Economy, Housing and Housing Finance

November 3, 2025

Prepared for

Texas Department of Savings and Mortgage Lending

TEXAS A&M UNIVERSITY
Texas Real Estate
Research Center

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Research Economist

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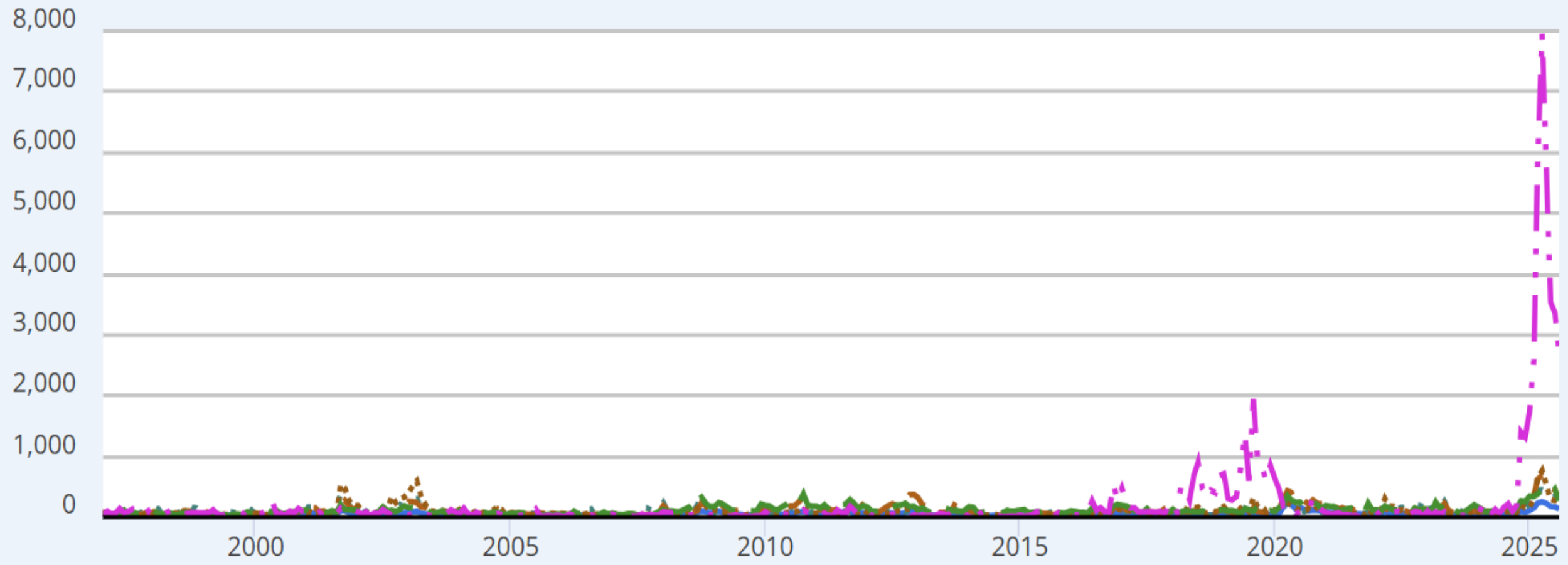
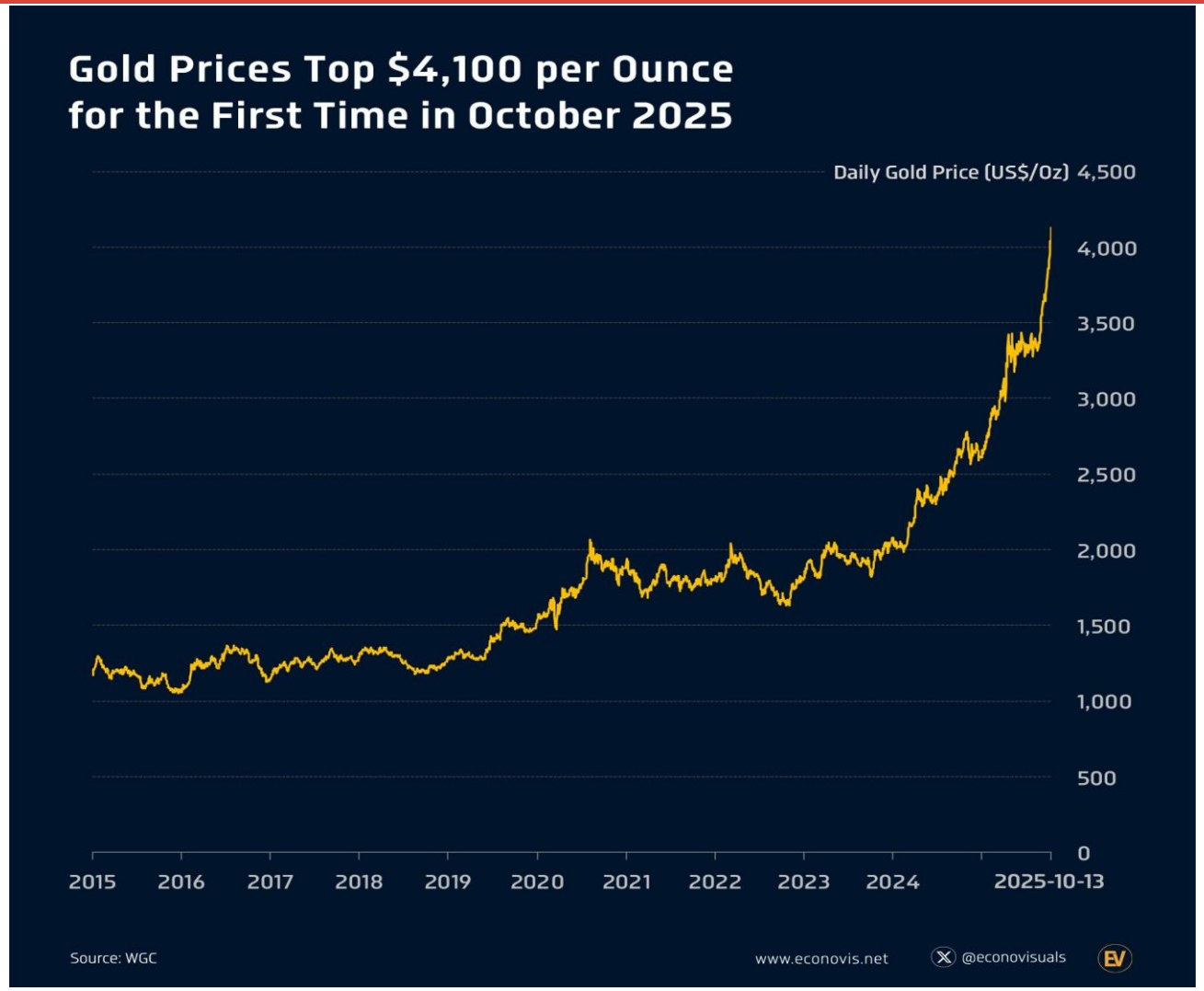
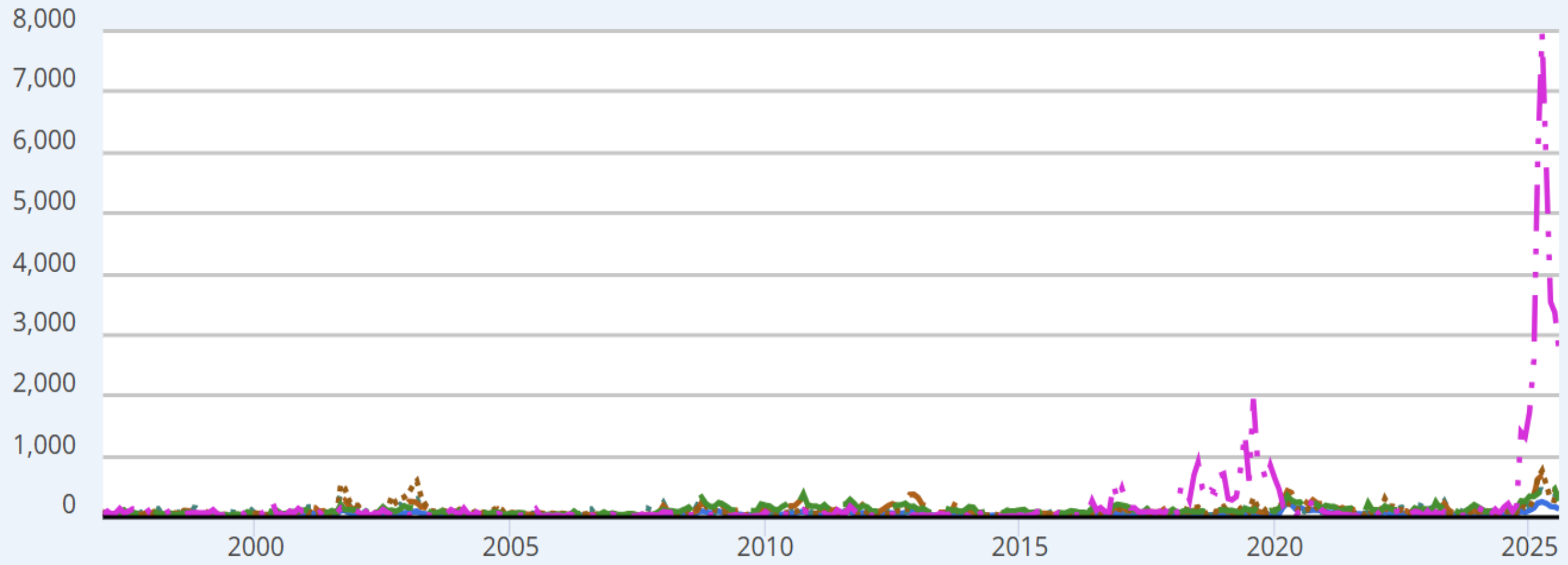

8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
2000
2005
2010
2015
2020
2025

