

At the Half: Indiana Housing Mid-2026

July 8, 2026, 9:45 a.m. Deep dive

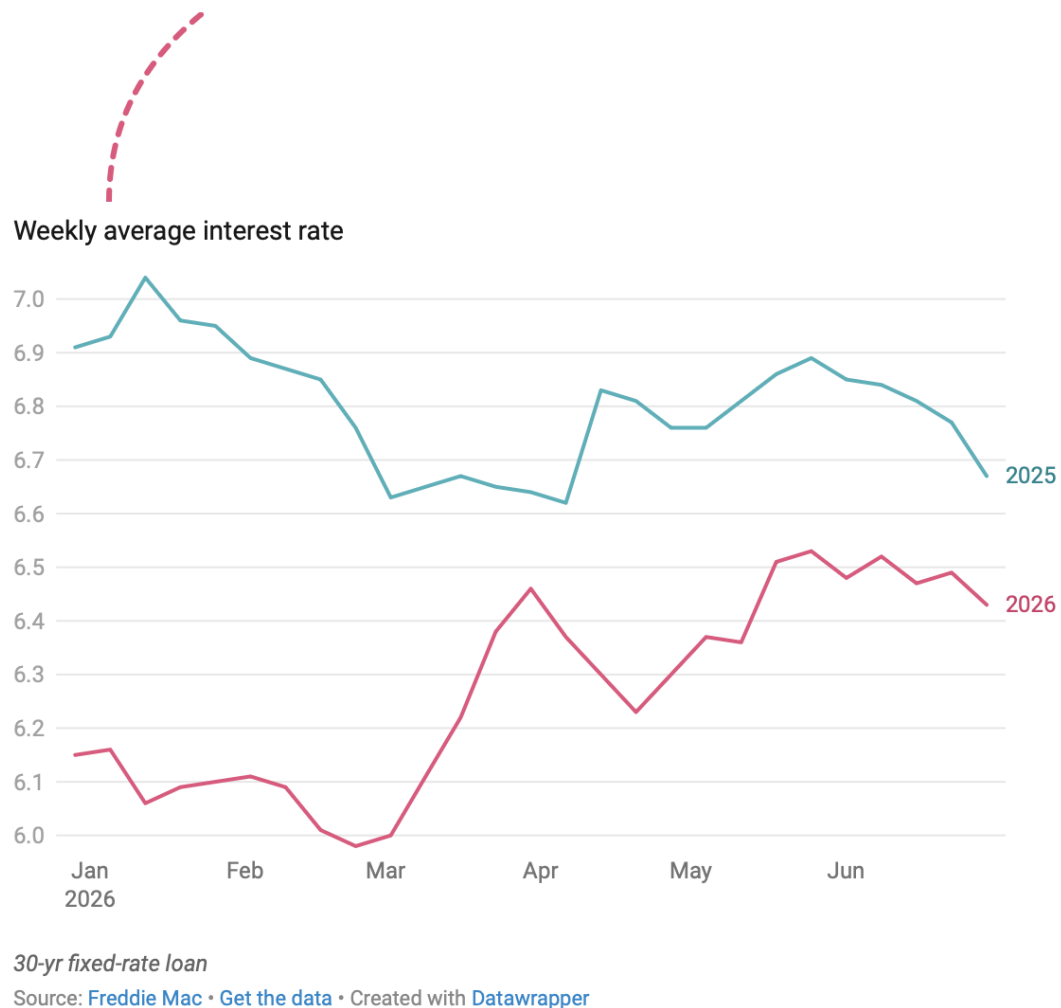
Section 1

Market Fundamentals

Rates averaged 50 basis points lower than last year, driving sales up 2.5% year-to-date.



Rates rose in March but are still lower than last year



Interest Rates

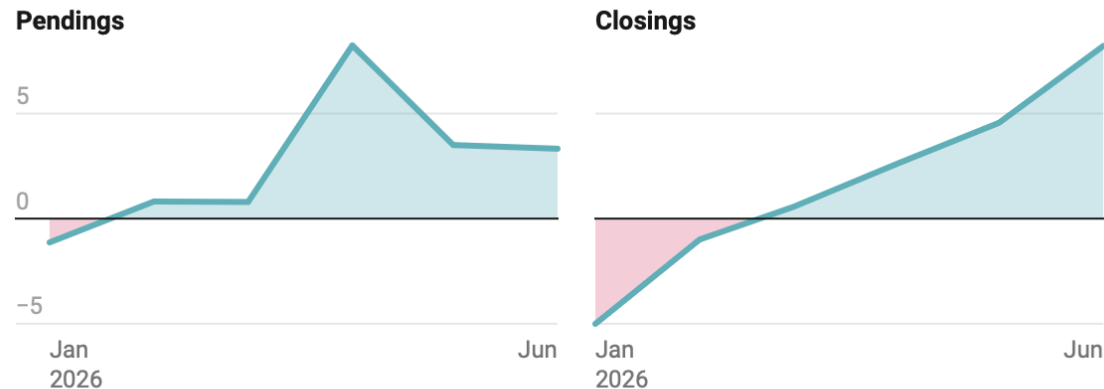
While housing markets are shaped by local and regional trends, any report on the real estate climate has to start at a much higher level – mortgage rates have averaged 6.25% year-to-date in 2026 (via the weekly Freddie Mac Primary Mortgage Market Survey), slightly above our annualized projection but more than 50 basis points below 2025.

