

Housing Hot Spots 2026: The Markets Poised for New Buyer Opportunities



**NATIONAL
ASSOCIATION OF
REALTORS®**

REALTORS® are members of the National Association of REALTORS®.

Summary

After several years of constrained affordability, historically low inventory, and a locked-in homeowner population, the 2026 housing market is finally entering a new phase with more opportunities for buyers. A meaningful decline in mortgage rates, modest but broad improvements in for-sale inventory, and a shifting alignment between local incomes and listed home prices are expected to help many buyers and sellers in the coming year.

The theme of this year's report is simple but transformative:

Where lower rates and rising supply converge, opportunity reappears.

Across the country, millions of households that were priced out during the high-rate environment of 2023–2025 now find themselves closer to homeownership again. A drop in rates from 7% to 6% can expand the pool of qualified buyers by 5.5 million households across the country, including 1.6 million renters, who are potential first-time buyers.

Yet affordability alone is not enough. 2024 and 2025 showed us that easing mortgage rates do not automatically translate into stronger sales unless the homes that come on the market actually match what local buyers can afford.

This is why one of the key insights of the 2026 analysis is that opportunity markets are not simply “affordable markets.” They are markets where:

- ✓ **Inventory is gradually returning,**
- ✓ **Prices are better aligned with what local incomes can support, and**
- ✓ **Lower rates meaningfully expand the qualified buyer pool.**

While this isn't the story everywhere, these trends are emerging in specific metros across the Southeast, Midwest, Mountain West, and select Western markets.

To identify these markets, we analyzed 10 forward-looking indicators, weighting most heavily the two that will define the 2026 landscape:

- 1. Impact of lower mortgage rates on increasing the number of households that can purchase homes.**
- 2. Alignment between inventory and local incomes, a leading indicator of whether improved affordability translates into actual sales.**

Other indicators - including millennial household share, migration patterns, job growth, income gains, payment-to-rent dynamics, price cuts, and permitting activity - further helped narrow down the markets most likely to outperform.

“Lower mortgage rates will open the door for millions more buyers in 2026 – but only in markets where inventory aligns better with what local households can afford.”

Summary

The final list includes metros that outperform the U.S. at least on five of the ten indicators, have populations above 250,000, and demonstrate meaningful 2026 opportunity for homebuyers and REALTORS®.

The Top Housing Hot Spots for 2026:

(alphabetically)

Charleston, SC,

Charlotte, NC-SC,

Columbus, OH,

Indianapolis, IN,

Jacksonville, FL,

Minneapolis-St. Paul, MN-WI,

Raleigh, NC,

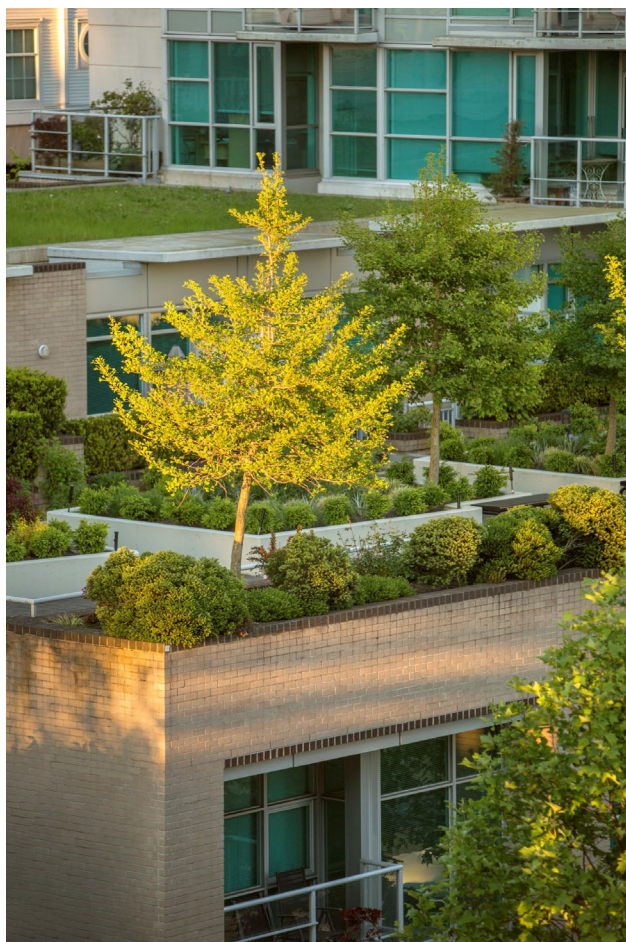
Richmond, VA,

Salt Lake City, UT,

Spokane, WA

Each metro in this year's Top Markets stands out for a combination of strong demand potential, projected improvements in affordability, and, most critically, a housing stock that is increasingly matching the budgets of the buyers who are returning to the market.

For REALTORS®, these are the metros where 2026 will offer a clearer runway for buyers, renewed mobility for sellers, and a more active environment for transactions. These are markets where opportunity is returning, and where the fundamentals suggest the year ahead will be better than the past two.



