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Building the future of housing™

FOR IMMEDIATE RELEASE
Monday, June 22, 2026
Media Contact: PR@zondahome.com

May New Home Sales Grew, Supported by Builder Incentives

The high-end market continued to outperform

NEWPORT BEACH, CALIF., Monday, June 22, 2026 — Today, the experts at Zonda, the housing industry's foremost advisors, released the New Home Market Update report for May 2026. 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.

By all accounts, sales in May looked reasonable, with modest gains both month-over-month and year-over-year. Still, as one builder put it, "Sales are happening, but they are very much dependent on accepting lower margins." Those thinner margins reflect the price cuts and incentives needed to help buyers get across the finish line. In fact, roughly half of builders reported to Zonda that incentives and price cuts were higher today than at this time last year.

"While incentives are still widely used today, builders are being more thoughtful about how they present them," said Ali Wolf, chief economist for Zonda and NewHomeSource. "A year ago, many builder websites almost felt like spam with incentive pop ups and price cuts advertised. Today, there's more of a shift towards using incentives to close deals rather than to drive traffic."

Today's sales pace, combined with a deliberate pullback in new housing starts, has helped put the supply backdrop into a healthier place than it has been over the past year. Quick move-in supply, or homes that can be delivered within 90 days, continued to trend down in May. Looking ahead, 80% of builders expect starts in 2026 to finish either in-line with or above 2025 levels.

New home sales often come at the expense of margins

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 726,037 new homes sold in May on a seasonally adjusted annualized rate. This was a gain of 0.8% from last month and an increase of 1.7% from a year ago. On a non-seasonally adjusted basis, 64,669 homes were sold, 2.5% higher than last year and 16.4% above the same month in 2019.

While these sales figures look healthy, incentives are still common in today's housing market. In May, 62% of new home communities offered incentives on to-be-built homes and 79% on quick move-in supply. Note, these are only publicly available incentives so will underrepresent overall usage. In addition, 46% of builders in Zonda's monthly survey reported that consumers are receiving more incentives today compared to this time last year.

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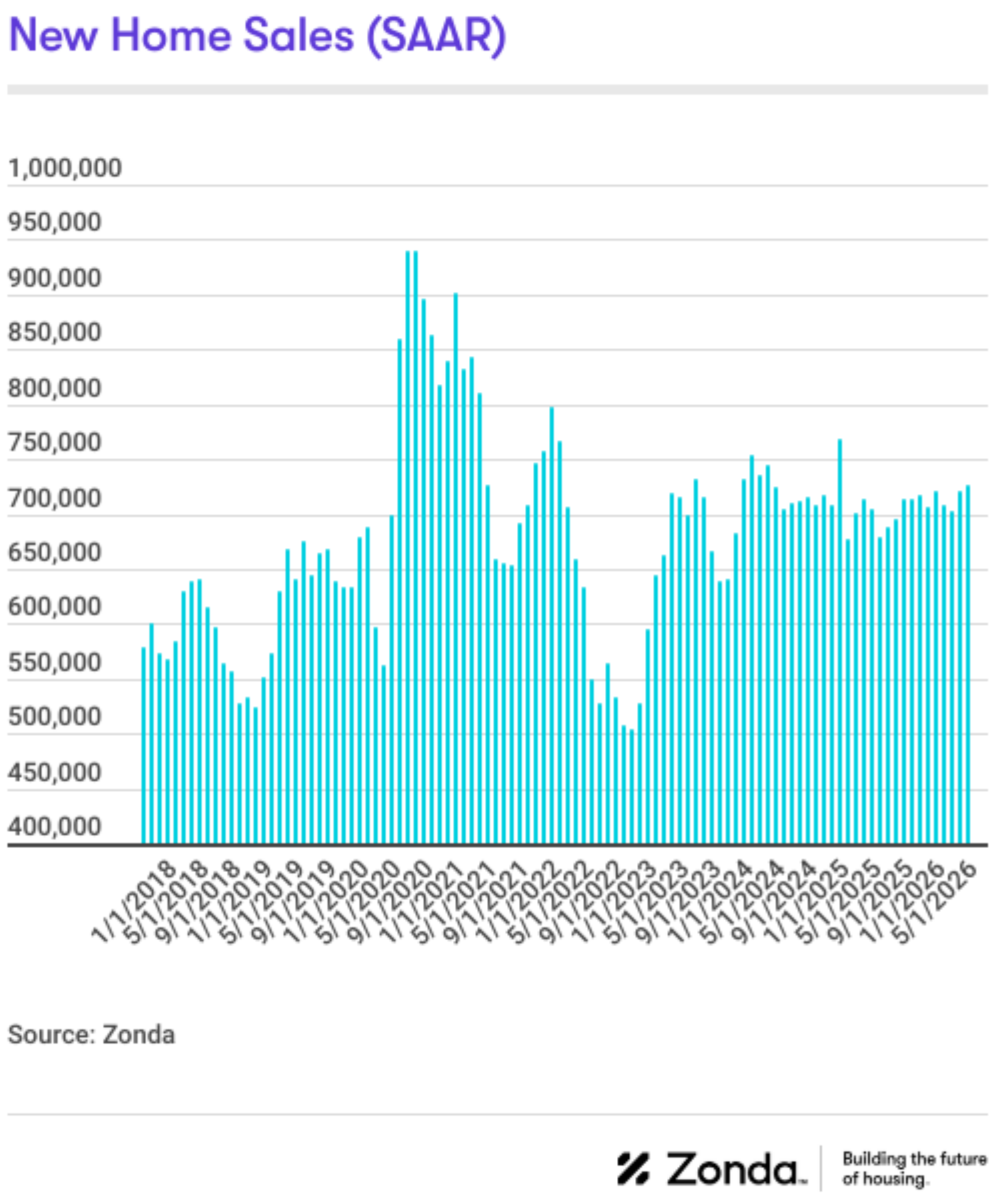

