2025
Global Business Outlook

Silicon Valley Association of REALTORS®
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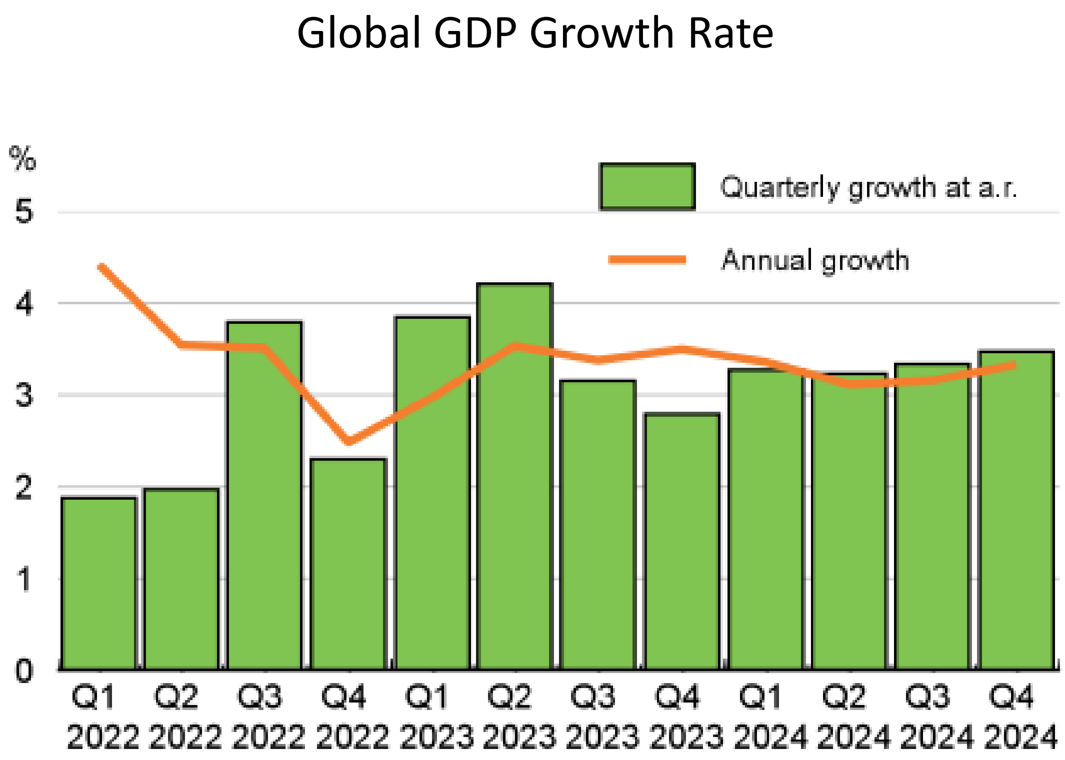
Economic Update

YEARS OF LEADING THE WAY...®

Global GDP growth remained resilient in 2024

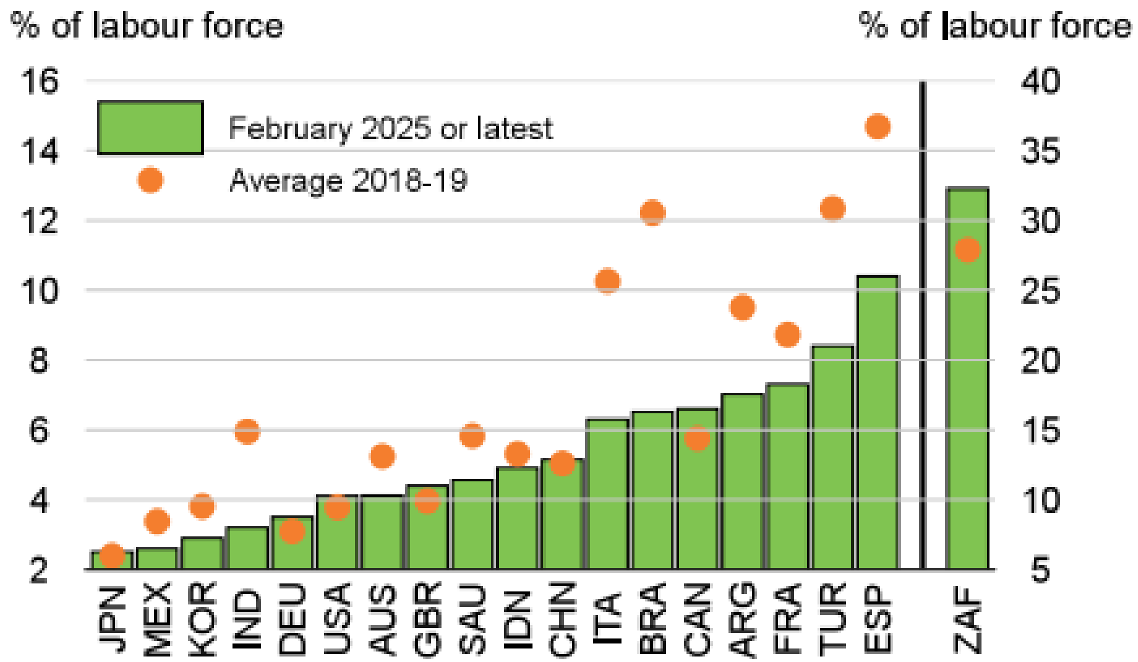


SOURCE: OECD Economic Outlook (Mar 2025)

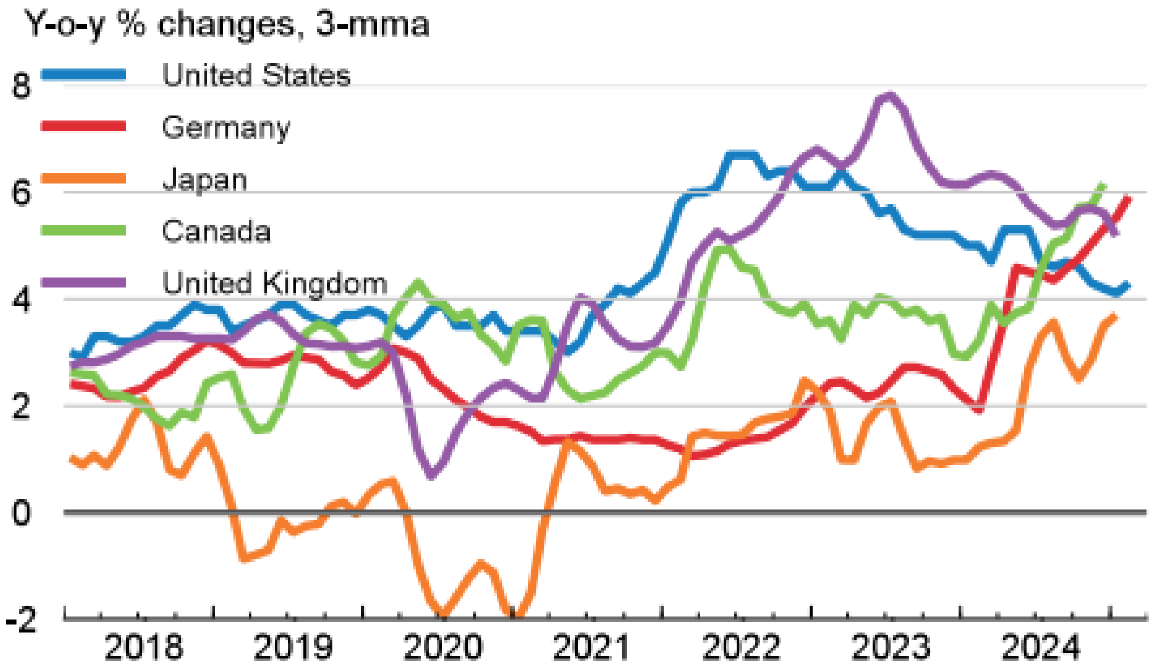
- Global GDP grew at an annualized rate of 3.2% in 2024.
- Growth in the U.S. slowed in Q4 but remained decent as consumers pulled forward demand on big-ticketed items and motor vehicles because of tariffs concern.
- China's GDP growth (5.4%) came in stronger than expected in Q4, as a flurry of stimulus measures powered the economy to meet its growth target.
- Economic growth in the Euro zone was generally stable, despite contractions in France and Germany. Weaknesses in manufacturing and goods export remain issues.
- The pace of economic activity slowed in Mexico towards the end of 2024, while the deep recession in Argentina continued to abate. Brazil's growth remained robust.

Labor market conditions remain solid despite slower growth in H224

Unemployment rate

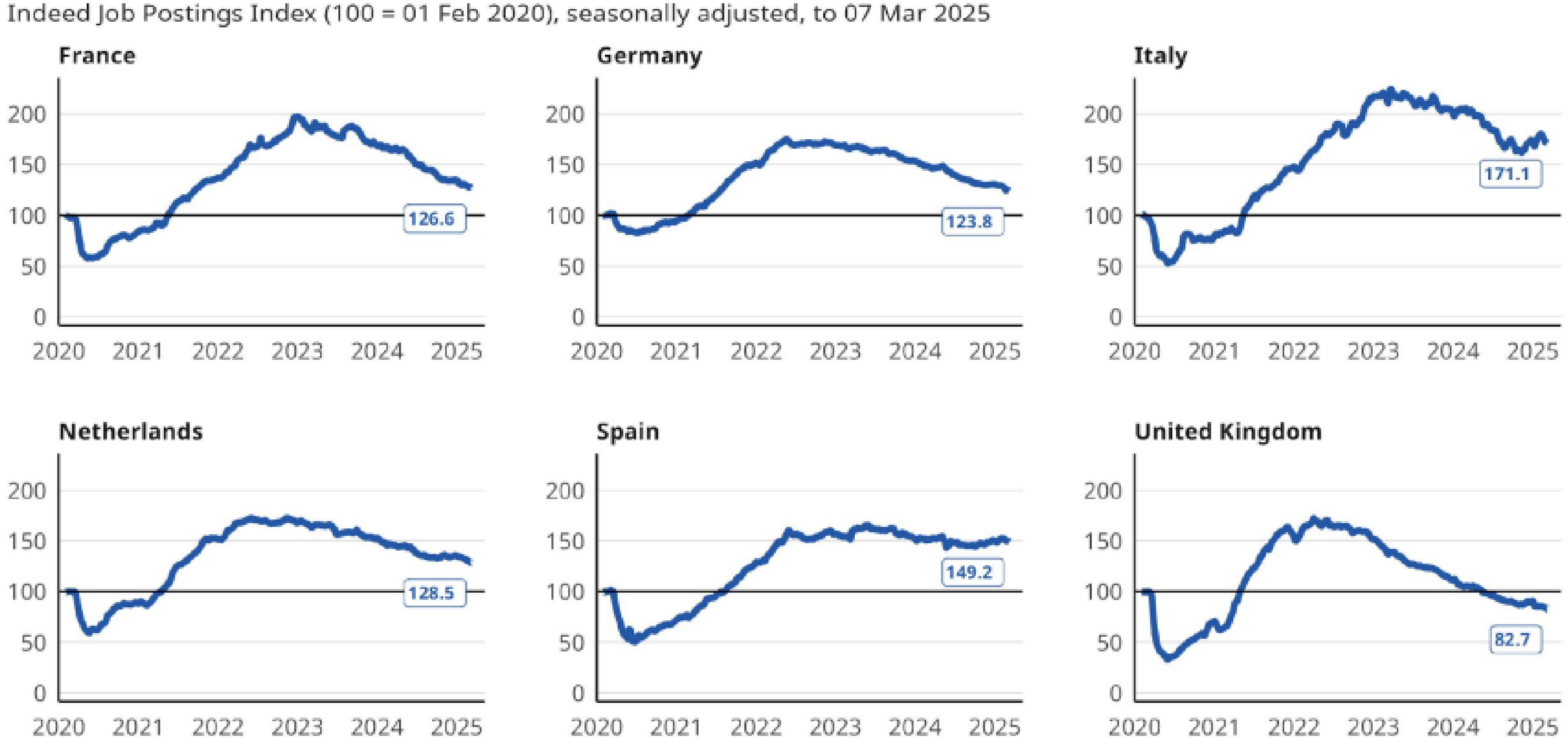


Nominal wage growth



SOURCE: OECD Economic Outlook (Mar 2025)

Job postings declining at a decelerating pace and remain above pre-pandemic levels



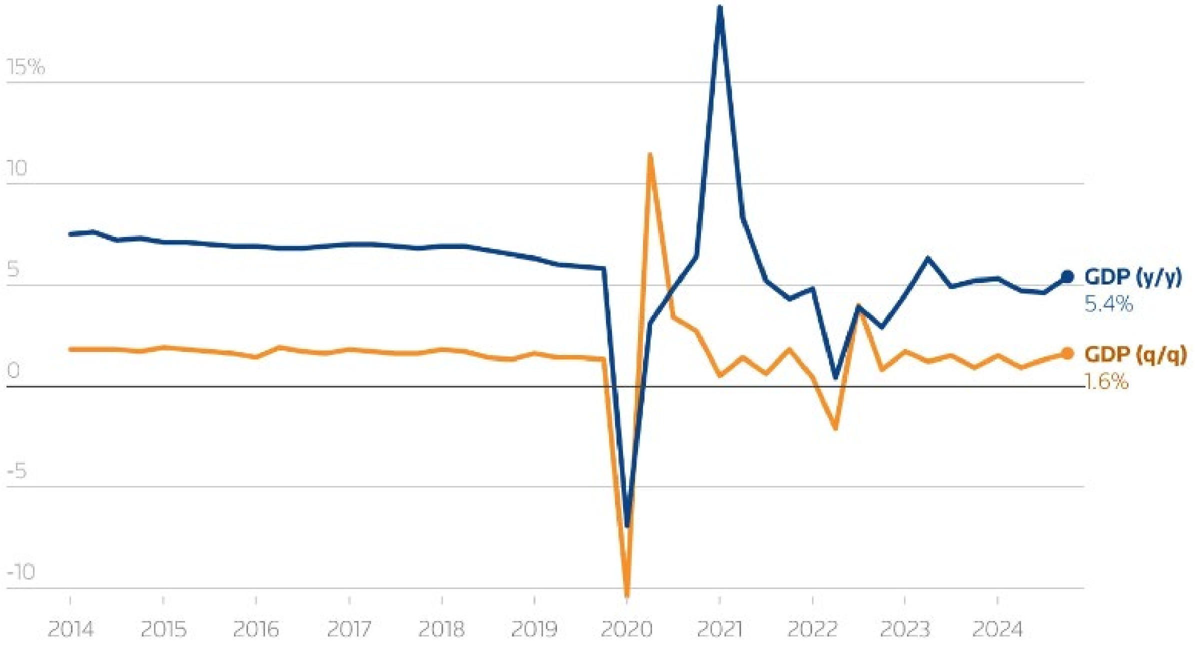
Source: Indeed Hiring Lab

Wage growth remains positive but growth rates in the Eurozone are either stabilizing or declining

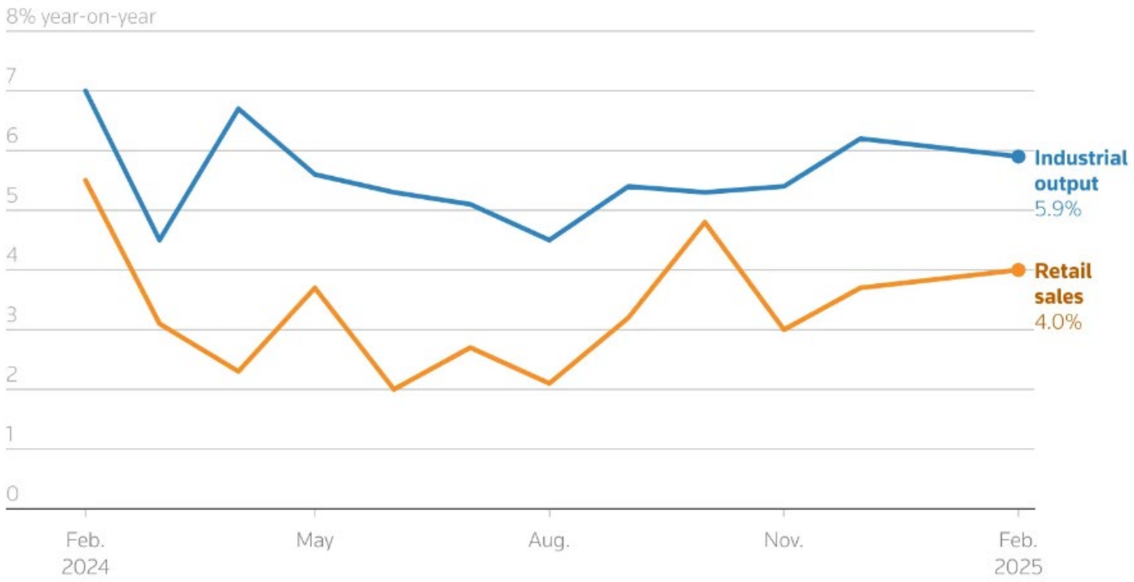
Source: Indeed Wage Trackers (as of January 2025)

