

# *Mid-Year Economic Update & Forecast*

*FMLS Showcase  
August 21, 2025*



*Leslie Appleton Young  
Chief Economist FMLS*



*UNCERTAINTY*



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## What's keeping the markets up at night?

- Trade tensions & tariffs
- Federal reserve policy & independence
- Inflation vs. Jobs dilemma
- Housing affordability
- Rising debt
- Reserve status of the dollar
- Geopolitical tensions
- AI & the future of work



# Economy

# Q2 GDP Rebound

## Volatility reflects import swings

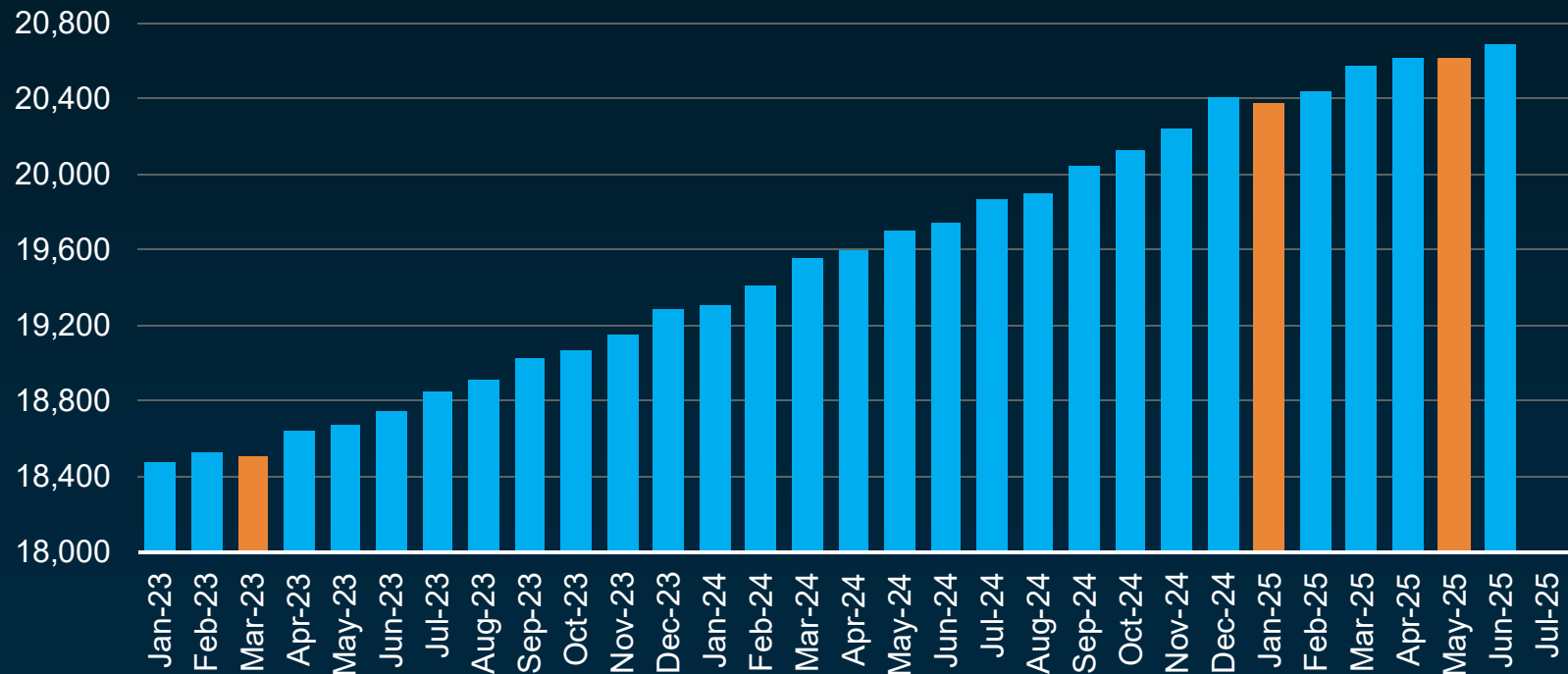


Source: US. Bureau of Economic Analysis

# Consumer Spending: 70% of GDP

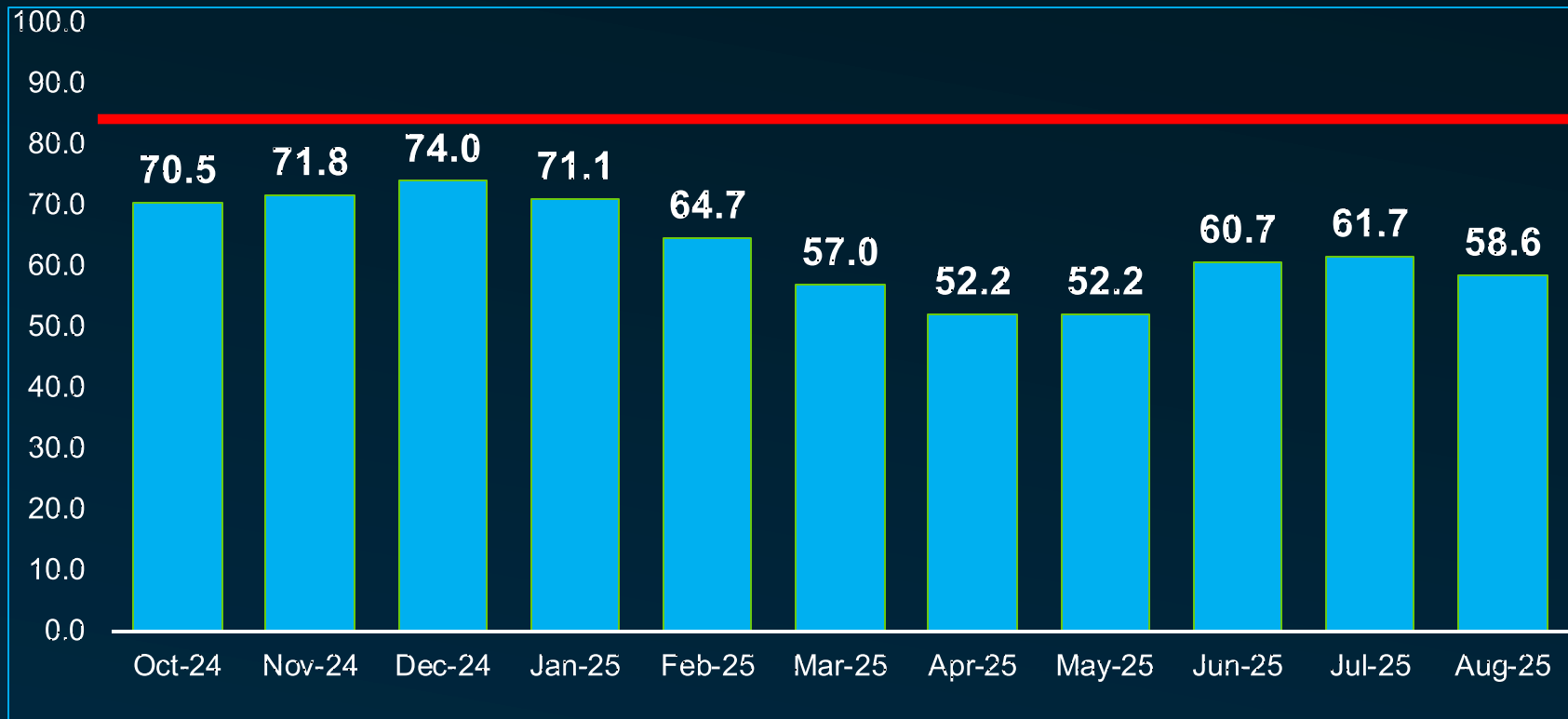
## Cooling but Resilient

Personal Consumption Expenditures, in Billions



# But Consumers Remain Cautious

## Sentiment Index Below Long Run Average





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What you need to keep an economy chugging is businesses investing, businesses hiring, and people spending money. *If people are apprehensive about whether their jobs are going to go away or whether there are going to be more layoffs in the future, you're going to see a pullback on spending.*

