

# Monthly Market Report

January 2026



**KCM**

Presented by

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**David Childers**  
President of  
Keeping Current Matters



Not having heard of it is not as good as having heard of it.

Having heard of it is not as good as having seen it.

Having seen it is not as good as knowing it.

Knowing it is not as good as putting it into practice.

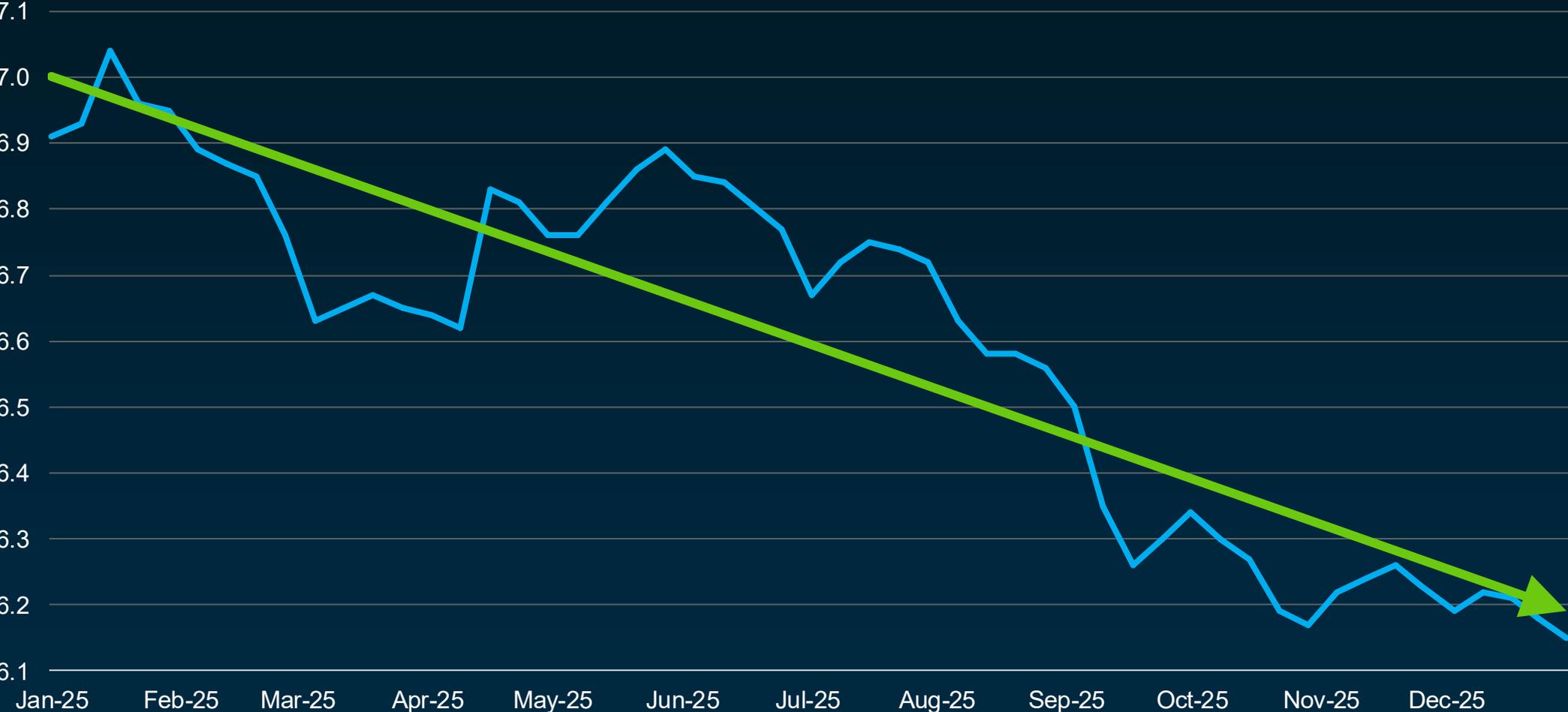
**Learning arrives at putting it into practice . . .**

