Real Estate

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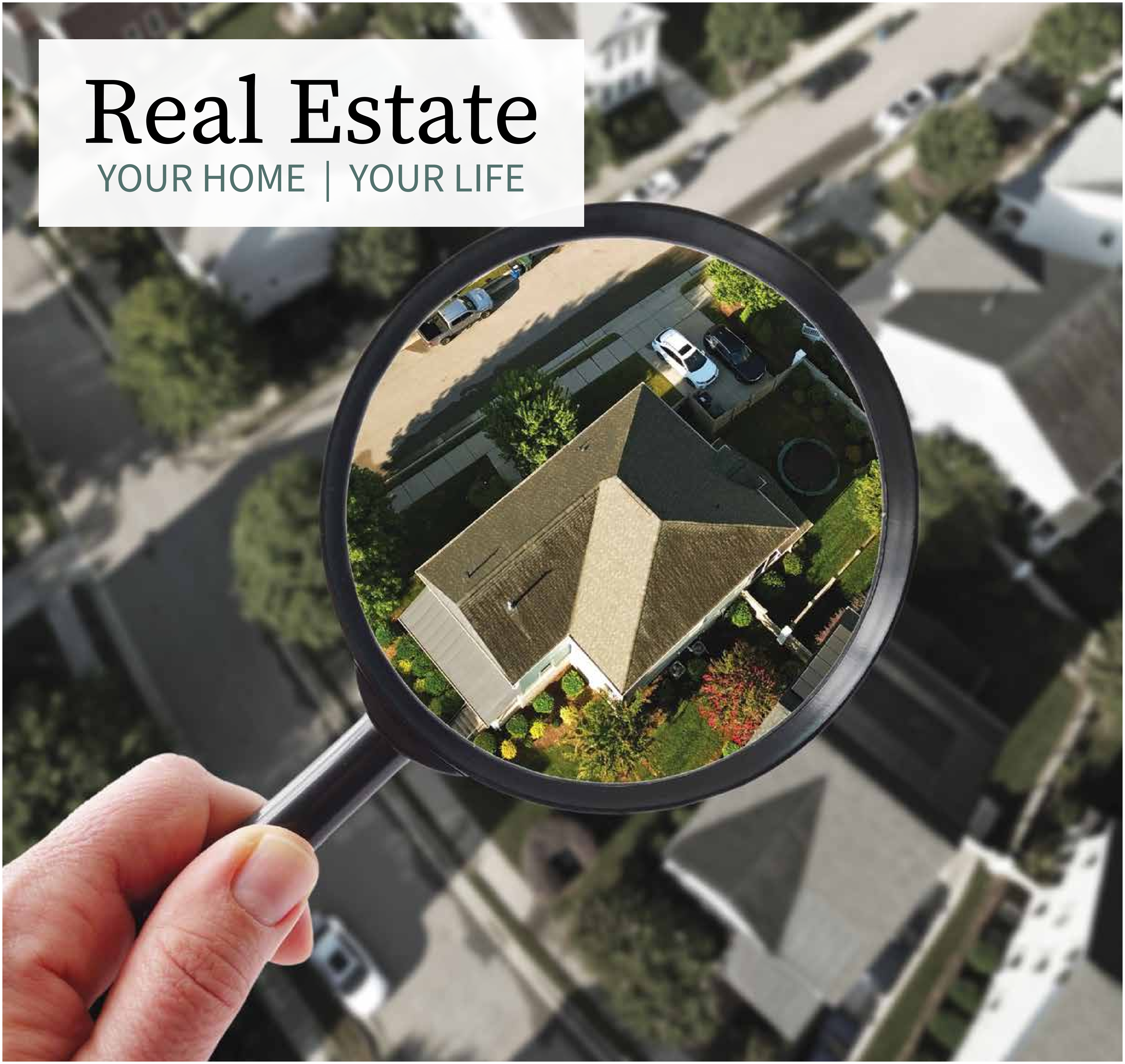

The Mortgage Rate Waiting Game

If you find yourself waiting for mortgage rates to move — either as a buyer or seller — remember that nobody knows exactly when rates will change.

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And while interest rates are important, they are only one part of the cost of buying a home.

