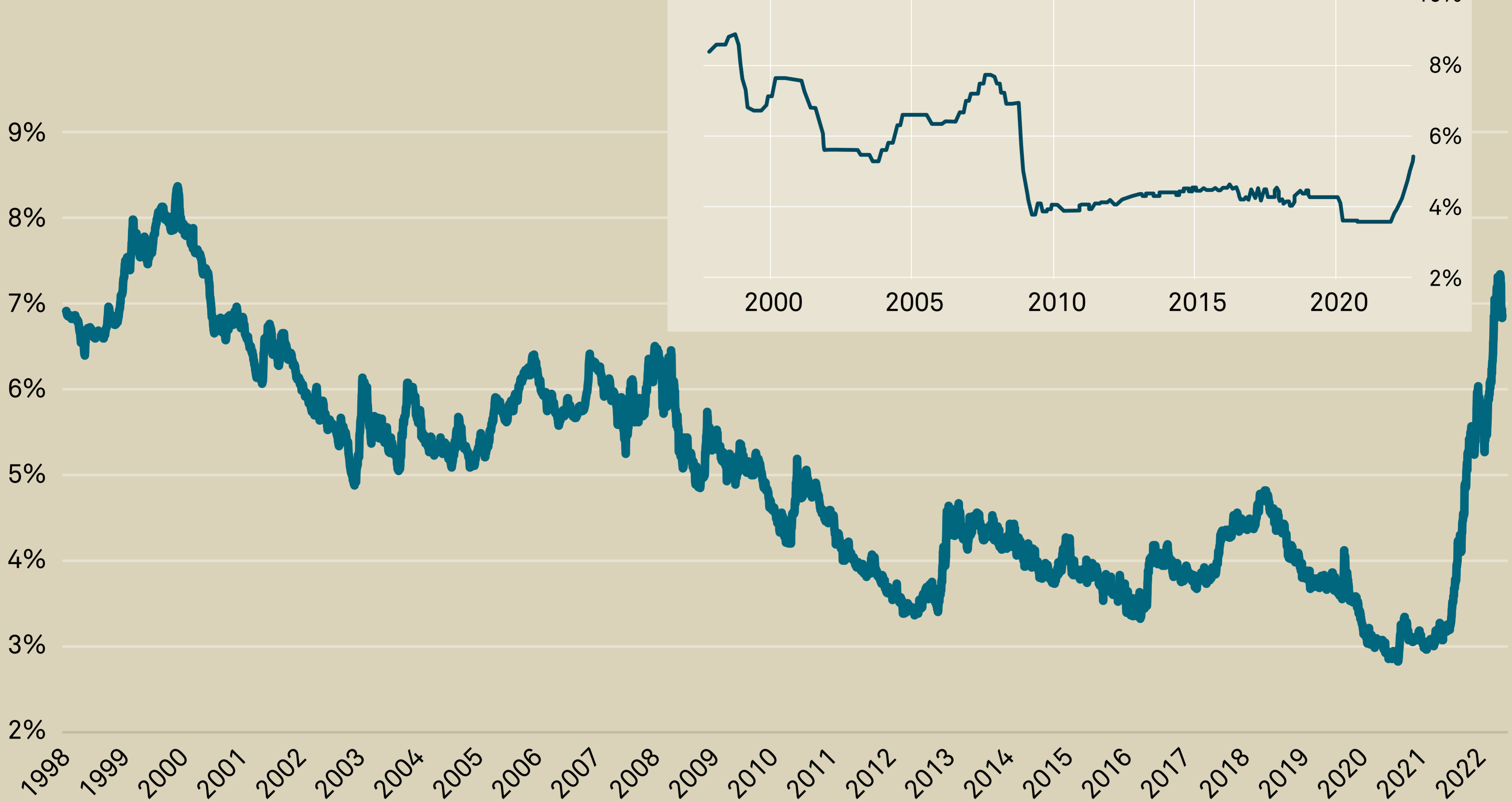
