

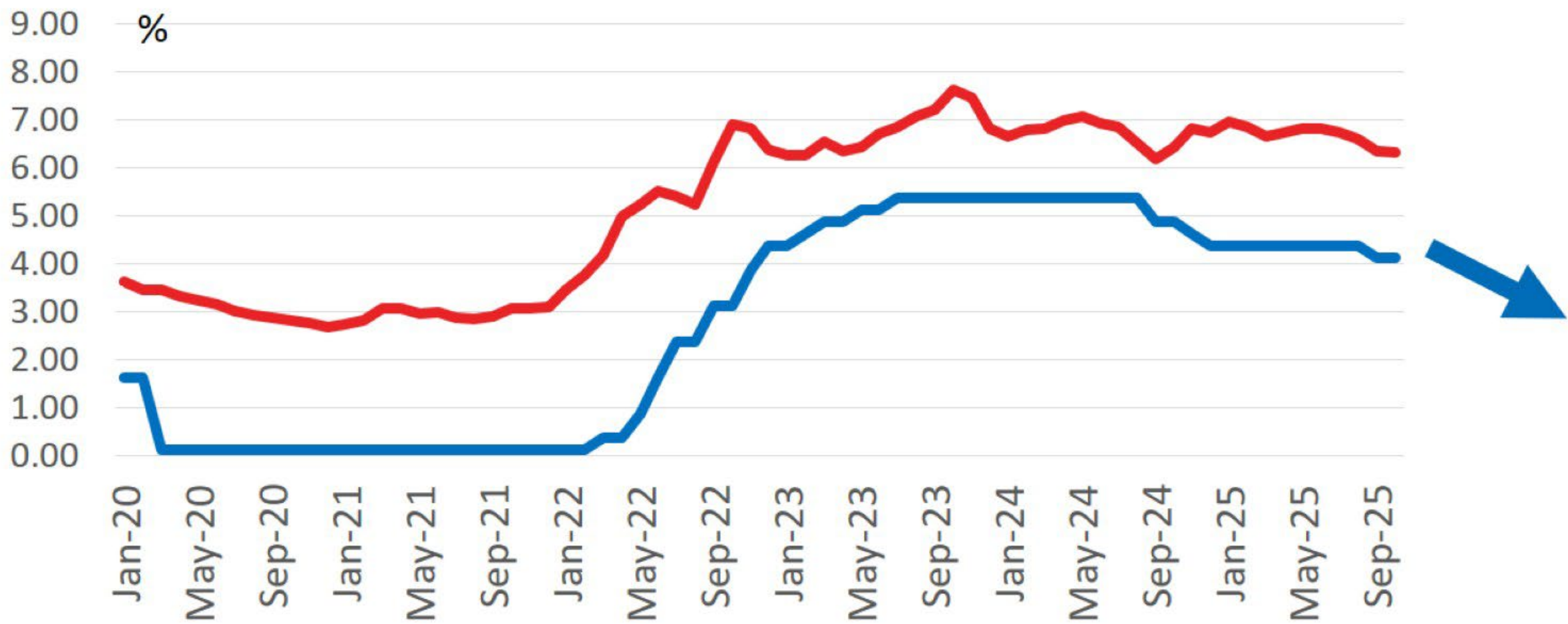
Real Estate and Economic Outlook

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Chief Economist

National Association of REALTORS®

Mortgage Rates (red) Fed Funds Rate (blue)



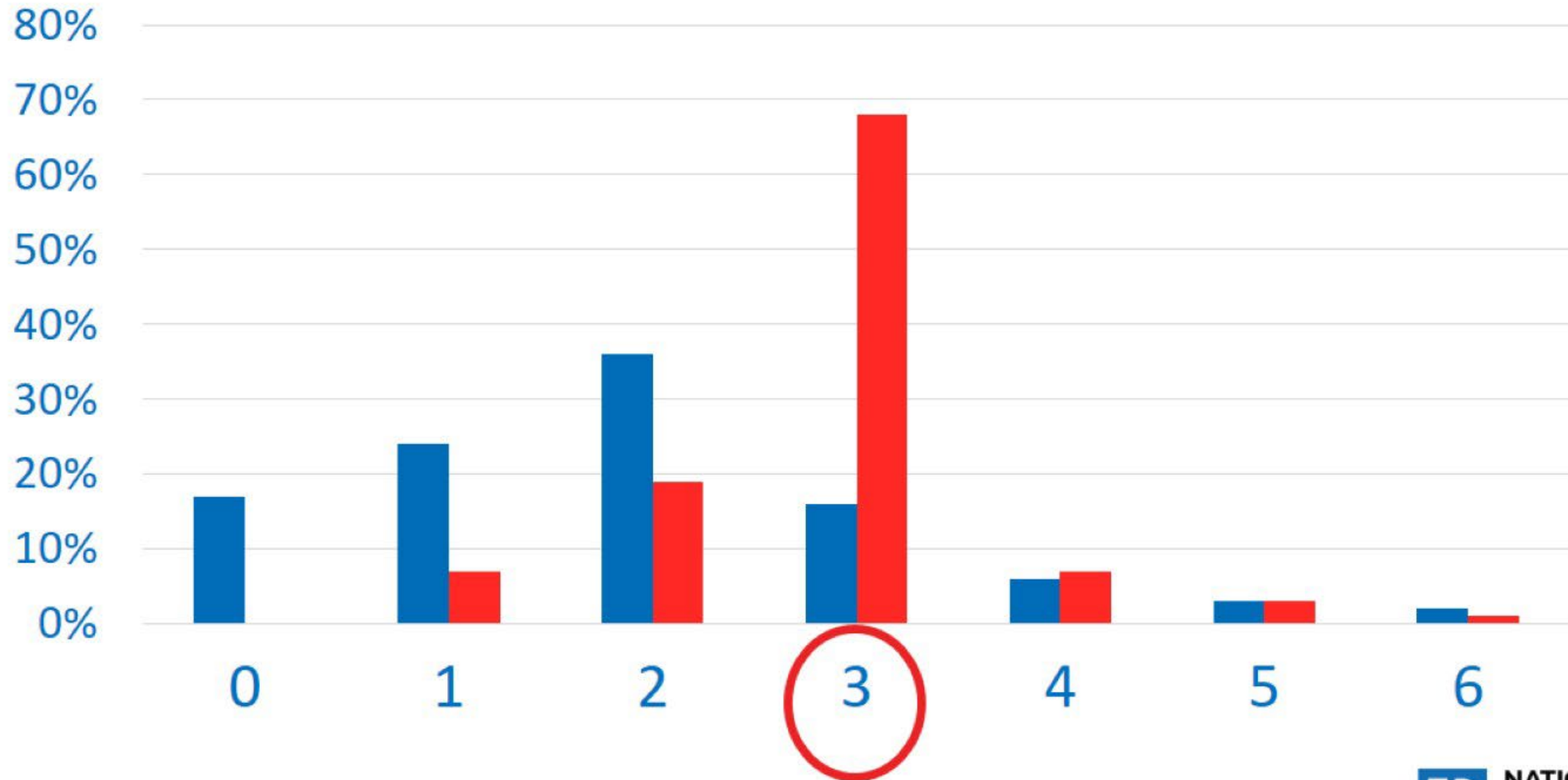
Source: Federal Reserve and Freddie Mac Mortgage Rate

Consumer Price Inflation at 3.0% in September Still Above 2% Target



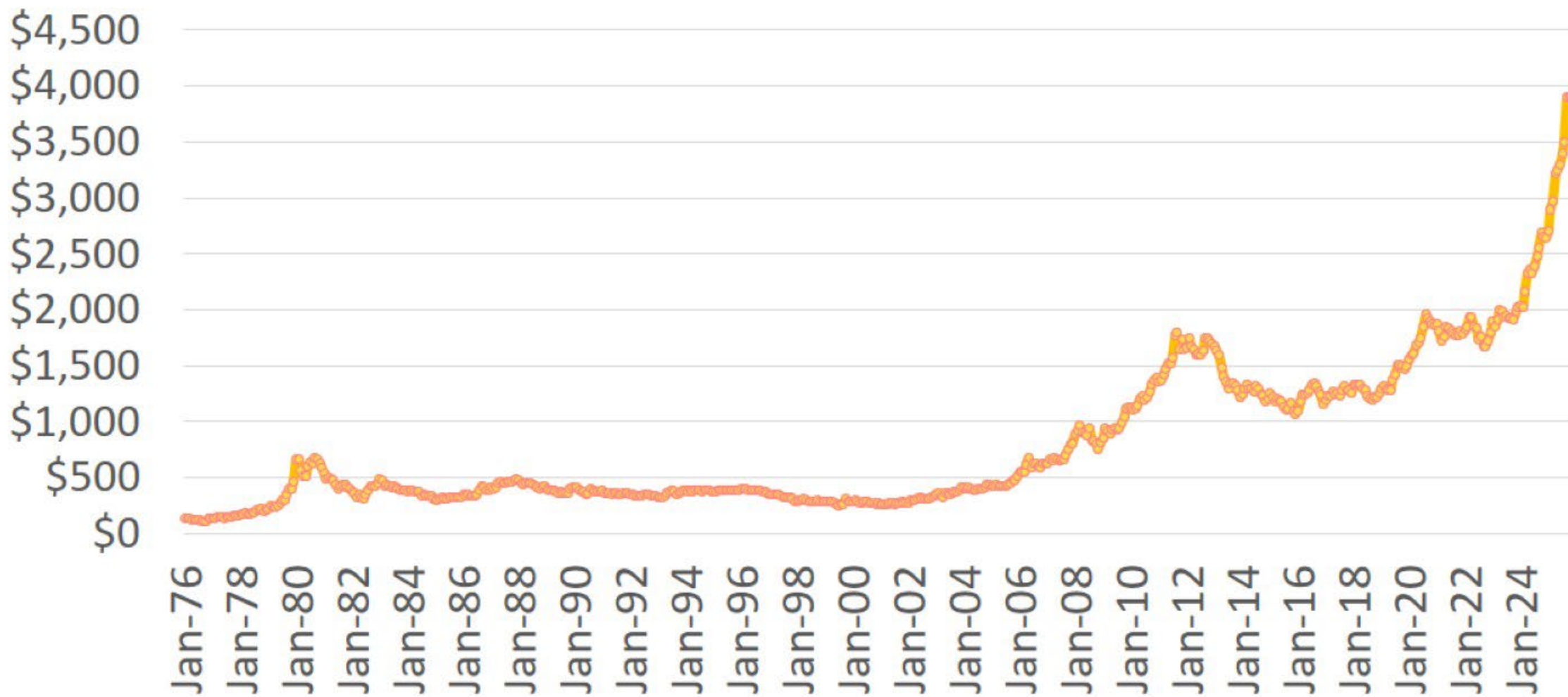
Source: BLS

How many rate cuts in 2025 by the Federal Reserve? as of mid-August and mid-October