Rather than trying to predict the perfect rate, consider the bigger financial picture and the factors you can control.

HOW INTEREST RATES INFLUENCE DECISIONS

Mortgage rate fluctuations can influence both buying power and selling strategies.

Buyers. Lower mortgage rates generally increase purchasing power because less of each monthly payment goes toward interest. That can allow buyers to afford a higher-priced home while keeping payments within their budgets. But waiting for rates to fall isn't necessarily the best strategy. Rates could remain higher than expected, while home prices or competition could change.

Sellers. Lower rates can make homes more affordable for buyers, potentially increasing demand. But sellers shouldn't assume lower rates automatically mean a higher sale price. Home prices are influenced by inventory, location, competition and the condition of the property.

OTHER THINGS TO CONSIDER

Mortgage rates respond to broader economic conditions, including inflation, the bond market and expectations about the economy. Even professional forecasts can be wrong, so basing a homebuying or selling decision on predictions about future rates can be risky.

Buyers. Look at the entire monthly cost rather than focusing solely on the interest rate.

For example, on a $400,000, 30-year mortgage, a 0.25 percentage-point rate reduction could lower the monthly principal and interest payment by roughly $65 to $70, depending on the starting rate. A $10,000 lower purchase price, with the same down payment percentage and interest rate, can produce a similar monthly savings.

The Consumer Financial Protection Bureau offers additional interest-rate scenario examples at https://bit.ly/3SJ8b8n.

The comparison illustrates why both the price of the home and the cost of financing matter. Work with your real estate and lending professionals to determine what you can comfortably afford. If you find a home that meets your needs and fits your budget, buying before rates fall could make sense. A future rate reduction isn't guaranteed, and waiting could mean missing out on a home that works for you.

If rates fall substantially after you buy, refinancing may eventually be an option. However, refinancing isn't guaranteed to make financial sense.

Sellers. Higher mortgage rates can limit what some buyers can afford, potentially putting pressure on prices or extending the time a home takes to sell.

Focus instead on what you can control. Strategic repairs, decluttering, landscaping, professional photography and effective marketing can help make a home more appealing. Work with your agent to highlight desirable features and set a competitive price.

DON'T TRY TO TIME THE MARKET

Whether you're buying or selling, trying to predict the perfect mortgage rate can turn the process into a waiting game with no guaranteed win.

Rather than betting on where rates will be six months from now, consider your current financial situation, the home's price, your monthly budget and your plans for the future.

The best time to buy or sell isn't necessarily when mortgage rates hit a particular number. It's when the overall circumstances make sense for you.

Bidding Wars Aren't Dead

The COVID-era bidding wars may not necessarily be a thing of the past.

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When multiple buyers want the same property and there aren't enough comparable homes available, competition can quickly drive up interest — and sometimes the price.

Bidding wars tend to be local and property-specific, rather than a reflection of the entire housing market.

WHY INVENTORY MATTERS

Inventory can vary dramatically by neighborhood, price range and type of home. An inventory crunch means there are too few homes available to meet buyer demand. Limited inventory gives sellers more leverage. Buyers who have been waiting for the right home may compete when a desirable property finally hits the market, putting sellers in the enviable position of having a bidding war for their home.

WHAT TRIGGERS A BIDDING WAR?

Many factors can lead to a home triggering a bidding war. They include a desirable location, move-in-ready condition, popular features such as updated kitchens, outdoor space or home offices, homes in price ranges where many buyers are competing, or properties that are priced below what buyers expect based on comparable sales.

WHAT BIDDING WARS LOOK LIKE TODAY

A bidding war doesn't necessarily mean offers that are dramatically over the asking price. Competition can involve multiple offers close to the asking price, waived or reduced contingencies, flexible closing dates or other attractive terms.

Sellers may receive several offers quickly, while buyers may need to make decisions with limited time.

ADVICE FOR BUYERS

To give yourself an edge in a bidding war situation, be prepared. Get preapproved before shopping so you know your budget and can move quickly. Decide in advance how much you're comfortable spending, and don't let competition push you beyond what the home is worth to you. Consider the entire offer, not just the price. Agreeing to waive inspections or other protections simply to win could put you at a disadvantage if issues with the home arise later.

