

HaMMR Digest

Stay current with economic and mortgage market trends.

September 29, 2025

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Oops, They Did It Again?

- **Key Takeaway:** Like last September, the Fed cut rates, data has firmed, yields are rising, and rate-cut expectations are being pared back.
- **Macro Implications:** Growth is driven by tech capex and wealth-fueled spending, with uncertain durability or labor-market impact.
- **Housing Implications:** Mortgage rates settling around low-6% range; low enough to spur some sales but not low enough to jolt a strong rebound.

Macro: Uncomfortable Mix but Q3 GDP Nowcast at 3.9%!

- Discretionary spending surged despite weak jobs and real income growth.
- Housing remains in low churn mode, similar to the labor market.
- Inflation remains top concern weighing on household sentiment.

Personal Income and Spending: Weakness Was a Flash in the Pan

- Aug. real disposable income up 0.1% m/m and 1.9% y/y.
- Real spending rose a bumper 0.4% m/m, led by discretionary items.
- Revisions point to sturdier spending dynamics outside the early-year dip.

Rates: Déjà Vu

- 10y yield rose ~3bps to 4.17% and is up ~17bps since the Fed cut rates.
- Yield curve bear flattens as stronger macro data lift front-end yields.
- Market odds of two more rate cuts in '25 down to 60% from 80% a week ago.

Housing: A Faint Pulse

- Mortgage rates up slightly from last week but stabilizing in low -6% range.
- Recent mortgage application activity has been dominated by refis.
- Early signs of life as weekly pending sales and new listings tick higher.

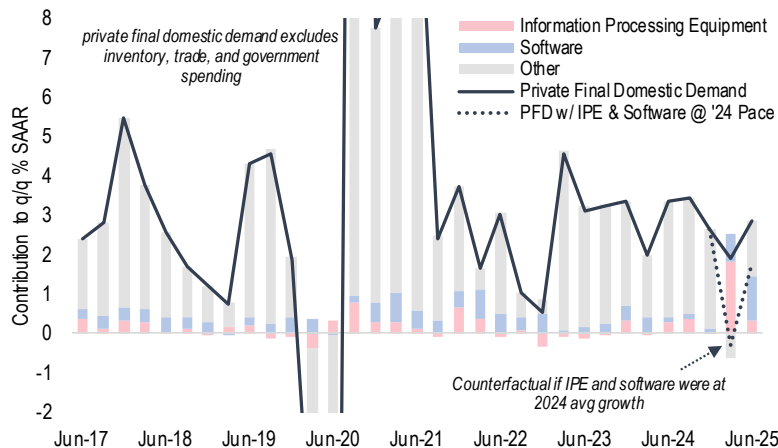
Existing Home Sales: Still Waiting

- Existing home sales have been stuck near ~4,000 SAAR since March.
- Inventory fell at an -18% annualized pace in the three months to August.
- Month's supply held at 4.16 in Aug., down from 4.43 peak in April.

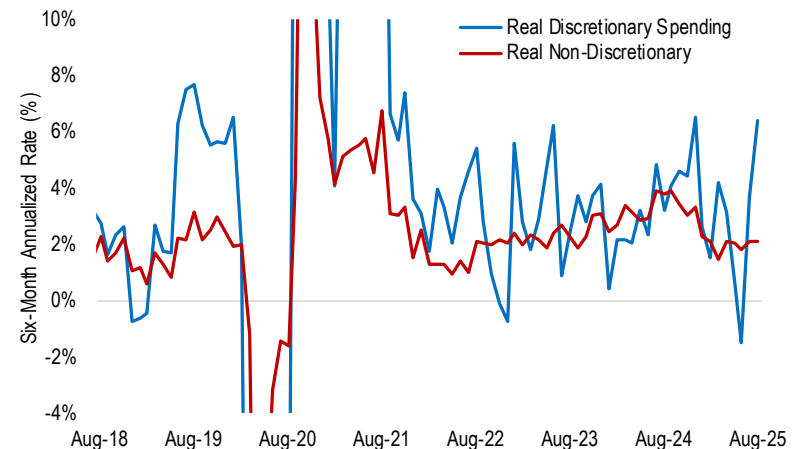
New Home Sales: Fade the Hype

- Aug. new home sales posted strongest monthly growth since Jan. '22.
- The new home sales jump looks out of step with other housing data.
- All regions posted gains in Aug., though only the West saw a y/y decline.

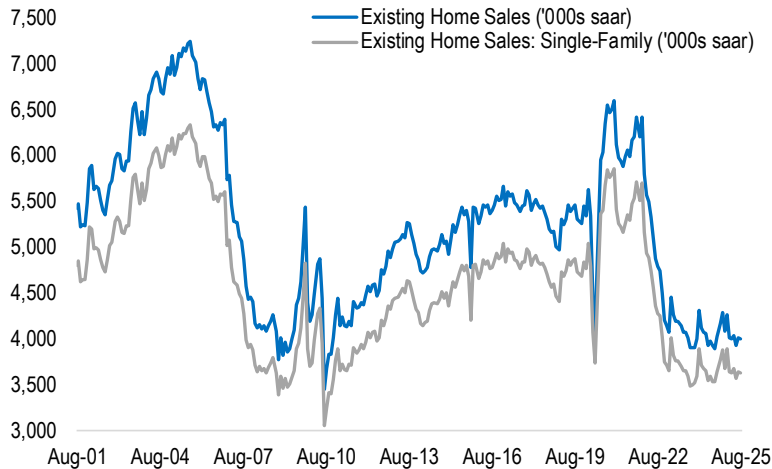
If Not for the AI Capex Boom, Real "Core" GDP Growth Would Have Averaged 0.7% in 1H25, Not 2.4%



Discretionary Spending Rebound Led by Recreational Items, Comprising over Half of Total Growth in Aug.



