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The Truth About Down Payments

True:

"I need a 20% down payment to buy a home."
A lot of buyers—especially first-timers—believe this, but it's simply not the case. According to NAR, the median down payment for first-time buyers is well below 20%.

VS

False:

Plenty of loan programs allow you to put far less down—sometimes as little as 3.5% or even 0% with certain options. That's why many buyers today are able to purchase without hitting that 20% benchmark.

Most First-Time Buyers Put FAR Less Than 20% Down

You don't have to drop 20% — not even close. Plenty of loan options let buyers get in with as little as 3.5%, and a few programs even offer 0% down.

Research shows almost 80% of first-time buyers qualify for down payment help — but only about 13% ever tap into it.

And get this... the average assistance amount is roughly $18,000. That's real money that can move you from "someday" to "let's do this."

The $416 Shift in Affordability

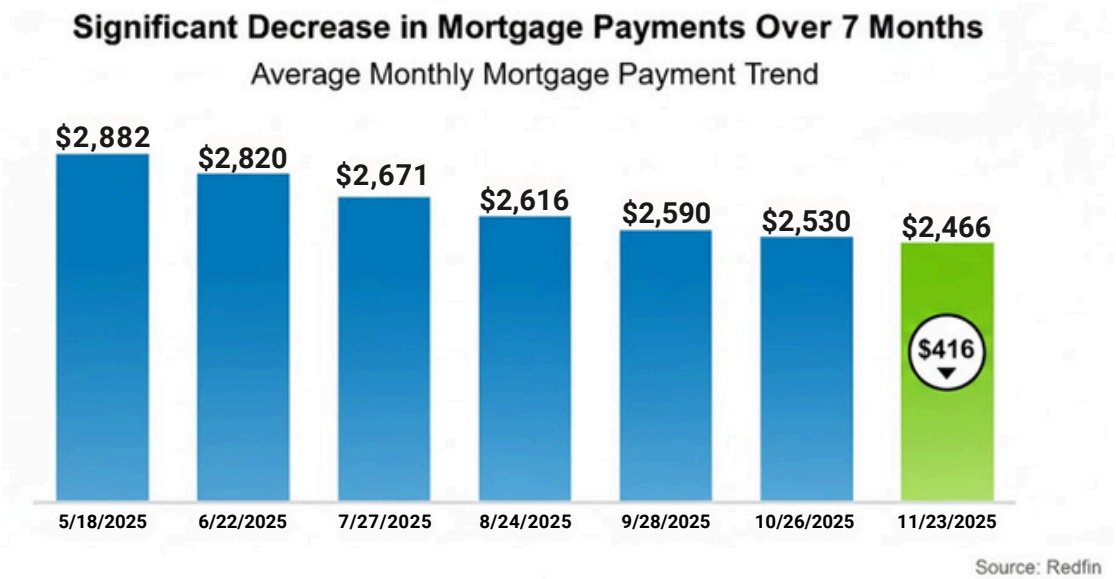
If higher rates or rising prices caused you to pause your plans, it may be time to run the numbers again. Affordability has been improving in much of the country, including 39 of the top 50 housing markets. In fact, this marks the seventh straight month where buying a home has become more manageable.

Rather than getting lost in headlines or percentage points, it helps to look at what this shift means in real dollars. When you translate market changes into actual monthly payments and buying power, the picture becomes much clearer. That's when you can see how today's conditions may open doors that felt closed just months ago.

Monthly Mortgage Costs Are Easing

One of the clearest shifts we're seeing right now shows up in the monthly payment. According to recent Redfin data, the typical mortgage payment on a median-priced home has dropped by roughly $416 per month compared to just a few months ago.

That kind of change isn't abstract. It affects real household budgets and overall affordability in a meaningful way. When payments move by several hundred dollars, it can bring options back into reach for buyers who felt sidelined earlier this year. The numbers below help illustrate how that downward adjustment is starting to reopen opportunities in a market that felt tight not long ago.



What The Math Actually Looks Like

$5,000/yr

in real savings from a lower monthly payment

$468K

buying power on a $3,000/mo budget — up $22,000

2 Shifts

rates pulling back + price growth slowing

Saving a few hundred dollars a month adds up fast — nearly $5,000 a year in real savings. That kind of margin can turn a tight payment into one that genuinely fits your lifestyle.

It also shifts what's possible in your search. Redfin reports a buyer with a $3,000 monthly budget can now qualify for a home around $468,000 — roughly $22,000 more than just a few months ago.

Why This Is Happening

- Mortgage rates have pulled back from their earlier highs
- Home price growth has slowed in many areas

Taken together, these shifts are easing the pressure buyers have felt and improving overall affordability. Andy Walden, Head of Mortgage and Housing Market Research at Intercontinental Exchange, notes the decline in rates has pushed affordability to its strongest level in more than two years.

