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CAPITAL ADVISORS

Angel Oak Capital Advisors

Q3 2025 Housing Chartbook



Housing Chartbook Contents

Housing Valuations	4
.....	
Evolving Home Supply Dynamic	7
.....	

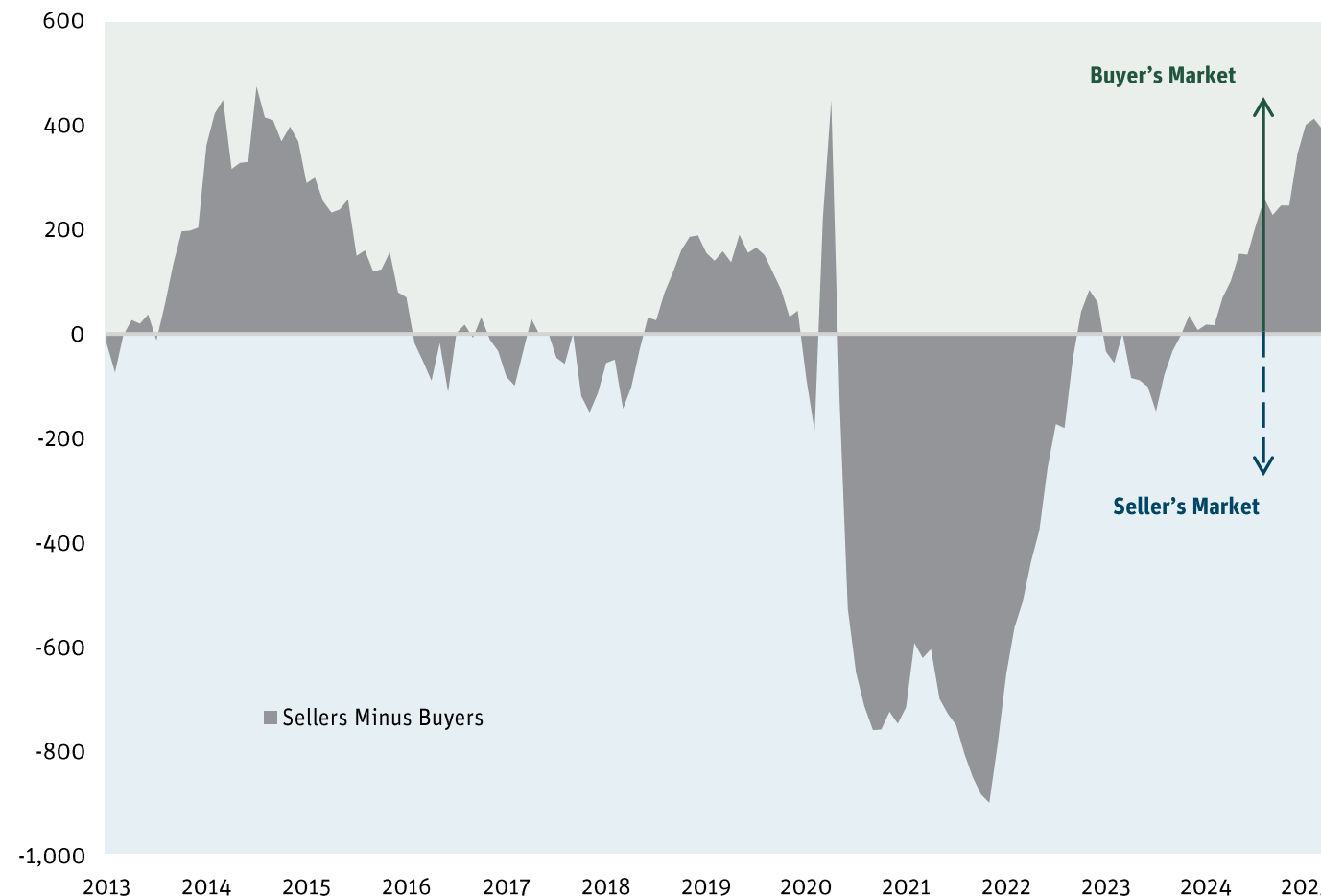


Buyer's Market Despite Higher Home Prices:

1. Supply of housing inventory on the market is expanding while high interest rates and geopolitical uncertainty are suppressing demand.
2. Constraints on available housing stock are pushing valuations up in most markets, although the rate of increase is slowing compared to recent years.
3. Borrowers remain strong and appear to be holding up despite economic uncertainty.