**Xunzi**

Confucian Philosopher

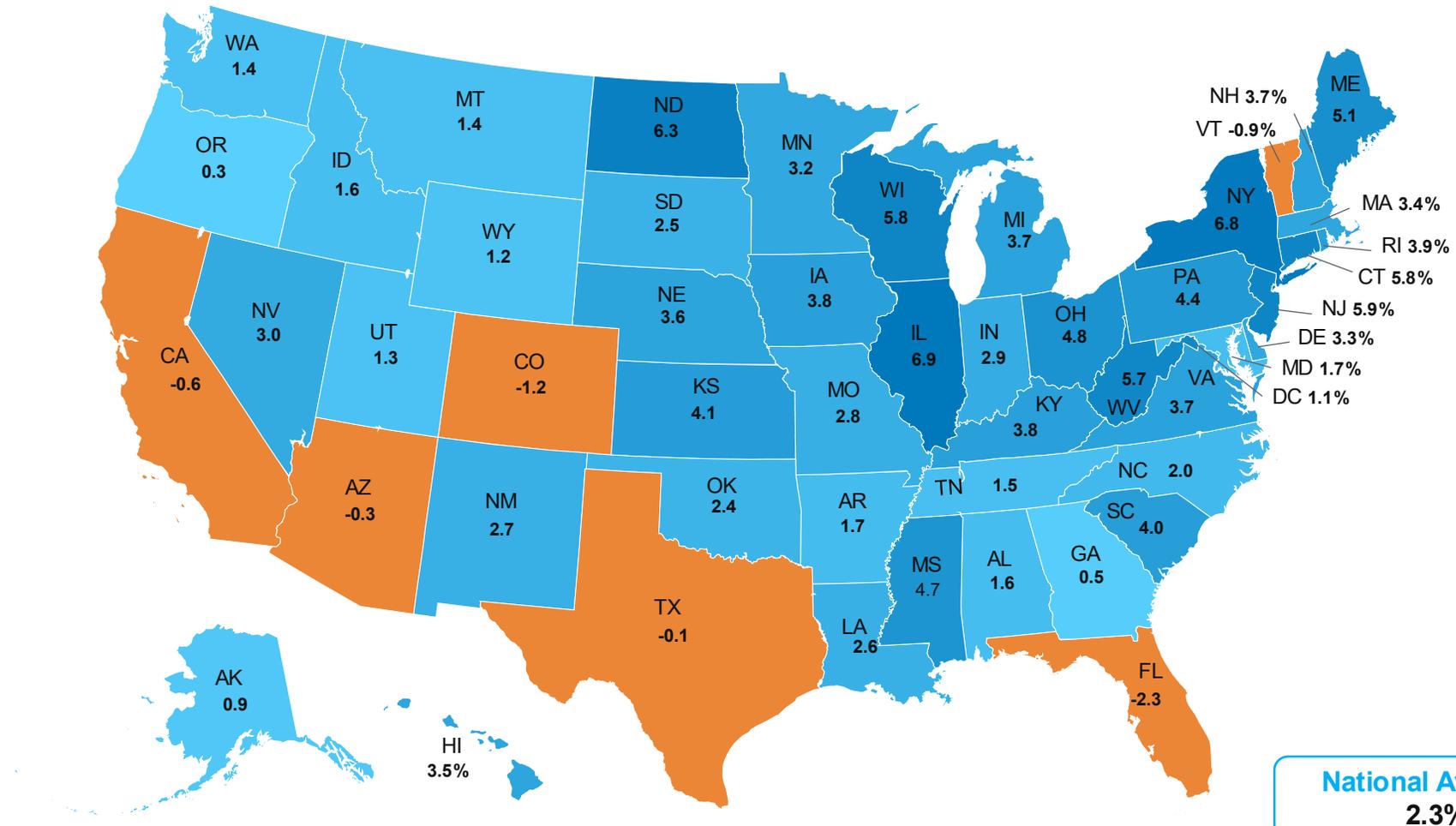
# Mortgage Rates Trended Lower in 2025

30-Year Fixed Mortgage Rate



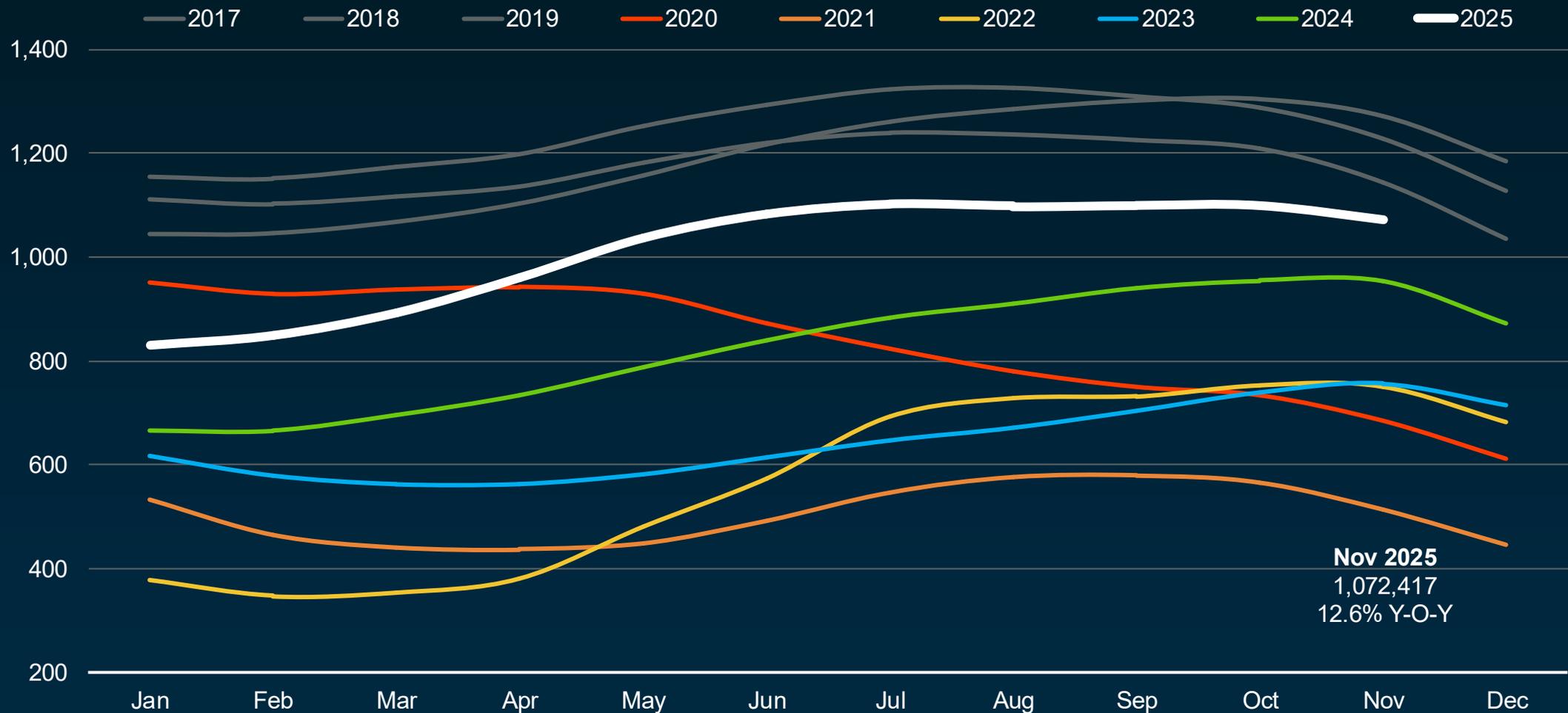
# Cooling Price Growth Looked Different Across the Country

Percent Change in Home Prices, Year-Over-Year, Q3 2025



# Inventory's Been Rebuilding Gradually

Active Monthly Listings Count, in Thousands





# 2026 Housing Market Forecast

“Steadier and Stronger”



In 2026, we expect a housing market that's **steadier**, but not yet off to the races.

Realtor.com



**We anticipate affordability will improve modestly, on average, in 2026.** This results from our expectations of slightly lower interest rates, only modest increases in home prices and a more balanced market than in recent years.

