

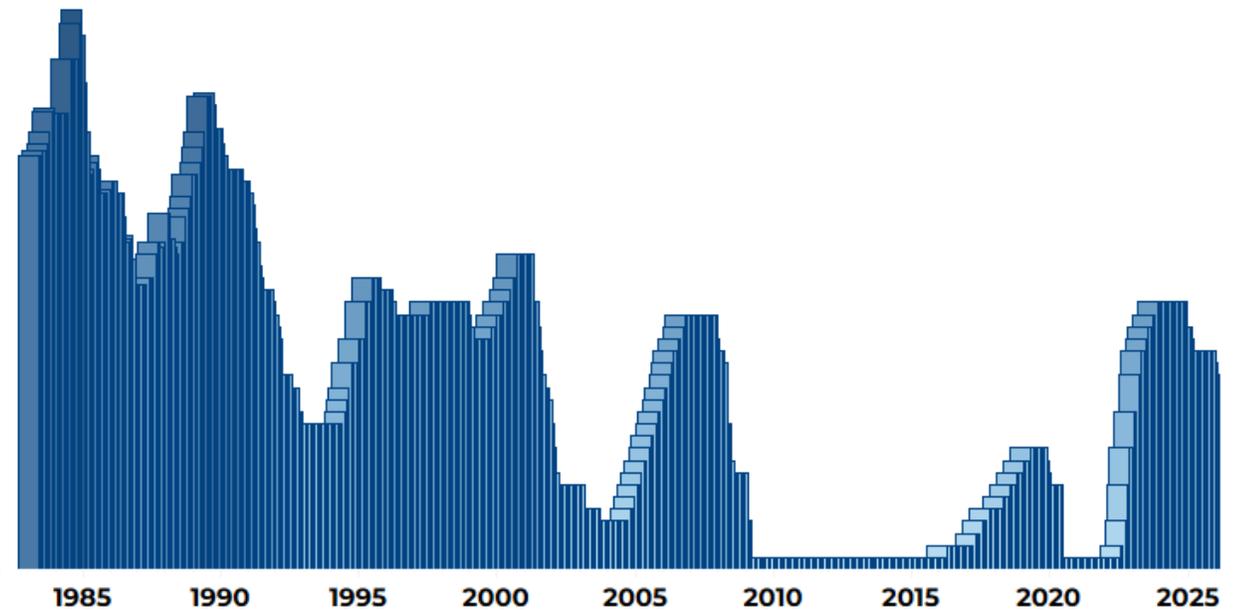
# **THE ECONOMY, HOUSING, AND WHAT'S NEXT**

**NADIA EVANGELOU | Senior Economist & Director of  
Real Estate Research  
National Association of REALTORS®**

# Federal Reserve cut rates three times in 2025

## Federal Reserve Cuts in 2025

- September 17<sup>th</sup>: Rate cut to 4.25%
- October 29<sup>th</sup>: Rate cut to 4.00%
- December 10<sup>th</sup>: Rate cut to 3.75%



