



**The unsung hero of the housing market in 2025 has been the improvement in mortgage spreads**, because without the spreads improving as much as they have, mortgage rates would not have gotten near 6% this year.

**Logan Mohtashami**  
Lead Analyst, HousingWire

**Mortgage Spread = Mortgage Interest Rate – Benchmark Rate**

The benchmark rate is often a **Treasury yield** (like the 10-year Treasury) or another reference rate that lenders use to price risk.

# Mortgage Spreads Hit Lowest Level in Years

Spread Between 30-Year Mortgage Rate and 10-Year Treasury Securities Yield



Sources: Freddie Mac, WSJ

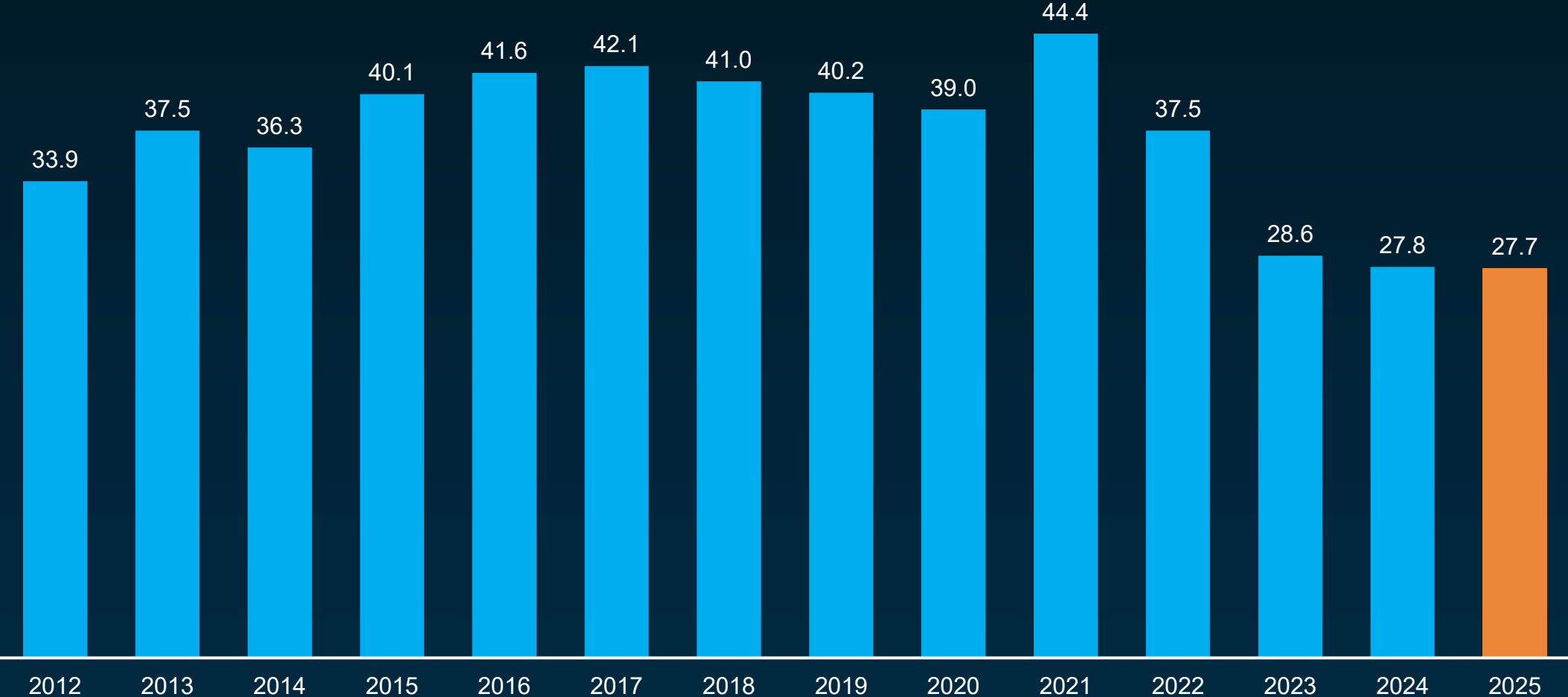


Only 28 out of every 1,000 (2.8%) U.S. homes have changed hands in 2025—**the lowest turnover rate in at least 30 years.**

Redfin

# Home Turnover at Lowest Rate in Decades

Home Sales per 1,000 Homes in the First 9 Months of the Year





A further reduction in the policy rate at the December meeting is not a foregone conclusion, far from it. There were strongly different views today. And the takeaway from that is that we haven't made a decision about December.

**Jerome Powell**  
Chair, Federal Reserve

# Homes Are Turning Over at Historically Low Rates Because:

- **Affordability challenges have kept many buyers on the sidelines.** Home prices are near record highs and borrowing costs remain elevated, causing the number of sellers to far outweigh the number of buyers.
- **Sellers are unwilling to give up their low mortgage rates.** More than 70% of mortgaged U.S. homeowners have a rate below 5%, well below the current rate of 6.17%. While the share of mortgages above 6% is at a 10-year high, many homeowners are still rate-locked and unwilling to sell.
- **Economic uncertainty has made buyers cautious.** Concerns about job security, inflation, and broader instability caused many would-be movers to delay major purchases, further slowing the pace of transactions.

4.06 million homes divided by  
365 days in a year =

**11,123 houses sell each day**

11,123 divided by 24 hours in a day =

**463 houses sell per hour**

463 divided by 60 minutes in an hour =

**about 8 houses sell each minute**

**So, on average,  
11,000+ homes sell each  
day in this country.**

Source: NAR





**The Housing Market  
Is Starting To Move Again**



After a prolonged slump, **the existing-home market is showing signs of recovery.**

