



U.S. Housing Chartbook

September 2025

Key Takeaways

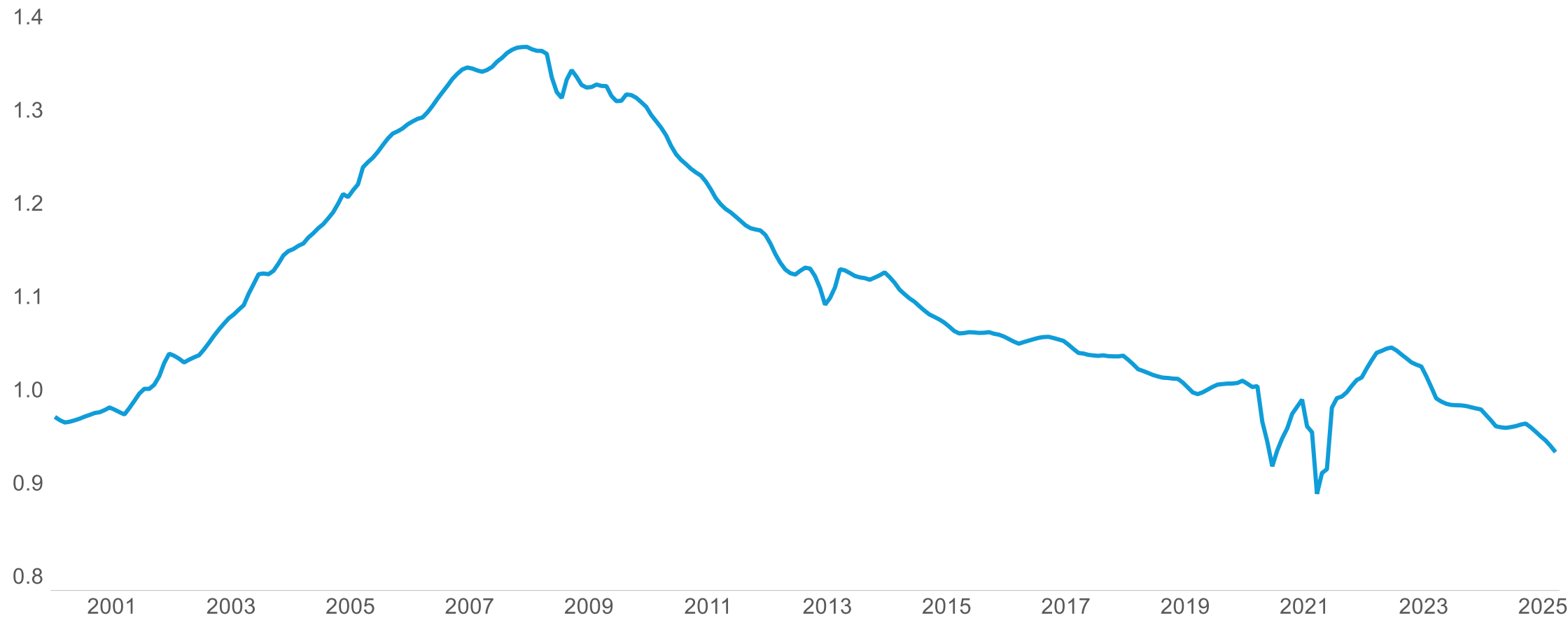
- Housing supply is tight in the Midwest and Northeast; inventory is building up in the Sun Belt
- The “lock-in” effect from low mortgage rates in 2020–2021 is limiting mobility and we expect this to continue impacting home sales through the end of 2027
- We project a -1.5% change in home prices in 2025 (currently -0.4% YTD), as measured by the Case-Shiller Home Price Index, followed by +0.5% price growth in 2026
- We expect price declines to be concentrated in the South and California, with Florida experiencing the steepest drop
- More cautious homebuilder sentiment is causing falling construction starts
- We expect falling new supply and favorable demographic trends in the Sun Belt to support stronger price growth in 2027 and beyond
- Despite near-term price softness, strong consumer fundamentals, elevated rates and limited credit availability present a favorable backdrop for residential lending



Economic Backdrop

Consumer balance sheets are in good shape

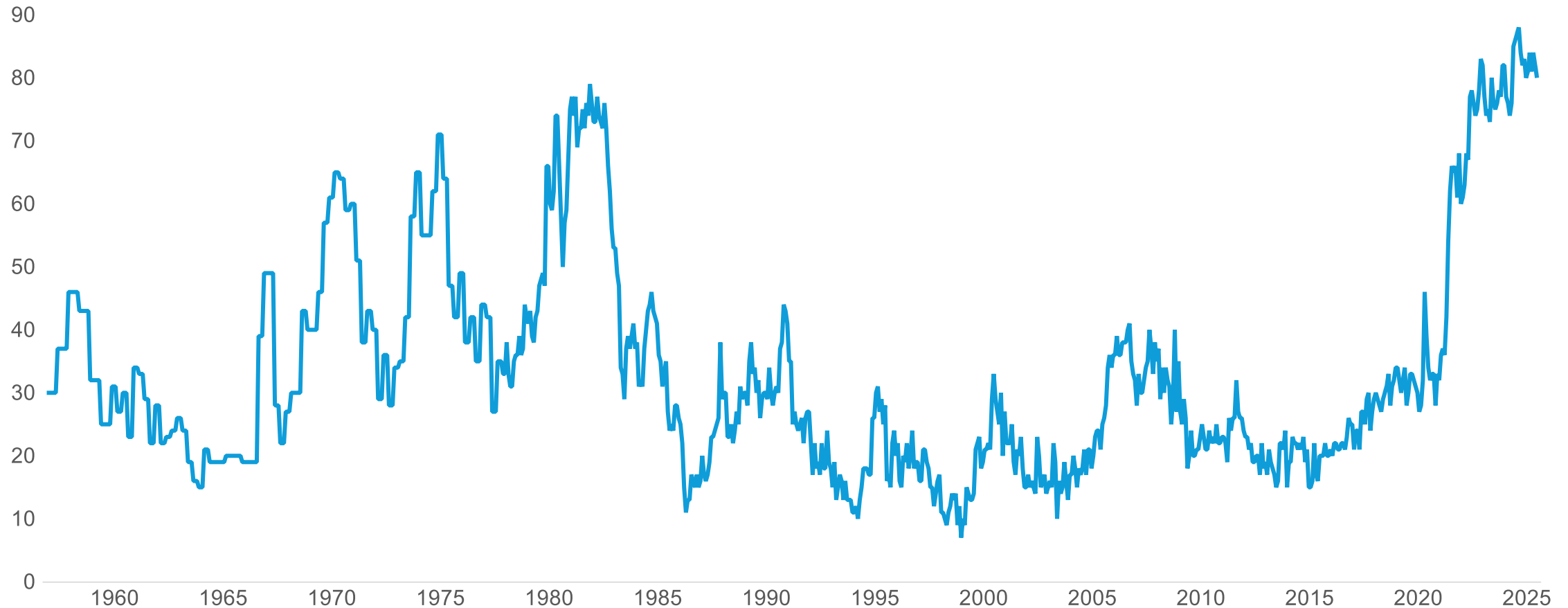
U.S. Household Debt as a % of Disposable Income



Sources: MIM, Fed, BEA. Data as of March 2025.

The % of people who think it's a bad time to buy a house is near an all-time high

Consumer Survey - % of Respondents Saying it is a Bad Time to Buy a House

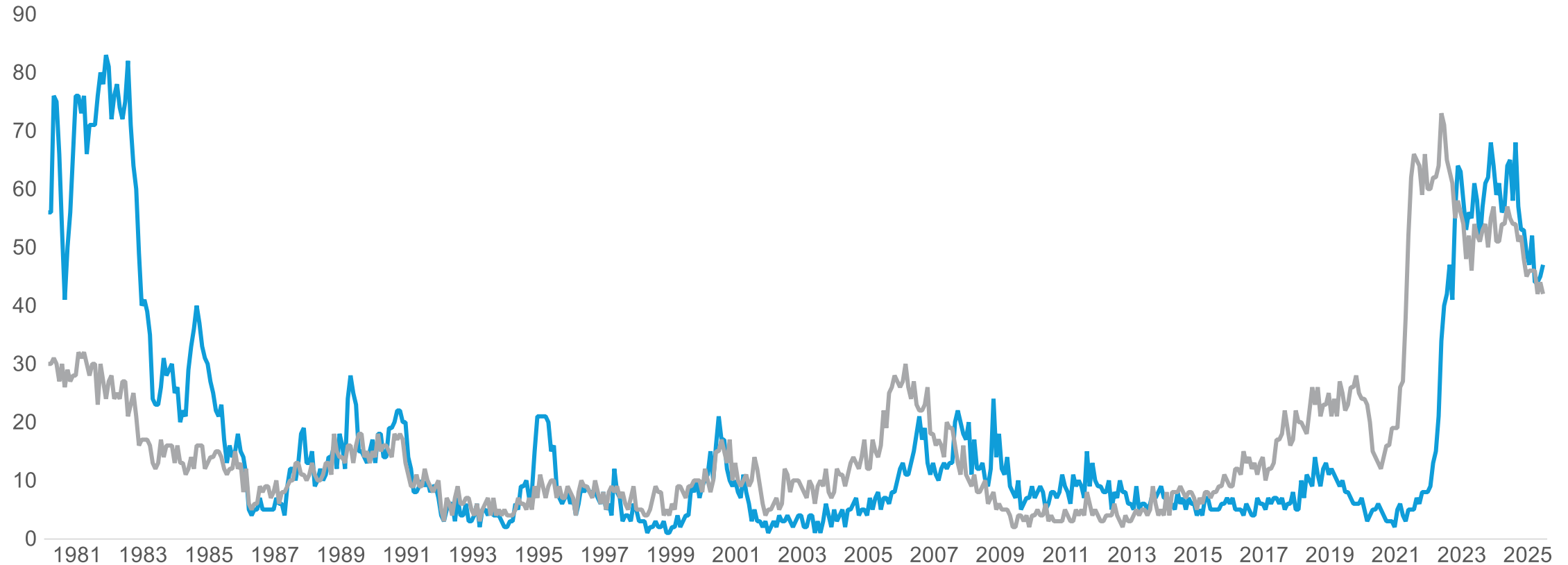


Sources: MIM, University of Michigan. Data as of June 2025.