Sellers vs. Buyers in U.S. Residential Real Estate

Thousands



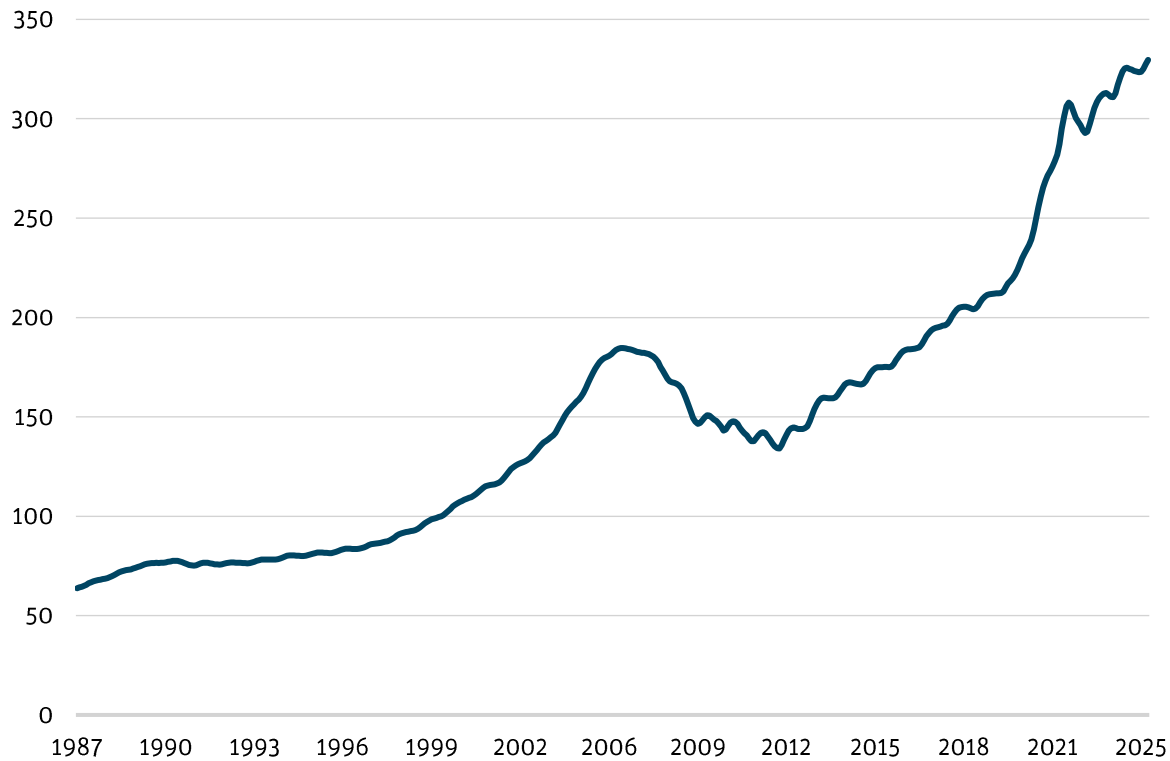


Housing Valuations



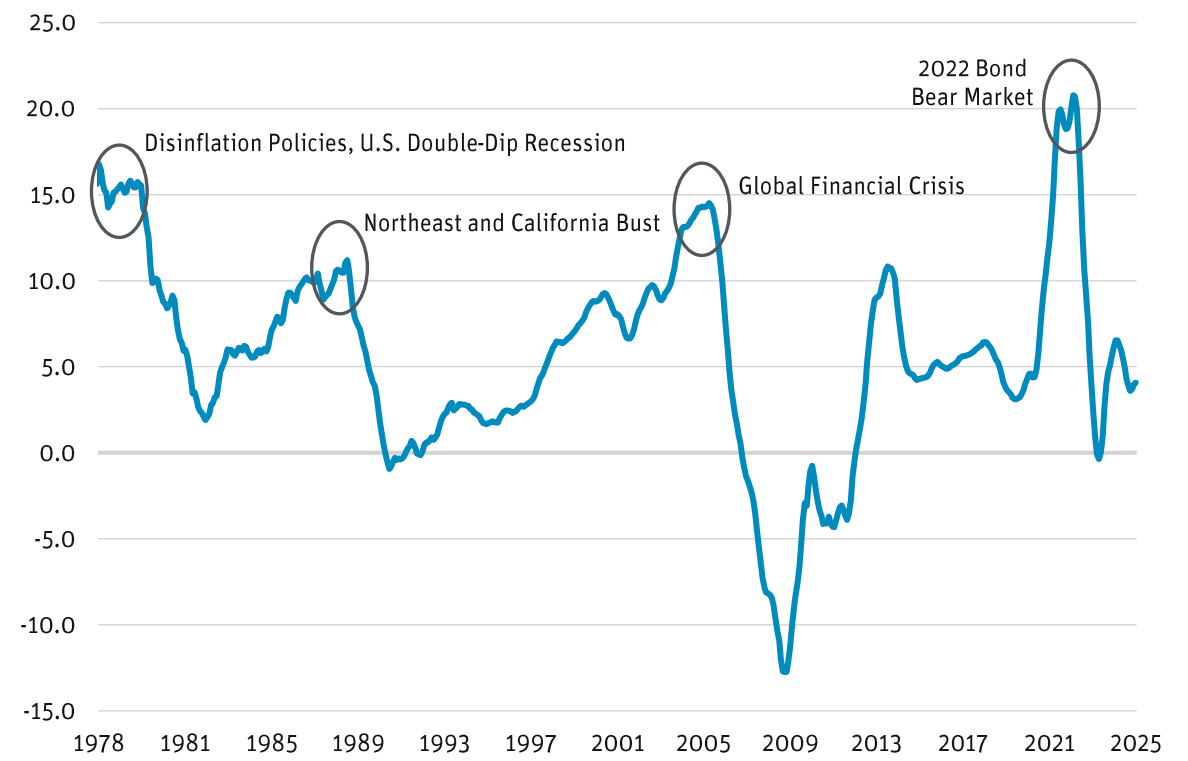
Prices up YTD, and While Increases May Slow, Housing Prices Rarely Fall Far

