

Residential Real Estate Market Snapshot Report

August 2025

National Association of REALTORS®
Research Group



Overview

The Housing Market in June 2025

Throughout the second quarter of the year, fluctuations in net exports driven by tariffs continued to impact economic data. The latest GDP indicator suggests that economic activity remained robust. This growth in national products primarily reflected a decrease in imports (which are subtracted in GDP calculations), and an increase in consumer spending. However, both investments and exports fell, offsetting some of this growth. Inflation remained elevated, moving further away from the Federal Reserve's target of 2%. As a result, the Federal Funds Rate remained unchanged for seven consecutive months.

In June, housing market activity was slow due to affordability issues. The median existing-home price reached an all-time high, marking the 24th consecutive month of year-over-year price increases. Even though inventory is rising, housing supply is still limited, and that's also keeping both sales and contract signings muted. However, the summer is not over yet, and forward-looking indicators such as the MBA Purchase Index suggest that activity will pick up in the coming weeks.

Since May of 2020, the U.S. labor market has been consistently growing and adding jobs, contributing to the growth in consumer spending. Stable employment is important for housing activity, and more jobs will weaken the barriers to entry for potential home buyers across various income levels. To address affordability issues, local markets are increasing construction activity by issuing more building permits. If mortgage rates continue to remain stable, additional inventory will help reignite market activity.

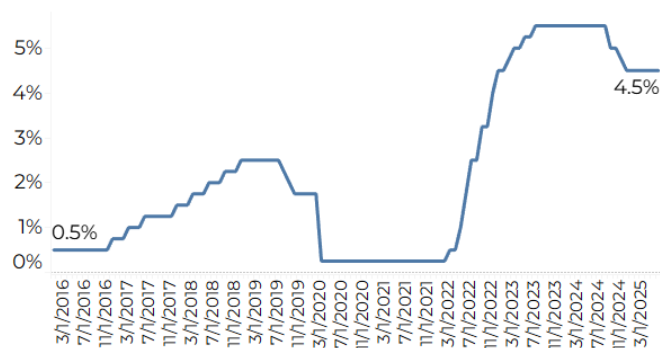
Economic Activity

Gross Domestic Product



Source: U.S. Bureau of Economic Analysis

Interest Rates



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

Q2 2025: **+3.0%**

Q1 2025: **-0.5%**

Q2 2024: **+3.0%**

According to the advance estimate, real GDP increased at an annual rate of 3.0% in the second quarter of 2025. The increase in national product primarily reflected a decrease in imports, which are a subtraction in the calculation of GDP, and an increase in consumer spending. However, investments and exports decreased this quarter.

June 2025: **4.5%**

May 2025: **4.5%**

June 2024: **5.5%**

In June 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.

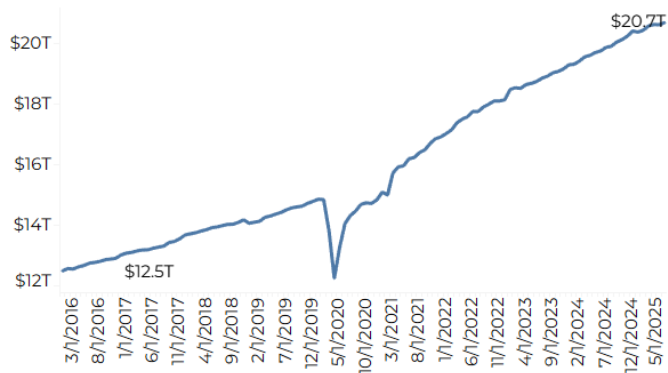
Economic Activity

Inflation



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

Consumer Spending



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

June 2025: **2.7%**
May 2025: **2.4%**
June 2024: **3.0%**

In June, the Consumer Price Index (CPI inflation) for all items over the last 12 months rose 2.7%. The primary factor in the all-items monthly increase was the index for energy services, which rose 0.9%. Shelter rose 0.2% in June after rising 0.3% in May.

June 2025: **\$20.7 trillion**
May 2025: **\$20.6 trillion**
June 2024: **\$19.7 trillion**

Personal consumption expenditures increased by 0.3% to \$20.7 trillion in the month of June. The \$69.9 billion increase in current-dollar PCE reflected increases of \$40.1 billion in spending on services and \$29.9 billion in spending on goods. The largest gains in consumer spending were in health care, housing and utilities, and gas and energy services.

