Weekly Mortgage & Housing Market Update

Week of August 17–21, 2026 · Data current through Wednesday, August 19

MORTGAGE & HOUSING | AUGUST 2026

Mortgage Rates Remain Elevated

6.67%

30-Year Fixed

Down slightly from 6.69% the prior week (Freddie Mac survey)

5.96%

15-Year Fixed

Declined from 6.01% the prior week

Mid-6%

Daily Market Range

Rates have held in the mid-6% range throughout the week

Rates remain stubbornly elevated despite modest week-to-week improvement. Buyers are increasingly adjusting to the current environment rather than counting on a quick return to 5% mortgages.

What's Driving Mortgage Rates This Week?

TREASURY YIELDS CREATE NEW PRESSURE

Rising Treasury Yields

U.S. Treasury yields have moved higher as markets digest government borrowing, resilient economic growth, and persistent inflation concerns.

Mortgage-Backed Securities Competition

Long-term Treasury yields directly influence mortgage pricing because mortgage-backed securities compete with Treasuries for investors.

Global Bond Selloff

A broader global bond selloff continued Wednesday, adding another source of near-term mortgage-rate volatility independent of Fed policy.

What to watch: Inflation data, Treasury yields, and expectations surrounding the Fed's September meeting will remain key drivers of mortgage pricing.

Mortgage Demand Shows Resilience

The Mortgage Bankers Association's latest release indicates mortgage applications **increased again this week**, following a 3.6% increase in the prior weekly survey.

Payment-Sensitive Borrowers

Buyers remain highly payment-sensitive, carefully evaluating total monthly costs.

Refinance Activity

Opportunities concentrated among homeowners with higher existing rates or specific financial needs.

Motivated Buyers Lead

Purchase activity driven by buyers who need to move, not those trying to perfectly time rates.

Delinquencies Contained

MBA's latest quarterly report shows only a modest change in overall delinquency conditions.

National Housing Market: Buyers Gain Leverage

THE MARKET IS SLOWLY REBALANCING

Key Numbers

Buyers gaining negotiating power in **41 of the 50** largest U.S. housing markets

Roughly **20% of listings** have experienced price reductions

Realtor.com 2026 forecast: **~2.2% home-price growth** and **1.7% increase** in existing-home sales

The 2026 Story

- More inventory is creating additional buyer choice
- Sellers increasingly need to compete on price and condition
- Affordability remains the biggest constraint
- Midwest and Northeast remain tighter than South and West
- New construction has slowed, limiting how quickly affordability can improve

Regional Spotlight: Texas & Arizona

🤠 Texas — Buyers Have More Leverage

Texas continues one of the clearest post-pandemic resets. Austin shows annual price declines of **2%–3%**, with median reductions from list price reaching roughly **$35,000**. Dallas-Fort Worth has also experienced sustained softness. Houston and San Antonio benefit from relative affordability and population growth.

Opportunity: Seller credits, rate buydowns and price negotiations can offset today's financing costs.

🌵 Arizona — Phoenix Normalizing

Phoenix-area sales volume in June finished approximately **8% above prior year** (though ~5 points reflected an extra business day). Inventory has recovered significantly. Buyers have more time to evaluate and negotiate. ARMLS data shows dramatic variation by neighborhood, price point, and property type.

Opportunity: A "right home at the right price" market rather than a broad bidding-war market.

Regional Spotlight: Illinois, Wisconsin & Ohio

Illinois — Tight Inventory Supports Prices

June home sales increased year over year. Chicago metro inventory fell **14.4%** from June 2025, creating continued competition. Limited supply continues supporting prices despite elevated rates.

Wisconsin — Affordability Meets Limited Supply

Year-to-date existing-home sales up **3.7%**. Statewide median price increased **6.3%** to **$340,000**. Demand continues to exceed available supply in many communities.

Ohio — Sales, Prices AND Listings Rise

12,723 homes sold in July, up 2.5% YoY. Median sales price reached **$285,000**, up 3.6% from $275,000. Active listings also increased. Toledo highlighted by Realtor.com as a top value-oriented market for 2026.

Regional Spotlight: New England & Southeast

🦞 New England — Inventory Is the Story

Hartford is Realtor.com's **#1 projected housing market for 2026**, forecasting strong sales and price growth. Worcester, MA–CT also ranks among top performers. Limited construction and strong demand support prices throughout the region. Rhode Island and Massachusetts have experienced some of the country's sharpest post-pandemic affordability deterioration.

🌴 Southeast — Growth With More Buyer Leverage

Population growth and employment expansion support the region, but conditions have shifted. Inventory recovery and new construction have increased seller competition. Florida remains especially sensitive to total homeownership costs — insurance, taxes, HOA, and condo expenses. Georgia, Tennessee, and the Carolinas continue benefiting from in-migration.

Opportunity: Combine purchase-price negotiations with seller-paid closing costs or rate buydowns.

The Regional Divide

The U.S. increasingly has two distinct housing markets — making localized knowledge essential for Realtors and loan officers alike.

Market	Current Trend	Buyer/Seller Dynamic
Texas	Inventory rising / softer pricing	Buyer advantage
Arizona	Normalizing	Increasingly balanced
Illinois	Tight inventory	Seller advantage
Wisconsin	Rising prices / limited supply	Competitive
New England	Severe supply constraints	Seller advantage
Ohio	Sales + inventory growing	Balanced / healthy
Southeast	Inventory improving	Buyer leverage increasing

Two Americas: The National Housing Split

Localized market knowledge is increasingly critical. The same national headline rate affects buyers very differently depending on whether they are shopping in Phoenix versus Hartford, or Columbus versus Miami.

Key Takeaways: Mortgage Market

Rate: 6.67%

Latest Freddie Mac 30-year rate. Rates have changed relatively little over the past several weeks.

Treasury Yield Risk

Rising Treasury yields could create renewed upward pressure on mortgage rates in the near term.

Applications Resilient

Mortgage applications continue responding positively when rates and affordability conditions improve.

Fed Watch

September Fed meeting expectations remain a key variable for mortgage pricing through year-end.

Key Takeaways: Housing Market

Buyers Gaining Leverage Nationally

Negotiating power improving in 41 of the 50 largest U.S. markets, with ~20% of listings seeing price reductions.

South & West Offer More Flexibility

Texas, Arizona, and much of the Southeast offer buyers more room to negotiate on price, concessions, and rate buydowns.

Midwest & Northeast Remain Tight

Illinois, Wisconsin, and New England remain inventory-constrained with continued pricing support for sellers.

Ohio Stands Out

Strong combination of affordability, inventory improvement, and healthy transaction growth makes Ohio a market to watch.

Hyperlinked Sources

Mortgage Rates & Economy

- Freddie Mac — Primary Mortgage Market Survey
- Freddie Mac — Mortgage Rate Archive
- Mortgage Bankers Association — Weekly Applications Survey
- Reuters — Why Rising Treasury Yields Matter, August 18, 2026
- Freddie Mac — Economic & Housing Research

National Housing

- Realtor.com — 2026 National Housing Forecast
- Realtor.com — Top Housing Markets for 2026
- Realtor.com — Housing Research & Data

Regional Market Data

- Texas Real Estate Research Center — Housing Activity
- Texas Real Estate Research Center — Texas Housing Insight
- Arizona Regional MLS — Market Statistics
- ARMLS — July 2026 STAT Report
- Illinois REALTORS — Market Statistics
- Wisconsin REALTORS Association — Housing Statistics
- Ohio REALTORS — July 2026 Housing Market Report
- Florida REALTORS — Florida Market Reports
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