S&P CoreLogic Case-Shiller U.S. National Home Price Index
Index



Source: Federal Reserve Bank of St. Louis FRED Database as of 6/30/25.

S&P CoreLogic Case-Shiller U.S. National Home Price Index YoY (%)
Index YoY (%)



Source: J.P. Morgan, CoreLogic, Bloomberg as of 3/31/25.

(Left) S&P CoreLogic Case-Shiller U.S. National Home Price Index tracks changes in single-family residential home prices throughout the United States based on properties that have undergone at least two arm's length transactions.



Home Price Appreciation (HPA) is Broad-Based Across the U.S.

HPA by U.S. Region % Appreciation

FHFA REGIONAL DIVISION	1 YEAR	5 YEARS CUMULATIVE
Middle Atlantic	6.8	59.7
New England	6.7	65.3
East North Central	6.3	57.4
West North Central	4.1	49.3
United States – Total	4.0	55.0
Eastern South Central	3.9	56.9
South Atlantic	3.4	63.5
Mountain	3.2	56.0
West South Central	2.0	46.2
Pacific	1.8	44.1

Source: Change in FHFA U.S. Combined and Census Division House Price Indexes (Seasonally Adjusted, Purchase-Only Index, 2025Q1) as of 3/31/25.

100 Largest Metro Areas – Top 12 HPA 1-Year % Appreciation

Newark, NJ	11.6
Providence- Warwick, RI_MA	10.5
Detroit-Dearborn-Livonia, MI	10.5
Virginia Beach-Chesapeake-Norfolk, VA-NC	9.9
Nassau County-Suffolk County, NY	9.4
Hartford-West Hartford-East Hartford, CT	8.7
Camden, NJ	8.4
Provo-Orem-Lehi, UT	8.3
Arlington-Alexandria-Reston, VA-WV	8.3
Anaheim-Santa Ana-Irvine, CA	8.3
Albany-Schenectady-Troy, NY	8.3
Cleveland, OH	8.1

Source: FHFA HPI® Top 100 Metro Area Rankings as of 3/31/25.

100 Largest Metro Areas – Bottom 12 HPA 1-Year % Appreciation (Depreciation)

Sacramento-Roseville-Folsom, CA	0.3
San Antonio-New Braunfels, TX	-0.1
Fort Lauderdale-Pompano Beach-Sunrise, FL	-0.4
Tampa, FL	-0.6
New Orleans-Metairie, LA	-0.6
St. Petersburg-Clearwater-Largo, FL	-1.0
San Francisco-San Mateo-Redwood City, CA	-1.2
West Palm Beach-Boca Raton-Delray Beach, FL	-1.2
North Port-Bradenton-Sarasota, FL	-2.7
Austin-Round Rock-San Marcos, TX	-2.9
Cape Coral-Fort Myers, FL	-4.7
Lakeland-Winter Haven, FL	-9.0

Source: FHFA HPI® Top 100 Metro Area Rankings as of 3/31/25.

(Left) S&P CoreLogic Case-Shiller U.S. National Home Price Index by U.S. Region:

- Middle Atlantic - New Jersey, New York, Pennsylvania
- New England - Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont
- East North Central - Illinois, Indiana, Michigan, Ohio, Wisconsin
- West North Central - Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota
- Eastern South Central - Alabama, Kentucky, Mississippi, Tennessee

- South Atlantic - Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia
- Mountain - Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming
- West South Central - Arkansas, Louisiana, Oklahoma, Texas
- Pacific - Alaska, California, Hawaii, Oregon, Washington