**Jake Krimmel**  
Senior Economist, Realtor.com

# Affordability

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Rates Prices Wages

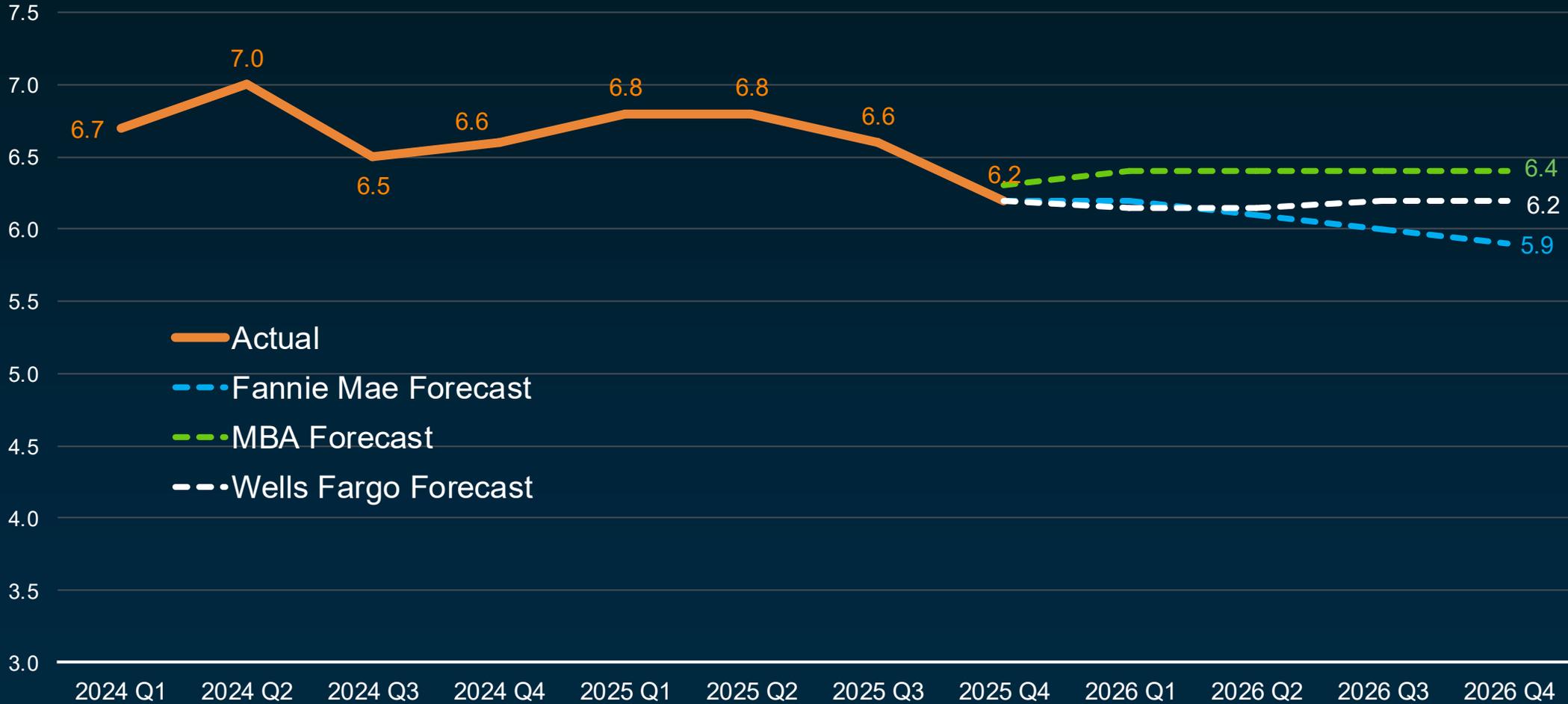


As we go into next year, the mortgage rate will be a little bit better. **It's not going to be a big decline, but it will be a modest decline that will improve affordability.**

**Lawrence Yun**  
Chief Economist, NAR

# Expect a Modest Decline in Mortgage Rates

30-Year Fixed Rate & Projections, as of 1/7/2026





While this puts the average 30-year fixed mortgage rate on par with the last few months of 2025, **it will mark a drop from 6.6% on average throughout 2025 as a whole.**

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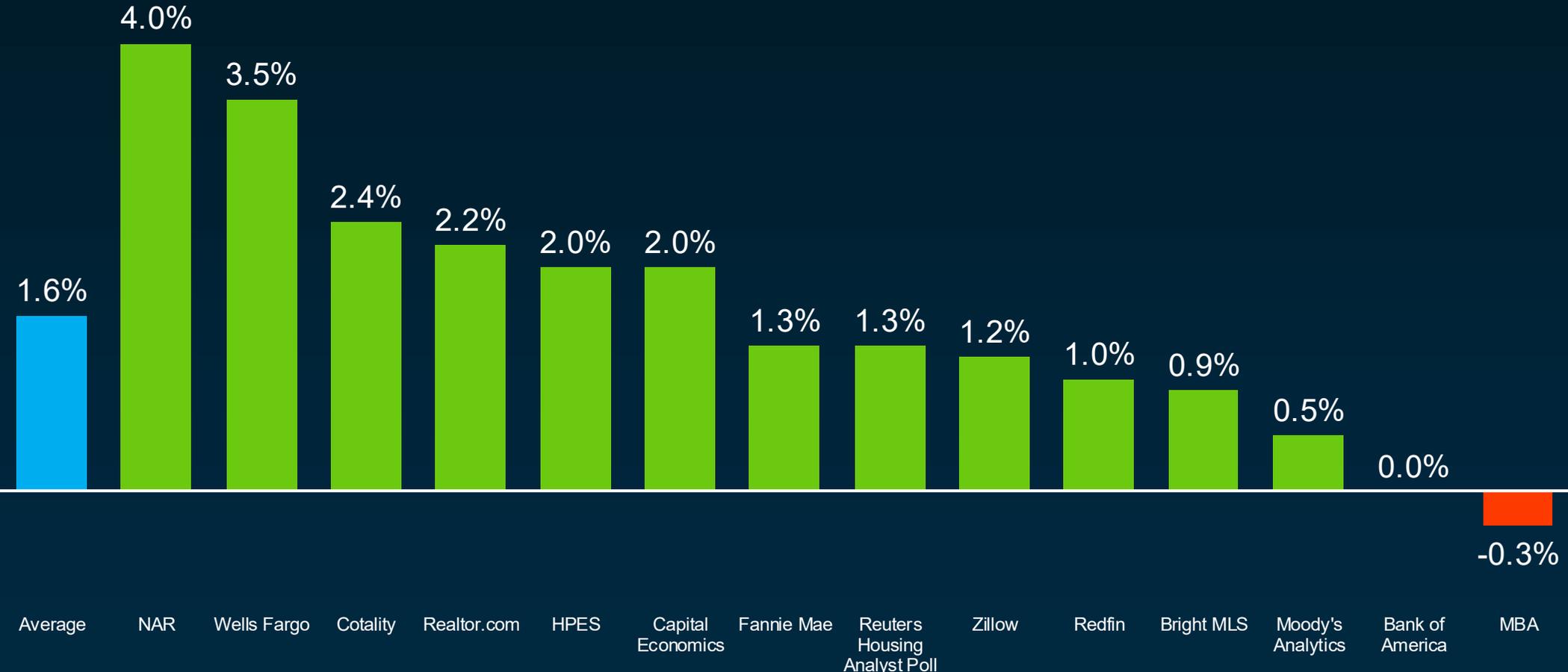


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U.S. homebuyers will start to get some relief in 2026,  
**with affordability improving as income growth  
outpaces home-price growth.**

# Expect Moderate Home Price Growth in 2026

2026 Home Price Forecasts, Percent Change, as of 1/7/2026





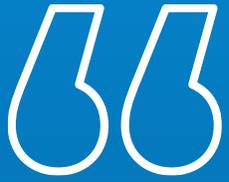
Nationally, home prices will probably rise modestly in 2026 . . .  
**But the numbers are likely to be very different from state to state and market to market,** with states in the South and West likely to see small price declines, while markets in the Midwest and Northeast will continue to see prices rise.

**Rick Sharga**  
President and CEO, CJ Patrick Company



Even though home prices are expected to go up, **affordability is set to improve** modestly in 2026.

