

The New Home Market: Sales flat, prices down, supply looks healthier *February is already old news, though*

NEWPORT BEACH, CALIF., March 23, 2026 — Today, the experts at [Zonda](#), the housing industry's foremost advisors, released the New Home Market Update report for February 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.

The day after the Super Bowl (February 9th this year) traditionally marks the unofficial kickoff to the spring selling season. As we entered the busiest time of year, home shoppers showed signs of renewed enthusiasm, supported by mortgage rates that hovered between 5.99% and 6.17% throughout the month. Improving weather across parts of the country following January's harsh start, combined with widely available buyer incentives, also helped support the market.

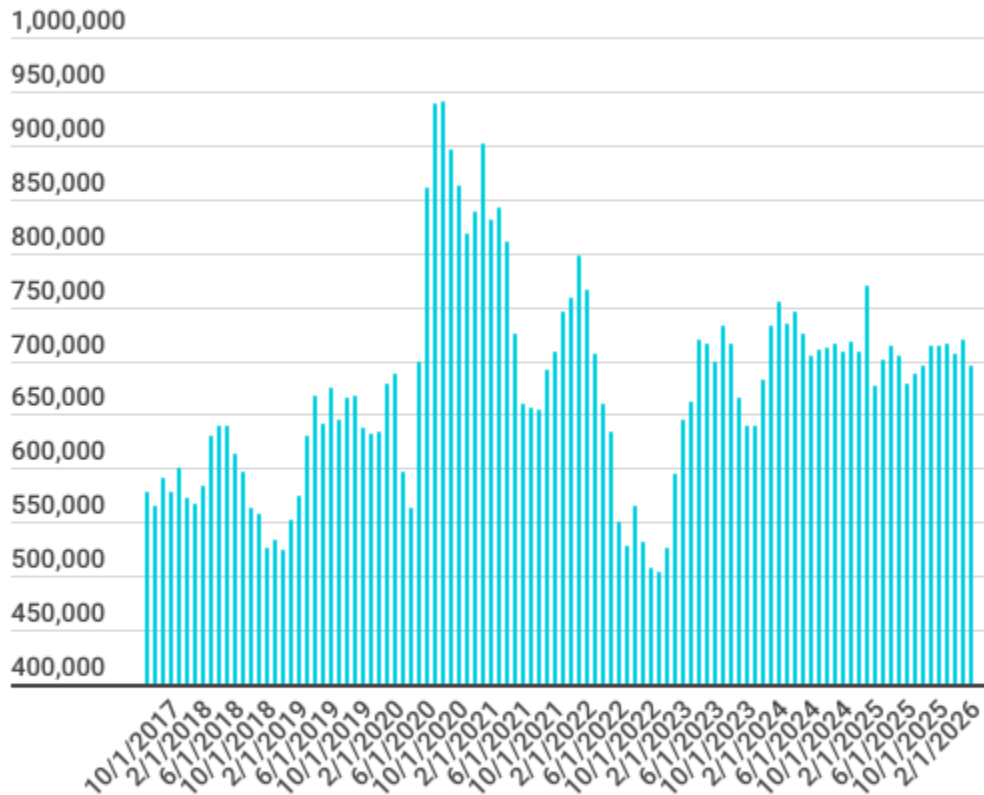
Even so, what ultimately played out was more of the same. Home sales were largely flat, and the market remained classified as average according to the Zonda Market Ranking. Community counts trended higher, while standing inventory, a notable challenge for some builders, moved towards healthier levels. As one builder put it, "It still feels up and down, week to week. The market is not running, but we are able to chip away at inventory."

"February trends already feel like old news, though," said Ali Wolf, chief economist for Zonda and NewHomeSource. "Escalating geopolitical tensions, higher oil and gas prices, and mortgage rates moving back into the 6.29% to 6.41% range have quickly reshaped the narrative. While a core segment of home shoppers still wants or needs to buy today, others are slowing their search as they wait for greater stability."