PSI edged higher for the fourth consecutive month*

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 May PSI came in at 136.6, representing a 5.3% rise from the same month last year. The index is currently 21.6% below cycle highs. On a month-over-month basis, seasonally adjusted new home sales increased 1.7%.

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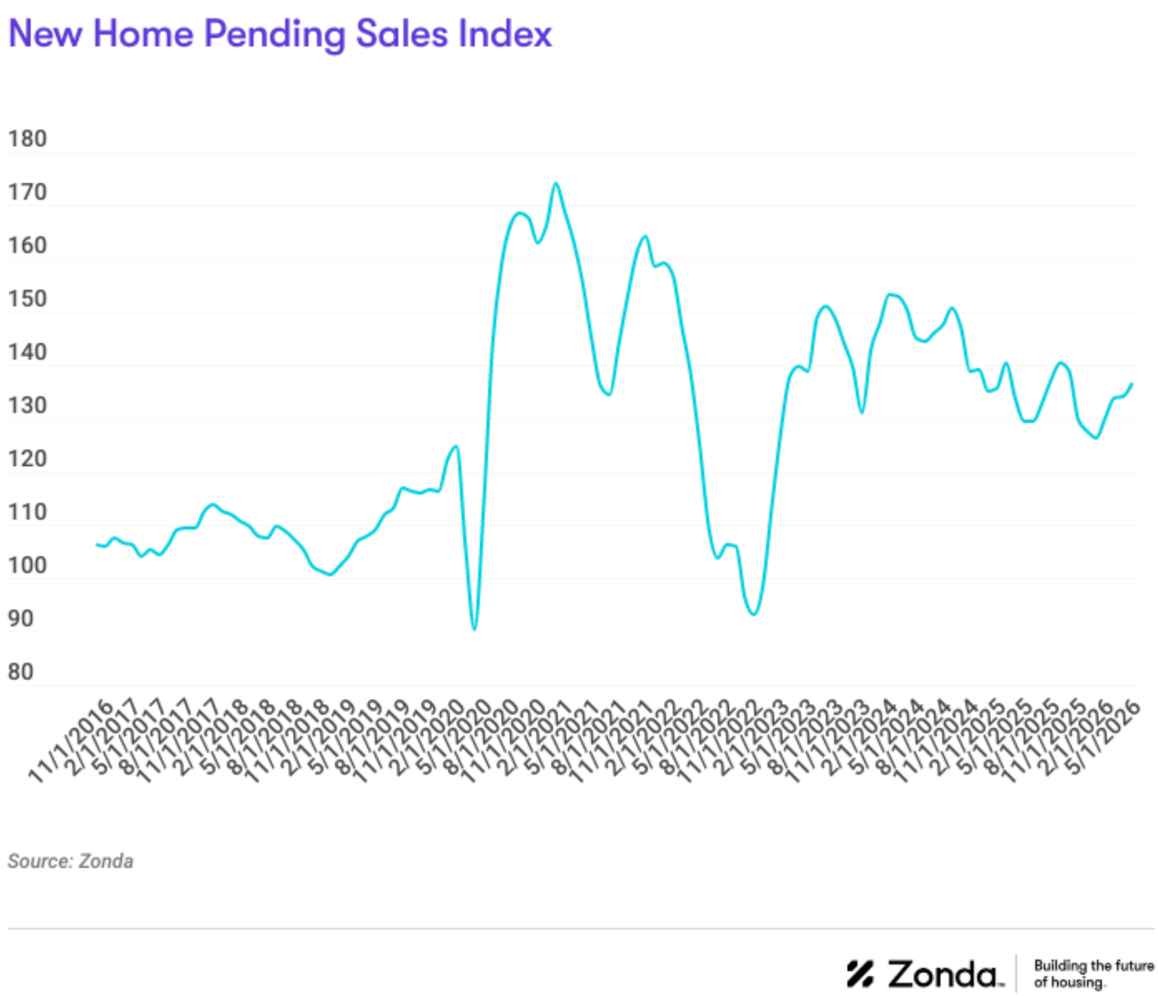
Comparisons reflect an updated PSI methodology. See the Methodology section at the end of this report for additional details.



- The markets that posted the best numbers relative to last year were Salt Lake City (+43.1%), Los Angeles/OC (+20.2%), and Cincinnati (+18.8%). Salt Lake City was up compared to last year and grew 10.8% month-over-month.
- Inversely, the metros that performed the worst year-over-year were Baltimore (-13.7%), Las Vegas (-12.8%), and Raleigh (-11.7%).
- On a monthly basis, Seattle, Salt Lake City, and Phoenix were the best performing markets. Seattle increased 10.8% relative to last month.

