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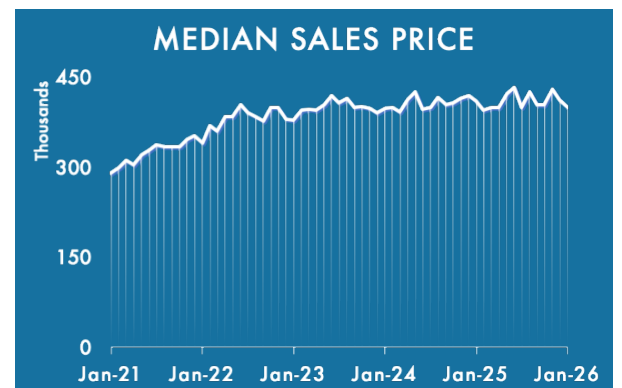
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An analysis of the residential real estate market and land development conditions in the counties served by Cape Fear REALTORS® and the Wilmington-Cape Fear Home Builders Association.

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A COLLABORATIVE EFFORT

Cape Fear REALTORS® (CFR) is a professional REALTOR® alliance working together for our communities and members to protect, advocate, and promote real property ownership and investment.

We strive to be the premier resource for technology, services, and information for REALTORS® in our region so that they may better serve their clients. CFR serves the interests of the public by:

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- Working with the National Association of REALTORS®, the North Carolina REALTORS® and the NC Real Estate Commission to promote ethically and legally sound representation for consumers.



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The Wilmington-Cape Fear Home Builders Association (WCFHBA) is the voice of the building and development industries in Southeastern North Carolina.

Chartered in 1965 and representing nearly 1,800 member firm, the WCFHBA is the largest trade association in Coastal North Carolina, the third largest Home Builders Association in the state, and fourth largest Home Builders Association in the nation. The Wilmington-Cape Fear Home Builders Association represents an industry that contributes billions of dollars to the economy of Southeastern North Carolina and supports thousands of jobs in the greater Wilmington area. For more than 59 years, the Wilmington-Cape Fear Home Builders Association has been the voice of the building industry, working to support our members involved in the home building industry and working to be an influential force for responsible growth by protecting property rights and the privilege of home ownership.



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ECONOMIC IMPACT

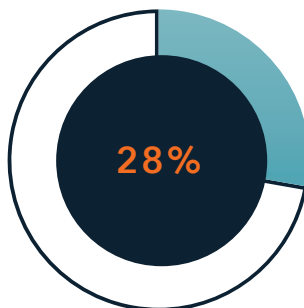
Breakdown of a Typical Home Sale in North Carolina per Transaction

TOTAL ECONOMIC IMPACT

\$122,000

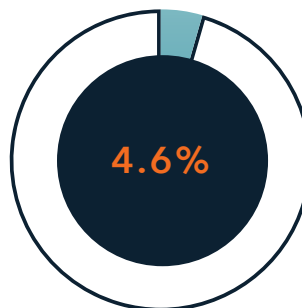
The real estate industry accounted for
\$133.6 Billion or 16.8% of the gross state
product in 2024.

Income Generated from
Real Estate Industries



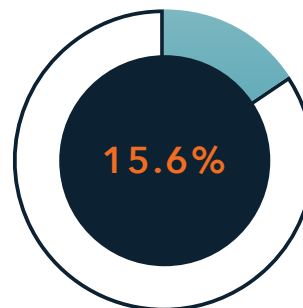
\$34,113
TOTAL IMPACT

Expenditures Related
to Home Purchase



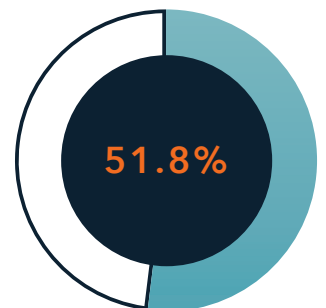
\$5,620
TOTAL IMPACT

Multiplier of Housing
Related Expenditures



\$19,072
TOTAL IMPACT

New Home
Construction



\$63,172
TOTAL IMPACT

Real Estate Industries: We assume that commissions, fees, and moving expenses, or income to real estate industries, associated directly with the purchase are about 9% of the median home price.

Expenditures related to home purchase: Furniture and remodeling expenses are about \$5,620 based on the NAHB figure.

Multiplier effect: The multiplier effect accounts for the fact that income earned in other sectors of the economy as a result of a home sale is then re-circulated into the economy.

New construction: Additional home sales induce added home production. Typically, one new home is constructed for every six existing home sales. Thus, for every existing home sale, 1/6 of a new home's value is added to the economy.

GDP AT-A-GLANCE

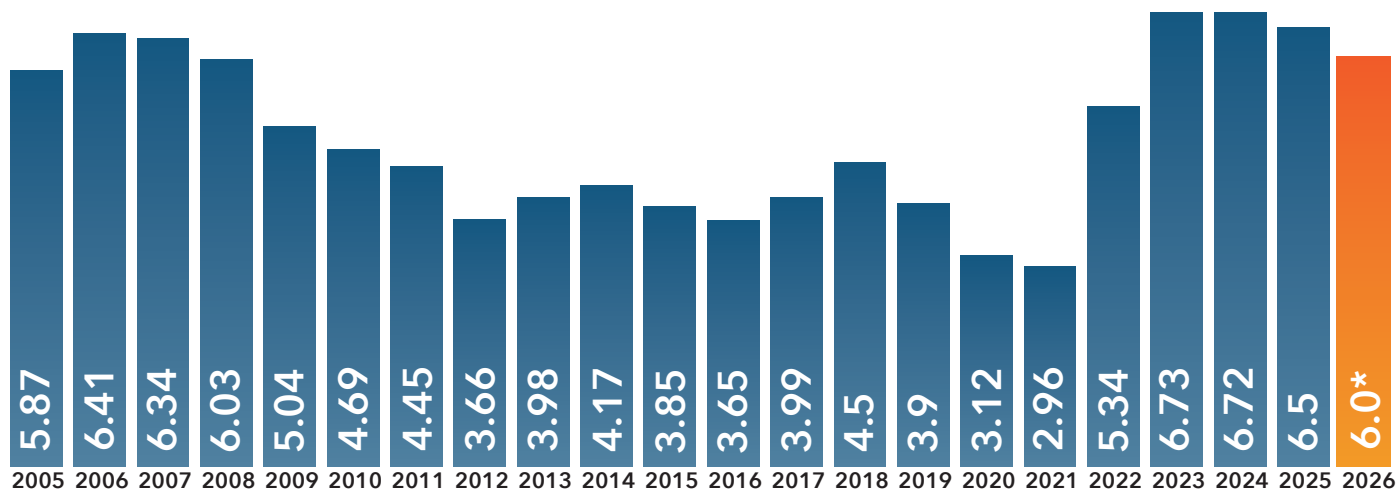
For the full year, real GDP grew 1.4% in 2025.



INTEREST RATE OUTLOOK

In 2025, the year-to-date (YTD) average mortgage rate as captured by Freddie Mac’s Primary Mortgage Market Survey was 6.5% for a conventional 30-year home mortgage.

In 2026, most economists agree that the 30-year fixed mortgage rate should decrease slightly to around 6% by year-end.



Data is from the Bureau of Labor Statistics in the U.S. Department of Labor & Bureau of Economic Analysis housed in the U.S. Department of Commerce

ECONOMIC GROWTH OUTLOOK

What do we currently know about the state of the Wilmington economy?

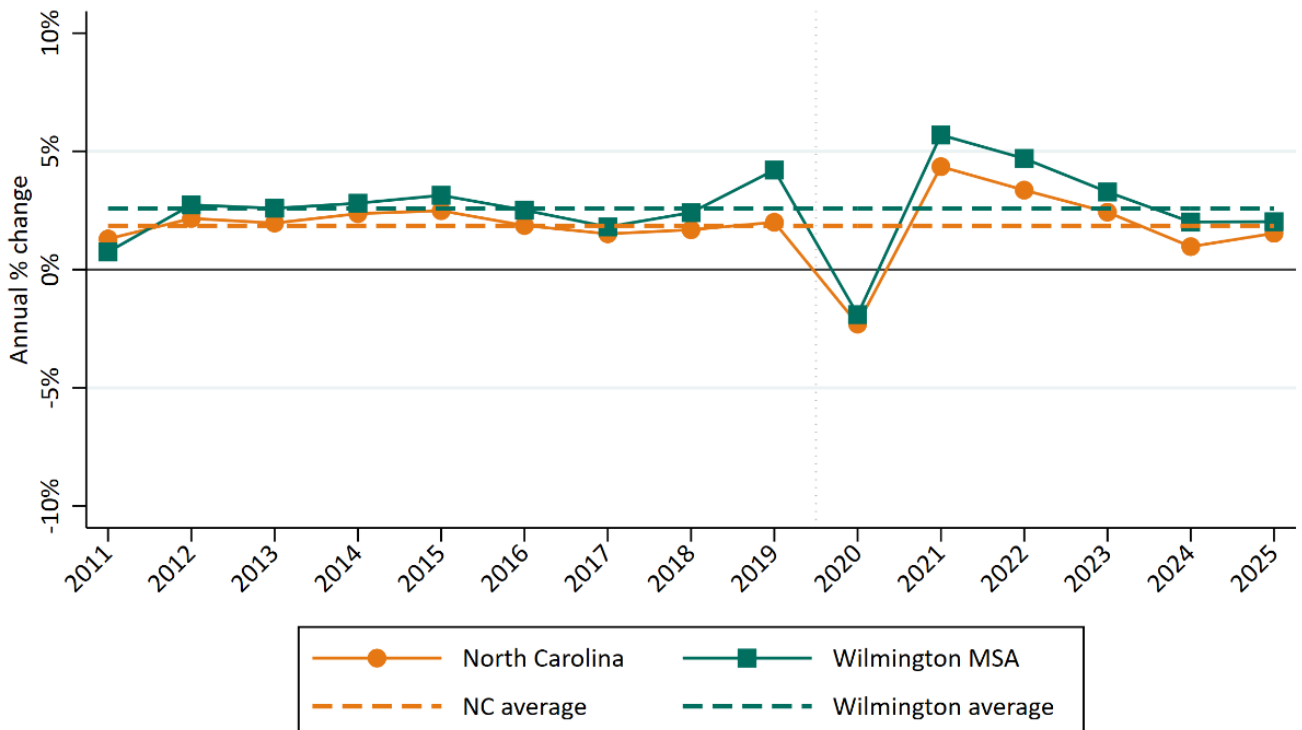
By: Dr. Mouhcine Guettabi

The U.S. economy is expected to grow around 2 to 2.5 percent in 2026, supported by AI investment and fiscal policy, though the labor market remains soft and inflation is still running near 3 percent. Consumer spending is increasingly uneven, with higher-income households carrying more of the demand. The Fed may cut rates once or twice more, but risks around housing, policy uncertainty, and supply constraints remain.

North Carolina continues to grow, albeit at a slower rate. Between 2024 and 2025, the state added roughly 146,000 people, bringing the total number of new residents to approximately 757,000. On the labor market side, the state added 79,100 jobs, a 1.5 percent increase, with most sectors continuing to expand, the exceptions being manufacturing, information, and federal government.