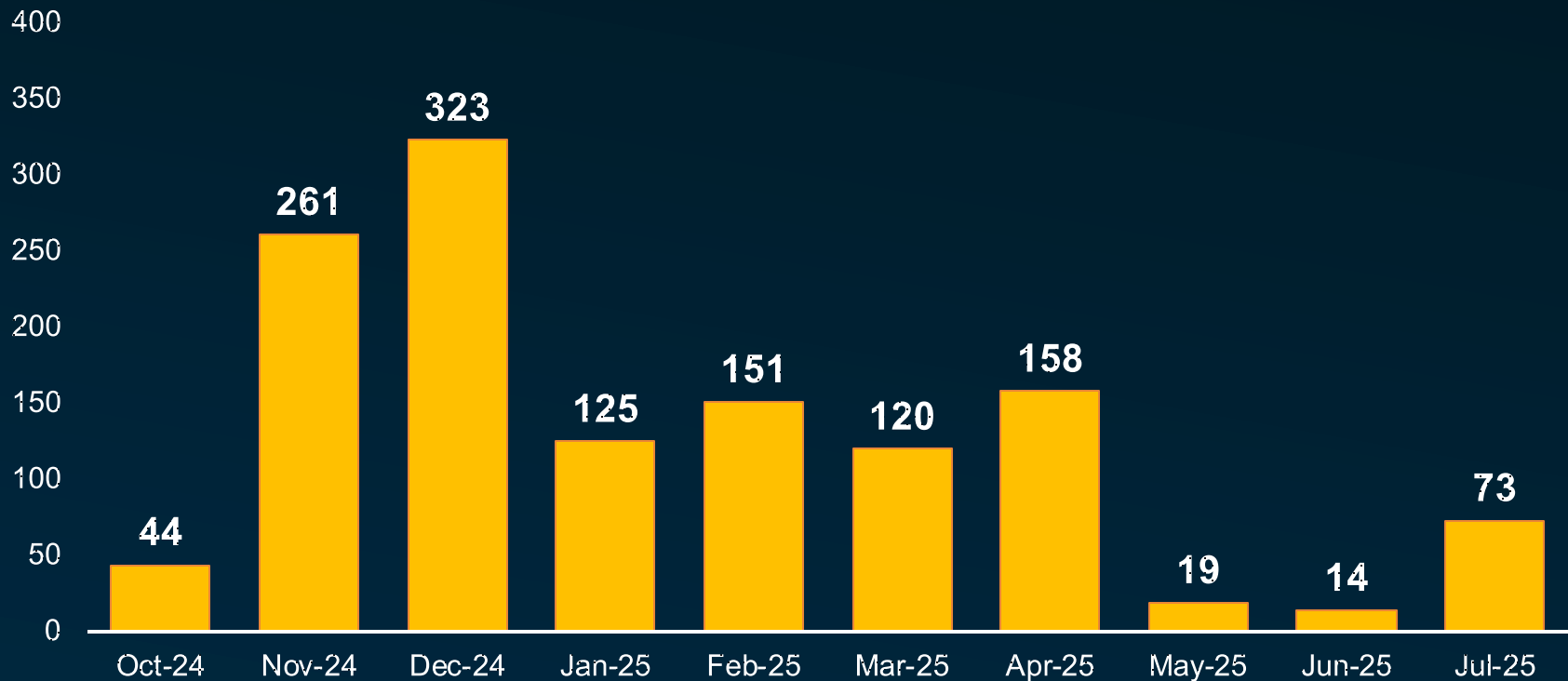
**Alex Jacquez**

Chief of Policy and Advocacy, Groundwork Collective



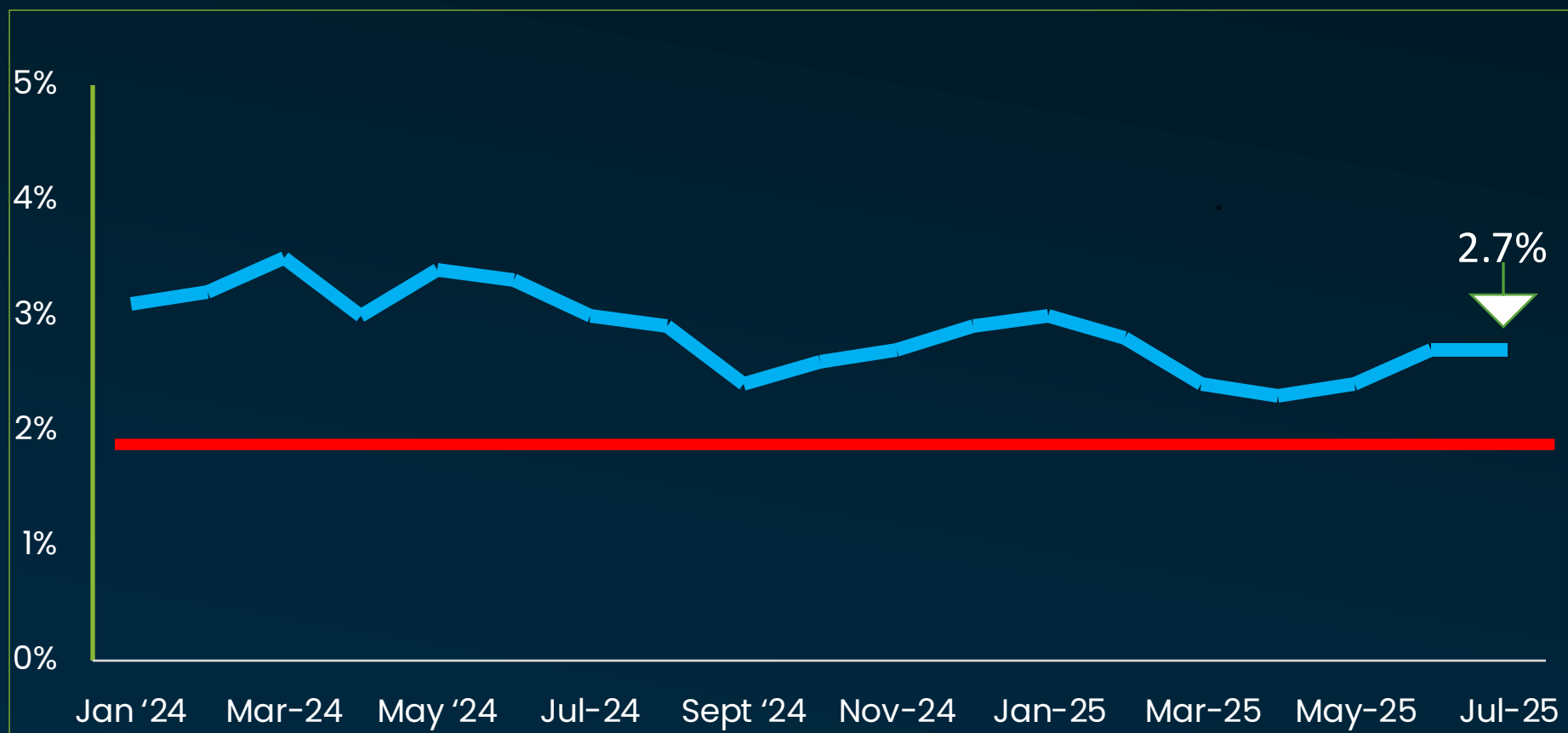
# Job Growth Stumbles

## 106,000 new jobs in last 3 months



# July Inflation 2.7% – Mixed Results

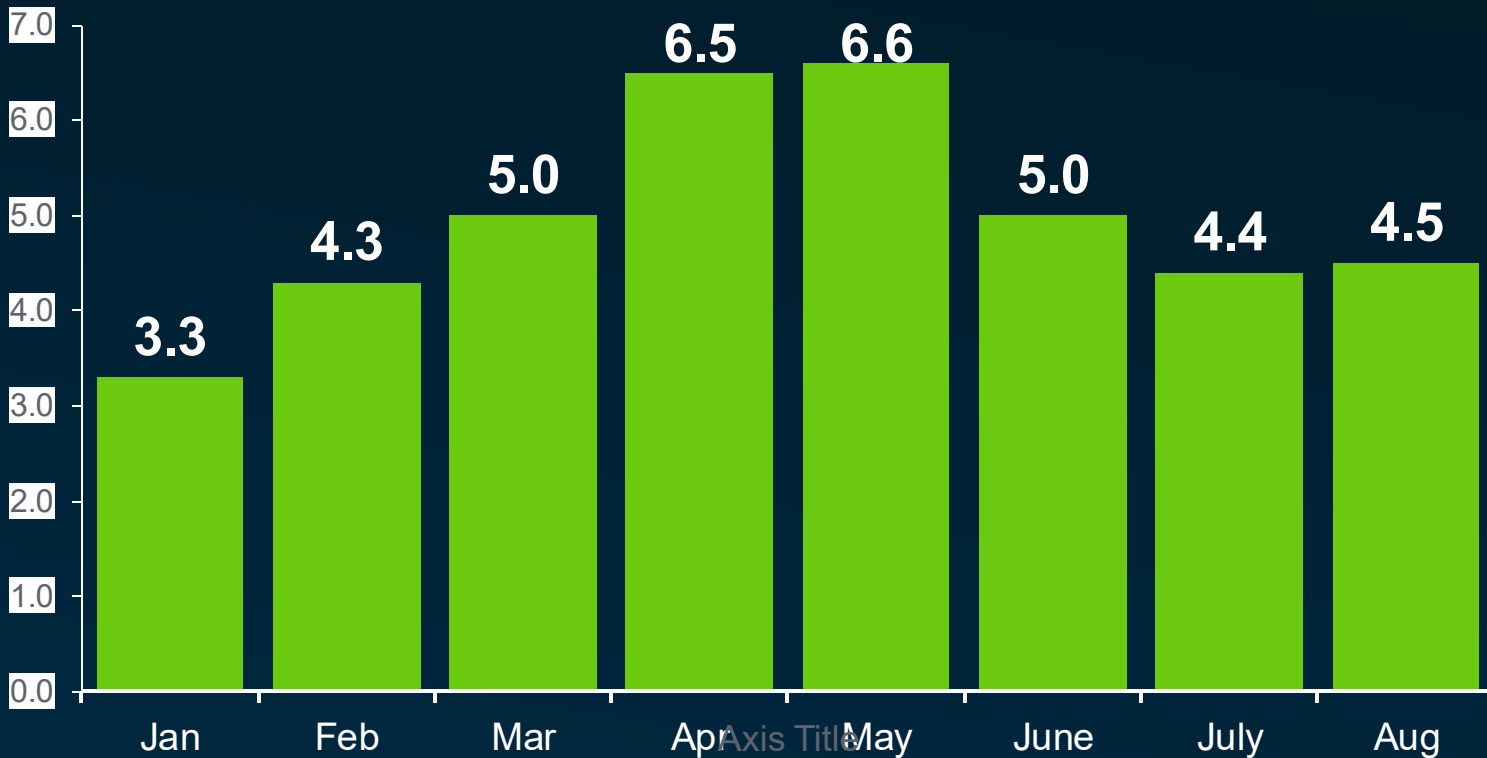
## Above 2% Fed Target



SOURCE: BLS Consumer Price Index

# Inflation is Also Psychological

## 1-Year Expectations Elevated



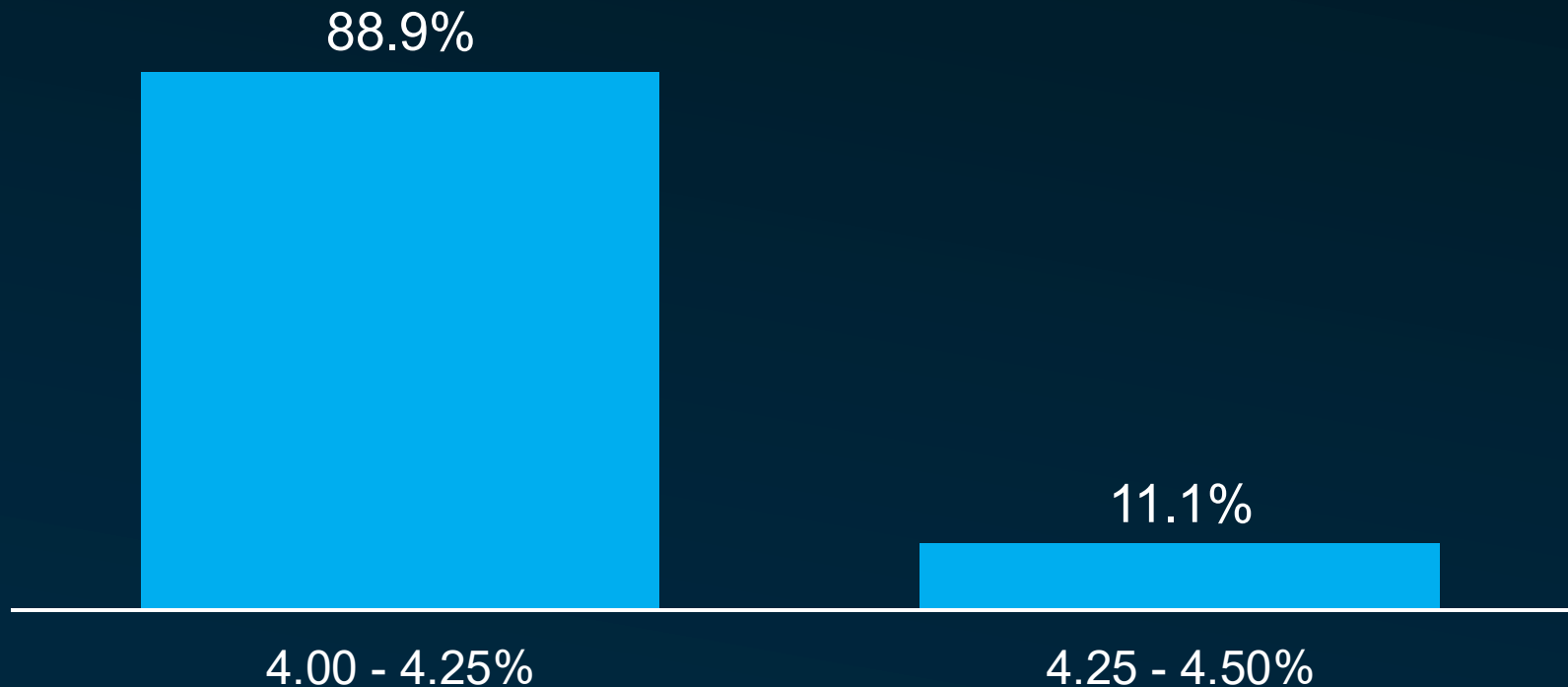
Source: University of Michigan Consumer Sentiment Index



“Will rates fall because we are heading into a severe recession? Will they rise due to larger budget deficits, more uncertainty or higher inflation expectations? Anything is possible and that’s part of the problem.”

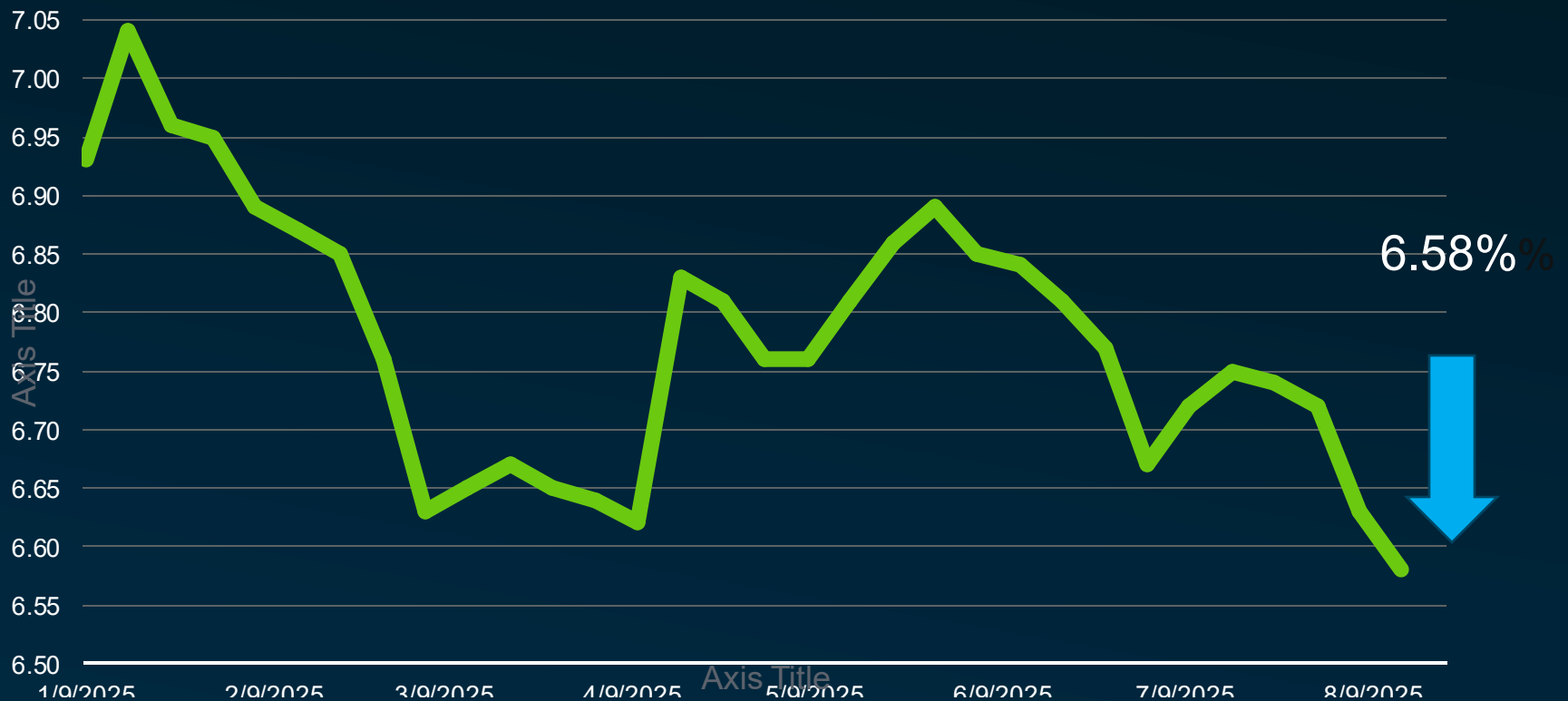
Claudia Sahm Former Fed Economist

# September Rate Cut? Very Likely



# Mortgage Rates Already Trending Down

30-Year Fixed Mortgage Rate Weekly 2025





Rates are dropping because financial markets are betting on slower inflation, a cooling economy, and future Fed rate cuts.



A meaningful decline in mortgage rates would help both demand and supply – demand by boosting affordability, and supply by lessening the power of the mortgage rate lock-in effect.

