

STEVE
COMBS

WEEKLY MARKET BRIEF • ISSUE 21

A BETTER
FRIDAY.

A WORSE
MONTH.

Mortgage rates reached a two-week low.
Affordability did not return with them.



WEEK OF OCTOBER 12, 2026

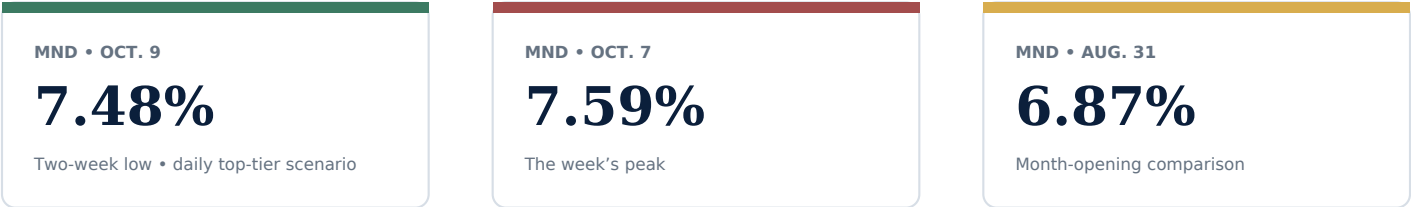
Interpretation, not prediction. Data periods are labeled separately from publication date.



EXECUTIVE SUMMARY

A real improvement. An incomplete recovery.

The market delivered a better Friday. The buyer’s monthly budget still ended the period materially worse than it began.



THE CONSEQUENTIAL SIGNAL

A rate improvement can be genuine without being sufficient. On a \$450,000 loan, the move from 7.59% to 7.48% saved about \$34 per month. But compared with 6.87% on August 31, the same loan still carried roughly \$186 more in monthly principal and interest.

What changed

- 01

Rates improved late in the week.

That matters at the margin—and for active transactions.
- 02

The larger affordability loss remained.

The right comparison is not simply Thursday versus Friday.
- 03

Sellers are adjusting more often.

National price reductions reached 20.8% of listings in September.
- 04

Local leverage is selective.

Southern Maryland pending activity diverged sharply by county.

SIGNAL VS. NOISE

The low was real. So was the damage before it.

A market headline becomes useful only after the comparison window is made explicit.

NOISE

“Rates hit a two-week low.”

True—but too narrow to describe affordability.

SIGNAL

The payment was still \$186 higher.

August 31 to October 9, using the same \$450,000 loan.

Same payment. Different purchase capacity.



-\$29,556

SAME-PAYMENT PURCHASE CAPACITY

The late-week improvement recovered about \$5,404 from the October 7 peak—but left nearly \$30,000 of capacity unrecovered versus August 31.

DECISION RULE

Compare today's payment with the buyer's actual budget and the property's full economics—not only with yesterday's rate. A better quote improves the transaction. It does not automatically repair the plan.

MARKET INTELLIGENCE

Three rate measures. Three observation windows.

The figures do not conflict. They answer different questions about the mortgage market.

SOURCE	OBSERVATION	RATE	WHAT IT MEASURES
MND	Oct. 9, daily	7.48%	Same-day top-tier retail scenario
Optimal Blue	Oct. 8, daily	7.42%	Actual locked loans in OBMMI
Freddie Mac	Week ending Oct. 8	7.40%	PMMS conventional purchase applications

Methodology discipline: use MND to describe the same-day retail market, OBMMI to describe actual lock activity, and PMMS as the weekly benchmark. Do not average them.

The listing market is adjusting, too.

SEPT. PRICE REDUCED

20.8%

Share of U.S. active listings

ACTIVE INVENTORY

+5.5%

Year over year

PENDING LISTINGS

-4.1%

Year over year

More sellers are changing price, but the adjustment has not consistently restored demand. That is the link between the national listing data and this week’s rate story: price flexibility helps, yet payment remains the constraint.

HOUSING MATH

A better rate recovered only part of the ground.

\$500,000 purchase • 10% down • \$450,000 loan • 30-year fixed • principal and interest only

AUGUST 31	OCTOBER 7	OCTOBER 9
RATE 6.87%	RATE 7.59%	RATE 7.48%
MONTHLY P&I \$2,955	MONTHLY P&I \$3,174	MONTHLY P&I \$3,140
SAME-PAYMENT PURCHASE \$500,000 Baseline	SAME-PAYMENT PURCHASE \$465,040 Weekly peak	SAME-PAYMENT PURCHASE \$470,444 Two-week low

\$34 / month

RECOVERED FROM OCT. 7 TO OCT. 9

Equivalent to approximately \$5,404 of same-payment purchase capacity—helpful, but still far below the August 31 baseline.

THE PRACTICAL QUESTION

Can price, verified seller contribution, product structure and property selection close the remaining affordability gap without compromising reserves or the buyer’s long-term plan? The rate is one input. The transaction is the system.

SOUTHERN MARYLAND PULSE

More listings. Weaker pending demand. Uneven leverage.

Listing-market data and closed-sale data are shown separately because they measure different stages of the market.