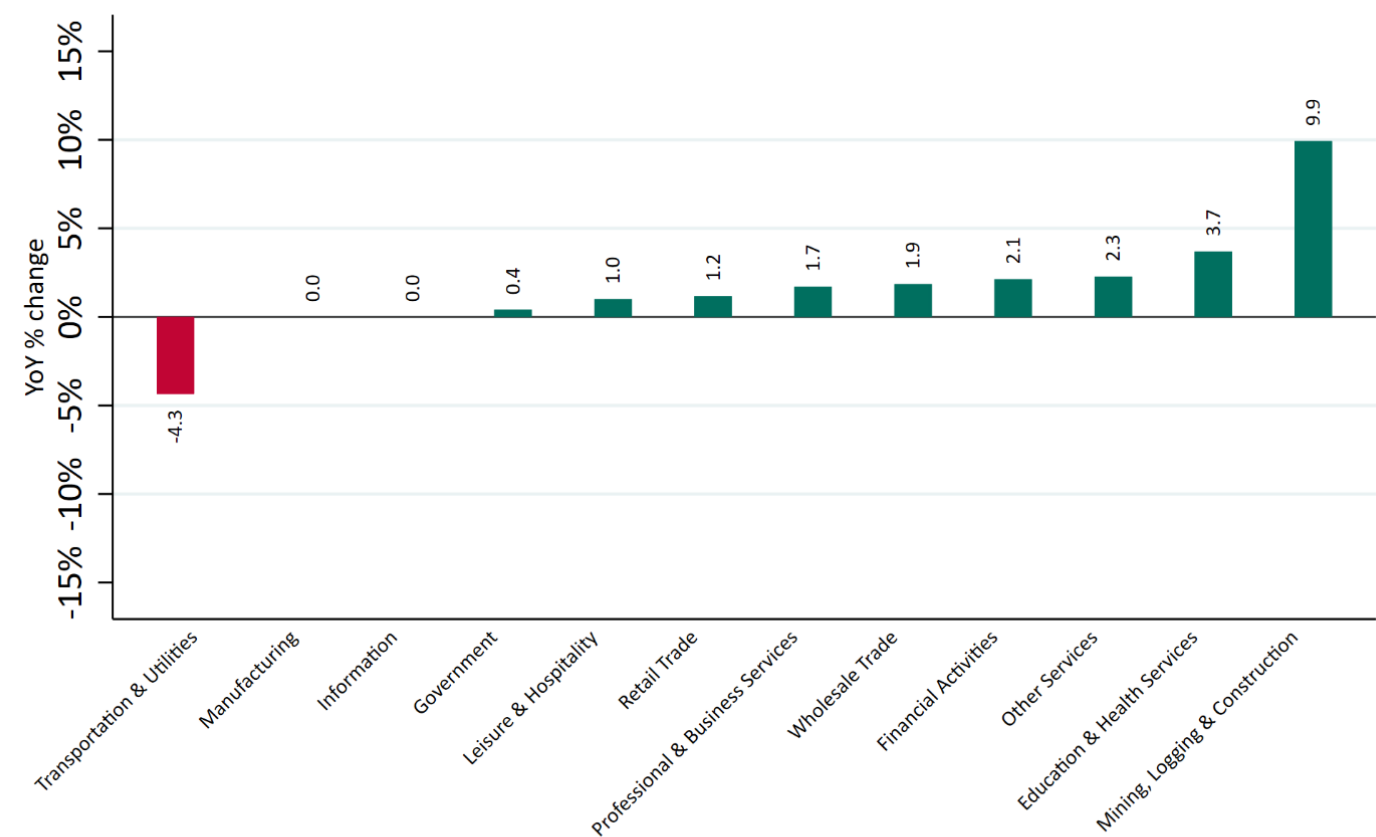
As shown in Figure 1, the Wilmington economy continues to outperform the state, though its growth rate has reverted to pre-pandemic averages; the exceptional growth of 2021, 2022, and 2023 is now behind us. Overall, the Wilmington metro added jobs at a 2 percent rate, with construction leading at 9.9 percent annual growth translating to more than 800 jobs. This is followed by healthcare at 3.7 percent, which added even more jobs in absolute terms (1,425) given the sector's larger size.

**FIGURE 1: ANNUAL EMPLOYMENT GROWTH
WILMINGTON MSA VS. NORTH CAROLINA**



As we show in Figure 2, the Wilmington labor market grew at a 2 percent rate between December 2024 and December 2025. The construction sector led with a 9.9 percent annual growth, translating to more than 800 jobs, followed by healthcare at 3.7 percent, which added even more jobs in absolute terms (1,425) given the sector’s larger size. Two sectors, manufacturing and information, posted no growth, while transportation and warehousing shed jobs.

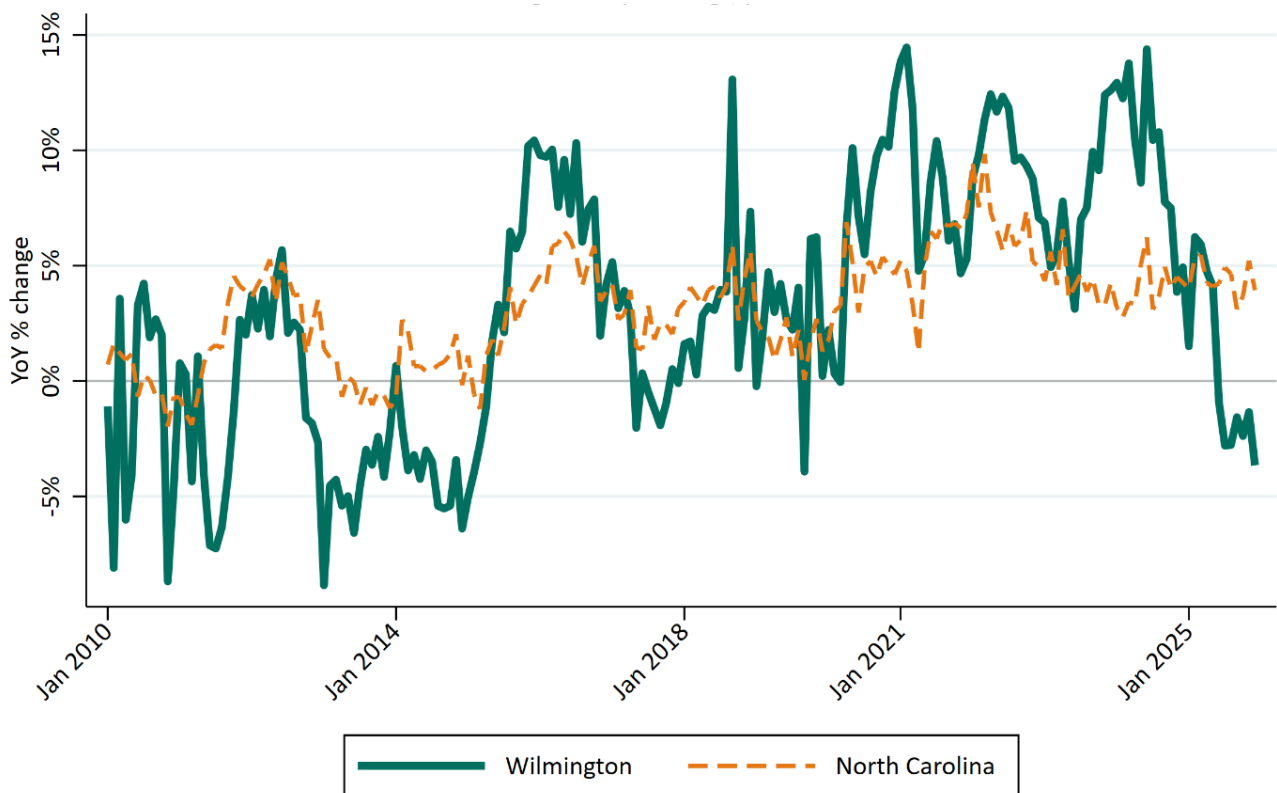
FIGURE 2: YEAR OVER YEAR GROWTH - WILMINGTON
[between December 2025 and December 2024]



Source: BLS SAE.

Figure 3 turns to wage growth, which shapes purchasing power and consumer spending across the board. Wage growth in Wilmington has been strong over the last five years, clearly outperforming the state, though that trend has recently reversed, with average wages declining between 2024 and 2025.

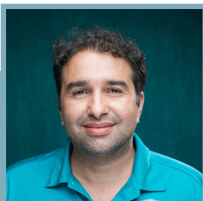
FIGURE 3: YEAR OVER YEAR WAGE GROWTH - WILMINGTON
[average hourly earnings, private sector]



Source: BLS SAE.

Where does this leave us?

Overall, the Wilmington economy remains healthy, and its continued diversification bodes well for sustained growth. The region is relatively sheltered from national headwinds. Migration into the area continues, particularly toward Pender and Brunswick counties, where labor markets are adding both jobs and quality jobs.



DR. MOUHCINE GUETABI, Associate Professor of Economics & Finance
Ronald & Cynthia McNeill Distinguished Professor in Business
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WILMINGTON MSA HOME SALES

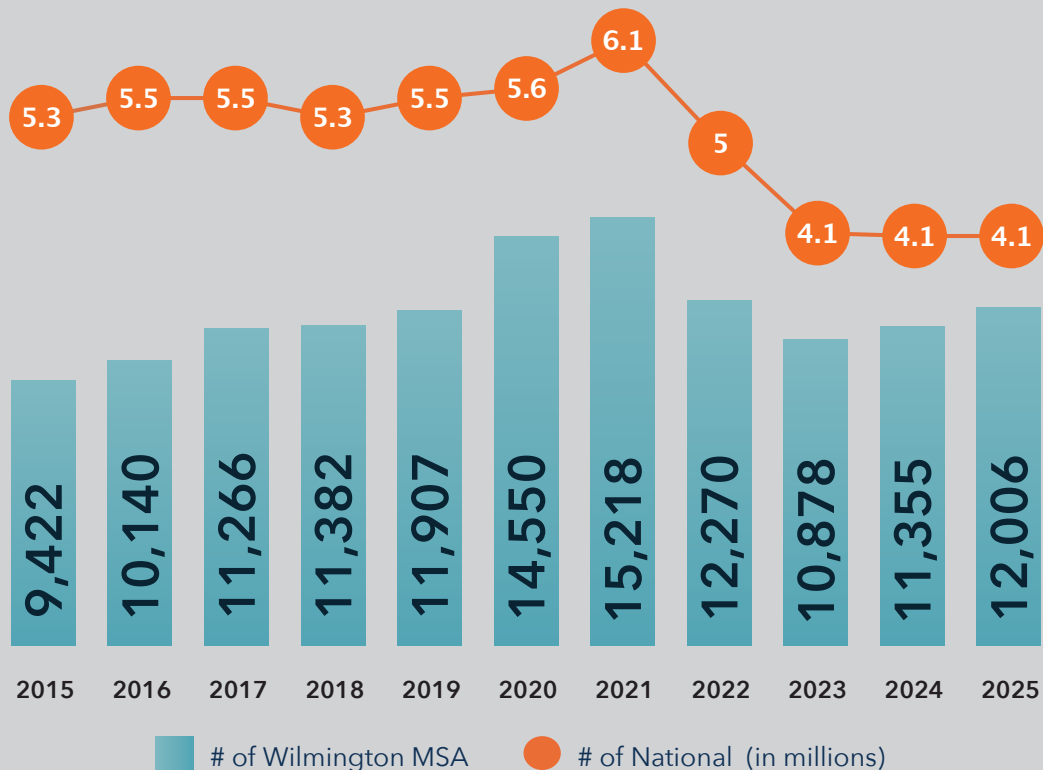
All Residential Homes

According to Hive MLS data, the Wilmington Metropolitan Statistical Area (MSA) experienced a stabilization in home sales. 2022 and 2023 are marked by a noticeable decline in the number of home sales. However, 2024 experienced a rebound. With total home sales reaching 12,006, reflecting a 5.73% increase, 2025 continued this upward trend.

Traditionally, existing home sales account for the majority of total sales. In 2025, existing homes accounted for 8,322 transactions, making up 69.31% of total sales. While the inventory for the Wilmington MSA continues to grow, demand for new homes persists in the Wilmington MSA.

For the first time in over a decade, U.S. home sales declined for three consecutive years. In 2023, home sales fell by 18.69%, ending the year with 4,090,000 transactions. The downward trend continued in 2024 and 2025 remained consistent with 4,060,000 total sales. This cooling market returned the U.S. to home sale levels comparable to 2011. The decline in home sales could be attributed to rising national median existing home prices and the steady 6% interest rate in 2025.

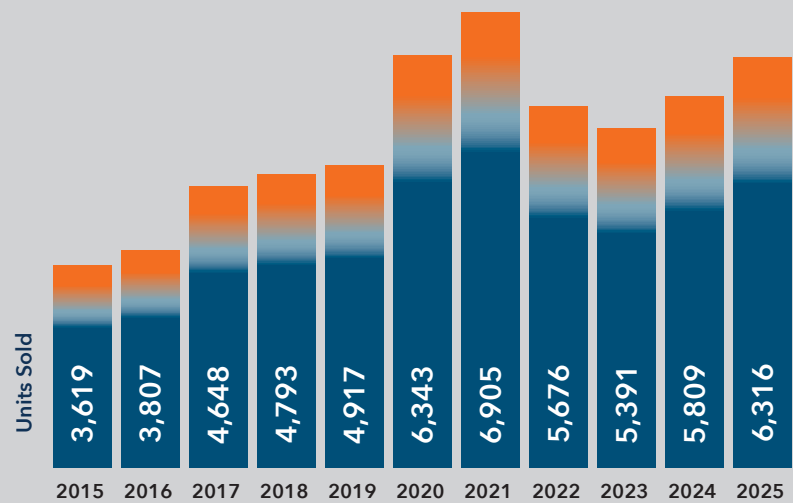
The Wilmington MSA home sales decline in 2022 marked the first drop in over a decade. However, the local market fared better than the national market, experiencing a less severe reduction in sales. By the end of 2025, sales increased consistently across Brunswick County, recording 6,316; Pender County, recording 1,567; and New Hanover County, recording 4,124. 2025 home sales in the Wilmington MSA were comparable to 2019 home sales.



