NestSeekers INTERNATIONAL

Cash Does Not Check the Rate

Why the same market headline means one thing at $1.5 million and something else entirely at $6.7 million

KEVIN MCHALE · 19 NOVEMBER 2026

WHAT THIS ISSUE IS FOR

Two headlines ran in the same week. Manhattan's luxury market had its biggest week of the year. Mortgage rates fell for the fourth week in a row. Both are true. Neither one is about everyone.

In the first week of November, buyers signed 45 contracts in Manhattan at $4 million and above, the most of any week in 2026 and the highest dollar volume since 2021.[2,3] The same week, the average 30-year mortgage was 7.18 percent. It is now 7.11 percent, still close to a full point above where it stood a year ago.[11] At the top of the market, almost every buyer pays cash, so the rate barely reaches them. Below it, the rate decides who gets to bid at all.

Why this issue is about who

Issue 01 asked how long you intend to stay. Issue 02 asked what waiting costs. Issue 03 asked what you are buying into. Issue 04 asked when the number you rely on actually happened. This issue asks who it happened to.

Manhattan is one borough with two financing systems. Roughly two in three apartment sales close in cash. Above $3 million, it is closer to nine in ten.[10] A rate move that reshapes the payment of a buyer at $1.5 million changes nothing for a buyer at $6.7 million. The headline is written for the whole market. Your decision is made in one part of it.

THE IDEA BEHIND THE TITLE

The rate is a gate in one part of this market and a footnote in another. Know which part you are in.

Kevin McHale | 917-270-8679 | kevinm@nestseekers.com

Whose Market the Headline Describes

Two clients, one week of news

Both of these are real patterns I am seeing this season. Both people are reading the news carefully. Each is reading news written for someone else.

The buyer who read the luxury headline

She is buying a two-bedroom near $1.5 million with a mortgage. She read about the biggest luxury week since 2021 and concluded she should bid over asking before the market runs away from her. But those 45 contracts were signed mostly by cash buyers at a median asking price near $6.7 million.[1] Her competition is other financed buyers, and there are fewer of them than a year ago. Some apartments in her range are still moving quickly. The luxury week is not the reason.

The seller who is waiting for rates

He owns a co-op that should sell between $5 million and $6 million. He plans to list in the spring, when he expects rates to be lower and buyers to return. But his buyer almost certainly pays cash. What moves that buyer is supply, confidence and year-end compensation, not the 30-year fixed rate. The luxury contracts signed in the second week of November had been on the market for about a year and a half, and their asking prices had been cut by 18 percent on average.[1] They sold when the price met the buyer. The rate had nothing to do with it.

What is actually missing

Neither of them misread the data. What was missing was a question: how does the buyer in my price range pay? Once you know that, you know which headline is yours.

The evidence for the split is in the third-quarter numbers. Corcoran counted Manhattan closings above $3 million up 25 percent from a year earlier, led by a 40 percent jump between $3 million and $5 million. Closings below $3 million rose 6 percent. Sales under $1 million fell to 42 percent of closings, the second-lowest share on record.[8] Jonathan Miller described the same pattern for Douglas Elliman: smaller, financed apartments are not trading, and the upper half is moving faster, mostly with cash.[9]

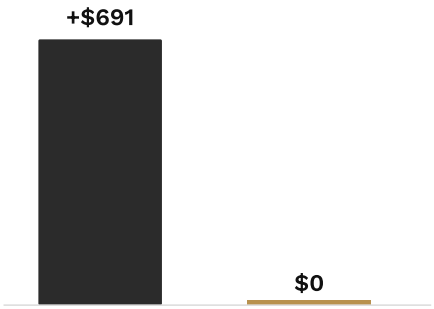
The top is not immune, and it would be a mistake to read one big week as a boom. Corcoran counted 80 contracts above $5 million in October, down 11 percent from a year earlier, though still 18 percent above the ten-year October average.[7] The same week as the 45 luxury contracts, total Manhattan contracts were slightly below the same week of 2025.[5] The top answers to different signals. It is not answering to none.

Who the Rate Reaches

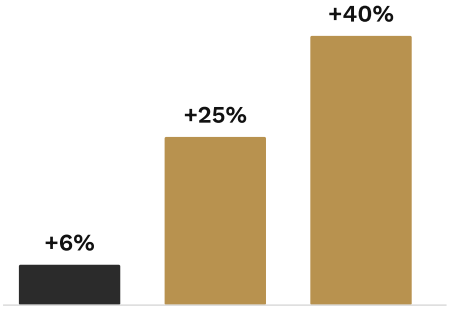
One rate move, two buyers

Here is the same year of rate movement, seen by two buyers in two parts of the market.[1,8,11]

MONTHLY PAYMENT, CHANGE IN A YEAR



Q3 CLOSINGS, YEAR OVER YEAR



The financed buyer

Purchase price	$1,500,000
How the segment pays	Cash and mortgage
30-year rate, November 2025	6.24%
30-year rate, November 2026	7.11%
Third-quarter closings	Below $3M, +6%
Change in monthly payment	**Up $691**

The cash buyer

Purchase price	$6,750,000
How the segment pays	About 9 in 10 cash
30-year rate, November 2025	Not applicable
30-year rate, November 2026	Not applicable
Third-quarter closings	Above $3M, +25%
Change in monthly payment	**None**

The financed buyer borrows $1,200,000 on a 30-year fixed loan. The cash buyer's price is the median asking price of the 34 Manhattan contracts signed at $4 million and above in the week of 9 November. Closing figures are from Corcoran's third-quarter report.

