

# HaMMR Digest

Stay current with economic and mortgage market trends.

June 30, 2025

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### Trends Persist

- **Key Takeaway:** Data-heavy week did not alter trends of selective household spending, soft consumer sentiment and limited tariff consumer inflation.
- **Macro Implications:** The economy remains in flux as underlying trends clouded by shifting consumer and business behavior in response to tariffs.
- **Housing Implications:** Mortgage spreads still slowly normalizing and rates declined on rising hopes of limited tariff impacts and earlier Fed rate cuts.

### Macro: Sputtering Forward

- 1Q25 household spending revised down as autos crowded out other outlays.
- May durable goods orders flattered by surge in aircraft orders.
- Weak June consumer sentiment underscores rising labor market unease.

### Rates: Fading the Tail Risks

- 10y UST down -11bps w/w to 4.27% and -32bps from recent May peak.
- Yield curve bull steepens as several Fed speakers hint at potential July rate cut.
- Markets now pricing three rate cuts as slightly better than a toss-up for '25.

### Housing: Finding a Floor

- Mortgage rates finally got unstuck and dipped to lowest level since April.
- New listings cooling as patient homeowners opt to wait out the market.
- Downward pressure on price growth eased as supply/demand realigns.

### Existing Home Sales: Not a New Trend

- Existing home sales rose 0.8% m/m in May, still down -6% year-to-date.
- Inventory paused its ascent in May but is still up 10% year-to-date.
- Months' supply at 4.4 (sa), up from 3.6 a year ago, above 2019 levels.

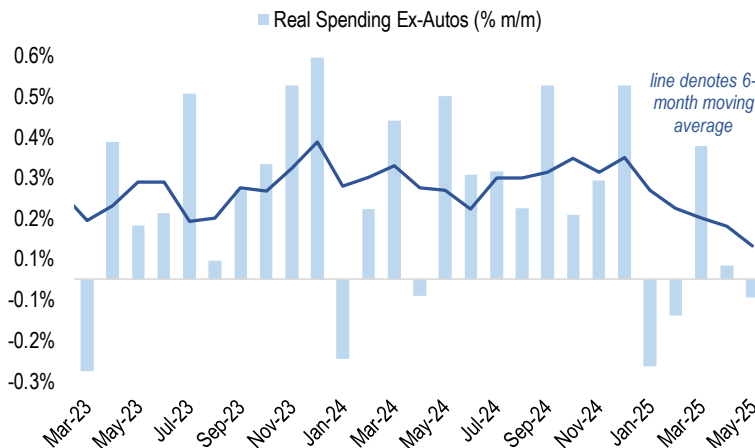
### New Home Sales: Downward Revisions Bite Again

- May new home sales fell -13.7% m/m and -6.3% y/y.
- Months' supply surged to a new cycle high of 9.8 (sa), up from 8.5 a year ago.
- Concessions are losing effectiveness amid weak demand.

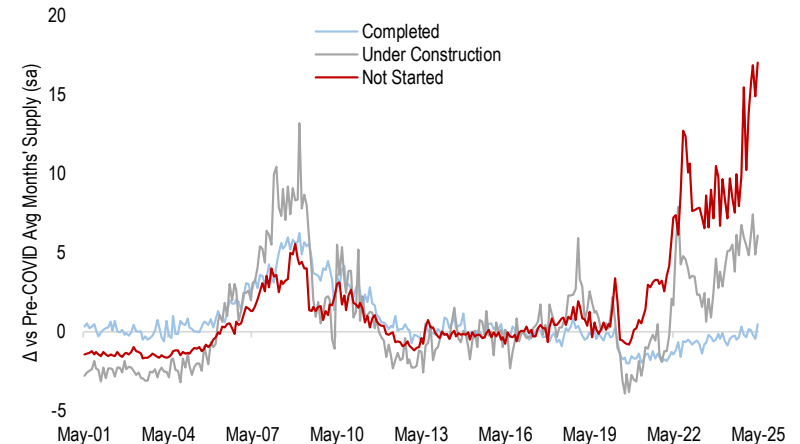
### Personal Income and Spending: State of Distortion

- May real disposable income fell -0.7% m/m but still up 1.7% y/y.
- Real spending fell -0.3% m/m, down from 0.2% average prior three months.
- Benign inflation through May masks looming summer tariff pressures.

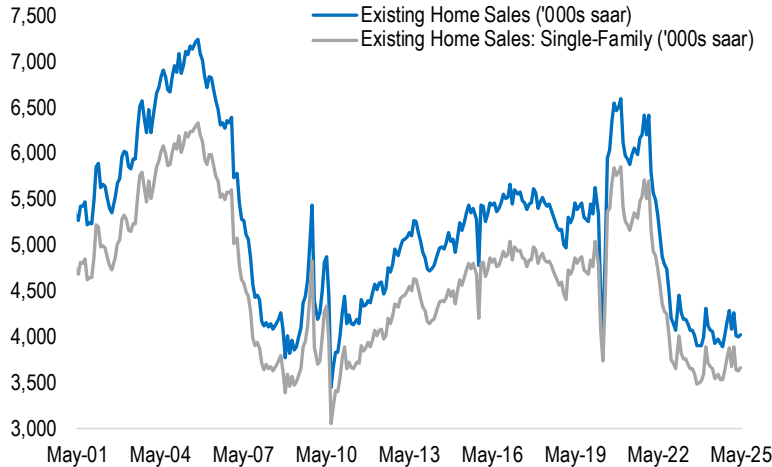
### Poor Sentiment, Early-Year Market Volatility and Tariff Front-Running Has Cooled Real Spending Ex-Autos



### Completed New Homes Still Selling Quickly; Inventory Surging Most for Not Started Segment



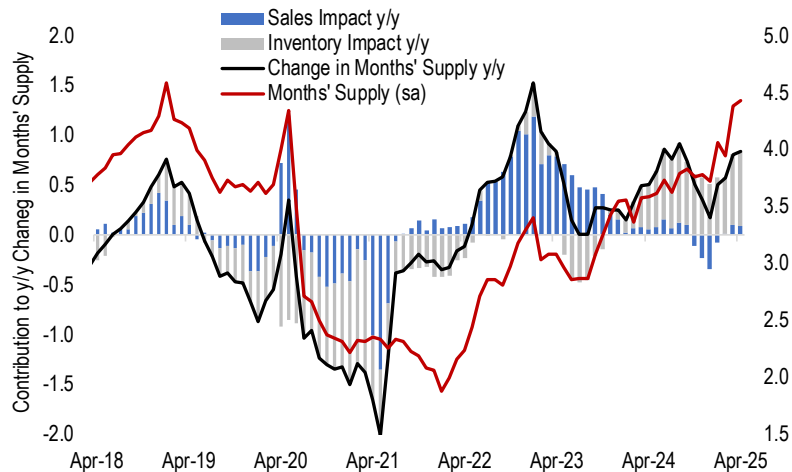
### Elevated Mortgage Rates, Falling Consumer Sentiment and Weaker Growth Will Keep Sales Pace Slow



