March 2026 LCRG National Market Report

Data vintage and sources

As of March 5, 2026 the most recent nationwide **closed-sale** month with a complete, public national release is **January 2026** from the National Association of REALTORS® (NAR). NAR's February 2026 existing-home sales release is scheduled for March 10, 2026, so February closed-sale totals are not yet available in the primary national closing dataset at the time of this report.

This report pairs January closed-sale metrics with higher-frequency February market signals (active inventory, new listings, and listing prices) from Realtor.com and pricing/negotiation indicators from Redfin. Mortgage-rate context is anchored to Freddie Mac's Primary Mortgage Market Survey.

For continuity, the prior LCRG national report (January 2026) is treated as a historical reference point only; this March 2026 report contains newly written analysis and updated data for the current period.

National Market Overview

The U.S. housing market enters March 2026 with **slower winter closing volume**, **still-low inventory by historical "balanced" standards**, and **price behavior that is stable but increasingly segmented by affordability and supply constraints**. January existing-home sales declined to a 3.91 million seasonally adjusted annual rate (SAAR), while the median existing-home price remained slightly higher than a year ago—an indicator of continued price resilience despite limited transaction velocity.

Inventory remains the structural limiter. NAR reported 1.22 million existing homes for sale in January, representing 3.7 months of supply—still below the 4.5–6 month range commonly associated with a balanced market. This is a market where pricing does not need to surge for sellers to retain a meaningful floor, but buyers can still gain leverage through **time**, **choice**, and **concessions**.

The mortgage-rate environment is incrementally more supportive than it was a year ago. NAR's January report cited an average 30-year fixed rate of 6.10% for January, and Freddie Mac's weekly survey showed the 30-year fixed rate at 6.00% as of March 5 (after dipping to 5.98% the prior week). That "near-6%" level is meaningful for payment sensitivity, but it is not yet low enough to fully reset affordability nationally.

February's listing-side data suggests a market that is **tilting more buyer-friendly**. Realtor.com reported February median list prices down year-over-year and active listings up year-over-year, while noting that the pace of inventory recovery has slowed compared with the rapid post-pandemic rebound seen earlier. In practical terms, buyers have more options than last year, but the market is not clearing quickly unless a home is priced and positioned correctly.

Key Metrics

Most recently reported closed month (national): January 2026 (existing-home sales); February 2026 existing-home sales are scheduled for release on March 10, 2026.

Median U.S. sale price (existing homes, January): $396,800 (Year-over-year: **+0.9%**).

Month-over-month price movement (existing homes): approximately -2.1% from December's median of **$405,400** to January's **$396,800** (seasonal winter softening is typical in medians).

Existing-home sales volume (January): 3.91 million SAAR (Month-over-month: **-8.4%**; Year-over-year: **-4.4%**).

Active inventory (January existing-home inventory): 1.22 million units (Month-over-month: **-0.8%**; Year-over-year: **+3.4%**).

Months of supply (January): 3.7 months, up from 3.5 months in December (still below commonly cited "balanced" conditions).

Median days on market (January): 46 days, up from 39 in December and 41 a year prior.

Share of cash buyers (January): 27% (down from 29% a year ago).

Distressed sales (January): 2% of transactions (foreclosures and short sales), down from 3% a year ago.

Buyer confidence proxy (contracts): pending home sales in January fell 0.8% MoM and 0.4% YoY, indicating improved affordability has not yet translated into a broad contract-signing surge.

Mortgage rate reset signal: the 30-year fixed averaged **6.00%** as of March 5, down versus the same week last year (6.63%).

Listing-market leading indicators (late February): Realtor.com reported **new listings up 3.6% YoY**, **active inventory up 7.1% YoY**, and **median listing price down 2.4% YoY**, with homes spending longer on market than last year.

Supply constraint backdrop: housing supply deficit estimates widened to roughly **4.03 million homes** in 2025, with starts and completions insufficient to close the gap—supporting the view that inventory may take years, not quarters, to normalize.

Contextual Insight

Buyer vs. seller leverage is increasingly defined by **financing sensitivity and inventory quality** rather than a single nationwide "market type." Inventory is still low in months-of-supply terms, distressed sales are minimal, and most sellers are not forced liquidators—factors that typically keep prices from falling sharply at the national level.

At the same time, leverage has shifted toward buyers in the **negotiation phase**. Longer time on market, a meaningful year-over-year rise in active listings, and a decline in listing prices indicate sellers are more frequently competing on **terms** (closing costs, repairs, and price adjustments) rather than assuming immediate demand. Realtor.com's weekly data explicitly frames the market as moving in a more buyer-friendly direction, even as some would-be buyers remain hesitant.

This environment looks less like a boom-bust cycle and more like normalization around a high-rate baseline. Repeat-sales measures (which reduce "mix shift" noise) indicate only modest month-over-month price movement and low-single-digit year-over-year appreciation. The S&P Case-Shiller national index also shows subdued year-over-year gains through late 2025, consistent with a market that is stabilizing rather than reflating.

The lock-in effect remains one of the most important structural brakes on supply. Sellers with older, cheaper mortgages often cannot "port" their payment to a new purchase at today's rates without materially increasing monthly cost; Realtor.com highlights that many sellers are locked into ultralow rates, while national reporting continues to emphasize the degree to which constrained supply—not just rates—drives market outcomes.

Affordability has improved, but the improvement is incremental, not transformative. NAR's Housing Affordability Index rose to 116.5 in January (up from 111.6 in December), reflecting a combination of lower rates versus a year ago and wages that have outpaced home price growth. However, pending contract activity still slipped in January, reinforcing that "improving" affordability is not the same as "affordable" affordability for the marginal buyer.

