

New Home Sales Remained Effectively Flat Relative to Last Year *Seasonally adjusted sales have yet to gain traction despite increased supply*

NEWPORT BEACH, CALIF., January 22, 2026 — Today, the experts at Zonda, the housing industry's foremost advisors, released the New Home Market Update report for December 2025. Zonda tracks 85% of the production new home market across the United States, and its proprietary database uniquely positions it to capture trends and changes in the new home market.

The 2025 housing market was tough for builders as buyers remained paralyzed by poor affordability and low confidence. With affordability improving only marginally, sales struggled to gain traction throughout the year despite supply growth. This forced builders to lean heavily on aggressive price cuts and financing incentives to maintain sales momentum, move standing inventory, and sell future homesites.

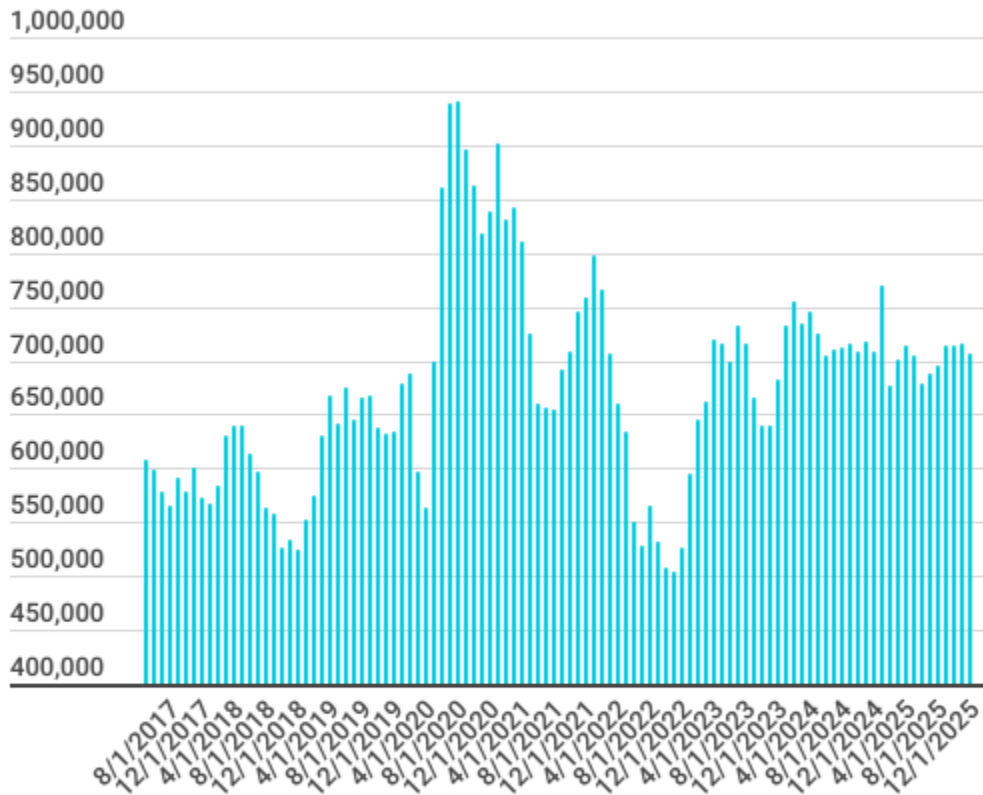
Heading into 2026, the outlook is mixed. While the labor market is cooling, mortgage rates are finally showing signs of improvement. Builders have also remained disciplined with supply, which has helped prevent the type of surplus seen in past cycles. If lower rates succeed in drawing entry-level and high-equity buyers back into the fold, the market may finally find its floor. That said, the key wildcard remains employer hiring and firing plans.

“As we look for an early read on the 2026 spring selling season, core metrics such as home prices, listings, quick move-in supply, affordability, and sales will remain top of mind,” said Ali Wolf, Chief Economist for Zonda and NewHomeSource. “Beyond those, though, we believe consumer confidence, the directional trend of mortgage rates, and federal policy changes will play an outsized role in shaping the housing market this year.”

New home sales largely flat YOY

Zonda's new home sales metric counts the number of new home contract sales each month and accounts for both cancellations and seasonality. This metric shows there were 705,682 new homes sold in December on a seasonally adjusted annualized rate. This was a decline of 1.5% from last month and a drop of 0.4% from a year ago. On a non-seasonally adjusted basis, 54,021 homes were sold, 0.4% higher than last year and 11.8% above the same month in 2019.