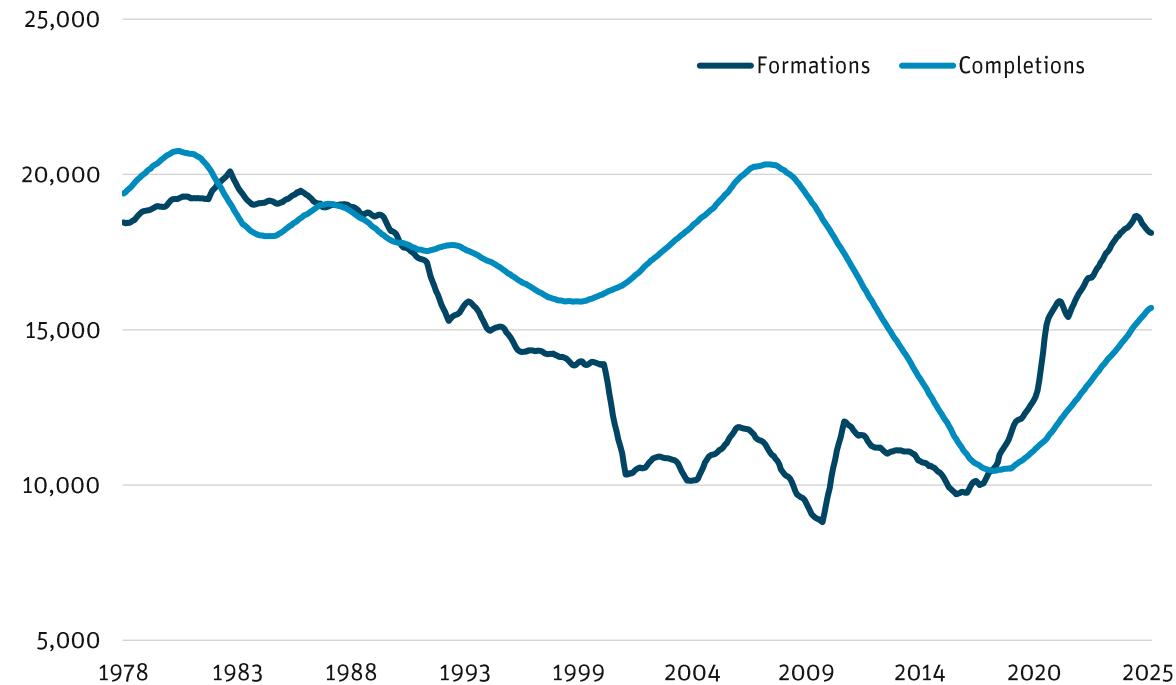
Evolving Home Supply Dynamic



Household Formation Growing Faster than Housing Stock, Creating Supply Shortage

Household Formations Outpace Completions

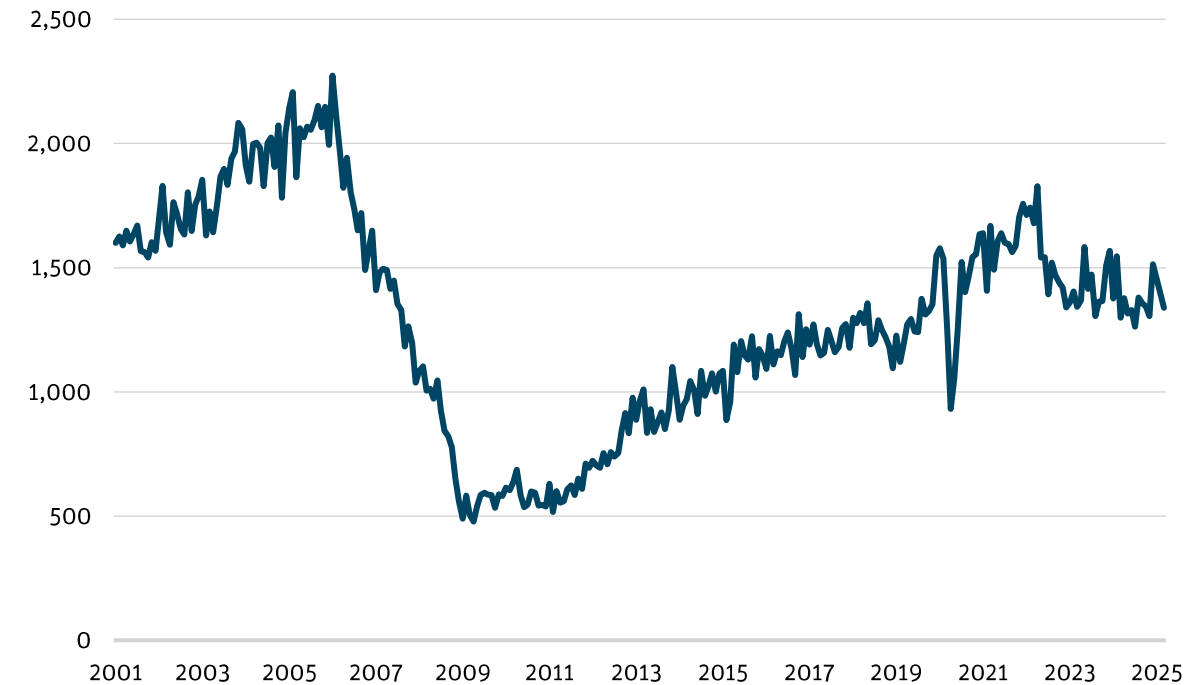
Rolling Cumulative 10-Year Housing Formations and Completions (Thousands)



Source: J.P. Morgan, U.S. Census Bureau as of 6/30/25.

U.S. New Housing Starts

(Thousands, Annualized)



Source: Bloomberg as of 3/31/25.

