

US RESIDENTIAL REAL ESTATE MARKET REPORT

-October 2026

October Marks the First Month in 3 Years With a Decline in U.S. Home-Sale Prices

The U.S. housing market saw a notable shift in October, as home-sale prices declined for the first time in more than three years. Higher mortgage rates, weakening buyer demand, and growing inventory are putting increasing pressure on the market, giving buyers more negotiating power.

The median U.S. home-sale price fell 0.4% year over year to $388,634, marking the first annual decline since May 2023. This represents a sharp slowdown from the 2.5% price increase recorded just two months earlier. With wages still growing, even a modest decline in home prices could provide some relief for buyers struggling with affordability.

Home Prices Decline for the First Time in More Than 3 Years

The national median home-sale price fell 0.4% year over year in October to $388,634. While the decline is relatively modest, it marks a turning point after three consecutive years of annual price increases.

With inventory at its highest level since early 2020 and buyer demand weakening, sellers are facing more competition and buyers are gaining greater negotiating power. Homes are increasingly selling below their original asking prices, and price reductions are becoming more common.

Home-Sale Prices Decline For First Time in Over 3 Years

Year-over-year change in median U.S. home-sale price



Home Prices Still Rising in Some Markets, Led by San Francisco

Although prices declined nationally, more than half of the 50 largest U.S. metro areas recorded annual price increases in October.

San Francisco led the country with a 16.8% year-over-year increase, its largest gain since 2018. New Brunswick, New Jersey, followed with a 7.7% increase, while New York City and Nassau County both recorded 4.4% gains.

In San Francisco, strong demand tied to AI-related wealth is contributing to competition for limited housing inventory, with active listings down 7% year over year. In the New York metro area, limited housing construction and a strong employment base continue to support prices.

On the other hand, prices declined most in Austin, Texas (-6.5%), Seattle (-5.1%), and Nashville, Tennessee (-4.9%). Weak demand, affordability challenges, and uncertainty in some local job markets are contributing to these declines.

Pending Home Sales Drop to Their Lowest Level Since 2013

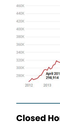
Pending home sales fell 3.8% month over month in October to 300,430, their lowest level since 2013, excluding the pandemic-related freeze in April 2020.

Mortgage rates averaged 7.33% during October, up from 6.86% in September and reaching a three-year high. Higher borrowing costs are making monthly payments more expensive and keeping many prospective buyers out of the market.

Pending sales declined across all 50 major metro areas for the second consecutive month, reflecting widespread weakness in buyer demand.

Pending Sales Fall to Lowest Level in 13 Years, Except Pandemic Freeze

Number of U.S. pending home sales, seasonally adjusted



Closed Home Sales Fall to Their Lowest Level Since 2023

Closed home sales declined 2.1% month over month in October to 274,987, their lowest level since December 2023. Before that, sales had not fallen to this level since 2014.

Many October closings originated from contracts signed during August and September, when mortgage rates were already rising and economic uncertainty was weighing on buyers. The decline in closed sales reflects the continued slowdown in housing activity.

Closed Home Sales Sink to Lowest Level Since 2023

Number of U.S. homes sold, seasonally adjusted



Housing Supply Reaches Its Highest Level Since 2020

Total homes for sale increased 0.9% month over month in October to 1,526,984, the highest level since early 2020. This marks the largest monthly increase since May 2025.

Growing inventory gives buyers more options, reduces competition, and creates more opportunities to negotiate on price and terms. As demand weakens, homes are increasingly taking longer to sell and sellers are having to adjust their expectations.

Total Housing Supply Hits Highest Level in 6 Years

Total number of U.S. homes actively listed, seasonally adjusted



Buyers Gain More Negotiating Power

With inventory rising and demand weakening, buyers are gaining leverage in negotiations:

- 61% of homes sold below their original asking price in October.
- 36% of homes had at least one price reduction, the highest share on record.
- 14.9% of pending sales fell out of contract, the highest share outside the pandemic-related spike in March and April 2020.

