NestSeekers INTERNATIONAL

The Good News Is Three Months Old

Why closings describe the market that was, and contracts describe the one you are in

KEVIN MCHALE · 2 NOVEMBER 2026

WHAT THIS ISSUE IS FOR

Every quarter the market reports its closings, and every quarter we read them as today's news. They are the spring, arriving in the fall.

Manhattan just posted its strongest third quarter for closings since 2022, with a record third quarter median price of $1.25 million.[1] That headline is accurate. It is also mostly a record of deals agreed in April, May and June, when the average 30 year mortgage was 6.42 percent. The latest reading is 7.24 percent.[4] The same reports carry a quieter number that describes the market we are actually in: signed contracts, which fell.

Why this issue is about timing

Issue 01 asked how long you intend to stay. Issue 02 asked what waiting costs. Issue 03 asked what you are buying into. This issue asks something simpler and easier to get wrong: when did the number you are relying on actually happen?

A closing is the end of a deal. A contract is the beginning of one. Between them sit two to three months of mortgage approvals, board packages and attorneys.[6] In a market where rates have moved almost a full point in six months, that gap is the whole story.

> **The closing tells you what the market was willing to pay. The contract tells you what it is willing to pay now.**

THE IDEA BEHIND THE TITLE

A closing is a receipt for a decision made months ago. A contract is a decision made this season. When rates move between the two, the receipt stops describing the price.

What the Headline Leaves Out

Two clients, one calendar

Both of these are real patterns I am seeing this season. Both people are reading the market carefully. Both are reading the wrong quarter.

The buyer who read the headline

He saw “four year high” and “record median” and concluded that he had to move fast and bid over asking to win anything. Some buyers do need to, because the right apartments are still going quickly. But the record he read about was set by buyers paying close to six and a half percent. He is borrowing at more than seven, against fewer competing contracts than a year ago. He is bidding against a market that has already moved on.

The seller who priced off September

She set her asking price from three comparable sales that closed in September, all near her number. They are real sales, and they are good comps. They are also contracts signed in late spring, by buyers whose monthly payment on the same loan was several hundred dollars lower than her buyer’s will be. Her price is anchored to a buyer who no longer exists in quite the same form. The listing has been live for seven weeks.

What is actually missing

Neither of them misread the data. What was missing was the date underneath it. Closings arrive with a lag built in, and in a quarter when rates rose sharply, the lag turns a backward looking number into a misleading one.

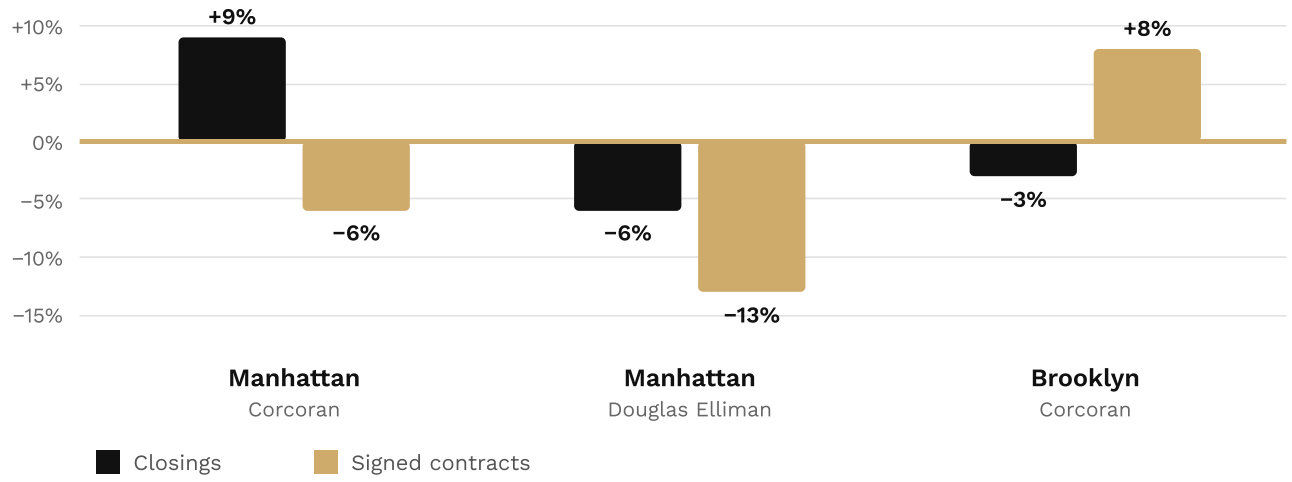
Corcoran counted Manhattan closings up 9 percent from a year earlier. Douglas Elliman counted recorded sales down 6 percent.[1,2] The firms count differently, and both are being honest. They agree on the number that matters most: contracts, the leading edge of the market, were down.

