

HaMMR Digest

Stay current with economic and mortgage market trends.

Sept. 28, 2026

Parker Ross — Global Chief Economist

pross@archgroup.com | 914 216 7270 | [@econ_parker](#) on X and [Threads](#)

Leonidas Mourelatos — Assistant Vice President, Global Real Estate Economics

lmourelatos@archgroup.com | 631 521 9048

What Stops This Train?

- **Key Takeaway:** Relentless rise in Treasury yields sustained as strong preliminary business survey data for September supported buoyant growth expectations.
- **Macro Implications:** Synchronous global rise in policy rate expectations and tightening of financial conditions have not caused credit stress, at least not yet.
- **Housing Implications:** Inventory gradually building as sellers slow to respond to weakening affordability, but unlikely to produce a material slide in prices.

Macro: Butterfly Effect

- Retail diesel prices have become the major pain point of the ongoing Iran War.
- A prolonged diesel export ban could raise gas prices, opposite of intended effect.
- U.S. would also face higher imported food costs and weaker global growth.

Rates: All Aboard the Higher-for-Longer Express?

- Weaker growth, faster disinflation and less bond issuance needed to cap yields.
- 10y UST rose 17bps, steepening curve as future Fed rate cuts were priced out.
- Medium-term implied Fed policy rate has surged ~150bps in six months.

Housing Market: Buyers Gaining Upper Hand, If They Can Afford It

- Mortgage rates near 7.5%, a multi-year high with minimal signs of letting up.
- Pending sales continue to slide with canceled sales matching the 2025 high.
- Inventory slowly building alongside time on market as sellers are slow to respond.

New Home Sales: Moribund Trend Remains

- Aug. sales beat expectations (+6.4% vs. 1.3%) and July was revised up 5.9%.
- Ready-to-occupy sales down -16% SAAR in Q2 and -12% since Jan '26.
- Months' supply of completed homes at upper end of 2017–2019 range.

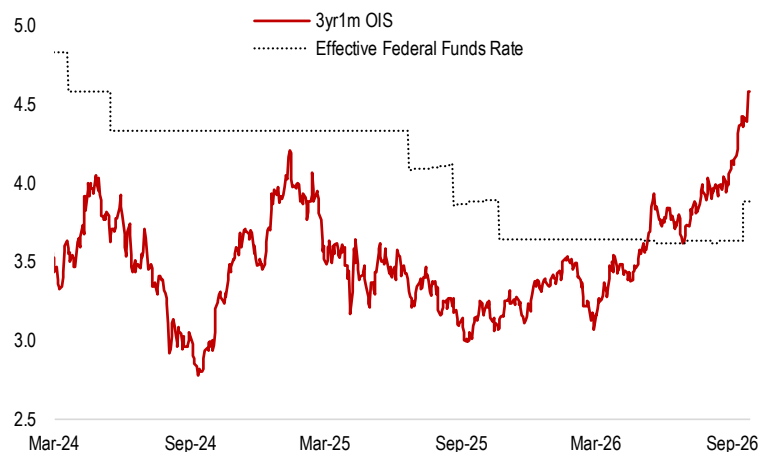
Regional Business Surveys: Hold On and Hold Firm

- Current activity through Sept. remains positive with services modestly cooling.
- Employment measures stable-to-improving while capex intentions firmed.
- Cost pressures remain elevated and will likely head higher in the near term.

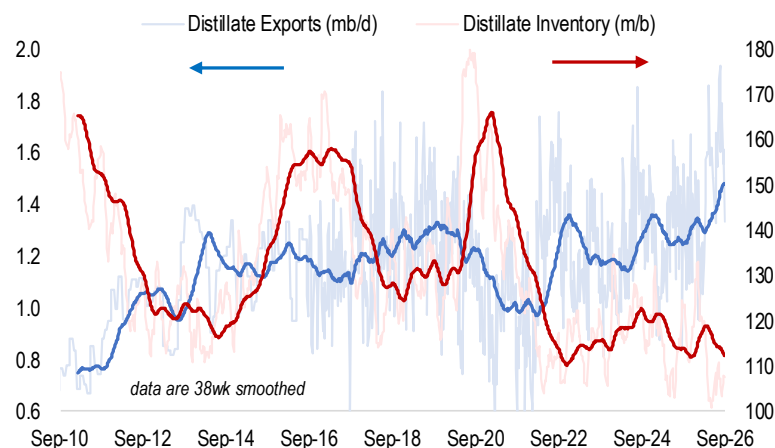
State Jobs Report: Cyclical Bounce Holding through Mid Year

- Private payroll growth strengthened in absolute and breadth terms YTD to Aug.
- Unemployment rates edged lower in 41 states on broad hiring momentum.
- Labor force utilization rising in only a handful of states, led by PA, SC, AR & LA.

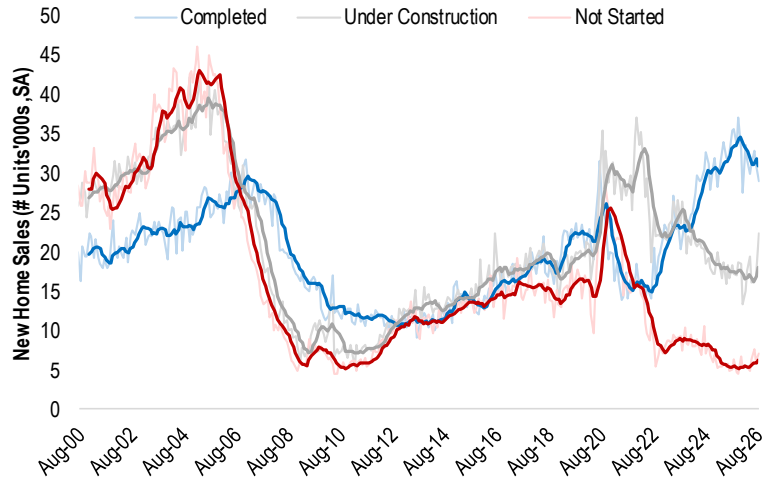
Sharp Pivot Higher for Rates Driven Mostly by Medium-Term Fed Expectations despite Cooler Core Inflation