(Left) Rolling Cumulative 10-Year Housing Formations and Completions

- Housing Completions (one-unit structures) reflect the point at which all finished flooring is installed. If the unit is occupied before construction is fully finished, it's marked as completed at the time of occupancy. This data is sourced from the New Residential Construction report published by the U.S. Census Bureau and the Department of Housing and Urban Development (HUD).
- Household Formations reflect the creation of new households from the American Housing Survey and Current Population Survey conducted by the U.S. Census Bureau.

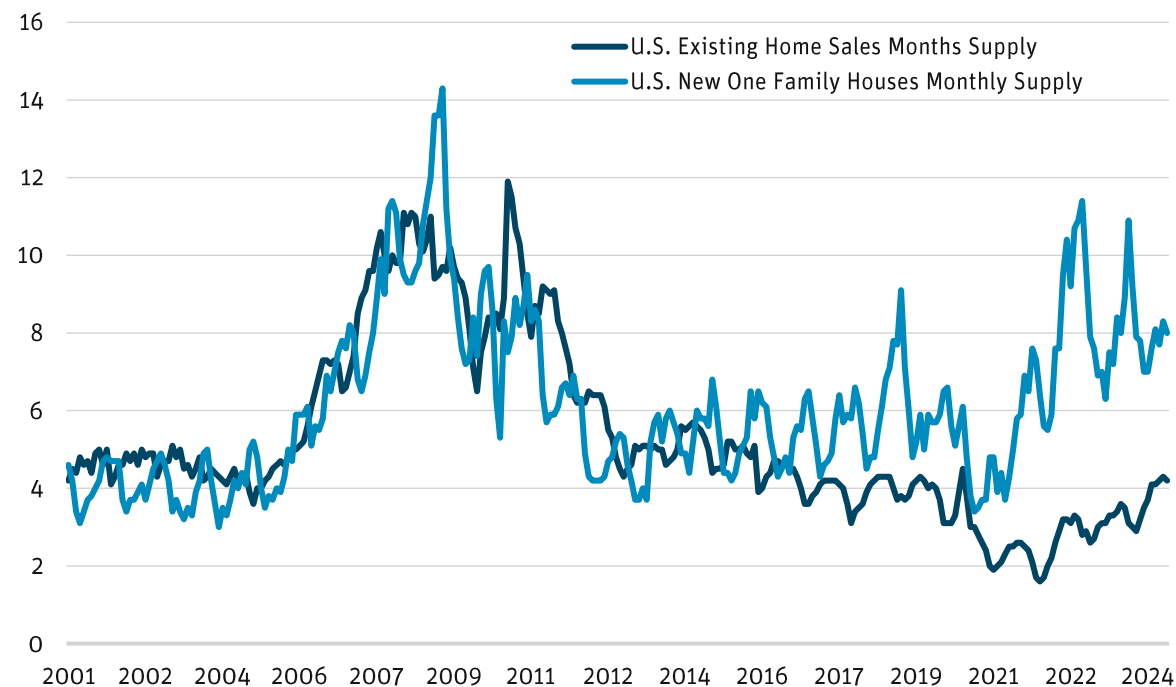
(Right) US New Housing Starts - the number of new residential construction projects sourced from the New Residential Construction report published by the U.S. Census Bureau and HUD.



