FMLS MARKET INTEL

July 2, 2026

FMLS Market Intel Report

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Executive Summary

The first half of 2026 was marked by economic uncertainty that continued to weigh on the housing market. Rising inflation, higher energy prices driven by geopolitical conflict, and persistently elevated mortgage rates kept existing home sales at the subdued levels experienced over the past several years. While affordability remains a challenge, several indicators suggest the market could stabilize in the second half of the year if inflation continues to ease.

Georgia continues to outperform many states with strong homebuilding activity and relatively favorable affordability, while increased seller concessions are creating more opportunities for buyers to negotiate favorable terms. Together, these trends point toward a market that remains challenging but is becoming increasingly balanced.

Key Market Indicators

- Inflation Remains Elevated: Inflation rose to 4.1% in May, remaining well above the Federal Reserve's 2% target and reinforcing expectations that monetary policy will remain restrictive until price pressures moderate.
- Mortgage Rates Continue to Limit Demand: Higher Treasury yields have kept mortgage rates near 6.5%, limiting affordability and contributing to slower home sales.
- Federal Reserve Focused on Price Stability: The Fed continues to signal its commitment to reducing inflation before considering interest rate cuts, making future inflation data the key driver of interest rate expectations.
- Seller Concessions Reach Record Levels: Nationally, nearly half of all home sales now include seller concessions, with Atlanta ranking among the highest in the nation. Buyers are gaining increased negotiating leverage as sellers adjust to current market conditions.

- Georgia Remains Well Positioned: Georgia continues to rank among the nation's leaders in affordability and residential construction, supported by strong permitting activity and long-term population growth.

Strategic Takeaways

- Buyers may find more favorable negotiating opportunities than they have seen in several years as seller concessions become increasingly common.
- Mortgage rate improvements remain closely tied to the direction of inflation. A sustained decline in inflation could create more favorable financing conditions later in 2026.
- Georgia's continued investment in new housing inventory helps support long-term market stability and positions the state to accommodate future demand more effectively than many competing markets.
- Real estate professionals should continue emphasizing local market expertise, buyer education, and negotiation strategies as market conditions evolve.

Conclusion

Although market conditions remain challenging, the second half of 2026 presents reasons for cautious optimism.

Improving energy prices, the potential for moderating inflation, increased buyer leverage, and Georgia's strong housing fundamentals all suggest that conditions may gradually improve as the year progresses.

FMLS will continue to monitor these trends and provide timely market intelligence to help members make informed business decisions in an evolving real estate landscape.