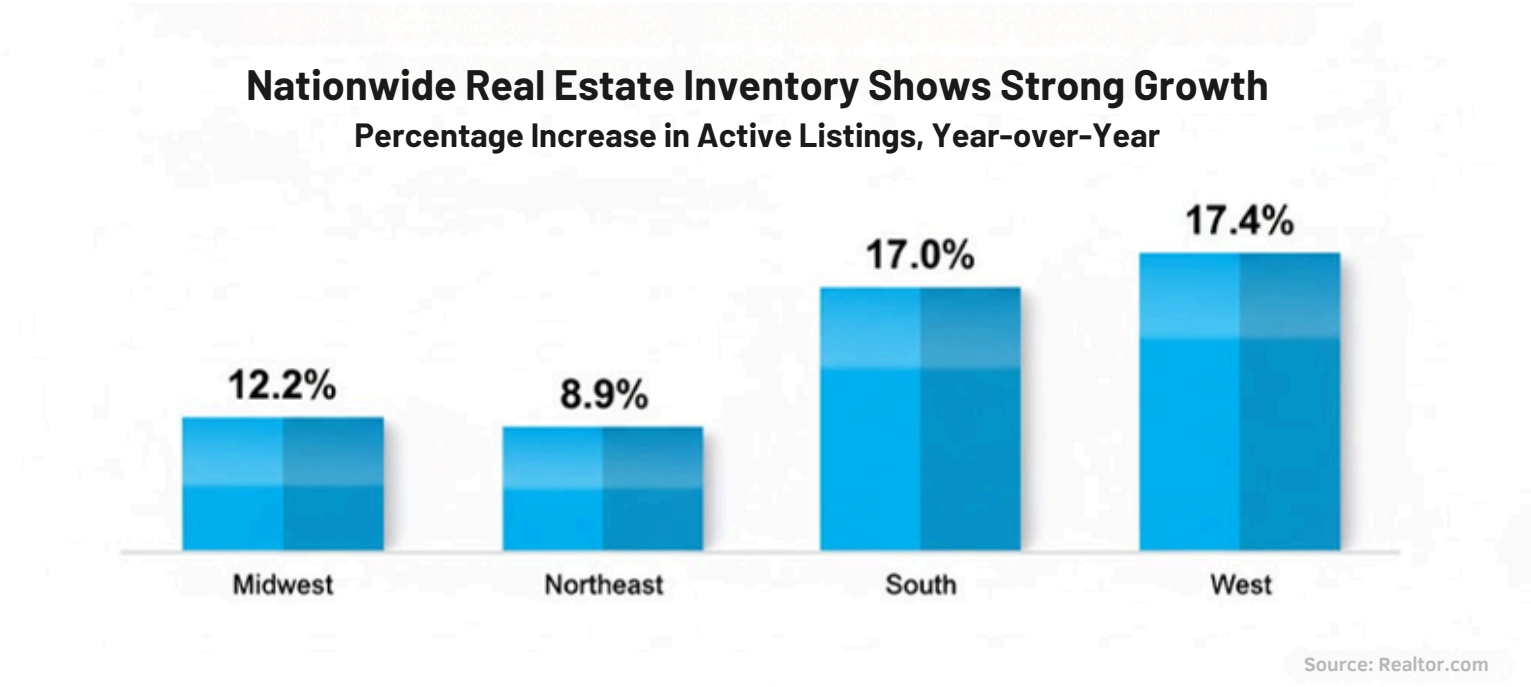
The smartest next step isn't guessing — it's looking at your numbers. Once you see the math in plain terms, the decision often feels far more manageable.

Good News for Buyers: More Homes to Choose From

The last few years have not been easy for buyers. Limited choices, fast-moving listings, and constant competition made the process more stressful than it needed to be. What's starting to shift, though, is inventory, and that change matters more than most headlines.

Across the country, buyers are seeing more homes hit the market. Realtor.com's latest data shows supply has climbed in every major region of the U.S. Compared to this time last year, inventory is up at least 8% nationwide, with the West seeing nearly an 18% increase year over year. That kind of growth may not grab dramatic headlines, but on the ground it changes the experience in a very real way.

More homes available means buyers are no longer forced into rushed decisions or settling for whatever happens to be left. It creates breathing room, allows for better comparisons, and improves the odds of finding a home that truly fits your budget and your goals. For many buyers, that increase in options is what makes the market feel manageable again.