China's Q4 GDP growth beats market expectations

China GDP growth rates

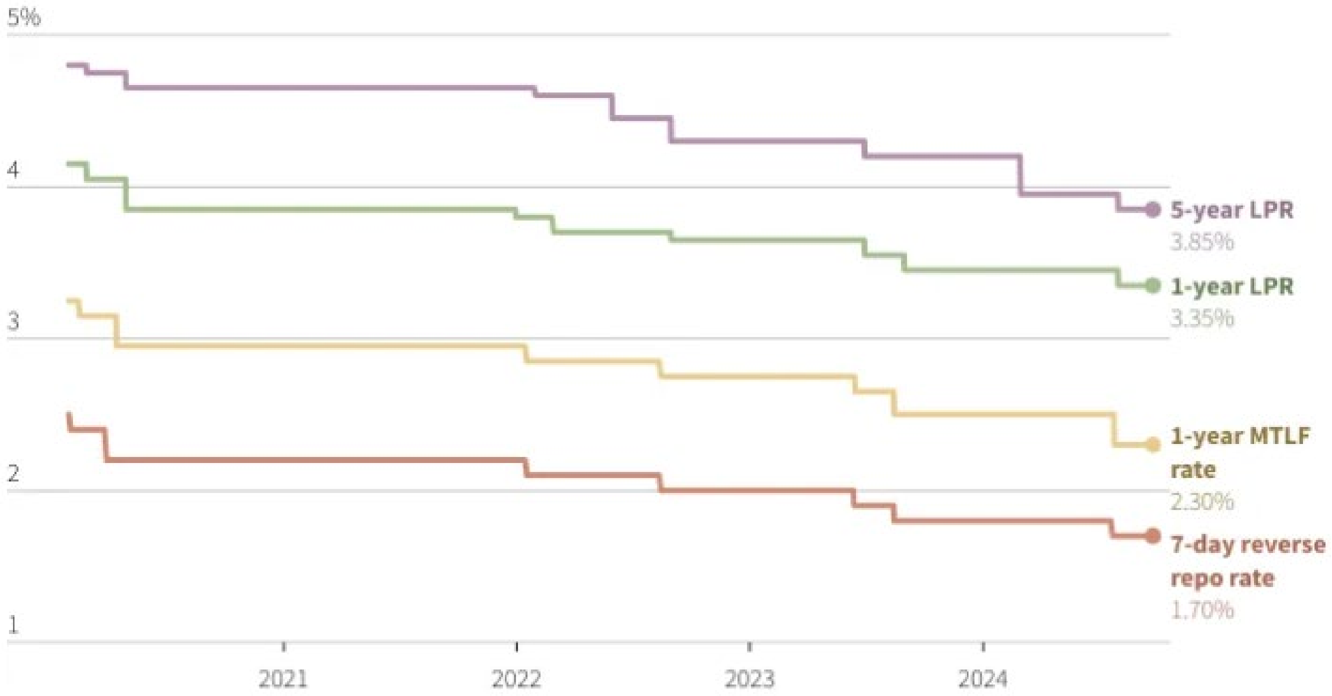


China retail sales and industrial output



Source: LSEG Workspace/Reuters

China unveils broad stimulus measures

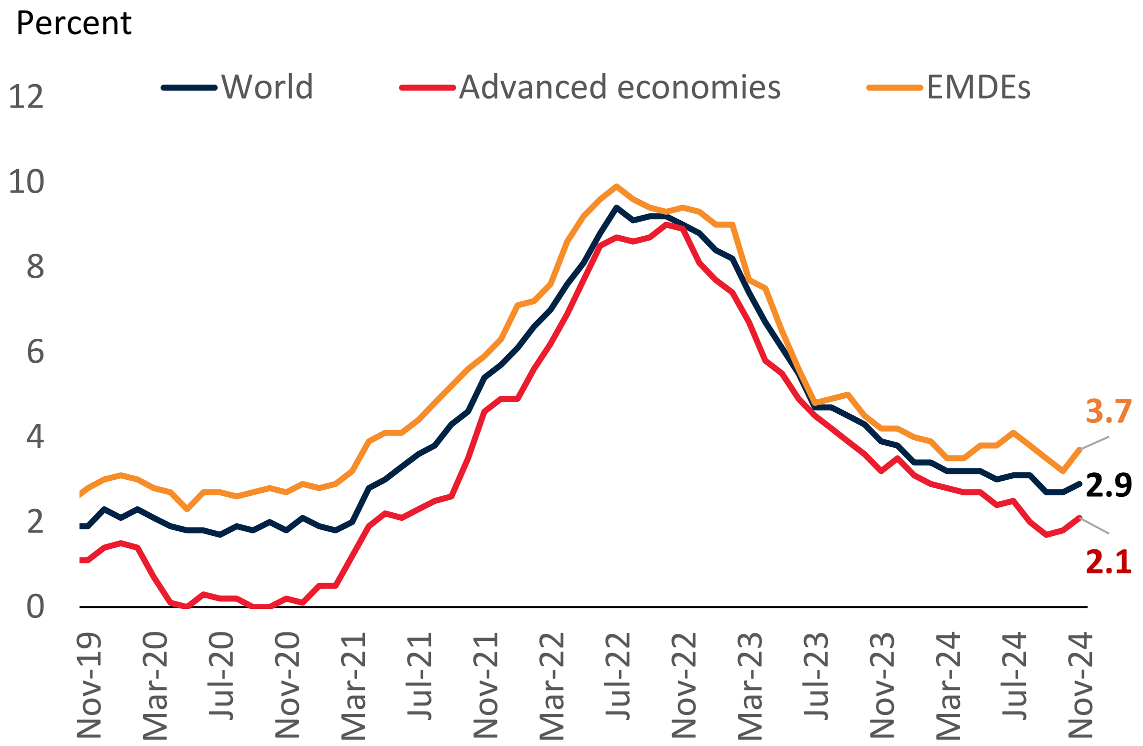


Source: Refinitiv Workspace, Reuter

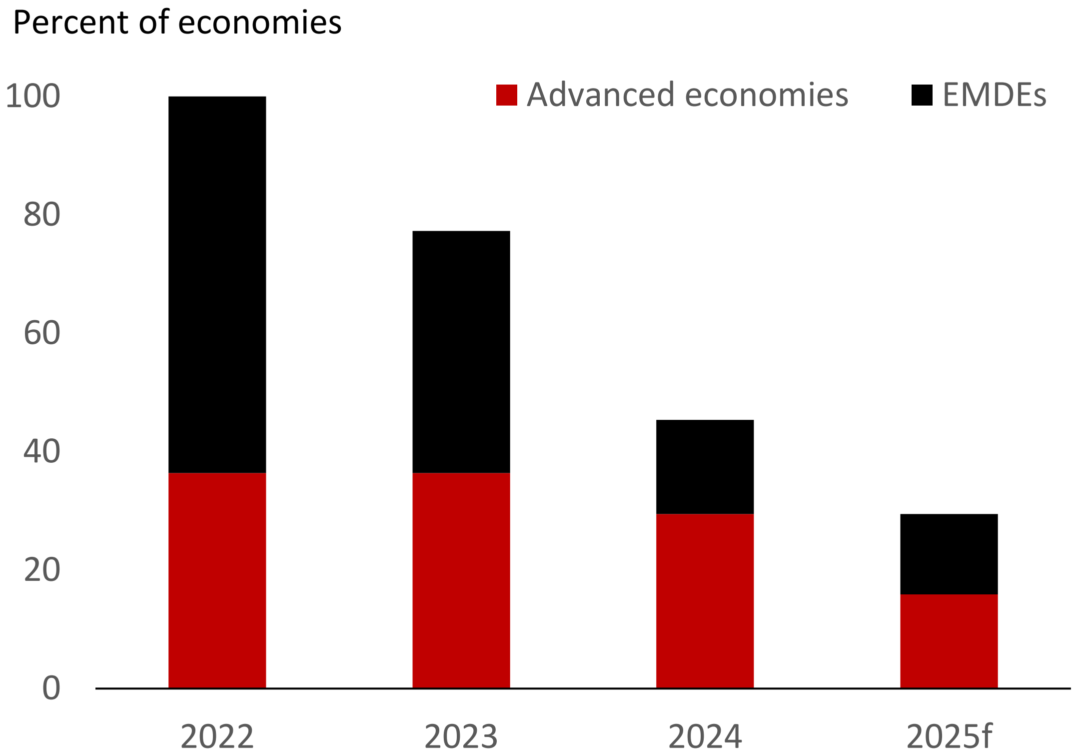
- Millions of government workers are given surprise wage increases. The payout would amount to a one-time shot to the economy of between about $12 billion and $20 billion (Jan 2025).
- Authorities had agreed to issue 3 trillion yuan ($409.19 billion) worth of special treasury bonds in 2025 (Dec 24, 2024).
- Announced tax incentives on home and land transactions, aiming to increase demand and ease developers' financial difficulties (Nov 13, 2024)
- Unveiled a 10 trillion yuan ($1.36 trillion) debt package to ease local government financing strains and stabilize growth (Nov 8, 2024).
- Cuts its benchmark lending rates by 25 bps (Oct 21, 2024)
- Announced plans to expand the "white list" of unfinished projects eligible for funding and increase bank lending to 4 trillion yuan by year-end (Oct 17, 2024)

Global inflation continued to recede in 2024

Headline consumer price inflation



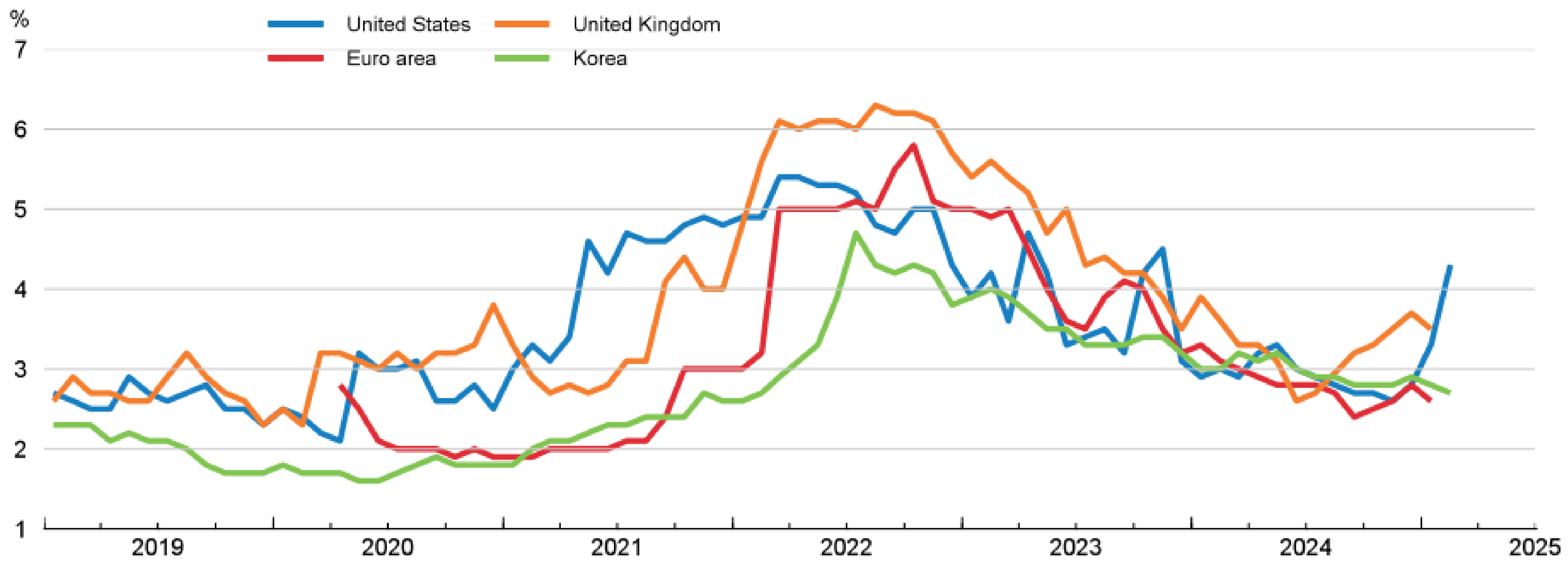
Share of economies with inflation above target



SOURCE: The World Bank

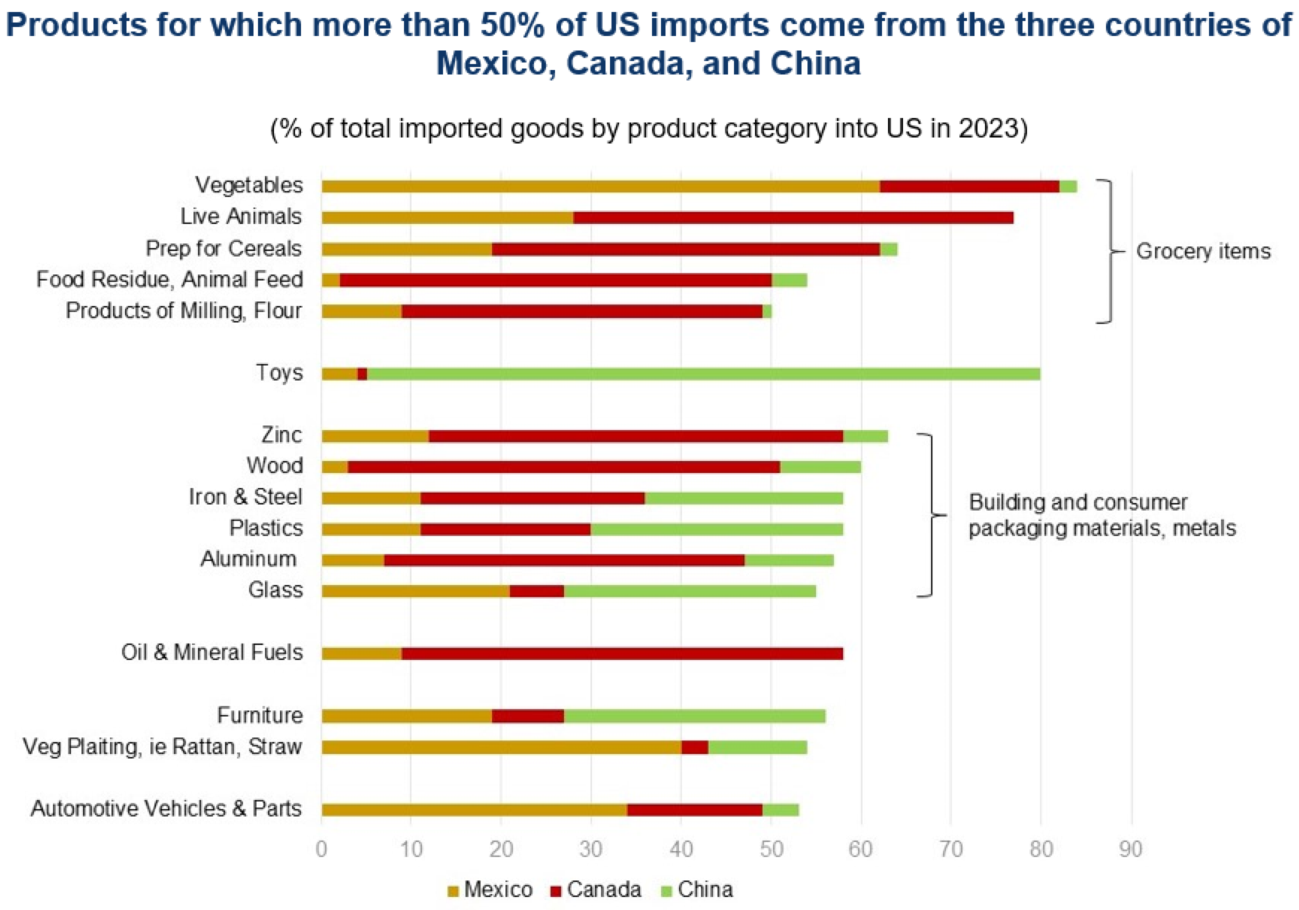
Inflation expectations surged in the U.S. and some other countries

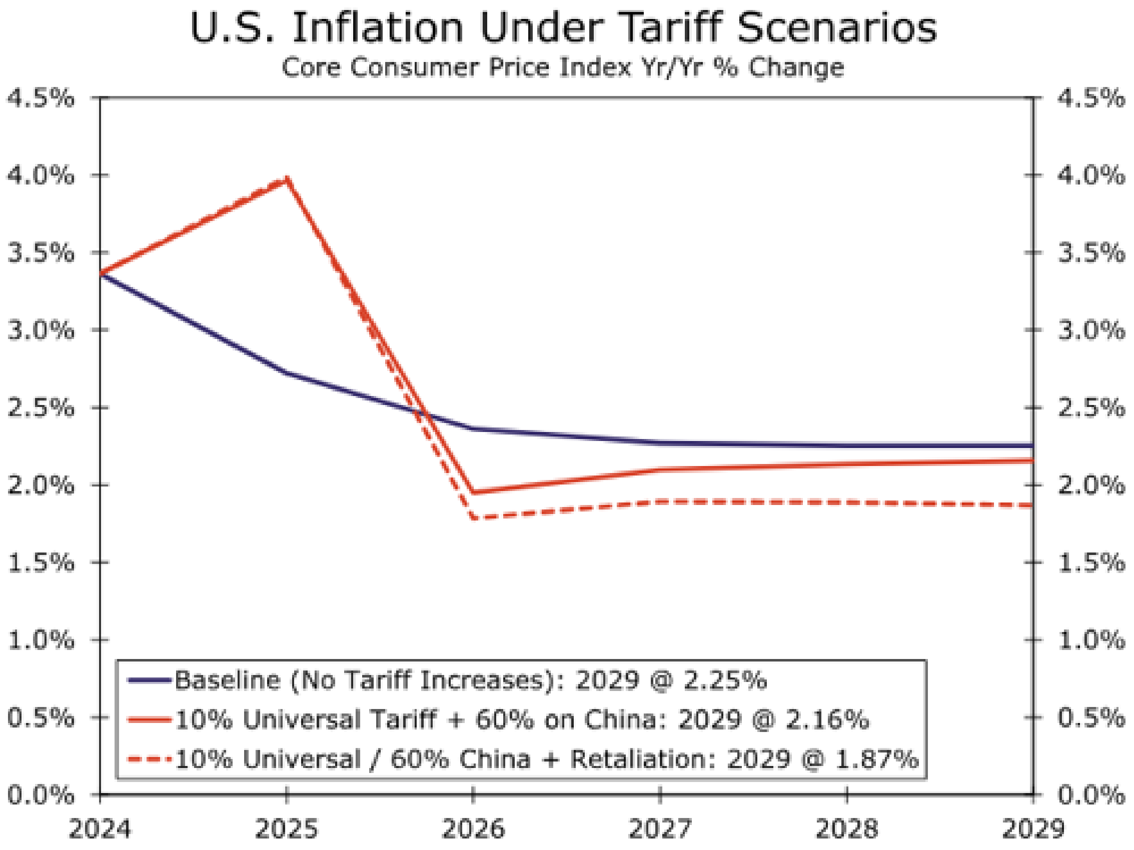
Household inflation expectations



SOURCE: European Central Bank; Bank of Korea; Office for National Statistics; University of Michigan; and OECD calculations.

Tariffs' effect on inflation

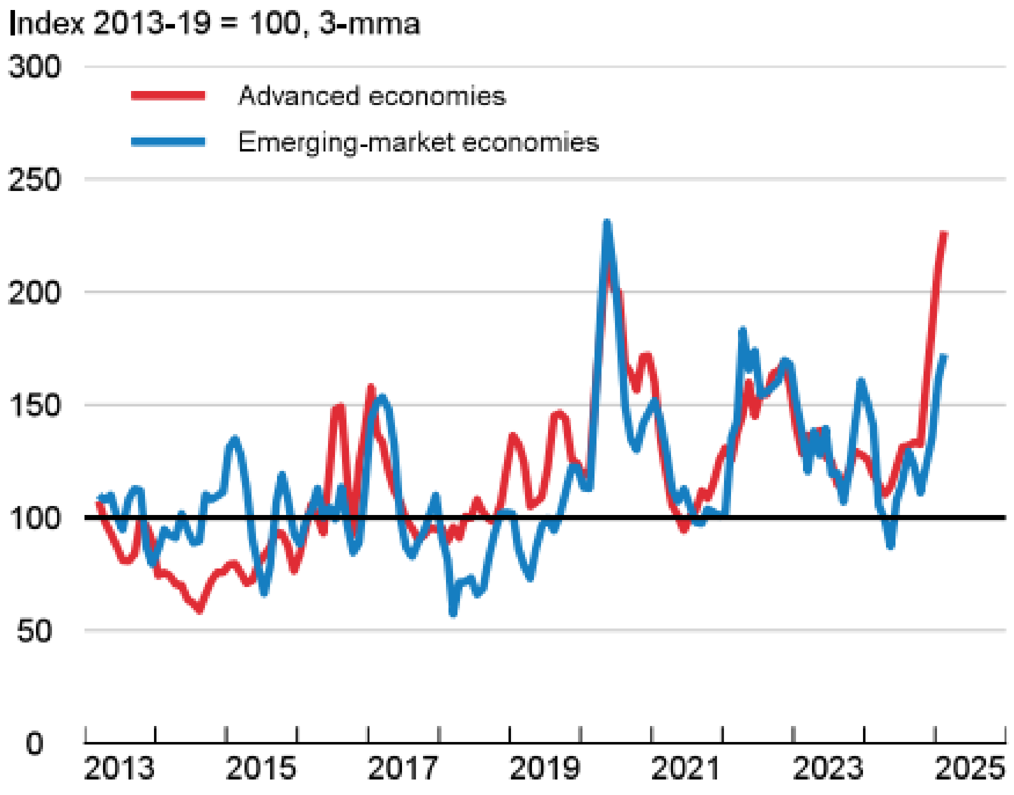




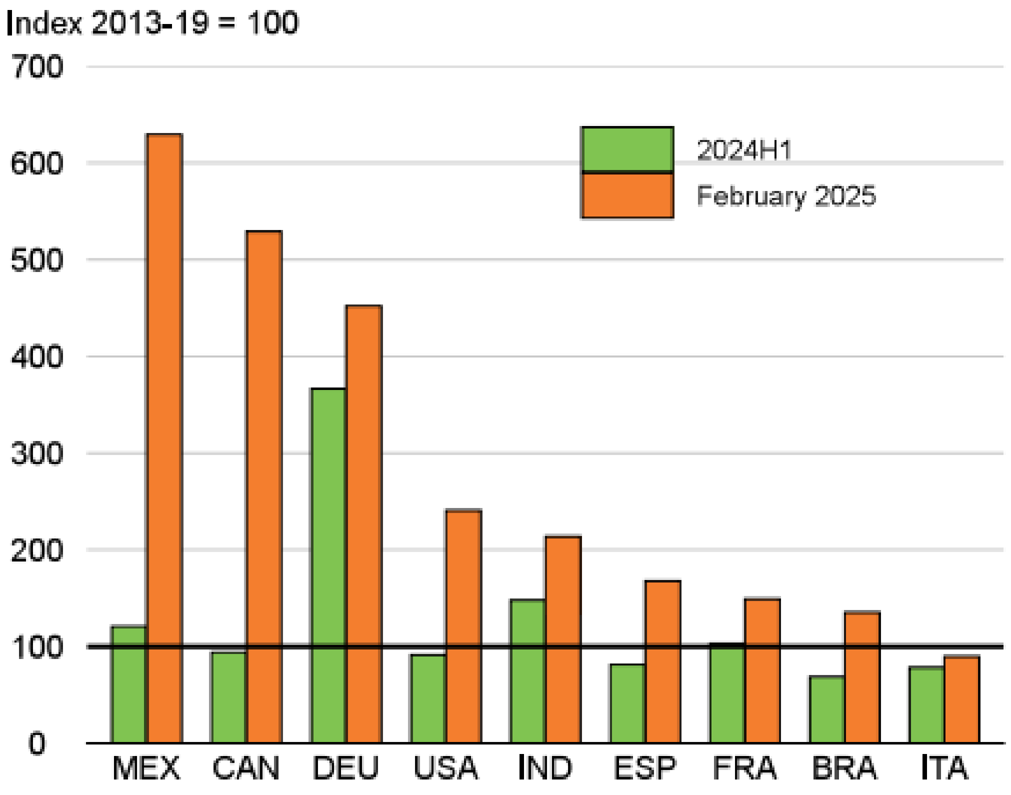
SOURCE: The Conference Board, Oxford Economics, and Wells Fargo Economics

Economic policy uncertainty surged in early 2025

Economic policy uncertainty index



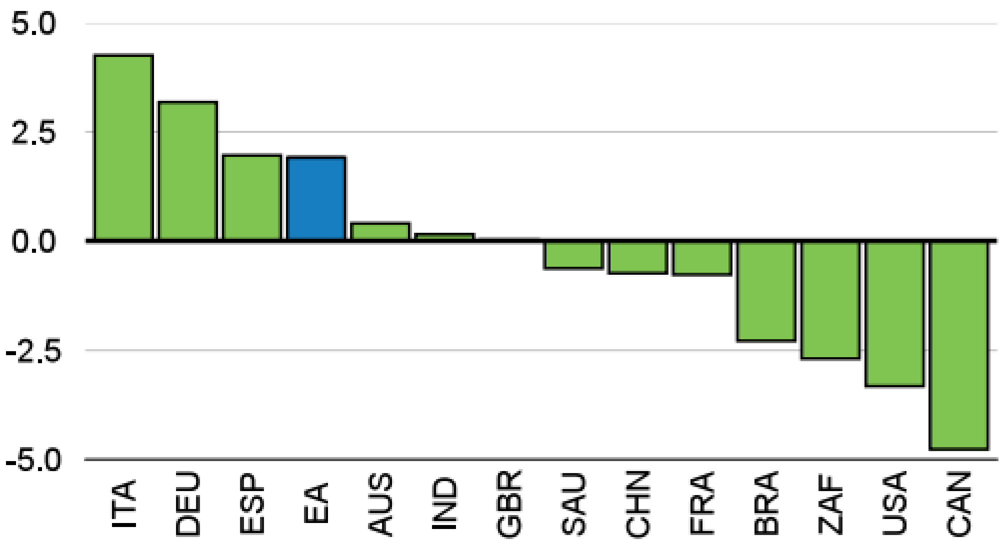
Economic policy uncertainty index by country



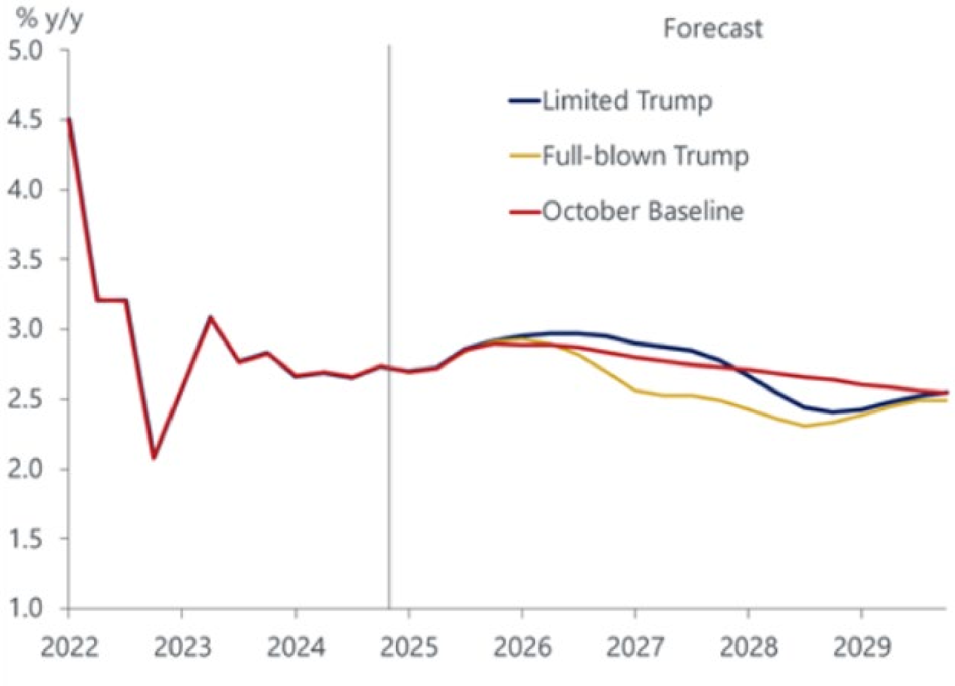
SOURCE: policyuncertainty.com; OECD Economic Outlook (Mar 2025)

Global economic growth showing signs of weakening

Composite output PMI
(Difference between Feb 2025 and Nov 2024)



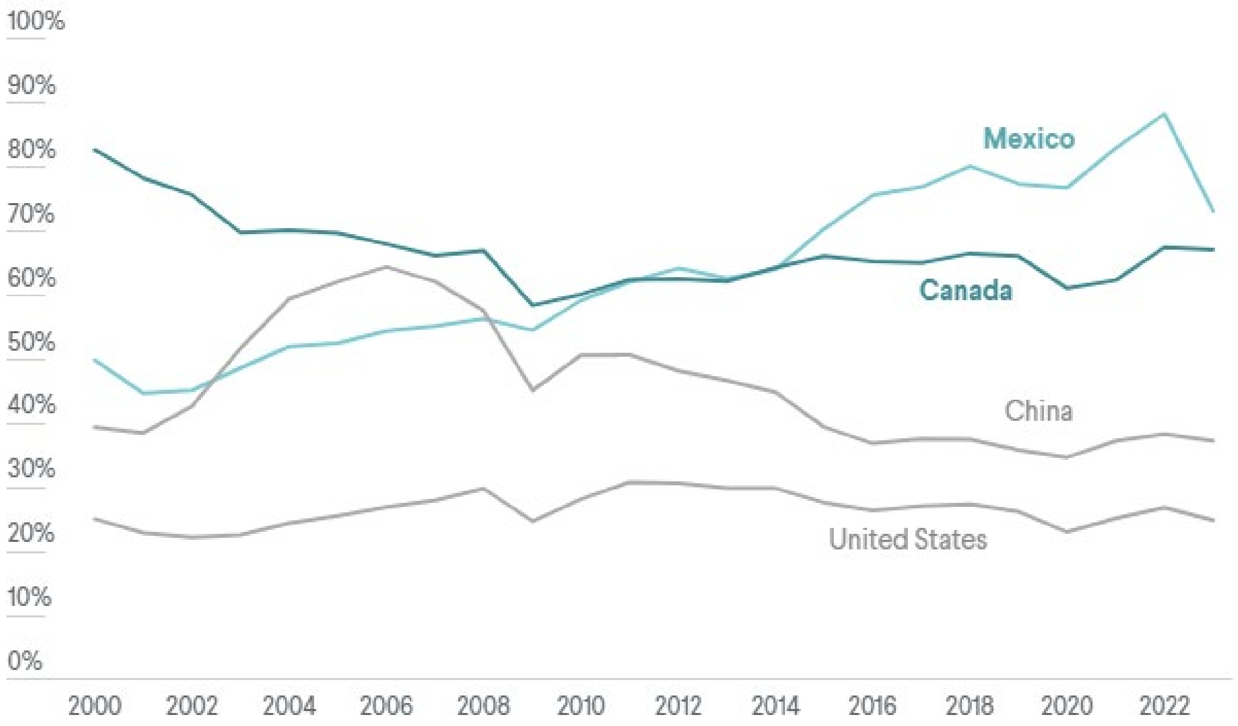
World GDP under different scenarios



SOURCE: OECD Economic Outlook (Mar 2025); Oxford Economics

Who bears the risks?