Northeast Region

Market Overview

The Northeast remains the region with the strongest year-over-year price growth in the latest closed-month national data. January existing-home sales in the Northeast fell to a 480,000 annual pace (down 4.0% YoY), while the median price rose to $505,400 (up 5.8% YoY). This points to persistent pricing power in supply-constrained submarkets even with weaker winter turnover.

On the contract-signing side, the Northeast shows a notable winter slowdown: January pending home sales fell 5.7% month-over-month and 8.3% year-over-year, which can translate into softer closings into early spring unless rates (or seasonal demand) pull more buyers forward.

LCRG Perspective (Regional Commentary)

In practical terms, the Northeast tends to behave like a "split market." Homes that are well located, renovated, and priced to recent comps can still attract competitive bidding because substitutes are limited—reflected in strong year-over-year price growth even as sales volume is down. Conversely, the increase in time-to-sale nationally and the sharp pending decline regionally imply that buyers have regained the confidence to negotiate or walk when a listing is priced to last year's expectations rather than today's payment realities.

Forecast (Forward Outlook)

Over the next quarter, the Northeast's path is likely **volume-first, price-second**. If mortgage rates remain near 6%, seasonal spring demand should lift activity from winter levels, but the pending-sales weakness suggests the region needs either better affordability or more supply to avoid choppy monthly closings. The opportunity for investors is selective acquisition in submarkets where winter softness produces motivated sellers; the risk is paying "scarcity premiums" without sufficient rental or resale margin if days on market continue to lengthen.

Midwest Region

Market Overview

The Midwest continues to lead on affordability relative to coastal regions, but it is not immune to rate pressure. January existing-home sales declined to a 920,000 annual pace (down 7.1% YoY), while the median price increased to $295,400 (up 2.3% YoY). That profile suggests buyers remain active when inventory is available, but total turnover is constrained.

Pending home sales in the Midwest rose 5.0% month-over-month in January, though they were still down 3.3% year-over-year. That combination implies improving near-term momentum off a slow winter baseline without a full year-over-year recovery yet.

LCRG Perspective (Regional Commentary)

Midwest negotiation dynamics often center on “payment math.” Because home prices are lower than the national average, small changes in rate have an outsized effect on the buyer pool and on the ability to compete. With national affordability improving but still tight, buyers in many Midwest markets can be decisive on correctly priced listings while still pressing for inspection outcomes and closing credits when a property needs work. The region’s modest price growth supports a view of steady, fundamentals-driven performance rather than speculative pricing.

Forecast (Forward Outlook)

Expect the Midwest to show **gradual spring strengthening**: improving seasonality plus relatively better affordability can lift sales, consistent with the Midwest’s positive month-over-month pending signal. For investors, the opportunity is durable demand in markets where supply is structurally limited; the risk is underestimating the role of rate volatility—especially if rates push back above 6% and payment sensitivity reduces absorption.

South Region

Market Overview

The South remains the largest housing region by turnover, but January data shows it is also navigating normalization. Existing-home sales fell to a 1.81 million annual rate (down 1.6% YoY), while the median price was essentially flat year-over-year at $351,200 (+0.1% YoY). This is consistent with a region that has experienced substantial supply growth over the past cycle and is now clearing inventory at more disciplined price points.

Pending home sales in the South declined 4.5% month-over-month in January but rose 4.0% year-over-year. That profile suggests underlying demand is healthier than the winter closings data implies, and it increases the probability of a spring pickup if rates cooperate.

LCRG Perspective (Regional Commentary)

In the South, new construction and resale inventory often compete directly, influencing buyer leverage. With listing-side indicators showing inventory recovery and listing-price softness nationally—alongside a multi-year housing deficit—buyers in the South can become highly selective by submarket and by product type. Negotiations are most favorable where supply is abundant (or where builders are active), while submarkets with limited buildable land or infrastructure constraints can still behave competitively.

Forecast (Forward Outlook)

Over the next quarter, the South is positioned for **seasonal acceleration in contracts and closings**, supported by positive year-over-year pending activity. Risks include rate volatility and affordability constraints for first-time buyers. Upside scenarios include a sustained "sub-6%" mortgage rate environment that pulls more buyers off the sidelines—particularly in payment-sensitive metros—and converts year-over-year pending gains into stronger closed-sale growth.

West Region

Market Overview

The West continues to show the clearest signs of post-boom price correction in the national data. January existing-home sales fell to a 700,000 annual rate (down 7.9% YoY), and the median price declined to $600,400 (down 1.4% YoY). This combination reflects the tightest affordability conditions nationally and higher sensitivity to rate movement.

At the same time, West pending home sales rose 4.3% month-over-month in January and were slightly higher year-over-year (+0.3%). That pattern can be interpreted as early stabilization: buyers are willing to re-engage when rates ease and when sellers align pricing to current affordability ceilings.

LCRG Perspective (Regional Commentary)

West-region negotiations are increasingly defined by concessions and pricing discipline. With closed-sale prices down year-over-year but pending activity improving, the market is signaling that "clearing prices exist," but they may be below peak-cycle expectations for many sellers. Where inventory is higher and alternatives are plentiful, buyers have substantial leverage; where supply is structurally constrained, the slowdown is more about affordability than about lack of demand.

Forecast (Forward Outlook)

The next quarter is likely to be a **stabilization phase** for the West: modestly improving contract activity (if rates stay near 6%), slower price declines in the most corrected markets, and continued softness in the highest-payment segments. The primary risk is a rate rebound that re-widens the affordability gap; the opportunity is disciplined acquisition in submarkets where price discovery has already occurred and where pending data suggests demand is returning.

This report was generated using a custom-built GPT for Logical Choice Realty Group.