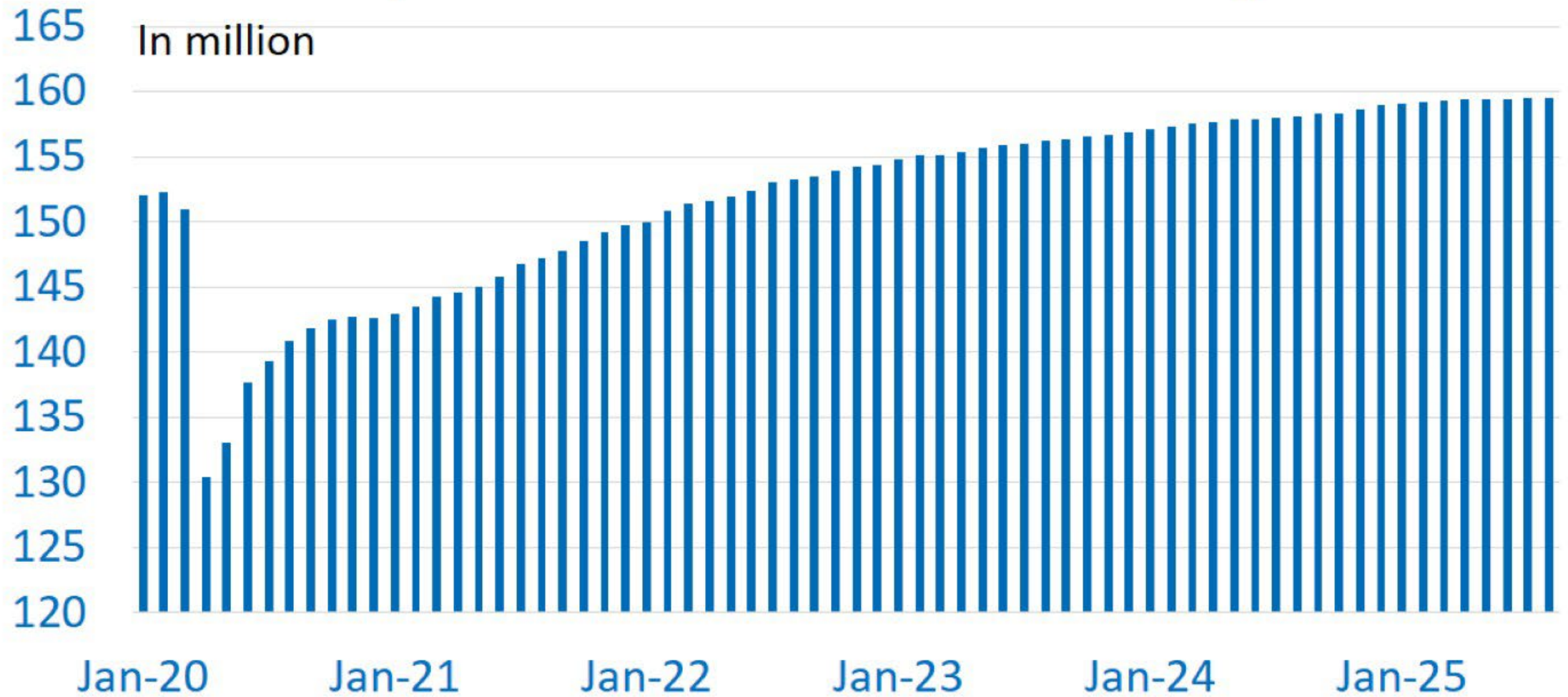
Source: Robinhood Prediction Market Odds

Gold Price Reflecting .. Permanently Higher Inflation?



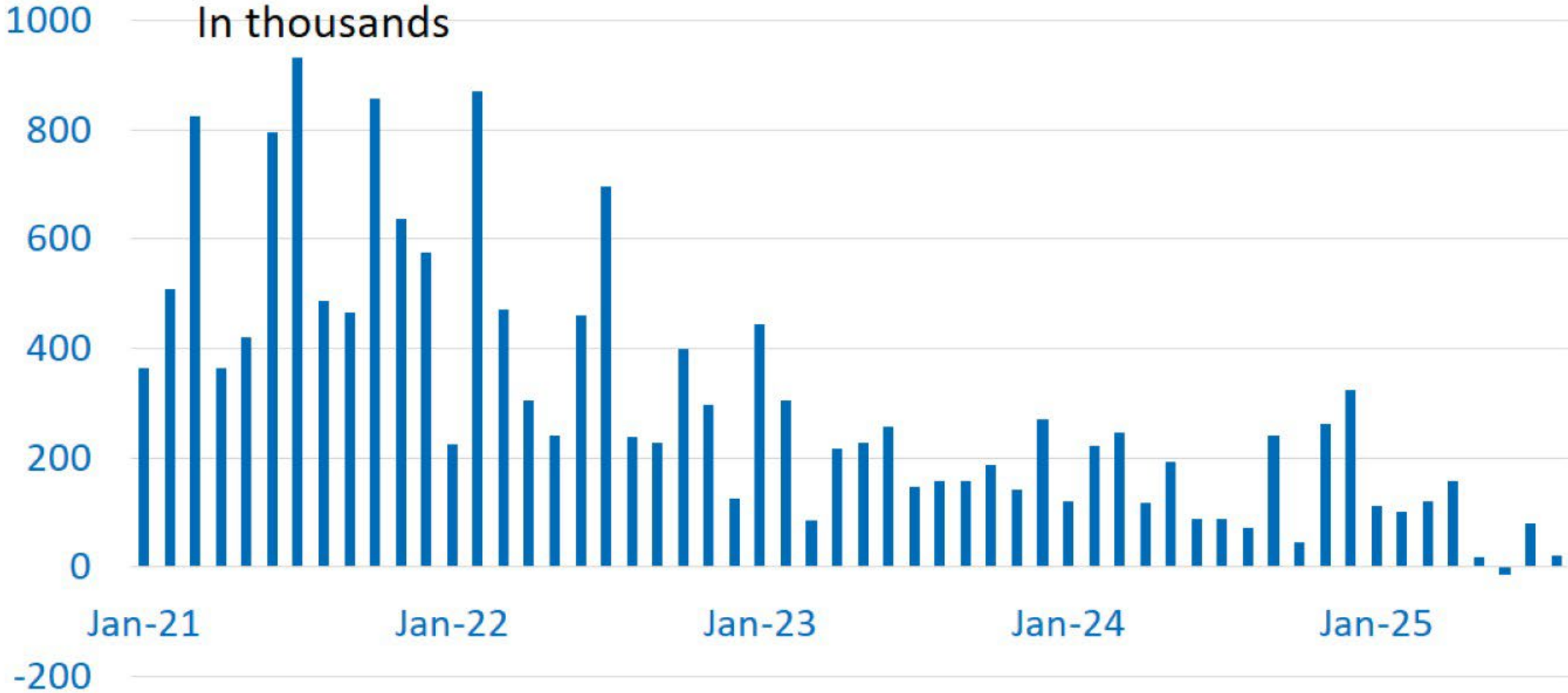
Source: Wall Street Journal

Total Payroll Jobs to September 2025 (+7.2 Million from Pre-COVID)