High prices and interest rates are the impediment to home buying

Consumer Survey - % of Respondents Saying Reason it is a Bad Time to Buy House

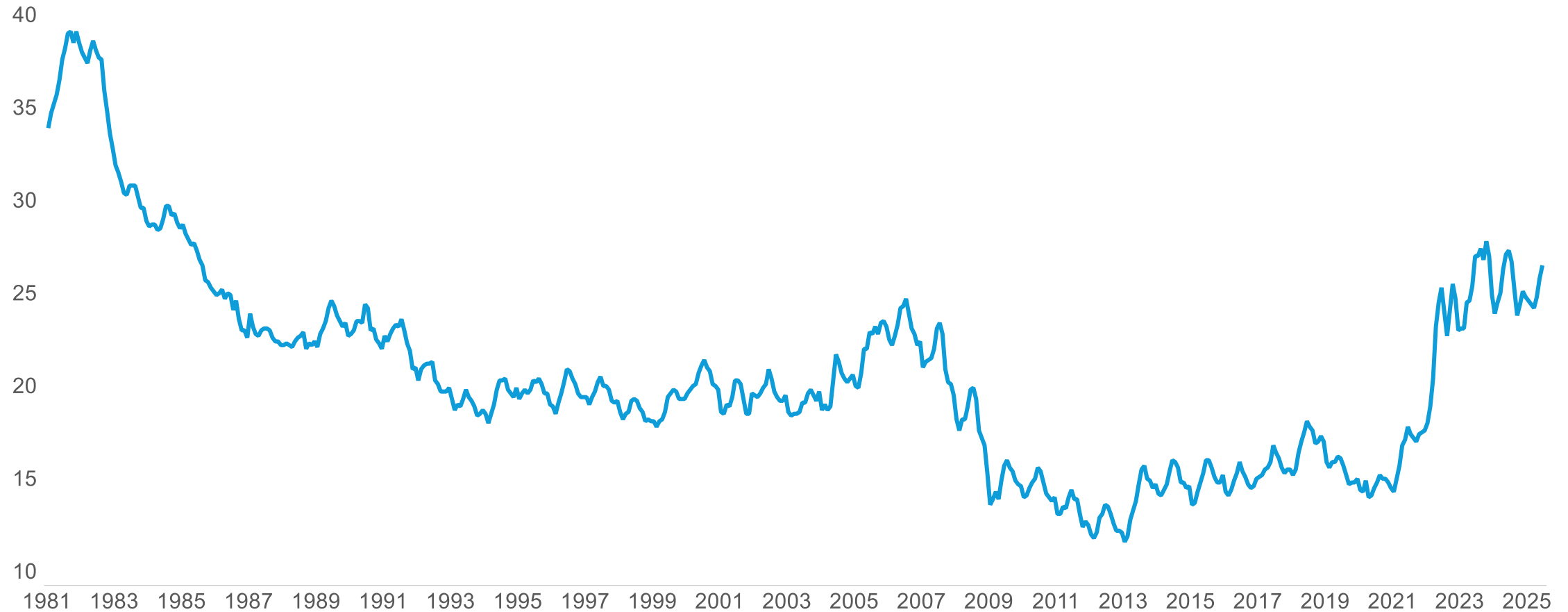
— Prices Are High — Interest Rates Are High - Credit is Tight



Sources: MIM, University of Michigan. Data as of June 2025.

Affordability is near a 30-year low

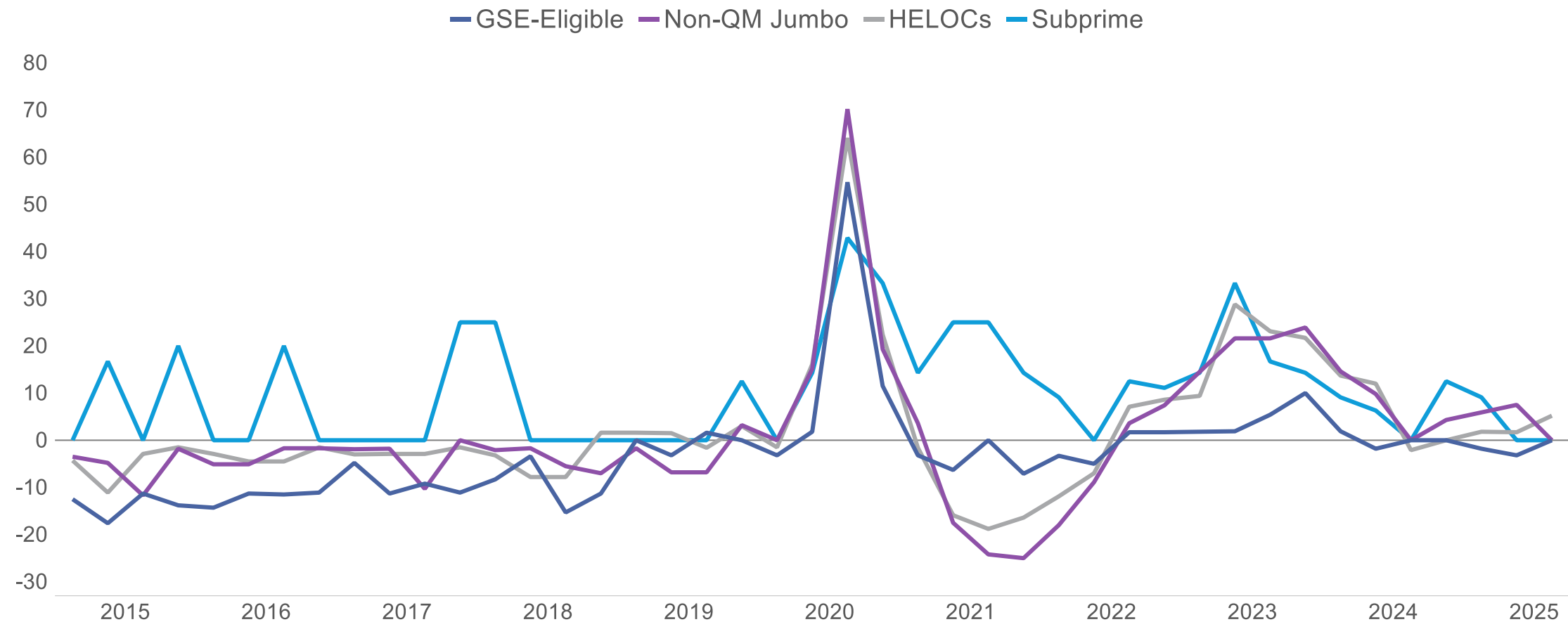
Home Payment as % of Income



Sources: MIM, NAR. Data as of June 2025.

Banks are not loosening underwriting standards for residential mortgages

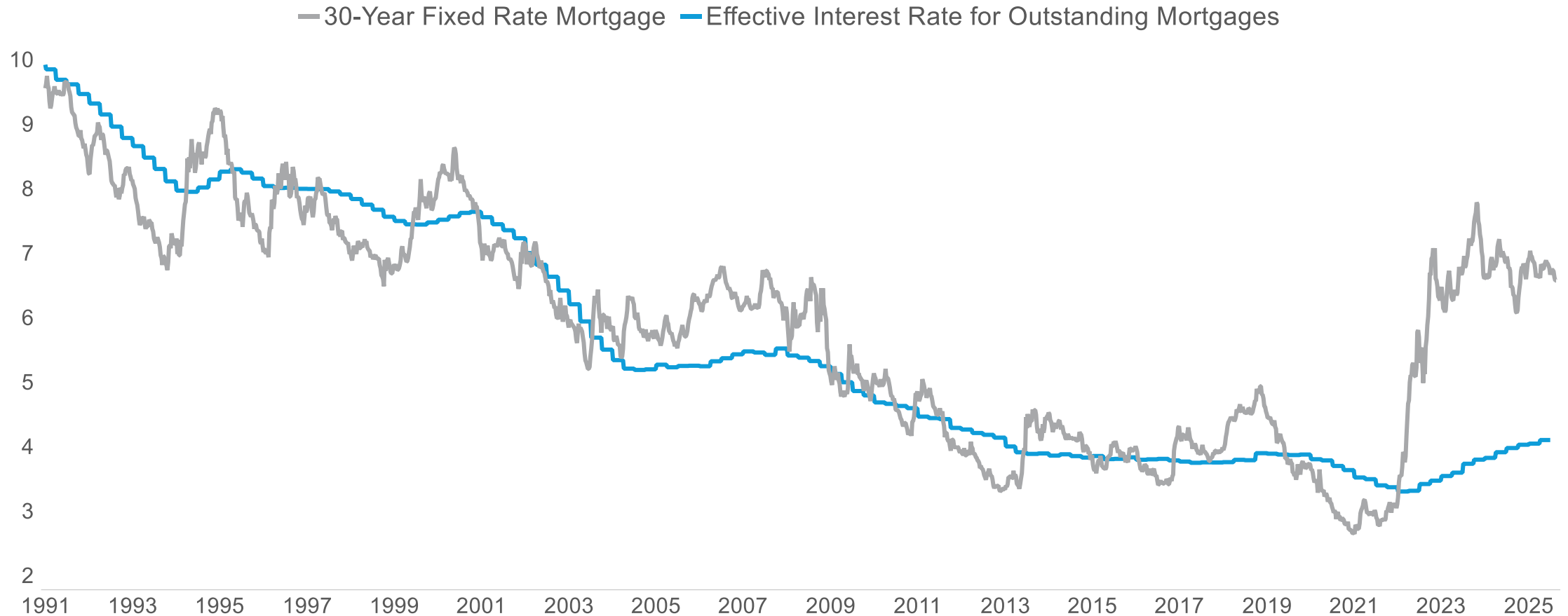
% of Banks Tightening Underwriting Standards – Senior Loan Officer Opinion Survey



Sources: MIM, Federal Reserve. Data as of July 2025.