**Lawrence Yun**  
Chief Economist, NAR

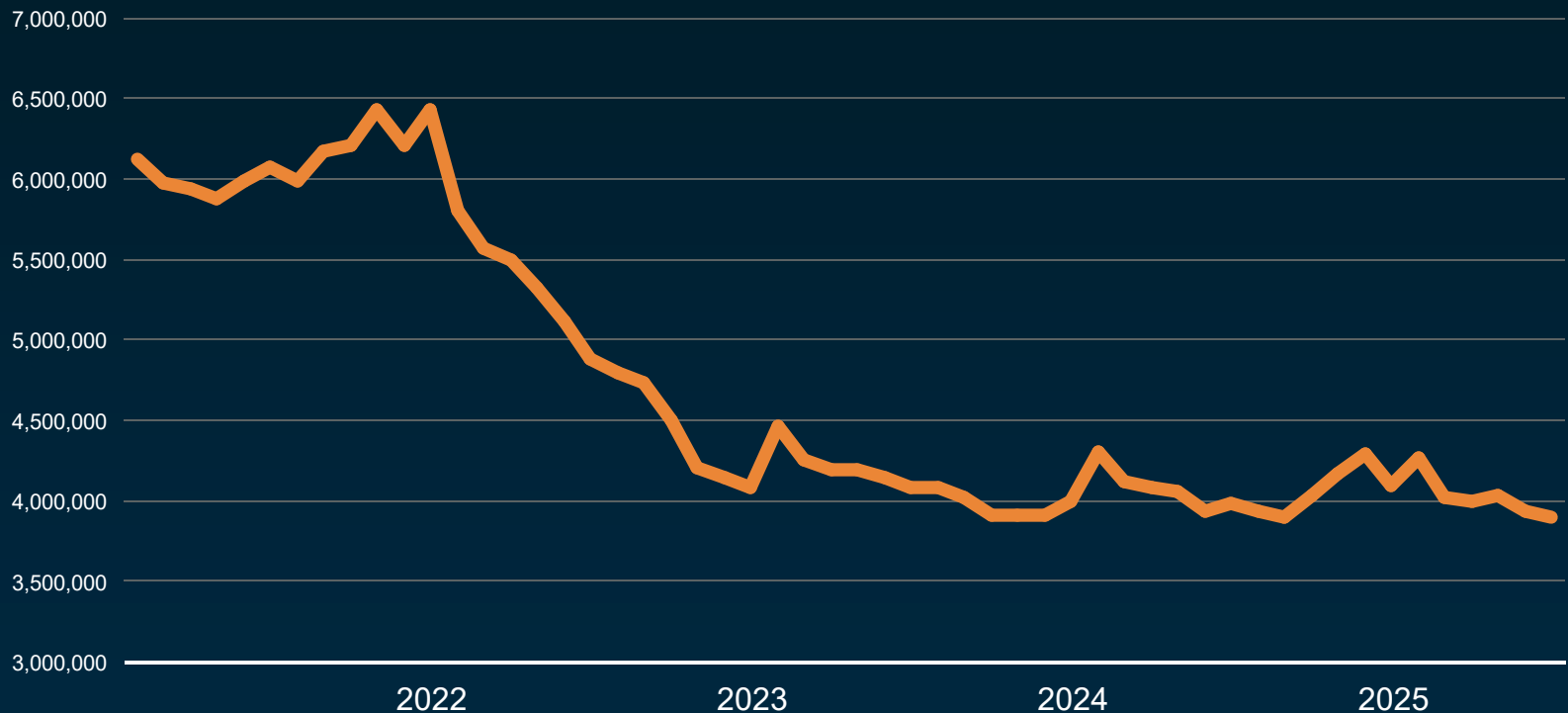




# Housing Market

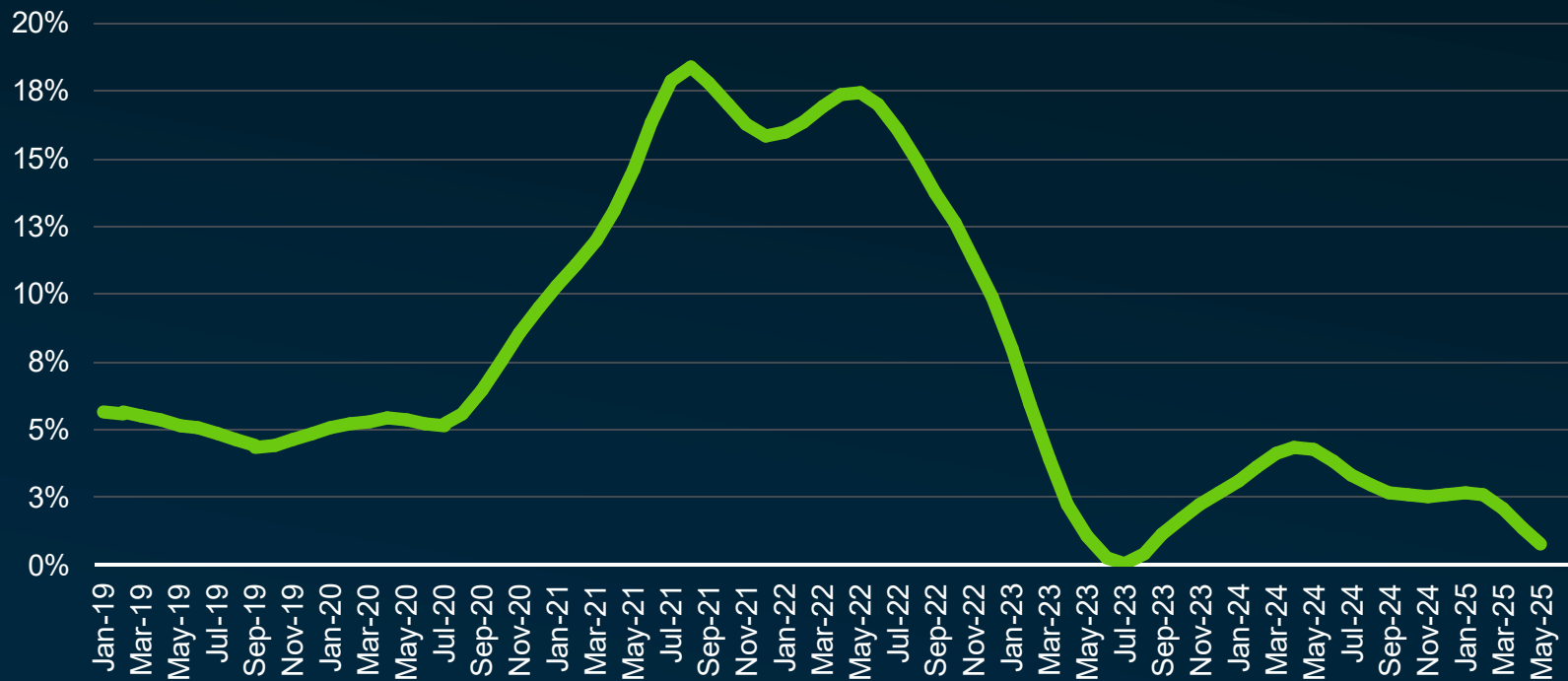
# Home Sales: 3 Years of 'meh'

Seasonally Adjusted Annual Rate of Existing Home Sales  
2021 - 2025



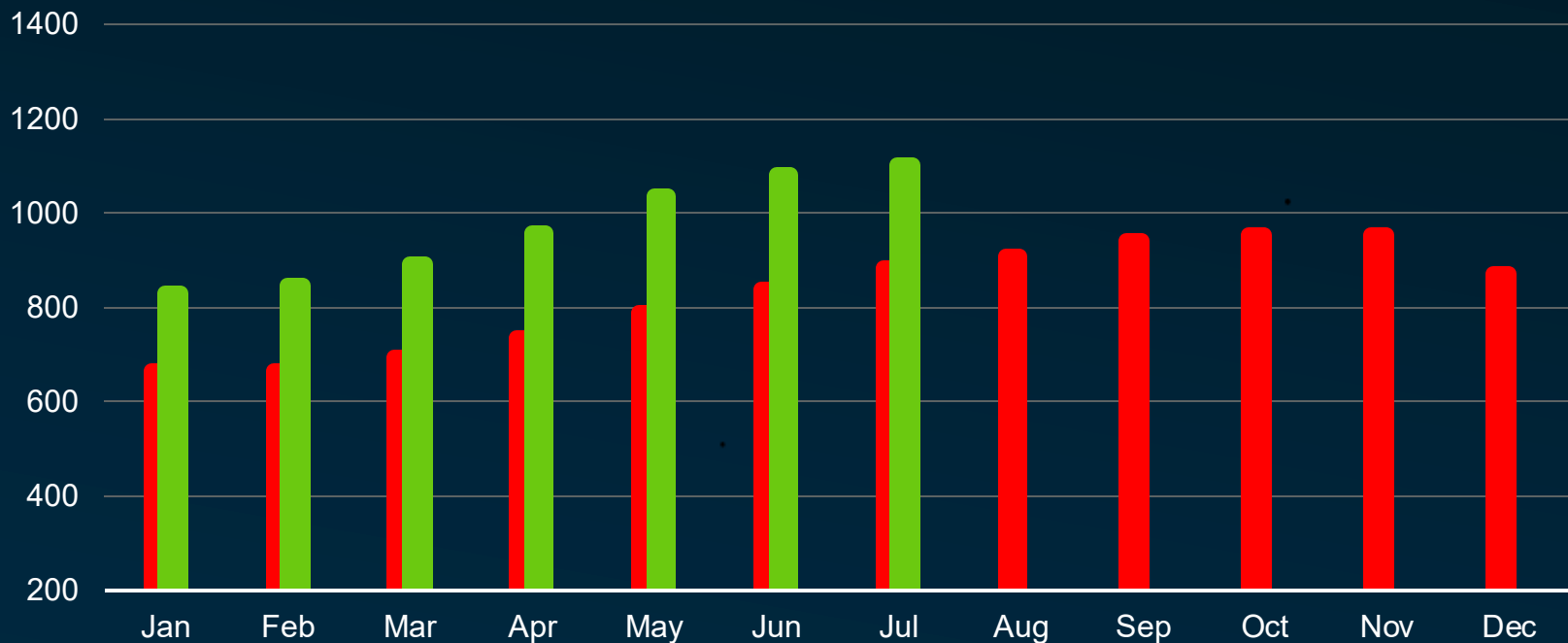
# Home Price Growth Is Decelerating

Percent Change in National Home Prices, Year-Over-Year



# Active Listings Up 24.8% Nationwide

U.S. Active Monthly Listings Count, in Thousands



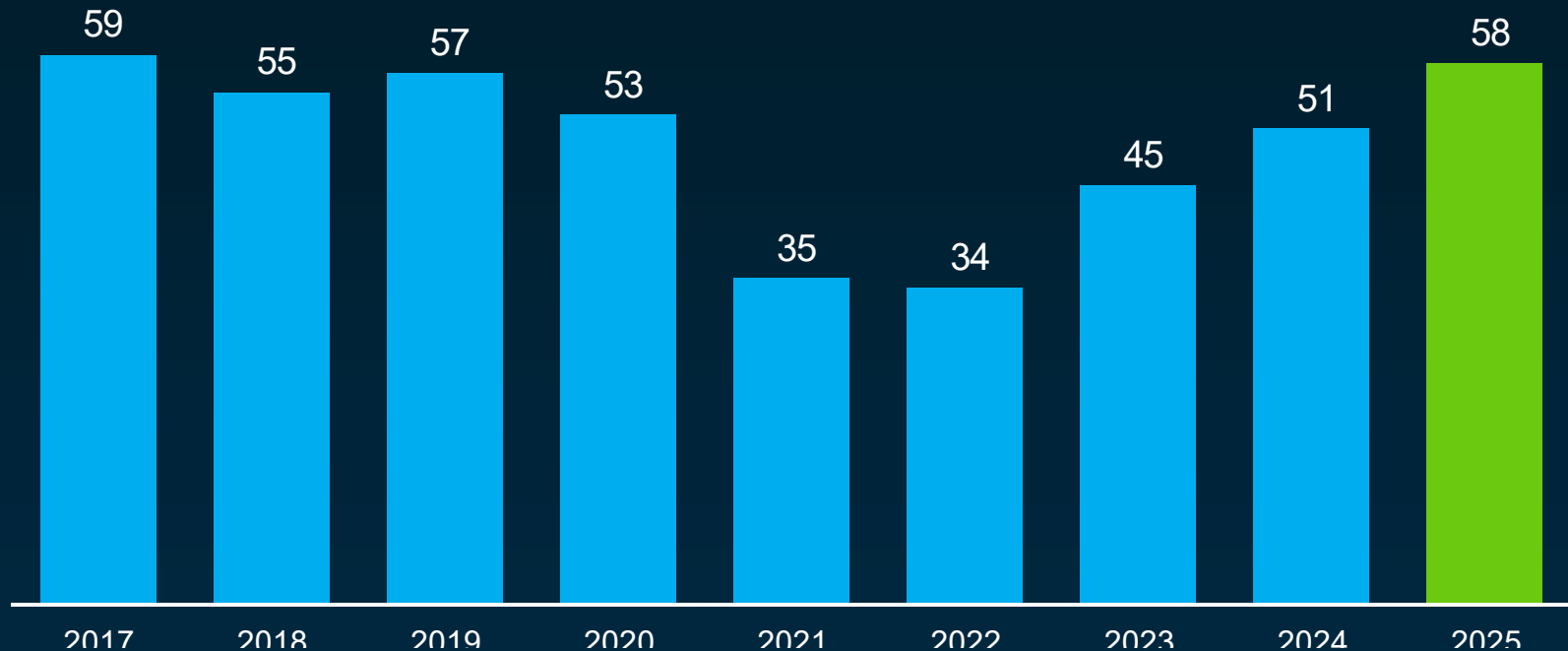


Even with more homes on the market, buyer response has remained muted compared to what we'd expect from similar supply shifts in the past.