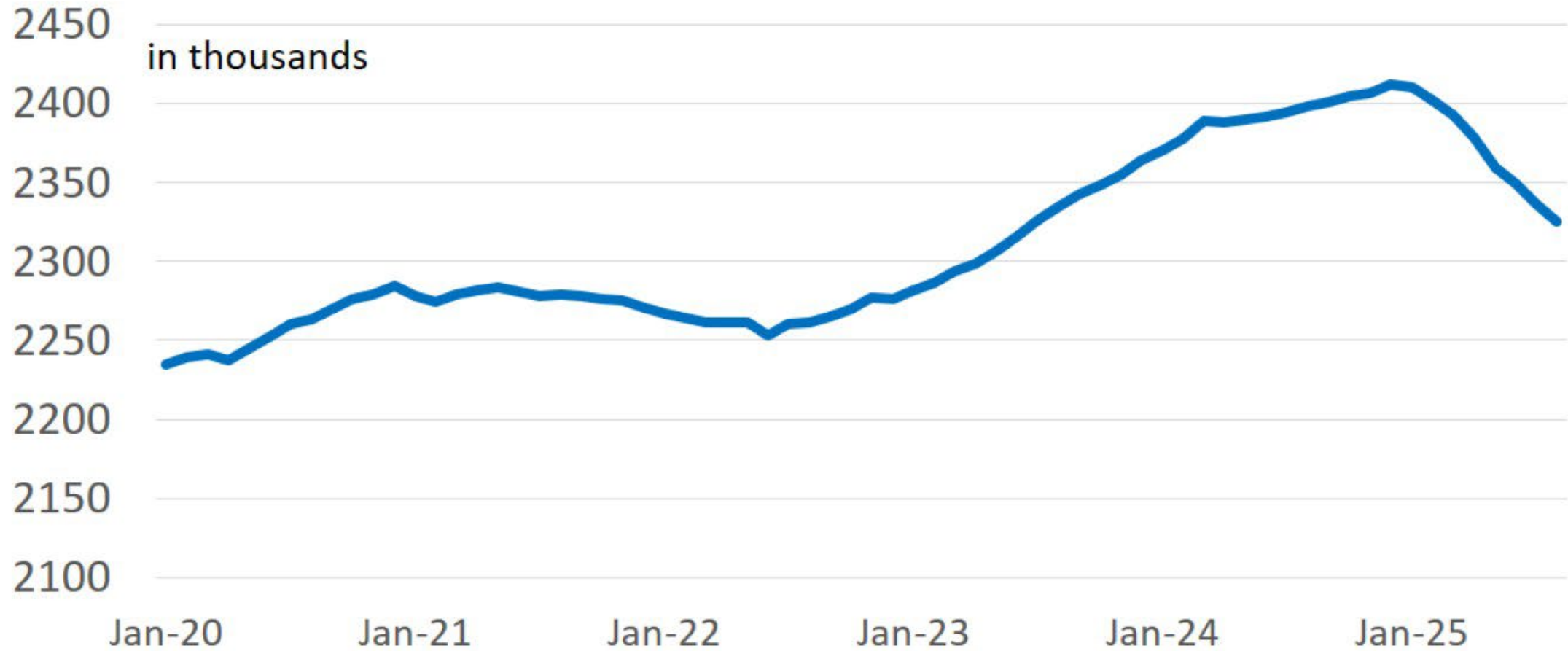
Source: BLS

Monthly Job Changes



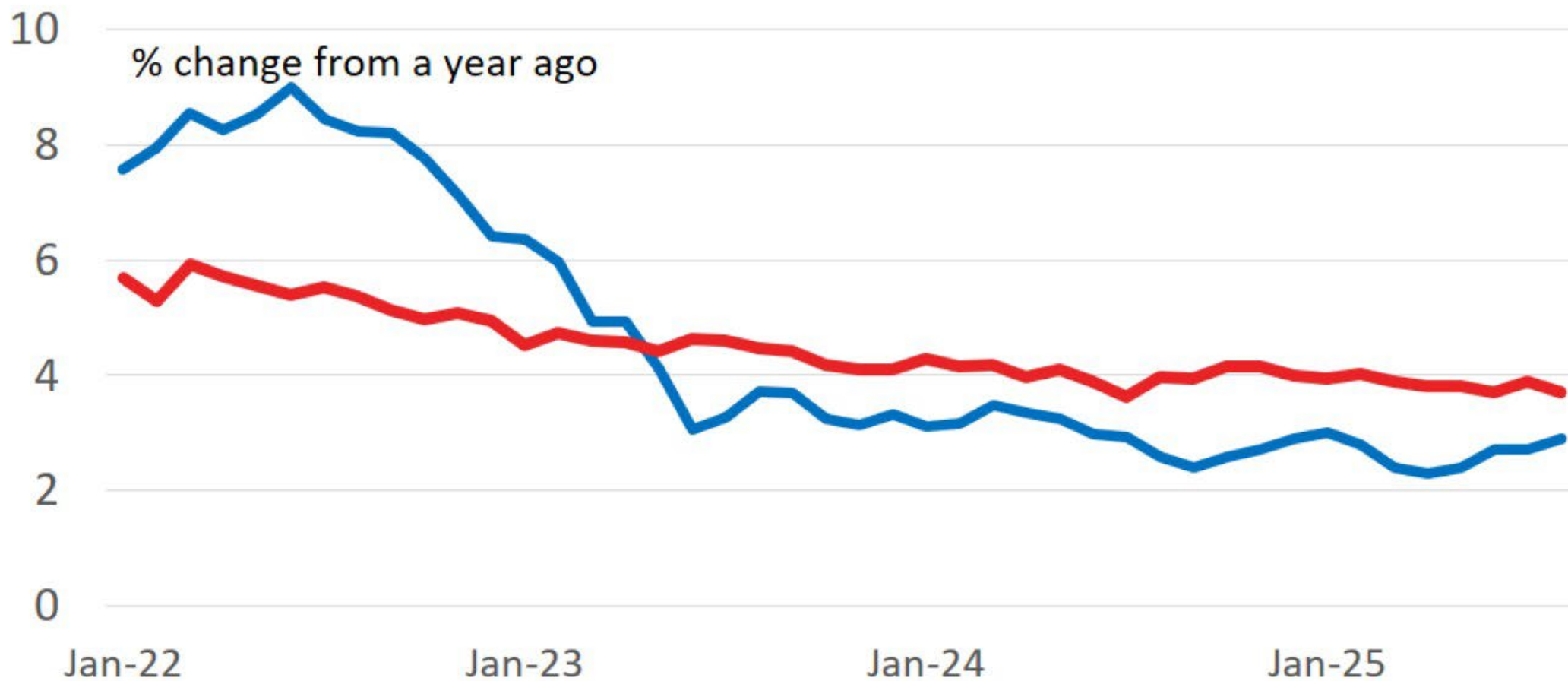
Source: BLS

Federal Government Employees



Source: BLS (excluding Temporary Decennial Census Workers and Postal Workers)

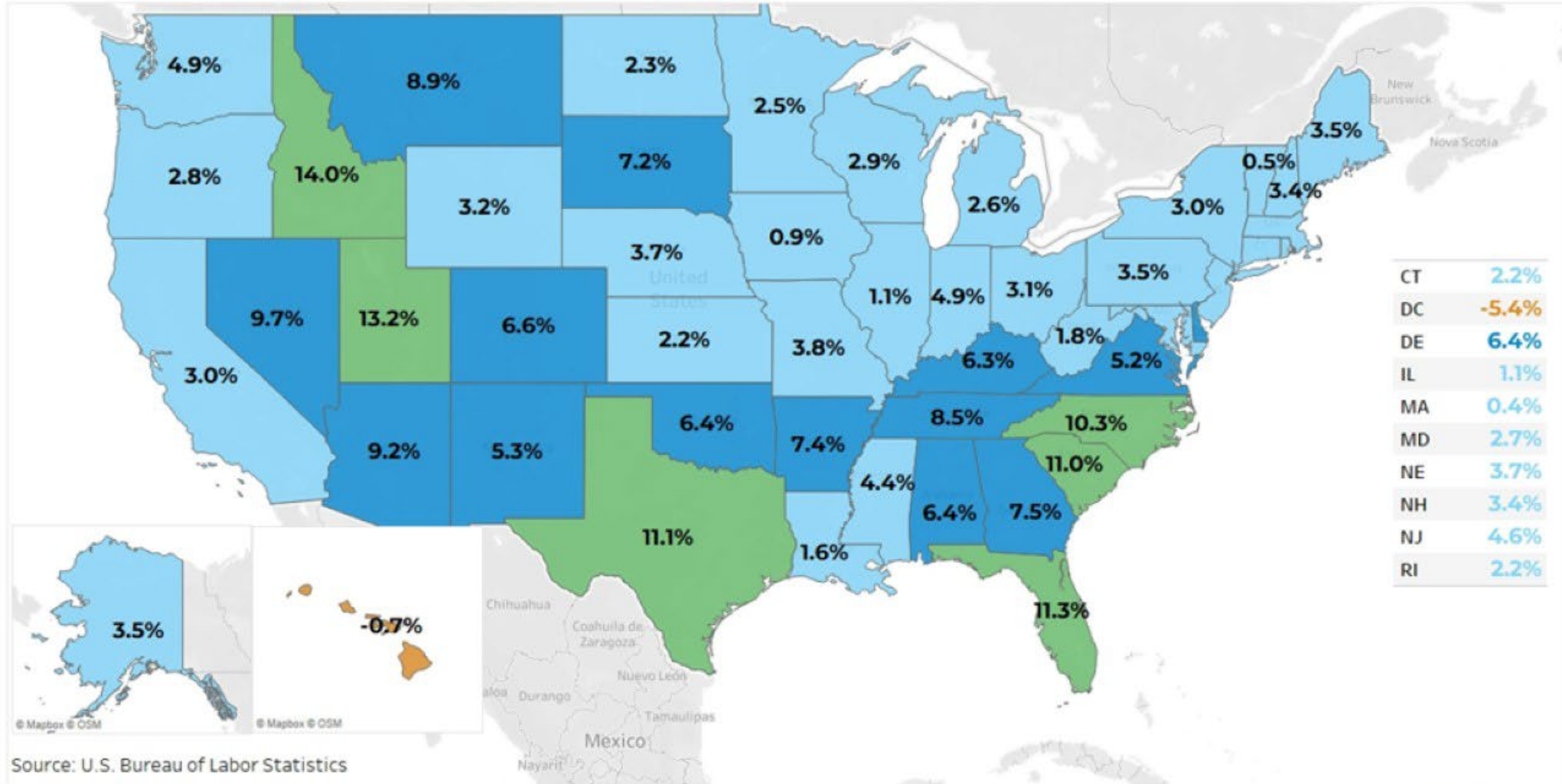
Wage Growth (red) 3.7% Outpacing Consumer Price (blue) at 2.9%



Source: BLS

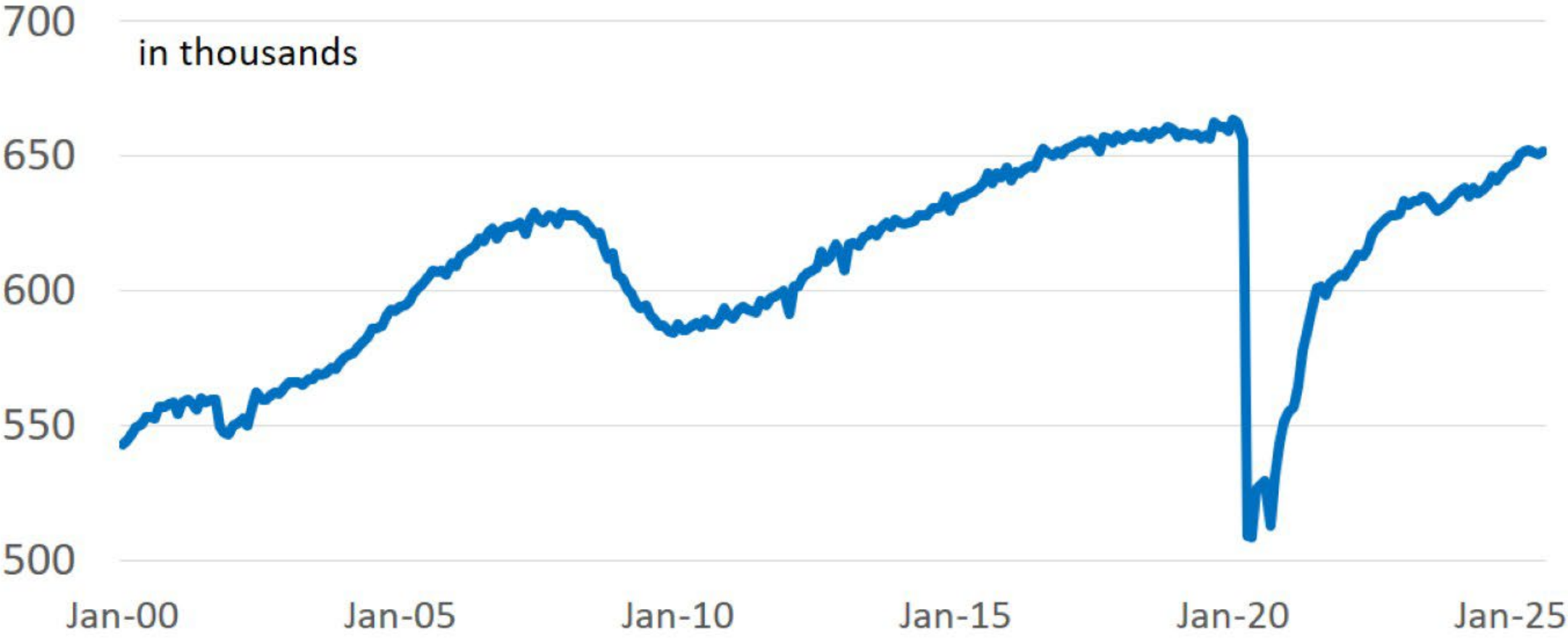
Job Gains Since Pre-COVID Record High Payroll Employment

% change from March 2020 to August 2025



Source: NAR Analysis of BLS data

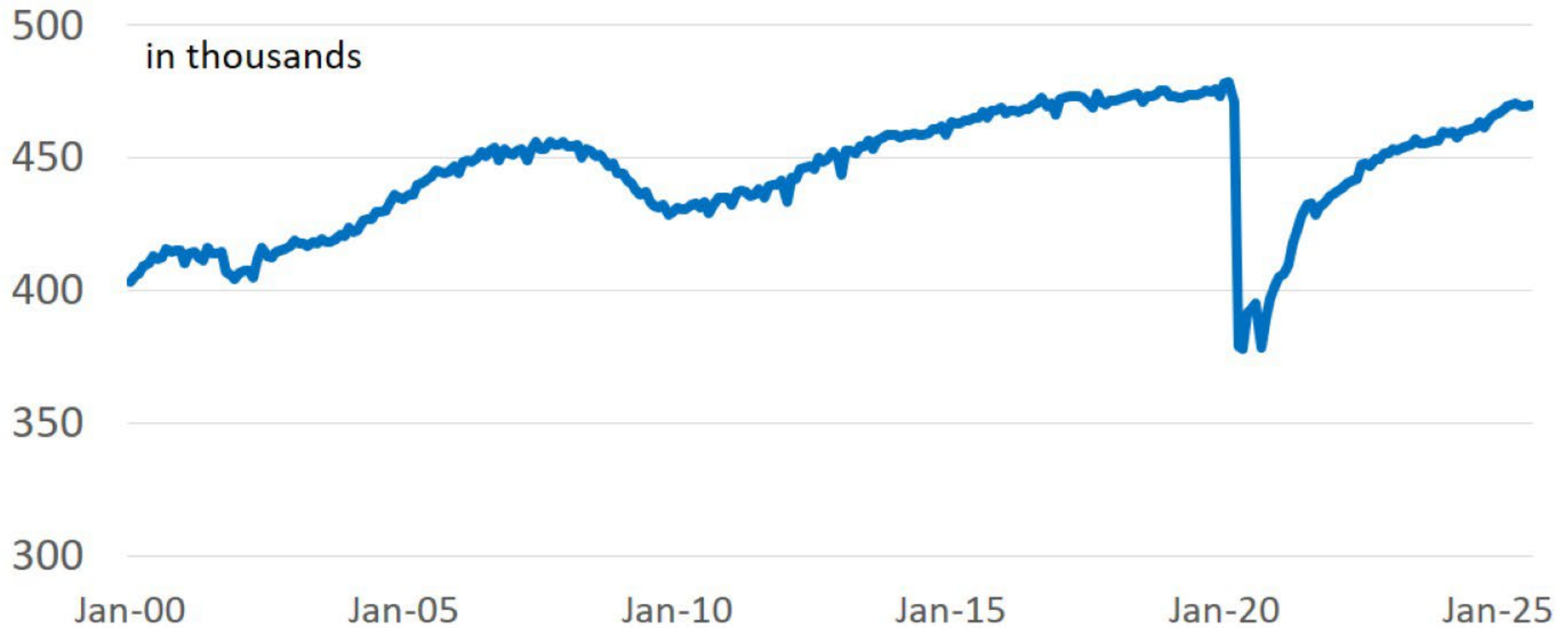
Hawaii Payroll Jobs (+100,000 in 25 years)



