REI Capital Group Monthly Real Estate Investor Newsletter

November 2026 | Market intelligence for serious real estate investors

September pending sales fell to their lowest level since 2014 outside the pandemic freeze, and October pushed the 30-year mortgage rate to 7.40% — its highest since November 2023. Price growth cooled to 1.3%. For investors with capital ready, that combination means negotiating leverage, not a reason to force a deal.

Jerry Patricio de los Reyes CEO and Certified Fund Manager

This month at a glance

$393,895	-8.6%	7.40%	12%
MEDIAN SALE PRICE, +1.3% YOY (SEPT, REDFIN)	PENDING SALES YOY, NEAR 12-YEAR LOW (SEPT, REDFIN)	30-YR FIXED RATE PEAK, WEEKS ENDING OCT 8 & 15 (FREDDIE MAC)	NON-QM SHARE OF SEPT LOCKS (OPTIMAL BLUE)

Housing metrics cover September 2026 (full month) unless noted. The mortgage rate is Freddie Mac's weekly average; the latest reading at draft time was 7.32% for the week ending October 22, 2026. October weekly housing figures are preliminary and subject to revision.

From Jerry

Rates above 7% are pricing buyers out — and that is precisely where disciplined investors gain ground. Pending sales fell in every one of the 50 largest metros in September, 60.5% of homes sold below their original asking price, and a record share of deals outside the pandemic period fell through. Sellers are negotiating on price, closing costs and rate buydowns.

Do not mistake leverage for permission to overpay. Underwrite at today's rates — the 30-year averaged 7.40% in early-to-mid October — stress taxes, insurance and vacancy, and lock your exit capital before you close. The investors winning now pair a negotiated basis with matched capital, and that is exactly what we do at REI Capital Group.

Private credit is still open: non-QM loans were 12% of September lock volume, and private lenders financed 16.4% of investor single-family purchases in the latest 12-month period reported. Bring us the property, the budget, the rents and the exit strategy, and we will help you pick the right capital.

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Where investors are buying

September was a buyer's market by the numbers. Existing-home sales edged up to 3.99 million SAAR (NAR, +1.5% month over month, -2.2% year over year) while the median existing-home price rose 1.3% to $417,500 — the 39th straight monthly year-over-year gain. Inventory stood at 1.60 million units, or 4.8 months' supply, and homes took a median 33 days to sell. Redfin's read was sharper: pending sales of 316,652 fell 8.6% year over year, closed sales hit their lowest since the end of 2023, and sellers outnumbered buyers by 62.6% — the widest gap since at least 2013.

Markets showing relative resilience (September 2026, Redfin top-50)

Metro	September signal (YoY)	Investor view
Montgomery County, PA	Pending sales -1.6% (smallest decline)	Shallowest demand drop; verify rents keep pace
Indianapolis, IN	Closed sales +3.2%	Closings still growing; check days on market
Orlando, FL	Closed sales +3.0%	Closings growing despite pending -5.5%
West Palm Beach, FL	Pending sales -2.2%; prices +3.8%	Demand holding up; confirm price-to-rent
San Francisco, CA	Prices +14.6%; cancellations just 2.8%	Price strength with committed buyers; underwrite conservatively

Where demand fell hardest: pending sales dropped most in Seattle (-24.4%), Los Angeles (-16.0%) and San Diego (-15.8%); the steepest price declines were Seattle (-4.4%), San Jose (-3.4%) and Denver (-2.6%). Cancellations were highest in Jacksonville (19.9%) and Tampa (18.8%). October's early reads — preliminary — were weaker still: pending sales fell 14.4% year over year in the four weeks ending October 18, the lowest in Redfin's weekly records.

Investor takeaway

Pending sales fell in all 50 major metros — so screen for relative strength, not absolute growth. Favor markets where closings still rose or pending declines were shallowest, then negotiate like the data says you can: price cuts touched 19.8% of active listings in September, and 14.5% of deals fell through, so sellers with real motivation are identifiable.

Investor purchase volume

Redfin's latest published investor report covers Q1 2026: investors bought 45,397 homes across 39 major metros — 19% of sales, down from 20% a year earlier — with Miami the highest-share metro at 33%. No Q2 or Q3 2026 Redfin investor report had been published as of October 28, 2026 (Q3 data is scheduled for December 2). Separately, NAR reports individual investors and second-home buyers were 20% of September transactions, up from 15% a year earlier. Figures circulating as 2026 investor totals near 52,000 are 2025 reports and are not used here.

The capital picture

Borrowing costs climbed through October. The 30-year fixed rate rose from 7.03% (week ending September 24) to 7.28% (October 1) and 7.40% (October 8 and 15) — the highest since November 2023 — before easing to 7.32% in the week ending October 22. September's monthly average was 6.86%, up from 6.67% in August. The MBA's conforming contract rate peaked at 7.50% in the week ending October 9 and eased to 7.37% by October 23. The Federal Reserve's October 28 decision was pending when this draft was prepared and is not assumed here. Against higher rates, private credit kept expanding: non-QM loans reached 12% of September lock volume.