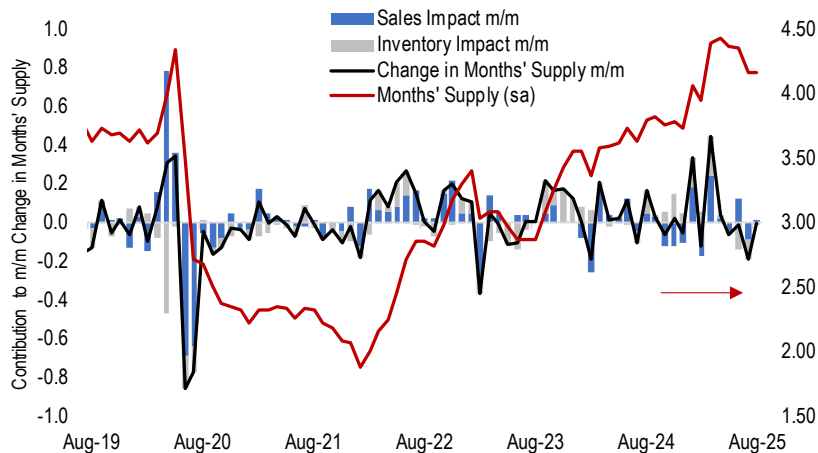
Recent Decline in Mortgage Rates Will Put a Floor under Home Sales, at a Minimum



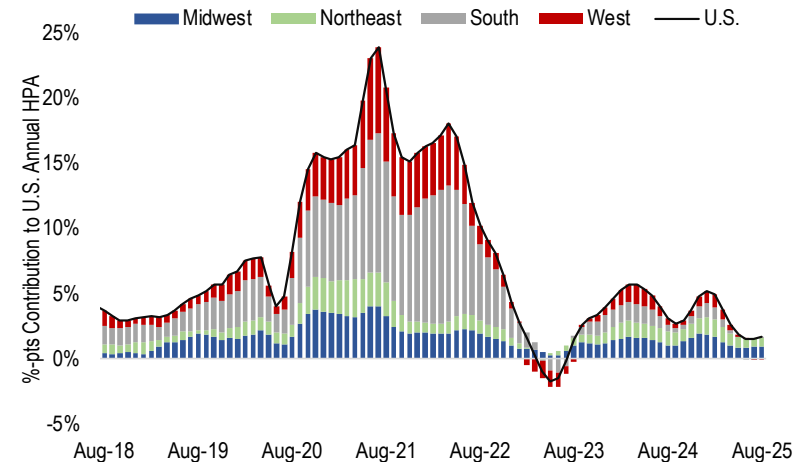
Inventory Declined for Fourth Straight Month, Bringing Total Listings to Lowest Level Since January



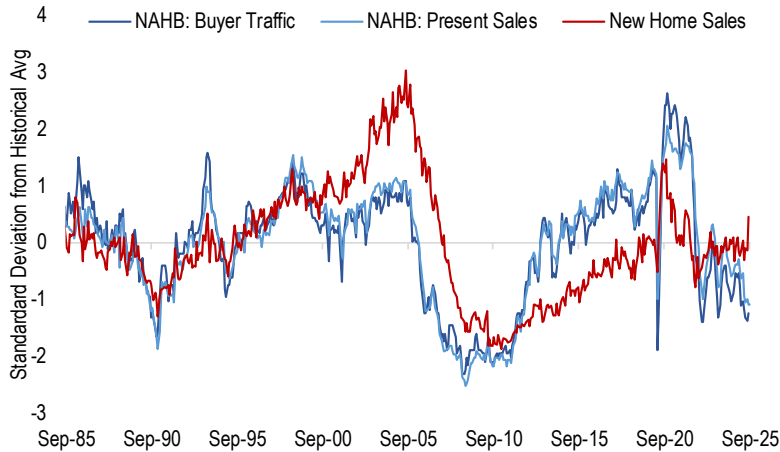
Weaker Pace of Home Sales Roughly Matched Inventory Contraction, Keeping Months Supply Unchanged



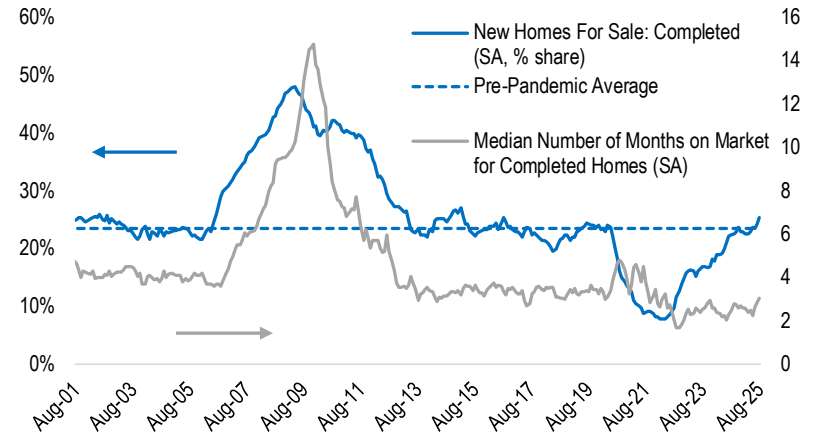
Near-Term Trajectory of Annual Median Home Sale Price Growth Looking More Balanced



