

The New Market Reality

After two years of volatility, mortgage rates have stabilized in the low 6% range - a noticeable improvement from the highs of 2023 but not yet a full retreat. Even at these levels, buyer activity in the Hudson Valley is increasing as consumers adjust expectations and regain confidence.

Across Dutchess, Putnam, and Westchester Counties, inventory remains tight at under four months of supply, well below the six-month 'balanced' threshold. That means we may see more bidding wars, not fewer, as previously paused buyers re-enter the market.

HUDSON VALLEY SNAPSHOT:

- Dutchess County: Average home value \$480,700 (+4.7% YoY)
- Putnam County: Median list price \$589,000 (+3.9% YoY)
- Westchester County: Median sale price \$890,000 (+2.4% YoY)

-Stable rates bring clarity - and competition.-

Action Step: Review your affordability with updated rate scenarios. Knowing your payment range before you shop gives you a tactical edge.

Strategy #1 - Focus on Payment Comfort, Not Price

When rates moderate, payments improve gradually, but home prices rarely decline in tandem. Waiting for prices to fall while others act on renewed stability could mean missing your window.

Example:

\$750,000 home

- 6.8% rate - ~\$4,900/mo

- 6.2% rate - ~\$4,550/mo

That's the equivalent of a \$45,000 price difference - achieved simply by the rate shift.

Key Takeaway: Track comfort, not sticker price. Your best metric isn't the list price - it's the monthly number that fits your life.

Action Step: Work with your lender (or book a call with Jeffrey) to define your Comfort Range - the payment band where you can act decisively.

Strategy #2 - Position to Win Without Overpaying

In 2026, strategy beats speed. Homes still sell fast, but smart buyers win with clean, flexible, and well-structured offers - not desperation.

2026 OFFER PREP CHECKLIST:

1. Full pre-approval letter ready
2. Proof of funds for down payment and reserves
3. Discuss negotiation parameters before showings
4. Keep contingencies strategic (inspection, financing, appraisal)
5. Be available on Day 1 of new listings

Pro Tip: Flexible closing dates and rent-back options are winning terms this season. Sellers prioritize certainty and clarity over the highest number.

-Negotiation is back - use it wisely.-

Action Step: Prepare with your agent before you shop. Prepping the paperwork upfront lets you act like a cash buyer - even if you're financing.

Strategy #3 - Think Long-Term, Act Decisively

Market shifts are temporary. Ownership is enduring. When rates stabilize, opportunities rise - but equity builds for those who stay in the game.

THE 5-YEAR RULE FOR SMART BUYERS:

If you'll own for five years or more, the short-term rate cycle matters less than finding a home that aligns with your lifestyle and long-term goals.

HUDSON VALLEY LONG-VIEW INSIGHT:

Home values across the tri-county region have compounded 28-35% over the past five years. Waiting for the 'perfect' moment often costs more than acting from preparation.

-Time in the market beats timing the market.-

Next Step: Schedule your personalized 15-minute Buyer Strategy Call with Jeffrey Hoffmann. Together, we'll run your 2026 affordability scenarios and pinpoint your next best move.

By Jeffrey Hoffmann | Douglas Elliman Real Estate