

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



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Table of Contents

Slide 3: <u>Opening Remarks</u>	Slide 43: <u>Region SF House Sales & Price</u>
Slide 4: <u>Housing Scorecard</u>	Slide 46: <u>New SF House Sales x Category</u>
Slide 5: <u>New Housing Starts</u>	Slide 59: <u>Construction Spending</u>
Slide 12: <u>Regional Housing Starts</u>	Slide 62: <u>Construction Spending Shares</u>
Slide 18: <u>New Housing Permits</u>	Slide 65: <u>Remodeling</u>
Slide 20: <u>Regional New Housing Permits</u>	Slide 69: <u>Existing House Sales</u>
Slide 25: <u>Housing Under Construction</u>	Slide 74: <u>U.S. Housing Prices & Finance</u>
Slide 27: <u>Regional Under Construction</u>	Slide 84: <u>Mortgage Finance & Outlook</u>
Slide 32: <u>Housing Completions</u>	Slide 89: <u>Summary</u>
Slide 34: <u>Regional Housing Completions</u>	Slide 90: <u>Virginia Tech Disclaimer</u>
Slide 40: <u>New Housing Sales</u>	Slide 91: <u>USDA Disclaimer</u>
Slide 41: <u>New Single-Family House Sales</u>	

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<http://woodproducts.sbio.vt.edu/housing-report>.

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

Opening Remarks

Housing data month-over-month and year-over-year were mostly negative. On a month-over-month basis total and multi-family permits, single-family completions, new house sales, and single-family construction spending were positive. New house sales costing less than \$399,000 outpaced higher priced categories for the first-time in several years. Year-over-year, total housing and multi-family starts, total and single-family housing completions, 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 May 15th Atlanta Fed GDPNow™ total residential investment spending forecast is 0.4% for Q2 2025. Quarterly log change for new private permanent site expenditures were projected at -0.2%; the improvement spending forecast was 5.6%; and the manufactured/mobile home expenditures projection was -1.0% (all: quarterly log change and at a seasonally adjusted annual rate).¹

This month’s commentary contains 2025 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.

March 2025

Housing Scorecard

		M/M		Y/Y
Housing Starts	▼	11.4%	▲	1.9%
Single-Family (SF) Starts	▼	14.2%	▼	9.7%
Multi-Family (MF) Starts*	▼	3.5%	▲	48.8%
Housing Permits	▲	0.5%	▼	1.2%
SF Permits	▼	2.5%	▼	1.1%
MF Permits*	▲	7.2%	▼	1.4%
Housing Under Construction	▼	1.3%	▼	15.2%
SF Under Construction	▼	1.6%	▼	8.7%
Housing Completions	▼	2.1%	▲	3.9%
SF Completions	▲	0.9%	▲	9.6%
New SF House Sales	▲	7.4%	▲	6.0%
Private Residential Construction Spending	▼	0.4%	▲	2.8%
SF Construction Spending	▲	0.1%	▼	0.8%
Existing House Sales ¹	▼	5.9%	▼	2.4%

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

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

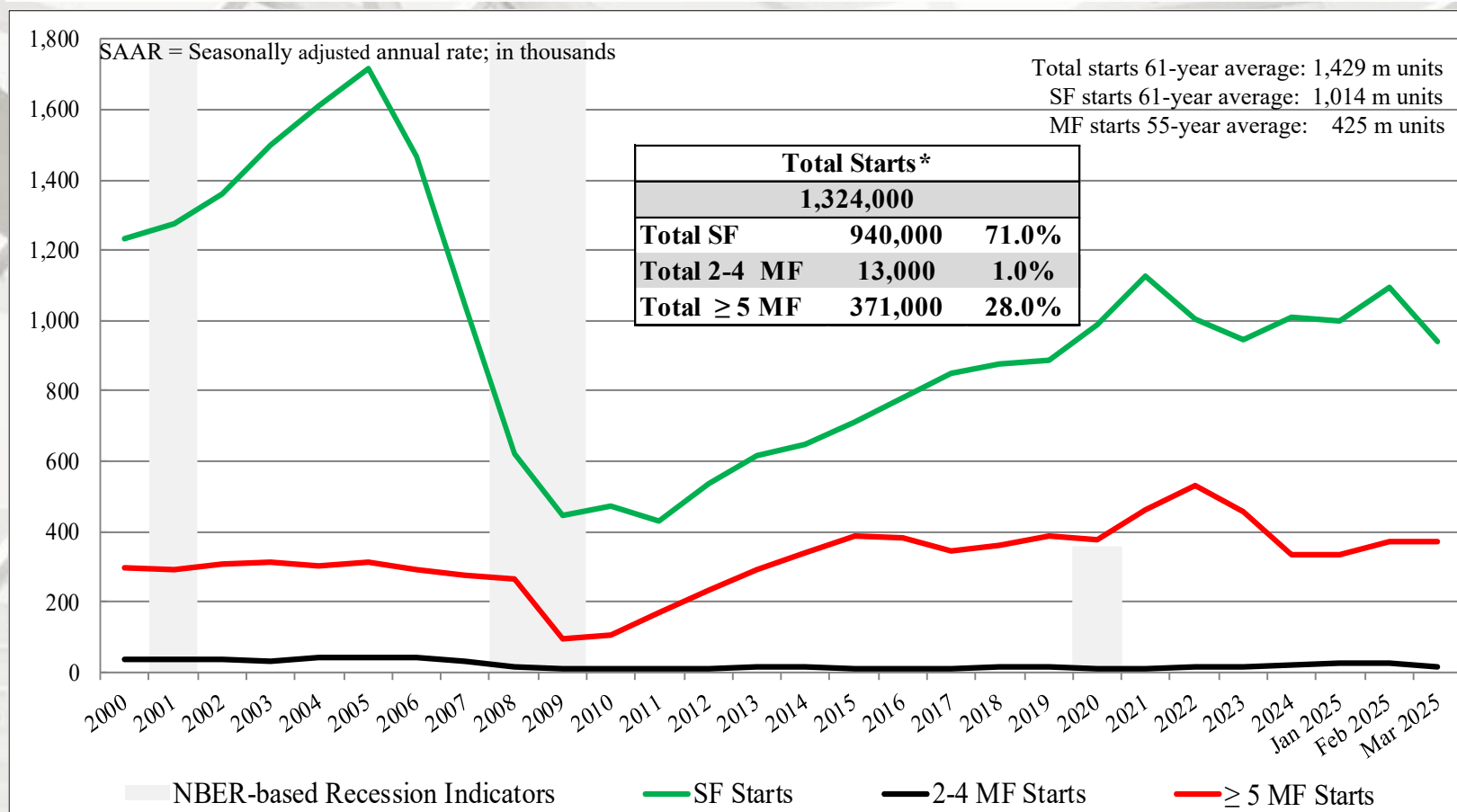
New Housing Starts

	Total Starts*	SF Starts	MF 2-4 Starts**	MF ≥5 Starts
March	1,324,000	940,000	13,000	371,000
February	1,494,000	1,096,000	27,000	371,000
2024	1,299,000	1,041,000	7,000	251,000
M/M change	-11.4%	-14.2%	-51.9%	0.0%
Y/Y change	1.9%	-9.7%	85.7%	47.8%

* 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)).

Total Housing Starts

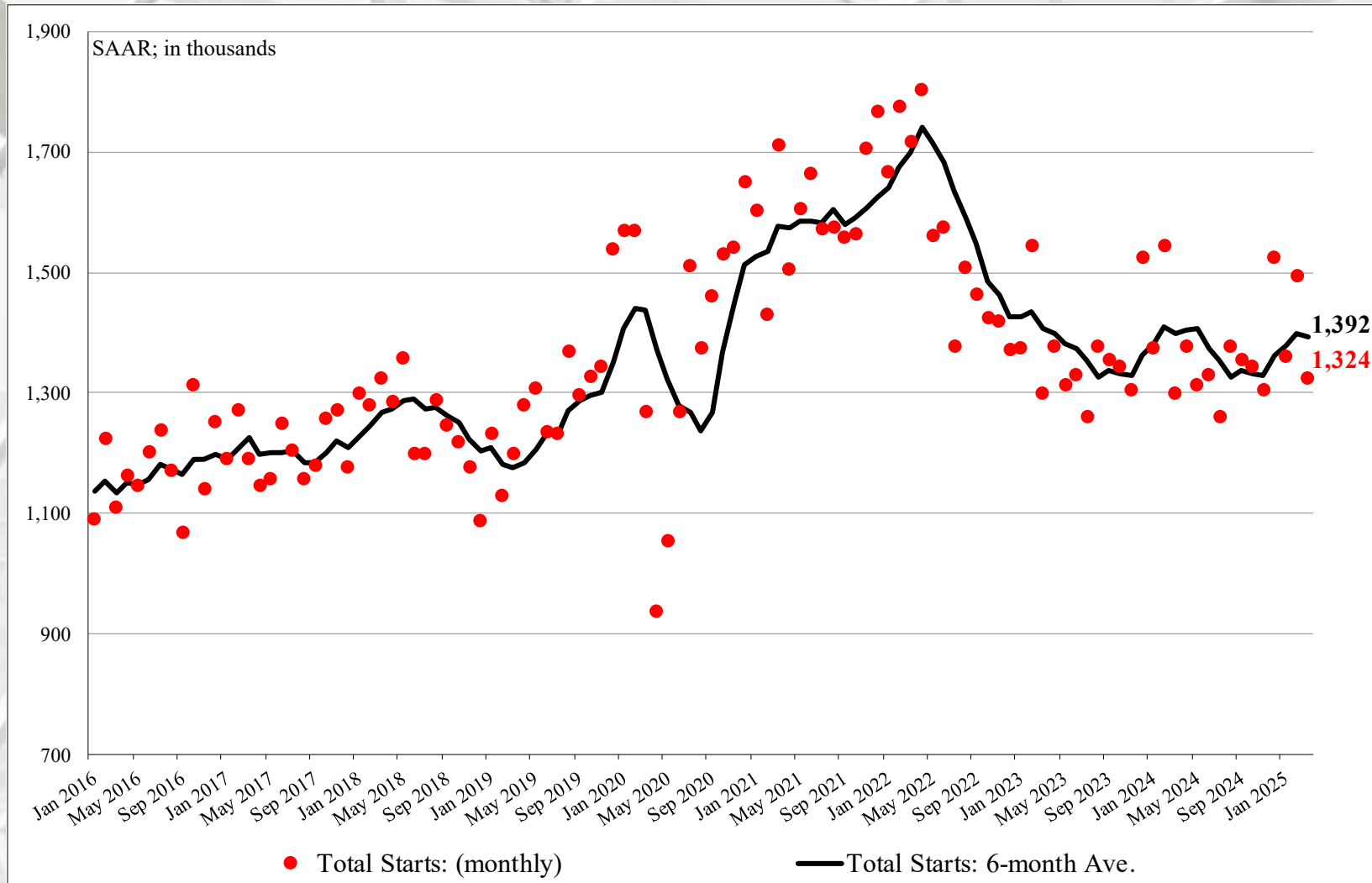


The US DOC does not report 2 to 4 multi-family starts directly; this is an estimation: (Total starts – (SF + 5-unit MF)).

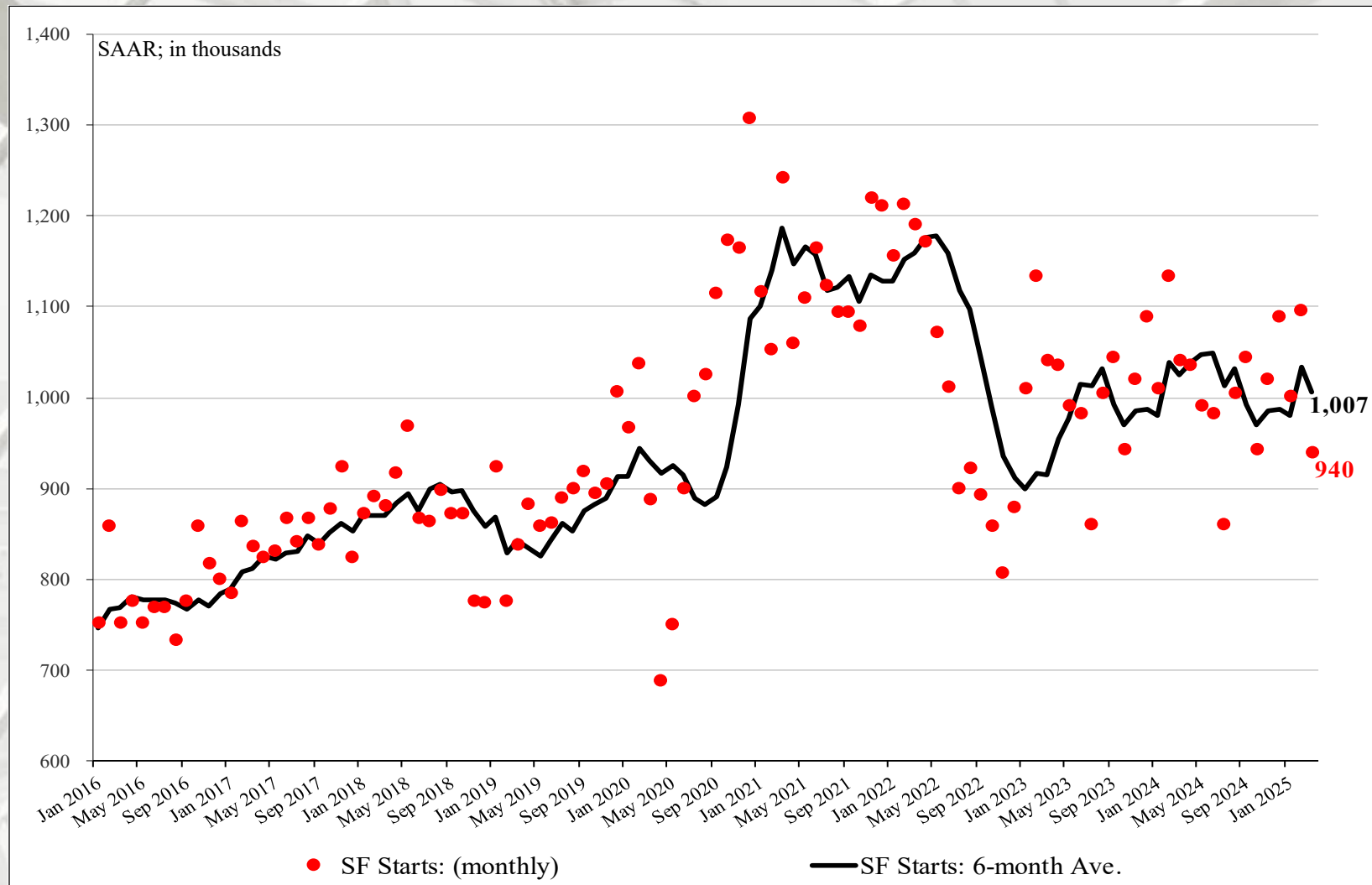
* Percentage of total starts.

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

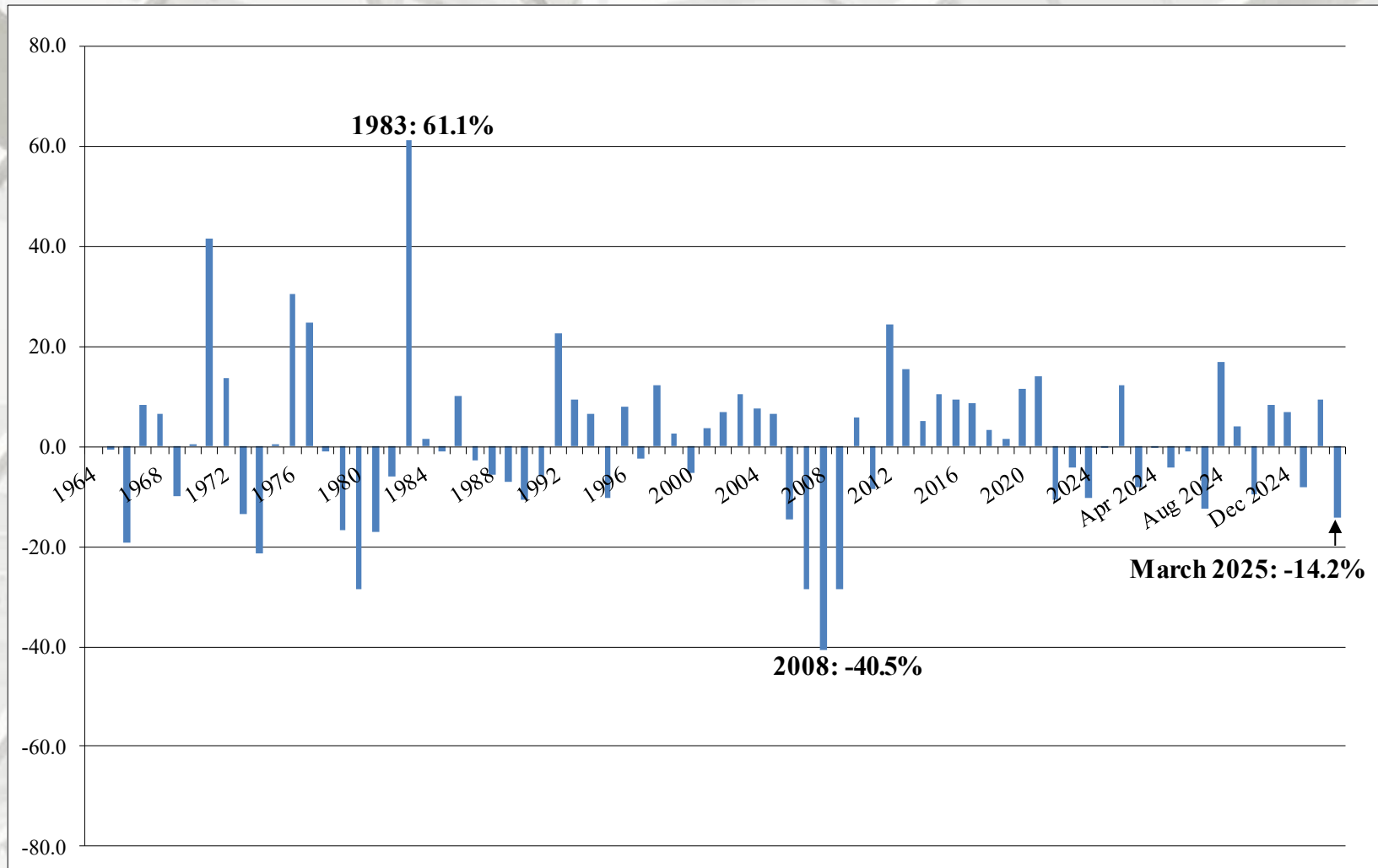
Total Housing Starts: Six-Month Moving Average



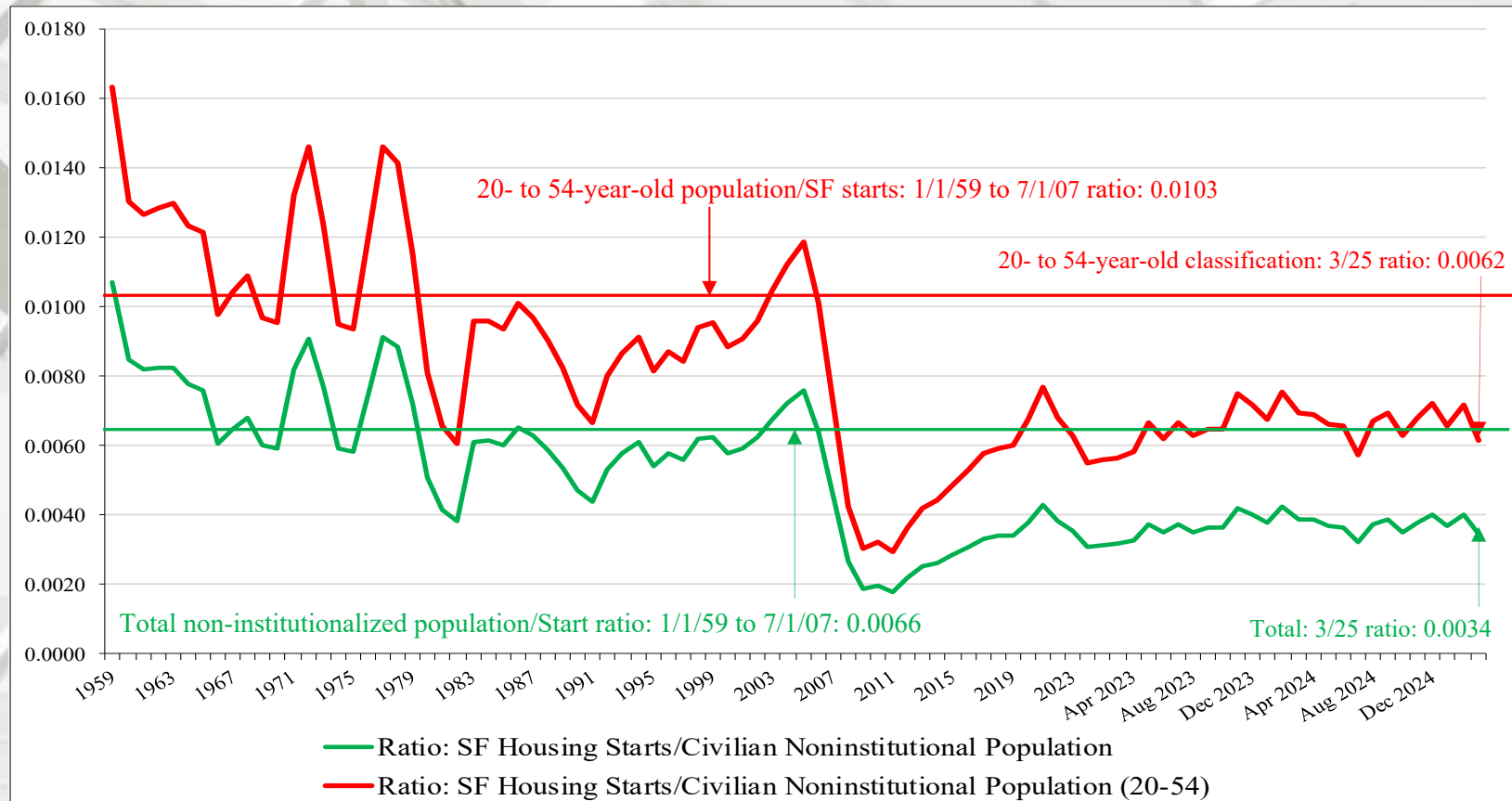
SF Housing Starts: Six-Month Moving Average



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



New SF Starts

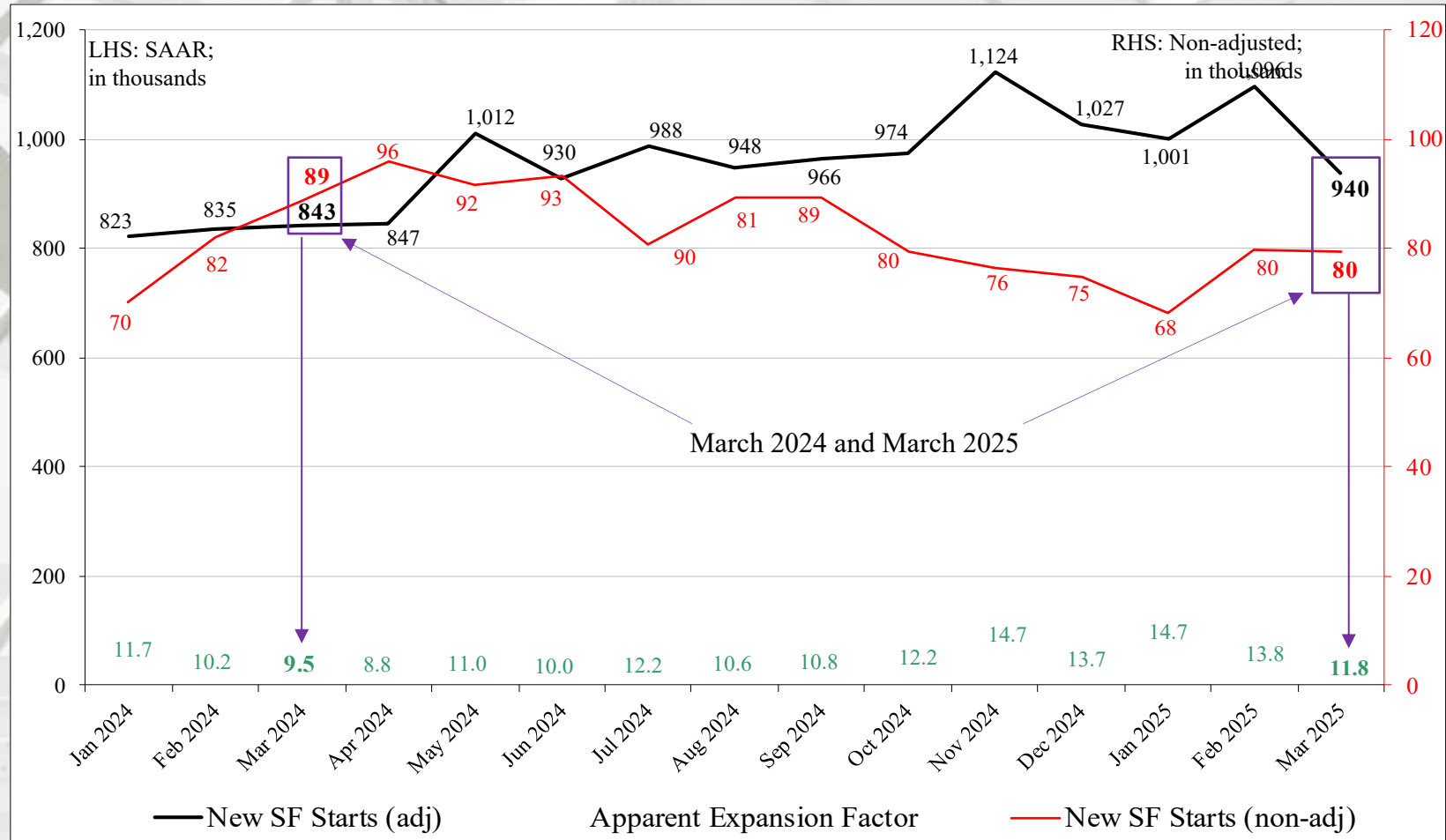


New SF starts adjusted for the US population

From March 1959 to March 2007, the long-term ratio of new SF starts to the total US non-institutionalized population is 0.0066. In March 2025 it was 0.0034 – a decrease from February (0.0040). The long-term ratio of non-institutionalized population, aged 20 to 54 is 0.0103; in March 2025 it was 0.0062 – also a decline from February (0.0072). 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.

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

New Housing Starts by Region

	NE Total	NE SF	NE MF**
March	140,000	66,000	74,000
February	138,000	89,000	49,000
2024	96,000	67,000	29,000
M/M change	1.4%	-25.8%	51.0%
Y/Y change	45.8%	-1.5%	155.2%
	MW Total	MW SF	MW MF
March	222,000	118,000	104,000
February	126,000	98,000	28,000
2024	154,000	135,000	19,000
M/M change	76.2%	20.4%	271.4%
Y/Y change	44.2%	-12.6%	447.4%

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).