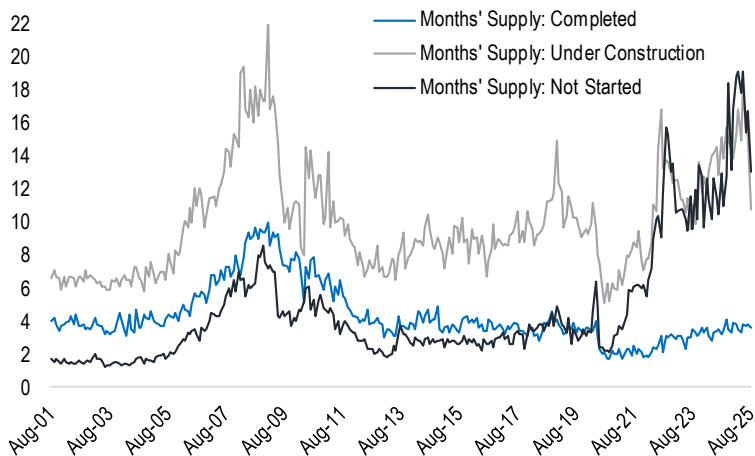
New Home Sales Surge to Strongest Pace in over Two Years, at Odds with Builder Sentiment



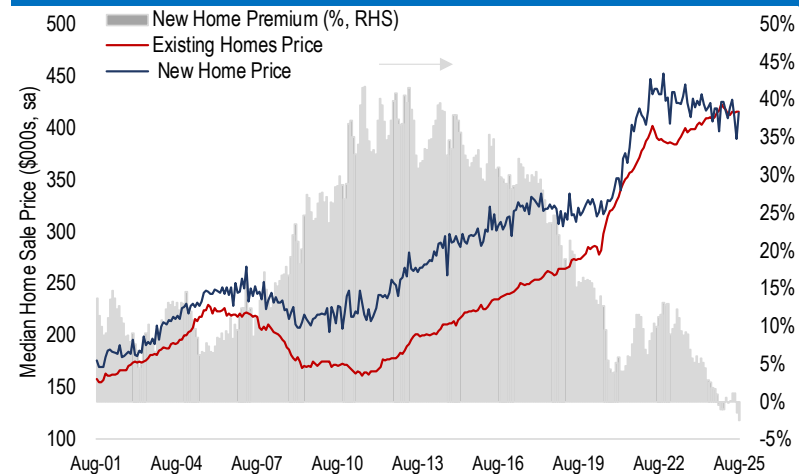
Completed Homes' Share of New Homes for Sale Rising Again, Now Sitting Just above Pre-Pandemic Norm



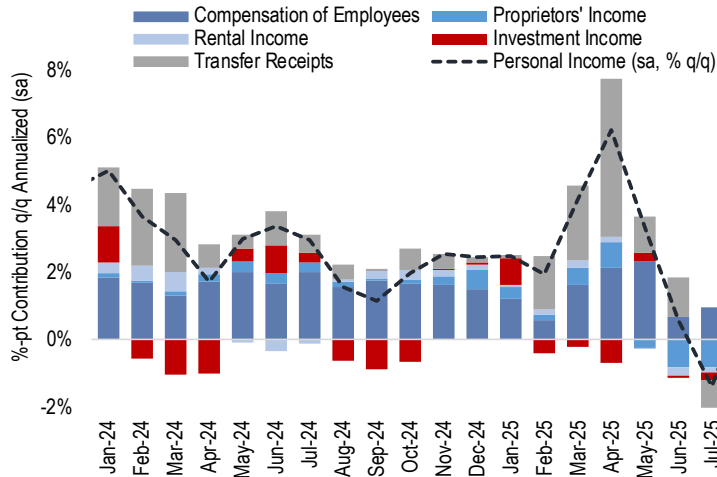
Surge in Sales Led to Steep Drop in Months' Supply for Uncompleted Home Segments



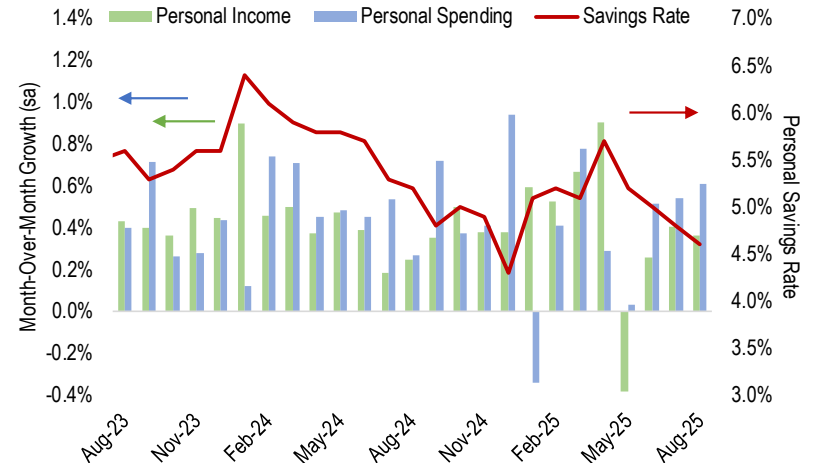
National New Home Discount Relative to Existing Home Prices Vanished in August



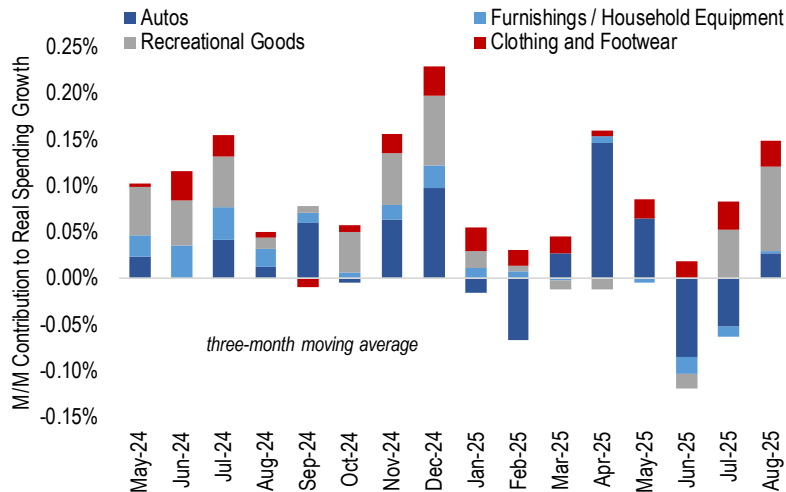
Real Labor Income Growth Remains Muted, with Investment Income Weighed Down by Interest Receipts



