

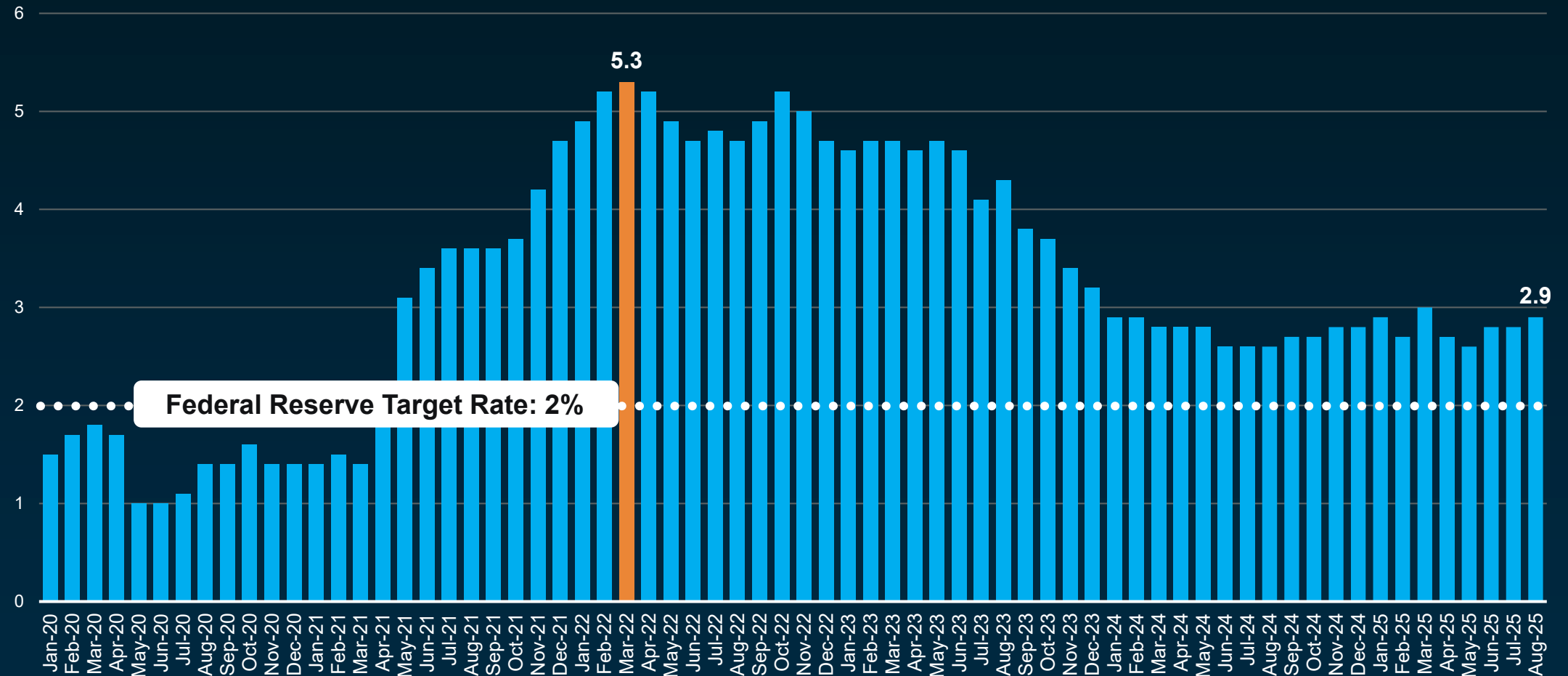


**The risks are increasingly high that we're going into recession.**  
We're not there yet – and maybe this thing gets turned around. But that's increasingly becoming hard to do with each passing week.

**Mark Zandi**  
Chief Economist, Moody's Analytics

# Inflation Remains Elevated

Core Personal Consumption Expenditures (PCE) Price Index  
(Percent Change Year-Over-Year, Seasonally Adjusted)





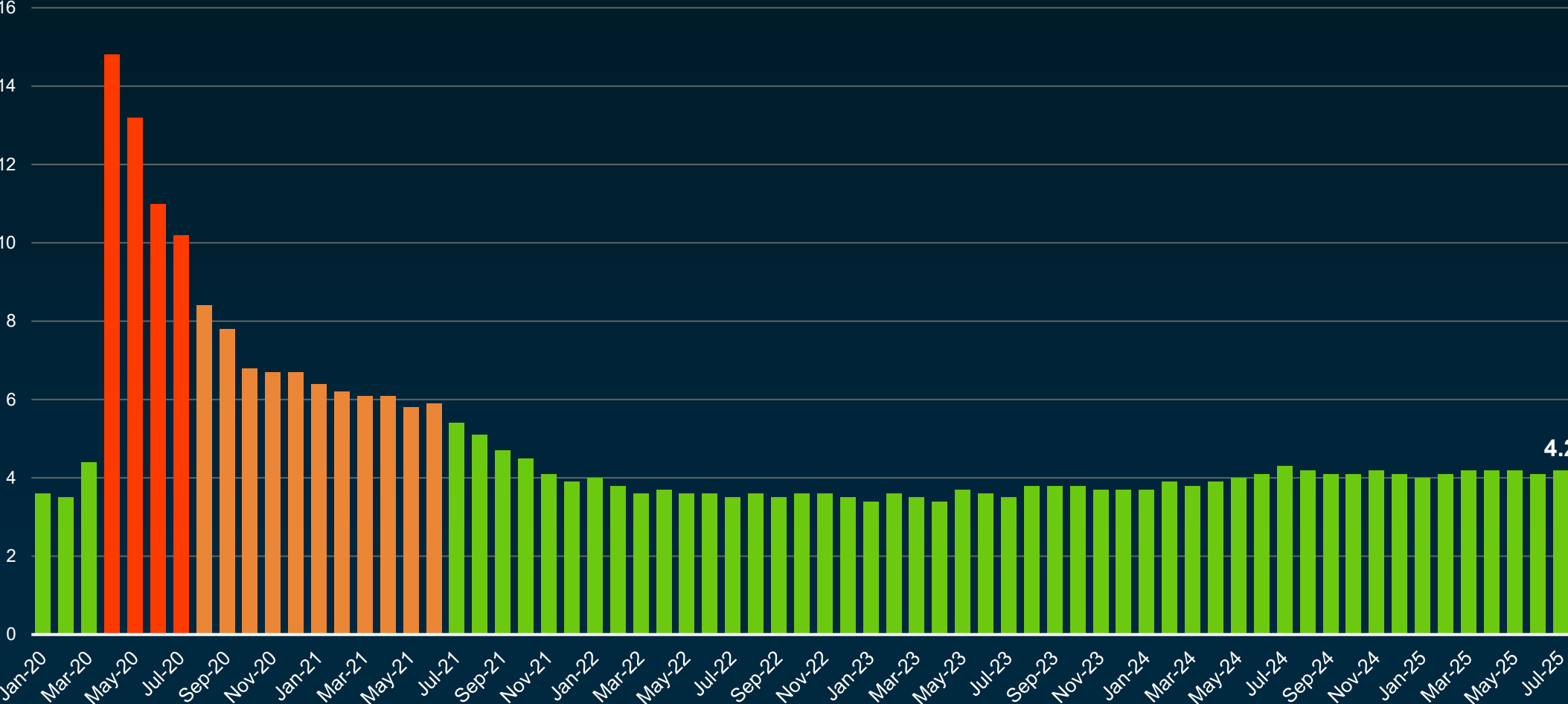
**I think the worst is yet to come when it comes to tariff-driven inflation.** I think, over the next few months, we're going to see more and more evidence of the tariffs showing up in inflation.

