

R.I. Association of REALTORS®

Housing Update and Forecast

Presented to the:

Special Legislative Commission to Study Housing Affordability



Presented February 12, 2026 by:

Commissioner Susan Martins Phipps, RIAR Member

Trevor Chasse, Government Affairs Director of RIAR

Michael Pereira, President, RI Association of REALTORS®

Who We Are:

Rhode Island Association of REALTORS®



The Rhode Island Association of REALTORS® is a trade association of **6700 real estate brokers, sales people, and appraisers** who help consumers buy, sell, rent, manage, exchange, or value real estate properties.

Who We Are: State-Wide Multiple Listing Service

The Association's subsidiary, State-Wide MLS, is a database used by real estate licensees to share information about properties for sale or rent.

ALL RESIDENTIAL SALES



 **7.7%**

Numbers reflect all residential sales – single-family and multifamily homes, condominiums and vacant land.

- ▶ Consumer site for properties for sale or rent, as well as or sold data
- ▶ Guides and Resources
- ▶ Products & Services

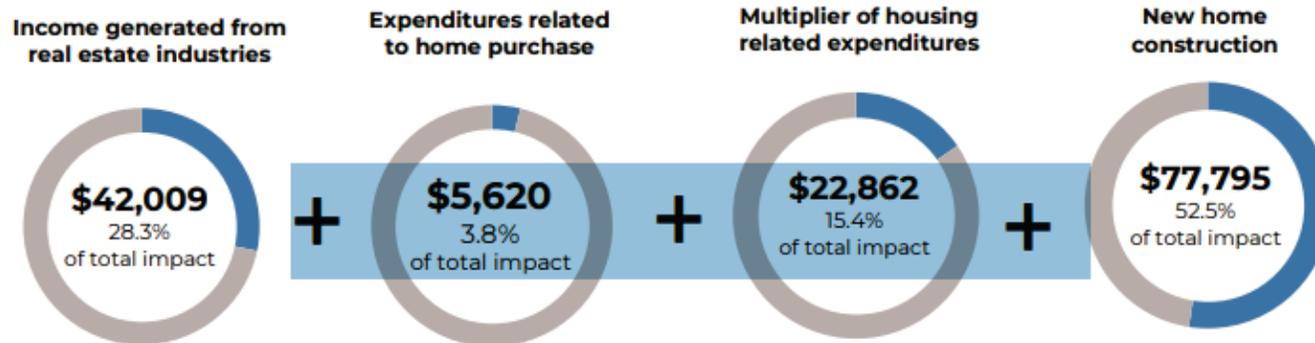
 **RI Living.com**

THE ECONOMIC IMPACT OF A TYPICAL HOME SALE

in Rhode Island

TOTAL ECONOMIC IMPACT

\$148,300

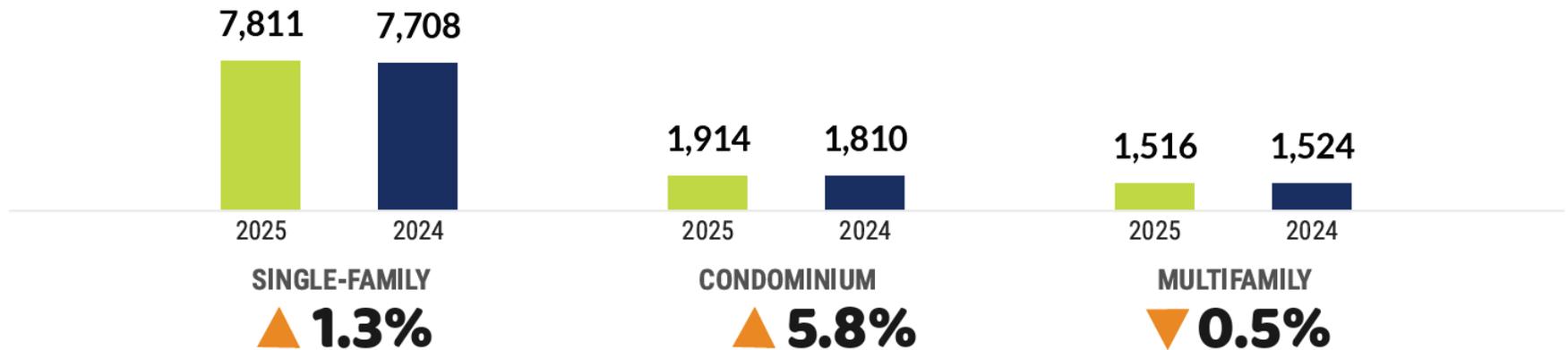


The real estate industry accounted for **\$14.9 billion** or **18.8%** of Rhode Island's gross state product in 2024.