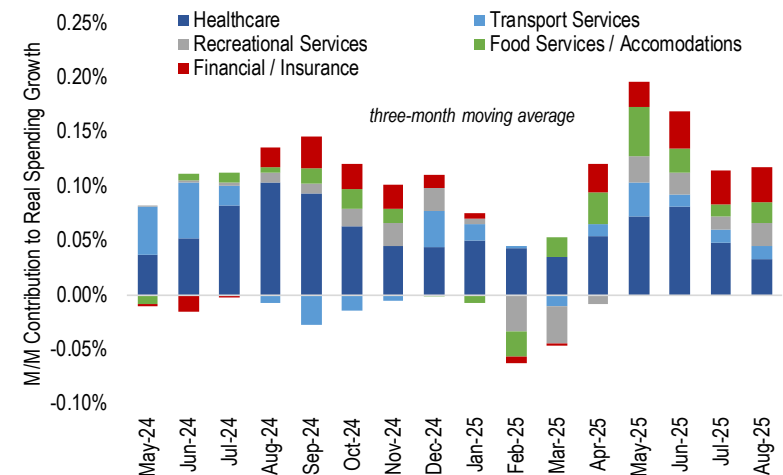
Drawdown in Savings Rate Since April Peak Has Helped Fuel Household Outlays



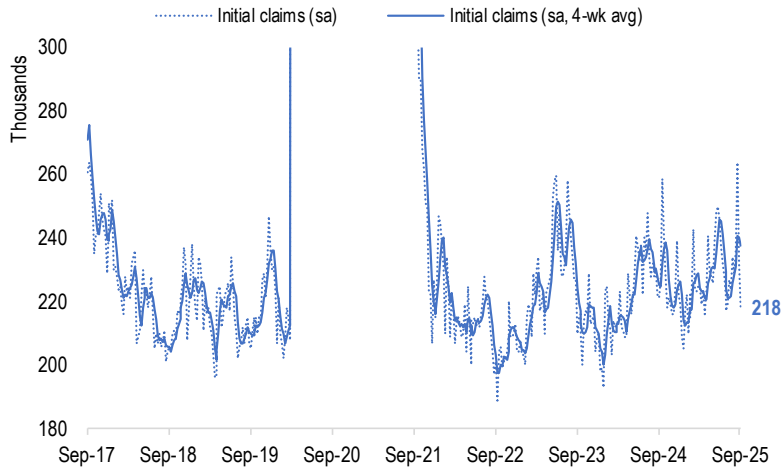
Autos Prioritized Early in Year with Big Reversal Towards Recreational Items over the Summer



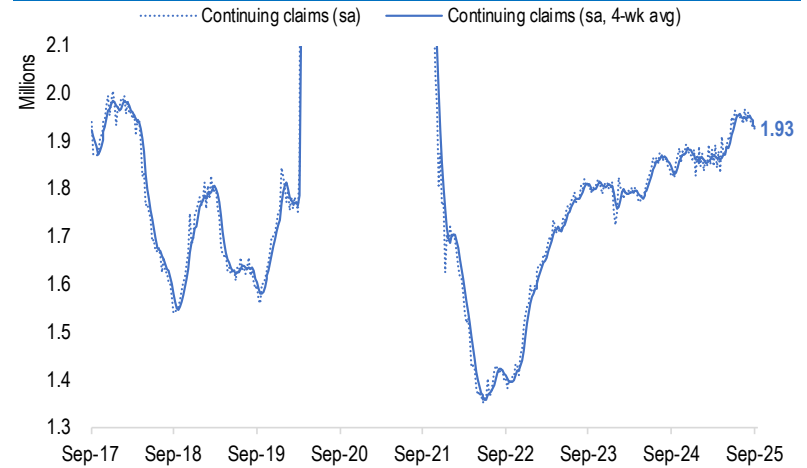
Services Consumption Took a Dip Early in Year but Has Rebounded Strongly Since



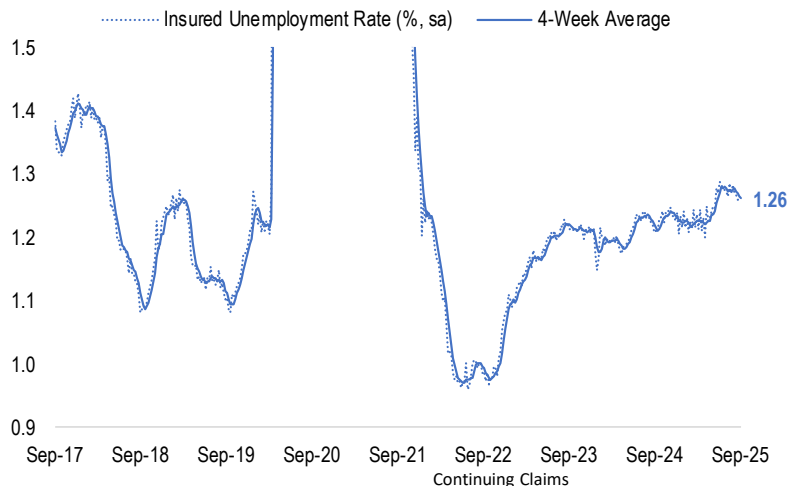
Initial Claims Plunged to 218k (sa) in Week Ending Sept. 20, Near Multi-Year Lows Weeks after a New Cycle High