However, while rates have been consistently better than last year, they were at their lowest in January and February before the war in Iran, rising inflation and spring employment data caused rates to climb back towards 6.5%.

Pendings and closings started out lower than last year, but have climbed to year-over-year growth.



Year-over-year trend for pendings and sales

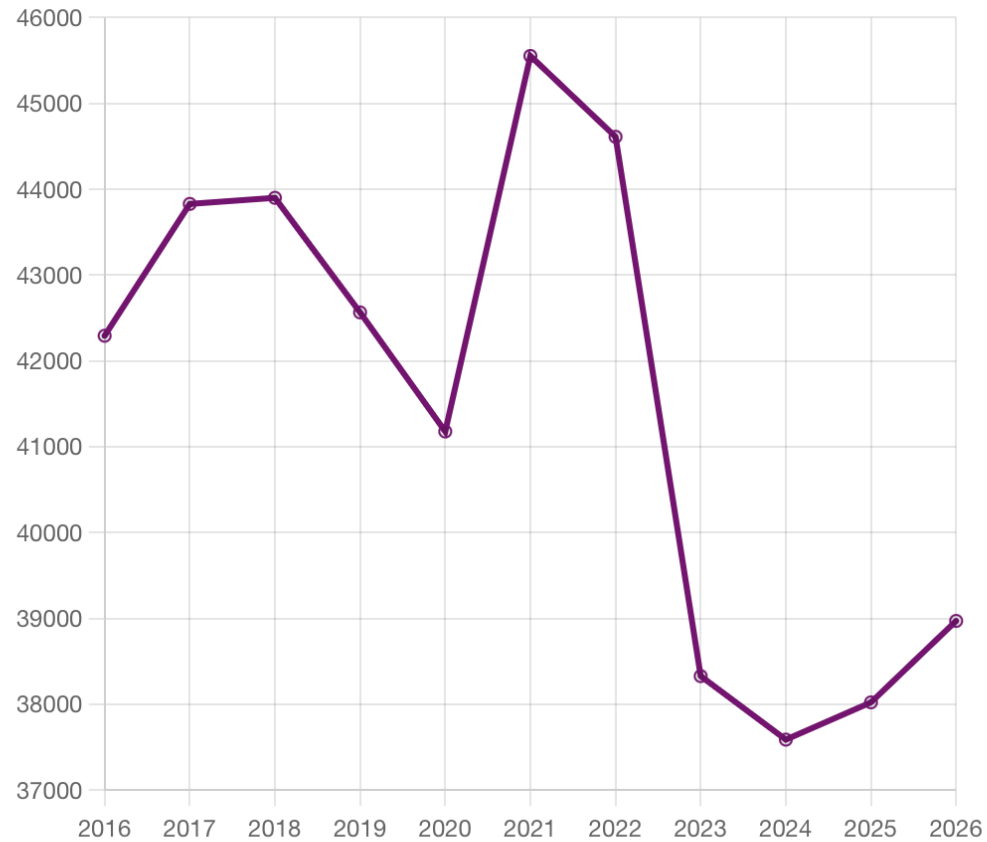


Source: Indiana Association of REALTORS® • [Get the data](#) • Created with [Datawrapper](#)

Lower rates drove more buying activity

Buyers were cautious at the beginning of the year, and the market lost most of a week to winter weather at the end of January. Closings were in negative year-over-year territory until March. Eventually lower rates and higher inventory turned into new contracts and closed sales: In June, closings were up 8% over 2025.