Not Gold Prices



Trade Policy Uncertainty Index

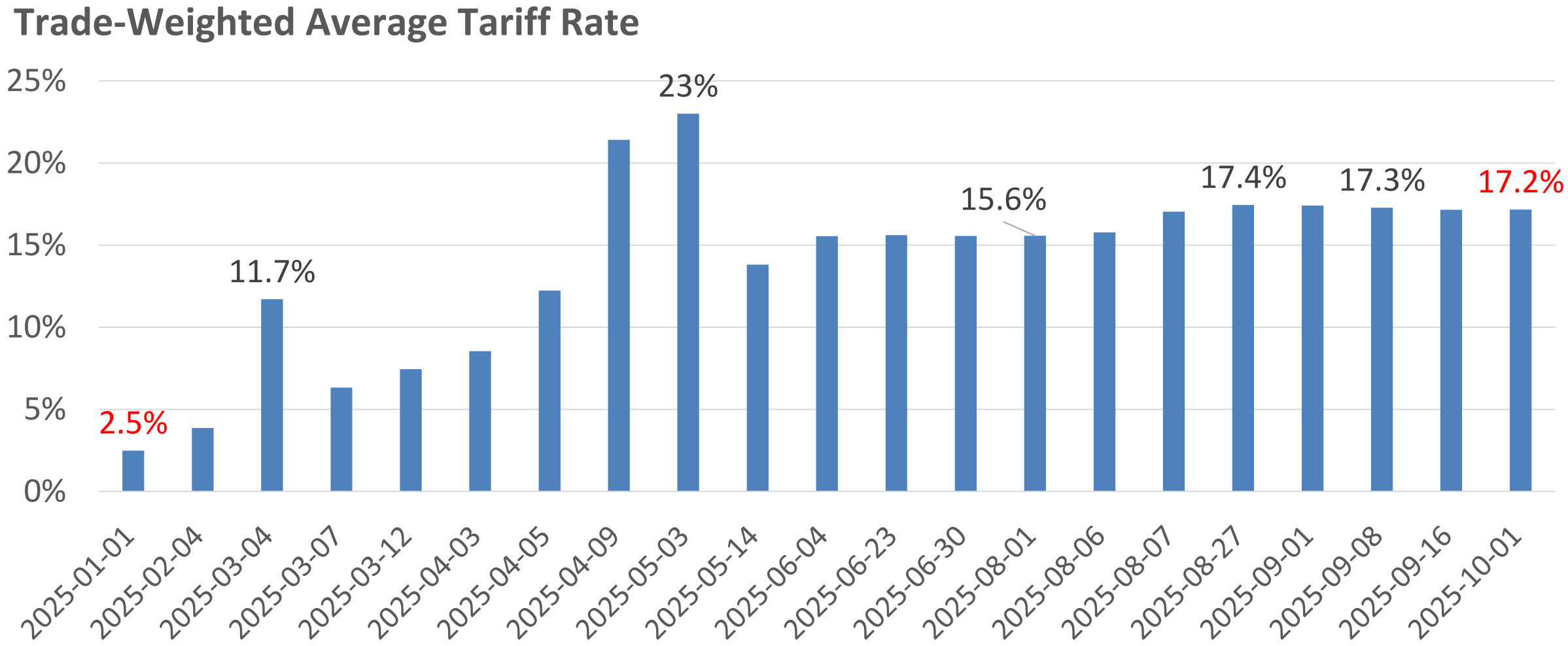


Source: Baker, Scott R.; Bloom, Nick; Davis, Steven J. via FRED

A Year of Heightened Uncertainty

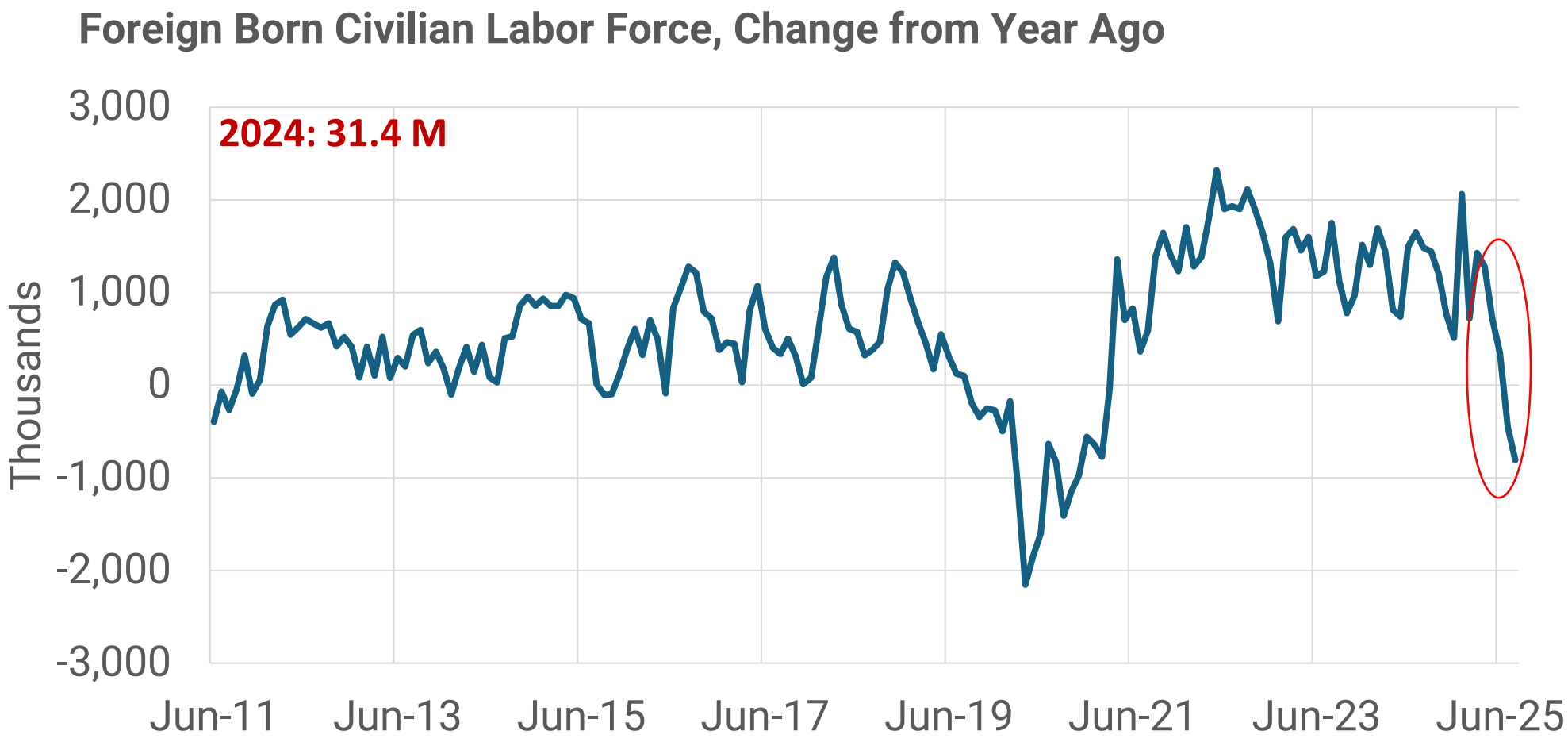
- 🌐 Trade
- 🛂 Immigration
- 💰 Monetary Policy
- 🏛️ Government Layoffs and Shutdown
- 🏠 Housing Market Pressures and Shifts

Higher Tariffs On Imports



Source: The World Trade Organization (WTO)

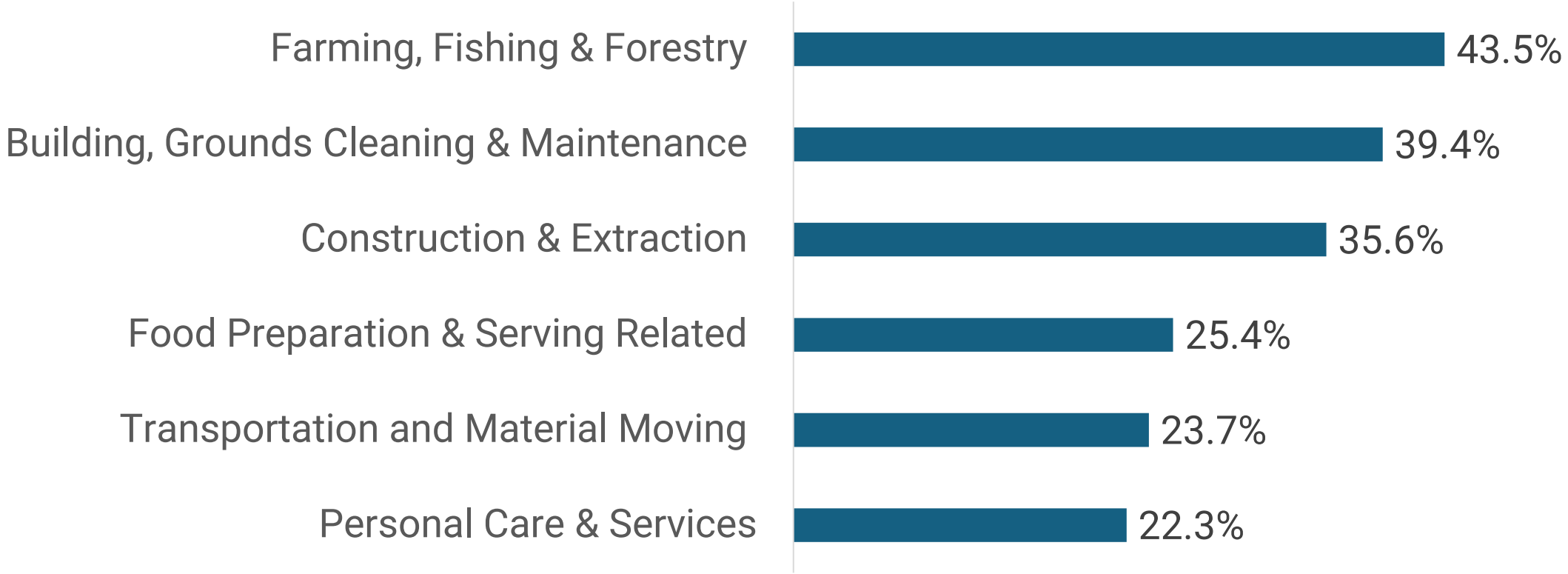
Immigration Policy and Labor Market Shock



Source: U.S. Bureau of Labor Statistics

Most Affected Industries

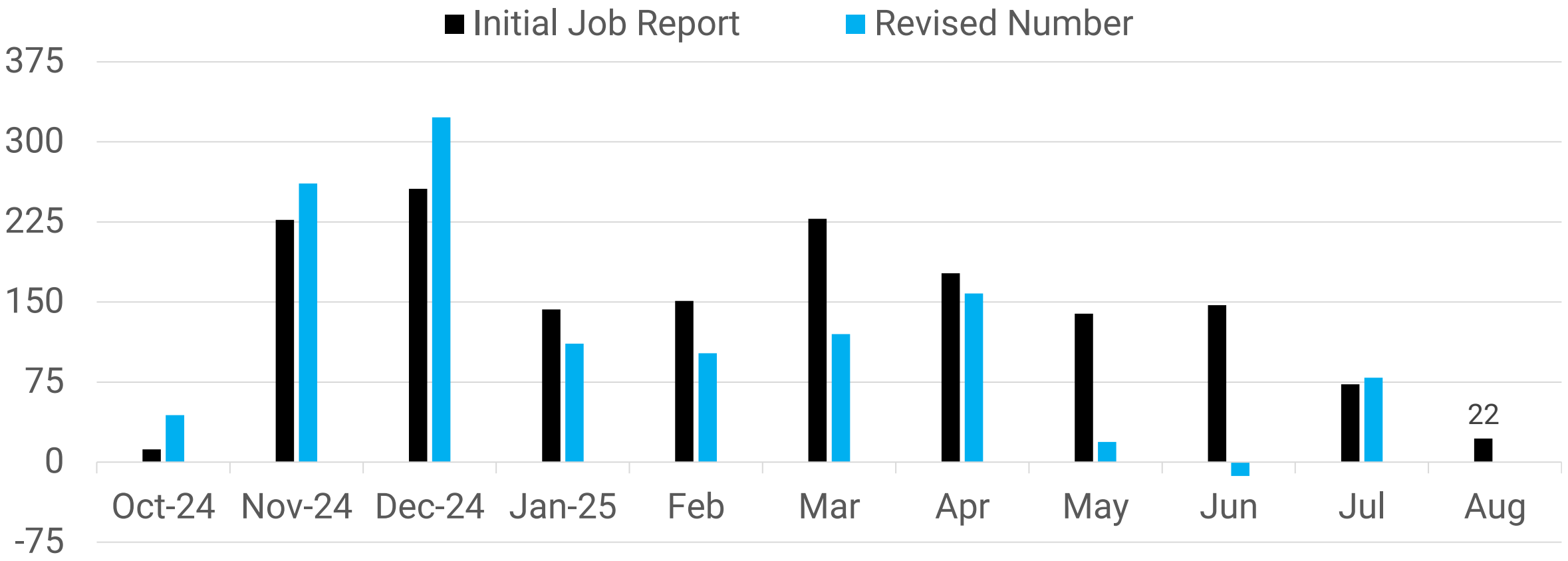
Top Occupations with High Immigrant Share, 2024



Source: U.S. Bureau of Labor Statistics

Softening Job Market

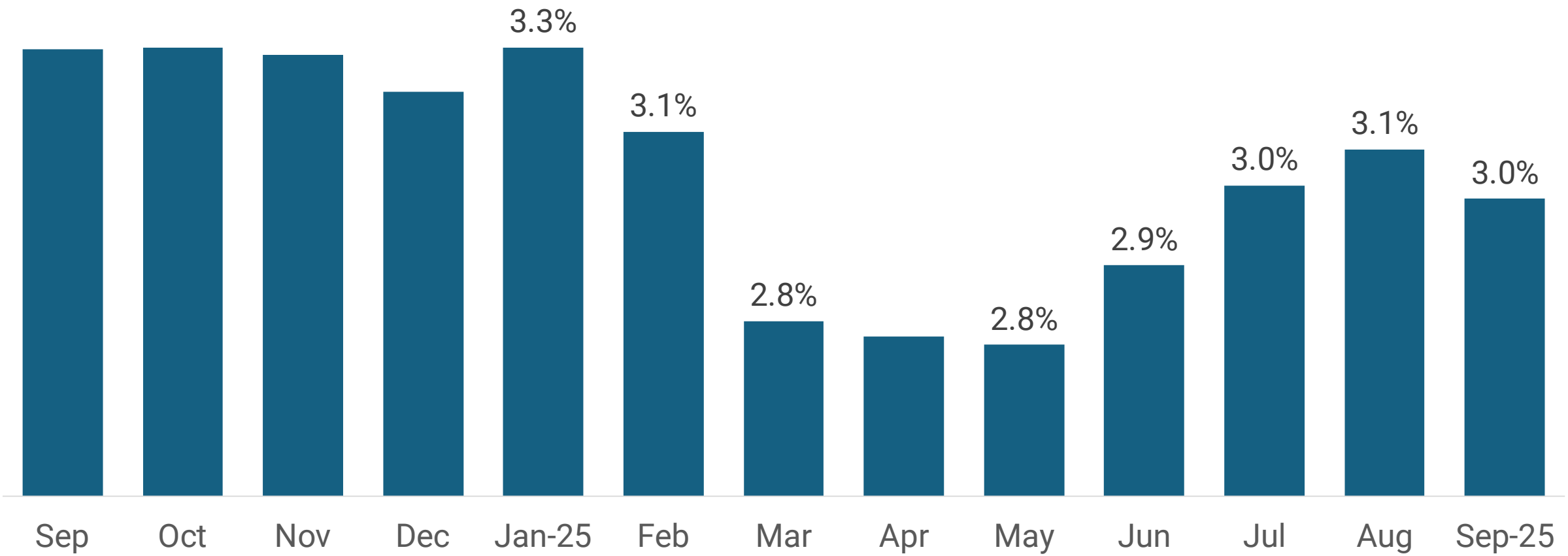
Nonfarm payroll month-over-month change (thousands)



Source: U.S. Bureau of Labor Statistics

Inflation Pressures Persist

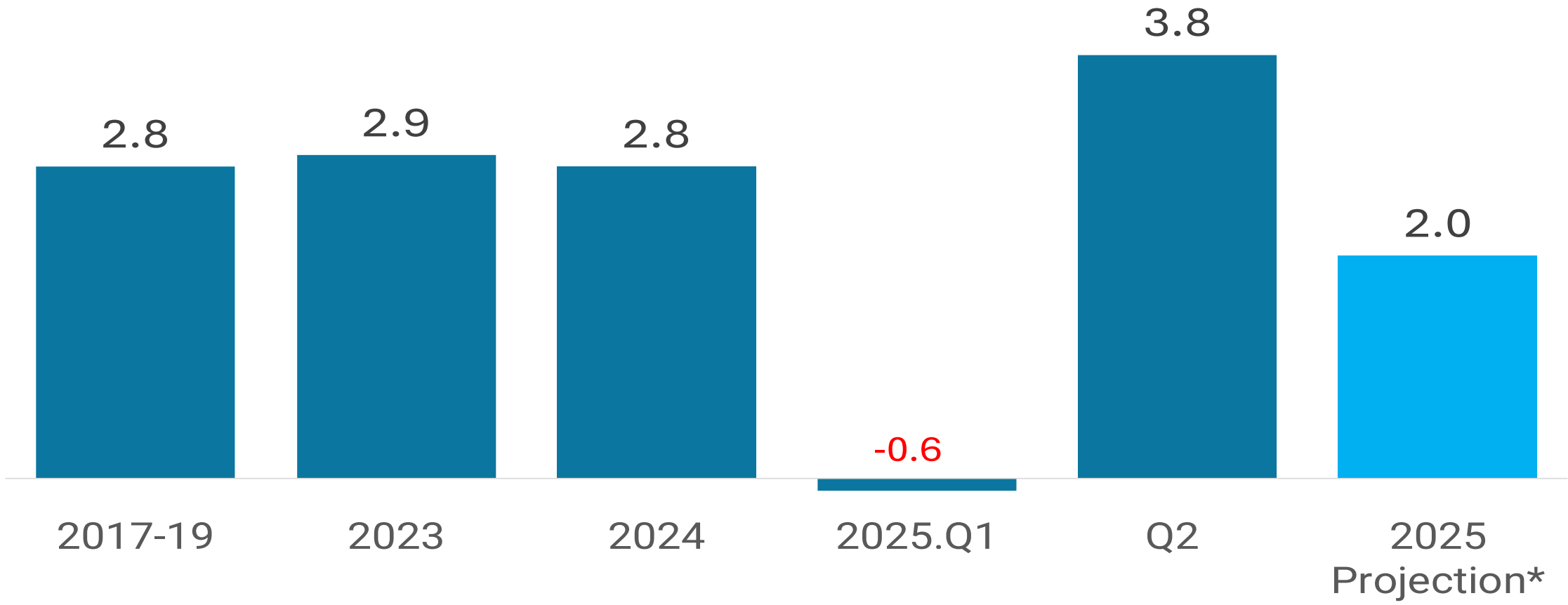
CPI Core Inflation (less food & energy), % Year-Over-Year



