



KCM

Monthly Market Report

December 2025

Presented by David Childers, President of Keeping Current Matters





On average, **renting a home is cheaper than paying a mortgage** in all 50 of the largest U.S. metros in 2025 — with the cost difference between the two growing in 38 metros since last year.

Bankrate

Annual Cost of Renting

Rent Paid That Year

Annual Cost of Owning

Property Taxes
Maintenance/Repairs
Homeowners Insurance
P&I Payments

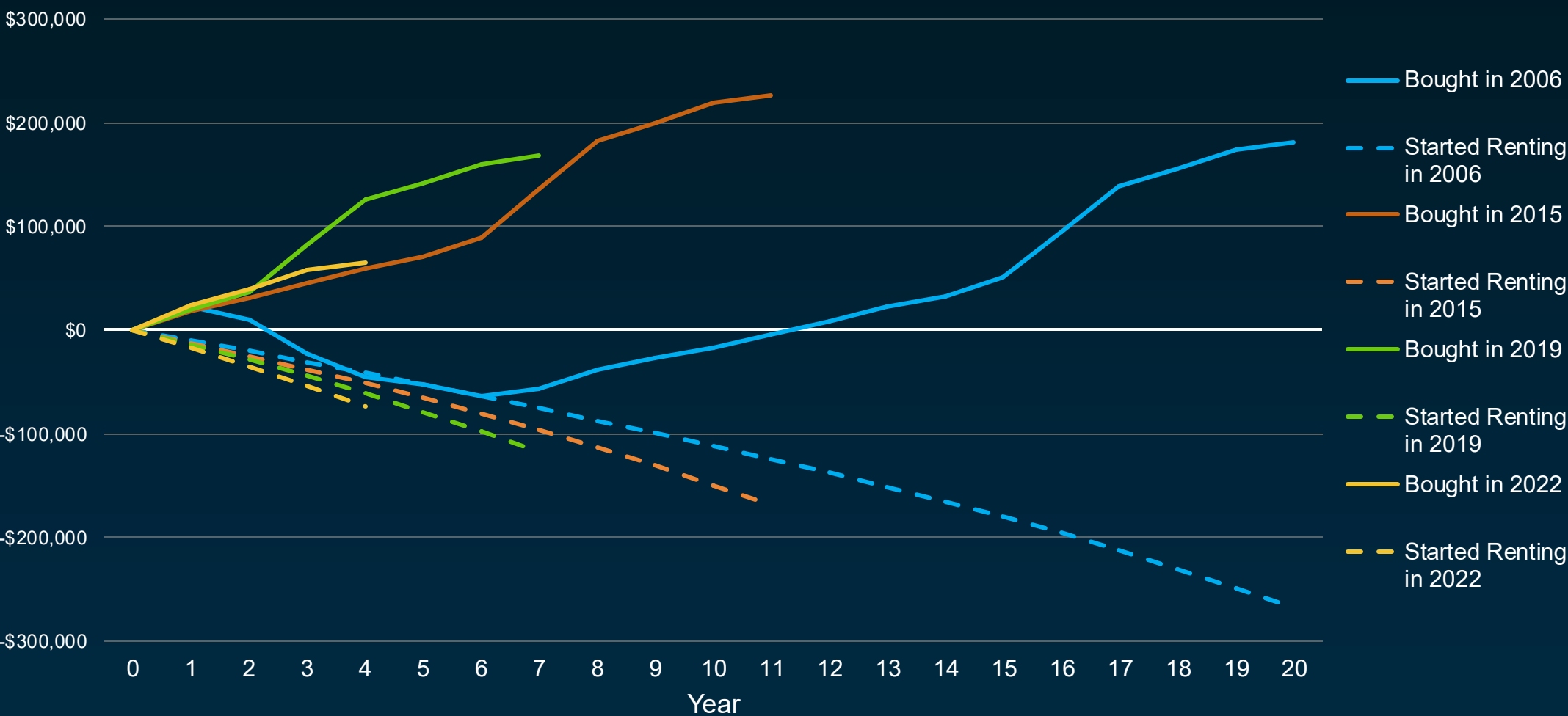


The affordability gains are broad, with 35 of the top 50 markets posting annual improvement, and 48 of 50 improving over the previous month. That momentum matters, because it **helps some potential buyers to realize one of the most powerful and enduring benefits of homeownership – once you own, equity gains can offset a large share of your ongoing housing costs over time.** In other words, the short-term challenge of scraping together a down payment coexists with the long-run financial benefits that make homeownership so appealing.

