

STEVE
COMBS

WEEKLY MARKET BRIEF | ISSUE 23

RATES EASED. BUYERS PULLED BACK.

A lower weekly rate did not produce more loan demand. Affordability is still larger than the rate.

WEEK OF OCTOBER 26, 2026

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



EXECUTIVE SUMMARY

Rate relief met weaker demand.

MND - OCT. 23 7.33% Same-day top-tier retail context	OBMMI - OCT. 23 7.229% Actual consumer locks	PMMS - WEEK ENDING OCT. 22 7.32% Weekly purchase applications
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THE CONSEQUENTIAL SIGNAL

MBA's average contract rate eased from 7.50% to 7.41%. In that same survey week, total applications fell 5.3% and purchase applications fell 7%. A better rate helped the math; it did not restore broad demand.

- 01

RATES EASED.

MND finished October 23 at 7.33%; OBMMI locks registered 7.229%.
- 02

PURCHASE APPLICATIONS FELL.

MBA's seasonally adjusted Purchase Index declined 7% week over week and was 18% below a year earlier.
- 03

PENDING SALES SET A NEW LOW.

NAR's September pending-sales index fell 7.3% month over month and 11.3% year over year.
- 04

THE FED MEETS THIS WEEK.

The October 27-28 meeting is event risk—not a mortgage-rate promise or a substitute for transaction planning.

ISSUE 23 THESIS

Lower rates can improve one borrower's options without immediately lifting the entire market. Diagnose payment, cash, price, property and confidence before treating a rate move as a demand signal.

SIGNAL VS. NOISE

A lower rate is useful. It is not proof of recovery.

NOISE

"Rates fell. Buyers returned."

That conclusion treats one market input as the entire affordability decision—and ignores what buyers actually did.

SIGNAL

Rates improved. Demand weakened.

The same MBA week recorded a lower average contract rate, 5.3% fewer total applications and 7% fewer purchase applications.

WHY BOTH CAN BE TRUE

Rate relief improves payment math at the margin. High prices, debt, cash constraints, job uncertainty and buyer confidence can still suppress aggregate demand.

One week. Two transaction levers.

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

OCT. 19 - 7.43%

\$3,125

Monthly P&I on \$450,000 loan

OCT. 23 - 7.33%

\$3,094

\$31 lower monthly P&I

\$10K PRICE CUT - 7.33%

\$3,032

\$62 lower than same-rate baseline

DECISION RULE

Use the rate move to rerun the payment. Use the listing, seller motivation and property condition to test the negotiation. A market-wide demand headline does not decide a property-specific transaction.

MARKET INTELLIGENCE

Different rate measures still answer different questions.

SOURCE	OBSERVATION	RATE	WHAT IT MEASURES
MND	Oct. 23, daily	7.33%	Same-day top-tier retail context
Optimal Blue	Oct. 23, daily	7.229%	Actual locked loans in OBMMI
Freddie Mac	Week ending Oct. 22	7.32%	Weekly conforming purchase applications
MBA	Week ending Oct. 16	7.41%	Contract rate; 0.75 points at 80% LTV

METHODOLOGY DISCIPLINE

These figures are not averaged. Quotes, locks and weekly application benchmarks describe different samples and observation windows.

Demand weakened across more than one measure.

MBA PURCHASE INDEX -7.0% Week over week; -18% year over year	NAR PENDING SALES -7.3% September month over month; -11.3% YoY	REDFIN PENDING SALES -14.4% Year over year; four weeks ending Oct. 18
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INTERPRETATION

Rate relief arrived, but buyer behavior remained cautious. The evidence supports a transaction-level opportunity—not a claim that the broader market has turned. This week’s FOMC meeting may add volatility; it does not change that planning rule.

HOUSING MATH

The rate helped. The price lever moved more.

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

MONDAY, OCT. 19	FRIDAY, OCT. 23	\$10,000 PRICE CUT
PURCHASE \$500,000	PURCHASE \$500,000	PURCHASE \$490,000
LOAN \$450,000	LOAN \$450,000	LOAN \$441,000
RATE 7.43%	RATE 7.33%	RATE 7.33%
MONTHLY P&I \$3,125	MONTHLY P&I \$3,094	MONTHLY P&I \$3,032

\$31 / MONTH RATE IMPROVEMENT	\$62 / MONTH PRICE CUT
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THE PRACTICAL QUESTION

Which lever is actually available on this property? Rate, price, verified seller contribution, product structure and property selection affect the payment differently. Build the structure around the buyer's cash and reserves—not around the loudest headline.