BRUNSWICK COUNTY

All Residential Home Sales

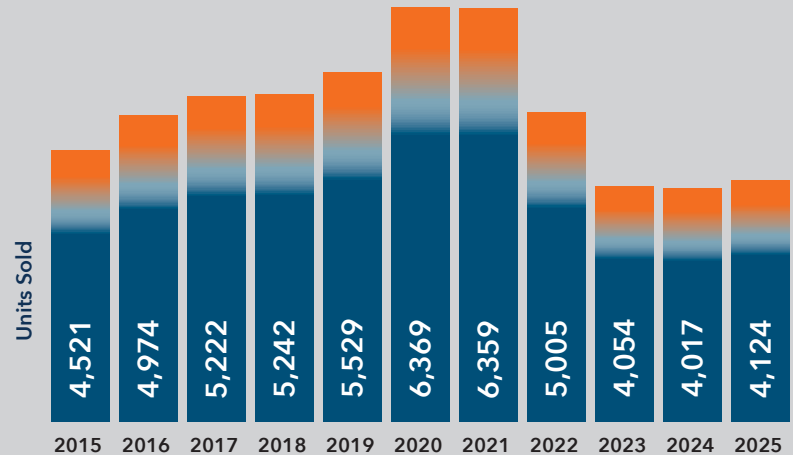
Experiencing the highest increase, Brunswick County led the region in total home sales for 2025. With a total of 6,316 closed sales, the market increased by 8.73% compared to 2024. A good sign of growth for the 2026 market, the demand for home sales in 2026 is comparable to January 2025. Closed sales in January 2026 increased to 367 compared to 320 for January 2025. Available homes for sale in January 2026 increased 16.32% compared to January 2025.



NEW HANOVER COUNTY

All Residential Home Sales

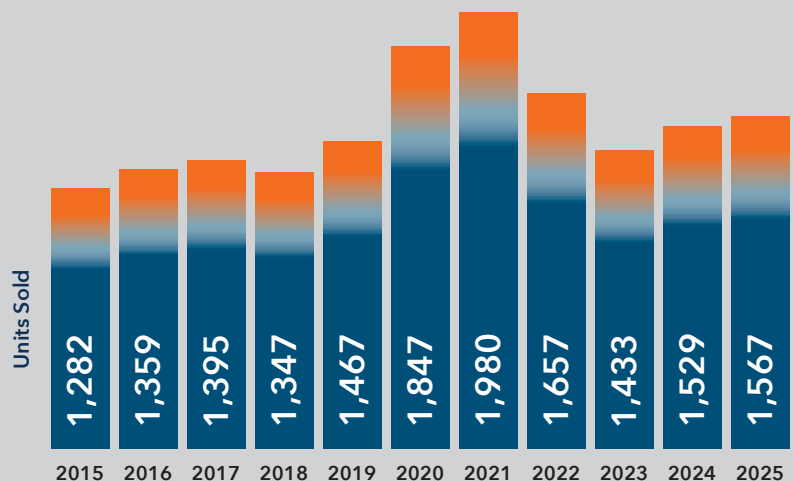
For the year of 2025, New Hanover County home sales increased to 4,124. This was a total increase of 2.66%, when compared to 2024 year-end totals. This is the first year-over-year increase in home sales in four years. Inside of the Wilmington MSA, New Hanover County fell between the other two counties when looking at the year-over-year growth of home sales. Pending sales in New Hanover County came in at 339 for January 2026 compared to 285 for January 2025. This was an increase of 18.95%. Available homes for sale in January 2025 (976) increased 8.5% compared to January 2026 (1,059).



PENDER COUNTY

All Residential Home Sales

Home sales in Pender County for 2025 rose by 2.49% for a total of 1,567 sold homes. This ranked Pender County with the smallest year-over-year increase in home sales in the Wilmington MSA. Pender County drastically outpaced pre-pandemic levels in 2025. Pending sales for January 2026 saw an increase of 20.91% when compared to January 2025, which indicates continued room for new growth in the area. The amount of homes for sale increased by 17.66%. January 2026 ended the month with a total of 433 homes for sale.

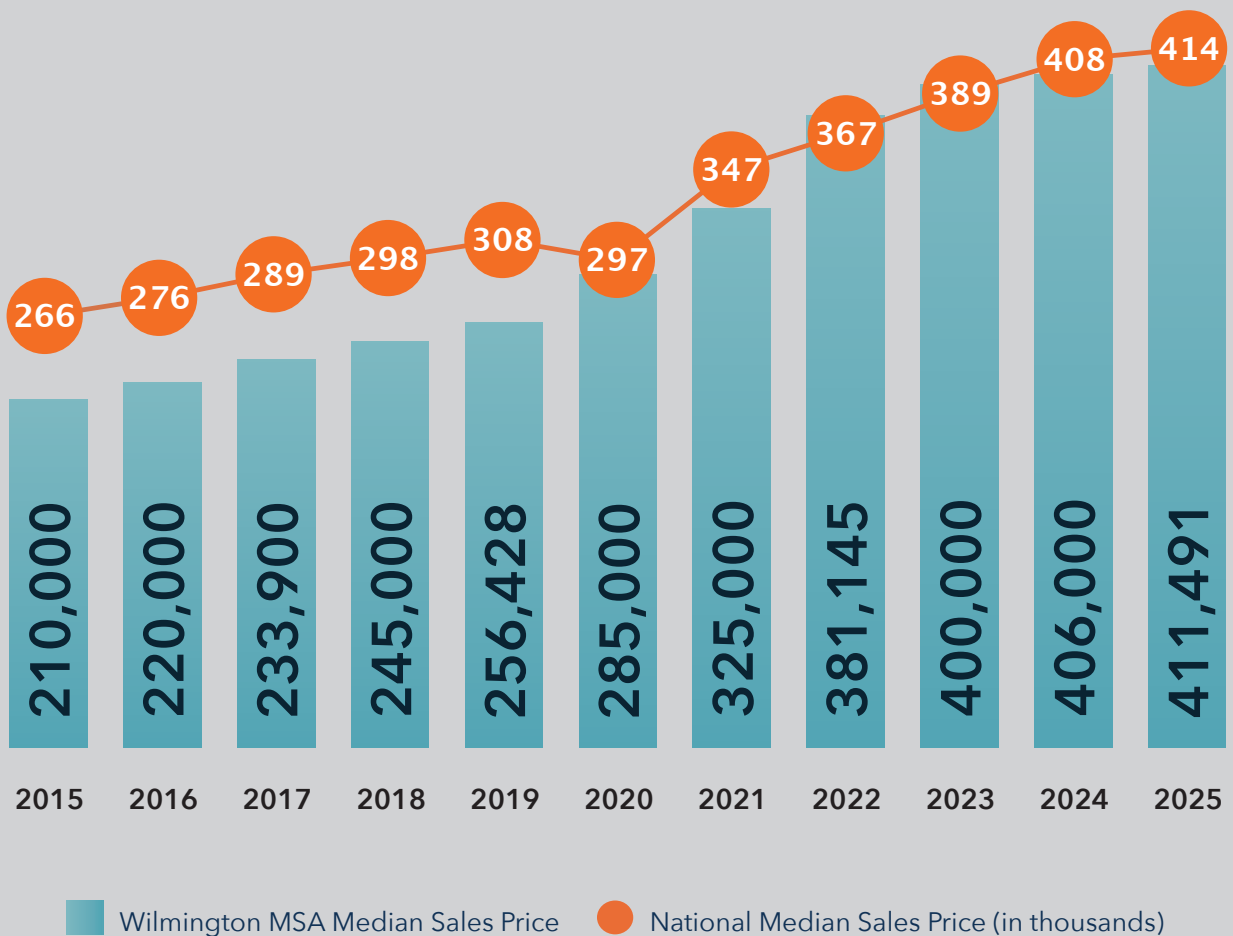


WILMINGTON MSA MEDIAN SALES PRICE

All Residential Homes

The median sales price for the Wilmington MSA continues its trend of leveling off, yet continues to rise for the U.S. as a whole. The 2025 Wilmington MSA median sales price, which came in at \$411,491, fell just short of the U.S., which came in at \$414,000. Compared to 2024, the U.S. median sales price saw an increase of \$6,000, up 1.5% nationwide. The Wilmington Area median sales price rose 1.4% - a minor growth when compared to the climb of the past few years. With a \$5,491 increase in 2025, the Wilmington MSA continues to raise concerns for equitable housing attainability.

NAR's southern area closed out the year with a Housing Affordability Index of 121.4. This was a 14.1% increase compared to NAR's southern area in 2024. The U.S. as a whole climbed from 97.9 in 2024 to 102.5 in 2025 on the Housing Affordability Index for single-family homes, an increase of 4.7%.

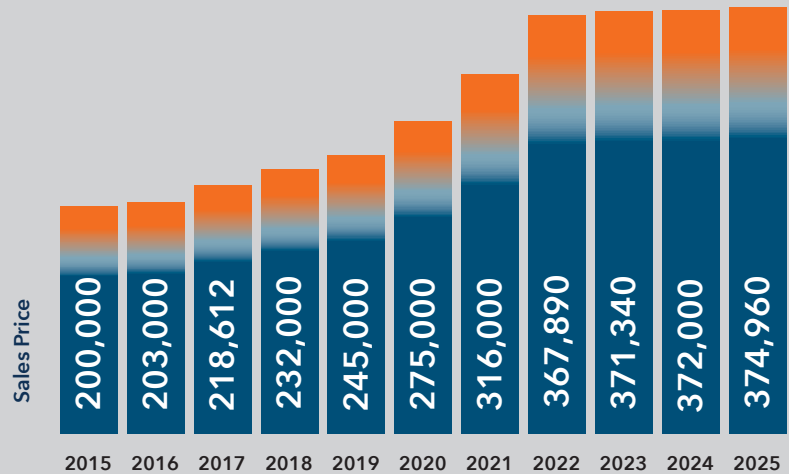


BRUNSWICK COUNTY

All Residential Homes

In 2025, the Brunswick County median sales price increased \$2,960 landing at \$374,960. This slight increase of 0.8% has leveled out the sales price over the past 4 years.

The county stayed below the national average of \$39,040 and is 3.2% higher than the U.S. South median of \$363,800 in 2025.

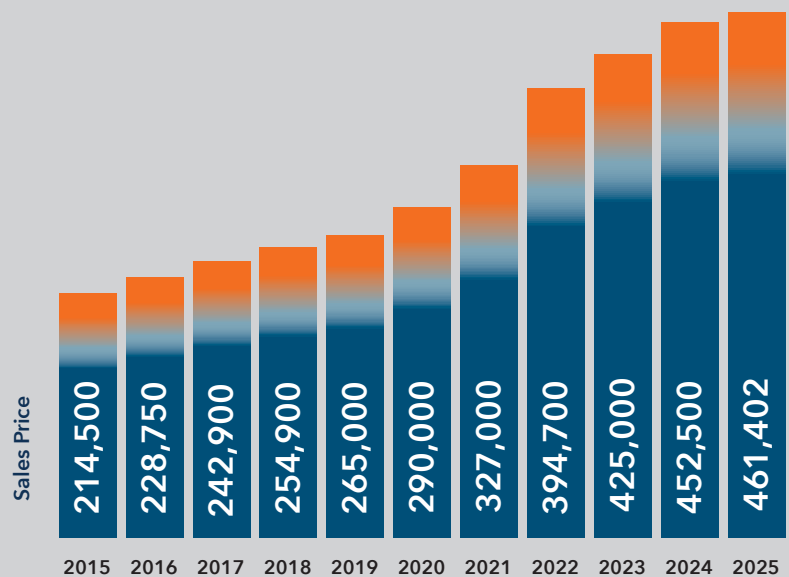


NEW HANOVER COUNTY

All Residential Homes

In 2025, the New Hanover County median sales price increased \$8,902 landing at \$461,402, a 2% increase. This is the smallest gain in median price that New Hanover experienced over the past 10 years. Despite the years of price growth, 2025 proved that the market would eventually level off.

New Hanover County surpassed the national average of \$414,000 and is also 27.1% higher than the U.S. South median.

