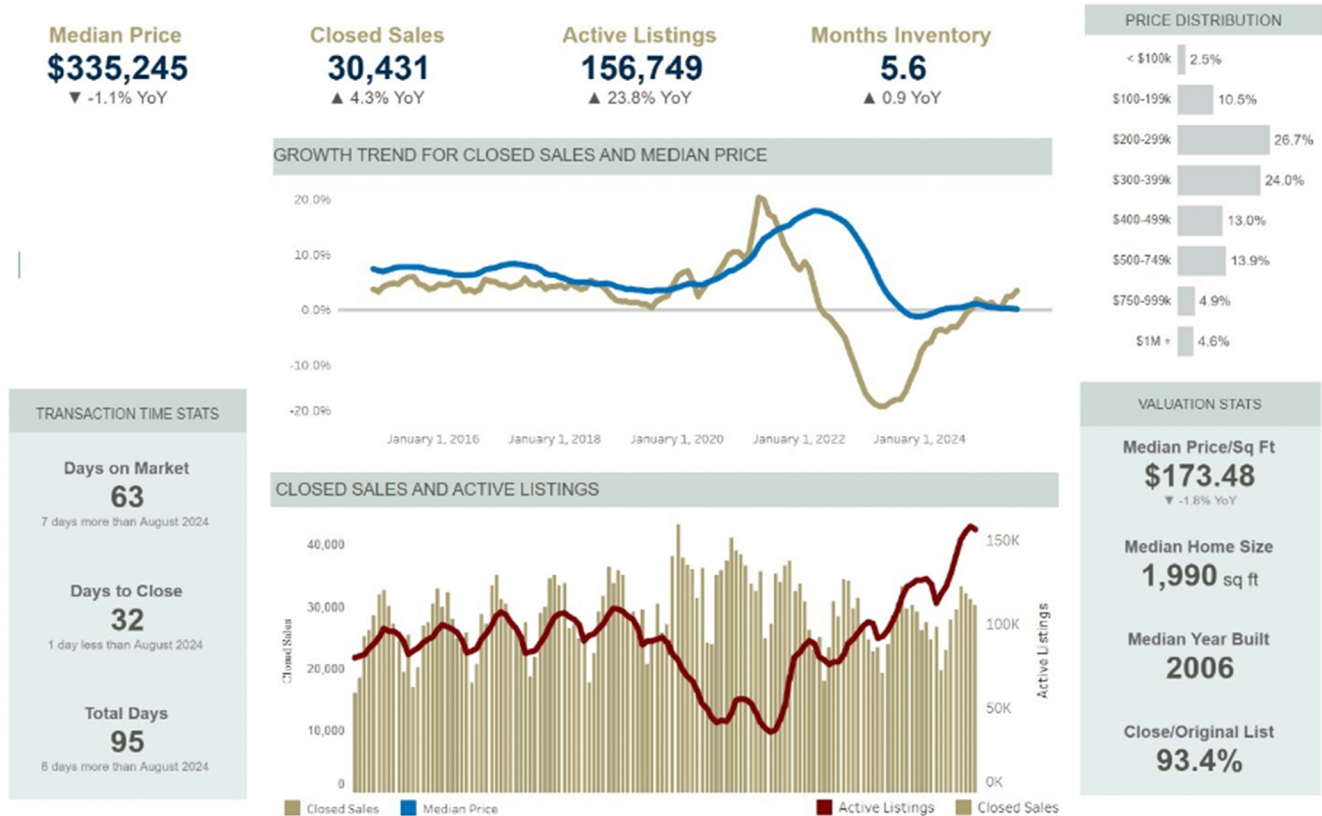
