The Virginia Tech–USDA Forest Service Housing Commentary: Section I
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This report is a free monthly service of Virginia Tech. Past issues are available at: http://woodproducts.sbio.vt.edu/housing-report.

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

The July 17th Atlanta Fed GDPNow™ total residential investment spending forecast is -6.6% for June 2025. Quarterly log change for new private permanent site expenditures were projected at -12.1%; the improvement spending forecast was 2.1%; and the manufactured/mobile home expenditures projection was -8.8% (all: quarterly log change and at a seasonally adjusted annual rate).[1]

"Until mortgage rates decline meaningfully or incomes catch up with housing costs, affordability will remain a central issue. Buyers and sellers alike are proceeding cautiously, waiting for the next signal from the broader economy." – Eric Fox, Chief Economist, and Reena Agrawal, Senior Research Economist, Veros Real Estate Solutions

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.

Sources: [1] www.frbatlanta.org/cqer/research/gdpnow.aspx; 7/17/25
[2] https://www.veros.com/mid-year-housing-market-review-crashing-growingor-pausing; 7/9/25

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May 2025
Housing Scorecard

	M/M	Y/Y
Housing Starts	▼ 9.8%	▼ 4.6%
Single-Family (SF) Starts	▲ 0.4%	▼ 7.3%
Multi-Family (MF) Starts*	▼ 29.7%	▲ 4.1%
Housing Permits	▼ 2.0%	▼ 0.9%
SF Permits	▼ 2.6%	▼ 6.3%
MF Permits*	▼ 0.8%	▲ 10.5%
Housing Under Construction	▼ 1.4%	▼ 13.7%
SF Under Construction	▼ 1.3%	▼ 7.6%
Housing Completions	▲ 5.4%	▼ 2.2%
SF Completions	▲ 8.1%	▲ 0.1%
New SF House Sales	▼ 13.7%	▼ 6.3%
Private Residential Construction Spending	▼ 0.5%	▼ 6.7%
SF Construction Spending	▼ 1.8%	▼ 4.5%
Existing House Sales[1]	▲ 0.8%	▼ 0.7%

* 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
May	1,256,000	924,000	16,000	316,000
April	1,392,000	920,000	18,000	454,000
2024	1,316,000	997,000	18,000	301,000
M/M change	-9.8%	0.4%	-11.1%	-30.4%
Y/Y change	-4.6%	-7.3%	-11.1%	5.0%

* 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; 6/18/25

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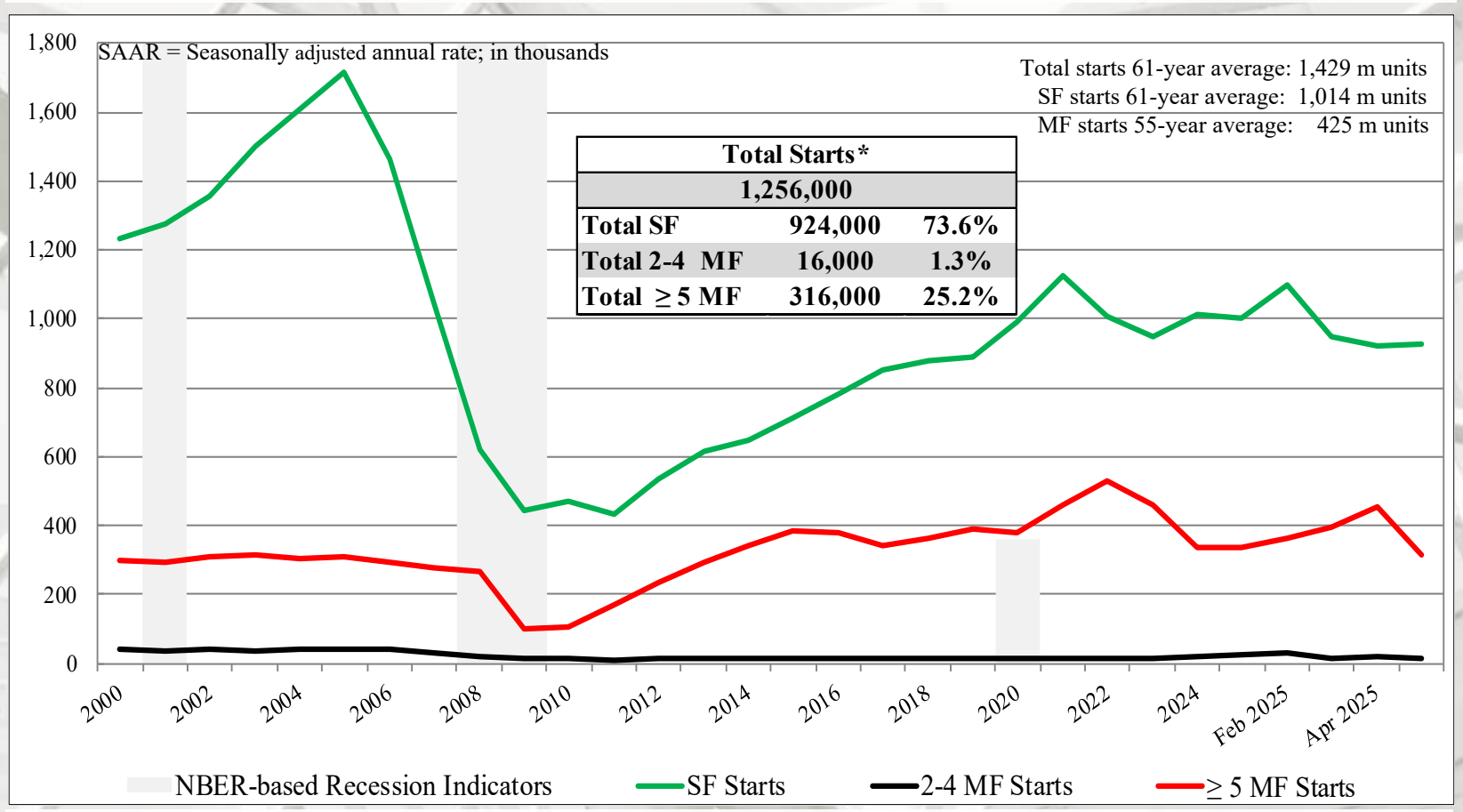
Total Housing Starts



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; 6/18/25

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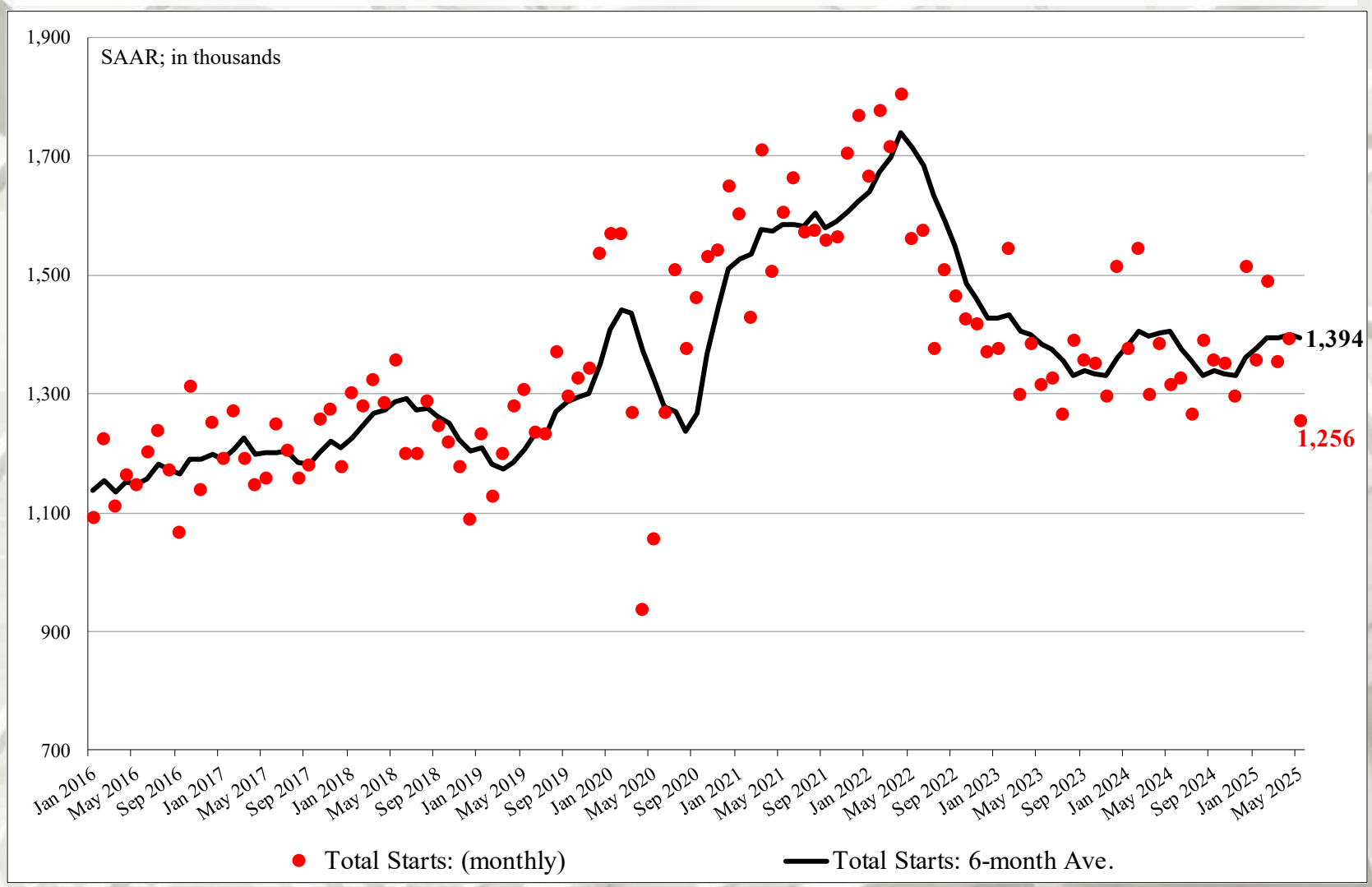
Total Housing Starts: Six-Month Moving Average



Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 6/18/25

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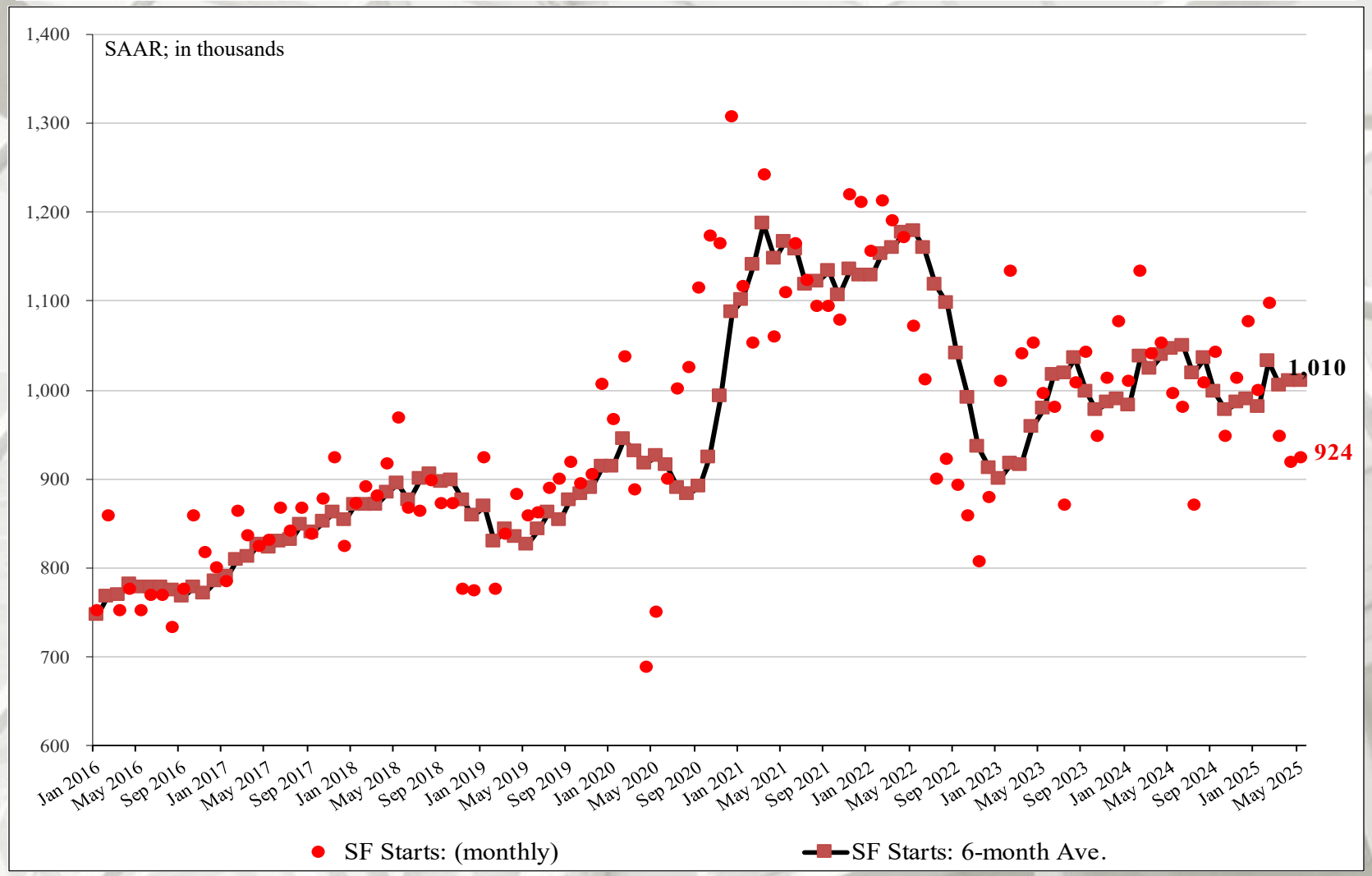
SF Housing Starts: Six-Month Moving Average



Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 6/18/25

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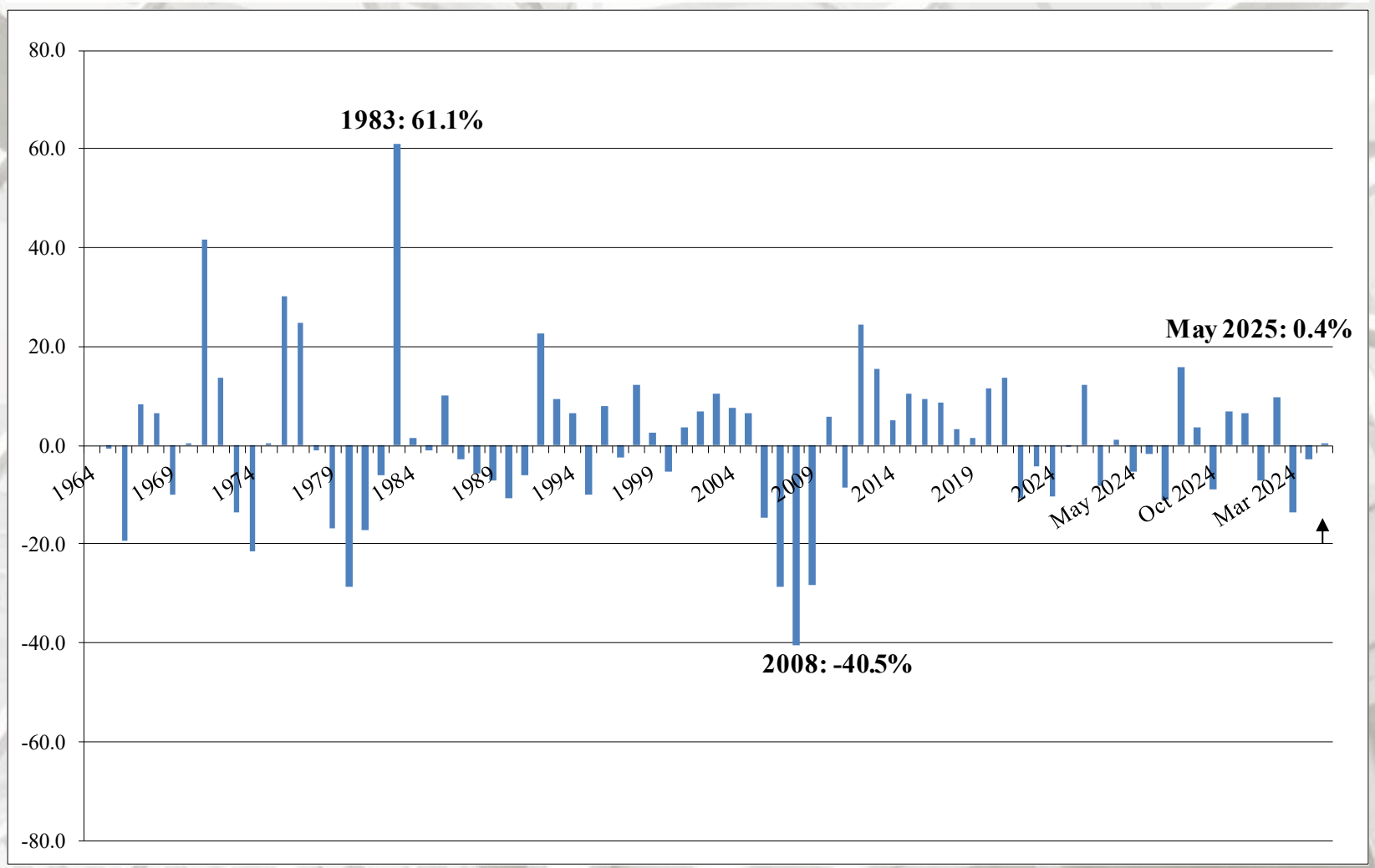
SF Housing Starts: Year-over-Year Change (%)



Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 6/18/25

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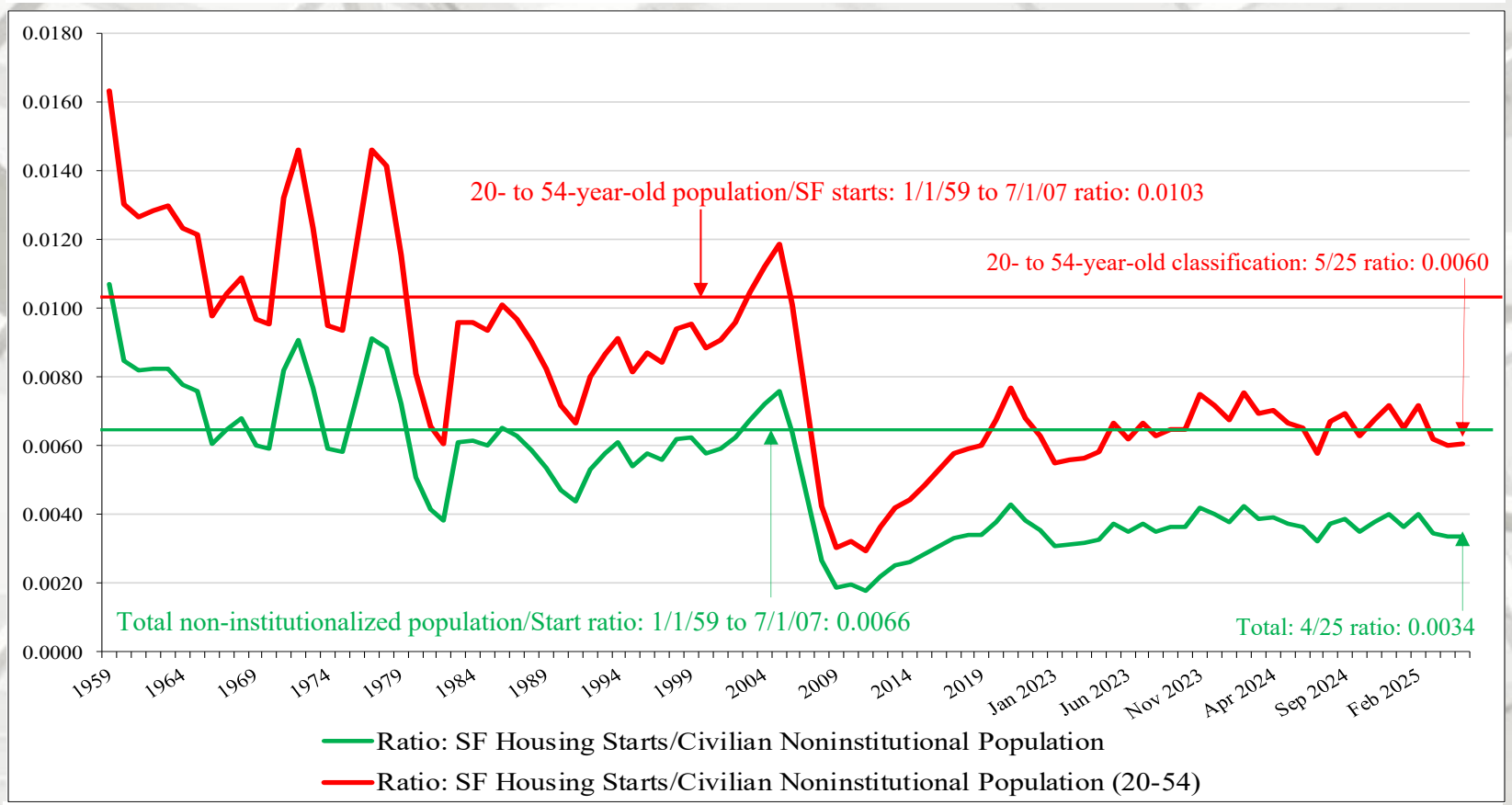
New SF Starts



New SF starts adjusted for the US population

From May 1959 to May 2007, the long-term ratio of new SF starts to the total US non-institutionalized population is 0.0066. In May 2025 it was 0.0034 – no change from April. The long-term ratio of non-institutionalized population, aged 20 to 54 is 0.0103; in May 2025 it was 0.0060 – no change from April. 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; 6/18/25

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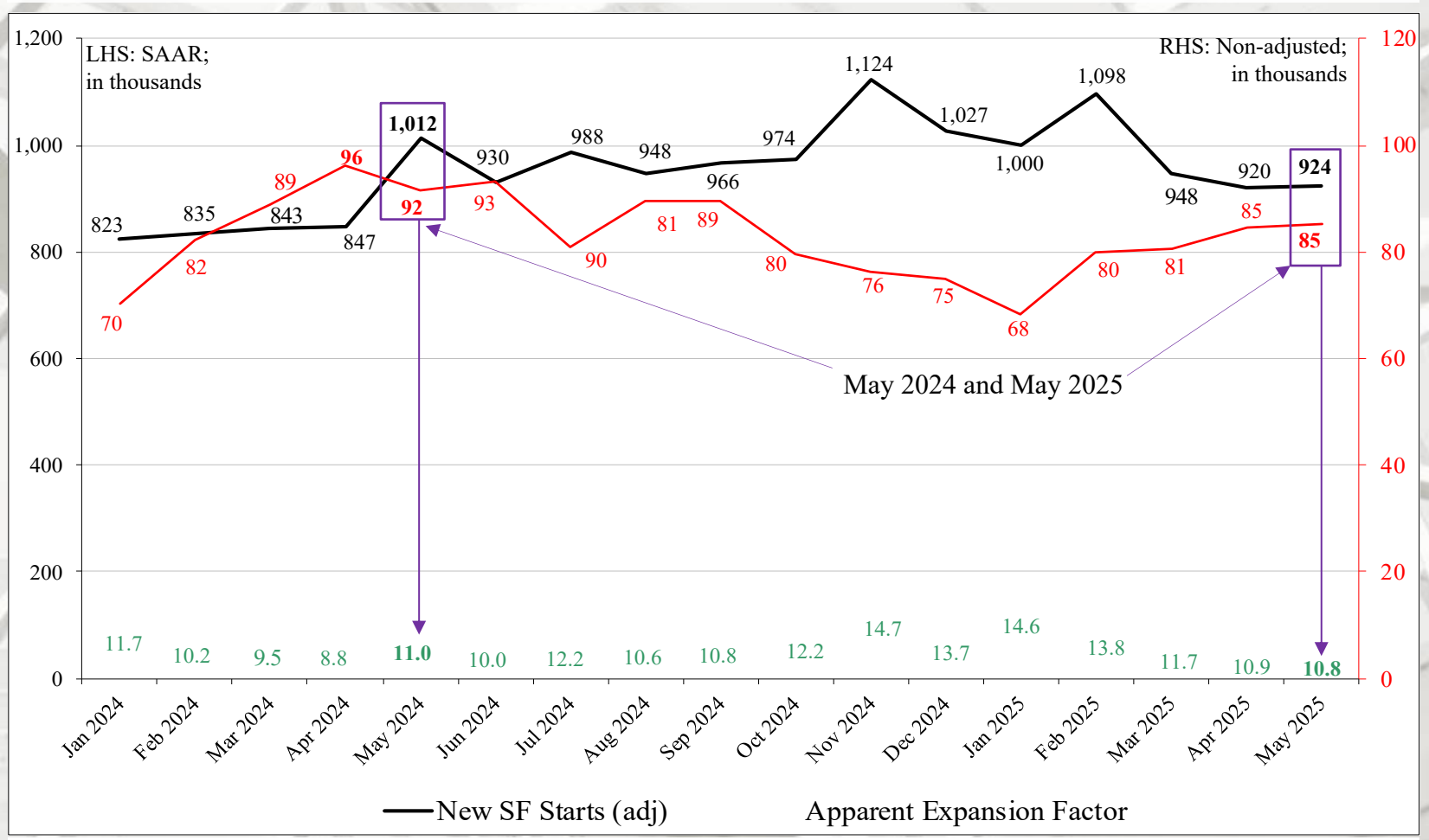
Nominal & SAAR SF Starts



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; 6/18/25

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New Housing Starts by Region

	NE Total	NE SF	NE MF**
May	105,000	64,000	41,000
April	175,000	71,000	104,000
2024	99,000	70,000	29,000
M/M change	-40.0%	-9.9%	-60.6%
Y/Y change	6.1%	-8.6%	41.4%

	MW Total	MW SF	MW MF
May	184,000	140,000	44,000
April	205,000	138,000	67,000
2024	146,000	106,000	40,000
M/M change	-10.2%	1.4%	-34.3%
Y/Y change	26.0%	32.1%	10.0%

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; 6/18/25

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New Housing Starts by Region

	S Total	S SF	S MF**
May	693,000	526,000	167,000
April	774,000	535,000	239,000
2024	747,000	587,000	160,000
M/M change	-10.5%	-1.7%	-30.1%
Y/Y change	-7.2%	-10.4%	4.4%

	W Total	W SF	W MF
May	274,000	194,000	80,000
April	238,000	176,000	62,000
2024	324,000	234,000	90,000
M/M change	15.1%	10.2%	29.0%
Y/Y change	-15.4%	-17.1%	-11.1%

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; 6/18/25

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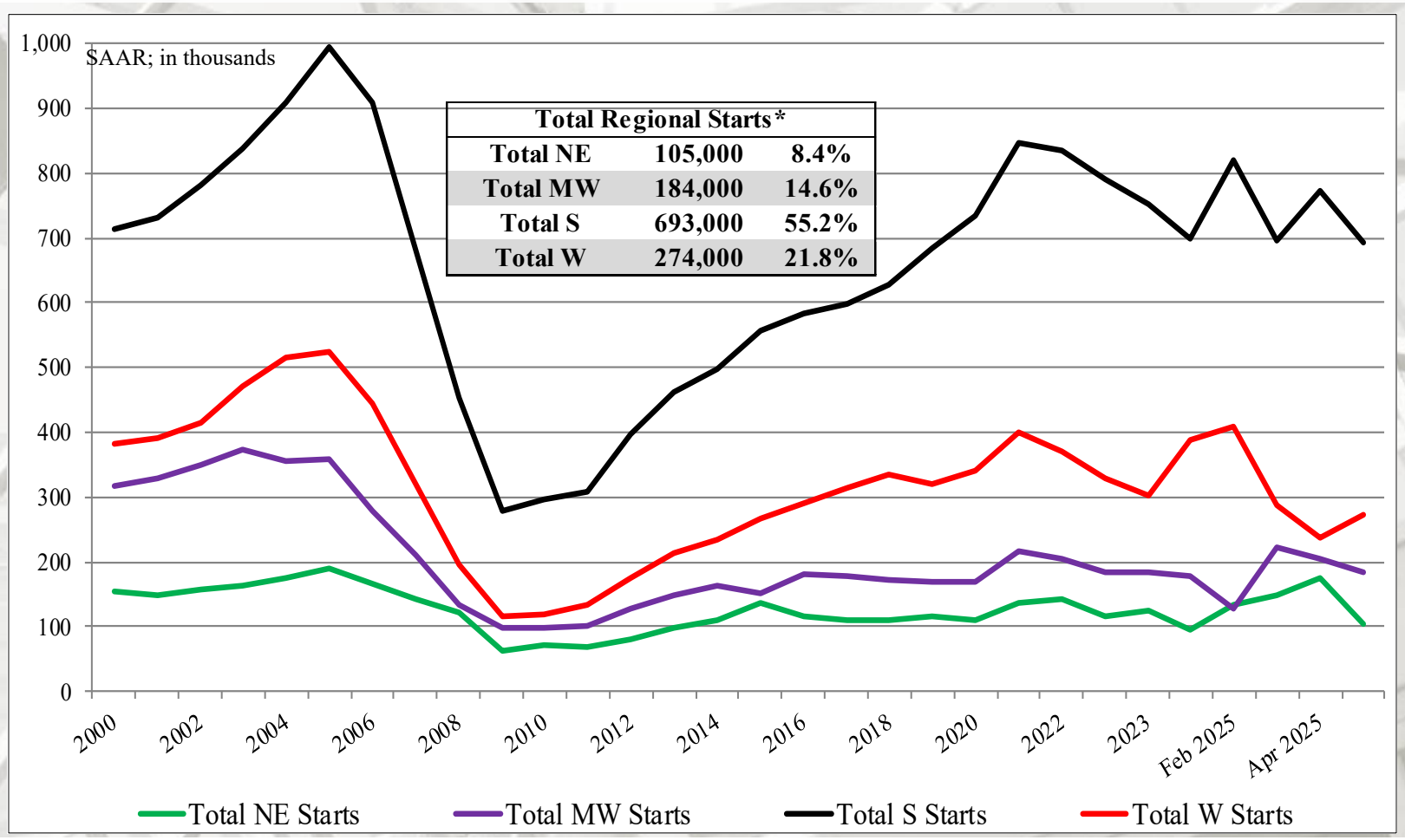
New Housing Starts by Region