Continuing Claims Ticked Down to 1,926k (sa) during Week Ending Sept. 13, Just below Cycle High



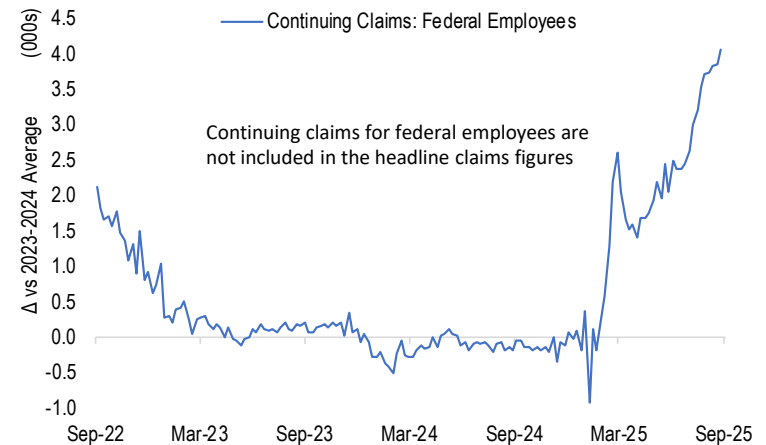
... Which Left Insured Unemployment Unchanged Also Just below Recent Post-Pandemic High



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

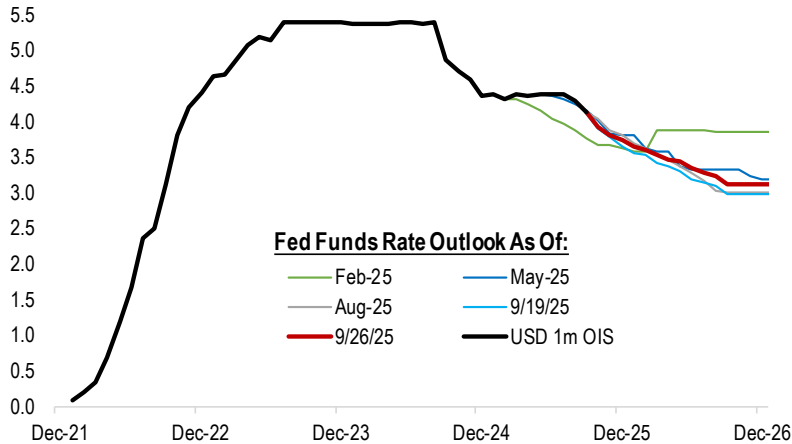
Sources: U.S. Department of Labor, Arch Global Economics

Federal Employees Claiming Unemployment Benefits Continue to March Higher in Early Sept.

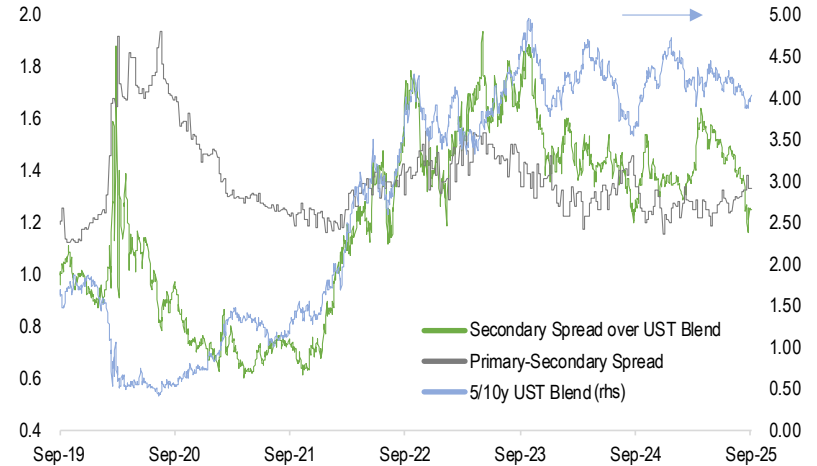


SA = Seasonally Adjusted

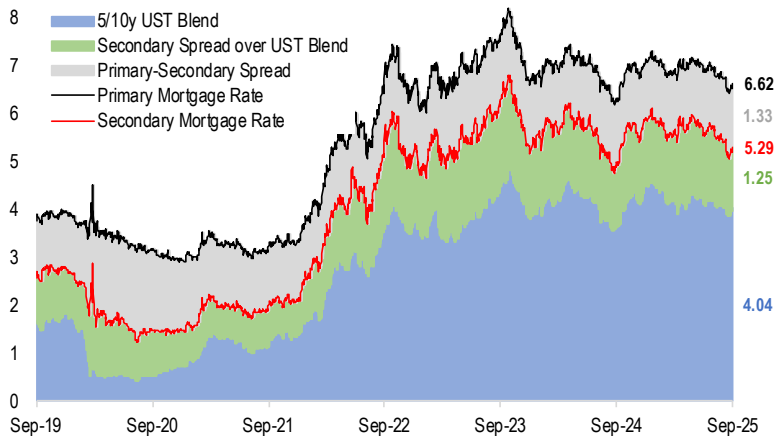
Market Odds of Two More 25bps Rate Cuts in '25 Dropped from ~80% a Week Ago to ~60%