Economic Activity

10-Year Treasury Yield



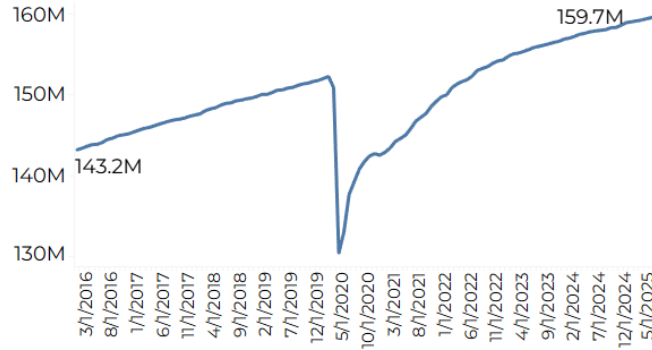
Percent
Source: U.S. Treasury

June 2025: **4.38%**
May 2025: **4.42%**
June 2024: **4.31%**

The 10-year Treasury rate decreased to 4.38% in June. 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.

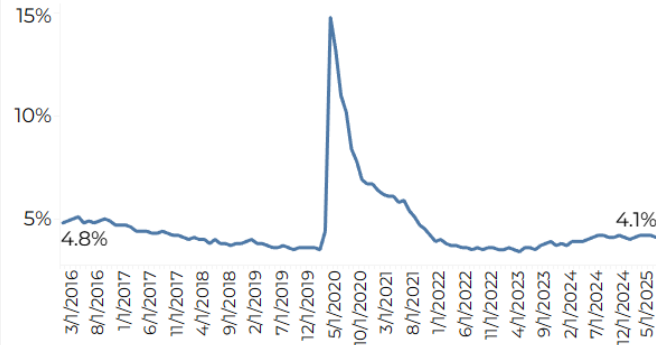
Employment Situation

Employment



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

Unemployment



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

June 2025: **159.7 million**
May 2025: **159.6 million**
June 2024: **157.9 million**

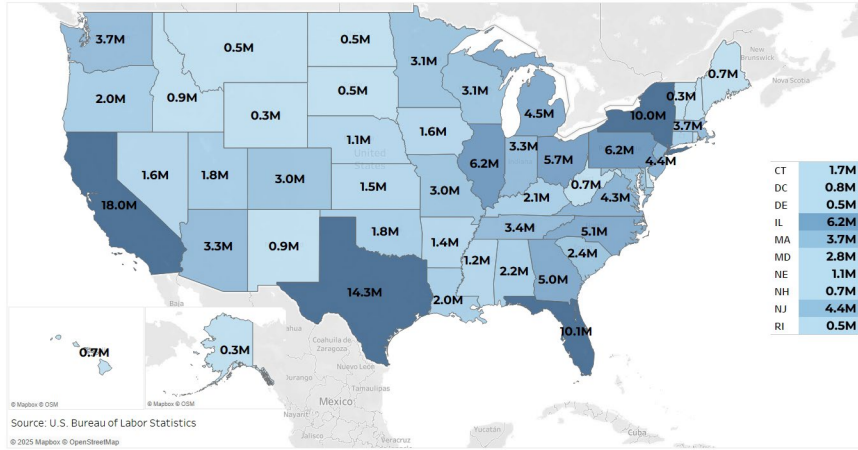
In June, a total of 147,000 jobs were added to the U.S. labor market, in line with the average monthly gain of 146,000 over the prior 12 months. That month, job gains occurred in state government and health care, while the Federal government continued to lose jobs.

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

The unemployment rate decreased slightly from 4.2% in May 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, 7.0 million, changed little from the prior month.

