

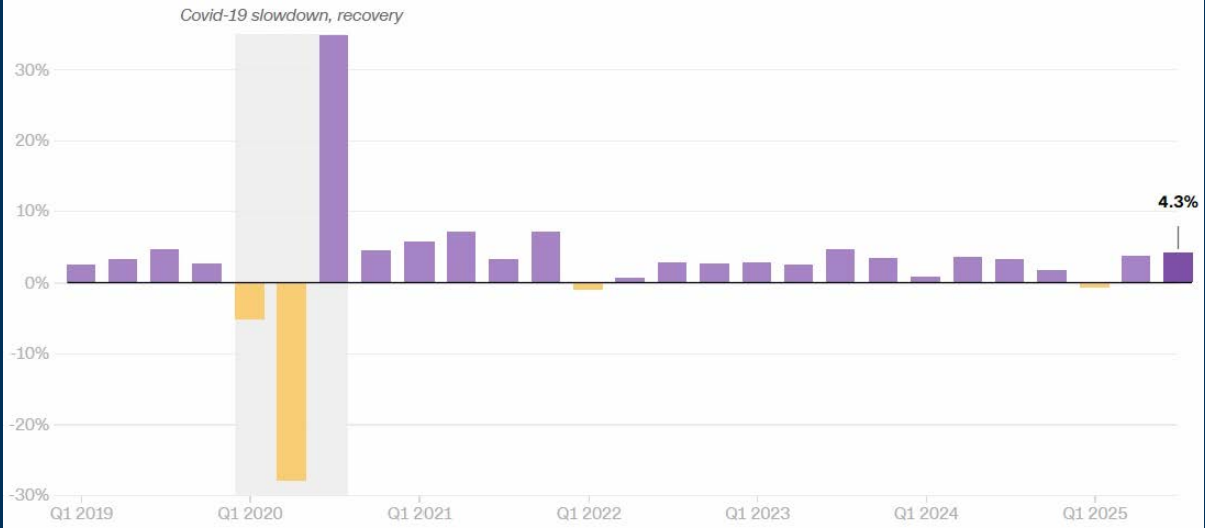
January 6, 2026

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The latest real estate and economic news.

- In good news for consumers, November consumer prices rose at an annual rate of 2.7% . . . lower than the 3.1% rate expected.
- After falling by 105,000 in October, job growth rose by 64,000 in November . . . the unemployment rate inched up to 4.6% . . . the highest since September 2021.
- The latest U.S. GDP data shows the economy grew at an annualized 4.3% rate in the third quarter of 2025 . . . the fastest growth in two years.
- It was driven by consumer spending, exports and government spending (see the chart below).
- Corporate profits soared by \$166.1 billion, or 4.2% in the third quarter.
- U.S. Stocks continue to hit all-time highs at year end . . . however, they lag the performance of dozens of other countries (see the graph below).
- Only 4.6% of U.S. homes are second homes . . . but millions enjoy them and are making them work (see the list below).
- New apartments coming online pushed vacancies higher and led to softer rents and more landlord concessions . . . particularly in the South and Southeast.
- Home prices are expected to cool in 2026 . . . but not collapse.
- Income growth should exceed housing price appreciation plus slightly lower mortgage rates will create more opportunity for homebuyers in 2026.
- Homebuying momentum is building as pending home sales in November jumped by 3.3% from the prior month and 2.6% year over year, according to NAR.
- Pending sales rose the most in the West . . . up 9.2%.
- Zillow reports that homebuyers do not shop around for their mortgage . . . 69% submit only one loan application.
- The average price for a house in November was \$359,241 . . . a 45.8% jump from \$246,326 at the beginning of 2020, according to Zillow.
- Cancelled listings nationwide are up 45.5% from a year ago . . . as Sellers get impatient and pull their homes from the market.
- Cancelled real estate transactions are running at about 15% . . . well above pre-pandemic levels.
- Climate catastrophes like wildfires and severe storms have become more frequent and damaging . . . U.S. accounts for 83% of the estimated global insured losses of \$107 billion in 2025 . . . according to Swiss Re Institute.
- The Los Angeles wildfires in January alone, accounted for insured losses of \$40 billion . . . making them the costliest-ever wildfires globally.
- Although flat in much of the country, real estate price gains are still strong in lower priced markets like Grand Rapids, Michigan, St. Louis, Cleveland, Milwaukee and Pittsburgh . . . where price are up about 5%.
- Home prices in these markets are 20 to 30% lower than the national median.
- Internal combustion vehicles will be around for a while (see the chart below).