7.32%
30-YR FIXED RATE, WEEK ENDING OCT 22 (FREDDIE MAC; PEAK 7.40%)

9.99% / 6.88%
MEDIAN RTL / DSCR RATES, JUNE 2026 (NPLA, LATEST)

16.4%
PRIVATE-LENDER SHARE OF INVESTOR SINGLE-FAMILY PURCHASES, 12 MOS. THROUGH JUNE 2026 (NPLA)

Capital tool	Best fit	Underwriting focus	Typical exit
Hard Money or RTL	Acquisition, rehab, ground-up or speed-sensitive purchase	Collateral, scope, experience and exit plan	Sale or refinance
DSCR loan	Stabilized rental property	Property cash flow relative to debt service	Long-term hold
Conventional investor loan	Strong documented income and standardized property	Borrower income, credit and reserves	Long-term hold
Cash plus delayed finance	Competitive purchase requiring immediate certainty	Liquidity first, finance after closing	Replenish capital

How many purchases used Hard Money or DSCR

There is no complete national public count. Recorded deeds show whether a lien exists, but they do not consistently identify a loan as Hard Money, RTL or DSCR. What the available evidence shows: private lenders originated $29.7 billion in Q1 2026 — the strongest first quarter on record — and financed 16.4% of investor single-family purchases in the 12 months through June 2026 (NPLA, latest published period; no post-June NPLA edition had appeared as of October 28). KBRA forecasts about $4.8 billion of RTL securitization for 2026 (preliminary forecast, unchanged since July). In September, non-QM loans were 12% of lock volume (Optimal Blue), investor and DSCR loans were 33% of non-QM activity, and Bank of America forecasts $175 billion of non-QM originations for 2026.

Capital strategy for today

- Use bridge capital only when the construction budget, contingency and exit timing are fully documented — holding costs are higher at 7%+ rates.
- Negotiate the buyer's market: request price cuts, seller concessions and rate buydowns; 60.5% of September sales closed below original asking price.
- Move stabilized rentals into DSCR debt when property cash flow covers debt service with reserves intact — median DSCR pricing was 6.88% in June (NPLA).
- Plan the takeout loan before closing the acquisition; verify collateral, valuations and exit assumptions up front.
- Keep reserves available; a flexible balance sheet can be more valuable than maximizing leverage.

What investors are preparing to do in 2027

Forecasters revised sharply in October — and not in buyers' favor. Fannie Mae's October forecast puts the 30-year rate at 7.4% in Q4 2026 and 7.5% in every quarter of 2027, with home prices up just 0.6% in 2027 (Q4/Q4). The MBA's October forecast is milder: 7.3% at end-2026 easing to 7.1% by Q4 2027, with prices up 0.5% in 2027. Both replace the spring outlooks that had rates near 6% and 2027 price growth near 2.5%. Expect opportunity to come from execution and basis, not broad market acceleration.

Priority	Why it matters	Action for investors
Cash flow before appreciation	Price growth ~0.5–0.6% in 2027; rates above 7%	Buy only when stabilized income supports debt and reserves
Buyer's-market leverage	Pending sales at near-12-year low; 60.5% sold below asking	Demand credits, buydowns and conservative rent assumptions
Relative-strength markets	Closings still rose in Indianapolis and Orlando	Screen where closings rose or pending fell least
Bridge-to-DSCR execution	Non-QM at 12% of locks; private credit expanding	Lock takeout terms before closing acquisitions
Reserves and discipline	14.5% of September deals fell through	Keep liquidity; walk away when the numbers do not work

REI Capital Group helps investors evaluate Hard Money, bridge, DSCR, multifamily, construction and alternative-capital solutions. Bring us the property, budget, rents and exit strategy.

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Sources and data notes

Redfin monthly housing report, September 2026 (published Oct. 12, 2026); Redfin buyers vs. sellers, September 2026 (Oct. 14, 2026); Redfin weekly housing update, four weeks ending Oct. 18, 2026 (preliminary); NAR existing-home sales, September 2026 (Oct. 13, 2026); Census/HUD new-home sales, September 2026 (Oct. 27, 2026); Redfin investor report, Q1 2026 (May 28, 2026); Freddie Mac Primary Mortgage Market Survey, weeks ending Sept. 24–Oct. 22, 2026; MBA Weekly Applications Survey, weeks ending Sept. 25–Oct. 23, 2026; NPLA Private Lending Market Report, June 2026 edition; KBRA, “Laying the Foundation: The Evolution of RTL Lending,” July 30, 2026 (preliminary forecast); Optimal Blue Market Advantage, September 2026 (Oct. 13, 2026); Bank of America non-QM outlook via HousingWire, Sept. 2026 (forecast); Fannie Mae Housing Forecast, October 2026; MBA Mortgage Finance Forecast, October 2026.

Data notes: this draft was prepared the morning of October 28, 2026, before the Federal Reserve's October 28 decision and before Freddie Mac's week-ending October 29 release — refresh both before the November 1 send. Redfin's Q2/Q3 2026 investor reports had not been published as of October 28; Q3 data is scheduled for December 2. No post-June 2026 NPLA edition and no 2026 hard-money or RTL market total had been published as of October 28; KBRA's 2026 RTL securitization figure is a preliminary forecast. October weekly figures are preliminary and subject to revision.

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