**Michael Strain**

Director of Economic Policy Studies, American Enterprise Institute (AEI)

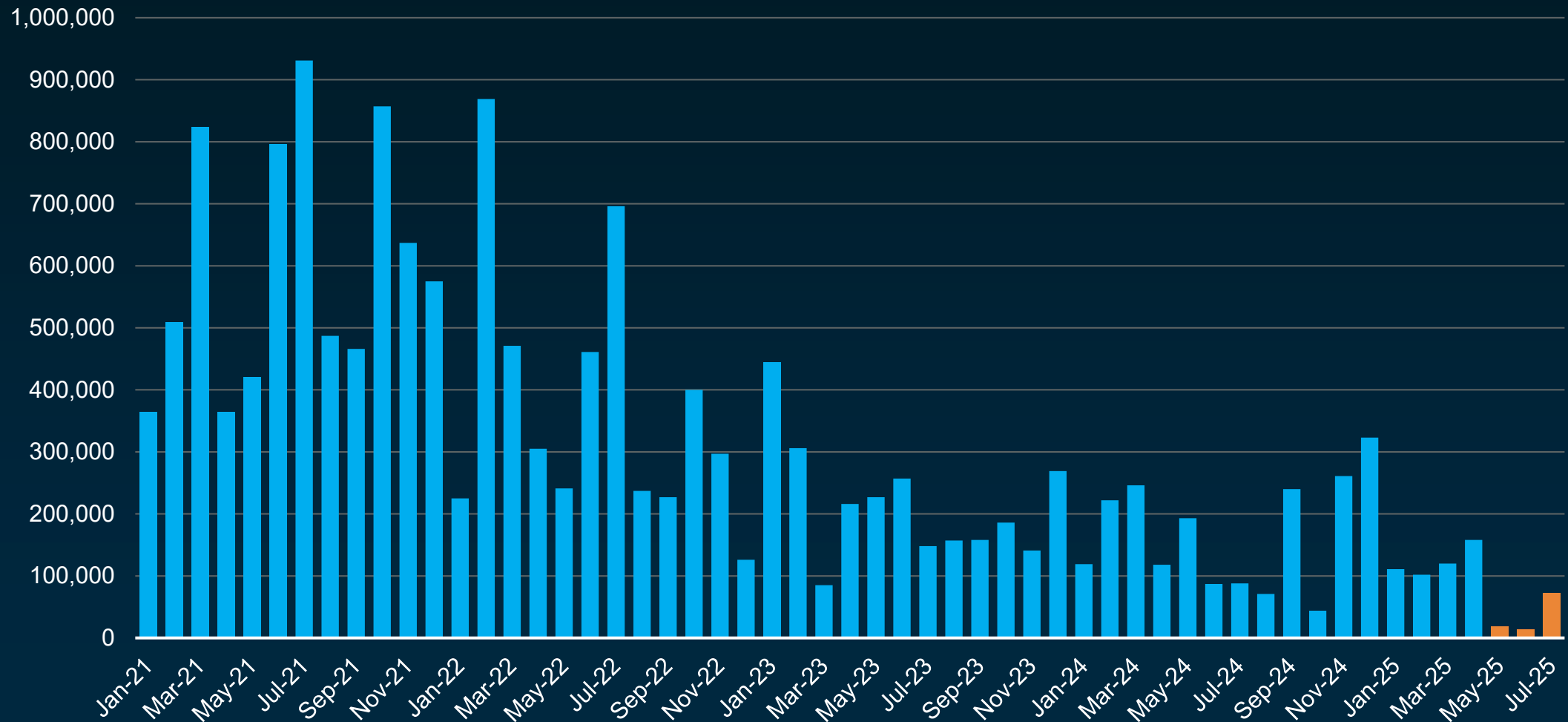
# Unemployment Is Still Holding Steady

Unemployment Rate Increased to 4.2% in July (Seasonally Adjusted)

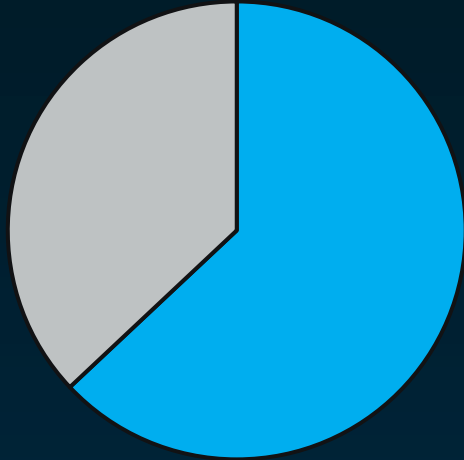


# Job Growth Is Stalling Out

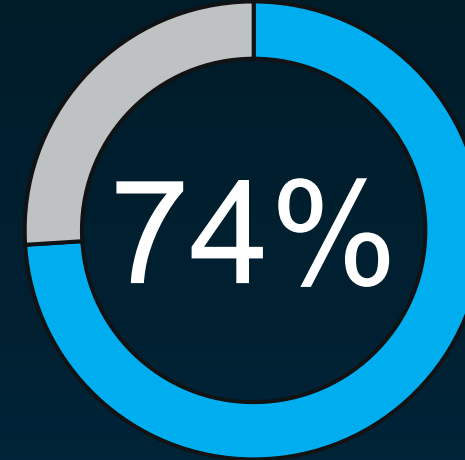
Number of Jobs Added by Month



# People Worry About an Upcoming Recession



Nearly **2 in 3** Americans think a recession is coming.