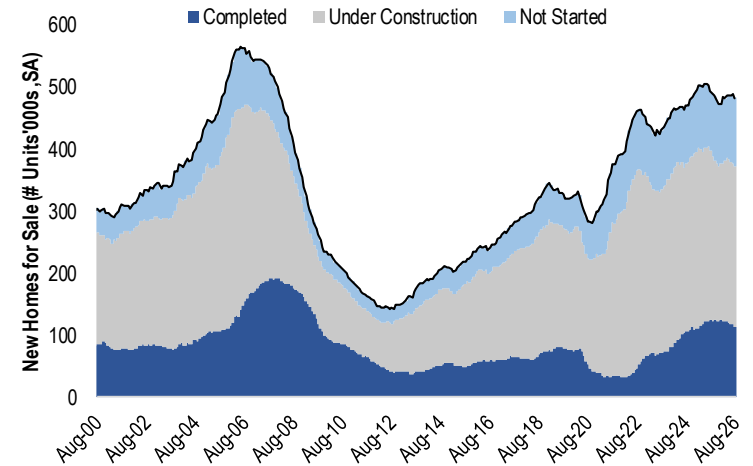
Record-Low Distillate Inventories, Record Exports, Near-Capacity Refining: Fuel for Potential Diesel Export Ban



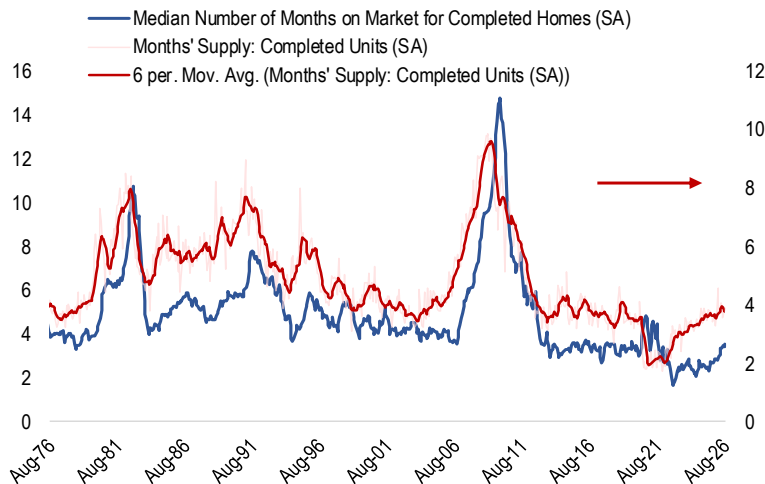
August New Home Sales Pace Surprised to the Upside, Driven by the South and Units under Construction



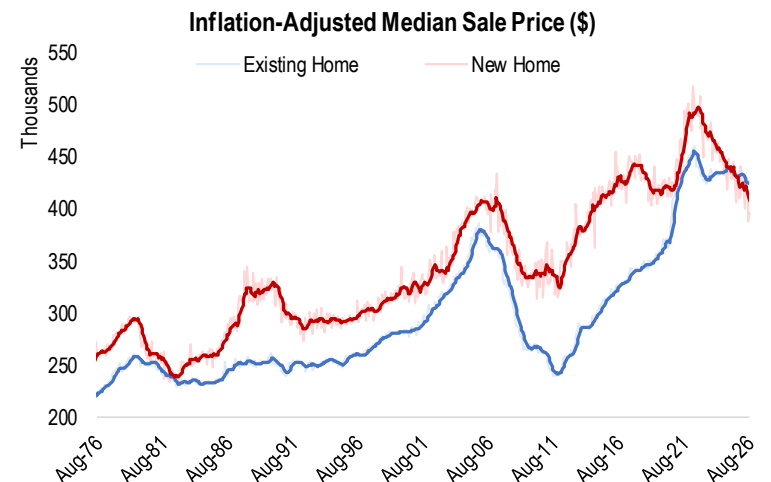
New Homes for Sale Turning Lower, Led by Ready-to-Occupy Completed Units



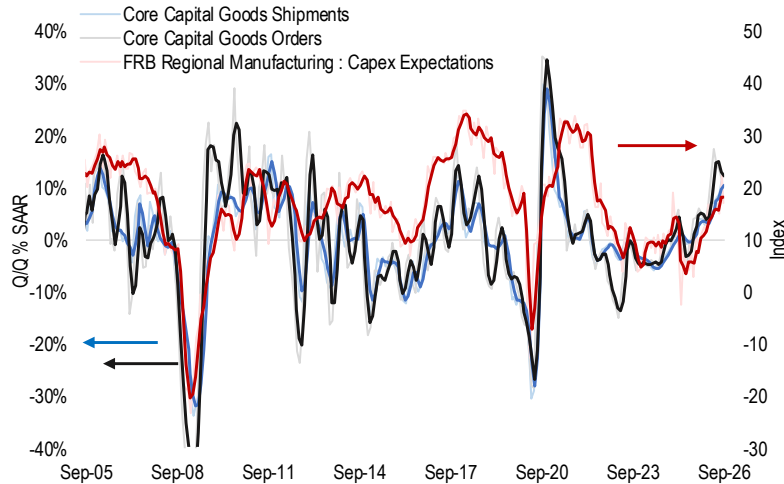
Completed Homes Are Taking Longer to Sell, despite Generous Incentives Offered by Builders



