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


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

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# Opening Remarks

Housing data month-over-month were mixed. Year-over-year, total, single-family, multi-family starts, and existing house sales were positive. The influence of mortgage rates is evident, as aggregate costs have decreased affordability.

The September 10th Atlanta Fed GDPNow™ total residential investment spending forecast is -4.9% for Quarter 3 2025. Quarterly log change for new private permanent site expenditures were projected at -8.1%; the improvement spending forecast was -0.3%; and the manufactured/mobile home expenditures projection was -2.7% (all: quarterly log change and at a seasonally adjusted annual rate).[1]

"Affordability is beginning to shift – gradually and unevenly – but the momentum is turning. The most likely path forward is a slow rebalancing, driven by income growth outpacing home price appreciation, some moderation in prices as inventory improves, and eventual downward pressure on mortgage rates, if economic conditions soften. While this process will take time, likely years, the balance of power is no longer as one-sided as it was during the pandemic frenzy. For those prospective buyers who have been waiting on the sidelines, the housing market is finally starting to listen."[2] – Mark Fleming, Chief Economist, First American Financial Corporation

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; 9/10/25
[2] https://blog.firstam.com/economics/affordabilitys-slow-comeback; 8/29/25

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# July 2025
# Housing Scorecard

| | M/M | | Y/Y | |
|---|---|---|---|---|
| Housing Starts | ▲ | 5.2% | ▲ | 12.9% |
| Single-Family (SF) Starts | ▲ | 2.8% | ▲ | 7.8% |
| Multi-Family (MF) Starts* | ▲ | 9.9% | ▲ | 24.1% |
| Housing Permits | ▼ | 2.2% | ▼ | 5.2% |
| SF Permits | ▲ | 1.0% | ▼ | 7.4% |
| MF Permits* | ▼ | 7.6% | ▼ | 0.8% |
| Housing Under Construction | ▲ | 0.1% | ▼ | 12.4% |
| SF Under Construction | ▼ | 1.0% | ▼ | 3.7% |
| Housing Completions | ▲ | 6.0% | ▼ | 13.5% |
| SF Completions | ▲ | 11.6% | ▼ | 6.1% |
| New SF House Sales | ▼ | 0.6% | ▼ | 8.2% |
| Private Residential Construction Spending | ▲ | 0.1% | ▼ | 5.3% |
| SF Construction Spending | ▲ | 0.1% | ▼ | 2.3% |
| Existing House Sales[1] | ▲ | 2.0% | ▲ | 0.8% |

* 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 |
|---|---|---|---|---|
| July | 1,428,000 | 939,000 | 19,000 | 470,000 |
| June | 1,358,000 | 913,000 | 24,000 | 421,000 |
| 2024 | 1,265,000 | 871,000 | 25,000 | 369,000 |
| M/M change | 5.2% | 2.8% | -20.8% | 11.6% |
| Y/Y change | 12.9% | 7.8% | -24.0% | 27.4% |

* 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; 8/19/25

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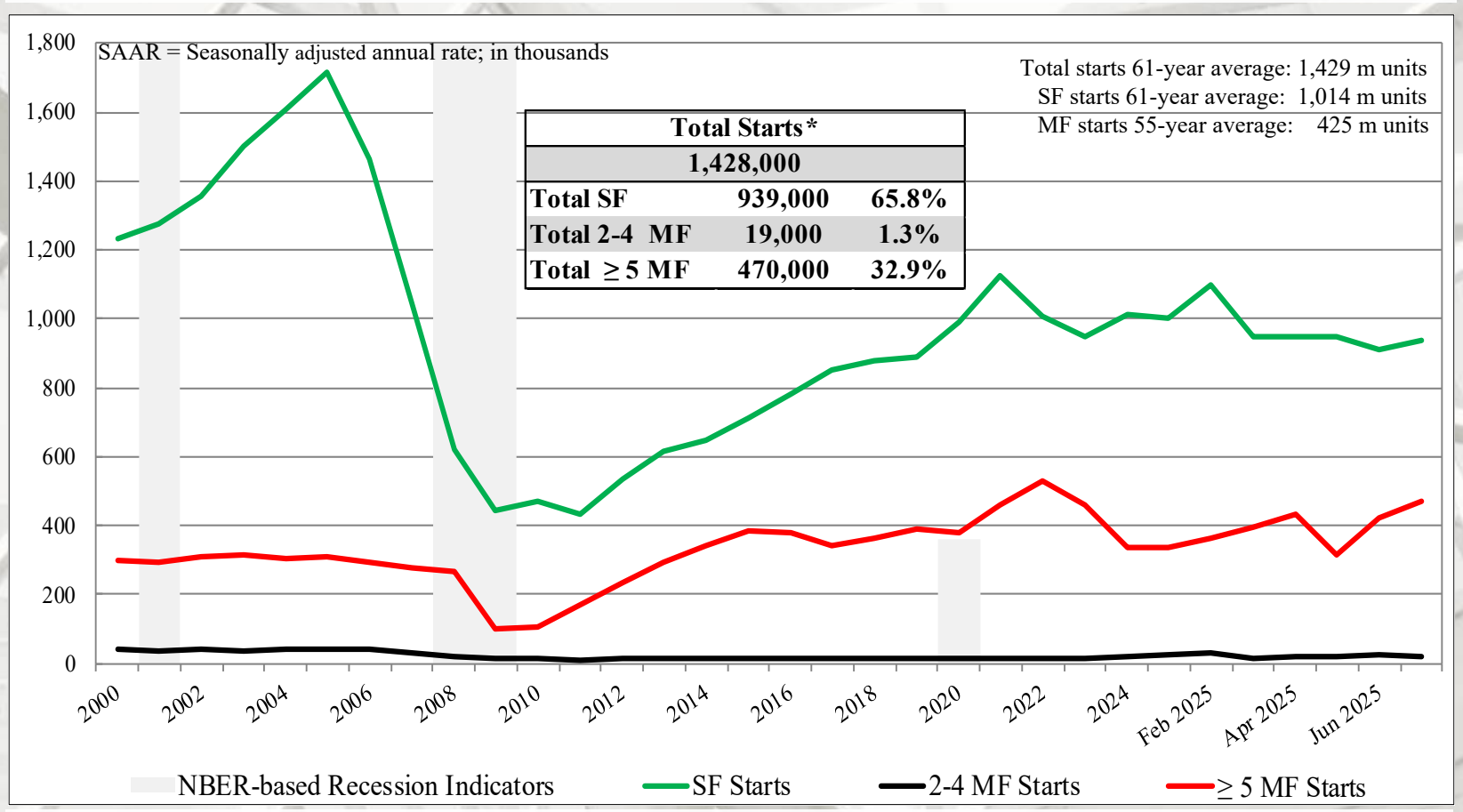
# Total Housing Starts




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; 8/19/25

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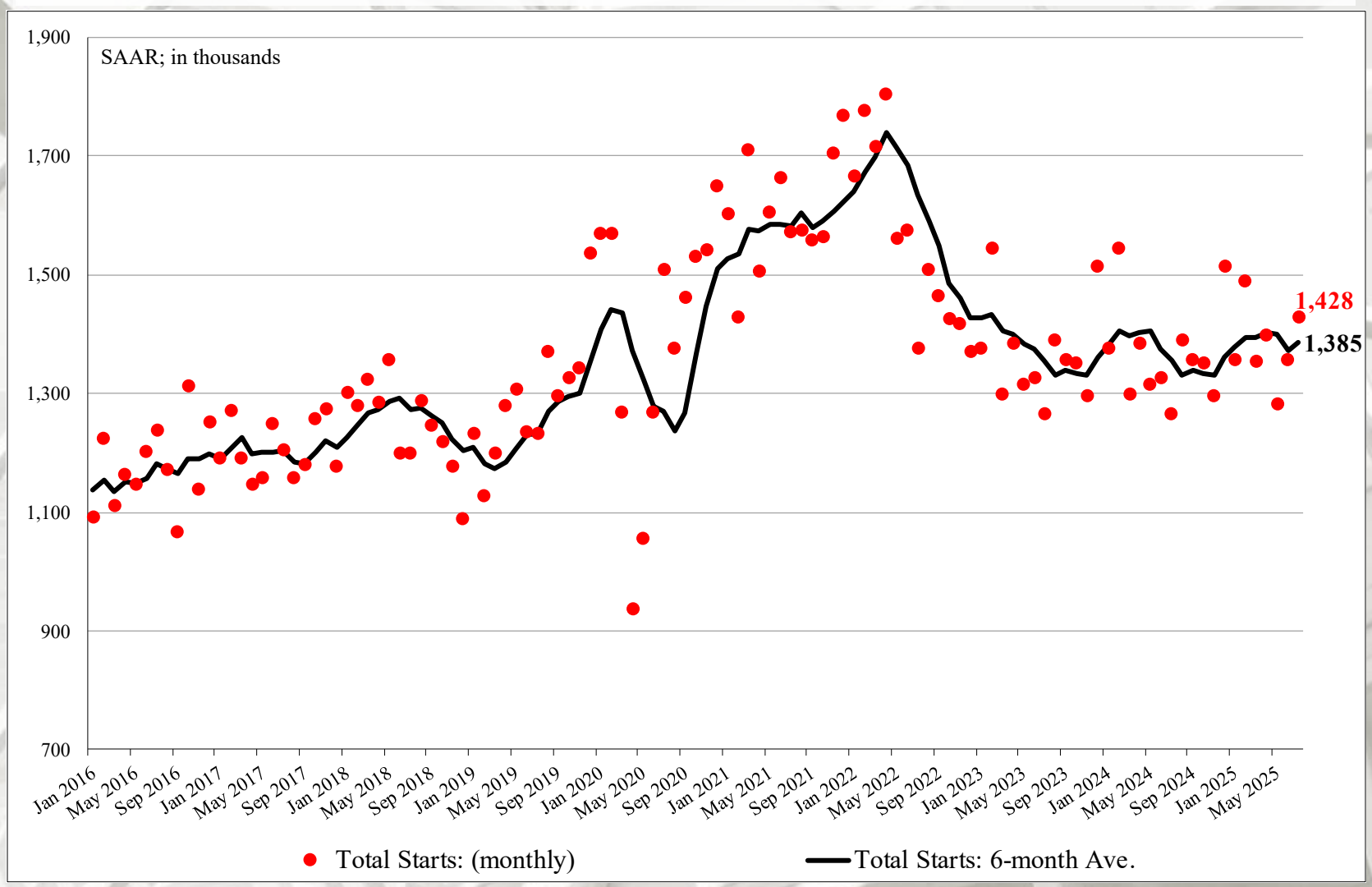
# Total Housing Starts: Six-Month Moving Average




Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 8/19/25

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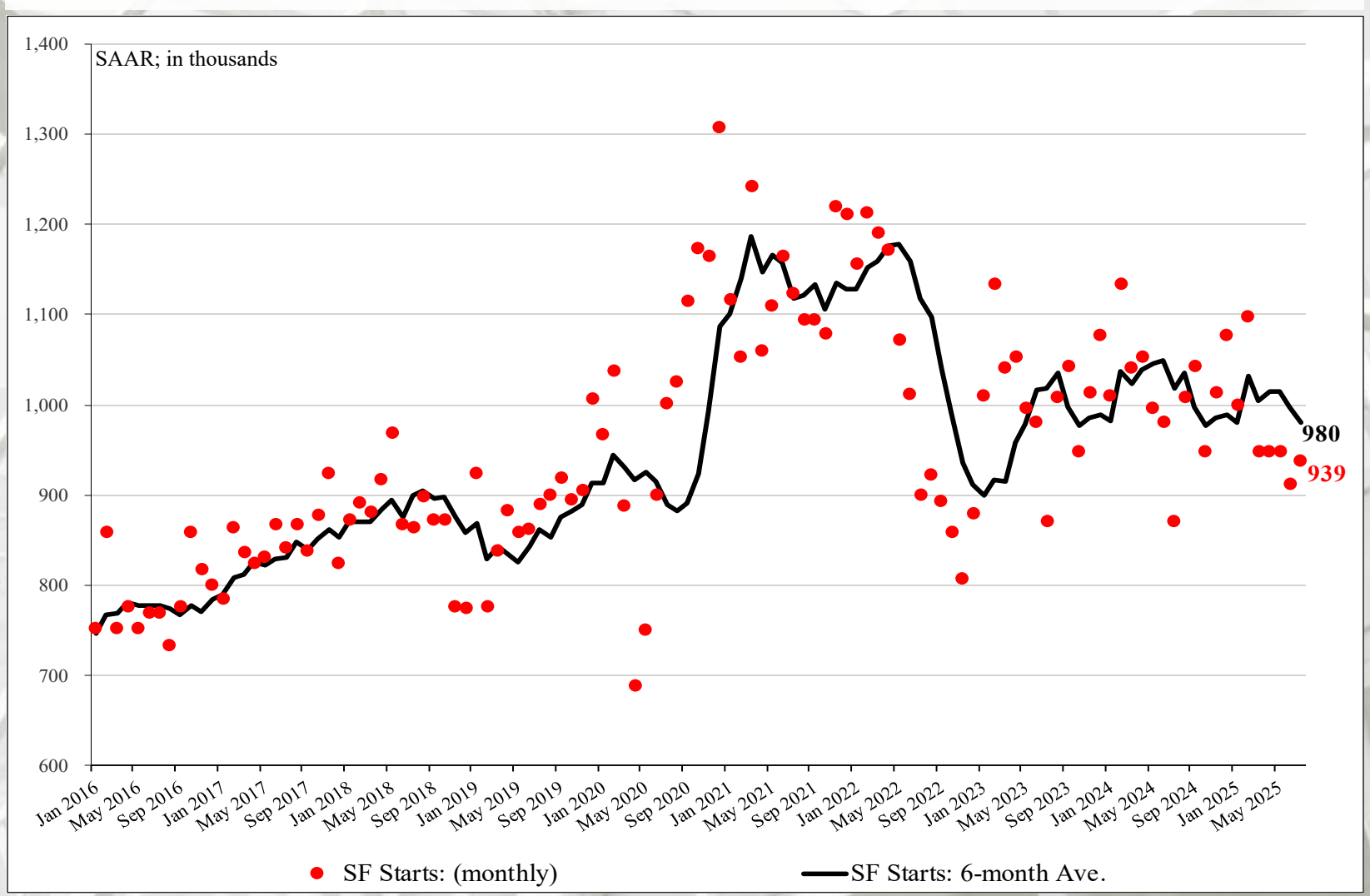
# SF Housing Starts: Six-Month Moving Average




Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 8/19/25

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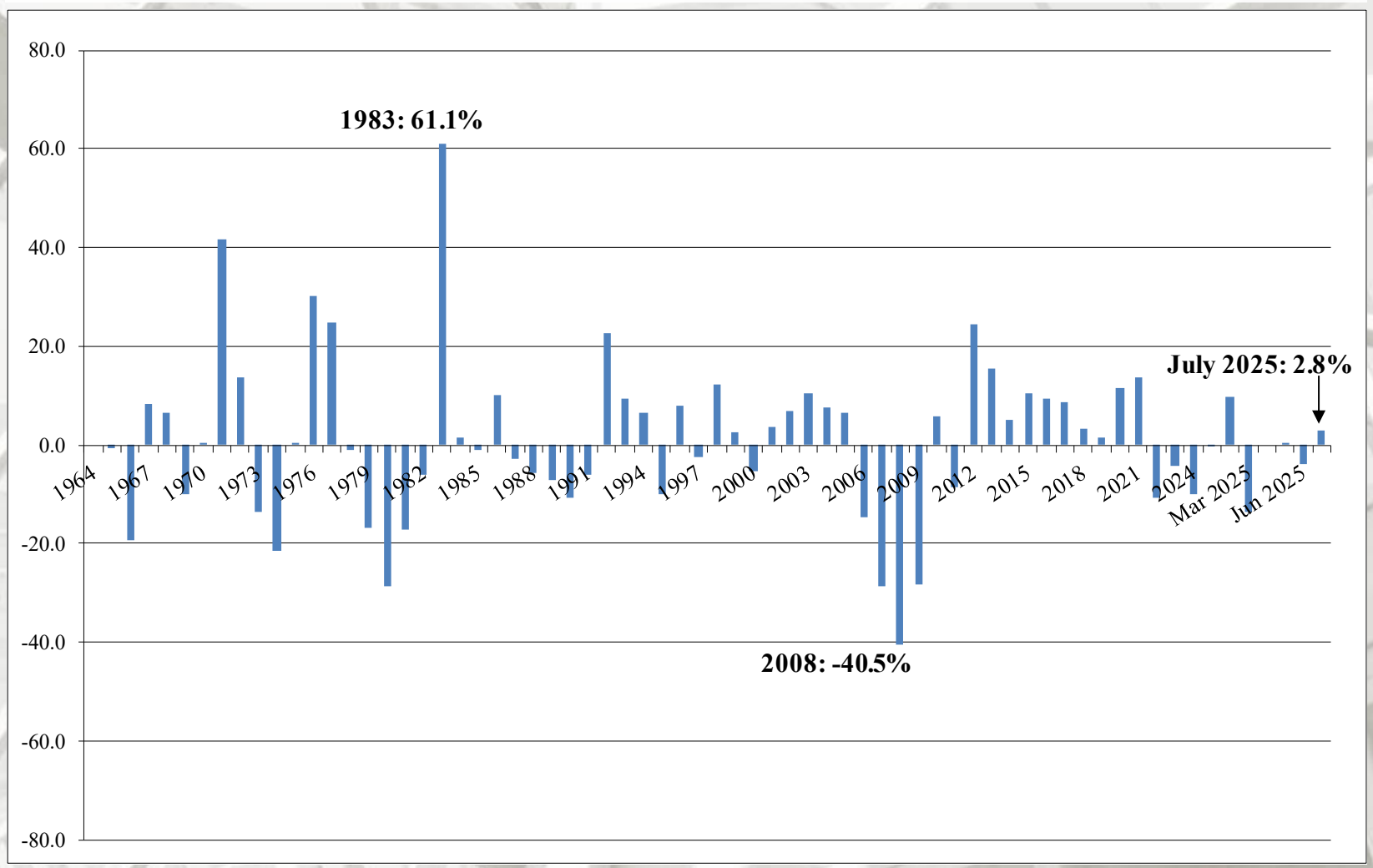
# SF Housing Starts: Year-over-Year Change (%)




Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 8/19/25

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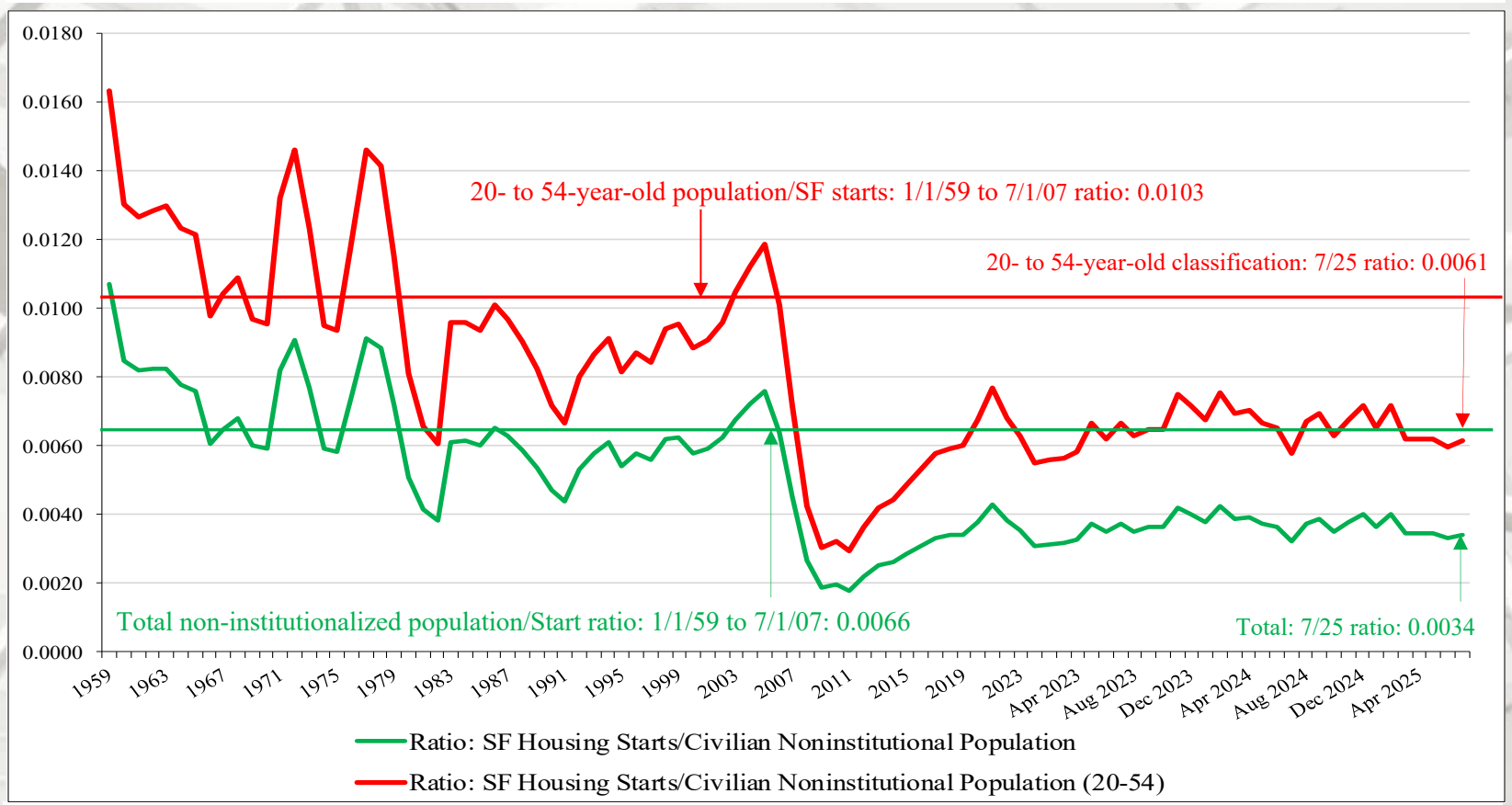
# New SF Starts




## New SF starts adjusted for the US population

From July 1959 to July 2007, the long-term ratio of new SF starts to the total US non-institutionalized population is 0.0066. In July 2025 it was 0.0034 – increasing from July (0.0033). The long-term ratio of non-institutionalized population, aged 20 to 54 is 0.0103; in July 2025 it was 0.0061 – also an increase from July (0.0060). 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; 8/19/25

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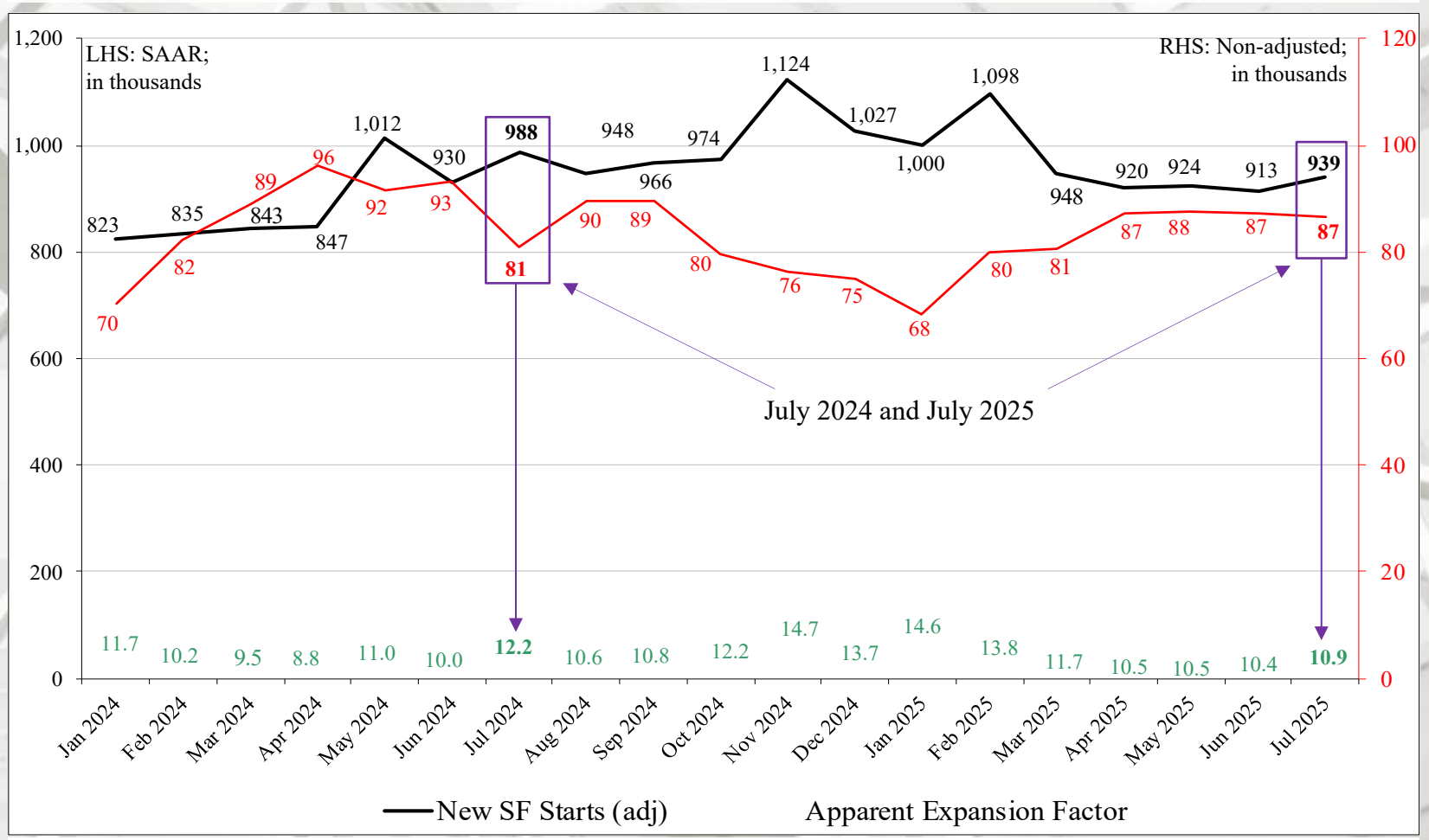
# Nominal & SAAR SF Starts




## 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; 8/19/25

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# New Housing Starts by Region

| | NE Total | NE SF | NE MF** |
|---|---|---|---|
| July | 111,000 | 55,000 | 56,000 |
| June | 150,000 | 60,000 | 90,000 |
| 2024 | 172,000 | 58,000 | 114,000 |
| M/M change | -26.0% | -8.3% | -37.8% |
| Y/Y change | -35.5% | -5.2% | -50.9% |

| | MW Total | MW SF | MW MF |
|---|---|---|---|
| July | 252,000 | 125,000 | 127,000 |
| June | 189,000 | 147,000 | 42,000 |
| 2024 | 179,000 | 128,000 | 51,000 |
| M/M change | 33.3% | -15.0% | 202.4% |
| Y/Y change | 40.8% | -2.3% | 149.0% |

