



2026

Housing Market Forecast



KEEPING CURRENT MATTERS

What Should You Expect in 2026?

Let's be honest – 2025 tested a lot of agents. Affordability pressures and economic uncertainty didn't just slow the market. They slowed conversations, dinged confidence, and stalled momentum.

So, it's fair to ask: ***What's going to happen next? Will 2026 be any better? Or are we in for more of the same?***

Here's what the data says. More people are expected to move in 2026. Not because it will suddenly become *easy*, but because conditions are improving in a way that will help more buyers and sellers feel ready to get back in the market.

That means more real opportunities to help clients, if you're ready.

And that's the key difference. 2026 isn't about waiting for the market to turn a corner for you. It's about how you show up in a market that's slowly unlocking, and how you step into it.

Rates are lower than they were for most of last year. Inventory is rising. And price growth is moderating. Together, those shifts are easing affordability and creating openings for agents who know how to explain what's changing and how the market is rebalancing in 2026.

The agents who win will be the ones who stay visible, stay relevant, and lead with clarity. That's where this guide comes in. It gives you the insights you need to start better conversations, reset expectations, and stay top-of-mind with clients who are quietly getting closer to making a move.



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

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

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

Steve Harney

Founder, Keeping Current Matters

Will Home Prices Fall?

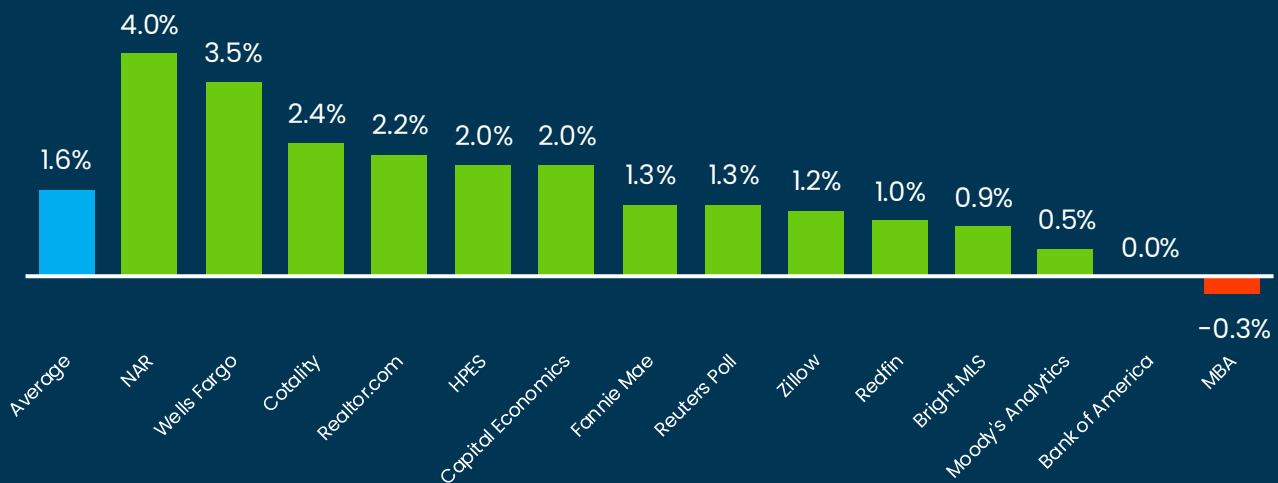
A lot of people in your database are hearing that prices are going to come crashing down. And they're either waiting to buy because they're scared of that or they're hoping for it (because they want prices to come down before they buy). One way to win more business is by showing people a crash isn't in the cards.

While home prices are going to vary by local area, nationally, most experts agree they aren't expected to fall in 2026. In most places, prices will continue to rise (as they usually do) or remain relatively flat. And the reason why is simple.

As more homes hit the market, there's going to be less upward pressure on home prices. The result? The pace of price growth will slow down. But that doesn't mean prices will fall. While some more pessimistic forecasters are calling for *very slight declines*, the majority expect positive price gains (see graph below):

Expect Moderate Home Price Growth in 2026

Percent Change, Forecasts



The average of these leading forecasts shows prices will rise by about 1.6% this year. Keep in mind, though, this is going to vary based on where you are. Some markets will see even more price growth. Some less. And some will have relatively flat movement. Even in 2025, we already saw prices declining in select markets. So, the conversation can be complicated – but don't shy away from it.