Source: U.S. Bureau of Labor Statistics/FRED

Stronger-than-Expected Economic Growth

Real GDP Growth, Annual Rate

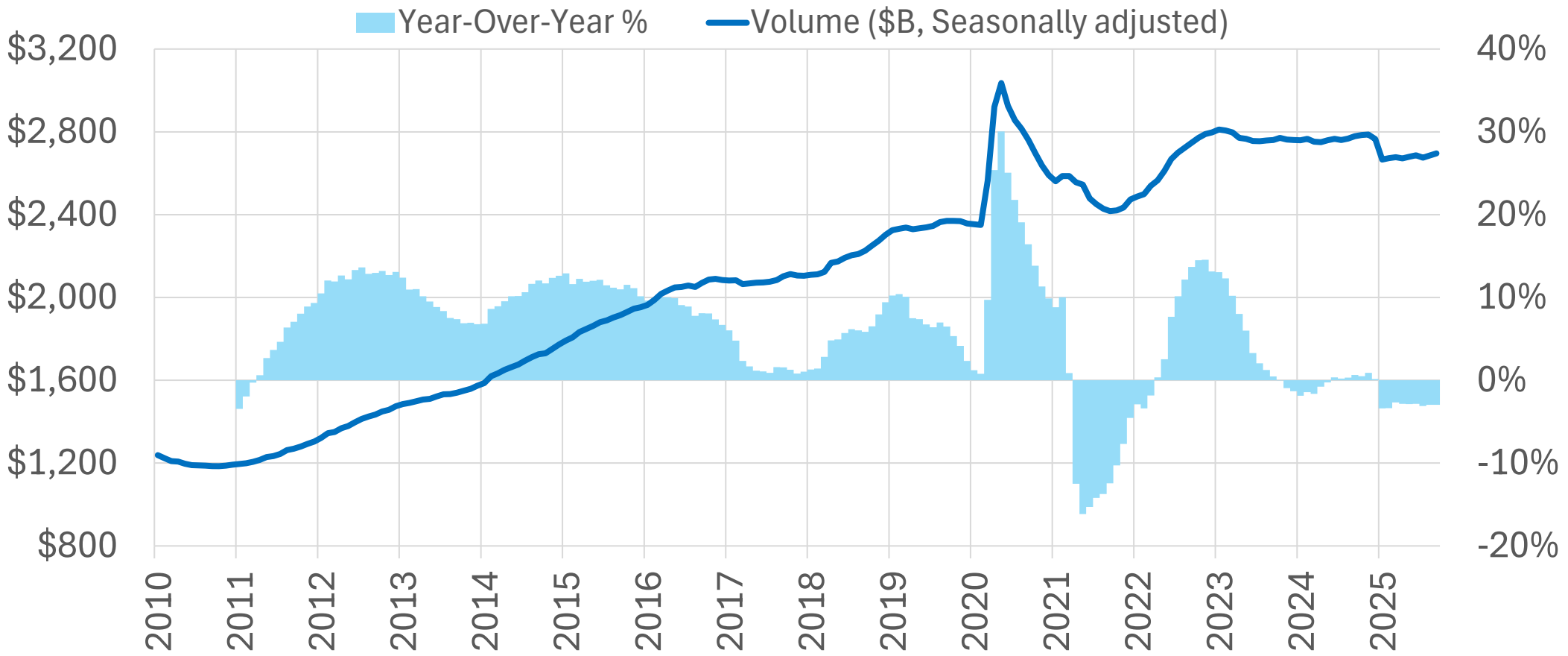


Source: U.S. Bureau of Economic Analysis/FRED; * International Monetary Fund

All in One Industry

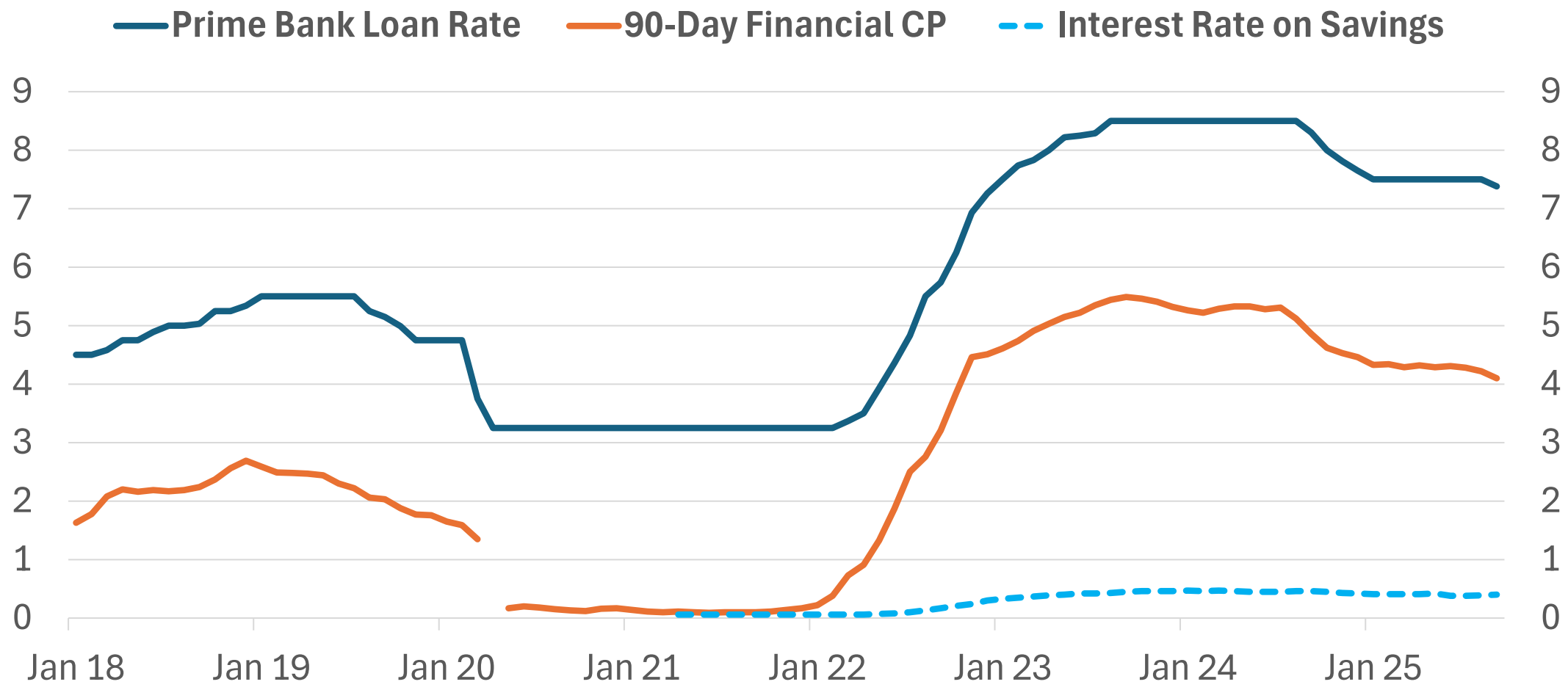
C&I Lending: Crawl to Contraction

Commercial & Industrial Loans, All Commerical Banks



Source: Federal Reserve Board of Governors/FRED

Elevated Borrowing Costs for Businesses

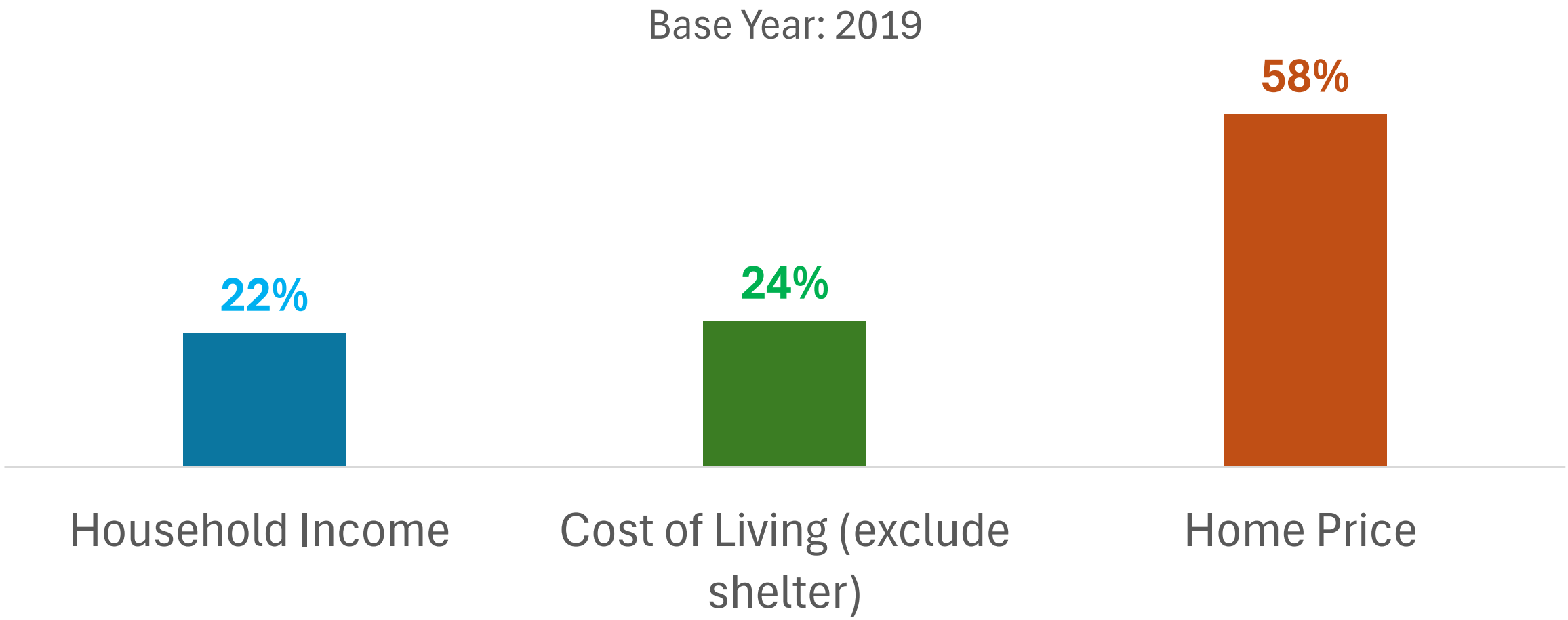


Source: Federal Reserve Board of Governors/FRED

Path to Affordability and Growth

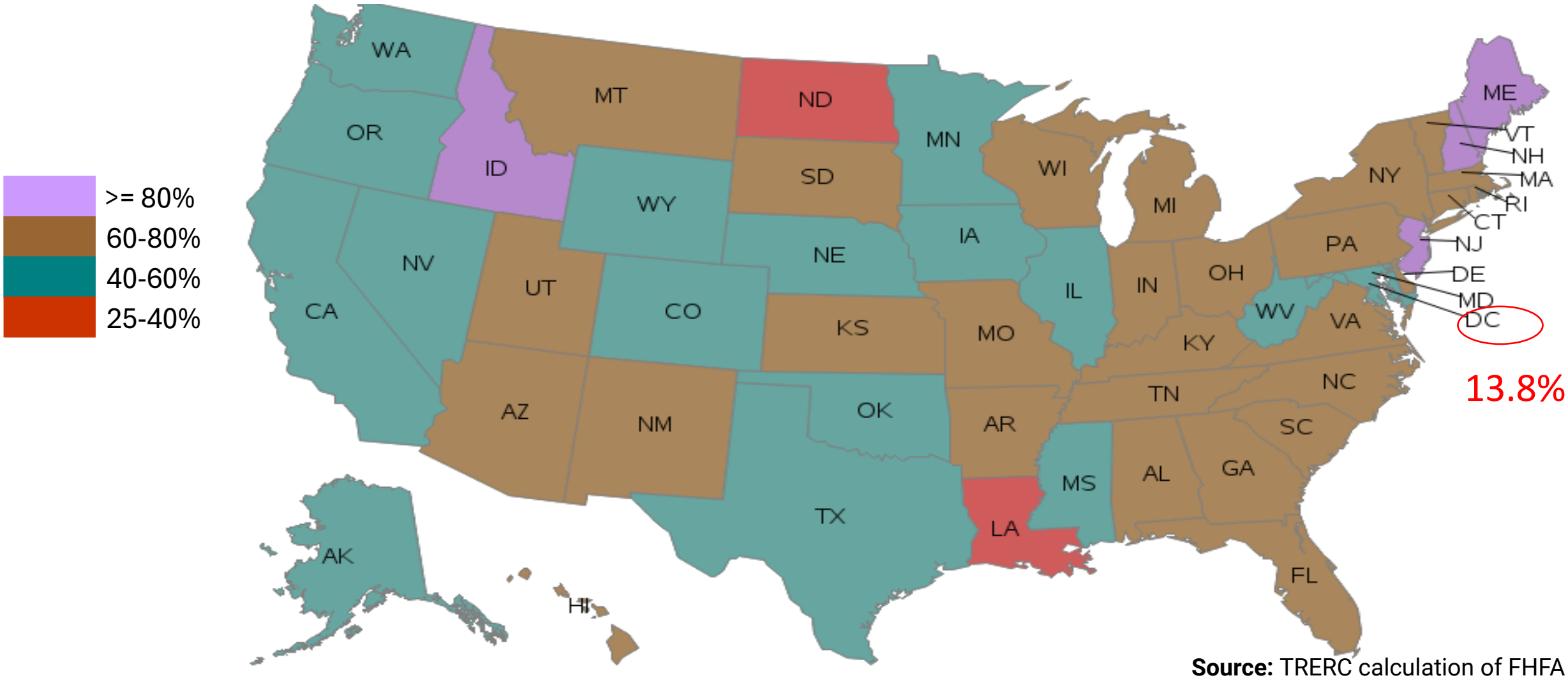
OR

