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FMLS Market Intel Report - Second Quarter 2025

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Market Overview

The recent volatility in the financial markets has drawn comparisons to Bette Davis' famous line in *All About Eve*: “Fasten your seatbelts, it’s going to be a bumpy night.” Over the past several weeks, global uncertainty—driven largely by shifting tariff policies and geopolitical tensions—has left equity markets swinging and analysts struggling to keep pace with developments. Forecasts for the broader U.S. economy remain mixed. While some analysts are raising concerns about a potential recession, others anticipate continued, if modest, growth. What is clear, however, is a growing sense of caution among both consumers and business leaders.

Economic Sentiment

Consumer confidence has declined notably. The University of Michigan’s Consumer Sentiment Index posted a significant drop in April, marking its second-lowest reading on record. Inflationary pressures and job market concerns are key contributors to this shift.

This growing uncertainty is also being felt in the corporate sector. Many CEOs are adopting a more conservative stance, revising growth forecasts and deferring expansion plans. For example, Delta Air Lines—Atlanta’s largest employer—recently revised its Q1 revenue expectations downward, citing stalled growth and persistent global trade concerns.

Housing Market Sentiment

Uncertainty is also weighing on the housing market. According to KB Home CEO Jeffrey Mezger, “Consumers are working through affordability concerns and uncertainties related to macroeconomic and geographic issues, which are causing them to move slowly in their

homebuying decisions.” This reflects a slower-than-anticipated start to the spring homebuying season.

National & Local Economic Indicators

Despite market unease, several key indicators remain positive:

- **Job Creation:** The March jobs report surprised to the upside with 228,000 new jobs added—even amid federal spending cutbacks.
- **Wage Growth:** Wages rose by 3.8% year-over-year, outpacing the inflation rate of 2.6% in March.
- **Local Impact:** Federal workforce reductions are affecting Atlanta directly, with an expected cut of 2,400 jobs at the CDC.

While these indicators point to underlying strength, rising tariffs and continued layoffs could reverse some of these gains in the coming months.

Mortgage Rates & Buyer Activity

Market turbulence has led investors to seek the relative safety of bonds, which in turn has driven mortgage rates downward. According to Freddie Mac, the average 30-year fixed mortgage rate fell to **6.62%**, down from over 7% in early January.

Looking ahead, further rate volatility is expected as markets respond to ongoing shifts in trade and tax policy. While declining rates can be favorable for buyers, uncertainty may continue to dampen consumer confidence.

Greater Atlanta Market Snapshot – March 2025

Key indicators for the Greater Atlanta housing market suggest a building momentum heading into spring. On a monthly basis, we’ve seen an uptick in listings, faster transaction timelines, and an increase in closings and pending sales. However, year-over-year comparisons tell a more nuanced story:

- **Closed Sales:** 3,416 (↓ 6.4% YoY)
- **Average Sales Price:** \$562,349 (↑ 1.3% YoY)
- **New Listings:** 6,777 (↑ 15.9% YoY)
- **Homes for Sale:** 12,302 (↑ 45.3% YoY)
- **Pending Sales:** 3,817 (↓ 8.4% YoY)
- **Average Days on Market:** 21 (↑ 50% YoY)

While listings and inventory are rising, sales volumes remain somewhat suppressed, reflecting buyers' caution in a complex economic environment.

Expert Perspectives

Industry economists remain divided on the implications of current conditions:

"Lower rates may be cold comfort to prospective buyers who are increasingly worried about job security and inflation."

— Lisa Sturtevant, Chief Economist, Bright MLS

"The influence of lower rates generally outweighs job losses in most recessions."

— Lawrence Yun, Chief Economist, National Association of REALTORS®

These differing perspectives underscore the complexity of today's market landscape.

Strategic Guidance

For real estate professionals advising clients in this uncertain environment, flexibility and timing are key. As the saying goes, *"date the rate, marry the house."* Buyers motivated to move should be prepared to act swiftly when conditions align favorably. Rate movements are unpredictable, making preparation and informed decision-making more important than ever.

Conclusion

While March may have come in like a lion and out like a lamb, April is ushering in a downpour of concern and confusion. The economic outlook is in flux, and vigilance will be essential as we move through the spring season.

For the latest data and local insights, visit **Market Intel** on the FMLS website. Market statistics are updated weekly to keep you informed and equipped to navigate changing conditions.

This has been your Market Intel update — I'm Leslie Appleton Young. See you next time.