New Home Sales (SAAR)



Source: Zonda

PSI down 6.5% YOY

Zonda's New Home Pending Sales Index (PSI) was created to help account for fluctuations in supply by combining both total sales volume with the average sales rate per month per community. The December PSI came in at 130.1, representing a 6.5% decline from the same month last year. The index is currently 25.3% below cycle highs. On a month-over-month basis, seasonally adjusted new home sales increased 0.2%.

New Home Pending Sales Index



Source: Zonda

- The markets that posted the best numbers relative to last year were Salt Lake City (+24.3%), Minneapolis (+3.4%), and San Antonio (+3.2%). Salt Lake City was up compared to last year but fell 8.2% month-over-month.
- Inversely, the metros that performed the worst year-over-year were Cincinnati (-32.6%), Washington, DC (-25.7%), and New York (-23.9%).
- On a monthly basis, San Francisco, Denver, and Sacramento were the best performing markets. San Francisco increased 6.2% relative to last month.

New Home Pending Sales Index for Select Markets

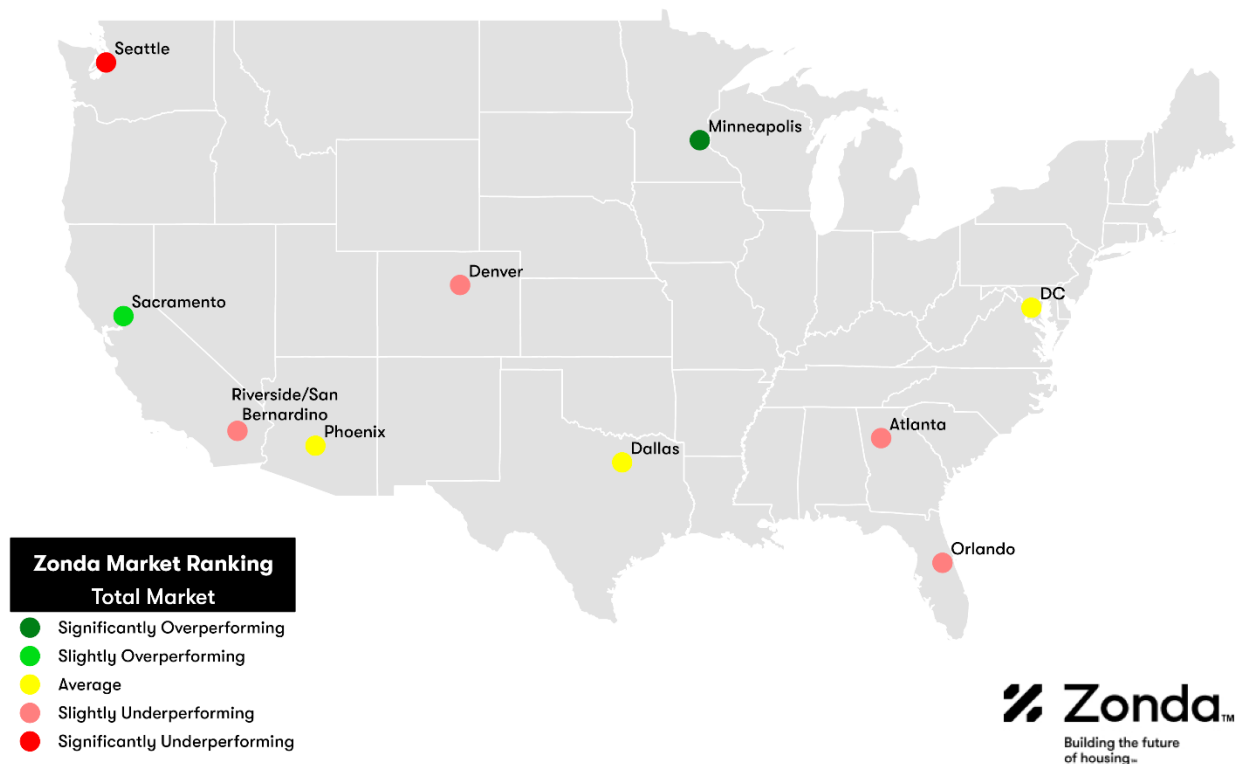
Rank	METRO	SA MOM	SA YOY
1	Salt Lake City	-8.2%	24.3%
2	Minneapolis	-10.2%	3.4%
3	San Antonio	-5.8%	3.2%
4	Los Angeles/OC	-7.9%	0.3%
5	Jacksonville	-9.2%	-0.7%
6	Dallas	-3.3%	-1.8%
7	San Francisco	6.2%	-3.3%
8	Orlando	-10.5%	-3.5%
9	Atlanta	-7.1%	-5.4%
10	Houston	-4.1%	-7.7%
11	Austin	-7.3%	-8.3%
12	Philadelphia	-13.2%	-10.1%
13	Phoenix	2.1%	-10.5%
14	Riverside/San Bernardino	-5.2%	-10.5%
15	Tampa	1.0%	-11.7%
16	Sacramento	3.3%	-13.8%
17	Raleigh	-11.7%	-13.9%
18	Charlotte	-6.6%	-17.0%
19	Baltimore	-12.9%	-18.3%
20	Denver	4.2%	-18.7%
21	Las Vegas	1.3%	-19.2%
22	Seattle	-13.5%	-22.5%
23	New York	-12.0%	-23.9%
24	Washington, DC	-8.9%	-25.7%
25	Cincinnati	-7.7%	-32.6%

