The Virginia Tech–USDA Forest Service Housing Commentary: Section I February 2025

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2024 Virginia Polytechnic Institute and State University VCE-ANR

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To request the commentary, please email: buehlmann@gmail.com or delton.r.alderman@usda.gov

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Opening Remarks

Housing data month-over-month were mostly positive and year-over-year negative. On a month-over-month basis total, single- and multi-family starts, single-family permits, single-family completions, new and existing house sales, and total and single-family construction spending were positive. Year-over-year, new house sales and total construction spending were positive. The influence of mortgage rates is evident, as aggregate costs have decreased affordability, and the "lock-in" effect have obfuscated sales.

The March 16th Atlanta Fed GDPNow™ total residential investment spending forecast is 3.7% for Q1 2025. Quarterly log change for new private permanent site expenditures were projected at 5.6%; the improvement spending forecast was 0.8%; and the manufactured/mobile home expenditures projection was -4.3% (all: quarterly log change and at a seasonally adjusted annual rate).[1]

"If we look at existing-home sales as a percentage of the total number of households over time, we see that sales are down to the same levels as the early 1990s, just above 3 percent, and well below the long-run average of 4.1 percent. … If total home sales were tracking at the long-run average percentage of total households, the pace would be 6 million. Sales activity is below average primarily because existing homeowners aren't selling for two main reasons. They are either locked into their current mortgage rates, older and choosing to stay in their homes, or both. While affordability for first-time home buyers is a significant challenge, the real issue is that existing home owners aren't selling, and slightly lower rates don't change that. But with time and aging, this will change." – Mark Fleming, Chief Economist, First American

This month's commentary contains 2024 housing forecasts, applicable housing data, remodeling commentary, and United States housing market observations. Section I contains relevant data, remodeling, and housing finance commentary. Section II includes regional Federal Reserve analysis, private firm indicators, and demographic/economic information.

Sources: [1] www.frbatlanta.org/cqer/research/gdpnow.aspx; 4/16/25
[2] https://blog.firstam.com/economics/todays-pace-of-home-sales-is-weaker-than-many-realize; 4/3/25

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February 2025
Housing Scorecard

	M/M		Y/Y	
Housing Starts	▲	11.2%	▼	2.9%
Single-Family (SF) Starts	▲	11.4%	▼	2.3%
Multi-Family (MF) Starts*	▲	10.7%	▼	4.6%
Housing Permits	▼	1.0%	▼	6.7%
SF Permits	▲	0.4%	▼	2.8%
MF Permits*	▼	3.8%	▼	14.0%
Housing Under Construction	▲	0.1%	▼	14.8%
SF Under Construction	▲	0.0%	▼	6.7%
Housing Completions	▼	4.0%	▼	6.2%
SF Completions	▲	7.1%	▼	1.0%
New SF House Sales	▲	1.8%	▲	5.1%
Private Residential Construction Spending	▲	1.3%	▲	1.6%
SF Construction Spending	▲	1.0%	▼	0.1%
Existing House Sales[1]	▲	4.2%	▼	1.2%

* All multi-family (2 to 4 + ≥ 5-units)

M/M = month-over-month; Y/Y = year-over-year;
NC = No change

Sources: U.S. Department of Commerce-Construction; [1] FRED: Federal Reserve Bank of St. Louis

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New Housing Starts

	Total Starts*	SF Starts	MF 2-4 Starts**	MF ≥5 Starts
February	1,501,000	1,108,000	23,000	370,000
January	1,350,000	995,000	25,000	330,000
2024	1,546,000	1,134,000	16,000	396,000
M/M change	11.2%	11.4%	-8.0%	12.1%
Y/Y change	-2.9%	-2.3%	43.8%	-6.6%

* All start data are presented at a seasonally adjusted annual rate (SAAR).
** US DOC does not report 2 to 4 multi-family starts directly; this is an estimation ((Total starts – (SF + 5-unit MF)).

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/18/25

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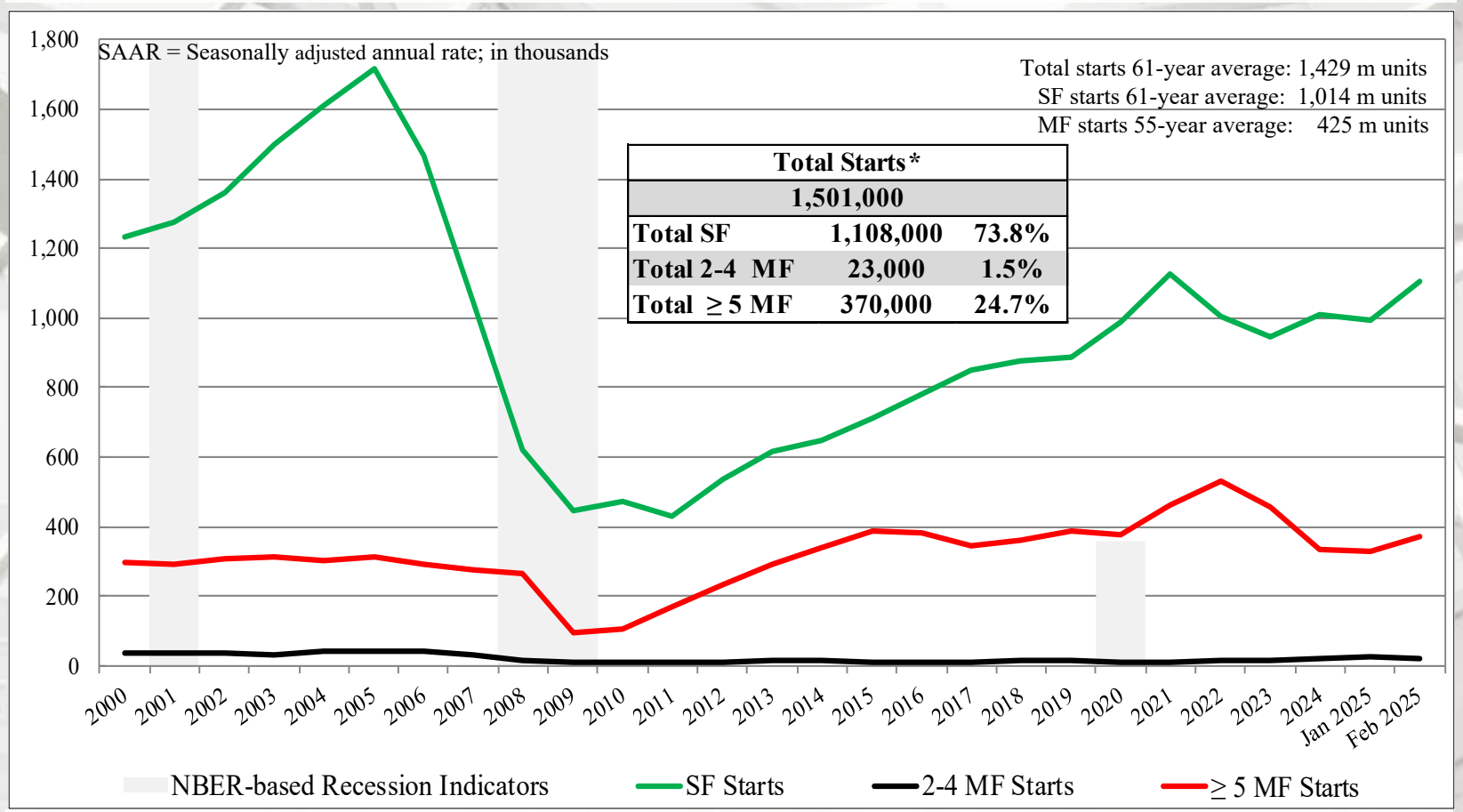
Total Housing Starts



The US DOC does not report 2 to 4 multi-family starts directly; this is an estimation: (Total starts – (SF + 5-unit MF).

* Percentage of total starts.

NBER based Recession Indicator Bars for the United States from the Period following the Peak through the Trough (FRED, St. Louis).

Sources: https://fred.stlouisfed.org/series/USREC, 6/1/21; http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/18/25

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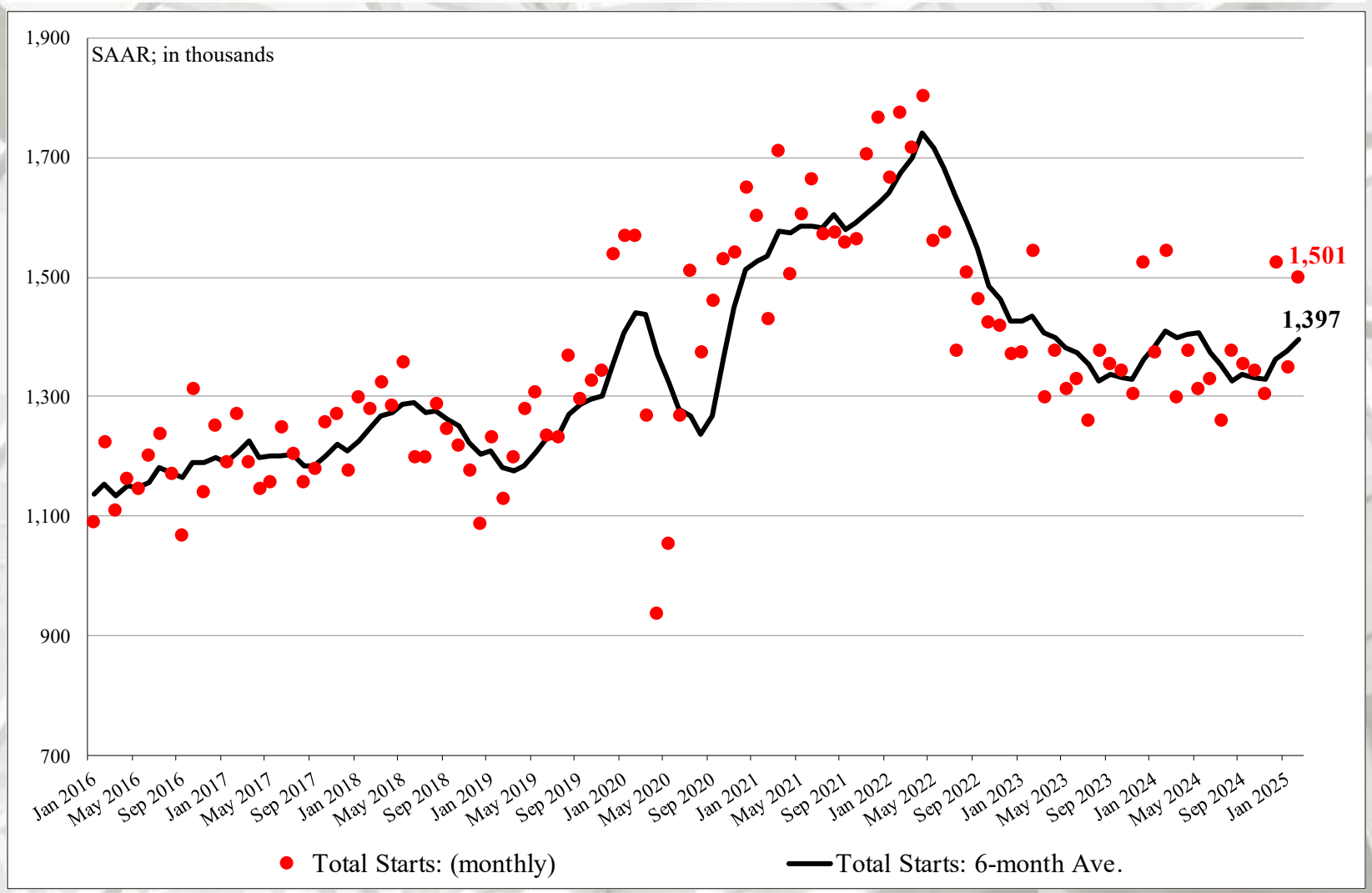
Total Housing Starts: Six-Month Moving Average



Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/18/25

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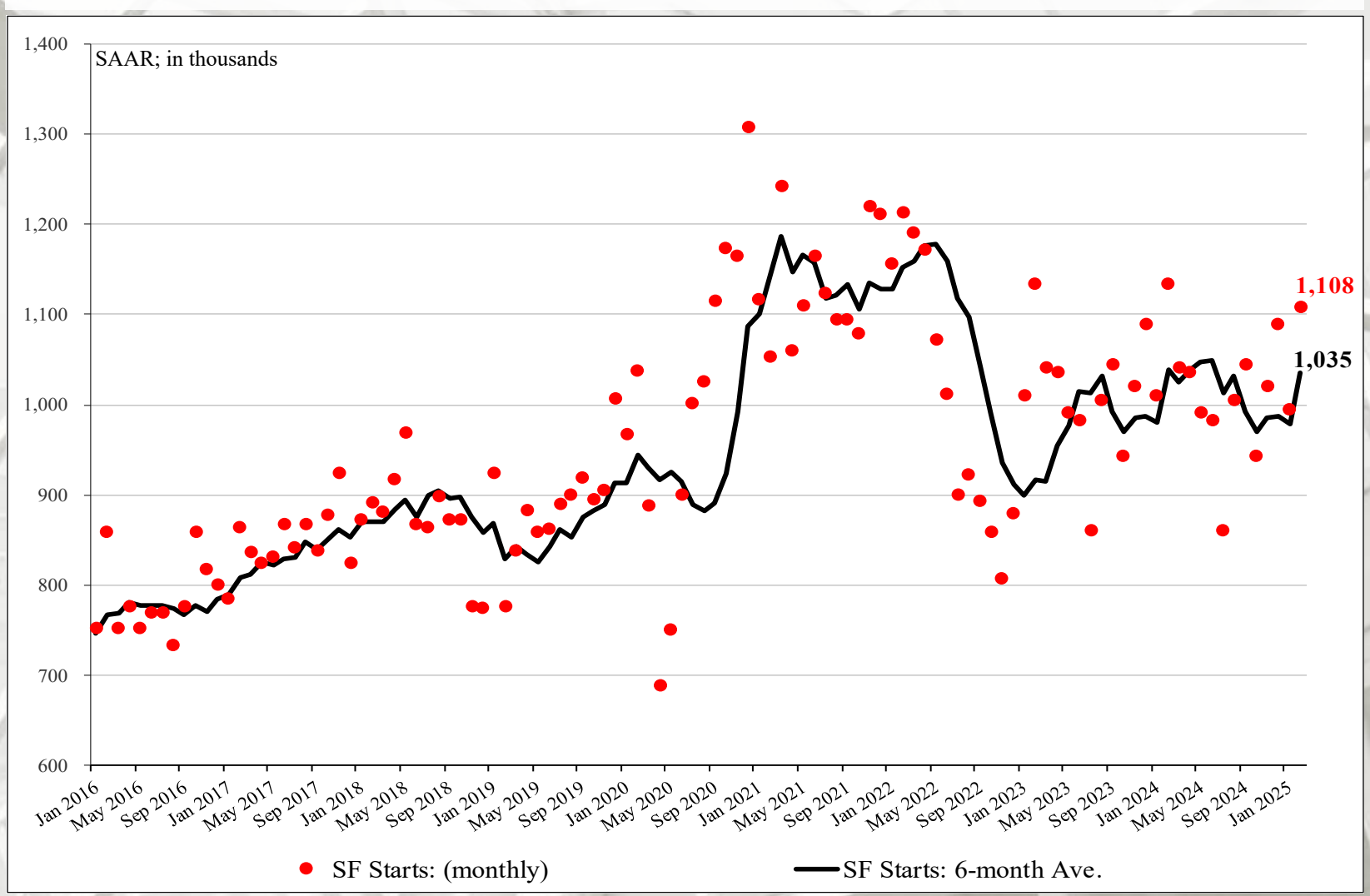
SF Housing Starts: Six-Month Moving Average



Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/18/25

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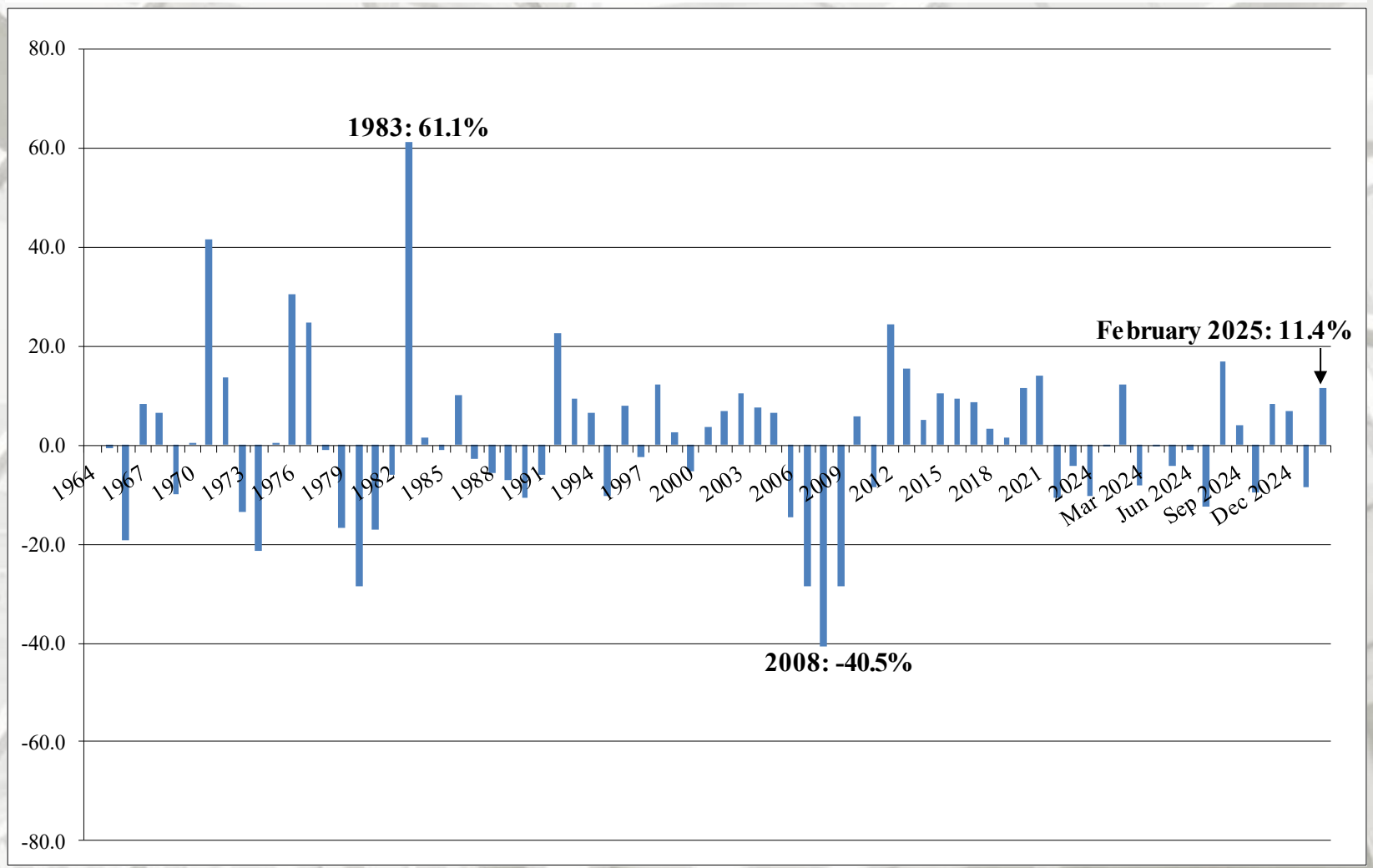
SF Housing Starts: Year-over-Year Change (%)



Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/18/25

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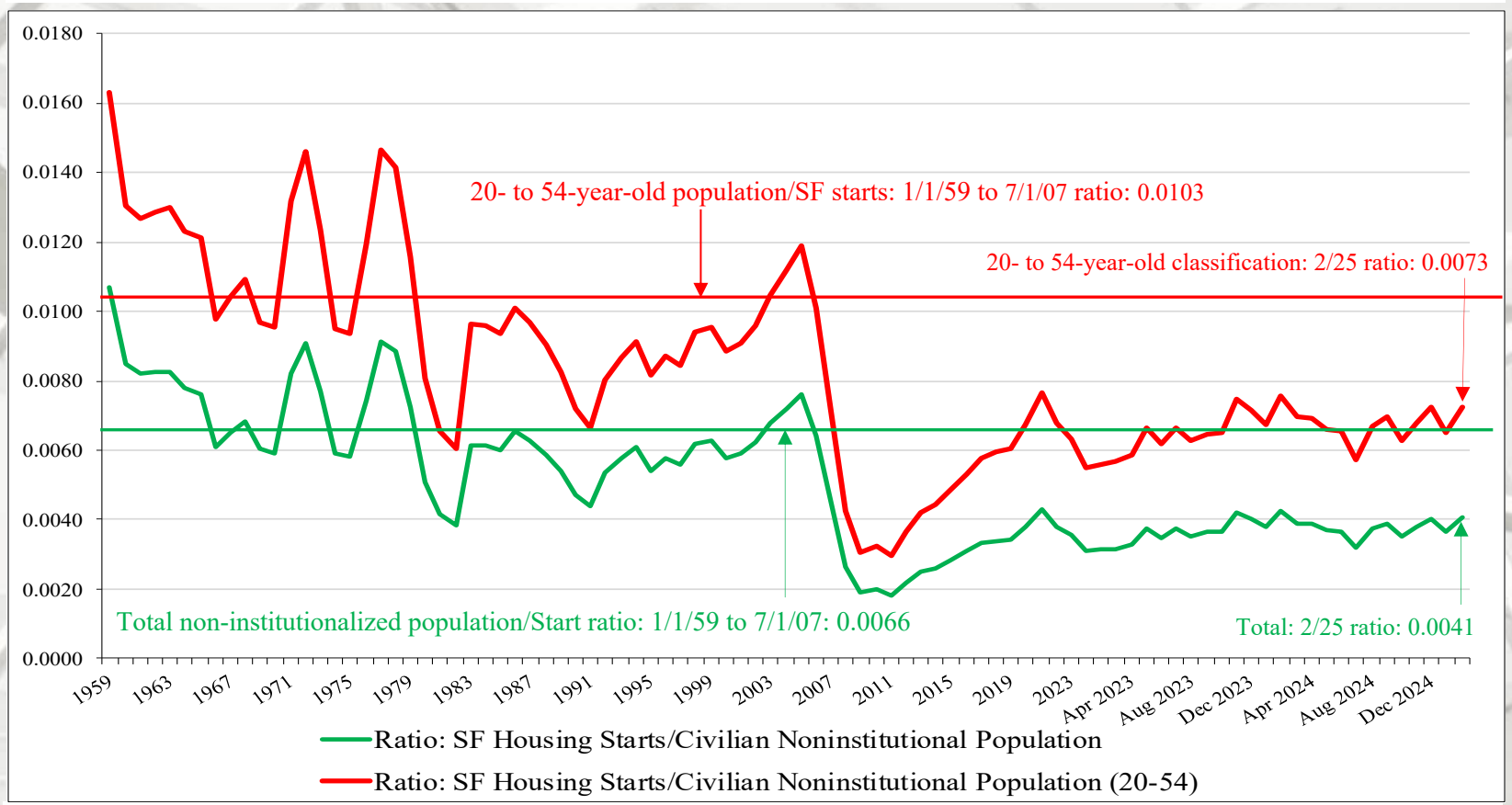
New SF Starts



New SF starts adjusted for the US population

From February 1959 to February 2007, the long-term ratio of new SF starts to the total US non-institutionalized population is 0.0066. In February 2025 it was 0.0041 – an increase from January (0.0036). The long-term ratio of non-institutionalized population, aged 20 to 54 is 0.0103; in February 2025 it was 0.0073 – also an improvement from January (0.0065). New SF construction in both age categories is less than what is necessary for changes in the population (i.e., under-building).

Note some studies report normalized long-term demand at 900,000 to 1,000,000 new SF house starts per year – beginning in 2025 through 2050.

Sources: http://www.census.gov/construction/nrc/pdf/newresconst.pdff and The Federal Reserve Bank of St. Louis; 3/18/25

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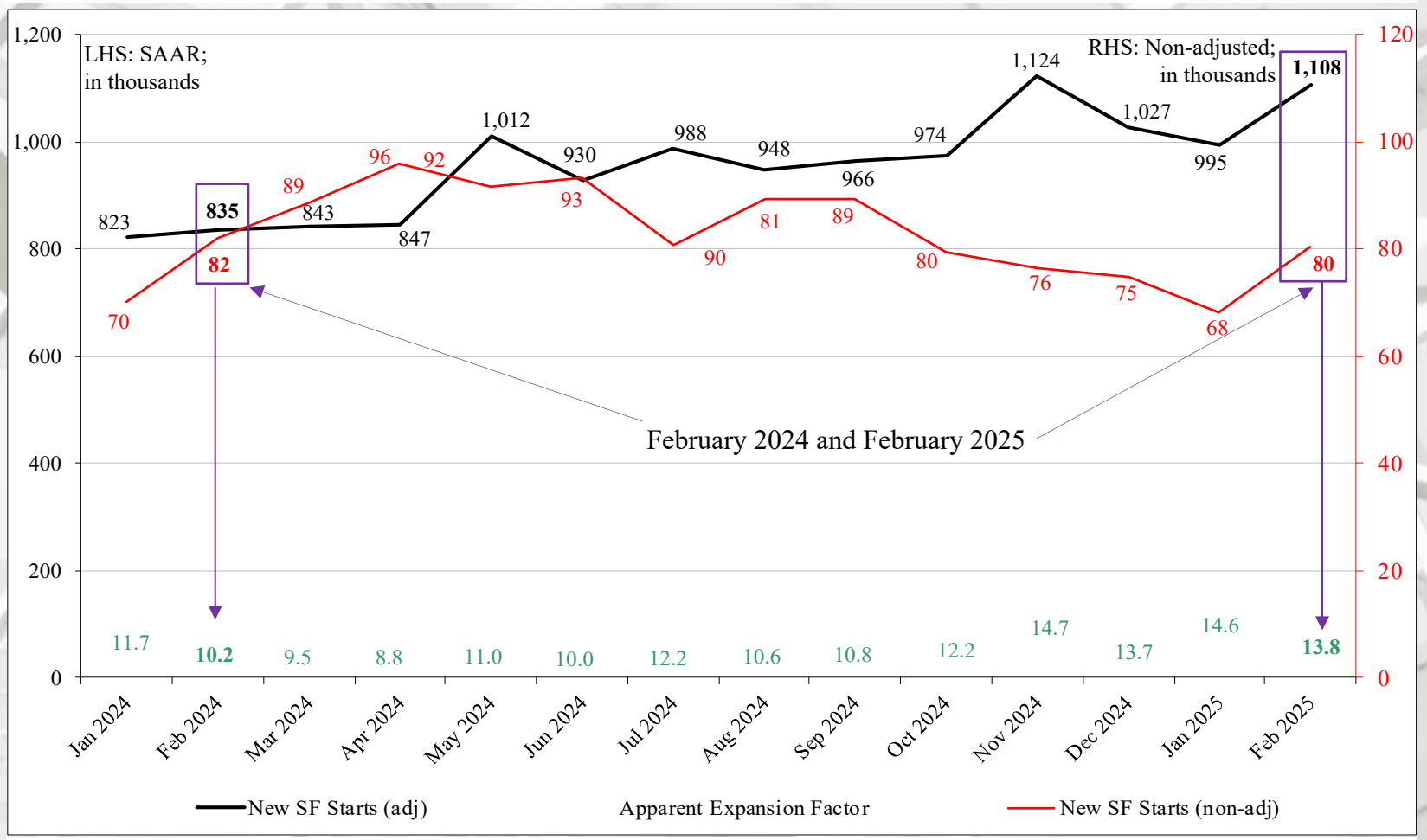
Nominal & SAAR SF Starts



Nominal and Adjusted New SF Monthly Starts

Presented above is nominal (non-adjusted) new SF start data contrasted against SAAR data.

The apparent expansion factor "… is the ratio of the unadjusted number of houses started in the US to the seasonally adjusted number of houses started in the US (i.e., to the sum of the seasonally adjusted values for the four regions)." – U.S. DOC-Construction

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/18/25

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New Housing Starts by Region

	NE Total	NE SF	NE MF**
February	143,000	84,000	59,000
January	97,000	48,000	49,000
2024	119,000	82,000	37,000
M/M change	47.4%	75.0%	20.4%
Y/Y change	20.2%	2.4%	59.5%

	MW Total	MW SF	MW MF
February	133,000	99,000	34,000
January	177,000	133,000	44,000
2024	239,000	152,000	87,000
M/M change	-24.9%	-25.6%	-22.7%
Y/Y change	-44.4%	-34.9%	-60.9%

All data are SAAR; NE = Northeast and MW = Midwest.
** US DOC does not report multi-family starts directly; this is an estimation (Total starts – SF starts).

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/18/25

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New Housing Starts by Region

	S Total	S SF	S MF**
February	815,000	647,000	168,000
January	689,000	541,000	148,000
2024	863,000	669,000	194,000
M/M change	18.3%	19.6%	13.5%
Y/Y change	-5.6%	-3.3%	-13.4%

	W Total	W SF	W MF
February	410,000	278,000	132,000
January	387,000	273,000	114,000
2024	325,000	231,000	94,000
M/M change	5.9%	1.8%	15.8%
Y/Y change	26.2%	20.3%	40.4%

All data are SAAR; S = South and W = West.
** US DOC does not report multi-family starts directly; this is an estimation (Total starts – SF starts).

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/18/25

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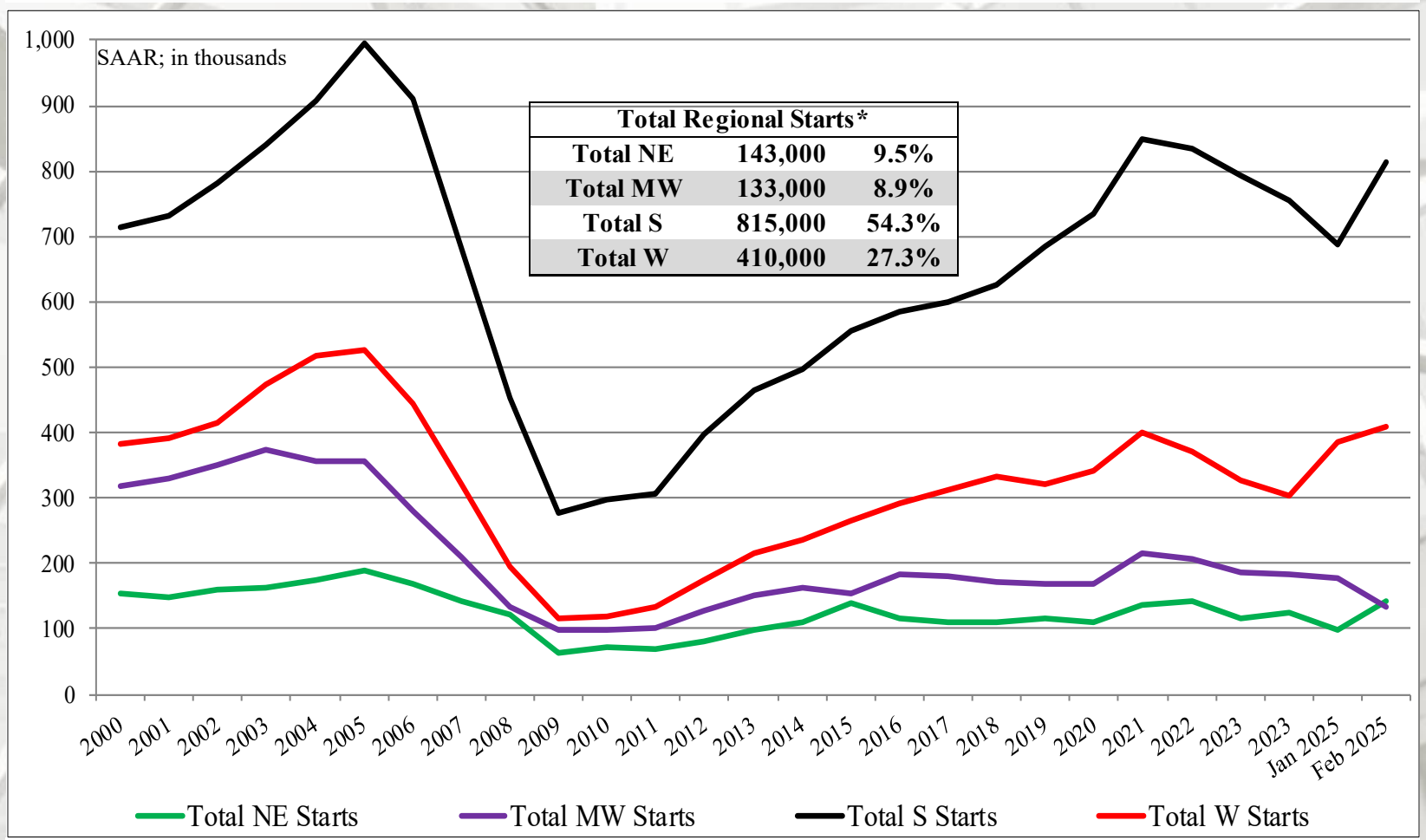
New Housing Starts by Region



Total Regional Starts*		
Total NE	143,000	9.5%
Total MW	133,000	8.9%
Total S	815,000	54.3%
Total W	410,000	27.3%

NE = Northeast, MW = Midwest, S = South, W = West

US DOC does not report 2 to 4 multi-family starts directly; this is an estimation (Total starts – (SF + ≥ 5 MF starts).

* Percentage of total starts.