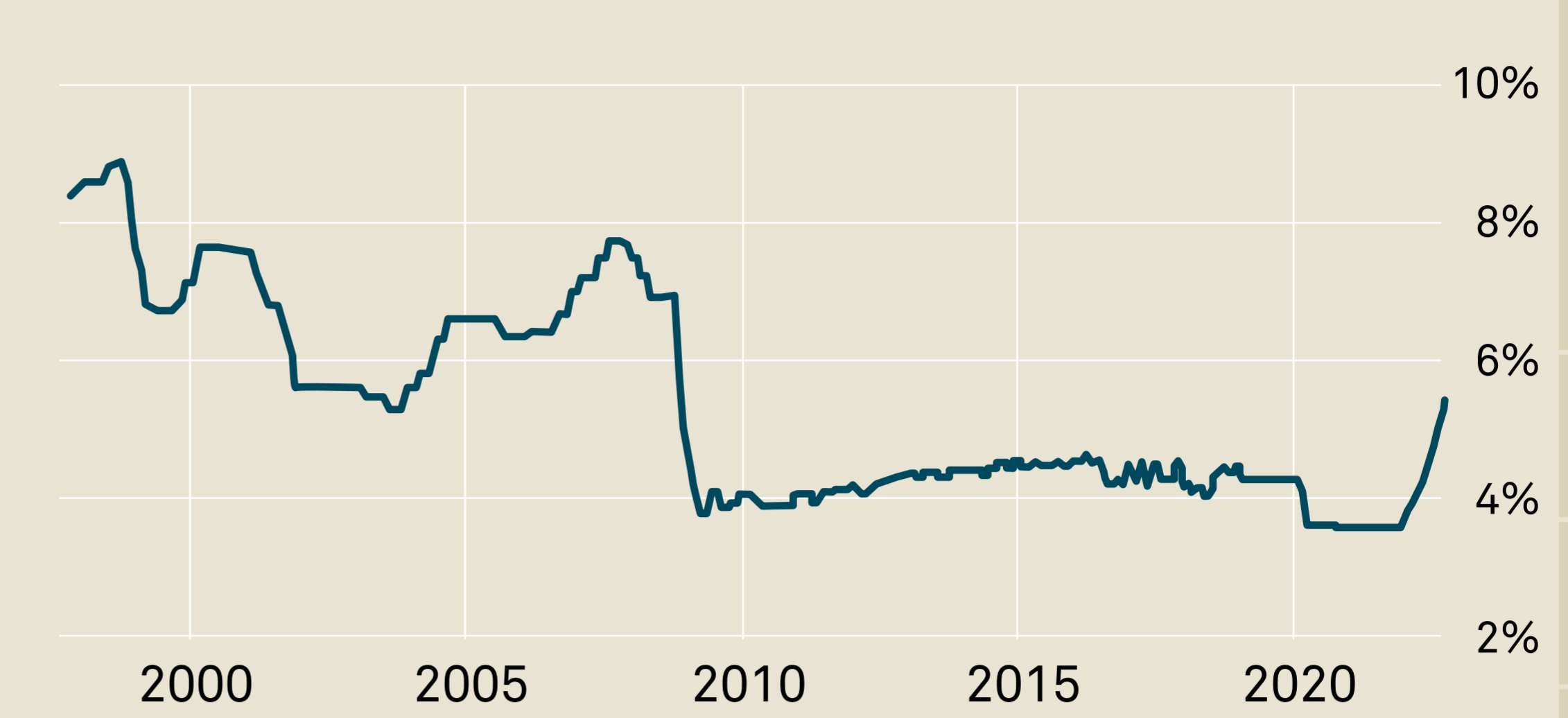