National Housing Market Outlook for 2026

The U.S. housing market is slowly transitioning out of one of the most affordability-challenged periods in modern history. Between mid-2022 and late-2023, mortgage rates surged at the fastest pace in decades, pushing the typical mortgage payment up by more than \$1,000 per month compared to pre-pandemic lows. Combined with historically low inventory and record home prices, this environment produced a significant slowdown in existing-home sales activity.

MORTGAGE RATES TO AVERAGE 6% IN 2026

The biggest change is the expected **decline in mortgage rates toward 6.0% in 2026**, according to NAR's latest forecast. While this is not a return to the ultra-low rates of 2020–2021, it is a meaningful improvement from the 7%–7.5% territory seen in 2023–2024.

Every one-percentage-point drop in rates brings millions of households back within reach of homeownership.

Rate declines also reignite seller mobility. Homeowners are more willing to move when the cost of financing their next home is easing. In 2025, elevated rates kept many potential sellers sidelined, keeping the inventory of existing homes limited. As rates ease in 2026, that constraint loosens.

Even a modest increase in seller confidence can significantly expand available inventory and that is precisely what early 2026 indicators suggest.

Another powerful tailwind in 2026 is the **continued expansion of millennial household formation**. Millennials are now solidly in their prime homebuying years, and many delayed homeownership during 2023–2025 simply because conditions were too challenging.

As affordability improves, this pent-up demand re-enters the market—particularly in metros with:

- Strong job opportunities
- Reasonable commute patterns
- Diversified economies
- Lower price-to-income ratios

1.3 MILLION NEW JOBS TO BE ADDED IN 2026

Job growth is expected to remain moderate, a shift from the rapid hiring pace of the previous two years. This moderation is actually supportive of housing: it keeps the economy expanding without putting upward pressure on inflation, allowing mortgage rates to move lower. Even with a slower labor market, employment levels will remain strong enough to sustain household formation and homebuying demand.

EXISTING-HOME SALES TO INCREASE BY 14% IN 2026

As a result, **home sales are projected to rise by 14% in 2026**. This will mark the first significant increase following several years of decreasing activity driven mostly by high rates and limited supply.

National Housing Market Outlook for 2026

The improvement in sales will come from a large pool of pent-up demand, buyers who have been waiting on the sidelines and will re-enter the market as monthly payments ease.

HOME PRICES TO INCREASE BY 4% IN 2026

At the same time, home prices are expected to rise by about 4% nationally. This reflects a market that is still fundamentally undersupplied. Even as more homeowners list their properties and builder continue to add new units, inventory will remain below historical norms in 2026. In the meantime, lower mortgage rates will bring more buyers into the market faster than supply can adjust, increasing prices further next year, especially in markets that don't have enough homes at price points that people can afford to buy.

In short, **2026 will be a transition year:**

- ✓ **Affordability improves.**
- ✓ **Sales recover at a double-digit pace.**
- ✓ **Prices rise but at a healthier, more sustainable rate.**
- ✓ **Moderate job growth supports stability without reigniting inflation.**

For REALTORS®, the 2026 market offers three strategic advantages:

- A larger pool of reactivated buyers
- Better inventory conditions
- A renewed role as market experts, as your insight into local affordability, inventory alignment, and price trends will be essential for buyers and sellers.



From National Trends to Local

As we look beyond the national outlook and toward the markets poised to lead in 2026, one message is clear: **local conditions matter more than ever.**

Even with mortgage rates easing, affordability alone won't determine where the strongest opportunities emerge. What will truly differentiate markets in 2026 is the combination of who lives there, how the economy is evolving, and whether the homes coming onto the market actually align with what households can afford.

“Across various of local indicators reviewed, the markets best positioned for 2026 are the ones where better affordability is actually usable.”

To understand where that alignment is happening, we evaluated a broad set of indicators that together capture the core drivers of next year's housing momentum. These indicators reflect demographics, job strength, migration, affordability, and the direction of new listings - the fundamentals that REALTORS® see playing out every day in their local markets.

For REALTORS®, this means 2026 will be a year of geographically concentrated opportunity, not a broad, widespread recovery. The metros highlighted in this report are the ones where improving affordability is being matched by inventory that allows buyers to purchase a home - a combination that was largely missing during 2023–2025. These markets may lead transaction growth, bring buyers back into the market earlier, and offer sellers a clearer path to move-up or relocate.

The analysis focuses on **10 factors that matter most for 2026:**

1. Millennial household presence

Markets with a strong base of younger households have more built-in demand as rates fall.

2. Household income growth

Rising incomes expand purchasing power and support sustainable price growth.

3. Job growth

Financial stability directly supports housing demand.

4. Increase in qualified households with lower rates

Some markets see a large jump in newly qualified buyers when rates decline

5. Strong domestic migration as a share of the population

Areas gaining residents tend to see stronger sales, household formation, and upward price pressure.

6. Share of sales with price cuts

A measure of seller expectations and how close list prices are to meeting buyer budgets.