Danielle Hale  
Chief Economist Realtor.com

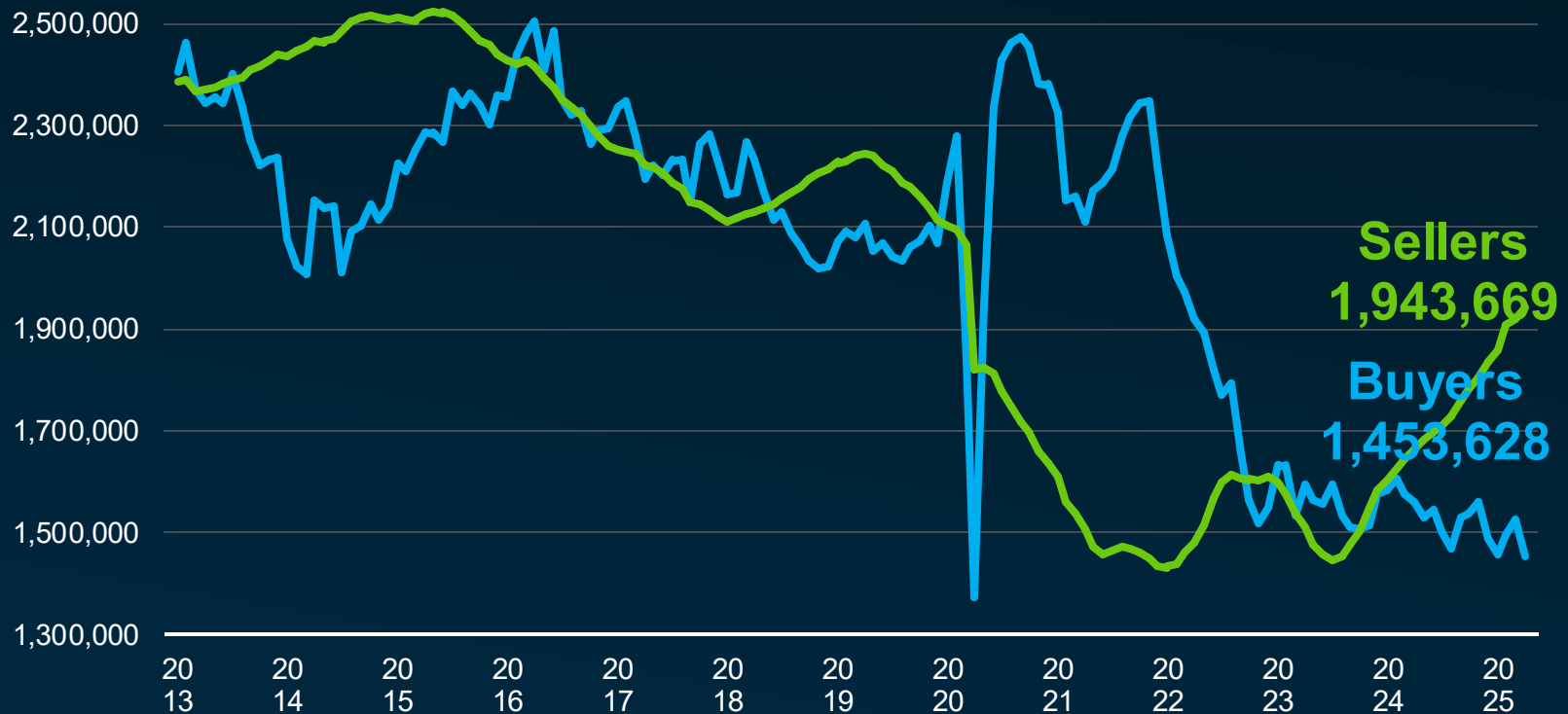
# Homes Are Taking Longer to Sell

Median Days Homes Spent on the Market in July of Each Year



# Buyer/Seller Dynamics Have Shifted

## Number of Active Buyers and Sellers



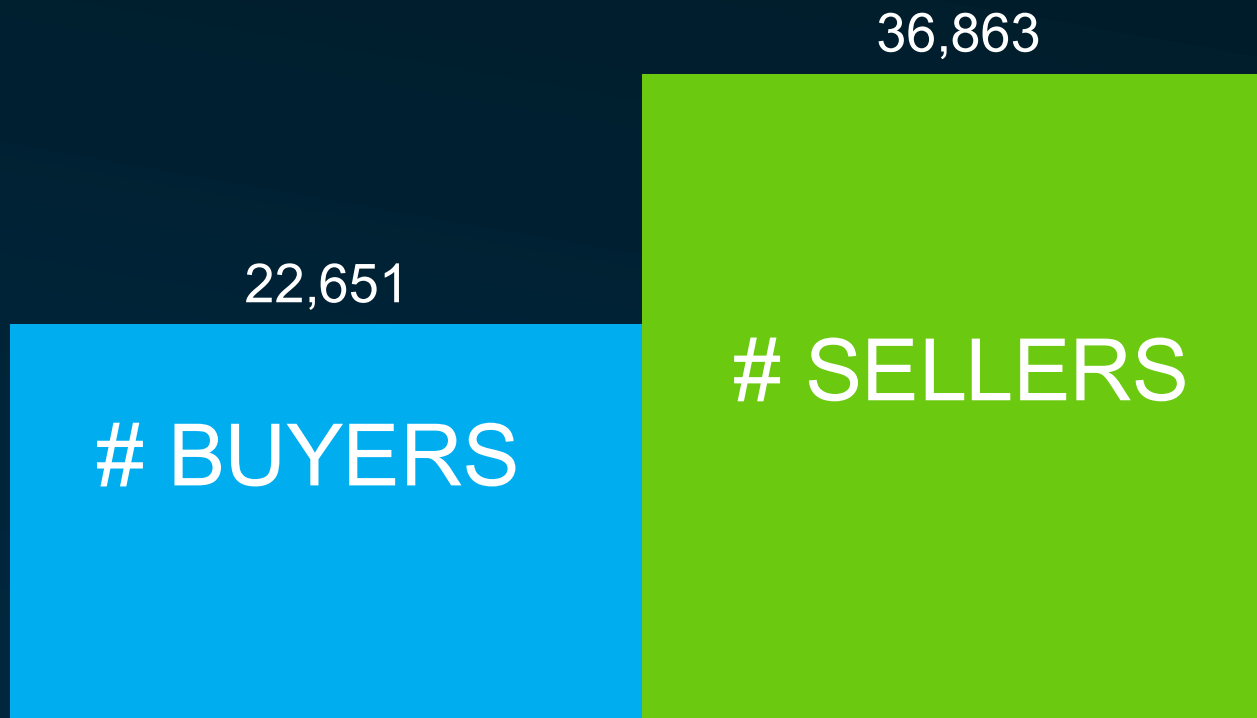


# Local Markets



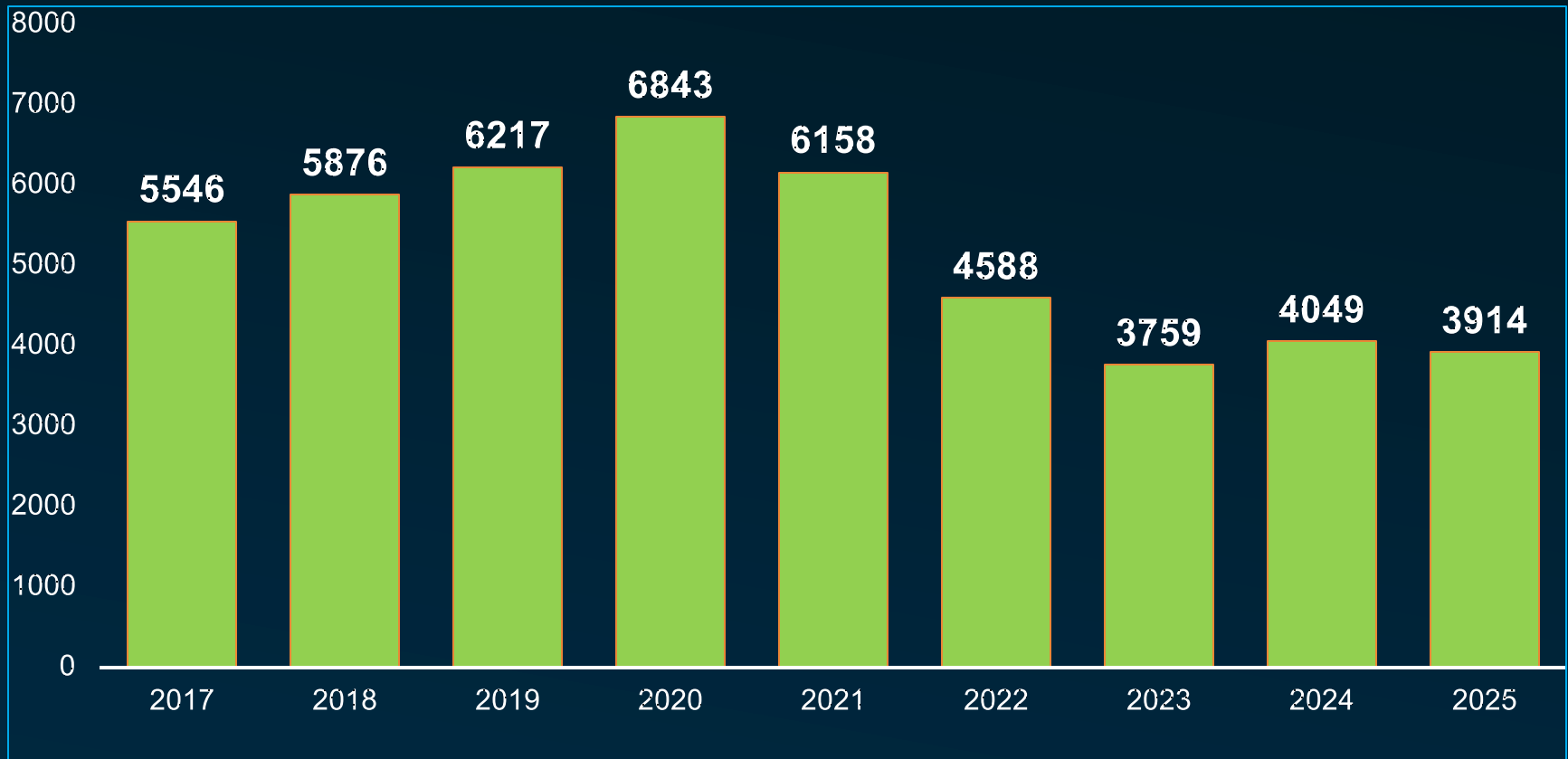
# Atlanta: 63% more Sellers Than Buyers

Estimated Number of Buyers and Sellers Active in the Market



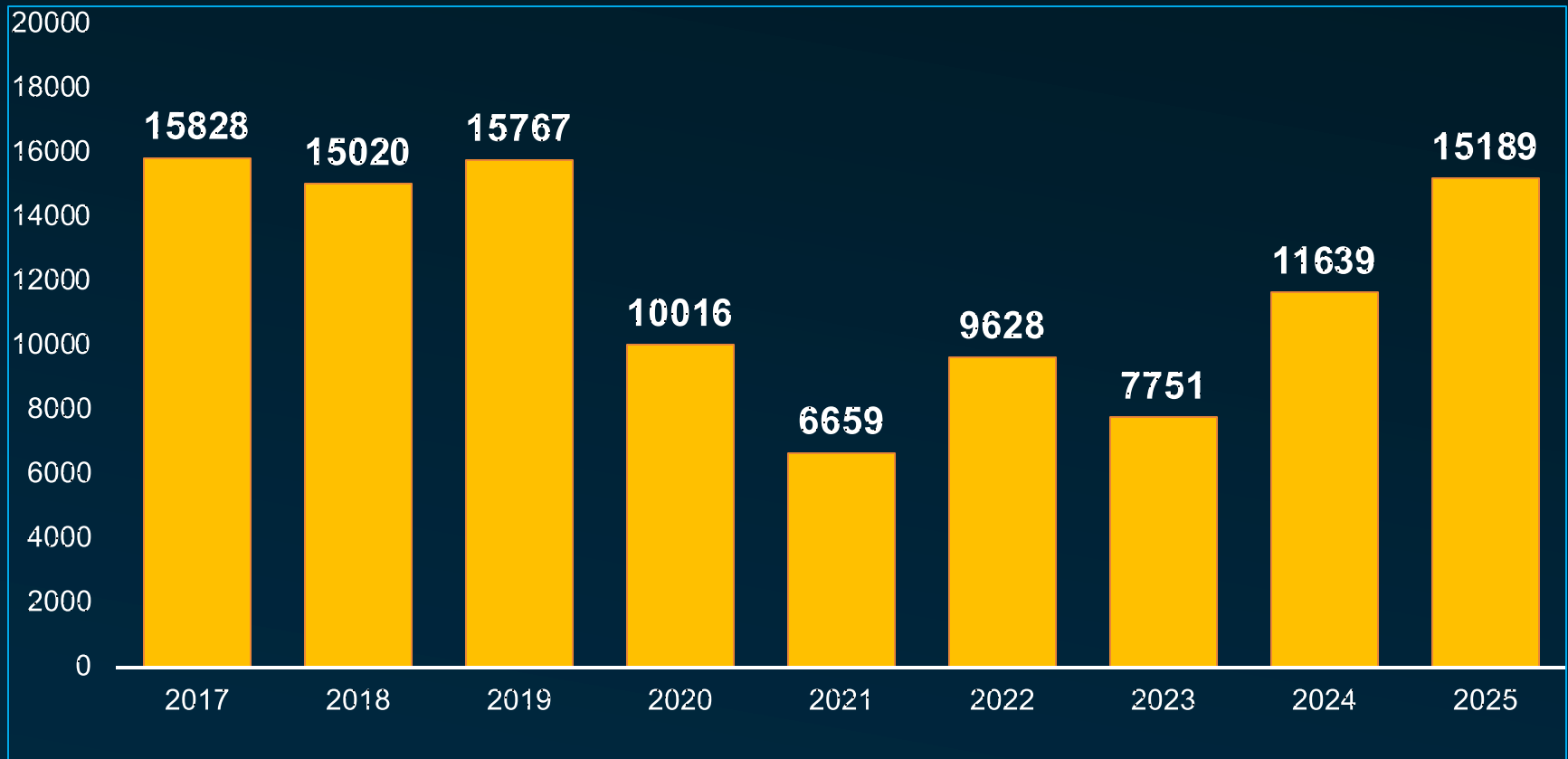
# Atlanta Home Sales

## July: 2017- 2025



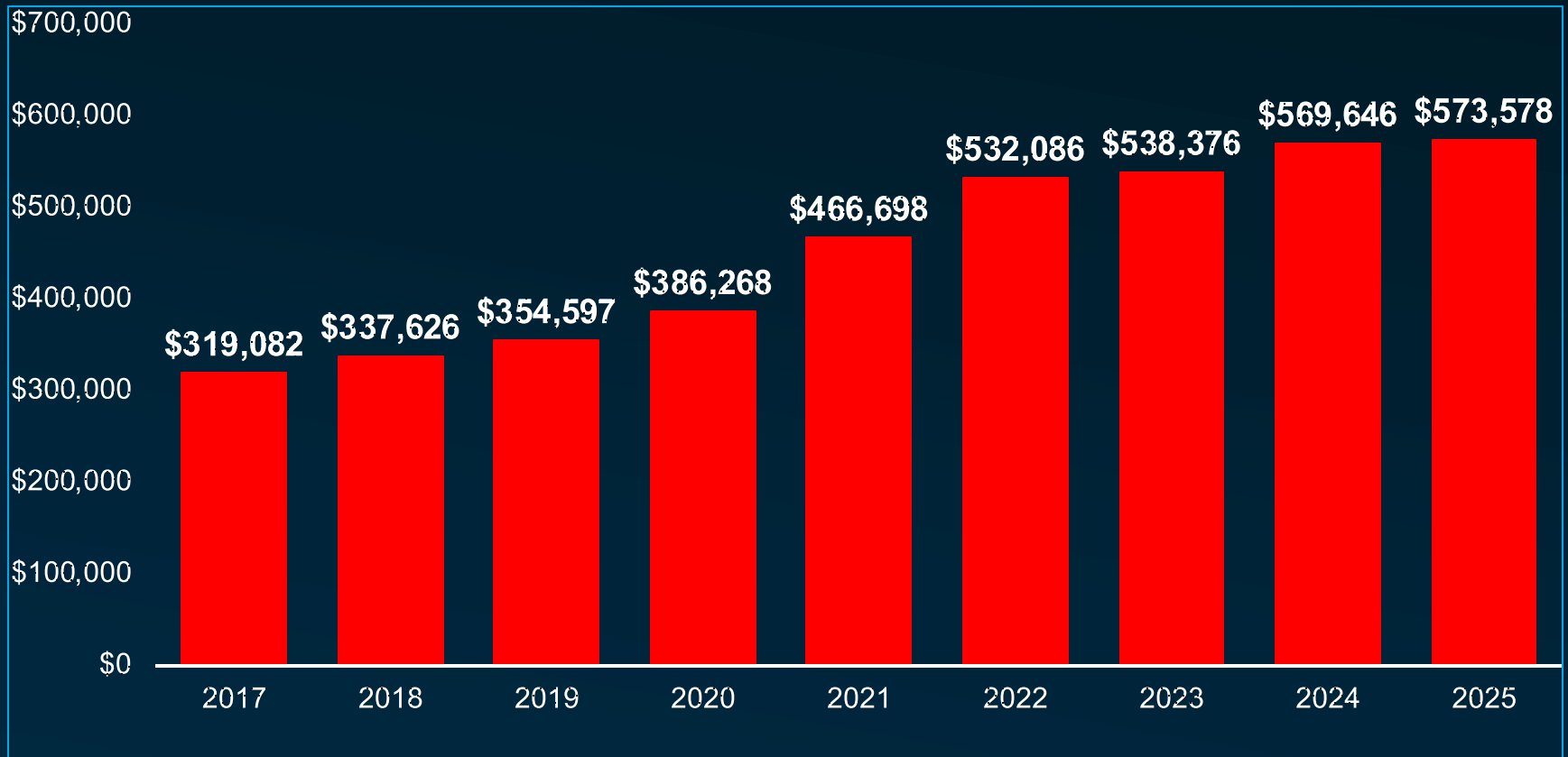
# Atlanta Active Inventory

## July: 2017- 2025



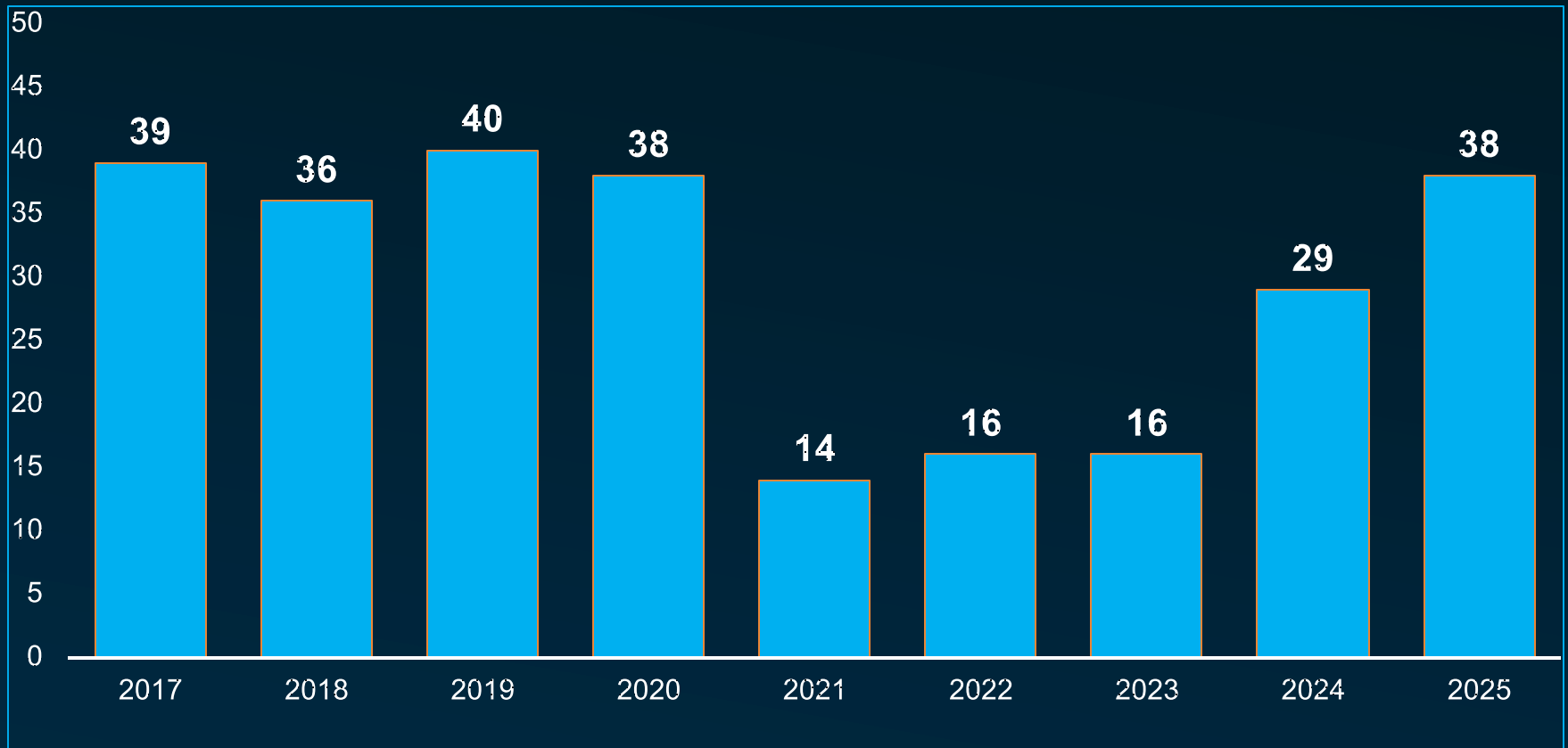