> **Even the reports disagree about closings. They agree about contracts.**

The Closings and the Contracts

Third quarter 2026, year over year

The quarter as the city's largest brokerages reported it, with closings and signed contracts side by side.[1,2,3]



Closings largely reflect contracts signed in the prior quarter. Corcoran attributes the Manhattan contract decline to higher mortgage rates, the new pied-à-terre tax and thin supply. In Brooklyn the pattern runs the other way: closings fell because there was little new development to close, while buyers signed more contracts than in any third quarter since 2022 as listed inventory grew 21 percent.[3] This city is never one market.

What changed between contract and closing

Spring contract, at 6.42%	$7,522 / mo
Contract today, at 7.24%	$8,178 / mo
Difference each month	$656
Difference each year	**$7,874**

What the market has done so far

Price that holds the spring payment	About $1,380,000
Less than the spring price	About 8%
Manhattan contracts, Elliman	−13%
Median contract price, Elliman	**+0.8%**

Same $1,500,000 apartment, eighty percent financing. So far, prices have not fallen to meet the payment. The market has adjusted through fewer contracts, not lower prices. That is how an adjustment usually starts.

How I Read a Market Report

Four numbers, and the order matters

The same discipline as the earlier issues, applied to the quarterly reports.

1 **Signed contracts, first.** They are the closest thing to a live reading the market offers. I look at the direction and the size of the change, and I read them by borough and price band, because the city wide total hides as much as it shows.

2 **The gap between closings and contracts.** When closings rise and contracts fall, the market is slowing behind a strong headline. When contracts rise and closings fall, it is often strengthening behind a weak one. Brooklyn this quarter is the second case.

3 **Time to contract.** Manhattan apartments that sold went to contract in 90 days on average, two weeks faster than a year ago.[1] Fewer buyers are signing, but the ones who find the right apartment are not waiting. That is a market rewarding well priced listings, not every listing.

4 **Inventory.** Manhattan listings were down 3 percent and Brooklyn's were up 21 percent.[1,3] Supply decides who has the leverage once the rate has done its work.

For buyers

Read the contracts, not the record. A record closing quarter does not mean you face a record number of competing bidders this month. In much of Manhattan you are shopping into fewer signed contracts and a lower payment ceiling for everyone, including the buyers you are competing with. That is room to negotiate on price and terms. Where a listing is genuinely right and well priced, it will still move in weeks.

For sellers

Your comps are telling you what spring buyers paid. Your buyer is paying fall rates. If your apartment is unique, the premium for it is real and the reports show it. If it is one of several good choices, price for the buyer who exists today, at today's payment. The listings that sold fastest this quarter were priced for the market that was signing, not the one that was closing.

Before You Price or Bid

Three questions to ask about every comp

If the answers point the same way as the headline, trust the headline. If they do not, trust the answers.

1. When were my comparable sales signed, not when did they close?
2. What rate was that buyer paying, and what is mine paying now?
3. What are contracts doing this quarter in this borough and price band?

What that sounds like in the room

It sounds like me pulling the contract date on every comp before I talk about price. It sounds like telling a buyer that the record he read about does not apply to the apartment in front of him. It sounds like telling a seller that her September comps are real, that I would still price below them, and showing her why on one page.