Shifting to a Buyer's Market Supply of Homes Increasing

New and Existing Months Supply

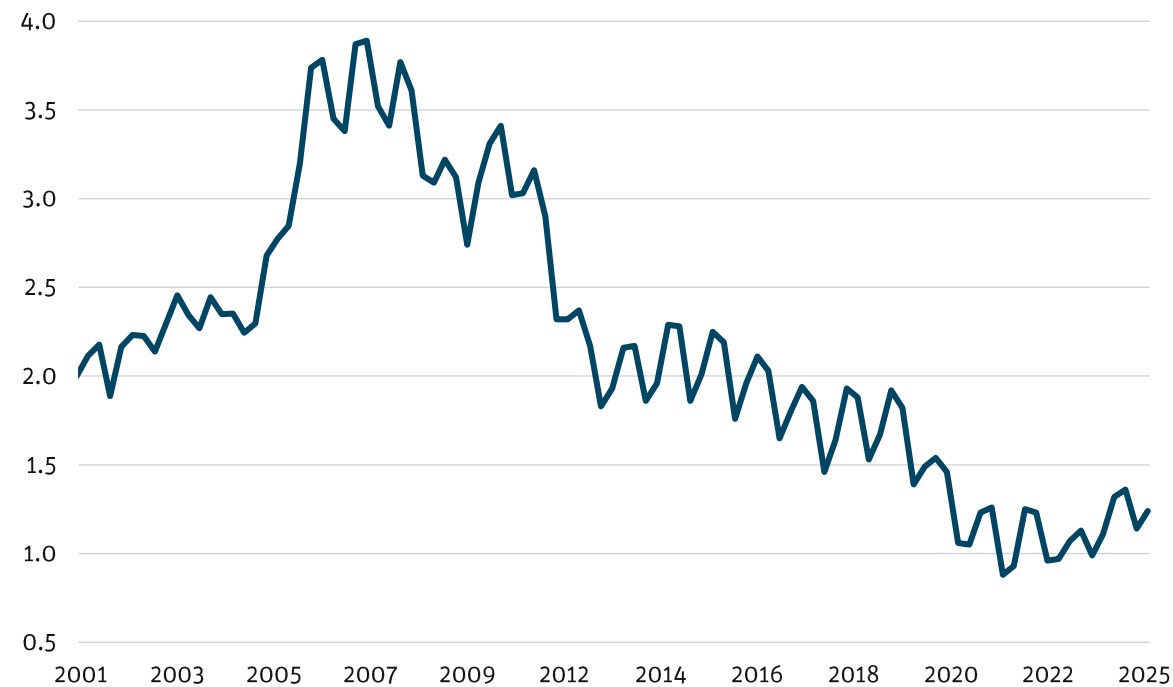
Months Supply



Source: Bloomberg as of 3/31/25.

Single-Family Inventory

Inventory (Millions)



Source: Bloomberg as of 3/31/25.

(Left) New and Existing Months Supply

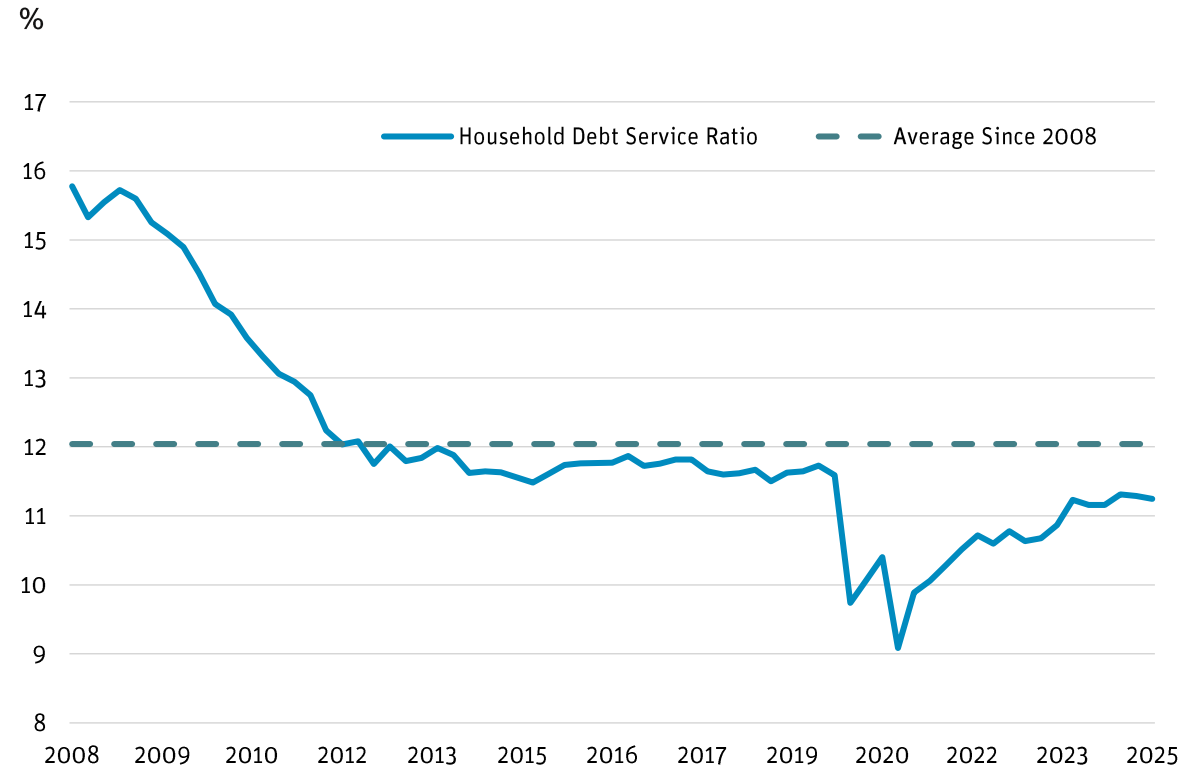
- New Homes Supply - calculated by the U.S. Census Bureau and Department of Housing and Urban Development based on monthly surveys of homebuilders and sales data for newly constructed homes. New Months Supply = (New Homes for Sale/New Homes Sold per Month).
- Existing Homes Supply - calculated by the National Association of Realtors using data from local Multiple Listing Services and real estate boards to track active listings and monthly sales volume. Existing Months Supply = (Total Inventory of Homes for Sale / Monthly Sales Rate).

(Right) Single-Family Inventory – The total number of detached residential properties designed for one household that are actively listed for sale in a specific market at a given time as tracked by the National Association of Realtors.



