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Real Estate Trends For Realtors, Homeowners and Professionals

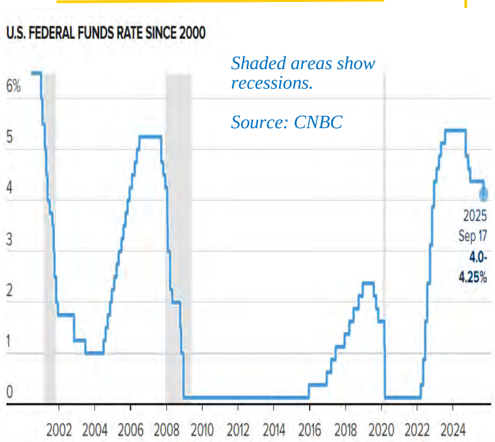
October 2025

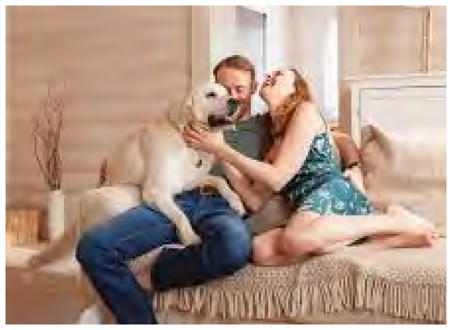
The Fed Has Spoken

Finally. After months of back and forth and speculation, the Federal Reserve has lowered its benchmark rate by 0.25%. While the August job numbers combined with the substantial downward revisions of jobs added during the past year pretty well clinched the fact that the Fed was likely to lower rates, there was still a decent amount of speculation swirling around the financial markets. The fact that it has been nine months since the last time the Fed lowered rates added to the intrigue – in addition to the pressure being applied from various members of the administration.

With this action and their accompanying statement, it is clear that the Fed acknowledges that the economy is slowing, and the risk of a recession is as great as the risk of inflation. By themselves, each of these future scenarios would be detrimental to our standard of living. But having both for any substantial period of time would be absolutely devastating. Slow growth and inflation are an unwelcomed situation as we have also previously written about the risks of stagflation. But a recession accompanied by inflation would be a completely different story.

The fact that the Fed is balancing both risks right now is evidence of how hard a job the Fed has for the foreseeable future. How do we bolster the economy without igniting inflation? The implementation of higher tariffs makes the job even more complicated. Theoretically, these tariffs will bolster our economy in the long run, but in the short-term, higher inflation and decreased consumer consumption seem to be in the cards. The markets' muted reaction was expected as the Fed's action was not a surprise, and long-term interest rates had previously fallen in anticipation. Let's hope the Fed's balancing act navigates us through as lower rates should help...





Mortgage Rates Fall

Mortgage rates have fallen rapidly in recent weeks, offering homebuyers an opportunity for borrowing relief if they move ahead with the big-ticket purchase. The average interest rate on a 30-year fixed mortgage moved down to 6.35% in mid-September Freddie Mac data showed. As recently as January, the average 30-year fixed mortgage rate exceeded 7%.

The sharp drop in mortgage rates owes in part to data showing a significant decline in hiring, which has heightened expectations that the Federal Reserve will slash interest rates and in turn put downward pressure on borrowing costs, some analysts told ABC News. Each percentage point decrease in a mortgage rate can save thousands in costs each year, depending on the price of the house. "This is a significant drop," Ken Johnson, a real estate economist at the University of Mississippi said.

Meanwhile, the typical price of a home has fallen in recent months. The median sales price of a home registered at $410,800 over three months ending in June, which marked a decline from a price of $423,100 over the previous three-month period, according to Census Bureau data. "Prices have cooled, inventory is up, time on the market is up," Julia Fonseca, a professor at the University of Illinois said. "All of this suggests it's a more favorable market for buyers relative to recent years. I would be guided by your needs and your personal financial situation, rather than try to make predictions about future prices and future interest rates."...

Source: ABC News

Selected Interest Rates

September 18, 2025

30 Year Mortgages	*6.26%*
2024 High (May 2)	*7.22%*
2024 Low (Sept 26)	*6.08%*
15 Year Mortgages	*5.51%*
10 Year Treasuries	*4.09%*

Sources—Fed Reserve, Freddie Mac
Note: Average rates do not include fees and points. Information is provided for indicating trends only and should not be used for comparison purposes.

Most Builders Are Small Businesses

New figures from NAHB highlight the enduring role of small businesses in the residential construction industry. According to the latest NAHB member census, most builder members continue to operate on a modest scale. The census shows the median number of housing starts by builder members in 2024 was six — a number that has remained constant since 2021. These builder members include single- and multi-family home builders, commercial and residential remodelers, commercial builders, land developers, and modular home manufacturers.

Revenue data also underscore the small-business nature of most NAHB builders. The median builder brought in $3.7 million in 2024, an 8% increase over 2023. Despite the growth, 60% of builder members reported earning under $5 million for the year. The largest segment (35%) reported revenue between $1 million and $4.9 million. Only 16% exceeded $15 million in total revenue. The U.S. Small Business Administration currently defines residential builders and remodelers as small businesses if they generate under $45 million in average annual receipts, or $34 million for land developers.

By that measure, nearly all NAHB builder members meet the threshold. Employee data further reflect the lean operating structure of many builders. The median number of employees among builder members in 2024 was six. NAHB officials note that many builders rely heavily on subcontractors, which allows them to remain flexible while keeping direct payroll costs low...

Source: The National Association of Home Builders

Did You Know…

August saw the first month-over-month rent price decline since March 2025 and the 25th consecutive month of year-over-year decreases, as "rental declines across the majority of markets in various-sized homes are providing new options for renters," according to Danielle Hale, Chief Economist at Realtor.com.

Compliments of
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