# Atlanta Average Price

## July 2017- 2025



# Atlanta Average Days on Market

## July 2017- 2025



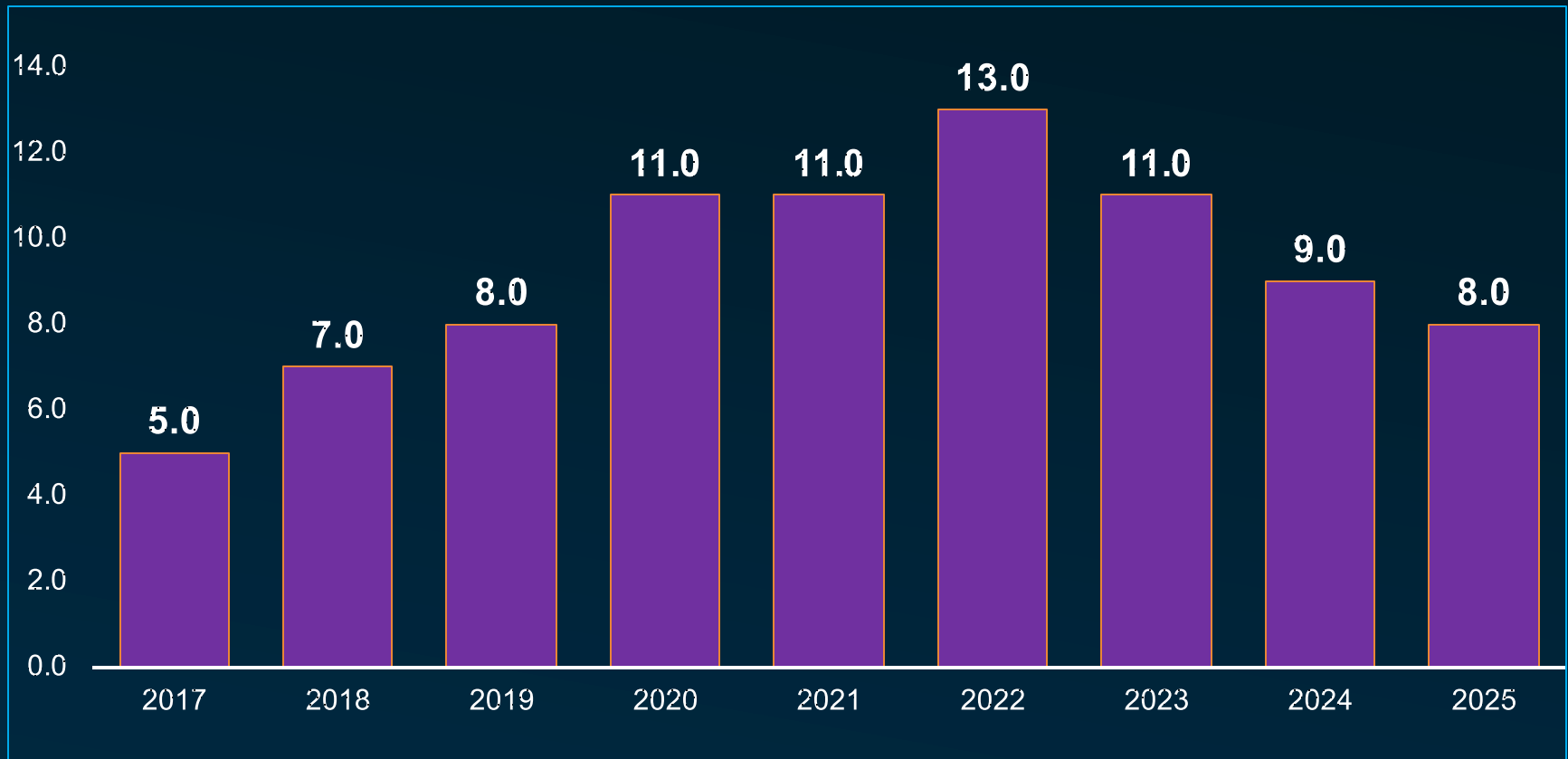
# Atlanta Months of Supply

## July 2017- 2025

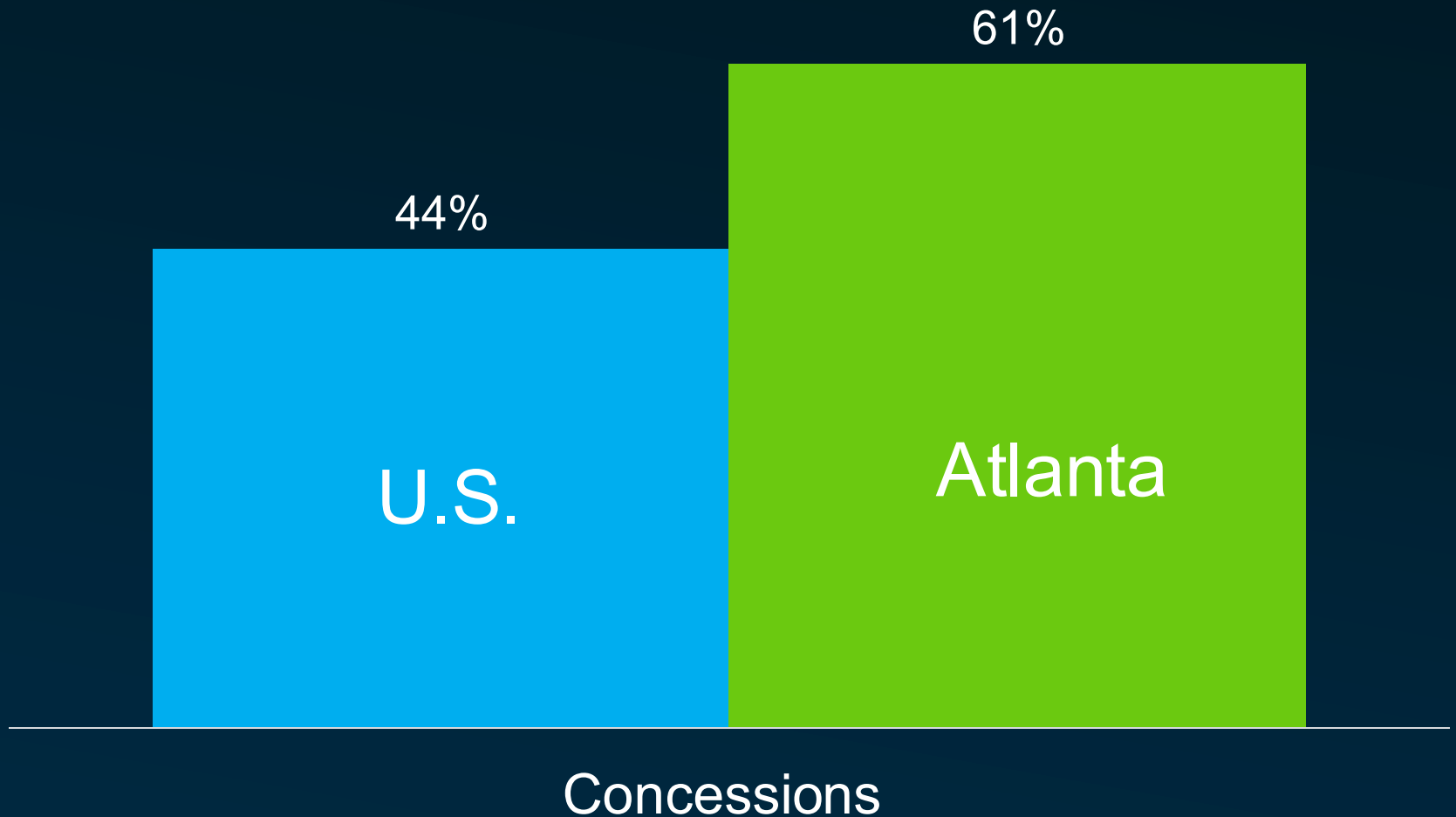


# Atlanta Showings per Pending

## July 2017- 2025



# Seller Concessions Are A New Market Reality





Days on Market



Inventory



Sales



Disappointed Sellers & Hopeful Buyers



# Headwinds

U.S.

# Atlanta's Growth Streak Has Come to an End

'Welcome South, Brother' is turning into goodbye, as many residents look to smaller, more affordable metro areas



Rush-hour traffic on the Connector in downtown Atlanta.

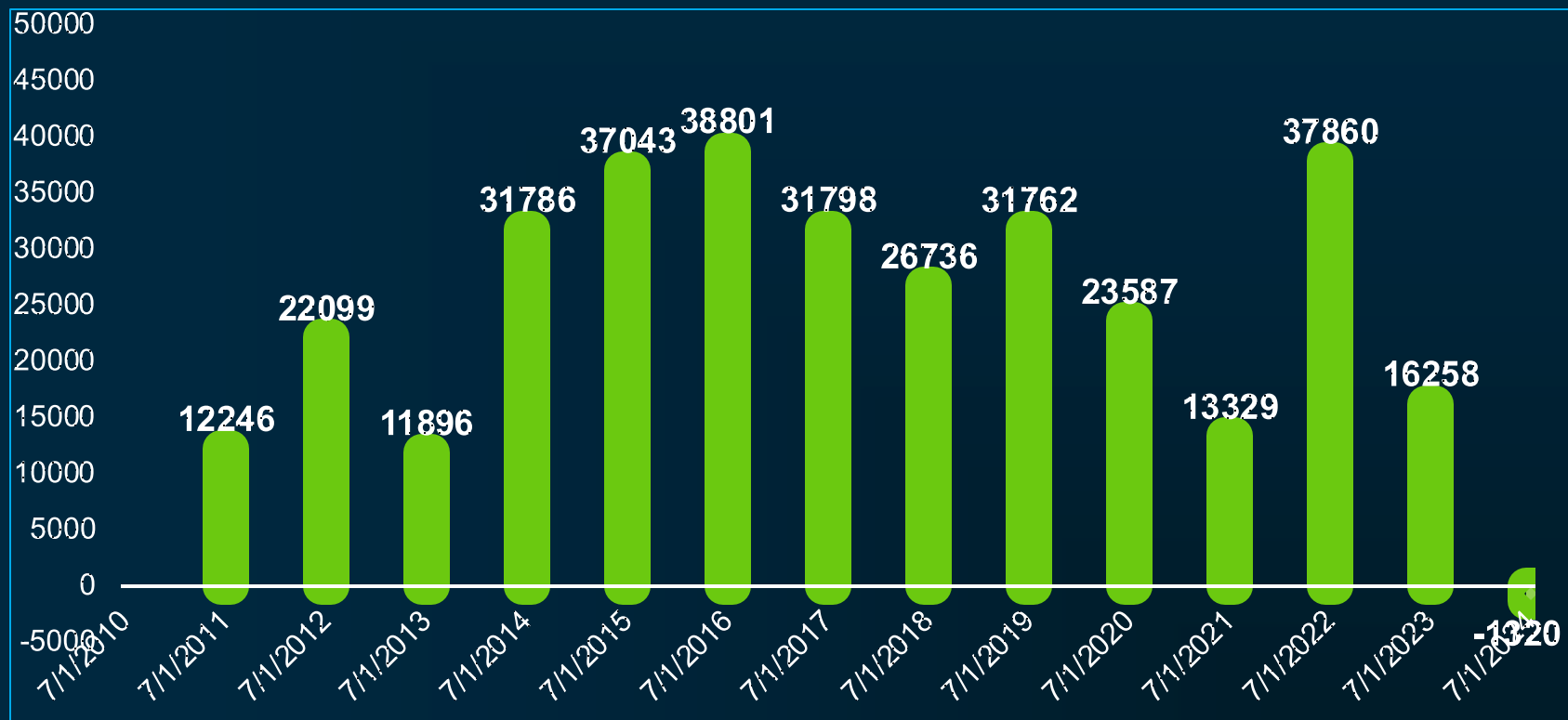


Atlanta is exactly one hour away from  