7. Listings aligned with incomes

Inventory returning at the price points where local incomes can support a purchase.

8. Mortgage payment vs. rent

Markets where buying is closing the gap with renting experience more renter-to-owner transitions.

9. Single-family permits growth

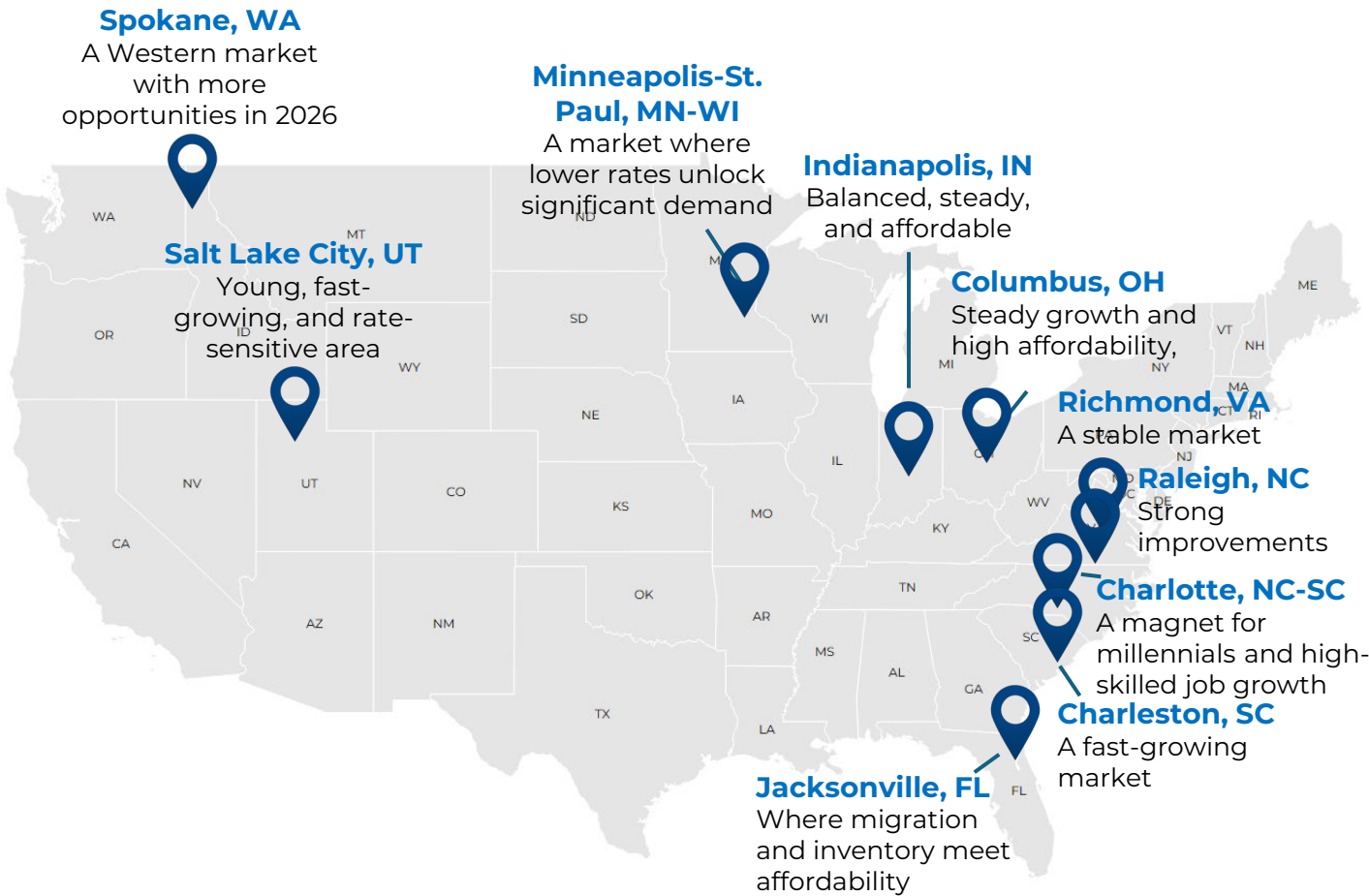
More options for buyers to come to the market.

10. Growth in mortgage originations

Sign of improving buyer activity.

Each of the metros below exceeded the U.S. level in at least half of the ten key factors, a threshold that ensures these markets are truly ahead of national housing momentum.

Housing Hot Spots 2026



Charleston, SC

A fast-growing market where inventory is growing at the right price points.



“Charleston’s momentum in 2026 will come from renewed affordability meeting strong demographic demand.”

Charleston enters 2026 as one of the Southeast’s most dynamic housing markets. Population growth remains among the fastest in the area, driven by both millennial households and high-income relocators moving from the Northeast. While higher prices have challenged affordability in this area, Charleston is beginning to see improvement: more listings in the \$200,000-\$350,000 range.