Sources: BEA, U.S.Census, NAHB, MacroeconomicAdvisors, NAR | Based on data as of Q3 2024

Rhode Island Housing Market Recap: 2025

SALES



Source: State-Wide Multiple Listing.

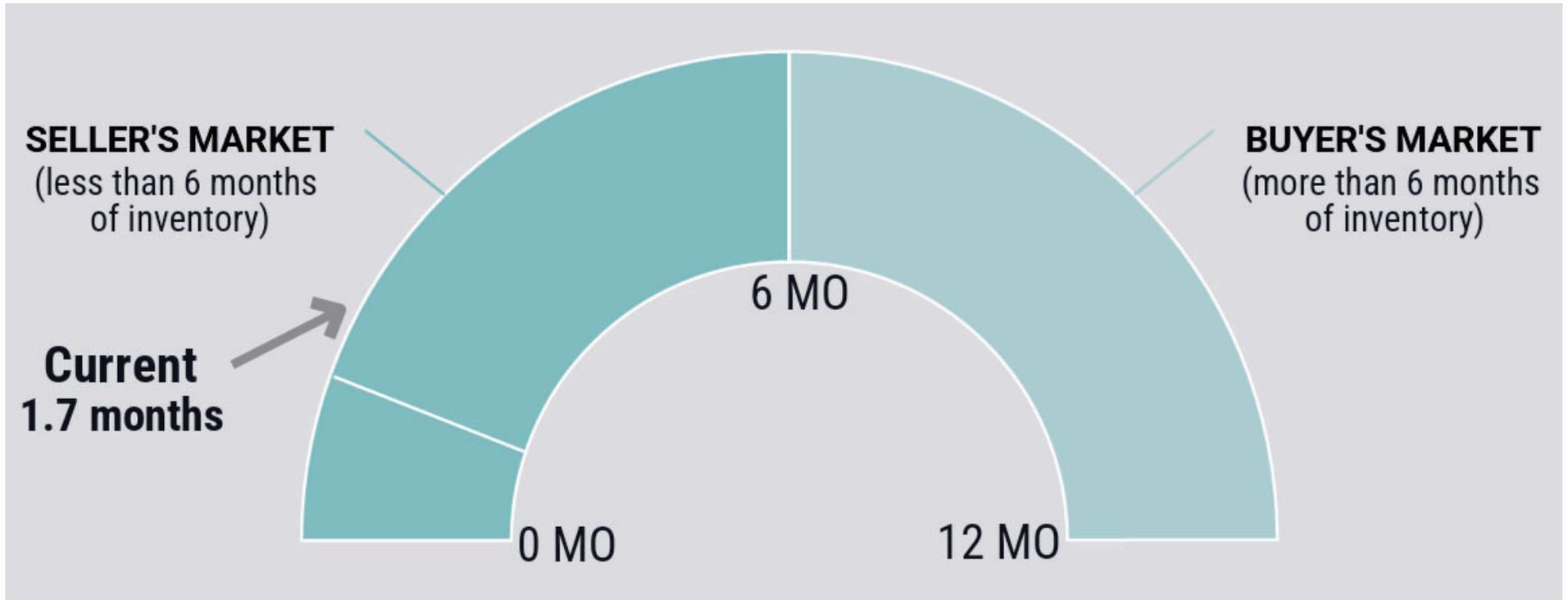
Rhode Island Housing Market Recap: 2025

MEDIAN PRICE



Source: State-Wide Multiple Listing Service, Inc.

RI Single-Family Home Inventory-December 2025



A balanced market is considered to be 5-6 months of inventory at the current rate of sales.

Source: State-Wide Multiple Listing Service, Inc.

2024-2025

Market segment sales activity



Source: State-Wide Multiple Listing Service, Inc.

