SitusAMC

RESIDENTIAL REAL ESTATE

THE RECAP

JUNE 2026

The RECAP is SitusAMC's monthly Real Estate Commentary, Analytics and Perspectives on the residential real estate market.

Our team of experts aggregates the latest trends and perspectives across residential real estate finance to help you stay up to date on market developments and make more informed decisions. Here are the key developments in June 2026.

WHAT YOU NEED TO KNOW

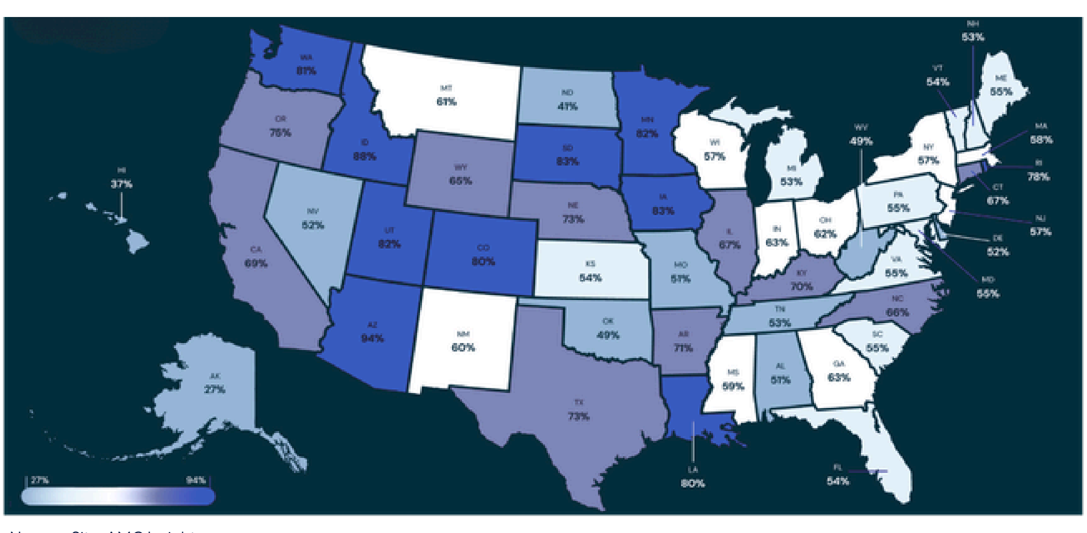
In nearly every U.S. state, insurance costs rose more than 50% over the last five years. A rise in natural disasters and related property damage is a major culprit in higher insurance costs. Homebuyer demand picked up in April, a possible signal that the negotiating power held by buyers is waning. The 30-year fixed-rate mortgage increased about 15 basis points over the last month, well above its historical average. Mortgage delinquencies hit their highest level since 2018.

ABOUT SITUSAMC INSIGHTS

SitusAMC is the leading provider of data, research and analytical tools supporting the lifecycle of real estate finance. Leveraging proprietary and third-party data, our tools and research support smarter investment and portfolio decisions with expert-driven insights. LEARN MORE ⟶

HOMEOWNERS INSURANCE COSTS SOAR

AVERAGE ANNUAL HOMEOWNERS INSURANCE PREMIUM INCREASES 2021 TO 2025



Sources: Newrez, SitusAMC Insights.

In 45 of the 50 U.S. states, insurance costs rose more than 50% over the last five years. The average national annual homeowners insurance premium reached $2,625 at the end of 2025, up 64% from $1,597 in 2021, according to an analysis of roughly 1.2 million Newrez-serviced loans originated in 2020 or later with escrowed homeowners insurance.

Several of the largest increases occurred in the West and Midwest. The top five were Arizona (+94%), Idaho (+88%), Iowa (+83%), South Dakota (+83%) and Utah (+82%). Among the top five most populous states, Texas had the highest increase at 73%, followed by California at 69%. Insurance cost are expected to rise 8% in both 2026 and 2027, according to a recent report from Cotality.

"Rising costs and delinquencies demand sharper housing market risk awareness."