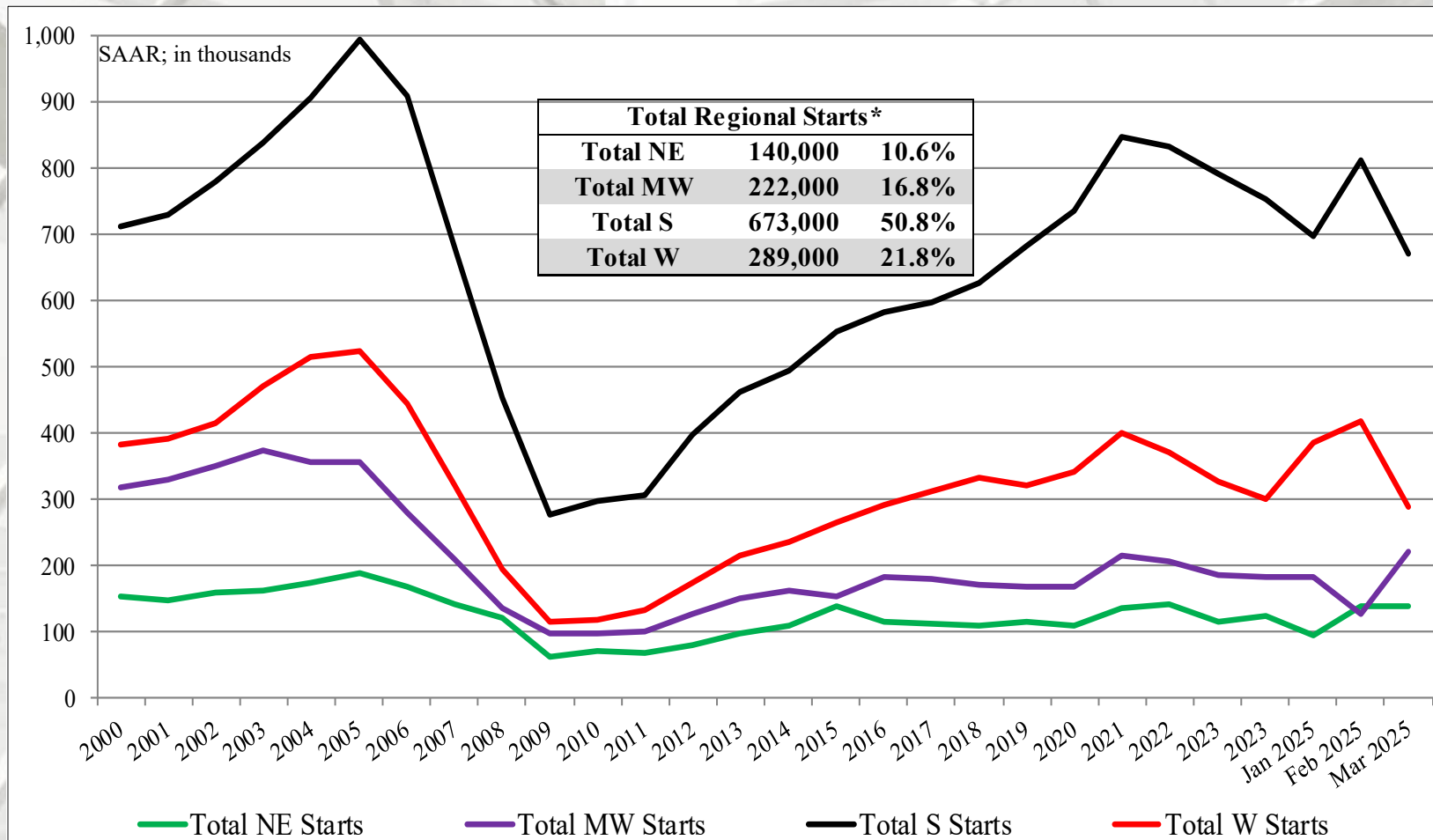
New Housing Starts by Region

	S Total	S SF	S MF**
March	673,000	524,000	149,000
February	812,000	636,000	176,000
2024	732,000	615,000	117,000
M/M change	-17.1%	-17.6%	-15.3%
Y/Y change	-8.1%	-14.8%	27.4%
	W Total	W SF	W MF
March	289,000	232,000	57,000
February	418,000	273,000	145,000
2024	317,000	224,000	93,000
M/M change	-30.9%	-15.0%	-60.7%
Y/Y change	-8.8%	3.6%	-38.7%

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).

New Housing Starts by Region

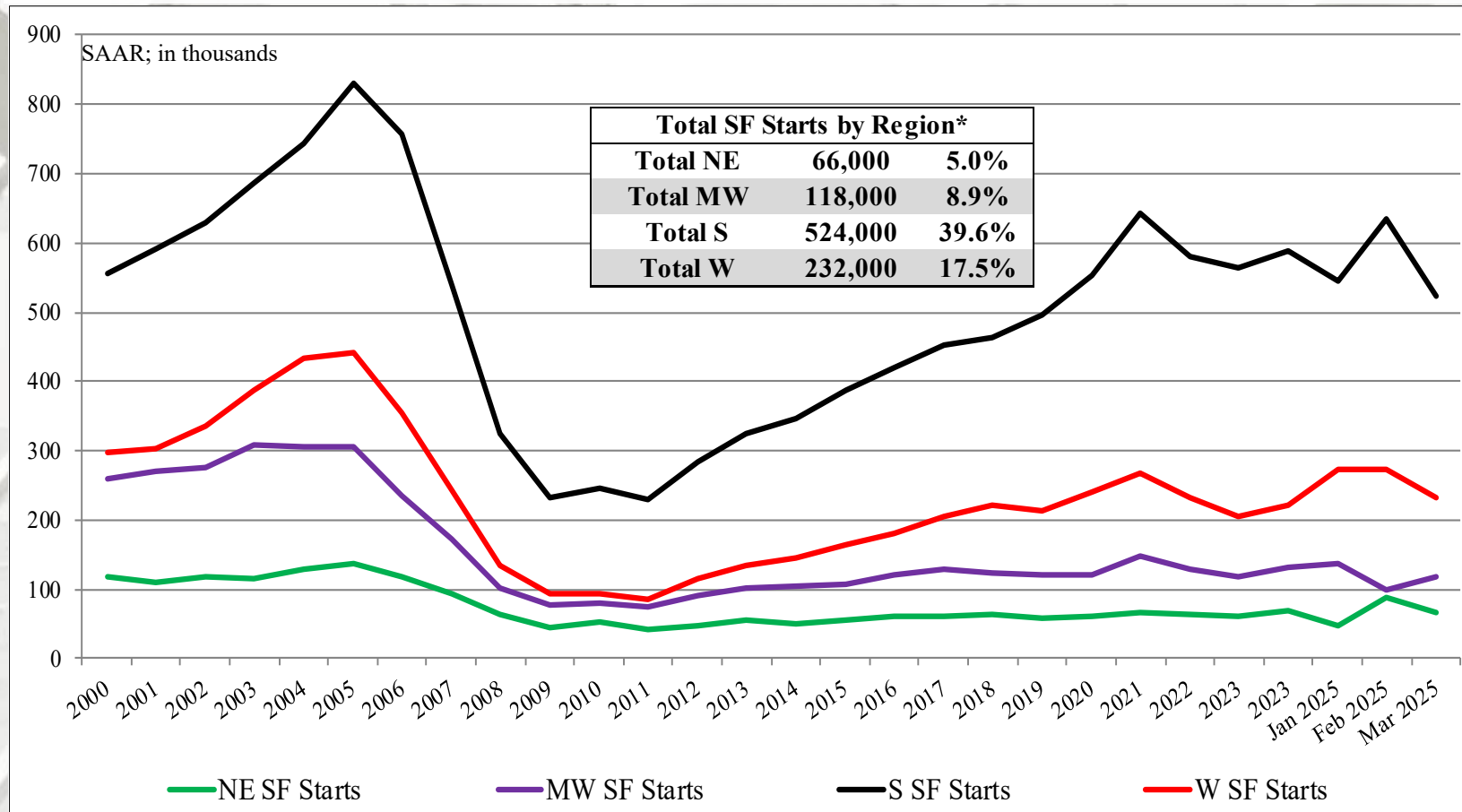


NE = Northeast, MW = Midwest, S = South, W = West

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.

Total SF Housing Starts by Region

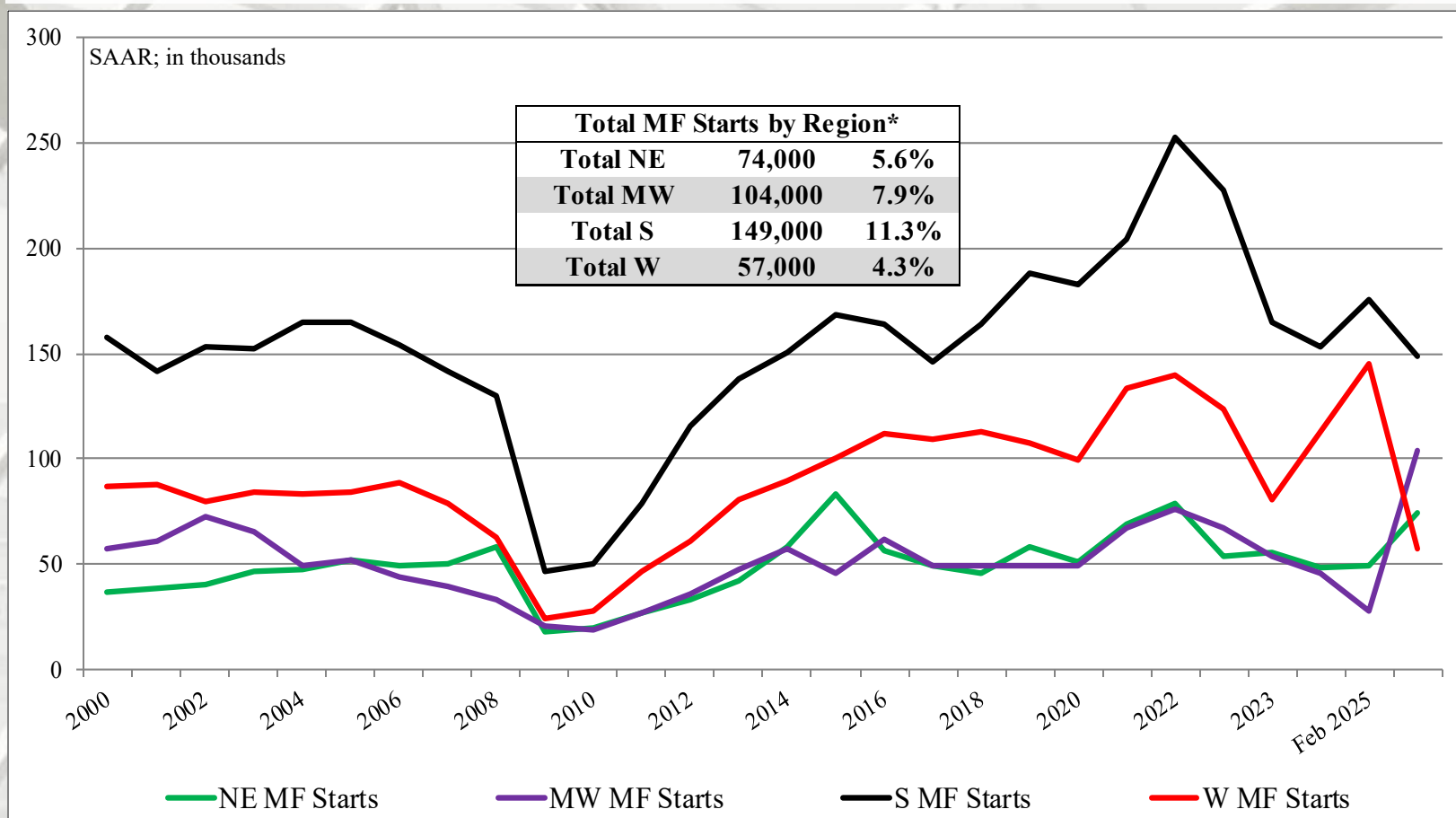


NE = Northeast, MW = Midwest, S = South, W = West

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.

MF Housing Starts by Region

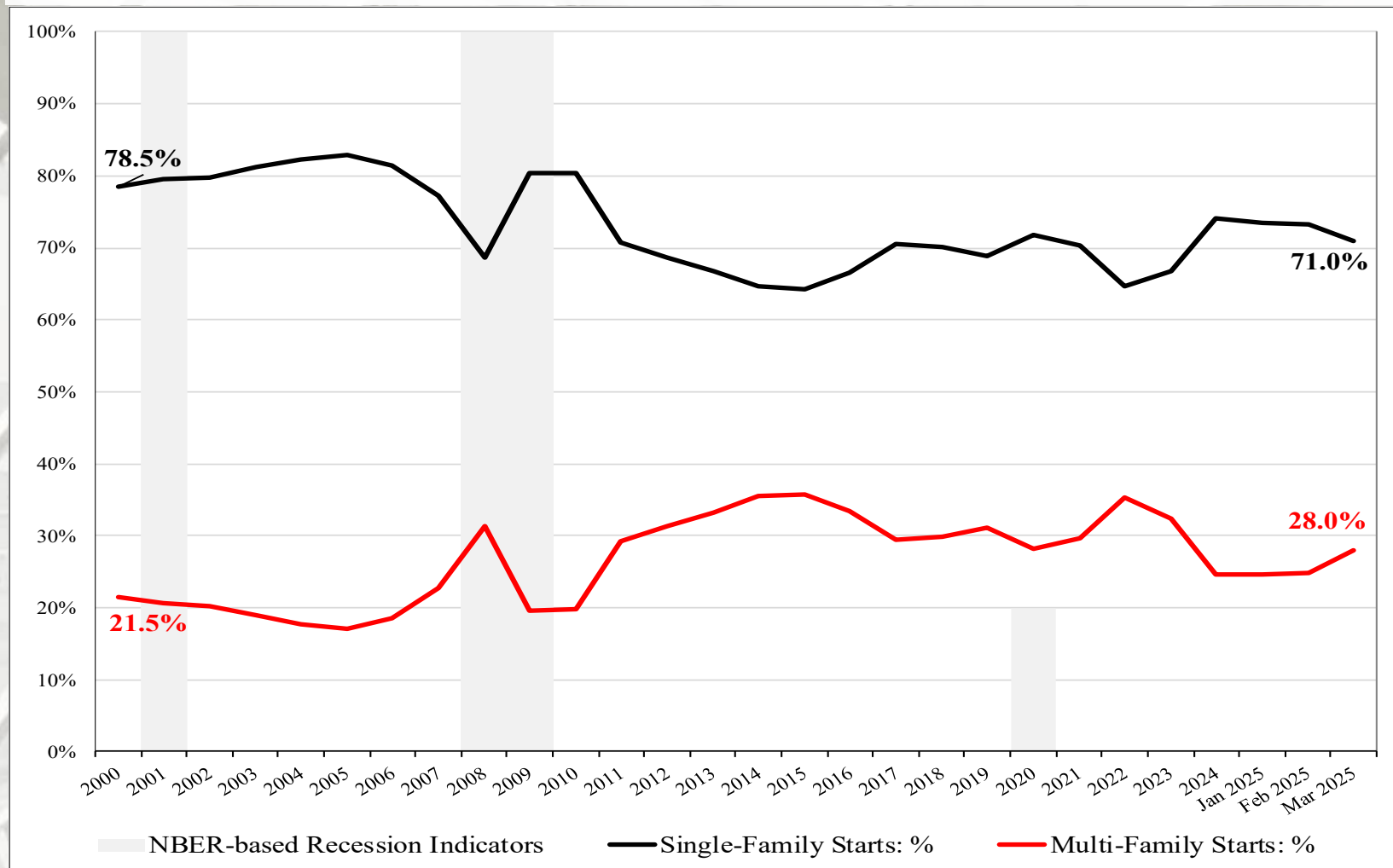


NE = Northeast, MW = Midwest, S = South, W = West

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.

SF vs. MF Housing Starts (%)



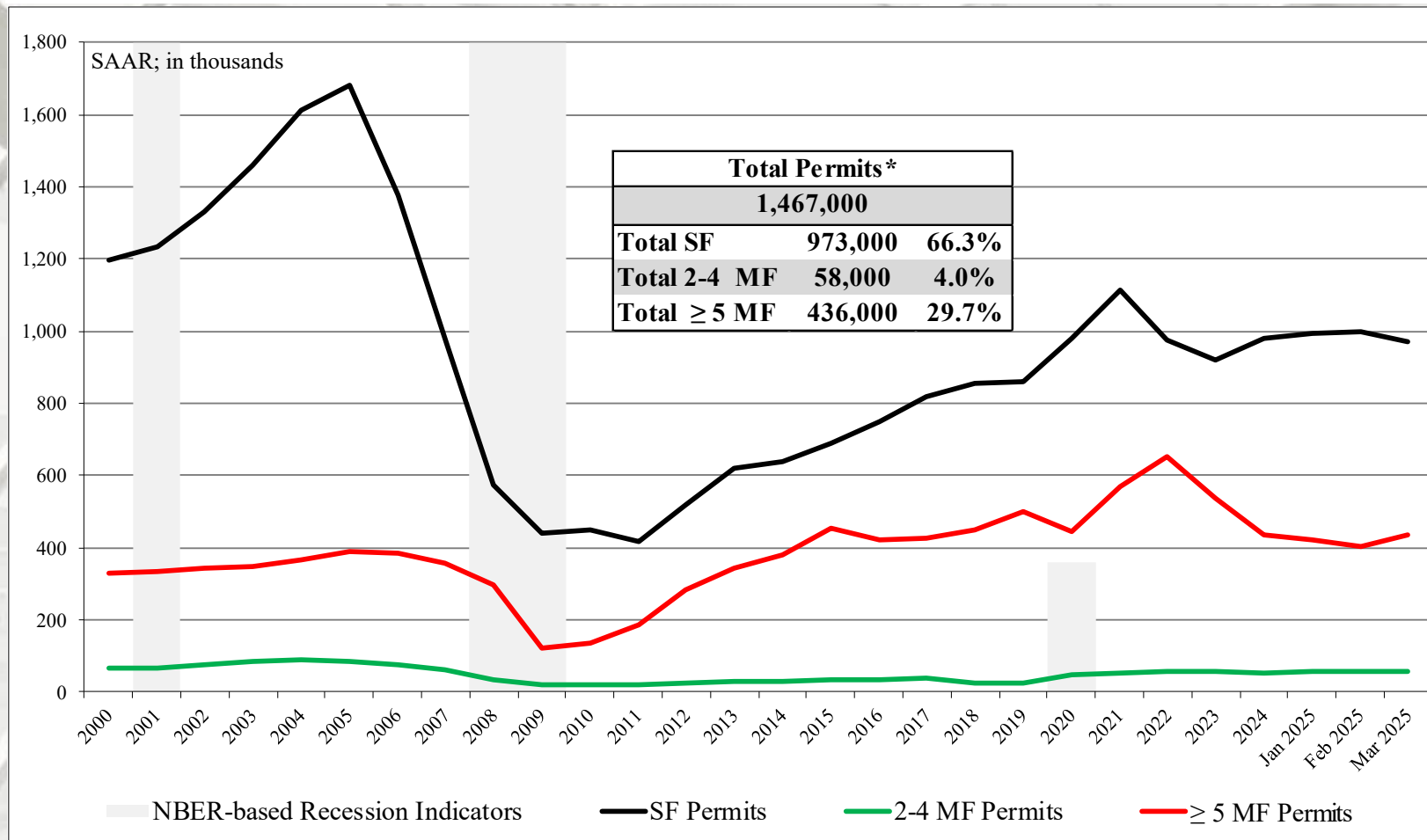
NBER based Recession Indicator Bars for the United States from the Period following the Peak through the Trough (FRED, St. Louis).

New Housing Permits

	Total Permits*	SF Permits	MF 2-4 unit Permits	MF ≥ 5 unit Permits
March	1,467,000	973,000	58,000	436,000
February	1,459,000	998,000	57,000	404,000
2024	1,485,000	984,000	52,000	449,000
M/M change	0.5%	-2.5%	1.8%	7.9%
Y/Y change	-1.2%	-1.1%	11.5%	-2.9%

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

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).

New Housing Permits by Region

	NE Total*	NE SF	NE MF**
March	120,000	70,000	50,000
February	116,000	62,000	54,000
2024	146,000	56,000	90,000
M/M change	3.4%	12.9%	-7.4%
Y/Y change	-17.8%	25.0%	-44.4%
	MW Total*	MW SF	MW MF**
March	215,000	128,000	87,000
February	242,000	128,000	114,000
2024	204,000	133,000	71,000
M/M change	-11.2%	0.0%	-23.7%
Y/Y change	5.4%	-3.8%	22.5%

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/>; 4/23/25

Return TOC

New Housing Permits by Region

	S Total*	S SF	S MF**
March	821,000	570,000	251,000
February	806,000	593,000	213,000
2024	794,000	577,000	217,000
M/M change	1.9%	-3.9%	17.8%
Y/Y change	3.4%	-1.2%	15.7%
	W Total*	W SF	W MF**
March	311,000	205,000	106,000
February	295,000	215,000	80,000
2024	341,000	218,000	123,000
M/M change	5.4%	-4.7%	32.5%
Y/Y change	-8.8%	-6.0%	-13.8%

S = South; W = West

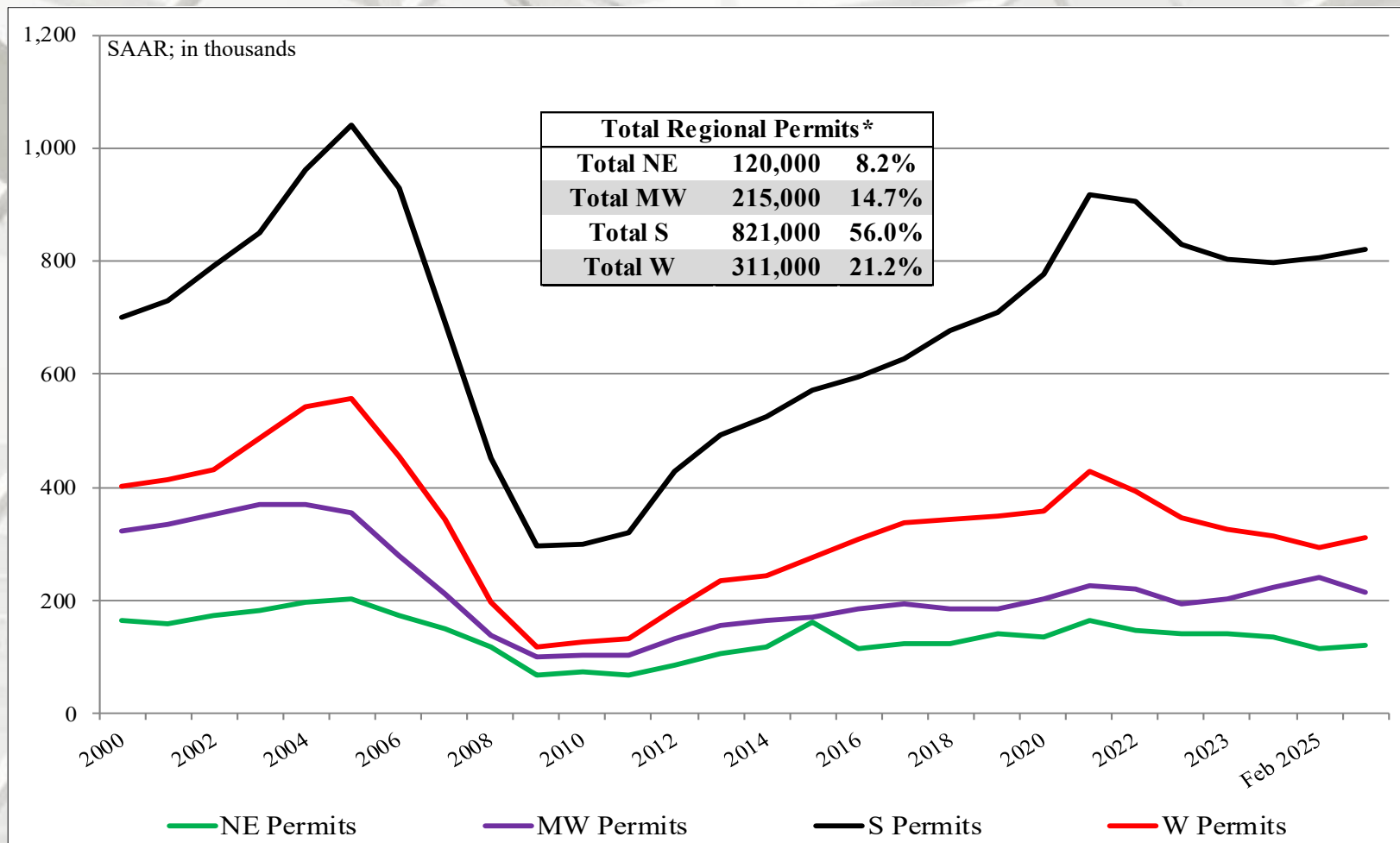
* All data are SAAR

** US DOC does not report multi-family permits directly; this is an estimation (Total permits – SF permits).

Source: <https://www.census.gov/construction/bps/>; 4/23/25

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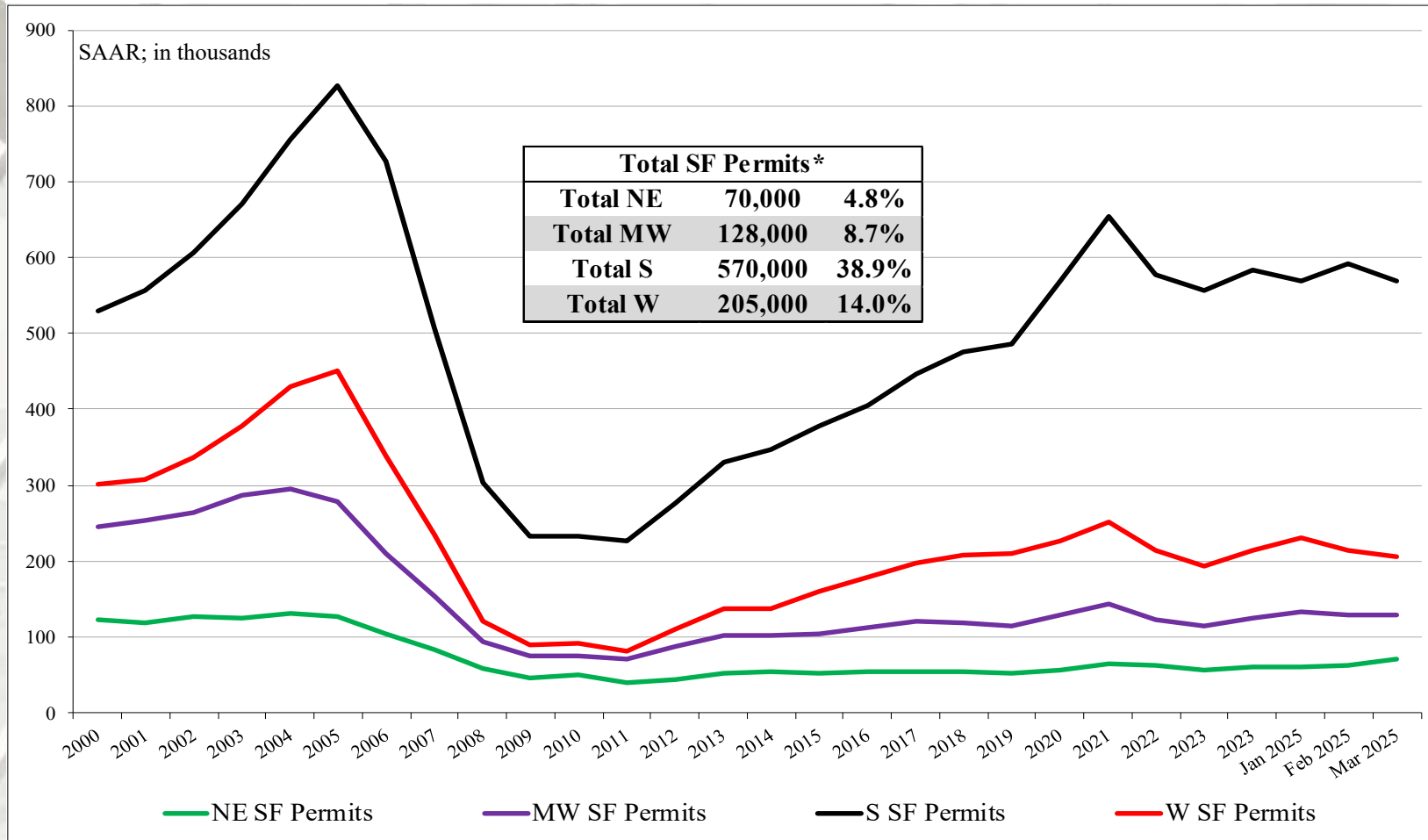
Total Housing Permits by Region



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

* Percentage of total permits.

