



July 8, 2026

Indiana Association of REALTORS® Mid-2026 Report Highlights for Home Buyers

Overview

- The first half of 2026 has set the pace for the best year of statewide home sales and new listings since 2022, fueled by healthy household formation and improved interest rates.
- The 30-year mortgage rate has averaged 6.25% on a weekly basis in 2026 (via the Freddie Mac Primary Mortgage Market Survey), more than 50 basis points below 2025.
- From January through June, **closed sales (38,971)** are 2.5% ahead of 2025 at a state median sale price of **\$275,000**, a 5% year-over-year increase.
- Home sellers have been even more enthusiastic than buyers: **54,106 new listings** have hit the market through June, **5% more than last year**.

Key Points for Buyers:

Lower mortgage rates ease the impact of rising prices:

- Lower borrowing rates are helping homebuyers' purchasing power keep up with price growth when it comes to bottom line affordability – the monthly mortgage payment.
- Even though Indiana's median sale price is up 5% over the first half of 2025 (from \$260,000 to \$275,000), the monthly mortgage payment on this median-priced home is up less than one percent (about \$20 a month assuming a 10% down payment).

Buyers have more options (and time to find the right home):

- In terms of overall inventory, **15,402** homes have been available for sale on an average day in 2026, **13% above 2025**; in June, inventory rose month-over-month and year-over-year at all price levels.
- With more options, buyers have more time to evaluate and negotiate: It's taken **20 days** for homes to go under contract this year, three days longer than the first half of 2025.

Sellers are still negotiating – especially on starter homes:

- Buyers are benefiting from more homes on the market, a less frenetic sales pace, and year-to-date price appreciation below the five-year state average (7.5% from 2021 through 2025).
- Sellers are accepting about 96% of their original list price, consistent with 2025, and a higher share of homes on the market have reduced prices since listing (35% versus 33% last year).
- Below \$150,000, sellers who choose to reduce their list price are cutting 10% on average, up from 9.2% in 2025; buyers are also negotiating an additional 2.7% off the original list price, up from 2.1% last year.



The Real Price Appreciation Payoff:

Changes in median sale price depend on the properties that happen to change hands in a given year; in 2026, for example, sales from \$250,000-\$750,000 are taking a larger share of the total.

IAR also tracks real price appreciation using hundreds of thousands of repeat sales over the past twenty years – aggregating the actual price changes into an annual appreciation rate.

Real price appreciation remains positive in 2026 – good news for sellers and buyers:

- Real price appreciation for all properties averages 5.6% in the second quarter of 2026: Homeowners continue to build equity as property values continue to rise.
- These are healthy returns: Real appreciation has been positive since 2013 but only crossed the 5% threshold in mid-2020.
- The majority of 2026 sellers have lived in their current homes less than seven years before listing: A hypothetical \$185,000 home purchase in 2020 has already gained nearly \$80,000 in equity at median appreciation rates.

Longer-term owners see higher rates of appreciation, along with lower-priced properties:

- A Hoosier who bought a median-priced home back in 2015 (\$132,000) has seen it double in value at average appreciation rates (6.4% for owners who sell after 11-15 years).
- Lower-priced properties also gain value at higher rates: a first-time buyer who found a \$150,000 starter house with a 10% down payment back in 2020 would have a median gain of nearly \$70,000 today to put towards their next home.

Positive appreciation is good for homeowners and sellers, and also prospective owners:

Buyers shouldn't make the largest investment of their lives in an 'asset' that's declining in value; homeownership in Indiana is still an investment that builds generational wealth and promotes upward mobility.