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; 8/19/25

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# New Housing Starts by Region

| | S Total | S SF | S MF** |
|---|---|---|---|
| July | 833,000 | 576,000 | 257,000 |
| June | 699,000 | 509,000 | 190,000 |
| 2024 | 643,000 | 473,000 | 170,000 |
| M/M change | 19.2% | 13.2% | 35.3% |
| Y/Y change | 29.5% | 21.8% | 51.2% |

| | W Total | W SF | W MF |
|---|---|---|---|
| July | 232,000 | 183,000 | 49,000 |
| June | 320,000 | 197,000 | 123,000 |
| 2024 | 271,000 | 212,000 | 59,000 |
| M/M change | -27.5% | -7.1% | -60.2% |
| Y/Y change | -14.4% | -13.7% | -16.9% |

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; 8/19/25

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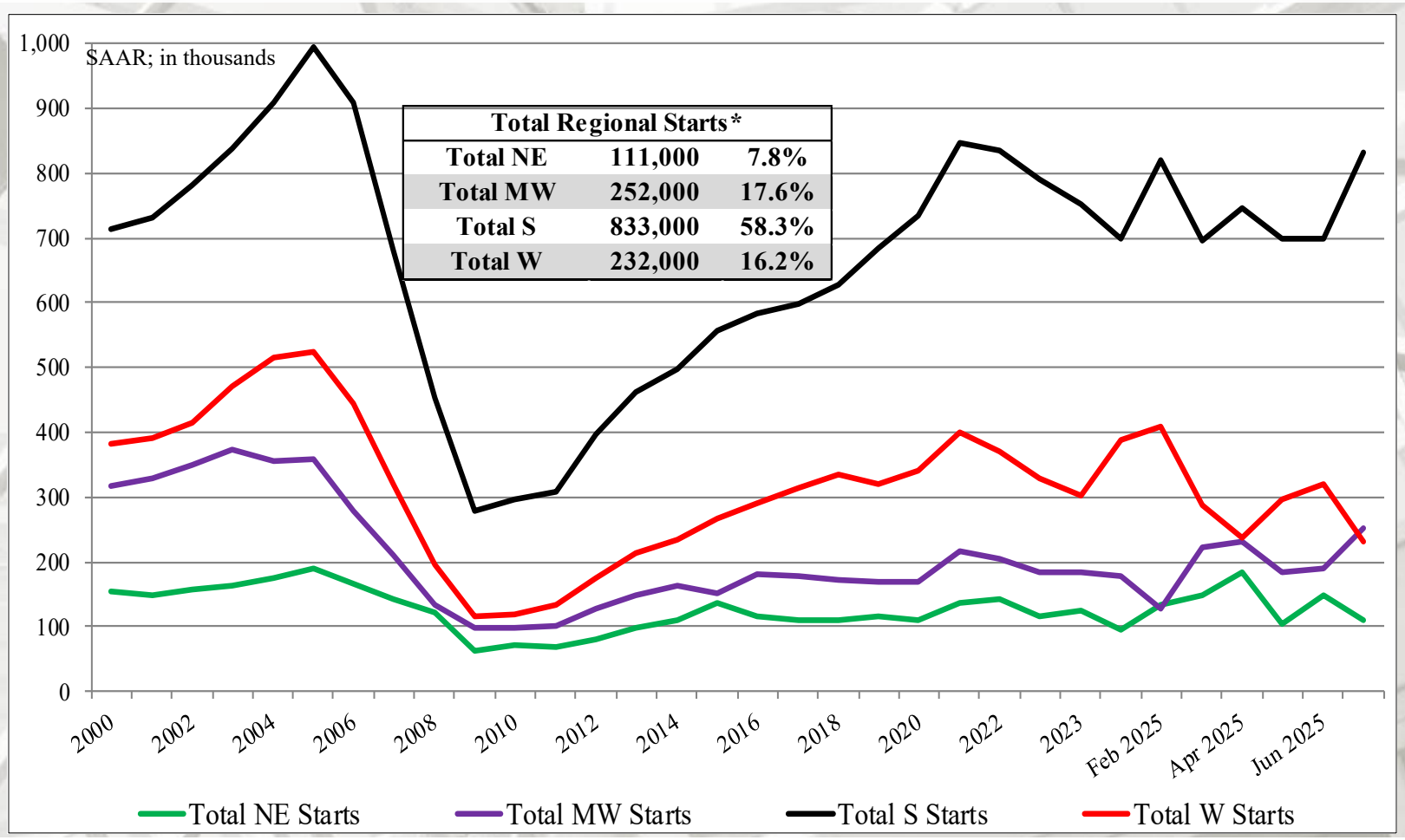
# New Housing Starts by Region




| Total Regional Starts* | | |
|---|---|---|
| Total NE | 111,000 | 7.8% |
| Total MW | 252,000 | 17.6% |
| Total S | 833,000 | 58.3% |
| Total W | 232,000 | 16.2% |

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; 8/19/25

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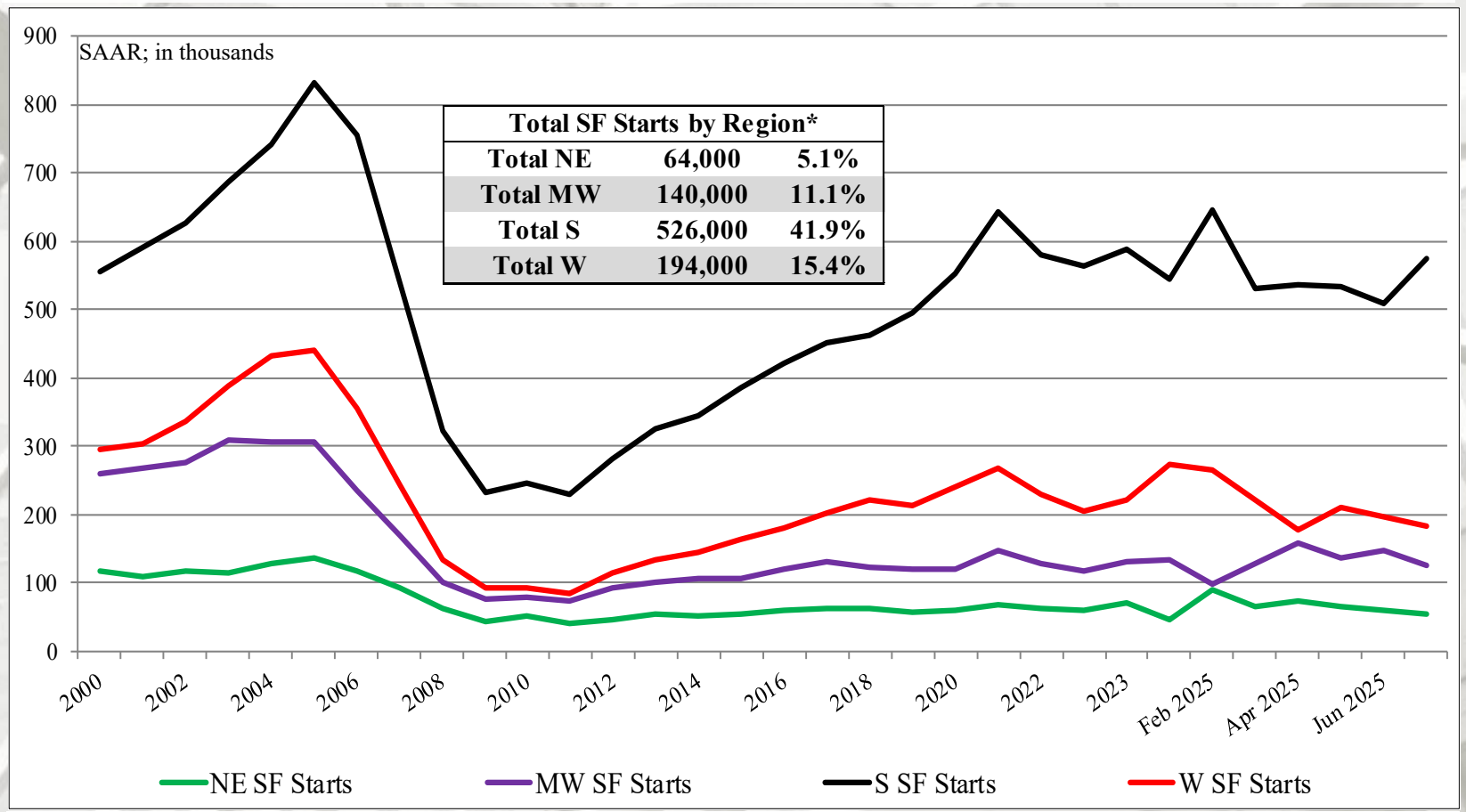
# Total SF Housing Starts by Region




| 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; 8/19/25

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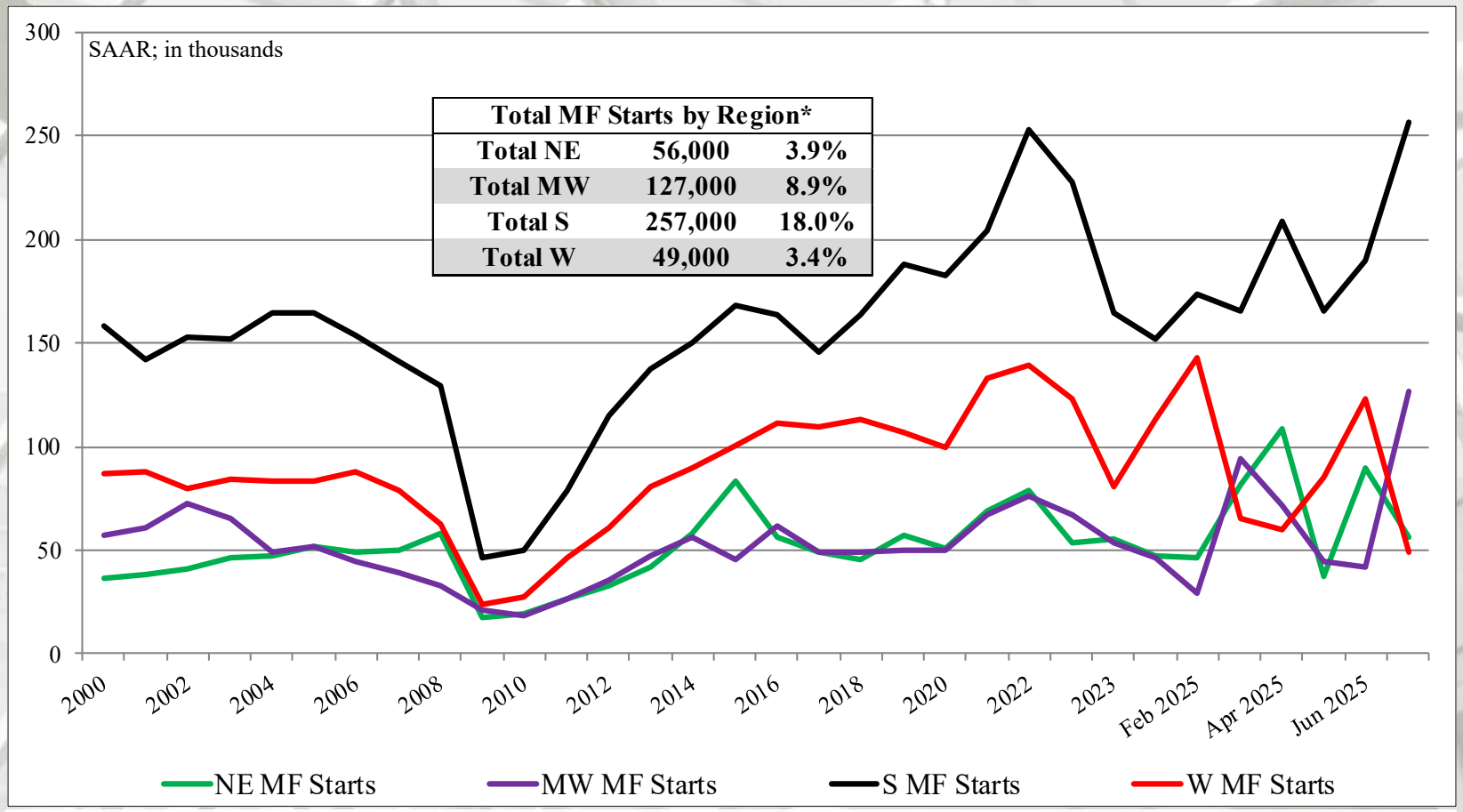
# MF Housing Starts by Region




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.

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 8/19/25

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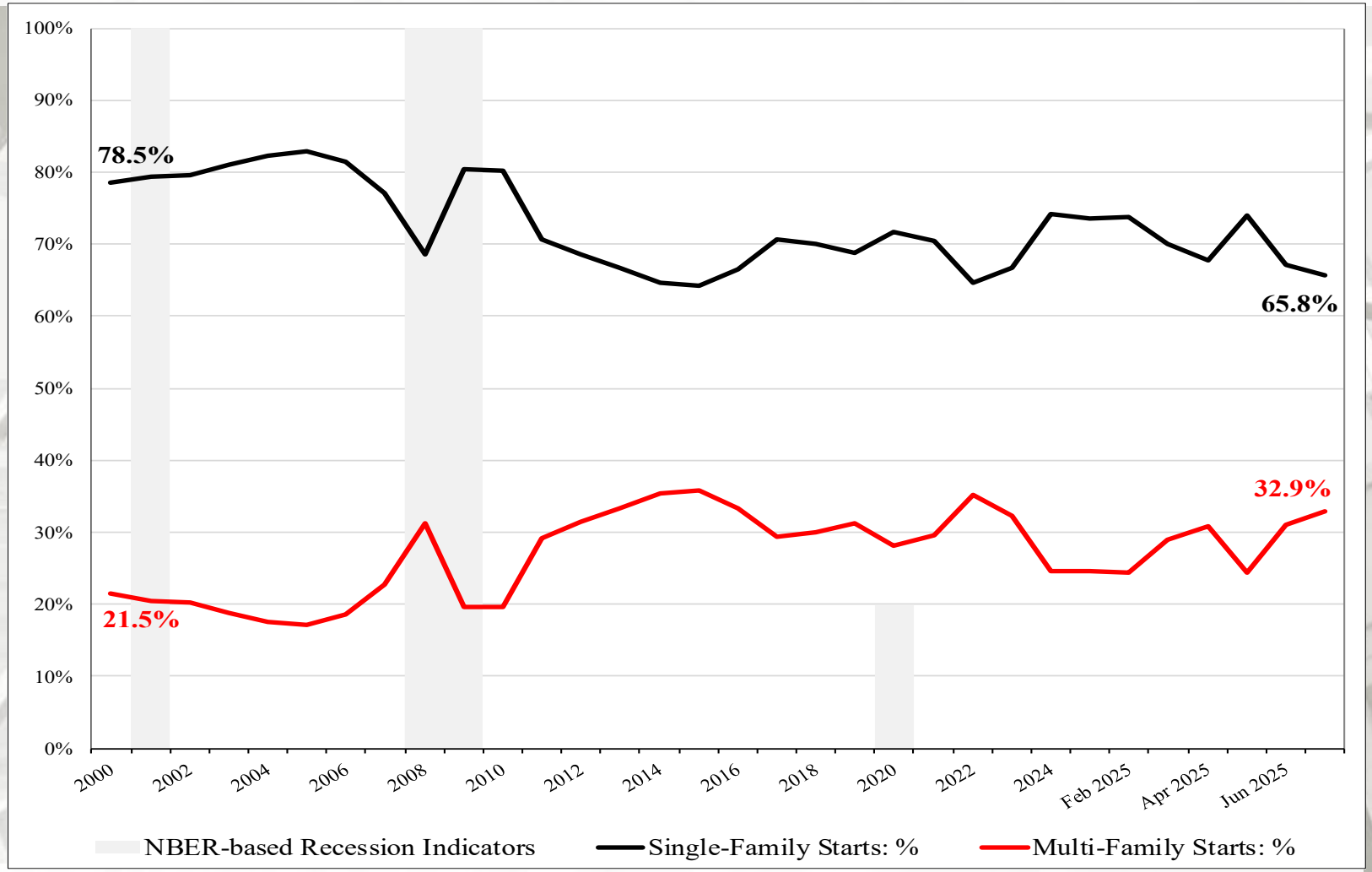
# SF vs. MF Housing Starts (%)




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; 8/19/25

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# New Housing Permits

| | Total Permits* | SF Permits | MF 2-4 unit Permits | MF ≥ 5 unit Permits |
|---|---|---|---|---|
| July | 1,362,000 | 875,000 | 55,000 | 432,000 |
| June | 1,393,000 | 866,000 | 50,000 | 477,000 |
| 2024 | 1,436,000 | 945,000 | 53,000 | 438,000 |
| M/M change | -2.2% | 1.0% | 10.0% | -9.4% |
| Y/Y change | -5.2% | -7.4% | 3.8% | -1.4% |

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

Source: https://www.census.gov/construction/bps/; 8/25/25

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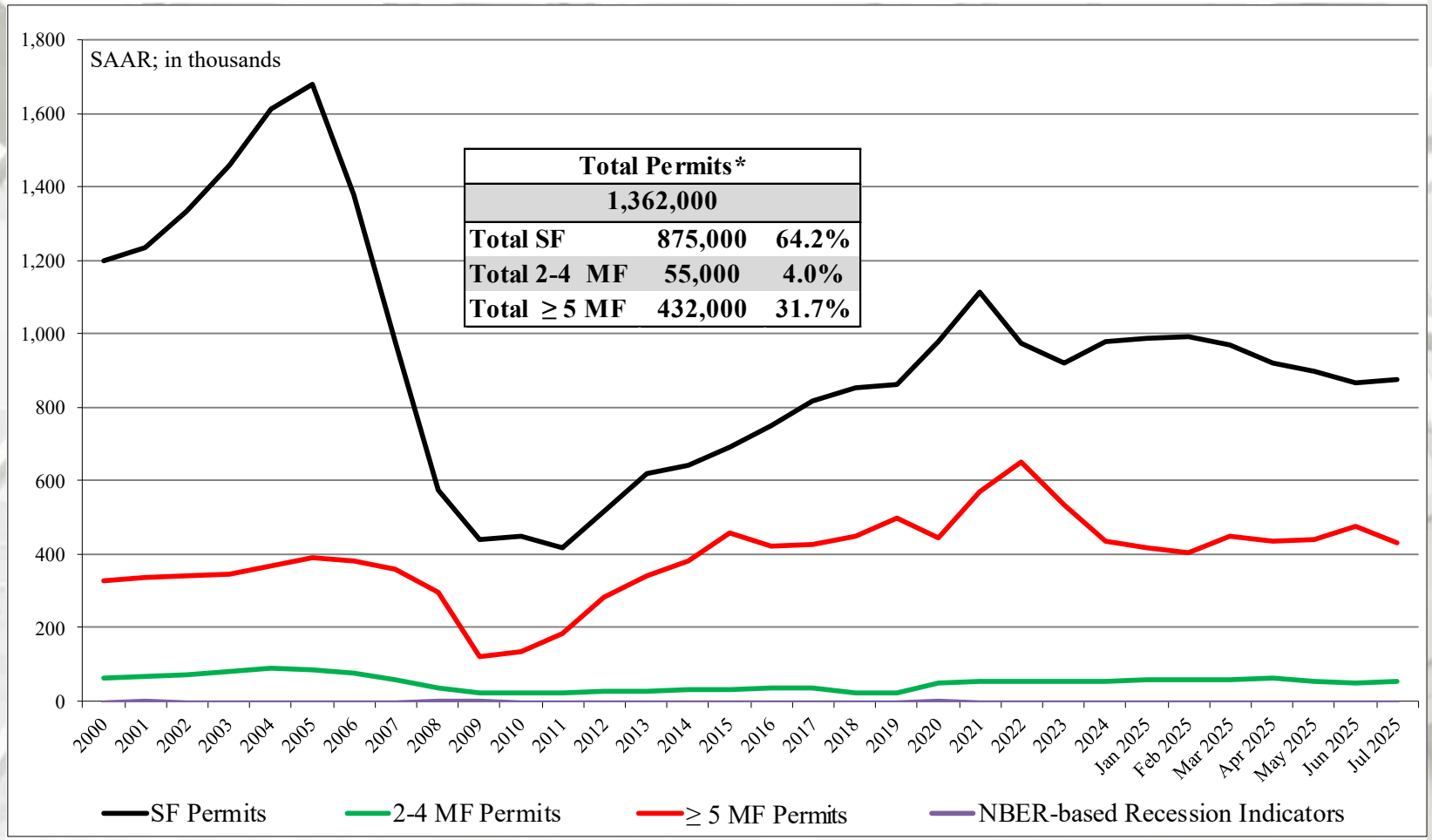
# Total New Housing Permits




| Total Permits* | | |
|---|---|---|
| 1,362,000 | | |
| Total SF | 875,000 | 64.2% |
| Total 2-4 MF | 55,000 | 4.0% |
| Total ≥ 5 MF | 432,000 | 31.7% |

* 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/; 8/25/25

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# New Housing Permits by Region

| | NE Total* | NE SF | NE MF** |
|---|---|---|---|
| July | 125,000 | 56,000 | 69,000 |
| June | 103,000 | 55,000 | 48,000 |
| 2024 | 140,000 | 58,000 | 82,000 |
| M/M change | 21.4% | 1.8% | 43.8% |
| Y/Y change | -10.7% | -3.4% | -15.9% |

| | MW Total* | MW SF | MW MF** |
|---|---|---|---|
| July | 221,000 | 123,000 | 98,000 |
| June | 218,000 | 122,000 | 96,000 |
| 2024 | 194,000 | 118,000 | 76,000 |
| M/M change | 1.4% | 0.8% | 2.1% |
| Y/Y change | 13.9% | 4.2% | 28.9% |

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/; 8/25/25

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# New Housing Permits by Region

| | S Total* | S SF | S MF** |
|---|---|---|---|
| July | 742,000 | 521,000 | 221,000 |
| June | 775,000 | 517,000 | 258,000 |
| 2024 | 787,000 | 567,000 | 220,000 |
| M/M change | -4.3% | 0.8% | -14.3% |
| Y/Y change | -5.7% | -8.1% | 0.5% |

| | W Total* | W SF | W MF** |
|---|---|---|---|
| July | 274,000 | 175,000 | 99,000 |
| June | 297,000 | 172,000 | 125,000 |
| 2024 | 315,000 | 202,000 | 113,000 |
| M/M change | -7.7% | 1.7% | -20.8% |
| Y/Y change | -13.0% | -13.4% | -12.4% |

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/; 8/25/25

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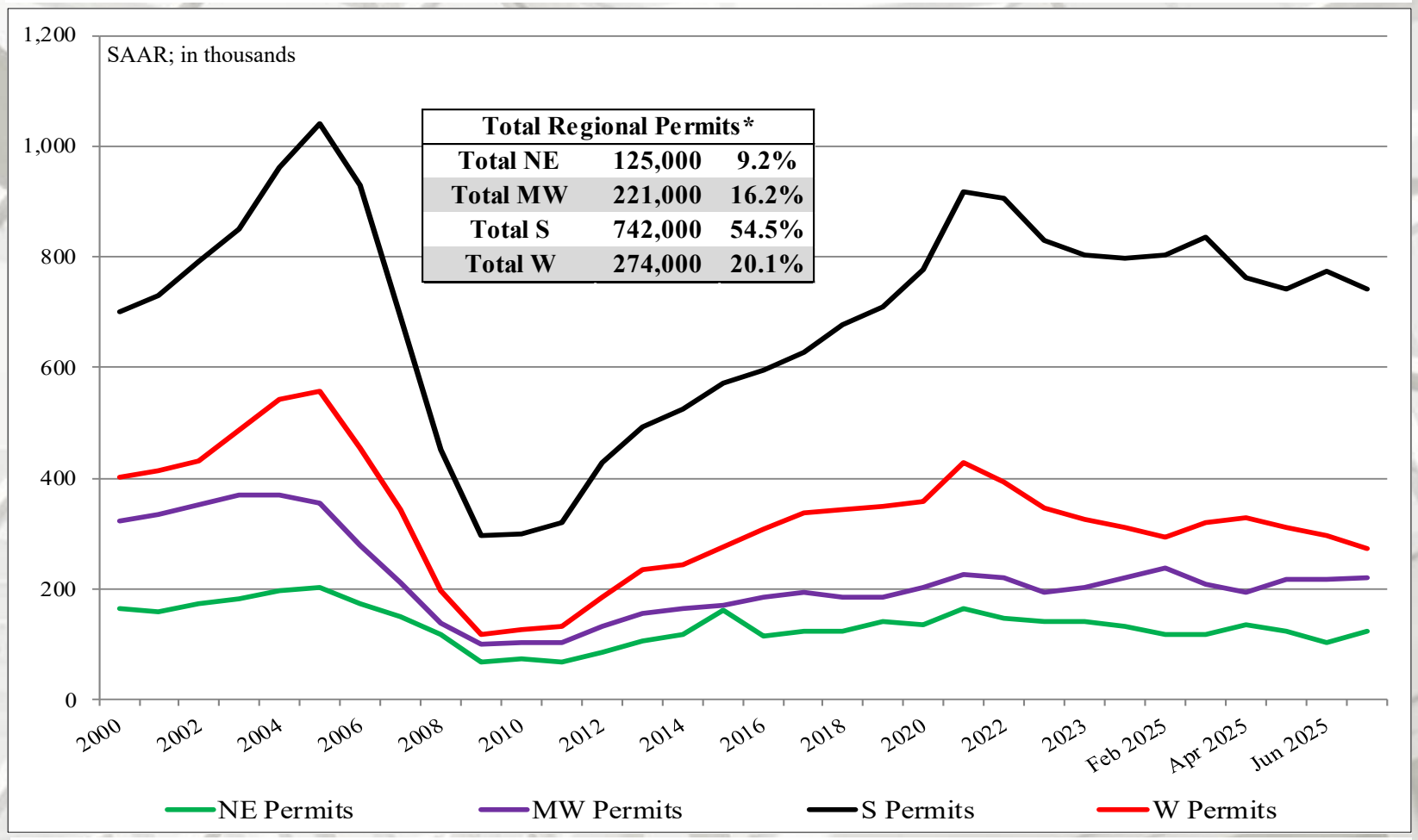
# Total Housing Permits by Region




| Total Regional Permits* | | |
|---|---|---|
| Total NE | 125,000 | 9.2% |
| Total MW | 221,000 | 16.2% |
| Total S | 742,000 | 54.5% |
| Total W | 274,000 | 20.1% |

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

* Percentage of total permits.