**Odeta Kushi**

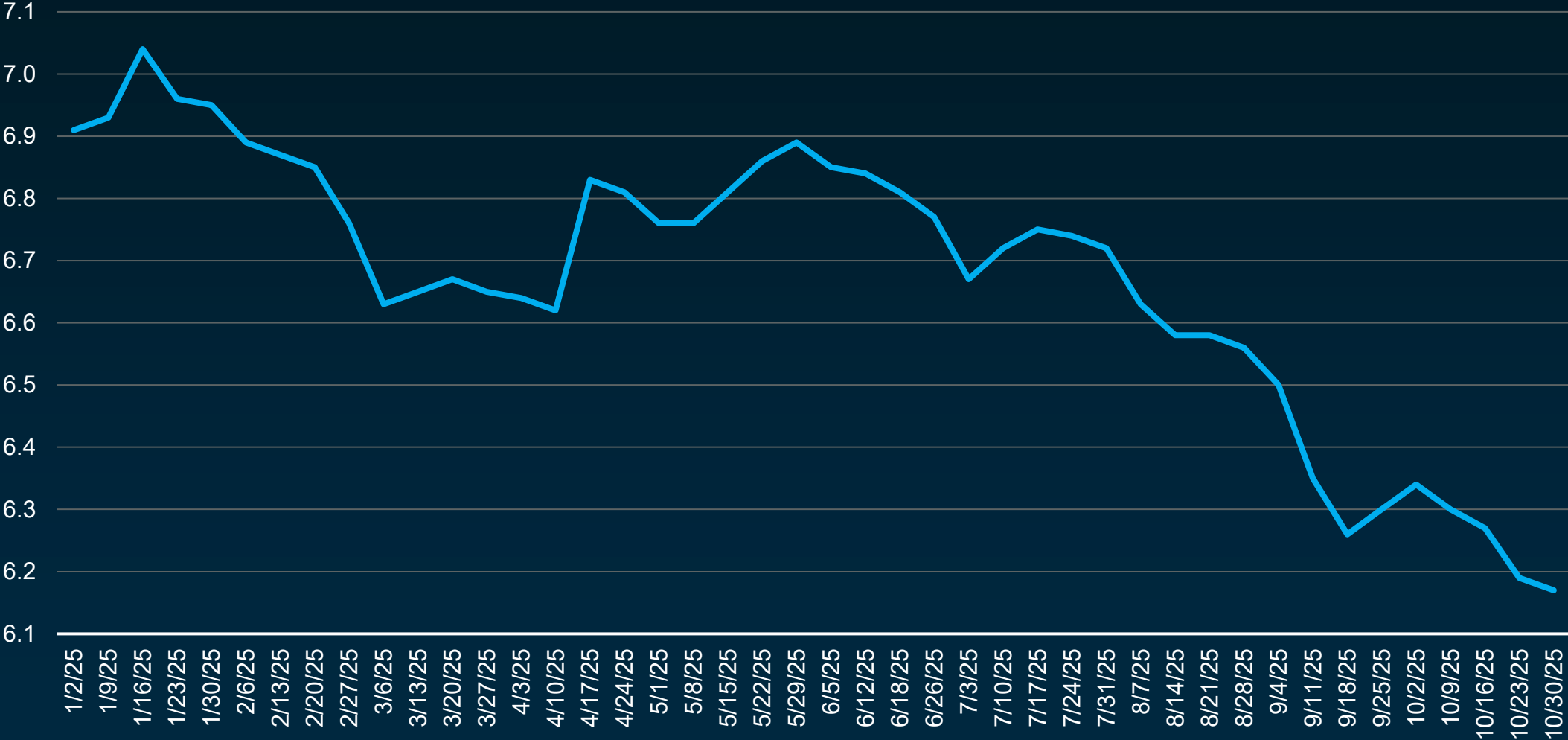
VP and Deputy Chief Economist, First American

## 3 Reasons The Housing Market Is On The Road to Recovery

1. Mortgage rates have been decreasing for most of the year and are lower than they've been in the last couple years.
2. As the lock-in effect eases, more homeowners are selling, and inventory is rising back to normal levels.
3. Lower rates and more homes to choose from are leading to more buyers in the market.

# Mortgage Rates Are Trending Down

## 30-Year Fixed Mortgage Rate



Source: Freddie Mac



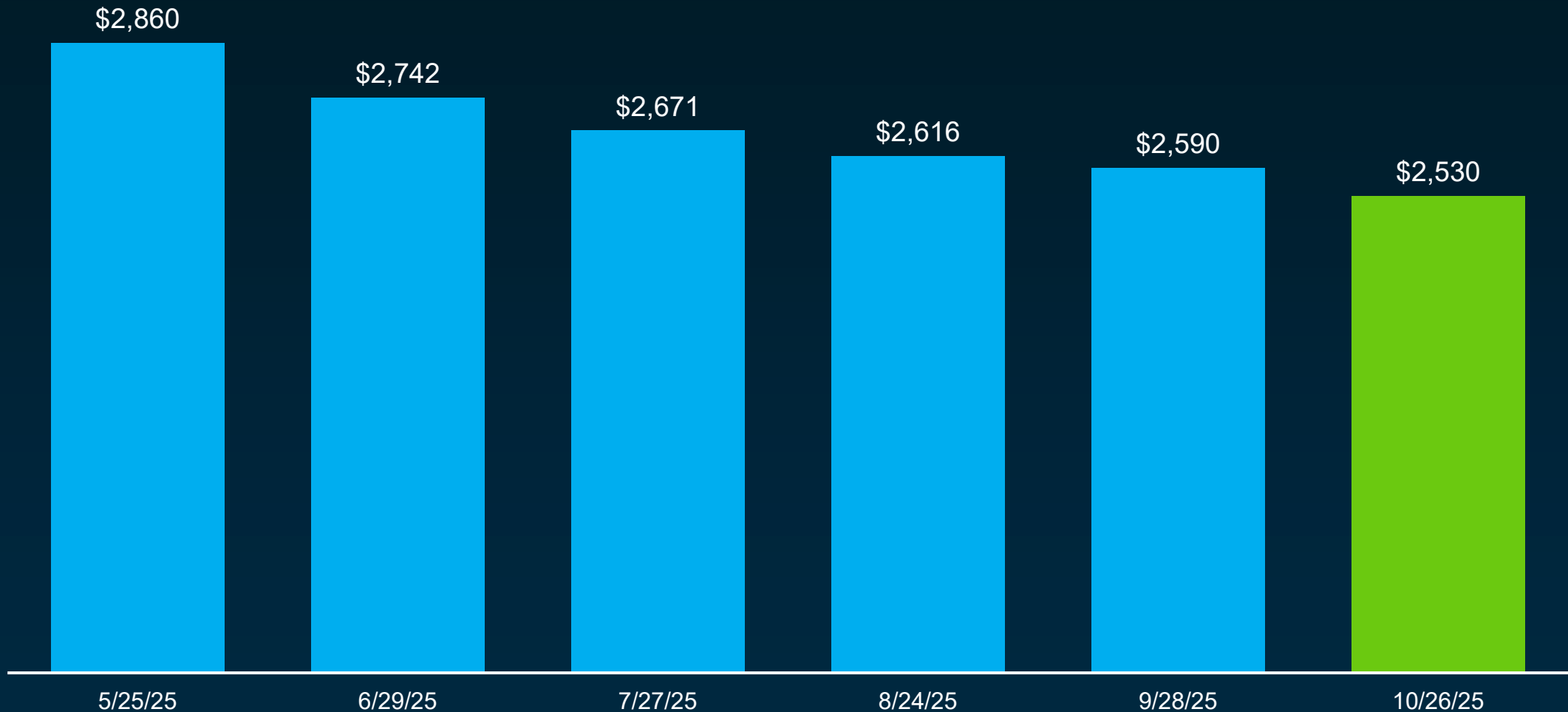
**Home affordability hit its best level in more than 2.5 years in September,** driven by easing rates and a pullback in prices.