The Growing Affordability Gap



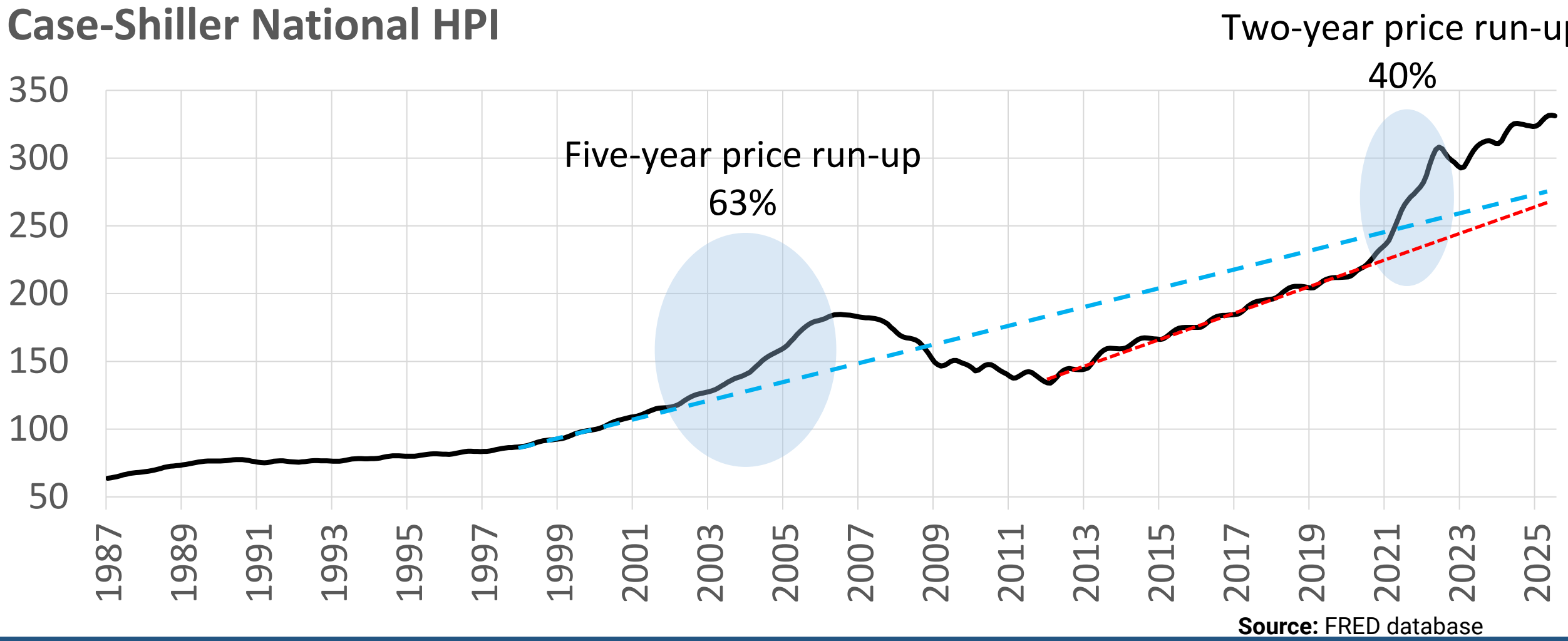
Source: U.S. Census Bureau; FRED

Home Price Appreciation Since 2019



Source: TRERC calculation of FHFA HPI

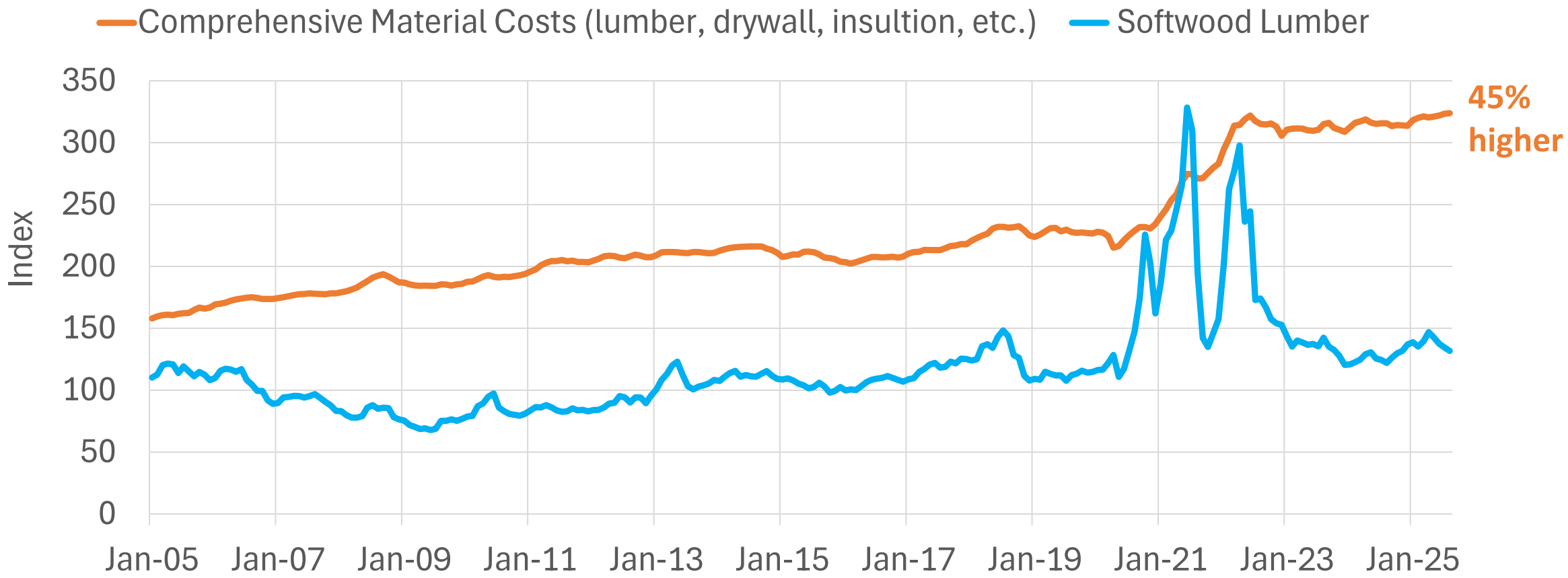
Home Prices Through A Longer Lens



Source: FRED database

Construction Costs: Post-Pandemic Norm

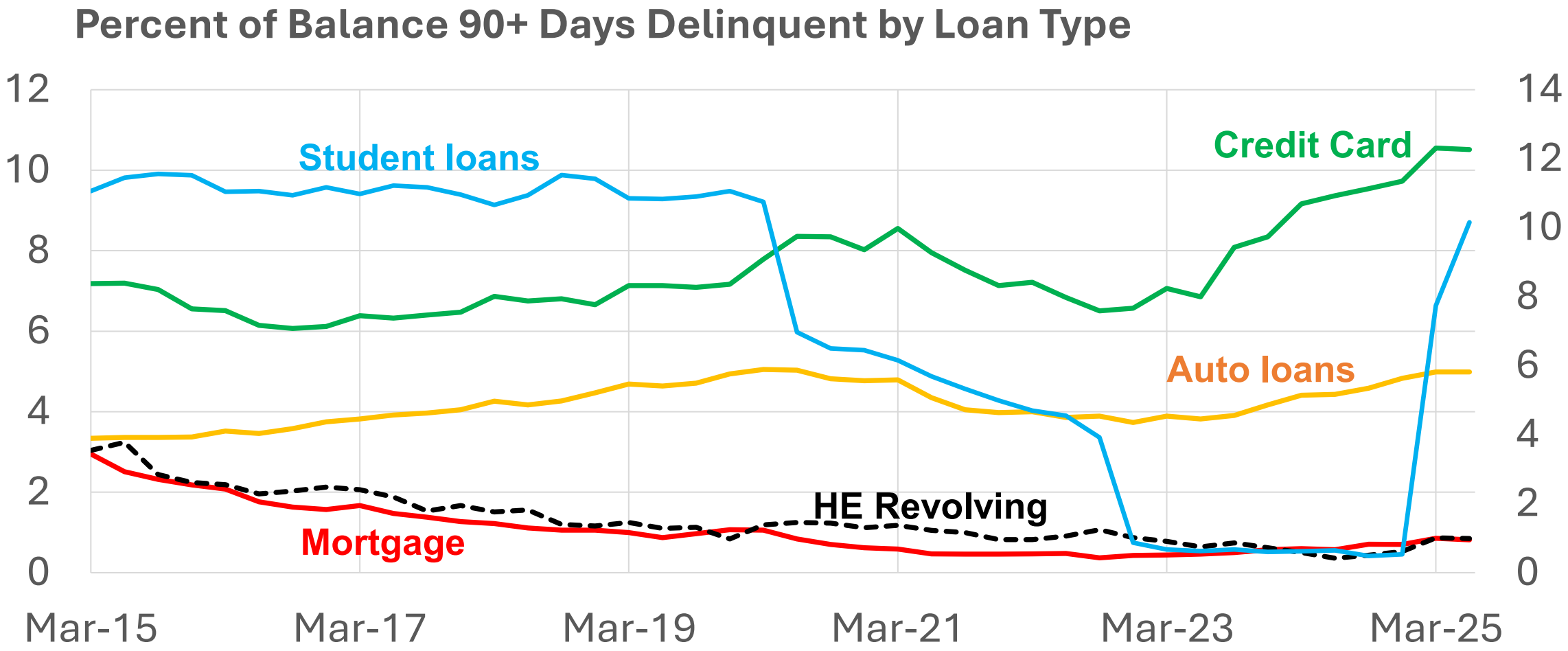
Residential Construction Producer Price Index, PPI



Source: U.S. Bureau of Labor Statistics

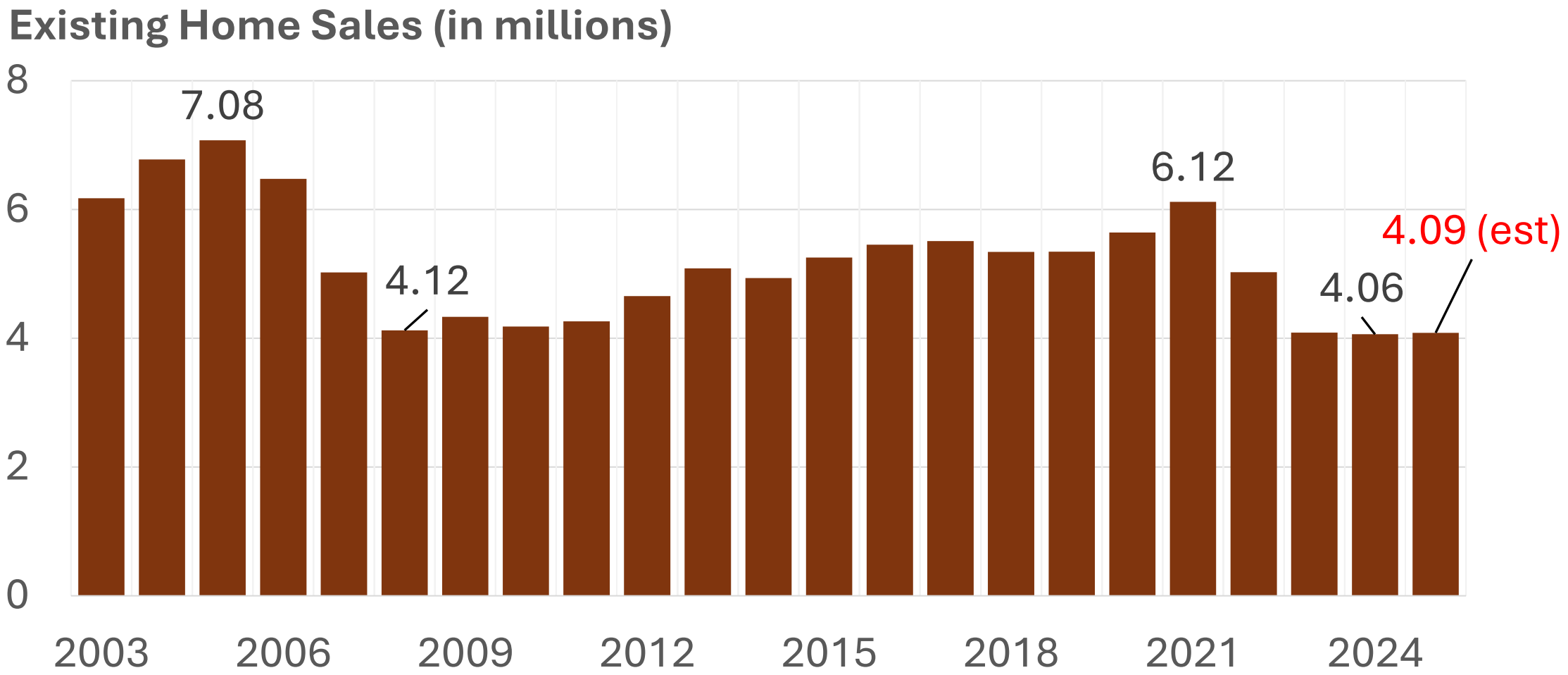
“Tiny Homes Go Mainstream”

Rising Consumer Credit Distress



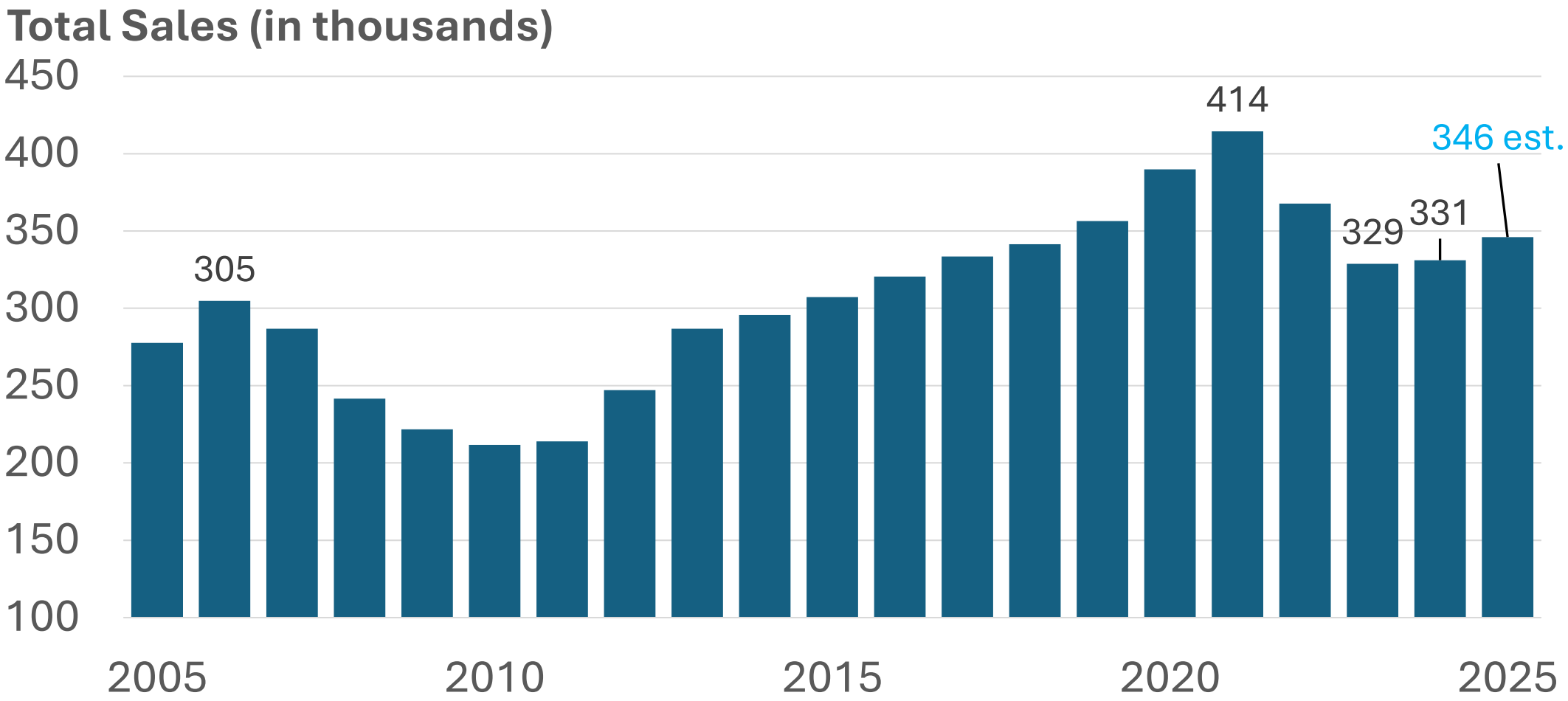
Source: New York Fed Consumer Credit Panel