Total Regional Starts*		
Total NE	105,000	8.4%
Total MW	184,000	14.6%
Total S	693,000	55.2%
Total W	274,000	21.8%

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; 6/18/25

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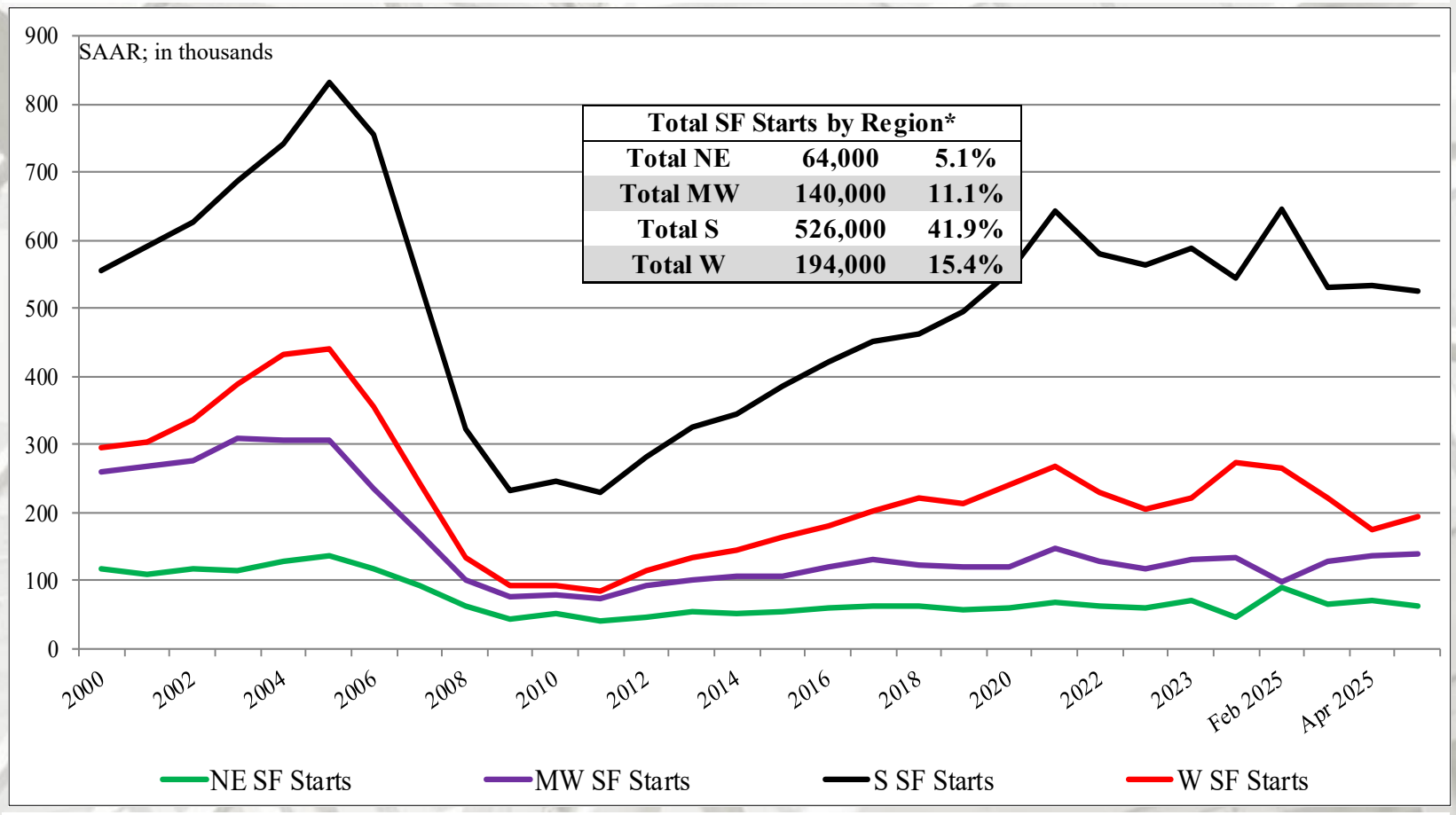
Total SF Housing Starts by Region



Total SF Starts by Region*		
Total NE	64,000	5.1%
Total MW	140,000	11.1%
Total S	526,000	41.9%
Total W	194,000	15.4%

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; 6/18/25

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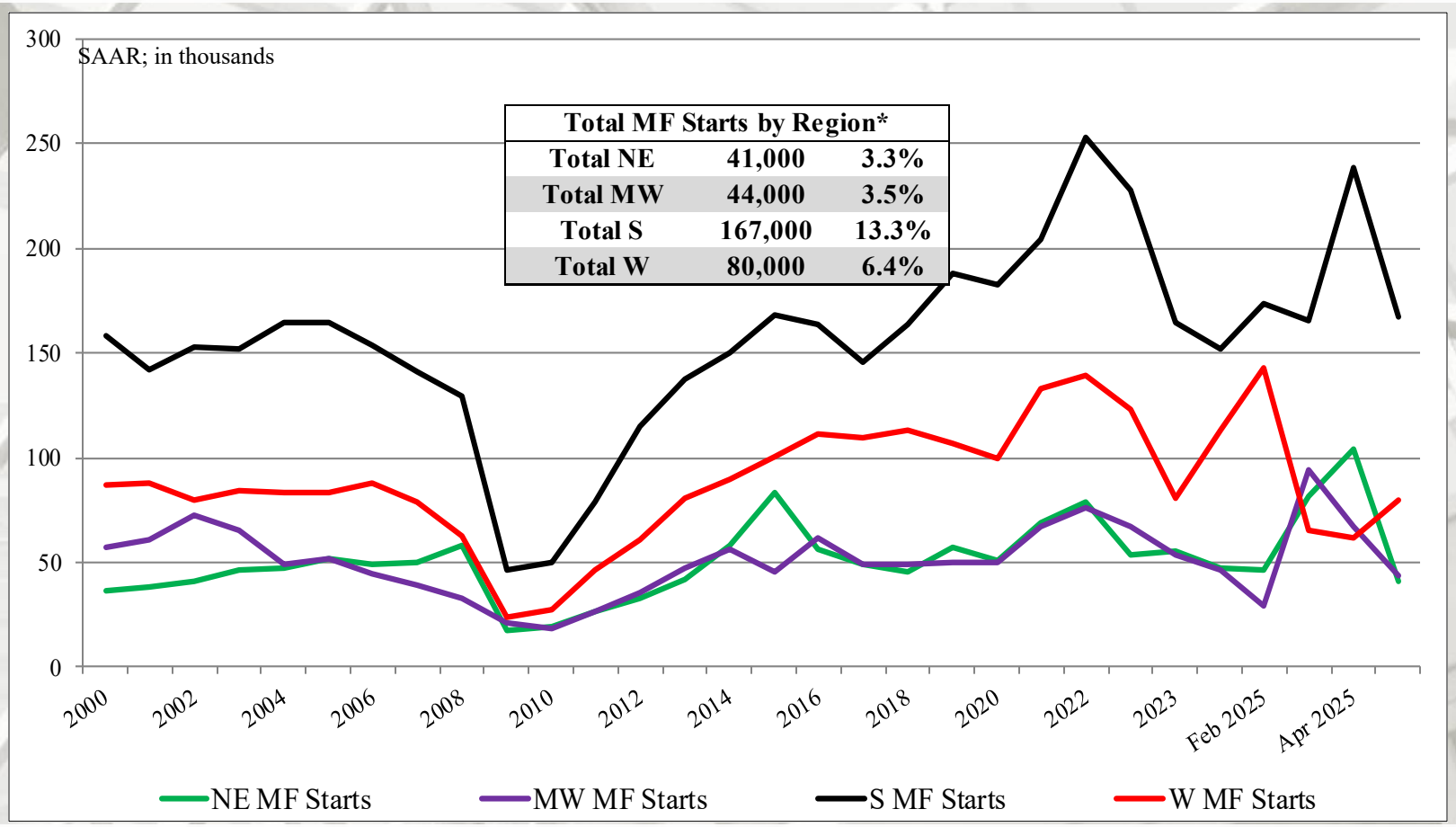
MF Housing Starts by Region



Total MF Starts by Region*		
Total NE	41,000	3.3%
Total MW	44,000	3.5%
Total S	167,000	13.3%
Total W	80,000	6.4%

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; 6/18/25

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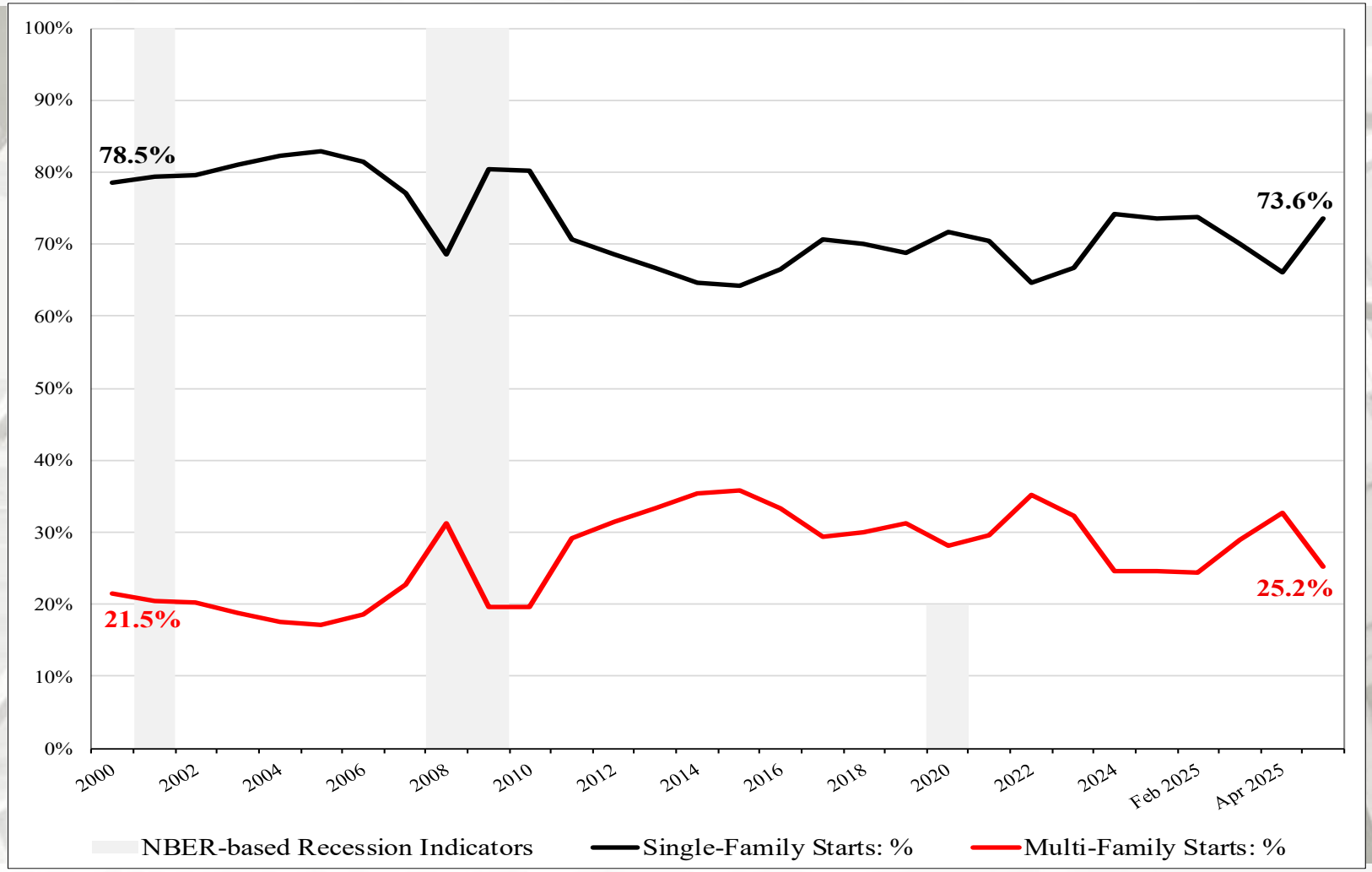
SF vs. MF Housing Starts (%)



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; 6/18/25

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New Housing Permits

	Total Permits*	SF Permits	MF 2-4 unit Permits	MF ≥ 5 unit Permits
May	1,394,000	899,000	53,000	442,000
April	1,422,000	923,000	61,000	438,000
2024	1,407,000	959,000	55,000	393,000
M/M change	-2.0%	-2.6%	-13.1%	0.9%
Y/Y change	-0.9%	-6.3%	-3.6%	12.5%

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

Source: https://www.census.gov/construction/bps/; 6/25/25

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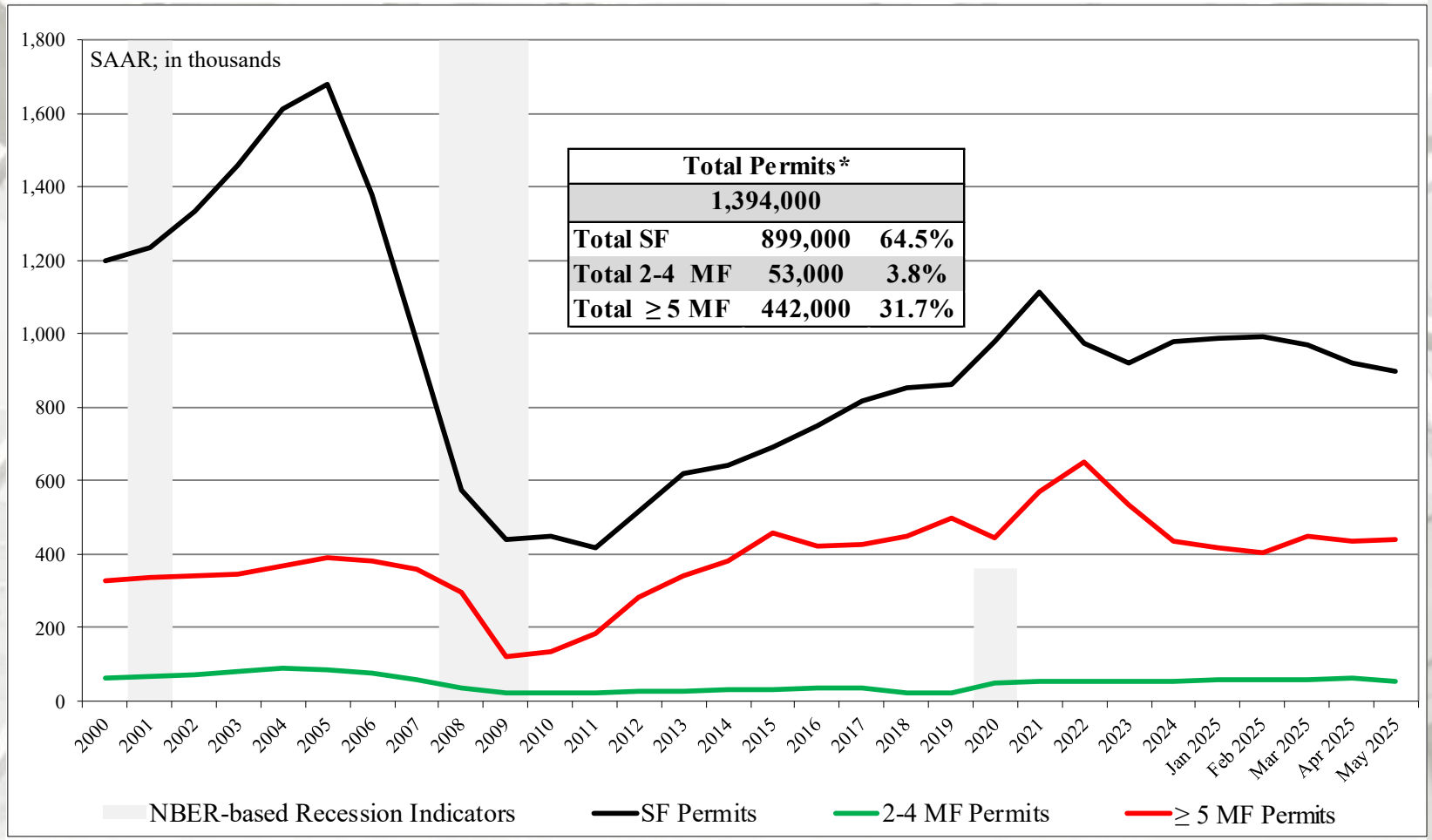
Total New Housing Permits



* 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/; 6/25/25

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New Housing Permits by Region

	NE Total*	NE SF	NE MF**
May	123,000	56,000	67,000
April	136,000	60,000	76,000
2024	120,000	57,000	63,000
M/M change	-9.6%	-6.7%	-11.8%
Y/Y change	2.5%	-1.8%	6.3%

	MW Total*	MW SF	MW MF**
May	217,000	126,000	91,000
April	194,000	125,000	69,000
2024	183,000	114,000	69,000
M/M change	11.9%	0.8%	31.9%
Y/Y change	18.6%	10.5%	31.9%

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/; 6/25/25

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New Housing Permits by Region

	S Total*	S SF	S MF**
May	742,000	529,000	213,000
April	762,000	541,000	221,000
2024	781,000	580,000	201,000
M/M change	-2.6%	-2.2%	-3.6%
Y/Y change	-5.0%	-8.8%	6.0%

	W Total*	W SF	W MF**
May	312,000	188,000	124,000
April	330,000	197,000	133,000
2024	323,000	208,000	115,000
M/M change	-5.5%	-4.6%	-6.8%
Y/Y change	-3.4%	-9.6%	7.8%

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/; 6/25/25

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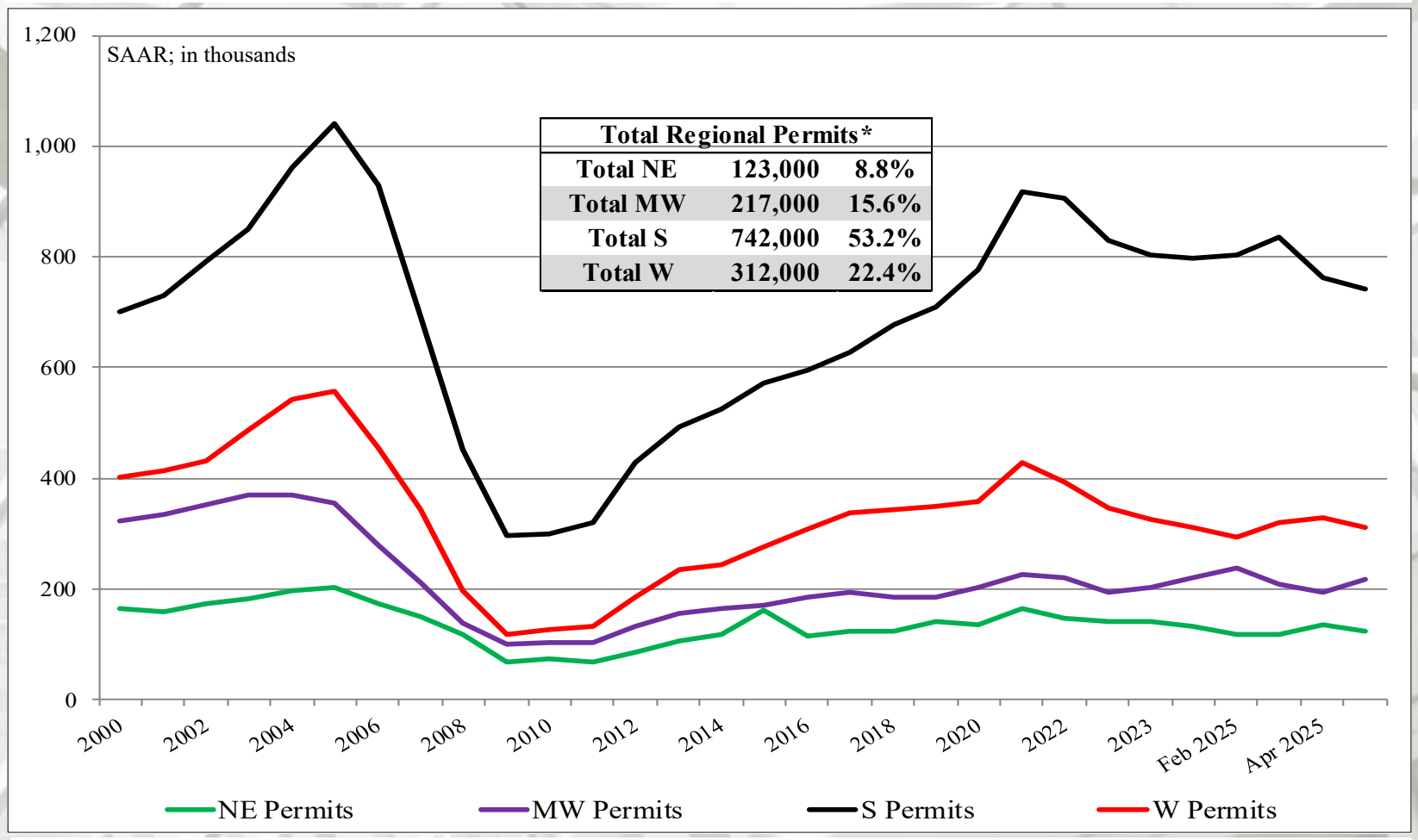
Total Housing Permits by Region



Total Regional Permits*		
Total NE	123,000	8.8%
Total MW	217,000	15.6%
Total S	742,000	53.2%
Total W	312,000	22.4%

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

* Percentage of total permits.

Source: https://www.census.gov/construction/bps/; 6/25/25

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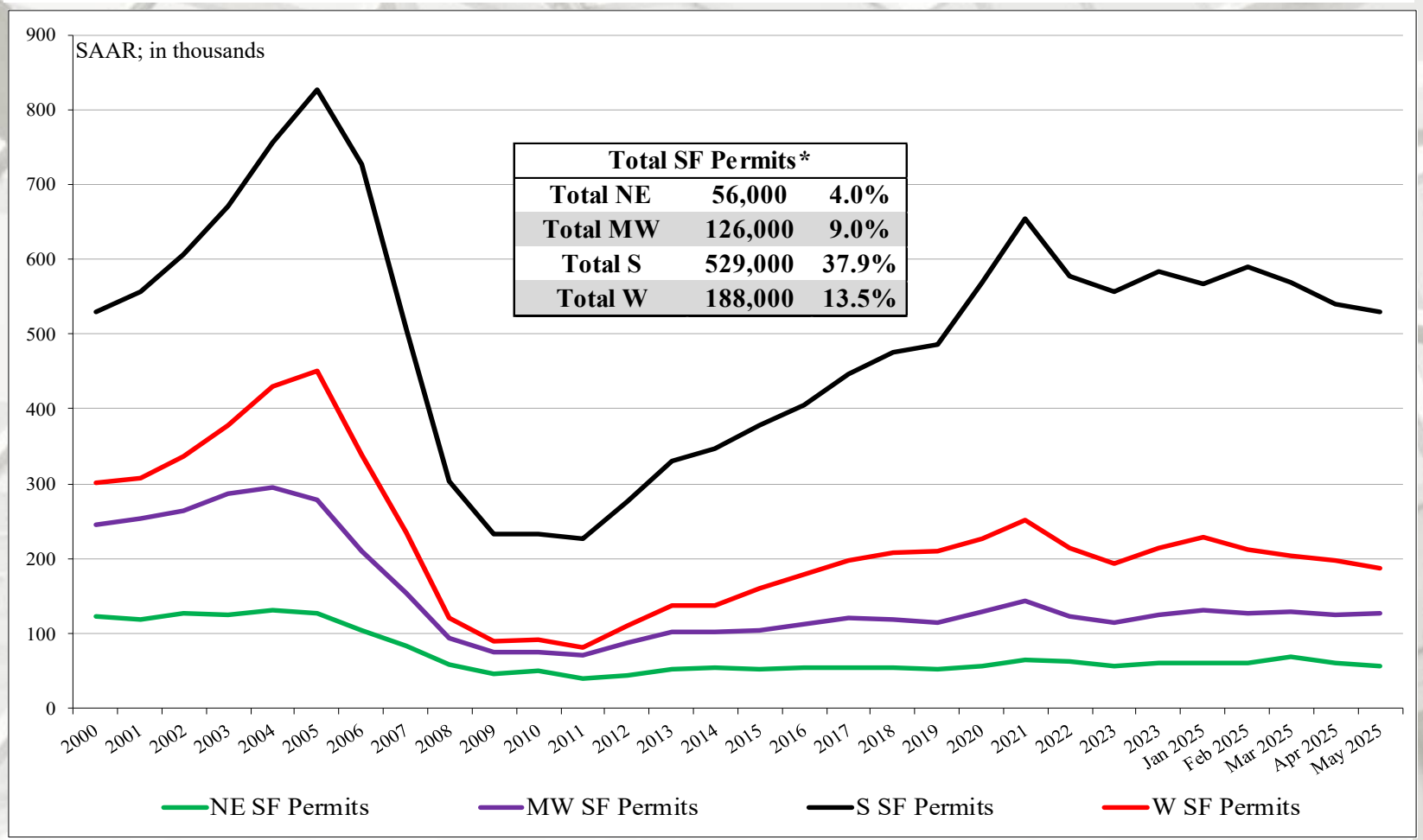
SF Housing Permits by Region



Total SF Permits*		
Total NE	56,000	4.0%
Total MW	126,000	9.0%
Total S	529,000	37.9%
Total W	188,000	13.5%

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

* Percentage of total permits.

