January 2026 LCRG National Market Report

National Market Overview

Figure: *U.S. housing market snapshot (Nov 2025): Sales rate ~4.13 million (seasonally adjusted annualized), 1.43 million homes for sale (~4.2 months' supply), and a median price of ~$409,200 (up 1.2% year-on-year).* Housing affordability showed tentative improvement at the end of 2025 as **mortgage rates** eased and **wage growth** outpaced home prices [1] [2]. The average 30-year fixed rate dipped to ~6.2% in November – the lowest in over a year [3] – after the Federal Reserve began cutting interest rates again in late 2025. This rate relief, combined with slower home-price appreciation, helped **boost buyer confidence** going into 2026. In fact, November saw **existing-home sales** rise for a third straight month (to a 4.13 million annual pace) [4], and **contract signings** (pending sales) surged to their highest level since early 2023 [5]. As NAR's chief economist Lawrence Yun noted, "Homebuyer momentum is building… improving housing affordability – driven by lower mortgage rates and [wages rising faster than prices] – is helping buyers test the market" [1].

Key Metrics (U.S. Housing Market, Nov 2025):

- **Median Sale Price:** ~$409,200 (↑1.2% YoY) [6] – essentially flat from 2024, reflecting **moderating price trends**.
- **Sales Volume:** ~4.13 million (annualized pace, ↓1.0% YoY) [6] – a slight decline vs. last year, but improving into winter (up 0.5% from Oct) amid lower rates [7].
- **Inventory Supply:** ~1.43 million homes for sale (≈4.2 months' supply) [8] – **active listings** up ~7.5% from a year ago, which has eased some pressure on buyers. Months' supply rose from ~3.8 to 4.2 year-on-year, marking a shift toward a **more balanced market** [8].

- **Days on Market:** 36 days (median, Nov) – up slightly from 32 days a year prior [9], indicating that **homes are taking longer to sell** than during the frenzied pandemic market. Negotiation is back: nationally only ~2% of sales are distressed and ~27% are all-cash [9], so most sellers are **equity-rich and patient**, often unwilling to drop prices quickly.

Contextual Insight: After the wild seller's market of 2020–2022, the **national housing market** in late 2025 has largely "**reset**" to a healthier equilibrium. Prices have flattened out and even declined slightly in some overheated areas, while inventory has grown from record lows, giving buyers more choice [10] [11]. Homes now sell at a *much more deliberate pace* – bidding wars are rare, and sellers generally must price competitively and offer well-kept, move-in-ready properties to attract offers. Many homeowners remain **locked-in** to ultra-low pandemic mortgage rates and sitting on record equity, which means *new listings* are coming to market slowly (especially in winter) [10]. Would-be sellers are in no rush to list if they don't have to, and distressed sales are at historic lows, so **inventory growth is gradual**. At the same time, buyers who sat on the sidelines are cautiously re-entering as affordability inches better. One mantra now heard across markets is: *"Price it right or it will sit."* Overpriced listings tend to linger on the market for months, whereas a home priced fairly "will sell" even in this cooler environment [12]. Overall, as we enter January 2026, the U.S. market tilts slightly in **buyers' favor** compared to the frenzy of two years ago, yet broadly remains *stable*. Modest **price gains** (on the order of 0–2%) are expected nationally in early 2026 [13], and sales volumes are projected to improve a few percent for the year [14] – the start of a "long, slow recovery" rather than any rapid boom or bust [15].

Northeast Region

Market Overview: The Northeast housing market ends 2025 on a generally **steady** note. *Existing-home sales* in the Northeast were roughly unchanged from a year ago (0% YoY as of Nov) [16], indicating a flat overall volume, though they did tick up into the winter on a monthly basis. The **median price** in the Northeast hit about **$481k** (Nov), up ~1.1% year-on-year [16] – a modest rise, suggesting that prices have essentially plateaued at high levels. This region remains one of the **priciest** in the nation, and affordability is a challenge in many Northeast metros. Inventory constraints persist: many Northeastern markets (especially in New England and the Mid-Atlantic) have limited housing supply, keeping competition alive for desirable homes. Buyers are still price-sensitive, often seeking value in secondary or outlying areas. Notably, several affordable mid-sized metros in the Northeast are poised for **above-average growth** in 2026 – for example, **Hartford, CT; Rochester, NY; Worcester, MA;** and others rank among Realtor.com's top 10 markets for 2026, thanks to their relative affordability attracting buyers from higher-cost cities [17] [18]. These "**refuge markets**" offer median prices well below the national median, which is drawing in out-of-state house hunters looking for better bang-for-buck [19]. By contrast, the region's largest urban centers (New York, Boston, etc.) saw *some* pandemic-era outmigration and softening, but are now stabilizing; rents and condo sales in the big cities began recovering in late 2025 as offices and urban amenities lure back some professionals [20].