Mark Fleming
Chief Economist, First American

Homeowners Gain Wealth Over Time, Renters Lose It

Cumulative Financial Impact of Owning vs. Renting Over Time



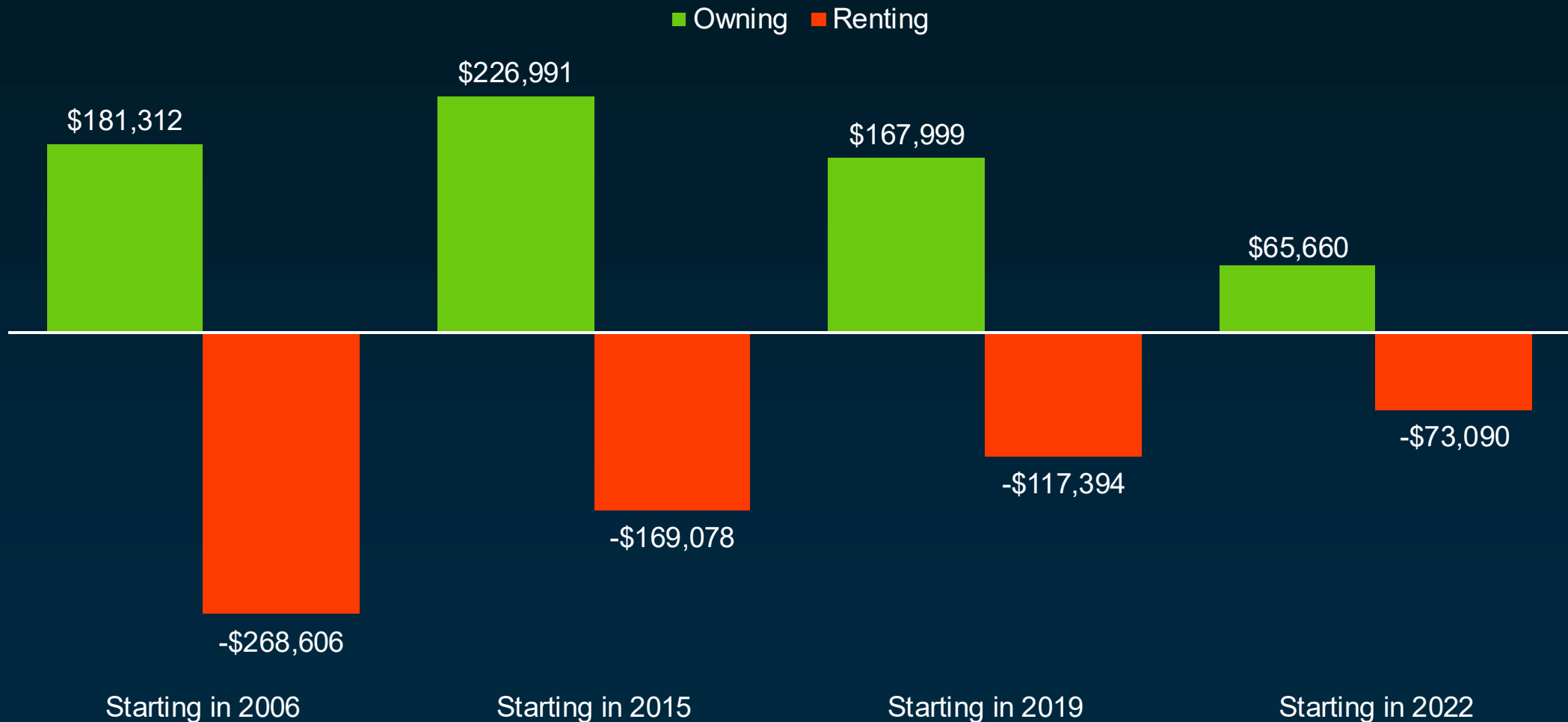


To calculate the annual cost of homeownership, we assume a 30-year, fixed-rate mortgage with a 5 percent down payment on a median-priced home. We then **adjust for equity accumulation**. If house prices decline, the equity reduction is added to the annual cost of owning. On the other hand, if prices rise, the equity gained reduces the annual cost of owning. **When the annual equity gain exceeds the other ownership costs, the home effectively ‘pays you’ to live there.**

Mark Fleming
Chief Economist, First American

Homeownership Remains a Wealth-Building Engine

Cumulative Annual Cost or Equity Benefit of Homeownership vs Cumulative Rent





Across all four intervals, homeowners who stayed long enough saw equity gains exceed cumulative ownership costs. Put differently, **time in the home allowed equity accumulation to offset the other costs of ownership.**

Mark Fleming
Chief Economist, First American



Nationally, now is a good time to buy, if you can afford it. Prices keep climbing, but with lower mortgage rates and more inventory, buyers have an upper hand in negotiations. An uneasy economy and political tensions are making everyone uneasy, though, and local housing markets vary widely. **Buyers serious about making offers should consult a local agent and be confident in their finances and future income.**