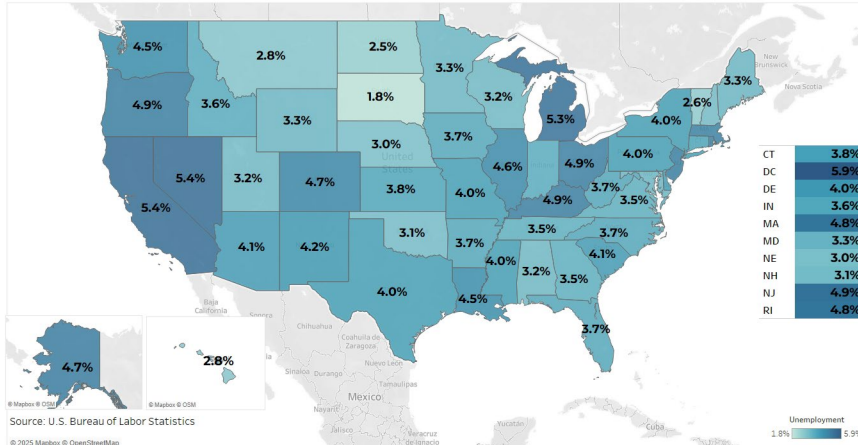
Employment Situation

State Employment June 2025



Between May and June, nonfarm payroll employment increased in Alaska and remained essentially unchanged in 49 states and the District of Columbia. Year-over-year, employment increased in 15 states. The states that saw the largest percentage increase in jobs were South Carolina (+2.9%), Idaho (+2.5%), and Hawaii (+2.3). The largest job gains were seen in the larger states, with Texas, Florida, and New York leading with 198,300, 142,300, and 100,100 new jobs, respectively.

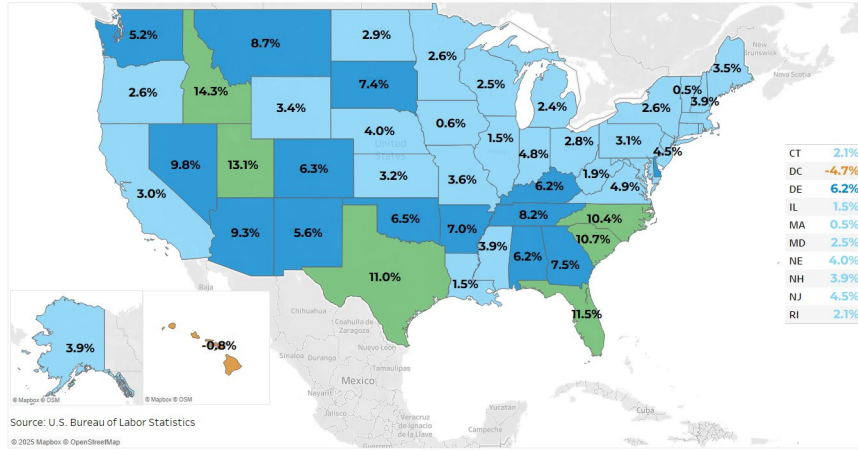
Unemployment as of June 2025



In June, two states had unemployment rate decreases: Illinois (-0.2 percentage points) and Maine (-0.1 percentage points). The lowest unemployment rate was recorded in South Dakota (1.8%), while the highest rate remained in the District of Columbia (5.9%). Following the nation's capital were California (5.4%) and Nevada (5.4%). Overall, 18 states had unemployment rates lower than the nation's average rate of 4.1%.

Employment Situation

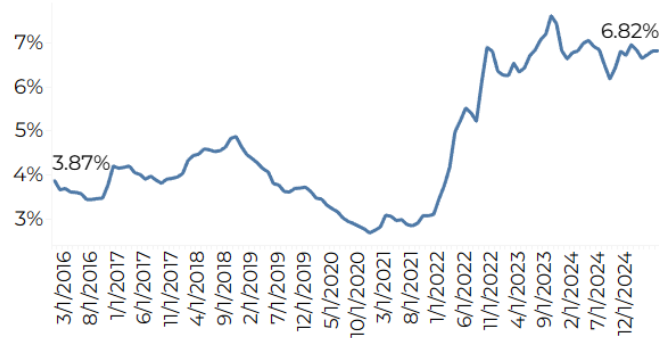
Employment % Change from pre-COVID-19 to June 2025



Overall, most states continued to outperform the pre-pandemic labor market additions, some more than others. Similar to last month, the largest job gains between pre-pandemic and June 2025 were seen in Idaho (14.3%), Utah (13.1%), Florida (11.5%), Texas (11.0%), South Carolina (10.7%), and North Carolina (10.4%). In contrast, the employment levels of Hawaii (-0.8%) and the District of Columbia (-4.7%) were still below their pre-pandemic levels.

Housing Market

Mortgage Rates



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

Mortgage Purchase Index



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

June 2025: **6.82%**
May 2025: **6.82%**
June 2024: **6.92%**

Mortgage rates remained unchanged at 6.82% in June, continuing to trend below the historical average of 7.7% since 1971. Since February 2025, mortgage rates have been stable in the mid-6% range.

June 2025: **166.8**
May 2025: **160.8**
June 2024: **145.1**

The Purchase Index increased further to an average of 166.8 in June. The increase suggests that we will begin to see stronger demand for housing as the market transitions to summer. However, it's 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®

June 2025: **3.93 million**

May 2025: **4.04 million**

June 2024: **3.93 million**

Existing-home sales in June decreased by 2.7% to 3.93 million. Sales decreased in the Northeast, Midwest, and South regions, but increased by 1.4% in the West. Compared to last year, nationwide sales remained unchanged.