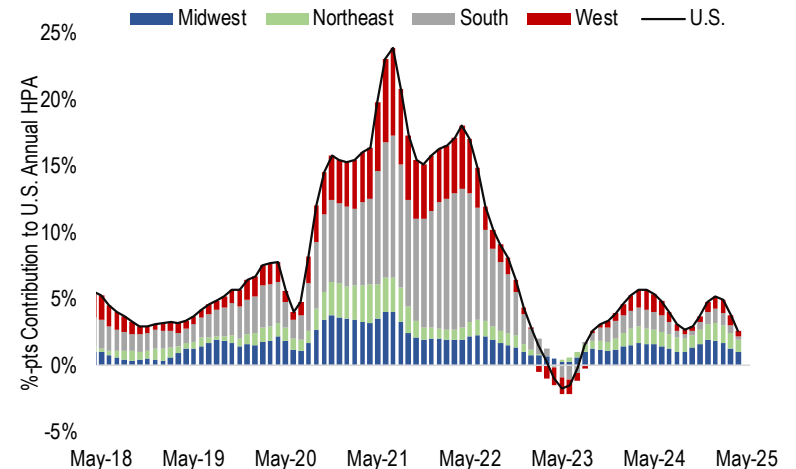
### Inventory Growth Halted for the First Time in 10 Months



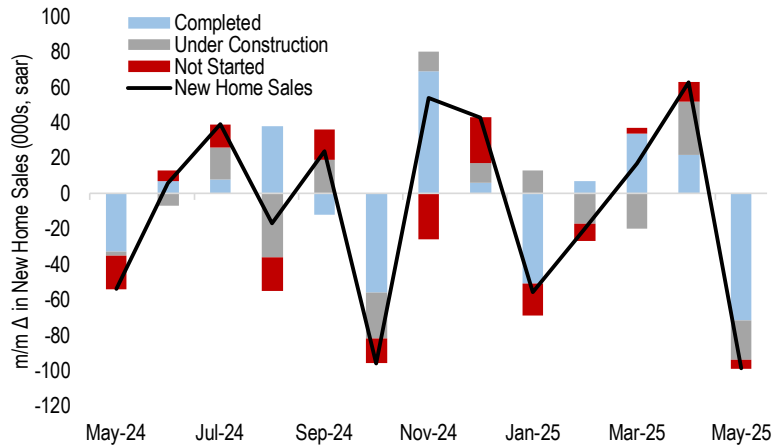
### Annual Change in Months' Supply Continued to Increase with Listings Outpacing Growth in Sales



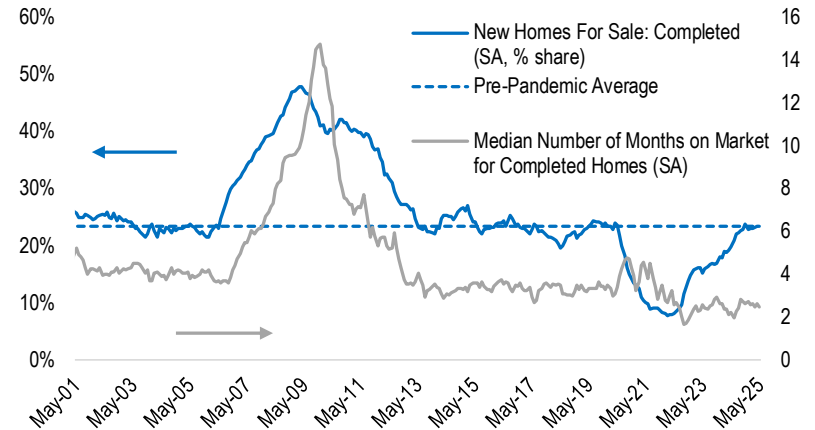
### Near-Term Trajectory of Annual Median Sale Price Growth Remains Skewed to the Downside



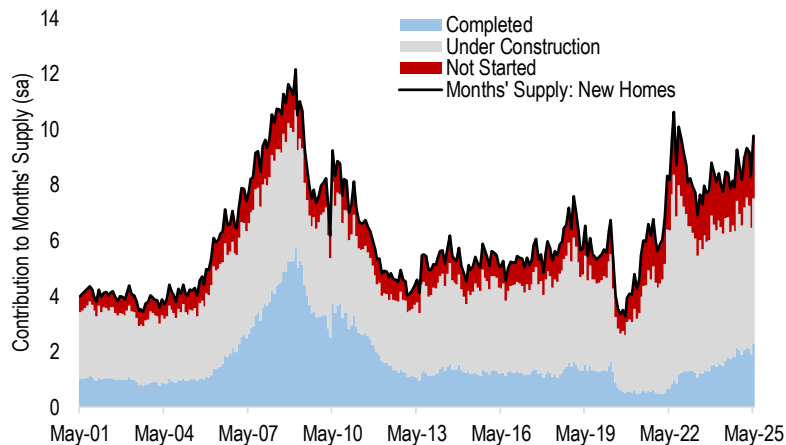
### May New Home Sales Slumped with Prior Three Months Also Revised Lower



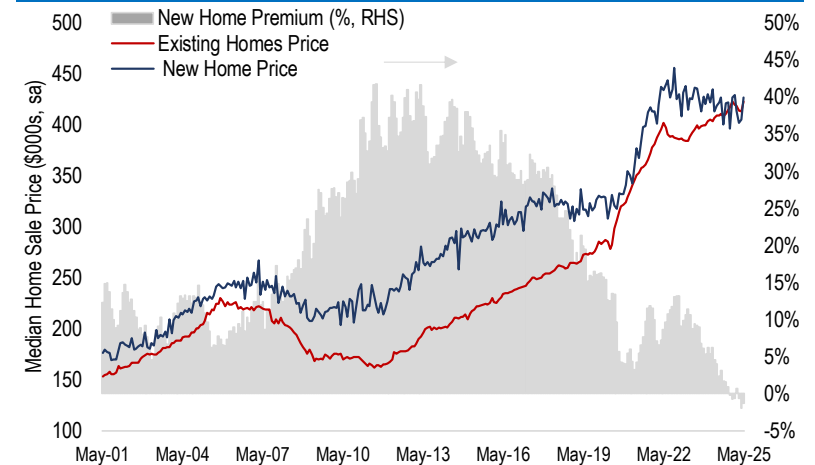
### Completed Homes' Share of New Homes for Sale Has Been Rising, Now Sitting at Pre-Pandemic Norm