The mortgage “lock-in” effect has reduced buying and selling

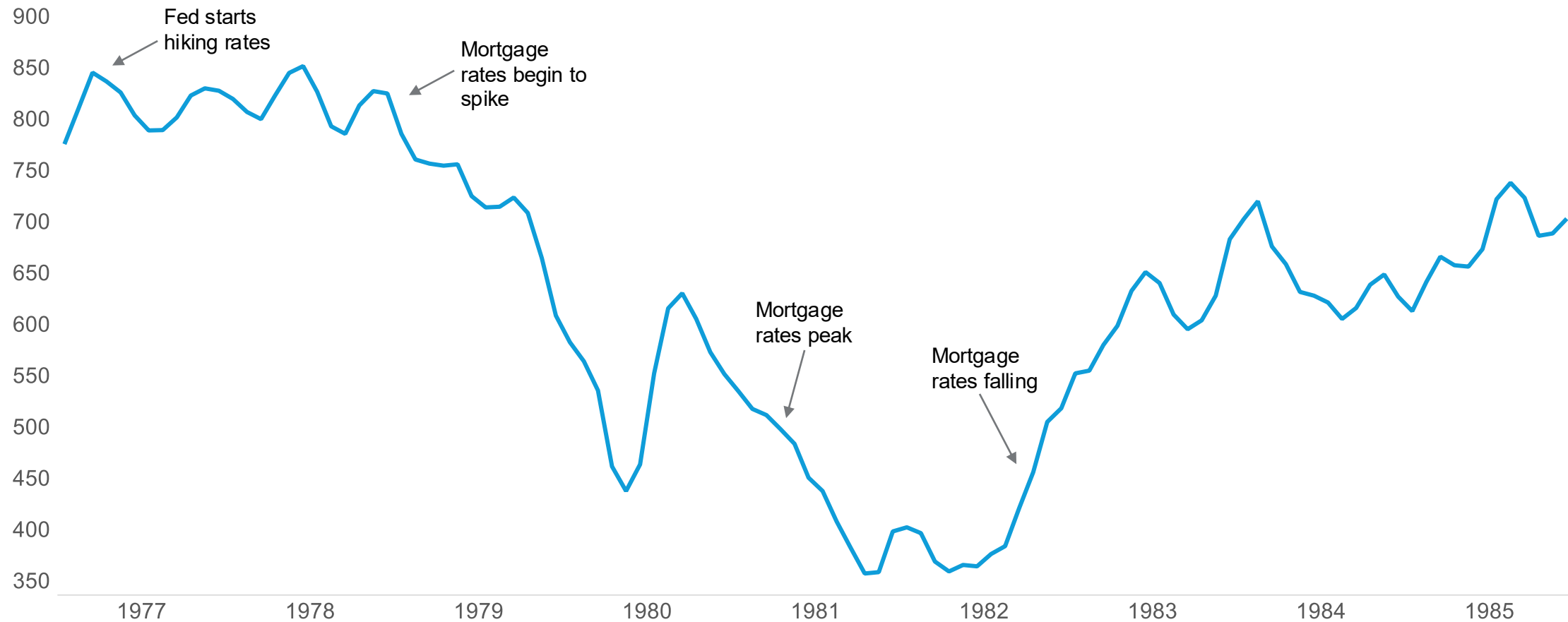
30-Year Fixed Mortgage Rate & Effective Interest Rate for Outstanding Mortgages (%)



Sources: MIM, BEA, Freddie Mac. Data as of August 2025.

The lock-in effect of 1978 lasted 5 years, suggesting this one will end in 2027-2028

Number of New Homes Sold from 1977 to 1985 (Quarterly Data, Thousands of Homes)



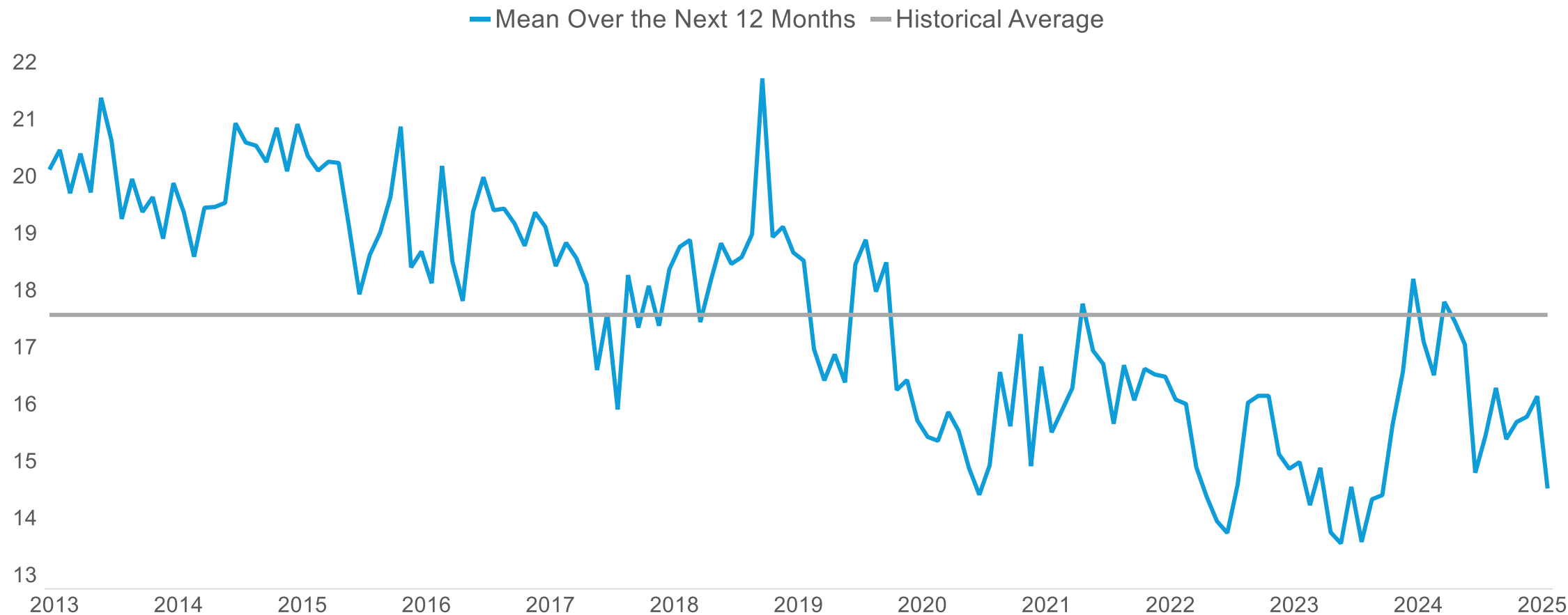
Sources: MIM, USCB. Data as of July 2025.



Demand Outlook

Consumers expecting to move over next 12 months is below trend

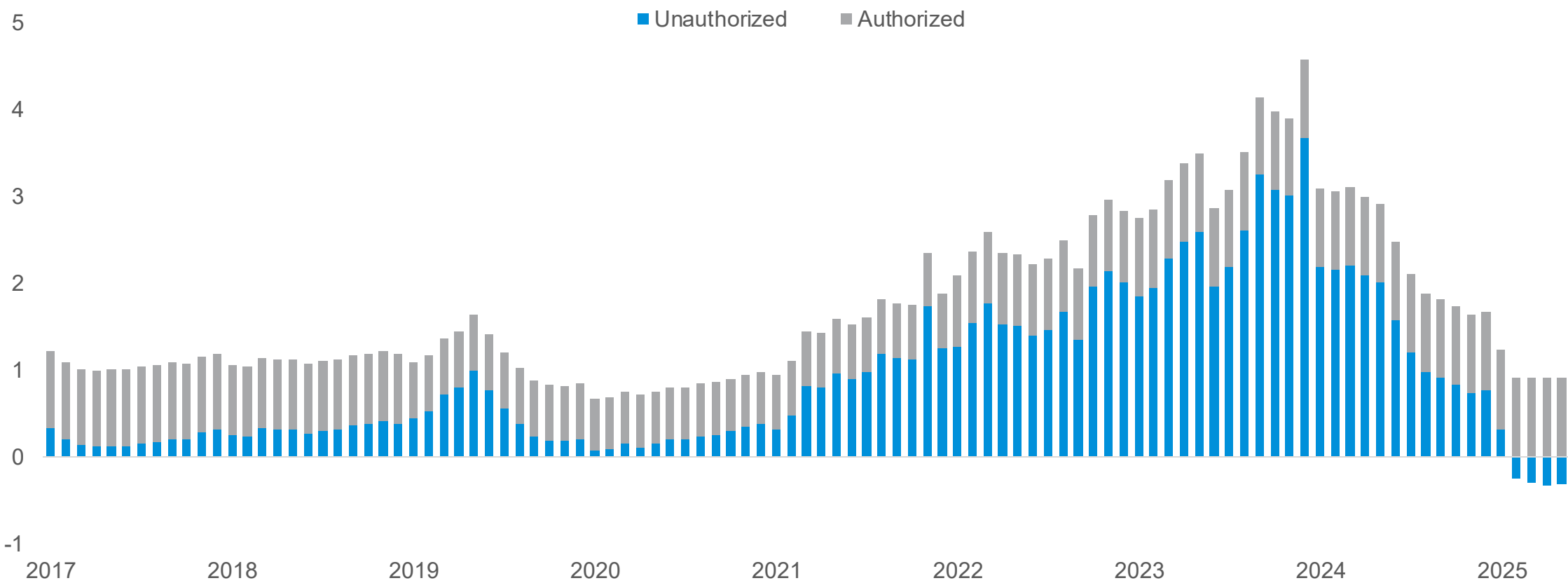
NYFRB Survey of Consumer Expectations: Mean Probability of Changing Primary Residence Over the Next 12 Months (%)



Sources: MIM, Federal Reserve Bank of New York. Data as of July 2025.

