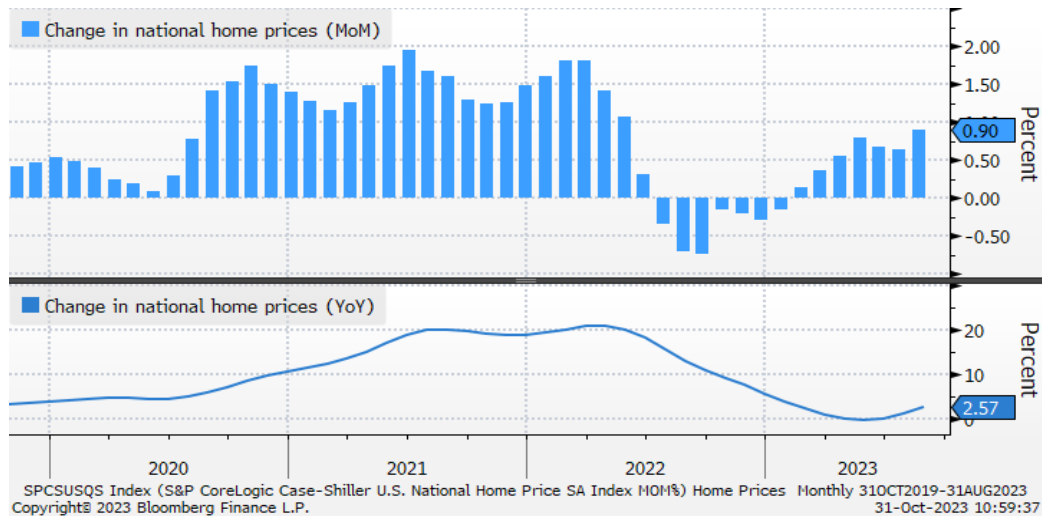


10.31.2023

Home Prices



- Despite mortgage rates hitting over 8%, home prices in the U.S. reached a new high in August after 7 months of gains (Case Shiller data is released with a lag).
- The rise in home prices has been driven by very tight inventory as the spike in mortgage rates has made homeowners reluctant to sell their current property and give up a very low mortgage rate.
- The plunge in the supply of homes for sale is counteracting the decline in demand due to higher mortgage rates.
- Borrowers have been contending with even higher mortgage rates since August due to the increase in longer-dated U.S. Treasury yields.
- The combination of higher mortgage rates and seasonal trends suggests that price appreciation will slow over the coming months.
- Cities reaching all-time highs include New York, Boston, Miami and Atlanta.

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