

## **The New Home Market: Slow and Steady** ***Sales Flat as Builders Navigate Pervasive Incentives and Increased Inventory***

**NEWPORT BEACH, CALIF., August 22, 2025** — Today, the experts at Zonda, the housing industry's foremost advisors, released the New Home Market Update report for July 2025.

Based on the latest data, July's new home sales were sluggish but steady. Overall sales activity was flat month-over-month, and the Zonda Market Ranking held at *average*. For some builders, though, describing the market as "average" may feel too generous as they continue to grapple with tighter margins, rising marketing costs, heavier incentive usage, and stronger competition.

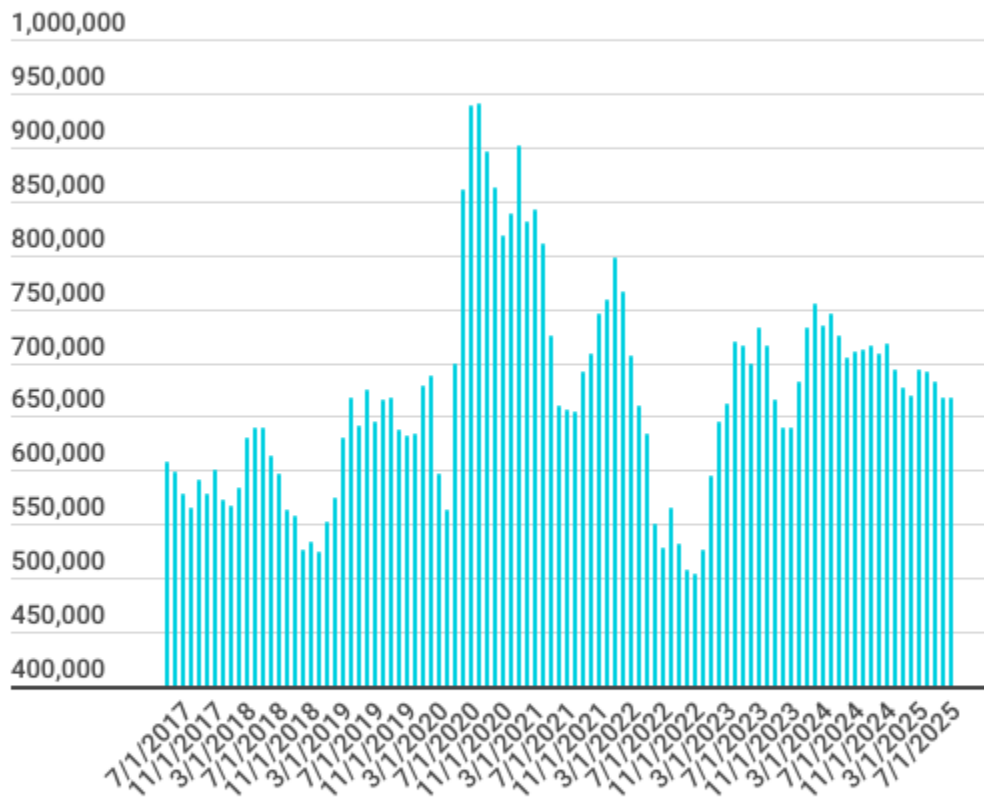
While sales activity was largely unchanged, there was one notable shift in the new home market in July: the supply of quick move-in (QMI) homes per community. QMI levels have returned to those last seen in late 2022—another period shaped by economic uncertainty and rate volatility. To manage this supply increase, many builders are clearing their existing inventory by "finding the market" with incentives and price cuts, while staying cautious about backfilling until demand shows clear signs of improvement.

"The key characteristic of today's market is that blanket statements simply don't work," said Ali Wolf, chief economist for Zonda and NewHomeSource. "Saying 'Texas is bad,' for example, bundles a slow market like Austin with a more stable one like Dallas. Understanding the nuances of local markets is tricky today but helps to identify opportunities even in challenging conditions."