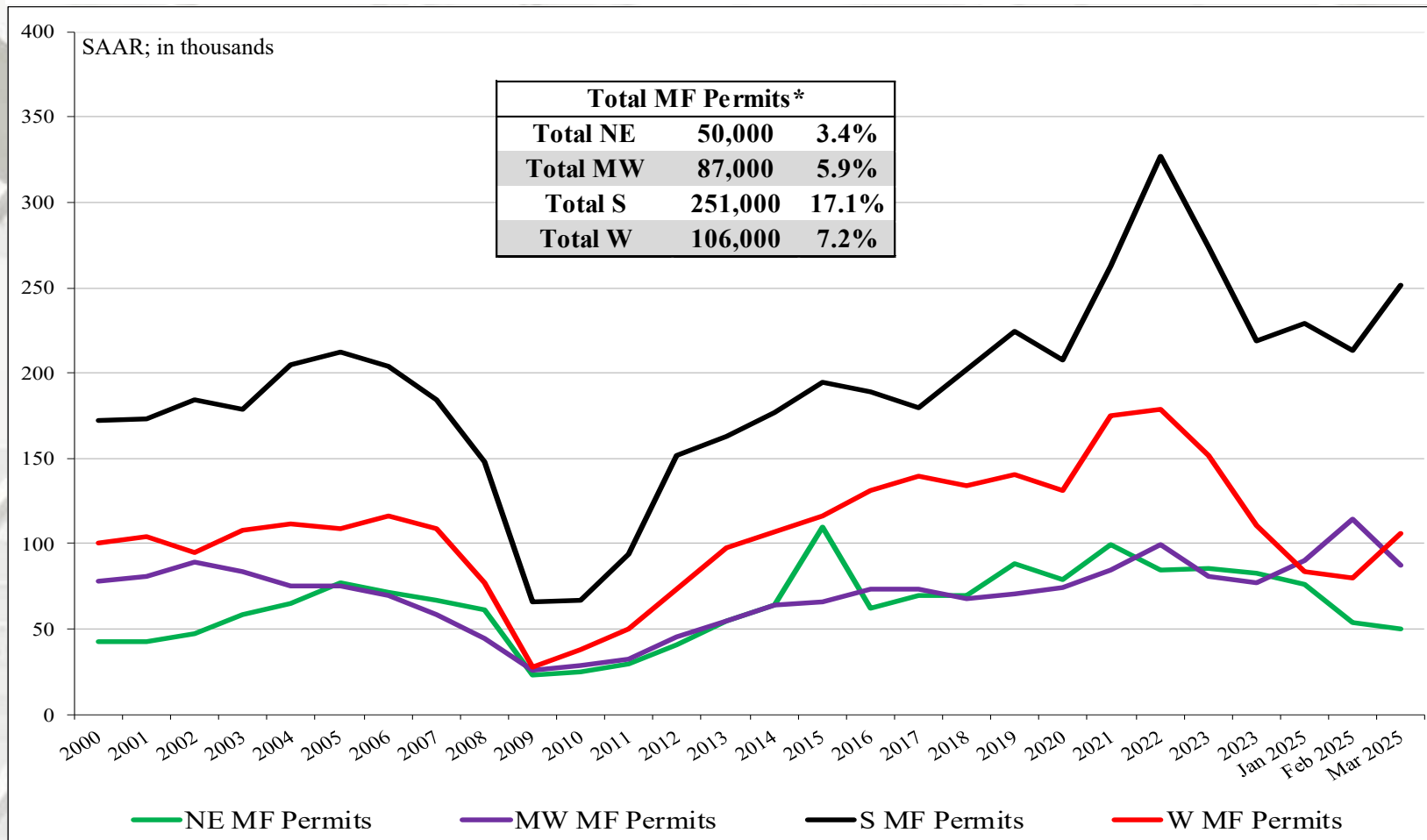
SF Housing Permits by Region



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

* Percentage of total permits.

MF Housing Permits by Region



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

* Percentage of total permits.

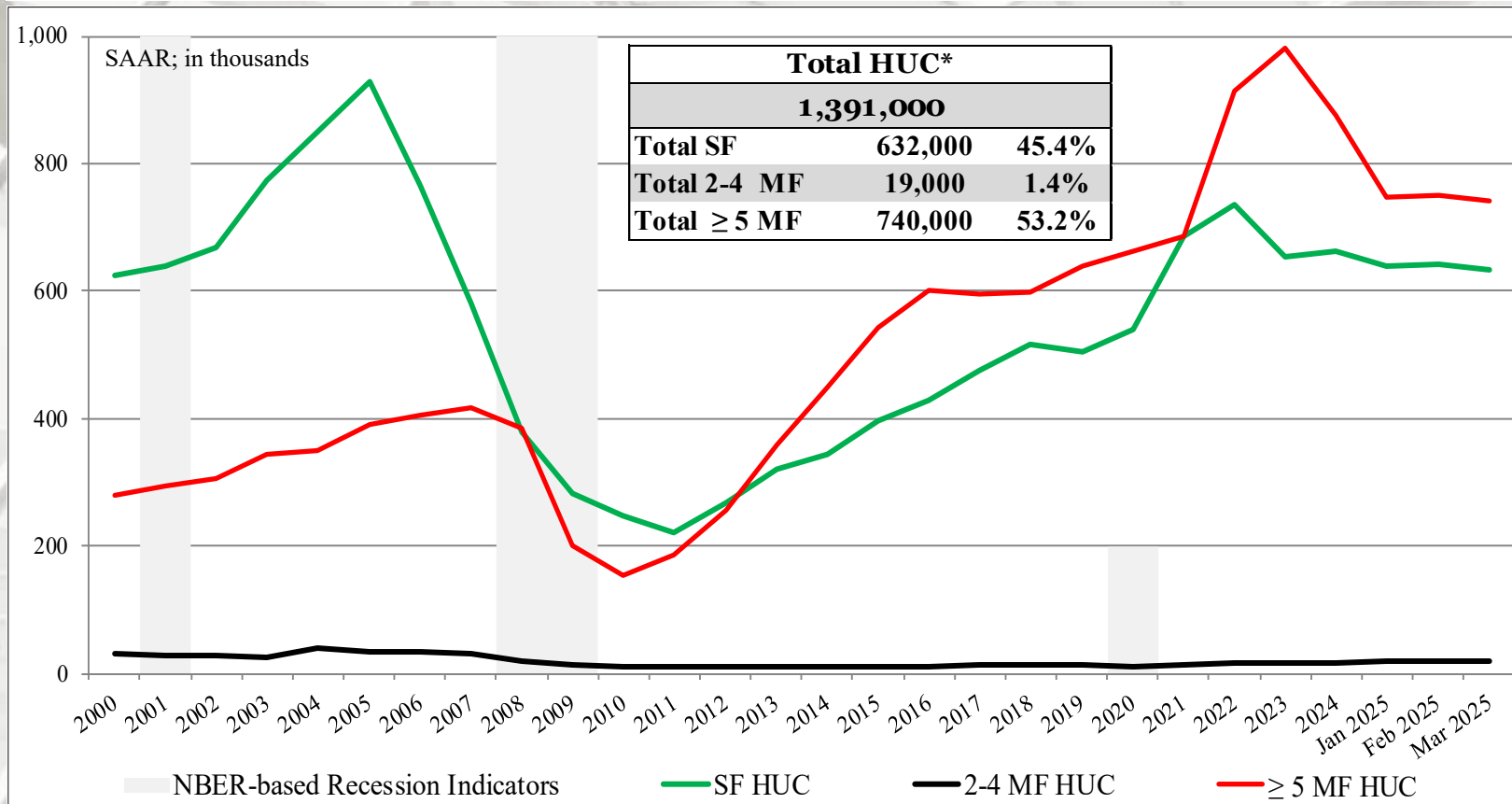
New Housing Under Construction (HUC)

	Total HUC	SF HUC	MF 2-4 unit** HUC	MF ≥ 5 unit HUC
March	1,391,000	632,000	19,000	740,000
February	1,410,000	642,000	19,000	749,000
2024	1,641,000	692,000	16,000	933,000
M/M change	-1.3%	-1.6%	0.0%	-1.2%
Y/Y change	-15.2%	-8.7%	18.8%	-20.7%

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)).

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).

New Housing Under Construction by Region

	NE Total	NE SF	NE MF**
March	213,000	63,000	150,000
February	214,000	63,000	151,000
2024	208,000	67,000	141,000
M/M change	-0.5%	0.0%	-0.7%
Y/Y change	2.4%	-6.0%	6.4%
	MW Total	MW SF	MW MF
March	183,000	85,000	98,000
February	180,000	85,000	95,000
2024	201,000	91,000	110,000
M/M change	1.7%	0.0%	3.2%
Y/Y change	-9.0%	-6.6%	-10.9%

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).

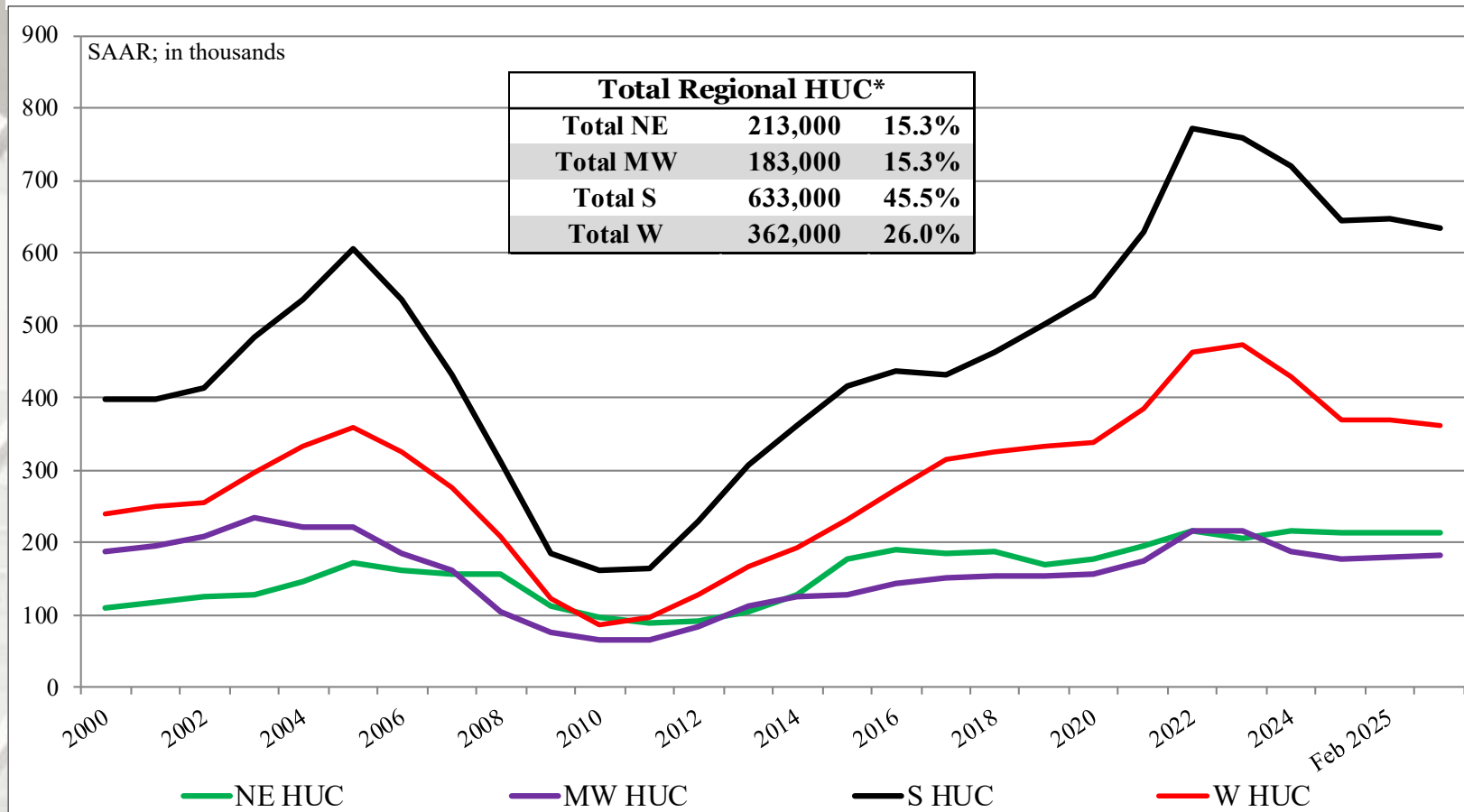
New Housing Under Construction by Region

	S Total	S SF	S MF**
March	633,000	321,000	312,000
February	648,000	331,000	317,000
2024	774,000	359,000	415,000
M/M change	-2.3%	-3.0%	-1.6%
Y/Y change	-18.2%	-10.6%	-24.8%
	W Total	W SF	W MF
March	362,000	163,000	199,000
February	368,000	163,000	205,000
2024	458,000	175,000	283,000
M/M change	-1.6%	0.0%	-2.9%
Y/Y change	-21.0%	-6.9%	-29.7%

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).

Total Housing Under Construction by Region

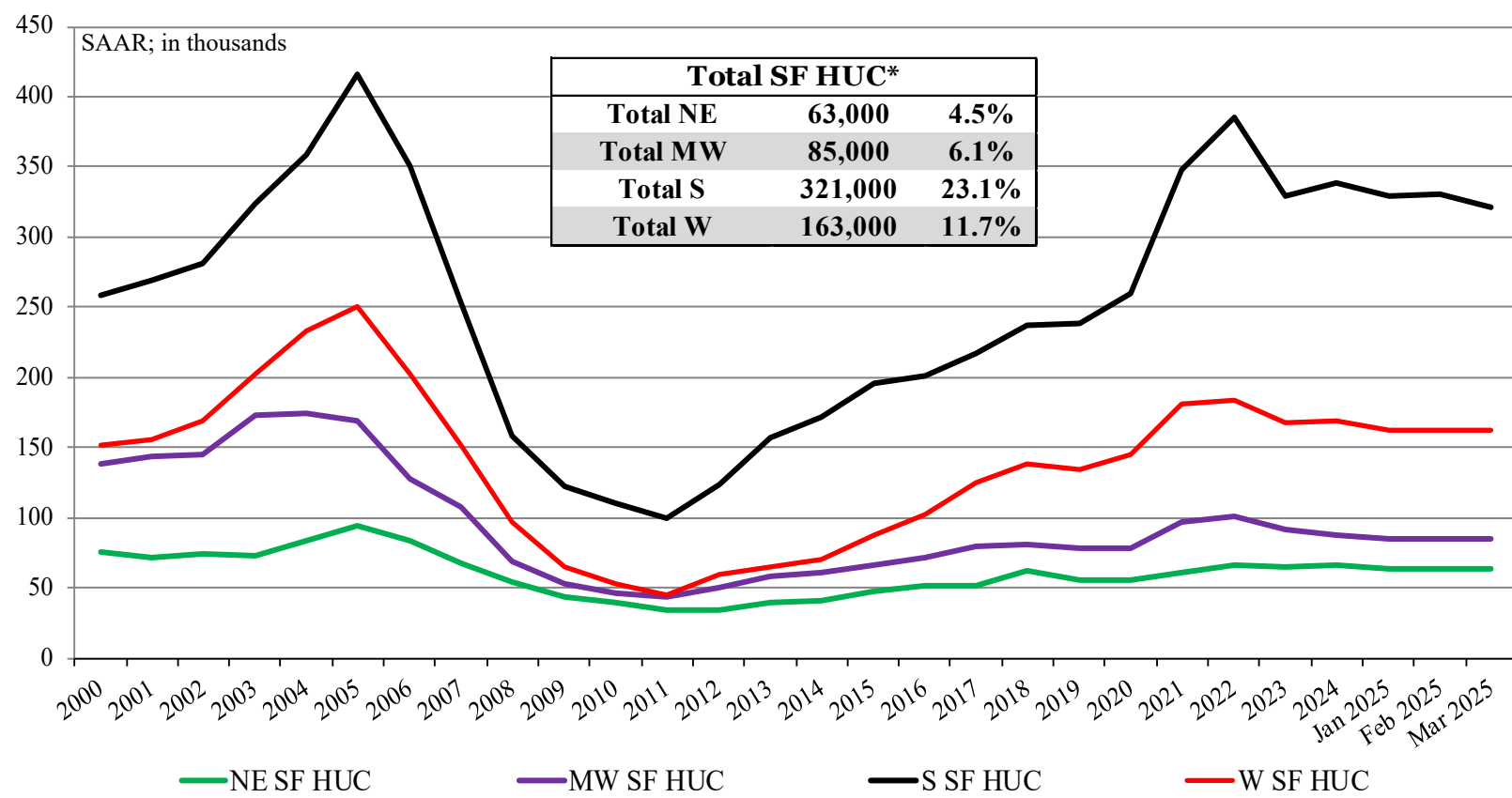


NE = Northeast, MW = Midwest, S = South, W = West

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.

SF Housing Under Construction by Region

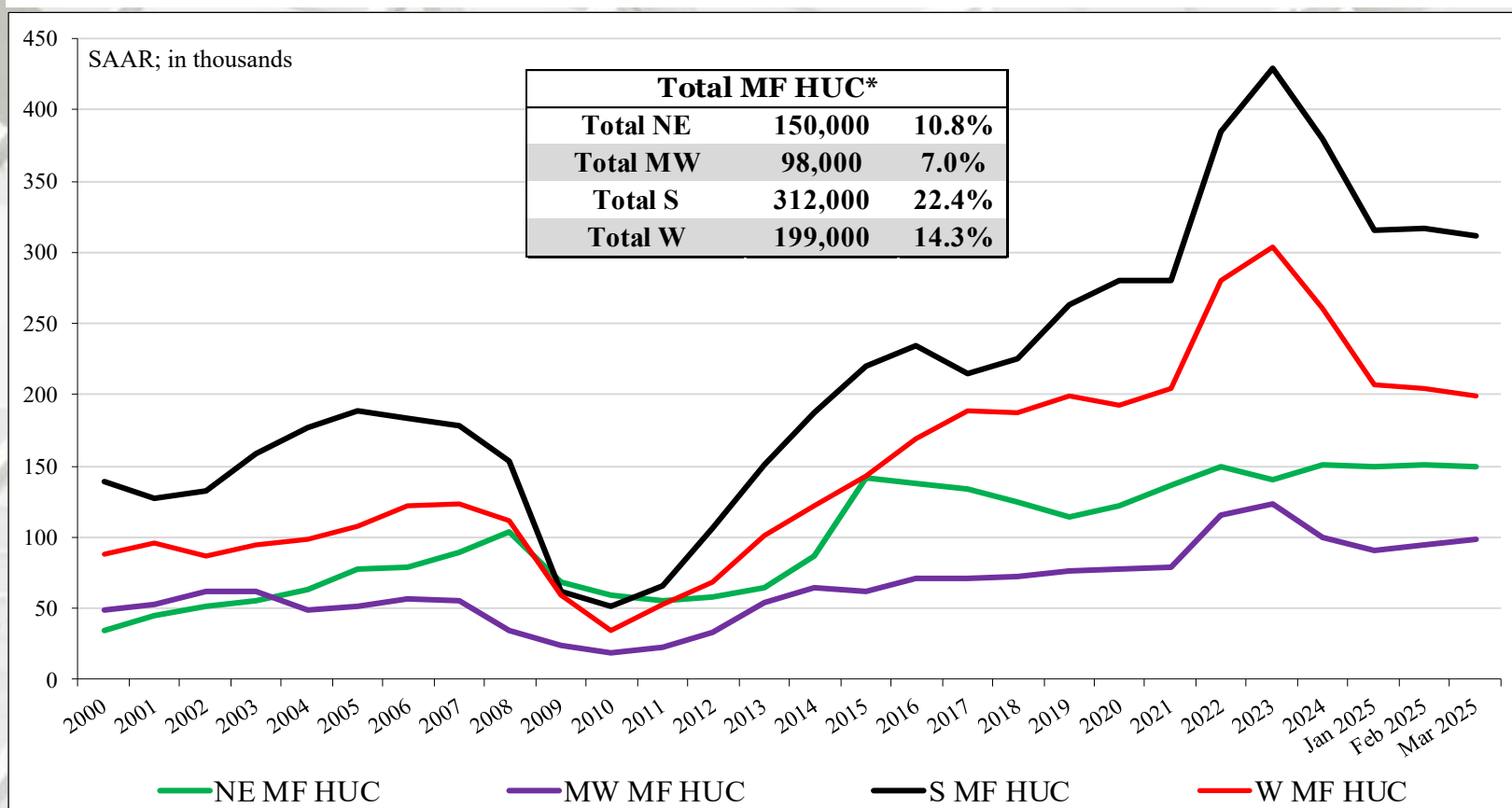


NE = Northeast, MW = Midwest, S = South, W = West.

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.

MF Housing Under Construction by Region



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.

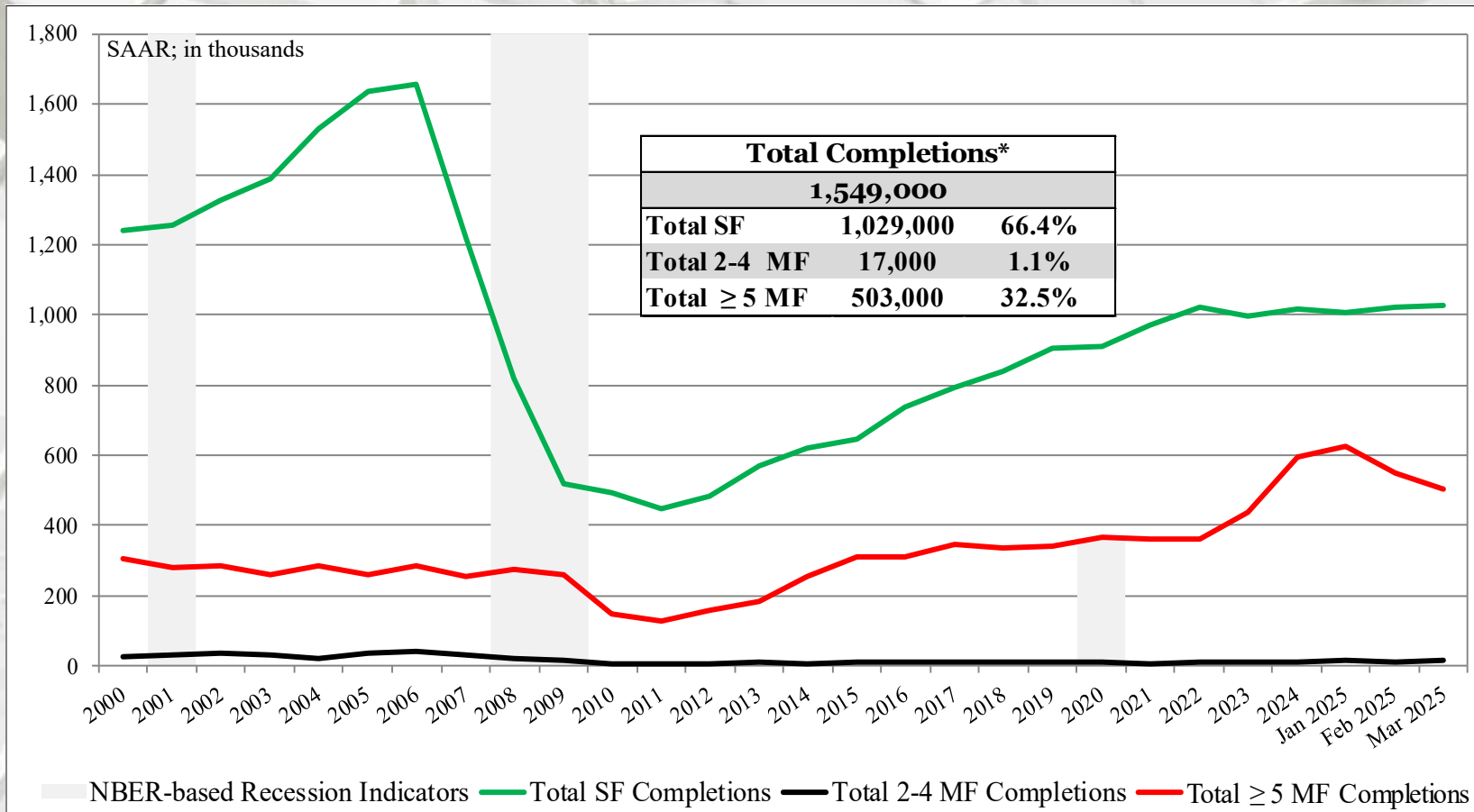
New Housing Completions

	Total Completions*	SF Completions	MF 2-4 unit**	MF ≥ 5 unit Completions
March	1,549,000	1,029,000	17,000	503,000
February	1,582,000	1,020,000	14,000	548,000
2024	1,491,000	939,000	26,000	526,000
M/M change	-2.1%	0.9%	21.4%	-8.2%
Y/Y change	3.9%	9.6%	-34.6%	-4.4%

* 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)).

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).

New Housing Completions by Region

	NE Total	NE SF	NE MF**
March	148,000	64,000	84,000
February	134,000	82,000	52,000
2024	88,000	44,000	44,000
M/M change	10.4%	-22.0%	61.5%
Y/Y change	68.2%	45.5%	90.9%
	MW Total	MW SF	MW MF**
March	226,000	127,000	99,000
February	133,000	113,000	20,000
2024	186,000	126,000	60,000
M/M change	69.9%	12.4%	395.0%
Y/Y change	21.5%	0.8%	65.0%

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).

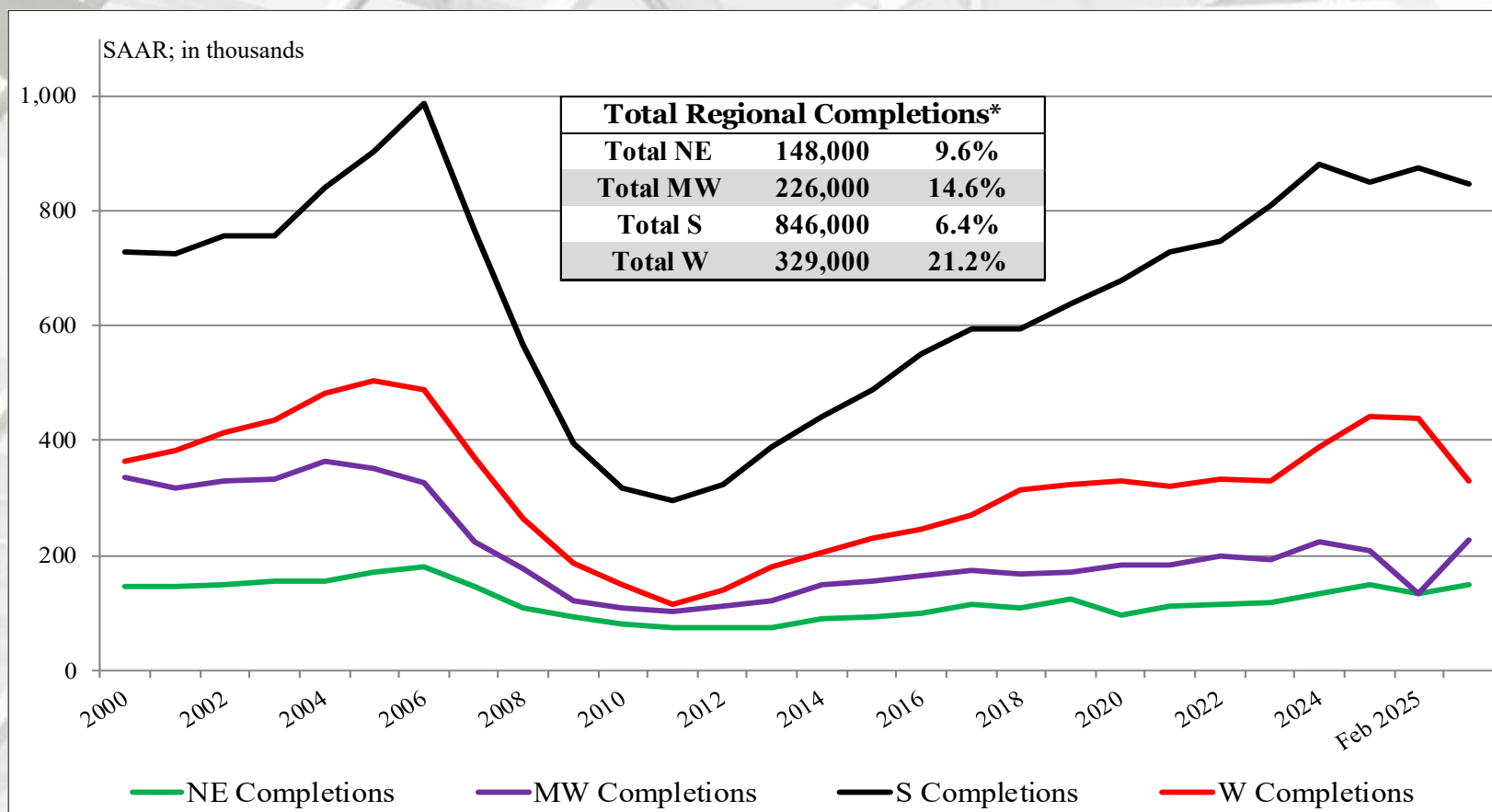
New Housing Completions by Region

	S Total	S SF	S MF**
March	846,000	622,000	224,000
February	875,000	554,000	321,000
2024	830,000	553,000	277,000
M/M change	-3.3%	12.3%	-30.2%
Y/Y change	1.9%	12.5%	-19.1%
	W Total	W SF	W MF**
March	329,000	216,000	113,000
February	440,000	271,000	169,000
2024	387,000	216,000	171,000
M/M change	-25.2%	-20.3%	-33.1%
Y/Y change	-15.0%	0.0%	-33.9%

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).