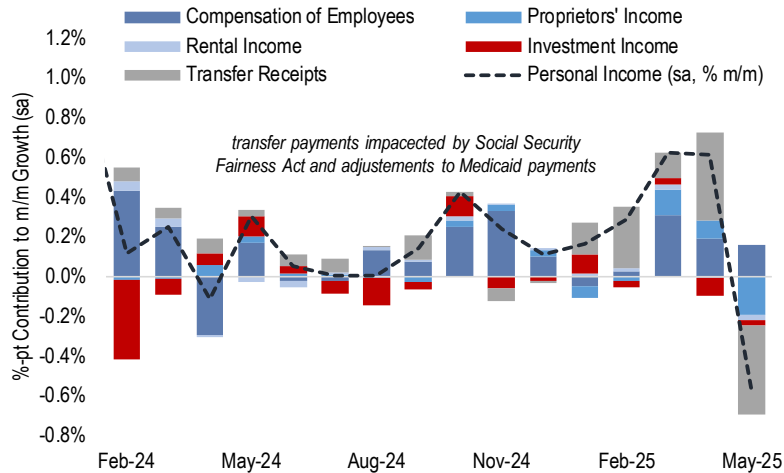
### Slowdown in Pace of Home Sales Caused Months' Supply to Surge across All Phases of Construction



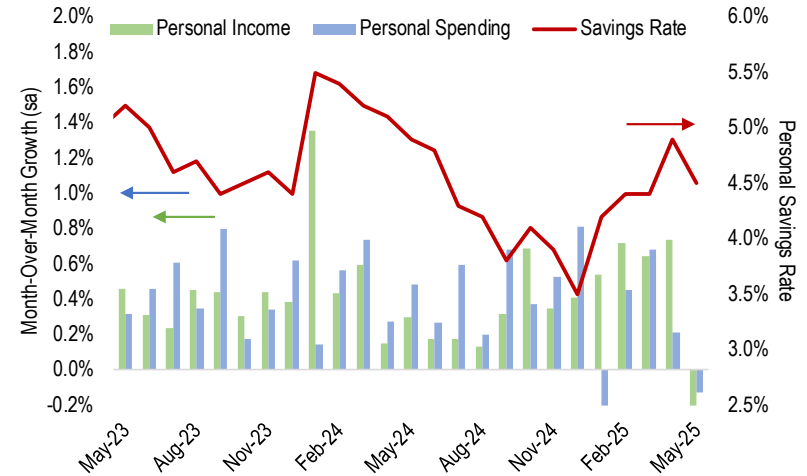
### National New Home Premium over Existing Home Prices Has Effectively Vanished in 2025



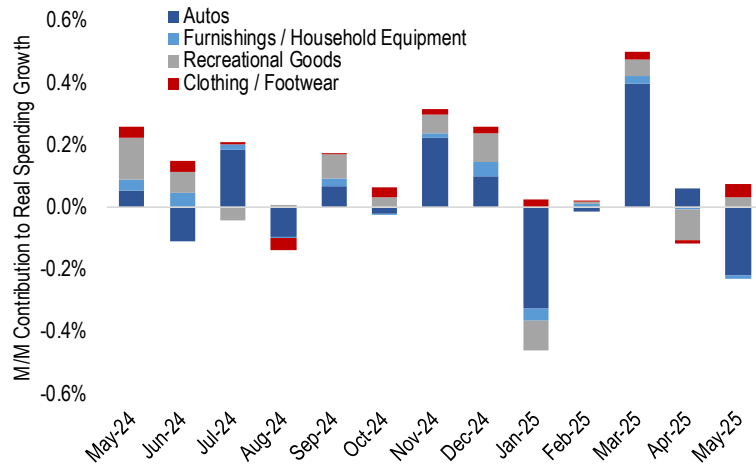
### Real Labor Income Growth Plunged in May in Large Part Due to End of One-Off Transfer Payment Adjustments



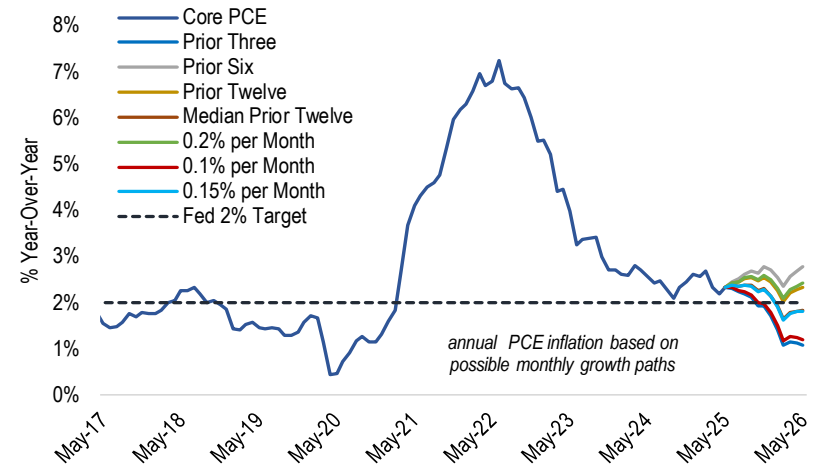
### Despite Softer Spending Growth, Weak Income Growth Drove Savings Rate Lower