Year-to-date sales

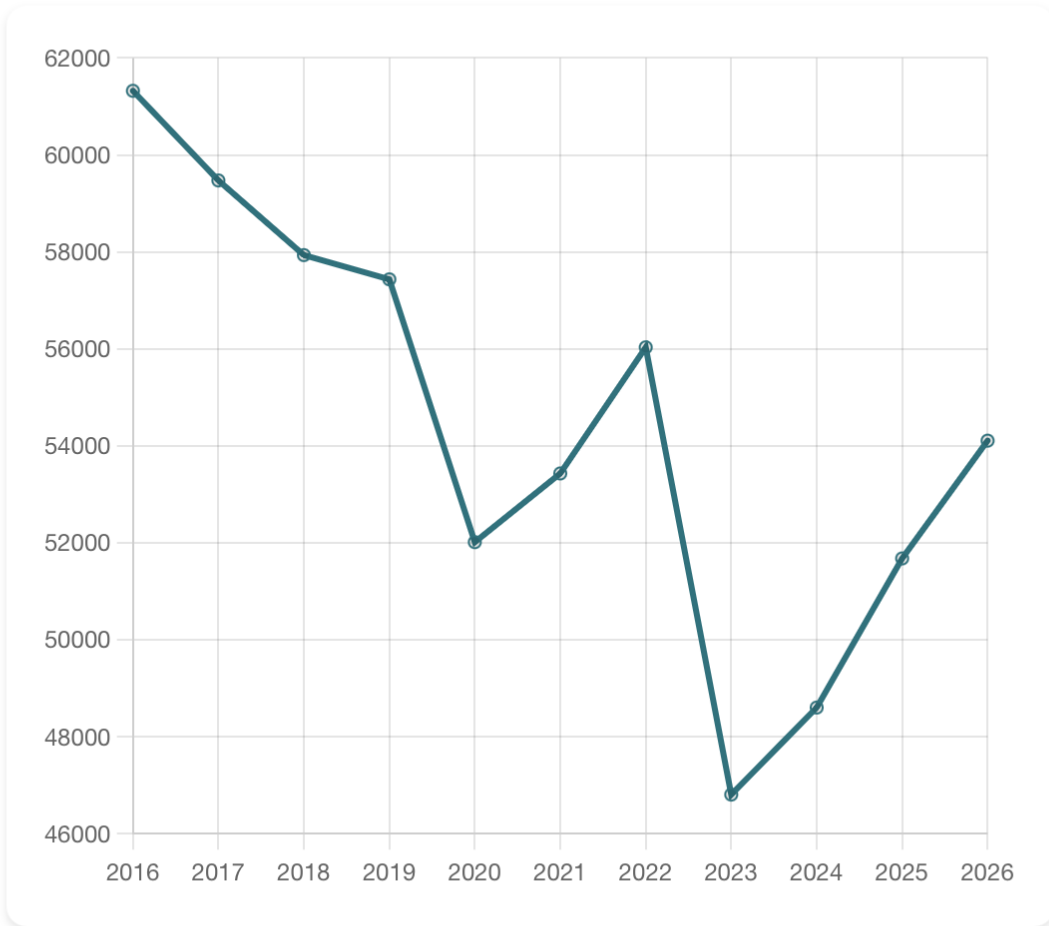


Source: Indiana Association of REALTORS®

Sales up 2.5% so far in 2026

The steady increase in sales from -5% YOY to +8% YOY resulted in a total of 39,000 closings in the first half of the year, compared to 38,000 in 2025. Pendings are also up 3% year-to-date.

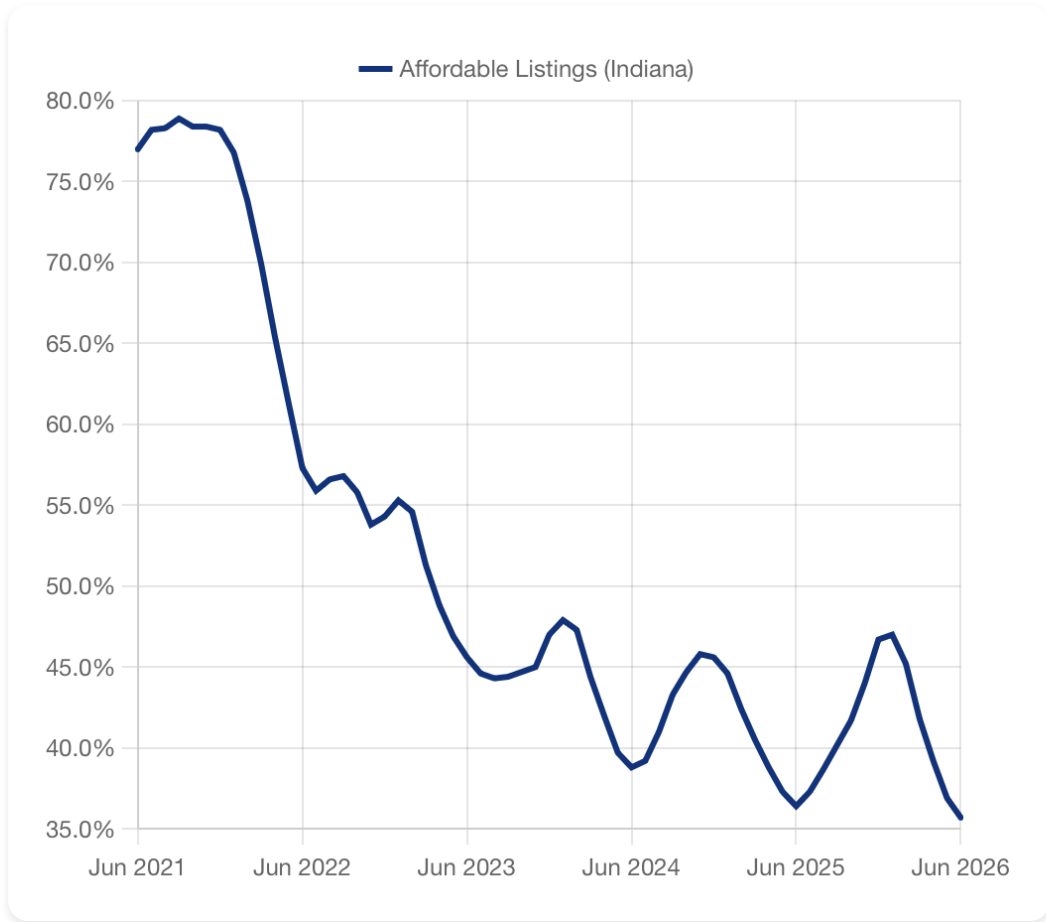
Year-to-date listings



Source: Indiana Association of REALTORS®

Listings up 5% in 2026

Sellers were even more enthusiastic, as new listings are up 5% year-to-date. The gap between listings and sales meant rising inventory: 15,402 homes were available statewide on an average day through the first half of 2026, 13% ahead of 2025.