Source: BLS

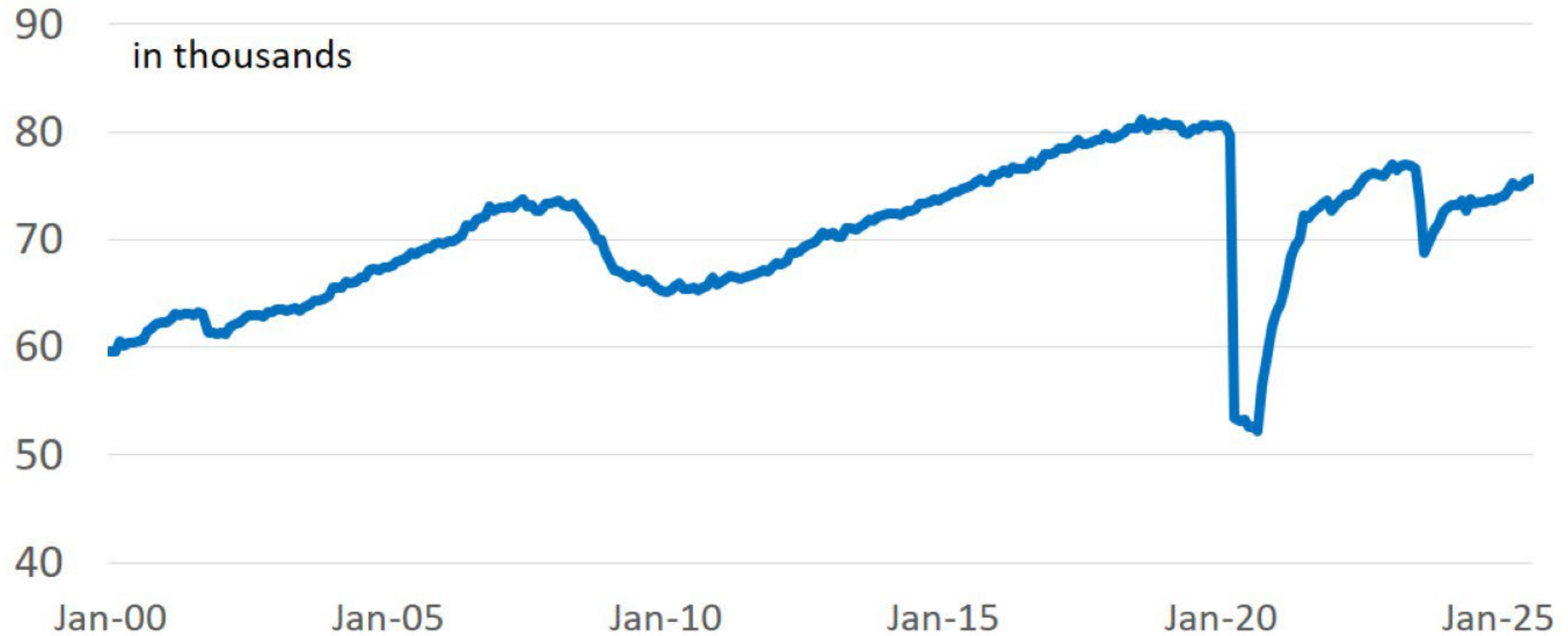


Honolulu Metro Payroll Jobs (+70,000 in 25 years)



Source: BLS

Kahului-Wailuku Metro Payroll Jobs (+15,000 in 25 years)



Source: BLS

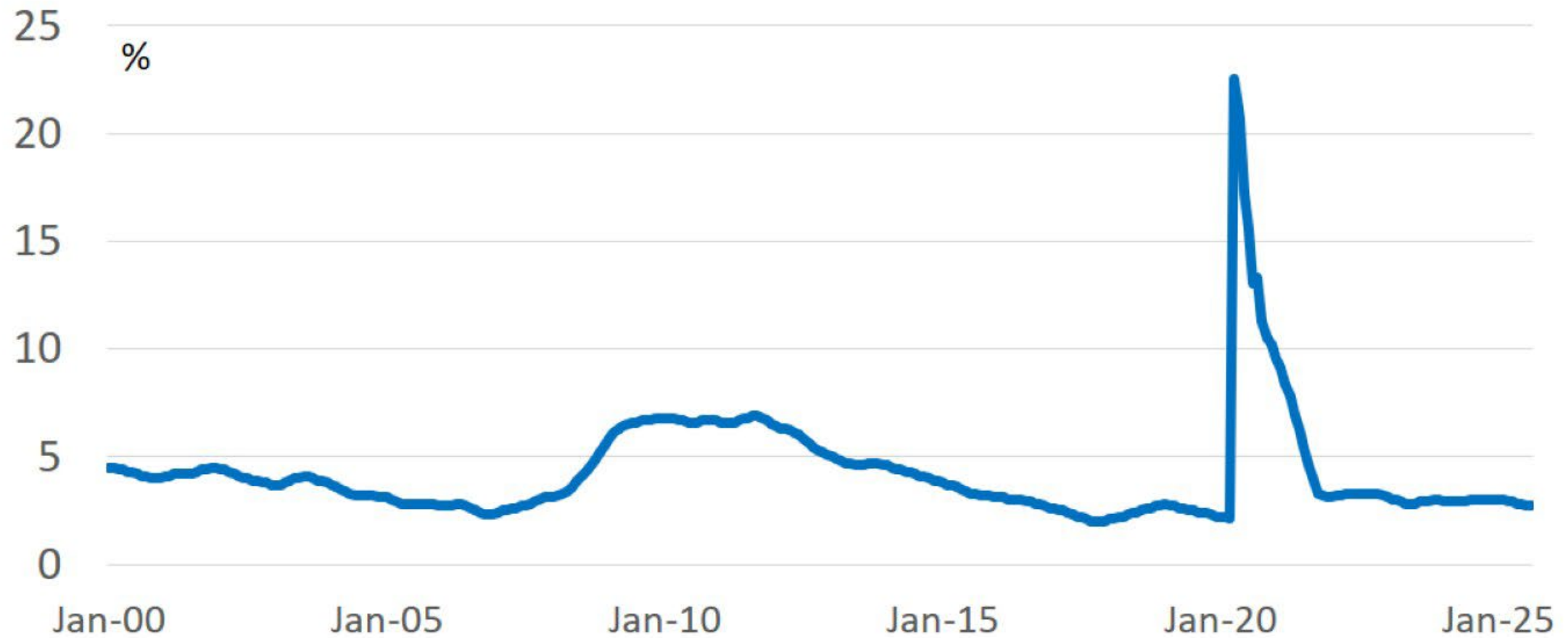
Hawaii Payroll Jobs from 1960



Source: BLS

Hawaii Unemployment Rate

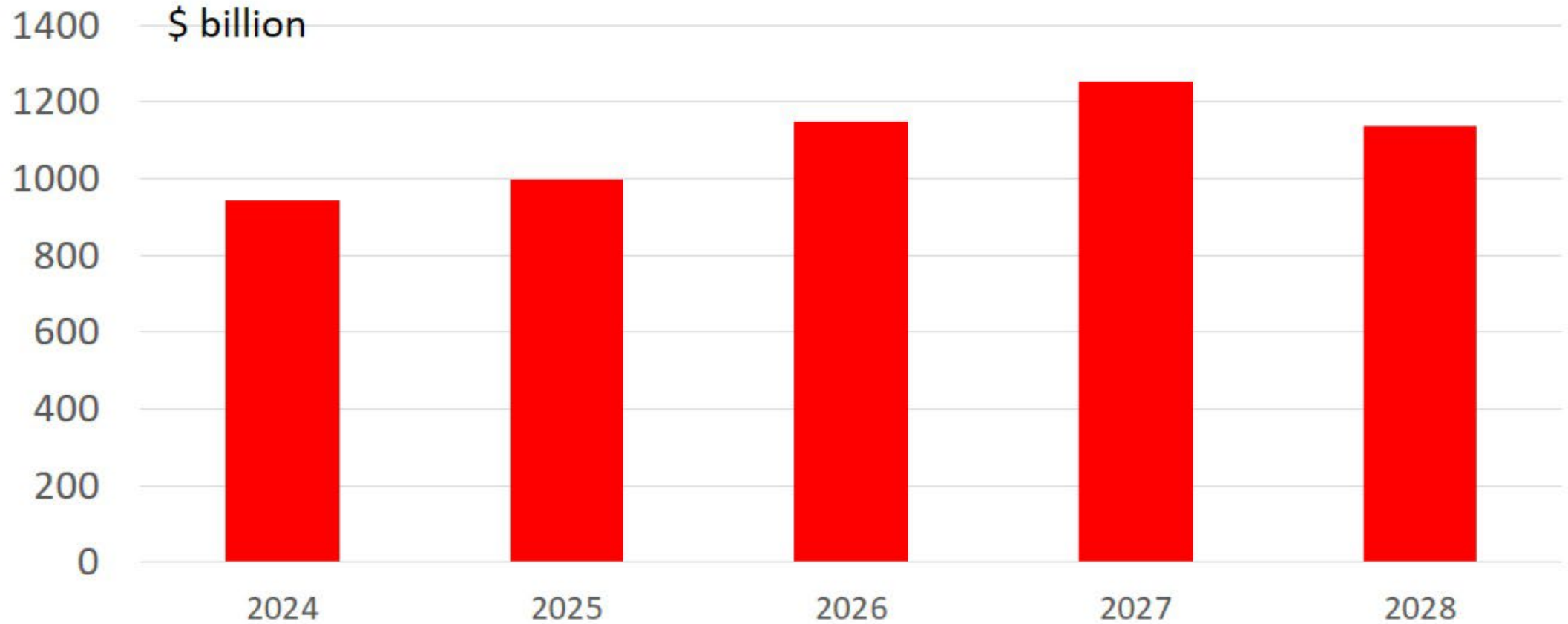
(Super Low Despite Little Job Additions)