Housing Market Recovery in Low Gear



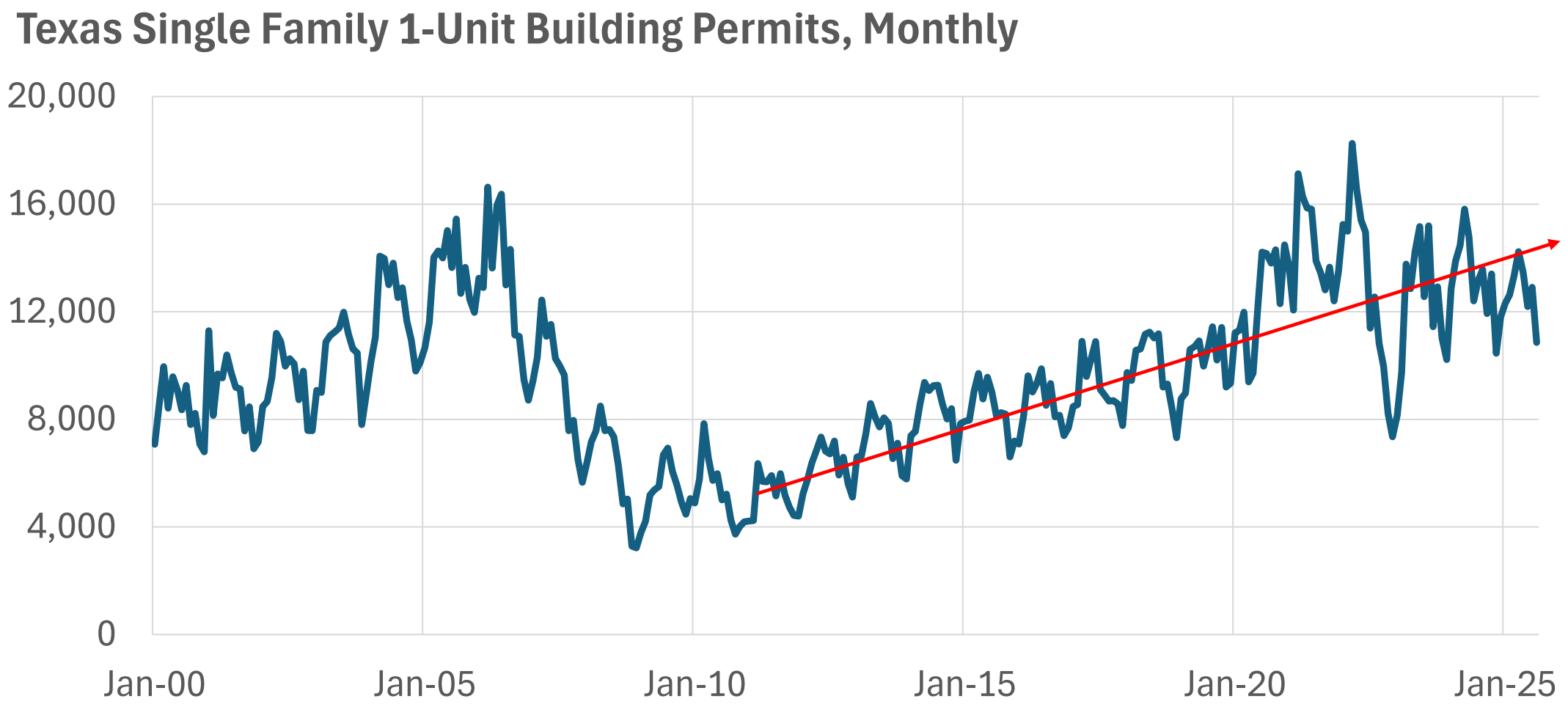
Source: NAR/Haver Analytics

Texas Home Sales to Surpass 2024



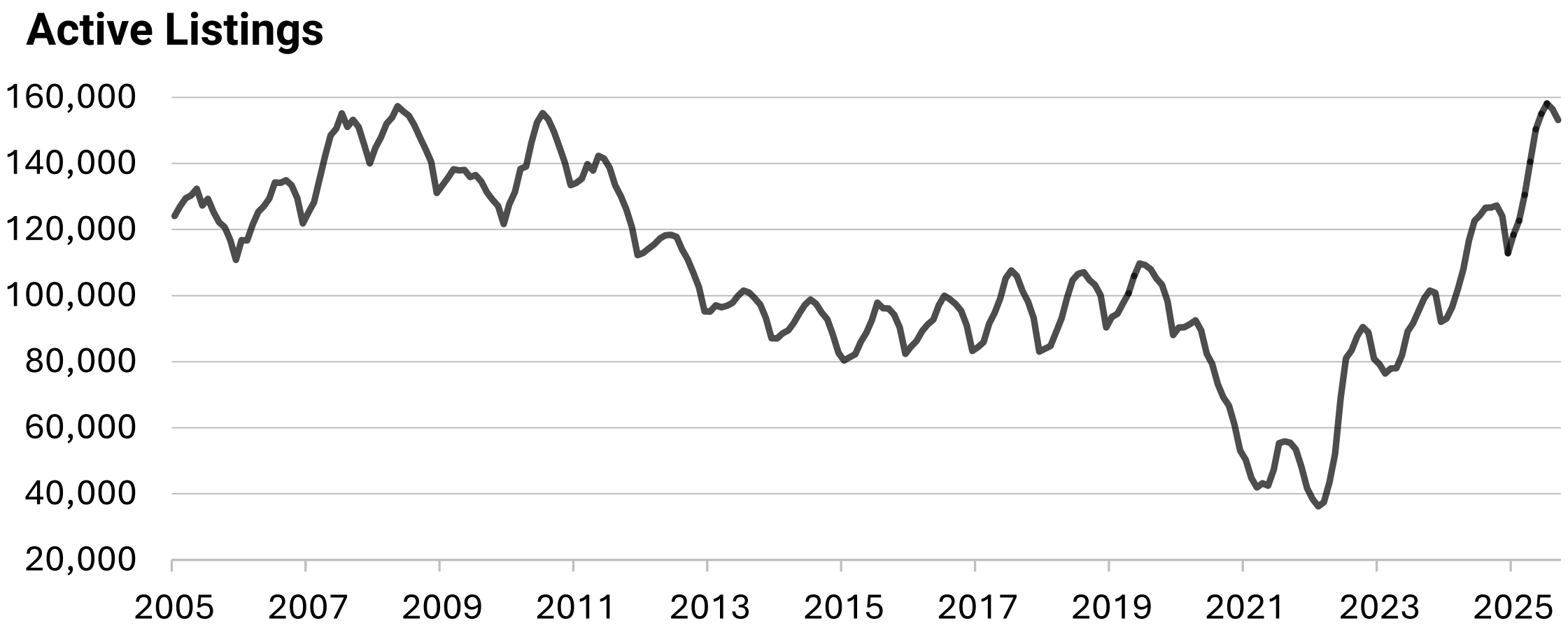
Source: TRERC analysis of Data Relevance Project, Texas REALTORS data

New Single-Family Construction Resets



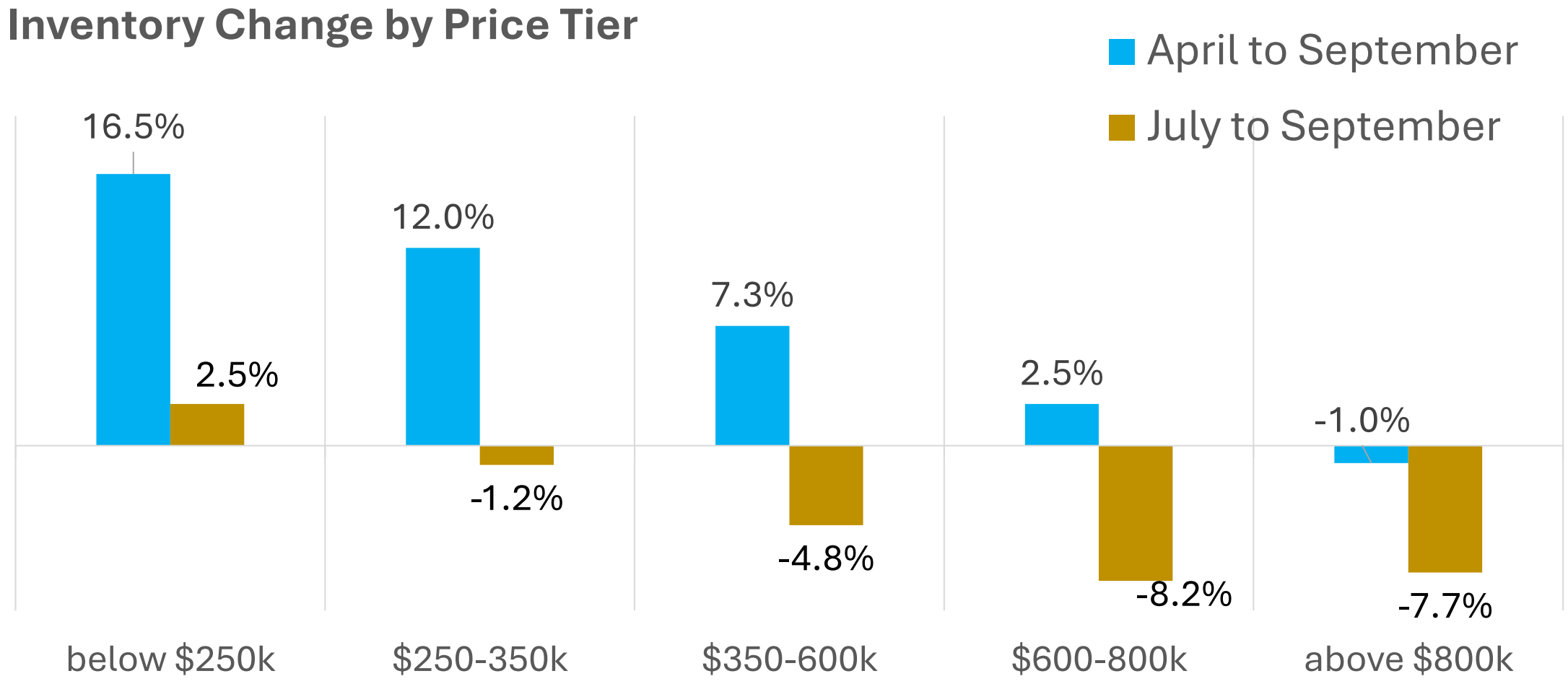
Source: U.S. Census Bureau

Record Housing Inventory Across Texas



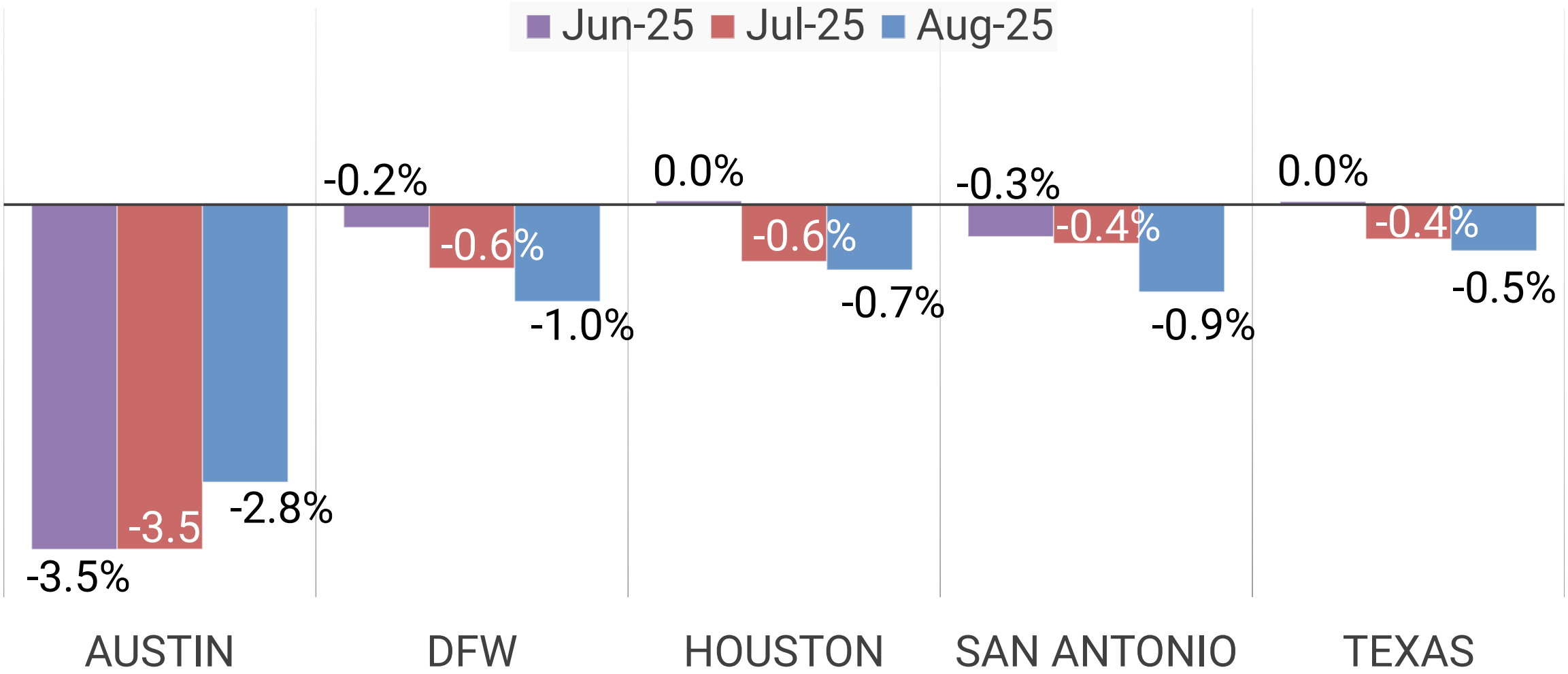
Source: TRERC analysis of data Relevance Project, Texas REALTORS data