Source: Indiana Association of REALTORS®

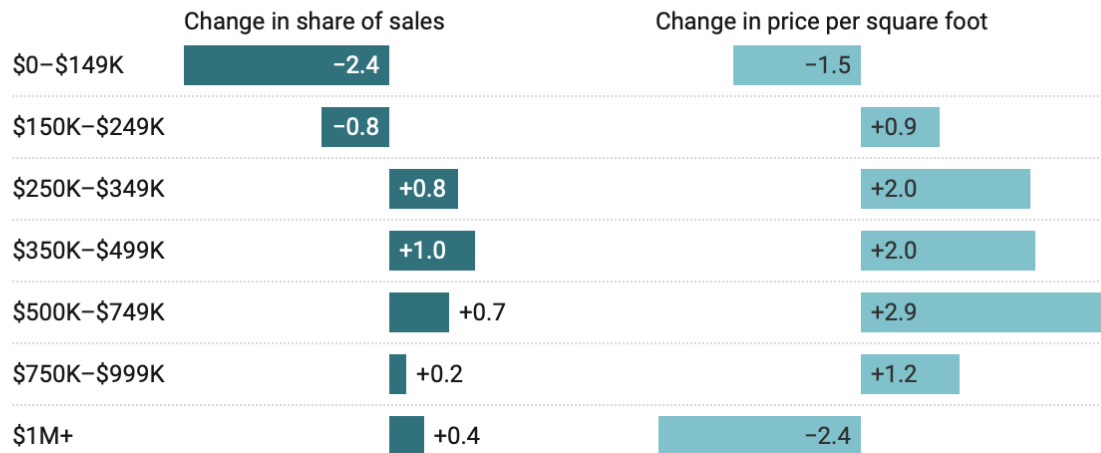
Only 36% of listings are affordable to middle-income households

However, the growth in inventory and sales is not consistent. The share of recent listings affordable to a household earning \$75,000 or less has fallen from 47% in January to less than 36% in June. This trend is attributable to both the upturn in mortgage rates and year-over-year price appreciation.

Indiana's median sale price is up 5% year-to-date to \$275,000, with June's monthly median hitting an all-time state-level high of \$290,000.

Median price growth was driven by a changing mix of home sales and rising prices.

Fastest price growth: \$500K-\$749K
Fastest sales growth: \$250K-\$749K



Source: Indiana Association of REALTORS® • [Get the data](#) • Created with [Datawrapper](#)

Sales mix shifted to higher priced homes, and price rose in most segments

Fewer homes under \$250K sold, while sales growth was strongest in the \$250K-\$749K sale price range. Meanwhile, price per square foot increased for all but the lowest- and highest-priced segments.

► Takeaway

This data suggests a market dominated by repeat buyers rolling their sale proceeds into their next home.

It is hard to enter the market: Only one of every five renter households statewide earns enough to comfortably purchase a home at or above \$250,000 with a 10% down payment at 2026 average rates.

Section 2

How Deals Changed from 2025 to 2026

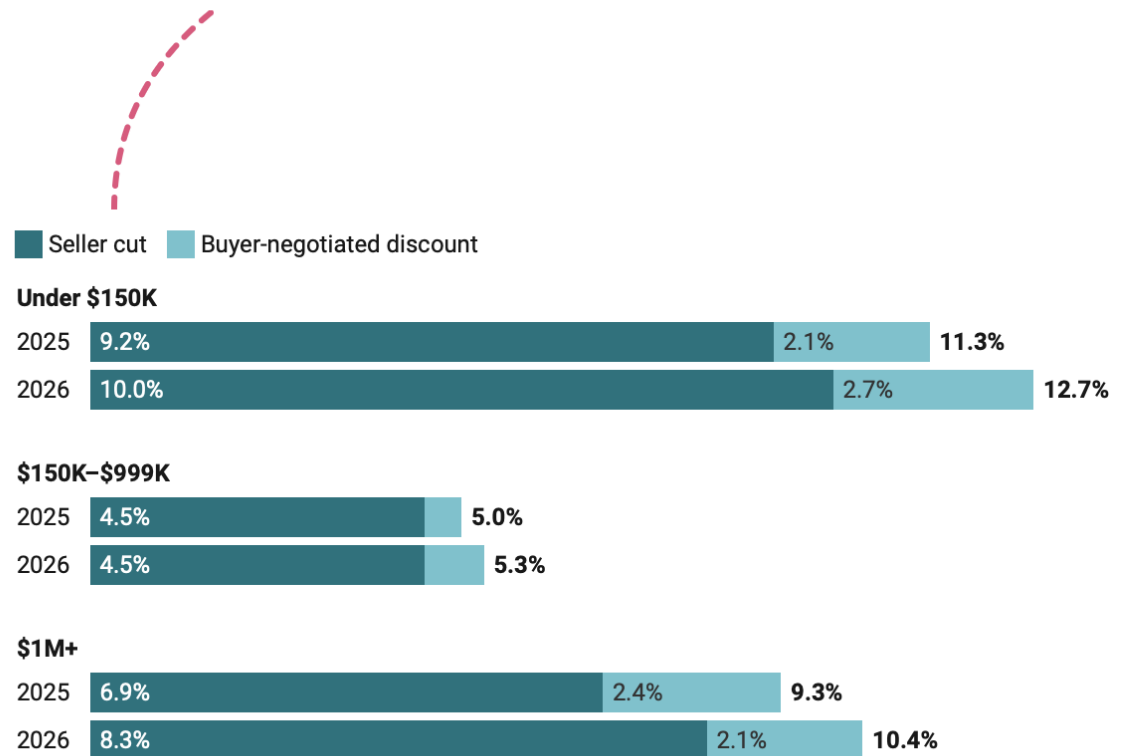
For listings without a price cut, the market is moving as fast as last year. For other listings, the market is one week slower. Sale-to-list ratio was steady for the middle of the market but fell for the highest and lowest price ranges.