Pre- and Post- Pandemic Analysis of Home Sales



**INCREASED
MEDIAN PRICE**



**MORE OUT-OF-
STATE BUYERS**



**MORE CASH
BUYERS**

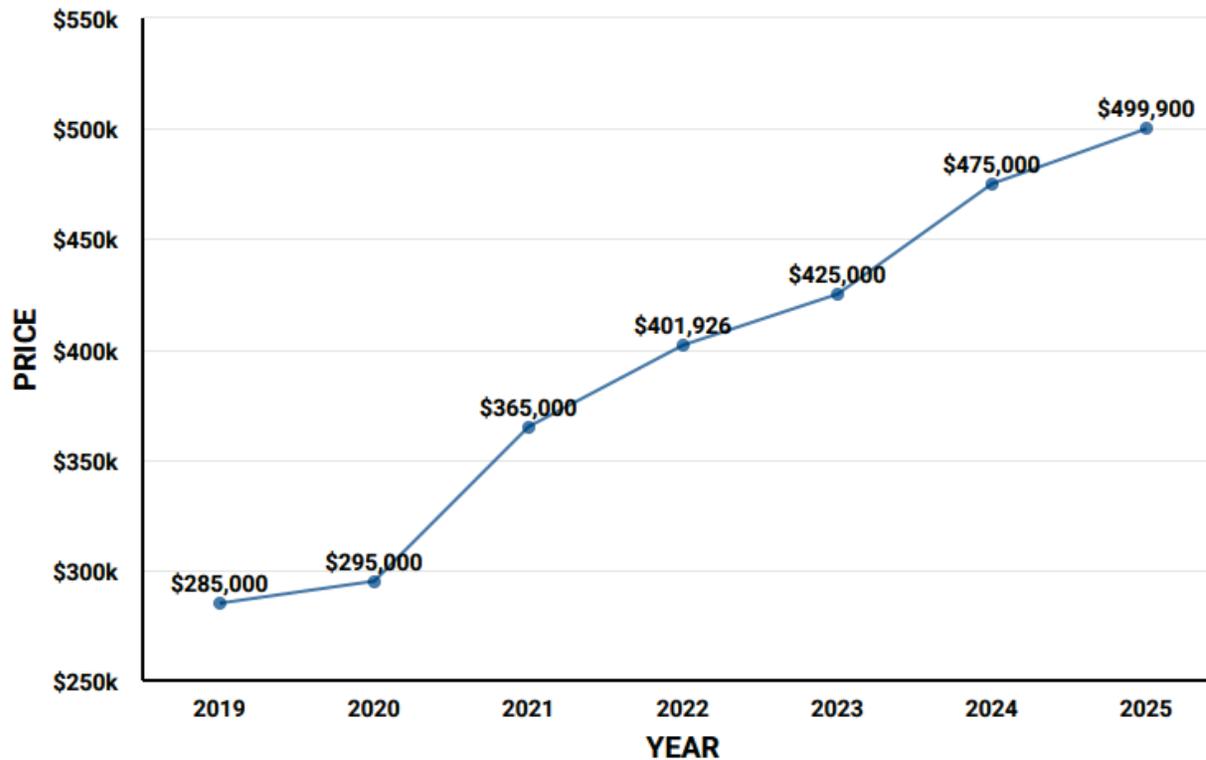


MORE INVESTORS



**HIGHER
MORTGAGE
RATES**

75% Increase in RI Median Single-Family Home Price 2019-2025



—● Single Family Median Price

Source: State-Wide Multiple Listing Service, Inc.

Increase in Housing Costs vs. Wages: 2020-2025



2020-2025 RI median household income increased by 7.6% or \$80,304 to \$86,372¹



Single-family median home sale price increased by 58% or \$315K to \$500K²

Source:

1. Neilsburg Research
2. State-Wide Multiple Listing Service, Inc.

Out-of-State Buyers

23%

of buyers of Rhode Island homes in 2025 were from out of state

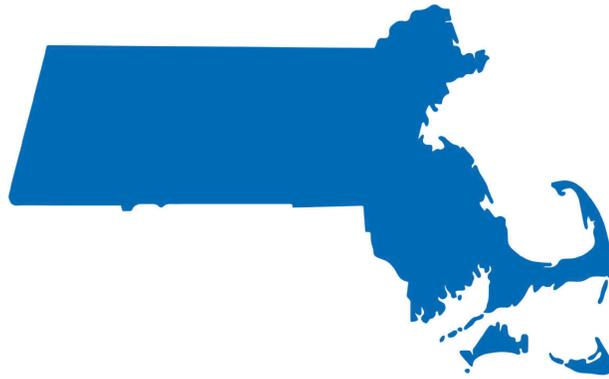


18%

of buyers of Rhode Island homes in 2019 were from out of state

Source: State-Wide Multiple Listing Service, Inc.

