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STEVE COMBS

STRATEGIC HOUSING & MORTGAGE INTELLIGENCE

THE PRICE ISN'T THE DEAL.

The best housing value may be hidden in the financing, incentives, condition, and long-term cost.

Higher mortgage rates are increasing the value of seller concessions, builder incentives, and disciplined comparison. A lower asking price does not automatically produce the lower ownership cost.

Read online
steve-combs.com/weekly-market-brief

Steve Combs · NMLS #381933 · Cornerstone Home Lending · Equal Housing Lender

EXECUTIVE SUMMARY

The Market Changed Faster Than the Headlines

This week delivered an important reminder: affordability can change even when the price of the home does not. Mortgage pricing moved sharply higher before recovering only modestly. Optimal Blue's July 24 national lock-data snapshot showed the 30-year conforming index at 6.647%, the 30-year FHA index at 6.488%, and the 30-year VA index at 6.285%. These are national market measures — not individual loan quotes — but they demonstrate how quickly a buyer's payment framework can change.

At the same time, housing remains divided. Existing-home sales softened, resale inventory improved, new-home supply remained elevated, and builders continued using financing incentives, closing-cost assistance, and price adjustments to support demand. That combination creates opportunity — but only for buyers and sellers who compare the entire transaction.

EXISTING-HOME SALES	EXISTING MEDIAN PRICE	EXISTING INVENTORY	NEW-HOME SALES	NEW-HOME SUPPLY
4.09M	$440,600	4.6 mo.	628,000	9.3 mo.
Annualized pace	*National median*	*Improved buyer choice*	*Annualized pace*	*Elevated builder inventory*

Sources: National Association of Realtors · U.S. Census Bureau / HUD

> ***"A home's asking price is visible. Its complete ownership cost often is not."***

The strongest buyers are not simply finding the lowest price. They are identifying which combination of property, financing, incentives, taxes, insurance, condition, and cash use creates the best complete outcome.

SIGNAL VS. NOISE

A Lower Price and a Better Deal Are Not Always the Same Thing

NOISE What the headlines say	SIGNAL What the data shows
✕ **“The cheaper house is the better value.”** *Not necessarily. Financing, taxes, insurance, condition, maintenance, and concessions can reverse the result.*	✓ **New-home inventory remains elevated.** *Approximately 9.3 months of national supply gives builders a reason to compete for qualified buyers.*
✕ **“Builder incentives are free money.”** *They are part of the transaction economics. Their value depends on how they are allocated and whether the underlying price remains competitive.*	✓ **Resale inventory is improving.** *More selection may create negotiating opportunities that were unavailable during the most competitive years.*
✕ **“A seller should always reduce the price.”** *A targeted concession may create more payment relief or cash-to-close relief for the right buyer.*	✓ **Incentive allocation matters.** *The same dollar amount can produce very different results depending on whether it reduces price, rate, closing costs, or immediate cash needs.*
✕ **“Rates moved higher, so buyers should stop looking.”** *A rate change alters the analysis. It does not automatically determine the decision.*	✓ **Rate shocks expose weak planning.** *A sound strategy identifies who is affected, what changed, and what response is appropriate.*

“The market does not reward the buyer who finds the biggest incentive. It rewards the buyer who uses the incentive most effectively.”

HOUSING MATH

What Can $10,000 Actually Do?

A $10,000 price reduction and a $10,000 incentive are not the same deal. The correct use depends on the buyer's payment, cash, time horizon, loan structure, and actual constraint.

1 · REDUCE THE PURCHASE PRICE

A $10,000 price reduction lowers the loan amount, but the monthly payment effect may be modest when spread over a long mortgage term.

BEST SUITED FOR

- long-term ownership
- lower principal balance
- appraisal or valuation concerns
- buyers who are not cash-constrained

2 · PERMANENT RATE BUYDOWN

The same funds may produce greater monthly payment relief by reducing the interest rate, depending on current pricing, loan type, holding period, contribution limits, and breakeven period.

BEST SUITED FOR

- payment-sensitive buyers
- longer expected holding periods
- buyers who value predictable permanent savings

3 · CLOSING-COST CREDIT

A closing-cost credit may preserve cash reserves, reduce the amount due at settlement, or prevent the buyer from exhausting liquidity.