For homes under \$150K, sellers are cutting more, and buyers are negotiating steeper discounts

In most of Indiana's market, seller reductions and buyer discounts barely changed from 2025 to 2026. Below \$150K, both increased significantly. Sellers cut 10% on average, up from 9.2%, and buyers negotiated an additional 2.7% off, up from 2.1%. At the top end, luxury sellers are also cutting more (6.9% to 8.3%), but buyers are not negotiating down as much.

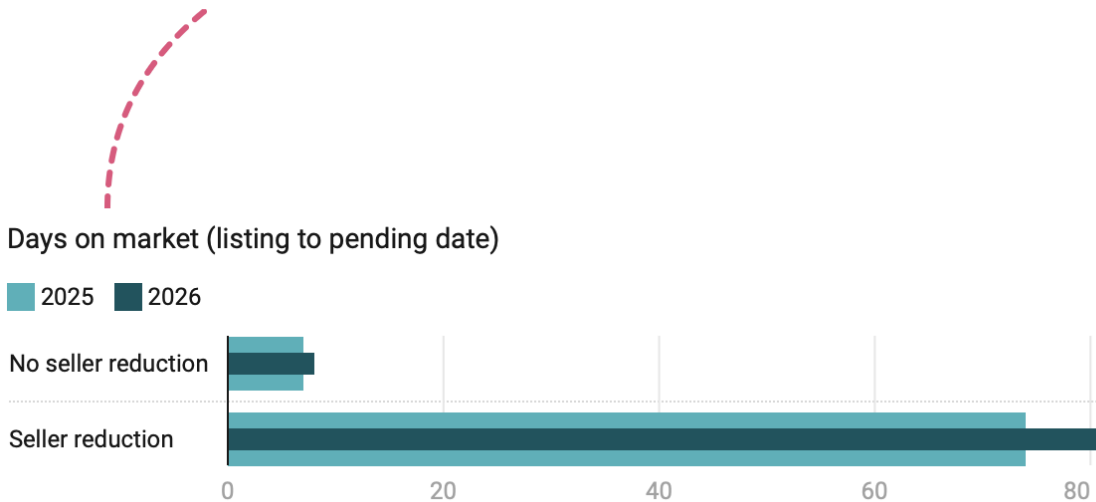
Low-priced and luxury homes have steeper price cuts, while most of the market didn't budge



At the time of closing, the difference between original listing price and current listing price is assumed to be cuts by the seller, while the difference between listing price and sale price are assumed to be price cuts negotiated by the buyer.

Source: Indiana Association of REALTORS® • [Get the data](#) • Created with [Datawrapper](#)