### Slowdown in Auto Sales and Looming Tariff Risks May Shift Spending Priorities to Other Durable Goods

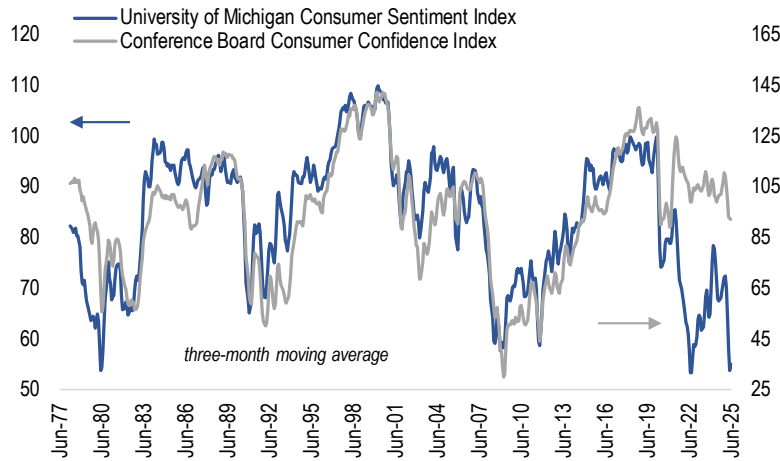


### Inflationary Pressures Were Tame through 1Q25; Path Forward Likely To Be an Entirely Different Story

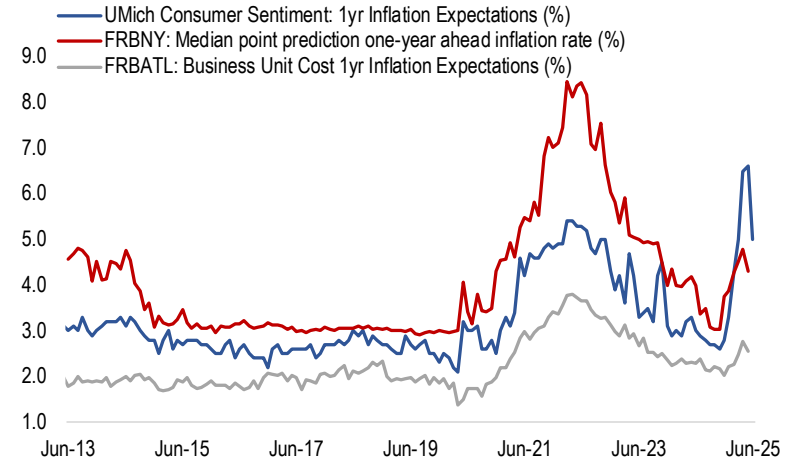




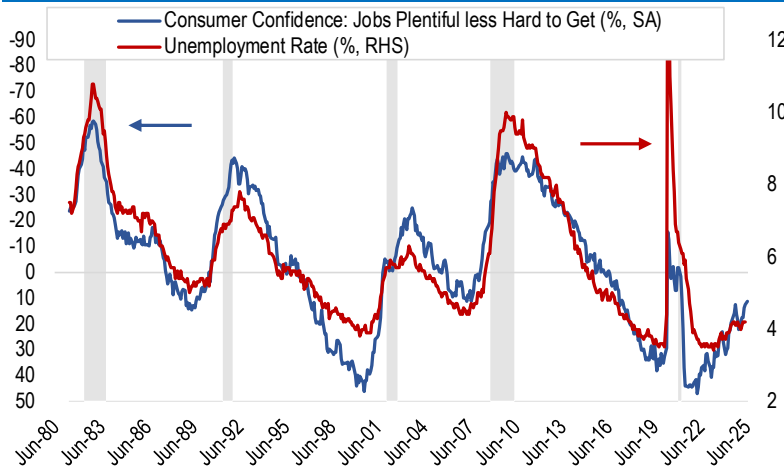
### Consumer Sentiment Remains Weak with Labor-Sensitive Conference Board Deteriorating More in June



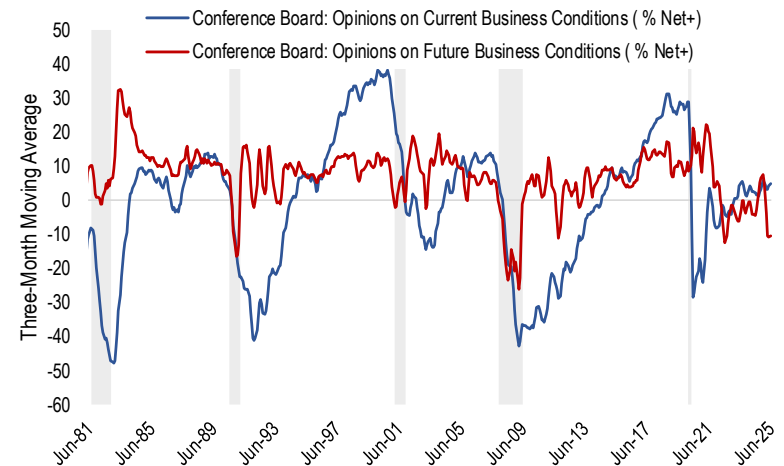
### Consumers' Expectation of a Drastic Inflation Surge Has Receded to a Still-Elevated Level



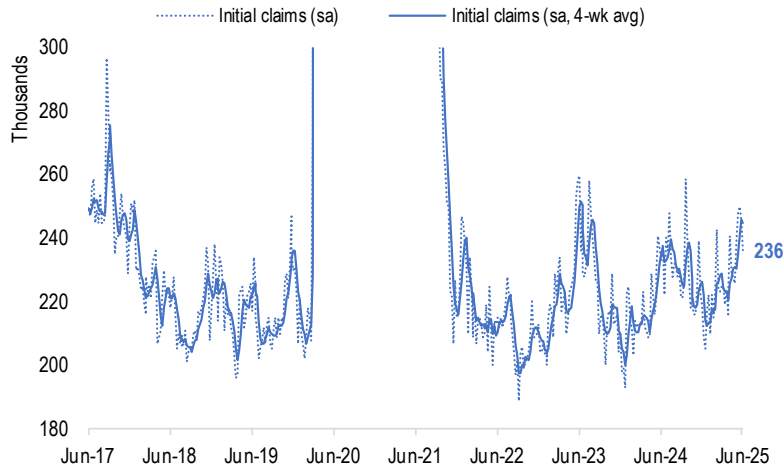
### Consumer Perceptions of Current Labor Conditions Suggest More Upward Pressure on Unemployment Rate



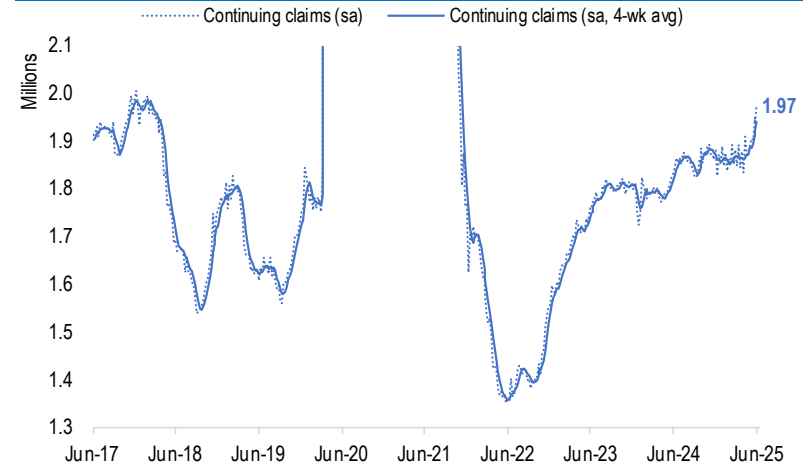
### Consumer Outlook on Business Conditions Remained Downbeat