Source: https://www.census.gov/construction/bps/; 8/25/25

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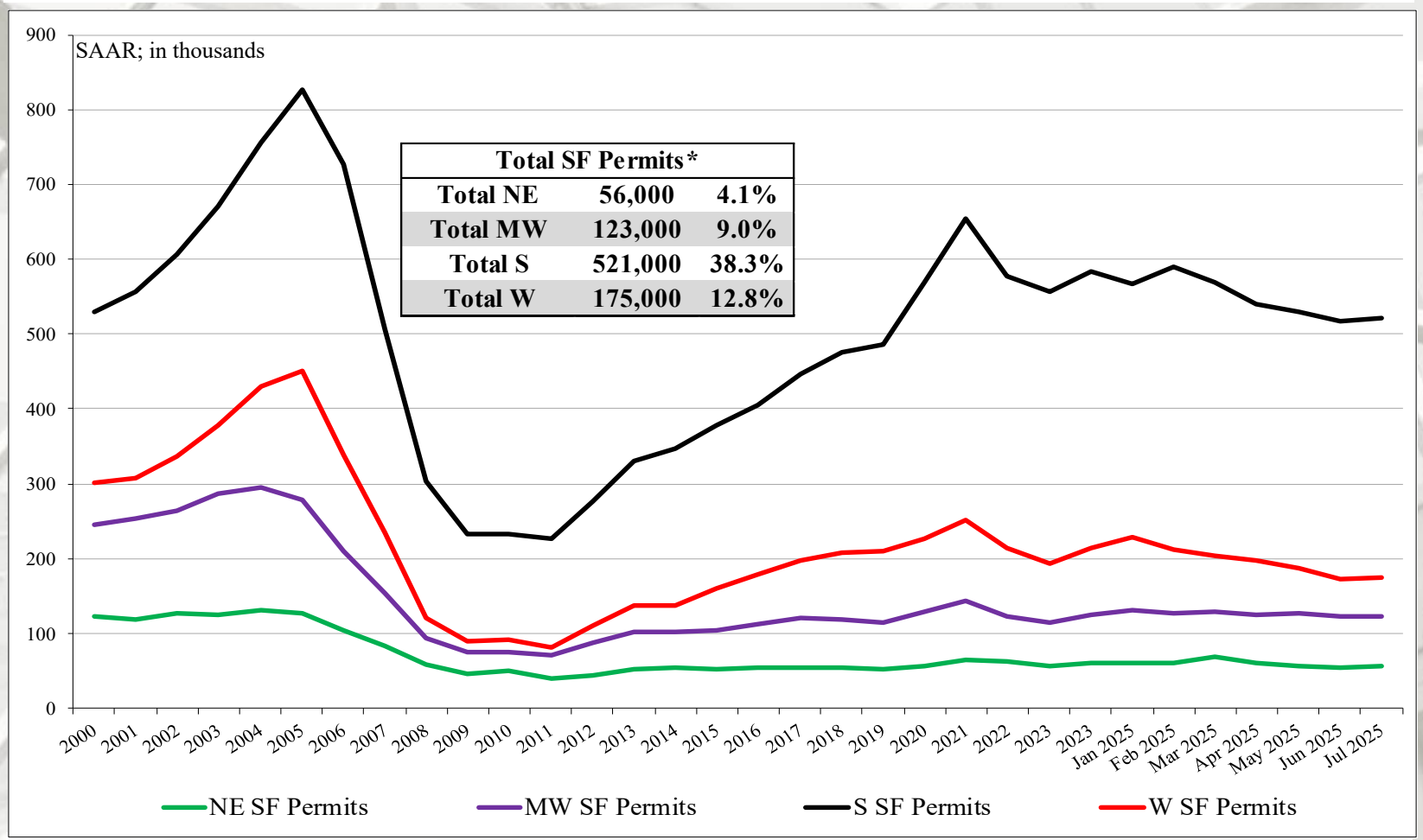
# SF Housing Permits by Region




| Total SF Permits* | | |
|---|---|---|
| Total NE | 56,000 | 4.1% |
| Total MW | 123,000 | 9.0% |
| Total S | 521,000 | 38.3% |
| Total W | 175,000 | 12.8% |

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

* Percentage of total permits.

Source: https://www.census.gov/construction/bps/; 8/25/25

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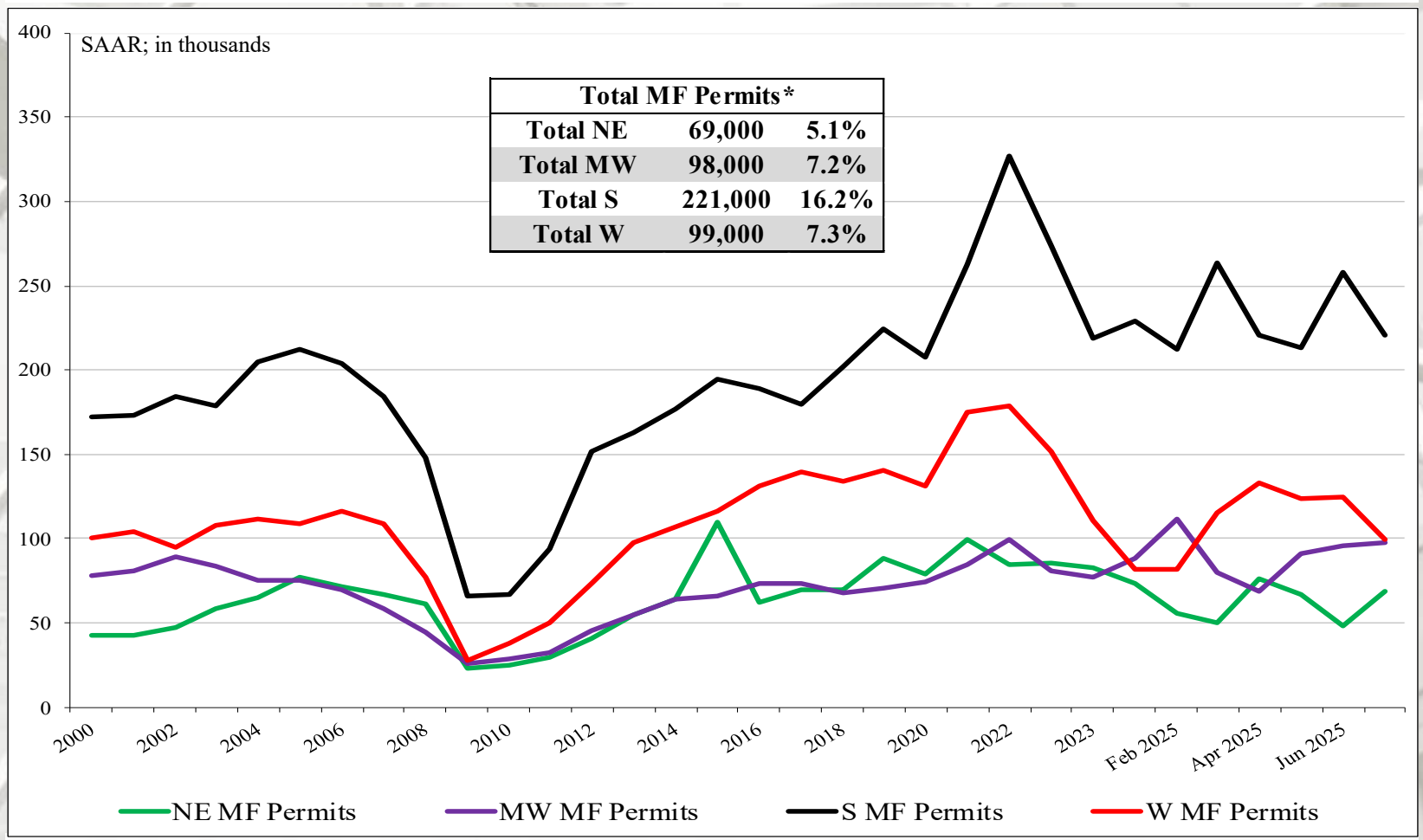
# MF Housing Permits by Region




| Total MF Permits* | | |
|---|---|---|
| Total NE | 69,000 | 5.1% |
| Total MW | 98,000 | 7.2% |
| Total S | 221,000 | 16.2% |
| Total W | 99,000 | 7.3% |

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

* Percentage of total permits.

Source: https://www.census.gov/construction/bps/; 8/25/25

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# New Housing Under Construction (HUC)

| | Total HUC | SF HUC | MF 2-4 unit** HUC | MF ≥ 5 unit HUC |
|---|---|---|---|---|
| July | 1,357,000 | 621,000 | 20,000 | 716,000 |
| June | 1,356,000 | 627,000 | 19,000 | 710,000 |
| 2024 | 1,549,000 | 645,000 | 16,000 | 888,000 |
| M/M change | 0.1% | -1.0% | 5.3% | 0.8% |
| Y/Y change | -12.4% | -3.7% | 25.0% | -19.4% |

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; 8/19/25

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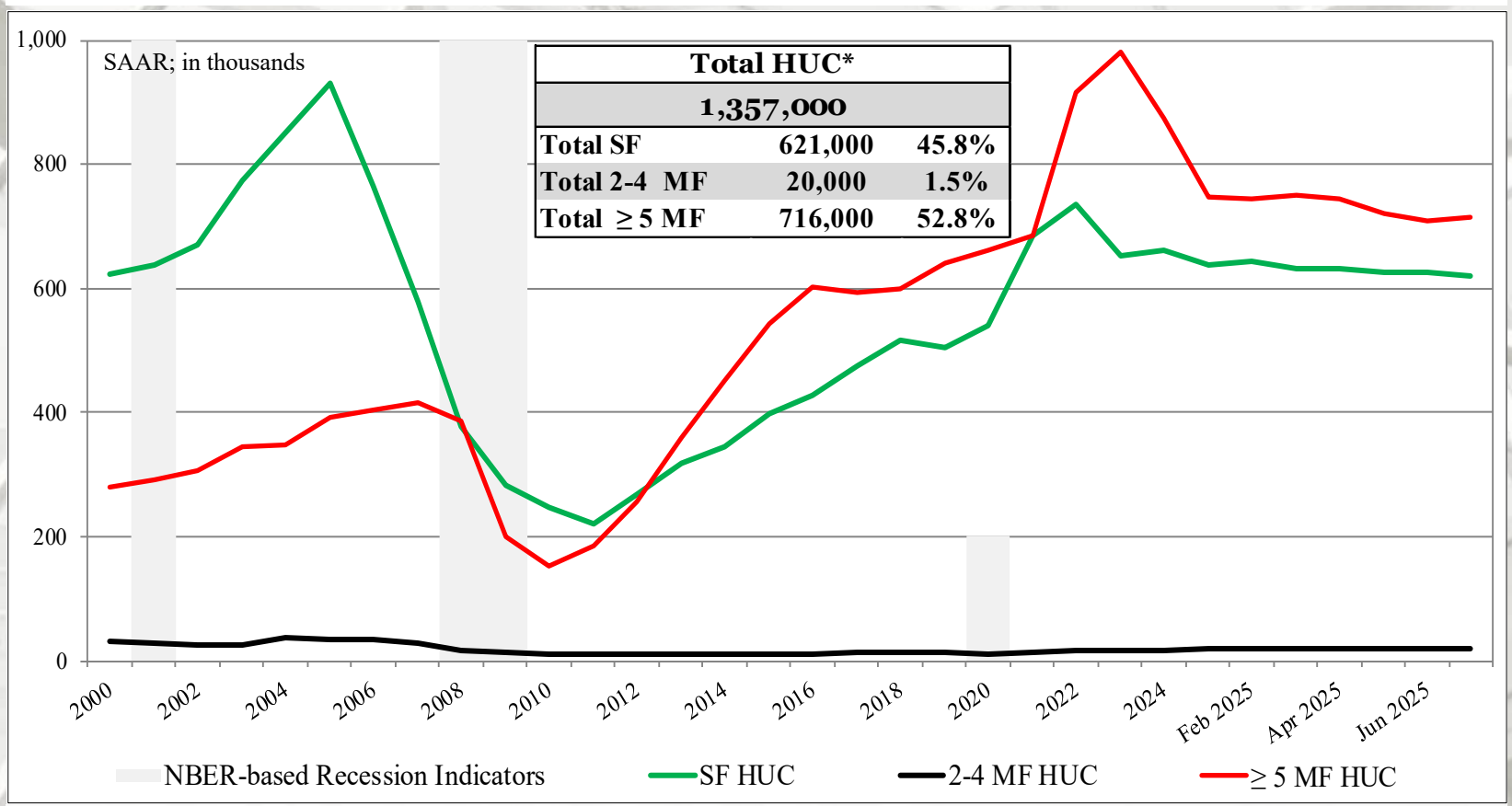
# Total Housing Under Construction




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; 8/19/25

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# New Housing Under Construction by Region

| | NE Total | NE SF | NE MF** |
|---|---|---|---|
| July | 209,000 | 63,000 | 146,000 |
| June | 211,000 | 64,000 | 147,000 |
| 2024 | 222,000 | 64,000 | 158,000 |
| M/M change | -0.9% | -1.6% | -0.7% |
| Y/Y change | -5.9% | -1.6% | -7.6% |
| | **MW Total** | **MW SF** | **MW MF** |
| July | 190,000 | 90,000 | 100,000 |
| June | 187,000 | 91,000 | 96,000 |
| 2024 | 179,000 | 85,000 | 94,000 |
| M/M change | 1.6% | -1.1% | 4.2% |
| Y/Y change | 6.1% | 5.9% | 6.4% |

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

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 8/19/25

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# New Housing Under Construction by Region

| | S Total | S SF | S MF** |
|---|---|---|---|
| July | 620,000 | 313,000 | 307,000 |
| June | 614,000 | 315,000 | 299,000 |
| 2024 | 721,000 | 329,000 | 392,000 |
| M/M change | 1.0% | -0.6% | 2.7% |
| Y/Y change | -14.0% | -4.9% | -21.7% |
| | **W Total** | **W SF** | **W MF** |
| July | 338,000 | 155,000 | 183,000 |
| June | 344,000 | 157,000 | 187,000 |
| 2024 | 427,000 | 167,000 | 260,000 |
| M/M change | -1.7% | -1.3% | -2.1% |
| Y/Y change | -20.8% | -7.2% | -29.6% |

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; 8/19/25

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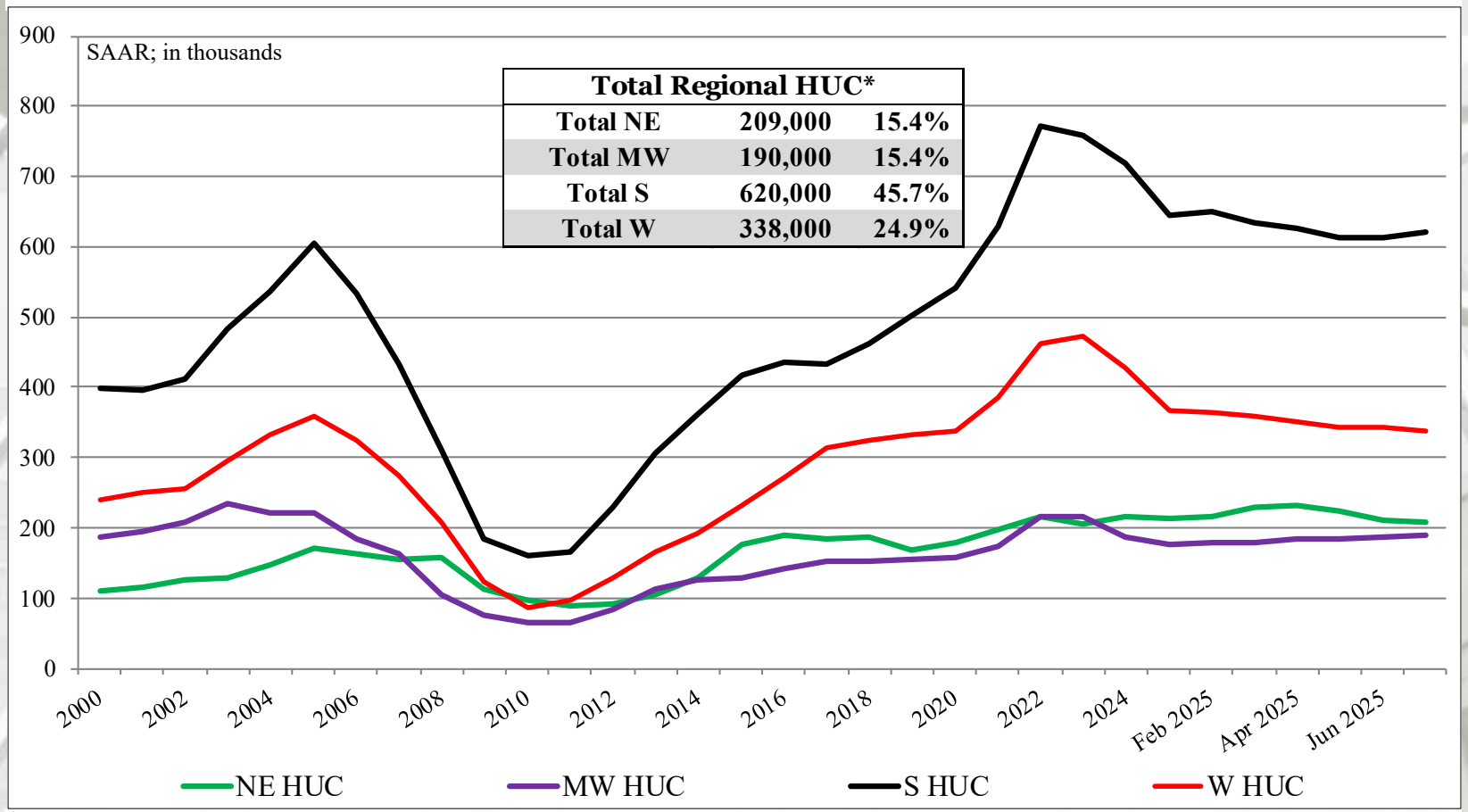
# Total Housing Under Construction by Region




| Total Regional HUC* | | |
|---|---|---|
| Total NE | 209,000 | 15.4% |
| Total MW | 190,000 | 15.4% |
| Total S | 620,000 | 45.7% |
| Total W | 338,000 | 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; 8/19/25

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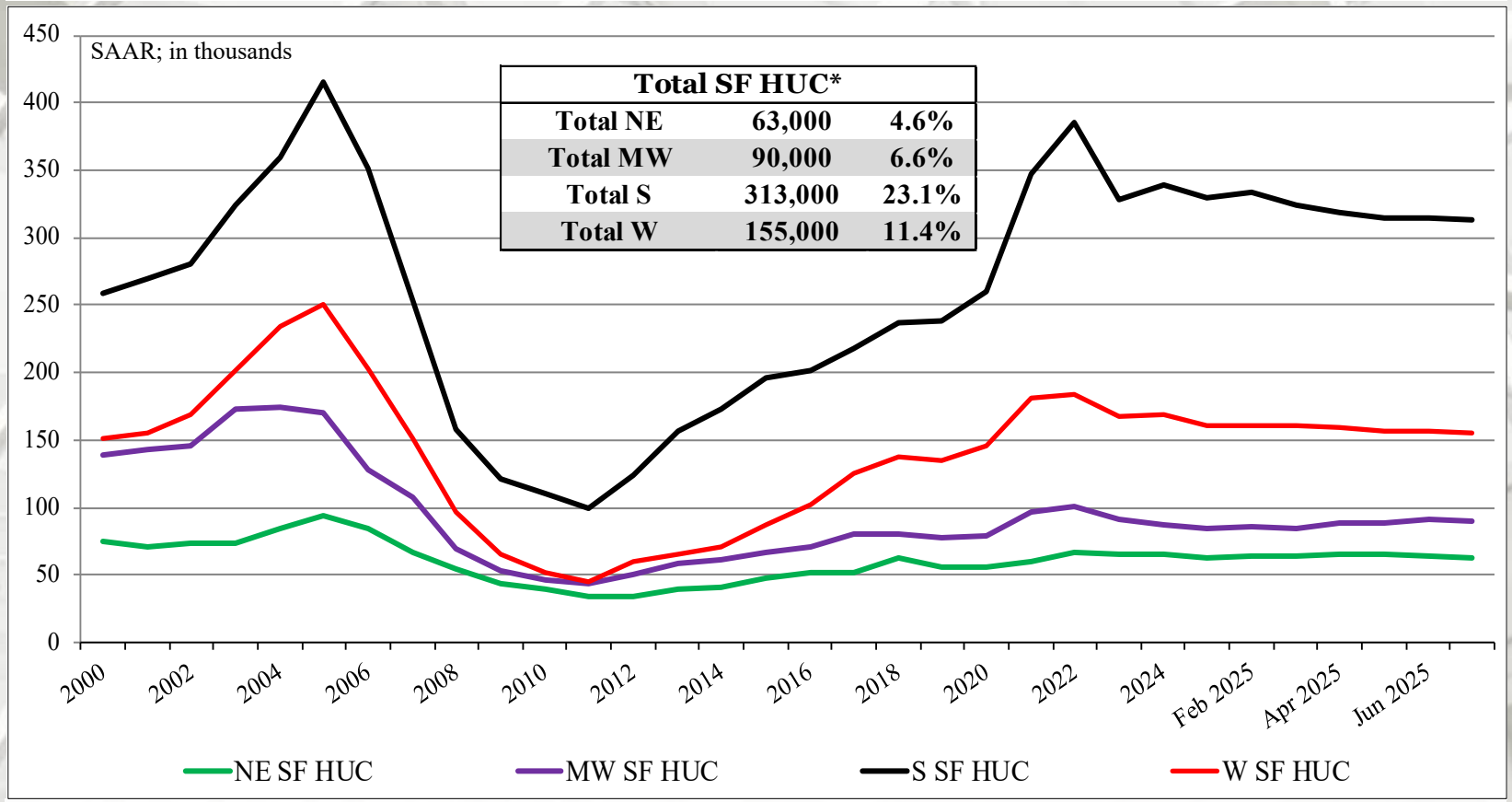
# SF Housing Under Construction by Region




| Total SF HUC* | | |
|---|---|---|
| Total NE | 63,000 | 4.6% |
| Total MW | 90,000 | 6.6% |
| Total S | 313,000 | 23.1% |
| Total W | 155,000 | 11.4% |

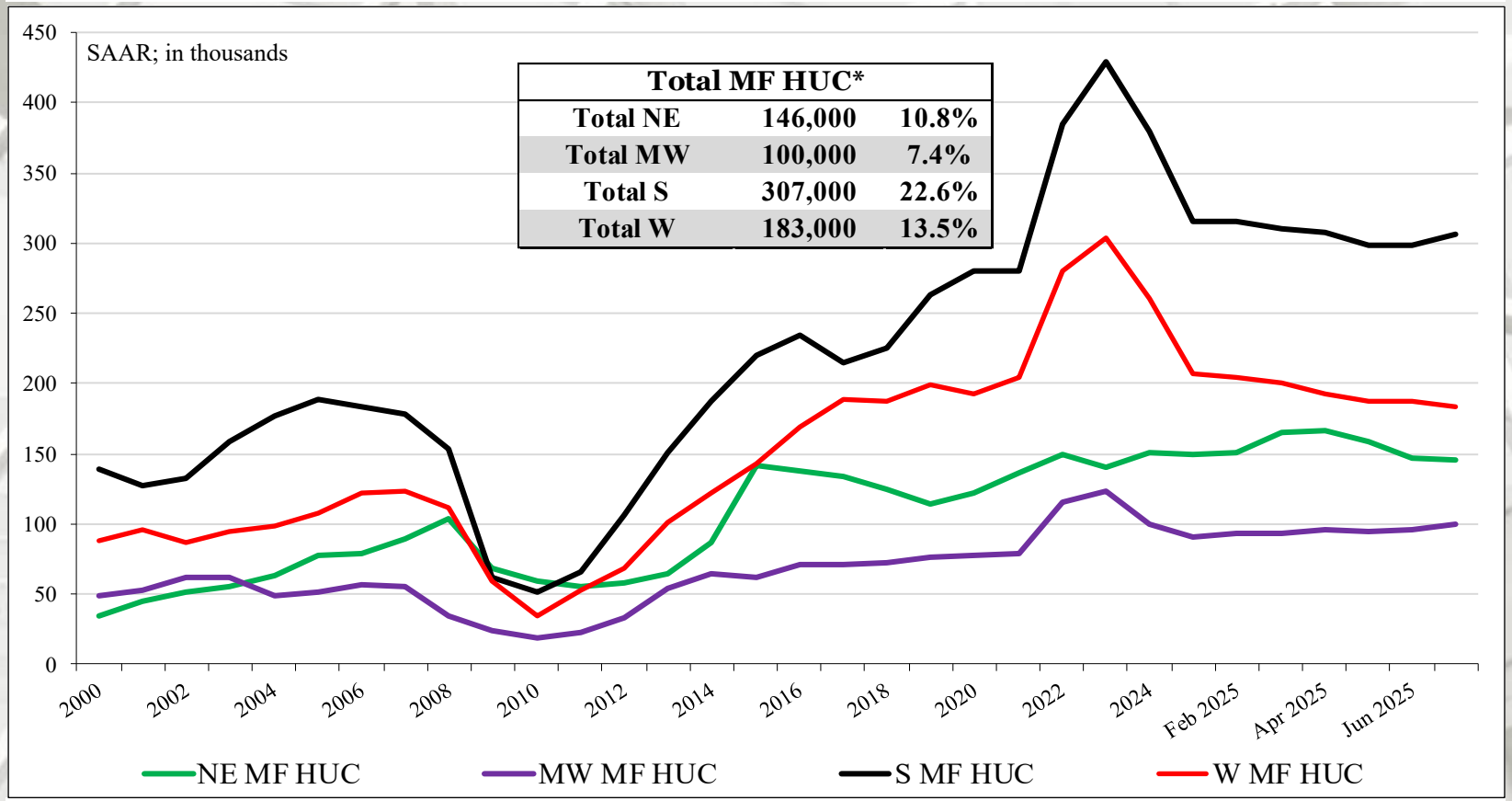
NE = Northeast, MW = Midwest, S = South, W = West.
US DOC does not report 2 to 4 multi-family under construction directly, this is an estimation (Total under construction – (SF + 5-unit MF under construction).

* Percentage of total housing under construction units.