Intercontinental Exchange (ICE)



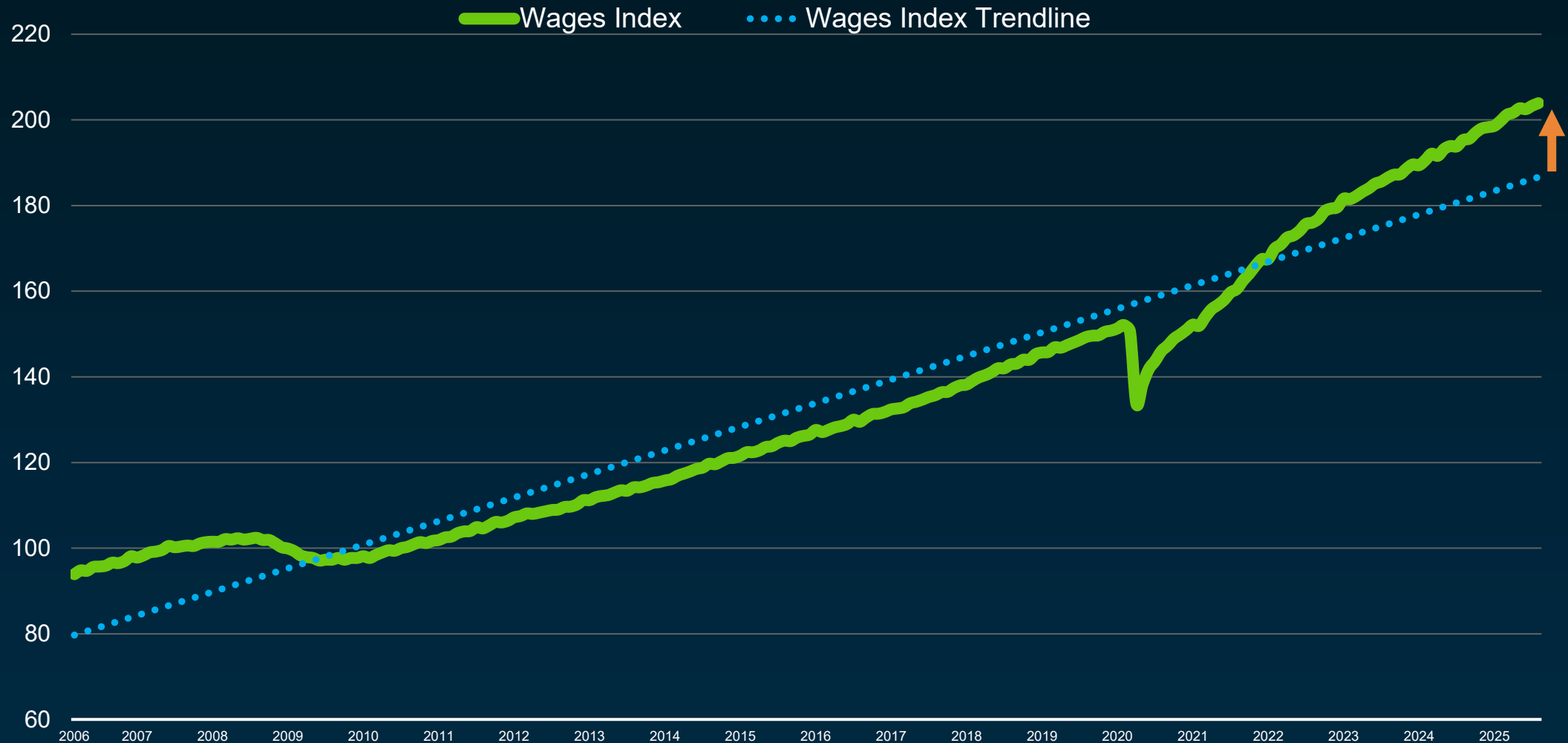
# Monthly Mortgage Payments Are Trending Down

Median Monthly Mortgage Payment



# Wages Climbing at a Faster Pace

Weekly Changes in the Index Measuring Total Amount of Money Paid to All Workers in the Private Sector





As of mid-September, with 30-year rates at 6.26%, it required . . . 30.0% of the median household income, to make the monthly principal and interest payment on the average-priced home, **down from more than 32% early this summer and a peak of more than 35% in late 2023.**



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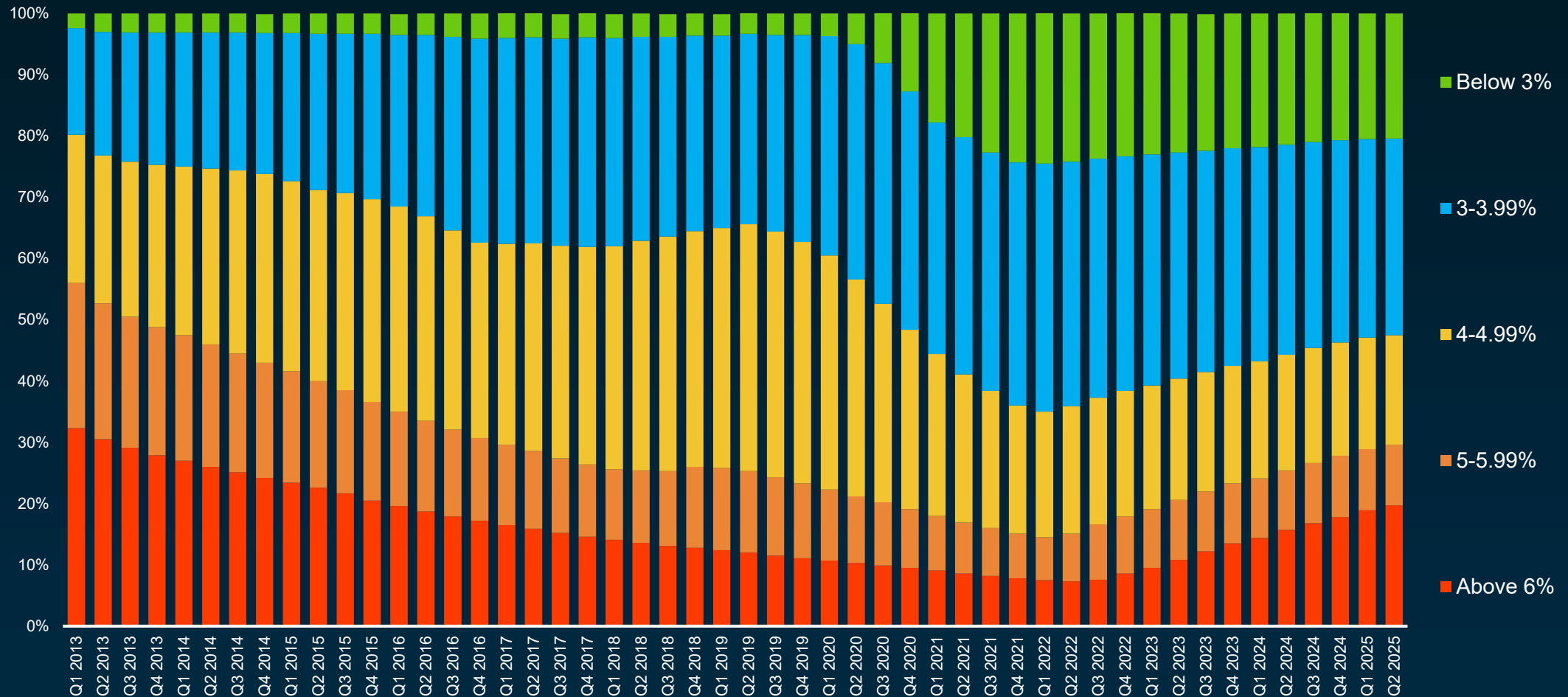
House-buying power in September—the amount of home one can afford based on the median household income and prevailing 30-year fixed, mortgage rate—reached its highest level since early 2022.