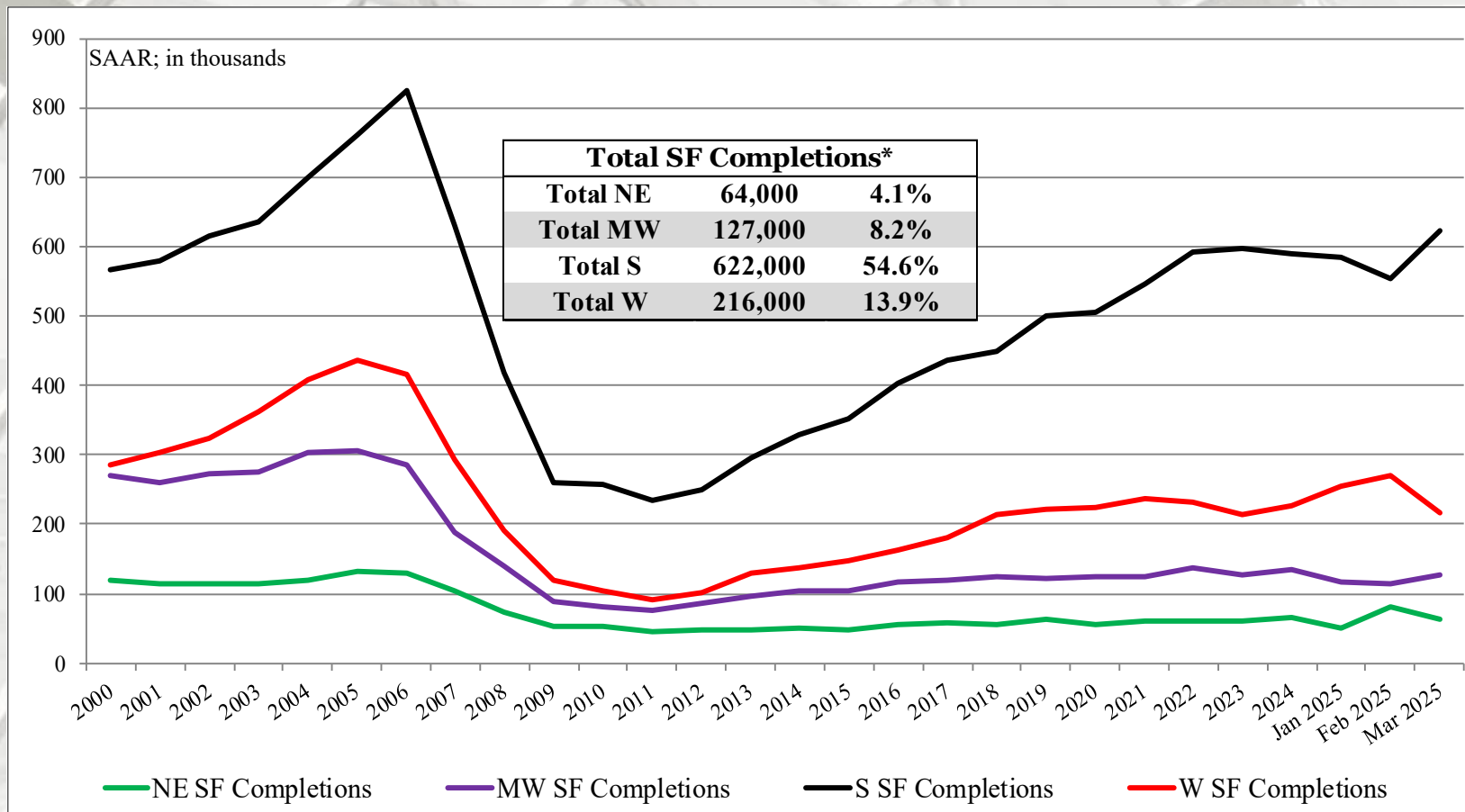
Total Housing Completions by Region



All data are SAAR; NE = Northeast and MW = Midwest; S = South, W = West

* Percentage of total housing completions.

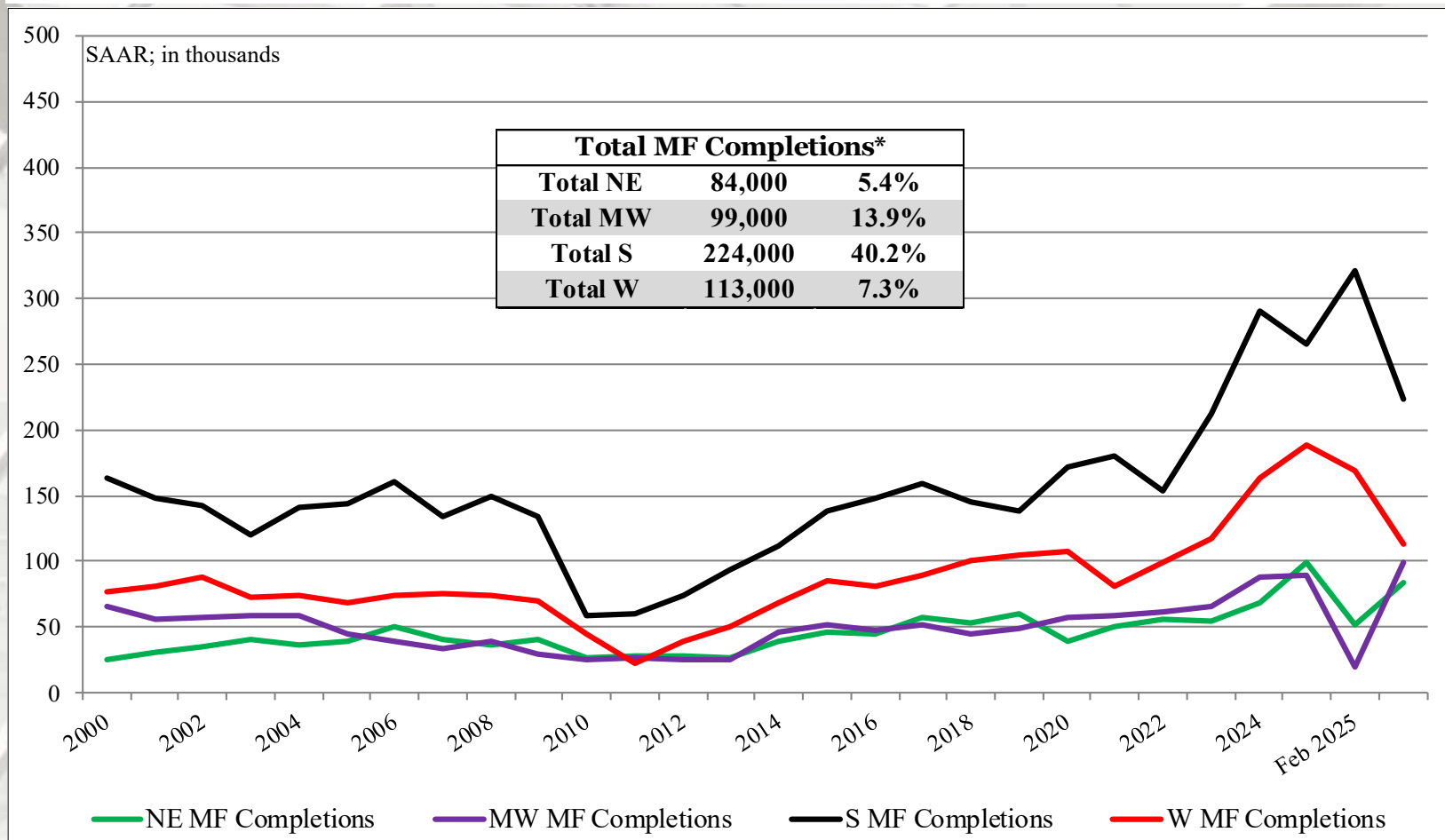
SF Housing Completions by Region



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

* Percentage of total housing completions

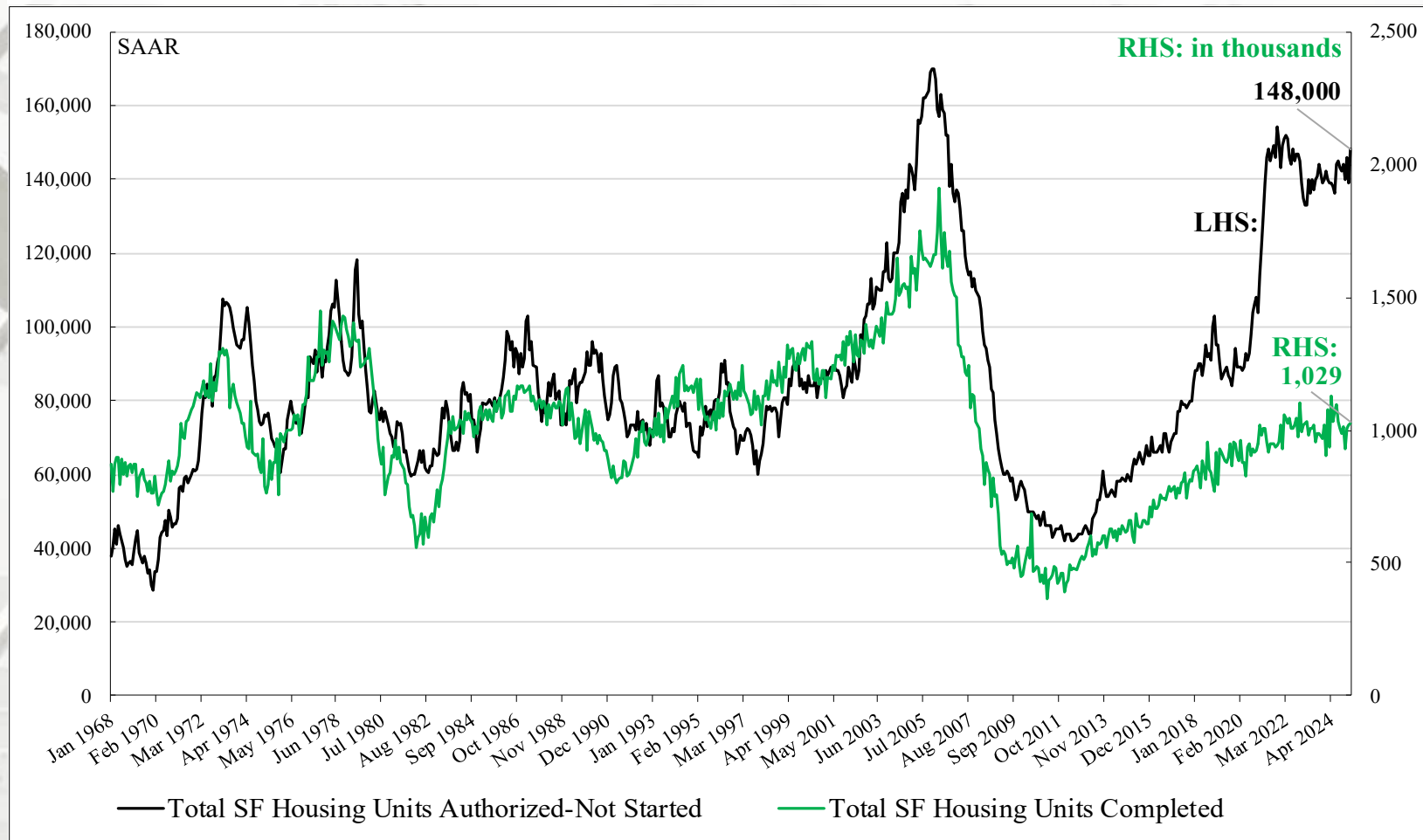
MF Housing Completions by Region



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

* Percentage of total housing completions

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



Authorized, Not Started vs. Housing Completions

Total authorized units “not” started was 288,000 in March was an increase from February (276,000), and SF authorized units “not” started were 148,000 units in March, also an increase from February (139,000). 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..

New Single-Family House Sales

	New SF Sales*	Median Price	Mean Price	Month's Supply
March	724,000	\$403,600	\$497,700	8.3
February	674,000	\$411,500	\$492,700	8.9
2024	683,000	\$436,400	\$522,500	8.2
M/M change	7.4%	-1.9%	1.0%	-6.7%
Y/Y change	6.0%	-7.5%	-4.7%	1.2%

* All new sales data are presented at a seasonally adjusted annual rate (SAAR)¹ and housing prices are adjusted at irregular intervals².

New SF sales were substantially more than the consensus forecast³ of 682 m; range 650 m to 700 m. The past three month's new SF sales data also were revised:

December initial: 698 m, revised to 720 m.

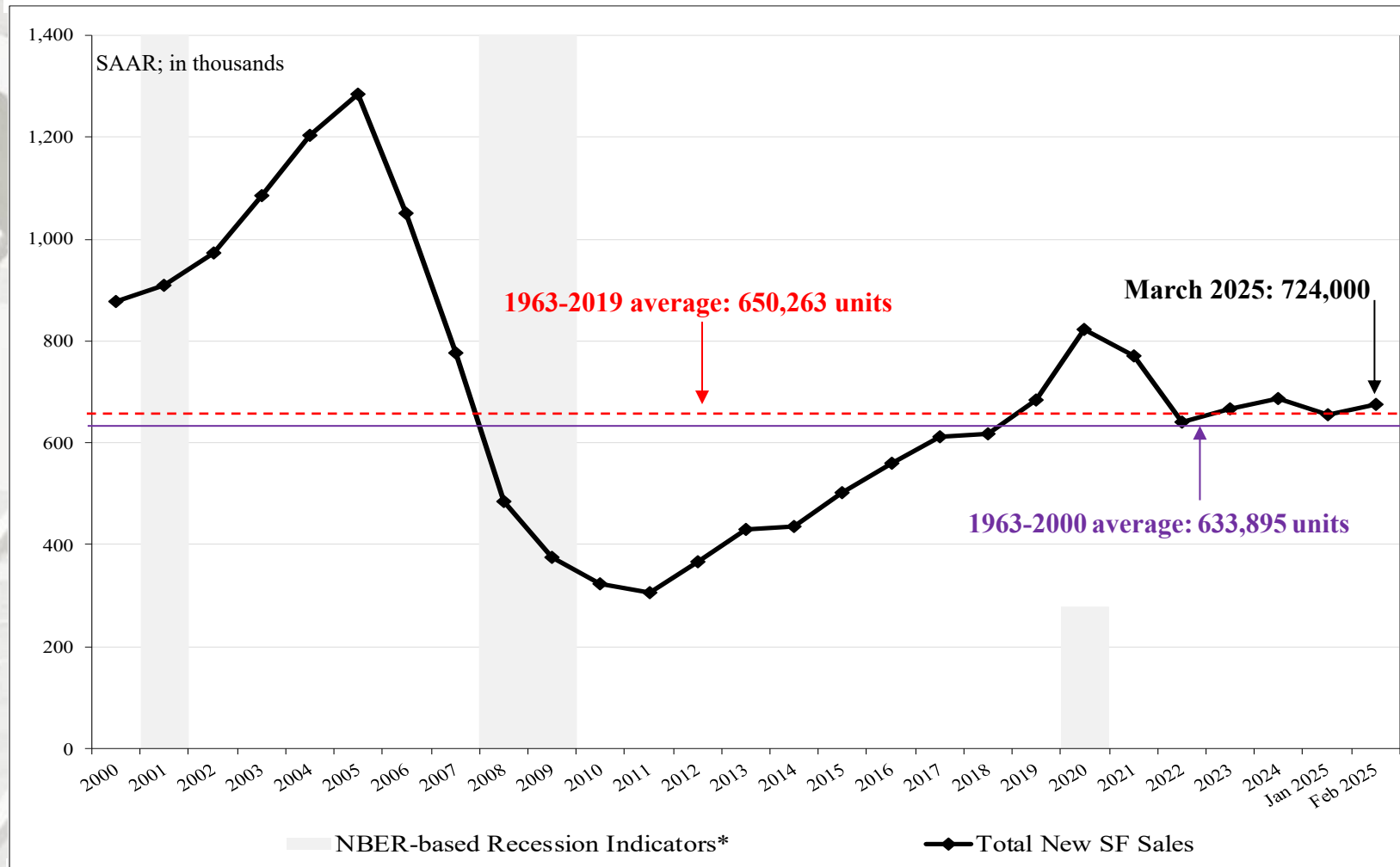
January initial: 657 m, revised to 654 m.

February initial: 676 m, revised to 674 m.

Sources: ¹ <https://www.census.gov/construction/nrs/index.html>; 6/24/21; ² <https://www.census.gov/construction/nrs/pdf/newressales.pdf>; 4/23/25

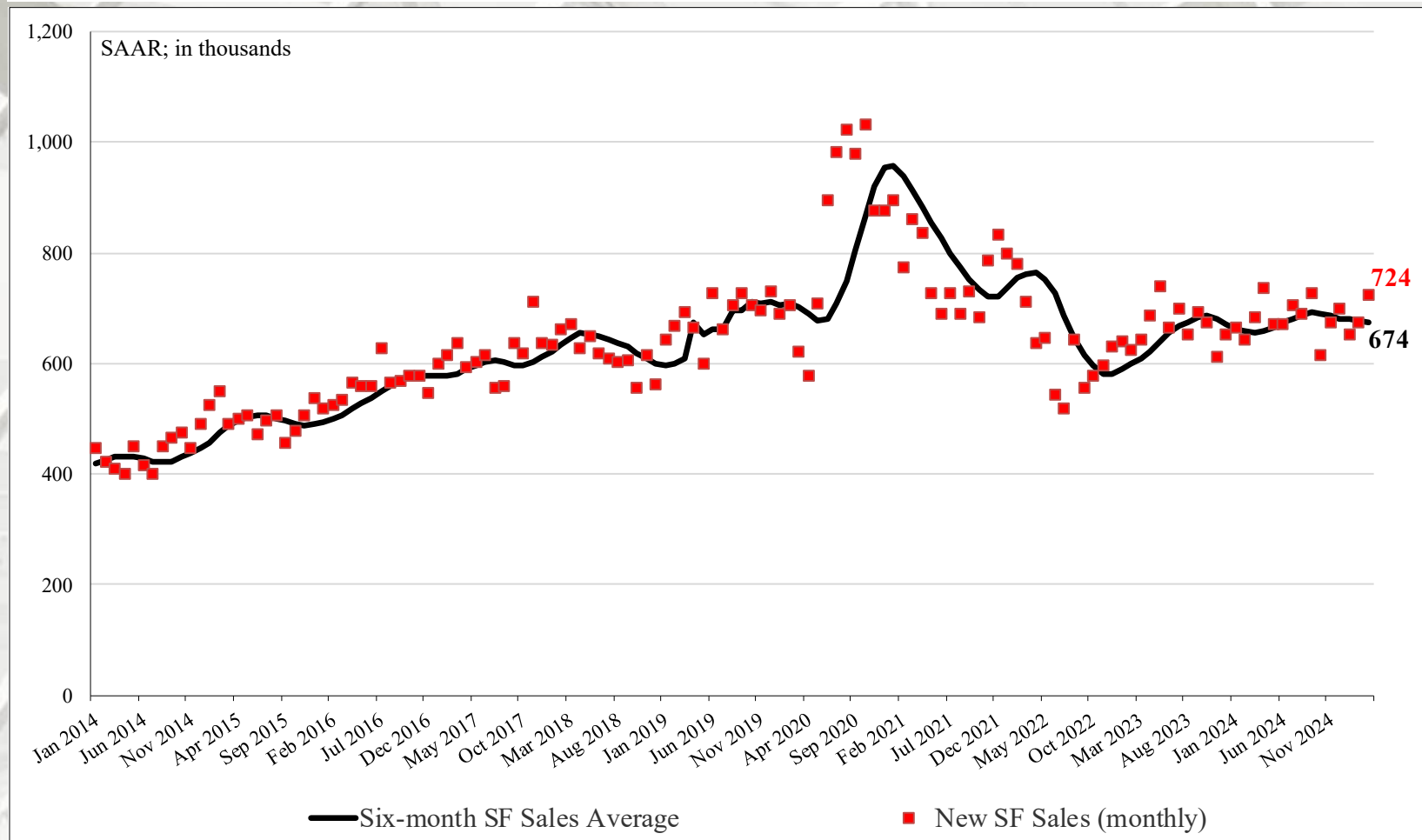
³ <http://us.econoday.com>; 4/23/25

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 Housing Sales: Six-month average & monthly



New SF House Sales by Region and Price Category

	NE	MW			S	W	
March	28,000	69,000			483,000	144,000	
February	36,000	67,000			425,000	146,000	
2024	42,000	82,000			395,000	164,000	
M/M change	-22.2%	3.0%			13.6%	-1.4%	
Y/Y change	-33.3%	-15.9%			22.3%	-12.2%	
	< \$300m	\$300m- \$399m	\$400m- \$499m	\$500m- \$599m	\$600m- \$799m	\$800m- \$999m	≥ \$1mm
February ^{1,2,3,4}	12,000	23,000	13,000	8,000	7,000	2,000	4,000
January ^{1,2,3,4}	9,000	19,000	10,000	8,000	7,000	3,000	3,000
2024	9,000	18,000	9,000	17,000	12,000	16,000	7,000
M/M change	-10.0%	0.0%	71.4%	-46.7%	-22.2%	-78.6%	-25.0%
Y/Y change	12.5%	-11.8%	100.0%	-57.9%	-36.4%	-76.9%	-57.1%
% of New SF sales	16.1%	26.8%	21.4%	14.3%	12.5%	5.4%	5.4%

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 March not add to total because of rounding.

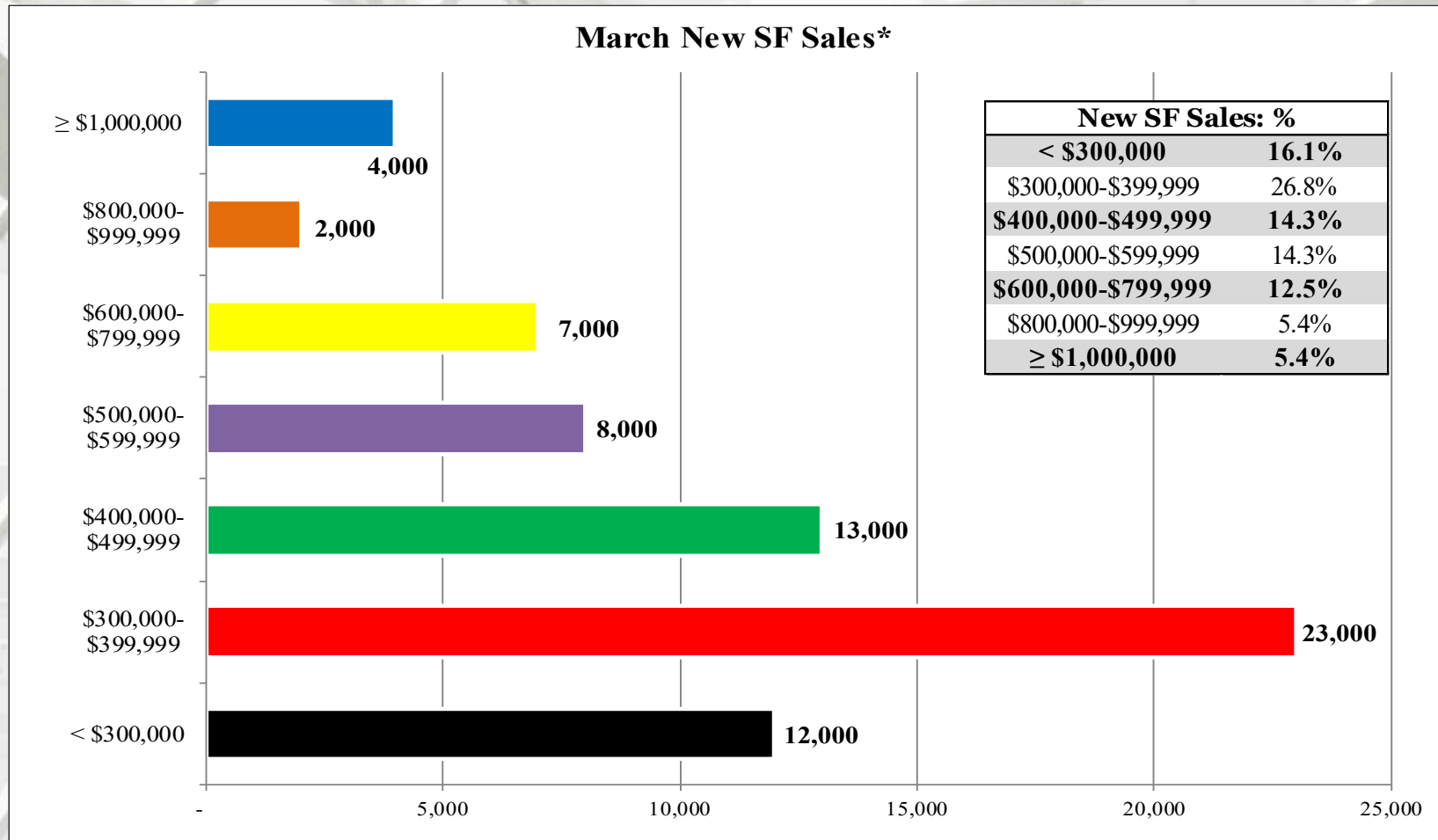
⁴ Housing prices are adjusted at irregular intervals.

⁵ Z = Less than 500 units or less than 0.5 percent

Sources: ^{1,2,3} <https://www.census.gov/construction/nrs/index.html>; 4/23/25;

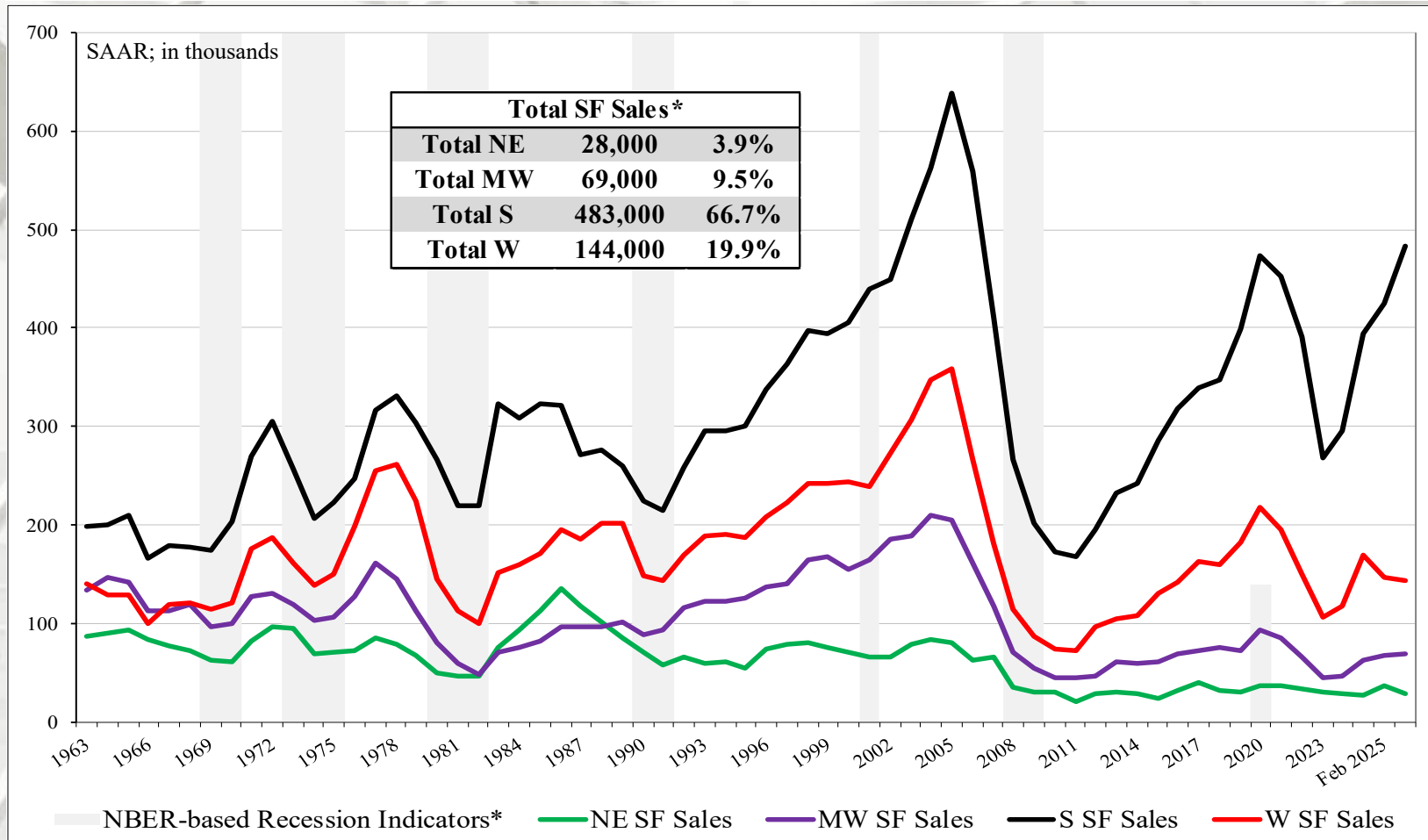
⁴ https://www.census.gov/construction/cpi/pdf/descpi_sold.pdf

New SF House Sales



* Total new sales by price category and percent.

