

THE BUYER'S ADVANTAGE:

Current Trends, Insights & What to Expect in Spring 2026



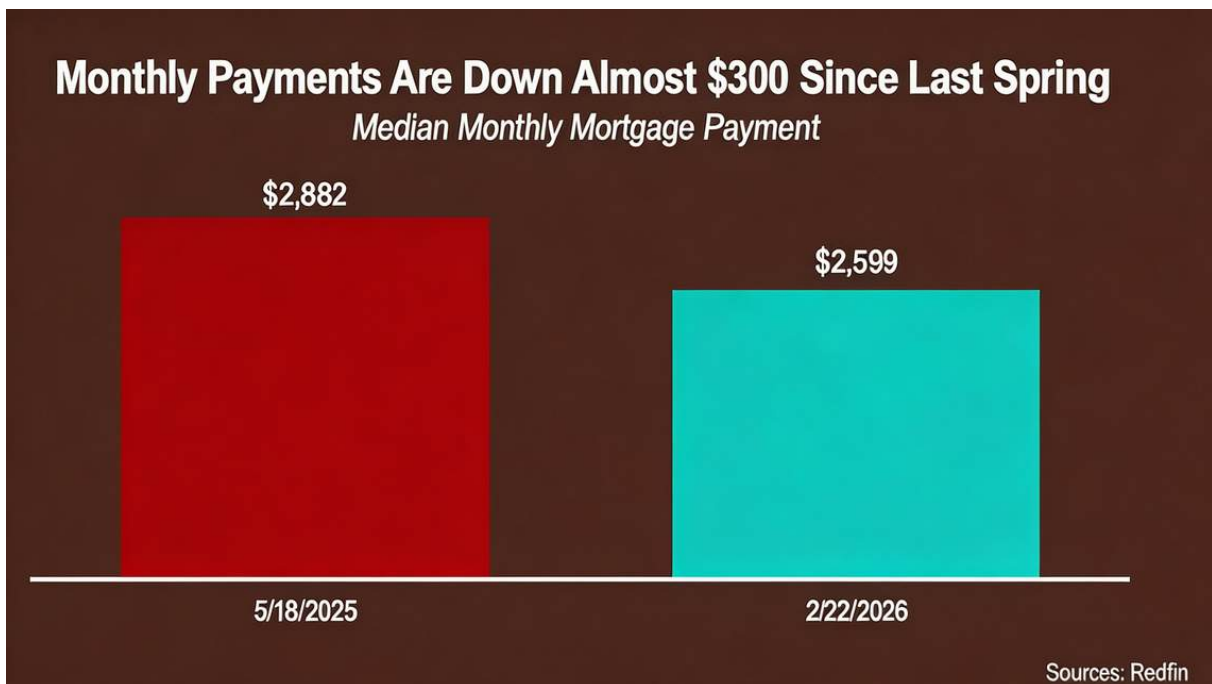
Mortgage Rates Reached Their Lowest Point in 3.5 Years This Year

How Lower Rates Can Work in Your Favor

Mortgage rates affect a lot more than just the amount of interest you pay over time. They can have a major impact on your monthly payment, your budget, and the overall price range you feel comfortable shopping in.

When rates were sitting closer to 7%, many buyers felt like homeownership was getting harder to reach. Monthly payments were higher, affordability was tighter, and a lot of people had to put their plans on hold. First-time buyers especially felt that pressure.

Now that rates have started to come down, even modest improvements can make a meaningful difference. Lower rates can help reduce your monthly payment and give you a little more room in your budget. They can also increase your buying power, which may open the door to homes that felt out of reach before. In short, even a small drop in rates can make the homebuying process feel a lot more manageable and put more buyers back in the game.



The Truth About Down Payments

True:

Many buyers don't put down 20%, especially first-time home buyers.

VS

False:

"I must put down 20% of the purchase price in order for a seller to accept my offer!"

The Median Down Payment for First-Time Buyers Is Less Than 20%

You're not required to put that much down, some loan programs allow down payments as low as 3.5%, and a few even offer 0% down.

Research shows that nearly 80% of first-time buyers are eligible for down payment assistance, yet only about 13% actually use these programs.

On average, these programs offer around \$18,000 in assistance.



Even a modest drop in mortgage rates can create meaningful savings over time. Month by month, that extra room in your budget starts to add up, and over the course of a year, it can make a noticeable difference. While lower rates may not solve affordability challenges overnight, they can absolutely improve your position as a buyer.

That added buying power may allow you to offer more confidently, look in a different area, or consider homes with features that may not have fit your budget before. Compared to when rates were hovering closer to 7%, that is a meaningful shift for many buyers.