BEST SUITED FOR

- cash-constrained buyers
- buyers protecting emergency reserves
- transactions with significant prepaid taxes, insurance, or escrows

4 · TEMPORARY BUYDOWN

A properly structured temporary buydown can reduce early payments while preserving the permanent note rate.

BEST SUITED FOR

- buyers expecting near-term income growth
- households managing transition costs
- buyers who can support the full permanent payment

Planning note: temporary payment relief should not disguise an unaffordable permanent payment.

THE THREE NUMBERS

The right allocation begins with:

1. The payment the buyer prefers
2. The maximum payment the buyer will accept
3. The cash the buyer intends to protect

An incentive should solve the buyer's actual constraint — not simply make the advertisement look stronger.

RESALE VS. NEW CONSTRUCTION

Two Homes. Two Very Different Cost Structures.

The better opportunity is not determined by whether the home is new or previously owned. It is determined by which complete structure best supports the buyer's finances, timing, lifestyle, and expected holding period.

CONSIDERATION	RESALE	NEW CONSTRUCTION
Purchase price	May be more negotiable	May include a builder premium
Financing	Buyer may compare multiple lenders	Incentives may be tied to an affiliated lender
Closing costs	Seller credit may be negotiable	Builder credit may be substantial
Condition	Inspection and near-term repairs matter	New systems and warranties may reduce early maintenance
Taxes	Usually based on established assessment	Initial estimate may not reflect the fully assessed future bill
HOA and amenities	Established costs and operations	Fees may evolve as the community is completed
Timing	Often faster and more predictable	Construction schedules and completion risk matter
Location	More established neighborhoods	New communities may be farther from employment centers
Cash use	Repairs and improvements may follow closing	Deposits and upgrades may occur before closing
Resale risk	Comparable history is often clearer	Future builder inventory may compete with early resales

"New does not automatically mean expensive. Resale does not automatically mean value."

BEFORE CHOOSING, COMPARE

› complete monthly payment
› cash required before and at closing
› taxes and insurance after full assessment
› expected maintenance
› commute and lifestyle
› available concessions
› expected holding period
› resale flexibility

SOUTHERN MARYLAND PULSE

Your Home Market at a Glance

The three Southern Maryland counties remain the permanent local core of this publication. Each presents a different planning environment.

ST. MARY'S COUNTY

MEDIAN PRICE
$462,385

MEDIAN DAYS ON MARKET
37

ACTIVE LISTINGS
233

INVENTORY TREND
–5% MoM · –7% YoY

5-YEAR FORECAST
+23.81%

AFFORDABILITY INDEX
119

INTERPRETATION

St. Mary's remains the tightest of the three core markets. Buyers may have less inventory leverage, making property condition, seller concessions, and property-specific payment planning especially important.

CALVERT COUNTY

MEDIAN PRICE
$517,449

MEDIAN DAYS ON MARKET
32

ACTIVE LISTINGS
306

INVENTORY TREND
+6% MoM · +55% YoY

5-YEAR FORECAST
+22.00%

AFFORDABILITY INDEX
138

INTERPRETATION

Calvert currently combines the strongest affordability reading with substantially more inventory than one year ago. That improves buyer choice and negotiating potential without weakening the long-term appreciation outlook.

CHARLES COUNTY

MEDIAN PRICE
$489,309

5-YEAR FORECAST
+21.47%

AFFORDABILITY INDEX
130

HOMES BEING BUILT
1,023 per year

INTERPRETATION

Charles is the clearest Southern Maryland market for comparing new construction against resale. Its larger construction pipeline creates more direct competition between builders and existing-home sellers.

> ***"The best local market is not the county with the lowest price. It is the county whose complete ownership outcome best aligns with the buyer's goals."***

MBS Highway report cards · Data current as of July 26, 2026.

REGIONAL SPOTLIGHT

Prince George’s County, Maryland

Prince George’s County is an ideal market for understanding why price alone does not determine affordability. Two similarly priced homes can produce materially different outcomes after taxes, insurance, HOA dues, condition, commute, financing, and concessions are considered.

