

# Residential Real Estate Market Snapshot Report

September 2025

National Association of REALTORS®  
Research Group



NATIONAL  
ASSOCIATION OF  
REALTORS®

# Overview

## The Housing Market in July 2025

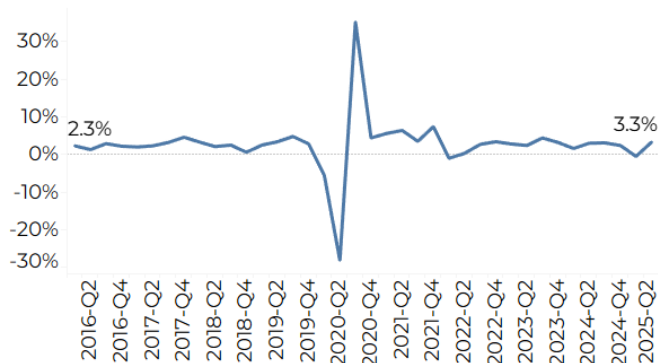
July marked the beginning of the third quarter of 2025, accompanied by cautious optimism about the economy. The latest GDP indicator suggests that economic activity remained robust in the previous quarter. Additionally, the 10-year Treasury yield reflects expectations for stronger growth in the upcoming months, although it also signals potential inflationary pressures. Indeed, inflation in July remained above the Federal Reserve's target of 2%.

In July, inventory levels reached their highest point since the 2020 lockdown, and wage growth outpaced the rise in home prices. With more inventory available and stable mortgage rates hovering around the mid-6% range, buyers were able to negotiate better prices. The increase in inventory improved affordability, which in turn led to increased sales activity. Nevertheless, leading indicators such as the Mortgage Purchase Index and Pending Home Sales suggest that the market will start to cool down as summer comes to an end next month.

The U.S. labor market is showing a deceleration in job creation. The market has consistently added jobs since May 2020, and despite the slower job additions in July compared to previous months, the unemployment rate has remained essentially unchanged since May 2024. The construction industry is also adapting, with housing starts increasing while building permit activity remains low. In the upcoming months, key indicators to watch include housing affordability and employment additions.

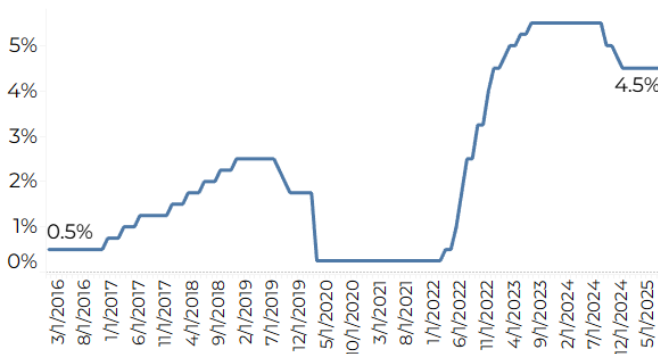
# Economic Activity

## Gross Domestic Product



Source: U.S. Bureau of Economic Analysis

## Interest Rates



Effective Federal Funds Rate, Upper Limit  
Source: Federal Reserve Board

Q2 2025: **+3.3%**

Q1 2025: **-0.5%**

Q2 2024: **+3.0%**

According to the second estimate, real GDP increased at an annual rate of 3.3% in the second quarter of 2025. The increase in national product primarily reflected a decrease in imports, which is a subtraction in the calculation of GDP, and an increase in consumer spending. However, investments and exports decreased this quarter.

July 2025: **4.5%**

June 2025: **4.5%**

July 2024: **5.5%**

In July 2025, the upper limit of the Federal Funds Rate remained at 4.5%. Although the Federal Reserve began cutting the short-term rate in September of 2024, inflation continued to rise above its target. Consequently, the Fed announced it would maintain a range of 4.25%-4.50% for the rate until inflation decreases.