June 2025: **72.0**

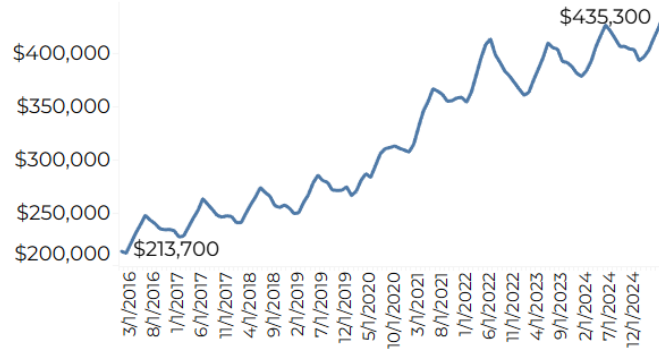
May 2025: **72.6**

June 2024: **74.1**

Between May and June this year, pending home sales decreased by 0.8% to an index of 72.0. Across the nation, month-over-month and year-over-year, pending sales decreased in the Midwest, South, and the West. In the Northeast, pending sales rose month-over-month, but remained unchanged from last year.

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®

June 2025: **\$435,300**
May 2025: **\$423,700**
June 2024: **\$426,900**

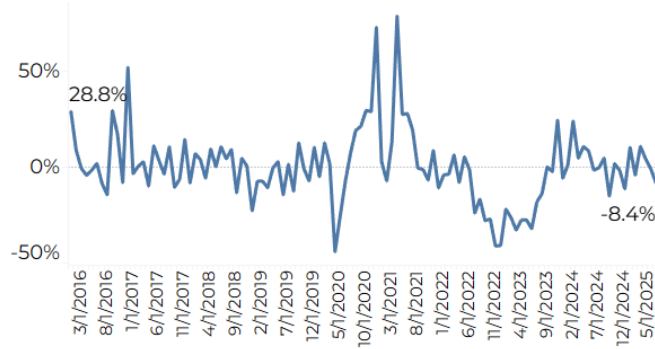
In June, the median existing-home price for all housing types increased to a record high of \$435,300, marking the 24th consecutive month of year-over-year increases. This is 2% higher than the median price in June of last year.

May 2025: **97.2**
April 2025: **101.0**
May 2024: **92.3**

In May, the Housing Affordability Index decreased to 97.2. An index below 100 indicates that the typical family doesn't earn enough income to qualify for a median-priced home purchase across the country.

Housing Market

New Listings

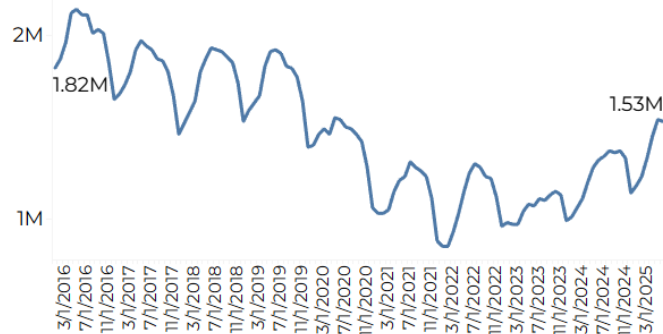


Year/Year Percent Change in New Listings
Source: National Association of REALTORS®

June 2025: **-8.4%**
May 2025: **-1.2%**
June 2024: **-1.7%**

In June, new listings saw a year-over-year decrease of 8.4%, after decreasing by 1.2% in the prior month.

Inventory



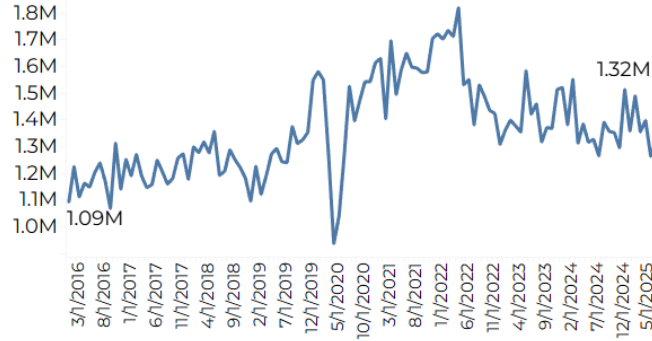
Total Existing Home Sales Available for Sale, Unadjusted
Source: National Association of REALTORS®

June 2025: **1.53 million**
May 2025: **1.54 million**
June 2024: **1.32 million**

Total housing inventory reached 1.53 million units in June, down by 0.6% from May but up by 15.9% from June 2024. June's unsold inventory was equivalent to a 4.7-month supply, up from 4.6 months in May and 4 months in June of last year.