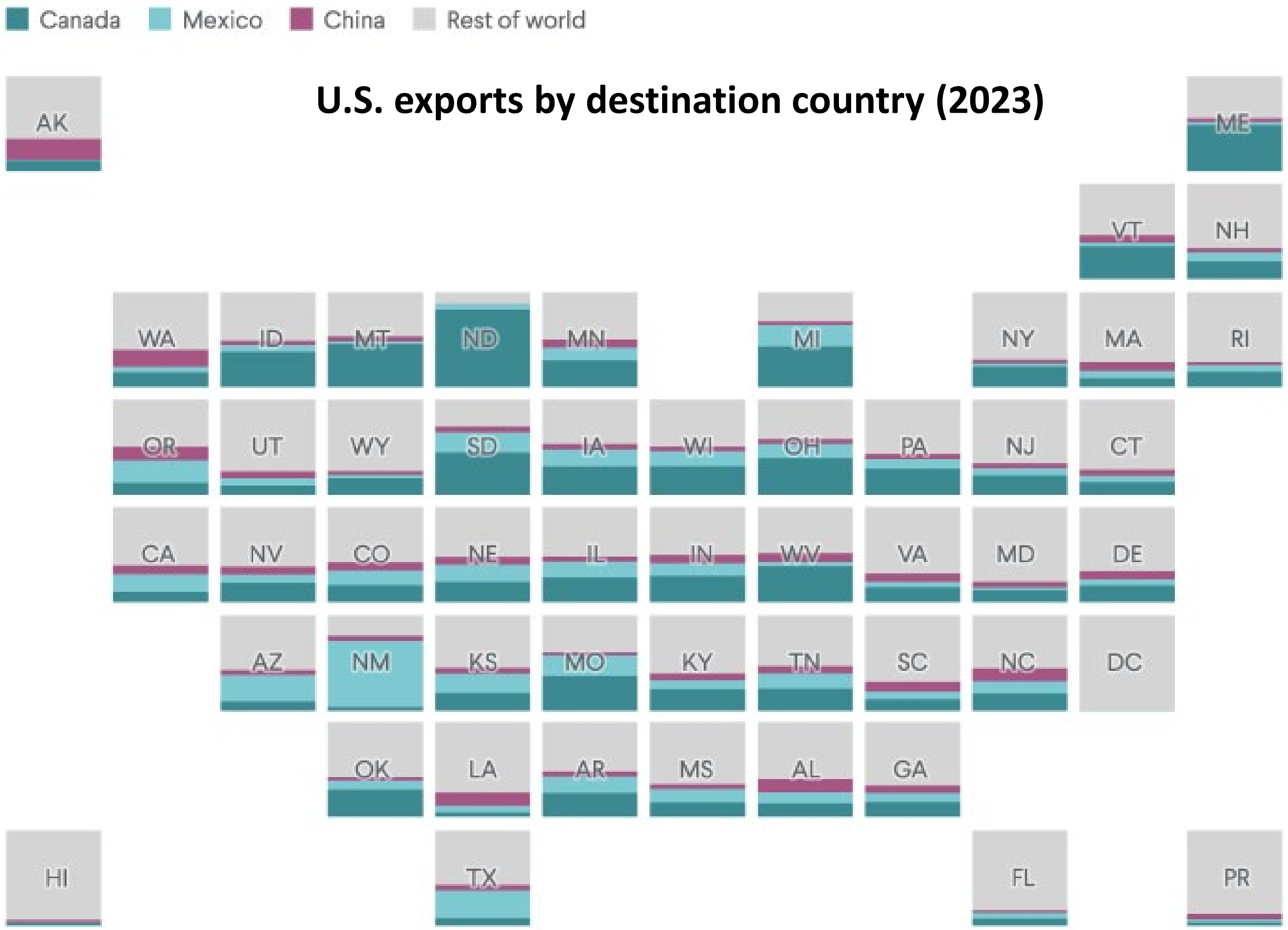
Trade in goods and services as % of GDP



SOURCE: Council on Foreign Relations

- Canada's and Mexico's economies are highly dependent on trade
- Nearly 80% of Mexico's and Canada's merchandise exports are destined for the U.S.
- The imposition of tariffs by the U.S. would be a drag on both economies and their currencies.
- China is comparatively less dependent on the U.S. and less reliant on trade overall
- The imposition of a global tariff could lessen China's ability to circumvent U.S. imposed tariffs.
- New tariffs could reduce overall U.S. imports by 15%.
- While the tariffs could generate extra federal tax revenue, they could disrupt supply chains, raise costs for businesses, eliminate jobs, and drive-up consumer prices.

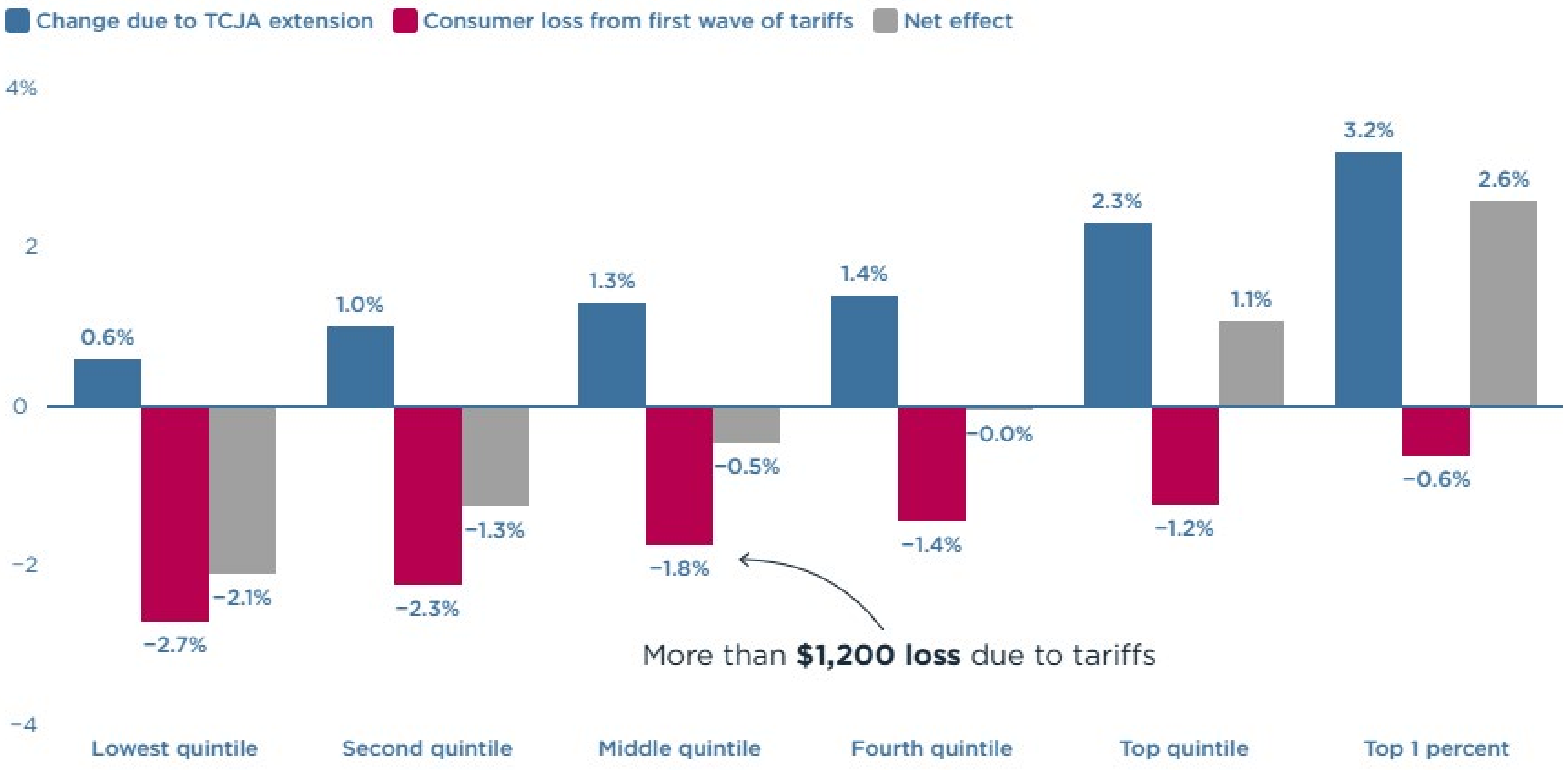
Some states will be affected more than others



SOURCE: U.S. Census Bureau, Council on Foreign Relations

Tariffs would cost the typical U.S. household over $1,200/yr

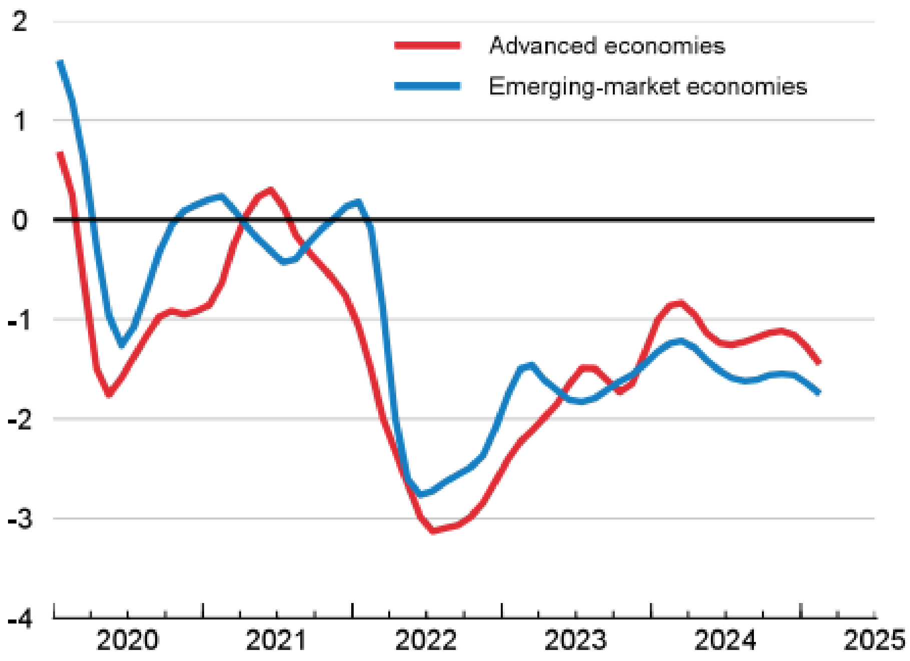
% chg. in after-tax income due to TCJA extension and tariffs



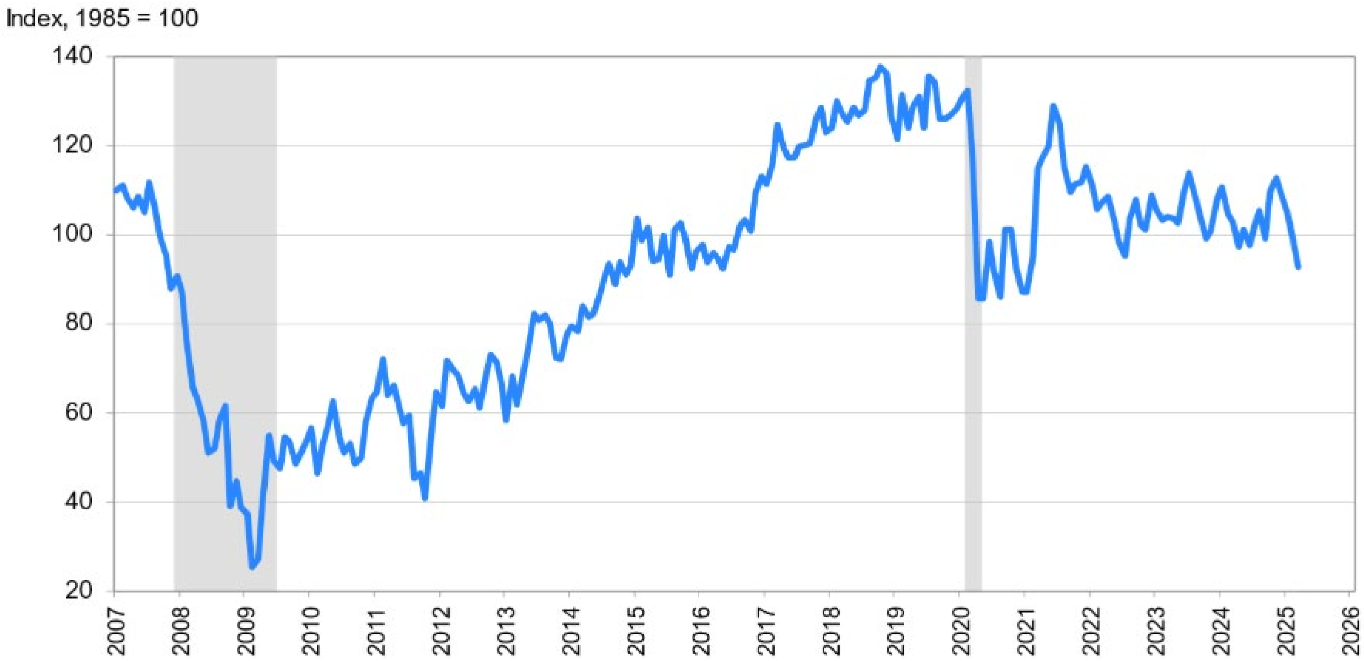
SOURCE: Peterson Institute for International Economics

Consumers across the globe are concerned

Mean consumer confidence for the G20



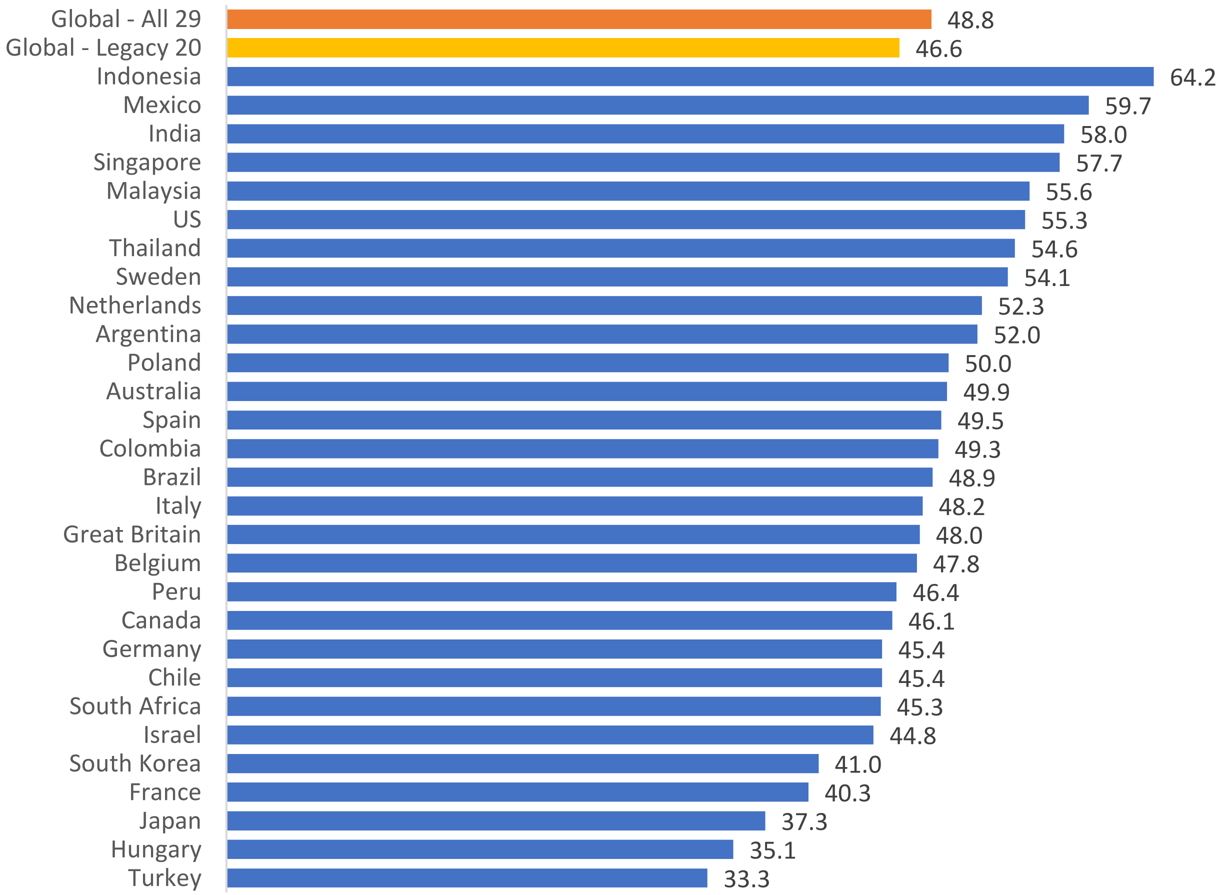
U.S. Consumer Confidence Index



SOURCE: The Conference Board; OECD Economic Outlook (March 2025)

Global consumer confidence climbed again last month, but will the upward trend continue in March?