Disproportionate Affordability Pressures



Source: TRERC analysis of data Relevance Project, Texas REALTORS data

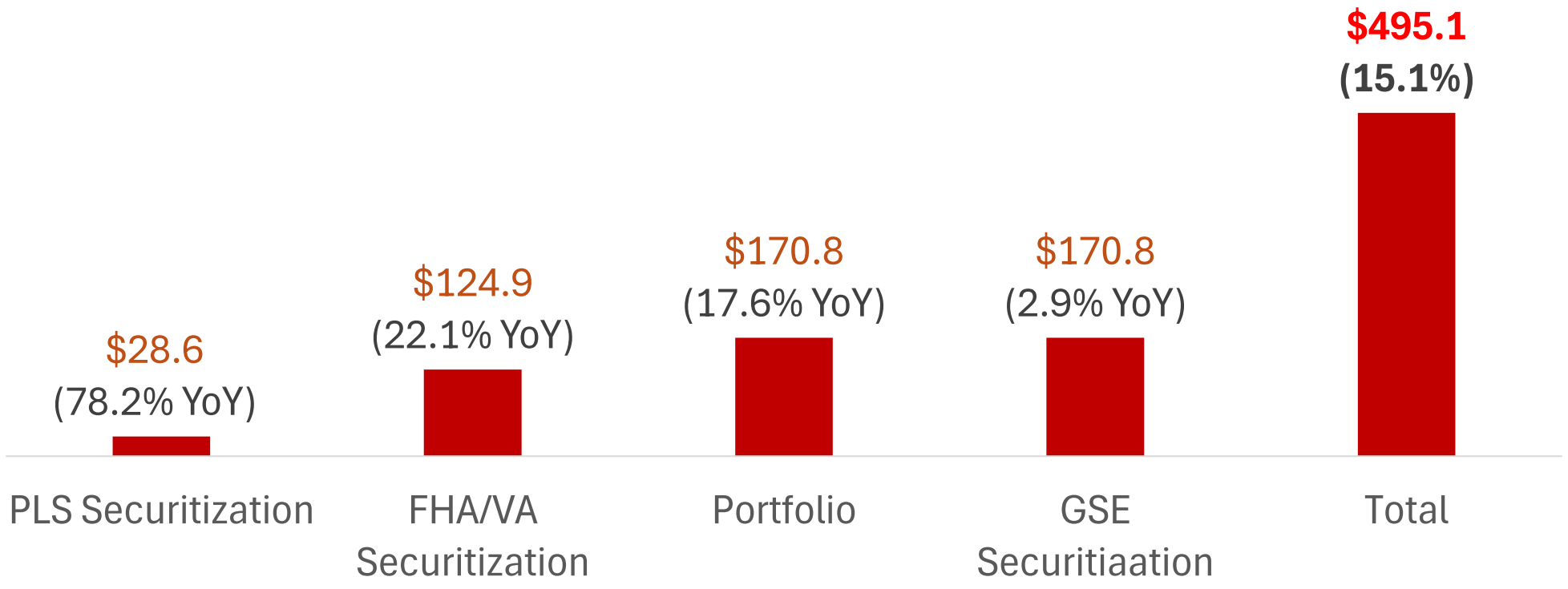
Texas Home Prices Slide Across Markets



Source: TRERC analysis of Data Relevance Project, Texas REALTORS data

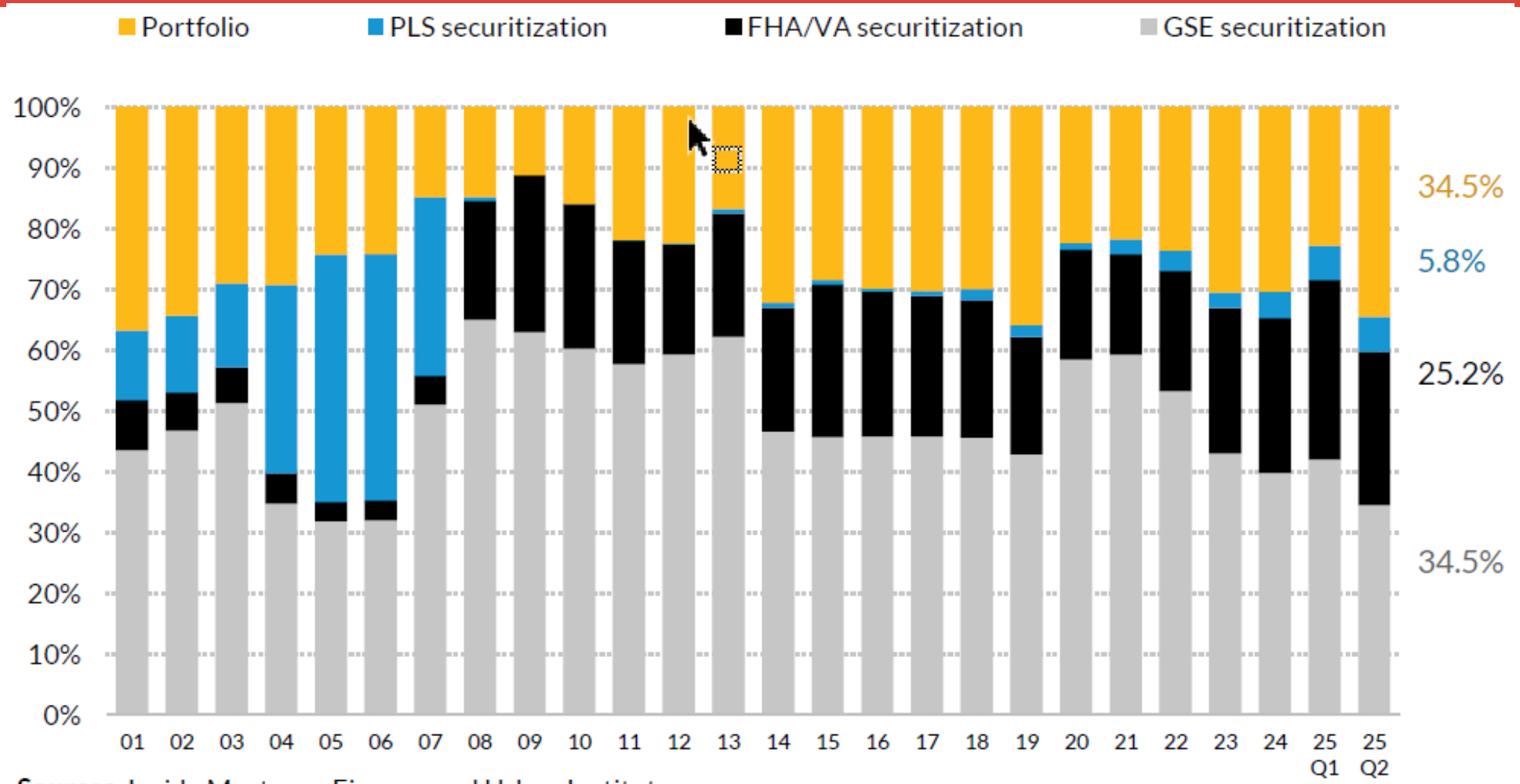
Total First-Lien Origination

Total Mortgage Origination Volume ($billions), 2025 Q2



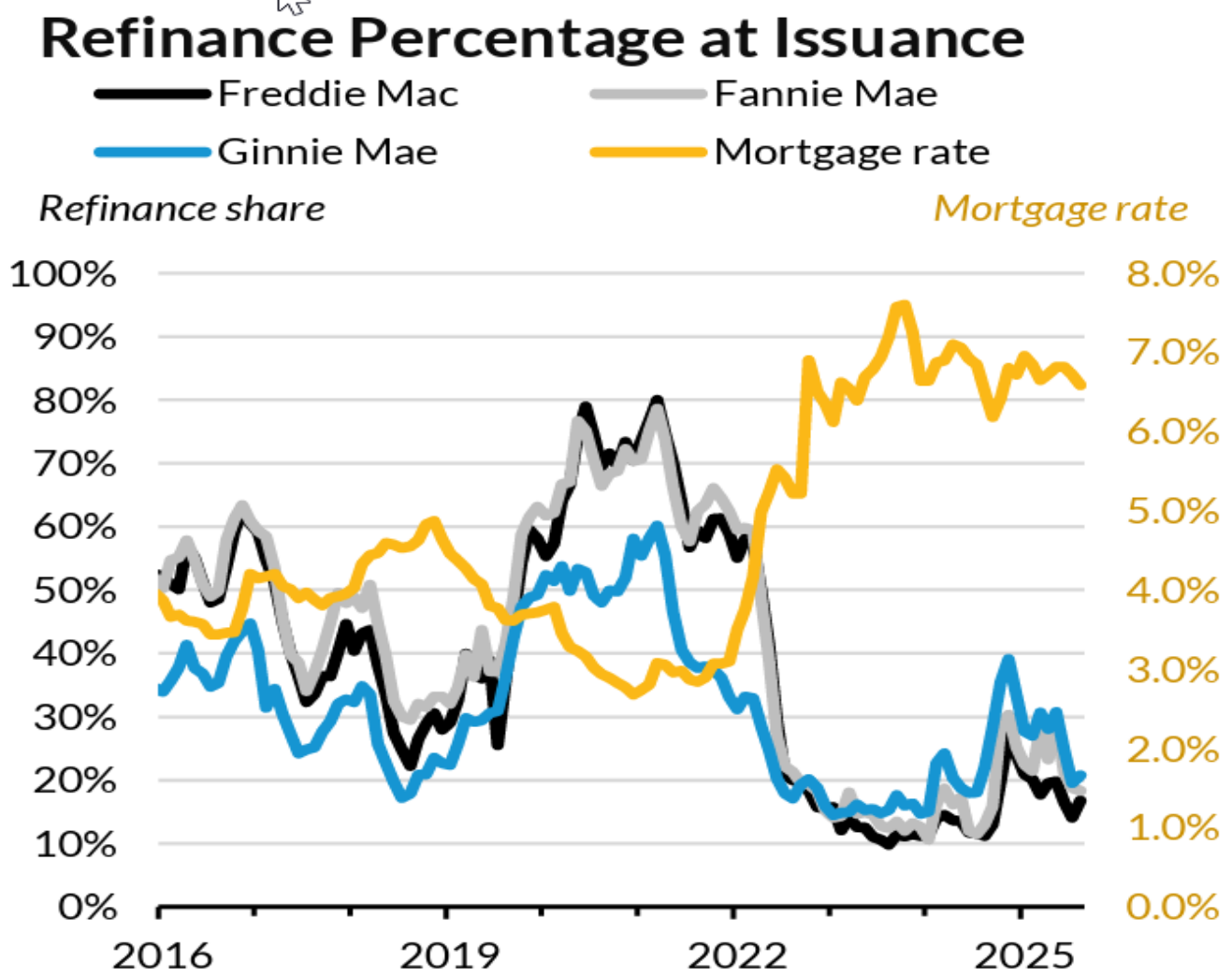
Source: Urban Institute data

Composition By Securitization



Sources: Inside Mortgage Finance and Urban Institute.
Note: Data as of the first half of 2025.