**74%** of Americans admit that world news and/or current events affect their financial decisions.



**An Economic Dip Brings Opportunity...  
But You Have To Be Careful**



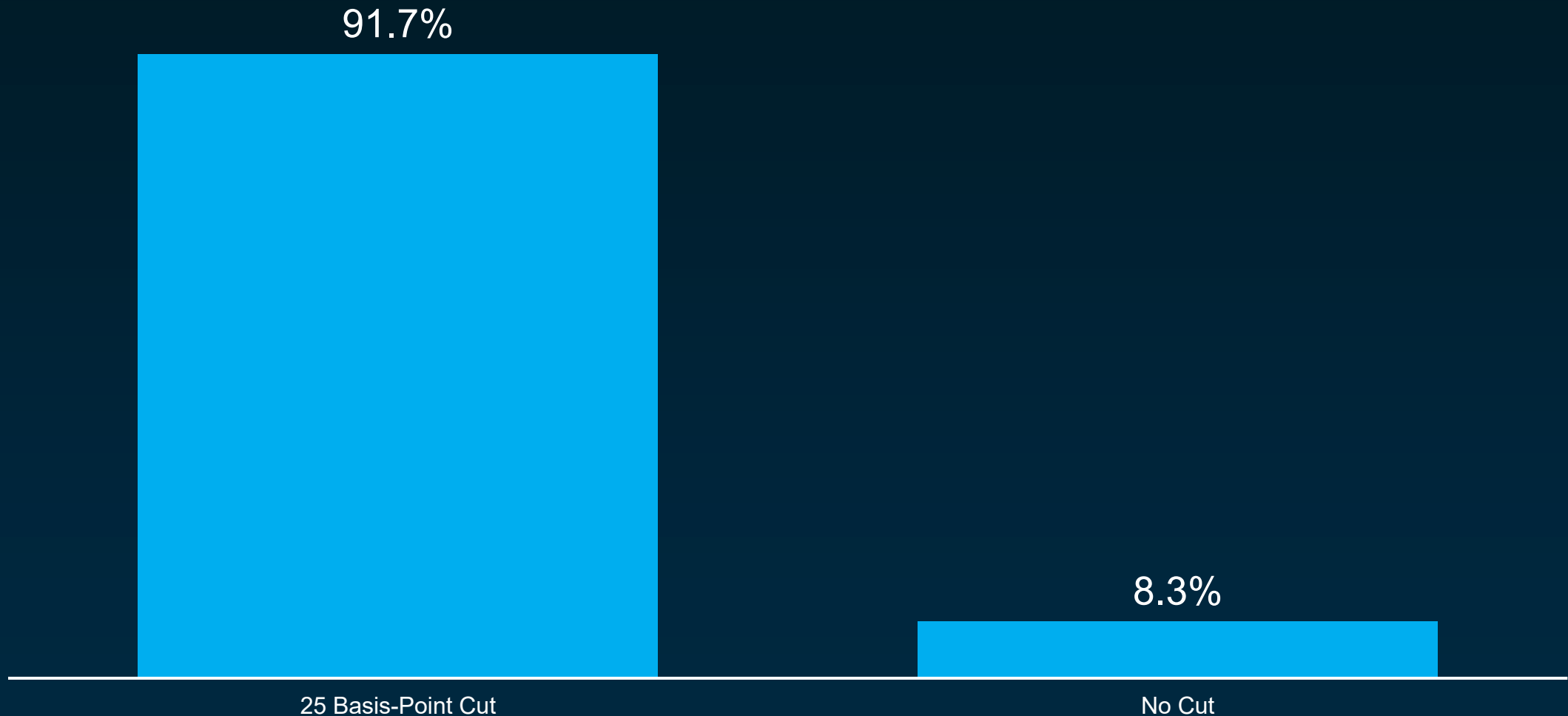
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The Fed is in a tough spot. Some argue that with a weakening labor market, it's time to bring rates down. Others point to rising inflation and say a rate cut is misguided. The most likely scenario? **The Fed will cut rates to stabilize the labor market, viewing any inflation from tariffs as temporary.** But if that assumption proves wrong, we could be looking at rate hikes again in 2026.

**Daryl Fairweather**  
Chief Economist, Redfin

# A Stalling Job Market Makes a Cut Likely

Federal Funds Rate Cut Probability for the September 2025 Fed Meeting (as of 9/2)



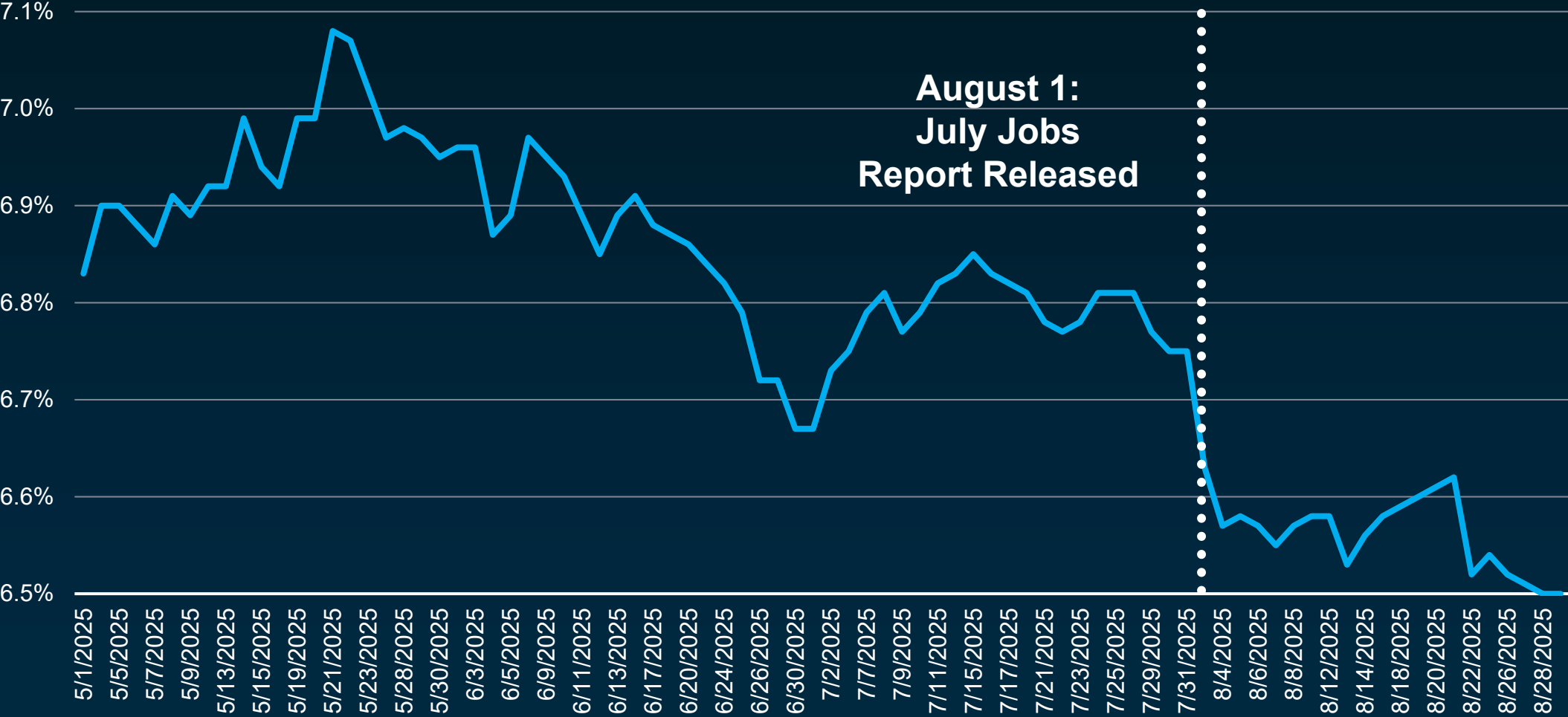


**Today's mortgage rates already have the anticipated September Fed rate cut priced in.** This means that when the Fed officially announces the cut, we shouldn't expect a significant corresponding drop in mortgage rates.