Global Consumer Confidence Index – Feb 2025



1-month change (vs. January 2025)

Significant losses (-2.0 or less)		Significant gains (+2.0 or more)	
South Africa	-3.0	South Korea	+4.8
Hungary	-2.9	Mexico	+4.4
Great Britain	-2.4	Italy	+3.1
Brazil	-2.2	Israel	+2.4
		Chile	+2.1

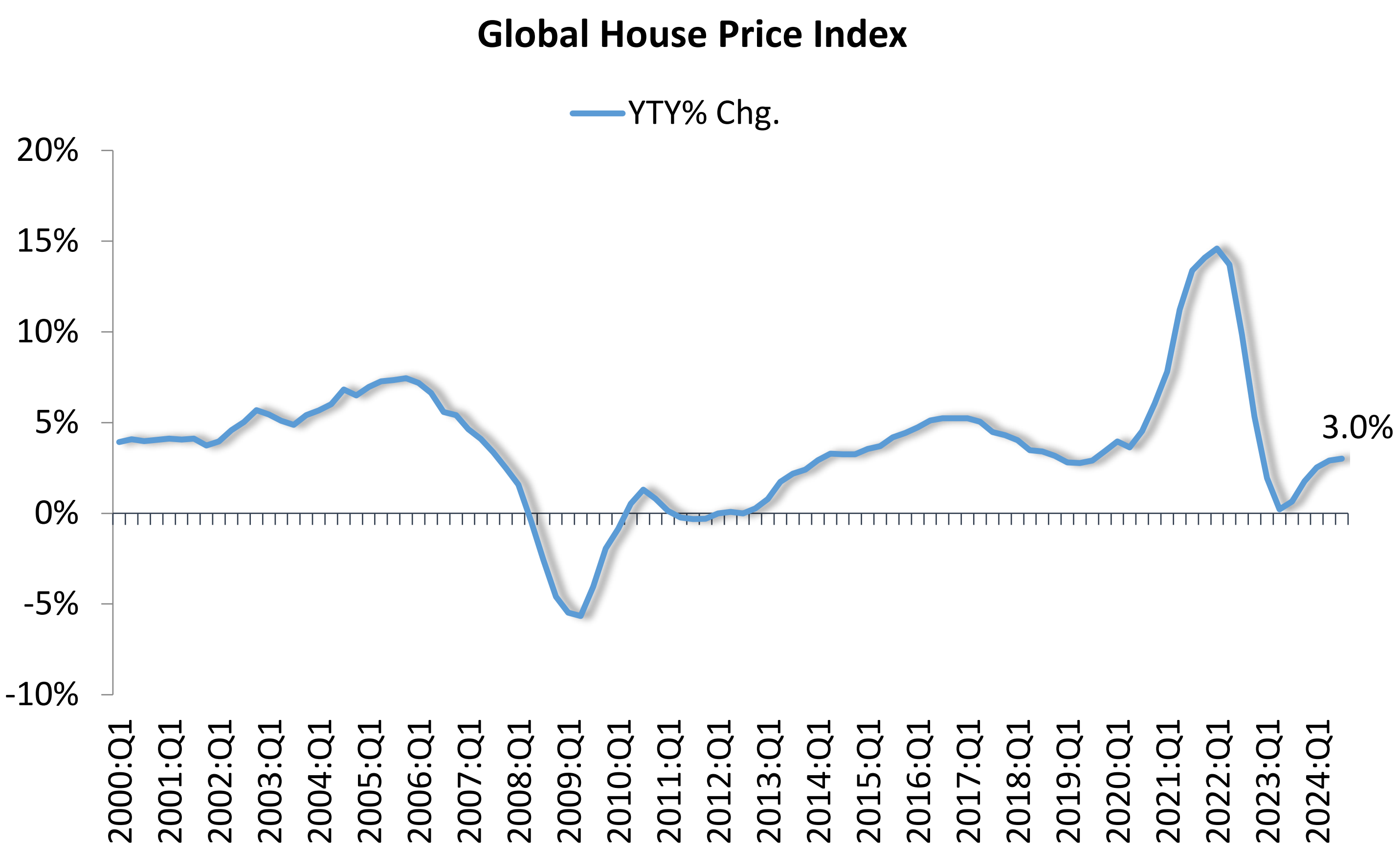
1-year change (vs. February 2024)

Significant losses (-2.0 or less)		Significant gains (+2.0 or more)	
India	-11.3	Argentina	+10.4
Brazil	-9.1	Malaysia	+5.5
Thailand	-5.8	Spain	+5.4
Great Britain	-3.5	Singapore	+4.7
Netherlands	-3.3	Italy	+3.9
France	-3.3	U.S.	+3.3
Japan	-2.9	Peru	+2.2
		Chile	+2.2
		Mexico	+2.2

SOURCE: Ipsos Global Consumer Confidence Index

Market Update

Global home price growth began to plateau in Q324



SOURCE: Federal Reserve Bank of Dallas: Mack, A., and E. Martínez-García. 2011. "A Cross-Country Quarterly Database of Real House Prices: A Methodological Note."

- Global aggregated house prices increased 3.0% in Q324, a slight increase from 2.9% in Q224, and remained below the pre-Covid long-run average of 4.2%.
- On a quarterly basis, the 0.7% increase in Q324 was above the pre-Covid average of 1.0%.
- Annual growth rate in home prices reached a recent low of 0.2% in Q223 but has been accelerating for the 5th consecutive quarter.
- Lower mortgage rates and tight housing supply should keep home prices growing but uncertainty in trade policy could volatility in housing markets.

Home price growth by country

	Q3 2024 Price Growth	
Country	YTY% Chg.	QTQ% Chg.
Croatia	13.1%	2.9%
Netherlands	11.1%	3.6%
Ireland	8.8%	1.7%
Slovenia	8.1%	1.9%
Portugal	7.9%	1.2%
Colombia	7.7%	1.8%
Australia	6.6%	1.3%
Israel	6.2%	1.0%
Spain	6.0%	1.8%
US	5.1%	0.9%

	Q3 2024 Price Growth	
Country	YTY% Chg.	QTQ% Chg.
Italy	4.1%	0.1%
Denmark	2.9%	0.7%
Belgium	2.9%	0.6%
Norway	2.8%	0.7%
Japan	2.8%	1.4%
UK	2.6%	1.6%
Sweden	1.6%	1.1%
Switzerland	1.3%	0.5%
New Zealand	1.3%	1.3%
S. Africa	0.6%	-0.1%

SOURCE: Federal Reserve Bank of Dallas: Mack, A., and E. Martínez-García. 2011. "A Cross-Country Quarterly Database of Real House Prices: A Methodological Note."

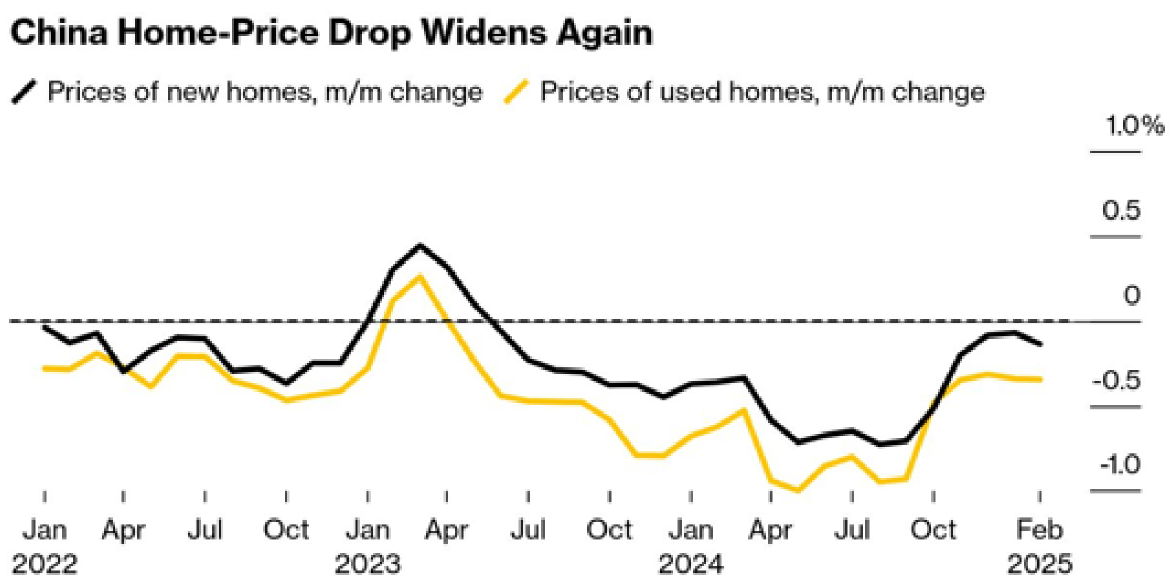
Home price growth by country (cont.)

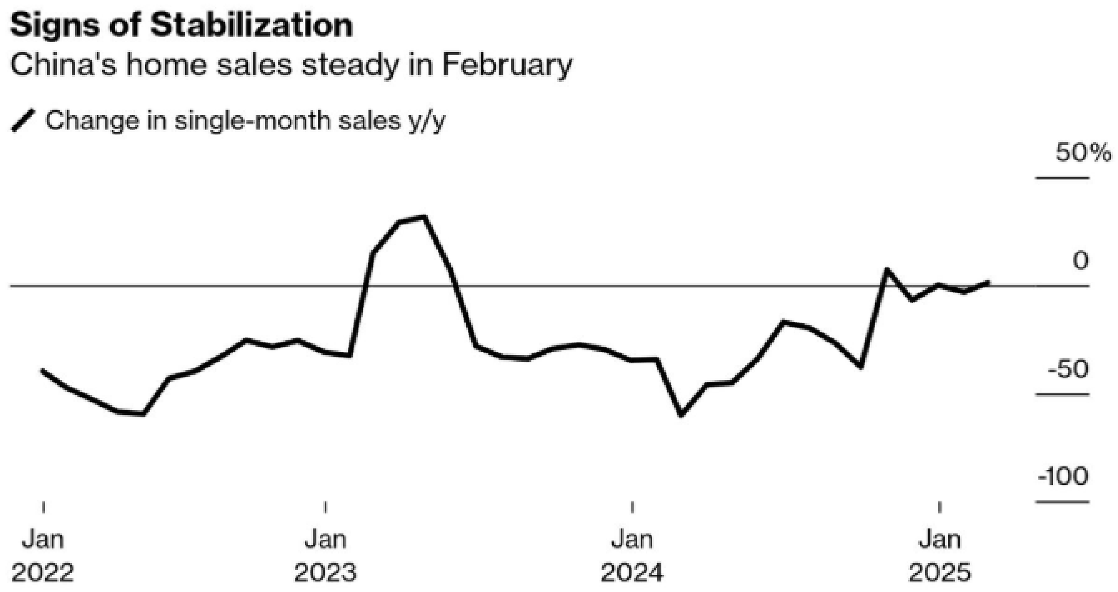
	Q3 2024 Price Growth	
Country	**YTY% Chg.**	**QTQ% Chg.**
S. Korea	-0.4%	0.2%
Germany	-2.1%	-0.6%
Finland	-2.4%	-0.1%
Canada	-3.4%	-1.9%
France	-3.8%	0.2%
Luxembourg	-5.8%	-1.3%

- 20 of the 26 markets (77%) monitored reported an annual price growth in Q324, while six had a price drop in the same quarter.
- Croatia was on top of the list, with a nominal yearly price growth of 13.1%. Netherlands came in second with an annual increase of 11.1%, followed by Ireland (8.8%), Slovenia (8.1%) and Portugal (7.9%).
- Four of the six markets with a price drop were in Europe, with Luxembourg (-5.0%) declining the most, while France's (-3.0%) dipped again from the year-ago level as the country continue to deal with its political uncertainty.

SOURCE: Federal Reserve Bank of Dallas: Mack, A., and E. Martínez-García. 2011. "A Cross-Country Quarterly Database of Real House Prices: A Methodological Note."

China's new home sales stabilized but price drop widens again

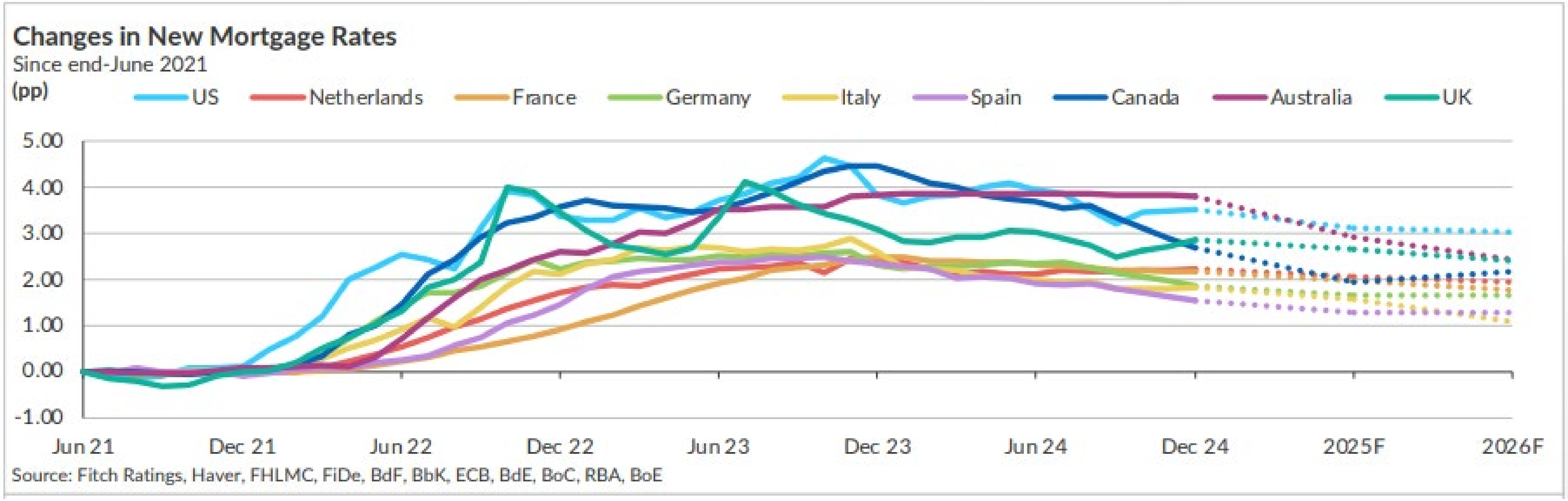




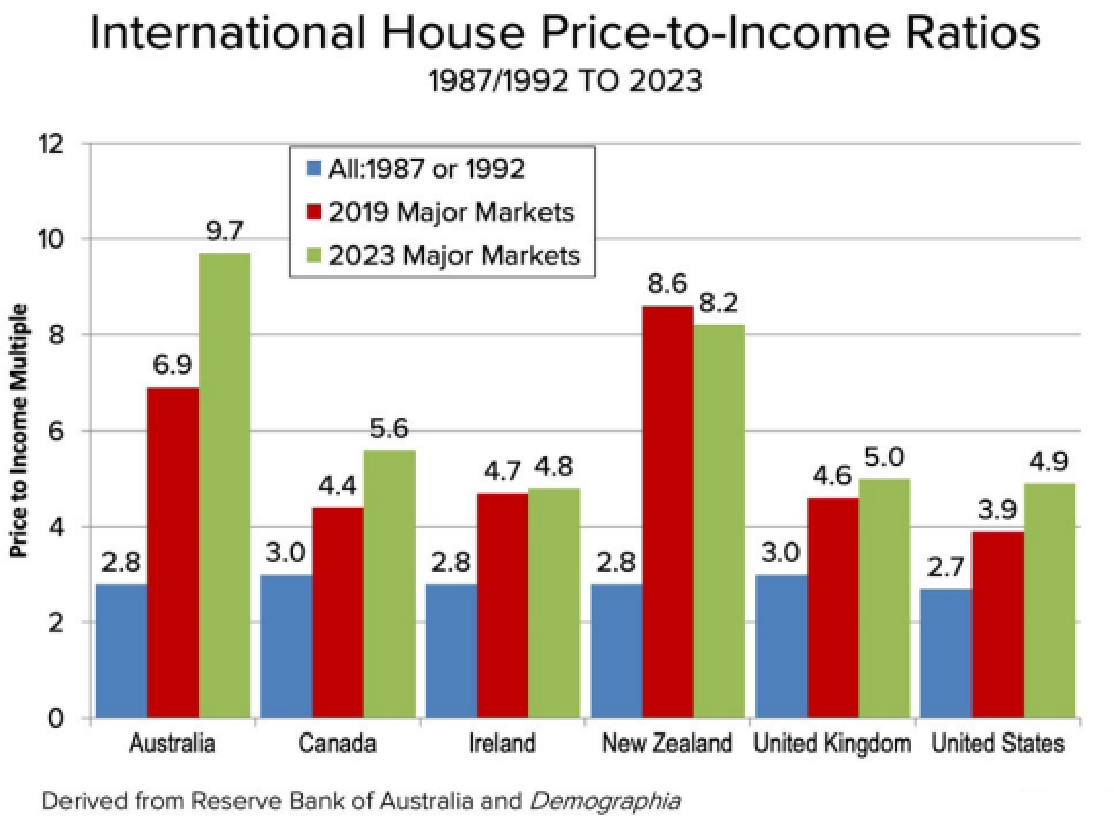
Source: National Bureau of Statistics of China, Bloomberg's calculations

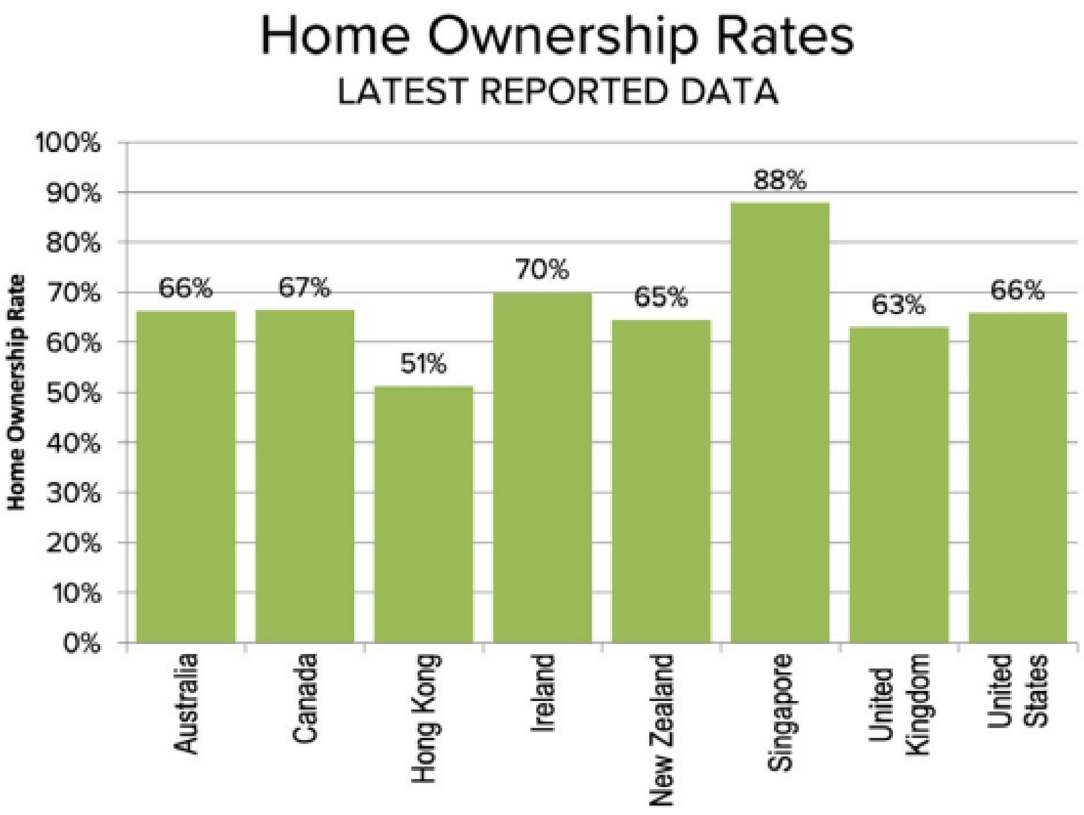
Rates remain elevated but are expected to go down gradually

Projections on New Mortgage Rates



Increase in home prices present a challenge to many countries





SOURCE: Demographia International Housing Affordability

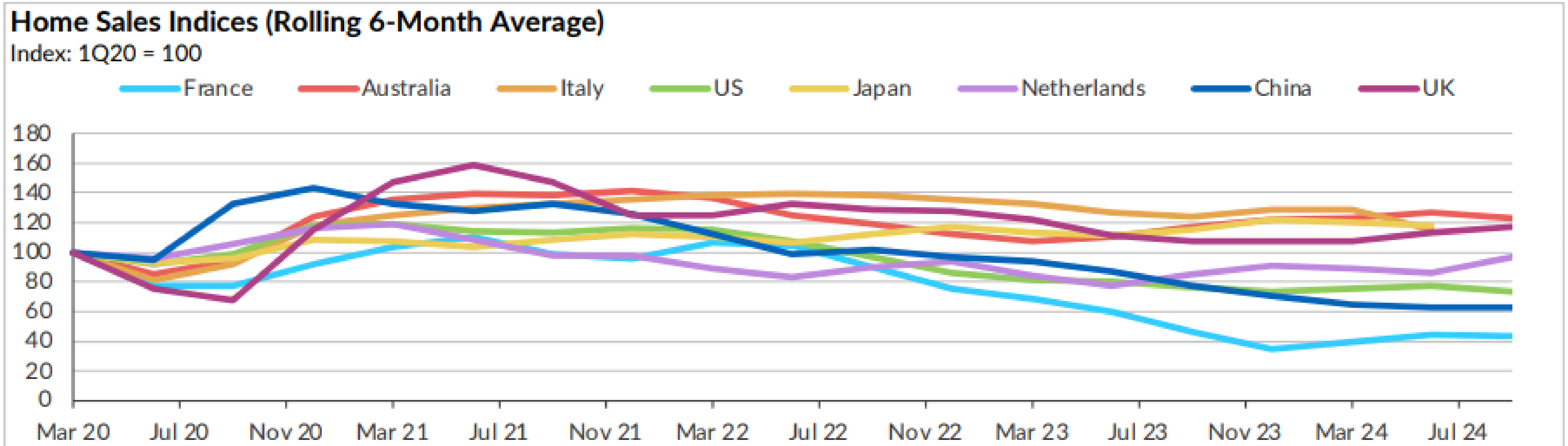
Housing affordability is a global issue

Housing Affordability Ratings by Nation: Totals by Market							
Nation	Affordable (3.0 &Under)	Moderately Unaffordable (3.1-4.0)	Seriously Unaffordable (4.1-5.0)	Severely Unaffordable (5.1 - 8.9)	Impossibly Unaffordable (9.0 &Over)	Total	Median Market
Australia	0	0	0	2	3	5	9.7
Canada	0	1	1	2	2	6	5.6
China: Hong Kong	0	0	0	0	1	1	16.7
Ireland	0	0	1	0	0	1	4.8
New Zealand	0	0	0	1	0	1	8.2
Singapore	0	1	0	0	0	1	3.8
United Kingdom	0	2	12	9	0	23	5.0
United States	0	11	23	17	5	56	4.8
TOTAL	0	15	37	31	11	94	5.0

DEMOGRAPHIA HOUSING AFFORDABILITY RATINGS	
Housing Affordability Rating	Median Multiple
Affordable	3.0 & Under
Moderately Unaffordable	3.1 to 4.0
Seriously Unaffordable	4.1 to 5.0
Severely Unaffordable	5.1 & Over
Median multiple: Median house price divided by median household income	

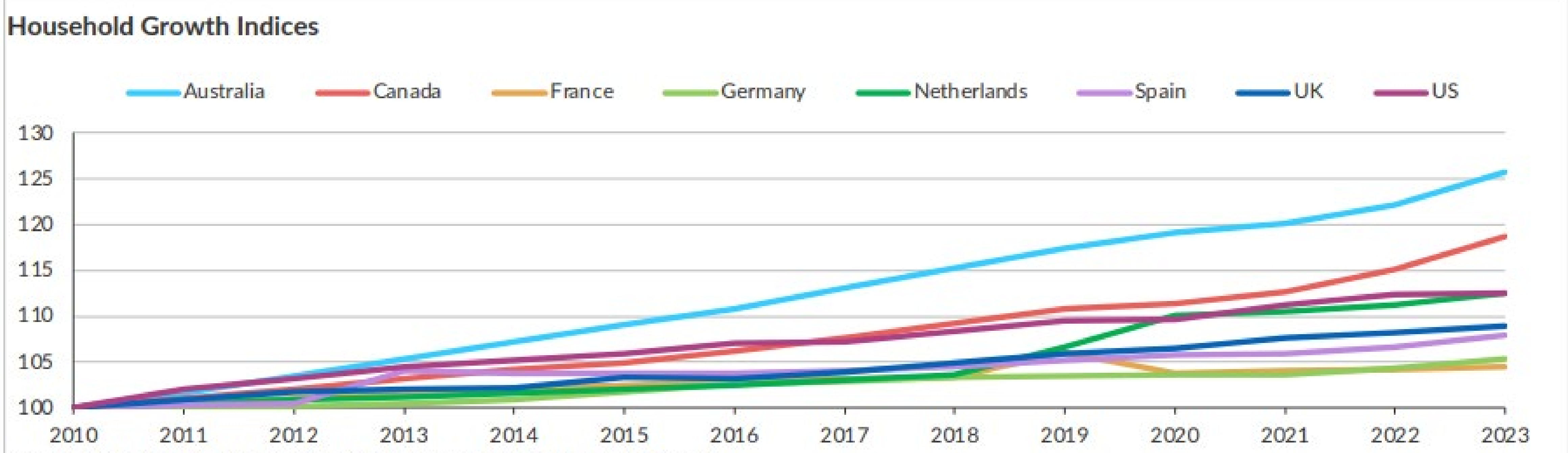
SOURCE: Demographia International Housing Affordability