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/18/25

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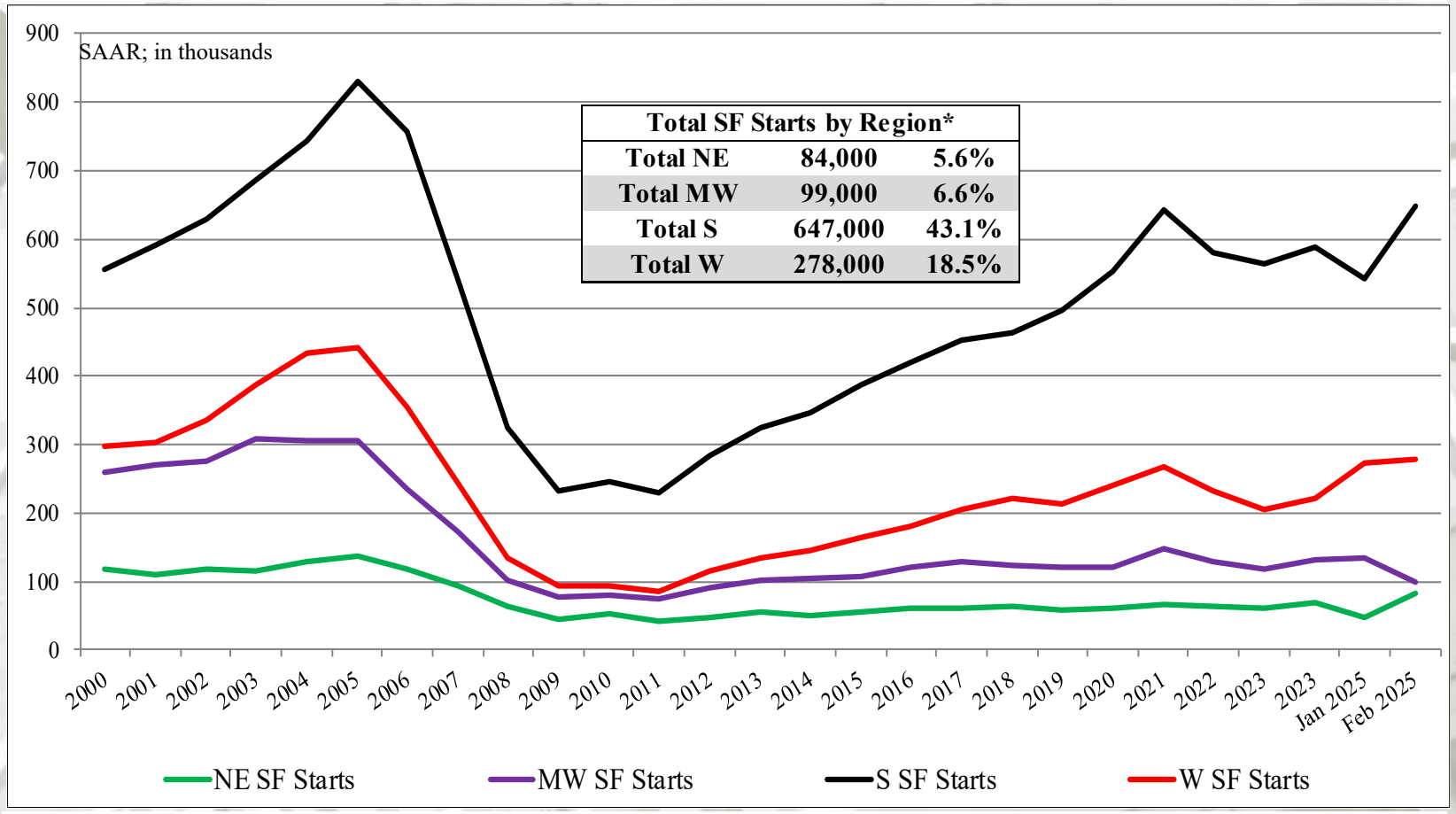
Total SF Housing Starts by Region



Total SF Starts by Region*		
Total NE	84,000	5.6%
Total MW	99,000	6.6%
Total S	647,000	43.1%
Total W	278,000	18.5%

NE = Northeast, MW = Midwest, S = South, W = West
US DOC does not report 2 to 4 multi-family starts directly; this is an estimation (Total starts – (SF + ≥ 5 MF starts).

* Percentage of total starts.

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/18/25

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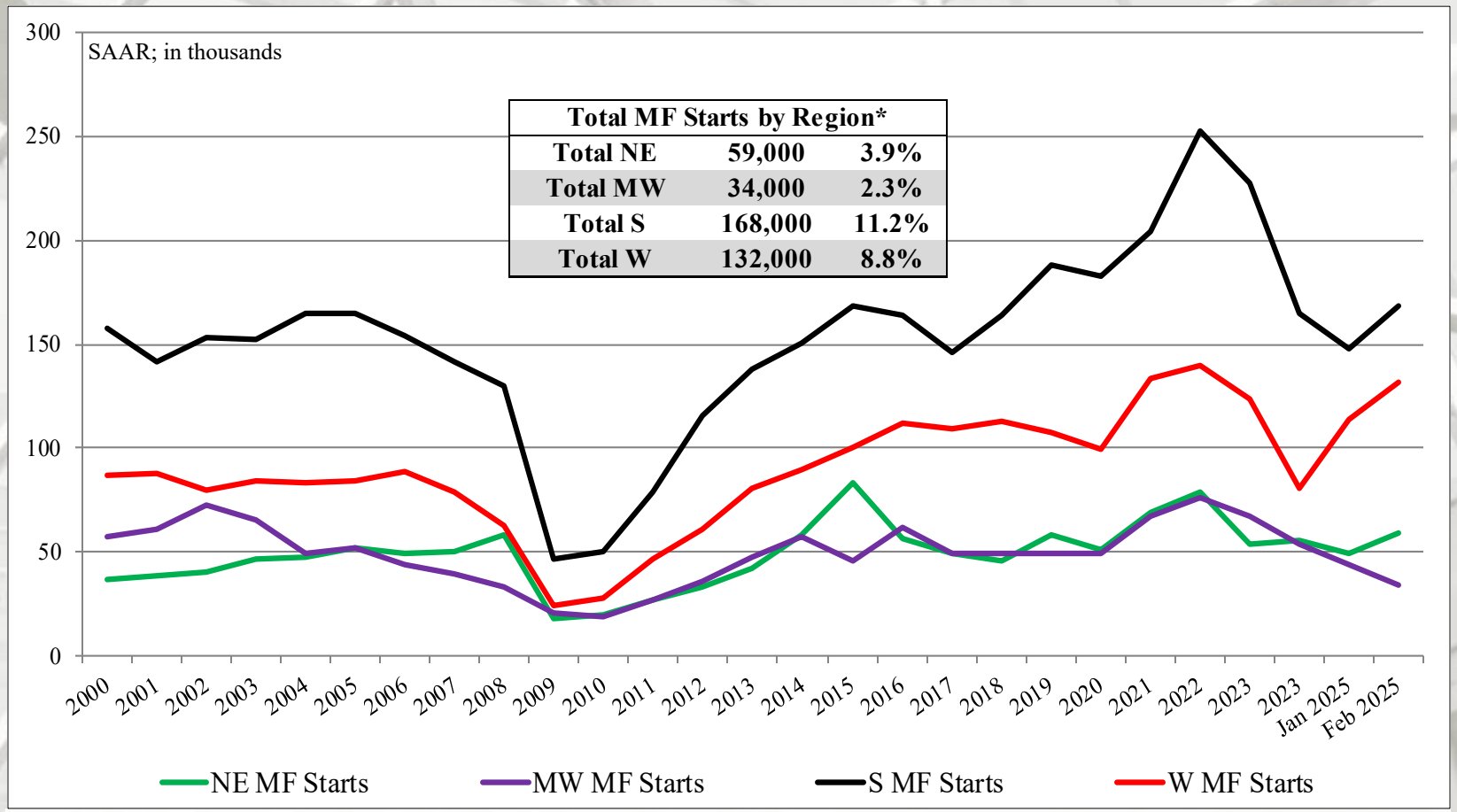
MF Housing Starts by Region



Total MF Starts by Region*		
Total NE	59,000	3.9%
Total MW	34,000	2.3%
Total S	168,000	11.2%
Total W	132,000	8.8%

NE = Northeast, MW = Midwest, S = South, W = West
US DOC does not report 2 to 4 multi-family starts directly; this is an estimation (Total starts – (SF + ≥ 5 MF starts).

* Percentage of total starts.

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/18/25

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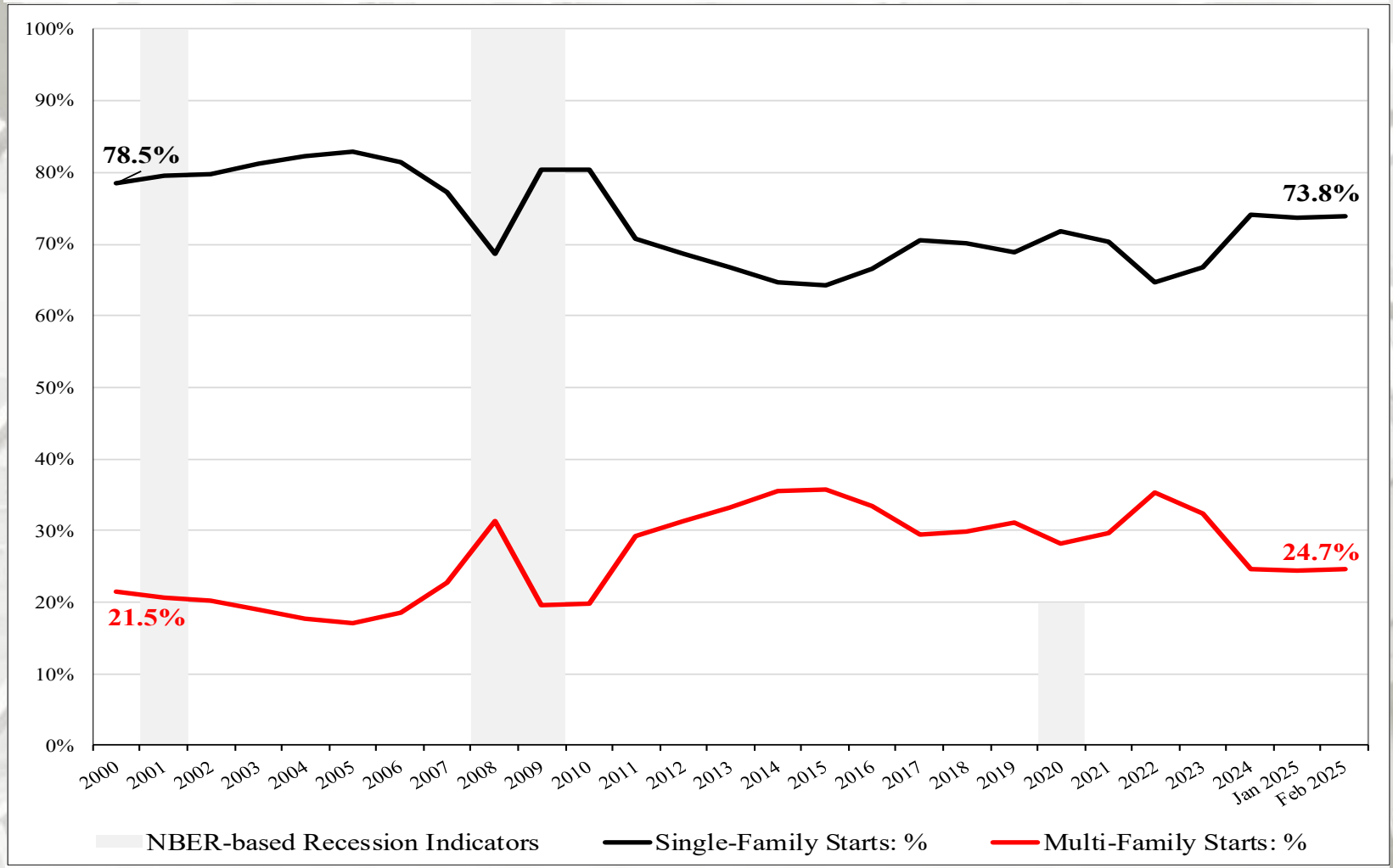
SF vs. MF Housing Starts (%)



NBER based Recession Indicator Bars for the United States from the Period following the Peak through the Trough (FRED, St. Louis).

Sources: https://fred.stlouisfed.org/series/USREC, 6/1/21; http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/18/25

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New Housing Permits

	Total Permits*	SF Permits	MF 2-4 unit Permits	MF ≥ 5 unit Permits
February	1,459,000	998,000	57,000	404,000
January	1,473,000	994,000	57,000	422,000
2024	1,563,000	1,027,000	57,000	479,000
M/M change	-1.0%	0.4%	0.0%	-4.3%
Y/Y change	-6.7%	-2.8%	0.0%	-15.7%

* All permit data are presented at a seasonally adjusted annual rate (SAAR).

Source: https://www.census.gov/construction/bps/; 3/25/25

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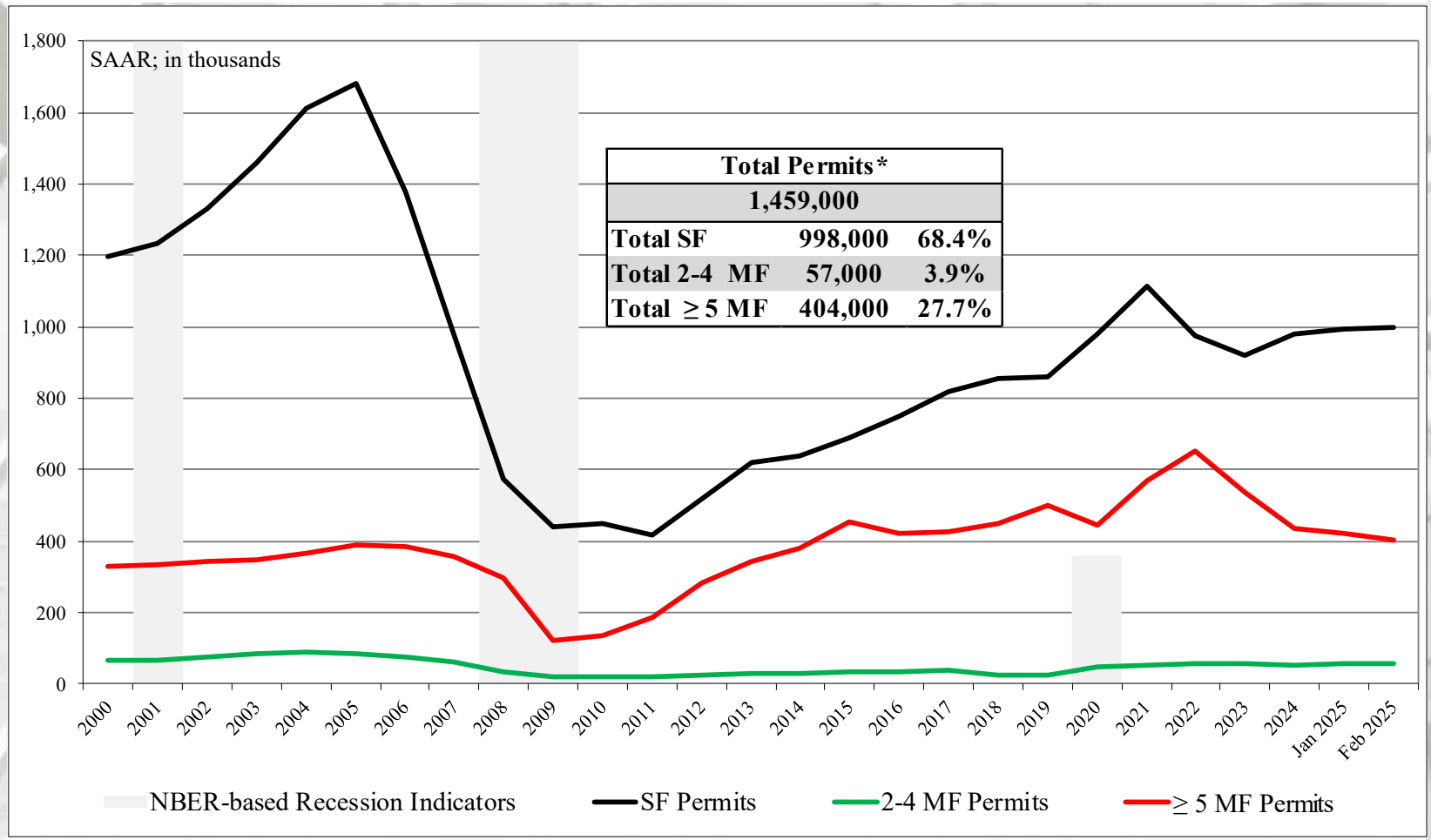
Total New Housing Permits



* Percentage of total permits.

NBER based Recession Indicator Bars for the United States from the Period following the Peak through the Trough (FRED, St. Louis).

Sources: https://fred.stlouisfed.org/series/USREC, 6/1/21; https://www.census.gov/construction/bps/; 3/25/25

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New Housing Permits by Region

	NE Total*	NE SF	NE MF**
February	116,000	62,000	54,000
January	137,000	61,000	76,000
2024	214,000	60,000	154,000
M/M change	-15.3%	1.6%	-28.9%
Y/Y change	-45.8%	3.3%	-64.9%

	MW Total*	MW SF	MW MF**
February	242,000	128,000	114,000
January	224,000	134,000	90,000
2024	237,000	141,000	96,000
M/M change	8.0%	-4.5%	26.7%
Y/Y change	2.1%	-9.2%	18.8%

NE = Northeast; MW = Midwest
* All data are SAAR
** US DOC does not report multi-family permits directly; this is an estimation (Total permits – SF permits).

Source: https://www.census.gov/construction/bps/; 3/25/25

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New Housing Permits by Region

	S Total*	S SF	S MF**
February	806,000	593,000	213,000
January	798,000	569,000	229,000
2024	794,000	603,000	191,000
M/M change	1.0%	4.2%	-7.0%
Y/Y change	1.5%	-1.7%	11.5%

	W Total*	W SF	W MF**
February	295,000	215,000	80,000
January	314,000	230,000	84,000
2024	318,000	223,000	95,000
M/M change	-6.1%	-6.5%	-4.8%
Y/Y change	-7.2%	-3.6%	-15.8%

S = South; W = West
* All data are SAAR
** US DOC does not report multi-family permits directly; this is an estimation (Total permits – SF permits).

Source: https://www.census.gov/construction/bps/; 3/25/25

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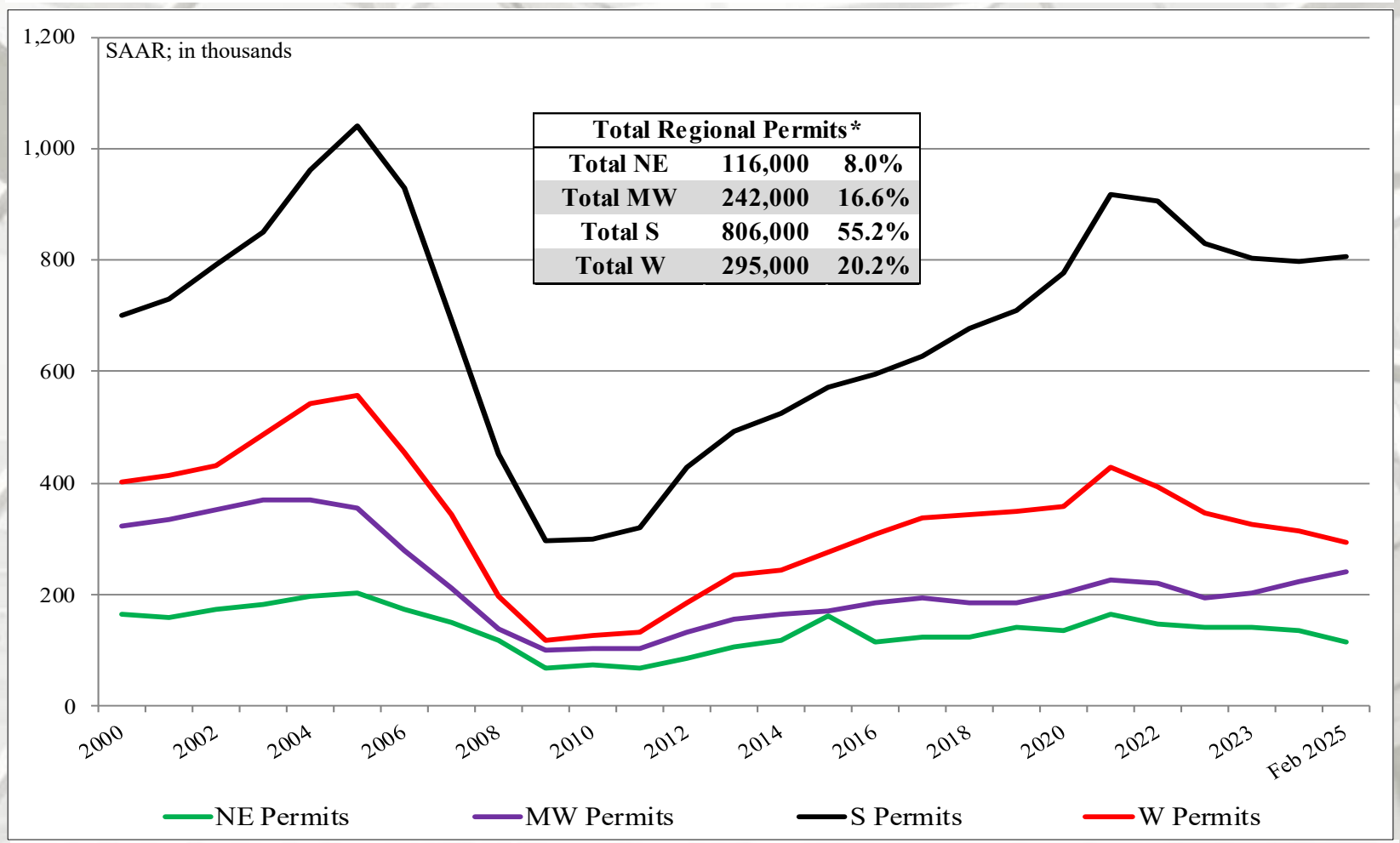
Total Housing Permits by Region



Total Regional Permits*		
Total NE	116,000	8.0%
Total MW	242,000	16.6%
Total S	806,000	55.2%
Total W	295,000	20.2%

NE = Northeast, MW = Midwest, S = South, W = West

* Percentage of total permits.

Source: https://www.census.gov/construction/bps/; 3/25/25

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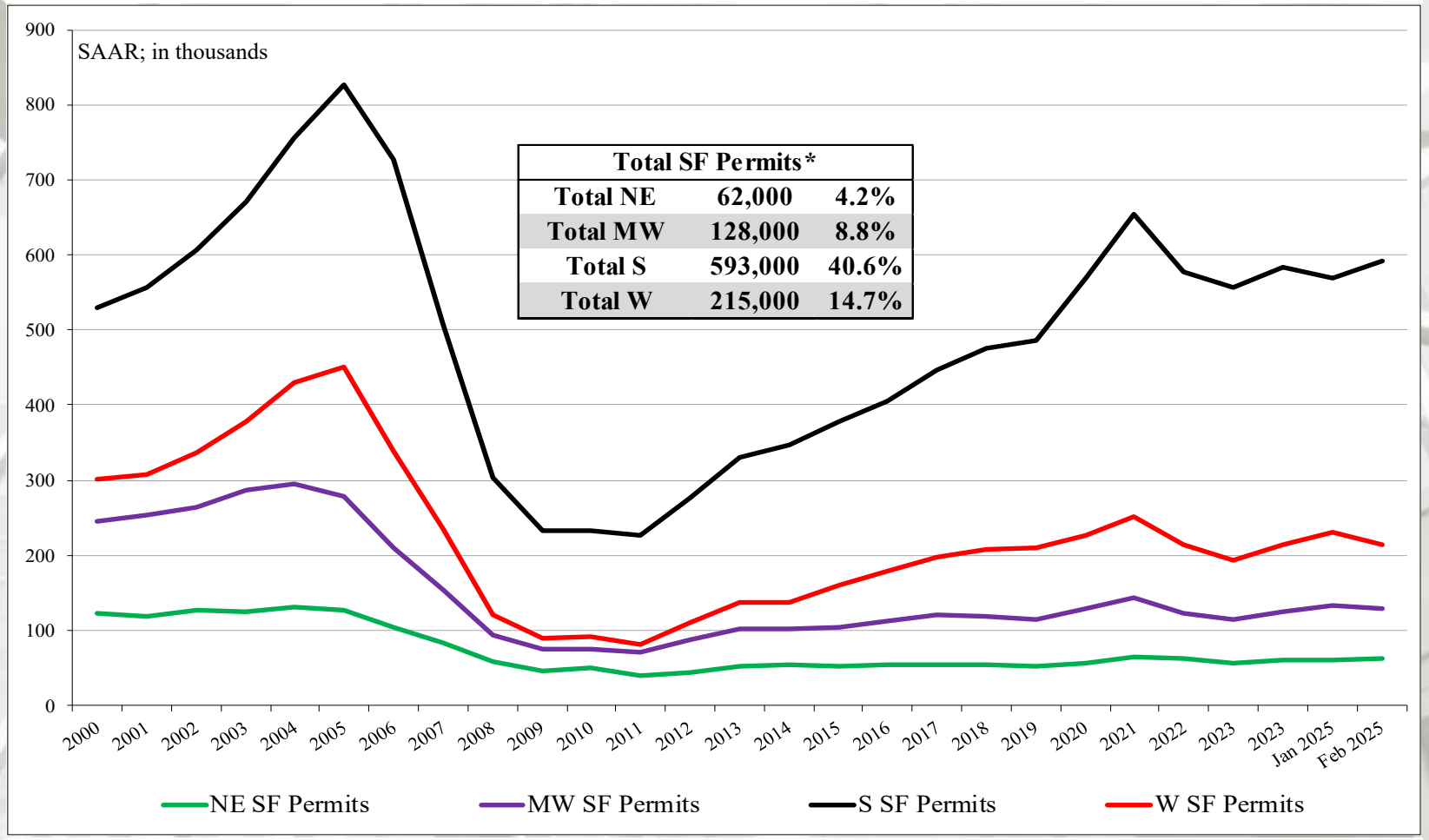
SF Housing Permits by Region



Total SF Permits*		
Total NE	62,000	4.2%
Total MW	128,000	8.8%
Total S	593,000	40.6%
Total W	215,000	14.7%

NE = Northeast, MW = Midwest, S = South, W = West

* Percentage of total permits.

Source: https://www.census.gov/construction/bps/; 3/25/25

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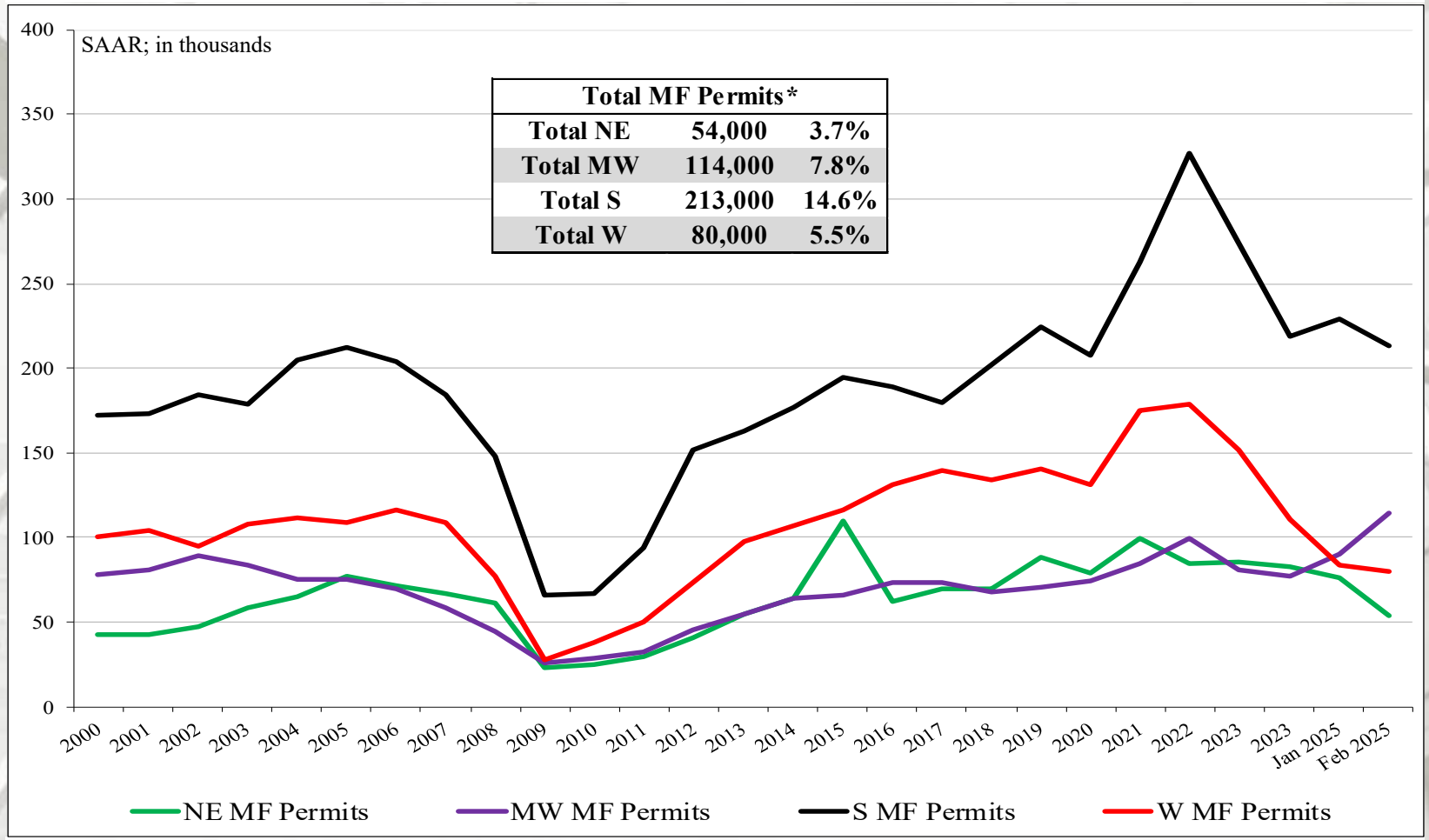
MF Housing Permits by Region



Total MF Permits*		
Total NE	54,000	3.7%
Total MW	114,000	7.8%
Total S	213,000	14.6%
Total W	80,000	5.5%

NE = Northeast, MW = Midwest, S = South, W = West

* Percentage of total permits.

Source: https://www.census.gov/construction/bps/; 3/25/25

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New Housing Under Construction (HUC)

	Total HUC	SF HUC	MF 2-4 unit** HUC	MF ≥ 5 unit HUC
February	1,412,000	640,000	18,000	754,000
January	1,410,000	640,000	18,000	752,000
2024	1,657,000	686,000	17,000	954,000
M/M change	0.1%	0.0%	0.0%	0.3%
Y/Y change	-14.8%	-6.7%	5.9%	-21.0%

All housing under construction (HUC) data are presented at a seasonally adjusted annual rate (SAAR).
** US DOC does not report 2-4 multi-family units under construction directly; this is an estimation: ((Total under construction – (SF + 5-unit MF)).

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/18/25

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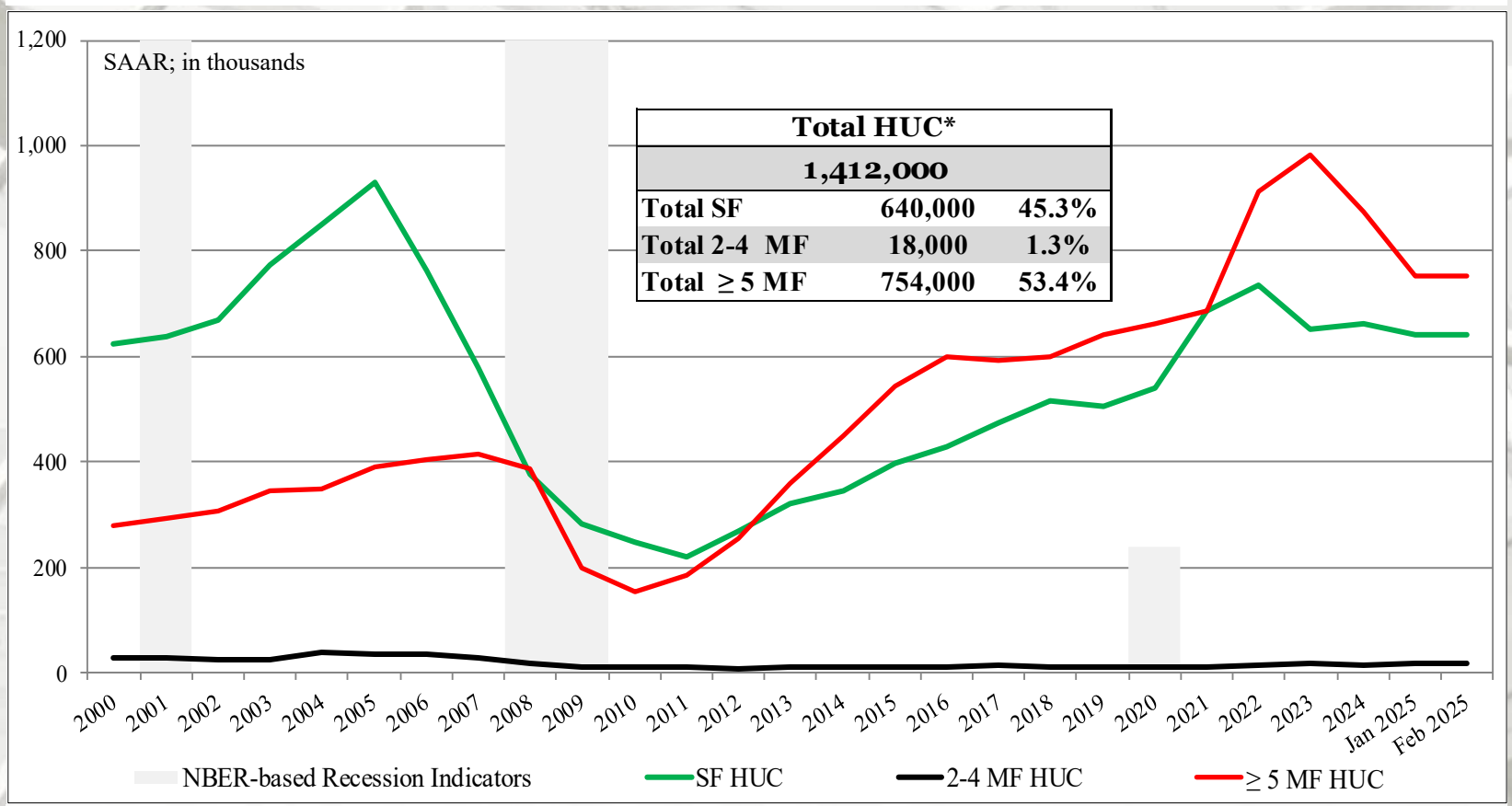
Total Housing Under Construction



US DOC does not report 2 to 4 multi-family under construction directly, this is an estimation (Total under constructions – (SF + 5-unit MF HUC)).

* Percentage of total housing under construction units.

NBER based Recession Indicator Bars for the United States from the Period following the Peak through the Trough (FRED, St. Louis).

Sources: https://fred.stlouisfed.org/series/USREC, 6/1/21; http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/18/25

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New Housing Under Construction by Region

	NE Total	NE SF	NE MF**
February	215,000	62,000	153,000
January	217,000	63,000	154,000
2024	205,000	66,000	139,000
M/M change	-0.9%	-1.6%	-0.6%
Y/Y change	4.9%	-6.1%	10.1%
	MW Total	**MW SF**	**MW MF**
February	180,000	85,000	95,000
January	176,000	85,000	91,000
2024	206,000	91,000	115,000
M/M change	2.3%	0.0%	4.4%
Y/Y change	-12.6%	-6.6%	-17.4%

All data are SAAR; NE = Northeast and MW = Midwest.
** US DOC does not report multi-family units under construction directly; this is an estimation (Total under construction – SF under construction).