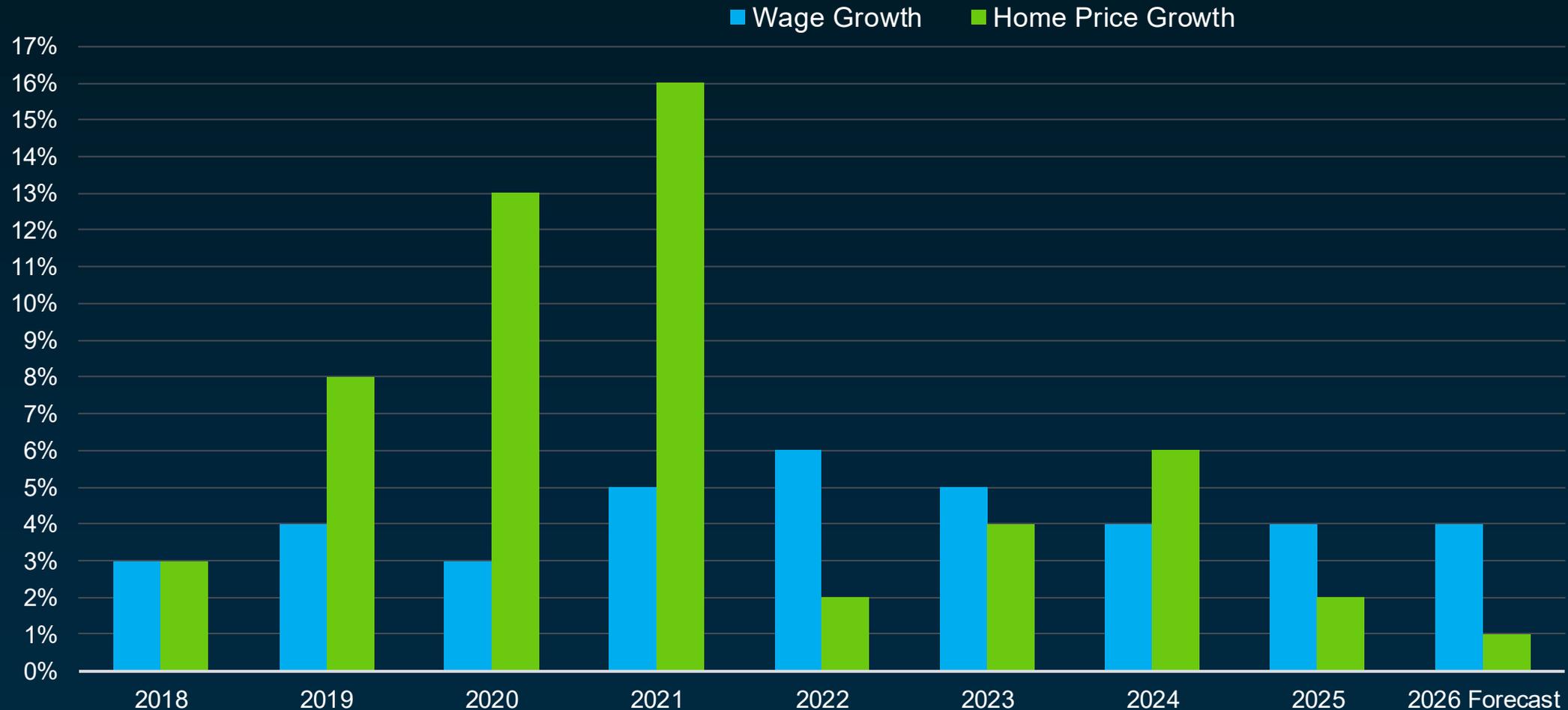
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**. . . rising incomes, which should outpace inflation, give buyers more purchasing power,** helping to shrink the share of a paycheck that has to be put toward the mortgage. The monthly payment to buy the typical home is expected to slip to 29.3% of median income, its first year below the 30% affordability threshold since 2022 . . .

# Wages Will Grow Faster Than Home Prices in 2026

Year-Over-Year Change in Median Home Sales Price vs Wages





After a challenging period for buyers, sellers, and renters, 2026 should offer a welcome, if modest, step toward a healthier housing market. **Incomes climbing faster than inflation as mortgage rates steady at a lower level create space for affordability to improve.**

**Danielle Hale**  
Chief Economist, Realtor.com



National active listings remain higher than a year ago . . .  
**Looking to 2026, the direction is still up, even if the climb is steady, rather than steep.** Life events nudge more owners to move, the lock on all those existing homeowners with sub-4 percent mortgages loosens at the margins, and completions add more options for buyers.