Elevated rates continue to put downward pressure on home sales



Source: Fitch Ratings, Haver, Service de l'Observation et des Statistiques, Australian Bureau of Statistics, Agenzia Entrate, National Association of Realtors; Ministry of Land, Infrastructure, Transport and Tourism, Centraal Bureau voor de Statistiek, China National Bureau of Statistics, HM Revenue & Customs

Demand has not been met due to supply constraint and affordability issues



Source: Fitch Ratings, OECD, Eurostat, US Census Bureau, ABS, ONS, Statistics Canada

Global Market Outlook

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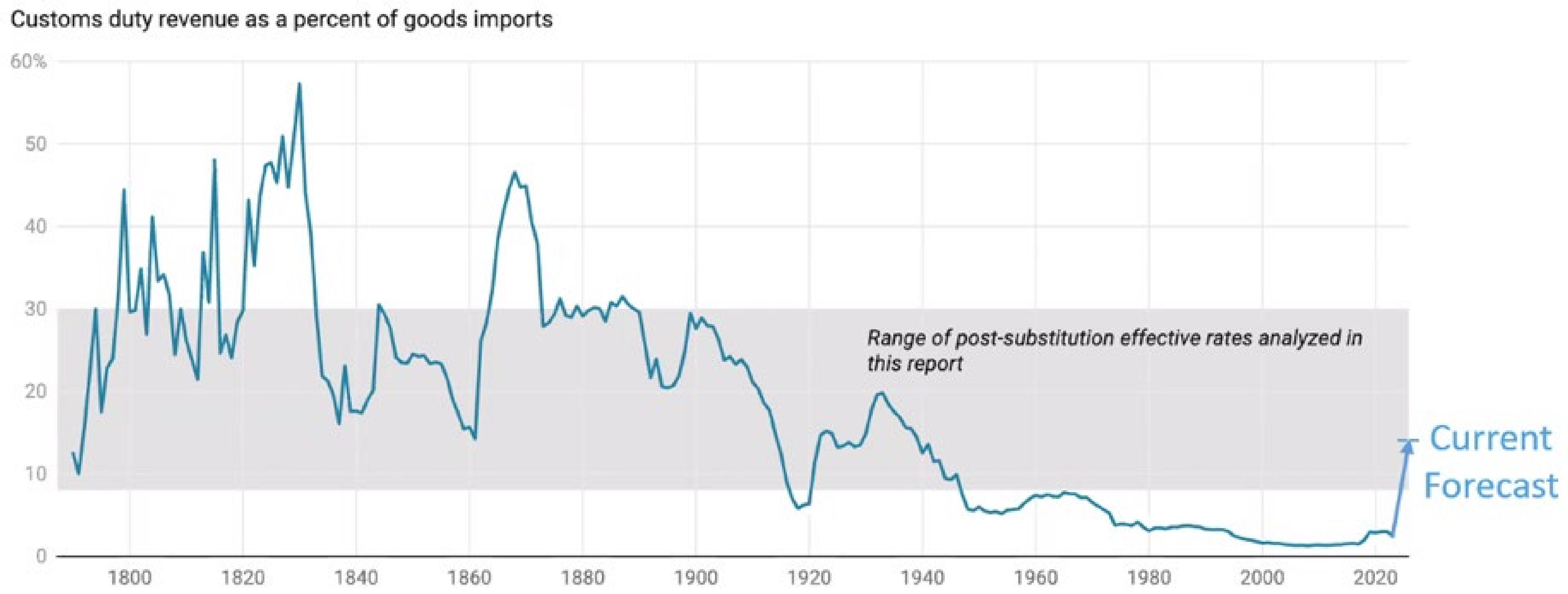
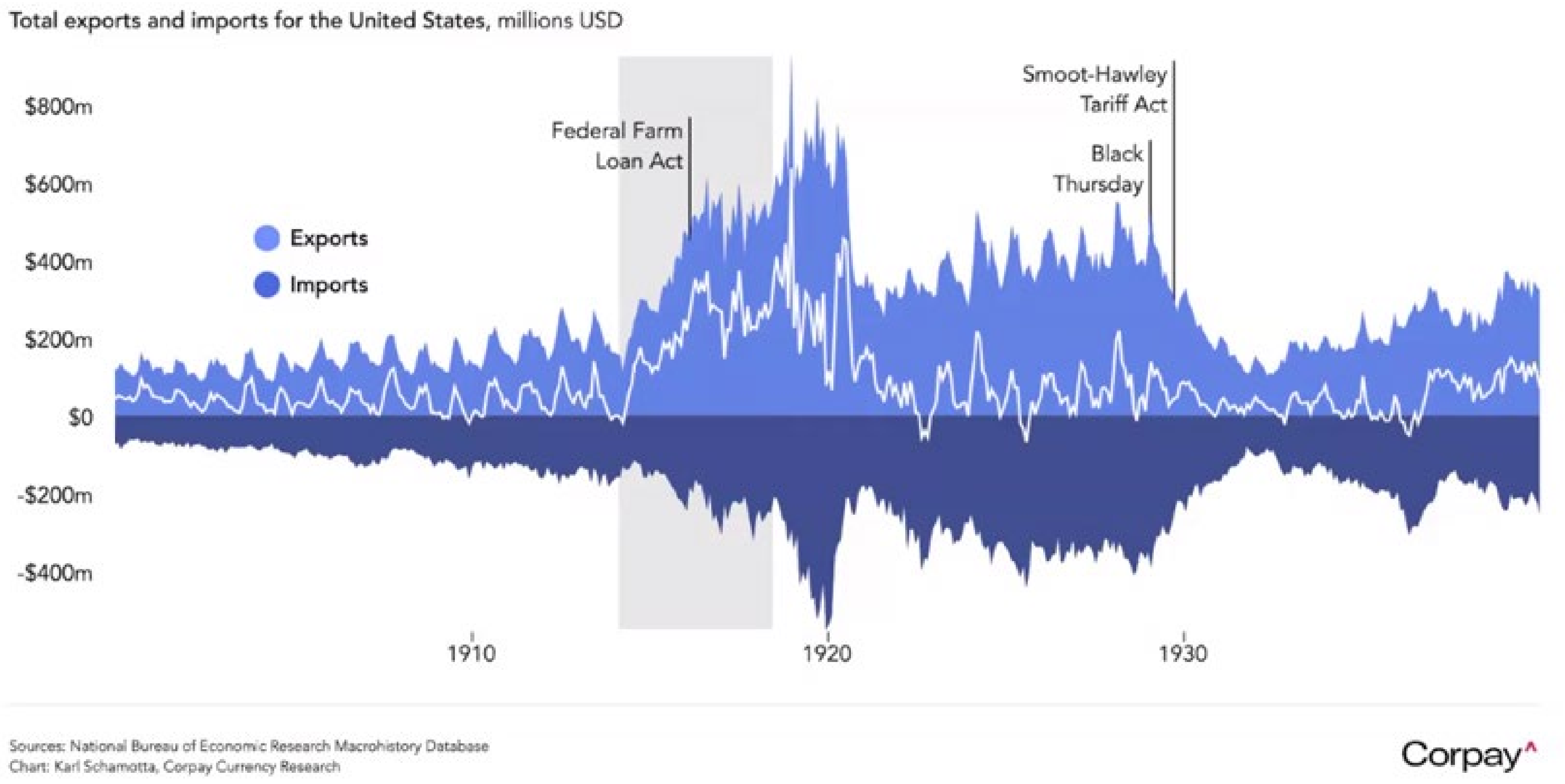
Effective tariff rate is projected to climb

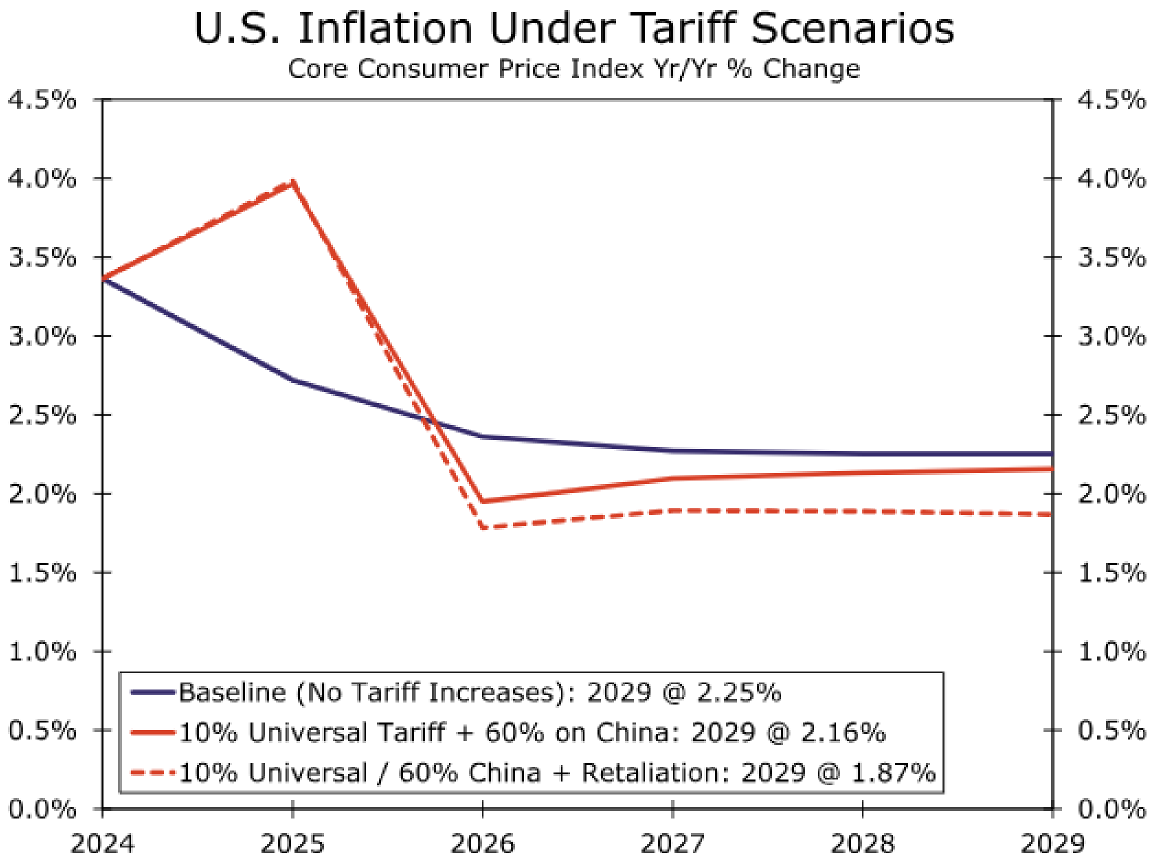


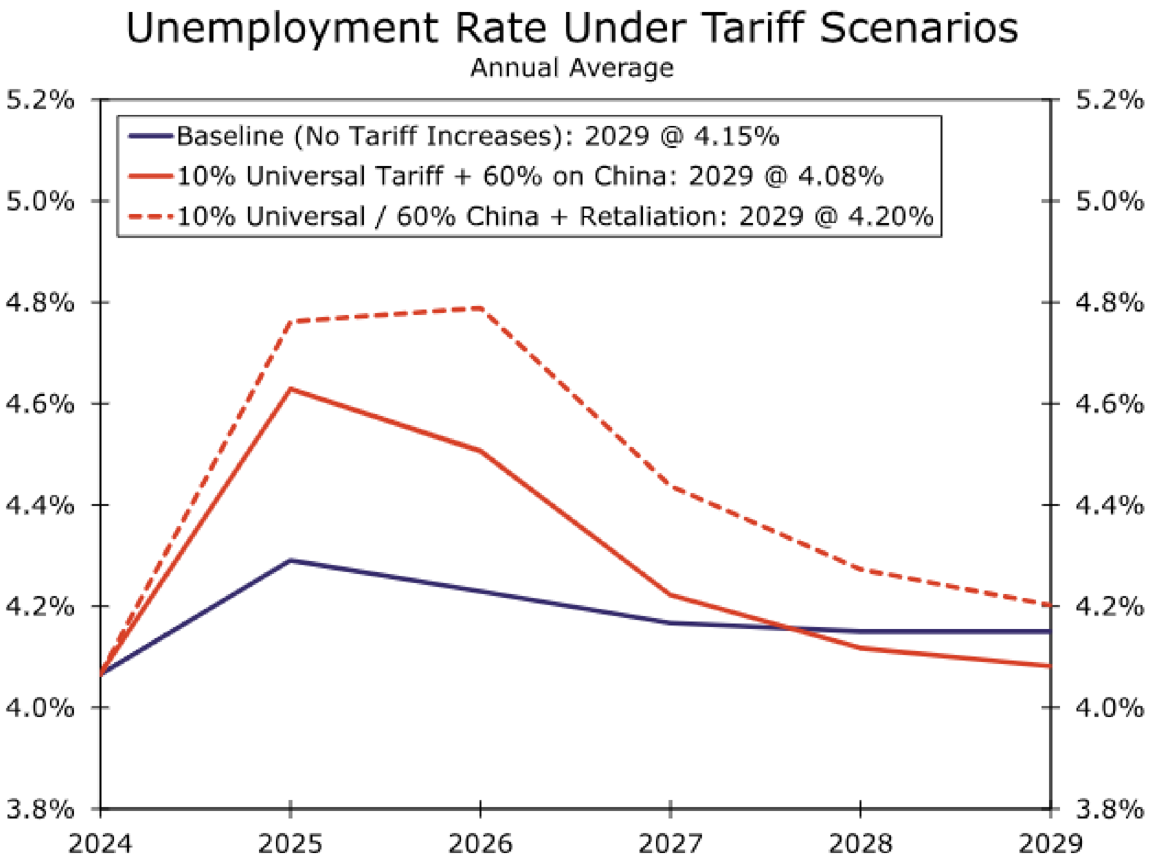
SOURCE: The Budget Lab, Historical Statistics of the US, Monthly Treasury Statement, BEA, Datawrapper, UCLA Anderson Forecast

Trade-War following Smoot-Hawley Tariffs



Tariffs' effect on inflation and jobs

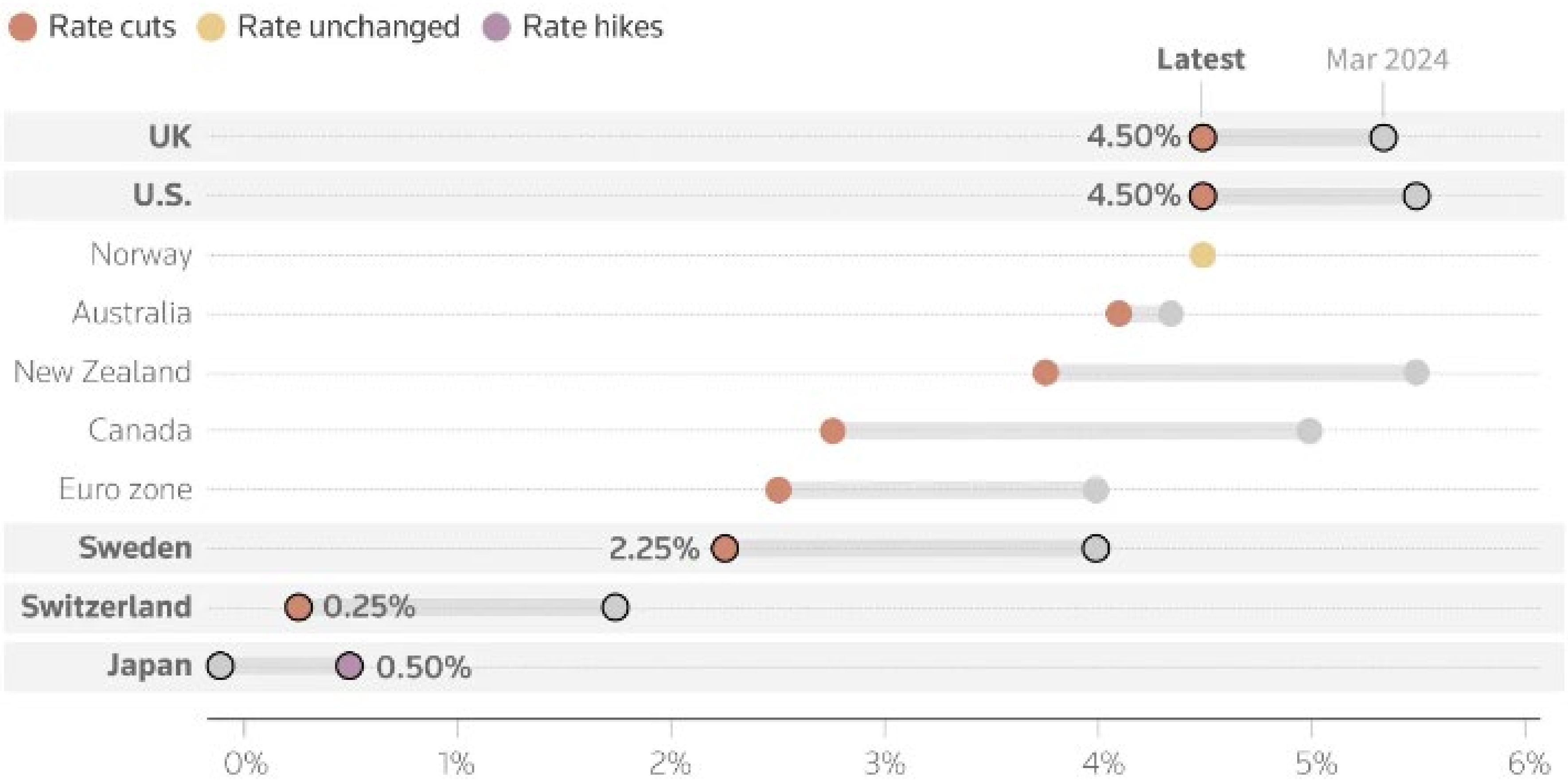




SOURCE: Oxford Economics and Wells Fargo Economics

Central banks taking a more cautious approach on rate cuts

Change in policy rate by central banks



SOURCE: LSEG DataStream, Reuter

Central banks' interest rate moves (Feb 2025)

(End of Quarter Rates)

	Central Bank Key Policy Rate						
	2025					2026	
	Current	Q1	Q2	Q3	Q4	Q1	Q2
United States	4.50%	4.50%	4.50%	4.25%	4.00%	4.00%	4.00%
Eurozone[1]	2.75%	2.50%	2.00%	1.75%	1.75%	1.75%	1.75%
United Kingdom	4.50%	4.50%	4.25%	4.00%	3.75%	3.50%	3.50%
Japan	0.50%	0.50%	0.75%	1.00%	1.00%	1.00%	1.00%
Canada	3.00%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%
Switzerland	0.50%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Australia	4.10%	4.10%	3.85%	3.60%	3.35%	3.35%	3.35%
New Zealand	3.75%	3.75%	3.25%	3.00%	3.00%	3.00%	3.00%
Sweden	2.25%	2.25%	2.00%	2.00%	2.00%	2.00%	2.00%
Norway	4.50%	4.25%	4.00%	3.75%	3.50%	3.25%	3.00%
China[3]	9.50%	9.50%	9.00%	8.50%	8.00%	8.00%	7.50%
India	6.25%	6.25%	5.75%	5.75%	5.75%	5.75%	5.75%
Mexico	9.50%	9.00%	8.25%	8.00%	8.00%	8.00%	8.00%
Brazil	13.25%	14.25%	15.25%	15.25%	15.25%	14.25%	13.25%
Chile	5.00%	5.00%	5.00%	5.50%	6.00%	6.50%	7.00%
Colombia	9.50%	9.25%	9.00%	9.00%	9.00%	9.00%	9.00%
Russia	21.00%	21.00%	20.75%	18.75%	16.75%	14.75%	13.00%

Source: International Monetary Fund and Wells Fargo

Global economic outlook (Feb 2025)

	GDP				CPI			
	2023	2024	2025	2026	2023	2024	2025	2026
Global (PPP Weights)	3.3%	3.1%	2.7%	2.6%	6.7%	3.9%	4.0%	3.8%
Advanced Economies[1]	1.7%	1.9%	1.8%	1.9%	4.6%	2.8%	2.7%	2.4%
United States	2.9%	2.8%	2.3%	2.2%	4.1%	3.0%	3.0%	2.7%
Eurozone	0.4%	0.7%	0.8%	1.2%	5.4%	2.4%	2.1%	1.9%
United Kingdom	0.4%	0.9%	1.0%	1.7%	7.3%	2.5%	2.9%	2.3%
Japan	1.5%	0.1%	1.5%	0.9%	3.3%	2.7%	2.6%	1.9%
Canada	1.5%	1.3%	1.7%	1.7%	3.9%	2.4%	2.1%	2.0%
Switzerland	0.7%	1.4%	1.4%	1.3%	2.1%	1.1%	0.6%	0.8%
Australia	2.1%	1.0%	1.9%	2.1%	5.6%	3.2%	2.7%	2.7%
New Zealand	1.8%	-0.4%	1.4%	2.5%	5.7%	2.9%	2.1%	2.1%
Sweden	0.0%	0.5%	1.6%	2.0%	6.1%	1.9%	2.0%	2.0%
Norway	0.6%	0.6%	1.3%	1.6%	5.5%	3.2%	2.5%	2.1%
Developing Economies[1]	4.4%	3.9%	3.3%	3.1%	8.1%	4.8%	4.9%	4.9%
China	5.4%	5.0%	4.5%	4.1%	0.2%	0.2%	1.0%	1.4%
India	7.7%	6.3%	5.9%	6.0%	5.7%	4.9%	4.5%	4.5%
Mexico	3.3%	1.3%	0.2%	1.3%	5.5%	4.7%	3.8%	3.9%
Brazil	3.2%	3.1%	2.0%	1.7%	4.6%	4.4%	4.8%	4.0%
Russia	3.6%	3.7%	1.5%	1.4%	6.0%	8.4%	7.6%	5.1%

