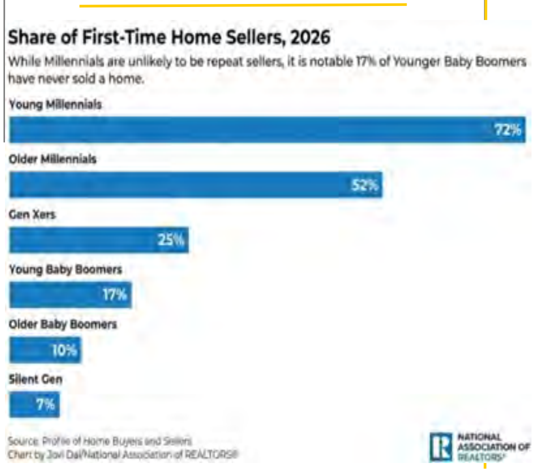
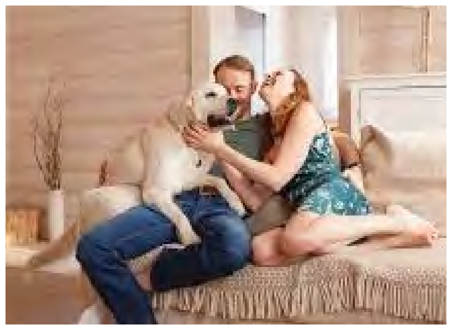
Jobs and Iran In Focus

First, we thought that the employment sector was recovering from a period of lackluster gains. Then we thought that the conflict in Iran was winding down. In July we found that both thoughts were quite premature. In early July we found out that the economy added only 57,000 jobs in June and the previous two months of gains were revised downward by 74,000 jobs, a net loss of almost 20,000 jobs for the month. Then in mid-July, the agreement between Iran and the U.S. collapsed as the rockets began firing again and traffic was disrupted within the Strait of Hormuz. Moving into August, the hope is that both trends are reversed again.

We begin August with the July employment report, which will be released this Friday. During the past 12 months, the economy has added an approximate average of 32,000 jobs per month. This average is significantly below the pace of previous U.S. economies which were non-recessionary. As we have previously mentioned, the sluggish population growth is one factor contributing to these low averages, which explains why the unemployment rate is not rising. This leads to a key question – If job gains remain subdued, will the unemployment rate start trending higher? Friday’s report might provide a clue to this puzzle.

Meanwhile, the situation in Iran has threatened to escalate even further than when it intensified during the initial conflict. Our military bases throughout the Middle East were being hit in the middle of July. Shipping was again disrupted and energy prices once again headed upward. This news came on the heels of the tamest inflation reports we had seen all year, which was quite ironic. Long-term wars are harbingers of inflation even when energy supplies are not disrupted because of increased government defense spending. Again, ironically this spending can cause an increase in the rate of job creation. Regardless, it is everyone’s hope that the war does not evolve into a long-term engagement...





Home Sweet Home

Nearly three-quarters (74%) of U.S. homeowners would rather be at home than anywhere else, according to a recent Redfin survey. Redfin reported on how Americans feel about their homes and their neighborhoods. Redfin commissioned Ipsos to conduct the survey of 4,000 U.S. residents, including 2,280 homeowners and 1,431 renters. Results in this report are based on a single question which asked respondents to answer how likely they were to agree or disagree with a set of statements about how they relate to their current home and neighborhood. Homeowners were about as likely to agree that their home is a reflection of who they are (74%), and that they feel a sense of belonging in their neighborhood (72%). By contrast, most renters (57%) said their home is just a place to live. Just 35% of homeowners said the same.

“For many homeowners, a home is more than a place to sleep and store belongings—it’s a reflection of who they are,” said Redfin Principal Economist Sheharyar Bokhari. “Homeownership can help people put down roots, build relationships and create a space that feels uniquely their own. Those emotional benefits are a big reason why owning a home remains a cornerstone of the American Dream. While affordability remains a challenge, today’s buyer’s market is giving some house hunters more negotiating power. Buyers are increasingly able to secure concessions and include inspection contingencies, helping them make more informed decisions before taking the leap into homeownership.”...

Source: Redfin

Selected Interest Rates

July 23, 2026

30 Year Mortgages——6.58%
2025 High (Jan 16)——7.04%
2025 Low (Dec 31)——6.15%
15 Year Mortgages——5.96%
10 Year Treasuries——4.66%

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.

The Emergence Of Generation Z

Gen Z is no longer an emerging homebuyer segment — it's becoming a primary source of purchases. New Intercontinental Exchange (ICE) data shows the generation accounted for a record 20% of purchase rate locks in the second quarter, while Millennials and Gen Z now make up two-thirds of financed purchases. The ICE Mortgage Monitor report suggests that even with affordability remaining a challenge, younger buyers continue finding ways of becoming homeowners through government backed financing and increasingly creative approaches to funding down payments. At the same time, home price appreciation accelerated in June, underscoring that affordability pressures remain even as inventory continues to improve. "Gen Z's rise to nearly 20% of rate locks is one of the clearest signs yet of a generational handoff in the homebuying market," said Andy Walden, head of mortgage and housing market research at ICE.

"Despite facing one of the tougher affordability environments in decades, younger buyers are finding ways to become homeowners." ICE said Gen Z's market share is likely to continue climbing because much of the generation is only beginning to enter its prime homebuying years. The oldest members of Gen Z are approaching age 29, placing more of the generation squarely within prime first-time homebuying years. ICE found the cohort now represents nearly one-third of all first-time homebuyer mortgages and 27% of FHA purchase lending, highlighting continued reliance on government-backed financing... *Source: National Mortgage Professional*

Did You Know…

In the second quarter, 44% of real estate agents surveyed in CNBC’s Housing Market Survey said they were seeing a balanced real estate market between buyers and sellers.

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