LCRG Perspective (Local Commentary): Northeastern agents describe the market as **"balanced, but picky."** With winter setting in, **seasonal slowdowns** are evident – fewer casual buyers are shopping in the snow – yet **serious buyers** remain active, intent on taking advantage of slightly lower rates. Well-priced homes in good condition still receive strong attention (sometimes even **multiple offers** in popular suburbs), whereas homes listed ambitiously above market value tend to **sit for extended periods**. As one experienced Realtor quipped, *"In this market, if you overprice your home, be prepared to own it through the winter."* Sellers in the Northeast have accordingly become more pragmatic: many are **pricing closer to**

market value from the start, or else making price adjustments faster than they would have a year ago. **Negotiation** is firmly back on the table – buyers are commonly able to include inspection contingencies and even ask for seller concessions. An example from local markets: in pricey New England enclaves, it's not uncommon now to see sellers offering to cover a year of HOA fees or provide closing cost credits to entice buyers, a trend rarely seen during the 2021 frenzy. Meanwhile, **buyers** are enjoying the breathing room; they can take time to compare options (median days-on-market in the Northeast has lengthened into the several-weeks range) and often **avoid bidding wars**. Many Northeast agents note that *turn-key, updated homes* still sell relatively quickly, but properties that need work or are poorly presented **require aggressive pricing** to move. The overall sentiment is that the Northeast market has normalized: neither side is fully in control, and *both buyers and sellers must be strategic* to achieve their goals.

Forecast (Early 2026): The **outlook for Jan–Mar 2026** in the Northeast is cautiously optimistic **if somewhat muted by seasonality**. Winter is traditionally the slowest season for Northeastern real estate, and we expect **early 2026 activity to be modest** – likely similar to or slightly above early 2025 levels. One factor supporting the market is improved affordability: mortgage rates in the low-6% range and slower price growth are allowing more first-time buyers in expensive Northeast markets to re-enter the hunt [1]. We anticipate **sales volumes** in Q1 2026 will be flat-to-up slightly year-on-year, given the recent uptick in contract signings and buyer interest. **Home prices** in the region are projected to **hold near current levels** through the winter. Well-priced listings may see *very slight* price appreciation (a few percent) in high-demand pockets, while some overheated locales (e.g. parts of New York/New Jersey) could see minor price dips as they continue to correct from 2022 peaks – yielding a **mixed but mostly flat** price trend overall [20]. By spring, as inventory seasonally increases, the Northeast should shift into a more active gear. For winter, however, expect a relatively **balanced market**: buyers will find **more choice** than last year and only gentle upward price pressure, and sellers who price realistically will still sell in a reasonable timeframe. Key risks to the outlook include regional economic factors – for instance, layoffs in the finance or tech sectors could dampen demand in metro NYC/Boston (some economists are monitoring white-collar job risks from automation) [21]. On the upside, any further drop in mortgage rates or unseasonably early spring demand could boost sales beyond expectations. Overall, the Northeast enters 2026 in a **stable holding pattern**, awaiting the busier spring market with **guarded optimism** that the worst of the affordability crunch has passed.

Midwest Region

Market Overview: The Midwest emerged in late 2025 as one of the more **affordable and resilient** regions in the country. While total sales in the Midwest were down about 3% year-on-year (as of November) [22] – indicating slightly lower transaction volume than late 2024 – **home prices** have actually continued to **climb** at a healthy clip. The median sale price in the Midwest reached roughly **$319,400** (Nov), up **5.8%** from a year prior [22]. This near-6% annual price growth is the **strongest of any region**, highlighting how **buyer demand still outstrips supply** in many Midwestern markets. The Midwest's relatively lower price points (the median is the nation's lowest) and solid local economies are attracting both **first-time buyers** and even some out-of-state migrants (particularly those seeking cheaper housing from expensive coastal areas). Inventory remains quite tight in many Midwestern cities and towns – new listings have been slow, and builders, while active, haven't ramped up to Southern-level volumes. As a result, even though sales volume dipped (many would-be buyers are frustrated by *limited selection or still-high interest rates*), the scarcity of homes for sale kept upward pressure on prices. A number of Midwestern metros are forecasted to be **2026 outperformers**. For example, Realtor.com's top 10 markets list includes **Toledo, OH; Grand Rapids, MI; Milwaukee, WI;** etc., all expected to see above-average sales and price gains next year [23]. These areas benefit from **“legacy affordability”** – they remain far cheaper than coastal cities – and are now drawing more attention from both **local move-up buyers and remote workers** looking for reasonable costs of living [24]. In summary, the Midwest market entering 2026 is characterized by **lean supply and steady demand**, which has kept it surprisingly robust despite higher interest rates.

