2026-5-27
curr re

WSJ Print Edition

image

Some Housing Markets Get More Affordable

BY VERONICA DAGHER

Denver and Honolulu are becoming more accessible to the average home buyer, some of the few bright spots in a stillforbidding housing market.

Although more homes have gone up for sale across the country over the past few years, the postpandemic surge in prices means these listings are often priced too high for local buyers to be able to afford them on their incomes, according to a May report tracking data through March by the National Association of Realtors and Realtor.com.

The misalignment between what's for sale and what buyers can afford is especially stark in places like Los Angeles and New York. But there are some exceptions, particularly in places where listing prices have flatlined or declined while incomes have continued to rise.

In 19 of the 100 largest metropolitan areas, the alignment between listing prices and incomes has gotten better than it was even before the pandemic. In New Orleans and Houston, the greater inventory has kept a lid on prices. In San Diego and San Jose, Calif., affordability strains that preceded the pandemic have let up incrementally.

Nationwide inventory is finally climbing back from recent lows, with a steady influx of new properties hitting the market as the severe seller gridlock of the past few years begins to ease.

Note

For years, housing analysts have referenced more homes for sale as a key to making the market more affordable. But there is a catch: When the homes are as expensive as they have been, many people can't afford them.

Note

This inventory mismatch hits families earning around $75,000 especially hard. While these households can afford a house up to $261,140, homes in that price range make up just 23% of listings nationwide, according to the report. Note

"Despite modest income gains in recent years, many middle-income buyers still struggle to find homes within their budget, particularly at the entry level where inventory remains tight and competition stays fierce," said Hannah Jones, senior economist at Realtor. com, which is operated by News Corp, parent of The Wall Street Journal.

Note

The misalignment generally has been easing since 2023 as home price growth slows, mortgage rates plateau and incomes keep rising. But the market is still more misaligned than before the pandemic, according to the study by NAR and Realtor.com.

Denver and Honolulu are among the outliers. Following a pandemic-era supply crunch, Denver has seen a significant increase in new inventory. The added supply has helped cool home prices, which combined with steady local wage growth, has meaningfully improved affordability, said Jones at Realtor. com. Altogether, the alignment is better than it was before the pandemic boom.

Yet many of these improving markets are hardly affordable. Buyers in cities like San Diego still face a daunting challenge, even if it isn't quite as hard as it was in 2019.

Higher materials prices hit housing markets................ B1