Atlanta

Every Atlanta Resident

# Metro Atlanta: Exodus?

## Net Domestic Migration





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Where are they going?

Chattanooga TN \$325,000

Huntsville AL \$280,000

Greenville SC \$325,000

Atlanta GA \$400,000



Atlanta hasn't stopped growing, but its momentum is at risk.

AJC July 27, 2025

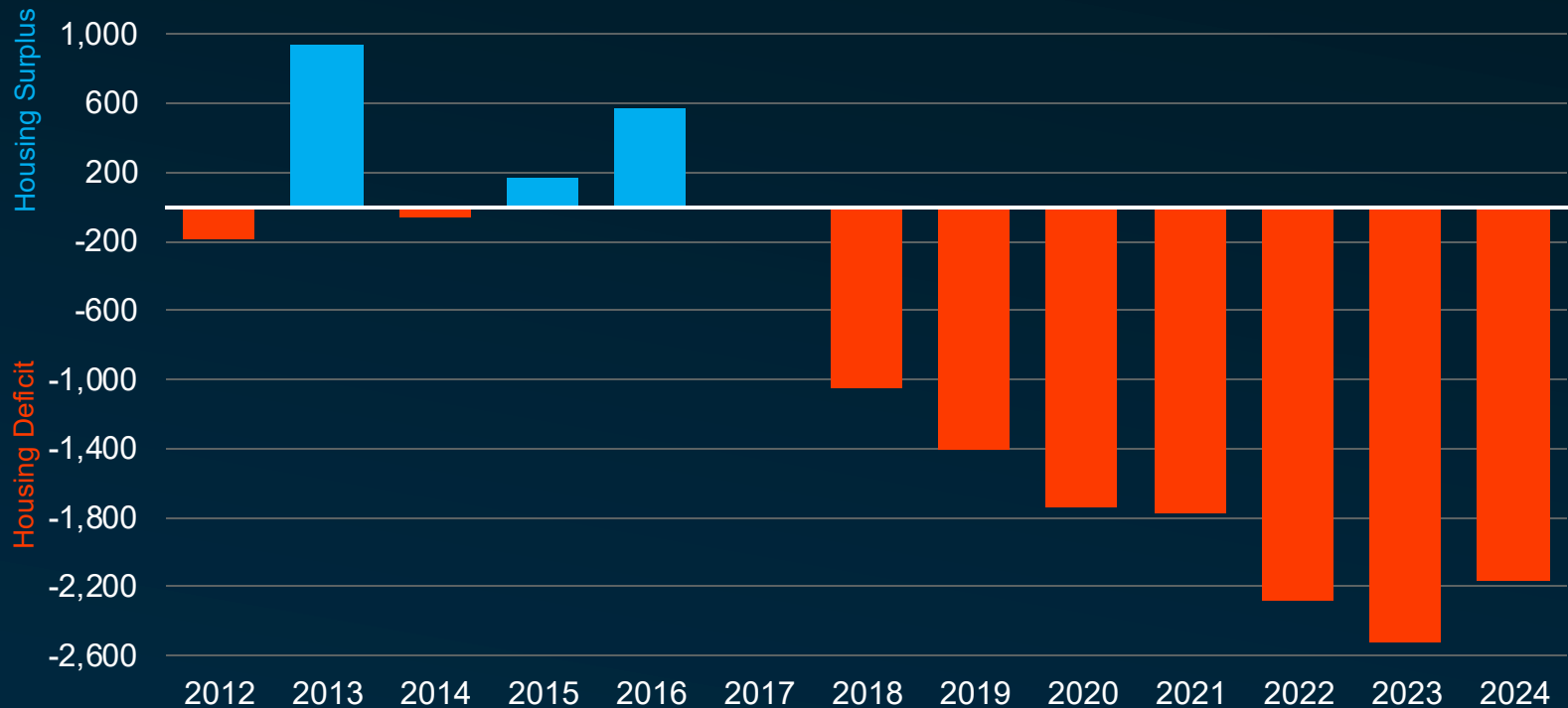


# Affordability



# America's Housing Deficit

Cumulative Housing Deficit or Surplus Since 2012, in Thousands





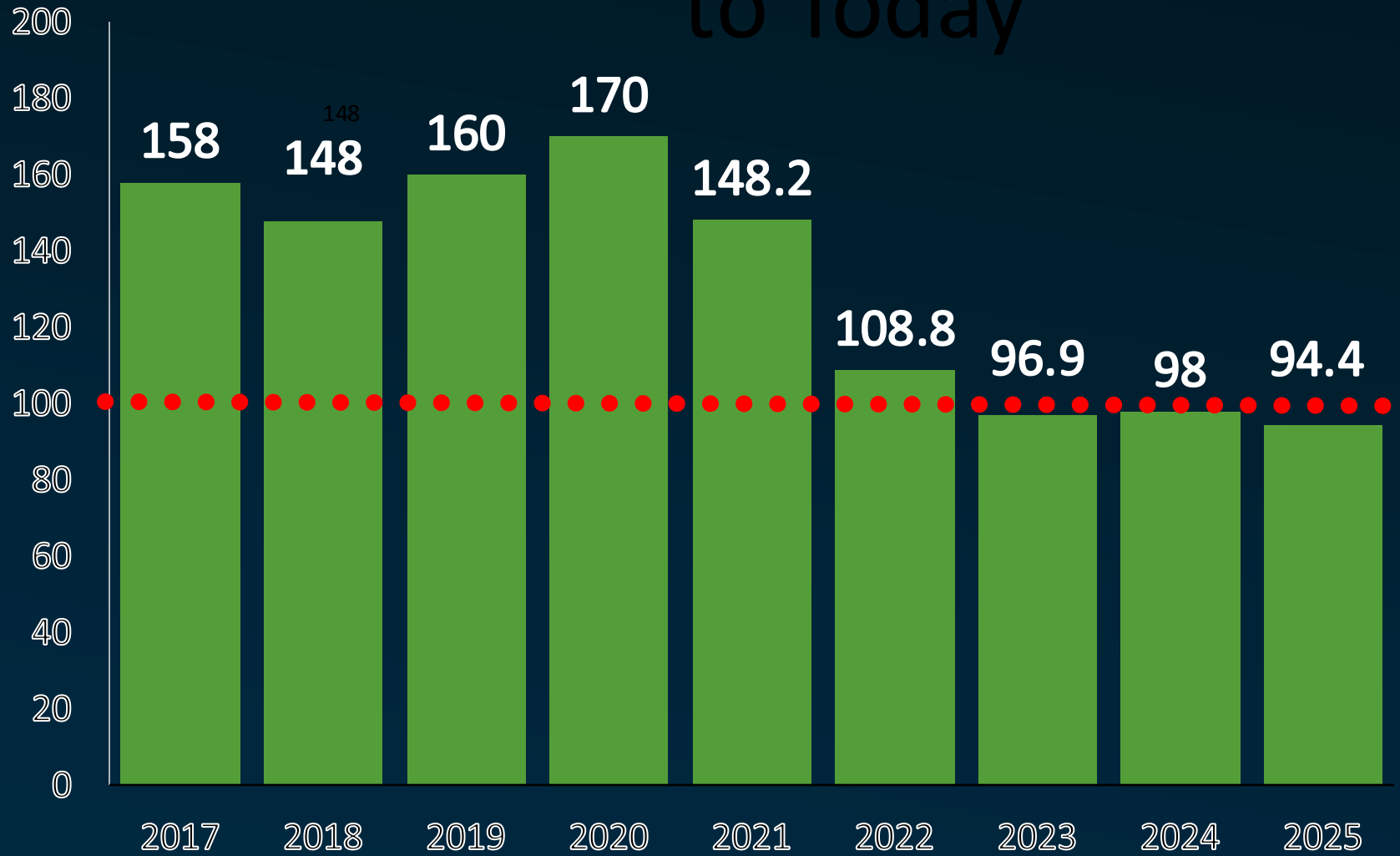
Here is the challenge that everybody recognizes, we need to build more houses. Atlanta isn't unique among major metros in experiencing flattening growth.