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/18/25

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New Housing Under Construction by Region

	S Total	S SF	S MF**
February	651,000	333,000	318,000
January	648,000	331,000	317,000
2024	774,000	353,000	421,000
M/M change	0.5%	0.6%	0.3%
Y/Y change	-15.9%	-5.7%	-24.5%
	W Total	**W SF**	**W MF**
February	366,000	160,000	206,000
January	369,000	161,000	208,000
2024	472,000	176,000	296,000
M/M change	-0.8%	-0.6%	-1.0%
Y/Y change	-22.5%	-9.1%	-30.4%

All data are SAAR; S = South and W = West.
** US DOC does not report multi-family units under construction directly; this is an estimation (Total under construction – SF under construction).

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/18/25

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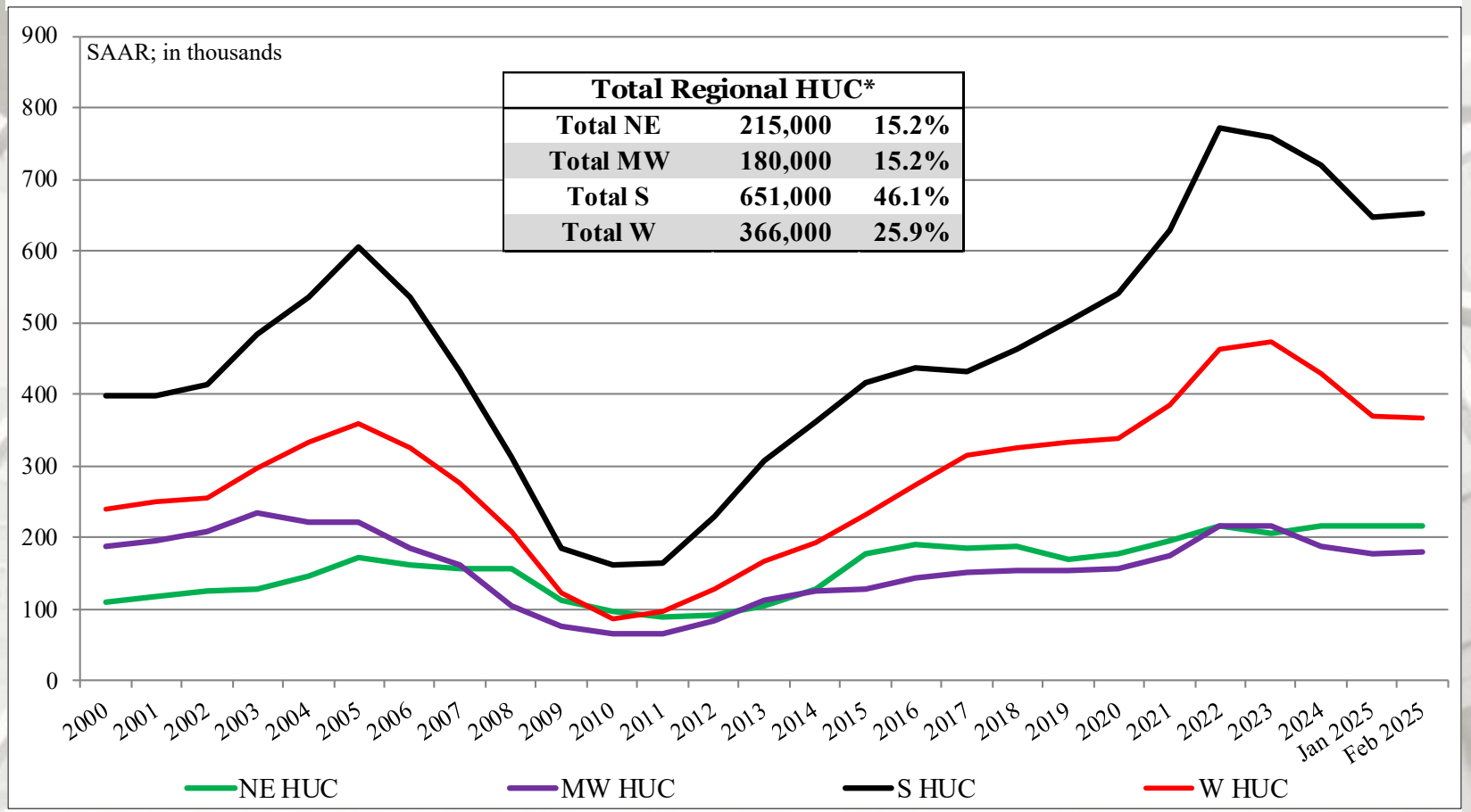
Total Housing Under Construction by Region



Total Regional HUC*		
Total NE	215,000	15.2%
Total MW	180,000	15.2%
Total S	651,000	46.1%
Total W	366,000	25.9%

NE = Northeast, MW = Midwest, S = South, W = West
US DOC does not report 2 to 4 multi-family under construction directly; this is an estimation (Total under construction – (SF + 5-unit MF under construction).

* Percentage of total housing under construction units.

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/18/25

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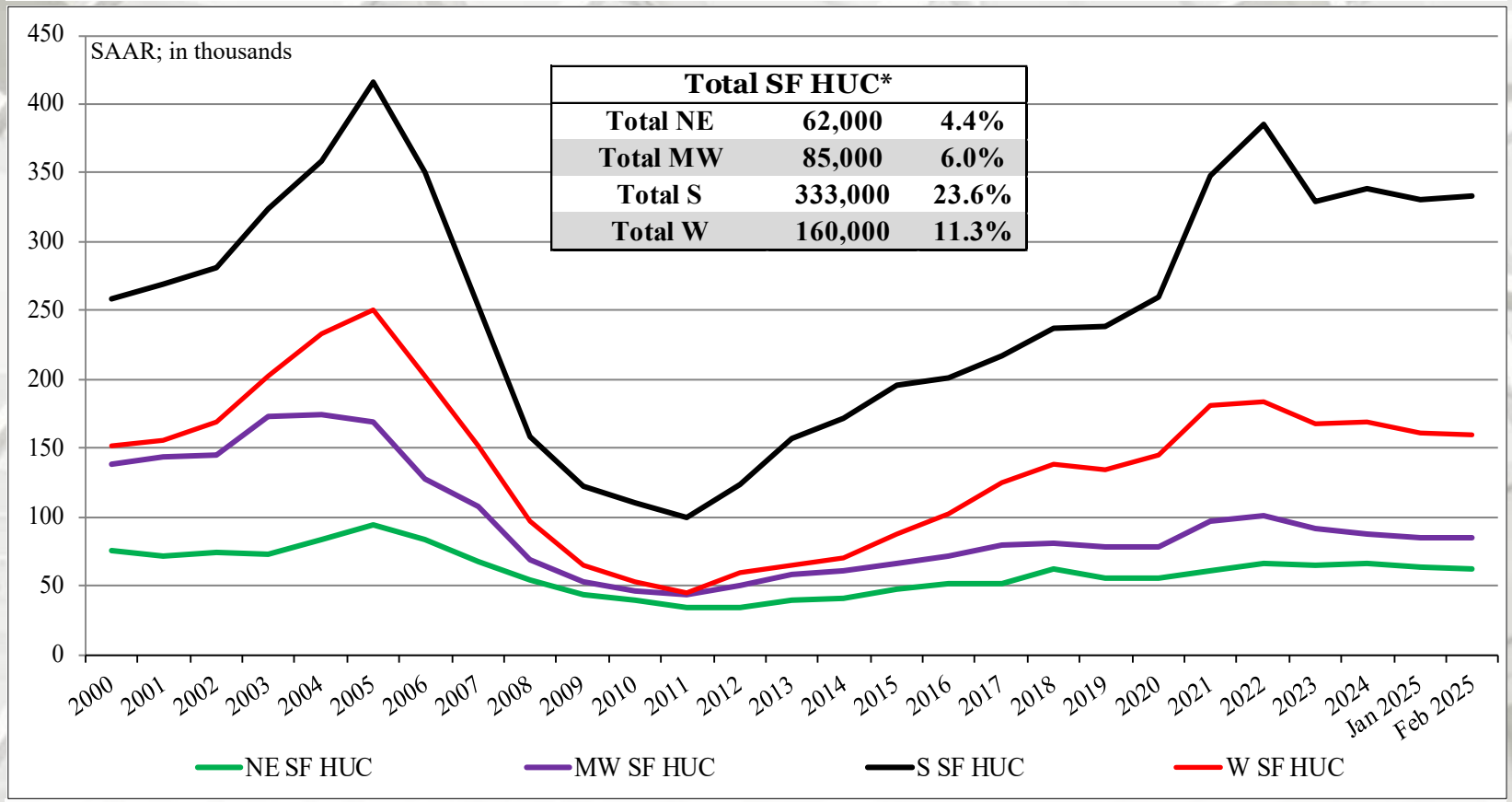
SF Housing Under Construction by Region



Total SF HUC*		
Total NE	62,000	4.4%
Total MW	85,000	6.0%
Total S	333,000	23.6%
Total W	160,000	11.3%

NE = Northeast, MW = Midwest, S = South, W = West.
US DOC does not report 2 to 4 multi-family under construction directly, this is an estimation (Total under construction – (SF + 5-unit MF under construction).

* Percentage of total housing under construction units.

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/18/25

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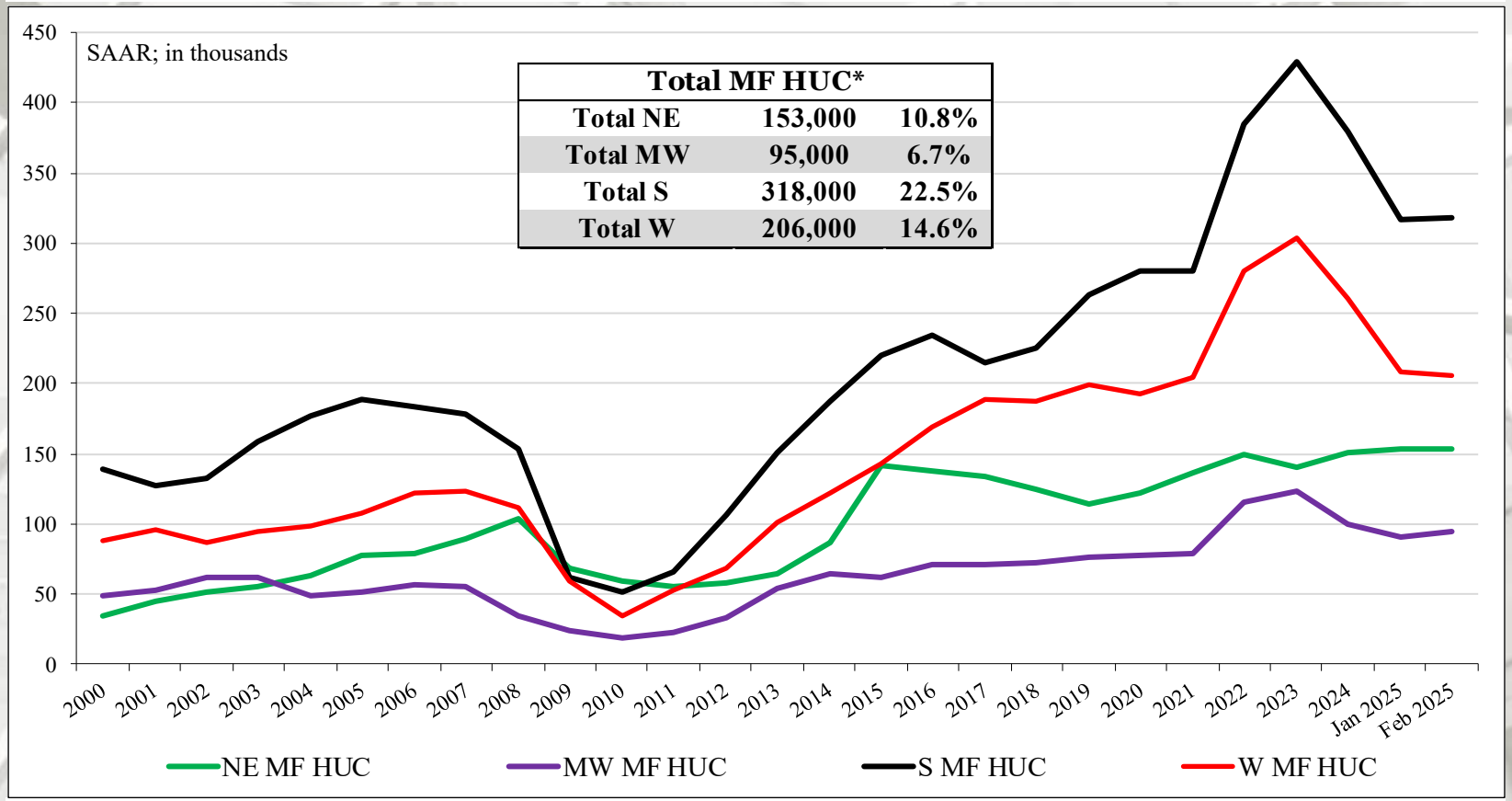
MF Housing Under Construction by Region



Total MF HUC*		
Total NE	153,000	10.8%
Total MW	95,000	6.7%
Total S	318,000	22.5%
Total W	206,000	14.6%

NE = Northeast, MW = Midwest, S = South, W = West

US DOC does not report 2 to 4 multi-family under construction directly; this is an estimation (Total under construction – (SF + 5-unit MF under construction).

* Percentage of total housing under construction units.

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/18/25

Return TOC

New Housing Completions

	Total Completions*	SF Completions	MF 2-4 unit** Completions	MF ≥ 5 unit Completions
February	1,592,000	1,066,000	14,000	512,000
January	1,659,000	995,000	18,000	646,000
2024	1,698,000	1,077,000	13,000	608,000
M/M change	-4.0%	7.1%	-22.2%	-20.7%
Y/Y change	-6.2%	-1.0%	7.7%	-15.8%

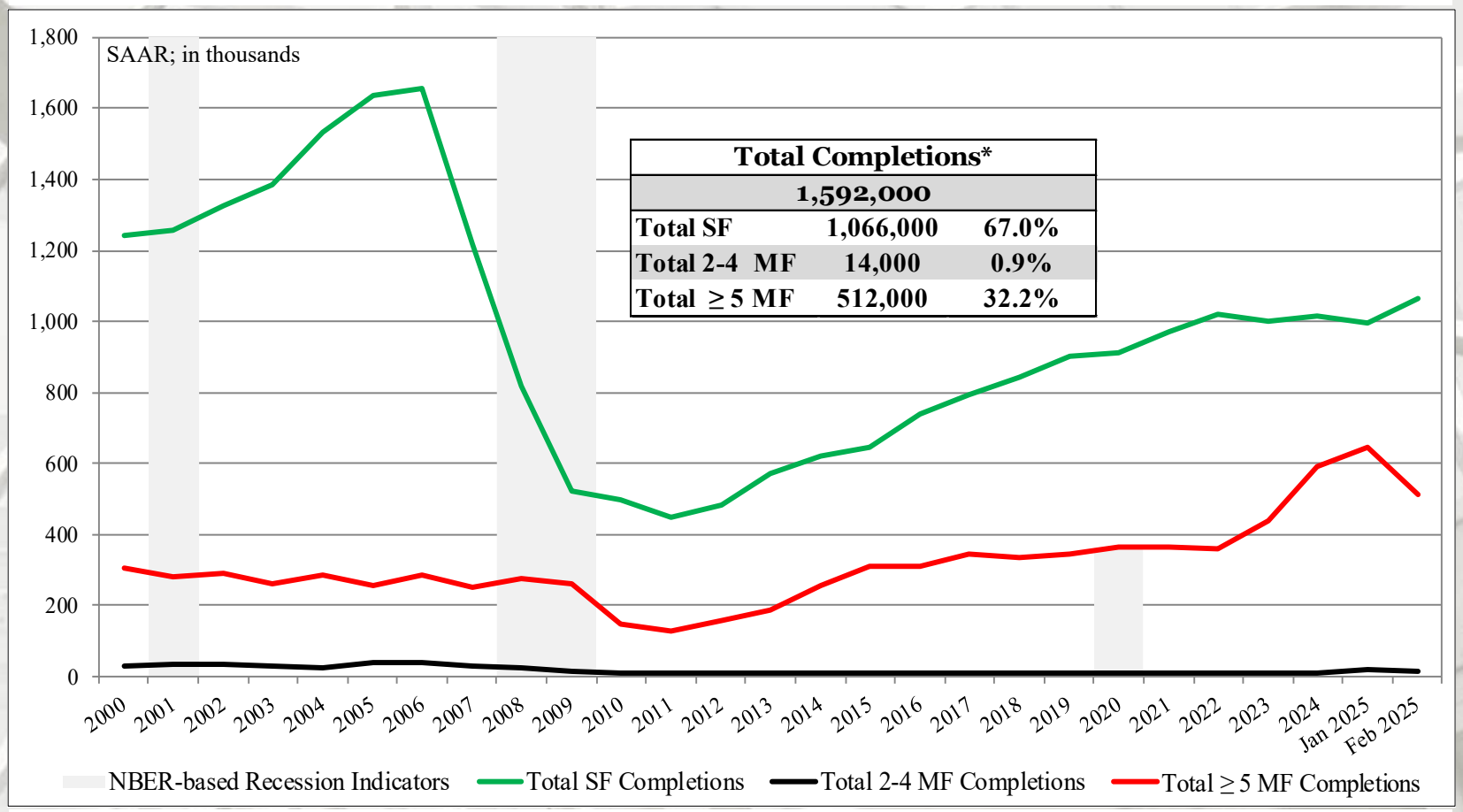
* All completion data are presented at a seasonally adjusted annual rate (SAAR).

** US DOC does not report multi-family completions directly; this is an estimation ((Total completions – (SF + ≥ 5-unit MF)).

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/18/25

Return TOC

Total Housing Completions



US DOC does not report multifamily completions directly, this is an estimation ((Total completions – (SF + + 5-unit MF)).

* Percentage of total housing completions

NBER based Recession Indicator Bars for the United States from the Period following the Peak through the Trough (FRED, St. Louis).

Sources: https://fred.stlouisfed.org/series/USREC, 6/1/21; http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/18/25

Return TOC

New Housing Completions by Region

	NE Total	NE SF	NE MF**
February	138,000	99,000	39,000
January	161,000	51,000	110,000
2024	124,000	68,000	56,000
M/M change	-14.3%	94.1%	-64.5%
Y/Y change	11.3%	45.6%	-30.4%
	MW Total	**MW SF**	**MW MF****
February	144,000	122,000	22,000
January	214,000	115,000	99,000
2024	260,000	152,000	108,000
M/M change	-32.7%	6.1%	-77.8%
Y/Y change	-44.6%	-19.7%	-79.6%

NE = Northeast, MW = Midwest, S = South, W = West
**US DOC does not report 2 to 4 multi-family completions directly; this is an estimation (Total completions – SF completions).

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/18/25

Return TOC

New Housing Completions by Region

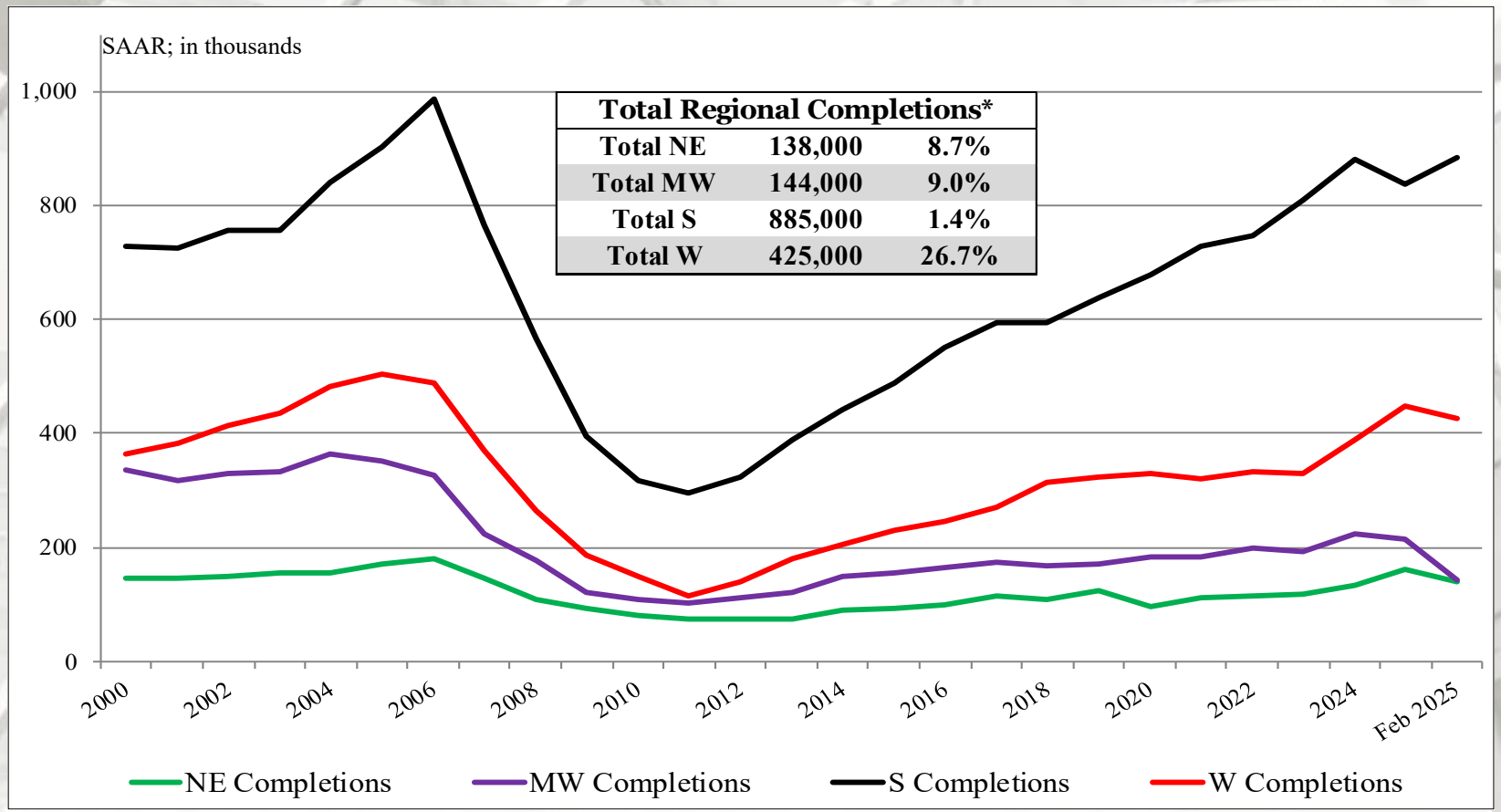
	S Total	S SF	S MF**
February	885,000	573,000	312,000
January	836,000	571,000	265,000
2024	957,000	637,000	320,000
M/M change	5.9%	0.4%	17.7%
Y/Y change	-7.5%	-10.0%	-2.5%
	W Total	**W SF**	**W MF****
February	425,000	272,000	153,000
January	448,000	258,000	190,000
2024	357,000	220,000	137,000
M/M change	-5.1%	5.4%	-19.5%
Y/Y change	19.0%	23.6%	11.7%

NE = Northeast, MW = Midwest, S = South, W = West
**US DOC does not report 2 to 4 multi-family completions directly; this is an estimation (Total completions – SF completions).

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/18/25

Return TOC

Total Housing Completions by Region



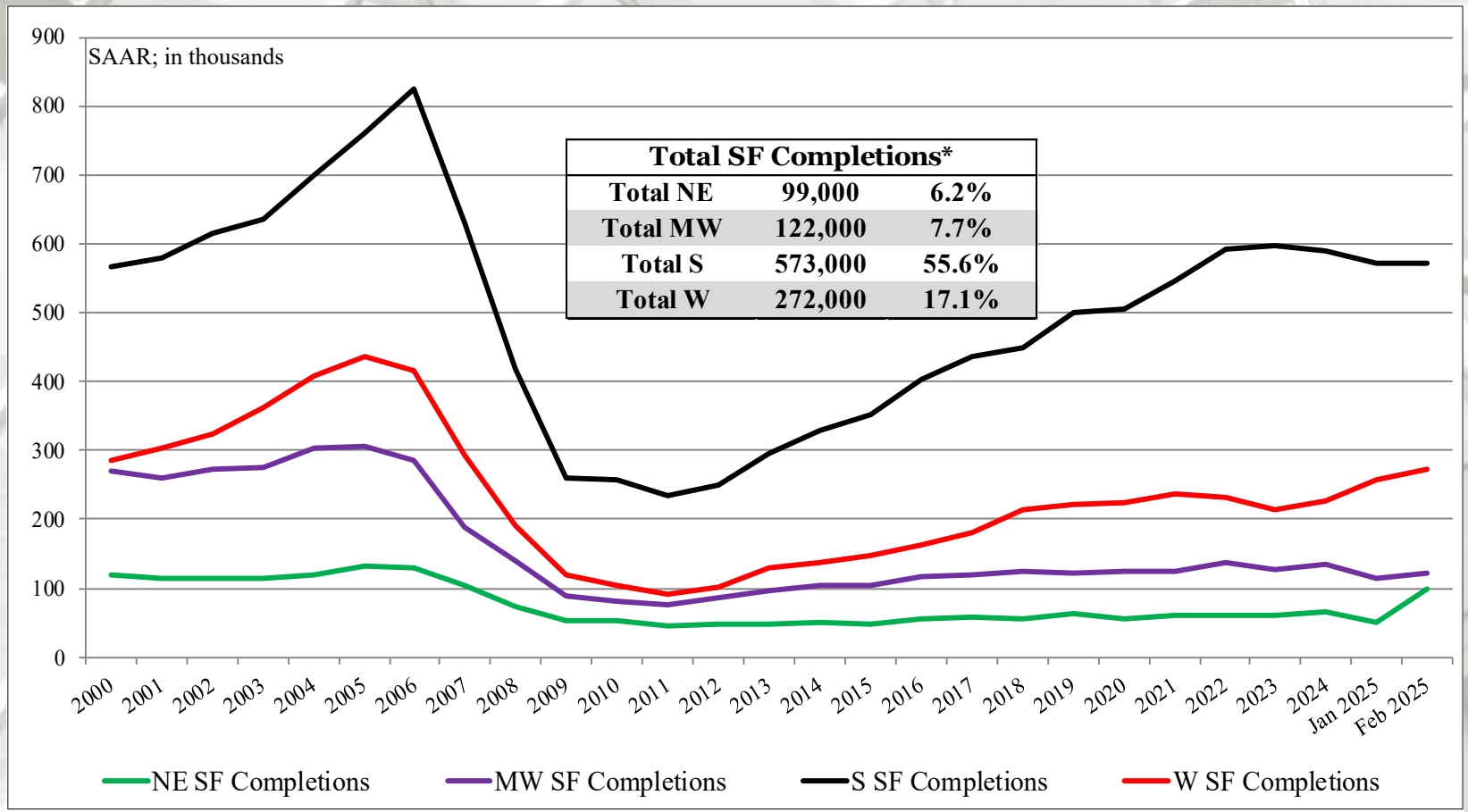
Total Regional Completions*		
Total NE	138,000	8.7%
Total MW	144,000	9.0%
Total S	885,000	1.4%
Total W	425,000	26.7%

All data are SAAR; NE = Northeast and MW = Midwest; S = South, W = West
* Percentage of total housing completions.

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/18/25

Return TOC

SF Housing Completions by Region



Total SF Completions*		
Total NE	99,000	6.2%
Total MW	122,000	7.7%
Total S	573,000	55.6%
Total W	272,000	17.1%

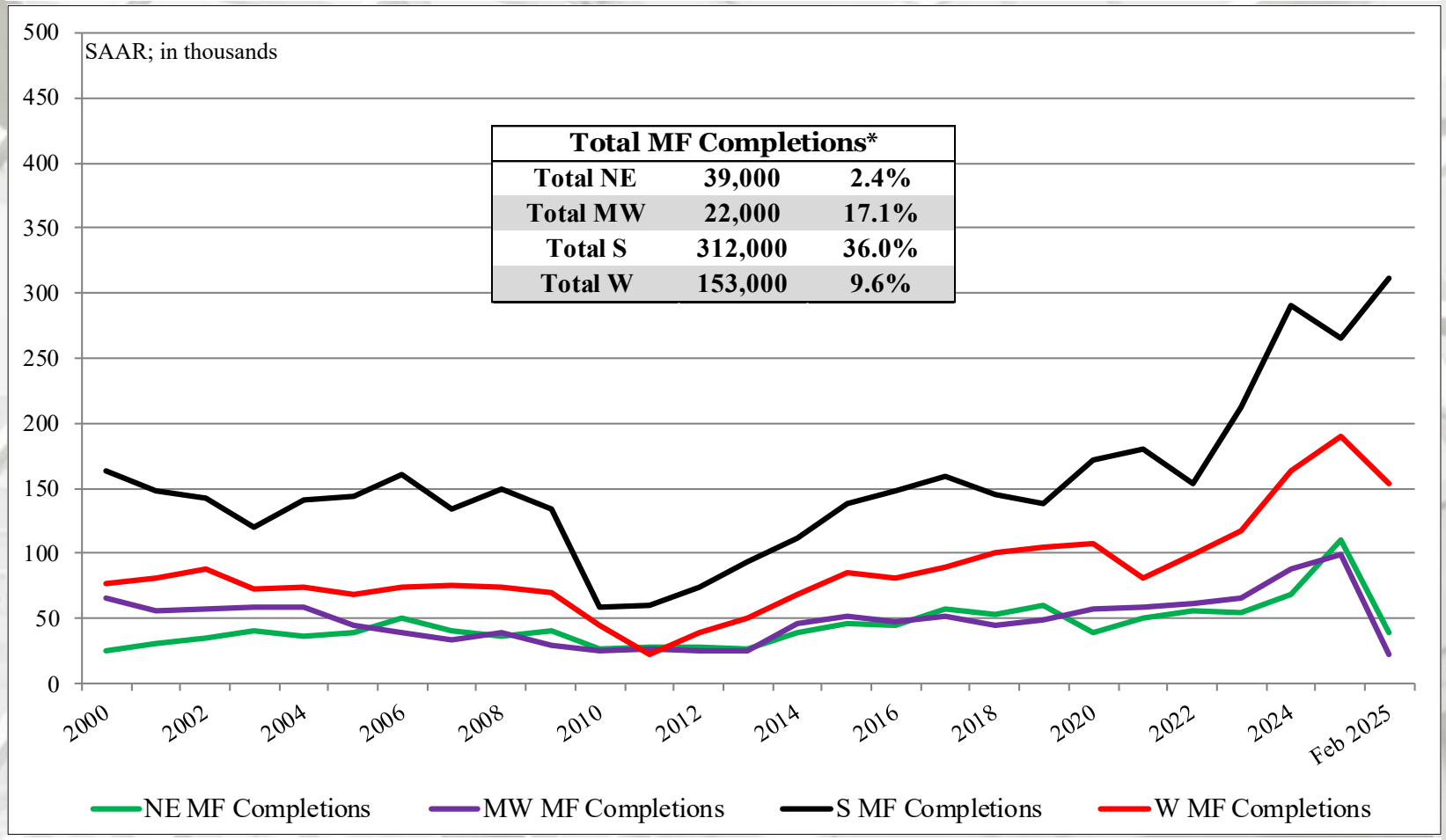
NE = Northeast, MW = Midwest, S = South, W = West

* Percentage of total housing completions

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/18/25

Return TOC

MF Housing Completions by Region



Total MF Completions*		
Total NE	39,000	2.4%
Total MW	22,000	17.1%
Total S	312,000	36.0%
Total W	153,000	9.6%

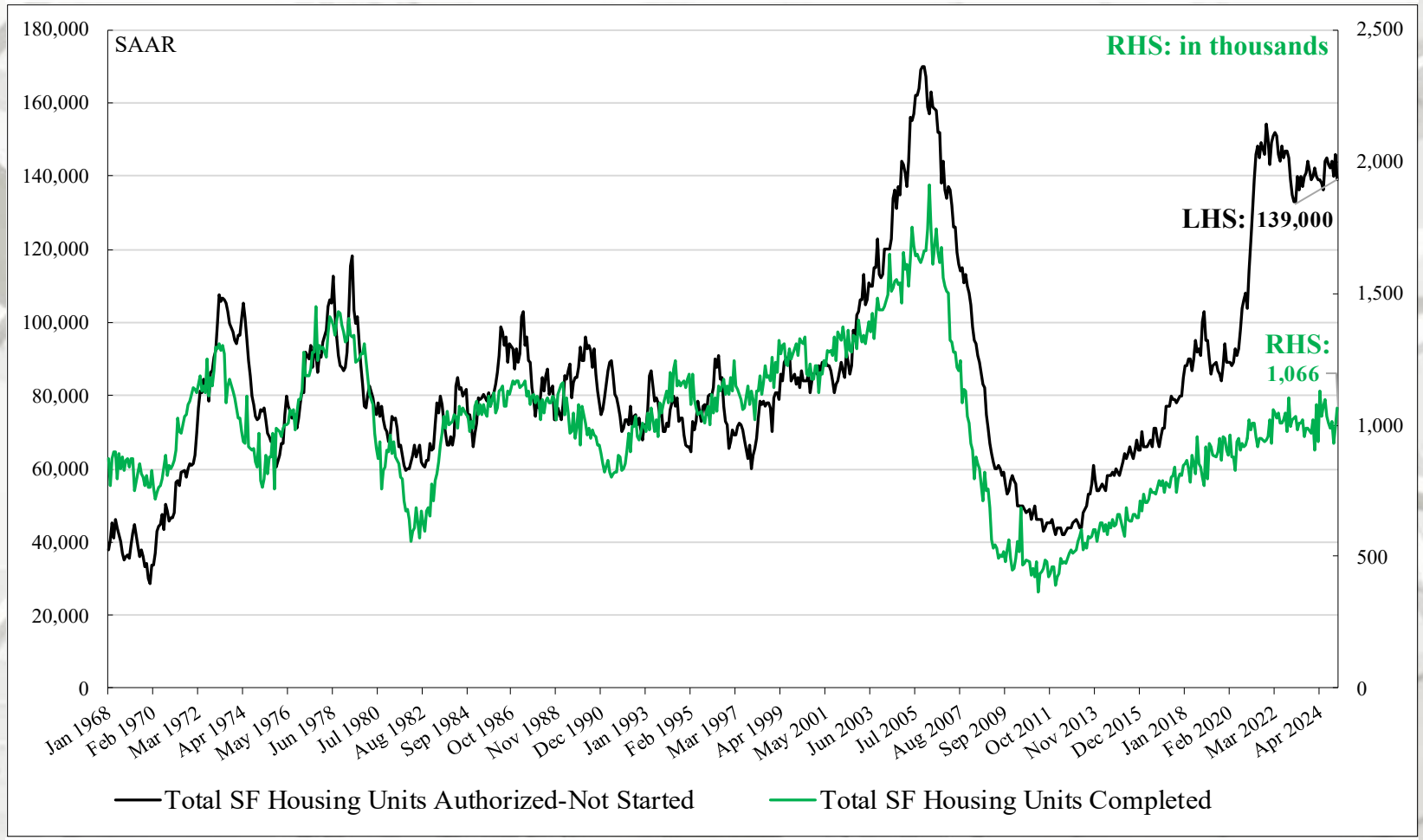
NE = Northeast, MW = Midwest, S = South, W = West

* Percentage of total housing completions

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/18/25

Return TOC

Comparison of SF Units Authorized & Not Started to SF Housing Units Completed



Authorized, Not Started vs. Housing Completions

Total authorized units "not" started was 275,000 in February was a decrease from January (280,000), and SF authorized units "not" started were 139,000 units in February, also a decrease from January (146,000). Total completions and SF unit completions decreased M/M.