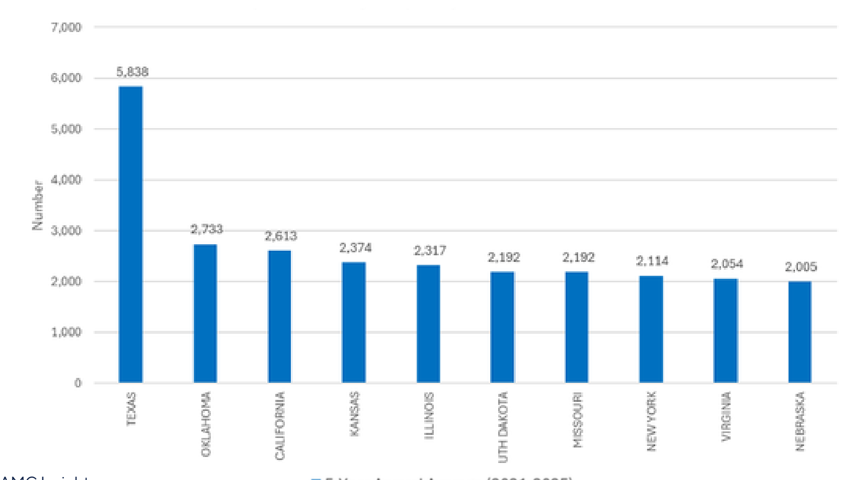
PETER MUIOI, PHD
Head of SitusAMC Insights

4.53

10-YEAR TREASURY
JUNE 11TH

RISING NATURAL DISASTERS AND DAMAGE DRIVE INSURANCE HIKES

TOP 10 STATES BY FREQUENCY OF NATURAL DISASTERS

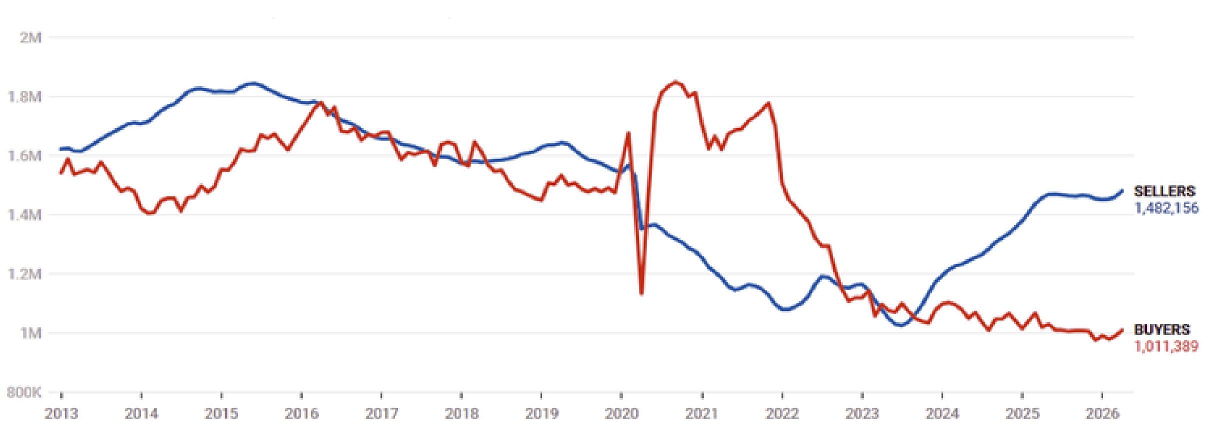


Sources: NOAA, SitusAMC Insights.

A rise in natural disasters, and related property damage, is a major culprit in higher insurance costs. While wildfires, floods and hurricanes often dominate national news, weather events such as high winds, hail and severe winter storms also play a big role. Texas, Oklahoma and California experienced the highest annual average frequency of natural disasters over the last five years. Texas has more than double the number of natural disasters than the next closest state, Oklahoma. Texas saw the highest number of hail, drought and flash flood incidents in the nation in 2025. Average annual property damage from natural disasters over the past five years was more than $1 billion in four states: Florida, Louisiana, Texas and Hawaii. Other factors influencing insurance costs include the price of rebuilding, claim frequency and state-specific policies.

ARE SELLERS GAINING THE UPPER HAND?

ESTIMATED NUMBER OF U.S. HOMEBUYERS AND SELLERS ACTIVELY IN THE MARKET



Sources: Redfin, SitusAMC Insights

After months of the housing market shifting more in favor of homebuyers, demand picked up in April, a possible signal that buyers' negotiating power is past its peak. While it is still very much a buyer's market, with 47% more sellers than buyers, it is no longer a strengthening buyer's market. Most major markets still favor buyers, but conditions are softening, with 19 metros seeing a narrowing gap between buyers and sellers, led by West Palm Beach, Tampa and Indianapolis. Notably, the luxury segment in West Palm Beach is gaining momentum due to rising demand from out-of-state buyers. However, affordability challenges and economic uncertainty continue to limit participation, leaving the market skewed toward those financially able to purchase.

