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STEVE COMBS

STRATEGIC HOUSING & MORTGAGE INTELLIGENCE

HOUSING IS LOCAL. MORTGAGE MONEY IS GLOBAL.

A home is bought locally. The capital helping price its mortgage moves through markets around the world.

This week: why economic news thousands of miles away can matter to mortgage markets — while the actual housing decision remains intensely local.

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

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

EXECUTIVE SUMMARY

The Money Is Global. The Decision Isn't.

A buyer rarely wakes up wondering what happened to Japanese GDP — and they should not have to. But the financial system that helps establish mortgage pricing is global. Economic growth, inflation expectations, government borrowing, sovereign bond yields, currencies, central-bank policy, and investor demand all compete for capital across borders.

This week, Japan reported that real GDP expanded 0.3% during the second quarter and 1.1% at an annualized pace. That result does not determine a U.S. mortgage rate. It is simply a timely reminder that U.S. borrowers operate inside a much larger capital market.

OPTIMAL BLUE · 30-YR CONF.	FREDDIE MAC · 30-YR FIXED	FREDDIE MAC · 15-YR FIXED
6.647%	**6.67%**	**5.96%**
Observed lock data · Aug 14	*Weekly survey · Aug 13*	*Weekly survey · Aug 13*

Different methodologies produce different measurements. Optimal Blue reflects observed lock data; Freddie Mac PMMS is a weekly survey benchmark. Neither represents an individual borrower's available rate.

That persistence makes the local decision more important — not less. The borrower cannot control global capital flows. They can evaluate the specific property, the complete monthly payment, available concessions, taxes and insurance, association costs, property condition, cash retained after closing, the expected holding period, and whether the decision remains sound under multiple rate scenarios.

> ***"The forces influencing mortgage rates may be global. The decision still has to work at your kitchen table."***

SIGNAL VS. NOISE

Global Markets Matter. Global Headlines Don’t Replace Local Analysis.

NOISE What the headlines say	SIGNAL What the data shows
✕ **“Japan’s GDP report means U.S. mortgage rates are going up.”** *No. One economic release does not determine U.S. mortgage pricing.*	✓ **Mortgage capital is global.** *Large international bond markets compete for investment capital and can influence the broader rate environment.*
✕ **“Mortgage rates are really just about the Fed.”** *The Fed matters, but pricing also reflects bond yields, inflation expectations, investor demand, government borrowing, and global capital competition.*	✓ **Local opportunity can diverge from national conditions.** *One national mortgage rate can coexist with very different negotiating environments across St. Mary’s, Calvert, Charles, and Northwest Washington.*
✕ **“If the national market is difficult, every local market must be difficult.”** *Local inventory, property type, seller motivation, and construction activity create different conditions within the same national rate environment.*	✓ **Global uncertainty increases the value of scenario planning.** *A strong purchase should be evaluated across more than one possible future rate outcome.*
✕ **“A buyer has to understand all of this before deciding.”** *They do not. The borrower needs a sound plan — not a Bloomberg terminal.*	✓ **The controllable variables still matter most.** *Payment, cash, property, concessions, recurring costs, and holding period determine whether the individual decision works.*

“You do not need to predict the world. You need a plan that can withstand it.”

GLOBAL TO LOCAL

How Does Japan Get Anywhere Near Your Mortgage?

The honest answer is: indirectly, and along with everything else. Here is the actual path — and where it ends.

1

GLOBAL ECONOMY

Japan, Europe, the United States, and other major economies produce data that changes expectations about growth, inflation, and monetary policy.

2

GLOBAL BOND MARKETS

Government bonds around the world compete for investor capital. Investors compare expected returns, currency risk, inflation, and safety.

3

U.S. TREASURY & MBS MARKETS

U.S. Treasury yields and mortgage-backed securities are central components of American mortgage pricing.

4

LENDER PRICING

Capital-market conditions flow through secondary-market pricing into the rates and costs lenders are able to offer.