Source: Federal Reserve

# Both yields and mortgage rates moved down

**December 2025**

**6.19%**

30-year fixed mortgage

**4.14%**

10-year Treasury yield

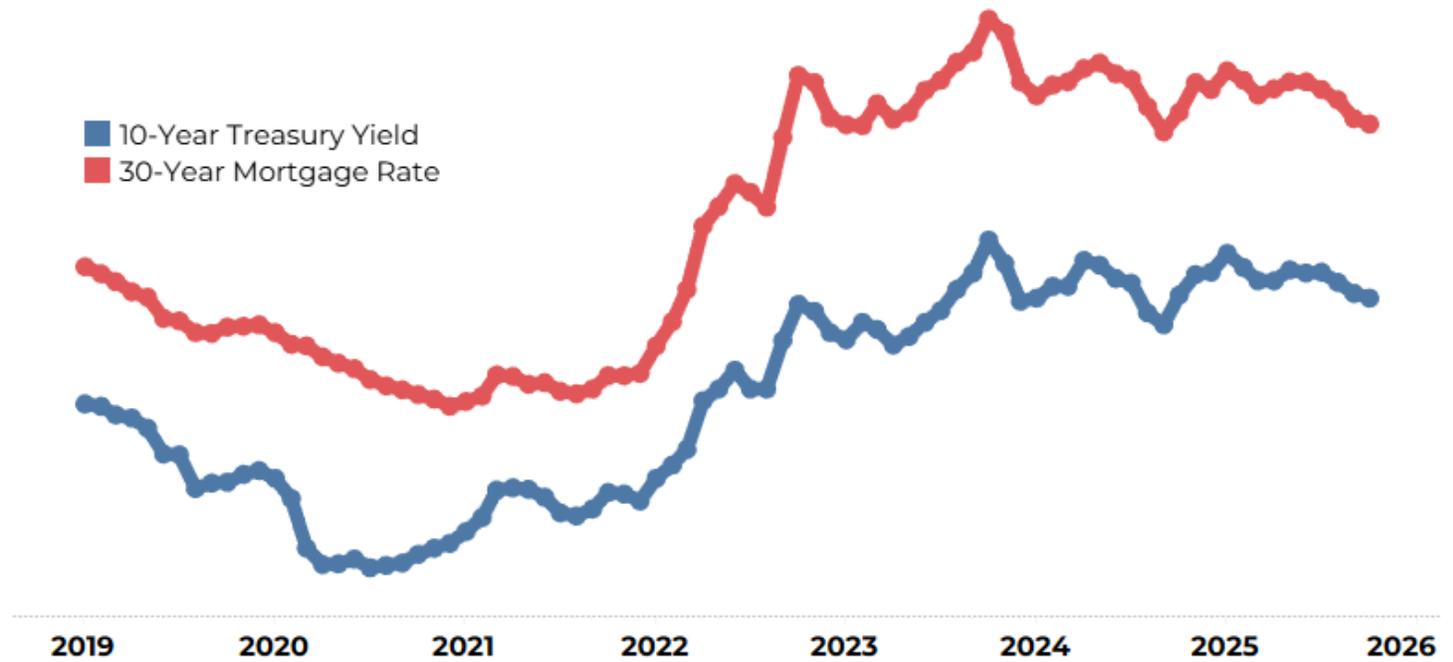
**December 2024**

**6.72%**

30-year fixed mortgage

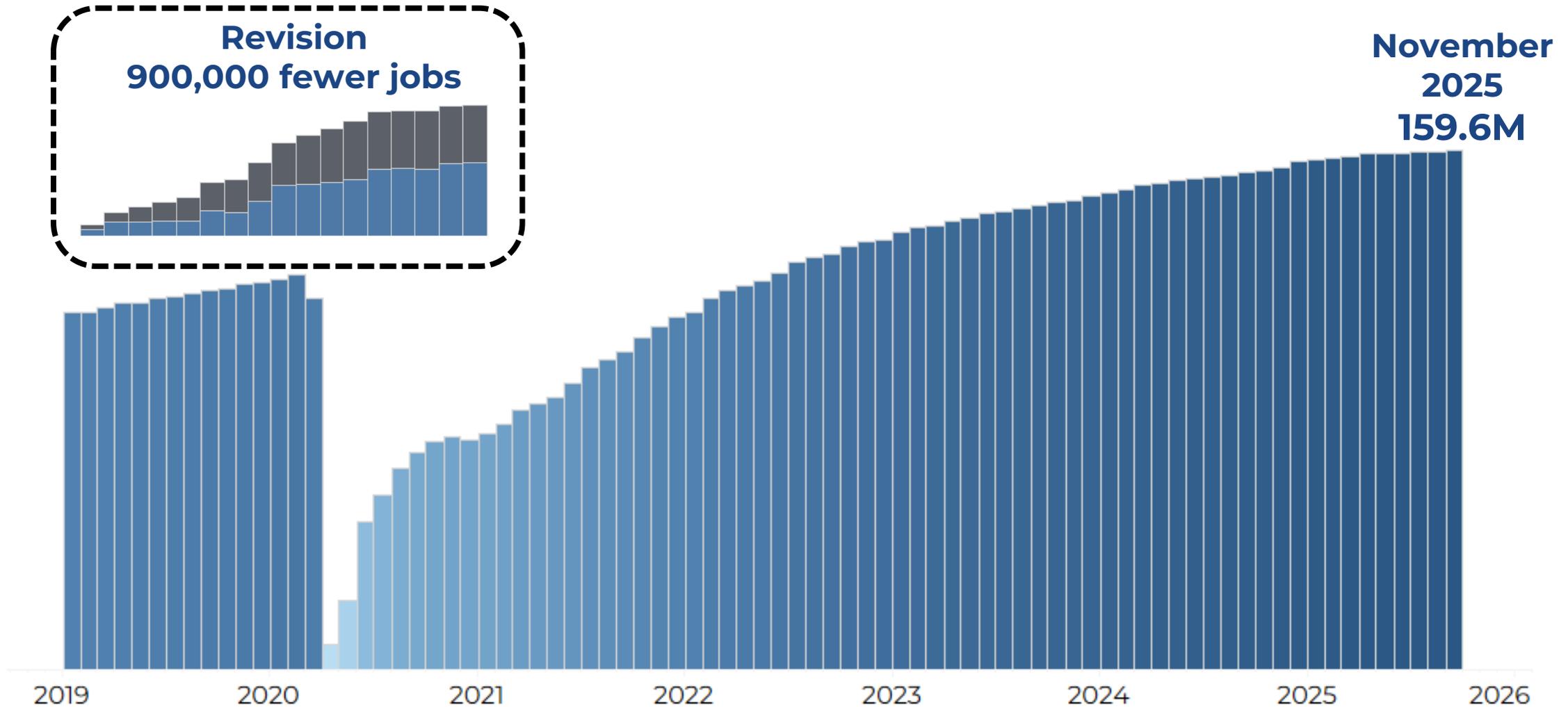
