# Realtor.com Midyear Housing Forecast (July 2025 Update)

## Mortgage Rates

Elevated rates are pushing affordability down. The updated forecast raises the average 30-year fixed mortgage rate to 6.7% for 2025, with year-end rates expected around 6.4%—higher than December's earlier projections of 6.3% average and 6.2% year-end.

## Home Sales

Expected to decline by 1.5%, resulting in about 4 million existing-home sales, potentially marking the slowest sales pace since 1995.

## Home Prices & Inventory

Home price growth is forecasted to slow to around 2.5% for the year, down from earlier estimates. Inventory is projected to increase sharply—existing for-sale inventory rising ~16.9%, and single-family starts up ~13.8%, improving market balance.

## Background: December 2024 Forecast by Realtor.com

Earlier projections (Dec 2024) expected:  
- Mortgage rates averaging 6.3% (6.2% by year-end)  
- Home price growth: +3.7%  
- Sales increase: +1.5% to 4.07 million  
- Inventory growth: +11.7%  
- Single-family housing starts: +13.8% to 1.1 million

## Comparisons with Other Forecasts

Fannie Mae anticipates average mortgage rates near 6.8% in 2025, easing to ~6.6% by year-end. National Association of Realtors sees average rates closer to 6.0%, offering a more optimistic outlook.

## In Summary

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| Topic | Midyear Forecast (July 2025) | Earlier Forecast (Dec 2024) |
| Mortgage Rates | ~6.7% avg, ~6.4% year-end | ~6.3% avg, ~6.2% year-end |
| Home Sales | –1.5% (~4.0 million) | +1.5% (~4.07 million) |
| Price Growth | +2.5% | +3.7% |
| Inventory Growth | +16.9% | +11.7% |
| Housing Starts | –3.7% | +13.8% (to 1.1M single-family starts) |