**Odetta Kushi**  
Deputy Chief Economist, First American

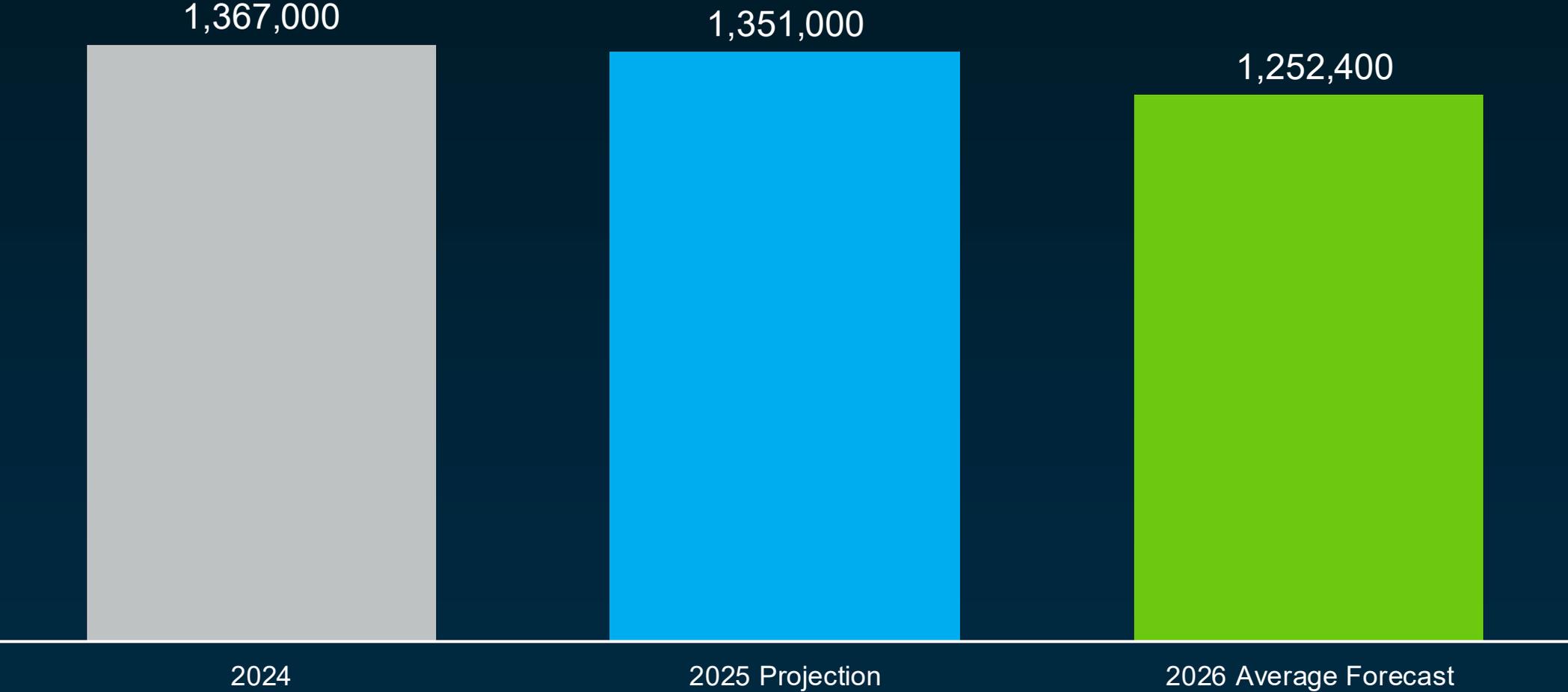
# Inventory Is Expected To Rise in 2026

2026 Forecasts, Year-Over-Year Change in Existing Home Inventory, as of 1/1/2026



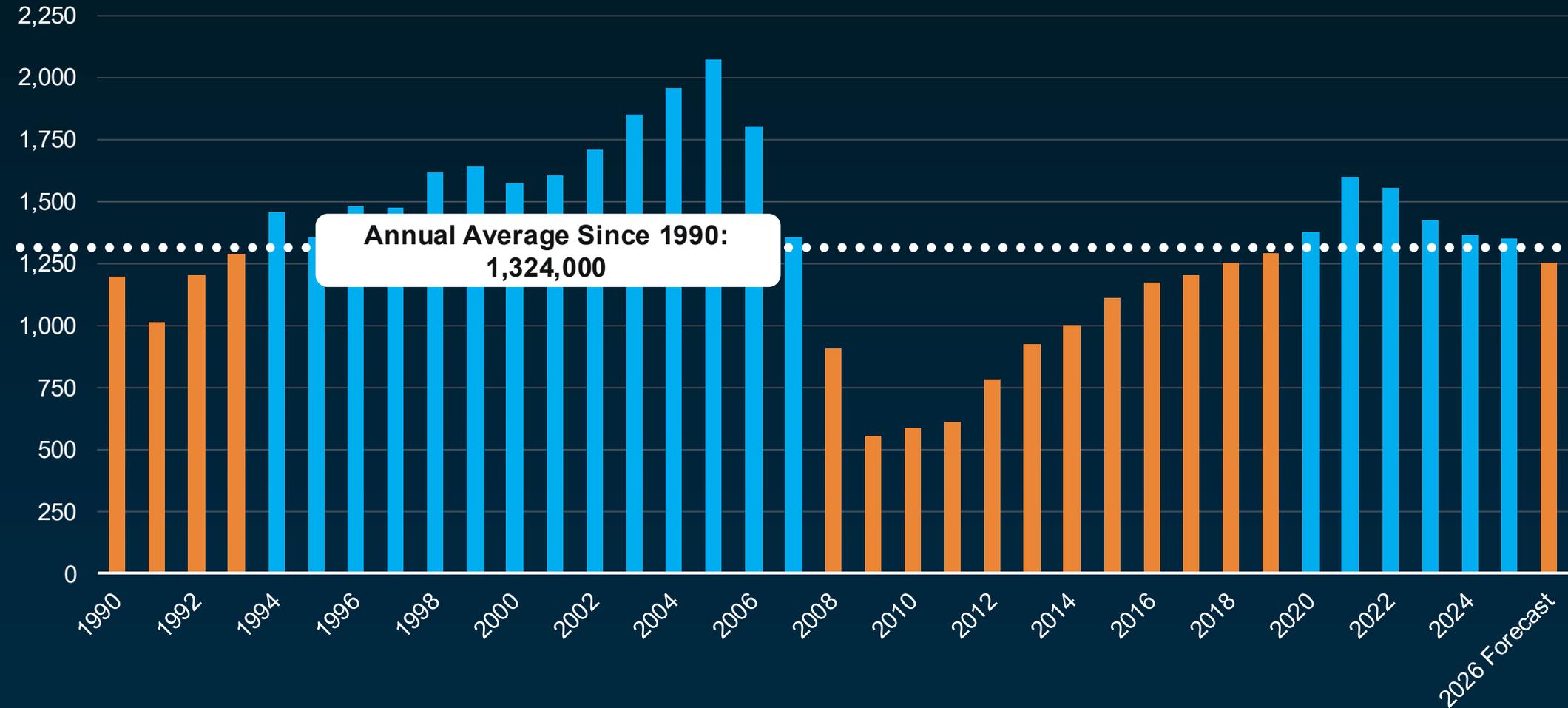
# New Construction Activity Will Tick Down Slightly

Total Housing Starts (Projections as of 1/2/2026)



# The Market Remains Undersupplied

New Housing Units Started, in Thousands





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Inventory will continue to increase, though, **at least partly due to the pace of sales slowing down, and some older homeowners deciding it's time to downsize.**

**Rick Sharga**  
Founder and CEO, CJ Patrick Company



**Looking ahead, expect a two-speed market.** Lean inventory in the Northeast and Midwest keeps conditions relatively tight and price growth steadier, while parts of the South and West remain soft.

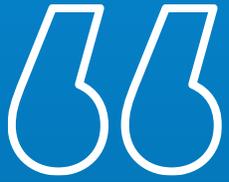
**Odetta Kushi**

Deputy Chief Economist, First American



In 2026, we expect higher inventory, modest improvements in affordability and more accommodating monetary policy from the Federal Reserve will **help more Americans buy their next home.**

**Lawrence Yun**  
Chief Economist, NAR



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While lower mortgage rates and more inventory will bring some buyers back, **this will be a reset year, not a rebound year.** Market performance will hinge on local economic conditions, making **2026 one of the most geographically divided markets we've seen in years.**

**Lisa Sturtevant**  
Chief Economist, Bright MLS

# Expect Improvement in Existing Home Sales

Existing Home Sales (Forecasts as of 1/2/2026)



# New Home Sales Will Tick Up Moderately

New Home Sales (Forecasts as of 1/2/2026)



# Total Home Sales Are Expected To Rise

Total Home Sales (Forecasts as of 1/2/2026)





Buyers are benefiting from more inventory and improved affordability, while sellers are seeing price stability and more consistent demand. **Each group should have a bit more breathing room in 2026.**

