



Where America's Housing Market Is Heating Up

RealTrends: The Thousand

Climate risk is weighing more heavily on buyers' minds than ever before

by Kelly Bryant

For so long, homebuyers gravitated toward coastal markets for a mix of lifestyle appeal and job opportunities, while the Sunbelt states also got their fair share of attention thanks to warmer climates often coupled with lower taxes and more attainable prices. But times, they're changing, as evidenced by the *Spring 2026 WSJ/Realtor.com Housing Market Ranking*. You won't find a single city from Florida, California or Texas in the top 10, but rather South Bend, Indiana; Appleton, Wisconsin; and Canton-Massillon, Ohio, sitting in the top-three spots.

Note

As the ranking itself will tell you, the common denominators between the hottest markets are tight supply, strong demand and lower-than-average cost of living. But there's another factor becoming increasingly important to buyers — climate risk scores. Because while you won't be able to enjoy ocean views from Indiana, there's less risk of flooding, hurricanes and wildfires.

Erin Hundley, founder of Hundley Residential serving Indianapolis and its suburbs, says that in her market, there's a lot more inventory than a year ago, with available homes up roughly 25% to 27%.

"Not every segment of the market is behaving the same way," Hundley says. "Homes in desirable neighborhoods with competitive price points and in great condition are still moving quickly and often receiving multiple offers. Buyers have more choices than they've had in recent years, but competition remains strong for the homes everyone wants."

Note

### GREAT EXPECTATIONS

When you're working with so much differentiation between neighborhoods, setting expectations with clients becomes an even bigger challenge. A pricing strategy that works for one home may be vastly different than the right approach for another property even in the same community — it is largely dependent on condition, home site features and overall home presentation.

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“For the most part, buyers and sellers have adjusted to today’s rate environment,” Hundley says. “When someone is motivated by a lifestyle change — a growing family, a new job, downsizing or simply a home that no longer fits their needs — they’re not waiting on the sidelines for rates to improve. We still see some homeowners reluctant to give up historically low interest rates, but many are beginning to look at those properties as potential investment opportunities rather than reasons to stay put.”

She notes that first-time buyers are facing the biggest challenges due to affordability, and Ania Bulis, of Big Sky Sotheby’s International Realty in Montana, is seeing the same in her market.

“While higher mortgage rates cast a wide net, their impact on the Big Sky market is far from uniform,” Bulis says. “First-time buyers feel the squeeze most acutely, while the luxury segment has largely adapted — whether by accepting the new rate environment or leveraging more creative financing strategies to get deals done.”

Long considered a resort market, interested buyers descend upon Big Sky to recharge and embrace the outdoors, with wellness surging as a lifestyle priority. With that in mind, Bulis points out that the market has evolved since the post-pandemic frenzy, with people today remaining focused on their priorities of location, quality and pricing.

“As inventory edges higher in certain areas, buyers are enjoying more options and greater room to negotiate,” Bulis says.

## LOOKING AHEAD

Bulis expects the market to continue stabilizing with modest appreciation. However, the lower end of the Big Sky market is currently seeing considerably more activity than the high end.

“There is a bigger story here beyond the next 12 months— Big Sky still has meaningful room for thoughtful development, and we’re seeing a shift toward greater experiential hospitality across the entire town,” Bulis says. “Pair that with the growing focus on attainable living for the people that keep the Big Sky community running, and you have the foundation for sustained, stable growth. This isn’t a market that’s peaked — it’s one that’s maturing, and the long-term opportunity here remains one of the strongest of any mountain town in the country.”

*Kelly Bryant is a freelance writer in Los Angeles specializing in real estate and lifestyle topics.*

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