**Daryl Fairweather**  
Chief Economist, Redfin

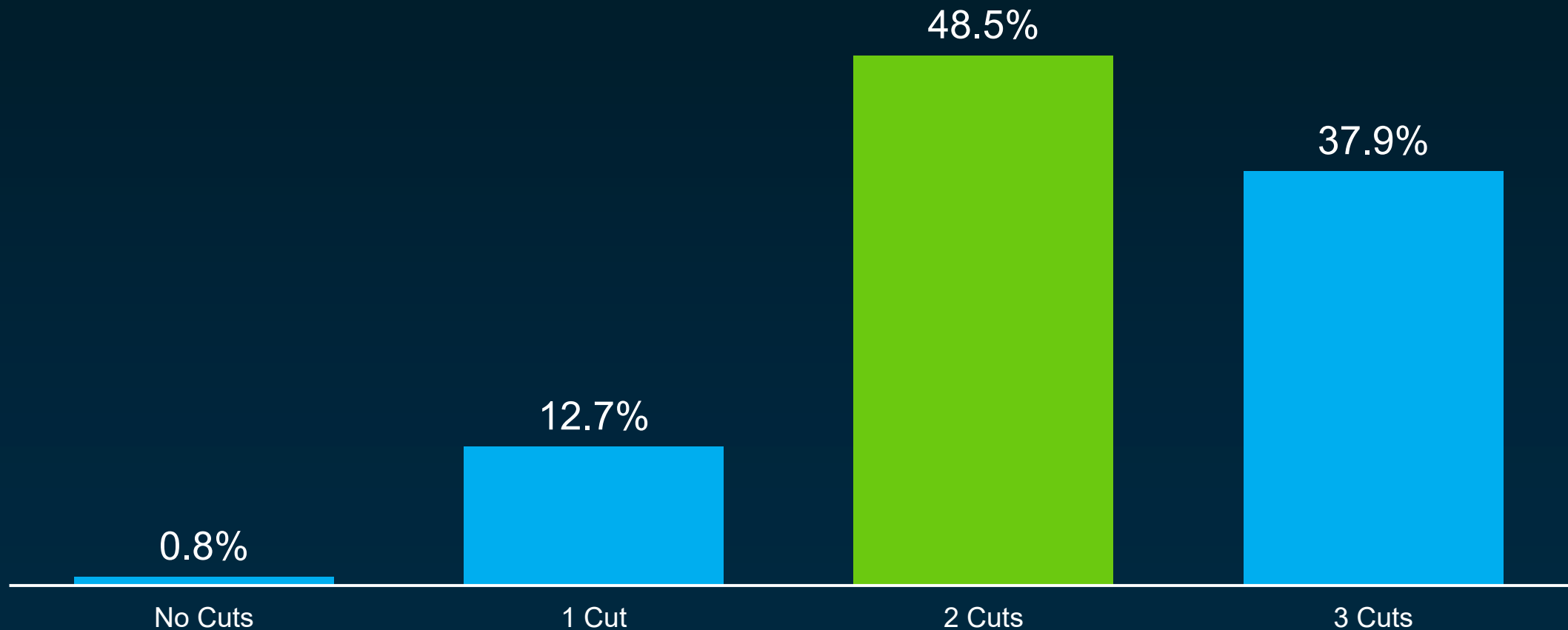
# Mortgages Rates Declined After Weak Jobs Report

## 30-Year Fixed Mortgage Rate



# Expect 2 Federal Funds Rate Cuts This Year

Cut Probabilities for 2025 (as of 9/2)



# 30-Year Fixed Mortgage Rate Projections

As of 9/2/2025

Quarter	Fannie Mae	MBA	Wells Fargo	Average of All 3
Q3 2025	6.70%	6.70%	6.65%	<b>6.68%</b>
Q4 2025	6.50%	6.60%	6.55%	<b>6.55%</b>
Q1 2026	6.40%	6.50%	6.50%	<b>6.47%</b>
Q2 2026	6.20%	6.50%	6.50%	<b>6.40%</b>

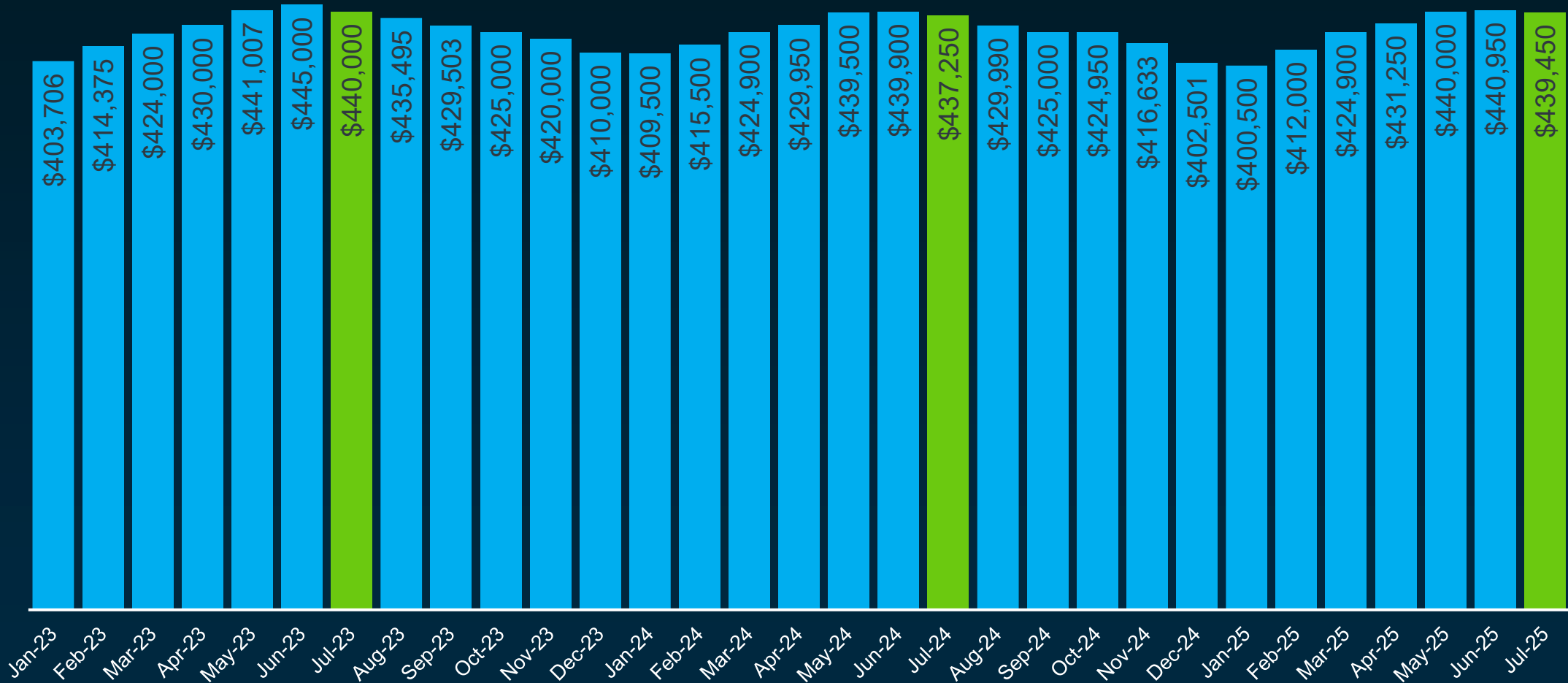


While there will be significant regional variation, the underlying fundamental conditions of the national housing market support a natural moderation of house prices rather than a sharp decline.