5

THE HOUSEHOLD DECISION

Does the payment work? Is the cash requirement appropriate? Is this the right property? Does the ownership horizon justify the decision?

JAPAN · APRIL–JUNE 2026 PRELIMINARY GDP — CONTEXT ONLY

REAL GDP	ANNUALIZED REAL GROWTH	PRIVATE RESIDENTIAL INVESTMENT
+0.3%	+1.1%	–0.5%
Quarter over quarter	*Second quarter 2026*	*Quarter over quarter*

Source: Government of Japan, Cabinet Office, ESRI · First preliminary estimate, released August 17, 2026. Presented as current global context. This publication makes no claim that this release caused any movement in U.S. mortgage pricing.

Global markets help create the environment. They do not make the household decision.

HOUSING MATH

You Cannot Control the Rate Market. You Can Control the Break-Even.

Global markets can change quickly. A sound housing decision should not require the borrower to predict them correctly.

1 · TODAY'S DECISION

What is the complete payment at current pricing — not just principal and interest?

CONSIDER

- principal and interest
- property taxes
- homeowners insurance
- mortgage insurance
- HOA or condominium dues
- other recurring costs

2 · UPSIDE SCENARIO

What happens if mortgage pricing improves later? Treat this as optional upside, not a promise.

CONSIDER

- a lower future rate
- a refinance opportunity
- improved monthly cash flow

3 · STRESS SCENARIO

What if rates remain elevated longer than expected? Does the purchase still work?

CONSIDER

- payment sustainable without a refinance
- reserves intact after closing
- qualification not dependent on improvement

4 · HOLDING-PERIOD TEST

How long will the buyer realistically own the property — and does the benefit justify the cost?

CONSIDER

- transaction costs
- upfront cash
- repairs and improvements
- financing costs
- opportunity cost

THE THREE NUMBERS

The strategy still begins with:

1. Preferred payment
2. Maximum payment
3. Cash to protect

You do not need the market to cooperate immediately. You need to understand what happens if it doesn't.

"When the rate environment refuses to become easy, the quality of the planning becomes easier to see."

SOUTHERN MARYLAND PULSE

One Mortgage Environment. Three Different Local Markets.

ST. MARY’S COUNTY

MEDIAN PRICE
$462,385
DAYS ON MARKET
40
ACTIVE LISTINGS
259
INVENTORY
+5% MoM · +8% YoY
5-YEAR FORECAST
+23.81%
AFFORDABILITY
119
HOMES BEING BUILT
357 per year

INTERPRETATION

Inventory is now modestly above last year, giving buyers somewhat more choice while preserving a comparatively strong long-term ownership profile. The opportunity remains highly property-specific: condition, location, concessions, and complete payment matter more than the county average.

CALVERT COUNTY

MEDIAN PRICE
$517,449
DAYS ON MARKET
38
ACTIVE LISTINGS
305
INVENTORY
–5% MoM · +42% YoY
5-YEAR FORECAST
+22.00%
AFFORDABILITY
138
HOMES BEING BUILT
148 per year

INTERPRETATION

One of the most meaningful year-over-year inventory improvements in the local core. Buyers have substantially more choice than a year ago even though month-over-month inventory eased — room for disciplined comparison without suggesting every seller has lost leverage.

CHARLES COUNTY · THE BUILDER-COMPARISON MARKET

MEDIAN PRICE
$489,309
5-YEAR FORECAST
+21.47%
AFFORDABILITY
130
HOMES BEING BUILT
1,023 per year

INTERPRETATION

The substantially larger construction pipeline creates more opportunities to compare resale homes against builder pricing, incentives, warranties, and financing structures.

Charles County metrics reflect the currently available verified report-card fields. MBS Highway report cards · All three counties current as of August 17, 2026.

> ***“The mortgage market may be national. The negotiating environment is not.”***

REGIONAL SPOTLIGHT · NORTHWEST WASHINGTON, DC

One District. Very Different Markets.