Total new home sales slipped MOM

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 694,552 new homes sold in February on a seasonally adjusted annualized rate. This was a decline of 3.6% from last month and an increase of 2.6% from a year ago. On a non-seasonally adjusted basis, 59,238 homes were sold, 2.2% higher than last year and 2.0% above the same month in 2019.

New Home Sales (SAAR)



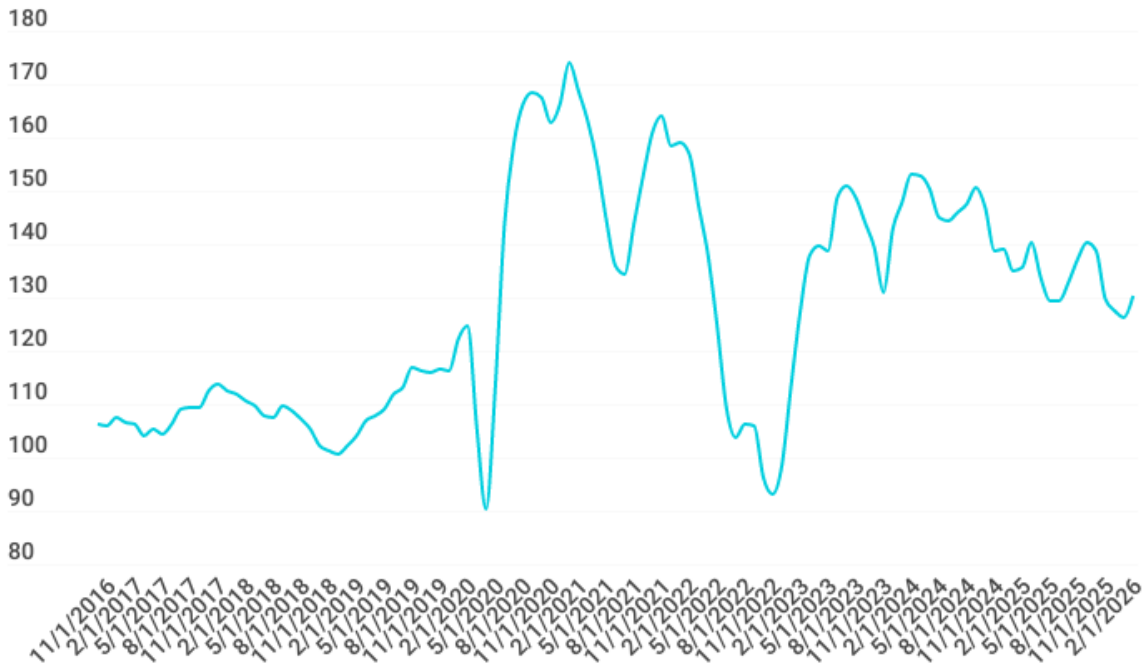
Source: Zonda

Adjusting for supply, sales slightly improved MOM

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 February PSI came in at 130.4, representing a 3.8% decline from the same month last year. The index is currently 25.1% below cycle highs. On a month-over-month basis, seasonally adjusted new home sales increased 3.2%.

While total new home sales and our PSI tell slightly different stories, the trend is consistent: sales remain relatively rangebound at lower levels.

New Home Pending Sales Index



Source: Zonda

- The markets that posted the best numbers relative to last year were Washington, DC (+10.8%), Denver (+10.0%), and Cincinnati (+3.0%). Washington, DC was up compared to last year despite falling 5.5% month-over-month.
- Inversely, the metros that performed the worst year-over-year were Seattle (-19.5%), Charlotte (-14.6%), and San Antonio (-14.3%).
- On a monthly basis, Cincinnati, Phoenix, and Denver were the best performing markets. Cincinnati increased 14.6% relative to last month.