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New Home Pending Sales Index for Select Markets

Rank	METRO	SA MOM	SA YOY
1	Salt Lake City	10.8%	43.1%
2	Los Angeles/OC	5.0%	20.2%
3	Cincinnati	-0.3%	18.8%
4	San Francisco	4.6%	18.3%
5	Sacramento	7.1%	14.3%
6	Seattle	10.8%	12.7%
7	Orlando	1.4%	11.7%
8	New York	5.9%	10.9%
9	Jacksonville	0.3%	10.9%
10	Washington, DC	7.3%	10.5%
11	Charlotte	-0.3%	10.3%
12	Austin	1.8%	9.5%
13	Atlanta	0.3%	5.3%
14	Dallas	0.3%	5.3%
15	Houston	1.7%	4.2%
16	Phoenix	8.5%	3.1%
17	Denver	8.1%	3.1%
18	San Antonio	5.3%	-0.8%
19	Riverside/San Bernardino	-2.4%	-1.9%
20	Philadelphia	0.2%	-3.7%
21	Minneapolis	-8.5%	-9.7%
22	Tampa	-2.6%	-10.2%
23	Raleigh	-1.7%	-11.7%
24	Las Vegas	4.1%	-12.8%
25	Baltimore	-4.4%	-13.7%

Source: Zonda

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National ZMR coverage expands to 55 markets
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.