Source: Zonda

National ZMR ranked *average* in every month of 2025

In order to add further context to sales, Zonda created the Zonda Market Ranking (ZMR). The ZMR accounts for both sales pace and volume, is seasonally adjusted, and is taken as a percentage relative to a baseline market average. Based on the percentage above or below baseline, markets are bucketed into performance groups ranging from *significantly underperforming* to *significantly overperforming* relative to historical activity.

The map below shows a snapshot of top production markets by region. Zonda also offers the ZMR for entry-level, move-up/move-down, and high-end markets. Subscribers of the National Outlook report can access all top markets and the tiered breakdown in Zonda’s portal. Non-subscribers can access the tiered maps for the select 10 markets by clicking below.



Note: The ZMR measures new home sales adjusted for supply and seasonality and compared to history. The data is as of December.

Source: Zonda

- The National ZMR index came in at 101.5 in December, which was flat month-over-month and continued to indicate an *average* market. The national ZMR was *average* throughout all of 2025 after being rated *slightly overperforming* for all of 2024.
- Zonda’s snapshot markets were split between 20% *overperforming*, 30% *average*, and 50% *underperforming*, reflecting a modest decline from last month. Among Zonda’s top



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50 major markets, 32% were *overperforming*, 34% were *average*, and 34% were *underperforming*.

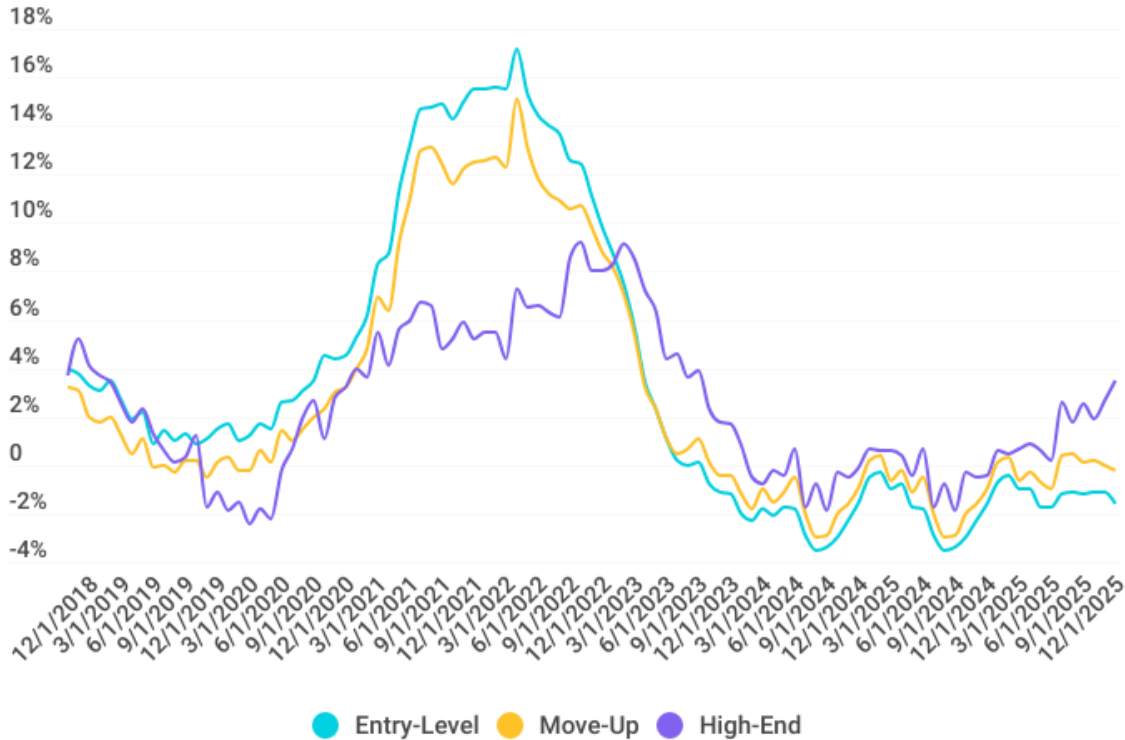
- Importantly, the ZMR does not account for what it takes to sell a home. For example, securing a sale might still feel difficult in a *significantly overperforming* market, but if the incentives offered result in a sale, we count the sale.