Source: https://www.census.gov/construction/bps/; 6/25/25

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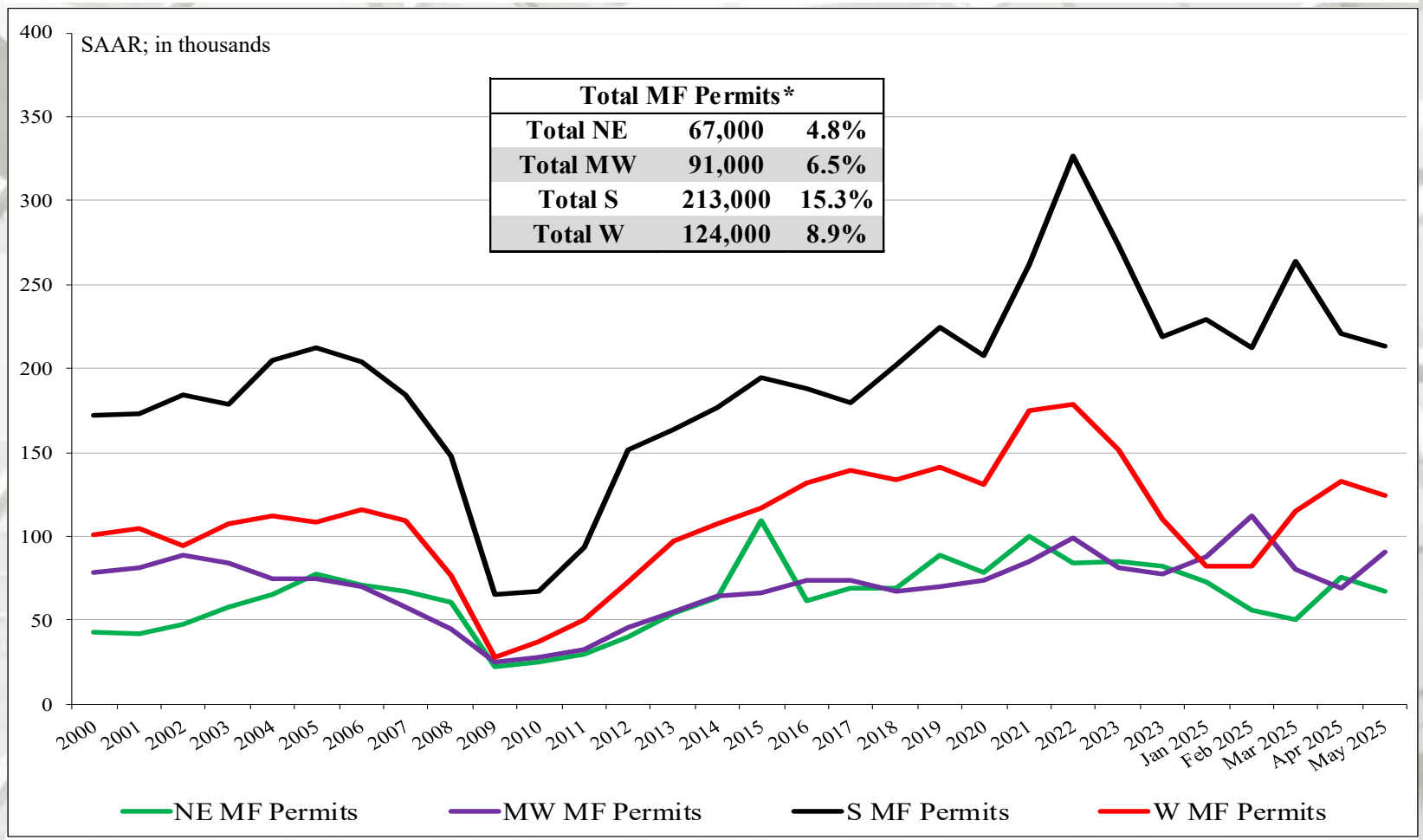
MF Housing Permits by Region



Total MF Permits*		
Total NE	67,000	4.8%
Total MW	91,000	6.5%
Total S	213,000	15.3%
Total W	124,000	8.9%

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

* Percentage of total permits.

Source: https://www.census.gov/construction/bps/; 6/25/25

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New Housing Under Construction (HUC)

	Total HUC	SF HUC	MF 2-4 unit** HUC	MF ≥ 5 unit HUC
May	1,375,000	623,000	19,000	733,000
April	1,394,000	631,000	19,000	744,000
2024	1,593,000	674,000	15,000	904,000
M/M change	-1.4%	-1.3%	0.0%	-1.5%
Y/Y change	-13.7%	-7.6%	26.7%	-18.9%

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; 6/18/25

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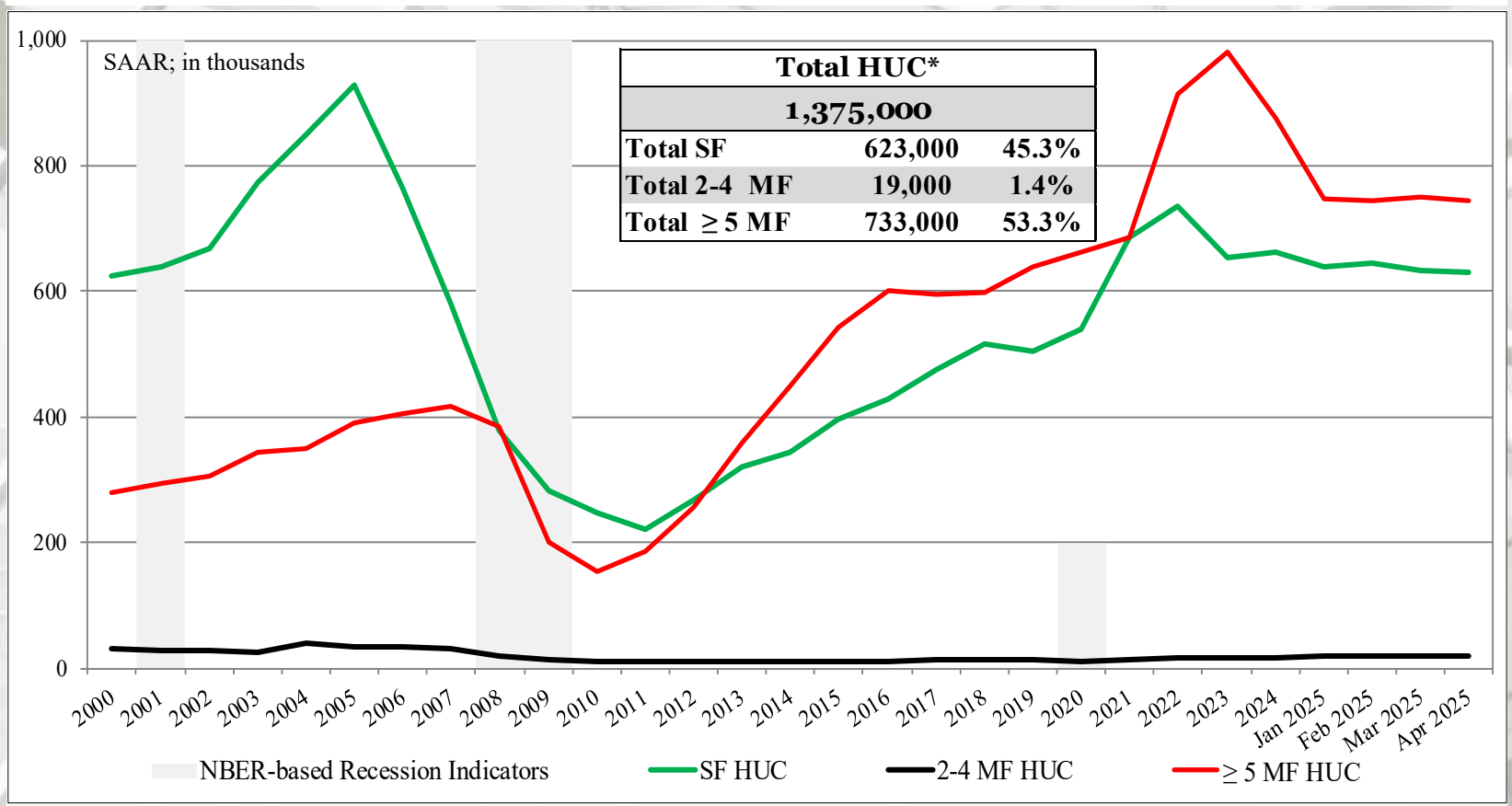
Total Housing Under Construction



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; 6/18/25

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New Housing Under Construction by Region

	NE Total	NE SF	NE MF**
April	216,000	65,000	151,000
April	217,000	65,000	152,000
2024	210,000	66,000	144,000
M/M change	-0.5%	0.0%	-0.7%
Y/Y change	2.9%	-1.5%	4.9%
	MW Total	**MW SF**	**MW MF**
May	184,000	87,000	97,000
April	186,000	87,000	99,000
2024	191,000	89,000	102,000
M/M change	-1.1%	0.0%	-2.0%
Y/Y change	-3.7%	-2.2%	-4.9%

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).

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 6/18/25

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New Housing Under Construction by Region

	S Total	S SF	S MF**
May	633,000	317,000	316,000
April	637,000	320,000	317,000
2024	746,000	346,000	400,000
M/M change	-0.6%	-0.9%	-0.3%
Y/Y change	-15.1%	-8.4%	-21.0%
	W Total	**W SF**	**W MF**
May	342,000	154,000	188,000
April	354,000	159,000	195,000
2024	446,000	173,000	273,000
M/M change	-3.4%	-3.1%	-3.6%
Y/Y change	-23.3%	-11.0%	-31.1%

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; 6/18/25

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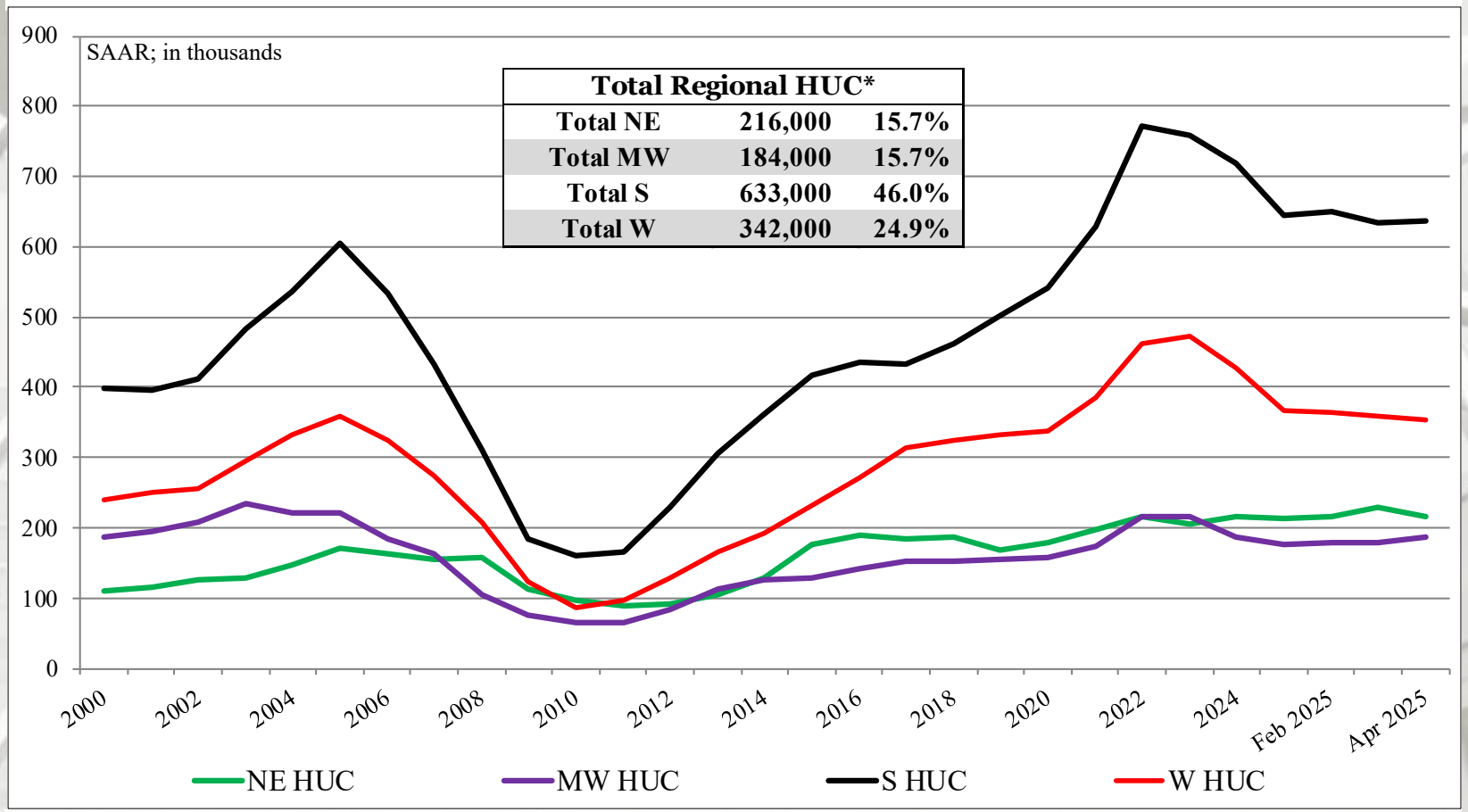
Total Housing Under Construction by Region



Total Regional HUC*		
Total NE	216,000	15.7%
Total MW	184,000	15.7%
Total S	633,000	46.0%
Total W	342,000	24.9%

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; 6/18/25

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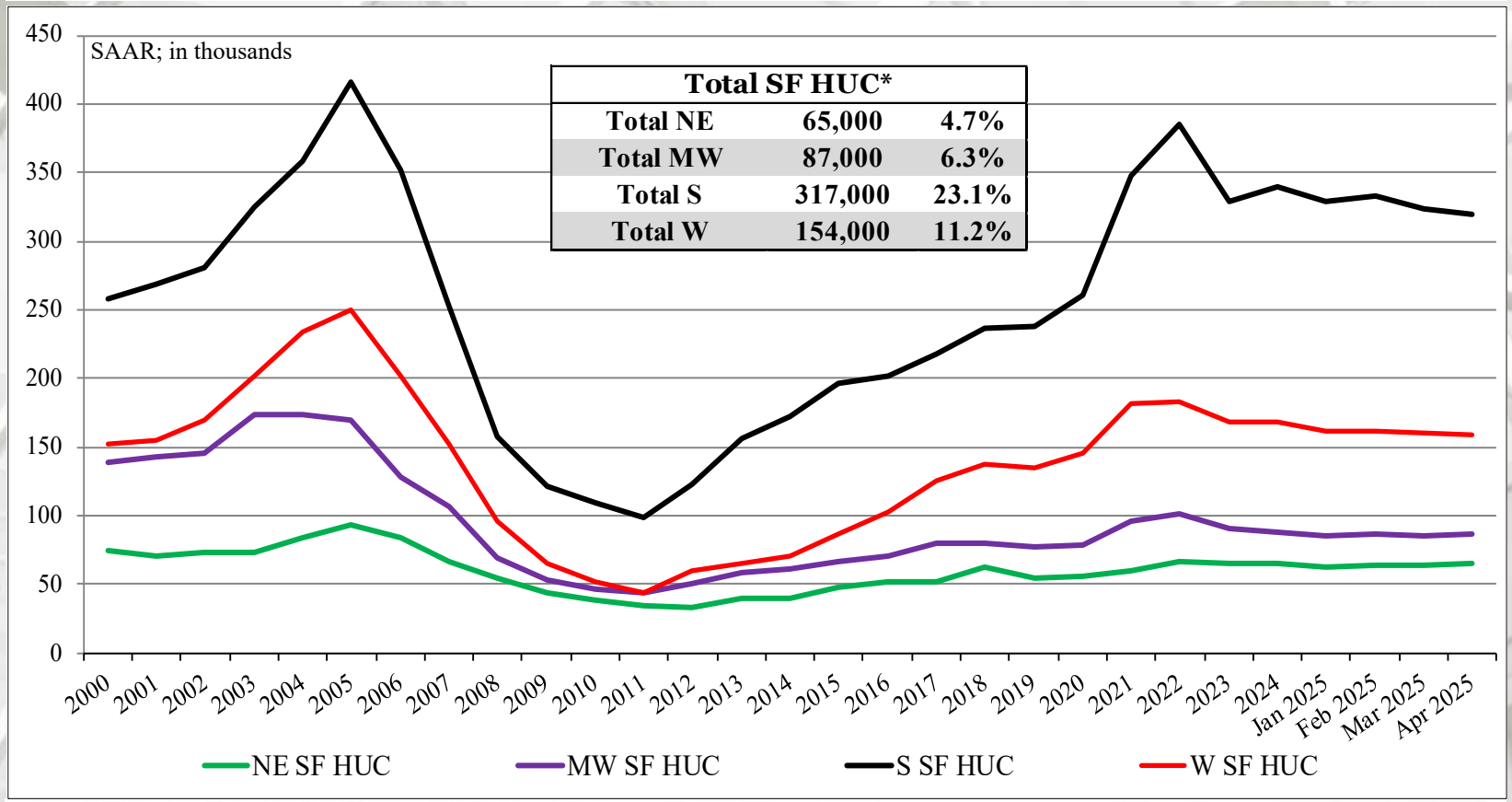
SF Housing Under Construction by Region



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.

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 6/18/25

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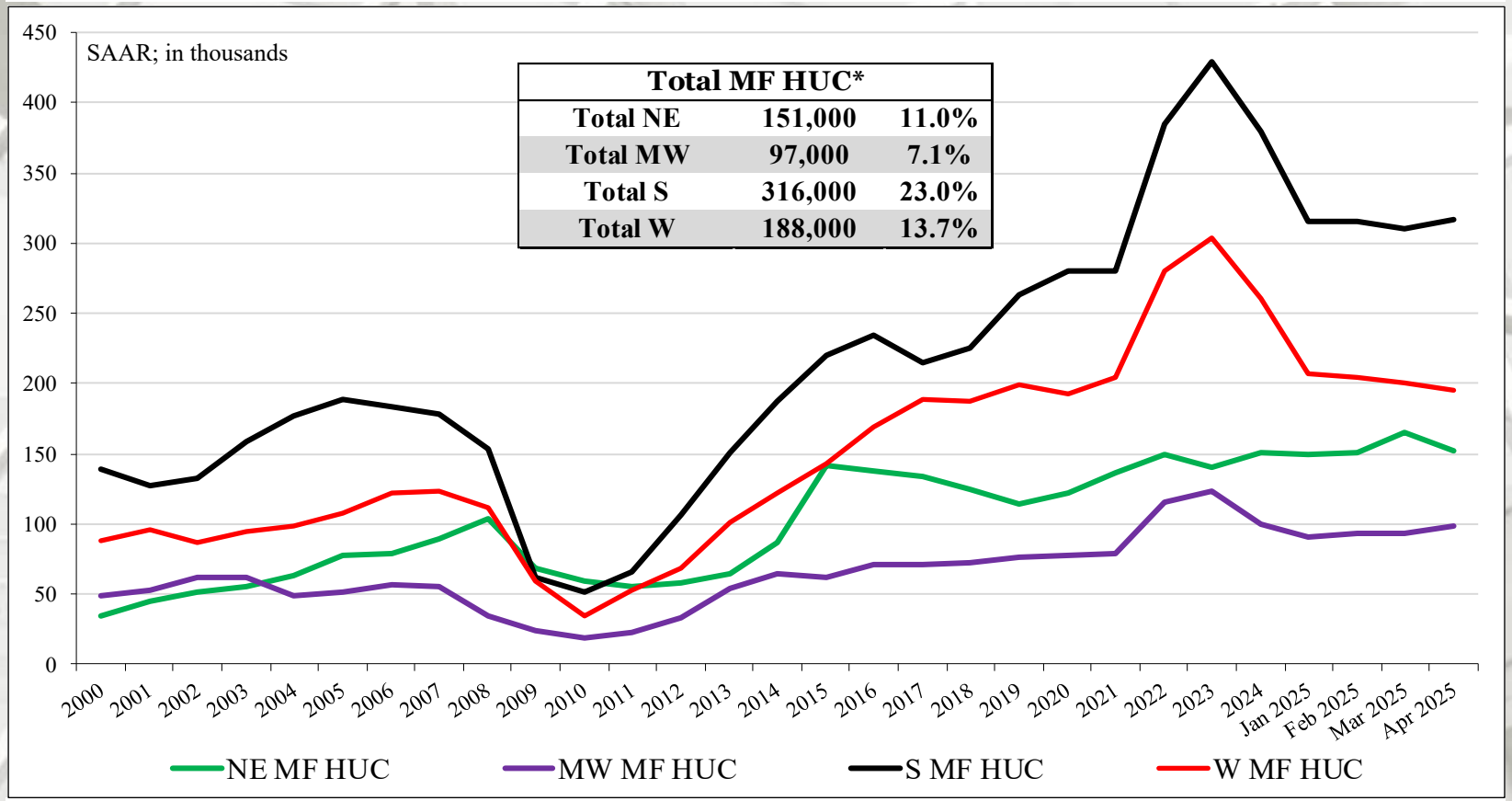
MF Housing Under Construction by Region



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.

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 6/18/25

Return TOC

New Housing Completions

	Total Completions*	SF Completions	MF 2-4 unit** Completions	MF ≥ 5 unit Completions
May	1,526,000	1,027,000	12,000	487,000
April	1,448,000	950,000	12,000	486,000
2024	1,561,000	1,026,000	13,000	522,000
M/M change	5.4%	8.1%	0.0%	0.2%
Y/Y change	-2.2%	0.1%	-7.7%	-6.7%

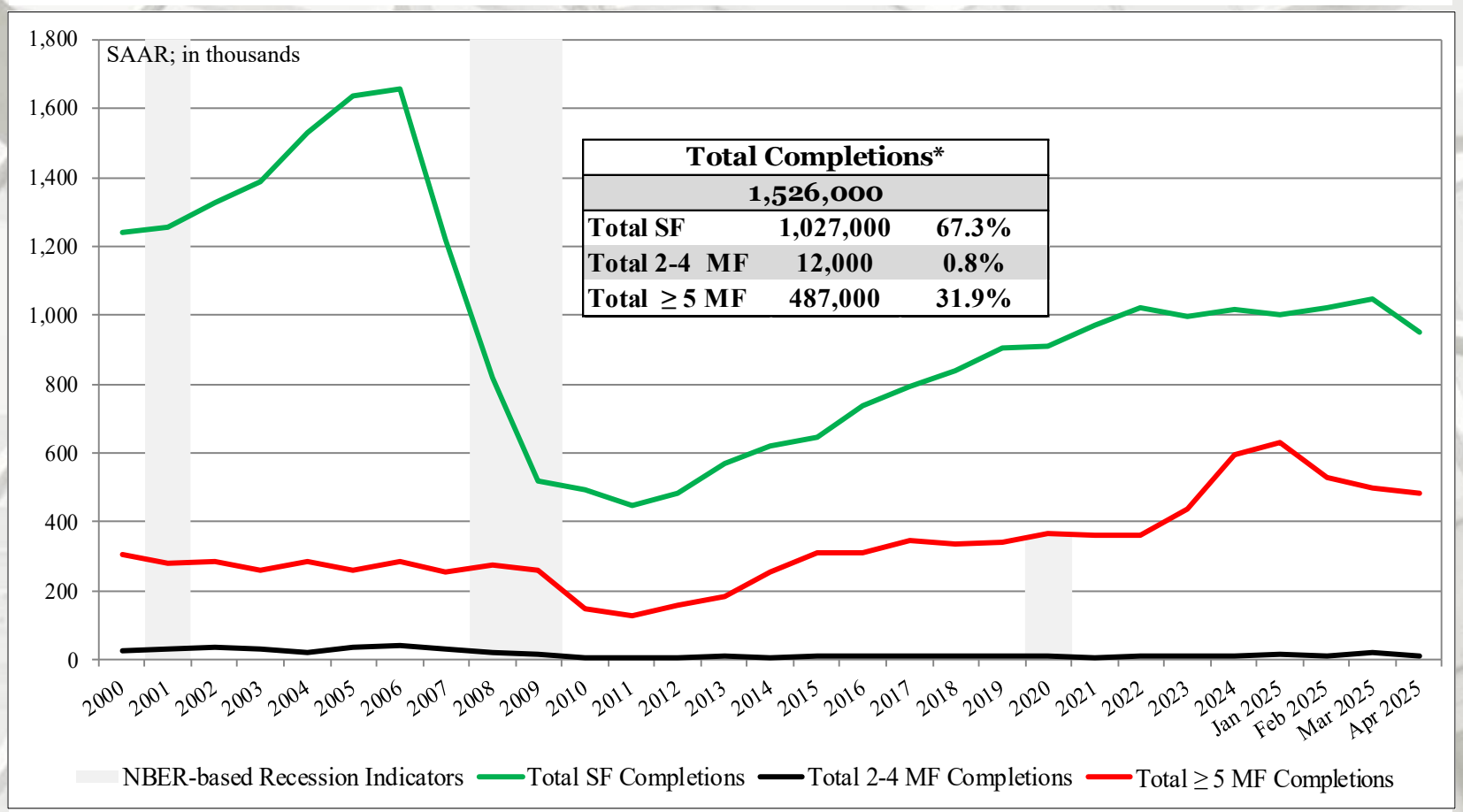
* All completion data are presented at a seasonally adjusted annual rate (SAAR).

** 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; 6/18/25

Return TOC

Total Housing Completions



Total Completions*		
1,526,000		
Total SF	1,027,000	67.3%
Total 2-4 MF	12,000	0.8%
Total ≥ 5 MF	487,000	31.9%

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; 6/18/25

Return TOC

New Housing Completions by Region

	NE Total	NE SF	NE MF**
May	151,000	56,000	95,000
April	150,000	62,000	88,000
2024	102,000	68,000	34,000
M/M change	0.7%	-9.7%	8.0%
Y/Y change	48.0%	-17.6%	179.4%
	MW Total	**MW SF**	**MW MF****
May	188,000	136,000	52,000
April	171,000	128,000	43,000
2024	208,000	129,000	79,000
M/M change	9.9%	6.3%	20.9%
Y/Y change	-9.6%	5.4%	-34.2%

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; 6/18/25

Return TOC

New Housing Completions by Region

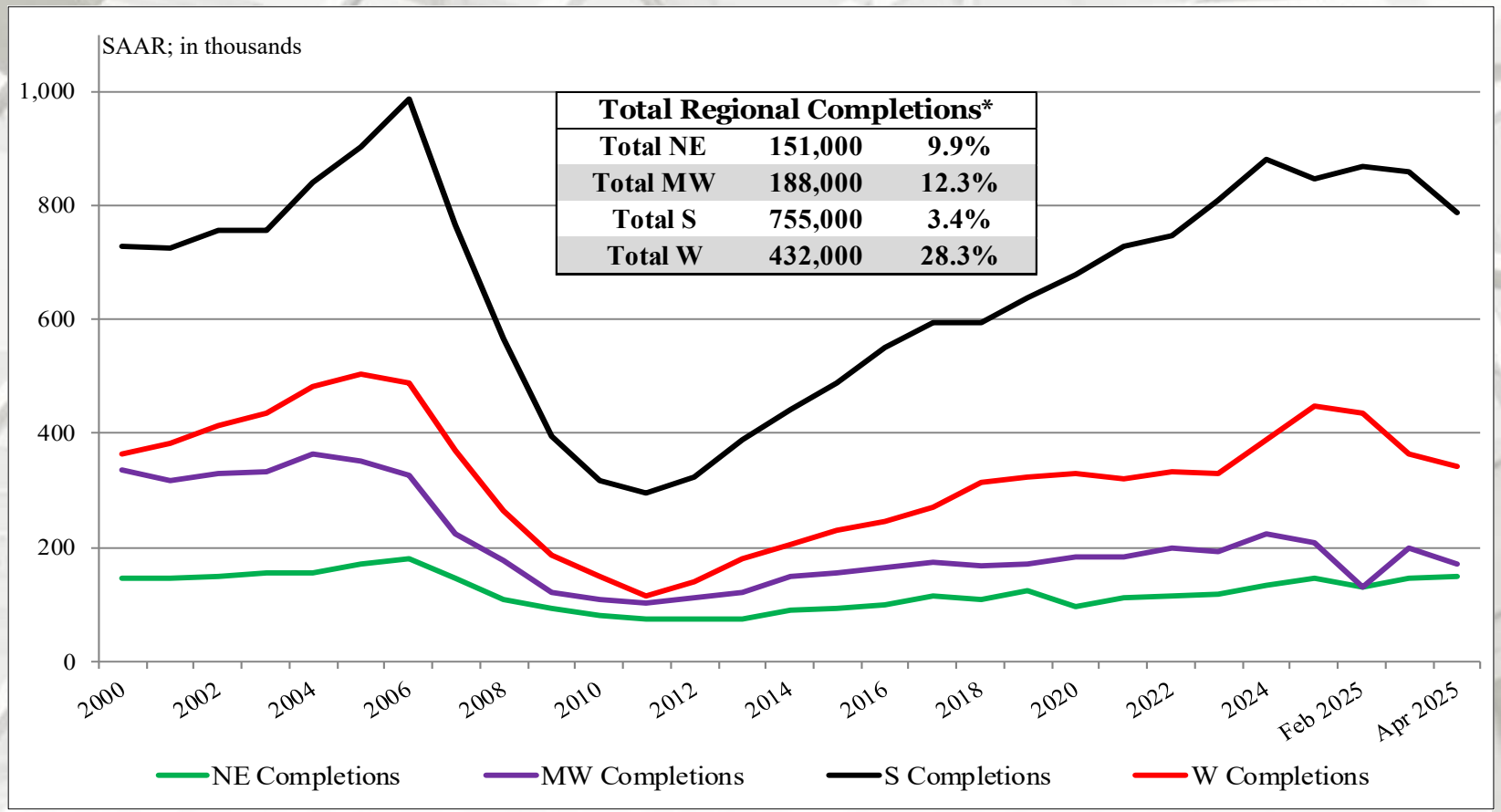
	S Total	S SF	S MF**
May	755,000	560,000	195,000
April	786,000	565,000	221,000
2024	871,000	609,000	262,000
M/M change	-3.9%	-0.9%	-11.8%
Y/Y change	-13.3%	-8.0%	-25.6%
	W Total	**W SF**	**W MF****
May	432,000	275,000	157,000
March	341,000	195,000	146,000
2024	380,000	220,000	160,000
M/M change	26.7%	41.0%	7.5%
Y/Y change	13.7%	25.0%	-1.9%

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).