**Odeta Kushi**

VP and Deputy Chief Economist, First American

# The Rate Lock-In Effect Is Weakening

Share of Outstanding Residential Mortgage by Mortgage Rate at Origination





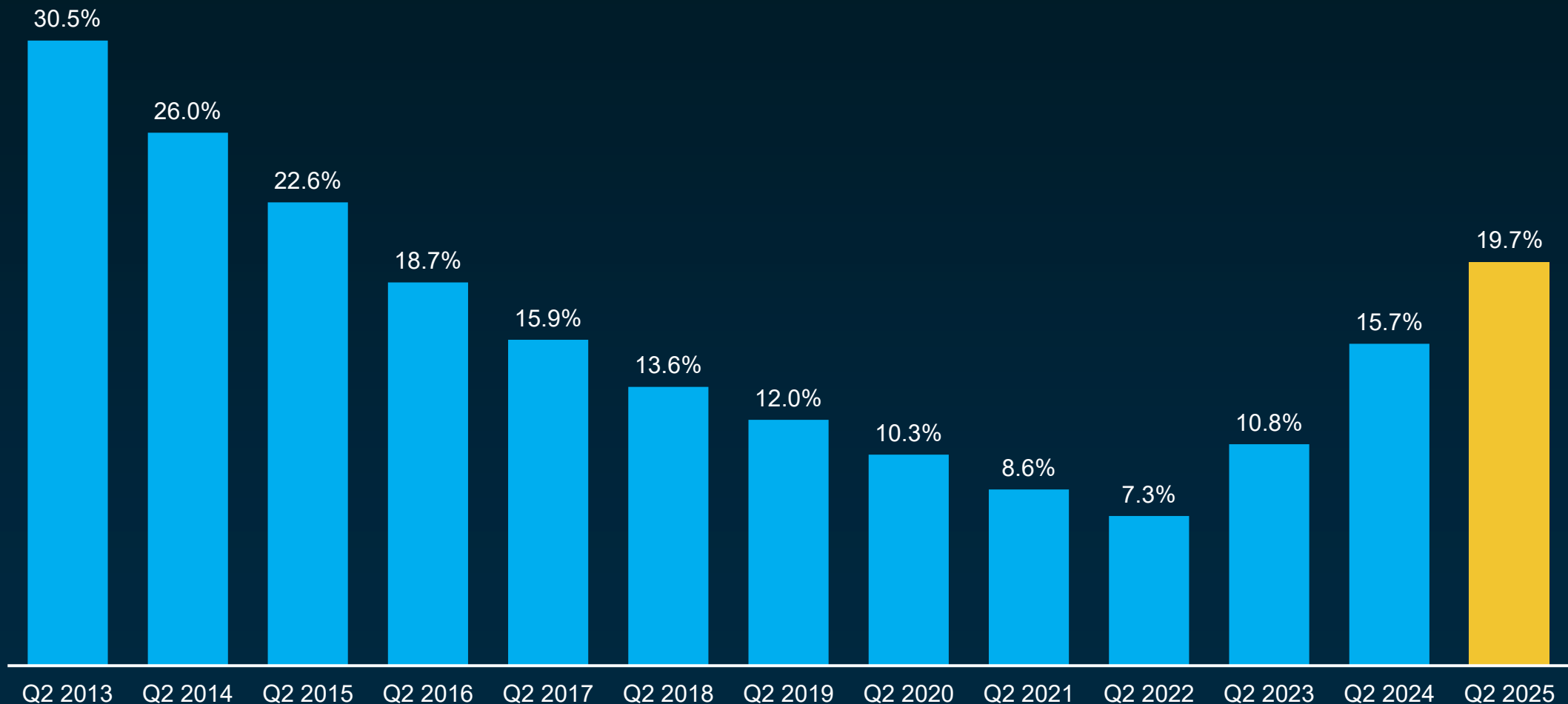
**More homeowners are deciding it's worth moving even if it means giving up a lower mortgage rate.** Life doesn't stand still—people get new jobs, grow their families, downsize after retirement, or simply want to live in a different neighborhood.