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 8/19/25

Return TOC

# 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; 8/19/25

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# New Housing Completions

| | Total Completions* | SF Completions | MF 2-4 unit** Completions | MF ≥ 5 unit Completions |
|---|---|---|---|---|
| July | 1,415,000 | 1,022,000 | 8,000 | 385,000 |
| June | 1,335,000 | 916,000 | 23,000 | 396,000 |
| 2024 | 1,635,000 | 1,088,000 | 6,000 | 541,000 |
| M/M change | 6.0% | 11.6% | -65.2% | -2.8% |
| Y/Y change | -13.5% | -6.1% | 33.3% | -28.8% |

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

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

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 8/19/25

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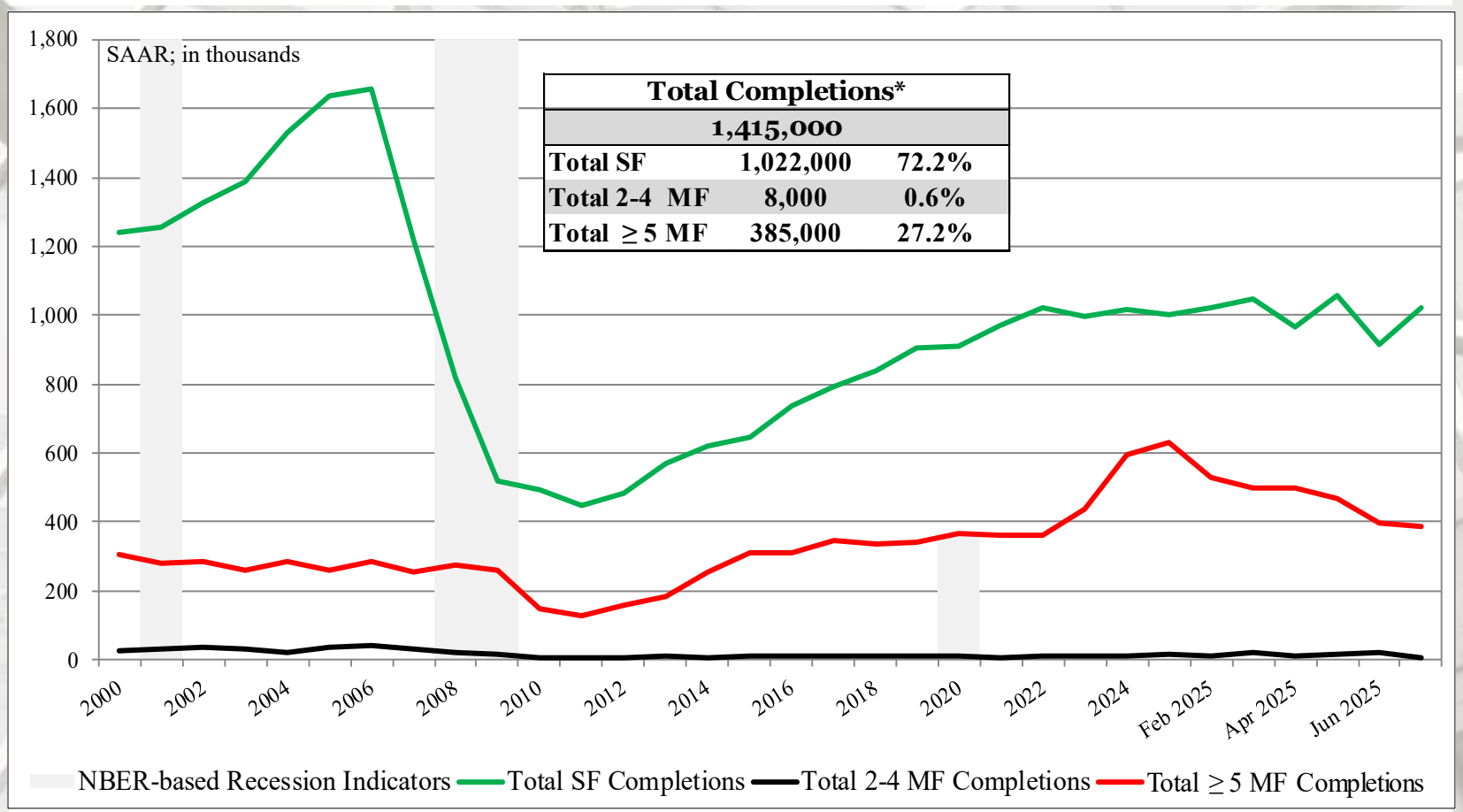
# Total Housing Completions




| Total Completions* | | |
|---|---|---|
| 1,415,000 | | |
| Total SF | 1,022,000 | 72.2% |
| Total 2-4 MF | 8,000 | 0.6% |
| Total ≥ 5 MF | 385,000 | 27.2% |

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; 8/19/25

Return TOC

# New Housing Completions by Region

| | NE Total | NE SF | NE MF** |
|---|---|---|---|
| July | 129,000 | 61,000 | 68,000 |
| June | 154,000 | 66,000 | 88,000 |
| 2024 | 109,000 | 63,000 | 46,000 |
| M/M change | -16.2% | -7.6% | -22.7% |
| Y/Y change | 18.3% | -3.2% | 47.8% |
| | **MW Total** | **MW SF** | **MW MF**** |
| July | 190,000 | 141,000 | 49,000 |
| June | 193,000 | 125,000 | 68,000 |
| 2024 | 219,000 | 130,000 | 89,000 |
| M/M change | -1.6% | 12.8% | -27.9% |
| Y/Y change | -13.2% | 8.5% | -44.9% |

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; 8/19/25

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# New Housing Completions by Region

| | S Total | S SF | S MF** |
|---|---|---|---|
| July | 794,000 | 616,000 | 178,000 |
| June | 686,000 | 515,000 | 171,000 |
| 2024 | 901,000 | 640,000 | 261,000 |
| M/M change | 15.7% | 19.6% | 4.1% |
| Y/Y change | -11.9% | -3.8% | -31.8% |
| | **W Total** | **W SF** | **W MF**** |
| July | 302,000 | 204,000 | 98,000 |
| June | 302,000 | 210,000 | 92,000 |
| 2024 | 406,000 | 255,000 | 151,000 |
| M/M change | 0.0% | -2.9% | 6.5% |
| Y/Y change | -25.6% | -20.0% | -35.1% |

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; 8/19/25

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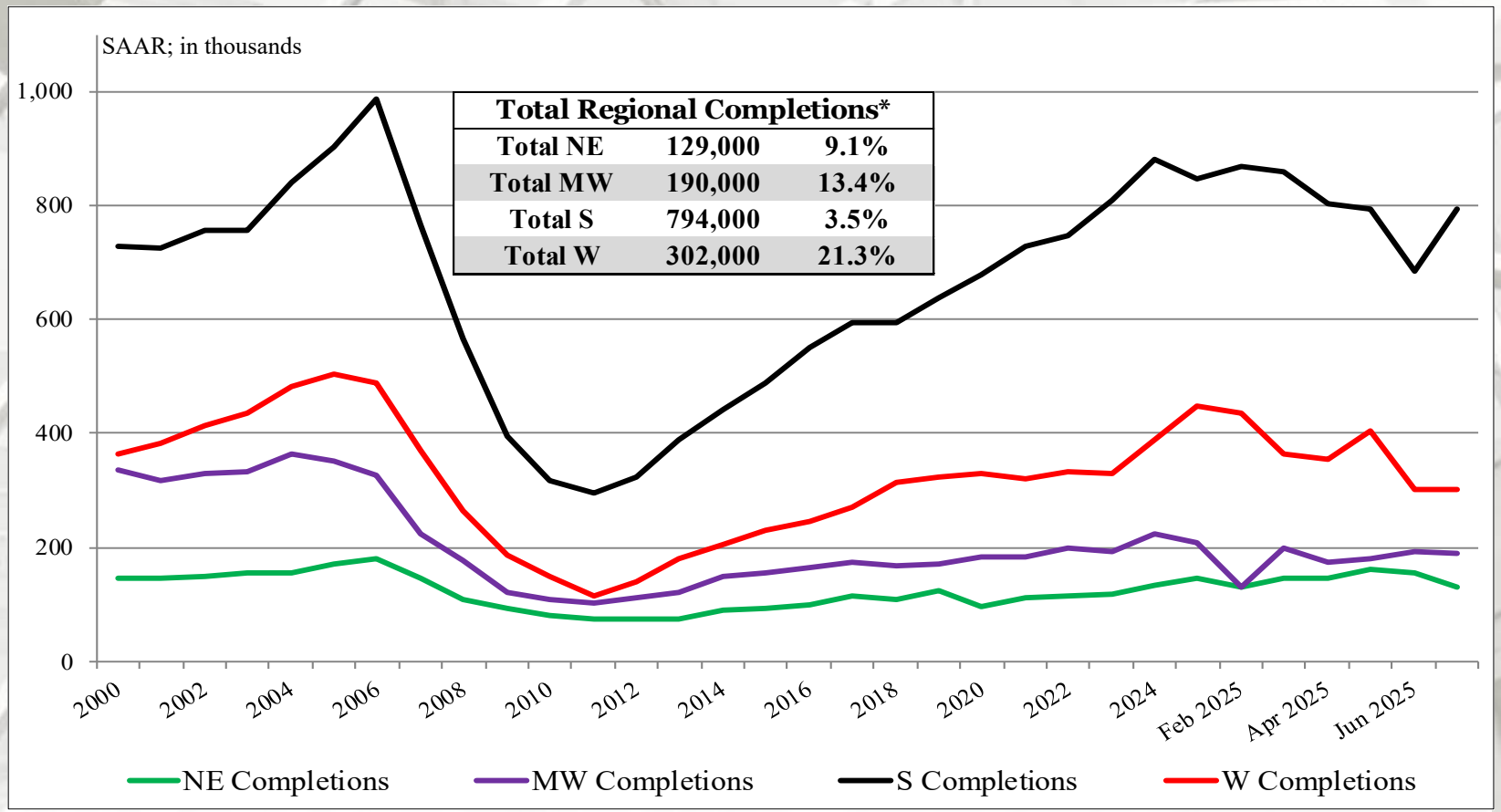
# Total Housing Completions by Region




| Total Regional Completions* | | |
|---|---|---|
| Total NE | 129,000 | 9.1% |
| Total MW | 190,000 | 13.4% |
| Total S | 794,000 | 3.5% |
| Total W | 302,000 | 21.3% |

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; 8/19/25

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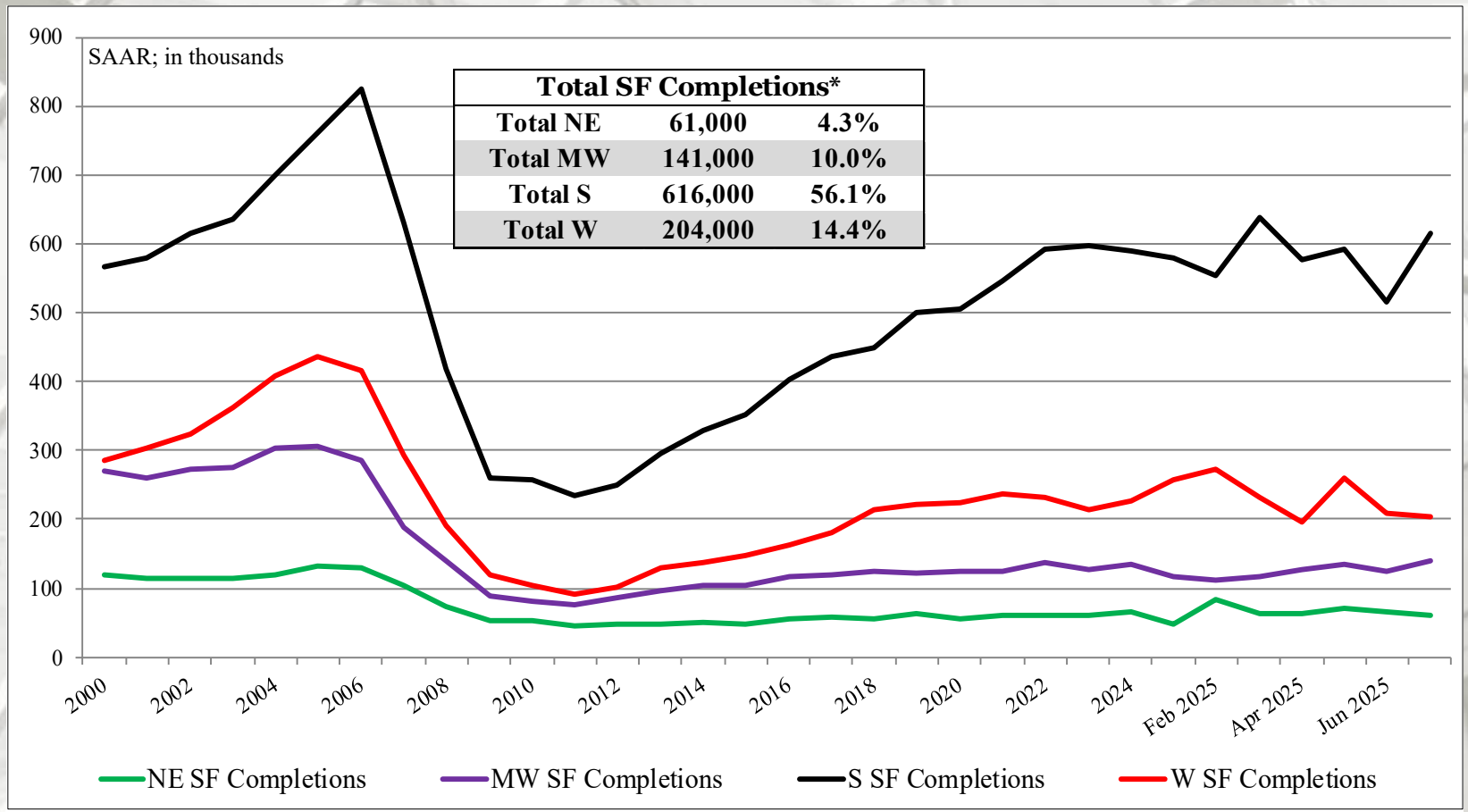
# SF Housing Completions by Region




| Total SF Completions* | | |
|---|---|---|
| Total NE | 61,000 | 4.3% |
| Total MW | 141,000 | 10.0% |
| Total S | 616,000 | 56.1% |
| Total W | 204,000 | 14.4% |

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

* Percentage of total housing completions

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 8/19/25

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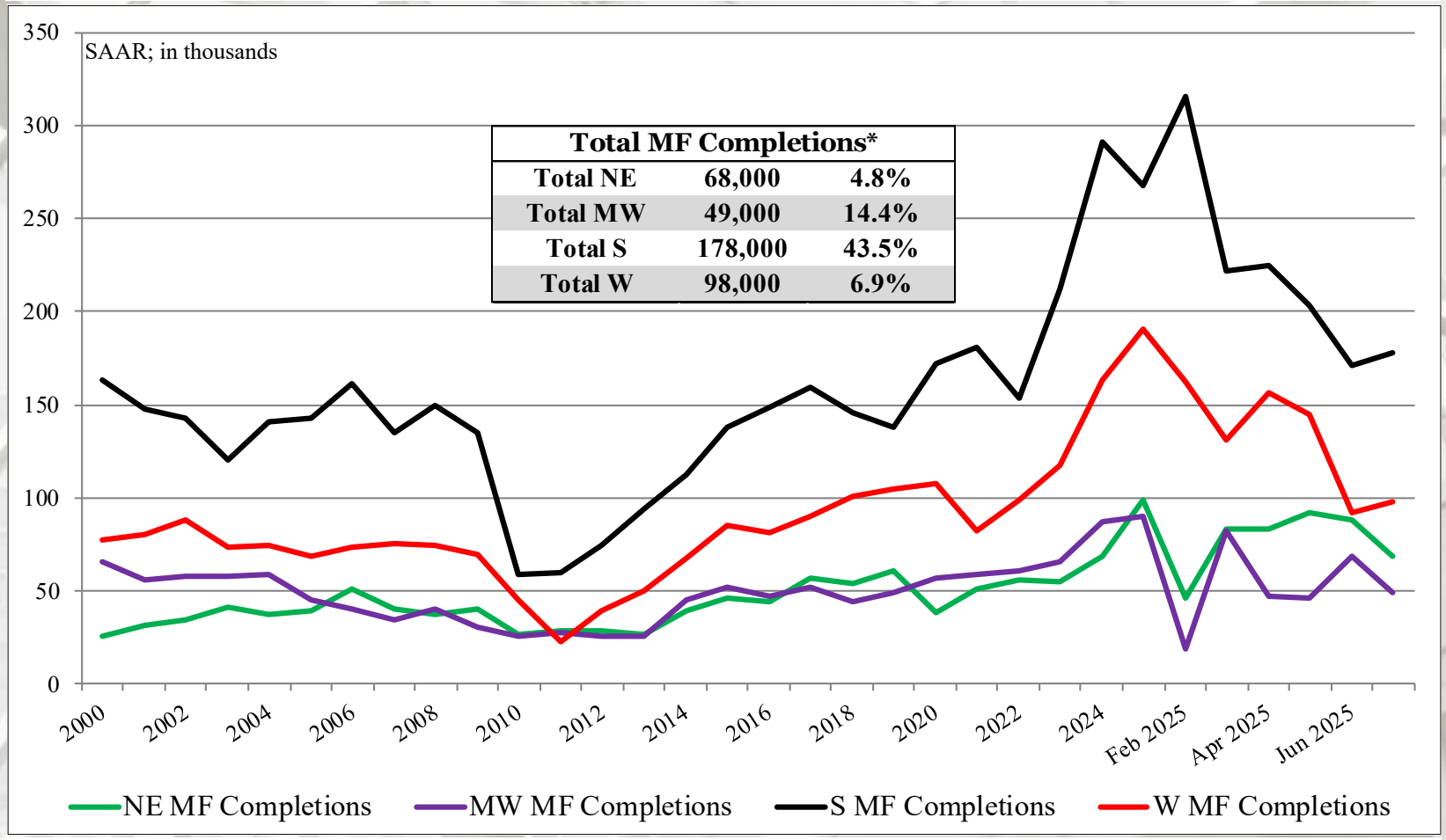
# MF Housing Completions by Region




| Total MF Completions* | | |
|---|---|---|
| Total NE | 68,000 | 4.8% |
| Total MW | 49,000 | 14.4% |
| Total S | 178,000 | 43.5% |
| Total W | 98,000 | 6.9% |

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

* Percentage of total housing completions

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 8/19/25

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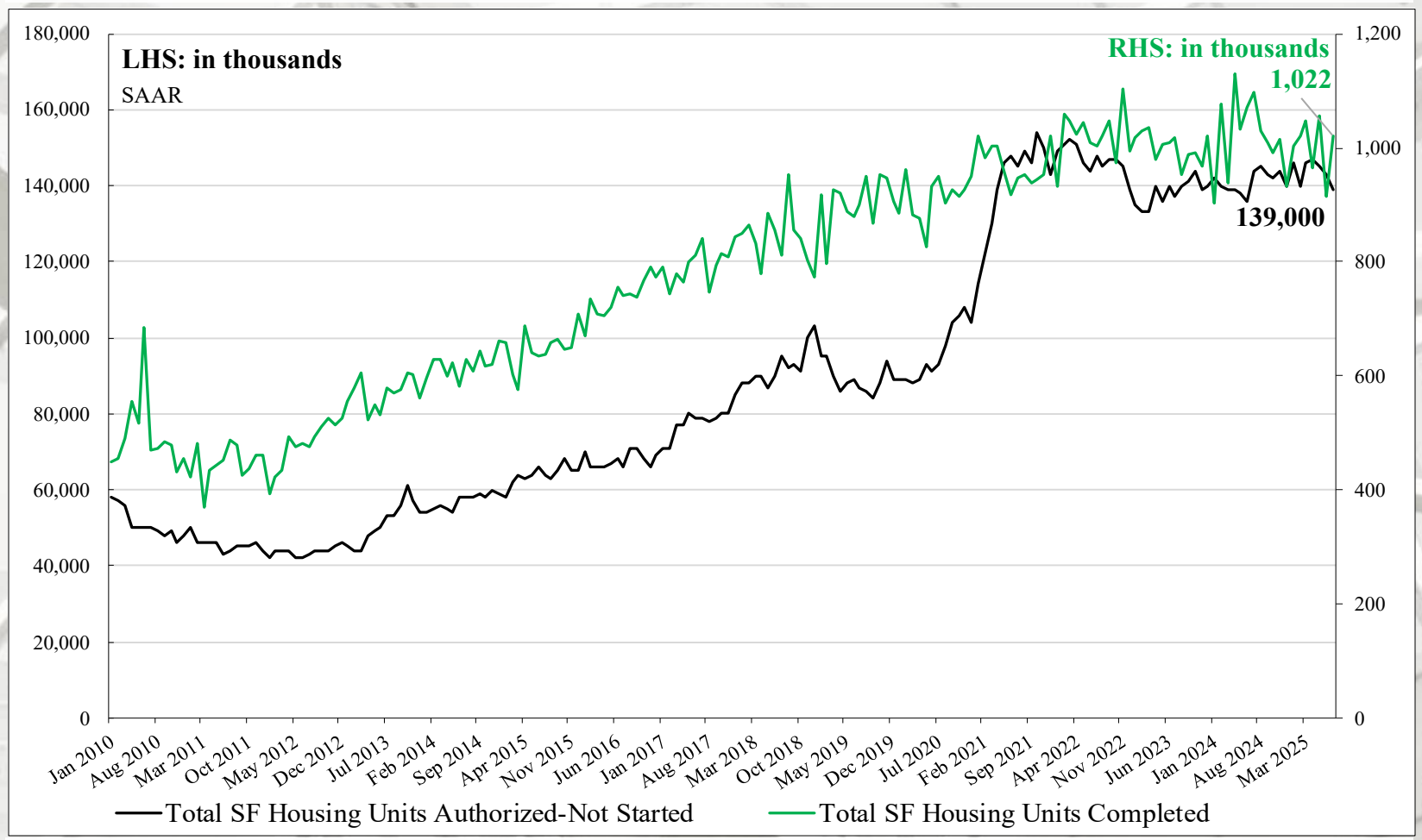
# Comparison of SF Units Authorized & Not Started to SF Housing Units Completed




## Authorized, Not Started vs. Housing Completions

Total authorized units "not" started was 263,000 in July, a decrease from July (270,000), and SF authorized units "not" started were 139,000 units in July, also a decline from July. 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; 8/19/25

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# New Single-Family House Sales

| | New SF Sales* | Median Price | Mean Price | Month's Supply |
|---|---|---|---|---|
| July | 652,000 | $403,800 | $487,300 | 9.2 |
| June | 656,000 | $407,200 | $505,300 | 9.2 |
| 2024 | 710,000 | $429,000 | $513,200 | 7.9 |
| M/M change | -0.6% | -0.8% | -3.6% | 0.0% |
| Y/Y change | -8.2% | -5.9% | -5.0% | 16.5% |

* 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 more than the consensus forecast[3] of 628 m; range 615 to 650. The past three month's new SF sales data also were revised:

April initial: 743 m, revised to 706 m.
May initial: 623 m, revised to 630 m.
June initial: 627 m, revised to 656 m.

Sources: [1] https://www.census.gov/construction/nrs/index.html; 6/24/21; [2] https://www.census.gov/construction/nrs/pdf/newressales.pdf; 8/25/25
[3] http://us.econoday.com; 8/25/25

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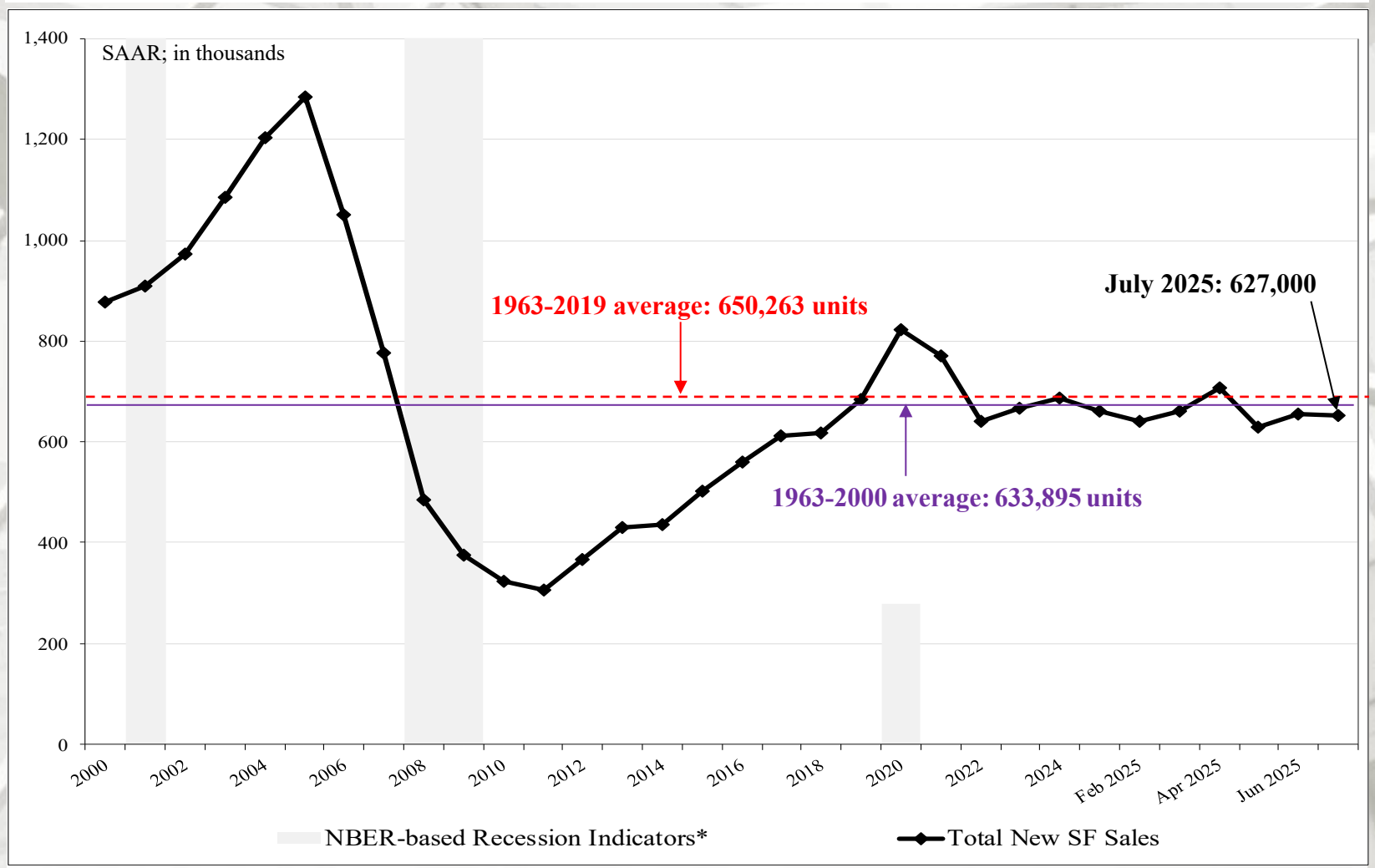
# New SF House Sales




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

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 8/25/25

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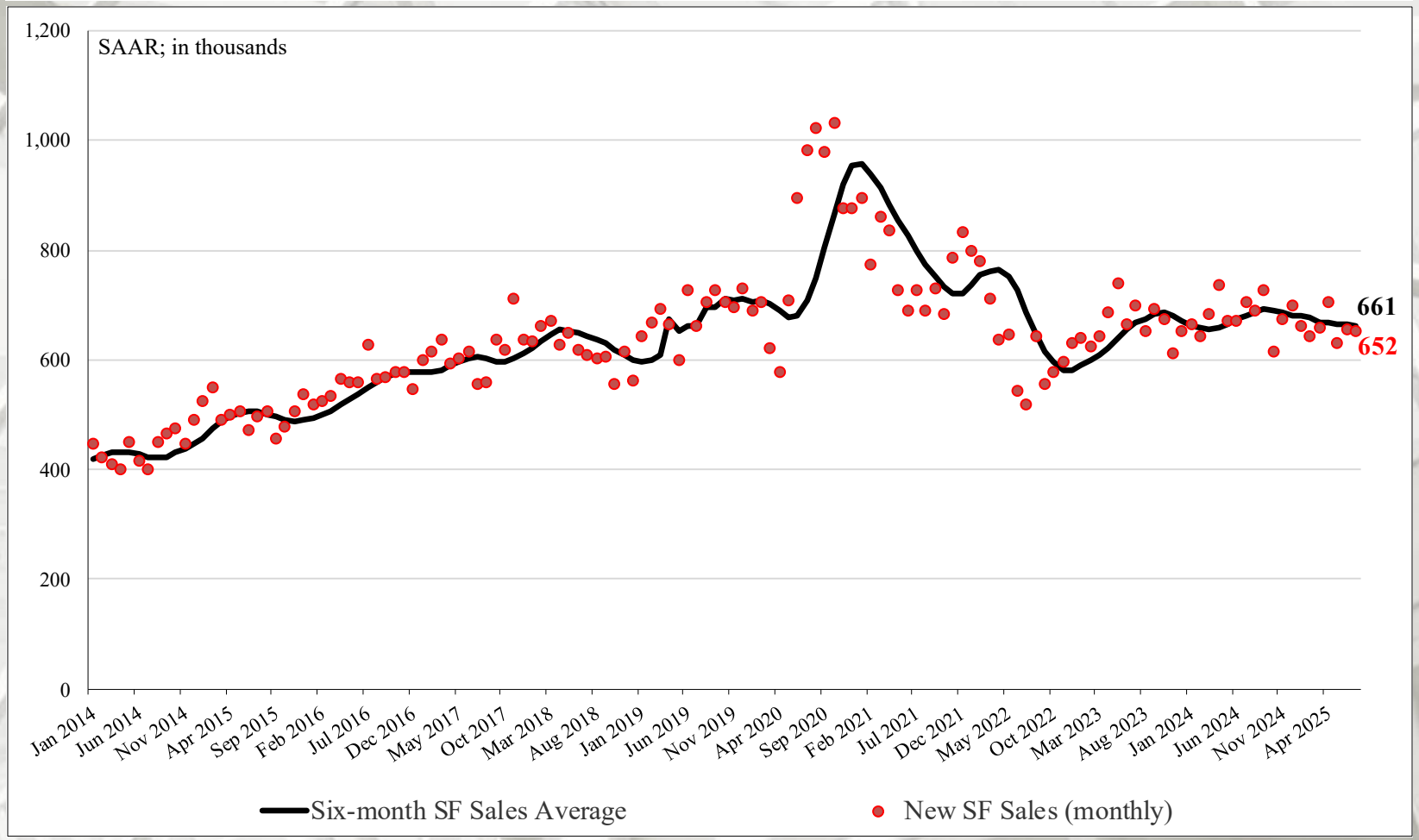
# New SF Housing Sales: Six-month average & monthly




Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 8/25/25

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# New SF House Sales by Region and Price Category

| | NE | MW | S | W |
|---|---|---|---|---|
| July | 26,000 | 85,000 | 388,000 | 153,000 |
| June | 26,000 | 91,000 | 402,000 | 137,000 |
| 2024 | 34,000 | 81,000 | 404,000 | 191,000 |
| M/M change | 0.0% | -6.6% | -3.5% | 11.7% |
| Y/Y change | -23.5% | 4.9% | -4.0% | -19.9% |

| | < $300m | $300m-$399m | $400m-$499m | $500m-$599m | $600m-$799m | $800m-$999m | ≥ $1mm |
|---|---|---|---|---|---|---|---|
| Juiy[1,2,3,4] | 9,000 | 18,000 | 12,000 | 7,000 | 7,000 | 1,000 | 2,000 |
| June[1,2,3,4] | 9,000 | 19,000 | 11,000 | 7,000 | 7,000 | 1,000 | 3,000 |
| 2024 | 10,000 | 17,000 | 7,000 | 16,000 | 16,000 | 14,000 | 6,000 |
| M/M change | 0.0% | -5.3% | 9.1% | 0.0% | 0.0% | 0.0% | -33.3% |
| Y/Y change | -10.0% | 5.9% | 71.4% | -56.3% | -56.3% | -92.9% | -66.7% |
| % of New SF sales | 16.1% | 32.1% | 21.4% | 12.5% | 12.5% | 1.8% | 3.6% |

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 July 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; 8/25/25;
[4]https://www.census.gov/construction/cpi/pdf/descpi_sold.pdf

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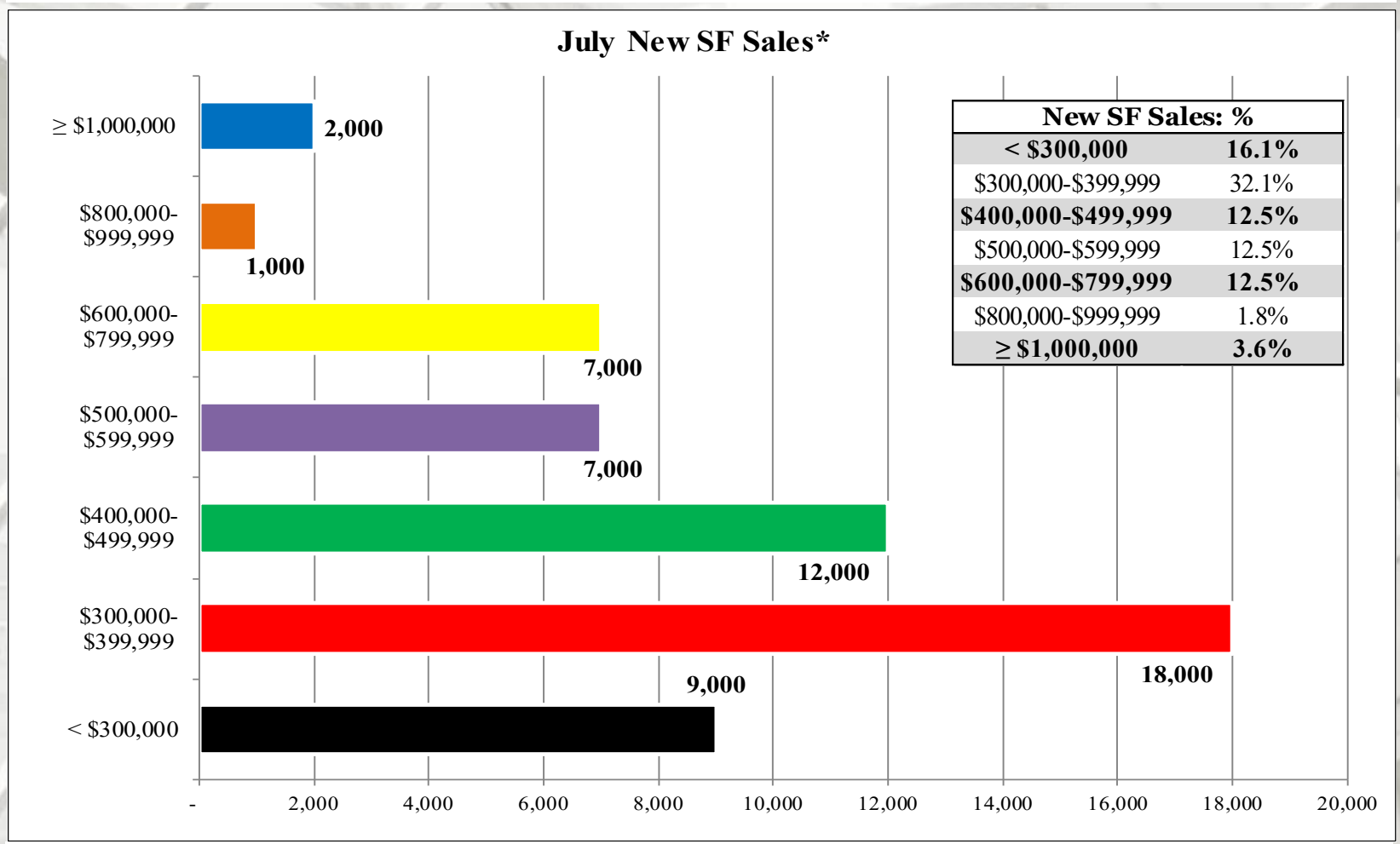
# New SF House Sales




| New SF Sales: % | |
|---|---|
| **< $300,000** | **16.1%** |
| $300,000-$399,999 | 32.1% |
| **$400,000-$499,999** | **12.5%** |
| $500,000-$599,999 | 12.5% |
| **$600,000-$799,999** | **12.5%** |
| $800,000-$999,999 | 1.8% |
| **≥ $1,000,000** | **3.6%** |

* Total new sales by price category and percent.

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 8/25/25

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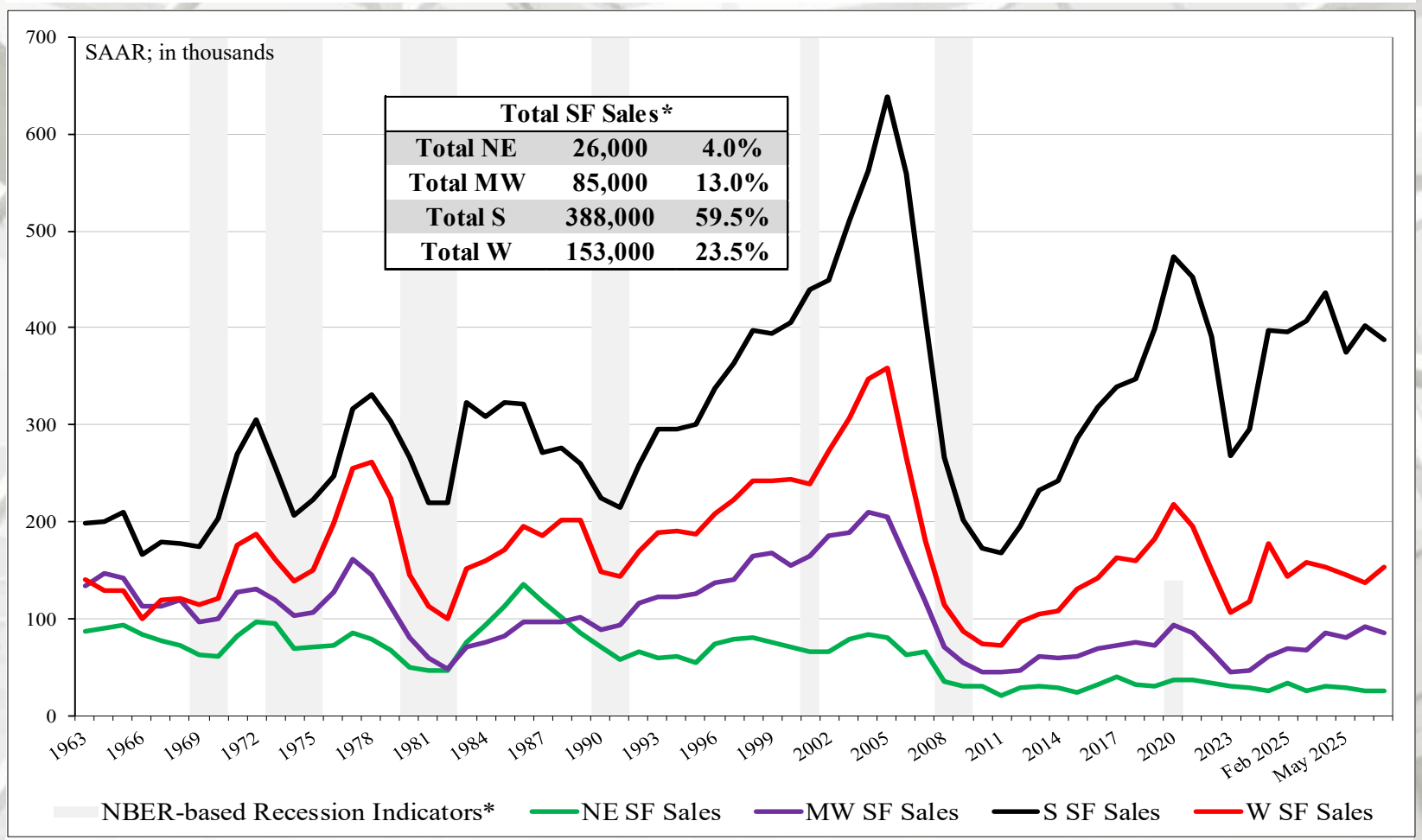
# New SF House Sales by Region




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; 8/25/25

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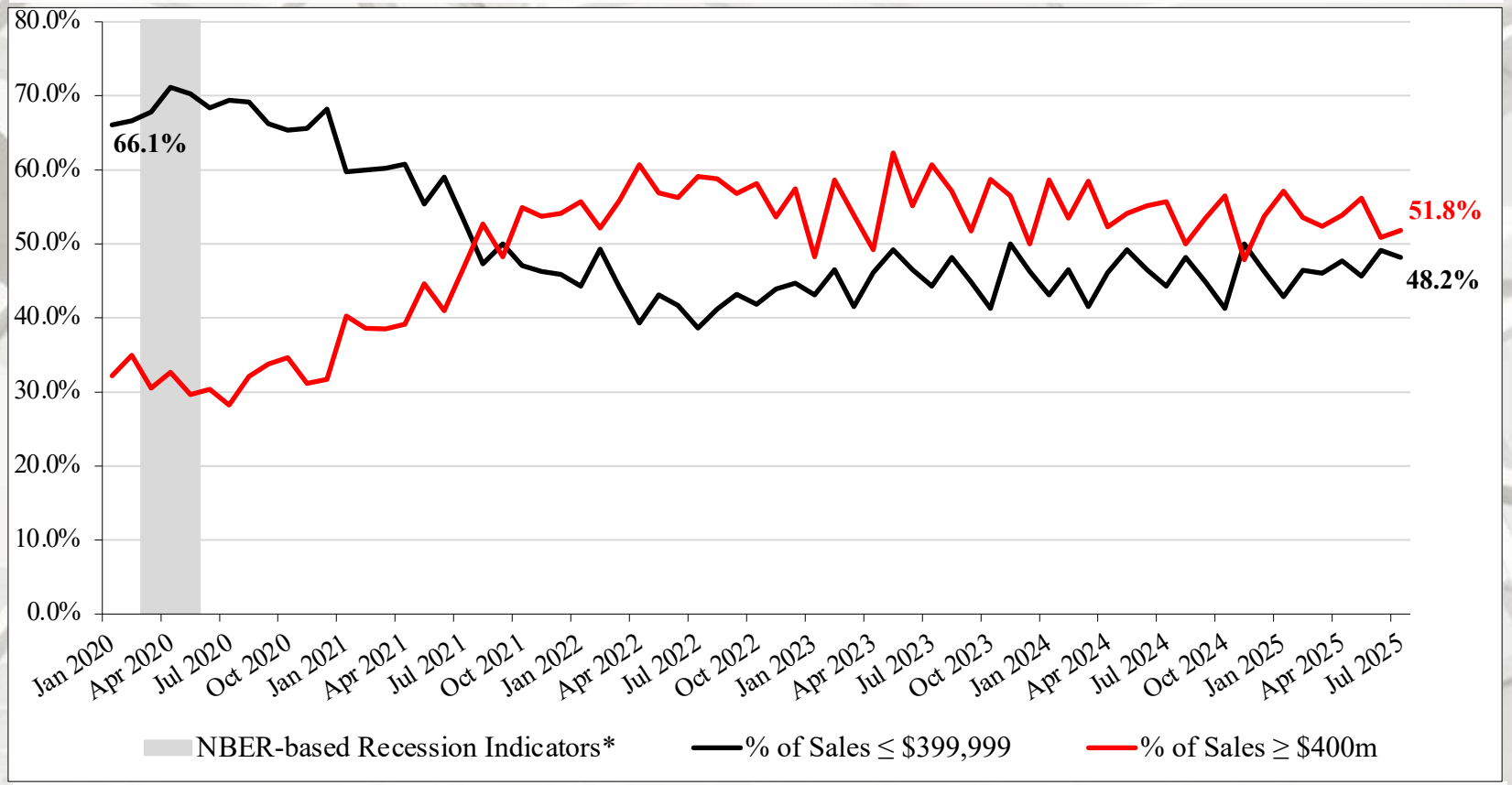
# New SF House Sales




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

## New SF Sales: < $399.9 m and > $400 m: 2020 – July 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 8/25/25

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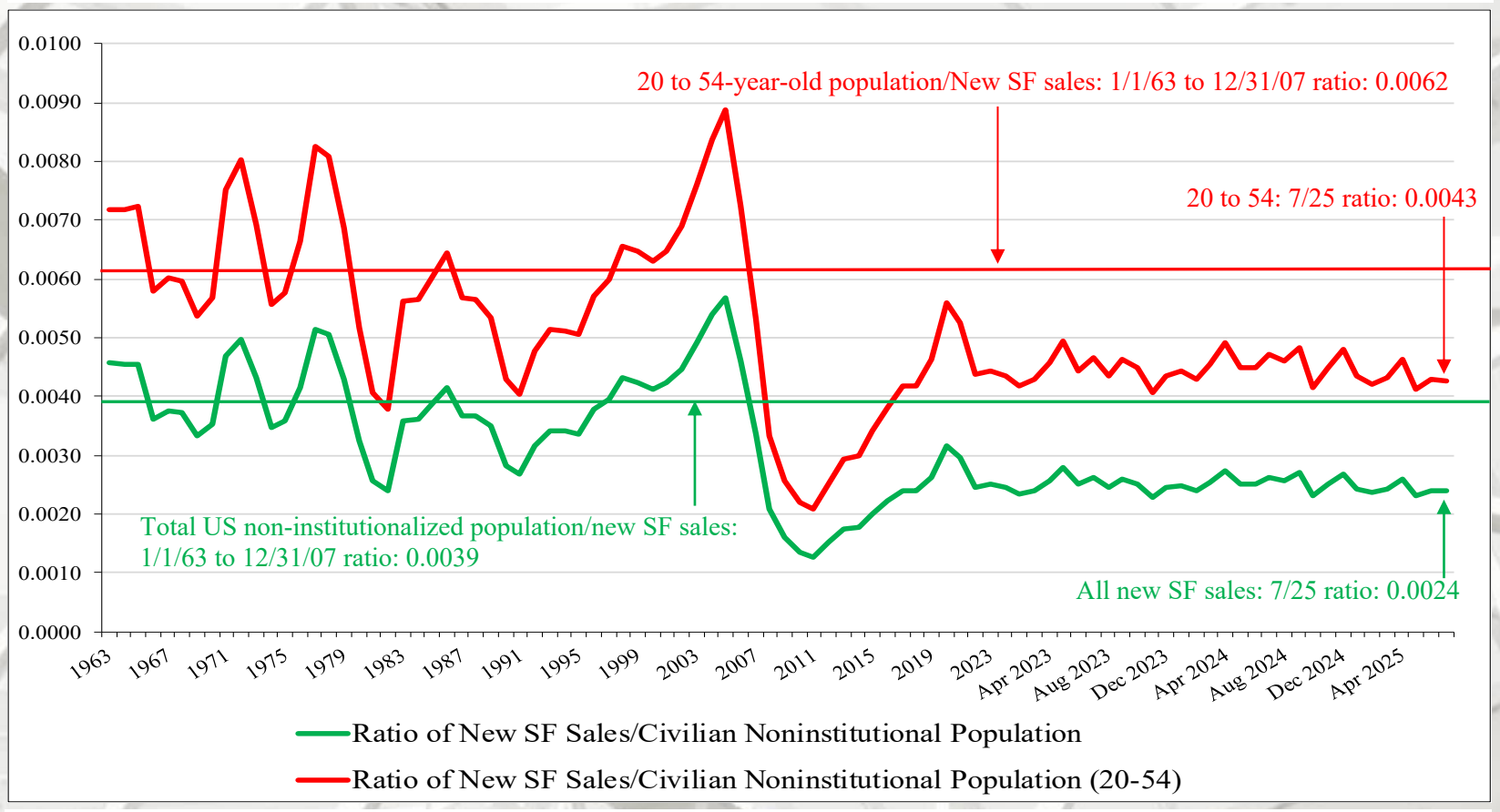
# New SF House Sales




## New SF sales adjusted for the US population

From July 1963 to July 2007, the long-term ratio of new house sales to the total US non-institutionalized population was 0.0039; in July 2025 it was 0.0024 – no change from June. The non-institutionalized population, aged 20 to 54 long-term ratio is 0.0062; in July 2025 it was 0.0043 – no change from June. 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; 8/25/25

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# New SF House Sales

| New SF Houses Sold During Period | | | | |
|---|---|---|---|---|
| | Total | Not started | Under Construction | Completed |
| July | 652,000 | 79,000 | 233,000 | 340,000 |
| June | 656,000 | 75,000 | 216,000 | 365,000 |
| 2024 | 465,000 | 92,000 | 270,000 | 103,000 |
| M/M change | -0.6% | 5.3% | 7.9% | -6.8% |
| Y/Y change | 40.2% | -14.1% | -13.7% | 230.1% |
| Total percentage | | 12.1% | 35.7% | 52.1% |

All data is SAAR

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 8/25/25

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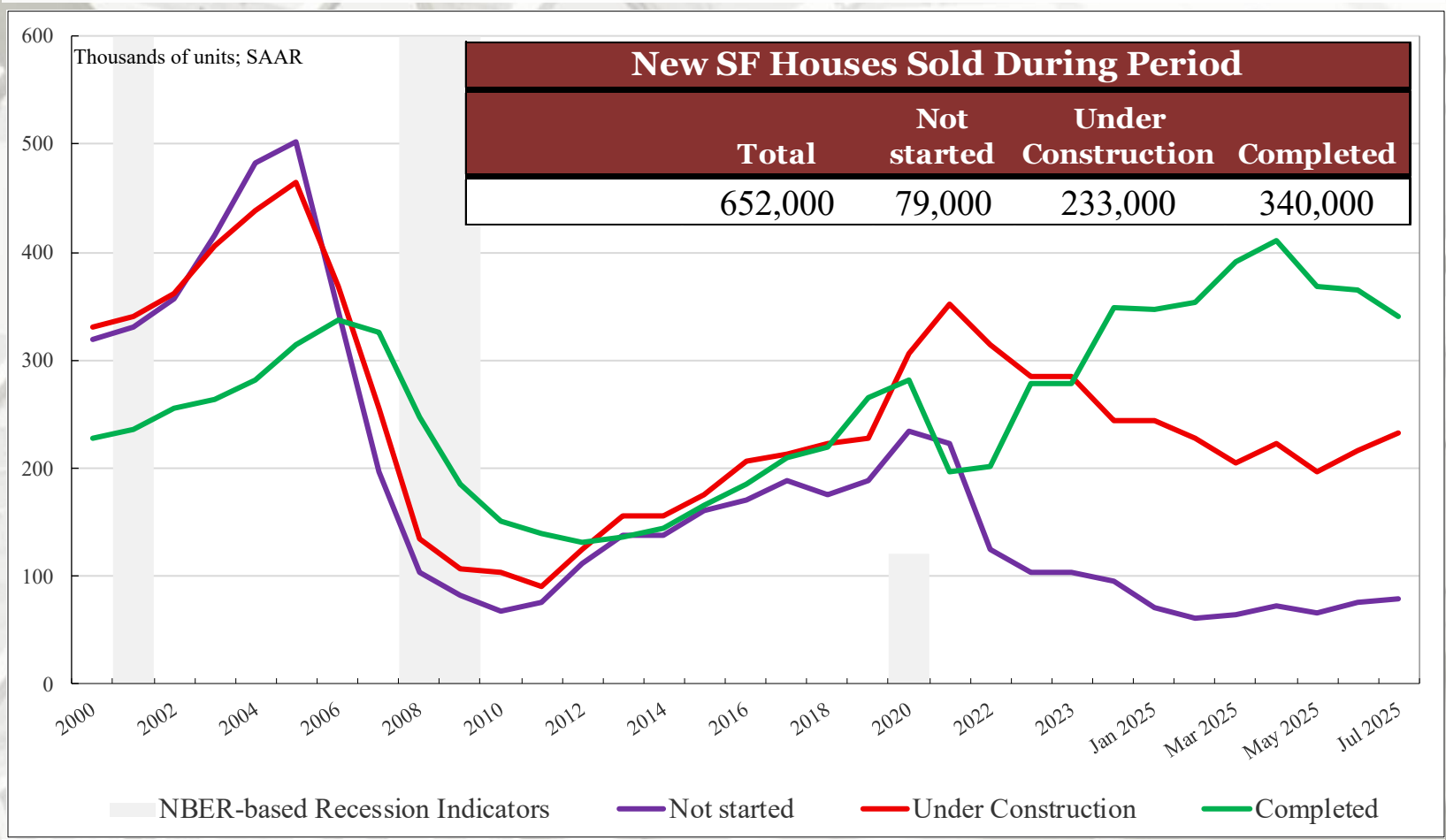
# New SF House Sales: Sold During Period




| New SF Houses Sold During Period | | | |
|---|---|---|---|
| Total | Not started | Under Construction | Completed |
| 652,000 | 79,000 | 233,000 | 340,000 |

* 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; 8/25/25

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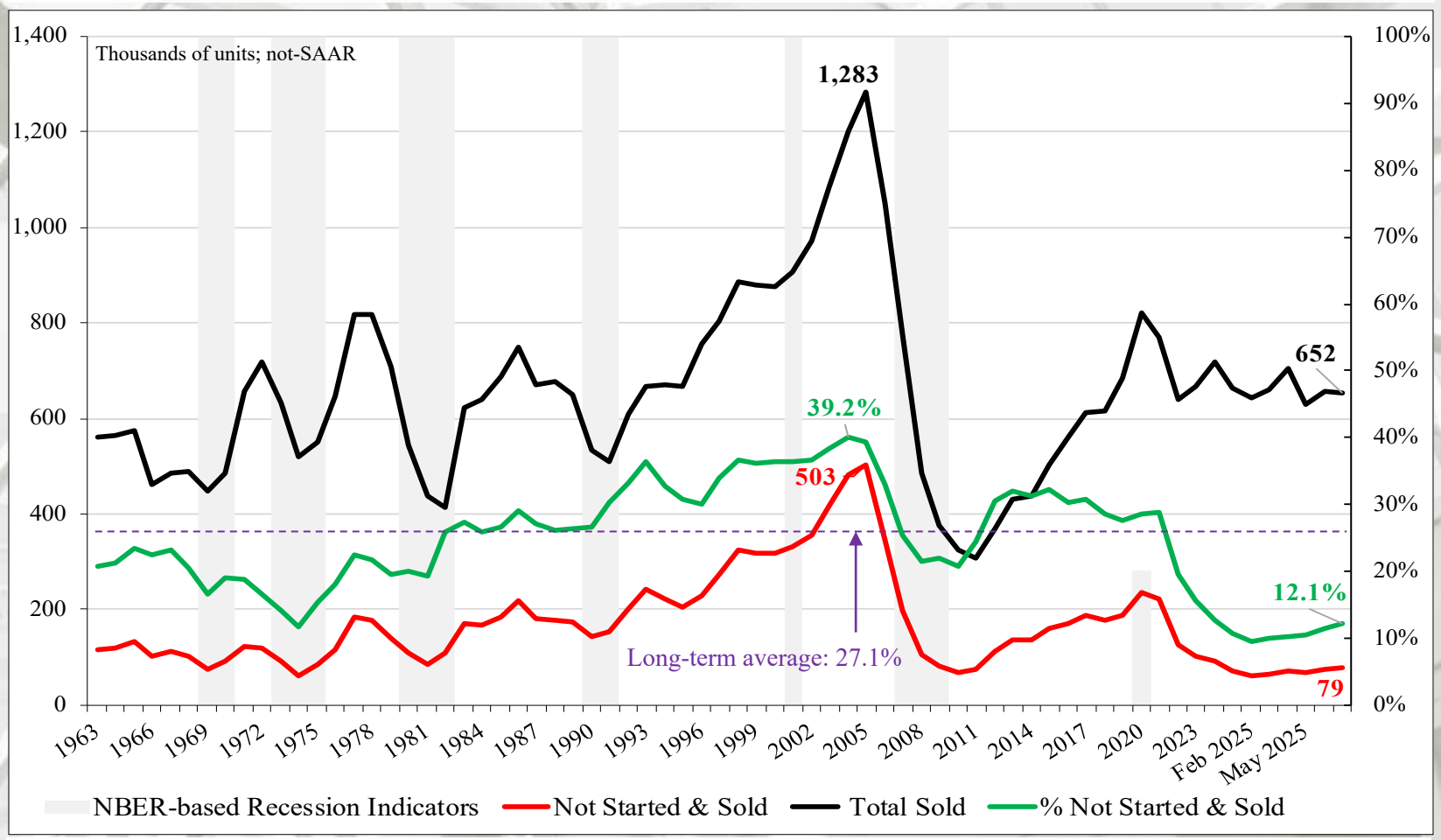
# New SF House Sales:
## Percentage Not Started & Sold During Period