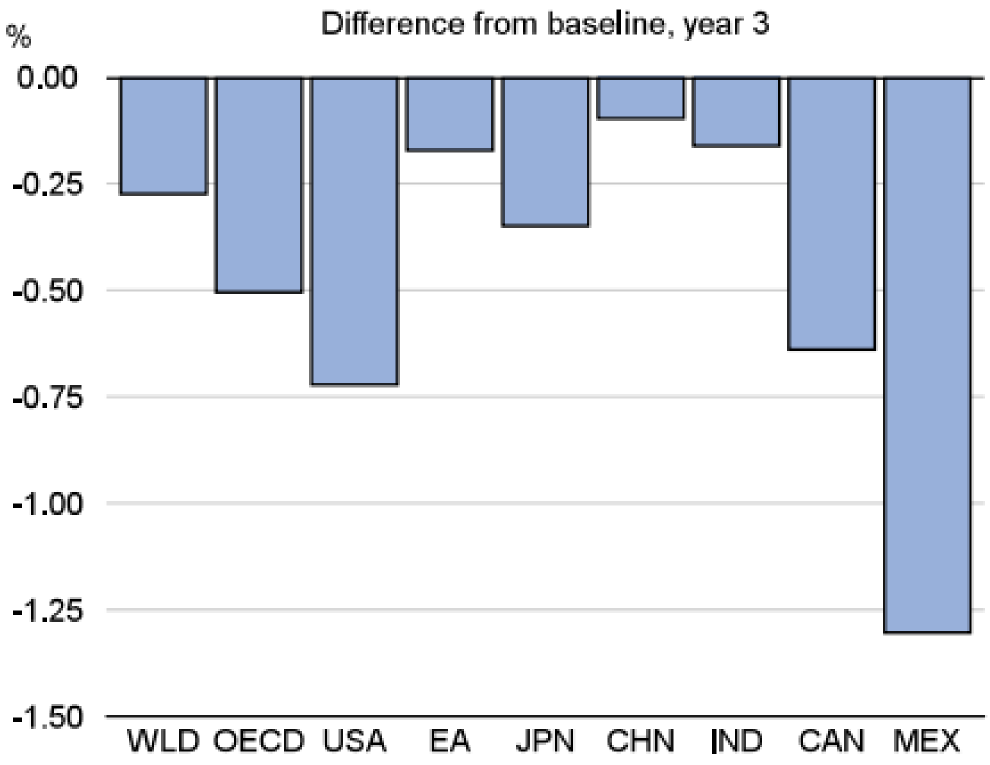
Forecast as of: February 24, 2025

[1]Aggregated Using PPP Weights

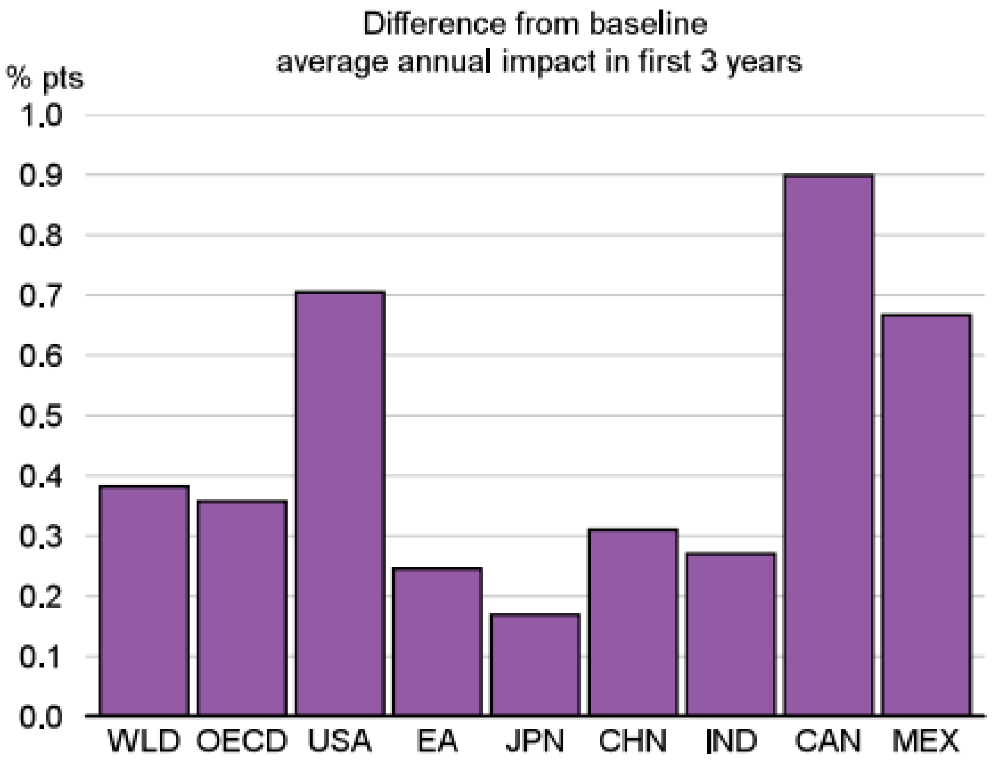
Source: International Monetary Fund and Wells Fargo

Global economic conditions could get worse

GDP growth rate

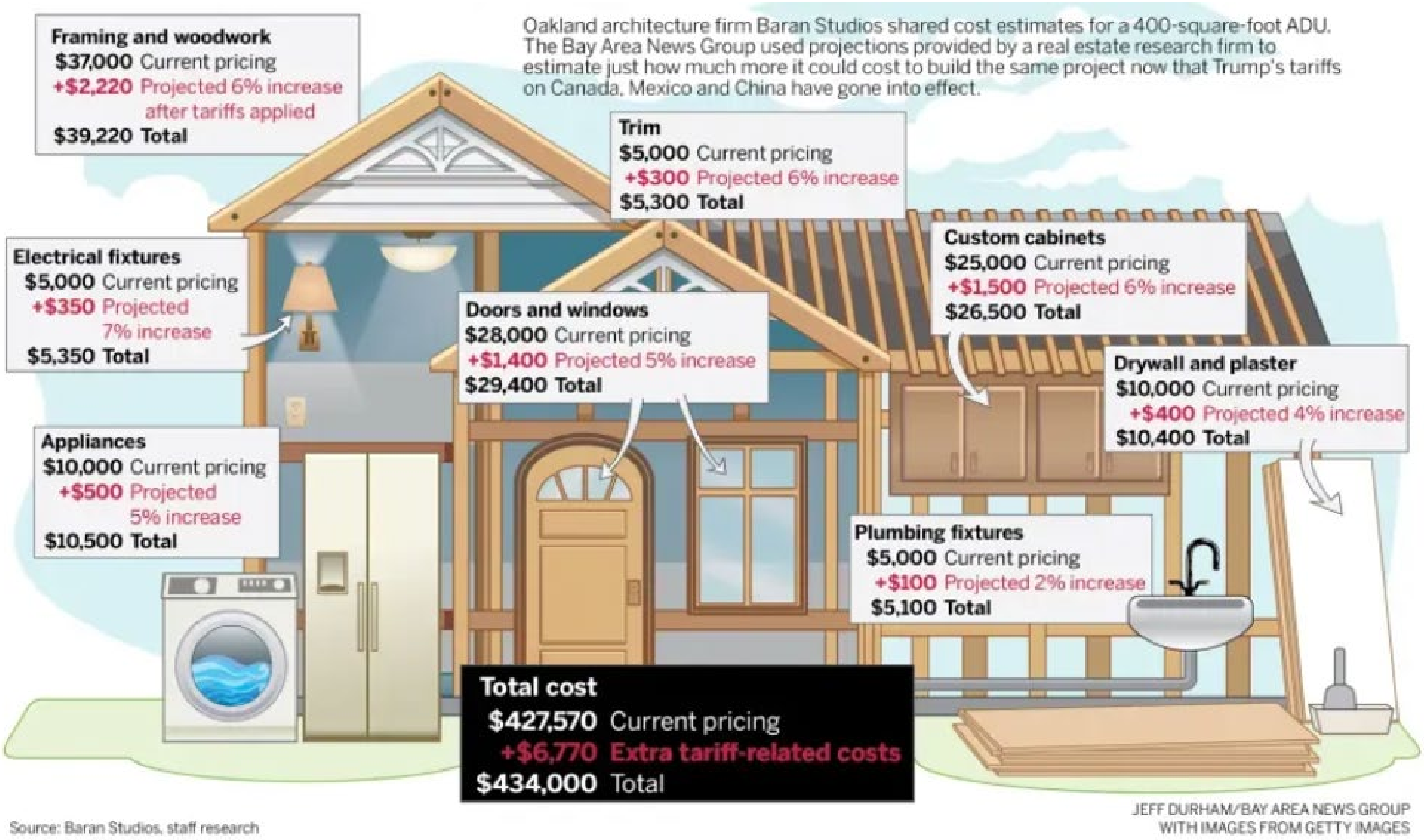


Consumer price inflation



SOURCE: OECD Economic Outlook (March 2025)

Tariffs estimated to increase building costs by 5%



Global price growth and rate projection

Region	Country	Nominal Home Price Growth (%) [a] 2024 estimate	2025 forecast	2026 forecast	Mortgage Rates (%) [c] 2024 estimate	2025 forecast	2026 forecast
North America	US	4.0	2.0 to 4.0	3.0 to 5.0	6.5	5.8 to 6.4	5.7 to 6.3
	CAN	4.0	7.0 to 10.0	5.0 to 7.0	4.625	3.75 to 4.0	4.0 to 4.25
Europe	UK	5.0	2.0 to 4.0	2.0 to 4.0	4.45	4.25	4.0
	GER	1.5	2.0 to 4.0	2.0 to 4.0	3.2	3.0	3.0
	NLD	13.0	8.0 to 10.0	6.0 to 8.0	3.9	3.6 to 3.85	3.5 to 3.75
	FRA	-3.0	-2.0 to 0.0	-1.0 to 1.0	3.3	3.0 to 3.2	2.8 to 3.0
	DEN	3.0	2.0 to 4.0	2.0 to 4.0	4.0	3.5 to 4.5	3.5 to 4.0
	ESP	5.0	4.0 to 6.0	5.0 to 7.0	3.0	2.5 to 3.0	2.5 to 3.0
	ITA	2.5	0.5 to 2.5	0.5 to 2.5	3.25	3.0	2.5
Asia-Pacific	AUS	5.2	4.0 to 6.0	3.0 to 5.0	6.3	5.5	5.0
	CHN	-7.8	-4.0 to -6.0	-2.0 to -4.0	3.1	2.9	2.9
	JPN	2.5	0.0 to 2.0	-2.0 to 0.0	1.9	2.0 to 2.5	2.5 to 3.0
Latin America	BRA	8.0	7.0 to 9.0	7.0 to 9.0	9.8	10.0 to 12.0	9.0 to 10.0
	MEX	9.3	8.5 to 9.5	8.0 to 9.0	11.5	10.5 to 11.5	10.0 to 11.0
	COL	10.0	6.0 to 8.0	5.0 to 7.0	11.5	9.0 to 10.0	8.0 to 9.0

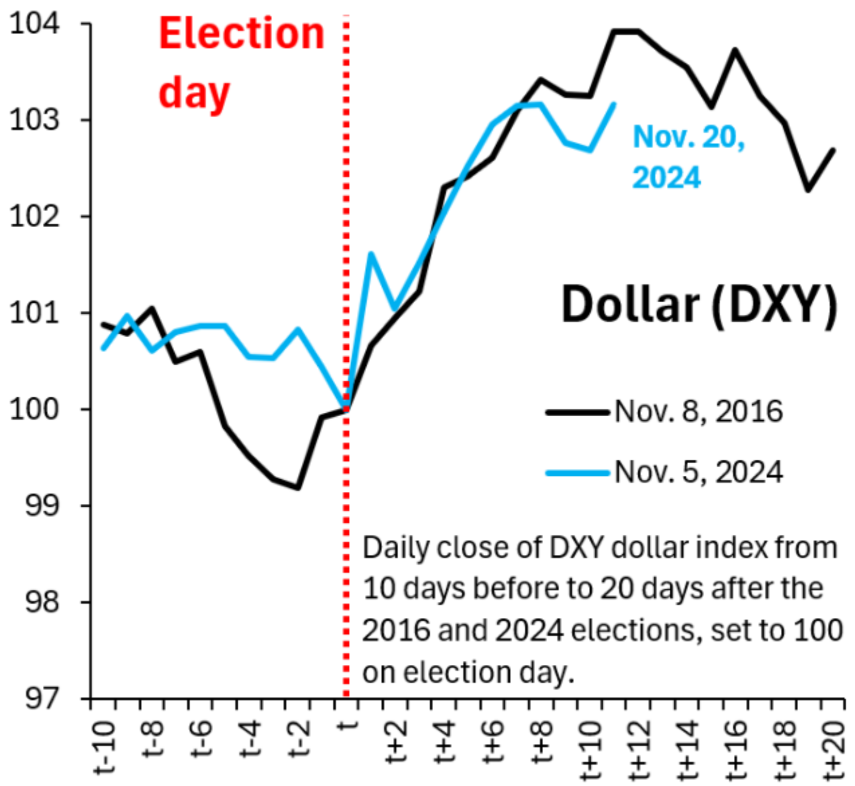
Positions in Home Price Cycle

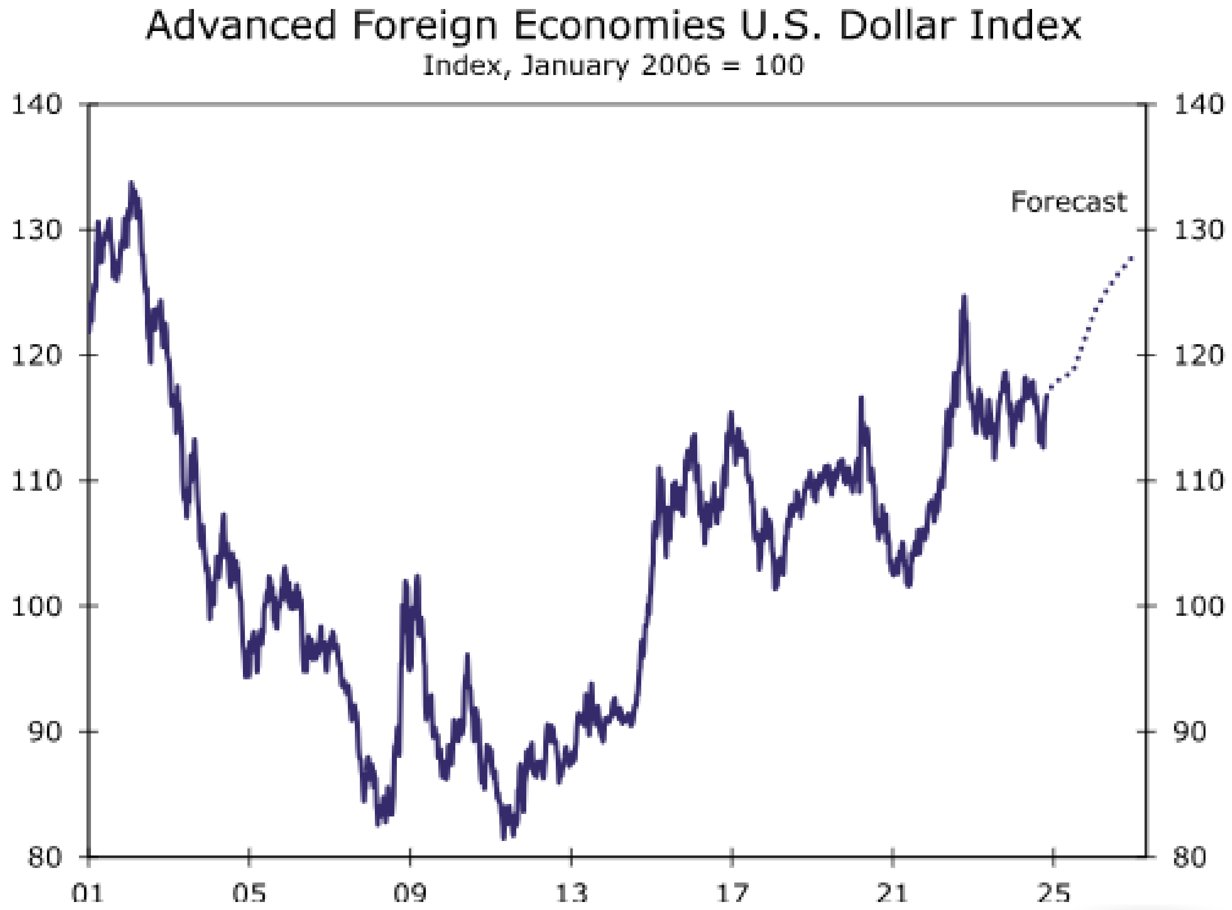
SOURCE: Fitch Ratings

* Index of 70 largest cities in China

U.S. dollar is expected to strengthen against most foreign currencies

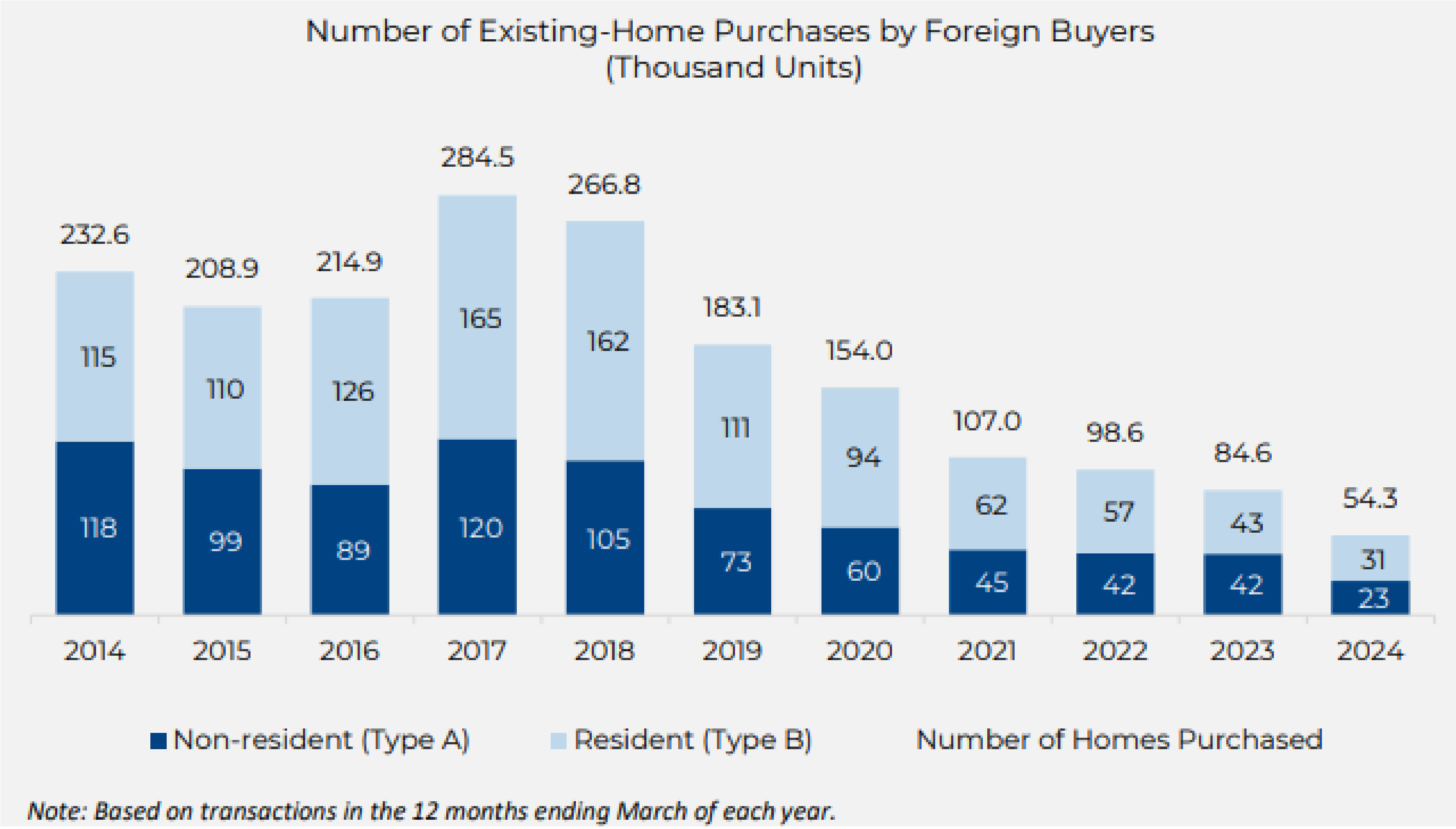
Exchange rate movement before and after the elections





SOURCE: Bloomberg Finance, Brookings Institute, Haver Analytics, Wells Fargo Economics

Foreign buyers' sales dip again, partly due to a stronger dollar



SERIES: 2024 Profile of International Transactions in U.S. Residential Real Estate
SOURCE: National Association of REALTORS®

China remains as the top country of origin in terms of dollar volume but drops significantly from 2023

Dollar Volume of Existing-Homes Purchased by Top 5 Foreign Buyers in Billion Dollars

	Canada	China*	Mexico	India	Colombia	All Foreign Buyers	Share of Top 5
2010	$17.1	$11.2	$6.5	$5.0	$0.5	$66.0	61%
2011	$13.1	$7.0	$4.2	$5.1	$0.6	$66.4	45%
2012	$15.9	$12.0	$6.5	$5.2	$0.6	$82.5	49%
2013	$11.8	$12.8	$3.6	$3.9	$0.5	$68.2	48%
2014	$13.8	$22.7	$4.5	$5.8	$0.5	$92.2	51%
2015	$11.2	$28.5	$4.9	$8.0	$0.9	$103.9	52%
2016	$8.9	$27.3	$4.8	$6.1	$1.2	$102.6	47%
2017	$19.0	$31.7	$9.3	$7.8	$1.0	$153.0	45%
2018	$10.5	$30.4	$4.2	$7.2	$1.2	$121.0	44%
2019	$8.0	$13.4	$3.7	$4.2	$0.8	$77.9	39%
2020	$9.5	$11.5	$5.8	$5.4	$1.3	$74.0	45%
2021	$4.2	$4.8	$2.9	$3.1	$1.1	$54.4	29%
2022	$5.5	$6.1	$2.9	$3.6	$1.0	$59.0	32%
2023	$6.6	$13.6	$4.2	$3.4	$0.9	$53.3	54%
2024	$5.9	$7.5	$2.8	$4.1	$0.7	$42.0	50%

