

## Macro Roundup Article

**Headline:** [Higher For Longer and The 2024 Housing Outlook](#)

**Article Link:** <https://www.gspublishing.com/content/research/en/reports/2023/10/23/2d814362-a656-4cb3-8586-bea8591188e3.html>

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Publication	Goldman Sachs
Publication Date	October 24, 2023

**Tweet:** According to @GoldmanSachs, 90% of mortgage borrowers have a rate 2pp below current market rates, and 60% have a rate 4pp below. However limited supply means housing starts have yet to be impacted; housing starts last month were 5% above 2019 levels.

**Summary:** Sustained higher mortgage rates will have their most pronounced impact in 2024 on housing turnover. Nearly all mortgage borrowers have interest rates below current market rates, strongly disincentivizing them from moving. As a result, we expect the fewest annual existing home sales since the early 1990s at 3.8mn. Limited available housing supply has kept homebuilding resilient to higher interest rates: despite 3½pp higher mortgage rates today, housing starts were 5% above 2019 levels in September. While vacancy rates remain at historic lows, we expect housing starts to decline by 4% to 1.34mn in 2024, reflecting sharply fewer multifamily starts.

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**Primary Topic:** Housing

**Topics:** Business Cycle, GDP, Housing, Other Source

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