ADVICE FOR SELLERS

Don't automatically price a home high because you hope to start a bidding war. Work with an agent to evaluate comparable sales and current competition. Good presentation, accurate pricing and strong marketing can attract multiple buyers.

Consider both price and terms when evaluating offers. For example, if a buyer is paying in cash, you could get to the closing table quicker, if that's a priority for you.

Home Staging on a Budget

Budget staging is less about buying furniture and more about removing distractions and emphasizing the features buyers are already looking for.

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Is staging worth spending money on?

The National Association of Realtors' 2025 Profile of Home Staging, based on a survey of 1,266 real estate professionals, puts the trend in perspective. Twenty-nine percent of sellers' agents reported that staging increased the dollar value offered by 1% to 10%, while 49% of sellers' agents observed that staging reduced the time a home spent on the market.

Staging isn't guaranteed to raise the selling price. Forty-one percent of buyers' agents said staging had no impact on the dollar value offered, while 17% reported a 1%-5% increase, according.

The strongest case for staging may be helping buyers see the home's potential, rather than guaranteeing a specific return.

WHAT ACTUALLY MATTERS: START WITH THE LIVING ROOM

Contrary to what many sellers might expect, the kitchen isn't the No. 1 staging priority. Thirty-seven percent of buyers' agents ranked the living room as the most important room to stage, followed by the primary bedroom (34%) and the kitchen (23%).

Sellers don't necessarily need new furniture. Rearranging existing furniture, removing oversized pieces and creating clear traffic paths can make rooms feel larger.

If hiring a professional stager isn't in the budget, consider a consultation rather than full-service staging. NAR reports a median $1,500 for a staging service versus $500 when an agent stages the home themselves.)

THE KITCHEN: CLEAN BEATS EXPENSIVE

Kitchens remain an important selling point, but staging doesn't necessarily mean remodeling. Focus on clearing countertops, removing excess appliances, cleaning cabinets and appliances, organizing the pantry and cabinets to demonstrate storage and replacing inexpensive, visibly worn hardware.

The goal is to make the kitchen appear clean, functional and spacious, rather than brand new.

CURB APPEAL: WIN THEM BEFORE THEY WALK IN

Buyers form an impression before seeing a home's interior.

Inexpensive improvements could do the job. Mow and edge, weed garden beds, trim shrubs, clean the front door, wash windows and walkways, add fresh mulch and use a few strategically placed plants or containers.

Realtor.com specifically recommends cleaning exterior surfaces and improving landscaping as budget-friendly curb-appeal measures.

DECLUTTERING IS THE ULTIMATE BUDGET STAGING

The cheapest staging tool is often a box. NAR emphasizes decluttering and styling rather than remodeling as the heart of staging. Remove excess furniture, personal photos, collections and countertop clutter. Don't forget closets, pantries and cabinets. Buyers want to see storage capacity, not how much stuff the current owners have.

The Rise of the iBuyer

Enter a few details online, receive a cash offer and potentially skip showings, open houses and the uncertainty of a traditional sale. While a quick online sale to an iBuyer might seem like a win, the truth is more nuanced.

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An algorithm can make an offer, but it can't fully replace a person who understands the quirks of a specific neighborhood.

THE IBUYER PROMISE

Under the basic iBuyer model, companies use algorithms and market data to estimate a home's value, make a direct offer, then resell the property.

The pitch is speed and convenience, particularly attractive to sellers who don't want the work and uncertainty of listing.

FROM INDUSTRY DISRUPTOR TO CONTRACTION

The industry's rise was meteoric, particularly the growth of companies such as Opendoor and Offerpad.

But then came a pullback. iBuyers struggled to consistently generate profits, while changing housing conditions made buying and reselling homes more difficult.

By 2025, Opendoor and Offerpad had dramatically reduced their buying activity, according to HousingWire.com

National Realtor data illustrates how limited the model remains: Just 1% of sellers sold to an iBuyer in the most recent National Association of Realtors survey, compared with 3% the previous month.

IBUYING ISN'T DEAD

Opendoor reported a 77% quarter-over-quarter increase in homes purchased in the second quarter of 2026, and said it was targeting profitability by the end of the year. Offerpad also reported improving margins and contract signings in Q2.

