

THINGS TO CONSIDER WHEN
Buying a Home



SPRING 2026 EDITION



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Mortgage Rates Hit a 3.5-Year Low This Year

If you've been sitting on the sidelines waiting for rates to drop, here's news worth paying attention to. Rates have already started falling. This year, they crossed an important mark — the lowest point in 3.5 years.

Here's what that actually means for you.

How Lower Rates Help You

Your mortgage rate shapes more than just how much interest you pay. It affects your whole buying experience from the start.

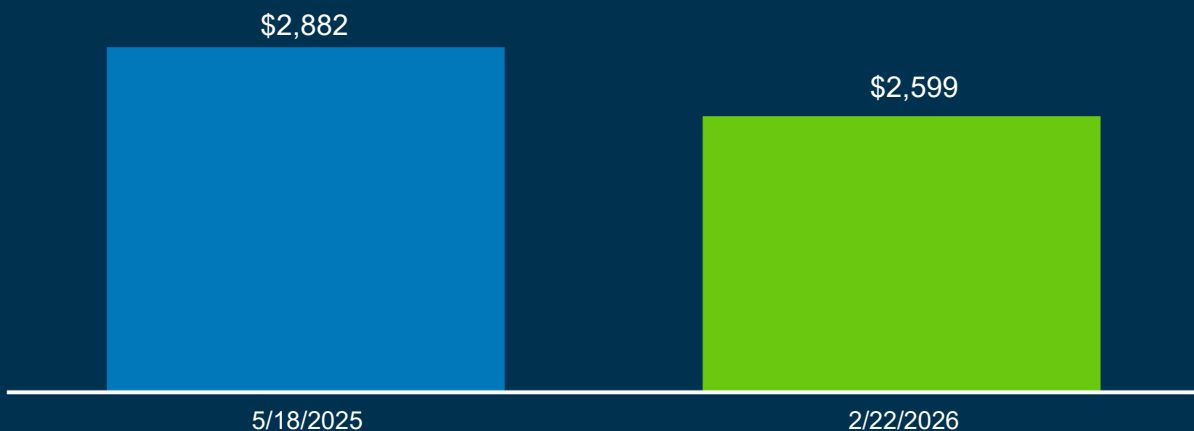
When rates were hovering around 7% just over a year ago, a lot of buyers got priced out. Monthly payments were high. Budgets felt squeezed. Affordability was a serious problem, especially for first-time buyers who felt it hardest.

But industry experts say that's starting to shift now that rates are slowly pulling back. Here's the breakdown. At a rate around 6% or below, you'll see:

- **Lower monthly payments.** Redfin data shows mortgage payments on a median-priced home are now roughly \$300 lower than they were last Spring
- **More buying power,** thanks to the extra room that opens up in your monthly budget

Monthly Payments Are Down Almost \$300 Since Last Spring

Median Monthly Mortgage Payment



Sources: Redfin



That kind of monthly savings adds up fast. **Over a full year, it totals over \$3,300.**

That alone won't flip the affordability picture overnight, but here's a practical way to think about it. You can put in a stronger offer, look in a different area, or find a home that checks more of your boxes. That's a real difference from when rates were sitting at 7%.

This Opens the Door for 550,000 Buyers

Here's some concrete research that shows just how much this matters. The National Association of Realtors (NAR) found that when mortgage rates sit around this level, millions more households can actually buy. When rates are at 6% or below:

- **5.5 million more households can afford the median-priced home**
- **And roughly 550,000 of those people will likely buy a home within 12 to 18 months**

That's real pent-up demand, not just speculation. Those buyers have been waiting for a signal to move. You have a window right now to get in before more people act on the same math, because the numbers are already working in your favor.

An Important Call Out

Mortgage rates don't exist in a vacuum. Home prices, local inventory, property taxes, home insurance, and your personal financial picture all still matter. A rate in this range doesn't mean every home works for every buyer.

Getting pre-approved and going through the numbers with a trusted lender is the right first step.

That said, this rate environment puts more buyers in a position to act than we've seen in years. If buying didn't pencil out for you before, it's worth running the numbers again.

Bottom Line

Affordability is improving. That may reset the math on your move.

Let's run the numbers together so you can see how much more buying power you may have compared to just a few months ago.