MEDIAN PRICE	MEDIAN DAYS ON MARKET	ACTIVE LISTINGS	INVENTORY TREND
$475,609	47	1,865	–6% MoM +8% YoY

5-YEAR FORECAST	AFFORDABILITY INDEX	HOMES BEING BUILT
+21.28%	112	3,869/yr

WHY PRINCE GEORGE’S THIS WEEK

Prince George’s contains a broad mix of resale homes, established communities, redevelopment, condominiums, townhomes, and new-construction opportunities. Its scale makes it an ideal market for comparing:

- › resale versus new construction
- › payment relief versus cash preservation
- › property condition versus builder warranty
- › commute versus square footage
- › taxes and insurance versus purchase price
- › immediate incentive versus long-term ownership cost

> ***“Prince George’s demonstrates why ‘affordable’ cannot be defined by purchase price alone. The complete ownership structure determines the outcome.”***

MBS Highway report card · Data current as of July 26, 2026.

MORTGAGE & MARKET INTELLIGENCE

The Week's Rate Reality

Rate changes do not affect every buyer equally. They affect buyers differently depending on loan type, payment sensitivity, available cash, concessions, qualification margin, and whether the strategy depends on a future refinance.

30-YR CONFORMING	30-YR JUMBO	30-YR FHA
6.647%	**6.740%**	**6.488%**
30-day range: 6.411%–6.680%	30-day range: 6.401%–6.796%	30-day range: 6.232%–6.488%
30-YR VA	**30-YR USDA**	**15-YR CONFORMING**
6.285%	**6.479%**	**5.958%**
30-day range: 6.023%–6.285%	30-day range: 6.197%–6.508%	30-day range: 5.692%–6.042%

Optimal Blue OBMMI · Last updated July 24, 2026. National averages are market context only. They are not a rate quote, Loan Estimate, APR disclosure, approval, commitment to lend, or guarantee of terms. Different rate measures use different methodologies, borrower profiles, and observation periods.

RATE-SHOCK IMPACT REVIEW

When mortgage pricing changes materially, review these clients first:

1	Buyers under contract but not yet locked
2	Buyers near their maximum payment
3	Borrowers whose qualification depends on the prior rate
4	Scenarios dependent on seller or builder concessions
5	Expiring rate locks
6	Buyers with limited reserves
7	Purchases justified primarily by an assumed near-term refinance

The week's rate movement did not invalidate every purchase strategy. It exposed which strategies were overly dependent on a narrow payment, unsecured incentive, or future refinance.

> ***"Markets can change overnight. A governed strategy identifies who is affected, what changed, and what should happen next."***

STEVE'S TAKE

The Incentive Is Not the Strategy

This week's rate movement reminded me how quickly a comfortable plan can become a tight one. That does not mean every buyer should stop. It means every buyer deserves to understand precisely what changed.

I am also seeing more situations where a builder, seller, or listing agent advertises a large incentive, but the buyer still has not been shown which use of that incentive creates the strongest result.

A price reduction may sound impressive. A closing-cost credit may protect needed reserves. A permanent buydown may create greater monthly relief. A temporary buydown may help during the first few years. Each solves a different problem.

The same is true when comparing new construction with resale. New does not automatically mean expensive. Resale does not automatically mean value. The analysis has to include the payment, cash requirement, taxes, insurance, property condition, commute, maintenance, incentives, and how long the buyer expects to own the home.

The incentive is a resource. The strategy is deciding where that resource creates the most value. That is the conversation buyers deserve before they sign a contract — not after.

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CONTINUE YOUR PLANNING

The advertised deal gets your attention. The complete strategy determines whether it is right for you.

Build Your Homeownership Strategy

Homebuyer’s Edge helps compare payment, cash, loan structure, incentives, and long-term ownership outcomes before a buyer writes an offer.

steve-combs.com/buy/

Know Your Payment First

Use the Target Payment Calculator to begin with the monthly payment that fits your life, then estimate the corresponding price range.

steve-combs.com/target-payment-calculator/

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Coming Next Week: Another edition of market interpretation, local intelligence, and practical housing strategy.

Ask Steve 24-7

Sources: Optimal Blue OBMMI (July 24, 2026) · MBS Highway county report cards (July 26, 2026) · Freddie Mac PMMS · National Association of Realtors · U.S. Census Bureau / HUD · Fannie Mae Economic and Housing Outlook.

THE PRICE IS VISIBLE.

THE STRATEGY REVEALS THE VALUE.

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