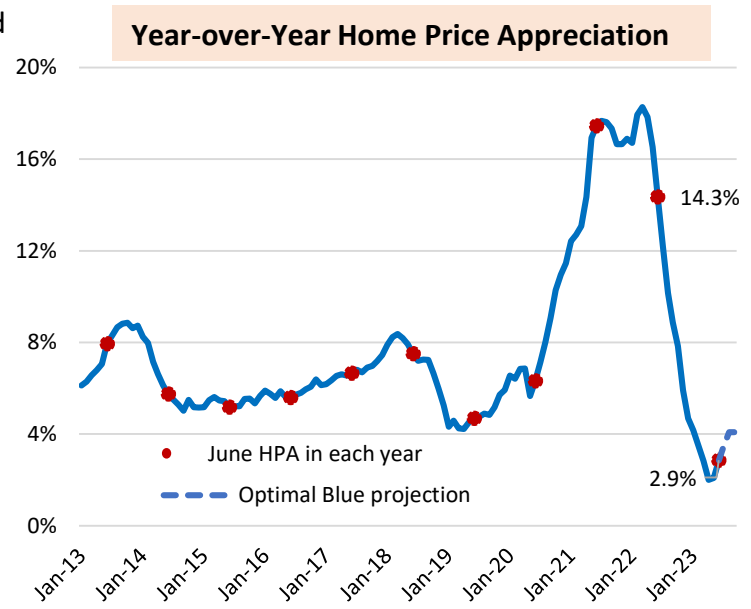
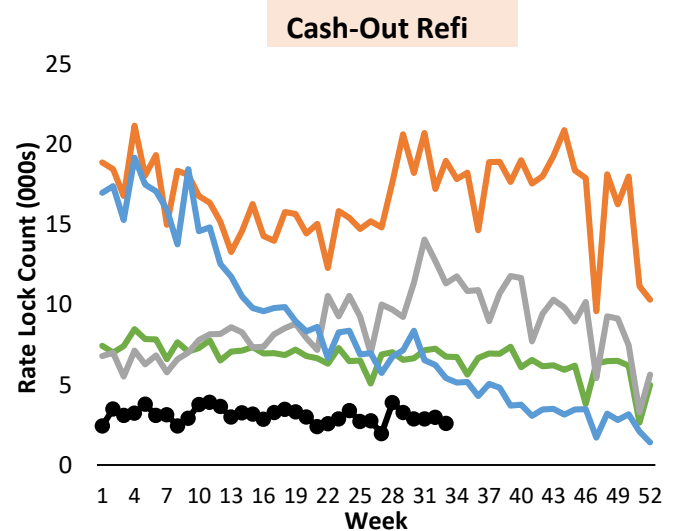
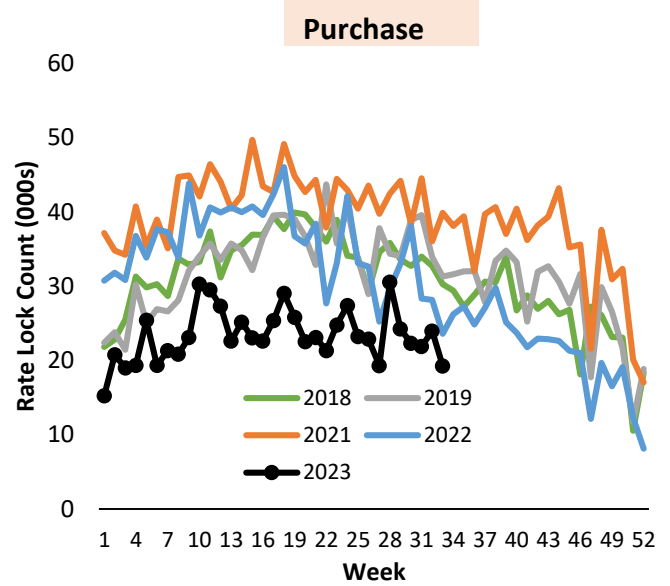


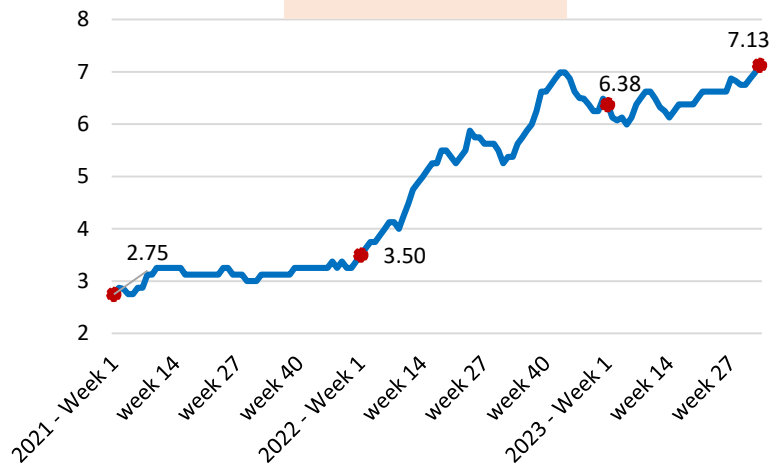


### Housing Finance Watch

- **The median purchase rate** rose 0.15 ppts. over the past week to 7.125%, setting a new series record. Mortgage News Daily reported a daily avg. 30-year rate of 7.48% on August 21<sup>st</sup>, the highest seen since late 2000.
- **Purchase volume** was down 20% from last week, down 38% from the same week in 2019, and down 30% YTD compared to 2019.
- **Cash out volume** was down 77% from the same week in 2019 and down 64% YTD compared to 2019.
- **No cash out volume** was down 97% from the same week in 2019 due to refi burnout and down 91% YTD compared to 2019.
- **M-o-m Home Price Appreciation (HPA)** was 0.7% in June 2023, continuing to be positive after m-o-m HPA had declined from July-December 2022. Using Optimal Blue data, MoM HPA is projected to be at -0.1%, -0.4%, and -0.4% for July, August and September 2023, respectively.
- **Y-o-y HPA** was 2.9% in June 2023 and is projected to increase to 4% for July, August, and September 2023.
- Despite the subdued rate of purchase activity and relatively high rates, **y-o-y HPA has begun to accelerate**. This is because buyers are well-qualified and highly motivated by a historically tight supply. Cooling, yet still strong job numbers, low levels of foreclosures in most areas, work from home, and continued home price arbitrage opportunities provide further support.
- **These conditions will likely continue** throughout the summer. Metros in the Midwest, which continue to be relatively affordable, are leading the upswing in HPA.
- Our base **HPA projection** calls for y-o-y HPA of +6% and +7% by year-end 2023 and 2024, respectively.



Median Note Rate



Note: Rate locks are limited to lenders who joined Optimal Blue Dec. 2017 or earlier. 2020 data omitted from rate lock charts due to pandemic distortions. Source: Optimal Blue and AEI Housing Center, [www.aei.org/housing](http://www.aei.org/housing).