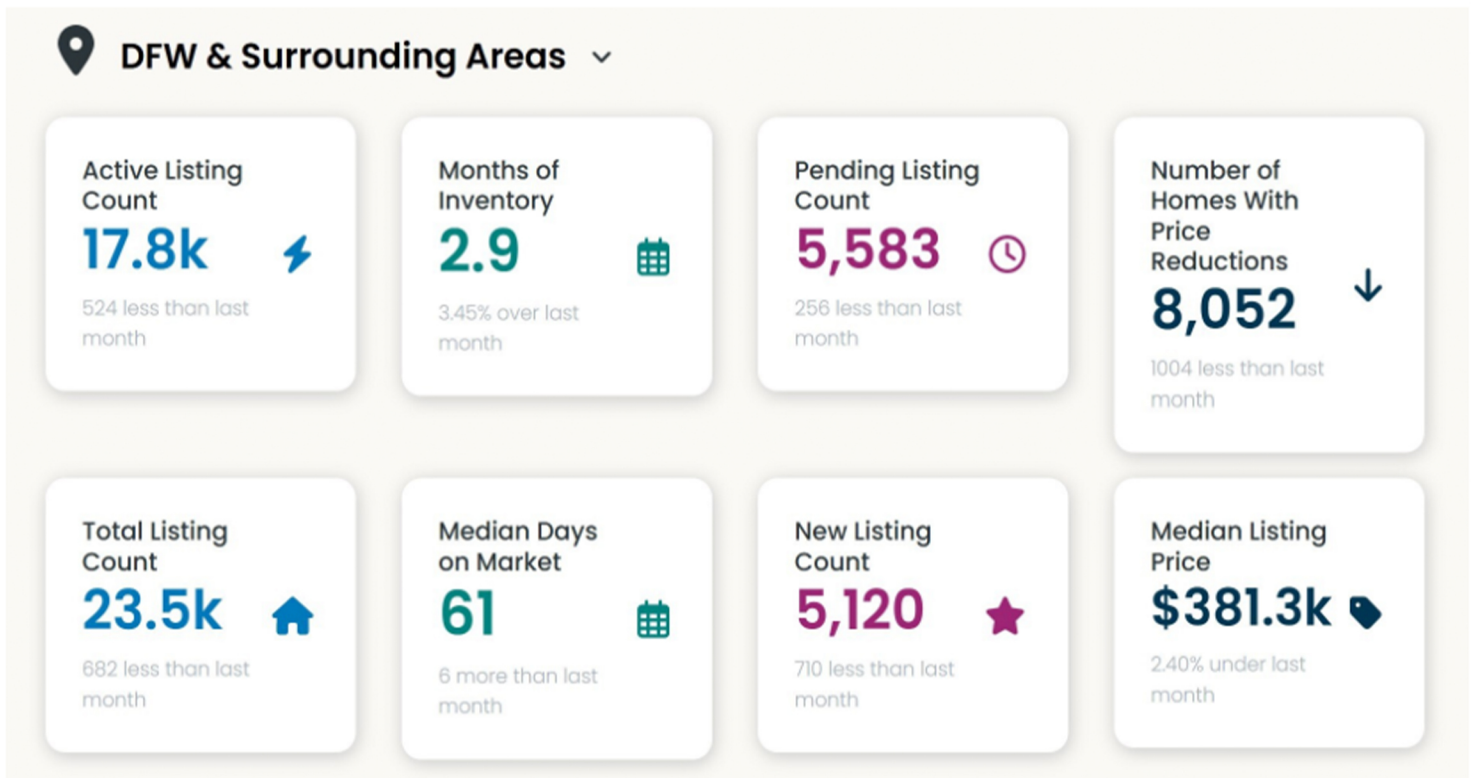