Immigration is plummeting from the rapid growth in 2023 & 2024

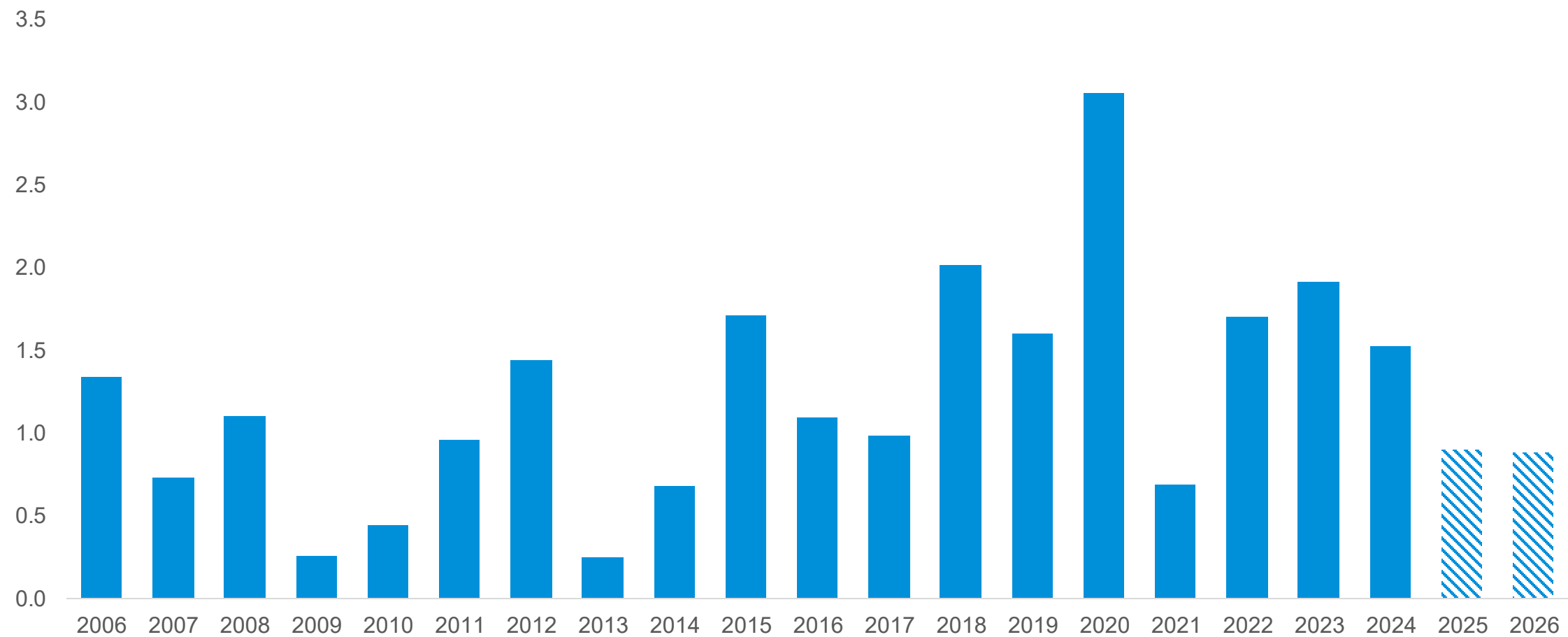
US Net Immigration (Millions of People)



Sources: MIM, Oxford Economics, Cato Institute, CBO, Deportation Data Project, DHS, TRAC. Data as of 2Q 2025.

Low immigration will slow population growth, household formations

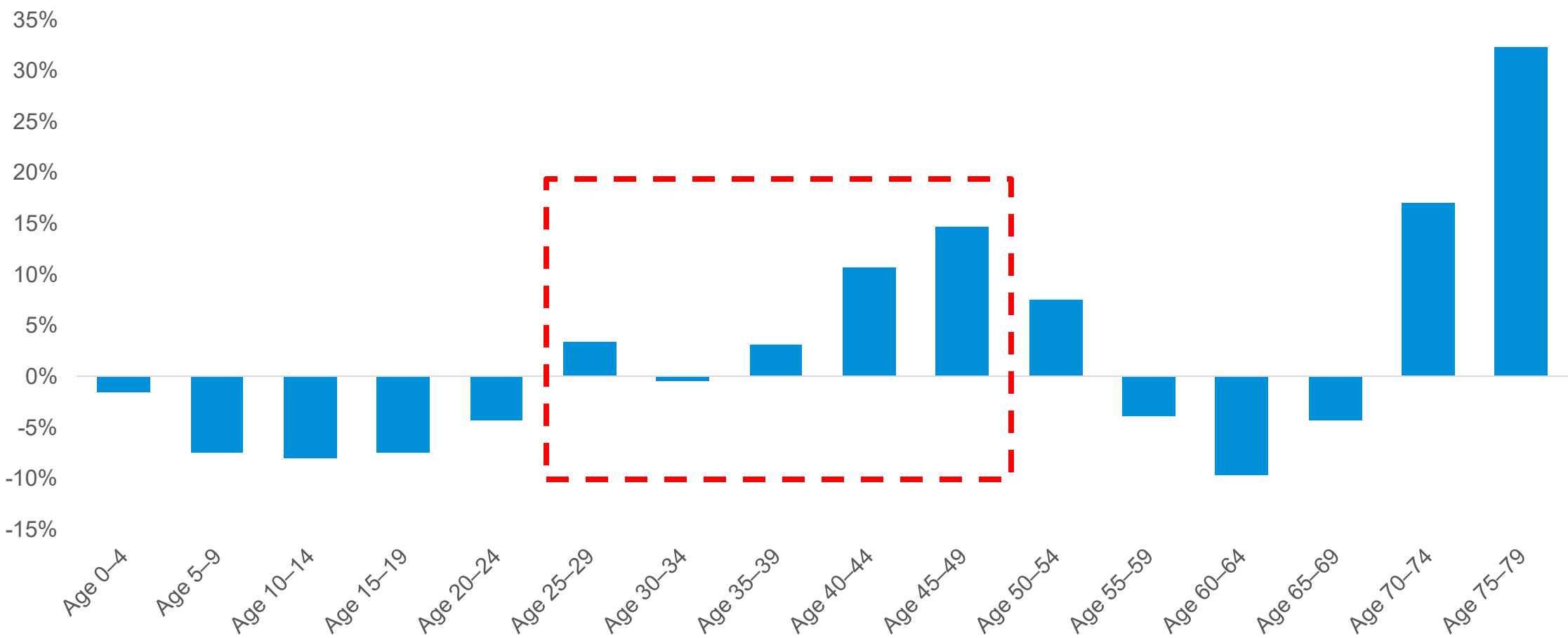
US Household Formation (Millions of Units)



Sources: MIM, US Census Bureau. Data as of 2Q 2025.

Prime home buying age groups expected to grow over next ten years

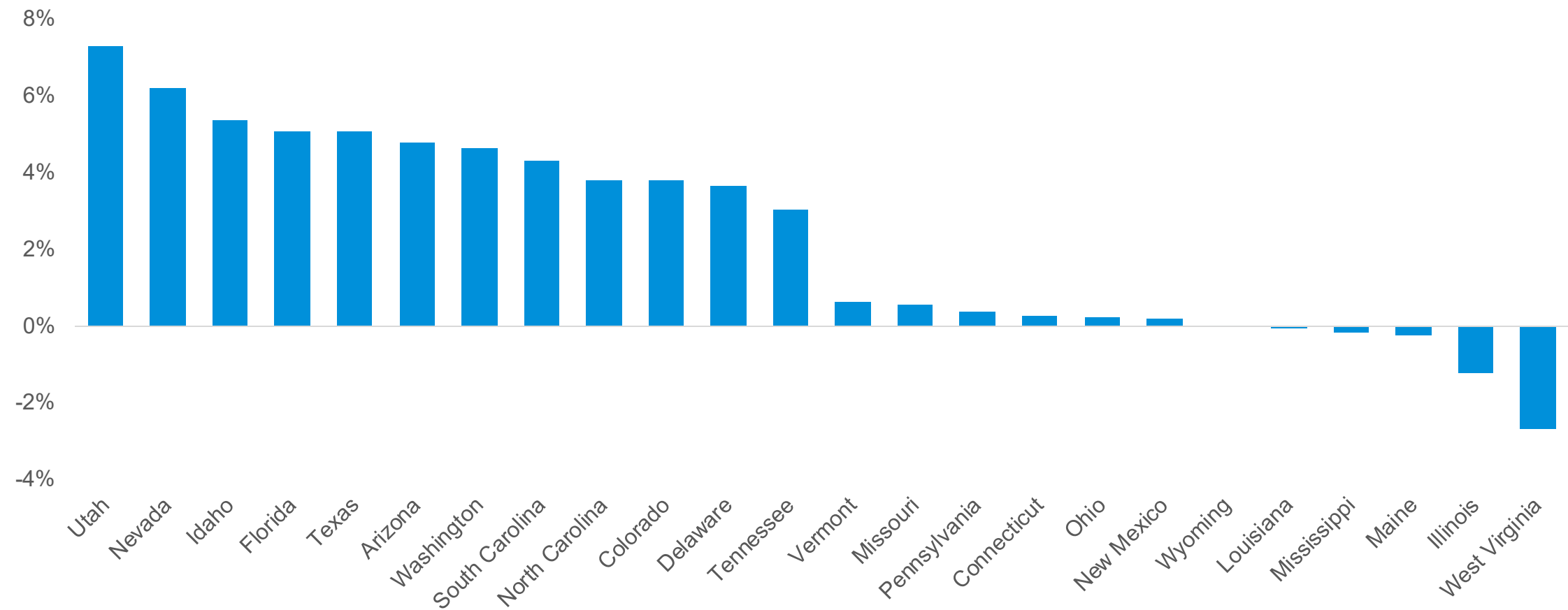
Population Growth by Age Cohort (%), Forecast 2024 to 2034



Sources: MIM, John Burns Research and Consulting. Data as of 2Q 2025.

Even though home prices are declining in the south, medium/long term outlook is more positive

Forecasted Population Growth by State 2024 to 2029 (% Change)



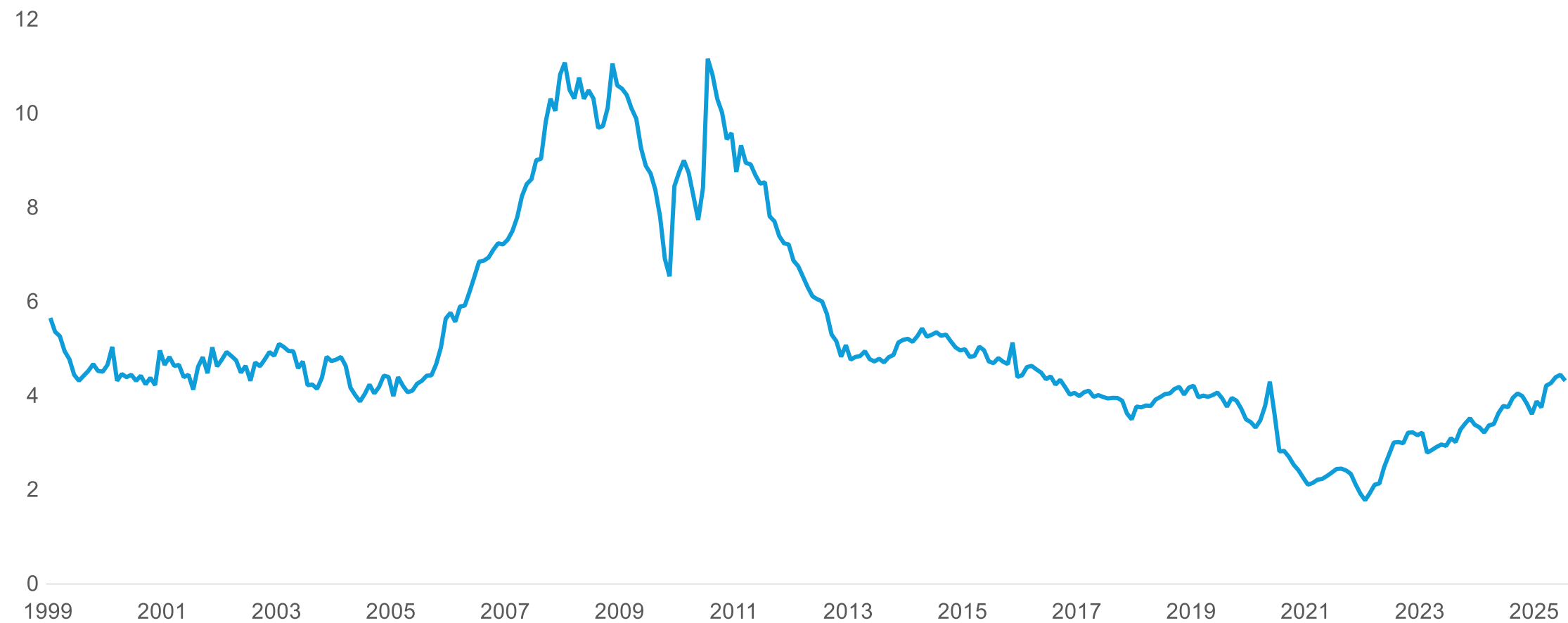
Sources: MIM, Oxford Economics. Data as of 2Q 2025.