LCRG Perspective (Local Commentary): Midwest real estate professionals describe a market that is **quietly competitive**. Unlike the headline-grabbing Sun Belt booms or West Coast rollercoasters, the Midwest’s shifts have been more **subtle**, but local agents report that **desirable homes still receive multiple offers** in many communities. “Affordable family homes in good school districts are a hot commodity,” one Ohio Realtor explained, “even if overall sales are down, the *ones that hit the sweet spot move fast*.” Buyers in the Midwest tend to be **price-conscious** and **interest-rate sensitive** – a small change in rates can significantly impact monthly payments on a median-priced Midwestern home, so the late-2025 rate improvements did help spur some extra buyer interest. Still, higher borrowing costs compared to a couple years ago mean that **entry-level buyers** are stretching their budgets. Many are using creative strategies like **buying down rates**, considering **FHA/VA loans**, or looking at homes a bit further from city centers to make things pencil out. On the sell side, **sellers have adjusted** to the new normal: gone are the days of expecting 10 offers over a weekend. Instead, Midwest sellers are content if a well-qualified buyer comes along within a month or two. It’s common now for sellers to **contribute to closing costs or pay for points** to help buyers afford the deal – something almost unheard of during the 2021 frenzy. *Negotiations* are generally friendly but firm; most homes are selling for **around 95–98% of list price**, reflecting some discounting but not a free-fall. Importantly, because Midwest prices didn’t skyrocket as much in 2020-22 as they did elsewhere, there’s less fear of a crash – homeowners have built equity gradually and **foreclosures remain rare**. The consensus from agents is that the Midwest market feels “**normal**”: balanced overall, with a slight tilt toward sellers in the most undersupplied sub-markets (due to low inventory), but offering **good opportunities for buyers** as well given the **steady flow of listings** and reasonable prices.

Forecast (Early 2026): We expect the Midwest to **continue its steady course** through the first quarter of 2026. Winter is slower in the Midwest due to weather, but relative to last year we anticipate *slightly improved* activity. **Home sales** in Q1 2026 are likely to be **flat to modestly higher** (perhaps a few percent) compared to Q1 2025, bolstered by the fact that mortgage rates are lower now than a year ago and pent-up demand from first-time buyers remains strong. Any additional easing of rates or financing conditions could unlock a wave of young buyers who have been **on the sidelines** – the pool of would-be buyers in Midwest markets is sizeable, given the region’s large Millennial cohort entering prime homebuying age. **Home prices** in the Midwest are forecast to keep rising **gradually**. While the recent 5–6% yearly price growth may cool a bit (as more inventory comes on the market in spring), we still foresee **low-to-mid single-digit** price appreciation in early 2026, given the supply-demand imbalance. The region’s affordability advantage and **ongoing revitalization** in certain Rust Belt cities should support prices. For instance, investment in urban renewal (downtown redevelopments, new employers) across parts of the Rust Belt is enhancing property values and could surprise markets on the upside [25]. One **risk to watch**: the broader economy. If the labor market weakens noticeably (some forecasts call for a mild slowdown in 2026), the Midwest – with its manufacturing base – could see housing demand temper. However, so far wage growth has been decent and **job markets** in many Midwestern states are expanding, which bodes well [26] [27]. All told, heading into 2026 the Midwest likely remains a **pillar of stability**: buyers will find prices still increasing but not exorbitantly, and sellers can feel confident that **well-kept homes** will find willing buyers. The market here is poised for **slow, sustainable growth** rather than any dramatic shift.