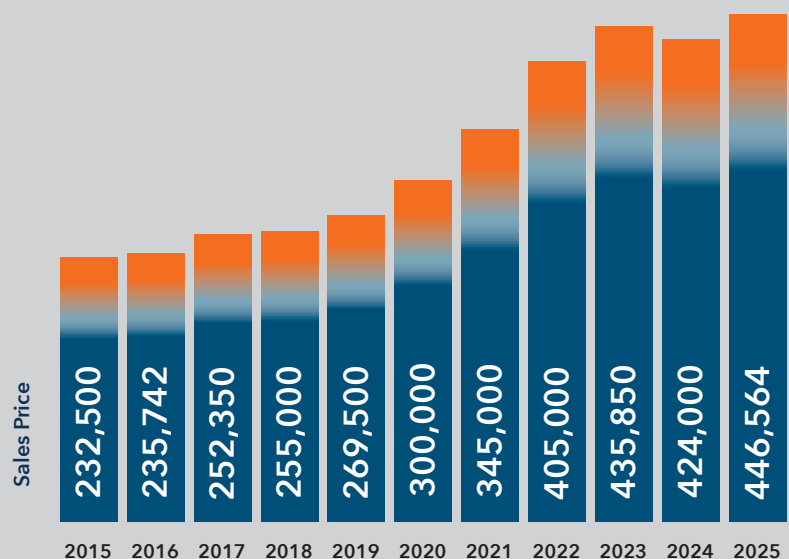


PENDER COUNTY

All Residential Homes

Leading the area with the greatest increase in median sales price, Pender County posted a median sales price increase of \$22,564. This 5.3% increase landed Pender County at \$446,564, which raises interest in the outlining communities.

This increase still put Pender County above the national median sales price by \$32,564. Pender County came in at 23% higher than the U.S. South median average.



WILMINGTON MSA DAYS ON MARKET

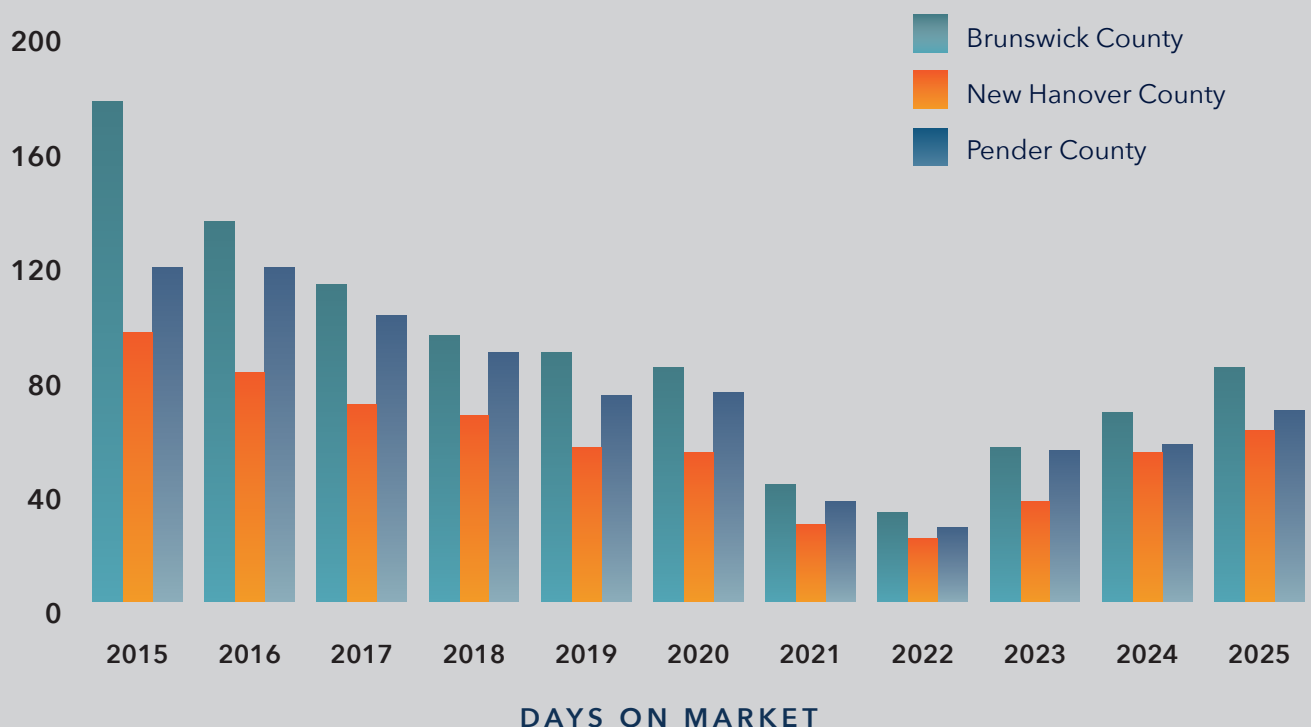
All Residential Homes

A frequently used indicator of residential single-family housing market strength is Days on Market (DOM), the number of days that a residential property is available for sale before going under contract. In general, a fall suggests a strengthening market, while a rise indicates a weakening market. "Inventory remains low, but buyers are beginning to have better negotiating power," said NAR Chief Economist Lawrence Yun. "Homes sitting on the market for more than 60 days can be purchased for around 10% less than the original list price."

In 2025, New Hanover's cumulative DOM experienced an increase of 8 days, still making it the lowest in the region. The county's absorption of available inventory experienced a 15.38% increase compared to the previous year. Over the measured time, New Hanover County is consistently lower than Brunswick and Pender Counties, with 60 DOM.

Pender County cumulative DOM was 67 days. This is an increase of 12 days in comparison to the 2-day increase of 2024. As this county continues to develop new housing stock, the demand looks to keep pace with the available and new inventory.

In 2025, Brunswick County's cumulative DOM saw an increase of 16 days when compared to the 12-day increase of 2024. This area had the highest cumulative DOM for the 3-county area, coming in at 82 DOM for 2025.



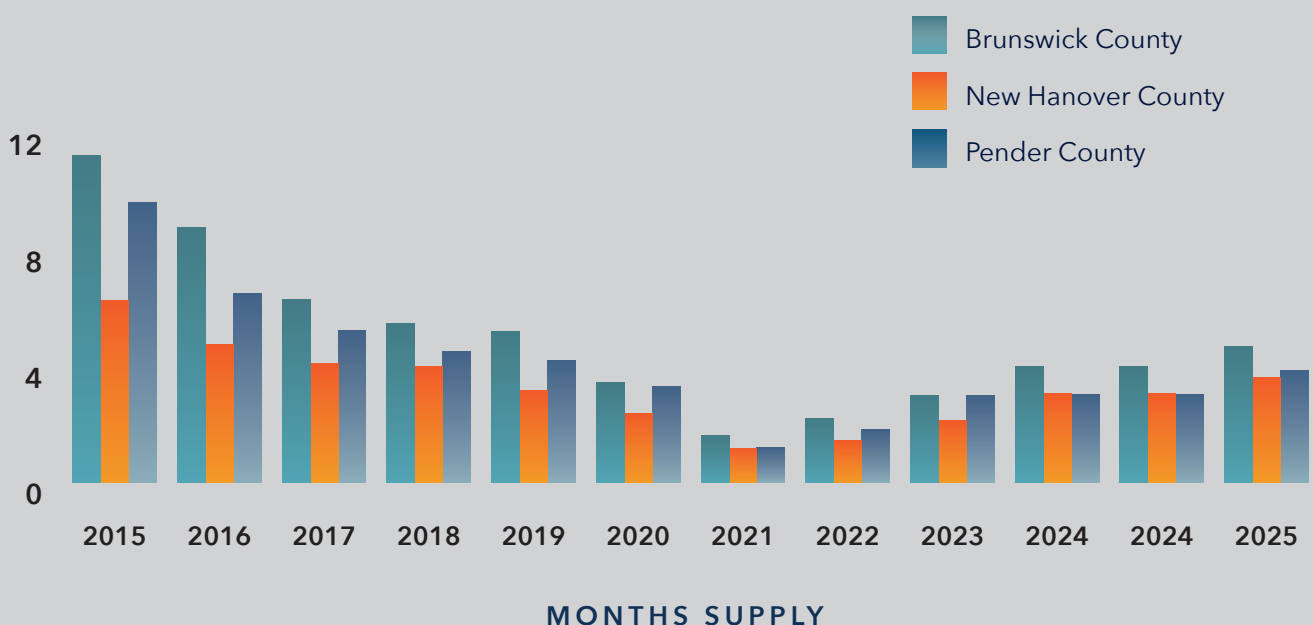
WILMINGTON MSA MONTHS OF SUPPLY

*All Residential
Homes*

Months of Supply is expressed as how many months it would take for all current residential properties for sale on the market to sell at the average rate of sales for the past twelve months. Often referred to as the absorption rate, this marker correlates closely with the Days on Market, since both numbers track the amount of time between when a property is listed and when an offer is accepted. Markets are traditionally categorized as a Seller's, Buyer's, or Balanced Market. Five to eight months of supply is considered a Balanced Market. If the number is less than five months, this suggests a Seller's Market. If the number is greater than 8 months, this suggests a Buyer's Market.

The past few years for the Wilmington MSA have been categorized as a Seller's Market. Sustaining a huge loss in inventory immediately following the pandemic, the local market has started to turn a corner. Far from a Buyer's Market, 2025 still brings the reminder that a Balanced Market is on the horizon. The market trends that were highlighted during this record-setting low were marked by record low interest rates, investors purchasing available property, and fewer new construction homes. Because of these characteristics, there are many sellers who remain cautious of listing their home because of the impact this market will have on their next home purchase.

New Hanover County dipped below the two counties in 2025. The 2025 Month's Supply of Inventory has increased for each county in the Wilmington MSA. Brunswick County experienced an increase from 4 Months of Supply in 2024 to 4.7 in 2025. New Hanover County increased from 3.1 Months of Supply in 2024 to 3.6 Months of Supply in 2025. Pender County experienced the largest increase compared to the other two counties, increasing from 27.6% going from 3 Months of Supply in 2024 to 3.8 Months of Supply in 2025.



DUPLIN COUNTY

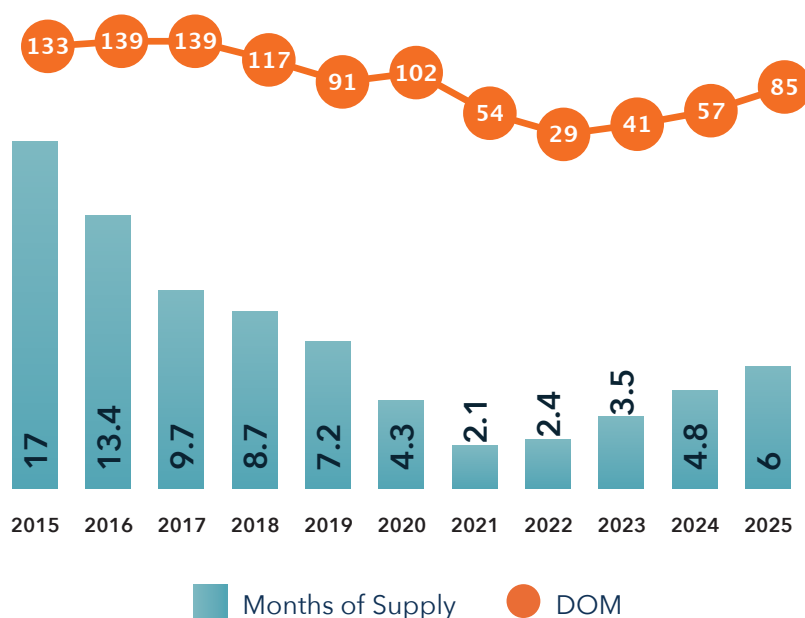
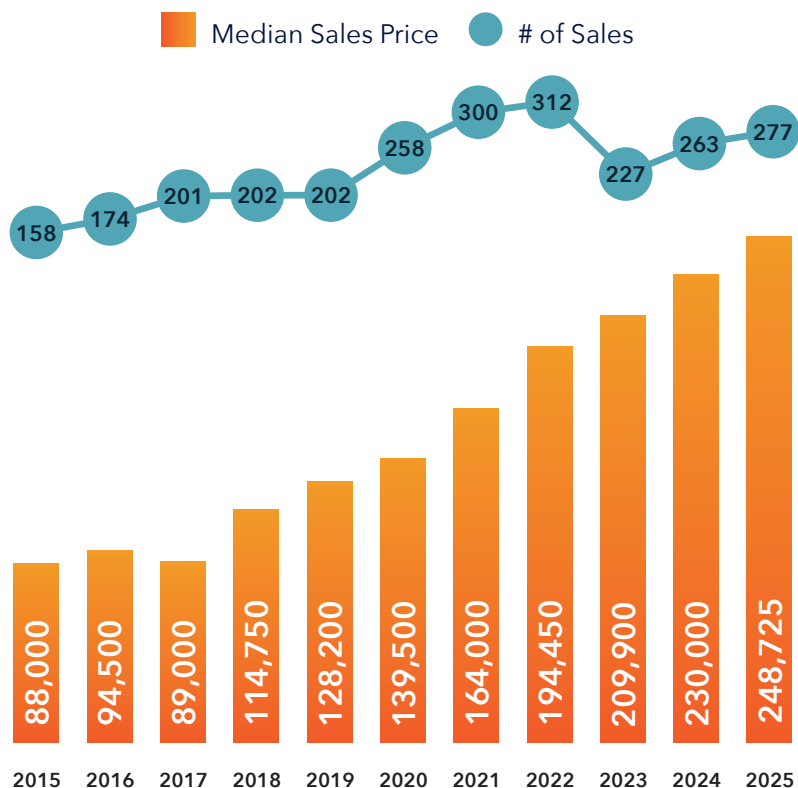
All Residential Homes

Duplin County median sales prices continued its seven-year trend in price gains, with the median sales price up \$18,725 in 2025. Duplin and Sampson Counties remain above Scotland for the median sales price. This gain of 8.14% came in at a median sales price of \$248,725. The highest on record in the measured period.