The background of the slide features a photograph of a residential house with a gabled roof and multiple windows. The entire image is covered with a semi-transparent teal overlay, which serves as a backdrop for the title text.

Supply Outlook

Lock-in effect has created an inventory shortage, but it is gradually recovering

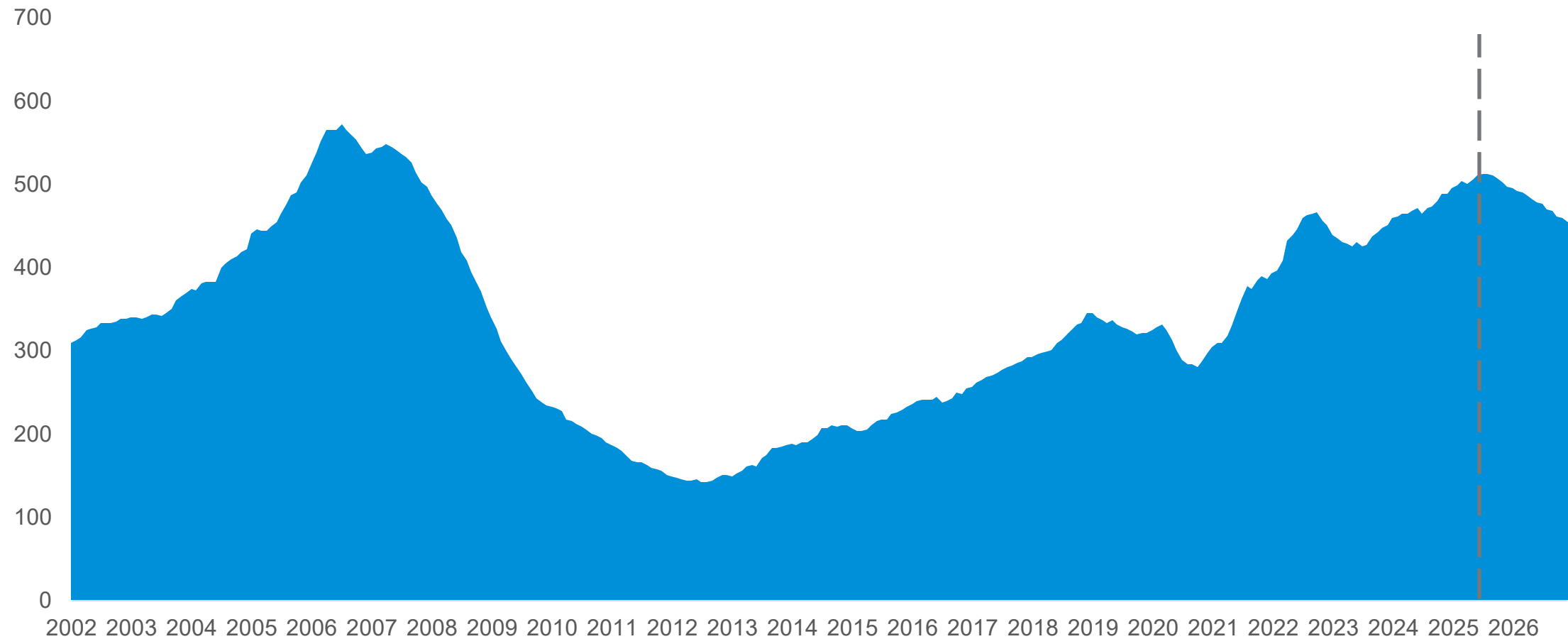
Total Months Supply of Existing Homes for Sale



Sources: MIM, NAR. Data as of July 2025.

New homes for sale is likely to peak in coming months

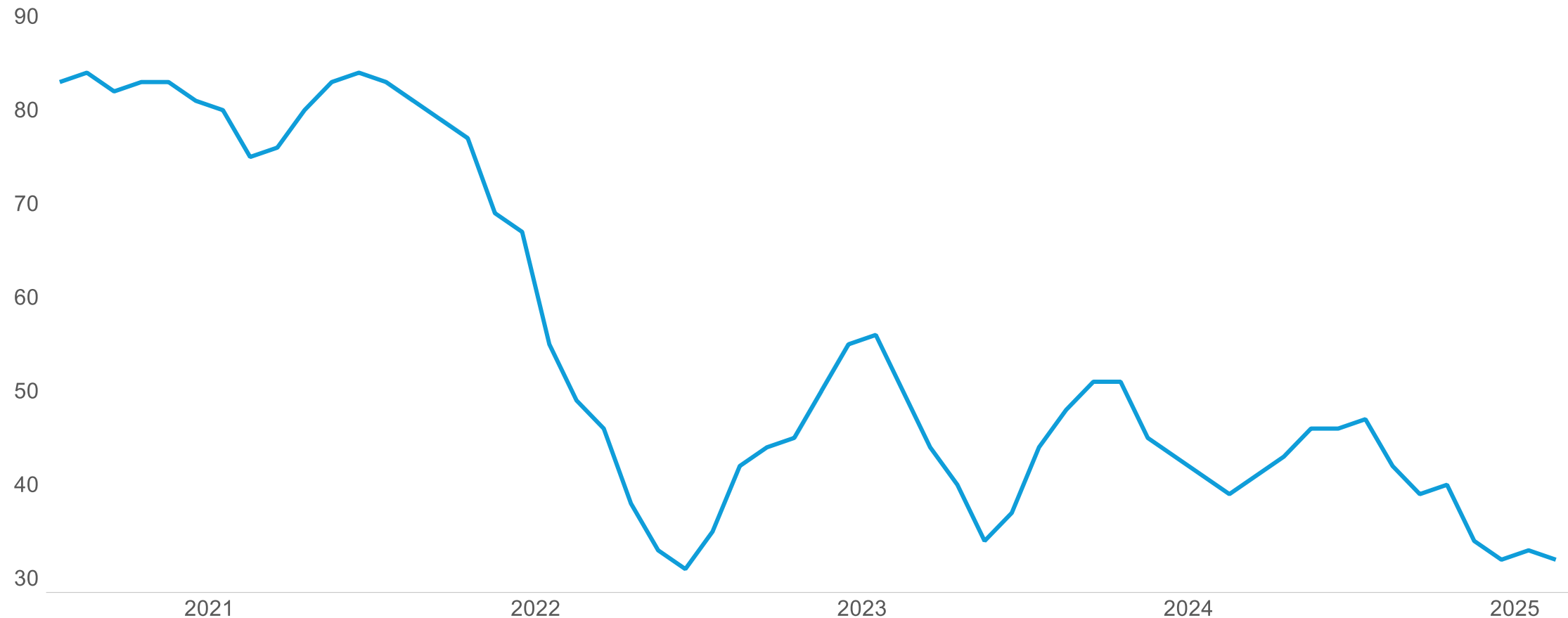
New Homes For Sale, Seasonally Adjusted (Thousands of Units)



Sources: MIM, Census Bureau. Data as of June 2025.

Home builder sentiment near post-pandemic low

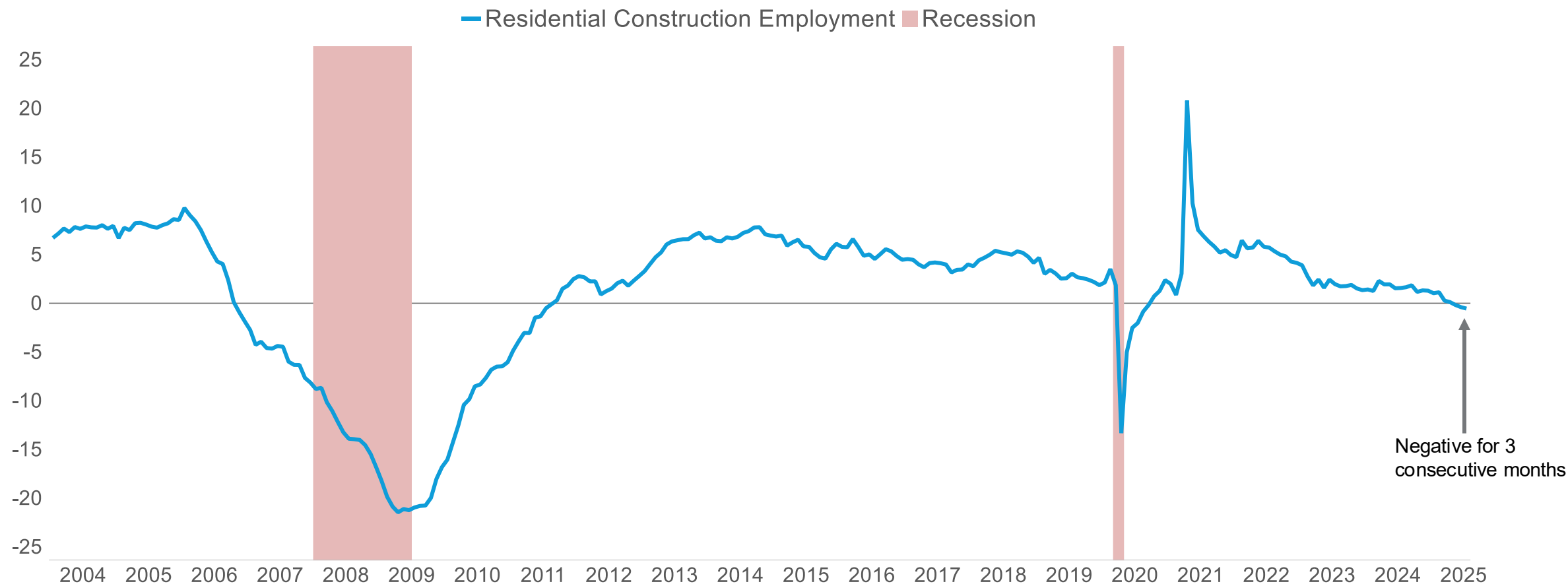
Home Builder Sentiment Index



Sources: MIM, NAHB. Data as of August 2025.