**Those needs are starting to outweigh the financial benefit of clinging to a rock-bottom mortgage rate.**

**Chen Zhao**

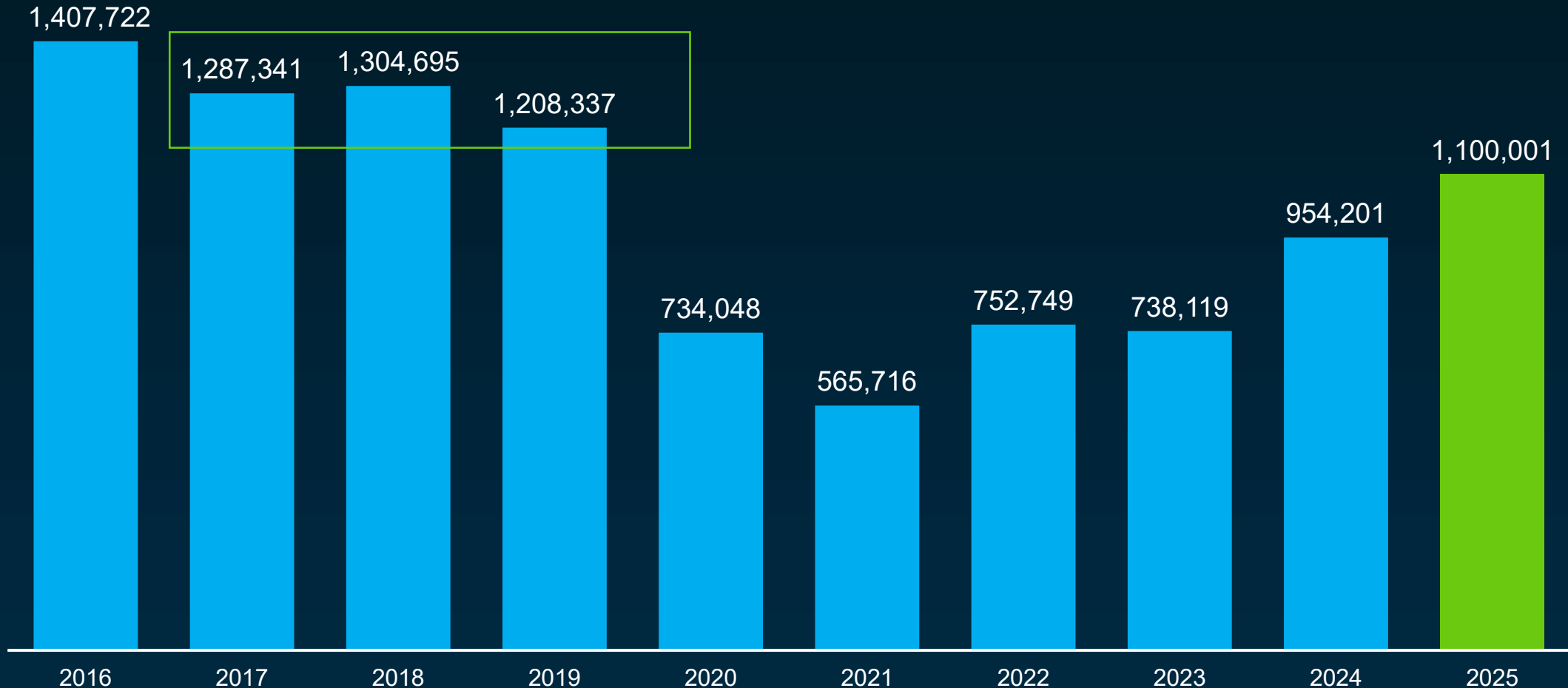
Head of Economics Research, Redfin

# Share of Mortgages With Rates Above 6% Climbs to 10-Year High as Americans Adapt to New Normal



# Inventory Continue To Grow

Active Listings, October of Each Year





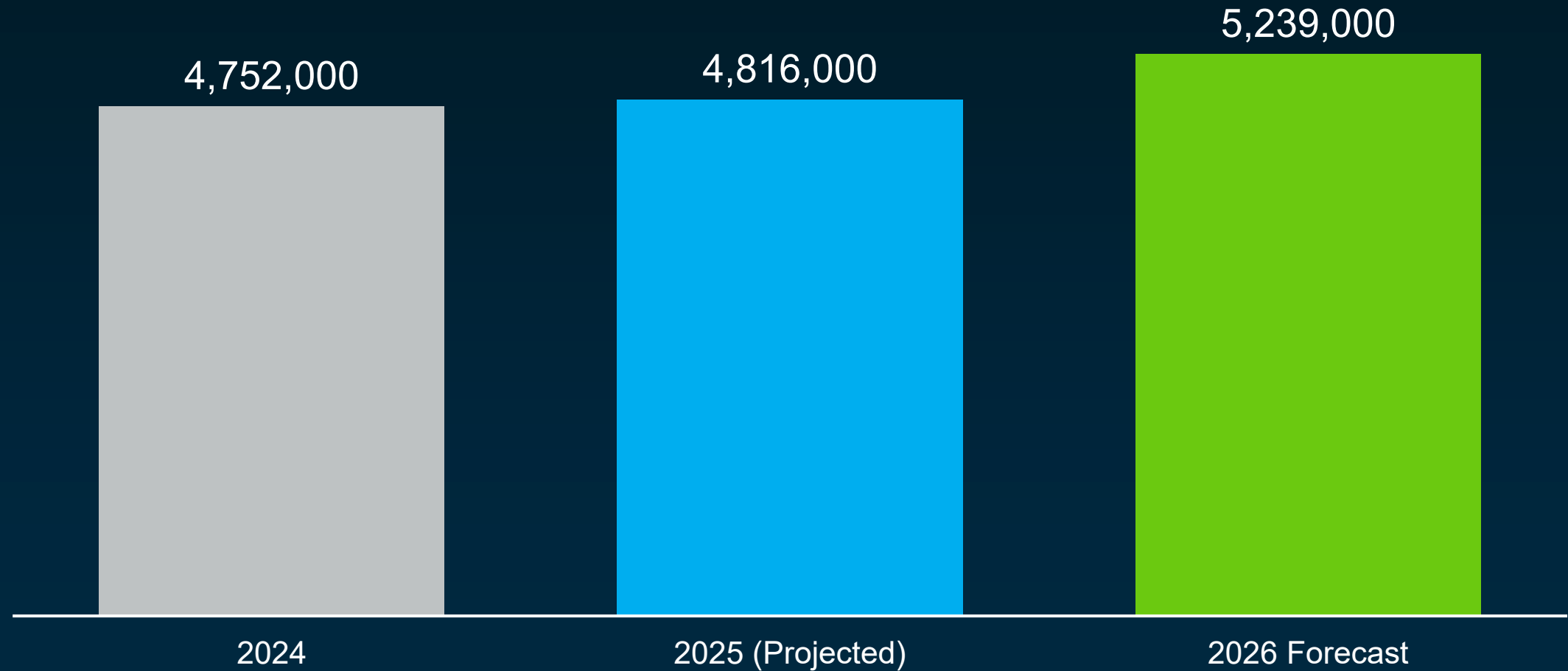
Purchase applications were down over the week  
**but remained 20 percent higher than a year ago.**

**Joel Kan**

VP and Deputy Chief Economist, MBA

# Home Sales Are Expected To Rise

Total Home Sales (Forecasts as of 11/4/2025)