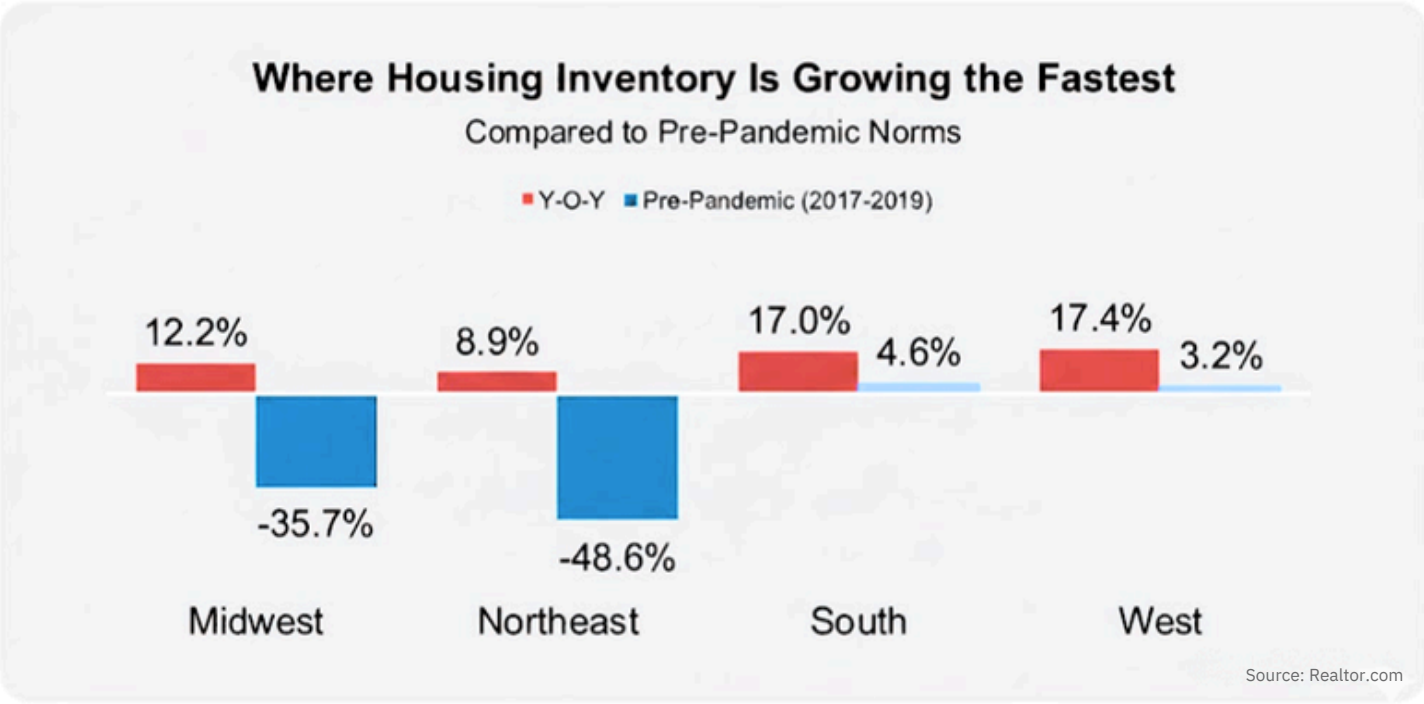
Inventory Gains Aren't Even Everywhere

Housing supply is improving across the country, but the pace of that change depends heavily on where you're looking and even which neighborhood you're targeting. The chart below makes that clear. Every region shows year-over-year gains (the red bars), but the real story is in the blue bars — they compare today's supply to what a balanced market looked like before the pandemic, around 2017 to 2019.

Here's how to read what's happening:

- South and West (blue bars above zero): Inventory has fully rebounded, and in some cases exceeded, pre-pandemic norms. With more homes available, sellers may be more open to negotiations, concessions, or flexible terms.
- Northeast and Midwest (blue bars below zero): Even with recent gains, supply in these regions is still tighter than what would be considered normal. In these areas, competition can remain strong, and buyers are often better served by coming in with a clean, competitive offer from the start.

Overall, the market is moving in a more buyer-friendly direction — though leverage still depends heavily on where you're looking, which is exactly why local insight matters right now.



Houston & The Woodlands: By The Numbers

National headlines are one thing. Here's what's actually happening in the market you're buying into — Greater Houston and The Woodlands, side by side.

40,750

Active listings across Greater Houston — up 3.4% year-over-year

5.5 months

Of housing inventory in Greater Houston — a healthier, more balanced market for buyers

$340,000

Median home price across Greater Houston

$650,000

Median home price in The Woodlands, where inventory is tighter at about 3.4 months of supply

Sources: Houston Association of Realtors (HAR) MLS report, July 2026; The Woodlands-area MLS data, 2026.

Every submarket tells its own story. That's exactly why local insight matters more than national headlines — let's pull the real numbers for the specific neighborhood you have in mind.

