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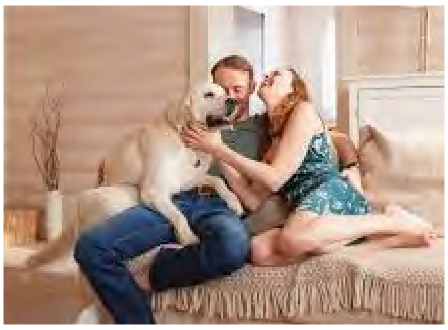
Real Estate Trends For Realtors, Homeowners and Professionals **September 2026**

The Fed Has Another Worry

In our last commentary we discussed the Federal Reserve's reaction to what they termed "elevated inflation." The recently released minutes from their last meeting and several speeches delivered since that meeting have served to indicate that there are Fed Governors who are ready to increase interest rates in the near future. Instead, they woke up to a big surprise during the early part of August. Employment data for the month of July revealed that 23,000 jobs were shed, Also, the previous two months of job gains were revised downward by 103,000 jobs.

Taken together, that is a loss of 126,000 jobs. Since the economy has been adding only about 30,000 jobs per month over the past year, that number is extremely significant. Taken together with recent data showing a 1.5% growth rate for the economy during the second quarter (subject to revisions) – the Fed has another worry on their hands. That worry is slowing economic growth. It will be harder for the Fed to raise interest rates if the economy is not growing strongly enough. They can't lower rates in the face of elevated inflation, and they can't raise rates because of slow economic growth. That is called being between a rock and a hard place.

The good news is that the Fed did not meet in August. Their next meeting is in mid-September. By that time, we will have another jobs report to chew on, as well as a revision of GDP growth for the second quarter. Plus, there will be a few inflation readings as well. Let's hope that the economy reverses some of these job losses and inflation eases as the situation in the Middle East calms down. Leaving rates steady would not be as much of a concern if these two scenarios come to fruition. In the above forementioned "rock and hard" place situation, this is the best we can hope for. We won't have to wait very long to see some evidence as the Fed's favorite inflation statistic is due out as August comes to a close and the jobs report for August will be released shortly...



Prices Still Rising

Home prices rose in 80% of metro markets in the second quarter of 2026, up from 71% last quarter, according to the National Association of REALTORS®' latest report. The data points to stronger homeowner equity and continuing affordability challenges for buyers. The median price for a single-family existing home in America is now $434,900, up 1.5% compared to this time last year. NAR Chief Economist Lawrence Yun explained how home prices fit in the larger context of closed transactions, weighing additional economic forces. "Home sales increased despite mortgage rates rising. This testifies to the potential housing demand building up from steady job and income gains," Yun said. "Sales rose in three of the four major regions, with the South leading the way due to faster job growth. The Northeast was the exception, held back partly by slower job growth and faster-appreciating home prices, which hurt affordability." Yun added,

"It is welcoming to see incomes rising faster than home prices, which has helped boost affordability—but the big short-term challenge to affordability is coming from rising mortgage rates." NAR data shows that year-over-year the typical monthly mortgage payment is down. Those who bought an existing single-family home with a 20% downpayment in the 2nd quarter of 2026 are paying roughly $52 less per month than last years' buyers. Housing costs are also eating up less of those groups' household incomes. Typical families are now spending 23.8% of their income on their mortgage payments, down from 25.5% last year... *Source: MP Daily*

Selected Interest Rates

August 20, 2026

30 Year Mortgages——6.65%
2025 High (Jan 16)——7.04%
2025 Low (Dec 31)——6.15%
15 Year Mortgages——5.95%
10 Year Treasuries——4.65%

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.

Manufactured Home Support

Perhaps the most consequential piece of the new landmark housing legislation involves an astonishingly simple change to a 50-year-old federal law. Manufactured houses, or mobile homes, no longer must have a permanent chassis, the steel under-frame used to transport the house and then left attached. The U.S. desperately needs more affordable starter houses for low- and middle-income folks currently priced out of the market, and some builders and housing advocates say this little tweak could help do the trick. Manufactured homes can cost from 27% to 65% less than comparable houses built on site, according to an estimate from the Niskanen Center. While most U.S. homes are "stick-built" on site, manufactured homes get built in factories. There are economies of scale — standardized materials, centralized purchasing, controlled weather conditions and a stable workforce.

Proponents say there's more to it. Shedding the steel structure under a house opens up a whole new array of design opportunities for these homes. The change could make multi-story manufactured homes, lower-to-the-ground designs and basement installations easier and less costly — amping up their appeal. "I think we're going to see a lot of clever ways that people decide to use these homes," says Joel Berner, economist at Realtor.com. For example, it could make manufactured housing a more practical option for accessory dwelling units, which more states and cities are allowing as they face housing shortages. There are still roadblocks ahead. Many local zoning laws restrict the placement of manufactured housing, partly due to the stigma... *Source: NAR*

Did You Know…

The number of properties purchased by foreign buyers decreased 14% from April 2025 to March 2026 compared to the prior 12-month period, according to the National Association of Realtors

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