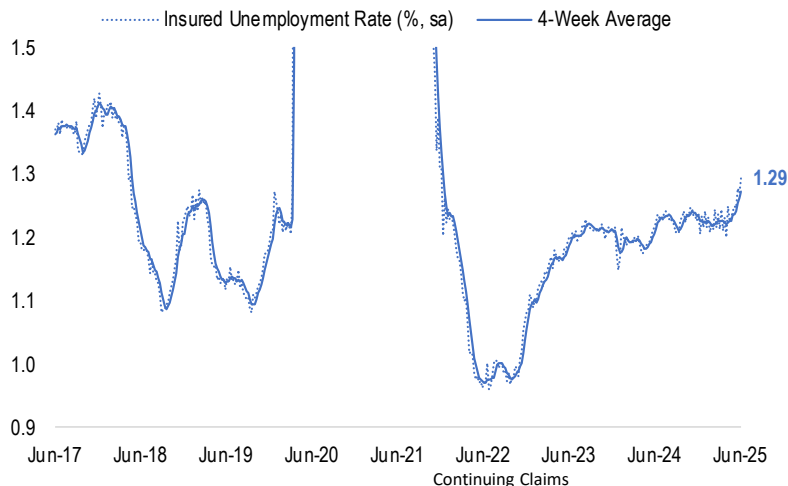
### Initial Claims Ticked Down to 236k (SA) in Week Ending June 21, Still near Upper Range of Post-Pandemic Era



### Continuing Claims Surged to New Cycle High (1,974k SA) during the Week Ending June 14



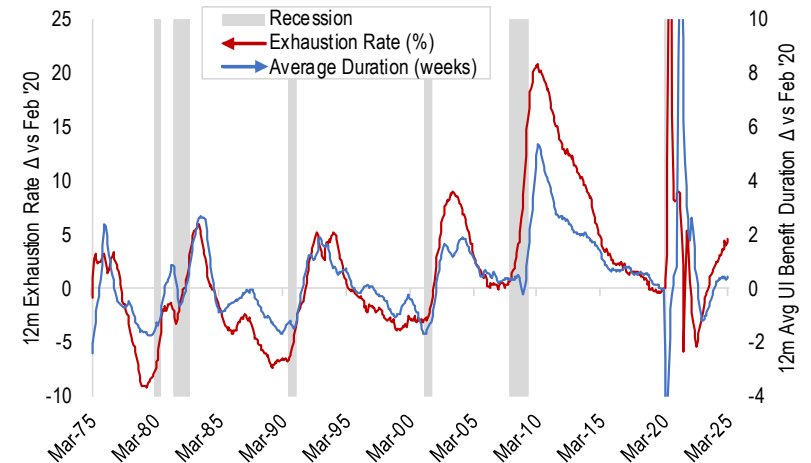
### Which Also Lifted Insured Unemployment to a New Post-Pandemic High



Insured Unemployment =  $\frac{\text{Continuing Claims}}{\text{Employed Population Eligible for Unemployment Insurance}}$

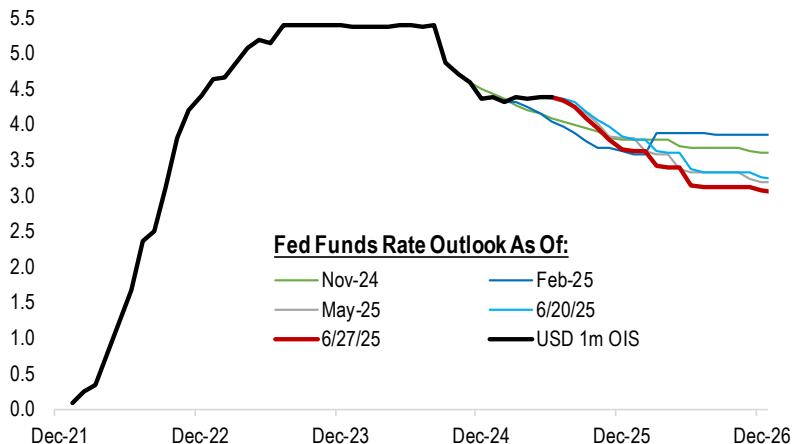
Sources: U.S. Department of Labor, Arch Global Economics

### Elevated Share of UI Beneficiaries Exhausting Benefits Means Continuing Claims Worse Than They Appear

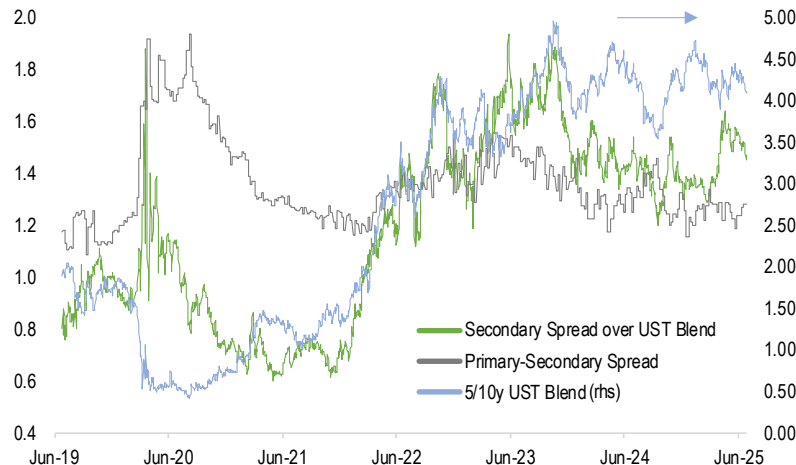


SA = Seasonally Adjusted  
NSA = Not Seasonally Adjusted

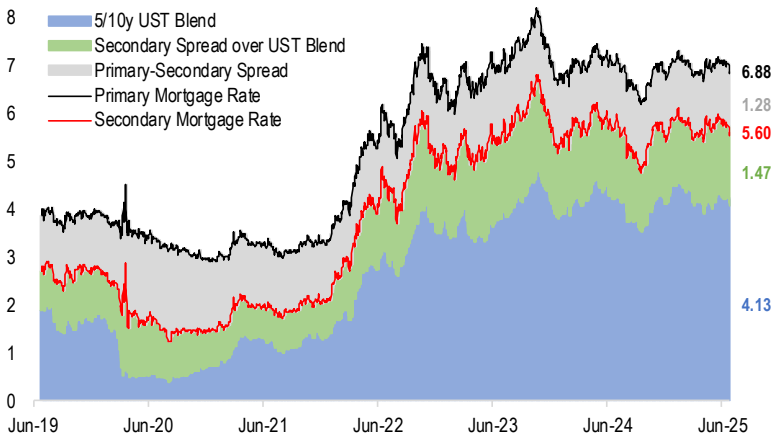
### Market Now Sees Three Rate Cuts in '25 as a Toss-Up vs. Two Cuts the Prior Week, Followed by Three in '26