Source: BLS

Commercial Real Estate

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



Source: S&P Global

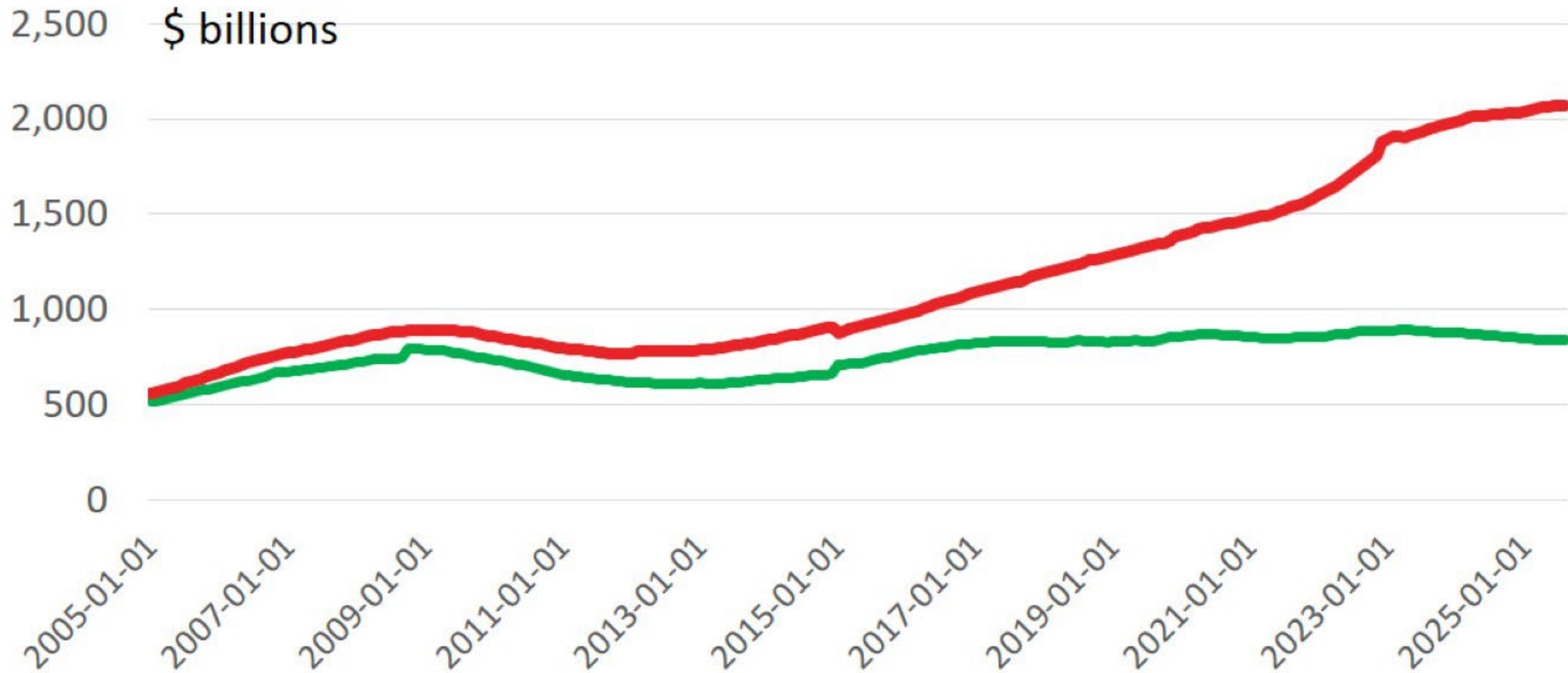
Commercial Property Prices ... Still not Recovering