**4.39%**

10-year Treasury yield



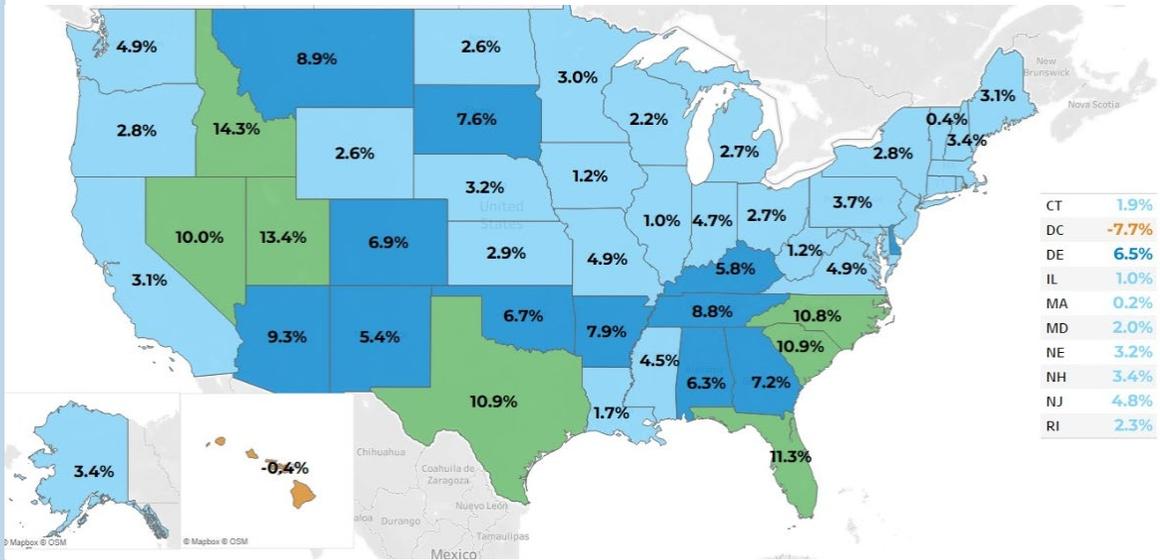
Source: Freddie Mac, U.S. Treasury

# Job market has slowed down



# More jobs than pre-pandemic in Rhode Island but fewer than a year ago

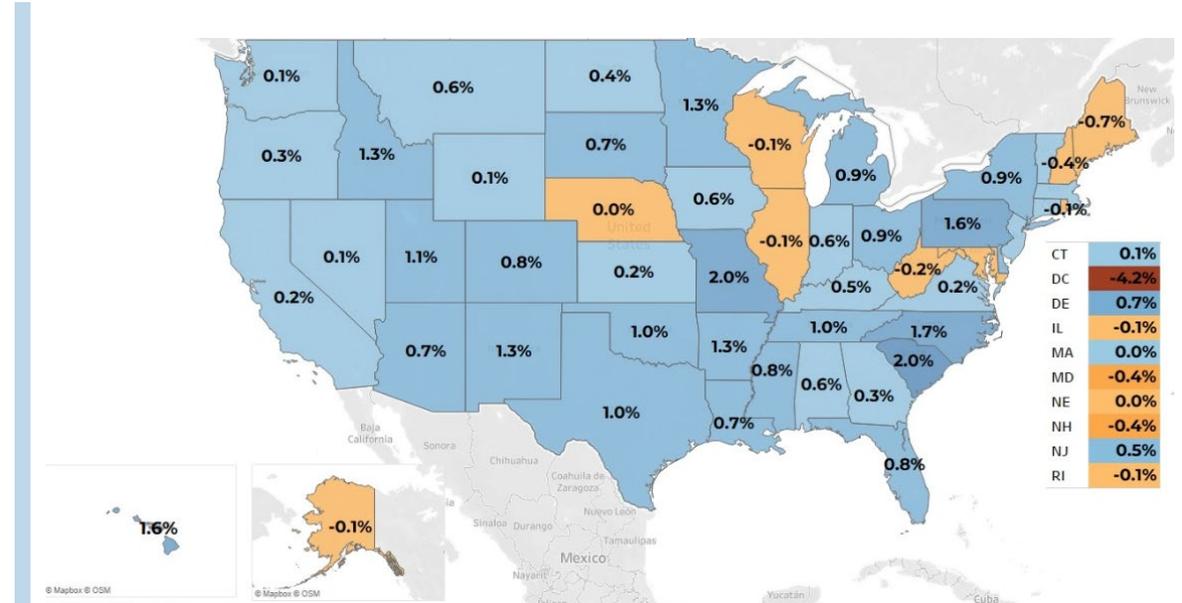
**Job growth since March 2020**  
(as of November 2025)



