April 2026 LCRG National Market Report

National Market Overview

Entering **April 2026**, the U.S. housing market is best characterized as **stable but highly payment-sensitive**: buyer demand shows signs of re-engagement where affordability has improved, while sellers are increasingly competing on **price realism** and **terms** rather than relying on rapid appreciation. The most recent closed-month **listing** data (March 2026) shows **inventory building** and **time on market lengthening year over year**, even as contract activity and new listings picked up seasonally heading into spring. [1]

On the **sales side**, the most recent official **existing-home** close data available at the start of April is February 2026 (with March existing-home sales scheduled for release on **April 13, 2026 at 10:00 a.m. ET**). February closings improved month over month but were slightly below last year, a pattern consistent with a market that is **gradually thawing** rather than accelerating. [2]

Pricing signals are **mixed by measurement point**: - Closed-sale pricing remains slightly higher than last year (February median existing-home price +0.3% YoY). [3]
- On the active-listing side, March median list prices were **down year over year** (–2.2%), the fifth straight month of YoY list-price declines per Realtor.com's national dataset—suggesting sellers are adapting to buyer budgets. [4]

Inventory is the other major shift. Realtor.com reported **964,477 active listings in March (+8.1% YoY)** with **new listings up 21.2% MoM** (a typical spring surge). That combination tends to **increase buyer choice** and reduce the probability that "average" homes sell instantly without concessions. [5]

The mortgage-rate environment has re-tightened since the winter lows: the **30-year fixed rate averaged 6.46%** in the week ending April 2, 2026, rising from late March and meaningfully higher than the February monthly average cited in NAR's release (6.05%). Affordability improved through February but remains fragile —small rate moves materially change payment math. [6]

Buyer confidence is not uniform. Broad consumer sentiment fell in March (Michigan sentiment index **53.3**, down from February), while Conference Board confidence moved slightly higher to **91.8**; housing-buying intentions in that Conference Board survey softened, with the share planning to buy a home within six months reported at **5.7%**. The net effect is a buyer pool that is **active but cautious**, prioritizing value and certainty. [7]

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Key Metrics (U.S. Housing Market)

- **Median U.S. sale price (existing homes, Feb 2026): $398,000** (+0.3% YoY). [3]

- **Month-over-month price movement (Jan → Feb, existing homes):** $396,800 → $398,000 (≈ **+0.3% MoM**), reflecting modest seasonal firming. [8]
- **Existing-home sales volume (Feb 2026): 4.09 million SAAR** (+1.7% MoM; –1.4% YoY). [3]
- **Housing inventory (existing homes, Feb 2026): 1.29 million units** (+2.4% MoM; +4.9% YoY). [3]
- **Months of supply (existing homes, Feb 2026): 3.8 months**, unchanged MoM (up from 3.6 a year earlier). [3]
- **Median days on market (existing homes, Feb 2026): 47 days** (vs. 46 in Jan; 42 in Feb 2025). [3]
- **Active inventory (listing market, Mar 2026): 964,477 active listings** (+8.1% YoY; +5.4% MoM). [9]
- **Median days on market (listing market, Mar 2026): 57 days** (+4 days YoY). [5]
- **Share of listings with price reductions (Mar 2026): 16.2%** (–1.2 percentage points YoY). [5]
- **Share of cash buyers (Feb 2026): 31%** of existing-home transactions. [3]
- **Share of distressed sales (foreclosures + short sales, Feb 2026): 3%**. [3]
- **Mortgage rates:**
- Feb 2026 average 30-year fixed rate: **6.05%** (per NAR citing Freddie Mac). [3]
- Week ending Apr 2, 2026: **6.46%** (Freddie Mac PMMS). [10]
- **New residential construction (Jan 2026, SAAR):** permits **1,376,000**, starts **1,487,000**, completions **1,527,000**—indicating continued supply flow, especially from multifamily, even as single-family permitting remained soft relative to prior peaks. [11]

Contextual Insight

Nationally, the balance of leverage is moving away from the extreme seller conditions of 2020–2022 and toward a **more negotiated, underwriting-driven market**. That does not automatically mean a full “buyer’s market” in the traditional sense. A February months-of-supply figure of **3.8** is still below the ~5–6 months often associated with balance, which helps explain why prices can remain resilient even as buyers gain more tactical leverage through inspections, credits, and price reductions. [3]

The clearest evidence of “normalization” is in **market friction**: - Listings are taking longer to move (March median **57 days** on market; +4 days YoY). [5]
- Price reductions exist but are trending lower year over year (March price-reduction share **16.2%**, down YoY), consistent with sellers learning to price closer to the market from day one rather than chasing and cutting later. [5]