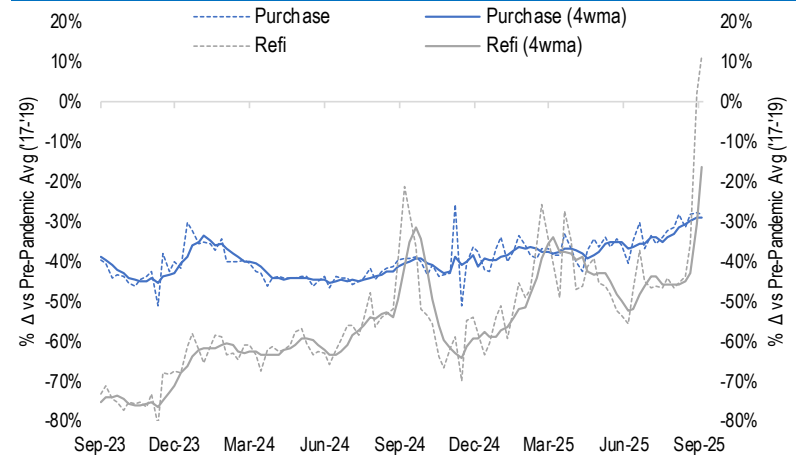
U.S. Treasury Yields Rose 6bps Last Week and Mortgage Spreads Widened 3bps ...



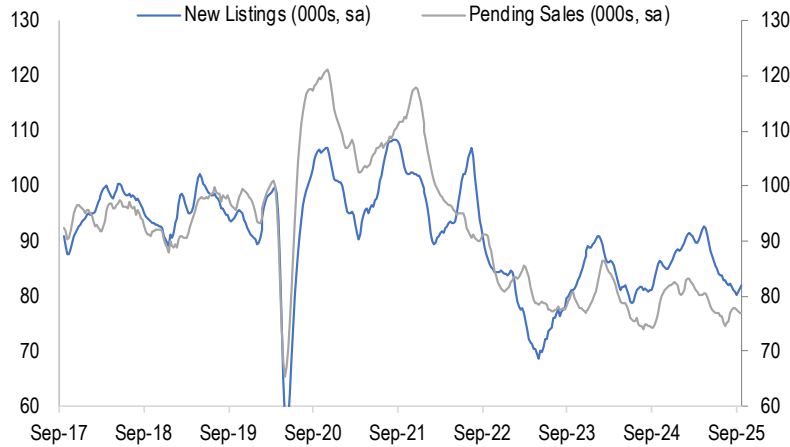
... Which Pushed Mortgage Rates Up for the Second Straight Week after a Month of Weekly Declines



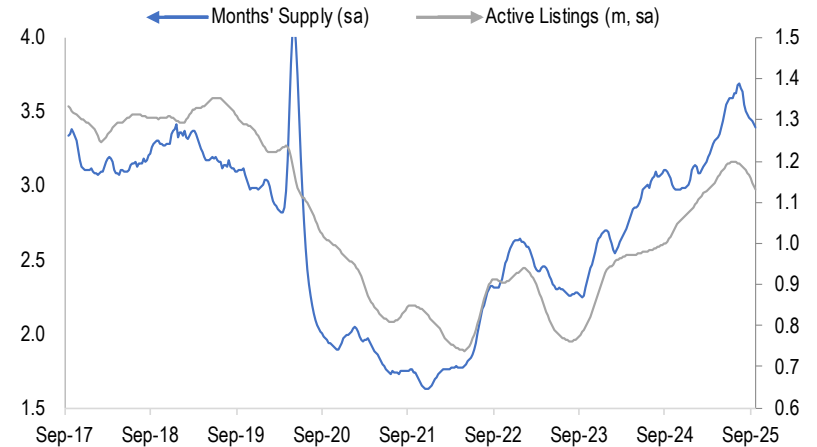
Mortgage Refi Applications Continued Rising Even Further above Pre-Pandemic Level



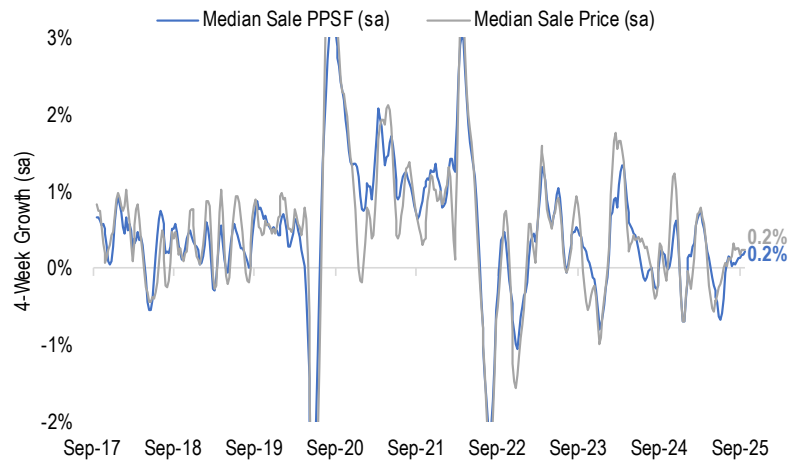
Modest Rebound in Pending Sales Has Faded as New Listings Started Rising Again ...