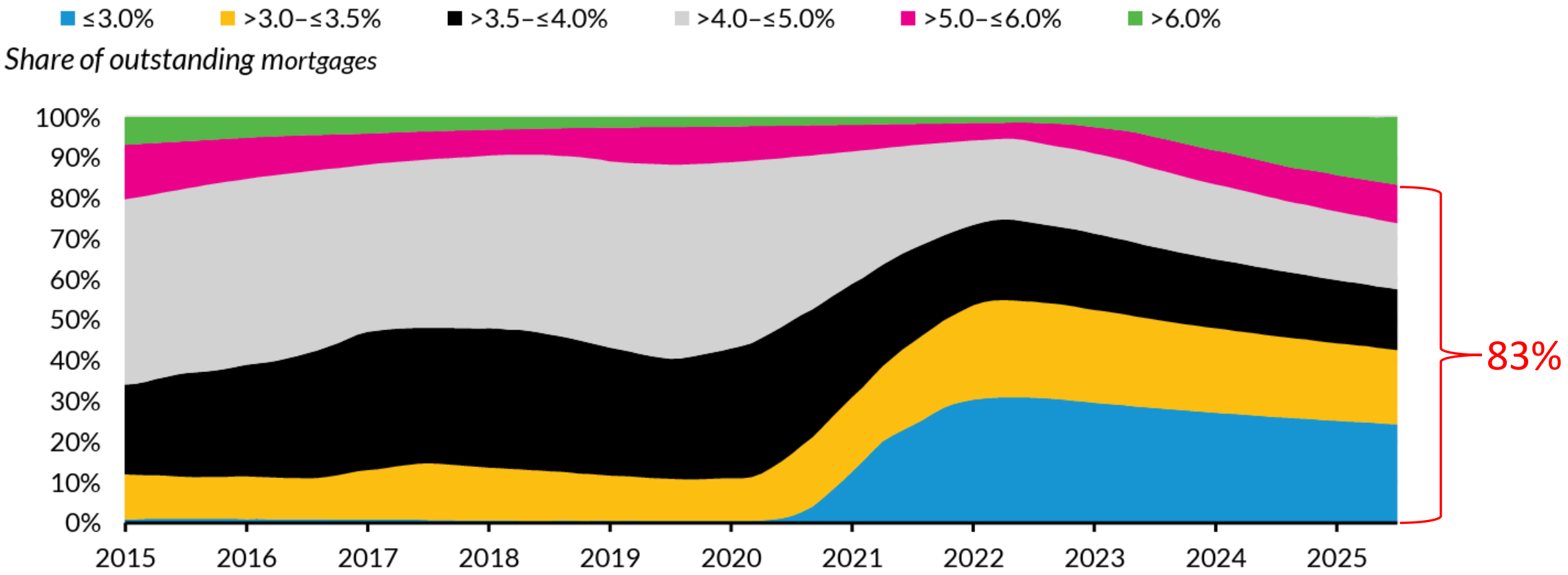
2025 Refinance Activity



Source: Housing Finance At A Glance, September 2025, Urban Institute

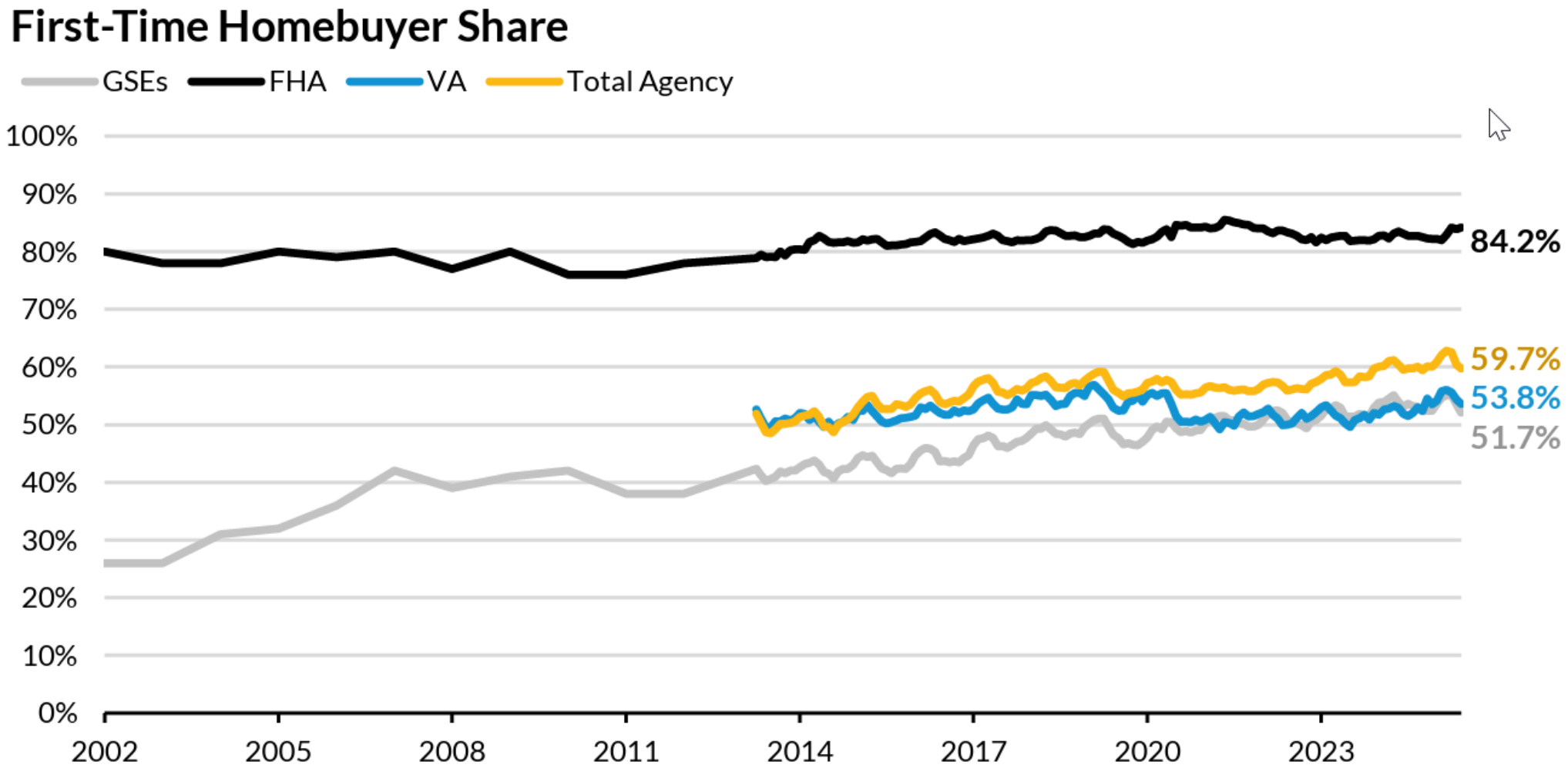
Refinancable Mortgages

Outstanding Agency Mortgage Volume, by Interest Rate



Source: Housing Finance At A Glance, September 2025, Urban Institute

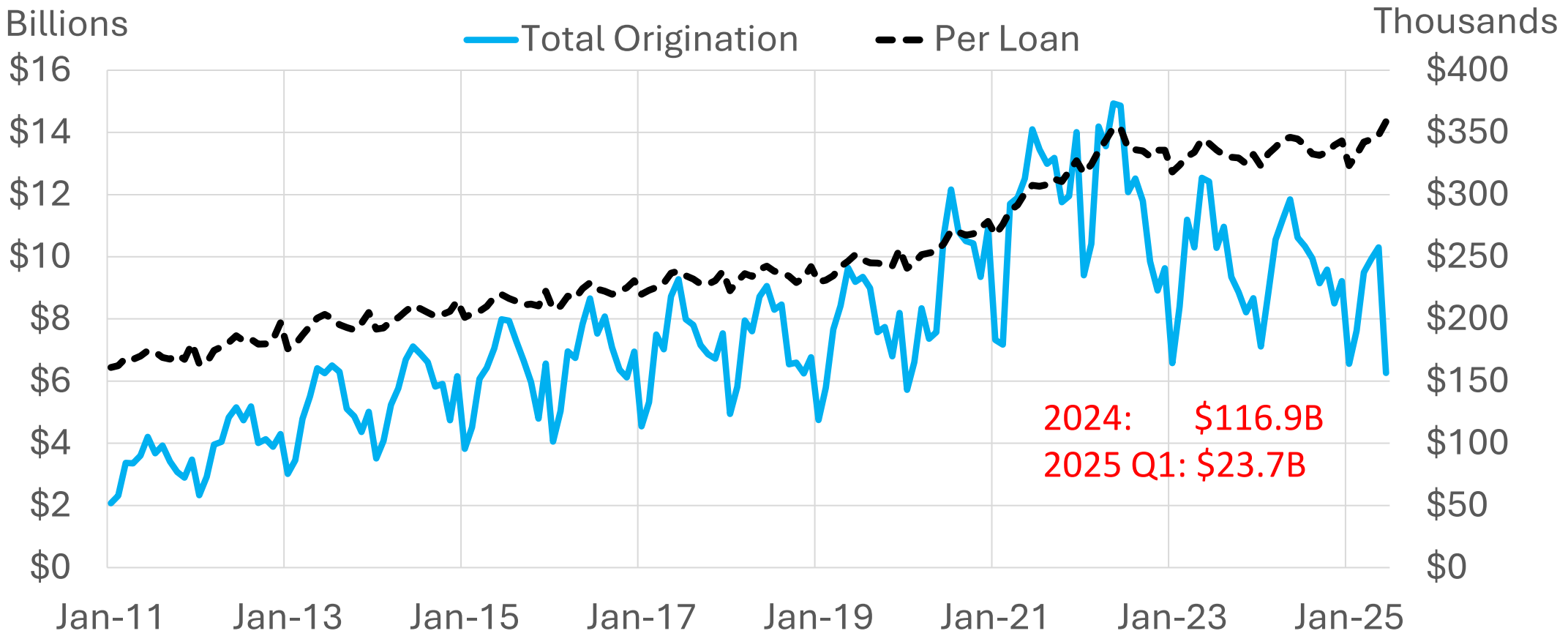
High Mortgage Rates Hit FTHBs Hardest



Source: Housing Finance At A Glance, September 2025, Urban Institute

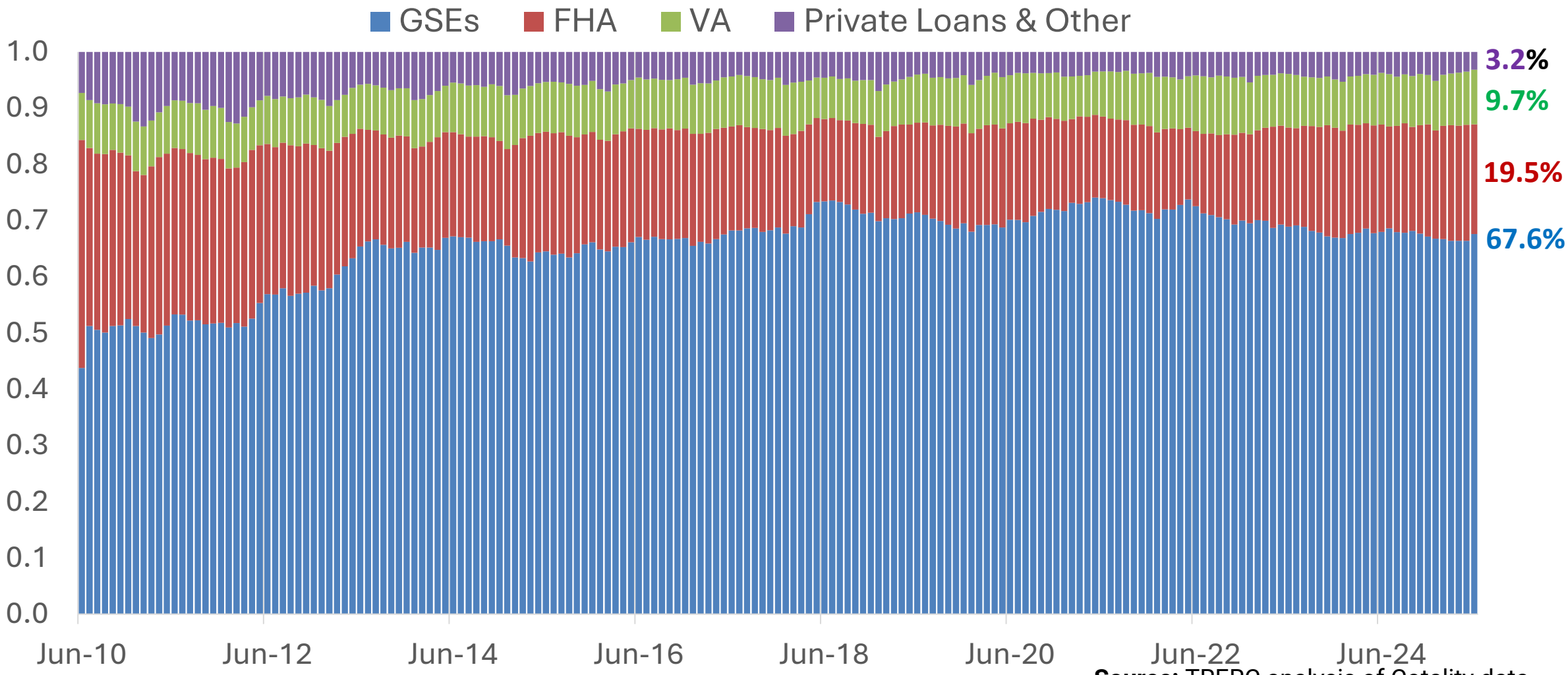
First-Lien Purchase Origination Across Texas

First-Lien Purchase Origination Volume



Source: TRERC analysis of Cotality data

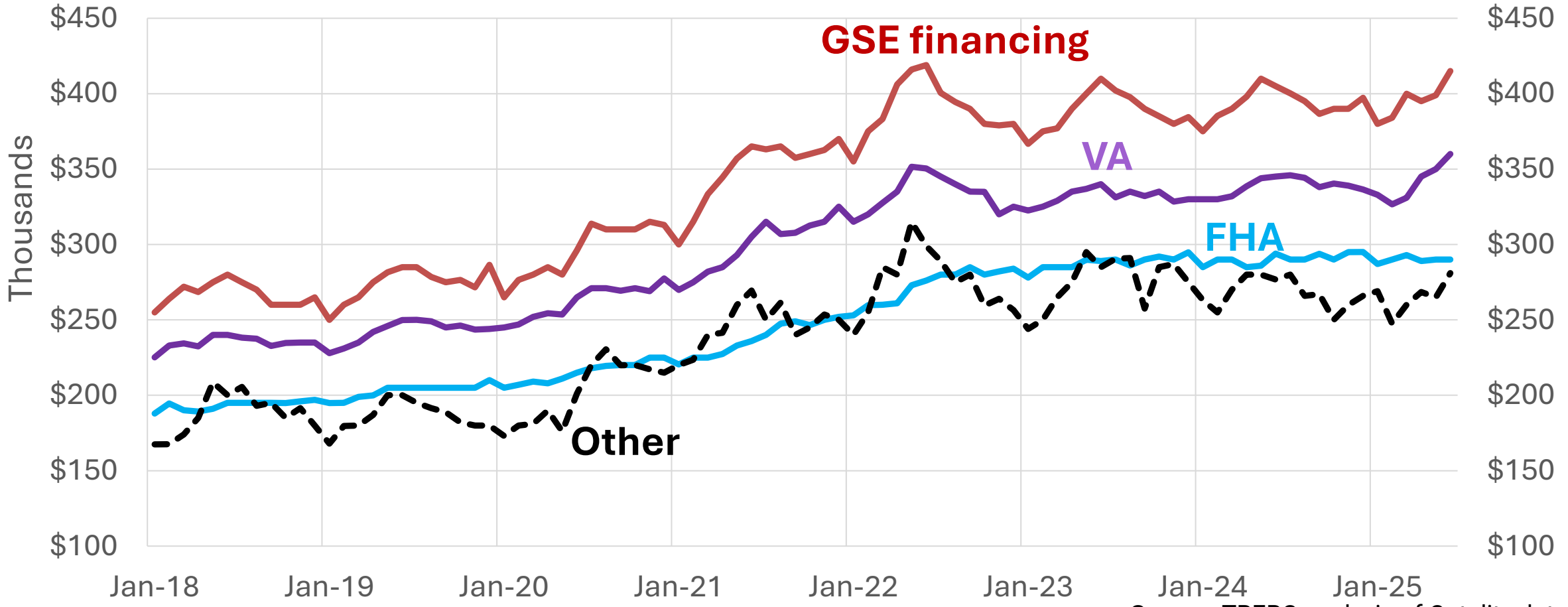
Texas: Composition of Purchase Origination