The primary reason currently is reduced demand, and in combination with lingering manufacturing supply chain disruptions –ranging from appliances to windows; labor, logistics, and local building regulations – and elevated interest rates..

Sources: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/18/25

Return TOC

New Single-Family House Sales

	New SF Sales*	Median Price	Mean Price	Month's Supply
February	676,000	$414,500	$487,100	8.9
January	664,000	$427,400	$507,900	9.0
2024	643,000	$420,900	$509,700	8.7
M/M change	1.8%	-3.0%	-4.1%	-1.1%
Y/Y change	5.1%	-1.5%	-4.4%	2.3%

* All new sales data are presented at a seasonally adjusted annual rate (SAAR)[1] and housing prices are adjusted at irregular intervals[2].

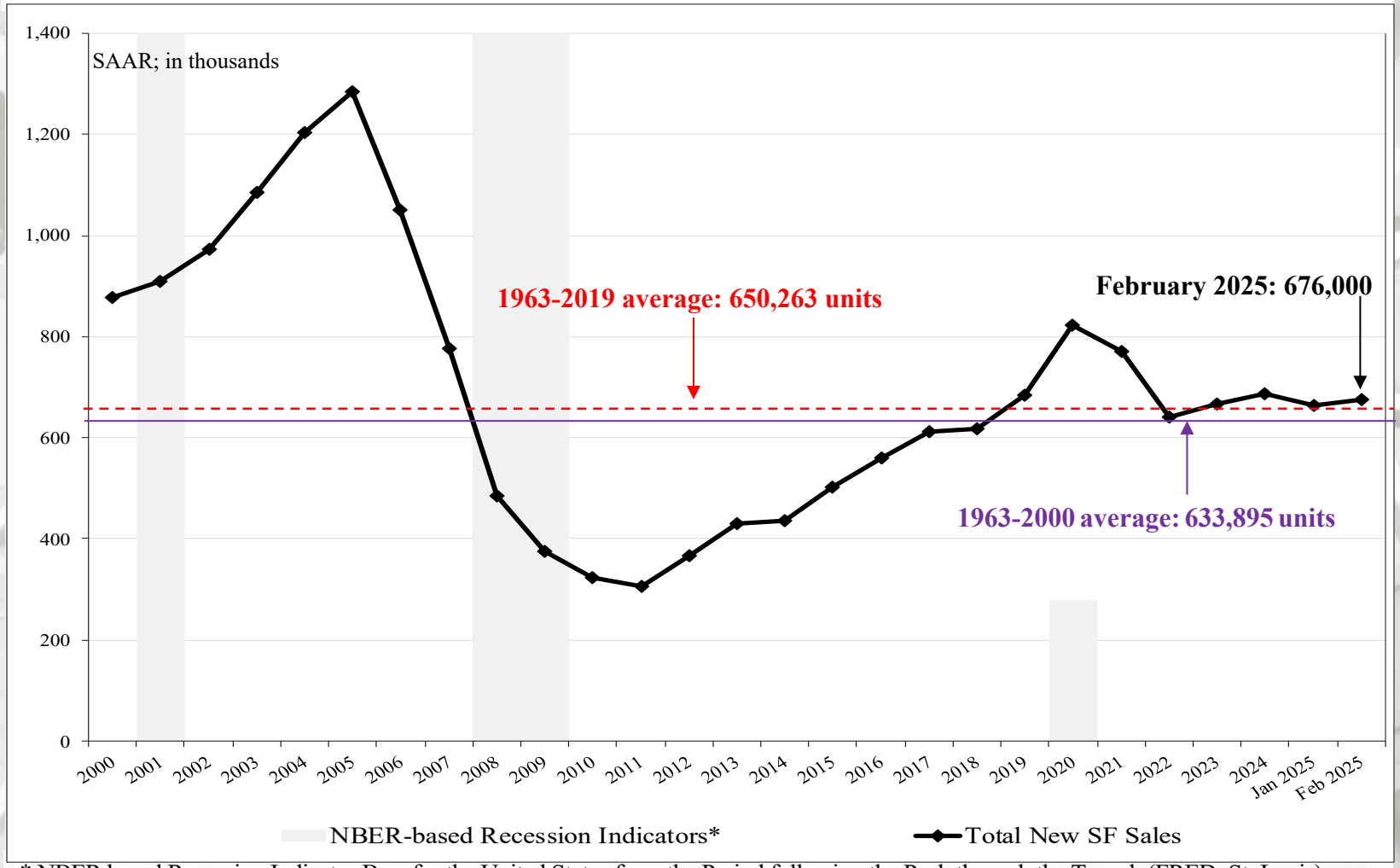
New SF sales were less than the consensus forecast[3] of 679 m; range 650 m to 700 m. The past three month's new SF sales data also were revised:

November initial: 664 m, revised to 676 m.
December initial: 698 m, revised to 713 m.
January initial: 657 m, revised to 664 m.

Sources: [1] https://www.census.gov/construction/nrs/index.html; 6/24/21; [2] https://www.census.gov/construction/nrs/pdf/newressales.pdf; 4/1/25
[3] http://us.econoday.com; 4/1/25

Return TOC

New SF House Sales

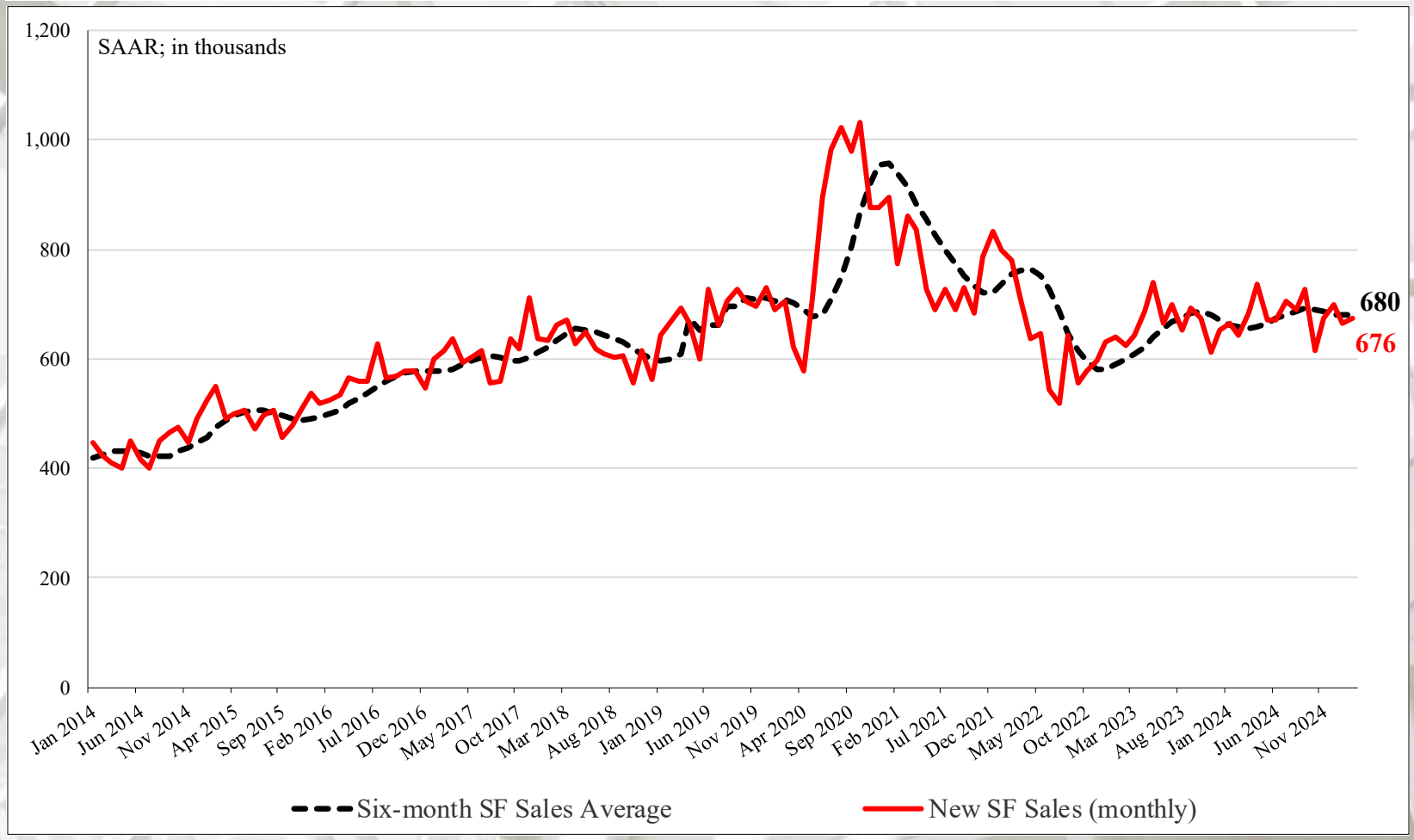


* NBER based Recession Indicator Bars for the United States from the Period following the Peak through the Trough (FRED, St. Louis).

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/25/25

Return TOC

New SF Housing Sales: Six-month average & monthly



Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/25/25

Return TOC

New SF House Sales by Region and Price Category

	NE	MW	S	W
February	22,000	76,000	438,000	140,000
January	28,000	63,000	411,000	162,000
2024	43,000	74,000	368,000	158,000
M/M change	-21.4%	20.6%	6.6%	-13.6%
Y/Y change	-48.8%	2.7%	19.0%	-11.4%

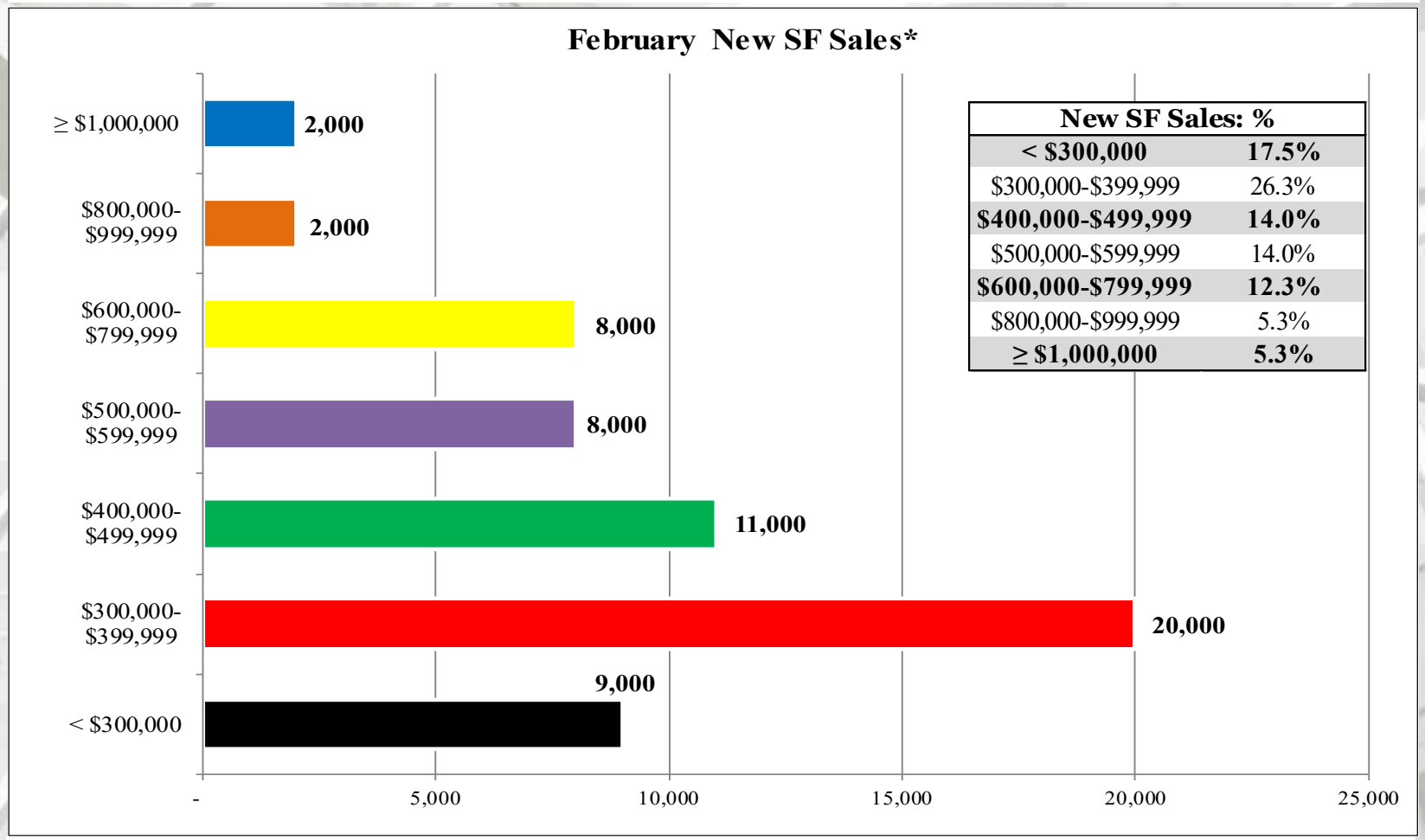
	< $300m	$300m-$399m	$400m-$499m	$500m-$599m	$600m-$799m	$800m-$999m	≥ $1mm
February[1,2,3,4]	9,000	20,000	11,000	8,000	8,000	2,000	2,000
January[1,2,3,4]	10,000	15,000	12,000	8,000	7,000	3,000	3,000
2024	9,000	18,000	6,000	17,000	11,000	17,000	6,000
M/M change	0.0%	0.0%	71.4%	-46.7%	-22.2%	-78.6%	-25.0%
Y/Y change	25.0%	-11.8%	100.0%	-57.9%	-36.4%	-76.9%	-57.1%
% of New SF sales	17.5%	26.3%	21.1%	14.0%	12.3%	5.3%	5.3%

NE = Northeast; MW = Midwest; S = South; W = West
[1] All data are SAAR
[2] Houses for which sales price were not reported have been distributed proportionally to those for which sales price was reported;
[3] Detail February not add to total because of rounding.
[4] Housing prices are adjusted at irregular intervals.
[5] Z = Less than 500 units or less than 0.5 percent

Sources: [1,2,3] https://www.census.gov/construction/nrs/index.html; 3/25/25;
[4]https://www.census.gov/construction/cpi/pdf/descpi_sold.pdf

Return TOC

New SF House Sales



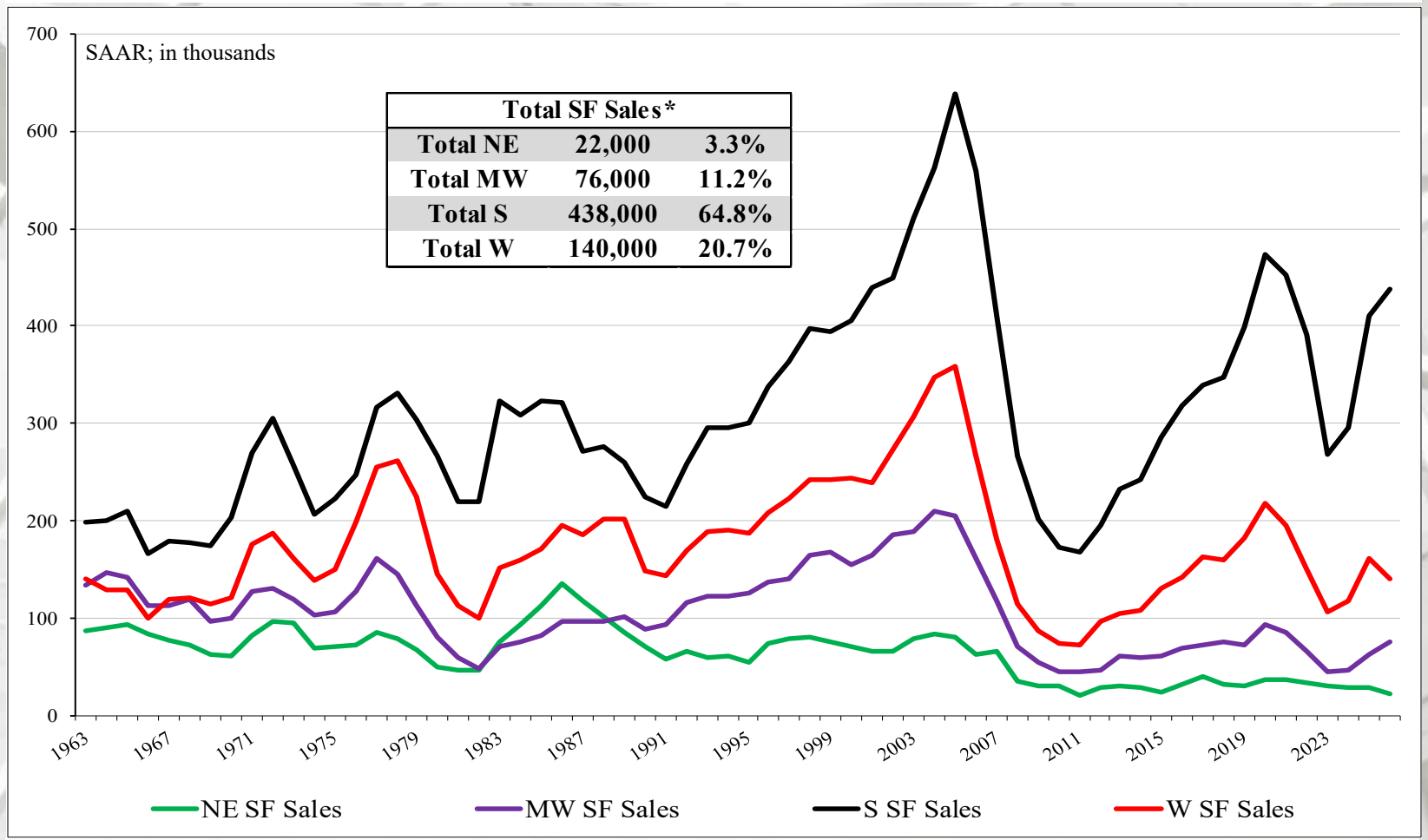
New SF Sales: %	
< $300,000	**17.5%**
$300,000-$399,999	26.3%
$400,000-$499,999	**14.0%**
$500,000-$599,999	14.0%
$600,000-$799,999	**12.3%**
$800,000-$999,999	5.3%
≥ $1,000,000	**5.3%**

* Total new sales by price category and percent.

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/25/25

Return TOC

New SF House Sales by Region



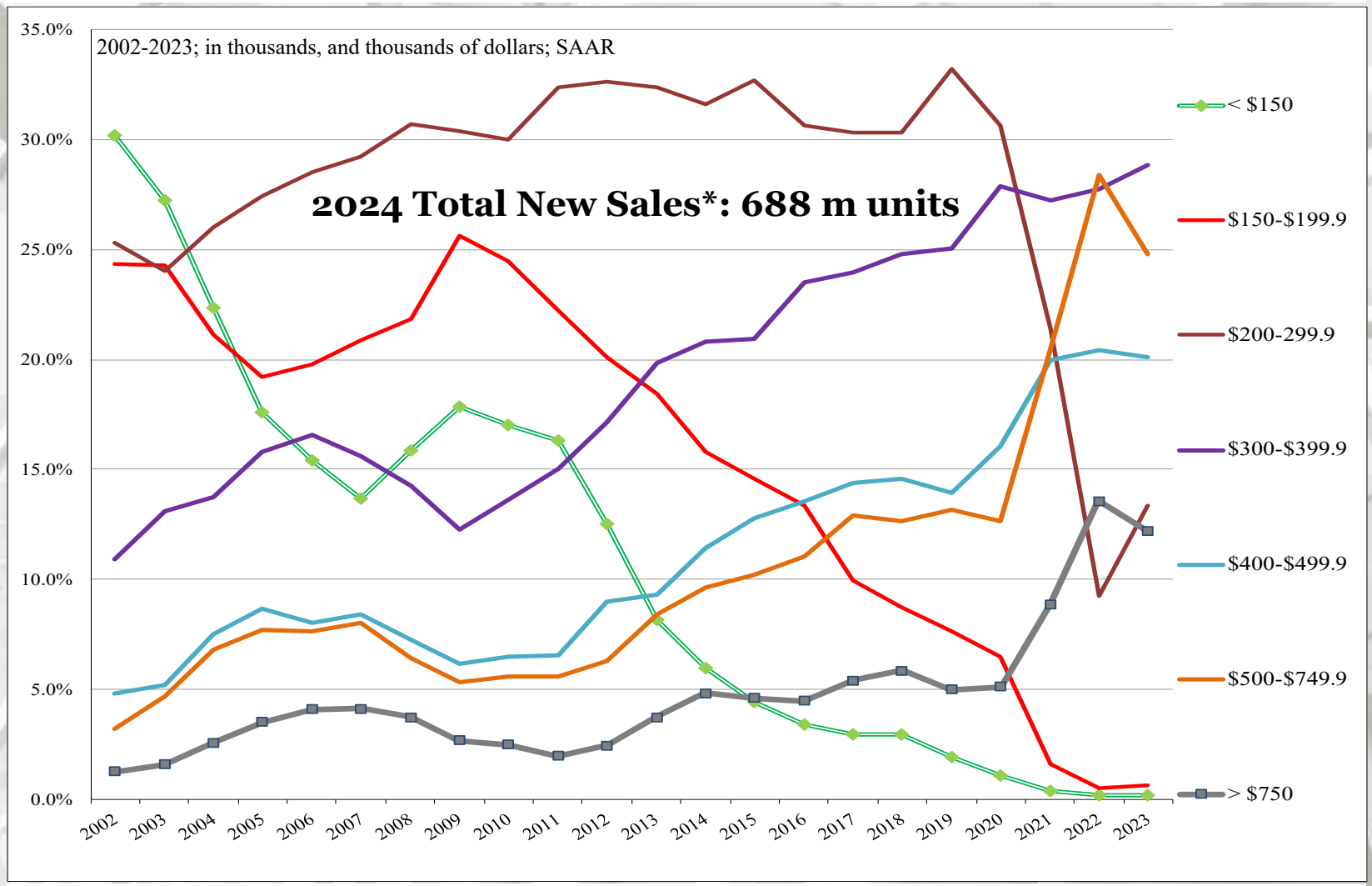
NE = Northeast; MW = Midwest; S = South; W = West
* Percentage of total new sales.

NBER based Recession Indicator Bars for the United States from the Period following the Peak through the Trough (FRED, St. Louis).

Sources: https://fred.stlouisfed.org/series/USREC, 6/1/21; http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/25/25

Return TOC

New SF House Sales by Price Category



* Sales tallied by price category, nominal dollars.

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/25/25

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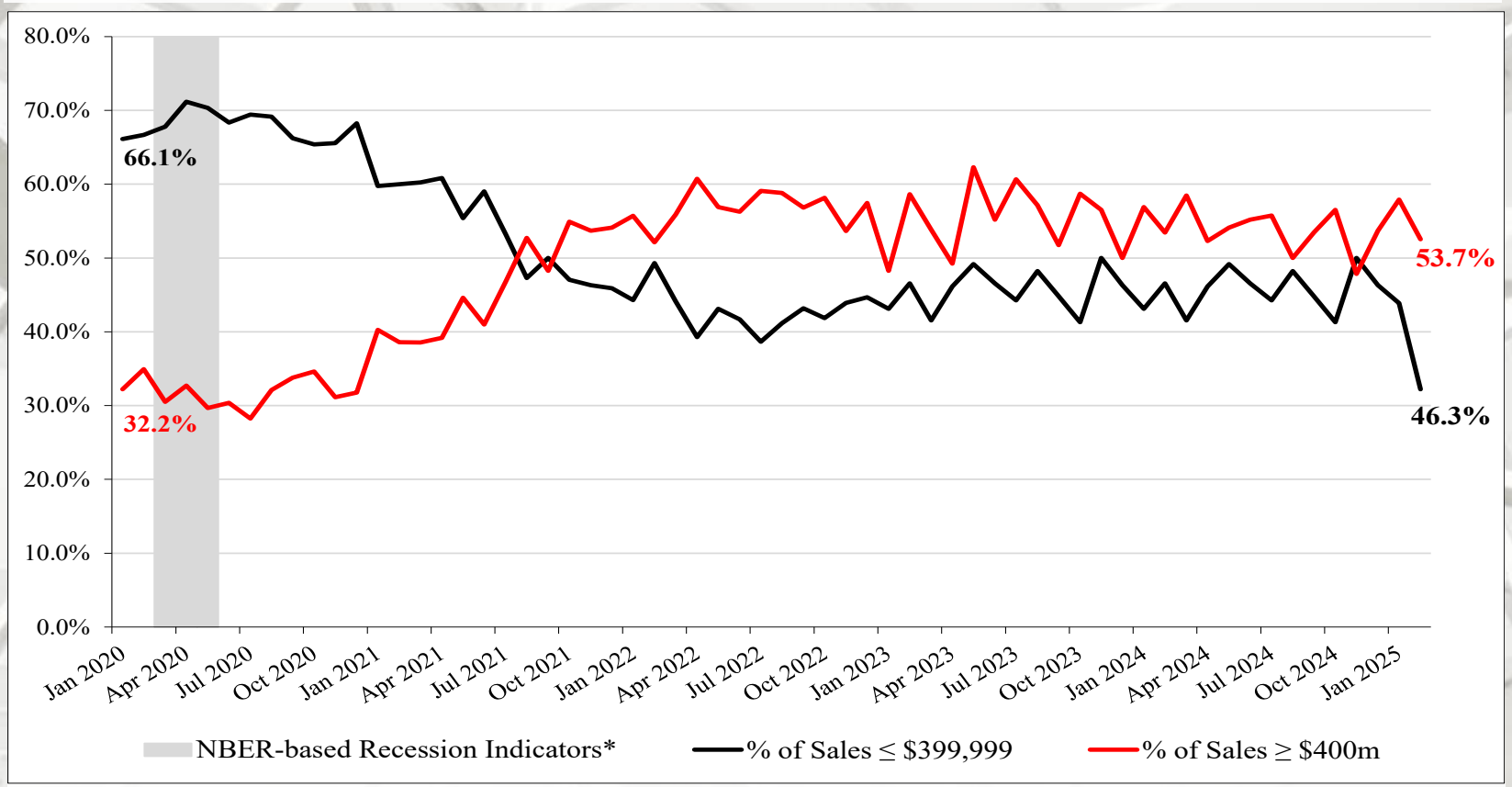
New SF House Sales



* NBER based Recession Indicator Bars for the United States from the Period following the Peak through the Trough (FRED, St. Louis).

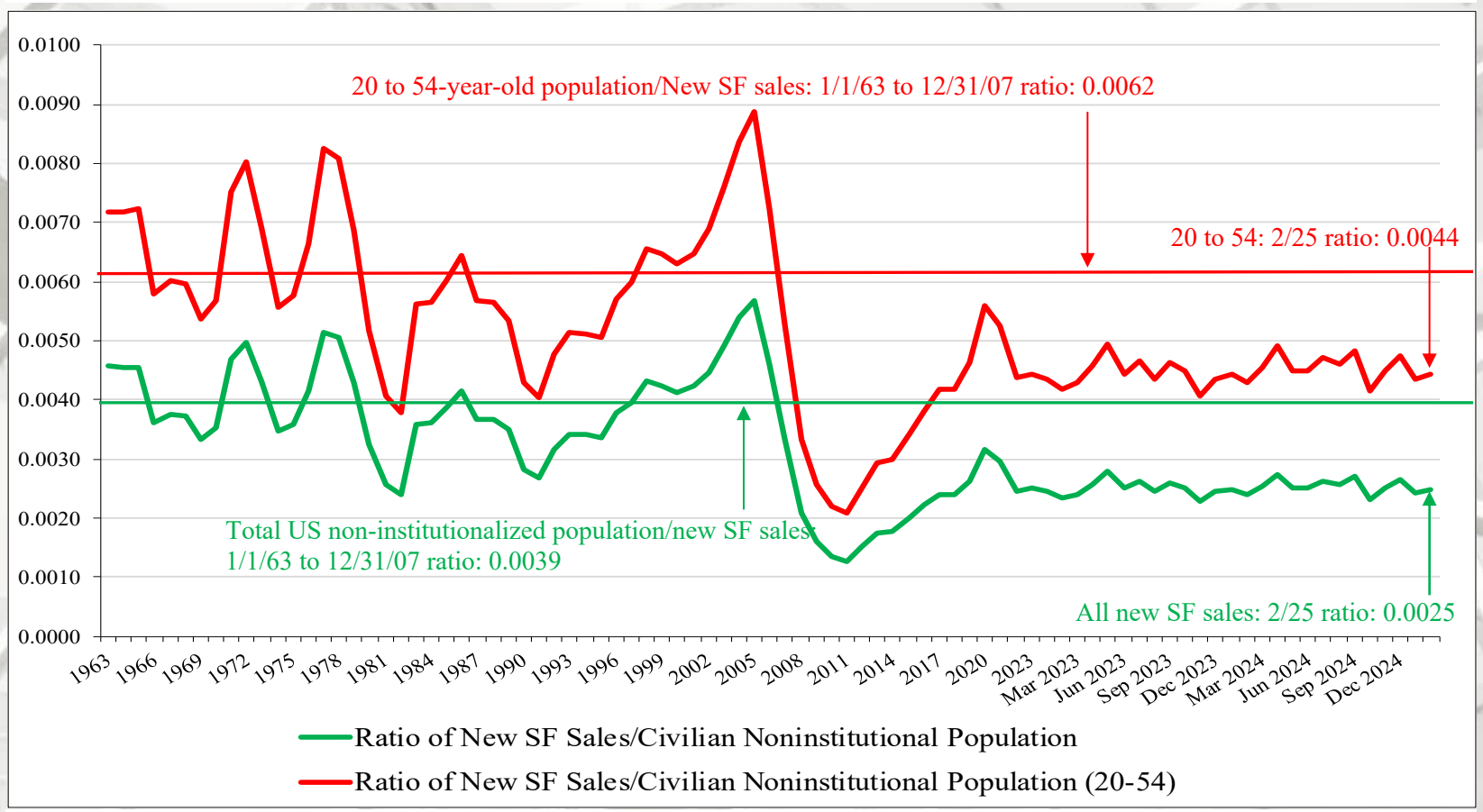
New SF Sales: < $399.9 m and > $400 m: 2020 – February 2024

The sales share of $400 thousand plus SF houses is presented above[1, 2]. Since the beginning of 2012, the upper priced houses have and are garnering a greater percentage of sales. A decreasing spread indicates that more high-end luxury homes are being sold. Several reasons are offered by industry analysts; 1) builders can realize a profit on higher priced houses; 2) historically low interest rates have indirectly resulted in increasing house prices; and 3) purchasers of upper end houses fared better financially coming out of the Great Recession.

Sources: https://fred.stlouisfed.org/series/USREC, 6/1/21; [1] https://www.census.gov/construction/nrs/index.html; [2] https://www.census.gov/construction/cpi/pdf/descpi_sold.pdf 3/25/25

Return TOC

New SF House Sales



New SF sales adjusted for the US population

From February 1963 to February 2007, the long-term ratio of new house sales to the total US non-institutionalized population was 0.0039; in February 2025 it was 0.0025 – increasing from January (0.0024). The non-institutionalized population, aged 20 to 54 long-term ratio is 0.0062; in February 2025 it was 0.0044 – also an increase from December (0.0043). All are non-adjusted data. From a non-institutionalized population world view, new sales remain less than the long-term average.

On a long-term basis, some studies peg normalized long-term demand at 900,000 to 1,000,000 new SF house sales per year beginning in 2025 through 2050.