# Economic Activity

## Inflation

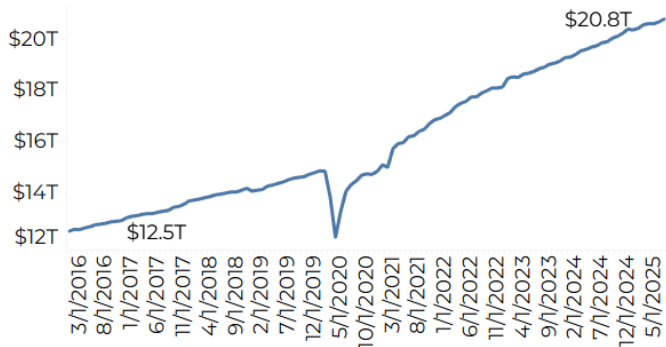


CPI Year/Year Percent Change, Seasonally Adjusted  
Source: U.S. Bureau of Labor Statistics

July 2025: **2.7%**  
June 2025: **2.7%**  
July 2024: **2.9%**

In July, the Consumer Price Index (CPI inflation) for all items over the last 12 months rose 2.7%, similar to the previous month. The primary factor in the all-items monthly increase was the index for shelter, which rose 0.2%, after rising 0.2% in June.

## Consumer Spending



Personal Consumption Expenditures, Seasonally Adjusted  
Source: U.S. Bureau of Economic Analysis

July 2025: **\$20.8 trillion**  
June 2025: **\$20.7 trillion**  
July 2024: **\$19.9 trillion**

Personal consumption expenditures increased by 0.5% to \$20.8 trillion in the month of June. The \$108.9 billion increase in current-dollar PCE reflected increases of \$60.2 billion in spending on services and \$48.7 billion in spending on goods. This is the second consecutive month of increases in consumer spending, after current-dollar spending was unchanged in May 2025.

# Economic Activity

## 10-Year Treasury Yield



Percent  
Source: U.S. Treasury

July 2025: **4.39%**

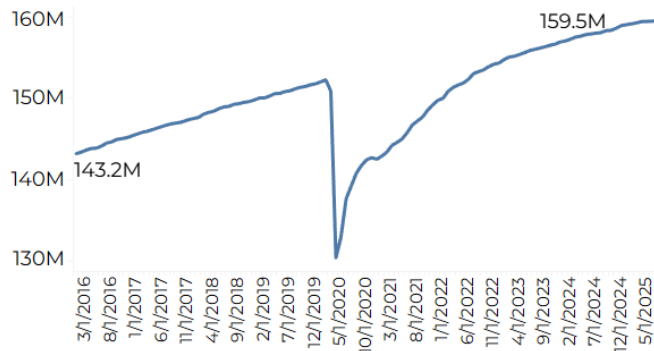
June 2025: **4.38%**

July 2024: **4.25%**

The 10-year Treasury rate increased to 4.39% in July. Its direction for the rest of the year will largely depend on developments in global trade and shifting expectations about the broader economy. Mortgage rates typically track the 10-year Treasury yield.

# Employment Situation

## Employment

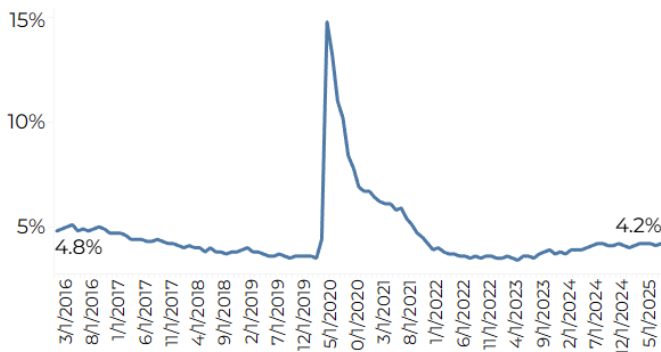


Payroll Employment, Seasonally Adjusted  
Source: U.S. Bureau of Labor Statistics

July 2025: **159.5 million**  
June 2025: **159.7 million**  
July 2024: **158.0 million**

In July, a total of 73,000 jobs were added to the U.S. labor market, showing little change since April 2025. That month, job gains occurred in health care and social assistance, while the Federal government continued to lose jobs.

## Unemployment



Unemployment Rate, Seasonally Adjusted  
Source: U.S. Bureau of Labor Statistics

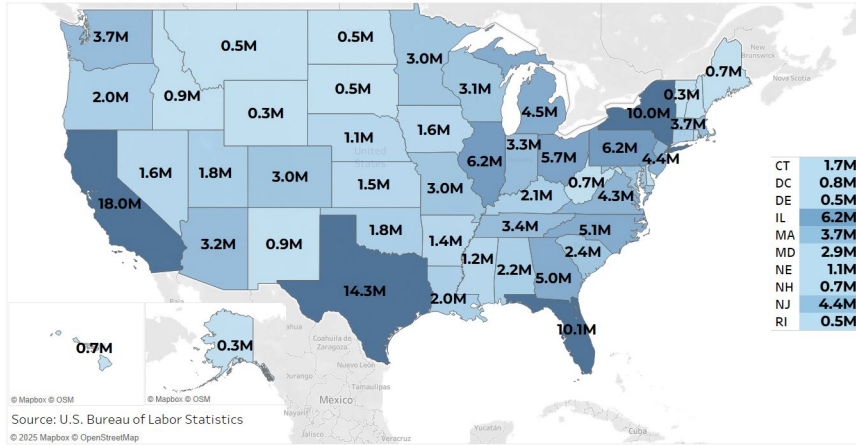
July 2025: **4.2%**  
June 2025: **4.1%**  
July 2024: **4.2%**

