



April 3, 2025

---

## **FMLS Market Intel Report - Spring 2025**

**Presented by: Leslie Appleton-Young, Chief Economist, FMLS**

---

### **FMLS Market Intel Report – Spring 2025 Outlook**

Presented by: Leslie Appleton-Young, Chief Economist for FMLS

As we approach the 2025 spring homebuying season, there's a lot of conversation about what to expect in the market. In this report, we'll break down the key trends and how the Greater Atlanta Area compares to national data.

#### **1. Mortgage Rates Stabilizing**

Mortgage rates have shown signs of stabilization over the past 10 weeks, with rates remaining below 7%, a drop from the early January peak. The latest reading stands at 6.65%, which is 37 basis points lower than the peak. Over the past four weeks, mortgage rates have fluctuated within a narrow 10 basis point range, signaling stability. This gradual decrease in rates is linked to a drop in the 10-year Treasury yield, driven by economic uncertainty, as investors seek the safety of Treasuries. While this dip in rates reflects market caution, the slight improvement in housing affordability is a positive for potential buyers.

#### **2. Active Inventory on the Rise**

Nationally, active home inventory rose by 27.5% in February, reaching 847,825 homes. In the Greater Atlanta Area, listings increased by 39%. Every week in March saw a double-digit rise in listings compared to the previous year. In fact, active listings in Atlanta stood at 11,263 in February, just 600 units shy of February 2020 levels, signaling that inventory is approaching pre-pandemic conditions—a trend not mirrored in many other parts of the country. The time

properties are staying on the market has also increased. Nationally, homes are staying on the market for an average of 66 days, up from 61 days last year. In Greater Atlanta, homes are on the market for 28 days, an increase from 20 days in February 2024. This highlights the importance of local data, which offers a more accurate view than national averages.

### **3. Home Price Appreciation Slowing**

With an increase in inventory and longer market times, the pressure on home prices has begun to ease. Nationally, the median home price in February was \$398,400, marking a 3.8% increase compared to the previous year. In the Greater Atlanta Area, the February median home price was \$431,750, reflecting a modest 0.6% increase from last year—well below the 7.3% rise between February 2022 and February 2023. According to the most recent Case-Shiller report, national home prices gained 3.9% by the end of last year, while Atlanta saw a smaller increase of 2.35%. This slower pace of home price appreciation is good news for homebuyers.

### **4. Buyer Activity Picking Up**

Pending home sales have shown signs of recovery, with the National Association of Realtors' (NAR) Pending Home Sales Index growing by 2% in February. The South saw the strongest growth, while the Northeast and West experienced declines. In the Greater Atlanta Area, pending sales have been on the rise for the past two months, though they remain 6.8% below last year's levels. The increase in pending sales suggests that some buyers are responding to the dip in mortgage rates, more available inventory, and more time to consider their options. However, with pending home sales still near recent lows, the outlook for a robust 2025 housing market is tempered by lingering uncertainty.

### **Outlook: Cautious Optimism**

The words that best encapsulate the current outlook for the spring homebuying season are "cautious optimism." There's potential for the market to gain momentum, but the outlook remains uncertain. On the positive side, easing mortgage rates and rising inventory are encouraging signs that could drive future market activity, as indicated by the uptick in pending sales. However, many buyers are still hesitant due to ongoing affordability challenges and rising concerns about the future. Consumer confidence recently dropped to a 12-year low, with many consumers adopting a "wait and see" approach. Last week, the Federal Reserve met and opted to keep rates unchanged, citing a strong economy but ongoing uncertainty about the future.

The balance between these competing factors will influence housing activity in the coming months, and it's essential to stay informed about how these trends evolve.

### **Key Takeaways for Sellers and Buyers**

For sellers, the increasing inventory means more competition in the market, which requires patience and careful pricing to attract potential buyers. For buyers, the market presents an opportunity, especially with easing mortgage rates and more homes to choose from. These shifts are crucial for your clients to understand as they navigate the spring homebuying season.

### ***Stay Informed***

For the most up-to-date market statistics, visit the FMLS website, where we update our data weekly. If you're looking for resources specific to our local market dynamics or want to dive deeper into specific markets, we've got you covered.

Leslie Appleton-Young  
Chief Economist, FMLS  
See you next time!