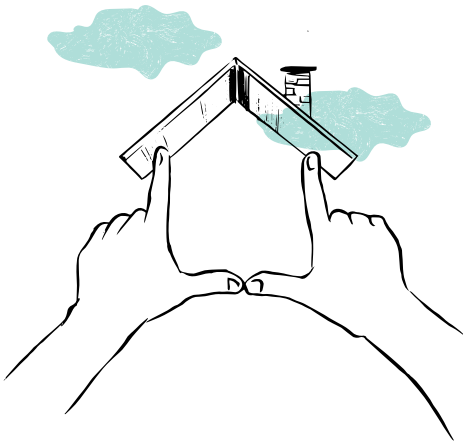
Why Buying New Construction Could Be a Great Choice Today

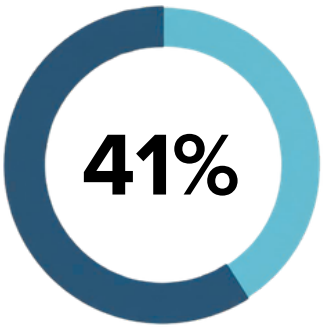
If your goal is to lower your monthly payment, secure a better interest rate, or increase your buying power, new construction is worth a closer look. The reason has less to do with design features and more to do with current market conditions.

Builders are holding more completed and near-completed homes than they have in recent years — and that extra supply often means more flexibility during negotiations: price reductions, mortgage rate buydowns, and help with closing costs.

> ***"The opportunity in today's market is less about aesthetics and more about strategy."***

Buyers have responded. By fall 2025, new home sales were moving at their strongest pace in more than two years. Understanding where supply is building — and how that shapes builder behavior — can help you focus your search where the real value is.





of builders cut prices.
A record high.

Builders Are Adjusting Prices, and Expectations

Recent data from the National Association of Home Builders shows buyer incentives have become far more common — the highest level we've seen in the past five years. Builders are adjusting to the market, and doing it in ways that directly benefit buyers.

65%
of builders are offering some form of incentive

41%
have lowered prices outright

When those price cuts are paired with financing incentives like rate buydowns or closing-cost assistance, the impact on your affordability can be significant — often putting homes that felt out of reach back in play.

The key is knowing which builders are offering meaningful incentives and which just look attractive on the surface. We track what's happening builder by builder, community by community, so your decision is based on real numbers, not assumptions.



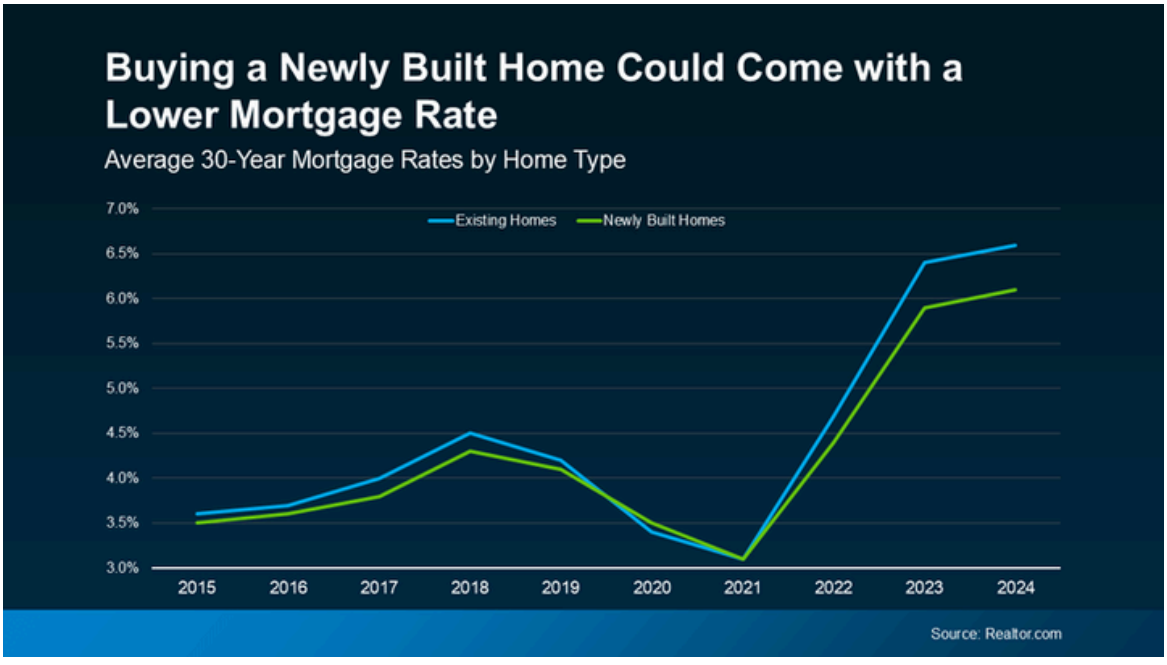
Builders Are Sweetening the Deal With Lower Rates

There's an important detail many buyers overlook when comparing options: purchasing a newly built home can sometimes come with a lower mortgage rate than buying a resale. Builders are actively using financing incentives to keep inventory moving, and one of the most impactful tools they're offering is a rate buydown. Instead of only adjusting price, they help lower the interest rate on the loan, which can change the numbers in a meaningful way.

A reduced rate often translates into noticeable monthly savings, and in some cases a brand-new home can be more affordable each month than an older home at the same price point. The list price may look similar, but the financing structure can create a very different long-term outcome.