A major structural constraint remains the **“lock-in” effect**. Research from the Federal Reserve [12] finds mortgage-rate lock-in meaningfully reduced borrower mobility after rates rose, explaining a large portion of the post-2021 mobility decline. Separately, the Federal Housing Finance Agency [13] has published evidence that the probability of sale falls sharply as the gap between market rates and a homeowner’s existing mortgage rate widens. The practical implication for investors: even when buyer demand softens, **supply may not surge**, because many potential sellers are also rate-sensitive would-be buyers. [14]

Affordability improved into February because mortgage rates were lower than a year prior and price growth was modest (NAR’s Housing Affordability Index improved to **117.6** in February, highest since March 2022). However, affordability is now vulnerable to the spring rate rebound (PMMS showing **6.46%** in early April). This sets up a market where transactions concentrate around: - buyers with strong down payments or cash, - homes priced correctly relative to payment capacity, - properties that minimize uncertainty (condition, insurability, and appraisal support). [15]

Macro conditions remain a key swing factor. The labor market added **178,000** jobs in March and unemployment held around **4.3%**, which supports baseline household formation and purchase capability at the margin. Inflation was **2.4% YoY** as of February CPI, helping explain why the Fed has been cautious but not restrictive enough to crush employment. Still, consumer sentiment weakened in March (Michigan sentiment **53.3**), reinforcing that the buyer pool may remain cautious even if jobs are stable. [16]

Northeast Region

Market Overview

The Northeast remains a **scarcity-driven market** relative to other regions. In March, active listings were **85,383** (+7.9% YoY) but still far below pre-pandemic norms per Realtor.com's regional comparison. The median list price was **$510,948** (–3.6% YoY), and listings moved at a median **52 days** (+4 days YoY). Price cuts were the lowest among regions at **9.1%** of listings. [9]

On the closing side (latest official month: February), existing-home sales were **470,000 SAAR** (–4.1% YoY) with a median existing-home price of **$479,800** (+3.3% YoY). This combination—low price-cut share plus positive closed-sale price growth—signals that the Northeast is still the region where **tight supply** most reliably supports pricing, even when sales volume is restrained. [17]

LCRG Perspective (Regional Commentary)

In the Northeast, negotiations tend to be less about "how low can the price go" and more about **terms and certainty**: appraisal gaps on prime submarkets, inspection scope, and closing timelines remain the key levers. The low price-cut share (9.1%) suggests that sellers—especially in supply-constrained metros—still have enough buyer depth to avoid broad repricing, but buyers are increasingly selective about property condition due to high replacement/renovation costs. [9]

For investors, the Northeast often rewards strategies built around **location durability** and **supply barriers**, but near-term execution depends heavily on interest-rate sensitivity: deal flow is more likely to come from life-event sellers rather than discretionary movers, consistent with lock-in research. [14]

Forecast (Forward Outlook)

Over the next quarter, the Northeast is likely to remain **stable with localized competition**: - Sales activity should track spring seasonality but may remain rate-capped (March existing-home sales data will be key once released). [18]
- Inventory should improve gradually but remain structurally constrained versus other regions. [19]
- Pricing risk is lowest on well-located, move-in-ready inventory; risk rises on properties requiring major capex, where buyers may demand larger discounts to offset financing + renovation uncertainty. [20]

Midwest Region

Market Overview

The Midwest is the clearest “inventory rebuild” story in the March listing data. Active listings were **130,427** (**+13.6% YoY**, highest YoY gain among regions) while new listings were down slightly year over year (–1.3%). Median list price was **$309,500** (–0.1% YoY), a profile consistent with **flat pricing but improving buyer choice**. Median time on market was **49 days** (+2 days YoY), and price cuts were **12.4%**. [9]

In February closings, Midwest existing-home sales were **940,000 SAAR** (–4.1% YoY), with a median existing-home price of **$302,100** (+2.3% YoY). The Midwest remains the most accessible region for payment-qualified buyers, which aligns with NAR commentary that affordability improvements tend to express first in lower-cost regions. [21]

LCRG Perspective (Regional Commentary)

The Midwest is increasingly attractive to both owner-occupants and investors because it can offer: - lower entry basis relative to rents and incomes, - more stable supply-demand balance than highly cyclical boom-bust metros.

