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Mortgage Rates Climb To a Six-Month High

BY NICOLE FRIEDMAN

Mortgage rates rose for the fourth straight week to the highest level since September, a sharp reversal that threatens to chill the start of the important spring home-buying season.

The average rate for a 30-year fixed mortgage was 6.38% this week, up from 6.22% last week, Freddie Mac said Thursday. Rates are the highest since early September 2025, when they stood at 6.5%.

Mortgage rates fell below 6% in late February for the first time since 2022 but have since surged. The war in Iran and subsequent oil-price increases have spurred expectations that the Federal Reserve will keep short-term interest rates higher for longer.

The timing couldn't be worse for the housing market, which has been stuck in a low gear for three years due to high home prices and elevated mortgage rates. March typically marks the start of the busiest stretch of the year for home sales. Many families want to buy and sell homes in the spring so they can move over the summer.

"It's weighing on the consumer," said Robert McGibney, chief executive of home builder KB Home, in an earnings call this week. He said the Middle East conflict is denting already low consumer

confidence. "The last couple of weeks have been a little softer than what we would like to see or what we normally get this time of year."

The residential real-estate industry was optimistic heading into 2026 that the frozen market could thaw.

Mortgage rates had declined from recent highs, and home-price growth had slowed significantly. In many parts of the country, buyers had plenty of options and could negotiate price cuts. Sales of existing homes rose in February as rates declined. Home-buying affordability in February was the best since August 2022, according to Zillow.

But affordability is worsening again as mortgage rates rise, and the speed of the rate increase has likely spooked some buyers. Mortgage applications for home purchases fell 5% last week compared with the previous week, according to the Mortgage Bankers Association.

"Generally, you don't see a half-point jump in the span of a week or two," said Matt Vernon, head of consumer lending at Bank of America, referring to mortgage rates. "The fact that it's moved so quickly—buyer reaction has been mixed, for sure."

Jon Granlund, a real-estate agent in Northern Virginia, compared this year to 2025, when the spring housing market was derailed after President Trump rolled out widespread tariffs and consumers worried about high prices and job losses.

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Notes

In early 2026, “I really felt like with rates going down, there was so much pent-up demand and pent-up supply coming on the market,” Granlund said. “It hasn’t been that way.”

With rates rising again, he expects buyers to be cautious: “I think there’s going to be a lot of wait and see.”

Rates are still lower than a year ago, when they stood at 6.65%. Many buyers who are moving due to life events like new jobs or new babies are still in the market, Vernon said, with some looking at cheaper homes or considering adjustable-rate mortgages to keep their monthly payments lower.

J o r d a n Schwartz and his wife have been looking to buy their first home in the Chicago suburbs for about two years. But d e s i r a b l e homes are selling quickly, and they are unwilling to buy with home prices and mortgage rates as high as they are, he said.

This month, the couple signed a three-year lease to rent a house that gives them more space.

“It feels great, because we found a good spot for our family,” Schwartz said. They still plan to buy a home, but “we’ll wait for the market to reset a little bit,” he said.

A Redfin survey in early March found that 25% of people in the U.S. planned to delay or cancel big purchases like a home or a car due to the war, but most respondents said the war didn’t affect their buying plans.

Some of the buyers currently under contract for homes have already locked in their mortgage rates at lower levels, so any effect on home sales might not show up immediately.

If higher mortgage rates last for only a few weeks or months, buyers might delay their purchases but re-enter the market in the summer or fall, said Mischa Fisher, Zillow’s chief economist. But if rates hold at current levels until the fall, buyers might just give up until next year.

“It’s not going to tank the market,” Fisher said of the recent increase in mortgage rates. But, he said, “there’s a pretty meaningful difference between this happening for another month and this happening for another six months.”

Breno Donatti and Jeanette Vecchione-Donatti put their three-bedroom house in Naples, Fla., on the market in 2024. Despite two price cuts, they haven’t gotten any offers.

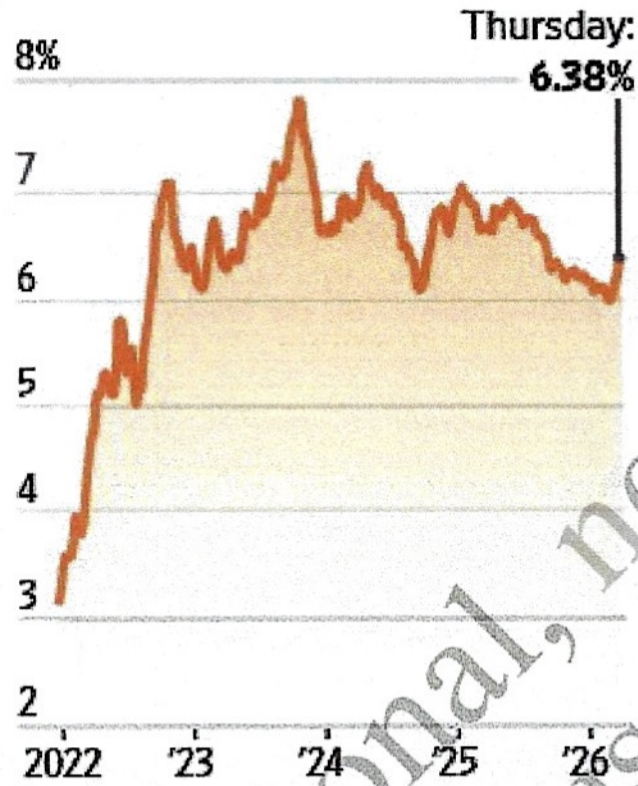
They are considering renting the house out for six months to see if the market improves.

“Mortgage rates play a huge role. It makes such a big difference in the monthly payment,” Donatti said. “I think that weighs a lot on people.”

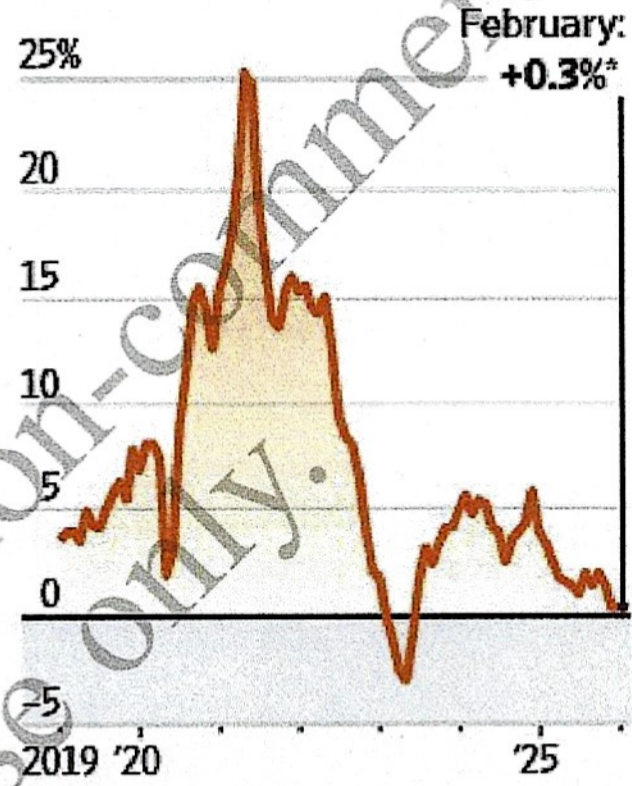
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Average rate on a 30-year fixed mortgage



U.S. median existing-home price, change from a year earlier



*Preliminary

Sources: Freddie Mac (rate); National Association of Realtors (price)

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