Source: Federal Reserve

Commercial Real Estate Loans

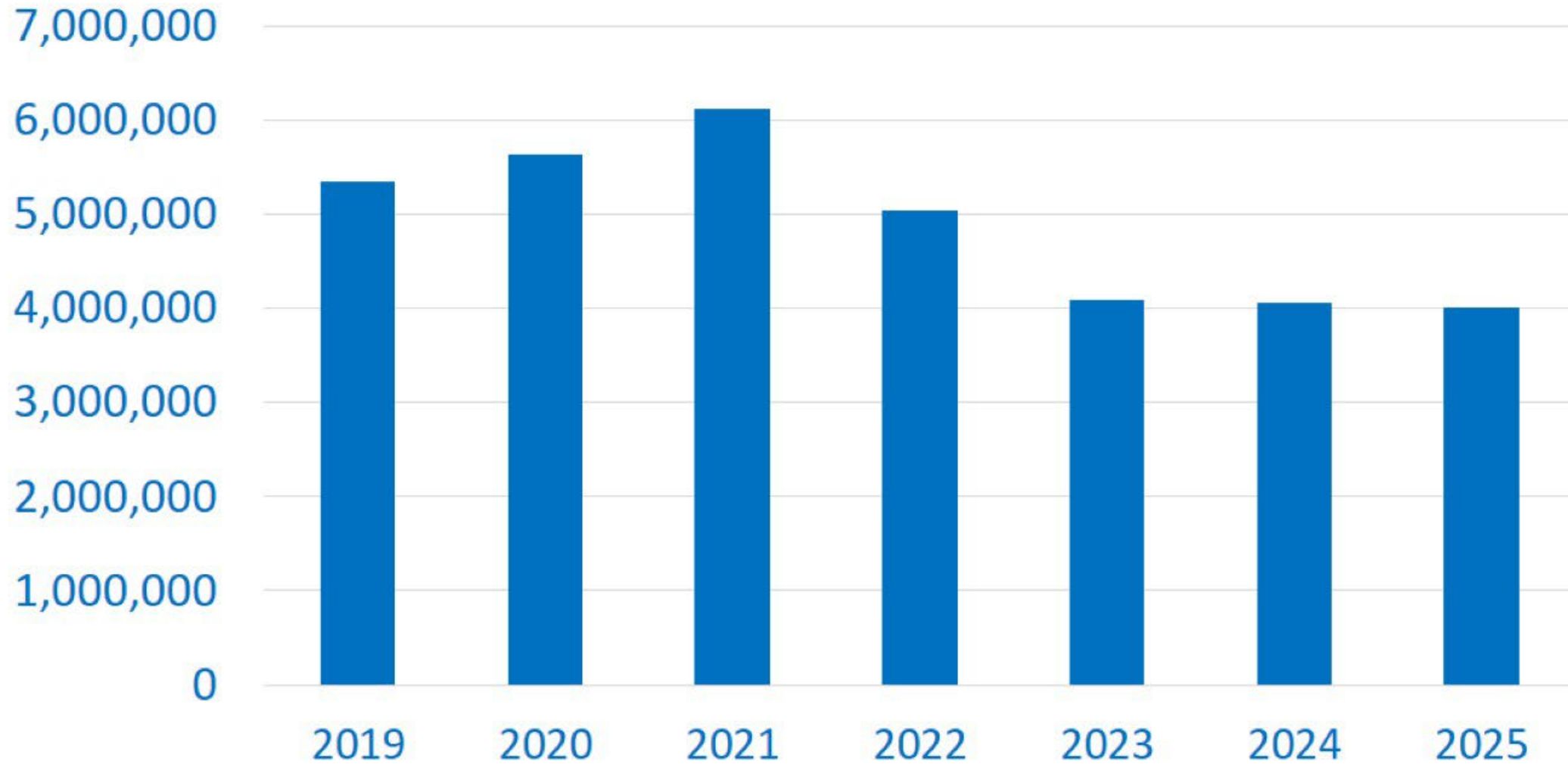
Growth Primarily from Small Banks



Source: Federal Reserve

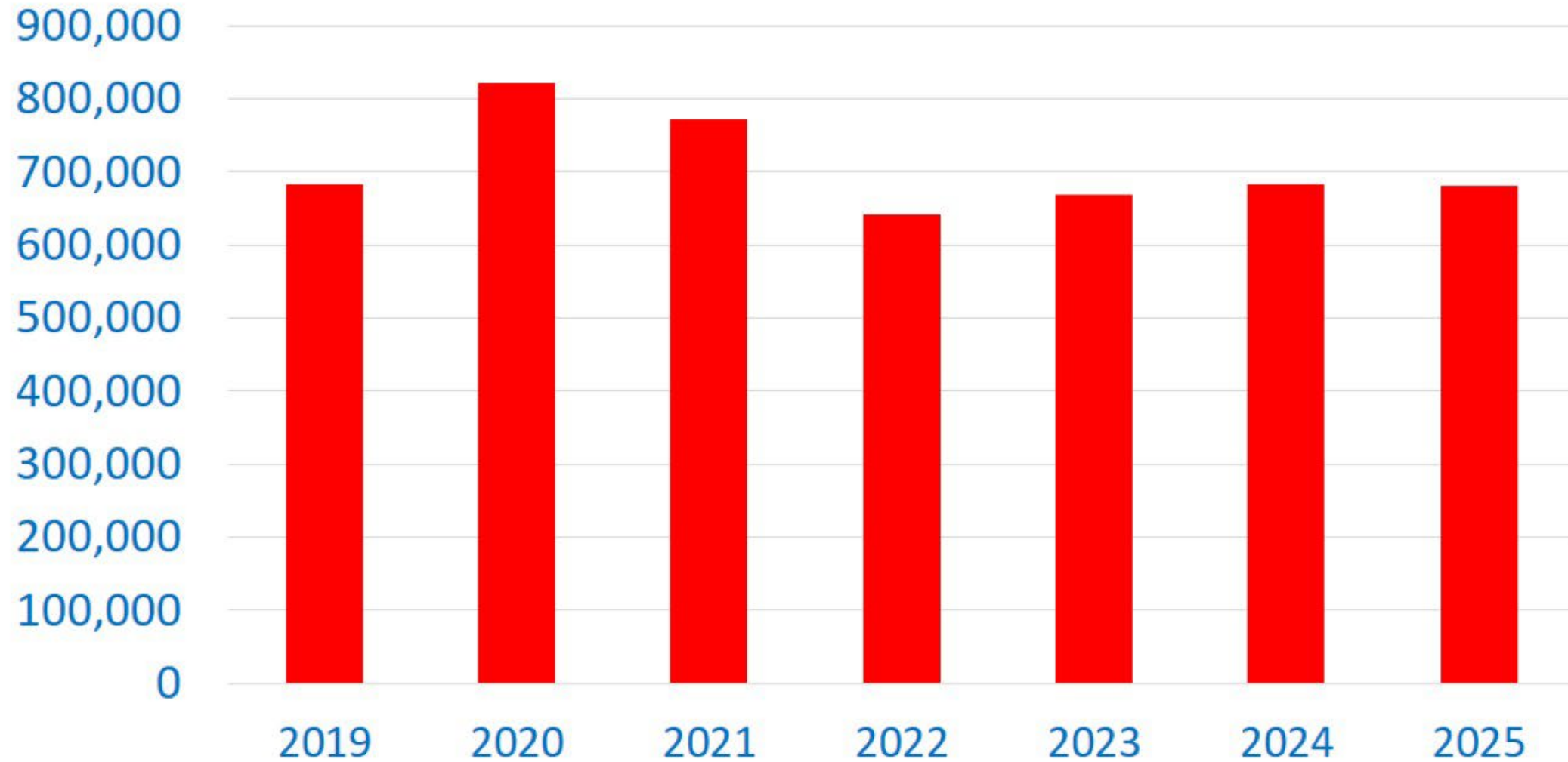
Residential Real Estate

Existing Home Sales ... Three of the Most Difficult Years



Source: NAR

New Home Sales ... Back to Pre-Covid Levels



Source: NAR

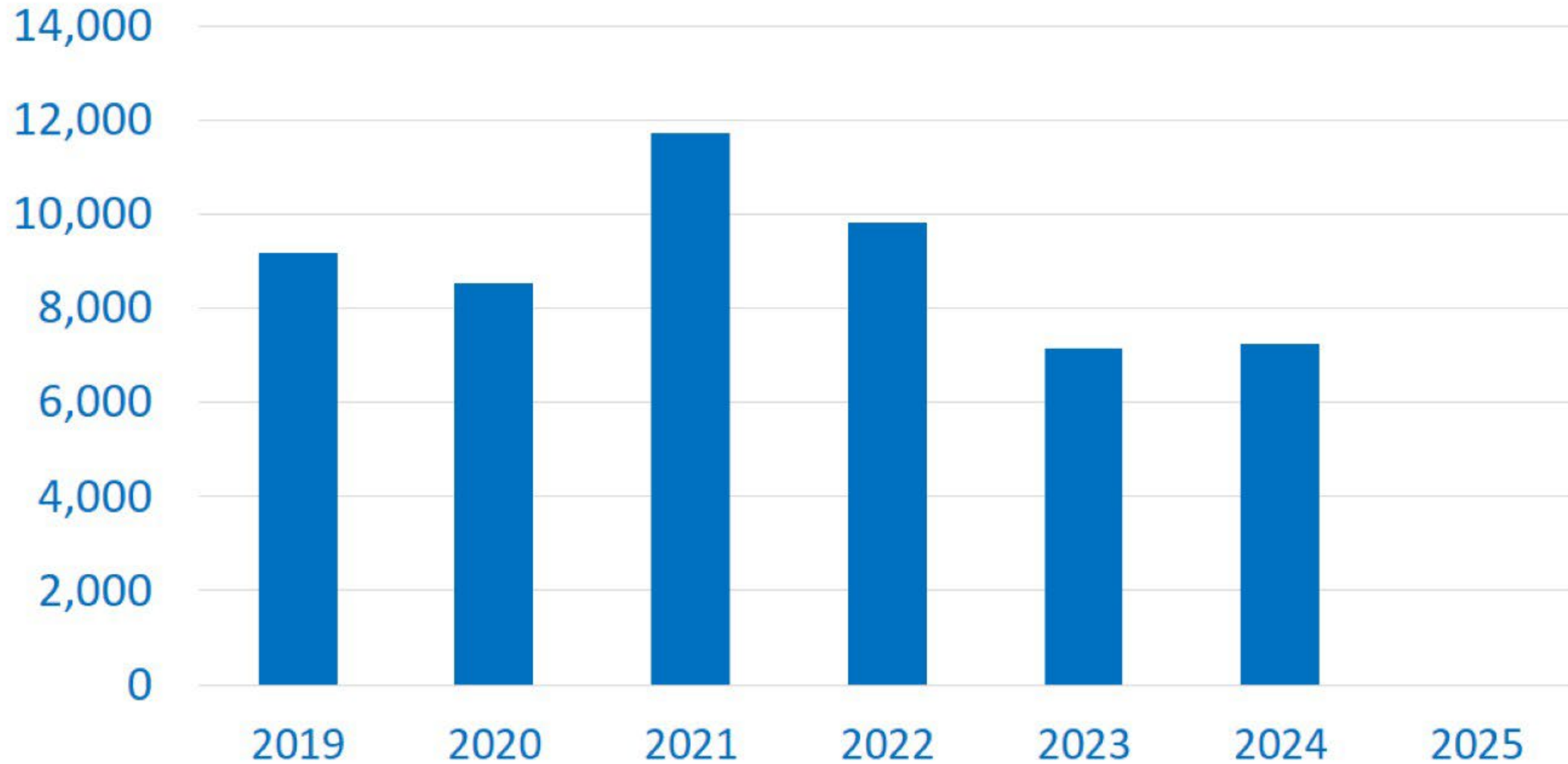
Inventory of Homes over Time



Locked-in forever as no one will give up 3% mortgage rate

Source: NAR

Home Sales in Honolulu



Source: NAR

September Brings Sales Gains for O‘ahu’s Housing Market

Single-family home and condo sales climb while inventory remains elevated

Single-Family Home Resales

	Number of Sales	Median Sales Price
September 2025	276 +27.2%	\$1,155,000 +3.8%
September 2024	217	\$1,122,722

Condominium Resales

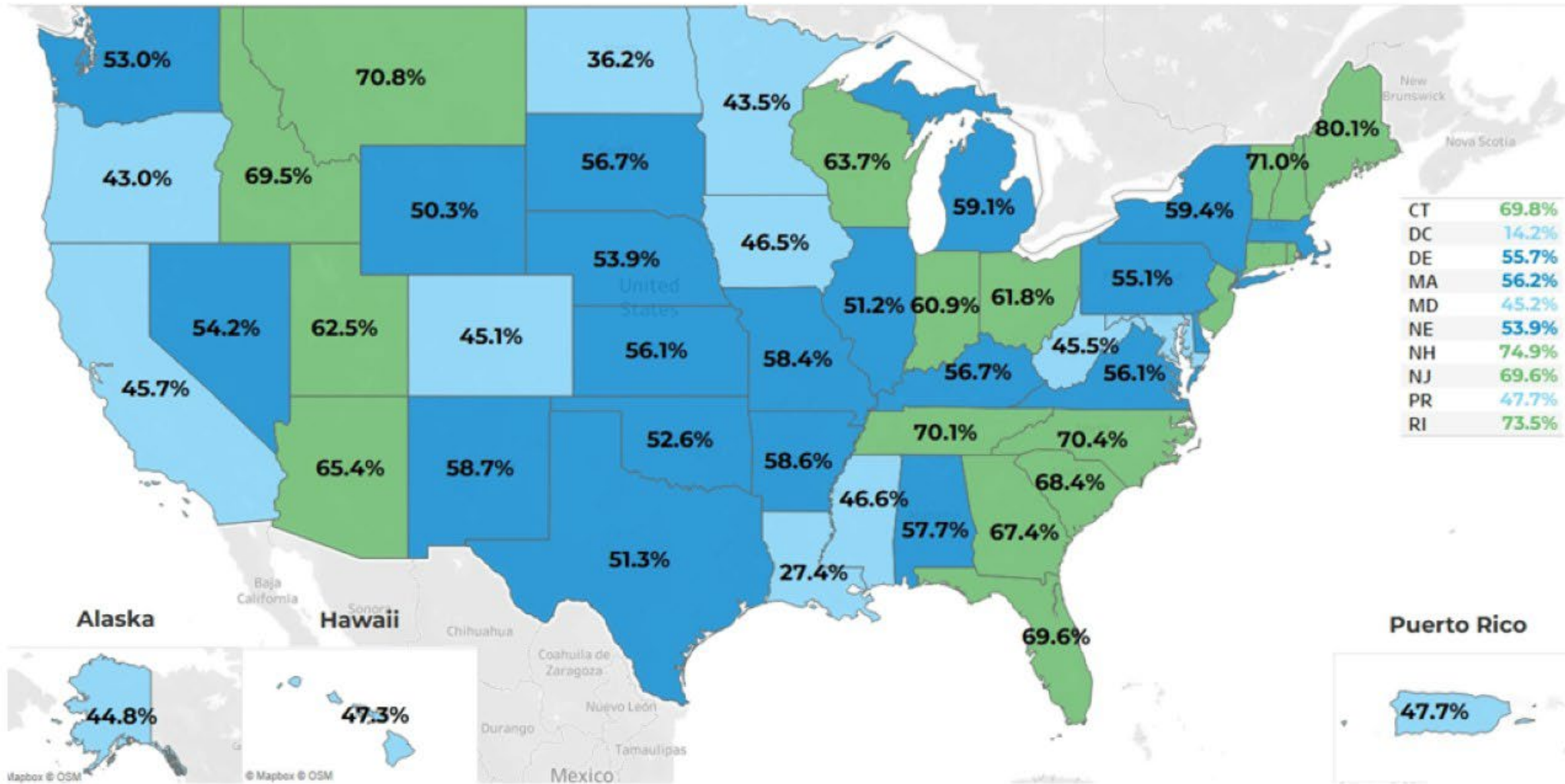
	Number of Sales	Median Sales Price
September 2025	408 +11.5%	\$508,750 -1.7%
September 2024	366	\$517,500

Price Reduction from List Price to Contract and then to Closing

Days on Market	Price Reduction from List to Contract	Price Reduction from List to Closing
0 to 14	4.9%	4.9%
15 to 30	5.0%	5.7%
31 to 60	5.7%	7.1%
61 to 90	6.8%	8.8%
91 to 120	8.0%	10.5%
More than 120	10.6%	13.5%