How Changing Mortgage Rates Affect Your Future Monthly Payment

Experts expect rates to stay roughly where they are — though some ups and downs are normal. Trying to time the market isn't the right play. What's more useful is understanding how any rate change hits 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	\$854
	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
\$850,000	7.5%	\$5,943	-
	7.0%	\$5,655	\$288
	6.5%	\$5,373	\$570
	6.0%	\$5,096	\$847

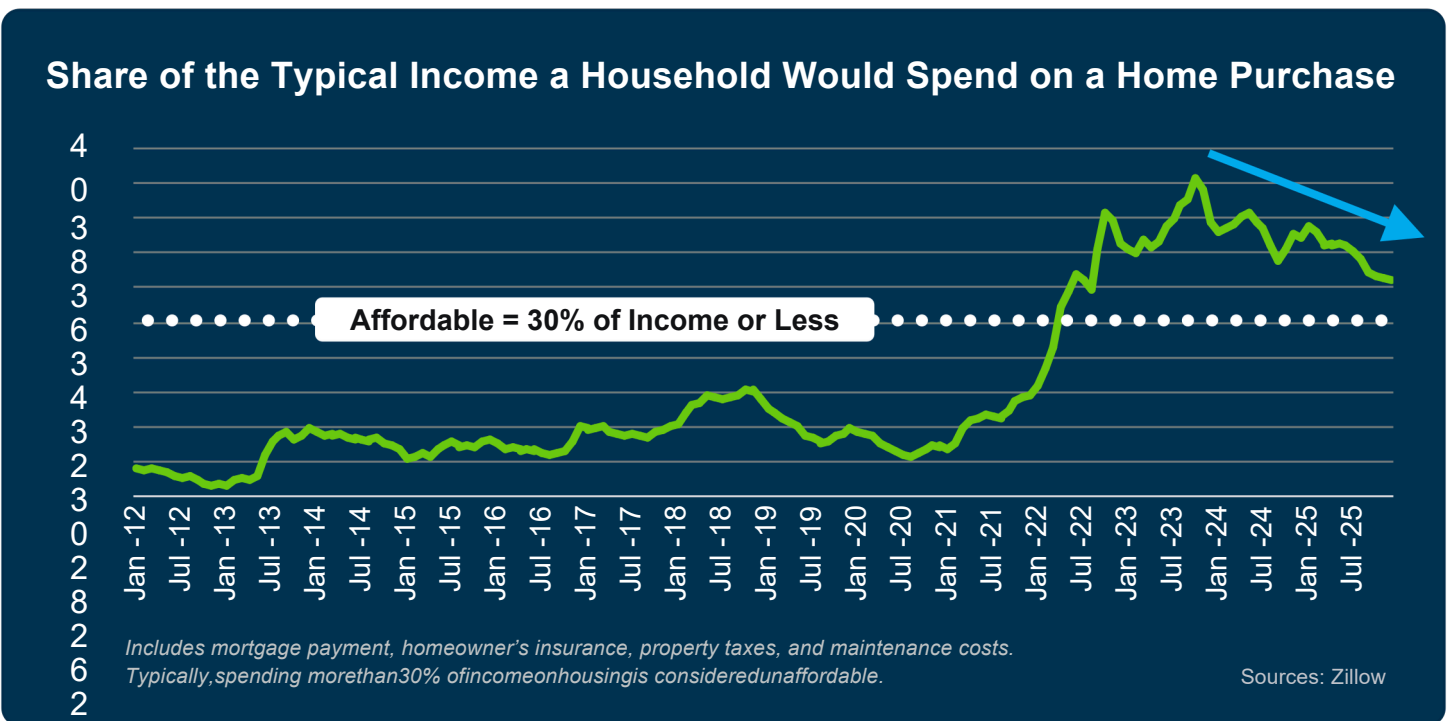
*Principal and Interest Payment. Total monthly payment may vary based on loan specifications such as property taxes, insurance, HOA dues, and other fees. Interest rates used here are for marketing purposes only. Consult your licensed Mortgage Advisor for current rates

Affordability Is Moving in the Right Direction

Good news for anyone who's been priced out or holding off. Buying a home is getting more affordable. That doesn't mean it's suddenly easy for everyone, but the progress we're seeing is real and it matters.