New SF House Sales by Region

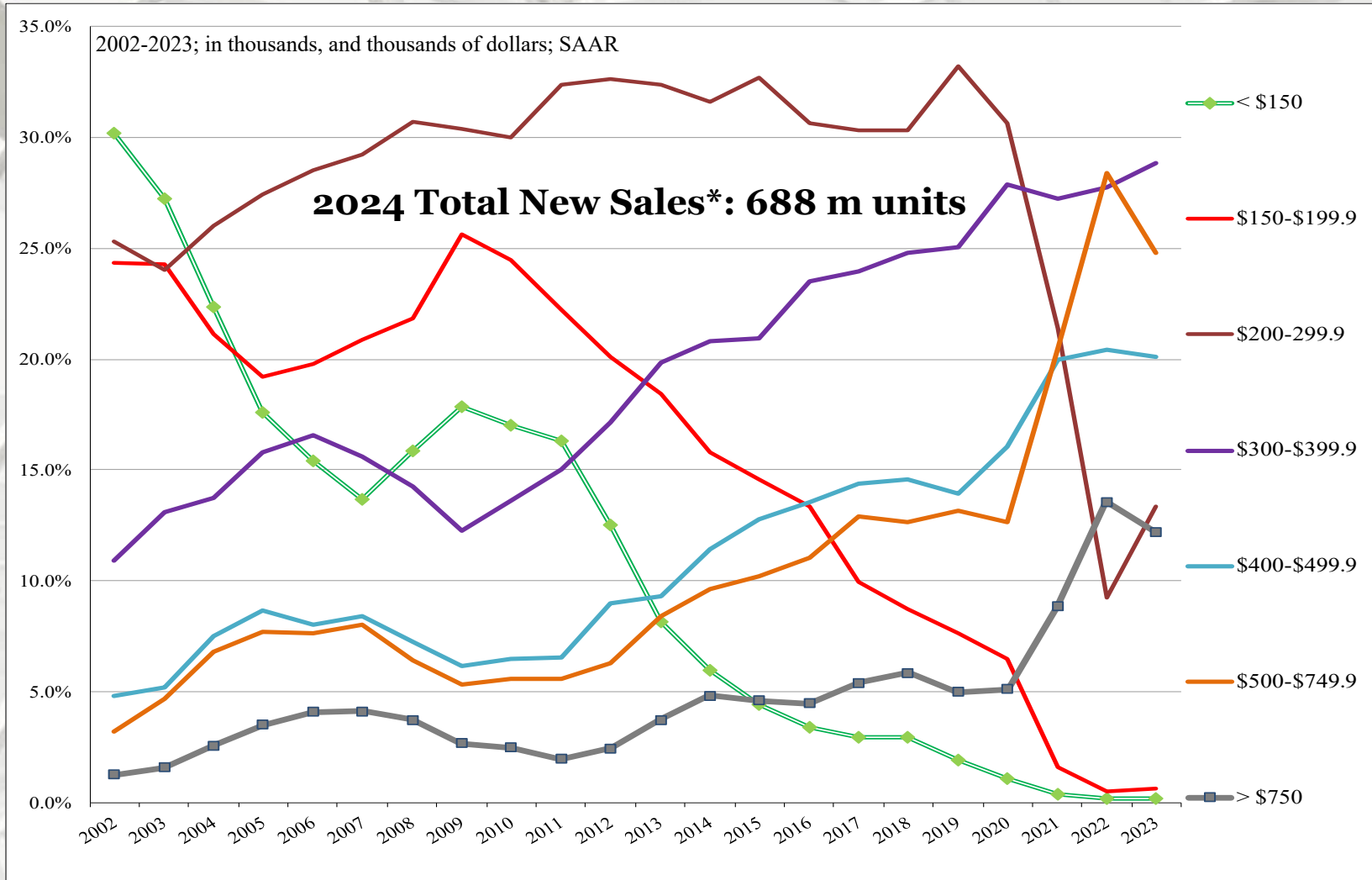


NE = Northeast; MW = Midwest; S = South; W = West

* Percentage of total new sales.

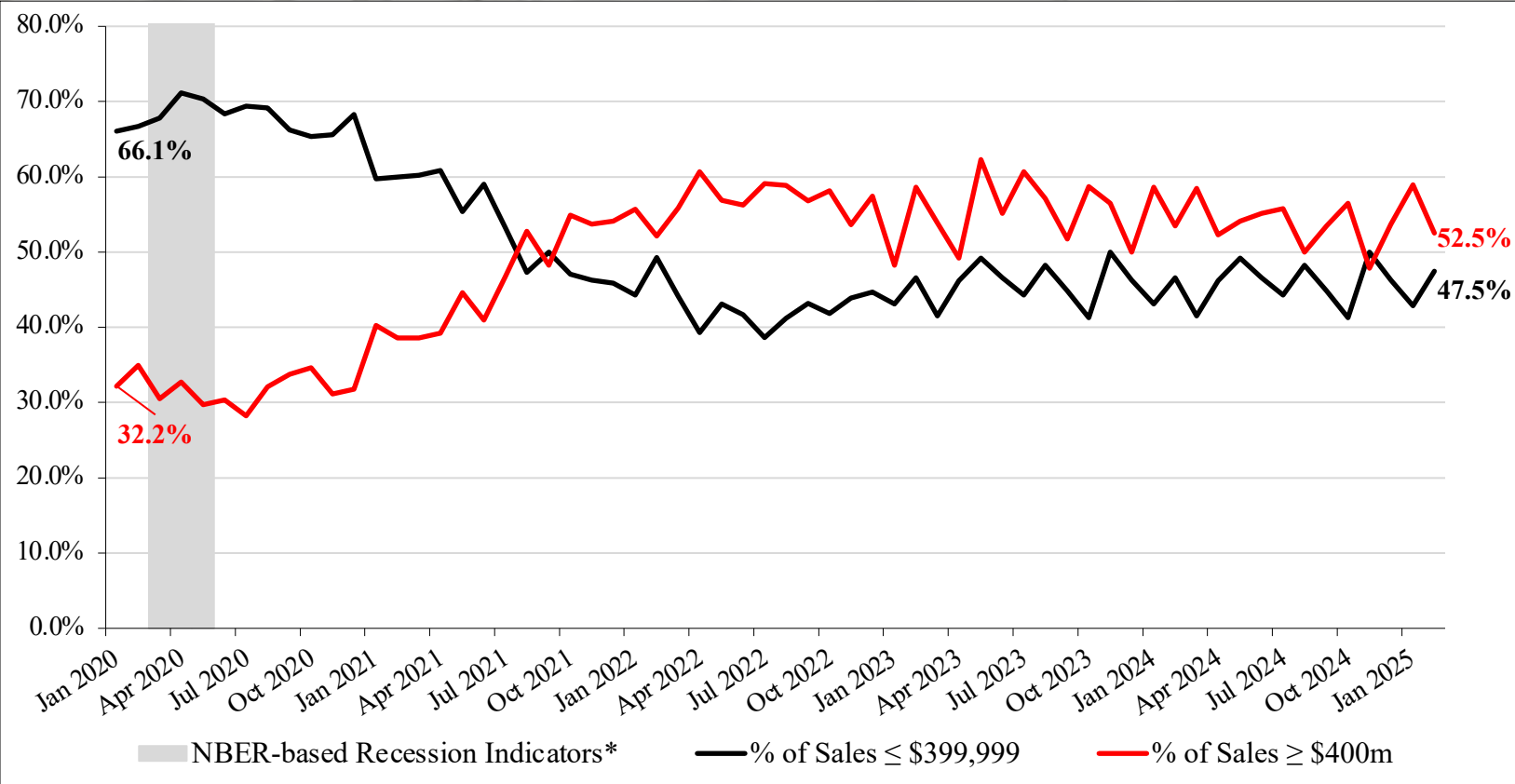
NBER based Recession Indicator Bars for the United States from the Period following the Peak through the Trough (FRED, St. Louis).

New SF House Sales by Price Category



* Sales tallied by price category, nominal dollars.

New SF House Sales



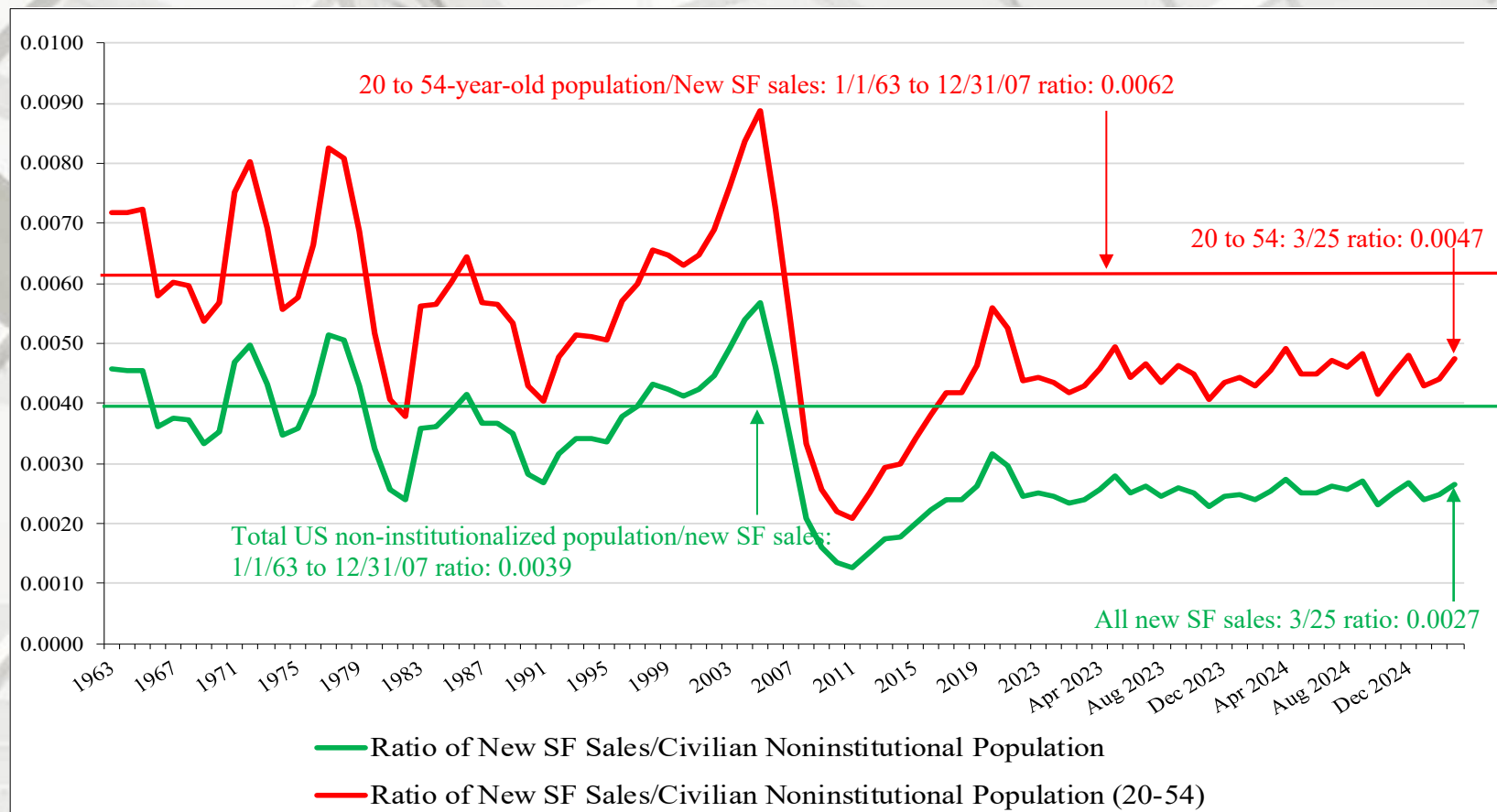
* NBER based Recession Indicator Bars for the United States from the Period following the Peak through the Trough (FRED, St. Louis).

New SF Sales: < \$399.9 m and > \$400 m: 2020 – March 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 4/23/25

New SF House Sales



New SF sales adjusted for the US population

From March 1963 to March 2007, the long-term ratio of new house sales to the total US non-institutionalized population was 0.0039; in March 2025 it was 0.0027 – increasing from February. The non-institutionalized population, aged 20 to 54 long-term ratio is 0.0062; in March 2025 it was 0.0047 – also an increase from February. 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.

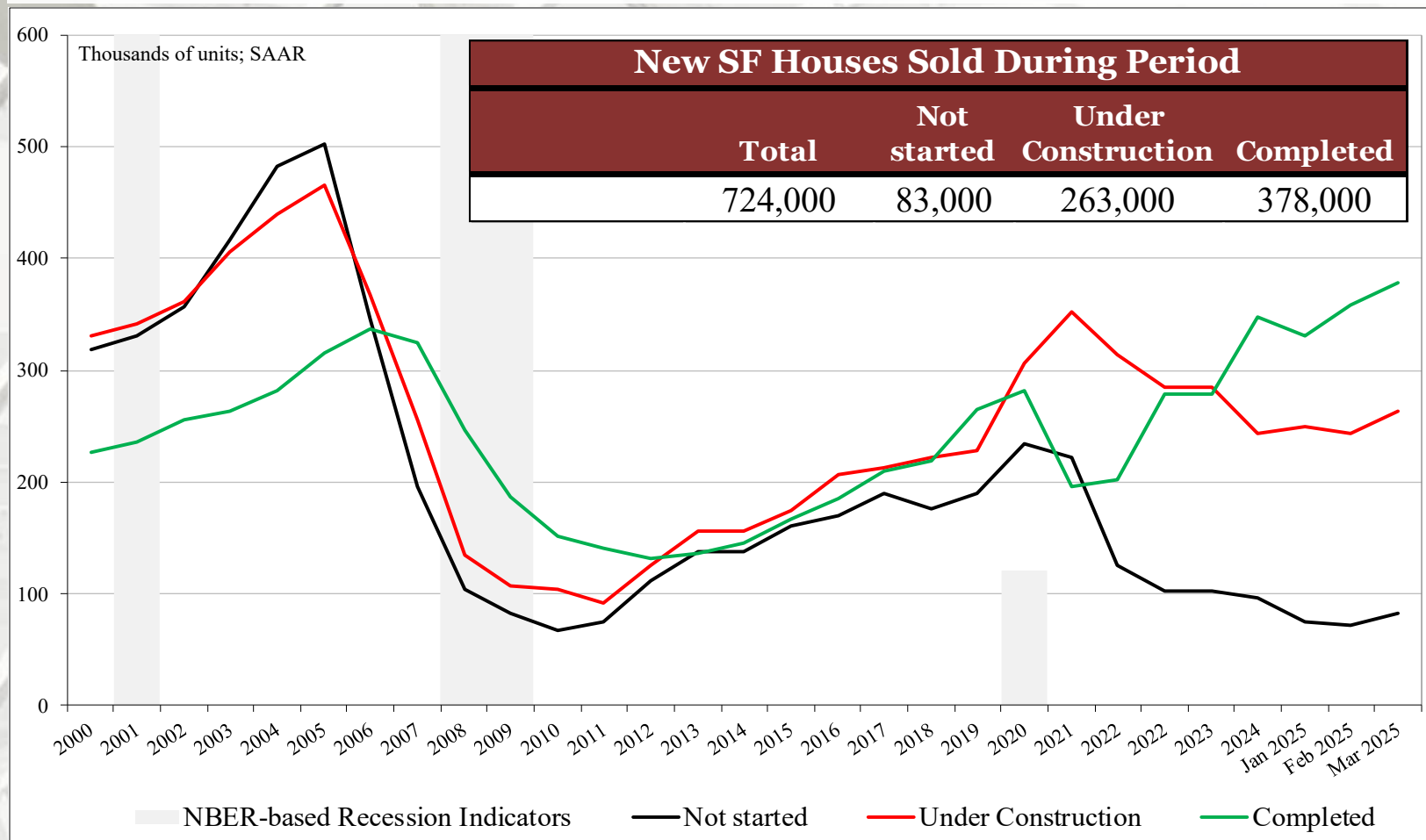
New SF House Sales

New SF Houses Sold During Period

	Total	Not started	Under Construction	Completed
March	724,000	83,000	263,000	378,000
February	674,000	72,000	243,000	359,000
2024	466,000	91,000	286,000	89,000
M/M change	7.4%	15.3%	8.2%	5.3%
Y/Y change	55.4%	-8.8%	-8.0%	324.7%
Total percentage		11.5%	36.3%	52.2%

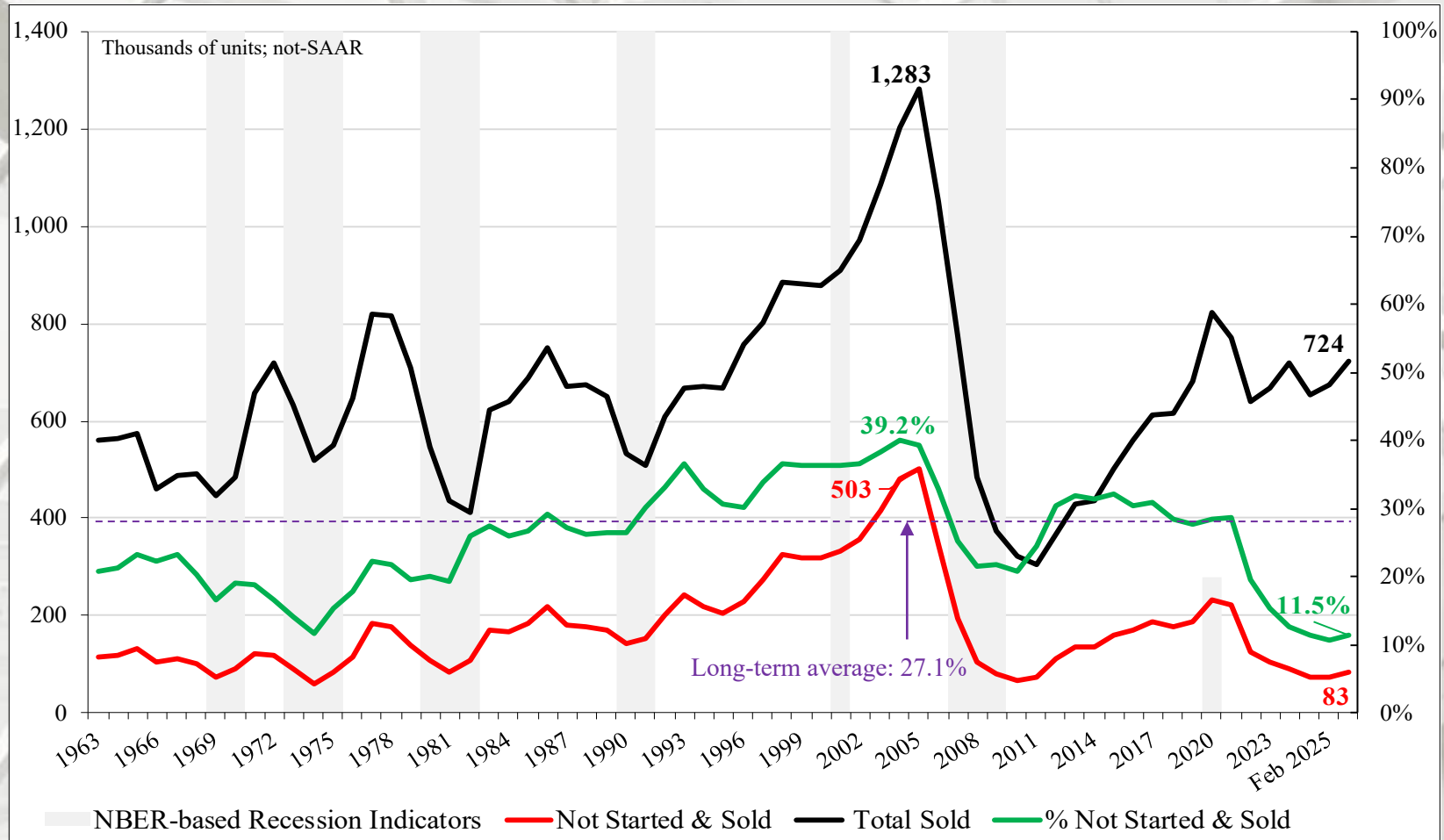
All data is SAAR

New SF House Sales: Sold During Period



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

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



Of the new houses sold in March (724 m), 11.5% (83 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>, 4/23/25

[Return TOC](#)

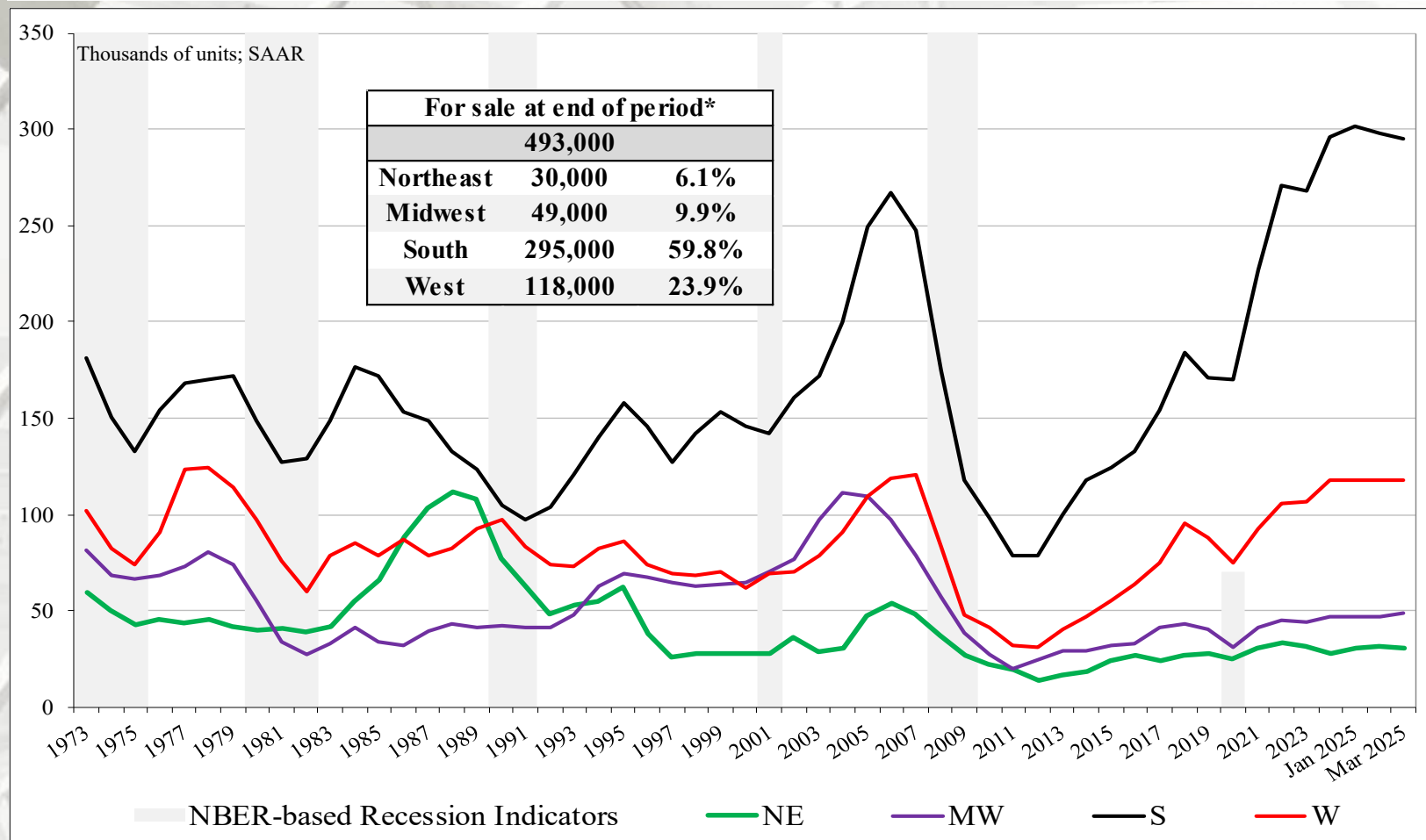
New SF Houses for Sale

New SF Houses for Sale at the end of the Period by Region*

	Total	NE	MW	S	W
March	493,000	30,000	49,000	295,000	118,000
February	493,000	31,000	47,000	298,000	118,000
2024	455,000	24,000	42,000	279,000	109,000
M/M change	0.0%	-3.2%	4.3%	-1.0%	0.0%
Y/Y change	8.4%	25.0%	16.7%	5.7%	8.3%

* Not SAAR

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>; 4/23/25

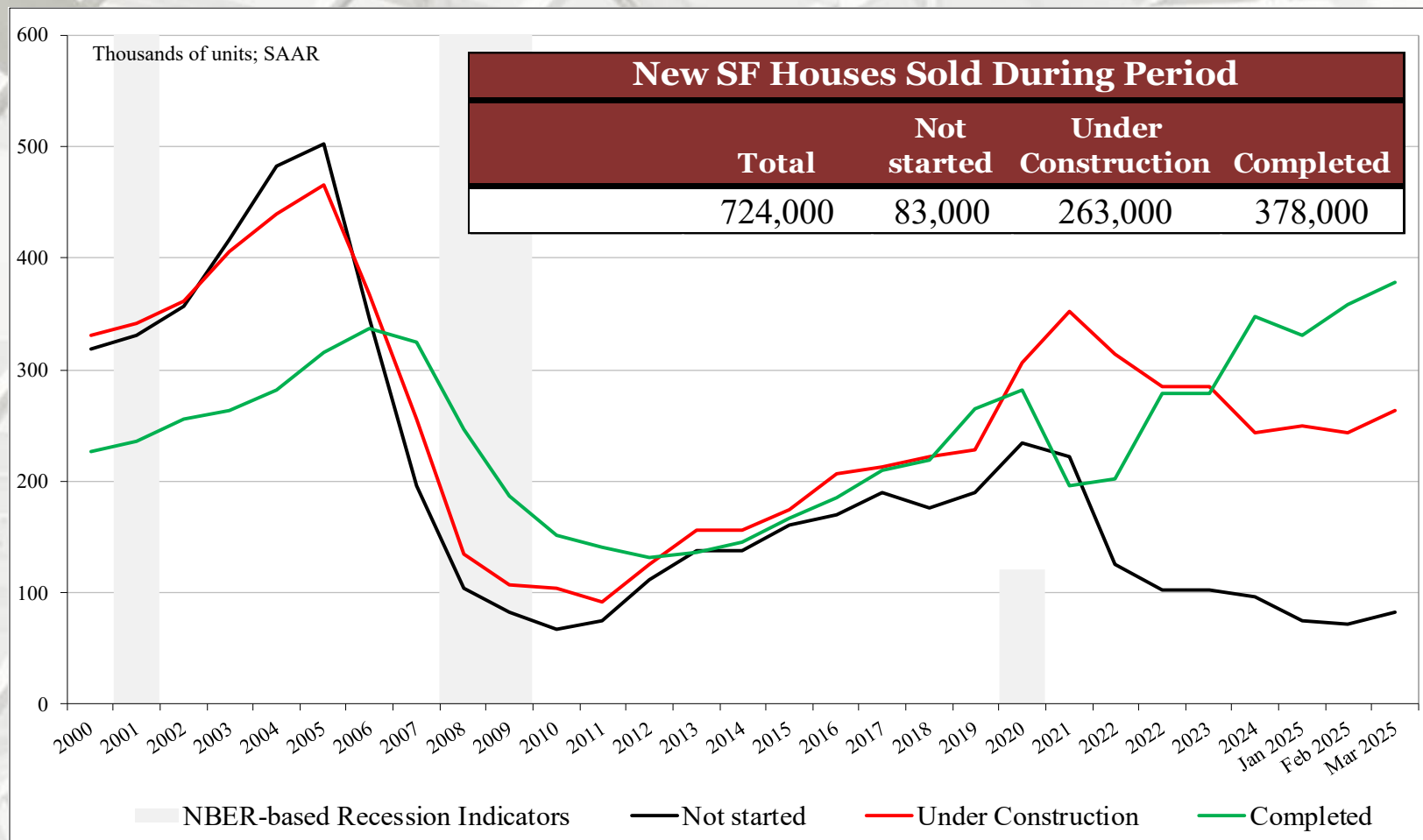
[Return TOC](#)

New SF House Sales

New SF Houses Sold During Period

	Total	Not started	Under Construction	Completed
March	724,000	83,000	263,000	378,000
February	674,000	72,000	243,000	359,000
2024	466,000	91,000	286,000	89,000
M/M change	7.4%	15.3%	8.2%	5.3%
Y/Y change	55.4%	-8.8%	-8.0%	324.7%
Total percentage		11.5%	36.3%	52.2%

New SF House Sales: Sold During Period



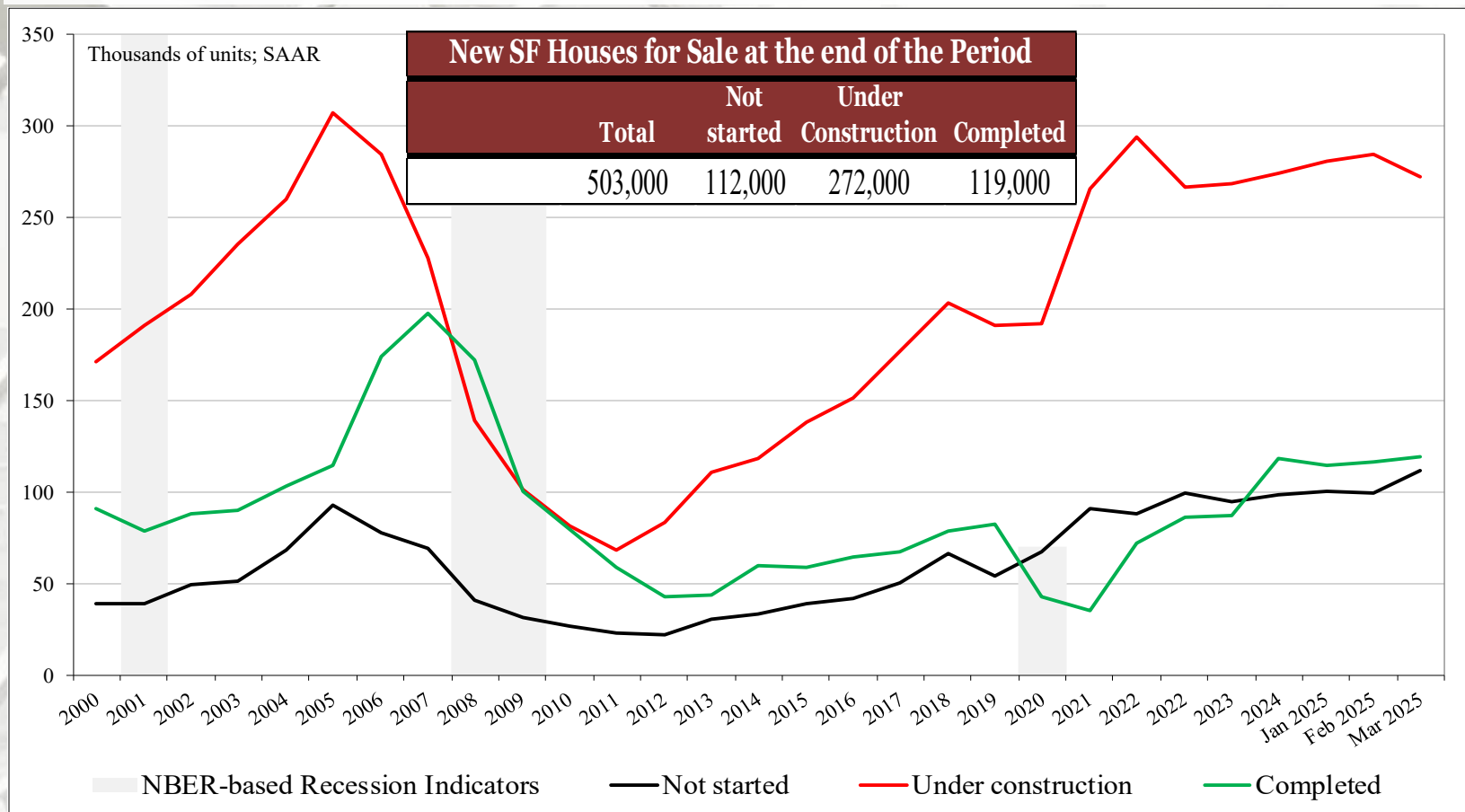
NBER based Recession Indicator Bars for the United States from the Period following the Peak through the Trough (FRED, St. Louis).