**Odetta Kushi**  
Deputy Chief Economist, First American

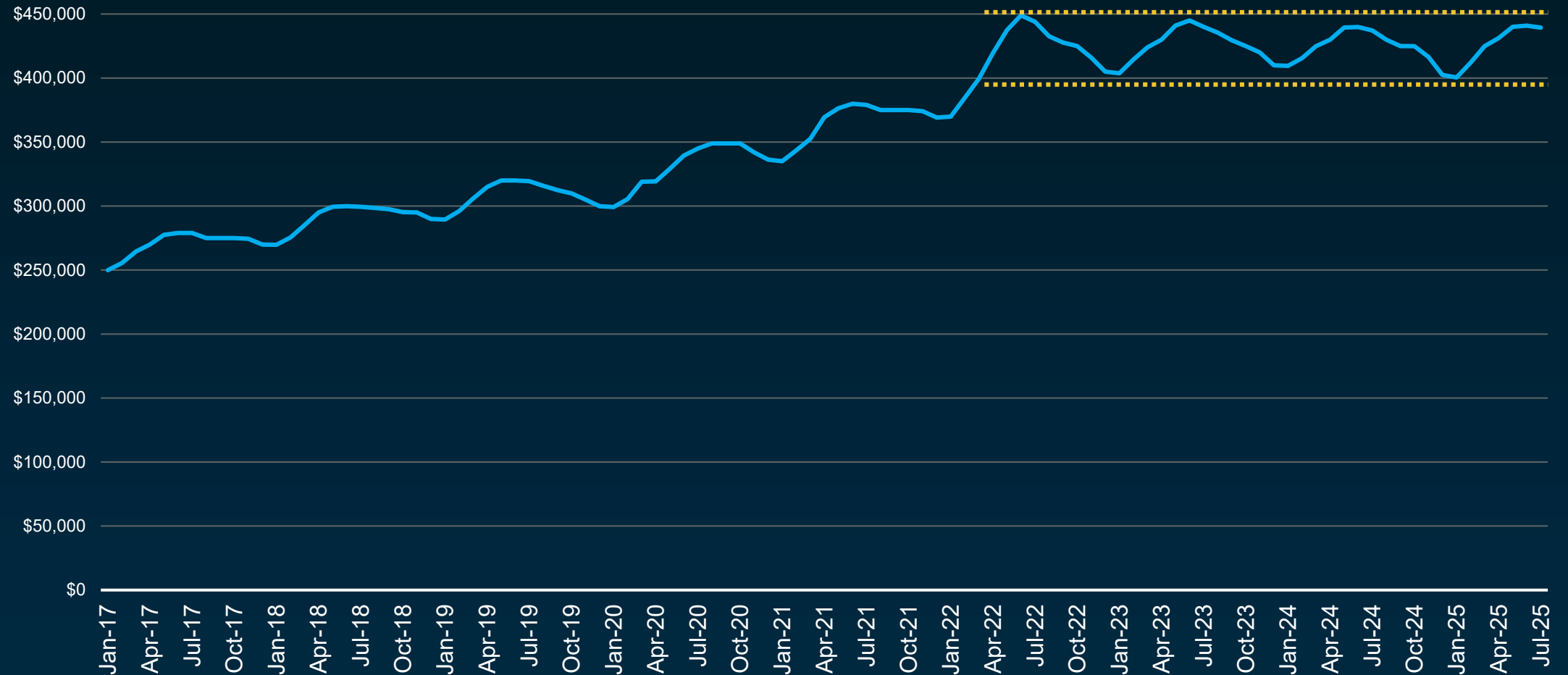
# Listing Prices Have Already Flattened

Monthly Median Listing Price



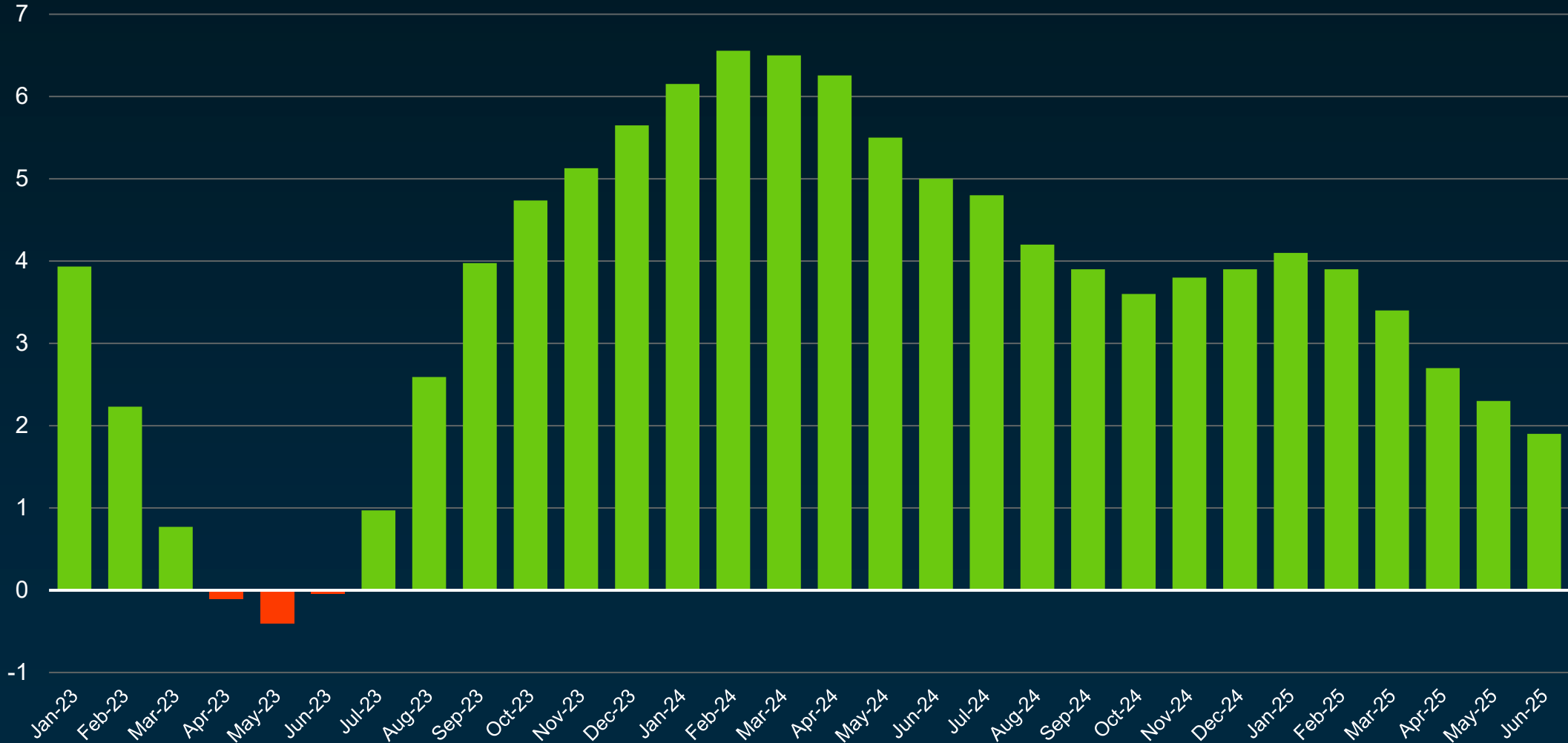
# Listing Prices Have Already Flattened

Monthly Median Listing Price



