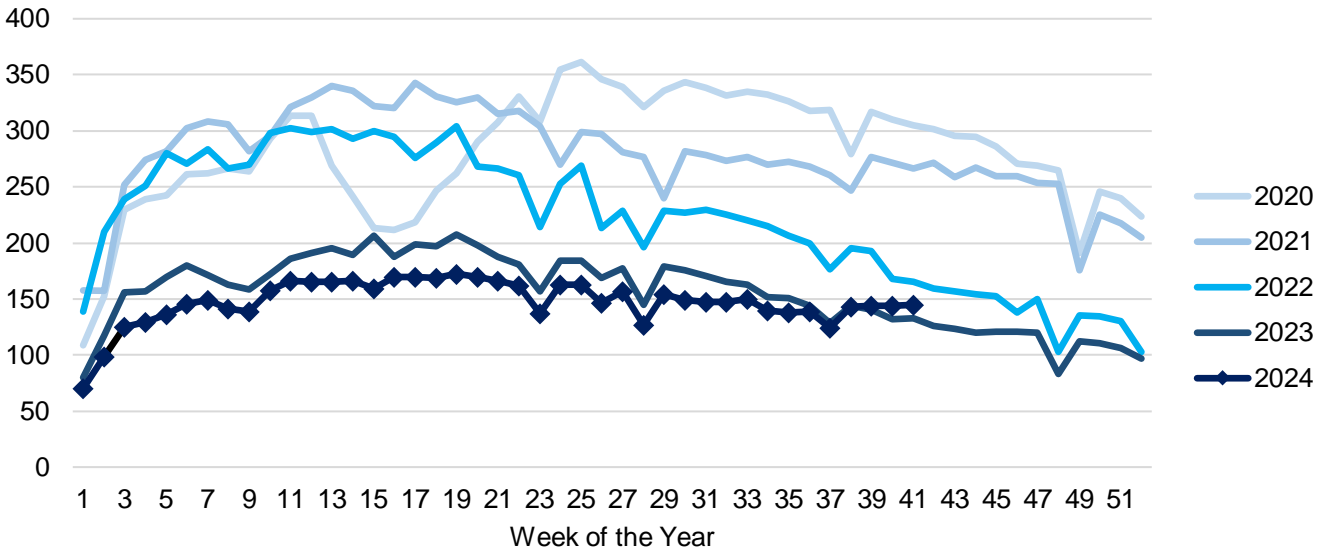


Chart of the Week - October 11, 2024
Purchase Applications Index
 Non-seasonally adjusted, based on loan count



Source: MBA Weekly Applications Survey (www.mba.org/was)

In the wake of stronger economic data, including reports on jobs and inflation, mortgage rates have moved higher, with the 30-year fixed rate rising to 6.36 percent – the highest since August, based on the most recent data from the MBA’s [Weekly Applications Survey](#). Refinance applications fell on these higher rates, but purchase applications were little changed last week and were 8% above last year’s level. While the level of purchase applications is still lower than in recent years as shown in the chart, we have seen a few weeks of year-over-year growth. This was partly helped by mortgage rates dropping from the 7% range in June 2024 to the low 6% range a few weeks ago and from a greater availability of homes for sale.

Additionally, the lower rates that we saw prior to last week came after the traditional spring home buying months - the peak in purchase activity typically occurs around April. Seasonal patterns show that purchases tend to slow after May, as shown by the non-seasonally adjusted purchase application indexes in the chart. Had rates fallen closer to the first half of the year during the spring homebuying season, there might have been a more pronounced positive impact on the purchase market.

The decision to buy a home is impacted by many factors, not just the level of mortgage rates. The largest constraint for many prospective homebuyers over the past year had been the lack of inventory. Recent data show that housing inventory and home sales listings continue to increase, so with more homes available in many markets across the country, and with mortgage rates still low compared to recent history, some potential homebuyers are moving ahead, despite last week’s upward move in rates.

While fluctuation in mortgage rates from week to week is expected, our forecast is for mortgage rates to stay in the 6% range through next year and in combination with more housing inventory, this should support a stronger spring buying season next year.