Northwest Washington is a useful demonstration of why broad geographic averages can hide the actual housing decision.

NORTHWEST WASHINGTON — THREE MONTHS ENDING MAY 2026 *Source: Redfin · This is not August data*

MEDIAN SALE PRICE	YEAR-OVER-YEAR	AVG. DAYS ON MARKET	HOMES SOLD
$799,731	–5.8%	44	1,109

Homes sold rose from 1,055 during the comparable year-earlier period. Redfin Northwest Washington market trends, three months ending May 2026.

DISTRICT OF COLUMBIA — CURRENT AS OF AUGUST 17, 2026 *Source: MBS Highway · Separate dataset and methodology*

AFFORDABILITY INDEX	MEDIAN HOUSEHOLD INCOME	5-YEAR MODELED APPREC.	HOMES BEING BUILT
82	$115,257	+21.95%	3,809/yr

The Northwest and District-wide figures come from different sources, methodologies, and time periods. They are presented side by side for context only and should not be compared directly.

WHY NORTHWEST THIS WEEK

The mortgage rate available to buyers may be influenced by national and global capital markets. But the purchase itself can vary dramatically depending on whether the buyer is considering a downtown condominium, an older rowhouse, a cooperative, a detached home, a property with significant association dues, a property requiring renovation, or a home competing in a tightly supplied neighborhood. A single national mortgage rate does not create a single affordability outcome.

> ***“Washington is one city. It is not one housing market.”***

STEVE'S TAKE

You Do Not Need to Predict Japan

A buyer called me recently with a question that was essentially the same question I hear every week: "What do you think rates are going to do?"

It is understandable. But consider what that question really requires us to predict. We would have to know what happens with inflation, Treasury yields, government borrowing, economic growth, the Fed, investor demand — and, increasingly, developments in major markets outside the United States.

Japan reported new GDP numbers this week. Does that mean a buyer in Southern Maryland needs to understand Japanese economics before buying a home? Of course not. It means something simpler: there are forces affecting mortgage rates that neither the buyer nor I can control with precision.

That is exactly why the planning matters. We can define the payment that works. We can protect the right amount of cash. We can compare properties intelligently. We can negotiate concessions. We can stress-test the payment if rates remain elevated. And we can treat a future refinance as an opportunity rather than a requirement.

I do not need to correctly predict Japan, the Fed, or the bond market to help someone make a sound housing decision. I need to understand the client. That is the part of the equation we can actually control.

Steve Combs

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CONTINUE YOUR PLANNING

You cannot control global markets. You can control how prepared you are for them.

Build Your Homeownership Strategy

Homebuyer's Edge helps compare payment, cash, property costs, incentives, and long-term ownership outcomes before a buyer writes an offer.

steve-combs.com/buy

Know Your Payment First

Begin with the complete monthly payment that fits your life.

steve-combs.com/target-payment-calculator

Read the Weekly Market Brief

Read the current issue, explore the archive, and subscribe.

steve-combs.com/weekly-market-brief

Talk It Through

Schedule a Strategy Conversation to establish the conditions under which moving forward — or continuing to wait — makes sense.

meetstevecombs.com

ADDITIONAL RESOURCES

AskSteve247 · asksteve247.com

Home Search · steve-combs.com/mortgage-tools/

Mortgage Calculators · steve-combs.com/mortgage-calculators/

Apply Online · Secure application portal through steve-combs.com

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

Ask Steve 24-7

Sources: Optimal Blue OBMMI (Aug 14) · Freddie Mac PMMS (Aug 13) · MBS Highway report cards (Aug 17) · Redfin Northwest Washington, three months ending May 2026 · Government of Japan, Cabinet Office ESRI (Aug 17). Data current as of August 17, 2026.

THE MONEY IS GLOBAL.

THE DECISION IS PERSONAL.

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