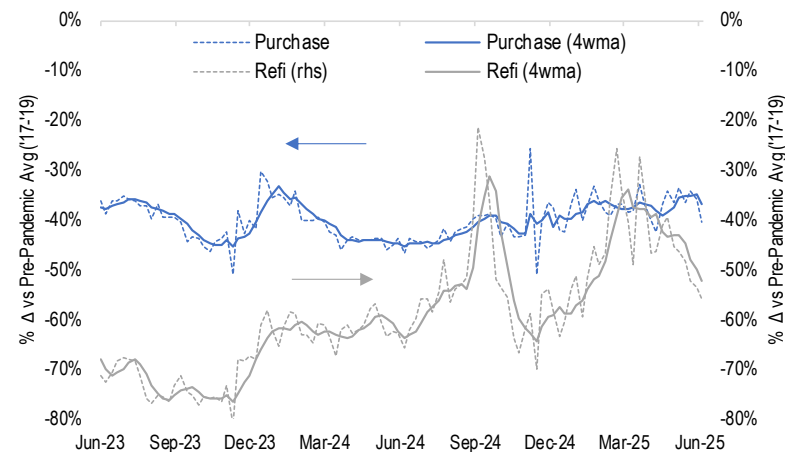
### U.S. Treasury Yields Dropped -11bps Last Week and Mortgage Spreads Narrowed by -5bps...



### ... Which Pulled Mortgage Rates Somewhat below the Average Level for 2025 (~7%)

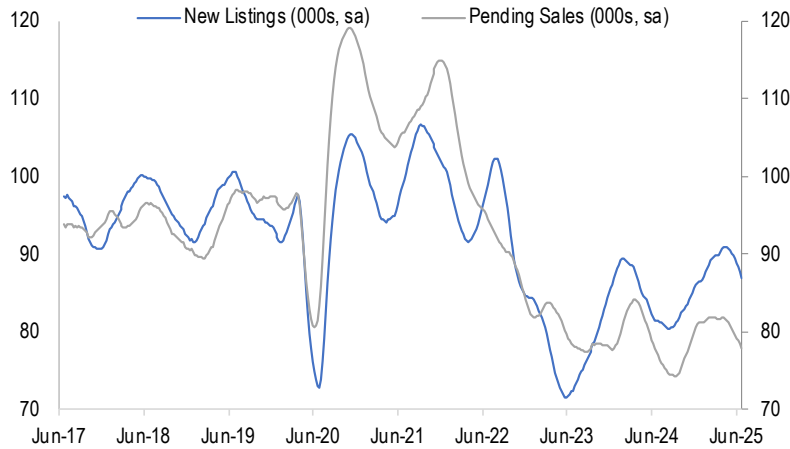


### Purchase Apps Took a Big Step Down in Week Ending June 20, Mirroring Refi Decline

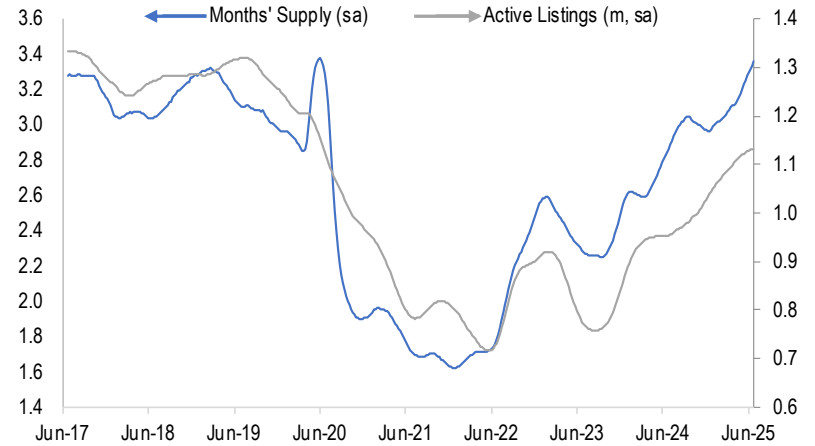




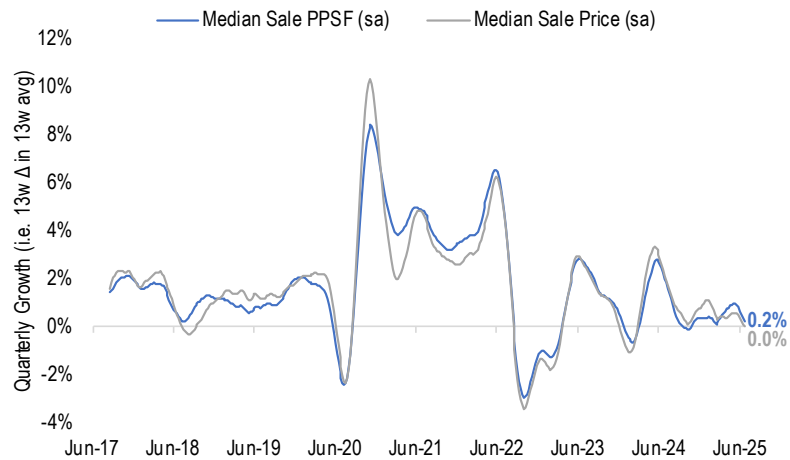
### New Listings Have Cooled but Still Outpacing Pending Sales