The unemployment rate rose back to 4.2% in July after a slight decrease to 4.1% in June. The rate remained in the range of 4.0%-4.2% since May 2024. In addition, the number of unemployed people, 7.2 million, changed little from the prior month.



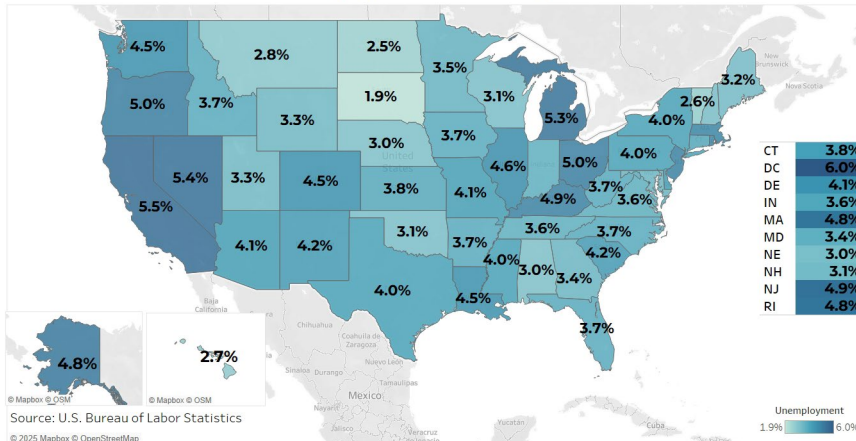
# Employment Situation

State Employment July 2025



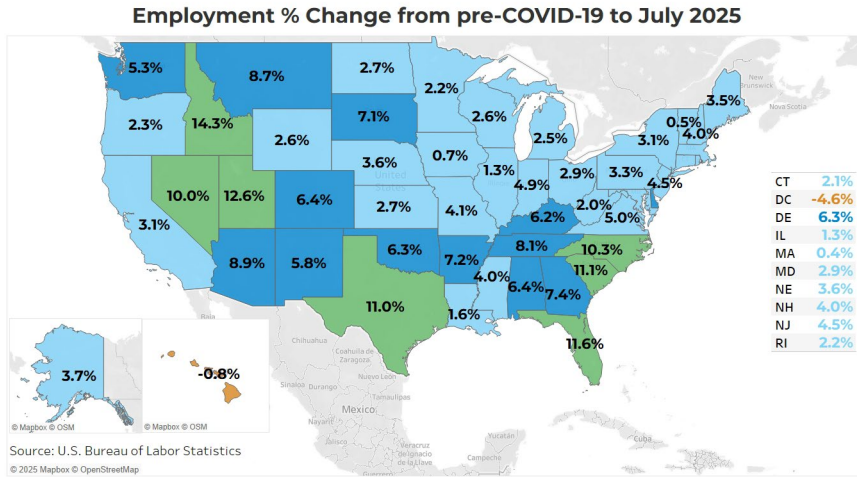
Since June, nonfarm employment increased in four states: New York (+55,500), Missouri (+17,100), Maryland (+11,700), and South Carolina (+9,000). In the rest 46 states and the District of Columbia, employment levels remained essentially unchanged compared to the previous month. The largest year-over-year job gains were recorded in Texas (+232,500), New York (+153,400), and Florida (+134,100).

Unemployment as of July 2025



In July, the lowest unemployment rate was 1.9% in South Carolina, while the highest rate was 6.0% in the District of Columbia. Between June and July, only Alabama and Colorado had rate decreases, each at -0.2 percentage points. California was the only state with a rate increase of 0.1 percentage points, and the remaining states and the District were essentially unchanged. Overall, 21 states had jobless rates lower than the U.S. average of 4.2% and only 4 states had a higher rate than that.