What you need to be able to explain is that, some markets did see prices dip last year. And those are the places where prices rose too high, too fast during the pandemic housing boom. There was always going to be a cooling period in those spots. And that's what we're seeing. Not a pre-cursor to a crash.

2026 HOUSING MARKET FORECAST

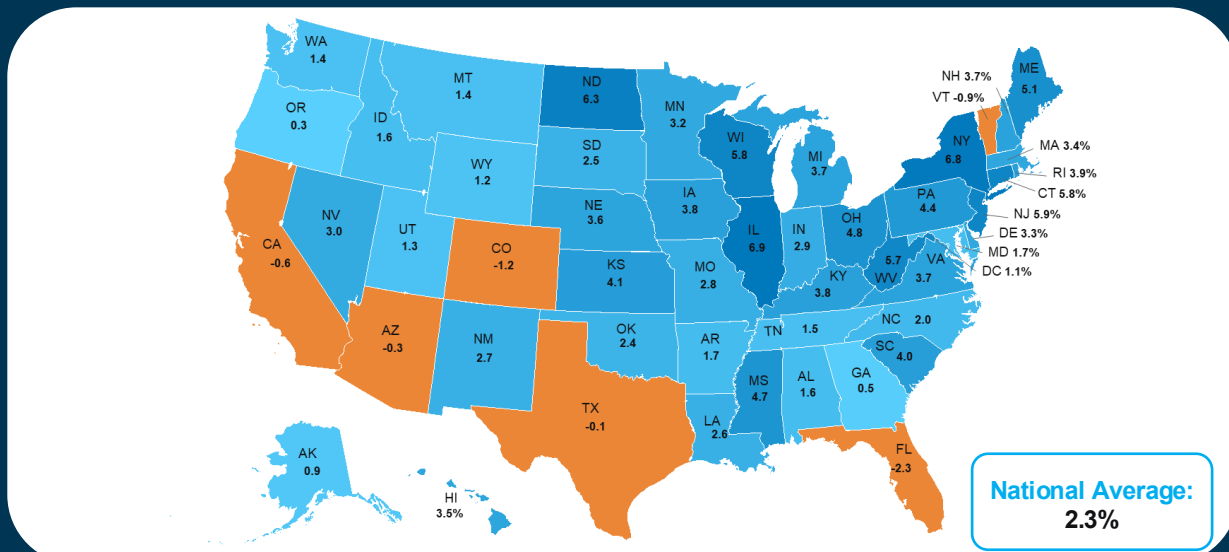
So, what's your move? Use powerful visuals to drive this point home, like the map below. It tells a few important stories.

1. Most states are seeing prices rise, not fall (*see the blue*). That's why, nationally, prices went up by just over 2% year-over-year.
2. The few states where prices are falling? The declines are minor, with a range of -0.1 to roughly -2% (*see the orange*). It's not widespread. And it's nowhere near enough to pull prices down on a national scale.

Not to mention, those *slight* dips are more than offset by the way home prices rose over the past few years. According to the FHFA, **prices are up 48.5% compared to just five years ago**. So, a -0.1 to 2% decline in some cities is easily absorbed. If this map went back 5 years, it would be all blue and almost all states would have double digit gains.

Home Price Growth Varies by Location

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



Source: FHFA

Headlines are always going to draw attention to the negative – because negative news sells. **It's your job to provide the facts.** So, if you're talking to someone who's afraid to move because of the headlines about prices falling, or they're delaying their plans hoping to score a better deal, this is the conversation you need to have.

When you use your expertise to provide the full context, you can ease their fears. But it doesn't stop there. Use the national narrative to fight what they're hearing in the headlines. Then, further prove your value by layering in local data from KCM about what's happening in your market. **That way, you're showing up as the expert who can answer their questions from all possible angles.**

And when someone asks, "Will home prices fall in 2026?," you'll be ready to answer with an informed opinion based upon facts you can back up with research vetted by a team you can trust. That's the power of KCM.

Will Mortgage Rates Come Down?