Mike Alexander, COO Atlanta Regional commission

# Affordability Drops as Rates Rise

Monthly Payment up 32% since 2022

to Today



NAR Housing Affordability Index



You may not believe in climate change but your insurance company does.

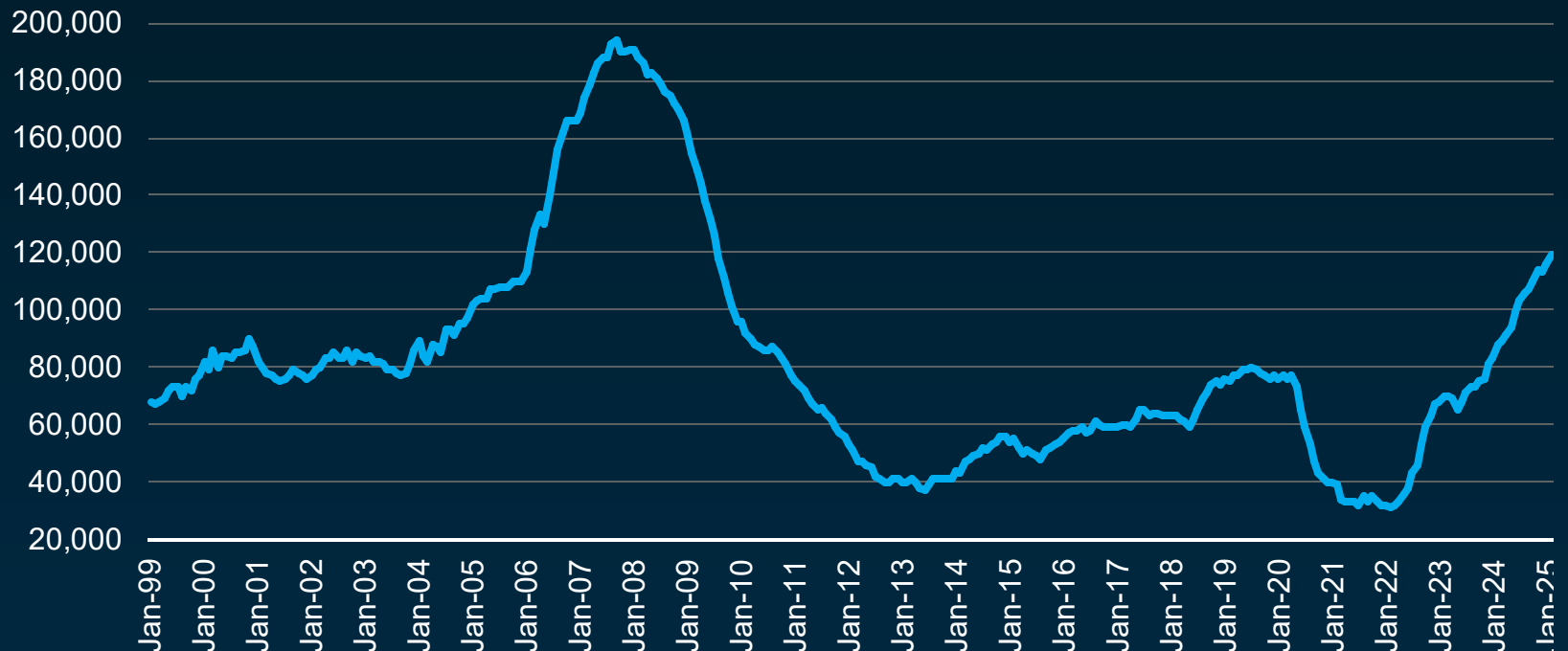
**Coni Myers**



# New Construction

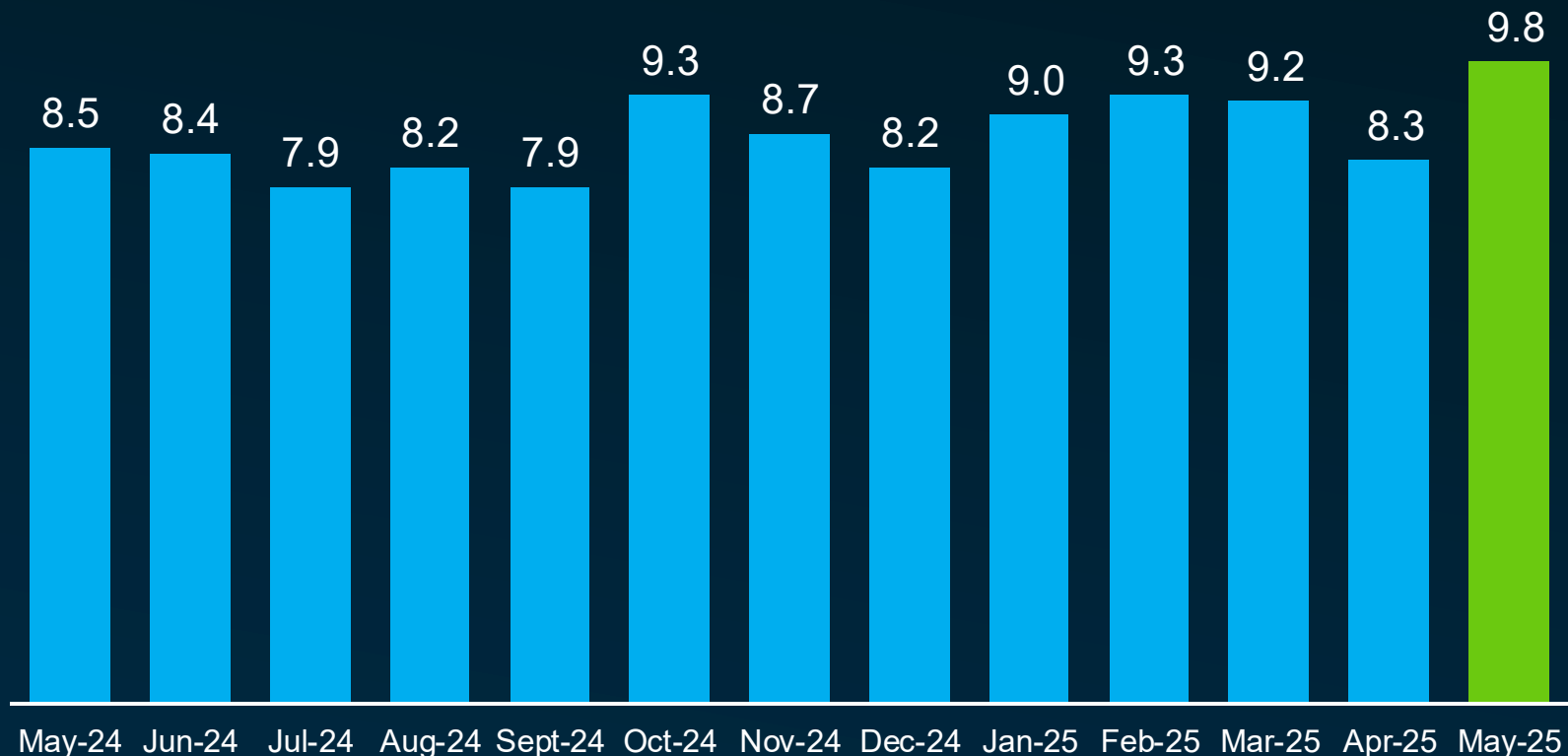
# Number of New Homes on the Market Highest Level Since 2009

Completed New Homes for Sale, Seasonally Adjusted



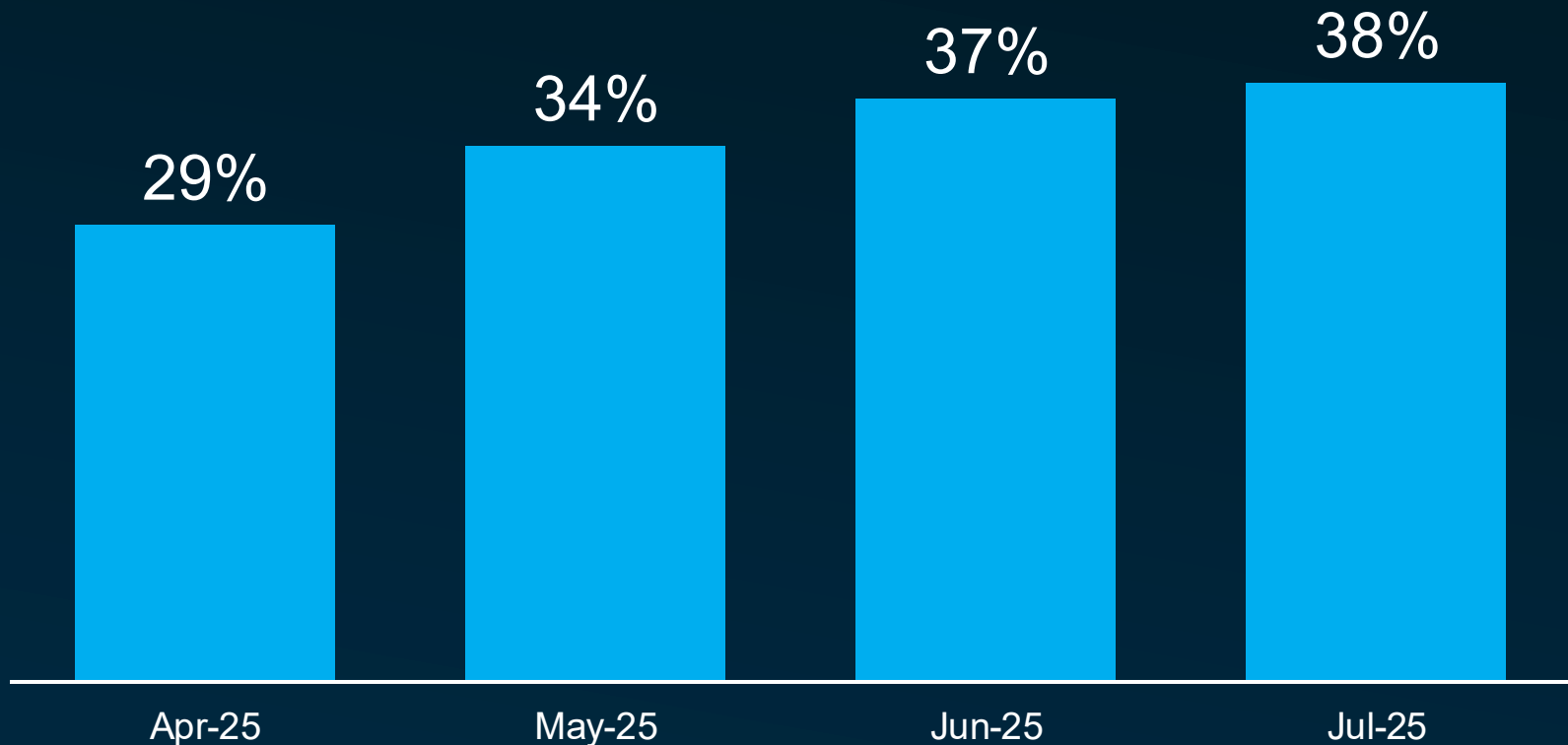
# Newly Built Home Inventory Continues To Rise