10-YEAR TREASURY HOVERS AROUND 4.5%

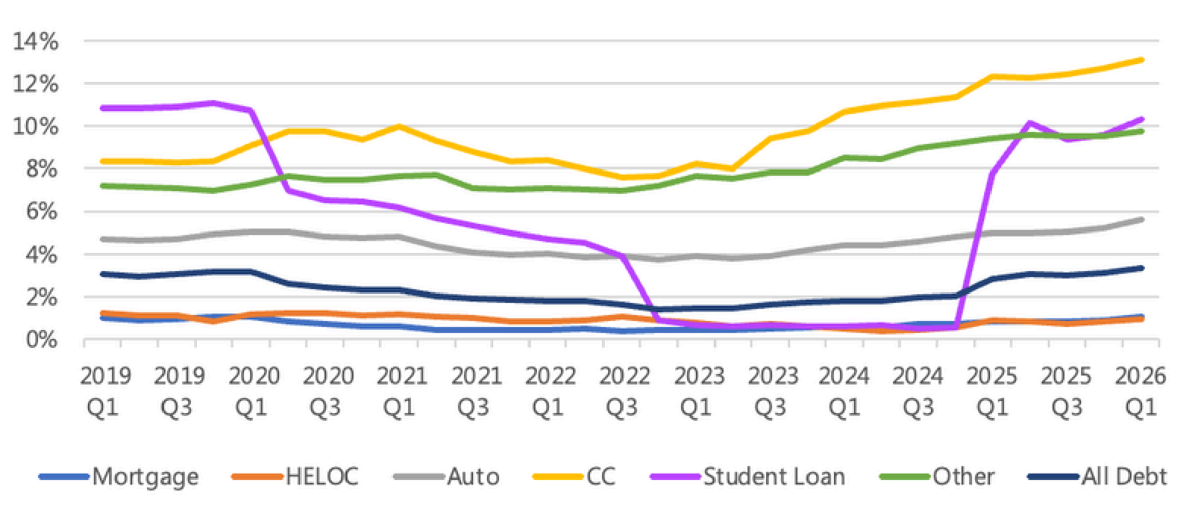
ANNUAL AVERAGE CONTRACT MORTGAGE RATES - PAST YEAR

Sources: FRB, SitusAMC Insights

The 10-year Treasury has remained unchanged over the last month at about 4.5%. It reached a 12-month high on May 18, as inflation fears and ongoing geopolitical tensions drove both oil prices and bond rates higher. Rates slid in late May as negotiations over the Strait of Hormuz and falling oil prices reassured bond investors. But the May employment report, released June 5, showed the nation added 172,000 jobs—more than double expectations—causing Treasuries to surge as the chances of rate cuts dimmed. The 10-year showed little reaction to escalating tensions and strikes in Iran, and a report showing the Consumer Price Index rose 4.2%, its fastest pace in three years. The 30-year fixed-rate mortgage increased about 15 basis points over the last month, well above its historical average. Its remained above 6.5% since mid-March.

MORTGAGE DELINQUENCIES HIT THEIR HIGHEST LEVEL SINCE 2018

% OF TOTAL DEBT BALANCE BY DELINQUENCY STATUS



Source: New York Fed Consumer Credit Panel/Equifax

First-quarter debt delinquencies were mixed, with the percentage of total debt for less severe delinquencies improving, while more severe debt delinquencies deteriorated. Total debt percentages for all delinquency statuses were above their historical averages. All debt type delinquencies at 90+ days increased in the first quarter to a nine-year high. Mortgage delinquencies were the highest since 2018 and HELOCs were the highest since 2022. Credit card debt reached a 15-year high and auto loan debt was the highest on record since at least 1999, when the data were first collected.

ABOUT SITUSAMC

SitusAMC is the leading independent provider of innovative, trusted solutions powering the lifecycle of residential real estate finance. Our comprehensive services and technology supports residential mortgage originations, warehouse lending, secondary market executions, and ongoing portfolio management.

VIEW RESIDENTIAL SOLUTIONS

VIEW PREVIOUS RECAPS

SitusAMC