Entry-level prices were down

National home prices fell 1.6% for entry-level to \$322,727 and 0.2% for move-up to \$516,004 but rose 3.5% for high-end homes to \$935,646. The rise in high-end home prices reflects new communities opening at higher price points, improvements in design quality, larger lots and home sizes, and/or better locations.

Supplementing our data with a survey Zonda conducts monthly, 26% of builders lowered prices in December month-over-month, 67% held prices flat, and 7% raised prices. In November, for comparison, 37% of builders lowered prices, 61% held prices flat, and 2% increased prices

National Home Value Appreciation by Price Tier (YOY Change)



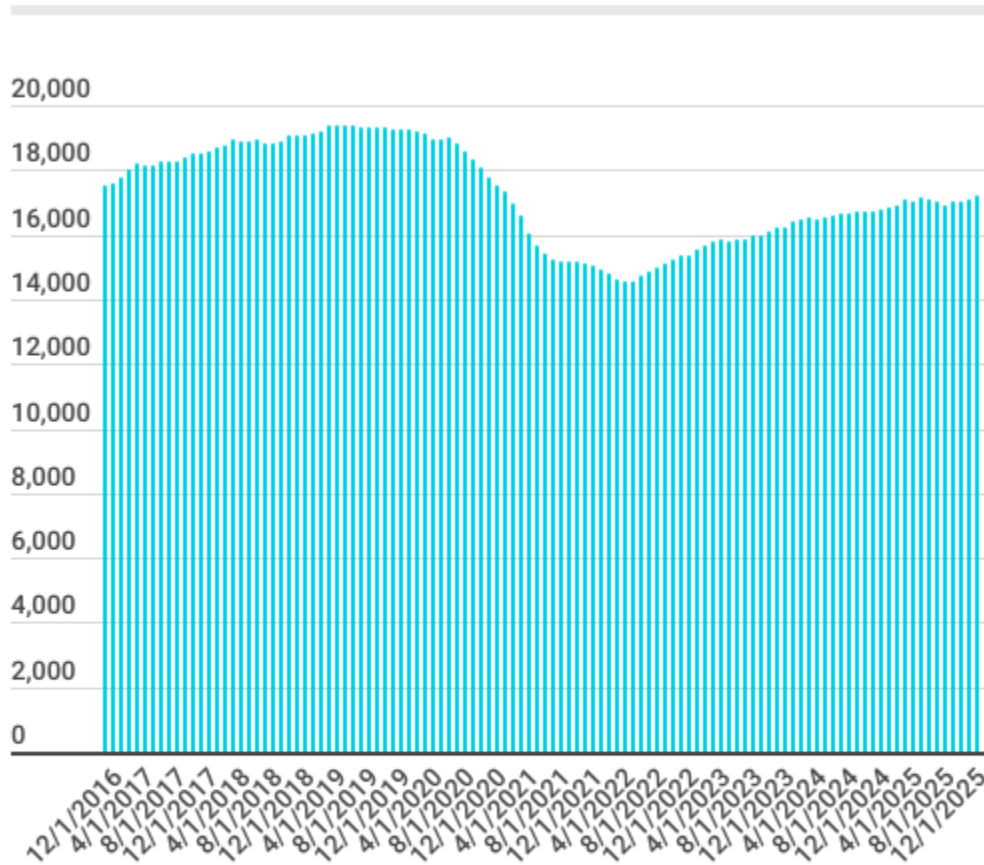
Source: Zonda

Incentives are still common in today’s housing market to help address the affordability constraints for buyers. In December, 60% of new home communities offered incentives on to-be-built homes and 78% on quick move-in supply. Note, these are only publicly available incentives so will underrepresent overall usage.

