

June Gloom A Precursor?

For those who live in California, the term June Gloom should not be a surprise. For the rest of our readers, the June Gloom is a period of cloudy, cooler days in late spring and early summer especially in Southern California. It is a precursor for sunny, hotter days on the way. Well, this spring has been comprised of cloudy cooler days for the economy and especially the real estate market. But there is potential for sunny and hotter days ahead. Mind you, cloudy and cool is not the same as cold and miserable. We have had some decent economic numbers released this spring. But in no way can we describe today's economy as hot.

What would it take to heat up the real estate market? That would take three major ingredients. First, lower inflation, which would lead to lower mortgage rates. Second, more housing inventory. Third, some semblance of peace in the Middle East, which would lead us back to the first ingredient. More importantly, it would add a sprinkle of consumer confidence which is always an important seasoning for a warmer economy and housing momentum. And perhaps a hot economy would not be a great idea anyways. Just a bit warmer would do the trick without igniting more inflation in the long run.

Early this month we will get a reading which will tell us more about the state of the economy. May's jobs report will be released. April was the first month of stable jobs growth after a roller-coaster first quarter. In January we added 130,000 jobs, in February we lost 156,000 jobs and in March we gained 185,000 jobs. April was a more stable gain of 115,000 jobs. Analysts are only expecting around 55,000 jobs to be added, thus another gain of 100,000 or slightly more jobs would be welcome – especially if the unemployment rate stays steady at 4.3%. Of course, the analysts will be looking at wage growth closely as inflation has been heating up due to the rise in energy prices... ▢



Renters Still Burdened

Rent growth has slowed. But for millions of American renters, that is not the same as relief. The monthly payment is what matters to renters, not the rate at which it increased, and by that measure 2024 was another year moving in the wrong direction. The number of cost-burdened renter households rose to 21.4 million in 2024, up from 20.9 million the year before. That means that 47.6% of renter households nationwide spent more than 30% of their income on rent. Severely burdened households, defined as those spending more than half their income on rent, climbed to 10.9 million from 10.5 million. Slower rent growth does not mean rents are falling.

It means rents are still rising, just less rapidly than before. That distinction matters for rent burdens. Households feel the level of rent they have to pay, not just the current growth rate. Even if rent growth slows, affordability can still be a challenge when rents remain high relative to incomes. The cross-metro differences tell an important part of the story. Higher-rent metros do not just have higher rents, they also tend to have more renter households. That composition effect helps explain why there are more cost-burdened households in expensive markets. In practice, both forces are at work. In expensive metros, renter households often face higher rents, and renter households make up a larger share of all households... ▢

Source: Zillow

Population Growth Slows

U.S. population growth slowed notably in the latest estimates from the Census Bureau, with the nation expanding by just 0.5% in 2025, roughly half the pace of the prior year. The deceleration was primarily driven by a sharp decline in net international migration, which dropped from 2.7 million to 1.3 million, while natural change remained relatively stable. Population growth remains concentrated in the South and parts of the West. These forces are not only redefining where population growth occurs but also reshaping the geographic foundations of housing demand. At the county level, population growth slowed across much of the country, with a majority of the nation's 3,143 counties and the District of Columbia experiencing decelerating population growth in 2025. Of the 2,066 counties that grew in 2024, nearly 80% saw their growth slow or reverse last year.

Net Domestic Migration has become the most visible driver of county-level divergence. Population flows continue to shift away from the largest and most expensive counties toward smaller and less densely populated areas. Collectively, the 50 counties with population exceeding one million recorded a net domestic migration loss of 637,634 in 2025. In contrast, counties with populations between 50,000 and 999,999 posted a combined gain of 533,766 residents, while medium-sized counties with populations between 15,000 and 49,999 gained 95,095... ▢

Source: The National Association of Home Builders

Did You Know...

Apartment construction starts declined to roughly 55,000 units in the U.S. in the first quarter of 2026. That's a 73% decrease from the peak reached in early 2022, CoStar said... A study done by MarketScreener.com found that 43% of U.S. homeowners renovated their home last year, and an additional 33% plan to renovate this year

Selected Interest Rates

May 21, 2026

- 30 Year Mortgages — 6.51%
- 2025 High (Jan 16) — 7.04%
- 2025 Low (Dec 31) — 6.15%
- 15 Year Mortgages — 5.85%
- 10 Year Treasuries — 4.60%

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.



Source: The Conference Board

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