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/25/25

Return TOC

New SF House Sales

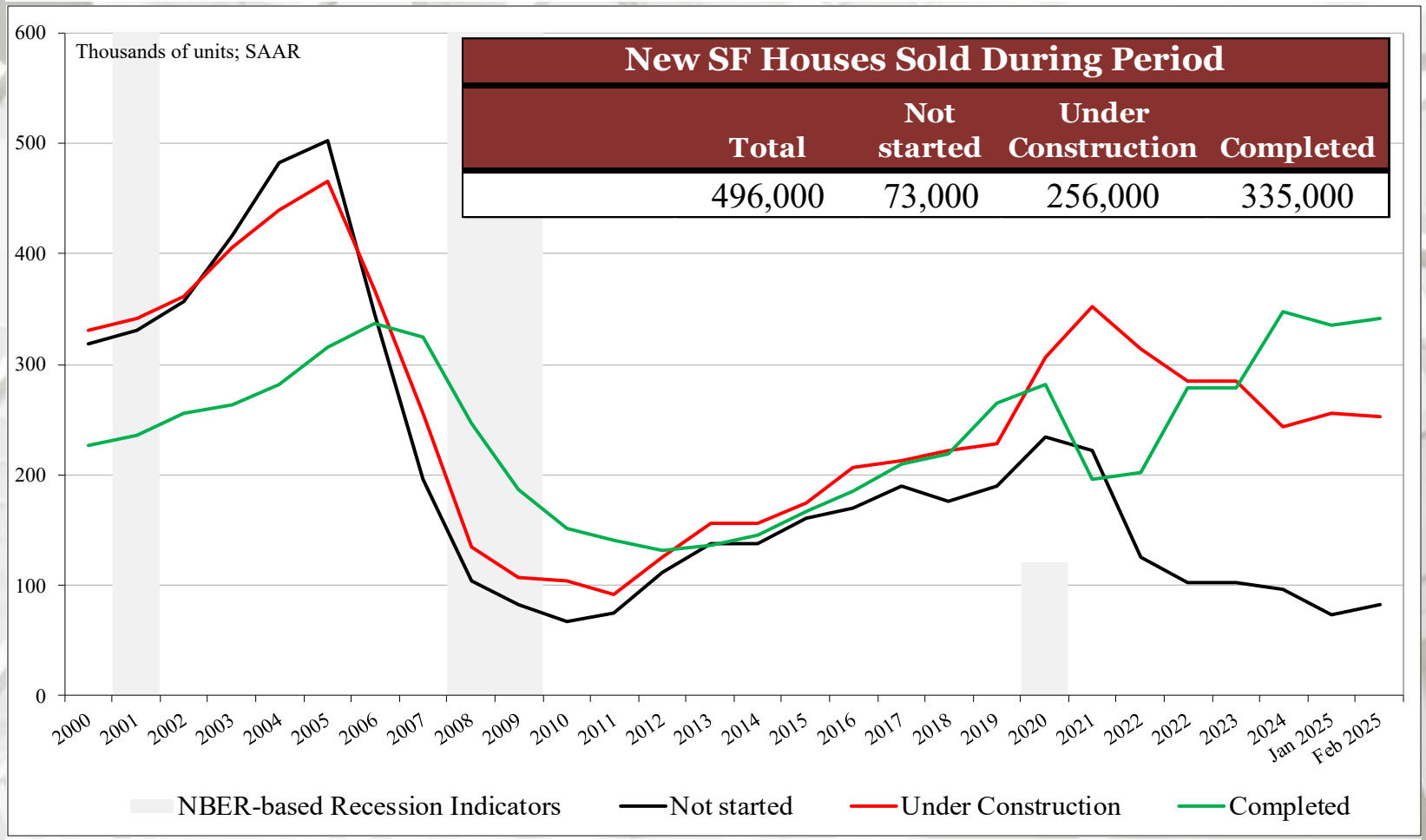
New SF Houses Sold During Period				
	Total	Not started	Under Construction	Completed
February	496,000	73,000	256,000	335,000
January	488,000	101,000	274,000	113,000
2024	461,000	98,000	280,000	83,000
M/M change	1.6%	-27.7%	-6.6%	196.5%
Y/Y change	7.6%	-25.5%	-8.6%	303.6%
Total percentage		14.7%	51.6%	67.5%

All data is SAAR

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/25/25

Return TOC

New SF House Sales: Sold During Period



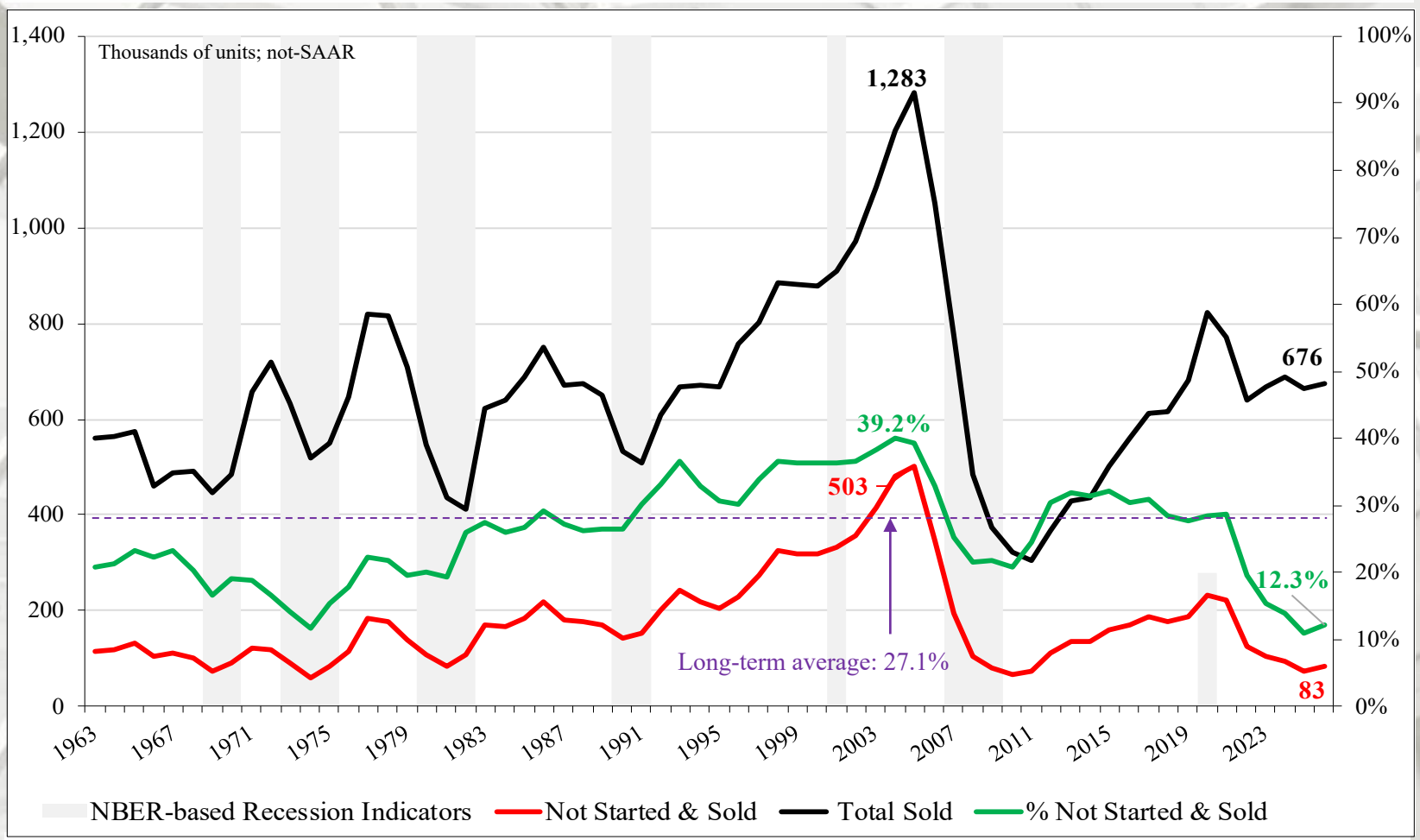
New SF Houses Sold During Period			
Total	Not started	Under Construction	Completed
496,000	73,000	256,000	335,000

* NBER based Recession Indicator Bars for the United States from the Period following the Peak through the Trough (FRED, St. Louis).

Sources: https://fred.stlouisfed.org/series/USREC, 6/1/21; http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/25/25

Return TOC

New SF House Sales:
Percentage Not Started & Sold During Period



Of the new houses sold in February (676 m), 12.3% (76 m) had not been started and sold. The long-term average is 27.1%.

* NBER based Recession Indicator Bars for the United States from the Period following the Peak through the Trough (FRED, St. Louis).

Sources: https://fred.stlouisfed.org/series/USREC, 6/1/21; http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/25/25

Return TOC

New SF Houses for Sale

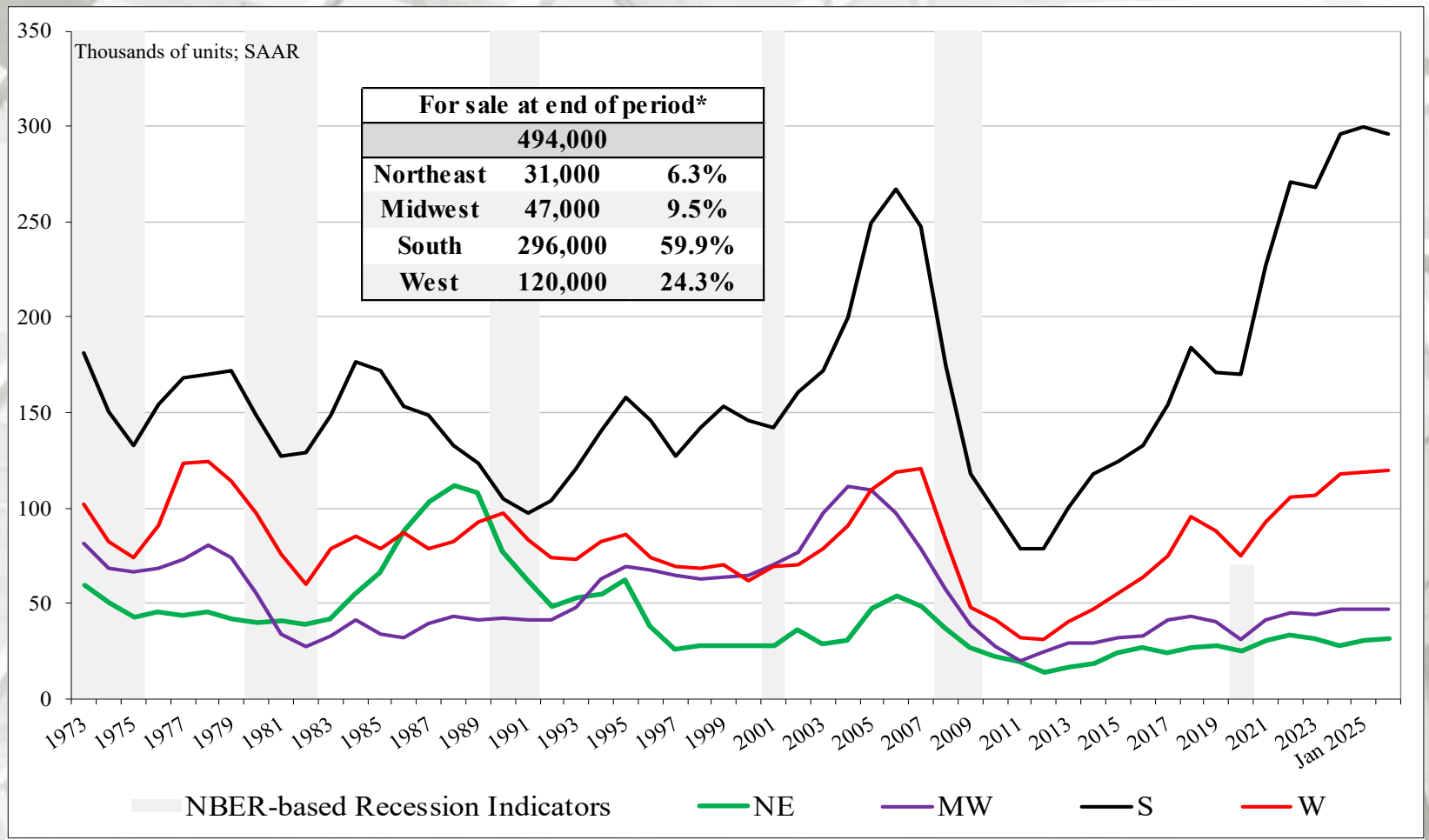
New SF Houses for Sale at the end of the Period by Region*					
	Total	NE	MW	S	W
February	494,000	31,000	47,000	296,000	120,000
January	494,000	31,000	47,000	296,000	120,000
2024	458,000	30,000	43,000	277,000	108,000
M/M change	0.0%	0.0%	0.0%	0.0%	0.0%
Y/Y change	7.9%	3.3%	9.3%	6.9%	11.1%

* Not SAAR

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/25/25

Return TOC

New SF House Sales:
For sale at end of period by Region



NBER based Recession Indicator Bars for the United States from the Period following the Peak through the Trough (FRED, St. Louis).

* Percentage of total for sale at end of period.

Sources: https://fred.stlouisfed.org/series/USREC, 6/1/21; http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/25/25

Return TOC

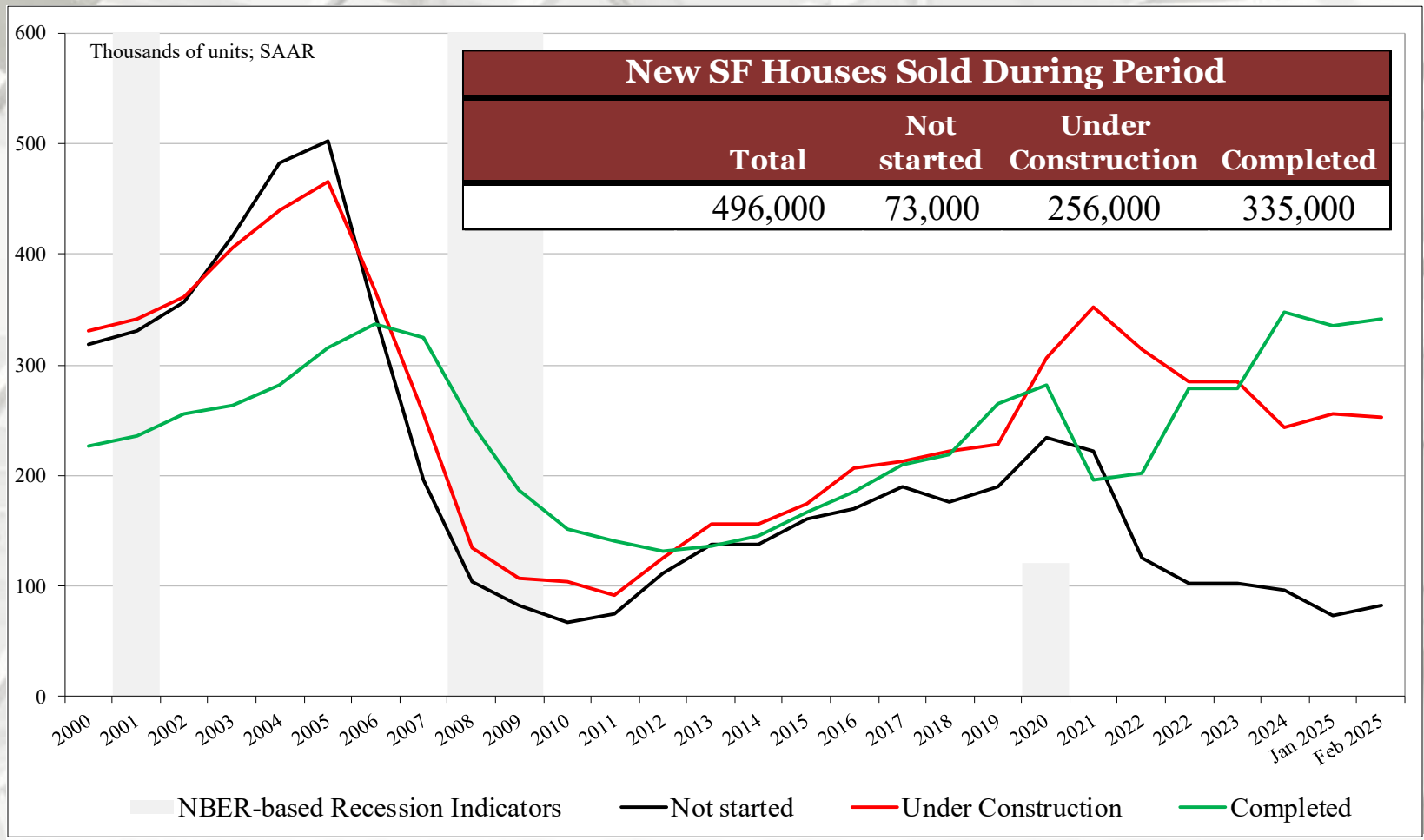
New SF House Sales

New SF Houses Sold During Period				
	Total	Not started	Under Construction	Completed
February	496,000	73,000	256,000	335,000
January	488,000	101,000	274,000	113,000
2024	461,000	98,000	280,000	83,000
M/M change	1.6%	-27.7%	-6.6%	196.5%
Y/Y change	7.6%	-25.5%	-8.6%	303.6%
Total percentage		14.7%	51.6%	67.5%

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/25/25

Return TOC

New SF House Sales: Sold During Period



New SF Houses Sold During Period				
	Total	Not started	Under Construction	Completed
	496,000	73,000	256,000	335,000

NBER based Recession Indicator Bars for the United States from the Period following the Peak through the Trough (FRED, St. Louis).

Sources: https://fred.stlouisfed.org/series/USREC, 6/1/21; http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/25/25

Return TOC

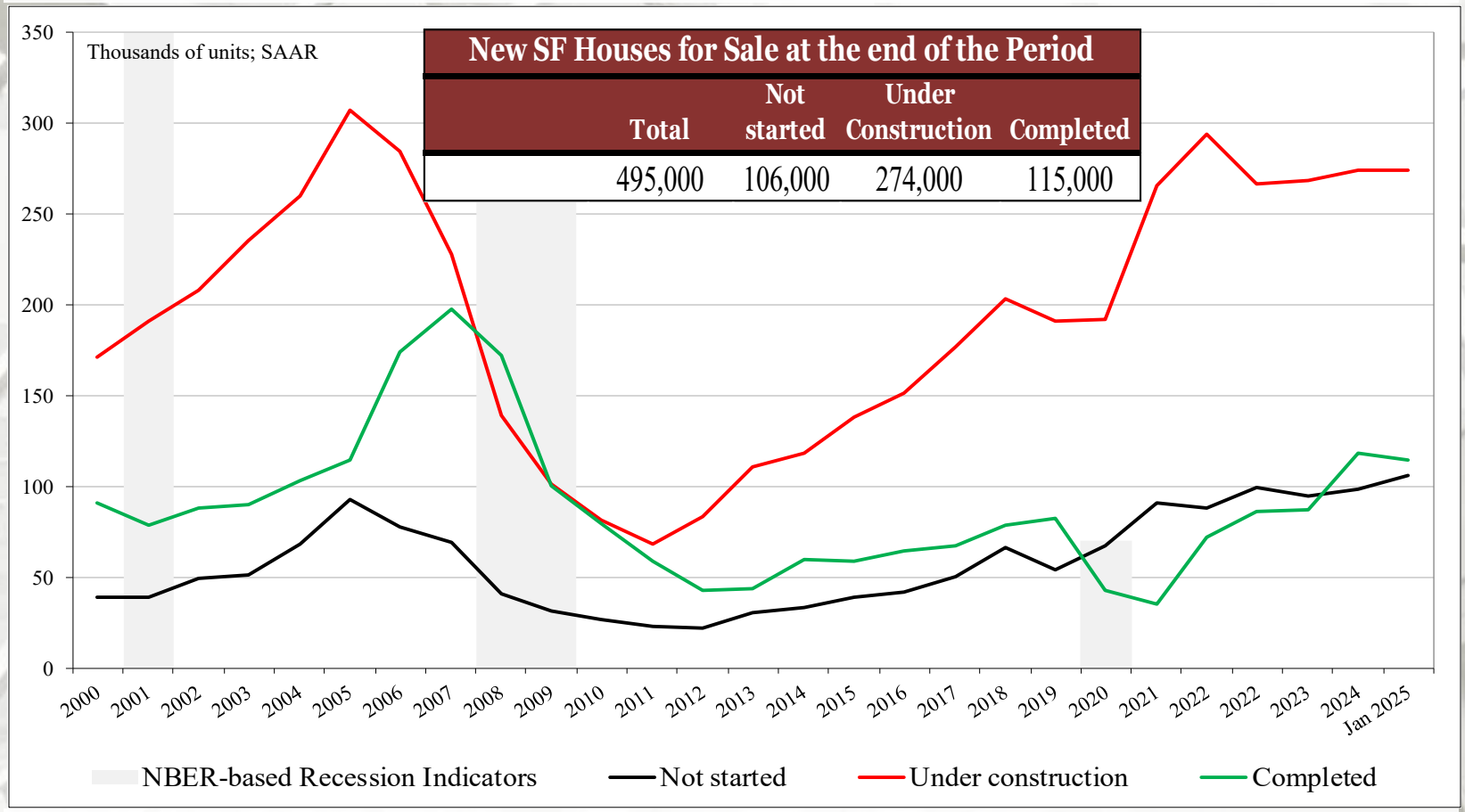
New SF House Sales

New SF Houses for Sale at the end of the Period				
	Total	Not started	Under Construction	Completed
February	496,000	101,000	279,000	116,000
January	488,000	101,000	274,000	113,000
2024	461,000	98,000	280,000	83,000
M/M change	1.6%	0.0%	1.8%	2.7%
Y/Y change	7.6%	3.1%	-0.4%	39.8%
Total percentage		20.4%	56.3%	23.4%

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/25/25

Return TOC

New SF House Sales: For Sale at End of Period

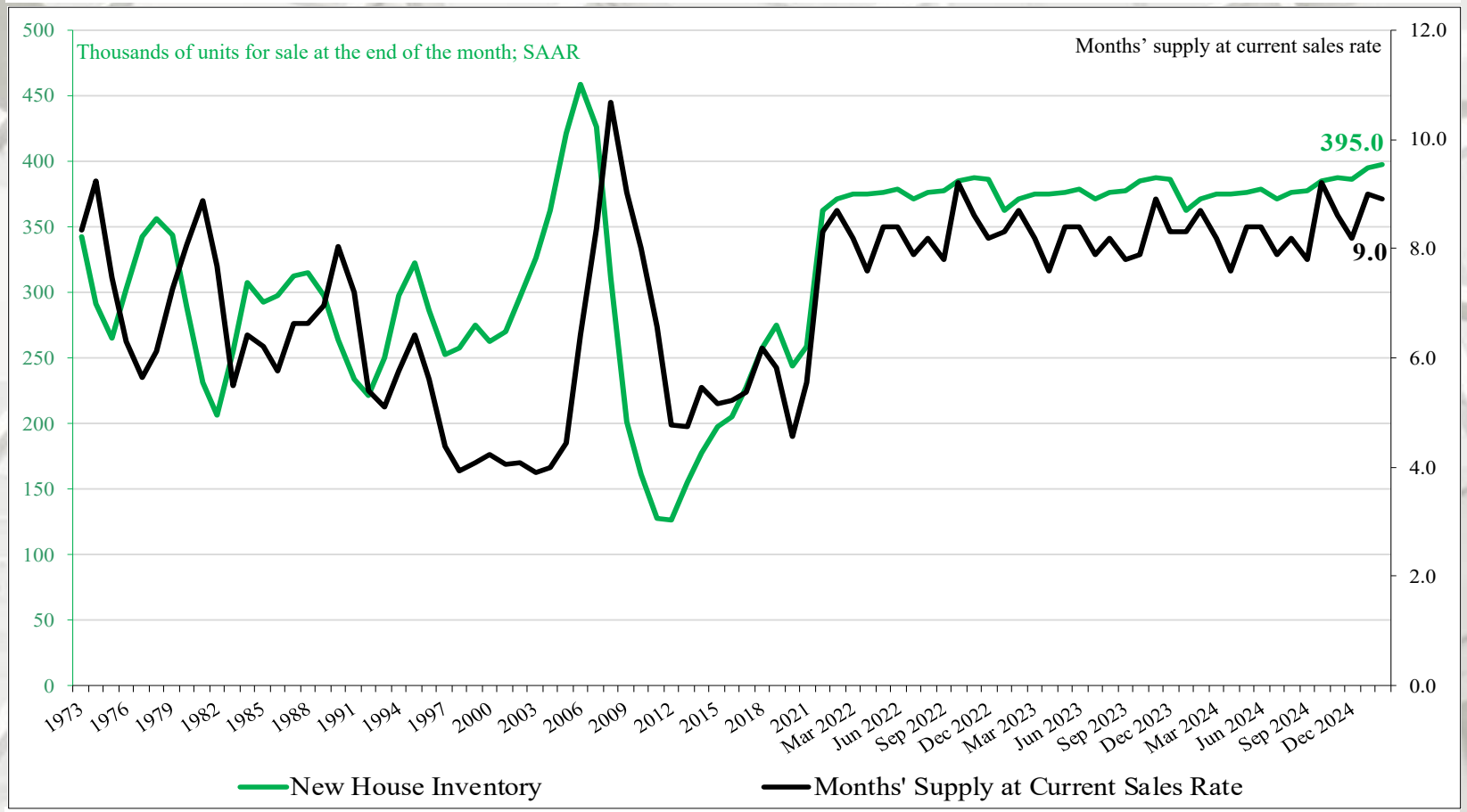


NBER based Recession Indicator Bars for the United States from the Period following the Peak through the Trough (FRED, St. Louis).

Source: https://fred.stlouisfed.org/series/USREC, 6/1/21; http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/25/25

Return TOC

Months' Supply and New House Inventory[a]



[a] New HUC + New House Completions (sales data only)

The months' supply of new houses at current sales rate at the end of February was 9.0, greater than the historically preferred number of five- to six-months (SAAR).

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 3/25/25

Return TOC

February 2025
Construction Spending

	Total Private Residential*	SF*	MF*	Improvement**
February	$928,893	$440,171	$116,172	$372,550
January	$917,062	$435,603	$116,212	$365,247
2024	$914,102	$440,394	$131,453	$342,255
M/M change	1.3%	1.0%	0.0%	2.0%
Y/Y change	1.6%	-0.1%	-11.6%	8.9%

* Millions of dollars.
** The US DOC does not report improvement spending directly, this is a monthly estimation: ((Total Private Spending – (SF spending + MF spending)).
All data are SAARs and reported in nominal US$.

Total private residential construction spending includes new single-family, new multi-family, and improvement (AKA repair and remodeling) expenditures.

New single-family: new houses and town houses built to be sold or rented and units built by the owner or for the owner on contract. The classification excludes residential units in buildings that are primarily nonresidential. It also excludes manufactured housing and houseboats.

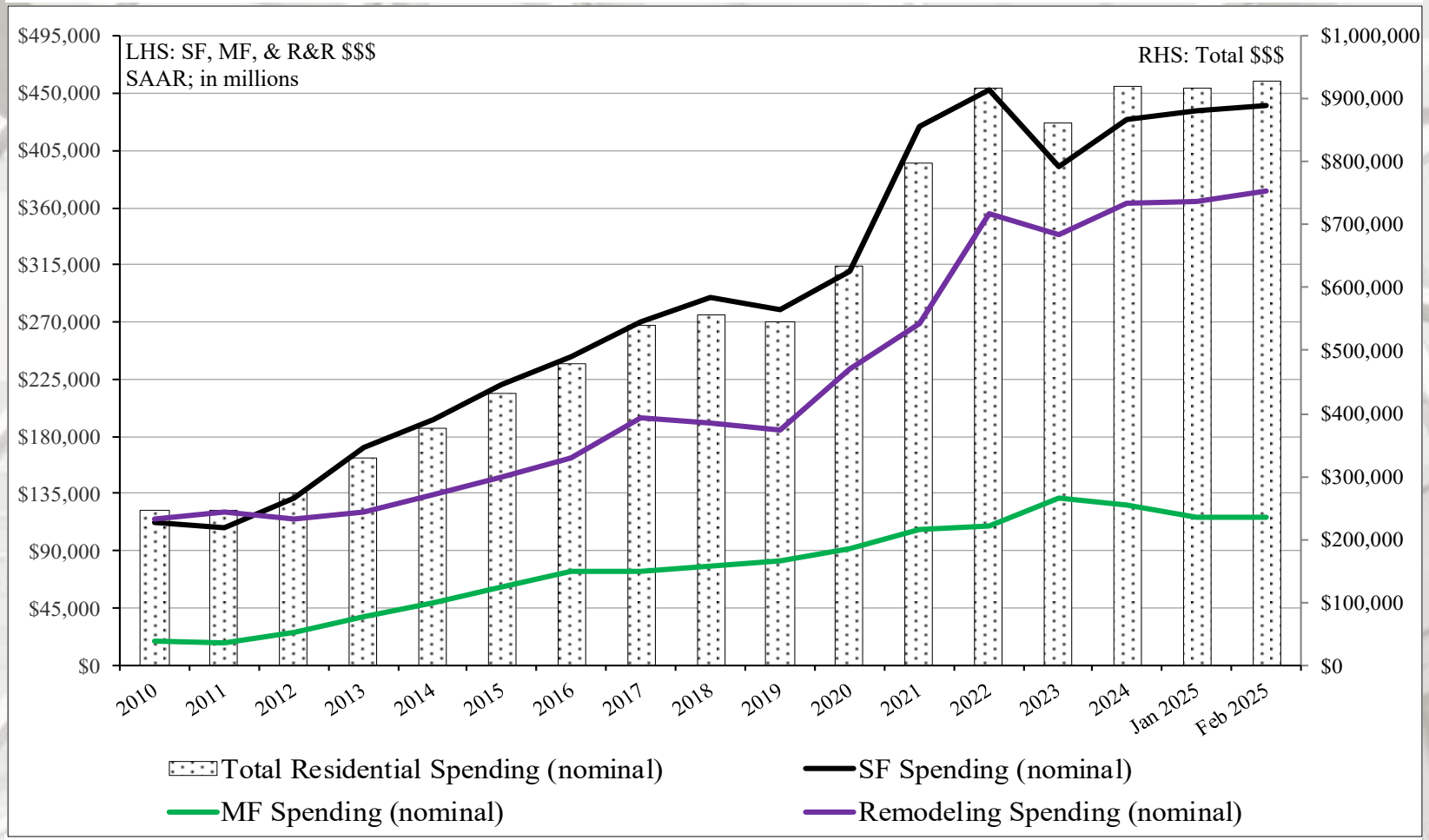
New multi-family includes new apartments and condominiums. The classification excludes residential units in buildings that are primarily nonresidential.

Improvements: Includes remodeling, additions, and major replacements to owner occupied properties subsequent to completion of original building. It includes construction of additional housing units in existing residential structures, finishing of basements and attics, modernization of kitchens, bathrooms, etc. Also included are improvements outside of residential structures, such as the addition of swimming pools and garages, and replacement of major equipment items such as water heaters, furnaces and central air-conditioners. Maintenance and repair work is not included.

Source: http://www.census.gov/construction/c30/pdf/privsa.pdf; 3/3/25

Return TOC

Total Construction Spending (nominal): 2000 – February 2025



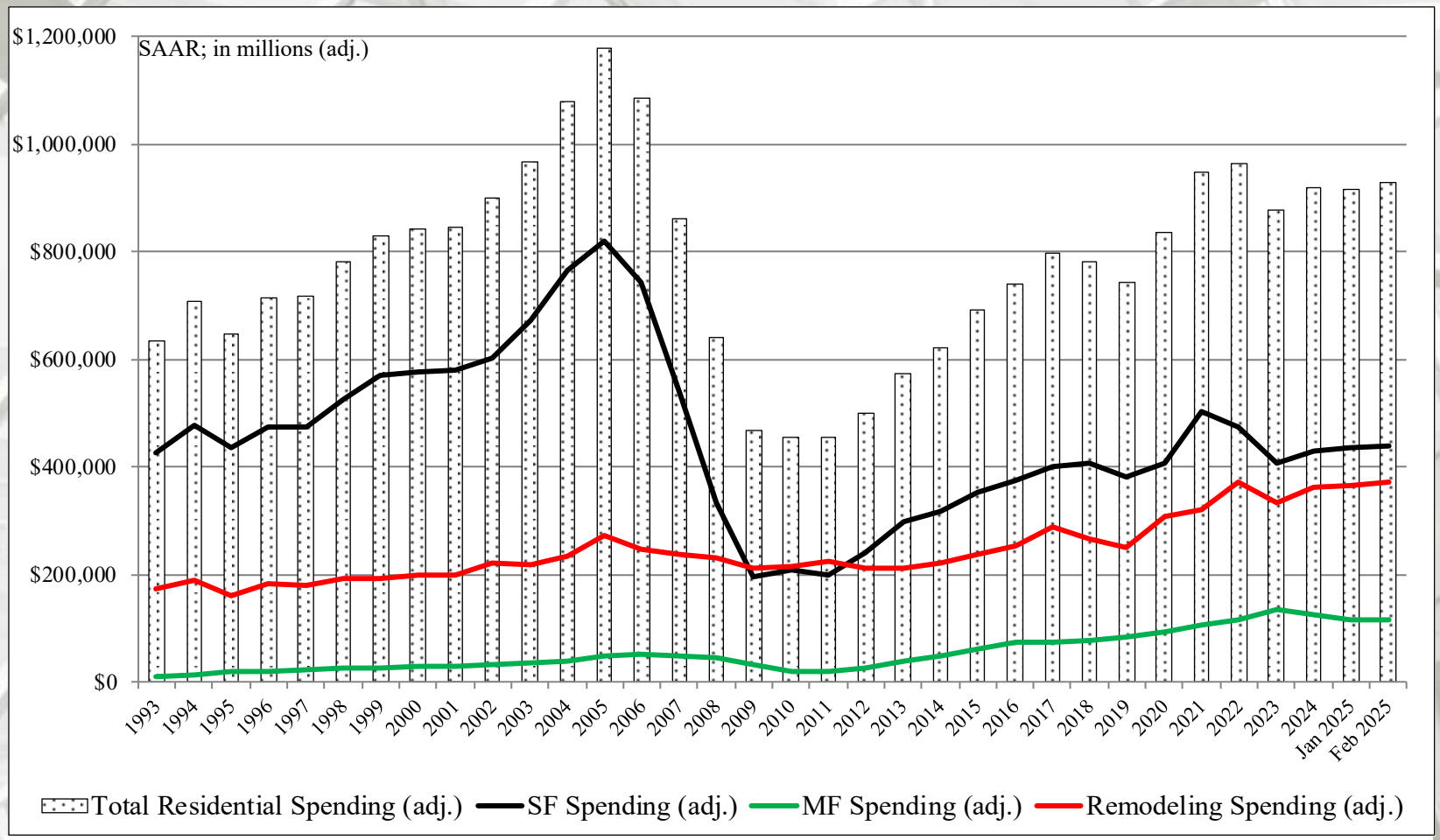
Reported in nominal US$.

The US DOC does not report improvement spending directly, this is a monthly estimation for 2024.

Source: http://www.census.gov/construction/c30/pdf/privsa.pdf; 3/3/25

Return TOC

Total Construction Spending (adjusted): 1993 – February 2025



Reported in adjusted $US: 1993 – 2023 (adjusted for inflation, BEA Table 1.1.9); February 2024 reported in nominal US$.

Sources: * http://www.bea.gov/iTable/iTable.cfm; 1/2/25; http://www.census.gov/construction/c30/pdf/privsa.pdf; 3/3/2025

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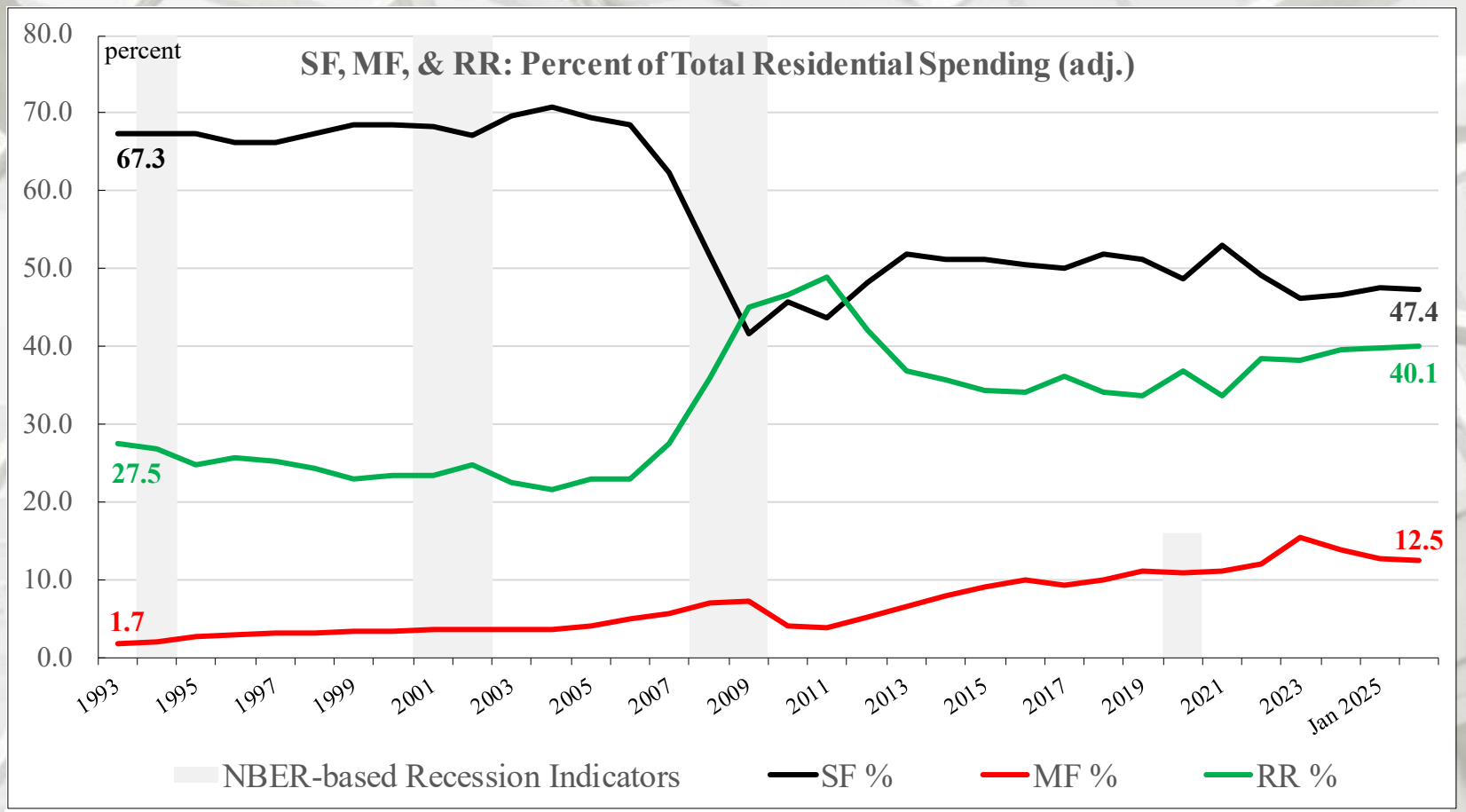
Construction Spending Shares: 1993 – February 2025



* NBER based Recession Bars for the United States from the Period following the Peak through the Trough (FRED, St. Louis).