The median sales price for Duplin County remains well below the U.S. South and the Wilmington MSA. Duplin County is \$114,275 below the 2025 median sales price for the U.S. South and 39.6% or \$162,766 below the Wilmington MSA. Duplin County sales had an increase of units sold when compared to the previous year. A total of 277 units were sold in 2025, 5.3% above the 263 closed units in 2024.

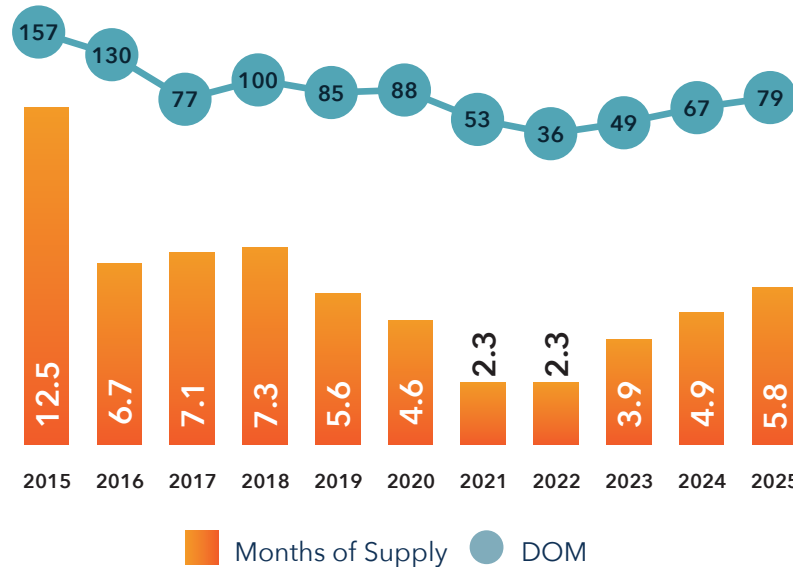
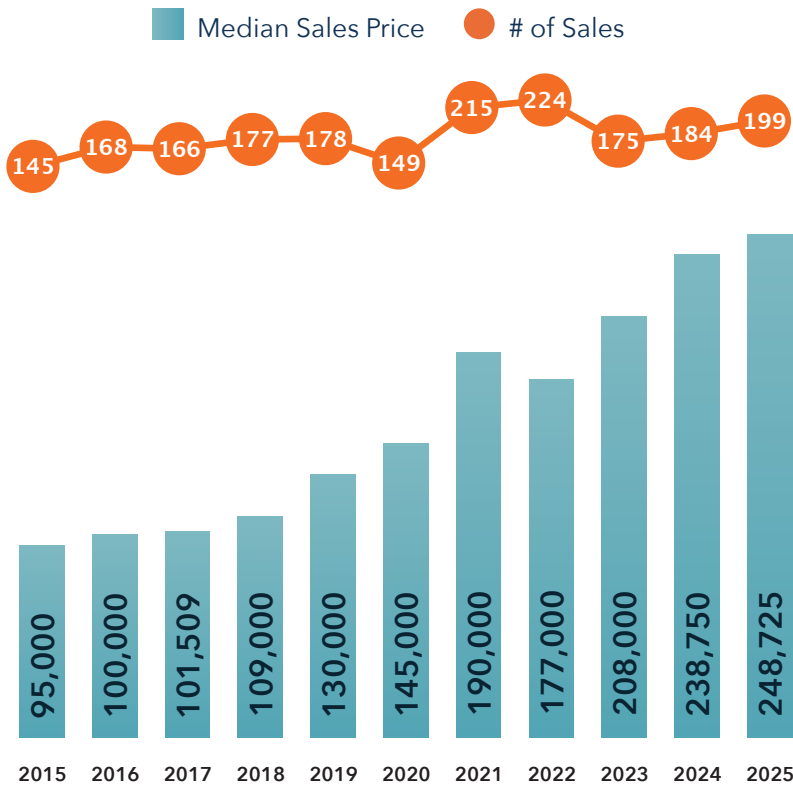
In 2025, Duplin County experienced a strong increase in cumulative Days on Market (DOM). On average, homes sold within 85 days of being on the market, 28 days more than the 57 Days on Market in 2024. The month's supply ended the year with an increase, tipping into a Balanced Market. Duplin County rose to 5.98 Months of Supply in 2025 compared to the 4.75 months in 2024.

Inventory remains a concern for Duplin County as the growth in the Wilmington MSA pushes prospective homebuyers further into outlying counties. While these rural areas experienced similar trends to the Wilmington MSA, Duplin County made the shift to a Balanced Market.



SAMPSON COUNTY

All Residential Homes



Sampson County median sales price experienced another year of increase following the decrease of 2022. This 19.58% increase landed the county's median sales price at \$248,725. This change brought Sampson County up \$40,725 when compared to the 2024 median of \$238,750. Closed sales increased slightly in 2025 to 199 homes sold. Given the consistent nature in the number of homes sold, Sampson County remains priced comfortably below the U.S. South and the Wilmington MSA. Sampson County is 31% or \$114,275 below the 2025 median home sales price for the U.S. South and 39.56% or \$162,766 below the Wilmington MSA.

Following a recent decline in Days on Market between 2020-2022, the 2025 cumulative Days on Market increased by 61.22%, when compared to 2024, coming in at 79 Days on Market. Available inventory of homes increased in 2025 to 5.8 months' supply from 4.92 months' supply in 2024. With inventory increasing and sales price staying \$162,766 below the Wilmington MSA, this could be an attractive area for buyers looking to relocate to a rural region of Eastern North Carolina.

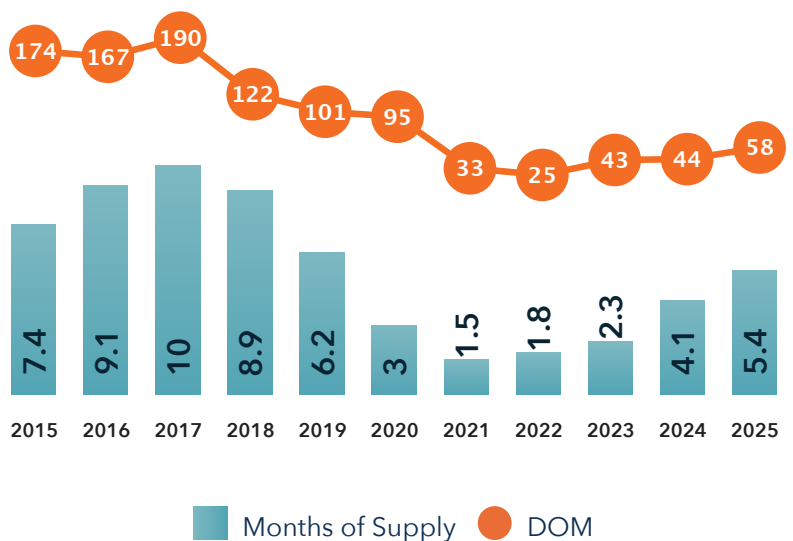
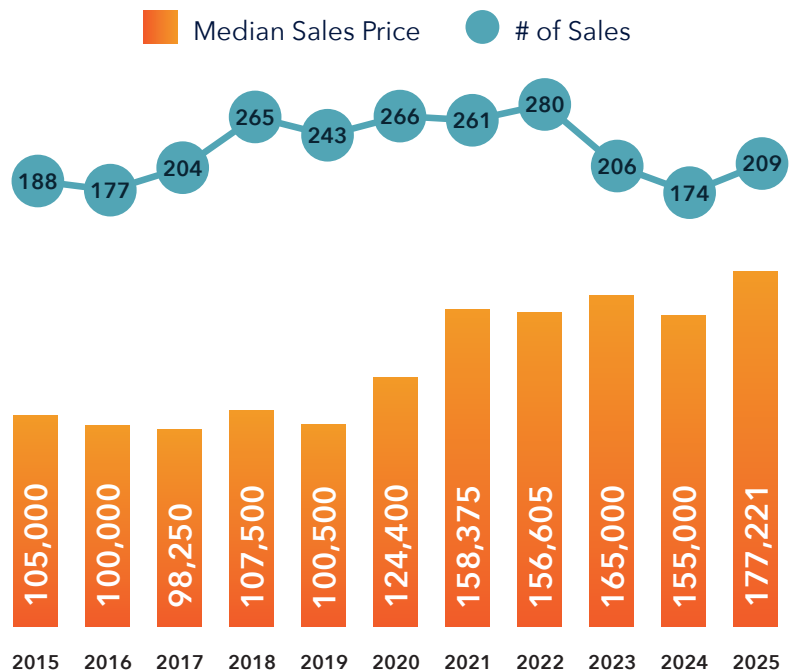
SCOTLAND COUNTY

All Residential Homes

Scotland County median sales price increased subtly, staying pretty consistent over the past four years. This increase of \$12,221 is a 7.4% difference from the median sales price of 2024. 2025 finished the year with a median sales price of \$177,221.

The median sales price for Scotland County remains below the U.S. South and the Wilmington MSA. Scotland County is \$185,779 below the 2025 median sales price for the U.S. South, a difference of 51.18%. This county continues to fall behind the Wilmington MSA by 56.93% coming in at a \$234,270 difference. 2025 increased to a total of 209 sales for Scotland County. This is an increase of 1.46% when compared to 2024.

In 2025, Scotland County cumulative Days on Market (DOM) increased by 15 days, coming in at 58 cumulative DOM. The absorption rate slowed as the Month's Supply of homes increased to 5.4 in 2025. With the Days on Market increase and available inventory increasing, Scotland County could see an increase in buyers looking for a rural environment.





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Economic Growth Slows in 2025 as Housing Market Navigates Mixed Signals



Real GDP growth slowed sharply in the fourth quarter of 2025 as the historic government shutdown weighed on economic activity. While consumer spending continued to drive growth, federal government spending subtracted more than a full percentage point from overall output. For the full year, real GDP grew 2.2% in 2025, marking a slowdown from the 2.8% increase in 2024 and the weakest annual growth rate since the pandemic. The annual gain matched NAHB's forecast and primarily reflected continued strength in consumer spending and gains in investment.

The January employment report was positive for the month but revealed a weaker labor market for 2025 overall. Updated figures show the economy added only 181,000 jobs in 2025, far fewer than the 1.46 million jobs added in 2024. Excluding recession years (2008, 2009, and 2020), 2025 now stands as the weakest year of employment growth since 2003. Manufacturing employment, for example, declined by nearly 90,000 jobs during the year as raw material prices rose due to tariffs. National job openings fell to a five-year low, although construction job openings increased slightly in December. Overall, the data point to a clear deceleration in the labor market.

January economic data offered some good news for interest rates, as inflation cooled to 2.4%, down from 2.7% in December, albeit with some technical cautions regarding the measurement of shelter inflation. Following the relatively benign inflation report, the 10-year Treasury yield declined to just above 4%, after several weeks near 4.2%. While rates remain higher than the 3.7% yield recorded just before the 2024 election, the recent trend is promising and aligns with NAHB's forecast of gradually improving affordability conditions.

The Federal Reserve held the top end of the federal funds rate at 3.75% at its January meeting. NAHB is forecasting two additional rate cuts in 2026, based on expectations of modest easing in inflation and a cooling labor market. While changes to the federal funds rate do not directly determine mortgage rates, reductions do lower interest rates on builder and developer loans, supporting the supply side of the housing market. Expanding housing supply at a lower cost remains central to addressing the ongoing affordability challenge, and lower financing costs are part of that solution.

Long-term mortgage rates continued to decline in January. According to Freddie Mac, the 30-year fixed-rate mortgage averaged 6.10% last month, down 9 basis points from December and 86 basis points lower than a year ago. However, for many prospective home buyers, the primary obstacle remains the down payment requirement, particularly with the average home price-to-income ratio near 5, compared to the historical average of 3.

Delayed government economic data are now providing a clearer picture of housing activity in 2025. Total housing starts reached 1.36 million, down 0.6% from 1.37 million in 2024. Single-family starts totaled 943,000, a 6.9% decline from the previous year, while multifamily starts increased 17.4% compared to 2024. Total permits for 2025 were 1.43 million, down 3.6% from 1.48 million in 2024. Single-family permits totaled 909,600, a 7.4% decrease from the prior year.