As mentioned last month, this release incorporates an updated ZMR methodology that expands the years included in the analysis and recalibrates seasonality to better reflect both pre- and post-COVID market trends. Consistent with the previous methodology, the ZMR does not adjust for price cuts or incentive usage.

In addition, the analysis has expanded from 50 to 55 markets. The five newly added markets improve coverage, better capture leading production and population centers, and strengthen the national benchmark.

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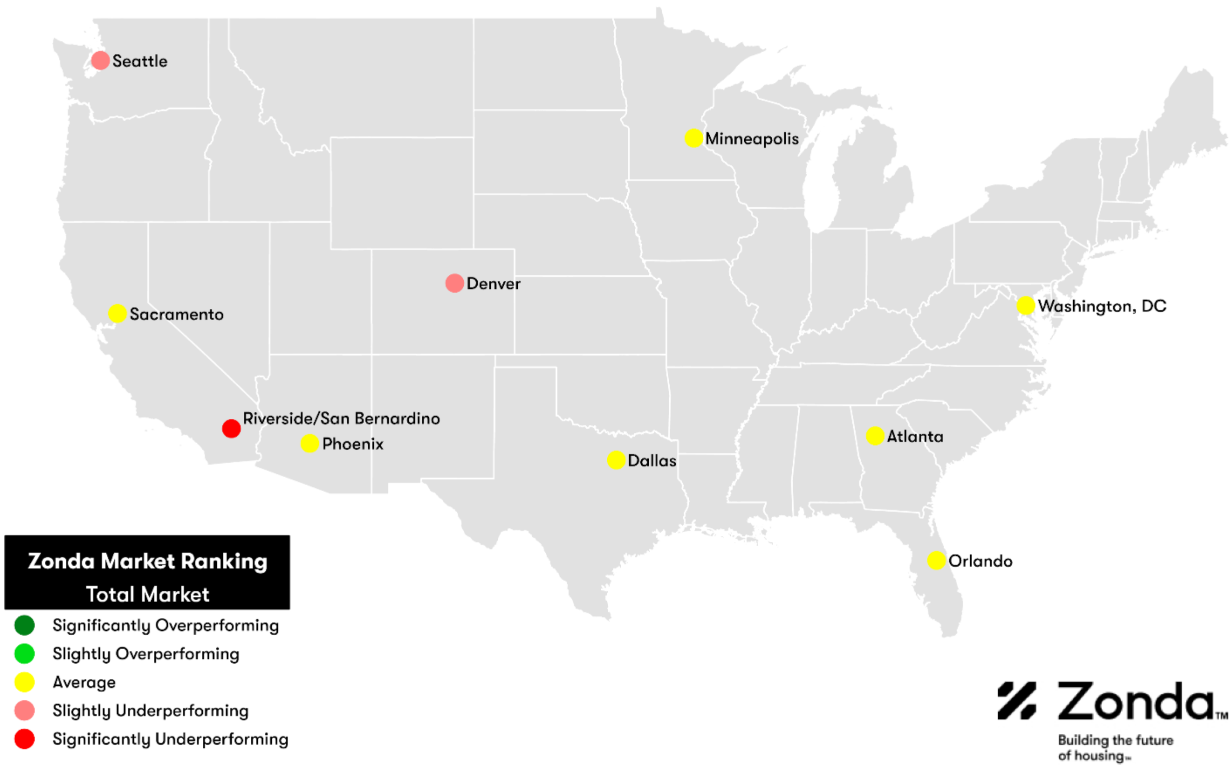

Note: The ZMR measures new home sales adjusted for supply and seasonality and compared to history. The data is as of May.

Source: Zonda

- The National ZMR index came in at 97.9 in May, which continued to indicate an *average* market.
- Zonda's snapshot markets were split between 0% *overperforming,* 70% *average,* and 30% *underperforming.* Among Zonda's top 55 major markets, 27% were *overperforming*, 44% were *average*, and 29% 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.

Price performance: strength in the high-end market

National home prices increased 4.2% year-over-year for high-end homes to $950,995. Prices fell 2.7% for entry-level to $318,314 and 0.7% for move-up to $514,917. 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.