Lower Rates Could Bring More Buyers Back Into the Market

As affordability improves, more people are able to re-enter the market. When rates move down, even slightly, it can expand the number of households that are financially able to buy. That means many buyers who were previously sitting on the sidelines may now be in a better position to move forward. For buyers who have been waiting for the numbers to make more sense, this kind of rate environment can be the opening they have been looking for. And for those already thinking about buying, it may be a chance to get ahead of increased competition before more people jump back in.

But Rates Are Only One Part of the Picture

Of course, mortgage rates are not the only factor that matters. Home prices, inventory levels, taxes, insurance, and your overall financial situation all play a role in what is truly affordable.

That is why it is so important to get pre-approved, review your numbers carefully, and talk with a trusted lender before making a move. Still, with rates improving from where they were, this may be a smart time for many buyers to take another look at what is possible.

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

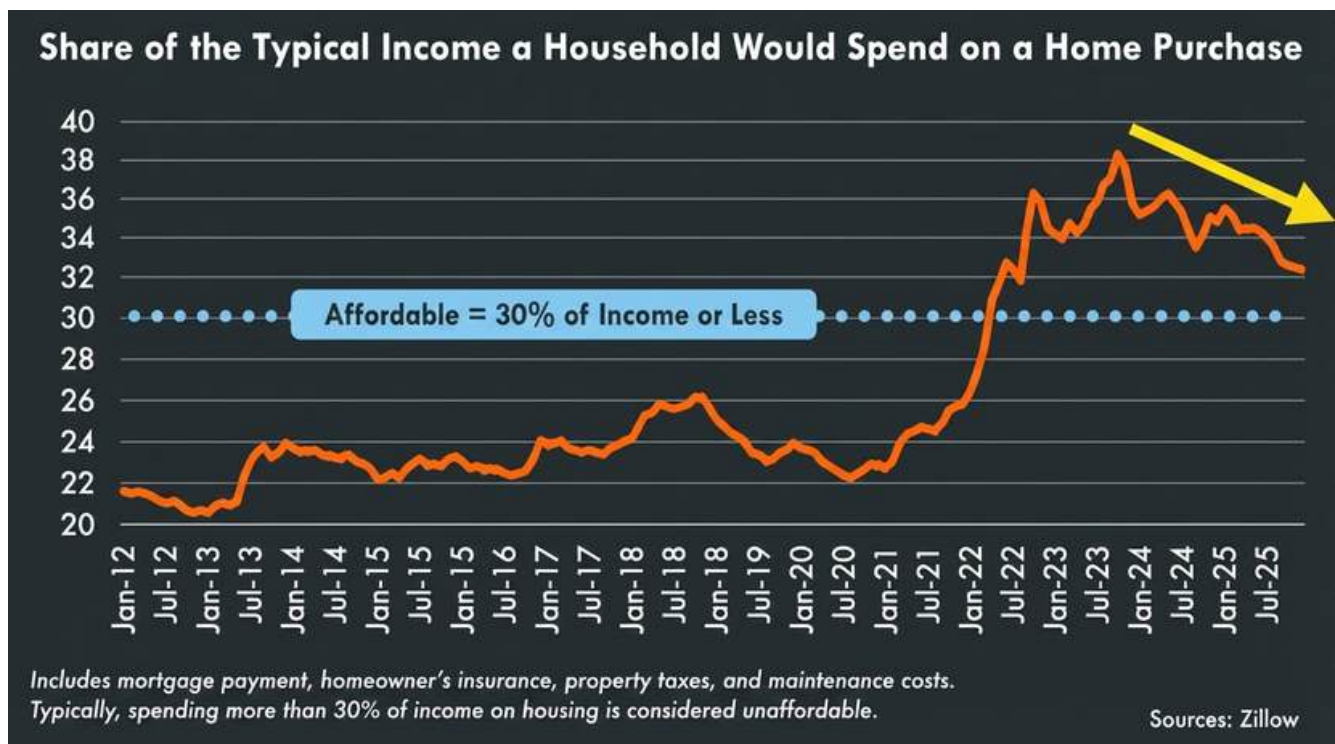


Affordability Is Starting To Improve

One of the clearest ways to understand affordability is by looking at how much of a household's monthly income goes toward owning a home. In general, housing is considered affordable when those costs stay at or below about 30% of your income. That includes more than just the mortgage — it also factors in things like property taxes, insurance, and basic upkeep.

Over the past several years, that number climbed well beyond what feels comfortable for many buyers, which made homeownership feel out of reach. The good news is that things have started to shift. Today, the share of income needed to buy a home is improving compared to where it was just a few years ago, which is a positive sign for buyers watching affordability closely.