# Top Slides To Have on Your Phone This Holiday Season

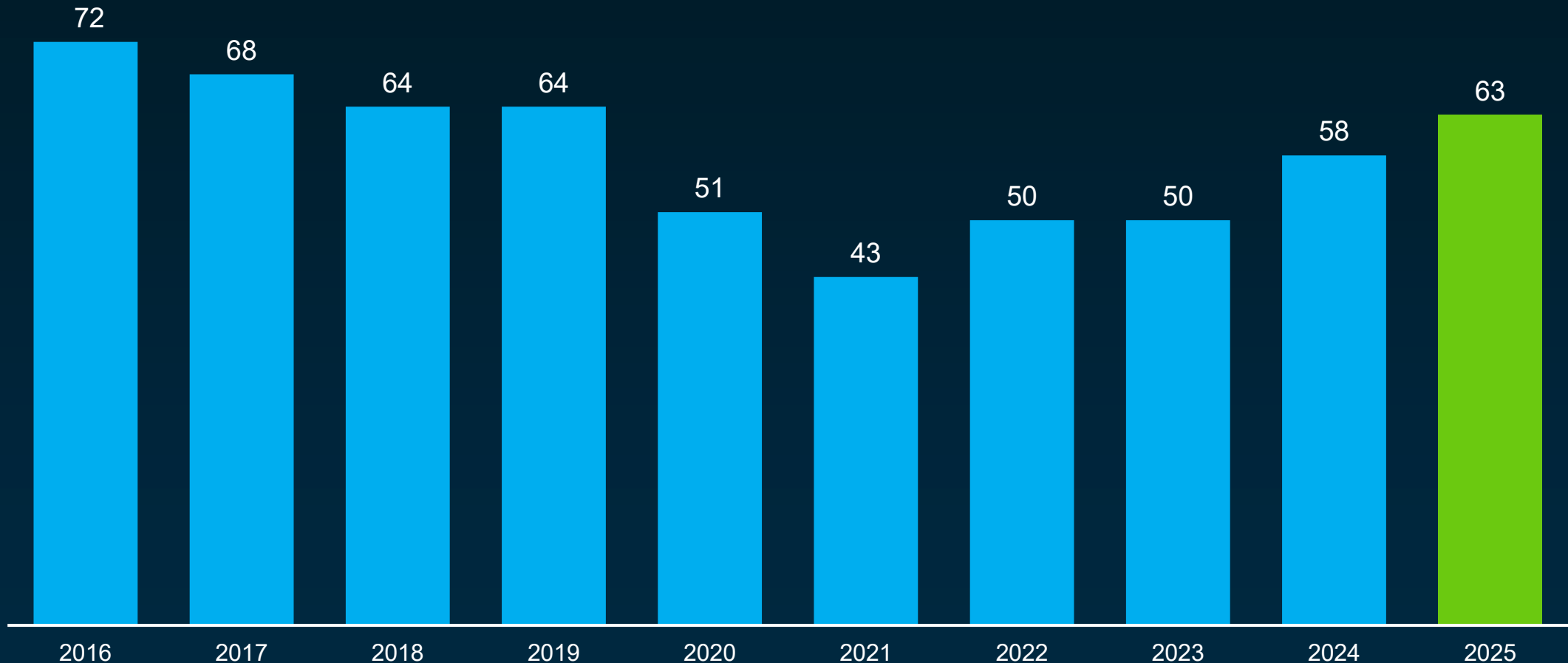
# Homes For Sale Have Increased in 2025

Active Listing Count



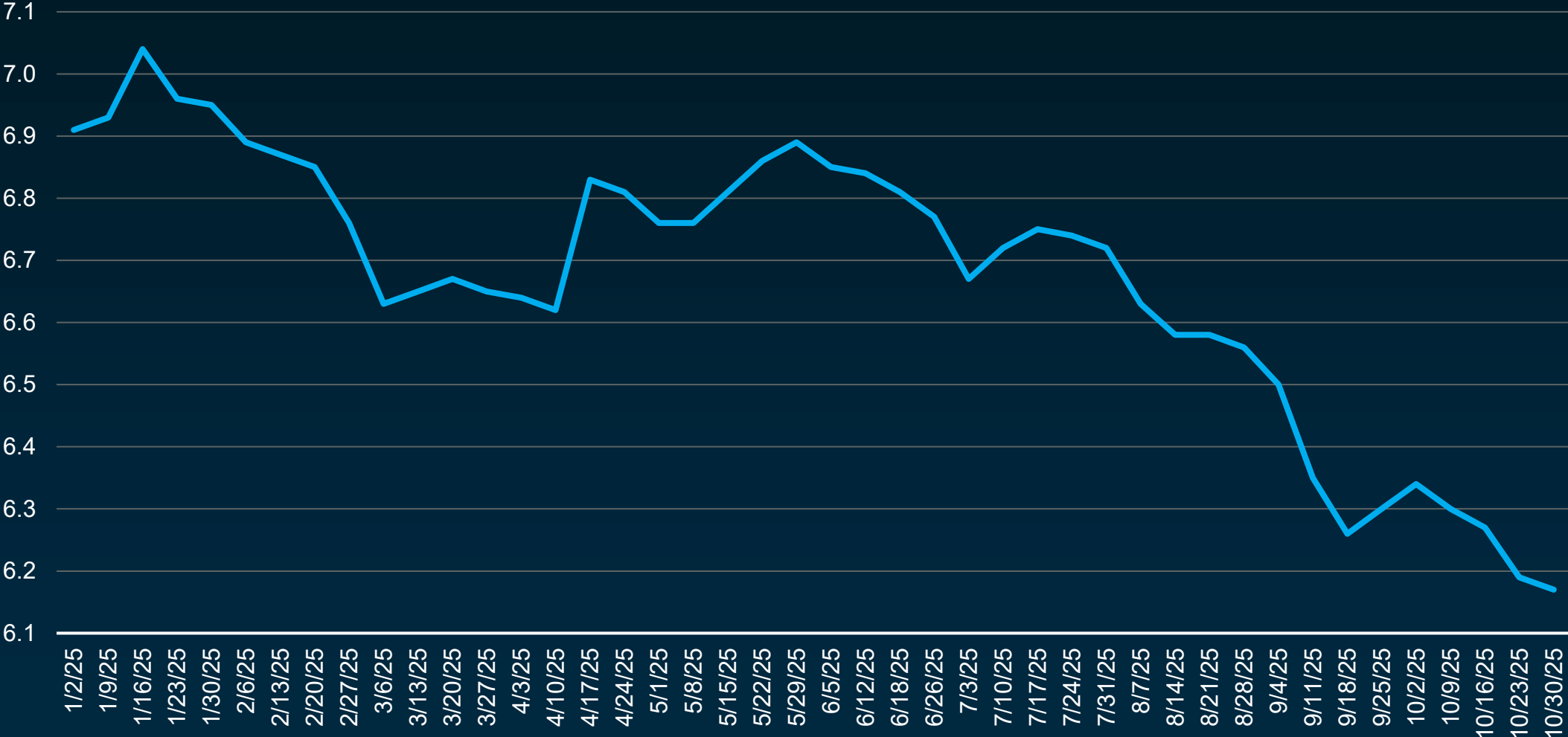
# Homes Are Now Selling at a More Normal Pace