### **New home sales flattened MOM**

Zonda's new home sales metric counts the number of new home contract sales each month and accounts for both cancellations and seasonality. This metric shows there were 668,318 new homes sold in July on a seasonally adjusted annualized rate. This was flat from last month and a drop of 6.0% from a year ago. On a non-seasonally adjusted basis, 56,928 homes were sold, 5.6% lower than last year and 6.8% above the same month in 2019.

## New Home Sales (SAAR)

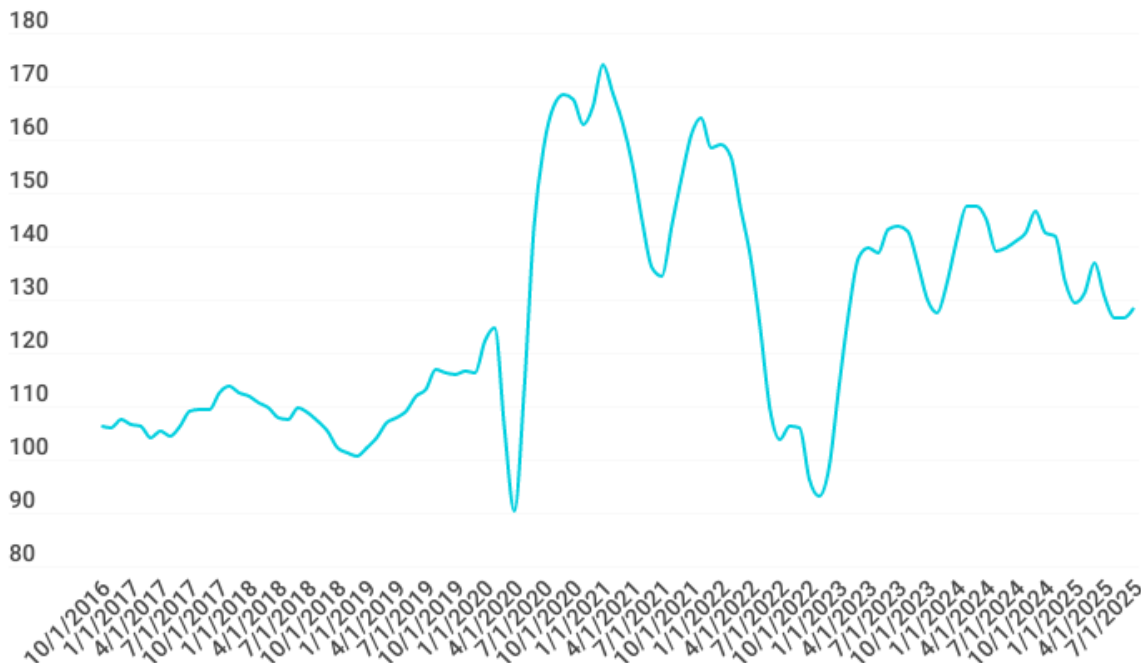


Source: Zonda

### The PSI was down 9% compared to last July

Zonda's New Home Pending Sales Index (PSI) was created to help account for fluctuations in supply by combining both total sales volume with the average sales rate per month per community. The July PSI came in at 128.4, representing an 8.8% decline from the same month last year. The index is currently 26.3% below cycle highs. On a month-over-month basis, seasonally adjusted new home sales increased 1.4%.

## New Home Pending Sales Index



Source: Zonda

- The markets that posted the best numbers relative to last year were Jacksonville (+11.1%), Washington, DC (+6.4%), and Cincinnati (+1.4%). Jacksonville was up compared to last year and grew 2.3% month-over-month.
- Inversely, the metros that performed the worst year-over-year were Denver (-27.5%), Las Vegas (-27.4%), and Phoenix (-25.0%).

- San Francisco, Denver, and Sacramento were the best performing markets month-over-month. San Francisco increased 20.4% relative to last month.