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 6/18/25

Return TOC

Total Housing Completions by Region



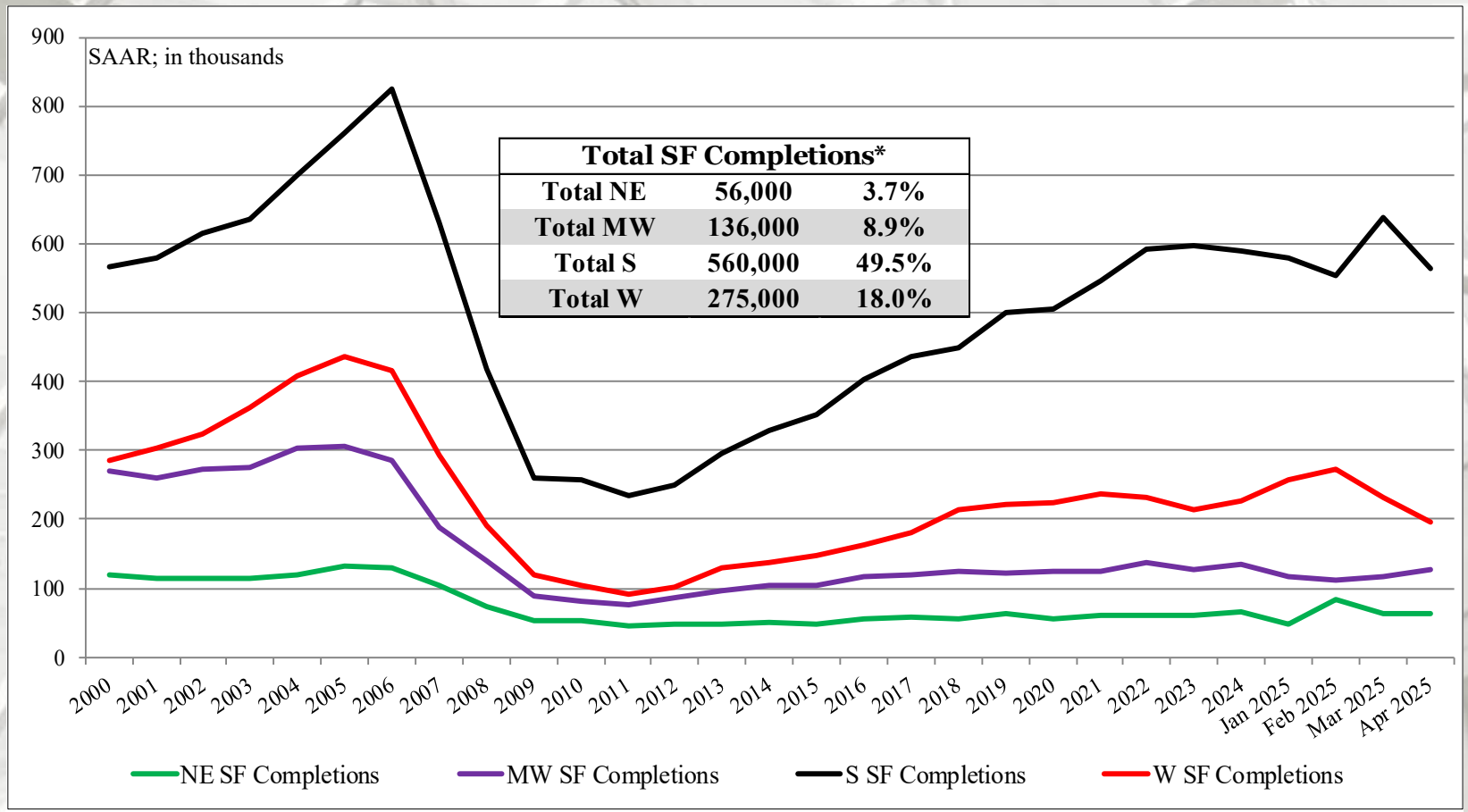
Total Regional Completions*		
Total NE	151,000	9.9%
Total MW	188,000	12.3%
Total S	755,000	3.4%
Total W	432,000	28.3%

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; 6/18/25

Return TOC

SF Housing Completions by Region



Total SF Completions*		
Total NE	56,000	3.7%
Total MW	136,000	8.9%
Total S	560,000	49.5%
Total W	275,000	18.0%

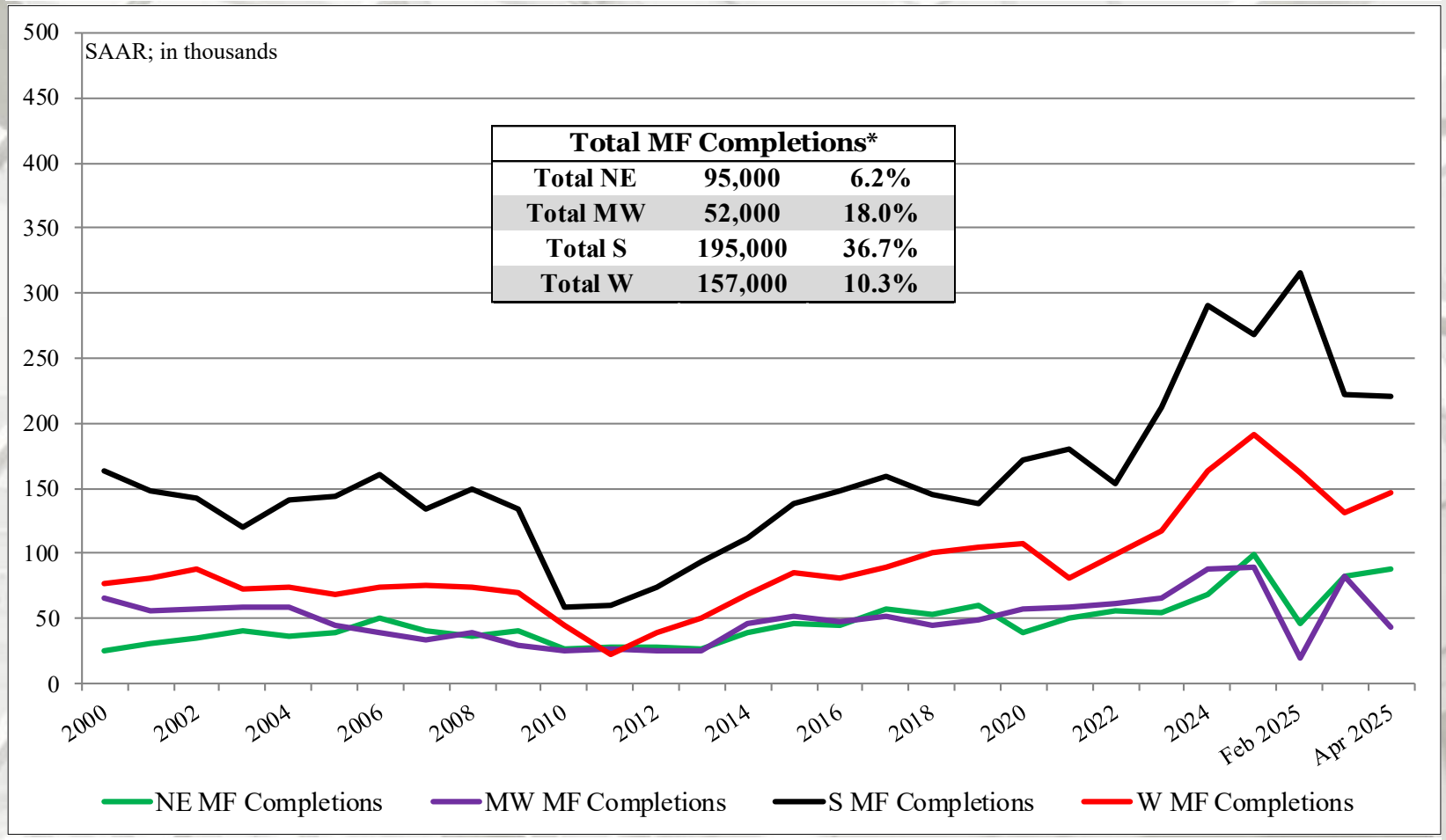
NE = Northeast, MW = Midwest, S = South, W = West

* Percentage of total housing completions

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 6/18/25

Return TOC

MF Housing Completions by Region



Total MF Completions*		
Total NE	95,000	6.2%
Total MW	52,000	18.0%
Total S	195,000	36.7%
Total W	157,000	10.3%

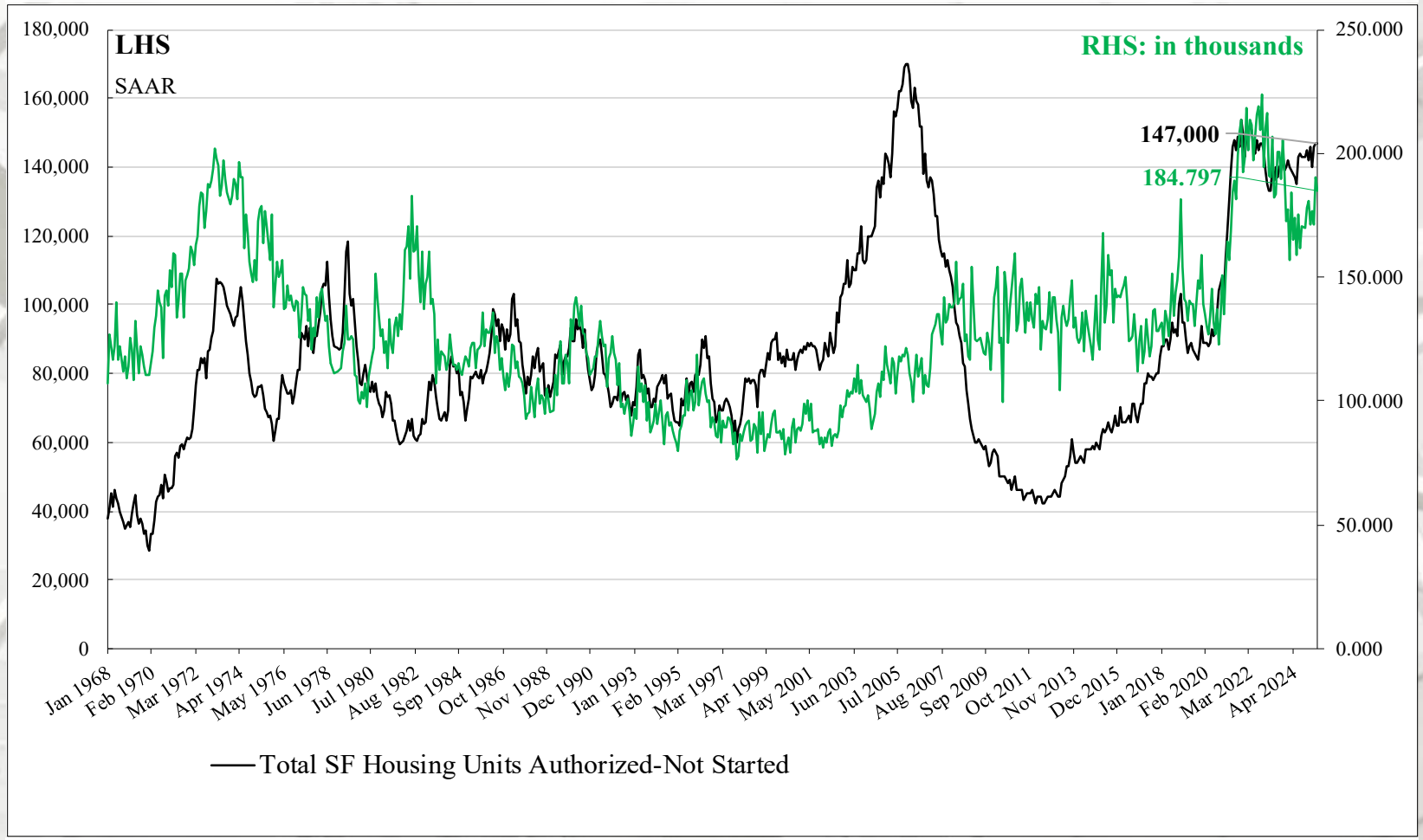
NE = Northeast, MW = Midwest, S = South, W = West

* Percentage of total housing completions

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 6/18/25

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 282,000 in May, an increase from April (276,000), and SF authorized units "not" started were 147,000 units in May, no change from April. 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; 6/18/25

Return TOC

New Single-Family House Sales

	New SF Sales*	Median Price	Mean Price	Month's Supply
May	623,000	$426,600	$522,200	9.8
April	722,000	$411,400	$511,200	8.3
2024	665,000	$414,300	$499,300	8.5
M/M change	-13.7%	3.7%	2.2%	18.1%
Y/Y change	-6.3%	3.0%	4.6%	15.3%

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

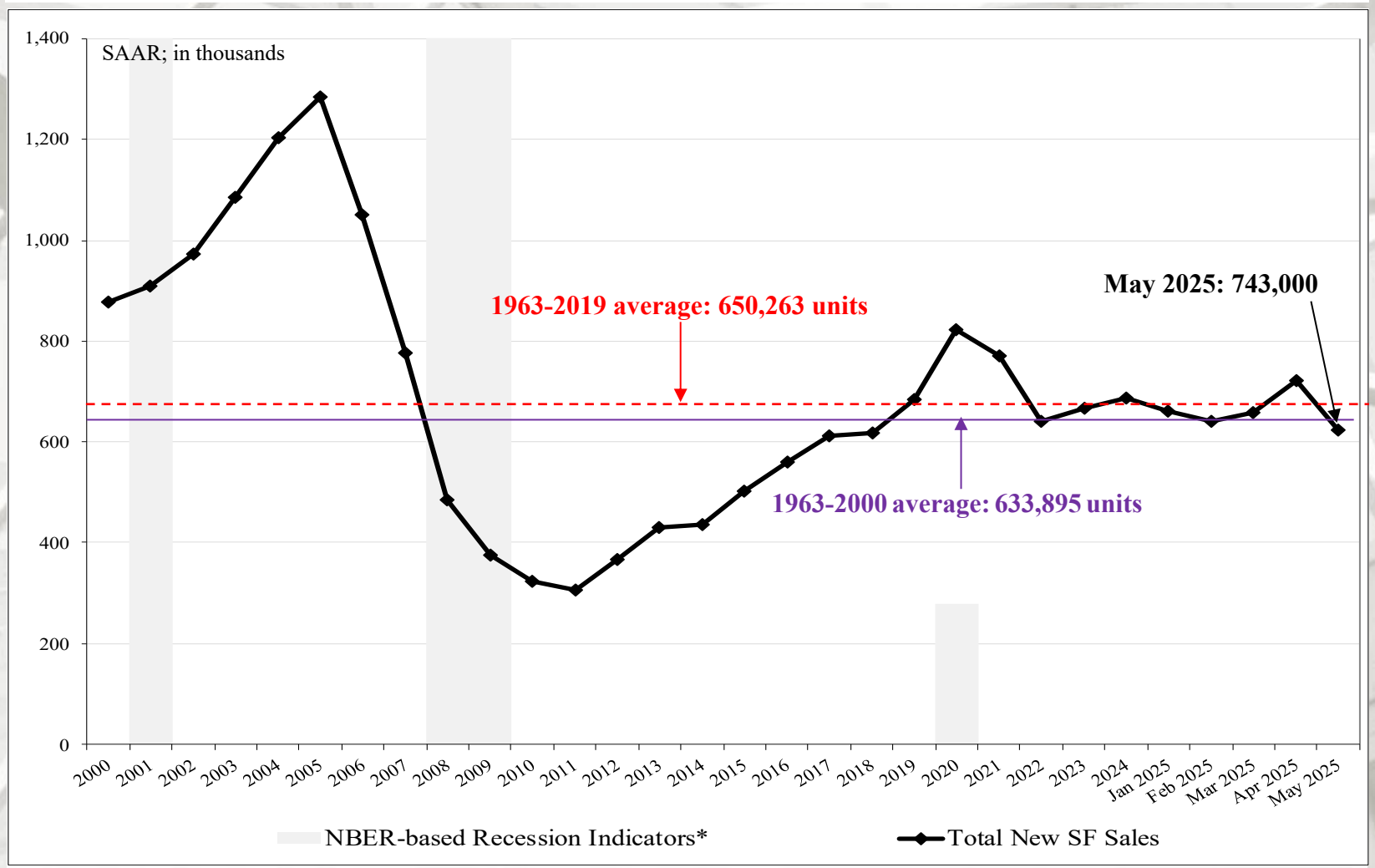
New SF sales were substantially less than the consensus forecast[3] of 694 m; range 650 m to 722 m. The past three month's new SF sales data also were revised:

February initial: 676 m, revised to 642 m.
March initial: 724 m, revised to 659 m.
April initial: 743 m, revised to 722 m.

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

Return TOC

New SF House Sales

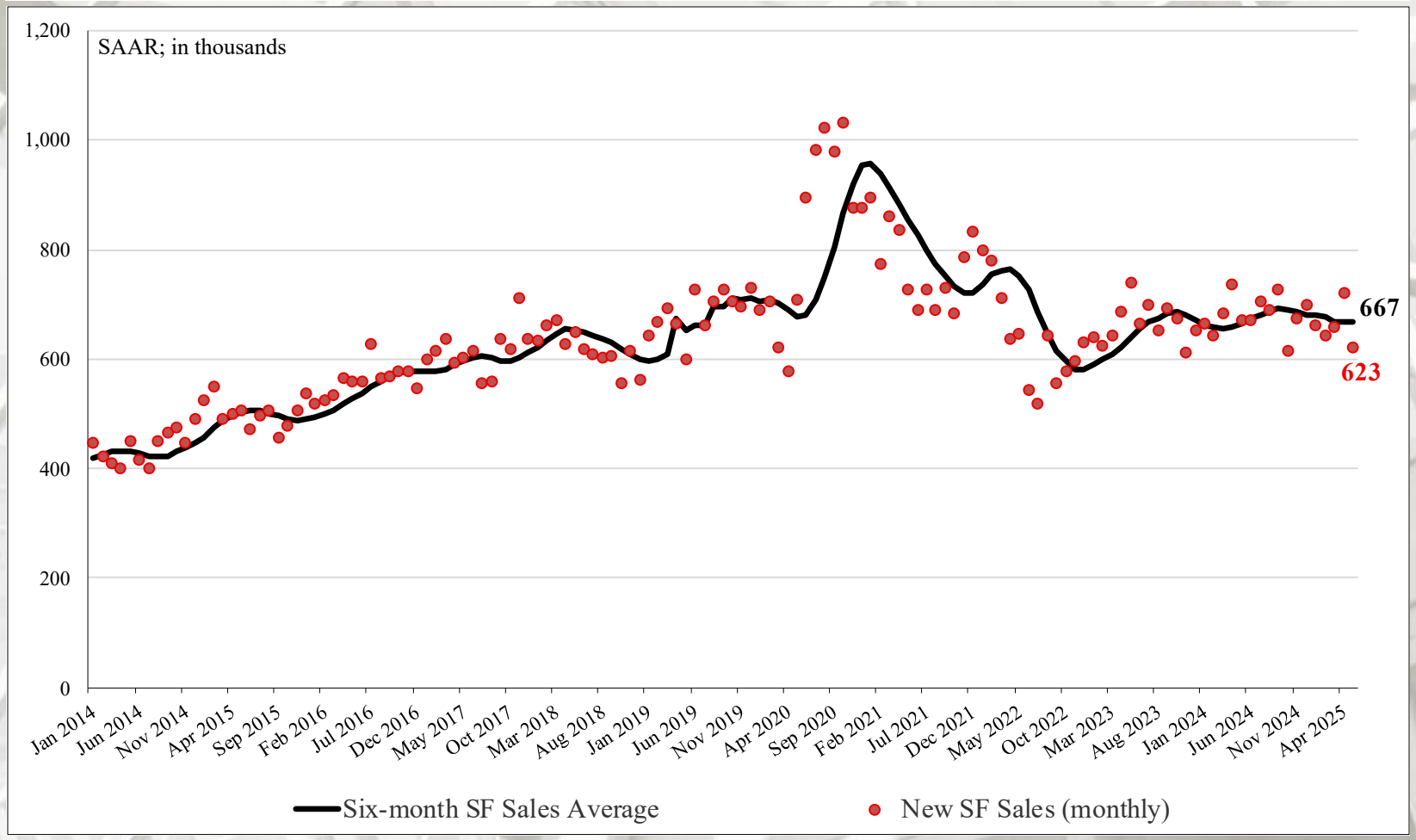


* NBER based Recession Indicator Bars for the United States from the Period following the Peak through the Trough (FRED, St. Louis).

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 6/25/25

Return TOC

New SF Housing Sales: Six-month average & monthly



Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 6/25/25

Return TOC

New SF House Sales by Region and Price Category

	NE	MW	S	W
May	37,000	78,000	349,000	159,000
April	28,000	84,000	442,000	168,000
2024	25,000	81,000	413,000	146,000
M/M change	32.1%	-7.1%	-21.0%	-5.4%
Y/Y change	48.0%	-3.7%	-15.5%	8.9%

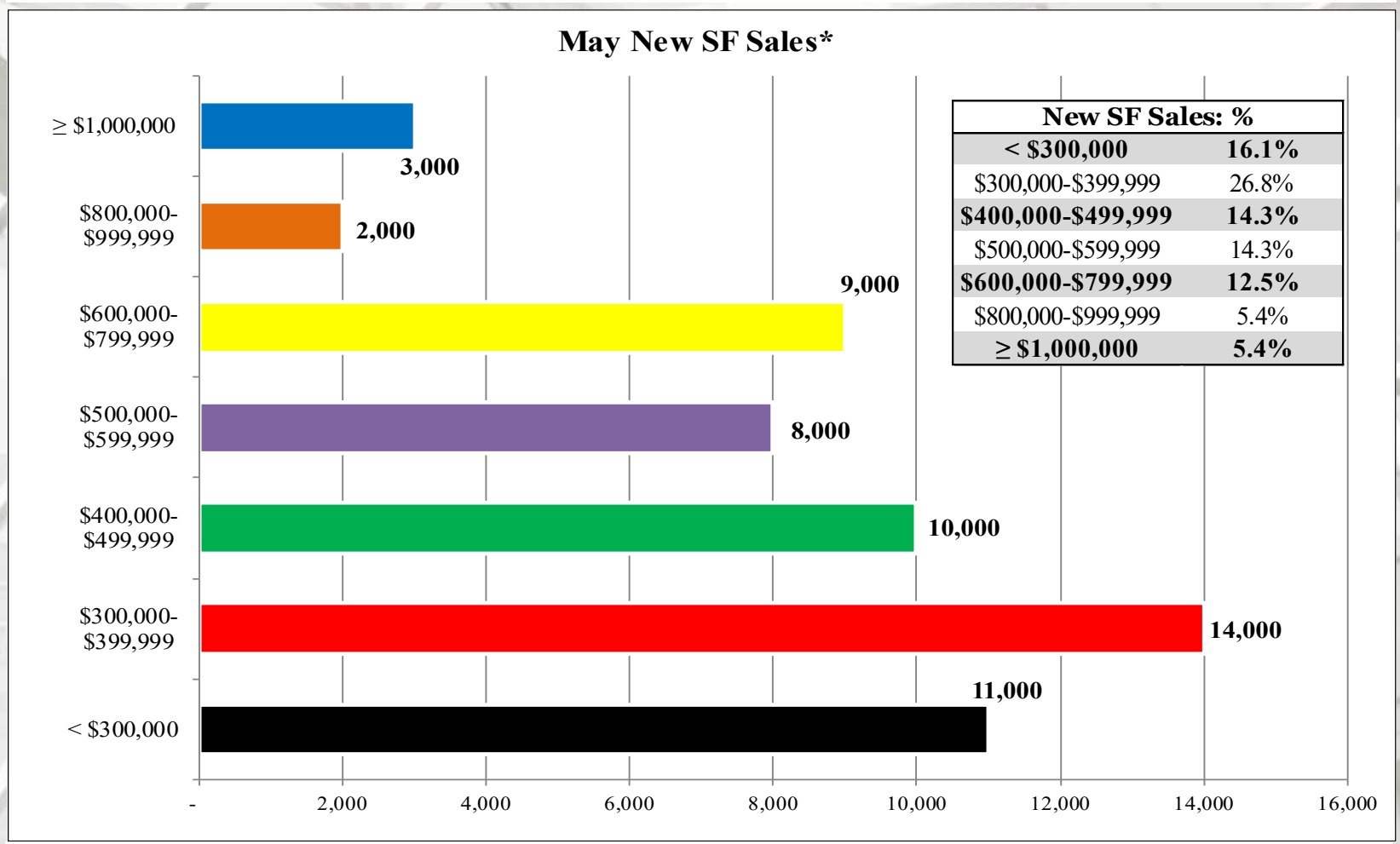
	< $300m	$300m-$399m	$400m-$499m	$500m-$599m	$600m-$799m	$800m-$999m	≥ $1mm
May[1,2,3,4]	11,000	14,000	10,000	8,000	9,000	2,000	3,000
April[1,2,3,4]	10,000	21,000	12,000	9,000	8,000	3,000	4,000
2024	10,000	20,000	10,000	18,000	14,000	17,000	8,000
M/M change	-10.0%	0.0%	57.1%	-46.7%	-22.2%	-78.6%	-25.0%
Y/Y change	12.5%	-11.8%	83.3%	-57.9%	-36.4%	-76.9%	-57.1%
% of New SF sales	16.1%	26.8%	19.6%	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 May 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; 6/25/25;
[4]https://www.census.gov/construction/cpi/pdf/descpi_sold.pdf

Return TOC

New SF House Sales



New SF Sales: %	
< $300,000	**16.1%**
$300,000-$399,999	26.8%
$400,000-$499,999	**14.3%**
$500,000-$599,999	14.3%
$600,000-$799,999	**12.5%**
$800,000-$999,999	5.4%
≥ $1,000,000	**5.4%**

* Total new sales by price category and percent.