Source: U.S. Bureau of Labor Statistics

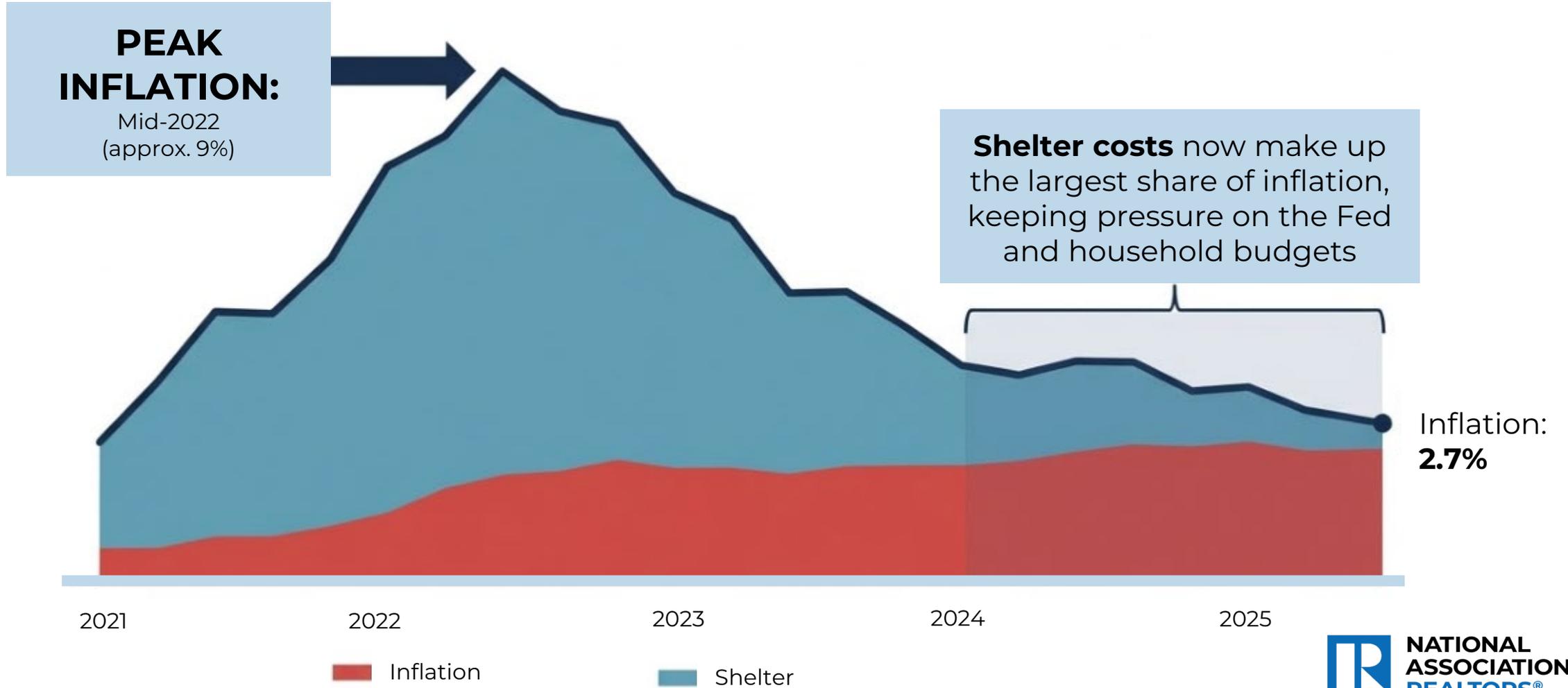
**Rhode Island: +2.3%**

**Year-over-Year Job growth**  
(as of November 2025)



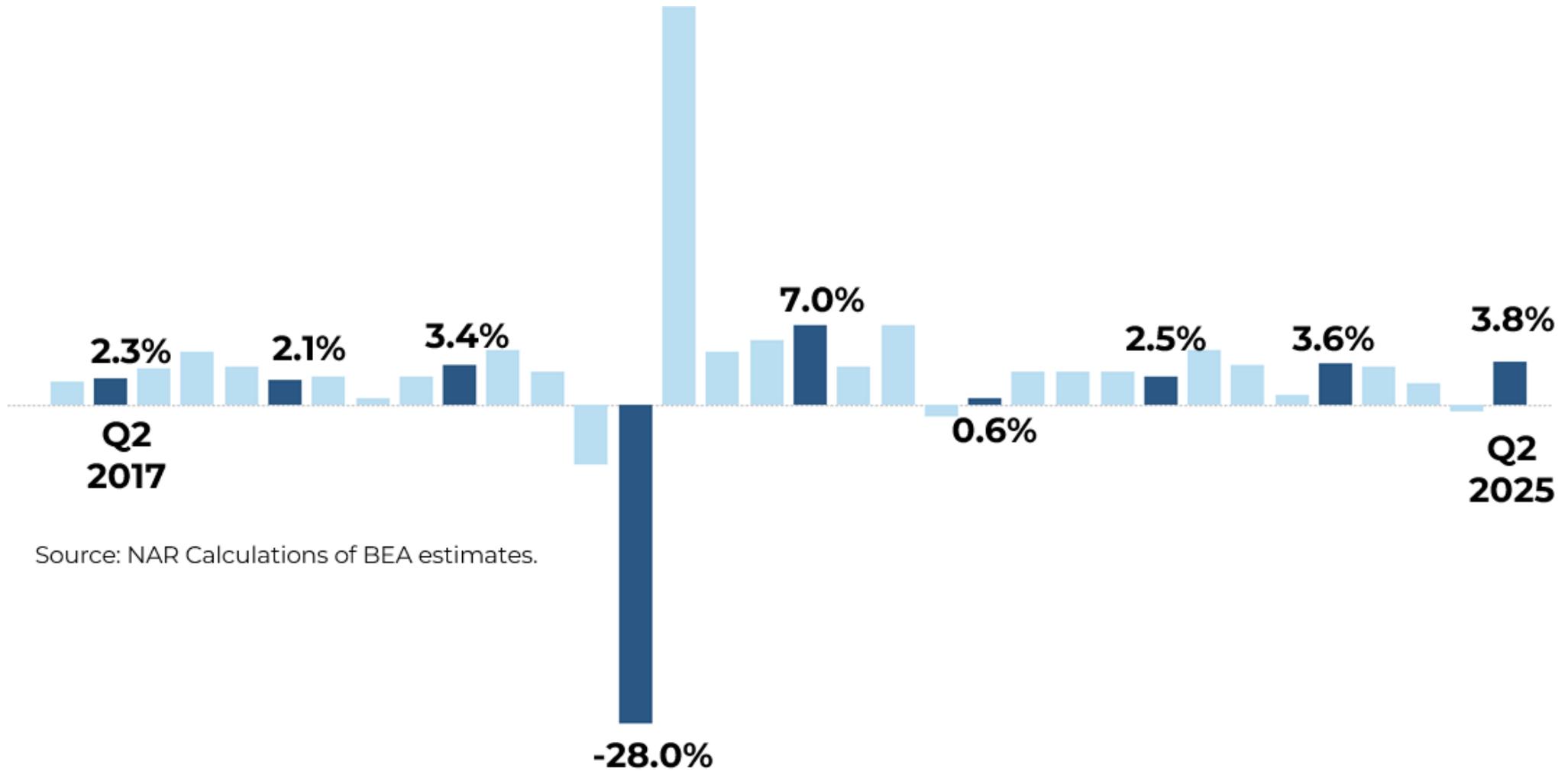
**Rhode Island: -0.1%**

# Inflation fell to 2.7% in November

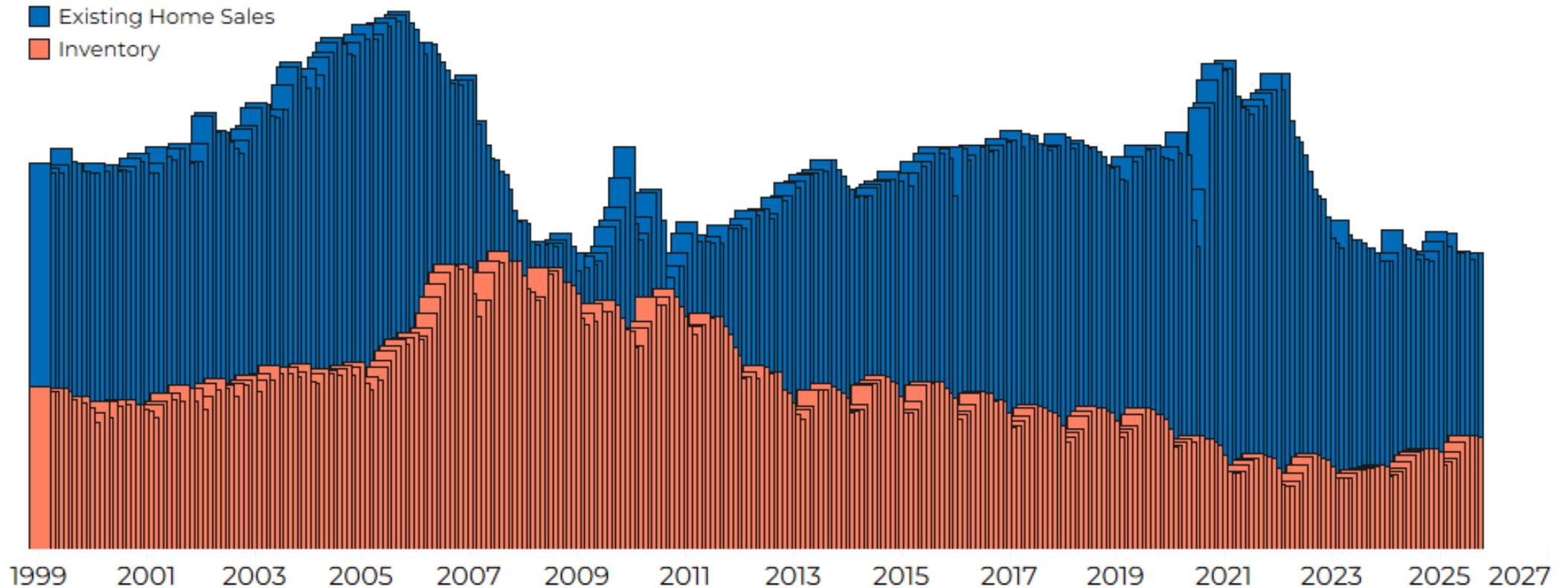


Source: U.S. Bureau of Labor Statistics

# The U.S. economy is growing at a solid pace

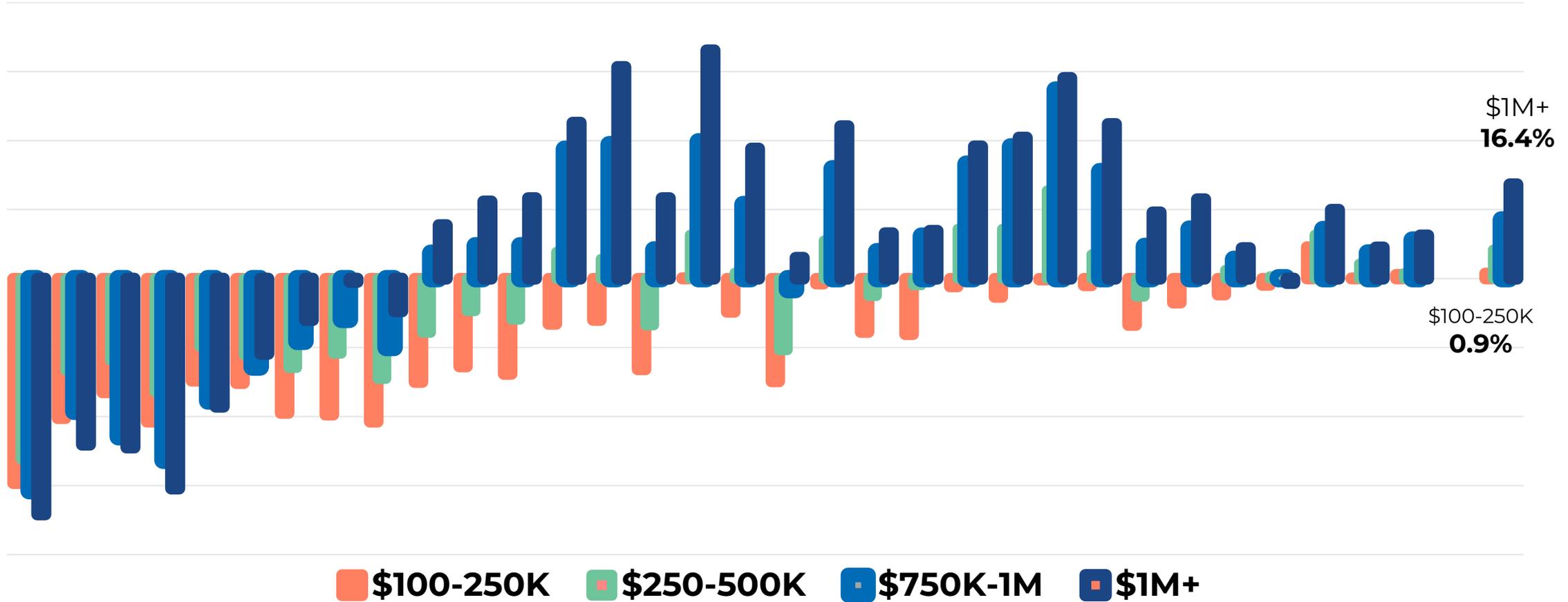


# More homes, but not as many home sales as expected



Source: National Association of REALTORS®

