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REAL ESTATE

Is It a Good Time to Buy a Home? Prices Are Losing Steam and Mortgage Rates Are Down.

By [Shaina Mishkin](#) Following

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Price gains have slowed for four straight months—and could slow again in June—according to the Case-Shiller home price index. (ERIC THAYER/BLOOMBERG)

The housing market had a slow spring and sleepy summer. For buyers who want to house-hunt without much competition, the end of the summer could be an opportune time.

There are plenty of would-be house buyers waiting to purchase at the right price. “We’ve got three years’ worth of pent-up demand, which has been on the sidelines since 2022,” says Raymond James analyst Buck Horne, who covers home builders.

But buyers largely aren’t back in the market yet, even as mortgage rates fall. “Rates coming down is helpful, but [buyers] don’t feel like the prices are quite reasonable yet,” says Scottsdale, Ariz.-based real estate agent Wendy Herst.

Home prices have been losing steam for months. Price gains cooled for their fifth straight month in June, according to national S&P CoreLogic Case-Shiller home price index data released Tuesday. Prices nationally rose at their slowest pace since July 2023. A less comprehensive measure of home prices released by the National Association of Realtors showed the median existing-home sale price was about flat in July at \$422,400.

“For the first time in years, home prices are failing to keep pace with broader inflation,” Nicholas Godec, S&P Dow Jones Indices’ head of fixed income tradables and commodities, said in a statement. American housing wealth has declined over the past year when adjusted for inflation, he said.

“Unless rates come down in a meaningful way, and demand starts to snap back, you’re hard pressed to see home prices start to recover any time soon,” says Rick Palacios, Jr., director of research at John Burns Research and Consulting.

Buying a home remains expensive. Both home prices and financing costs exceed the prepandemic norm. However, conditions have quietly been brightening for would-be buyers as more sellers list their homes. Home prices nationally could fall as much as 5% from here, Lawrence Yun, the National Association of Realtors’ chief economist, said last week.

Lower mortgage rates could help with financing costs. The 30-year fixed rate recently dropped to its lowest level of the year, around 6.52%, following Federal

Reserve Chair Jerome Powell's speech in Jackson Hole on Friday, according to Mortgage News Daily.

"A lot of times, this sort of stuff with the Fed doesn't really hit the mainstream, everyday home buyer for a little bit of time," says Michael Read, the owner of New Jersey-based Bridgeway Mortgage and Real Estate Services, who says he hasn't seen a notable change in demand since Friday's decline.

Would-be buyers could find "some prime opportunities" this season, says Realtor.com senior economist Joel Berner. "Inventory is high, prices are steady, and we expect mortgage rates to fall to 6.4% by the end of the year," he says. "A weak summer homebuying season has many sellers in a position where they're willing to cut prices." (Move, which operates Realtor.com, and *Barron's* are both owned by News Corp.)

Plus, home builders are offering discounts and incentives—for now. "Absent a really unexpected increase in mortgage rates, I think new home prices have kind of hit bottom," says Raymond James' Horne.

Write to Shaina Mishkin at shaina.mishkin@dowjones.com ↗