Texas Market – August 2025



Across Texas, **closed sales were up 4.3% year over year in August**, even as the **median home price dipped slightly to \$335,245**. With **inventory growing nearly 24% and sitting at 5.6 months**, buyers now have more choices and negotiating power. Homes are averaging **63 days on market**, so pricing and presentation are more important than ever. This environment creates opportunity: when we guide sellers on realistic pricing and strong staging strategies, we help them stay competitive, and we can also encourage buyers who may feel more confident stepping in with greater leverage. Nearly half of all sales remain in the \$200K–\$399K range, keeping affordability top of mind.

DFW & Surrounding Areas – August 2025



Here at home, our local market is also showing signs of balance. **Active and new listings both pulled back slightly in August**, and **median listing prices softened 2.4% to \$381,300**. **Inventory edged up to 2.9 months**, and homes are taking longer to sell at **61 days on market**. Sellers are making adjustments, with **more than 8,000 homes reducing price**. These changes highlight the importance of our role: guiding sellers with smart pricing and strong preparation, while also helping buyers recognize the advantage of more choices and greater negotiating power. It's a market that calls for steady, informed guidance, and that's exactly where we can shine!

We Had a Rate Cut, Now What

■ ■ ■

What Happens Next?

Three things are necessary for bond yields and mortgage rates to take the next step lower:

1. A more dovish sound Fed – **we didn't get that this week**
2. Worse economic and labor data – **mixed bag (labor softening, inflation stagnant above target)**
3. Improved mortgage spreads – **better this year but not back to historic norms**

	Rate	Points	Change	Prior Year	YOY Change
MND's 30 Year Fixed (daily survey)					
Sep 18 2025	6.37%	--	+0.15% ↑	6.15%	+0.22% ↑
Sep 17 2025	6.22%	--	+0.09% ↑	6.11%	+0.11% ↑
Sep 16 2025	6.13%	--	-0.12% ↓	6.12%	+0.01% ↑
Sep 15 2025	6.25%	--	-0.04% ↓	6.14%	+0.11% ↑
Sep 12 2025	6.29%	--	+0.02% ↑	6.15%	+0.14% ↑
Sep 11 2025	6.27%	--	-0.02% ↓	6.11%	+0.16% ↑
MBA 30 Year Fixed (weekly)					
Sep 10 2025	6.49%	0.56	-0.15% ↓	6.44%	+0.05% ↑
Sep 03 2025	6.64%	0.59	-0.05% ↓	6.44%	+0.20% ↑
Aug 27 2025	6.69%	0.60	+0.01% ↑	6.50%	+0.19% ↑
Freddie Mac 30 Year Fixed (weekly)					
Sep 18 2025	6.26%	0.00	-0.09% ↓	6.20%	+0.06% ↑
Sep 11 2025	6.35%	0.00	-0.15% ↓	6.35%	+0.00% =
Sep 04 2025	6.50%	0.00	-0.06% ↓	6.35%	+0.15% ↑