Realtor.com data shows that during 2023 and 2024, buyers who chose new construction secured mortgage rates averaging about half a percentage point lower than those purchasing existing homes. That difference may seem small, but over time it can significantly affect both monthly payments and total interest paid.

If higher rates or tight budgets have kept you waiting, builder incentives may open doors that were not there before. The advantage in this market often comes down to understanding where flexibility exists and how to use it wisely.

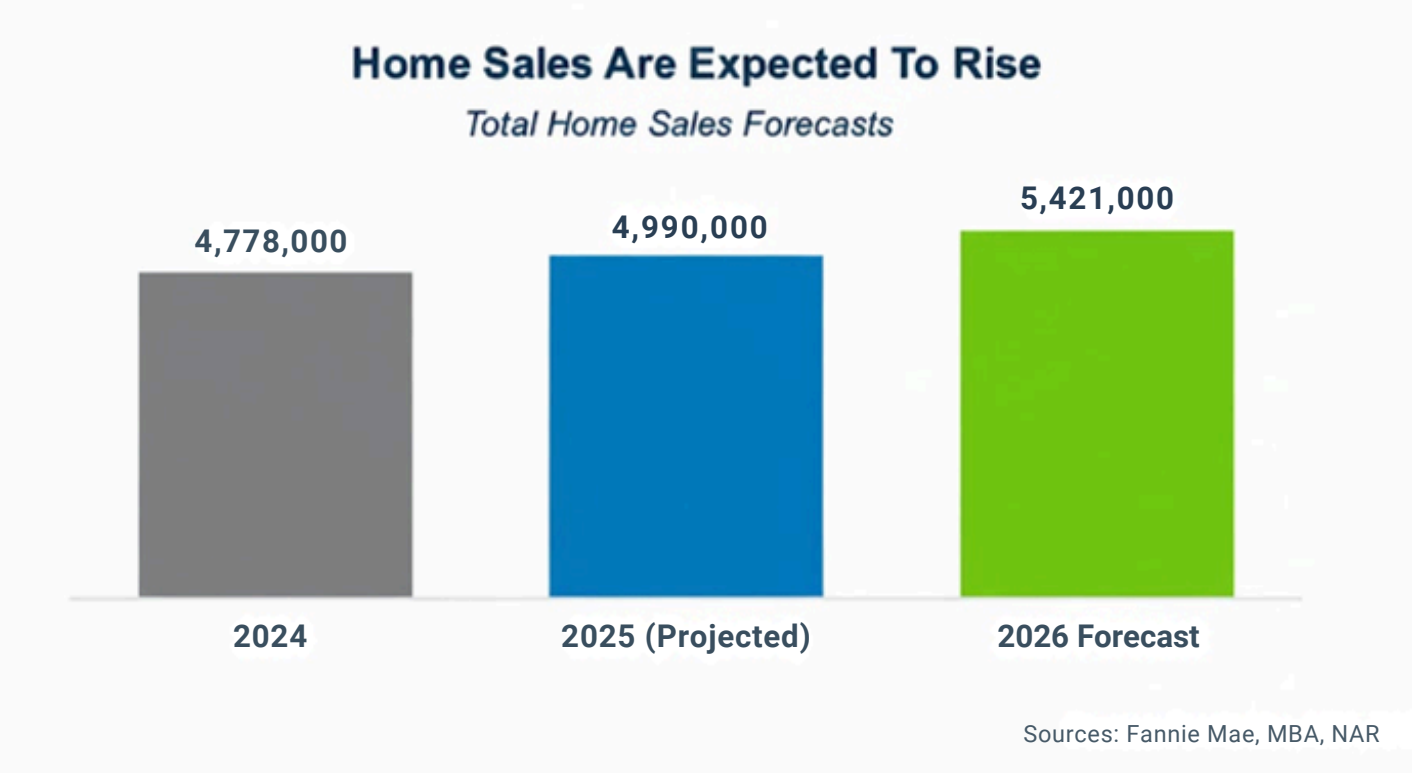


What Experts Are Saying About the 2026 Housing Market

After a few years of hesitation and stop-and-start momentum, 2026 is beginning to look like a reset year for housing. Higher rates and affordability pressures caused a lot of people to pause, but forecasts are pointing toward more movement ahead. As confidence steadies and buyers adjust to the new normal, we expect more homeowners and buyers to step back into the market.

When mobility increases, inventory tends to follow. That means more homes to choose from, better balance between buyers and sellers, and a smoother overall pace. If you've been watching from the sidelines wondering when things might shift, the signs are starting to point toward more activity ahead.

A market that has felt stuck in neutral may finally gain some traction. And when that happens, opportunity usually shows up for the people who are prepared. For many households, 2026 could be the year that a move they postponed finally becomes practical again.



