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Economic Report: Insights into Today's Housing Market

FMLS Market Intel Report

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Executive Summary

With January 2026 data now in, the Greater Atlanta housing market is entering the year in a state best described as *cautious optimism*. While conditions such as slower price appreciation, stronger income growth, and expanded inventory were expected to support increased sales activity in 2026, early indicators suggest that momentum remains fragile. Both national and local data point to softer demand, elevated uncertainty, and a pronounced imbalance between sellers and buyers.

National Context

The National Association of REALTORS® (NAR) pending home sales report for December underscores the cautious tone of the market. Pending sales declined **9.3% month-over-month**, with decreases recorded in every U.S. region. On a year-over-year basis, pending sales were down **3%**. Whether this represents a one-month anomaly or the beginning of a broader trend remains to be seen, but the data reinforce the need for tempered expectations as the year begins.

January results for the Greater Atlanta market were, candidly, disappointing.

- **Closed Sales:** Atlanta recorded **2,079 closed sales**, a decline of **11.3%** compared to January 2025. This is the lowest January sales total since at least 2013.
- **Inventory:** Active inventory increased **6.7% year-over-year**. While the pace of growth has slowed, inventory levels are approaching pre-pandemic norms.
- **Months of Supply:** Supply rose to **3.3 months**, the highest January level in the past 10 years, indicating slower market momentum.

- **Days on Market:** Average days on market increased to **39 days**, also the highest for a January in a decade.
- **Pricing:** The average sales price for Greater Atlanta reached **\$545,580**, up **3.3% year-over-year**, reflecting moderate price appreciation.
- **Pending Sales:** Pending transactions declined **6% year-over-year**, closely mirroring national trends.

Late in the month, *Winter Storm Fern* affected large portions of the South and East Coast. In typical Atlanta fashion, the anticipation of severe winter weather had a greater impact than the storm itself. While snowfall and low temperatures were relatively mild, disruptions likely delayed some listings, showings, and closings. As a result, January activity may understate underlying demand to a limited degree.

A defining feature of today's market is the growing disparity between the number of sellers and buyers.

Redfin, which has tracked these metrics since 2013, reported that in **December 2025**:

- Nationwide, there were **1.34 million buyers**, the lowest level on record.
- The number of sellers was estimated at **1.97 million**.

In the Atlanta metro area specifically:

- **37,940 sellers** were active in the market.
- Only **20,975 active buyers** were present.

This represents a seller-to-buyer imbalance of **more than 80%**, fundamentally reshaping market dynamics and negotiating power.

Closely related to the buyer–seller imbalance is a sharp increase in contract cancellations. Buyers remain cautious amid stubbornly high housing costs, layoffs, and growing economic and political uncertainty. With more homes available and affordability stretched, buyers are increasingly willing to walk away during the closing process.

- Nationally, Redfin reported that in December, **over 40,000 purchase agreements** were canceled—**16.3%** of all homes that went under contract.
- Atlanta recorded the **highest cancellation rate among major metros**, at **22.5%**.

In practical terms, more than **one in five** home sales in Atlanta failed to close in December.

As Redfin noted:

“High housing costs and rising inventory have made homebuyers more selective. Home sellers outnumber buyers by a record margin, meaning the buyers who are in the

market have options and may walk away if they believe they can find a better or more affordable home.”

The shift in market balance is also evident in the prevalence of seller concessions. These concessions may include covering buyer closing costs, funding repairs, or offering mortgage rate buy-downs.

- Nationally, **44% of sellers** provided some form of concession on closed transactions.
- In Atlanta, that share rose to **61%**.

Implication for sellers: Buyers now have more leverage than at any point in recent years. In a buyer-friendly competitive environment, success requires accurate pricing from the outset and presenting properties in top condition.

As 2026 begins, the Greater Atlanta housing market reflects a transition period rather than a rebound. Inventory has normalized, price growth has moderated, and buyer caution remains elevated. While conditions may gradually improve as economic clarity emerges, the near-term environment favors well-prepared buyers and realistic, market-aware sellers.

For the most current market statistics, updated weekly, visit **Market Intel on the FMLS website**. Additional resources are available for those seeking deeper insights into local market dynamics.

For FMLS Market Intel, this is Leslie Appleton Young wishing you a Happy Valentine's Day. May love find you. See you next time.