Lower mortgage rates will play a significant role here. Charleston has a large pool of renters who are just at the edge of affordability. A shift from 7% to 6% significantly expands the number of local households who qualify for the median home. In combination with employment growth, the market is expected to experience stronger buyer demand in 2026.

Key highlights:

- ✓ **20,000+ additional households**
in Charleston would qualify for a median-priced home with mortgage rates easing to 6%
- ✓ **Millennial concentration above the national rate:**
36.0% of all households in the area
- ✓ **Strong income growth:**
6.0% higher than the previous year
- ✓ **Solid job gains:**
3.2% job growth from a year ago
- ✓ **Strong inflow of new residents:**
Net domestic migration accounts for 1.3% of the total population
- ✓ **Fewer price cuts than the national average:**
50.0% as of October 2025
- ✓ **Listings increasingly aligned with local incomes:**
9.1% higher than a year ago

Market signals to watch:

- ✓ More move-up sellers listing as affordability improves
- ✓ Increased activity from young families and remote workers
- ✓ Price stabilization bringing buyers back into the market
- ✓ Lower rates boosting entry-level demand.

Charlotte, NC-SC

A magnet for millennials and high-skilled job growth



Key highlights:

- ✓ **52,000+ additional households**
in Charlotte would qualify for a median-priced home with mortgage rates easing to 6%
- ✓ **Millennial concentration above the national rate:**
36.6% of all households in the area
- ✓ **Strong income growth:**
5.8% higher than the previous year
- ✓ **Strong job gains:**
2.5% job growth from a year ago
- ✓ **Strong inflow of new residents:**
Net domestic migration accounts for 0.8% of the total population
- ✓ **Listings increasingly aligned with local incomes:**
5.5% higher than a year ago

“Charlotte’s winning formula in 2026 is simple: young buyers, strong jobs, and more listings where people need them.”

Charlotte continues to be one of the nation’s most compelling metro areas for both employers and homebuyers. The region’s economic strength - driven mostly by banking, fintech, and corporate headquarters - keeps job growth above the U.S. level and attracts a steady influx of young professionals. Millennial household formation remains a major engine of demand, and many of these households become qualified buyers once rates fall from 7% to 6%.

The inventory conditions in Charlotte are improving modestly but meaningfully, especially in suburban counties. New construction aimed at mid-income buyers is helping rebalance supply when affordability is also improving. Charlotte is not the low-cost market it once was, but in 2026 it will offer more affordable options.

Market signals to watch:

- ✓ More buyers re-entering as rates drop.
- ✓ Income growth supporting mid-priced demand.
- ✓ Listings slowly shifting toward attainable price points.
- ✓ Strong inflow of early-career households.

Columbus, OH

Steady growth, high affordability, and better-aligned inventory



Key highlights:

- ✓ **41,000+ additional households**
in Columbus would qualify for a median-priced home with mortgage rates easing to 6%
- ✓ **Millennial concentration above the national rate:**
37.5% of all households in the area
- ✓ **Strong income growth:**
7.2% higher than the previous year
- ✓ **Strong job gains:**
1.5% job growth from a year ago
- ✓ **Better match between home prices and incomes:**
0.76 score compared to 0.67 nationally
- ✓ **More single-family permits:**
1.1% growth compared to last year
- ✓ **Growth in mortgage originations:**
2.5% more originations in 2024

“Columbus pairs affordability with rising incomes, a powerful combination for 2026.”

Columbus continues to outperform expectations as one of the Midwest's most resilient and stable housing markets. Income growth remains stronger than the U.S. average, and investments - including logistics expansions - are bringing high-quality jobs that support long-term housing demand. These job dynamics attract both young professionals and established families, expanding the buyer pool as affordability improves.

But what pushes Columbus into the 2026 Top Market list is its improving alignment between listed home prices and local incomes. A greater share of homes is coming onto the market at prices that mid-income households can afford. This alignment increases the likelihood that the affordability unlocked by lower rates will translate into actual sales, making Columbus well-positioned for stronger activity in 2026.

Market signals to watch:

- ✓ Fast-rising incomes helping with affordability.
- ✓ Better alignment between listings and local budgets.
- ✓ Strong hiring in logistics and tech manufacturing.
- ✓ Moderate price growth encouraging buyer activity.

Indianapolis, IN

Balanced, steady, and affordable



Key highlights:

- ✓ **42,700+ additional households**
in Indianapolis would qualify for a median-priced home with mortgage rates easing to 6%
- ✓ **Millennial concentration above the national rate:**
37.0% of all households in the area
- ✓ **Solid job gains:**
1.1% job growth from a year ago
- ✓ **Better match between home prices and incomes:**
0.89 score compared to 0.67 nationally
- ✓ **More single-family permits:**
7.5% growth compared to last year
- ✓ **Growth in mortgage originations:**
4.8% more originations in 2024

“Indianapolis offers one of the clearest affordability paths for 2026 buyers.

Indianapolis stands out as one of America’s most balanced and opportunity-rich markets heading into 2026. Payment-to-income ratio is significantly lower than most of the large metros, making it much easier for renters to transition into homeownership once rates fall. A broad and stable job base provides economic resilience, and the region continues to attract households seeking more space, better affordability, and high quality of life.

