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Economic Report: Insights into Today's Housing Market

FMLS Market Intel Report

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March 2026

February 2026 Market Performance

Sales and Pending Transactions

- **Closed Sales:** February recorded a 4.5% decline in home sales, a trend consistent with prior months' activity.
- **Pending Sales:** Reflecting slower momentum, pending sales were down 3.8% YoY in December and 6.0% YoY in January. Collectively, the first two months of 2026 are 6.3% behind the same period in 2025.

Inventory and Supply

- **Homes for Sale:** Inventory continues to rise, with slightly over 12,000 homes available in Greater Atlanta.
- **Months of Supply:** At 3.6 months, supply is at its highest level in more than seven years.

Days on Market and Pricing

- **Days on Market:** Rising since 2023, the average DOM reached 32 days, approaching pre-pandemic levels of February 2019.
 - **Average Sales Price:** Prices continue to climb gradually, with the February average hitting an all-time high of \$560,410.
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Economic Indicators

Labor Market

- **February Jobs Report (BLS):** The U.S. economy lost 92,000 jobs, versus an expected gain of 50,000.
- **Unemployment Rate:** Increased to 4.4%.
- **Context:** Broad-based job declines reflect tariff policy uncertainty, potential AI-driven shifts in hiring, and continued federal job reductions. After a healthy gain of 130,000 in January, February's data highlight labor market fragility.

Inflation and Geopolitical Impact

- **Geopolitical Concerns:** The bombing of Iran has heightened global uncertainty, contributing to inflationary expectations.
- **Oil Prices:** Crude oil surpassed \$100 per barrel as of March 8, marking a 30% increase since February 28. Rising energy costs may push inflation higher, affecting markets and monetary policy expectations.
- **Federal Reserve Outlook:** Markets have reduced expectations for rate cuts in 2026, making it highly likely the Fed will maintain current rates at the March meeting.

NAR Chief Economist Lawrence Yun:

“The big question going forward is whether a recent rise in oil prices could push the economy into stagflation. The ugly combination of low economic growth and elevated inflation will also mean higher mortgage rates.”

Mortgage Rate Implications

- **Current Rates:** On February 26, Freddie Mac reported the 30-year fixed mortgage rate at 5.98%, dipping below 6% for the first time in over three years. Rates jumped to 6.12% on March 2 after geopolitical events, settling back to 6.0% by March 5.
- **Rate Drivers:** Mortgage rates are influenced by the 10-year Treasury yield and the risk premium on mortgage-backed securities. Rising oil prices are currently the primary driver, pushing bond yields — and consequently mortgage rates — higher.
- **Market Outlook:** For the spring housing market, experts are cautiously optimistic. If the geopolitical conflict is limited, temporary higher energy prices and mortgage rates may delay, rather than derail, home buying activity. Extended disruption could maintain elevated inflation and rates for a longer period.

Conclusion

February 2026 data show a slowing start to the year, with declining sales, rising inventory, and extended days on market. Economic uncertainty — driven by labor market fragility and geopolitical events — is influencing mortgage rates and market sentiment. The spring market will largely depend on the duration and impact of these external factors.