

Mortgage Rates

Waiting to buy your dream home?



Looking ahead.....

 **2026 Brings a gradual, modest decline or stabilization:**

Many lender outlooks and economists expect rates to **stay relatively steady or fall slowly** through 2026, often in the **~5.5%–6.5% range** for a 30-year fixed mortgage — lower than around ~6.4% averages seen late in 2025. Some forecasts model a **slow slide lower quarter by quarter** (e.g., ~6.2% → ~5.9% by year-end).

It's impossible to know future mortgage rates with certainty, but analysts and institutions offer projections based on current trends, inflation expectations, and interest-rate forecasts. Here's a summary of what the more credible forecasts suggest for 2026 — along with caveats and risk factors you should keep in mind.

Source / Analyst	Projected 30-year fixed mortgage rate for late or end of 2026	Comments / caveats
Fannie Mae (Sept 2025 Outlook)	~ 5.9% by end of 2026	Their forecast suggests rates will decline from ~6.4% at end-2025 to ~5.9% by end-2026.
Investopedia / industry averages	“Lower 6% territory” (i.e. ~6.0% to 6.2%)	Many forecasts see mortgage rates holding in mid-6% through 2025, with possible easing later.
Norada Real Estate	~ 5.97% by end of 2026	This is a less formal forecast; take with more caution.
Wells Fargo	~ 6.5% in 2026 (on average)	Some banks are more conservative, expecting slower rate declines.

Key risk factors and caveats

- **Inflation surprises:** If inflation reaccelerates, long rates could move up, pushing mortgage rates higher.
- **Fed policy & timing:** If the Fed is slower to cut than expected, or reverses course, mortgage rates might not fall as much.
- **Global capital flows:** Demand for U.S. Treasuries from abroad affects yields.
- **Credit risk / lender spreads:** If lenders perceive more risk (credit, housing stress), they could widen margins.
- **Economic growth surprises:** A stronger-than-expected economy could push yields and thus mortgage rates upward.

Without a significant reduction in projected interest rates, more buyers will start returning to the market this year and sellers are taking properties off the market, rather than reduce the asking price. So, don't wait – take advantage of the current deals!

Simple Rule of Thumb

For a 30-year loan:

- 👉 A 1% rate drop lowers the payment by roughly **10–12%**
- 👉 It can reduce total interest paid by **15–20%** over the life of the loan

What This Means in the Real World

In markets like New Smyrna Beach or greater Central Florida where you're often analyzing homes in the \$400K–\$800K range:

A 1% drop can equal the cost of HOA fees, insurance increases, or even property taxes.

It can also increase buying power by **\$40K–\$60K+** while keeping the same monthly payment.