Inventory conditions are also improving, particularly among homes that middle-income buyers can afford - a segment where demand is strongest. This combination of affordability, housing availability, and economic stability places Indianapolis among the metros most likely to see a meaningful increase in transactions as the rate environment improves.

Market signals to watch:

- ✓ More renters shifting into ownership.
- ✓ More listings reachable for median-income buyers.
- ✓ Job stability supporting first-time demand.
- ✓ New construction adding balanced supply.

Jacksonville, FL

A market where migration and inventory meet affordability



Key highlights:

✓ **39,700+ additional households** in Jacksonville would qualify for a median-priced home with mortgage rates easing to 6%

✓ **Millennial concentration above the national rate:**

34.2% of all households in the area

✓ **Strong income growth:**

6.5% higher than the previous year

✓ **Solid job gains:**

0.7% job growth from a year ago

✓ **Strong inflow of new residents:**

Net domestic migration accounts for 1.1% of the total population

✓ **Better match between home prices and incomes:**

0.73 score compared to 0.67 nationally

“Jacksonville is one of the Florida markets where both affordability and inventory are improving at the same time.”

Jacksonville continues to attract thousands of new residents annually — many arriving from higher-cost metros seeking affordability, job opportunities, and quality of life. While rapid demand pushed prices up in 2021–2023, Jacksonville is now experiencing one of the most meaningful improvements in inventory alignment among Florida markets. More homes are coming onto the market at prices that reflect what local households can afford.

This brings Jacksonville in a unique position: as mortgage rates fall and qualified buyer pools grow, the market is adding supply at key price points to convert that demand into actual sales. Its strong migration flows, expanding job market, and improving affordability conditions all point toward a strong 2026.

Market signals to watch:

- ✓ Lower rates unlocking thousands of new buyers.
- ✓ New construction making up an increasing share of inventory
- ✓ Price cuts trending lower as supply and demand rebalance
- ✓ Continued interest from remote workers and retirees

Minneapolis-St. Paul, MN-WI

A market where lower rates unlock significant demand



“Minneapolis is one of the nation’s most responsive markets to lower rates — and 2026 will show it.”

Minneapolis-St. Paul emerges as one of the most rate-sensitive markets in the country. With a large number of households sitting just below the affordability threshold, a reduction to 6% substantially expands the pool of qualified buyers. The Twin Cities region also benefits from strong wage growth, diversified employment, and some of the most stable economic fundamentals in the Midwest.

What makes Minneapolis especially compelling for 2026 is its meaningful improvement in inventory alignment, with more homes in the \$250K–\$450K range - where much of the region’s demand is concentrated - are returning to the market. This increases the likelihood that improved affordability will translate into higher sales volume.

Key highlights:

- ✓ **81,000+ additional households** in Minneapolis-St. Paul would qualify for a median-priced home with mortgage rates easing to 6%
- ✓ **Millennial concentration above the national rate:**
36.1% of all households in the area
- ✓ **Solid job gains:**
0.8% job growth from a year ago
- ✓ **Better match between home prices and incomes:**
0.78 score compared to 0.67 nationally
- ✓ **More single-family permits:**
5.3% growth compared to last year
- ✓ **Growth in mortgage originations:**
5.7% more originations in 2024

Market signals to watch:

- ✓ Greater seller mobility as rates fall
- ✓ Strong demand from young professionals and families
- ✓ A faster return of move-up buyers compared to 2024–2025
- ✓ Big gain in eligible buyers at 6% rates.

Raleigh, NC

Strong improvements in inventory that people can afford to buy



Key highlights:

- ✓ **Nearly 27,000 additional households** in Raleigh would qualify for a median-priced home with mortgage rates easing to 6%
- ✓ **Millennial concentration above the national rate:**
37.7% of all households in the area
- ✓ **Strong income growth:**
6.3% higher than the previous year
- ✓ **Solid job gains:**
1.3% job growth from a year ago
- ✓ **Strong inflow of new residents:**
Net domestic migration accounts for 1.1% of the total population
- ✓ **Better match between home prices and incomes:**
0.77 compared to 0.67 nationally

“Raleigh’s combination of fast-growing incomes and better-aligned inventory makes it one of the clearest opportunity markets of 2026.”

Raleigh continues to be one of the most economically dynamic metros in the U.S. A combination of strong income growth, an increasing population of highly educated young professionals, and strong job creation in tech, life sciences, and advanced research fuels steady housing demand. Even during the high-rate environment of 2023–2025, Raleigh’s market remained more stable than many other metros due to its diversified employment base and strong income fundamentals.

What makes Raleigh especially powerful heading into 2026 is its improving alignment between listed home prices and what local buyers can afford. Even though home prices remain elevated, they have grown more in line with incomes than in other fast-growing Sun Belt cities. As mortgage rates ease to 6%, Raleigh benefits significantly: thousands of millennial households who were just priced out of ownership will now qualify, at the exact moment that more mid-priced inventory is returning to the market.

