



## **Title: Why Homeownership Is Becoming More Affordable in 2026**

Based on early 2026 data, homeownership affordability is showing signs of improvement after years of decline, not because home prices are crashing, but because multiple economic factors are finally moving in buyers' favor.

Key national trends include:

- Mortgage rates easing into the **low-6% range**, down from 2025 highs above 7%
- Monthly mortgage payments are falling roughly **8.4% year over year**
- Income growth is beginning to outpace home-price growth
- Housing affordability has been improving for **seven consecutive months**, according to industry indexes
- Zillow projects affordability improvements in most major U.S. markets this year

The result: buyers are slowly regaining purchasing power.

### **1. Mortgage Rates Have Stabilized**

Mortgage rates surged after the pandemic but have recently settled near 6%, their lowest levels in over three years. Lower borrowing costs directly reduce monthly payments, making homes more attainable even when prices remain steady.

## **2. Monthly Payments Are Actually Declining**

Even though home prices haven't dropped dramatically, affordability is improving as financing costs ease. The monthly payment to purchase the average-priced home fell by approximately \$164 year over year in early January 2026.

## **3. Income Growth Is Catching Up**

One of the biggest affordability improvements comes from rising wages. For the first time in years, household income growth is expected to outpace home price growth, which increases buying power.

## **4. Home Prices Are Stabilizing**

After years of rapid increases, price growth has slowed significantly. Some forecasts expect flat pricing in 2026, giving buyers breathing room and reducing bidding-war pressure.

## **5. More Inventory Means More Negotiation Power**

Housing supply is gradually improving, offering buyers more choices and stronger negotiating leverage than during the ultra-competitive pandemic market.

## **The Big Picture**

Affordability isn't returning overnight, but conditions are improving steadily. Many economists describe 2026 as the beginning of a long housing market reset toward normal conditions.

And because this improvement isn't happening everywhere at the same speed, understanding what's changing *locally* is what really makes a difference. If you want to see how these trends show up in your area, talk with a local real estate agent.