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Real Estate Trends For Realtors, Homeowners and Professionals

November 2025

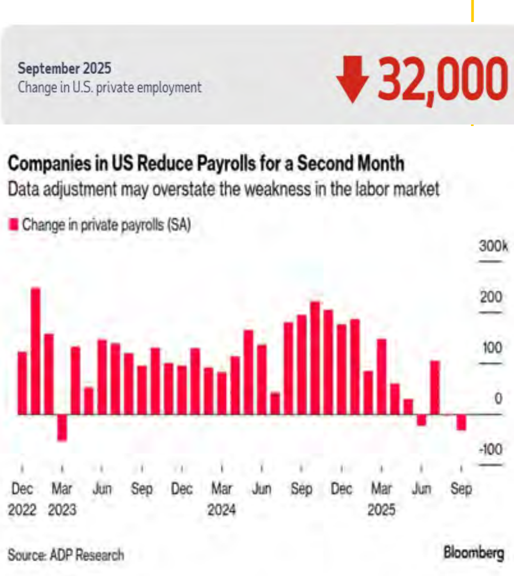
The Fed Met Without Data

The Federal Reserve's Open Market Committee met as the month came to an end, and a major topic of discussion was the economy and whether to lower interest rates. They did so amidst a substantial lack of data due to the government shutdown. Data such as the jobs report, retail sales, personal income/spending and more were on hold because of the shutdown.

There were some private reports issued such as the ADP private payroll report and builder confidence. But certainly the information they had in front of them to make a decision was scant at best. The balancing act between fighting inflation and a slowing economy has been extremely difficult and the lack of data only makes the job even more onerous. On the other hand, members of the Fed certainly have not been quiet during the shutdown. As usual, the members opinions are all over the board.

Of vital importance was the fact that Fed Chair Jerome Powell recently suggested the central bank is nearing a point where it will stop reducing the size of its bond holdings and provided a few hints that more interest rate cuts are in the cards. Speaking to the National Association for Business Economics conference in Philadelphia, Powell delivered a dissertation on where the Fed stands with "quantitative tightening," or the effort to reduce the more than $6 trillion of securities it holds on its balance sheet.

Though there was no timetable suggested, the fact that the Fed is now considering this change in policy bodes well for those who are hoping for continued decreases in interest rates. In addition, if the Fed starts purchasing bonds and perhaps mortgages to replace the portfolio runoff, this could also bode well for the direction of mortgage rates in the immediate future...



Advantage Buyers?

Nearly one-fifth of homes for sale in September earned a markdown in the latest sign that the national housing market continues to slide slowly in favor of buyers. Luxury listings saw the fewest reductions, according to a new Realtor.com analysis of listings data, while lower- and mid-tier homes continue to drive price cuts across many markets.

Homes priced between $350,000 and $500,000 saw the greatest share of price cuts at 21.6%, while just 13.3% of listings priced above $1 million saw reductions. "September's trends show a housing market increasingly tilting in buyers' favor, with a rising inventory of homes for sale, longer days on market and more competitive pricing," said Danielle Hale, chief economist at Realtor.com. Price cuts are part and parcel of a slowdown in home price appreciation unfolding across the U.S. in a deflationary response to severe purchase affordability constraints instigated by consecutive years of double-digit home price growth between 2020 and 2022.

According to Federal Reserve Economic Data, the average sales price of $371,100 in the second quarter of 2020 rose roughly 14.5% to $428,600 in the second quarter of 2021. By the second quarter of 2022, the average sales price was up another 18.4% to $525,100. The average sales price nationwide fell back to $512,800 as of the second quarter of 2025...

Source: Scotsman Guide

Selected Interest Rates

October 23, 2025

30 Year Mortgages———6.19%
2024 High (May 2)———7.22%
2024 Low (Sept 26)———6.08%
15 Year Mortgages———5.44%
10 Year Treasuries———4.00%

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.

The Road Back to Normal

Redfin recently released a report exploring how housing costs could return to "normal" by 2030 if home-price growth stabilizes and mortgage rates fall to 5.5%. The report is all based on hypotheticals but provides a look at what conditions could normalize housing costs –to a July 2018 baseline–over the next half-decade. "The path back to normal housing costs doesn't require a crash in home prices–stability may be enough," said Redfin Senior Economist Asad Khan "Buyers shouldn't expect affordability to snap back overnight, but the trend lines point to real progress within this decade. If mortgage rates decline modestly, and price and income growth hold steady, the market for homebuyers could feel much different by the late 2020s. We are cautiously optimistic normalcy may not be as far off as many might fear."

Looking back to July 2018, mortgage rates were in the mid-4% range, home prices were rising at a stable pace, the ratio of buyers to sellers was relatively balanced and the national median mortgage payment-to-income ratio was at 30%. To be clear, Redfin noted, "normal" doesn't automatically mean "affordable." Instead, the authors measured how far each market would need to move to return to its own 2018 affordability level. Redfin looked at a hypothetical scenario where mortgage rates fall to 5.5% and annual household income growth stays at 3.9%. If home prices grow at current rates (1.4%) year-over-year, Redfin posits U.S. housing costs would return to normal by November 2030. The report cautioned, however, that the hypotheticals do vary widely by different metro areas...

Source: Redfin

Did You Know…

Realtor.com recently reported that active inventory in September 2025 was up 17.0% on an annual basis, but still down 13.9% compared to the 2017 to 2019 same month levels. Meanwhile, median listing prices were flat on an annual basis.

Compliments of
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