Market signals to watch:

- ✓ One of the strongest rate-sensitive buyer pools.
- ✓ Tech-driven income growth boosting affordability.
- ✓ Better match between listings and local incomes.
- ✓ Steady migration from high-cost metros.

Richmond, VA

A stable market positioned to outperform in 2026.



“Richmond’s strength lies in its stability — and in 2026, that stability becomes opportunity.”

Richmond stands out as one of the most quietly powerful opportunity markets in 2026. While nearby Washington, D.C. faces federal employment headwinds, Richmond’s economy has diversified significantly in recent years, with growth in finance, healthcare, logistics, and corporate operations. This diversification protects the market from volatility and supports steady income growth, both of which strengthen buyer capacity as mortgage rates fall.

Affordability in 2024 and 2025 remained challenged for many buyers, but Richmond is one of the few Mid-Atlantic metros showing consistent improvement in the match between listed prices and local household incomes. As more sellers return to the market and more mid-priced homes become available, Richmond enters 2026 with a stronger inventory position than it held earlier in the decade. Combined with its stable economy and expanding millennial population, Richmond offers REALTORS® one of the strongest transaction environments in the region.

Key highlights:

- ✓ **25,500+ additional households**
in Richmond would qualify for a median-priced home with mortgage rates easing to 6%
- ✓ **Millennial concentration above the national rate:**
34.5% of all households in the area
- ✓ **Strong job gains:**
2.1% job growth from a year ago
- ✓ **Fewer price cuts than the national average:**
43.8% as of October 2025
- ✓ **Better match between home prices and incomes:**
0.71 compared to 0.67 nationally
- ✓ **Growth in mortgage originations:**
3.1% more originations in 2024

Market signals to watch:

- ✓ More listings priced where local buyers can afford
- ✓ Increased demand from both first-time and move-up buyers
- ✓ Improved inventory in the high-demand \$350K–\$500K price range

Salt Lake City, UT

Young, fast-growing, and rate-sensitive area



“Salt Lake City’s youthful demographics and improving inventory make it one of the biggest beneficiaries of lower rates in 2026.”

Salt Lake City enters 2026 with renewed momentum after a challenging affordability stretch in 2021–2023. The region’s young population, one of the youngest in the nation, creates consistent demand for entry-level and mid-priced homes. And because many millennial and Gen Z households fell just below the affordability threshold during the high-rate period, a decline to 6% meaningfully expands the number of households who can buy.

Salt Lake City is also seeing one of its strongest improvements in new listings in years, particularly in the mid-market price bands where local demand is concentrated. Combined with strong employment growth across tech, healthcare, and professional services, the region is positioned to outperform the national recovery. Greater mobility among sellers will bring even more homes to market—unlocking long-delayed housing transitions.

Key highlights:

- ✓ **Nearly 25,000 additional households** in Salt Lake City would qualify for a median-priced home with mortgage rates easing to 6%
- ✓ **Millennial concentration above the national rate:**
40.9% of all households in the area
- ✓ **Strong income growth:**
6.5% higher than the previous year
- ✓ **Solid job gains:**
1.8% job growth from a year ago
- ✓ **Listings increasingly aligned with local incomes:**
20.7% higher than a year ago
- ✓ **Growth in mortgage originations:**
9.8% more originations in 2024

Market signals to watch:

- ✓ Young buyers respond quickly to lower rates.
- ✓ Inventory improving after years of tight supply.
- ✓ Strong job base in tech and manufacturing.
- ✓ Migration from West Coast markets stays elevated.

Spokane, WA

A Western market with more opportunities in 2026



“Spokane is one of the few Western metros where both affordability and inventory are trending in the right direction.”

After several years of rapid price increases driven by pandemic-era migration, Spokane is making improvements. Home prices have cooled relative to the highs of 2021–2022, and the market is seeing some of the most meaningful improvements in inventory alignment in the Western U.S., creating more opportunities for buyers that will boost sales activity in the area in 2026.

Demand remains strong, supported by relocators seeking affordability compared to Seattle, Portland, and major California metros. Spokane also benefits from favorable payment-to-rent ratios, making ownership more attractive for renters even at today's prices. As lower mortgage rates expand the qualified buyer pool, Spokane is set to outperform much of the West, offering REALTORS® more transaction activity in the coming year.

Key highlights:

- ✓ **9,500+ additional households**
in Spokane would qualify for a median-priced home with mortgage rates easing to 6%
- ✓ **Millennial concentration outpacing the national rate:**
34.3% of all households in the area
- ✓ **Strong income growth:**
15.8% higher than the previous year
- ✓ **Fewer price cuts than the national average:**
54.0% as of October 2025
- ✓ **Listings increasingly aligned with local incomes:**
5.3% higher than a year ago
- ✓ **Growth in mortgage originations:**
4.3% more originations in 2024

Market signals to watch:

- ✓ More balanced negotiations as price pressures ease
- ✓ Lower rates bringing more renters back into eligibility
- ✓ Continued inflow of Californian workers
- ✓ More affordable than nearby West Coast metros

What this means for REALTORS®

As mortgage rates ease and affordability gradually improves, 2026 will be a year defined not just by more qualified buyers but by how well local markets can meet those buyers where they are. The two forces shaping next year's demand, lower-rate eligibility gains and better alignment between inventory and local household incomes, will not impact all markets equally. For REALTORS®, this creates opportunities, but it also requires sharper local intelligence and more proactive client guidance.