Month's Supply, Seasonally Adjusted



# More Builders Cutting Prices

## Percent of Builders Cutting Prices



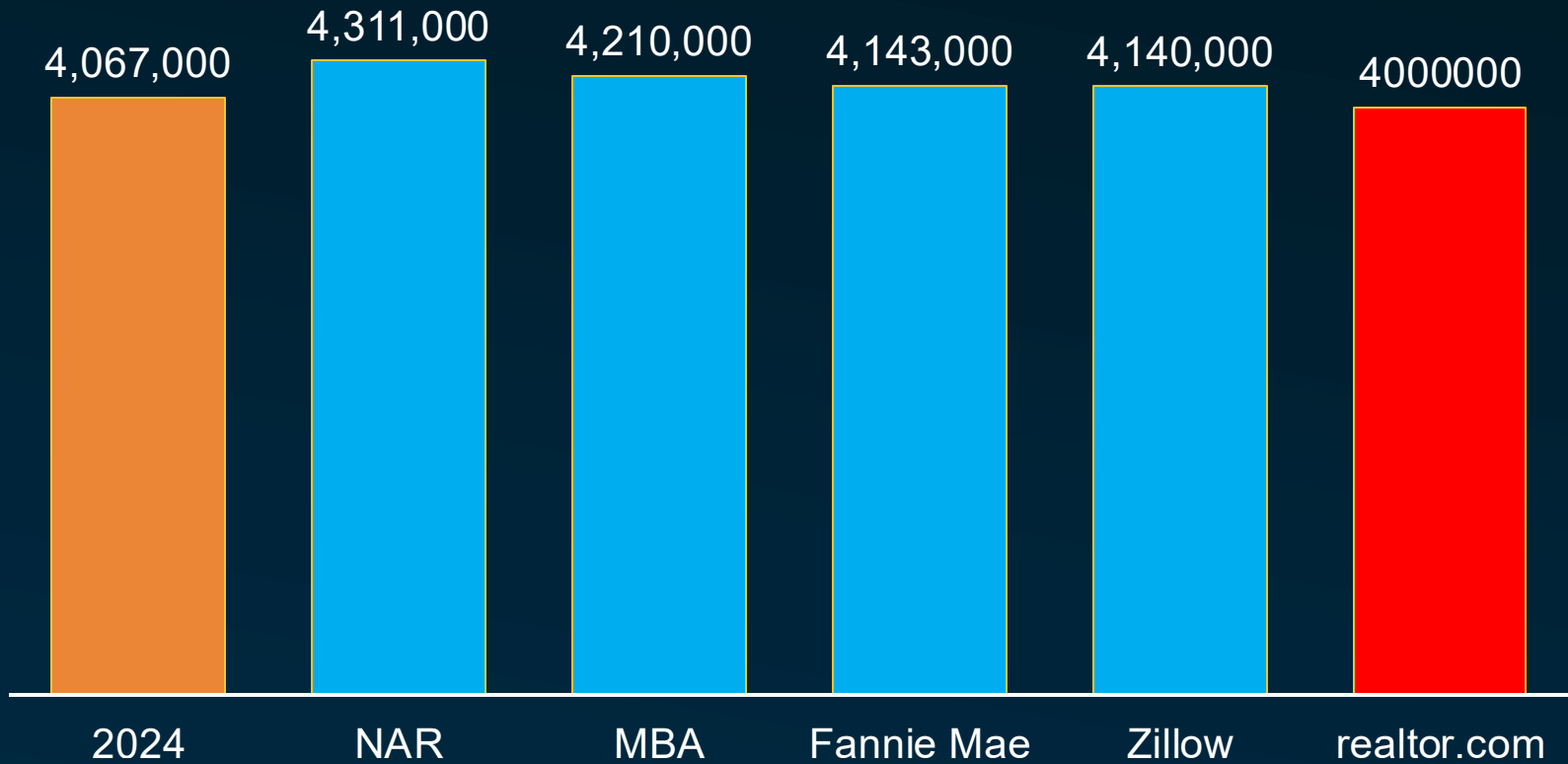




# Forecast

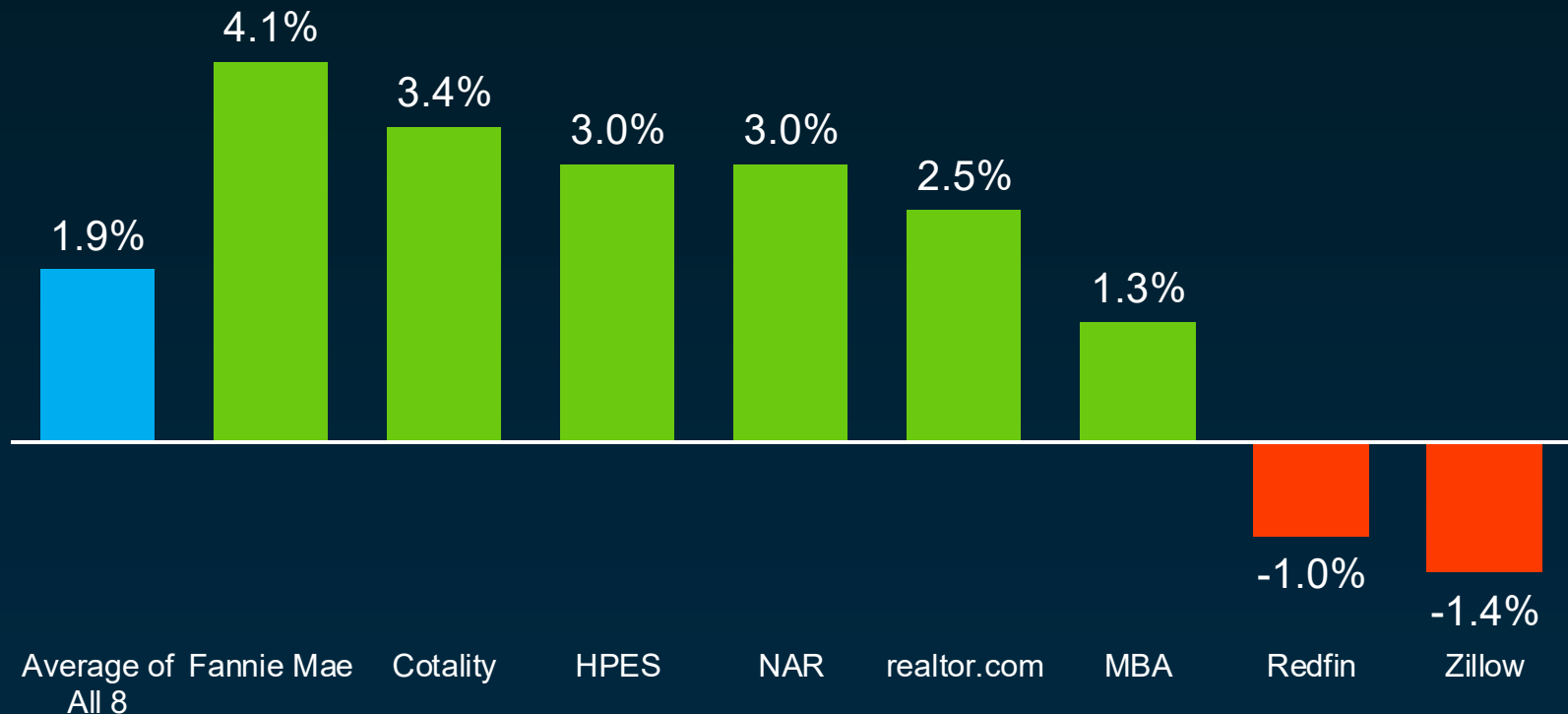
# 2025 Home Sales Forecasts

2025 Existing Home Sales Forecasts as of 7/2/2025



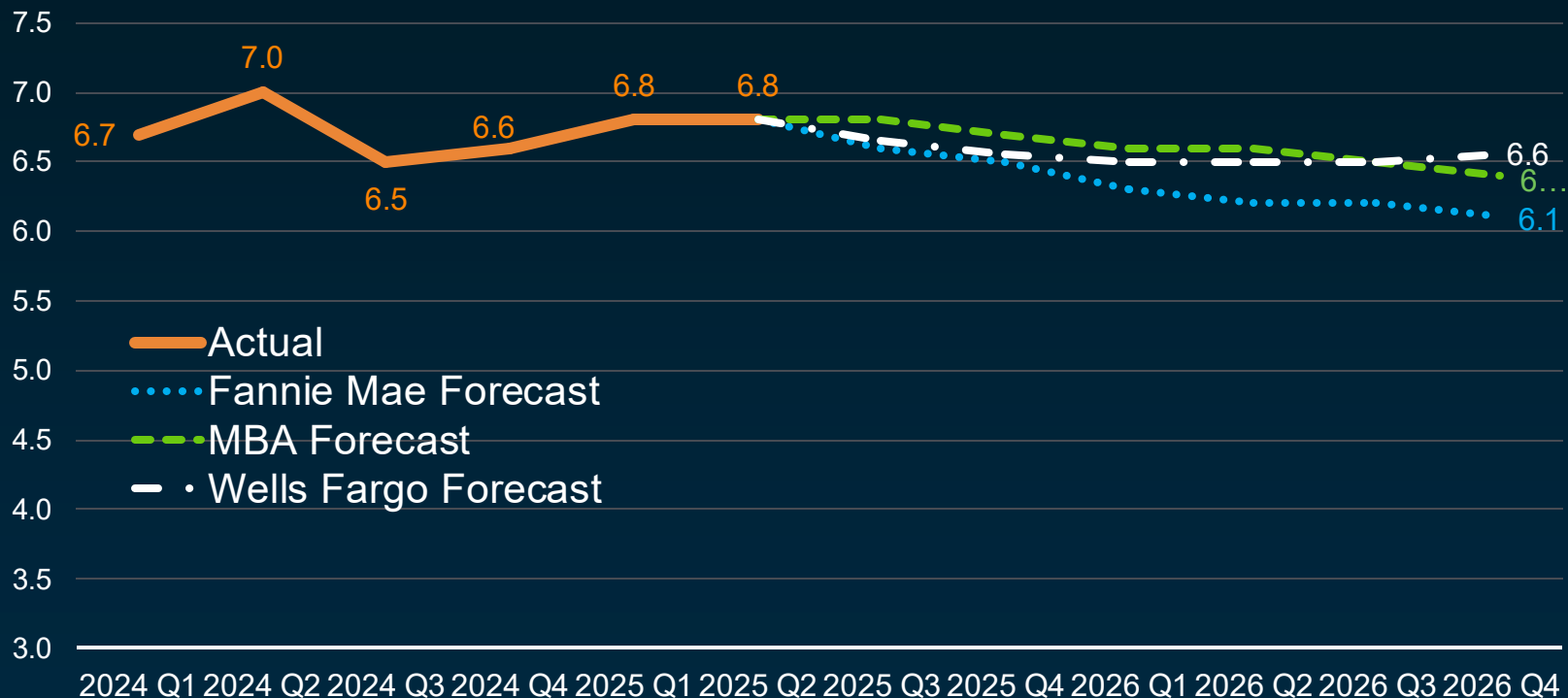
# 2025 Home Price Forecasts

Percent Change as of 7/2/2025



# Rates Expected To Stay in the 6's

## 30-Year Fixed Mortgage Rate Projections as of 7/2/2025



# Realtor.com® 2025 Forecast for Key Housing Indicators

	2025 Realtor.com® Forecast (Revised)	2025 Realtor.com® Forecast (Dec 2024)	2024 Historical Data	2013-2019 Historical Average
Mortgage Rates	6.7% (avg) 6.4% (year-end)	6.3% (avg) 6.2% (year-end)	6.7% (avg) 6.7% (year-end)	4.0% (avg)
Existing-Home Median Price Appreciation (Y/Y)	+2.5%	+3.7%	+4.5%	+6.5%
Existing-Home Sales (Y/Y   Annual Total)	-1.5% 4.00 Million	+1.5%* 4.07 Million	-0.6% 4.06 Million	+2.1% 5.28 Million

Realtor.com® 2025 Midyear Forecast Update

Source: Realtor.com



The housing market is likely going to remain stuck for Q3 as both prospective buyers and sellers wait for more certainty in the market.

**Lisa Sturtevant**  
Chief Economist, Bright MLS



# Closing Thoughts

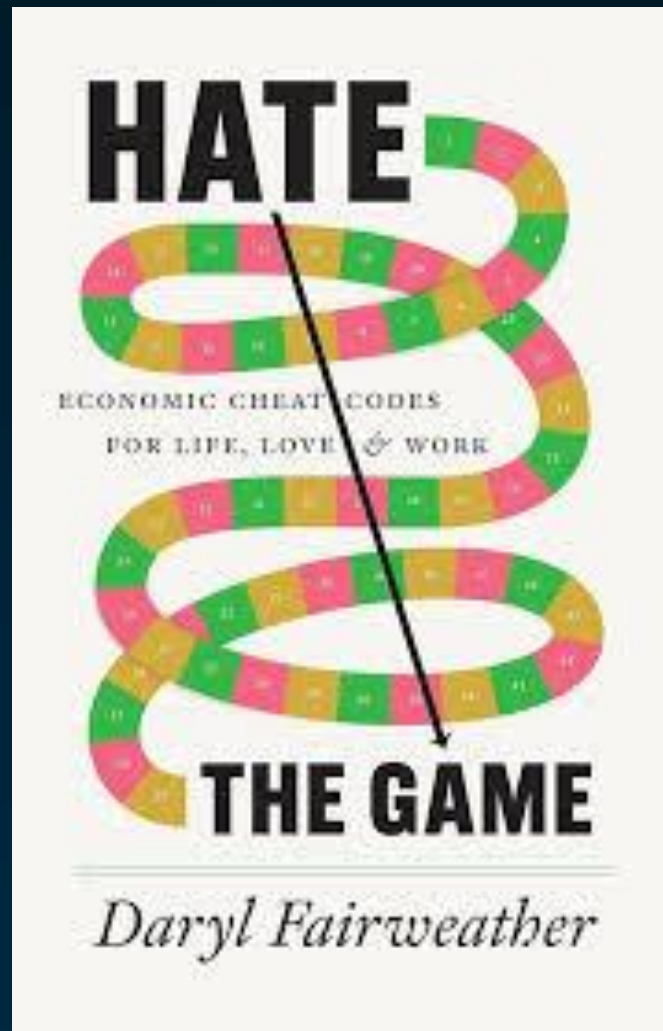


Buyers need a clear strategy based on personal finances and housing goals, a detailed implementation plan and a readiness to commit as circumstances change. Preparation is key.





Accept the reality of today's market.  
It is more important than ever for  
sellers to price accurately, stage  
attractively and market aggressively.





Thank You