# Employment Situation

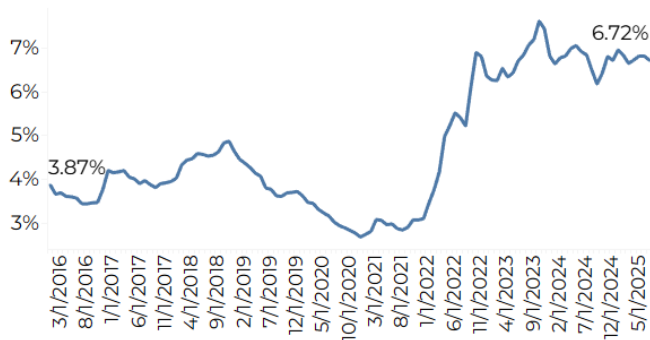


In July, most states continued to outperform the pre-pandemic labor market additions, some more than others. Similar to the month of June, the largest job gains between pre-pandemic and July 2025 were seen in Idaho (+14.3%), Utah (+12.6%), Florida (+11.6%), South Carolina (+11.1%), and Texas (+11.0%). In contrast, the employment levels of Hawaii (-0.8%) and the District of Columbia (-4.6%) were still below their pre-pandemic levels.



# Housing Market

## Mortgage Rates



30-Year Fixed Mortgage Rate, Monthly Averages  
Source: Federal Home Loan Mortgage Corporation

July 2025: **6.72%**  
June 2025: **6.82%**  
July 2024: **6.85%**

Mortgage rates fell slightly to 6.72% in July, continuing to trend below the historical average of 7.7% since 1971. Since February 2025, mortgage rates have held steady in the mid-6% range. This stability has contributed to an uptick in mortgage applications in July.

## Mortgage Purchase Index



MBA Purchase Index, Monthly Averages  
Source: Mortgage Bankers Association of America, Haver Analytics

July 2025: **165.3**  
June 2025: **166.8**  
July 2024: **138.0**

The Purchase Index showed a slight decrease to an average of 165.3 in June. While this level reflects stronger housing demand compared to the same month last year, the market shows signs of cooling as the summer winds down. Nevertheless, the index is still lower than the historical average of 247.6 between 1990 and 2024.

# Housing Market

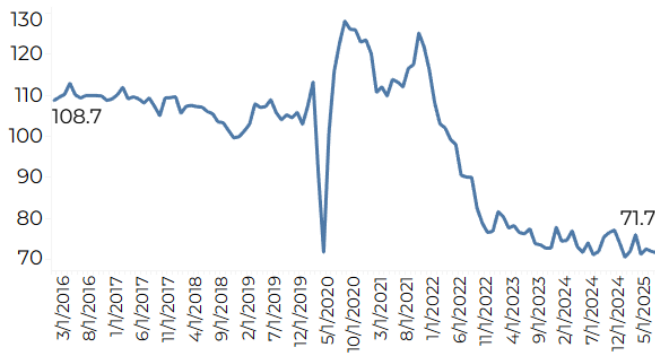
## Existing Home Sales



Annualized

Source: National Association of REALTORS®

## Pending Home Sales



PHS Index, Seasonally Adjusted

Source: National Association of REALTORS®

July 2025: **4.01 million**

June 2025: **3.93 million**

July 2024: **3.98 million**

Existing-home sales increased by 2.0% to a seasonally adjusted level of 4.0 million in July. Between June and July, sales increased in the Northeast, South, and West, and fell in the Midwest. Year-over-year, sales rose in the South, Northeast, and Midwest regions, but fell in the West. The main driver of home sales is the improvement in housing affordability.

July: **71.7**

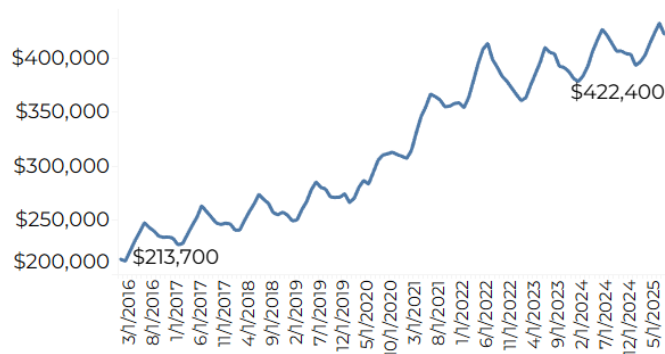
June 2025: **72.0**

July 2024: **71.2**

The Pending Home Sales Index (PHS) is a leading indicator of housing activity that generally leads Existing-Home Sales by 1-2 months. In July, pending-home sales decreased by 0.4% to an index of 72.0. Month-over-month, pending sales declined in the Northeast and Midwest, remained essentially unchanged in the South, and rose in the West. Year-over-year, sales decreased in the Northeast and West but increased in the Midwest and South.