Rates are one of the biggest sticking points keeping people on the sidelines right now. Knowing how to speak to what's changed with rates and how that helps buyers is going to be key in 2026.

Chances are, in pretty much every conversation you've had lately, someone's said: *"I'm going to wait for mortgage rates to come down."* Here's what you need to know to confidently guide those conversations, shift the focus back to what really matters, and help serious buyers take the next step.

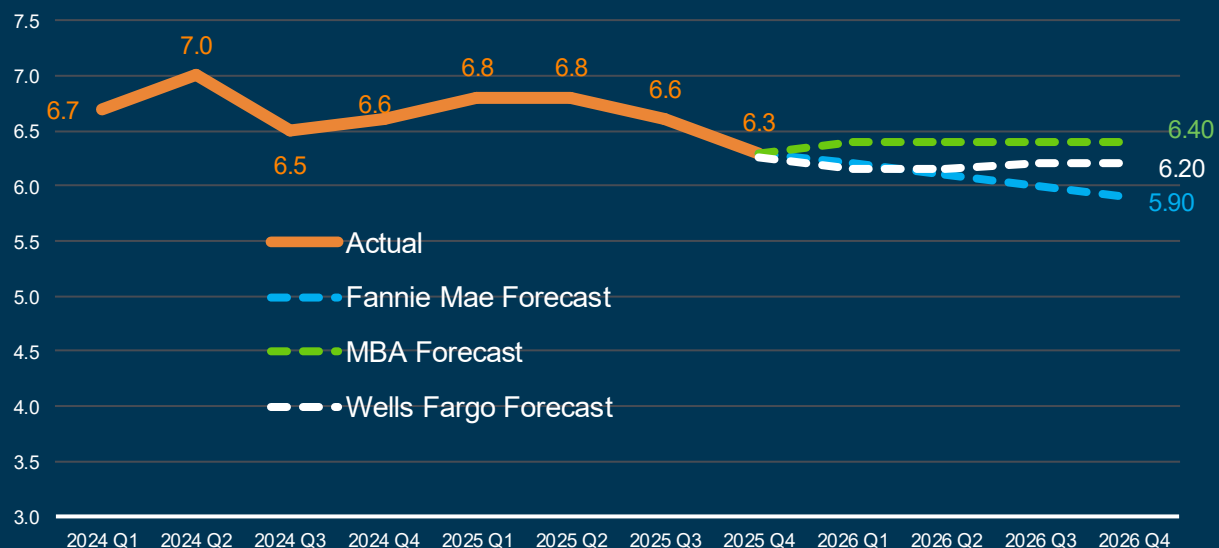
The Latest Rate Forecasts (and How To Explain Them)

While experts don't anticipate rates will go back to the 3-4% range we saw just a few years ago, that doesn't mean it's all bad news. In fact, the past year has actually shown a lot of improvement on the rates front – and odds are your clients don't realize just how much has changed.

Here's the perspective you need to highlight when talking to people. Compared to May 2025, they're already down almost a full percentage point. And expert forecasts show rates will stay pretty much where they are now throughout 2026.

Mortgage Rate Projections

30-Year Fixed Rate & Projections



How To Reframe the Conversation

To the typical consumer, that may not sound like a big deal. So, you've got to walk them through why this is so important in ways that make sense to them. They **don't** necessarily need to understand the ins and outs of why rates move or how the economy impacts borrowing costs, but they **do** need to understand the dollars and cents of their move – **and how much affordability has already started to improve.**

So, to drive home just how much things have changed, explain how this has given them more buying power.

Show your prospects how changing mortgage rates impact their purchasing power with our [interactive and customizable tool](#). It breaks down how monthly mortgage payments (principal and interest) rise and fall based on even a small quarter-point change in rates.

When you can put real numbers into the conversation, your clients can see and truly understand the impact.

A KCM membership will equip you with other ways to show how rate changes benefit buyers too. For example, the social visuals on the right. Using data to show the typical payment has dropped by hundreds of dollars a month can have a big effect on any buyer stuck in “wait and see” mode.

Sharing the latest updates on rates positions you as the true, trusted expert. Of course, there's one big caveat you can't forget to mention. These projections are based on what the experts know right now. And they're going to shift as the economy does too.