**Mischa Fisher**  
Chief Economist, Zillow



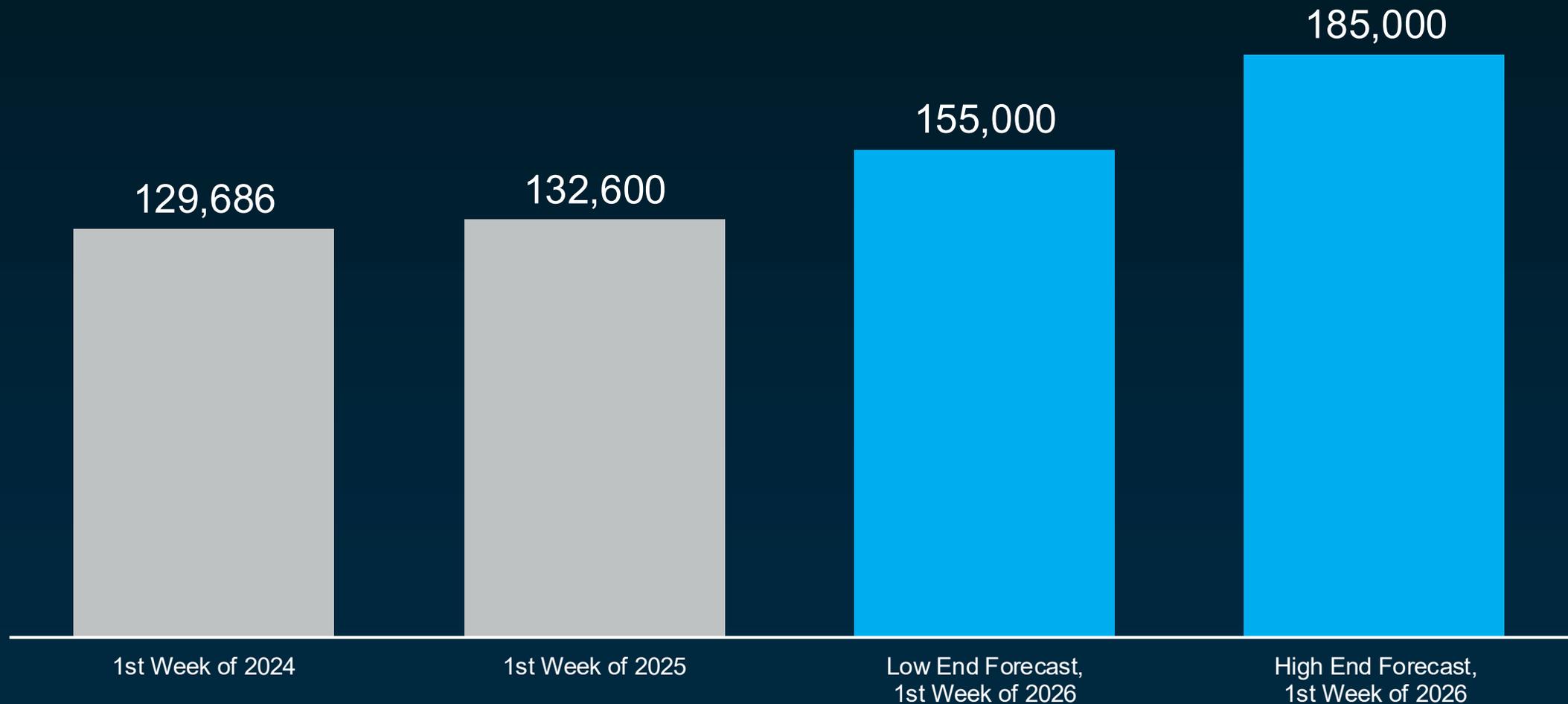
**Expired Listings = One of the  
Biggest Opportunities of 2026**

**1<sup>st</sup> Week of 2026**

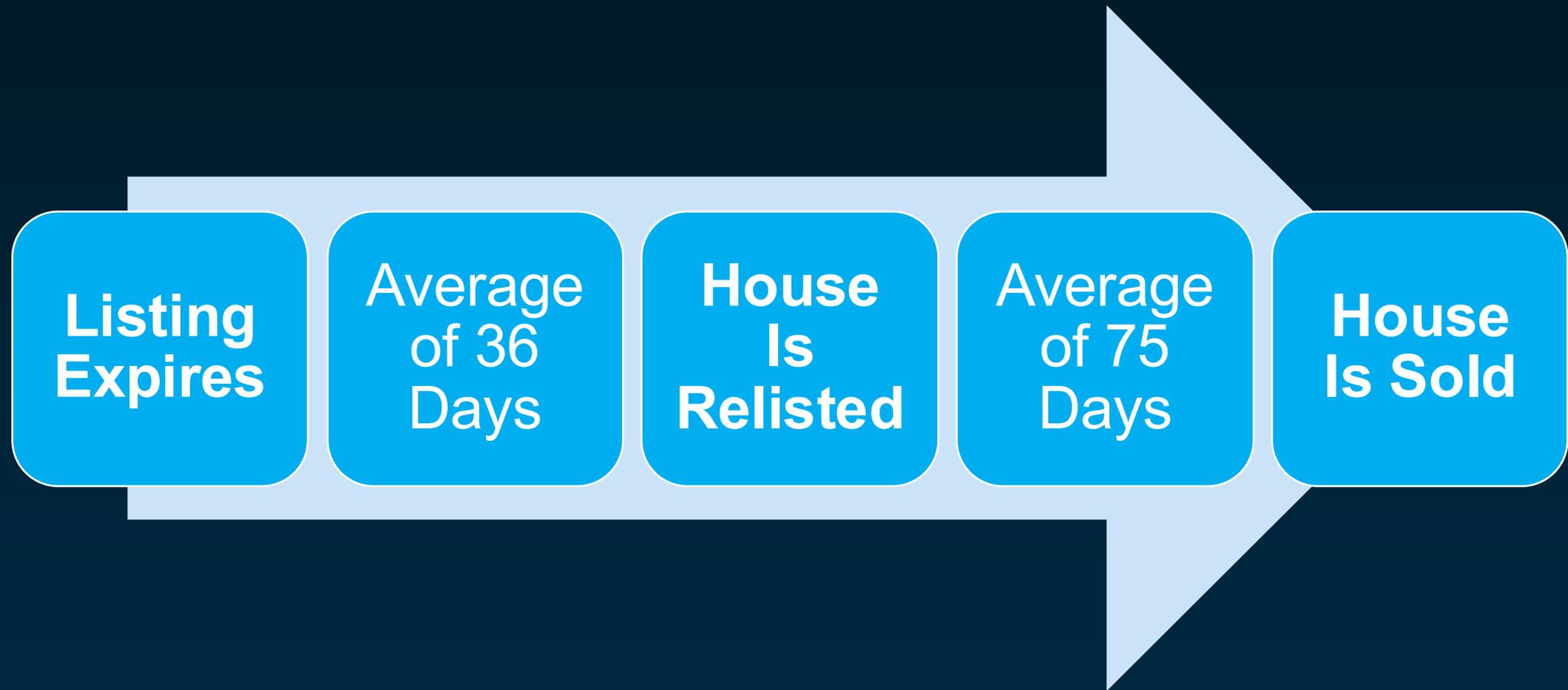
170K Expired Listings x \$415K =  
**\$70.6B in Sales Volume**