Buyers are increasingly cautious about mortgage rates, economic conditions, and monthly payments. With more homes available, they can be selective and negotiate for lower prices, closing-cost assistance, repairs, or mortgage-rate buydowns.

Move-in-ready homes in highly desirable neighborhoods can still attract strong competition, but many sellers are facing a more challenging environment.

New Listings Decline as Sellers Pull Back

Despite rising total inventory, new listings fell 1% month over month to 372,431, the lowest level in more than two years.

Some potential sellers are holding back as prices lose momentum and demand slows. This is creating a market where existing inventory continues to accumulate even as fewer homeowners bring new properties to market.

New Listings Are Declining

New listings of U.S. homes for sale, seasonally adjusted



October 2026 Metro-Level Highlights

	August 2026	MoM Change	YoY Change
Median sale price	$388,634	n/a	-0.4%
Existing-home sales, seasonally adjusted annual rate	4,090,233	-1.7%	-6.8%
Pending home sales	300,430	-3.8%	-19.1%
Homes sold	274,987	-2.1%	-6.7%
New listings	372,431	-1%	-3.9%
Total homes for sale (active listings)	1,526,984	0.9%	2%
Months of supply	4.3	0.1 pt.	0.5 pts.
Median days on market	50	Unchanged	1
Share of homes sold below original list price	61%	0.2 pts.	0.2 pts.
Average sale-to-original list price ratio	96.1%	-0.1 pts.	-0.1 pts.
Pending sales that fell out of contract, as % of all pending sales	14.9%	0.2 pts.	+1.8 pts.
Monthly average 30-year fixed mortgage rate	7.33%	0.47 pts.	+1.08 pts.

October 2026 Metro-Level Highlights

Metro-level data is based on the 50 most populous U.S. metropolitan areas. All changes represent year-over-year changes.

Price Growth Leaders

- **San Francisco, CA: +16.8%**
- **New Brunswick, NJ: +7.7%**
- **Pittsburgh, PA: +6.5%**

Largest Price Declines

- **Austin, TX: -6.5%**
- **Seattle, WA: -5.1%**
- **Nashville, TN: -4.9%**

Pending Sales Increases

- **No major metro recorded an increase in pending sales in October.**

Biggest Pending Sales Declines

- **Seattle, WA: -38.7%**
- **San Diego, CA: -26.6%**
- **Denver, CO: -24.2%**

Smallest Pending Sales Declines

- **Newark, NJ: -6.0%**
- **Pittsburgh, PA: -5.0%**
- **West Palm Beach, FL: -5.8%**

Closed Sales Gains

- **Montgomery County, PA: +3.3%**

Biggest Closed Sales Declines

- **Detroit, MI: -17.9%**
- **Seattle, WA: -15.4%**
- **Dallas, TX: -15.4%**

New Listings Increases

- **San Jose, CA: +15.4%**
- **Seattle, WA: +12.3%**
- **Montgomery County, PA: +8.9%**

Largest New Listings Declines

- **San Antonio, TX: -17.6%**
- **Dallas, TX: - 9.0%**
- **Portland, OR: -8.6%**

Active Listings Increases

- **San Jose, CA: +22.5%**
- **Seattle, WA: +22.3%**
- **Boston, MA: +20.3%**

Largest Active Listings Declines

- **Fort Lauderdale, FL: -13.5%**
- **West Palm Beach, FL: -12.4%**
- **Jacksonville, FL: -11.9%**

Days on Market Decreases

- **Fort Lauderdale, FL: -18 days**
- **West Palm Beach, FL: -15 days**
- **Jacksonville, FL: -14 days**

Days on Market Increases

- **Tampa, FL: +21 days**
- **Orlando, FL: +9 days**
- **Indianapolis, IN: +7 days**