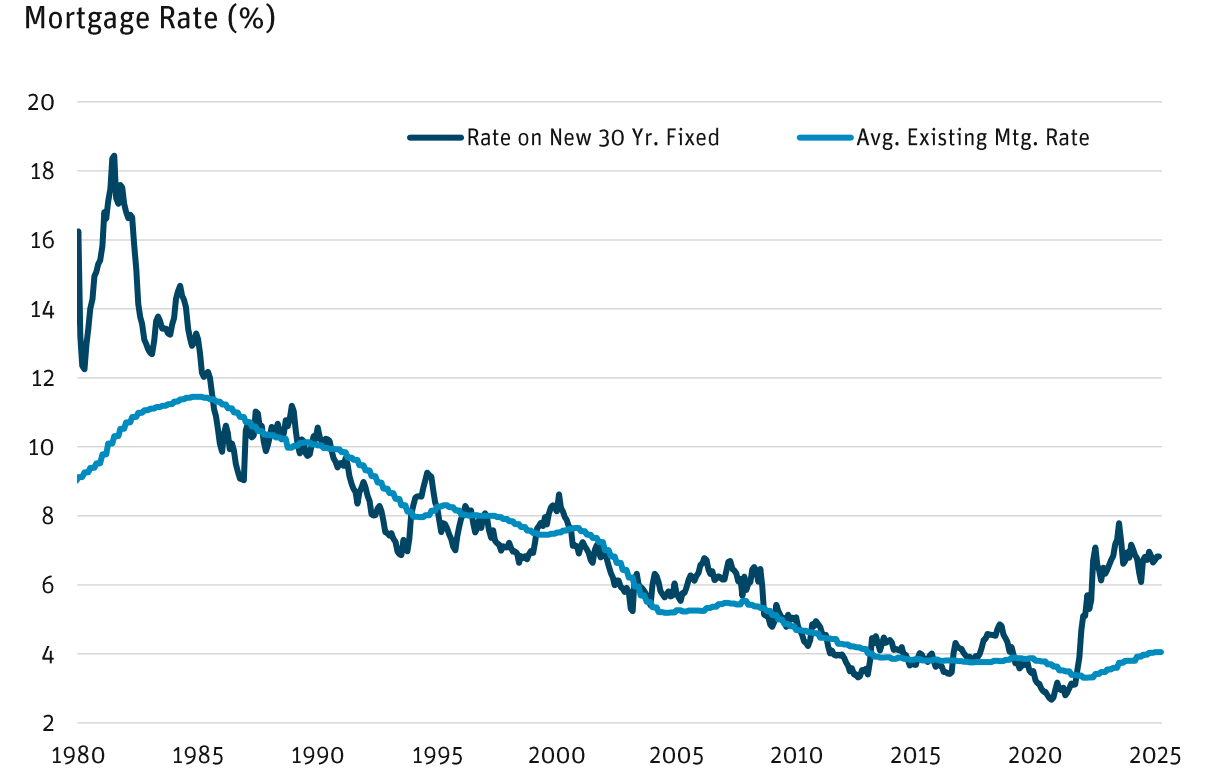
Borrowers are Relatively Strong but High Current Mortgage Rates are Dampening Demand

Household Debt Payments as % of Personal Disposable Income



Source: St. Louis Fed FRED Database as of 4/30/25.

Disconnect Between Current and Outstanding Rates



Source: Bloomberg as of 6/30/25.

(Left) Household Debt Payments as % of Personal Disposable Income - household debt service payments on mortgage and consumer debt as a percent of disposable personal income retrieved from FRED (Federal Reserve Bank of St. Louis)

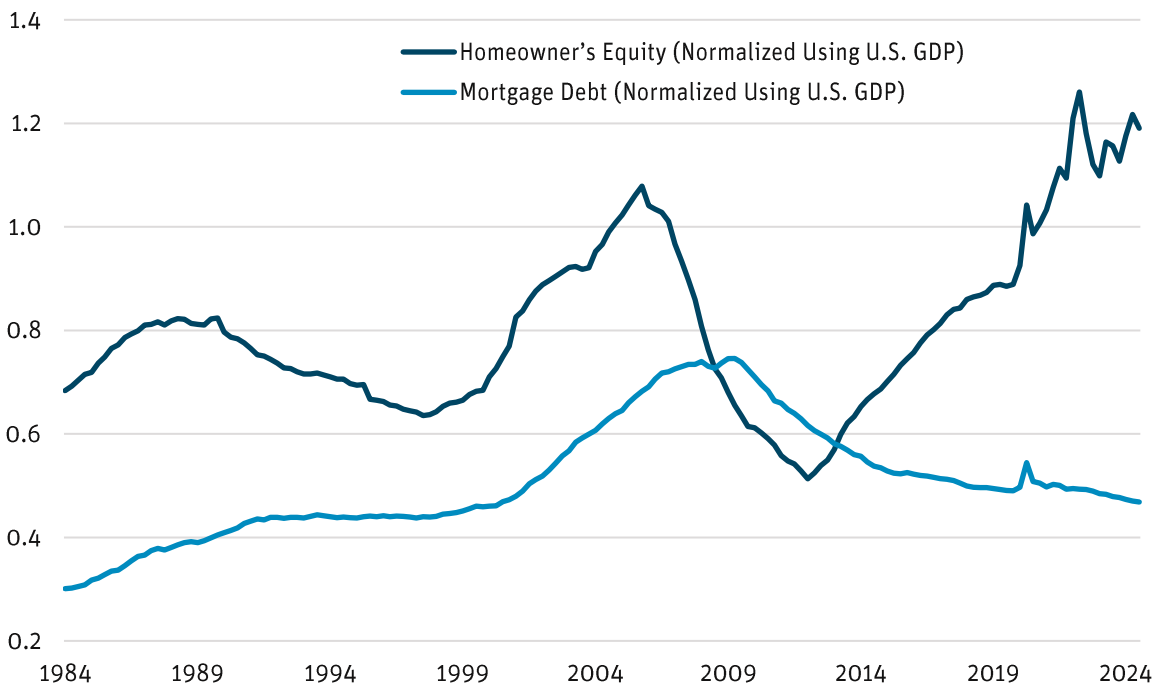
(Right) Current 30 Year Fixed Mortgage Rates vs. Outstanding Mortgage Rates