## New Home Pending Sales Index for Select Markets

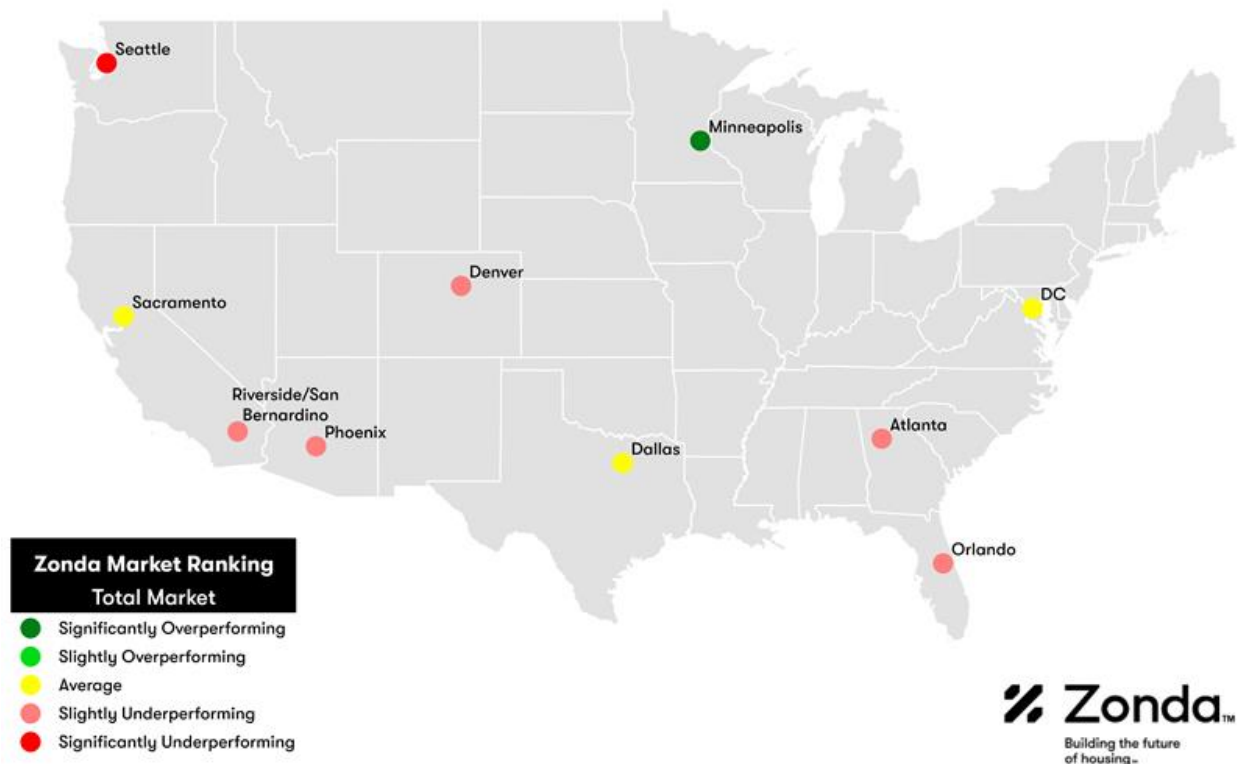
Rank	METRO	SA MOM	SA YOY
1	Jacksonville	2.3%	11.1%
2	Washington, DC	-2.6%	6.4%
3	Cincinnati	6.0%	1.4%
4	San Antonio	3.6%	-1.5%
5	Minneapolis	5.4%	-5.0%
6	Austin	2.1%	-6.3%
7	Houston	-0.2%	-7.0%
8	Raleigh	-0.3%	-7.4%
9	Baltimore	7.8%	-8.0%
10	Atlanta	-4.6%	-8.6%
11	Seattle	5.7%	-10.2%
12	Dallas	0.4%	-11.5%
13	New York	-7.9%	-13.9%
14	Sacramento	14.8%	-13.9%
15	Orlando	1.1%	-14.7%
16	Philadelphia	-4.8%	-16.2%
17	Los Angeles/OC	2.2%	-17.7%
18	Charlotte	-3.5%	-18.6%
19	Salt Lake City	-0.3%	-18.7%
20	Tampa	-6.4%	-19.3%
21	Riverside/San Bernardino	-3.3%	-23.1%
22	San Francisco	20.4%	-23.2%
23	Phoenix	4.2%	-25.0%
24	Las Vegas	-0.7%	-27.4%
25	Denver	18.3%	-27.5%

Source: Zonda

### An average market all year so far

In order to add further context to sales, Zonda created the Zonda Market Ranking (ZMR). The ZMR accounts for both sales pace and volume, is seasonally adjusted, and is taken as a percentage relative to a baseline market average. Based on the percentage above or below baseline, markets are bucketed into performance groups ranging from *significantly underperforming* to *significantly overperforming* relative to historical activity.