Community counts were rangebound in 2025

There are currently 17,196 actively selling communities tracked by Zonda, up 2.5% from last year. On a month-over-month basis, the national figure grew 0.9%. The national community count remains below the same month in 2019. Zonda defines a community as anywhere where five or more units are for sale.

National New Home Community Count



Source: Zonda



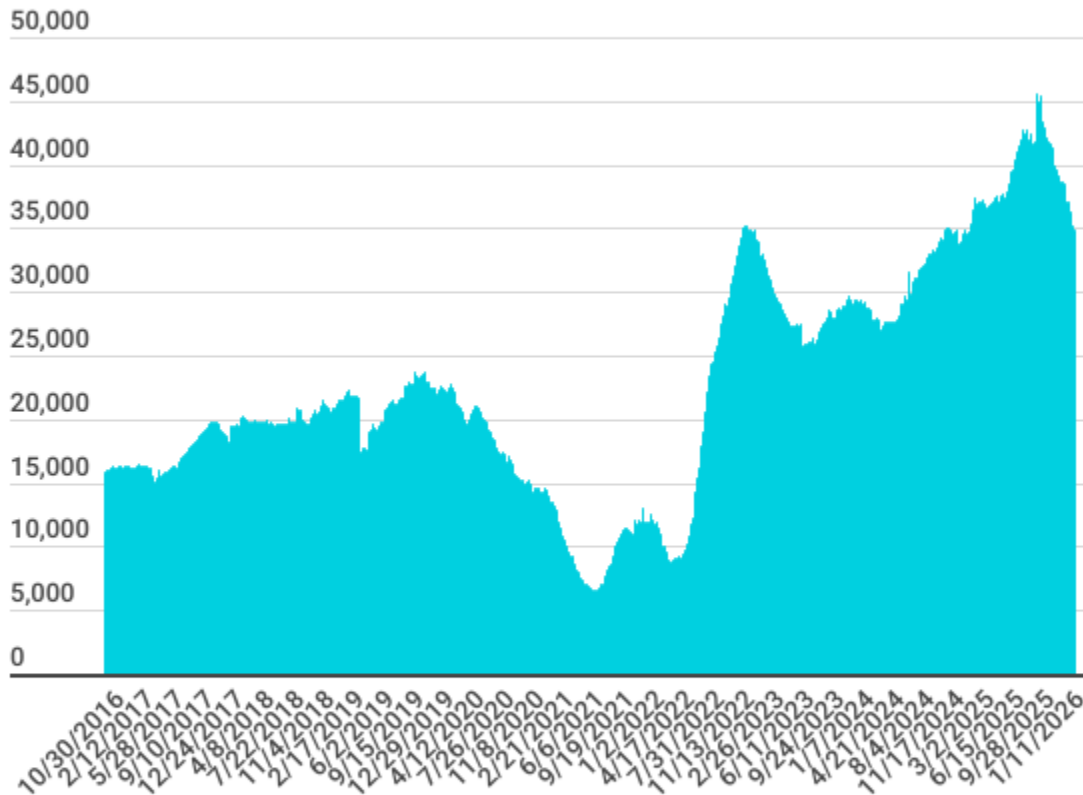
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- Charlotte (+12.7%), Riverside/San Bernardino (+6.8%), and Houston (+5.0%) grew community count the most year-over-year.
- Relative to last year, the biggest community count declines were in Philadelphia (-16.5%), New York (-11.4%), and Minneapolis (-11.2%).

National quick move-ins (QMIs) totaled 34,840, up 4.4% compared to last year but 9.4% lower month-over-month. Total QMIs are 61.8% above 2019 levels. QMIs are homes that can likely be occupied within 90 days.

For many consumers, QMIs provide a great alternative to resale supply given they are brand new and (often) come with builder incentives. These homes aren't flying off the shelf as they once did, though, so builders are still working through their backlog of inventory but are more cautious with new starts.