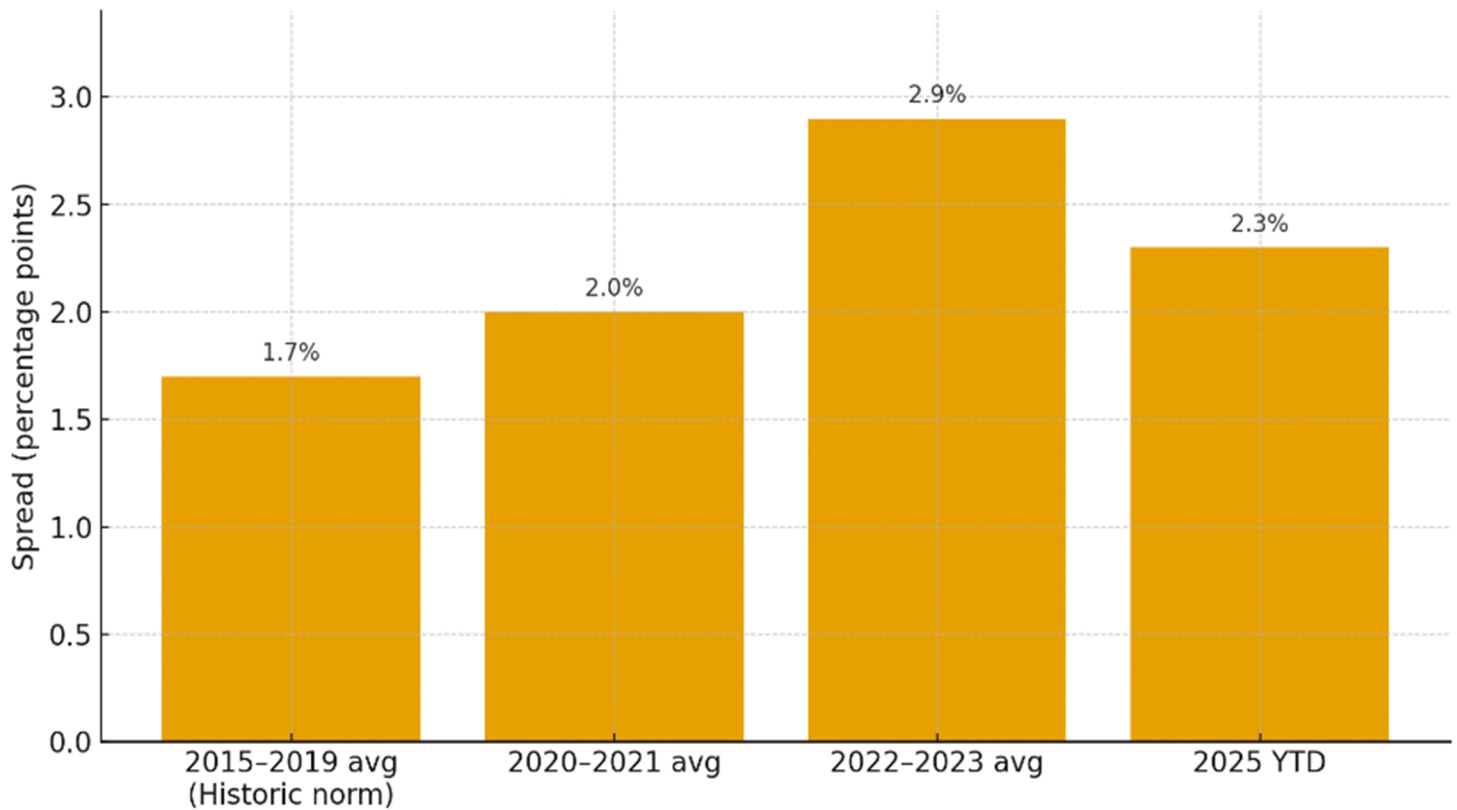
The Federal Reserve lowered the fed funds target rate by 25 bps to 4.00%—4.25%, citing softer growth and rising downside risks to employment. Its updated “dot plot” projects two more quarter-point cuts by year-end 2025, barring major surprises in the data. For 2026, however, only one cut is projected — a more cautious outlook than many had expected.

As the chart shows, mortgage rates initially dipped on the announcement, but quickly climbed again following Chairman Jerome Powell's comments. Powell stressed that last week's move should not be viewed as the start of a broad rate-cutting cycle, framing it instead as a "risk management" step. For consumers, this means mortgage rates remain higher than hoped — and importantly, rates were actually lower at this same time last year. Those waiting for rates to fall below 6% before entering the market may be waiting quite a while. Even with moderating price appreciation, delaying a purchase is unlikely to produce meaningful savings.

Looking ahead, the 10-Year Treasury yield and 30-Year mortgage rate are likely to stay within their current range until three things change: A more dovish Fed — which was clearly not the case last week; Weaker economic and labor data — so far, we've seen a mixed bag, with softening labor trends but inflation stubbornly above the Fed's 2% target; and Improved mortgage spreads — while spreads have narrowed somewhat this year, they remain well above historic norms.

Historically, the 30-year mortgage rate sits ~1.7 percentage points above the 10-year Treasury. The spread surged past 3.0 p.p. in 2022–2023 and, while it narrowed in 2025, remains elevated (~2.3 p.p.), keeping mortgage rates higher than the 10-year alone would suggest

Mortgage-Treasury Spread (30-Year Fixed minus 10-Year Treasury) 2015 to Present



Notes: Historic norm $\approx$ 1.7 p.p. Spread widened sharply in 2022-2023, and remains elevated in 2025.
Sources: Freddie Mac PMMS; FRED (MORTGAGE30US & DGS10); MBA/Richmond Fed; Reuters/PIMCO (current $\sim$ 230 bps).

Presented by
Betsy Carlton Cameron
President, Ebby Halliday Companies