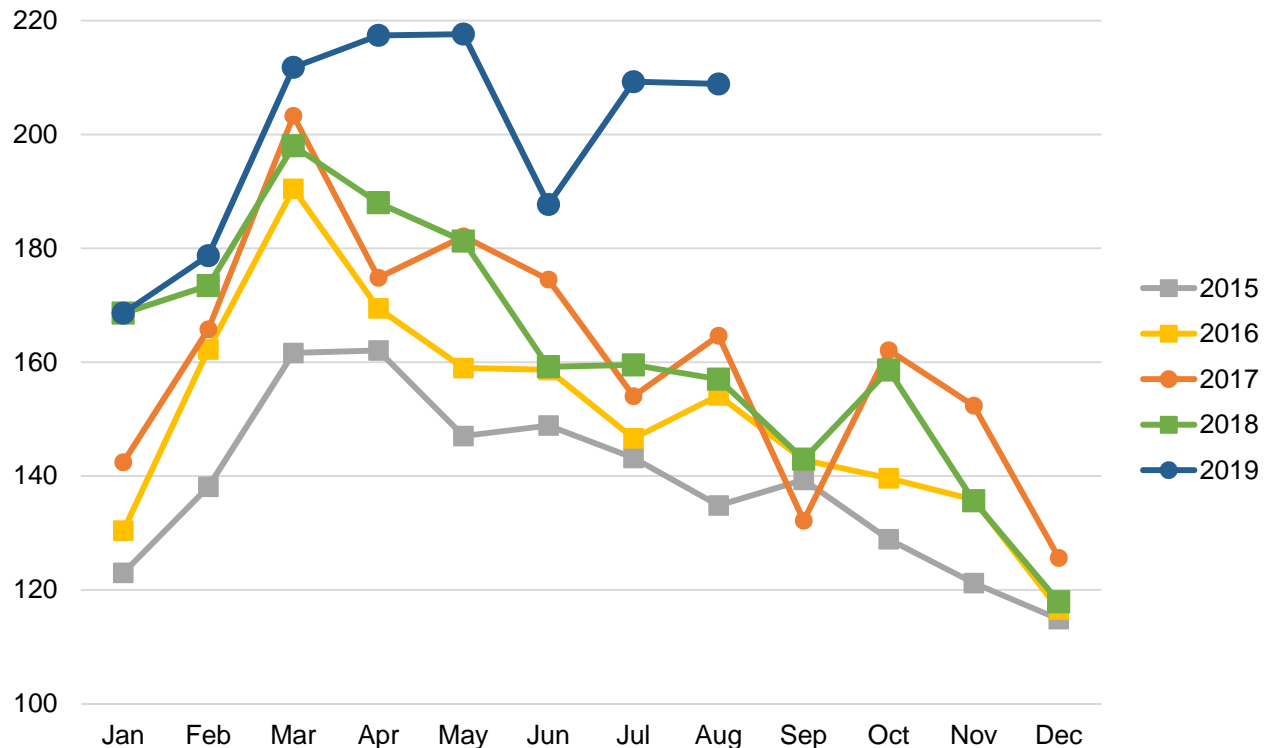


Chart of the Week - September 20, 2019

New Home Purchase Applications

Non-seasonally adjusted, based on number of applications



Source: MBA's Builder Applications Survey

MBA's Builder Application Survey tracks mortgage applications taken by lenders affiliated with, or who work in cooperation with, home builders on the purchase of new single family homes. This week's chart highlights the strength we have seen in the homebuilding sector thus far in 2019. In [August, our most recent data](#), applications were 33 percent higher than in August 2018. As shown in the chart, there has been a 16 percent year-over-year increase in activity so far this year.

Despite a slightly less optimistic economic outlook due to the tremendous amount of uncertainty in the domestic and global economy in the months ahead, this data and other housing indicators – such as home sales and housing starts – remain bright spots.

The combination of low unemployment and increasing wage growth, mortgages rates decreased over the month of August to their lowest levels in three years. The combination of these factors have helped to support growth in purchase activity.

Given that single-family housing starts and permits have been increasing in recent months, we expect new and existing home sales to slightly rise. One thing to watch out for is the typical seasonality that usually results in more muted homebuilder activity as the weather gets colder come winter.