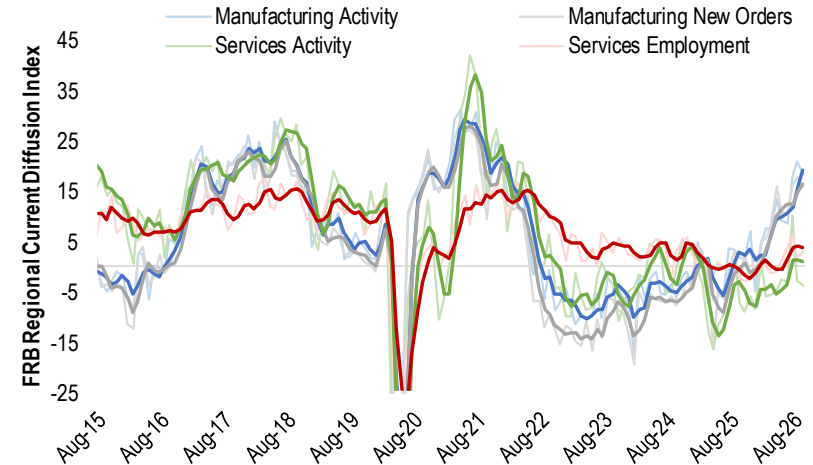
On an Inflation-Adjusted Basis, Median Sale Prices for New Homes Continue to Descend below Existing Homes



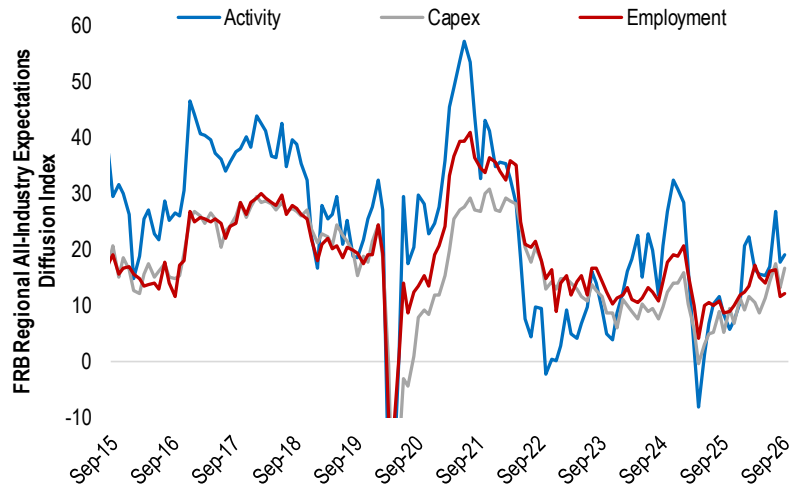
Goods Production Remains Firm, Driven by Tech, Electrical Components, Defense and Aerospace



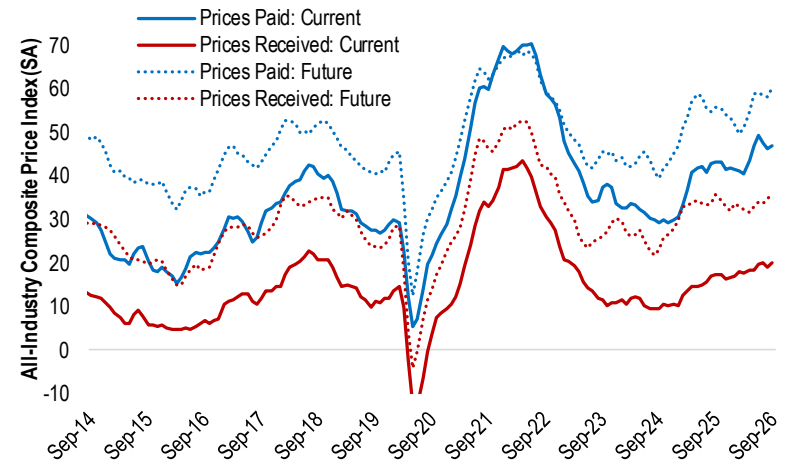
Services Industry Activity and Employment Not Stellar but Improved from Six Months Ago



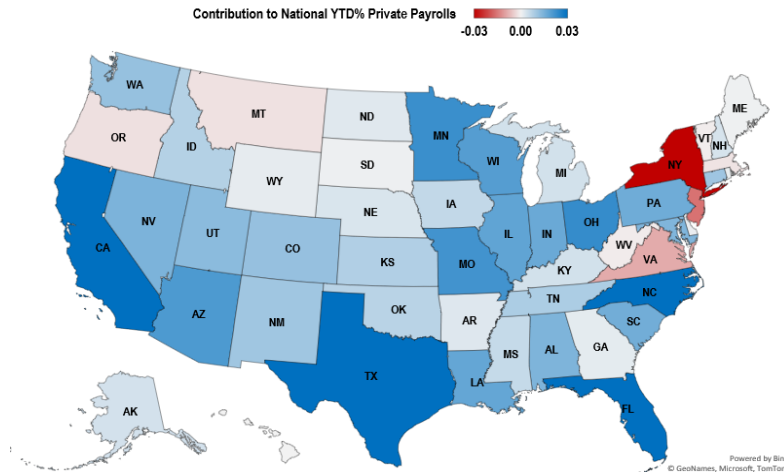
Business Expectations Have Moderated Slightly, Likely in Response to Recent Run-Up in Energy Prices