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 6/25/25

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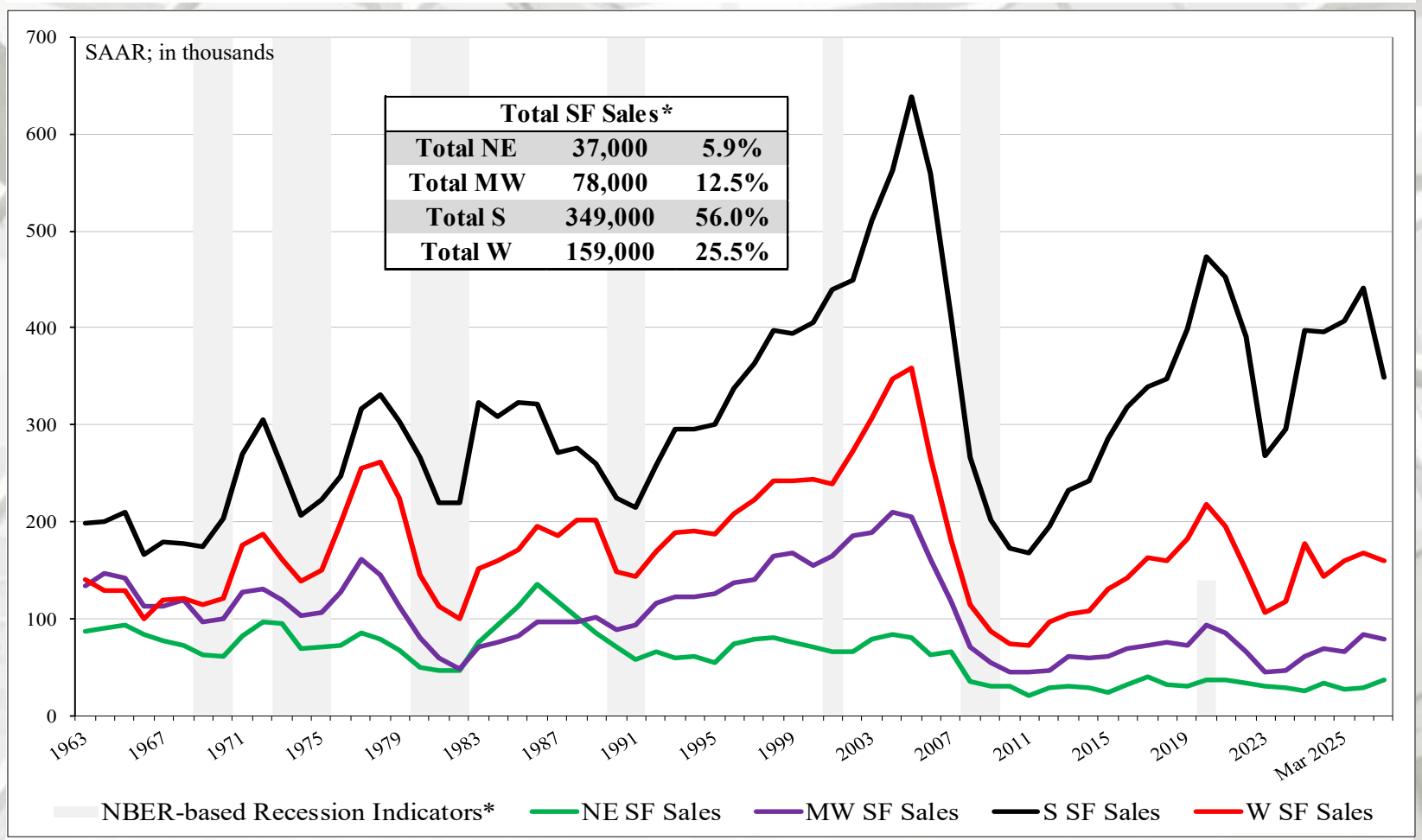
New SF House Sales by Region



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; 6/25/25

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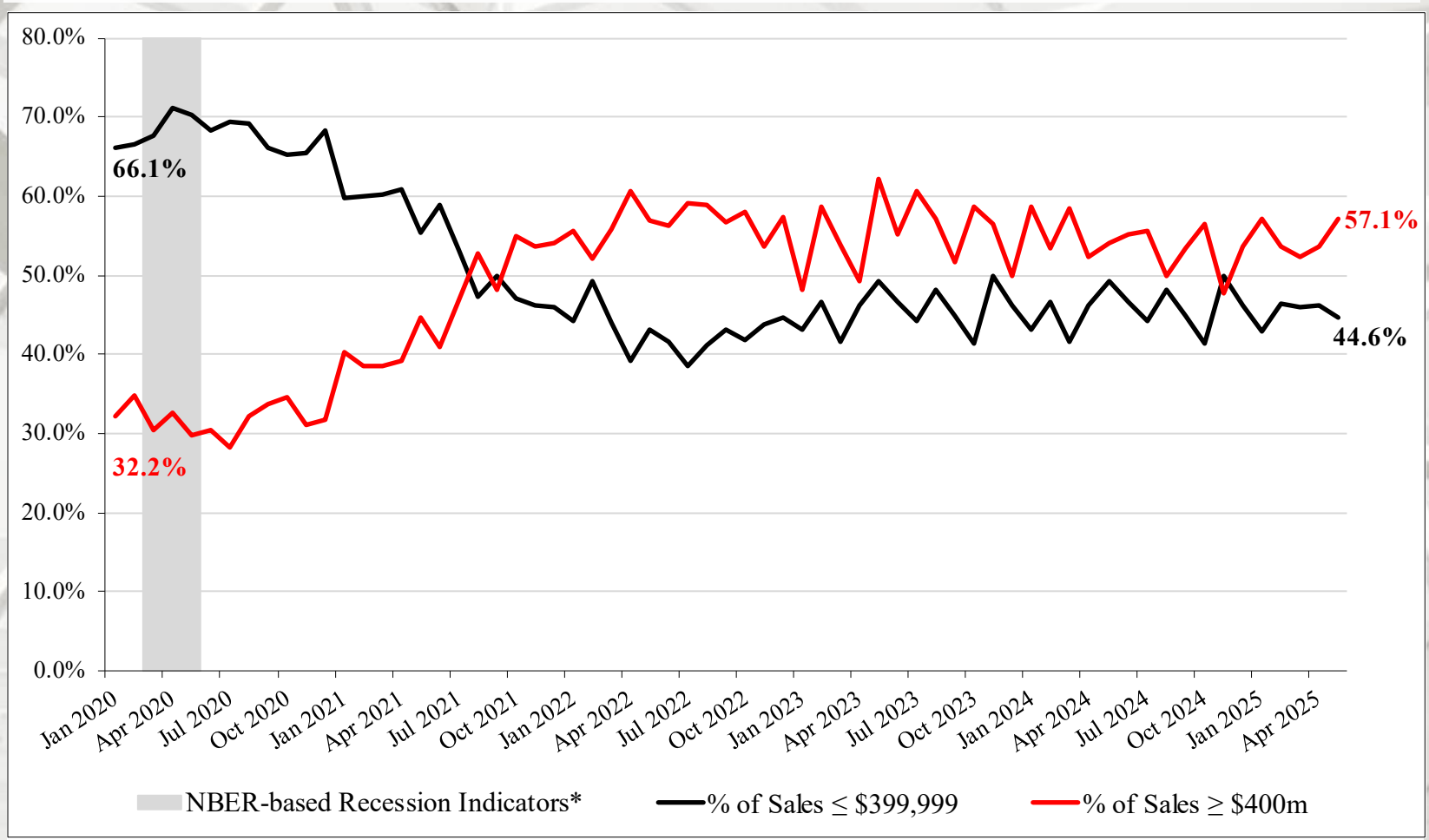
New SF House Sales



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 6/25/25

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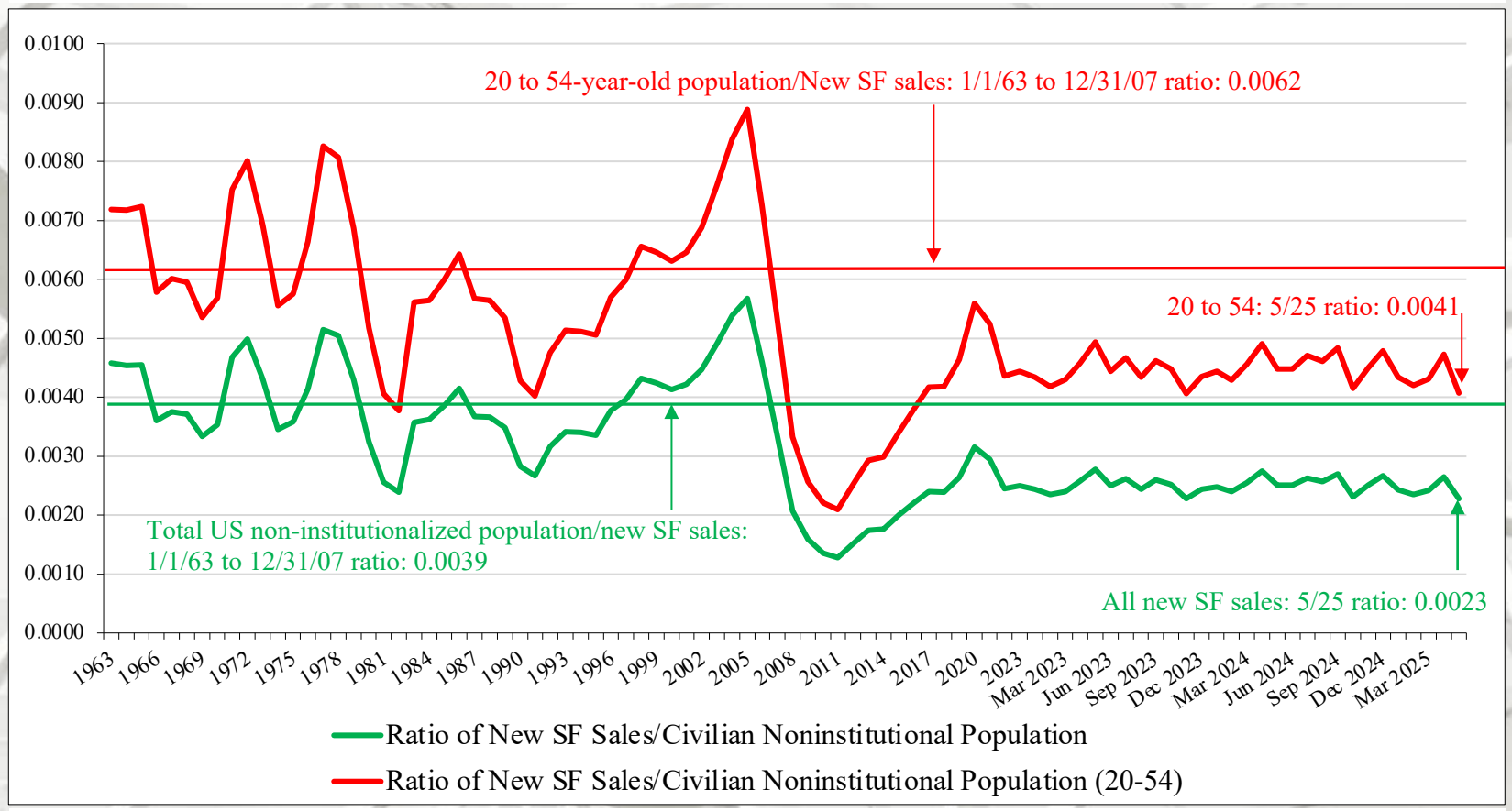
New SF House Sales



New SF sales adjusted for the US population

From May 1963 to May 2007, the long-term ratio of new house sales to the total US non-institutionalized population was 0.0039; in May 2025 it was 0.0023 – decreasing from March. The non-institutionalized population, aged 20 to 54 long-term ratio is 0.0062; in May 2025 it was 0.0041 – also a decrease from March. 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; 6/25/25

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New SF House Sales

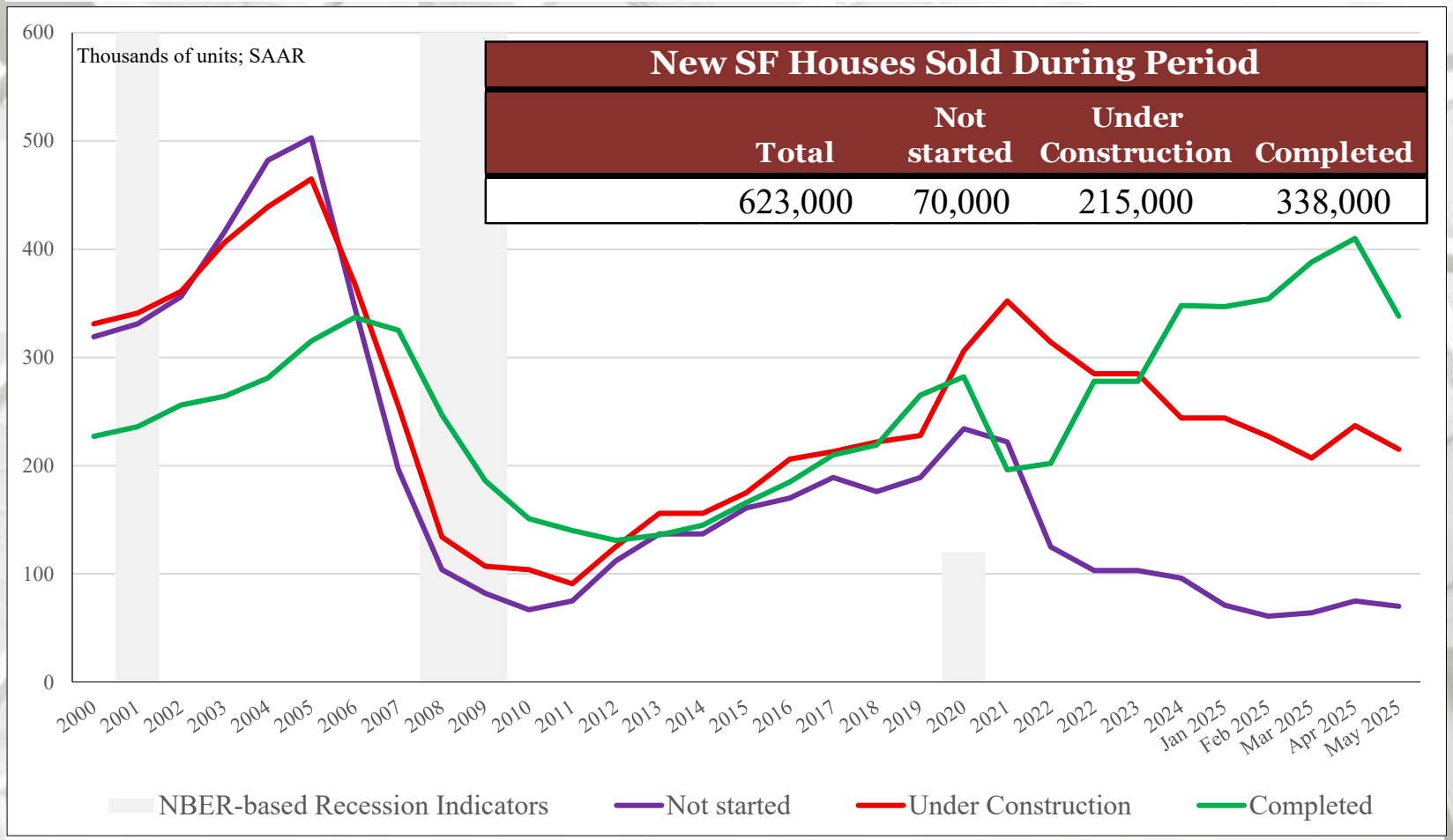
New SF Houses Sold During Period				
	Total	Not started	Under Construction	Completed
May	623,000	70,000	215,000	338,000
April	722,000	75,000	237,000	410,000
2024	469,000	91,000	285,000	93,000
M/M change	-13.7%	-6.7%	-9.3%	-17.6%
Y/Y change	32.8%	-23.1%	-24.6%	263.4%
Total percentage		11.2%	34.5%	54.3%

All data is SAAR

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 6/25/25

Return TOC

New SF House Sales: Sold During Period



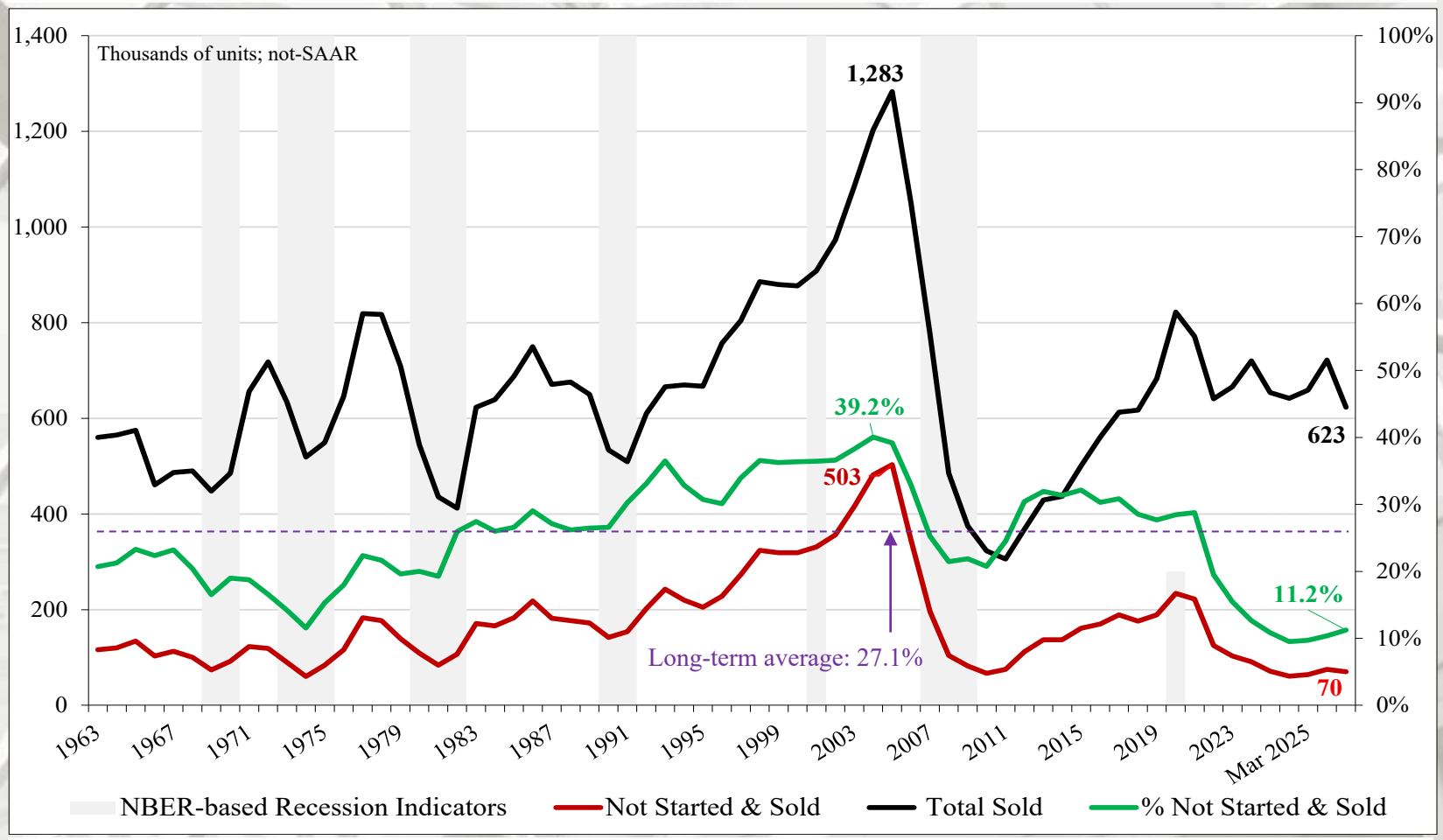
New SF Houses Sold During Period			
Total	Not started	Under Construction	Completed
623,000	70,000	215,000	338,000

* 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; 6/25/25

Return TOC

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



Of the new houses sold in May (623 m), 11.2% (70 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; 6/25/25

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
May	502,000	31,000	49,000	311,000	110,000
April	494,000	32,000	48,000	303,000	111,000
2024	466,000	26,000	41,000	290,000	110,000
M/M change	1.6%	-3.1%	2.1%	2.6%	-0.9%
Y/Y change	7.7%	19.2%	19.5%	7.2%	0.0%

* Not SAAR

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 6/25/25

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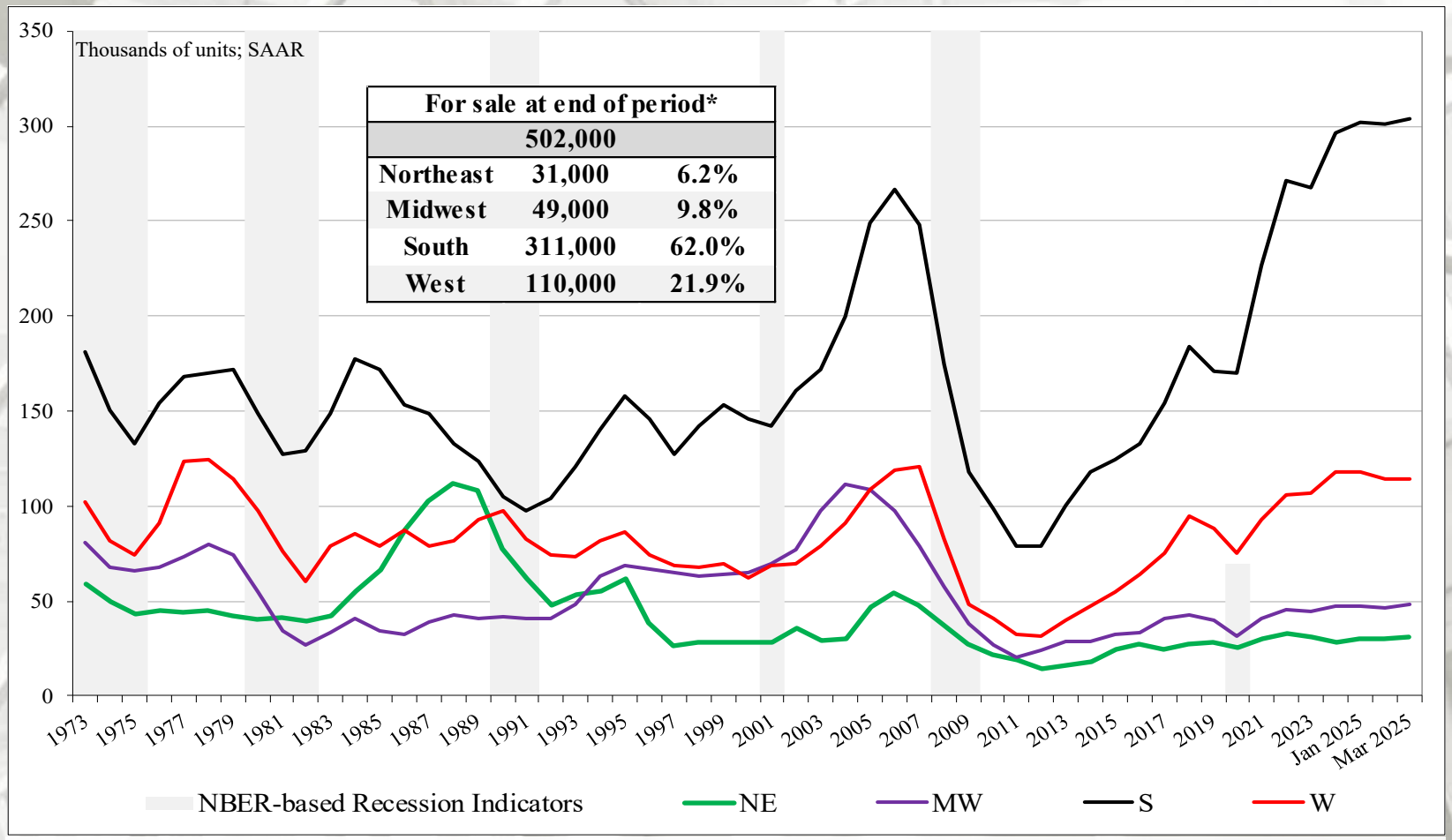
New SF House Sales:
For sale at end of period by Region



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; 6/25/25

Return TOC

New SF House Sales

New SF Houses Sold During Period				
	Total	Not started	Under Construction	Completed
May	623,000	70,000	215,000	338,000
April	722,000	75,000	237,000	410,000
2024	469,000	91,000	285,000	93,000
M/M change	-13.7%	-6.7%	-9.3%	-17.6%
Y/Y change	32.8%	-23.1%	-24.6%	263.4%
Total percentage		11.2%	34.5%	54.3%

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 6/25/25

Return TOC

New SF House Sales

New SF Houses for Sale at the end of the Period				
	Total	Not started	Under Construction	Completed
May	507,000	117,000	271,000	119,000
April	500,000	112,000	275,000	113,000
2024	469,000	91,000	285,000	93,000
M/M change	1.4%	4.5%	-1.5%	5.3%
Y/Y change	8.1%	28.6%	-4.9%	28.0%
Total percentage		23.1%	53.5%	23.5%

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 6/25/25

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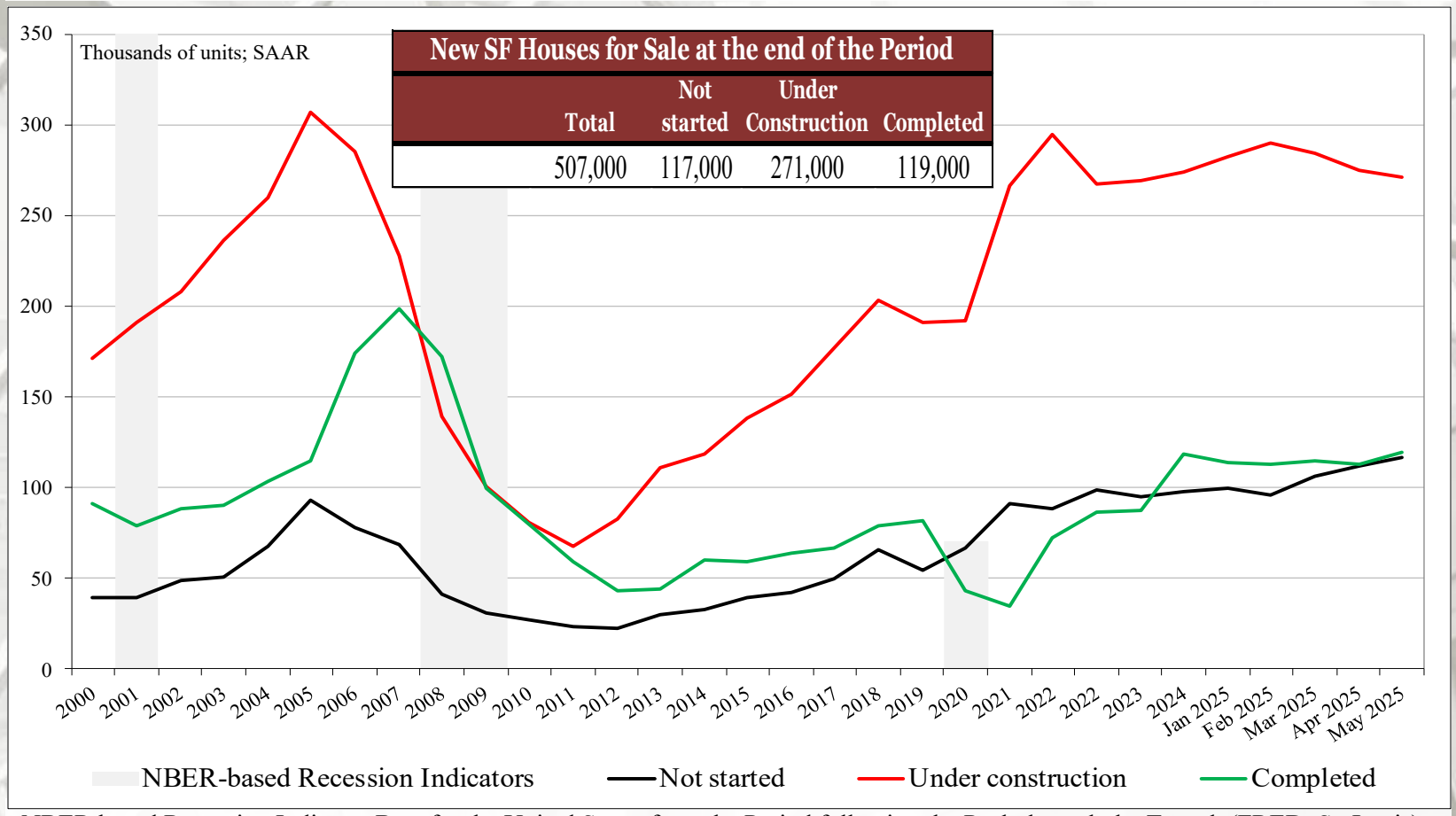
New SF House Sales: For Sale at End of Period



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; 6/25/25

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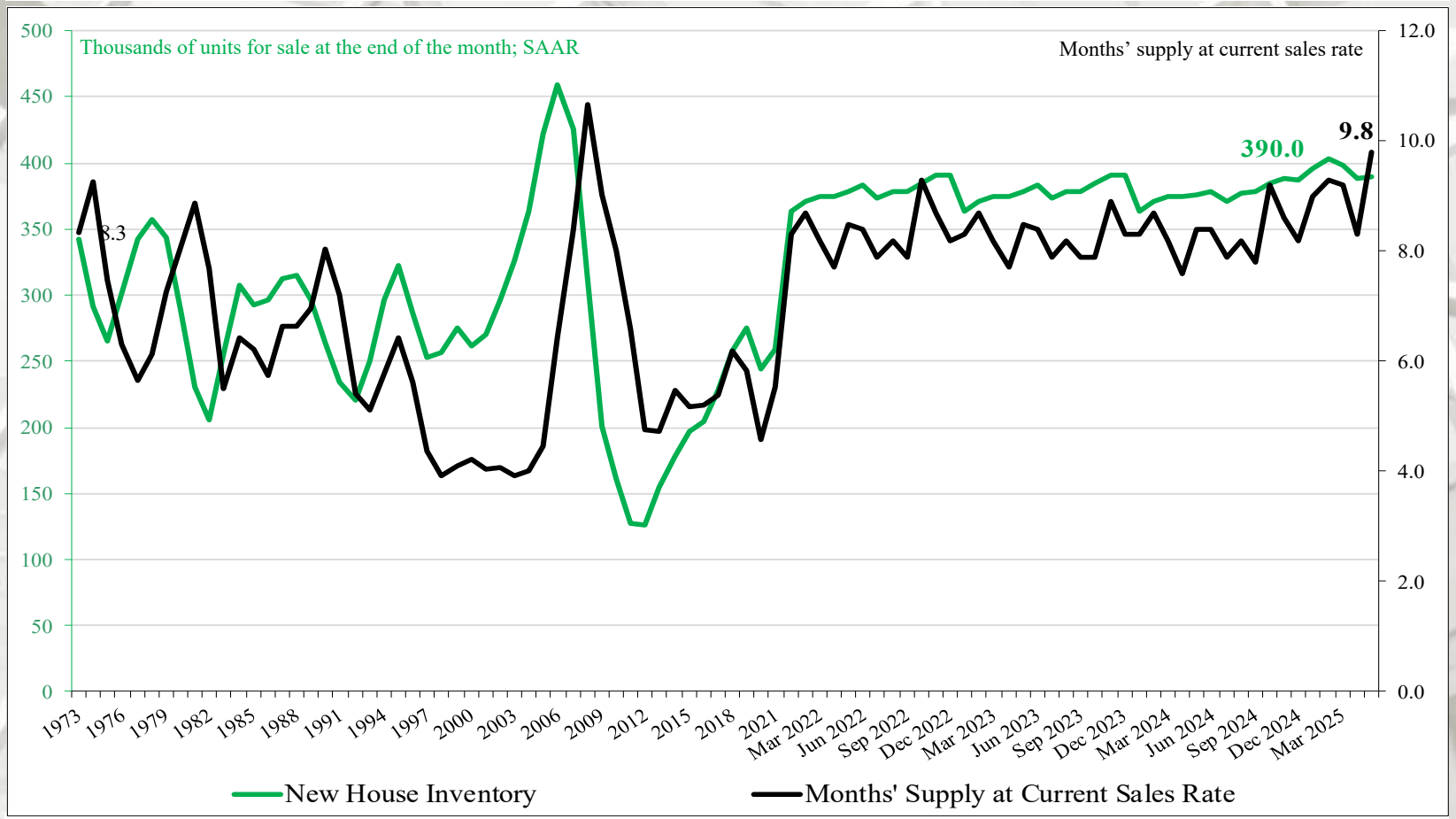
Months' Supply and New House Inventory[a]



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

The months' supply of new houses at current sales rate at the end of May was 9.8, greater than the historically preferred number of five- to six-months (SAAR).