One of the clearest ways to measure the shift is to look at how much of a household's monthly income it takes to cover a home purchase. According to Zillow, housing is generally considered affordable when it takes 30% or less of your monthly income. That covers your mortgage payment, property taxes, insurance, and basic maintenance.

For the past several years, that number was well above that line, which put homeownership out of reach for a lot of people. But now it's taking a smaller share of a typical household's income to buy a home than it did a few years back (see graph below):



Affordability is still tight. But it's trending the right direction. Some markets could fall back under that 30% mark before the end of this year.

Bottom Line

The improvement isn't happening at the same pace everywhere. If you want to see how these trends are playing out in our area, let's talk.



Affordability won't snap back overnight, but like a ship finally catching a steady tailwind, it's now sailing in the right direction

Mark Fleming
Chief Economist, First American



Inventory Is Making a Comeback in 2026

After years of buyers competing for too few homes, inventory has recovered meaningfully over the past year. Depending on where you live, that's opening up real options.

According to Realtor.com, the number of homes available for sale has risen to its highest point since 2020. That's a significant marker for the market. Getting back toward pre-pandemic supply levels signals a gradual return to normal (see graph below):



Now, it's worth being clear — the national market isn't all the way back yet, and more homes for sale won't fix everything on its own. But the growth we've seen lately does change how competitive the market feels.

- **When more homes are available**, buyers get time, choices, and negotiating room.
- **When inventory is thin**, the pressure builds fast.

Since 2020, there just haven't been enough homes to go around. That made the whole experience feel frantic. Stressful. Hard to navigate.

But things are finally turning around.

A Growing Portion of the Country Is Getting Back to Normal

Inventory recovery isn't uniform. Some areas are bouncing back faster than others.

According to Lance Lambert, Co-Founder of ResiClub, in January 2025 only 41 of the 200 largest metro areas were back to normal inventory levels.

By late in the year, **nearly half — 90 of the 200 largest metros** — were at or above typical supply. That's a big turnaround in **under 12 months**. And it's still moving.

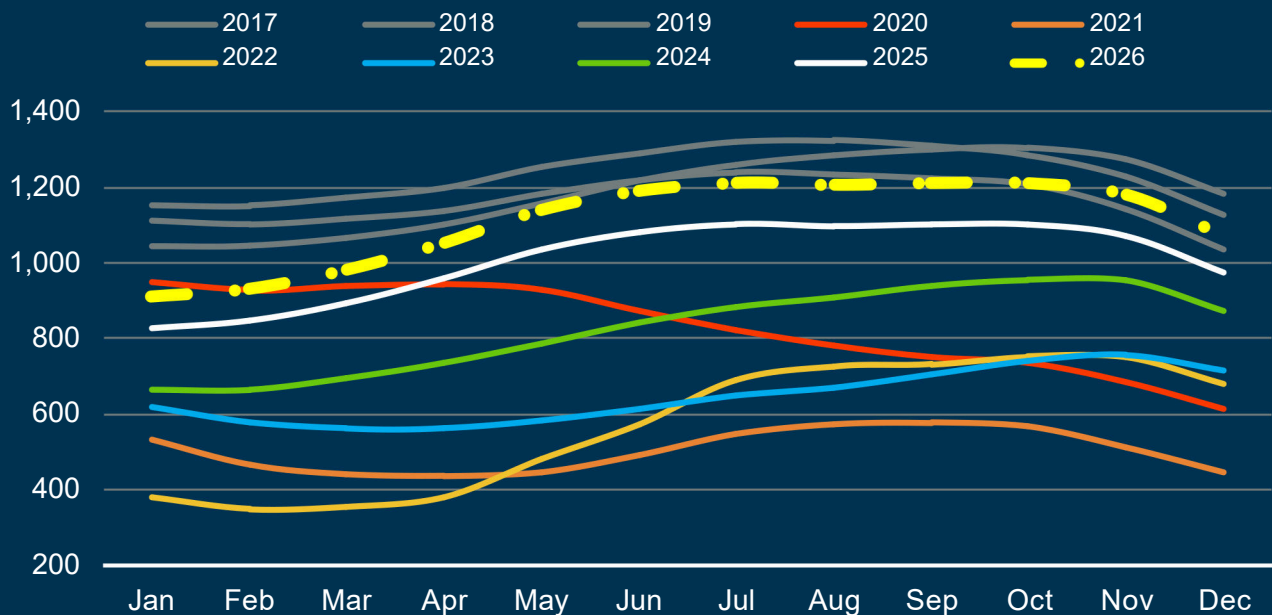
Inventory Is Expected To Keep Growing

Looking at the forecasts, the number of homes for sale could **increase another 10% this year**. That means even more markets should reach the point where supply has recovered.