The industry may be smaller and more disciplined, but instant offers remain a competitor traditional agents can't ignore.

THE LOCAL AGENT'S COUNTERARGUMENT

Technology still struggles to easily capture what local agents have always known: the ins and outs of their local market.

A traditional agent can explain why two apparently similar houses may command very different prices because of school boundaries, street traffic, neighborhood reputation, lot characteristics, quality of renovations, local buyer preferences and recent comparable sales.

Research published in Real Estate Economics found that the local market knowledge agents offer was the biggest economic factor affecting transaction prices.

NEGOTIATION IS MORE THAN A NUMBER

An algorithm can produce an offer; an experienced agent can expertly negotiate the entire transaction. This includes contingencies, inspection findings, appraisal issues, closing dates, concessions and competing offers. NAR's latest buyer/seller research found 88% of buyers used an agent or broker, with negotiation and navigating the transaction among the services buyers valued.

THE NEW COMPETITION: AGENTS + TECHNOLOGY

Agents increasingly have access to AI-powered comparative market analyses and other tools for analyzing comparable properties and pricing. The strongest agents can use technology for speed and data, while providing the judgment and local context algorithms lack.

Do you primarily want speed and simplicity, or do you want someone advocating for your best outcome?

An instant offer may be the right solution for some sellers. But for homeowners trying to maximize price and navigate a complicated local market, the human advantage may be what the algorithm can't calculate.

Empty Nesters Reshape Markets

Downsizing isn't necessarily about giving something up. For many empty nesters, it's about choosing a home that fits the next stage of life rather than the previous one.

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After decades in a family home, many homeowners are beginning to ask whether they still need four bedrooms, a large yard and a basement full of belongings.

This isn't just an individual trend. It's part of a major demographic shift.

The U.S. population age 65 and older grew 13% from 2020 to 2024, far faster than the working-age population. The Census Bureau says Baby Boomers are a major reason for the shift.

At the same time, households are getting smaller. In 2024, 29% of U.S. households were one-person households, compared with 19% in 1974.

DOWNSIZING DOESN'T ALWAYS MEAN SENIOR HOUSING

Today's empty nesters have many options: Smaller single-family homes, condos, townhomes, apartments, 55+ communities, senior-oriented communities and moving closer to children or grandchildren.

The National Association of Realtors reports that nearly half of buyers in 2025 were age 60 or older, illustrating how strongly older buyers are influencing the housing market.

START PLANNING BEFORE YOU'RE READY TO MOVE

Downsizing is a process, not a weekend project.

NAR offers the Seniors Real Estate Specialist (SRES) designation, which prepares agents to help clients age 50+ with selling, buying, relocating and other major housing decisions. An agent focused on seniors' needs can help homeowners think through the details. This might include how much house they realistically need, whether to sell first or find the next home first, what improvements are worthwhile before selling, how long the transition might take and what to do with decades of accumulated possessions.

DEALING WITH THE STUFF

Downsizing can be an emotional process. Furniture, photographs, family heirlooms and children's belongings can make decluttering difficult.

This is why seniors should start months rather than weeks before a move.

It helps to break the process into manageable categories: keep, sell, donate, give to family, discard.

An SRES agent can provide referrals to organizers, estate-sale companies, donation services and other local resources. NAR specifically notes that referrals for decluttering can help clients overcome one of the biggest barriers to getting started.

MOVING IS A LOGISTICS PROJECT

The buying and selling transactions are only part of the move.

Local specialists can connect sellers with senior-focused movers, estate-sale companies, professional organizers, donation and junk-removal services, handymen and contractors and storage facilities.

What's My House Really Worth?

Many homeowners hear "appraisal" and assume it is simply someone putting a price tag on their house. The process, however, is more expansive.

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And while technology is changing how homes are valued, it hasn't eliminated the need for professional judgment.

APPRAISAL VS. LISTING PRICE

Every seller eventually asks: "What is my house really worth?"

A market appraisal is an independent professional opinion of value, typically ordered by a lender to determine whether the property provides adequate collateral for a loan. An appraisal isn't intended to confirm what the buyer, seller or agent thinks a house is worth.

An appraisal number isn't magic. It is an evidence-based opinion, not an absolute truth.