# Luxury market continues to outperform



Source: National Association of REALTORS®

# Prices continue to increase

## United States

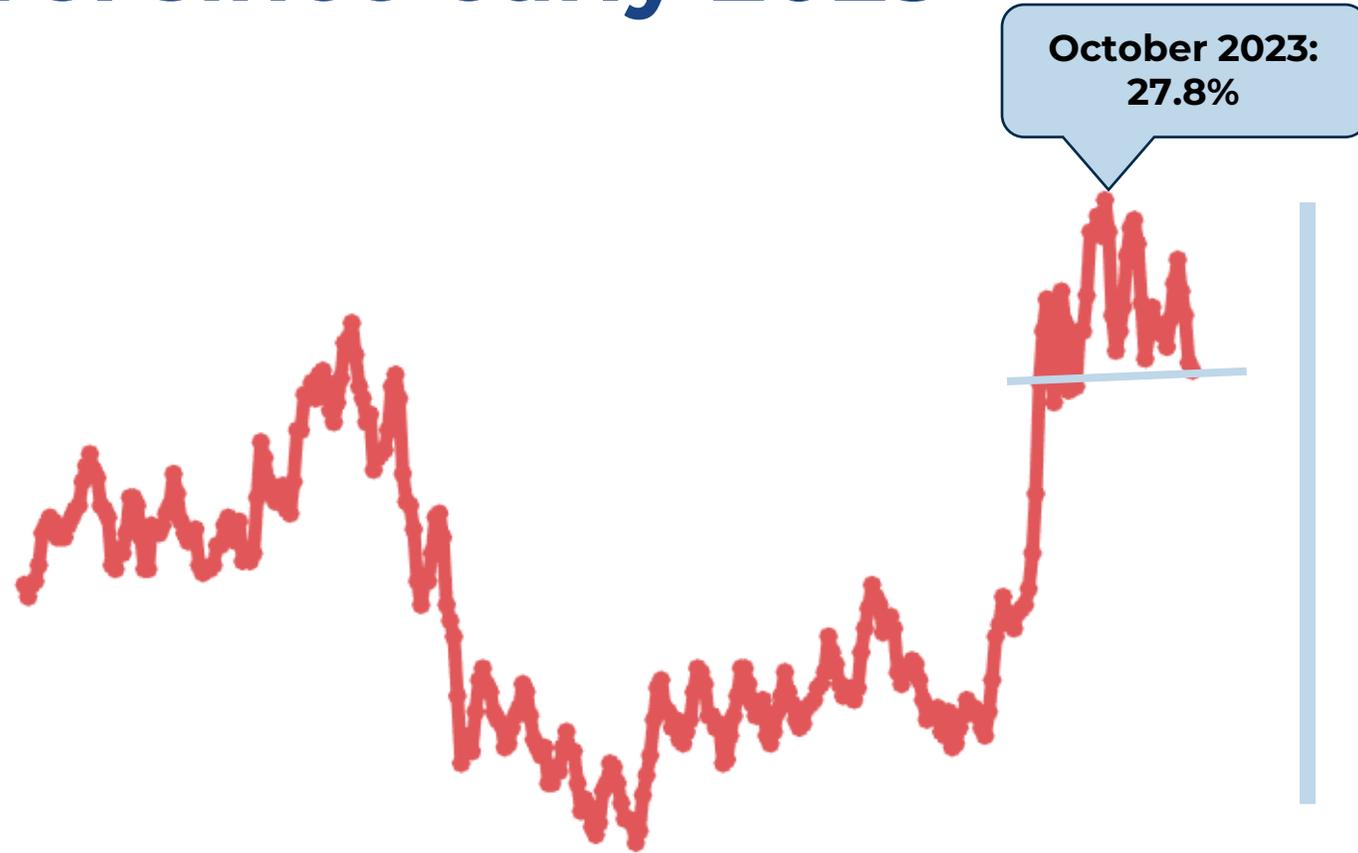


## Rhode Island



Source: Rhode Island Association of REALTORS®, National Association of REALTORS®

# Affordability is improving, reaching its best level since early 2023



# 23.7%

The share of income needed for a mortgage payment in October 2025

Source: National Association of REALTORS®

# Housing and Economic Forecast

2025



