

THE RECAP

JULY 2025

The RECAP is SitusAMC's monthly Real Estate Commentary, Analytics and Perspectives on the residential real estate market.

Our team of experts aggregates the latest trends and perspectives across residential real estate finance to help you stay up to date on market developments and make more informed decisions. Here are the key developments in July 2025.

WHAT YOU NEED TO KNOW

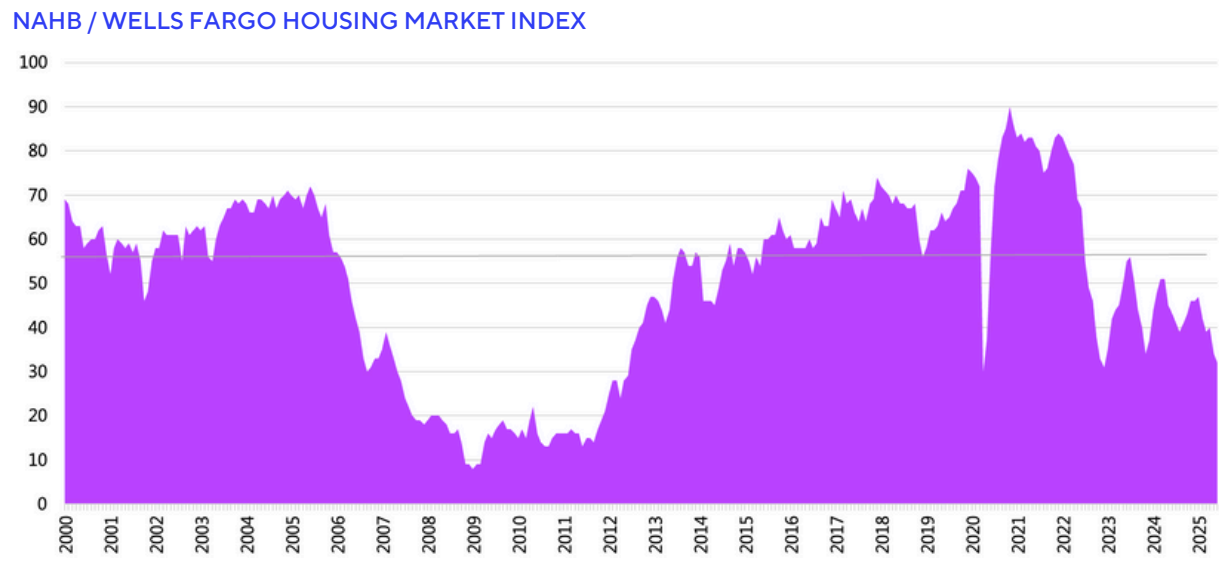
Confidence in the housing market plummeted among single-family home builders. A whirlwind of economic data and political events triggered Treasury rate volatility over the past month. Purchase and refinance indexes ticked up but remain well below eight-year averages. New and existing home sales continue to tread water. Permits, starts and completions remain historically elevated, but waning homebuilder sentiment and recent declines may temper future supply.

ABOUT SITUSAMC INSIGHTS

SitusAMC is the leading provider of data, research and analytical tools supporting the lifecycle of real estate finance. Leveraging proprietary and third-party data, our tools and research support smarter investment and portfolio decisions with expert-driven insights. [LEARN MORE](#) →

SINGLE-FAMILY HOME BUILDERS ARE PESSIMISTIC

NAHB / WELLS FARGO HOUSING MARKET INDEX



Confidence in the housing market plummeted among single-family home builders in June, according to the NAHB/Wells Fargo Housing Market Index (HMI). The index fell two points to 32 to the third lowest level since the Global Financial Crisis, down 11 points from a year ago. (A score below 50 signifies negative sentiment.) The HMI reflects present sales of new single-family homes, expected sales over the next six months and prospective buyers traffic. The latter component fared worst at 21. Elevated mortgage rates, tariff concerns, economic uncertainty and affordability concerns are pushing buyers to the sidelines. A growing number of builders are cutting prices.

"Only 1% of homeowners currently stand to benefit from refinancing."



