



Homes.com Report: 2025 Showed Continued National Home Price Appreciation But the First Year-Over-Year Improvement in Affordability Since 2020

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Nationwide median home price increased by 1.1%, but higher income growth and lower mortgage interest rates boosted affordability in 2025

ARLINGTON, Va.--(BUSINESS WIRE)--Jan. 21, 2026-- Homes.com, a CoStar Group leading online residential marketplace, released a new report today analyzing home price trends through December 2025, including details across major metros and house types.

This press release features multimedia. View the full release here: <https://www.businesswire.com/news/home/20260121689816/en/>



Price data collected to date showed continued moderate home price appreciation, with the nationwide median rising 1.1% from \$376,025 in December 2024 to \$380,000 in December 2025. Homebuyers have seen nationwide median sale prices between \$370,000 and \$395,000 for 22 straight months, with values typically reaching the higher end of that range during May-August and the lower end during December-

Year-Over-Year Change in Sale Price

March.

The subdued nationwide price appreciation rate, combined with higher incomes and lower mortgage interest rates, made homeownership more affordable during 2025—the first year-over-year improvement in affordability since 2020. In December 2024 buyers of a median-priced home could have expected to spend 2.0 weeks of earnings each month to pay for principal and interest (P&I) on their mortgage, based on mortgage interest rates averaging 6.85% and weekly earnings averaging \$1,220.

By the end of 2025, however, with average weekly earnings 3.75% higher (\$1,266) and mortgage interest rates lower (6.15%), the average buyer of a median-priced home would have needed just 1.8 weeks of earnings to make the P&I payment.

“Homebuyers are seeing an improvement in affordability at just the time when the inventory of homes available for purchase has been growing,” said Brad Case, Chief Residential Economist for Homes.com. “The number of homes available for purchase grew 17% during 2025, but the earnings needed to buy the median home declined by more than 9% over the same period, partly because mortgage rates went down but mostly because incomes grew. Both buyers and sellers are likely to benefit from the direction the market is taking.”

Cities in the Midwest region continued to experience the country’s highest home price appreciation, while Sun Belt cities saw prices languish or decline. Of the country’s 40 largest markets, the Midwest took five of the top eight places, with Saint Louis leading at 7.7% appreciation from December 2024 (\$259,900) to December 2025 (\$280,000). Pittsburgh, Cincinnati, Detroit, and Chicago also saw year-over-year appreciation topping 4.5%. Across the nearly 1,000 markets tracked by Homes.com, more than 70% showed year-over-year price growth in December. In contrast, a number of markets in Texas saw home prices decline, led by Dallas-Fort Worth at -4.9% and Austin at -3.8%.

The data shared in this report could change slightly as additional home sales are recorded. Brad Case, Chief Residential Economist, is available for interviews to provide insights on the data and the residential real estate market. For more information and insights on the latest home buying and selling market trends, visit [Homes.com](https://www.homes.com).

About Homes.com

Homes.com is the fastest-growing residential real estate marketplace and the second largest portal in the United States. Homes.com is a brand of CoStar Group (NASDAQ: CSGP), a global leader in commercial real estate information, analytics, and online marketplaces, which acquired the platform in 2021.

Homes.com is the first major U.S. real estate portal to focus first on helping homeowners and their agents leverage the marketing power of the internet to bring more potential buyers to their listings. Homes.com’s unparalleled content and search capabilities bring millions of buyers and sellers to the site where they can seamlessly connect with agents. On average, Homes.com’s Members are winning 60% more listings* because they offer the home sellers a real estate portal that works for them not against them.

The [Homes.com](https://www.homes.com) Network reached an audience of 115 million average monthly unique visitors in the third quarter ending September 30, 2025.** Consumer brand awareness skyrocketed from 4% to 33% in just one year since CoStar Group launched the industry’s largest marketing campaign to date in February 2024, reintroducing the platform to the market. For more information, visit [Homes.com](https://www.homes.com).

*Based on internal analyses comparing Members to non-Members on Homes.com.

** [Homes.com](https://www.homes.com) Network (which includes Homes.com, the Apartments Network, and the Land Network) average monthly unique visitors for the quarter ended September 30, 2025, according to Google Analytics.

About CoStar Group

CoStar Group (NASDAQ: CSGP) is a global leader in commercial real estate information, analytics, online marketplaces, and 3D digital twin technology. Founded in 1986, CoStar Group is dedicated to digitizing the world’s real estate, empowering all people to discover properties, insights, and connections that improve their businesses and lives.

CoStar Group’s major brands include CoStar, a leading global provider of commercial real estate data, analytics, and news; LoopNet, the most trafficked commercial real estate marketplace; Apartments.com, the leading platform for apartment rentals; Homes.com, the fastest-growing residential real estate marketplace; and Domain, one of Australia’s leading property marketplaces. CoStar Group’s industry-leading brands also include Matterport, a leading spatial data company whose platform turns buildings into data to make every space more valuable and accessible, STR, a global leader in hospitality data and benchmarking; Ten-X, an online platform for commercial real estate auctions and negotiated bids; and OnTheMarket, a leading residential property portal in the United Kingdom.

CoStar Group's websites attracted over 143 million average monthly unique visitors in the third quarter of 2025, serving clients around the world. Headquartered in Arlington, Virginia, CoStar Group is committed to transforming the real estate industry through innovative technology and comprehensive market intelligence. From time to time, we plan to utilize our corporate website as a channel of distribution for material company information. For more information, visit [CoStarGroup.com](https://www.costargroup.com).

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