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RESIDENTIAL REAL ESTATE

HOUSING FORECAST: COOLER MARKET AHEAD

Imminent 'economic stasis' may dampen housing market activity for rest of 2025, experts say

Experts predict what to expect from metro Atlanta's housing market in the second half of 2025.

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By [Janelle Ward](#) – Staff Reporter, Atlanta Business Chronicle
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Metro Atlanta's spring housing market was subdued this year, and the same may be true for the remaining six months of 2025.

John Hunt, founder and president of the housing and mortgage data provider MarketNsght, said during a biannual market forecast webinar on June 12 that U.S. housing market activity during the second half of the year will likely resemble what was seen 12 months prior, as elevated mortgage rates and high prices continue to stifle homebuyer demand.

At the same time, [housing inventory has rebounded to a pre-pandemic level](#), giving those who are ready to buy a home more options – and more leverage in negotiations as competition remains low.

Home sale activity across Atlanta and the U.S. at large calmed down significantly over the past two years compared to the period of [hyperactive homebuying witnessed in 2021 and 2022](#).

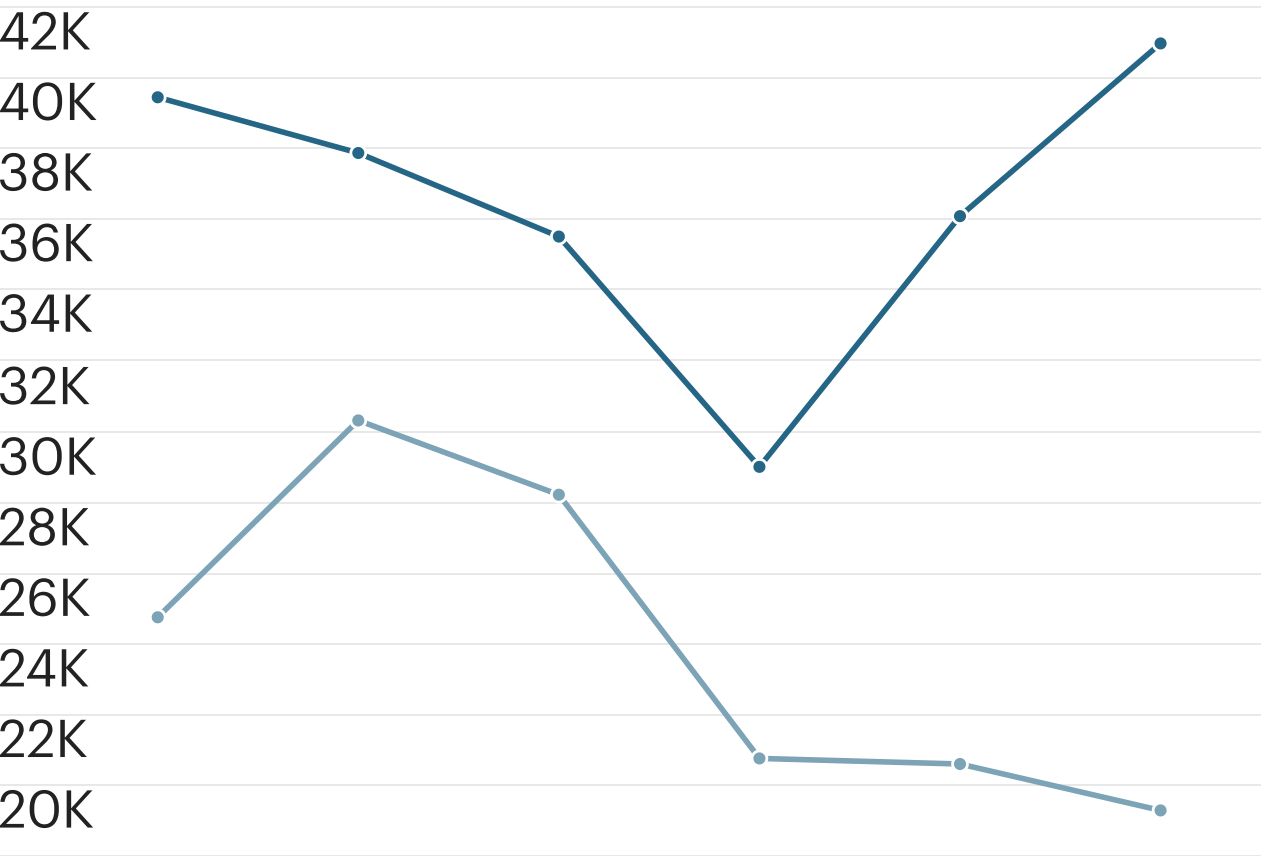
[A wave of interested buyers flooded metro Atlanta's housing market last November](#), with pending home sales surging 23% in the weeks following the presidential election. But, that turned out to be a short-term aberration. Sales activity slowed again entering 2025, further tempered by threat of an economic recession fueled by [widespread government layoffs and shifting federal trade policy](#).

“I think we're back to a rate-driven market,” Hunt said. “Not something that was election driven, like it was in the really good fourth quarter that we had.”

TOTAL NEW LISTINGS AND CLOSED HOME SALES IN METRO ATLANTA, JAN-MAY

More owners are listing their homes for sale, sending inventory to its highest level in years. But so far in 2025, that hasn't inspired buyers to rush out and take the plunge on a new house.