PETER MUIOI, PHD
Head of SitusAMC Insights

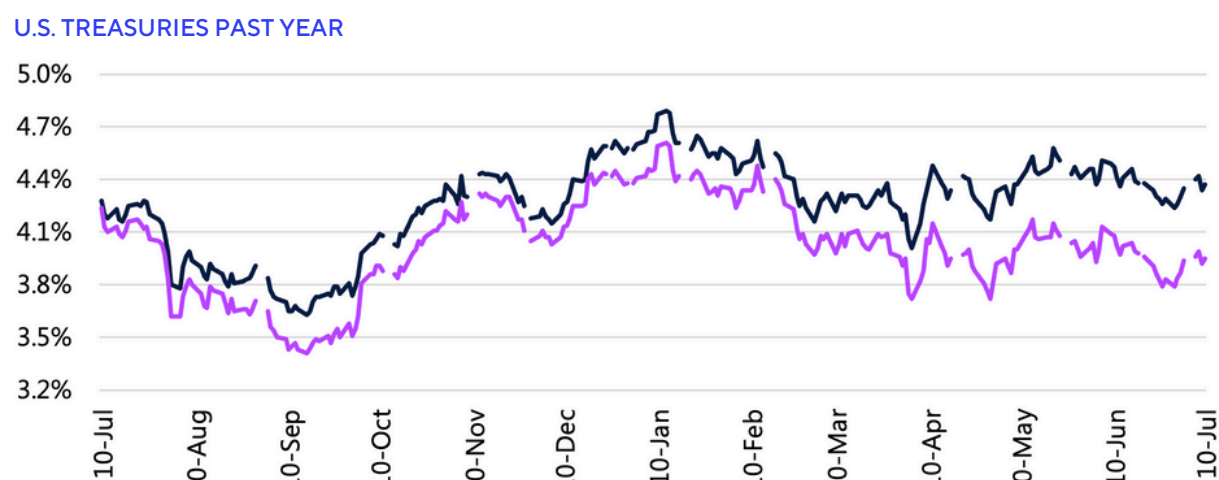
4.37

10-YEAR TREASURY

JULY 10TH

RATES REMAIN VOLATILE AMID ECONOMIC DATA, POLITICAL NEWS

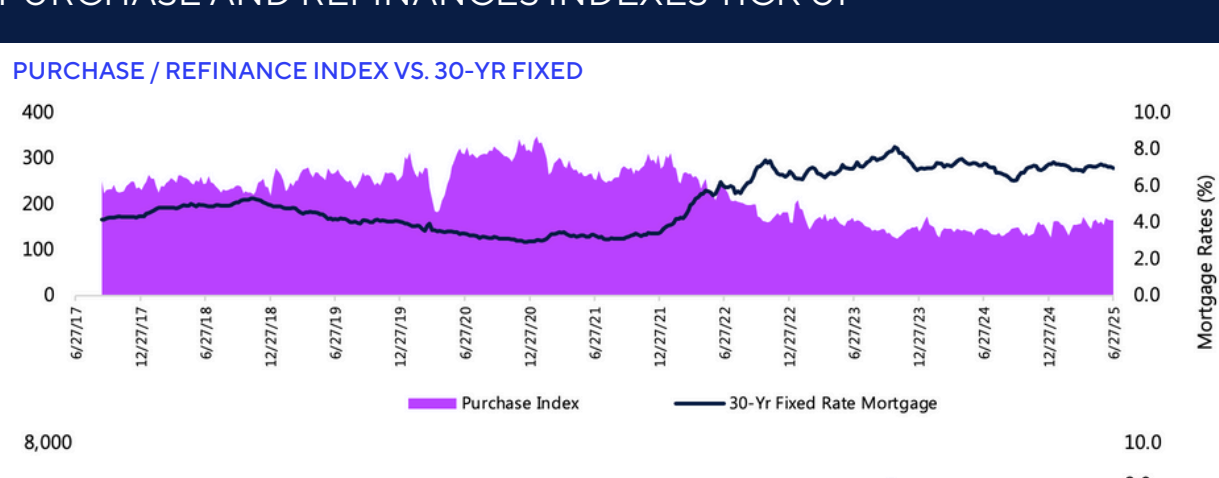
U.S. TREASURIES PAST YEAR



The 10-year Treasury remains at 4.4%, the same rate as our previous meeting, though it declined about 20 bps during the last two weeks of June due to weaker economic data (downward revision to GDP, decline in retail sales and consumer income), dovish Fed signals, and ongoing policy uncertainty. The Treasury yield increase at the beginning of July was spurred on by the June job report, which showed a stronger than anticipated labor market; however, recent tariff announcements have renewed fears of stronger inflation.