Affordability is still a challenge, but the good news is that it is beginning to improve. In some markets, conditions may even move closer to that 30% affordability benchmark by the end of the year.



According to recent housing data, the number of homes on the market has risen to its highest point since 2020, which is a meaningful sign for today's market. While inventory has not fully returned to pre-pandemic norms across the board, the progress we are seeing does point to a market that is slowly starting to feel more balanced.

That matters because inventory has a big impact on the overall buying and selling experience. When more homes are available, buyers usually have more time to think, more choices to consider, and a little more room to negotiate. When inventory is low, everything tends to feel more intense, more competitive, and far more stressful.

For the past several years, the lack of available homes made the market feel rushed and overwhelming for many buyers. But as more listings continue to come online, conditions are starting to improve. It may not be a complete reset, but it is a step in a much healthier direction.



More Markets Are Starting To Feel Normal Again

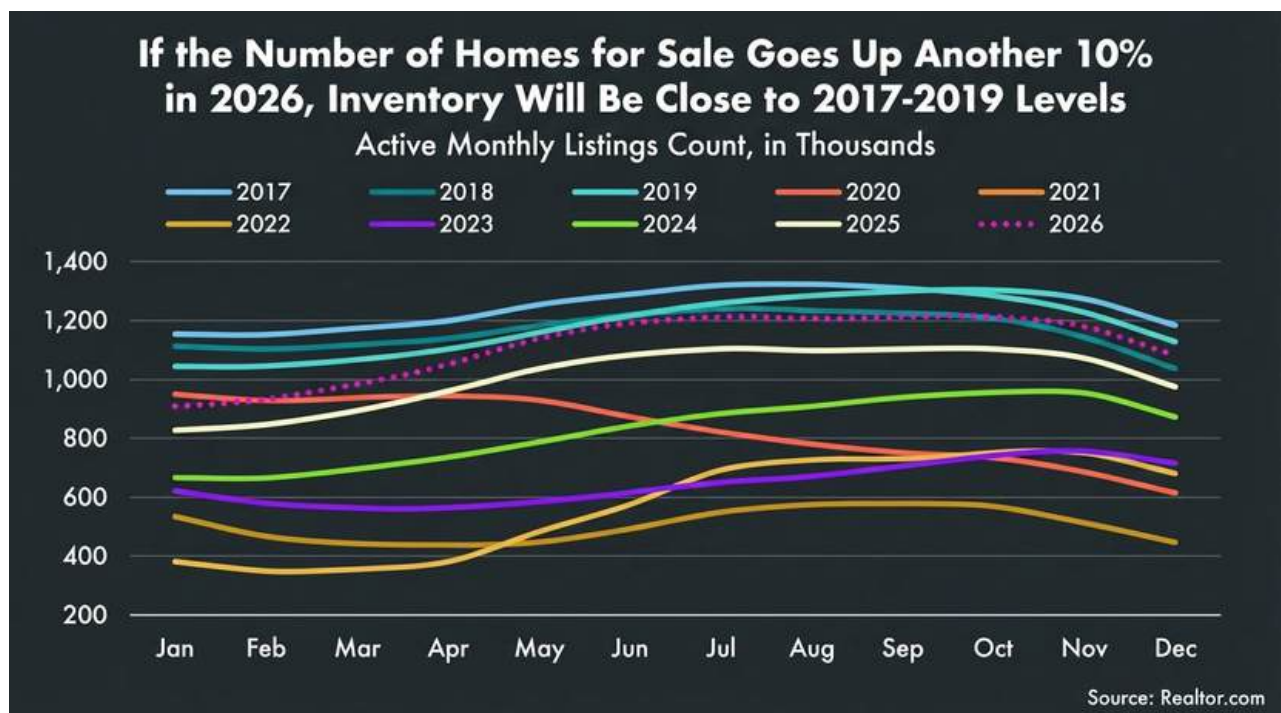
Inventory is improving, but the pace is not the same everywhere. Some areas are recovering faster than others, which is why local market conditions can look very different depending on where you live.

Still, the overall trend is encouraging. Compared to just over a year ago, a much larger share of the country has moved closer to normal inventory levels. That is a meaningful shift and a sign that the market is gradually becoming more balanced in more places.

Inventory Is Expected To Keep Rising

Looking ahead, the number of homes for sale is expected to continue growing this year. If that happens, even more markets could move back toward the inventory levels that were considered typical before the pandemic.

In other words, while the market is not fully back to normal everywhere yet, it is clearly moving in that direction. If this trend continues, many areas across the country could look much more balanced by the end of the year.



As inventory continues to improve, the home search process is starting to feel a little more manageable for buyers. Instead of facing the intense pressure we saw over the past several years, buyers are beginning to have more choices and a bit more room to negotiate.