Slowing residential construction job growth pointing to fall in homebuilding

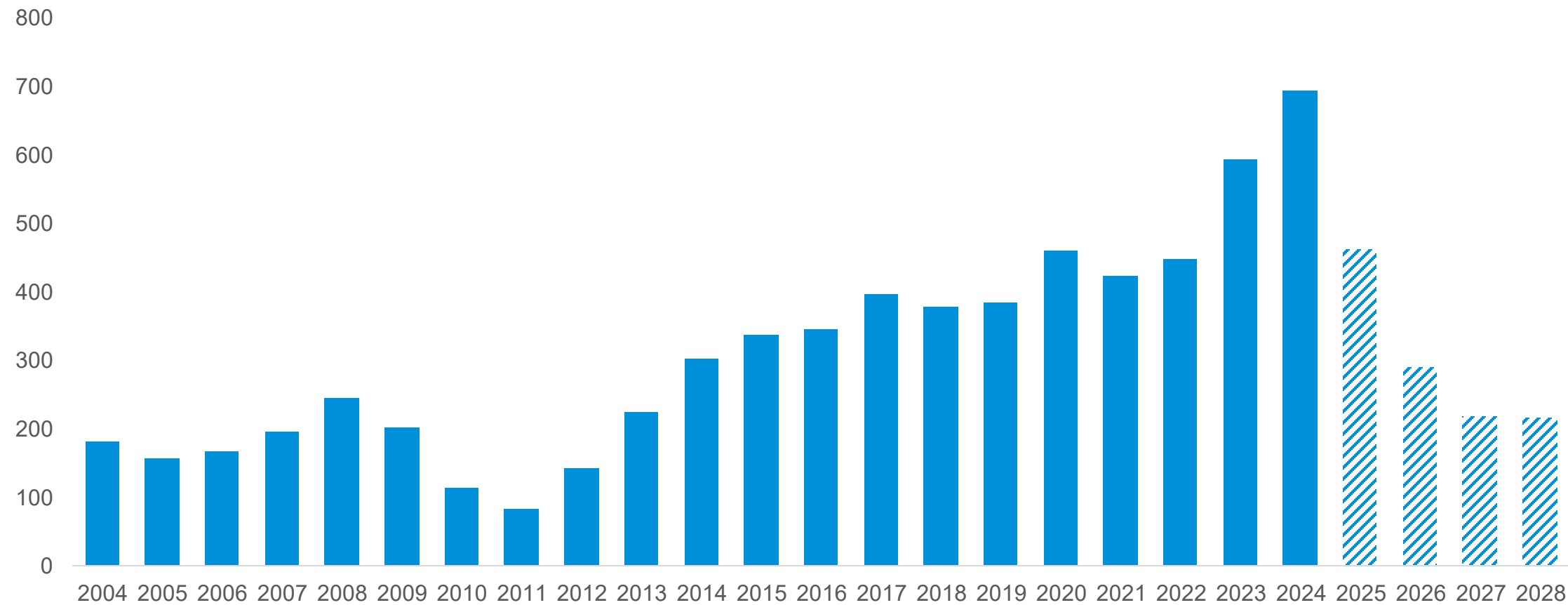
Residential Building Construction Job Growth (Year-Over-Year % Change)



Sources: MIM, BLS, NBER. Data as of July 2025.

Multifamily deliveries are falling

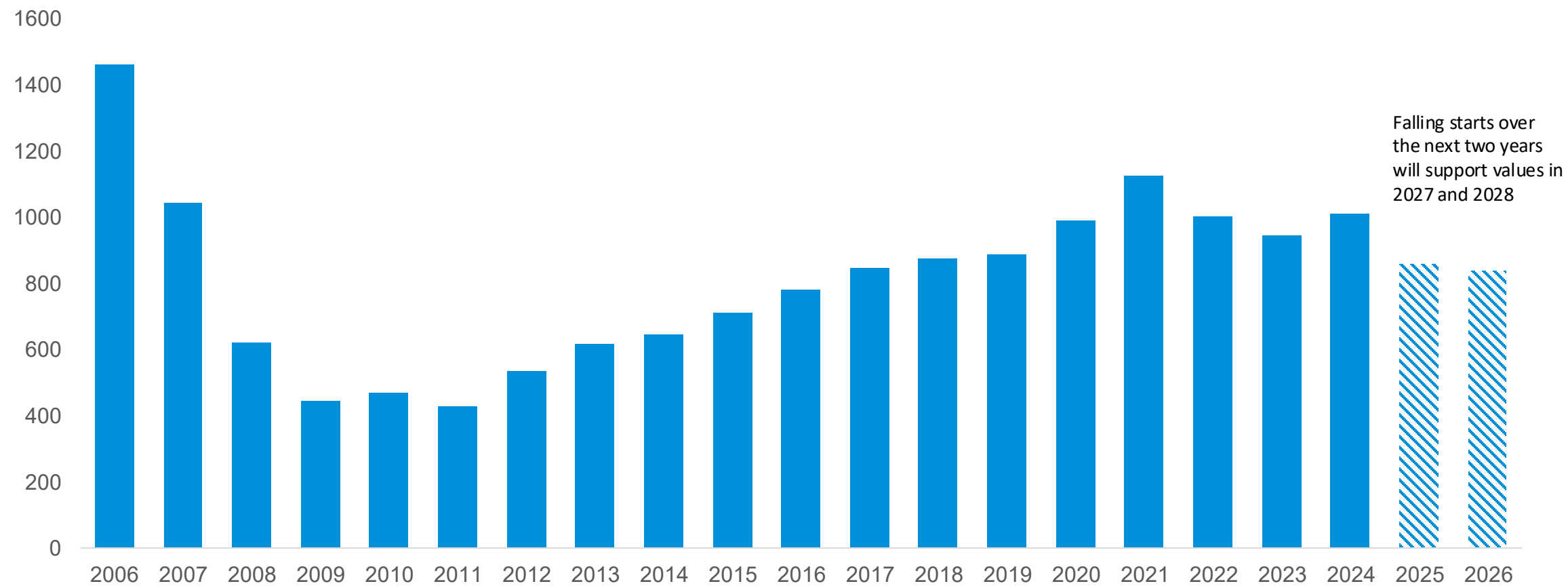
Multifamily Units Delivered (Thousands)



Sources: MIM, CoStar. Data as of 2Q 2025.

We expect single-family home starts to fall 15% in 2025

Single-Family Home Starts (Thousands)



Sources: MIM, Census Bureau. Data as of 2Q 2025.

Rental housing vacancy below trend across regions

Rental Housing Vacancy Rate, Census Bureau (All Unit Types)

	National	Northeast Region	Midwest Region	South Region	West Region
Q2 2024 Vacancy	6.6%	5.7%	5.5%	8.4%	5.5%
Q2 2025 Vacancy	7.0%	5.2%	6.6%	9.0%	5.7%
Historical Average	8.3%	6.0%	9.2%	10.4%	6.2%

Note: Average is taken between the period of 2000 to 2024
Sources: MIM, Census Bureau. Data as of 2Q 2025.

Homeowner vacancy has ticked up YoY, but below trend across regions

Homeowner Vacancy Rate, Census Bureau (All Unit Types)

	National	Northeast Region	Midwest Region	South Region	West Region
Q2 2024 Vacancy	0.9%	0.7%	0.9%	1.2%	0.8%
Q2 2025 Vacancy	1.1%	0.8%	0.8%	1.3%	1.1%
Historical Average	1.8%	1.5%	1.8%	2.0%	1.6%

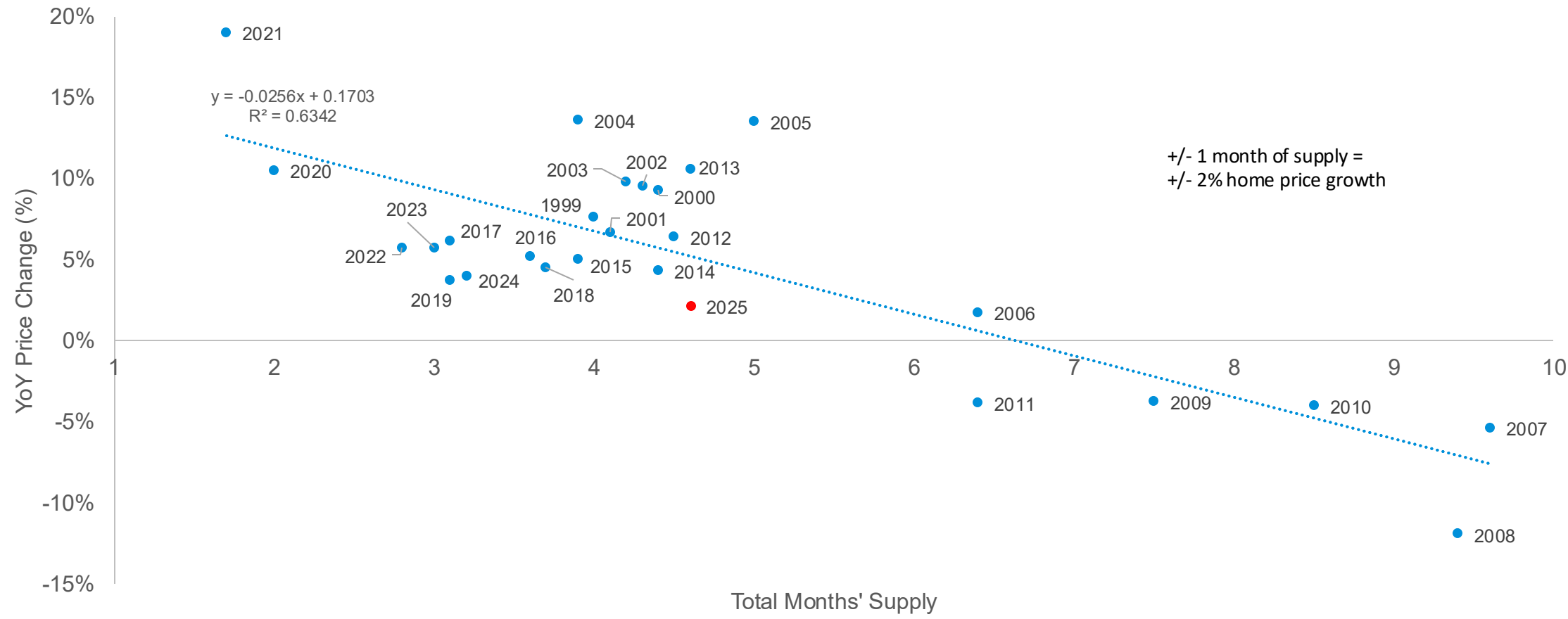
Note: Average is taken between the period of 2000 to 2024
Sources: MIM, Census Bureau. Data as of 2Q 2025.