Of the new houses sold in July (652 m), 12.0% (79 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; 8/25/25

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# New SF Houses for Sale

| New SF Houses for Sale at the end of the Period by Region* | | | | | |
|---|---|---|---|---|---|
| | Total | NE | MW | S | W |
| July | 505,000 | 31,000 | 51,000 | 312,000 | 111,000 |
| June | 503,000 | 30,000 | 51,000 | 310,000 | 112,000 |
| 2024 | 467,000 | 26,000 | 40,000 | 295,000 | 106,000 |
| M/M change | 0.4% | 3.3% | 0.0% | 0.6% | -0.9% |
| Y/Y change | 8.1% | 19.2% | 27.5% | 5.8% | 4.7% |

* Not SAAR

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 8/25/25

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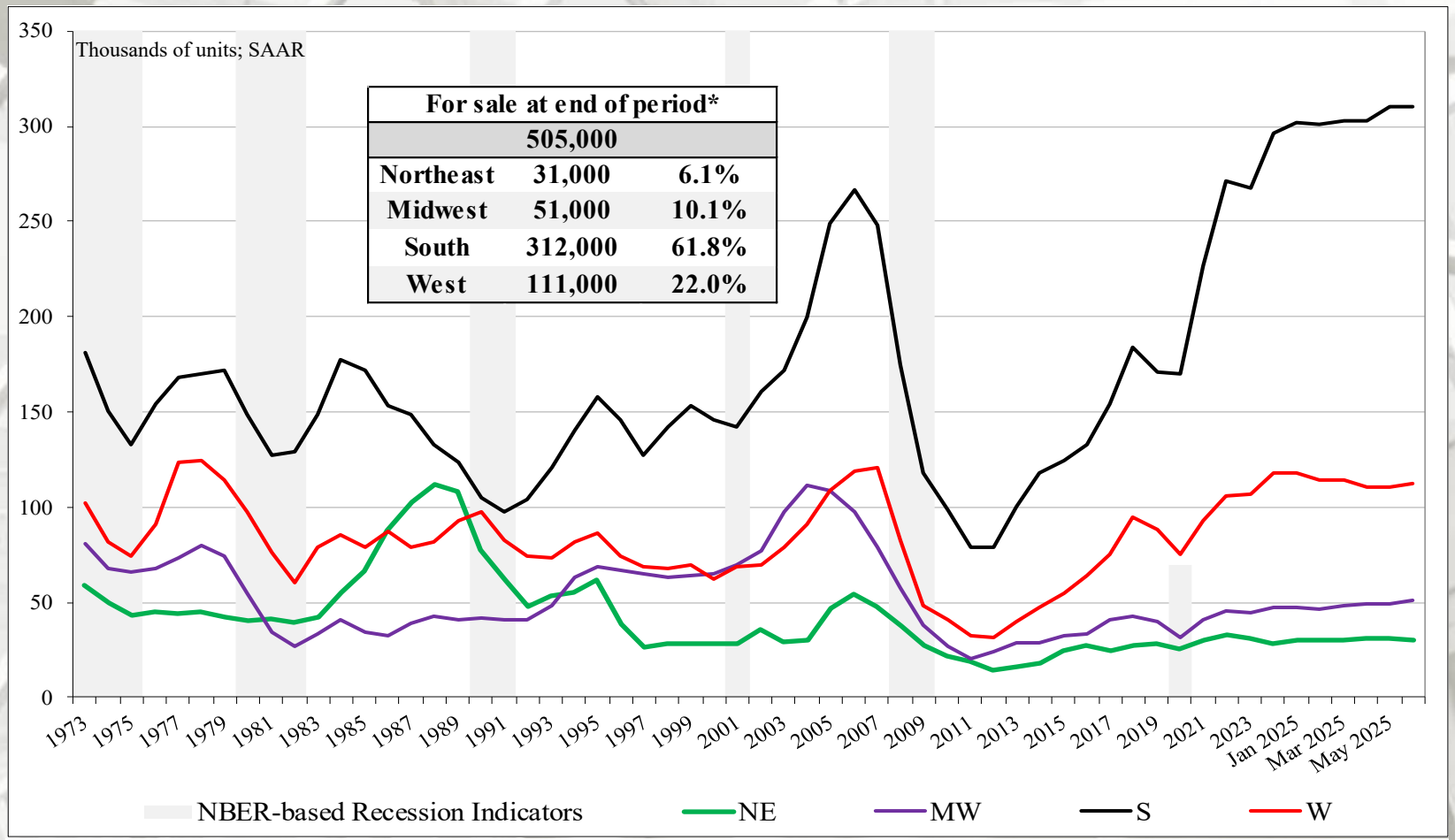
# New SF House Sales:
# For sale at end of period by Region




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; 8/25/25

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# New SF House Sales

| New SF Houses Sold During Period | | | | |
|---|---|---|---|---|
| | Total | Not started | Under Construction | Completed |
| July | 652,000 | 79,000 | 233,000 | 340,000 |
| June | 656,000 | 75,000 | 216,000 | 365,000 |
| 2024 | 465,000 | 92,000 | 270,000 | 103,000 |
| M/M change | -0.6% | 5.3% | 7.9% | -6.8% |
| Y/Y change | 40.2% | -14.1% | -13.7% | 230.1% |
| Total percentage | | 12.1% | 35.7% | 52.1% |

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 8/25/25

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# New SF House Sales

| New SF Houses for Sale at the end of the Period | | | | |
|---|---|---|---|---|
| | Total | Not started | Under Construction | Completed |
| July | 499,000 | 111,000 | 267,000 | 121,000 |
| June | 502,000 | 107,000 | 278,000 | 117,000 |
| 2024 | 465,000 | 92,000 | 270,000 | 103,000 |
| M/M change | -0.6% | 3.7% | -4.0% | 3.4% |
| Y/Y change | 7.3% | 20.7% | -1.1% | 17.5% |
| Total percentage | | 22.2% | 53.5% | 24.2% |

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 8/25/25

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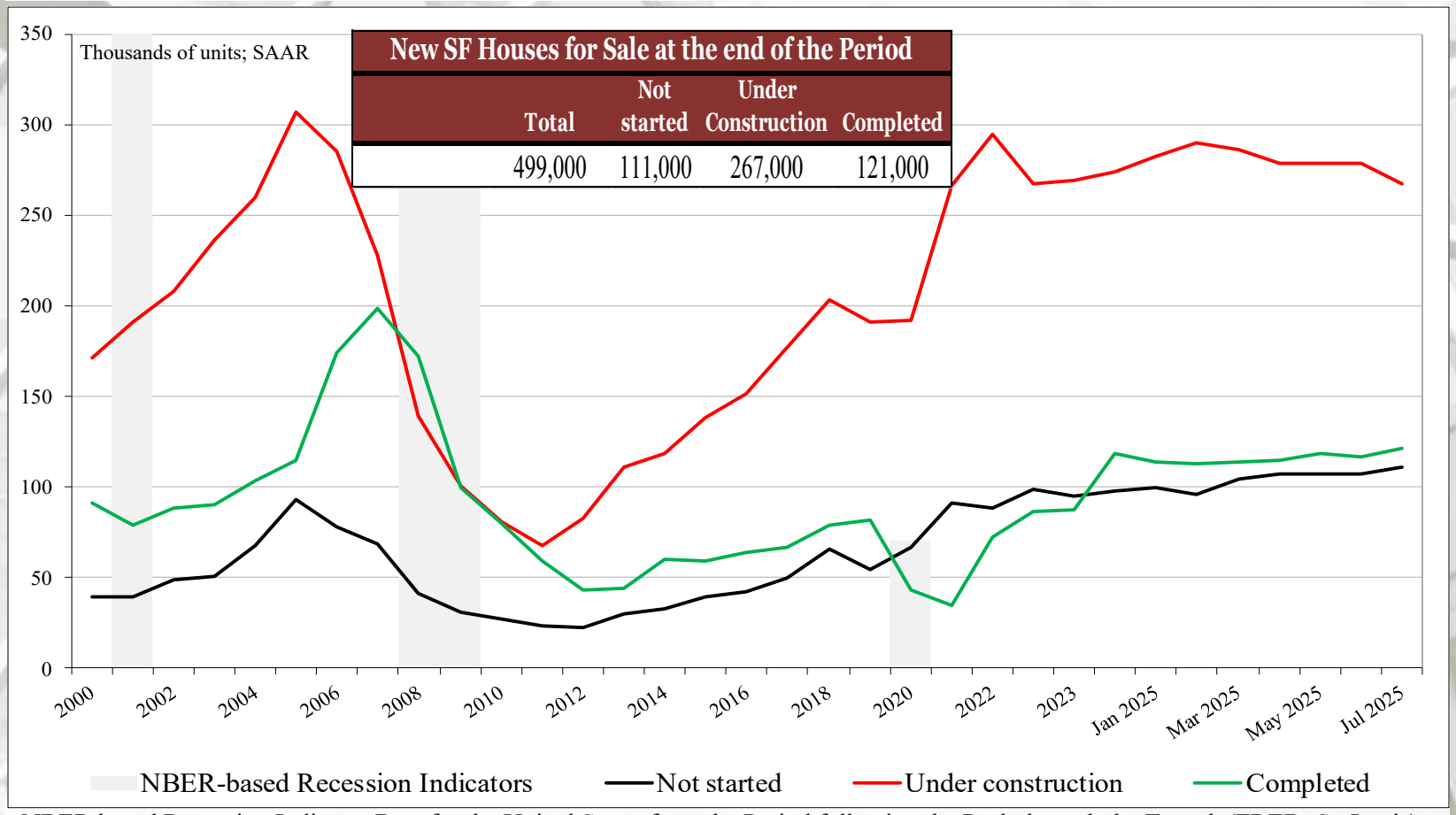
# New SF House Sales: For Sale at End of Period




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; 8/25/25

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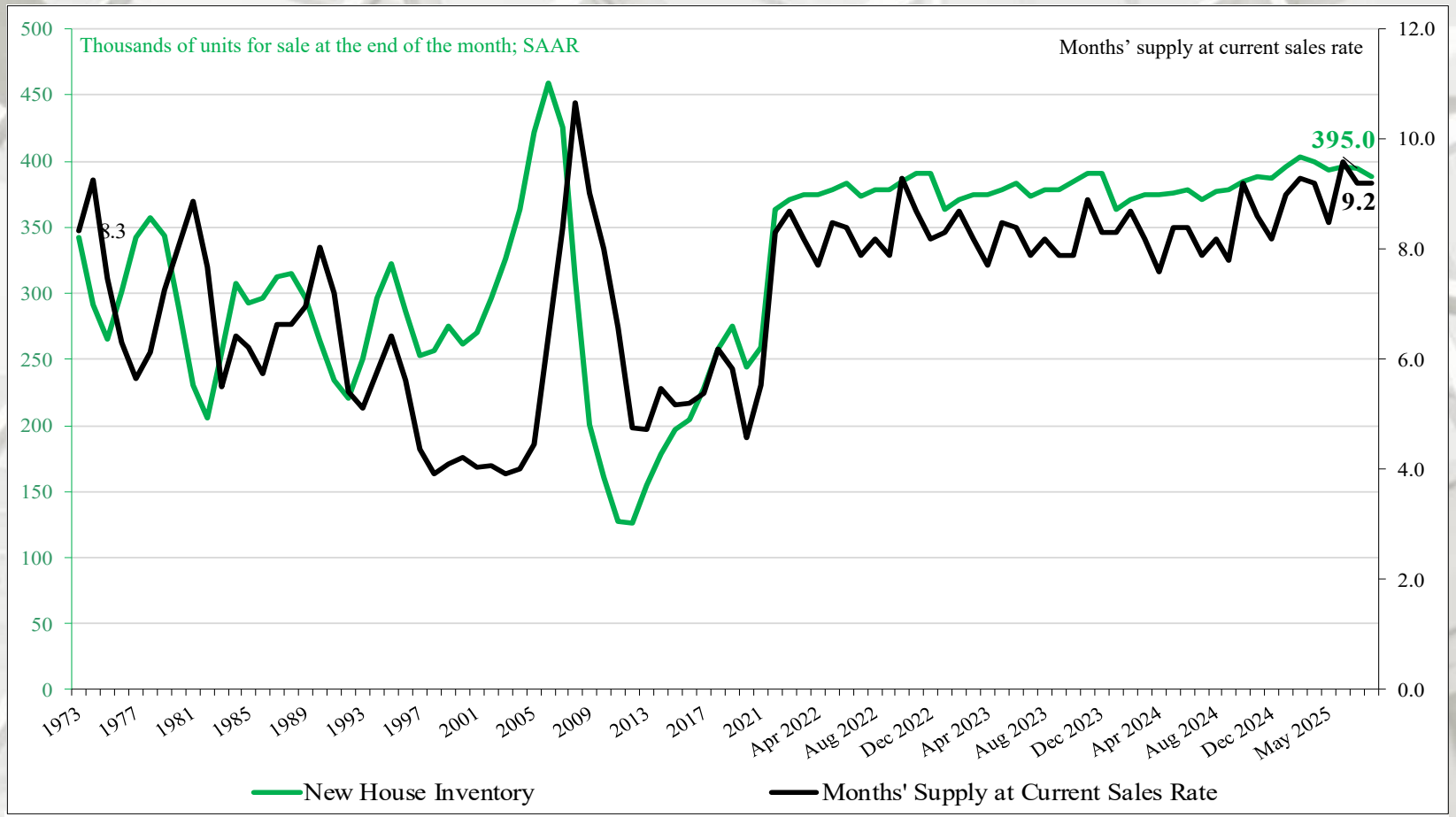
# Months' Supply and New House Inventory[a]




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

The months' supply of new houses at current sales rate at the end of July was 9.3, greater than the historically preferred number of five- to six-months (SAAR).

Source: http://www.census.gov/construction/nrc/pdf/newresconst.pdf; 8/25/25

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# July 2025
# Construction Spending

| | Total Private Residential* | SF* | MF* | Improvement** |
|---|---|---|---|---|
| July | $886,533 | $419,136 | $113,072 | $354,325 |
| June | $885,939 | $418,517 | $113,552 | $353,870 |
| 2024 | $936,627 | $428,255 | $124,861 | $383,511 |
| M/M change | 0.1% | 0.1% | -0.4% | 0.1% |
| Y/Y change | -5.3% | -2.1% | -9.4% | -7.6% |

* 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; 9/2/25

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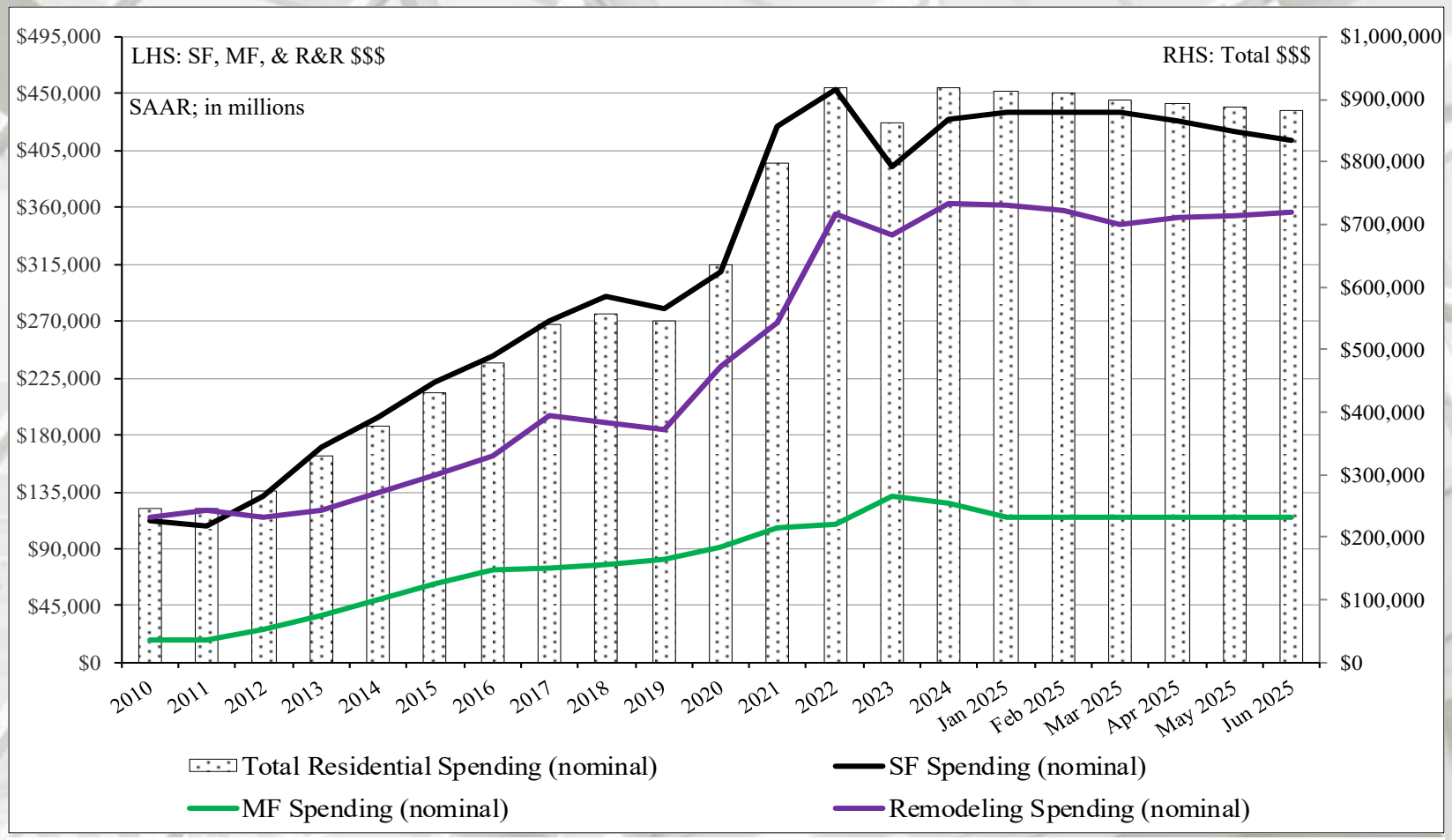
# Total Construction Spending (nominal): 2000 – July 2025



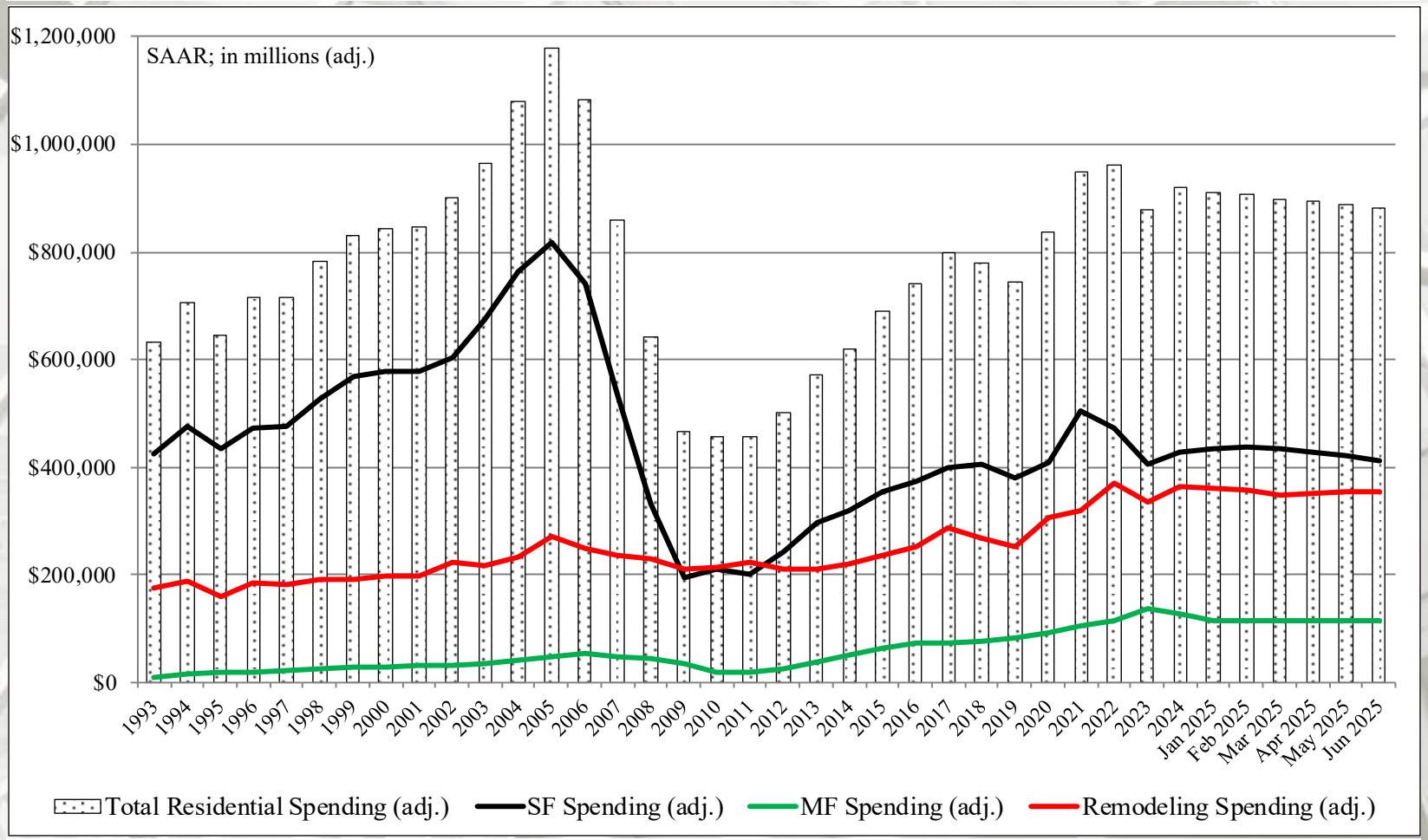

Reported in nominal US$.

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; 9/2/25

Return TOC

# Total Construction Spending (adjusted): 1993 – July 2025




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

Sources: * http://www.bea.gov/iTable/iTable.cfm; 1/2/25; http://www.census.gov/construction/c30/pdf/privsa.pdf; 9/2/25

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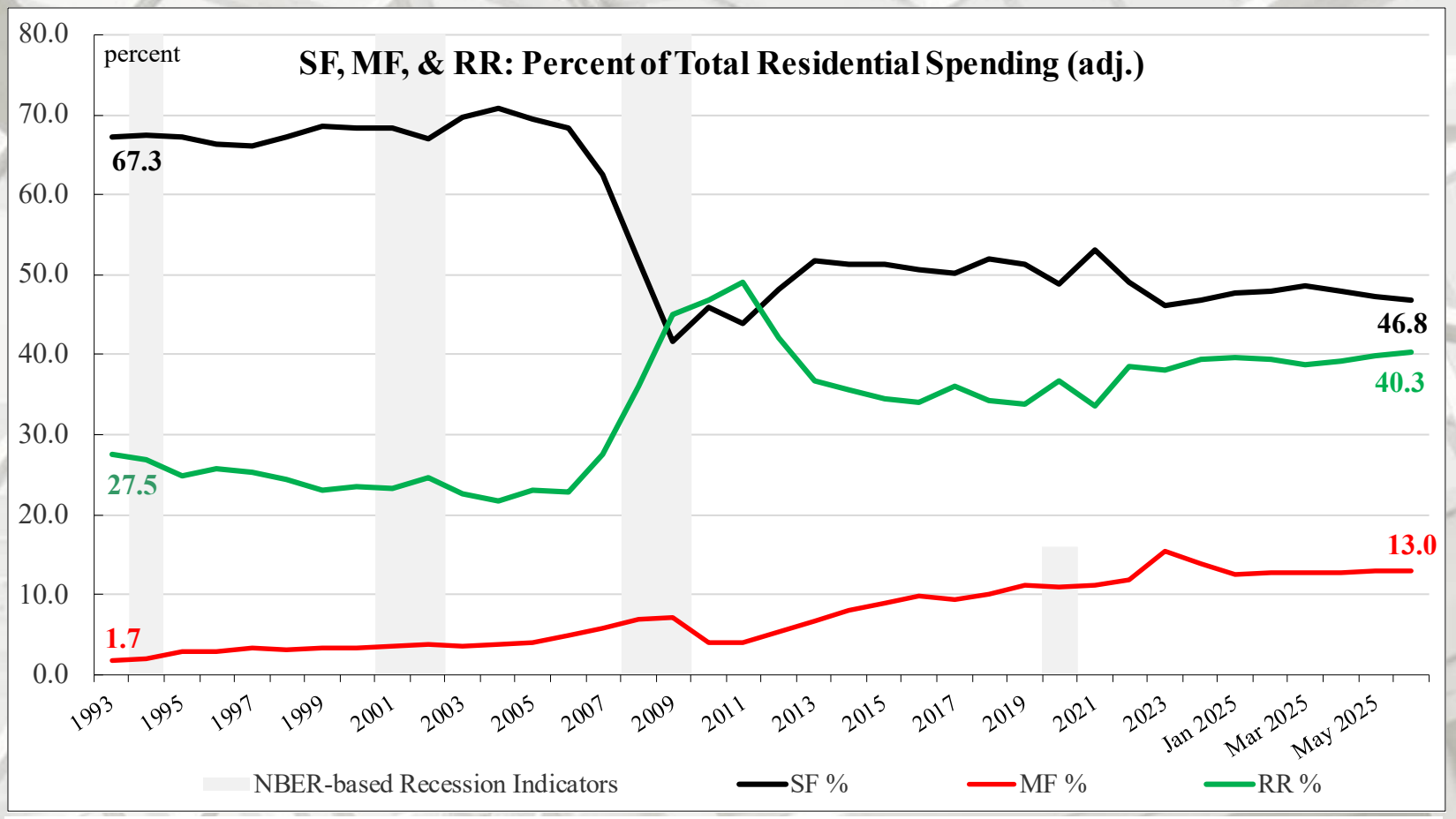
# Construction Spending Shares: 1993 – July 2025




* 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; 9/2/25 and http://www.bea.gov/iTable/iTable.cfm; 9/3/24

