

Forget the Fed. In NYC, Watch Credit Conditions Instead.

Nearly every conversation about the Manhattan market lands on the same question: *what will the Fed do next?* It's a fair question — but probably the wrong obsession. A recent Forbes analysis makes a compelling case that the more useful signal for buyers and sellers isn't the headline rate at all. It's whether credit is flowing smoothly through the system.

■ Mortgage rates don't move the way people think

The Fed steers short-term money, but mortgages track the 10-year Treasury plus a risk margin — so the two don't move in lockstep. Between August 2024 and April 2026 the Fed cut roughly 1.70%, yet 30-year mortgage rates actually **climbed**, bouncing between the mid-6% and 7% range before briefly dipping under 6% in early 2026 and rebounding again. The takeaway: a low rate doesn't automatically mean easy financing. The cost of money and the *availability* of credit are two different things.

■ Stable credit is what keeps deals moving

When financing is stable, underwriting is predictable and deals travel from contract to closing with fewer surprises. When conditions tighten, lenders get cautious, approvals that looked routine suddenly need more documentation, and some deals quietly fall apart even when the buyer did everything right. The data backs it up — per an UrbanDigs analysis cited by Forbes, calm and stressed credit produce very different outcomes for Manhattan contract activity:

▲ **+9%**

contract activity in the months after **calm** credit conditions

▼ **-14%**

contract activity in the months after **stressed** credit conditions

~2 in 3

Manhattan sales closed all-cash in 2025 — a record high, per Jonathan Miller of Miller Samuel. Above \$3M, cash buyers dominate and help set benchmark pricing for entire buildings and neighborhoods.

■ What this means for you

IF YOU'RE SELLING

Conventional wisdom says list when rates fall. The better advice is to list when financing conditions are **stable**. A calm 7% market can produce cleaner deal flow than a volatile 6.5% one — predictability brings more consistent buyer behavior and fewer last-minute surprises.

IF YOU'RE BUYING

Your best window usually isn't the absolute bottom in rates — it's when conditions are stable but buyer psychology is still cautious. By the time rates drop enough for everyone to notice, the bidding wars are already back.

“Liquidity is really just psychology disguised as finance.”

— John Walkup, Forbes

[READ THE FULL ARTICLE →](#)

Whether you're weighing a move this year or simply want to understand how today's conditions affect your specific building, neighborhood, or price point — I'm happy to talk it through. No pressure, just a clear read on the market.

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New York Is Always A Good Idea



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This newsletter is for informational purposes only and does not constitute financial, legal, or investment advice. Market data referenced from Forbes (John Walkup), UrbanDigs, and Miller Samuel. Figures as reported as of June 2026.

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