New Home Pending Sales Index for Select Markets

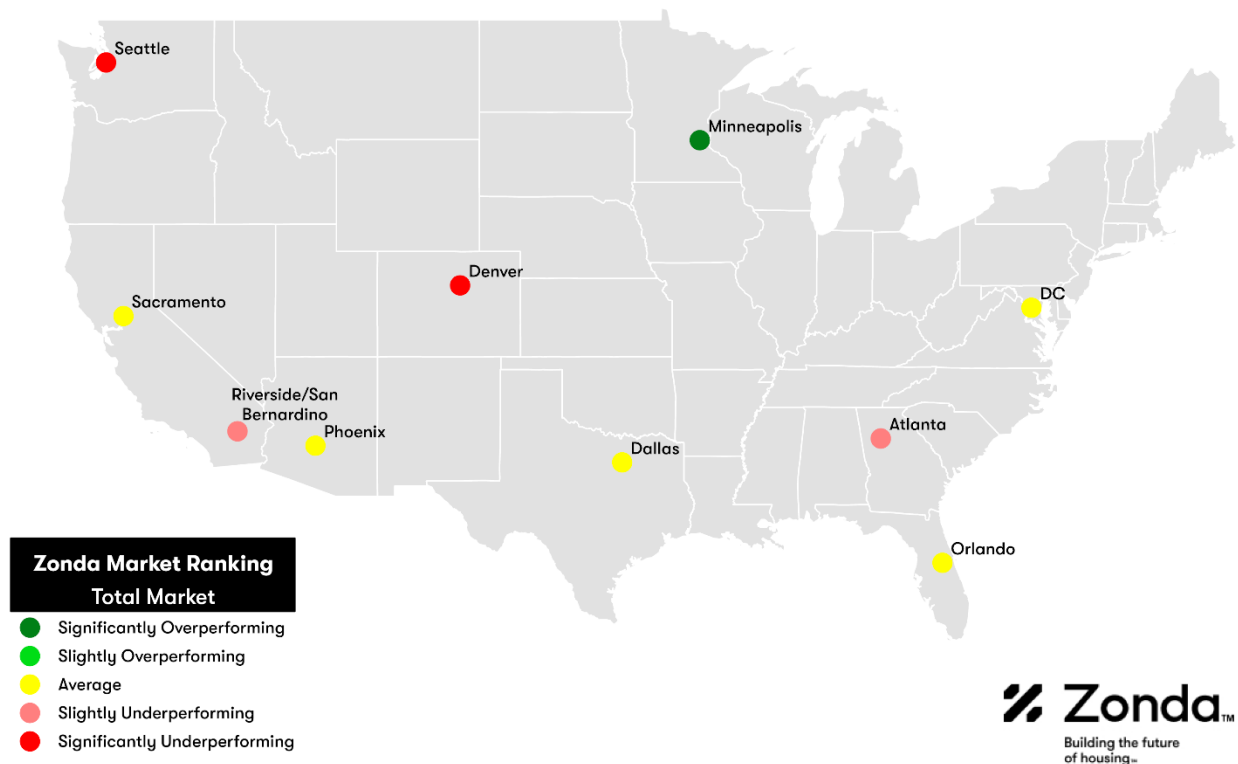
Rank	METRO	SA MOM	SA YOY
1	Washington, DC	-5.5%	10.8%
2	Denver	13.7%	10.0%
3	Cincinnati	14.6%	3.0%
4	Sacramento	-11.4%	1.8%
5	Riverside/San Bernardino	2.3%	1.8%
6	Baltimore	-3.0%	0.6%
7	Philadelphia	3.5%	0.5%
8	Minneapolis	-1.0%	-0.5%
9	Salt Lake City	-4.5%	-0.5%
10	Orlando	3.8%	-0.7%
11	Atlanta	4.3%	-2.2%
12	Jacksonville	7.9%	-2.9%
13	Houston	2.2%	-3.9%
14	Phoenix	14.5%	-4.6%
15	Tampa	9.6%	-4.6%
16	Austin	1.6%	-5.9%
17	Los Angeles/OC	0.2%	-5.9%
18	Dallas	0.1%	-7.1%
19	New York	-6.9%	-12.4%
20	San Francisco	-13.7%	-12.4%
21	Las Vegas	8.6%	-13.3%
22	Raleigh	2.7%	-13.7%
23	San Antonio	1.3%	-14.3%
24	Charlotte	3.5%	-14.6%
25	Seattle	-0.5%	-19.5%