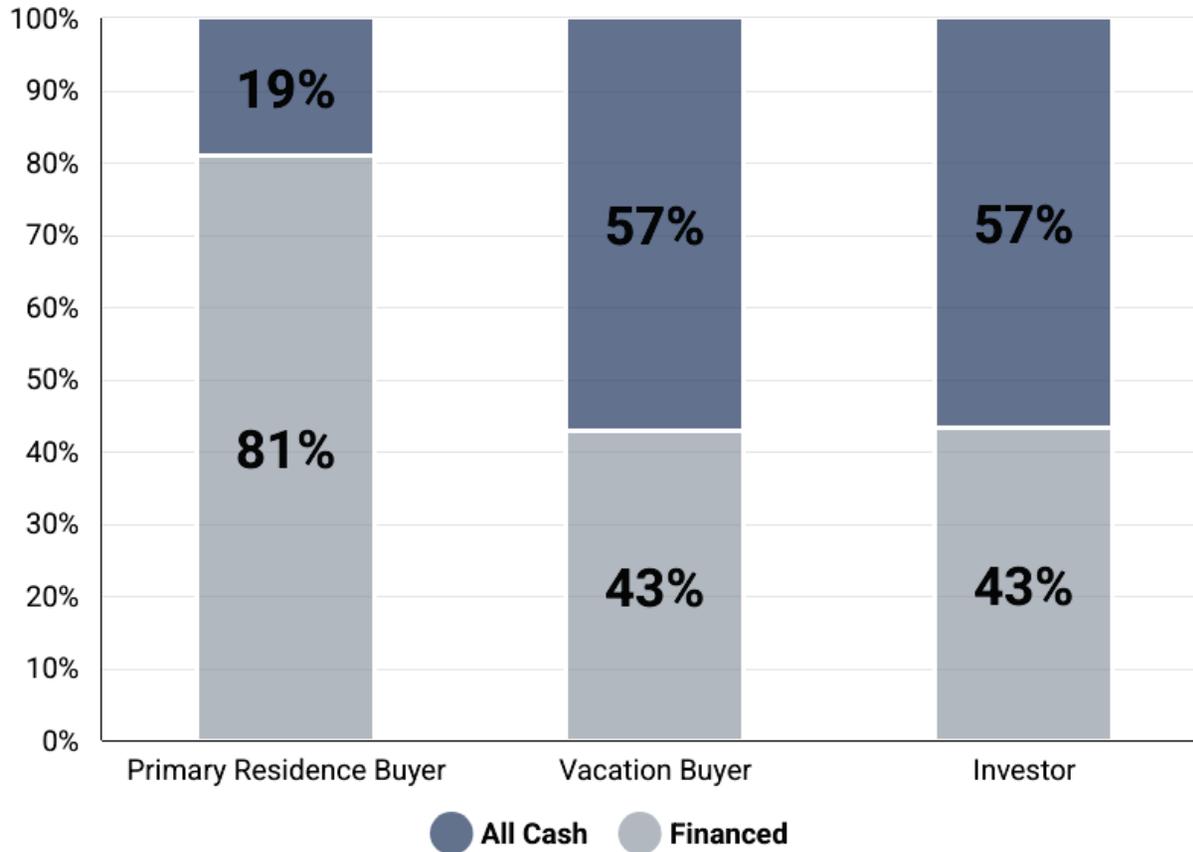
Out-of-State Buyers



53% of out-of-state buyers in 2025 were from Massachusetts.

Source: State-Wide Multiple Listing Service, Inc.