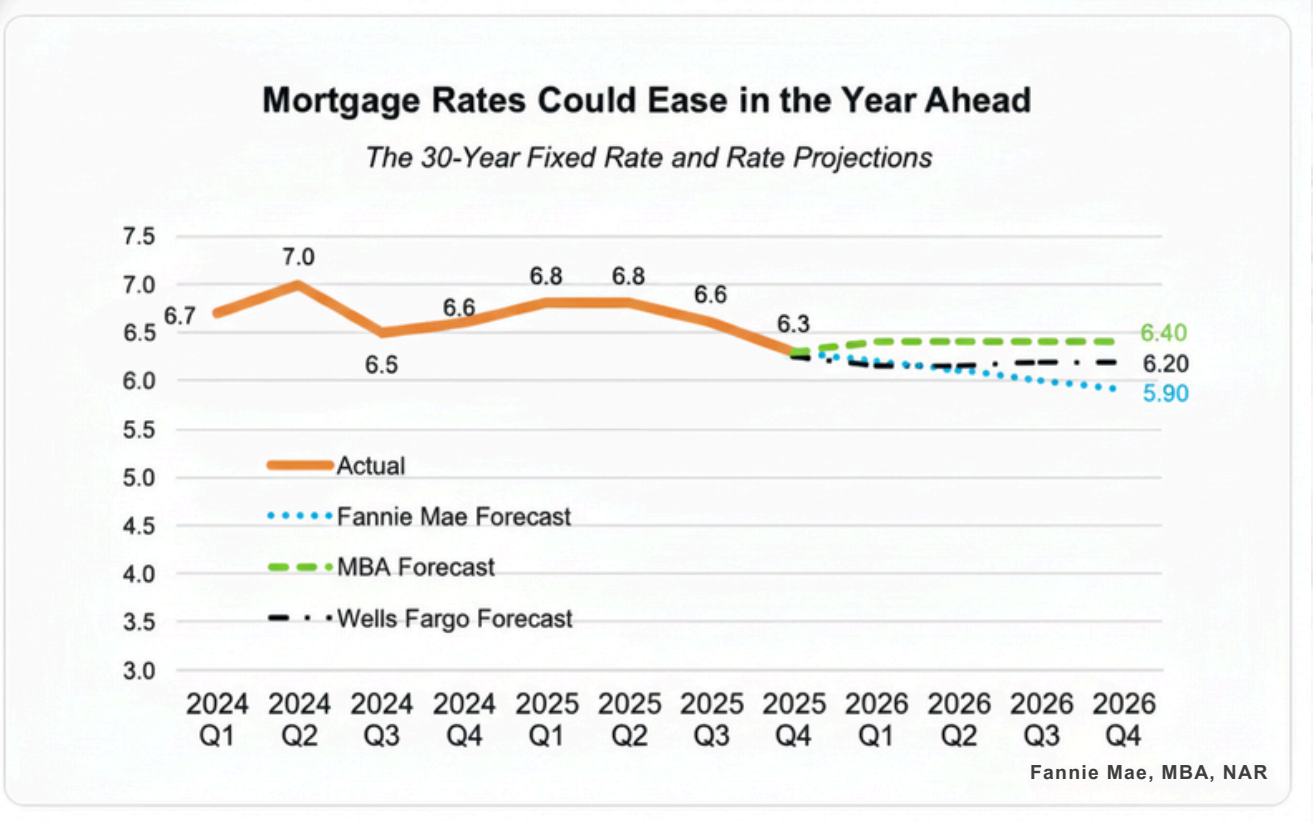
Mortgage Rates May Keep Moving Lower

For most buyers, the big question has been mortgage rates. After pushing close to 7% in early 2025, rates have eased and generally trended downward. Current projections suggest that gradual movement could continue into 2026.

No one credible is predicting a sharp drop. What most analysts expect is slow improvement with normal ups and downs as new economic data comes out. There will be fluctuations. That's part of how rates behave. But the overall direction has been inching lower.

What often gets missed is that rates do not need to fall dramatically to matter. Even a modest decline can meaningfully impact your monthly payment. Compared to when rates were hovering around 7%, many buyers today are looking at potential savings of hundreds of dollars per month versus earlier in the year.

That kind of shift can improve affordability, expand your buying range, or simply make the numbers feel more manageable. Patience still has a place, but the progress so far is real, and it is already giving some buyers the confidence to step forward.



