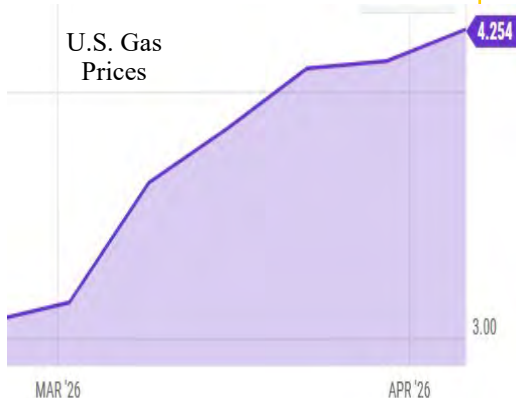


## The Fed Meets Amid Uncertainty

If you are a member of the Federal Reserve Board's Open Market Committee, you can surely understand that things never seem to go as planned. Certainly, the pandemic was not expected and nor was the sharp rise in worldwide inflation which accompanied the recovery from the pandemic. As that was happening the war in Ukraine took center stage. While the inflation rate was recovering from all this, we got hit with another great unknown – the implementation of tariffs which had the potential to at least temporarily reignite inflation.

And just as we were finding out how tariffs were going to affect inflation, they were stuck down by the Supreme Court and implemented in through another avenue which remains in question. Enough curves for you in just six short years? Just to make sure that there was enough twist and turns we get hit with an all-out conflict in Iran over a five to six week period. This was followed by a cease fire, and peace talks which wound up being extended. Regardless of the result of these talks, the conflict had an immediate and severe impact on the price of oil, thus igniting our inflation stats for the month of March.

At the end of April, the Fed meets with this concern to consider -- is the spike in oil a temporary phenomenon which will dissipate immediately after the conflict, or will increased inflation seep through the economy as the price of other goods rise? Some analysts are concerned that the Fed will consider increasing rates as a result of these fears. Maybe not today, but sometime in the future. To further complicate things, the economy is likely to slow down as higher gas prices have the potential to depress consumer spending. On the other hand, increased defense spending is likely to provide a boost to the economy in the long run. There is one thing for sure, we would not want to be a member of the Fed in this environment as they face very precarious concerns without appropriate "fiscal" solutions... ▢



## The Manufactured Solution

As rising home prices continue to keep conventional buyers on the sidelines, Americans could benefit from returning to a very well-trodden path to homeownership: manufactured homes. Manufactured housing now offers one of the most affordable and accessible entry points into the housing market, according to a Realtor.com report. House hunters in February could have picked up a mobile home for \$141,450, the median list price. This is down 5.7% YOY and significantly more affordable than the median single-family home price of \$410,000. At that price, with a 6% 30-year fixed-rate and 20% down payment, homeownership would only put families back \$678 a month.

"Mobile homes offer a unique opportunity to build equity with a significantly lower monthly housing payment. For those who prioritize flexibility and lower cost burdens, the current price dip in the mobile home sector provides a compelling window to move from renting to owning," said Joel Berner, senior economist at Realtor.com. With median rents currently running \$1,667, a manufactured home could help a large swath of Americans save money and provide an equity safety net for the future. Popular in the 1990s, the share of factory-built houses declined in the lead-up to the Great Recession as site-built construction exploded in the early 2000s. They now account for about 10% of new housing, while the approximately 7.2 million occupied pre-fabs in the U.S. make up 5.4% of total lived-in homes in the U.S... ▢

Source: Realtor.com

## Selected Interest Rates

April 23, 2026

- 30 Year Mortgages—6.23%
- 2025 High (Jan 16)—7.04%
- 2025 Low (Dec 31)—6.15%
- 15 Year Mortgages—5.58%
- 10 Year Treasuries—4.31%

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.

## Office Market Conversions

RentCafe has identified 90,300 apartment units in the process of conversion from offices. That's up 28% from a year earlier, setting another record. It's also nearly four times more than in 2022. Office conversions account for almost half of all future adaptive reuse projects nationwide, at 47%. That's up from 42% last year. There are 193,900 planned projects in the pipeline. Of the remaining projects, 18% are from hotels, 16% are from industrial properties, and healthcare facilities, schools, retail and government buildings make up 19%.

"COVID-19 is to the office market what e-commerce was to retail. As a result, there is simply too much office space in the market right now," observed Peter Kolaczynski, director of Yardi Research. In early 2025, the national office vacancy rate was around 20% and the physical occupancy in many buildings was around 50-55%. And, one-third of U.S. office loans are set to mature by 2027. When loans mature, borrowers need to either pay them off or refinance them. The problem is that many of these office buildings have lost significant value largely due to remote work trends reducing demand," said Doug Ressler, senior analyst for Yardi Matrix.

However, many office-to-apartment conversions take a few years to complete, slowed by structural constraints, construction costs, financing issues and regulatory requirements. The types of office buildings being converted have also changed. Newer offices make up 2% of completed projects but account for 6.4% of future conversions... ▢

Source: Mortgage Bankers Association

## Did You Know...

The share of relatively newer owner-occupied homes (those built within the past 14 years) has declined greatly, from 18% in 2014 to only 13% in 2024. Meanwhile, the share of older homes that are at least 45 years old has increased significantly, rising from 39% in 2014 to 47% in 2024. This shift further reflects the ever-aging stock of homes in the U.S.

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**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