August 12, 2026

**Economic Report:** Atlanta's Luxury Housing Market and the Upper "K"

**FMLS Market Intel Report**

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August 2026

## Executive Summary

The housing market continues to demonstrate a pronounced **"K-shaped" recovery**, with sharply different conditions across price segments. Affordability challenges—including elevated mortgage rates, home prices significantly above pre-pandemic levels, slower income growth, and subdued new construction—continue to constrain much of the market.

At the upper end, however, conditions remain notably stronger. National data and the latest FMLS statistics indicate that luxury buyers continue to support sales and price growth despite broader economic and policy uncertainty. Atlanta is particularly well positioned, combining relative luxury affordability with a large population, low unemployment, substantial housing wealth, and strong appeal to both local and out-of-state buyers.

## The K-Shaped Housing Market

For approximately four years, the broader housing market has faced significant affordability pressures. Several factors have contributed:

- Elevated mortgage rates
- Home prices at least 50% above pre-pandemic levels
- Household incomes that have not kept pace with home-price appreciation
- Subdued levels of new construction

Together, these conditions have created a historic affordability challenge, particularly for first-time and entry-level buyers.

The experience at the upper end of the market is markedly different. According to the National Association of Realtors (NAR), June sales of homes priced above **$1 million increased 18% year over year**, representing the strongest gain of any price segment.

This divergence is also reflected in Zillow's characterization of the market as a **"tale of two markets,"** with luxury demand strengthening while affordability pressures weigh heavily on starter-home buyers.

## Atlanta Luxury Market Performance

FMLS data confirms continued strength in metro Atlanta's luxury housing sector. In July, properties priced above $1 million recorded:

| Metric | July Performance |
|---|---:|
| Closed sales | **397** |
| Year-over-year sales change | **+14.1%** |
| Median sales price | **$1.327 million** |
| Median price change | **+1.1%** |
| Average sales price | **$1.670 million** |
| Average price change | **+4.5%** |
| Homes for sale | **+7.4% YoY** |

These results contrast with activity in lower price tiers, where sales, inventory, and prices are generally trailing year-ago levels.

The luxury segment has not been completely insulated from economic uncertainty, changing policies, or broader housing-market trends. Nevertheless, it continues to demonstrate significant resilience despite the hesitancy and indecision affecting other portions of the market.

Atlanta's luxury submarkets remain attractive to affluent buyers from both within the region and outside Georgia.

## Atlanta Enters the Top 10 Luxury Markets

The latest quarterly **Realtor.com and Wall Street Journal Luxury Housing Market Ranking** placed the **Atlanta–Sandy Springs–Roswell metro area ninth nationally**, marking Atlanta's first appearance in the top 10.

Atlanta distinguishes itself from many other highly ranked luxury markets in several important ways:

- **Population:** Approximately 6.5 million, making Atlanta the largest metro by population among the ranked markets
- **Unemployment:** 3.4%, the second-lowest unemployment rate in the group

- **Luxury price threshold:** Approximately **$990,000**, the lowest luxury-home price point among the ranked markets, with luxury defined as properties at or above the 90th percentile

This combination gives Atlanta a distinctive luxury proposition. Buyers can access high-end housing at a lower entry point than in many competing luxury markets while benefiting from the amenities, employment base, connectivity, and economic scale of a major metropolitan area.

Atlanta also offers an extensive upper-luxury tier closer to the urban core. Communities including **Buckhead, Ansley Park, and Druid Hills** provide premium properties for buyers seeking exceptional homes with greater proximity to central Atlanta.

## The Economic Power of the Upper “K”

The K-shaped economy can be viewed as bottom-heavy, with roughly **80% of households comprising the lower portion of the “K” and 20% occupying the upper portion**.

Upper-K households are more likely to be existing homeowners benefiting from record levels of real estate wealth and strong investment portfolios. According to Moody's, these households are responsible for approximately **two-thirds of consumer spending**, giving them an outsized role in supporting both the luxury housing sector and the broader economy.

Their financial position also makes them less sensitive to mortgage-rate fluctuations.

Cash purchases illustrate this advantage. Realtor.com reported that nationally, **approximately half of homes sold for more than $2 million last year were purchased without financing**. This suggests that liquidity has become an increasingly important competitive advantage in the current housing cycle.

## Market Outlook

The divergence between luxury and lower-priced housing is likely to remain an important theme for real estate professionals through the remainder of 2026.

Atlanta's luxury sector enters the second half of the year with several advantages: resilient demand, rising sales, continued price appreciation, growing inventory, relative affordability compared with competing luxury metros, and a substantial base of financially strong buyers.

For real estate professionals, the data reinforces the importance of looking beyond broad market headlines. Conditions can vary significantly by price point, location, and buyer profile, and Atlanta's upper-end market continues to demonstrate considerably greater momentum than many lower-priced segments.

## 2026 FMLS/Atlanta Realtors Showcase

Additional insight into expectations for home sales, prices, mortgage rates, and other market trends during the second half of 2026 will be featured at the **FMLS/Atlanta Realtors 2026 Showcase**.

**Date:** Thursday, August 20, 2026
**Time:** 11:00 a.m.–3:00 p.m.
**Location:** Coca-Cola Roxy at The Battery Atlanta
**Theme:** *A World of Opportunity*

The event will explore Atlanta's position on the global stage and its international partnerships while providing attendees opportunities to hear from expert speakers and connect with community partners, vendors, and industry peers.

Tickets and additional information are available through the Atlanta Realtors Association event page.

## Conclusion

The latest market data provides another clear example of the K-shaped housing economy. Affordability pressures continue to constrain a large portion of American households, while affluent consumers—with substantial home equity, investment wealth, and access to cash—remain active.

Atlanta is benefiting from this dynamic. Strong luxury sales, continued price gains, relative affordability, and national recognition as a top-performing luxury market demonstrate the resilience of the region's upper-end housing sector.

For the latest Atlanta housing statistics and local-market resources, visit **Market Intelligence on the FirstMLS.com website**, where market data is updated weekly.