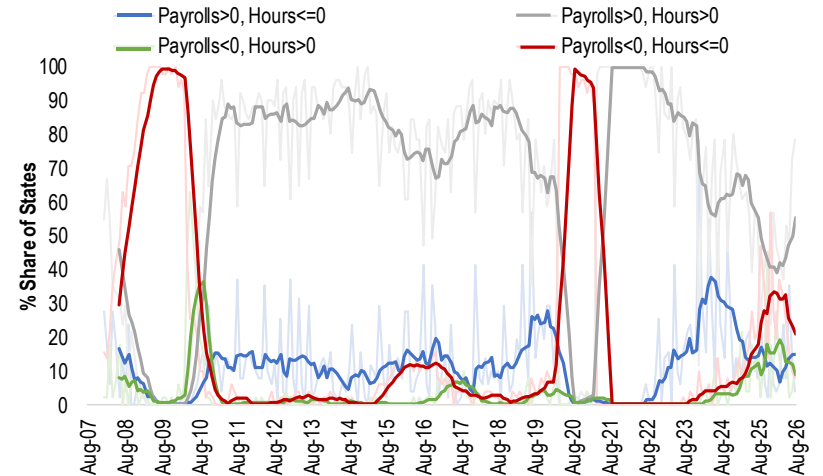
All-Industry Pricing Impulse Remains Elevated; Energy Driving Goods Side and Healthcare, Utilities for Services



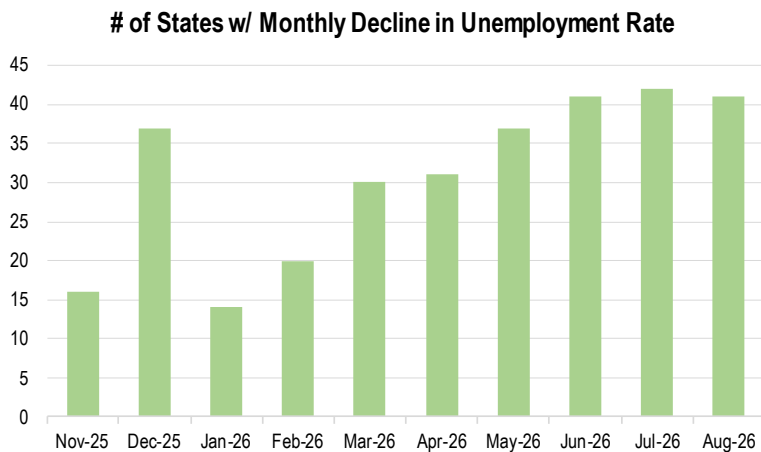
National Job Growth Has Been Driven by More Than Just Larger States with the Midwest Outperforming



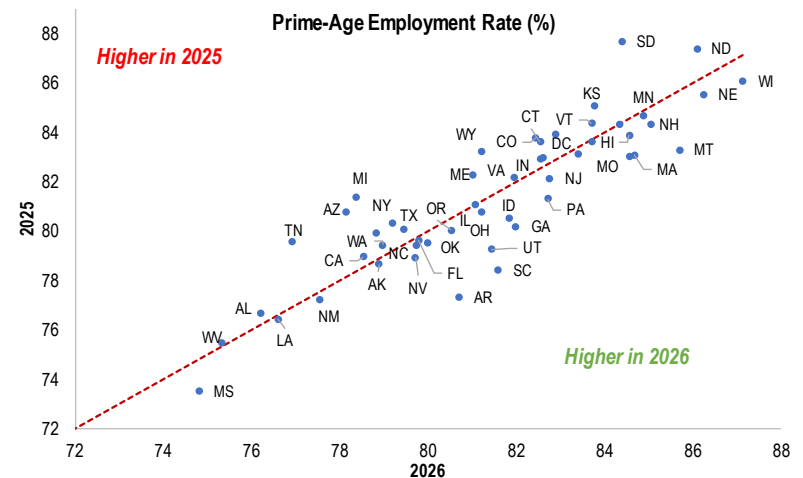
The Share of States Reporting Both Rising Private Payrolls and Hours Worked Surged in August



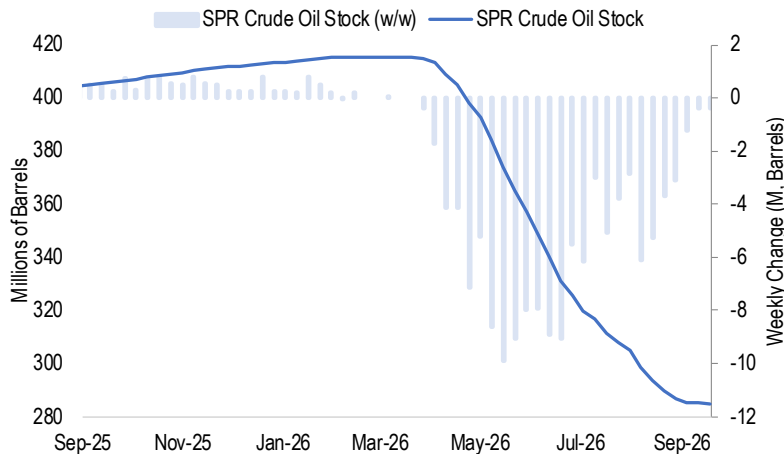
Unemployment Rates Fell in Fewer States in Aug., but Broad Declines Still Suggest Labor Market Tightness