New home sales ended 2025 on a mixed but resilient note, signaling steady underlying demand despite ongoing affordability and supply constraints. An estimated 679,000 homes were sold in 2025, down 1.1% from the 2024 total of 686,000. Existing home sales improved in December but remained flat on a year-to-date basis. NAHB expects a significant increase in existing home sales in 2026, albeit with some price softening.

Looking ahead, NAHB surveys indicate a mixed outlook for the residential construction sector. Persistent affordability challenges, including elevated price-to-income ratios and high land and construction costs, pushed builder confidence lower for the second consecutive month. Builder confidence in the market for newly built single-family homes fell one point to 36 in February, according to the NAHB/Wells Fargo Housing Market Index (HMI). On the positive side, easing inflation should support lower mortgage rates and improved financing conditions for builders.

The latest HMI survey also revealed that 36% of builders cut prices in February, down from 40% in January. While this marks the lowest incidence of price-cutting since last May (34%), the average price reduction remains 6%.

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The use of sales incentives held steady at 65% in February, unchanged from January, marking the 11th consecutive month that this share has exceeded 60%.

In contrast, the outlook for remodeling remains solid. The NAHB Remodeling Market Index registered a reading of 64 in the fourth quarter of 2025, extending nearly six consecutive years of positive readings and suggesting continued growth for the home improvement sector in 2026.

Finally, new NAHB research provides a revised—and smaller—estimate of the structural housing deficit, defined as the mismatch between the housing stock, population size, and the number of potential households in the economy. The updated estimate indicates the deficit declined from a 1.5 million shortfall just after COVID to 1.2 million in 2024, based on the latest Census data. Slower household formation and an improving demographic outlook, shifting from a headwind to a tailwind in the years ahead, suggest the deficit will continue to narrow through the end of the decade.



DANUSHKA NANAYAKKARA-SKILLINGTON,
Assistant Vice President, Forecasting and Analysis
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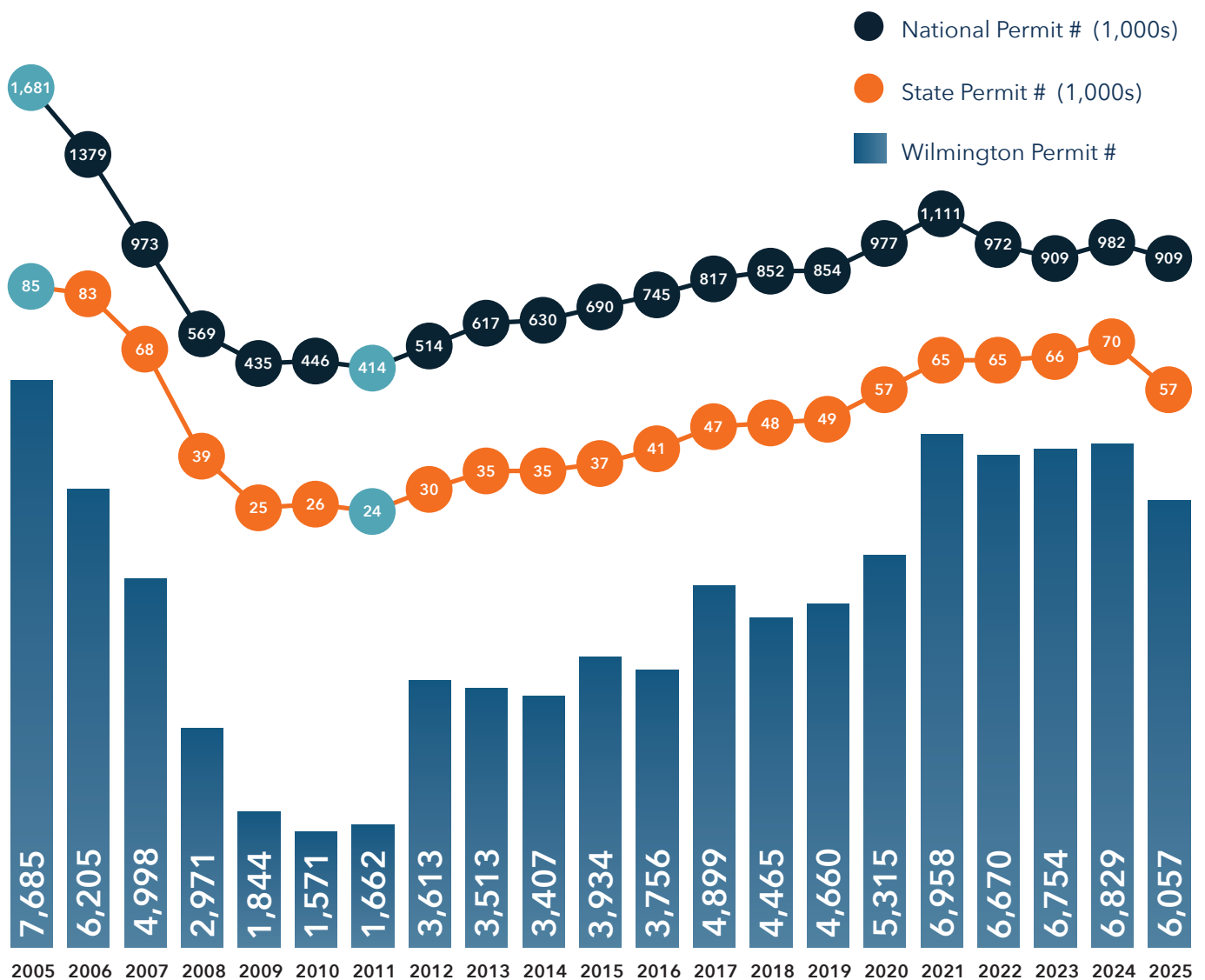
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NEW CONSTRUCTION PERMITS

The United States finished 2025 with 909,600 permits a decrease of 7.36% from its level one year ago of 981,834 permits. **It is currently 119.45% higher than its 2011 recession-era bottom of 414,498 permits and currently 45.92% below its 2005 peak permit level of 1,681,966 permits.**

The State of North Carolina finished 2025 with 56,703 permits. *Note: Because of the government shutdown, the available data only includes year-to-date totals through October. As a result, we were unable to provide a complete and accurate assessment of statewide permit increases or decreases for North Carolina.*

The Wilmington Area (New Hanover, Pender, and Brunswick Counties) finished 2025 with a combined total of 6,057 permits. This represents an 11.30% decrease above its level one year ago of 6,829 permits. **It is currently 285.55% higher than its 2011 recession-era bottom of 1,571 permits and currently 21.18% below its 2005 peak permit level of 7,685 permits.**

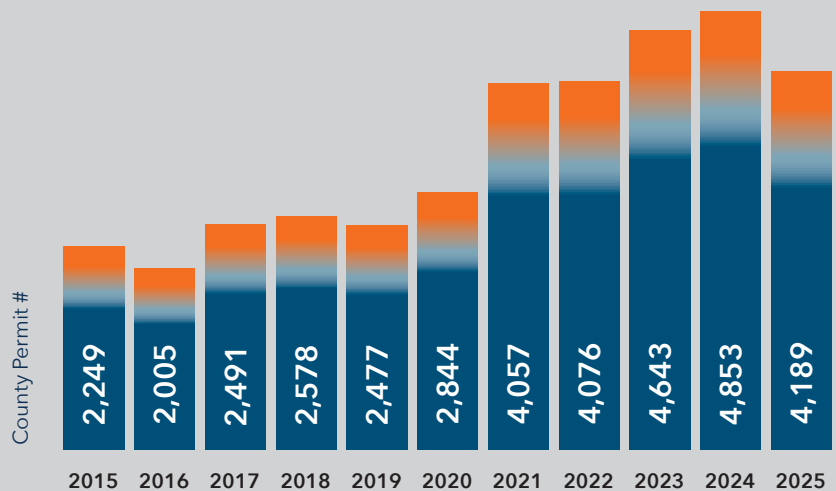


BRUNSWICK COUNTY

Residential Building Permits

A total of 4,189 single family permits were issued in Brunswick County in 2025; this is a 13.68% decrease from 2024 in which 4,853 permits were issued. It represents 69.16% of the Wilmington Area total permits, down from 71% in 2024. When you look at the municipal jurisdictions in the County, the bulk of those permits were in the Town of Leland with a grand total of 830 permits issued in 2025.

The highest number of permits issued in the Town of Leland in one month during 2025 was 100 in the month of June.

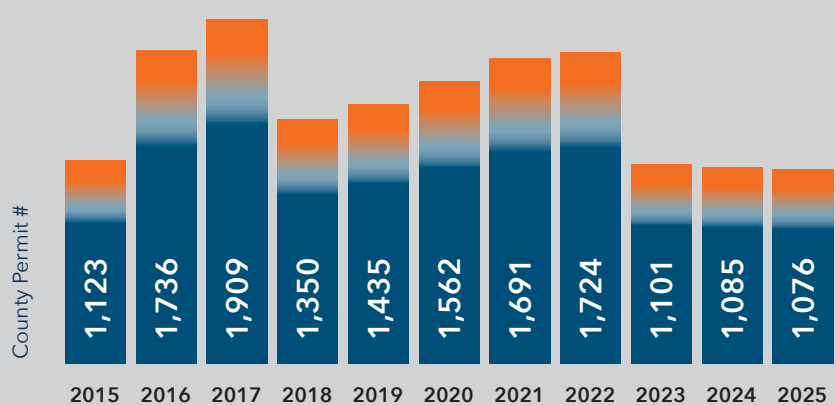


NEW HANOVER COUNTY

Residential Building Permits

A total of 1,076 single family permits were issued in New Hanover County in 2025; this is a .08% decrease from 2024 in which 1,085 permits were issued. It represents 18% of the Wilmington Area total permits, up from 16% in 2024. When you look at the municipal jurisdictions in the County, the bulk of those permits were in the City of Wilmington with a grand total of 494 permits issued in 2025.

The highest number of permits issued in the City of Wilmington in one month during 2025 was 85 in the month of February.

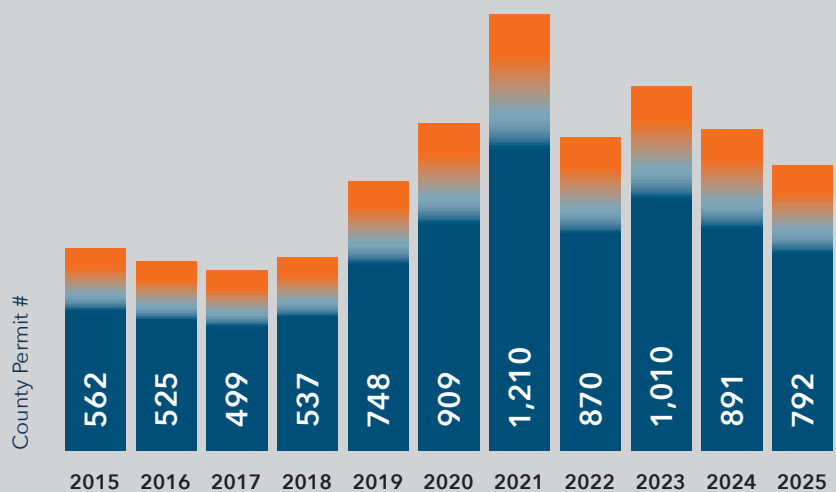


PENDER COUNTY

Residential Building Permits

A total of 792 single family permits were issued in Pender County in 2025; this is an 11.11% decrease from 2024 in which 891 permits were issued. It represents 13.08% of the Wilmington Area total permits, with no change from 13% in 2024. When you look at the municipal jurisdictions in the County, the bulk of those permits were in the Town of Surf City with a grand total of 128 permits issued in 2025.

The highest number of permits issued in the Town of Surf City in one month during 2025 was 62 in the month of March.