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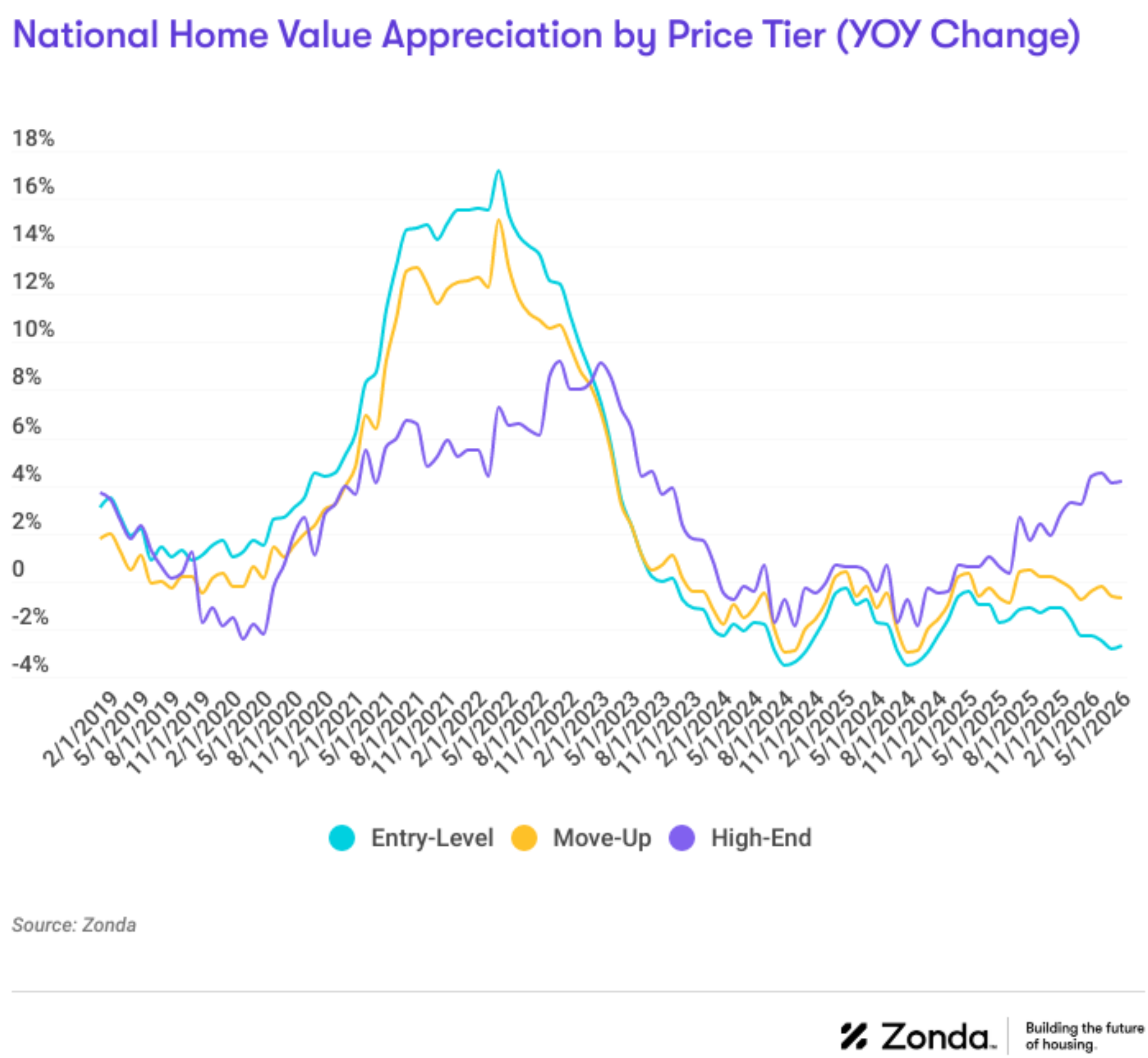
Supplementing our data with a survey Zonda conducts monthly, 21% of builders lowered prices in May month-over-month, 66% held prices flat, and 13% raised prices. In April, for comparison, 28% of builders lowered prices, 64% held prices flat, and 8% increased prices.