Quarter-over-quarter change in the real GDP, annualized.



[Click the chart to enlarge it.](#)

Global stock index performance - 2025.



[Click the graph to enlarge it.](#)

Homeownership rate inches up.

The latest homeownership rate rose to 65.3% in the third quarter of 2025, according to the Housing Vacancy Survey from Census.gov. Despite this increase, the trend continues to reflect significant affordability challenges.

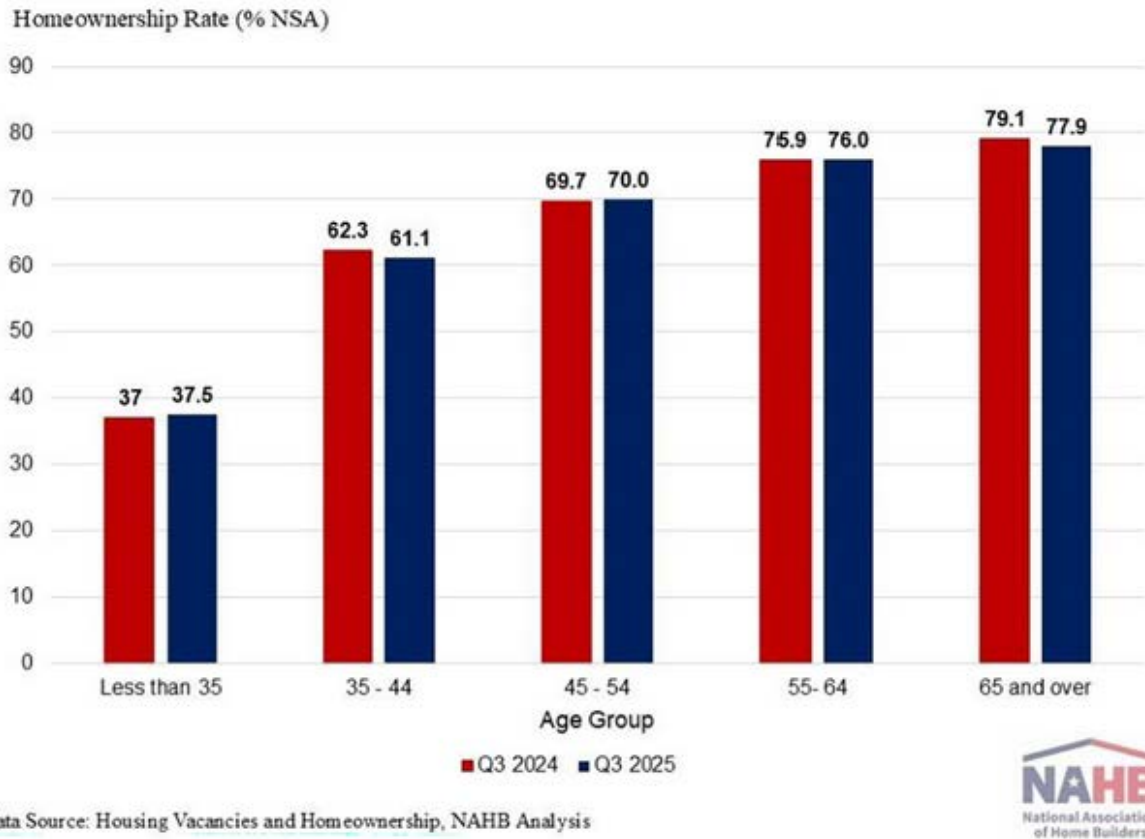
With mortgage interest rates remaining elevated and housing supply still tight, housing affordability is at a multi-decade low. Compared to the peak of 69.2% in 2004, the homeownership rate is currently 3.9% lower and remains below the 25-year average rate of 66.3%.