New SF House Sales

New SF Houses for Sale at the end of the Period

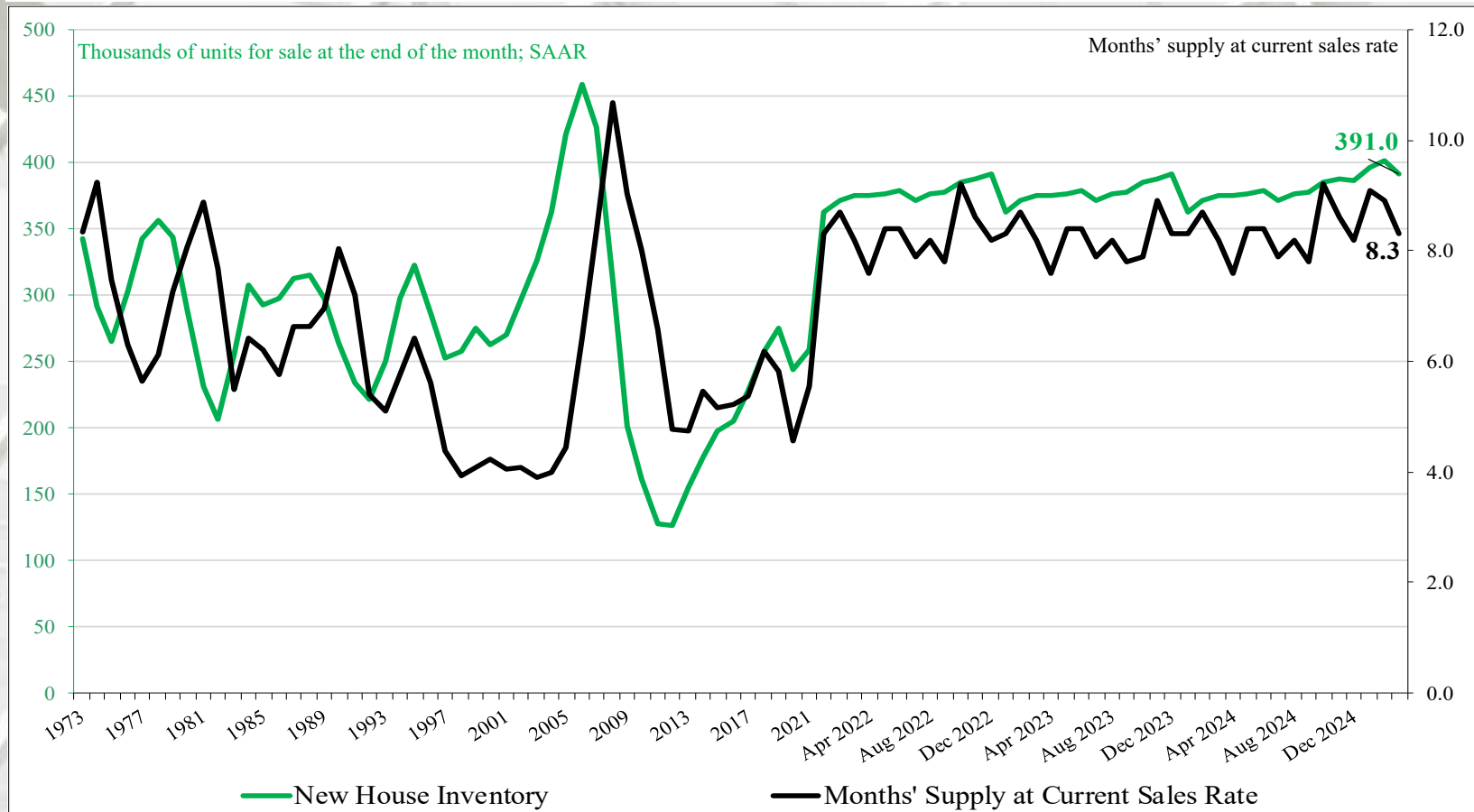
	Total	Not started	Under Construction	Completed
March	503,000	112,000	272,000	119,000
February	500,000	99,000	285,000	116,000
2024	466,000	91,000	286,000	89,000
M/M change	0.6%	13.1%	-4.6%	2.6%
Y/Y change	7.9%	23.1%	-4.9%	33.7%
Total percentage		22.3%	54.1%	23.7%

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).

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 March was 8.3, greater than the historically preferred number of five- to six-months (SAAR).

March 2025

Construction Spending

	Total Private Residential*	SF*	MF*	Improvement**
March	\$937,668	\$436,767	\$115,483	\$385,418
February	\$941,676	\$436,217	\$115,486	\$389,973
2024	\$911,890	\$440,500	\$131,377	\$340,013
M/M change	-0.4%	0.1%	0.0%	-1.2%
Y/Y change	2.8%	-0.8%	-12.1%	13.4%

* 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\$.

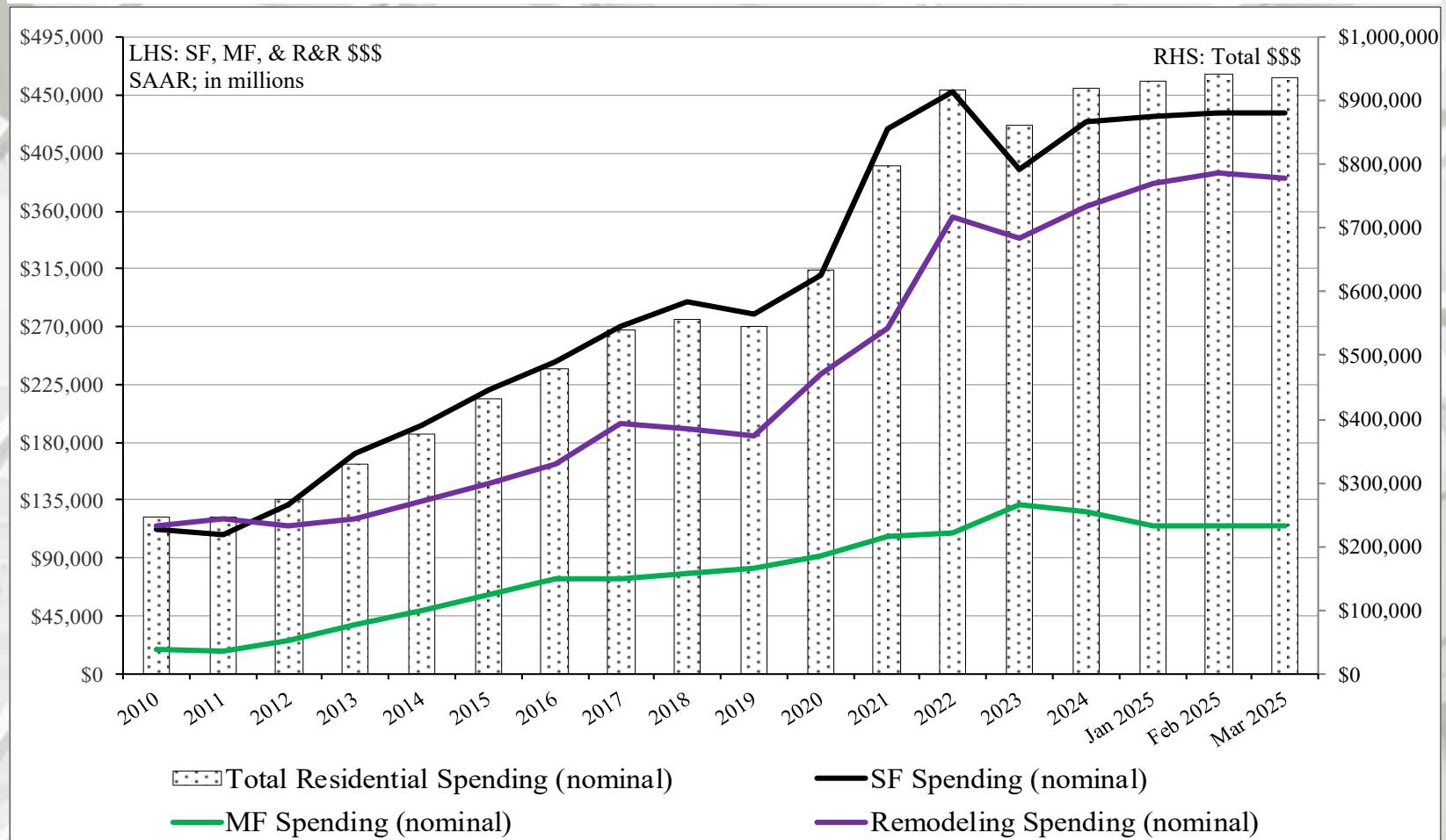
Total private residential construction spending includes new single-family, new multi-family, and improvement (AKA repair and remodeling) expenditures.

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.

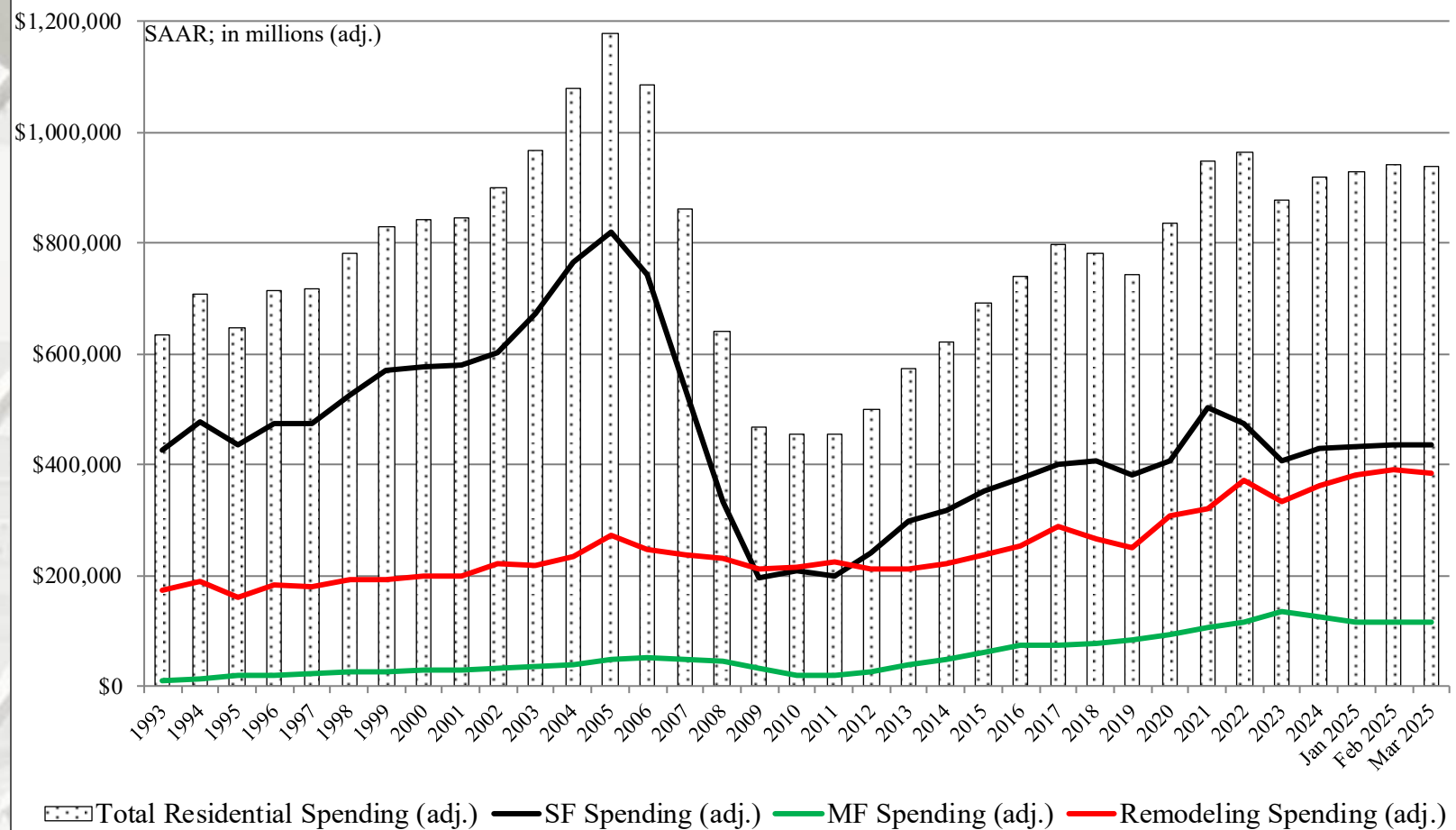
Total Construction Spending (nominal): 2000 – March 2025



Reported in nominal US\$.

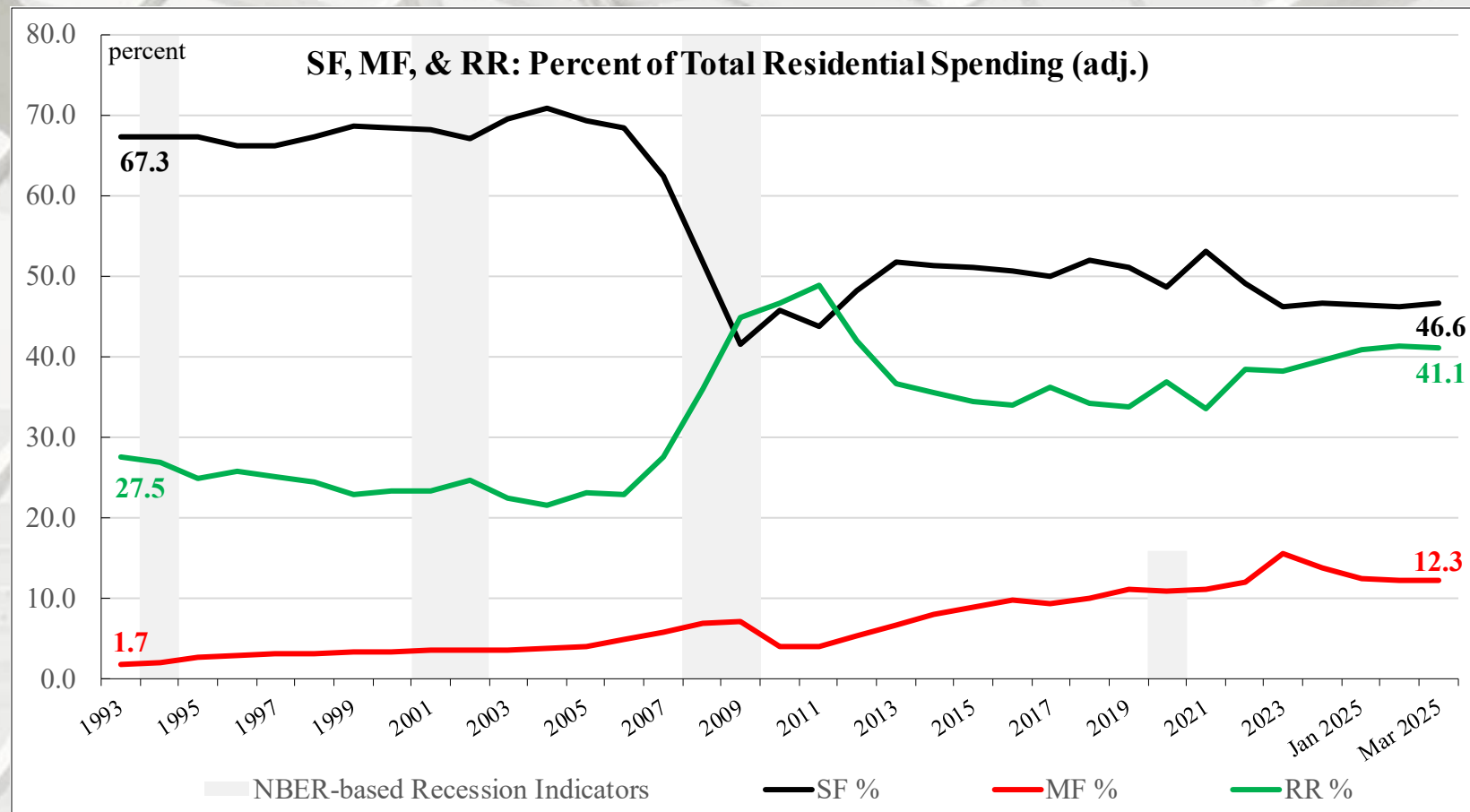
The US DOC does not report improvement spending directly, this is a monthly estimation for 2024.

Total Construction Spending (adjusted): 1993 – March 2025



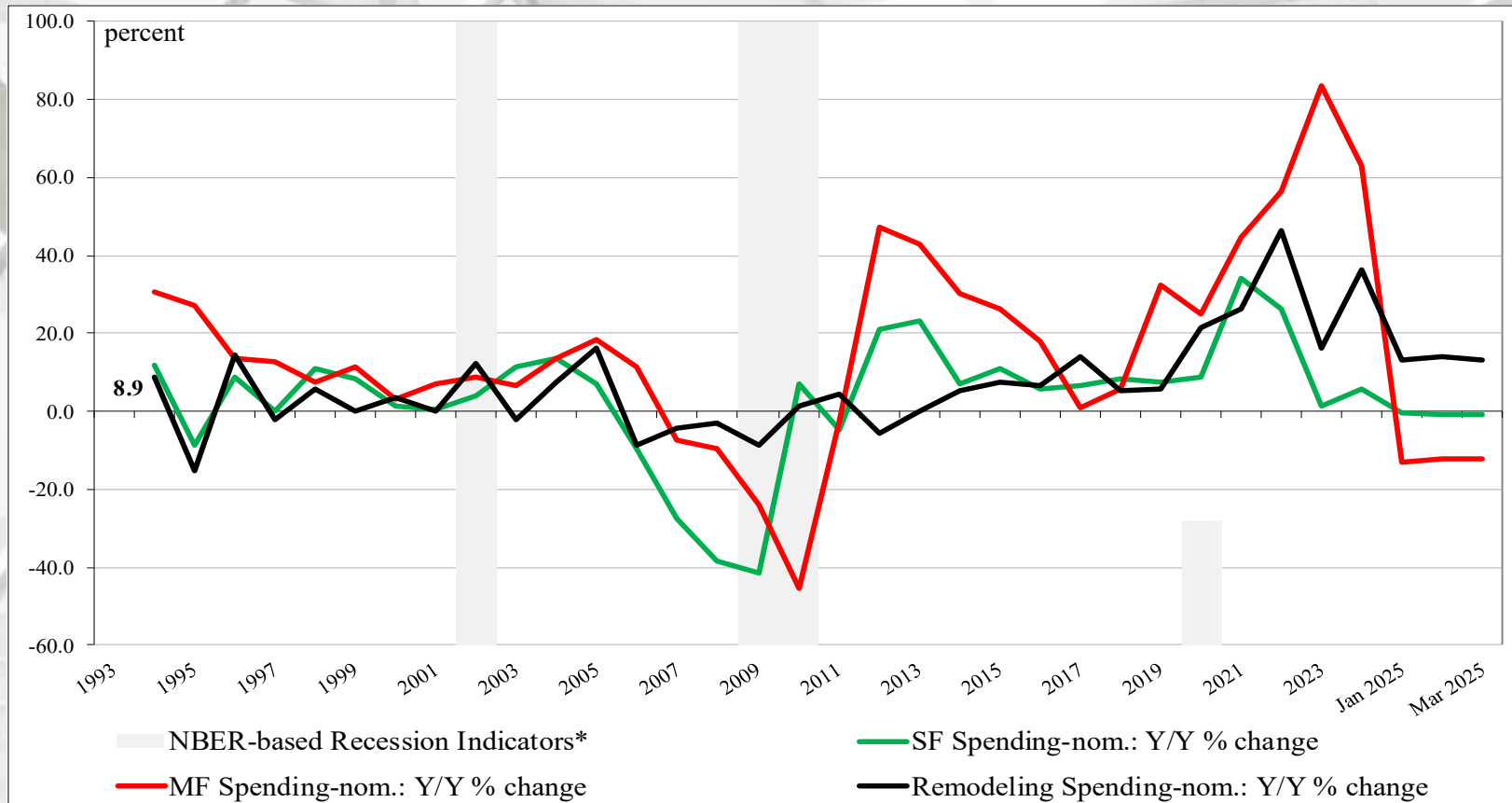
Reported in adjusted \$US: 1993 – 2023 (adjusted for inflation, BEA Table 1.1.9); March 2024 reported in nominal US\$.

Construction Spending Shares: 1993 – March 2025



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

Construction Spending: Y/Y Percentage Change



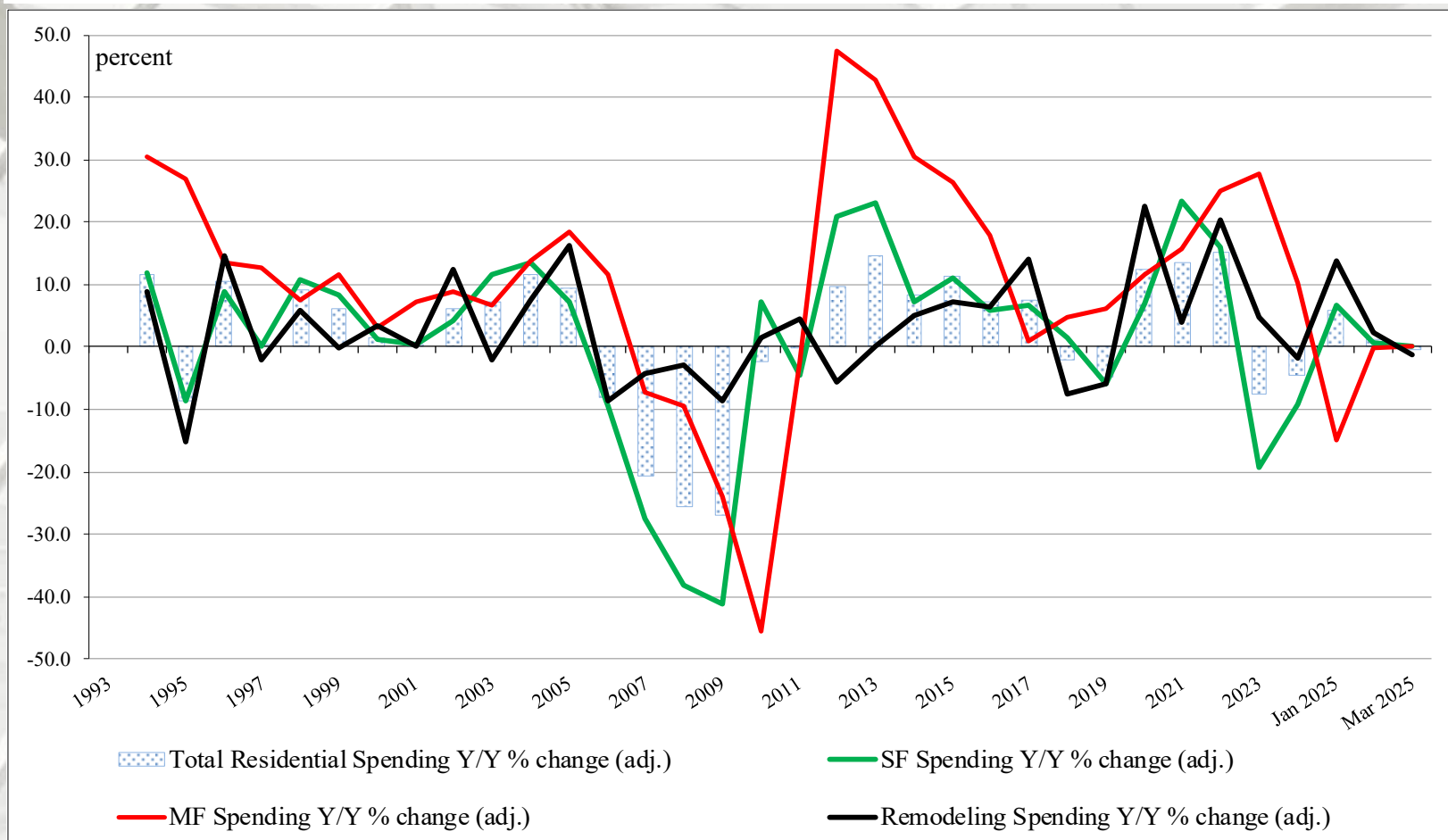
Nominal Residential Construction Spending: Y/Y percentage change, 1993 to March 2024

Presented above is the percentage change of Y/Y construction spending. RR expenditures were positive on a percentage basis, year-over-year (March 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>; 5/1/25 and <http://www.bea.gov/iTable/iTable.cfm>; 9/3/24