5-year Home Price Gains Since Pre-COVID: 56% in MA

% change from 2020 Q1 to 2025 Q2



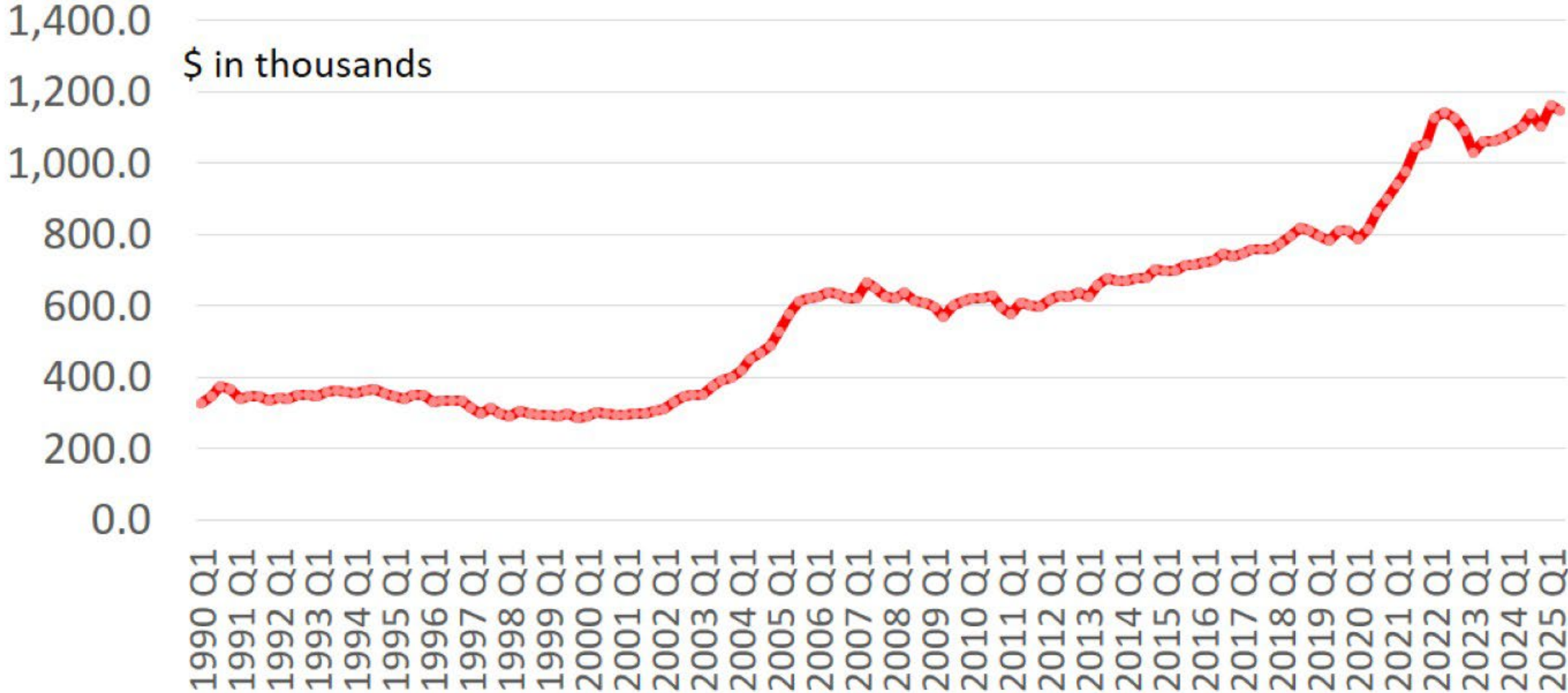
Source: NAR Analysis of FHFA data

Home Price Appreciation in Hawaii



Source: Federal Housing Finance Agency

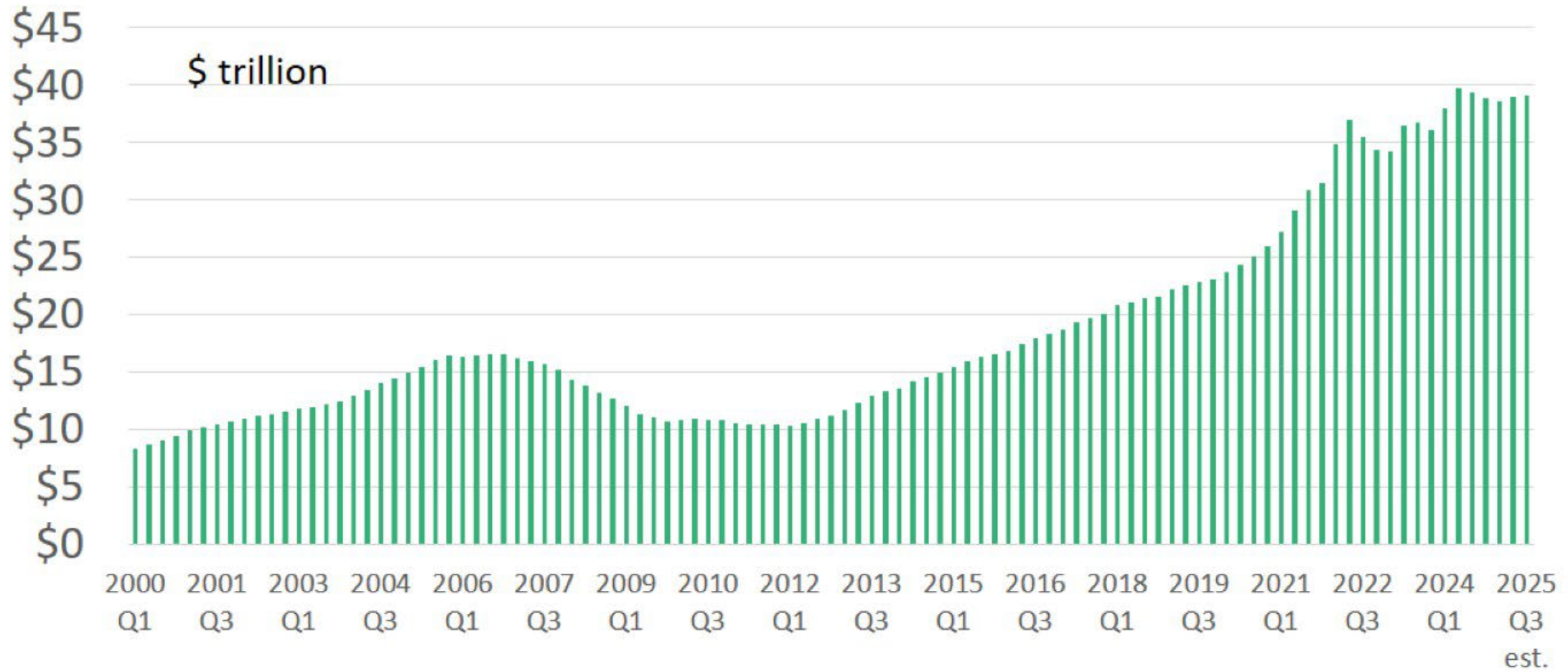
Median Single-Family Home Price Honolulu