Median Days on the Market, October of Each Year



# Mortgage Rates Are Trending Down

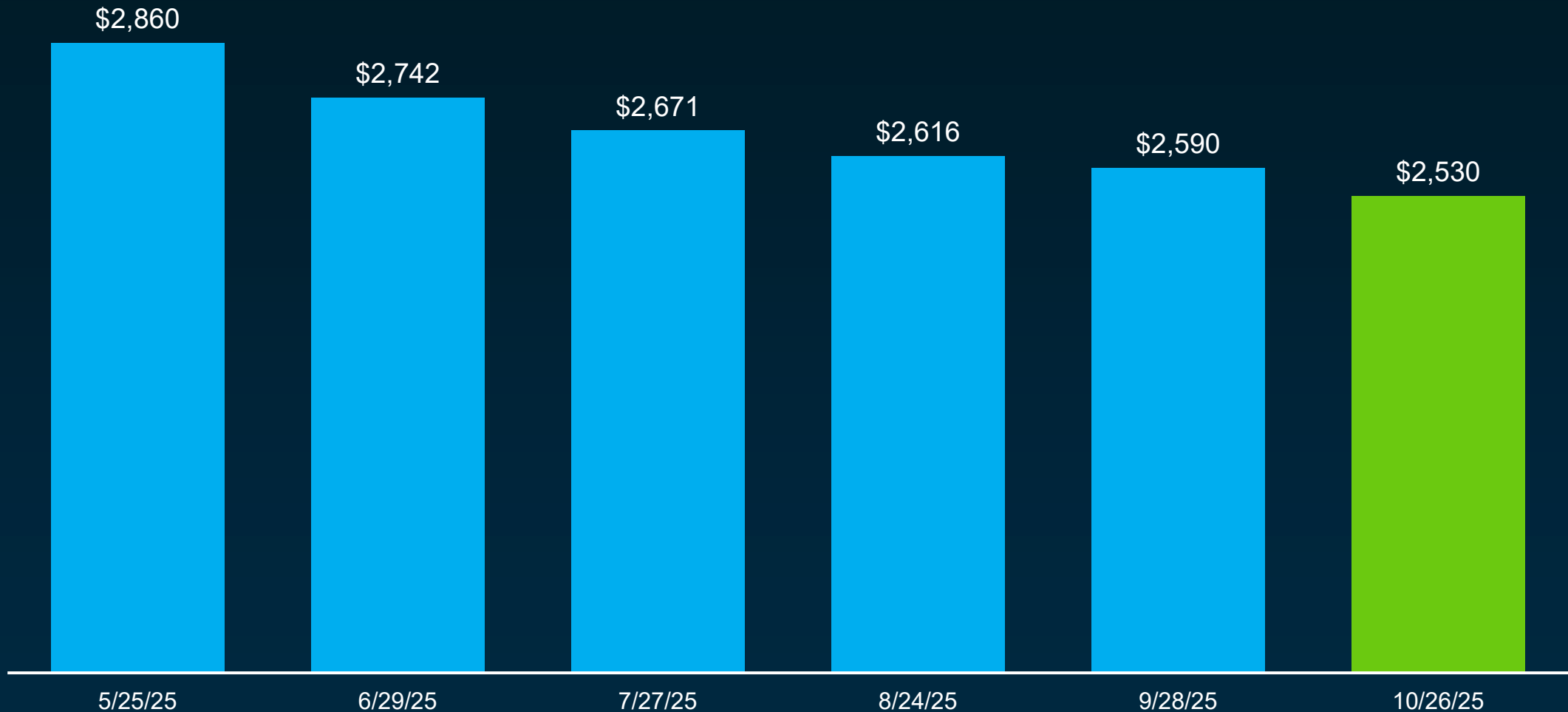
## 30-Year Fixed Mortgage Rate



Source: Freddie Mac

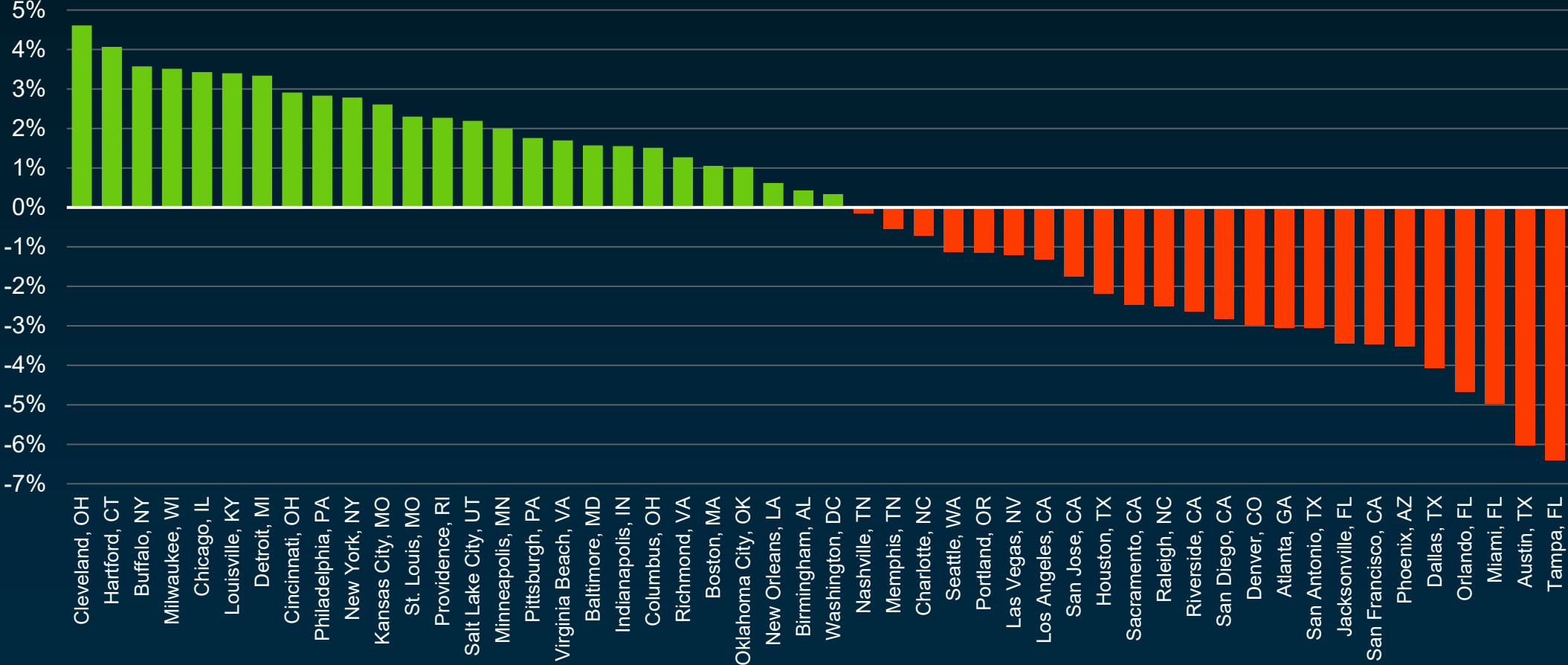
# Monthly Mortgage Payments Are Trending Down

Median Monthly Mortgage Payment



# Home Price Trends Vary by Local Market

Year-Over-Year Change in Home Prices in 50 Largest Metros, September 2024 – September 2025