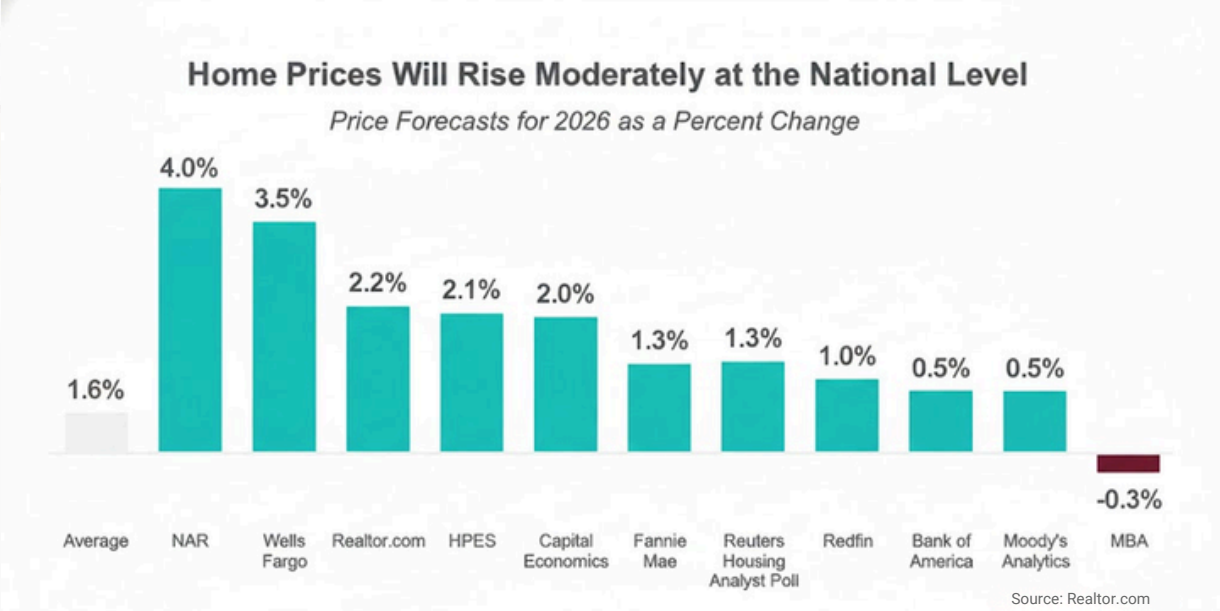
Home Prices Are Expected To Rise at a Healthier Pace

When it comes to home prices, the year ahead looks far more balanced than the last cycle. Most national forecasts call for continued growth, but at a slower, more sustainable pace. The rapid spikes we saw before have cooled, and what's emerging now is steadier movement.

As mortgage rates have eased from their early-2025 highs, more buyers are re-entering the market. That renewed demand helps support prices and puts a floor under values, even in areas that have softened slightly. While small dips may happen in certain markets, the data does not suggest a widespread price collapse.

It's also worth keeping recent history in mind. Values climbed significantly over the past five years, so even markets seeing modest pullbacks remain well above where they were not long ago.

Real estate is always local. Inventory levels, buyer demand, and job growth will shape how prices move in specific neighborhoods. Nationally, prices are expected to keep rising, just without the runaway pace of the past. For buyers, that means less pressure. For homeowners, it means values are projected to remain steady and continue trending upward at a more grounded rate.



How Changing Mortgage Rates Affect Your Monthly Payment

Home Loan Amount	Fixed Mortgage Interest Rate	Monthly Mortgage P&I*	Monthly Savings Compared to 7.5%
$250,000	7.5%	$1,748	-
	7.0%	$1,663	$85
	6.5%	$1,580	$168
	6.0%	$1,499	$249
$450,000	7.5%	$3,146	-
	7.0%	$2,994	$152
	6.5%	$2,844	$302
	6.0%	$2,698	$448
$650,000	7.5%	$4,545	-
	7.0%	$4,324	$221
	6.5%	$4,108	$437
	6.0%	$3,897	$648



Ready To See What This Looks Like With Your Numbers?

Every buyer's situation is different — your rate, your programs, your budget. Let's run your actual numbers together, no obligation.

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Peter & Vicky Royster, REALTOR® — The Move Live Love TX Team™
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Top Reasons To Own

Accomplishment



Feeling proud of your achievement

Stability



Locking in a large portion of your monthly housing payment with a fixed-rate mortgage

Appreciation



Home values usually rise, and that makes owning a home a good investment

Wealth Building



Growing your net worth as your home value climbs and you pay down your mortgage

Tax Benefits



Getting a tax break, if your situation applies. Talk to your accountant or financial advisor to learn more.

What's the top reason you'd love to own a home?

The Biggest Mistakes Buyers Are Making Today

1. Waiting for the "Perfect" Moment

A lot of buyers are stuck on pause, hoping prices or rates suddenly drop. But here's the real talk—trying to time the market is like trying to predict next season's weather. Too many variables, not enough control.

Rick Sharga, CEO of CJ Patrick Company, nails it:
"Don't try to time the market — it rarely works with stocks, and almost never works when buying a house. Only buy what you can reasonably afford in the current conditions."

Translation? Focus on what you can control: your budget, your goals, and your timeline. If it makes sense for your life right now, that's what actually matters.

2. Stretching Your Budget Too Far

Falling for a home that pushes your budget is easy — lenders might even say you can afford it. But between rising insurance, taxes, and upkeep, stretching too far can turn into stress fast.
Bankrate's advice keeps it simple:
"Focus on the monthly payment you can truly afford, not the maximum loan amount you qualify for."