● Total New Listings ● Total Closed Home Sales



New listings in metro Atlanta, Jan-May:

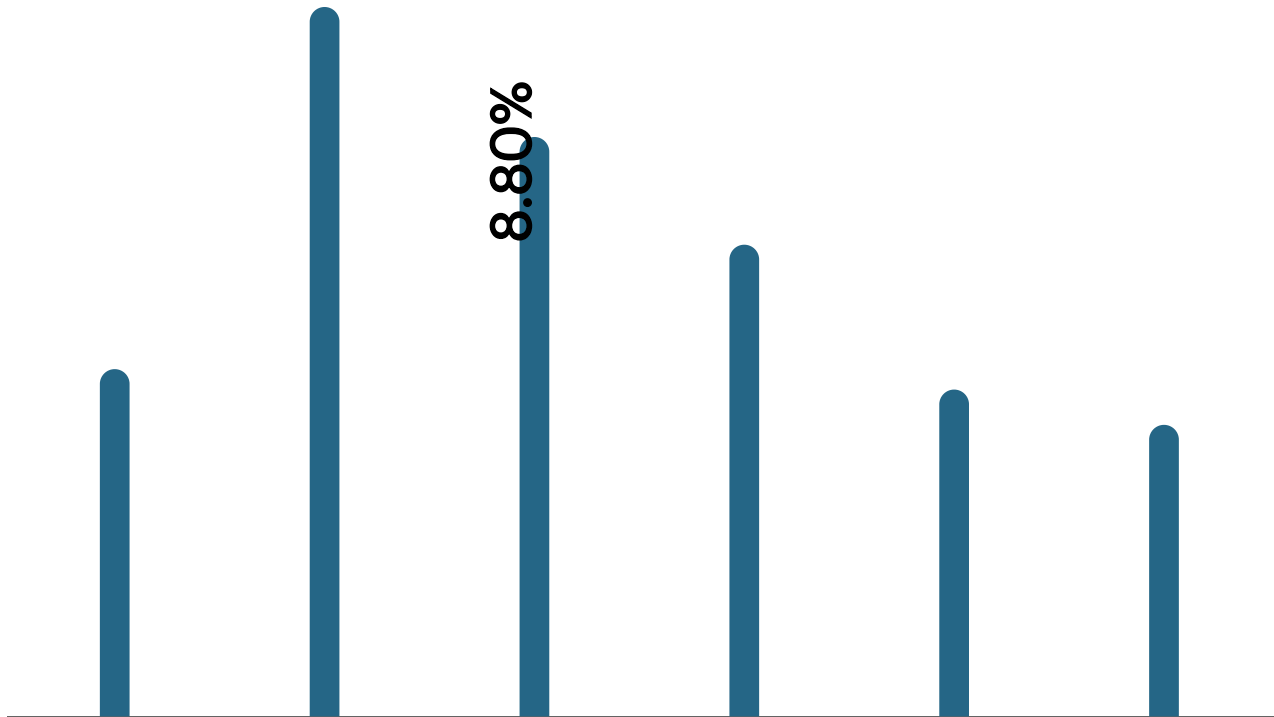
42,924	34,507	39,587
2025	2023-2024 average	2020-2022 average

Closed home sales in metro Atlanta, Jan-May:

21,270	22,666	29,727
2025	2023-2024 average	2020-2022 average

MONTHLY MEDIAN HOME PRICE CHANGE IN METRO ATLANTA, JAN-MAY

Home prices typically rise during the first five months of the year, and that's the case in 2025. But the increase hasn't been as significant compared to the previous half decade.



Source: FMLS

Mortgage rates have moved sparingly in the last several months.

The fixed 30-year rate has remained in the upper 6% range since last October, according to weekly data from [Freddie Mac](#). The rate dropped slightly to 6.84% during the week of June 12, just shy of its monthly average of 6.86%.

“Unless there’s a drop in rates, the rest of this year will look a lot like 2024,” Hunt said.

Although the fluctuation of mortgage rates often reflects the movement of the Federal Reserve's benchmark interest rate, greater macroeconomic factors affecting the U.S. economy, such as volatility within the 10-year Treasury yield, may keep mortgage rates from experiencing substantial cuts.

Dr. Rajeev Dhawan, director of the Economic Forecasting Center at [Georgia State University](#), said during the webinar that the 10-year Treasury yield – and mortgage rates – would temporarily decline if the Fed resumes slashing its federal funds rate later this year.

But mortgage rates will ultimately increase in tandem with bloated 10-year Treasury yields, as a crackdown on international trade would give foreign investors less cash to place into U.S. Treasury bonds, he said.

Dhawan said that the country is inching toward a period of “economic stasis,” a time of prolonged stagnation as parties wait for a hypothetical shoe to drop during a time of economic uncertainty.

He said that the U.S. economy will remain at its weakest over the next nine months, with the stagnation forecasted to bleed into the first few months of 2026.

"There's going to be a lot more anxiety before things settle," Dhawan said.

WHAT ABOUT HOME PRICES?

The movement of U.S. home prices over the next six months is up for debate as macroeconomic factors muddy the forecast.

But [home prices across metro Atlanta specifically are expected to rise 3.7% in the next year](#), according to projections made by real estate data provider Parcel Labs earlier this month.

That would be just shy of the 4-6% that real estate professionals consider typical annual appreciation in a healthy housing market. It's a sign that even with broader challenges, the metro area market could see available home supply tighten as prospective buyers continue to drive some level of demand.

To compare, the median sales price for homes in greater Atlanta has increased by about a half-percentage point in the last 12 months and nearly 53% in the last five years, according to FMLS data.

THE LIST

Metro Atlanta's 20 largest residential mortgage lenders

Dollar volume of metro Atlanta residential mortgage purchase loans