The map below shows a snapshot of top production markets by region. Zonda also offers the ZMR for entry-level, move-up/move-down, and high-end markets. Subscribers of the National Outlook report can access all top markets and the tiered breakdown in Zonda's portal. Non-subscribers can access the tiered maps for the select 10 markets by clicking below.



Note: The ZMR measures new home sales adjusted for supply and seasonality and compared to history. The data is as of July.

Source: Zonda

- The National ZMR index came in at 106.9 in July, which was flat month-over-month and continues to indicate an *average* market. The National ZMR has been *average* throughout 2025 so far after being rated *slightly overperforming* for all of 2024.



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Friday, August 22, 2025

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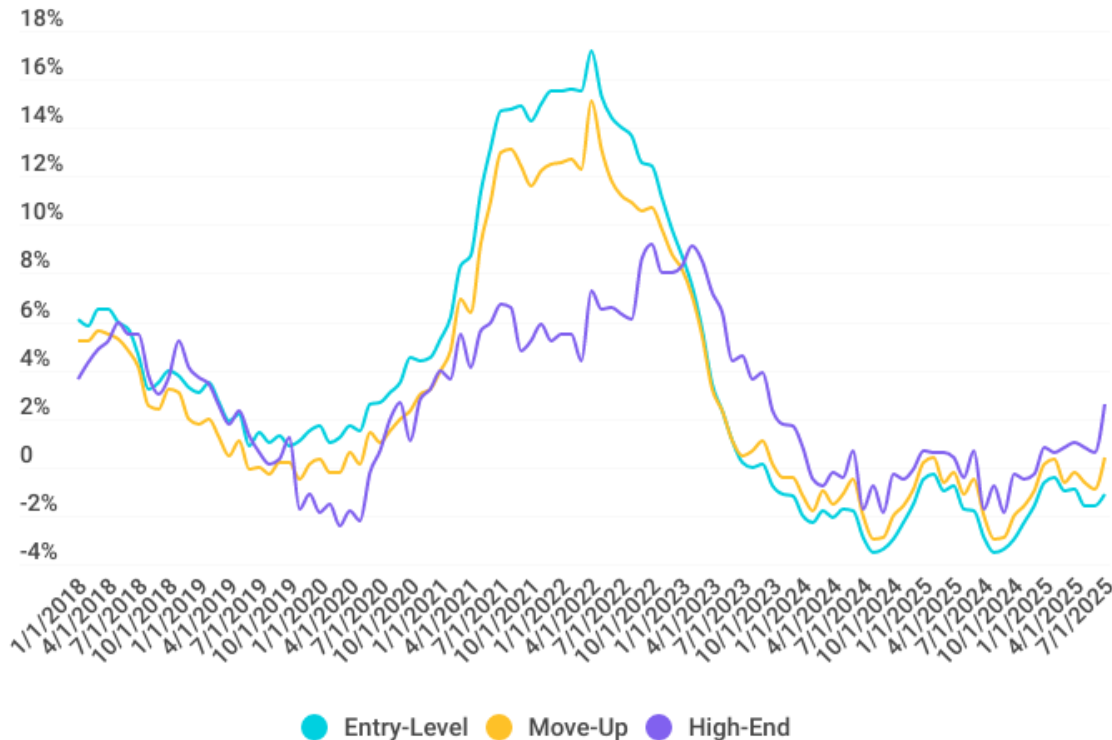
- Zonda's snapshot markets were split between 10% *overperforming*, 30% *average*, and 60% *underperforming*, largely consistent with last month's numbers. Among Zonda's top 50 major markets, 28% were *overperforming*, 32% were *average*, and 40% were *underperforming*.
- Importantly, the ZMR does not account for what it takes to sell a home. For example, securing a sale might still feel difficult in a *significantly overperforming* market, but if the incentives offered result in a sale, we count the sale.