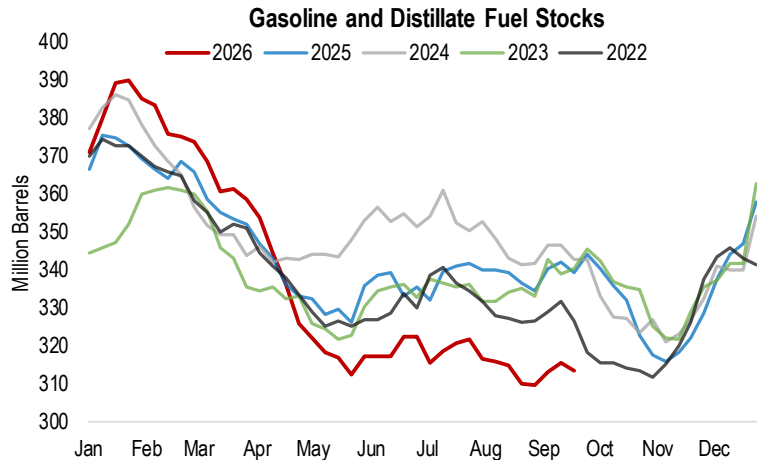
Prime-Age (25–54) Employment Stable Nationally, Masking Pockets of Weakness in Northeast and South



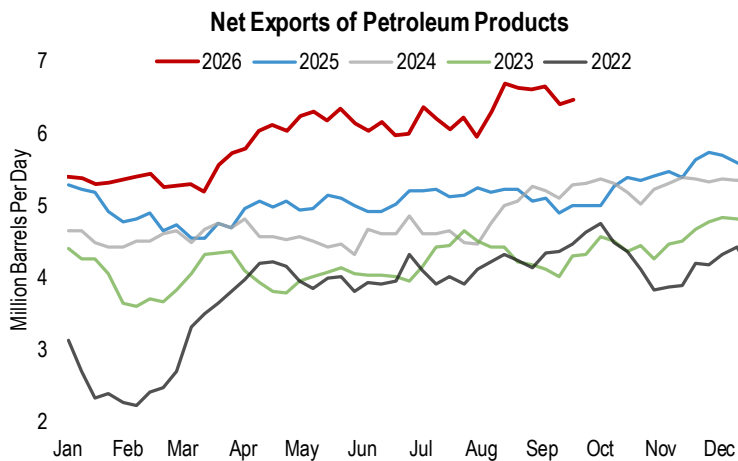
Pace of SPR Inventory Drawdown Slowing to a Crawl as Limits to Further Draws Are Near



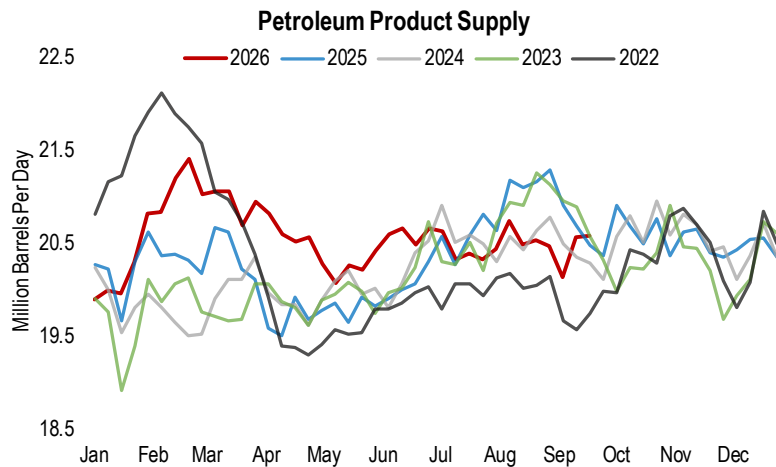
Gasoline and Distillate Stocks Edged Lower in Week Ending Sept. 18



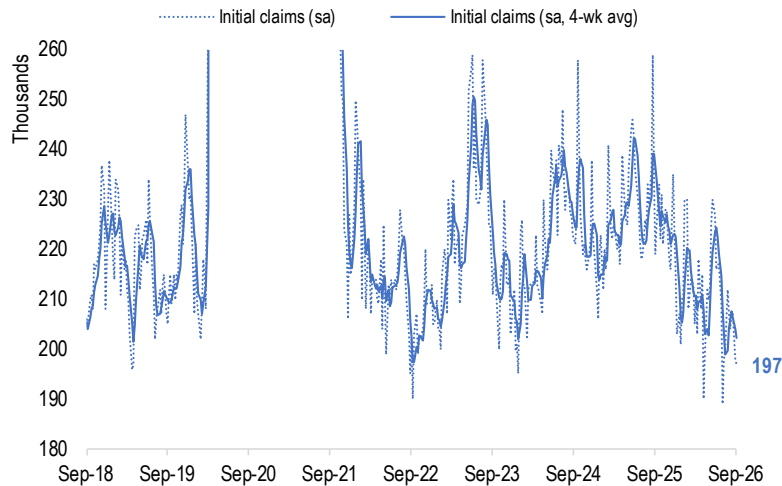
U.S. Petroleum Product Net Exports Remain Elevated above 6 mb/d



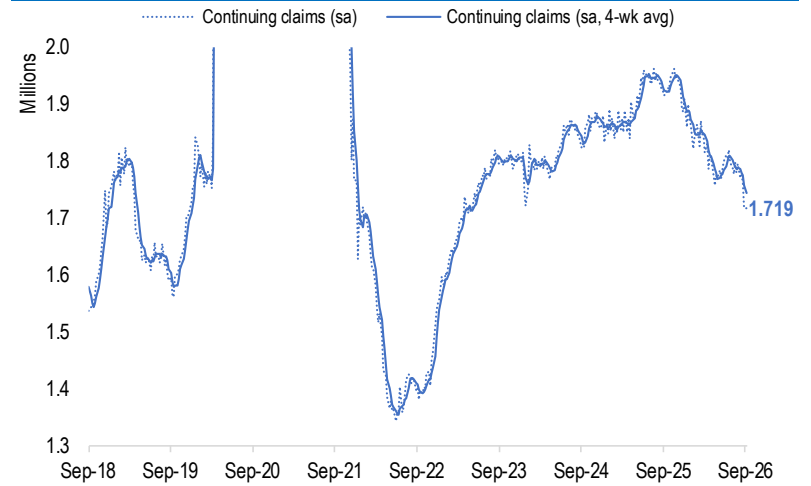
Petroleum Product Demand Firmed Slightly, Led by Distillate Demand in the U.S.