# The 1<sup>st</sup> Week of 2026 Holds a Major Opportunity

Number of Expired or Cancelled Listings

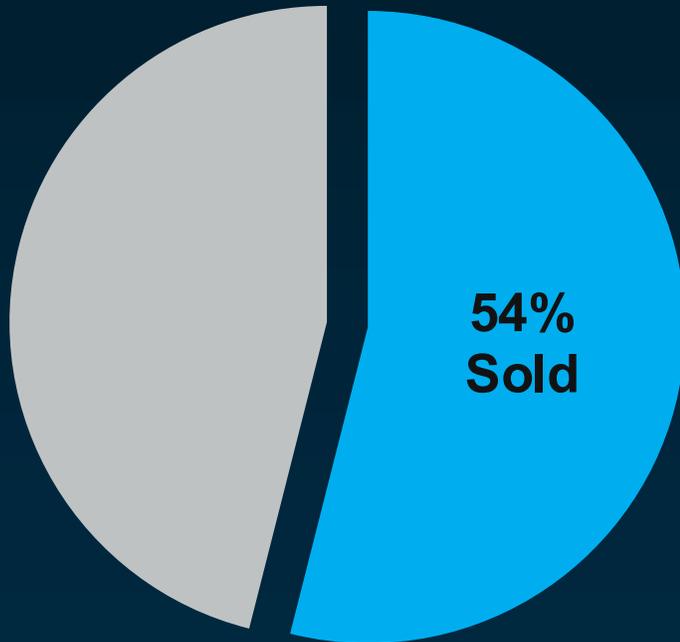


# From Expired To Sold: The Typical Seller Journey Takes Just Over 3 Months

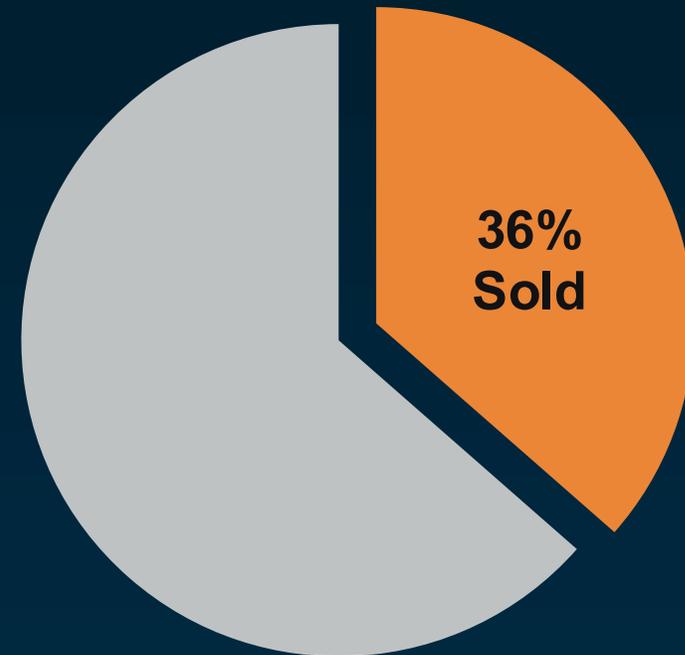


# You're More Likely To Sell Your House When You Re-List with a Different Agent

Sellers who re-listed  
with a **different agent**

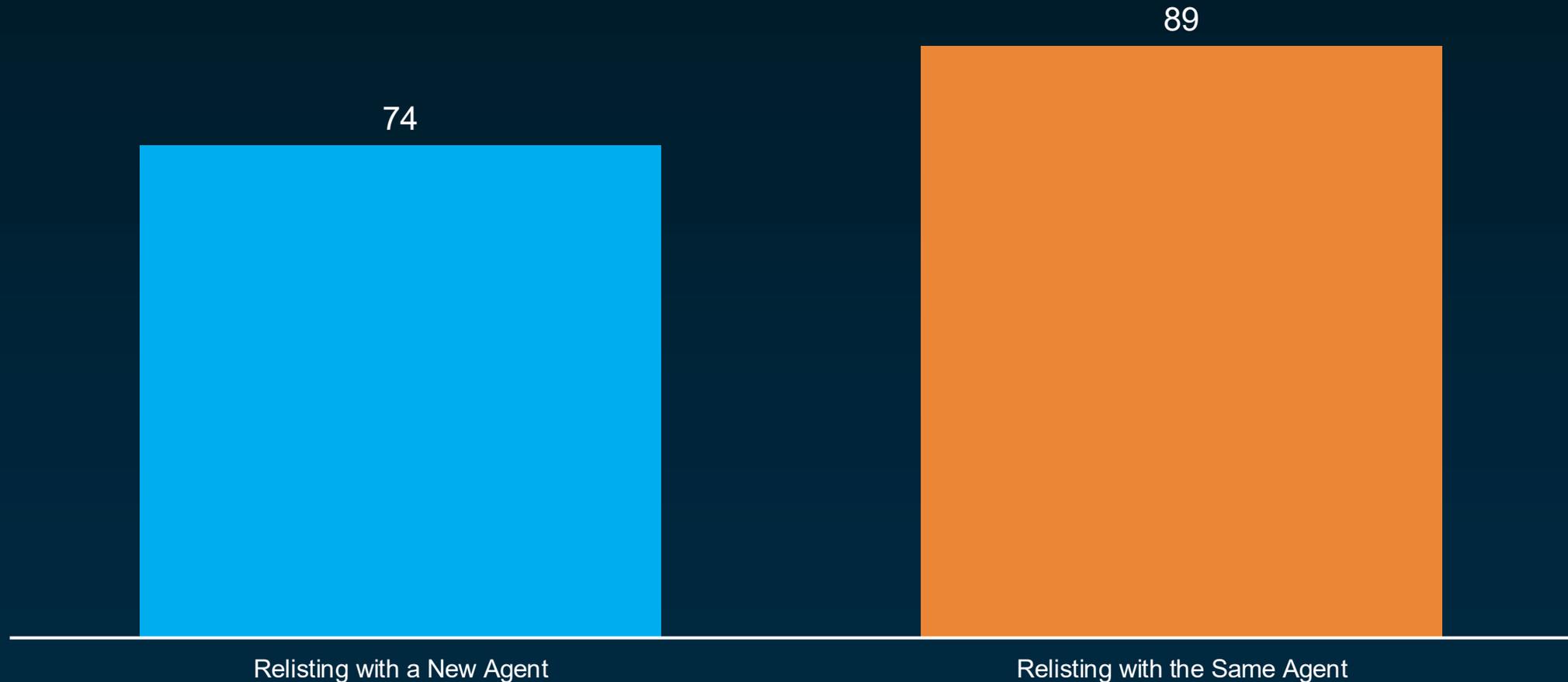


Sellers who re-listed  
with the **same agent**



# Sellers Who Switch Agents Sell Faster Once Back on the Market

Average Days on Market Before Sale



# Pricing Strategy Matters

Sale Probability When Relisting at Different Price Points

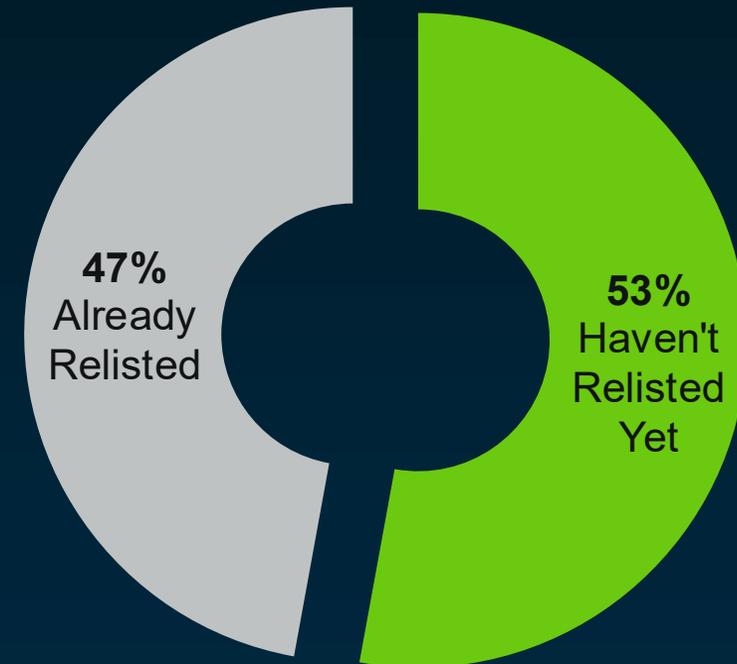


# Over Half of Expired Sellers Haven't Relisted, Yet

*Will they choose to work with you?*

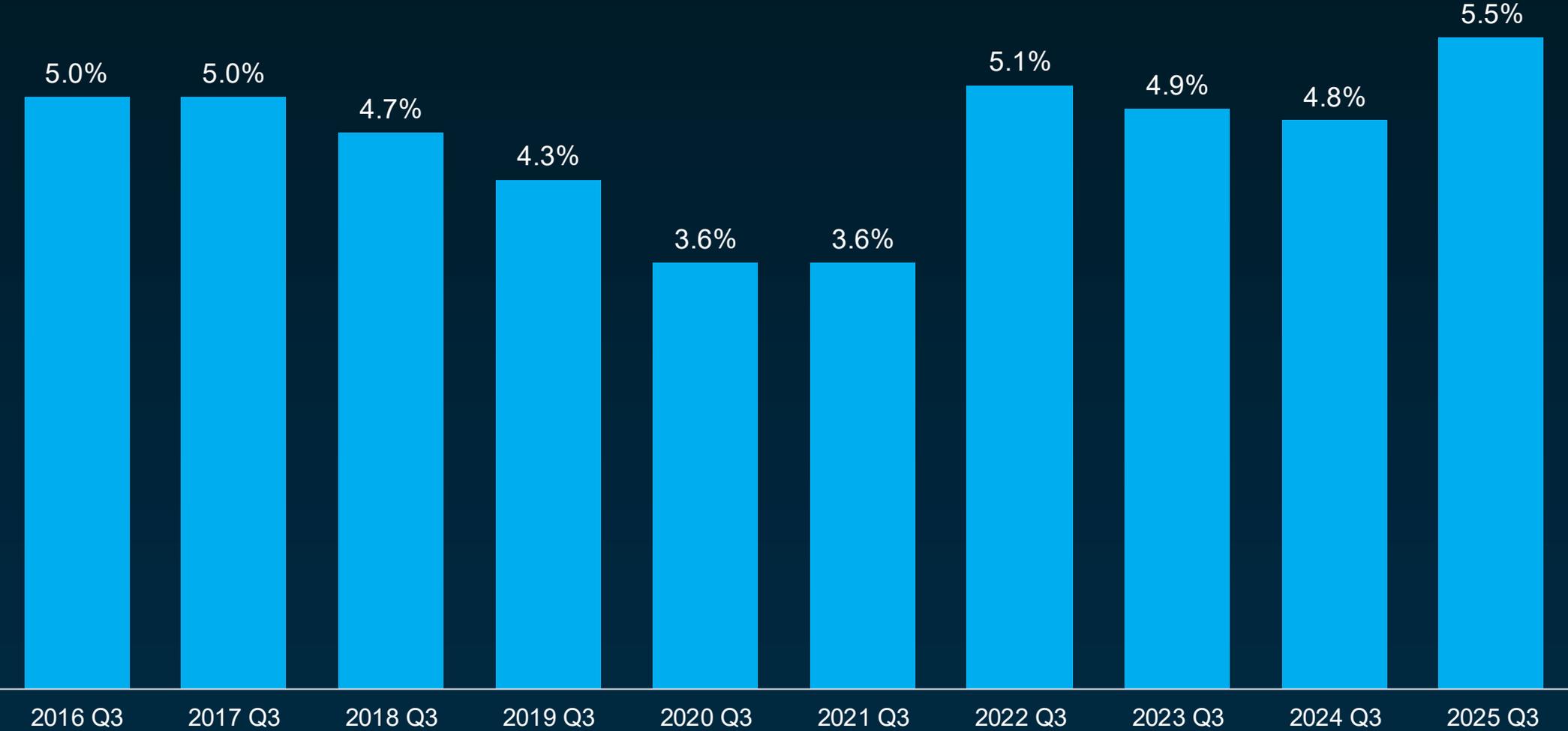