Source: NAR

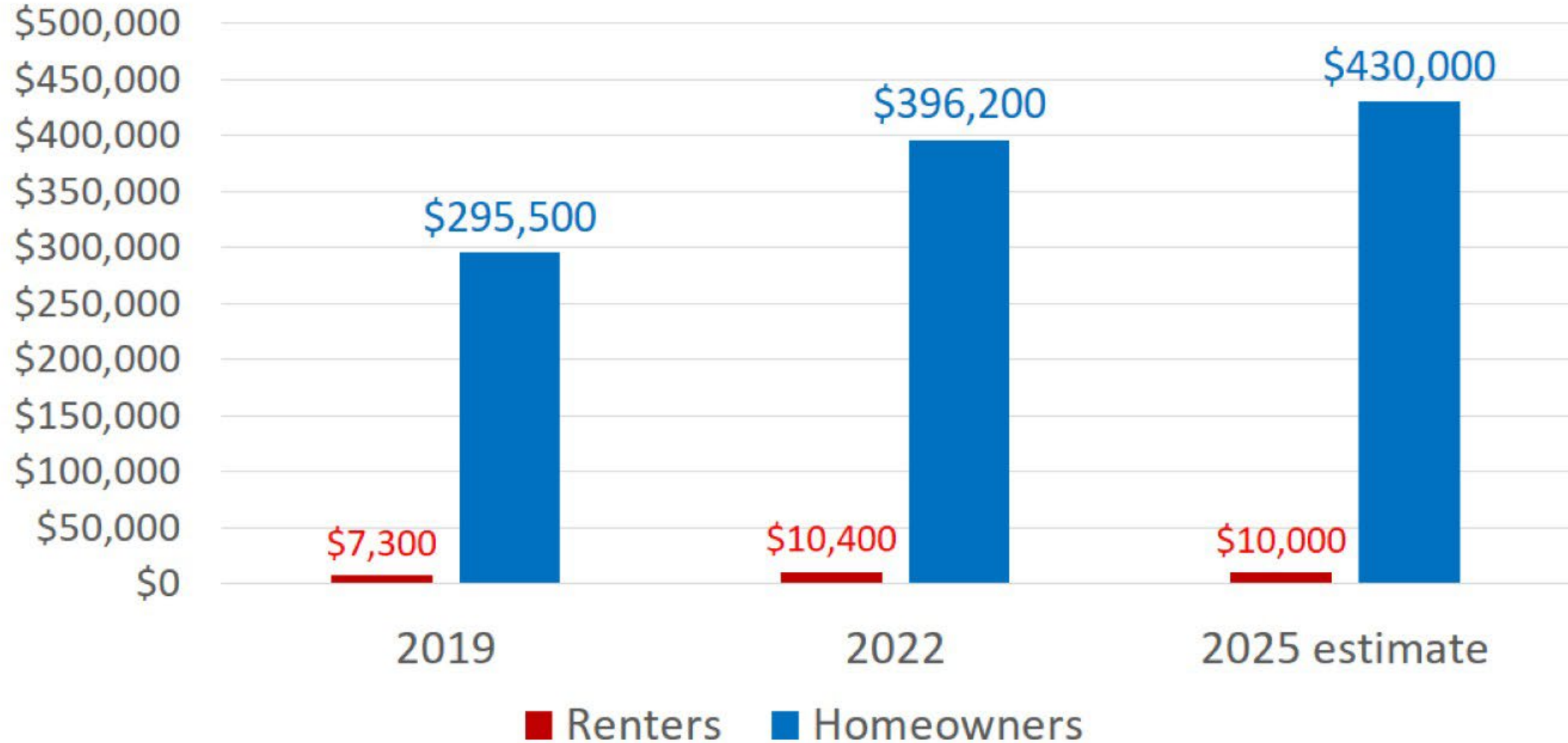


Real Estate Net Worth



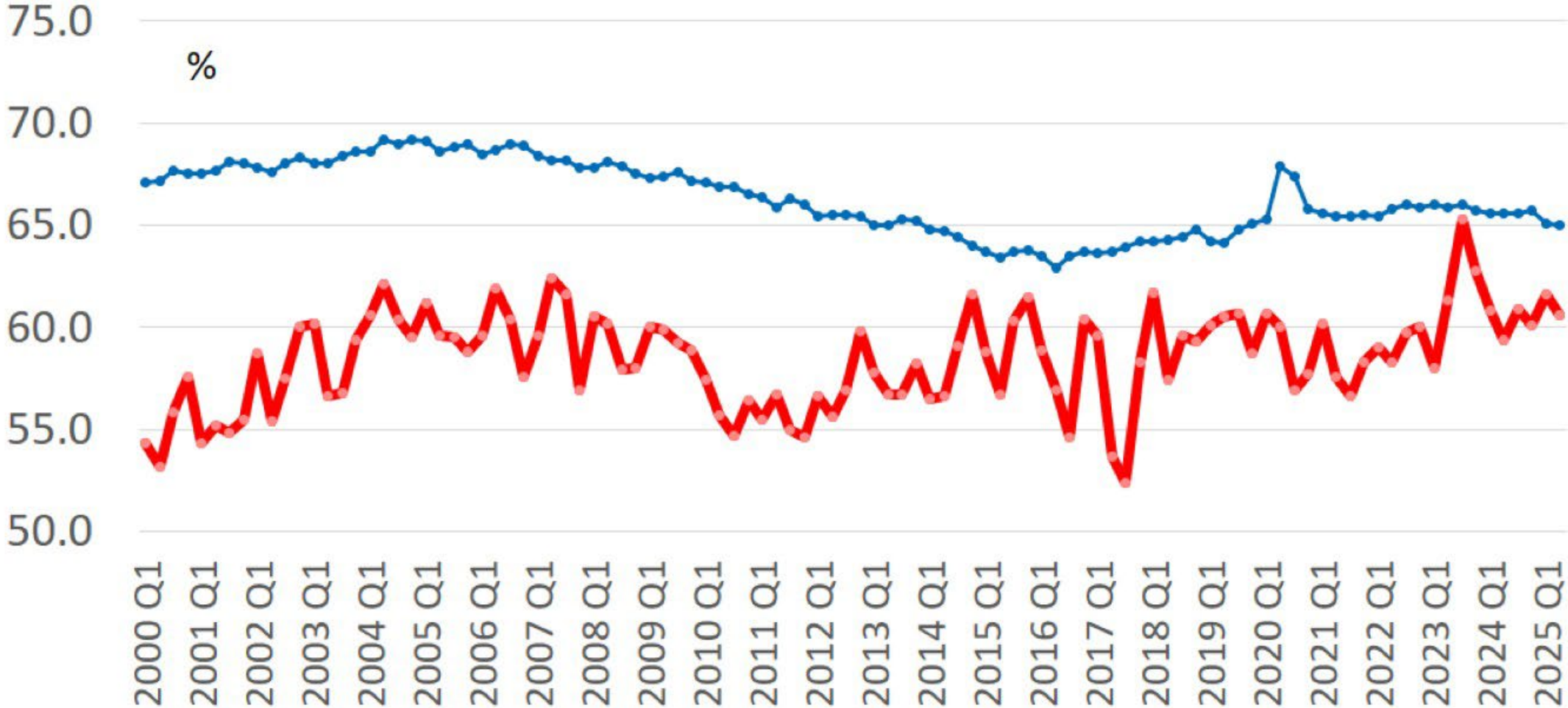
Source: Federal Reserve

Median Net Worth Between Owners and Renters



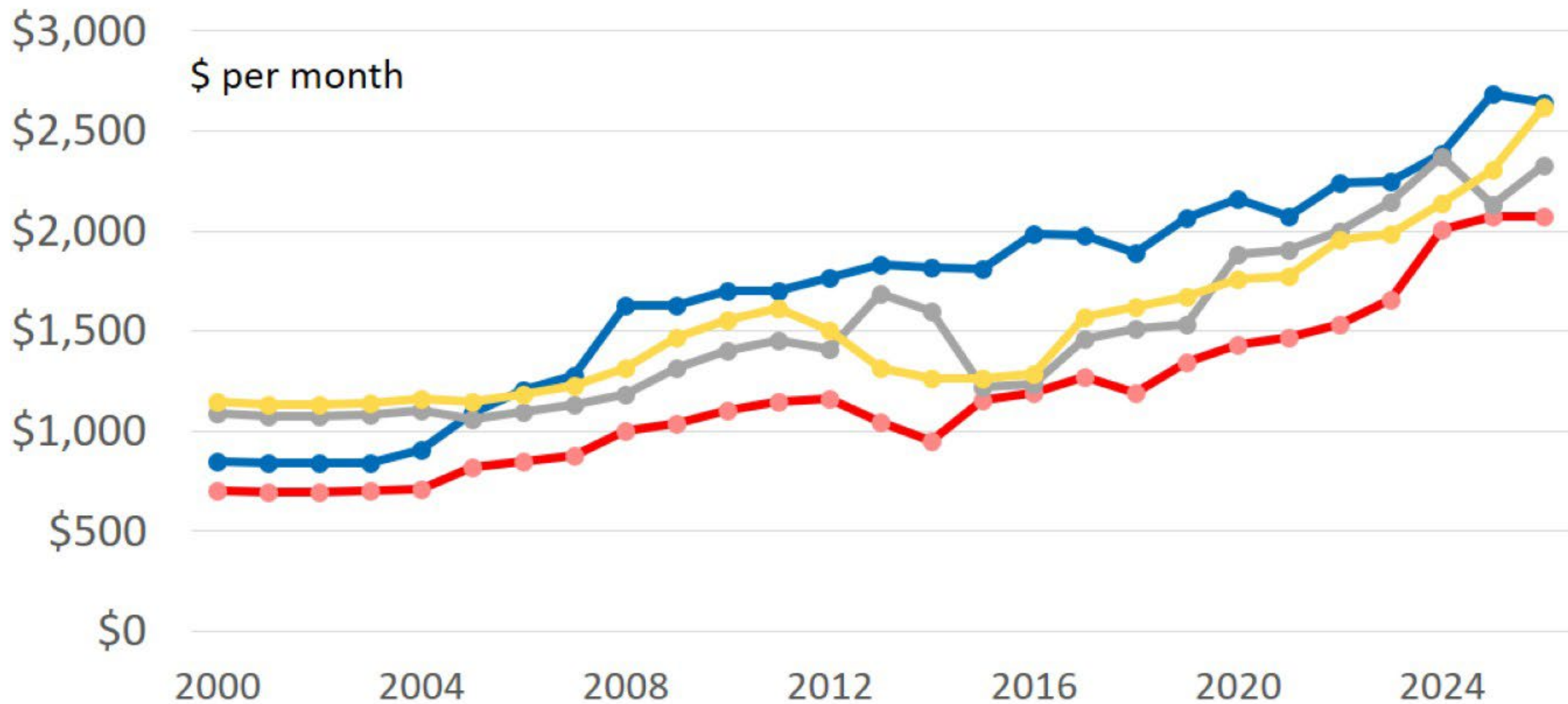
Source: Median Net Worth from Federal Reserve Survey of Consumer Finance

Homeownership Rate in Hawaii Below the National Rate



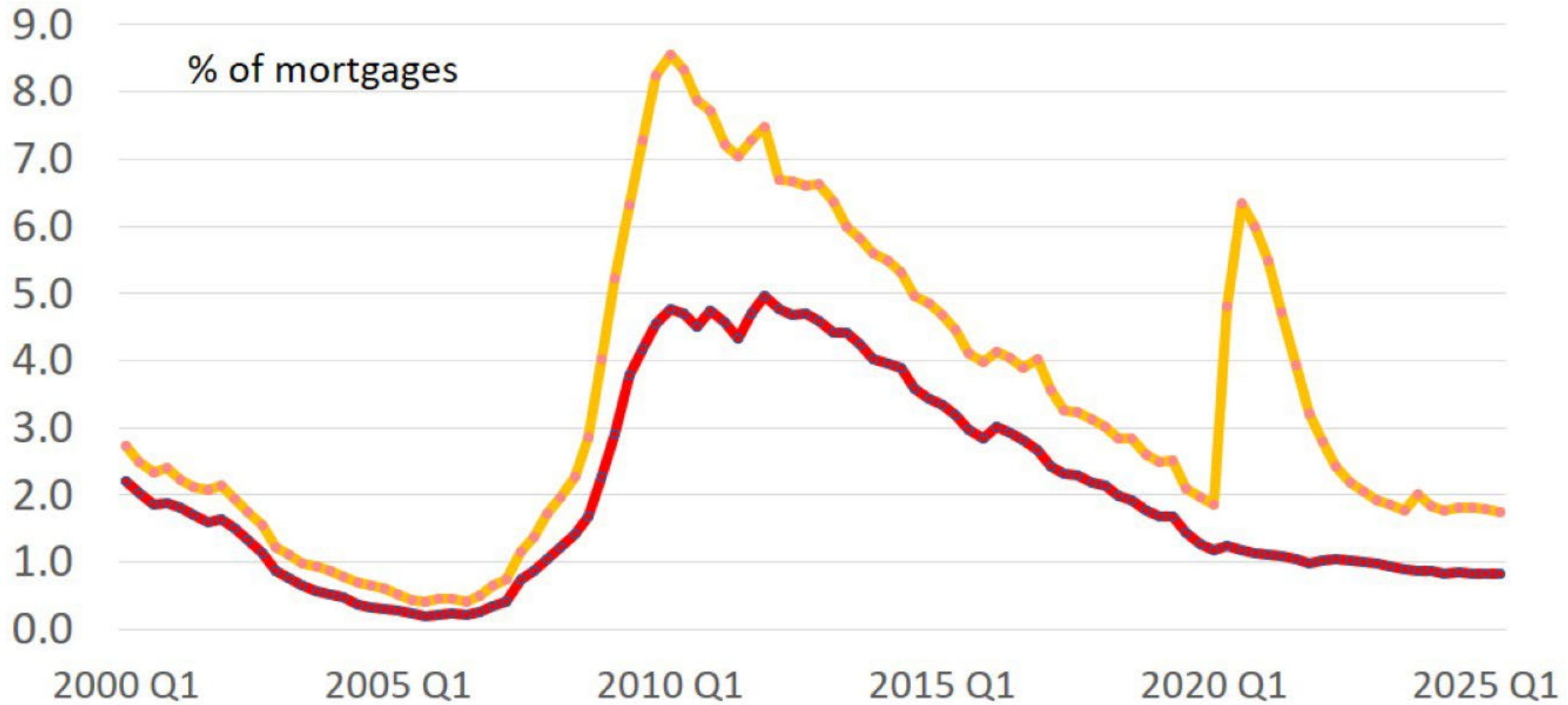
Source: Census

HUD Fair Market Rent in Hawaii Islands (2-bedroom ... Maui>Oahu>Kauai>Hawaii)



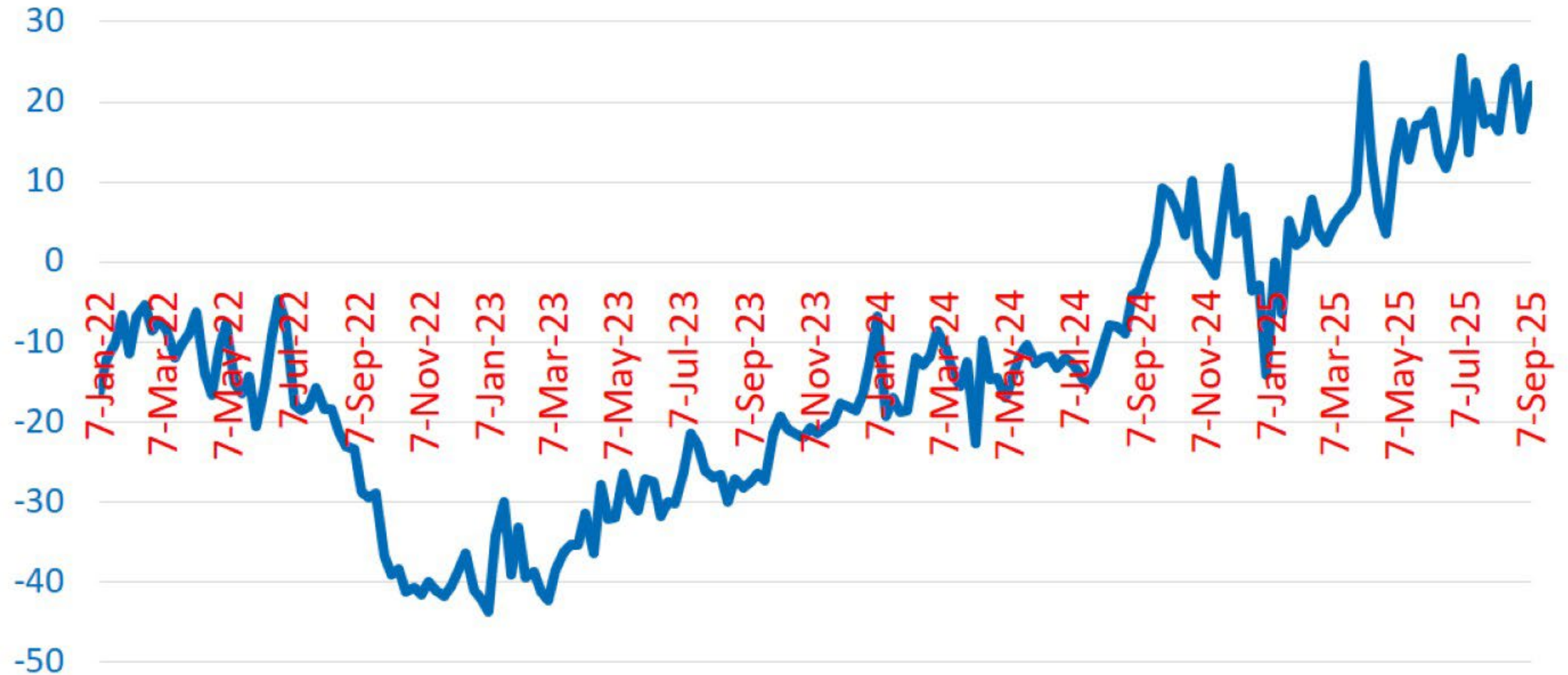
Source: HUD

Seriously Delinquent Mortgages and Foreclosure in HI (90+ days late or in foreclosure)



Source: Mortgage Bankers Association

Light Flashing on Weekly Mortgage Applications to Buy a Home (% change from a year ago)



Source: Mortgage Bankers Association

Scenario of Lower Rates in Honolulu

If mortgage rates fell from 7% to 6%

9,815

more households

would afford the median-priced home

including

1,781

renter households

While **10% of these households typically buy a home**

982

additional home sales are expected in the next 12 to 18 months
in Urban Honolulu, HI

Nationwide Forecast

Downgraded for 2025 ... Upgraded for 2026

	2025	2026
Existing-Home Sales	+3%	+14%
New Home Sales	+5%	+5%
Median Home Price	+1%	+4%
Mortgage Rate	6.7%	6.0%
Job Gains	400,000	1.3 million

Thank You !