Daryl Fairweather
Chief Economist, Redfin

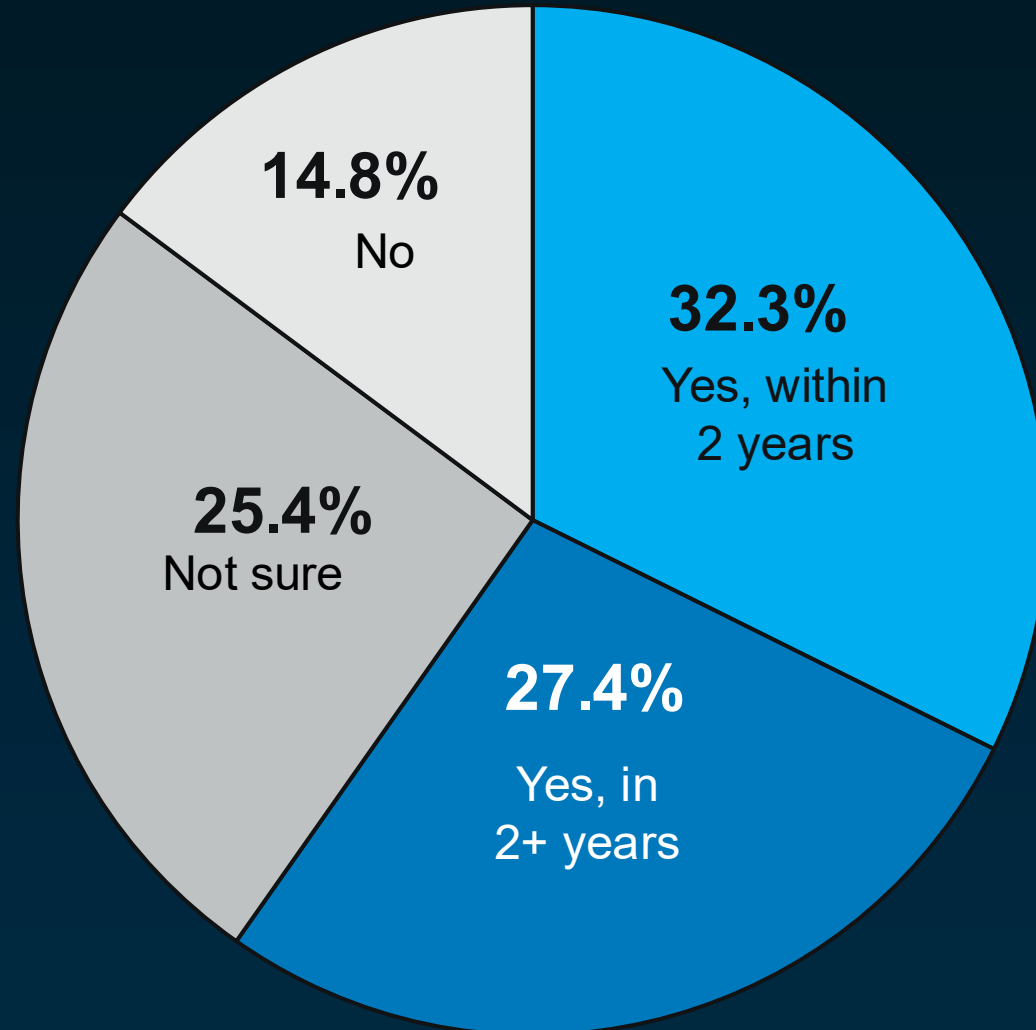


Affordability for home buyers **reached a three-year high.**

Zillow

Renters Feel Optimistic About Becoming Homeowners

*Do You Have Plans To Become
a Homeowner in the Future?*





Affordability should continue to improve, allowing more households to unlock the ‘homeownership’ door and start the equity-building journey that turns a house into a wealth-generating asset.

Mark Fleming
Chief Economist, First American



No matter which way the real estate market is leaning, though, buying now means you can start building equity immediately. It also means avoiding the potential for mortgage rate fluctuations later.



**The Opportunity Homebuyers
Have Right Now**



The last November there was this much inventory on the market was in 2019. This growing inventory puts downward pressure on listing prices, which have been basically stagnant for the past three years, and upward pressure on time on market, which has returned to near pre-pandemic levels.