New Residential Construction

Housing Starts



Annualized
Source: U.S. Census Bureau

June 2025: **1.32 million**
May 2025: **1.26 million**
June 2024: **1.32 million**

In June, privately-owned housing starts increased to a seasonally adjusted rate of 1.32 million. This increase was 4.6% above the revised May estimate but 0.5% below the June 2024 estimate. There were 883,000 single-family starts in June, down by 4.6% from 926,000 in May.

Building Permits



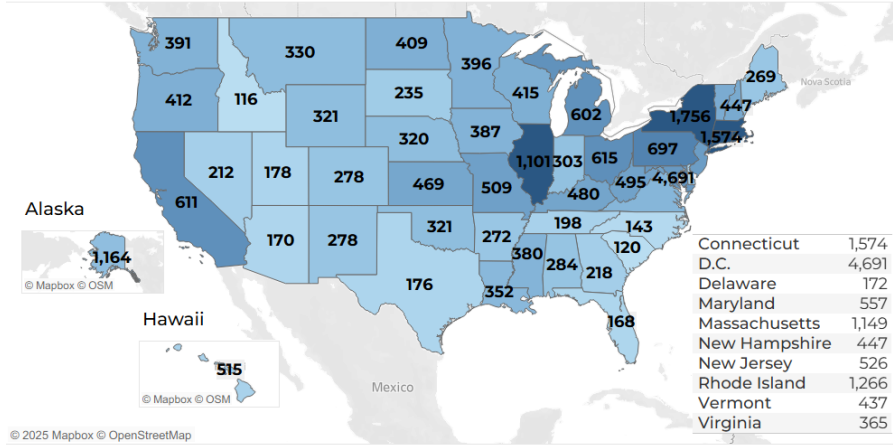
Seasonally Adjusted
Source: U.S. Census Bureau, Haver Analytics

June 2025: **1.39 million**
May 2025: **1.39 million**
June 2024: **1.46 million**

Respectively, another measure of housing construction, building permits issued, increased to 1.39 million in June. Permits were up by 0.2% from May and down by 4.4% from June of last year. Single-family building permits were at a rate of 886,000, 3.7% below the May rate of 899,000.

New Residential Construction

Population Per Single-Family Building Permit by State June 2025

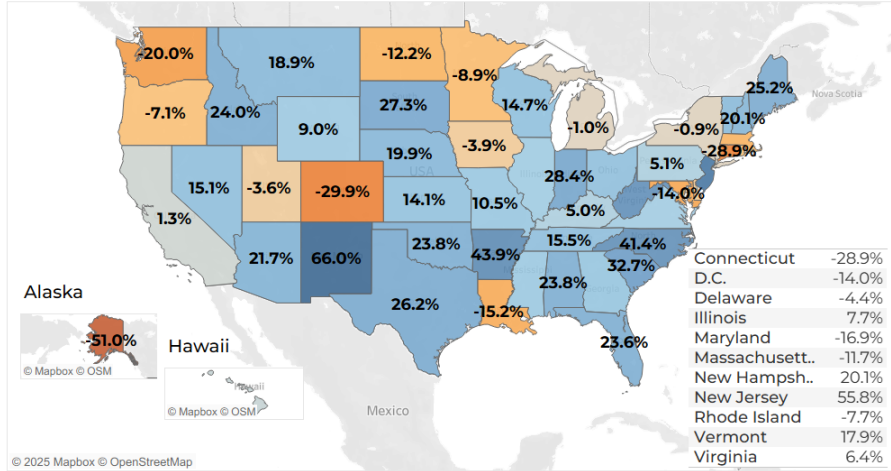


*The ratio is calculated by dividing the number of a state's population by the number of single-family building permits issued in the state within o..

In June, 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 (120), North Carolina (143), Florida (168), Arizona (170), Texas (176), and Utah (178). Despite an improvement, the District of Columbia maintained its ranking at the bottom of the list, with only one permit issued per 4,691 residents.

New Residential Construction

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



Source: U.S. Census Bureau, NAR Calculations

Similar to May 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 66.0%. In contrast, Alaska continued to experience the largest decrease in permits, decreasing further at -51.0%.

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