PURCHASE AND REFINANCES INDEXES TICK UP

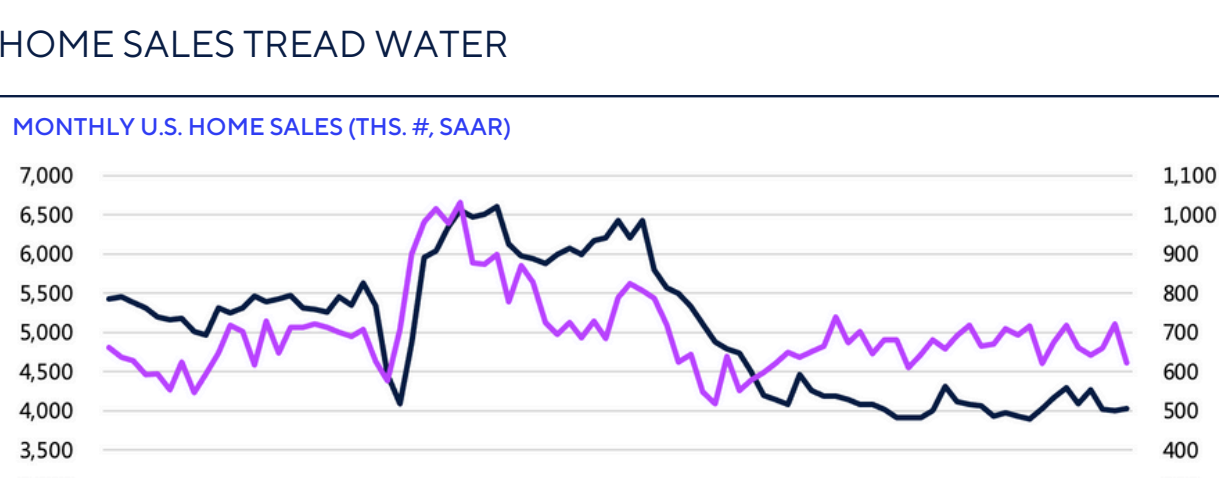
PURCHASE / REFINANCE INDEX VS. 30-YR FIXED



The Mortgage Bankers Association purchase and refinance indexes ticked up over the last three months, though purchases are about 25% lower than their eight-year average, and refinancings are less than half. Purchases and refinancings are also up over the year, coinciding with a 20 bps decline in the 30-year FRM.

HOME SALES TREAD WATER

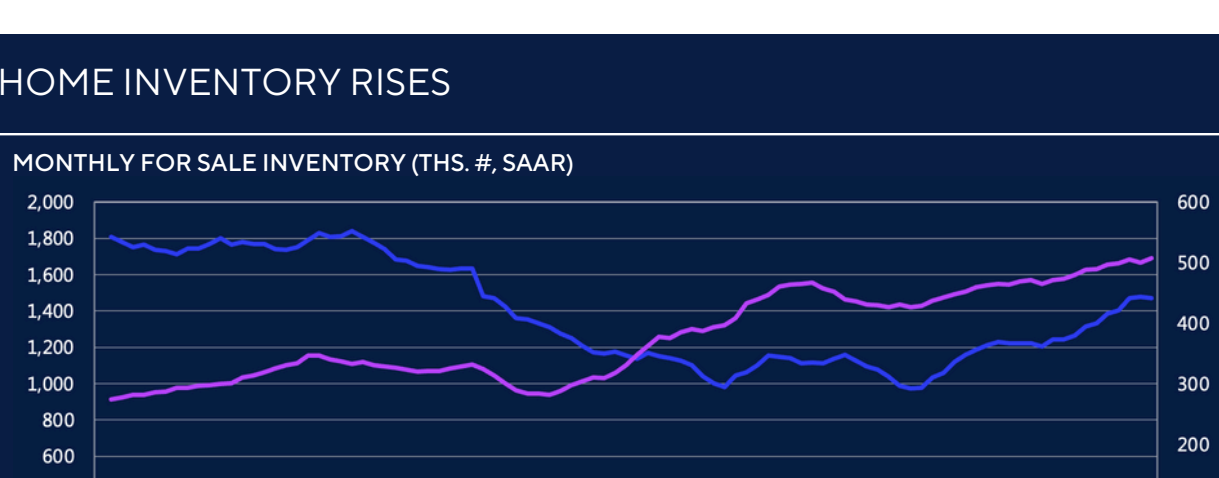
MONTHLY U.S. HOME SALES (THS. #, SAAR)



New and existing home sales continue to tread water amid month-to-month swings. New single-family home sales dipped in May to the lowest level in seven months, but this came after the previous month's pop. Existing home sales were barely higher than in the previous month and remain well below the historical average. New and existing home prices remain extremely elevated, at \$429,294 and \$409,604, respectively. While permits, starts and completions are above historical averages, waning homebuilder sentiment and recent declines may temper future supply.

HOME INVENTORY RISES

MONTHLY FOR SALE INVENTORY (THS. #, SAAR)



Existing home inventory has grown – reaching the highest levels since the onset of the pandemic. With new home sales down 6% from the beginning of the year, and the market grappling with the surge in home completions at the end of 2024, new home inventory has reached the highest level since 2007.

ABOUT SITUSAMC

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