There's a chance they come down more. But the bottom line is simple: rates may have already come down enough to make a real difference for your clients. Make sure they see the savings already up for grabs and stress just how much affordability has already improved. That could completely change the conversation.



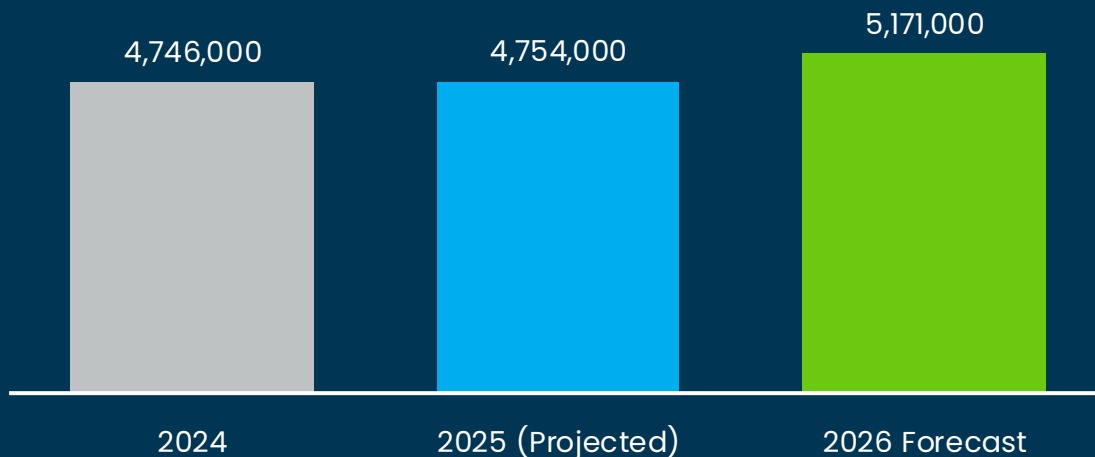
Will More Homes Sell?

The last two years have seen some of the fewest number of homes sold in a decade. And even with the inventory growth we saw in 2025, it didn't really translate into that many more sales – yet. So, will activity pick up, or are we in for more of the same?

Based on the latest forecasts, more transactions are expected in 2026, and that means more business for you. Experts are saying we'll sell more houses this year – and that's a really good thing (see graph below):

More Homes Are Expected To Sell Than the Last 2 Years

Total Home Sales Forecasts



So, what's setting us up for a better year? There are a few factors at play. We already talked about how mortgage rates have come down. Inventory is also expected to increase at the same time. In 2025, inventory grew by 15% according to *Realtor.com*. In 2026, it'll **rise by another 8.9%**. This adds more options to the market and will help ease some of the upward pressure on prices.

Lower rates + more homes on the market + slower price growth = better affordability.

This combo gives affordability a real boost. While it's not enough to suddenly change the game, it's slow and steady progress in the right direction. And it'll help some buyers feel ready to re-enter the market. It'll also make it easier for homeowners who need to move finally take the plunge.

The real question is, how many of those transactions are going to be yours? That's up to you. You can choose to let the market and ongoing uncertainty be an excuse. Or, you can choose to double down and make moves happen. Because the potential for more business is there, you just need to know how to find it.

How To Turn These Insights **into Action**

The housing market is always shifting, and we're all feeling that right now. The re-balancing that's happening today requires new strategies and high-impact conversations that consistently engage your database. So, here's what you need to remember going into this year:

- The real estate business has changed forever.
- What worked in the past won't work today (or tomorrow).
- You need skills for this new market reality.

The fact of the matter is, agents who can't show consumers they have the knowledge, insights, and skillset to navigate the roadblocks buyers and sellers in today's market are facing will struggle.

To be successful, you need a strategy in place. But that strategy is going to look a lot different than the one agents used even a few years ago.

Because what clients really want is someone who can...

- **Anticipate their concerns** and reach out at the right time with the right information.
- **Listen to their needs** and meet them where they are.
- **Connect the dots** and let them know if now is a good time to buy or the right time to sell.
- **Take the time to explain** their options – simply and effectively.