**For the first time since January, two new home price tiers increased**

Prices fell 1.1% for entry-level homes to \$325,690 but rose 0.4% for move-up to \$518,194 and 2.6% for high-end homes to \$923,048. While the price increases seem counterintuitive to reality, the rise could be a result of new communities opening at higher prices given land and construction costs.

Supplementing our data with a monthly survey Zonda conducts, 33% of builders lowered prices in July, 61% held prices flat, and 6% raised prices. In June, for comparison, 39% of builders lowered prices MOM, 59% held prices flat, and only 2% increased prices.

## National Home Value Appreciation by Price Tier (YOY Change)



Source: Zonda

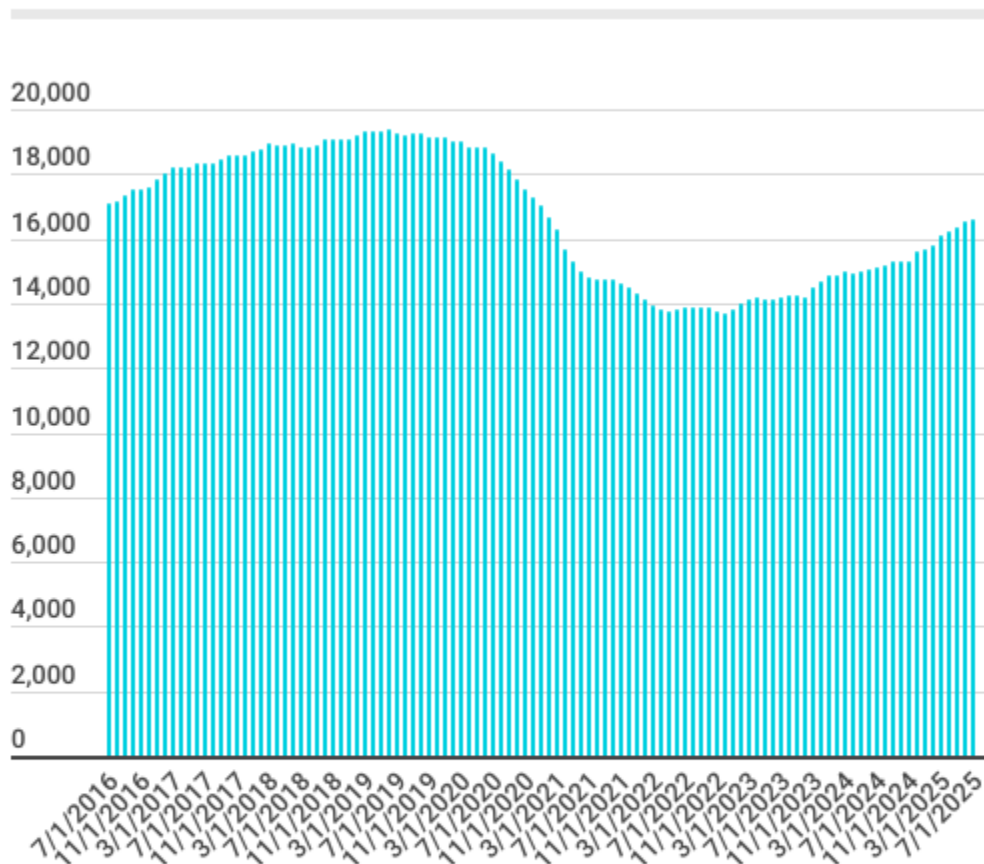
Incentives are still common in today's housing market to help address the affordability constraints for buyers. In July, 58% of new home communities offered incentives on to-be-built homes and 77% on quick move-in supply. Note, these are only publicly advertised incentives so will underrepresent overall usage.

### Communities are no longer selling out quicker than they can be replaced

There are currently 16,596 actively selling communities tracked by Zonda, up 9.8% from last year. On a month-over-month basis, the national figure grew 0.6%. The national community

count is up for the 8<sup>th</sup> consecutive month, but remains 13.7% below the same month in 2019.