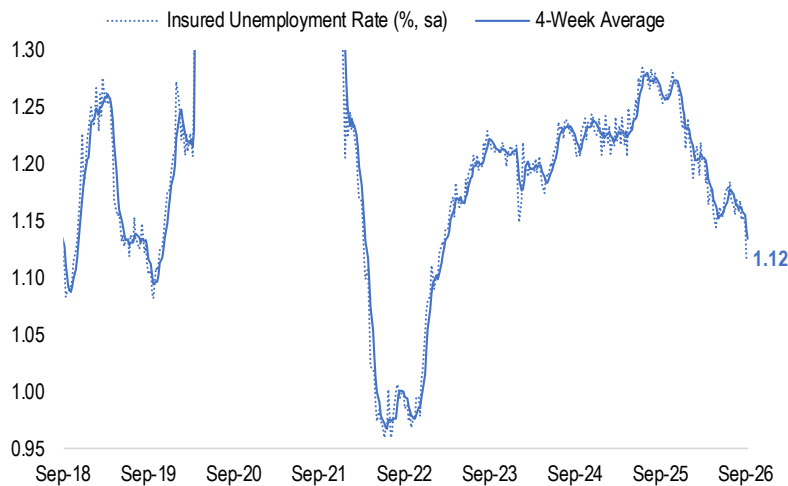
Initial Claims Dropped to 197k (SA) in Week Ending Sept. 19, Just Above Multi-Year Low



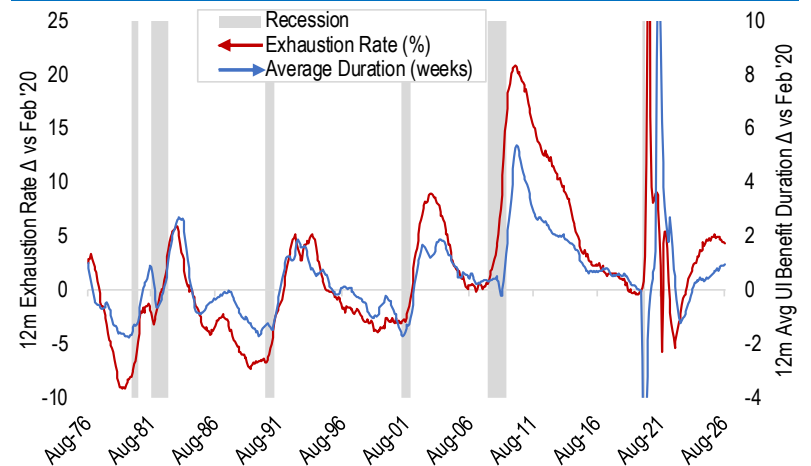
Continuing Claims Inched Up to 1,719k (SA) in Week Ending Sept. 12, Second Lowest Level since May '23



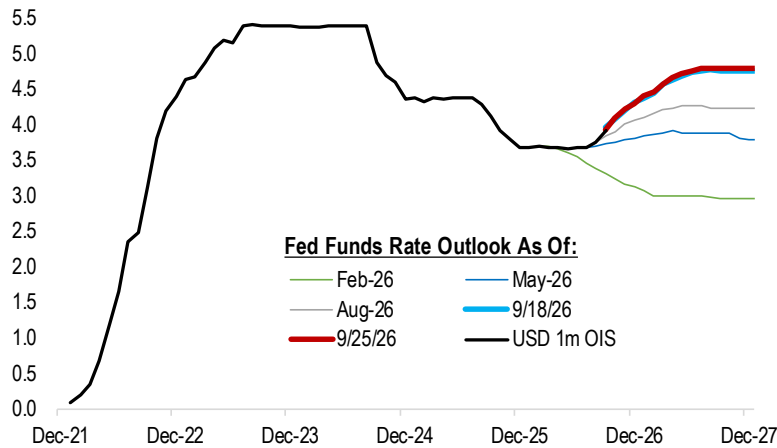
Insured Unemployment Ticked Down to 1.12% in Week Ending Sept. 12, Second Lowest Level since Jan. '23



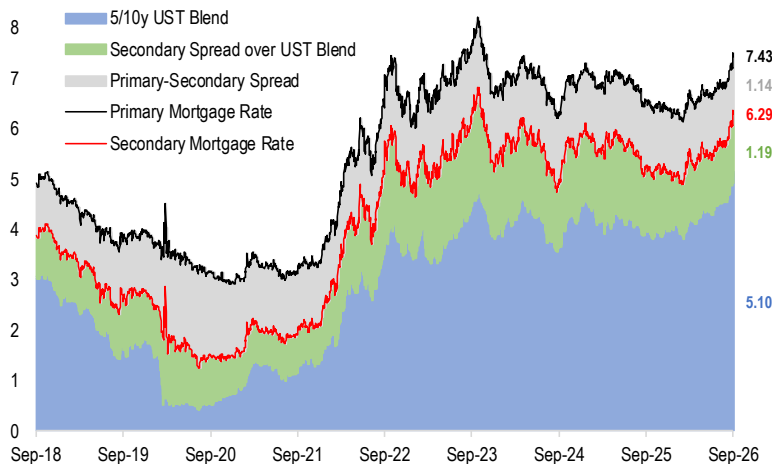
Share of Unemployed Workers Exhausting Benefits Continued to Ease through August