Listings without a price cut go under contract about as fast as last year

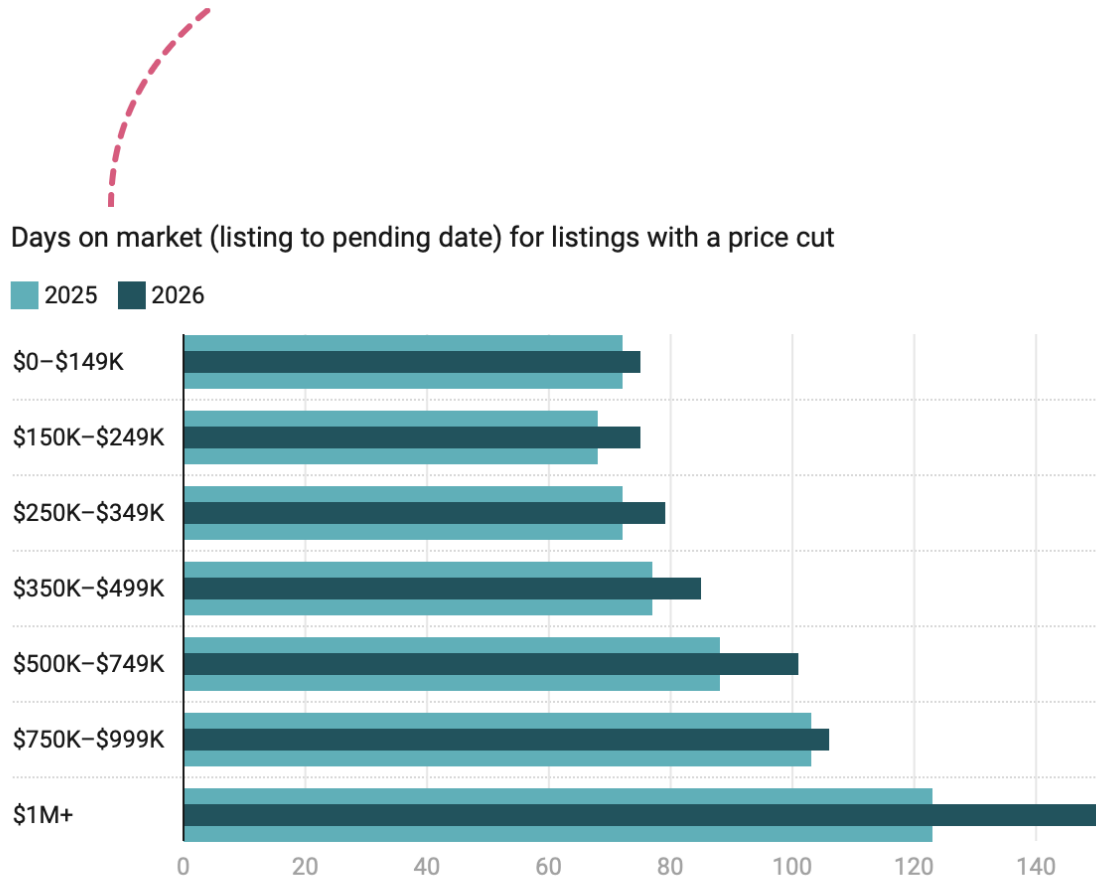


Source: Indiana Association of REALTORS® • [Get the data](#) • Created with [Datawrapper](#)

Listings with a price cut are selling one week slower than last year

These listings go under contract in 81 days, compared to 74 days last year. Listings without a price cut go under contract in 8 days compared to 7 days.

\$1m+ listings with a price cut stayed on the market for 28 days longer than 2025. (Almost all \$1m+ homes had a price cut.)



Source: Indiana Association of REALTORS® • [Get the data](#) • Created with [Datawrapper](#)

The biggest slowdown hit higher-priced listings with price cuts.

From \$150K-\$499K, it took price-cut listings a week longer to get under contract. For \$500K-\$749K, it took two weeks longer. For \$1M+ it took four weeks longer (151 days compared to 123 days).

► Takeaway

REALTOR® expertise is as important as ever.

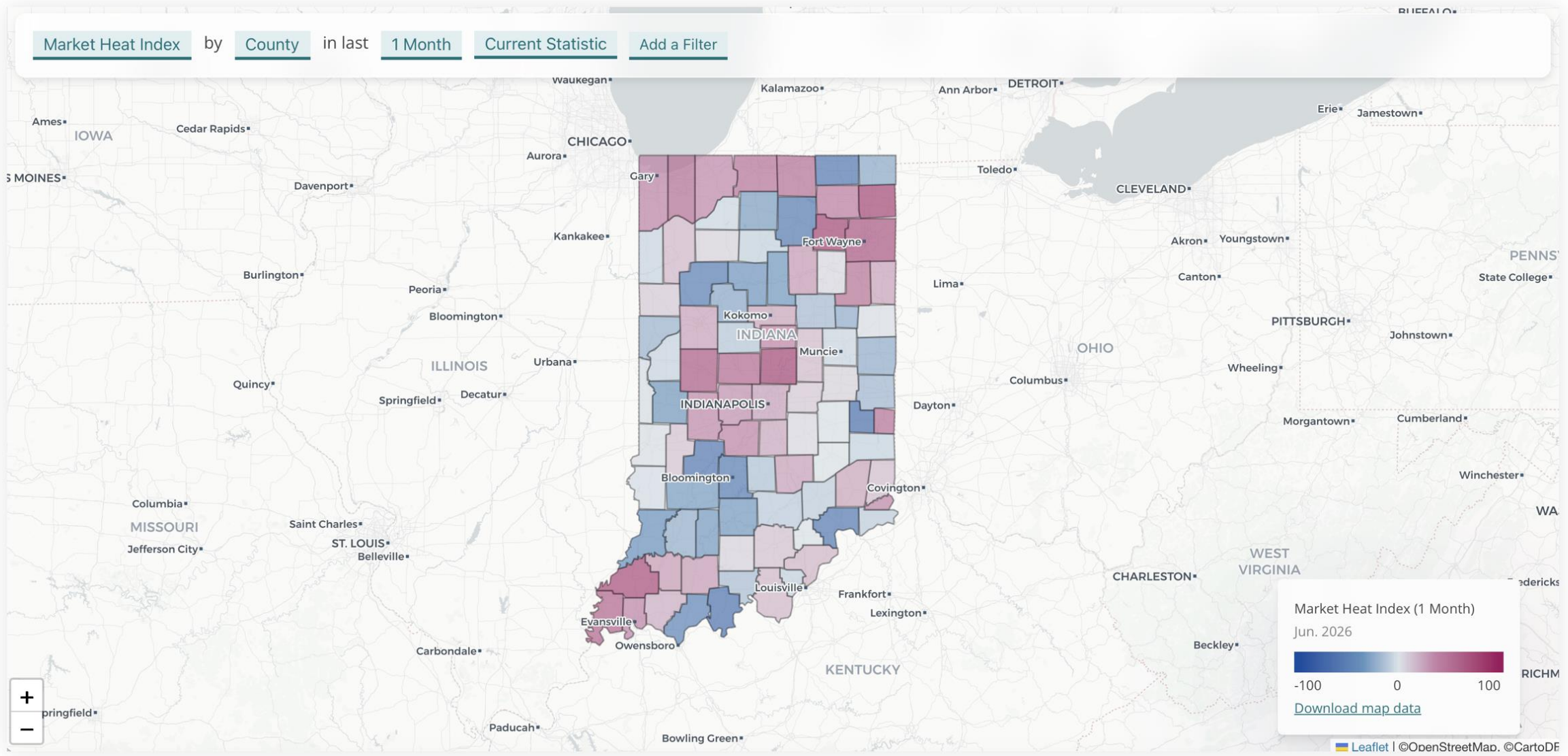
Homes that are priced well move quickly and often have minimal concessions in buyer negotiations. In the luxury market, however, a slower market is unavoidable: Nearly all \$1M+ sellers reduce price at some point, and those homes are on the market four weeks longer than in 2025.