Source: Zonda

National ZMR rated average for the 14th consecutive month

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 February.

Source: Zonda

- The National ZMR index came in at 101.5 in February, which continued to indicate an *average* market.
- Zonda’s snapshot markets were split between 10% *overperforming*, 50% *average*, and 40% *underperforming*, reflecting a slight increase from last month. Among Zonda’s top



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50 major markets, 30% were *overperforming*, 30% were *average*, and 40% were *underperforming*.

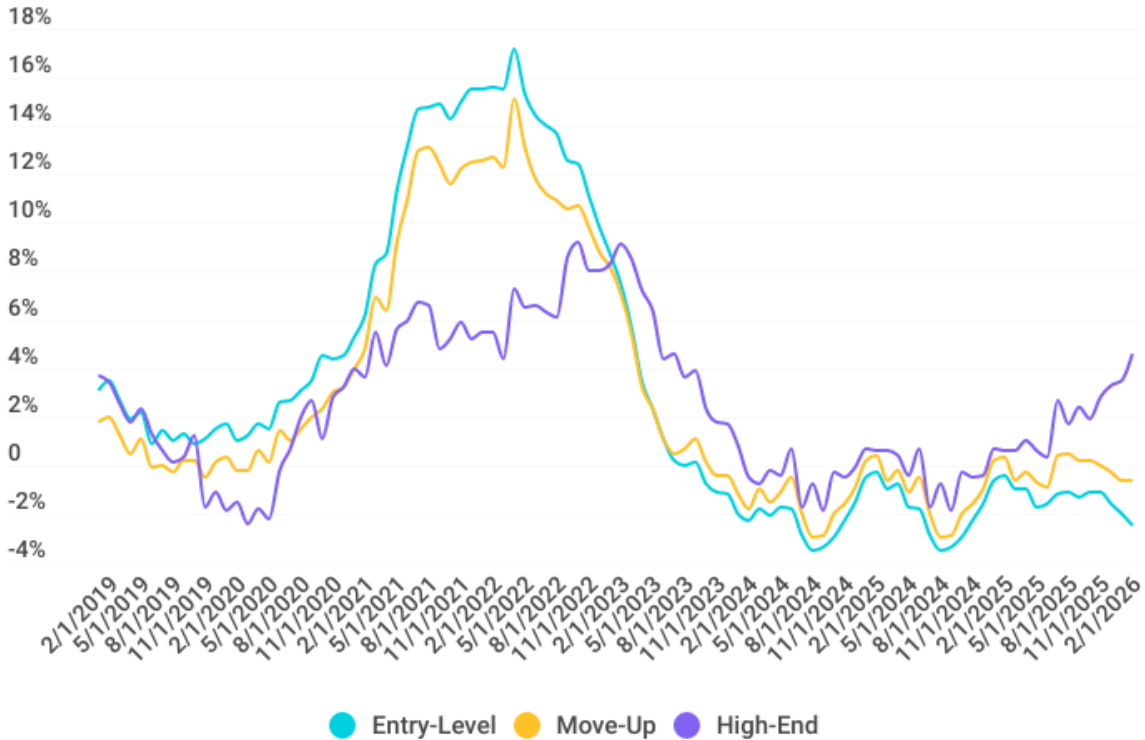
- Importantly, the ZMR does not account for what it takes to sell a home. For example, securing a sale might still feel difficult in a *significantly overperforming* market, but if the incentives offered result in a sale, we count the sale.