# Housing Market

## Median Sales Price



Existing Single-Family Homes

Source: National Association of REALTORS®

## Housing Affordability



HAI Index, Seasonally Adjusted

Source: National Association of REALTORS®

July 2025: **\$422,400**

June 2025: **\$435,300**

July 2024: **\$421,400**

In July, the median existing-home price for all housing types was \$422,400. Despite a decrease compared to June, the median sales price was up 0.2% from one year ago, marking July the 25<sup>th</sup> consecutive month of year-over-year increases.

June 2025: **94.4**

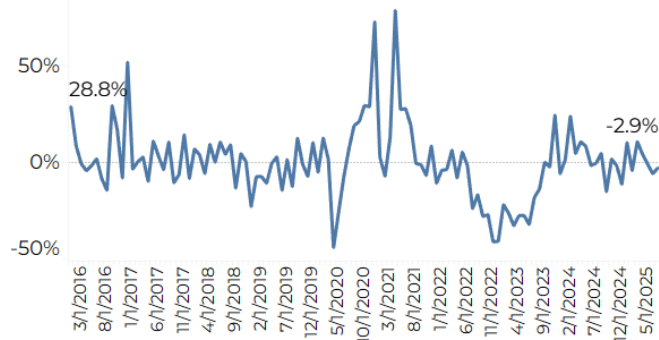
May 2025: **97.2**

June 2024: **91.6**

In June, the Housing Affordability Index decreased further to a level of 94.4. Nevertheless, this was higher compared to June of 2024. An index below 100 indicates that the typical family doesn't earn enough income to qualify for a median-priced home purchased across the country.

# Housing Market

## New Listings

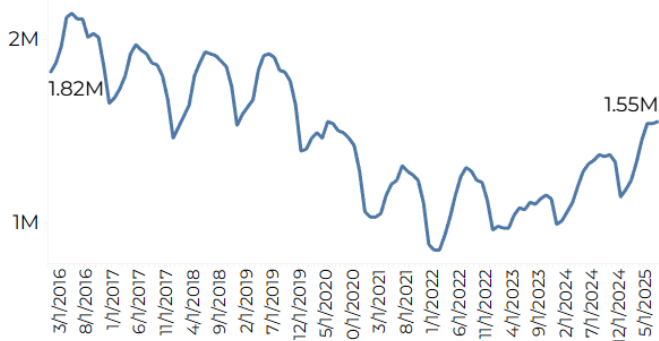


Year/Year Percent Change in New Listings  
Source: National Association of REALTORS®

July 2025: **-2.9%**  
June 2025: **-8.4%**  
July 2024: **-0.5%**

In July, new listings saw another year-over-year decrease of 2.9%, after decreasing by 8.4% in the prior month.

## Inventory



Total Existing Home Sales Available for Sale, Unadjusted  
Source: National Association of REALTORS®

July 2025: **1.55 million**  
June 2025: **1.53 million**  
July 2024: **1.34 million**

Total housing inventory reached 1.55 million units in July, up by 0.6% from June and by 15.7% from July 2024. July's unsold inventory was equivalent to 4.6 months' supply, down from 4.7 months in June and up from 4 months in July 2024.

# New Residential Construction

## Housing Starts



Annualized  
Source: U.S. Census Bureau

July 2025: **1.43 million**  
June 2025: **1.35 million**  
July 2024: **1.26 million**

In July, privately-owned housing starts increased to a seasonally adjusted rate of 1.43 million. This increase was 5.2% above the revised June estimate and 12.9% above the July 2024 rate. There were 939,000 single-family starts in July, up by 2.8% from 913,000 in June.

## Building Permits



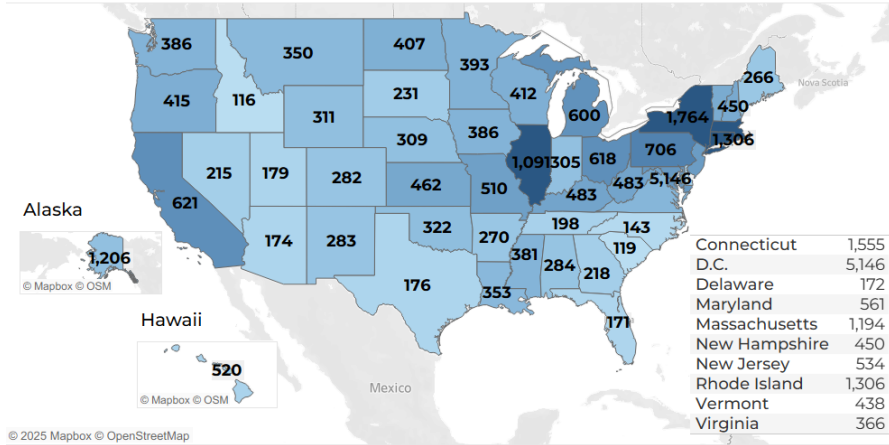
Seasonally Adjusted  
Source: U.S. Census Bureau, Haver Analytics

