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Real Estate Trends For Realtors, Homeowners and Professionals **December 2025**

Giving Thanks

It certainly has been a very tumultuous year for the real estate sector. And as we all have celebrated the Thanksgiving holiday, it makes sense for us all to take a breather and give thanks for the good things in our lives. The first thing we would like to give thanks for is the end of the federal government shutdown. At least in this area of our life a good segment of the population can return to normalcy -- whether you are flying with less delays or a government employee getting a paycheck for the first time in weeks.

From the perspective of someone who writes economic commentary each week, the data will be flowing again and there is a whole bunch of data to catch up on. We will call this the data tsunami of 2025. Certainly, when the Federal Reserve meets in December there will be a lot of statistics to chew on. Hopefully when the data is out there, we will be looking at an economy which is not as weak as some have predicted. Regardless, the major benefit of a slower economy gives us something else to be thankful for – lower interest rates.

There is no doubt that it has been a tough year with regard to the affordability of real estate. When mortgage rates hit 2.5% during the pandemic, we had a feeding frenzy. Those super low interest rates contributed to higher home prices and made the higher interest rates which followed that much harder to swallow.

But we can be thankful that we appear to be coming out of that cycle. If mortgage rates fall in 2026, the same rates at 5.5% which seemed onerously high after the pandemic will seem palatable after the peaks we saw in the past few years. Homeowners are refinancing again and perhaps the buyers will come out of hiding in big numbers. Here's hoping for even more thankful news in 2026 as we head deeper into the holidays...

The Great Inheritance Boom

The greatest generational wealth shift in history has already begun. Baby Boomers, the largest retirement generation to date, will finish shifting up to $105 trillion to heirs by 2048. And according to a recent LegalZoom survey, 62% of what will be left behind is anticipated to be real estate or property. But rising home maintenance costs could pose a problem for younger generations. For instance, property values have increased "almost 27% faster than inflation since 2020," per the Tax Foundation. And with higher home valuations, heftier property tax bills typically follow. So, will the inherited wealth be enough to support the higher costs of homeownership? Or will heirs need to sell priceless heirlooms to stay afloat?

While 62% of the older generation (aged 45 and above) surveyed by LegalZoom expect to leave behind real estate to their loved ones, only 18.6% of younger Americans in the survey actually feel "very prepared" to maintain an inherited property. While talking about wills and estates with your heirs may be uncomfortable, it's important to take the time now to discuss what the future looks like for your family. If your heirs aren't very liquid, you may want to talk about the possibility of selling certain assets in the near future. You may also want to offer advice on which investments could be the best fit for their financial situation. Remember: some of the greatest wealth you can pass on to future generations is the wisdom you've learned through your own journey, and not just the assets themselves...

Source: Kiplinger

Selected Interest Rates

November 20, 2025

30 Year Mortgages	*6.26%*
2024 High (May 2)	*7.22%*
2024 Low (Sept 26)	*6.08%*
15 Year Mortgages	*5.54%*
10 Year Treasuries	*4.14%*

Sources—Fed Reserve, Freddie Mac
Note: Average rates do not include fees and points. Information is provided for indicating trends only and should not be used for comparison purposes.

Home Prices Still Rising

Nearly eight in 10 United States metro areas saw home prices rise in the third quarter of 2025, as the market continued to grapple with affordability pressures and uneven regional trends. According to the National Association of REALTORS® (NAR), 77% of metro markets, or 176 out of 230, posted price gains, up from 75% in the previous quarter.

However, only 4% of metros recorded double-digit price jumps, down from 5% in Q2, signaling a moderation in the pace of increases. NAR chief economist Lawrence Yun said, "Home sales have struggled to gain traction, but prices continue to rise, contributing to record-high housing wealth. Markets in the supply-constrained Northeast and the more affordable Midwest have generally seen stronger price appreciation." Yun added, "Price declines are occurring mainly in southern states, where there has been robust new home construction in recent years. Given the region's faster job growth, these price drops should be viewed as temporary and as a second-chance opportunity for those previously priced out of the market."

The national median single-family existing home price grew 1.7% year over year to $426,800, matching the annual pace seen in Q2. Additionally, the NAR recently revealed that the share of first-time homebuyers in the US fell to a historic low of 21% over the past year, while the median age of first-time homebuyers entering the market soared to 40...

Source: NAR

Did You Know…

Real estate data company, ICE has indicated that that 4.1 million mortgage holders were in the money for a refinance in late October, meaning they could save at least 75 basis points by refinancing. It noted that nearly 5 million borrowers could be in the money for a refi if rates drop to 6.125%

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