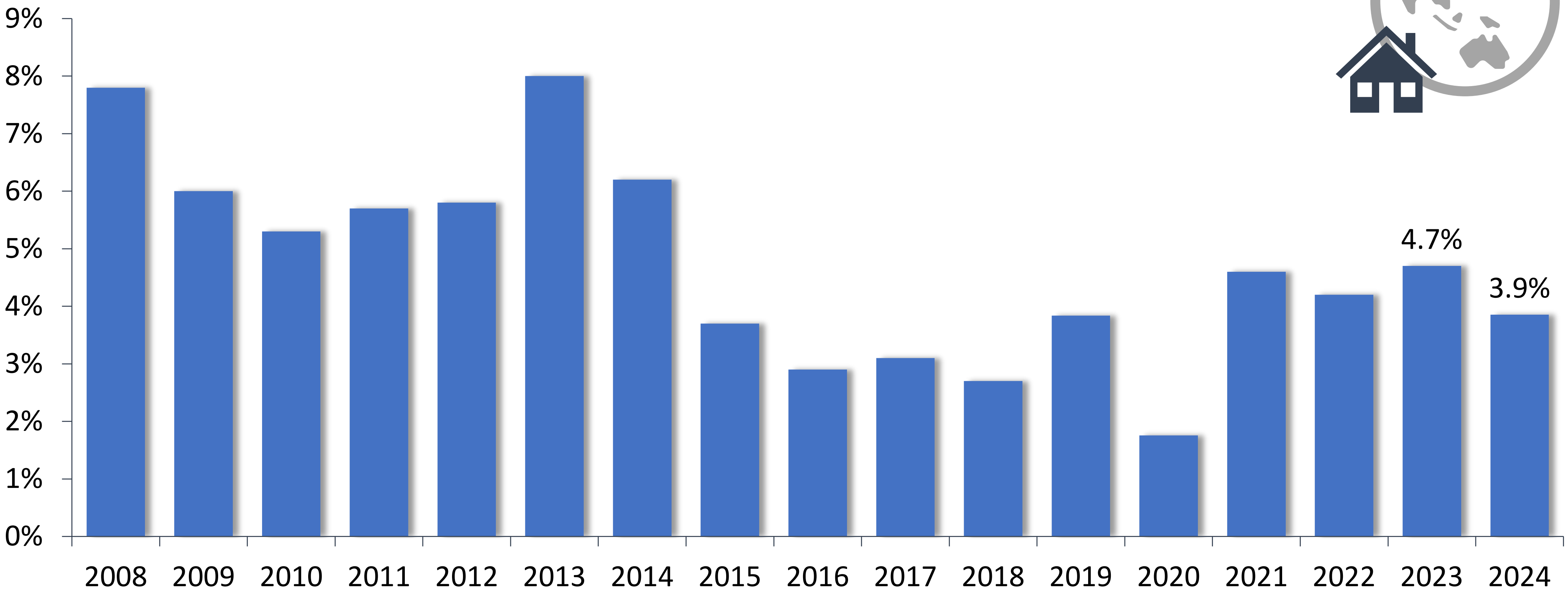
Number of Existing-Homes Purchased by Top 5 Foreign Buyers

	Canada	China*	Mexico	India	Colombia	All Foreign Buyers	Share of Top 5
2010	69,100	27,100	30,100	15,000	3,000	300,600	48%
2011	48,500	19,000	14,800	14,800	2,100	210,800	47%
2012	49,500	24,700	16,500	12,400	2,100	206,200	51%
2013	43,900	23,100	15,800	10,400	1,600	192,500	49%
2014	43,700	38,400	20,000	12,600	2,100	232,600	50%
2015	29,400	34,300	17,900	17,300	3,000	208,900	49%
2016	26,900	29,200	17,900	14,500	3,500	214,900	43%
2017	33,800	40,600	28,500	14,900	3,300	284,500	43%
2018	27,400	40,400	20,200	13,100	4,400	266,800	40%
2019	19,900	19,900	15,900	9,700	2,300	183,100	37%
2020	18,300	18,400	14,400	9,600	5,500	154,000	43%
2021	8,800	6,700	7,100	4,700	1,600	107,000	27%
2022	11,300	6,100	7,800	5,100	3,000	98,600	34%
2023	8,500	11,000	9,300	5,900	2,500	84,600	44%
2024	7,100	6,000	6,000	5,400	2,200	54,300	49%

Note: China includes buyers from the People's Republic of China, Hong Kong, and Taiwan. Estimates from 2010 thru 2015 include some commercial transactions. From 2016, the estimates include only residential transactions.

SERIES: 2024 Profile of International Transactions in U.S. Residential Real Estate
SOURCE: National Association of REALTORS®

Share of international buyers dipped to lowest since 2020 in California



SERIES: 2024 Housing Market Survey
SOURCE: CALIFORNIA ASSOCIATION OF REALTORS®

California Housing Market Outlook

YEARS OF LEADING THE WAY...®

California Housing Market Snapshot

February 2025

283,540 | Existing Home Sales

+2.6% YTY +0.4% YTD % change

Median Sales Price

$829,060
+2.8% Y2Y

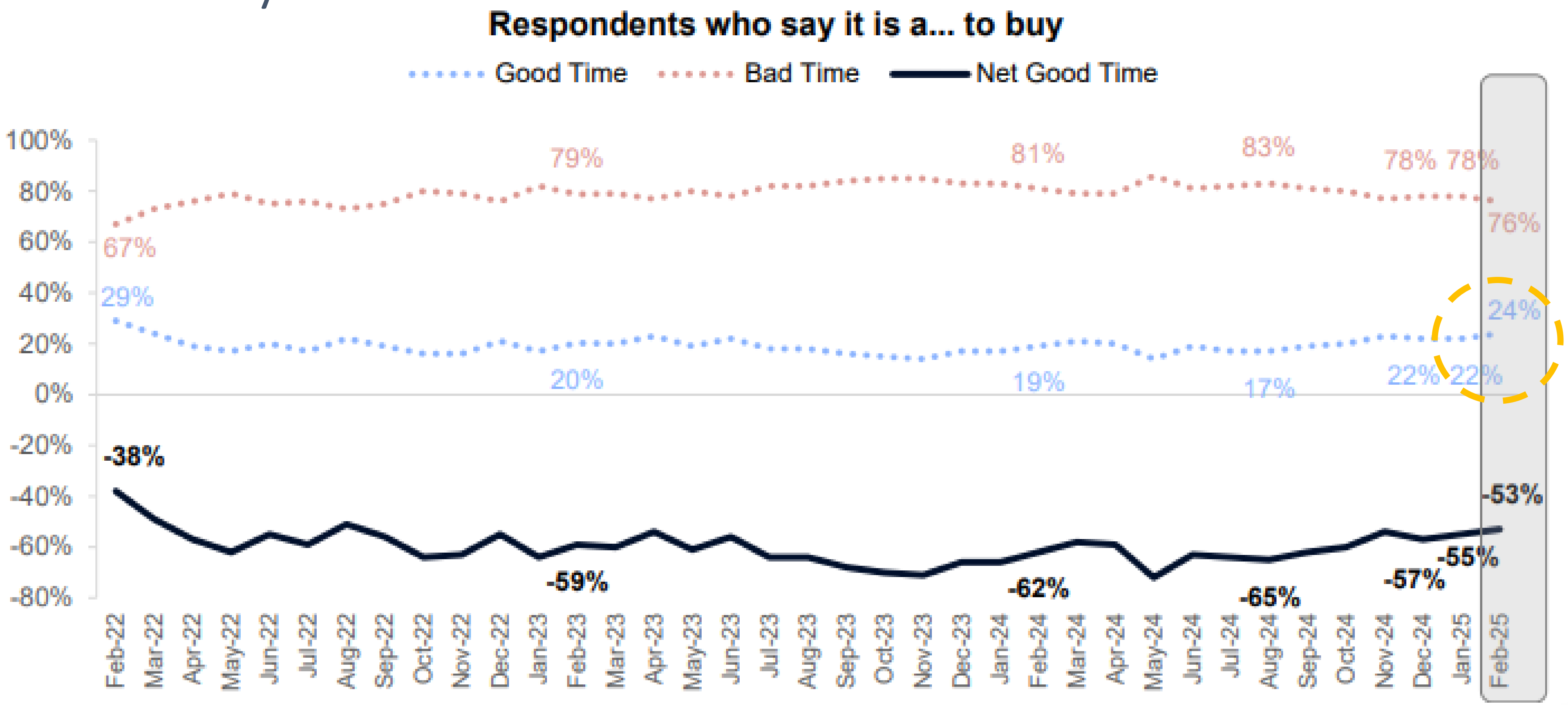
Unsold Inventory Index

4.0 months
+37.9% Y2Y

Median Days on Market

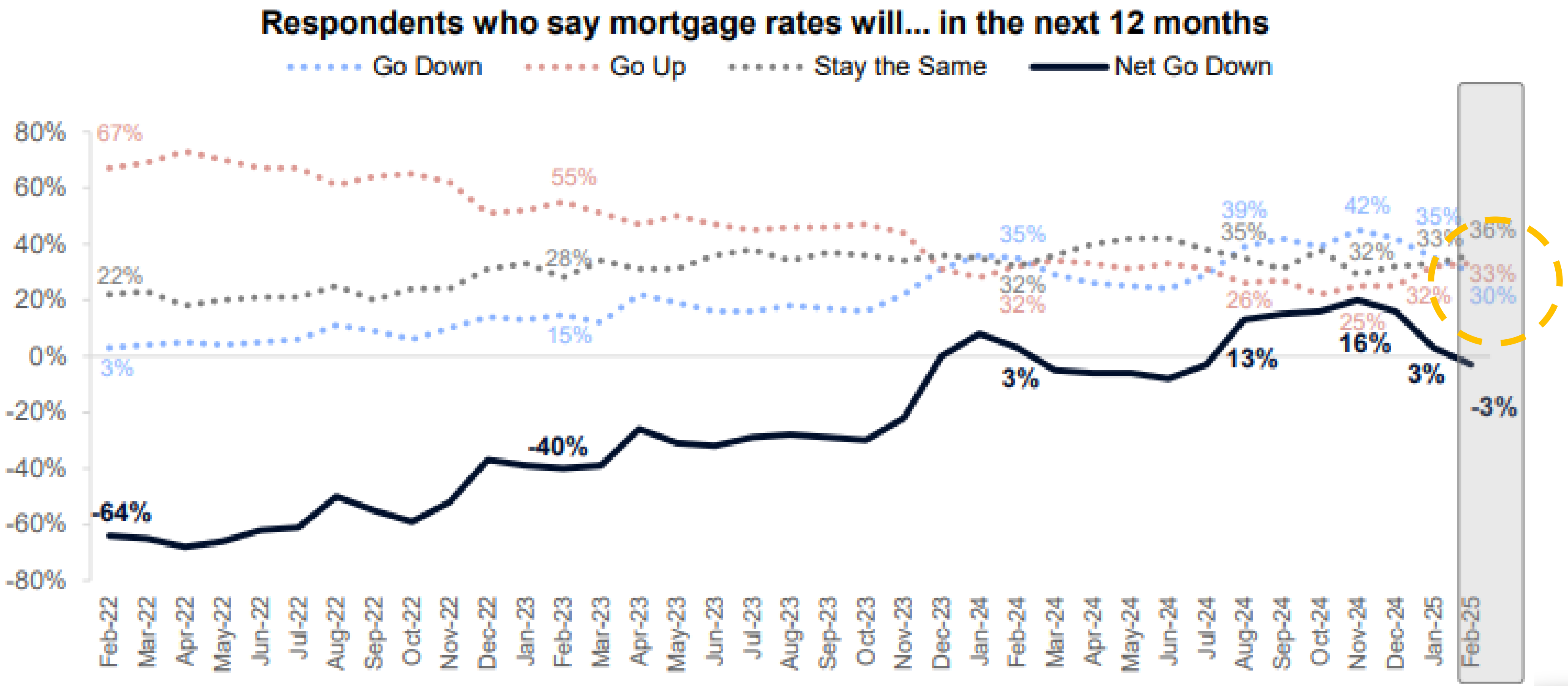
26 days
+18.2% Y2Y

Home purchase sentiment up again up from last year



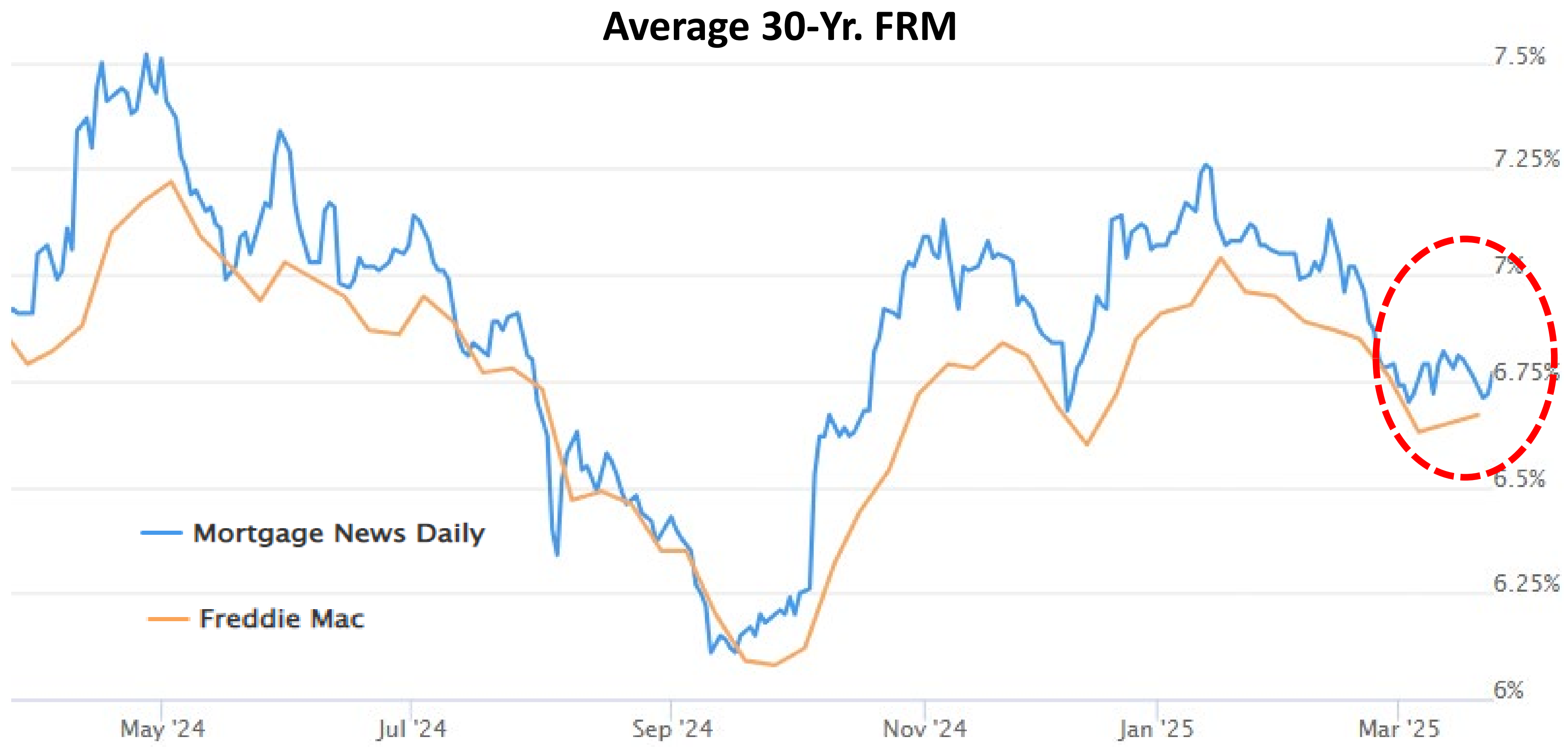
SOURCE: Fannie Mae Home Purchase Sentiment Survey

Consumers who believe rates will go down further last month



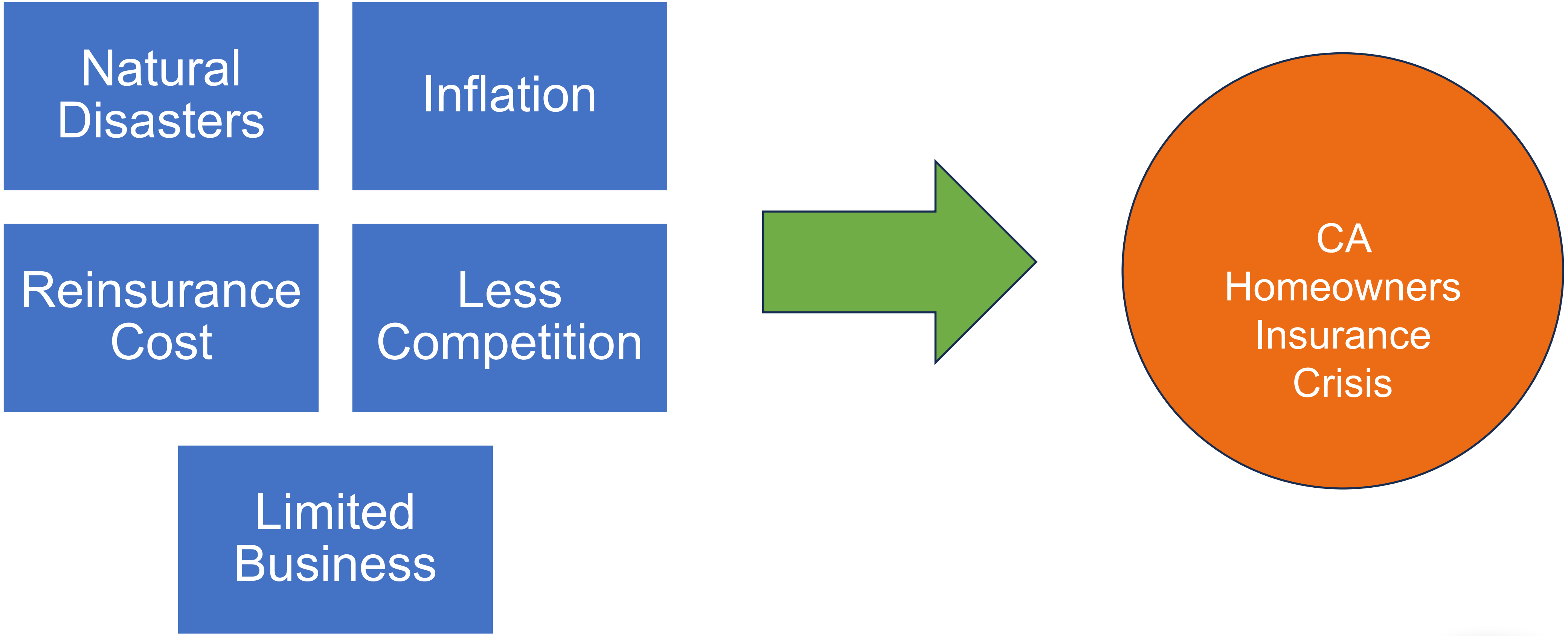
SOURCE: Fannie Mae Home Purchase Sentiment Survey

Mortgage rates start ticking back up



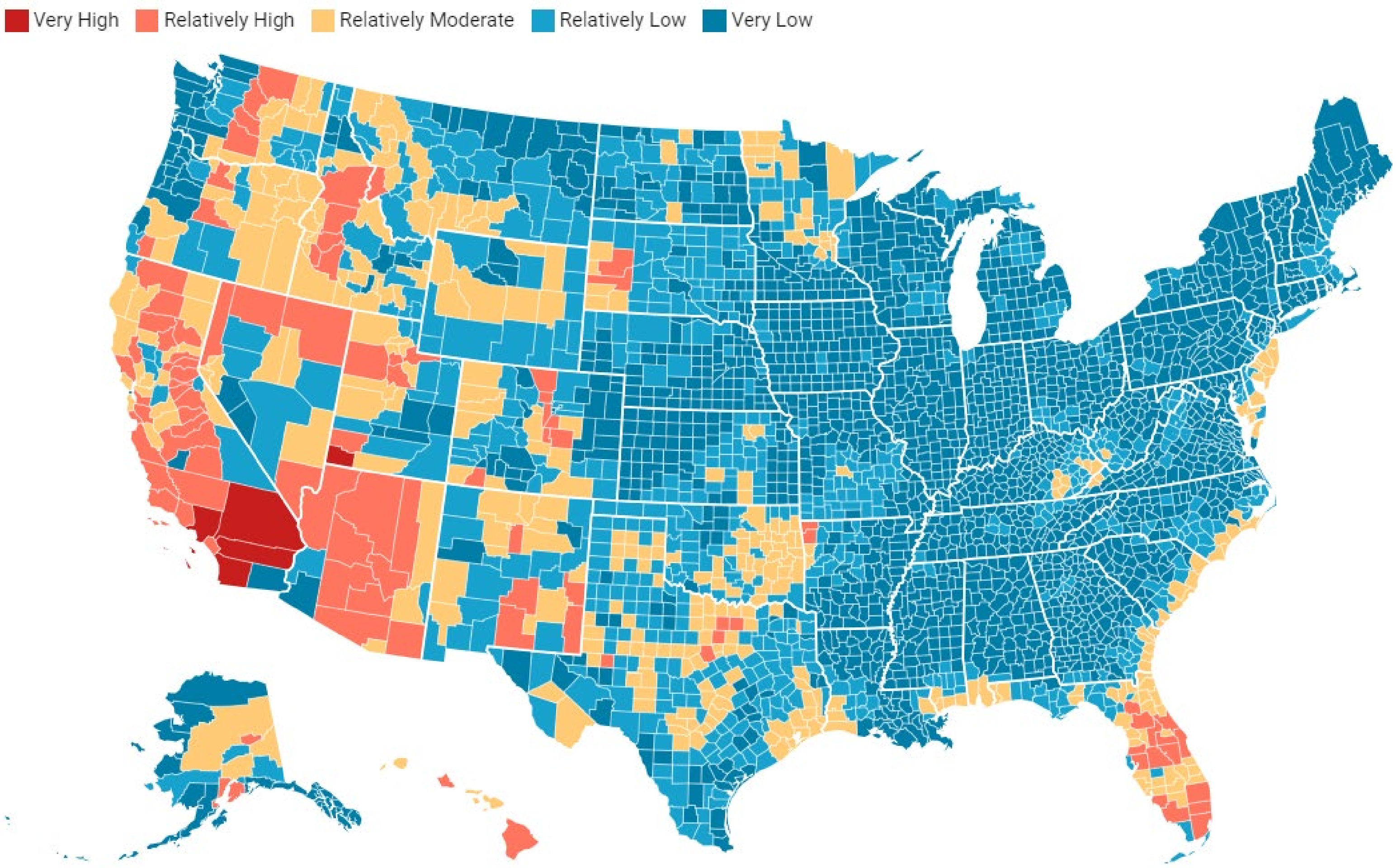
SOURCE: Mortgage News Daily, Freddie Mac

What led to the homeowners insurance crisis in California?



