALTORS® who conduct the showing.

### [Housing Hot Spots for 2025: Top Markets and Stabilizing Rates](#)

The year ahead is poised to bring more opportunities for homebuyers as the housing market continues to stabilize. The Federal Reserve is expected to maintain a gradual approach to easing monetary policy in 2025. While concerns about federal deficits and rising public debt may cap the extent of those rate cuts, borrowing costs are anticipated to stabilize overall, offering some relief to prospective buyers. However, mortgage rates are unlikely to return to the ultra-low levels seen during the pandemic or the pre-pandemic levels. Affordability will remain a concern for many, particularly in high-demand markets. The National Association of REALTORS® forecasts mortgage rates to stabilize near 6% in 2025, likely establishing a new normal.

### [2024 Migration Trends Report](#)

With rapidly changing buyer preferences and abilities, there has been a lot of migration within the United States over the past few years. As seen in the chart to the right, southern states such as Florida, Texas, and the Carolinas have been big winners in these domestic migration patterns, largely led by more affordable conditions and opportunities. According to U.S. Census Bureau data, 42% of these moves were driven by housing reasons, 26% for family reasons, 16% for employment reasons, and only one percent moved due to climate-related reasons.

### [Residential Real Estate Market Snapshot](#)

In November, the housing market experienced increased activity ahead of the typically slow holiday season. Both existing home sales and pending home sales saw an uptick, reflecting sturdy demand for housing despite relatively high mortgage rates. Although the Federal Reserve implemented another cut to the Federal Funds Rate that month, it's important to note that mortgage rates are more closely linked to the 10-year Treasury yield, which has been on the rise in the third quarter of 2024. Nonetheless, future rate cuts are expected to stabilize mortgage rates this year.

## Articles on the Economy

### [Flashback to 1995 in the Housing Market vs Today](#)

This blog post dives into the nearly 30-year comparison to see the changes and difficulties buyers faced last year.

### [November's Housing Conditions Drop Below Affordable Levels](#)

At the national level, housing affordability declined in November, according to NAR's Housing Affordability Index.

### [Instant Reaction: Mortgage Rates, January 16, 2025](#)

Despite the highest mortgage interest rates since May 2024, mortgage applications jumped in the last week.

### [Instant Reaction: CPI, January 15, 2025](#)

Mortgage rates will move slightly lower – perhaps to 6.5% just in time for the spring home-buying season.

### [Instant Reaction: Jobs, January 10, 2025](#)

The job market is strong. A net additional 256,000 workers were hired in December, bringing the total for the year to 2.2 million more jobs.

### [Instant Reaction: Mortgage Rates, January 9, 2025](#)

Despite the current affordability headwinds, there has been an increase in both pending and existing-home sales activity.

### [Young Buyers Continue to Be Fenced Out of Homeownership](#)

Today's young adults continue to face delays in homeownership compared to past generations at the same age.

