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Gen RE

What will happen to mortgage rates in October — and beyond? We asked 5 pros

Story by Alisa Wolfson 2026-10-1

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Fall can be a decent time to buy a home, thanks to less competition than in summer and more listings than winter, says NerdWallet's mortgage expert Kate Wood. ([You can see the latest mortgage rates in your area here](#), from our ad partner Bankrate.)

But what's the mortgage rate outlook in the future? We asked the experts to weigh in.

Rates likely aren't coming down

Mary Lee Blaylock, president of Coldwell Banker Affiliates, says she wouldn't count on rates coming down in October. "Since the Fed raised rates in mid-September for the first time in three years, the picture has shifted. The 30-year fixed rate moved into the low-7% range as a result and I'd expect it to hold in the high-6 or low-7-point range for the rest of the month, barring any major geopolitical changes," she notes.

A lot depends on inflation, some pros say. Ryan Hayes, head of retail sales at Chase Home Lending products, says that rates in October will remain choppy and highly sensitive to new economic data, especially inflation and jobs reports.

And Redfin chief economist Daryl Fairweather notes that unless we see a drastic shift in inflation, the labor market or the broader economy, she expects October mortgage rates to look a lot like September.

Rates could even move higher

Wood says "all signs point to higher" mortgage rates in October. "We're watching the 10-year Treasury yield hit nearly multi-decade highs and nothing that's pushing up bond yields is about to go away," says Wood. ([You can see the latest mortgage rates in your area here](#), from our ad partner Bankrate.)

What will impact rates the most?

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"Inflation and the labor market are the biggest things to watch. Other indicators matter too. Business activity picked up in September and data like that helps fill out the picture of how strong the economy is and where rates may be headed," says Fairweather.

Rich Hoffman, SVP of sales at AD Mortgage, also says inflation will play a role, along with other factors: "Strong inflation data would continue to push Treasury yields higher and keep rates elevated. The current rate environment will continue to have an impact on affordability. High financing costs decrease purchasing power and have an even bigger impact on first-time homebuyers who are payment sensitive," he says.

Bob Johnson, head of originations at Newrez, a nationwide mortgage lender, notes that mortgage rates follow the 10-year Treasury more directly than the federal funds rate and Treasury yields have been climbing for reasons that go beyond any single Fed decision. "Chair Warsh's comments that more hikes could be coming, sticky inflation and oil prices pushed higher by the Middle East conflict are all working against the Treasury market right now. All that makes meaningful relief in October unlikely and rates staying elevated looks like the more likely path for now," says Johnson.

And Hayes adds that "if inflation cools and the labor market gradually moderates, rates could drift lower. If inflation or employment data comes in stronger than expected, rates could stay elevated or move higher. For consumers, the main point is that rates can move quickly."

What does this all mean for the housing market?

Blaylock explains that we're seeing a deepening of the K-shaped housing market. "Buyers who aren't as rate sensitive, particularly in the luxury segment, are continuing to transact at a healthy pace. Buyers who are rate sensitive are pulling back further. Some of those buyers are shifting toward new construction where builders can offer rate buydowns and other incentives that resale sellers typically can't match. We were seeing some movement in the lock-in effect before, but that's slowed: owners sitting on rates in the 3% to 5% range have less incentive to sell into a market where a move means trading up to something in the high-6% to low-7% range," says Blaylock.

If rates continue to stay in the high-6% to low-7% through October, Johnson says sellers will need to adjust price expectations and homes will likely sit longer. "Buyers haven't disappeared. Industry data shows that Gen Z keeps making moves despite the affordability gap and our own data backs that up. First-time buyers made up 49% of Newrez's purchase loans in 2025, so despite current market conditions, new buyers are still able to achieve their goal of homeownership," says Johnson.

There's no question that affordability remains a challenge in many markets. "Higher home prices and higher mortgage rates have made it more difficult for many households to enter the market, especially first-time buyers. That makes it even more important for consumers to understand

their full financial picture, compare options and get guidance from a home lending professional early in the process," says Hayes.

And Wood adds: "Mortgage rates moving north of 7% is likely to deter many would-be buyers, especially if it looks like we're in a higher-for-longer rate environment. Move ahead with a mortgage in October if you can find a house that works for you at today's mortgage rates. This is not a time to try to push your homebuying budget to the limits." ([You can see the latest mortgage rates in your area here](#), from our ad partner Bankrate.)