Pricing declines for two of three tiers

National home prices increased 4.6% year-over-year for high-end homes but fell elsewhere. Prices were down 2.5% for entry-level to \$320,083 and 0.6% for move-up to \$515,095. 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, 17% of builders lowered prices in February month-over-month, 75% held prices flat, and 8% raised prices. In January, for comparison, 20% of builders lowered prices, 69% held prices flat, and 11% increased prices.

National Home Value Appreciation by Price Tier (YOY Change)



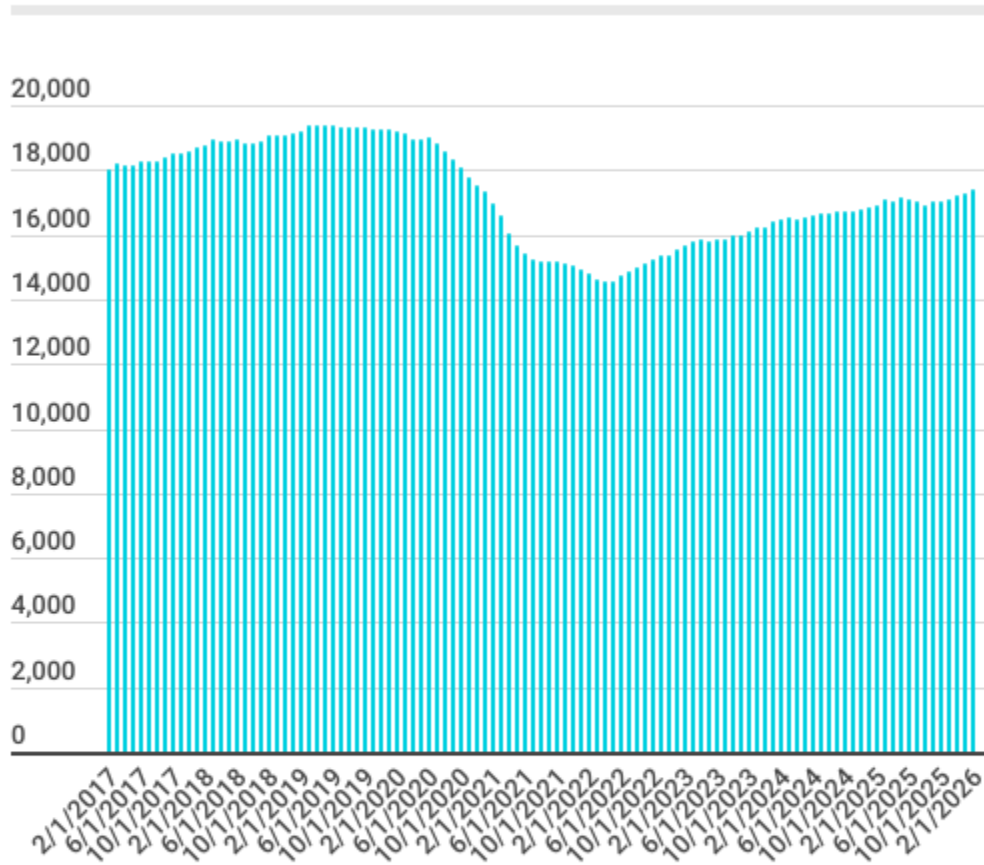
Source: Zonda

Incentives are still common in today’s housing market to help address the affordability constraints for buyers. In February, 61% 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 count ticked up, QMIs trended down

There are currently 17,372 actively selling communities tracked by Zonda, up 2.6% from last year. On a month-over-month basis, the national figure grew 0.7%. Total community count is 9.2% below the same month in 2019. Zonda defines a community as anywhere five or more units are for sale.