All Cash Purchases by U.S. Home Buyers - 2025

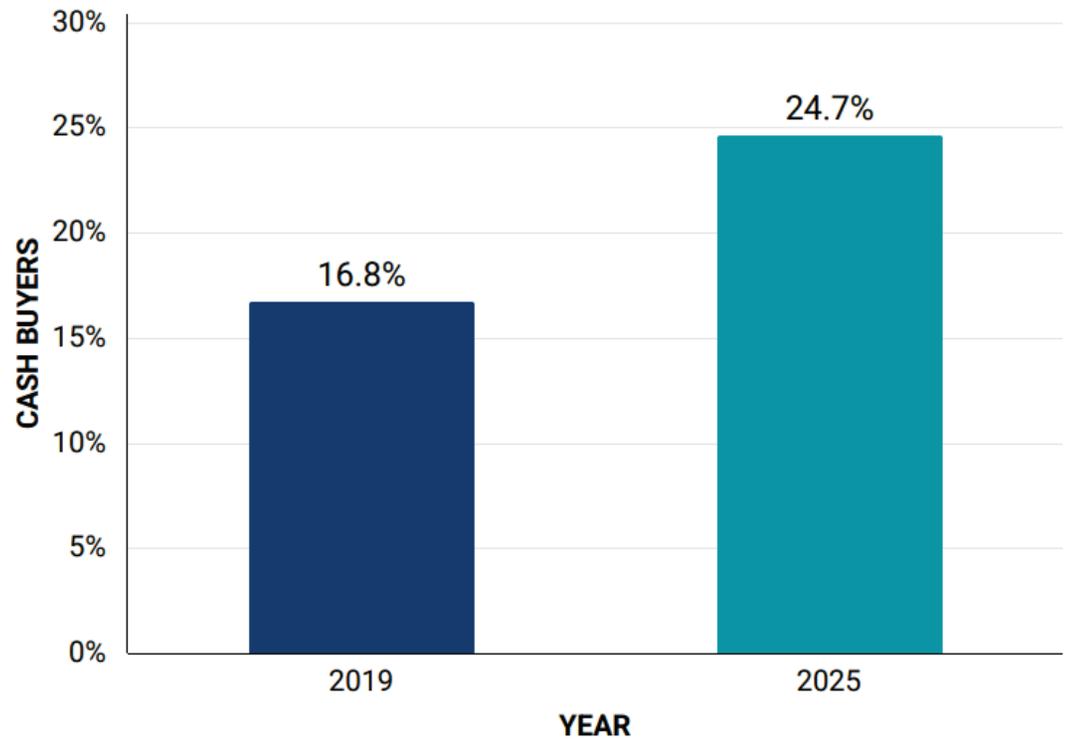


All-cash buyers are often vacation or investment buyers; 57% of vacation buyers and 56% of investors paid in cash. About 19% of primary residence buyers also bought with all cash.

Source: NAR 2025 REALTORS® Confidence Index

RI Cash Buyers: Pre- and Post- Pandemic

There was a **48.8%** increase in RI cash buyers in Rhode Island from 2019 to 2025.



Source: State-Wide Multiple Listing Service, Inc.

Investors: Rhode Island vs. the U.S.



RHODE ISLAND

MARKET SNAPSHOT

23%

Share of Residential Sales by Institutional Buyers



40%

Share of Housing Units as Rental or Vacation Homes



A VACATION HOME HOTSPOT

In Washington County, RI, 17% of homes are vacation homes, compared to only 3% nationally.



COMPARATIVE SNAPSHOT

UNITED STATES



MARKET SNAPSHOT

16%

Share of Residential Sales by Institutional Buyers

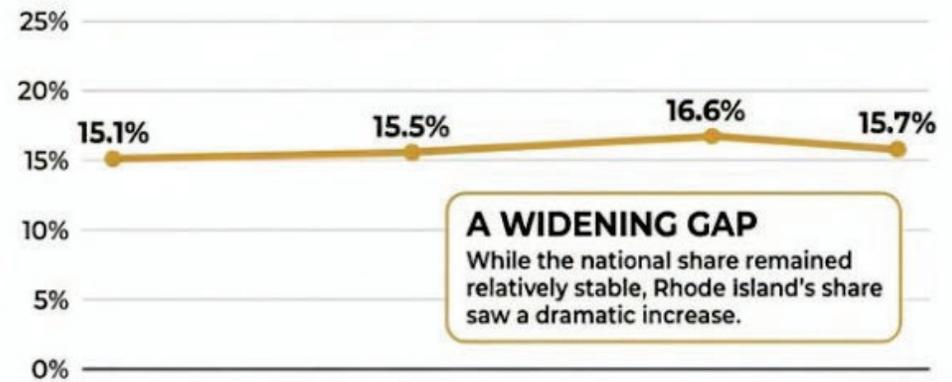
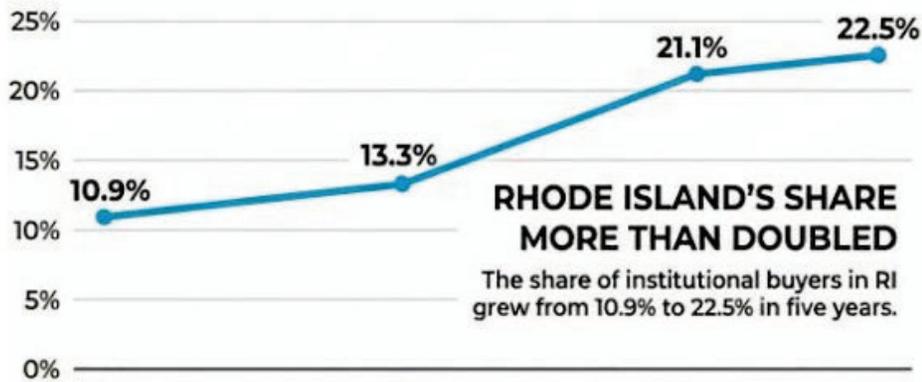