Of the 2.4M listings that have expired so far in 2025, **1.3M of them still haven't relisted.**

That's **\$529B** in untapped, potential sales volume.



# Delistings as a Share of Inventory Hit a Decade High

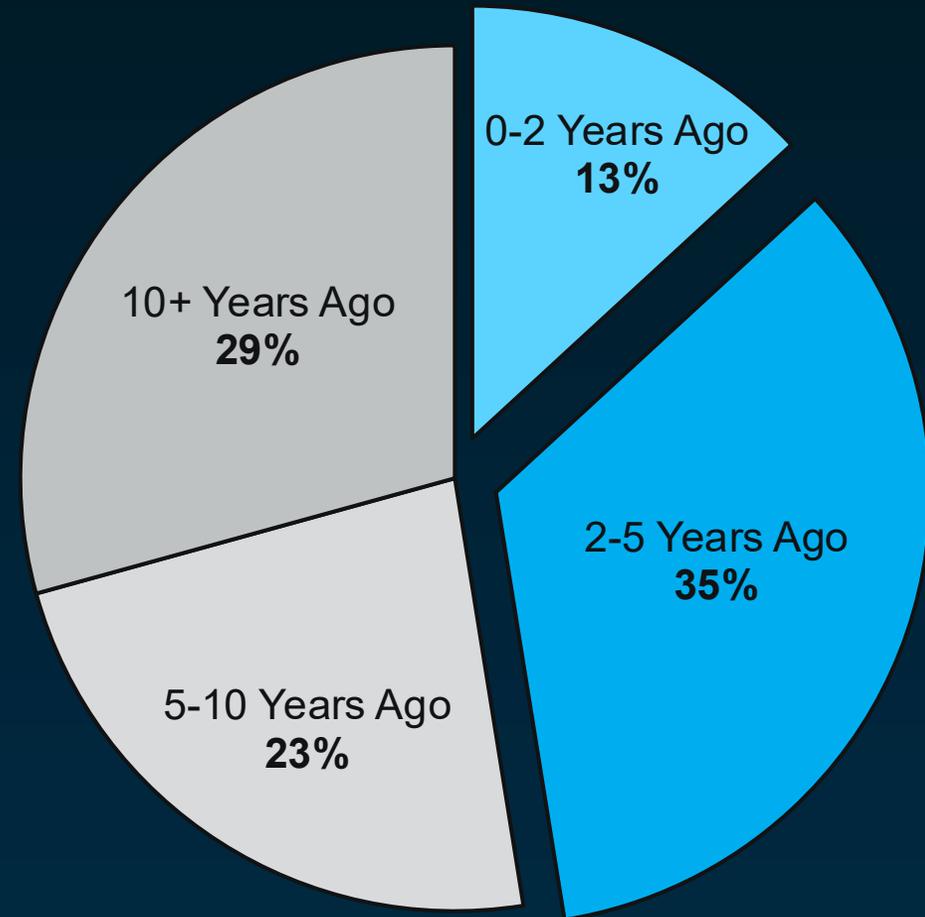
*A delisting is when a home that was listed for sale is removed from the market before it sells.*



# Nearly Half of Delistings Were Purchased Within the Last 5 Years

*“Many homeowners who bought during the pandemic demand frenzy still expect sky-high prices. They remember a seller’s market, so they’re hesitant to yield to buyers who want to negotiate the price down and/or ask for concessions.”*

**Asad Khan**  
Senior Economist, Redfin



Most agents **know**  
what's happening.

Good agents **understand**  
what's happening.

Only great agents can **explain**  
what's happening.



KEEPING CURRENT  
MATTERS