Community counts trend higher

There are currently 17,683 actively selling communities tracked by Zonda, up 3.3% from last year. On a month-over-month basis, the national figure grew 0.7%. Total community count is 8.6% below the same month in 2019. Zonda defines a community as anywhere five or more units are for sale.

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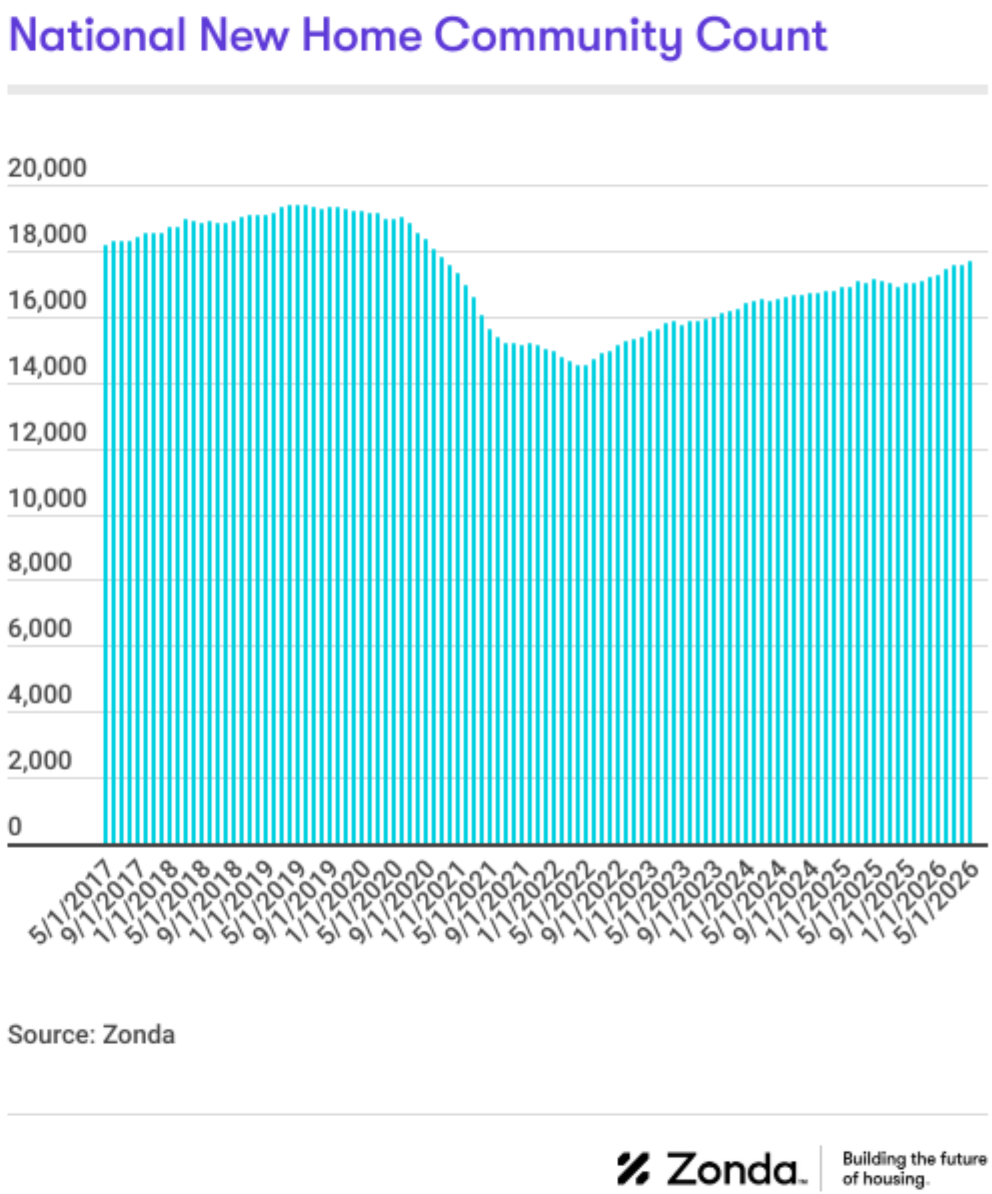

- San Jose (+40.6%), Miami (+21.8%), and Greenville (+18.9%) grew community count the most year-over-year.
- Relative to last year, the biggest community count declines were in Washington, DC (-9.3%), Portland (-9.3%), and Philadelphia (-8.1%).