South Region

Market Overview: The South – encompassing the Southeast and Sun Belt states – has been the nation's **engine of housing activity** in recent years, and as of early 2026 it continues to be a **large but cooling** market. The South accounts for the **lion's share** of U.S. home sales (roughly 45% of all transactions) and also leads in new construction. By November 2025, *existing-home sales* in the South were holding steady (0% YoY change) at about 1.89 million (annual rate) [28], indicating the region has maintained its transaction volume from the prior year. **Home prices** in the South have largely **flattened**: the median price was around **$361,000** (Nov), up a modest 0.8% year-on-year [28]. This tiny increase contrasts with the double-digit gains of the pandemic boom, reflecting how **supply and demand have come into better balance**. In fact, the South saw a substantial expansion in housing supply post-2020 – **builders have been extremely active**. The region now **accounts for the majority of new home construction permits** in the country (more than the Northeast, Midwest and West *combined*) [29], thanks to business-friendly climates, available land, and huge population growth in states like Texas, Florida, Georgia, the Carolinas, and Tennessee. This influx of new homes has helped temper price growth and provide buyers with more options, especially in fast-growing metros. Demand remains robust, however: the South still attracts **significant in-migration** (Americans moving from pricier northern/coastal areas in search of jobs, sunshine, and affordability) [30] [31]. Markets like Florida and the Carolinas, for instance, continue to welcome retirees and remote workers, which supports housing. The overall Southern market now feels *more normalized* – neither a frenzy nor a slump. There is considerable **local variation**: some Sun Belt cities that overheated in 2022 (e.g. Austin or Miami) saw minor price corrections in 2023-25 and are now stabilizing, whereas other areas with enduring inventory shortages (parts of Atlanta or Raleigh) still see competitive conditions and ongoing price upticks. But broadly, as 2025 turned to 2026, the South's housing metrics point to a **soft landing** from the boom years – stable sales, high (but not rising) prices, and improving inventory.

LCRG Perspective (Local Commentary): Real estate professionals across the South describe the market as having **"reset"** from its peak madness, now **rewarding realistic strategies** from both sellers and buyers. A local Florida agent puts it this way: *"The frenzy is over, but serious buyers are out there – if a home is move-in-ready and priced fairly, it will sell."* [32]. Sellers have had to **adjust expectations** from the 2021 highs: instead of assuming prices only go up, many are now focused on **competitive pricing and presentation**. It's common for Southern sellers to invest in fresh paint, staging, or minor renovations to stand out, and to be **flexible in negotiations**. In late 2025, for example, nearly every transaction in parts of Florida involved some give-and-take – few homes fetched full list price; on average final sales prices were around 95% of asking [33]. Sellers are increasingly offering **incentives** such as closing cost assistance or mortgage rate **buy-downs** to attract buyers, especially for homes that have sat on the market over 2–3 months [32]. Buyers, on the other hand, have **regained leverage** they hadn't had since 2019. They can often **shop around** thanks to the greater inventory and new construction options. In many Southern markets, if a listing has been active for more than 30-45 days, buyers see an opportunity to negotiate a better deal – something practically unheard of at the height of the boom. Regions like **Florida's Gulf Coast** report that investors and cash buyers are now selectively **bargain-hunting** on stale listings (90+ days on market) for motivated sellers [34]. Another factor is **seasonality**: the South has a distinct influx of **"snowbird"** buyers each winter. Local agents in vacation-destination areas (e.g. coastal Florida, Arizona) note that listing activity usually jumps in January as sellers try to capture those wintering northerners, and indeed some markets see a ~25% surge in inventory in early January [35]. Buyers from colder states often **browse in winter** with an eye to purchase before spring, which gives the winter market a healthy pulse. Overall, the Southern housing scene in early 2026 is **transparent and balanced** – a switch from two years ago. Buyers feel they can make *contingent offers* again and take a day or two to decide, while sellers know that proper pricing and some patience (maybe 60–90 days on market) will get the home sold. Notably, the **insurance climate** in some southern states has seen improvement: for instance, Florida's once-volatile home insurance sector stabilized in 2024 (average premiums rose only ~1%, lowest in the U.S.) thanks to reforms and new insurers entering the market [36]. This has eased a major risk for buyers and owners in hurricane-prone areas. The consensus among Southern-region agents is that the market has become **"more normal than wild"** – essentially a *healthy equilibrium* after the rollercoaster of the early 2020s.

