

## Intro Text for December 2025 Newsletter

The real estate market began its usual mid-winter holiday season slowdown in November, marked by a substantial decline in both listing and sales activity. This contraction typically accelerates through December - normally the year's slowest month - before the market begins to wake up in mid-January.

Although the inventory of new listings shrinks, December presents the period when motivated buyers can typically negotiate most aggressively, particularly on properties with extended days-on-market. As is virtually always the case, well-priced and prepared, and effectively marketed new listings can still sell quickly, often well above the asking price.

Our focus now shifts toward the New Year's market. In the past, the beginning of the year frequently ushered in a substantially higher level of demand that continued to build into spring. This occurred in early 2025 until affected by the "tariff shock" and subsequent economic reactions, initiating a significant slowdown in April.

This report reviews a wide range of real estate market indicators through November. Our January report will provide an analysis of 2025's conditions and trends in the longer-term context of previous years.

In the broader financial landscape, the first week of December saw the S&P 500 and Nasdaq largely recover from their substantial declines in November; and the 30-year mortgage rate was close to a 14-month low. While consumer confidence showed a modest rise from November, it remains very low by long-term standards. Attention is now focused on the Federal Reserve's upcoming decision regarding an end-of-year benchmark-rate reduction, and the subsequent inflation report due later in the month.