What a year of rates did to the financed buyer

A year ago, at 6.24%	$7,381 / mo
Today, at 7.11%	$8,072 / mo
Difference each month	$691
Difference each year	**About $8,300**

What it means for price

Price that holds last year's payment	About $1,370,000
Saved by four weeks of falling rates	$171 / mo
Change for the cash buyer	**None**

Same $1,500,000 apartment, eighty percent financing. The four weeks of falling rates that made the news saved this buyer $171 a month compared with late October. That is real, but it is about a quarter of the ground lost over the year. For the cash buyer, the same four weeks changed nothing at all.

How I Read a Market Headline

Four questions, and the order matters

The same discipline as the earlier issues, applied to the week's headlines.

1 **How does this price range pay?** In Manhattan, cash is the majority almost everywhere, and the overwhelming majority above $3 million.[10] The higher the cash share, the less the rate explains what buyers do. I start every price conversation here.

2 **What are contracts doing in this band, not the borough?** A borough-wide total blends two financing systems into one number. In October, Manhattan contracts overall were down 7 percent from a year earlier.[6] That number tells you very little about a $6 million co-op or a $900,000 one-bedroom on its own.

3 **How long did the deals that signed take, and at what discount?** The week of 9 November, the luxury contracts that signed had averaged 586 days on the market and an 18 percent cut from the original asking price.[1] That is not a market rewarding every listing. It is a market rewarding listings that finally priced to the buyer.

4 **What is the supply in this band?** Manhattan listings were down 9 percent from a year earlier in October, and listings above $5 million were at their lowest October level since 2015.[6,7] Thin supply is the reason a well-priced apartment still moves quickly, at any price and with any form of payment.

For buyers

Below $3 million, the rate is your gate, and it is also everyone else's. Fewer financed buyers can bid at today's payment, which gives you room on price and terms in much of the market. Each eighth of a point is worth about $100 a month on a $1.2 million loan, so price the rate as carefully as the apartment. Above $3 million, assume you are competing with cash. If you are financing, make your offer read like certainty instead: a complete package, a short timeline and a lender who has already reviewed the building.

For sellers

Below $3 million, your buyer's monthly payment is your price ceiling, and a few weeks of lower rates have not moved it much. Price for the payment that exists today. Above $3 million, do not wait on the rate. Your buyer is waiting for the right apartment at the right price. The luxury contracts signed this month were listings that met the market, many after a long time and a real price cut. Meeting it sooner usually costs less.

Before You Price or Bid

Three questions before you price or bid

If the answers match the headline, trust the headline. If they do not, trust the answers.

1. How do most buyers in my price range pay?
2. Which headline is actually about my part of the market?
3. If I am waiting, what am I waiting for, and does my buyer care about it?

What that sounds like in the room

It sounds like asking how a buyer plans to pay before we talk about any headline. It sounds like telling a buyer at $1.5 million that the luxury boom she read about is not her competition. It sounds like telling a seller at $5 million that waiting for lower rates is waiting for something his buyer does not need, and showing him on one page what his buyer does need.

You are not deciding in the whole market. You are deciding in yours.

The line I am watching

January. Wall Street bonuses are projected to rise for a third straight year, with increases of 20 to 30 percent or more for equity traders and underwriters, paid in early 2027.[12] That is cash arriving at the top of the market, and down payments arriving in the middle. The same month, the first pied-à-terre surcharges land on property tax bills due January 1, after an appeals court let the rollout continue.[13,14] One adds buyers at the top. The other may add sellers. I will be watching contracts above $3 million in February to see which wins.

If You Are Weighing Something Now

The caveat

The exhibit compares principal and interest only, on a 30-year fixed loan, and treats Freddie Mac's weekly average as the rate every buyer pays. Real buyers lock at different times and use different loans. The cash share above $3 million is a 2025 full-year figure and varies by quarter. Weekly contract reports count asking prices, not final prices, and one week is a snapshot, not a trend. Cash is not free either: money used to buy an apartment is money not earning a return elsewhere. Brokerage reports use different methods and will not always agree. The two clients in this issue illustrate patterns, not specific people. Rates can move in either direction from here.

Tell me your range

Tell me your price range and how you plan to pay, whether you are buying or selling. I will send back a written read: who the buyers in that range are, which numbers describe your part of the market, and my honest view of whether now or later works better for you. Sometimes the answer is that the headline does apply to you. 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 04. The year-ago rate, 6.24 percent, is Freddie Mac's reading for the week of 13 November 2025. Today's rate is Freddie Mac's 12 November 2026 reading of 7.11 percent. The late-October comparison uses Freddie Mac's 22 October 2026 reading of 7.32 percent.[11] The price today's buyer can carry holds last year's monthly payment constant at 7.11 percent with twenty percent down. The cash buyer's price is the median asking price, $6,747,500, of the contracts in Olshan's report for 9 to 15 November 2026.[1] A year earlier, buyers signed 41 contracts at $4 million and above in the week ending 9 November 2025.[4] Monthly figures are principal and interest only. All rates current as of 12 November 2026.

Sources

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