Forecast (Early 2026): The South is **poised for a pickup** in activity as we move through the winter months of 2026. Historically, the South sees a seasonal uptick in the first quarter – **snowbird demand** boosts markets in Florida, Arizona, and parts of the Southeast, and this year should be no different. We expect **Jan–Mar 2026 sales** in the South to modestly **exceed** those of early 2025, perhaps on the order of a mid-single-digit percentage increase. The jump in **pending sales** in late 2025 [5] supports this view, as many of those contracts will close in Jan/Feb. Buyer traffic is likely to be fueled by the **slightly lower mortgage rates** and the ongoing population growth in the region. **Home prices** in the South are forecast to remain **near flat or inch up slightly** through Q1. Because the market achieved a sort of equilibrium in 2025 (with prices roughly leveling off), we anticipate early-2026 prices will stay within a narrow range of late-2025 levels – perhaps **0–2% appreciation** in most markets. Some sub-markets that *declined* in 2025 (for example, those that were correcting from very high peaks) could even see **a small rebound** now off those lower bases [37], while others might stay flat. In aggregate, **low-single-digit price growth** is a reasonable expectation for the South in the first part of 2026. **Inventory** will likely rise as we progress toward spring (new construction and seasonal listings adding to supply), but given the parallel rise in buyer demand, we don't foresee a glut – the months' supply should **hold in the 4–5 month range**, indicating neither a buyer's nor seller's extreme market [38]. LCRG's own forecast characterizes the Southern winter market as "stable with a slight buyer's tilt," as inventory slowly rebalances toward a 6-month normal level [38]. Key **risks** to watch include interest rates and regional insurance or policy changes. If mortgage rates were to unexpectedly spike back up, the affordability pinch would again sideline many buyers (especially first-timers). Conversely, any further rate relief (say, rates dipping below 6% for a sustained period) could unleash a stronger-than-expected wave of sales. On the insurance front, the hope is that 2026 continues 2025's trend of stabilization in high-risk states – any reversal (like a major insurer exit or premium jump in the wake of a bad storm season) could *dampen buyer confidence*. Barring such shocks, the South's housing market should see a **healthy and active Q1 2026**, driven by solid fundamentals (jobs and population growth) and the fact that it's now generally a **more buyer-friendly market** than it was in the frenzy years.

West Region

Market Overview: The West experienced the most pronounced **housing market cooldown** in 2025, and it remains the region with the *most price-sensitive* conditions as we enter 2026. By November's data, the West was the only major region with a **year-over-year price decline** – the median price was about **$618,900**, down 0.9% from November 2024 [11]. **Sales volumes** in the West also lagged, with annualized sales ~760,000 in Nov (–1.3% YoY) [11], reflecting a slower pace of transactions than a year prior. These figures underscore the **market correction** that unfolded in many Western metros: after years of rapid appreciation (and severe affordability challenges), prices in some of the West's expensive markets (e.g. coastal California, Pacific Northwest) have **rolled back slightly** from their peaks, and buyers have become much more cautious. The West is home to several of the nation's priciest and historically supply-constrained cities – San Francisco, L.A., Seattle, Denver, etc. – where even a 6% mortgage rate still puts monthly payments out of reach for many middle-class buyers, resulting in **weak demand** at 2025's end. At the same time, those high prices and higher interest rates deterred sellers too, leading to a standoff in some areas (low sales, but also limited new listings). However, not all Western markets are sluggish: more affordable pockets in the Mountain West and Southwest (think parts of Utah, Idaho, New Mexico) continue to see **in-migration** and relatively strong demand, albeit at lower price points. And new home construction, while not as dominant as in the South, has been **robust in certain Western states** (e.g. Idaho, Utah, Colorado) given population inflows [39]. On the whole, the West's housing landscape in early 2026 is one of **transition** – from an overheated seller's market in 2021 toward a more **balanced or even buyer-favored market** now. It's taken longer for the West to find equilibrium because prices had so much farther to adjust. But with nearly 1% annual price decline region-wide, it appears the West is *at or near the bottom* of its price correction. Buyers are gaining leverage and waiting for good opportunities, and sellers are coming to grips with the new reality (homes must be priced *very carefully* and might not fetch 2022 values). There's a sense that the Western market is finally offering some **"breathing room"** to buyers who were priced out before, especially if they are flexible on location or property type.