July 2025: **1.36 million**  
June 2025: **1.39 million**  
July 2024: **1.43 million**

Another measure of housing construction, building permits issued, decreased to 1.36 million in June. Permits were down by 2.8% from June and down by 5.7% from July 2024. Single-family building permits were at a rate of 870,000, 0.5% above the revised June estimate of 866,000.

# New Residential Construction

## Population Per Single-Family Building Permit by State July 2025



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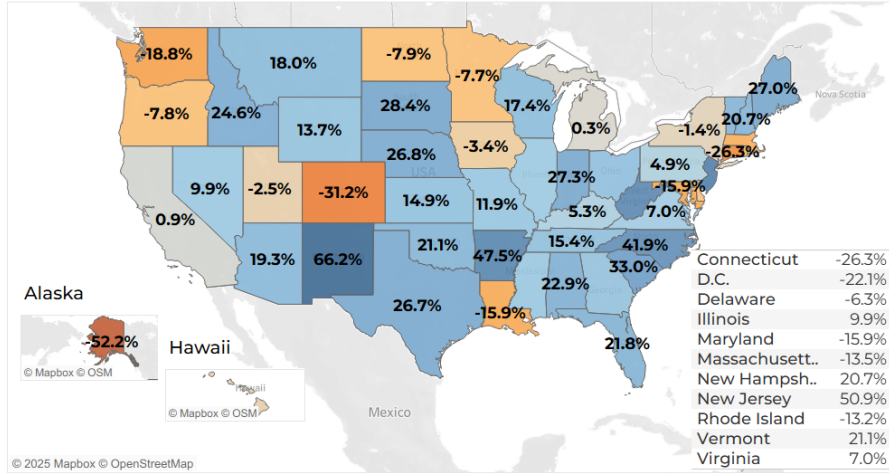
\* The ratio is calculated by dividing the number of a state's population by the number of single-family building permits issued in the state within one year.  
Source: U.S. Census Bureau, NAR Calculations

In July, Idaho continued to lead as the state with the highest number of building permits issued per resident, with one permit issued per 116 residents. Similar to last month, Idaho was followed by South Carolina (119), North Carolina (143), and Florida (171). Delaware was a new entrant to the top 10 permit issuing states, with one permit issued per 172 residents. In contrast, the District of Columbia remained the state with the fewest building permits per population, issuing one permit per 5,146 residents, a deterioration from the prior month. D.C. was followed by New York (1,764), Connecticut (1,555), Rhode Island (1,306), and Alaska (1,206).



# New Residential Construction

## State Percentage Change of Single-Family Building Permits Between Pre-COVID and July 2025



Source: U.S. Census Bureau, NAR Calculations

Similar to June 2025, New Mexico was leading with the highest increase in single-family building permits. Between June 2019 and June 2025, the number of permits issued in New Mexico increased by 66.2%. It was followed by New Jersey (+50.9%), Arkansas (+47.5%), West Virginia (+45.6%), and North Carolina (+41.9%). In contrast, Alaska continued to experience the largest declines in permits, decreasing further at -52.2%. It was followed by losses in Colorado (-31.2%), Connecticut (-26.2%), the District of Columbia (-22.1%), and Washington (-18.8%).

## **About the National Association of REALTORS®**

As America's largest trade association, the National Association of REALTORS® is involved in all aspects of residential and commercial real estate.

The term REALTOR® is a registered collective membership mark that identifies a real estate professional who is a member of NAR and subscribes to its strict [Code of Ethics](#).

For free consumer guides about navigating the homebuying and selling transaction processes – from written buyer agreements to negotiating compensation – visit [facts.realtor](#).

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The mission of the National Association of REALTORS® Research Group is to produce timely, data-driven market analysis and authoritative business intelligence to serve members, and inform consumers, policymakers and the media in a professional and accessible manner.

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