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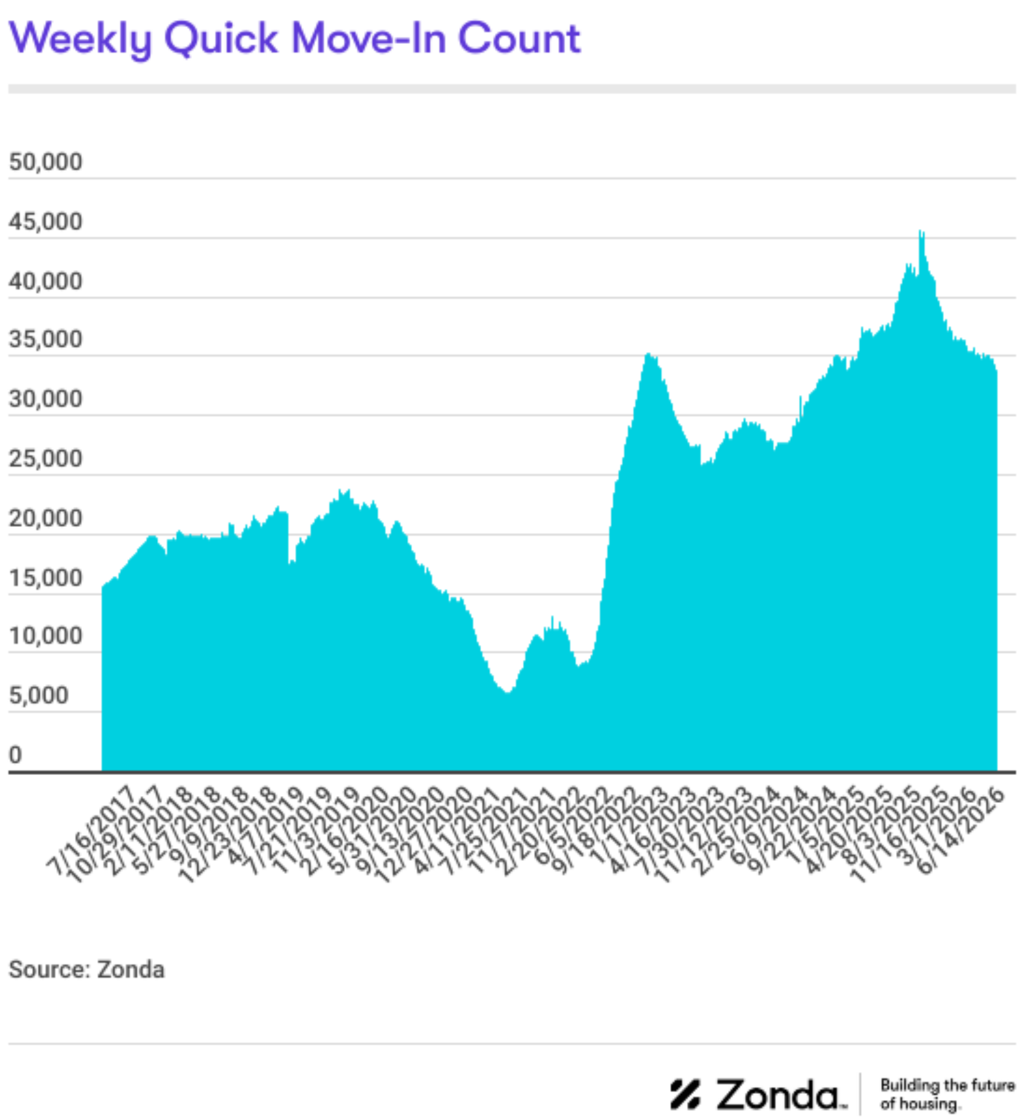
National quick move-ins (QMIs) totaled 33,849, down 8.2% compared to last year and 3.5% lower month-over-month. Total QMIs are 65.7% above 2019 levels. QMIs are homes that can likely be occupied within 90 days.