Sources: *https://fred.stlouisfed.org/series/USREC, 6/21/21; http://www.census.gov/construction/c30/pdf/privsa.pdf; 3/3/25 and http://www.bea.gov/iTable/iTable.cfm; 9/3/24

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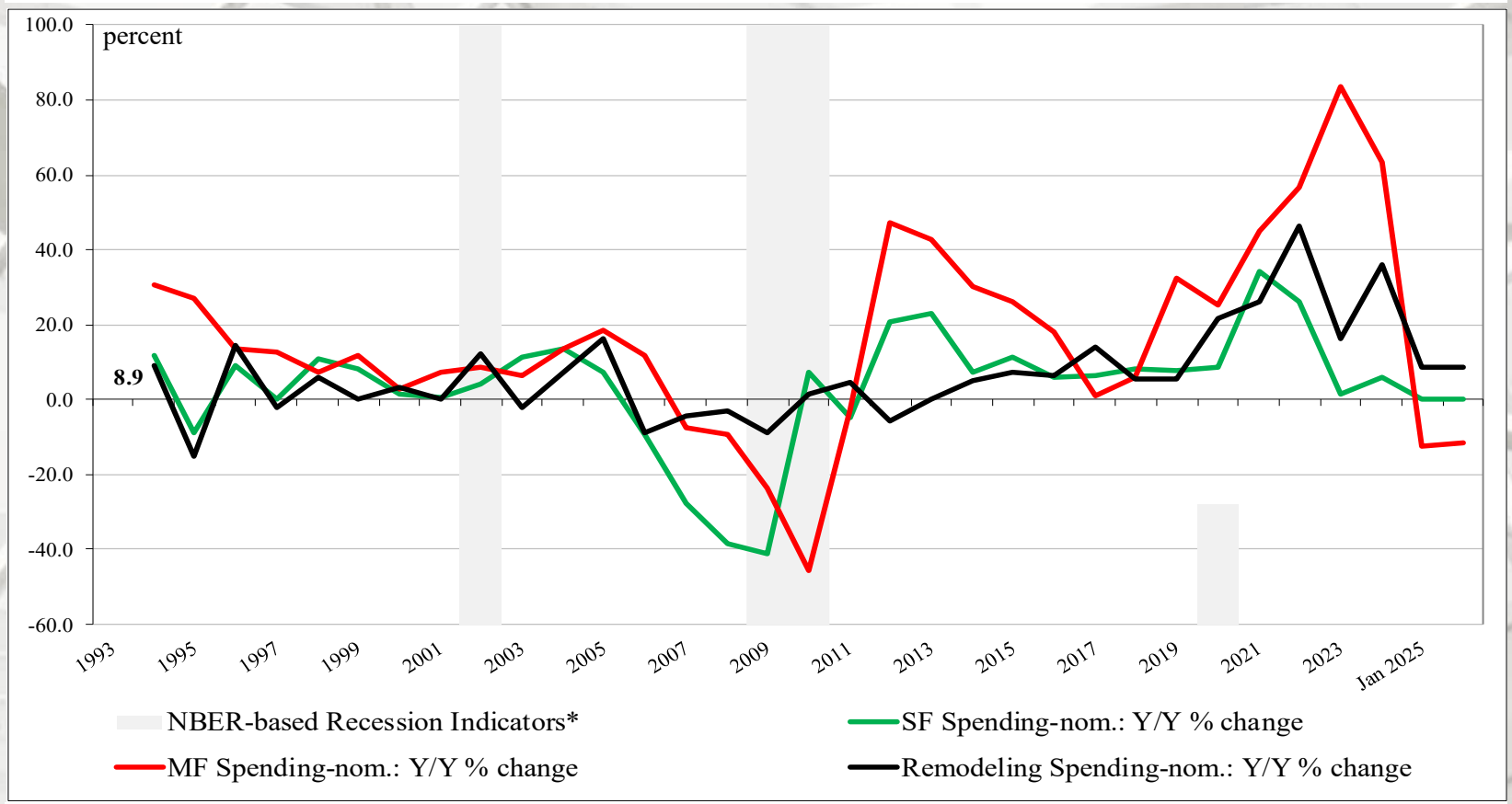
Construction Spending: Y/Y Percentage Change



Nominal Residential Construction Spending:
Y/Y percentage change, 1993 to February 2024

Presented above is the percentage change of Y/Y construction spending. RR expenditures were positive on a percentage basis, year-over-year (February 2025 data reported in nominal dollars) and SF and MF were negative.

* NBER based Recession Bars for the United States from the Period following the Peak through the Trough (FRED, St. Louis).

Sources: *https://fred.stlouisfed.org/series/USREC, 6/21/21; http://www.census.gov/construction/c30/pdf/privsa.pdf; 3/3/25 and http://www.bea.gov/iTable/iTable.cfm; 9/3/24

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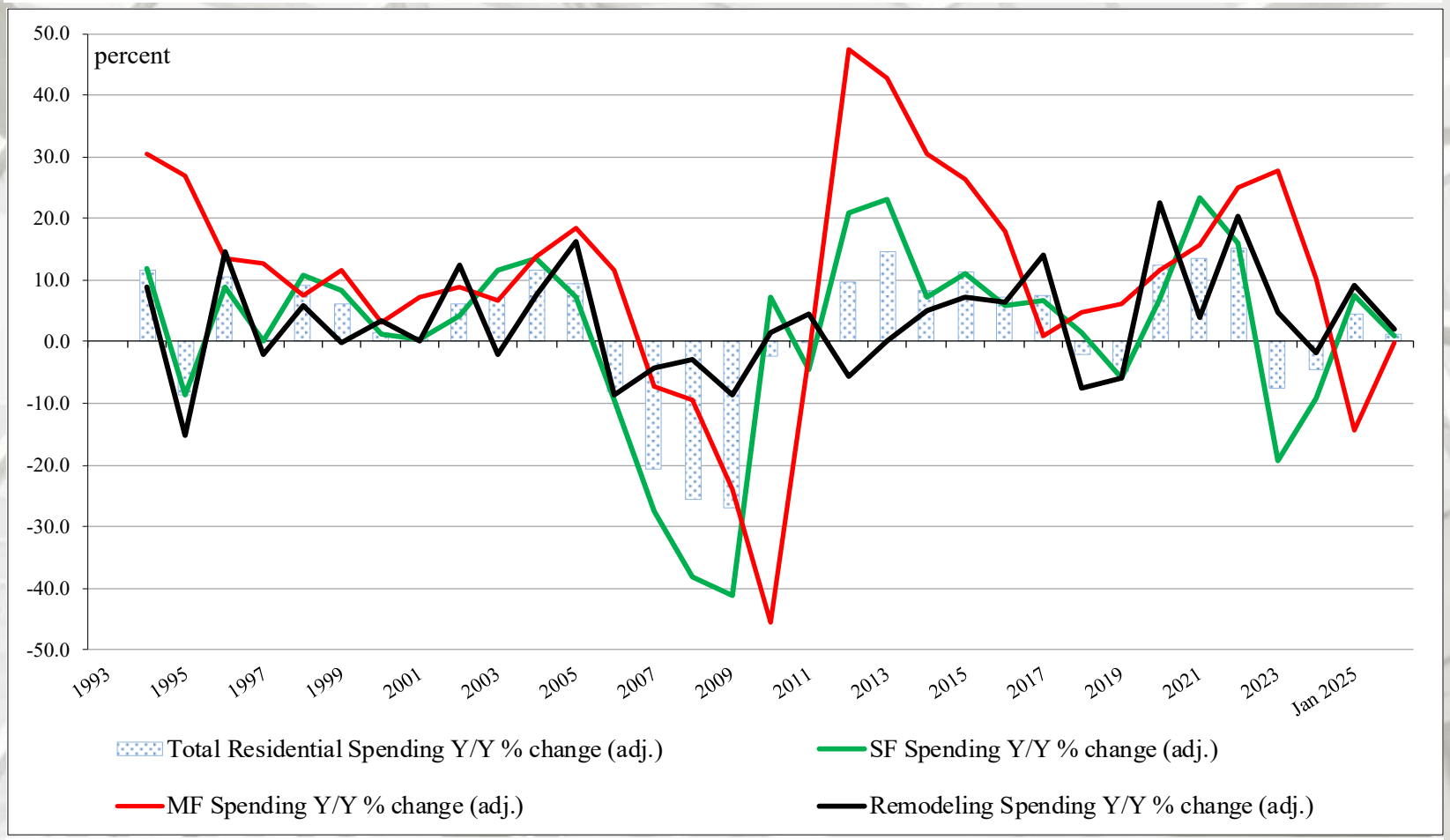
Adjusted Construction Spending, Y/Y Percentage Change: 1993 to February 2025



Adjusted Residential Construction Spending: Y/Y percentage change, 1993 to February 2025

Sources: http://www.census.gov/construction/c30/pdf/privsa.pdf; 3/3/25 and http://www.bea.gov/iTable/iTable.cfm; 9/3/24

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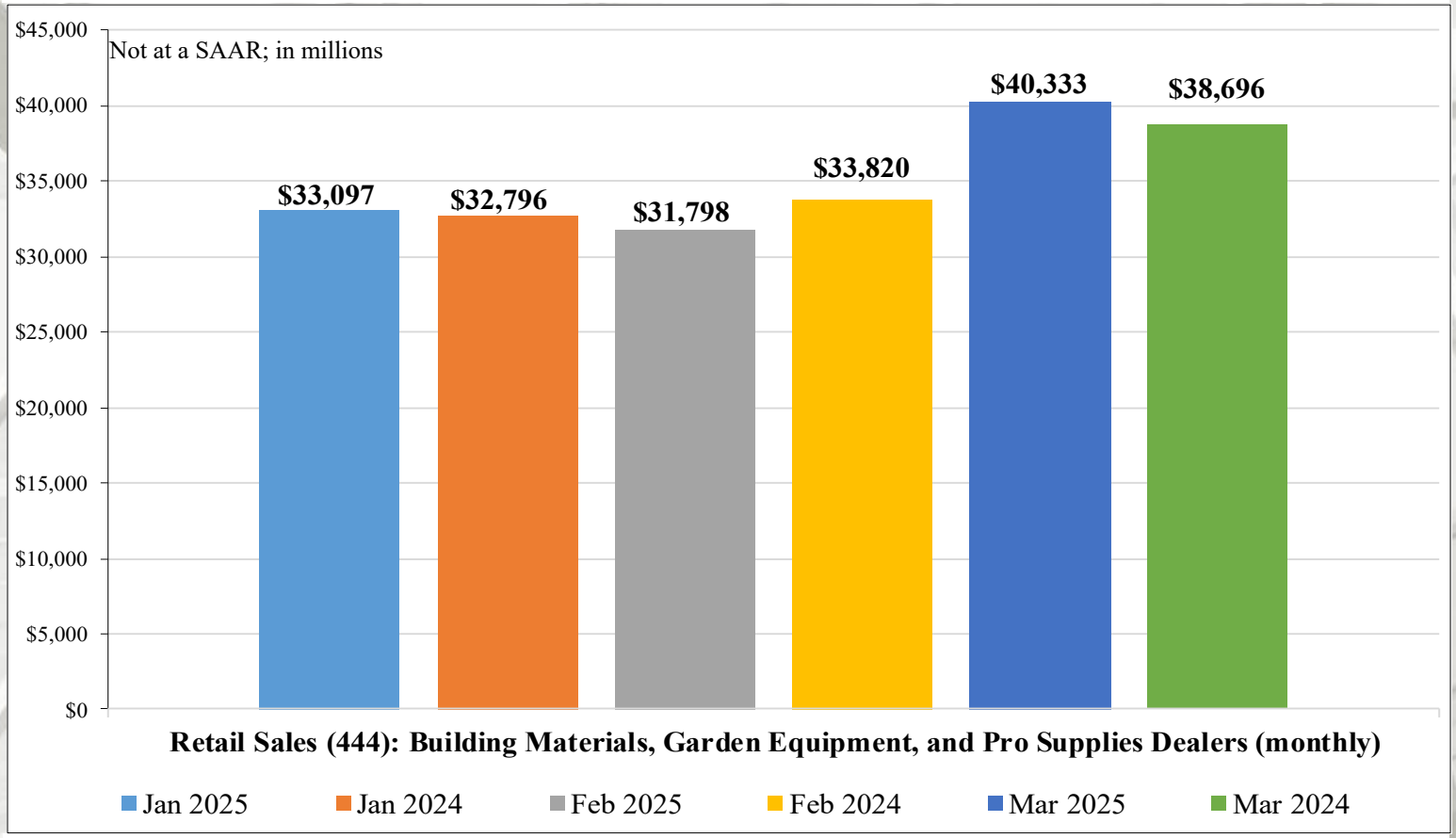
Remodeling

Retail Sales: Building materials, Garden Equipment, & PRO Supply Dealers



Building materials, Garden Equipment, & PRO Supply Dealers: NAICS 444

NAICS 444 sales increased 26.8% in March 2025 from February 2025 and improved 4.2% Y/Y (nominal basis).

Source: https://www.census.gov/retail/index.html; 4/16/25

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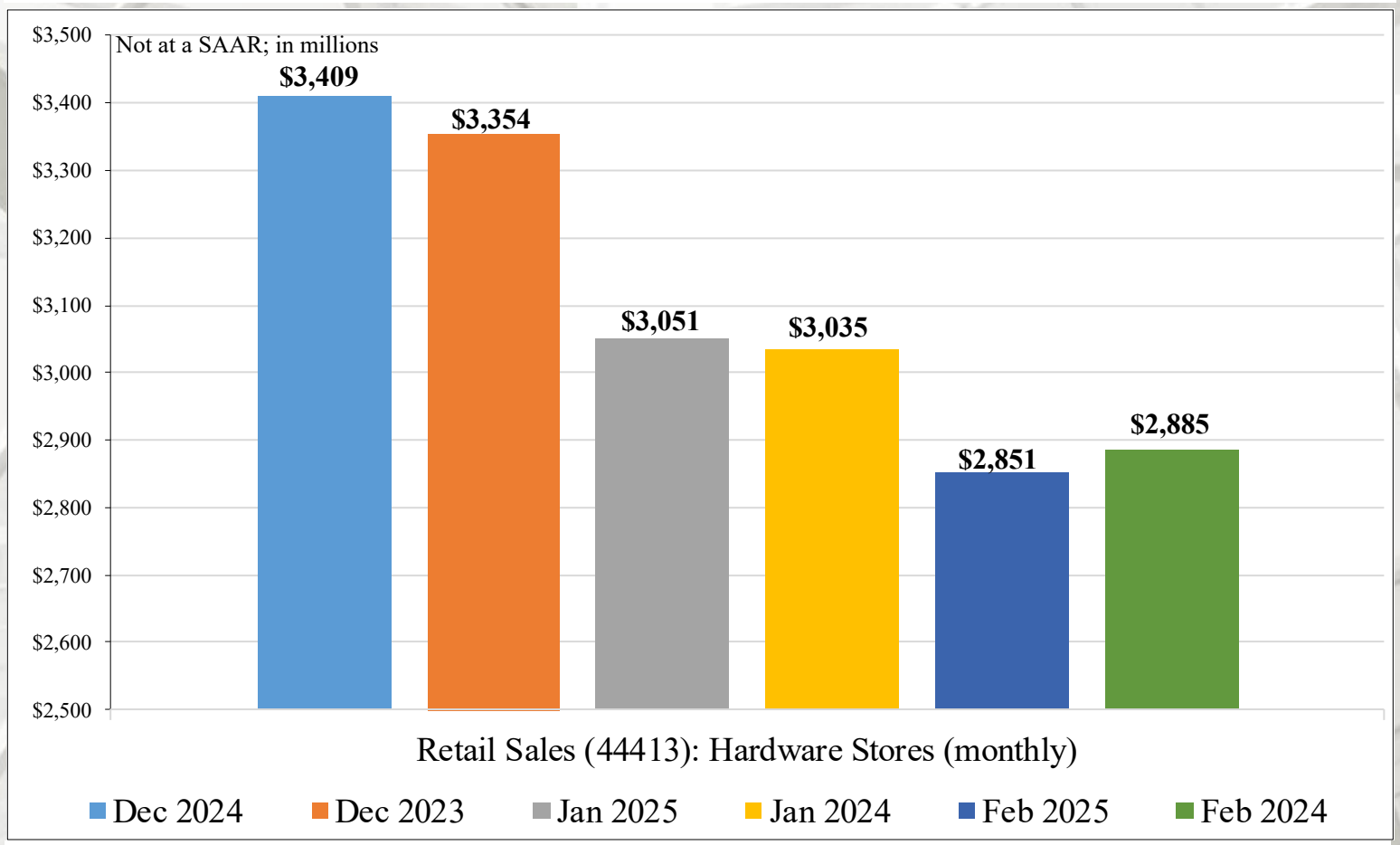
Remodeling

Retail Sales: Hardware Stores



Hardware Stores: NAICS 44413

NAICS 44413 retail sales decreased 6.6% in February 2025 from January 2025 and declined 1.2% Y/Y (nominal basis).

Source: https://www.census.gov/retail/index.html; 4/16/25

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Remodeling

The Harvard Joint Center for Housing Studies

Remodeling Soars to New Heights, but Industry Faces Numerous Challenges

"The US remodeling market soared above $600 billion in the wake of the pandemic and, despite recent softening, remains 50 percent above pre-pandemic levels. However, industry fragmentation, inflation, and a shortage of skilled trade labor jeopardize the ability of the industry to fully meet demand. According to our new Improving America's Housing 2025 report, out today, the extraordinary strength of the remodeling market has been supported by the aging of homes and households, as well as record-high property values, but far more investment is needed to address growing needs for energy efficiency and disaster resilience of the country's 145 million homes.

Five Takeaways from the New Report

1) Pandemic Fuels Unprecedented Spending

Home improvement and repair spending vaulted from $404 billion in 2019 to $611 billion in 2022, and is expected to remain above $600 billion through 2025. Homeowners remain focused on replacement projects such as roofing, windows, and HVAC, accounting for 49% of improvement expenditures in 2023. On average, homeowners spent almost $4,700 on improvements in 2023, nearly 9 percent above the previous market boom in 2007." – Carlos Martín, Director, Remodeling Futures Program, Harvard Joint Center for Housing Studies

Source: https://www.jchs.harvard.edu/blog/remodeling-soars-new-heights-industry-faces-numerous-challenges; 3/20/25

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Remodeling

The Harvard Joint Center for Housing Studies

Remodeling Soars to New Heights, but Industry Faces Numerous Challenges

Five Takeaways from the New Report

"2) Climate Change Drives Improvement Spending

The growing frequency and intensity of hazard events like hurricanes, wildfires, and flooding increased spending for disaster repairs to $49 billion in 2022–2023, an astonishing leap from $16 billion in 2002–2003. Additionally, the average homeowner insurance premium jumped 17 percent between 2021 and 2023. In 2023, homeowners also spent $139 billion on improvements impacting home energy use, nearly four times the amount in 2003.

3) The Housing Stock is Older than Ever

With a median age of 44 years in 2023, the housing stock is older than ever, and critical improvements are needed to replace aging components. In 2023, average improvement spending for homes built before 1980 was 24 percent higher than spending on homes built since 2010, and maintenance spending was 76% higher. Many low-income homeowners live in housing with structural deficiencies or lacking basic features such as running water, electricity, or heat. More financing tools and counseling programs could help preserve the affordable housing stock and ensure that all households live in safe and adequate housing." – Carlos Martín, Director, Remodeling Futures Program, Harvard Joint Center for Housing Studies

Source: https://www.jchs.harvard.edu/blog/remodeling-soars-new-heights-industry-faces-numerous-challenges; 3/20/25

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Remodeling

The Harvard Joint Center for Housing Studies

Five Takeaways from the New Report

"4) Changing Demographics Affect Remodeling Spending

In 2023, owners age 65 and over contributed 27 percent of total improvement outlays, up from 14 percent two decades earlier. And as the population becomes more racially and ethnically diverse, households headed by a person of color contribute more to the home improvement market; in 2023, homeowners of color accounted for 23 percent of improvement expenditures, up from 14 percent in 2003. Immigrant owners also account for a growing share of the market, up from 8 percent of expenditures in 2003 to 13 percent in 2023.

5) Fragmentation, Surging Costs, and Labor Shortages Hinder Remodelers

Despite a flurry of mergers and acquisitions, the remodeling industry is highly fragmented with large shares of self-employed contractors and small payroll companies. The industry is also hampered by high costs of building materials and labor shortages. Between 2015 and 2023, a majority of remodelers reported a shortage of skilled trade workers. The industry also relies heavily on foreign-born laborers, with immigrants accounting for a record-breaking 34 percent of the construction trades labor force in 2023.

Given the strong foundation and growing needs, residential remodeling is expected to remain a formidable economic sector in the years ahead. But despite unparalleled spending in the last few years, far more investment is needed to improve energy efficiency, disaster resilience, and accessibility for the nation's 145 million homes." – Carlos Martín, Director, Remodeling Futures Program, Harvard Joint Center for Housing Studies

Source: https://www.jchs.harvard.edu/blog/remodeling-soars-new-heights-industry-faces-numerous-challenges; 3/20/25

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Remodeling

The Harvard Joint Center for Housing Studies

Interactive Tool Highlights Disparities in Remodeling Spending

"Our latest report, Improving America's Housing 2025, finds significant disparities in remodeling spending. What owners spend on both professional and DIY home improvement projects varies considerably by income, age, race, how long they've lived in the home, the year the home was built, and other variables. An interactive tool we released with the report illustrates these disparities (Figure 1).

Lower-income homeowners spend far less on improvements than their higher-income counterparts. In 2023, owners in the bottom fifth for incomes (earning less than $37,500) spent an average of $2,300 on improvements, compared to $9,100 for those with incomes in the top fifth (earning over $172,000). Homeowners with the highest incomes also spent nearly three times as much on DIY installations and more than four times as much on professional installations as those with the lowest incomes. The high cost of home improvements jeopardizes safe and habitable living conditions and limits households' ability to build wealth by undertaking projects that typically boost home values.

Homeowners typically spend the most on improvements in middle age, when their family sizes and incomes are growing (Figure 2). In 2023, homeowners 35–44 and 45–54 had the highest per owner spending, at $5,700 and $5,300, respectively. Owners 55–64 also reported relatively high average per owner spending at $4,900, as compared to owners under 35 ($4,200) and owners 65 and over ($3,800). Although owners under 35 spend far less on professional installations, they are the most likely to pursue DIY projects and had the highest average DIY expenditure of any age group, at $1,000 per owner." – Sophia Wedeen, Director, Senior Research Analyst, Harvard Joint Center for Housing Studies

Source: https://www.jchs.harvard.edu/blog/interactive-tool-highlights-disparities-remodeling-spending; 4/10/25

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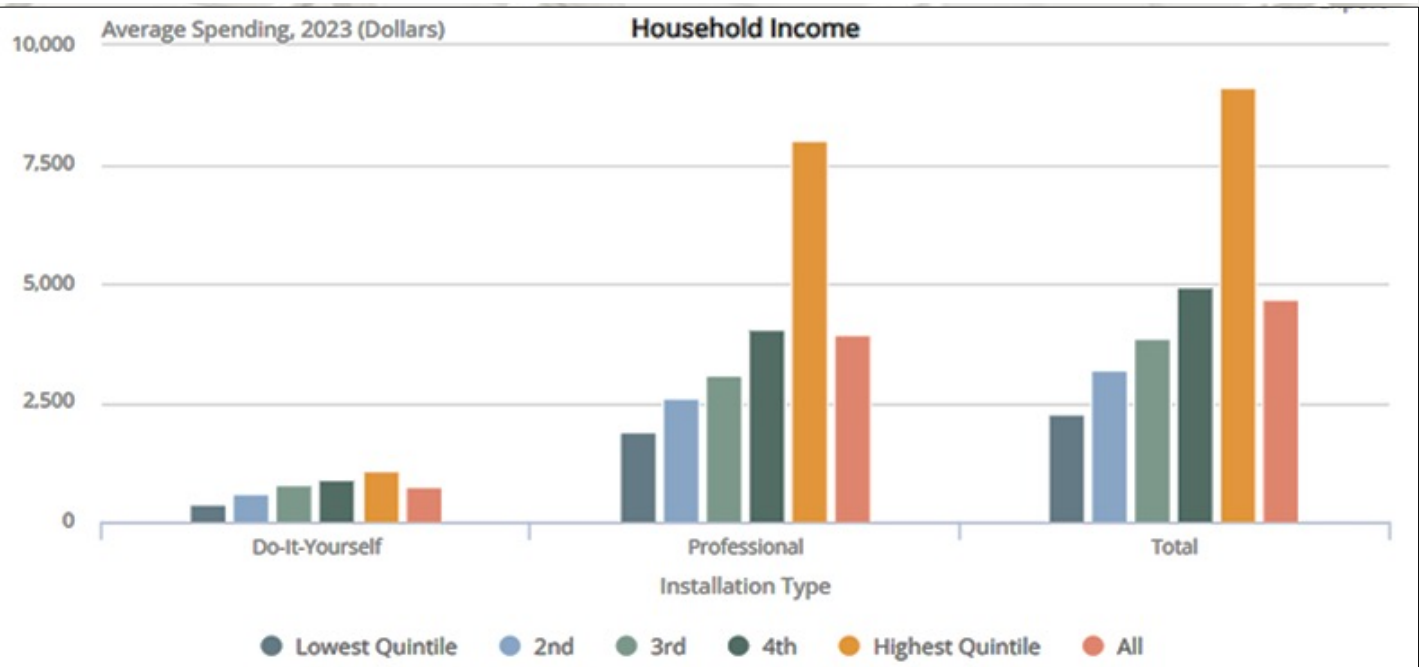
Remodeling

Figure 1: DIY and Professional Home Improvement Expenditures Differ Significantly by Homeowner and Housing Stock Characteristics



Notes: Spending for DIY projects includes only the owner's costs for materials, whereas spending for professionally installed projects includes labor, materials, profit, and overhead. Quintiles are equal fifths of owners ranked by total household income. The lowest quintile includes incomes of less than $37,500 and the highest quintile includes incomes of more than $172,000. Asian, Black, white, and Multiracial or Another Race householders are non-Hispanic. Hispanic householders may be of any race. Multiracial or Another Race householders include American Indian or Alaska Native, Hawaiian or Pacific Islander, and combinations of two or more races. For household composition, "All" includes other family and non-family household types. See Tables A-8, A-9, and A-10 in the report data tables for more detail.

Source: Harvard Joint Center for Housing Studies tabulations of US Department of Housing and Urban Development (HUD), 2023 American Housing Survey.

Source: https://www.jchs.harvard.edu/blog/interactive-tool-highlights-disparities-remodeling-spending; 4/10/25

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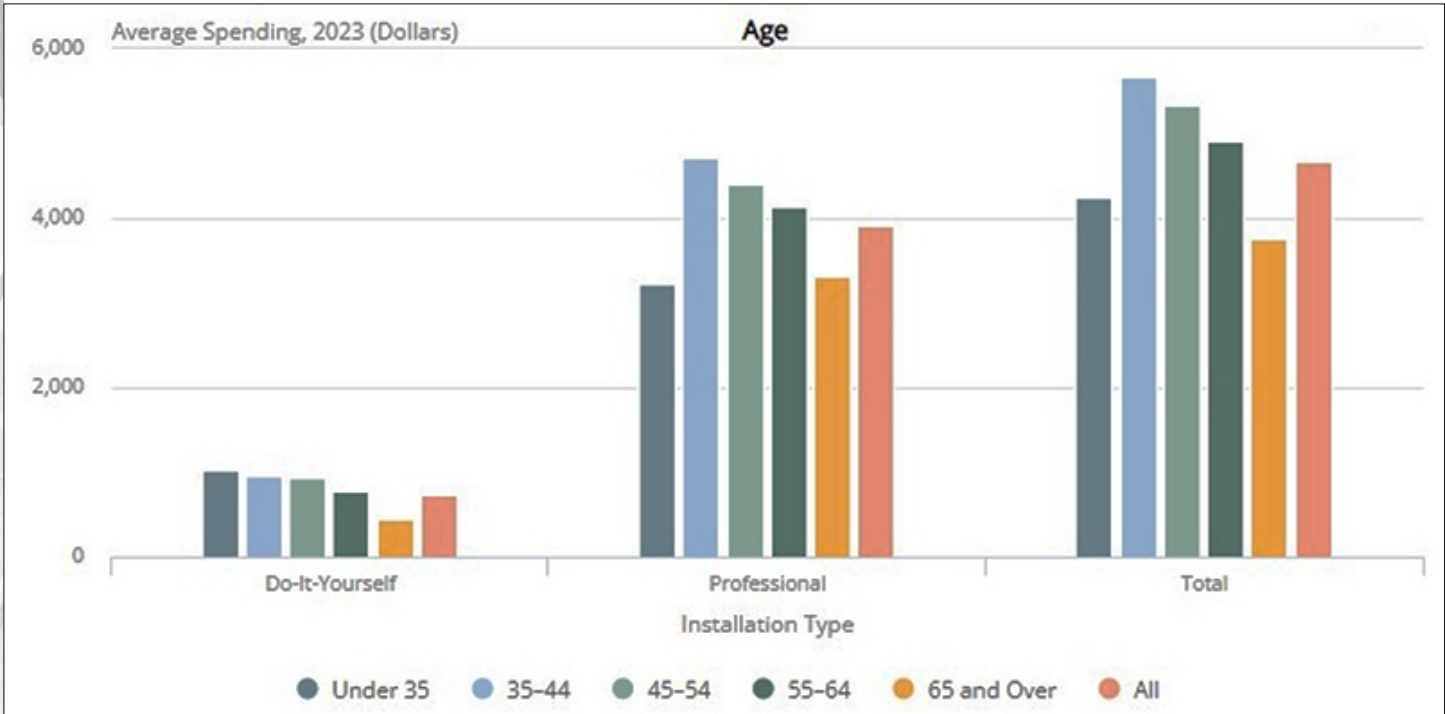
Remodeling

Figure 2: Middle-age homeowners outspend the youngest and oldest households



Notes: Spending for DIY projects includes only the owner's costs for materials, whereas spending for professionally installed projects includes labor, materials, profit, and overhead. See Tables A-8, A-9, and A-10 in the report data tables for more detail.

Source: Harvard Joint Center for Housing Studies tabulations of US Department of Housing and Urban Development (HUD), 2023 American Housing Survey.

Source: https://www.jchs.harvard.edu/blog/interactive-tool-highlights-disparities-remodeling-spending; 4/10/25

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Remodeling

The Harvard Joint Center for Housing Studies

Interactive Tool Highlights Disparities in Remodeling Spending

"Persistent racial disparities have produced unrepresentative patterns of home improvement spending (Figure 3). In 2023, white homeowners spent an average of $5,000 on improvements, well above per owner spending for Black homeowners ($3,600), Hispanic homeowners ($3,700), multiracial homeowners or homeowners of another race ($4,200), and Asian homeowners ($4,500). These disparities reflect centuries of discriminatory policies and practices that have produced enduring inequities in income, homeownership rates, home values, and home equity – all major drivers of remodeling activity. Still, average improvement spending has grown faster for owners of color than for non-Hispanic white owners in recent decades. Between 2003 and 2023, per owner spending by homeowners of color rose 63 percent after adjusting for inflation, compared to 49 percent for their white counterparts.

The rising costs of homeownership and other expenses have strained household incomes, leaving little left for home improvements, whether discretionary or required. There is both a market opportunity and a moral imperative to expand improvement and repair assistance to ensure decent housing conditions for all households. " – Sophia Wedeen, Director, Senior Research Analyst, Harvard Joint Center for Housing Studies

Source: https://www.jchs.harvard.edu/blog/interactive-tool-highlights-disparities-remodeling-spending; 4/10/25

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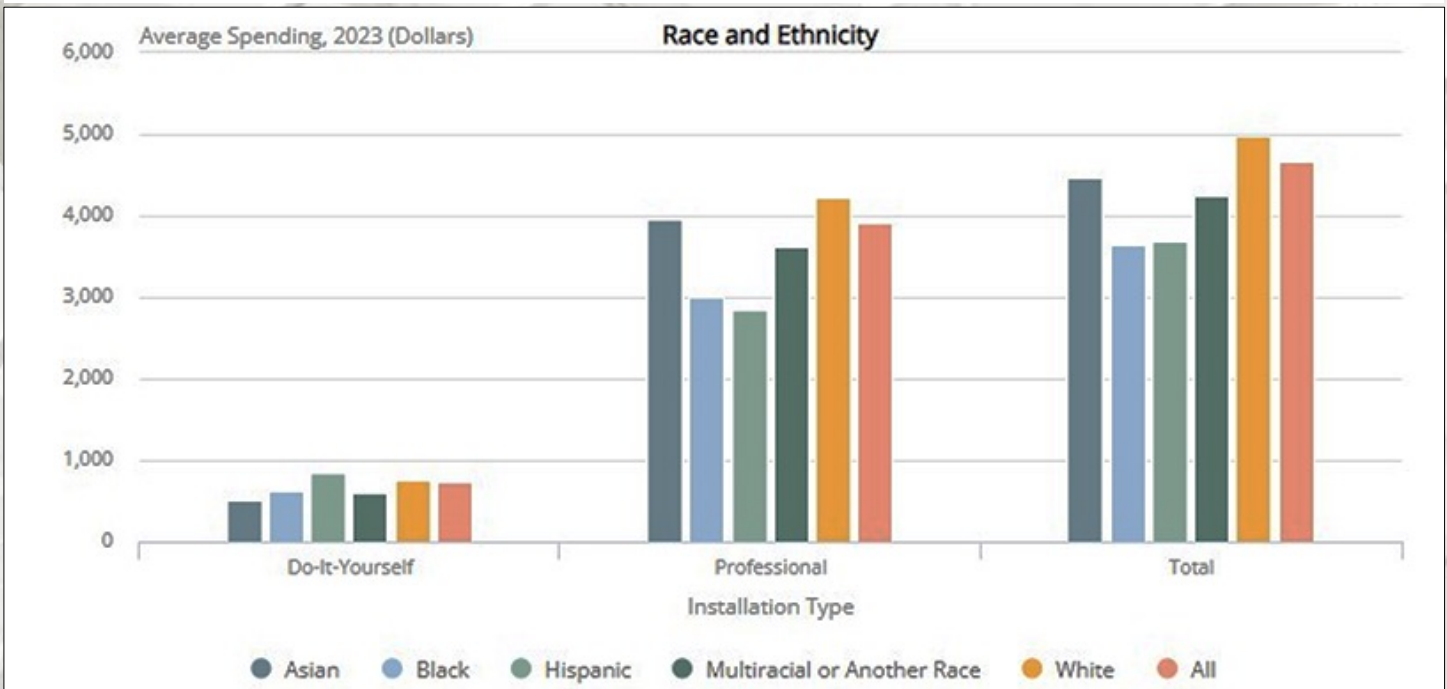
Remodeling

Figure 3: Racial Disparities in Home Improvement Spending Persist



Notes: Spending for DIY projects includes only the owner's costs for materials, whereas spending for professionally installed projects includes labor, materials, profit, and overhead. Asian, Black, white, and Multiracial or Another Race householders are non-Hispanic. Hispanic householders may be of any race. Multiracial or Another Race householders include American Indian or Alaska Native, Hawaiian or Pacific Islander, and combinations of two or more races. See Tables A-8, A-9, and A-10 in the report data tables for more detail.