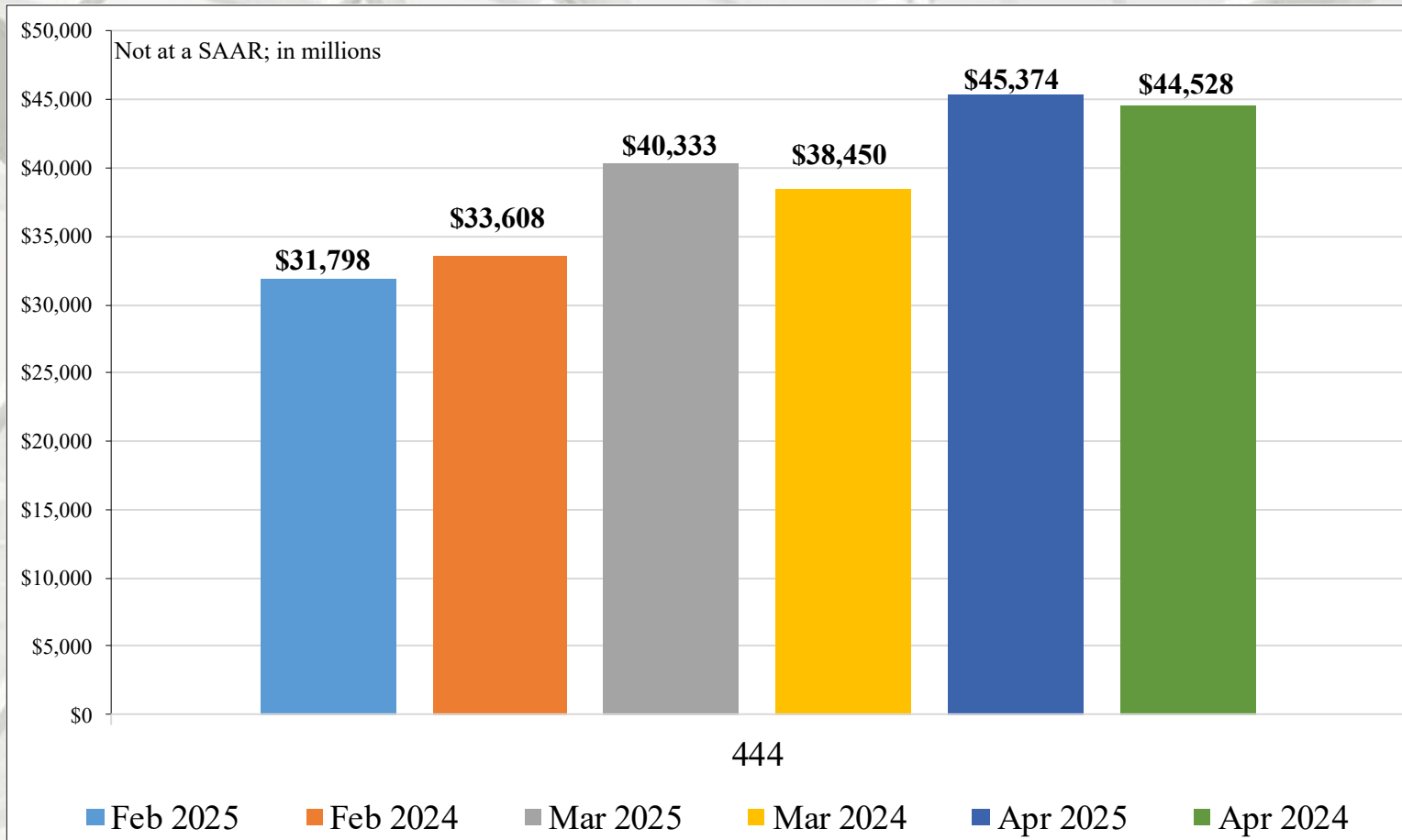
Adjusted Construction Spending, Y/Y Percentage Change: 1993 to March 2025



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

Remodeling

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

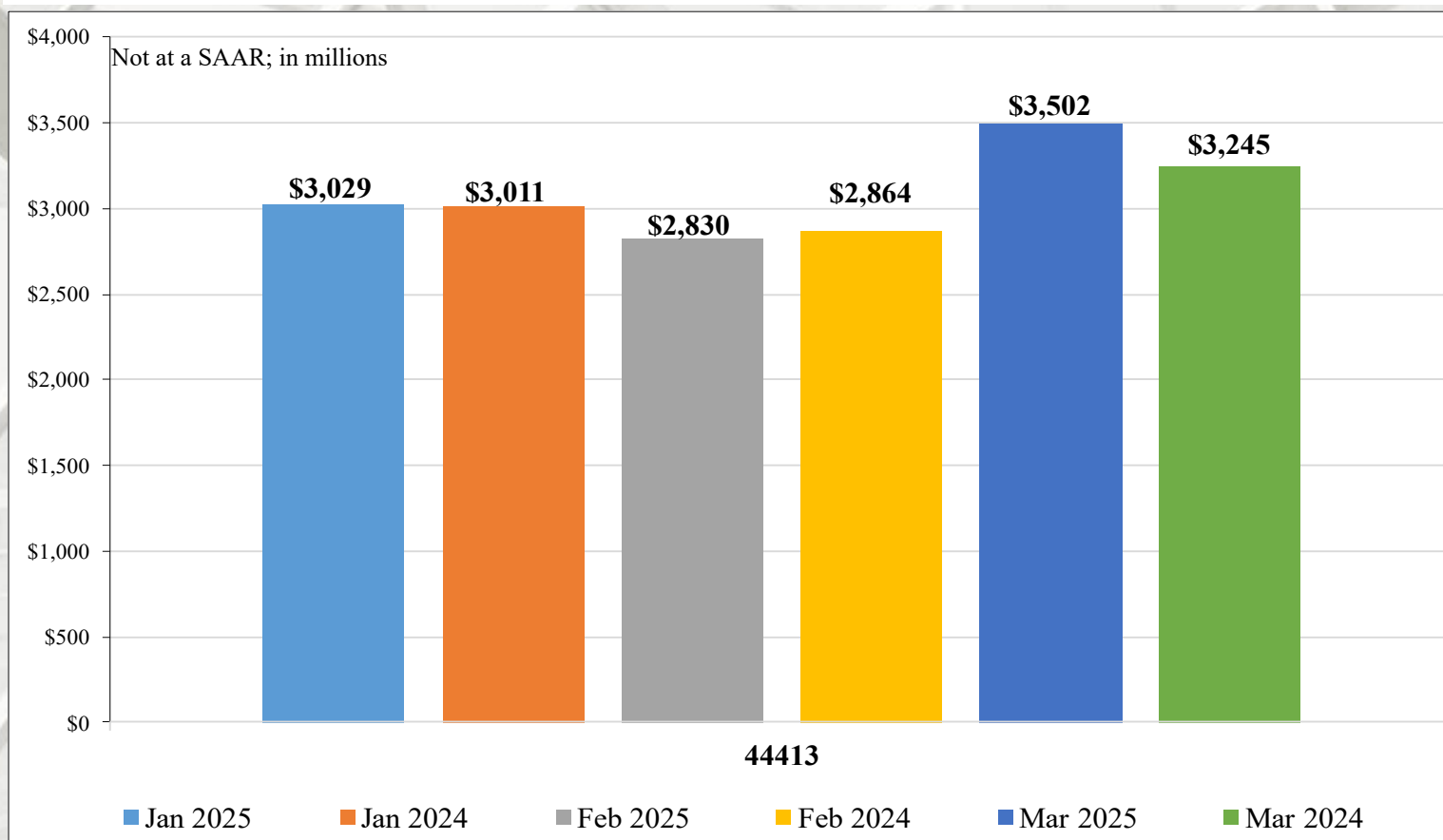


Building materials, Garden Equipment, & PRO Supply Dealers: NAICS 444

NAICS 444 retail sales increased 15.2% in April 2025 from March 2025 and improved 1.2% Y/Y (nominal basis).

Remodeling

Retail Sales: Hardware Stores



Hardware Stores: NAICS 44413

NAICS 4443 sales increased 23.7% in March 2025 from February 2025 and improved 7.9% Y/Y (nominal basis).

Remodeling

The Harvard Joint Center for Housing Studies Continued Gains Projected for Remodeling Amid Economic Uncertainty

“Annual expenditures for improvements and maintenance to owner-occupied homes are expected to grow modestly through 2026, according to our latest [Leading Indicator of Remodeling Activity \(LIRA\)](#). The LIRA projects that year-over-year spending for home renovation and repair will increase by 2.5 percent to reach a record \$526 billion by the first quarter of 2026.

A slight downturn after the pandemic’s record expenditures gave way to modest gains in the sector this year. Recent increases in the sales of existing homes are expected to drive slow but steady growth in home remodeling and repair.

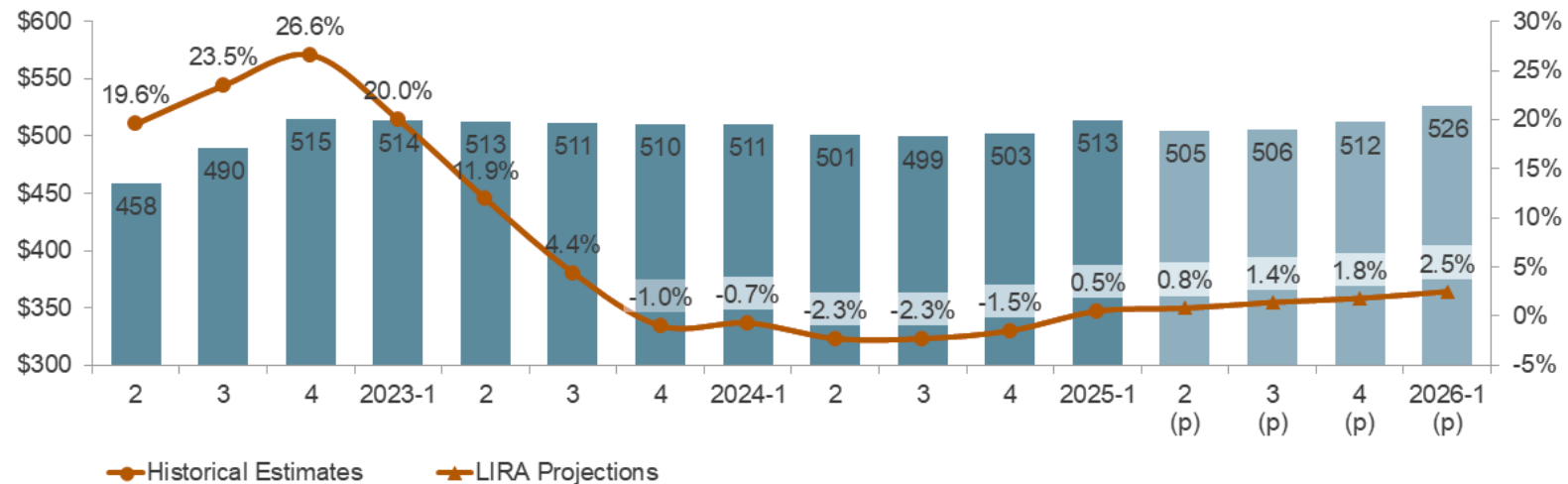
So far, high home values and other strong economic indicators have supported an uptick in homeowner improvement spending. However, economic volatility due to the uncertainty surrounding foreign tariffs and falling consumer confidence could well dampen this expected growth.” – Carlos Martín, Director, Remodeling Futures Program, Harvard Joint Center for Housing Studies

Remodeling

Leading Indicator of Remodeling Activity – First Quarter 2025

Homeowner Improvements & Repairs
Four-Quarter Moving Totals
Billions

Four-Quarter Moving
Rate of Change



Notes: Improvements include remodels, replacements, additions, and structural alterations that increase the value of homes. Routine maintenance and repairs preserve the current quality of homes. Historical estimates since 2023 are produced using the LIRA model until American Housing Survey benchmark data become available.

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Joint Center for Housing Studies of Harvard University JCHS

Existing House Sales

National Association of Realtors®

	Existing Sales	Median Price	Month's Supply
March	4,020,000	\$403,700	4.0
February	4,270,000	\$396,800	3.5
2024	4,120,000	\$392,900	3.2
M/M change	-5.9%	1.7%	14.3%
Y/Y change	-2.4%	2.7%	25.0%

All sales data: SAAR

Existing House Sales

	NE	MW	S	W
March	490,000	950,000	1,810,000	770,000
February	500,000	1,000,000	1,910,000	850,000
2024	490,000	980,000	1,890,000	760,000
M/M change	-2.0%	-5.0%	-5.2%	-9.4%
Y/Y change	0.0%	-3.1%	-4.2%	1.3%

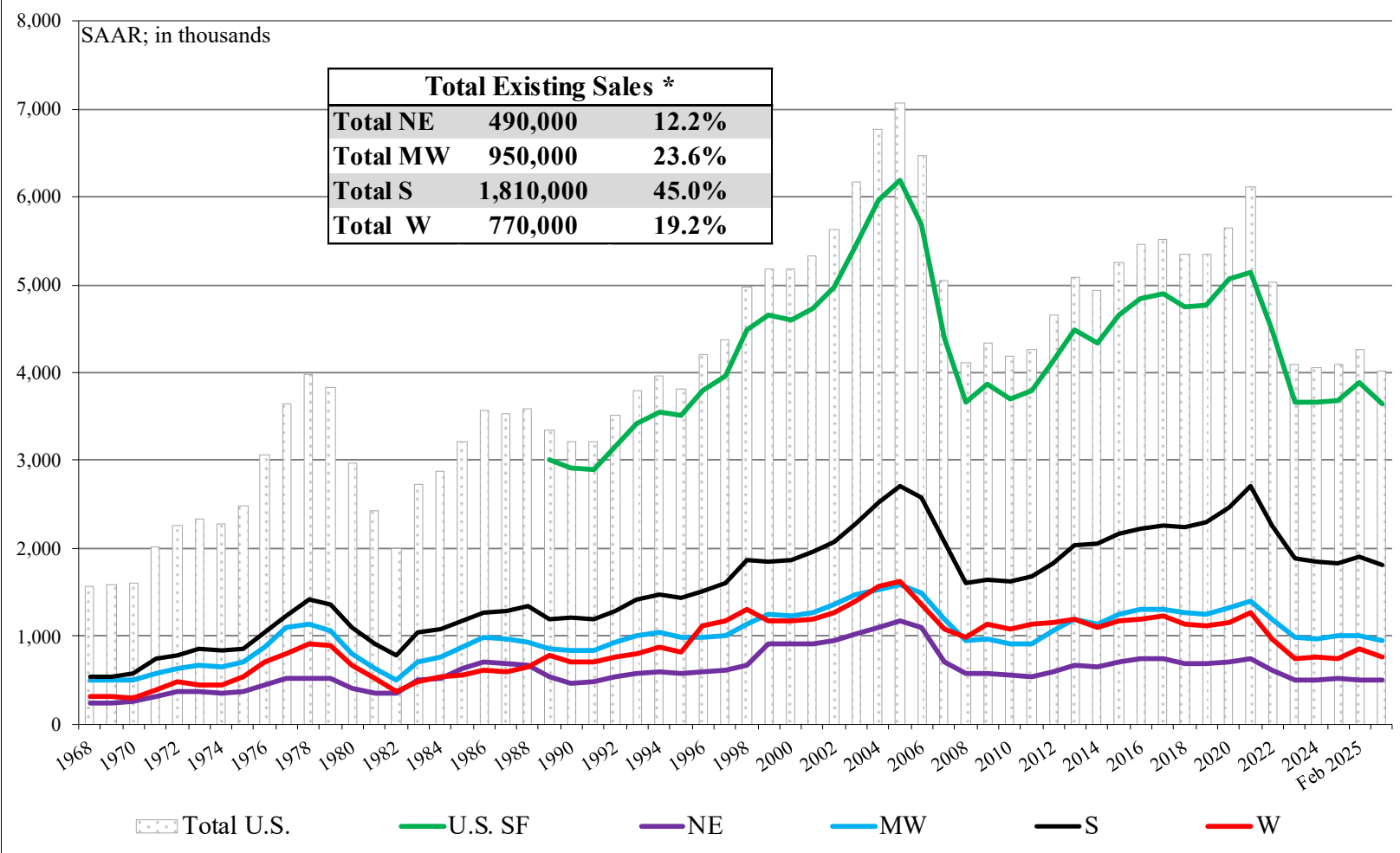
	Existing SF Sales	SF Median Price
March	3,640,000	\$408,000
February	3,890,000	\$400,900
2024	3,720,000	\$396,600
M/M change	-6.4%	1.7%
Y/Y change	-2.2%	2.9%

All sales data: SAAR.

Source: <https://fred.stlouisfed.org/series/EXHOSLUSM495S>; 4/24/25

[Return TOC](#)

Existing House Sales



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

* Percentage of total existing sales.

U.S. Housing Prices

Federal Housing Finance Agency

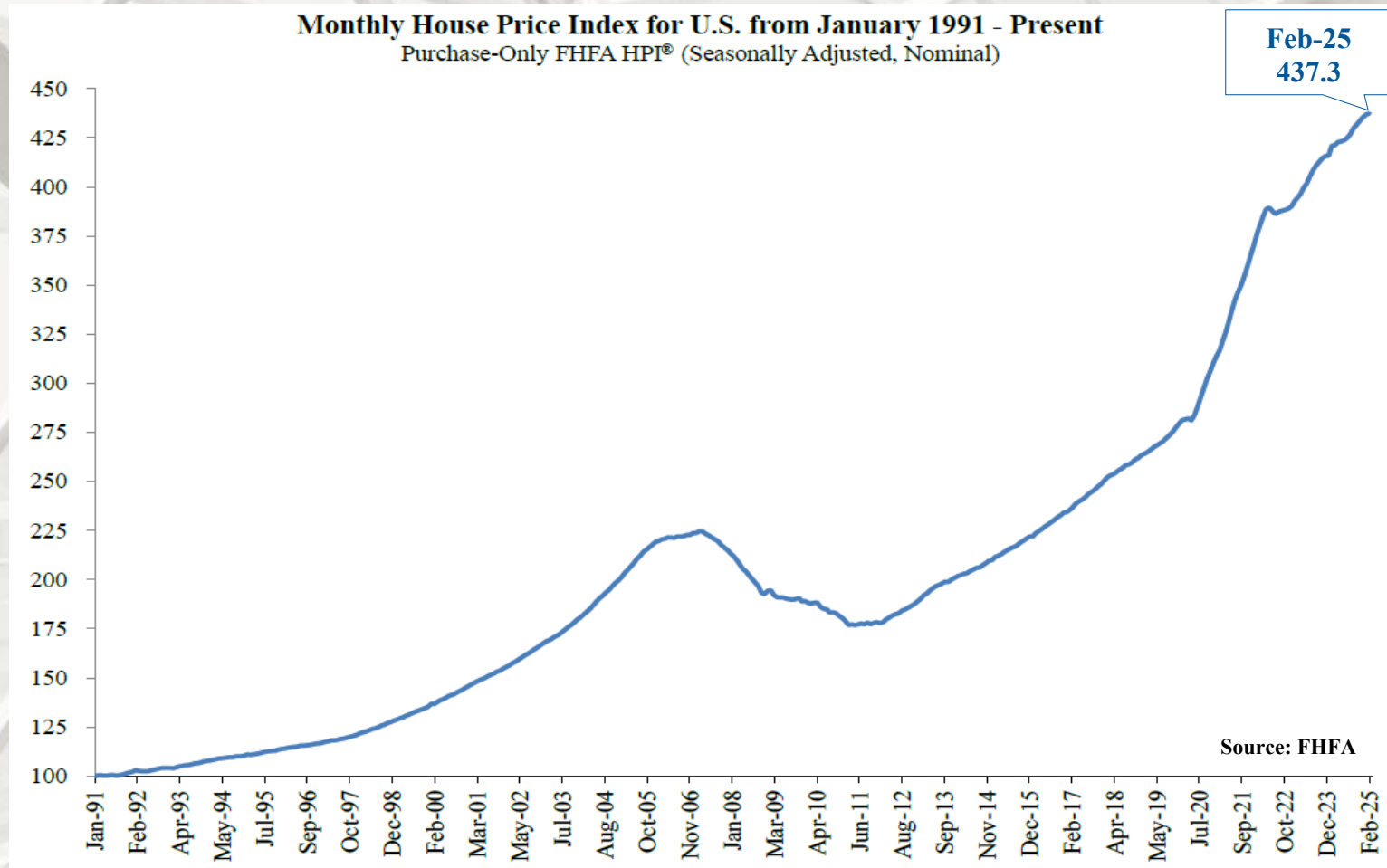
**FHFA House Price Index® Up 0.1 Percent in February;
Up 3.9 Percent from Last Year**

Significant Findings

“U.S. house prices rose **0.1 percent** in February, according to the U.S. Federal Housing (FHFA) seasonally adjusted monthly House Price Index (FHFA HPI®). House prices rose **3.9 percent** from February 2024 to February 2025. The previously reported 0.2 percent price growth in January was revised upward to 0.3 percent.

For the nine census divisions, seasonally adjusted monthly home price changes ranged from **-0.8 percent** in the Pacific division to **+1.3 percent** in the New England division. The 12-month changes were all positive, ranging from **+0.9 percent** in the Pacific division to **+7.0 percent** in the Middle Atlantic division.” – Adam Russell, FHFA

U.S. Housing Prices



U.S. Housing Prices

S&P CoreLogic Case-Shiller Index Records 3.9% Annual Gain In February 2025

“S&P Dow Jones Indices (S&P DJI) released the February 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 February 2025, a slight decrease from the previous reading in January 2025. 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 3.9% annual return for February, down from a 4.1% annual gain in the previous month. The 10-City Composite saw an annual increase of 5.2%, down from a 5.4% annual increase in the previous month. The 20-City Composite posted a year-over-year increase of 4.5%, down from a 4.7% increase in the previous month. New York again reported the highest annual gain among the 20 cities with a 7.7% increase in February, followed by Chicago and Cleveland with annual increases of 7.0% 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 February, posting 0.4%, 0.8%, and 0.7% respectively. After seasonal adjustment, the 10-City and 20-City Composite Indices posted month-over-month increases of 0.5% and 0.4%. The U.S. National Composite Index posted a month-over-month increase of 0.3%.” – Nicholas Godec, CFA, CAIA, CIPM, Head of Fixed Income Tradables & Commodities, S&P DJI

U.S. Housing Prices

S&P CoreLogic Case-Shiller Index

Analysis

“Even with mortgage rates remaining in the mid-6% range and affordability challenges lingering, home prices have shown notable resilience. Buyer demand has certainly cooled compared to the frenzied pace of prior years, but limited housing supply continues to underpin prices in most markets. Rather than broad declines, we are seeing a slower, more sustainable pace of price growth.

The National Composite Index posted a 3.9% annual gain in February, down slightly from the previous month’s reading. Much of the annual appreciation was frontloaded into the first half of the period, while the second half reflected a flatter performance, highlighting the broader cooling trend. The 20-City Composite rose 4.5% year-over-year, while the 10-City Composite gained 5.2%.

Regional trends remained divergent. New York led all markets with a 7.7% annual increase, followed by Chicago (7.0%) and Cleveland (6.6%). Tampa again posted the weakest performance, with prices declining 1.5% year-over-year. Markets that had previously experienced rapid appreciation, particularly in the Sun Belt, continue to adjust as higher financing costs and affordability constraints weigh more heavily on buyer demand.” – Nicholas Godec, CFA, CAIA, CIPM, Head of Fixed Income Tradables & Commodities, S&P DJI

U.S. Housing Prices

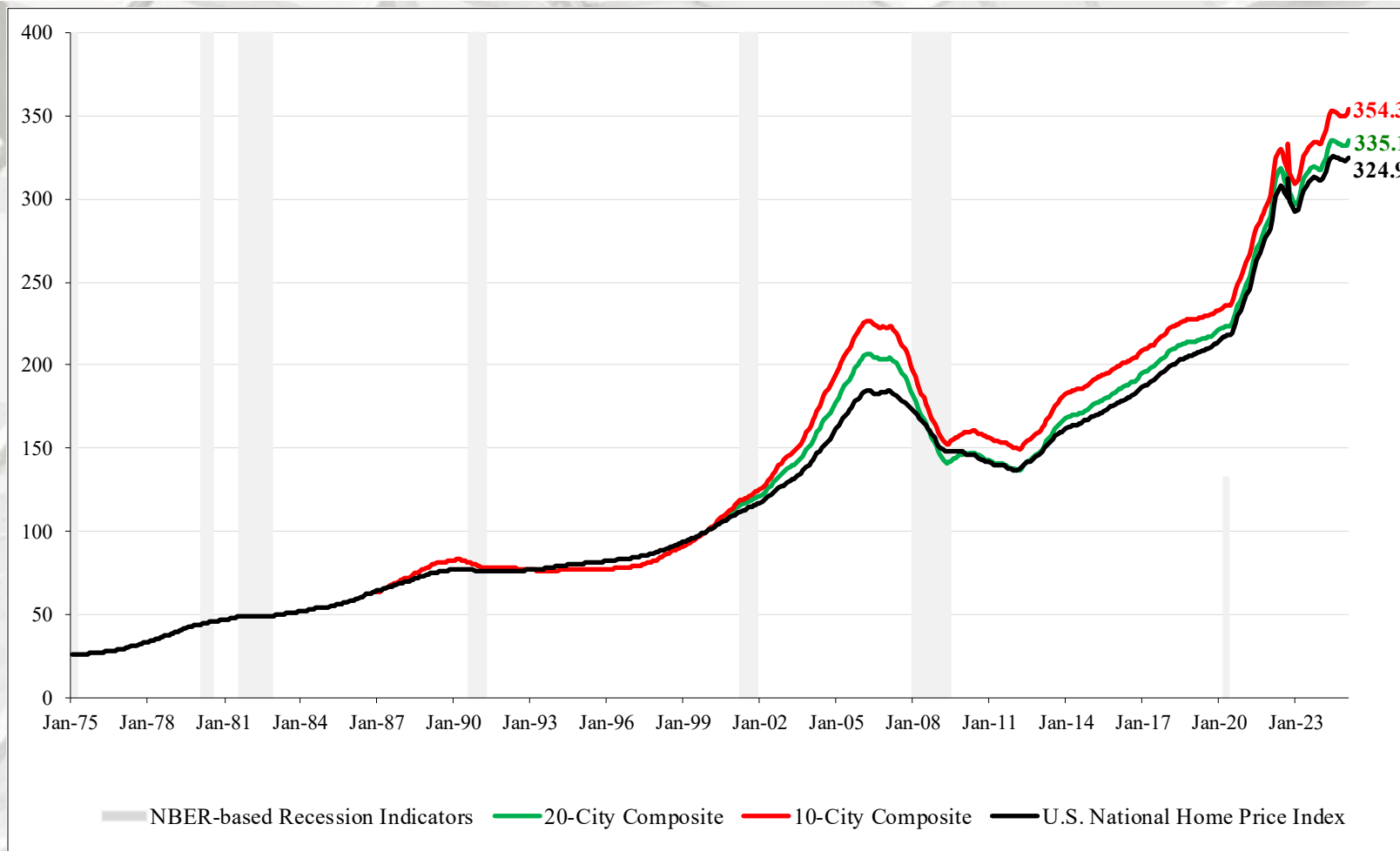
S&P CoreLogic Case-Shiller Index

Analysis

“On a month-over-month basis, February saw a broad-based rebound. Seventeen of the 20 metro areas posted positive monthly price gains, reversing recent seasonal weakness. San Francisco (+1.8%), Seattle (+1.6%), and Los Angeles (+1.5%) led all markets in monthly growth. Only Tampa (-0.3%), Miami (-0.3%), and Charlotte (essentially flat) recorded monthly declines or no change. Nationally, the U.S. National Composite rose 0.4% from January before seasonal adjustment and 0.3% after adjustment.

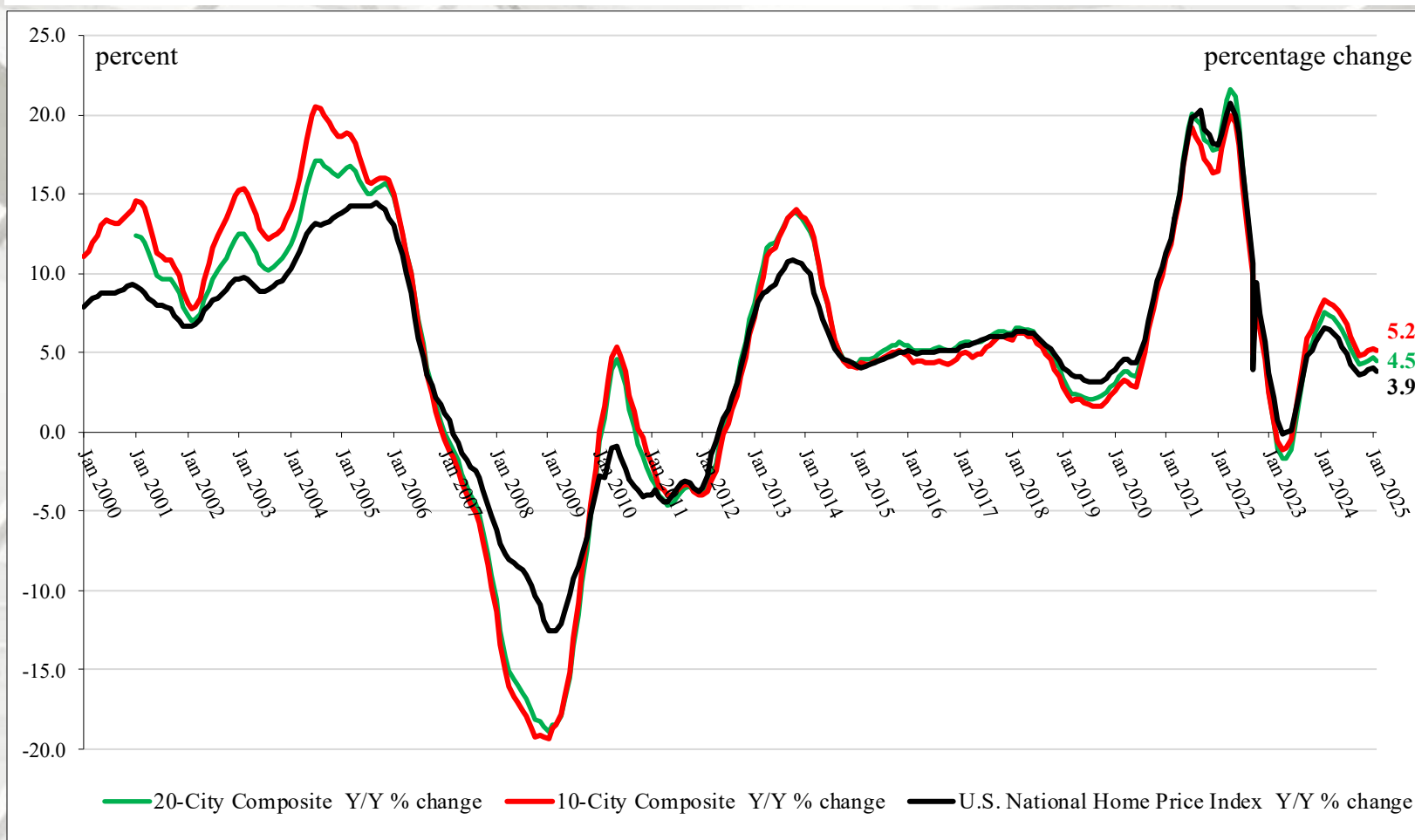
Affordability remains a key pressure point. Mortgage rates, while off their peaks, continue to hover in the mid-6% range, keeping monthly payment burdens historically elevated relative to incomes. However, persistent supply shortages – particularly among existing homeowners reluctant to part with low pandemic-era mortgage rates – continue to offset softer demand, supporting a gradual upward trend in home prices.” – Nicholas Godec, CFA, CAIA, CIPM, Head of Fixed Income Tradables & Commodities, S&P DJI

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).