Section 3

Market Heat Index

Our new index combines sale-to-list ratio, days on market, and the absorption rate of pendings compared to listings to analyze how hot markets are compared to the rest of the state.



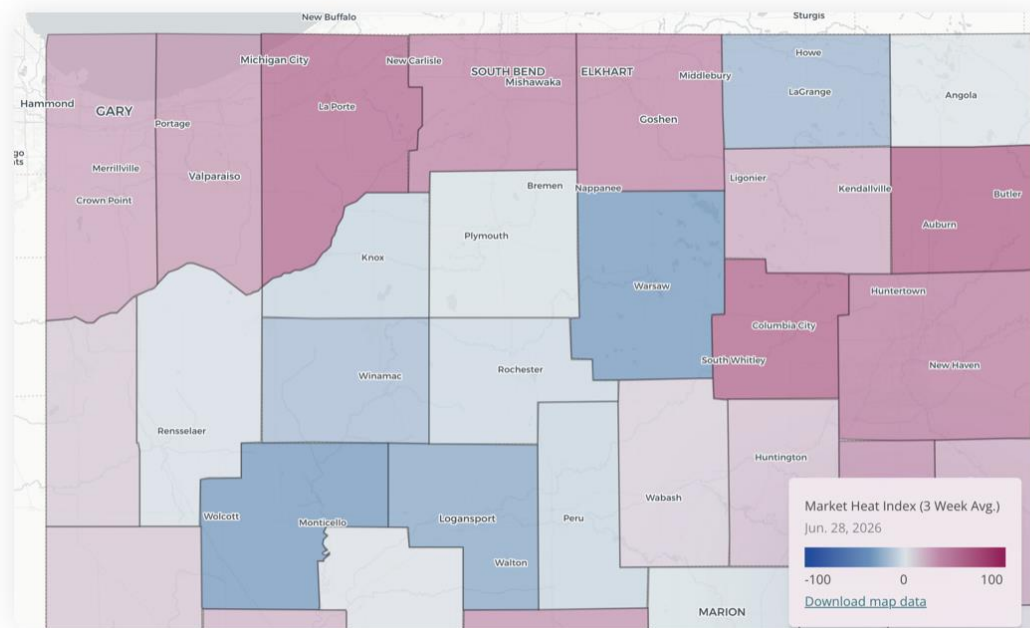


In June, the hottest markets (pink) are generally in Northern Indiana and the Fort Wayne, Indianapolis, and Evansville metro areas.

3. Market Heat Index

METRO AREA	NOW		1YR AGO	
Michigan City	60	↑	11	
Fort Wayne	49	↑	36	
South Bend	44	↑	36	
Elkhart	41	↓	44	
Evansville	35	↓	39	
Indianapolis	30	↑	28	
Kokomo	27	↑	-3	
Chicago	19	↓	20	
Terre Haute	16	↑	4	
Louisville	9	↓	27	
Columbus	5	↓	36	
Cincinnati	4	↓	7	
Muncie	-6	↓	8	
Lafayette–West Lafayette	-9	↓	31	
Bloomington	-62	↓	-40	