Source: Harvard Joint Center for Housing Studies tabulations of US Department of Housing and Urban Development (HUD), 2023 American Housing Survey.

Source: https://www.jchs.harvard.edu/blog/interactive-tool-highlights-disparities-remodeling-spending; 4/10/25

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Existing House Sales

National Association of Realtors®

	Existing Sales	Median Price	Month's Supply
February	4,260,000	$398,400	3.5
January	4,090,000	$393,400	3.5
2024	4,310,000	$383,800	3.0
M/M change	4.2%	1.3%	0.0%
Y/Y change	-1.2%	3.8%	16.7%

All sales data: SAAR

Source: https://fred.stlouisfed.org/series/EXHOSLUSM495S; 3/20/25

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Existing House Sales

	NE	MW	S	W
February	500,000	1,000,000	1,910,000	850,000
January	510,000	1,000,000	1,830,000	750,000
2024	480,000	990,000	1,990,000	850,000
M/M change	-2.0%	0.0%	4.4%	13.3%
Y/Y change	4.2%	1.0%	-4.0%	0.0%

	Existing SF Sales	SF Median Price
February	3,890,000	$402,500
January	3,680,000	$398,100
2024	3,900,000	$388,000
M/M change	5.7%	1.3%
Y/Y change	-0.3%	3.7%

All sales data: SAAR.

Source: https://fred.stlouisfed.org/series/EXHOSLUSM495S; 3/20/25

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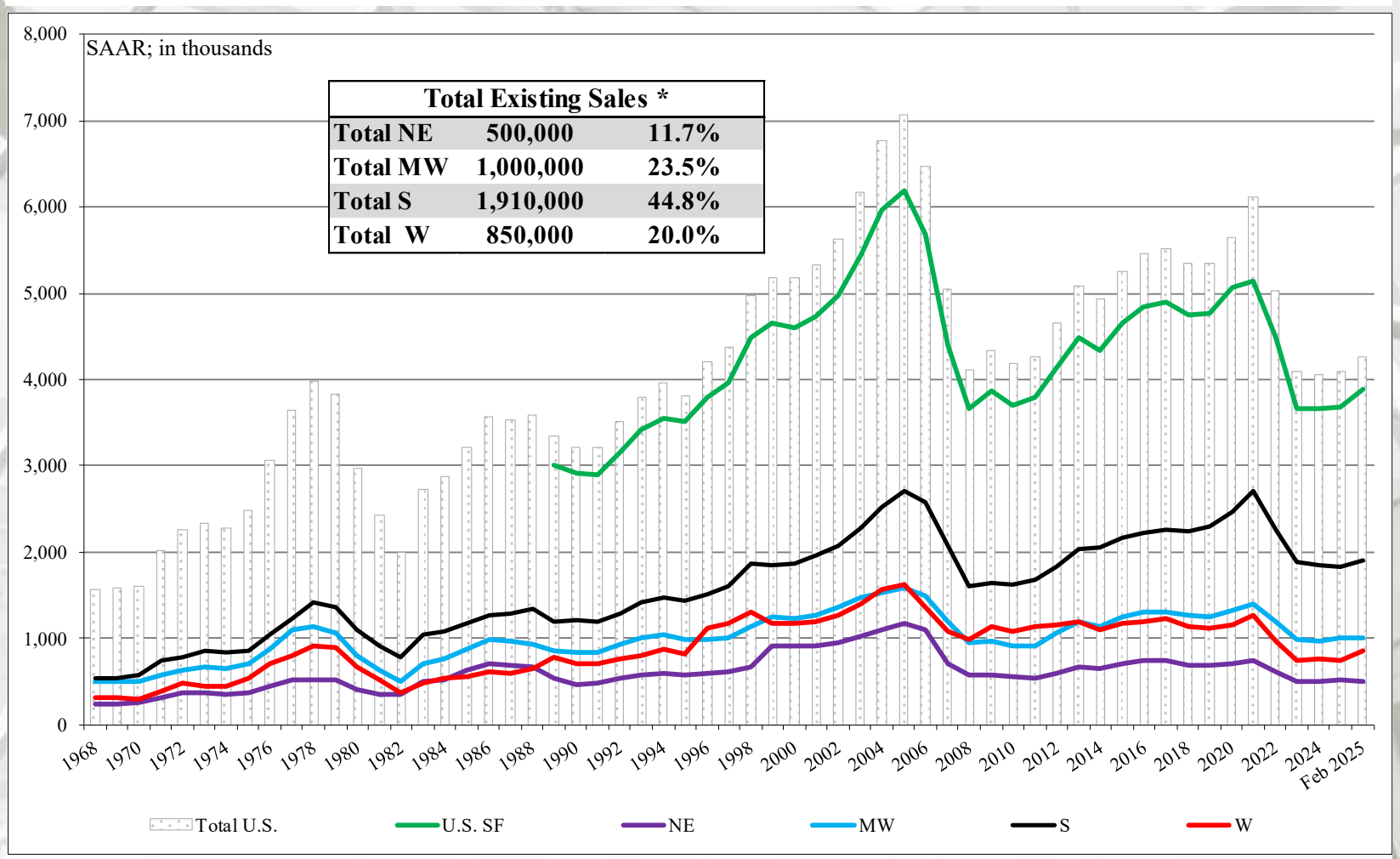
Existing House Sales



NE = Northeast; MW = Midwest; S = South; W = West

* Percentage of total existing sales.

Source: https://fred.stlouisfed.org/series/EXHOSLUSM495S; 3/20/25

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U.S. Housing Prices

Federal Housing Finance Agency

FHFA House Price Index Up 0.2 Percent in January; Up 4.8 Percent from Last Year

Significant Findings

"U.S. house prices rose **0.2 percent** in January, according to the U.S. Federal Housing (FHFA) seasonally adjusted monthly House Price Index (FHFA HPI®). House prices rose **4.8 percent** from January 2024 to January 2025. The previously reported 0.4 percent price growth in December was revised upward to 0.5 percent.

- For the nine census divisions, seasonally adjusted monthly home price changes ranged from **-0.8 percent** in the South Atlantic division to **+1.0 percent** in the West North Central division.
- The 12-month changes were all positive, ranging from **+2.4 percent** in the West South Central division to **+8.2 percent** in the Middle Atlantic division." – Adam Russell, FHFA

Source: https://www.fhfa.gov/DataTools/Downloads/Pages/House-Price-Index.aspx; 3/25/25

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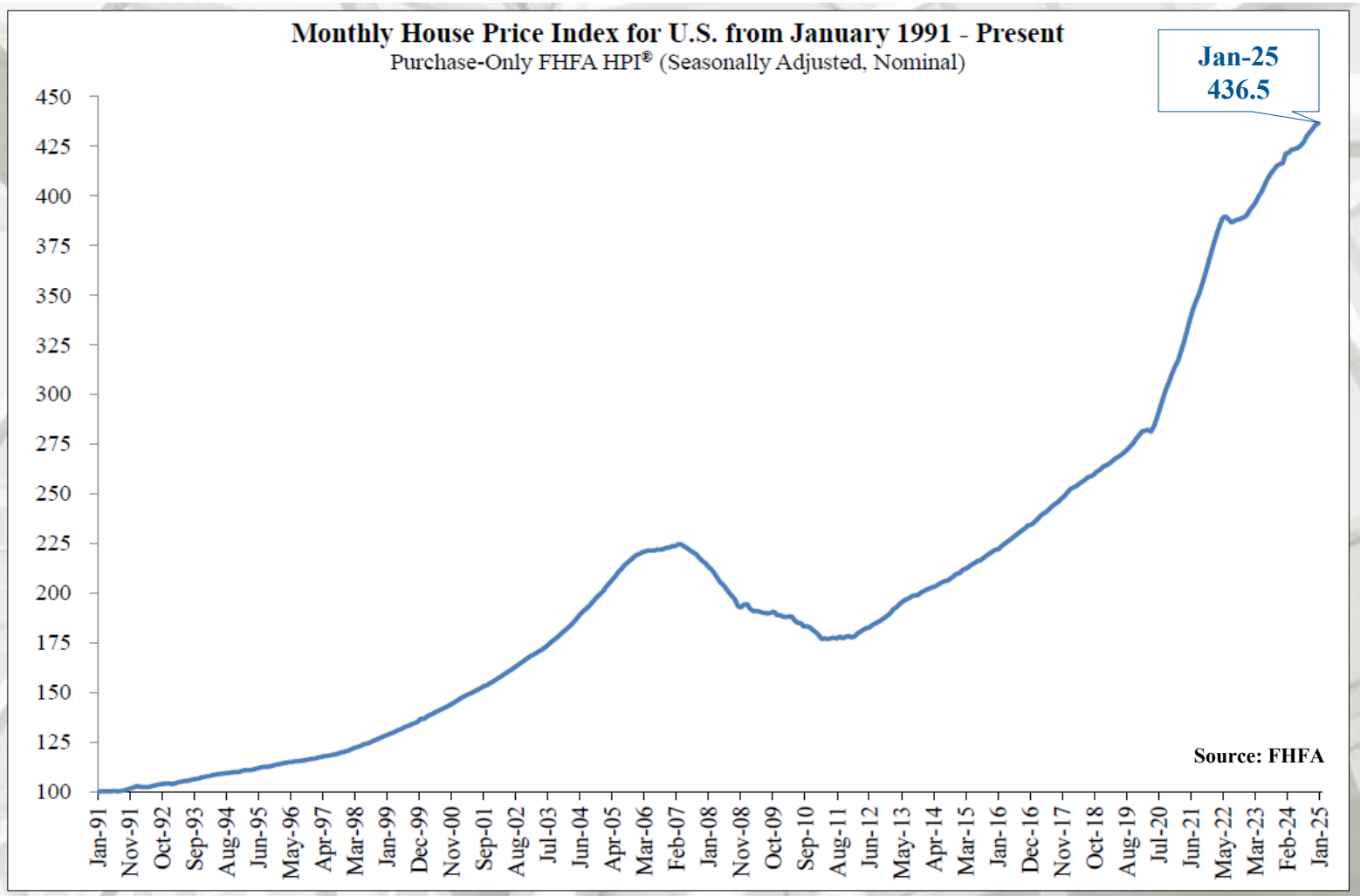
U.S. Housing Prices



Source: https://www.fhfa.gov/DataTools/Downloads/Pages/House-Price-Index.aspx; 3/25/25

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U.S. Housing Prices

S&P CoreLogic Case-Shiller Index Records 4.1% Annual Gain In January 2025

"S&P Dow Jones Indices (S&P DJI) released the January 2025 results for the S&P CoreLogic Case-Shiller Indices. The leading measure of U.S. home prices recorded a 3.9% annual gain in January 2025, a slight increase from the previous reading in December 2024. More than 27 years of history are available for the data series and can be accessed in full by going to www.spglobal.com/spdji/en/index-family/indicators/sp-corelogic-case-shiller.

Year-Over-Year

The S&P CoreLogic Case-Shiller U.S. National Home Price NSA Index, covering all nine U.S. census divisions, reported a 4.1% annual return for January, up from a 4% annual gain in the previous month. The 10-City Composite saw an annual increase of 5.3%, up from a 5.2% annual increase in the previous month. The 20-City Composite posted a year-over-year increase of 4.7%, up from a 4.5% increase in the previous month. New York again reported the highest annual gain among the 20 cities with a 7.7% increase in January, followed by Chicago and Boston with annual increases of 7.5% and 6.6%, respectively. Tampa posted the lowest return, falling 1.5%. …

Month-Over-Month

The pre-seasonally adjusted U.S. National and 20-City Composite Indices presented slight upward trends in January, with both posting 0.1% increases. The 10-City Composite posted a monthly return of 0.2%. After seasonal adjustment, the 20-City and 10-City Composite Indices posted month-over-month increases of 0.5%. The U.S National posted a month-over-month increase of 0.6%" – Nicholas Godec, CFA, CAIA, CIPM, Head of Fixed Income Tradables & Commodities, S&P DJI

Source: https://www.spglobal.com/spdji/en/index-announcements/article/sp-corelogic-case-shiller-index-records-39-annual-gain-in-december-2024//; 3/25/25

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U.S. Housing Prices

S&P CoreLogic Case-Shiller Index

Analysis

"Home price growth continued to moderate in January, reflecting a clear two-part story across the past year. The National Composite Index posted a 4.1% annual gain, with the bulk of appreciation – 4.8% – occurring in the first half of the year. Prices declined 0.7% in the second half, as high mortgage rates and affordability constraints weighed on buyer demand and market activity.

Among the 20 metro areas tracked by the Composite 20, New York City led annual gains with a 7.7% rise, followed closely by Chicago (7.5%) and Boston (6.5%). Tampa was the only market to post a year-over-year decline, falling 1.5%. However, the second half of the year told a different story: San Francisco posted the largest six-month decline at 3.4%, followed by Tampa at 3.2%. Only four of the 20 cities managed to eke out price increases during this period – New York, Chicago, Phoenix, and Boston – highlighting broad-based cooling.

Rising mortgage rates throughout the year elevated monthly payment burdens, which, combined with already high home prices, pushed affordability to multi-decade lows in many regions. This likely contributed to subdued activity in the back half of the year, with both buyers and sellers exercising caution. Inventory constraints also remain a challenge, particularly in legacy metro areas, where limited new construction continues to restrict supply." – Nicholas Godec, CFA, CAIA, CIPM, Head of Fixed Income Tradables & Commodities, S&P DJI

Source: https://www.spglobal.com/spdji/en/index-announcements/article/sp-corelogic-case-shiller-index-records-39-annual-gain-in-december-2024//; 3/25/25

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U.S. Housing Prices

S&P CoreLogic Case-Shiller Index

Analysis

"The strength in markets like New York and Chicago may reflect more normalized valuations relative to frothier regions, along with continued urban recovery trends post-pandemic. On the other hand, Sunbelt markets that experienced sharp run-ups earlier in the cycle – like Tampa and Phoenix – have seen the most pronounced slowdowns.

Despite near-term softness, the S&P CoreLogic Case-Shiller Index remains historically elevated, and long-term homeowners have continued to build equity. The current cycle reinforces the value of real estate as a long-duration asset, but also highlights how sensitive home prices are to changes in financing conditions and buyer affordability." – Nicholas Godec, CFA, CAIA, CIPM, Head of Fixed Income Tradables & Commodities, S&P DJI

Source: https://www.spglobal.com/spdji/en/index-announcements/article/sp-corelogic-case-shiller-index-records-39-annual-gain-in-december-2024//; 3/25/25

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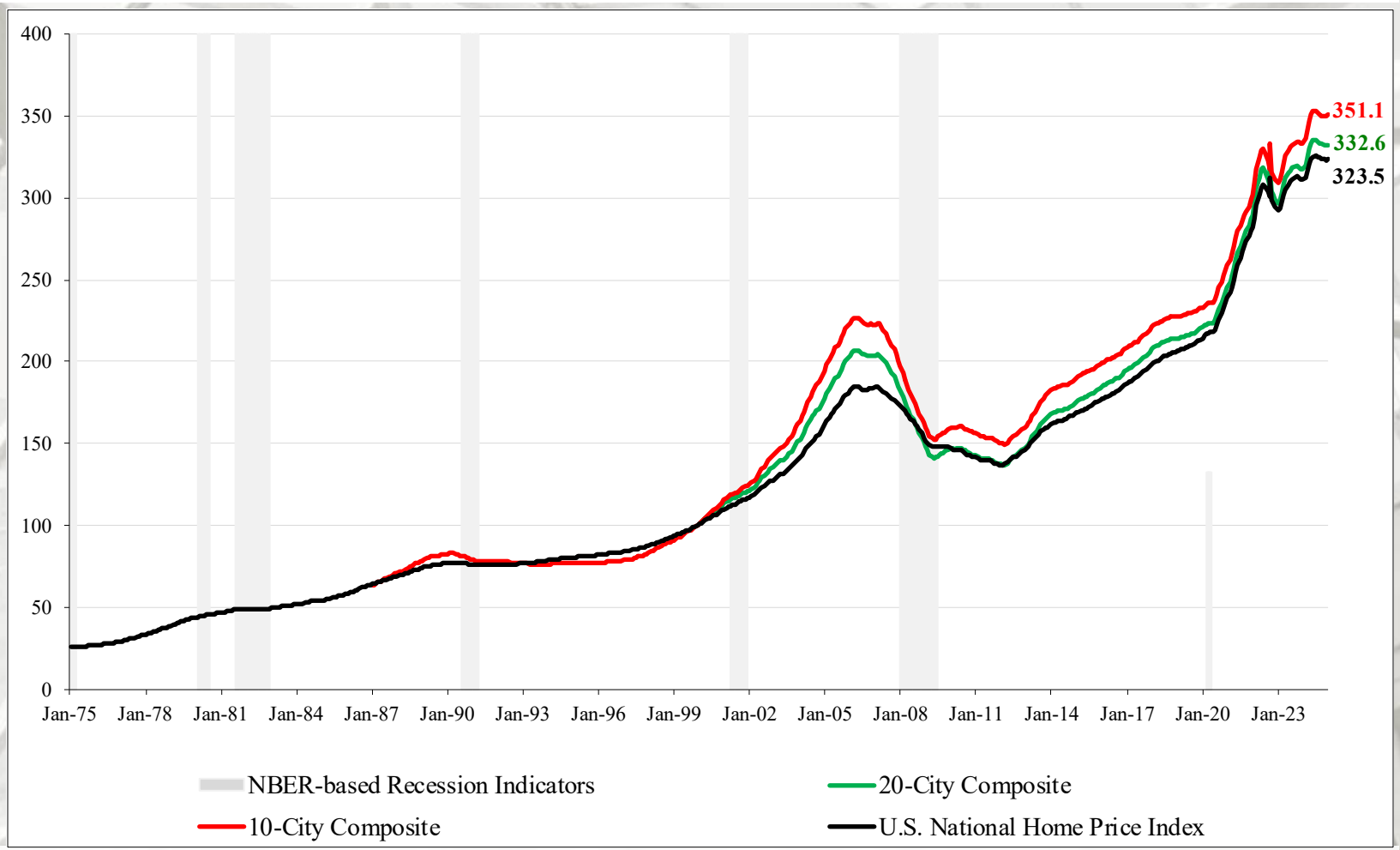
S&P/Case-Shiller Home Price Indices



* NBER based Recession Indicator Bars for the United States from the Period following the Peak through the Trough (FRED, St. Louis).

Source: https://www.spglobal.com/spdji/en/index-announcements/article/sp-corelogic-case-shiller-index-records-39-annual-gain-in-december-2024//; 3/25/25

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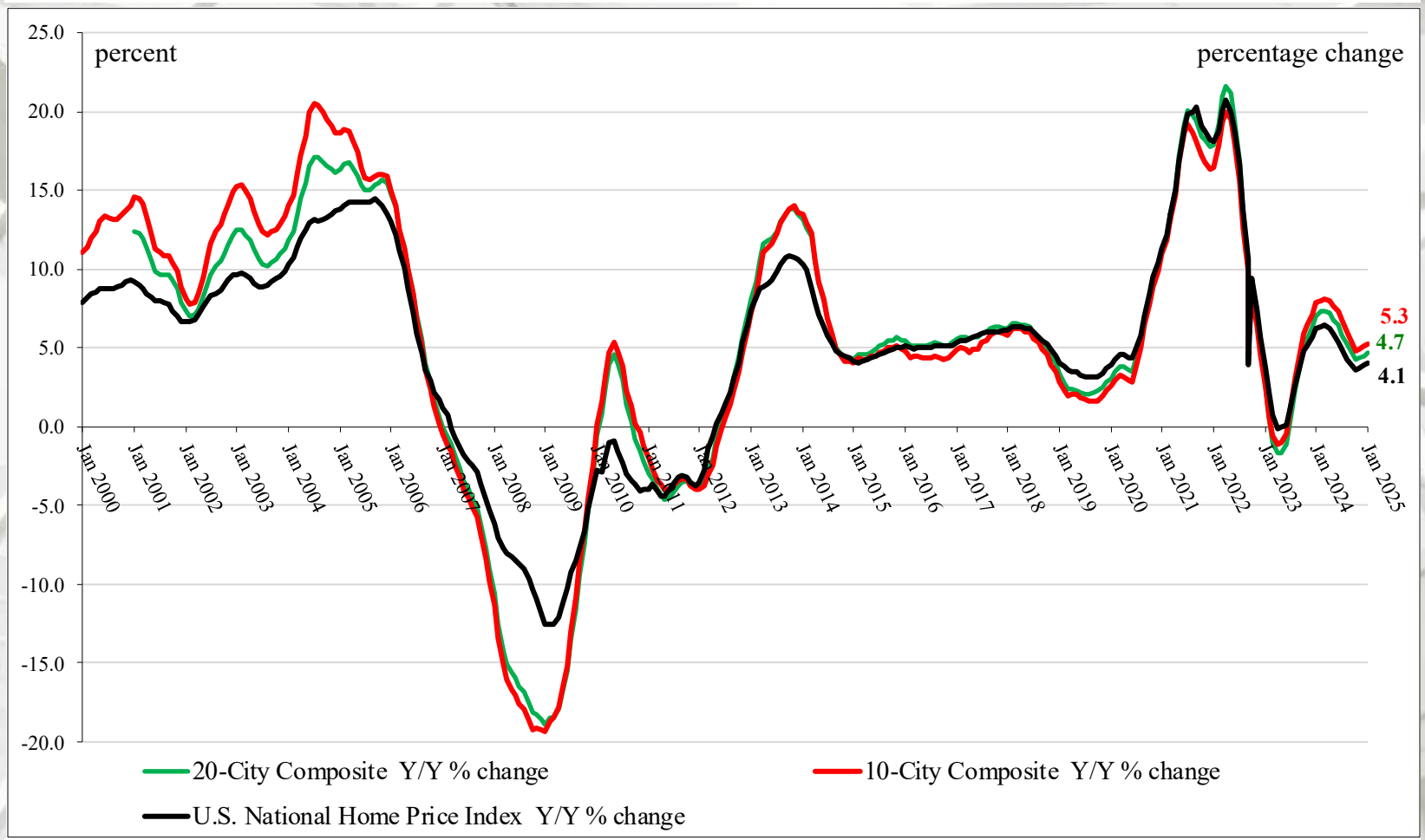
S&P/Case-Shiller Home Price Indices



Y/Y Price Change

From January 2024 to January 2025, the National Index indicated a 4.1% increase; the Ten-City increased by 5.3%, and the Twenty-City rose by 4.7%.

Source: https://www.spglobal.com/spdji/en/index-announcements/article/sp-corelogic-case-shiller-index-records-39-annual-gain-in-december-2024//; 3/25/25

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Are First-Time Home Buyers Facing Desperate Times?

"Based on recent proposals and policy dialogue, it would appear that first-time home buyers (FTB) are indeed facing desperate times. For example, in a recent Urban Institute study, Michael Stegman, Ted Tozer, and Richard Green advocate for a zero-downpayment Federal Housing Administration (FHA) mortgage. They argue that this would be a more efficient way to deliver much needed support to help households transition to homeownership given the challenges of high house prices and mortgage rates.

What is the evidence that FTBs are facing unprecedented challenges? The National Association of Realtors (NAR) in its 2024 report Profile of Home Buyers and Sellers states that FTBs represented only 24 percent of home sales (between July 2023 and June 2024). This share is below the prior year's value of 32 percent and the lowest in the history of their data reporting going all the way back to 1981. Similarly, NAR finds that the typical FTB was 38 years old – 7 years older than normal. The Urban Institute study points out that the Federal Reserve's most recent Survey of Consumer Finances shows that nearly 90 percent of renters lack the minimum 3.5 percent downpayment to purchase an average-priced home with an FHA mortgage. A combination of eroding affordability and increased competition from all-cash buyers have FTBs apparently on the ropes." – Donghoon Lee, Economic Research Advisor, The Federal Reserve Bank of New York and Joseph Tracy, Non-resident Senior Scholar, The American Enterprise Institute

Source: https://libertystreeteconomics.newyorkfed.org/2025/02/are-first-time-home-buyers-facing-desperate-times; 2/3/25

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Are First-Time Home Buyers Facing Desperate Times?

"As Thomas Sowell of the Hoover Institution has cautioned, it is worthwhile to examine the evidence thoroughly before declaring a crisis that needs to be addressed. Regarding the NAR statistics described in the previous paragraph, they are based on their annual survey of home buyers and sellers. For the 2023 report, the NAR sent out 189,750 surveys to a "representative sample" of buyers and sellers. However, only 6,817 completed surveys were received back indicating a response rate of just 3.6 percent. Importantly, it is not clear how representative this sample is given the small response rate.

To assess the condition of FTBs, we use the Federal Reserve Bank of New York's Consumer Credit Panel (CCP), a detailed, up-to-date source for information on U.S. household debt and credit. The CCP is drawn from anonymized credit bureau data provided by Equifax and includes quarterly information on the liabilities of a dynamic panel of individuals (5 percent of the population with a credit report, or approximately 14 million individuals). As such, we argue, this data source offers a better view of the position of FTBs than the NAR survey data referenced above. We identify FTBs as households that have never had a mortgage lien." – Donghoon Lee, Economic Research Advisor, The Federal Reserve Bank of New York and Joseph Tracy, Non-resident Senior Scholar, The American Enterprise Institute

Source: https://libertystreeteconomics.newyorkfed.org/2025/02/are-first-time-home-buyers-facing-desperate-times; 2/3/25

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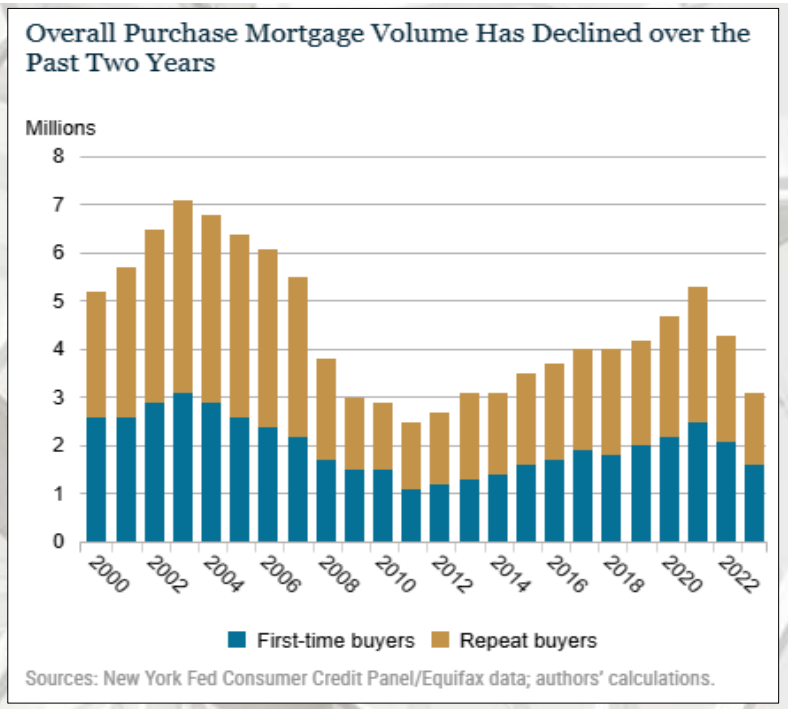
Are First-Time Home Buyers Facing Desperate Times?



"We start by looking at the annual flow of new purchase mortgages broken down by FTBs and repeat buyers, charted below. The decline in purchase mortgage volume since 2021 reflects the low inventory of homes on the market. Homeowners with low-rate fixed-rate mortgages (FRMs) faced a financial friction to selling and moving. Mortgage rates also increased significantly from historically low levels as the Fed tightened monetary policy starting in March 2022. Note, however, that it has been a challenging market to buy a home generally as purchase mortgage volume has declined for repeat buyers as well as for FTBs." – Donghoon Lee, Economic Research Advisor, The Federal Reserve Bank of New York and Joseph Tracy, Non-resident Senior Scholar, The American Enterprise Institute

Source: https://libertystreeteconomics.newyorkfed.org/2025/02/are-first-time-home-buyers-facing-desperate-times; 2/3/25

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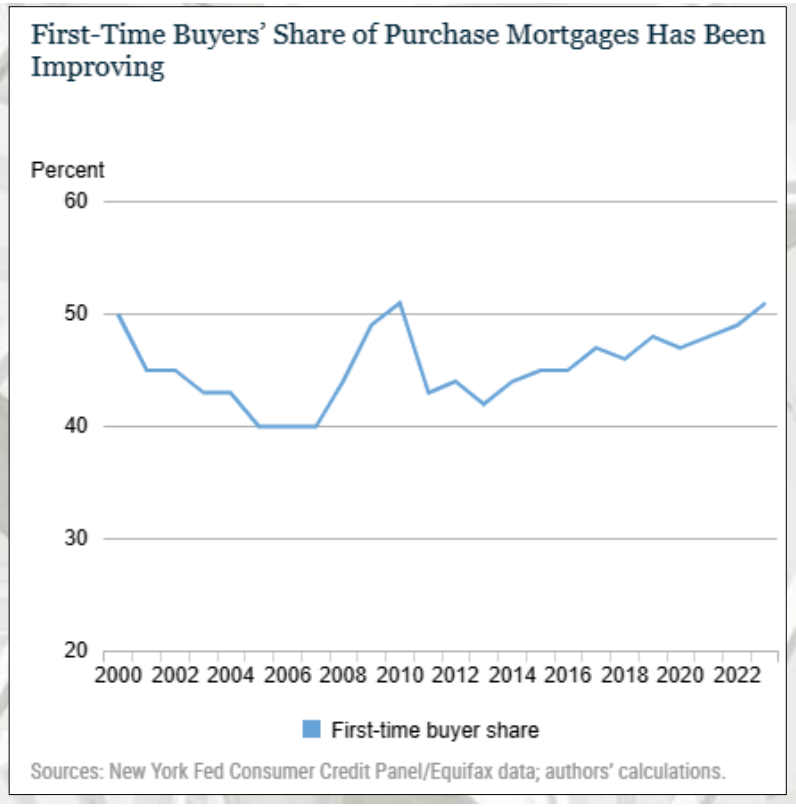

"A better way to see how FTBs are faring relative to repeat-buyers in this tough housing market is to look at their share of new purchase mortgages. If FTBs are facing an affordability crisis that needs immediate and forceful attention, then we would expect to see a significant decline in their purchase mortgage share. However, as seen in the next chart, the FTB share of purchase mortgages has actually been slowly trending up since 2011." – Donghoon Lee, Economic Research Advisor, The Federal Reserve Bank of New York and Joseph Tracy, Non-resident Senior Scholar, The American Enterprise Institute

Source: https://libertystreeteconomics.newyorkfed.org/2025/02/are-first-time-home-buyers-facing-desperate-times; 2/3/25

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Are First-Time Home Buyers Facing Desperate Times?

"The 2024 NAR report also points out that FTBs are increasingly competing against all-cash buyers to purchase a home. This competitive pressure will not be reflected in the FTB share of purchase mortgages. We use data from Redfin on all cash purchases to calculate the FTB share of all home purchases. An assumption that we make is that no FTB makes an all-cash purchase. The chart above shows that the FTB share of all home purchases has similarly been trending up since 2011, however with more year-to-year variability." – Donghoon Lee, Economic Research Advisor, The Federal Reserve Bank of New York and Joseph Tracy, Non-resident Senior Scholar, The American Enterprise Institute

Source: https://libertystreeteconomics.newyorkfed.org/2025/02/are-first-time-home-buyers-facing-desperate-times; 2/3/25

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Are First-Time Home Buyers Facing Desperate Times?