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 6/25/25

Return TOC

May 2025
Construction Spending

	Total Private Residential*	SF*	MF*	Improvement**
May	$888,904	$421,275	$115,048	$352,581
April	$893,665	$429,128	$115,017	$349,520
2024	$952,669	$441,069	$129,097	$382,503
M/M change	-0.5%	-1.8%	0.0%	0.9%
Y/Y change	-6.7%	-4.5%	-10.9%	-7.8%

* 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.

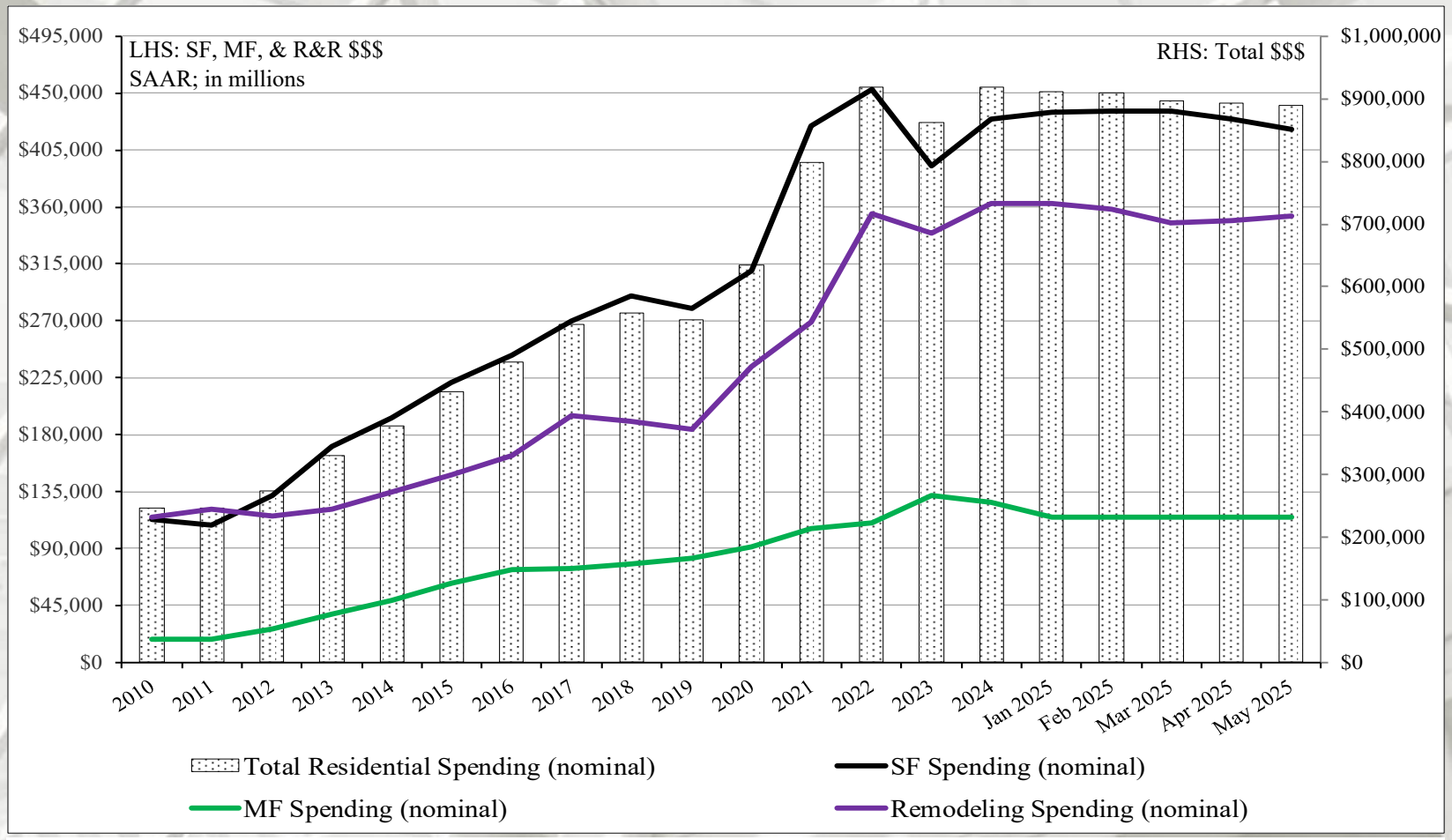
New multi-family includes new apartments and condominiums. The classification excludes residential units in buildings that are primarily nonresidential.

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; 7/1/25

Return TOC

Total Construction Spending (nominal): 2000 – May 2025



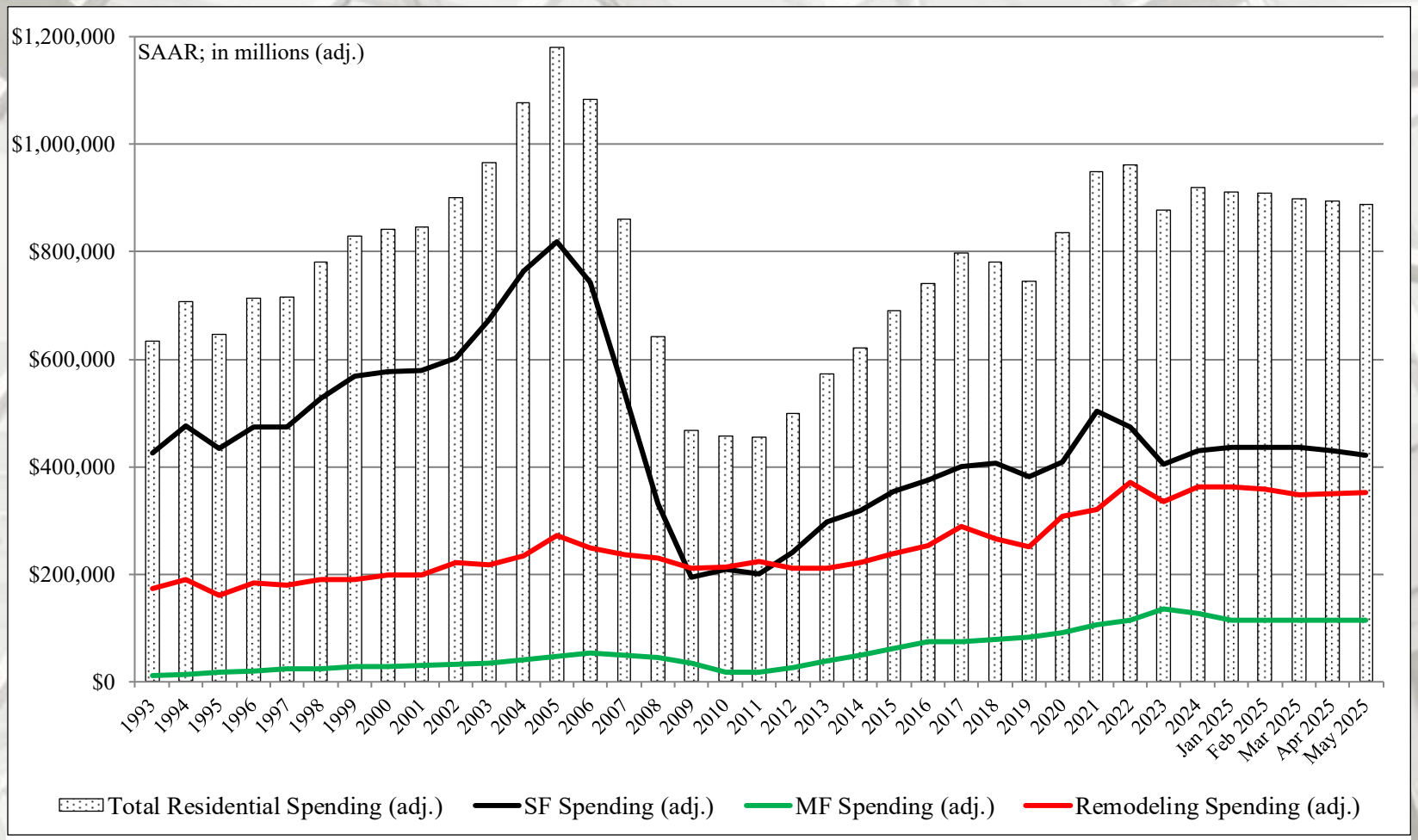
Reported in nominal US$.

The US DOC does not report improvement spending directly, this is a monthly estimation for 2025.

Source: http://www.census.gov/construction/c30/pdf/privsa.pdf; 7/1/25

Return TOC

Total Construction Spending (adjusted): 1993 – May 2025

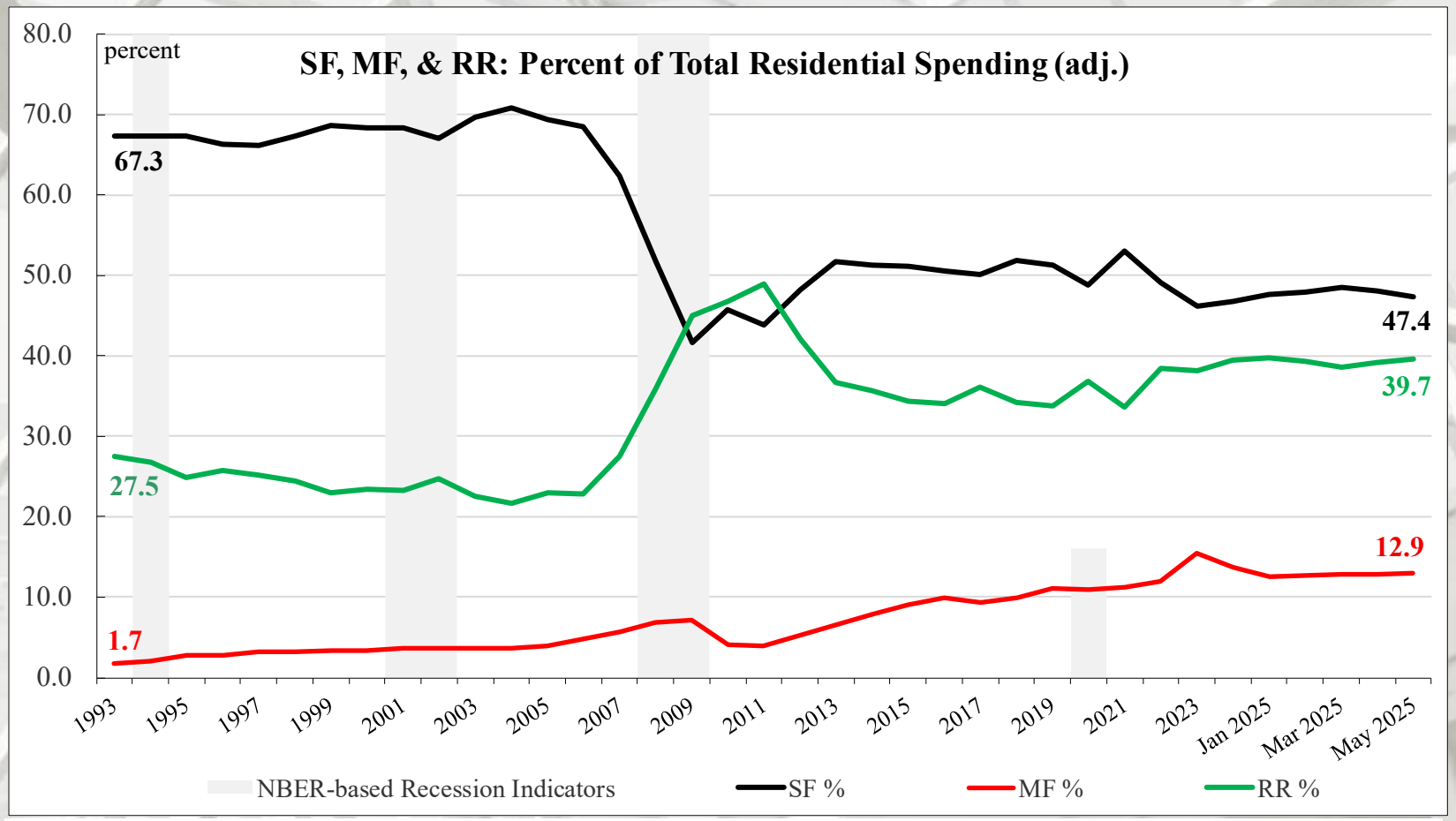


Reported in adjusted $US: 1993 – 2024 (adjusted for inflation, BEA Table 1.1.9); May 2025 reported in nominal US$.

Sources: * http://www.bea.gov/iTable/iTable.cfm; 1/2/25; http://www.census.gov/construction/c30/pdf/privsa.pdf; 7/1/2025

Return TOC

Construction Spending Shares: 1993 – May 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; 7/1/25 and http://www.bea.gov/iTable/iTable.cfm; 9/3/24

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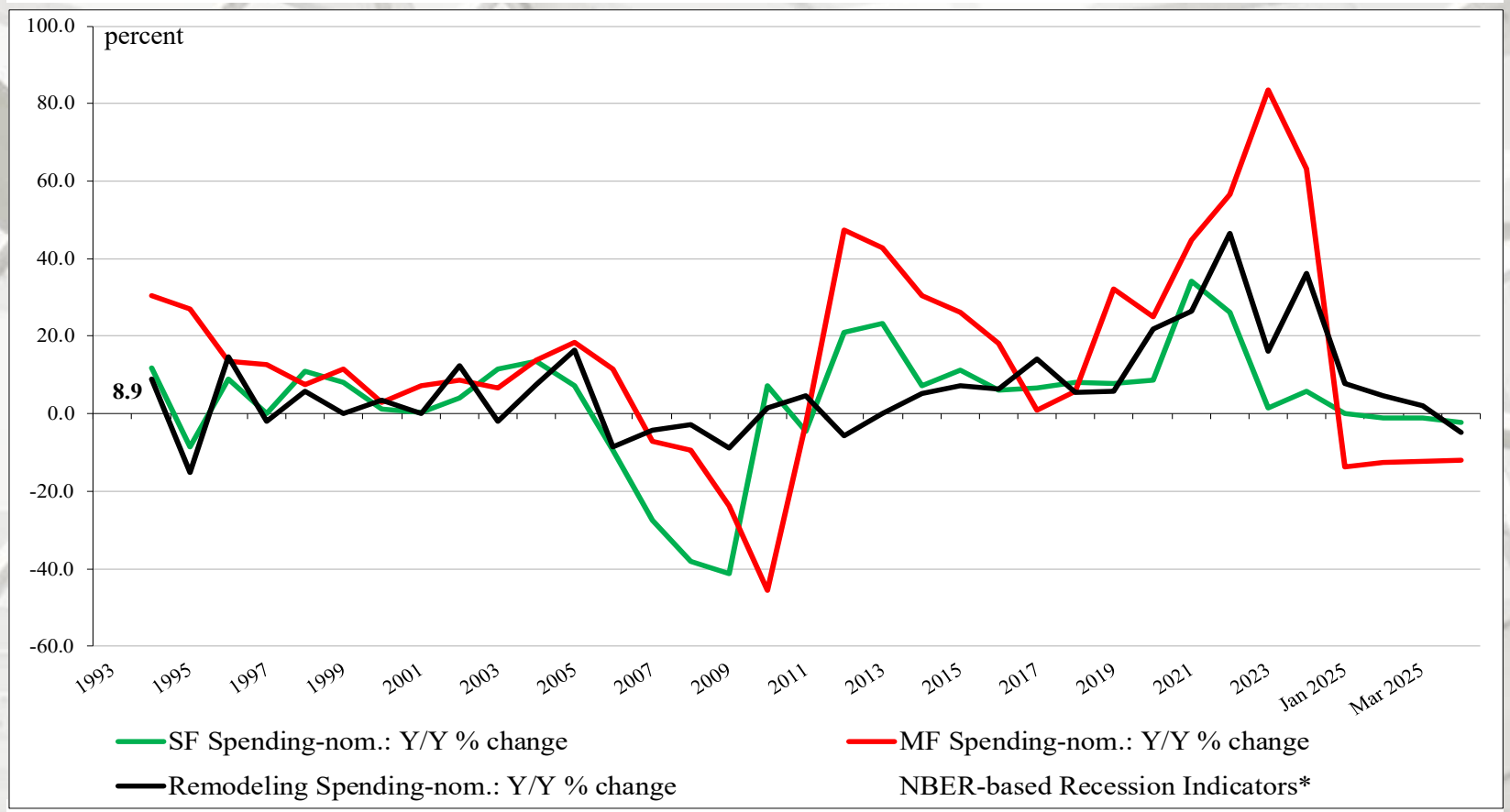
Construction Spending: Y/Y Percentage Change



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

Presented above is the percentage change of Y/Y construction spending. SF, MY, and RR expenditures were negative on a percentage basis, year-over-year (May 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; 7/1/25 and http://www.bea.gov/iTable/iTable.cfm; 9/3/24

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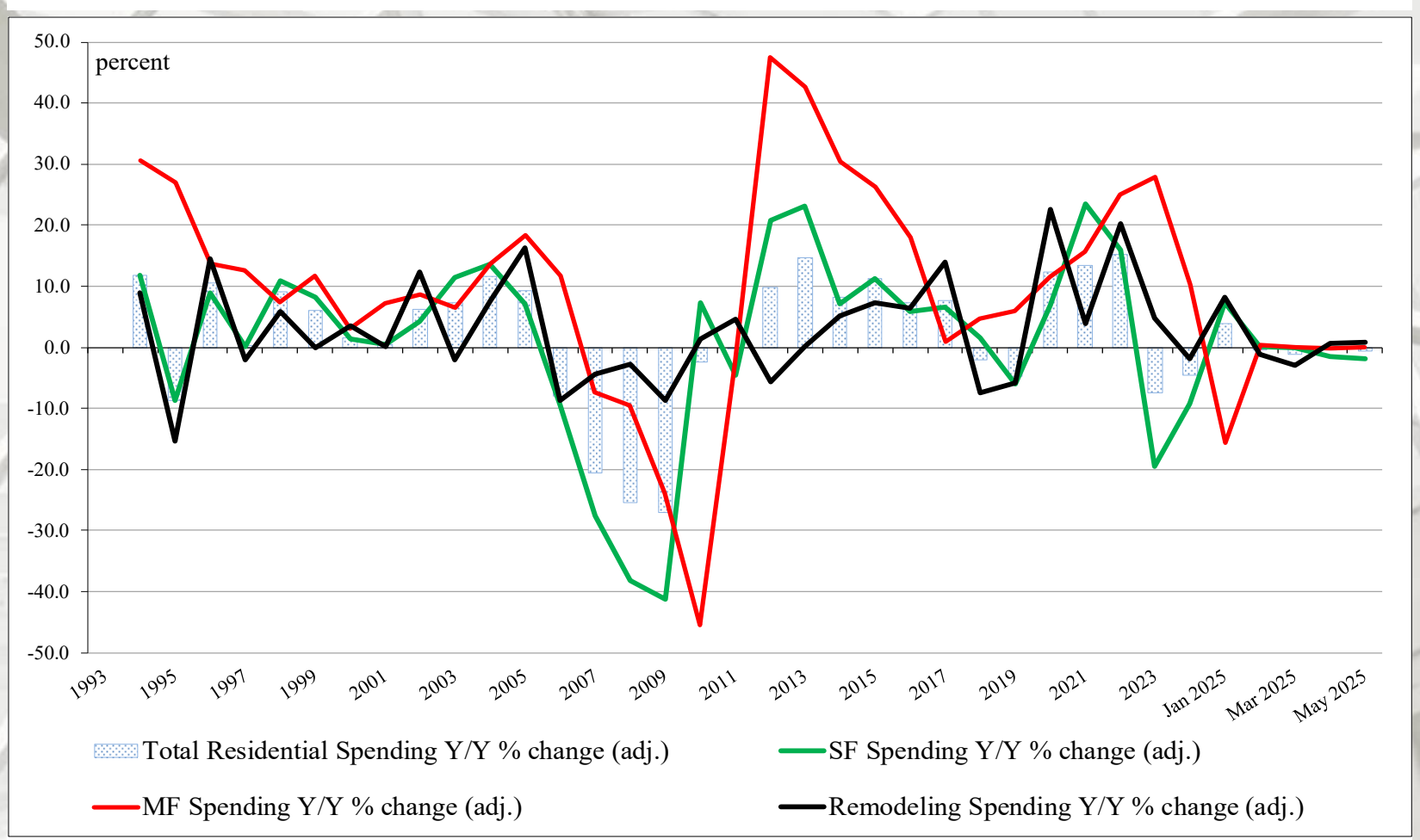
Adjusted Construction Spending, Y/Y Percentage Change: 1993 to May 2025



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

Sources: http://www.census.gov/construction/c30/pdf/privsa.pdf; 71/25 and http://www.bea.gov/iTable/iTable.cfm; 9/3/24

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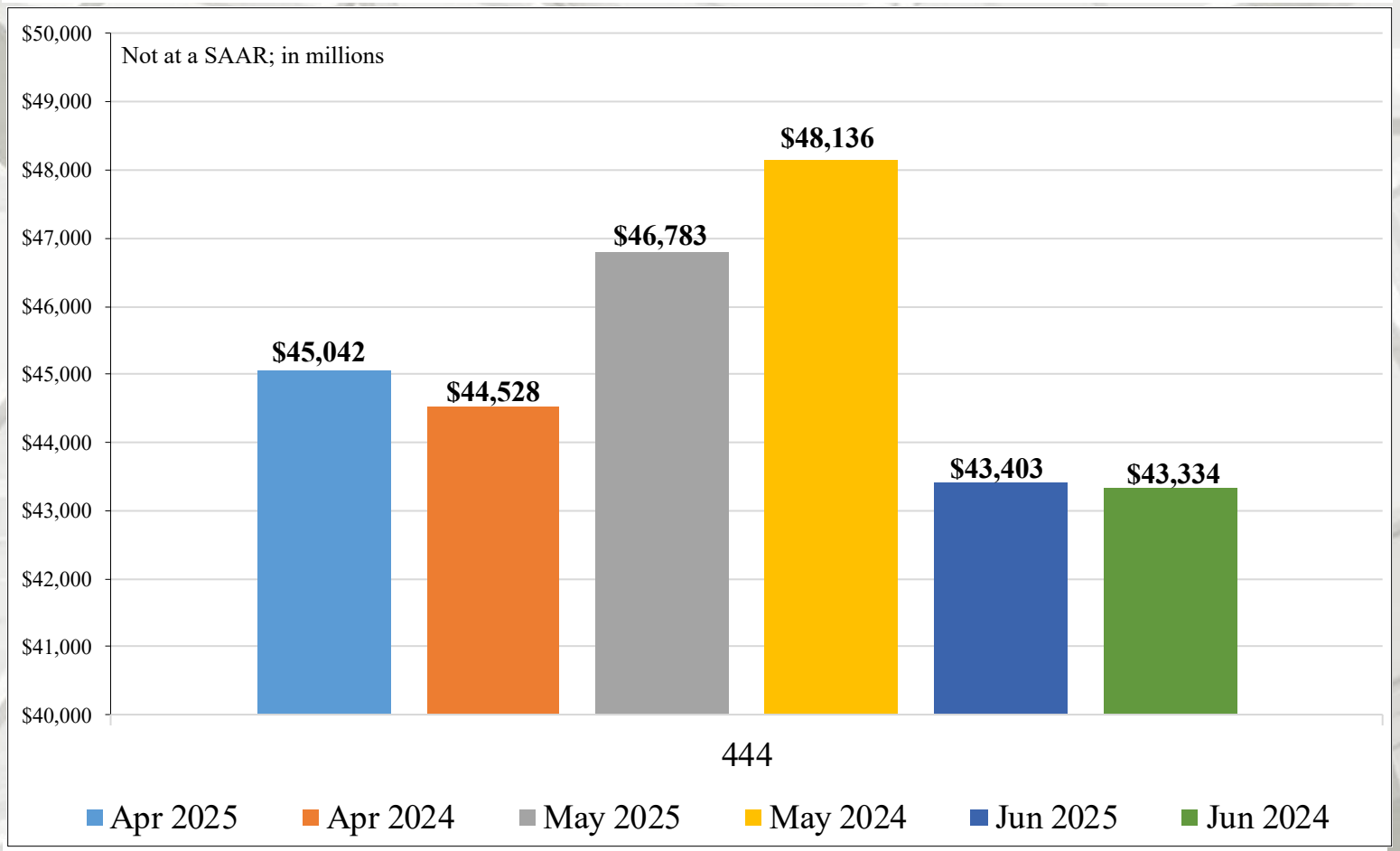
Remodeling

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



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

NAICS 444 retail sales decreased 7.2% in June 2025 from June 2025 and improved 0.2% Y/Y (nominal basis).

Source: https://www.census.gov/retail/index.html; 7/15/25

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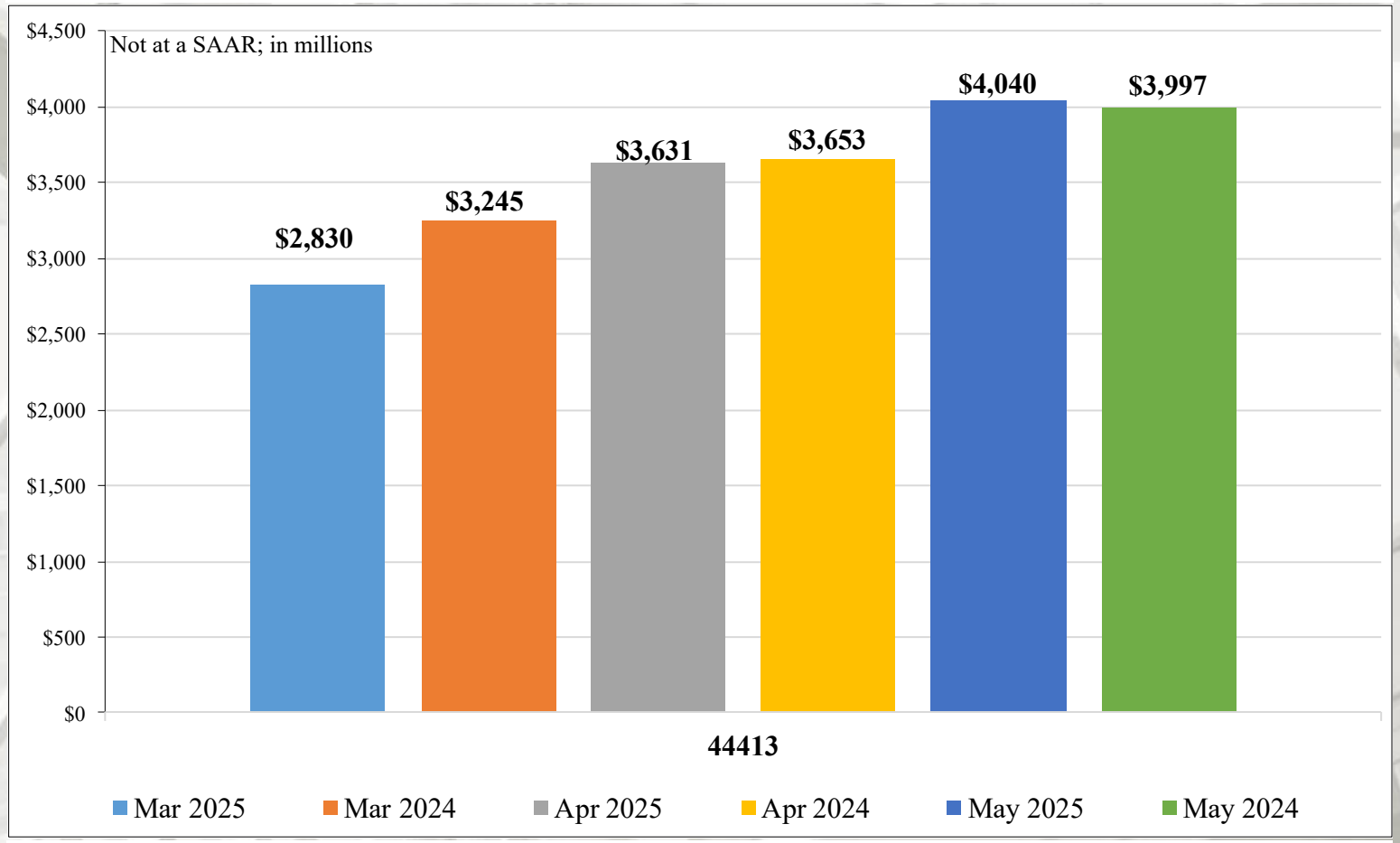
Remodeling

Retail Sales: Hardware Stores



Hardware Stores: NAICS 44413

NAICS 4443 sales increased 11.3% in May 2025 from May 2025 and improved 1.1% Y/Y (nominal basis).