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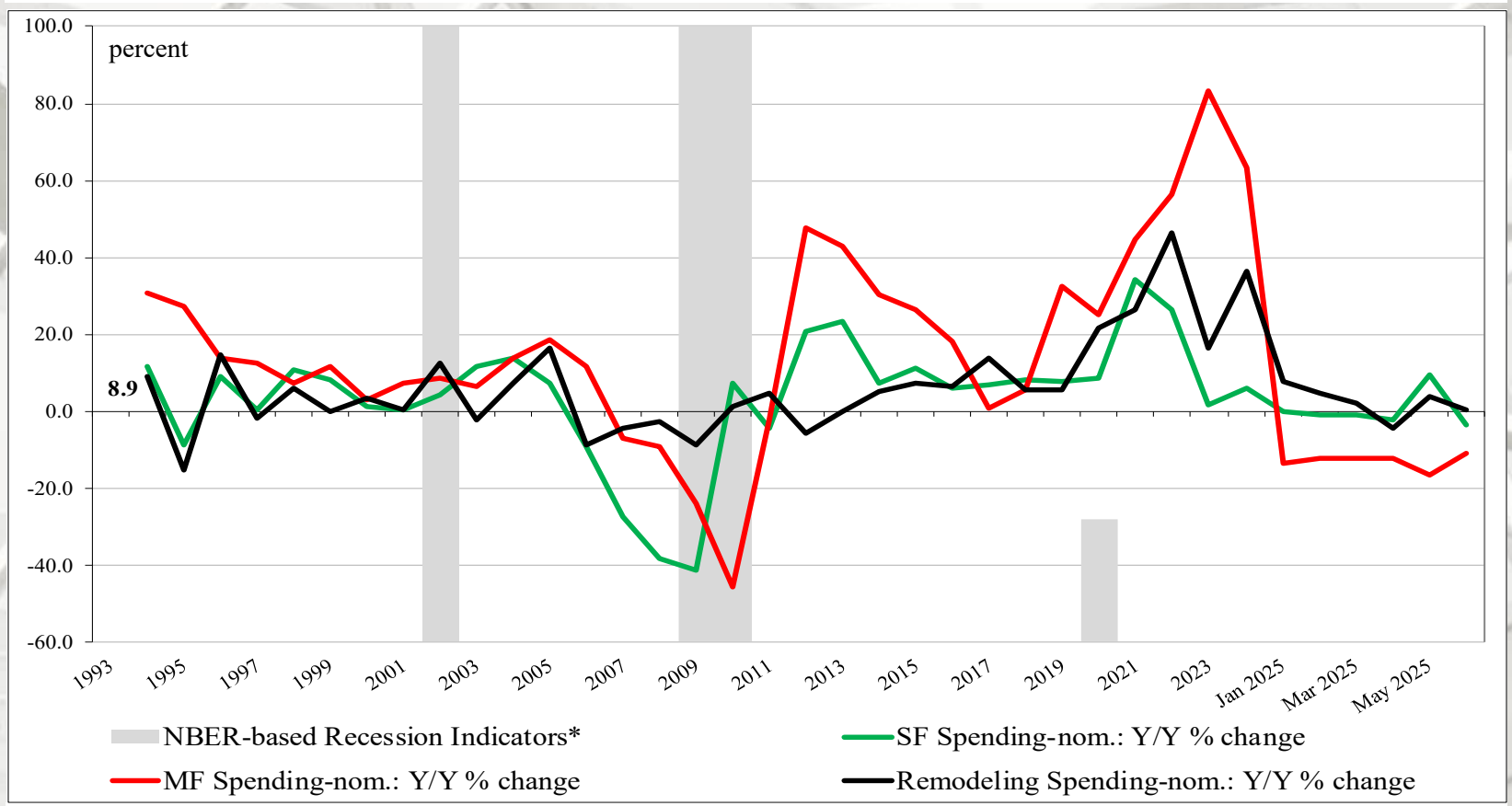
# Construction Spending: Y/Y Percentage Change




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

Presented above is the percentage change of Y/Y construction spending. RR expenditures were positive on a percentage basis, year-over-year (July 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; 9/2/25 and http://www.bea.gov/iTable/iTable.cfm; 9/3/24

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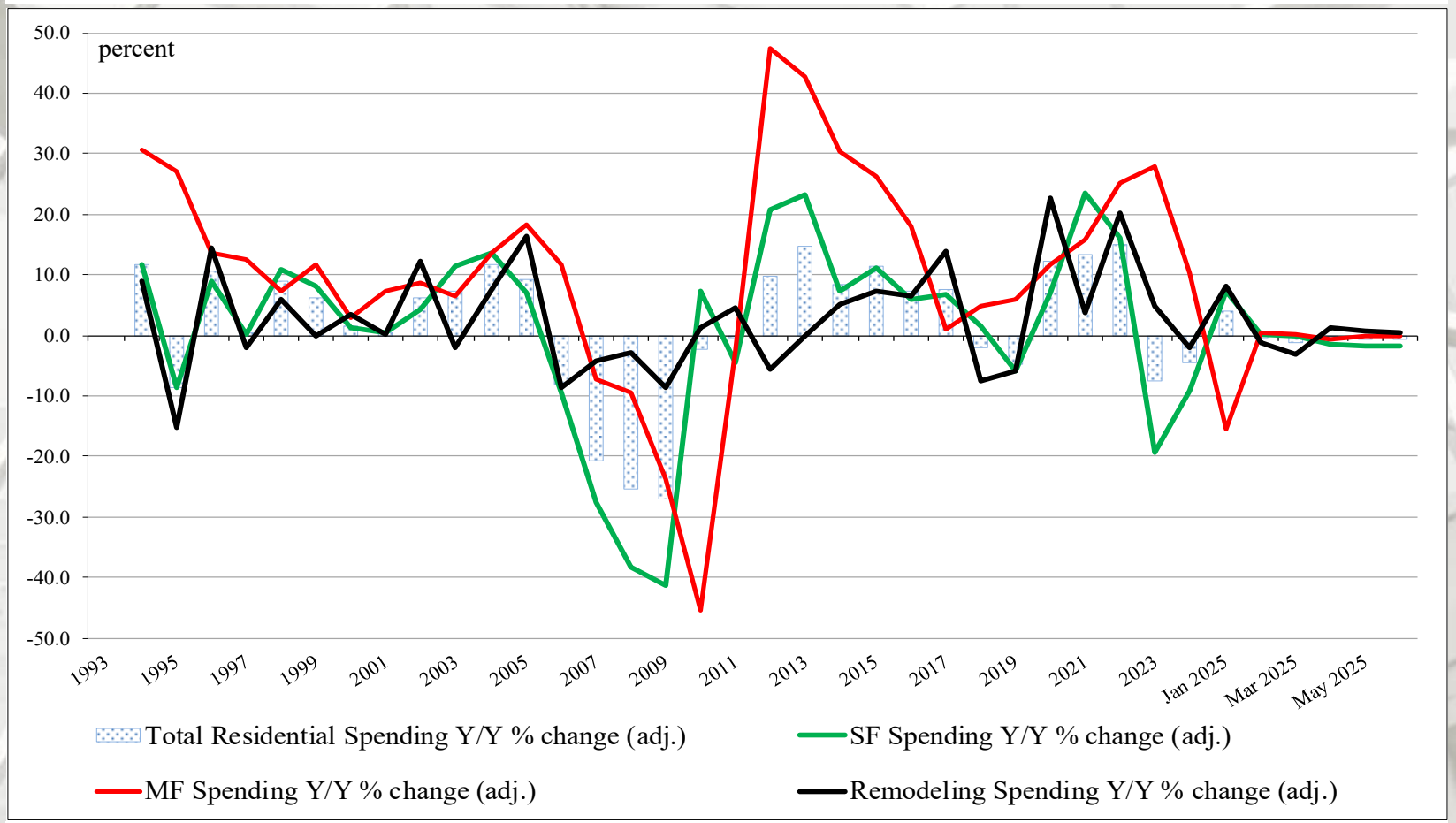
# Adjusted Construction Spending, Y/Y Percentage Change: 1993 to July 2025




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

Sources: http://www.census.gov/construction/c30/pdf/privsa.pdf; 9/2/25 and http://www.bea.gov/iTable/iTable.cfm; 9/3/24

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# Existing House Sales

## National Association of Realtors®

| | Existing Sales | Median Price | Month's Supply |
|---|---|---|---|
| July | 4,010,000 | $422,400 | 4.6 |
| June | 3,930,000 | $432,700 | 4.7 |
| 2024 | 3,980,000 | $421,400 | 4.0 |
| M/M change | 2.0% | -2.4% | -2.1% |
| Y/Y change | 0.8% | 0.2% | 15.0% |

All sales data: SAAR

Source: https://fred.stlouisfed.org/series/EXHOSLUSM495S; 8/21/25

Return TOC

# Existing House Sales

| | NE | MW | S | W |
|---|---|---|---|---|
| July | 500,000 | 940,000 | 1,850,000 | 720,000 |
| June | 460,000 | 950,000 | 1,810,000 | 710,000 |
| 2024 | 490,000 | 930,000 | 1,810,000 | 750,000 |
| M/M change | 8.7% | -1.1% | 2.2% | 1.4% |
| Y/Y change | 2.0% | 1.1% | 2.2% | -4.0% |

| | Existing SF Sales | SF Median Price |
|---|---|---|
| July | 3,640,000 | $428,500 |
| June | 3,570,000 | $438,600 |
| 2024 | 3,600,000 | $427,200 |
| M/M change | 2.0% | -2.4% |
| Y/Y change | 1.1% | 0.3% |

All sales data: SAAR.

Source: https://fred.stlouisfed.org/series/EXHOSLUSM495S; 8/21/25

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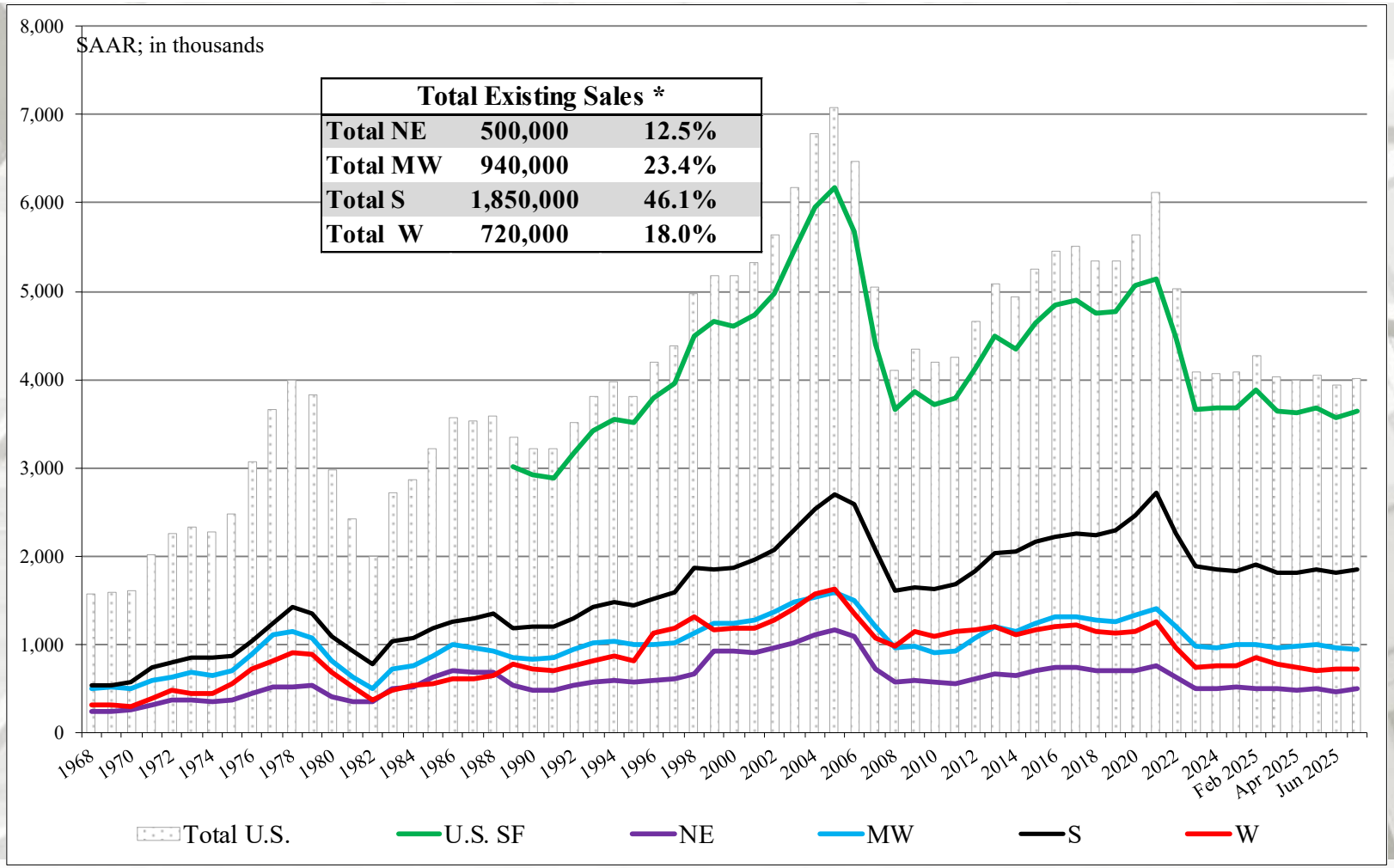
# Existing House Sales




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

* Percentage of total existing sales.

Source: https://fred.stlouisfed.org/series/EXHOSLUSM495S; 8/21/25

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# U.S. Housing Prices

## Federal Housing Finance Agency

### FHFA House Prices Rise 2.9 Percent Year over Year; Unchanged Quarter over Quarter

### Significant Findings

"U.S. house prices rose **2.9 percent** between the second quarter of 2024 and the second quarter of 2025, according to the U.S. Federal Housing (FHFA) House Price Index (FHFA HPI®). House prices for the second quarter of 2025 remained unchanged compared to the first quarter of 2025. FHFA's seasonally adjusted monthly index for June was down **0.2 percent** from May.

- Nationally, the U.S. housing market has experienced positive annual appreciation each quarter since the start of 2012.
- House prices rose in 46 states between the second quarter of 2024 and the second quarter of 2025. The five states with the highest annual appreciation were 1) New York, 8.0 percent; 2) Connecticut, 7.8 percent; 3) New Jersey, 7.5 percent; 4) Mississippi, 7.3 percent; and 5) Illinois, 6.7 percent. House prices were down in four states and District of Columbia. District of Columbia experienced the most significant price decline at 7.6 percent.
- House prices rose in 81 of the 100 largest metropolitan areas over the previous four quarters. The annual price increase was the greatest in Rochester, NY at 10.3 percent. The metropolitan area that experienced the most significant price decline was North Port-Bradenton-Sarasota, FL at 11.2 percent.
- All nine census divisions had positive house price changes year-over-year. The Middle Atlantic division recorded the strongest appreciation, posting a 6.7 percent increase from the second quarter of 2024 to the second quarter of 2025. The Pacific division recorded the smallest four-quarter appreciation, at 0.9 percent.
- Trends in the Top 100 Metropolitan Statistical Areas are available in our interactive dashboard: https://www.fhfa.gov/data/dashboard/fhfa-hpi-top-100-metro-area-rankings. The first tab displays rankings, and the second tab offers charts." – Adam Russell, FHFA

Source: https://www.fhfa.gov/DataTools/Downloads/Pages/House-Price-Index.aspx; 7/29/25

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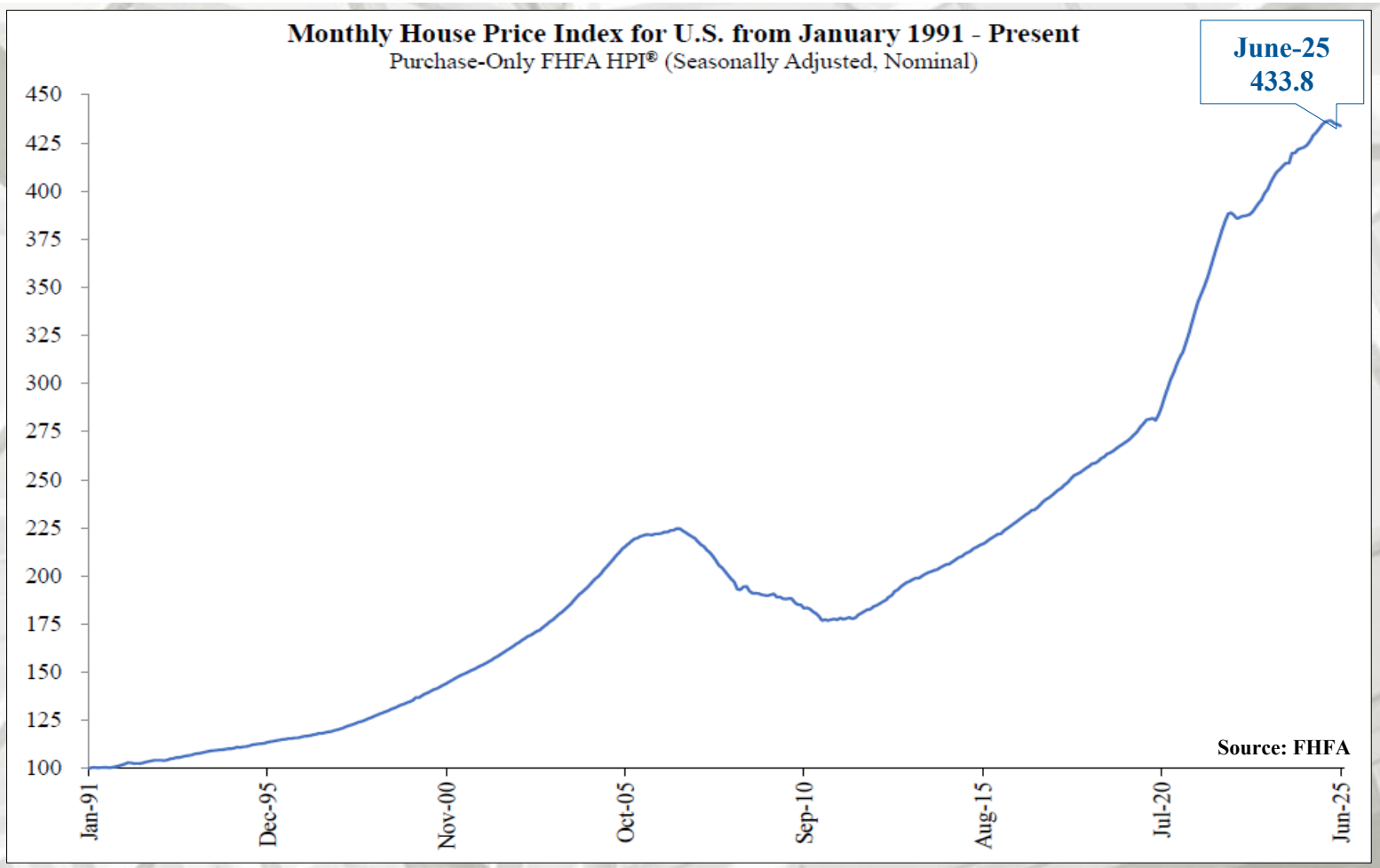
# U.S. Housing Prices




Source: https://www.fhfa.gov/DataTools/Downloads/Pages/House-Price-Index.aspx; 7/29/25

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# U.S. Housing Prices

## S&P Cotality Case-Shiller Index Records Annual Gain in June 2025

"S&P Dow Jones Indices (S&P DJI) today released the June 2025 results for the S&P Cotality Case-Shiller Indices, formerly known as the S&P CoreLogic Case-Shiller Indices. More than 27 years of history are available for the data series and can be accessed in full by going to **https://www.spglobal.com/spdji/en/index-family/indicators/sp-cotality-case-shiller/**.

### Year-Over-Year

The S&P Cotality Case-Shiller U.S. National Home Price NSA Index, covering all nine U.S. census divisions, reported a 1.9% annual gain for June, down from a 2.3% rise in the previous month. The 10-City Composite increased 2.6%, down from a 3.4% rise in the previous month. The 20-City Composite posted a year-over-year gain of 2.1%, down from a 2.8% increase in the previous month.

New York again reported the highest annual gain among the 20 cities with a 7.0% increase in June, followed by Chicago and Cleveland with annual increases of 6.1% and 4.5%, respectively. Tampa posted the lowest return, falling 2.4%. The chart below compares year-over-year returns for different housing price ranges (tiers) in New York.

### Month-Over-Month

The pre-seasonally adjusted U.S. National Index saw a slight upward trend, rising 0.1%. The 10-City Composite and 20-City Composite Indices posted drops of -0.1% and -0.04%, respectively.

After seasonal adjustment, the U.S. National Index posted a decrease of -0.3%. The 10-City Composite Index posted a -0.1% decrease and the 20-City Composite Index fell -0.3%." – 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-cotality-case-shiller-index-records-annual-gain-in-june-2025/; 8/26/25

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# U.S. Housing Prices

## S&P Cotality Case-Shiller Index

### Analysis

“June's results mark the continuation of a decisive shift in the housing market, with national home prices rising just 1.9% year-over-year – the slowest pace since the summer of 2023. What makes this deceleration particularly noteworthy is the underlying pattern: The modest 1.9% annual gain masks significant volatility, with the first half of the period showing declining prices (-0.6%) that were more than offset by a 2.5% surge in the most recent six months, suggesting the housing market experienced a meaningful inflection point around the start of 2025.

The geographic divergence has become the story's defining characteristic. New York's 7.0% annual gain stands as a stark outlier, leading all markets by a wide margin, followed by Chicago (6.1%) and Cleveland (4.5%). This represents a complete reversal of pandemic-era patterns, where traditional industrial centers now outpace former darlings like Phoenix (-0.1%), Tampa (-2.4%), and Dallas (-1.0%). Tampa's decline marks the worst performance among all tracked metros, while several Western markets including San Diego (-0.6%) and San Francisco (-2.0%) have joined the negative column – a remarkable transformation from their earlier boom years.” – 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-cotality-case-shiller-index-records-annual-gain-in-june-2025/; 8/26/25

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# U.S. Housing Prices

## S&P Cotality Case-Shiller Index

### Analysis

"For the first time in years, home prices are failing to keep pace with broader inflation. From June 2024 to June 2025, the Consumer Price Index climbed 2.7%, substantially outpacing the 1.9% gain in national home prices. This reversal is historically significant: During the pandemic surge, home values were climbing at double-digit annual rates that far exceeded inflation, building substantial real wealth for homeowners. Now, American housing wealth has actually declined in inflation-adjusted terms over the past year – a notable erosion that reflects the market's new equilibrium.

The monthly patterns in June reveal a market caught between seasonal forces and underlying weakness. While 13 of 20 metros posted monthly gains before seasonal adjustment, the national index managed just 0.1% growth. After seasonal adjustment, all three headline composites declined, with the National Index falling 0.3%, suggesting that underlying housing demand remains weak despite normal seasonal buying patterns.

Looking ahead, this housing cycle's maturation appears to be settling around inflation-parity growth rather than the wealth-building engine of recent years. The regional rotation from Sun Belt to traditional industrial centers likely reflects more sustainable fundamentals – employment growth, relative affordability, and demographic shifts that favor established metros over speculative markets. While this represents a loss of the extraordinary gains homeowners enjoyed from 2020-2022, it may signal a healthier long-term trajectory where housing appreciation aligns more closely with broader economic fundamentals than speculative excess." – 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-cotality-case-shiller-index-records-annual-gain-in-june-2025/; 8/26/25

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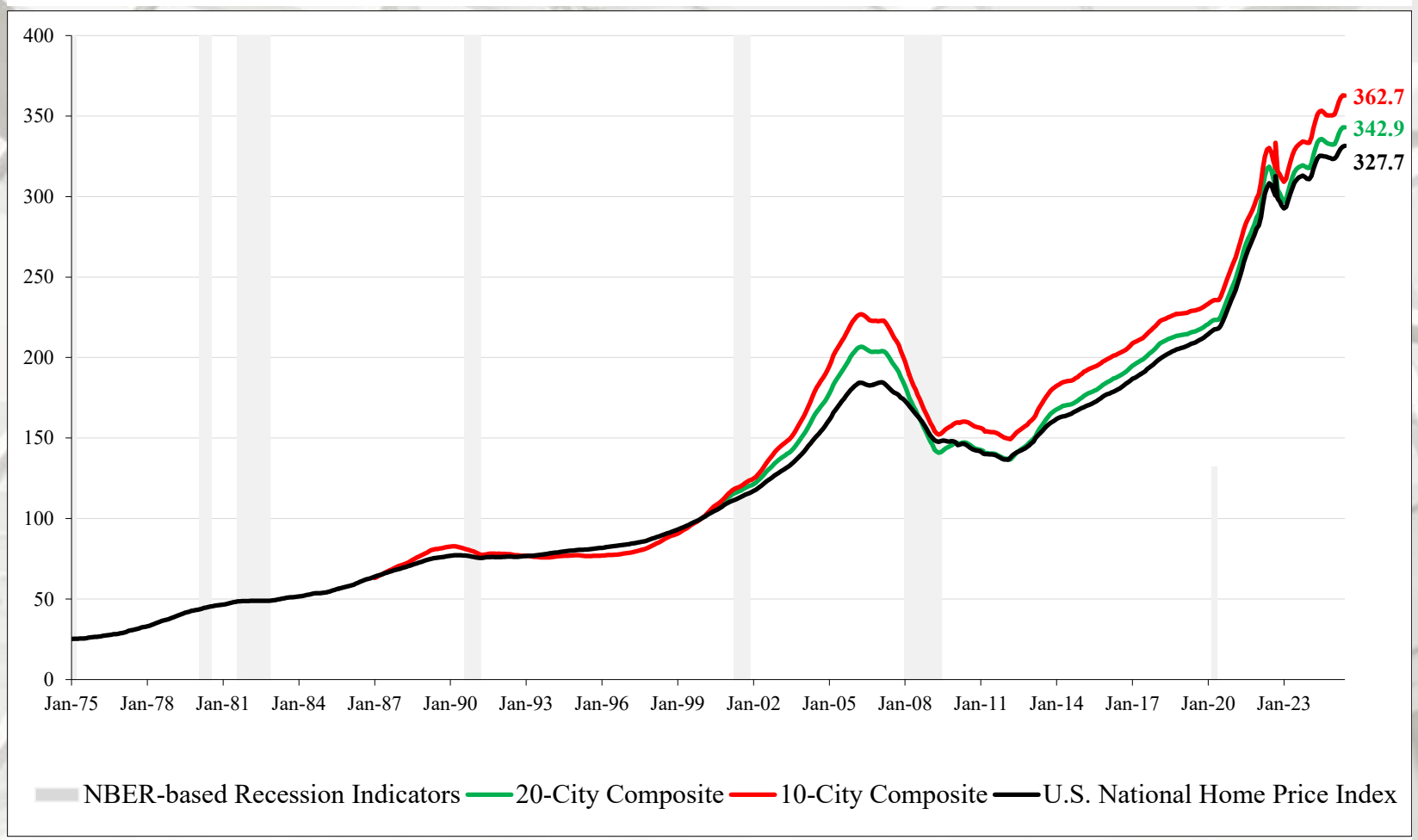
# S&P Cotality Case-Shiller Index




* 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-cotality-case-shiller-index-records-annual-gain-in-june-2025/; 8/26/25

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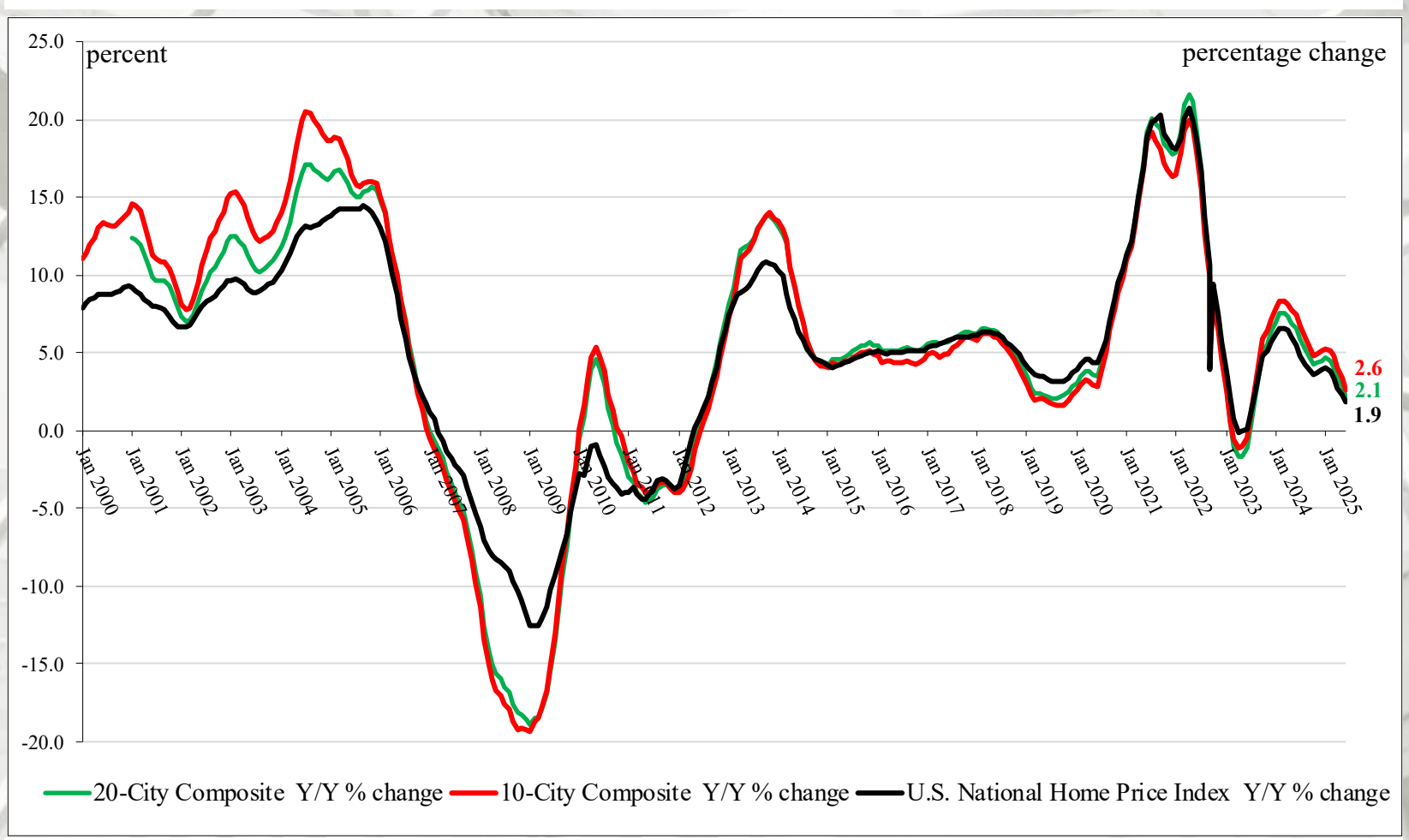
# S&P Cotality Case-Shiller Index




## Y/Y Price Change

From June 2024 to June 2025, the National Index indicated a 1.9% increase; the Ten-City increased by 2.6%, and the Twenty-City rose by 2.1%.