"The relative merits and potential problems with the proposed solutions for the FTB "crisis" is certainly a topic for future discussion. An important observation is that affordability is more likely to be improved by focusing on supply-side policies than more demand-side subsidies. However, using the CCP we show that based on additional metrics the crisis for FTBs appears to be unfounded. Rather, FTBs are proving to be more resilient than some have depicted and in a better position than many might have feared." – Donghoon Lee, Economic Research Advisor, The Federal Reserve Bank of New York and Joseph Tracy, Non-resident Senior Scholar, The American Enterprise Institute

Source: https://libertystreeteconomics.newyorkfed.org/2025/02/are-first-time-home-buyers-facing-desperate-times; 2/3/25

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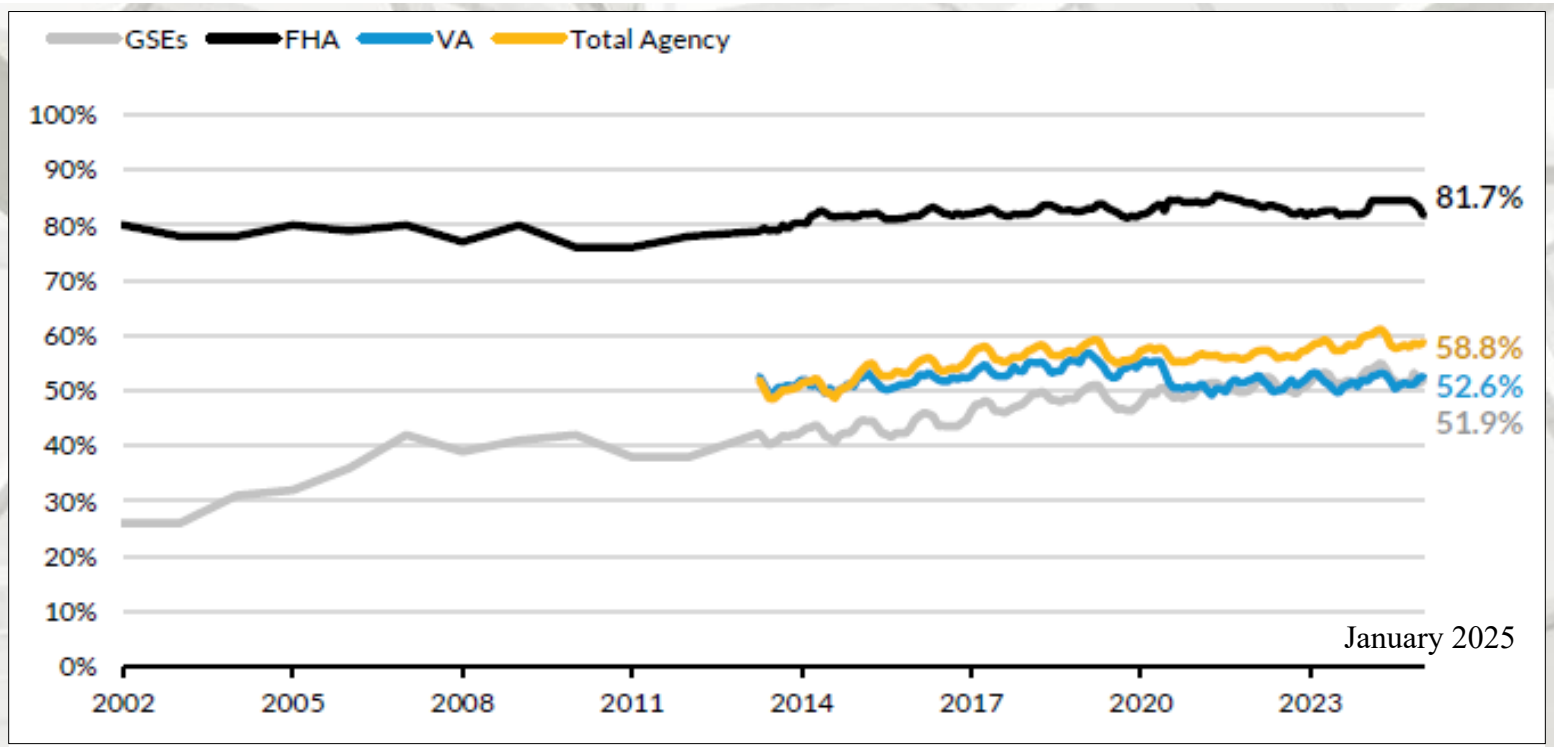
U.S. First-Time House Buyers



Sources: eMBS, Federal Housing Administration (FHA), and Urban Institute.
Note: All series measure the first-time home buyer share of purchase loans for principal residences.

Urban Institute

First-time House Buyer Share

"In January 2025, the first-time homebuyer (FTHB) share for FHA loans was 81.7 percent, FHA has always been more focused on FTHBs than either VA or the GSEs. The FTHB share of GSE lending in January 2025 was 51.9 percent, slightly lower than the VA share (52.6 percent). …" – Laurie Goodman *et. al*, Vice President, Urban Institute

Source: https://www.urban.org/research/publication/housing-finance-glance-monthly-chartbook-march-2025/; 3/21/25

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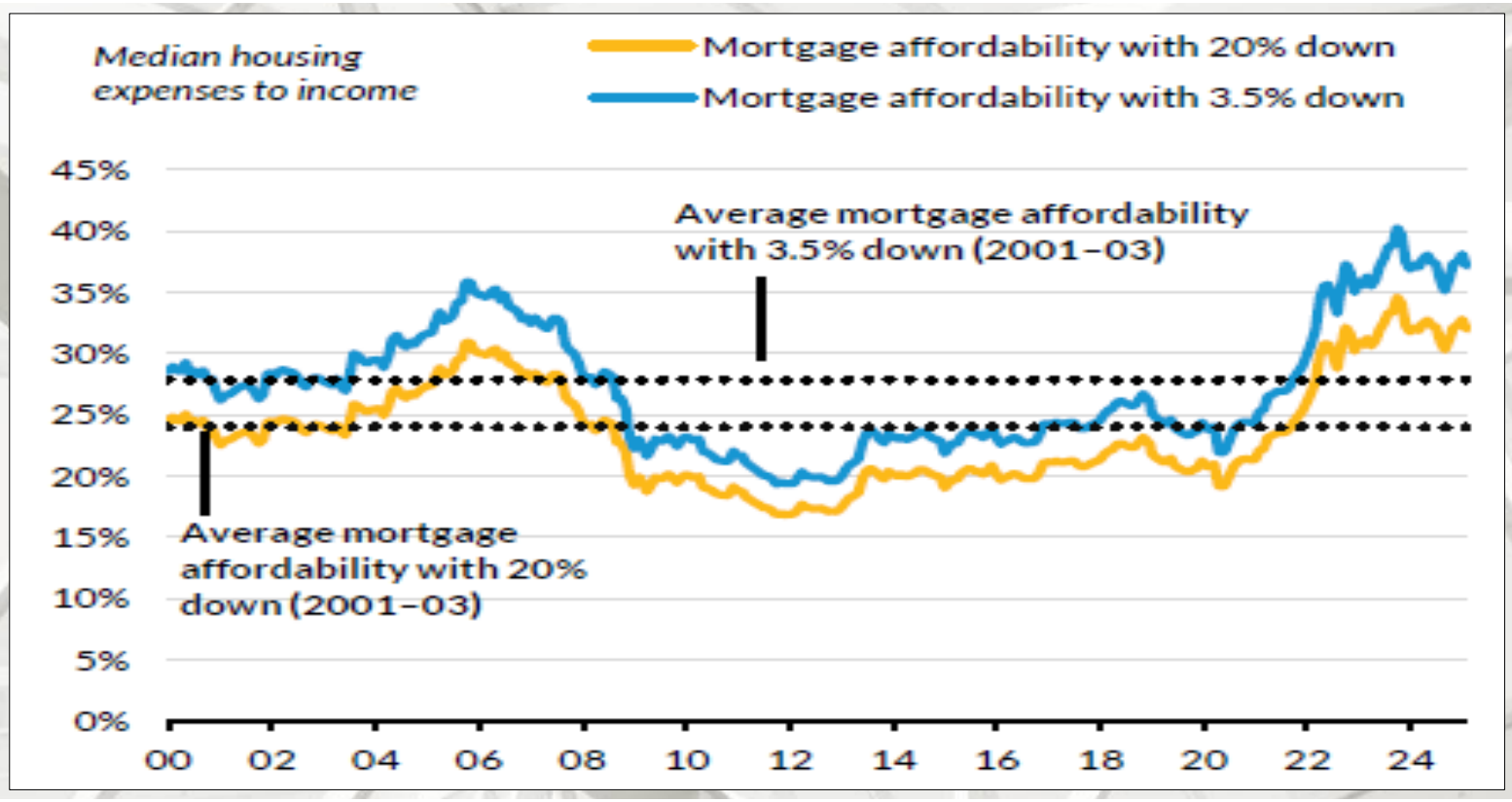
U.S. Housing Affordability



Urban Institute

National Mortgage Affordability Over Time

"Mortgage affordability remains close to the worst level since the inception of this series in 2000. As of February 2025, with a 20 percent down payment, the share of median income needed for the median monthly mortgage payment was 31.9 percent, above the 30.9 percent at the peak of the housing bubble in November 2005; and with 3.5 percent down, the housing cost burden is 37.1 percent, also above the 35.8 percent prior peak in November 2005. Active listings have broadly increased since 2022 but remain lower over time. And the distribution of inventory has likely shifted away from relatively affordable "starter" homes." – Laurie Goodman *et. al*, Vice President, Urban Institute

Source: https://www.urban.org/research/publication/housing-finance-glance-monthly-chartbook-march-2025/; 3/21/25

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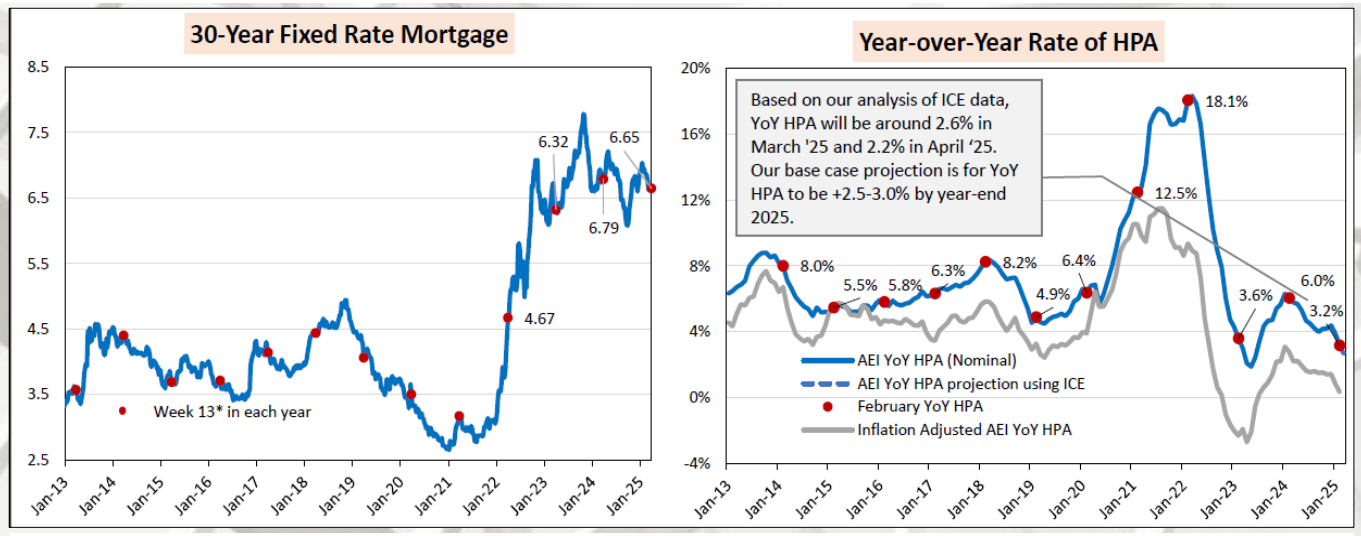
U.S. Housing Affordability



Note: Data are for 30-year fixed rate prime conventional conforming. Home purchase mortgages with a loan to value of 80 percent.
* Week 13, 2025 refers to the week ending March 28th 2025.

Note: Data are for the entire country; February 2025 data are preliminary.
Source: AEI Housing Center, www.AEI.org/housing.

AEI Housing Center

February 2025's Year over Year (YoY) HPA in preliminary YoY HPA was 3.2%, down from 3.8% a month ago and 6.0% in Feb. 2024.

- "February 2025's MoMHPA was 0.9%.
- A relatively strong sellers' market continues, with well-qualified buyers competing for a limited supply of homes. This is helping to hold up HPA to a higher level than expected given mortgage rates.
- YoY HPA is projected to decrease to 2.6% in March 2025 and 2.2% in April 2025.
- Constant-quality HPA controls for mix shifts in home quality, which otherwise may skew MoMor YoY changes." – Edward Pinto, Senior Fellow and Director and Tobias Peter, Research Fellow and Assistant Director, AEI Housing Center

Source: https://www.aei.org/research-products/report/aei-housing-market-indicators-march-2025; 4/1/25

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Home Price Appreciation: December 2025 YoY HPA Projection

AEI Housing Center

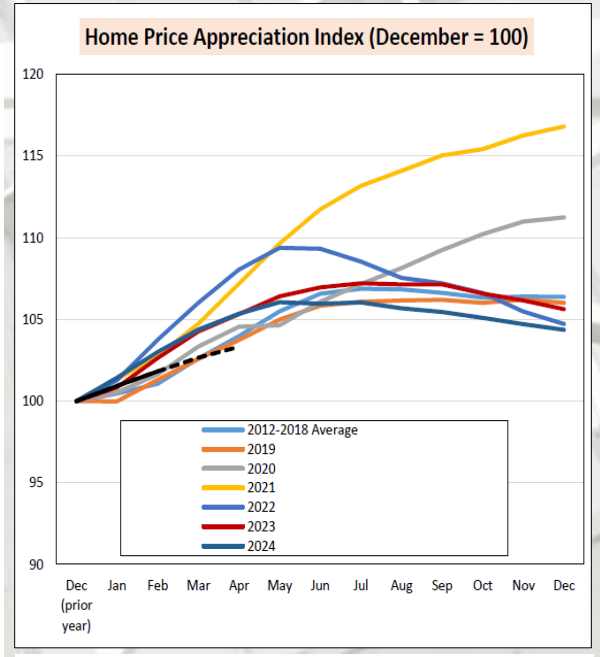
- "**Before the pandemic, home price growth followed a predictable seasonal trend:**
  - Increases throughout the spring buying season, peaking around June, and leveling off towards the end of the year.
- **After the end of the ultra low-interest rate period from mid 2020 to early 2022, HPA is now tracking closer to its pre-pandemic average, where a 5-7% YoY growth by year end was the norm**.
  - HPA index (December = 100) is projected to be near pre pandemic levels through April 2025, based on our analysis of ICE data.

Our projection for YoY HPA Dec. 2025:

• Base Case : +2.5-3.0%*

• Bullish Case: +4.5%.**

• Bearish Case: +0.0-1.0%***." – Edward Pinto, Senior Fellow and Director and Tobias Peter, Research Fellow and Assistant Director, AEI Housing Center



* Base case assumptions: mortgage rate at 5.50% 7.00%, unemployment rate <=5.5%, and months' supply <5 months.
** Bullish case assumptions: mortgage rate at 4.00% 5.50%, unemployment rate <=5.5%, and months' supply <5 months or if broad Down Payment Assistance Passes).
*** Bearish case assumptions: mortgage rate >7.00% or unemployment rate >5.5%, and months' supply >7 months (may occur at different times).
Source: AEI Housing Center, www.AEI.org/housing

Source: https://www.aei.org/research-products/report/aei-housing-market-indicators-march-2025; 4/1/25

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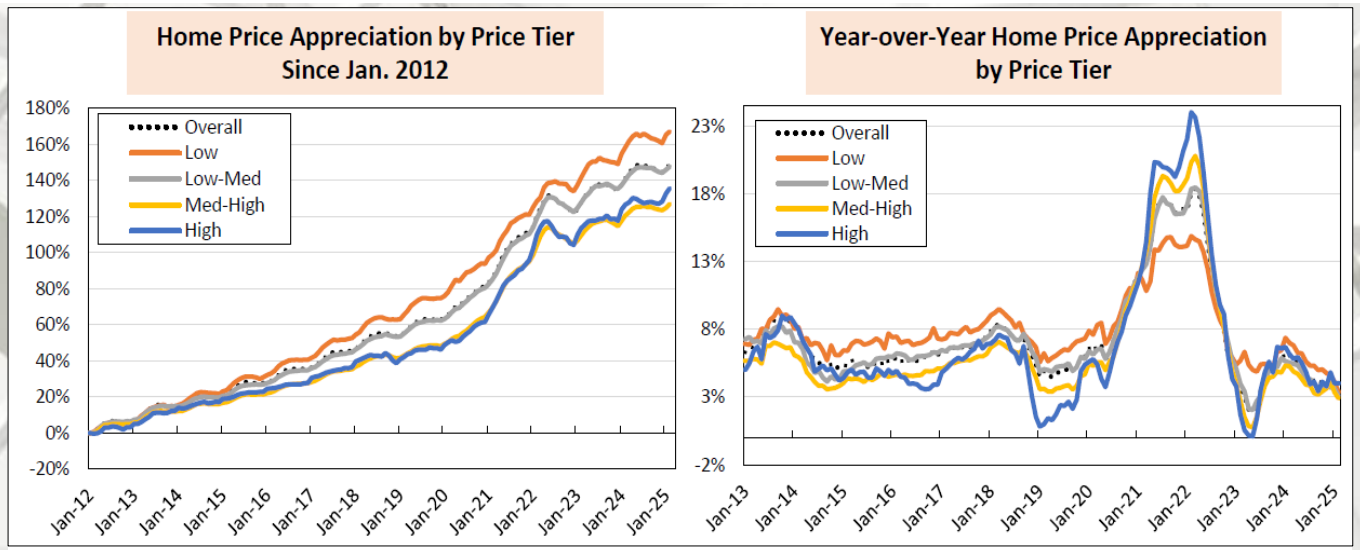
Home Price Appreciation by Price Tier



Note: Data are for the entire country. Data for February 2025 are preliminary.
Source: AEI Housing Center, www.AEI.org/housing

AEI Housing Center

"**Since 2012, a large and widening gap in HPA has developed between the lower and upper end of the market (left panel).**

- Preliminary numbers for February 2025 indicate that the low price tier has one of the highest YoY changes in tier home prices at 3.4% due to low months' supply (2.9 months), low unemployment, and increasing demand promoted by agency credit easing (right panel).
- The med high and high price tiers are generally not eligible for federal first time buyer assistance, leaving them more dependent on the Fed's monetary punchbowl. As a result, they had the largest slowdowns in YoY HPA since March 2022.
- As of February 2025, all price tiers have shown relatively robust YoY HPA from the slowest at 2.9% (med high) to the fastest at 4.0% (high)." – Edward Pinto, Senior Fellow and Director and Tobias Peter, Research Fellow and Assistant Director, AEI Housing Center

Source: https://www.aei.org/research-products/report/aei-housing-market-indicators-march-2025; 4/1/25

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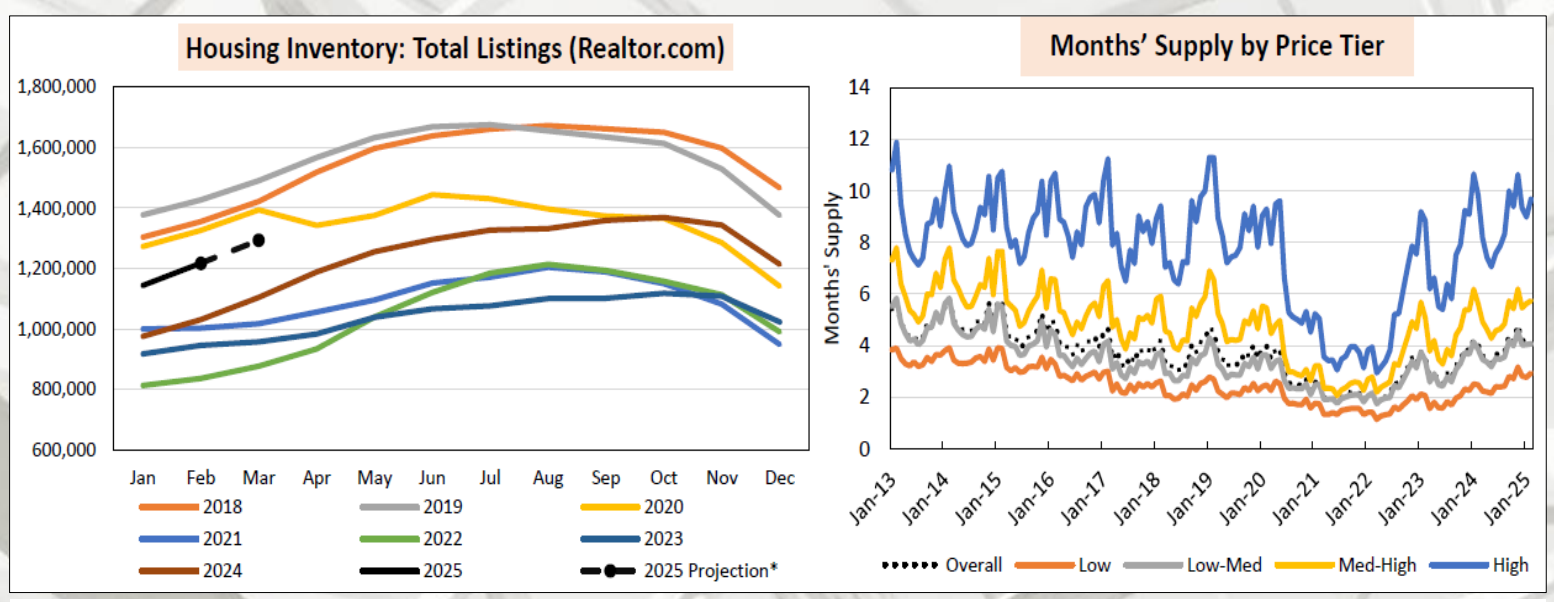

*Projected total listings are based on average Altos weekly listings through the week ending February 28th, 2025..
Source: Realtor.com, Zillow, and AEI Housing Center, www.AEI.org/housing

AEI Housing Center: Housing Inventory and Months' Supply

"The relatively strong seller's market continued in February 2025 despite months' remaining supply growing by 0.1 months from Jan. 2025 to 4.3 months (not seasonally adjusted). Month's supply remains just below pre pandemic levels (the average for Feb. 2018, 2019, and 2020 was 4.2 months).

- Compared to Jan. 2025, months' remaining supply grew in Feb. 2025. Although inventory was up 18.1% from February 2024, it is still 8.2% below Feb. 2020, the "last normal" pre pandemic Feb. reading (left panel).
    - The projection for March suggests that inventory is expected to increase by 6.3% over the prior month. This would place March 2025 inventory 13.2% below March 2019.*
- Months' supply stood at 4.3 months in Feb. 2025, up from 4.2 months in Jan. 2025, and up from 4.0 months a year ago (right panel). YoY HPA was 3.2% in Feb. 2025, compared to 6.4% in Jan. 2020. This level is indicative of a relatively robust seller's market. Relatively tight inventory helps explain the relatively robust YoY HPA.
- Based on an analysis of historical data, a 6 8 months' supply represents a national market that is at a nominal price equilibrium or neutral point and would need to increase to 8-9 months to trigger a national YoY decline in home price appreciation." – Edward Pinto, Senior Fellow and Director and Tobias Peter, Research Fellow and Assistant Director, AEI Housing Center

Source: https://www.aei.org/research-products/report/aei-housing-market-indicators-march-2025; 4/1/25

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U.S. Housing Finance

Mortgage Bankers Association

Mortgage Credit Availability Increased in March

"Mortgage credit availability increased in March according to the Mortgage Credit Availability Index (MCAI), a report from the Mortgage Bankers Association (MBA) that analyzes data from ICE Mortgage Technology.

The MCAI rose by 2.5 percent to 102.9 in March. A decline in the MCAI indicates that lending standards are tightening, while increases in the index are indicative of loosening credit. The index was benchmarked to 100 in March 2012. The Conventional MCAI increased 4.7 percent, while the Government MCAI decreased by 0.1 percent. Of the component indices of the Conventional MCAI, the Jumbo MCAI increased by 6.6 percent, and the Conforming MCAI rose by 0.2 percent.

"Mortgage credit availability increased to its highest level since January 2023, driven by growth in cash-out refinance programs, as recent mortgage rate volatility has opened the door for some borrowers to refinance. The credit supply growth was primarily in conventional programs, with jumbo availability at its highest in five years. Government credit availability was essentially unchanged over the month. Additionally, non-QM credit availability continues to grow."" – Joel Kan, Associate Vice President of Economic and Industry Forecasting; MBA

Source: https://www.mba.org/news-and-research/newsroom/news/2025/04/08/mortgage-credit-availability-increased-in-march; 4/08/25

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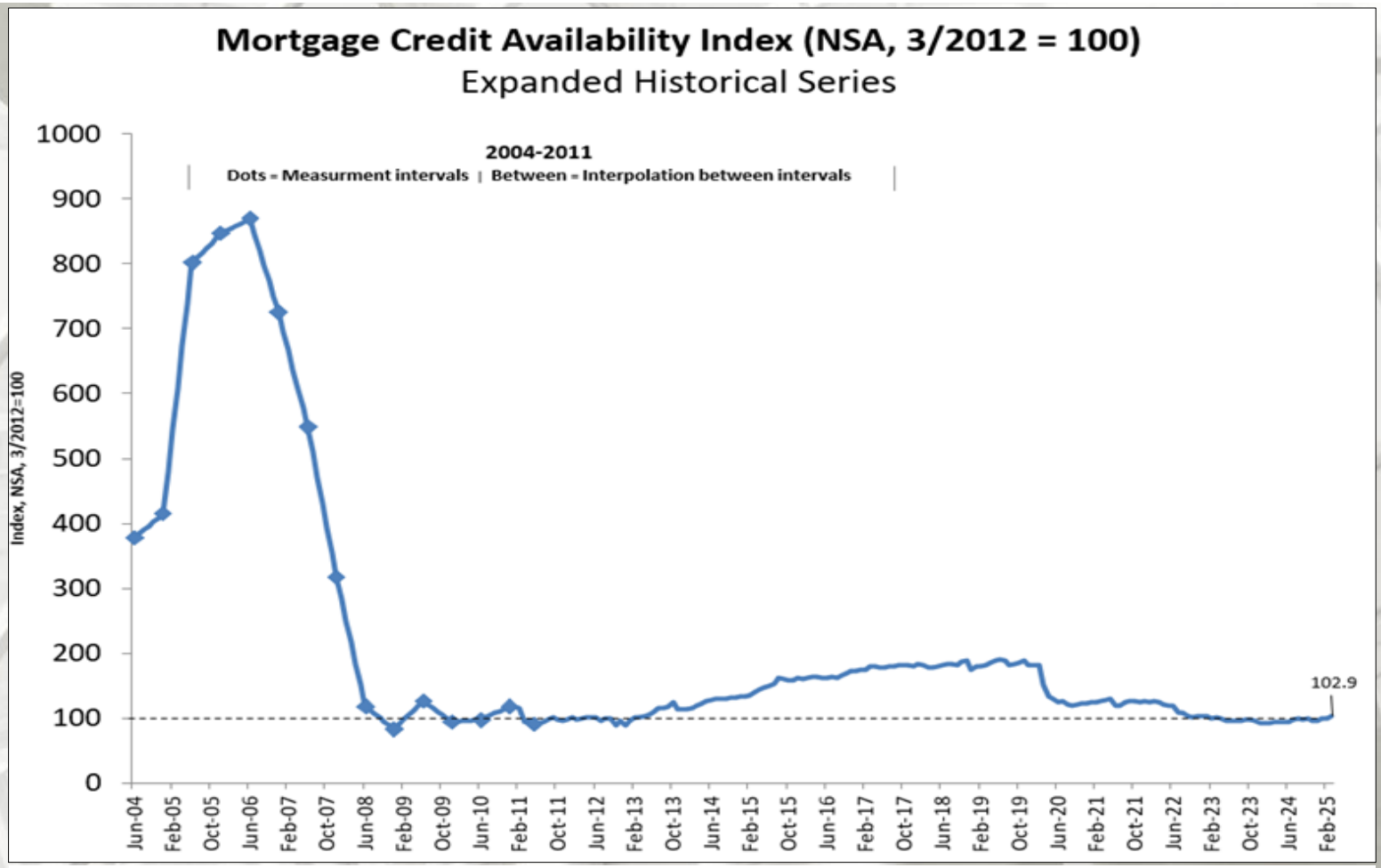
U.S. Housing Finance
Mortgage Credit Availability (MBA)



Source: *Mortgage Bankers Association; Powered by ICE Mortgage Technology*

Source: https://www.mba.org/news-and-research/newsroom/news/2025/04/08/mortgage-credit-availability-increased-in-march; 4/08/25

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MBA Mortgage Finance Forecast

MBA Mortgage Finance Forecast

April 11, 2025

	2024				2025				2026							
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2024	2025	2026	2027
Housing Measures																
Housing Starts (SAAR, Thous)	1,407	1,340	1,332	1,392	1,428	1,387	1,327	1,309	1,331	1,366	1,397	1,405	1,368	1,363	1,375	1,427
Single-Family	1,062	1,004	971	1,018	1,054	1,023	993	988	1,015	1,053	1,087	1,101	1,014	1,015	1,064	1,123
Two or More	345	336	361	374	373	364	334	321	316	313	310	304	354	348	311	304
Home Sales (SAAR, Thous)																
Total Existing Homes	4,200	4,050	3,890	4,163	4,178	4,160	4,287	4,409	4,398	4,421	4,475	4,533	4,076	4,259	4,457	4,585
New Homes	663	693	712	679	684	697	730	747	761	756	778	786	687	714	770	787
FHFA US House Price Index (YOY % Change)	6.8	5.9	4.6	4.5	3.4	2.9	2.0	1.3	0.8	0.5	0.4	0.3	4.5	1.3	0.3	0.3
Median Price of Total Existing Homes (Thous $)	385.1	416.9	414.1	408.2	408.5	415.2	416.8	409.3	411.5	418.3	417.2	412.8	406	412	415	416
Median Price of New Homes (Thous $)	429.2	414.5	420.5	424.2	425.2	428.5	427.5	415.3	424.2	427.6	428.2	424.8	422	424	426	431
Interest Rates																
30-Year Fixed Rate Mortgage (%)	6.7	7.0	6.5	6.6	6.8	7.0	6.8	6.7	6.6	6.6	6.5	6.4	6.6	6.7	6.4	6.4
10-Year Treasury Yield (%)	4.2	4.4	3.9	4.3	4.5	4.5	4.4	4.4	4.3	4.3	4.3	4.3	4.3	4.4	4.3	4.3
Mortgage Originations																
Total 1- to 4-Family (Bil $)	377	429	479	494	384	549	586	558	550	628	609	573	1,779	2,076	2,360	2,455
Purchase	291	336	357	304	272	367	384	361	347	423	415	378	1,288	1,383	1,563	1,681
Refinance	86	93	122	190	112	182	202	197	203	205	194	195	491	693	797	774
Refinance Share (%)	23	22	25	38	29	33	34	35	37	33	32	34	28	33	34	32
FHA Originations (Bil $)													204	212	241	227
Total 1- to 4-Family (000s loans)	1,076	1,203	1,343	1,427	1,068	1,533	1,636	1,556	1,539	1,732	1,674	1,585	5,050	5,793	6,531	6,726
Purchase	773	880	924	780	690	924	963	902	866	1,054	1,033	941	3,356	3,479	3,894	4,174
Refinance	303	323	419	647	378	609	673	654	673	678	641	644	1,693	2,314	2,637	2,553
Refinance Share (%)	28	27	31	45	35	40	41	42	44	39	38	41	34	40	40	38
Mortgage Debt Outstanding																
1- to 4-Family (Bil $)	13,997	14,105	14,216	14,322	14,406	14,498	14,590	14,680	14,766	14,865	14,961	15,050	14,322	14,680	15,050	15,399

Notes:

As of the August 2024 forecast, 2023 origination volume was revised based on the 2023 Home Mortgage Disclosure Act data.

Total 1-to-4-family originations and refinance share are MBA estimates. These exclude second mortgages and home equity loans.

Mortgage rate forecast is based on Freddie Mac's 30-Yr fixed rate which is based on predominantly home purchase transactions.

The 10-Year Treasury Yield and 30-Yr mortgage rate are the average for the quarter, but annual columns show Q4 values.

The FHFA US House Price Index is the forecasted year over year percent change of the FHFA Purchase-Only House Price Index.

MBA

MORTGAGE BANKERS ASSOCIATION

Source: https://www.mba.org/news-and-research/forecasts-and-commentary/; 4/14/25

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MBA Economic Forecast

MBA Economic Forecast

April 11, 2025

	2024				2025				2026							
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2024	2025	2026	2027
Percent Change, SAAR																
Real Gross Domestic Product	1.6	3.0	3.1	2.4	0.2	0.4	-0.1	0.7	1.0	1.2	1.4	1.5	2.5	0.3	1.3	1.7
Personal Consumption Expenditures	1.9	2.8	3.7	4.0	0.5	0.8	0.1	0.1	0.0	0.5	0.8	1.2	3.1	0.4	0.6	2.3
Business Fixed Investment	4.5	3.9	4.0	-3.0	9.4	-3.1	-4.4	-3.5	-3.1	-0.5	-0.4	0.0	2.4	-0.4	-1.0	0.8
Residential Investment	13.7	-2.8	-4.3	5.5	3.9	-0.9	-4.9	-2.5	-0.8	2.9	6.4	6.0	3.0	-1.1	3.6	3.0
Govt. Consumption & Investment	1.8	3.1	5.1	3.1	-0.4	-1.4	-0.8	-0.2	0.0	0.0	0.0	-0.2	3.2	-0.7	0.0	-0.2
Net Exports (Bil. Chain 2012$)	-977.0	-1035.7	-1069.2	-1052.7	-1232.2	-1177.8	-1080.5	-1001.8	-930.6	-878.1	-846.5	-825.5	-1033.6	-1123.1	-870.2	-834.1
Inventory Investment (Bil. Chain 2012$)	17.7	71.7	57.9	8.9	82.6	64.6	32.8	42.1	64.1	66.7	74.1	80.9	39.0	55.5	71.4	89.6
Consumer Prices (YOY)	3.2	3.2	2.7	2.7	2.8	3.1	3.8	4.0	3.7	3.2	3.1	3.1	2.7	4.0	3.1	2.0
Percent																
Unemployment Rate	3.8	4.0	4.2	4.2	4.1	4.4	4.9	5.0	5.0	5.1	4.9	4.7	4.0	4.6	4.9	4.6
Federal Funds Rate	5.375	5.375	4.875	4.375	4.375	4.375	3.625	3.625	3.625	3.625	3.625	3.625	4.375	3.625	3.625	3.625
10-Year Treasury Yield	4.2	4.4	3.9	4.3	4.5	4.5	4.4	4.4	4.3	4.3	4.3	4.3	4.3	4.4	4.3	4.3

Notes:

The Fed Funds Rate forecast is shown as the mid point of the Fed Funds range at the end of the period.

All data except interest rates are seasonally adjusted

The 10-Year Treasury Yield is the average for the quarter, while the annual value is the Q4 value

Forecast produced with the assistance of the S&P ECONOSIM model

MBa

MORTGAGE BANKERS ASSOCIATION

Source: https://www.mba.org/news-and-research/forecasts-and-commentary/; 4/14/25

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Summary

In conclusion:

Housing data month-over-month were mostly positive and year-over-year negative. On a month-over-month basis total, single- and multi-family starts, single-family permits, single-family completions, new and existing house sales, and total and single-family construction spending were positive. Year-over-year, new house sales and total construction spending were positive. The influence of mortgage rates is evident, as aggregate costs have decreased affordability, and the "lock-in" effect have obfuscated sales.

Pros:

1) The desire to own a house remains positive.

Cons:

1) Mortgage interest rates and affordability;
2) Economic concerns and inflation;
3) The war in Ukraine and the Israel-Palestinian conflict, and other international concerns;
4) Lot availability and building regulations (according to several sources);
5) Labor shortages in many sectors;
6) Household formations still lag historical averages;
7) Job creation is improving and consistent, but some economists question the quantity and types of jobs being created;
8) Increasing debt: Corporate, personal, government – United States and globally;
9) Other global uncertainties.

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