Joel Berner
Senior Economist, Realtor.com

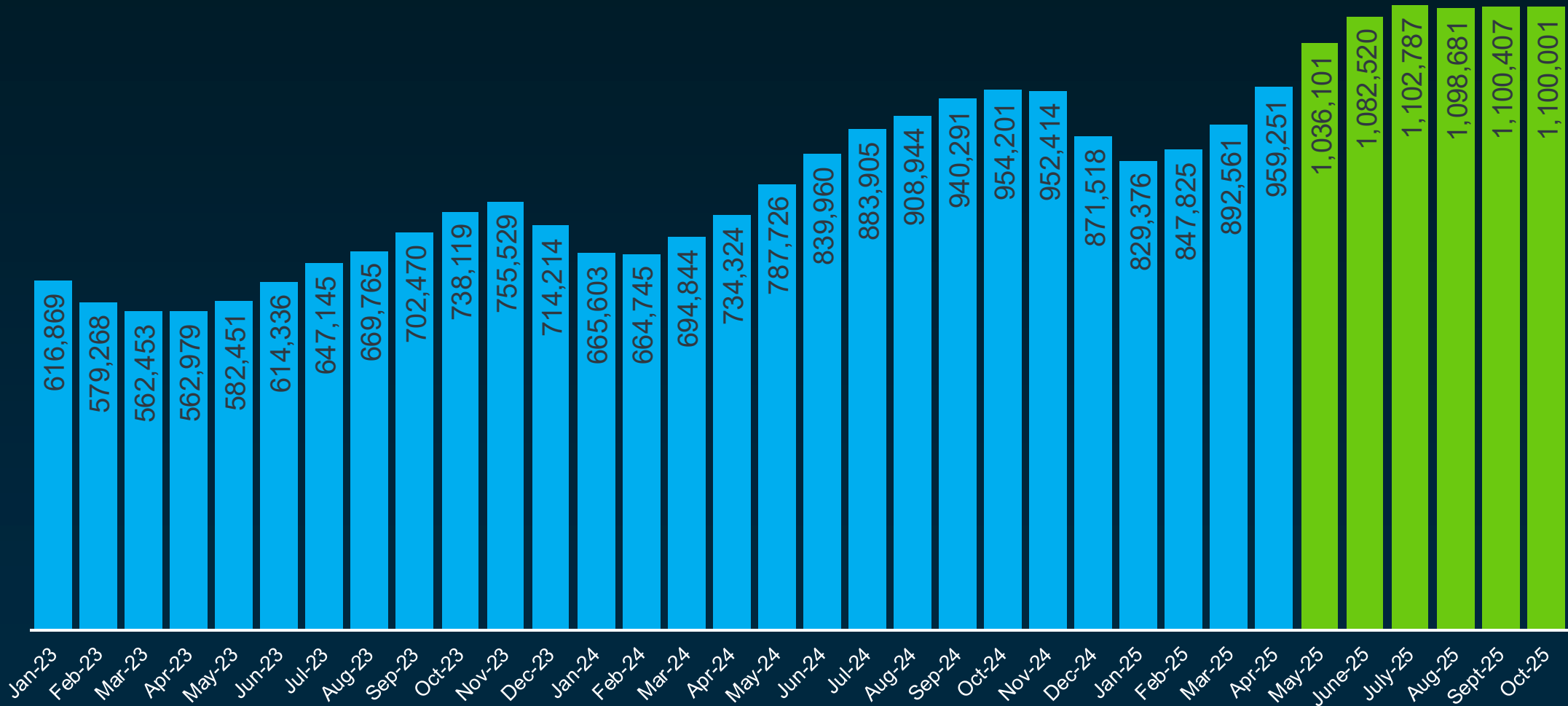


Homebuyers found more options.... as the number of actively listed homes