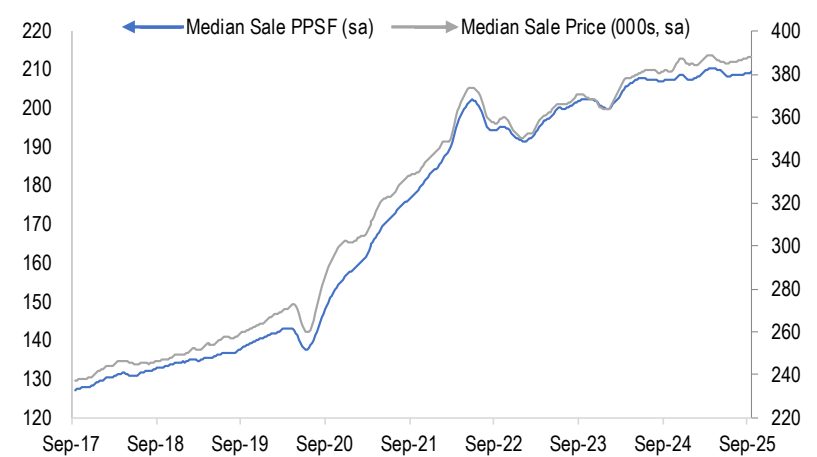
... Causing Pace of Improvement in Market Balance to Cool Even as Inventory Continued to Shrink



Pace of Seasonally Adjusted Home-Price Growth Rebounded Modestly through Late-September



Home Prices Have Started to Inch Higher Again over the Summer after Modest Declines in Q2



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	1.2%	0.7%		3.0%	1.6%		6.5%	1.2%	98.4%	-0.4%	-3.4	-9.9	9%	6%	-3%
Atlanta	-3.1%	-1.7%		1.5%	2.6%		7.1%	2.0%	97.6%	-0.5%	23.0	8.3	8%	22%	9%
Austin	-3.2%	1.4%		2.0%	4.4%		8.2%	1.0%	96.7%	-0.5%	55.4	40.5	11%	104%	93%
Baltimore	1.1%	-2.3%		3.4%	-0.4%		7.1%	1.1%	100.1%	-0.8%	2.8	-8.9	20%	-13%	-29%
Boston	2.3%	-0.3%		6.2%	3.0%		5.7%	0.9%	100.3%	-0.8%	5.4	2.4	17%	2%	-13%
Chicago	4.3%	1.0%		5.9%	2.9%		4.6%	1.6%	99.7%	0.2%	-10.4	-10.5	-3%	-30%	-28%
Dallas	-2.9%	0.3%		-0.2%	2.6%		8.7%	1.5%	97.3%	-0.4%	27.0	12.1	15%	65%	32%
Denver	-4.1%	-1.4%		-0.5%	1.3%		9.2%	0.7%	98.4%	-0.5%	28.1	11.0	13%	84%	71%
Houston	-1.2%	-0.6%		1.5%	1.8%		8.0%	2.1%	96.4%	-0.7%	17.3	5.8	13%	7%	-5%
Los Angeles	1.3%	0.1%		2.9%	3.0%		4.6%	1.1%	99.4%	-0.8%	7.5	-2.8	11%	28%	17%
Miami	4.1%	1.7%		0.3%	-0.5%		4.1%	0.6%	95.4%	-0.6%	24.9	1.8	10%	-12%	-34%
Minneapolis	1.4%	-0.2%		3.5%	3.2%		7.8%	2.2%	99.9%	0.2%	-1.2	-2.2	0%	0%	4%
Nashville	0.3%	-1.7%		4.9%	3.1%		5.8%	1.8%	97.9%	-0.3%	13.7	4.3	14%	43%	24%
New York	5.2%	-1.9%		5.0%	-2.0%		3.9%	0.3%	100.2%	0.2%	-39.0	-44.2	8%	-23%	-31%
Phoenix	-2.0%	1.4%		0.9%	2.0%		6.5%	0.4%	97.9%	-0.4%	31.8	15.0	13%	65%	57%
Portland	-1.6%	-1.7%		2.3%	4.0%		8.3%	1.3%	99.1%	0.0%	17.1	5.7	10%	43%	32%
Riverside	0.1%	-0.1%		2.1%	0.8%		5.2%	1.2%	98.8%	-0.7%	7.8	-6.9	8%	22%	10%
San Diego	-3.1%	-2.5%		-0.3%	1.0%		6.2%	1.4%	98.9%	-0.6%	12.5	2.0	11%	15%	8%
Seattle	0.1%	-1.2%		3.5%	1.9%		7.2%	1.3%	99.0%	-0.8%	9.8	0.3	19%	40%	14%
Tampa	-1.5%	1.4%		4.4%	5.5%		8.4%	0.3%	96.7%	-0.6%	21.2	4.2	1%	42%	36%
Washington DC	2.4%	-0.4%		2.8%	1.3%		6.1%	3.8%	99.4%	-0.7%	24.8	11.4	8%	21%	2%