PERMIT DISTRIBUTION

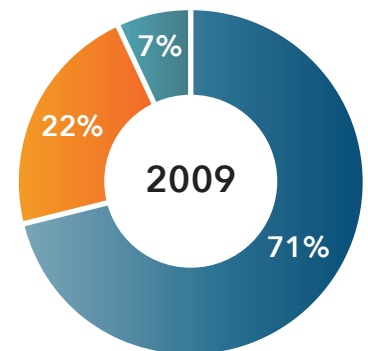
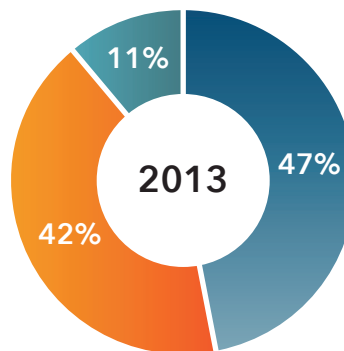
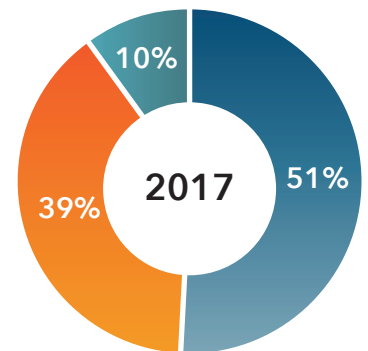
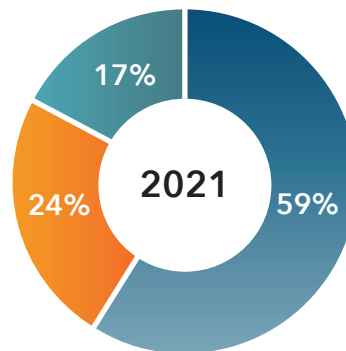
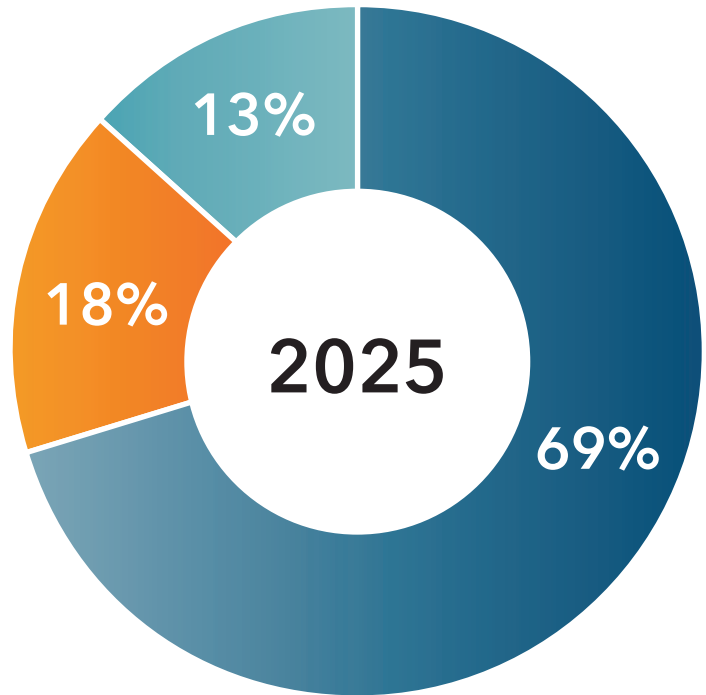
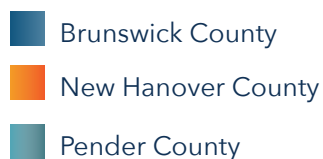
Permit Distribution by County

The following pie charts depict the percentage distribution of permits by the County at three points in time, viz., 2009 (the last year of that recession), 2013 (early recovery year), and 2017 (more than seven years following the end of that recession) versus 2025.

Brunswick County accounted for 71% of all Wilmington Area permits in 2009, 47% in 2013, 51% in 2017, 59% in 2021, and 69% in 2025.

New Hanover County accounted for 22% of all Wilmington Area permits in 2009, 42% in 2013, 39% in 2017, 24% in 2021, and 18% in 2025.

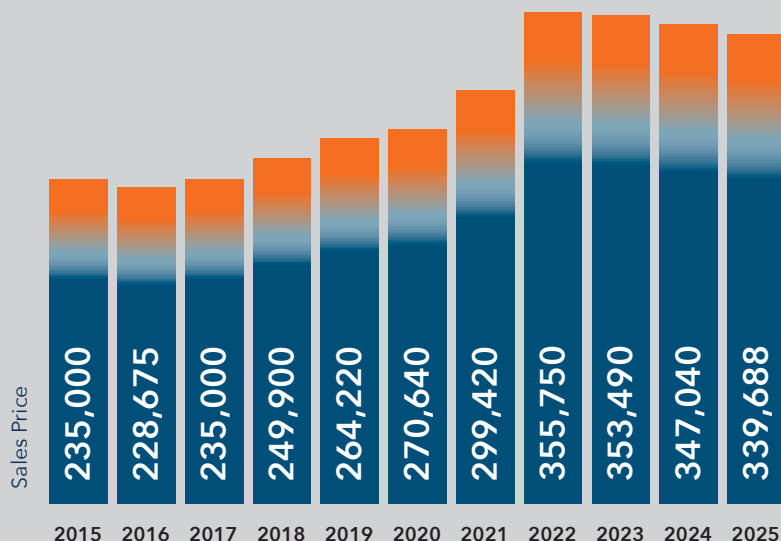
Pender County accounted for 7% of all Wilmington Area permits in 2009, 11% in 2013, 10% in 2017, 17% in 2021, and 13% in 2025.



BRUNSWICK COUNTY

New Median Home Sale Price

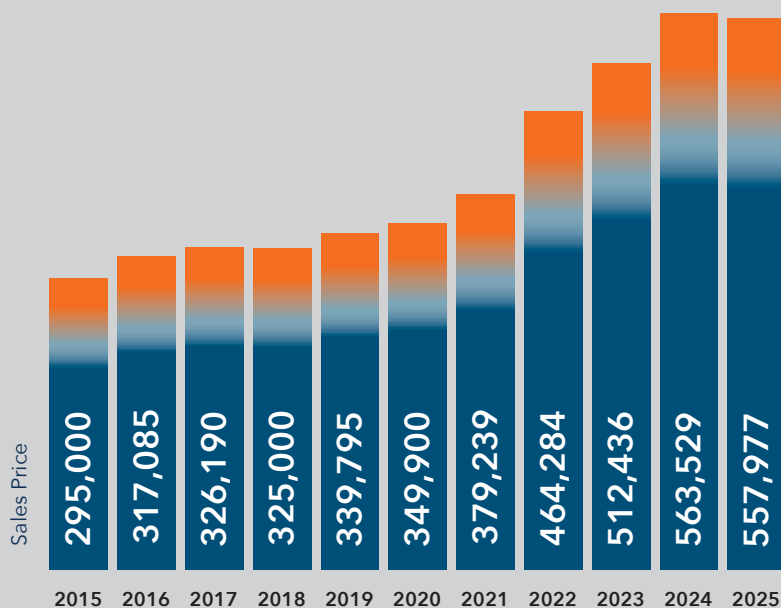
In 2025, the Brunswick County median sales price for new homes decreased slightly with a drop of 2.1%. 2025 ended with a median sales price of \$339,688. This \$7,352 decrease compared to 2024, helped settle the cost of new home sales. This is well below the 2025 U.S. median of \$415,000. Brunswick County remained significantly lower than the other counties when comparing the median sales price of new home sales.



NEW HANOVER COUNTY

New Median Home Sale Price

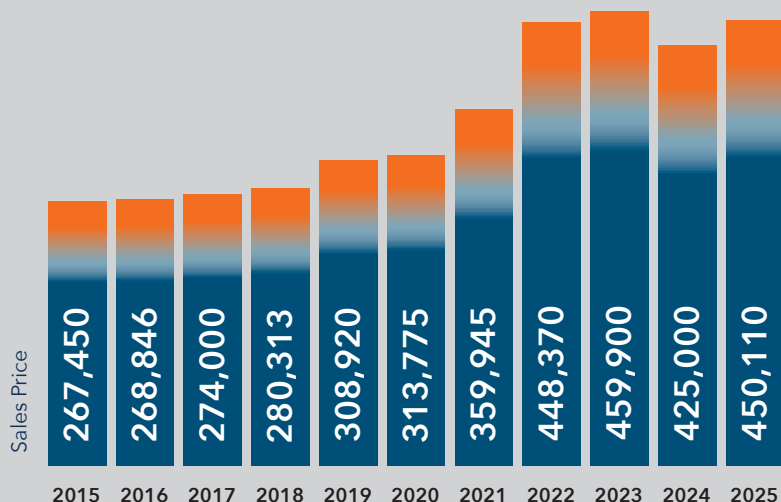
In 2025, the New Hanover County median sales price for new homes decreased slightly. The increase in New Hanover County outpaced the national median by 34.5%. This 1% year-over-year decrease came in at \$557,977, a \$5,552 difference compared to 2024.