rose 15.3% compared to the same time last year.

Realtor.com

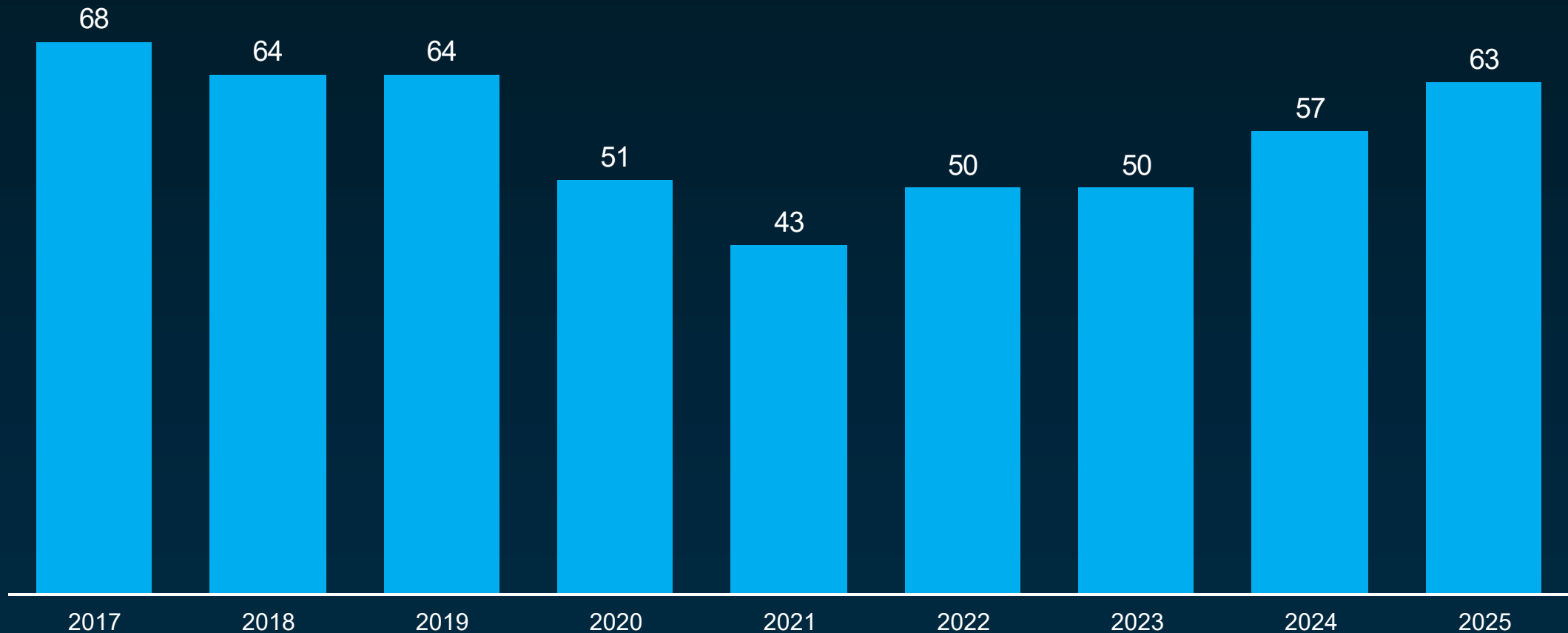
Inventory Topped 1 Million for the 6th Consecutive Month