That's why it's critical to get specific on your goals, stay up-to-date on national and local market data, and be able to explain what's happening – and why it matters – to your database. Have the hard conversations. Pick up the phone and dial. Knock on doors. Do what it takes.

And remember, it's more than just explaining the information. **It's having the right conversations, at the right moment.**

It's knowing what pain points people have and the message your database needs to hear the most right now.

It's not waiting on them to ask you the question. It's being ready, willing, and able to get one step ahead by reaching out to them before they ever ask it.

Anticipate their needs, know what they're thinking, come to the table with solutions, and back it all up with visuals and data from expert sources and it'll be easy to build relationships that last.

Right now, you have a choice as you plan for the year ahead:

1. You can approach the year with a **glass half empty** mindset and let the challenges get the best of you.
2. Or, you can kick things off with a **get-after-it attitude** and make things happen in your business.

Your answer will shape your 2026.

2026 HOUSING MARKET FORECAST

Now let's talk more about the best strategy to make this a better year. In order to know whether you're ready to deliver for your clients and prospects, ask yourself three questions:

- **Do I know *what* is truly happening in the local and national market?**
- **Do I know *why* it's happening?**
- **Can I simply and effectively *explain* this to my clients?**

When you get them to that point, you're no longer telling them it's okay to buy or sell. Now they know it's okay because they know exactly why – and they trust you to help them make it happen.

Starting conversations about what's happening and, more importantly, why it's happening, will make you an expert and a trusted advisor.

When you're sitting with someone and going over their options, do more than just talk to them – listen to them and meet them where they are. Hear their concerns, their fears, their hesitations, and even their dreams. Then you can help them based on their unique needs. Be that person they can count on. The one that gets it – and gets them.

Let them know that although the market is complex right now, you have their back. And that's the entire reason you're so invested in keeping up with what's going on nationally and locally, so you can peel back the layers and explain how it relates to their specific situation.

When you get them to that point, you're no longer telling them it's okay to buy or sell. Now they know it's okay because they understand exactly why – and they trust you to help them make it happen. It's what enables a buyer or seller to say, *"I'm going to have the courage to move forward. I'm no longer afraid of making a decision."*

Don't let today's complex market deflate your drive or stop your conversations. Step into the year with the confidence that you've invested in the right tools (like KCM) to navigate industry curveballs and come out on top.



Turn Conversations into Deals with This System

All of the information laid out in this guide gives you the insights into what the experts say is ahead for the year, and how to approach and overcome objections with your database. But what do you actually say? And what's the best way to have high-impact conversations?

Members of Keeping Current Matters have a proven system that turns your contacts into contracts. It's called [KCM Playbooks](#). **With Playbooks, you get:**

- The **exact emails, texts, and social posts** top-producing agents use to close more deals
- **Market data** to have conversations that explain what's happening now
- **Step-by-step daily actions** that take 5-10 minutes
- **Proven templates** that don't sound pushy or "salesy"

1 step completed

- ✓ Warm-Up Email
- 📺 Video To Record
Due Today
- 📞 Follow-Up Calls
Due Today
- 💬 Texts & DMs
Due in 1 day
- 📱 Social Post
Due in 2 days

Completed

Take Action

Upcoming

Upcoming

Upcoming

Subject Line: What would you do with an extra \$50,000?

Name],

, really?

actly what a lot of my clients are asking after I showed them how much additional we've built up over the last 5 years... just by living in their house.

the #1 Day 10 Step 1: Warm-Up Email

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You can use the data from the map in the attached blog to update how much home prices have risen in your state in the copy below.

I would Subject: A Surprising Stat About Your Home

See it | Hey (First Name),

Hiand. Quick question: Do you know how much equity you've gained in your home?

Well yf If not, you're not alone. Most homeowners seriously underestimate how much the value of their home has gone up. And to be honest... the numbers might shock you.

out th

You see, home prices have risen by 37% over the past 5 years.

Q&A

WHAT SHOULD YOU EXPECT FROM THE 2026 HOUSING MARKET?

Head to mykcm.com/playbooks to get the latest Playbooks on the most important conversations you need to have right now.

****Expert and Elite plans only***

"I used KCM Playbooks for just seven days and got three listing appointments—one's already about to go live!"



Melissa Zimmerman
Berkshire Hathaway