Source: TRERC analysis of Cotality data

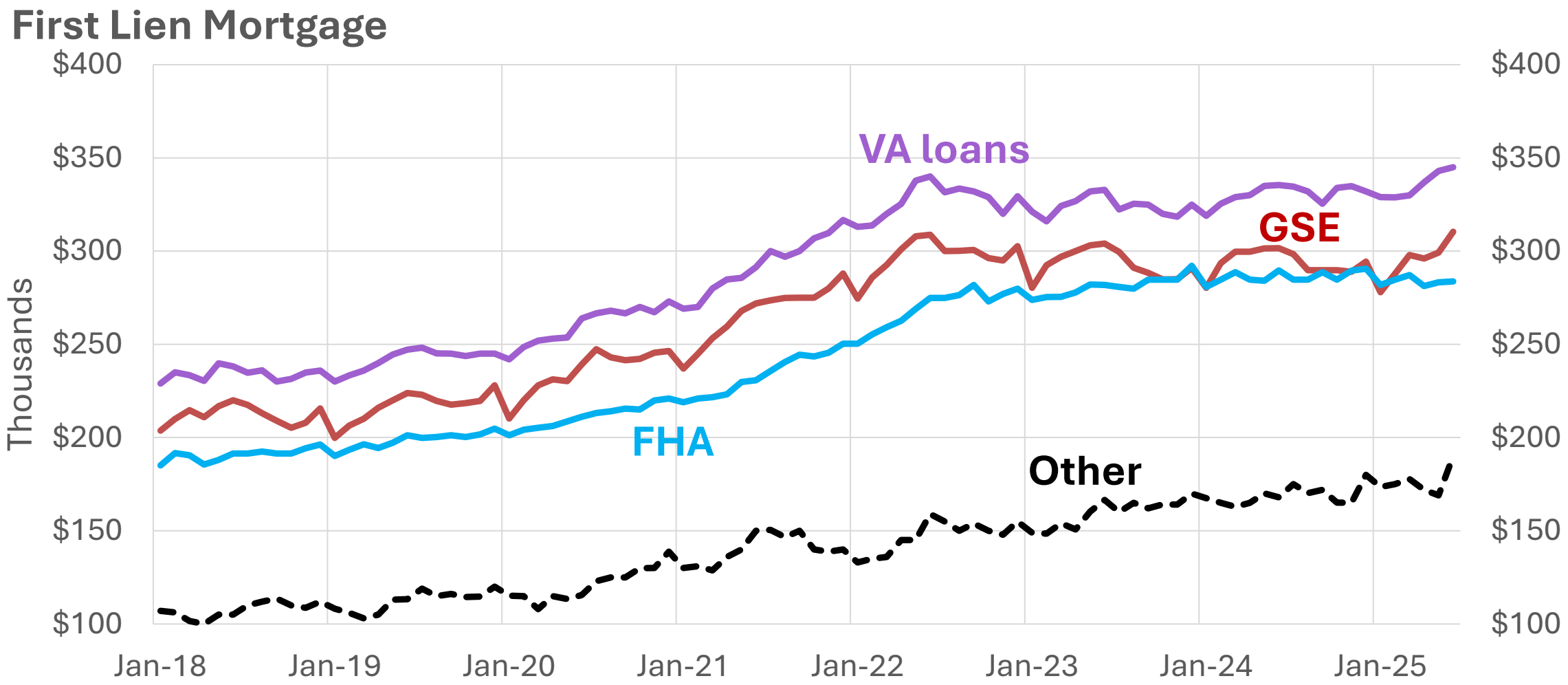
Texas: Typical Purchase-Loan Property Value

Median Home Prices



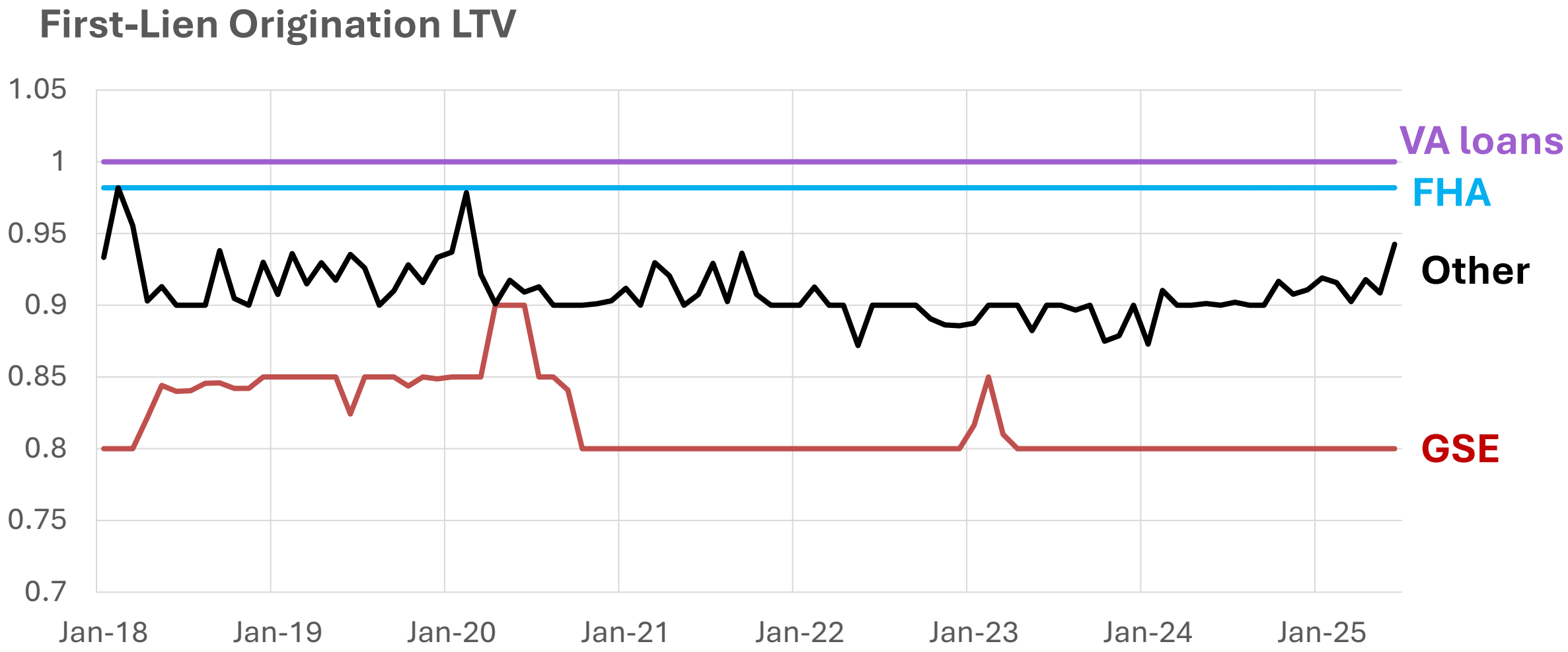
Source: TRERC analysis of Cotality data

Texas: Typical Purchase Loan Amount



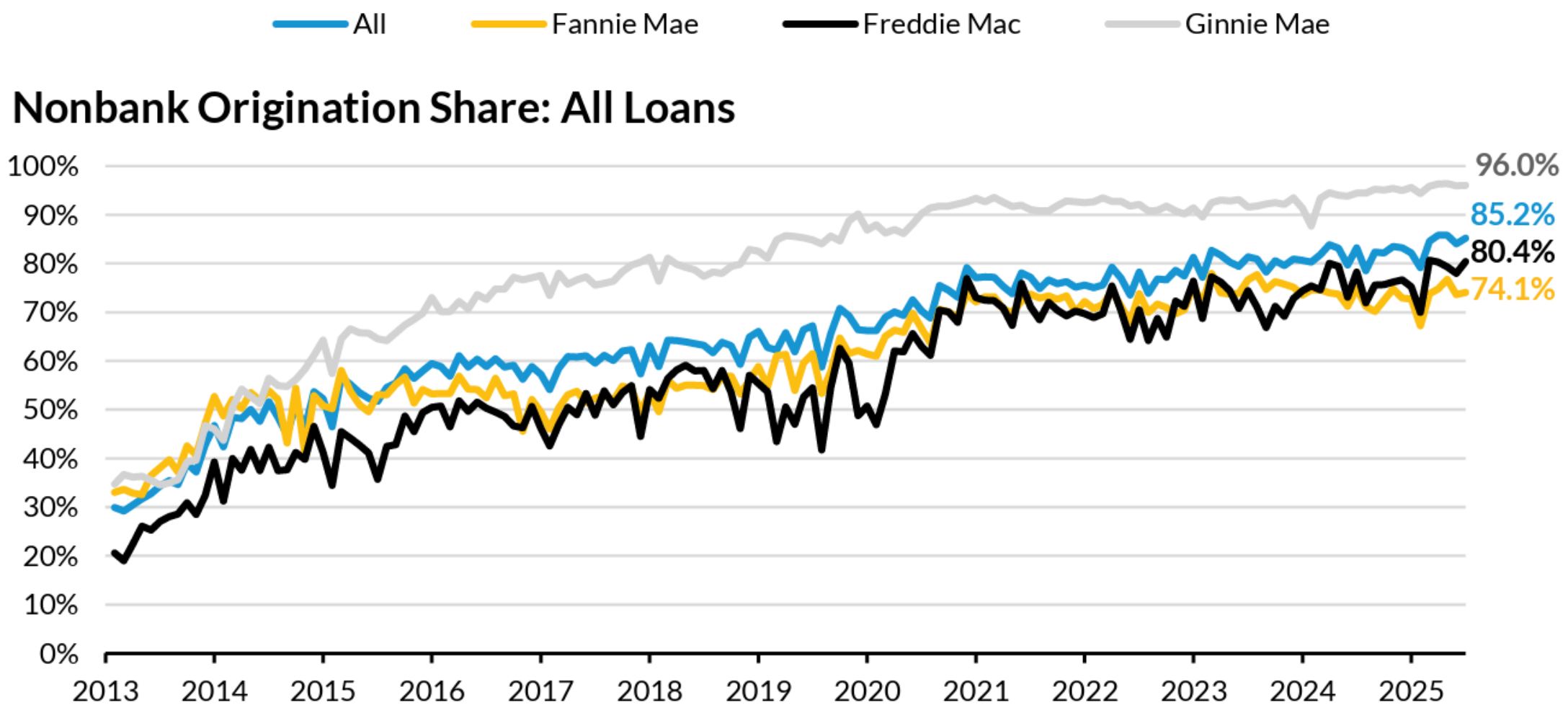
Source: TRERC analysis of Cotality data

Texas: Typical Loan to Value Ratio



Source: TRERC analysis of Cotality data and Texas REALTORS data

Nonbank Lender Dominance

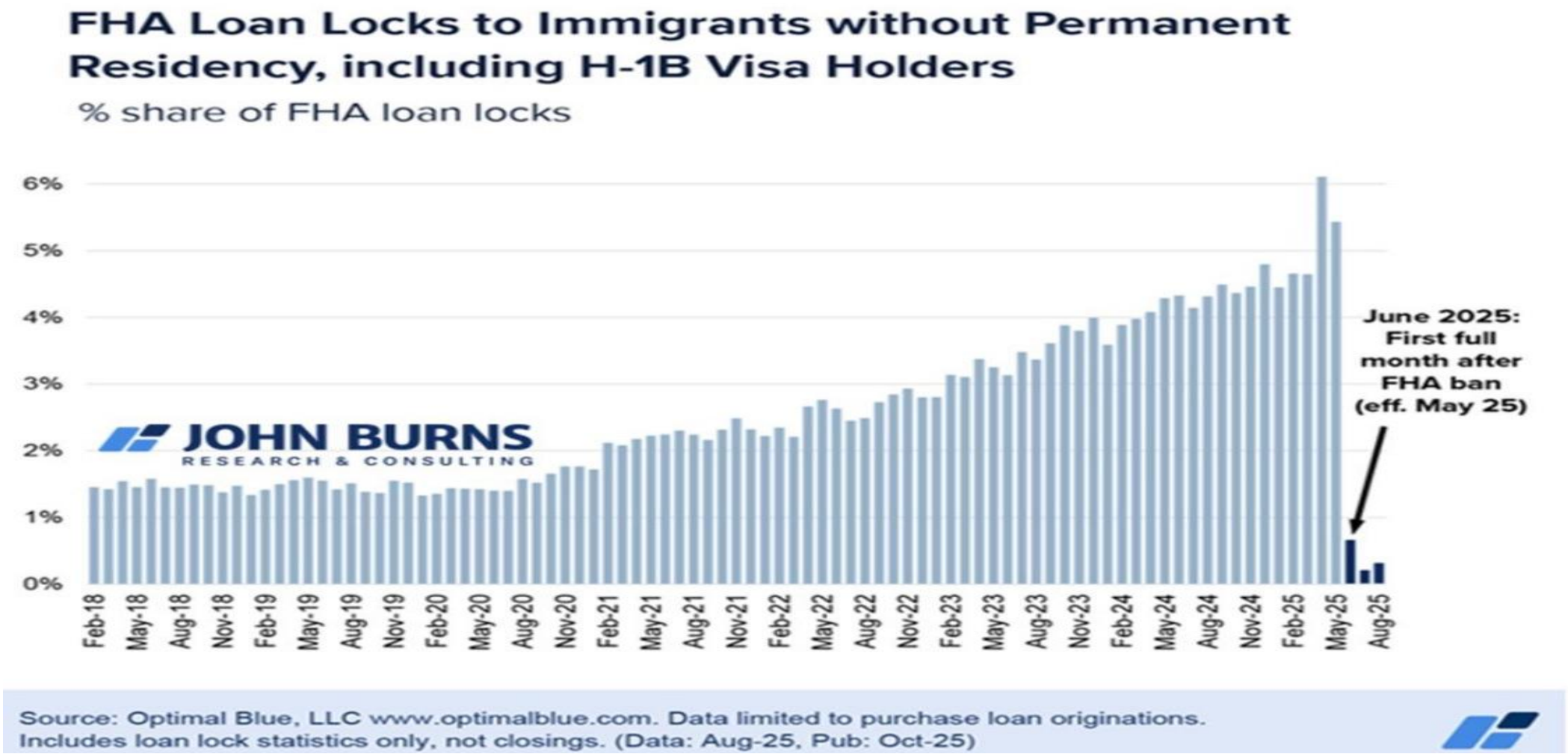


Source: Housing Finance At A Glance, September 2025, Urban Institute

Looking Ahead

-  Trade
-  Immigration
-  Monetary Policy
-  Labor Market
-  Inflationary Pressures
-  Housing and Housing Finance

Immigration Policy Impact to FHA Financing



Disruptions from Government Shutdown

U.S. Department of Housing and Urban Development

The Radical Left in Congress shut down the government. HUD will use available resources to help Americans in need.

Thank you!