The graph below shows what that additional 10% would mean. That projected growth (dotted line) would bring inventory levels close to what they were in 2017-2019 by roughly this fall (gray lines). That puts us on track to hit normal levels nationally by end of year:

If the Number of Homes for Sale Goes Up Another 10% in 2026, Inventory Will Be Close to 2017-2019 Levels

Active Monthly Listings Count, in Thousands



Source: Realtor.com

That changes the home search experience for the better. As Hannah Jones, Senior Economic Research Analyst at Realtor.com, puts it: ". . . housing market conditions are gradually rebalancing after several years of extreme seller advantage.

Buyers are beginning to see more options and modest negotiating power as inventory improves . . ."

The market is starting to work with buyers again, not against them.

Bottom Line

Inventory isn't fully back everywhere. But it's moving in the right direction. In some areas, it's already there.

If you've been waiting for a moment when you have real options and a little breathing room, this is the strongest position buyers have been in for a long time.

Want to know what's happening specifically in our local market? Let's talk.





With housing inventory levels reaching five-year highs, home buyers in nearly every region of the country are in a better position to negotiate more favorable terms.

Lawrence Yun
Chief Economist, NAR

Why a Newly Built Home Might Be a Smart Move Right Now

Looking for better pricing? You might find it somewhere you hadn't considered: new construction. More buyers are going that route — and it's not just about modern floor plans or the latest features. It's because they can often get a better deal.

There are more brand-new homes on the market right now than there have been in years. For buyers, that works in two ways. You have more to choose from, and builders are motivated to move their existing inventory before starting the next project. That's exactly why so many homebuilders are putting serious incentives on the table — price reductions, mortgage rate buydowns, and help covering closing costs.

Perks like that are hard to walk away from. In 2025, new home sales reached their highest level in over 3 years. Buyers spotted the opportunity and acted on it. You may want to do the same.

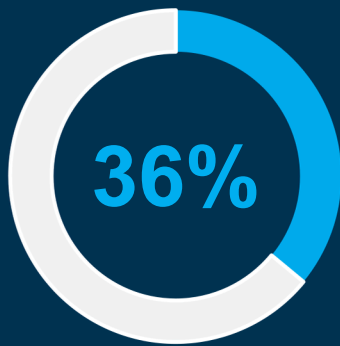
Builder Incentives Are at an All-Time High

Data from the National Association of Home Builders (NAHB) shows 65% of builders offered special perks to buyers.

That's the highest percentage in 5 years. Here's a look at some of the most common ones:

- **Help with Closing Costs:** Some builders are covering thousands of dollars in fees upfront to lower your cost to buy.
- **Extra Upgrades:** Premium finishes, appliance packages, designer features — often included at no additional charge.
- **Mortgage Rate Buydowns:** The builder pays to get you a lower rate, which brings down your monthly payment. Right now, buyers can get a rate roughly half a percentage point lower on new homes compared to existing homes, thanks to builder incentives.





of builders
cut prices

Source: NAHB

You don't have to get lucky to find these kinds of perks. The majority of builders are offering them right now.

Builders Are Cutting Prices

Another common tactic is adjusting the list price itself. According to NAHB, 36% of builders are cutting prices. The average cut is 6%.

So builders may be more open to negotiating on price than you might expect. That means your dollar could go further on a new build than it would on a comparable existing home. Work with your agent to find out what's available and which incentives builders are offering in and around our area.

Bottom Line

With most builders offering real incentives and more new homes available, this may be one of the better windows in years to buy new construction.

Reach out if you want to know which communities, builders, and incentives are worth looking at in our market. And keep this in mind: having your own agent — not the builder's rep — makes the negotiation process work in your favor.

If you could get an all-new home for less than you'd expect, would that be worth exploring?

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

If you're weighing new construction against an existing home, here are some differences that can 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

Both paths have real advantages. It comes down to what matters most to your situation. If you have questions about what's available in our area, reach out and let's connect.