Source: https://www.spglobal.com/spdji/en/index-announcements/article/sp-cotality-case-shiller-index-records-annual-gain-in-june-2025/; 8/26/25

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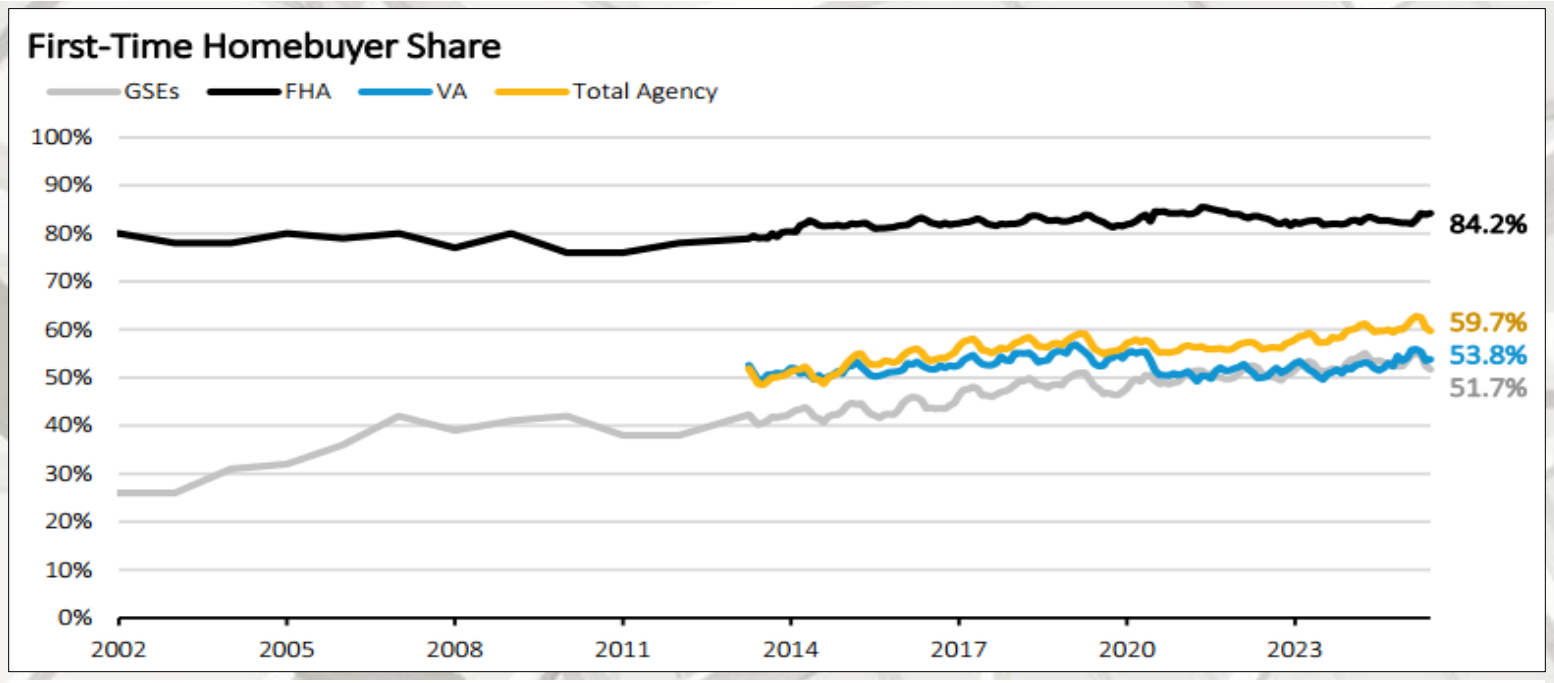
# U.S. First-Time House Buyers




Sources: eMBS, Federal Housing Administration (FHA), and Urban Institute. Data as of June 2025.
Note: All series measure the first-time home buyer share of purchase loans for principal residences. FHA's FTHB share previously reflected the FHA's latest Production Report, however this report is currently lagging by two month. Current FHA FTHB uses the eMBS FTHB share for the month of March and April 2025.

## Urban Institute

### First-time House Buyer Share

"Although the homeownership rate, which compares home owners and renters has declined modestly (page 27), the first-time home buyer share, which compares first-time home buyers with repeat buyers has increased. The increase in the first-time home buyer share reflects the fact that, in today's relatively high-interest rate environment, repeat home buyers are "locked into" their home through a low-rate mortgage, this impact is much stronger than impact of higher rates on first time home buyers, reducing home buying affordability and thereby slowing the shift from renting to homeownership. First time home buyers are traditionally more concentrated among FHA (84.2 percent). However, in June 2025, more than half of GSE and VA purchase originations are made to first-time home buyers as well (51.7 percent and 53.8 percent, respectively). …" – Laurie Goodman *et. al*, Vice President, Urban Institute

Source: https://www.urban.org/research/publication/housing-finance-glance-monthly-chartbook-august-2025/; 7/29/25

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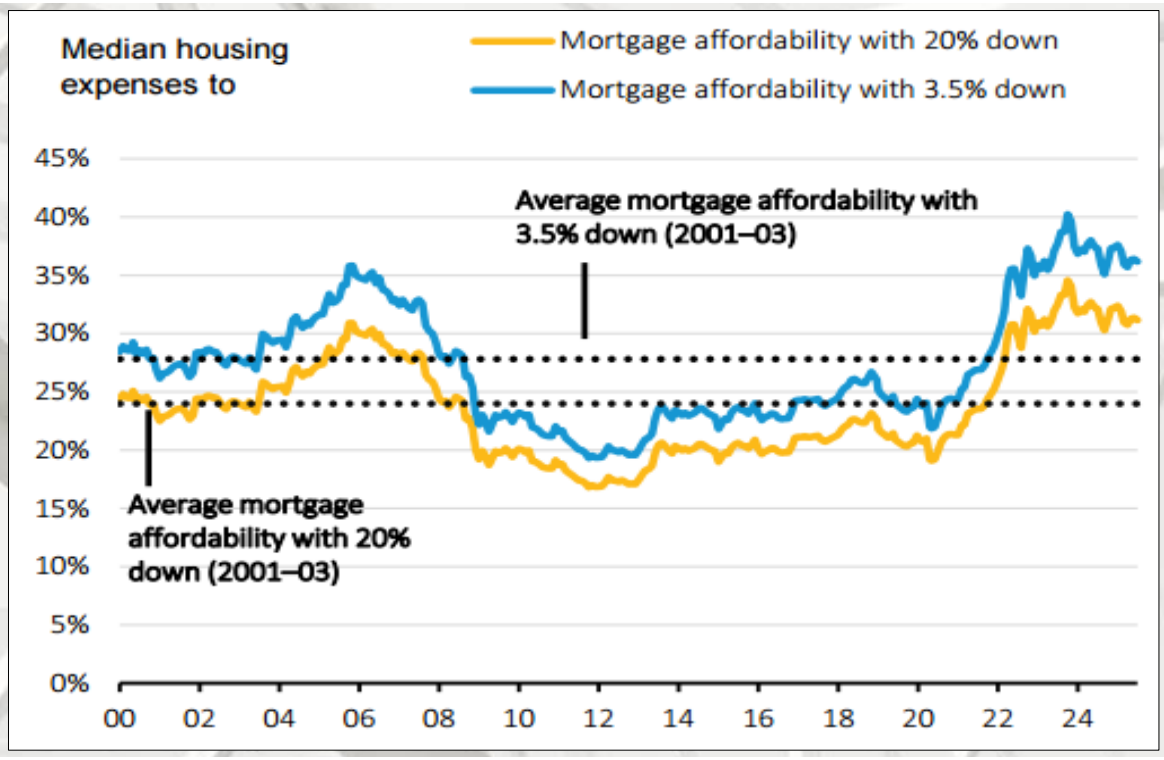
# U.S. Housing Affordability




## Urban Institute

### National Mortgage Affordability Over Time

"Mortgage affordability remains close to the worst level since the inception of this series since 2000 due to high, but stable interest rates and high home values. But, in recent months, affordability has shown signs of improvement. As of July 2025, with a 20 percent down payment, the share of median income needed for the median monthly mortgage payment was 31.2 percent, slightly above the peak of the housing bubble in November 2005; and with 3.5 percent down, the housing cost burden is 36.2 percent, also just above the 35.8 percent peak in November 2005. Active listings have broadly increased since 2022 but remain lower than pre-pandemic levels. 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-august-2025/; 7/29/25

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# U.S. Housing Finance

## Mortgage Bankers Association

### Mortgage Credit Availability Increased in July

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

The MCAI rose by 0.2 percent to 103.9 in July. A decline in the MCAI indicates that lending standards are tightening, while increases in the index are indicative of loosening credit. The index was benchmarked to 100 in March 2012. The Conventional MCAI increased 0.5 percent, while the Government MCAI decreased by 0.2 percent. Of the component indices of the Conventional MCAI, the Jumbo MCAI increased by 0.9 percent, and the Conforming MCAI fell by 0.5 percent.

Credit availability edged slightly higher in July, driven by increased availability of ARM loans. This development was consistent with a steeper yield curve and the jumbo-conforming spread back in negative territory. The average jumbo rate was around 8 basis points lower than the average conforming rate in July. Additionally, data from a separate survey showed that ARMs loan applications have picked up in recent months, although activity is still muted compared to historical averages. Credit availability of conforming loans declined slightly over the month, mostly due to a pullback in renovation loans." – Joel Kan, Vice President and Deputy Chief Economist; MBA

Source: https://www.mba.org/news-and-research/research-and-economics/single-family-research-mortgage-credit-availability-increased-in-july; 9/12/25

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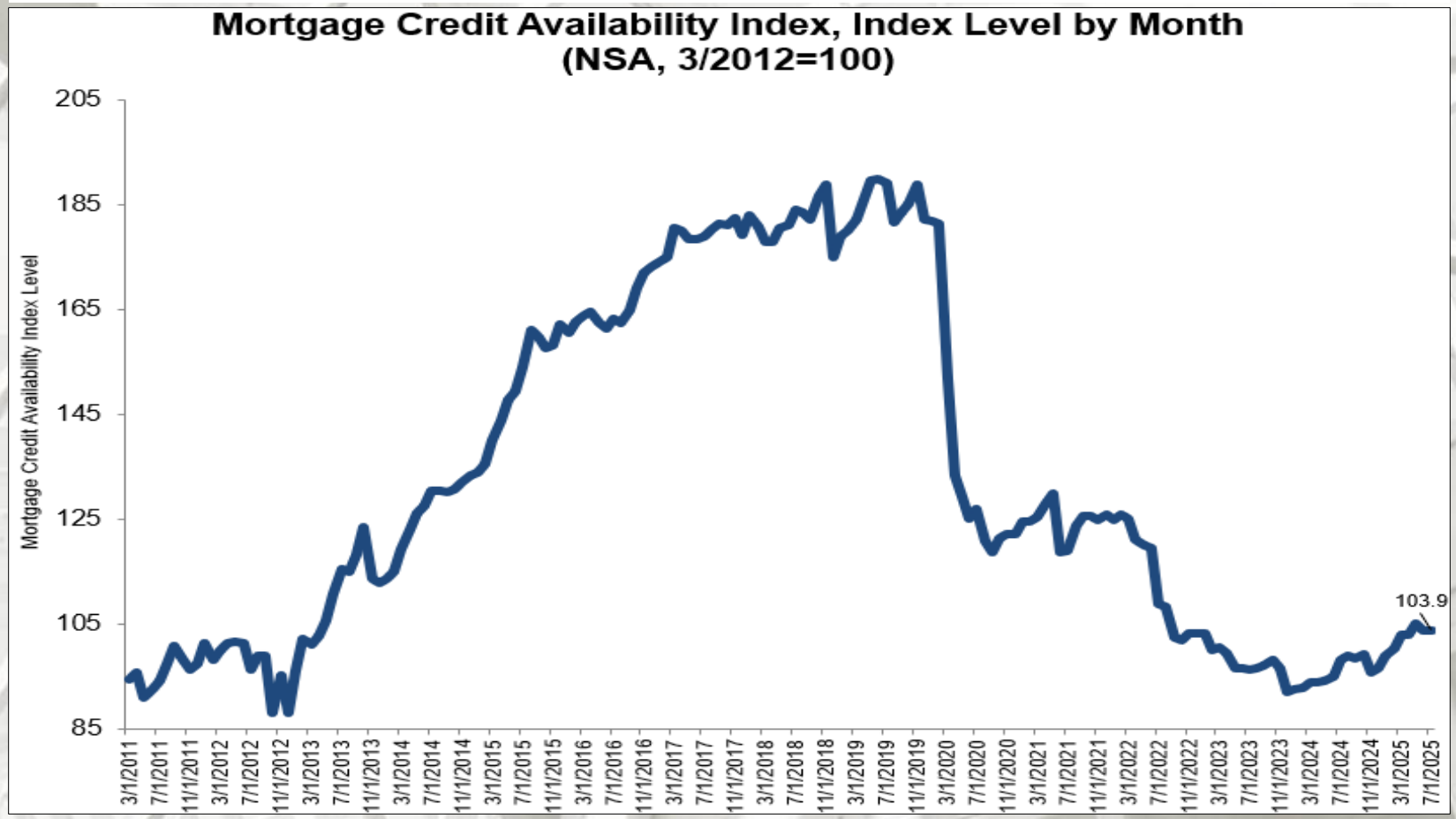
# U.S. Housing Finance
# Mortgage Credit Availability (MBA)




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

Source: https://www.mba.org/news-and-research/research-and-economics/single-family-research-mortgage-credit-availability-increased-in-july; 9/12/25

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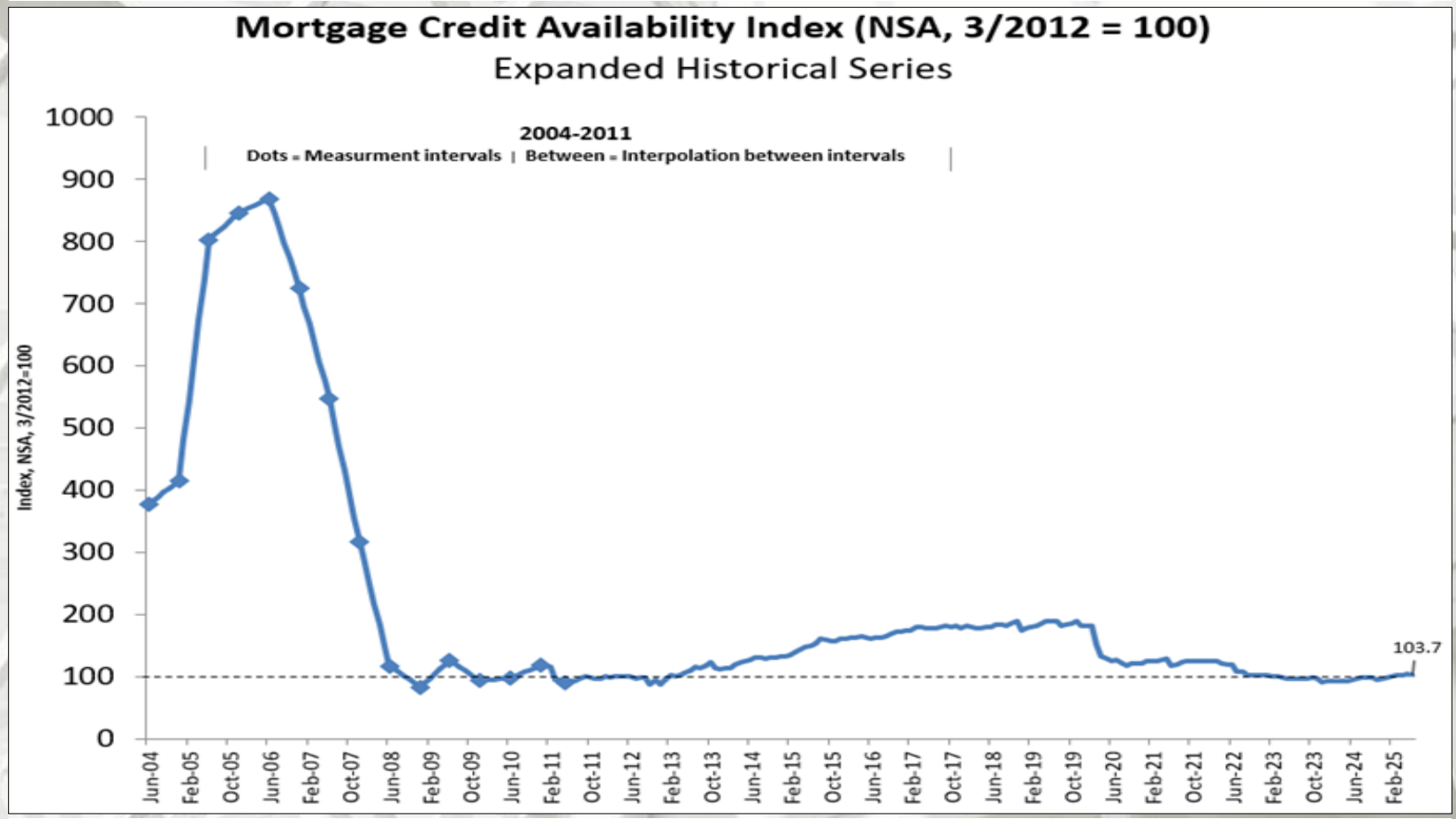
# U.S. Housing Finance
# Mortgage Credit Availability (MBA)




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

Source: https://www.mba.org/news-and-research/research-and-economics/single-family-research-mortgage-credit-availability-increased-in-july; 9/12/25

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# MBA Mortgage Finance Forecast

## MBA Mortgage Finance Forecast

August 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 | 1,401 | 1,327 | 1,401 | 1,360 | 1,330 | 1,320 | 1,331 | 1,327 | 1,367 | 1,372 | 1,327 | 1,308 |
| Single-Family | 1,062 | 1,004 | 971 | 1,013 | 1,015 | 937 | 936 | 948 | 952 | 958 | 972 | 985 | 1,013 | 959 | 967 | 985 |
| Two or More | 345 | 336 | 361 | 374 | 386 | 409 | 465 | 412 | 378 | 362 | 359 | 342 | 354 | 418 | 360 | 323 |
| Home Sales (SAAR, Thous) | | | | | | | | | | | | | | | | |
| Total Existing Homes | 4,200 | 4,050 | 3,890 | 4,163 | 4,127 | 3,990 | 4,160 | 4,300 | 4,362 | 4,397 | 4,450 | 4,502 | 4,076 | 4,144 | 4,428 | 4,640 |
| New Homes | 663 | 693 | 712 | 671 | 655 | 652 | 695 | 719 | 749 | 758 | 761 | 769 | 685 | 680 | 759 | 772 |
| FHFA US House Price Index (YOY % Change) | 6.8 | 5.9 | 4.6 | 4.5 | 3.4 | 2.9 | 1.8 | 1.0 | 0.6 | 0.2 | -0.2 | -0.2 | 4.5 | 1.0 | (0.2) | 0.1 |
| Median Price of Total Existing Homes (Thous $) | 385.1 | 416.9 | 414.1 | 405.0 | 397.8 | 424.3 | 423.0 | 419.7 | 417.2 | 412.8 | 408.1 | 405.3 | 405 | 416 | 411 | 406 |
| Median Price of New Homes (Thous $) | 429.2 | 414.5 | 418.6 | 415.6 | 419.2 | 412.6 | 413.7 | 419.4 | 416.0 | 417.6 | 420.0 | 416.6 | 419 | 416 | 418 | 417 |
| **Interest Rates** | | | | | | | | | | | | | | | | |
| 30-Year Fixed Rate Mortgage (%) | 6.7 | 7.0 | 6.5 | 6.6 | 6.8 | 6.8 | 6.7 | 6.6 | 6.5 | 6.5 | 6.5 | 6.5 | 6.6 | 6.6 | 6.5 | 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 $) | 363 | 415 | 457 | 450 | 384 | 549 | 547 | 535 | 541 | 584 | 581 | 536 | 1,685 | 2,015 | 2,242 | 2,287 |
| Purchase | 302 | 349 | 371 | 316 | 272 | 367 | 378 | 357 | 342 | 383 | 391 | 345 | 1,338 | 1,374 | 1,461 | 1,513 |
| Refinance | 61 | 66 | 86 | 135 | 112 | 182 | 168 | 178 | 199 | 201 | 190 | 191 | 348 | 640 | 781 | 774 |
| Refinance Share (%) | 17 | 16 | 19 | 30 | 29 | 33 | 31 | 33 | 37 | 34 | 33 | 36 | 21 | 32 | 35 | 34 |
| FHA Originations (Bil $) | | | | | | | | | | | | | 194 | 205 | 229 | 211 |
| Total 1- to 4-Family (000s loans) | 980 | 1,118 | 1,237 | 1,237 | 1,068 | 1,533 | 1,511 | 1,486 | 1,515 | 1,623 | 1,608 | 1,497 | 4,572 | 5,598 | 6,244 | 6,353 |
| Purchase | 797 | 920 | 977 | 832 | 690 | 924 | 950 | 895 | 855 | 957 | 977 | 863 | 3,526 | 3,458 | 3,651 | 3,782 |
| Refinance | 183 | 198 | 260 | 405 | 378 | 609 | 562 | 591 | 660 | 667 | 631 | 635 | 1,047 | 2,139 | 2,593 | 2,570 |
| Refinance Share (%) | 19 | 18 | 21 | 33 | 35 | 40 | 37 | 40 | 44 | 41 | 39 | 42 | 23 | 38 | 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 |

Notes:

**As of the August 2025 forecast, 2024 origination volume was revised based on the 2024 Home Mortgage Disclosure Act data.**

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

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

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

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



MBA

MORTGAGE BANKERS ASSOCIATION

Source: https://www.mba.org/news-and-research/forecasts-and-commentary/; 8/21/25

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# MBA Economic Forecast

## MBA Economic Forecast

August 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 | -0.5 | 3.0 | 0.8 | 0.8 | 1.3 | 1.4 | 1.5 | 1.5 | 2.5 | 1.0 | 1.4 | 1.7 |
| Personal Consumption Expenditures | 1.9 | 2.8 | 3.7 | 4.0 | 0.5 | 1.4 | 0.3 | -0.9 | 0.3 | 0.2 | 1.0 | 1.9 | 3.1 | 0.3 | 0.9 | 2.6 |
| Business Fixed Investment | 4.5 | 3.9 | 4.0 | -3.0 | 10.3 | 1.9 | -3.3 | -3.1 | -1.7 | 0.6 | 0.3 | 0.3 | 2.4 | 1.5 | -0.1 | 0.8 |
| Residential Investment | 13.7 | -2.8 | -4.3 | 5.5 | -1.3 | -4.6 | -7.3 | 0.9 | 2.6 | 1.9 | 2.5 | 2.4 | 3.0 | -3.1 | 2.3 | 1.6 |
| Govt. Consumption & Investment | 1.8 | 3.1 | 5.1 | 3.1 | -0.6 | 0.4 | -0.2 | 2.4 | 0.8 | 0.7 | 0.5 | 0.2 | 3.2 | 0.5 | 0.6 | -0.1 |
| Net Exports (Bil. Chain 2012$) | -977.0 | -1035.7 | -1069.2 | -1052.7 | -1359.0 | -1026.3 | -1026.9 | -953.5 | -882.0 | -838.6 | -801.1 | -792.7 | -1033.6 | -1091.4 | -828.6 | -820.7 |
| Inventory Investment (Bil. Chain 2012$) | 17.7 | 71.7 | 57.9 | 8.9 | 160.5 | -26.0 | 55.7 | 76.6 | 79.8 | 98.2 | 97.7 | 94.3 | 39.0 | 66.7 | 92.5 | 92.0 |
| Consumer Prices (YOY) | 3.2 | 3.2 | 2.7 | 2.7 | 2.7 | 2.5 | 3.0 | 3.2 | 3.2 | 3.4 | 3.1 | 3.0 | 2.7 | 3.2 | 3.0 | 2.3 |
| ***Percent*** | | | | | | | | | | | | | | | | |
| Unemployment Rate | 3.8 | 4.0 | 4.2 | 4.2 | 4.1 | 4.2 | 4.4 | 4.7 | 4.8 | 4.8 | 4.7 | 4.7 | 4.0 | 4.3 | 4.7 | 4.5 |
| Federal Funds Rate | 5.375 | 5.375 | 4.875 | 4.375 | 4.375 | 4.375 | 4.125 | 3.875 | 3.625 | 3.625 | 3.625 | 3.625 | 4.375 | 3.875 | 3.625 | 3.625 |
| 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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Source: https://www.mba.org/news-and-research/forecasts-and-commentary/; 8/21/25

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# Summary

**In conclusion:**

Housing data month-over-month were mixed. Year-over-year, total, single-family, multi-family starts, and existing house sales were positive. The influence of mortgage rates is evident, as aggregate costs have decreased affordability.

**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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