Compared to the previous year, homeownership rates did increase in three age groups. (see the chart below).

- Those under 35 increased 0.5 percentage points to 37.5% in the third quarter of 2025.
- Householders aged 45-54 experienced a 0.3% increase from 69.7% to 70%.
- Householders aged 55-64 inched up by 0.1%.

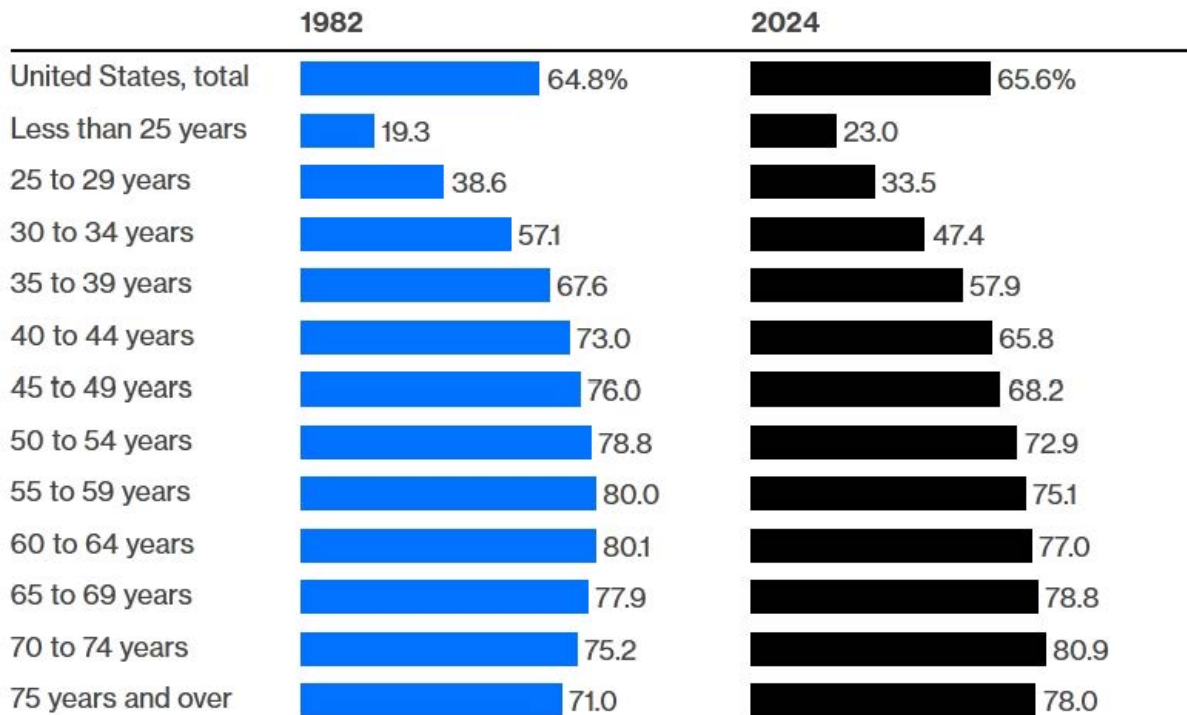
- However, homeownership rates for householders aged 35-44 and those aged 65 years and over each declined 1.2 percentage points from a year ago.

Homeownership rates by age.