Illustration excludes taxes, insurance, mortgage insurance, association dues, discount points and closing costs. Rates are market indices, not an offer to lend. Actual pricing depends on borrower and property characteristics.

SOUTHERN MARYLAND PULSE

More supply did not create one market—or one rule.

REALTOR.COM - SEPTEMBER LISTING MARKET

COUNTY	ACTIVE	YOY	LISTING DOM	PENDING YOY	PRICE CUTS
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 - CLOSED-SALE MARKET

Rolling price/DOM through Sept.; sales count for Sept.

COUNTY	MEDIAN PRICE	YOY	SEPT. SOLD	SALES YOY	CLOSED DOM
St. Mary's	\$419,062	+3.5%	96	-28.1%	41
Calvert	\$473,939	-0.75%	103	+16.9%	54
Charles	\$458,873	-0.24%	192	-0.34%	64

READ THE DIVERGENCE

St. Mary's combined higher prices with sharply fewer September closings. Calvert produced more closings even as closed-sale DOM lengthened. Charles remained nearly flat on price while closed-sale DOM reached 64 days. Listing DOM and closed-sale DOM are different measures and are not interchangeable.

REGIONAL SPOTLIGHT

Washington, DC: softer price, slower activity.

A high-cost market where buyers gained time, but not a universal discount.

MEDIAN SALE PRICE \$664,683 -1.5% YoY three months ending Sept.	SALES VOLUME -8.5% Year over year September observation	CLOSED-SALE DOM 63 days +1 day YoY three months ending Sept.
SALE-TO-LIST 98.2% +0.2 point YoY September	SOLD ABOVE LIST 20.9% +3.1 points YoY September	PRICE DROPS 31.3% -0.3 point YoY September

THE SPOTLIGHT SIGNAL

The citywide median price and sales volume declined, while the average transaction still closed near list price. Slower does not mean indiscriminate leverage.

What this means in practice

- 01

TIME IS PROPERTY-SPECIFIC.

Sixty-three closed-sale days is a market average, not the age or urgency of one listing.
- 02

PRICE DROPS ARE NOT FINAL PRICES.

A reduction can signal adjustment; it does not measure the seller's remaining flexibility.
- 03

COMPETITION STILL EXISTS.

Roughly one in five sales closed above list, reinforcing the need for property-level evidence.

STEVE'S TAKE

Better pricing deserves attention—not a declaration.

A rate move can improve the transaction before it improves the market.

— STEVE COMBS

This week's evidence is not contradictory. Borrowing costs eased, while applications and pending sales weakened. One is an input. The others reflect how households respond to the full cost and risk of a purchase.

Four questions before calling the rate move good news

01

PAYMENT

What is the comfortable full payment after taxes, insurance, dues and reserves?

02

CASH

How much liquidity remains after down payment, closing costs and immediate repairs?

03

PROPERTY

Does this listing offer enough value, condition or seller flexibility to solve the actual constraint?

04

DURABILITY

Would the structure still make sense if rates remain near today's level longer than expected?

CONTINUE YOUR PLANNING

Turn market context into a personal plan.

Choose the resource that matches the decision in front of you.

SCHEDULE

MeetSteveCombs.com

Choose a time to review your goals and next move.

WEEKLY BRIEF

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

Read the current brief and issue archive.

ASK STEVE

AskSteve247.com

Start with a question, scenario or property.

START MY HOMEBUYER PLAN

steve-combs.com/buy/

Build a payment, cash and timing plan.

PAYMENT PLANNING TOOL

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

PLANNING PRINCIPLE

Start with the comfortable payment, the true maximum payment and the cash you intend to preserve after closing.

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USE THE RELIEF. DIAGNOSE THE CONSTRAINT.

The market did not declare a recovery. It gave prepared buyers a slightly better input. Build the rest of the transaction deliberately.

START A STRATEGY CONVERSATION

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