



REAL ESTATE TRENDS

FOR REALTORS, HOMEOWNERS AND PROFESSIONALS



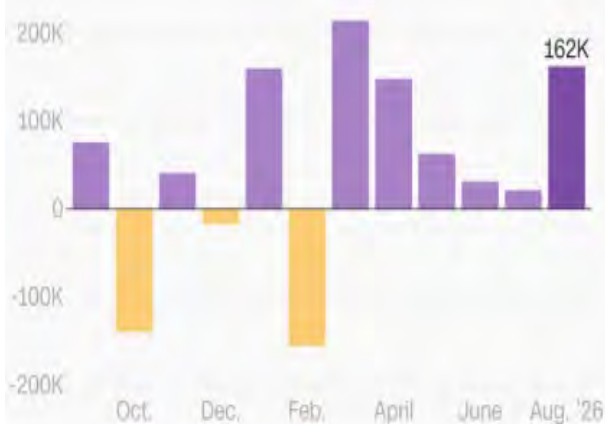
The Interest Rate Picture

The Federal Reserve's policy is to keep inflation at a 2.0% level as elevated inflation has a detrimental effect upon the economy. Certainly, elevated inflation has a detrimental effect upon every American's pocketbook. The Fed tries to ease inflation by tightening monetary policy which can mean that they are raising their benchmark interest rate (the Federal Funds Rate) and/or decreasing the supply of money in circulation. These actions are designed to slow the economy at the same time.

Of course, the decision to tighten monetary policy is problematic if the economy is not strong. This is where the Fed's balancing act comes in because the Fed's goal is also a healthy economy. In other words, we don't want to give the patient too much medicine, which would cause additional or even worse problems. To add another factor into the equation, there is the possibility that the Fed could raise interest rates as they did a few weeks ago but long-term rates such as rates on mortgages could go down as a result. How is that possible? First, the Fed controls very short-term rates. The Federal Funds Rate is the rate that banks charge each other to borrow funds overnight to make sure their balance sheets are "balanced." That is very short-term.

Long-term rates are affected more by the prospects of inflation, as discussed previously. When the Fed raises their benchmark interest rate, the markets perceive that the Fed is acting to bring inflation under control, which is a good thing. Therefore, it would not be unusual for the markets to react positively to this Fed action. It is also not unusual for rates to rise in anticipation of the Fed's action, which is what happened. Going back to the economy, we have a report being issued which will give us a good idea if the Fed feels like the economy is strong enough to withstand higher short-term rates. That report is the monthly employment report for September. Last month we had a strong jobs report. Two strong reports in a row could denote the start of a trend after a long period of lackluster job growth. We expect the markets to watch this report closely in this regard...

Monthly payroll growth



New Condo Rules

New condominium lending rules from Fannie Mae and Freddie Mac could make loan approval easier for some borrowers while adding complexity for others says National Association of Realtors Director of Conventional Housing Finance and Valuation Policy Ken Fears.

Changes include the elimination of a streamlined process for project approvals, waivers available for buildings with 10 or fewer units and increases in homeowners association (HOA) reserve requirements. With streamlined approvals eliminated, many have expressed concerns about transaction delays. Fears says Fannie Mae's condominium project manager app, introduced in 2025, should lessen the burden for lenders seeking project approvals, because once a building is approved for one loan, subsequent loans will no longer have to go through the full review.

Jodi Horne, Fannie Mae's director of collateral risk management, says the new changes are aimed at preventing deferred maintenance, special assessment and long-term affordability issues, and she encourages real estate professionals and HOAs to verify condo eligibility to help avoid closing delays.

At this point, it looks like some transactions may become easier to close while others may have a tougher time circumventing the new order...

Source: Realtor.com

Selected Interest Rates

September 17, 2026

30 Year Mortgages——6.95%
2025 High (Jan 16)——7.04%
2025 Low (Dec 31)——6.15%
15 Year Mortgages——6.26%
10 Year Treasuries——4.93%

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.

October 2026

New Construction Insights

According to the latest Realtor.com New Construction Insights Report, more than two-thirds (67.2%) of views to new-construction listings in the second quarter of 2026 came from shoppers from a different metro area than the home for sale. Realtor.com noted that the share exceeds the 65.4% of views to existing home listings coming from outside the listing metro, underscoring the outsized role of long-distance shoppers in new-home demand. According to the report, the strongest cross-metro interest is concentrated in Southern markets where new construction is often priced at or below the national median.

"New construction is increasingly a destination for buyers who are willing to look beyond their current metro in search of more attainable options and a different lifestyle," said Joel Berner, Senior Economist at Realtor.com. "The markets drawing the most distant attention are largely in the South, where buyers can often find a newly built home at a price that compares favorably with more expensive nearby and coastal metros."

Realtor.com noted that the national median listing price for a newly built home was \$450,256 in the second quarter, essentially unchanged from a year earlier, down 0.1% ...

Source: MP Daily

Did You Know...

About one in four Americans is already using self-storage and just as many are actively searching for a unit online currently. Across the 150 largest U.S. cities, self-storage searches rose 23% year-over-year in 2025 — nearly triple the growth recorded the previous year, up from around 8% in 2024.

A recent survey of about 1,000 prospective home buyers by Neighbors Bank found that nearly half—45%—believe mortgage rates are higher than they are. Meanwhile, 72% of prospective buyers say they've delayed their home search while waiting for rates to improve, putting their plans on hold for an average of 13 months.

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