



## It is Labor Time

We start the month of September with bookend labor events. We begin with Labor Day, a time for celebrating the American workers who have made our country a world leader. We will then close the first week with the employment report for the month of August. Both events are very significant. Even though Labor Day is not the true end of summer, it represents the end of summer for many, as the kids are back in school and summer vacations are typically over. It is also the start of the fall real estate season, a season which has the potential to become busier in light lower mortgage rates.



The employment report will also be an important event, especially considering the weaker than expected July jobs report and the upcoming meeting of the Federal Reserve in the middle of September. The markets seem to be counting on the first move by the Fed to lower short-term interest rates at this meeting. Along with the job market slowing down, we have also seen considerable progress against inflation as the rate of inflation eases toward the Fed's 2.0% goal.

We will see one more round of inflation data before the Fed meets in September. Continued good news on inflation, together with a moderation in hiring would just about clinch the Fed making a move at their next meeting. The markets have become very uneasy about the prospects of the economy moving forward and a bit of a push from the Fed could be just what the doctor ordered with regard to providing a cushion for an economic soft landing... □



## Market Gets More Inviting

A decline in mortgage rates and a drop in house prices is giving buyers a potential path to securing path to homeownership after months where the cost of home loans and expensive houses made purchasing property beyond the reach of a lot of Americans. Mortgage rates have fallen to their lowest state in more than a year, according to Freddie Mac.



Meanwhile, prices came down by \$6,000 from their July high to a median sale cost of close to \$390,000, real estate platform Redfin revealed." While that's a typical seasonal decline, the year-over-year increase of 3.2 [percent] is the smallest in nine months, indicating that price growth has eased slightly," Redfin's Dana Anderson pointed out. The shift has encouraged an uptick in mortgage applications.

Requests for home loans went up in August amid decelerating rates, according to the Mortgage Bankers Association (MBA). index that tracks buyer demand is improving too, the platform said. "Redfin's Homebuyer Demand Index—a measure of requests for tours and other buying services from Redfin agents—is down 13 [percent] year over year, but that's the smallest decline in three months," Anderson noted... □

Source: Newsweek

## America Goes Multi-Gen

Young adults residing with family for financial reasons, middle-aged homeowners caring for ailing parents or aging grandparents, or close-knit kin cohabiting because they enjoy one another's company—the reasons vary, but, per Pew Research Center, more than 59 million Americans today live in multigenerational households. That's about four times what it was in the 1970s. Such domestic configurations almost doubled during the past five decades, while other types of household formations grew by far less. Driven by financial considerations, elder care needs, and the desire for stronger family connections, multigenerational living has become more commonplace in the U.S.," said researchers with Lombardo Homes, who conducted a study.

"As economic pressures continue to rise, multigenerational households are likely to become an even more practical solution for many American families," the study's authors found. Researchers for the new home construction company determined that, of the 55% of U.S. residents living in multigenerational households, some 61% belong to the 44-59 age group known as Generation X. Generation Z, adults age 18-27, make up about 59% of multigenerational homesteads. Respectively, 56% of Millennials, ages 28-43, and 33% of Baby Boomers, ages 60-78, belong to multigenerational households.

Of these, 65% cited finances as the chief motivator. And in 63%, at least one member was able to continue their education thanks to the arrangement. Following financial reasons, top explanations include maintaining close family ties, according to 39%, sharing responsibilities, said 28%, need for eldercare, said 23%, and desire for companionship, noted 22% of the respondents... □

Source: Mortgage Point

### Did You Know...

More than 26% of homes on Zillow received a price cut in July, the highest share for any July since at least 2018 when the dataset began .

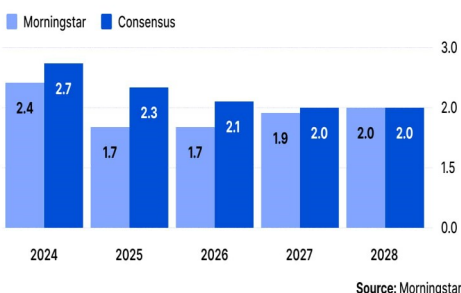
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### Inflation Forecast Revisions



### Selected Interest Rates

August 22, 2024

- 30 Year Mortgages——6.46%
- 2023 High (Oct 19)——7.79%
- 2023 Low (Jan 26)——6.09%
- 15 Year Mortgages——5.62%
- 10 Year Treasuries——3.86%

Sources—Fed Reserve, Freddie Mac  
Note: Average rates do not include fees and points. Information is provided for indicating trends only and should not be used for comparison purposes.