# Home Price Growth Is The Slowest Since The Summer of 2023

Percent Change in Sales Price, Year-Over-Year



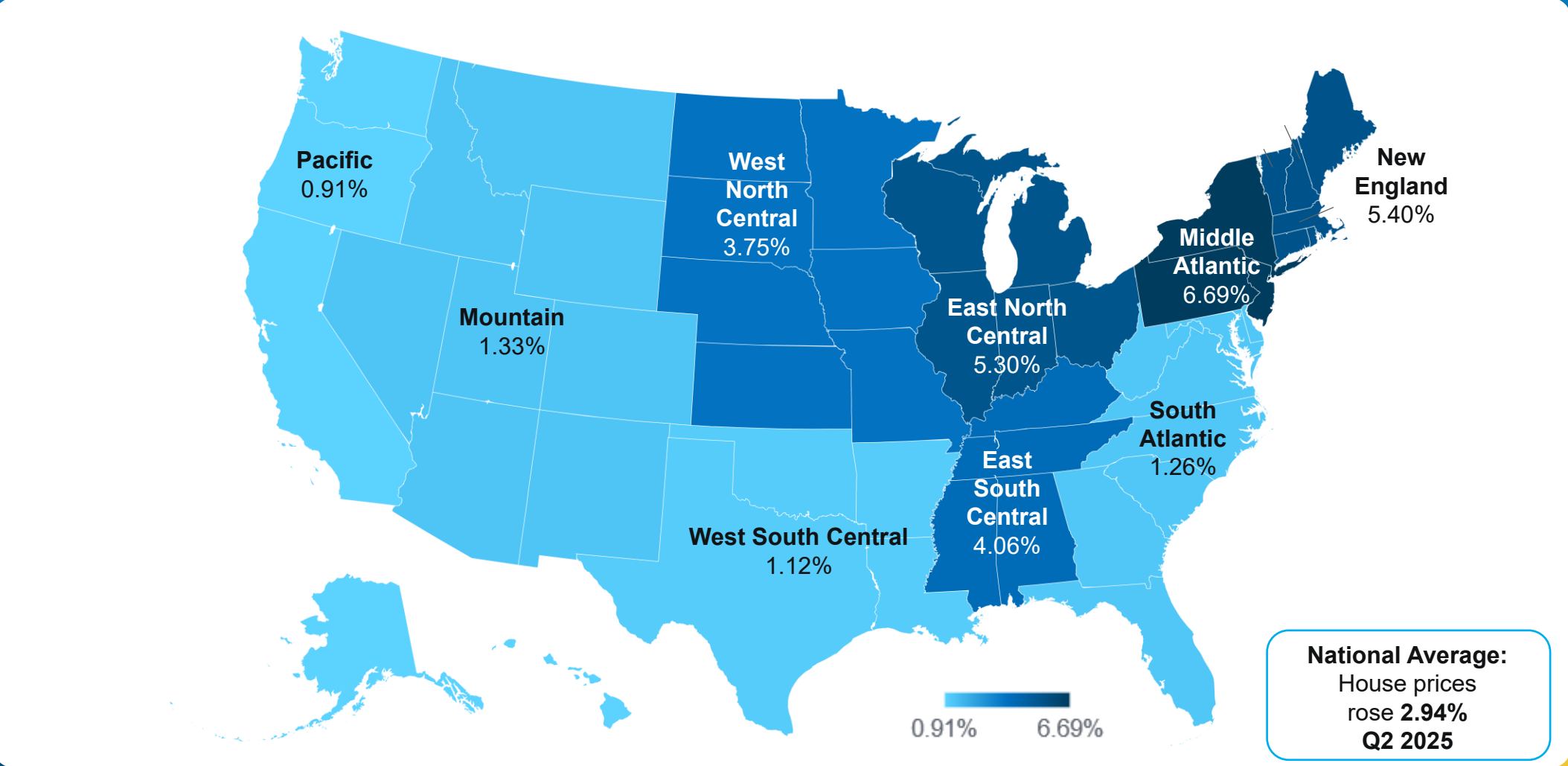


The housing market has cooled modestly in 2025. But the extent and persistence of rebalancing really varies across the country. **And regionally, homebuyers and sellers are likely to experience a very different market.**