# Property fallout?

US 30-YEAR MORTGAGE RATES



UK BBA\* MORTGAGE RATE OVER 25 YEARS



Source: Bloomberg. Data as of 18 November 2022.  
\*Tradingeconomics.com/Bank of England. Accessed November 2022.

ON A US\$300,000 30-YEAR FIXED-RATE MORTGAGE

December 2021

RATE

**3.11%**

MONTHLY PAYMENT

**US\$ 1,283**

November 2022

RATE

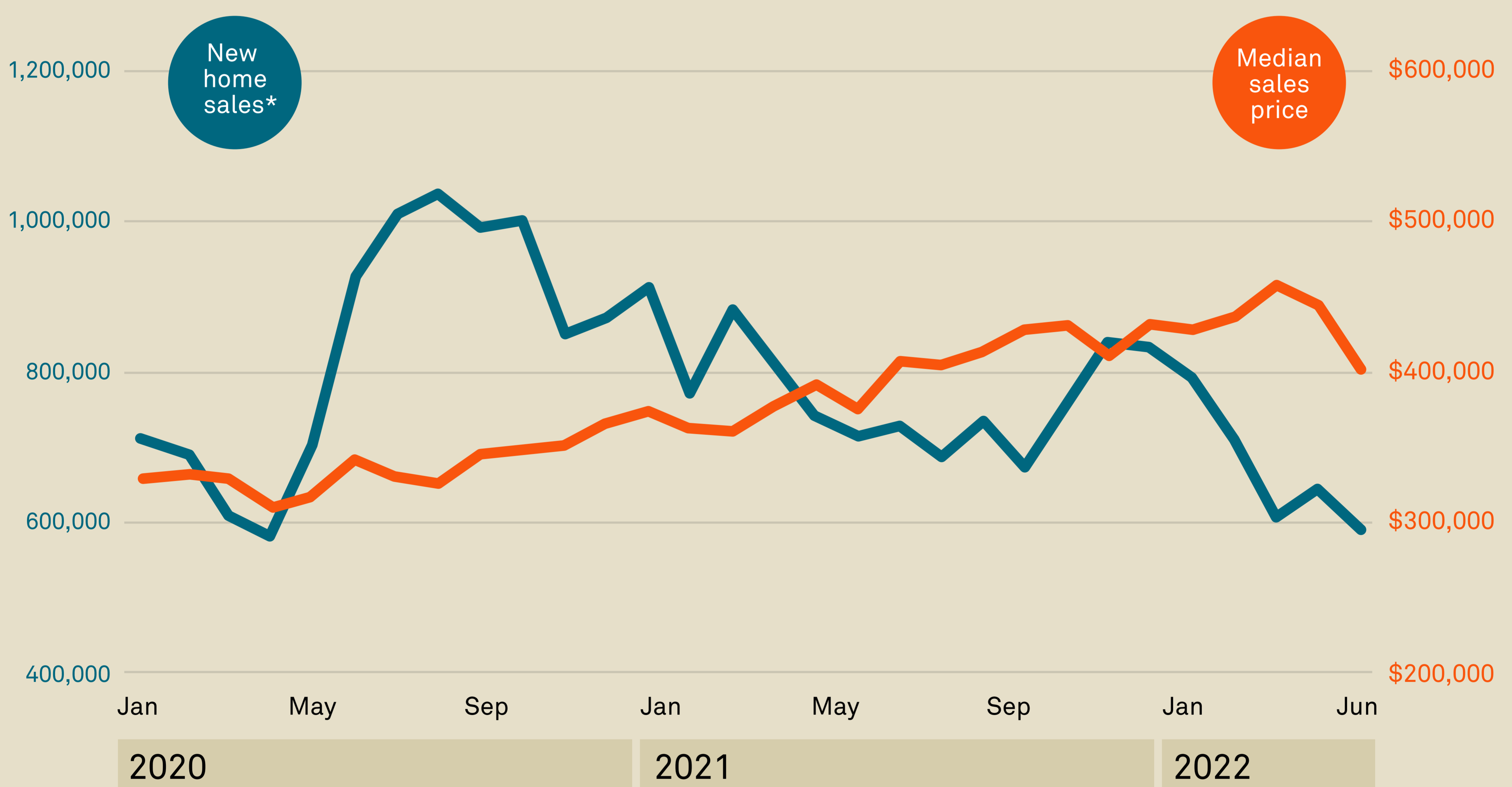
**7.08%**

MONTHLY PAYMENT

**US\$ 2,012**

Source: CNBC. Here's what the Federal Reserve's fourth 0.75 percentage point interest rate hike means for you. November 2, 2022.

US SALES PRICE AND NUMBER OF NEW SINGLE-FAMILY HOMES SOLD



Source: Statista July 27, 2022.  
\*Seasonally adjusted annual rate.

# Housing under pressure

The housing market, a sensitive part of the economy to rising interest rates, is showing signs of deterioration as major central banks continue to implement rate hikes to tackle heightened inflationary pressures. In the US, mortgage rates have seen levels above 7% and the monthly mortgage payments now exceed \$2,000, highest in 20 years. Along with elevated food and gasoline prices, high mortgage rates create stress for households, making the Fed's job harder in engineering a soft landing, fueling volatility in markets. We expect rates to trend higher as core inflation remains sticky and central banks continue tightening stance until H2 2023. The housing market will continue to come under pressure as rates remain elevated for some time. Towards the end of 2023, if central banks succeed on bringing inflation down, we expect upward pressures on mortgage rates to ease.

***Lale Akoner, Senior Investment Strategist, Global Economics and Investment Analysis team, BNY Mellon Investment Management***

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Recent market risks include pandemic risks related to COVID-19. The effects of COVID-19 have contributed to increased volatility in global markets and will likely affect certain countries, companies, industries and market sectors more dramatically than others.

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