The Top Two Buyer Mistakes Today

Getting the right professional advice before you buy can save you from a lot of headaches. Here are the two most common mistakes buyers are making right now, and how your agent or lender can help you steer clear of both.



1. Putting Off Pre-Approval

During the homebuying process, a lender reviews your finances to determine what they're willing to lend you. Getting that done first gives you a clear picture of your financial position before you ever start touring homes.

House hunting is a lot more enjoyable than sitting down to talk finances. But you don't want those steps out of order.

Get pre-approved before you start looking. As CNET puts it:

"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

With today's mortgage rates and home prices, stretching your budget too thin is a real risk. That's especially true because other costs tied to homeownership — insurance and property taxes — continue to go up.

Build those expenses into your budget before you commit. 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."

Bottom Line

The good news is, you don't have to make either of these mistakes if you have the right people in your corner. Let's connect so you have a professional who can help you avoid them.

Things To Avoid After Applying for a Mortgage

Once a lender has reviewed your financial picture as part of the homebuying process, your goal is to keep things as consistent as possible from that point forward.



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 advice? Once you've submitted your mortgage application, always talk to your lender before doing anything financial in nature.

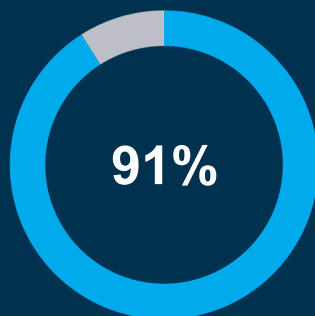
5 Reasons You Need an Agent When Buying a Home

*When it comes to buying a home, having a trusted real estate agent in your corner is one of the best decisions you can make. **An agent does far more than most buyers realize.***

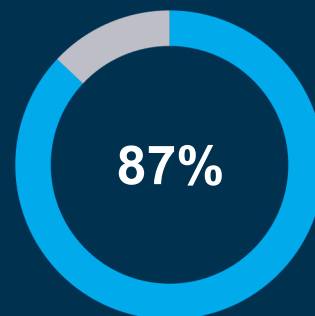


Your agent walks you through every step of the process and keeps your interests front and center the whole time. They take a complicated process and remove most of the stress from what is likely the biggest financial decision of your life. You deserve that kind of support.

A survey from Bright MLS found that the vast majority of people see an agent as a core part of buying a home (see visual below):



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



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

Source: Bright MLS

Here's a closer look at the specific ways a good agent adds value:

- **Deliver Industry Expertise:** A skilled agent coaches you through the entire process start to finish. With professional training behind them, they understand the ins and outs of real estate transactions. The way deals get done keeps changing, so having expert guidance on your side matters more than ever.
- **Provide Expert Local Knowledge:** A great agent can take all the data out there and tell you what it actually means for your specific search. From how fast homes are moving to listings you don't want to miss, they help you understand what's happening in your local market so you can make a confident decision.
- **Explain Pricing and Market Value:** Agents help you understand current pricing in your area. What is a home actually worth here? What should you factor in when writing an offer? Does this house have issues you can't see? Nobody wants to overpay. Having an agent who genuinely understands what individual neighborhoods are worth is priceless. An offer that's both fair and competitive is the goal, and a local expert knows how to get you there.
- **Review Contracts and Fine Print:** Real estate is a fast-moving, heavily regulated process. Your agent helps you make sense of required disclosures and documents so you know exactly what you're signing. Having someone trained to explain those details can be the difference between a smooth close and a deal that falls apart.
- **Bring Negotiation Expertise:** From first offer to closing day, there are a lot of moving parts and a lot of people involved in a transaction. Having someone in your corner who knows the process — and knows you — matters. Your agent advocates for you at every stage. That kind of support at every turn makes a real difference in the final outcome.

Bottom Line

Real estate agents are specialists, educators, and advocates. They stay ahead of market shifts and keep you in the know. Any time you're making a major financial decision, having an expert on your side is the right call. That kind of guidance is hard to put a price on.



If you've been waiting to buy, now is a good time to be looking. **You'll have more to choose from, and you can afford more**

Mischa Fisher
Chief Economist, Zillow



Let's Chat.



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Have questions about something in this guide or about buying a home in general? Reach out anytime.

Whether it's a question about the market or something specific to your situation, we've helped buyers across the Willamette Valley find success — and we can do the same for you.

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