Loss expectations from wildfires remain high in CA

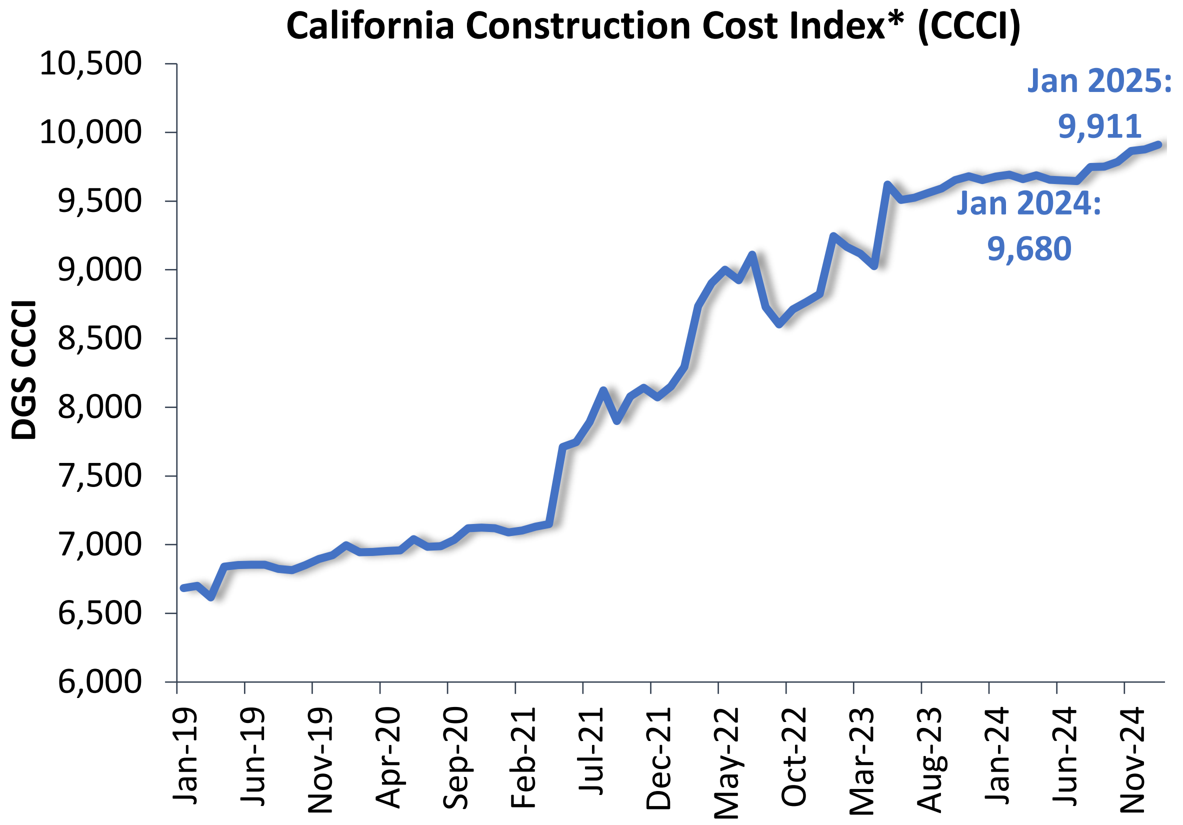
Expected Annual Loss from wildfires

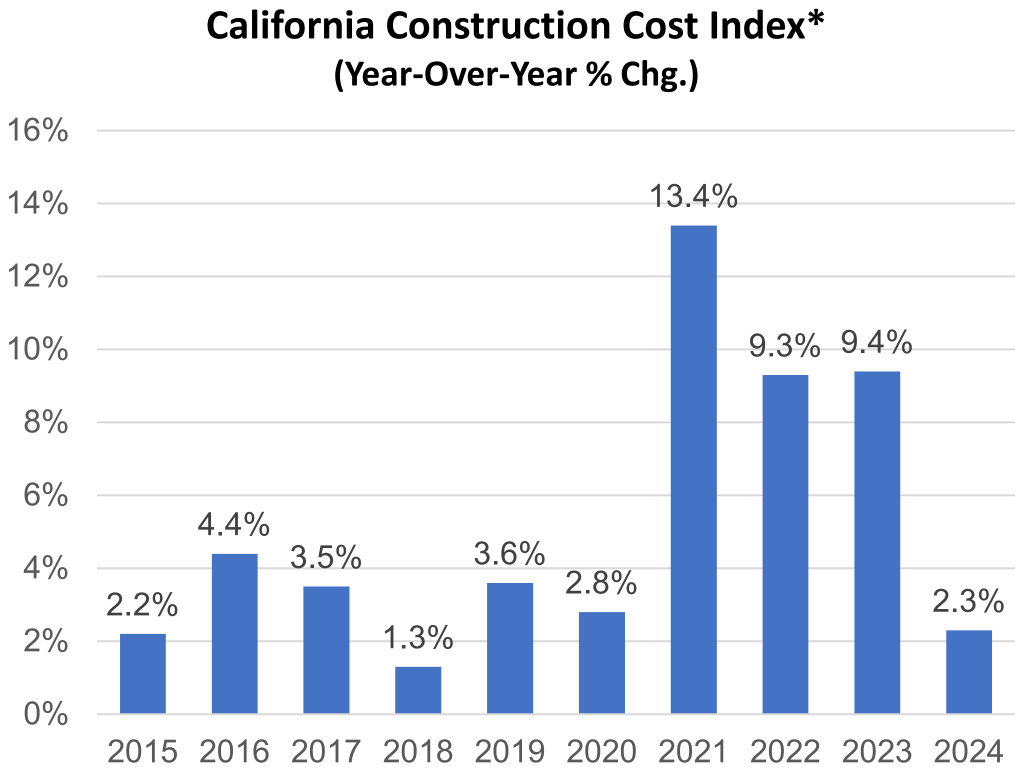


Map: The Conversation/CC-BY-ND • Source: FEMA • Get the data • Download image • Created with Datawrapper

Notes: FEMA's expected annual loss rating takes into account each county's building and agriculture value and population exposed to wildfires.

California's construction cost growth rate back to pre-pandemic levels last year

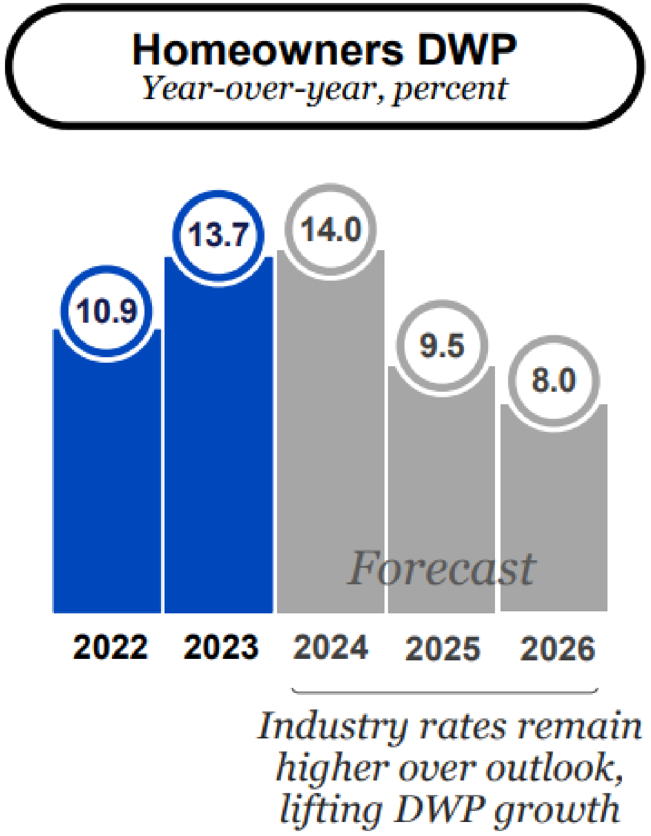




SERIES: California Construction Cost Index
SOURCE: California Department of General Services, Engineering News Record

*Note: The California Construction Cost Index (CCCI) is developed based upon Building Cost Index (BCI) cost indices average for San Francisco and Los Angeles ONLY as produced by Engineering News Record (ENR).

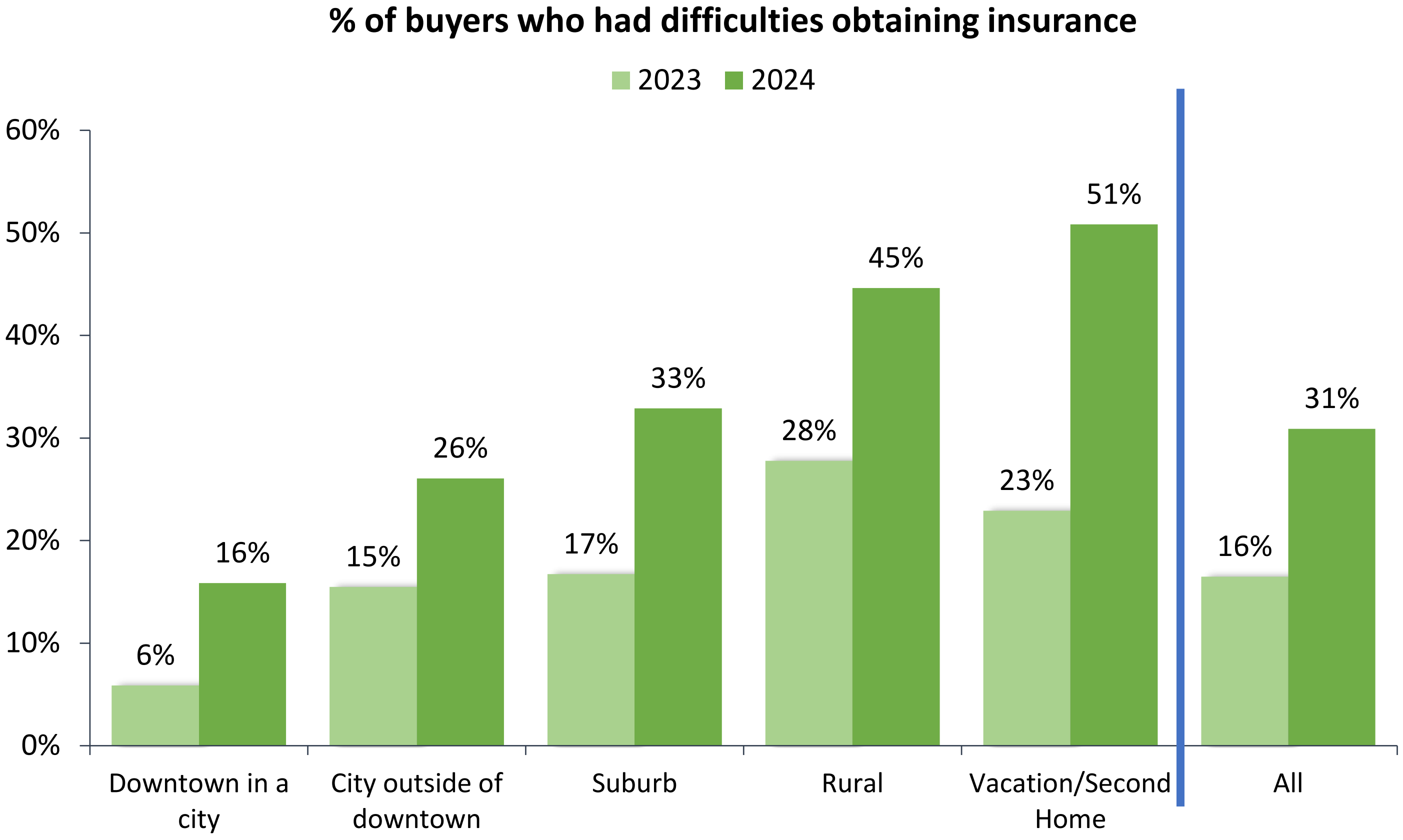
Insurance premiums have been rising and will continue to climb in the next couple years

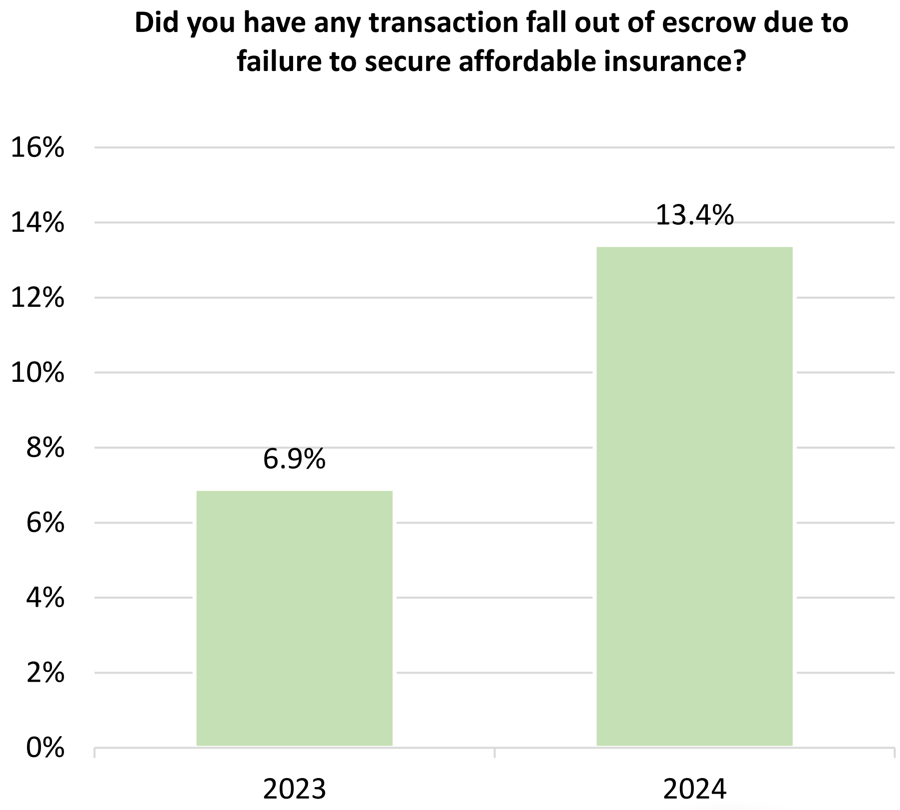


- Allstate increased California home insurance rates by 34% on average for its roughly 350k policy holders late last year
- Some homeowners saw their rates jump as much as 650%
- Last March, Safeco was approved to increase rates by 10.5% on average
- In the same month, State Farm – the state's largest home insurer – also increased its average rate by 20%
- State Farm has requested another 22% increase earlier this year
- California's FAIR Plan also has said that it will need a substantial increase in prices in the near future

SOURCE Insurance Information Institute, History & Forecast – Conning, Nationwide, San Francisco Chronicle

Difficulty in obtaining insurance is impacting the housing market

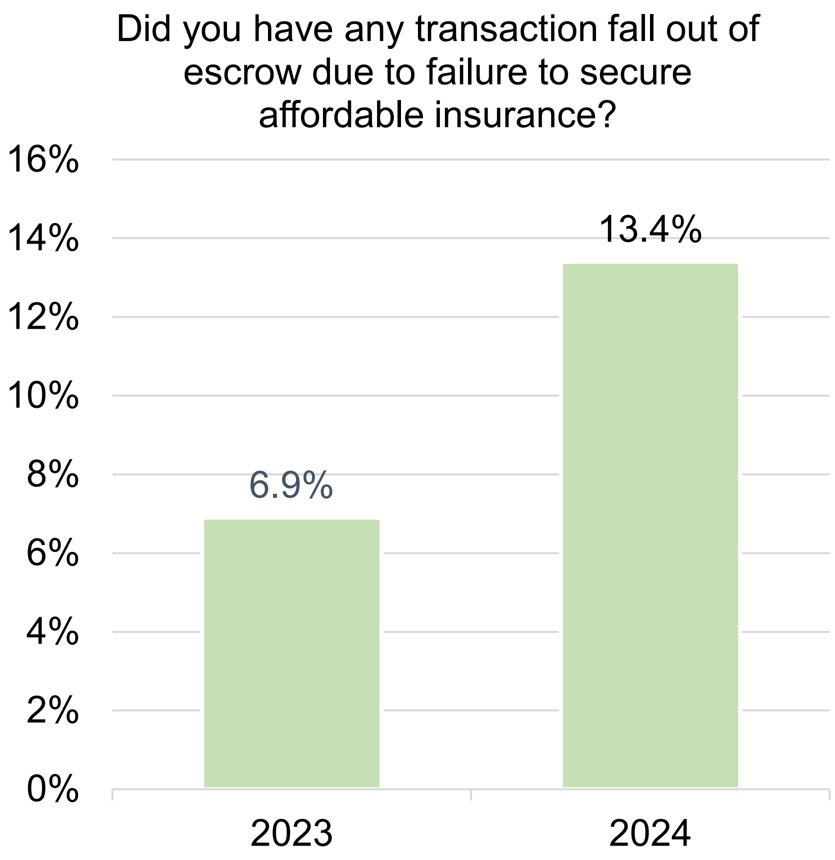


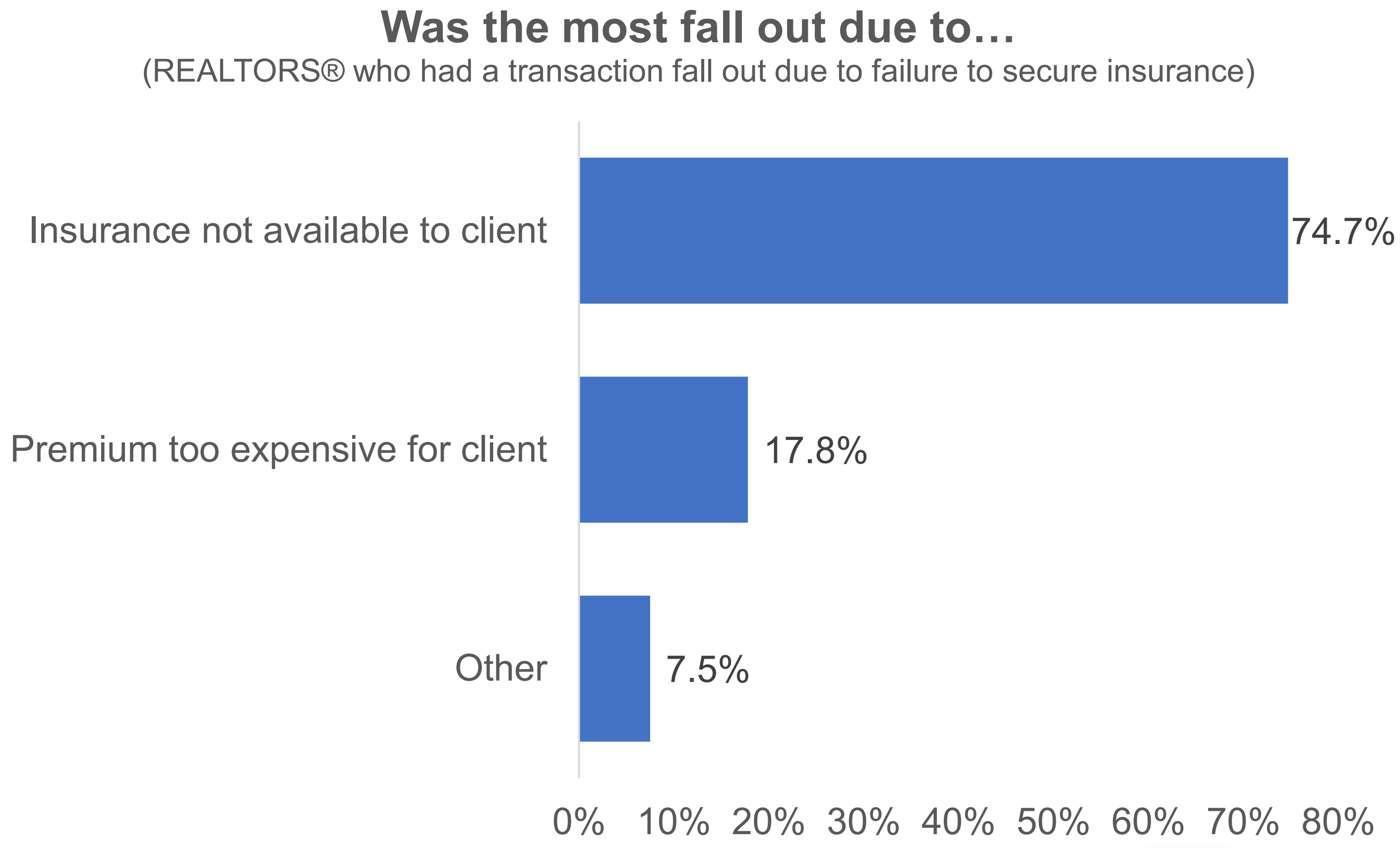


SERIES: 2024 Housing Market Survey
SOURCE: CALIFORNIA ASSOCIATION OF REALTORS®

CALIFORNIA ASSOCIATION OF REALTORS®

Difficulty in obtaining insurance is impacting the housing market





SERIES: 2024 Housing Market Survey
SOURCE: CALIFORNIA ASSOCIATION OF REALTORS®

California housing market outlook

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025f
SFH Resales (000s)	417.7	424.9	402.6	398.0	411.9	444.5	343.0	257.9	269.0	283.9
% Change	2.0%	1.7%	-5.2%	-1.2%	3.5%	7.9%	-22.8%	-24.8%	4.3%	5.5%
Median Price ($000s)	$502.3	$537.9	$569.5	$592.4	$659.4	$784.8	$819.4	$814.3	$865.4	$905.7
% Change	5.4%	7.1%	5.9%	4.0%	11.3%	19.0%	4.4%	-0.6%	6.3%	4.6%
Housing Affordability Index	31%	29%	28%	31%	32%	26%	19%	17%	16%	16%
30-Yr FRM	3.6%	4.0%	4.5%	3.9%	3.1%	3.0%	5.3%	6.8%	6.7%	6.6%

Key Takeaways

- Global economic growth should remain positive but uncertainty is the theme for the year.
- Inflation has been easing but will likely heat up again.
- Rates will continue to fluctuate but should moderate by year-end.
- Home sales across the globe should see slight improvement in 2025 but policy uncertainty could derail the upward trend.
- Home prices are expected to rise moderately for most countries, except for France and China.
- Geopolitical tensions, insurance crisis and financial market risks could present challenges in the next 12 months

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