Source: https://www.census.gov/retail/index.html; 7/17/25

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Remodeling

Harvard Joint Center for Housing Studies

Slower Growth Projected for Remodeling into Next Year

"Annual expenditures for improvements and maintenance to owner-occupied homes are expected to soften in 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 just 1.2 percent by the second quarter of 2026.

Weakness in the current housing market is expected to have a dampening effect on home improvement spending. Slowing construction starts and remodeling permitting activity, which are key factors in predicting future remodeling expenditures, are also putting downward pressure on home improvement growth.

It will be important to keep an eye on whether the housing market shows any sign of rebound in the second half of the year, to assess if this slowdown is the beginning of a more significant downturn. However, federal cuts to incentives for home energy improvements could spur an increase in remodeling activity in the short term, as homeowners seek to take advantage of programs before they disappear." – Rachel Bogardus Drew, Director, Remodeling Futures Program, Harvard Joint Center for Housing Studies

Source: https://www.census.gov/retail/index.html; 7/17/25

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Remodeling

Leading Indicator of Remodeling Activity – Second Quarter 2025

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.

Joint Center for Housing Studies of Harvard University JCHS

Source: https://www.census.gov/retail/index.html; 7/17/25

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Existing House Sales

National Association of Realtors®

	Existing Sales	Median Price	Month's Supply
May	4,030,000	$422,800	4.6
April	4,000,000	$414,000	4.4
2024	4,060,000	$417,200	3.8
M/M change	0.8%	2.1%	4.5%
Y/Y change	-0.7%	1.3%	21.1%

All sales data: SAAR

Source: https://fred.stlouisfed.org/series/EXHOSLUSM495S; 6/24/25

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Existing House Sales

	NE	MW	S	W
May	500,000	990,000	1,840,000	700,000
April	480,000	970,000	1,810,000	740,000
2024	480,000	980,000	1,850,000	750,000
M/M change	4.2%	2.1%	1.7%	-5.4%
Y/Y change	4.2%	1.0%	-0.5%	-6.7%

	Existing SF Sales	SF Median Price
May	3,670,000	$422,800
April	3,630,000	$418,000
2024	3,660,000	$422,400
M/M change	1.1%	2.1%
Y/Y change	0.3%	0.1%

All sales data: SAAR.

Source: https://fred.stlouisfed.org/series/EXHOSLUSM495S; 6/24/25

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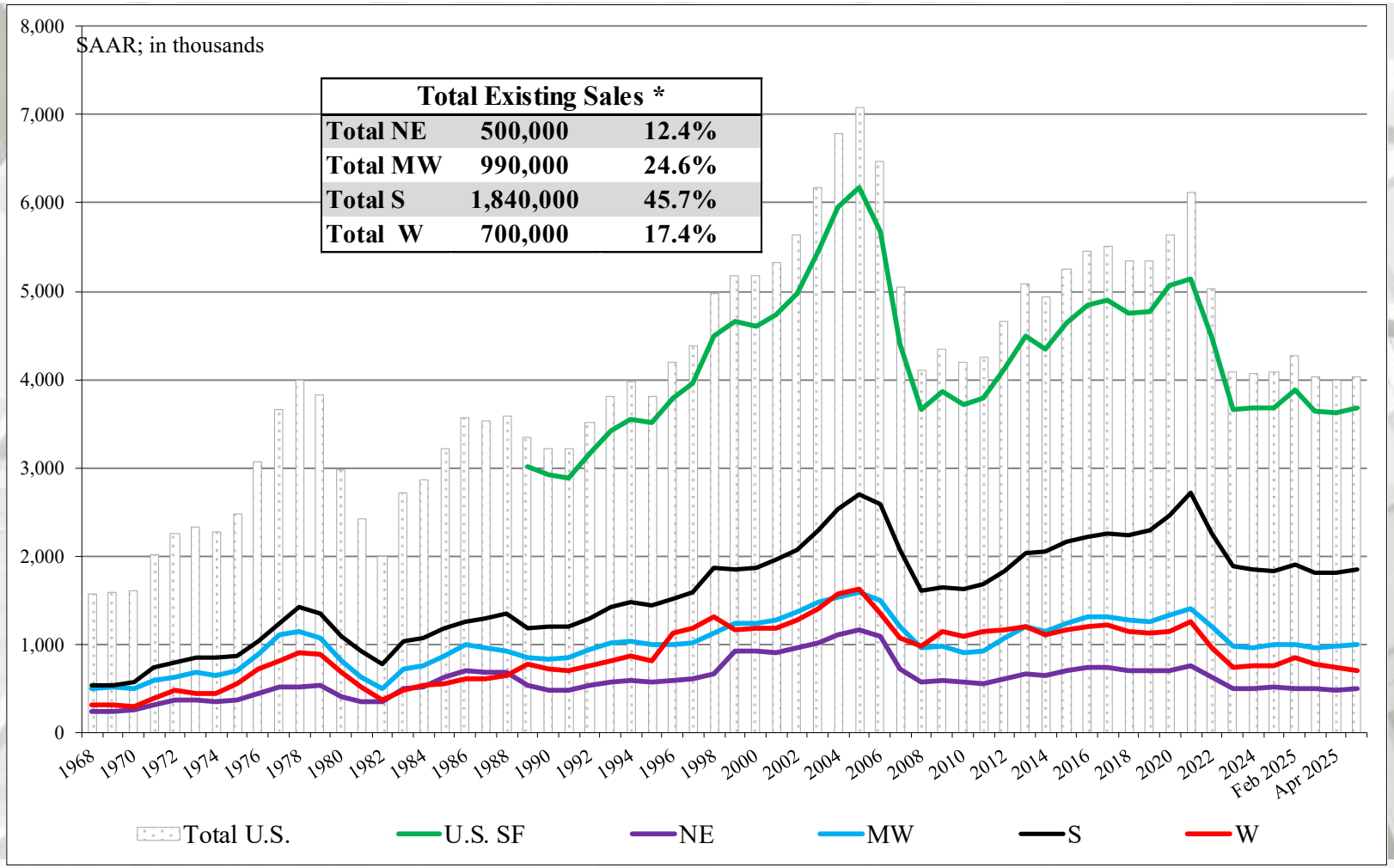
Existing House Sales



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

* Percentage of total existing sales.

Source: https://fred.stlouisfed.org/series/EXHOSLUSM495S; 6/24/25

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U.S. Housing Prices

Federal Housing Finance Agency

FHFA House Price Index® Down 0.4 Percent in April; Up 3.0 Percent from Last Year

Significant Findings

"U.S. house prices fell **0.4 percent** in April, according to the U.S. Federal Housing (FHFA) seasonally adjusted monthly House Price Index (FHFA HPI®). House prices rose **3.0 percent** from April 2024 to April 2025. The previously reported **0.1 percent** price decline in March was revised upward to **0.0 percent**.

For the nine census divisions, seasonally adjusted monthly home price changes ranged from **-1.3 percent** in the West South Central and South Atlantic divisions to **+1.2 percent** in the Middle Atlantic division. The 12-month changes were all positive, ranging from **+0.5** percent in the Pacific division to **+7.4** percent in the Middle Atlantic division." – Adam Russell, FHFA

Source: https://www.fhfa.gov/DataTools/Downloads/Pages/House-Price-Index.aspx; 6/24/25

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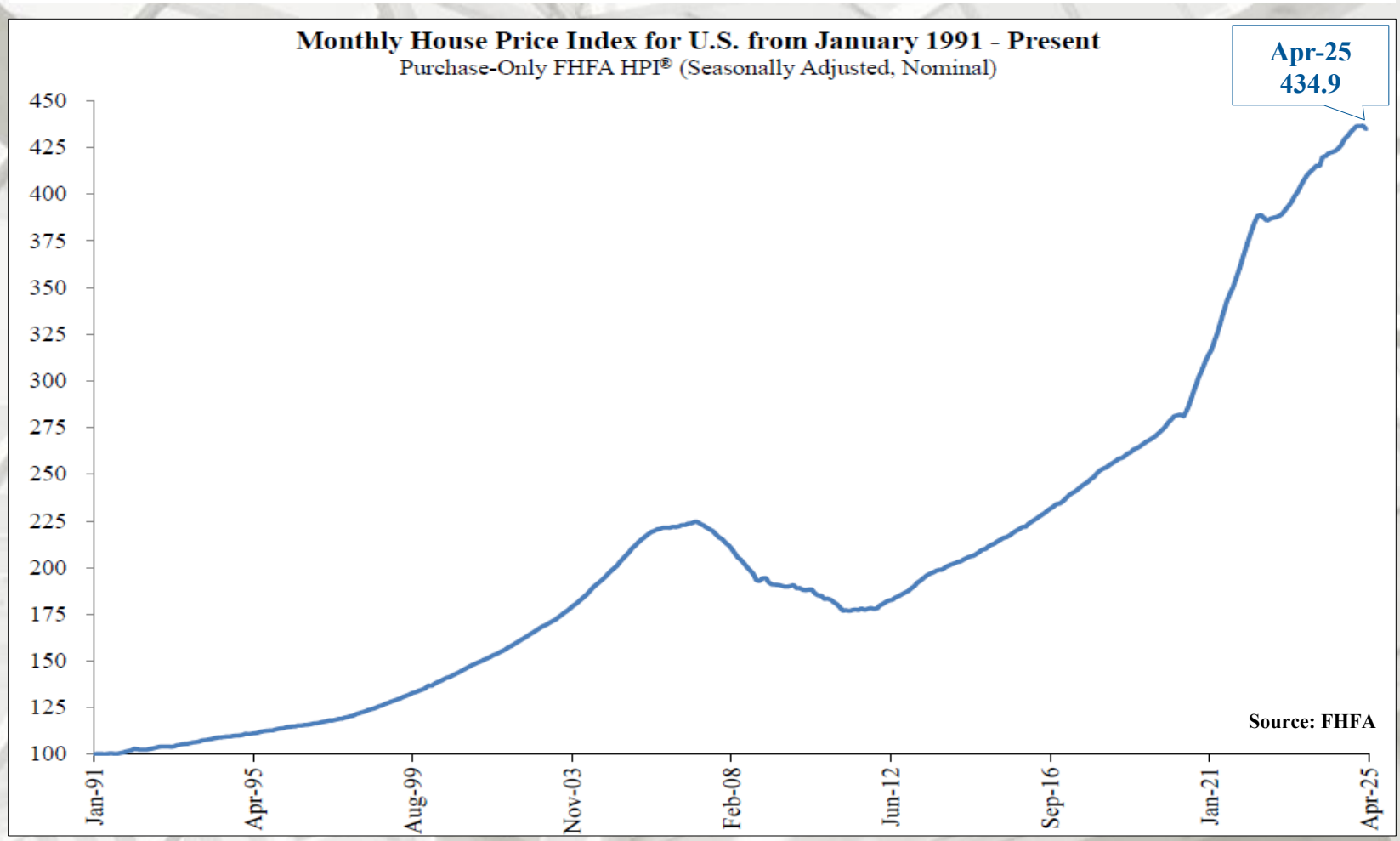
U.S. Housing Prices



Source: https://www.fhfa.gov/DataTools/Downloads/Pages/House-Price-Index.aspx; 6/24/25

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U.S. Housing Prices

S&P CoreLogic Case-Shiller Index Records 2.7% Annual Gain In April 2025

"S&P Dow Jones Indices (S&P DJI) released the April 2025 results for the S&P CoreLogic Case-Shiller Indices. The leading measure of U.S. home prices recorded a 2.7% annual gain in April 2025, a slight decrease from the previous reading in March 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 2.7% annual return for April, down from a 3.4% annual gain in the previous month. The 10-City Composite saw an annual increase of 4.1%, down from a 4.8% annual increase in the previous month. The 20-City Composite posted a year-over-year increase of 3.4%, down from a 4.1% increase in the previous month. New York again reported the highest annual gain among the 20 cities with a 7.9% increase in April, followed by Chicago and Detroit with annual increases of 6.0% and 5.5%, respectively. Tampa posted the lowest return, falling 2.2%.

Month-Over-Month

The pre-seasonally adjusted U.S. National Index saw slight upward trends in April, posting gains of 0.6%. The 10-City Composite and 20-City Composite Indices both reported gains of 0.7%. After seasonal adjustment, the U.S. National Index posted a decrease of -0.4%. Both the 10-City Composite and the 20-City Composite Indices saw a -0.3% decrease." – 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-27-annual-gain-in-april-2025/; 6/24/25

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U.S. Housing Prices

S&P CoreLogic Case-Shiller Index

Analysis

"The housing market continued its gradual deceleration in April, with annual price gains slowing to their most modest pace in nearly two years. What's particularly striking is how this cycle has reshuffled regional leadership – markets that were pandemic darlings are now lagging, while historically steady performers in the Midwest and Northeast are setting the pace. This rotation signals a maturing market that's increasingly driven by fundamentals rather than speculative fervor.

The National Composite Index posted a 2.7% annual gain in April, marking its slowest year-over-year appreciation since mid-2023. This deceleration was broad-based, with the 20-City Composite advancing 3.4% and the 10-City Composite up 4.1% – both substantially below their recent peaks. The composition of these gains tells an important story: Approximately 1.7 percentage points of April's annual increase occurred over the past six months, indicating that price momentum has been concentrated in the recent spring selling season rather than sustained throughout the year.

Regional performance revealed a dramatic shift from pandemic-era patterns. New York led all metros with a robust 7.9% annual gain, followed by Chicago (6.0%) and Detroit (5.5%) – a lineup that would have been unthinkable during the height of the Sun Belt surge. Meanwhile, former leaders stumbled: Tampa fell 2.2% year-over-year and Dallas turned negative at -0.2%, becoming the only two metros to post annual declines. San Francisco managed just 0.2% growth, while Phoenix (+1.3%) and Miami (+1.4%) barely registered gains. This geographic rotation reflects the fundamental economics now driving the market: Affordability constraints have hit previously overheated markets hardest, while traditionally stable markets with more reasonable price levels are attracting renewed interest." – 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-27-annual-gain-in-april-2025/; 6/24/25

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U.S. Housing Prices

S&P CoreLogic Case-Shiller Index

Analysis

“April's monthly performance showed continued seasonal strength but with notable cooling from March's peak. Eighteen metros posted positive monthly gains before seasonal adjustment, led by Detroit (+1.5%), Boston (+1.5%), and New York (+1.2%). However, after seasonal adjustment, the National Index actually declined 0.4%, suggesting that April's 0.6% raw gain was weaker than typical spring patterns would predict. This divergence between raw and seasonally adjusted figures hints that the market's seasonal rhythms may be dampening as affordability pressures intensify.

The underlying market dynamics remain challenging but not dire. Mortgage rates sustained their mid-6% range throughout April, keeping monthly payment burdens near generational highs and effectively pricing out significant segments of potential buyers. Yet housing supply remains severely constrained, with existing homeowners reluctant to surrender their sub-4% pandemic-era rates and new construction failing to meet demand. This supply-demand imbalance continues to provide a price floor, preventing the sharp corrections that some had feared.

We’re witnessing a housing market in transition. The era of broad-based, rapid price appreciation appears over, replaced by a more selective environment where local fundamentals matter more than national trends. For investors and policymakers alike, this shift toward geographic divergence and moderate growth may actually represent a healthier, more sustainable trajectory than the unsustainable boom we experienced just a few years ago.”” – 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-27-annual-gain-in-april-2025/; 6/24/25

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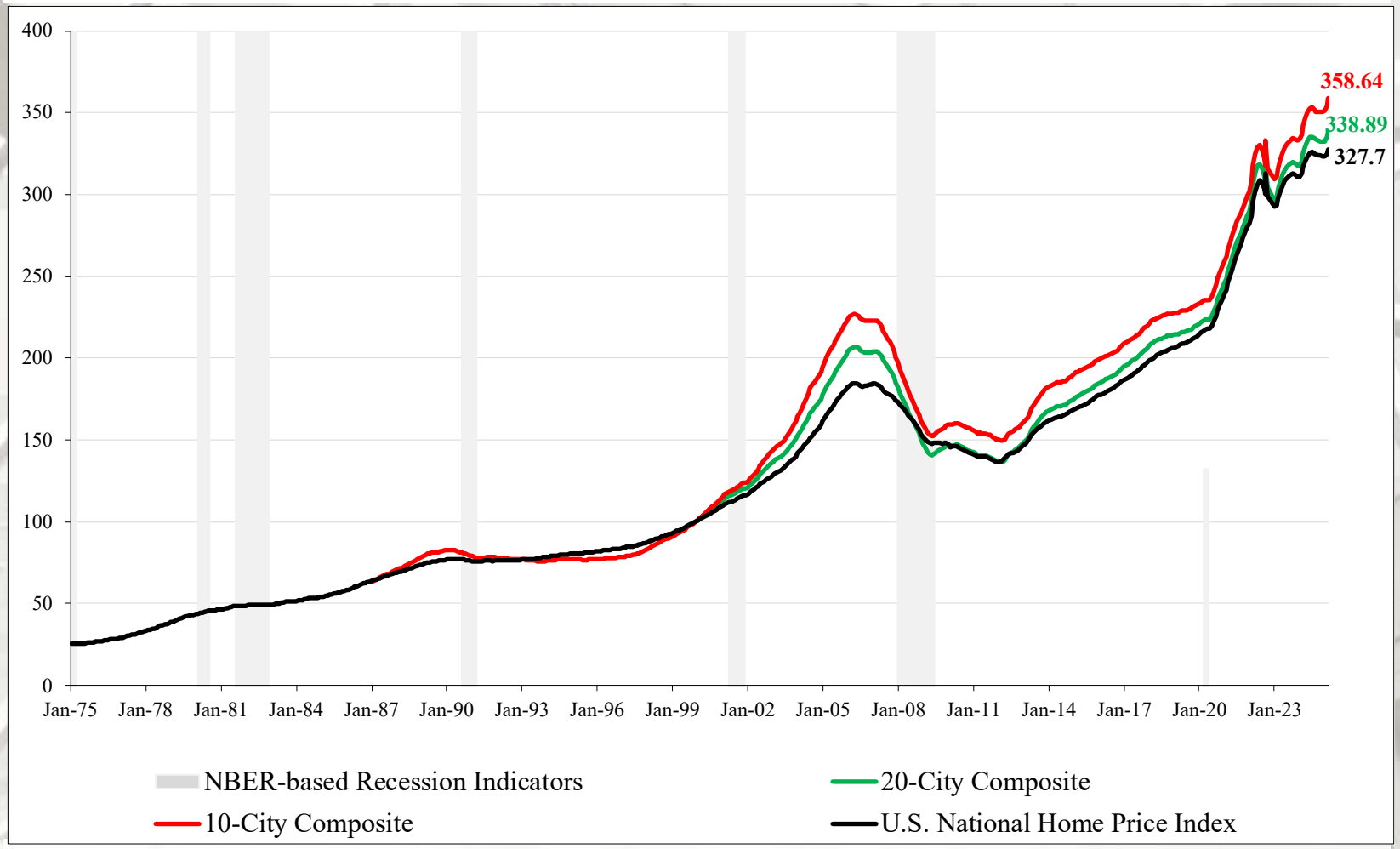
S&P/Case-Shiller Home Price Indices



* 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-27-annual-gain-in-april-2025/; 6/24/25

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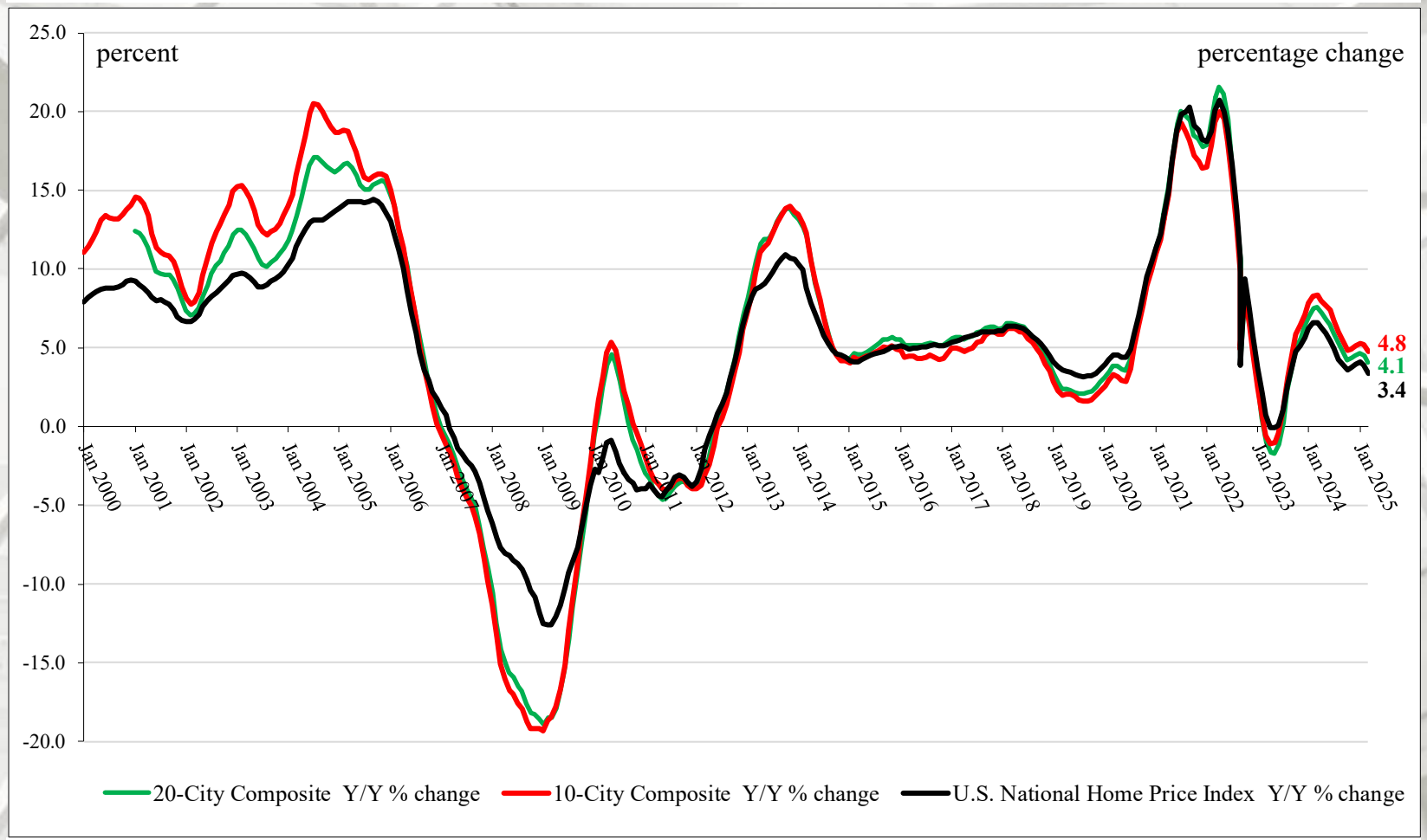
S&P/Case-Shiller Home Price Indices



Y/Y Price Change

From March 2024 to March 2025, the National Index indicated a 3.4% increase; the Ten-City increased by 4.8%, and the Twenty-City rose by 4.1%.

Source: https://www.spglobal.com/spdji/en/index-announcements/article/sp-corelogic-case-shiller-index-records-27-annual-gain-in-april-2025/; 6/24/25

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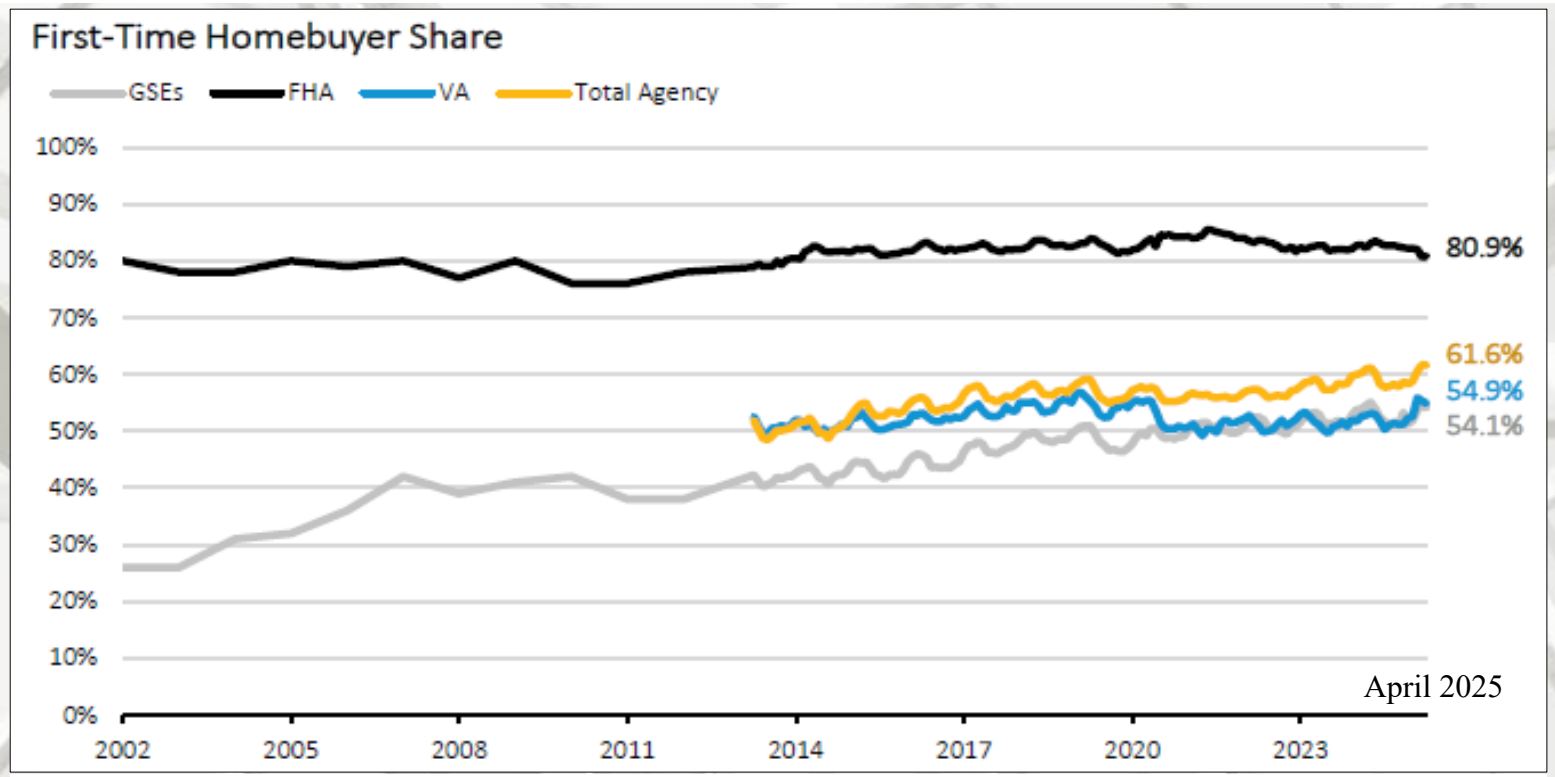
U.S. First-Time House Buyers