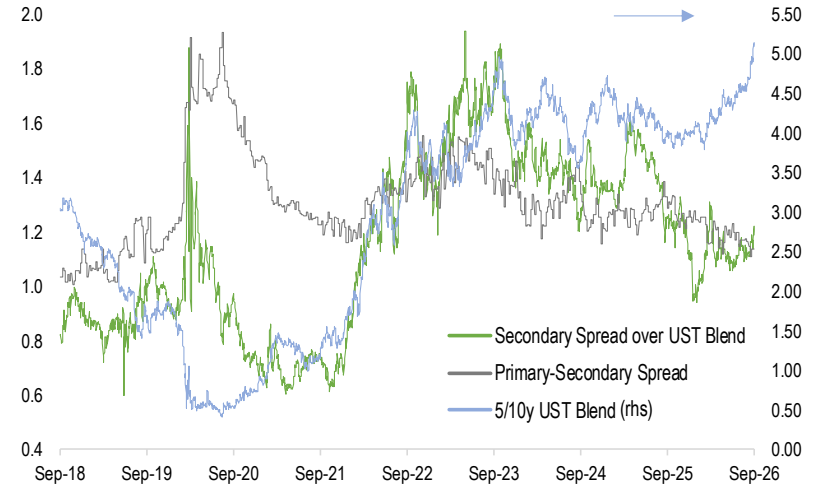
Market Pricing Now Expecting Four More Rate Hikes over Next Year after More Solid Economic Data



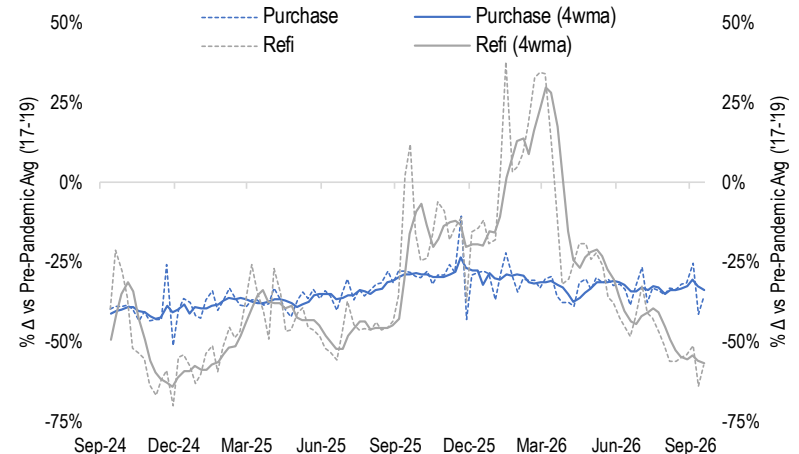
... Raising Mortgage Rates Further above 7% to the Highest Level since Nov. '23



Blended 5/10y UST Yield Surged 15bps While Mortgage Spreads Inched Up 2bps on the Week ...



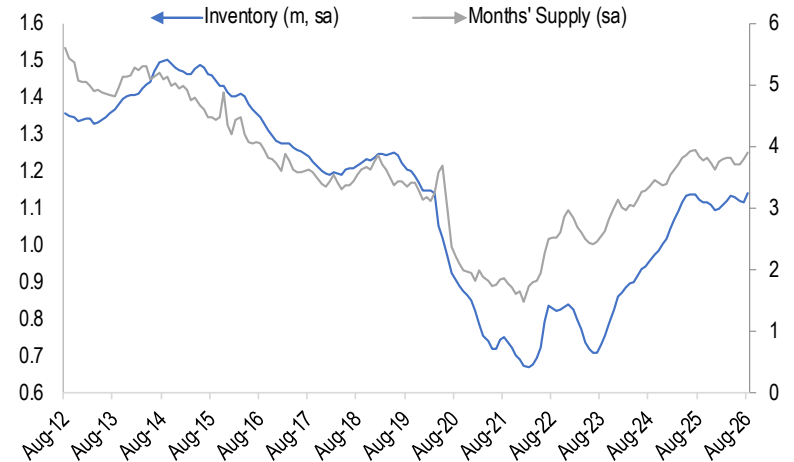
Mortgage Apps Rebound during Week Ending Sept. 18, Partly Offsetting Prior Week's Plunge after Rates Spiked



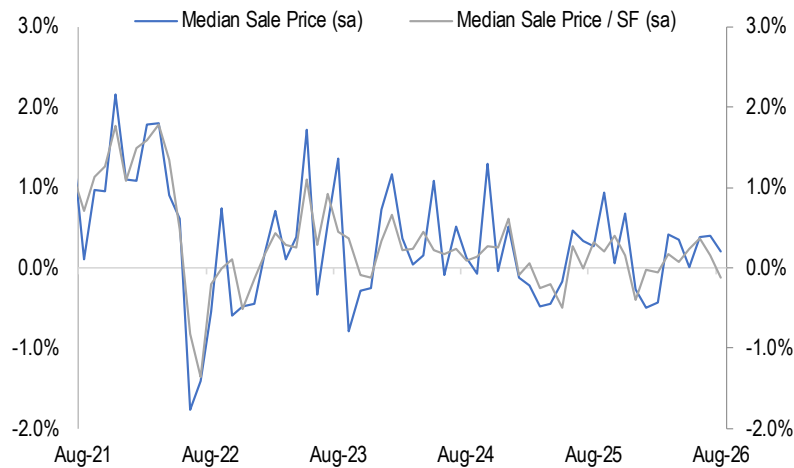
Pending Sales Have Cooled Since Mortgage Rates Spiked, but New Listings Are Still Trending Higher ...