Weekly Quick Move-In Count



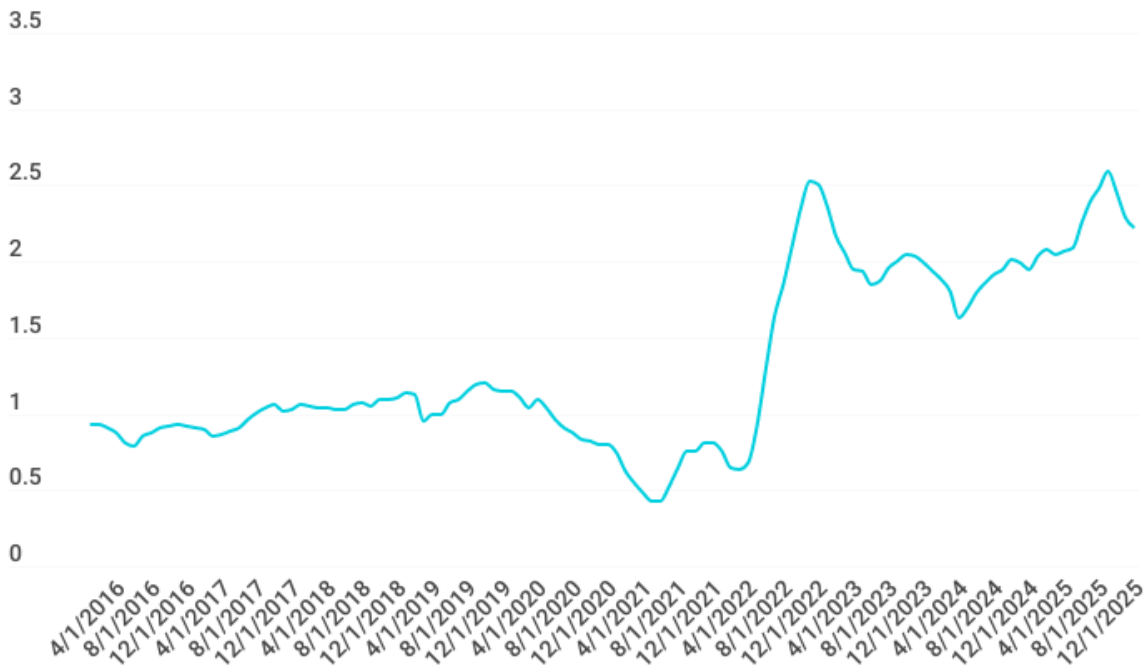
Source: Zonda

- On a metro basis, 76% of Zonda's select markets increased QMI count year-over-year.
- The markets that grew the most year-over-year were Baltimore (+82.5%), Washington, DC (+54.8%), and Seattle (+51.0%).
- Las Vegas, Riverside/San Bernardino, and Jacksonville have seen the most growth in QMIs compared to the same time in 2019, up 233.7%, 191.0%, and 178.1%, respectively.

QMIs per community is a good way to track how new home supply looks in the context of actively selling projects. There were 2.2 QMIs per community nationally in December, up 14.9% from the 1.9 recorded this time last year but have trended down for three consecutive months.

Please note, the QMI per community data aligns with this report covering December trends. Our quick move-in data is weekly, and we release the latest available at the time of publishing this report. As such, recreating the visual below with the data above will yield slightly different results.

QMIs Per Community



Source: Zonda



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Methodology

The Zonda New Home Pending Sales Index (PSI) is built on proprietary, industry-leading data that covers 85% of the production new home market across the United States. Reported number of new home pending contracts are gathered and analyzed each month. Released on the 15th business day of each month, the New Home PSI is a leading indicator of housing demand compared to closings because it is based on the number of signed contracts at a new home community. Zonda monitors 17,000 active communities in the country and the homes tracked can be in any stage of construction.

The new home market represents roughly 10% of all transactions, allowing little movements in supply to cause outsized swings in market activity. As a result, the New Home PSI blends the cumulative sales of activity recently sold-out projects with the average sales rate per community, which adjusts for fluctuations in supply. Furthermore, the New Home PSI is seasonally adjusted based on each market's specific seasonality, removes outliers, and uses June 2016 as the base month. The foundation of the index is a monthly survey conducted by Zonda. It is necessary to monitor both new and existing home sales to establish an accurate picture of the relative health of the residential real estate market.

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About Zonda

Zonda provides data-driven housing market solutions to the homebuilding industry. From builders to building product manufacturers, mortgage clients, and multifamily executives, we work hand-in-hand with our customers to streamline access to housing data to empower smarter decisions. As a leading brand in residential construction, our mission is to advance the home building industry, because we believe better homes mean better lives and stronger communities. Together, we are building the future of housing.

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