Lower mortgage rates will lift millions of households back into the market, including many first-time buyers who had been completely priced out in 2023–2024. But the real differentiator will be whether the homes available for sale reflect what these newly qualified buyers can realistically afford. Markets that have been adding mid-priced inventory, or where price reductions have brought listings closer to local income levels, will see faster absorption, renewed buyer interest, and stronger transaction pipelines.

For REALTORS®, this means 2026 isn't simply "more sales." It's a year where the mix of inventory and the composition of the buyer pool finally realign, opening doors for new clients who were previously sitting on the sidelines.

5 Key Business-Intelligence Takeaways for REALTORS®

1. Expect meaningful but uneven demand.

Even with a 14% national increase in existing-home sales, the recovery will be concentrated in markets where affordability and incomes are re-converging. REALTORS® should lead with clarity about how their local market compares to national trends.

2. Target the new pool of rate-qualified buyers.

A 1-percentage-point rate drop benefits renters and younger households. Proactively reaching out to renters, high-earning millennials, and "near-qualified" households could yield strong results.

3. Price strategy matters more than ever.

Buyers remain highly payment-sensitive. Homes priced even 3–5% above the market will face longer days on market and deeper eventual reductions. REALTORS® who guide sellers to realistic pricing will secure faster sales and stronger final prices.

4. Inventory mix is becoming a competitive advantage.

In markets where builders are shifting toward mid-priced homes, or where sellers are adjusting prices, REALTORS® will find more buyers able to compete.

5. Migration patterns remain a driving force.

Southern and Mountain-West metros will continue to draw net-new households, as will many Midwestern metros. Understanding where your buyer pipeline originates will be essential.

So, REALTORS® are the interpreters of the local market. Consumers are overwhelmed by mixed signals: falling rates, rising prices, and uneven inventory. REALTORS® who provide clear explanations of how these forces interact locally will build trust quickly and win repeat business throughout 2026. Use the 10 indicators in this report to answer the question "Is my market getting better?" with confidence and rooted in data.

Housing Hot Spots for 2026

	Charleston, SC	Charlotte, NC-SC	Columbus, OH	Indianapolis, IN	Jacksonville, FL	Minneapolis-St. Paul, MN-WI	Raleigh, NC	Richmond, VA	Salt Lake City, UT	Spokane, WA	United States
1.Share of Millennial Households (2024)	36.0%	36.6%	37.5%	37.0%	34.2%	36.1%	37.7%	34.5%	40.9%	34.3%	33.0%
2.Change of Household Income (2023-2024)	6.0%	5.8%	7.2%	2.9%	6.5%	3.0%	6.3%	-1.0%	6.5%	15.8%	5.0%
3.Job Growth (Aug2024-Aug2025)	3.2%	2.5%	1.5%	1.1%	0.7%	0.8%	1.3%	2.1%	1.8%	-0.3%	0.6%
4.Lower Rates Impact: Share of additional households to afford (7% to 6%)	5.9%	4.8%	4.7%	4.9%	5.7%	5.4%	4.5%	4.8%	5.4%	4.0%	4.2%
5.Domestic Migration as share of the population (2024)	1.3%	0.8%	0.0%	0.1%	1.1%	0.0%	1.1%	0.5%	-0.6%	0.2%	
6. Share of Sales with Price Cuts (Jan-Oct 2025)	50.0%	66.9%	60.5%	63.3%	77.6%	47.0%	64.7%	43.8%	63.8%	54.0%	57.0%
7.a.Listings matching score (August 2025)	0.57	0.67	0.76	0.89	0.73	0.78	0.77	0.71	0.59	0.49	0.67
7.b.Y-o-Y Change in Score	9.1%	5.5%	-5.2%	2.2%	11.6%	1.1%	9.1%	4.5%	20.7%	5.3%	2.3%
8. Mortgage payment vs rent (%) 2024	16.8%	26.7%	19.0%	8.3%	15.5%	17.3%	41.2%	18.4%	59.7%	41.8%	19.3%
9. Change in Single-family permits (Aug 2024-Aug 2025)	-11.0%	-11.6%	1.1%	7.5%	-21.9%	5.3%	-7.5%	-7.1%	-4.0%	-8.6%	-4.5%
10. Change in Mortgage originations (2024)	1.0%	1.5%	2.5%	4.8%	-2.6%	5.7%	-0.1%	3.1%	9.8%	4.3%	2.0%

Notes:

For indicator 8, the median gross rent for a 3-bedroom unit was used.