In other words, the market is becoming more balanced. It is not as heavily tilted toward sellers as it once was, and that is creating a better experience for buyers who want more options and a little less pressure during their search.



Why a Newly Built Home Could Be a Smart Choice Right Now

There are more newly built homes on the market right now than buyers have seen in years, and that can create some real advantages. First, it gives you more options to choose from. Second, it puts builders in a position where they are often more motivated to sell the homes they already have completed or in progress before starting new ones.

Because of that, many builders are offering incentives that can make a new construction home even more appealing. Depending on the community and builder, that may include price reductions, help with closing costs, mortgage rate buydowns, or upgraded finishes and features at no additional cost.

Those kinds of incentives can make a big difference in your overall budget and monthly payment, which is one reason many buyers have been paying closer attention to new construction. For some, it can be an opportunity to get more value, better terms, and a home that feels move-in ready from day one.



Some of the most common builder incentives right now include covering part of your closing costs, including upgraded design features or appliance packages, and helping buy down your mortgage rate to lower your monthly payment. When those benefits are on the table, a newly built home can be a very smart option to consider in today's market.

And the good news is, these kinds of incentives are not rare right now. Many builders are offering extras to help attract buyers, which means there may be more opportunity in the new construction market than a lot of people realize. Another way builders are creating value is through price adjustments. In some cases, they are lowering prices to help move inventory and stay competitive. That means buyers may have more negotiating power on a newly built home than they expect, and their money may stretch further than it would on a resale property.

This is where having a knowledgeable agent really helps. Your agent can help you compare builders, understand what incentives are being offered locally, and determine which opportunities may give you the best overall value.



Should You Buy an Existing Home Or a Newly Built One?

If you're torn on whether you want to focus your search on new construction homes or existing ones, here are some differences that could help you decide.

Benefits of an Existing Home



A wider variety of floor plans and styles



Details that add charm and character



More mature landscaping and neighborhoods

Benefits of a Brand-New Home



Ability to customize certain features during the build



Won't need repairs or renovation work up front



Energy efficient features may be standard

1. Putting Off Pre-Approval

As part of the homebuying process, a lender will look at your finances to figure out what they're willing to let you borrow for your mortgage. This will help you really wrap your head around the financial side of things before you start looking at homes. While house hunting can be a lot more fun than talking about finances, you don't want to do this out of order. Make sure you get your pre-approval first before you go house hunting. As CNET explains: "If you wait to get preapproved until the last minute, you might be scrambling to contact a lender and miss the opportunity to put a bid on a home."

2. Buying More House Than You Can Afford

With today's mortgage rates and home prices, it's even more important to avoid stretching your budget too far. This is especially true because other housing expenses like home insurance and taxes are on the rise. Be sure to factor these expenses into your budget so you don't overextend. Bankrate offers this advice: "Focus on what monthly payment you can afford rather than fixating on the maximum loan amount you qualify for. Just because you can qualify for a \$300,000 loan doesn't mean you can comfortably handle the monthly payments that come with it along with your other financial obligations."

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?

Top 5 Reasons You Need an Agent When Buying a Home

If you're thinking about buying a home, here's the truth: having a great agent by your side isn't just helpful, it's a game-changer. Here are five key reasons why working with a pro makes all the difference:

1. You Get a True Expert in Your Corner

Buying a home is a big move, and the process is always evolving. A great agent knows the latest rules, trends, and tools, and they'll walk you through every step. You don't need to figure it all out alone.

2. They Know Your Local Market Inside and Out

An agent doesn't just show you homes, they help you understand your market. They know what's selling, what's sitting, and where the opportunities are. They'll help you cut through the noise and focus on what really matters for your goals.

3. They'll Help You Make the Right Offer

What's the home really worth? Is the price fair? Could there be hidden issues? An experienced agent will help you figure out how to structure a strong, smart offer, without overpaying or missing something important.

4. They Handle the Contracts and the Fine Print

Real estate comes with a lot of paperwork, and it's full of terms, deadlines, and disclosures you don't want to overlook. Your agent will make sure you know exactly what you're signing and why it matters.

5. They're Your Negotiator and Advocate

From the first offer to the final walkthrough, your agent is your voice. They'll negotiate on your behalf, manage communication with the seller's side, and protect your interests every step of the way.



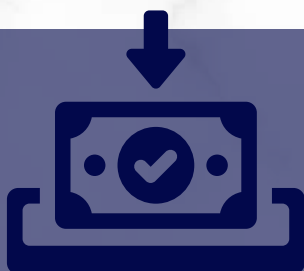
Things To Avoid After Applying for a Mortgage



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 bank or 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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