Active Listing Count, United States



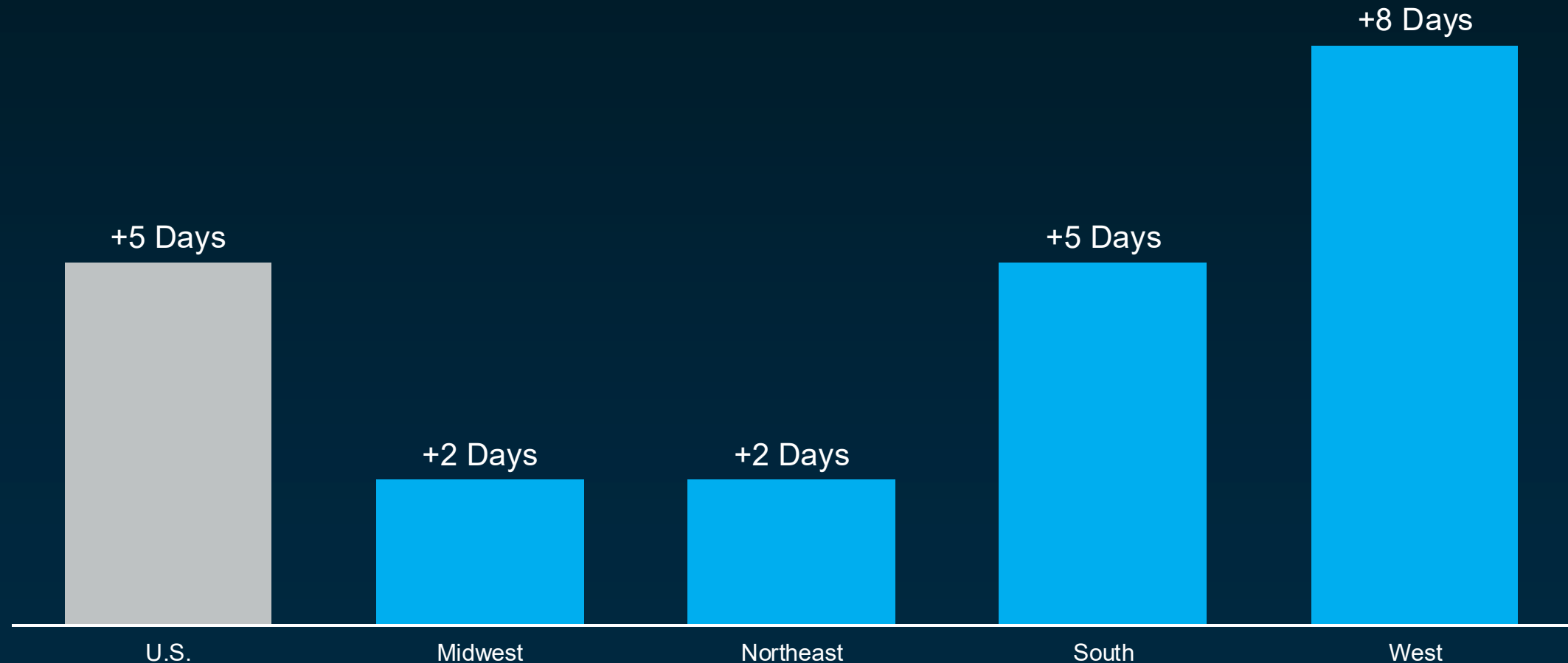
Median Days On The Market

October of Each Year



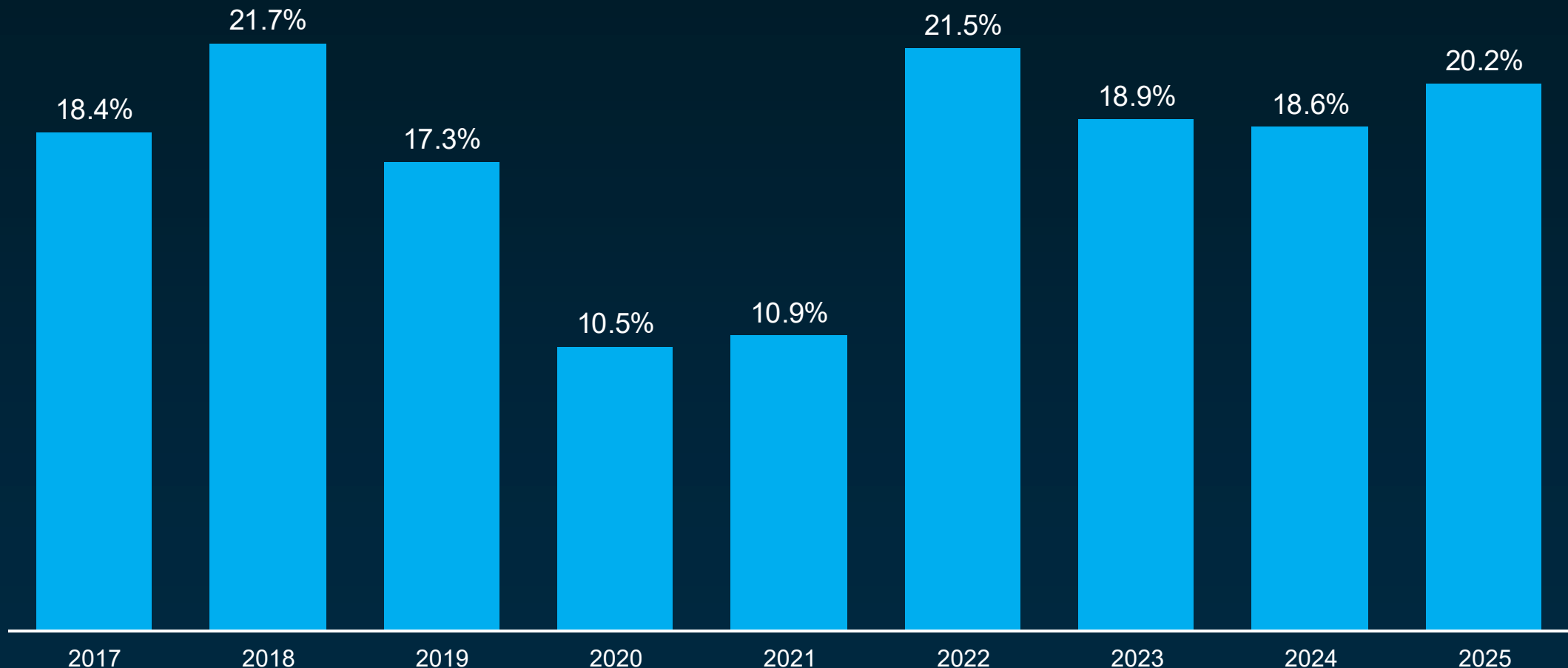
Regional Trends: Time on The Market Keeps On Ticking

All Four Regions Saw Year-Over-Year Increases in Time on Market, Reflecting Broader Cooling Trends