National New Home Community Count



Source: Zonda



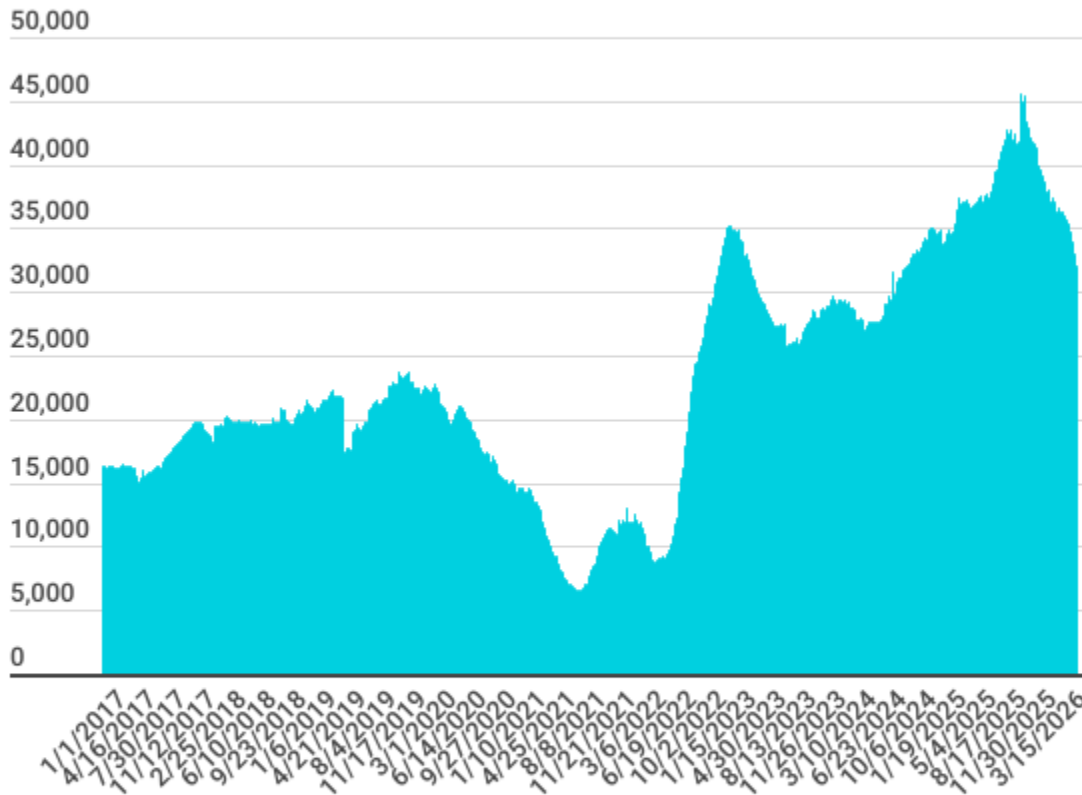
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- San Diego (+26.9%), Greenville (+24.0%), and Sarasota (+19.0%) grew community count the most year-over-year.
- Relative to last year, the biggest community count declines were in Richmond (-17.5%), Naples (-16.4%), and Reno (-13.7%).

National quick move-ins (QMIs) totaled 32,123, down 2.5% compared to last year and 9.9% lower month-over-month. Total QMIs are 84.4% 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 the decline in supply is intentional as builders align starts with sales.

Weekly Quick Move-In Count



Source: Zonda

- On a metro basis, 56% of Zonda's select markets increased QMI count year-over-year.
- The markets that grew the most year-over-year were Philadelphia (+57.7%), Washington, DC (+42.2%), and San Francisco (+25.5%).
- Sacramento, Minneapolis, and Jacksonville have seen the most growth in QMIs compared to the same time in 2019, up 363.8%, 242.3%, and 213.0%, respectively.

QMIs per community is a good way to track how new home supply looks in the context of actively selling projects. There were 2.1 QMIs per community nationally in February, up 6.8% from the 2.0 recorded this time last year but have trended down for five consecutive months.

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