Sources: NAR, realtor.com® U.S Census Bureau, U.S. Bureau of Labor Statistics, HMDA

Housing Hot Spots for 2026

Note:
✓ indicates that this area performs better than the national level

	Charleston, SC	Charlotte, NC-SC	Columbus, OH	Indianapolis, IN	Jacksonville, FL	Minneapolis-St. Paul, MN-WI	Raleigh, NC	Richmond, VA	Salt Lake City, UT	Spokane, WA
1.Share of Millennial Households (2024)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2.Change of Household Income (2023-2024)	✓	✓	✓		✓		✓		✓	✓
3.Job Growth (Aug2024-Aug2025)	✓	✓	✓	✓	✓	✓	✓	✓	✓	
4.Lower Rates Impact: Share of additional households to afford (7% to 6%)	✓	✓	✓	✓	✓	✓	✓	✓	✓	
5.Domestic Migration as share of the population (2024)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6. Share of Sales with Price Cuts (Jan-Oct 2025)	✓					✓		✓		✓
7.a.Listings matching score (August 2025) 7.b.Y-o-Y Change in Score	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8. Mortgage payment vs rent (%) 2024	✓		✓	✓	✓	✓		✓		
9. Change in Single-family permits (Aug 2024-Aug 2025)			✓	✓		✓			✓	
10. Change in Mortgage originations (2024)			✓	✓		✓		✓	✓	✓

Notes:

For indicator 8, the median gross rent for a 3-bedroom unit was used.

Sources: NAR, realtor.com®, U.S Census Bureau, U.S. Bureau of Labor Statistics, HMDA

Methodology

To identify the Top Housing Markets for 2026, NAR evaluated all U.S. metropolitan areas using a 10-factor scoring system designed to capture both the demand-side potential (buyers who are newly able to enter the market) and the supply-side readiness (inventory that aligns with local incomes). The goal was to highlight markets best positioned to outperform the national housing market in 2026.

1. National Benchmarking

Each metro was evaluated relative to the national average using U.S. values for all ten indicators. A metro needed to outperform the U.S. on at least six of the ten indicators to qualify.

2. Key 2026 Indicators Evaluated

The analysis includes the following ten metrics, sourced from Census ACS, BLS, Realtor.com, NAR internal affordability models, and mortgage market data from HMDA:

1. Share of Millennial Households (2024)
2. Household Income Growth (2023–2024)
3. Job Growth (Aug 2025 vs. Aug 2024)
4. Impact of Lower Rates (Increase in households who qualify when rates fall from 7% to 6%)
5. Domestic Migration as Share of Population (2024)
6. Share of Sales with Price Cuts (2025)
7. Listings-to-Income Alignment Score as of August 2025 and change in Listings-to-Income Alignment (YoY)
8. Mortgage Payment vs. Rent Ratio (2024)
9. Single-Family Permits Growth (12-month ending in Aug 2025 vs. a year ago)
10. Mortgage Originations Growth (2024 vs. 2023)

3. Weighting Scheme

Because 2026 demand will be driven by rate sensitivity and affordability re-alignment, the model applies higher weights to:

- Lower Rates Impact (Factor 4)
- Listings-to-Income Alignment (Factor 7)

These two variables were weighted most heavily because they are the key drivers of who can buy and whether markets have homes available to them.

Three additional high-impact factors received moderate weighting:

- Millennial share
- Domestic migration
- Payment-to-rent advantage

The remaining indicators received lower but meaningful weights.

4. Standardization

To ensure comparability across metros, each indicator was standardized to reduce the influence of extreme outliers.

5. Selection of Top Markets

- Only metros with a population > 250,000 were considered for the final Top Market list
- Metros passing the 5-indicator threshold and achieving the strong composite scores were selected as the Top Markets for 2026
- Beyond the numeric ranking, NAR also considered:
 - Market sustainability
 - Avoiding clusters of similar metros to ensure geographic and market diversity

This approach allows the Top Market list to reflect both analytical rigor and meaningful on-the-ground opportunities.



About the National Association of Realtors®

As America's largest trade association, the National Association of Realtors® is involved in all aspects of residential and commercial real estate. The term Realtor® is a registered collective membership mark that identifies a real estate professional who is a member of the National Association of Realtors® and subscribes to its strict Code of Ethics. For free consumer guides about navigating the homebuying and selling transaction processes – from written buyer agreements to negotiating compensation – visit facts.realtor.

NATIONAL ASSOCIATION OF REALTORS® RESEARCH GROUP

The mission of the NATIONAL ASSOCIATION OF REALTORS® Research Group is to produce timely, data-driven market analysis and authoritative business intelligence to serve members, and inform consumers, policymakers and the media in a professional and accessible manner.

To find out about other products from NAR's Research Group, visit www.nar.realtor/research-and-statistics

500 New Jersey Avenue, NW
Washington, DC 20001
202.383.1000

©2025 National Association of REALTORS®

All Rights Reserved. May not be reprinted in whole or in part without permission of the National Association of REALTORS®.

For questions about this report or reprint information, contact data@realtors.org.