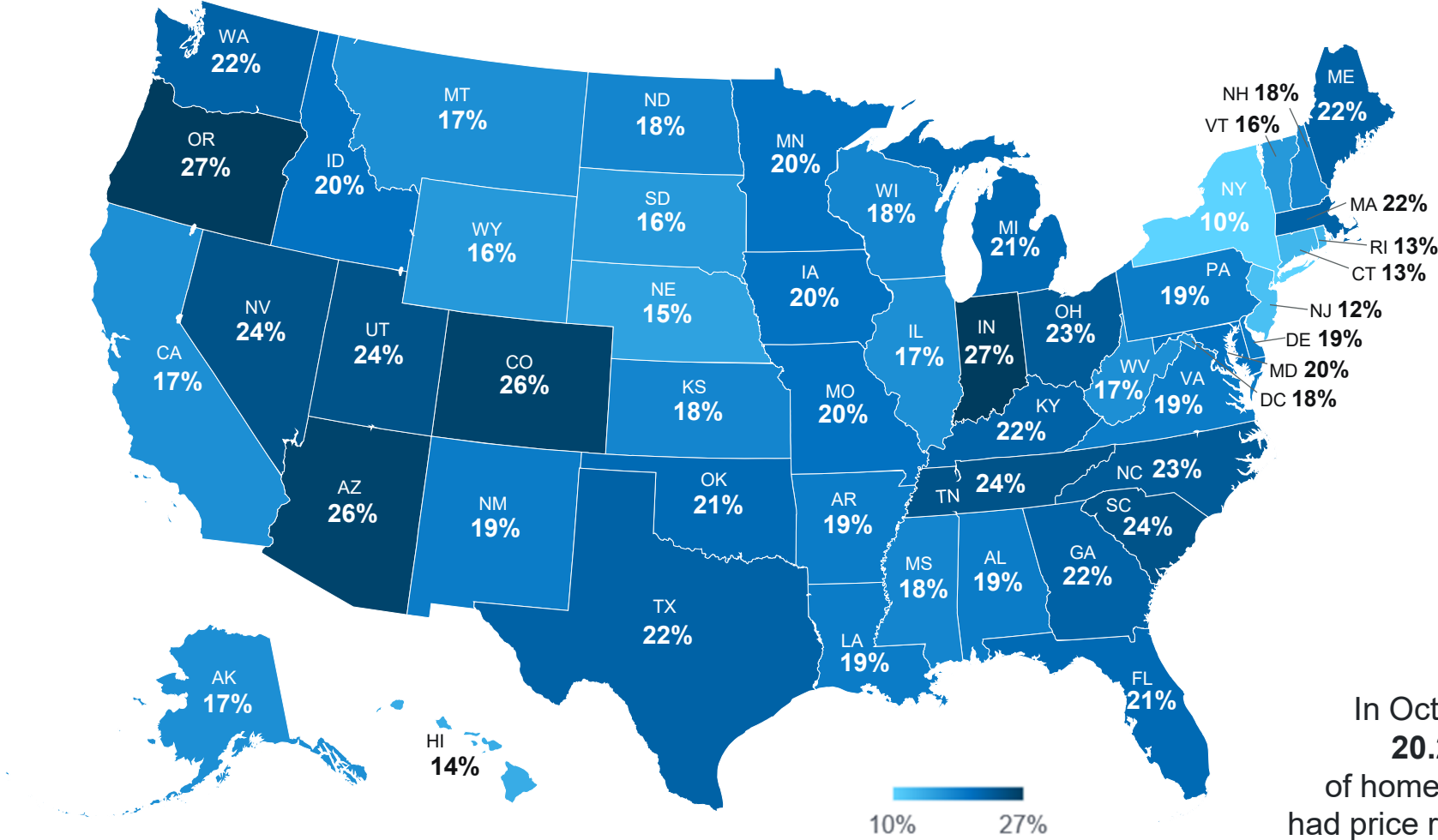
# Home Price Trends Vary by Local Market

September 2025 (National: 0.0% Year-Over-Year)

Metro	YOY % Change	Metro	YOY % Change
Cleveland, OH	4.6%	Las Vegas, NV	-1.2%
Chicago, IL	3.4%	Los Angeles, CA	-1.3%
Detroit, MI	3.3%	San Diego, CA	-2.8%
New York, NY	2.8%	Denver, CO	-3.0%
Minneapolis, MN	2.0%	Atlanta, GA	-3.0%
Boston, MA	1.1%	San Francisco, CA	-3.5%
Washington, D.C.	0.3%	Phoenix, AZ	-3.5%
Charlotte, NC	-0.7%	Dallas, TX	-4.1%
Seattle, WA	-1.1%	Miami, FL	-5.0%
Portland, OR	-1.1%	Tampa, FL	-6.4%

# Price Cuts Remain Elevated

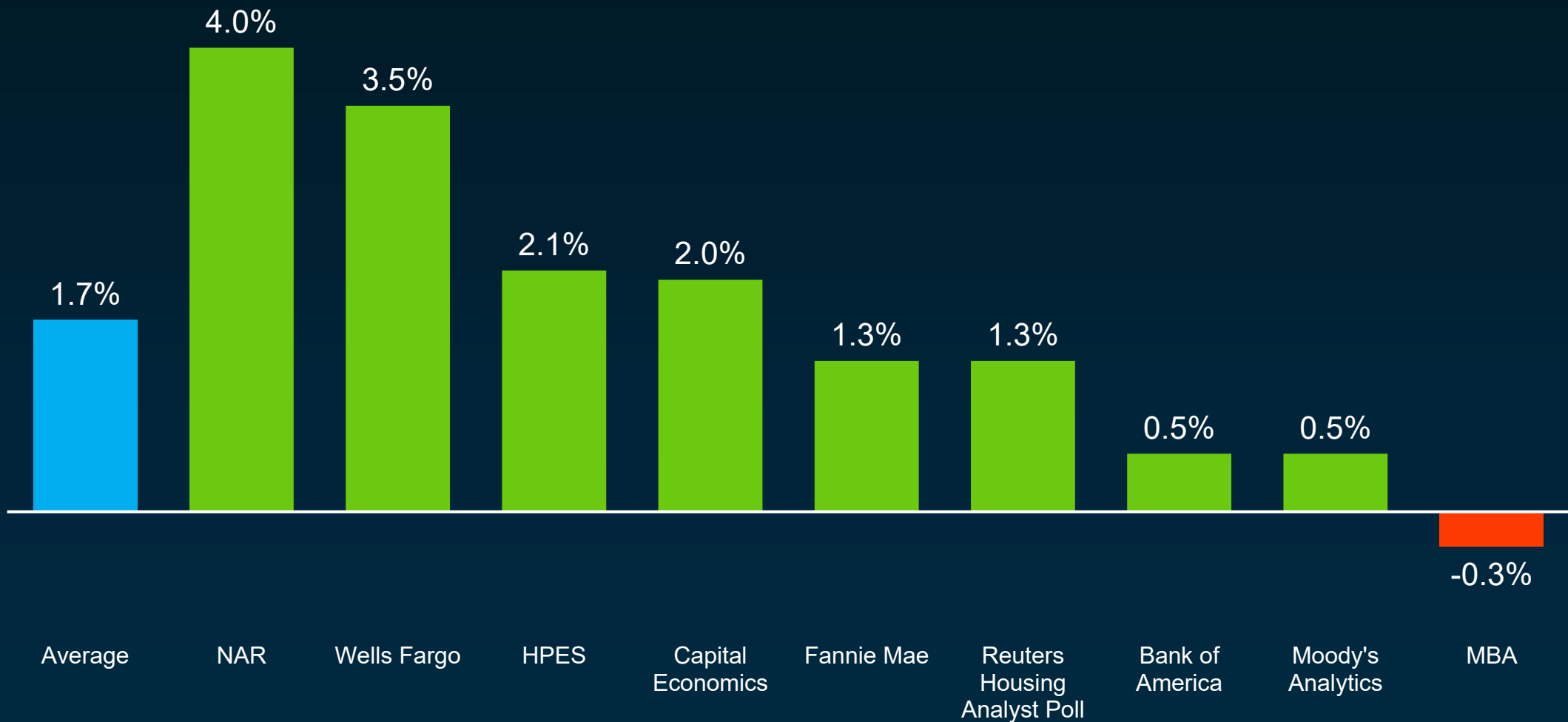
Share of Listings With a Price Reduction, October 2025



In October, **20.2%** of home listings had price reductions.

# 2026 Home Price Forecasts

Percent Change as of 11/4/2025



# \$61,381

Potential growth in household wealth over the next 5 years based solely on increased home equity if you purchased a \$400k home in January 2025.