## National New Home Community Count



Source: Zonda

- Orlando (+16.8%), Charlotte (+14.8%), and Raleigh (+13.5%) grew community count the most year-over-year.
- Relative to last year, the biggest community count declines were in Philadelphia (-16.3%), Minneapolis (-11.0%), and New York (-9.0%).





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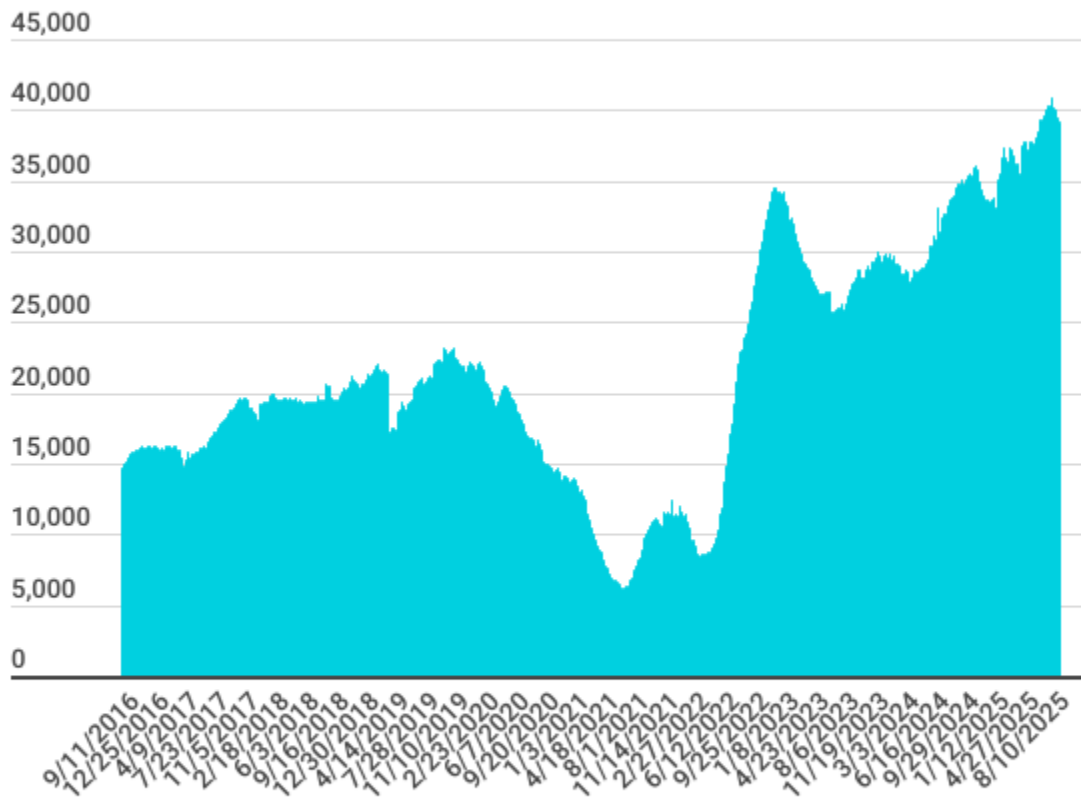
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National quick move-ins (QMIs) totaled 39,225, up 18.5% compared to last year but 2.7% lower month-over-month. Total QMIs are 75.0% above 2019 levels for the same month. QMIs are homes that can likely be occupied within 90 days.

For many consumers, QMIs provide a great alternative to resale supply given they are brand new and (often) come with builder incentives. These homes aren't flying off the shelf as they once did, though, so builders are being more cautious on new starts.

