



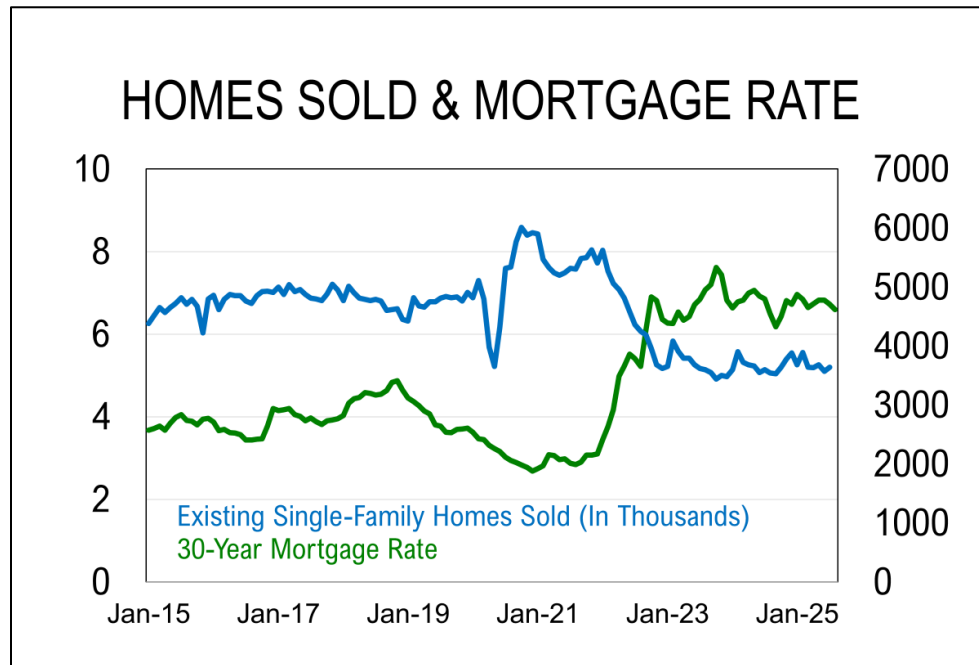
## Current Economic News

# Mortgage Rates Remain High

August 27, 2025

Last week, the National Association of Realtors (NAR) released its [monthly report on U.S. home sales](#). In July 2025, preliminary estimates indicate that 3.6 million existing single-family homes were sold in the U.S. Existing single-family home sales have fluctuated between 3.4 to 4.4 million homes since July 2022. Apart from 2020, this marks the lowest level of home sales in the past decade, with home sales ranging from 4.2 to 5 million from 2015 to 2019.

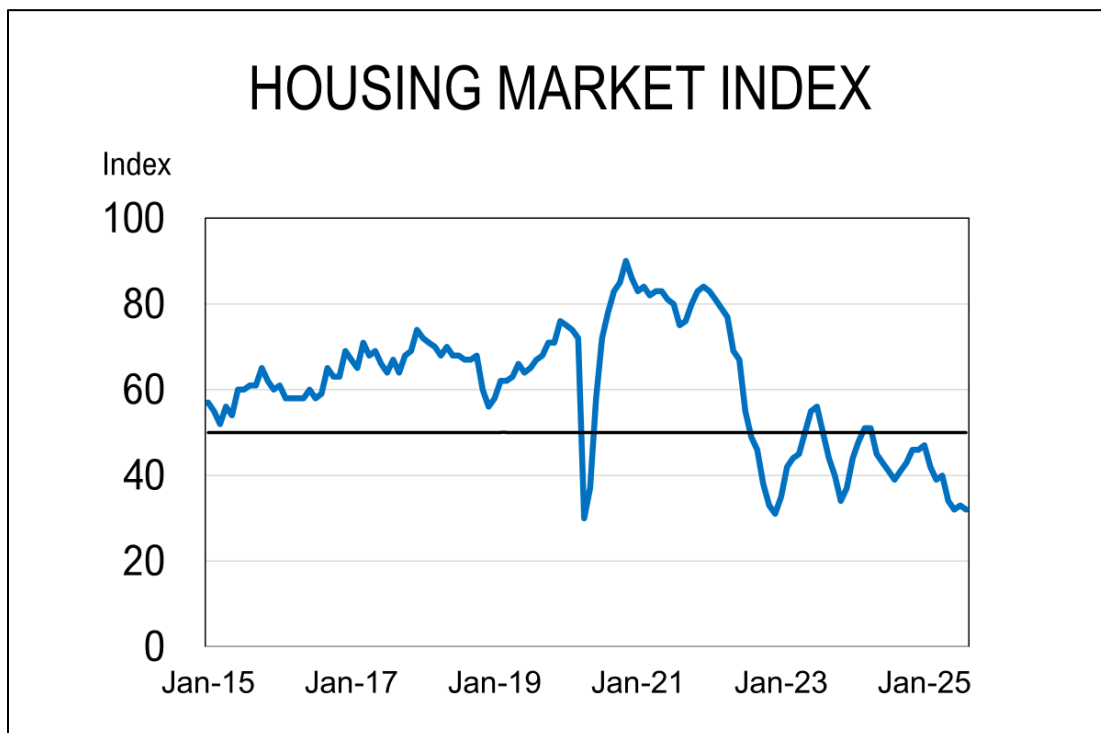
The [30-year mortgage rate](#) has been especially high during this period, hovering between 6% to 7.5% since fall of 2022, although rates had already been on the rise since the beginning of that year. This is a significant increase from 2015 to 2019, when 30-year mortgage rates ranged from 3.4% to 4.9%. As of August 2025, the mortgage rate was 6.6%, down slightly from July's 6.7%.



Note the inverse relationship between mortgage rate and home sales. In December 2018, when mortgage rates began to decrease, home sales increased shortly after. Similarly, in November 2020, when mortgage rates began to increase, home sales decreased.

High mortgage rates make it difficult for prospective buyers to afford homes. Since 2015, the median sales price of existing homes has steadily increased. According to NAR, the median sales price of a home was \$231,800 in July 2015. In July of 2025, the sales price was \$422,400 – an increase of 82.2% over 10 years.

Meanwhile, home builders remain cautious. Last week, the National Association of Home Builders reported that its August [Housing Market Index \(HMI\)](#) stood at 32. The index measures single-family home builders' confidence in the housing market on a scale of 0 to 100, with a reading greater than 50 signaling a high confidence, and a reading less than 50 signaling weak confidence.



The August 2025 reading reflects low optimism, and the index has generally predicted actual housing sales. We will continue to monitor the housing market to see whether sales or mortgage rates will shift significantly in the coming months.