3. Market Heat Index

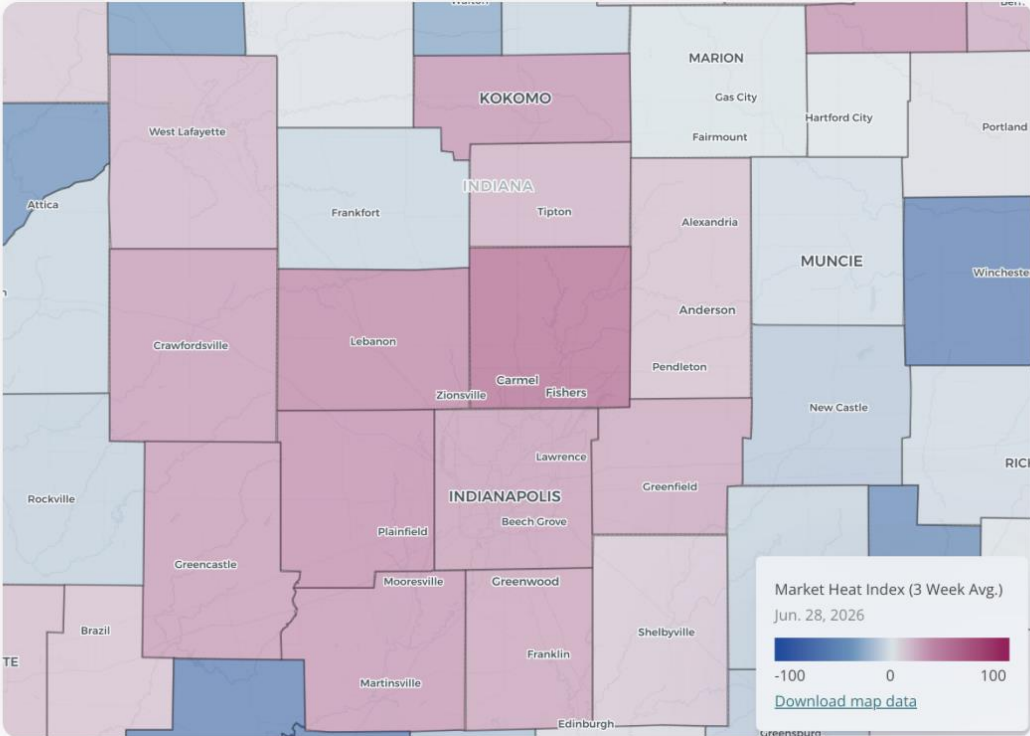


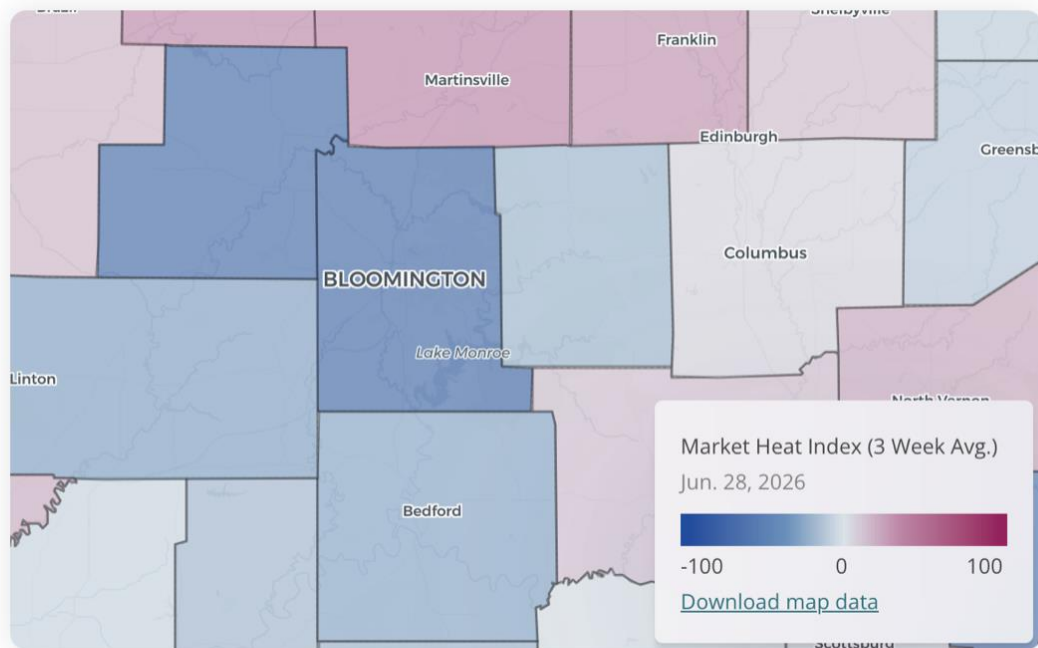
Northern Indiana leads the state

The hottest markets in the state are in Northern Indiana. Michigan City leads the index at 60, with 1.06 contracts signed for every new listing that came on in the past three weeks. With more demand than supply, buyers are paying over 98% of asking price. Fort Wayne sits at 49 overall, but Whitley County on the metro's edge absorbed at 1.56, meaning listings are disappearing faster than they arrive. South Bend and Elkhart round out the northern tier at 44 and 41.

Central Indiana

Indianapolis reads as a warm market at 35, but that number covers up a lot of variation between counties. Hamilton County is at 58 with an 85-contract-per-100-listings pace (fast but still building inventory). Sellers are accepting offers after 12 days, and buyers are paying 98.6% of asking. The outer counties tell a different story: Brown County is at -18 with 65-day DOM, though even there, absorption is running close to 1.0, which means inventory isn't piling up.





Bloomington

Bloomington is in a different situation than anywhere else on this list. Its absorption rate over the past three weeks was only 29 contracts for every 100 new listings. Inventory is accumulating, median DOM is nearly 58 days, and homes are selling at 94.7 cents on the dollar.