38%

Share of Housing Units as Rental or Vacation Homes

Investors: Rhode Island vs. the U.S.

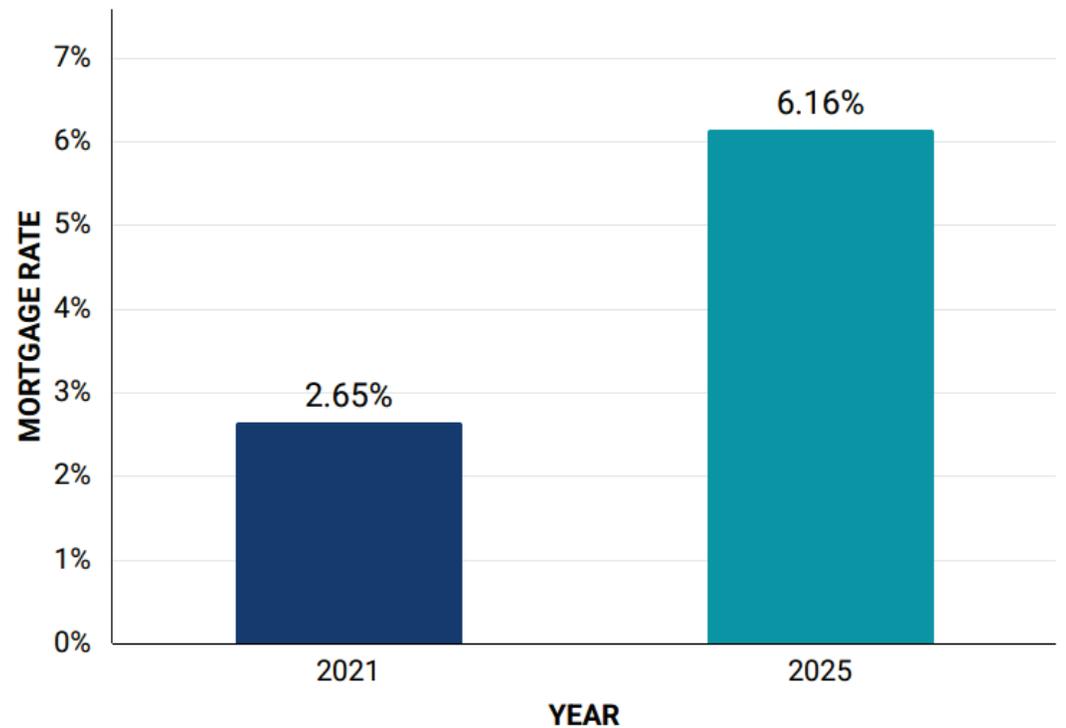
GROWTH OF INSTITUTIONAL BUYERS (2019-2024)



Impact of Mortgage Rates

30-year mortgage rates hit a low of **2.65%** January 7, 2021, and climbed to **6.16%** five years later, rising **132%**.

Source: Freddie Mac



HOME BUYERS- National Data

Percentage of buyers who are first-time home buyers:

21% (all-time low)

Median age of repeat home buyers:

62 (all-time high)

Median age of a first-time home buyer:

40 (all-time high)

Percentage of buyers with children under 18:

24% (all-time low)

Source: 2025 Profile of Home Buyers and Home Sellers by the National Association of REALTORS®