Value Outlook

While supply is rising, it remains low enough to prevent significant value declines

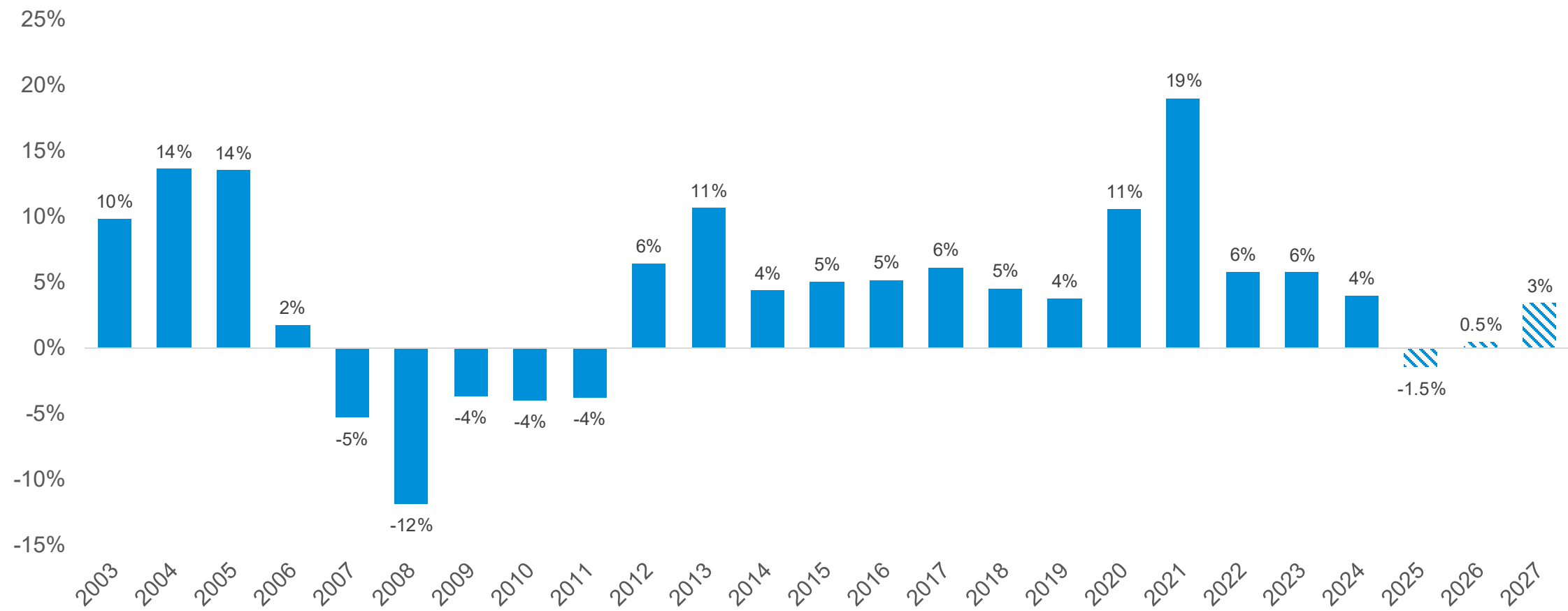
Months' Supply and Home Price Change (Year-Over-Year % Change)



Sources: MIM, S&P, NAR. Data as of 2Q 2025.

Home prices have been flat in the last year; we expect -1.5% decline this year

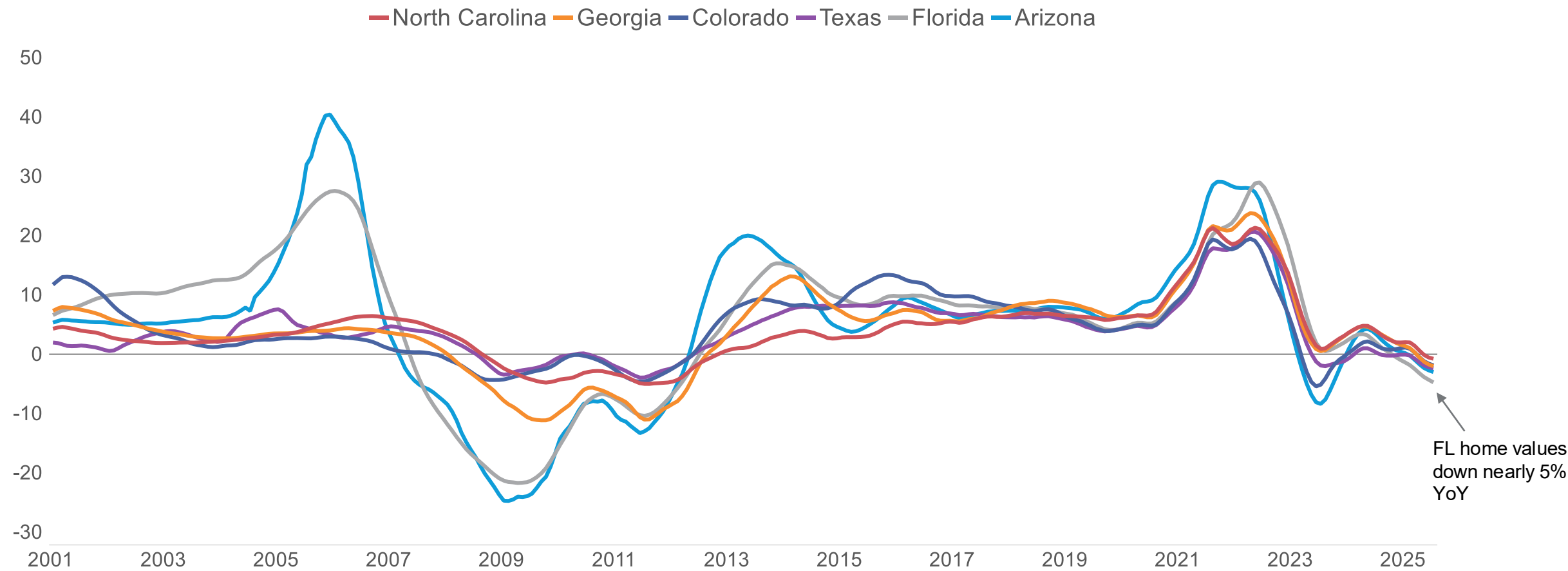
Home Value Change (Year-Over-Year %), Case-Shiller National Home Price Index



Sources: MIM, S&P. Data as of July 2025.

Sun Belt states already seeing price declines

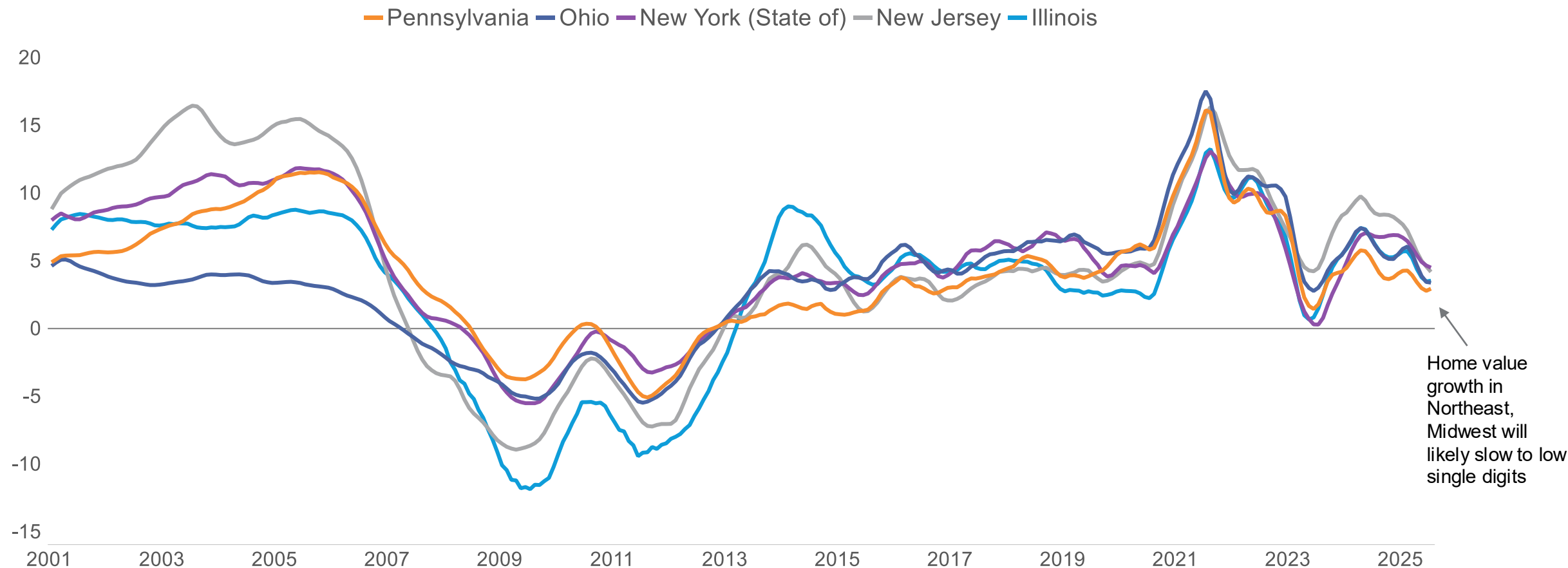
Home Value Index (Year-Over-Year % Change)



Sources: MIM, Zillow. Data as of July 2025.