Stick with a monthly payment that fits your life, not just the number on a pre-approval. Long-term comfort beats short-term pressure every time.



3. Overlooking Financial Assistance

A lot of buyers think they're completely on their own when it comes to upfront costs — but that's not the case. There are solid programs that help with down payments, closing costs, and more. The real issue? Most folks don't even know they're eligible.

Realtor.com says nearly 80% of first-time buyers qualify for down payment help — yet only 13% actually use it. That's a massive missed opportunity.
Talk with a trusted lender or us. Whether this is your first home or your fifth, you might be leaving thousands on the table.

4. Skipping the Experts

This one might be the biggest mistake of all: trying to do it solo. Buying a home comes with a lot of moving parts, and having The Move Live Love TX Team™ — a solid lender, and an advisor who knows the ropes — can save you time, stress, and money.
We will help you dodge pitfalls, explain your options, and keep you grounded at every step. Don't wing it — lean on the people who do this day in and day out.



Top 5 Reasons You Need The Move Live Love TX Team™ When Buying a Home

Thinking about buying a home? Here's the straight truth: having a great agent isn't just "nice to have" — it's a total game-changer. Here are five reasons why we make all the difference:

1. You Get a Real Expert in Your Corner

Buying a home is a big move, and the process keeps evolving. We know the latest rules, trends, and tools — and walk you through every step so you're never guessing.

2. We Know Your Local Market Inside and Out

We don't just unlock doors. We understand your market — what's selling, what's sitting, and where the hidden opportunities are. We help you filter out the noise and focus on what actually moves you toward your goals.

3. We'll Help You Make the Right Offer

Is the price fair? What's the home really worth? Are there red flags? A seasoned agent helps you write a strong, smart offer without overpaying or missing something important.



4. We Handle the Contracts and the Fine Print

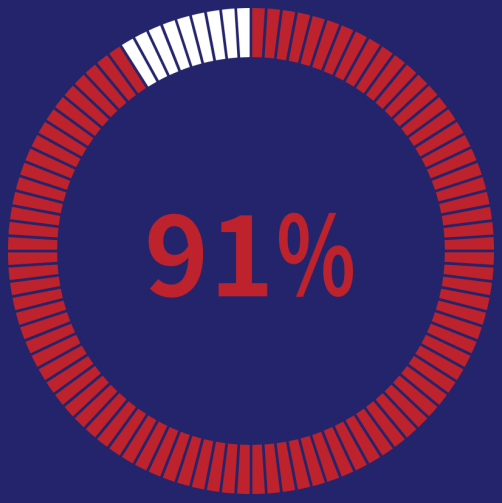
Real estate comes with a mountain of deadlines, disclosures, and terms you don't want to slip past. We make sure you know exactly what you're signing — and why it matters.

5. We're Your Negotiator and Your Advocate

From offer to closing, we are the voice in the room fighting for you. We negotiate, communicate, and protect your best interests at every turn.

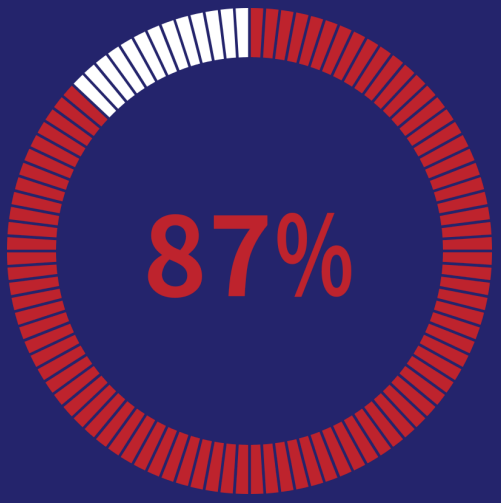
Bottom line: Buying a home is too big to tackle alone. The right agent isn't just a guide — we're your partner in getting it done the right way.

The Move Live Love TX Team™



Of respondents agree "It would be **very stressful** to navigate the home buying process without a real estate agent or broker."

Source: Bright MLS



Of respondents believe "A real estate agent or broker is **an essential, trusted advisor** for a homebuyer."

Things To Avoid After Applying for a Mortgage



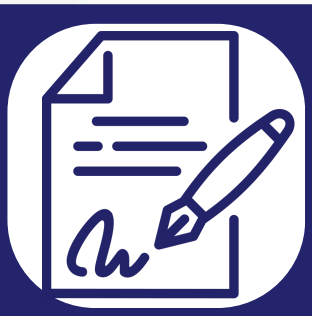
Don't change bank accounts.



Don't apply for new credit or close any credit accounts.



Don't deposit cash into your accounts before speaking with your lender.



Don't co-sign other loans for anyone.



Don't make any large purchases.

The best plan is to fully disclose and discuss your intentions with your lender before you do anything financial in nature.



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