Data as of Sept. 21, 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
9/29/25	10:00 AM	Pending Home Sales m/m	Aug	4.0	0.4	-0.3	-0.4	%, sa
9/29/25	10:00 AM	Pending Home Sales y/y	Aug	0.5	0.0	0.5	0.3	%, nsa
9/30/25	9:00 AM	FHFA House Price Index m/m	Jul	--	-0.2	--	-0.2	%, sa
9/30/25	9:00 AM	S&P CoreLogic CS 20-City m/m SA	Jul	--	-0.2	--	-0.3	%, sa
9/30/25	9:00 AM	S&P CoreLogic CS 20-City y/y NSA	Jul	--	1.6	--	2.1	%, nsa
9/30/25	10:00 AM	JOLTS Job Openings	Aug	--	7,200	--	7,181	k, sa
9/30/25	10:00 AM	Conf. Board Consumer Confidence	Sep	--	96.0	--	97.4	index, sa
10/1/25	11:00 AM	Wards Total Vehicle Sales	Sep	--	16.2	--	16.1	m, saar
10/1/25	7:00 AM	MBA Mortgage Applications w/w	Sep 26	--	--	--	0.6	%, sa
10/1/25	8:15 AM	ADP Employment m/m	Sep	--	51.0	--	54.0	k, sa
10/1/25	9:45 AM	S&P Global US Manufacturing PMI	Sep F	--	52.0	--	52.0	index, sa
10/1/25	10:00 AM	ISM Manufacturing	Sep	--	49.0	--	48.7	index, sa
10/1/25	10:00 AM	ISM Prices Paid	Sep	--	62.9	--	63.7	index, nsa
10/2/25	8:30 AM	Initial Jobless Claims	Sep 27	--	225	--	218	k, sa
10/2/25	8:30 AM	Continuing Claims	Sep 20	--	1,932	--	1,926	k, sa
10/2/25	10:00 AM	Durable Goods Orders m/m	Aug F	--	2.9	--	2.9	%, sa
10/2/25	10:00 AM	Cap Goods Orders Nondef Ex Air m/m	Aug F	--	--	--	0.6	%, sa
10/2/25	10:00 AM	Cap Goods Ship Nondef Ex Air m/m	Aug F	--	--	--	-0.3	%, sa
10/3/25	8:30 AM	Nonfarm Payrolls m/m	Sep	--	51.0	--	22.0	k, sa
10/3/25	8:30 AM	Private Payrolls m/m	Sep	--	65.0	--	38.0	k, sa
10/3/25	8:30 AM	Unemployment Rate	Sep	--	4.3	--	4.3	%, sa
10/3/25	8:30 AM	Labor Force Participation Rate	Sep	--	62.3	--	62.3	%, sa
10/3/25	8:30 AM	Average Hourly Earnings m/m	Sep	--	0.3	--	0.3	%, sa
10/3/25	8:30 AM	Average Hourly Earnings y/y	Sep	--	3.7	--	3.7	%, nsa
10/3/25	8:30 AM	Average Weekly Hours All Employees	Sep	--	34.2	--	34.2	sa
10/3/25	9:45 AM	S&P Global US Services PMI	Sep F	--	53.9	--	53.9	index, sa
10/3/25	9:45 AM	S&P Global US Composite PMI	Sep F	--	53.6	--	53.6	index, sa
10/3/25	10:00 AM	ISM Services Index	Sep	--	51.8	--	52.0	index, nsa

Recent Data Releases

Key economic and housing data releases over the prior week:

Date	Time	Indicator	Period	Actual	Consensus	Revised	Prior	Note
9/23/25	9:45 AM	S&P Global US Manufacturing PMI	Sep P	52.0	52.2	--	53.0	index, sa
9/23/25	9:45 AM	S&P Global US Services PMI	Sep P	53.9	54.0	--	54.5	index, sa
9/23/25	9:45 AM	S&P Global US Composite PMI	Sep P	53.6	54.0	--	54.6	index, sa
9/24/25	7:00 AM	MBA Mortgage Applications w/w	Sep 19	0.6	--	--	29.7	%, sa
9/24/25	10:00 AM	New Home Sales	Aug	800	650	664	652	k, saar
9/24/25	10:00 AM	New Home Sales m/m	Aug	20.5	-0.3	-1.8	-0.6	%, sa
9/25/25	8:30 AM	GDP Annualized q/q	2Q T	3.8	3.3	--	3.3	%, saar
9/25/25	8:30 AM	Personal Consumption q/q	2Q T	2.5	1.7	--	1.6	%, saar
9/25/25	8:30 AM	Core PCE Deflator q/q	2Q T	2.6	2.5	--	2.5	%, saar
9/25/25	8:30 AM	Wholesale Inventories m/m	Aug P	-0.2	0.1	0.0	0.1	%, sa
9/25/25	8:30 AM	Retail Inventories m/m	Aug	0.0	0.2	0.1	0.2	%, sa
9/25/25	8:30 AM	Durable Goods Orders m/m	Aug P	2.9	-0.3	-2.7	-2.8	%, sa
9/25/25	8:30 AM	Cap Goods Orders Nondef Ex Air m/m	Aug P	0.6	0.0	0.8	1.1	%, sa
9/25/25	8:30 AM	Cap Goods Ship Nondef Ex Air m/m	Aug P	-0.3	0.3	0.6	0.7	%, sa
9/25/25	8:30 AM	Initial Jobless Claims	Sep 20	218	233	232	231	k, sa
9/25/25	8:30 AM	Continuing Claims	Sep 13	1,926	1,932	1,928	1,920	k, sa
9/25/25	10:00 AM	Existing Home Sales	Aug	4.0	4.0	--	4.0	m, saar
9/25/25	10:00 AM	Existing Home Sales m/m	Aug	-0.2	-1.5	--	2.0	%, sa
9/26/25	8:30 AM	Personal Income m/m	Aug	0.4	0.3	--	0.4	%, sa
9/26/25	8:30 AM	Personal Spending m/m	Aug	0.6	0.5	--	0.5	%, sa
9/26/25	8:30 AM	Real Personal Spending m/m	Aug	0.4	0.2	0.4	0.3	%, sa
9/26/25	8:30 AM	PCE Inflation m/m	Aug	0.3	0.3	--	0.2	%, sa
9/26/25	8:30 AM	PCE Inflation y/y	Aug	2.7	2.7	--	2.6	%, nsa
9/26/25	8:30 AM	PCE Core Inflation (ex Food and Energy) m/m	Aug	0.2	0.2	0.2	0.3	%, sa
9/26/25	8:30 AM	PCE Core Inflation (ex Food and Energy) y/y	Aug	2.9	2.9	--	2.9	%, nsa
9/26/25	10:00 AM	U. of Mich. Sentiment	Sep F	55.1	55.4	--	55.4	index, nsa
9/26/25	10:00 AM	U. of Mich. 1 Yr Inflation	Sep F	4.7	4.8	--	4.8	nsa
9/26/25	10:00 AM	U. of Mich. 5-10 Yr Inflation	Sep F	3.7	3.9	--	3.9	nsa

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