The data suggests buyer leverage is improving through **more available inventory**, but sellers still retain pricing power in submarkets where “clean, financeable” homes are limited. Flat list-price growth coupled with positive closed-sale price growth implies that the market is not overheating—it’s **sorting by quality and location**. [22]

Forecast (Forward Outlook)

The Midwest outlook for the coming quarter is **steady with selective upside**: - Pending home sales were up **4.6% MoM** in February (region-leading), suggesting closings could improve into spring if rates stabilize. [23]
- Inventory is likely to remain elevated versus last year, supporting more normal negotiation behavior (inspections, credits) without forcing deep price resets. [9]
- Key risk: if mortgage rates remain near mid-6% or rise further, demand shifts toward smaller homes and/or secondary locations, pressuring higher-end segments first. [10]

South Region

Market Overview

The South continues to represent the largest share of active listings in Realtor.com’s dataset: **549,805** listings in March (+5.8% YoY), with **new listings up 2.1% YoY**. Median list price was **$379,950** (–2.5% YoY). The South also had the longest median time on market at **61 days** (+4 days YoY) and the highest share of price cuts at **18.4%**. These are classic markers of a region where buyers have gained meaningful shopping leverage, particularly in high-supply metros. [9]

In February closings, the South was the only region with year-over-year existing-home sales growth: **1.89 million SAAR** (+0.5% YoY) and a median existing-home price of **$356,800** (+0.2% YoY). That combination—stable sales and flat YoY prices—fits a “soft landing” pattern where supply growth is cooling appreciation but not collapsing demand. [17]

Construction is a central variable for the South. Nationally, January permits were **1.376 million SAAR** and starts **1.487 million SAAR**, keeping a supply pipeline active. While not all starts occur in the South, this region historically captures a large share of national single-family activity; ongoing construction and resale competition help explain higher price-cut prevalence. [11]

LCRG Perspective (Regional Commentary)

The South is where the market most visibly rewards **pricing discipline**. With price cuts at 18.4% of listings and DOM the longest among regions, sellers who "reach" are more likely to get stalled, while sellers who lead the market with realistic pricing can still transact—often with negotiated credits rather than headline price drops. [5]

Investor behavior in the South is becoming more underwriting-driven again. The combination of improving inventory and normalization of seller concessions creates opportunities to negotiate basis, but returns depend heavily on insurance, property taxes, HOA dynamics, and local supply from both resale and new construction.

Forecast (Forward Outlook)

The next quarter in the South is likely to be **active but competitive**: - Pending home sales rose **2.7% MoM** and **1.2% YoY** in February—supportive of spring closings if rates do not spike. [23]
- Inventory is likely to keep trending higher year over year, maintaining buyer leverage and keeping price growth muted. [19]
- Risks: mortgage-rate volatility and consumer sentiment softness can quickly slow marginal buyers; the South's higher DOM already signals that many markets are sensitive to that shift. [24]
- Upside scenario: if rates stabilize and new listings remain strong, transaction volume can improve even with flat pricing—favorable conditions for investors seeking negotiated entries rather than appreciation-only returns. [25]

West Region

Market Overview

The West continues to run the highest affordability pressure but shows meaningful inventory rebuild and softer list pricing. In March, active listings were **195,141** (+10.6% YoY) with median list price **$592,500** (–1.2% YoY). Median time on market was **50 days** (+2 days YoY), and price cuts were **17.3%** of listings. [9]

In February closings, West existing-home sales were **790,000 SAAR** (–1.3% YoY) and the median existing-home price was **$603,100** (–1.9% YoY). The West is the only region in the February NAR data with a clear YoY decline in the median existing-home price, consistent with a longer-running correction from peak affordability stress. [3]

LCRG Perspective (Regional Commentary)

Western markets are increasingly segmented: - “A-tier” locations and scarce product types can still transact with modest negotiation. - Substitutable homes (similar floorplans and neighborhoods) face heavier price discovery, reflected in the elevated price-cut share.

The West is also where lock-in interacts strongly with affordability: fewer discretionary sellers list, but buyers are payment-constrained, producing bouts of low volume and then sudden spurts when rates dip. Recent rate increases into early April raise the risk that spring momentum narrows unless sellers continue adjusting pricing. [26]

Forecast (Forward Outlook)

The West’s next quarter is likely to be **range-bound with strong negotiation dynamics**: - Pending home sales rose **0.9% MoM** and **3.2% YoY** in February, an important signal that demand exists when affordability allows it. [23]
- Inventory should remain higher than last year, keeping concessions in play and limiting broad price rebounds. [9]
- The key sensitivity is mortgage rates: sustained rates in the mid-6% range tend to slow marginal demand in the West faster than other regions due to higher starting prices. [27]
- Opportunity set: investors focused on basis can find motivated sellers among listings with price cuts, especially where carrying costs are high and buyer pools are thinner. [5]

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

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