[Click the chart to enlarge it.](#)

Young people are buying homes later than their peers four decades back



[Click the chart to enlarge it.](#)

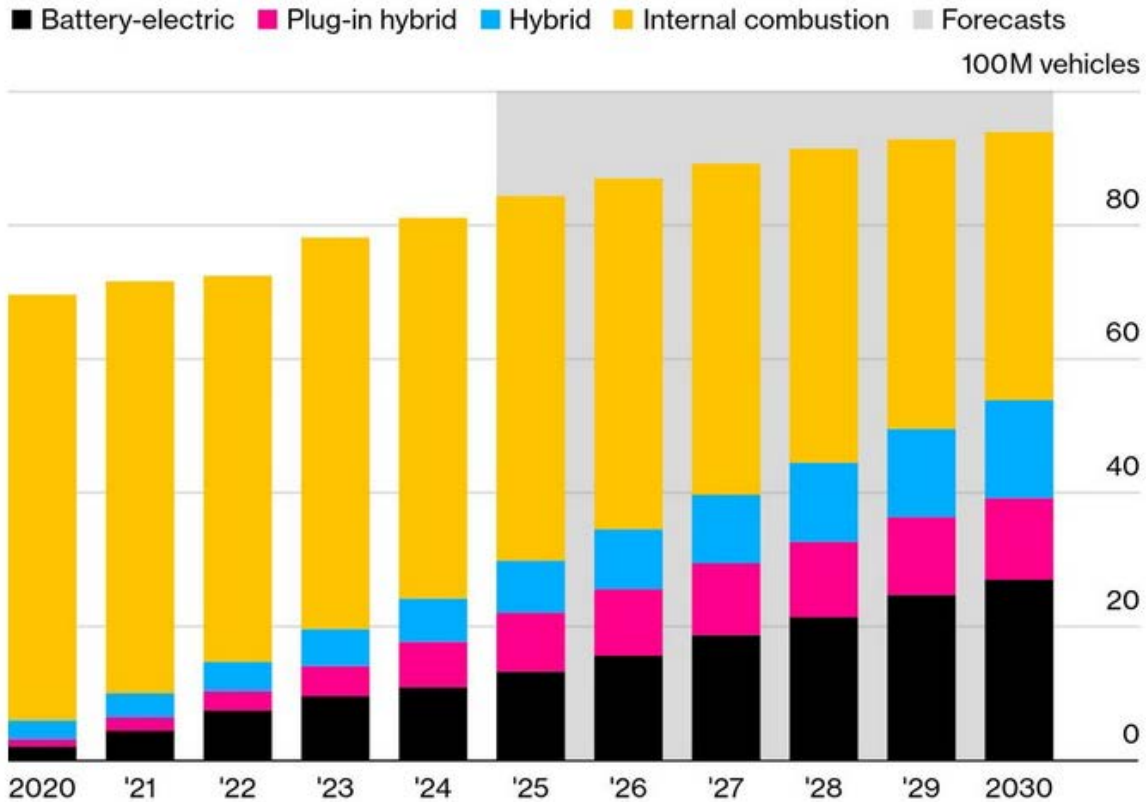
Top 16 places for a second home.

As identified by Pacaso with the median home price.

1. Whitewater - Wisconsin - \$380,000
2. Savannah, Georgia - \$423,900
3. St. Augustine, Florida - \$592,000
4. Charleston, South Carolina - \$675,000
5. Vail, Colorado - \$675,000
6. Hilton Head Island, SC - \$692,000
7. Palm Springs, California - \$750,000
8. Barnstable Town, MA - \$875,000

9. Bend, Oregon - \$879,900
10. Scottsdale, Arizona - \$1,100,000
11. Napa Valley, California - \$1,200,000
12. Maui, Hawaii - \$1,200,000
13. Ocean City, New Jersey - \$1,300,000
14. Steamboat Springs, CO - \$1,400,000
16. The Keys, Florida - \$1,500,000
17. Park City, Utah - \$1,900,000

10-year change in vehicle propulsion source.



[Click the chart to enlarge it](#)

Home maintenance tip.

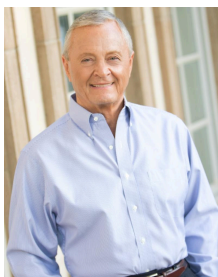
To help improve the air quality inside your home and use less energy, change the HVAC filter every 30 to 90 days . . . depending on how frequently your unit is used.

Schedule an annual tune-up to help ensure you are not stuck without heat or cool air. Please call me for a recommendation if you do not have a favorite HVAC specialist.

Curious about how much your home is worth in today's market? Click [My Home Value](#) for a free estimate.

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