**+0%**  
Change in Existing-Home Sales



New home sales dip slightly by **-2%**.



**+3%**  
Rise in Median Home Price



Average mortgage rate projected to be **6.7%**.



**400,000**  
Job Gains



Unemployment rate forecasted to be **4.3%**.



2026



**+14%**  
Surge in Existing-Home Sales



New home sales predicted to grow by **+5%**.



**+4%**  
Rise in Median Home Price



Mortgage rates decrease to an average of **6.0%**.



**1.3 Million**  
Job Gains



Unemployment rate forecasted to be **4.5%**.

# WHERE WILL OPPORTUNITIES BE?

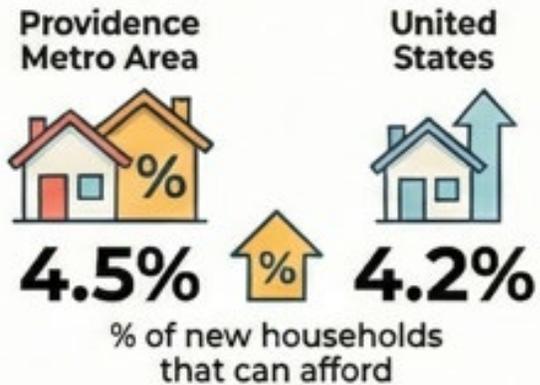
## The 10 Forward-Looking Indicators for 2026



# Providence's housing market: Key strengths vs. the nation



## Lower Rates Impact



# Investors: Rhode Island vs. the U.S.



## RHODE ISLAND

### MARKET SNAPSHOT

**23%**

Share of Residential Sales by Institutional Buyers



**40%**

Share of Housing Units as Rental or Vacation Homes



### A VACATION HOME HOTSPOT

In Washington County, RI, 17% of homes are vacation homes, compared to only 3% nationally.