REALTOR.COM • SEPTEMBER LISTING MARKET

COUNTY	ACTIVE	YOY	LISTING DOM	PENDING YOY	PRICE REDUCED
St. Mary's	271	+13.7%	42	-17.7%	19.5%
Calvert	333	+47.5%	45	-0.7%	20.6%
Charles	647	+9.1%	44	-19.0%	21.5%

REDFIN • THREE MONTHS ENDING AUGUST • CLOSED SALES

COUNTY	MEDIAN SALE	YOY	HOMES SOLD	CLOSED-SALE DOM
St. Mary's	\$433,549	+4.5%	121	42
Calvert	\$467,000	-0.6%	118	48
Charles	\$434,000	-3.7%	215	52

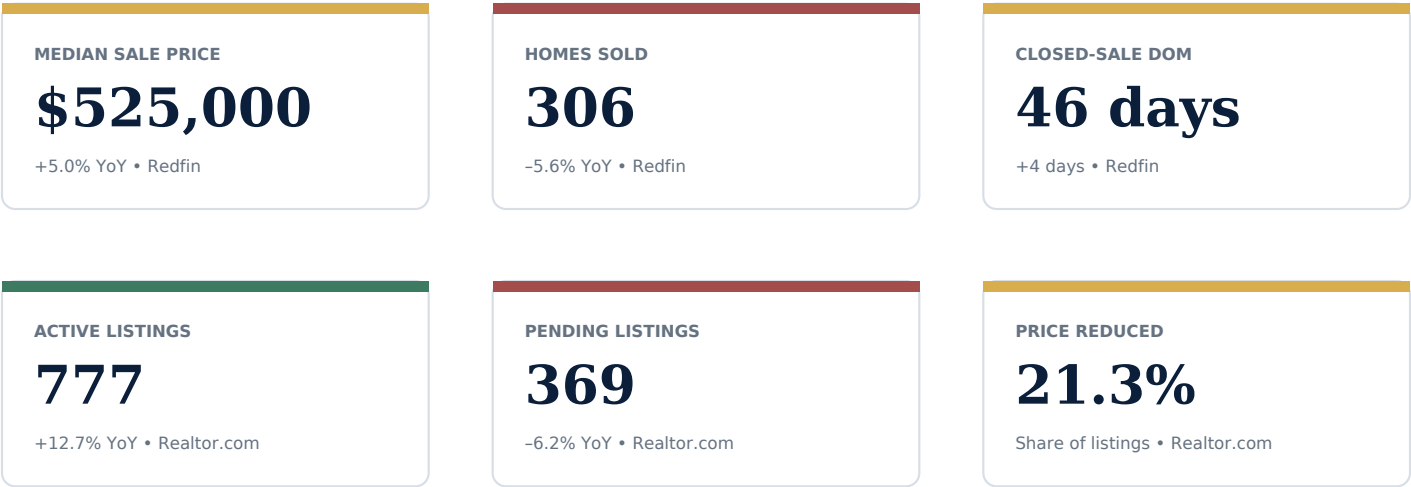
READ THE DIVERGENCE

Calvert’s pending activity was nearly flat even as active inventory rose 47.5%. St. Mary’s and Charles showed much weaker pending demand. That does not create blanket buyer leverage; it creates a stronger case for property-level diagnosis—condition, time on market, price history, seller objective and financing fit.

REGIONAL SPOTLIGHT

Frederick County: relative value, absolute payment pressure.

An outer-ring affordability alternative can still be highly rate-sensitive when buyers are shopping to a monthly ceiling.



The spotlight signal

Frederick remains less expensive than many closer-in alternatives, but relative affordability does not insulate it from mortgage-rate pressure. Inventory rose, sales fell, timelines lengthened and more than one in five listings showed a price reduction.

What this means in practice

- A lower purchase price does not guarantee a comfortable payment.
- Price reductions are evidence of adjustment—not proof of a bargain.
- The best opportunity may be a workable seller, not the cheapest listing.

Sources: Redfin, three months ending August 2026; Realtor.com Economic Research, September 2026. Median list price: \$539,974, +2.4% YoY.

STEVE'S TAKE

Use the improvement. Don't mistake it for the solution.

The late-week rate move is actionable—but only inside a complete transaction strategy.

“

A buyer does not need the market to return to August. The buyer needs a transaction that works now—at a payment they can sustain, with enough liquidity left after closing, on a property that fits the plan.

— STEVE COMBS

Four questions before calling the rate move “good news”

1

What payment fits after taxes, insurance and reserves?

2

What did the seller's price and behavior reveal?

3

Would a contribution outperform another price cut?

4

Does the property support the buyer's real time horizon?

Better Friday. Still a transaction-by-transaction market.

CONTINUE YOUR PLANNING

Turn market context into a personal plan.

Use the resource that matches the decision in front of you—or schedule a strategy conversation.

SCHEDULE

MeetSteveCombs.com

Choose a time to review your goals and next move.

WEEKLY BRIEF

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

Read the current issue and prior market brief archive.

ASK STEVE

AskSteve247.com

Start with a question, scenario or property.

BUYER STRATEGY

steve-combs.com/buy/

Build a purchase plan around payment, cash and timing.

TARGET PAYMENT

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

Work backward from a monthly target.

Planning is most useful before urgency narrows the options.



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MEASURE THE IMPROVEMENT.

DON'T EXAGGERATE THE RECOVERY.

The strongest housing decisions are built from verified numbers, the buyer's actual constraints and the seller's real flexibility—not from a single market headline.

START A STRATEGY CONVERSATION

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Sources: Mortgage News Daily (Oct. 7 and Oct. 9, 2026); Optimal Blue OBMMI (Oct. 8); Freddie Mac PMMS (week ending Oct. 8).

Realtor.com Economic Research (September 2026); Redfin county data (three months ending August 2026).

Rates are market observations, not an offer or quote. Actual terms vary by borrower, property, product, points and market conditions.