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

"Although the homeownership rate, which compares homeowners and renters has declined modestly, the first time homebuyer share, which compares first time homebuyers with repeat buyers has increased. The increase in the first time homebuyer share reflects the fact that, in today's relatively high interest rate environment, repeat homebuyers are "locked into" their home through a low rate mortgage, This impact is much stronger than impact of higher rates on first time homebuyers, reducing homebuying affordability and thereby slowing the shift from renting to homeownership. First time homebuyers are traditionally more concentrated among FHA (80.9 percent). However, in April 2025, more than half of GSE and VA purchase originations are made to first time homebuyers as well (54.1
percent and 54.9 percent, respectively)." – Laurie Goodman *et. al*, Vice President, Urban Institute

Source: https://www.urban.org/research/publication/housing-finance-glance-monthly-chartbook-june-2025/; 6/30/25

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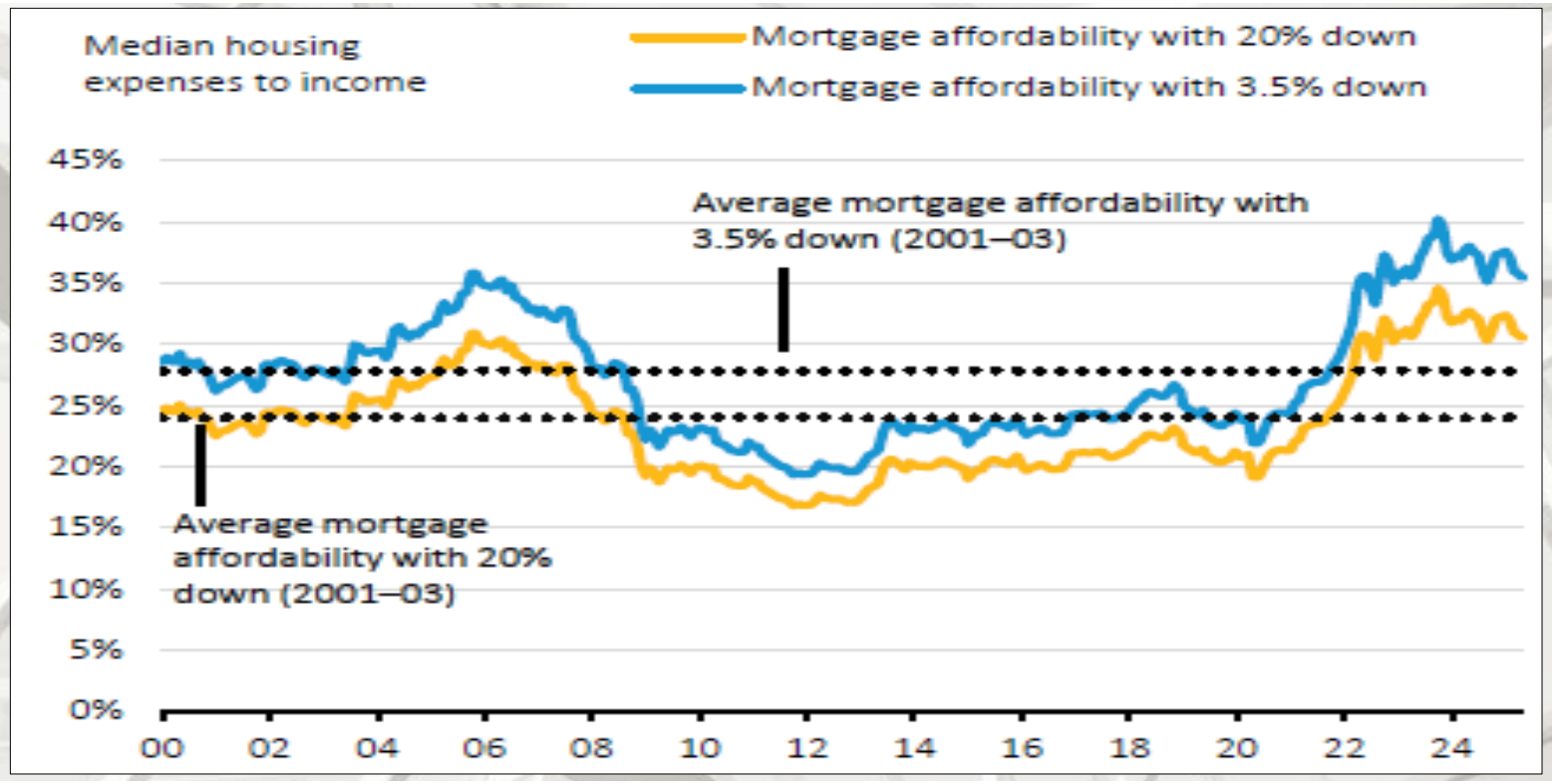
U.S. Housing Affordability



Urban Institute

National Mortgage Affordability Over Time

"Consisted with high, but stable mortgage rates as well as high, but mildly declining home values, mortgage affordability remains close to the worst level since the inception of this series in 2000 but has shown signs of improvement in recent months. As of March 2025, with a 20 percent down payment, the share of median income needed for the median monthly mortgage payment was 30.4 percent, slightly below the peak of the housing bubble in November 2005; and with 3.5 percent down, the housing cost burden is 35.3 percent, also just below the 35.8 percent peak in November 2005. Active listings have broadly increased since 2022 but remain lower over time. And the distribution of housing inventory has become increasingly unaffordable." – Laurie Goodman *et. al*, Vice President, Urban Institute

Source: https://www.urban.org/research/publication/housing-finance-glance-monthly-chartbook-june-2025/; 6/30/25

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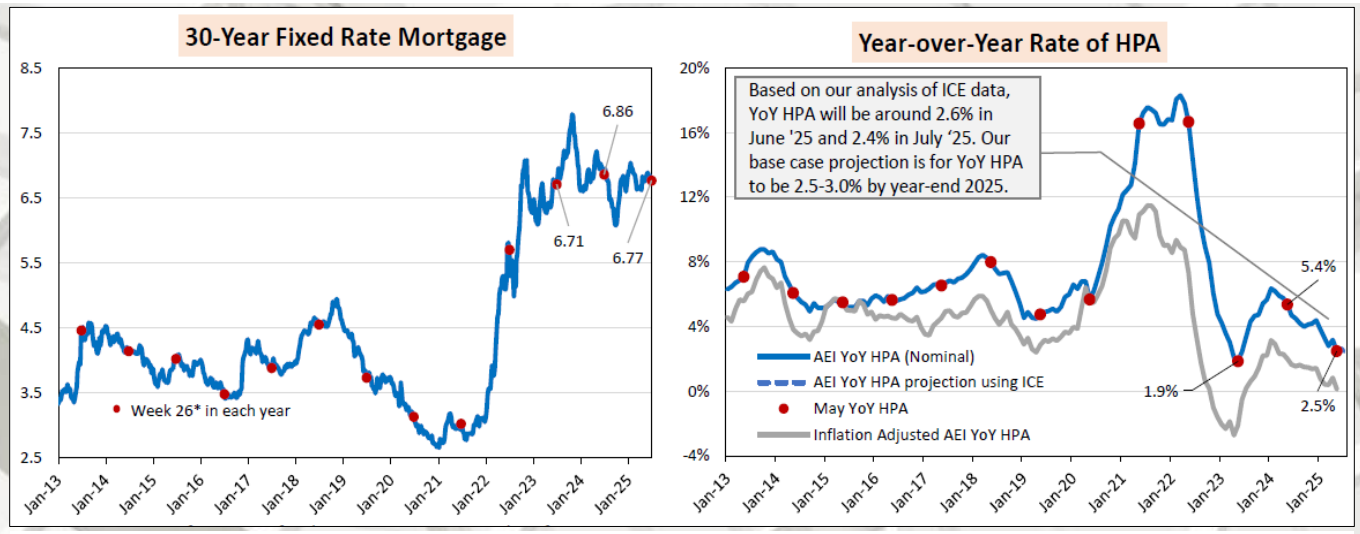
U.S. Housing Affordability



Note: Data are for 30-year fixed rate prime conventional conforming. Home purchase mortgages with a loan to value of 80 percent.
* Week 26, 2025 refers to the week ending June 26th, 2025.

Note: Data are for the entire country; May 2025 data are preliminary.
Sources: AEI Housing Center, www.AEI.org/housing, Freddie Mac

AEI Housing Center

May 2025's preliminary YoY HPA was 2.5%, the second lowest May level of the series, and down from 3.2% a month ago and 5.4% in May 2024.

- "The preliminary YoY HPA is lower than what we would expect given the relatively tight months' supply of homes. This may be in part due to data latency, and we will continue tracking the issue next month. Strong sellers' market continues, with well qualified buyers competing for a limited supply of homes.
- May 2025's MoM HPA was 0.0%.
- With the exception of Florida, a relatively strong sellers' market continues, with well qualified buyers competing for a limited supply of homes.
- YoY HPA is projected to increase to 2.6% in June 2025 and 2.4% in July 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

Source: https://www.aei.org/research-products/report/aei-housing-market-indicators-june-2025; 7/1/25

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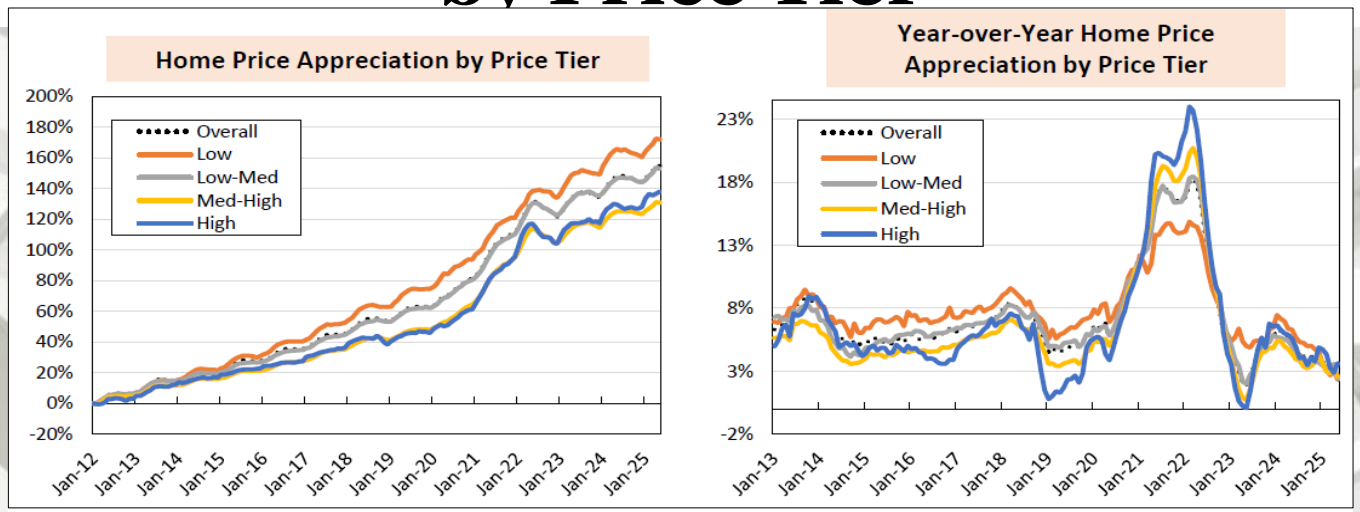
Home Price Appreciation by Price Tier



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

AEI Housing Center

"**Since 2012, a large 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 May 2025 indicate that the high price tier grew by 3.7%, while the med high, low med, and low followed at 2.5%, 2.4%, and 2.3% respectively.
    - The high price tier has much less reliance on the leverage punchbowl combined with the ability to move down the price ladder, while lower tiers are more constrained, particularly the low tier.
- 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

Source: https://www.aei.org/research-products/report/aei-housing-market-indicators-june-2025; 7/1/25

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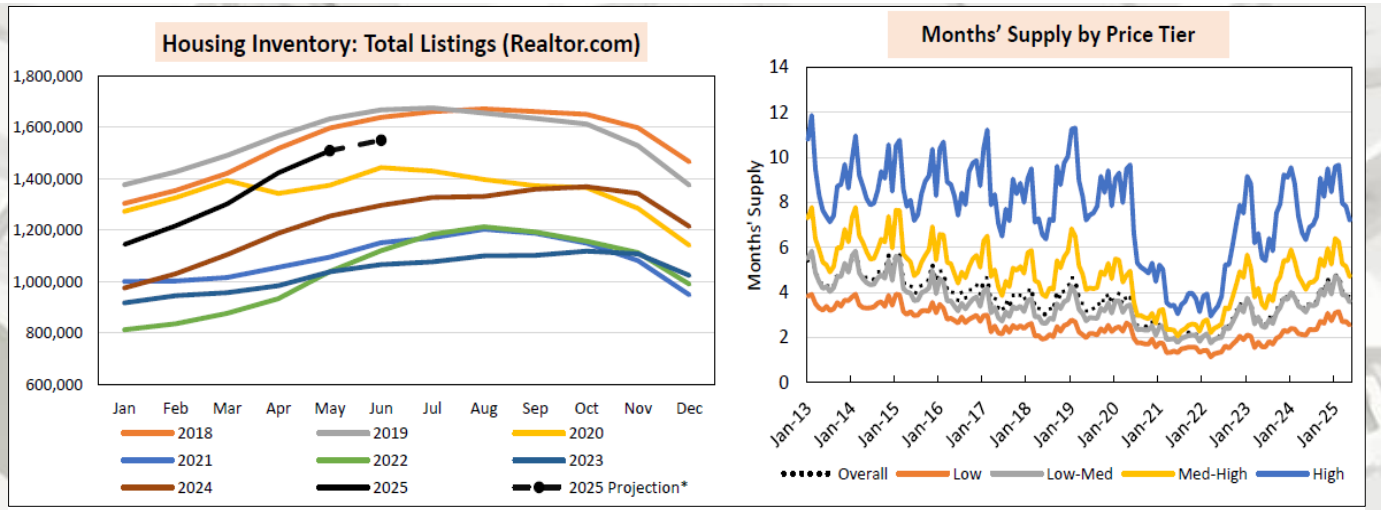
AEI Housing Center: Housing Inventory and Months' Supply



*Projected total listings are based on average Altos weekly listings through the week ending June 26th, 2025..
Source: Realtor.com, Zillow, and AEI Housing Center, www.AEI.org/housing

"The relatively strong seller's market continued in May 2025, the relatively strong seller's market continued in May 2025, with months' remaining supply falling by 0.3 months from April 2025 to 3.7 months (not seasonally adjusted). Month's supply is just below pre pandemic levels (months' remaining supply in May 2019 was 3.2 months). Inventory continues to grow faster than seasonal trends.

- Although inventory was up 20.3% from May 2024, it is still 7.6% below May 2019, the "last normal" pre pandemic May reading (left panel). Compared to Apr. 2025, May inventory increased by 6.0%.
    - The projection for June 2025 suggests that inventory is expected to increase by 2.7% over the prior month. This would place June 2025 inventory 7.1% below June 2019.*
- Months' supply stood at 3.7 months in May 2025, down from 4.0 mos. in Apr. 2025, and down from 3.2 mos. A year ago (right panel). YoY HPA was 2.5% in May 2025, compared to 4.7% in May 2019. Based on HousingWire Data (formerly Altos) weekly data (not shown) total listings have started a seasonal decline.
- Based on an analysis of historical data , a 6 8 mos.' supply (nationally) is 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

Source: https://www.aei.org/research-products/report/aei-housing-market-indicators-june-2025; 7/1/25

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U.S. Housing Finance

Mortgage Bankers Association

Mortgage Credit Availability Decreased in June

"Mortgage credit availability decreased in June 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 fell by 1.3 percent to 103.7 in June. 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 decreased 1.2 percent, while the Government MCAI decreased by 1.7 percent. Of the component indices of the Conventional MCAI, the Jumbo MCAI decreased by 0.7 percent, and the Conforming MCAI fell by 2.2 percent.

Credit availability decreased in June after six months of growth, primarily led by fewer programs with low minimum credit scores. There was also a reduction in streamline refinance programs. With the job market softening, and increasing mortgage delinquency rates, some lenders are tightening up their credit offerings. Jumbo credit availability decreased slightly overall relative to the previous month, but the availability of non-agency loan programs increased slightly." – Joel Kan, Associate Vice President of Economic and Industry Forecasting; MBA

Source: https://www.mba.org/news-and-research/newsroom/news/2025/07/15/mortgage-credit-availability-decreased-in-june; 7/15/25

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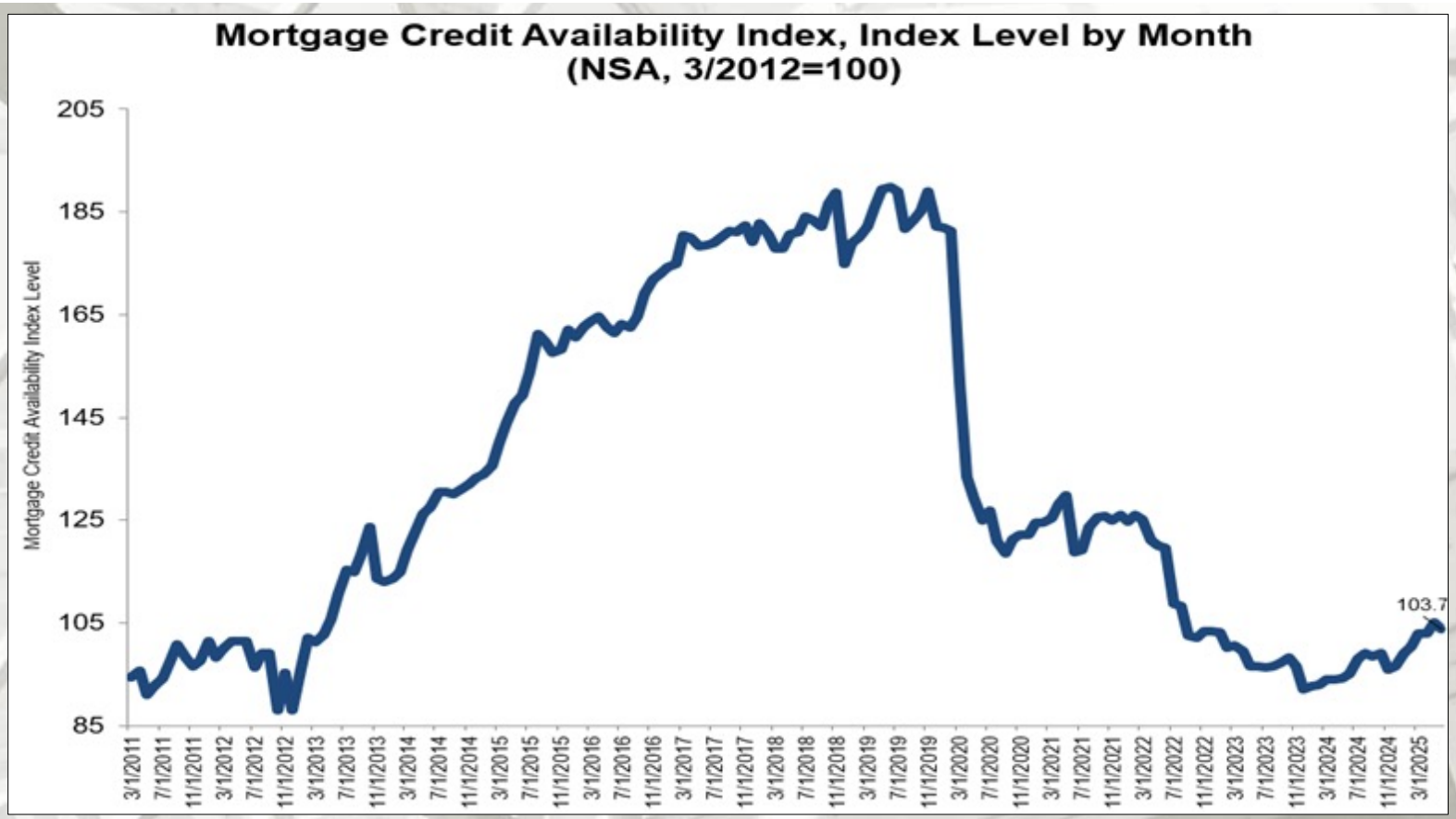
U.S. Housing Finance
Mortgage Credit Availability (MBA)



Source: https://www.mba.org/news-and-research/newsroom/news/2025/07/15/mortgage-credit-availability-decreased-in-june; 7/15/25

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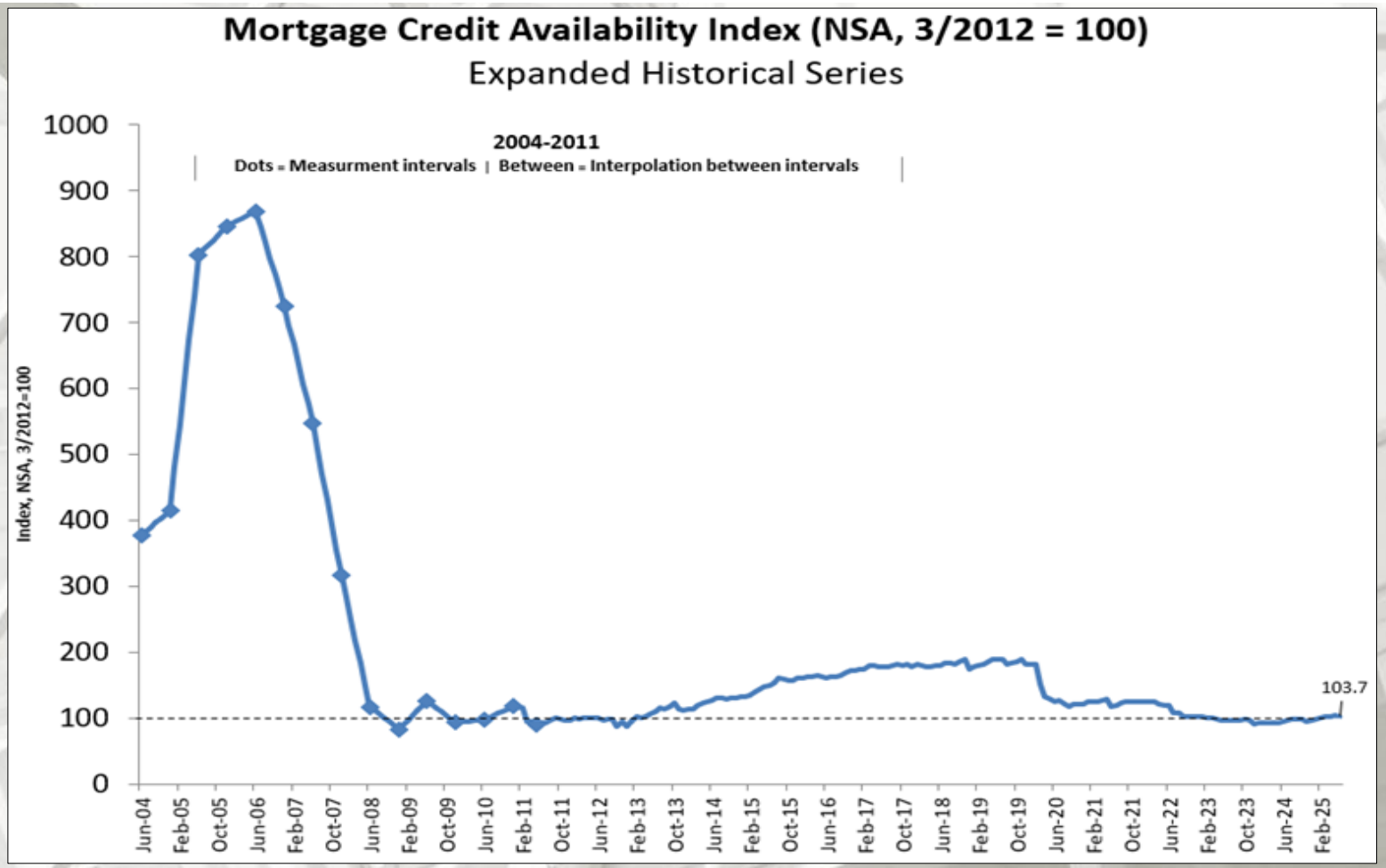
U.S. Housing Finance
Mortgage Credit Availability (MBA)



Source: https://www.mba.org/news-and-research/newsroom/news/2025/07/15/mortgage-credit-availability-decreased-in-june; 7/15/25

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MBA Mortgage Finance Forecast

MBA Mortgage Finance Forecast

June 20, 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	1,387	1,396	1,337	1,356	1,350	1,343	1,338	1,344	1,345	1,367	1,360	1,343	1,332
Single-Family	1,062	1,004	971	1,013	1,015	931	954	976	982	984	997	1,006	1,013	969	992	1,013
Two or More	345	336	361	374	381	406	402	374	361	354	347	339	354	391	350	319
Home Sales (SAAR, Thous)																
Total Existing Homes	4,200	4,050	3,890	4,163	4,127	4,112	4,239	4,362	4,319	4,411	4,520	4,518	4,076	4,210	4,442	4,620
New Homes	663	693	712	673	684	712	723	739	761	757	767	772	685	715	764	775
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	405.0	398.0	406.0	412.7	414.7	411.7	412.2	408.5	398.2	405	408	408	409
Median Price of New Homes (Thous $)	429.2	414.5	418.6	415.6	415.5	413.3	419.7	420.6	417.3	419.0	415.9	408.0	419	417	415	419
Interest Rates																
30-Year Fixed Rate Mortgage (%)	6.7	7.0	6.5	6.6	6.8	6.8	6.8	6.7	6.6	6.6	6.5	6.4	6.6	6.7	6.4	6.3
10-Year Treasury Yield (%)	4.2	4.4	3.9	4.3	4.5	4.4	4.4	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3
Mortgage Originations																
Total 1- to 4-Family (Bil $)	377	429	479	494	384	549	560	542	541	584	581	536	1,779	2,035	2,242	2,287
Purchase	291	336	357	304	272	367	375	353	342	383	391	345	1,288	1,367	1,461	1,513
Refinance	86	93	122	190	112	182	185	189	199	201	190	191	491	668	781	774
Refinance Share (%)	23	22	25	38	29	33	33	35	37	34	33	36	28	33	35	34
FHA Originations (Bil $)													204	208	229	211
Total 1- to 4-Family (000s loans)	1,076	1,203	1,343	1,427	1,068	1,533	1,557	1,510	1,513	1,619	1,602	1,490	5,050	5,668	6,223	6,309
Purchase	773	880	924	780	690	924	941	882	853	954	973	858	3,356	3,437	3,639	3,756
Refinance	303	323	419	647	378	609	616	628	659	665	629	631	1,693	2,231	2,584	2,553
Refinance Share (%)	28	27	31	45	35	40	40	42	44	41	39	42	34	39	42	40
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

Source: https://www.mba.org/news-and-research/forecasts-and-commentary/; 6/20/25

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MBA Economic Forecast

MBA Economic Forecast

June 20, 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	2.0	0.1	0.4	1.1	1.3	1.7	1.8	2.5	0.6	1.5	1.8
Personal Consumption Expenditures	1.9	2.8	3.7	4.0	1.2	3.8	-0.7	-1.0	0.6	0.5	1.4	2.0	3.1	0.8	1.1	2.6
Business Fixed Investment	4.5	3.9	4.0	-3.0	10.3	-2.5	-6.2	-3.4	-2.9	-0.1	0.0	0.4	2.4	-0.4	-0.6	0.7
Residential Investment	13.7	-2.8	-4.3	5.5	-0.6	-1.9	-5.9	4.3	2.3	1.0	1.7	2.9	3.0	-1.0	2.0	1.4
Govt. Consumption & Investment	1.8	3.1	5.1	3.1	-0.7	-0.6	-0.6	-0.8	0.0	0.1	0.0	-0.2	3.2	-0.7	0.0	-0.2
Net Exports (Bil. Chain 2012$)	-977.0	-1035.7	-1069.2	-1052.7	-1379.0	-1092.3	-1095.0	-1028.6	-961.6	-918.5	-889.8	-876.2	-1033.6	-1148.7	-911.5	-895.8
Inventory Investment (Bil. Chain 2012$)	17.7	71.7	57.9	8.9	163.0	-83.7	30.5	63.6	61.7	75.7	84.3	91.2	39.0	43.3	78.2	100.1
Consumer Prices (YOY)	3.2	3.2	2.7	2.7	2.7	2.4	3.0	3.2	3.4	3.6	3.3	2.8	2.7	3.2	2.8	2.1
Percent																
Unemployment Rate	3.8	4.0	4.2	4.2	4.1	4.2	4.6	4.7	4.8	4.8	4.7	4.6	4.0	4.4	4.7	4.5
Federal Funds Rate	5.375	5.375	4.875	4.375	4.375	4.375	4.125	3.875	3.875	3.875	3.875	3.875	4.375	3.875	3.875	3.875
10-Year Treasury Yield	4.2	4.4	3.9	4.3	4.5	4.4	4.4	4.3	4.3	4.3	4.3	4.3	4.3	4.3	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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MORTGAGE BANKERS ASSOCIATION

Source: https://www.mba.org/news-and-research/forecasts-and-commentary/; 6/20/25

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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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