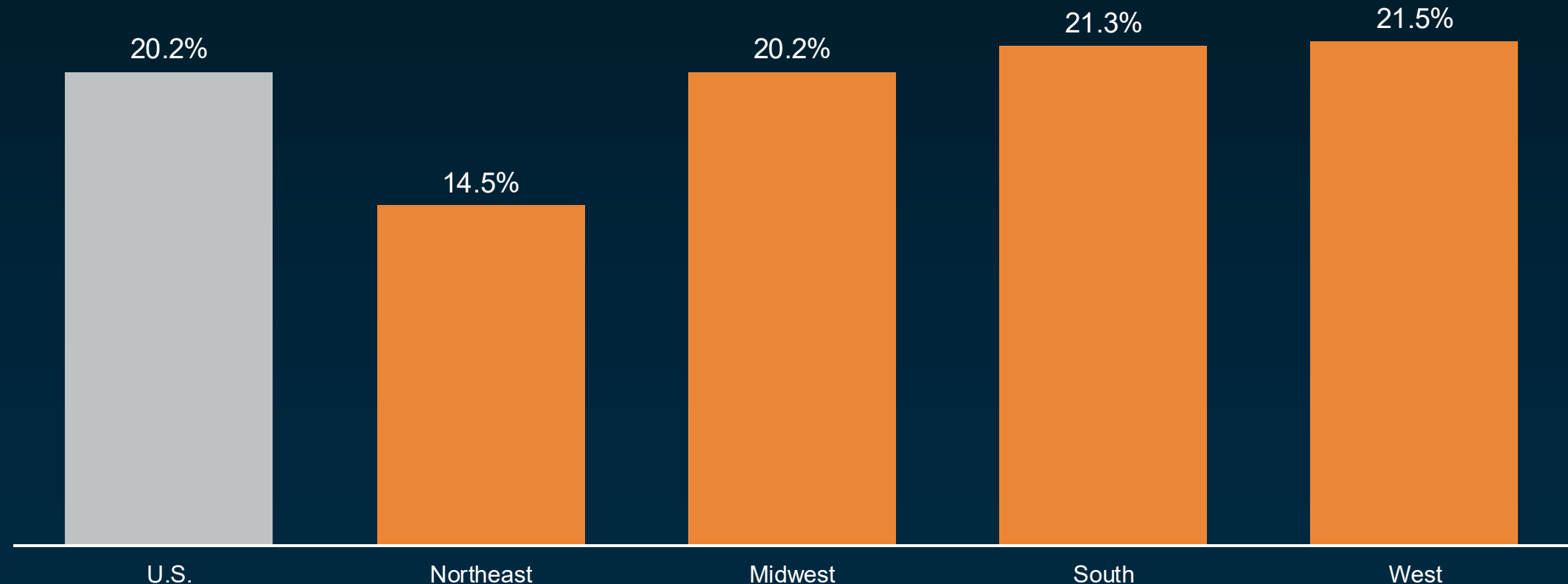
The Share Price Cuts Is Back at Normal Levels

Percent of Listings with Price Cuts, October of Each Year



Price Reductions Have Begun To Show Some More Uniformity By Region

% of Listings with Price Reductions, October 2025





During the quieter fall and winter months, when fewer prospective buyers are shopping, home sellers may be more willing to lower their prices, or offer concessions, to attract those prospective buyers who are still looking.



41% of builders reported cutting prices in November, a record high in the post-Covid period and the first time this measure has passed 40%. Meanwhile, the **average price reduction was 6%** in November, the same rate as the previous month. The **use of sales incentives was 65%** in November, tying the share in September and October.



A good buyer's agent can act as a guide on your homebuying journey. They'll show you properties that fit your criteria, help you craft a competitive offer, negotiate on your behalf and generally provide you with knowledge and support throughout the homebuying process.

NerdWallet



Rest. Recharge. Recover.



Ask anyone in real estate-related business, and they'll tell you:
the last couple of years have been kind of tough.

Not dead. But slower. And while the 2020-2022 real estate bonanza certainly skewed the baseline of “normal,” it's fair to say that while real estate business hasn't been impossible the last couple of years, **it's certainly been challenging.**

Lake Expo



There is a **virtue in work**
and there is a **virtue in rest**.
Use both and overlook neither.

Alan Cohen
Businessman, Owner, and Founder





Next year is really the year that we will see
a measurable increase in sales.

Lawrence Yun
Chief Economist, NAR



Rest. Recharge. Recover.
And Rise in 2026

Most agents **know**
what's happening.

Good agents **understand**
what's happening.

Only great agents can **explain**
what's happening.



**KEEPING CURRENT
MATTERS**