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Economic Report: Insights into Today's Housing Market

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Executive Summary

Over the past several months, uncertainty has been a defining factor in both economic outlooks and consumer decision-making in the housing sector. Today, we shift focus toward verifiable data and structural insights that equip consumers, advisors, and industry professionals to move from hesitation to action in the real estate market.

Key Economic Realities Impacting the Housing Market

1. Market Sentiment Reflects Widespread Discouragement, But Conditions Are Improving

Recent surveys highlight ongoing pessimism:

- Realtor.com reports 20% of Americans believe homeownership is no longer attainable.
- Gallup finds only 32% of non-homeowners expect to buy within five years, compared to 41% a decade ago.
- The primary barriers cited: affordability (high interest rates and home prices) and insufficient down payment savings.

However, the data tells a more nuanced story:

- Mortgage rates are 30 basis points lower than one year ago and have remained relatively stable.
- Home price appreciation has decelerated, now growing at 1–3% annually, a significant slowdown from previous years.
- Georgia ranks in the top 10 states for housing affordability and homebuilding strength, earning a “B” grade from Realtor.com.

2. First-Time Buyers: Older, Still Misled by the 20% Down Payment Myth

- Median age of first-time buyers in 2024: 38 years (up from 28 three decades ago).
- Challenges include high home prices, student debt, and lower marriage rates.
- Despite persistent beliefs, a 20% down payment is not required.
 - The median down payment for first-time buyers in 2024 was 9%.
 - In metro Atlanta, 32% of first-time buyers put down just 3–5%, according to the U.S. Census American Housing Survey.

3. Federal Loan Programs Support Accessibility

Federal programs remain crucial for affordability:

- FHA Loans (via HUD) allow for 3.5% down payments and offer flexible credit terms.
- VA Loans offer zero down payment and no PMI for qualified veterans and service members.

These programs significantly reduce entry barriers for first-time and lower-income buyers.

4. Thousands of Assistance Programs Exist Nationwide

There are more than 2,000 homeownership assistance programs in the U.S. Georgia-specific examples include:

- Georgia Dream Homeownership Program
- Atlanta Housing Down Payment Assistance Program
- Fulton County Homeownership Program (HOP)

Assistance often comes in the form of affordable financing, grants, or forgivable loans.

For FMLS members: Tools like Down Payment Resource (DPR) are available to identify eligibility and guide buyers through the process. FMLS also offers a free course to maximize DPR benefits.

5. Homeownership Remains a Core Aspiration

Despite market headwinds:

- Two-thirds of Americans still plan to purchase a home.
- 75% of surveyed individuals believe homeownership is essential to achieving the American Dream and building long-term wealth.

This enduring sentiment confirms that real estate professionals continue to play a pivotal role in shaping financial futures and family legacies.

Actionable Insight

Access current market conditions through FMLS Market Intel, updated weekly, for local and regional housing trends. Understanding hyperlocal dynamics is key to advising clients effectively and navigating 2025's evolving housing landscape.

Conclusion

While uncertainty persists, verifiable data, supportive lending structures, and consumer optimism offer a foundation for decisive action. Let's continue to provide factual, empathetic guidance to help more people achieve the dream of homeownership.

This has been your Market Intel update. See you next time.