

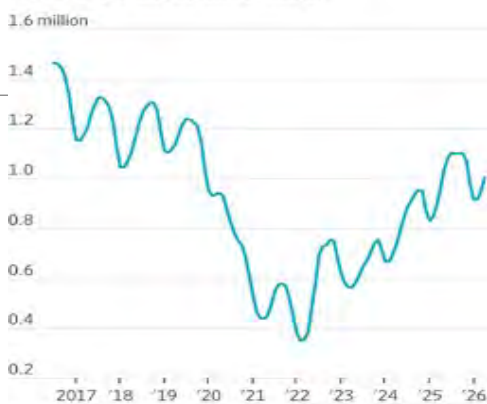
From June Gloom To July Pride

We started the month of June in something we described as akin to a California June gloom. Oil prices and interest rates were higher and the real estate market had softened. We also said that June glooms in California are typically replaced by a sunny and hot July. We asked if our June gloom could be such a precursor. Well, we think that it is apropos that we move into July celebrating the country's 250th anniversary. We can think of no better time to witness a turnaround that could propel the economy upward during the second half of the year.

This country was built upon the premise that people could come to our country attracted by the availability of land. Land which was not accessible in their home countries. For generations, Americans have built their wealth upon this land. And today, real estate remains the primary builder of wealth for the average American with nearly 70 percent of households owning real estate. And for the vast majority of these owners, their real estate has become their most important asset, as well as their home. It is interesting to read coverage in the media that ownership has lost its luster in the short run. However, in the long run ownership is always a primary piece of the America dream.

We enter July with pride regarding our 250th anniversary. But also, with the recognition that interest rates have fallen off their highs as the situation in Iran, while not resolved, has calmed down significantly. While we are not expecting a 180-type turnaround, we move into the second half of the year hopefully shifting in the right direction. This week we will see the June's employment numbers. Thus far the second quarter has seen an improvement in terms of the number of jobs added. A decent report would help with regard to building momentum as those who are working are the ones who are more likely to be on the hunt for real estate. Meanwhile, happy anniversary America!...

U.S. total active home listings



Source: Realtor.com



The "New" Advantage

Buyers of newly built homes save an average of \$25,335 over the first 10 years of ownership compare to buyers of 20-year-old homes. That's according to new research from Realtor.com, which said the savings are driven by lower energy bills and fewer major repairs.

"Homeownership is not a one-time expense, and the ongoing costs of owning a home are where new construction really shines," said Joel Berner, senior economist at Realtor.com®. "Buyers who focus only on the listing price are missing a significant part of the financial picture." Realtor.com said the findings show a wide geographic divide, with states in New England offering the greatest advantage and Southern states the least. It identifies 16 metros where a decade of savings from new construction fully erases the price gap with existing homes.

New construction savings come in two forms, Realtor.com said -- lower utility costs from more energy-efficient construction, and delayed replacement of major systems such as HVAC, roofs, and water heaters. To help buyers see these savings in action, Realtor.com said it is introducing interactive total cost of ownership content through a dedicated cost of ownership hub and experience on new construction listings, showing personalized 10-year savings estimates on utilities, roof replacement, HVAC, and water heater costs compared to a comparable resale home!...

Source: MP Daily

Selected Interest Rates

June 18, 2026

- 30 Year Mortgages—6.47%
- 2025 High (Jan 16)—7.04%
- 2025 Low (Dec 31)—6.15%
- 15 Year Mortgages—5.81%
- 10 Year Treasuries—4.46%

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.

Helping Your Children

For parents, helping a child buy their first home used to be a question: Should you step in, or should they do it on their own? But after years of first-time buyers being priced out, a new consensus seems to be forming: If you can help, you probably should. Nearly three-quarters of parents with children at home (74%) say they would consider or have already started financially planning to help their kids buy a home one day, according to a recent Northwestern Mutual survey. For cash-rich parents, that help may come through "giving while living"—passing liquid assets to children now, rather than waiting for an inheritance later. The practice is already having a measurable effect on the housing market. In 2025, 22% of first-time buyers said they used a gift or loan from a friend or relative for their down payment, according to the National Association of Realtors®.

But not every parent has a large pile of cash to hand over. What many do have, however, is home equity. Should parents use the value they've built up in their own home to help their child buy one of their own? As Jacob Dayan, managing partner at Dayan Capital LLC, puts it, the decision has two parts: "First, how do you obtain the money, and second, how do you transfer the money?" Dayan says parents typically have three main ways to pull money from their home: a home equity loan, a home equity line of credit, or a cash-out refinance. Dayan says families generally have two options: a documented gift or a documented intrafamily loan. A gift is often the simpler route, especially if the goal is to help a child with a down payment or closing costs without adding another monthly obligation. But larger gifts can come with tax-reporting considerations, so parents should speak with a tax adviser before moving money!...

Source: Realtor.com

Did You Know...

Second-lien lending hit its highest first-quarter volume in 18 years as homeowners withdrew equity at the strongest first-quarter levels since 2021, according to a report released by ICE Mortgage Technology

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