### COMPARATIVE SNAPSHOT

## UNITED STATES



### MARKET SNAPSHOT

**16%**

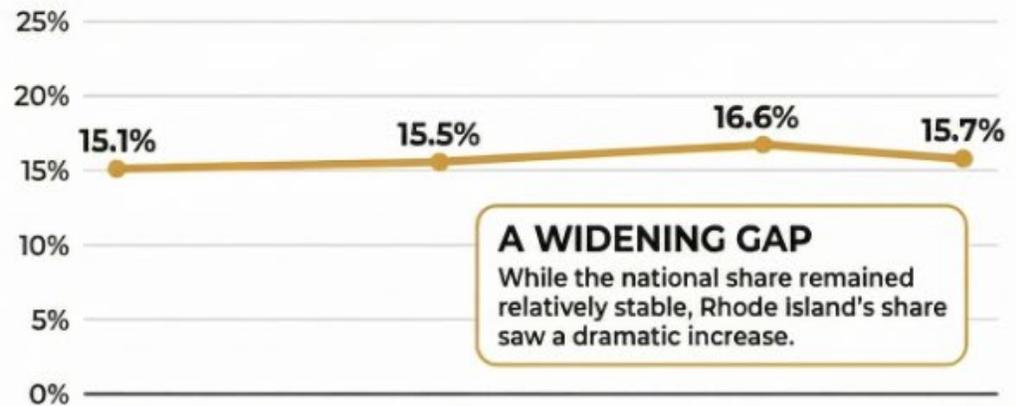
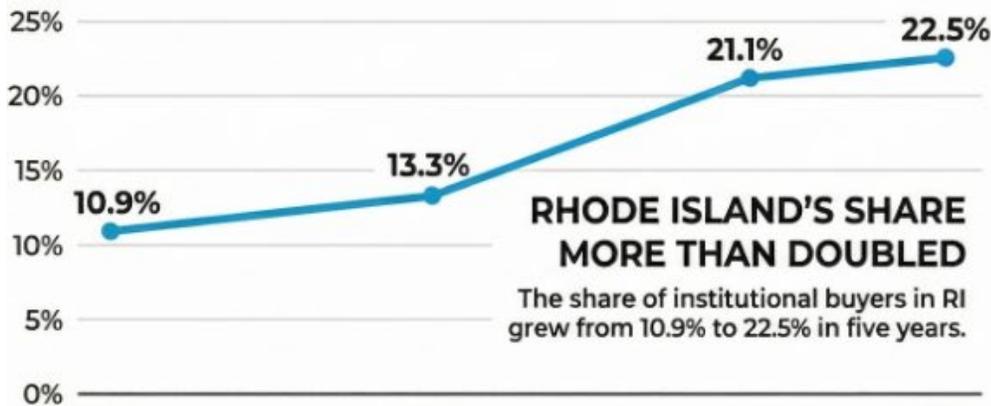
Share of Residential Sales by Institutional Buyers



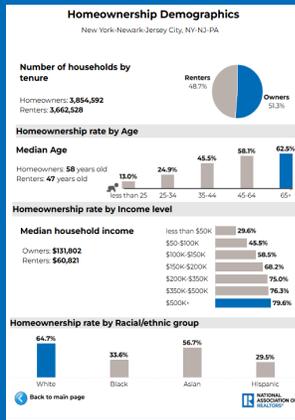
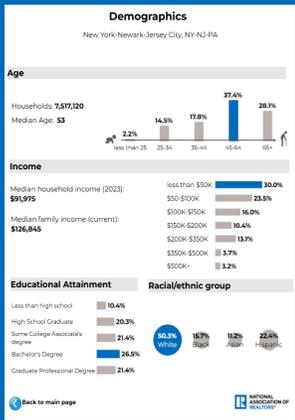
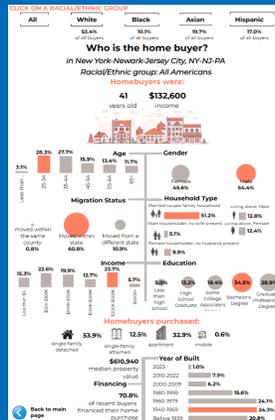
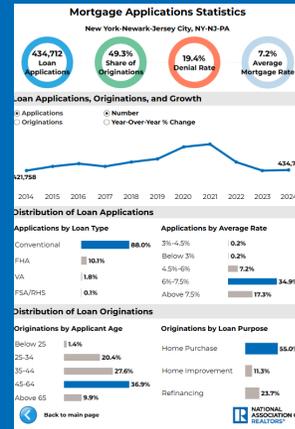
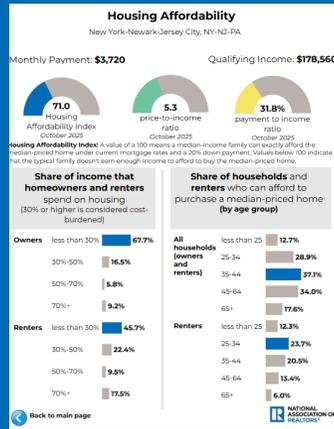
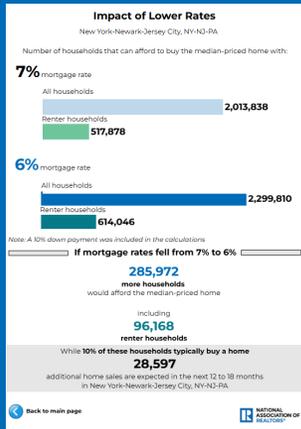
**38%**

Share of Housing Units as Rental or Vacation Homes

## GROWTH OF INSTITUTIONAL BUYERS (2019-2024)



# Metro Market Statistics Dashboard



- Impact of Lower Rates
- Housing Affordability
- Housing Statistics
- Financing
- Economic Conditions
- Home Buyer Profile
- Homeownership Demographics
- Demographics



[Metro Market Statistics Dashboard Page](#)

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# THANK YOU.



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