While QMIs were among the most sought-after products during the pandemic, a rise in resale inventory is now directly competing with standing new home supply. As a result, builders have been closing more homes than they are starting for six straight quarters, reflecting a more cautious approach to avoid overbuilding. As a result, QMIs are trending lower.



- On a metro basis, 44% of Zonda's select markets increased QMI count year-over-year.
- The markets that grew the most year-over-year were San Francisco (+86.1%), Cincinnati (+43.3%), and Philadelphia (+23.6%).
- Cincinnati, Sacramento, and Las Vegas have seen the most growth in QMIs compared to the same time in 2019, up 273.3%, 229.6%, and 179.6%, respectively.

QMIs per community is a good way to track how new home supply looks in the context of actively selling projects. There were 2.0 QMIs per community nationally in May, in-line with the same month last year.

Please note, the QMI per community data aligns with this report covering May 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.

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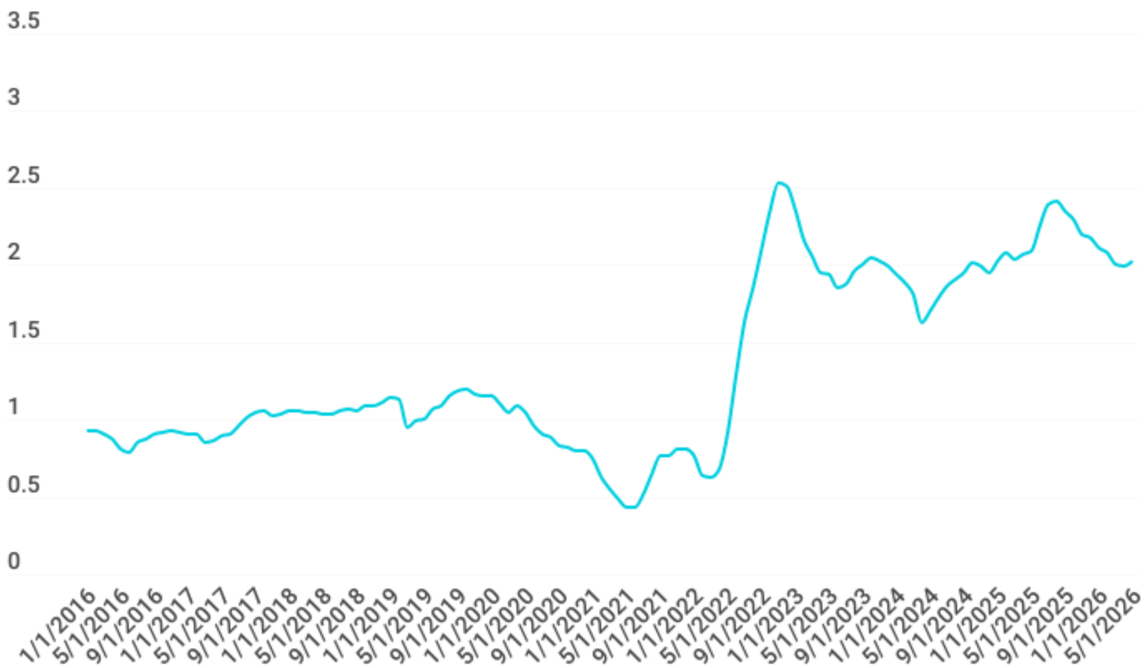
QMIs Per Community



Source: Zonda

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 mid-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 and removes outliers to reduce volatility. The index was re-benchmarked in June 2026, so PSI readings may differ from those reported in prior releases.

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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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