You are not deciding in the quarter you read about. You are deciding in this one.

The line I am watching

The new pied-à-terre tax. Since July, condominium and co-op units that are not anyone's primary residence, with a Department of Finance market value of $1 million or more, carry an annual surcharge of 4 to 6.5 percent of that value.[7] Finance Department values sit well below sale prices, so the tax reaches higher value apartments than the $1 million figure suggests.[8] Corcoran already names it as one reason Manhattan contracts slowed. Its effect on the upper end will show up first in contracts signed this winter, and only months later in closings.

If You Are Weighing Something Now

The caveat

The exhibit compares principal and interest only, on a 30 year fixed loan, and treats a quarter's average rate as the rate every buyer paid. Real buyers lock at different times, use different loans, and many pay cash. Brokerage reports use different methods and will not always agree with each other or with public records. The September comp is an illustration of a pattern, not a specific sale. Rates can move in either direction from here.

Send me your comps

Whether you are buying or selling, send me the comparable sales you are relying on. I will send back a written read: when each one was actually signed, what has changed since, and my honest view of where the price sits today. Sometimes the comps still hold and the price is right. I would rather tell you that than tell you what you were hoping to hear. No pitch follows.

TO RECEIVE THE NEXT ISSUE

The Decision Gap arrives every two weeks. If this issue reached you second hand, the next one can come directly, at **kevinmchale.nyc/insight**. One email every two weeks, nothing else on the list, and one click removes you.

Method

The exhibit compares a $1,500,000 apartment purchased with a $1,200,000 loan on a 30 year fixed rate mortgage, consistent with the price used in Issues 01 to 03. The second quarter rate, 6.42 percent, is the average of Freddie Mac's thirteen weekly readings from 2 April to 25 June 2026, which ranged from 6.23 to 6.53 percent. Today's rate is Freddie Mac's 29 October 2026 reading of 7.24 percent, against 6.17 percent a year earlier.[4] The price today's buyer can carry holds the second quarter monthly payment constant at 7.24 percent with twenty percent down. The Federal Reserve held its target range at 3.75 to 4 percent on 28 October, with two members preferring an increase.[5] All rates current as of 29 October 2026.

Sources

1. **Corcoran.** Manhattan Real Estate Market Report, 3Q 2026: 3,625 closings, up 9 percent; 2,532 contracts, down 6 percent; median $1.25 million; 90 days to contract; listings down 3 percent.
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2. **Douglas Elliman.** The Manhattan Market Pulse, Q3 2026: 2,126 contracts, down 13.0 percent; 3,588 recorded sales, down 6.0 percent; median contract price up 0.8 percent.
   https://elliman.com/media/Douglas_Elliman_Quarterly_Report_Manhattan_Q3_2026_FINAL_2_3302a35b92.pdf

3. **Corcoran.** The Corcoran Report, Brooklyn, Third Quarter 2026: 1,481 closings, down 3 percent; 884 contracts, up 8 percent; inventory up 21 percent.
   https://inhabit.corcoran.com/wp-content/uploads/2026/10/brooklyn-3q2026.pdf

4. **Freddie Mac.** Primary Mortgage Market Survey, 30 year average 7.24 percent, 29 October 2026, and weekly archive.
   https://www.freddiemac.com/pmms

5. **Federal Reserve.** FOMC statement, 28 October 2026.
   https://www.newyorkfed.org/medialibrary/media/markets/fomc-statement-20261028.pdf

6. **Elevated Advisement.** How long it takes to sell an apartment in Manhattan: offer to closing timelines.
   https://www.elevatedadvisement.com/knowledge-center/how-long-it-takes-to-sell-an-apartment-in-manhattan-days-on-market-in-tribeca-soho-and-the-west-village/

7. **NYC Department of Finance.** Non-primary residence property surcharge, 4.0 to 6.5 percent for tax years 2026-27 and 2027-28.
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8. **Legal 500.** The new price of luxury: the $1 million DOF threshold and roughly $5 million of market value.
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