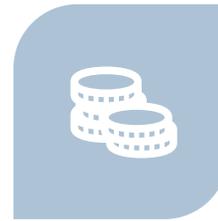
Challenges for Rhode Island Home Buyers



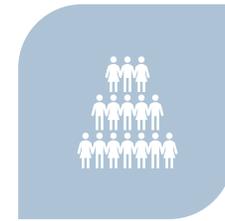
INADEQUATE
HOUSEHOLD
INCOME¹



RI IS LAST IN
HOUSING STARTS²



RI HOMEOWNERS
STAY IN THEIR
HOMES 11.04
YEARS, THE 4TH
LONGEST IN THE
COUNTRY³



COMPETITION

1. 2024 Housing Fact Book, HousingWorksRI
2. U.S. Census, National and State Housing Unit Estimates: 2020 to 2024
3. ATTOM U.S. Homeownership Tenure by State - Q4 2025, Jan. 30, 2026
4. RI REALTORS®

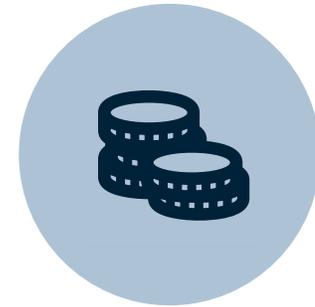
Challenges for Home Sellers



RELUCTANT TO GIVE UP
RECORD-LOW INTEREST RATES



SHORTAGE OF AFFORDABLE
REPLACEMENT PROPERTY



CAPITAL GAINS TAX

Impact of Rhode Island Laws/Regulations on Housing

- ▶ Conveyance Tax
- ▶ New annual tax on non-occupied, \$1M+ sales
- ▶ Short-Term Rental Taxes:
- ▶ Rental Registry Rent Caps Rent Control
- ▶ Accessory Dwelling Units

Impacts of Existing Conveyance Taxes

Conveyance Tax (paid by
sellers) effective 10/1/25
63% tax increase

Luxury Home Sales Rose 78% Year-Over-Year Month
in September 2025 and fell 30% in October

Source: State-Wide MLS

Proposed Conveyance Taxes

Local Conveyance Taxes Proposed
S 2232
Potential 33.3% tax increase

Cost of Conveyance Tax of a Home Valued at \$1M

\$8820

Current

\$10,718

+ Proposed

Source: State-Wide Multiple Listing Service, Inc.

Non-Owner-Occupied Annual Property Tax on Homes Values Over \$1M

- ▶ Passed 2025, effective July 1, 2026
- ▶ \$2.50/\$500 on properties valued at over \$1 million
- ▶ New quarterly property tax adopted with no public hearing
- ▶ No other state has this tax
- ▶ Generated negative international attention for Rhode Island

Impact of Short-Term Rental Taxes

New Whole Home Tax and Increase in Local Hotel Tax on Short-Term Rentals

- ▶ A 75% combined tax increase on rentals of cottages and entire units was passed in 2025, effective January 1, 2026.

Laws & Regulations Affect Affordability

Lead

Electrical Inspections

Radon

Rent Control



Rent Control

S 2271 would prohibit landlords from raising rent by more than 4%/year unless an agency grants an exemption.

Discourages
Maintenance

Discourages investment
and development

Reduces Property Tax
Base-Shifts Tax Burdens
to Other Owners

Reduces Portland, ME's
taxable property base by
3.2% - 5.4% shifting tax
burden of \$6.3M to
\$10.6M/year to other
property owners

Source: *Evaluating the Impact of Rent Control on Property Tax Burdens in Portland* by Wallace Economic Advisers

Allows senior citizens to age in place or live with family

Alternatives for disabled or returning family member, friends

Need to address confusion about implementation at local level

45-24-73. Design standards required for Accessory dwelling units – Consistent statewide treatment of accessory dwelling units required.



Accessory Dwelling Units (ADUs)

Impacts on the Future of Housing in RI



State Housing Initiatives



Frequency of Mortgage Rate Drops Likely Not Happening



Mid-term Elections/Political Uncertainty



Development Costs Rising: Tariffs, Workers Needed to build



Housing Initiatives at the Federal Level - i.e. Capital Gains Tax, Investor restrictions



Economic Fluctuation

The Future of Housing

- ▶ Overall, Rhode Island home sales activity began to rise year-over-year in 2024, but the rate of increase lowered in the single-family and multi-family home sectors last year due to affordability issues.
- ▶ The median price in all sectors continues to increase and will do so until affordability is enhanced by either more development, higher household incomes, and/or enticements to move.
- ▶ If interest rates remain around 6% or lower, we will likely see more buyers enter the market as we did in the past two years. The key to faster recovery, will be providing enticements to open up inventory, particularly at the lower end of the market.

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