## Weekly Quick Move-In Count



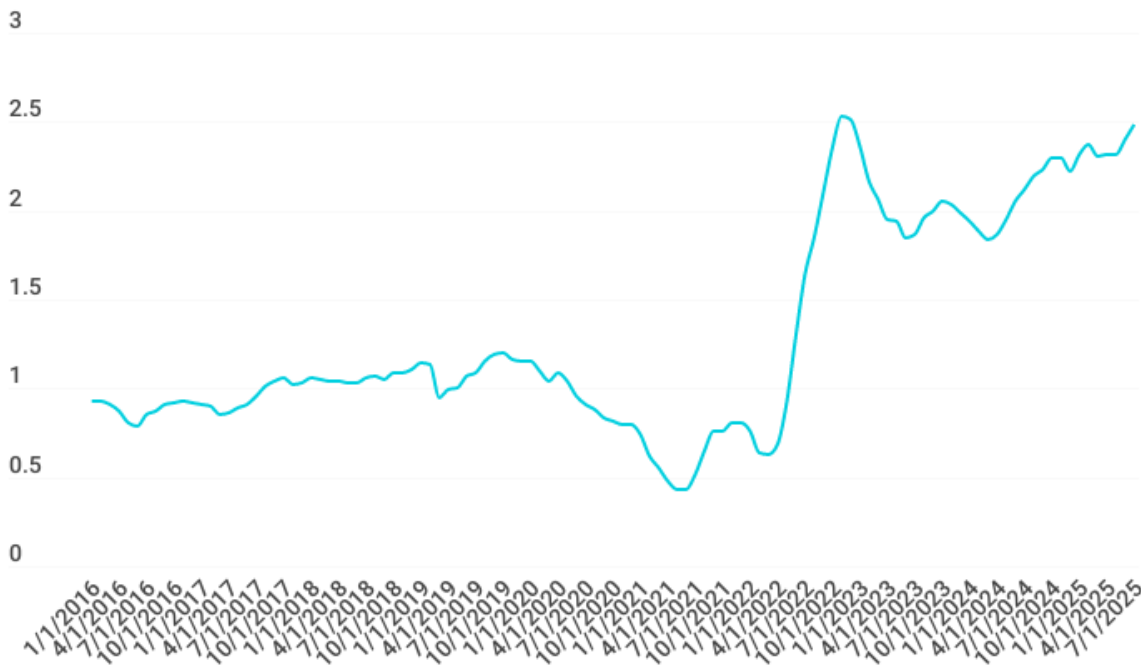
Source: Zonda

- On a metro basis, 80% of Zonda's select markets increased QMI count year-over-year.
- The markets up most in QMIs were Seattle (+146.9%), Washington, DC (+99.5%), and Baltimore (+80.9%).
- Cincinnati, Las Vegas, and Riverside/San Bernardino have seen the most growth in QMIs compared to the same time in 2019, up 277.9%, 274.2%, and 221.1%, respectively.

QMIs per community is a good way to track how new home supply looks in the context of actively selling projects. There were 2.5 QMIs per community nationally in July, up 17.3% from the 2.1 this time last year. QMI levels in July were nearly back to the peak seen in late 2022.

Please note, the QMI per community data aligns with this report covering July trends. Our quick move-in data is weekly, and we release the latest available at the time of publishing this report. As such, recreating the visual below with the data above will yield slightly different results.

## QMIs Per Community



Source: Zonda



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### **Methodology**

The Zonda New Home Pending Sales Index (PSI) is built on proprietary, industry-leading data that covers 85% of the production new home market across the United States. Reported number of new home pending contracts are gathered and analyzed each month. Released on the 15th business day of each month, the New Home PSI is a leading indicator of housing demand compared to closings because it is based on the number of signed contracts at a new home community. Zonda monitors 16,000 active communities in the country and the homes tracked can be in any stage of construction.

The new home market represents roughly 10% of all transactions, allowing little movements in supply to cause outsized swings in market activity. As a result, the New Home PSI blends the cumulative sales of activity recently sold-out projects with the average sales rate per community, which adjusts for fluctuations in supply. Furthermore, the New Home PSI is seasonally adjusted based on each markets' specific seasonality, removes outliers, and uses June 2016 as the base month. The foundation of the index is a monthly survey conducted by Zonda. It is necessary to monitor both new and existing home sales to establish an accurate picture of the relative health of the residential real estate market.

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### **About Zonda**

Zonda provides data-driven housing market solutions to the homebuilding industry. From builders to building product manufacturers, mortgage clients, and multifamily executives, we work hand-in-hand with our customers to streamline access to housing data to empower smarter decisions. As a leading brand in residential construction, our mission is to advance the home building industry, because we believe better homes mean better lives and stronger communities. Together, we are building the future of housing.

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