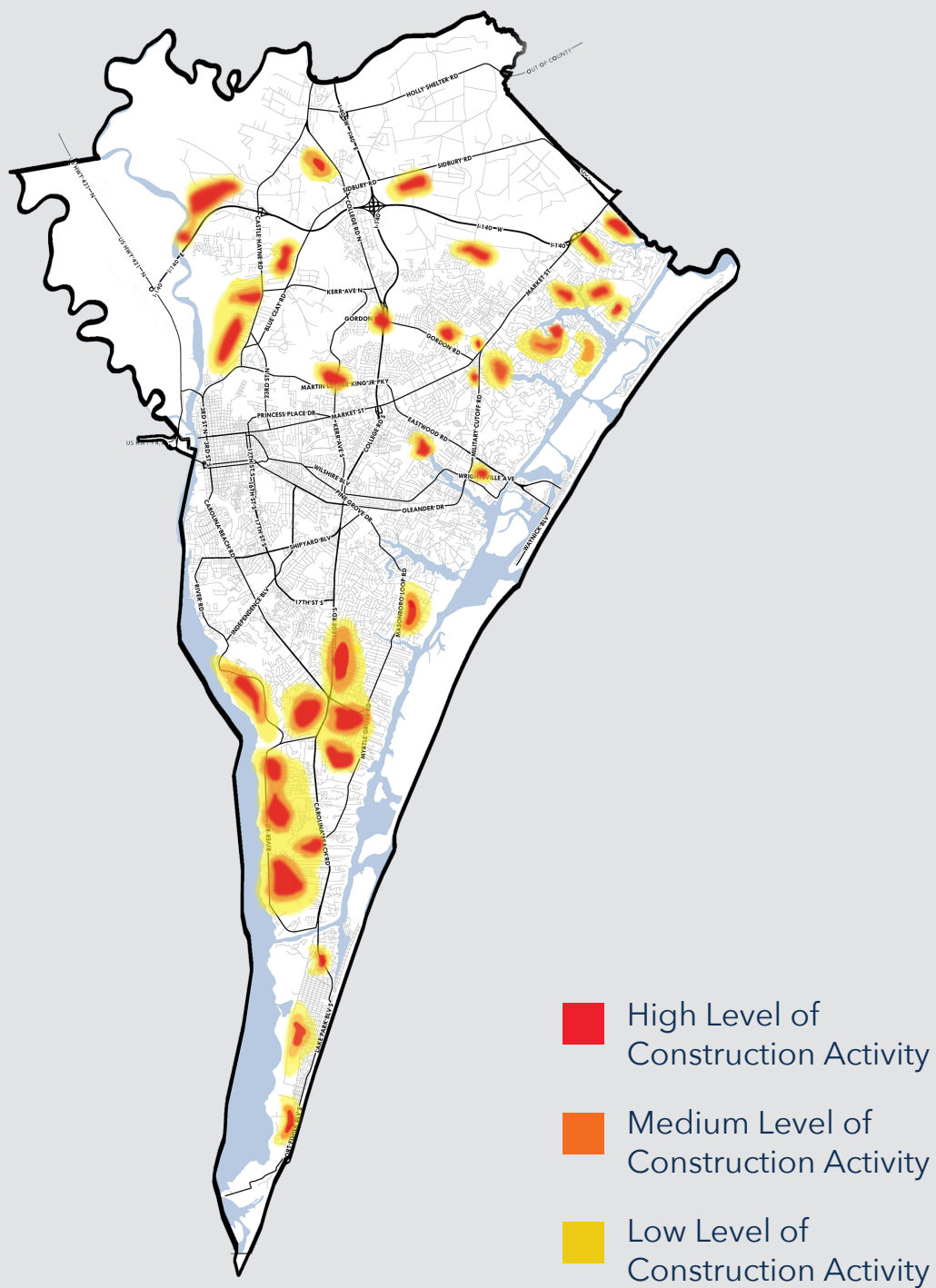
PENDER COUNTY

New Median Home Sale Price

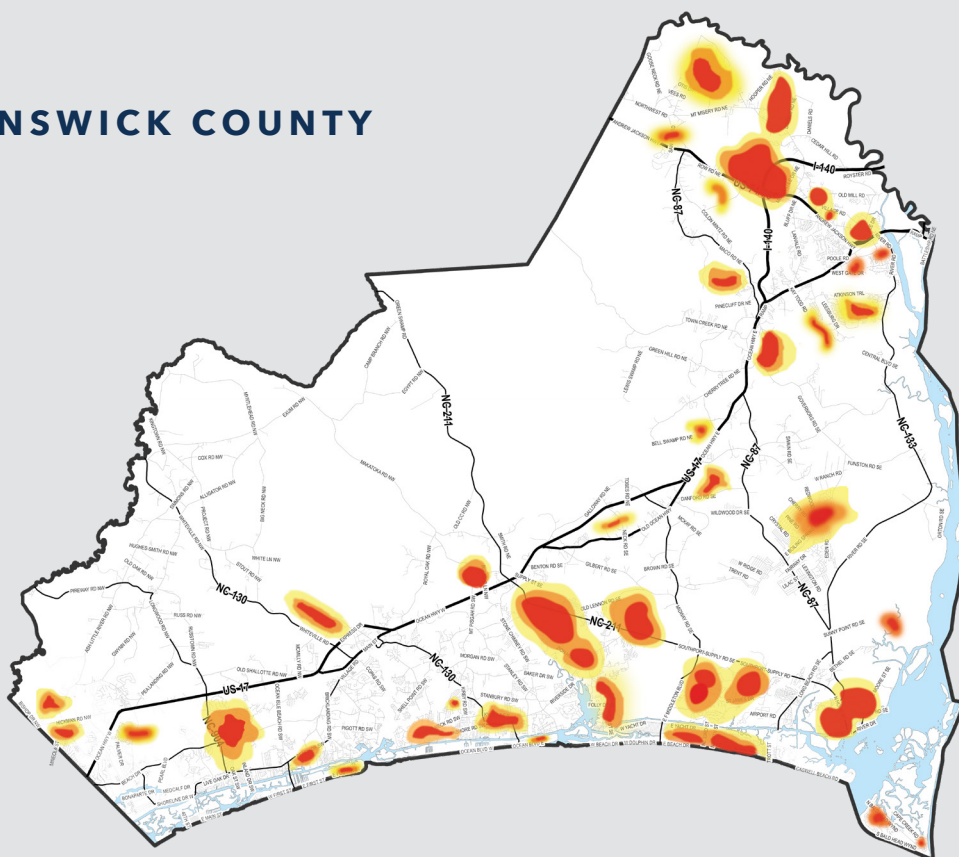
In 2025, the Pender County median sales price for new homes came in at a 5.9% increase when compared to the previous year. This increase landed the county with a \$450,110 median price for housing starts. This decrease pushed Pender County \$35,110 ahead of the national median price of new homes.



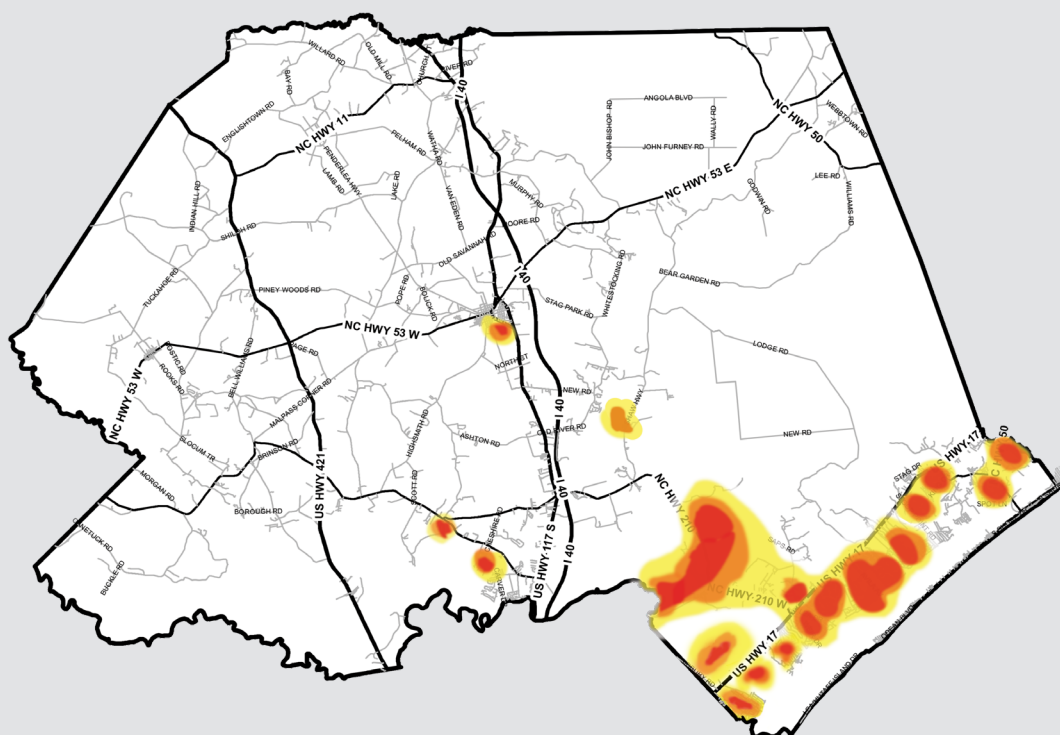
NEW HANOVER COUNTY



BRUNSWICK COUNTY



PENDER COUNTY



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2026 Real Estate Outlook: What Leading Housing Economists Are Watching



As the housing market enters 2026, two NAR economists point to a range of forces likely to shape the year ahead for buyers, sellers, investors and the real estate industry. While notable headwinds persist, they agree on one thing: The housing market is showing signs of a rebalance—and a rebound—in 2026.

A REAWAKENING IN HOME SALES

Lawrence Yun, NAR Chief Economist

"We are seeing a little better condition for more home sales ... with more inventory and the lock-in effect steadily disappearing—because life-changing events are making more people list their property to move on to their next home. Next year should be better with lower mortgage rates, and that will qualify more buyers. We are expecting home sales to increase by about 14% nationwide in 2026."

- **Equity remains, but home prices moderate:** "Home price growth will be minimal—roughly 2% to 3%—about the same as overall consumer price inflation. Generally, wage growth will be above that. So, it's a year where people's income begins to rise a little faster than consumer price inflation and home prices—and this is a welcoming development. We want people to have more purchasing power. Home prices are in no danger of any major decline"
- **Less pressure on buyers:** "Inventory levels are about 20% above one year ago, so there are more choices for consumers. We're not back to pre-COVID inventory yet, which I would consider normal, so we're still in a slight housing shortage condition. But consumers do not have to rush decisions the way they did before—there are more choices out there and less prevalence of multiple offers."
- **The American dream is still alive:** "The desire for homeownership has not fallen. Many renters say that if the conditions are right, they would like to become homeowners. The past couple of years have been frustrating because of elevated mortgage rates, but things will be much better to achieve that American dream of ownership in 2026."

ALL EYES ON MORTGAGE RATES

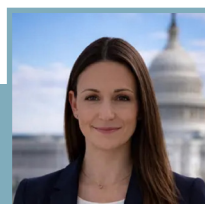
Nadia Evangelou, NAR senior economist

"For the last few years, we have been in one of the toughest affordability environments in modern housing history. Mortgage rates jumped from 3% in 2021 to above 7% in 2023, and that pushed the typical payment up by more than \$1,000 a month compared to pre-pandemic levels. But what happens if rates move down from 7% to 6%? We expect the buyer pool to increase significantly."

- **Mortgage rates as a major unlock:** "Nationally, a one percentage-point drop in mortgage rates can expand the pool of households who can qualify to buy by about 5.5 million households, including about 1.6 million renters who could become first-time buyers. Not all of these 5.5 million households will buy a home, but based on our analysis, about 10% typically do. That could translate into about 500,000 additional home sales in 2026."
- **More inventory needed to match incoming demand:** "Mortgage rates alone don't make a stronger market. Inventory is another component that needs to cooperate. Inventory is rising—it's higher than a year ago—but if more buyers come back, we're going to need even more homes available for sale."
- **Middle-income buyers still constrained:** "Even with progress in affordability, middle-income buyers can afford to buy just 21% of the homes currently available for sale. Before the pandemic, they could afford about 50%. That's a very dramatic difference, and it shows why we need a targeted approach—homes that align with people's incomes."



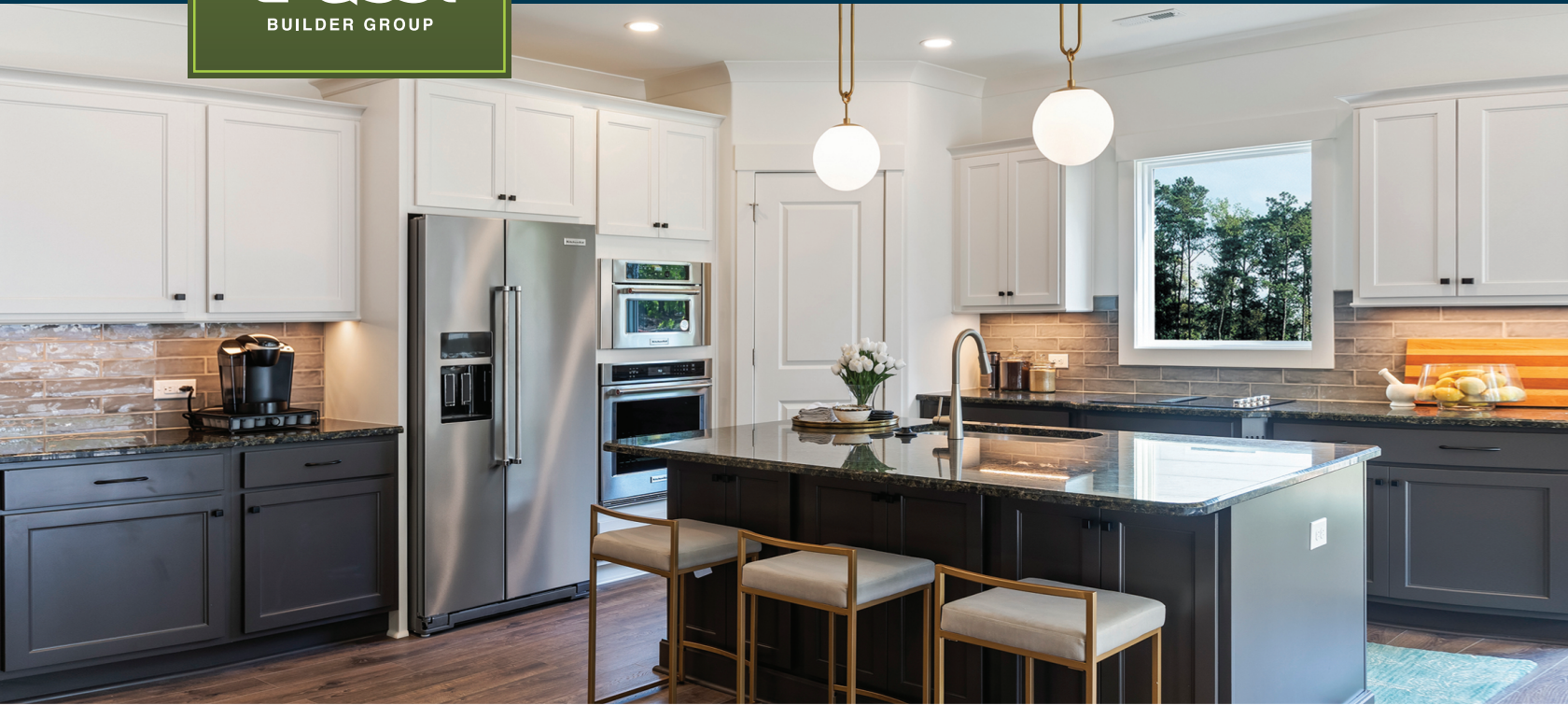
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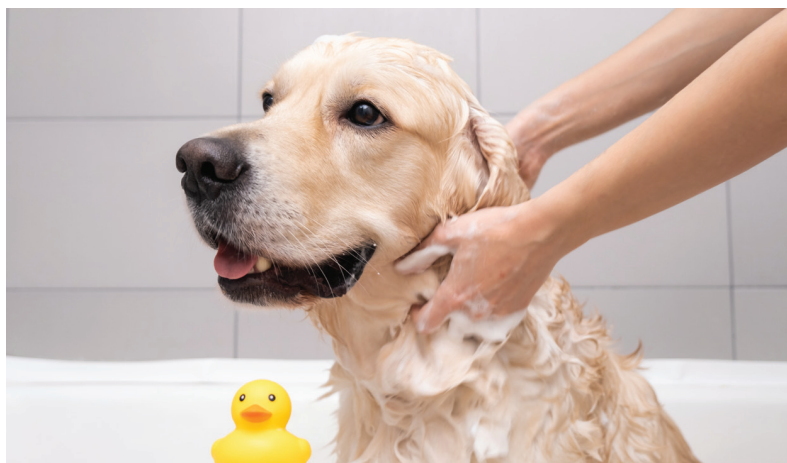
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