**Danielle Hale**  
Chief Economist, Realtor.com

# Changes in Home Price Growth Vary by Region

Percent Change in Home Prices, Year-Over-Year, Seasonally Adjusted



Source: FHFA



# Every Downturn Ends in Recovery

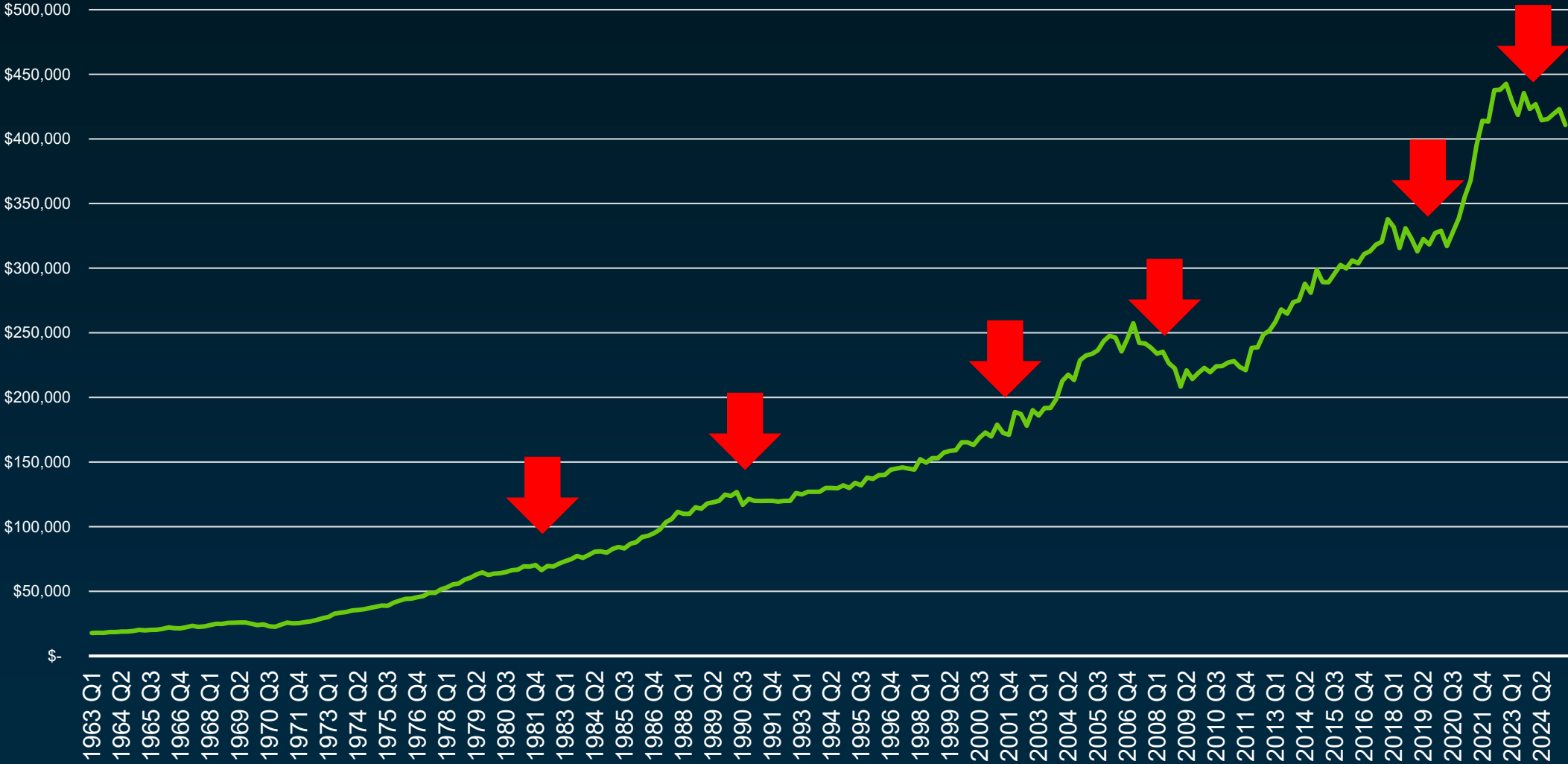
Lessons from 5 Decades of Market Cycles and Recoveries

# Decades of Downturns

Timeline of Different, Major Slowdowns in the Housing Market



# Median Sales Price of Homes Sold The Last 50 Years



Sources: FRED, St. Louis Fed

# This Isn't the First Slowdown – Sales Always Come Back

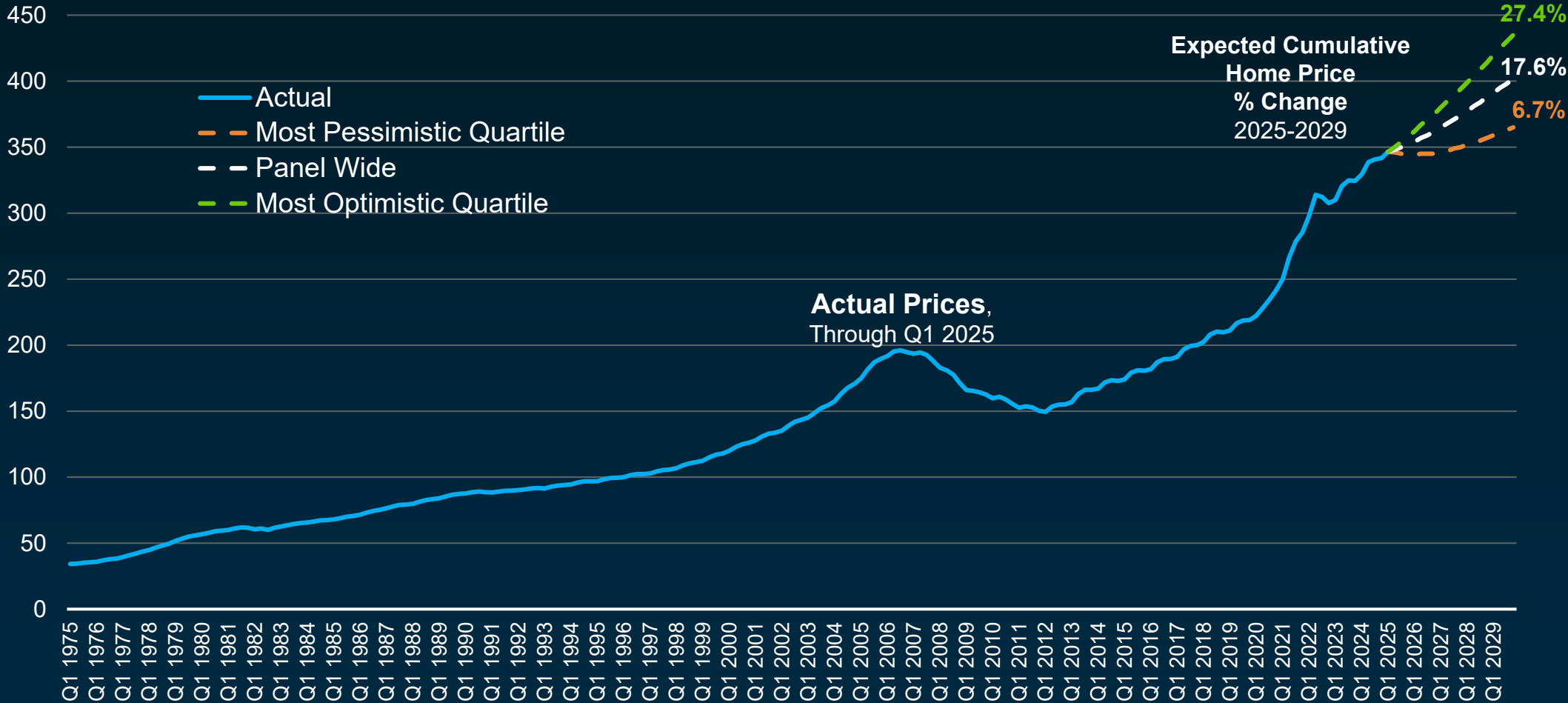
Period	Peak Sales Rate	Trough Sales Rate	Home Sales Drop	Time to Recovery
Early 1980s Recession	4M	2M	50%	4 Years
2008 Great Financial Crisis	7.1M	3.5M	51%	3 Years
COVID 2020	5.6M	4.1M	27%	8 Months
2022-Present	6.4M	3.9M	39%	TBD

# Downturns To Recoveries

Period	Peak Sales Rate	Trough Sales Rate	Home Sales Drop	Time to Recovery	Home Price Trend	Mortgage Rate Trend
Early 1980s	4M	2M	50%	4 Years	Up	Up and Down
2008 Crisis	7.1M	3.5M	51%	3 Years	Down and Up	Down
COVID 2020	5.6M	4.1M	27%	8 Months	Up	Down
2022-Present	6.4M	3.9M	39%	TBD	Flat	Up

