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INSPECTORS TRAINING

By The CE Shop

Q1 2026

Quarterly Real Estate Market Report

What market changes could we see in the first quarter of 2026?





U.S. Real Estate Market Snapshot – January 2026

Median List Price

\$415,000

Down 0.4% year over year.

Source: [Realtor.com](https://www.realtor.com), November 2025 Market Report



Average Mortgage Payment

\$1,778

With 20% down. Down 1.8% year over year.

Source: [Zillow.com](https://www.zillow.com), October 2025 Housing Market Report



Average Home Value

\$362,117

Up 0.1% year over year.

Source: [Zillow.com](https://www.zillow.com), October 2025 U.S. Housing Market Report



Existing Home Sales Projection

4.26 million in 2026

Up 4.3% from 2025's projected total.

Source: [Zillow.com](https://www.zillow.com), 2026 Housing Market Predictions



New Construction Starts

Down 5% from last year

May be the slowest year for single-family home construction starts since 2019.

Source: [Zillow.com](https://www.zillow.com), 2026 Housing Market Predictions



Existing Home Sales: Month's Supply

4.4 months

Up 0.3 months from last year.

Source: [Federal Reserve Bank of St. Louis \(FRED®\)](https://www.federalreserve.gov),
National Association of REALTORS®, November 2025



List Price Reductions

18% of listings had a price cut

Up 1.3 percentage points YoY

Source: [Realtor.com](https://www.realtor.com), November 2025 Market Report



Average 30-Year Fixed Mortgage Rate

6.3%

The Fed cut rates 0.25% in December.

Source: [Realtor.com](https://www.realtor.com), 2026 National Housing Forecast



Average Days on Market

64 days

3 days longer than a year ago.

Source: [Realtor.com](https://www.realtor.com), November 2025 Market Report



Average Buyer Down Payment

9%

For first-time homebuyers.

Source: [Forbes.com](https://www.forbes.com), August 2025





What These Insights Mean for Real Estate Pros

The CE Shop Director of Real Estate Services Experts **Michelle White** shares her insights on the current market and where it could be headed in 2026, with an emphasis on the shift to a more balanced market.



1 Homebuyers Have Affordability Concerns

Between credit card, FHA, and auto loan delinquencies, it is clear affordability is a major issue for many Americans. And for many households, health insurance will soon cost as much as a mortgage payment, putting pressure on many middle and lower-income buyers.

Michelle says: “Affordability is still an issue, but there are big changes in the works. In 2026, we have to look at new legislation being proposed in some states to eliminate property tax. We will also see a change in the credit scoring models and pricing in 2026. This is a big shift from the traditional credit scoring we use now. There are also big changes coming for appraisers that may impact home values somewhat. These changes will trickle down early in the year and start to make an impact towards the end of the year.”

Dig Deeper: Download our [Creative Financing Options Cheat Sheet](#) and share with your clients.

2 Sales Are Still Taking Longer

Homes are lingering on the market for around 64 days, meaning real estate professionals have unique opportunities to adjust their workflow. Agents can use this time to target digital marketing efforts for their listings. MLOs should help buyers get fully prepared with their financing, while appraisers factor extended market times into their analysis. For home inspectors, the power is shifting back to the buyer, who may wish to attend a home inspection and may request clarity on big-ticket issues.

Dig Deeper: Brush up on essential sales knowledge and tech so you’re equipped for any amount of time on the market: [Sales Skill Builder Program | The CE Shop](#)

3 Buyers Are Gaining Some Power

Forecasts for 2026 point to modest price growth (around 1-2%) and slightly higher sales, not a boom. Combined with rising incomes and slower price growth, this should make housing incrementally more affordable — but buyers remember the last few years and are still cautious.

Michelle shares, “These factors could help reset the market and could lead, somewhere down the line, to a return to a balanced market or even a buyers' market.”

Dig Deeper: [Homeownership Is Achievable: How to Educate Your Network and Become a Go-To Advocate](#)

4 Mortgage Rates Lower, Mortgage Payments Still High

Rates are expected to stay at and just above 6% for the beginning of 2026, even after the Federal Reserve cut its benchmark rate in December 2025. Still, the typical monthly payment is nearly double pre-pandemic levels, though it reflects a 1.8% drop year-over-year. Roughly 80% of mortgage borrowers have locked in rates below 6%, which keeps many would-be sellers on the sidelines and limits inventory from existing homes.

Dig Deeper: Brush up on [10 Questions Every MLO Should Be Ready to Answer](#)

5 “The Great Housing Reset” Is on Its Way

With national list prices barely higher than they were last year, and about 1 in 5 listings seeing a price cut (according to [Fox Business](#)), buyers have more leverage than they did in 2021-2022 markets. All of this could lead to the big shift we’ve all been waiting for.

Michelle says, “Redfin and others in the industry are using the term ‘The Great Housing Reset.’ The housing market has been in quite a state since COVID. It has to reset sometime. I think that time is now.”

Dig Deeper: Boost your buyer-side expertise: [Buyer Representation Package](#) | [The CE Shop](#)





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Success in today's ever-evolving real estate industry depends on staying sharp, informed, and prepared for what's next. Whether you're an agent, mortgage loan originator, home inspector, or real property appraiser, The CE Shop is here to support your growth.

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- Competitive and ready to thrive in any type of market

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