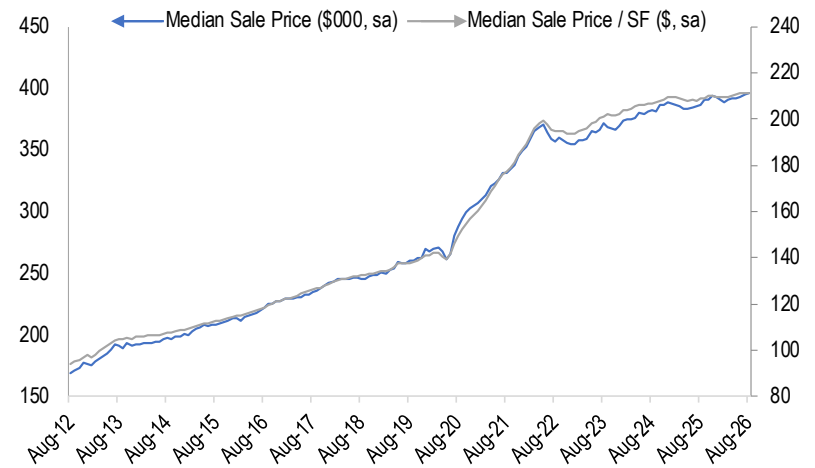
... Which Has Started to Lift Months' Supply Again after More Than a Year of Relative Stability



Pace of Seasonally Adjusted Home-Price Growth Has Started to Cool in August



National Median Home Sale Price Climbed to a New Record High in August despite Slower Growth



Location Matters: Some Markets Remain Tight with Solid HPA, While Others Have Seen Outright Price Declines

Metro	Median Sale Price Per Square Foot (y/y)		Median List Price Per Square Foot (y/y)		Active Listings with Price Drops		Average Sale-to-List Ratio (%)		Median Days on Market vs Pre-COVID		Total Active Listings (y/y)	Months' Supply vs Pre-COVID	
	Current	(Δ q/q, ppt)	Current	(Δ q/q, ppt)	Current	(Δ y/y, ppt)	Current	(Δ y/y, ppt)	Current	Year Ago		Current	Year Ago
National	0.9%	-0.3%	0.5%	-0.3%	21.0%	1.1%	98.6%	0.2%	-2.5	-2.8	2%	22%	15%
Atlanta	-0.7%	0.0%	0.3%	-0.7%	22.6%	1.0%	97.8%	0.3%	25	27	1%	53%	55%
Austin	-4.1%	-1.1%	-1.4%	3.0%	26.2%	0.2%	97.2%	0.4%	47	51	-1%	155%	140%
Baltimore	0.2%	-1.3%	0.4%	1.9%	21.9%	1.7%	100.4%	0.2%	0	-2	9%	10%	-10%
Boston	2.0%	1.3%	-1.0%	-1.9%	22.3%	6.8%	100.3%	-0.2%	2	-2	-10%	-10%	-3%
Chicago	3.3%	-2.2%	4.2%	-0.6%	13.1%	-0.3%	100.0%	0.3%	-15	-16	-1%	-34%	-33%
Dallas	-2.4%	-0.4%	0.2%	2.0%	26.7%	1.1%	97.2%	-0.1%	20	19	-6%	58%	60%
Denver	-3.5%	-4.4%	-0.3%	1.4%	30.4%	2.5%	98.4%	0.0%	17	21	-1%	125%	97%
Houston	-2.2%	0.1%	-1.3%	-0.2%	24.9%	0.1%	97.1%	0.9%	16	16	1%	60%	41%
Los Angeles	-0.6%	0.8%	-2.2%	-0.4%	16.2%	1.3%	99.4%	0.0%	3	3	-1%	45%	41%
Miami	1.5%	1.2%	2.0%	4.1%	13.4%	-0.5%	95.6%	0.3%	22	25	-14%	15%	33%
Minneapolis	0.3%	-0.8%	0.8%	-0.8%	24.4%	3.2%	99.6%	-0.3%	4	3	9%	23%	12%
Nashville	-0.5%	-0.3%	-0.2%	-1.5%	20.4%	1.4%	97.9%	0.0%	8	8	6%	63%	46%
New York	4.7%	0.1%	-0.5%	-3.0%	12.9%	0.9%	100.6%	0.3%	-43	-39	-2%	-30%	-28%
Phoenix	-0.8%	0.1%	0.5%	0.6%	22.6%	2.5%	97.9%	0.1%	30	32	-2%	120%	108%
Portland	0.2%	1.0%	0.3%	-0.3%	26.3%	1.3%	99.3%	0.1%	7	14	-2%	53%	48%
Riverside	0.9%	1.6%	0.6%	2.0%	17.8%	1.0%	98.9%	0.1%	0	7	-7%	30%	36%
San Diego	0.4%	3.4%	-0.6%	0.7%	21.5%	2.2%	99.0%	0.3%	3	12	-5%	29%	25%
Seattle	-5.5%	-2.7%	-5.7%	-1.8%	23.7%	2.8%	98.7%	-0.4%	8	4	21%	104%	42%
Tampa	-0.2%	-1.5%	-2.3%	-2.1%	23.6%	-2.2%	97.1%	0.5%	36	20	4%	105%	81%
Washington DC	-0.3%	-1.9%	-0.5%	-0.7%	19.1%	1.6%	99.4%	0.1%	15	11	8%	63%	38%

Data as of Sep. 20, 2026, relecting 4-week averages.