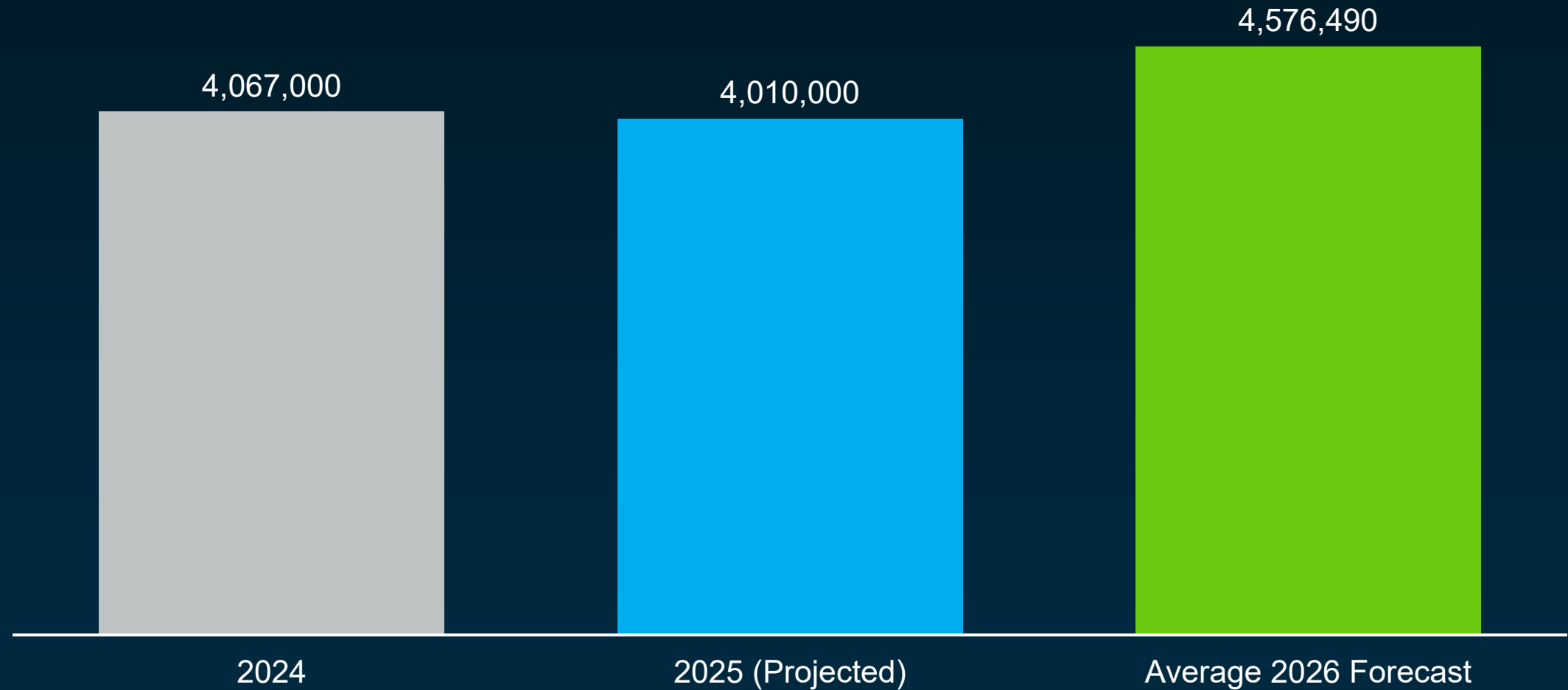
# U.S. Home Price Expectations

Fannie Mae Home Price Index Mean Expectations, Q2 2025-Q4 2029



# The Recovery Is Expected To Begin Going into Next Year

Existing Home Sales (Forecasts as of 8/25/2025)

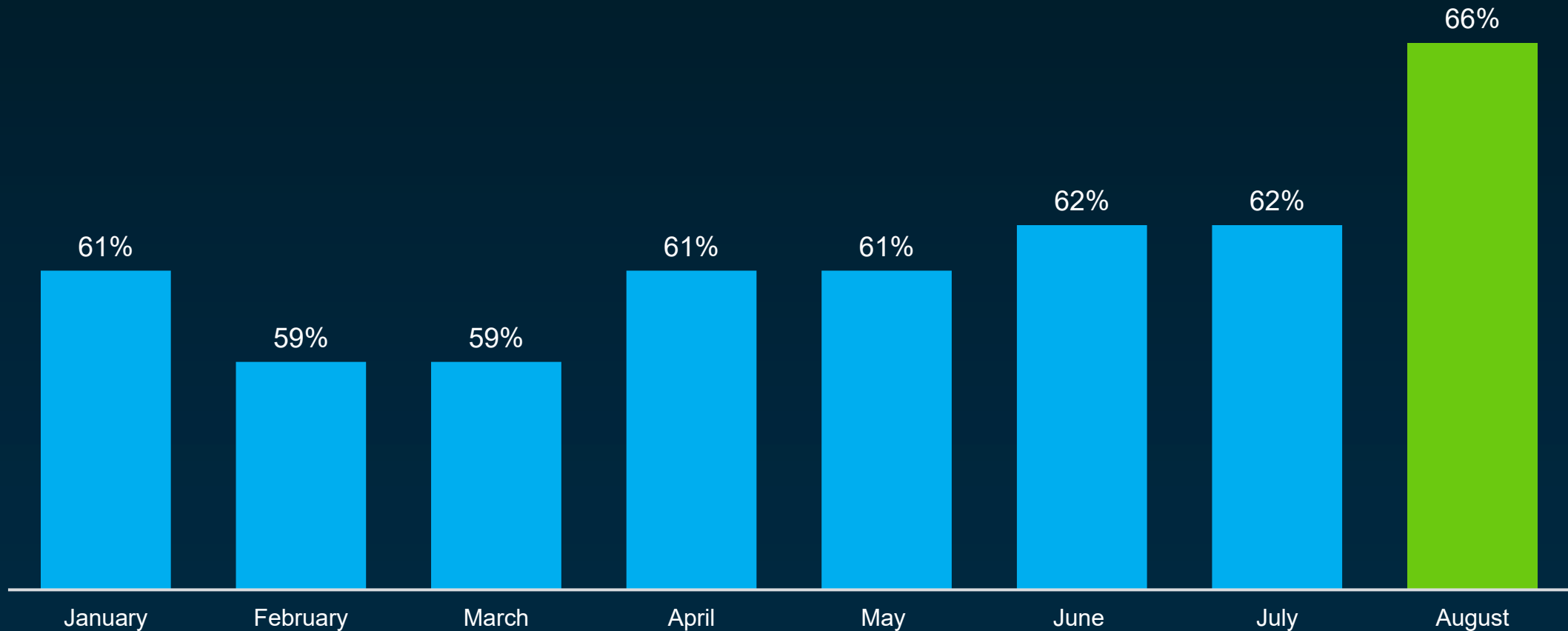




# Agent Action Plan

# The Majority of Builders Are Offering Incentives

Percentage of Builders That Offer Incentives Per Month Hits Recent High



# Builders Continue To Cut Prices

Percentage of Builders That Cut Home Prices Per Month