Other parts of the country are seeing home values continue to rise

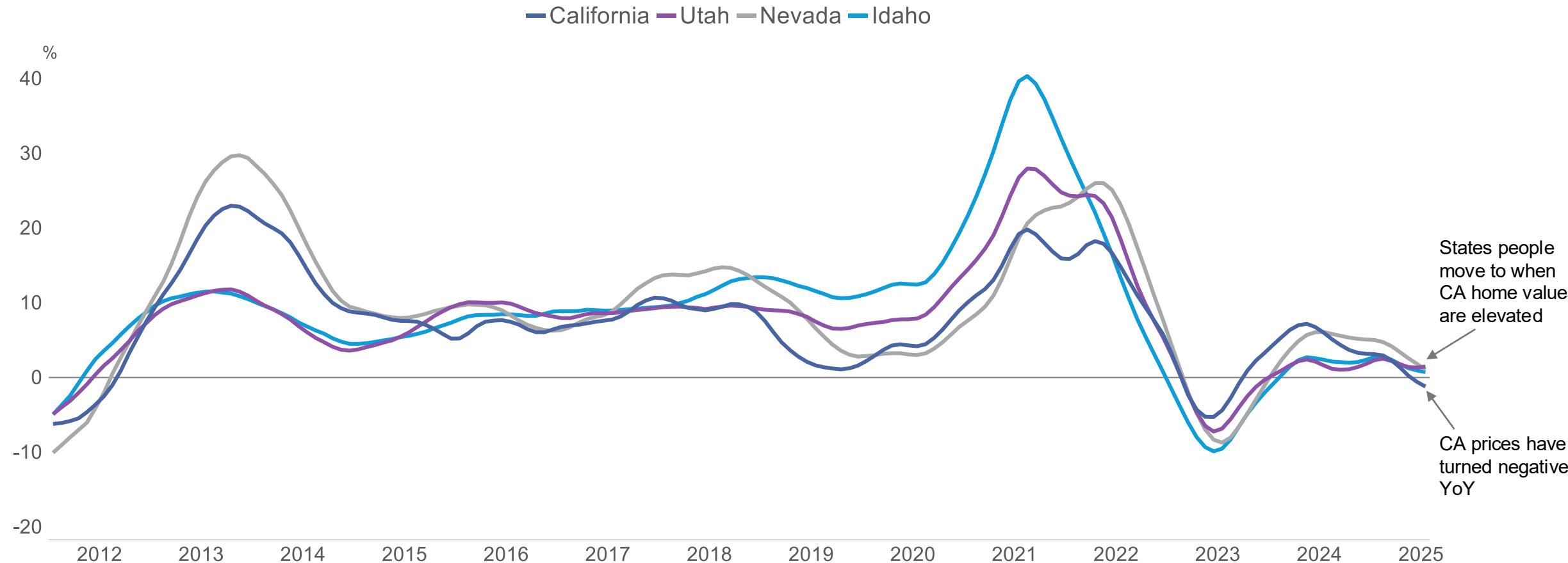
Home Value Index (Year-Over-Year % Change)



Sources: MIM, Zillow. Data as of July 2025.

Improving home affordability in CA may have negative spillover for neighboring states

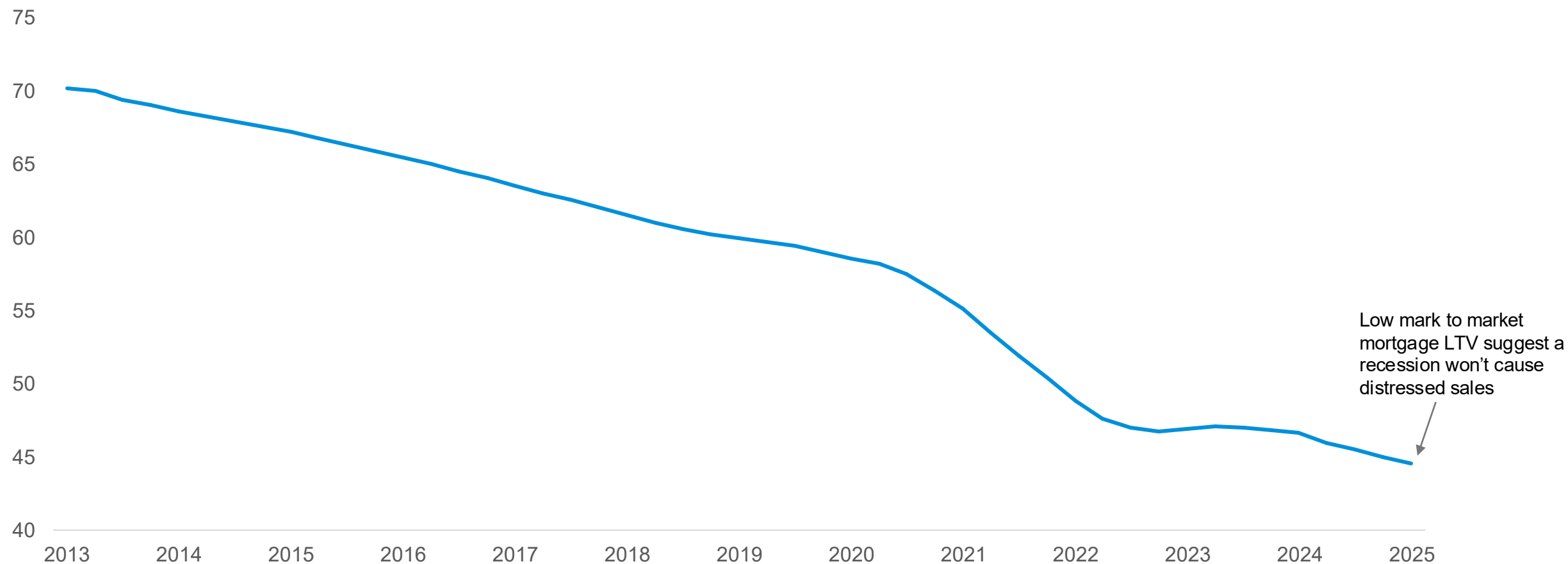
Home Value Index (Year-Over-Year % Change)



Sources: MIM, Zillow. Data as of July 2025.

Low loan-to-value ratios suggest housing prices are unlikely to "crash"

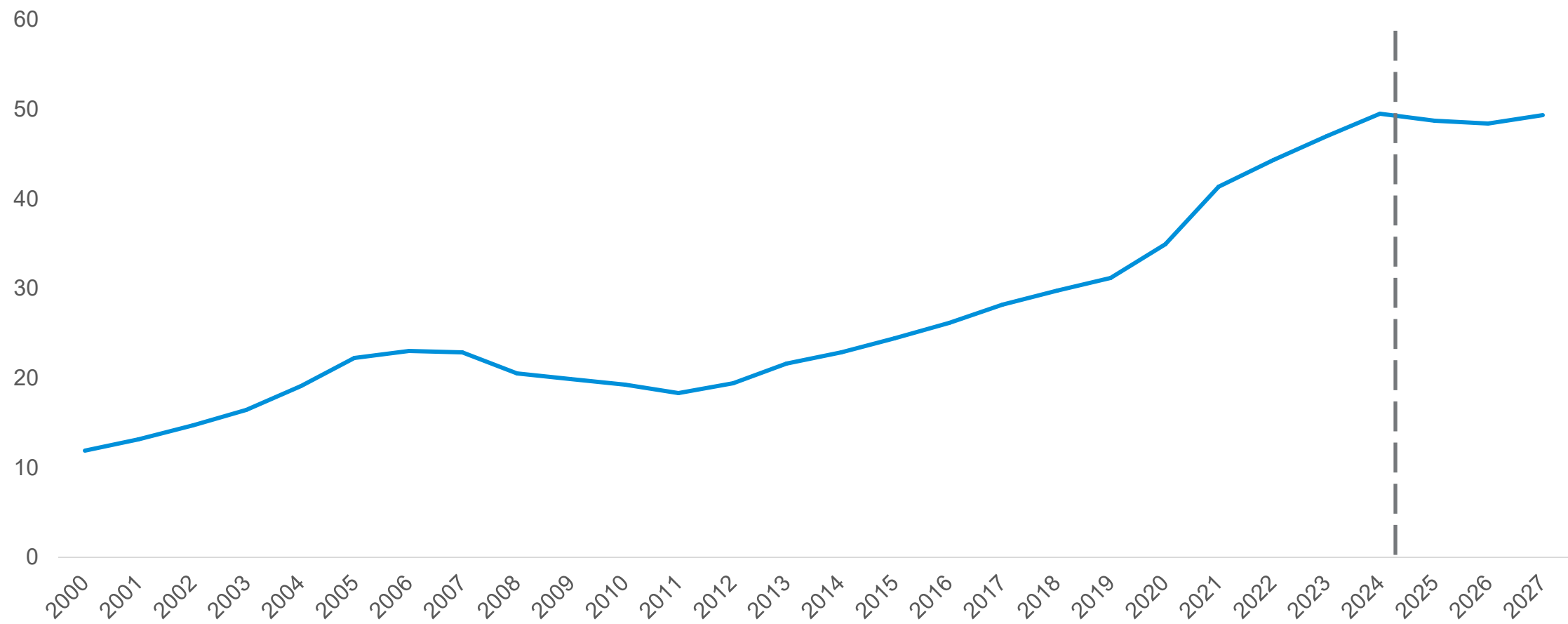
Mark to Market Residential Mortgage LTV



Sources: MIM, FHFA. Data as of 1Q 2025.

Total value of U.S. homes at nearly \$50 trillion

Combined Value of U.S. Homes (\$ Trillions)



Sources: MIM, Redfin. Data as of 1Q 2025.

Impacts from ending conservatorship of Fannie and Freddie

- President Trump has stated he is giving “very serious consideration” to ending the conservatorship of Fannie Mae and Freddie Mac.
- Fannie and Freddie back more than 60% of new mortgages. When adding in FHA and VA loans, the government backs nearly 75%.
- While the administration has said it would like to IPO Fannie and Freddie within a year, the process is likely to take several years.
- Taking the firms out of government conservatorship may take an act of Congress, and there is nothing being worked on currently.
- The IPO of Fannie and Freddie with the lack of an implicit guarantee for residential mortgages by the government would likely lead to an increase in mortgage rates.

Sources: MIM, CATO Institute, Fannie Mae, Freddie Mac. Data as of 2Q 2025.

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