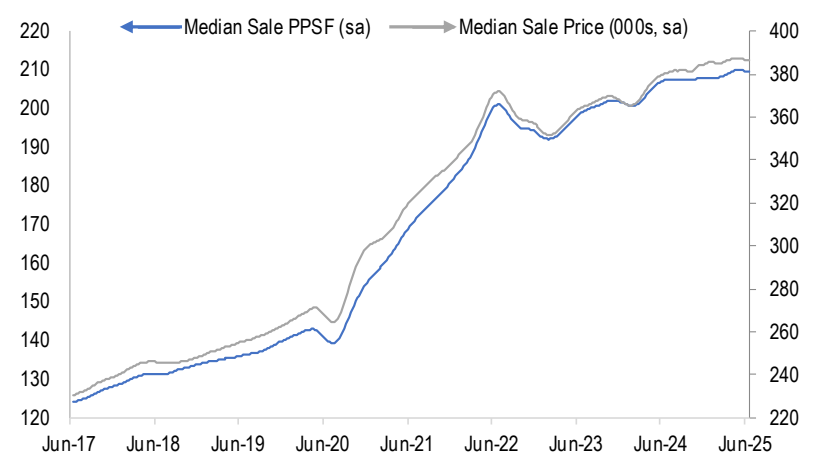
### ... Which Lifted Months' Supply Further above the Pre-Pandemic Level as Inventory Continued to Swell



### Pace of Seasonally Adjusted Home-Price Growth Weakened through Mid-June



### Home Prices Have Levelled Off after Modest Gains in Early 2025



## Annual Home Price Declines Becoming More Widespread as Most Markets Have Softened

Metro	Median Sale Price Per Square Foot (y/y)		Median List Price Per Square Foot (y/y)		Active Listings with Price Drops		Average Sale-to-List Ratio		Median Days on Market vs Pre-COVID		Total Active Listings (y/y)	Months' Supply vs Pre-COVID	
	Current	(Δ q/q, ppt)	Current	(Δ q/q, ppt)	Current	(Δ y/y, ppt)	Current	(Δ y/y, ppt)	Current	Year Ago		Current	Year Ago
All Redfin Metros	1.1%	-0.9%	3.7%	0.1%	7.2%	1.6%	99.1%	-0.5%	-6.8	-11.3	14%	15%	-6%
Atlanta	-1.2%	-0.8%	2.3%	0.6%	8.1%	2.6%	98.4%	-0.5%	14.5	4.0	13%	23%	1%
Austin	-4.1%	-1.3%	3.0%	2.3%	9.9%	1.3%	97.4%	-0.2%	39.8	30.1	17%	151%	101%
Baltimore	4.0%	4.3%	5.2%	1.6%	7.3%	1.6%	101.1%	-1.0%	1.2	-5.5	18%	-10%	-30%
Boston	2.5%	0.7%	4.8%	-2.0%	7.0%	1.9%	102.5%	-0.7%	9.1	8.6	19%	16%	-9%
Chicago	3.7%	-1.8%	4.9%	0.0%	3.7%	1.4%	100.8%	-0.1%	20.5	20.0	0%	-2%	-5%
Dallas	-2.6%	0.3%	0.3%	1.2%	9.9%	2.1%	97.9%	-0.5%	13.2	4.5	32%	65%	23%
Denver	-2.6%	0.2%	1.1%	2.0%	11.0%	0.7%	99.1%	-0.5%	12.3	5.3	32%	119%	59%
Houston	-0.3%	0.1%	1.8%	0.7%	9.3%	3.0%	97.1%	-0.6%	9.9	-0.2	19%	34%	12%
Los Angeles	1.2%	-4.5%	1.2%	-2.7%	5.8%	2.3%	100.1%	-1.2%	2.4	-2.8	16%	39%	15%
Miami	3.5%	2.0%	3.5%	2.6%	4.9%	1.6%	95.3%	-0.6%	20.5	2.3	22%	71%	-2%
Minneapolis	1.9%	1.5%	1.7%	-1.1%	7.4%	2.0%	100.9%	0.2%	-0.7	-0.8	4%	12%	1%
Nashville	2.4%	1.0%	4.9%	3.9%	6.9%	2.0%	98.4%	-0.1%	8.1	-4.0	19%	50%	19%
New York	4.4%	-4.1%	7.7%	0.2%	4.2%	0.5%	100.8%	0.1%	-41.6	-40.1	6%	-12%	-26%
Phoenix	-3.1%	-3.7%	1.4%	1.8%	8.2%	1.2%	98.0%	-0.3%	18.0	7.0	29%	81%	36%
Portland	0.2%	-1.5%	0.4%	-0.8%	9.4%	2.0%	99.9%	-0.3%	8.6	3.1	20%	72%	27%
Riverside	0.5%	-0.8%	3.7%	1.3%	6.8%	2.3%	99.2%	-0.7%	-0.3	-11.3	16%	31%	7%
San Diego	-0.7%	-3.1%	0.7%	-0.7%	7.6%	2.5%	99.3%	-1.1%	7.3	-1.7	24%	44%	6%
Seattle	1.2%	0.4%	3.6%	0.9%	8.4%	1.9%	100.4%	-1.2%	0.1	-1.7	38%	73%	17%
Tampa	-2.5%	-0.5%	2.5%	1.6%	10.2%	1.2%	97.0%	-0.6%	9.8	0.5	11%	71%	41%
Washington DC	3.3%	-0.8%	3.4%	-0.7%	6.5%	1.7%	100.2%	-1.0%	17.6	6.3	29%	34%	-3%

Data as of June 22, 2025, and reflects 4-week averages.

## Upcoming Data Releases

Key economic and housing data releases for the coming week:

Date	Time	Indicator	Period	Actual	Consensus	Revised	Prior	Note
7/1/25	11:00 AM	Wards Total Vehicle Sales	Jun	--	15.4	--	15.7	m, saar
7/1/25	9:45 AM	S&P Global US Manufacturing PMI	Jun F	--	52.0	--	52.0	index, sa
7/1/25	10:00 AM	ISM Manufacturing	Jun	--	48.7	--	48.5	index, sa
7/1/25	10:00 AM	ISM Prices Paid	Jun	--	69.5	--	69.4	index, nsa
7/1/25	10:00 AM	JOLTS Job Openings	May	--	7,300	--	7,391	k, sa
7/2/25	7:00 AM	MBA Mortgage Applications w/w	6/27/25	--	--	--	1.1	%, sa
7/2/25	8:15 AM	ADP Employment m/m	Jun	--	90	--	37	k, sa
7/3/25	8:30 AM	Nonfarm Payrolls m/m	Jun	--	113	--	139	k, sa
7/3/25	8:30 AM	Private Payrolls m/m	Jun	--	110	--	140	k, sa
7/3/25	8:30 AM	Unemployment Rate	Jun	--	4.3	--	4.2	%, sa
7/3/25	8:30 AM	Labor Force Participation Rate	Jun	--	62.5	--	62.4	%, sa
7/3/25	8:30 AM	Average Hourly Earnings m/m	Jun	--	0.3	--	0.4	%, sa
7/3/25	8:30 AM	Average Hourly Earnings y/y	Jun	--	3.8	--	3.9	%, nsa
7/3/25	8:30 AM	Average Weekly Hours All Employees	Jun	--	34.3	--	34.3	sa
7/3/25	8:30 AM	Initial Jobless Claims	6/28/25	--	241	--	236	k, sa
7/3/25	8:30 AM	Continuing Claims	6/21/25	--	1,950	--	1,974	k, sa
7/3/25	9:45 AM	S&P Global US Services PMI	Jun F	--	53.1	--	53.1	index, sa
7/3/25	9:45 AM	S&P Global US Composite PMI	Jun F	--	--	--	52.8	index, sa
7/3/25	10:00 AM	ISM Services Index	Jun	--	50.6	--	49.9	index, nsa
7/3/25	10:00 AM	Durable Goods Orders m/m	May F	--	16.4	--	16.4	%, sa
7/3/25	10:00 AM	Cap Goods Orders Nondef Ex Air m/m	May F	--	--	--	1.7	%, sa
7/3/25	10:00 AM	Cap Goods Ship Nondef Ex Air m/m	May F	--	--	--	0.5	%, sa

Sources: Bloomberg Consensus Survey of Economists, Arch Global Economics

## Recent Data Releases

Key economic and housing data releases over the prior week:

Date	Time	Indicator	Period	Actual	Consensus	Revised	Prior	Note
6/23/25	9:45 AM	S&P Global US Manufacturing PMI	Jun P	<b>52.0</b>	51.0	--	52.0	index, sa
6/23/25	9:45 AM	S&P Global US Services PMI	Jun P	<b>53.1</b>	53.0	--	53.7	index, sa
6/23/25	9:45 AM	S&P Global US Composite PMI	Jun P	<b>52.8</b>	52.2	--	53.0	index, sa
6/23/25	10:00 AM	Existing Home Sales m/m	May	<b>0.8</b>	-1.3	--	-0.5	%, sa
6/24/25	9:00 AM	FHFA House Price Index m/m	Apr	<b>-0.4</b>	0.0	0.0	-0.1	%, sa
6/24/25	9:00 AM	S&P CoreLogic CS 20-City m/m SA	Apr	<b>-0.3</b>	0.0	-0.2	-0.1	%, sa
6/24/25	10:00 AM	Conf. Board Consumer Confidence	Jun	<b>93.0</b>	99.8	98.4	98.0	index, sa
6/25/25	7:00 AM	MBA Mortgage Applications w/w	6/20/25	<b>1.1</b>	--	--	-2.6	%, sa
6/25/25	7:52 AM	Building Permits	May F	<b>1,394</b>	1,393	--	1,393	k, saar
6/25/25	7:52 AM	Building Permits m/m	May F	<b>-2.0</b>	0.0	--	-2.0	%, sa
6/25/25	10:00 AM	New Home Sales	May	<b>623</b>	693	722	743	k, saar
6/25/25	10:00 AM	New Home Sales m/m	May	<b>-13.7</b>	-6.7	9.6	10.9	%, sa
6/26/25	8:30 AM	Wholesale Inventories m/m	May P	<b>-0.3</b>	0.2	0.1	0.2	%, sa
6/26/25	8:30 AM	Retail Inventories m/m	May	<b>0.3</b>	-0.1	0.0	-0.1	%, sa
6/26/25	8:30 AM	GDP Annualized q/q	1Q T	<b>-0.5</b>	-0.2	--	-0.2	%, saar
6/26/25	8:30 AM	Personal Consumption q/q	1Q T	<b>0.5</b>	1.2	--	1.2	%, saar
6/26/25	8:30 AM	Core PCE Deflator q/q	1Q T	<b>3.5</b>	3.4	--	3.4	%, saar
6/26/25	8:30 AM	Durable Goods Orders m/m	May P	<b>16.4</b>	8.5	-6.6	-6.3	%, sa
6/26/25	8:30 AM	Cap Goods Orders Nondef Ex Air m/m	May P	<b>1.7</b>	0.1	-1.4	-1.5	%, sa
6/26/25	8:30 AM	Cap Goods Ship Nondef Ex Air m/m	May P	<b>0.5</b>	-0.1	0.0	-0.1	%, sa
6/26/25	8:30 AM	Initial Jobless Claims	6/21/25	<b>236</b>	243	246	245	k, sa
6/26/25	8:30 AM	Continuing Claims	6/14/25	<b>1,974</b>	1,950	1,937	1,945	k, sa
6/26/25	10:00 AM	Pending Home Sales m/m	May	<b>1.8</b>	0.1	--	-6.3	%, sa
6/26/25	10:00 AM	Pending Home Sales y/y	May	<b>-0.3</b>	-0.4	-3.6	-3.5	%, nsa
6/27/25	8:30 AM	Personal Income m/m	May	<b>-0.4</b>	0.3	0.7	0.8	%, sa
6/27/25	8:30 AM	Personal Spending m/m	May	<b>-0.1</b>	0.1	--	0.2	%, sa
6/27/25	8:30 AM	Real Personal Spending m/m	May	<b>-0.3</b>	0.0	--	0.1	%, sa
6/27/25	8:30 AM	PCE Inflation m/m	May	<b>0.1</b>	0.1	--	0.1	%, sa
6/27/25	8:30 AM	PCE Inflation y/y	May	<b>2.3</b>	2.3	2.2	2.1	%, nsa
6/27/25	8:30 AM	PCE Core Inflation (ex Food and Energy) m/m	May	<b>0.2</b>	0.1	--	0.1	%, sa
6/27/25	8:30 AM	PCE Core Inflation (ex Food and Energy) y/y	May	<b>2.7</b>	2.6	2.6	2.5	%, nsa
6/27/25	10:00 AM	U. of Mich. Sentiment	Jun F	<b>60.7</b>	60.5	--	60.5	index, nsa
6/27/25	10:00 AM	U. of Mich. 1 Yr Inflation	Jun F	<b>5.0</b>	5.2	--	5.1	nsa
6/27/25	10:00 AM	U. of Mich. 5-10 Yr Inflation	Jun F	<b>4.0</b>	4.1	--	4.1	nsa

Sources: Bloomberg Consensus Survey of Economists, Arch Global Economics

Green = upside surprise; Red = downside surprise; (compared vs. prior if no consensus estimates available)