- Current 30 Year Fixed Mortgage Rates - Freddie Mac weekly lender survey, which includes discount points and origination fees for 30-year and 15-year fixed-rate and 5/1 hybrid amortizing adjustable-rate mortgage products.
- Outstanding Mortgage Rates - Effective rate of interest on all residential mortgage debt outstanding from the Bureau of Economic Analysis.



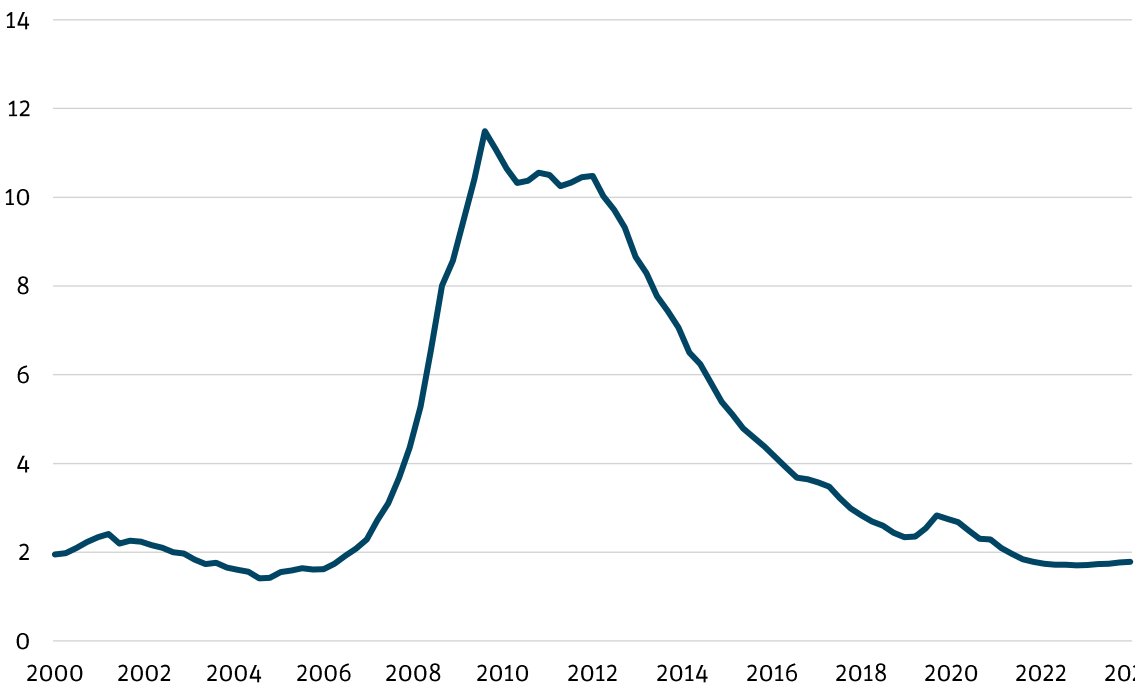
However, Homeowners Have Skin in the Game, Contributing to Low Delinquency Rates

U.S. Housing Market Equity and Debt
Billions (\$)



Source: Federal Reserve Bank of St. Louis FRED Database as of 6/30/25.

Delinquency Rates on Single Family Mortgages Held at Commercial Banks
%



Source: Federal Reserve Bank of St. Louis FRED Database as of 6/30/25.

(Left) U.S. Housing Market Equity and Debt
 • Household Owners' Equity in Real Estate divided by GDP, retrieved from FRED (Federal Reserve Bank of St. Louis).
 • Household Owners' Debt in Real Estate divided by GDP, retrieved from FRED.

