

Stewart Sadler
Divisional Sales Manager, Neighborhood Loans
Company NMLS# 222982 NMLS# 147938
41 Marietta Street alpharetta, Georgia 30009

Office: 678-578-7605
Mobile: 404-441-4765
ssadler@neighborhoodloans.com
View My Website

Affordability at 10-Year Low, Tariffs and Rate Hikes Made It Worse

We now have an unfortunate sign that the recovery is complete. The National Association of Homebuilders (NAHB) says housing affordability is the **lowest level since just before the housing crisis hit.**

The NAHB says the Wells Fargo Housing Opportunity Index (HOI) shows that a combination of rising home prices and higher mortgage rates now means that only 57.1 percent of new and existing homes sold during the second quarter of 2017 were affordable to families earning the U.S. median income of $71,900. This is down from the 61.6 percent of homes sold in the first quarter that were affordable to median-income earners and is the lowest reading since mid-2008.

The index reflects the increase in the national median home price to $265,000 in the second quarter, the highest median price ever recorded in the HOI series, and a 30-basis point hike in interest rates to 4.67 percent. The median price in the first quarter was $252,000 and the average rate was 4.34 percent.

"**Tight inventory** conditions and **rising construction costs** are factors that are holding back housing and putting upward pressure on home prices," NAHB Chairman Randy Noel said. "Meanwhile, tariffs on Canadian lumber imports into the U.S. are further eroding housing affordability. Builders are struggling to manage these costs to ensure pricing does not outpace expected gains in wage growth."

"Rising household formations, along with a strong economic expansion in the second quarter that has fueled job growth, will support housing demand in the second half of 2018," said NAHB Chief Economist Robert Dietz. "However, growing trade war concerns and the expectation of higher mortgage rates are additional headwinds negatively affecting housing affordability."

National Average Mortgage Rates



Mortgage News Daily	Rate	Change	Points
30YR Fixed	7.33%	-0.12	0.00
15YR Fixed	6.89%	-0.10	0.00
30YR FHA	6.95%	-0.10	0.00
30YR Jumbo	7.44%	-0.06	0.00
7/6 SOFR	6.81%	-0.19	0.00
30YR VA	6.97%	-0.10	0.00

Rates as of: 11/20

MBS and Treasury

	Price / Yield	Change
MBS UMBS 6.0	99.51	+0.41
10 YR Treasury	4.9403	-0.1033
30 YR Treasury	5.3324	-0.0738

Pricing as of: 11/20 5:59PM EST

Recent Housing Data

		Value	Change
Mortgage Apps	Nov 11	199.8	-2.35%
Building Permits	Oct	1.3M	-7.5%
Housing Starts	Oct	1.31M	+7.21%
New Home Sales	Sep	676K	-1.17%
Pending Home Sales	Oct	63	-4.69%
Existing Home Sales	Oct	3.99M	+0.25%
Builder Confidence	Nov	25	-13.79%

© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: http://mortgageratesweekly.com/cmg-teamsadler

The **most affordable major housing market** in the second quarter was in Syracuse where 89.1 percent of homes sold were affordable to households with the area's median income of $74,100. Neighboring Elmira was the most affordable small market with 97 percent of homes attainable to buyers with a median income of $71,000

Rounding out the top five affordable major housing markets in respective order were Scranton-Wilkes Barre and Harrisburg-Carlisle, Pennsylvania, Indianapolis, and Youngstown. The remainder of the most affordable smaller markets include Kokomo, Indiana, Davenport-Moline-Rock Island; Cumberland, Maryland, and Wheeling, West Virginia.

All five of **the least affordable major markets were in California** with San Francisco leading the list for the third straight quarter. There, just 5.5 percent of the homes sold in the second quarter of 2018 were affordable to families earning the area's median income of $119,600. The National Association of Realtors said yesterday the median home price in San Francisco rose over $1 million in the second quarter. The remaining four least affordable metropolitan statistical areas were those centered around Los Angeles, Anaheim-Santa Ana, San Jose, and San Diego.

All five least affordable small housing markets were also in the Golden State. At the very bottom of the affordability chart was Salinas, where 9.8 percent of all new and existing homes sold are considered affordable at the median income of $69,100. In descending order, other small markets were Santa Cruz-Watsonville; Napa; San Luis Obispo-Paso Robles, and San Rafael.

© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: http://mortgageratesweekly.com/cmg-teamsadler