The listing price, on the other hand, is a marketing decision made by the seller and agent, based partly on market data but also influenced by selling strategy.

For example, in a market where sales are slowing, a seller might decide, with their agent, to price the home below its appraised value to attract buyers.

WHAT DOES AN APPRAISER ACTUALLY LOOK AT?

A certified residential appraiser considers recent sales of comparable properties, location, square footage and layout, bedrooms and bathrooms, condition and quality, renovations and improvements, lot characteristics, amenities and current market conditions.

The appraiser isn't simply averaging the prices of three nearby houses. Comparable properties are analyzed and adjusted for meaningful differences. If a similar home has 250 additional square feet and a larger garage, for example, the appraiser will account for those differences.

WHY LOCAL EXPERTISE STILL MATTERS

National algorithms and automated valuation models can't tell the whole story. Two homes with similar square footage can have different values because of location within a subdivision, school boundaries, traffic, lot size, remodeling quality and neighborhood-specific buyer demand.

Fannie Mae requires appraisers to have the knowledge and experience necessary to evaluate local markets and property characteristics that automated systems might overlook.

"Appraisers that are not familiar with specific real estate markets may not have adequate information available to perform a reliable appraisal," Fannie Mae says in its Selling Guide.

WHEN THE NUMBERS DON'T MATCH

Consider a buyer and seller who agree on $400,000, but the appraisal comes in at $380,000. The lender generally bases its loan on the appraised value, potentially leaving the buyer to make up some or all of the difference with cash.

An appraisal gap doesn't automatically kill a transaction. Possible solutions include renegotiating the price, the buyer bringing additional cash, challenging factual errors or requesting a reconsideration of value, according to Freddie Mac.

THE RISE OF DESKTOP AND HYBRID APPRAISALS

Technology can make valuations faster and more efficient, but local knowledge and professional judgment remain important — particularly when a property doesn't fit neatly into a spreadsheet.

Desktop appraisals can be completed without the appraiser physically inspecting the property, using information from MLS and tax records, homeowners and agents.

Hybrid appraisals use a trained third-party property data collector to gather physical information, which the appraiser then uses to develop the valuation.

First-Time Buyer Survival Guide

First-time buyers may have more assistance available than they realize, but they must navigate program rules, funding limits and deadlines.

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BUYING YOUR FIRST HOME FEELS HARDER THAN EVER

Home prices, mortgage payments, taxes, insurance and closing costs can make saving enough cash feel impossible.

Nationally, first-time buyers accounted for only 21% of home purchases in 2026 — the lowest share recorded by the National Association of Realtors since it began tracking the figure in 1981.

The National Association of Realtors' second-quarter data found a typical starter home cost about $369,700, with a 10% down payment producing a monthly mortgage payment of about $2,158. First-time buyers were spending an average 35.9% of their income on mortgage payments.

GRANTS AND LOANS

Those numbers can make homeownership seem out of reach, but the down payment isn't necessarily something buyers have to save entirely on their own.

State housing authorities offer resources for homebuyer assistance. Down payment assistance might come in the form of an interest-free deferred loan that generally isn't repaid until the borrower sells, refinances or pays off the mortgage.

Requirements can include income and purchase-price limits, a minimum credit score, primary-residence occupancy and homeownership counseling.

Some assistance might even be forgivable, such as the Illinois Housing Development Authority's Access Forgivable program, which is forgiven monthly over 10 years, and is available to both first-time and repeat buyers. It becomes effectively free assistance only if the buyer meets the program's requirements.

Ask your lender and agent about additional possibilities, such as local government programs, employer-assisted housing, community-development or nonprofit grants and special programs for veterans or buyers purchasing in targeted areas. Federal programs such as FHA, VA and USDA loans can reduce down payment requirements to as little as 3.5%.

Assistance programs can have income, location, credit, purchase-price and occupancy requirements, and funding can be variable.

START EARLY

Prospective buyers should investigate programs before house hunting. Get pre-approved and ask the lender specifically about down-payment assistance, and complete required education or counseling early. Don't assume you don't qualify because your income is "too high" or because you've owned a home before; eligibility varies by program.

Assistance programs won't make an unaffordable house affordable, but they can reduce one of the biggest barriers to buying: the upfront cash requirement.