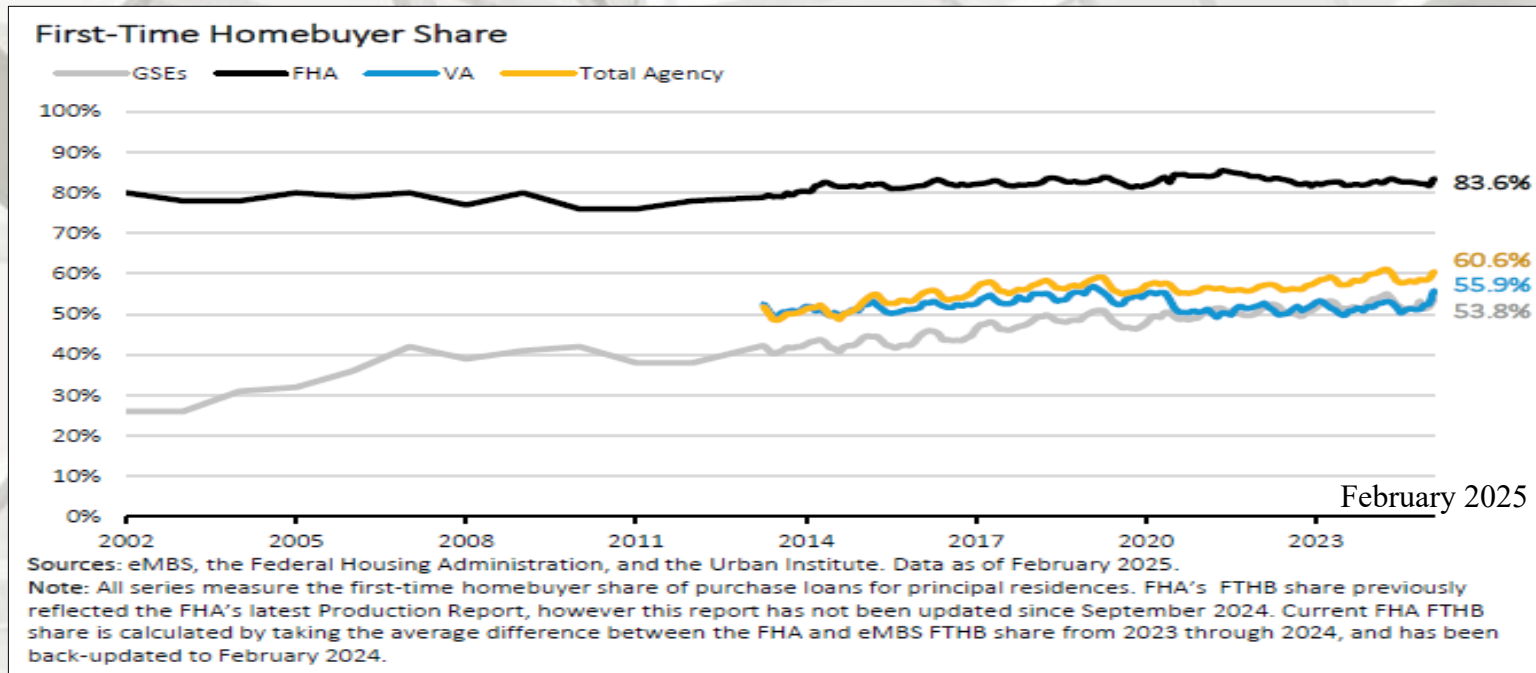
S&P/Case-Shiller Home Price Indices



Y/Y Price Change

From February 2024 to February 2025, the National Index indicated a 3.9% increase; the Ten-City increased by 5.2%, and the Twenty-City rose by 4.5%.

U.S. First-Time House Buyers



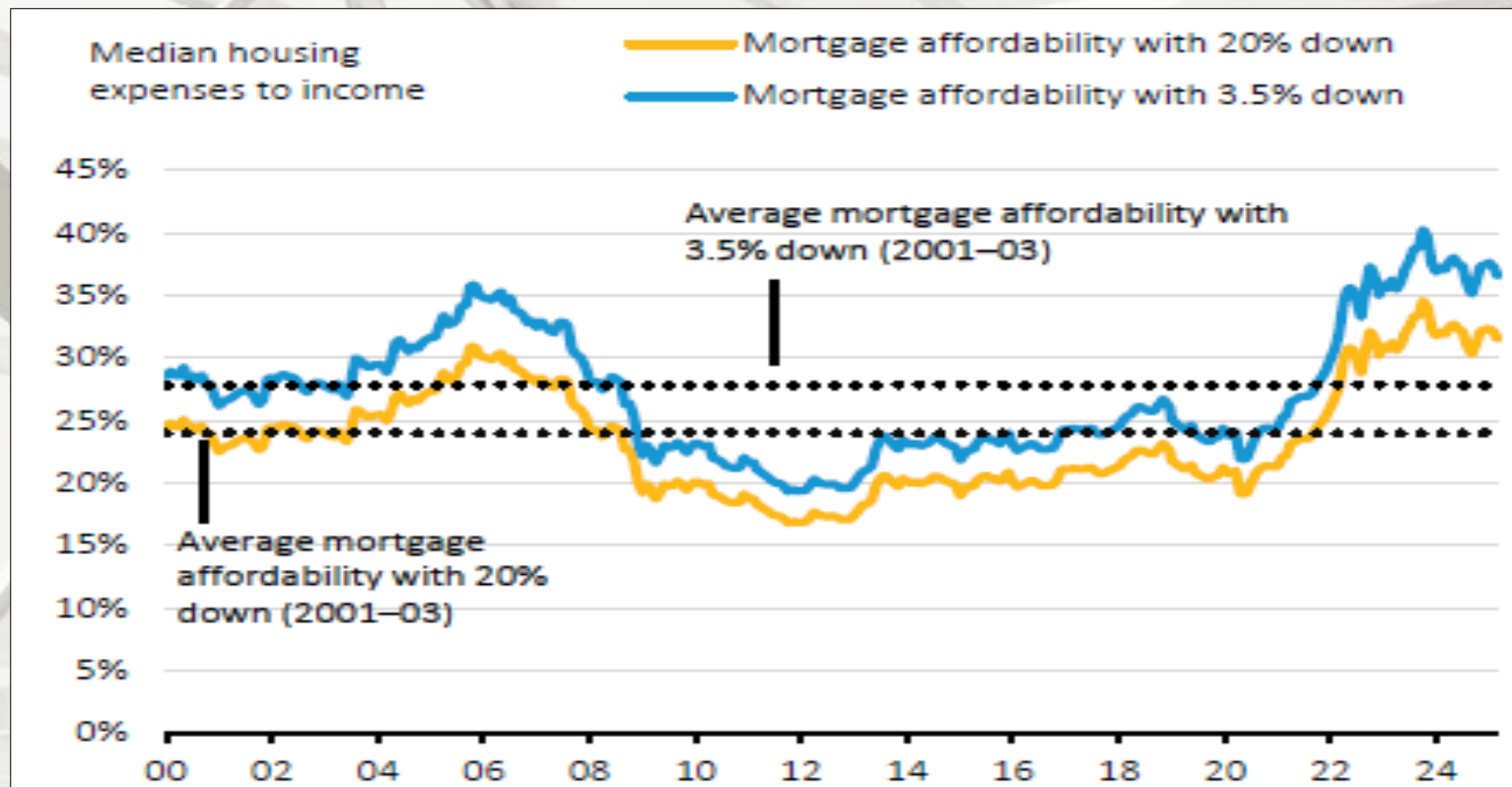
Sources: eMBS, Federal Housing Administration (FHA), and Urban Institute.

Note: All series measure the first-time home buyer share of purchase loans for principal residences.

Urban Institute First-time House Buyer Share

“More than half of all agency purchase originations are first time homebuyers. Amid higher interest rates, many current homeowners are incentivized to keep their lower rate mortgage. First time homebuyers are traditionally more concentrated among FHA was, 83.6 percent. However, in February 2025, more than half of GSE and VA purchase originations are made to first time homebuyers as well (53.8 percent and 55.9 percent, respectively). ...” – Laurie Goodman *et. al*, Vice President, Urban Institute

U.S. Housing Affordability



Urban Institute

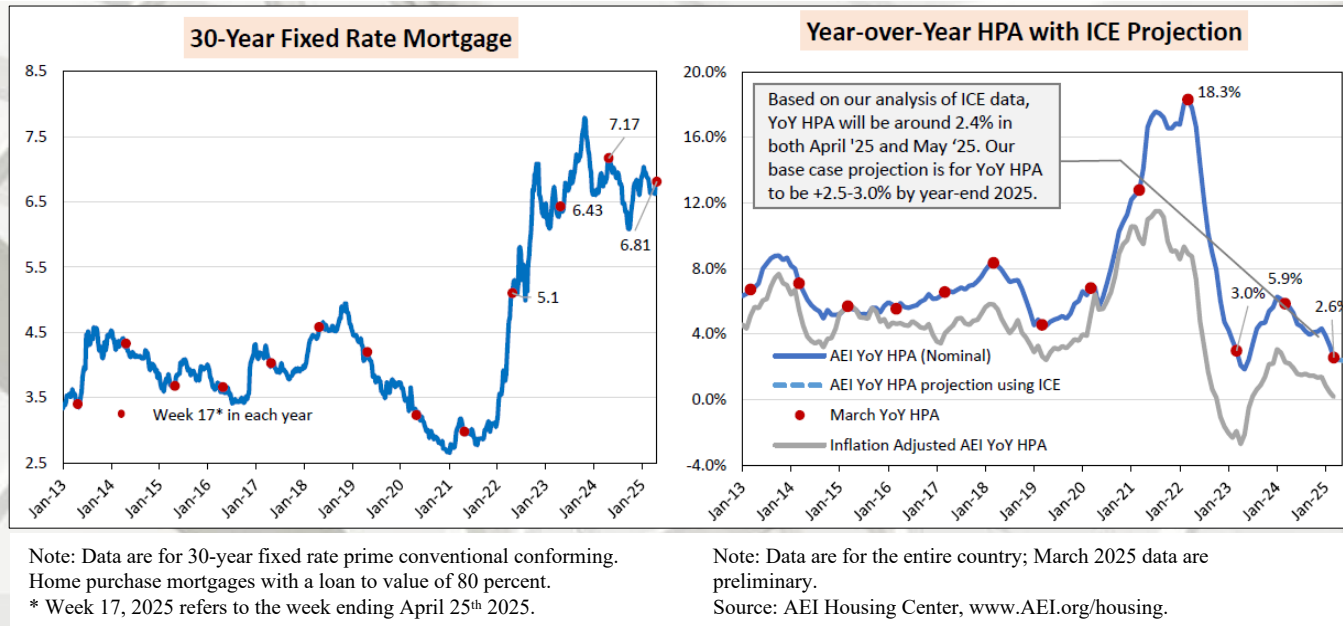
National Mortgage Affordability Over Time

“Mortgage affordability remains close to the worst level since the inception of this series in 2000. As of March 2025, with a 20 percent down payment, the share of median income needed for the median monthly mortgage payment was 31.5 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 36.5 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

Source: <https://www.urban.org/research/publication/housing-finance-glance-monthly-chartbook-april-2025/>; 4/30/25

Return TOC

U.S. Housing Affordability

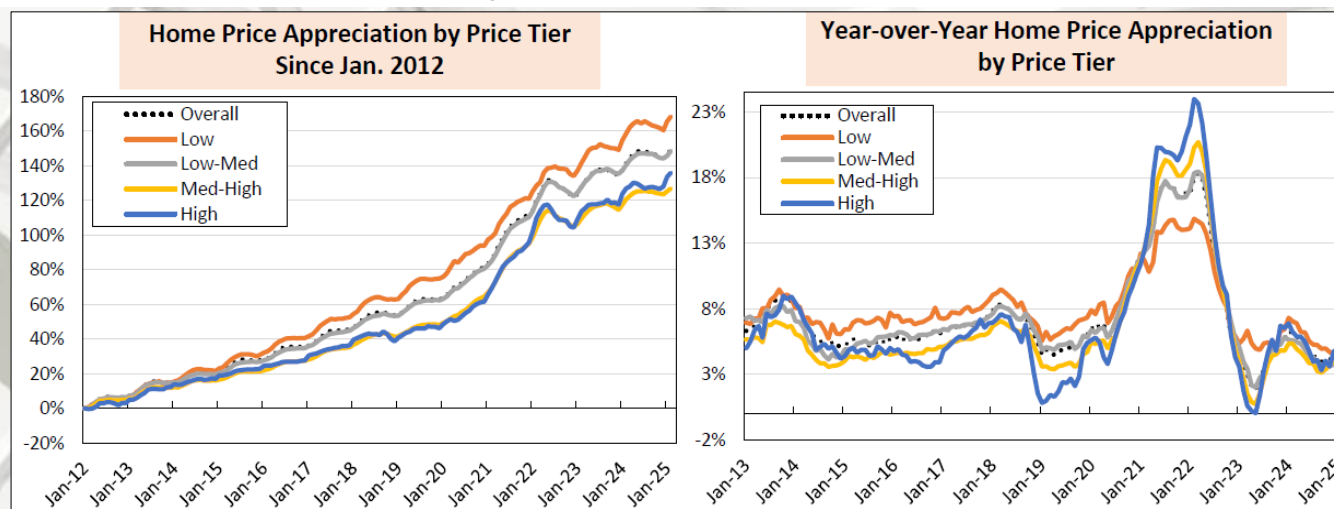


AEI Housing Center

March 2025's Year over Year (YoY) HPA in preliminary YoY HPA was March 2025's preliminary YoY HPA was 2.6%, the lowest March level of the series, and down from 3.3% a month ago and 5.9% in March 2024.

- “March 2025's MoM HPA was 0.6%.
- 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 2.4% for both April and May 2025.
- Constant quality HPA controls for mix shifts in home quality, which otherwise may skew MoM or YoY changes.” – Edward Pinto, Senior Fellow and Director and Tobias Peter, Research Fellow and Assistant Director, AEI Housing Center

Home Price Appreciation by Price Tier



Note: Data are for the entire country. Data for March 2025 are preliminary.

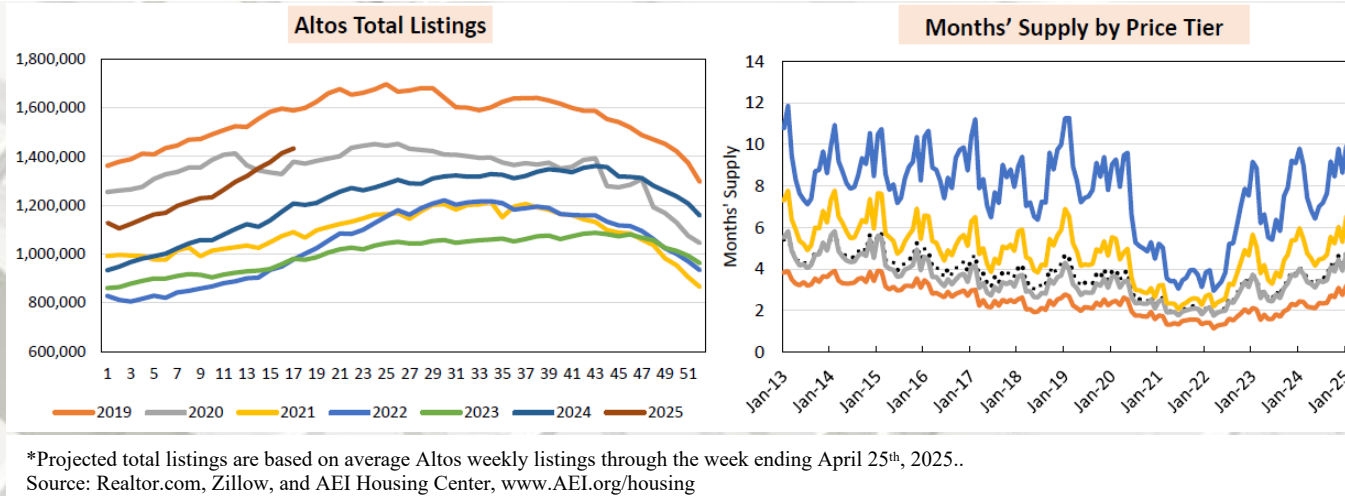
Source: AEI Housing Center, www.AEI.org/housing

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).

- The med high and high price tiers are generally not eligible for federal first time buyer assistance (the leverage punchbowl), leaving them more dependent on the Fed’s monetary punchbowl.
- However, recent trends indicate that HPA differences by price tier have narrowed, as overall HPA has slowed.
- Preliminary numbers for March 2025 indicate that the high price tier grew by 4%, while the low, med low, and med high followed at 2.9%, 2.6% and 2.3% respectively.
- While relatively high mortgage rates and declining affordability are having an impact on HPA, the high price tier, which is less reliant on the leverage punchbowl, leads in HPA, while the other tiers lag.” – Edward Pinto, Senior Fellow and Director and Tobias Peter, Research Fellow and Assistant Director, AEI Housing Center

AEI Housing Center: Housing Inventory and Months' Supply



“The relatively strong seller’s market continued in March 2025 despite months’ remaining supply growing by 0.6 months from Feb. 2025 to 3.6 months (not seasonally adjusted). Month’s supply remains just below pre pandemic levels (the average for March 2018 and 2019 was 3.5 months).

- Although inventory was up 17.9% from March 2024, it is still 12.7% below March 2019, the “last normal” pre-pandemic March reading (left panel).
 - On a weekly basis, **inventory in April is rising at the fastest level of the series**, with the projection for April suggesting that inventory will increase by 6.8% over the prior month. This would place April 2025 inventory 11.3% below April 2019.*
- Months’ supply stood at 3.6 months in March 2025, down from 4.2 mos. in Feb. 2025, and up from 3.5 mos. a year ago (right panel). YoY HPA was 3.6% in March 2025, compared to 3.8% in March 2019. 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 mos.’ supply represents a national market that is at a nominal price equilibrium or neutral point and would need to increase to 8-9 mos. 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

U.S. Housing Finance

Mortgage Bankers Association

Mortgage Credit Availability Increased in April

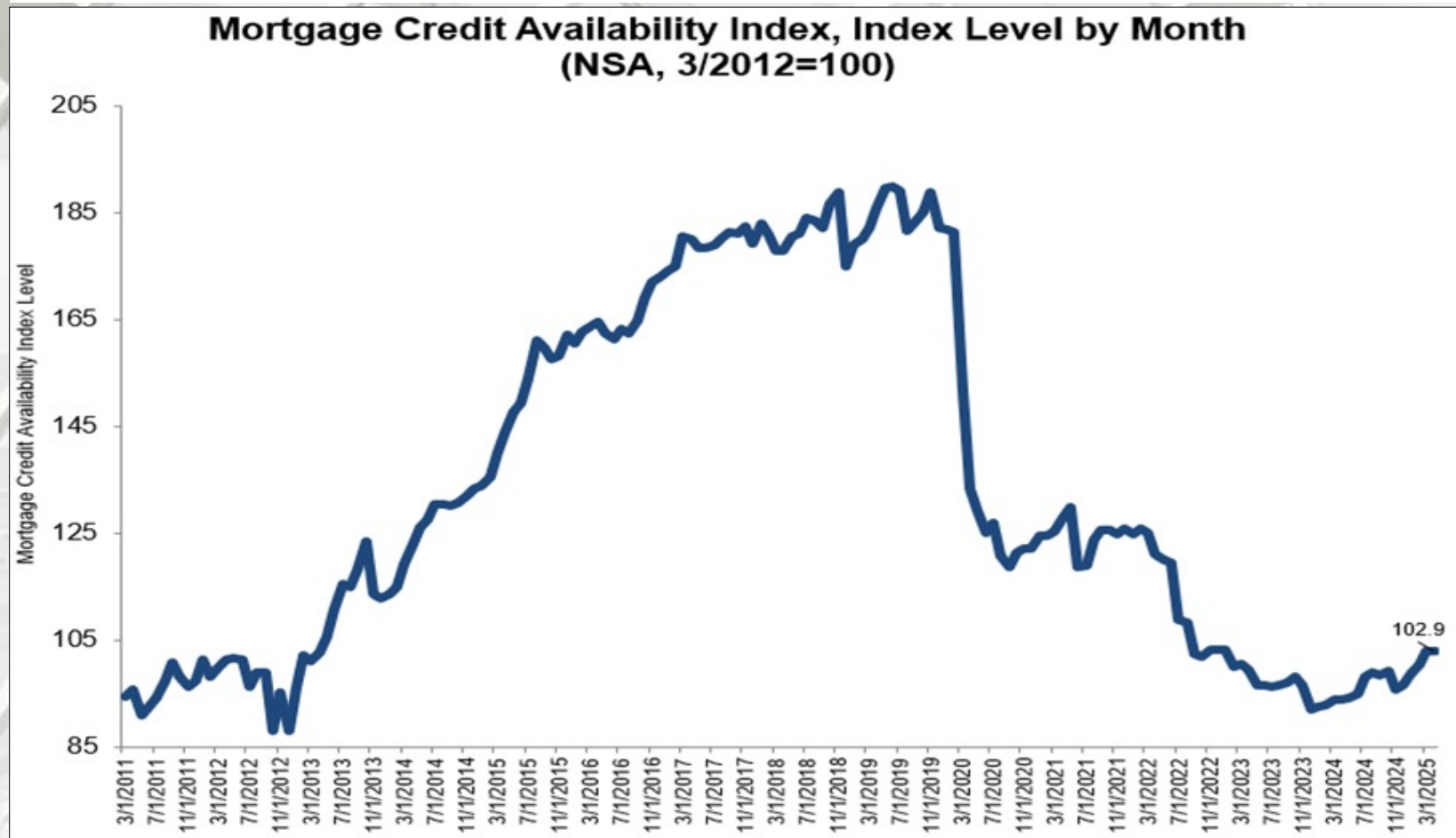
“Mortgage credit availability unchanged in April according to the Mortgage Credit Availability Index (MCAI), a report from the Mortgage Bankers Association (MBA) that analyzes data from ICE Mortgage Technology.

The MCAI remained unchanged at 102.9 in April. 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 remained unchanged, while the Government MCAI remained unchanged. Of the component indices of the Conventional MCAI, the Jumbo MCAI decreased by 0.1 percent, and the Conforming MCAI rose by 0.2 percent.

Credit availability was unchanged in April following a sizable increase in March. Overall levels of credit supply remain tight but have generally grown since 2023, as lenders continue to offer cash-out refinance loan programs as well as jumbo and non-QM loans. Lenders remain positioned for potential refinance opportunities as mortgage rates continue to fluctuate.” – Joel Kan, Associate Vice President of Economic and Industry Forecasting; MBA

U.S. Housing Finance

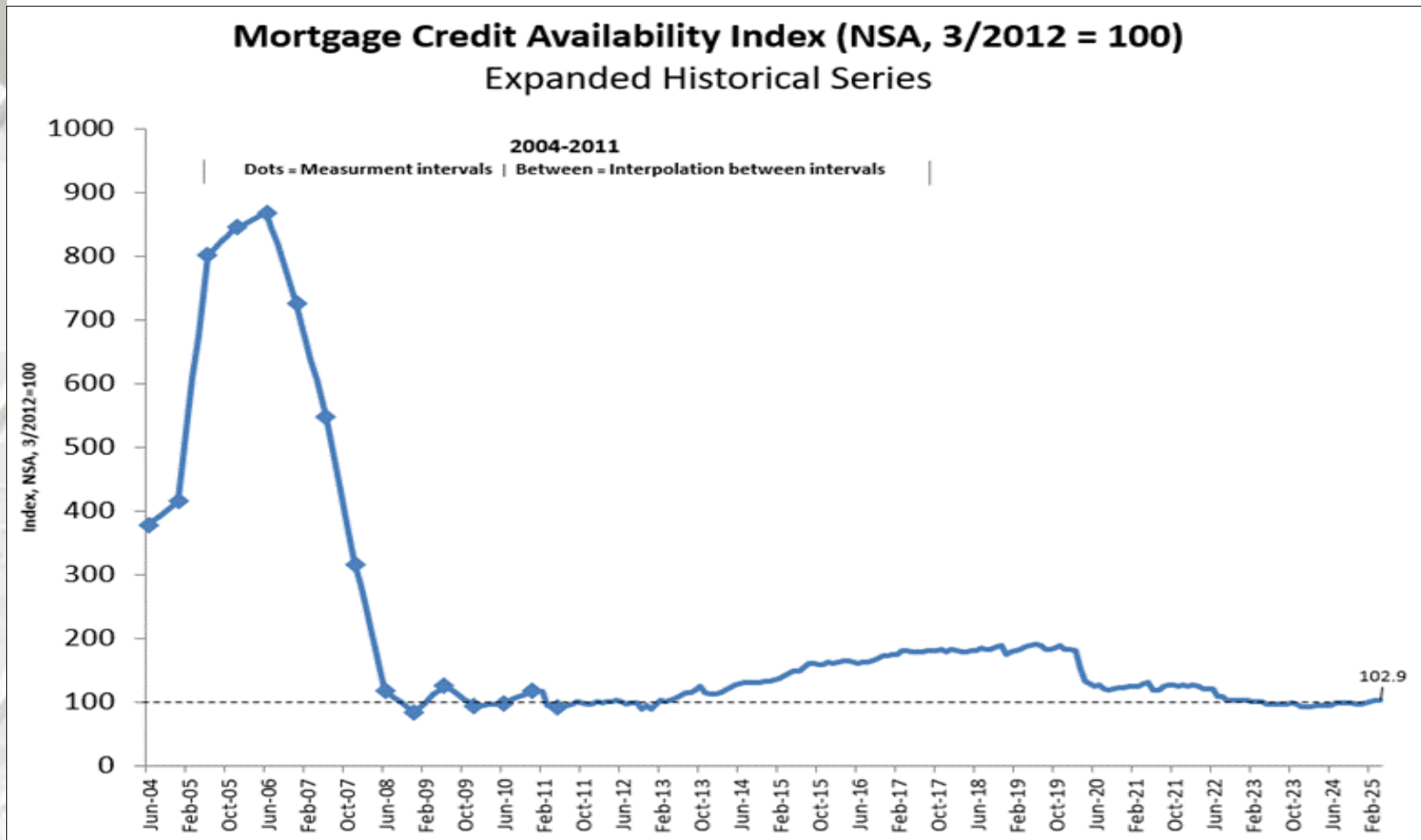
Mortgage Credit Availability (MBA)



Source: Mortgage Bankers Association; Powered by ICE Mortgage Technology

U.S. Housing Finance

Mortgage Credit Availability (MBA)



Source: Mortgage Bankers Association; Powered by ICE Mortgage Technology

MBA Mortgage Finance Forecast

MBA Mortgage Finance Forecast

April 11, 2025

	2024				2025				2026				2024	2025	2026	2027
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
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. Copyright 2025 Mortgage Bankers Association. All rights reserved. THE HISTORICAL DATA AND PROJECTIONS ARE PROVIDED "AS IS" WITH NO WARRANTIES OF ANY KIND.



MBA Economic Forecast

MBA Economic Forecast

April 11, 2025

	2024				2025				2026				2024	2025	2026	2027
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
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

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MBA

MORTGAGE BANKERS ASSOCIATION

Summary

In conclusion:

Housing data month-over-month and year-over-year were mostly negative. On a month-over-month basis total and multi-family permits, single-family completions, new house sales, and single-family construction spending were positive. New house sales costing less than \$399,000 outpaced higher priced categories for the first-time in several years. Year-over-year, total housing and multi-family starts, total and single-family housing completions, 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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