HNB Mortgage

Real People ★ Real Service ★ Real Simple

Real Estate Trends For Realtors, Homeowners and Professionals

May 2025

Reforecasting The Year

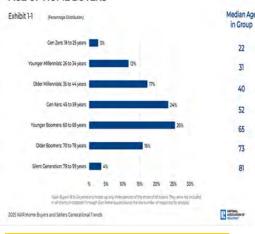
very year we point out that forecasting the future is a futile exercise. Yet, we always publish these forecasts by the experts who are typically economists with major organizations such as Fannie Mae, the Mortgage Bankers Association, The National Association of Home Builders, etc. After all, they get paid the big bucks to tell us what is likely to happen.

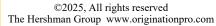
And every year these forecasts are adjusted as the year progresses. Unless there is a cataclysmic event such as a pandemic or major weather event which causes significant economic damage. Then we might call these adjustments "reforecasts." In other words – "all bets are out the window." This year we seem to be experiencing a similar phenomenon. However, it is not a major event causing the adjustments, but a major governmental policy – tariffs.

the self-proclaimed Ever since "Liberation Day," the economists have been busy trying to figure out how they economy will react. But they have no clue because like the pandemic, there is little baseline for comparison. Plus, everyday we seem to be hearing about either a new tariff or an exemption from tariffs or a pause of a tariff. Plus, there are suits challenging tariffs. How can you forecast in these scenarios? Higher inflation? Maybe. Slower growth? Maybe. More Fed interest rate cuts? Maybe. Yes, it is tough to predict the future. Even tougher when we don't understand the present.

It should be noted that we keep hearing the phrase "increased risk of recession," being uttered by analysts. Just a reminder that we heard that exact phrase two years ago and the predicted recession never surfaced. Just saying — not predicting the future... \square

AGE OF HOME BUYERS







Building More Homes

he Housing Supply Frameworks Act offers a framework for state and local governments to modernize outdated zoning and land-use regulations that hinder new housing development.



The proposed law helps establish suggested best practices for state and local governments across the country [that] want to break down barriers holding back development and innovation in housing and construction. The bill would not impose federal mandates. Instead, it would equip communities with expert guidance, technical assistance and best practices to enable smart, locally driven policy reforms that increase the housing supply across all income levels.

"The National Association of REALTORS® is proud to support the this bill," says NAR's Executive Vice President Shannon McGahn. "It provides much-needed leadership and guidance to help communities overcome barriers to housing development. By encouraging smart, locally driven reforms, HSFA will play a vital role in addressing our nation's housing shortage and help expand access affordable to homeownership and rental opportunities." Its introduction comes amid growing concern over the lack of affordable housing, with restrictive local zoning cited as one of the biggest impediments to boosting supply.... Source: NAR

Selected Interest Rates

April 17, 2025

30 Year Mortgages—6.83%
2024 High (May 2)7.22%
2024 Low (Sept 26)6.08%
15 Year Mortgages—6.01%
10 Year Treasuries—4.28%

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.

Consumers Want Advice

D. Power indicated that 90% of homebuyers want their lender to walk them through the entire borrowing process. "Borrowers are looking for more individual interaction from their lender throughout the process," Bruce Gehrke, senior director of lending intelligence at J.D. Power, told National Mortgage Professional. "The preference for purely digital lending is declining. Borrowers are looking for a more advisory experience driven by lender expertise delivered through live representatives."

The percentage of borrowers who think that in "a perfect lending environment" they should "always talk with a lender representative in person" has increased by 33%, to 61% of all borrowers. "For new borrowers," Gehrke said, "we have also seen the preference for engaging with lenders earlier in the buying process — that is, when they first consider buying a home versus when they have found one and are looking for a mortgage loan — increase from 35% to 42% in the past three years."

J.D. Power's consumer data supports this higher and earlier engagement trend, Gehrke explained: "The percentage of borrowers who expect the lender to walk them through every aspect of the borrowing process has risen to 90%, up from 84% two years ago." Meanwhile, "the percentage of borrowers who [say they] would prefer a totally digital experience has dropped 16% over the past two years to 43% — even considering lenders offering the perfect combination of digital tools," he

Source: J.D. Power

Did You Know...

Home price growth in the U.S. is expected to average 3.4% in 2025 and 3.3% in 2026, according to a panel of more than 100 economists and housing experts polled by Fannie Mae and research firm Pulsenomics.

The latest forecasts are slight downward revisions from Fannie Mae's previous quarterly poll, in which the panel predicted 3.8% home price growth in 2025 and 3.6% in 2026. Last year, national home prices grew 5.8%, according to Fannie Mae.

> Compliments of Suzanne Smith HNB Mortgage 2101 W. Wadley Ste.36 Midland TX 79705 432-683-0081 Suzanne@HNBMortgage.com NMLS # 192813 Branch/Company 226999/205935 Se habla Español