LCRG Perspective (Local Commentary): Western real estate agents talk about **"a sea change"** in market dynamics over the past year. In the once white-hot tech hubs and coastal enclaves, the **power balance** has shifted notably toward buyers. Properties that a couple years ago would have flown off the shelf with dozens of offers are now seeing **price cuts** or seller concessions after weeks with no bids. One Bay Area agent noted, *"I've had more listings with price reductions in the last six months than in the previous six years combined."* The **high end of the market** (luxury homes) has been particularly soft in the West, as affluent buyers became more cautious with economic uncertainty and higher jumbo loan rates. Meanwhile, mid-tier and entry-level homes, while still in demand, are finally **within reach for some buyers** who had been sidelined – especially as prices have come down slightly and they can negotiate. In markets like Seattle and Denver, buyers are now often able to **include inspection and financing contingencies** again, and sellers are frequently **paying for repairs** or offering credits, whereas in 2021 almost all sales were as-is. **Inventory** in the West, though up year-over-year, is not excessive; rather, the active listings tend to **sit longer**. We're seeing average days-on-market in many Western metros climb into the 30s or 40s (and higher for luxury), a stark change from the one-week sales of the boom. This slower pace means **buyers have time** to deliberate and **shop around**, which is a welcome change. In some Western cities, **renting vs. buying calculus** is shifting too – with rents rising again by late 2025, some renters are deciding to take the plunge and buy, now that they have a bit more negotiating power and don't have to bid $100k over asking. *Analysts predict* that after years of rapid run-ups, the West's housing market is undergoing a **needed correction** toward balance [40]. Front-line agents echo this: they describe current conditions as a **"healthy normalization"** – painful for some sellers who miss the peak prices, but ultimately **opening opportunities** for buyers long shut out of West Coast homeownership. Importantly, the West's challenges with **affordability** haven't vanished; rather, slightly lower prices and incomes catching up are gradually improving the situation. The consensus view is that the West's housing reset is well underway, and barring any economic shocks, it's creating a *sustainable* environment where neither buyers nor sellers can take anything for granted.

Forecast (Early 2026): The Western housing market is expected to **stabilize further** in the first quarter of 2026, with the potential for a gentle rebound in activity if conditions are right. Coming off a softer 2025, there is some **pent-up buyer demand** in the West – many households delayed purchases due to extreme prices and high rates. Should mortgage rates hold around the low-6% range or dip below it at times, we anticipate more of those Western buyers will step forward. **Home sales** in Q1 2026 could thereby see a **minor uptick** (perhaps a few percent year-over-year) after a lackluster prior winter. Markets that saw steep slowdowns (e.g. parts of California) might register noticeable increases in sales simply because last year was so low. **Home prices** in the West are likely near their floor; we expect them to be **relatively flat** in early

2026. Some areas could post **slight year-over-year declines** still (on the order of a percent or two) if 2025's correction hasn't fully worked through, while others – especially the more affordable Mountain states – may see **small gains** as demand remains solid for reasonably priced homes. On balance, the West's median prices by spring 2026 will probably be roughly **unchanged to modestly up** compared to a year prior, marking the end of the mild slide and a transition to slow growth. Economists at Redfin, for example, predict the national median price will rise only ~1% in 2026 [41], and the West will likely be the one region that might underperform that average (i.e. flat or 0% change) given its higher starting point. One encouraging sign is that **housing affordability** is set to improve in 2026 – wages are expected to outgrow home prices for the first time in many years [42], which is especially crucial in the West. This should gradually bring more buyers back into the fold. **Risks:** The West is sensitive to **economic swings**, particularly in the tech sector and higher-end job markets. If 2026 brings a recession or significant tech layoffs, Western housing could hit another soft patch due to job losses or reduced buyer confidence. Additionally, the region faces **climate and insurance challenges** (wildfires, earthquakes, etc.) – changes in insurance availability or costs (as seen in California's recent insurer pull-backs) could impact housing, though state policy interventions are ongoing to mitigate this. In the absence of such shocks, we believe the West will see a **gradual recovery**. By March 2026, inventory should start tightening slightly (as buyers absorb the leftover listings), and we may even see certain West Coast markets turn the corner to **year-over-year price growth** again. In summary, early 2026 for the West likely means **finding the bottom and beginning a slow climb out**: buyers will continue to hold the upper hand in many negotiations, but if they sense the market leveling out, more will commit to purchases – setting the stage for a potentially better spring and beyond in the Western housing market.

Sources: National Association of REALTORS® (existing home sales data and Lawrence Yun commentary) [4] [16] [11] [1]; Realtor.com Housing Forecast 2026 [17]; Redfin Research (2026 predictions) [13] [14]; Gamache Properties regional analysis [40]; LCRG internal market commentary and local MLS insights [36] [32].

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